

# Weekly Market Pulse

Week ending November 10, 2023



## Market developments

**Equities:** Stocks rebounded as Treasury volatility eased, with the S&P 500 crossing the crucial 4,400 technical mark and finished the week up 1.3% to a seven-week high. Tech giants, including Microsoft and Nvidia, led gains, propelling the Nasdaq over 2% higher for the week. Investors appear less reactive to data, with year-end optimism driven by expectations of declining U.S. bond yields, according to Bank of America. Cash remains a preferred asset, but inflows into equity indexes are anticipated, supported by earnings growth among quality companies.

**Fixed income:** Despite a weak government bond sale and Jerome Powell's remarks on potential tightening, two-year yields closed above 5%, while 30-year bond yields fell. The U.S. 10yr was relatively flat this week, only increasing 4bps; however, traders will be closely watching the economic data next week as key inflation data will be released on Tuesday and Wednesday.

**Commodities:** Oil futures ended higher on Friday but experienced a third consecutive weekly decline due to concerns about demand outlook and expectations of a supply surplus, overshadowing Middle East supply risks. Weak economic data from China and fears of a potential U.S. and global slowdown have become major concerns for traders. Despite geopolitical tensions, sentiment in the oil market shifted, leading to a marked correction.

## Performance (price return)

SECURITY	PRICE	WEEK	1 MONTH	3 MONTH	YTD
<b>Equities (\$Local)</b>					
S&P/TSX Composite	19,652.00	-0.87%	0.77%	-3.40%	1.38%
S&P 500	4,415.24	1.31%	1.31%	-1.20%	15.00%
NASDAQ	13,798.11	2.37%	1.73%	0.56%	31.83%
DAX	15,234.39	0.30%	-1.23%	-4.76%	9.41%
NIKKEI 225	32,568.11	1.93%	2.59%	0.29%	24.81%
Shanghai Composite	3,038.97	0.27%	-1.18%	-6.62%	-1.63%
<b>Fixed Income (Performance in %)</b>					
Canada 10-Year Yield	3.85	0.11	-0.15	0.26	0.55
US 10-Year Yield	4.62	0.05	-0.03	0.52	0.75
German 10-Year Yield	2.72	0.07	-0.06	0.19	0.15
US High Yield Spread	4.31	-0.04	-0.16	0.15	-0.49
<b>Commodities (\$USD)</b>					
Oil	77.26	-4.04%	-10.13%	-6.71%	-3.74%
Gold	1937.03	-2.79%	4.12%	1.28%	6.20%
Copper	359.45	-2.36%	-1.09%	-4.53%	-5.67%
<b>Currencies (\$USD)</b>					
DXY	105.79	0.74%	-0.03%	3.19%	2.19%
Loonie	1.3797	1.02%	1.58%	2.59%	1.79%
Euro	0.9358	0.42%	-0.75%	2.76%	0.18%
Yen	151.52	1.43%	1.89%	4.68%	15.56%

Source: Bloomberg, as of November 10, 2023

## Macro developments

### Canada – No Notable Releases

No notable releases this week.

### U.S. – No Notable Releases

No notable releases this week.

### International – U.K. Economy Grows a Touch Higher Than Expected, Eurozone PMI in Line with Expectations, Eurozone PPI Falls by Over 12%, Japan Composite PMI Revised Higher, China PPI Declines for the 13<sup>th</sup> Straight Month

The U.K.'s economy stagnated in Q3, showing a 0.1% fall in services offset by a 0.1% increase in construction. Business investment, household spending, and government consumption declined. GDP grew 0.6% compared to the same quarter last year. Bank of England projects a meager 0.1% rise in Q4 amid high inflation and interest rates.

The HCOB Eurozone Composite PMI for October dropped to 46.5, driven by a downturn in service providers and fragile demand conditions. New business intakes declined significantly, ending a 32-month period of job creation. Goods and services saw the slowest price increases since February 2021, with input cost inflation cooling.

Industrial producer prices in the Eurozone fell by a record 12.4% YoY in September, driven by energy and intermediate goods. Retail sales declined by 0.3% in September, marking the third consecutive month of decrease. Non-food products and online trade recorded significant drops, reflecting challenges in consumer demand due to high inflation and borrowing costs.

The au Jibun Bank Japan Composite PMI for October was revised to 50.5, indicating the tenth straight month of private sector expansion, albeit at the weakest pace. Manufacturing output declined, but services activity rose. Input costs moderated, and output charges increased solidly. Despite easing for the sixth consecutive month, sentiment remained upbeat.

China's producer prices declined by 2.6% YoY in October, marking the 13th consecutive month of deflation. Costs for means of production declined, especially in materials and mining, while consumer goods prices fell, influenced by food and durable goods. On a monthly basis, producer prices remained flat in October after two months of increase.

## Quick look ahead

Date	Country / Region	Event	Survey	Prior
12-Nov-23	Japan	PPI YoY	Oct 0.90%	2.00%
12-Nov-23	Japan	PPI MoM	Oct 0.00%	-0.30%
14-Nov-23	Eurozone	GDP SA QoQ	3Q P -0.10%	-0.10%
14-Nov-23	Eurozone	GDP SA YoY	3Q P 0.10%	0.10%
14-Nov-23	United States	CPI MoM	Oct 0.10%	0.40%
14-Nov-23	United States	CPI Ex Food and Energy MoM	Oct 0.30%	0.30%
14-Nov-23	United States	CPI YoY	Oct 3.30%	3.70%
14-Nov-23	United States	CPI Ex Food and Energy YoY	Oct 4.10%	4.10%
14-Nov-23	Japan	GDP SA QoQ	3Q P -0.10%	1.20%

14-Nov-23	Japan	GDP Nominal SA QoQ	3Q P	0.50%	2.70%
14-Nov-23	China	Retail Sales YoY	Oct	7.00%	5.50%
14-Nov-23	China	Retail Sales YTD YoY	Oct	6.90%	6.80%
15-Nov-23	United Kingdom	CPI YoY	Oct	4.70%	6.70%
15-Nov-23	United Kingdom	CPI Core YoY	Oct	5.70%	6.10%
15-Nov-23	United Kingdom	PPI Output NSA YoY	Oct	-1.00%	-0.10%
15-Nov-23	United Kingdom	PPI Input NSA YoY	Oct	-3.30%	-2.60%
15-Nov-23	United States	Retail Sales Advance MoM	Oct	-0.30%	0.70%
15-Nov-23	United States	Retail Sales Ex Auto MoM	Oct	-0.20%	0.60%
15-Nov-23	United States	Retail Sales Ex Auto and Gas	Oct	0.20%	0.60%
15-Nov-23	United States	PPI Final Demand MoM	Oct	0.10%	0.50%
15-Nov-23	United States	PPI Ex Food and Energy MoM	Oct	0.30%	0.30%
15-Nov-23	United States	PPI Ex Food, Energy, Trade MoM	Oct	--	0.20%
15-Nov-23	United States	PPI Final Demand YoY	Oct	2.00%	2.20%
17-Nov-23	United Kingdom	Retail Sales Inc Auto Fuel YoY	Oct	-1.50%	-1.00%
17-Nov-23	United Kingdom	Retail Sales Ex Auto Fuel MoM	Oct	0.50%	-1.00%
17-Nov-23	Eurozone	CPI YoY	Oct F	2.90%	4.30%
17-Nov-23	Eurozone	CPI MoM	Oct F	0.10%	0.10%
17-Nov-23	Eurozone	CPI Core YoY	Oct F	4.20%	4.20%

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