

# Weekly Market Pulse



Week ending March 28, 2024

## Market developments

**Equities:** The S&P 500 Index saw modest weekly gains, propelling equities to their most impressive first-quarter performance since 2019, bolstered by the latest U.S. GDP figures. These numbers fueled speculation that the Federal Reserve might achieve a soft economic landing, contributing to a market environment that led to a 13% quarterly surge in the S&P500 (CAD), notably outshining the tech-heavy Nasdaq.

**Fixed Income:** The fixed income arena remained dynamic, with minor fluctuations reflecting the market's response to evolving economic indicators and central bank signals. Although the different Bond indexes experienced a slight increase, the bond market's reaction to the Federal Reserve's messages and the broader economic data was measured. This cautious approach in the bond market underscores the intricate balance between seeking yield and navigating the uncertainties tied to monetary policy and economic growth trajectories.

**Commodities:** In a volatile week, crude oil prices overcame initial setbacks from rising U.S. inventories, closing with a 2.95% gain. The increase in stockpiles momentarily dampened the tight supply outlook, but geopolitical tensions and OPEC+'s production cuts provided upward momentum.

## Performance (price return)

SECURITY	PRICE	WEEK	1 MONTH	3 MONTH	YTD
<b>Equities (\$Local)</b>					
S&P/TSX Composite	22,167.03	0.83%	4.35%	5.91%	5.77%
S&P 500	5,254.35	0.39%	3.64%	9.85%	10.16%
NASDAQ	16,379.46	-0.30%	2.71%	8.51%	9.11%
DAX	18,492.49	1.57%	5.06%	10.72%	10.39%
NIKKEI 225	40,168.07	-1.76%	2.45%	19.76%	20.03%
Shanghai Composite	3,010.66	-1.23%	1.79%	1.89%	1.20%
<b>Fixed Income (Performance in %)</b>					
Canada Aggregate Bond	223.11	0.15%	0.79%	-1.21%	-1.38%
US Aggregate Bond	2145.31	0.23%	1.07%	-0.78%	-0.77%
Europe Aggregate Bond	236.79	0.16%	1.40%	-0.82%	-0.30%
US High Yield Bond	25.14	0.01%	1.17%	1.40%	1.38%
<b>Commodities (\$USD)</b>					
Oil	83.01	2.95%	5.69%	15.66%	15.85%
Gold	2221.51	2.59%	9.19%	7.55%	7.68%
Copper	400.75	0.29%	4.70%	2.11%	3.01%
<b>Currencies (\$USD)</b>					
US Dollar Index	104.56	0.12%	0.56%	3.29%	3.18%
Loonie	1.355	-0.40%	-0.20%	2.43%	2.32%
Euro	0.9271	0.21%	0.48%	2.54%	2.34%
Yen	151.39	-0.01%	0.46%	7.06%	7.34%

Source: Bloomberg, as of March 28, 2024

## Macro developments

### Canada – Economy Grows 0.6% in January

Canada experienced better-than-expected GDP growth of 0.6% in early 2024, driven by the resolution of public sector strikes in Quebec and broad-based gains across various sectors. This robust economic performance surpassed the Bank of Canada's projections, leading to speculation about the timing and necessity of future interest rate adjustments.

### U.S. – Durable Goods Orders Rebound Signaling Investment Recovery

In February 2024, durable goods orders rebounded by 1.4%, driven by a significant increase in aircraft and motor vehicle orders, indicating a recovery in business equipment investment. The improvement reflects the positive effects of decreasing corporate borrowing costs and a more favorable investment environment. With core orders also rising and continued strength in IT equipment investment, signs point to a sustained recovery in the business investment sector.

### International – UK Enters Technical Recession

The UK economy entered a technical recession in the latter half of 2023, as confirmed by the Office for National Statistics, with GDP falling 0.3% in the final quarter after a 0.1% decline previously. However, there are signs of economic resilience: January saw a 0.2% month-on-month GDP growth, and improvements in retail sales, business sentiment, and mortgage approvals indicate potential recovery.

## Quick look ahead

DATE	COUNTRY / REGION	EVENT	SURVEY	PRIOR	
30-Mar-24	China	Manufacturing PMI	Mar	50.1	49.1
30-Mar-24	China	Non-manufacturing PMI	Mar	51.4	51.4
31-Mar-24	Japan	Jibun Bank Japan PMI Mfg	Mar F		48.2
01-Apr-24	Canada	S&P Global Canada Manufacturing PMI	Mar		49.7
01-Apr-24	United States	ISM Manufacturing	Mar	48.4	47.8
02-Apr-24	Japan	Jibun Bank Japan PMI Services	Mar F		54.9
03-Apr-24	Eurozone Aggregate	CPI Estimate YoY	Mar	2.52	2.6
03-Apr-24	Eurozone Aggregate	CPI Core YoY	Mar P	3	3.1
03-Apr-24	Eurozone Aggregate	Unemployment Rate	Feb	6.4	6.4
03-Apr-24	United States	ISM Services Index	Mar	52.75	52.6
05-Apr-24	United States	Change in Nonfarm Payrolls	Mar	213	275
05-Apr-24	United States	Unemployment Rate	Mar	3.9	3.9
05-Apr-24	Canada	Net Change in Employment	Mar	34.25	40.7
05-Apr-24	Canada	Unemployment Rate	Mar	5.85	5.8

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