

Last Week at a Glance

North American Markets	Last	Change	% Change
S&P/TSX Composite	20636.50	-56.70	-0.27%
Dow Jones	34,098.16	289.20	0.86%
S&P500	4,169.48	35.96	0.87%
NASDAQ	12,226.58	154.12	1.28%
Russell 2000	1,768.99	-22.52	-1.26%

Overseas Markets	Last	Change	% Change
FTSE 100	7,870.57	-43.56	-0.55%
DAX GERMANY	15,922.38	40.72	0.26%
NIKKEI 225 INDEX	28,856.44	292.07	1.02%
HANG SENG INDEX	19,894.57	-181.16	-0.90%

Commodities / FX	Last	% Change
Crude Oil WTI	\$76.78	-1.40%
Natural Gas	\$2.48	11.24%
Gold	\$1,984.40	-0.31%
CAD / USD	\$0.738	0.27%
CAD / EUR	€0.669	0.60%

Government Bonds	2YR	10YR
CANADA (YLD%)	3.73%	2.95%
U.S. (YLD%)	4.07%	3.45%

Week in Review:

- At the midway point of earnings season, the proportion of S&P 500 companies that have beaten analyst earnings expectations is slightly higher than usual. Of reporting companies, 79% have exceeded net income expectations, topping the five-year average.
- Stocks were mostly flat throughout April, as volatility measured by the CBOE Volatility Index (VIX) continues to remain low as inflation moderates.

Week Ahead:

- A number of metrics on the Canadian labour market are set to be released including the unemployment rate, employment change, and participation rate.
- The U.S. Federal Reserve is scheduled to announce its next move on interest rates on Wednesday, with most observers expecting the Fed to lift its key benchmark by a quarter of a percentage point to a range of 5.00% to 5.25%.

Our Perspective:

1. Inflation continues to moderate globally, with Germany, Singapore, and Australia all reporting moderating CPI over the past week. The recent drop has been driven primarily by transportation costs, which are now broadly in line with pre-covid levels. Although we are expecting the rate of inflation moderation to slow, the trend remains optimistic, as consumer sentiment remains strong and intact.

2. Markets are continuing to price in expectations for the U.S. Federal Reserve policy decision next month. Economists see the most likely outcome as a quarter-point increase, followed by an extended pause. As markets gain clarity on Fed policy, volatility is likely to subside. This should be broadly favorable for both equities and income investments.

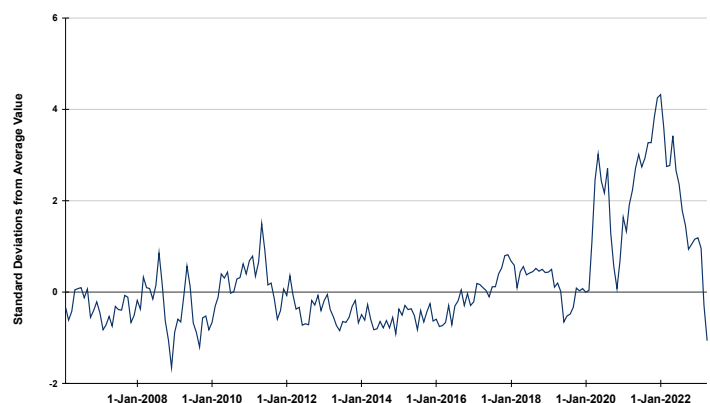
3. We are beginning to see lower average levels of volatility than we have been experiencing over the past several quarters. Sector leadership will continue to be dynamic, and active strategies will continue to be important differentiators as monetary tightening policies conclude.

Chart of the Week:

Supply Chain Pressures Return to Pre-Covid Levels

- Supply chain pressure as measured by the New York Fed's Monthly Global Supply Chain Pressure Index is demonstrating that supply-side issues have mostly subsided and returned to pre-covid levels. This momentum should continue to contribute to moderating inflation.

The New York Fed's Monthly Global Supply Chain Pressure Index, 2006-Present



Source: Federal Reserve Bank of New York, Optimize.