

## Last Week at a Glance

North American Markets	Last	Change	% Change
S&P/TSX Composite	19920.30	-430.80	-2.12%
Dow Jones	33,093.34	-333.29	-1.00%
S&P500	4,205.45	13.47	0.32%
NASDAQ	12,975.69	317.79	2.51%
Russell 2000	1,773.02	-0.70	-0.04%

Overseas Markets	Last	Change	% Change
FTSE 100	7,627.20	-129.67	-1.67%
DAX GERMANY	15,983.97	-291.41	-1.79%
NIKKEI 225 INDEX	30,916.31	107.96	0.35%
HANG SENG INDEX	18,746.92	-703.65	-3.62%

Commodities / FX	Last	% Change
Crude Oil WTI	\$72.67	1.57%
Natural Gas	\$2.42	-10.71%
Gold	\$1,944.30	-1.88%
CAD / USD	\$0.733	-1.07%
CAD / EUR	€0.683	-0.61%

Government Bonds	2YR	10YR
CANADA (YLD%)	4.23%	3.30%
U.S. (YLD%)	4.56%	3.80%

### Week in Review:

- Despite draw-out discussions last weekend, an “agreement in principle” has been reached to raise the U.S. debt ceiling.
- Information on the Canadian Producers Price Index (PPI) was released on Tuesday. PPI continued to cool at -3.5% driven by lower energy prices, softwood lumber, and chemical products. As PPI leads CPI, this data provides positive momentum for further reductions in headline inflation.

### Week Ahead:

- U.S. Data to be released this week includes 4-week jobless claims, as well as a host of payroll information including non-farm and manufacturing payroll data. Investors will be monitoring closely for potential signals around the effectiveness of the Federal Reserve’s current monetary tightening policy.
- Canadian figures on GDP growth rates are set to be released on Wednesday. Analysts are expecting a near flat annualized figure. These figures may provide context for future monetary policy decisions from the BoC.

### Our Perspective:

#### 1. Debt ceiling discussions are coming to an end:

An “agreement in principle” has been reached to raise the U.S. debt ceiling. Important to note that while debt-ceiling discussions typically create great headline news, it’s important to remember that political roadblocks tend not to be long-term drivers of market performance as the markets look to more tangible trends such as economic and earnings fundamentals rather than the political landscape.

**2. Short-term Canadian government bond yields have moved higher:** Another notable event this past week occurred by way of bond yields moving higher as a further rate hike is seeming more likely, given the strength of recently released employment numbers indicating a healthy economic backdrop which Central Bankers use as key barometers in setting interest rate policies.

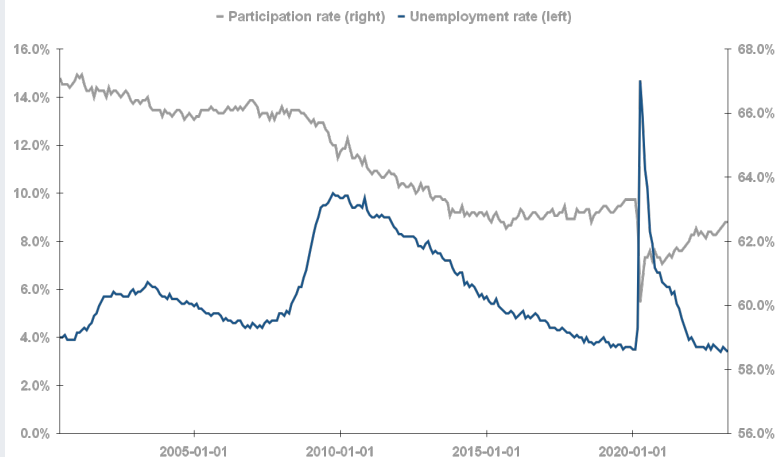
**3. The U.S. Labour market remained strong:** The U.S. added another 253,000 workers in April while Canada added 41,000. Unemployment rates remain at multi-decade lows. Additionally, the labour force participation rate has been steadily climbing, keeping the labour market competitive while providing broad support for the economy.

### Chart of the Week:

#### Unemployment Rate Remains at Multi-decade Lows.

- Unemployment rates remain at cycle (and multi-decade) lows. Additionally, the labour force participation rate has been steadily climbing, keeping the labour market competitive.

#### Week Ahead



Source: Source: Optimize, Refinitiv.