

Last Week at a Glance

North American Markets	Last	Change	% Change
S&P/TSX Composite	19835.75	17.35	0.09%
Dow Jones	34,346.90	-153.76	-0.45%
S&P500	4,405.71	36.00	0.82%
NASDAQ	13,590.65	299.87	2.26%
Russell 2000	1,853.63	-5.79	-0.31%

Overseas Markets	Last	Change	% Change
FTSE 100	7,338.58	76.15	1.05%
DAX GERMANY	15,631.82	57.56	0.37%
NIKKEI 225 INDEX	31,624.28	-173.52	0.55%
HANG SENG INDEX	17,956.38	5.53	0.03%

Commodities / FX	Last	% Change
Crude Oil WTI	\$79.83	-1.75%
Natural Gas	\$2.54	-0.43%
Gold	\$1,939.90	1.22%
CAD / USD	\$0.735	-0.43%
CAD / EUR	€0.68	0.31%

Government Bonds	2YR	10YR
CANADA (YLD%)	4.78%	3.70%
U.S. (YLD%)	5.08%	4.23%

Week in Review:

- Powell Affirms Fed's Commitment to Inflation Target:** Fed Chair Jerome Powell delivered the opening remarks at the Jackson Hole Economic Policy Symposium. Powell reiterated its commitment to its 2% inflation target and that some progress had been made on the inflation front, but that inflation was still "too high". He noted that the Fed would proceed carefully in either tightening the policy rate further or holding it constant as it watches the data.
- U.S. Existing Home Sales Decline in July:** Existing home sales in the U.S. continued to head lower in July, with mortgage rates around 40 basis points higher than in the two months prior. The elevated rate environment also poses a hurdle on the supply side, as existing homeowners with much lower mortgage rates are reluctant to move and take on a higher rate. This theme is evident in inventories, which were 42% lower than pre-pandemic July levels (July 2019).
- June Retail Sales Show Modest Growth:** June retail sales data came in marginally higher by 0.1% month-on-month, beating Statistics Canada's advance estimate. Core sales (which strip out autos and gas stations), dropped by nearly 1% month-over-month, and volumes were slightly lower. This cooler consumer momentum contributed to traders paring back their expectations for Bank of Canada interest rate hikes at the next BoC meeting next week.

Week Ahead:

- In Canada, the release of Q2 GDP will attract a lot of attention. Monthly reports published to date hint at a slowdown in consumption, particularly in the goods sector, where spending appears to have contracted during the quarter. A healthy gain in the services sector should still result in a small positive contribution to growth from household spending.
- In the U.S., the main event will be the publication of August's non-farm payrolls. Hiring could have slowed in the month if previously released soft indicators such as S&P Global's Composite PMI are any guide. This employment data will provide feedback on the state and health of the U.S. labour market, which the Fed will be monitoring as it assesses its interest rate policy going forward.
- We will get a string of earnings from the big Canadian Banks including BMO, Scotia Bank, CIBC, and National Bank.