

STATISTICS on 2020-02-29

CANADA

Unemploy. rate (December)	5.5 %	↓
C.P.I. (December)	2.4 %	↑
3 months treasury bills	1.47 %	↓
Bonds 5 years	1.08 %	↓
Bonds 10 years	1.13 %	↓
S&P/TSX	16263	↓

UNITED STATES

Unemploy. rate (December)	3.6 %	↑
C.P.I. (December)	2.5 %	↑
3 mths treasury bills	1.27 %	↓
Bonds 5 years	0.94 %	↓
Bonds 10 years	1.15 %	↓
Dow Jones - Industrial	25409	↓
S&P 500	2954	↓

CURRENCY

\$ É.-U. / \$ CAN	0.75	↑
\$ É.-U. / € Euro	1.10	↑
¥ Yen / \$ É.-U.	108.89	↑

The arrow indicates the trend since the publication of the last monthly data or end of the month.

February started on a good note for the markets. Some economic indicators pointed to a surge in activity in January in the United States and Europe. However, it was uncertain whether this monthly rally was just a bump or a turnaround point. As expectations of monetary easing were high, it was enough for the stock markets to inflate and reach record highs in mid-February. The picture soon changed. One month ago, we reported that the situation had changed drastically with the spread of the Coronavirus and the announcement by the Chinese authorities of a series of measures to slow the pace of production in China. Time has taken its toll and both the virus and containment measures have spread globally. Stock markets, which had been inflated for several months by liquidity and low interest rates, while corporate profits stagnated, finally found a reason to react, and the response was severe.

The U.S. S&P/500 Index has fallen 13.9% since it closed at a record high

on February 19 and the Canadian S&P/TSX Index has decreased 9.9% since its peak. Over the month as a whole, the Canadian performance was 5.9%, and the U.S. index was -6.9% in Canadian dollar terms. The Canadian dollar fell 3.2% against the greenback since the beginning of 2020.

It is now clear that global growth will be hampered in the first quarter, given that the last three months of 2019 already showed evidence of recession beyond the United States and that corporate profitability was not improving. Asia remains particularly hard hit. Germany's economy is struggling to hold its own. Canada is now facing a rail blockade at a time when there were signs of a very significant slowdown. In this environment, it is very difficult to forecast how economic conditions will evolve. However, we already knew there was a troubling situation outside of the United States and that interest rates were not likely to increase very significantly. In light of recent events,

Market Indices in Canadian Dollars as of February 29, 2020

	Year to Date	3 months	1 year	3 years ¹	5 years ¹
FTSE/TMX - 91 Day Tbill	0.16 %	0.45 %	1.69 %	1.27 %	0.97 %
Bonds					
FTSE Canada Universe Bond Index	0.71 %	2.40 %	9.10 %	4.52 %	3.01 %
FTSE Canada Short Term Overall Bond Index	0.65 %	1.55 %	3.93 %	2.08 %	1.69 %
Eterna Adapted Private Wealth Index ²	0.73 %	1.99 %	5.55 %	2.73 %	2.15 %
FTSE Canada Mid Term Overall Bond Index	0.84 %	2.64 %	7.98 %	3.69 %	2.83 %
FTSE Canada Long Term Overall Bond Index	0.69 %	3.29 %	16.72 %	8.32 %	4.81 %
North American Stock Indices					
Canada - S&P/TSX	-5.90 %	-3.83 %	4.89 %	4.98 %	4.42 %
USA - Standard & Poor's 500	-6.86 %	-4.43 %	10.43 %	10.29 %	10.80 %
USA - Dow Jones	-8.40 %	-7.86 %	2.52 %	9.84 %	11.20 %
International Stock Market Indices					
United Kingdom - FTSE-100	-10.68 %	-9.79 %	-4.43 %	2.26 %	0.67 %
France - CAC-40	-7.87 %	-9.19 %	-0.04 %	4.66 %	2.50 %
Germany - DAX	-7.73 %	-9.28 %	1.86 %	1.77 %	1.93 %
Japan - Nikkei-225	-7.30 %	-7.16 %	3.87 %	5.00 %	5.98 %
Hong Kong - Hang Seng	0.42 %	0.74 %	-6.19 %	3.51 %	2.38 %
Australia - S&P/ASX 200	-9.71 %	-8.70 %	-2.57 %	-1.21 %	-0.61 %
Currencies					
\$ CAN versus \$ U.S.	-1.15 %	-0.84 %	-1.61 %	-0.23 %	-1.36 %

Source : Bloomberg

¹ Annual compounded total return.
² The Eterna Adapted Private Wealth Index is made up of 60% of FTSE Canada Short Term Overall Bond Index and of 40% of FTSE Canada Mid Term Overall Bond Index.

there are persistent calls for rate cuts from central banks and bond rates fell in February.

As a result, the five-year Canadian federal bond rates closed the month at 1.07%. The longer-term rates hit historic lows in late February, with the 30-year Canadian federal bonds reaching 1.33%. The Canadian bond index returned 0.7% in February, the same as the 1–5 year maturity index. Since

the start of the year, 30-year Canadian federal bonds have generated a return of 9.9%.

Finally, may we wish everyone good health.

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