

**MONTHLY NEWSLETTER – OCTOBER 31, 2021**

North American stock market indices reached new highs in October. The Canadian S&P TSX Index posted 5.0%, for a year-to-date advance of 23.4%. The Canadian market was boosted by increasing materials and oil prices, but the industrial, real estate and financial sectors were also strong performers. The big winners this month: industrial and energy sectors, up 8.8% and 8.6%, as the integrated oil companies and producers saw oil prices climb nearly 75% since the beginning of the year. The industrial sector also noted gains in equipment maker Finning International, up 17.2%, with Canadian Pacific Railway and Canadian National Railway up 15.8% and 12.1% respectively. The month's weakest performers were health and consumer sectors, while cannabis-related stocks and Alimentation Couche-Tard lost ground.

The month was also dominated by the Rogers Communications family melodrama, involving control of the board of directors, which saw the stock fall by -2.7%. The sector performance of the U.S. S&P 500 Index was similar, except that consumer-related stocks fared equally well. Overall, the S&P 500 gained 7.0% in October; considering the rise in the Canadian dollar, this translates into a 4.7% return for Canadian investors.

The Canadian currency is buoyed by increasing commodity prices and a widening interest rate differential with U.S.

Canadian interest rates are effectively higher at the shorter end of the maturity spectrum, as reflected in October's two-year rate increase from 0.50% to 1.10%. Five-year rates also climbed to 1.50%. Market participants observe that Canadian employment has returned to pre-pandemic levels, and the Bank of Canada opted to

end its securities purchase program, triggering expectations of an increase in administered rates ahead of schedule. Many consider these expectations to be premature, which is why longer-term bonds are attracting investors; 30-year rates ended October at nearly the same level as at end of September, causing the yield curve to flatten. This is a widespread, worldwide trend. Ultimately, the FTSE Canada Universe Bond Index performed -1.0% in October.

Economic statistics point to a recent slowdown in growth worldwide, particularly in Europe and Asia, with renewed focus on widespread inflation of consumer prices and wages. This will present a monetary policy dilemma for central banks in the year ahead.

**Michel Pelletier**, Vice-President and Senior Fixed Income Manager

**Bobby Bureau**, Fixed Income Analyst and Manager

**STATISTICS ON OCTOBER 31, 2021**

CANADA		UNITED STATES		CURRENCIES	
Unemploy. rate (Sept.)	6,9 % ↓	Unemploy. rate (Sept.)	4,8 % ↓	\$ USA / \$ CAN	0,81 ↑
C.P.I. (Sept.)	4,4 % ↑	C.P.I. (Sept.)	5,4% —	\$ É.-U. / € Euro	1,16 ↑
3 months treasury bills	0,16 % ↑	3 months treasury bills	0,048 % ↓	¥ Yen / \$ USA	113,95 ↓
Bonds 5 years	1,51 % ↑	Bonds 5 years	1,18% ↑		
Bonds 10 years	1,72 % ↑	Bonds 10 years	1,55% ↑		
S&P/TSX	21 037 ↑	Dow Jones - Industrial	35 820 ↑		
		S&P 500	4 605 ↑		

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

## ETERNA | SOCIAL MEDIA INVITATION

We are delighted to announce that Eterna Financial Group is now active on Facebook and LinkedIn. This move is a natural step for the Group, reflecting our adaptability over the years. It's an opportunity to consolidate our reputation as an institution with a rich heritage and a distinctly modern vision.

You'll be able to catch up with the latest news on the company, the market and our services, and our global vision for the future. You can now find our first publication online! Please feel free to follow both pages, interact with the content and share with your network.

This is just the beginning! Stay tuned for more!



@eternagroupefinancier



Eterna Groupe Financier

### MARKET INDICES IN CANADIAN DOLLARS AS OF OCTOBER 31, 2021

	YTD	3 months	6 months	1 year	3 years*	5 years*
FTSE Canada 91 Day TBill Index	0.13 %	0.06 %	0.10 %	0.15 %	0.99 %	0.93 %
<b>BONDS</b>						
FTSE Canada Universe Bond Index	-4.96 %	-2.56 %	0.02 %	-3.64 %	4.17 %	2.26 %
FTSE Canada Short Term Overall Bond Index	-1.52 %	-1.37 %	-1.12 %	-1.06 %	2.75 %	1.64 %
Indice adapté gestion privée Eterna <sup>1</sup>	-2.79 %	-2.07 %	-0.95 %	-2.09 %	3.45 %	1.86 %
FTSE Canada Mid Term Overall Bond Index	-4.69 %	-3.12 %	-0.71 %	-3.64 %	4.48 %	2.18 %
FTSE Canada Long Term Overall Bond Index	-9.30 %	-3.57 %	2.06 %	-6.81 %	5.76 %	3.05 %
<b>NORTH AMERICA STOCK MARKETS \$ CAN</b>						
Canada - S&P/TSX	23.38 %	4.36 %	11.52 %	38.77 %	15.36 %	10.58 %
États-Unis - Standard & Poor's 500	20.43 %	4.47 %	11.89 %	32.81 %	19.08 %	17.08 %
États-Unis - Dow Jones	15.31 %	2.35 %	7.65 %	27.99 %	12.83 %	15.39 %
<b>INTERNATIONAL STOCK MARKETS \$ CAN</b>						
Royaume-Uni - FTSE-100	12.39 %	1.80 %	5.49 %	32.07 %	4.78 %	5.52 %
France - CAC-40	12.75 %	-0.13 %	5.45 %	36.89 %	8.84 %	8.07 %
Allemagne - DAX	4.26 %	-2.42 %	0.33 %	25.00 %	9.63 %	7.44 %
Japon - Nikkei-225	-7.49 %	1.26 %	-3.08 %	7.20 %	7.16 %	7.13 %
Hong Kong - Hang Seng	-9.82 %	-2.95 %	-11.01 %	-2.49 %	-1.19 %	0.40 %
Australie - S&P/ASX 200	5.38 %	0.68 %	2.44 %	22.87 %	7.92 %	4.69 %
<b>CURRENCY</b>						
USD versus CAD	-2.65 %	-0.70 %	0.82 %	-7.00 %	-1.99 %	-1.57 %

\* Annual compounded total return.

<sup>1</sup> 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.ada.

Source : Bloomberg

# INVESTMENTS

"Adapted investments to your personal situation "

**ETERNA  
FINANCIAL GROUP**