

**DHG**

DEKKER HEWETT GROUP

Market Watch Weekly

Issue 38**Friday, October 6th, 2017**

As we entered into the fourth quarter of the year, equity indexes in North America had a particular strong week. After spending most of the summer being flat, the TSX over the past five weeks has in fact found itself up just over 3.0% year to date, with strong contributions from the Energy and Financial sectors based on improving macro data.

The real fireworks on the equity side, however, came south of the border with almost daily tri-fecta record high closes for the DOW, S&P500 and NASDAQ. By Thursday's close, the S&P500 had recorded its sixth straight all-time closing high, the longest streak of record closes since 1997. The positive tone for the week started with the American ISM Manufacturing Index, which monitors employment, production, inventories, new orders and supplier deliveries, coming in well above expectations at 60.8%, running at close to historically peak levels.

The remaining key economic statistics for the week were released Friday morning with dual Canadian and US employment reports. Domestically, the Canadian economy added 10,000 jobs in September, mostly in full time positions, with the jobless rate remaining unchanged at 6.2%. With a median estimate of 12k added jobs, this lukewarm release signalled a moderation in growth. Although economic growth in Canada is expected to be the strongest among G7 countries, this moderation in job creation (down from 22k last month) lessens the possibility of a third Bank of Canada rate hike later this month, pushing back any further tightening until year end.

Expectations for the US release were all over the map given the immediate effects of Hurricanes Harvey and Irma. With an abnormally wide range between -45k and +153k added jobs, the whisper estimate inched higher going into the Friday morning release. The actual print, however, had the US economy losing 33,000 jobs for September across a number of retailers and the hospitality industry. Nevertheless, the Unemployment Rate fell slightly to 4.2%, and there were signs of underlying strength in both hourly wages and inflation.

Combing through the release, market participants in fact increased the probability of another Federal Reserve rate hike, most likely in December, allowing the US Dollar to post its fourth consecutive week of strong gains.

Profit taking in North American equities dominated the Friday session, with a pullback in Europe providing a cautionary note. The Catalan independence crisis continued in Spain through the week, and the regional authorities said they would defy Madrid and hold its planned parliament meetings scheduled for this coming Monday. We will be closely watching for any decline in European equities for our clients, as along with our Portfolio Strategist, Martin Roberge, we feel that there continues to be a compelling argument for owning European equities.

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We would like to close this weekly with our last notice for our upcoming event with Tony Dwyer that will undoubtedly be an evening well spent on October 12th. We would encourage all of our clients and readers to attend. Tony Dwyer, Canaccord Genuity's Chief Market Strategist, often featured on CNBC, Fox Business and Bloomberg, will be sharing his thoughts on the current state of the markets, the impact of the US administration on equity markets, and what to expect moving forward. Please RSVP via the link below should you to attend.

**Canaccord Genuity Wealth Management Presents
Tony Dwyer, Chief Market Strategist | Evidence over Emotion**

Date: Thursday, October 12, 2017

Time: 6:00PM-7:45PM

Location: [Four Seasons Hotel](#)

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Sincerely,
Dekker Hewett Group

TODAY'S STOCK WATCH

S&P/ TSX Composite	15,705
Dow Jones Indus. Avg.	22,756
S&P 500	2,546

Canadian/US Dollar	\$0.7978
US/Canadian Dollar	\$1.2535
Euro / Canadian	\$1.4709

Gold	\$1276.30
Silver	\$16.79
Copper	\$3.02

Brent Crude Oil	\$55.61
WTI Crude Oil	\$49.33
Natural Gas	\$2.86

*As of 12:30PM on Friday, October 6th



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