



Monthly Market Snapshot

Monthly Overview

The U.S. stock market registered its second consecutive monthly gain in November as all three major indices climbed during the month on the back of Fed Chair Jerome Powell's dovish comments. As the third quarter earnings season wound down, many companies indicated that they were feeling the pinch from rising interest rates and a downturn in consumer confidence, and issued negative forward guidance as a result. In crypto news, the total market capitalization of digital assets plunged by 16% in November, with investor confidence in the space ebbing in the wake of the collapse of the cryptocurrency exchange FTX.

Canada's benchmark S&P/TSX Composite Index was 5.3% higher in November, as nine of its underlying sectors were positive during the month. The gain was led by the materials and information technology sectors, with 10.8% and 9.5% returns, respectively. Utilities and health care were the detracting sectors during the period, with losses of 1.2% and 0.3%, respectively. Small-cap stocks, as measured by the S&P/TSX SmallCap Index, rose 6.2% for the month.

The U.S. dollar depreciated 3.0% versus the loonie during the month, dampening the returns of foreign markets from a Canadian investor's standpoint. Note that all returns in this paragraph are in CAD terms. U.S.-based stocks, as measured by the S&P 500 Index, gained 5.3% in November. The gain was led by the materials and industrials sectors, with respective returns of 10.6% and 6.7%. International stocks, as measured by the FTSE Developed ex U.S. Index, rose 9.9% in the period, while emerging markets jumped 14.1%.

The investment grade fixed income indices we follow were up in November. Canadian investment grade bonds, as measured by the FTSE Canada Universe Bond Index, climbed 2.8% during the month. The key global investment grade bond benchmark was up 4.7%, while the global high-yield index was up 2.2%.

Turning to commodities, the price of a barrel of crude oil fell 6.9% in November, while natural gas was up 9.0%. Copper, silver and gold all had a positive month, with respective returns of 10.5%, 12.7% and 6.4%.

Inflation in Canada rose 6.9% year-over-year in October, matching the increase in September. Faster price growth for gas and mortgage interest costs were moderated by slowing price growth for food. The Canadian economy added 42,700 jobs in October, and the nation's unemployment rate was unchanged at 5.2%. The Bank of Canada is expected to keep up the pace of rate hikes with a 50 basis point increase in December, which would be the seventh consecutive rate hike by the central bank this year.

December 2022

Investment Products & Platforms Team

JAMES GAUTHIER, CFA
james.gauthier@iagto.ca

MICHAEL DIL, CFA
michael.dil@iagto.ca

PAVAN KHAIRA
pavan.khaira@iagto.ca

JUSTIN KIM, CFA
justin.kim@iagto.ca

BHARTI PATEL
bharti.patel@iagto.ca

JOSHUA WON
joshua.won@iagto.ca



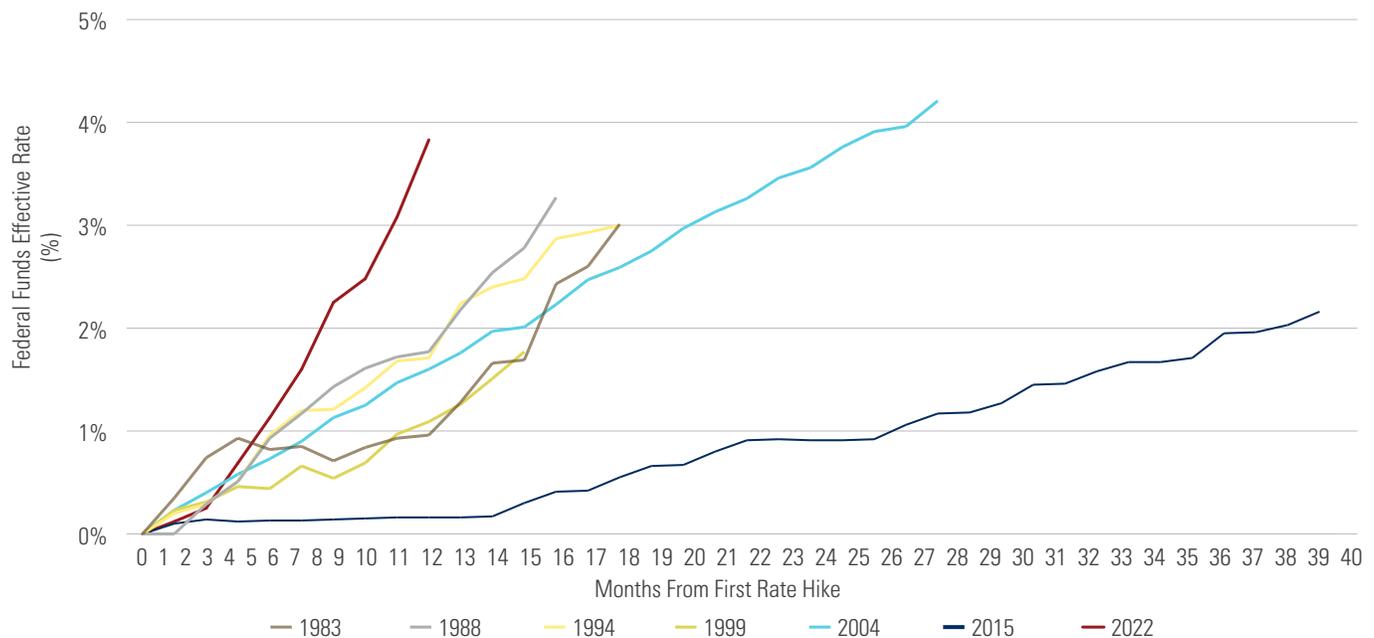
U.S. nonfarm payrolls increased by 261,000 in October, and the unemployment rate rose to 3.7%. The consumer price index eased to 7.7% year-over-year. The slowing inflation rate was due in large part to a 2.4% decline in used vehicle prices from a month ago. U.S. retail sales rose 1.3% in October. After four consecutive “jumbo” rate hikes of 75 basis points, Fed Chair Powell indicated that smaller increases are likely ahead and could start in December.

Content sourced from Bloomberg; data as at November 30, 2022.

Chart of the Month

As part of its effort to tame 40-year-high inflation, the Federal Reserve has hiked its policy rate by close to 400 basis points so far this year and expectations are that the central bank will increase it again in mid-December. If the pace of rate increases seems swift, that’s because it has been. Rates have not been pushed this high, this quickly, in decades. As the chart illustrates, the magnitude of the current cycle of rate hikes is exceeded only by the 2004–2006 cycle. That cycle took 25 months to unfold – about three times longer than the current cycle. We have seen signs that inflation is beginning to abate, but the number of questions around what collateral damage the full-throttle rate increases might do to the broader economy is only increasing.

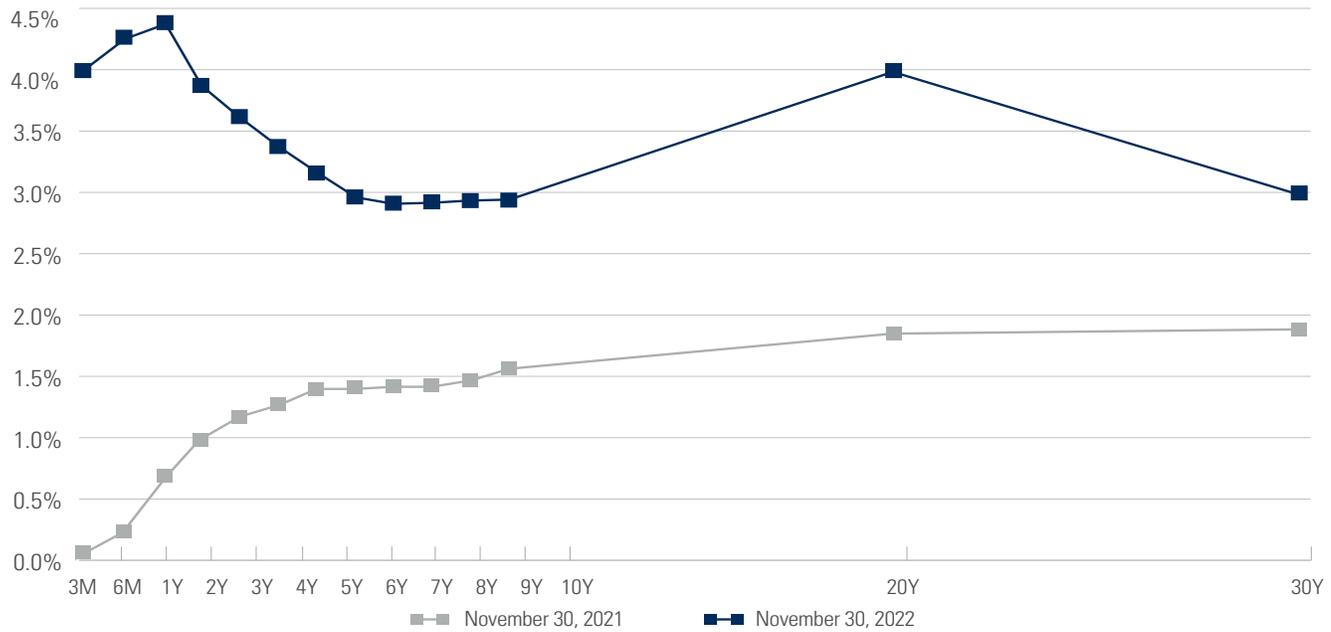
The Fed Is Moving Historically Fast to Tame Inflation



Source: Federal Reserve Economic Data



Canadian Sovereign Yield Curve



Source: Bloomberg.

Monthly Market Statistics

Data to November 30, 2022, unless otherwise indicated

Table 1: Equity Index Returns (% in CAD)

Index	1 Mo	3 Mo	6 Mo	YTD	1 Yr	3 Yr	5 Yr	3 Yr Std Dev
S&P/TSX Composite	5.3	5.8	-1.3	-3.6	-1.0	6.3	4.9	20.0
S&P/TSX 60	5.3	6.3	-1.2	-3.7	-0.7	6.8	5.4	19.2
S&P/TSX Small Cap	6.2	2.0	-7.8	-9.3	-8.4	7.4	1.7	29.2
S&P 500	4.6	6.6	5.8	-8.4	-5.7	9.8	10.1	23.4
FTSE Developed ex US	9.9	8.4	1.3	-10.9	-7.7	0.9	0.6	22.9
FTSE Developed	6.2	7.0	4.2	-10.1	-7.4	6.3	6.3	22.5
FTSE Developed Small Cap	4.9	5.8	3.8	-11.7	-9.6	4.7	4.3	27.9
FTSE Developed Europe	10.4	12.1	2.3	-12.2	-7.7	0.9	0.5	25.7
FTSE Emerging	14.1	2.2	-1.1	-12.1	-12.2	-0.6	-0.6	20.2
FTSE All World Asia Pacific	13.3	1.9	-0.9	-12.7	-12.1	-0.3	-0.4	19.8

Source: Bloomberg.

Table 2: Fixed-Income Returns

Index	1 Mo	3 Mo	6 Mo	YTD	1 Yr	3 Yr	5 Yr	3 Yr Std Dev
FTSE Canada Universe Bond	2.8	1.2	0.1	-10.2	-8.7	-2.0	0.5	6.5
Barclays Global Agg	4.7	-1.4	-6.3	-16.7	-16.8	-4.5	-1.7	7.0
Barclays High Yield Very Liquid Index	2.2	0.8	-3.3	-11.2	-9.3	0.1	2.0	12.1

Source: Bloomberg.



Table 3: Commodity Prices (Prices and Returns in USD)

Commodity	11/30/2022 Price (\$)	MoM Change (%)	YoY Change (%)	3 Mo (%)
WTI Crude Oil/BBL	80.55	-6.9	21.7	-10.1
Natural Gas/mmBTU	6.93	9.0	51.7	-24.1
Copper/pound	3.73	10.5	-12.8	6.0
Silver/oz	21.55	12.7	-5.3	21.3
Gold/oz	1746.00	6.4	-1.6	1.7

Source: Bloomberg.

Table 5: One-Month Sector Returns (% in CAD)

Sector	S&P/TSX Composite returns	S&P 500 returns
Consumer Discretionary	5.0	0.0
Consumer Staples	4.8	5.4
Energy	0.9	-0.1
Financials	6.0	6.0
Health Care	-0.3	3.9
Industrials	6.3	6.7
Info Tech	9.5	5.0
Materials	10.8	10.6
Real Estate	6.6	5.9
Telecom Services	4.3	6.0
Utilites	-1.2	5.7

Source: Bloomberg.

Table 4: Economic Data

Canada	
Real GDP- Q3 (q/q ann. % change)	2.9
Consumer Prices, 10/2022 (y/y % change)	6.9
Unemployment Rate, 10/2022	5.1
United States	
Real GDP- Q3 (q/q ann. % change)	2.9
Consumer Prices, 10/2022 (y/y % change)	7.7
Unemployment Rate, 10/2022	3.7

Source: Bloomberg, Stats Canada.

Table 6: Exchange Rates

Cross	11/30/2022	6 Mos Ago	1 Yr Ago
USD/CAD	1.34	1.31	1.28
EUR/CAD	1.40	1.36	1.45
GBP/CAD	1.62	1.59	1.70
CAD/JPY	102.95	101.71	88.55

Source: Bloomberg.

INVESTED IN YOU.

iaprivatewealth.ca

This document was prepared by the Investment Products & Platforms Team. The opinions expressed in this document do not necessarily reflect the opinions of iA Private Wealth Inc.

Although the information contained in this document comes from sources, we believe to be reliable, we cannot guarantee its accuracy or completeness. The opinions expressed herein are based on an analysis and interpretation dating from the date of publication and are subject to change without notice. Nothing contained herein constitutes an offer or solicitation to buy or sell any of the securities mentioned. Specific securities discussed are for illustrative purposes only. The information contained herein does not apply to all types of investors. The information provided herein does not constitute financial, tax or legal advice. Always consult with a qualified advisor prior to making any investment decisions.

Commissions, trailing commissions, management fees and expenses all may be associated with mutual fund investments. The indicated rates of return include changes in unit value and reinvestment of all distributions and do not take into account sales, redemption, distribution or optional charges or income taxes payable by any security holder that would have reduced returns. Returns for time periods of more than one year are historical annual compounded returns while returns for time periods of one year or less are cumulative figures and are not annualized. Where applicable, compound growth charts are used only to illustrate the effects of a compound growth rate and are not intended to reflect future values or returns of a fund. A mutual fund's "yield" refers to income generated by securities held in the fund's portfolio and does not represent the return of or level of income paid out by the fund. Mutual funds are not guaranteed, their values change frequently, and past performance may not be repeated. The information presented herein may not encompass all risks associated with mutual funds. Important information regarding mutual funds may be found in the simplified prospectus. Please read the simplified prospectus for a more detailed discussion on specific risks of investing in mutual funds. To obtain a copy, please contact your Investment Advisor.

iA Clarington Funds are managed by IA Clarington Investments Inc. a wholly owned subsidiary of Industrial Alliance Insurance and Financial Services Inc., a life and health insurance company which operates under the trade name iA Financial Group. iA Private Wealth Inc. is also a wholly owned subsidiary of Industrial Alliance Insurance and Financial Services Inc.

iA Private Wealth Inc. is a member of the Canadian Investor Protection Fund and the Investment Industry Regulatory Organization of Canada. iA Private Wealth is a trademark and business name under which iA Private Wealth Inc. operates.