



# Monthly Market Snapshot

## Monthly Overview

March 2024

After kicking off the year with strong gains, stocks continued their upward trend in February. The Canadian equity market ended the month higher, while the S&P 500, the Dow Jones Industrial Average, and Nasdaq 100 all reached new all-time highs. Despite optimism that inflation was free-falling, February's sticky inflation numbers dashed hopes for a linear decline, prompting investors to reassess the outlook as a Fed rate cut in March may now be off the table.

Canada's benchmark S&P/TSX Composite Index was 1.6% higher in February, as six of its underlying sectors were positive during the month. The healthcare sector posted an 8.3% gain for the month, while the industrials and consumer staples sectors rose by 5.6% and 5.2%, respectively. Small-cap stocks, as measured by the S&P/TSX SmallCap Index, were up 0.6% for the month.

The U.S. dollar rose by 1.1% versus the loonie during the month, boosting 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, rose 6.6% in February. All 11 underlying sectors were in the green for the month, with the consumer discretionary and industrials sectors as the leading contributors, gaining 10.1% and 8.5%, respectively. International stocks, as measured by the FTSE Developed ex-US Index, rose 3.2% during the month, while emerging markets rose 5.4%.

The investment grade fixed income indices we follow were down in January. Canadian investment grade bonds, as measured by the FTSE Canada Universe Bond Index, fell 0.3% during the month, while the key global investment grade bond benchmark was down 1.3%. Global high-yield issues were up 0.2%.

Turning to commodities, natural gas prices fell 11.4% during the month, while the price of a barrel of crude oil rose 3.2%. Gold prices rose 0.3%, while copper and silver fell 1.8% and 2.2%, respectively.

Inflation in Canada rose 2.9% year-over-year in January, led by an acceleration in shelter costs. The Canadian economy added 37,300 jobs in January, as the nation's unemployment rate improved to 5.7%. The economy expanded at an annualized rate of 1.0% in the fourth quarter, exceeding expectations. January GDP likely gained 0.4% from December, Statistics Canada said in a flash estimate.

U.S. nonfarm payrolls increased by 353,000 in January, as the unemployment rate held steady at 3.7%. The consumer price index rose to 3.2% year-over-year in January. The U.S. personal consumption expenditures price index increased 0.3% month-over-month in January. U.S. retail sales declined by 0.8% month-over-month in January.

Content sourced from Bloomberg; as at February 29, 2024.



## Table of the Month: Riding Record Highs

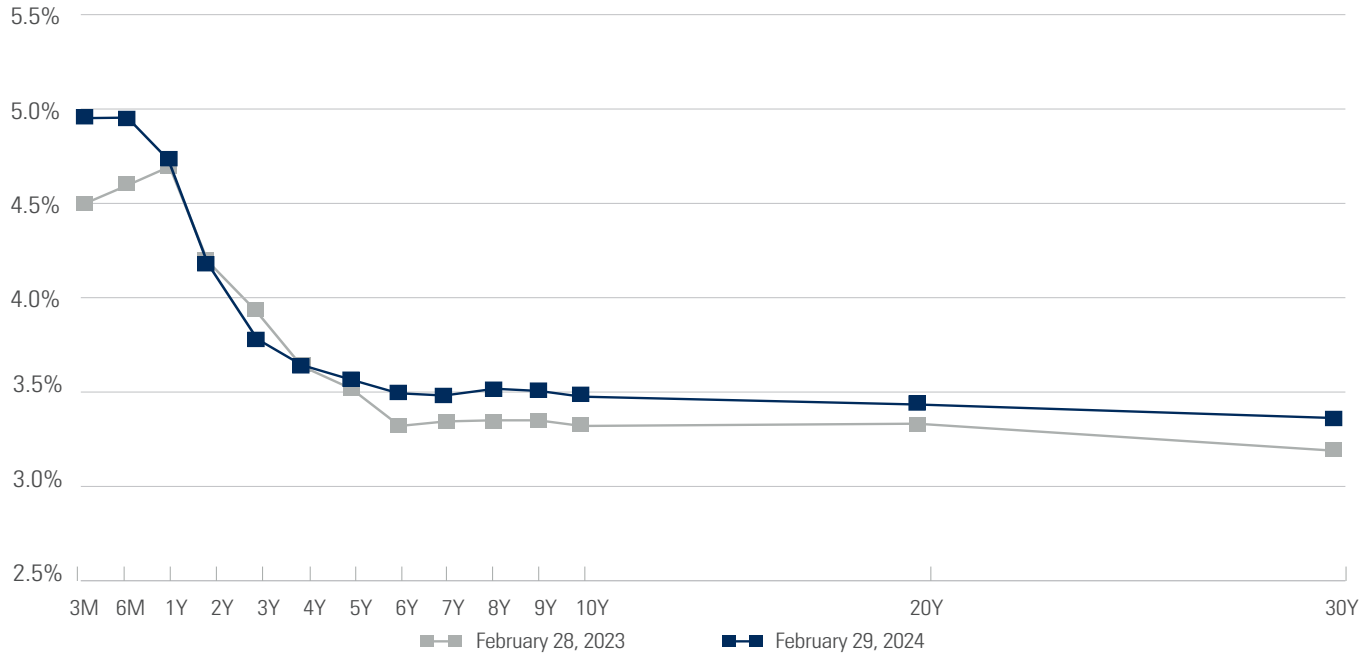
Last month, U.S. equity markets hit record highs, driven by strong performances from big-tech companies and the promising AI boom, as the S&P 500 broke the 5,000-point barrier for the first time. Yet, the excitement extends beyond the U.S. This month's table shows that many other developed global markets, including Canada's, were at or near record levels. For some markets, this milestone is more noteworthy. Japan's Nikkei 225, for example, hit an all-time high during February for the first time in an astounding 35 years. The U.S. market justifiably gets most of the headlines, as it does represent more than 60% of the value of all stocks traded around the world, but the strong recent performance of other markets suggests there is a lot happening beneath the surface for equity investors to be excited about.

Index	Domicile	% to All Time High (to Feb. 29)*
S&P 500	U.S.	Closed Month At All-Time High
S&P/TSX Composite	Canada	3.4%
FTSE 100	U.K.	5.0%
CAC 40	France	0.5%
Deutsche Boerse AG	Germany	Closed Month At All-Time High
OMX Stockholm 30	Sweden	0.1%
Nikkei 225	Japan	0.2%
S&P/ASX 200	Australia	Closed Month At All-Time High

\*In local currency terms  
Source: Bloomberg



### Canadian Sovereign Yield Curve



Source: Bloomberg.

### Monthly Market Statistics

Data to February 29, 2024, 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	1.6	5.6	5.3	1.9	5.6	5.8	6.0	13.6
S&P/TSX 60	1.8	5.8	6.1	2.0	6.1	6.3	6.2	13.5
S&P/TSX Small Cap	0.6	3.5	-0.5	0.1	-2.4	-0.8	3.6	19.5
S&P 500	6.6	11.5	13.3	9.8	28.0	12.6	13.6	16.8
FTSE Developed ex US	3.2	7.0	8.3	4.4	10.8	3.6	4.8	15.8
FTSE Developed	5.5	10.1	11.9	8.0	22.3	8.9	10.3	15.8
FTSE Developed Small Cap	5.6	10.7	7.9	4.2	9.5	2.0	6.5	19.3
FTSE Developed Europe	2.8	6.1	8.0	4.0	9.5	5.4	5.3	18.0
FTSE Emerging	5.4	3.7	4.3	3.0	5.3	-5.3	0.7	16.0
FTSE All World Asia Pacific	5.0	6.5	6.9	4.8	9.6	-2.9	2.8	15.5

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	-0.3	1.7	3.6	-1.7	3.8	-2.2	0.7	7.1
Barclays Global Agg	-1.3	1.4	2.2	-2.6	3.1	-5.5	-1.0	6.8
Barclays High Yield Very Liquid Index	0.2	4.0	6.1	0.1	11.0	1.4	3.6	7.5

Source: Bloomberg.



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

Commodity	Price (\$)	MoM Change (%)	YoY Change (%)	3 Mo (%)
WTI Crude Oil/BBL	78.26	3.2	1.6	3.0
Natural Gas/mmBTU	1.86	-11.4	-32.3	-33.6
Copper/pound	3.83	-1.8	-6.4	0.1
Silver/oz	22.67	-2.2	8.1	-10.4
Gold/oz	2054.70	0.3	11.9	0.8

Source: Bloomberg.

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

Sector	S&P/TSX returns	S&P 500 returns
Consumer Discretionary	2.0	10.1
Consumer Staples	5.2	3.5
Energy	3.3	4.0
Financials	2.1	5.4
Health Care	8.3	4.5
Industrials	5.6	8.5
Info Tech	-1.6	7.7
Materials	-2.3	7.7
Real Estate	-1.3	3.9
Telecom Services	-4.7	7.1
Utilites	-3.0	1.9

Source: Bloomberg.

**Table 4: Economic Data**

Canada	
Real GDP- Q4 (q/q ann. % change)	1.0
Consumer Prices, 01/2024 (y/y % change)	2.9
Unemployment Rate, 01/2024	5.7
United States	
Real GDP- Q4 (q/q ann. % change)	3.2
Consumer Prices, 01/2024 (y/y % change)	3.1
Unemployment Rate, 01/2024	3.7

Source: Bloomberg, Stats Canada.

**Table 6: Exchange Rates**

Cross	02/29/2024	6 Mos Ago	1 Yr Ago
USD/CAD	1.36	1.36	1.36
EUR/CAD	1.47	1.46	1.44
GBP/CAD	1.71	1.71	1.64
CAD/JPY	110.46	107.75	99.79

Source: Bloomberg.

## INVESTED IN YOU.

[iaprivatewealth.ca](http://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 Canadian Investment Regulatory Organization. iA Private Wealth is a trademark and business name under which iA Private Wealth Inc. operates.