

Market Review



INVESTING

May 25, 2023

EQUITY INDICES	LAST	CHANGE	%CHG	52 WK-HIGH	52 WK-LOW	YTD
DOW JONES INDUSTRIAL AVERAGE	32,764.65	-35.27	-0.11%	34712.28	28660.94	-1.15%
S&P 500	4,151.28	36.04	0.88%	4325.28	3491.58	8.12%
NASDAQ COMPOSITE	12,698.09	213.93	1.71%	13181.09	10088.83	21.32%
S&P/TSX COMPOSITE	19,774.08	-153.61	-0.77%	21036.35	17873.18	2.01%
STOXX EUROPE 50	3,972.94	-8.72	-0.22%	4089.95	3279.47	8.79%
FTSE 100	7,570.87	-56.23	-0.74%	8047.06	6707.62	1.60%
DAX PERFORMANCE-INDEX TR	15,793.80	-48.33	-0.31%	16331.94	11862.84	13.43%
CAC40	7,229.27	-24.19	-0.33%	7581.26	5628.42	11.67%
Nikkei 225 Index	30,801.13	118.45	0.39%	31352.53	25520.23	18.04%
HANG SENG INDEX	18,746.92	-369.01	-1.93%	22700.85	14597.31	-5.23%
Shanghai SE Composite Index	3,201.26	-3.49	-0.11%	3424.84	2885.09	3.63%

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Nasdaq jumps as Nvidia's forecast fuels AI-related stock rally

The Nasdaq lead the U.S. major averages higher on Thursday, boosted by a surge in NVIDIA after it reported better than expected Q1 results and forecast Q2 revenue more than 50% above analyst estimates. The chipmaker also it was ramping up supply to meet surging demand for its AI chips. This fueled buying interest in chipmakers and AI related stocks. Intel bucked the trend, its shares falling more than 5%, as the chipmaker has little AI exposure. The major averages moved higher midday after Reuters reported that White House and Republican negotiators are close to a deal on a "slimmed-down" debt ceiling, with parties just US\$70 billion apart on discretionary spending. The deal aims to raise the government's US\$31.4 trillion debt ceiling in exchange for limits on government spending, with as little as a week remaining before until an unprecedented U.S. default, which could upend global financial markets and push the U.S. into a recession. Adding to the pressure on politicians, rating agencies Fitch and DBRS Morningstar put the U.S. on credit watch for a possible downgrade due to the political disputes around the debt ceiling.

Investors also digested a slate of economic data. The second estimate for Q1 GDP was unexpectedly revised up to 1.3% from the advance estimate of 1.1% and the GDP Price Deflator was revised up to 4.2% from the advance estimate of 4.0%. Economists were calling for no change to estimates. The report showed that consumer spending remained strong, up 3.8%, in the quarter, despite inflation pressures. Separate data showed weekly jobless claims rose modestly, up 4,000 to a seasonally adjusted 229,000, well below economist expectations for 245,000 claims. The prior week's data was revised to show 17,000 few claims that previously estimated. The report points to the ongoing resilience in the U.S. labour market. The National Association of Realtor's Pending Home Sales index was unchanged in April, from March, below economist expectations for 1% growth. The data fueled bets of another rate hike by the Federal Reserve at its next meeting on June 14th, with Fed fund futures rose to a 45.8% probability of a hike in June, from 36.4% yesterday.

Canada's TSX Composite index hit a near-two month low on Thursday, pressured by losses in the heavily weighted financials sector after mixed earnings reports from three of the Big 6 Banks. The materials and energy sector also slid, amid lower commodity prices. Information technology was among the top performing sectors, tracking the rally on the Nasdaq. In earnings news, Royal Bank slid after reporting a quarterly earnings decline. Toronto Dominion Bank retreated after the lender said it would not be able to meet its earnings growth target after its failed acquisition attempt of U.S. lender First Horizon. On the bright side, Canadian Imperial Bank of Commerce rose to a one-month high after beating profit expectations. Economic data was limited to StatsCan's flash estimate for Canadian factory sales, which most likely fell 0.2% in April from March, largely driven by the food and primary metal industries.

S&P/TSX: LEADERS	LAST	CHANGE	%CHG
Dye & Durham Ltd	\$16.07	\$1.01	6.71%
Celestica Inc	\$15.87	\$0.66	4.34%
Canadian Imperial Bank of Commerce	\$56.78	\$1.14	2.05%
Kinaxis Inc	\$184.00	\$3.52	1.95%
Colliers International Group Inc	\$127.65	\$2.42	1.93%

S&P/TSX: LAGGARDS	LAST	CHANGE	%CHG
Canopy Growth Corp	\$1.21	-\$0.20	-14.18%
Equinox Gold Corp	\$5.98	-\$0.37	-5.83%
IAMGOLD Corp	\$3.60	-\$0.22	-5.76%
Vermilion Energy Inc	\$15.61	-\$0.88	-5.34%
Toronto-Dominion Bank	\$77.78	-\$3.40	-4.19%

S&P/TSX INDUSTRY	LAST	CHANGE	%CHG	YTD
ENERGY	224.60	-5.10	-2.22%	-7.57%
MATERIALS	328.46	-5.52	-1.65%	0.24%
UTILITIES	311.29	-3.39	-1.08%	5.46%
FINANCIALS	346.17	-2.09	-0.60%	-1.66%
INDUSTRIALS	399.72	1.53	0.38%	4.80%
HEALTH CARE	21.37	-0.27	-1.25%	10.04%
CONS. DISCRETION.	259.23	0.55	0.21%	2.86%
CONS. STAPLES	846.66	-2.51	-0.30%	2.86%
INFO TECH.	182.63	0.80	0.44%	33.89%
COMMUNICATION SVS	186.11	-3.36	-1.77%	0.03%
REAL ESTATE	301.43	-0.50	-0.17%	0.18%

GOVERNMENT BONDS	2YR	5YR	10YR	30YR
CANADA (YLD%)	4.25%	3.52%	3.31%	3.31%
U.S. (YLD%)	4.54%	3.91%	3.82%	4.00%

COMMODITIES/ FX	LAST	CHANGE	%CHG	YTD
CRUDE OIL WTI	\$71.86	-\$2.48	-3.34%	-10.47%
NATURAL GAS	\$2.29	-\$0.11	-4.46%	-48.86%
GOLD	\$1,962.80	0.00	0.00%	7.86%
COPPER	\$3.58	\$0.03	0.87%	-5.92%
CAD / USD	\$0.7333	\$0.0002	0.03%	-0.61%
CAD / EUR	€0.6835	-€0.0002	-0.03%	-0.83%
USD / EUR	€0.9321	-€0.0005	-0.05%	-0.21%
USD / JPY	¥140.05	¥0.00	0.00%	6.82%

Source: Refinitiv



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