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## Market Review

September 12, 2019

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### Market Commentary

Markets are holding up remarkably well given the ongoing trade uncertainty, global geopolitical situation and contracting manufacturing activity in the global economy.

On the positive side, thus far, the service side of the economy and the U.S. consumer continues to be quite resilient. This bodes well for the U.S. economy as consumers account for roughly two-thirds of GDP. The employment situation in Canada and the U.S. also remains healthy.

Accommodating monetary policy by central banks globally is a tailwind for stock markets. Market direction in the coming months will largely be driven by developments in the U.S./China trade war. A prolonged process will weigh on business sentiment and temper fixed investment outlays.

Economic growth is decelerating but has yet to turn negative. While there are some flashing yellow signals, an imminent recession is not our base case.