

## Market Review

September 11, 2018

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### Market Outlook

Economic data, indicators and surveys confirm solid U.S. economic growth is poised to continue for the balance of the year. Despite escalating trade tensions, overall business activity reportedly remains strong, as both the ISM manufacturing and non-manufacturing indices advanced higher in August, with the former reaching a 14 year high.

The U.S. labour market also continued to improve in August, along with stronger wage growth. The employment data should reinforce the Federal Reserve's policy view for gradually higher interest rates.

In Canada, the recent jobs report was mixed, with employment unexpectedly down in August. Uncertainty surrounding U.S. trade negotiations and negative sentiment towards foreign investment in the energy sector overhang the Canadian economy.

While the pace of growth in the global economy has moderated from earlier this year, it remains positive for now. The impact of trade wars and strengthening U.S. dollar on corporate profits will be closely monitored.