



# Monthly Market Monitor (M<sup>3</sup>)

April 2012

May 2<sup>nd</sup>, 2012

## Corporate America vs. The World

April 2012 saw the continuation of the market softness that started in March. During the month, the MSCI World Index dropped 1.4%. Economic data from China, the U.S. and Europe continued to disappoint. Europe's political kerfuffle poked its head up again on the back of the Greek parliamentary and French presidential elections. In the U.S., the back and forth between the *QE*, *No QE* interpretations of the Fed Chairman Ben Bernanke's comments rocked markets up and down. As a result, the Volatility Index increased 10% over the month.

The S&P 500 and the S&P/TSX Composite Indices finished 0.8% and 0.7% lower respectively. Corporate America was the rising star kicking off earnings season with decent results, providing a buffer from the renewed European concern. In the Eurozone, as political issues were placed on the forefront, the EuroStoxx 50 Index plunged 6.9%. Notably, Spain's major index dropped a whopping 12.5%. Emerging markets retreated 1.5% this month, based on the MSCI Emerging Markets Index. This time around, China was the only country to end in positive territory.

## Sector Watch

In the U.S., Telecom Services (4.2%) and Utilities (1.8%) helped mitigate the other sectors' losses. Financials (-2.5%) and Information Technology (-1.9%) were the poorest performing sectors. Worth noting is the weak return of Energy stocks despite higher energy prices, due to poor earnings reports for this sector.

In Canada, Materials (-6.1%) dragged the resource-heavy TSX down. Health Care (+5.9%) and Consumer Staples (+3.6%) were the biggest gainers. Energy, unlike its U.S. counterpart, performed well. With earnings season starting later in Canada, stocks were able to pick up on the back of higher oil prices. See Table of Numbers below.

## Commodities, Currencies and Bonds

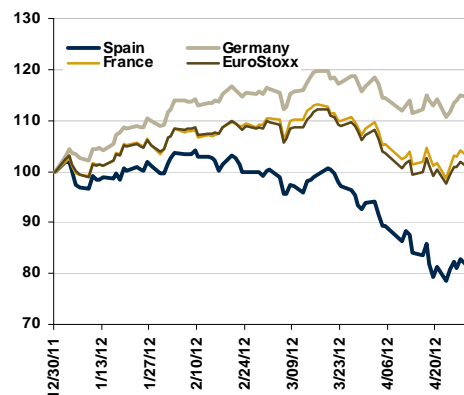
April's commodity picture was slightly brighter than last month's, with the Commodity Index (CRB), which tracks 18 commodities, down only 0.8%, compared to March's 4.3% decline. China remains a tough call for analysts as they released mixed economic data over the course of the month. This has a significant impact because China remains the world's largest commodity buyer. Energy markets finished in the green, even the black sheep (read natural gas). Natural Gas prices edged 1.2% higher, which is a very tiny step given prices are down more than 28% YTD. Precious metals posted losses. While Gold was only marginally lower, Silver declined 4.7%. In the agriculture world, Soybeans futures continued to increase the most. They are up more than 25% since January.

The U.S. and Canadian bond markets saw yields trend lower with the Canadian 10yr breaking under the 2% handle.

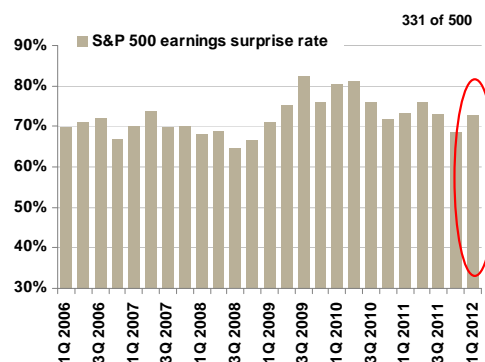
### Wow # of the Month:

Germany's Index is up about 15% YTD, while Spain's declined more than 18%.

### Tale Of Two Europes



### Corporate America Shines

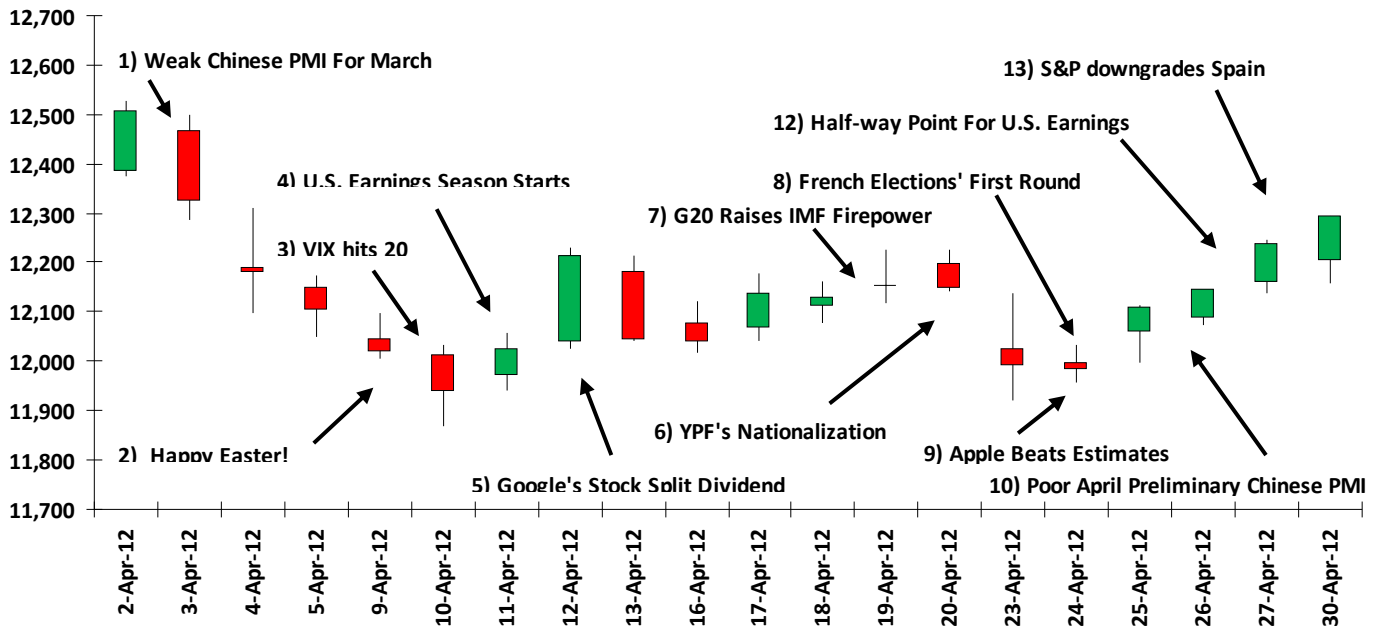


Source: Macquarie Private Wealth

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## Big News and the TSX Composite



- 1) Chinese manufacturing data disappoints, round 1
- 2) Canadian market is closed for Easter
- 3) VIX hits 20
- 4) Alcoa kicks off U.S. earnings season positively
- 5) Google announces a stock split dividend
- 6) Argentina announces its decision to nationalize oil producer, YPF SA
- 7) IMF gets funding and approval by G20 to increase its firepower
- 8) First round of French election draws Francois Hollande and current President, Nicolas Sarkozy
- 9) Apple beats estimates once again
- 10) Chinese manufacturing data disappoints, round 2
- 11) Home stretch for Greek parliamentary elections
- 12) Half way point for U.S. earnings season - so far so good
- 13) S&P downgrades Spain to BBB- from A

	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	YTD
TSX Composite	13%	-3%	30%	6%	-14%	-14%	24%	12%	22%	15%	7%	-35%	31%	14%	-11%	3%
S&P 500	31%	27%	20%	-10%	-13%	-23%	26%	9%	3%	14%	4%	-38%	23%	13%	0%	11%
NASDAQ	22%	40%	86%	-39%	-21%	-32%	50%	9%	1%	10%	10%	-41%	44%	17%	-2%	17%
US Small Cap	21%	-3%	20%	-4%	1%	-22%	45%	17%	3%	17%	-3%	-35%	25%	25%	-5%	10%
Europe	37%	32%	47%	-3%	-20%	-37%	16%	7%	21%	15%	7%	-44%	21%	-6%	-17%	0%
Japan	-21%	-9%	37%	-27%	-24%	-19%	24%	8%	40%	7%	-11%	-42%	19%	-3%	-17%	13%
EAFE	0%	18%	25%	-15%	-23%	-18%	35%	18%	11%	23%	9%	-45%	28%	5%	-15%	7%
Emerging	-13%	-28%	64%	-32%	-5%	-8%	52%	22%	30%	29%	36%	-54%	74%	16%	-20%	12%
Canadian Short Bonds	4%	6%	4%	7%	9%	4%	4%	4%	2%	4%	5%	8%	2%	2%	3%	0%
Canadian Long Bonds	19%	12%	-6%	13%	5%	11%	8%	10%	15%	3%	5%	12%	-5%	12%	20%	-1%
US Short Bonds	7%	7%	3%	8%	8%	6%	2%	1%	2%	4%	7%	7%	1%	2%	2%	0%
US Long Bonds	15%	14%	-9%	20%	4%	17%	2%	8%	6%	2%	10%	25%	-13%	10%	29%	-2%
Gold	-21%	0%	0%	-5%	2%	25%	19%	6%	18%	23%	31%	6%	24%	30%	10%	6%





## More Tables of Numbers

<u>Energy</u>	Level	1mo	3mo	6mo	12mo	YTD	<u>Grains</u>	Level	1mo	3mo	6mo	12mo	YTD
Nat Gas (US/MMBtu)	\$2.29	1.2	-18.6	-44.3	-54.7	-28.2	Corn (US/bu)	\$6.60	2.5	3.3	2.0	-12.4	2.1
WTI Crude (US/bbl)	\$104.87	1.3	5.2	13.3	-7.5	5.4	Wheat (US/bu)	\$6.48	-2.0	-2.7	3.1	-15.8	-0.8
Gasoline (USd/gal)	312.46	-3.8	5.7	15.1	-1.3	14.0	Soybeans (US/bu)	\$15.03	7.1	25.4	24.5	7.9	25.4
Heating Oil (USd/gal)	318.42	0.2	6.4	8.9	-3.6	11.9	<u>Livestock</u>						
<u>Precious Metals</u>							Hogs (US/lb)	\$0.86	-5.0	-12.5	-13.6	-8.3	-10.0
Gold (US/oz)	\$1,664	-0.5	-4.5	-3.8	6.3	5.9	Cattle (US/lb)	\$1.14	-1.7	-10.7	-8.0	-5.3	-8.4
Silver (US/oz)	\$31.02	-4.7	-7.0	-9.9	-36.0	10.8	<u>Soft Commodities</u>						
<u>Industrials</u>							Cocoa (US/MT)	\$2,219	-1.2	-5.6	-19.3	-34.4	3.3
Aluminum (US/lb)	\$0.95	-1.0	-7.1	-6.8	-26.0	2.5	Sugar (USD/lb)	\$21.12	-11.3	-6.7	-13.9	-8.1	-6.4
Nickel (US/lb)	\$8.09	0.2	-14.6	-9.1	-32.8	-4.8	FCOJ (USD/lb)	\$141.85	-12.2	-27.3	-12.9	-11.6	-15.9
Copper (US/lb)	\$3.81	-0.5	1.0	5.1	-9.9	10.5	Coffee (USD/lb)	\$179.55	-2.9	-18.7	-23.0	-39.8	-22.7
Lead (US/lb)	\$0.97	5.2	-2.9	3.2	-13.8	5.6							
Tin (US/lb)	\$10.33	-0.1	-6.4	3.5	-28.9	18.6							
Zinc (US/lb)	\$0.94	3.1	-2.1	3.1	-8.2	11.8							
Lumber (US/1000bf)	\$285	9.2	14.8	27.1	20.2	15.3							
Cotton (USD/lb)	89.40	-4.8	-6.5	-10.0	-20.2	-2.1							
<u>Long Term Returns (annualized)</u>			<u>1yr</u>	<u>2yr</u>	<u>3yr</u>	<u>5yr</u>	<u>7yr</u>	<u>10yr</u>	<u>15yr</u>	<u>20yr</u>			
S&P/TSX Comp (price)			-11.8	0.3	9.0	-1.7	4.0	4.9	4.9	6.7			
S&P/TSX Total Return			-9.4	3.1	12.0	1.1	6.8	7.4	7.2	9.1			
S&P 500 (price)			2.5	8.5	16.8	-1.2	2.7	2.6	3.8	6.3			
S&P 500 Total Return			4.8	10.8	19.2	1.0	4.9	4.6	5.6	8.4			
NASDAQ (price)			6.0	11.3	21.0	3.8	6.8	6.1	6.1	8.7			
<u>Europe</u>													
Euro Stoxx 50			-23.4	-9.5	-1.0	-12.1	-3.4	-4.3	0.4	3.8			
England (FTSE)			-5.5	1.6	10.6	-2.2	2.6	1.1	1.7	3.9			
France (Cac 40)			-21.8	-8.3	0.6	-11.6	-2.8	-3.2	1.3	2.3			
Germany (DAX)			-10.0	5.0	12.3	-1.8	7.1	3.0	4.6	7.0			
Spain (IBEX)			-35.6	-18.3	-8.1	-13.4	-3.5	-1.5	1.1	4.9			
<u>Asia</u>													
Japan (Nikkei)			-3.3	-7.2	2.0	-11.2	-2.1	-1.9	-4.6	-3.0			
Hong Kong (Hang Seng)			-11.1	0.0	10.8	0.8	6.1	6.3	3.3	7.1			
Australia (ASX 200)			-8.8	-4.4	5.3	-6.5	1.4	2.7	4.0				
<u>BRIC</u>													
Brazil			-6.5	-4.3	9.3	4.8	13.9	16.8	12.9				
Russia			-21.5	0.6	24.1	-3.9	13.1	15.2	11.3				
India			-9.5	-0.7	14.9	4.5	15.9	17.9	10.6	7.8			
China			-17.7	-8.6	-1.1	-9.0	10.9	3.7	3.7	8.8			
<u>MSCI</u>													
World			-6.8	3.9	13.0	-3.9	2.0	2.9	2.9	4.9			
EAFE			-15.6	-1.1	8.5	-7.4	0.5	2.7	1.8	3.5			
Emerging Markets			-14.8	0.3	15.7	1.1	9.8	11.3	4.7	5.6			
<u>Bonds</u>													
All Government Bonds			8.8	7.0	4.8	5.8	5.4	6.1	6.3				
<u>International Returns in Cdn Dollars</u>													
S&P 500 (price)			7.1	6.9	9.9	-3.5	-0.8	-2.0	1.4	5.2			
S&P 500 Total Return			9.4	9.1	12.2	-1.4	1.3	-0.1	3.2	7.4			
Euro Stoxx 50			-28.5	-11.1	-6.9	-14.6	-6.3	-5.0					



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