

		<u>June 2019</u>	<u>YTD</u>	<u>1-Year</u>	<u>3-Years</u>	<u>5-Years</u>	<u>10-Years</u>
U.S. Large Cap Equities	S&P 500	7.05%	18.54%	10.42%	14.19%	10.71%	14.70%
U.S. Mid Cap Equities	Russell Midcap	6.87%	21.35%	7.83%	12.16%	8.63%	15.16%
U.S. Small Cap Equities	Russell 2000	7.07%	16.98%	-3.31%	12.30%	7.06%	13.45%
Master Limited Partnerships (MLP)	Alerian MLP	2.64%	16.96%	3.09%	-0.42%	-7.20%	8.21%
U.S. Real Estate Equities	Dow Jones U.S. Select REIT Index	1.36%	16.67%	9.75%	3.73%	7.61%	15.40%
Global Equities	MSCI All Country World Index	6.55%	16.23%	5.74%	11.62%	6.16%	10.15%
International Developed Equities	MSCI EAFE	5.93%	14.03%	1.08%	9.11%	2.25%	6.90%
Emerging Market Equities	MSCI Emerging Markets	6.24%	10.59%	1.21%	10.66%	2.49%	5.81%
U.S. Taxable Fixed Income	Barclay's U.S. Aggregate	1.26%	6.11%	7.87%	2.31%	2.95%	3.90%
U.S. Tax-Exempt Fixed Income	Barclay's Municipal Aggregate	0.37%	5.09%	6.71%	2.55%	3.64%	4.72%
High Yield Fixed Income	Barclay's U.S. Corporate High Yield	2.28%	9.94%	7.48%	7.52%	4.70%	9.24%
Floating Rate Loans	S&P/LSTA Leveraged Loan	0.24%	5.74%	3.97%	5.24%	3.68%	6.17%
International Fixed Income	Barclay's Global Aggregate Ex-U.S.	2.98%	4.99%	4.10%	0.97%	-0.12%	2.10%

- Global equity markets rebounded in June after falling sharply in May, with major indexes recouping their prior month losses.
- The strong monthly returns were attributable to the Federal Reserve and European Central Bank, which both indicated further monetary stimulus would be made available if global growth was negatively affected by weaker economic data, low inflation and trade uncertainty.
- As a result, perceived risk assets (e.g., equities and credit) performed well as investors returned capital to these asset classes.
- U.S. equities performed well, gaining 7.1% despite a notable decline in the U.S. business survey data and continued weakness in China.
- Energy infrastructure equities and U.S. REIT's gained 2.6% and 1.4%, respectively; high yields and good pricing mitigated higher volatility.
- Foreign equities gained around 6% during the month, but still trail domestic equities by more than 9% over the past year.
- U.S. bond markets were broadly positive in June, but taxable and municipal bonds are expensively priced at \$105 and \$110, respectively.
- High yield bonds participated in the equity market rebound, gaining 2.3%; bank loans were positive, but returns were muted at 0.4%.
- Global fixed income markets gained nearly 3% in June, as yields fell sharply during the month and the U.S. dollar declined 1.5%.

## Economic Update

Canadian economic data has been generally good, led by the labor market which added 400,000 new positions during the first half of the year. Despite edging up to 5.5% in June, the unemployment rate remains only 0.1% above the four decade low, which was achieved in May. In terms of growth, Canada's economy grew more than expected in April, supported by the oil and gas sector. The economy grew 0.3% in April following a 0.5% increase in March.

While the labor and growth data is significant, the economy remains susceptible to the repercussions from global trade and tariffs. Further, the Canadian housing market remains weak, and growing consumer borrowing is a concern.

## Interest Rate Update

The Bank of Canada announced no change to its benchmark interest rate when it met in late May, holding steady at 1.75%. The Bank of Canada is scheduled to make another interest rate decision when it meets on July 10<sup>th</sup>.

Date Range	CAD to USD	+/-
June	0.7395-0.7638	+3.3%
Year-to-Date	0.7329-0.7638	+4.2%
1-Year	0.7609-0.7638	+0.4%

  

USD to CAD	30-Days	90-Days
High	1.342	1.352
Low	1.304	1.304
Average	1.321	1.335
Volatility	0.29%	0.27%



Source: [www.xe.com](http://www.xe.com)

The larger chart below shows the historical daily COMEX copper price, which is displayed in U.S. dollars per pound. The chart provides twenty years of price history, and also includes shaded columns that reflect past U.S. economic recessions.

The chart embedded in the bottom right hand corner provides a zoomed image of the year-to-date price movement of the commodity. The current price of copper, as of July 5, 2019, is \$2.66 per pound. Copper opened the year priced at \$2.62 per pound and hit a high/low of \$2.97/\$2.57 on April 17<sup>th</sup> and January 3<sup>rd</sup>, respectively. Copper has gained 1.5% year-to-date.



## Copper Price Outlook

Copper prices appear to have steadied in June as a result of improved correspondence between the U.S. and China. However, copper prices have been pressured in July as warehouse copper stockpiles jumped to a 13-month high. The high level of stockpiling, and the subsequent reduction in the commodity price, has had minimal impact on demand, which remains low and below average.

According to Reuters “China’s air conditioning output in July might fall more than the level seen in the same month of previous years, indicating weaker demand for copper, while major consumers..., including the construction and power sectors, are expected to post stable growth... The discount between LME cash and three-month contracts CMCU0-3 eased to a two-month low at \$9.25 a ton, suggesting that the copper market is getting tighter.”