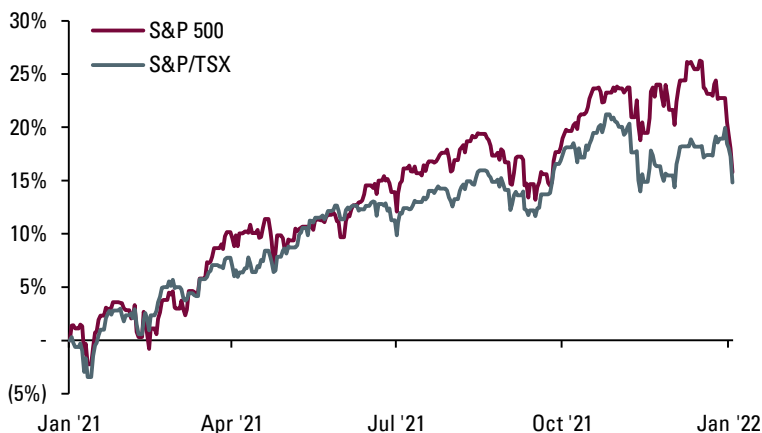


Equity Returns: Last Twelve Months



Weekly Update

Economics

- Large Canadian banks stand to benefit from the impending rise in interest rates after rallying throughout the pandemic and reaching record highs of stockpiled capital. Widening net interest margins will most likely lead to an easier operating environment and higher profitability.
- OPEC is forecasting an increase in oil demand of approximately 4.15 million barrels per day, on par with previous estimates in 2022. Despite pandemic-driven impacts and supply chain disruptions, the industry is expected to bounce back to pre-pandemic levels.

Politics

- President Biden has expressed his support for Jerome Powell and the Fed's decision to tighten monetary policy. With inflation surging to approx. 7% over the last 12 months, the Fed is looking to raise interest rates and has already begun cutting back on the quantity of treasury bonds and mortgage-backed securities it purchases.
- A day before the top US diplomat talks with Russia's foreign minister in Geneva, President Joe Biden announced he has delivered unambiguous warnings to Russian President Vladimir Putin. Putin has gathered around 100,000 troops on the Ukrainian border with little signs of willingness to back down.
- China vowed to limit the influence of tech giants on governments, reiterating its drive to sever the link between money and power. More bad news for China's tech industry, which has already had a rough year dealing with Beijing's recently tightened regulations.




Markets

- Netflix released their earnings call and forecasts after the bell on Thursday. Forecasting 2.5 million additional subscribers for Q1 2022, disappointing its investors and causing a 20% drop in share price, a \$45B loss in market capitalization.
- The Nasdaq index closed 10.7% below its November high on Thursday, leaving the index in correction territory. An expected rate hike and the midst of earnings season are widely cited as the reason for heightened anxiety in its investor base.
- The federal reserve released a paper weighing the pros/cons of a central bank digital currency (CBDC), further heating up debates on a centralized cryptocurrency. While there was no formal conclusion, the paper comes on the heels of announcements by countries such as China who are also developing a centralized digital currency. Support from Congress and the Whitehouse are still needed to move forward.
- Unilever said it will not raise its \$68 billion offer for GlaxoSmithKline's consumer products division, thus ending any chance of a transaction after the British pharma rejected its attempts.
- Last year, the five top Wall Street banks made a record \$55 billion in income from putting together stock and bond offerings and advising firms on mergers and acquisitions. This was up 40% from 2020, helped along by a slew of takeovers and IPOs for SPACs.

Changes & Ranges

Security	Price	Weekly Δ	52 Week Range
S&P 500	4,398	(5.7%)	3,714 - 4,797
S&P/TSX	20,621	(3.4%)	17,337 - 21,769
10Y Yield	1.76%	-3 bps	1.02% - 1.87%
10Y TIPS	(0.61%)	+9 bps	-1.20% - -0.59%
USD Index	95.6	0.5%	89.6 - 96.9
VIX Index	28.9	9.7	15.0 - 37.2
WTI	85.1/bbl	1.6%	\$52.20 - \$86.96
Gold	\$1,835/oz	1.0%	\$1,684 - \$1,908

Recent Transaction Activity

Name	Type	Value	Notes
 Activision Blizzard	M&A	\$68.7B	Microsoft (NASDAQ:MSFT) announced the acquisition of Activision Blizzard Inc. (NASDAQ:ATVI).
 UOB	M&A	\$3.6B	United Overseas Bank Ltd (SGX:U11) announced the acquisition of consumer banking businesses from CitiGroup Inc (NYSE:C).
 Chief Oil & Gas	M&A	\$2.4B	Chesapeake Energy Corp (NASDAQ:CHK) announced the acquisition of Chief Oil & Gas LLC.

Upcoming DFIC Events



CIBC Event

- Attend the CIBC Recruitment Event on January 25th from 5-6 pm in collaboration with the DeGroot CPD team to get help with Summer 2022 internships.



RSM Recruitment

- Join us and the DeGroot CPD team at the RSM Recruitment Event on January 26th from 4-5 pm for their Summer 2022 internships.

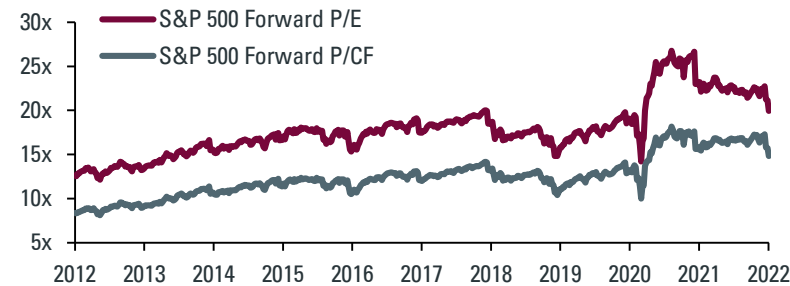


Wealthsimple Event

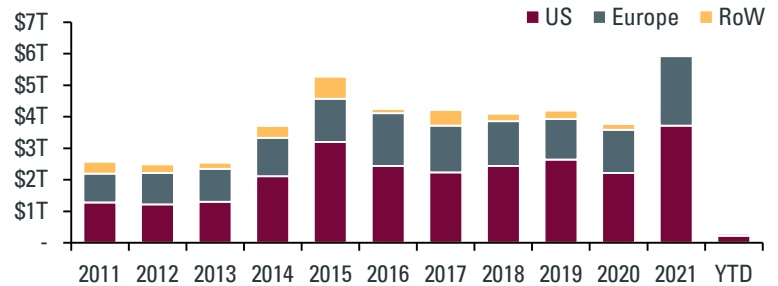
- Registration is now open for Wealthsimple Recruitment Event on January 27th from 5-6 pm being hosted by DFIC and the DeGroot CPD Team.

Description	Price	Performance							
		1w	1m	3m	Qtd	Ytd	1y	2y	5y
United States									
Equity Indices									
S&P 500 Index	4,398	(5.7%)	(5.4%)	(3.3%)	(7.7%)	(7.7%)	14.1%	32.4%	93.6%
NASDAQ Composite Index	13,769	(7.6%)	(10.2%)	(9.5%)	(12.0%)	(12.0%)	1.8%	46.9%	147.9%
Dow Jones Industrial Average	34,265	(4.6%)	(3.5%)	(3.8%)	(5.7%)	(5.7%)	9.9%	17.4%	72.8%
CBOE SPX Volatility Index	28.9	8.7	6.8	12.8	10.6	10.6	6.5	15.0	16.3
US Dollar Index	95.6	0.5%	(0.9%)	2.0%	(0.0%)	(0.0%)	6.1%	(1.9%)	(5.1%)
S&P 500 Sector Performance									
Consumer Discretionary	1,415	(8.5%)	(9.2%)	(7.9%)	(12.2%)	(12.2%)	3.1%	40.9%	111.8%
Consumer Staples	792	(1.5%)	1.6%	7.7%	(1.6%)	(1.6%)	17.9%	20.2%	46.8%
Energy	477	(3.1%)	14.7%	9.5%	12.8%	12.8%	49.4%	8.3%	(12.9%)
Financials	635	(6.4%)	(0.7%)	(4.6%)	(2.3%)	(2.3%)	25.1%	24.4%	65.4%
Healthcare	1,509	(3.4%)	(5.7%)	(1.3%)	(8.2%)	(8.2%)	9.8%	23.9%	87.0%
Industrials	856	(4.4%)	(1.2%)	(3.1%)	(4.4%)	(4.4%)	13.8%	21.5%	56.4%
Information Technology	2,708	(6.9%)	(9.3%)	(3.0%)	(11.4%)	(11.4%)	15.4%	58.9%	224.0%
Materials	528	(5.4%)	(3.2%)	(1.1%)	(7.3%)	(7.3%)	12.2%	39.0%	64.5%
Telecommunication Services	243	(7.0%)	(8.5%)	(11.9%)	(9.1%)	(9.1%)	7.7%	27.3%	39.8%
Utilities	350	(0.8%)	(0.9%)	2.9%	(3.8%)	(3.8%)	9.7%	2.4%	41.7%
Global Indices									
Americas									
S&P/TSX Composite	20,621	(3.4%)	(1.5%)	(2.8%)	(2.8%)	(2.8%)	15.1%	17.4%	32.6%
Mexico IPC Index	51,599	(4.0%)	(0.9%)	(0.8%)	(3.1%)	(3.1%)	15.2%	13.1%	11.4%
Brazil Bovespa Index	108,942	1.9%	3.3%	1.1%	3.9%	3.9%	(7.9%)	(6.9%)	68.8%
Europe									
EURO STOXX 50 Index	4,230	(1.0%)	1.3%	1.8%	(1.6%)	(1.6%)	16.9%	11.6%	28.2%
FTSE 100 Index	7,494	(0.6%)	2.7%	4.2%	1.5%	1.5%	11.6%	(1.5%)	4.1%
Germany DAX Index	15,604	(1.8%)	1.0%	0.8%	(1.8%)	(1.8%)	12.2%	15.1%	34.2%
France CAC 40 Index	7,069	(1.0%)	1.5%	5.7%	(1.2%)	(1.2%)	26.4%	16.9%	45.7%
Switzerland SMI Index	12,356	(1.4%)	(2.6%)	2.6%	(4.0%)	(4.0%)	13.2%	13.5%	49.3%
Asia									
Nikkei 225 Index	27,522	(2.1%)	(3.5%)	(4.1%)	(4.4%)	(4.4%)	(4.3%)	15.3%	43.8%
Hang Seng Index	24,966	2.4%	8.7%	(4.0%)	6.7%	6.7%	(16.6%)	(10.8%)	9.1%
S&P/ASX 200 Index	7,176	(2.9%)	(2.4%)	(3.2%)	(3.6%)	(3.6%)	5.2%	1.5%	26.9%

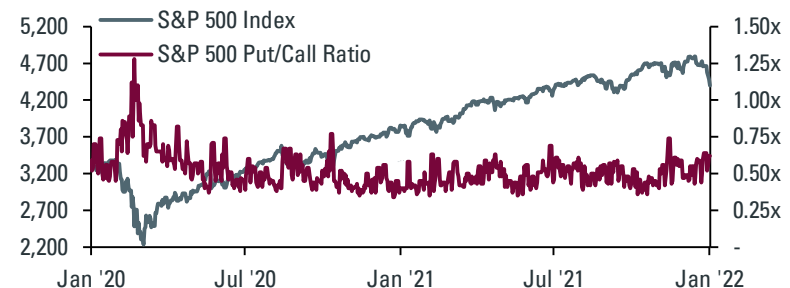
S&P 500 Valuation Multiples (10-year)



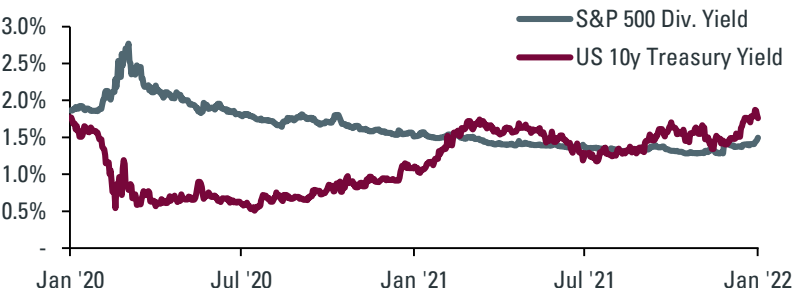
M&A Transaction Value



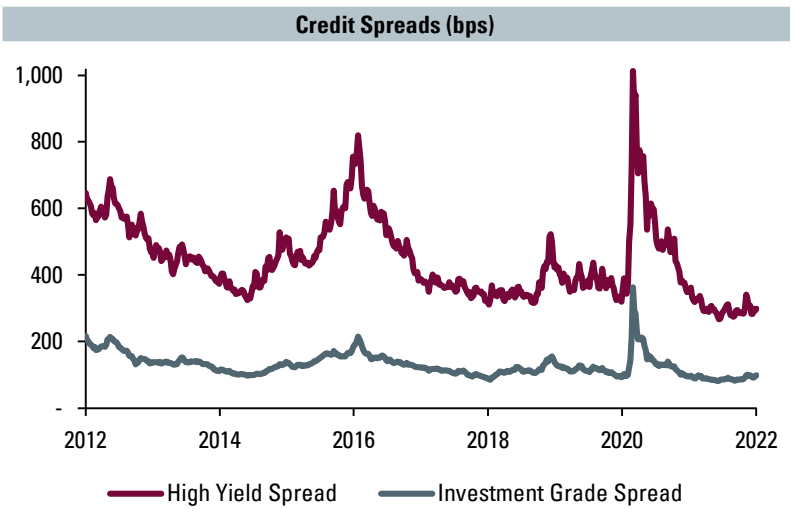
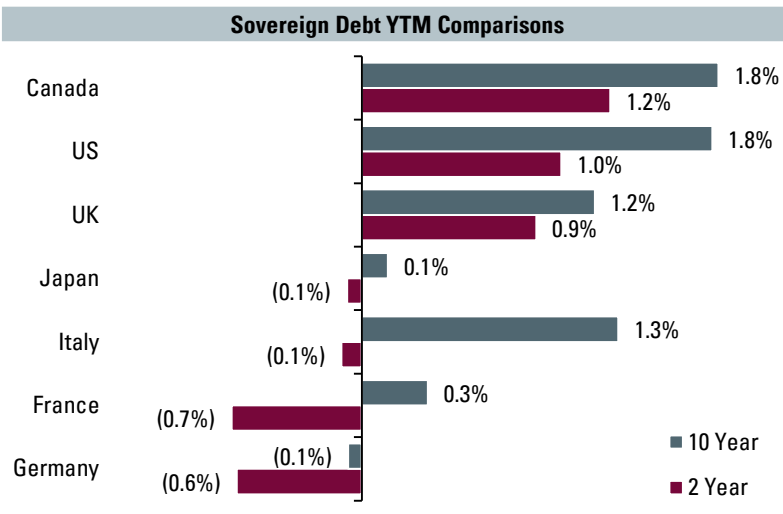
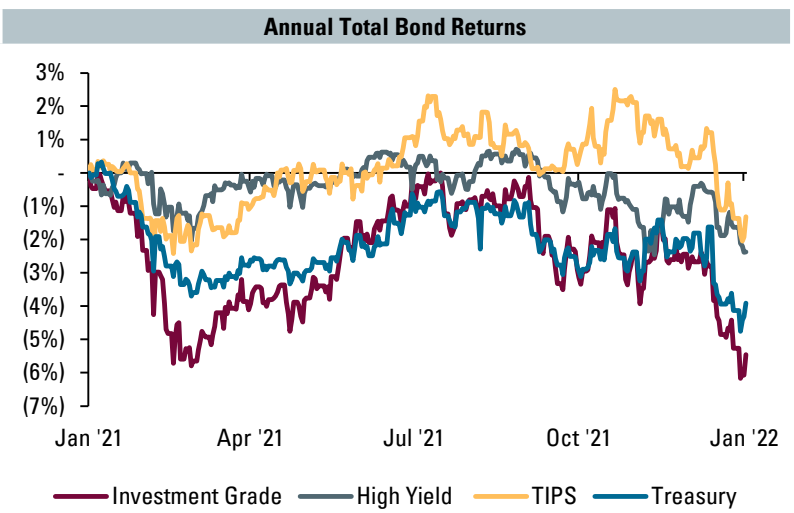
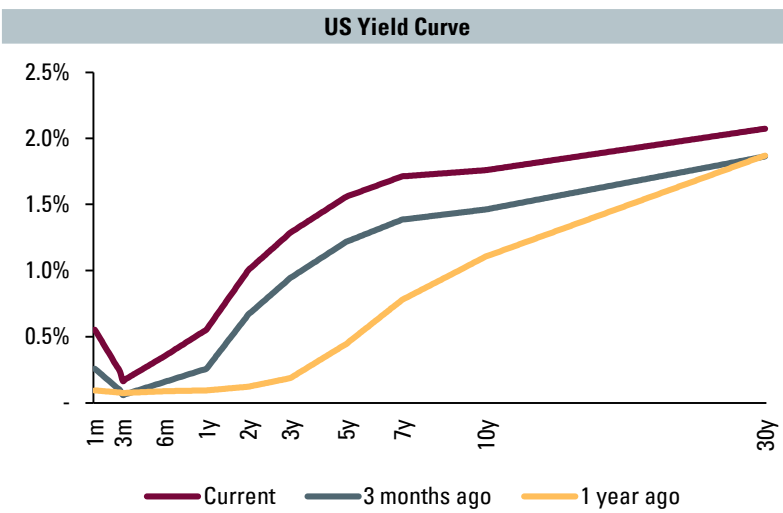
Put/Call Ratio



Dividend Yields



Description	Yield	Performance							
		1w	1m	3m	Qtd	Ytd	1y	2y	5y
North America									
US Treasury Yields									
3-month	0.17	5	11	12	12	12	9	-137	-33
12-month	0.56	6	30	45	17	17	46	-98	-24
2-year	1.01	4	34	55	27	27	88	-53	-19
10-year	1.76	-3	30	6	25	25	65	-1	-71
30-year	2.07	-5	21	-8	17	17	20	-16	-98
5-year TIPS	-1.21	7	30	52	44	44	58	-111	-109
10-year TIPS	-0.61	9	42	34	49	49	47	-64	-104
30-year TIPS	-0.14	-2	30	13	33	33	17	-58	-107
2-10-year spread	75.05	-6	-4	-49	-2	-2	-23	51	-52
1-year inflation expectations	3.51	-5	9	-49	8	8	45	206	151
10-year inflation expectations	2.37	-11	-11	-28	-23	-23	19	63	33
Canada Treasury Yields									
3-month	0.45	11	31	33	27	27	39	-119	1
12-month	1.03	5	26	51	25	25	90	-68	42
2-year	1.25	9	27	38	30	30	107	-37	48
10-year	1.79	2	35	10	37	37	92	28	4
Fixed Income Indices									
USD High Yield	2.98	5	-1	17	15	15	-45	-22	-89
USD Investment Grade	0.98	2	-	13	6	6	4	5	-24
US 3-month LIBOR	0.26	2	4	13	5	5	4	-155	-78
US 12-month LIBOR	0.80	7	26	50	22	22	48	-112	-93



Description	Price	Performance							
		1w	1m	3m	Qtd	Ytd	1y	2y	5y
Commodities									
Precious Metals									
Gold spot (US\$/oz)	1,835	1.0%	2.6%	2.9%	0.3%	0.3%	(1.9%)	17.8%	51.6%
Silver spot (US\$/oz)	24.30	5.8%	7.9%	0.6%	4.2%	4.2%	(6.3%)	36.6%	42.2%
Platinum spot (US\$/oz)	1,033	6.1%	10.2%	(1.8%)	6.7%	6.7%	(8.6%)	3.3%	5.7%
Palladium spot (US\$/oz)	2,111	12.2%	17.5%	4.6%	10.8%	10.8%	(10.9%)	(12.1%)	167.7%
Base and Industrial Metals									
LME copper spot (US\$/lb)	4.50	0.3%	4.2%	(1.3%)	2.4%	2.4%	23.3%	61.2%	73.9%
LME lead spot (US\$/lb)	1.08	(0.5%)	2.1%	(1.9%)	1.8%	1.8%	16.6%	21.4%	2.6%
LME zinc spot (US\$/lb)	1.67	3.2%	6.6%	2.5%	1.2%	1.2%	35.7%	49.7%	34.3%
LME nickel spot (US\$/lb)	10.84	4.6%	21.0%	16.4%	14.2%	14.2%	30.1%	73.8%	145.5%
LME aluminum spot (US\$/lb)	1.41	4.4%	15.3%	3.2%	10.8%	10.8%	56.1%	71.7%	69.1%
NYME coil steel (US\$/tonne)	1,425	(0.8%)	(2.0%)	(7.8%)	(0.7%)	(0.7%)	92.6%	NA	NA
Energy									
WTI (US\$/bbl)	85.14	1.6%	19.7%	3.2%	13.2%	13.2%	60.2%	45.9%	62.4%
ICE Brent (US\$/bbl)	87.86	2.1%	18.8%	6.9%	13.0%	13.0%	65.3%	53.0%	50.7%
Natural Gas (US\$/mmd)	4.00	(6.2%)	6.0%	(25.6%)	7.2%	7.2%	33.7%	50.7%	26.7%
Other									
Baltic dry index (US\$/tonne/day)	1,474	(16.4%)	(35.7%)	(68.3%)	(33.5%)	(33.5%)	(19.8%)	113.9%	59.4%
CBT corn futures (US\$/bu)	616	3.4%	3.0%	15.8%	3.9%	3.9%	17.5%	59.0%	66.7%
CBT wheat futures (US\$/bu)	780	5.2%	(2.4%)	5.2%	1.2%	1.2%	18.0%	34.1%	82.1%
CBT soybean futures (US\$/bu)	1,414	4.2%	8.1%	15.5%	6.4%	6.4%	3.2%	54.4%	32.5%
Lumber futures (US\$/1,000 bf)	1,144	(7.5%)	13.8%	68.4%	(0.4%)	(0.4%)	52.9%	169.3%	251.4%
Bitcoin / USD cross rate (US\$)	36,692	(15.3%)	(25.3%)	(41.5%)	(22.5%)	(22.5%)	17.5%	320.7%	3982.1%
Ethereum / USD cross rate (US\$)	2,610	(21.7%)	(35.2%)	(36.2%)	(30.4%)	(30.4%)	122.8%	1445.3%	NA
Currencies									
Foreign Exchange Ratios (US\$ Cross)									
US dollar index	95.64	0.5%	(0.9%)	2.0%	(0.0%)	(0.0%)	6.1%	(1.9%)	(5.1%)
Euro	0.88	0.6%	(0.5%)	2.5%	0.3%	0.3%	7.3%	(2.3%)	(5.7%)
British pound	0.74	0.9%	(2.1%)	1.8%	(0.2%)	(0.2%)	1.3%	(3.7%)	(8.7%)
Japanese yen	113.68	(0.4%)	(0.4%)	(0.3%)	(1.2%)	(1.2%)	9.8%	3.5%	(0.8%)
Canadian dollar	1.26	0.2%	(2.6%)	1.7%	(0.4%)	(0.4%)	(0.4%)	(3.7%)	(5.5%)
Australian dollar	1.39	0.4%	(0.4%)	4.0%	1.1%	1.1%	8.1%	(4.7%)	5.2%
Chinese yuan	6.34	(0.2%)	(0.5%)	(0.9%)	(0.3%)	(0.3%)	(1.9%)	(8.2%)	(7.8%)
Mexican peso	20.47	0.8%	(1.6%)	0.8%	(0.3%)	(0.3%)	3.8%	9.1%	(5.2%)
Chilean peso	798.15	(2.6%)	(8.3%)	(2.4%)	(6.3%)	(6.3%)	11.1%	3.2%	21.5%
Brazilian real	5.45	(1.4%)	(5.1%)	(3.7%)	(2.2%)	(2.2%)	1.7%	29.4%	71.7%
Argentine peso	104.34	0.5%	2.1%	5.0%	1.6%	1.6%	20.7%	73.6%	555.8%
Swiss franc	0.91	(0.3%)	(1.3%)	(0.7%)	(0.2%)	(0.2%)	3.0%	(5.9%)	(9.0%)
Turkish lira	13.45	(0.6%)	7.7%	41.4%	1.1%	1.1%	82.5%	126.6%	257.0%
Russian ruble	77.47	1.6%	4.7%	8.9%	3.7%	3.7%	4.9%	25.2%	29.7%
Indian rupee	74.43	0.4%	(1.6%)	(0.6%)	0.1%	0.1%	2.0%	4.5%	9.2%

