



# Market Maps

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All values in U.S. dollars and priced as of August 31, 2018, unless otherwise noted

**For Disclosures, see slide 14**



**Wealth  
Management**

# DJIA with 4-month and 13-month moving averages

\$INDU Dow Jones Industrial Average INDEX  
31-Aug-2018

**Bullish trend** indicated when 4 mo. crosses above 13 mo.

**Bearish trend** indicated when 4 mo. crosses below 13 mo.

4-month moving average ————

13-month moving average ————

The bull market signal of two years ago remains in effect with the moving averages well separated after the acceleration of the market over the past two years. We think a period of consolidation or pullback is likely over the near term that could lead to the moving average lines shifting closer to each other as has happened on numerous occasions in the past. We suspect that the next bear signal could still be several years away.

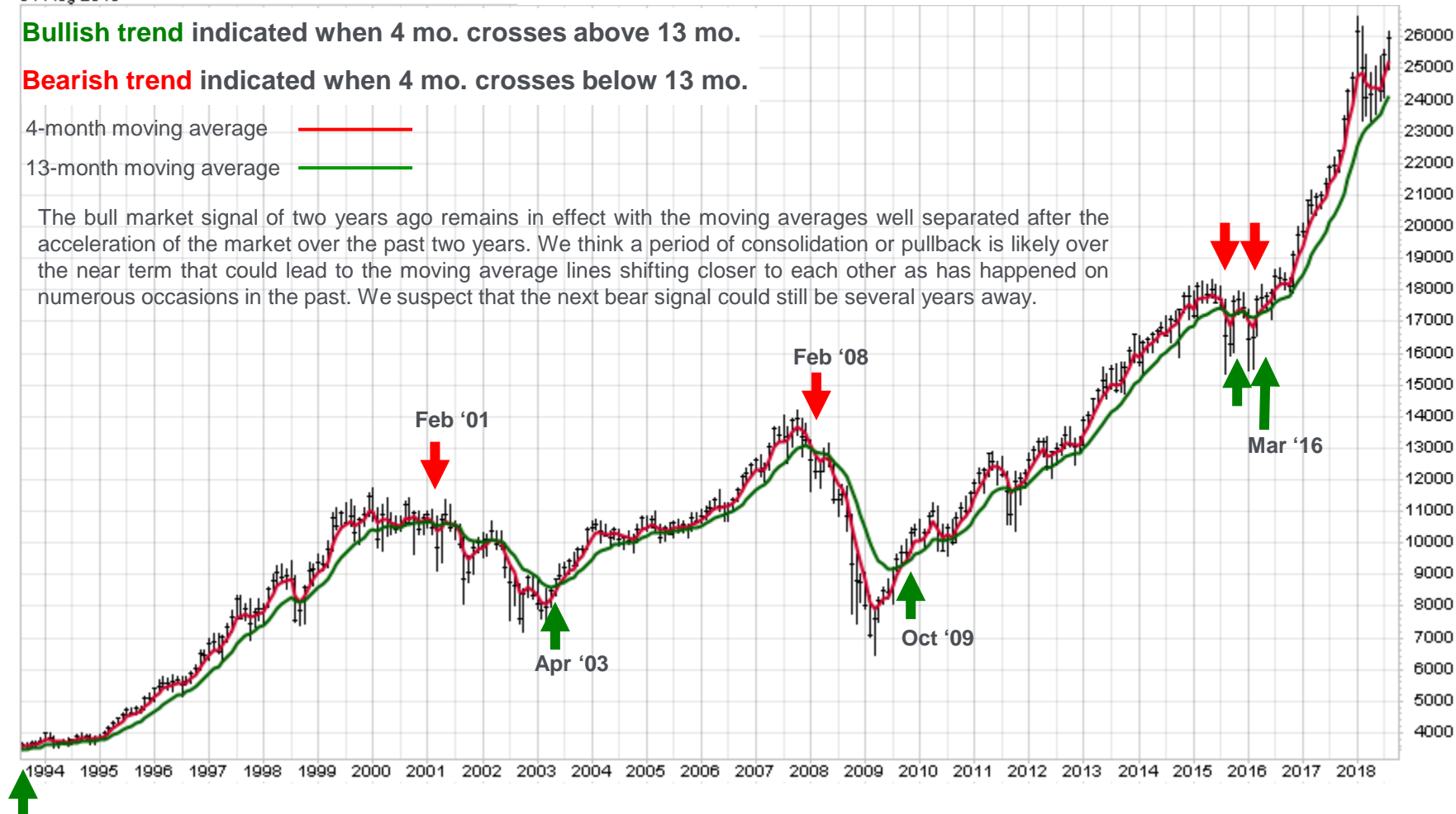


Chart courtesy of StockCharts.com and RBC Wealth Management

# Long-term market cycles 1925–2018

**\$SPX** S&P 500 Large Cap Index INDEX  
31-Aug-2018

The 93-year chart of the S&P reveals what true bull and bear market cycles look like over longer periods of time. The current bull market that started in 2009 is normal and even early in its development relative to past long-term secular bull trends. The bull market trends tend to be choppy in their development, and during periods of higher volatility it is important to know how any pullbacks fit into the longer-term trend. Those longer-term secular trends are each different in their development and can be influenced by demographics, the overall economic trend, and the advent of new technologies that evolve over a generational cycle.

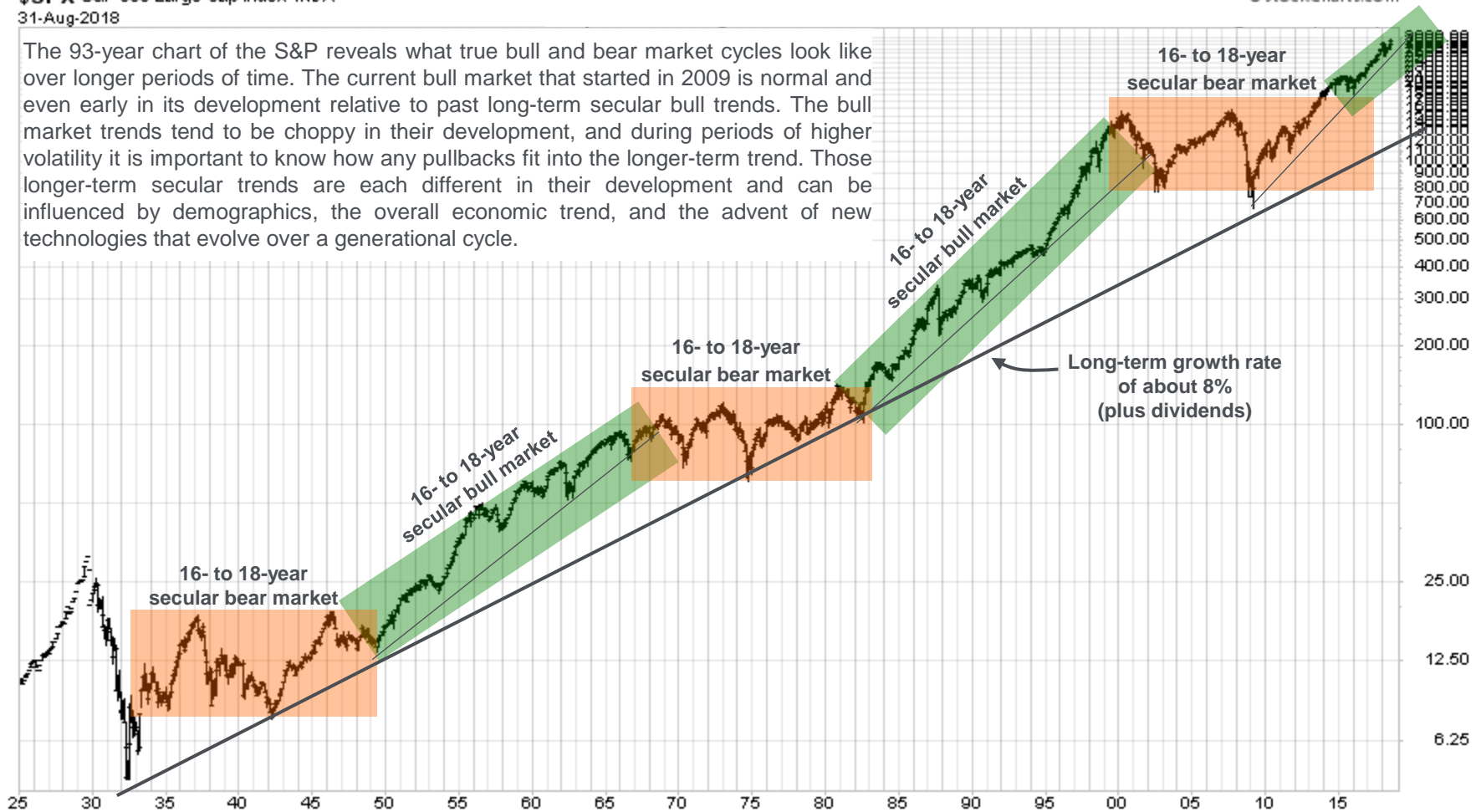


Chart courtesy of StockCharts.com and RBC Wealth Management; past performance does not guarantee future results

# Short-term market: S&P 500 – 10 years

**\$SPX** S&P 500 Large Cap Index: INDXX  
31-Aug-2018

© StockCharts.com

The bull market that has been in effect for over nine years has been developing in a cycle of one- to two-year periods of uptrends separated by similarly long periods of consolidations and pullbacks within the overall rising trend. Another one of those sideways periods could be developing after the strong run of 2016–2017, with the S&P now near the high end of its rising channel. It is possible that the market could work its way back to the lower end of the channel during a consolidation period as we have seen in previous periods.



Chart courtesy of StockCharts.com and RBC Wealth Management

# Investor sentiment – 30 years



Chart courtesy of StockCharts.com and RBC Wealth Management

# TSX Composite – 20 years

**\$TSX** TSX Composite Index TSE  
31-Aug-2018

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The TSX has been in a consolidating range of mostly 15,000–16,000 for more than a year and could continue in this same range for several more months. The longer-term trend remains potentially constructive for an eventual breakout as long as the 15,000 support level holds on any further pullbacks.



Chart courtesy of StockCharts.com and RBC Wealth Management

# Currencies – 15-year trends

**\$USD** US Dollar Index

31-Aug-2018

↑↓ \$USD (Monthly) 95.08

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**\$CAD** Canadian Dollar - Continuous Cont

31-Aug-2018

↑↓ \$CAD (Monthly) 0.77

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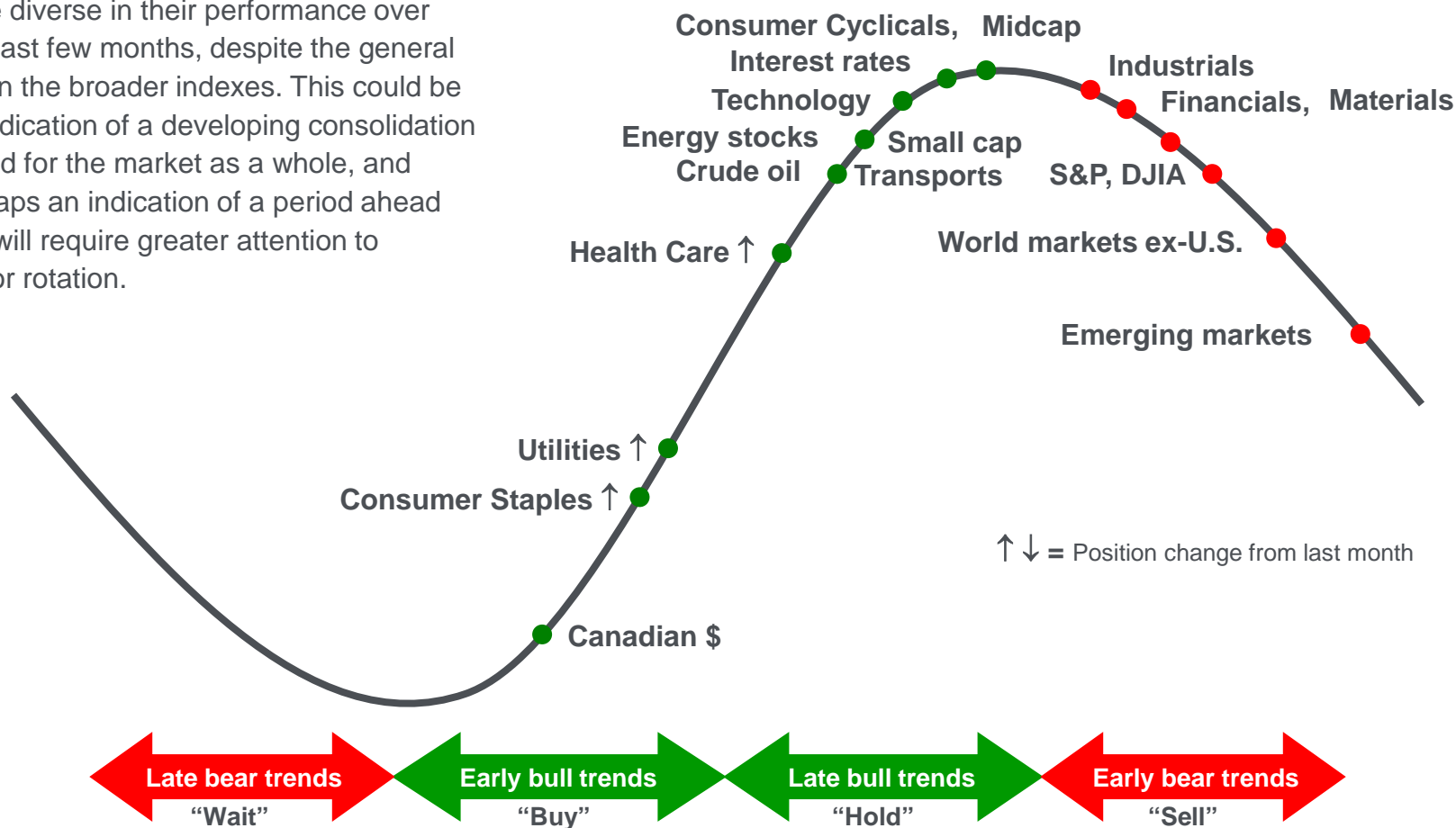


Charts courtesy of StockCharts.com and RBC Wealth Management

# S&P sectors & market indices cycle positions

## Relative positioning of major sectors within their individual cycles

The stock sectors have become much more diverse in their performance over the past few months, despite the general rise in the broader indexes. This could be an indication of a developing consolidation period for the market as a whole, and perhaps an indication of a period ahead that will require greater attention to sector rotation.

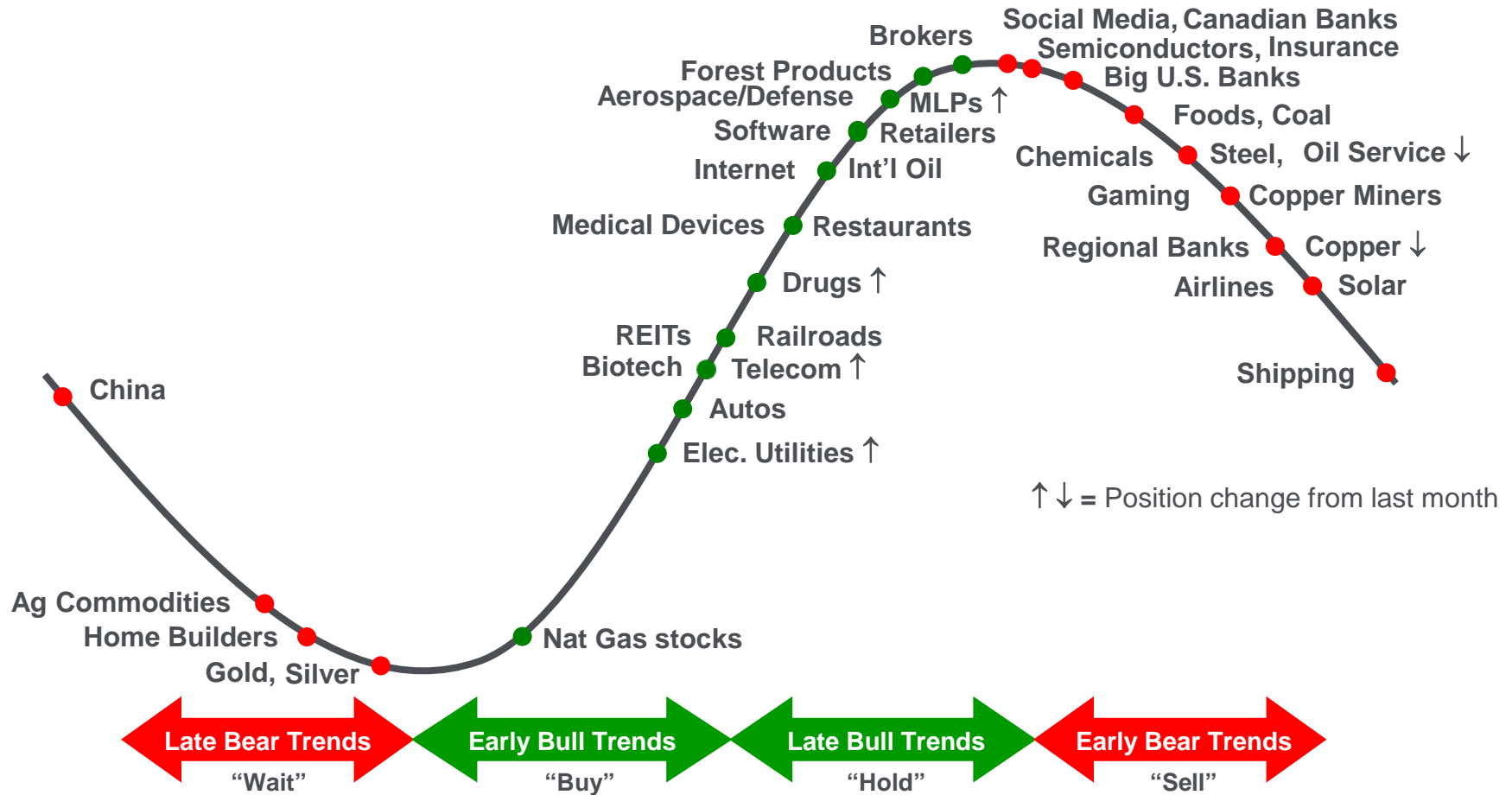


Source - RBC Wealth Management



# Select groups cycle positions

Our relative positioning of groups of interest within their individual bull and bear cycles



Source - RBC Wealth Management

# Gold – 10 years

**\$GOLD** Gold - Continuous Contract (EOD) CME

31-Aug-2018

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↑↓ \$GOLD (Weekly) 1206.70



Chart courtesy of StockCharts.com and RBC Wealth Management



# Oil – Eight years

\$WTIC Light Crude Oil - (31-Aug-2018)  
1d \$WTIC (Daily) 69.80

© StockCharts.com

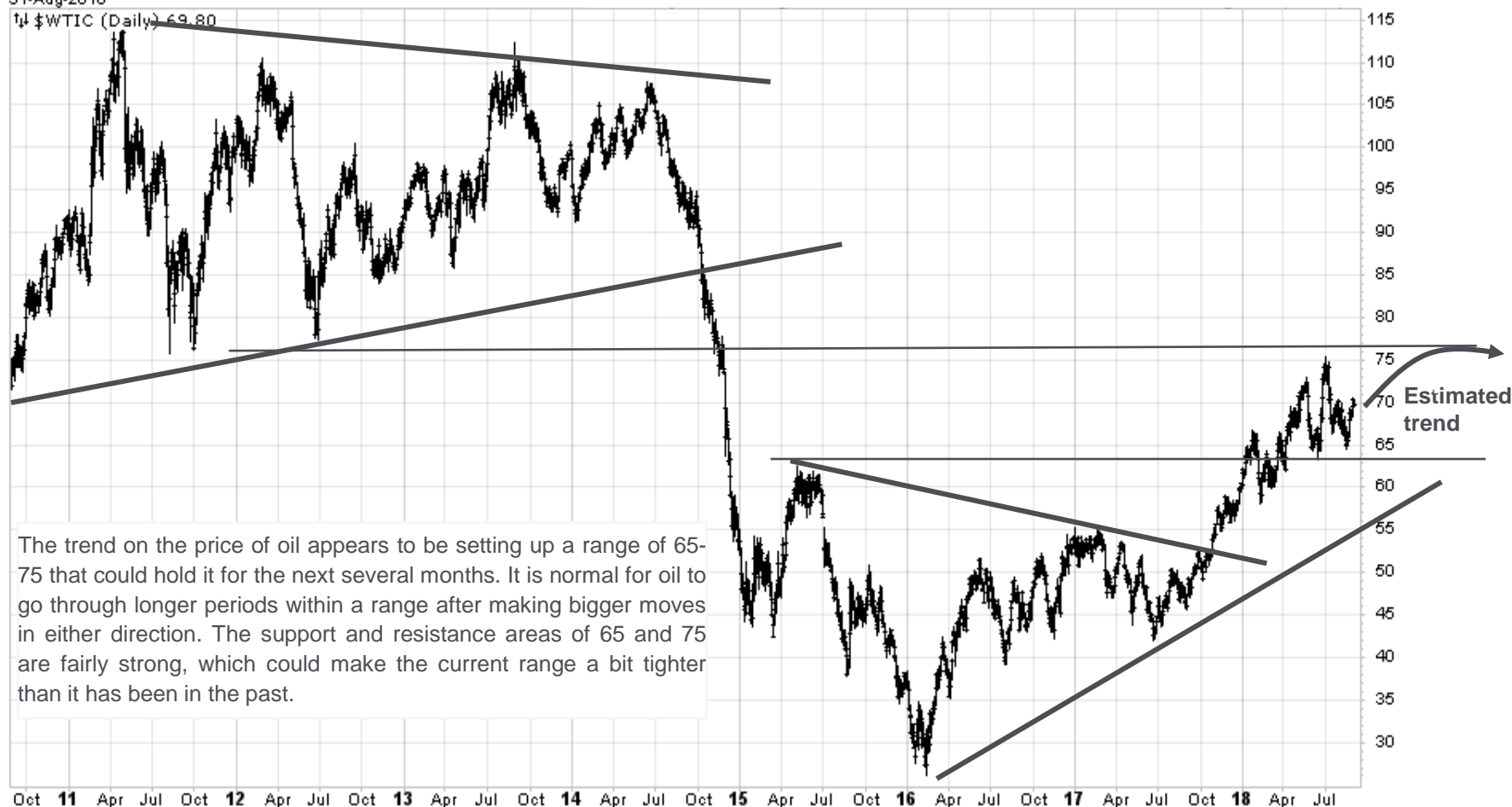


Chart courtesy of StockCharts.com and RBC Wealth Management

# Stocks vs. commodities – 60 years

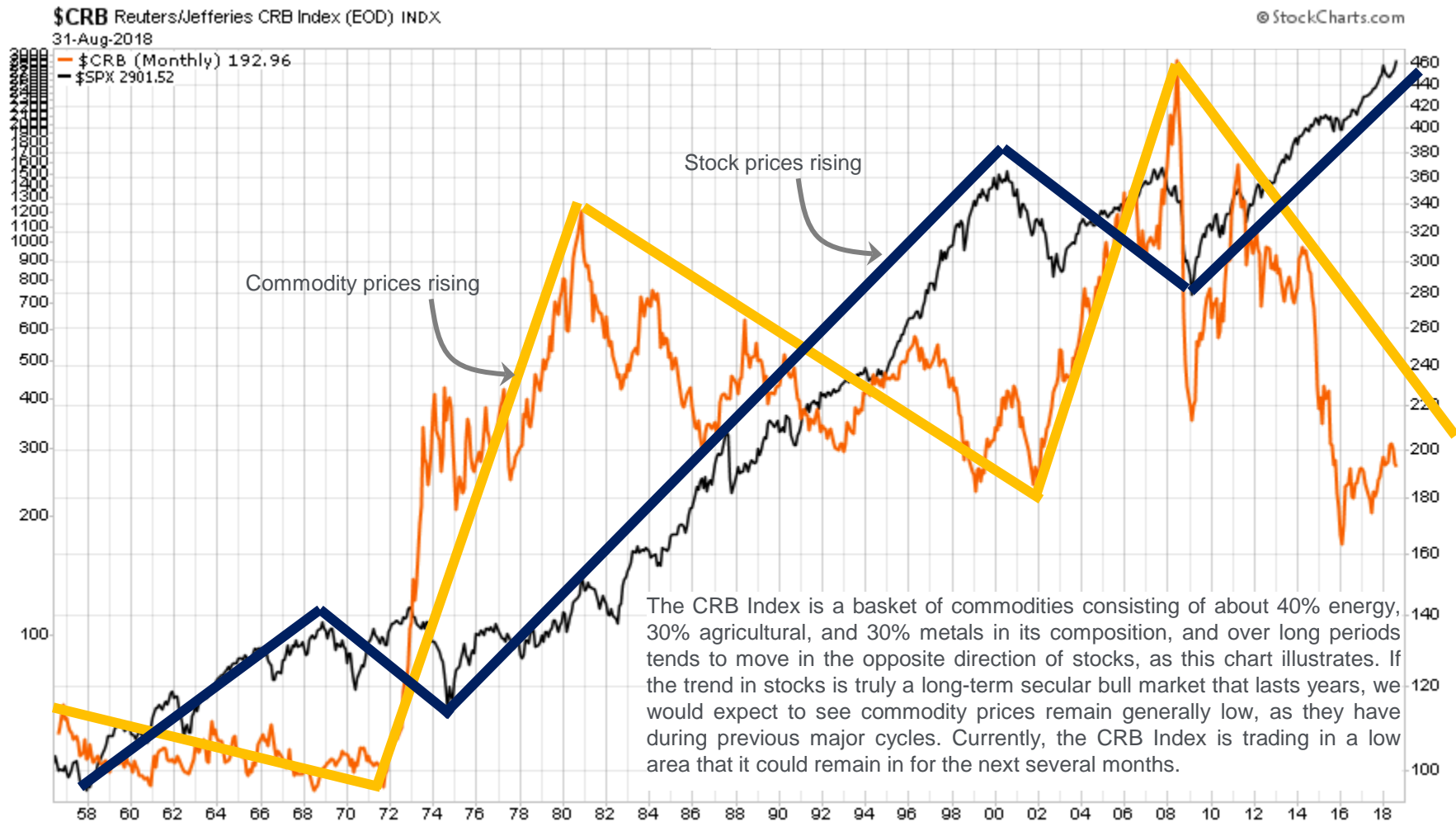


Chart courtesy of StockCharts.com and RBC Wealth Management

# 10-year Treasury bond yield for 140 years

The yield on the 10-year Treasury bond has moved up to the resistance area around 3.0% where it appears to be stalling and possibly setting up for a move back down to the support around 2.5%. On a short-term basis, the support on the yield is around the 2.8% level, and we believe that a move below that rate would indicate that lower yields are likely coming. Overall, we suspect that the long-term trend on rates will find a range that holds for several years, as has happened in the past after a long downward trend.



Chart courtesy of MultPL.com and RBC Wealth Management

# Disclosures

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