



# Market Maps

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All values in U.S. dollars and priced as of October 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-Oct-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 most recent pullback in the markets has caused the long-term moving averages to move closer to each other, which is normal during a period of consolidation. The indicator itself is designed to help identify major long-term shifts in the trend, and so far the correction in the DJIA fits that of a normal pullback within a longer-term uptrend. It would take several months of a weaker market trend in order to generate a bear market signal with the 4x13-month indicator, and is too early to call at this point.

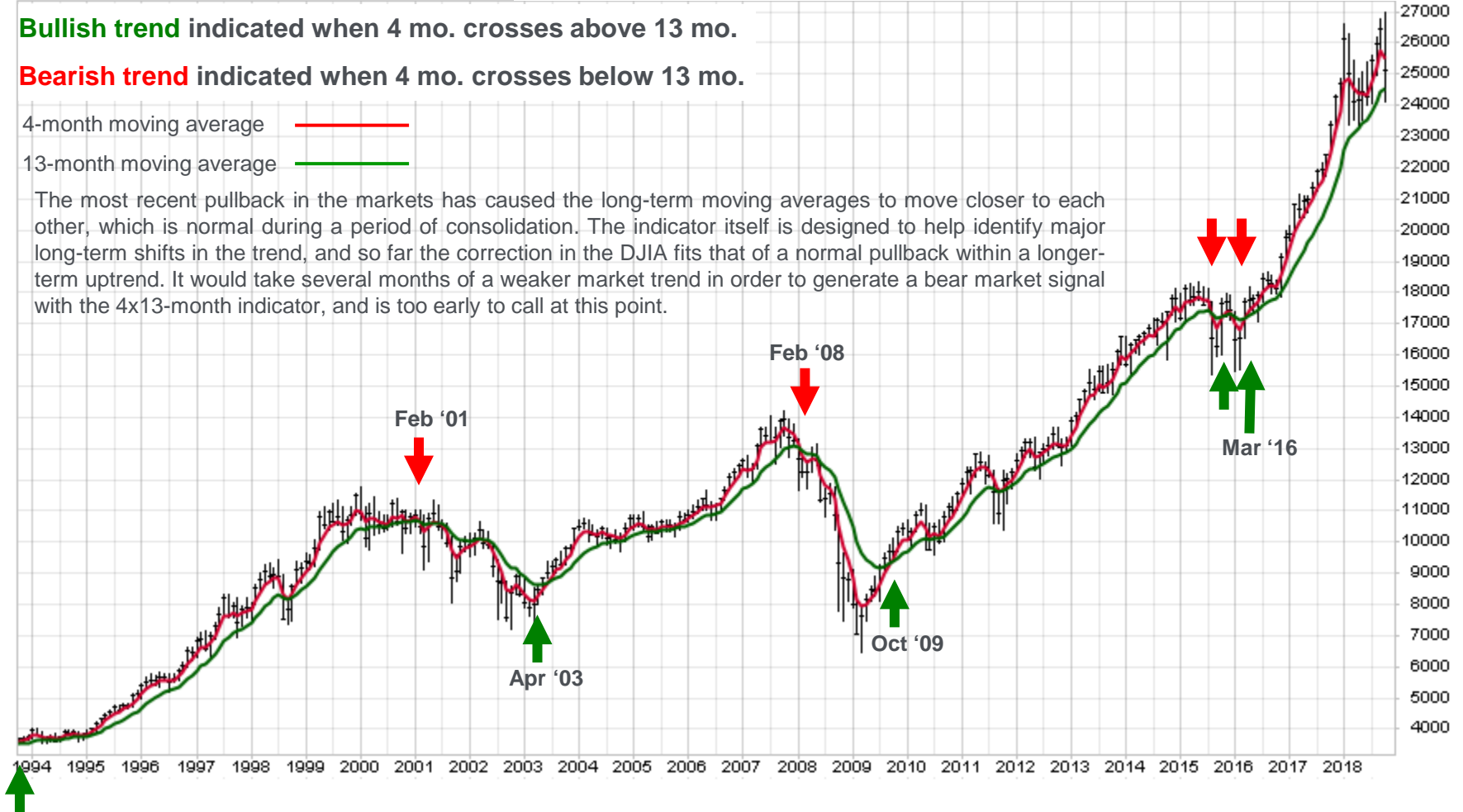


Chart courtesy of StockCharts.com and RBC Wealth Management



# Long-term market cycles 1925–2018

\$SPX S&P 500 Large Cap Index INDXX  
31-Oct-2018

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The long-term chart of the S&P continues to suggest that a secular bull market is still early in its development and could move higher for many more years. The previous long-term uptrends have not moved in straight lines however, as pullbacks and corrections are a normal part of the long-term growth pattern. These cycles tend to take a generation to move between the bull and bear periods which is such a long time that memories of previous cycles can be cloudy. But in the past, major market tops have not tended to develop until the measures of corporate valuations, economic expansion, and investor sentiment reach levels of extreme enthusiasm. We appear to still be far from those kind of readings in the current secular bull trend.

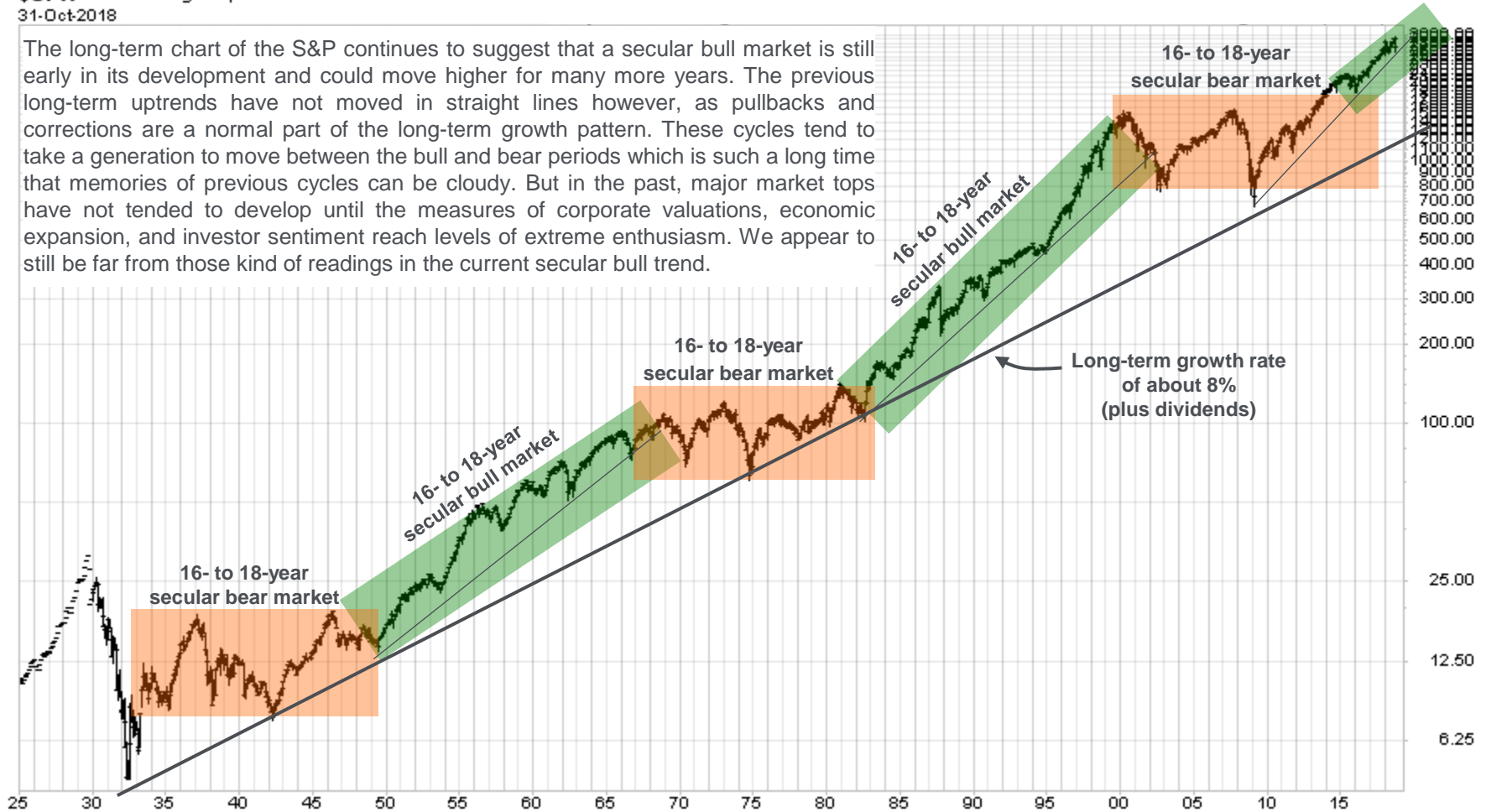


Chart courtesy of StockCharts.com and RBC Wealth Management; past performance does not guarantee future results



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

\$SPX S&P 500 Large Cap Index: INDX  
31-Oct-2018

© StockCharts.com

The recent market pullback fits the pattern of a sideways consolidation the S&P has seen before during its 10-year bull market. The size of the current range is about 15%, which is also in line with previous pause, but the high extension above the low level of the long-term rising channel does leave open the possibility of a deeper decline. The near-term support on the S&P is around 2550, which is an equivalent level of about 23,500 on the Dow Industrials that must hold, or the additional risk could be for another 10% for the indexes.

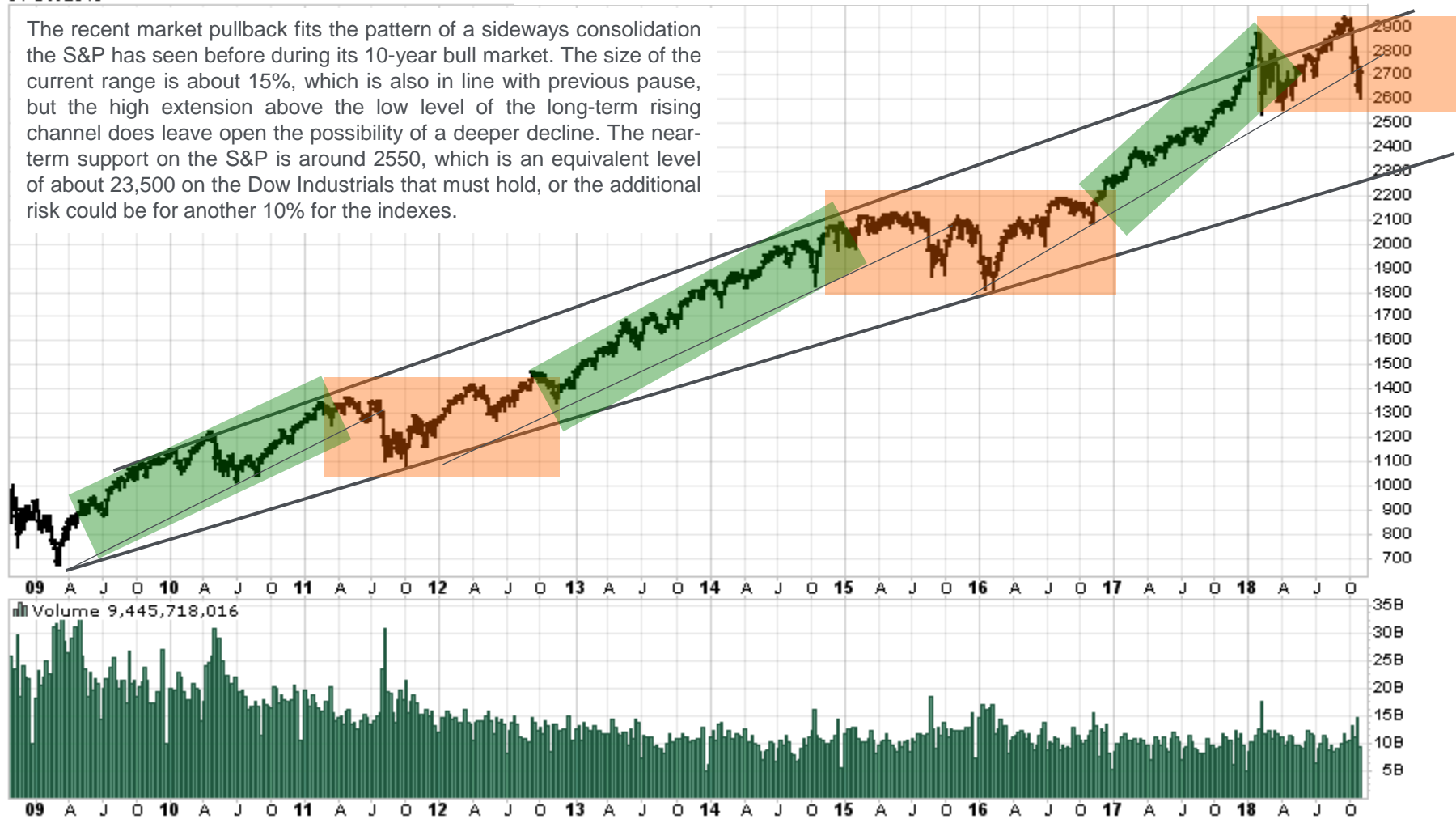


Chart courtesy of StockCharts.com and RBC Wealth Management



# Investor sentiment – 30 years



Chart courtesy of StockCharts.com and RBC Wealth Management

# TSX Composite – 20 years

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

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The TSX may be breaking below the first support level that it had around 15,000, which would imply that the pullback could extend down to the next level of chart support indicated at around 12,000. The longer-term trend has been mostly neutral and only slightly positive but within a very wide range that has made an important low every few years.

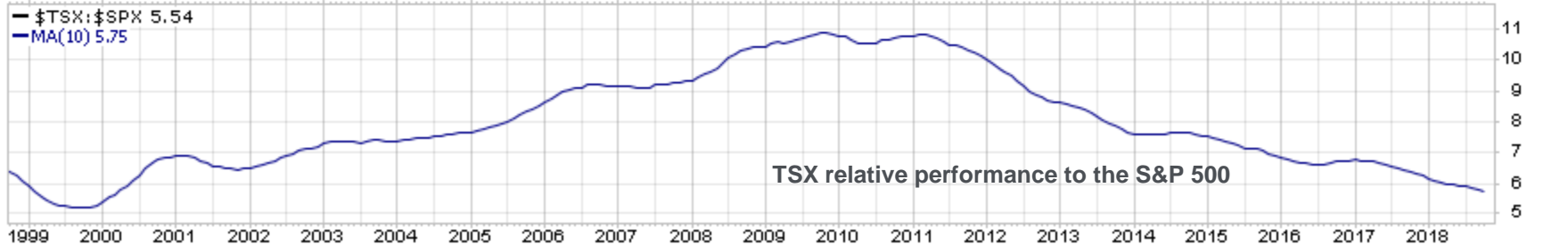


Chart courtesy of StockCharts.com and RBC Wealth Management



# Currencies – 15-year trends

**\$USD** US Dollar Index  
31-Oct-2018

© StockCharts.com



**\$CAD** Canadian Dollar - Continuous Cont  
31-Oct-2018

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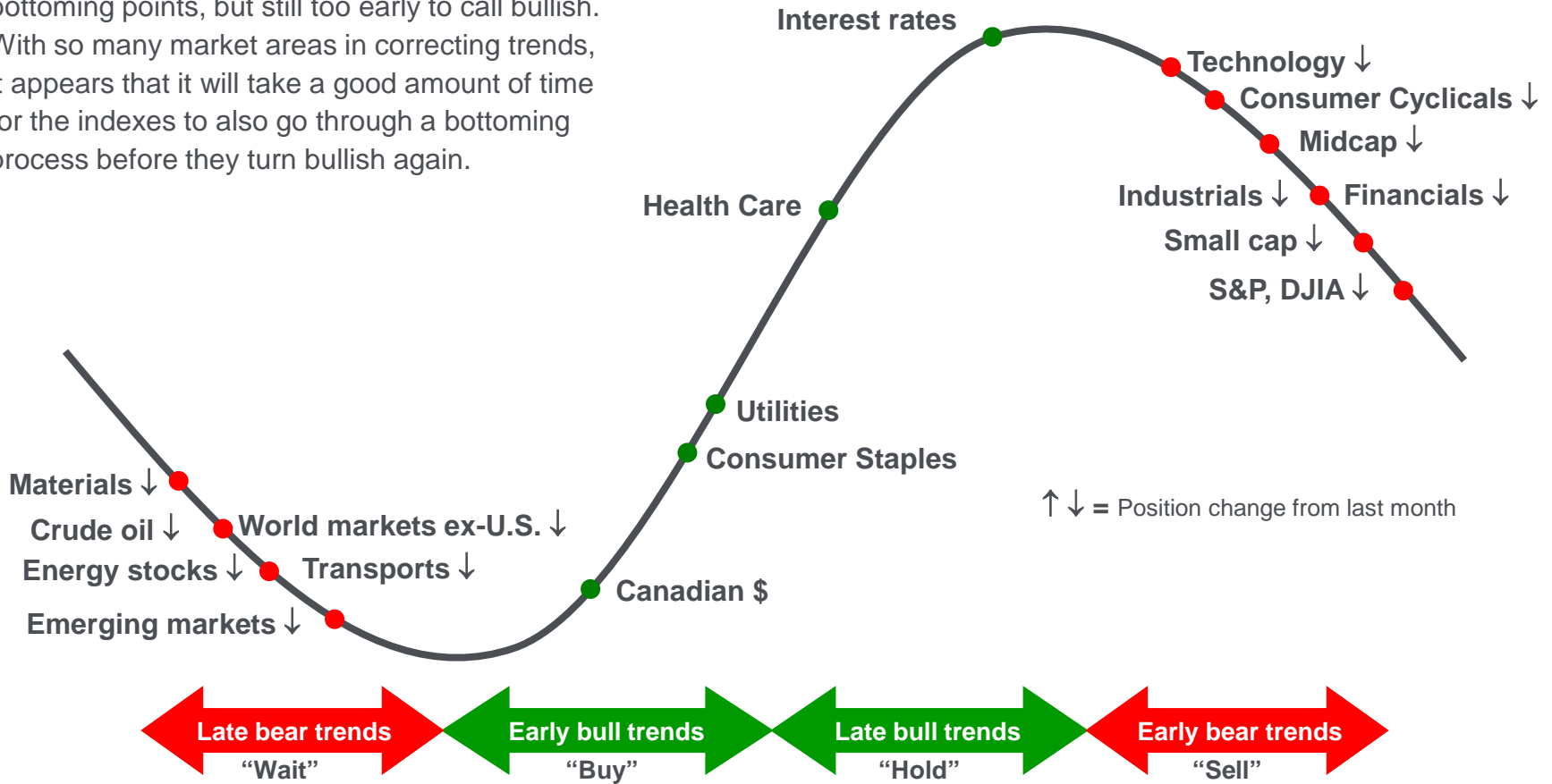
Charts courtesy of StockCharts.com and RBC Wealth Management



# S&P sectors & market indices cycle positions

## Relative positioning of major sectors within their individual cycles

Most market sectors are in correcting trends of some sort, with some nearing potential bottoming points, but still too early to call bullish. With so many market areas in correcting trends, it appears that it will take a good amount of time for the indexes to also go through a bottoming process before they turn bullish again.

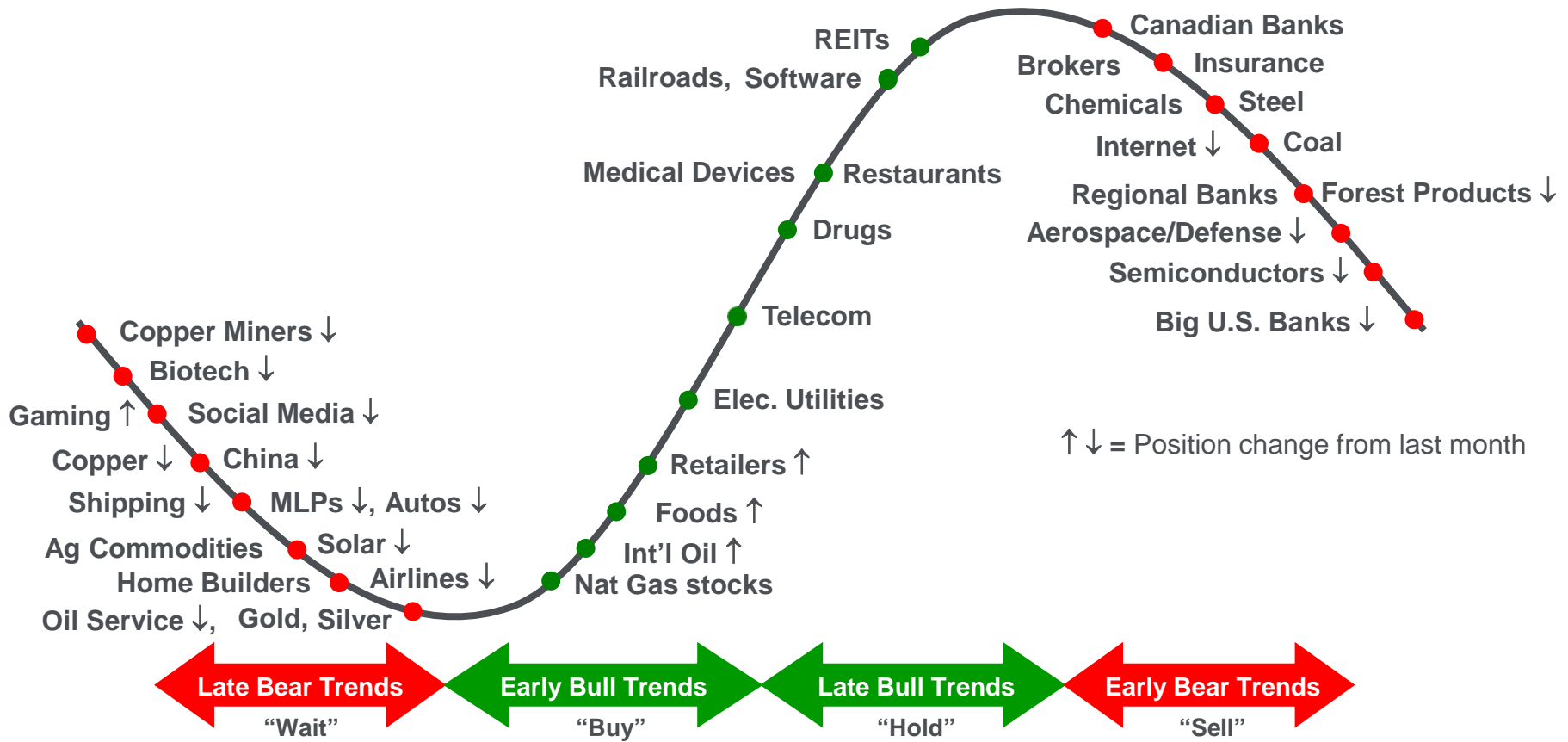


Source - RBC Wealth Management



# 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-Oct-2018

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# Oil – Eight years

\$WTIC Light Crude C  
31-Oct-2018

© StockCharts.com



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# Stocks vs. commodities – 60 years

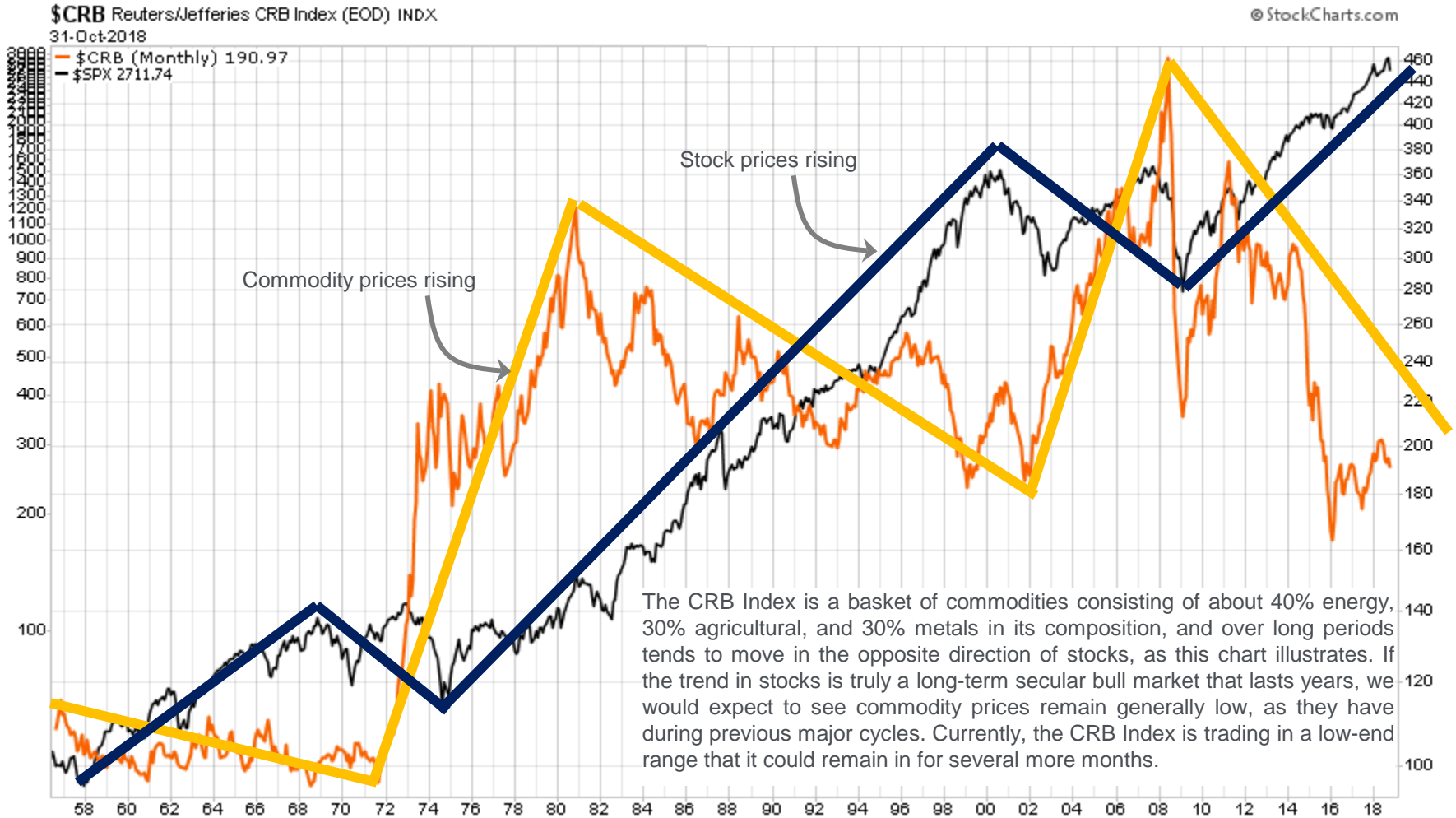


Chart courtesy of StockCharts.com and RBC Wealth Management

# 10-year Treasury bond yield for 140 years

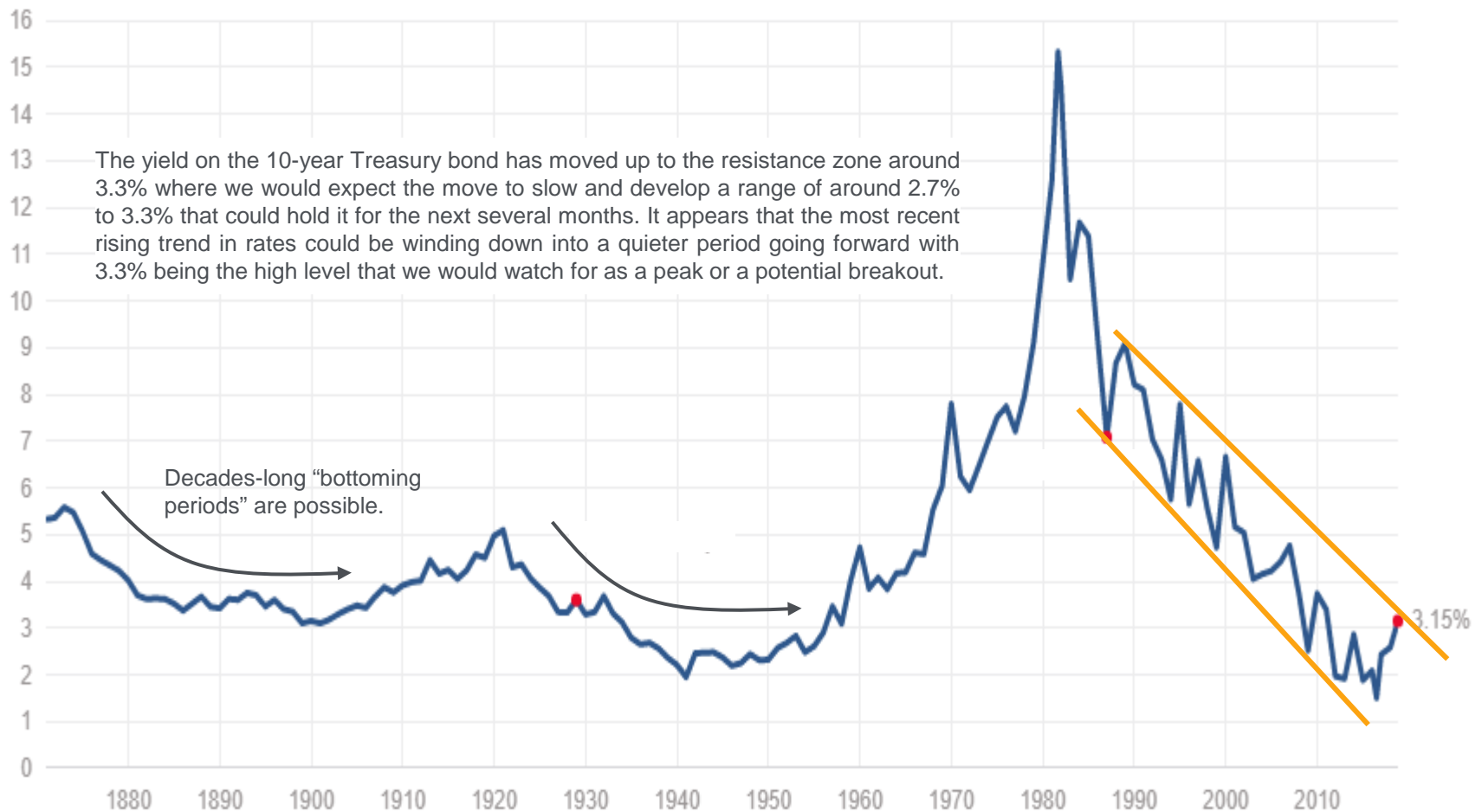


Chart courtesy of MultPL.com and RBC Wealth Management



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