



Market Maps

December 2018

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RBC Capital Markets, LLC / Portfolio Advisory Group

All values in U.S. dollars and priced as of November 30, 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
30-Nov-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 shorter-term 4-month moving average line is waffling some due to the market's more recent neutral trend, but it also remains well above the 13-month signal line as the longer-term trend continues to be constructive. The current bull trend has been in effect for over two years and remains in effect despite the recent normal consolidation period.

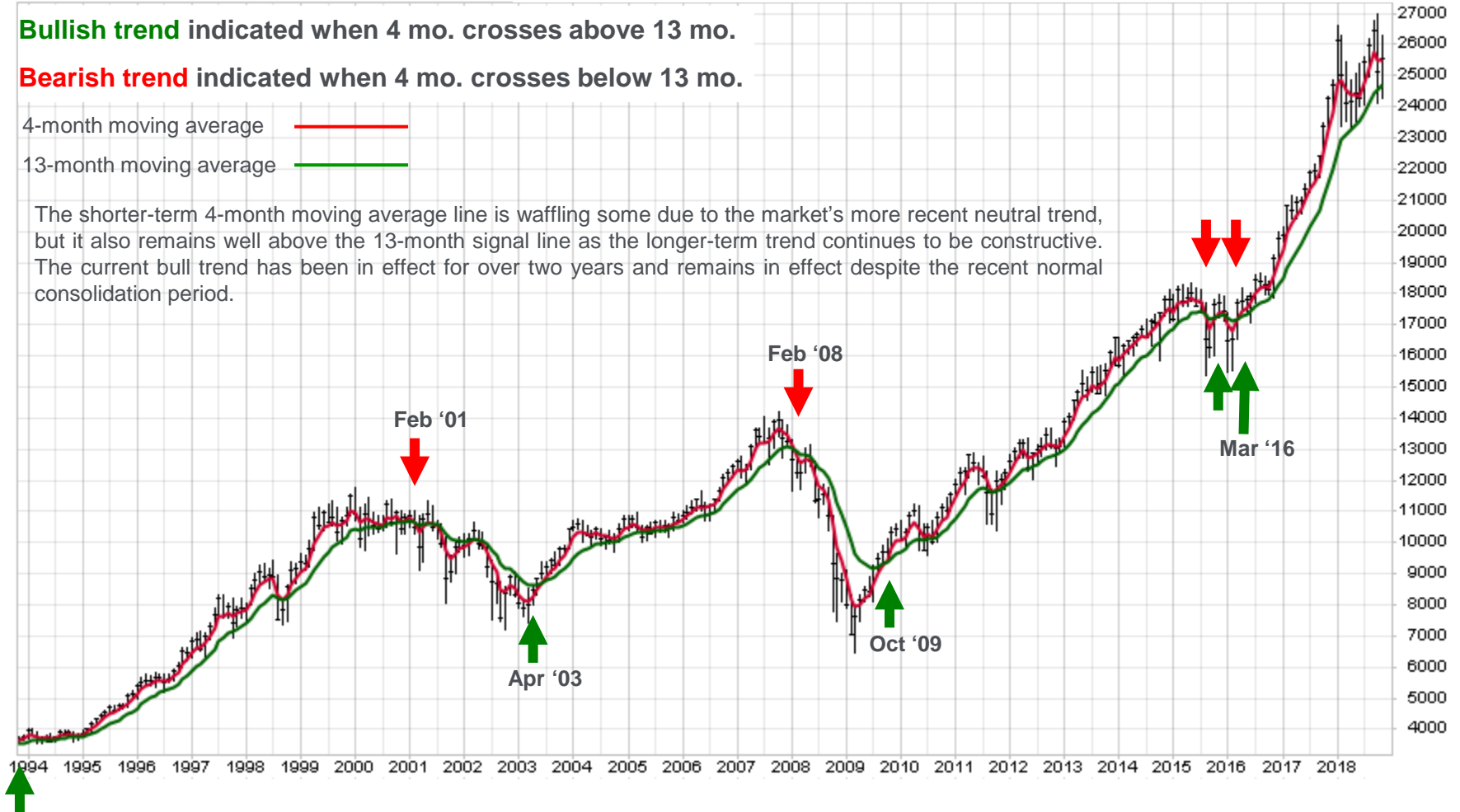


Chart courtesy of StockCharts.com and RBC Wealth Management



Long-term market cycles 1925–2018

\$SPX S&P 500 Large Cap Index INDX
30-Nov-2018

© StockCharts.com

The long-term view of the S&P illustrates a pattern that generally follows a generational and demographic trend from which it appears that the more recent bull trend is still relatively early in its formation. The bull trend of the past 10 years may be the longest without a pullback of 20% or greater, but when viewed in the context of the 93-year chart it can be seen that larger corrections are still possible within a long-term secular bull trend, so the 20% “bear market” statistic may not be an accurate measure of a market trend. The average secular bull market periods would suggest that the current trend may be in effect for another 10–15 years.

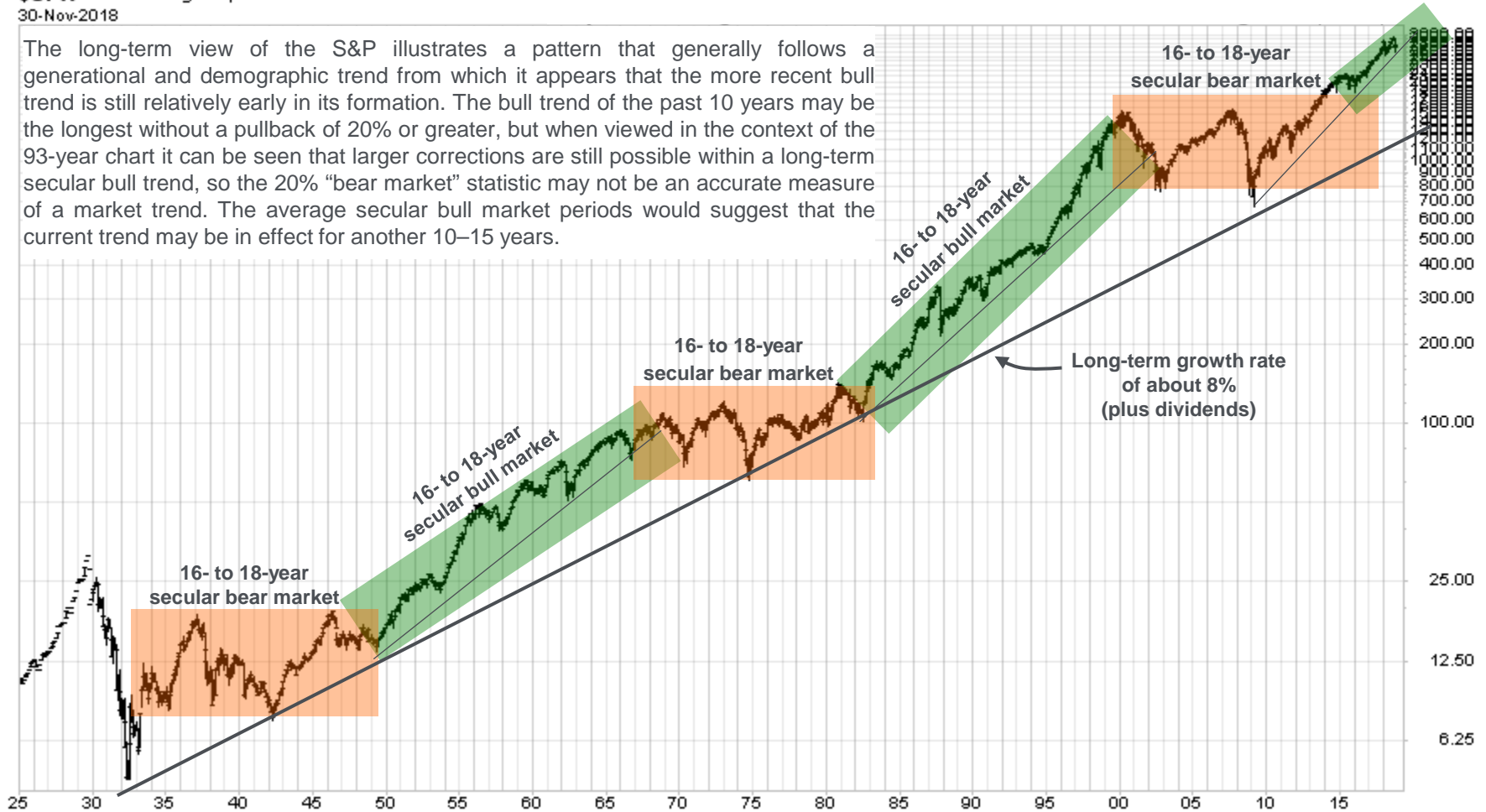


Chart courtesy of StockCharts.com and RBC Wealth Management; past performance does not guarantee future results



Short-term market: S&P 500 – 10 years

\$SPX S&P 500 Large Cap Index: INDX
30-Nov-2018

© StockCharts.com

The 10-year bull market that the S&P 500 has been in follows a pulsing trend that is coincident with the earnings growth trend for the period with one to two years of higher growth spaced by one to two years of less or flat earnings growth for stocks. The overall pattern has been rising for the period in a trading channel that is 20% wide, allowing for a good amount of short-term movement within the overall range. Recognizing the direction of the long-term trend can help to keep the short-term movement in perspective.



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
30-Nov-2018

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The TSX continues to trade in a widening range for the year with new yearly highs followed later by new yearly lows. We think the overall trend will not be clear until there is a definitive breakout from the range with the longer-term trend suggesting that it will eventually break out to the upside.

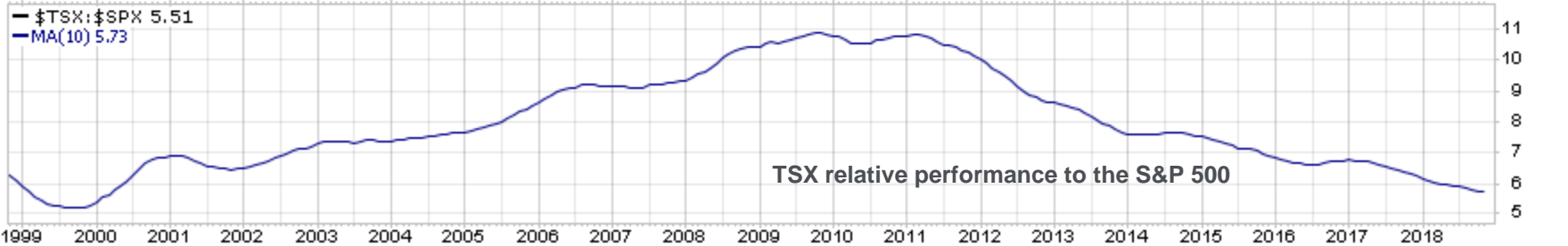


Chart courtesy of StockCharts.com and RBC Wealth Management



Currencies – 15-year trends

\$USD US Dollar Index
30-Nov-2018



\$CAD Canadian Dollar - Continuous Cont
30-Nov-2018

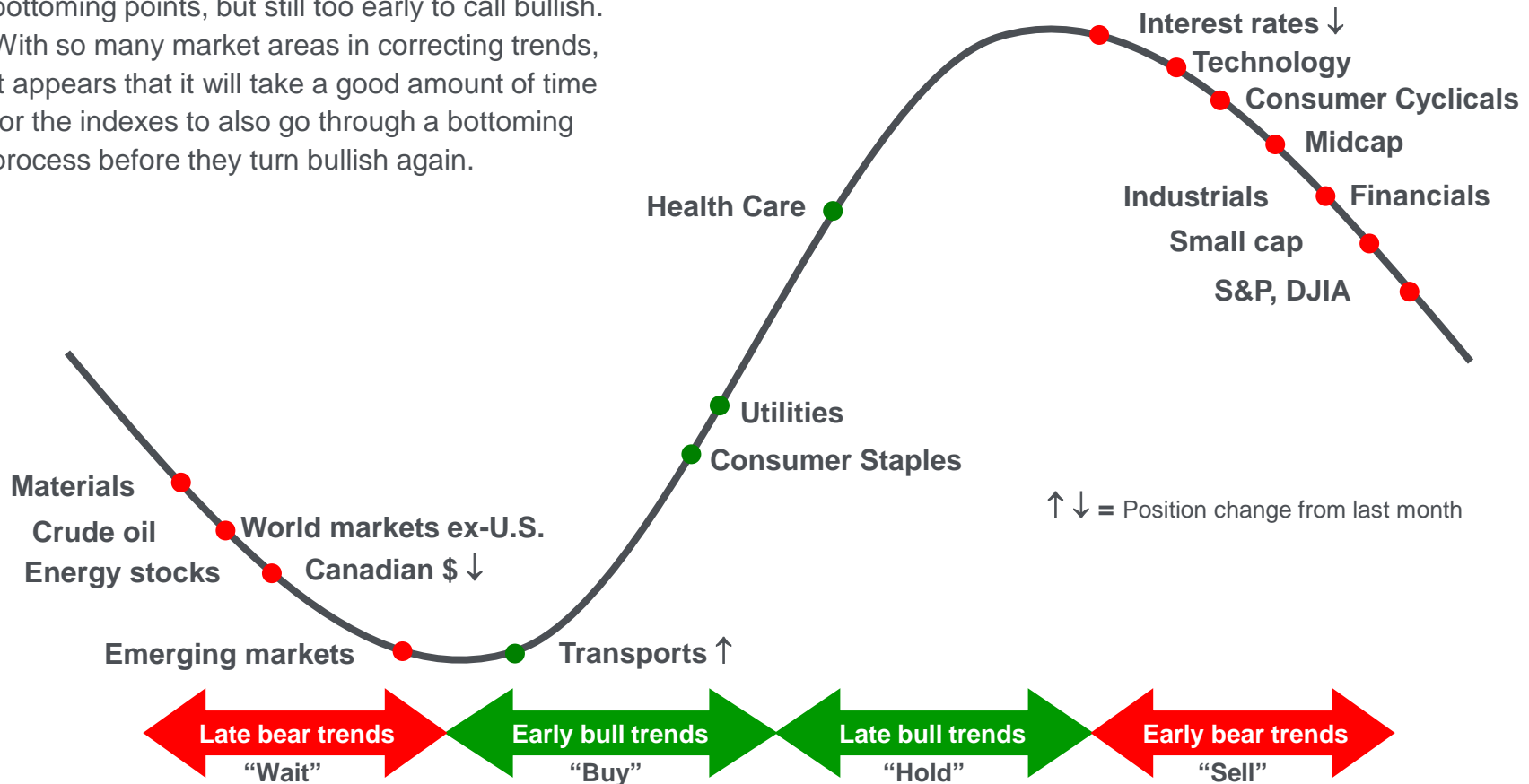


Charts courtesy of StockCharts.com and RBC Wealth Management

S&P sectors & market indices cycle positions

Relative positioning of major sectors within their individual cycles

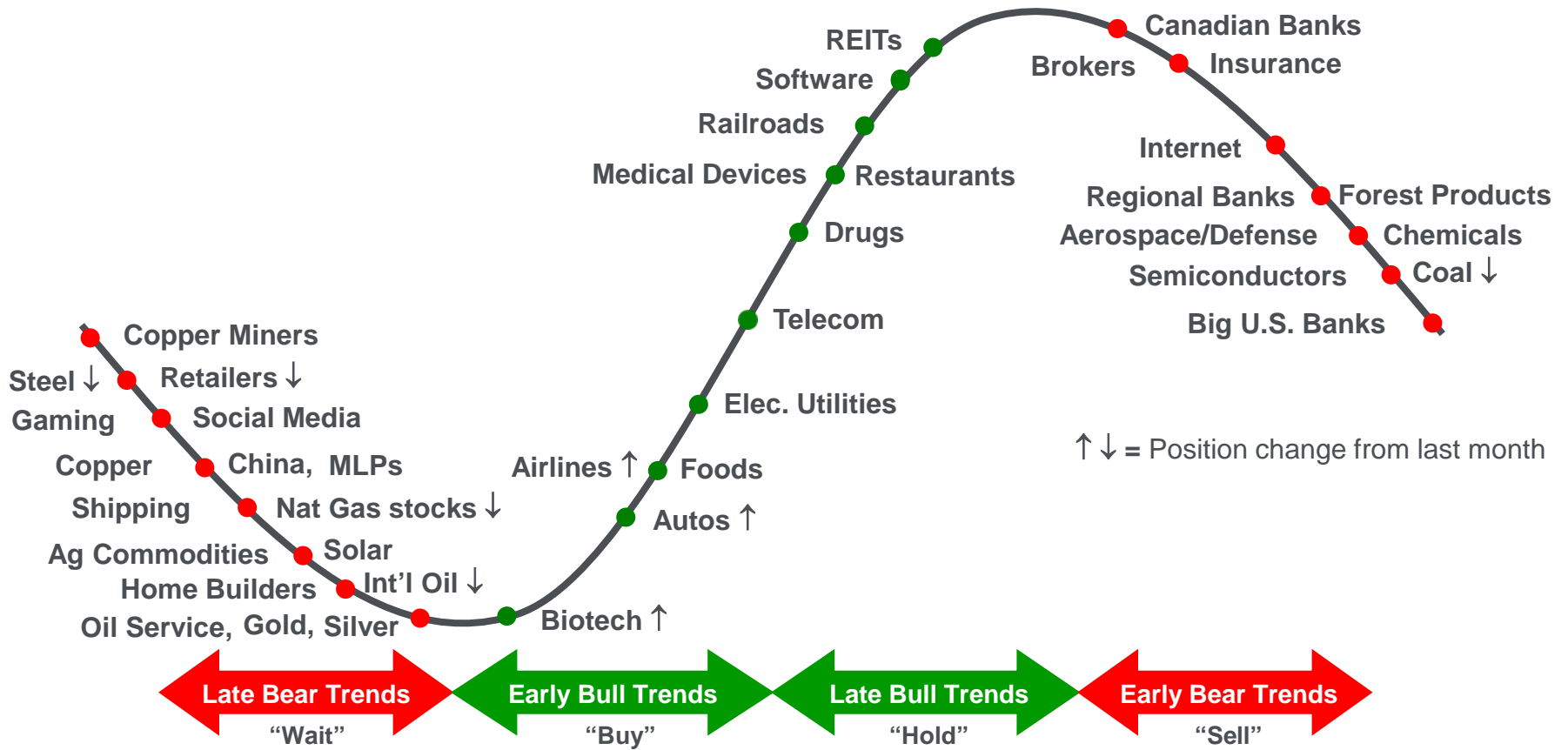
Most market sectors are in correcting trends of some sort, with some nearing potential bottoming points, but still too early to call bullish. With so many market areas in correcting trends, it appears that it will take a good amount of time for the indexes to also go through a bottoming process before 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
30-Nov-2018

© StockCharts.com



Chart courtesy of StockCharts.com and RBC Wealth Management



Oil – Eight years

\$WTIC Light Crude Oil ·
30-Nov-2018

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Chart courtesy of StockCharts.com and RBC Wealth Management



Stocks vs. commodities – 60 years

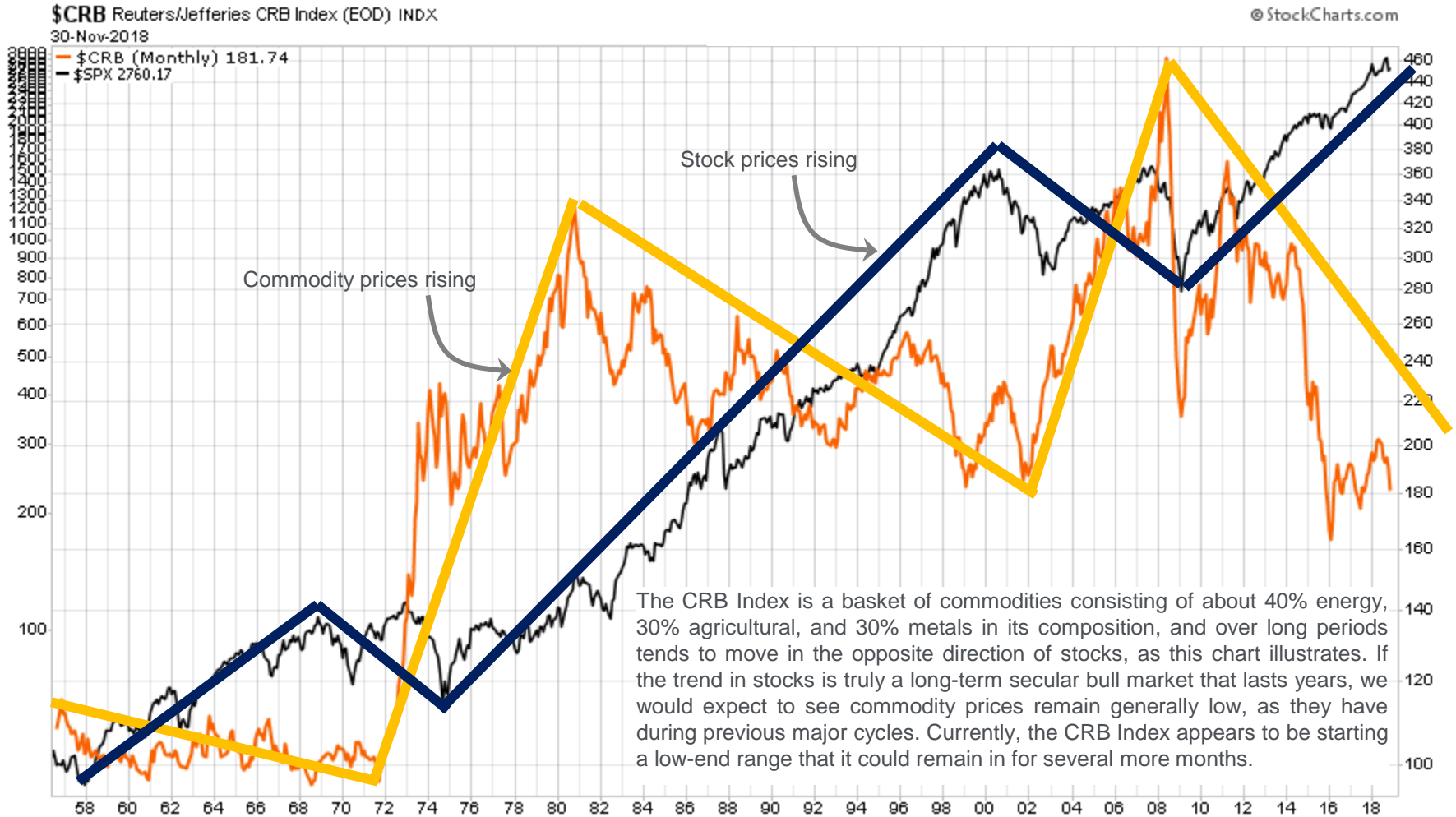


Chart courtesy of StockCharts.com and RBC Wealth Management

10-year Treasury bond yield for 140 years

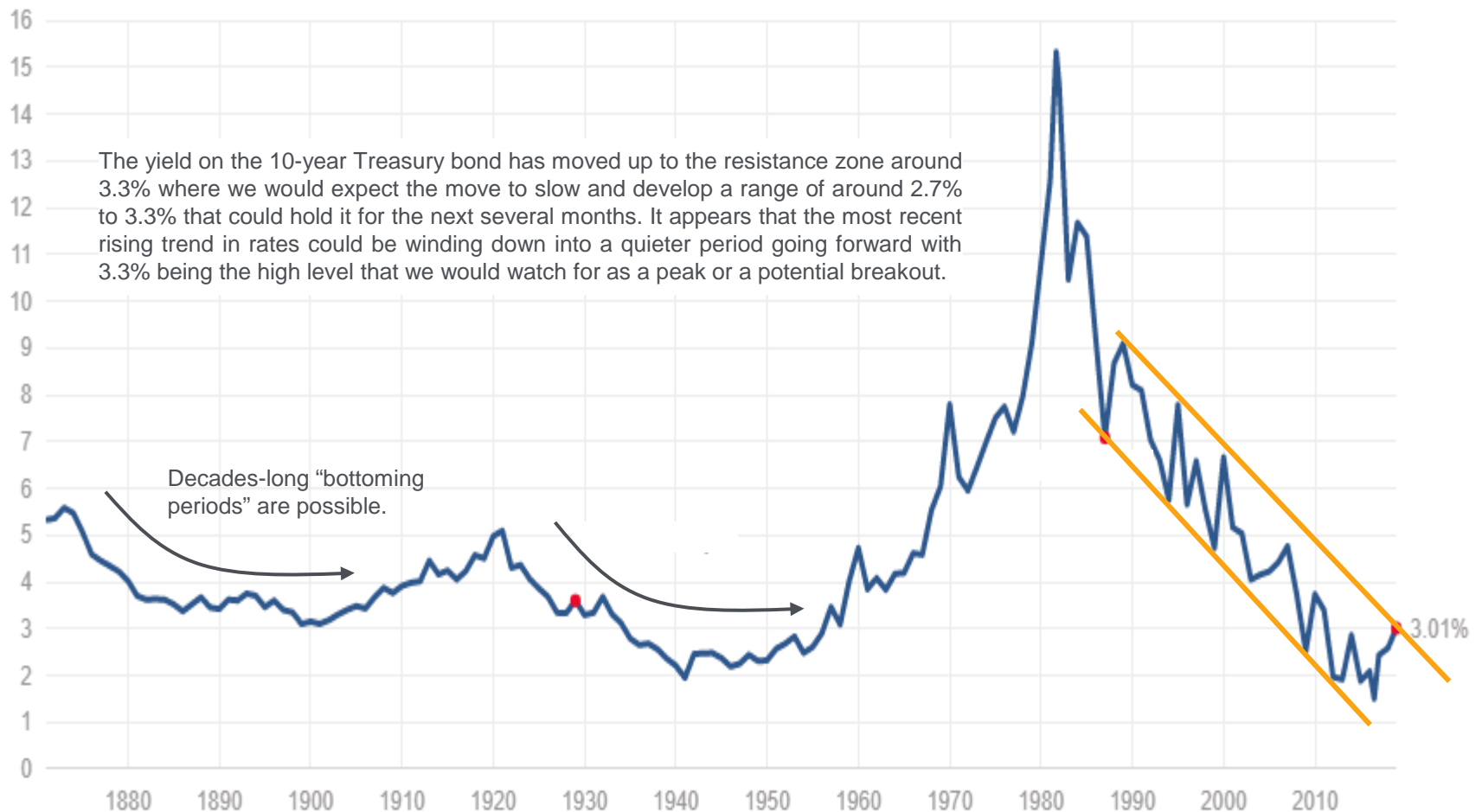


Chart courtesy of MultPL.com and RBC Wealth Management



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