



# Market Maps

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All values in U.S. dollars and priced as of December 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-Dec-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 4- and 13-month moving averages are nearly touching after the past month of decline on the Dow Industrials, but still remain in a positive position for the longer term. For a break to be confirmed, we would need to see the averages cross and then remain so for another month in order to confirm that a bearish shift was in place. As it stands now, the most recent pullback continues to fit the trend of a correction within a longer-term bullish trend.

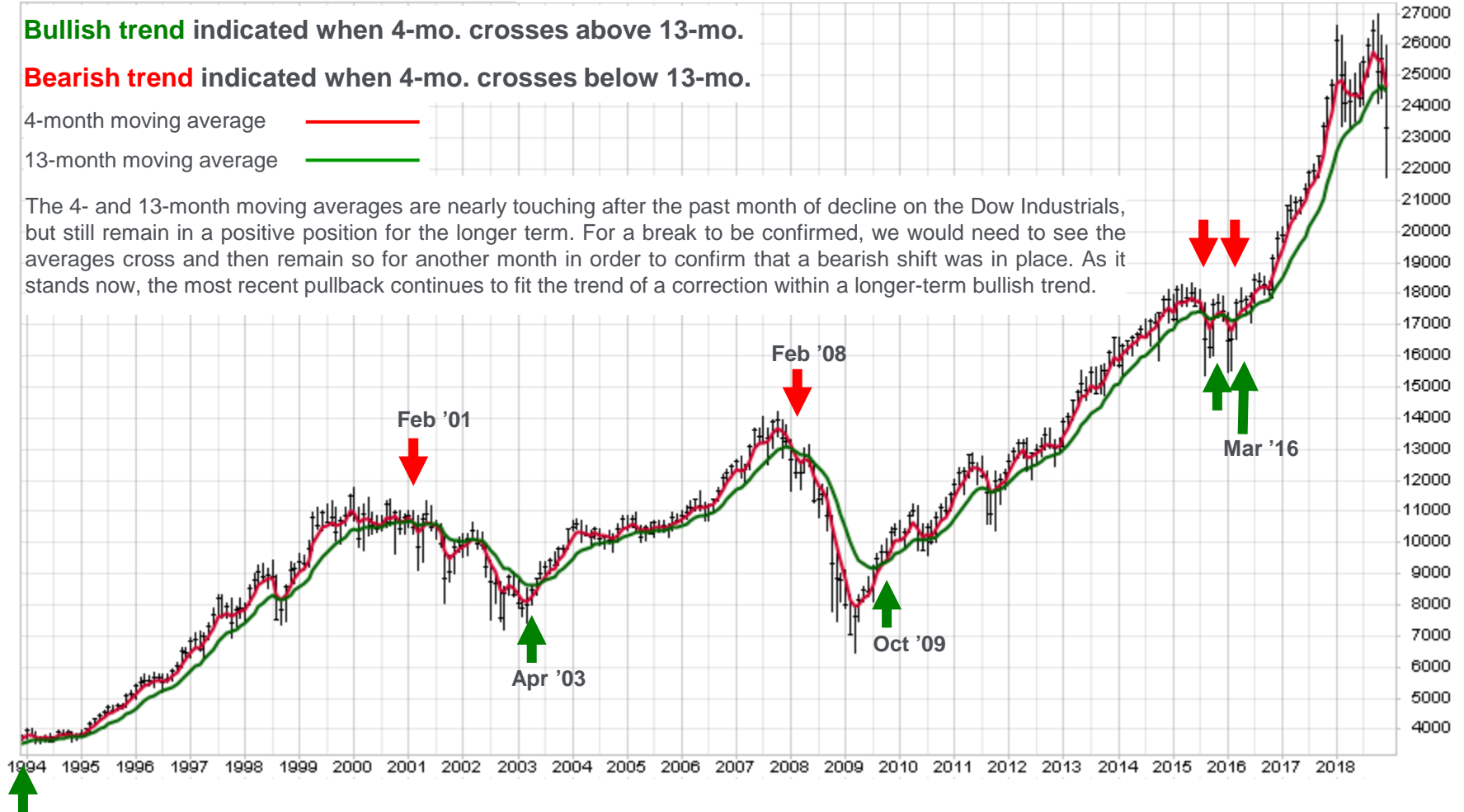


Chart courtesy of StockCharts.com and RBC Wealth Management

# Long-term market cycles 1925–2018

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

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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 longer-term view of market trends puts the bull market of the past ten years in perspective in that it may not be that extended on a historic basis. Previous long-term bull trends have seen corrections and even recessionary periods, but these have been less serious than those that occur during secular bear periods. We rate the current secular bull trend as being about at the halfway point, with good upside potential that will likely coincide with stronger earnings and economic growth along with an eventual rise in investor sentiment.

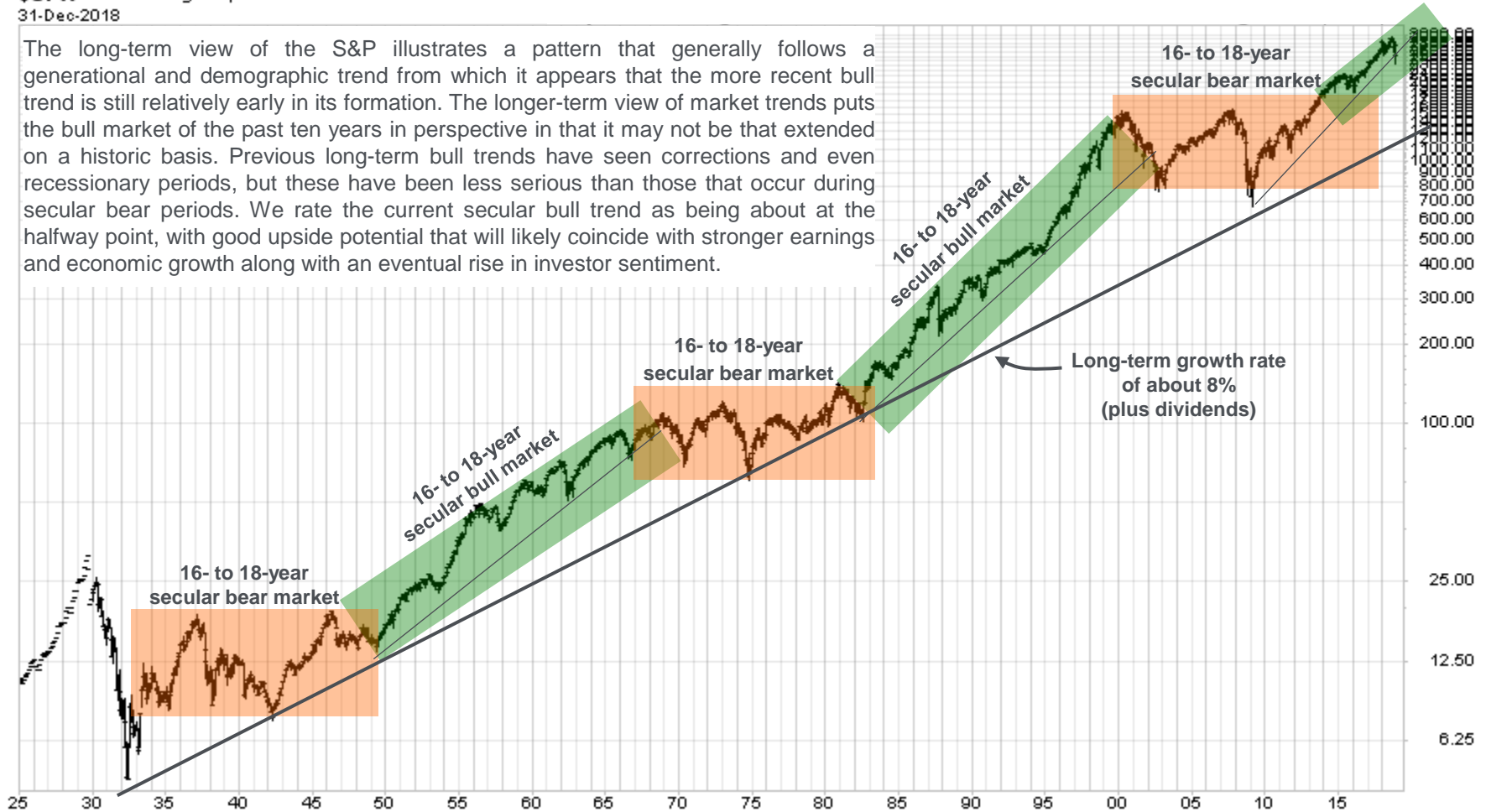


Chart courtesy of StockCharts.com and RBC Wealth Management; past performance does not guarantee future results



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

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

© StockCharts.com

The S&P is moving in a more volatile fashion over the near term but still fits into the channel of the 10-year-long bullish trend. It is possible that, with further correcting or more time within a range, the index could touch the low end of the channel as it has done in the past. The overall pattern follows that of the earnings growth of the S&P, which was robust last year but is now seeing reductions in the growth expectations for 2019; this likely accounts for much of the weaker recent performance, possibly similar to how it acted in 2015–2016.



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-Dec-2018

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The recent weakness in the TSX could mean that the index is pulling back towards the low end of its eight-year range that has support in the 12,000-13,000 area. The long-term trend is quite neutral with the index trading at about the same level as 10 years ago, which makes timing and patience even more important for new investment in the sector.

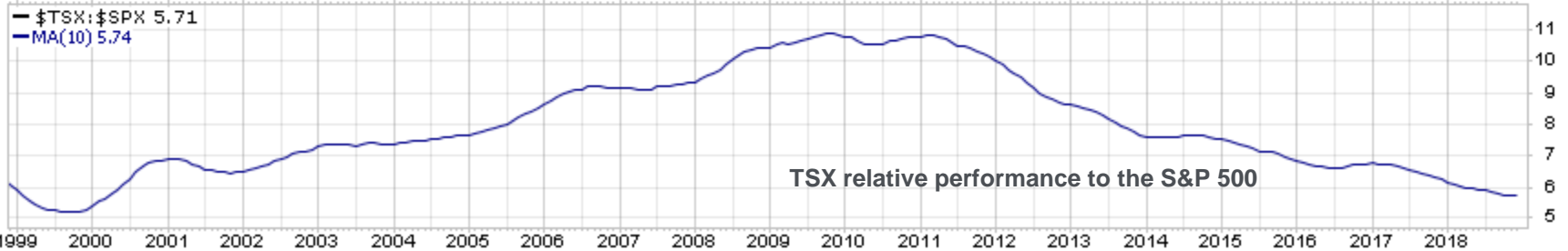


Chart courtesy of StockCharts.com and RBC Wealth Management

# Currencies – 15-year trends

**\$USD** US Dollar Index

31-Dec-2018

↑↓ \$USD (Monthly) 95.74

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The trend on the U.S. dollar has been in a widening range for the past four years and could be in another short-term uptrend that could take it up to the high end of the range once again.



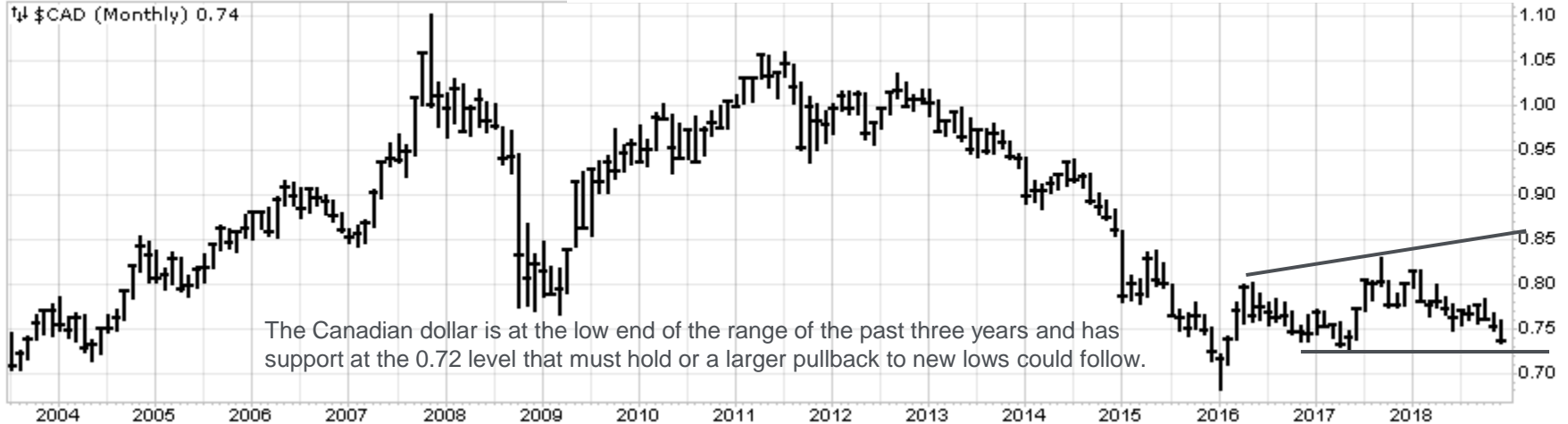
**\$CAD** Canadian Dollar - Continuous Cont

31-Dec-2018

↑↓ \$CAD (Monthly) 0.74

© StockCharts.com

The Canadian dollar is at the low end of the range of the past three years and has support at the 0.72 level that must hold or a larger pullback to new lows could follow.

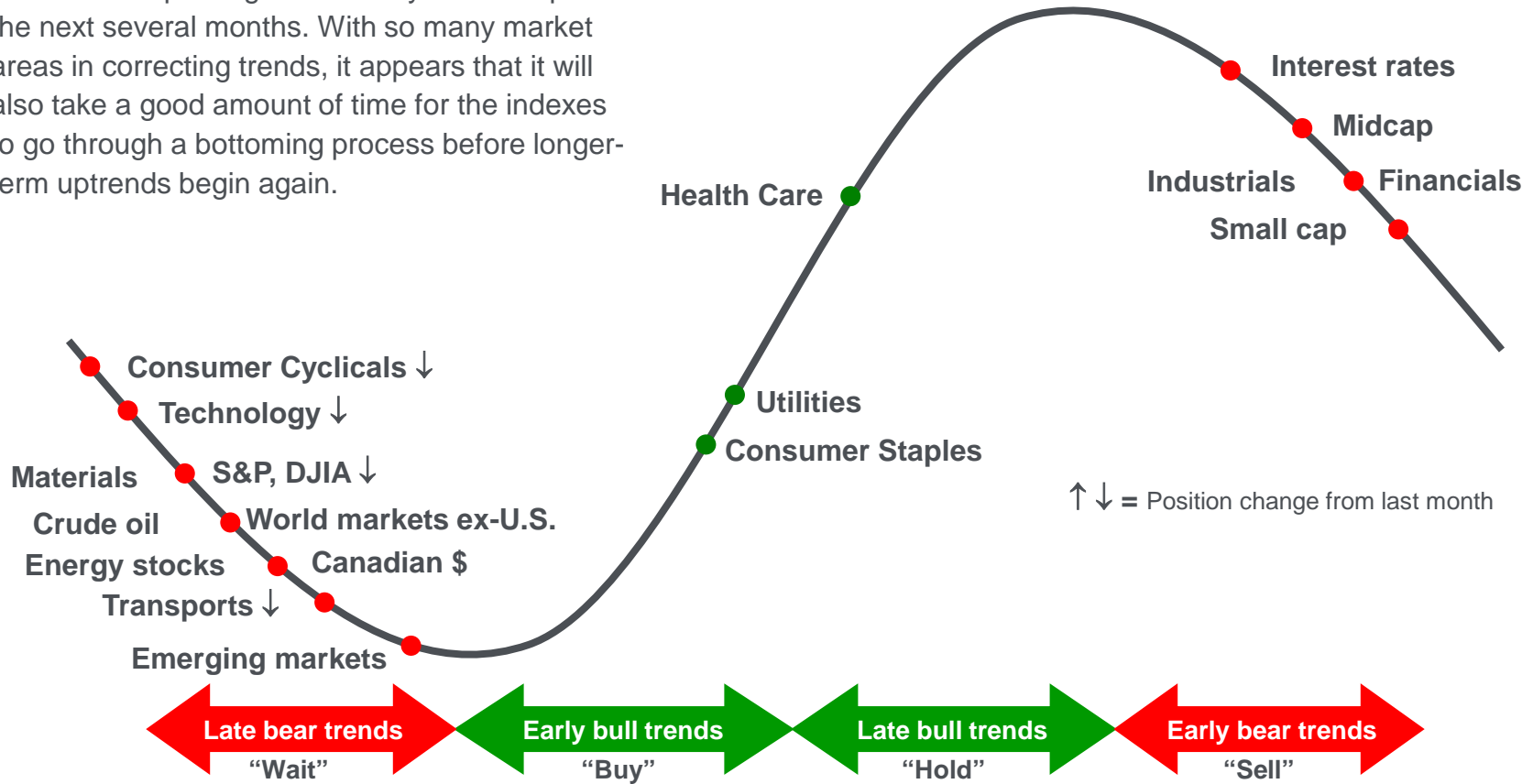


Charts courtesy of StockCharts.com and RBC Wealth Management

# S&P sectors & market indexes 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 and improving trends likely to develop over the next several months. With so many market areas in correcting trends, it appears that it will also take a good amount of time for the indexes to go through a bottoming process before longer-term uptrends begin again.

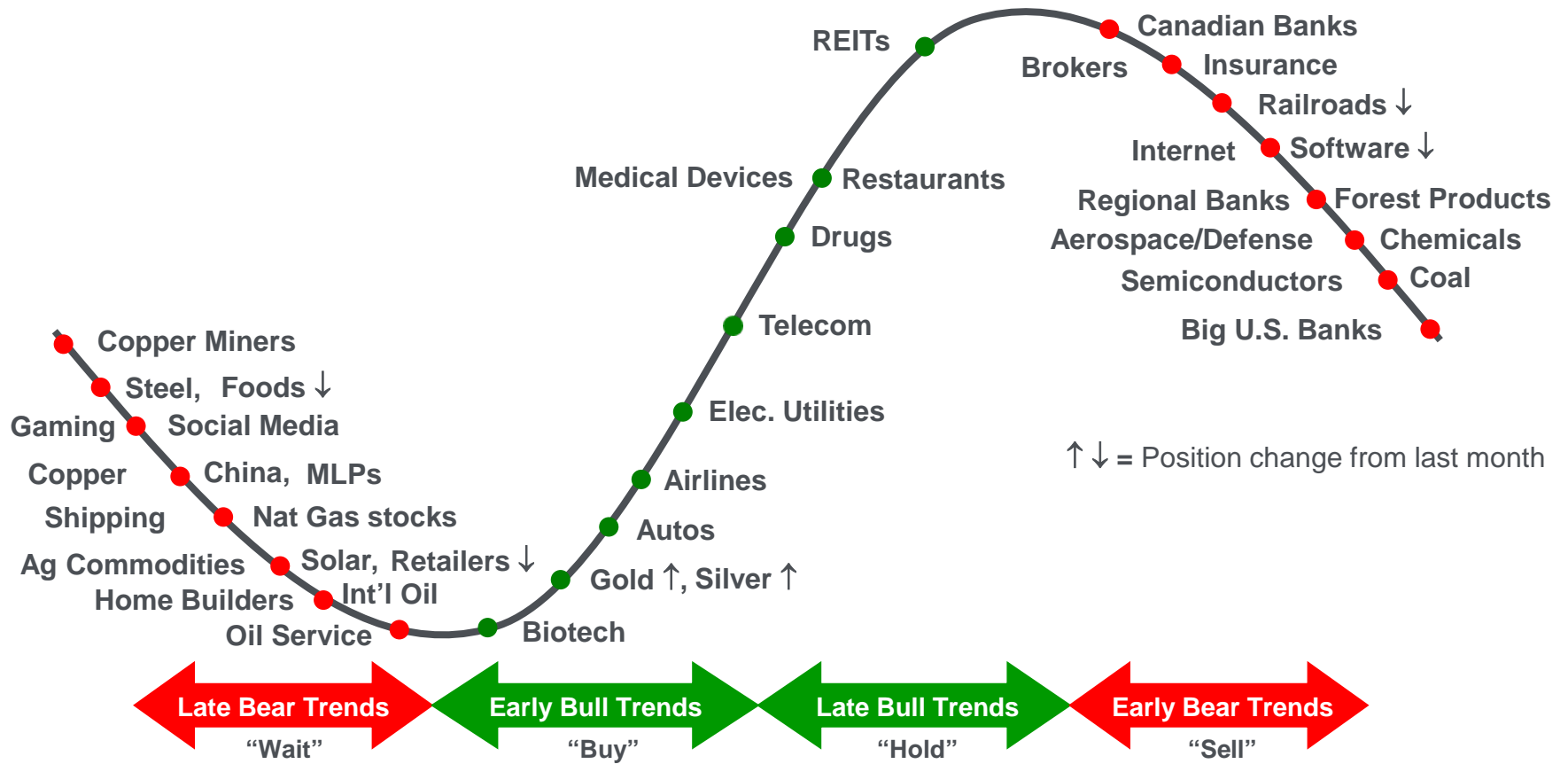


Source - RBC Wealth Management



# 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

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31-Dec-2018

↑↓ \$GOLD (Weekly) 1281.30



Chart courtesy of StockCharts.com and RBC Wealth Management

# Oil – Nine years

\$WTIC Light Crude Oil ·  
31-Dec-2018

© StockCharts.com



Chart courtesy of StockCharts.com and RBC Wealth Management



# Stocks vs. commodities – 60 years

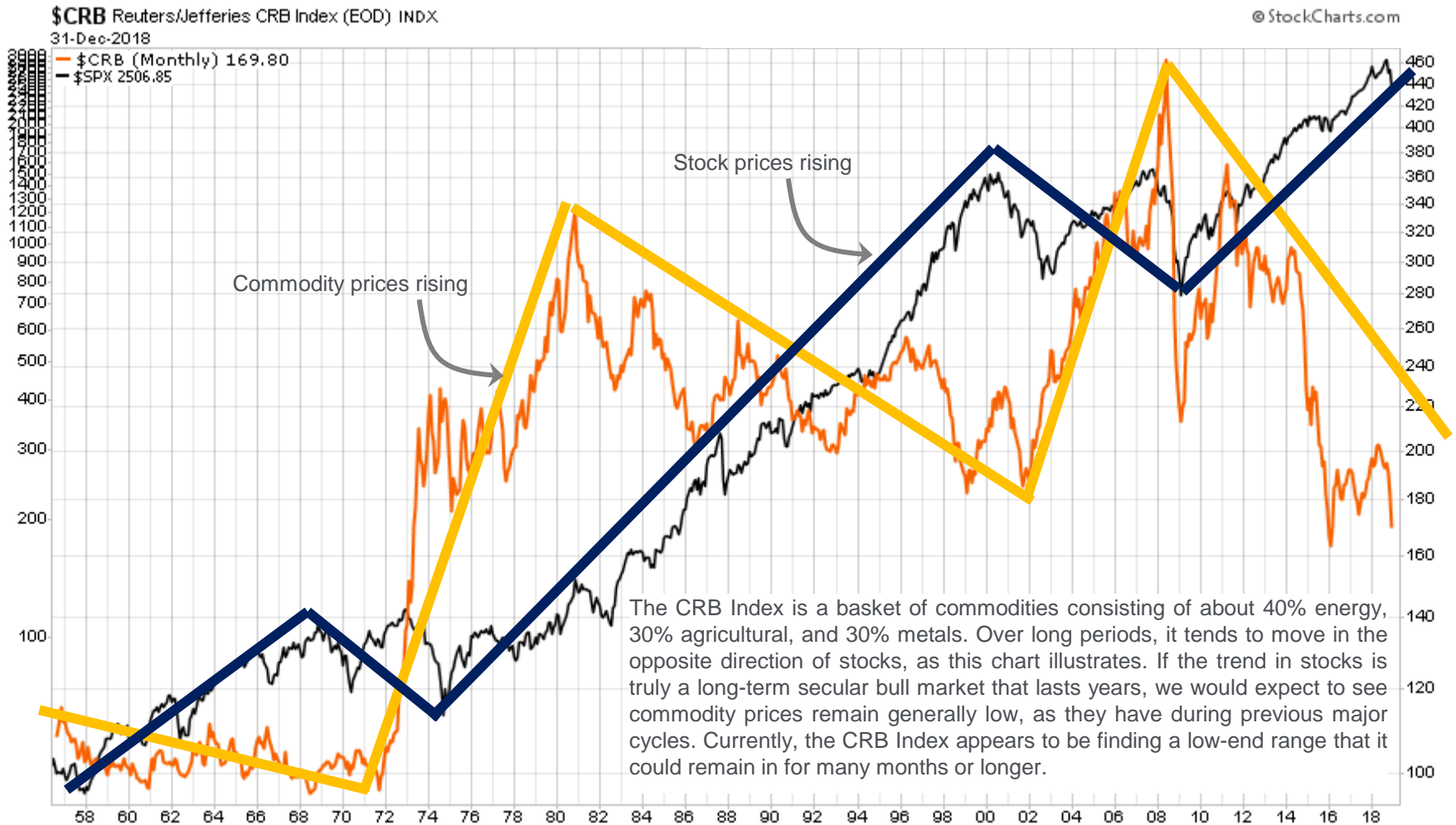


Chart courtesy of StockCharts.com and RBC Wealth Management

# 10-year Treasury bond yield for 140 years

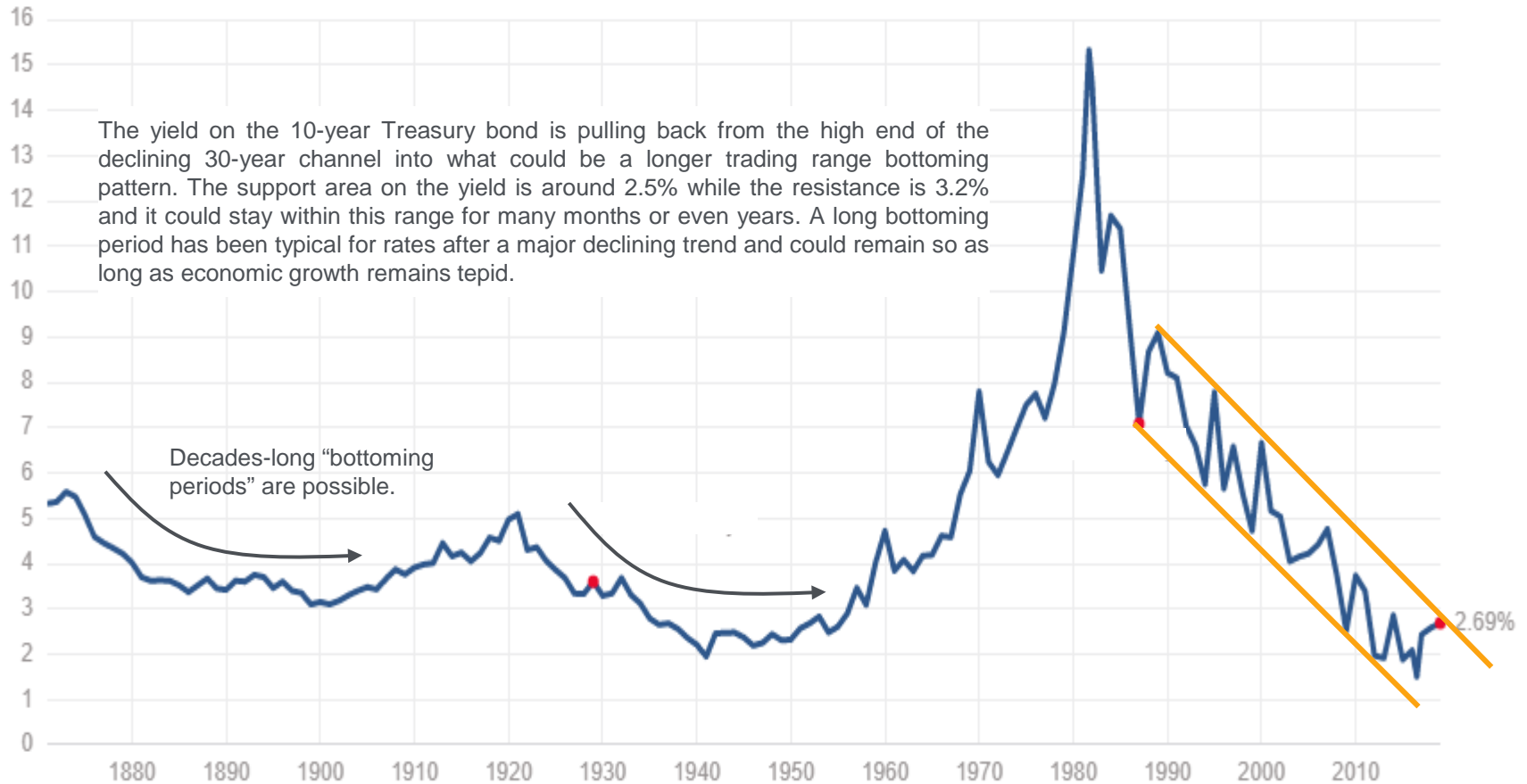


Chart courtesy of MultPL.com and RBC Wealth Management



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