



Market Maps

April 2020

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All values in U.S. dollars and priced as of March 31, 2020, unless otherwise noted

For Disclosures, see slide 14

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Produced: April 1, 2020 10:21ET; Disseminated: April 1, 2020 11:00ET



**Wealth
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Short-term market: S&P 500 – 12 years

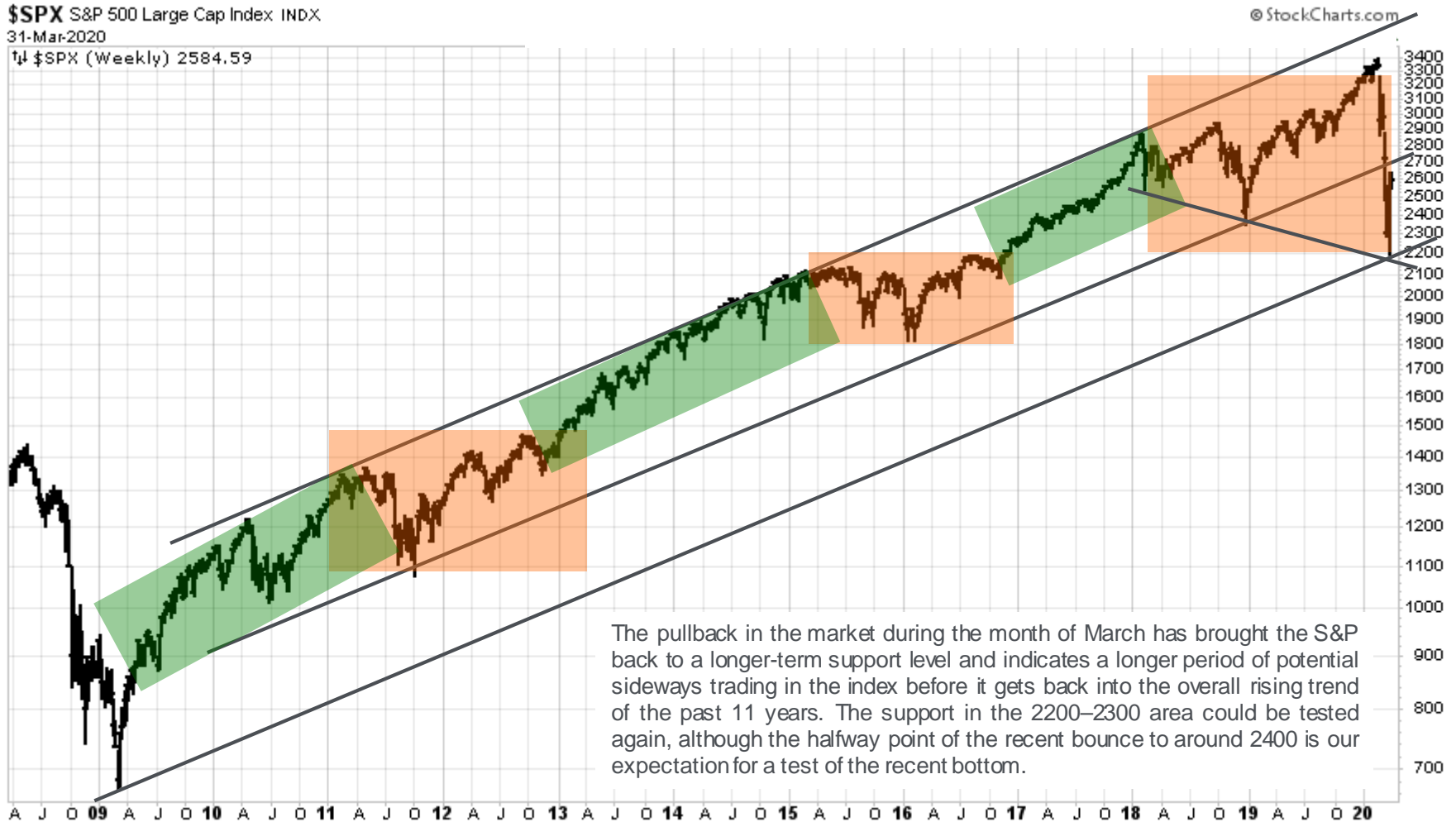


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Long-term market cycles 1925–2020

\$SPX S&P 500 Large Cap Index INDX
31-Mar-2020

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The recent market pullback takes on a different perspective when viewed on a long-term basis with a shape that is more similar to the decline of 1987 than how it patterned during the secular bear periods. It is a shock decline rather than a bubble that built up over time and could also end up with a similar outcome to the 1987 period. Secular bull markets often have corrections that distract from the overall trend but are a normal part of the overall process. The 1980–2000 period saw the boom in technology and the internet that led to the strongest part of that secular bull trend, and the recent pullback may lead to changes and new leadership in the years ahead.

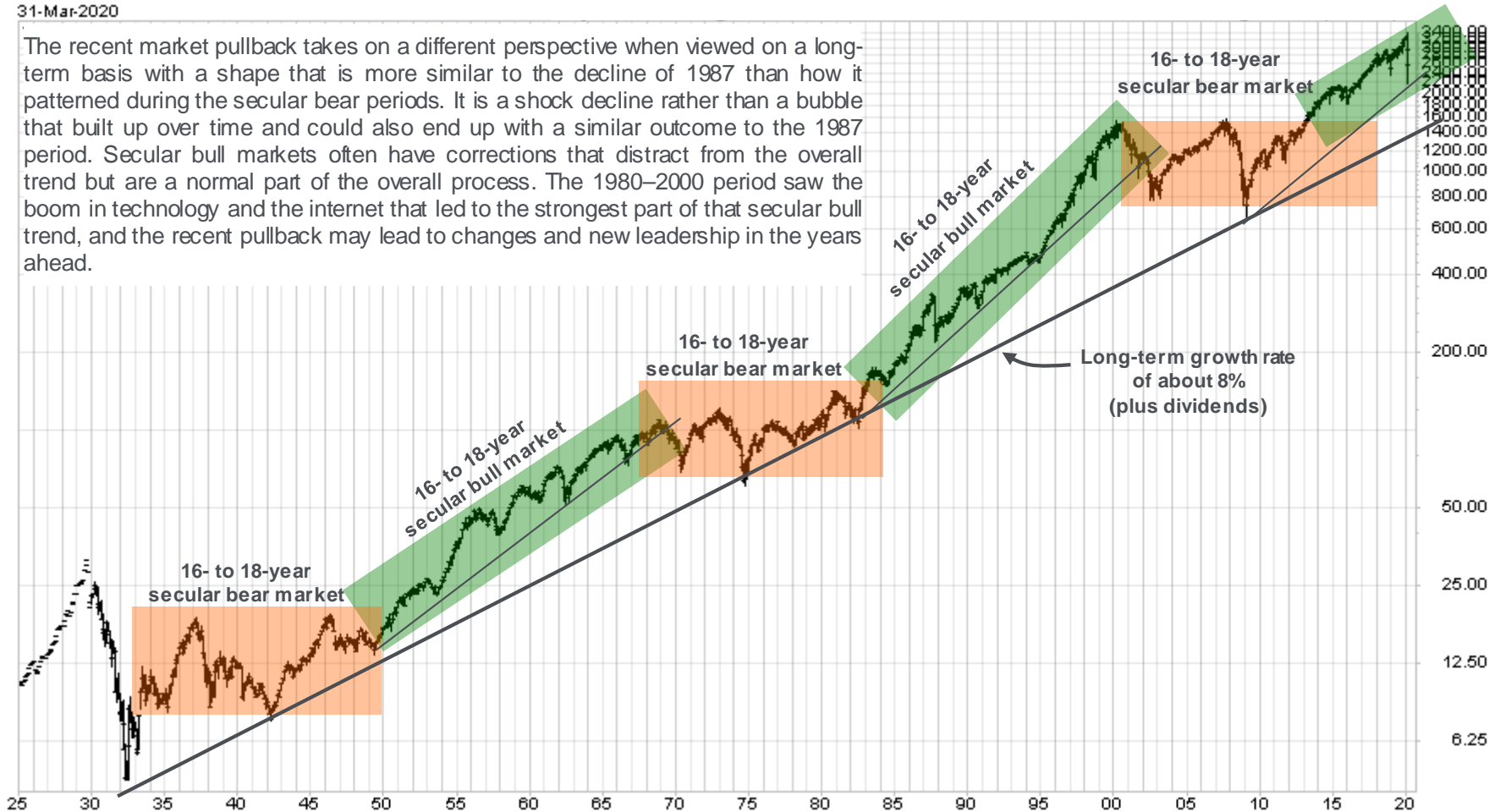


Chart courtesy of StockCharts.com and RBC Wealth Management; past performance does not guarantee future results

DJIA with 4-month and 13-month moving averages

\$INDU Dow Jones Industrial Average INDEX
31-Mar-2020

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 4X13 month moving averages quickly reversed to the downside with the recent market decline and offered no early warning as the market move was much quicker than a monthly indicator could measure. As a result, the indicator failed to provide a lead time for the pullback, which it tends to do better in standard market tops. This also suggests that a reversal and recovery may come sooner than in traditional cycles, such as it did during a similar market break in 1987.

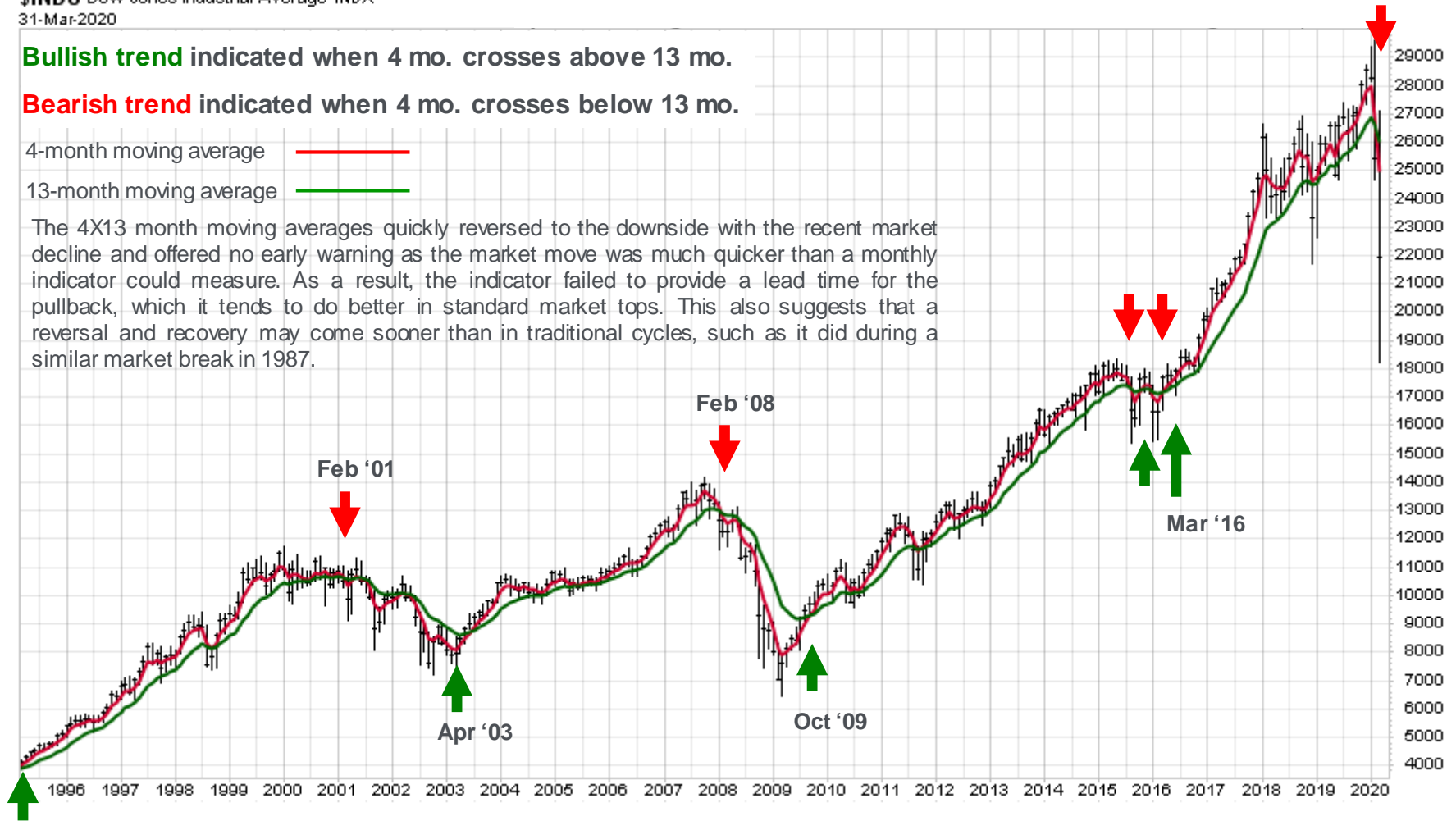


Chart courtesy of StockCharts.com and RBC Wealth Management; past performance does not guarantee future results.

Investor sentiment – 30 years



Chart courtesy of StockCharts.com and RBC Wealth Management

TSX Composite – 12 years

\$TSX TSX Composite Index TSE

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31-Mar-2020

↑↓ \$TSX (Weekly) 13378.75



The TSX is back to a long-term bottoming area in the 10,500–11,000 area with resistance now in the 14,000–14,500 zone for a possible range for the next several months. Further testing of the recent low is likely during this time and we see that as a likely general entry zone in the lower end of the range.



TSX relative performance to the S&P 500

Chart courtesy of StockCharts.com and RBC Wealth Management

Currencies – 5-year trends

\$USD US Dollar Index
30-Mar-2020

© StockCharts.com



\$CAD Canadian Dollar - Continuous Cont
31-Mar-2020

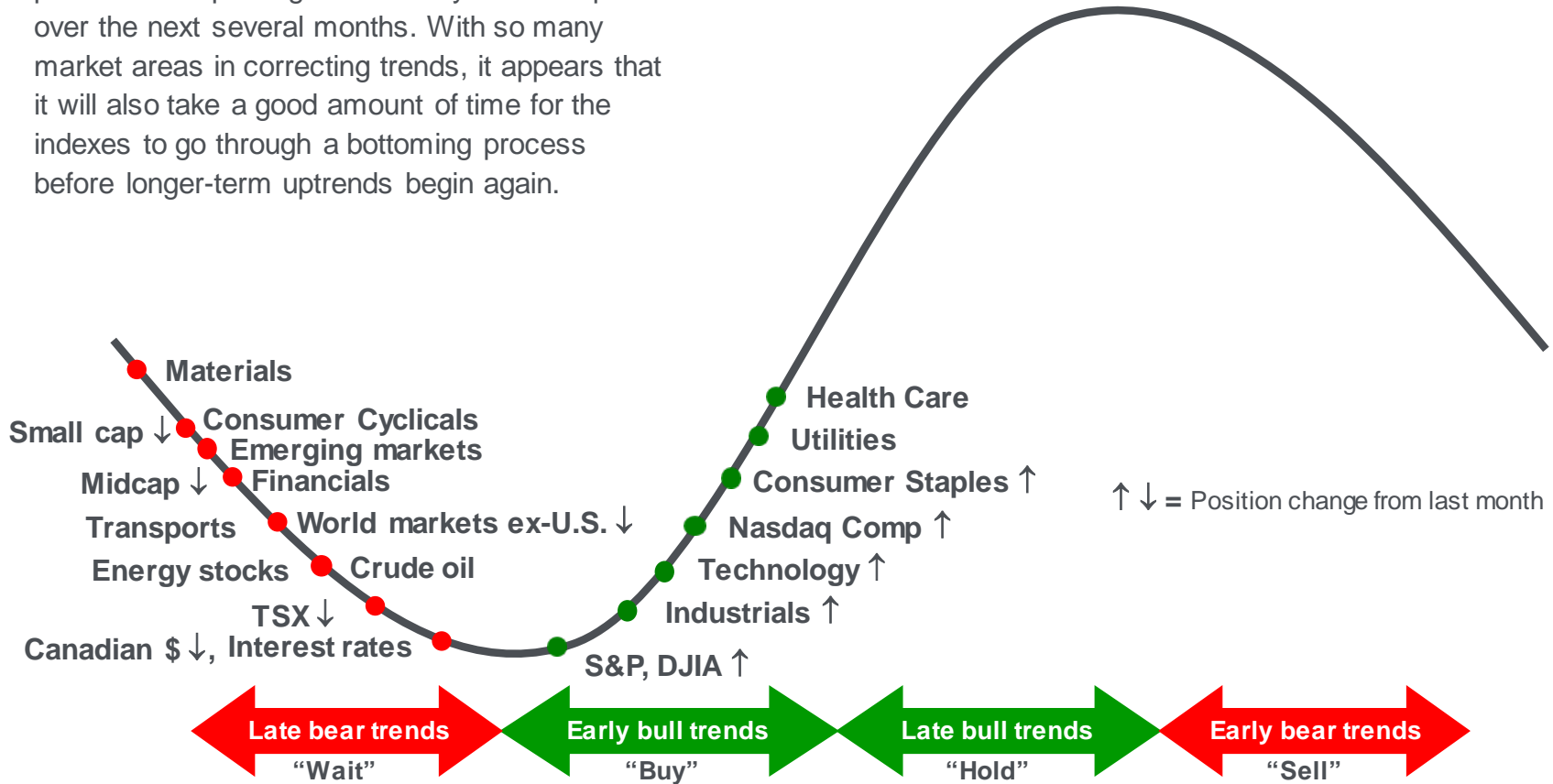


Charts courtesy of StockCharts.com and RBC Wealth Management

S&P sectors & market indexes cycle positions

Relative positioning of major sectors within their individual cycles

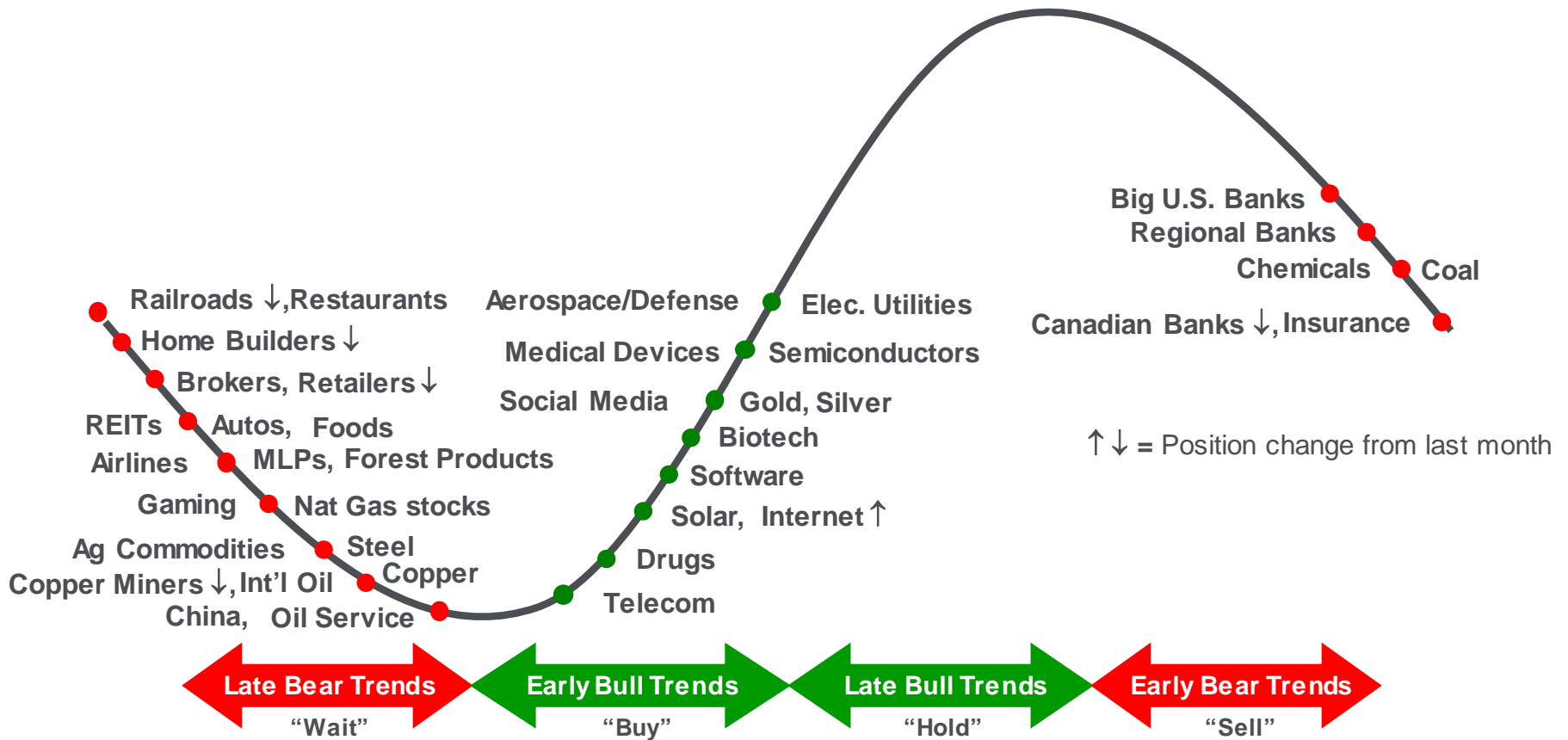
Most market sectors are in correcting trends of some sort, with some nearing potential bottoming points with improving trends likely to develop over the next several months. With so many market areas in correcting trends, it appears that it will also take a good amount of time for the indexes to go through 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 – 12 years

\$GOLD Gold - Continuous Contract (EOD) CME

31-Mar-2020

© StockCharts.com

↑↓ \$GOLD (Weekly) 1596.60



Chart courtesy of StockCharts.com and RBC Wealth Management

Oil – 9 years

\$WTIC Light Crude Oil
31-Mar-2020

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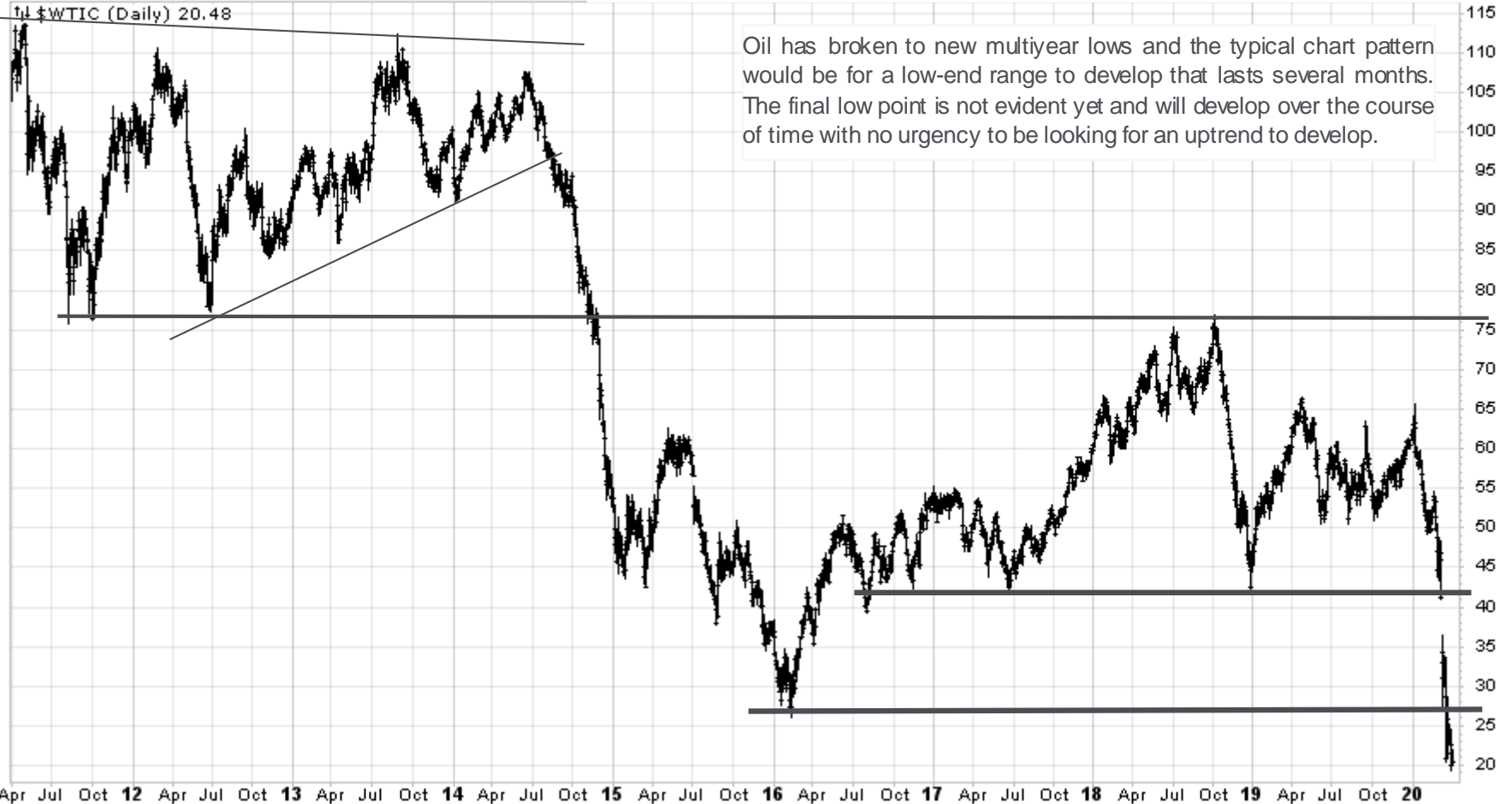


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Stocks vs. commodities – 60 years

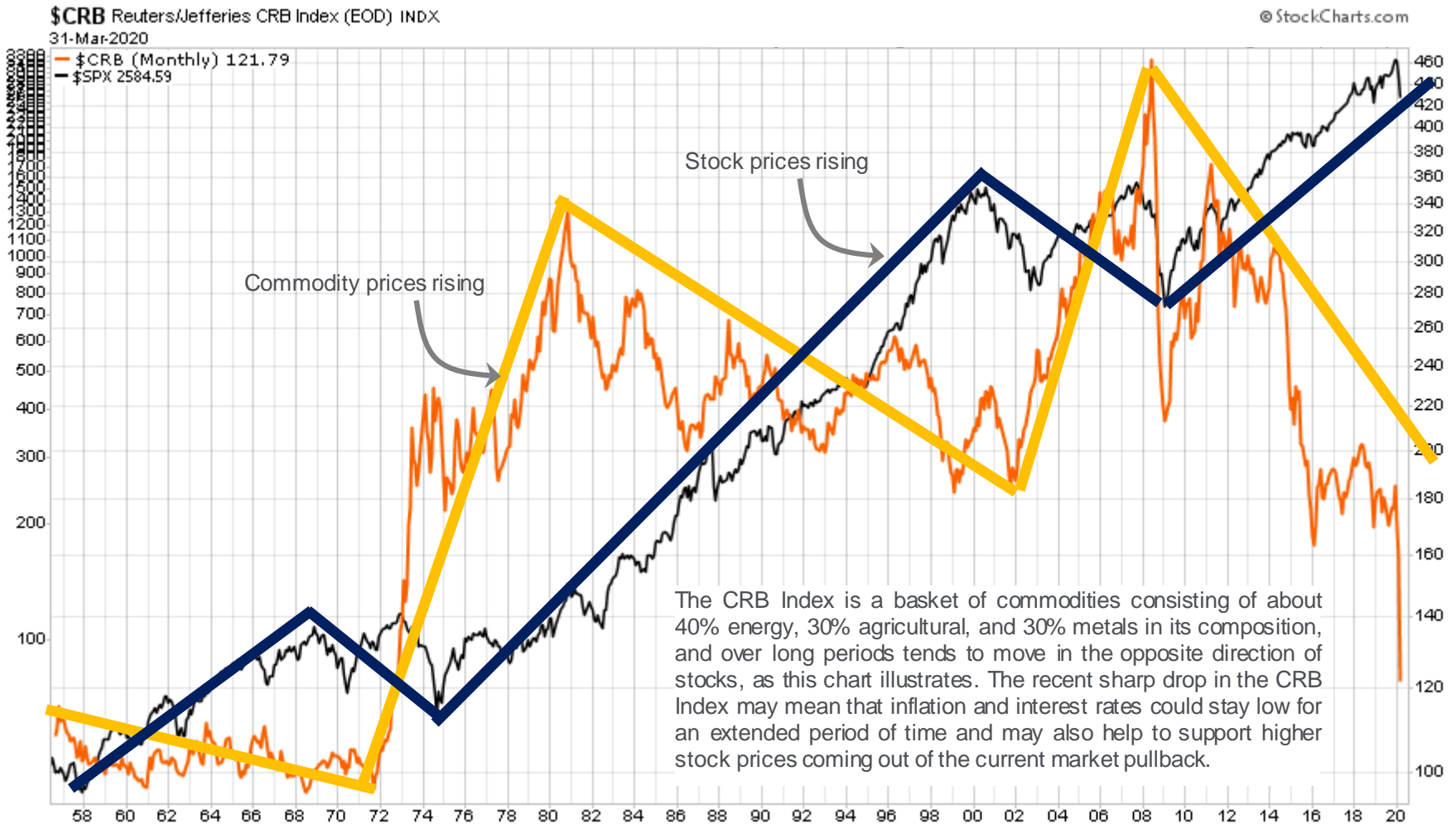


Chart courtesy of StockCharts.com and RBC Wealth Management

10-year Treasury note yield for 150 years

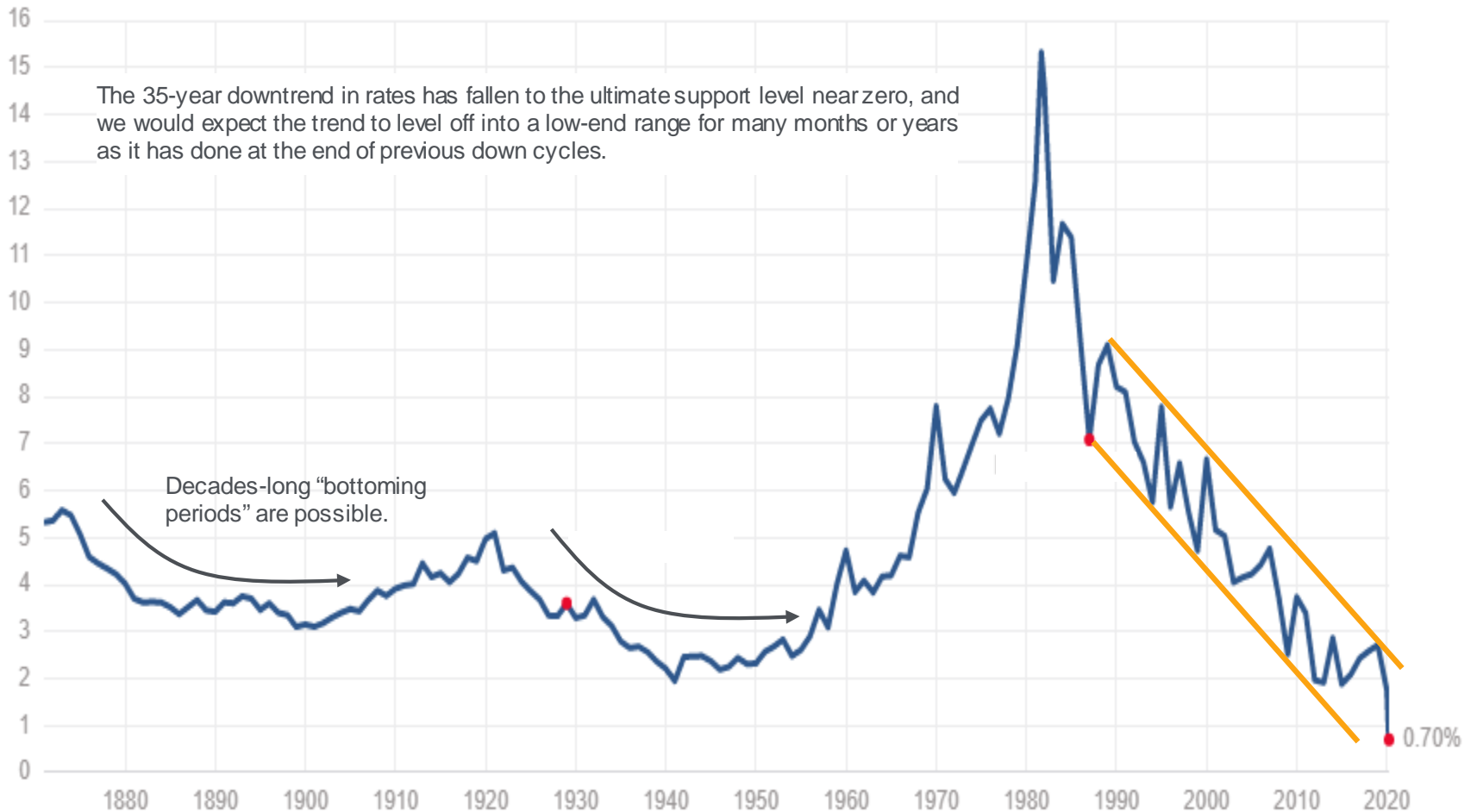


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