



Market Maps

June 2020

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All values in U.S. dollars and priced as of May 29, 2020, unless otherwise noted

For Disclosures, see slide 14

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Short-term market: S&P 500 – 12 years

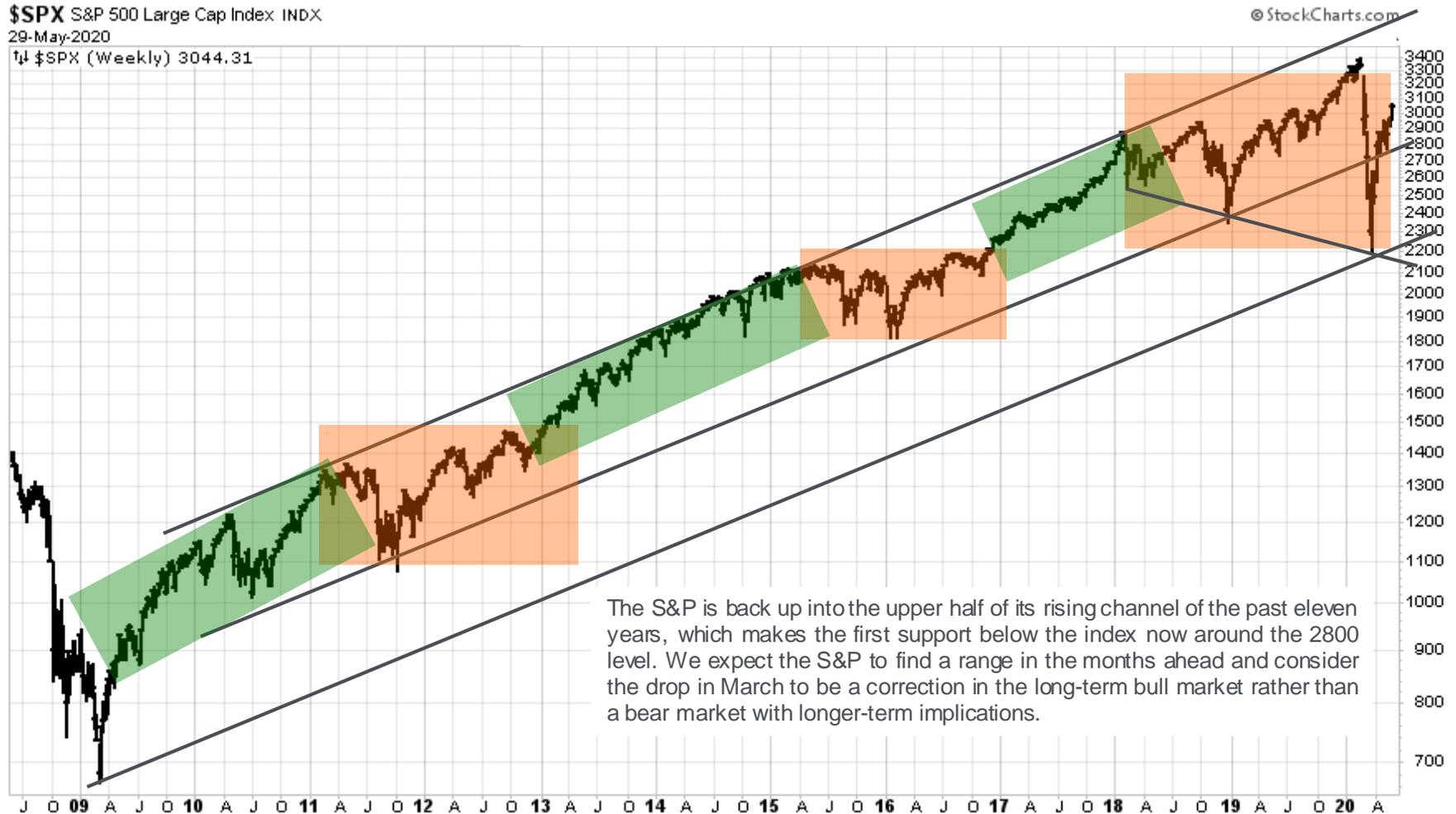


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Long-term market cycles 1925–2020

\$SPX S&P 500 Large Cap Index INDX
29-May-2020

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The recent market pullback fits within the long-term secular bull trend with a pattern more similar to the drop in 1987 than other bear market periods that had much longer declines. The long-term secular bull periods can have corrections along the way that add doubt to the overall trend, but when viewed on a longer-term basis these pullback periods are put into perspective as normal occurrences. The pullbacks, and uncertainty that comes with them, creates opportunity within the overall secular bull market periods.

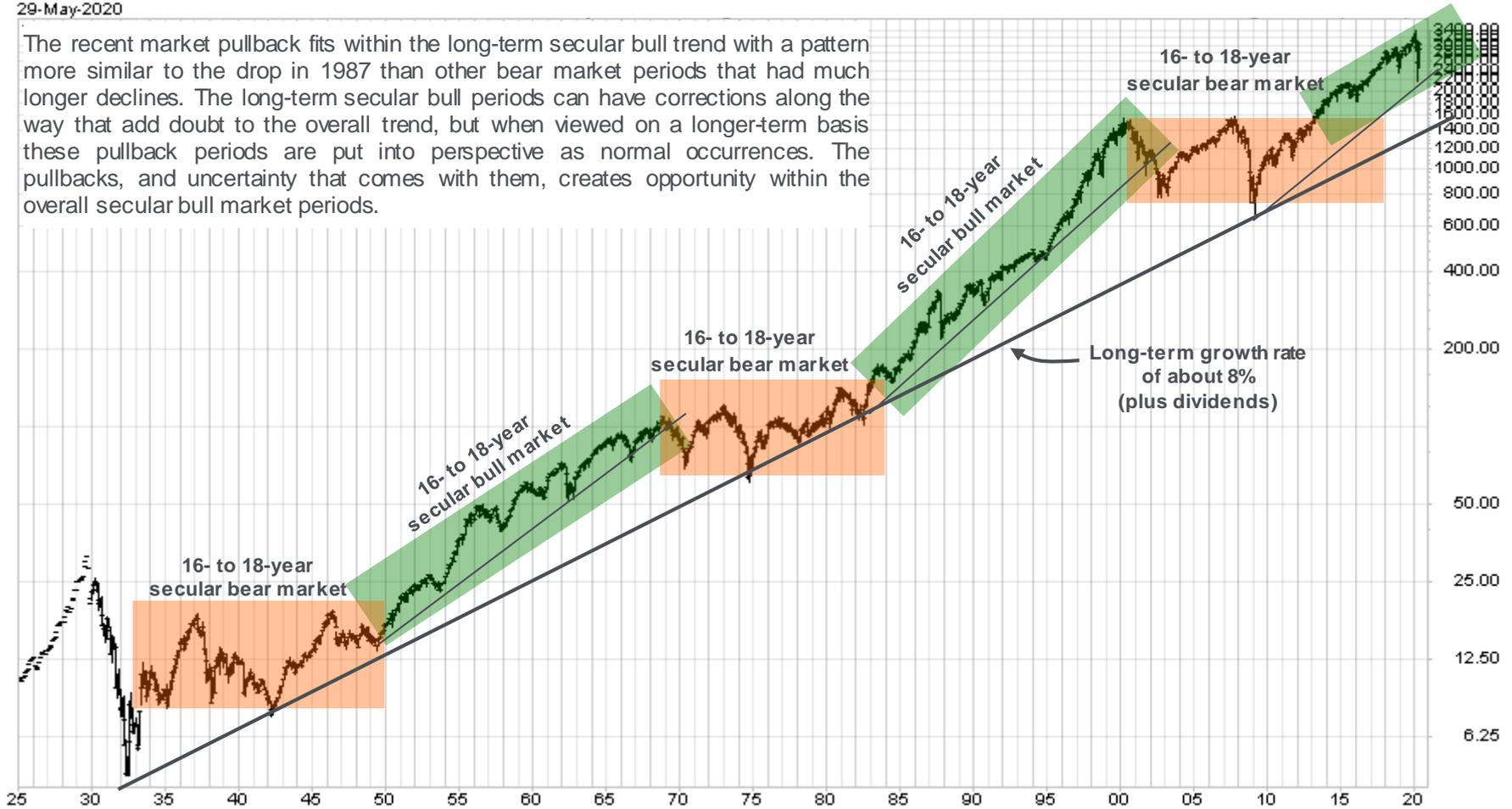


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DJIA with 4-month and 13-month moving averages

\$INDU Dow Jones Industrial Average INDEX
29-May-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 flipped to bearish in April, but the speed of the pullback caused the indicator to offer no early warning of the decline. The unfolding recovery is also happening with higher volatility than the indicator can react to, which is an indication to us that the drop in the market was a correction and not a bear market in the typical sense. The market and indicator may flatten out in a pattern similar to the 2015–2016 period before a clearer trend emerges.

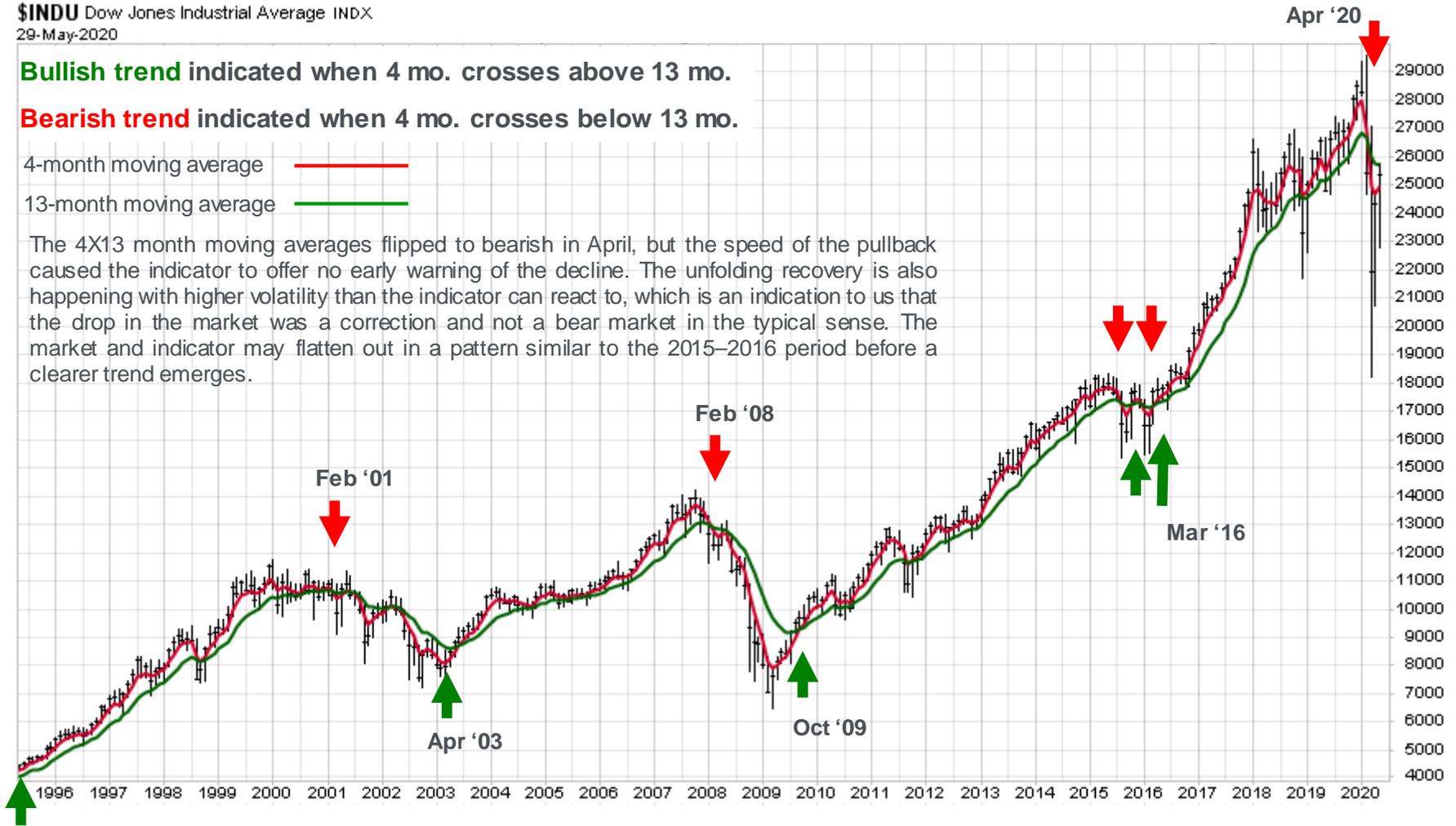


Chart courtesy of StockCharts.com and RBC Wealth Management; past performance does not guarantee future results.

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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29-May-2020

↑↓ \$TSX (Weekly) 15192.83



The TSX has dropped and bounced back above some important levels around 14,000, which is now support. The resistance around 16,000 is also heavy and a range of 14,000–16,000 is more likely to develop for the next several months before the longer-term rising trend develops again.



Chart courtesy of StockCharts.com and RBC Wealth Management

Currencies – 5-year trends

\$USD US Dollar Index

29-May-2020

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↑↓ \$USD (Weekly) 98.34



\$CAD Canadian Dollar - Continuous Cont

29-May-2020

↑↓ \$CAD (Weekly) 0.726

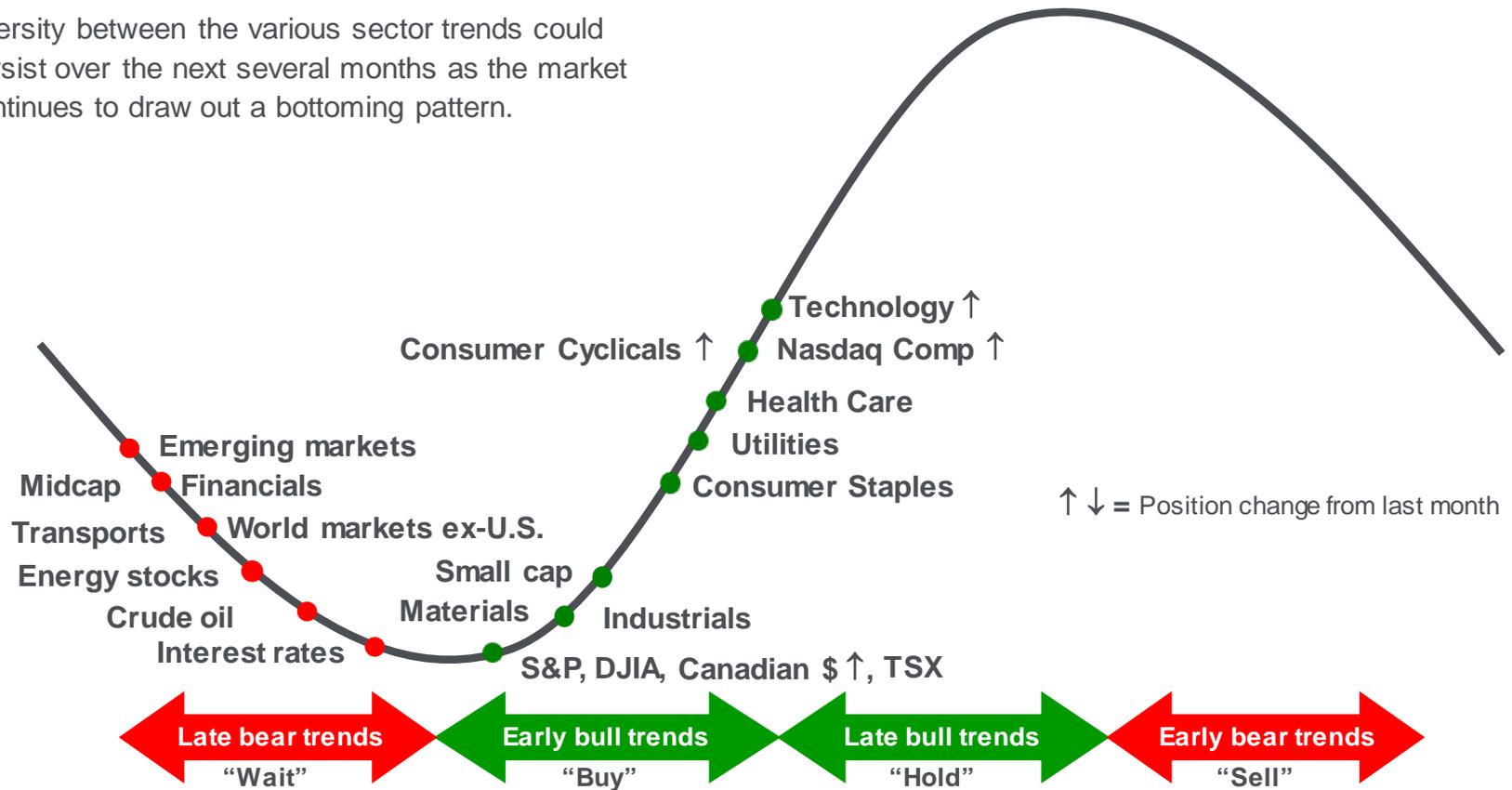


Charts courtesy of StockCharts.com and RBC Wealth Management

S&P sectors & market indexes cycle positions

Relative positioning of major sectors within their individual cycles

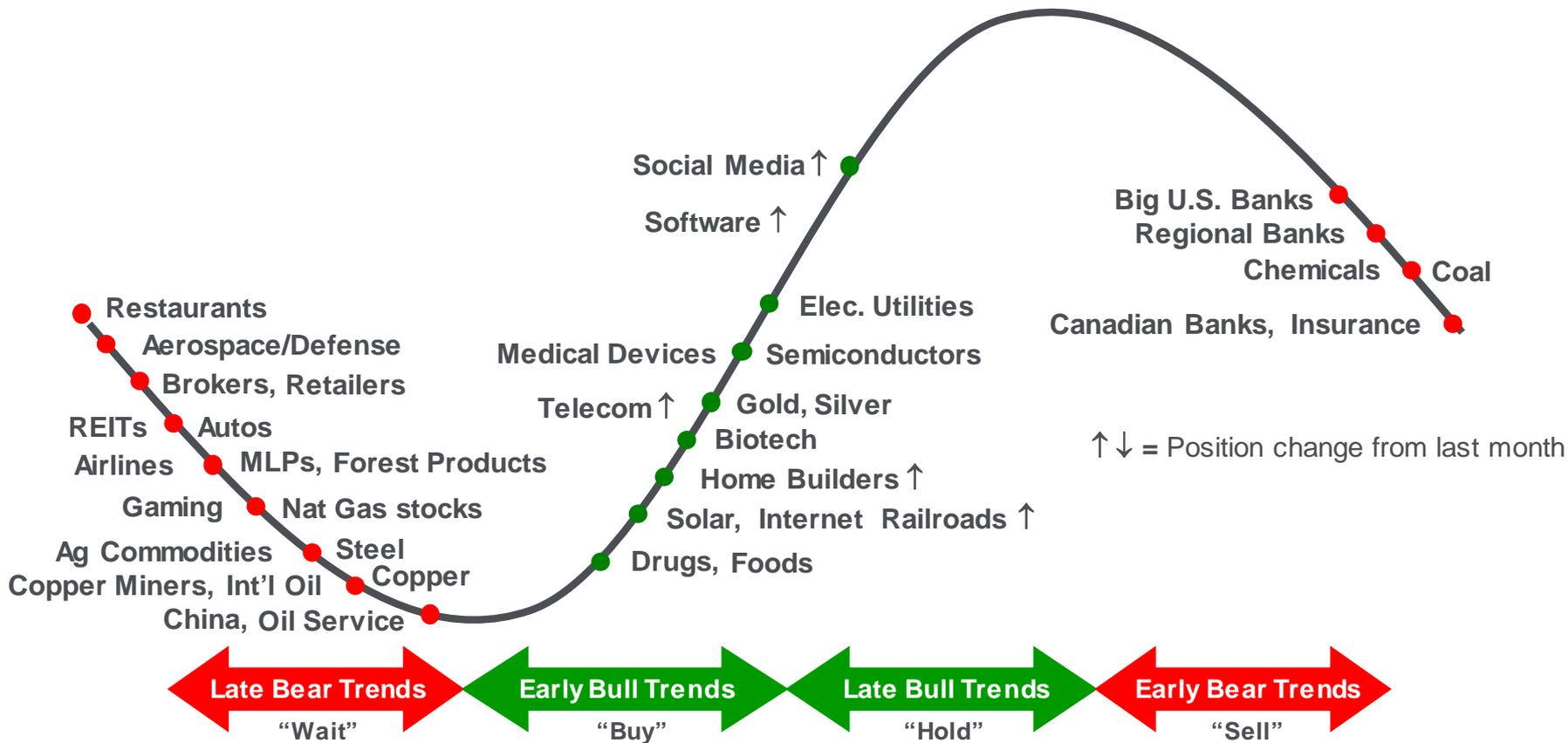
Some positive trends are starting to emerge from the bear market with varying degrees of recovery in an overall trend that remains mixed and selective. This diversity between the various sector trends could persist over the next several months as the market continues to draw out a bottoming pattern.



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

29-May-2020

↑ \$GOLD (Weekly) 1751.70

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Oil – 9 years

\$WTIC Light Crude Oil
29-May-2020

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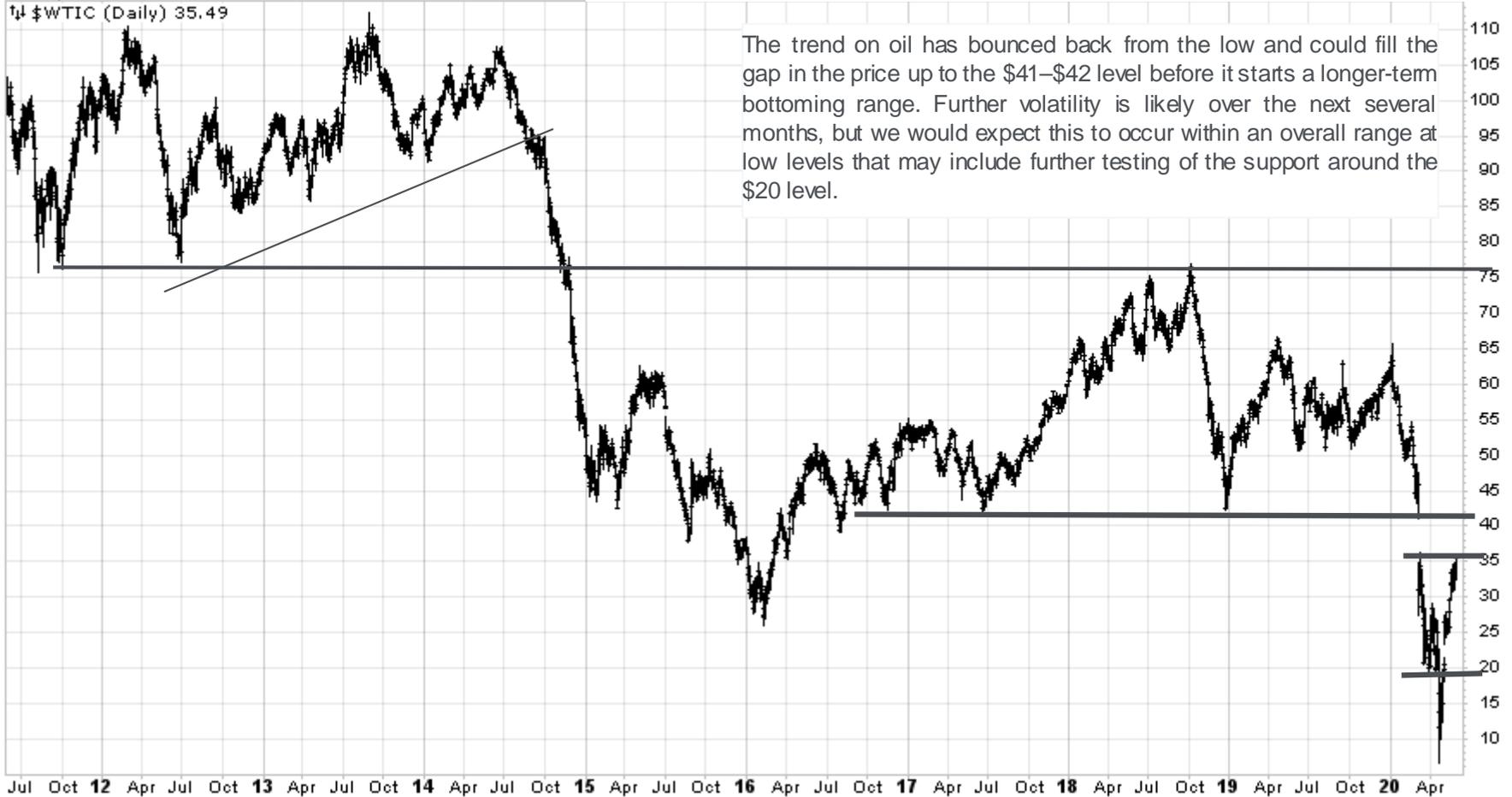


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Stocks vs. commodities – 60 years

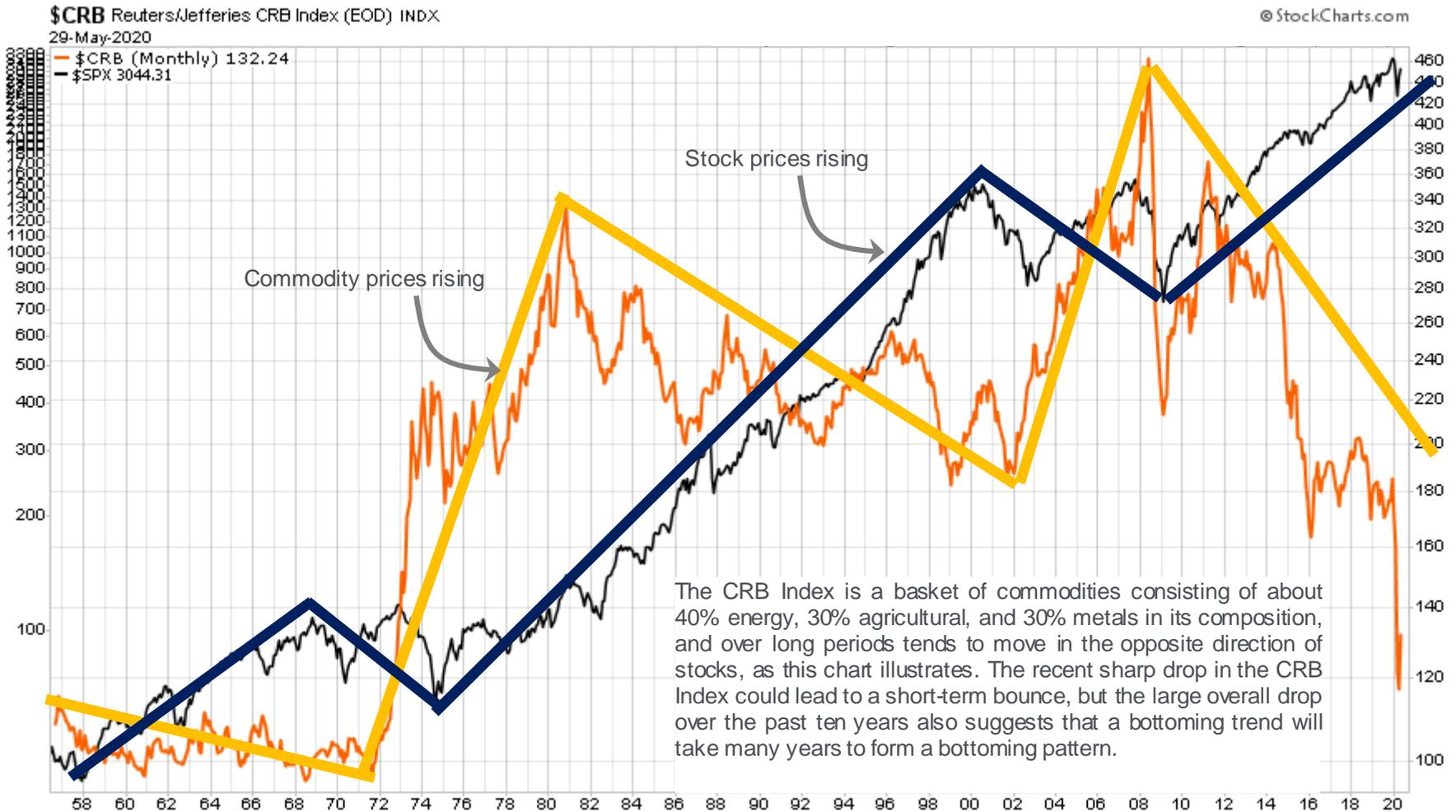


Chart courtesy of StockCharts.com and RBC Wealth Management

10-year Treasury note yield for 150 years

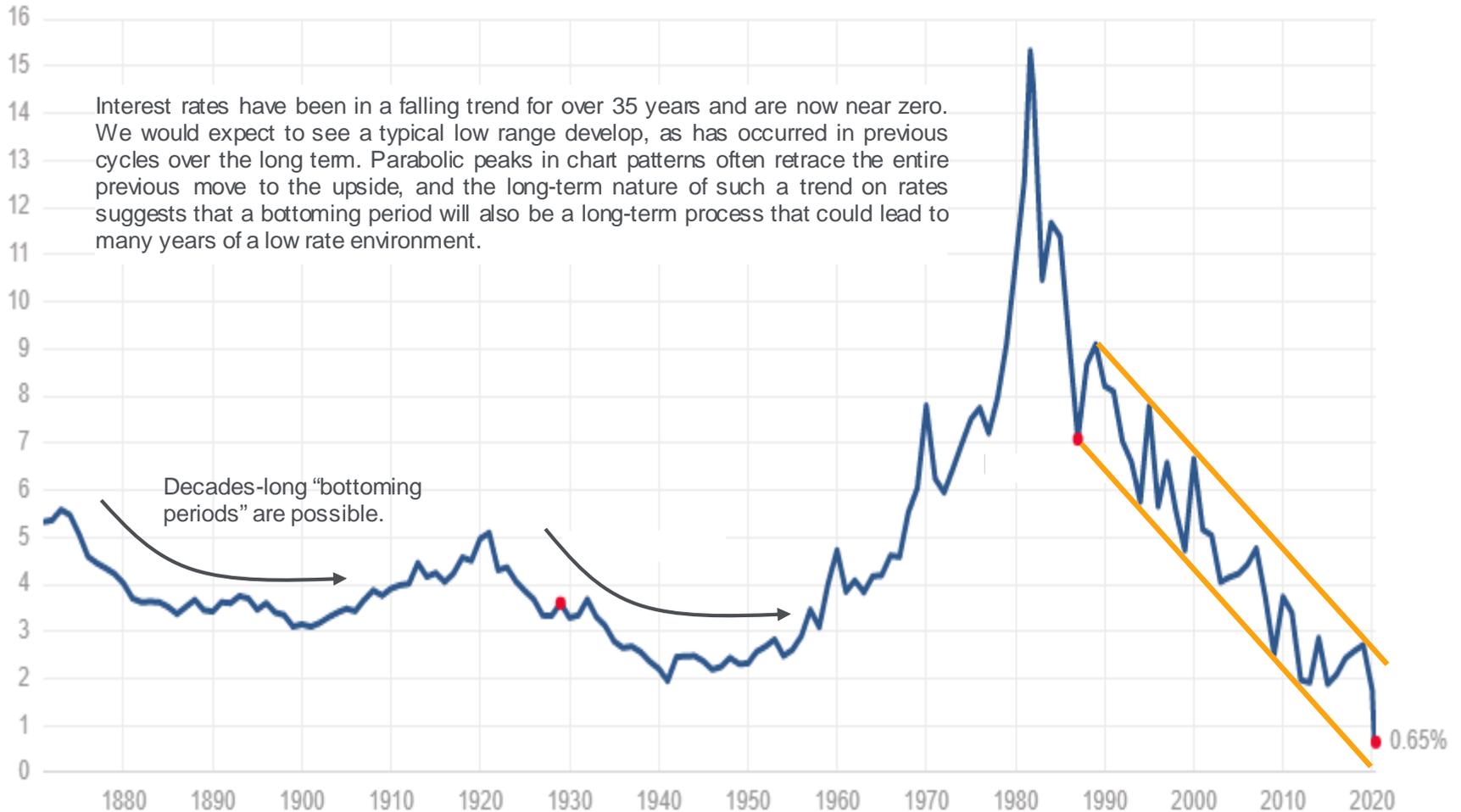


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