

# FINANCIAL MARKETS AT A GLANCE

**SEPTEMBER 30, 2021**

Canadian equity sectors were mixed while U.S. equity sectors were generally positive last quarter. We saw a steepening of the yield curve. As a result, government bonds trailed corporate bonds, while short term bonds outperformed long term bonds. Here are the financial markets at a glance.

## CANADIAN EQUITIES

### Sector

7 of the 11 Canadian equity sectors ended the quarter in positive territory. Here are the best and worst performing sectors relative to last quarter.

BEST PERFORMERS



**Consumer Staples**

4.2% ↑



**Energy**

4.0% ↑



**Industrials**

3.5% ↑

WORST PERFORMERS



**Materials**

-5.6% ↓



**Consumer Discretionary**

-5.9% ↓



**Healthcare**

-20.3% ↓

### Company size

Small companies underperformed medium and large-sized companies.



**Small Companies**



**Large & Medium Companies**

### What's working/What's not working

- From a style perspective, growth ended the quarter in negative territory with value coming in slightly above the index.
- Dividends were the big winner this quarter, with momentum and quality trailing.

## US EQUITIES

### Sector

9 of the 11 U.S. equity sectors ended the quarter in positive territory. Here are the best and worst performing sectors relative to last quarter.



**Financials**

5.1% ↑



**Utilities**

4.1% ↑



**Materials**

-1.3% ↓



**Industrials**

-2.0% ↓

### Company size

Small and medium-sized companies underperformed large companies.



**Small & Medium Companies**



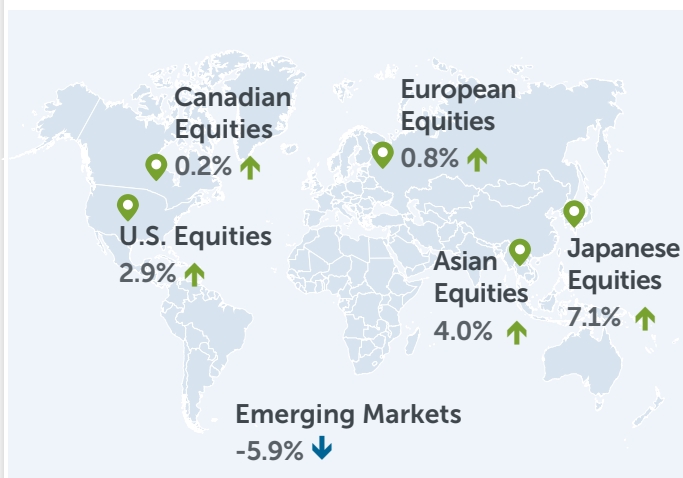
**Large Companies**

### What's working/What's not working

- Growth continues to lead this quarter, outperforming the S&P 500 Index.
- Momentum was the only factor to outperform the broader market, with dividends being the weakest over the quarter, but still positive.

## GLOBAL EQUITIES

### Regional



### Company size

Global small companies performed well but were still outpaced by large companies.



Large Companies



Small Companies

### What's working/What's not working

- From a style perspective, growth outperformed value and the MSCI World Index.
- Momentum and quality were the factors that outperformed the index, and while positive dividends underperformed.

## FIXED INCOME

We saw a steepening of the yield curve this quarter, with yields in the middle and long end moving higher.



Long-term Bonds



Short-term Bonds



Government



Corporate



Bond yields were up this quarter.

Yield on the Canada 2-year rose from **0.45% to 0.53%**.

Canada 5-year rose from **0.97% to 1.11%**.

Canada 10-year rose from **1.39% to 1.51%**.

Canada long bond rose from **1.84% to 1.98%**.

Source: Morningstar Research Inc. as of September 30, 2021

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