



Monthly Market Snapshot

Monthly Overview

After delivering a modest recovery from the lows of early March, equity markets experienced a resurgence in volatility and most of the major indices we follow saw material losses in April. The minutes from the Federal Reserve's March meeting indicated a more aggressive-than-expected stance towards the approach to monetary tightening and hinted at a 50-basis point hike in May, triggering a risk-off sentiment. Putin's pessimism towards ongoing negotiations with Ukraine and rigid lockdown measures in China exacerbated supply chain issues and only worked to pressure capital markets. For the second half of April, Q1 earnings results were in focus as investors assessed how companies fared against rising inflationary pressures. After mixed earnings results from mega-cap FAANG names, stocks slid to end April, with the Nasdaq sliding 13% to mark its worst month since October 2008.

Canada's benchmark S&P/TSX Composite Index was 5.2% lower in April, as nine of the benchmark's underlying sectors were negative during the month. The decline was led by information technology and health care names, with losses of 19.9% and 17.8%, respectively. Only the energy sector managed to eke out a gain. There, stocks jumped 2.7%. Small cap stocks, as measured by the S&P/TSX Small Cap Index, slid 6.5% in April.

The U.S. dollar depreciated by 2.8% versus the loonie during the month, dampening the returns of foreign markets from a Canadian investor's standpoint. Note that all returns in this paragraph are in CAD terms. U.S.-based stocks, as measured by the S&P 500 index, declined 6.3% in April. The telecommunication services and consumer discretionary sectors saw the month's steepest declines, falling 13.5% and 10.7%, respectively. The consumer staples and energy sectors were the only areas to manage gains, rising 5.2% and 1.0%, respectively. International stocks, as measured by the MSCI EAFE index, also lost 4.3% during the period, while emerging markets stocks fell 3.2%.

The investment grade fixed income indices we follow continued were in the red again in April. Canadian investment grade bonds, as measured by the FTSE Canada Universe Bond Index, lost 2.2% for the month while the key global investment grade bond benchmark fell by 5.5%. Global high-yield issues lost 3.9%.

May 2022

Investment Products & Platforms Team

JAMES GAUTHIER, CFA
james.gauthier@iawealth.com

MICHAEL DIL, CFA
Michael.dil@iagto.ca

PAVAN KHAIRA
pavan.khaira@iagto.ca

JUSTIN KIM, CFA
justin.kim@iagto.ca

BHARTI PATEL
bharti.patel@iagto.ca

JOSHUA WON
joshua.won@iagto.ca



Turning to commodities, natural gas rallied 28.4% during the month, while the price of a barrel of crude oil gained 4.4%. On the other hand, copper, silver and gold were in the red, with respective losses of 7.5%, 8.3% and 1.9%.

Inflation in Canada accelerated to 6.7% year-over-year in March, the highest print since 1991. The biggest contributor to the leap in inflation was transportation, largely due to surging prices for gasoline. The Canadian economy added 72,500 jobs in March, as the nation's unemployment rate fell to 5.3% – the first time the rate fell to its pre-pandemic level. The Bank of Canada raised interest rates in April by half a percentage point to 1%, marking the first time for an increase of that magnitude since 2000.

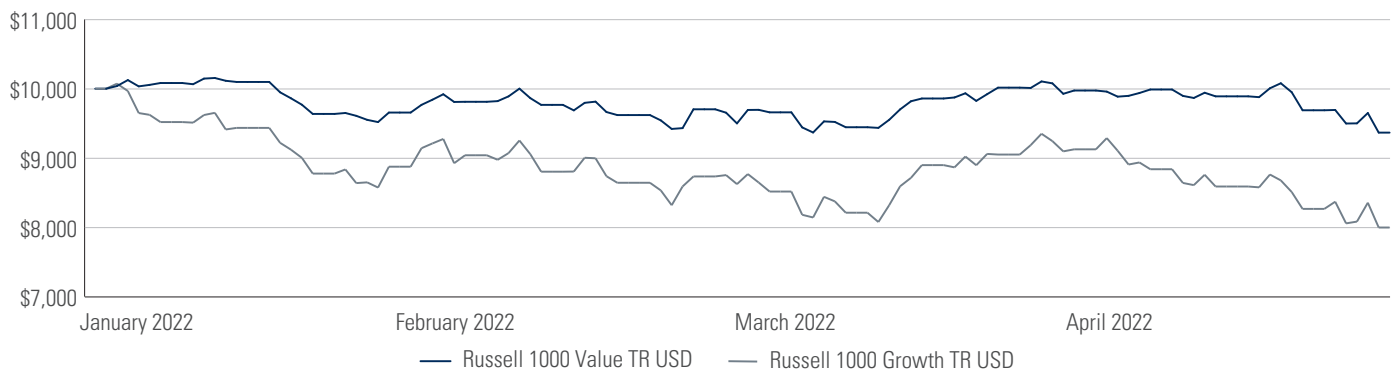
U.S. nonfarm payrolls grew by 431,000 in March, as the unemployment rate declined to 3.6%. The consumer price index stayed elevated, jumping 8.5% year-over-year in March, and marking the highest level since 1981. Gasoline, shelter and groceries were again the major contributors to rising inflation. U.S. retail sales in March rose 0.5%. To combat record-high inflation, the U.S. Federal Reserve is expected to deliver two back-to-back half-point interest rate increases in May and June.

Content sourced from Bloomberg; data as at April 29, 2022.

Monthly Market Statistics

The Russell 1000 Growth and Value indices measure the aggregate performance of a basket of large-cap, U.S.-listed stocks that are deemed to have “growth” traits or “value” traits. Growth stocks showed massive outperformance vs. value names going back to the end of the financial crisis, but rising interest rates, increasing inflation, and the prospects of even higher rates sparked an aggressive rotation out of growth stocks starting in early 2022. Factoids of this nature are interesting to market observers like us, and it is difficult to say what happens with this trend moving forward, but it is always important for investors to try to see the forest from the trees and focus on the big picture. Market machinations will always garner headlines, but focusing on your longer term investment plan will allow you to keep the events of the day at arm's length.

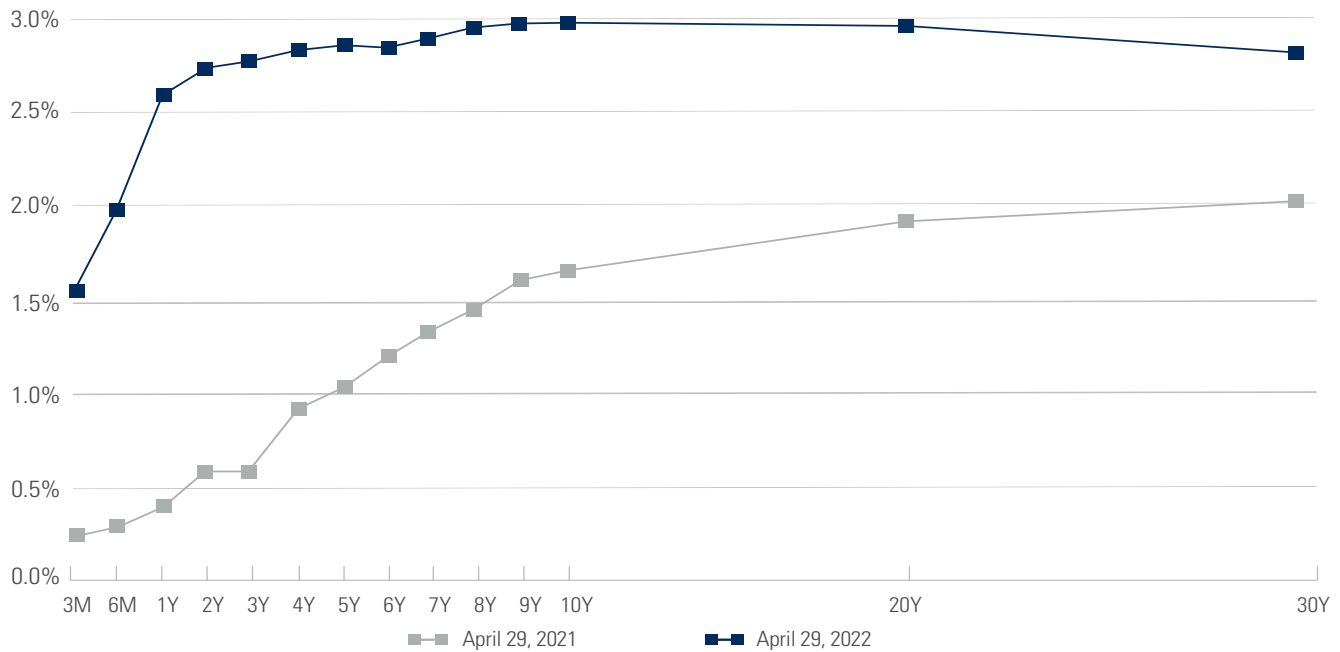
Chart of the Month: Rotation from Growth to Value Stocks



Source: Morningstar Direct



Canadian Sovereign Yield Curve



Source: Bloomberg.

Monthly Market Statistics

Data to April 29, 2022, unless otherwise indicated

Table 1: Equity Index Returns (% in CAD)

Index	1 Mo	3 Mo	6 Mo	YTD	1 Yr	3 Yr	5 Yr	3 Yr Std Dev
S&P/TSX Composite	-5.2	-1.6	-1.3	-2.2	8.7	7.8	5.9	16.3
S&P/TSX 60	-5.1	-2.1	-0.8	-2.4	10.2	8.1	6.4	15.2
S&P/TSX Small Cap	-6.5	2.1	-1.9	0.9	4.9	10.5	3.7	28.8
S&P 500	-6.3	-7.6	-7.2	-12.2	3.1	10.3	10.2	18.3
MSCI EAFE	-4.3	-7.6	-10.0	-11.8	-6.5	0.4	0.8	17.7
MSCI World	-6.0	-7.8	-9.0	-12.3	-0.8	7.0	6.9	18.1
MSCI World Small Cap	-5.5	-6.3	-12.7	-13.1	-9.6	4.5	4.6	22.1
MSCI Europe	-3.3	-8.7	-9.6	-12.6	-4.8	0.8	0.9	19.0
MSCI EM	-3.2	-10.1	-12.0	-11.5	-16.7	-1.6	0.7	18.2
MSCI AC Asia	-3.9	-7.8	-11.5	-11.4	-14.7	-0.2	1.3	15.3

Source: Bloomberg.

Table 2: Fixed-Income Returns (% in CAD)

Index	1 Mo	3 Mo	6 Mo	YTD	1 Yr	3 Yr	5 Yr	3 Yr Std Dev
FTSE Canada Universe Bond	-2.2	-7.8	-10.0	-9.4	-12.1	-1.2	0.1	5.1
Barclays Global Agg	-5.5	-9.4	-11.7	-11.3	-12.6	-1.1	0.3	5.9
Barclays High Yield Very Liquid Index	-3.9	-5.9	-7.6	-8.6	-5.9	2.0	3.1	9.2

Source: Bloomberg.



Table 3: Commodity Prices (Prices and Returns in USD)

Commodity	04/29/2022 Price (\$)	MoM Change (%)	YoY Change (%)	3 Mo (%)
WTI Crude Oil/BBL	104.69	4.4	64.7	18.8
Natural Gas/mmBTU	7.24	28.4	147.2	48.6
Copper/pound	4.40	-7.5	-1.9	1.6
Silver/oz	23.04	-8.3	-10.9	2.9
Gold/oz	1911.70	-1.9	8.1	6.5

Source: Bloomberg.

Table 5: One-Month Sector Returns (% in CAD)

Sector	S&P/TSX Composite returns	S&P 500 returns
Consumer Discretionary	-2.9	-10.7
Consumer Staples	0.4	5.2
Energy	2.7	1.0
Financials	-6.7	-7.6
Health Care	-17.8	-2.2
Industrials	-8.0	-5.1
Info Tech	-19.9	-8.9
Materials	-4.8	-0.9
Real Estate	-6.3	-1.1
Telecom Services	-1.4	-13.5
Utilites	-1.5	-1.7

Source: Bloomberg.

Table 4: Economic Data

Canada	
Real GDP- Q4 (q/q ann. % change)	6.7
Consumer Prices, 03/2022 (y/y % change)	6.7
Unemployment Rate, 03/2022	5.3
United States	
Real GDP- Q1 (q/q ann. % change)	-1.4
Consumer Prices, 03/2022 (y/y % change)	8.5
Unemployment Rate, 03/2022	3.6

Source: Bloomberg, Stats Canada.

Table 6: Exchange Rates

Cross	04/29/2022	6 Mos Ago	1 Yr Ago
USD/CAD	1.28	1.24	1.23
EUR/CAD	1.35	1.43	1.48
GBP/CAD	1.62	1.70	1.70
CAD/JPY	101.05	91.93	88.93

Source: Bloomberg.

Investment Recommendation Rating System

Recommended List: The list presents a selection of funds that we believe are among the best of their peers and offer unique characteristics that can add value when used in a well-diversified investment portfolio tailored to a client's investment objectives.

Hold: The fund remains on the Recommended List, but is not recommended for adding to or selling from client's portfolios.

Sell: The fund is no longer on recommended list.

Under Review: The fund's participation on the Recommended List is under review.

General Disclosures

The information and opinions contained in this report were prepared by iA Private Wealth Inc. ('iA Private Wealth'). iA Private Wealth is owned by Industrial Alliance Insurance & Financial Services Inc. ('iA Financial'). iA Financial is a TSX Exchange listed company and as such, iA Private Wealth is related to iA Financial. The opinions, estimates and projections contained in this report are those of iA Private Wealth as of the date of this report and are subject to change without notice. iA Private Wealth endeavours to ensure that the contents have been compiled or derived from sources that we believe to be reliable and contain information and opinions that are accurate and complete. However, iA Private Wealth makes no representations or warranty, express or implied, in respect thereof, takes no responsibility for any errors and omissions contained herein and accepts no liability whatsoever for any loss arising from any use of, or reliance on, this report or its contents. Information may be available to iA Private Wealth that is not reflected in this report. Nothing contained in this report is or should be relied upon as a promise or representation as to the future. The pro forma and estimated financial information contained in this report, if any, is based on certain assumptions and management's analysis of information available at the time that this information was prepared, which assumptions and analysis may or may not be correct. There is no representation, warranty or other assurance that any projections contained in this report will be realized. Opinions, estimates and projections contained in this report are our own as of the date hereof and are subject to change without notice. This report is not to be construed as an offer or solicitation to buy or sell any security. The reader should not rely solely on this report in evaluating whether or not to buy or sell securities of the subject company. The reader should consider whether it is suitable for your particular circumstances and talk to your investment advisor.

Definitions

"The author" means any partner, director, officer, employee or agent of iA Private Wealth who is held out to the public as a publisher of Investment Fund Research or whose responsibilities to iA Private Wealth include the preparation of any written investment fund research report for distribution to clients or prospective clients of iA Private Wealth. "Investment Fund Research" means any written or electronic communication that iA Private Wealth has distributed or will distribute to its clients or the public, which contain author's comments concerning current Investment Fund indicators.

Conflicts of Interest

The author and or associates who prepared this report are compensated based upon (among other factors) the overall profitability of iA Private Wealth, which may include the profitability of investment banking and related services. In the normal course of its business, iA Private Wealth may provide financial advisory services for issuers. iA Private Wealth will include any further issuer related disclosures as needed. iA Private Wealth permits the authors to own and trade in the securities discussed herein. In that case, specific holdings disclosures will be made.

The Author's Certification

The author whose name appears on the front page of this Investment Fund Research report hereby certifies that (i) the opinions expressed in the investment fund research report accurately reflect the author's personal views about the marketplace and are the subject of this report and all strategies mentioned in this report that are covered by such the author and (ii) no part of the author's compensation was, is, or will be directly or indirectly, related to the specific views expressed by such technical strategies in this report. The author(s) of this report own(s) the following securities of the issuer(s): None.

Dissemination of Reports

iA Private Wealth uses its best efforts to disseminate its investment fund research reports to all clients who are entitled to receive the firm's investment fund research reports, contemporaneously on a timely and effective basis in electronic form, via fax or mail.

For Canadian Residents

This report has been approved by iA Private Wealth, which accepts responsibility for this report and its dissemination in Canada. Canadian clients wishing to effect transactions should do so through a qualified salesperson of iA Private Wealth in their particular jurisdiction where their IA is licensed.

For US Residents

This report is not intended for distribution in the United States.

For EU Residents

This report is not intended for distribution in the European Union.

For UK Residents

This report is not intended for distribution in the United Kingdom.

Intellectual Property Notice

The materials contained herein are protected by copyright, trademark and other forms of proprietary rights and are owned or controlled by iA Private Wealth or the party credited as the provider of the information.

Regulatory

iA Private Wealth Inc. is a member of the Canadian Investor Protection Fund and the Investment Industry Regulatory Organization of Canada. iA Private Wealth is a trademark and business name under which iA Private Wealth Inc. operates.

Copyright

All rights reserved. All material presented in this document may not be reproduced in whole or in part, or further published or distributed or referred to in any manner whatsoever, nor may the information, opinions or conclusions contained in it be referred to without in each case the prior express written consent of iA Private Wealth.