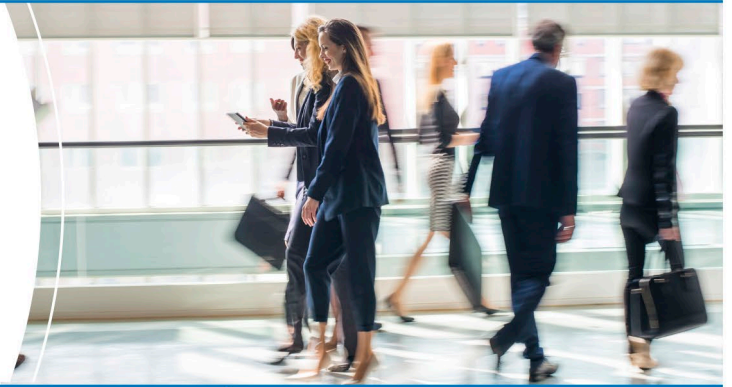


# Monthly Newsletter

BMO Private investment Counsel Inc.



## Monthly Recap, March 2024

By Marc Bellefeuille MBA CFA FRM CFP  
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Best start to a year since 2019! I know that wasn't that long ago. But considering all we have suffered from the pandemic in 2020-2021, to the war in the Ukraine in 2022. The highest inflation levels in over 40 years and the highest interest rates in over 20 years, 2019 seems like it was ages ago.

Here are some highlights from the month of March:

1. Canadian inflation unexpectedly fell to 2.8% down from 2.9% in the prior month. This is the lowest reading since June of 2023. Food and energy played a part and so did housing.
2. As expected, the BoC met on March 6th and held rates steady. The governing council noted that they are still concerned about the risk of inflation. The overall tone from the BoC has been more dovish indicating to some economists that rates will be coming down in the second half of the year.
3. US Inflation rose in December to 3.4% versus 3.1% in the previous month. Volatile gasoline and food costs were the main culprits. Backing them out of the equation, Core CPI eased to 3.9% from 4% the previous month. All things considered; the Fed should be happy with this report.
4. The FOMC met January 30<sup>th</sup> & 31<sup>st</sup>. Rates were held steady expected.

### Canadian Markets:

The TSX rose in the month of March off improved prices for commodities in both mining and energy. Financials also had a good month off better-than-expected inflation data raising the prospects for rate cuts by the Bank of Canada in the not-too-distant future.

### US Markets:

US markets continued to rally in March to end the quarter with the best results in 5 years. While the results were impressive, they could stand to have a little more breadth. The impressive results from mega caps Nvidia, Meta, Microsoft Google and Amazon stood out.



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## Monthly recap, March 2024

### **Global Markets:**

Global markets were not to be left behind in March. Markets in Europe and Japan rallied to the end of the quarter. Meanwhile emerging markets, dominated by China struggled compared to the developed world.

### **Fixed Income Markets:**

Fixed income markets started pricing in less potential rate cuts by the Federal reserve in March and ended the quarter more in line with the Fed's projected 3 cuts in 2024.

### **World Equity Indices March 31st 2024**

Index	Price	YTD	1 Year
<b>North American</b>			
S&P/TSX Composite	22,167	5.77%	12.77%
S&P 500	5,254	10.16%	32.31%
DJIA	39,807	5.62%	22.88%
NASDAQ	16,379	9.11%	39.80%
<b>Global</b>			
MSCI EAFE	2,356	5.34%	15.26%
MSCI Emerging Markets	1,037	1.27%	6.80%
FTSE 100	7,953	2.84%	6.26%
Nikkei 225	40,168	20.03%	45.97%
Hang Seng	16,541	-2.97%	-16.39%

### **Fixed Income**

<b>Canada</b>	Yield
Overnight	5.00%
1 Year	4.70%
2 Year	4.17%
5 Year	3.52%
10 Year	3.47%
30 Year	3.37%
<b>US</b>	
Fed Funds Target Rate	5.50%
1 Year	5.02%
2 Year	4.62%
5 Year	4.22%
10 Year	4.20%
30 Year	4.34%



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