

Week of March 29<sup>th</sup>, 2021

## Market Overview: March 22<sup>nd</sup> – March 26<sup>th</sup>, 2021

### Market Recap

**Stocks** ended up as the U.S. weekly jobless claims dropped to one-year low in a boost to economy. **Treasury yields** nudged up and the **dollar** strengthened, denting gold's appeal. **Oil** prices dropped, extending a string of market weakness on renewed lockdowns in Europe and Asia.

### Coming Up In U.S.

- On the U.S. economic front, **personal consumer expenditure (PCE)** data for February is due. The report from the Commerce Department is expected to show a 0.7% fall, following a 2.4% rise in the prior month. The **core PCE price index** is expected to rise 0.1% in February, following a 0.3% increase in January. Also, the final reading of **University of Michigan's consumer sentiment index** for March is expected to show an increase to 83.6, from a preliminary reading of 83.0.
- The **World Trade Organization's** dispute settlement body is due to consider agenda items including anti-dumping dispute with **China**, the **Airbus-Boeing** dispute and the crippled **Appellate Body**.
- EU antitrust chief **Margrethe Vestager** is scheduled to speak at an American Bar Association event. Acting U.S. Federal Trade Commission chair **Rebecca Slaughter**, the U.S. Department of Justice's acting assistant **Richard Powers** and Australian Competition & Consumer Commission commissioner **Sarah Court** are also expected to participate in the same event.

### U.S. Top News

- **'Yes or no?' U.S. lawmakers fume over Big Tech's answers on misinformation**  
In their first appearance before Congress since Trump supporters stormed the U.S. Capitol, the chief executives of Facebook, Google and Twitter were asked by U.S. lawmakers whether their platforms bore some responsibility for the riot: "yes or no?"
- **Nike, Adidas join brands feeling Chinese social media heat over Xinjiang**  
Nike and Adidas came under attack on Chinese social media over past comments the fashion brands have made about labour conditions in Xinjiang, part of a diplomatic row between China and the West.
- **GameStop soars, leads meme stocks higher with Koss, AMC surging too**  
Shares in GameStop and other so-called meme stocks popular among members of Reddit's WallStreetBets forum jumped as investors bought shares whose prices tumbled in the previous session.

- **Novavax delays EU vaccine supply deal amid production problems**

Novavax is delaying signing a contract to supply its COVID-19 vaccine to the European Union, an EU official involved in the talks told Reuters, as the U.S. biotech company warned it was struggling to source some raw materials.

- **Bain-owned Diversey falls in market debut, valued at \$4.1 billion**

Shares of Bain Capital-owned Diversey Holdings fell in their stock market debut, fetching a valuation of \$4.1 billion for the provider of cleaning and hygiene products.

## Coming Up In Canada

- Canada is set to release its **budget balance** numbers for January. Canada's budget deficit from April to December in 2020 widened to C\$248.17 billion from a deficit of C\$10.97 billion a year earlier. On a monthly basis, Canada posted a deficit of C\$16.15 billion in December 2020, compared with the C\$782 million surplus recorded in December 2019.

## Canada Top News

- **Canada's top court upholds pillar of Trudeau's plan to fight climate change**

Canada's Supreme Court ruled in favor of the federal government's carbon pricing policy on Thursday, upholding a central pillar of Prime Minister Justin's Trudeau's climate plan and infuriating some provinces that opposed it.

- **Canada's finance minister says monitoring housing markets very closely**

Canada's federal government is watching the country's red-hot housing market "very closely" and is aware that rising prices make it more difficult for many young Canadians to buy a home, Finance Minister Chrystia Freeland said.

- **Canada tightens takeover rules for critical minerals**

Canada has tightened foreign investment rules to protect the security of critical mineral supply chains, a government spokesperson said, ahead of an expected surge in demand for metals used to make electric vehicles.

- **Sun Life CEO-elect says Asia is priority for M&A, won't reduce office space there**

Sun Life Financial sees Asia as a priority for mergers and acquisitions and will ensure it has enough capital to deploy for deals before doing buybacks, Kevin Strain, who will become chief executive in August, said.

## Insight and Analysis

- **Infrastructure bill could fuel stocks, but investors temper enthusiasm**

A U.S. government plan to upgrade the nation's infrastructure could further fuel the stock market's rally, but skepticism about a massive spending package navigating political obstacles and the speed of any benefits filtering into the economy stand to temper any enthusiasm.

- **U.S. tech companies use their expensive stock to pay for acquisitions**

Cash may be king, but stock is queen in the land of technology mergers and acquisitions during a pandemic-fueled tech boom. Close to half the U.S. deals in the sector included a stock consideration last year, the highest percentage since 2016, versus only 27% in 2019, according to financial data provider Refinitiv.

- **In 2020 the ultra-rich got richer. Now they're bracing for the backlash**

In 2020, as the world convulsed under COVID-19 and the global economy faced its worst recession since World War

II, billionaires saw their riches reach new heights. Now some are talking to their wealth managers about how to keep a hold of and consolidate their fortunes amid the global debris of the pandemic<sup>1</sup>.

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<sup>1</sup> March 2021. Refinitiv. The Day Ahead.