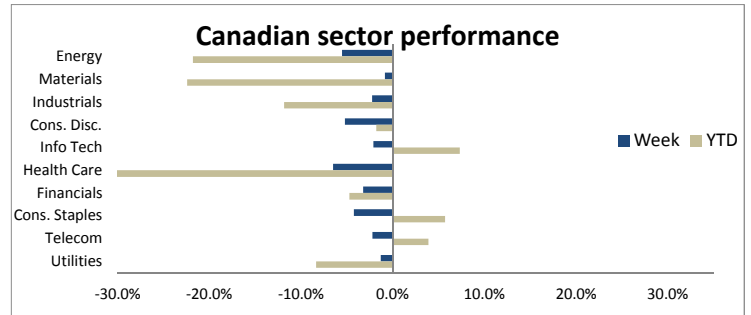


Equities (local currency, price only, % change)					
	11/13/2015	Week	QTD	YTD	1yr
S&P/TSX Composite	13075.42	-3.53%	-1.74%	-10.64%	-11.53%
S&P/TSX Small Cap	487.91	-3.06%	0.47%	-15.74%	-17.29%
S&P 500	2023.04	-3.63%	5.37%	-1.74%	-0.80%
NASDAQ	4927.88	-4.26%	6.66%	4.05%	5.29%
DAX	10708.40	-2.54%	10.85%	9.21%	15.79%
CAC 40	4807.95	-3.54%	7.92%	12.53%	14.80%
FTSE 100	6118.28	-3.71%	0.93%	-6.82%	-7.79%
Nikkei 225	19596.91	1.72%	12.70%	12.30%	12.67%
Shanghai Comp.	3580.84	-0.26%	17.30%	10.70%	51.48%
MSCI EM Index (USD)	821.12	-3.68%	3.67%	-14.14%	-17.29%

Fixed Income (total return, % change)					
	11/13/2015	Week	QTD	YTD	1yr
FTSE TMX Canada					
Universe Bond Index	978.32	0.45%	-0.70%	1.80%	3.87%
FTSE TMX Canada All					
Corporate Bond Index	1083.73	0.48%	-0.55%	1.51%	2.95%

Interest Rates - Canada (change in bps)					
	11/13/2015	Week	QTD	YTD	1yr
3-month Tbill	0.44	1	1	-47	-46
GOC bonds 2 yr	0.61	-6	9	-40	-40
10 yr	1.65	-6	22	-14	-39
30 yr	2.34	-7	15	1	-26



Currencies and Commodities (in USD, % change)					
	11/13/2015	Week	QTD	YTD	1yr
CDN \$	0.75	-0.13%	-0.11%	-12.81%	-14.67%
US Dollar Index	99.00	-0.17%	2.75%	9.67%	12.92%
Oil (West Texas)	40.74	-8.02%	-9.65%	-23.52%	-45.10%
Natural Gas	2.36	-0.42%	-12.59%	-30.11%	-40.60%
Gold	1083.92	-0.54%	-2.79%	-8.52%	-6.76%
Copper	2.17	-3.30%	-7.39%	-23.38%	-27.25%
CRB Index	184.77	-3.28%	-4.64%	-19.65%	-30.16%

NORTH AMERICAN EQUITIES

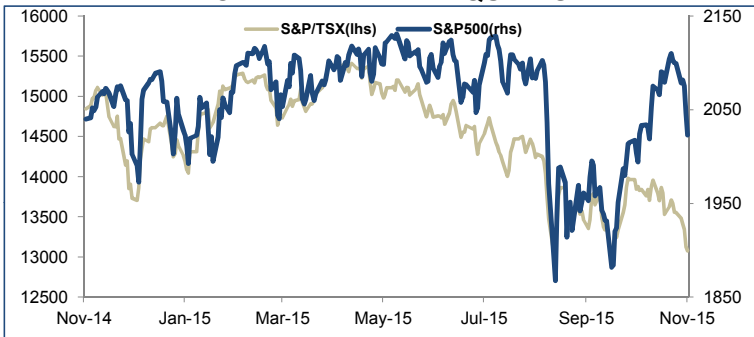
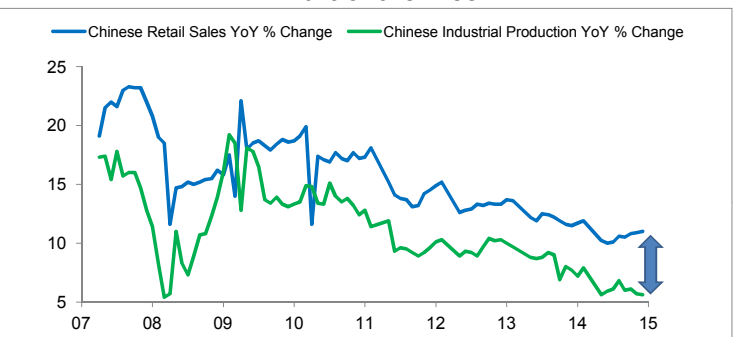


Chart of the Week



HIGHLIGHTS

Gains and losses in capital markets seem trivial in the face of the tragic events in Paris on Friday and our thoughts are with all those affected.

After several weeks of strong gains, US and European equity markets fell this week while bond prices rose (yields fell). Canadian equities continue to struggle. The energy and health care sectors led on the downside. Crude oil prices dropped a further 8% primarily on concerns about high inventory levels, while Valeant sank another 8%. The S&P/TSX Composite Index is only 0.5% above its September 28th low, compared to the US where the S&P 500 is 7.5% above its September low. The macro narrative is increasingly focussed on monetary policy, and in particular the growing divergences between the Federal Reserve and European Central Bank (ECB). Fears of slowing growth in China are fading somewhat as data is stabilizing. It was a relatively quiet week in terms of economic data elsewhere and provided little in the way of material surprises.

First off in China, a divergence is emerging between the old drivers of Chinese growth (trade and capital investment) and consumer spending (see chart above). The old economy continues to decelerate with October industrial production up 5.6% compared to last year and below consensus of 5.8%, while fixed asset investments were in line with expectations up 10.2% year-over-year, but slowing. On the other hand, the consumer segment in China is improving with retail sales ahead of expectations, gaining 11% compared to last year. This week China celebrated "Singles Day" which was created six years ago by online retailer Alibaba as a Chinese take on Valentine's Day. It has morphed into the world's largest online shopping day. It is estimated that over US\$11 billion was spent, which is more than Black Friday and Cyber Monday combined. Singles Day falls on November 11th. The date 11-11 was chosen because it is a grouping of one's or singles. Last year this one day represented 2.5% of Alibaba's full year sales. The Chinese economy still has a long way to go and the government is likely to continue to support the old economy to manage this transition.

In the US, the October retail sales rose less than expected but the details of the report were more encouraging. The headline number showed a year over year gain of 1.7%, but excluding autos and gas, sales are still up 3.8% compared to last year. Gains continue to be seen in discretionary sectors, signalling a relatively healthy consumer. Momentum in retail sales is moderating from earlier in the year partially due to lower prices. Producer prices continued their decline with a headline drop of 1.6% compared to last year, as energy continues to weigh on this number. The core PPI was down in October and is now virtually flat. Finally, the preliminary University of Michigan Consumer Sentiment Index rose 3 points to 93.1 amidst a healthy job market, improving wages, low gasoline prices and low interest rates. In Canada, housing starts showed a marked but healthy decline compared to September's 14.4% rise. Starts are now more in line with demand. While in Europe, the first estimate of third quarter GDP came in below expectations, up 1.6% year-over-year versus the 1.7% estimates. Industrial production was also below expectation, falling -0.3% compared to a month ago. Both of these results added to expectations of further action from the ECB at its next meeting on December 3rd. In a speech this week to the European parliament, ECB President Mario Draghi reaffirmed his commitment to use whatever tools are at the ECB's disposal to meet their price stability objective. Speculation centers around an increase and extension of the large scale assets purchase, as well as further reduction in the deposit rate, which already sits in negative territory (-0.2%). **continued on page 2**

Although concerns about divergences between the Fed and ECB policy path will continue to create some volatility, our general bias for equities for the remainder of the year is modestly higher. The bigger issue is beyond the next couple of months and what drives equities higher. We know equity valuations are not cheap. Thus it is our view that it falls to earnings to drive equities higher, similar to where we were a year ago. With the S&P/TSX earnings expected to fall 11% for the year, we have seen a near identical drop in equities. Going forward, a stabilization in commodity prices (and in particular oil) would be the first step, but earnings progression still remains an issue. The consensus estimate for 2016 currently forecasts growth of 16%, but this relies on 60% increase in energy sector earnings, which seems a little on the aggressive side to us. With third quarter earnings season 90% complete earnings are down 39% versus last year. In the US third quarter season is also largely complete and, although 72% of companies were ahead of expectations, earnings are down 5% compared to last year, largely due to the 56% decline in the energy sector. As we look into 2016, earnings estimates sit around 8% above 2015, also with some uncertainty. With limited room for multiple expansion, we look into the new year with modest expectations for equity returns.

For the week ahead, the Federal Reserve and ECB will release minutes from their last meetings. Investors will take a close look for any further hints about policy direction at the upcoming December meetings. In terms of economic data, October CPI will be released in the US, Canada, and Europe. Other data to keep an eye on include industrial production, housing starts and building permits in the US for October, along with Canada's September retail sales.

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