TD Wealth

Market Minute

Portfolio Advice & Investment Research

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Please refer to Appendix A of this report for important disclosure information.

Indiscriminate selling continues to hit markets

North American equity markets plunged at the open by more than 2% as the selloff on Bay Street and Wall Street continued from last week. Concerns over China's growth slowing and a potential global slowdown continued to weigh on markets. Earlier in the day, the Asian markets sold-off with commodities and emerging market currencies plunging. The Shangai Composite Index recorded its biggest loss since 2007 with the Hang Seng Index declining 5.2% today. Chinese shares have wiped out this year's gains, which at one point were over 50% for the year. That being said, after a difficult market open, stocks are finding buyers and Canadian and U.S. indices are beginning to recover.

In Toronto, all sectors are in the red. At one point, the S&P/TSX Composite Index fell 5.7% but has recently recovered and is now only down 2.3%. The hardest hit sector was information technology, which slid more than 5% with Avigilon Corp. (AVO-T) falling 6%. The energy sector was also down 3.5% as fears of continued global excess supply in the oil market weighed the sector's performance. Energy stocks that fell the most include Pacific Exploration and Production Corp. (PRE-T) falling 16%, Athabasca Oil Corp. (ATH-T) falling 9.6% and Bankers Petroleum Ltd. (BNK-T) falling 8.5%. While all sectors were down intraday, a number of Canadian gold companies were trading higher including NovaGold Resources Inc. (NG-T) up 3.8% and Agnico Eagle Mines Ltd. (AEM-T) up 2.7%

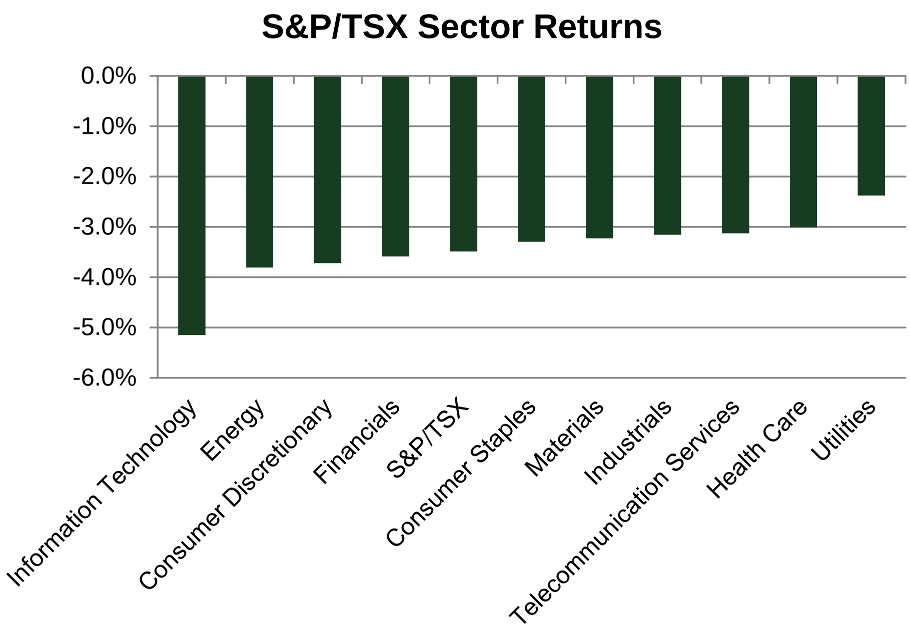
In the United States, both the Dow Jones Industrial Average (DJIA) and S&P 500 (S&P 500) Index were down over 2%. Markets are recovering; however, the DJIA at one point was down over 6% and has begun to find support. The decline in the S&P 500 was led by energy stocks, which fell 3.5%, followed by financials, down 2.9% and health care, which fell 2.6%.

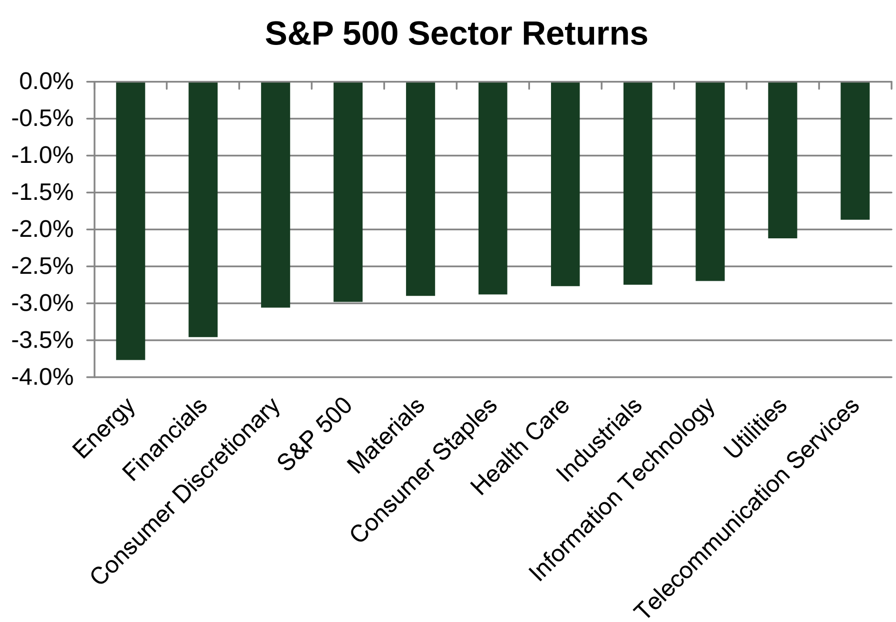
Looking at the fixed income markets, the Government of Canada 10-year bond yield declined 2 basis points to 1.25% and the U.S. 10-year Treasury yield declining 5 basis points to 1.99%.

Turning to commodity markets, the NYMEX WTI crude price remained under pressure declining 3.9% to US$38.88 per barrel. Silver spot price declined 1.9%, however, gold spot price showed strength, increasing 0.1%. Base metal commodities continued to decline with three-month copper futures falling 1.3% and nickel falling 2%.

As always, we recommend taking a long-term view and maintaining a balanced approach to investing to help mitigate market volatility. We continue to believe that investing in a diversified portfolio of high-quality companies provides downside protection in volatile markets. With the summer coming to an end and volumes thinning, we believe that volatility could continue in the short term.

Intraday Market Charts





Data as of approximately 10:30 AM EST; source Bloomberg and Thomson Eikon

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