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CANACCORD Genuity
Wealth Management

In this issue: Market update, By the numbers, What to do, Chart of the Month, Mandate of the Month, What are we Reading (What this market correction means, Federal gov't spending, Buffets note to BRK shareholders), Crypto Corner, Financial Planning- compounding interest.

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What is happening?

The Banks are the talk of the town, again. As it happens in our Canadian Market the bank's quarterly performance releases jump to the forefront of conversation. Even with the write downs associated with US Tax breaks from our friends south of the border they are providing a rising tide as they prove profit in financial services. CIBC and RBC have already released with favour, BNS and BMO (Feb 27), TD (Feb 28).

Being released Feb 27 is the Liberal **Federal Budget**. Again, in response to the US Tax cuts (Of which Warren Buffet admitted to a \$29B bump for BRK shareholders as a direct result- link to note below) Bill Morneau is under pressure to respond with our own to compete. With NAFTA's uncertain future coupled with the "America First" mentality in the White House right now, Morneau has repeatedly said he will avoid a knee jerk reaction to US policy. The idea of a balanced book still remains top of mind as Canadian's rack up personal debt, as well as the Government.

	YE 2017	Wk-end	Chg this week	Chg in 2018
<i>CAN Equity (CAD)</i>				
S&P/TSX Comp	16209	15035	1.2%	-3.5%
S&P Total Return	54003	50189	1.2%	-3.2%
S&P TSX 60	900	889	1.5%	-3.5%
<i>US Equity (USD)</i>				
S&P 500	2674	2620	0.6%	2.8%
S&P Total Return	5213	5117	0.6%	3.0%
Nasdaq	6903	6874	1.4%	6.3%
<i>Inter. Equity (USD)</i>				
MSCI World	1586	1534	0.5%	0.7%
MSCI EAFE	2051	1992	-0.5%	0.7%
MSCI Emerg. Mkts.	60879	59941	1.6%	4.0%
FTSE 100 (GBP)	7699	7092	-0.7%	-5.8%
DAX 30 (KR)	12918	12107	0.3%	-5.8%
<i>Commodities (USD)</i>				
Gold	1303	1313	-2.1%	1.9%
Oil (Crude Brent)	\$66.61	\$63.42	3.2%	0.6%

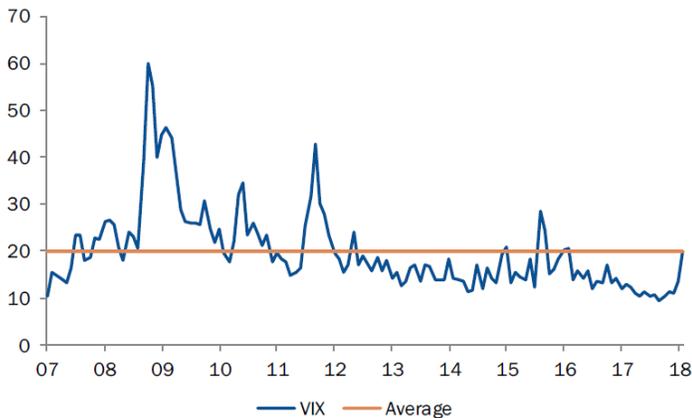
What to do?

Following the Heinz, Kraft, and Whole Foods deals, General Mills has purchased Blue Buffalo (pet food) for \$8B. Now this may seem expensive, but on a debt servicing level basis, it's cheap. The buyer is paying such a low price that Standard and Poor's dropped GIS's credit rating by just a single notch, from BBB+ to BBB, still solidly in investment-grade territory. So what does this mean for you? The answers we are looking for right now is in relation to the short term- do we see this latest correction as a "V" or a "W," with a second bump to come. This is the sixth correction of this bull market that qualifies as "rapid", with the five-day rate of change having fallen below -5 at some point during the decline. Of the prior five rapid corrections, four of them have had a double dip, which was determined within a confusing sorting-out period ranging from eight to 30 trading days, which would extend into early March for this one. So we maintain, plan your portfolio based on a diversified global basis. Those with solid core holdings extending beyond focused markets will win the long game.

Discover how to use sector ETFs to balance your portfolio to a global perspective. To read further: Click here to read a global perspective from our strategist: [Click here The YTD results so far](#)

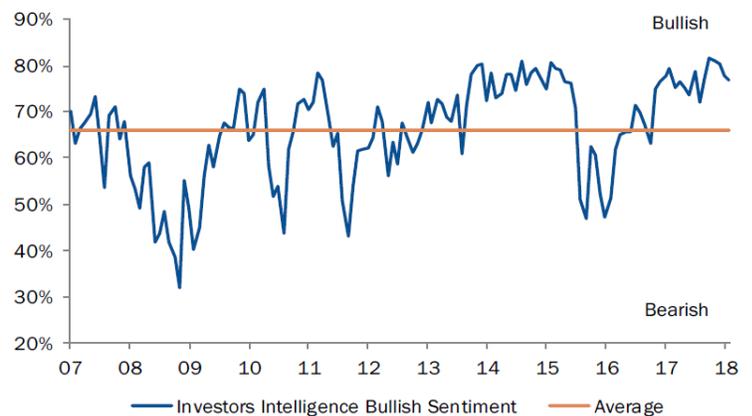
❖ **Charts of the Week:** The market is still bullish.

Figure 1: VIX is back to its long run average



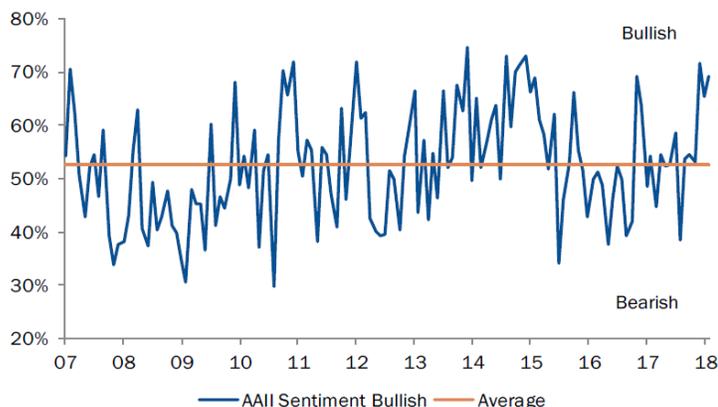
Source: Datastream, Canaccord Genuity Wealth Management. Past performance is not a reliable indicator of future performance

Figure 2: Investment Advisor sentiment at bullish level



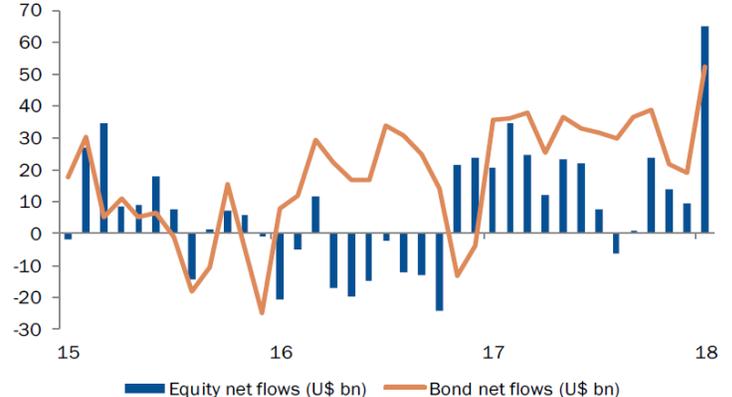
Source: Datastream, Canaccord Genuity Wealth Management. Past performance is not a reliable indicator of future performance

Figure 3: ... individual investor sentiment is also bullish



Source: Datastream, Canaccord Genuity Wealth Management

Figure 5: US mutual funds and ETF net flows



Source: Datastream, Canaccord Genuity Wealth Management

❖ **Mandate of the Month: Global ETF Portfolios. (\$25K Min)**

This is a fee friendly managed portfolio solution. If you have Mutual Funds or high trading costs, it's worth a look. [Click here to see the note.](#)
Strategy: Driven by a dynamic allocation process, Our ETF Portfolios focus investment exposure in areas of market strength and reduce capital in areas of relative weakness. The portfolio management team aims to generate excess return and control risk by under- and overweighting asset classes, countries and currencies in the portfolio, selecting best-in-class ETFs for each investment exposure. Built around a long-term policy allocation, CC ETF Portfolios provide diversification across both asset classes and geographies. [Portfolio Results here.](#) E-mail [Steve](#) or [Drew](#) for more details.

What are we reading:

- [V Bounce or Double Bottom?](#)
- [What does the Federal Gov't really spend money on?](#)
- [What Warren says: Buffet's note to Berkshire. \(No mention of Home Capital.....\)](#)
- **Crypto Corner:** Whether you like it or not, you should know more and can't ignore.
 - [Your Coins on the big board at Coindesk](#)
 - Banks are banning crypto buys with their credit cards.
 - [Canada: TD](#)
 - [United States: Bank of America, JP Morgan, Citigroup, Capital One, Discover](#)

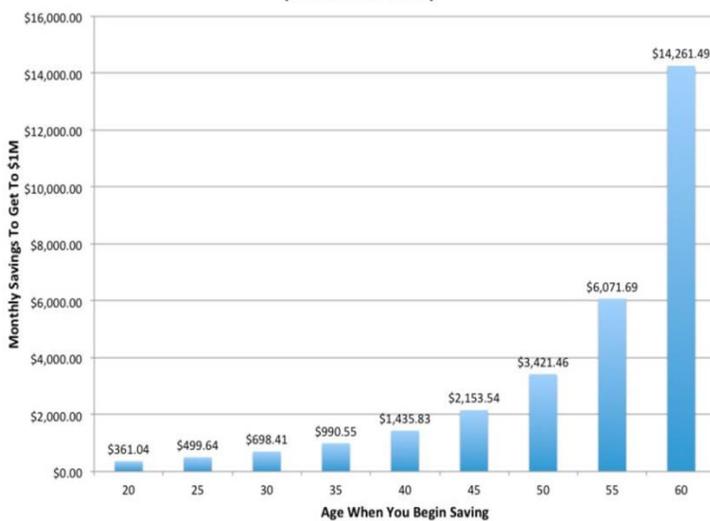
How does Financial Planning make a difference for you?

Financial Planning is a tool that everyone needs to be using in their investment strategy. If you aren't planning with a complete overview with your manager, you are leaving strategy to chance, with no strategy at all. Good ideas to grow your portfolio are always available, by adjusting risk and knowing your situation in all situations: retirement, home and business purchases/sales, children coming in to the world or sent to University, helping them buy a house/business all play a part. According to the Financial Planning Standards Council (FPSC), 81% of Canadians with comprehensive financial plans feel on track with their affairs versus 73% with limited and 44% with no planning. [Click here for an introduction to Mike](#) and take a look below for an example of how he makes a difference for clients. [Click here for a full overview on our financial planning services](#)

Let's talk \$1MM.

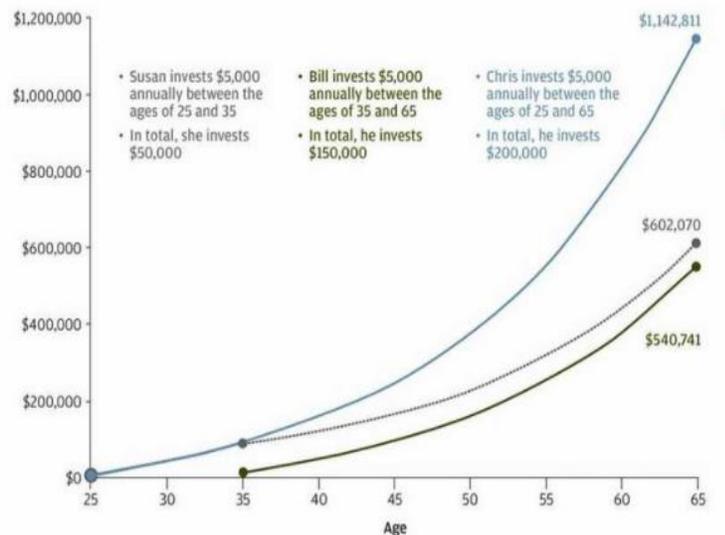
One Million dollars, it used to mean something. Not to say it isn't significant today, but the significance is greatly reduced. Here are two examples regarding the power of compounding, and the very real make up work that needs to happen should you miss out on putting your money to work early.

How Much You Need To Save To Get To \$1M At Retirement
(6% Return Rate)



Business Insider/Andy Kiersz

Growth of savings accounts



The above example is for illustrative purposes only and not indicative of any investment. Account value in this example assumes a 7% annual return. Source: J.P. Morgan Asset Management.

[On the flip side, for those that began saving early, click here for 10 reasons to start planning your estate](#)

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Check us out at: www.stevestavidis.ca**

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