

# Your Wealth. Our Commitment.

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 (The Sub/Urban divide, All things Blockchain and Crypto), Real News in Financial Planning.

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**Steve Stavridis**  
Senior Vice-President,  
Senior Investment Advisor

T: 416.867.6084  
F: 416.947.8210  
TF: 1.800.382.9280  
Steve.Stavridis@canaccord.com

## What is happening?

Un-like Twitter, we will not be doubling our commentary this week. So here we go.

The S&P 500 is down fractionally while the S&P/TSX stalled this week, however still remaining above 16,000, which is still an all-time high. Once again, US politics took the upper stage with the tax reform proposal submitted by the US Senate planning to delay corporate tax cuts until 2019. Given the uncertainty surrounding the US tax plan, the power shakeup in Saudi Arabia and protectionist comments from President Trump, the market breather this week makes sense.

Next week at home, we await inflation statistics for October and by next (eagerly anticipated) newsletter we will be waiting anxiously for the Canadian Banks to release earnings. Signs of acceleration in our economy could reignite fears that the BoC will strike sooner rather than later and support the CDN\$. In the US, our focus should be on consumer and producer price inflation, retail sales and industrial production statistics. These factors should help gauge the strength of the US economy and also odds that the Fed will strike, not only in December, but also in Q1/18.



**Drew Sutherland**  
Associate Investment Advisor

T: 416.867.2036  
Drew.Sutherland@canaccord.com

<i>CAN Equity (CAD)</i>	YE 2016	Wk-end	Chg this week	Chg in 2017
S&P/TSX Comp	15288	16039	0.1%	4.9%
S&P Total Return	49501	53162	0.1%	7.4%
S&P TSX 60	900	949	0.3%	5.5%
<i>US Equity (USD)</i>				
S&P 500	2239	2582	-0.2%	15.3%
S&P Total Return	4279	5020	-0.1%	17.3%
Nasdaq	5383	6751	-1.3%	25.4%
<i>Inter. Equity (USD)</i>				
MSCI World	1364	1550	-0.5%	13.6%
MSCI EAFE	1684	2000	-0.4%	18.7%
MSCI Emerg. Mkts.	47651	60548	0.2%	27.1%
FTSE 100 (GBP)	7143	7433	-1.7%	4.1%
DAX 30 (KR)	11481	13127	-2.6%	14.3%
<i>Commodities (USD)</i>				
Gold	1157	1276	0.7%	10.3%
Oil	\$53.75	\$57.16	2.8%	6.3%

## What to do?

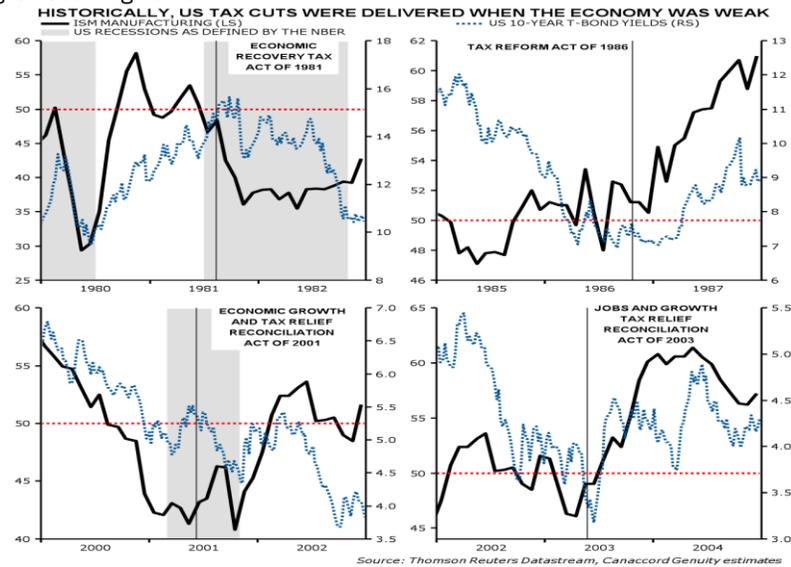
If you've been reading for a while and have heeded our outlook, the advice is simple, nothing. A truly diversified global portfolio should be fine leading through this noise. It would be imprudent to use the words "let it ride" when referring to your hard-earned savings, but if you aren't entirely concentrated in Canada (low performing), or the US, where the S&P 500 is trading at 20.1x trailing and 18.1x forward earnings, respectively (and seems overbought), although earnings per share are still forecasted to grow, then you've set a long view on gathering gains across the synchronized global recovery.

Take this week to evaluate if your portfolio hits a truly diversified outlook in geographic, sector and market cap.

**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](#)**

### Chart of the Week:

The US is still ringing the bell regarding tax cuts- yet this chart show when and why they've been needed previously. Normally reserved for hard times to stimulate, right now they seem to be for.... political gain? The Bank of England has finally raised rates by 25bps (a first in ten years), and Janet Yellen is now the outgoing US Fed Chair, with Jerome Powell coming in. So, a global fiscal reversal and a major policy change, the latter is yet to be seen in terms of impact. Below you see cuts under Regan, and Bush under very high pressure on the manufacturing economies.... But this time we know manufacturing isn't coming home.



### Mandate of the Month: CC&L Enhanced Income (\$200K Min)

This is a fee friendly managed portfolio solution. If you have Mutual Funds or high trading costs, it's worth a look. Commentary from the PM here: <https://spoke.canaccordgenuity.com/2017/11/icp-mandate-of-the-month-4/>

**Strategy:** This portfolio offers a unique alternative for Canadian income investors seeking attractive yield and capital preservation. It seeks to generate returns in excess of what can be expected from traditional bond portfolios while limiting volatility and preserving capital through investment in a portfolio of diversified income oriented equity & fixed income instruments, to generate returns in excess of the benchmark. E-mail [Steve](#) or [Drew](#) for more details, or [click here to see the note](#).

### What are we reading:

- Real Estate in a recovering (?) economy. A paradox in Motor City: <https://www.wsj.com/articles/as-its-population-falls-detroit-adjusts-1492394760>
- The Sub/Urban Divide; Ontario's recovery from 2008: [https://www.fraserinstitute.org/studies/uneven-recovery-much-of-ontario-still-hasnt-recovered-from-the-2008-recession?utm\\_source=Fraser-Institute-Enews&utm\\_campaign=Uneven-Recovery-Much-of-Ontario-Still-Hasnt-Recovered&utm\\_medium=Fraser\\_Update&utm\\_content=Learn\\_More&utm\\_term=527](https://www.fraserinstitute.org/studies/uneven-recovery-much-of-ontario-still-hasnt-recovered-from-the-2008-recession?utm_source=Fraser-Institute-Enews&utm_campaign=Uneven-Recovery-Much-of-Ontario-Still-Hasnt-Recovered&utm_medium=Fraser_Update&utm_content=Learn_More&utm_term=527)
- Tech in the real world. African countries look at their new world: <https://www.economist.com/news/middle-east-and-africa/21731206-if-you-want-less-something-tax-it?fsrc=scn/tw/te/bl/ed/>
- **Crypto Corner:** Whether you like it or not, you should know more and can't ignore. Links to interesting articles and opinions:
  - Overview: [https://www.bloomberg.com/news/articles/2017-11-08/millennials-ready-to-ditch-stocks-to-keep-bitcoin-rally-alive?cmpid=BBD110817\\_BIZ&utm\\_medium=email&utm\\_source=newsletter&utm\\_term=171108&utm\\_campaign=bloombergdaily&lipi=urn%3Ali%3Apage%3Ad\\_flagship3\\_feed%3B4VkJIAHxS8y10USOgvalYw%3D%3D](https://www.bloomberg.com/news/articles/2017-11-08/millennials-ready-to-ditch-stocks-to-keep-bitcoin-rally-alive?cmpid=BBD110817_BIZ&utm_medium=email&utm_source=newsletter&utm_term=171108&utm_campaign=bloombergdaily&lipi=urn%3Ali%3Apage%3Ad_flagship3_feed%3B4VkJIAHxS8y10USOgvalYw%3D%3D)
  - Response to Jamie Dimon's (JP Morgan) public refusal: <https://blog.chain.com/a-letter-to-jamie-dimon-de89d417cb80>
  - The institutional look; Futures and ETF's: <https://www.bloomberg.com/news/articles/2017-11-07/bitcoin-etfs-are-likely-to-follow-futures-cboe-president-says>
  - Forget Netflix bingeing, Princeton 12 video series on Blockchain and Crypto: <http://bitcoinbook.cs.princeton.edu/>

## 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 your strategies to chance. 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](#)

## Tax Loss Selling:

It's the end of the year, and preparing your tax house is important to start 2018 with a tidy domain. For those who are current clients, we don't expect this to be you (probably ahead of the game), but if you don't have the Stavridis Group brain trust behind your portfolio, it may be worth a look. Note: Always discuss with your advisor and accountant before you make assumptions on balancing losers and gainers.

As we progress through November, investors should begin thinking about the year ahead and planning for potential tax losses – selling their losing positions to offset capital gains. Based on Canadian tax law, capital losses can offset capital gains in any fiscal year. Losses must first be applied against capital gains in the current year; if any excess losses remain, they can be applied against capital gains made in the prior three years, or be used to offset capital gains in future years.

For example, if an investor had purchased 100 shares of XYZ Corp. at \$40.00, and sold it in 2017 at \$20.00 a share (on a net basis, including brokerage fees), the investor would now have a capital loss of \$2,000. This loss can be used to reduce certain capital gains this year by \$2,000. If there are no applicable capital gains this year (if this is you, you should really call ASAP), then this \$2,000 capital loss can be carried forward to future years, or applied against capital gains accrued in 2014, 2015, and 2016 resulting in a tax credit or refund.

But Remember... Capital-loss selling cannot be applied to registered accounts, such as Registered Retirement Savings Plans (RRSP), Registered Educational Savings Plans (RESP), Registered Retirement Income Fund (RRIF), Registered Disability Savings Plan (RDSP), or Tax-Free Savings Accounts (TFSA). As well, capital losses will be foregone when you transfer a losing position from a non-registered account into a registered account. [Read the full note here for some ideas and strategies.](#)

If you needed the loss, you can trade out the YoY losers for more current favourable ideas. For example:

Baytex Energy	BTE-T	-35.98	Trican Well Services	TCW-T	Like the prior year, 2017 was a rough one for the Canadian Oil&Gas space. Looking to play a bounce in Oil? CG Portfolio Stategist Martin Robege says the best bet in the Energy Space is to play the Energy Service Providers. CG Oilfield Services Analyst John Bereznicki recently increased his PT on Trican Well Services to \$7.25. He says their recent quarter reflected solid management execution and the company's success in extracting meaningful pricing gains by leveraging its market leadership position.
Peyto Exploration	PEY-T	-40.48			
Painted Pony Energy	PONY-T	-59.76			
Crescent Point Energy	CPG-T	-39.72			

**\*Please let us know if you think there is someone in your network who would benefit from this note. We are always happy to include them on the list. You are our best source of referrals.**

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