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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 (Global Banks, All things Blockchain and Crypto), Real News in Financial Planning.

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What is happening?

Start the parade: The Argonauts have captured a record 17th Grey Cup in a classic CFL finale (17-5 Grey Cup record which is impressive), and the TFC have Altidore and Giovino back in the lineup for Wednesday's rematch against Columbus, Toronto has a pretty compelling sports story for once in a loooooong time. Gets some of us nostalgic for the glory days of 92-93... I digress. Moving onto markets:

The "Turkey Rally", as the positive seasonality pre-Thanksgiving is called, played out once again this year with both the S&P 500 and S&P/TSX closing at all-time weekly highs. Again, there were no real catalysts behind this week's advance. See the chart below, it's all green.

Oil prices rose another ~4% to levels last seen in June 2015. Beyond the Keystone pipeline outage, crude oil continues to be fueled by steady declines in product inventories which is going to add some strain to consumers wallets at the pumps over the holiday seasons.

The all telling Canadian banks start to release earnings for Q4 this week with RBC and TD leading the charge. Any Canadian investors knows this song and dance has weight on most portfolios.



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<i>CAN Equity (CAD)</i>	YE 2016	Wk-end	Chg this week	Chg in 2017
S&P/TSX Comp	15288	16109	0.7%	5.4%
S&P Total Return	49501	53450	0.7%	8.0%
S&P TSX 60	900	954	0.7%	6.0%
<i>US Equity (USD)</i>				
S&P 500	2239	2602	0.9%	16.2%
S&P Total Return	4279	5064	0.9%	18.4%
Nasdaq	5383	6889	1.6%	28.0%
<i>Inter. Equity (USD)</i>				
MSCI World	1364	1556	0.9%	14.1%
MSCI EAFE	1684	2023	1.8%	20.1%
MSCI Emerg. Mkts.	47651	61257	0.9%	28.6%
FTSE 100 (GBP)	7143	7410	0.4%	3.7%
DAX 30 (KR)	11481	13060	0.5%	13.8%
<i>Commodities (USD)</i>				
Gold	1157	1289	0.4%	11.3%
Oil (Crude Brent)	\$56.17	\$63.55	1.7%	12.1%

What to do?

We've seen a lot of discussion regarding valuation over the past few months, and there are legitimate concerns, however, the US is still showing positive growth signs and continuing to hover close to its PE average over the past 30 years, if slightly above. While this should alleviate direct fears, we still see other developed markets as providing a better valuation currently and comparatively.

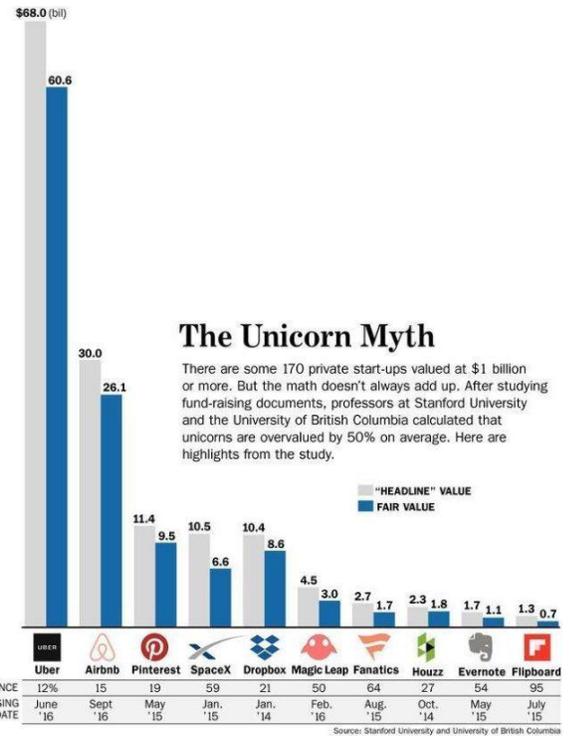
What this does re-enforce is our global market view and anchoring your market mentality in building around a properly diversified portfolio. Check your statements, if the equity/FI, sector, or geographic breakdowns are out of whack from your comfort levels or overly weighted in certain aspects of the listed metrics, its worth a review.

**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](#)**

Chart of the Week:

Everyone likes a good story. These days, with tech ripping in a whole new way (Bitcoin, Ethereum, etc. etc.) these stories are becoming more regular. The story is usually ambitious disruptors who rise and fall a few times before finding a transformative idea that changes the game and puts them into the stratosphere of household names- Zuckerberg, Jobs, Ford, Edison, Christiansen (founded Lego and should be on this list). However, we've never seen some of the valuations previously explored based on preliminary raises in the private sector. Immediately we expect companies to be global and scalable through tech innovation. Some smart people at Stanford did their own math....

Bonus Chart: Look at how the market evaluates Snapchat (SNAP). Morgan Stanley (IB who took them public) quickly downgraded their valuation from \$28-\$16/share after the IPO... This isn't a doom a gloom story, it's about awareness.



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: <http://www.stevestavidis.ca/documents/14496/0/CCL+Enhanced+Income.pdf/b8a372a2-1956-4952-8b5a-d5ca9d6a713a>

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:

- Global Banks, how they rate, and who is critical: <http://www.fsb.org/wp-content/uploads/P211117-1.pdf>
- Cobalt?! I thought Trump said coal! Cobalt has a banner 2017 and it looks to continue: <https://www.bloomberg.com/news/articles/2017-11-24/bmw-joins-race-to-secure-cobalt-for-electric-vehicle-batteries>
- Age of eligibility: https://www.fraserinstitute.org/studies/age-of-eligibility-for-public-retirement-programs-in-the-oecd?utm_source=Fraser-Institute-Enews&utm_campaign=Age-of-Eligibility-for-Public-Retirement-Programs&utm_medium=Fraser_Update&utm_content=Learn_More&utm_term=550
- Need an Uber, I'll need your SIN# and credit details: <https://www.nytimes.com/2017/11/21/technology/uber-hack.html?rref=collection%2Fsectioncollection%2Fbusiness-dealbook&action=click&contentCollection=dealbook®ion=rank&module=package&version=highlights&contentPlacement=3&pgtype=sectionfront>
- **Crypto Corner:** Whether you like it or not, you should know more and can't ignore. Links to interesting articles and opinions:
 - Christine Lagarde and her view: <https://www.imf.org/en/News/Articles/2017/09/28/sp092917-central-banking-and-fintech-a-brave-new-world>
 - So how scalable are we talking here....?: https://blockchaingroup.io/wp-content/uploads/2017/11/BITCOIN_-THE-GREAT-SCALING-DEBATE.pdf
 - Starting from the bottom, entrepreneurial applications: https://www.inc.com/bill-carmody/7-ways-blockchain-will-enable-entrepreneurs-in-2018.html?utm_content=buffer3105a&utm_medium=social&utm_source=linkedin.com&utm_campaign=buffer
 - South-East Asia and the Blockchain: <https://www.voanews.com/a/unblocking-southeast-asia-blockchain/4092075.html>
 - 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](#)

Critical Illness Insurance, is seldom talked about, seldom covered. In our opinion, everyone under 40 should have this in place already based on simple medical projections for the likelihood on cancer, paralysis, coma, stroke, heart attack, etc. What this does is covers you in a lump sum should an event occur, giving you freedom to spend the savings as you see fit. This could be private treatment, lifestyle maintenance, or in certain circumstances a trip- it provides you a benefit above your long term disability that most would have covered and pay into through a work plan.

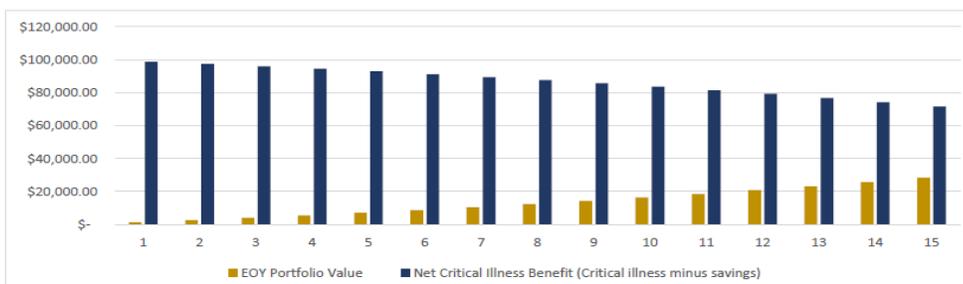
Below is chart depicting the cost benefit compared to investing \$100/month into an investment account. What this is also taking into consideration is the RETURN of premium model. What this does is returns your capital (\$100/month) after 15 years should you terminate the coverage in any year after. Think forced savings, with the benefit of coverage. See below for the details.

Investing your premium vs Critical Illness Insurance

Investing \$100 per month into investment portfolio at 5.5% return each year

	Monthly Savings	EOY Portfolio Value	Your Opportunity cost	Net Critical Illness Benefit (Critical illness minus savings)
Year 1	\$ 100.00	\$ 1,266.00	\$ 66.00	\$ 98,734.00
Year 2	\$ 100.00	\$ 2,601.63	\$ 201.63	\$ 97,398.37
Year 3	\$ 100.00	\$ 4,010.72	\$ 410.72	\$ 95,989.28
Year 4	\$ 100.00	\$ 5,497.31	\$ 697.31	\$ 94,502.69
Year 5	\$ 100.00	\$ 7,065.66	\$ 1,065.66	\$ 92,934.34
Year 6	\$ 100.00	\$ 8,720.27	\$ 1,520.27	\$ 91,279.73
Year 7	\$ 100.00	\$ 10,465.89	\$ 2,065.89	\$ 89,534.11
Year 8	\$ 100.00	\$ 12,307.51	\$ 2,707.51	\$ 87,692.49
Year 9	\$ 100.00	\$ 14,250.42	\$ 3,450.42	\$ 85,749.58
Year 10	\$ 100.00	\$ 16,300.20	\$ 4,300.20	\$ 83,699.80
Year 11	\$ 100.00	\$ 18,462.71	\$ 5,262.71	\$ 81,537.29
Year 12	\$ 100.00	\$ 20,744.16	\$ 6,344.16	\$ 79,255.84
Year 13	\$ 100.00	\$ 23,151.09	\$ 7,551.09	\$ 76,848.91
Year 14	\$ 100.00	\$ 25,690.40	\$ 8,890.40	\$ 74,309.60
Year 15	\$ 100.00	\$ 28,369.37	\$ 10,369.37	\$ 71,630.63

Return of premium (less the policy fee) at year 15: \$17,940



***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.**

Check us out at: www.stevestavidis.ca

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