

Wilson, Cameron B (RBC DS)

From: Wilson, Cameron B (RBC DS)
Sent: 2014, October, 17 6:51 PM
Subject: Market Review October 17, 2014

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Dear clients and friends,

I want to send out a quick note about the markets of late...as there have been some heightened movements....

After years of exceptional growth we have seen a recent pullback, as an investor you'll realize that the bull market (up markets) take the stairs, and the corrections tend to take the elevator. Many may be wondering what the future holds for their investments, and I want to re-iterate the consistent theme across the customized portfolios I run for you and my family accounts.

First a couple comments about the market and economy in general from my point of view:

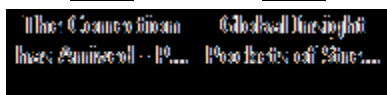
- The US market is still poised for good growth going forward, any recession is highly unlikely
- Market corrections are normal, but never feel good when they are happening.
- The US jobs data released this week had the lowest JOBLESS claims in 44 years. ***major factor I watch, when people are employed they spend money***
- There is a concern over global growth slowing, this doesn't mean stopping, just slowing.
- Borrowing costs are ultra-low, and will likely continue for many years.
- Inflation is stable and low
- Industrial growth in the US is up.
- Weaker CAD\$ is good for our exports, since we are an exporting nation
- Markets tend to be more volatile than companies earnings.
- ***BIG ONE*** US housing starts over the last 12 months were over 1,000,000. Over a 6% growth from the previous year.

The big factors I feel are the jobs and houses, when someone has a job, they go from renting to owning. The trickle effect from housing is huge. This is another reason I still feel we are in a bull market, just with a momentary gut check on the recent correction. While no one can predict a market bottom, companies are still profitable and have growth. Remember what Warren Buffett says, **"be greedy when others are fearful and be fearful when others are greedy"**.

Back to the portfolios, and investments we hold within them, the key themes I focus on when constructing your portfolios are:

- High quality companies
- Companies that are the dominant player in their industry
- Strong balance sheets
- Good management teams in place
- Growing profit and earnings
- Generally pays a dividend, as this shows corporate strength, and has a track record of growing their dividend.
- Avoid companies that have cut their dividend or cannot sustain it.

Two articles from our Portfolio Advisory Group:



Just for fun:

17 Useful Tips To Get Over Jet Lag Quickly

Source: *Buzzfeed*; Author(s): *Chelsey Pippin*

<http://goo.gl/BJWiYu>

I hope you enjoy the read, please don't hesitate to call/email if you have any questions. Also please forward to a friend should they be interested in our commentary.

Cameron

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Please note that we cannot accept trading instructions by email for regulatory reasons. Please call us to discuss any transactions in your account.

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We would be pleased to speak with anyone you know who would like a second opinion on their investments.