



Infomail

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A Wave Election

Income tax filing and payment day should be moved from April 15th to November 1st so it can be close to election day. People ought to have their tax bills fresh in mind as they go to vote.

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Last night the Republicans had a sweeping victory in the US mid term elections. They expanded their majority in the House of Representatives with 250 seats, their largest majority since the 1920's. In the Senate, they needed six and gained seven to now have 52 (to 48 Democrats).

So now what?

Beginning today, The Democratic Party begins to look ahead at the 2016 Presidential Election, and they will apply some pressure on President Obama to move to the "center." A more centric President Obama is the last missing ingredient for a truly powerful bull market. When Clinton moved to the middle when the Democrat's lost the mid terms in the mid 1990's, we had one of the greatest market runs I've experienced from 1995 to 1999.

The Reagan Revolution in the early 1980's kicked off a similar powerful rally.

For Canada, it could mean a more open USA, less regulation and maybe even a Keystone Pipeline approval.

Last, but not least, absorb this: Since 1946, there have been 17 midterm elections. In the following twelve months, the average return on the S&P 500 has been 17.3%. There has not been a single time, never, that markets did not gain 12 months following a US mid term election. NEVER!

"Past performance is never a guarantee of future performance," as the commercials say, but being a simple kid from Niagara, I'll take 100% odds every time.

Stay tuned,

Vito Finucci
Vice President and Director
Investment Advisor

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