



## Obama Part II

As most readers are now aware, the American people have re-elected Barack Obama as President. The electoral totals (with Florida's 29 votes still in limbo) for the President are at 303 to Mitt Romney's 206.

I have to admit I really believed the numbers would be reversed, but as it turns out, the polls ended up being bang on. While around the world, in recent elections, most populations have elected conservative, right of center governments to deal with the problems at hand (notably Europe, Canada in our last federal election, and recently even China); the USA has remained left of center. I hope President Obama can follow Bill Clinton's footsteps, as in his second term he moved more towards the middle with a split Congress and we had one of the best runs (and a balanced budget) in recent memories.

Looking at an electoral map of the USA, it remains a country deeply divided. The West coast and the Northeast are Blue (Democrat) while the Midwest and South remain Red (Republican). Hopefully both parties can put partisan politics aside and come together to get things done for the better of the country.

I wrote yesterday that the actual impact a President makes is less than people think. The Chinese election this week, which received very little coverage, will probably have a bigger impact on global markets (Especially on Canada and its commodities) than last night's US Presidential Election.

While last night was disappointing (For the record: NOT as disappointing as when the Yankees dropped four straight to the Tigers in the ALDS), I believe in Democracy. Hopefully the President can show the leadership required to navigate the USA through the challenges it still faces.

I've said it many times, given the size and impact of their economy, and given the fact they are Canada's largest trading partner, the world needs a healthy and vibrant US economy.

But like all politicians, I would suspect the Democrats believe last night's victory confirms the people like the direction they are heading, so expect more of the same, which is bigger government, higher spending, and little if any cuts of entitlements. Their problem is to figure out a higher source of revenue and taxing only 10% of the population (Families earning \$250,000/year or more) a greater amount won't be enough. Usually a President's first term is about getting re-elected; the second term is usually about the history books and their legacy.

We wish the President all the wisdom and experience to create prosperity, so all of the people and classes can benefit and live a better life.

Stay tuned,

Vito Finucci  
Director and Vice President, Investment Advisor  
RBC Wealth Management

This information is not investment advice and should be used only in conjunction with a discussion with your RBC Dominion Securities Inc. Investment Advisor. This will ensure that your own circumstances have been considered properly and that action is taken on the latest available information. The information contained herein has been obtained from sources believed to be reliable at the time obtained but neither RBC Dominion Securities Inc. nor its employees, agents, or information suppliers can guarantee its accuracy or completeness. This report is not and under no circumstances is to be construed as an offer to sell or the solicitation of an offer to buy any securities. This report is furnished on the basis and understanding that neither RBC Dominion Securities Inc. nor its employees, agents, or information suppliers is to be under any responsibility or liability whatsoever in respect thereof. The inventories of RBC Dominion Securities Inc. may from time to time include securities mentioned herein. This commentary is based on information that is believed to be accurate at the time of writing, and is subject to change. All opinions and estimates contained in this report constitute RBC Dominion Securities Inc.'s judgment as of the date of this report, are subject to change without notice and are provided in good faith but without legal responsibility. Interest rates, market conditions and other investment factors are subject to change. Past performance may not be repeated. The information provided is intended only to illustrate certain historical returns and is not intended to reflect future values or returns. RBC Dominion Securities Inc.\* and Royal Bank of Canada are separate corporate entities which are affiliated. \*Member-Canadian Investor Protection Fund.