

Hello clients and Friends,

If there's one thing I love about my work is it's always changing and I thoroughly enjoy trying to find opportunities in the market and how to increase your wealth accordingly. Though there are sometimes some short term fluctuations we cannot explain, I feel there are some long term trends still in play that are here to stay for a while to come. This has been a very busy week economically. This may be one of my longer market updates but I think you will find it useful. To all those who have enjoyed my updates, thank you! Please feel free to forward as you wish, if there is a topic you'd like covered please just ask.

A couple notes on the market and news last week:

- The Saudi King has passed away and his brother is the new ruler of the Kingdom of Saudi Arabia. We are also starting to see OPEC countries fight with each other, as there are two types of OPEC countries, the savers and the spenders. The savers who can weather low oil price for some time due to their bank account balances and low debt; Kuwait, Saudi Arabia, and the United Arab Emirates. The spenders, who **REQUIRE** oil to stay high to fund their governments; Iran, Iraq, Venezuela, and Algeria. As I mentioned in last week's update, our domestic governments run off taxation to the people, these OPEC countries primarily run off oil sales. You are starting to see some internal bickering around the amount of oil production allowed within OPEC, and who knows, you may see the end of OPEC one day? Iraq has lost half of its revenue so far, and they had even suggested OPEC and non-OPEC countries should start talking to come to an agreement....who'd a thunk it?
- The CAD/USD widened further this week, dropping another 3 cents to \$0.8050 as I write this. We've seen a 7% drop since January 1st, and 11% over the last year. This should bolster those cross border shoppers to start staying home and spending money locally. It also helps our exports, and also tourism businesses.
- The Bank of Canada announced it would cut the overnight rate to 0.75% down from 1%, [LINK HERE](#). Some perceived it as a shock, but with the sharp decline in oil I wasn't all too surprised. We have seen declining interest rates for 30 years (since the early 80's). I think this may continue for the foreseeable future. Looking at the futures market on bonds, rates are not increasing for the foreseeable future. The Gov't will always warn on rates rising, they can't say any different. My thought is if they were to say rates will be low for a long time to come, many would go get new 7year car loans at 0% financing and decide to move to a much larger house. Though the gov't wants people to spend and stimulate the economy, taking on more debt is not the answer.
- The ECB (European Central Bank) has entered a bond buying program for 1.1Trillion Euros over the next 20 months, [LINK HERE](#). That's 1,100,000,000,000. The intention to print money/buy bonds is to stimulate the economy and have banks provide loans to business and increase inflation (the cost of items to rise). As with past emails, a little manageable inflation is a good thing.
- Those of you whom are local to BC and Abbotsford have seen a couple frauds run across the newswire lately. There was a fellow in Abbotsford providing false stock reports, and faced a fine of 4.3Million from the BC Securities Commission (BCSC), [LINK HERE](#). While most recently in Vancouver you saw a Notary defraud \$110Million from investors in a Ponzi scheme, she's been fined \$44Million, [LINK HERE](#). I too have come across non-licensed advisors soliciting investment dollars from the general public for exotic investments that aren't liquid. These are being touted as very safe and different from the stock market. Both the fellow in Abbotsford and notary in Vancouver [were](#) both unlicensed.
- All investors should check on their potential advisors to see what they are and aren't licensed for. Being a wealth advisor I am licensed for a number of different investments and insurance solutions. As I mention in my seminars, some advisors are only licensed to one type of investment solution, and that's all that will be presented and offered. When all you have is a hammer everything looks like a nail, or as Henry Ford is referenced to have said, "People can have the Model T in any color - so long as it's black". As an advisor, and Fellow of the Canadian Securities Institute, I have a fiduciary duty to do what is in your best interests first and foremost.

As I wrap this up I suggest you take a quick peek at the following sites where you can see where your advisor is registered and what they are licensed for:

www.insurancecouncilofbc.com – Search Licensees – to see if your advisor is licensed for insurance products and solutions.

www.iiroc.ca – IIROC Advisor Report– to see what courses and licensing your advisor has completed.

www.securities-administrators.ca - National Registration Search – will show where else they have been registered and solutions licensed for.

Have an excellent week.

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 accept new clients primarily by referral from our existing clients. We would be pleased to speak with anyone you know who would like a second opinion on their investments.