

McDowell Financial Management Team News Bulletin



Wealth Management
Dominion Securities

March 2019



The Spear Fisherman

What a start to 2019, all of our investments are up significantly! We remain alert and ready to take action like a spear fisherman standing over his favourite water hole waiting for that perfect fish. For now the volatility has normalized but it appears like in 2018 the news cycle is going to drive markets up & down. The good news is, as long as the fundamentals remain strong, the news cycle is creating opportunities that won't normally present themselves.

A Well Executed Strategy

During last year's market volatility we made various buys to take advantage of the lower stock prices in the market as we believed the economy was still strong and we expected companies to continue to report positive earnings. We struck a balance between risk and return with every new buy as we patiently waited for the right price. We are happy to report it worked! The additional buys lowered your overall costs thus giving you a leg up during this first quarter recovery.

Too Soon!

We have to admit this recovery came much quicker than we expected and we are not convinced the markets can maintain this pace for the whole year. Two weeks ago we began to take some profits with partial sells of a few investments and selling out a couple names we think may underperform.

What's Ahead!

We wouldn't be surprised if the markets not only slowed their pace but end up dropping off a bit this spring or summer. But we still expect the markets to be strong in the second half of the year and we are looking to finish the year

positively. In the mean time we will remain alert and ready.

U.S. & China Trade Deal

The U.S. & China have been negotiating trade deals for months but it looks like finally we may be seeing the light at the end of the tunnel as negotiators are pushing to finally make a deal. Some analysts hope the announcement of a trade deal will spark another market rally, but others are debating that the recent market rally has already priced in an expected trade deal announcement.

Bank of Canada Leaves Rates Unchanged.

Announced this month, the Bank of Canada has left interest rates unchanged. This, along with weaker than expected GDP numbers, has caused the US\$ to slightly appreciate against the Canadian dollar but the Canadian dollar is still more valuable than it was at the start of January.

Sustainable Risk,

All client accounts have been rebalanced to original risk profiles we are ready for most possibilities for 2019 and like that spear fisherman, we are confident that we are standing in the right spot.

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