Wealth Management

Ravinsky Wealth Management Group

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Recent Posts

Adding some perspective to the stock market rally

There are signs the U.S. equity rally should have some staying power. Still, uncertainties remain from the earnings picture.

Worlds Apart: Risks and opportunities as deglobalization looms

Kelly and Kent discuss the important trend away from globalization and its ramifications for investors, economies, and financial markets.

Market Insights

It has been a busy start to the summer. The Bank of Canada raised interest rates. Inflation figures in the U.S. suggest pricing pressures continue to ease. Meanwhile, the second quarter earnings season has officially begun. We also recently received updates on the employment front in both Canada and the U.S. Overall, the labour situation in North America, despite marginal changes, remains healthy. We discuss this more below.

The Canadian economy added 60,000 jobs in the month of June, predominantly in the retail, manufacturing, health care and social services sectors. The unemployment rate increased from 5.2% to 5.4%, an uptick largely driven by a growing labour force as Canada's population surpassed 40 million for the first time. Wage growth registered at a healthy 4.2%, but that represented the slowest pace in over a year. According to the latest outlook survey by the Bank of Canada, labour availability has become less concerning for businesses. This is a notable change from recent years when access to labour was a dominant issue for most businesses.

Meanwhile, the U.S. added 209,000 jobs in the month of June, led by the government, health care, social services, and construction sectors. While that figure was slightly lower than expected, it was offset by a near-historic-low unemployment rate of 3.6% and wage growth of 4.4% that exceeded expectations. The headline data suggest the job market remains tight, even with a slowing pace of job gains. The 6-month moving average of monthly new jobs, which was close to 445,000 a year ago, is now down to roughly 278,000. Layoffs across the technology sector and some larger companies have garnered a lot of media attention but appear to be contained as the trend of weekly initial jobless claims, which refer to claims for unemployment benefits filed by newly unemployed individuals, has only gradually been moving higher this year. All this suggests that like in Canada, the U.S. labour market remains healthy and stable, with pressures that are slowly moderating.

Much of the North American economy's resilience to date stems from a strong employment backdrop. Consumer demand, particularly for services, continues to be strong despite elevated interest rates and prices, thanks to plentiful jobs and rising pay. Emerging signs suggest companies who were recruiting intensely just a few years ago have shifted their plans. Some have taken things further by announcing layoffs. We expect this trend may persist and potentially lead to broader deterioration in the employment picture as more interest rate increases work their way through the economy. This could strain consumer demand and force more companies to recalibrate their workforce. In other words, the pendulum of job creation may be beginning to swing the other way, albeit slowly. For these reasons, we maintain a cautious approach in managing our client portfolios and are patiently waiting to take advantage of opportunities as they arise.

Global Insight Monthly

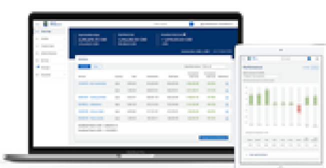
Perspectives from the Global Portfolio Advisory Committee

Our firm's global investments team regularly produces thoughtful content to help us assess the positioning of our clients' portfolios. It recently produced its mid-year outlook, in which it discussed the rally in asset prices since last year's lows. It acknowledged these trends may continue in the short-term, but also highlighted the increasing number of economic indicators that are pointing to more challenging times ahead. It remains of the view that investors should be prudent and ensure they are positioned to navigate through a more difficult backdrop in the future.

First Home Savings Account

First Home Savings Account (FHSA)

RBC Dominion Securities will now be offering the Tax-Free First Home Savings Account (FHSA), a registered account intended to help Canadians save for their first home. It combines the benefits of an RRSP and a TFSA into one account. As with an RRSP, contributions are tax-deductible, thereby reducing one's taxable income. Like a TFSA, withdrawals made to purchase a first home (including the investment income earned) will not be taxable. Click here or contact us to learn more.



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Once online, you can switch to paperless eDocuments to reduce your paperwork and safely view your account documents online. Click here to learn how to get started.

David Ravinsky

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Your partners in wealth management

Our team is committed to keeping you informed about the progress you are making towards your financial goals. We are always available to answer any of your questions, provide advice, or review your investment portfolio.

We appreciate the opportunity to serve you and look forward to continuing to help you accomplish your long-term financial goals.

Should you have any questions, please feel free to reach out.

Sincerely,

The Ravinsky Wealth Management Group

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