



Ravinsky Wealth Management Group

Recent Posts



End of the correction? Canada's housing market is warming up

It may be the unusually mild weather or the modest drop in fixed mortgage rates since November—or both—but Canadian house hunters have more energy this winter.



When a Fed push results in a market shove

Fed Chair Jerome Powell tried to push back on near-term rate cut expectations, but markets shoved right back.

Market Insights

Expectations that central banks will lower interest rates in the coming months have moderated recently. Meanwhile, the global equity market is off to a reasonably good start this year, driven once again by the U.S. market and large-cap technology stocks. Notably, an abundance of recent data suggests the U.S. economy not only remains resilient but is showing signs of strengthening. We discuss this more below.

Through much of 2023, there was evidence of slowing growth globally, particularly in the manufacturing sector. In contrast, the U.S. appeared to be moderating rather than slowing to the degree seen elsewhere. In fact, the U.S. economy outperformed expectations last year amid labour market resilience and slowing inflation. This has driven a wide divergence between the U.S. and the rest of the world, with the U.S. growth momentum bolstered by the strength of U.S. consumer spending despite high interest rates. As a result, investors' confidence in central banks' ability to effectively cool economic activity to ease inflationary pressures has been steadily rising over the past year.

Recent data continue to highlight the U.S. economy's resilience. The latest jobs report revealed an addition of 353,000 jobs in the month of January, nearly double the anticipated amount. Moreover, figures for the prior two months were revised higher, and gains were spread across a variety of industries as opposed to a select few. While layoff announcements have attracted attention over the past year, the employment backdrop has yet to markedly deteriorate. The number of Americans filing for unemployment benefits remains stable, and relatively strong wage growth continues. However, as usual, there are some signs of moderation to keep in mind. These include: an increase in part-time workers and a decrease in full-time positions, a lower number of job openings, and fewer people quitting their jobs. But overall, the U.S. labour market continues to display impressive strength.

Other recent indicators also signal a favourable backdrop for the U.S. For example, January's manufacturing data, while still weak in absolute terms, was better than expected and reached its highest level in over a year. Furthermore, the "new orders" component was particularly strong and may suggest further gains ahead. The services sector also showed an acceleration in January, while other areas such as consumer confidence and construction spending also came in reasonably strong. Additionally, an improvement in financial conditions – often measured by a combination of equity market performance and the cost of accessing credit – is supportive for business activity overall.



Global Insight Monthly

Perspectives from the
Global Portfolio Advisory
Committee



First Home Savings Account



Online Services



David Ravinsky



Alex Tsapekis



Jo-Anne MacKenzie

A lingering question is whether U.S. inflation can continue to moderate in the face of an economy that is potentially in the process of reaccelerating. This may take some time to answer. With inflation largely trending in the right direction, the economy resilient as ever, and the U.S. central bank contemplating rate cuts, the U.S. equity market may continue to push higher for the time being. So too could investor optimism, as it often does when things are going well. As always, it's our responsibility to remain level-headed and attentive to the risks and opportunities that may emerge.

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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 to us.

Sincerely,

The Ravinsky Wealth Management Group

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