



Ravinsky Wealth Management Group

Recent Posts



BoC-Fed divergence: In it for the long haul?

The BoC lowered its policy rate, and we think it will continue to cut rates sooner and faster than the Fed.



Longevity: How science is extending healthspans

This video is part of the “Innovations” series exploring technological advancements and how these agents of change can provide compelling investment opportunities.

Market Insights

Global equity markets have been mixed recently with Canadian and European equities weaker over the past couple of weeks, although year-to-date gains remain respectable. Meanwhile the U.S. equity market continues to display strength, overwhelmingly driven by the large cap technology sector. The rest of the U.S. market has not been as strong, which is something worth monitoring given meaningful changes in market breadth can be an indication of future turns in the market. Below, we discuss some takeaways from the Federal Reserve update and recent U.S. economic developments.

The U.S. Federal Reserve chose to maintain its key policy rate at a two-decade high in this month’s Federal Open Market Committee (FOMC) meeting, in contrast to recent decisions by other central banks, such as those in Canada and Europe, who decided to cut interest rates. The Fed’s decision was widely anticipated, with investors instead focused on any guidance on future rate cuts and any updated economic projections. On the former, the Fed revealed that most policy makers now predict only one interest rate cut this year versus the three that were expected earlier. However, the average number of cuts that policy makers expect for 2025 and 2026 were revised higher (to four cuts from three for each year, respectively). In other words, the Fed anticipates it may not cut rates as soon as initially planned but may eventually play catch-up. Meanwhile, its average economic growth forecasts were left mostly unchanged, while expectations for unemployment and inflation were revised fractionally higher. In his comments, Chair Jerome Powell acknowledged that substantial progress has been made on inflation over the past two years, including some encouraging readings of late. However, he emphasized the committee needs to see more progress before considering any interest rate cuts.

The other key story in the U.S. in recent weeks has been the host of economic data that painted a bit of a mixed picture for the U.S. economy. On the inflation front, a few different measures of inflation for the month of May came in below expectations, marking a positive shift from the three consecutive months of higher-than-expected inflation witnessed earlier in the year. Meanwhile, manufacturing data for the month disappointed expectations, with production and new orders falling and remaining relatively weak. Offsetting this to some degree were services-based readings which continued to exhibit strength. The monthly employment report was also relatively strong, with the U.S. adding more jobs than expected. Nevertheless, the number of U.S. job openings continues to decline from remarkably high levels, and now sits at its lowest level in three years. This latter data point suggests the labour market has transitioned from one that was overheated just a few years ago to one that has come back into better balance.



Global Insight Monthly

Perspectives from the
Global Portfolio Advisory
Committee



First Home Savings Account



Online Services



David Ravinsky



Alex Tsapekis



Jo-Anne MacKenzie

Overall, the economic releases portray an economy that appears to be on the path, for now, to a soft-landing, where growth slows enough to bring inflation back to more appropriate levels without a significant rise in unemployment. That kind of outcome may be the preferred one for financial markets as it would promote some easing in future financial conditions (i.e., lower interest rates) and a potential broadening in corporate earnings growth. Nevertheless, we believe that we remain in a window of time where the range of potential U.S. economic outcomes remains wider than normal given the significant change in interest rates that occurred over the past few years. It is our responsibility to be prepared for a range of scenarios and to make any necessary adjustments to portfolios as developments unfold.

First Home Savings Account (FHSA)

Helping your kids with a down payment? The FHSA is a great way to give them a boost with their first house while keeping your own financial plans intact.

[Click here](#) or contact us to learn more.

Register for Online Access

Enroll in RBC Wealth Management Online to access your account information, send and receive secure messages from us, and much more. [Click here](#) to enroll for online access.

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.

Your partners in wealth management

Our portfolio management 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 to us.

Sincerely,

The Ravinsky Wealth Management Group

Refer your friends & family!

[A simple way to connect us with your loved ones who are working toward their financial goals.](#)

Disclaimer

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 strategies and advice in this report are provided for general guidance. Readers should consult their own Investment Advisor when planning to implement a strategy. Interest rates, market conditions, special offers, tax rulings, and other investment factors are subject to change. 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. RBC Dominion Securities Inc.* and Royal Bank of Canada are separate corporate entities which are affiliated. *Member-Canadian Investor Protection Fund. RBC Dominion Securities Inc. is a member company of RBC Wealth Management, a business segment of Royal Bank of Canada. ® / TM Trademark(s) of Royal Bank of Canada. Used under licence. © 2020 RBC Dominion Securities Inc. All rights reserved.