ALL ABOARD!!

The week saw a continuation of the **strong worldwide stock market rally** that began in early December. Virtually every major world index is positive for the year and the top four leaders are (you will never guess) Turkey, Russia, Mexico and, despite the terrible fires, Australia, all with gains north of 5%. The rest of the pack, understandably, is being led by US indices.

What was noticeable last week was the **top American sector**, and indeed leader for the week, was **UTILITIES** beating second place Technology with a gain of 3.75% vs. 2.95%. Normally a "safe haven" when economic growth looks uncertain, and thus a source of stable income and dividends, it was unusual to have both the growth-heavy technology and defensive utilities sectors leading with impressive gains. Hence, *"all aboard".* Can it get any better??

The **big news of the week** was, of course, the signing of Stage One of the USA / China trade deal. Also helping the positive investor sentiment were some good earnings from US banks, strong retail sales and a very impressive new home sales report, all pointing to an economy chugging steadily along. Much was made of China's 2019 growth of "only 6.1%", the lowest in three decades. Many so-called analysts bemoaning this "negative news" seem to forget simple math, that 6% of one of the world's biggest economies still has a very BIG impact on the world's global GDP.

Turning to Canada, ***what did make me say hmmmm*** *last week* was that Spain issued a **ten-year bond yielding less than 0.5% and received record orders**. Eight years ago, in 2012**,** the cost of their 10-year debt **was above 7.50**% . Today, in Canada, our ten year bond yields 1.56%, over one percent higher than the supposedly weaker economy of Spain. What does that say about how investors perceive our economy or the long term stability of our dollar? Time will tell.