

TAYLOR SWIFT

At last week's American Music Awards, Taylor Swift won artist of the decade and topped Michael Jackson's record of most AMA awards ever, so in her honor (being a fan) the theme of this week's missive is based, somewhat tongue in cheek, on one of her biggest hits, 🎵🎵**SHAKE IT OFF**🎵🎵

The yearend approaches and, barring a repeat of last December's global market decline, we will have a year of impressive stock market appreciation. Yet, if one looks at the political and economic issues of 2019 one could have quite easily expected, and not been surprised by, a year of negative returns:

- Impeachment proceedings against President Trump moving steadily forward with growing potentially damning revelations – **Shake It Off** - The major US indices reach new all-time highs.
- Trade wars and tariffs between the USA and China - **Shake It Off** - The Shanghai composite index rises over 15%.
- Canada – Oil reaches \$64 a barrel then collapses, pipeline expansion issues continue hampering our efforts to get our oil to market, political scandals over SNC Lavalin and a new minority government - **Shake It Off** – The TSX hits all-time highs.
- Europe – political stalemates, social strife, slowing industrial and export demand - **Shake It Off** - The broad European 600 stock index gains over 20%.
- Brexit – parliamentary uproar, new elections loom and a very divided country - **Shake It Off** - The UK stock market is up almost 10%.
- Japan's growth slows to a crawl in September, as a weakening global economy and trade conflicts threaten its fragile streak of economic expansion - **Shake It Off** - The Nikkei 225 charges ahead by 16%.
- Economists fret over global trade and economic slowdown as the US – China tariffs dispute spreads to include Europe, Canada and Mexico. The ramifications are expected to be widespread and bad – **Shake It Off** - All World Indexes are up 19%.
- Interest rates fall – despite a universal expectation that they would rise in 2019. In America, the yield curve goes negative and recession fears loom – **Shake It Off** - The US economy continues to plod along with record low unemployment.

Despite some weakness on Friday, overall, November was another profitable month. December may well have some volatility as portfolio managers perform year-end positioning and profit taking.

I shall be ardently perusing the many strategists that I follow to gain insight of what they expect for 2021. What comes with that, of course, is the clear understanding that if history is any guide – the majority consensus will be wrong.