**THE GAINS CONTINUE…..**

Last week's rally continued into this week, but was more muted as fresh news on a couple of fronts continue to keep investors cautious.

**Leading the pack** for the second week was **Japan's Nikki, up over 3%**. The broad-based S&P 500 managed only a modest half percent gain. Major sectors in the US, such as healthcare, real estate and financials, did well boosted by some impressive earnings.

Alas, for the **second week in a row, the TSX fell.** Lower oil and, perhaps, a reluctance by investors to commit capital just before the federal elections were the main reasons.

The same external forces continue as **China reported its slowest growth in decades**, Brexit stumbles toward some sort of conclusion and the impeachment move gathered some important ammunition.

Last but not least, the US Federal Reserve Board still seems determined to cut rates, but perhaps there may be a pause in the timetable. How this will be viewed by markets is uncertain, but many analysts feel it will be a negative.

In the previous '*Week That Was'* I have been highlighting, what I perceive to be, the **growing risks of pension plans investing heavily in private equity**. This week, a report from the IMF (International Monetary Fund) comments on the increased risk, where they point out the **allocation to alternatives,** such as property and private equity, has **risen from just over 5% in 2007 to more than 20% today**. Highlighted was the illiquidity of these investments; should funds have a need to raise immediate cash the attempt to sell these or other investments could result in dramatic decreases in prices or the sale of other more liquid, but conservative assets.