

## TRICK OR TREAT

Encouraged by reports that China and the US were close to finalizing details of the “phase one deal” and some impressive earnings results from a number of US companies, the major indices edged yet again higher. The S&P500 came very close to a record high, and for the third week non-North American countries were near the top of the leader board: Japan up 1.37%, Germany +2.07% and Italy gained 1.29%. *I again reiterate my belief that, as we approach the American Presidential elections, money managers will shift funds out of the US (especially if Senator Warren looks like a contender) and non-North American bourses will outperform.*

Not all was chocolate and candy as Facebook dropped almost 4% (that monopoly issue again) and Amazon was down over 1% on disappointing earnings and forward guidance. Technical strategists still believe this year’s trading range will continue, and as major US indices are now back at the top of that range they expect some decline in the weeks ahead. **HOWEVER**, more positive trade talk news coupled with continuing good earnings plus throw in a good economic number or two, layer on an accommodative Federal Reserve Board rate cut and the possibility of a break out of this range and a big year-end *move up* is a good possibility. ***Now that would indeed be a treat!!***

In Canada, we were **treated** to a Liberal minority government, and with virtually zero support from our vital energy provinces, **the trick** will be to see how Prime Minister Trudeau can now effect some cohesive economic policies. Perhaps this challenge may well account for a measly 0.17% rise in the TSX last week, despite a 5% jump in the price of oil.