

WHAT ABOUT THE WORKERS

The memorable line for comedy aficionados is from a "heckler" in the 1958 comedy routine, "**The Best of Peter Sellers**". (No surprise, I am a huge Peter Sellers fan). Obviously, twisting the implied meaning, last week was indeed **all about the workers**. More of them continuing to work, earn more and, most importantly, spend more.

So buoyed by a strong US jobs reports and more evidence of slow, but steady, wage growth, investors sent the major US stock market indices to new highs last week. The widely **expected bank rate cut** by the Federal Reserve Board, reversing the recession signalling "inverted yield curve", didn't hurt either. Other surveys showing manufacturing continuing to slow or the fact that European manufacturing is at its lowest level since 2013 did not detract from the enthusiasm for stocks. And while data out of China shows growth continuing to slow, encouraging news of tariff talks negated any concerns there.

For the week, **US indices and sectors led the pack** with Health Care, up over 3%, as the front runner. But the NASDAQ and DOW JONES were both solid with gains in the 1.5% range. Our TSX finally had a decent week as well, improving by some 1.16%, helped by broad gains in their financial, real estate and energy sectors. Globally, virtually all foreign markets were higher too; no doubt buyers preferred to focus on the strong North American action rather than worry about local economic concerns. **Thus, October, which has a history of being a challenging month, and certainly had some volatility mid-month, ended on a very positive note.**

As we approach year-end the **big question** will be, Are we going to see a break out of this year long trading range and end sharply higher? A possibility I alluded to in last week's The Week That Was, "**Trick or Treat**". **This week's Global Insight believes NO**, and in fact wonders if the US Economy is in the stage of slowly peaking, a stance I agree with. Thus, they believe more volatility lies ahead and a conservative posture versus an aggressive one is the right stance