



not your
ORDinary newsletter

IN HONOUR OF THAT SPECIAL TIME OF YEAR WHEN PARENTS GET TO PASS ALONG AT LEAST ONE-THIRD OF THEIR DAILY RESPONSIBILITY TO TEACHERS, WE'D LIKE TO GO "BACK TO SCHOOL" AND HIGHLIGHT SOME OF THE IMPORTANT MARKET EVENTS OF THE PAST MONTH.

Grab a pen or pencil (or a laptop if you didn't go to high school last century like some of us), and take notes on some of your favourite subjects from back in the day:

Written by: JOHN ORD & TIM WALLER



SEPTEMBER MARKET THOUGHTS

BACK-TO-SCHOOL

FIRST PERIOD

Mathematics

4,325 – 3,636 = 689. That's how many points the S&P 500 rose in two months from the lows on June 16th until the most recent high on August 16th. In percentage terms, it was 19%. You'd be forgiven for not celebrating in the context of the overall 2022 stock market, but it does serve as a reminder of how quickly markets can shift their tone in either direction. Another example of this: the S&P 500 gave back approximately half (50%) of those 689 points during the last two weeks of August.

SECOND PERIOD

Geography

Question: An annual event in which U.S. city had the most profound effect on equity markets this past month? Answer: Jackson Hole, Wyoming. Federal Reserve Chairman Jerome Powell used his roughly 8 minute opening address at the Jackson Hole Economic Symposium to deliver

his most forceful message yet in the fight against inflation. In the days and weeks leading up to this much anticipated event, an expectation had begun to develop that after the Fed finished raising interest rates in 2022 to achieve their restrictive stance, they would

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ultimately change course and start cutting rates in early-to-mid 2023. Powell decided to pour cold water on that theory, notably in this comment: “We are taking forceful and rapid steps to moderate demand so that it comes into better alignment with supply, and to keep inflation expectations anchored. We will keep at it until we are confident the job is done.” After this speech on August 26th, the stock market

had one of its toughest sessions in weeks.

THIRD PERIOD

Science (and/or Driver's Ed)

It would have been tough to get your G1 or G2 license this year, and then realize you have to fill up your parents' car with premium at \$2.30/litre. On a positive note, there has been a fairly significant reduction in oil and gas prices recently, especially during the month of August. The most commonly traded gasoline futures contract is down over 20% in the past month, and over 40% in the last three. WTI Oil prices have also consistently come down since the June highs, and are currently trading under \$90/barrel. The upcoming CPI inflation numbers on September 13th will be closely watched to see if we get a second month in a row of decreasing year-over-year inflation. Lower commodity prices (specifically oil and gas) may help make that a reality. This could give investors some increasing confidence that we've seen the peak of inflation.

“SEARCHING FOR TRUTH IN THE ABSENCE OF CERTAINTY.”

FOURTH PERIOD PHILOSOPHY

This subject is geared more toward the post-secondary crowd, but it's an important one in this industry: Searching for truth in the absence of certainty. Few things in life are more uncertain than the stock market on a day-to-day basis. However, if you were to change from a daily time frame to a 10 or 20 year view, that flips the narrative: few things are more certain. Sticking to a disciplined investment plan over a long period of time will give you the best shot at achieving your investment goals. The addition of time to the equation is an antidote for the short-term fluctuations that happen during economic and market cycles. For example: if you invested in the S&P 500 index right before the market was about to crash in October 2007 (the worst possible timing it would seem), and then did nothing at all with that money for the past 15 years, your investment would be up over 150% at the moment (without even counting dividends).

Our philosophy is to remain focused on being “investors” rather than “traders”, which is a helpful way to not let your emotions override thoughtful decision making. Ask yourself which one of these titles you would rather have.



FINAL BELL

For any of our clients that have school-age children or grandchildren out there, we wish them all the best in the upcoming year! A special shout-out to 4-year old Lucas Waller, who will be making his Junior Kindergarten debut this week (no word about their philosophy program as of yet).

DON'T FORGET ABOUT YOUR RESPS!

FINANCIAL WELLNESS

YOUR RELATIONSHIP WITH YOUR MONEY

Financial wellness refers to a state where an individual can fully meet their current and future financial obligations while feeling secure in their future and making choices that allow them to make the most of their life. Your relationship with your money is important and can make a great difference in how comfortable you feel in your day to day life.

Everyone should be cognizant of how secure their financial situation is, given how uncertain the future can be.

Do you have a plan in place to reach your various financial goals throughout your life?

If an unexpected emergency were to occur, would you feel financially prepared for that?



Simpler present-day questions are also important to consider:

Do you have a budget that you stick to? If so, does this budget make you feel confident that it will allow you to meet your future objectives?

Whether you feel confident in your answers to these questions or not, please take a moment to read the [Ten strategies to build and protect your family's wealth article](#) to see if there are elements noted in there that you have not yet considered.

As we have mentioned in previous newsletters and communications, we would encourage any clients who are interested to contact us about setting up a financial plan. This is a free service we offer and will allow clients to get a clearer picture of where their finances currently stand, and give them guidance on how best to prepare for the future.

**AS ALWAYS, PLEASE REACH OUT TO US DIRECTLY IF YOU HAVE ANY
QUESTIONS OR CONCERNS RELATED TO YOUR PORTFOLIO.**

Best regards, John, Tim & Liam
ORD PRIVATE WEALTH MANAGEMENT

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