

## MacKay Weekly Investment Report

WEEK ENDING FRIDAY, JANUARY 10, 2024

[WWW.MACKAYGROUP.COM](http://WWW.MACKAYGROUP.COM)

*MacKay Group Wealth Management. Our mission is to provide our clients superior investment advice, products, and service.  
Serving clients and friends at RBC Dominion Securities Inc. – a member of RBC Financial Group since 1983.*

### HOW I SEE IT – by Bruce

**January correction? /Bull still young/2 puts make a right Equity indices correct more this week and down since the start of the year- we approach mid-month, option expiry, will volatility pick up - likely.**

Lots of economic and stock forecasts coming for 2025- most positive - is this worrisome? I spent last few days attending RBC DS Portfolio Management Conference - will share ideas over the next few weeks.

**Positives: AAll Investment Sentiment Survey** - 34.7% bullish/ 28% neutral/ 37.4% bearish - bullish reading continues to slide since the high of mid-October when markets hit all-time high - getting close to bargain buying opportunities. Best buy ratio is when bullish reading 20%.

**RBC Global Insight** - "In 2025, global equity market has a potential to add to the strong gains of the past two years. Pro-growth tax and regulatory policies of the incoming Trump administration. RBC CM - anticipates mid-single digit gains for the S&P 500 in 2025. We recommend an approach that is watchful, cautious but invested."

**RBC WM Jim Allworth** - "The S&P 500 minus those very strong performing stocks is trading at an easier to justify P/E multiple in the mid to high teens. We continue to monitor market breath closely. So far so good. "New Year Scorecard" - non-financial corporate cash flows are **expansionary** - unemployment claims and ISM new orders minus inventories are **neutral** - Yield curve, unemployment rate, conference board leading economic index and Fed funds rate versus nominal GDP growth are **recessionary**. Only the US is in expansion mode.

Institute for Supply Management ISM services index accelerated to the end of 2024."

**US Commercial Bank Outlook** – "Recessionary fears from Fed tightening weight heavily on bank stocks in late 1994 but stocks rebounded 1995 with economic soft landing in 1995. 2024 is a repeat. Following very strong performance in 1995 bank stocks has another strong year in 1996 - again expect a repeat. High propensity business

applications growth was very strong under Trump 1.0 will it repeat under Trump 2.0. Job openings and quits have declined from record levels but are still above historic levels. US unemployment weekly claims - 4 week moving average- remains near multi decade lows. Consumer spending still healthy and slightly above the long-term average. Household net worth at record highs. Household debt service payments bounced off record low, but still historically very low. Private residential investment as a percentage of GDP negatively impacts of the rise in interest rates. Commercial construction lending indicator very positive. Purchasers' Managers Index expected to pick up. Regulatory outlook very positive. Average loan growth to accelerate. Normalized credit losses. Interest rate cuts and stability. M&A to pick up."

**Jim Paulsen** – "By post war historical standards the contemporary bull market is still quite young and odds favor that it may have considerable time to grow older. Historically, the third year of a bull market is not one of the best. However, still positive. The good news is if the bull survives this coming year, it will likely last several more years. The investor should remain bullish but prepare for the likelihood of a lighter overall returns this year and probably a bumper ride. Bond yields are out of whack - this yield disconnect probably makes an economic slowdown and the re-emergence of recession fears more likely at some point this year. And if recession fears do spike again, expect bond yields to surprisingly decline much more than most currently anticipate.

**Dr. Ed Yardeni** – "We have a conviction in the labor markets continued health. Payroll employment at another record high. Labor market participation high. High rates of immigration have supported GDP growth. We expect a productivity boom to continue playing a big role in our roaring 2020s scenario. What can go right in the stock market this year including better than expected earnings. Technological advances and a strong economy buoyed by consumer spending."

**Tom Lee** presented at our conference – “Two puts make a right. After 20% back-to-back we expect midyear S&P 7000 year and 6600 YE. A Fed put as inflation eases, and the Fed focusses on supporting unemployment. productivity improving. PE expanding towards 26 times. Many bearish- this is not a bear market. First 5 days of January a gain , good indicator for rest of year.

**Negatives: BCA Research** – “Trump’s policies will not be as positive as investors hope. The rest of the world is cheaper but riskier and purging on recession. US real estate market is in very bad shape. Manufacturing is mired in recession. China economy is also in a bad state. The US good news is already priced in. Government bonds are the best hedge. “

**S&P 500** posted the worst year and in 72 years. It fell 3%.”

**RBC CM** – “The risk to our bullish outlook on bank stocks is a re-emergence of inflation which likely lead to a pivot and Federal Reserve monetary policy, which would be a negative for bank stocks.

**Geopolitics** will dominate headlines but won’t determine macro or market outcomes in 2025.

**Capital Economics** – “Tariffs won’t cause a slump in global trade but will be mildly stagflation. Widespread use of tariffs - 60% tariff of China and 10% universal tariff now in our baseline. Immigration clampdown -net immigration to grinding to a halt. Deregulation push - but unlikely to have a major impact on the supply side of the US economy. Fiscal concerns will continue to build, preventing additional stimulus.

**Good US employment numbers**- rates higher for longer. (Economy can still do well with these higher rates.)

**Trump election** equity rally now gone. Worrisome.

**Brian Wesbury** - “We still believe the US must pay a price for the bad policies of the past five years. And we think 2025 is the year it pays. Unless Trump policies lift productivity, growth, and profits immediately while reducing inflation, stock market does not have nearly the same upside that it did in the early 1980s- under Reagan.”

**Investment strategy** – “Investments should be based on not on optimism, but arithmetic.” **Benjamin Graham**

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## **Canada Plots Broad Tariff Retaliation If Trump Starts Trade War**

Canada is drawing up plans for extensive tariffs against US products if Donald Trump follows through on his threat to put 25% levies on Canadian goods, according to people familiar with the matter.

The Canadian government's draft plans for trade retaliation go well beyond the narrow list of US-made items on which it placed counter-tariffs during a 2018 dispute, according to government officials.

Back then, Canada chose to attack certain products, such as Kentucky-made bourbon whiskey, that are exported to Canada from Republican strongholds in the US. The trade spat ended after the US, Mexico and Canada came to terms on a revised regional trade deal.

This time, many of those same products would be hit again by Canadian counter-measures, along with items such as orange juice from Florida, where Trump and some Republican officials are based. But Trudeau's government is also preparing to go much further if necessary, said the officials, speaking on condition they not be identified.

[Canada Plots Broad Tariff Retaliation If Trump Starts Trade War](#)

## **Departing SEC Chair Gary Gensler on the Challenges Posed by Crypto, AI and China**

Gary Gensler's tenure as Wall Street's top regulator is coming to an end, and the US Securities and Exchange Commission chair is reflecting on his time at the agency. In an interview with host David Gura, Gensler responds to his critics, discusses his concerns about AI, China and crypto — and shares the advice he gave President-elect Trump's pick to replace him.

[Departing SEC Chair Gary Gensler on the Challenges Posed by Crypto, AI and China](#)

## **'Trump 2.0' looms large over the global economy**

Inflation, interest rates and tariffs mean 2025 is shaping up to be an intriguing year for the global economy. One in which growth is expected to remain at a "stable yet underwhelming" 3.2%, according to the International Monetary Fund. So what might that mean for all of us?

Exactly a week before Christmas there was a welcome gift for millions of American borrowers - a third interest rate cut in a row.

However, stock markets fell sharply because the world's most powerful central banker, US Federal Reserve chair Jerome Powell, made clear they shouldn't expect as many further cuts in 2025 as they might have hoped for, as the battle against inflation continues.

"From here, it's a new phase, and we're going to be cautious about further cuts," he said.

['Trump 2.0' looms large over the global economy](#)

## **LA wildfire damages set to cost record \$135bn**

The Los Angeles wildfires are on track to be among the costliest in US history, with losses already expected to exceed \$135bn (£109.7bn).

In a preliminary estimate, private forecaster Accuweather said it expected losses of between \$135bn-\$150bn as the blazes rip through an area that is home to some of the most expensive property in the US.

The insurance industry is also bracing for a major hit, with analysts from firms such as Morningstar and JP Morgan forecasting insured losses of more than \$8bn. Fire authorities say more than 5,300 structures have been destroyed by the Palisades blaze, while more than 5,000 structures have been destroyed by the Eaton Fire. With authorities still working to contain the fires, the scope of the losses is still unfolding.

"These fast-moving, wind-driven infernos have created one of the costliest wildfire disasters in modern US history," AccuWeather Chief Meteorologist Jonathan Porter said.

[LA wildfire damages set to cost record \\$135bn](#)

## **How AI uncovers new ways to tackle difficult diseases**

This is the fourth feature in a six-part series that is looking at how AI is changing medical research and treatments. Over a video call, Alex Zhavoronkov holds up a small, green, diamond-shaped pill.

It has been developed by his company to treat a rare progressive lung disease for which there is no known cause or cure. The new drug has yet to be approved, but in small clinical trials has shown impressive efficacy in treating idiopathic pulmonary fibrosis (IPF).

It's one of a new wave of drugs where artificial intelligence (AI) has been integral to its discovery.

[How AI uncovers new ways to tackle difficult diseases](#)

## **Supreme Court hears TikTok's final plea against US ban**

The future of the divest-or-ban law for TikTok now rests in the hands of the US Supreme Court after a three-hour hearing ahead of a looming deadline for the social media platform.

On Friday, the court's nine justices heard from lawyers representing TikTok, content creators and the US government over whether the law requiring its ban in the US - unless sold by parent company ByteDance - threatens free speech.

Noel Francisco, a former US solicitor general appearing for the platform, stressed the ban would undermine that constitutional right for some 170 million American users. A representative for platform creators argued they should be free to use the publisher of their choice.

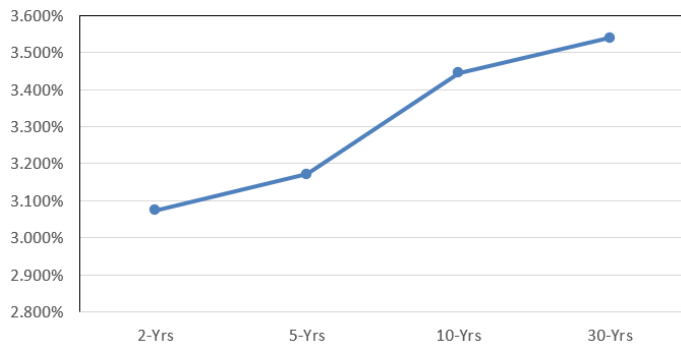
[Supreme Court hears TikTok's final plea against US ban](#)

## CANADIAN MARKETS - By Andrew

### I. Canadian Fixed Income

#### Benchmark Canada Government Bonds

##### CDN Yield Curve @ Jan 10, 2025



### MG Canadian Fixed Income Top Holdings

- Government & Corporate Bonds
- Convertible Debentures
- High Yield Open End & Closed End Funds
- Rate Reset/Fixed Floater Preferreds
- Perpetual Preferreds

### II Veritas V- list - Jan 2025

Agnico Eagle Mines, ARC Resources Ltd., ATCO Ltd., Boardwalk REIT, Canadian Natural Resources, Canadian Pacific Kansas City, Cenovus Energy Inc., Cogeco Communications Inc., Dollarama, Enbridge, Fortis, George Weston, Granite REIT, Great-West Lifeco Inc., Magna International Inc., Metro Inc., Nutrien Ltd., Restaurants Brands International, Rogers Communications, Stella Jones Inc., Tourmaline Oil Corp, Wheaton Precious Metals.

### Research Publications (available upon request)

- Industrials 2025 Outlook
- Medtech 2025 Outlook
- Global Real Estate 2025 Outlook

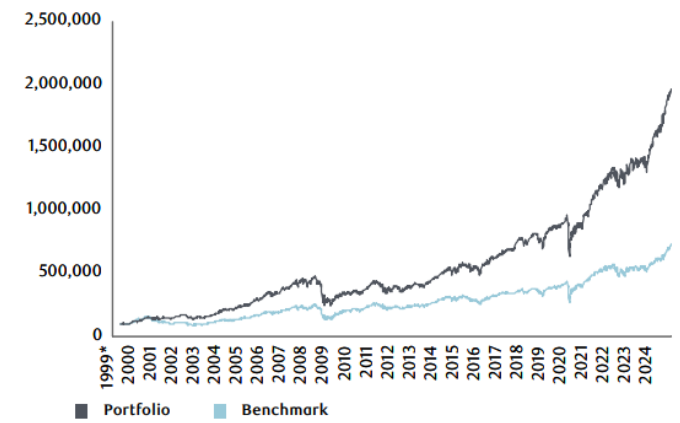
2025 Contribution Limits	Amount (\$CAD)
<b>TFSA</b>	
2025	\$ 7,000
Aggregate until 2025	\$ 102,000
<b>RRSP</b>	
2025	\$ 32,490

### III. RBC DS Canadian Equity Focus List - Dec 2024

Royal Bank, Bank of Montreal, National Bank of Canada, Brookfield Corporation, Brookfield Asset Management, Intact Financial, Canadian Imperial Bank, First Capital REIT, Element Fleet Management, Brookfield Infrastructure Partners, TELUS, Dollarama Inc., Alimentation Couche-Tard, Loblaw, CP Rail, Toromont Industries, Waste Connections, Thomson Reuters, WSP Global, GFL Environmental, Bombardier, Constellation Software, Shopify, Canadian Natural Resources, Suncor Energy, Pembina Pipeline, TC Energy, CCL Industries.

#### Historical total return since inception to November 30, 2024

Cumulative portfolio value (inception \$100,000)



p

#### Multi-horizon performance (% since inception, annualized<sup>†</sup>)

	1 month	3 months	YTD	1 year	2 years
Canadian Focus List	4.74	9.29	30.53	37.15	19.98
S&P/TSX Composite	6.37	10.66	25.77	30.69	15.61

Mackay Group Portfolio Investment Management (PIM) Models - based on RBC DS Focus Lists.

We have CDN, US, and Global Equity and Fixed Income Portfolio Models for our discretionary portfolios. All based on RBC DS successful CDN, Income, US, Global Focus lists.

Our models are designed to mirror their performance.

Let's talk, to see if appropriate for you.

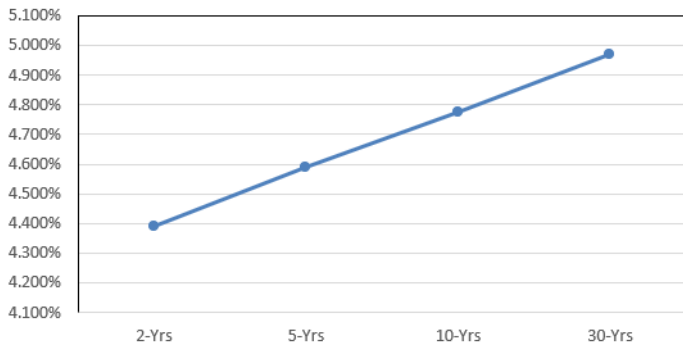


**INTERNATIONAL MARKETS – By Andrew**

**I. US Fixed Income**

**Benchmark Canada Government Bonds**

**US Yield Curve @ Jan 10, 2025**



**MG US Fixed Income Top Holdings include:**

- Government & Corporate Bonds
- High Yield Open & Closed Funds
- Rate Reset/Fixed Floater Preferreds
- IShares Mortgage Plus Index (REM)

**II.RBC DS N.A. Focus List – December 2024:**

Meta, ServiceNow, Amazon, Alimentation Couche-Tard, Costco Wholesale, Canadian Natural Resources, Suncor Energy, TC Energy, Brookfield Asset Management, Intact Financial, MasterCard, National Bank of Canada, Royal Bank of Canada, S&P Global, Johnson & Johnson, Thermo Fisher, United Health Group, CP Railway, Honeywell International, Thomson Reuters, Toromont Industries, Waste Connections, Accenture, Adobe, Apple, Constellation Software, Microsoft, NVIDIA, CCL Industries, Element Fleet Management.

**III. RBC DS ADR Focus List June 2024:**

GSK Plc., Vodafone Group, WPP, Alibaba, InterContinental Hotels, Sony, Anheuser-Busch InBev, Diageo, Unilever, BP plc, Shell, Barclays, HSBC Holdings, ING Groep, Prudential, AstraZeneca, Sanofi, RELX, Accenture, ASML Holdings, NICE, STMicroelectronics, BHP group plc, Linde, National Grid

**Research Publications (available upon request)**

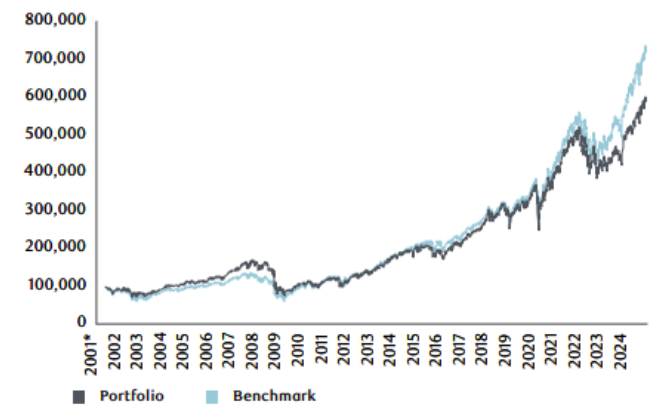
- Insurance 2025 Outlook
- Chemicals & Packaging 2025 Outlook
- Restaurants & Leisure 2025 Outlook

**IV. RBC DS US Equity Focus List – October 2024:**

Aon Plc., JP Morgan, Mastercard, S&P Global, NextEra Energy, Alphabet, NVIDIA, Amazon, Home Depot, McDonalds, Johnson & Johnson, Medtronic, Thermo Fisher Scientific, United Health Group, Crown Castle Inc, Constellation Brands, Costco Wholesale, Estee Lauder, Honeywell International, Union Pacific, Xylem, Adobe, Amphenol Class A, Apple, Microsoft, Palo Alto Networks, Service Now, Chevron, Ecolab, Meta Platforms, RTX Corporation.

Historical total return since inception to November 30, 2024

Cumulative portfolio value (inception \$100,000)



Multi-horizon performance (% , since inception, annualized†)

	1 month	3 months	YTD	1 year	2 years
U.S. Focus List (USD)	5.61	4.81	21.35	26.33	17.54
S&P 500	5.87	7.15	28.07	33.89	23.56

Mackay Group Portfolio Investment Management (PIM) Models – based on RBC DS Focus Lists.

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**MUTUAL FUNDS Closed/Open- Top Holdings**  
**-By Christopher**

**I. CANADIAN**

**Canadian Fixed Income**

Canso Credit Income  
Dynamic Strategic Yield  
PH&N Total Return Bond Fund

**Canadian Equity**

Fidelity - Global Innovation/CDN Large Cap/Growth /Special Opp  
Mackenzie - Ivy CDN / Cundill  
Middlefield - CDN Dividend Growers/REIT Plus  
Franklin Templeton - Bissett CDN Div/CDN Equity  
RBC -CDN Div/CDN Equity/ O'Shaughnessy

**ETFS - Top Holdings**

**Canada - Fixed Income**

Bonds - XBB, XCB, XGB  
Preferred Shares - CPD, PSF.UN, RPF

**Canadian ETF's Equity** - iShares TSX Large Cap 60, iShares Canada Equity Income, iShares Canadian Dividend, iShares Canadian Select Dividend, iShares TSX Small Cap, iShares TSX Composite

**Canadian ETF Sectors** - iShares TSX Financials, iShares TSX REITs, BMO Equal Weight Utilities, iShares TSX Info Tech, iShares TSX Energy, iShares TSX Materials

**II. US/INTERNATIONAL**

**US Fixed income**

Franklin High Yield  
Fidelity American High Yield

**US Equity**

Fidelity - American Eq/Small Cap American/Euro  
Mackenzie - US Mid-Cap  
Middlefield - US Div Growers / American Core  
Franklin Templeton - Growth  
RBC - North America Value  
Dynamic - Strategic Yield

**ETFS - Top Holdings**

**US ETF Fixed Income**

US Bonds - XIG, TLT  
US Preferred Shares - PFF

**US ETF Equity** - S&P 500, Dow Jones Index, Nasdaq 100, S&P 500 Dividend Index, iShares Dow Jones Select Dividend Index, Vanguard Dividend Appreciation Index, iShares High Dividend Equity Fund, iShares Russell 2000 Index, S&P 500 Value Index, S&P 500 Growth Index, S&P Small Cap 600 Index

**US ETF Sectors** - SPDR Financial Index, iShares Real Estate, iShares, SPDR Utilities Index, iShares Telecom Index, SPDR Consumer Discretion, iShares US Healthcare, iShares Nasdaq Biotech, iShares Industrials Index, NASDAQ Index, Vanguard Energy Index, DJ Basic Materials Index, iShares Homebuilders Index

**III. GLOBAL**

**GLOBAL Equity**

Fidelity - Global Div/Monthly Income  
GQG Partners Global Quality Equity Fund  
Middlefield - Health Care/Global Div Growers  
Franklin Templeton - Growth / Intl  
RBC - Global Fund / Int. Div G  
Dynamic - Global Value

**GLOBAL ETF Equity**

China ETF, Europe ETF, Germany ETF, India ETF, iShares Emerging Mkts, iShares International Dividend

**Unique ETFs**

Horizons Robotics & Automation, ETFMG Prime - Cyber Security, Blockchain Technologies, Active AI Global Equity, Marijuana Life Sciences, Healthcare Leaders Income, Tech Achievers Growth & Income

**RBC GAM Private Markets**

RBC Canadian Core Real Estate Fund  
RBC Commercial Mortgage Fund  
RBC Global Infrastructure Fund LP  
RBC Canadian Core Real Estate  
RBC Canadian Private Placement Corporate Debt



## STOCK OF THE DAY – TOP PREFORMERS since 2011 – as of Dec 19/2024.

There are many ways to invest. We offer many choices.

From Fixed income to Equity to Private placements and Tax assisted investments.

One way we communicate our ideas is through our daily Stock of the Day, since 2011.

These are well researched and our top recommendations for the long term.

We have had some very impressive results.

1. Fixed income investment products with high yields and some with tax efficient yields.
2. Select equities with increasing income and growth potential.
3. Our favorite top performing open and closed mutual funds with superior managers performance.
4. ETFs that are well diversified and some with specialized sectors, offering low management fees.

Hope you find this list useful.

While we cannot guarantee same future results, we will do our best give you our best ideas.

Rate of returns does not include dividends.

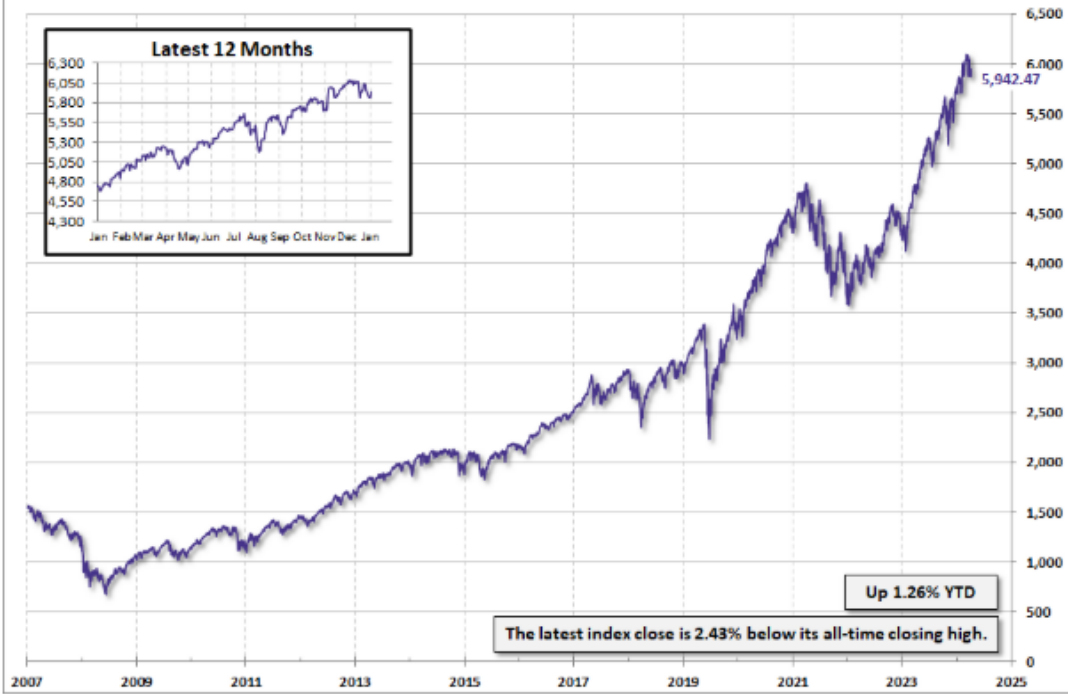
Email Date	Symbol	Company Name	Stock Price at the time of email	Current Stock Price (Dec 18,2024)	Rate of Return (%)	Sector
14-05-12	CSU-CA	Constellation Software Inc.	\$88.75	\$ 4,610.00	5094.4%	Technology
12-12-11	AAPL-US	Apple Inc.	\$13.99	\$ 252.60	1705.6%	Wireless Mobile Equipment
05-12-12	URI-US	United Rentals, Inc.	\$42.38	\$ 748.52	1666.2%	Industrials
28-04-20	NVDA-US	NVIDIA Corporation	\$7.63	\$ 134.17	1658.5%	Technology
12-01-12	MSFT-US	Microsoft Corporation	\$27.87	\$ 448.64	1509.8%	Technology
17-12-13	ZJG-CA	BMO Junior Gold Index ETF	\$6.20	\$ 96.10	1450.0%	Prec. Met.
23-07-12	DOL-CA	Dollarama Inc.	\$10.14	\$ 139.17	1272.5%	Consumer
21-06-12	BIN-CA	Waste Connections, Inc.	\$19.60	\$ 252.35	1187.5%	Industrials
20-01-12	V-US	Visa Inc. Class A	\$25.60	\$ 317.50	1140.4%	Comm. Serv.
18-12-12	TFII-CA	TFI International Inc.	\$19.00	\$ 212.51	1018.4%	Industrials
29-11-11	GE-US	GE Aerospace	\$14.91	\$ 163.98	999.8%	Industrials
27-09-17	LLY-US	Eli Lilly and Company	\$84.31	\$ 773.14	817.0%	Health Care
22-02-12	HD-US	Home Depot, Inc.	\$46.80	\$ 402.67	760.4%	Consumer
05-02-13	KKR-US	KKR & Co Inc	\$17.79	\$ 149.20	738.7%	Financials
07-12-11	GIB.A-CA	CGI Inc. Class A	\$19.30	\$ 156.62	711.5%	Technology
13-08-13	BX-US	Blackstone Inc.	\$23.38	\$ 178.59	663.9%	Investment Services
27-01-12	ETN-US	Eaton Corp. Plc	\$48.93	\$ 343.87	602.8%	Industrial Manufacturing
10-03-14	MRVL-US	Marvell Technology, Inc.	\$15.83	\$ 110.62	598.8%	Specialized Semi-conductors
23-06-15	COST-US	Costco Wholesale Corporation	\$139.99	\$ 974.16	595.9%	Consumer
19-03-18	CCO-CA	Cameco Corporation	\$11.93	\$ 76.94	544.9%	Energy
16-08-12	MCK-US	McKesson Corporation	\$88.80	\$ 568.63	540.3%	Health Care
11-07-17	COST-US	Costco Wholesale Corporation	\$152.89	\$ 974.16	537.2%	Consumer
10-12-19	NOW-US	ServiceNow, Inc.	\$184.23	\$ 1,089.70	491.5%	Technology
14-06-12	VLO-US	Valero Energy Corporation	\$22.10	\$ 123.98	461.0%	Energy
13-04-12	DE-US	Deere & Company	\$78.00	\$ 435.01	457.7%	Industrial Manufacturing
09-10-13	SYK-US	Stryker Corporation	\$68.55	\$ 364.71	432.0%	Health Care
06-11-12	BRK.B-US	Berkshire Hathaway Inc. Class B	\$87.04	\$ 454.15	421.8%	Finance
16-02-16	FSV-CA	FirstService Corp	\$51.40	\$ 265.41	416.4%	Consumer
16-11-11	L-CA	Loblaw Companies Limited	\$38.03	\$ 191.39	403.3%	Grocery Stores
09-07-14	CJT-CA	Cargojet Inc.	\$21.77	\$ 107.75	394.9%	Industrials
08-09-21	AVGO-US	Broadcom	\$49.65	\$ 229.43	362.1%	Technology
12-12-16	QQQ-US	Invesco QQQ Trust Series I	\$118.89	\$ 531.31	346.9%	Technology
16-09-16	TOL-US	Toll brothers, Inc.	\$29.68	\$129.95	337.8%	Home Builders





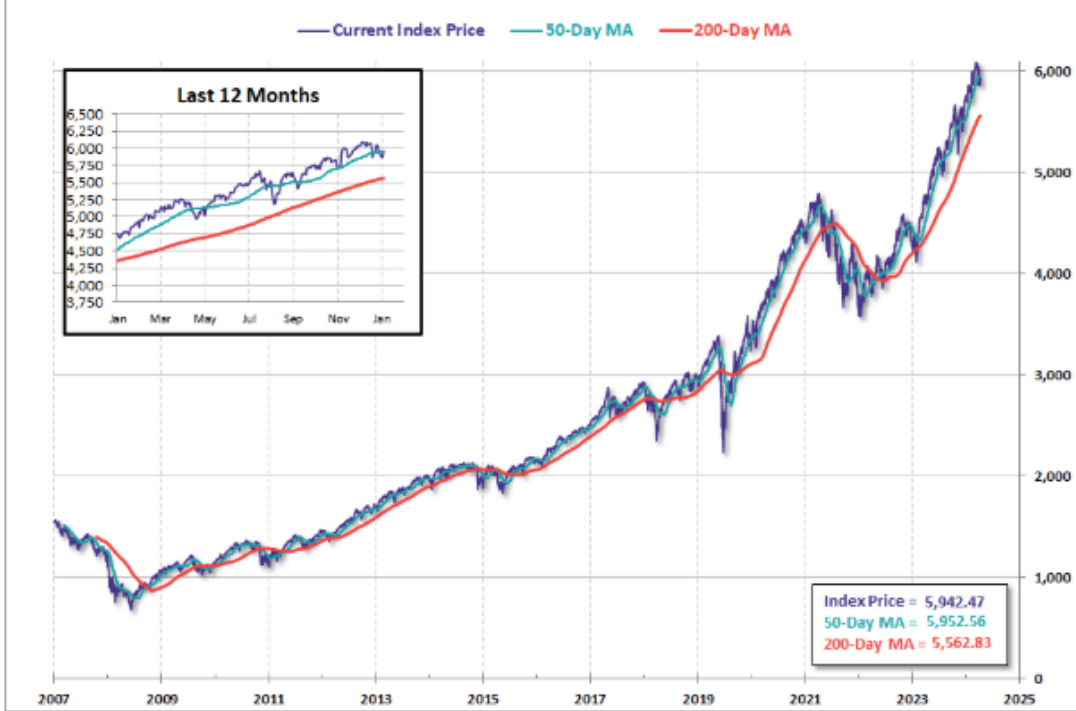
### S&P 500 Index Snapshot

Daily closes from 10/9/2007 - Present



### S&P 500 Index: Current Market Snapshot

Daily closes from 10/9/2007 - Present



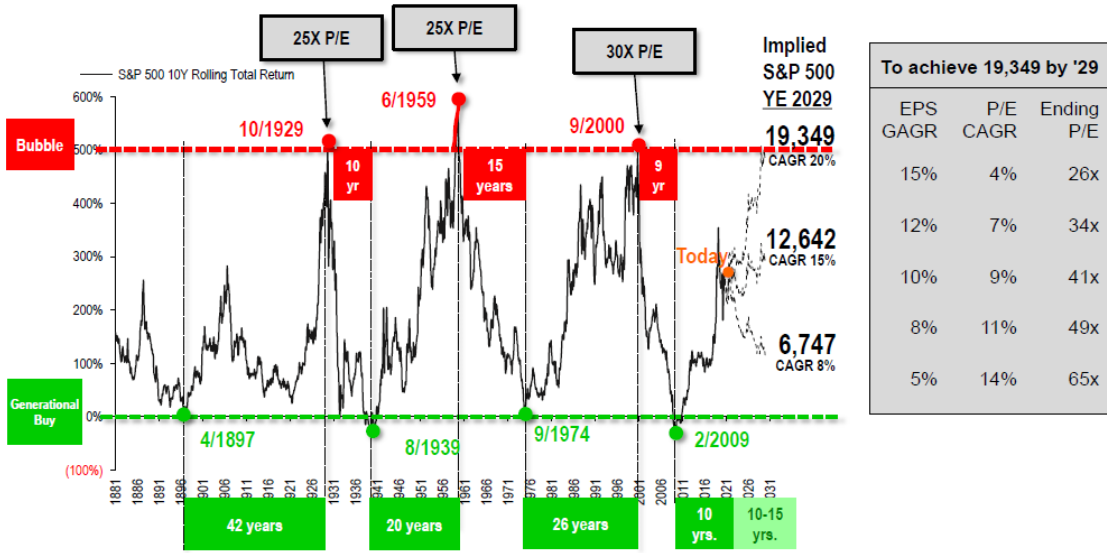
# FAVOURITE CHARTS

## Long-term bull markets see peak acceleration to 500% 10-yr returns

Long-term bull markets last 20-42 years and peak returns accelerate to cumulative gain 500%...

- The current bull market has risen for 10 years and if the history plays out, S&P 500 could reach 19,000 YE 2029 vs. 3,000 now.

Figure: 10-year rolling returns of the US equities Since 1881



Source: Fundstrat, Bloomberg.

## Dow Jones Industrial Average - 1789 to Date

### Stock Prices

Dow Jones Industrial Average (extended), 1789 to date

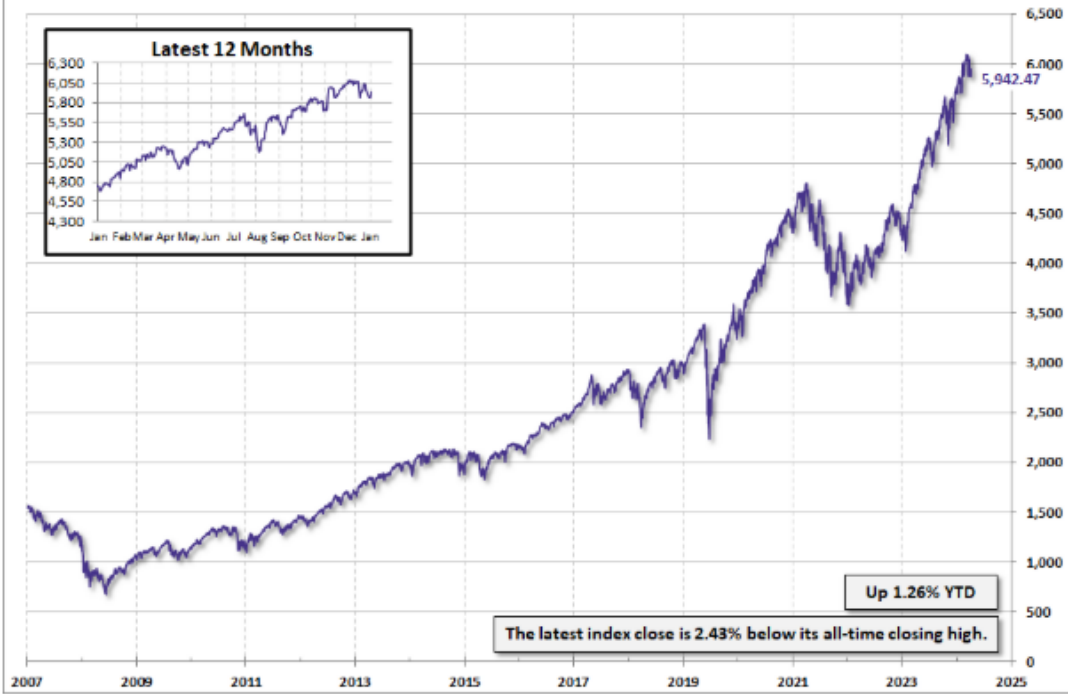
Monthly bars

Log scale



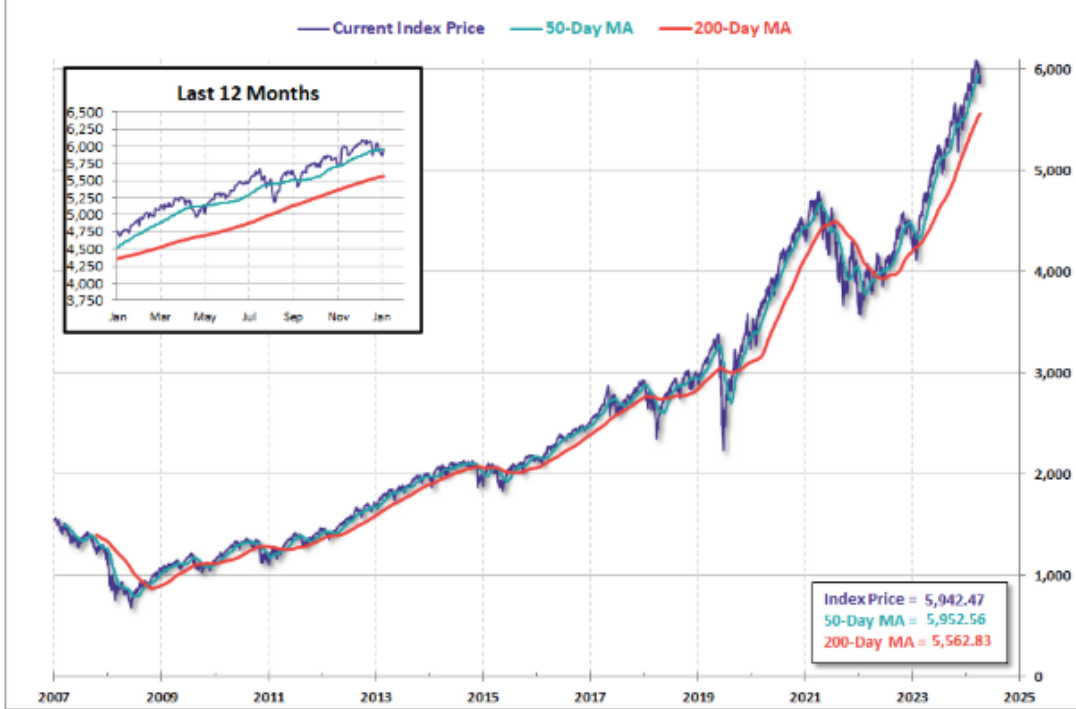
### S&P 500 Index Snapshot

Daily closes from 10/9/2007 - Present



### S&P 500 Index: Current Market Snapshot

Daily closes from 10/9/2007 - Present



# December nonfarm payrolls surged by 256,000



## [December nonfarm payrolls surged by 256,000](#)

S&P 500 – Cycle momentum is showing first signs of peaking after bottoming in Q4 2022.



Source: RBC Wealth Management, Bloomberg, Optuma

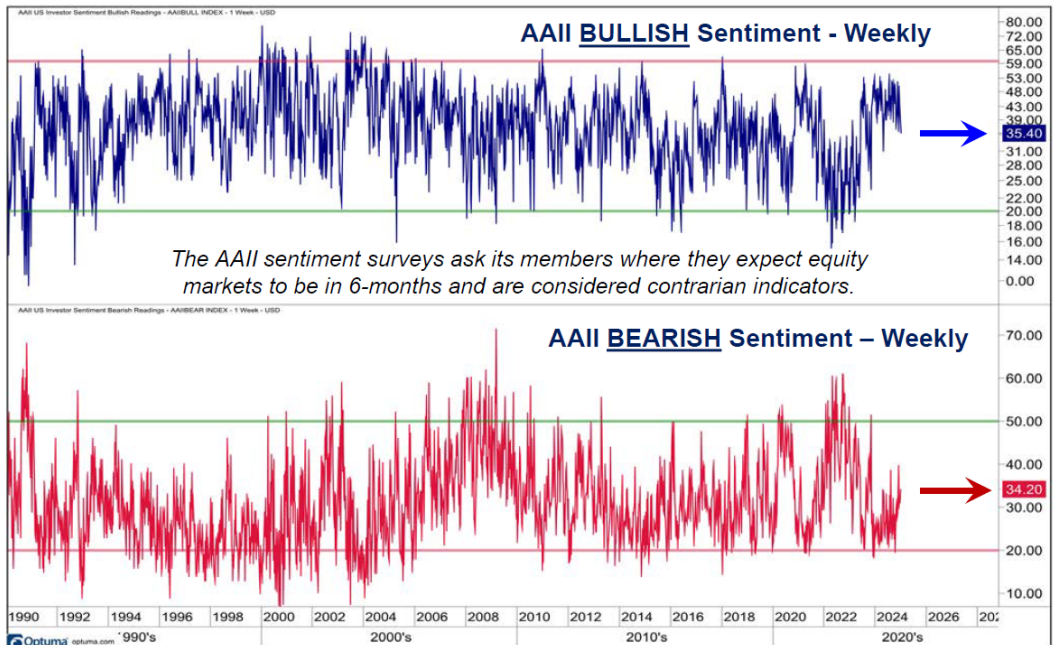
- After bottoming in Q4 2022, monthly cycle momentum (top panel) is well advanced and beginning to turn down. **While a downturn on these momentum indicators is an important yellow flag**, momentum peaks can precede a market top by many quarters.
- **Resistance** is at the recent highs of 6100 with no meaningful resistance above that level until 6966.
- **Support** begins at 5638 then at a major band of support between 4588-4818 that we expect will hold should volatility accelerate in the coming weeks/months.
- However, a break below that support band, near the rising red 200-week ma, would turn the technical backdrop negative and signal that the cycle which began in Q4 2022 is failing.

## Sentiment Survey Historical Data

Reported Date	Bullish	Neutral	Bearish
Jan 8	34.7%	28.0%	37.4%
Jan 1	35.4%	30.4%	34.2%
Dec 25	37.8%	28.0%	34.1%
Dec 18	40.7%	27.9%	31.4%
Dec 11	43.3%	25.0%	31.7%
Dec 4	48.3%	21.0%	30.7%
Nov 27	37.1%	24.3%	38.6%
Nov 20	41.3%	25.5%	33.2%
Nov 13	49.8%	21.8%	28.3%
Nov 6	41.5%	30.9%	27.6%
Oct 30	39.5%	29.6%	30.9%
Oct 23	37.7%	32.4%	29.9%
Oct 16	45.5%	29.2%	25.4%
Oct 9	49.0%	30.4%	20.6%
Oct 2	45.5%	27.3%	27.3%
Sep 25	49.6%	26.7%	23.7%
Sep 18	50.8%	22.8%	26.4%
Sep 11	39.8%	29.3%	31.0%
Sep 4	45.3%	29.8%	24.9%
Aug 28	51.2%	21.9%	27.0%
Aug 21	51.6%	24.7%	23.7%
Aug 14	42.5%	28.6%	28.9%

The sentiment survey measures the percentage of individual investors who are bullish, bearish, and neutral on the stock market short term; individuals are polled from the AAI Web site on a weekly basis. Only one vote per member is accepted in each weekly voting period.

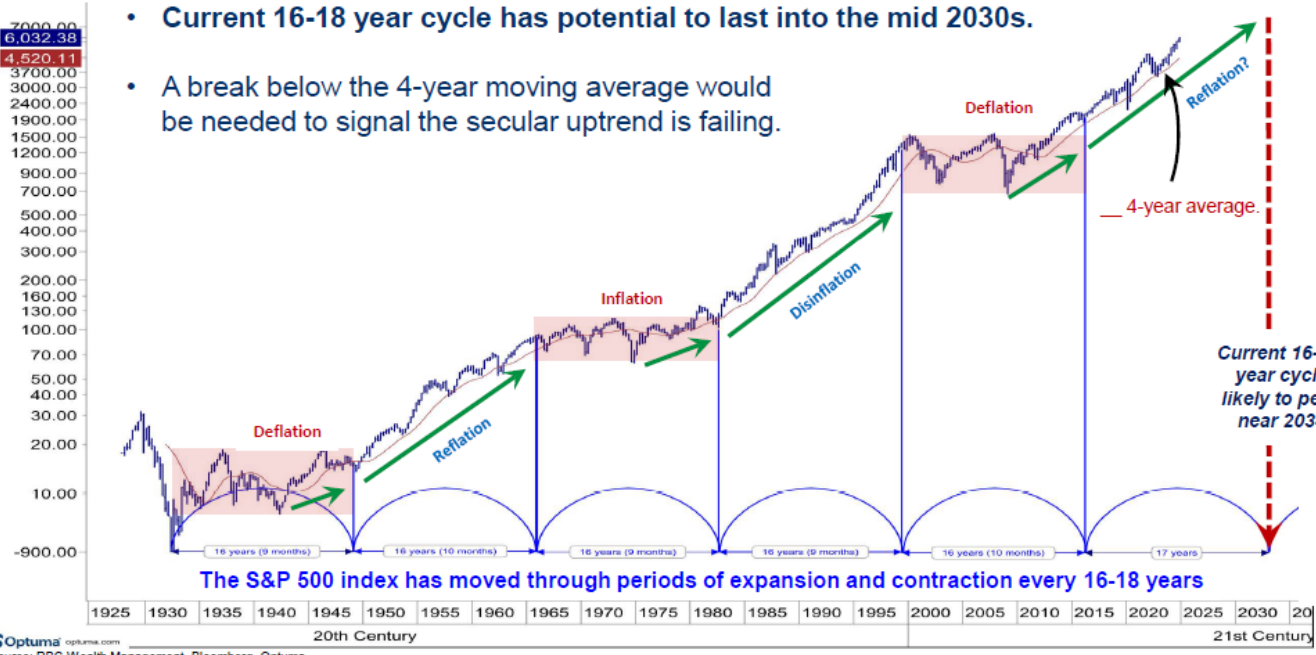
### AAII US Bullish and Bearish Sentiment Survey – Contrary indicators – Optimism declining = (+)



- (+) Bullish Sentiment is declining from advanced levels...  
...while...
- ....(+) bearish sentiment is rising moderately.
- Lower bullish sentiment and higher bearish sentiment would be a helpful contrarian set up moving through early Q1 to support a bounce.

Source: RBC Wealth Management, Bloomberg, Optima

# S&P 500 – Generational cycles lasting roughly 16-18 years



- Current 16-18 year cycle has potential to last into the mid 2030s.
- A break below the 4-year moving average would be needed to signal the secular uptrend is failing.

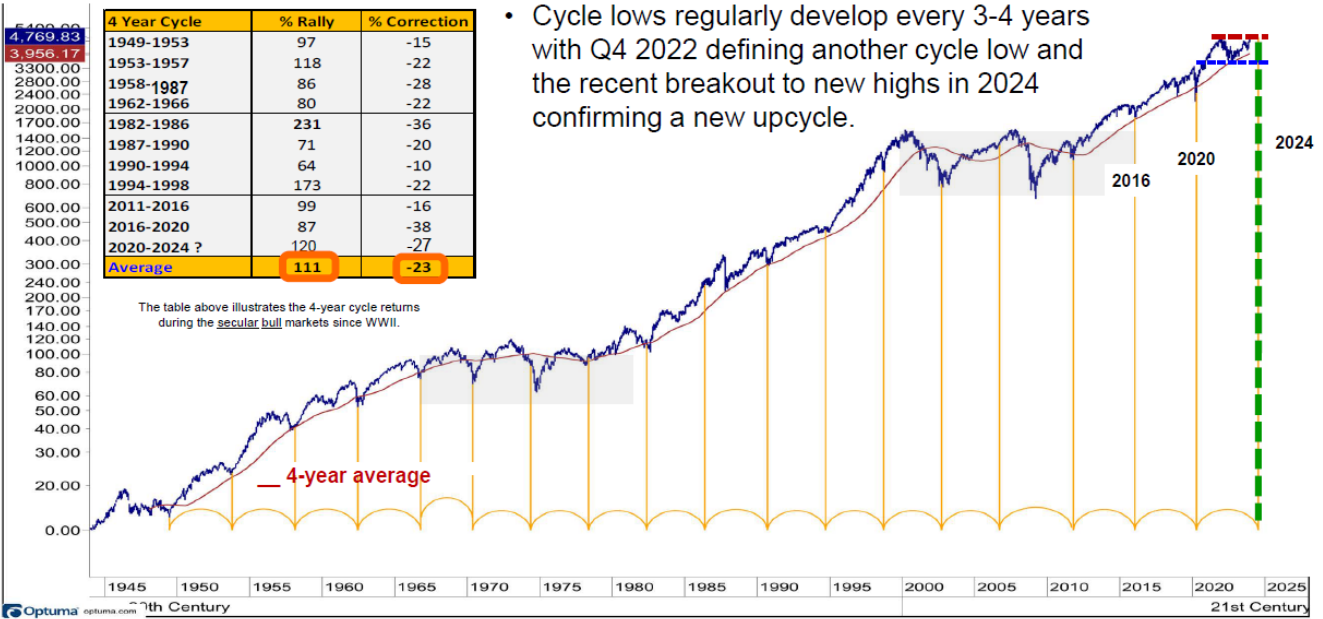
# S&P 500 - A repetitive 3-4 year cycle driven by central bank liquidity and economic growth



4 Year Cycle	% Rally	% Correction
1949-1953	97	-15
1953-1957	118	-22
1958-1987	86	-28
1962-1966	80	-22
1982-1986	231	-36
1987-1990	71	-20
1990-1994	64	-10
1994-1998	173	-22
2011-2016	99	-16
2016-2020	87	-38
2020-2024 ?	120	-27
<b>Average</b>	<b>111</b>	<b>-23</b>

The table above illustrates the 4-year cycle returns during the secular bull markets since WWII.

- Cycle lows regularly develop every 3-4 years with Q4 2022 defining another cycle low and the recent breakout to new highs in 2024 confirming a new upcycle.



# "I DON'T WANT TO INVEST MY MONEY NOW BECAUSE..."



Year*	DJIA		
1950's	1950	235	Korean War
	1951	269	Excess Profits Tax
	1952	292	U.S. seizes steel mills
	1953	281	USSR explodes hydrogen bomb
	1954	330	Dow tops 300 - "market too high"
	1955	485	Eisenhower has heart attack
	1956	499	Suez Canal crisis
	1957	436	USSR launches Sputnik
	1958	584	Recession
	1959	679	Castro takes over Cuba
1960's	1960	616	USSR downs U-2 spy plane
	1961	731	Berlin Wall erected
	1962	652	Cuban Missile Crisis
	1963	763	JFK assassinated
	1964	874	Gulf of Tonkin Incident
	1965	969	Civil rights marches
	1966	786	Vietnam War escalates
	1967	905	Newark race riots
	1968	944	USS Pueblo seized - "market too high"
	1969	800	Money tightens, market falls
1970's	1970	839	Conflict spreads to Cambodia
	1971	890	Wage & price freeze
	1972	1020	Large st. trade deficit in U.S. history
	1973	851	Energy crisis
	1974	616	Steepest market drop in 40 years
	1975	852	Clouded economic prospects
	1976	1005	Economy slowly recovers
	1977	830	Market slumps
	1978	805	Interest rates rise
	1979	839	Oil sky rockets, 10%+ unemployment
1980's	1980	964	Interest rates hit all-time high
	1981	875	Deep recession begins, Reagan shot
	1982	1,047	Worst recession in 40 years, debt crisis
	1983	1,259	Market hits record - "market too high"
	1984	1,212	Record U.S. federal deficits
	1985	1,547	Economic growth slows
	1986	1,896	Dow nears 2000 - "market too high"
	1987	1,939	The Crash - Black Monday
	1988	2,169	Fear of recession
	1989	2,753	Junk bond collapse
1990's	1990	2,634	Gulf War: worst market decline in 16 years
	1991	3,169	Recession, "market too high"
	1992	3,301	Elections, market flat
	1993	3,754	Businesses continue restructuring
	1994	3,834	Interest rates are going up
	1995	5,117	"The market is too high"
	1996	6,448	Fear of inflation
	1997	7,908	"Irrational Exuberance"
	1998	9,374	Asia Crisis
	1999	11,497	Y2K

Year*	DJIA		
2000's	2000	10,787	Technology Correction
	2001	10,021	Recession, World Trade Center attack
	2002	8,342	Corporate Accounting Scandals
	2003	10,454	War in Iraq
	2004	10,783	U.S. has massive trade and budget deficits
	2005	10,718	Record oil & gas prices
	2006	12,463	Housing bubble bursts
	2007	13,265	Sub-prime mortgage crisis
	2008	8776	Banking and credit crisis
	2009	10,428	Recession, "credit crunch"
2010's	2010	11,578	Sovereign debt crisis
	2011	12,218	Eurozone crisis
	2012	13,104	U.S. fiscal cliff
	2013	16,577	Federal Reserve to "taper" stimulus
	2014	17,823	Oil prices plunge
	2015	17,425	Chinese stock market sell-off
	2016	19,763	Brexit, U.S. presidential election
	2017	24,719	Stocks at record highs; bitcoin mania
	2018	23,327	Trade wars, rising interest rates
	2019	28,538	Trade war escalation, stocks at record highs
2020's	2020	30,606	COVID-19 crisis and recession
	2021	36,338	Decades high inflation
	2022	33,147	Aggressive rate hiking cycle

Source: DJIA - Dow Jones Industrial Average \* Dec. 31 close

## DOW JONES INDUSTRIAL AVERAGE: 1950 - 2022



Source: Bloomberg Finance L.P.





## MACKAY GROUP WEALTH MANAGEMENT

**Introduction** Serving over 300 families and friends since 1981. We provide the investment solutions you need to achieve specific goals, whether investing for yourself, family, your business or your organization.

**Our Team** Helping to provide comprehensive wealth management is an extensive team of professionals, including Portfolio Managers, Financial Planners, Estate Planning Specialists, Consultants, Tax Strategists and Research Analysts.

### THE MG WEALTH MANAGEMENT APPROACH

- 1: Learning about each other
- 2: Developing your personalized IP investment plan.
- 3: Putting your plan into action
- 4: Integrating complementary wealth services
- 5: Taking care of your lifelong needs
- 6: Monitoring and reporting results

#### **Portfolio Management Highlights:**

1. Learning about each other. Questionnaire on investment needs, objectives, and risk.
2. Investment Policy Statement. The IPS statement expresses your personal investment objectives in a document to guide the content of your portfolio, including making decisions, reporting on progress and regularly reviewing your objectives.
3. Action Plan. Detailed proposal to get us started.
4. Reviewing all our Wealth Management services including a financial plan and estate plan.
5. Taking care of lifelong needs, including creating detailed income projections.
6. Monitoring and reporting results. Ongoing portfolio analysis, reviews and prompt service.

- ✓ Investment Policy Statement (IPS)
- ✓ Portfolio Valuation Report
  - Asset Allocation, Income Projection, Rate of Return, Capital Gains/Loss
- ✓ Tax reporting, T5 and T3 etc. (See kit)
- ✓ RBC CM Quarterly Strategy, MG Weekly Newsletter, Focus List and Stock of the Day

#### ACCOUNTS & SERVICES WE OFFER

Investment Account, Options, Equity Credit Line, Corporate, Holding Co., Charitable Foundation, Tax Free Savings Account (TFSA), Registered Education Savings Plan (RESP), Registered Retirement Savings Plan (RRSP), Registered Retirement Income Fund (RRIF), Individual Pension Plan (IPP), DS Family Trust Acct, Registered Charity Gift of Stock Acct, Annual Tax-Assisted Flow-Through Share Program

## PORTFOLIO MANAGEMENT PROGRAMS

Our team manages clients' portfolios on an individual basis (AUM \$1.81B). Portfolios are custom designed to meet your personal objectives. Investment disciplines used include asset allocation, geographic & sector diversification, and risk management to maximize your portfolio returns. Programs include:

### **1. MG Private Investment Management - PIM (AUM \$200M)-Discretionary portfolio management.**

Highlights include: Freedom, custom portfolio, segregated securities, IP statement, asset mix for life stage, model portfolio tracking, growth and income needs, risk tolerance, top & bottom up management.

### **2. Professional Discretionary Investment Portfolios.**

RBC DS-A+ Investment Program: is our institutional level platform with 40+ Investment Manager choices. Global money managers including Beutel Goodman, Franklin Bissett, Guardian, Jarislowsky Fraser, RBC GAM, Caldwell, Brandes, Templeton.

### **3.MG Non-Discretionary Advisory Management (AUM \$300M)- Non-discretionary investment portfolio management.**

Highlights include: Discussion on each investment, custom portfolios, IP statement, asset mix, growth & income needs, risk tolerance, top & down management.

Management fees are tax deductible for non-registered accounts.

### **4.Traditional Transactional based accounts.**

Available for special situation accounts.

#### Advantages of Annual Management Fee Program.

- ✓ Premium money market and bond rates
- ✓ mutual funds with lower management fees
- ✓ Hedging through use of option strategies
- ✓ Easier tax planning - tax loss switches
- ✓ Stop loss + Re-entry without extra fees to average into and out of stock positions.
- ✓ No transaction commission places the focus on merits of investing instead of its cost.
- ✓ Fee % decreases as value increases

#### INVESTMENT VEHICLES WE USE:

Allocation includes CDN, US, and International  
Fixed Income                      Equity Income & Growth  
MM, GICs                              Small Cap.  
Bonds, Converts                      Medium Cap.  
Preferreds                              Large Cap.  
High Income                              Balanced  
ETFs & Mutual Funds (open and closed)



## COMPREHENSIVE WEALTH MANAGEMENT STRATEGIES - By Kristi and Kyle

### **1. Financial Planning - Ted Chan**

Our Financial Planning Consultant provides solutions for simple or complex financial planning:

- Comprehensive financial plan
- Addressing all aspects of your financial affairs
- Including cash and debt management
- Tax and investment planning
- Risk management
- Taxation of the corporation at death and more.
- Retirement and estate planning
- Business succession
- Withdraws from corporation tax- effectively

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### **2. Insurance Planning - Andrew Sipes and Barrington Grey**

As estate planning specialist, they will focus on:

- Personal and corporate insurance solutions to increase your net worth and reduce the impact of taxation.
- He can also ensure your wealth is transferred to your heirs in accordance with your wishes.

Insurance Strategies include:

- Whole life, Term Life
- Long Term Care
- Keyperson Insurance
- Corporate Estate Bond
- Critical Illness
- Insured Annuity

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### **3. Wills & Estate Planning - Ariel-Charles Guigui**

Our Will and Estate Consultant offering information on structuring your estate in an efficient and tax-effective manner, providing you with a report outlining various estate planning issues:

- To explore in further detail with your own lawyer or accountant
- Valid & Current Wills for All in Family
- Use of living trusts
- Planned Gifting
- Reduce the taxes and expenses of an estate.
- Simplify and speed the transition of assets to the next generation.
- Ensure that your beneficiaries are protected.
- Different types of Power of Attorney

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### **4. Tax Planning- Prashant Patel and Bobby Hinduja**

Several solutions that can simplify the tax planning process including.

- Tax-efficient charitable giving
- Family income splitting strategies.
- Eligible Retiring Allowance
- LIRA Conversion to LIF/RLIF
- 2015 Home Buyer's Plan Withdrawals
- Consider Paying Yourself a Bonus
- Sale of Private Business Shares
- US Estate Tax Planning for Canadians

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### **5. RBC Estate & Trust Services, Royal Trust - Karen Snowdon-Steacy**

It provides individuals, families and businesses with valuable estate, trust and incapacity services:

- Assistance in the preservation, management and transfer of wealth between generations by providing solutions to implement clients' estate and trust plans.
- Professional and impartial expertise in delivering estate and trust services.
  - Strong history and legacy in managing fiduciary businesses.
  - Professionals who have technical and practical experience
  - Compassion and understanding of the client's family's experience.

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### **6. RBC Premier Banking and Private Banking- Niaz Dharas & Margaret Caponio**

Premier Banker works as a single point of contact providing banking and credit solutions for select clients of Wealth Management Canada and their families. Tailored banking & credit package to complement the best-in-class investment management and wealth planning.

- Providing one of RBC's most comprehensive banking packages – special rates, exclusive cross border package, high daily access limits on cash withdrawals and direct payments, RBC Avion Visa Infinite Privilege Card with a \$120 rebate off the annual fee and more.

## What clients have to say about us

### Client Testimonials & Comments

#### ***Portfolio Management comments:***

“Bruce and his team have been managing our financial lives for years. Always available, never too busy for a question or to allow us to pick their brains. We recently had the experience of sitting down in their office with them to review our up-coming retirement plans. Starting with the worksheet (homework as I called it) to the preparation and presentation of the fully detailed reports it was all handled in a most professional, yet personal and informative manner. During this current turmoil caused from COVID19, we have had our melt-downs but we have always known that Bruce and Andrew and the rest of the team were there for us and managing the mysteries of the market of 2020. Thanks to all of you” - **Bill & Deb.**

“I am very grateful for all your input and guidance that you provided to us. We could not have done this without the RBC information-very grateful, very thankful” – **Elaine.**

“We value Andrew's input and advice when making our investment decisions. He is always available to answer our questions and deal with any concerns we have regarding our investments. His tax saving suggestions have also been very helpful. He is a very valuable asset to the MacKay team.” – **Frances & Paul.**

“MacKay Group Wealth Management have been our family advisers for over ten years, through a financial crisis and now a pandemic. They are a knowledgeable and capable team that have provided us with sound advice through bad markets and good. They are always pro-active and available to discuss options and markets. We are very thankful that they are our team.” -**Gail & Ken.**

“I want you to know how happy Gail and I are with the MacKay Group Wealth Management. Your hands on advice and your constant returns are very much appreciated. I sleep very well at night. Thank you. What a wonderful team of talented, knowledgeable, helpful and friendly advisors you have in your office. You should be proud. You and your team deserve a big pat on the back.” – **Paul & Gail.**

“The MacKay Wealth Management Group always provides constructive information on investments I am considering or currently hold. They are responsive and informed. As well, on three separate occasions they have provided expert help in Estate and Will matters pertaining to my investments and financial institution. I would not hesitate to recommend the MacKay Group Wealth Management to potential clients” – **Paul.**

“The MacKay Group Wealth Management has been managing my investments for over 20 years. During that time, I have benefited from their collective knowledge of the markets; they have given me sage advice to protect and grow my assets. I have found the team to be knowledgeable, approachable and responsive. I have always been able to get my questions answered; no query of mine has ever been too trivial or time consuming not to elicit a timely response from the team. In dealing with the Mackay Group Wealth Management, I have the benefit of highly personalized service backed up by the security of the Royal Bank.” – **Jay.**

#### ***Financial and Will & Estate Planning comments:***

“It was a good process to go through and Ted did a great job capturing all the information and formulating it into a coherent plan” – **Susan.**

“I appreciate how thorough Ted was, and how he seemed to drill down and get a better handle on our situation. I hadn't gone into such details with the discovery process before and value how deep our group wanted to dig to ensure the projections were accurate. A great start to the relationship.” **Ray.**

## THE MACKAY GROUP TEAM COMMENTS

### Our Mission

“To provide our clients superior investment advice, products and service at MacKay Group Wealth Management RBC Dominion Securities since 1981.”

### Portfolio Management

#### **Bruce - Senior Portfolio Manager/Investment Advisor**

##### ***Portfolio Management & Team Management***

*We'll review your investment portfolios, offer second opinions and proposals. Introduce you to our expanded team of Wealth Management professionals and the full range of services we offer.*

#### **Andrew - Associate Portfolio Manager & Wealth Advisor**

##### ***Portfolio Management & Research***

*Proper portfolio construction is the key to meeting your financial goals. The variety of investment choices can be daunting. Let our team help simplify the approach, narrow your focus, mitigate tax, and plan for financial success throughout retirement.*

#### **Christopher - Associate Advisor**

##### ***Portfolio Management & Research***

*I will work with you and our team to manage your accounts, provide recommendations, identify opportunities and assist with client service to ensure all your needs are met.*

### Administration

#### **Shannon - Senior Associate**

##### ***Portfolio Administration***

*Is your account information up to date - including investment objectives & risk parameters, beneficiary information, dividend reinvestment plan, monthly payment plan and banking information?*

#### **Melissa - Associate Advisor**

##### ***Senior Portfolio Administration***

*Is your account information up to date - including investment objectives & risk parameters, beneficiary information, monthly payment plan?*

### Administration & Research

#### **Waras - Associate**

##### ***Portfolio Administration & Research***

*We are especially proud of our MacKay Weekly & Focus List, Stock of the Day research and RBC Wealth Management Research. Let me know if you would like to receive additional research.*

### Wealth Management

#### **Kristi - Associate Wealth Advisor**

*Over 100 of our clients and their families have found tremendous value in having a Financial Plan, Will & Estate Consultation and Insurance review.*

### Estate + Financial Planning Advisors

#### **Ted Chan, Financial Planner**

*Available to create a comprehensive financial plan.*

#### **Ariel-Charles Guigui, Will and Estate Consultant**

*Available for information on structuring your estate.*

#### **Prashant Patel, Tax Consultant**

*Solutions that can simplify your tax planning.*

#### **Andrew Sipes, Estate Planning Specialist**

*To review your estate and insurance plans.*

#### **Karen Snowdon-Steacy, Senior Trust Advisor**

*Provide with valuable estate and Royal Trust services.*

### RBC Banking

#### **Kyle - Associate Advisor**

*Having worked in RBC Private banking, I am able to help clients with their banking needs as well as our many investment wealth products and services.*

#### **Melissa R Rodrigues, Insurance Specialist**

*Conducts Personal Risk Assessment to provide holistic personal advice.*

#### **Niaz Dharass, Premier Banking**

*Provide banking and credit solutions for our clients.*

### MG and RBC Foundation Charitable Gifts

**Please let us know if you have a charity you would like us to support.**

**Charities we support in 2024** - Trillium Health Partners, Canadian Wildlife Federation, Toronto Public Library, ABC Life Literacy, Canadian Canoe Museum, Merry-Go-Round Children's Foundation, Ontario Track III, Camp Winston, Royal Ontario Museum, Reena, Alzheimer's & Dorothy Ley Hospice.

#### **MacKay Group Wealth Management**

**[www.mackaygroup.com](http://www.mackaygroup.com)**

Brookfield Place

181 Bay Street, Suite 2200

Toronto Ontario, M5J 2T3

Telephone: 416-842-7120

Available to meet at all RBC branch locations, like Etobicoke, Mississauga, Collingwood, Muskoka Etc.



**Wealth Management  
Dominion Securities**

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The model portfolio reflects the actual investment recommendations (buys, sells) of the strategy as they were communicated historically; however, a number of implementation assumptions (which may include but are not limited to the timing and diligence with which the portfolio is rebalanced, the execution price for securities transactions, and any trading and account related costs, fees, or commissions) have been made when calculating the model returns that may be difficult or impossible for any investor to exactly replicate the model portfolio. For this reason, there is no expectation that the model returns will perfectly replicate the actual performance of any client following the same guided portfolio strategy. 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