
A Spooky October

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Although the economies of Canada and the United States have been chugging along nicely (with Canada at or near full capacity according to the Bank of Canada), we struggled through an awful 31 days last month on the market. It was one of the worst Octobers since the Financial Crisis of 2008. While companies are still very profitable, many aren't enjoying the stress of tariffs and trade wars. Further to this, both the Bank of Canada and the Federal Reserve have hiked Interest Rates. This puts pressure on companies and depreciates the price of bonds. The Bank of Canada has now raised rates five times since July of 2017. We did see a nice rally at the end of October which was promising. I don't know if that momentum will continue until the end of the year though, so we may actually see the first losing year in the USA since 2008. As I write this, Canada's stock market is down year-to-date. Please let me know if you'd like to discuss how this tough October has impacted your portfolio; I'm always happy to do reviews and not afraid to level with you about rough quarters.

For all of those who have Investment Loans, you will notice that your interest payments will increase with each rate hike. In some cases, it may be a good idea to pay down some of the principal to make sure that the payments are still manageable. Rates may keep going up if we continue to get good economic news. If you are taking distributions in cash from your Investment Loan Portfolio, you may want to consider reinvesting that for awhile. Buying when the market is low can help get the strategy back on track during a difficult year. Please feel free to contact me if you've got any questions regarding that or Investment Lending in general.

As a reminder, we've had to put passwords on any PDFs with sensitive information for about a year now. While I know this can be a bother, it is for your security. I'll continue to ask you to put a password on any sensitive information that is being emailed to us. You can call me to give me the password if we haven't discussed it previously. You can also contact us if you have any questions on this process and why it's important. I should also remind everyone that texting us isn't a great way to communicate. I know it's convenient but it's not a good way to discuss your investments. Natalie and I keep very good notes and track all communication but it's extremely hard to keep track of texts and they often go to the wrong number. We continue to get these sent to the office number and

it's often hard for me to know who is even sending the message if your name doesn't come up. My phone is only set to ring if there is an incoming phone call and we're constantly tracking emails. Texts can get left or missed so again, all business should be conducted through Phone and Email!

Natalie and I will break for Christmas on December 22nd this year. We'll stay in and around Calgary for the Holidays and will get back into the office on January 7th. Please let us know if you'd like to get together before that and we'll make a plan to get together.

Have a great finish to the year and hope to see you before 2019!

Bryce A. Borden

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