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## Happy New Year and Welcome to 2024!!!

Posted on: January 15, 2024

As we've done for a number of years in a row now, we took some time out of the office while the girls were on their Winter Break. We had a nice time together and got some visits in with some friends and family. We hope you all had a wonderful holiday season! We now go into our busiest time of the year and won't get another break in until the end of March. We're going straight into RRSP Season which is always a busy couple of months for us. We'll also be busy with TFSA and RESP Contributions as there will be more room for those now that we are in the New Year.

I'm sure that everyone remembers how ugly a year 2022 was. 2023 was a much, much better year than that. Our Toronto Stock Exchange, the TSX, ended the year 8% higher than it started<sup>1</sup>. The US Market performed extremely well in 2023. A lot of media groups have been calling for a recession since the beginning of 2022 and there were all kinds of expectations for poor growth in the US and Canada last year. Forecasts were way off and the S&P 500 surged 24% last year<sup>2</sup>. This was not an even lift of the market. A large part of this gain was from the "Magnificent Seven" which is made up of Amazon, Apple, Nvidia, Tesla, Microsoft, Meta, and Alphabet. Once again, Technology was the main driver of growth. The Nasdaq-100 in the USA had one of its best years on record<sup>3</sup>. We witnessed good growth in many areas of Technology in 2023 including a rebound in Environmental, Social & Governance (ESG) Strategies. The Nasdaq Green Economy Indexes posted average gains of over 9% last year. For the first time, Tesla sold over 1,000,000 Electric Cars in the United States within a year and 1.8 Million EVs worldwide. Although those are big numbers, the Chinese automotive company BYD surpassed Tesla by the end of the year. BYD sold over 525,000 units in the fourth quarter of 2023. Both of these car companies have reduced prices of

electric vehicles and BYD now offers a model for \$31,000 USD<sup>4</sup>. Technology is advancing very quickly and we saw that in a big way last year. There were major advances in Artificial Intelligence, Renewable Energy and Battery Technology.

At the time of this writing, I don't have the final Inflation Numbers for the year. The last reading came in at 3.1%<sup>5</sup> and I expect that it will be around that number for December. This is much lower than where we started the year and much lower than what we dealt with in 2022. The Bank of Canada has left the Lending Rate at 5%. The Bond Market has liked this pause in Interest Rates. If we get some rate cuts this year, the Bond Market should do very well. We'll keep you posted if and when those rate cuts happen. As for now, Interest Rates remain much higher than we've seen in a number of years.

Going into the New Year, there will be some new numbers, limits and dates to work with. Here are some important items for 2024:

1. The Tax Free Savings Account (TFSA) Contribution Room has been raised to **\$7,000**. This is in addition to any room that you are carrying forward from past years. The Maximum Amount that a person can add to a TFSA is now \$95,000. That amount depends on how long you have been a resident of Canada and when you turned 18.
2. The 2024 RRSP Contribution Room Limit will increase to a maximum of **\$31,560**. Canadians can contribute up to 18% of their Gross Income to an RRSP but are limited to this number of \$31,560 in 2024 if they have a very high Income. Like with the TFSA, if you have past RRSP Contribution Room, you can add it to your new Contribution Room.
3. The RRSP Contribution Deadline is **February 29, 2024**. Please get in touch with me well before this date to make sure we can allocate your contributions to the 2023 tax year.
4. New Registered Education Savings Plan (RESP) Contribution Room will open up. The maximum Federal Grant that a child can receive is **\$500 per year**. You can go back and reclaim the Grant Money from the year before so if you haven't added to your child's RESP in a while, a \$5,000 Contribution could give you \$1,000 of Grants.
5. Investment Loan Interest Statements for 2023 will start getting to people in the weeks ahead. You'll want to hang onto these for your Income Tax Returns as this Interest can be Tax Deductible.

We hope you are all off to a great start this year and wish you all the best in the weeks and months ahead!

Bryce & Natalie Borden

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<sup>1</sup>[Reuters: TSX ends 2023 on a high note with tech, healthcare among winners](#) [1]

<sup>2</sup>[Visual Capitalist: Visualizing 150 Years of S&P 500 Returns](#) [2]

<sup>3</sup>[Nasdaq.com: Nasdaq Index Performance: December 2023](#) [3]

<sup>4</sup>[MotorTrend: BYD Catches Up to Tesla's Massive Global EV Sales. So What's Next?](#) [4]

<sup>5</sup>[CTV News: Inflation holds at 3.1% in November as progress in tamping down price growth stalls](#) [5]

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[1] [https://www.reuters.com/markets/tsx-eyes-higher-open-last-trading-day-year-2023-12-29/#:~:text=Dec%2029%20\(Reuters\)%20%2D%20Canada's,a%20third%20consecutive%20weekly%20gain](https://www.reuters.com/markets/tsx-eyes-higher-open-last-trading-day-year-2023-12-29/#:~:text=Dec%2029%20(Reuters)%20%2D%20Canada's,a%20third%20consecutive%20weekly%20gain) [2] <https://www.visualcapitalist.com/150-years-of-sp-500-historical-returns/#:~:text=2023%20was%20supposed%20to%20be,rallied%20over%2024%25%20in%202023> [3] <https://www.nasdaq.com/articles/nasdaq-index-performance->

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[december-2023#:~:text=The%20Nasdaq%2D100%20finished%20the.a%20gain%20of%20nearly%2054%25 \[4\]](#)  
<https://www.motortrend.com/news/byd-vs-tesla-ev-sales-2023/> [5] [https://bordenfinancial.ca/taxonomy/term/31](https://www.ctvnews.ca/business/inflation-holds-at-3-1-in-november-as-progress-in-tamping-down-price-growth-stalls-1.6693273#:~:text=November%202023%20year%2Dover%2Dyear.6%2C%202023 [6]</a><br/><a href=) [7] <https://bordenfinancial.ca/taxonomy/term/19>