



## “It’s raining, it’s pouring, the summer sure hasn’t been boring!”

For clients located in Calgary and Southern Alberta, it may not seem like there has been much of a summer so far. Continuous rain and thunderstorms pound the prairies, often loud enough to keep you up at night! And if the stormy weather isn’t enough to waste away the summer months, doesn’t the tempo of time seem to continually accelerate? Maybe it’s just me but a week seems to go by in a blink of an eye. Yet, contradicting that pace is the **lingering geopolitical headlines, that never seem to end. Continuous threat of escalating wars** in multiple areas lurk the evening news. **Trump tariff negotiating** creates market fluctuations and extreme movements between various company’s share prices on a weekly basis are a cause for caution, especially when reflecting on portfolio strategies. But not all summer news has been bad! The July announcement of the **Genius Act**, likely the most important shift in the direction of the American monetary system in three generations, was announced. A properly positioned portfolio will reap rewards!

I hope for most of you reading this, you just went “huh?” .. If so, then you are enjoying your summer, and likely agree that time is passing very fast! If not, and you are a news junkie, then some of what I mentioned above is a part of your daily digest.

For this update, I thought I would touch on a few things mentioned above, and what I believe is worth drawing your attention to, so that when the information crosses your path you will be able to relate it to how it may or may not impact you personally. Let’s get started!

  
**The message to the right** is taken from my 2024 performance summary report sent in January. At the time sentiment was primed for market and economic failure, tied to the Trump tariffs. While portfolios dipped in March and April as expected, the recovery and performance into August has been strong. Ironically, I might have jinxed the clear skies and road ahead, at least weatherwise!

For those who are eager to know what lies ahead, I believe we have great opportunities for investment in 2025. The current sentiment in the media doesn’t seem to align with that view and is spilling over into investors’ perceptions, as many recent conversations with clients have a focus on the potential Trump tariff impact. I believe that the views are overly negative and clouding what is most likely to be a blue skies ahead.

If the investment strategy is properly aligned, the road ahead is likely to be clear!



## The Trump Tariff Impact: It's hurt our mindset more than the markets

This is a delicate subject, but some clarity is useful. The topic of tariffs has become divisive. No one is better at polarizing the populace than the media, and this has been the topic to do so in 2025. **Tariffs set by Donald Trump on goods going into the U.S. are paid for by the importer.** That means the companies in the U.S. pay the tariff tax on what comes into the country, depending on where it originates. **Trump's tariffs haven't directly caused prices of goods in Canada to go up for Canadians.** If prices have risen for the Canadian consumer because of "tariffs", it is a result of Canada's retaliatory tariffs imposed on many U.S. imported goods. Without retaliation, Canadians wouldn't be impacted by the tariffs, outside of those who are employed by companies who are struggling with the increased cost of their goods being exported due to the tariffs. But in general, the cost of the tariff lands more so on the U.S. company and consumer!

The indirect fallout for Canadian companies exporting to the U.S., is that they may need to decrease the price of their goods (essentially "eat" the tariff), to stay competitive. This hurts the Canadian business and profits, resulting in potential job losses. The tariff is still paid on the other end in the U.S., but it's added to the lowered price and ends up costing the same in the U.S. However, there are other outcomes where the importer decides to pay the tariff, "eat the tariff", or pass on the increase to the end U.S. consumer, and the Canadian companies may not need to reduce their pricing. **Treasury Secretary Scott Bessent recently discussed on MSNBC's "Morning Joe"**, that the average outcome is looking to be met somewhere in the middle with most countries exporting to America. Yet, it shouldn't have to be so challenging for Canadian businesses.

If Canada's government (both Liberal and Conservative parties) continue to implement and discuss the willingness to impose additional retaliatory tariffs, then what is described above occurs in Canada to a greater extent. Canadians rely on many imports from the U.S, and while many are covered by the free-trade agreement (CUSMA), others are not. The constant discussion and threat of retaliating with tariffs and delay on making any "deals" is keeping Canada at a disadvantage, while other countries have lined up and negotiated. Those countries that have bargained with Trump, that sell competing products, will have lower tariff rates and better odds at maintaining their sales to the U.S. Our Canadian companies are negatively impacted, don't have control and are at a disadvantage to other countries competing for U.S. demand. The retaliatory tariffs are what's costing you and I and is why we are seeing increasing prices. Businesses and Households are feeling the pain stuck in the middle of the trade negotiations.

**Bottom line is that other countries are making deals with the U.S. and seeing benefits.** Canada recently tried to set up a separate, bilateral trade deal **with Mexico**, and their President said there is "no need", emphasizing the existing CUSMA. **The UK and EU** have been our Liberal governments focus for new trade and partnership, yet the EU on July 27<sup>th</sup> announced a significant trade deal lowering baseline tariffs on their exports to 15% from 30%, removing regulatory barriers on agricultural exports from the U.S. to the EU on items like Pork and Dairy, and the EU committed to purchasing \$750 Billion in U.S. energy products over three years.

**Canada is falling behind, while other countries are making deals and moving on.**

## Global Wars and Negotiating Peace: Every single one is meaningful

The most concerning events to me are those that involve conflict and war. It makes investing a challenge because markets do not like uncertainty. At first blush it doesn't seem like markets have reacted to the various conflicts, yet the resolution of many could be cause for the strong market we are seeing so far this summer. War and conflict resolution has helped markets climb however I continually try to consider what will happen if the U.S. can't negotiate peace between Russia and Ukraine?

**President Trump has announced he will be meeting Russian President Putin on August 15<sup>th</sup> in Alaska**, to discuss ending the war in Ukraine. This could be one of the most important meetings to global peace we have seen in decades, and I am watching closely as it could have portfolio implications into the Fall and 2026.

Early mention from President Trump may include swapping of territories between countries, which could align in ideology to past attempts such as the **Minsk Agreements**. These were a series of international agreements (2014 and 2015) aimed at resolving conflict in the eastern Ukraine between Russian-backed separatists and Ukrainian forces, which ultimately failed. Multiple attempts at peace have been false-starts in 2025, something President Trump ran on during his election campaign. **Love or hate President Trump, I think everyone should be hoping for a deal to be made**, which will require concessions by both Ukraine and Russia.

**Many peace “deals” have been struck this year**, with the involvement of the U.S. and President Trump. Many countries have reworked peace after decades of conflict between nations. While not all perfect, they can set precedent for future successes between Russia & Ukraine.

- **August 8<sup>th</sup>**, peace deal was completed between **Azerbaijan and Armenia** after 35 years of conflict
- **July 2025**, a ceasefire between **Thailand and Cambodia**, after deadly border clashes had killed dozens and displaced 260,000 people.
- **June 2025, Israel and Iran**, after Israel's surprise attacks on Iranian military and nuclear facilities on June 13, 2025, and Iran's retaliatory strikes, Trump authorized U.S. bombing of three Iranian nuclear sites (Fordow, Isfahan, and Natanz) on June 21<sup>st</sup>. There is still uncertainty around long-term stability between the two nations, but the action has seemed to expediate the ceasefire.
- **June 27, 2025**, the foreign ministers of **DRC and Rwanda** signed a U.S.-brokered peace agreement in Washington, D.C., to end nearly 30-year conflict involving Rwanda-backed M23 rebels in eastern DRC. The deal is significant, but shaky as M23 was not directly involved and continues to hold territory.
- **May 2025**, a ceasefire was brokered between **India and Pakistan** after a major escalation over Kashmir, triggered by a terrorist attack on April 22<sup>nd</sup>, killing 26 people. Pakistan's Prime Minister praised Trump, but Indian leaders have denied U.S. involvement.

The list is quite extensive, and highlights that while there is a lot of ongoing conflict globally, there can be peaceful outcomes. **I believe that peace will prevail for Ukraine if all parties truly want it.**

## The Genius Act: The segway towards new “currency” transactions?

The final summer topic that may have missed your radar is that of the **rise and institutional acceptance of digital assets**, such as Bitcoin, but to also include a framework and legislation towards the eventual implementation of digital assets called “**stablecoins**” into your everyday use.

**The GENIUS Act** (*Guiding and Establishing National Innovation for U.S. Stablecoins Act*), is a landmark U.S. federal law signed by President Donald Trump on July 18, 2025. It establishes the first comprehensive framework for **payment stablecoins** – (digital assets pegged to fiat currencies like the U.S. dollar, designed for payments or settlements). The law is intended to foster innovation, protect consumers, strengthen the U.S. dollars global reserve status, and enhance national security.

Simply explained, the law signed in July will allow for publicly-traded & approved (mainly financial) companies to create and issue digital stablecoins, which must be backed 1:1 by liquid assets (U.S. dollars, Treasury bills less than 93days to maturity, or similar low-risk assets). These will be used for faster and more secure payments than current systems used (which include wires and other global money payment systems). **The Act takes effect the earlier of Jan 18, 2027 or 120 days after final federal regulations are issued.** Digital asset service providers (e.g. exchanges and wallets) will have until January 18, 2028 to comply.

There is still further framework to be completed, such as **The Clarity Act** (passed the House in July and pending the Senates’ vote this fall), clarifying the regulatory roles in digital assets, as well as the **Anti-CBDC Surveillance State Act**, reflecting opposition to Central Bank Digital Currencies.

President Trump framed the Act as “fulfilling his promise to **make the U.S. the crypto capital of the world**”, with some top executives at companies like Mastercard and Coinbase onside with his efforts.

### **Bitcoin and Stablecoins: What’s your exposure**

As you know, all MPA clients have had exposure to Bitcoin indirectly through exchange traded funds since they were launched in March 2021. Bitcoin has grown to be separate & core asset class holding in each portfolio. While still junior to your Gold and Silver holdings, that have been the foundation for portfolios now for 20 years (for those clients that go back that far with me!) the exposure is meaningful, particularly to what average investors currently hold (which is none for most people!).

I have written several newsletters on Bitcoin, Ethereum and other “stablecoins” going back as far as July 2017, which at the time was about 5yrs after the early adopters took interest in Bitcoin. We are now 8 years since my initial client report, and we are only getting to a place where this new asset class and its introduction into everyday finance is taking off on a federal level. This Act doesn’t take effect for 18 months and adoption will likely extend to the end of the decade. However, **I want you to know that your portfolio is positioned to participate along the way.** Bitcoin has done very well for you, and early 2025 addition of Exchange and Digital wallet **companies such as Robinhood and Coinbase to your portfolio** have contributed to portfolio growth. **Your exposure to this massive shift in how we move our “money” and what we use as our “currency” will continue to grow.**

## So where do we go from here?

I have often warned of the **seasonality of September**, a time of the year that for whatever reason results in lackluster returns, and in the worst of years for markets has been the starting month to the most dramatic of times. Except last year we saw the opposite. Interest rate cuts in both Canada and the U.S. pushed markets higher into year end, after a quick early August pause.

After last weeks' news of a **weaker-than-expected U.S. Job report** released on August 1st, **odds of a rate cut increased from a range of 38%-58% earlier to as high as 69%-90% by August 3<sup>rd</sup>.**

Could this rate cut propel markets into the winter months, even after a decent run so far this year? Or will negotiations between Russia and Ukraine stall out, increasing concern, where a rate cut in September is interpreted more to save the markets from global uncertainty, than as an opportunity to lower rates due to a naturally slowing economy?

Your guess is as good as mine at this moment, but these are the types of questions and contemplation that keep me up at night, not the thunder! There is a lot going on this Summer in what is normally a dull period for investing and the markets. It's unique this year, but so many things seem to be different right now.

Like last year at this time, I have strategies in mind for your portfolio depending on which way the wind blows. I was preparing a portfolio built for Democrats or one for Trump last year at this time.

This year, it's a balance of investing for the exciting growth of AI and the "Golden Age" for America, where global mega-companies are announcing major investments in the USA almost weekly, meanwhile making sure to have exposure to portfolio investments that attract scared capital should markets turn more conservative.

Either way, **the "end of the world" has been warned about hundreds of times on financial media and in the news over the years, yet here we are still, talking about the weather!**

Enjoy the rest of the Summer, it looks like we may just get our typical August heat wave. Farmers would love it if that could occur, and many of our planned Canadian vacations can be enjoyed!

Take care,

**Ryan, Jocelyn and Brittany**

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