

Portfolio Management Monthly update

January 2019

January Rebound on Dovish Federal Reserve

Data Source: chart from Thomson One as of Feb 04, 2019



Highlights

- CDN dollar rallying with oil
- May be no US rate increase in 2019
- Higher yield investments look better

With the stock market improvement, the Canadian dollar rallied from a low of just under \$.73 U.S. in December to .7626 today along with WTI oil moving from \$42 to \$54.68. (Source Thomson quotes). With fewer US rate increases, the global economy gains some necessary stimulus. Now we need a resolution to the trade war with China. Most stock market recoveries are W shaped rather than a V shaped. We likely need a pullback in equities before going much higher. Our technical analyst highlighted many examples of this over past corrections. We have short term bonds on the sidelines ready to deploy on pullbacks. We have also increased exposure to higher yielding investments and those with downside risk protection.

Regards,

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V.P. and Portfolio Manager

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Monthly updates also available on our website at <https://nesbittburns.bmo.com/don.behan>



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