

## MacKay Weekly Investment Report

WEEK ENDING FRIDAY, APRIL 19, 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

#### Confidence shift/ Hikes = economic boom/Flush of de-risking

Equity indices drifting lower this week - correction continues since March 28 highs- seasonally on time. Will it be severe in which we lose 50% of the last few years gains. Doubt it.

**Positives:** **AAll Investor Sentiment Survey** - 38.3% bullish/ 27.8% neutral/ 34% bearish - big shift in positive confidence from three weeks ago - will trend continue - doubt it.

**RBC WM Pulse of the Market**, “Geopolitical concerns are spiking at a time when stocks are already seemed prime for a pullback - 5 to 10% pullback likely - greater than 10% unlikely without an economic growth scare. Companies have been keeping low expectations on earnings. Small caps may be stuck in a holding pattern for a while. Equity flows have fizzled.”

**Headlines** “British inflation rate decreased to 3.2% y/o/y in March to lowest level and 2 1/2 years. Mortgage applications have increased in the US. The Fed’s beige book outlines a slightly softer US economy. The Bank of England may diverge from the Federal reserve – (Canada may do the same).

**Bloomberg** – “What if Fed Rate hikes are sparking US economic boom. A radical theory is spreading as economy defies expectations. The reality is people have more money. GDP, unemployment, and corporate profits -the expansion now is as strong or even stronger than it was when the Federal Reserve first began lifting rates. Jump in benchmark rates from 0 to 5% is providing Americans with a significant stream of income from their bond investments and savings accounts for the first time in two decades. Interesting how slowly the economy was expanding, even though the Fed had pinned rates at 0% after the global financial crisis.”

**Pennock**, “Rate cut expectations were paired back further and markets now expect between one and two cut by year end with the first one arriving likely in September.”

**Bloomberg**, “The 2% inflation, target regime should now be retired. With the energy shock now a memory central bankers require more flexible objectives. The Price targeting should be part of wider monetary policy tool kit, not one to rule them all.”

**Dave Picton**, “There are stronger evidence at least for now to support the market narrative that a Goldilocks like soft landing is likely for the US economy. We prefer to buy the dips so long as the US maintains growth with generally subdued inflation.”

**Dr J. Siegel**. Expect 3 rate cuts. CPE and PCE inflation improving.

**Dr. Ed Yardeni** - The global economy is growing slowly tugged along by the strength of the US economy. Certain indicators suggest improving global growth, but their messages could be deceptive. Fed will likely keep interest rates higher for longer. That could be good for stocks if the reason is economic strength providing needed earnings support to the bull market. Our inflation outlook is good with continued moderation to the Fed’s 2% target which notably we wouldn’t view as justifying the Fed easing this year.

**Tom Lee**, “We are still in the buy the depth stands given the relatively low leverage. We think stocks will ultimately emerge higher after this initial flush of de-risking is behind us. April 15 was Tax Day- selling to pay taxes is behind us. Margin debt at \$736 billion far below that Oct. 2021 levels. VIX holding. Fed is dovish. US yields flattening. CBOE Equity put/call ratio 1.13- sign of low. Israel -Iran conflict has path of conclusion.”

**Negatives:** **RBC WM**, “Since World War II the S&P 500 and the TSX have typically posted new all-time highs up to a few months before the onset of recessions and occasionally past.”

**Dave Picton**, “We think a soft landing is indeed very possible, but that said equity investors have likely priced in this outcome already, and we worry that there is much that could still go wrong. We worry that if the Fed cuts rates too soon it risks renewing inflationary pressures sooner than expected.”

**Dr. Ed Yardeni** - “As the war in the Middle East escalates it could send oil price flying towards \$100 per barrel and wipe out our expectations of continued moderation in US inflation. Wars are likely hiking commodity prices and inflation is hiking the forward revenues of all country world MSCI.”

**Canada budget 2024** - Features higher spending, higher taxes, and still high deficits. There is no attempt to return to a balanced budget anywhere in the government’s forecast horizon. (Canadian dollar weakens).

**Brian Wesbury** – “Elections matter - current policies and past policies are colliding to create the same problems of the 1970s. As November approaches voters would do well to remember their history. Their decisions are not just about the next few years but resonate for decades to come. Solid US leadership can change the entire world.

**Investments strategy:** “In investing, what is comfortable is rarely profitable.” **Robert Arnott**.  
Have a great weekend. Bruce

## **Fed's uncertain path creates bind for Bank of Canada's Macklem**

The Bank of Canada is getting closer to cutting interest rates, but there are limits to how far and how fast it can move without getting a clearer sign from the U.S. Federal Reserve.

Governor Tiff Macklem said last week officials are mulling when to cut the bank's benchmark overnight rate from five per cent, and he kept the door open to easing as early as June. With core inflation decelerating, markets are putting the odds of a cut at the next meeting at about two-thirds. A cut in July is fully priced.

In the U.S., the immediate path for easing rates appears less certain. Traders expect just one or two cuts from the Fed this year, a sharp change from the start of this year, when they were looking for five or six. Some Fed officials believe it's possible there will be no cuts at all in 2024, given stronger-than-expected growth and sticky inflation.

<https://www.bnnbloomberg.ca/fed-s-uncertain-path-creates-bind-for-bank-of-canada-s-macklem-1.2061307>

## **Olympic organizers unveil strategy for using artificial intelligence in sports**

Olympic organizers unveiled their plans Friday to use artificial intelligence in sports, joining the global rush to capitalize on the rapidly advancing technology.

The International Olympic Committee outlined its agenda for taking advantage of AI. Officials said it could be used to help identify promising athletes, personalize training methods and make the games fairer by improving judging.

“Today we are making another step to ensure the uniqueness of the Olympic Games and the relevance of sport. To do this, we have to be leaders of change,” IOC President Thomas Bach said at a press event at the former London Olympic Park, which hosted the summer games in 2012.

<https://www.bnnbloomberg.ca/olympic-organizers-unveil-strategy-for-using-artificial-intelligence-in-sports-1.2061356>

## **As personal EV demand wanes, the business case for switching grows**

Demand for electric vehicles (EVs) is slowing for average Canadians, but new data suggests businesses should seriously consider changing their fleet.

A new report from Canadian telematics firm Geotab examined data from more than 750,000 light-duty commercial vehicles in North America and Europe and found 41 per cent of their internal combustion engines (ICE) were considered cost-effective and range capable of an EV transition, which would provide an average savings of \$16,000 per vehicle over seven years.

Overall, the report found 75 per cent of analyzed light-duty ICE vehicles could be replaced with an EV today, without infrastructure upgrades or charging improvements, while 81 per cent of medium-duty ICE vehicles and 58 per cent of heavy-duty trucks have daily usage within the range of commercial EVs currently on the market.

<https://www.bnnbloomberg.ca/as-personal-ev-demand-wanes-the-business-case-for-switching-grows-1.2060361>

## **2024 budget hurts inflation fight, foreign investment, young people: Dodge**

Former Bank of Canada Governor David Dodge has few nice things to say about the federal government's latest budget and instead argues it will hurt large swaths of Canadians and the country's economy.

Dodge, an economist who led the Bank of Canada from 2001 to 2008, said the federal budget and recent provincial budgets are "not very helpful" to the central bank's pursuit of stable inflation.

"That's unfortunate," he told BNN Bloomberg in a television interview on Thursday. "The big problem is that most of what the minister did was to concentrate on raising current consumption rather than promoting investment in machinery, equipment and intellectual property, which is really necessary in order to provide workers with the capital that will allow them to be more productive."

<https://www.bnnbloomberg.ca/2024-budget-hurts-inflation-fight-foreign-investment-young-people-dodge-1.2060905>

## **Billionaire Ryan Smith gets his NHL team, moving Arizona Coyotes to Utah**

Utah Jazz owner Ryan Smith has officially landed a National Hockey League franchise.

Earlier this afternoon, the league's board of governors approved a plan to relocate the Arizona Coyotes to Utah for next season. In an unusual deal that helps the NHL avoid a potential arena crisis in Arizona, Smith and his wife Ashley bought the Coyotes' hockey operations, including player roster and draft picks, from billionaire developer Alex Meruelo, but not the team's name, logo, uniforms or other intellectual property.

"I don't know if this has ever been done," said Smith, the 45-year-old billionaire co-founder of online survey company Qualtrics, in a phone interview on Wednesday. "We're creating a new franchise, but we're taking the assets of another one."

<https://www.bnnbloomberg.ca/billionaire-ryan-smith-gets-his-nhl-team-moving-arizona-coyotes-to-utah-1.2060999>

## **2024 NHL Playoff Predictions: Who Moves Ahead in the East? Are Routs and Upsets in Store?**

The NHL's Stanley Cup playoffs are just about here. In the case of the Eastern Conference, the post-season picture is now confirmed.

As we do every season, we'll analyze each of the four first-round series in each conference and give you our personal picks to move on to the second round.

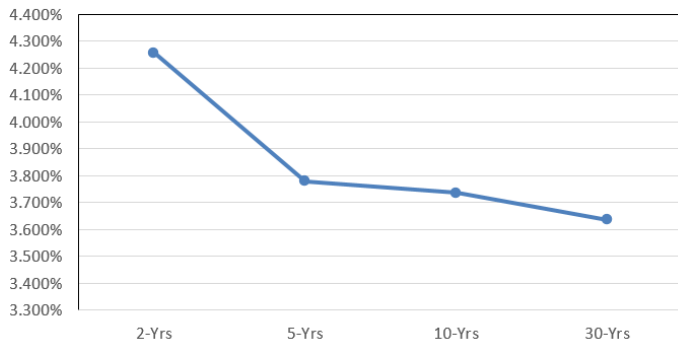
<https://thehockeynews.com/news/2024-nhl-playoff-predictions-who-moves-ahead-in-the-east-are-routs-and-upsets-in-store>

## CANADIAN MARKETS - By Andrew

### I. Canadian Fixed Income

#### Benchmark Canada Government Bonds

#### CDN Yield Curve @ April 19, 2024



### 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. RBC DS Canadian Equity Focus List - March 2024

TD Bank, Royal Bank, Bank of Montreal, National Bank of Canada, Brookfield Corporation, Intact Financial, Canadian Imperial Bank, First Capital REIT, Element Fleet Management, Brookfield Infrastructure Partners, TELUS, Dollarama Inc., Alimentation Couche-Tard, 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, Nutrien, CCL Industries

### III. Veritas V- list - March 2024

Agnico Eagle Mines, Altagas Ltd., Canadian Natural Resources, Canadian Pacific Kansas City, Capital Power Corp, Cenovus Energy Inc., Cogeco Communications Inc., Dollarama, Enbridge, Fortis, George Weston, Granite REIT, Great-West Lifeco Inc., Hydro One, Metro Inc., Restaurants Brands International, Rogers Communications, Tourmaline Oil Corp TransAlta Corp, Wheaton Precious Metals.

### IV. News we recommend on our CDN Holdings

Market prices as of previous day close.

### **Bombardier Inc. (BBD.b) - Previewing Bombardier's 2024 Investor Day**

Ranking: Outperform (RBCCM).

Price C\$56.68 Target C\$95.00

### **Parkland Corp (PKI) - Simpson Oil calls for strategic review**

Ranking: Sector Perform (RBCCM).

Price C\$43.30 - Target C\$50.00

### **Canadian REITs and REOCs: Q1 2024 Preview**

On steady ground, but stronger macro support would help. Our top picks are intact heading into Q1 reporting next week. We expect healthy earnings growth (+3%), with leadership from several of our preferred subsectors. On the back of recent government announcements and other market updates (i.e., Housing Plan, Federal Budget, Q1 industrial and office stats), we expect the outlook on fundamentals to remain front and centre. As noted in our recent REIT Quarterly, we believe the sector remains on sound footing, although it may take a couple quarters of strong earnings and easing macro headwinds for fund flows to pick up. Nonetheless, amid rising bond yields, the sector's recent pullback has pushed valuation down to 14x N12M FFO/7.4% implied cap rate/26% below NAV, with better entries available across our preferred names  
*Please contact our office if you would like a copy of any of the above research reports.*

### **Research Publications (available upon request)**

- Global Insight- 2024 Outlook
- Payments, Processing, & IT Services '24 Outlook
- Global Real Estate 2024 Outlook

2024 Contribution Limits	Amount (\$CAD)
<b>TFSA</b>	
2024	\$ 7,000
Aggregate until 2024	\$ 95,000
Aggregate until 2023	\$ 88,000
<b>RRSP</b>	
2024	\$ 31,560
2023	\$ 30,758

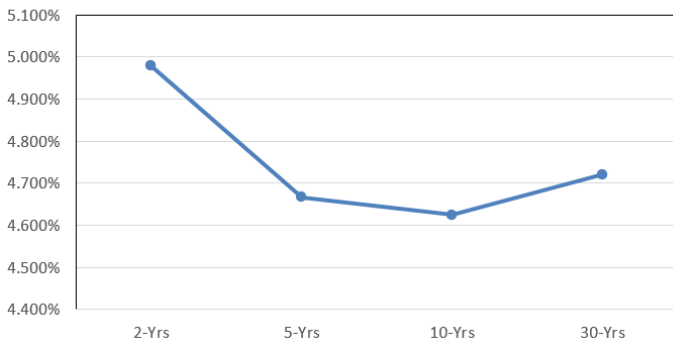


## INTERNATIONAL MARKETS – By Andrew

### I. US Fixed Income

#### Benchmark Canada Government Bonds

#### US Yield Curve @ April 19, 2024



#### 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 US Equity Focus List – March 2024:

JP Morgan, Mastercard, S&P Global, NextEra Energy, Alphabet, NVIDIA, Walt Disney, Amazon, Home Depot, McDonalds, Nike, 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.

### III. RBC DS N.A. Focus List –March 2024:

Meta Platforms Class A, Telus, Walt Disney, Amazon, Costco Wholesale, Canadian Natural Resources, Suncor Energy, TC Energy, Estee Lauder Companies, McDonald's Corporation, Bank of Montreal, Brookfield Corporation, Intact Financial, Royal Bank of Canada, TD Bank, Johnson & Johnson, Thermo Fisher, United Health Group, CP Railway, Honeywell International, Thomson Reuters, Toromont Industries, Waste Connections, Apple, Constellation Software, MasterCard, Microsoft, CCL Industries, Adobe Inc, Texas Instruments.

### IV. RBC DS ADR Focus List –Feb, 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

### V. News We Recommend on our Intl Holdings

Market prices as of previous day close

#### **Intuitive Surgical (ISRG) – Q1'24 Recap: Procedure Momentum Continues While Placements Flat Y/Y**

Ranking: Outperform (RBCCM).

Price U\$372.63 - Target U\$432.00

#### **Meta Platforms, Inc. (META) - Reels ad load continues higher; thoughts into next week's print**

Ranking: Outperform (RBCCM).

Price U\$501.80 - Target U\$600.00

#### **Shopify Inc. (SHOP) - Data shows continued solid Plus and POS uptake, reduced job postings**

Ranking: Outperform (RBCCM).

Price U\$69.51 - Target U\$100.00

#### **Abbot Laboratories (ABT) - Q1'24 Recap: Upside Potential as 2024 Drivers Take Shape**

Ranking: Outperform (RBCCM).

Price U\$105.27 - Target U\$125.00

#### **CSX Corporation (CSX) - Q1/24 in-line; guidance maintained**

Ranking: Sector Perform (RBCCM).

Price U\$34.39 - Target U\$36.00

Please contact our office if you would like a copy of any of the above research reports.

#### Research Publications (available upon request)

- US REITS 2024 Outlook
- Global U.S. Banks 2024 Outlook
- Healthcare Services 2024 Outlook

**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 - NA 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

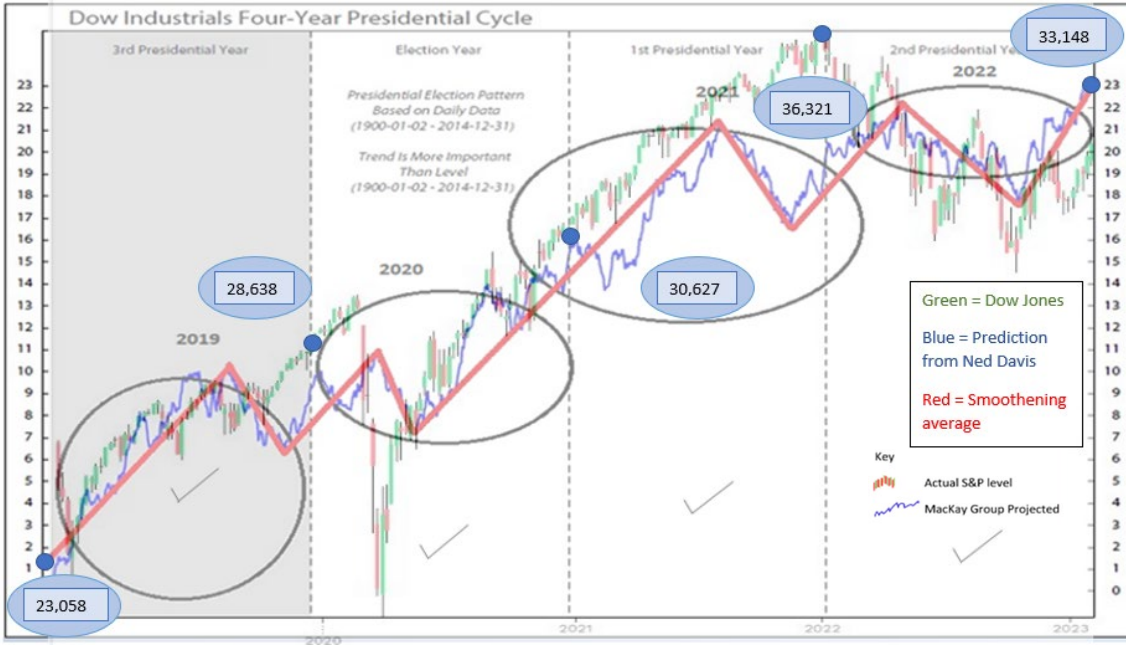




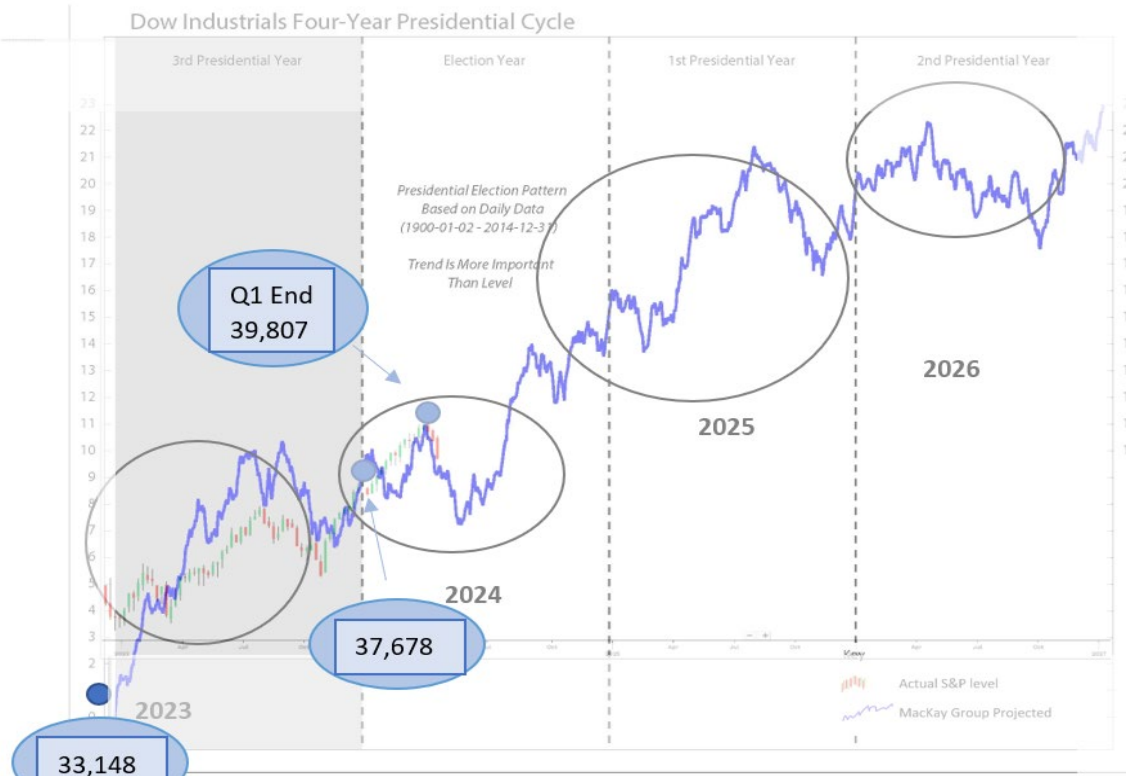
# Technical Update - By Bruce

Portfolio Advisory Group

By - Ned Davis S&P500 - Sector Road Map - Good Track Record - By Bruce



Will this happen - possible?



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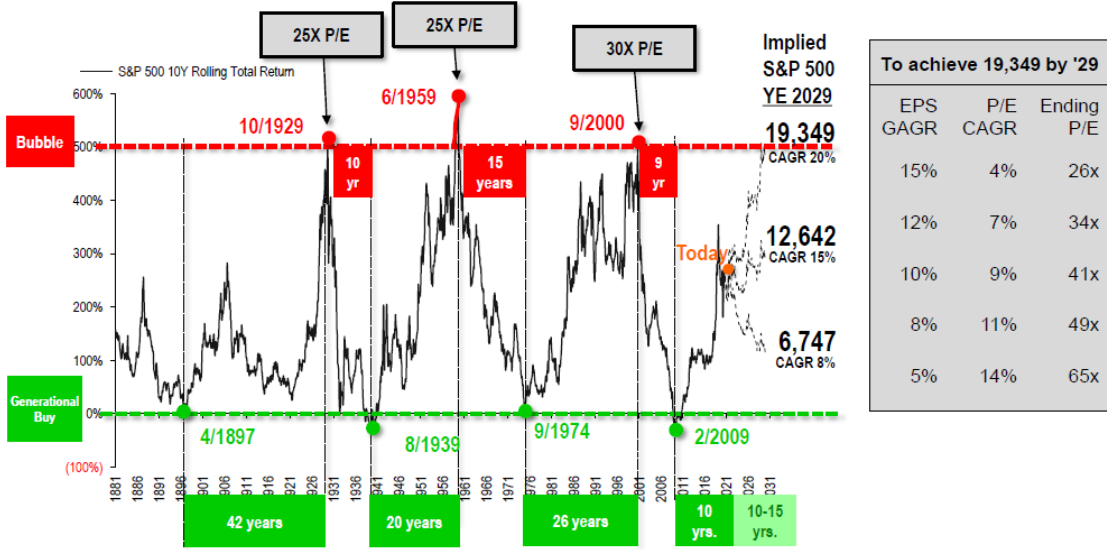
# FAVOURITE CHARTS

## 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

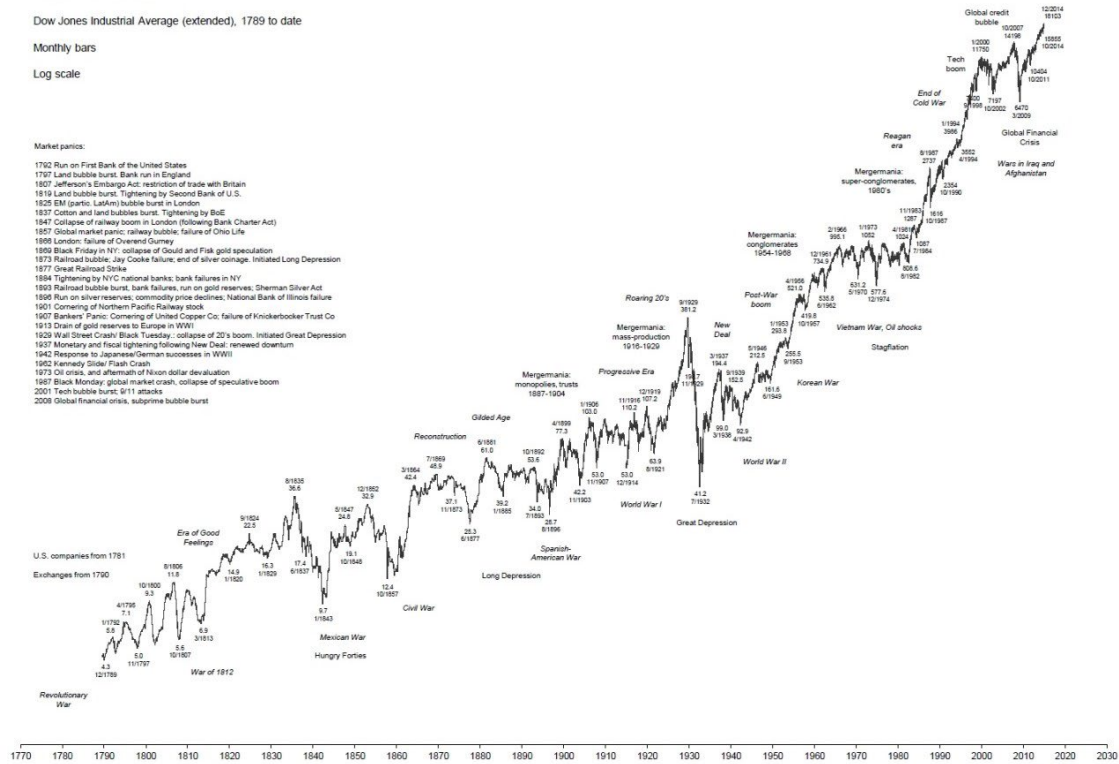
Dow Jones Industrial Average (extended), 1789 to date

Monthly bars

Log scale

#### Market panics:

- 1792 Run on First Bank of the United States
- 1797 Land bubble burst; Bank run in England
- 1807 Jefferson's Embargo Act; restriction of trade with Britain
- 1819 Land bubble burst; Tightening by Second Bank of U.S.
- 1825 EM (paris; LaAm) bubble burst in London
- 1837 Cotton and land bubbles burst; Tightening by B&E
- 1847 Collapse of railway boom in London (following Bank Charter Act)
- 1847 Global market panic; railway bubble; failure of Ohio Life
- 1898 London: failure of Overend Gurney
- 1898 Black Friday in NY; collapse of Gould and Fish gold speculation
- 1873 Railroad bubble; Jay Cooke failure; end of silver coinage; Initiated Long Depression
- 1877 Great Railroad Strike
- 1894 Tightening by NYC national banks; bank failures in NY
- 1893 Railroad bubble burst; bank failures; run on gold reserves; Sherman Silver Act
- 1896 Run on silver reserves; commodity price declines; National Bank of Illinois failure
- 1901 Cornering of Northern Pacific Railway stock
- 1907 Bankers' Panic; Cornering of United Copper Co; failure of Knickerbocker Trust Co
- 1913 Drain of gold reserves to Europe in WWI
- 1929 Wall Street Crash; Black Tuesday; collapse of 20% boom; Initiated Great Depression
- 1927 Monetary and fiscal tightening following New Deal; renewed downturn
- 1942 Response to Japanese/German successes in WWII
- 1962 Kennedy Slide; Flash Crash
- 1973 Oil crisis; and aftermath of Nixon dollar devaluation
- 1987 Black Monday; global market crash; collapse of speculative boom
- 2001 Tech bubble burst; 9/11 attacks
- 2008 Global financial crisis; subprime bubble burst





### 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

— Current Index Price — 50-Day MA — 200-Day MA

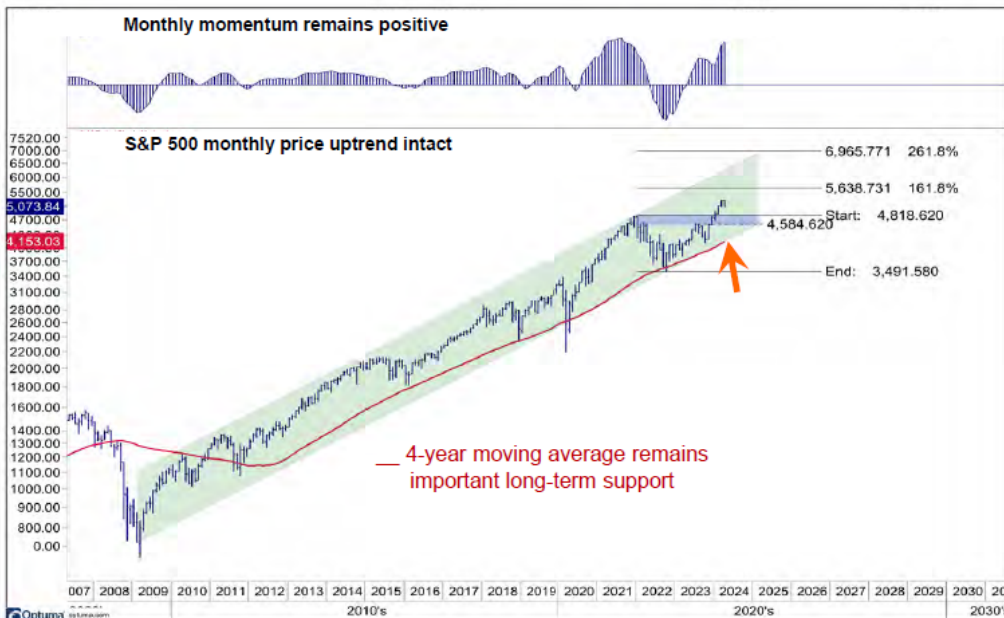


March home sales dropped despite a surge in supply: Here's what you need to know (cnbc.com)



Link - [March home sales dropped despite a surge in supply: Here's what you need to know \(cnbc.com\)](https://www.cnbc.com)

## S&P 500 – Monthly – Uptrend intact with a pullback underway.



Source: RBC Wealth Management, Bloomberg, Optuma

### Cycle momentum

- Remains positive above the zero axis with a decline below the zero axis needed to signal the overall uptrend is reversing. We see no evidence of that at this time.

### Uptrend intact

- Next major Fibonacci resistance is at 5638 followed by 6965.
- Support: 4818 then 4584.

### What would change our positive view?

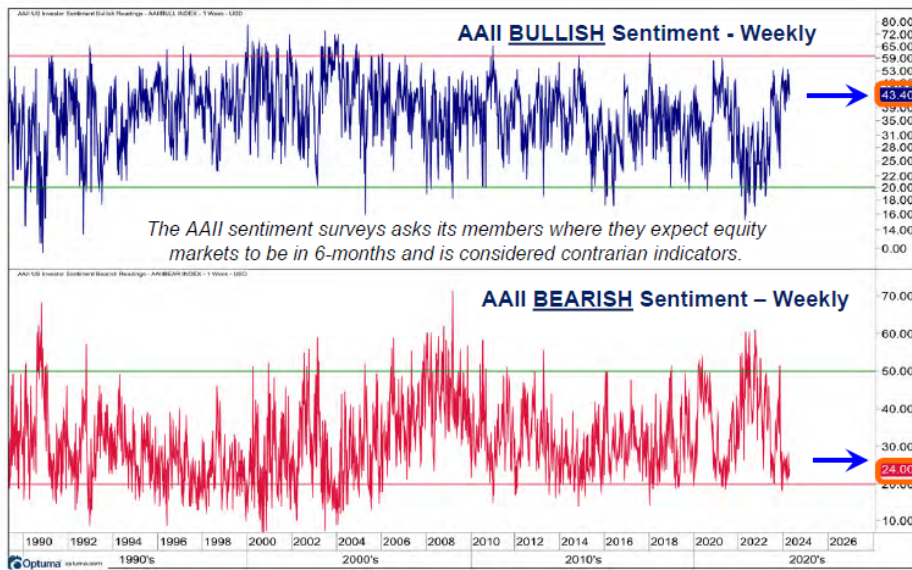
- A break below support near the 4-year moving average, currently at 4107, would be needed to confirm the **cycle** is failing.

## Sentiment Survey Historical Data

Reported Date	Bullish	Neutral	Bearish
Apr 17	38.3%	27.8%	34.0%
Apr 10	43.4%	32.5%	24.0%
Apr 3	47.3%	30.5%	22.2%
Mar 27	50.0%	27.6%	22.4%
Mar 20	43.2%	29.6%	27.2%
Mar 13	45.9%	32.2%	21.9%
Mar 6	51.7%	26.5%	21.8%
Feb 28	46.5%	32.2%	21.3%
Feb 21	44.3%	29.5%	26.2%
Feb 14	42.2%	31.1%	26.8%
Feb 7	49.0%	28.4%	22.6%
Jan 31	49.1%	26.4%	24.5%
Jan 24	39.3%	34.6%	26.1%
Jan 17	40.4%	32.9%	26.8%
Jan 10	48.6%	27.2%	24.2%
Jan 3	48.6%	27.9%	23.5%
Dec 27	46.3%	28.6%	25.1%
Dec 20	52.9%	26.2%	20.9%
Dec 13	51.3%	29.4%	19.3%
Dec 6	47.3%	25.3%	27.4%
Nov 29	48.8%	31.7%	19.6%
Nov 22	45.3%	31.1%	23.6%

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.

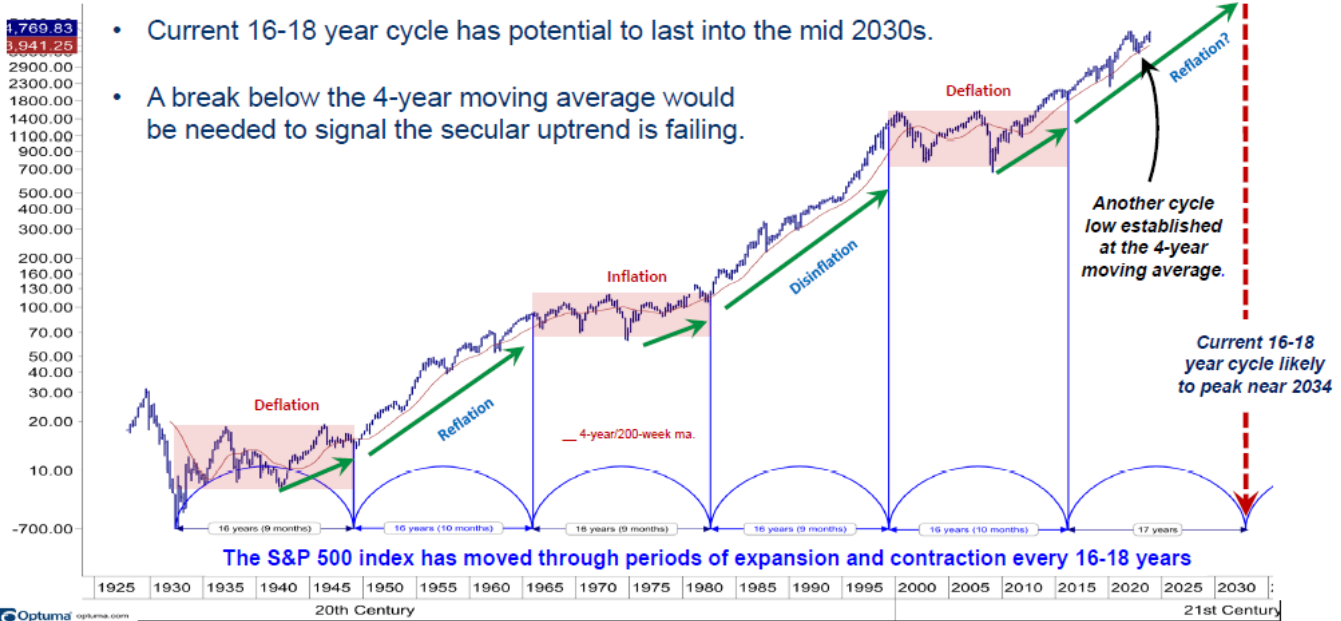
## AAII US Bullish and Bearish Sentiment



Sentiment surveys are contrarian indicators.

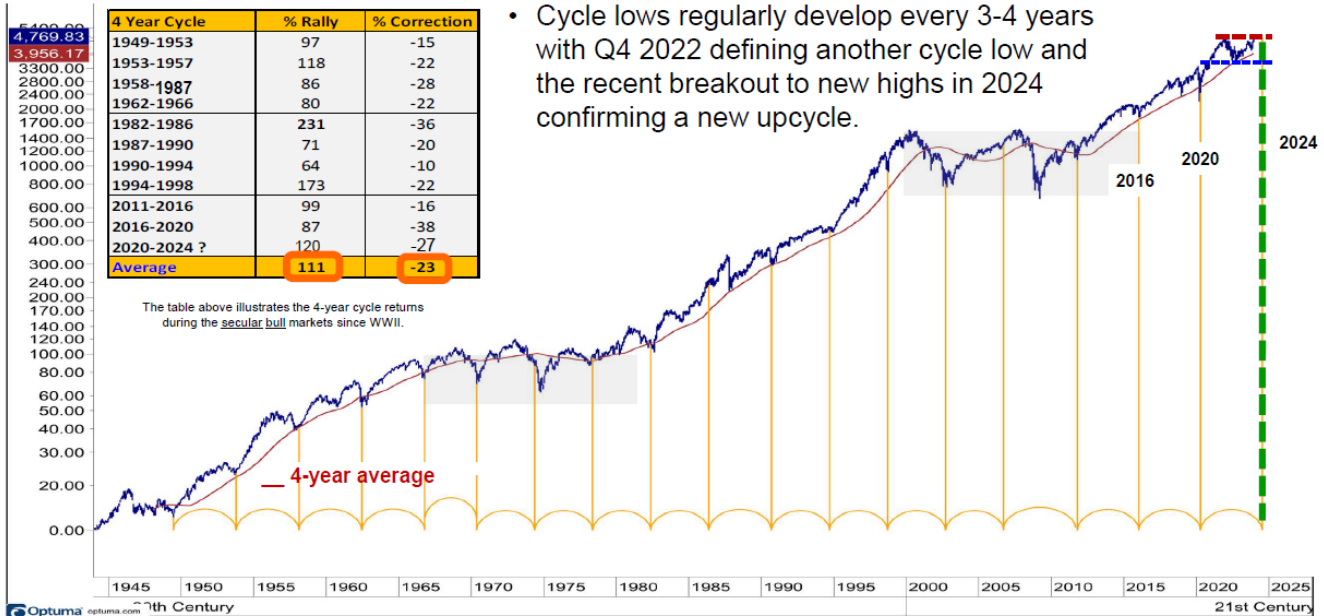
- Bullish Sentiment is elevated...
- ...while bearish sentiment is low.
- We view this data to be supportive of a pause/pullback further into Q2 with a decline in bullish sentiment and rise in bearish sentiment likely to develop moving through Q2.

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



Source: RBC Wealth Management, Bloomberg, Optuma

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



Source: RBC Wealth Management, Bloomberg, Optuma

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



Year*	DJIA	
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	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	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	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	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	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	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	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

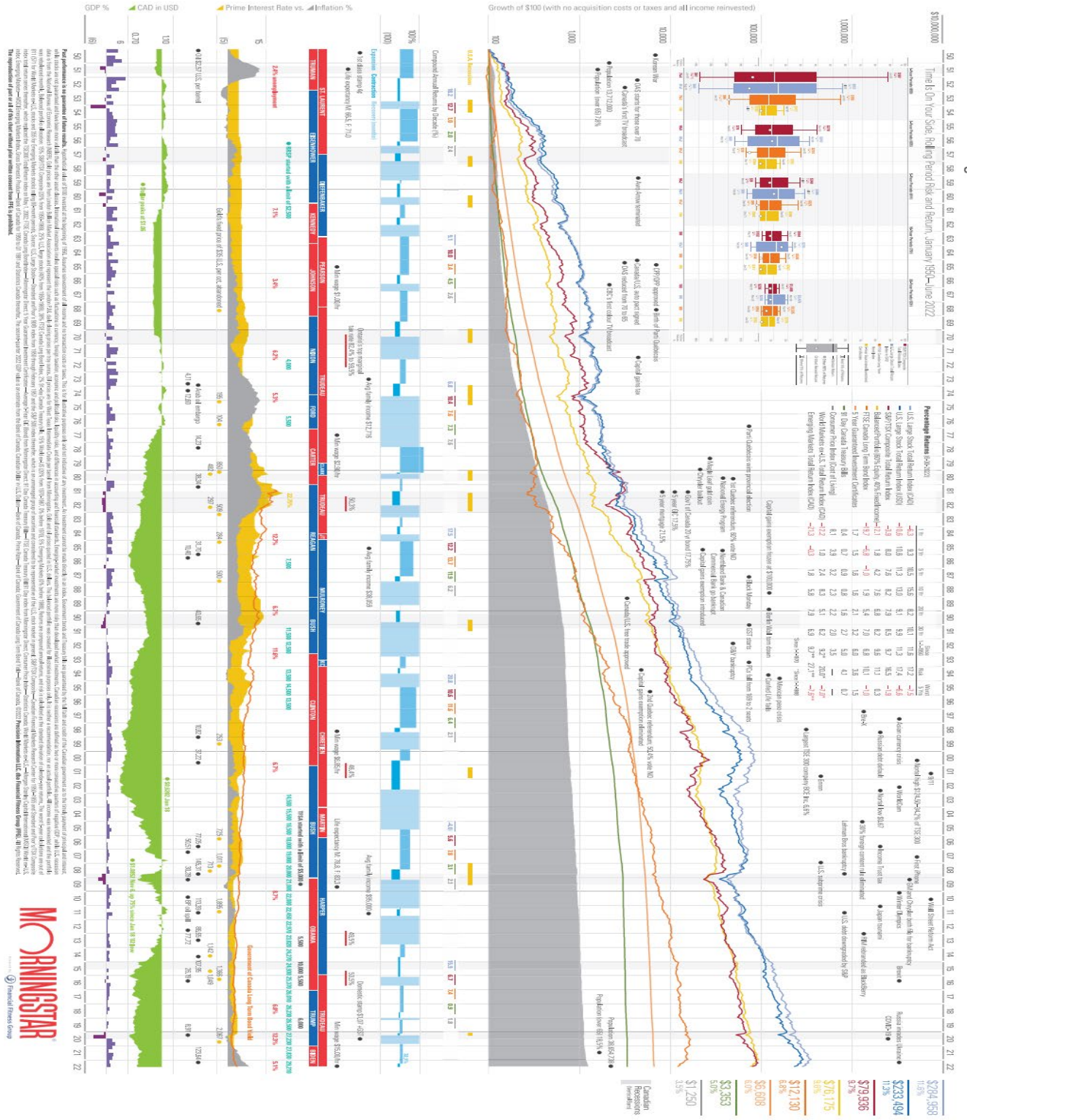
## DOW JONES INDUSTRIAL AVERAGE: 1950 - 2022



Source: Bloomberg Finance L.P.

# Andex Chart

The Andex Chart tracks the performance of \$100 invested over a 72-year period in different types of investments amid the context of significant historical, political, economic and social developments. It helps you consider current events through a long-term lens and, as a result, make informed investment decisions. Each coloured line in the Andex Chart represents the performance of a different investment type or asset class. While each type of investment has charted an upward course over time, their movements differed under the same economic circumstances, underscoring the importance of diversification.



## 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. 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. Private Investment Management - PIM** our premium level of discretionary wealth 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.** 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, & Franklin Templeton.

**3. Professional Non-Discretionary Management - Advisor** our premium level of non-discretionary investment wealth management. Highlights include: Discussion on each investments, 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**

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**

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**

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**

A number of 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**

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**

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.



## 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.*

### 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.*

### Administration

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

##### *Senior 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?*

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

##### *Portfolio Administration*

*Have you topped up your TFSA? RSP? RESP? I will work with you to make sure you maximize your portfolio.*

## Business Development and 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 you 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.*

#### **Jacqueline Calleja, Premier Banking**

*Provide banking and credit solutions for our clients.*

### Learn more about - RBC WM Canada Charitable

#### Gift program

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

**Charities we support in 2023 -** Trillium Health Partners, Canadian Wildlife Federation, Toronto Public Library, JNF, ABC Life Literacy, Canadian Canoe Museum, Merry-Go-Round Children's Foundation, Ontario Track III, Camp Winston, Royal Ontario Museum, Reena, Erin Oaks Kids, 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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