

We have seen the typical summer slowdown in the markets with volume very low and volatility muted. The TSX was relatively flat and has been muted for the last few months, largely due to the decline in oil prices and limited returns from financials. The Canadian economy continues to perform, however, Canada's trade deficit widened this month which caused our dollar to pull back after a strong summer period that saw it break the 80 cent range. We will likely continue to grow, but it is imperative that the Bank of Canada raises rates gradually now that they have made their initial increase in order to keep the pump primed and keep our dollar from strengthening too much in relation to the US. We are also beginning to get a sense that NAFTA re-negotiations will likely not be as acrimonious as initially predicted.

We are beginning to see a tightening of monetary policy around the globe as it appears that the extremely low levels of monetary accommodation are not essential as the global economy recovers. This is evident in the United States and now Canada. The jobs numbers remain solid, however we are still seeing no real signs of inflation yet on either side of the border so we will likely remain in a very gradual cycle of raising rates. Productivity is also a concern and we are not seeing much wage growth. If these indicators begin to strengthen and unemployment continues to decline we should see rates move up at a more moderate pace. In the meantime the declining US dollar fueled by uncertainty has helped the markets and commodities.

In the United States, the failure to replace and repeal Obamacare has left the Republicans, under Trump, unable to move forward on tax cuts and the rest of their agenda. It is believed that the longer this is delayed the more pressure we could see on the markets. This hasn't been the case thus far and the likely reason is that the global economy is strengthening, earnings have been solid and there is a thought that Republicans will be desperate for a win and fast track tax reform.

We remain cautiously optimistic for the remainder of 2017, however we will likely see some volatility return as we approach the fall. In this climate industrials, commodities and technology related equities should perform well.

With tax reform on the Agenda south of the border this month's quote seems particularly relevant.

"Why does a slight tax increase cost you \$200 and a substantial tax cut save you 30 cents." -Peg Bracken

Have a great month!

The Andras Group.

*The Andras Group, Mackie Research Capital
199 Bay Street, Suite 4500*

Commerce Court West
Toronto, ON M5L 1G2
T: 416 860-7765 F: 416 860-8677

The information in this letter is derived from various sources, including CI Investments, Signature Global Asset Management, Cambridge Global Asset Management, Globe and Mail, National Post, Bloomberg, and Trading Economics. Index information was provided by Bloomberg, TD Newcrest and PC Bond, and all quoted equity index returns are on a total return basis (including dividends). This material is provided for general information, should not be considered an offer or solicitation to buy or sell securities, and is subject to change without notice. Every effort has been made to compile this material from reliable sources; however, no warranty can be made as to its accuracy or completeness. Before acting on any of the above, please contact me for individual financial advice based on your personal circumstances.

To contact @@ChannelMemberDisplayName@@ email @@ChannelMemberEmail@@.

To unsubscribe visit the [unsubscribe center](#) or to change your account preferences please use the [profile center](#).

When you access a non-MRCC website please understand that it is independent from MRCC and that MRCC has no control over the content on that website. The content, accuracy, opinions expressed, and other links provided by these resources are not investigated, verified, monitored, or endorsed by MRCC.

This email was sent by: @@ChannelMemberDisplayName@@ of %%Member_Busname%% head quartered in %%Member_Adr%% %%Member_City%%, %%Member_State%%, %%Member_PostalCode%%, %%Member_Country%%

Mackie Research Capital is a national investment firm with offices in Vancouver, Calgary, Regina, Toronto and Montreal.

The opinions, estimates and projections contained herein are those of the author as of the date hereof and are subject to change without notice and may not reflect those of Mackie Research Capital Corporation ("MRCC"). The information and opinions contained herein have been compiled and derived from sources believed to be reliable, but no representation or warranty, expressed or implied, is made as to their accuracy or completeness. Neither the author nor MRCC accepts liability whatsoever for any loss arising from any use of this report or its contents. Information may be available to MRCC which is not reflected herein. This report is not to be construed as an offer to sell or a solicitation for an offer to buy any securities. This newsletter is intended for distribution only in those jurisdictions where both the author and MRCC are registered to do business in securities. The comments included in the publication are not intended to be a definitive analysis of tax law. The comments contained herein are general in nature and professional advice regarding an individual's particular tax position should be obtained in respect of any person's specific circumstances. Any distribution or dissemination of this newsletter in any other jurisdiction is strictly prohibited. MRCC and its officers, directors, employees and their families may from time to time invest in the securities discussed in this newsletter. ©2017 Mackie Research Capital. Member-Canadian Investor Protection Fund / member-fonds canadien de protection des épargnants.

The comments included in the publication are not intended to be a definitive analysis of tax law. The comments contained herein are general in nature and professional advice regarding an individual's particular tax position should be obtained in respect of any person's specific circumstances.