

Markets trended sideways for the month of May as investors began to take a "show me" attitude towards the U.S. administration. The luster of the business friendly Trump agenda was tarnished with links to Russia, talk of impeachment, the pull-out of the Paris accord and more confusing late night tweets. At this point, the President needs a win before mid-term elections. This makes the tax reform agenda a priority which should help to stabilize volatility despite all of the uncertainty. The U.S. economy continues to improve at a moderate pace and corporate profits have been strong.

The Global equity markets continue to strengthen as economies improve and corporate profits remain robust. Europe continues to recover and we are seeing signs of resurgence as the EU strengthens post Brexit. The results in the French election illustrate this.

Commodities have faced pressure recently with Chinese growth appearing to slow, however, we are beginning to see authorities easing policy which should stabilize growth and provide support to base commodities including oil. Oil remains volatile, but in a range between \$45-\$55.

The Canadian economy is performing well and we are seeing improving exports and our labour productivity is at a three year high. Canada is beginning to separate itself from the image of being an oil-based nation and developing sustainable economic growth outside of the oil patch.

The strength in corporate earnings make stocks a better place to invest in than bonds, especially with the bias towards rising interest rates. We remain focused on sustainable and growing dividend paying companies and although a correction of some sort remains overdue we still see a productive remainder of the year ahead.

"History teaches us that men and nations behave wisely once they have exhausted all other alternatives." --Abba Eban

Have a great month!

*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*

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