

## January in Review

**Trump shakes things up soon after inauguration.** Donald Trump was inaugurated as the 45th President of the United States on January 20. In his first few weeks of office he signed a number of executive orders, including some that could impact Canada-U.S. relations, Canadian business interests and environmental and Aboriginal issues. These include renegotiating the North American Free Trade Agreement, exiting the Trans-Pacific Partnership trade deal and approving the controversial Keystone XL Pipeline project to transport oil from Alberta to Nebraska.

**UK Parliament to debate Article 50.** UK Prime Minister Theresa May laid out plans on triggering Article 50, the formal mechanism for UK to exit the European Union. The bill will be debated in Parliament in early February and is on track to be triggered by the end of March. At this time the UK will take on the task of negotiating exit terms with the European Union over a two-year period. The Prime Minister is looking for a “hard Brexit,” where the UK regains full control of its borders. She stressed that the UK would look for new international trade opportunities and hinted that if the EU seeks to punish Britain, she would consider lowering corporate taxes to attract businesses to move.

**Loonie enters 2017 on a tear.** The Canadian dollar surged significantly in the first few weeks of the year, as analysts reassessed their outlook on the U.S. economy, which sent the U.S. dollar lower. However, Bank of Canada (BoC) Governor Stephen Poloz then commented that another interest rate cut for Canada “remains on the table,” which subsequently caused the Loonie to dip more than a cent. The BoC also warned of “material consequences,” if President Donald Trump were to engage in international trade wars. The Loonie surged again following U.S. President Trump’s announcement that he would sign an executive order to move forward with the Keystone XL pipeline project. The Canadian dollar ended the month up 3% against the U.S. dollar.

**China hits 2016 growth target.** The Chinese economy grew 6.7% in 2016, according to the most recent data, meeting the government’s growth target. This marks the weakest growth level since 1990 and falls somewhat short of the 6.9% growth in 2015. On a more positive note, some market watchers have pointed out that China’s growth in the last quarter appeared to have ticked up to 6.8%, increasing optimism about the health of one of the world’s largest economies and a major global trading partner.

### Did you know?

RRSPs turn 60 this year! While they offer significant tax advantages for Canadians saving for retirement, only one-quarter of tax filers contribute to RRSPs and there’s approximately \$951 billion in unused contribution room.\*

Celebrate this significant anniversary – and give your retirement savings a boost – by contributing to your RRSP before the **March 1 deadline**.

\*Source: Statistics Canada, 2014 data.

INDEX <sup>†</sup>	1 Mth	Change (%) YTD	1 Yr	Index Level
Treasury Bill (FTSE TMX Canada 60 Day T-Bill)	0.04	0.04	0.53	159
Bonds (FTSE TMX Canada Universe Bond)	-0.12	-0.12	1.14	1010
Canadian Equities (S&P/TSX Composite)	0.85	0.85	23.55	15,386
U.S. Equities (S&P 500, US\$)	1.90	1.90	20.03	2,279
Global Equities (MSCI World, US\$)	2.44	2.44	17.84	1,792
Emerging Markets (MSCI Emerging Markets, US\$)	5.47	5.47	25.72	909

  

CURRENCIES <sup>†</sup>	1 Mth	YTD	1 Yr	Exchange Rate
C\$/US\$	3.13	3.13	7.21	0.77
C\$/Euro	0.51	0.51	7.52	0.71
C\$/Pound	1.21	1.21	21.39	0.61
C\$/Yen	-0.51	-0.51	-0.13	86.57

  

COMMODITIES (US\$) <sup>†</sup>	1 Mth	Change (%) YTD	1 Yr	Price
Gold Spot (\$/oz)	4.95	4.95	8.13	1,211.40
Oil WTI (\$/barrel)	-3.38	-3.38	23.19	52.81
Natural Gas (\$/MMBtu)	-15.39	-15.39	11.08	3.12

<sup>†</sup>Total Return, as at January 31, 2017. Indices are quoted in their local currency. Source: Bloomberg

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