

March in Review

The Liberal government's second federal budget favours a "wait and see" approach. The federal budget, titled *Building a Strong Middle Class*, was released on March 22. Key details of the budget proposal include projections of an increase in the deficit from \$23 billion this year to \$28.5 billion next year as well as expansion of EI benefits and simplification of some personal tax credits. Rumored changes to an increase in capital gains inclusion rate proved to be false; no significant tax changes were made, but there may be additional proposals throughout the year.

Britain triggers Article 50. After almost a year since Britain voted to exit the European Union (EU), the formal process has now begun with British Prime Minister Theresa May's triggering of Article 50. The EU Council President has begun work on drafting the negotiation guidelines for the other 27 members. Negotiations on specific terms between Britain and the EU are expected to start in May and are expected to take two years to complete.

Another step forward for Keystone. U.S. President Donald Trump approved the permit for the controversial Keystone XL Pipeline, which is expected to create thousands of jobs but presents significant concerns for environmentalists and Aboriginal groups. Approvals are still needed from state regulators and the pipeline could face other legal challenges. The pipeline is expected to transport more than 800,000 barrels per day of crude from Alberta oil sands to the U.S.

Canadian household debt ends 2016 at new high. Canadians owe an average of \$1.67 for every dollar of disposable income, according to 2016 data from Statistics Canada, pushing the nation's total household debt to approximately \$2.029 trillion. A continuing low interest rate environment and rising home prices were cited as contributors to the increase.

Did you know?

Money is ranked as the greatest stress by 42% of Canadians, according to a 2014 study by the **Financial Planning Standards Council (FPSC)**. The same study showed that 87% of Canadians wish they had made better financial decisions. An annual "financial spring cleaning" can help you feel more confident about your finances. **For help, speak with a Scotiabank advisor.**

| INDEX [†] | 1 Mth | Change (%) YTD | 1 Yr | Index Level |
|---|-------|-------------------|-------|----------------|
| Treasury Bill (FTSE TMX Canada 60 Day T-Bill) | 0.03 | 0.10 | 0.51 | 159 |
| Bonds (FTSE TMX Canada Universe Bond) | 0.41 | 1.24 | 1.51 | 1024 |
| Canadian Equities (S&P/TSX Composite) | 1.34 | 2.41 | 18.62 | 15,548 |
| U.S. Equities (S&P 500, US\$) | 0.31 | 4.91 | 20.12 | 3,143 |
| Global Equities (MSCI World, US\$) | 1.32 | 5.36 | 18.36 | 2,466 |
| Emerging Markets (MSCI Emerging Markets, US\$) | 2.73 | 10.23 | 20.60 | 1,275 |

| CURRENCIES [†] | 1 Mth | Change (%) YTD | 1 Yr | Exchange Rate |
|-------------------------|-------|-------------------|-------|------------------|
| C\$/US\$ | -0.12 | 0.91 | -2.35 | 0.75 |
| C\$/Euro | -0.84 | -0.31 | 4.32 | 0.70 |
| C\$/Pound | -1.48 | -0.75 | 11.73 | 0.60 |
| C\$/Yen | -1.35 | -3.88 | -3.38 | 83.64 |

| COMMODITIES (US\$) [†] | 1 Mth | Change (%) YTD | 1 Yr | Price |
|---------------------------------|-------|-------------------|-------|----------|
| Gold Spot (\$/oz) | -0.48 | 8.13 | 0.61 | 1,251.20 |
| Oil WTI (\$/barrel) | -7.04 | -9.72 | 14.12 | 50.60 |
| Natural Gas (\$/MMBtu) | 11.15 | -9.96 | 20.74 | 3.19 |

[†]Total Return, as at March 31, 2017. Indices are quoted in their local currency.
Source: Bloomberg

® Registered trademark of The Bank of Nova Scotia, used under licence. © Copyright 2017 1832 Asset Management L.P. All rights reserved.

This document has been prepared by 1832 Asset Management L.P. and is provided for information purposes only. Views expressed regarding a particular investment, economy, industry or market sector should not be considered an indication of trading intent of any of the mutual funds managed by 1832 Asset Management L.P. These views are not to be relied upon as investment advice nor should they be considered a recommendation to buy or sell. These views are subject to change at any time based upon markets and other conditions, and we disclaim any responsibility to update such views.

Information contained in this document, including information relating to interest rates, market conditions, tax rules, and other investment factors are subject to change without notice and 1832 Asset Management L.P. is not responsible to update this information. To the extent this document contains information or data obtained from third party sources, it is believed to be accurate and reliable as of the date of publication, but 1832 Asset Management L.P. does not guarantee its accuracy or reliability. Nothing in this document is or should be relied upon as a promise or representation as to the future. Investors should consult their own professional advisor for specific investment and/or tax advice tailored to their needs when planning to implement an investment strategy to ensure that individual circumstances are considered properly and action is taken based on the latest available information.