

## October in Review

**Canada Child Benefit gets a boost.** Due to stronger-than-expected economic growth over the past year, Finance Minister Bill Morneau announced in its fall economic update an additional \$14.9 billion in spending and tax relief over the next five years. Referring to the Canada Child Benefit program as a key contributor to the economy, enhancements to the program included providing families with two children approximately \$200 more next year and approximately \$500 more in 2019.

**ECB stimulus to be reduced, but timeline extended.** The European Central Bank (ECB) announced its decision to cut its bond-buying program (as part of its quantitative easing measures) by half to €30 billion beginning in January. Originally scheduled to end December 2017, the program will be extended to at least September 2018. The ECB left interest rates unchanged. As a result, the euro and global bond markets fell slightly following the news before recovering the next morning.

**Foreign firms to get more access to China.** China's government, at its twice-a-decade Communist Party Congress, vowed to further open its economy to foreign companies and competition, as well as deepen financial reforms. The market-oriented reforms include tweaking its financial system and foreign exchange, as well as adopting a more market-oriented way of allocating resources. President Xi Jinping said "China's open door will not be closed, it will only be opened wider." Foreign firms have voiced support for the increased access to one of the world's most promising consumer market.

**Brexit talks make very little progress.** The European Union's top negotiator said that the most recent discussion over Britain exiting the trading bloc (i.e. Brexit) has shown a "constructive spirit" but hasn't "made any great steps forward." The two sides are currently deadlocked over Britain paying what's been referred to as its "divorce bill," before talks can proceed to other issues, including trade. Britain is expected to leave the EU on or before March 29, 2019, but is aiming to have an agreement in place months before, so that member parliaments have an opportunity to vote on the deal.

**NAFTA discussions continue to heat up.** U.S. President Donald Trump is not backing down on his "America First" trade negotiation strategy. "If we can't make a deal, it'll be terminated, and that'll be fine," said President Trump mid-month, and a bilateral agreement between the U.S. and Canada was raised. Prime Minister Justin Trudeau said while he "remain[s] focused in a serious way on the [North American Free Trade Agreement] NAFTA negotiations, Canada has "to be ready for anything – and we are". Trudeau then pivoted somewhat days later when visiting Mexican President Enrique Peña Nieto, saying they are "confident" that the three countries can find a NAFTA "framework" to drive economic growth.

### Did you know?

The largest "financial guilty pleasure" for Canadians is eating out, according to a recent survey from Capital One Canada and Credit Canada. Over 70% of survey respondents said they dine out and order take-out meals more than a few times a month. The average monthly amount of spending was \$200 and most Canadians describe it as an "entertainment expense." While spending money on eating out is an enjoyable indulgence, it can 'eat' into your savings if you're not careful. As part of a full financial plan, consider setting a weekly or monthly budget for discretionary expenses while focusing on saving for long-term financial goals.

INDEX <sup>†</sup>	1 Mth	Change (%) YTD	1 Yr	Index Level
Treasury Bill (FTSE TMX Canada 60 Day T-Bill)	0.09	0.50	0.59	160
Bonds (FTSE TMX Canada Universe Bond)	1.64	2.13	-0.47	1033
Canadian Equities (S&P/TSX Composite)	2.73	7.30	11.47	16,026
U.S. Equities (S&P 500, US\$)	2.33	16.91	23.62	2,575
Global Equities (MSCI World, US\$)	1.92	18.77	23.49	2,037
Emerging Markets (MSCI Emerging Markets, US\$)	3.51	32.60	26.89	1119

  

CURRENCIES <sup>†</sup>	1 Mth	Change (%) YTD	1 Yr	Exchange Rate
C\$/US\$	-3.25	4.26	4.02	0.78
C\$/Euro	-1.86	-5.78	-1.90	0.67
C\$/Pound	-2.42	-3.10	-4.12	0.58
C\$/Yen	-2.27	1.33	12.79	88.17

  

COMMODITIES (US\$) <sup>†</sup>	1 Mth	Change (%) YTD	1 Yr	Price
Gold Spot (\$/oz)	-1.11	8.99	-1.66	1,270.50
Oil WTI (\$/barrel)	4.68	-4.70	6.29	54.38
Natural Gas (\$/MMBtu)	-8.96	-21.79	-12.74	2.90

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

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