
A Hot, Hot July

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Not only have we had some very hot weather this summer, but we also had a hot Stock Market in the month of July. This was a welcome rally as 2022 has been a very challenging year. July wasn't just a good month either, it was the one of best months we've had in a couple of years. In fact, the US market had the best month since November of 2020¹. Earnings reports were generally good and while inflation continues to be a serious challenge, unemployment in Canada and the United States continued to stay at or around historic lows². This low unemployment is one of the things that seems to be keeping Canada out of recession. People are still working and spending money. Growth in the USA has slowed for two quarters in a row now though, and that could mean that at least technically, they are in recession³. We'll need to wait to hear what the National Bureau of Economic Research in the US has to say about the data before declaring anything official but there is no doubt that the economies of Canada and the United States have slowed down. If there is any good news in this, it's that we may finally start to see the Cost of Living come down. Inflation has continued to rise and the only thing that may contain it, is slower growth. Remember though, the Stock Market can start rising well before a recession is over. Sitting on Dividend Paying Companies in your Equity Funds can help you collect some Income, keep up with Inflation and compound units in your Investments. If the Cost of Living does start to go down, we may actually see some returns from Bond Funds again too. They have really struggled throughout most of 2022 but could do quite well if Interest Rates flatten.

It's been a very hot summer here in Calgary and was also hot in Edmonton and Saskatoon when we visited friends, family and clients in those cities. While there may not have been a lot of relief from the heat, Canadians have at

least got some relief at the gas pumps. Prices seem to have peaked in mid-June at around \$2.10/litre. By the end of July, the national average was more like \$1.80⁴. Here in Alberta, we've been fortunate to fill up at prices even less than that. I was able to get gas at \$1.53/litre in Medicine Hat the third week of July. With gas prices about 15% cheaper than the month before, we may actually see our Canadian Inflation Rate a little lower than the month before. That would be welcome news and hopefully, a sign that costs will finally start to stabilize.

We are very much hoping that gas prices do continue to decrease as we will be hitting the highway this August. For the first time in over three years, we are going to travel outside a province that I am licenced in! We'll be heading East and seeing some friends and family in Manitoba and Ontario. I have never driven further East than Winnipeg so I'm really looking forward to this!! We will be out of the office from August 10th to August 25th and will be on the road for much of this. In our absence, we'll have our colleague, Patrycja Zborowska-MacLean, handling things. She'll be able to take care of anything urgent that comes up during our time away. Rest assured that Patrycja will be in the office while we are out of it! We'll have access to phone and email during our travels and if you reach out to us with something that can't wait until the end of August, we'll have Patrycja get involved.

I will leave her contact information below so that you have it while we are away:

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Have a wonderful finish to the Summer everyone!!

Bryce A. Borden

¹BNN Bloomberg: - <https://www.bnnbloomberg.ca/u-s-stocks-storm-back-with-best-month-since-2020-1.1798598> [3]

²Trading Economics: - <https://tradingeconomics.com/canada/unemployment-rate> [4]

³CNBC: - <https://www.cnbc.com/2022/07/28/gdp-q2-.html> [5]

⁴The Globe and Mail: - <https://www.theglobeandmail.com/investing/personal-finance/household-finances/article-take-a-breath-gasoline-prices-may-have-peaked/> [6]

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[1] <mailto:patrycja@streamlinefin.ca> [2] <http://www.streamlinefin.ca> [3] <https://www.bnnbloomberg.ca/u-s-stocks-storm-back-with-best-month-since-2020-1.1798598> [4] <https://tradingeconomics.com/canada/unemployment-rate> [5] <https://www.cnbc.com/2022/07/28/gdp-q2-.html> [6] <https://www.theglobeandmail.com/investing/personal-finance/household-finances/article-take-a-breath-gasoline-prices-may-have-peaked/>