
Some Q3 Results and Some Higher Interest Rates

Posted on: November 7, 2022

2022 has been a struggle in a number of ways with a much higher Cost of Living than we've been used to for the last three decades. This higher Inflation has led to Central Banks around the world raising Interest Rates and we've certainly felt that here in Canada. Our Inflation Rate seems to have peaked in this country but let's not hold our breath. There is still a war going on in Ukraine and supply chain shortages that are very slowly getting worked out. Other developed countries are hitting Inflation Rates of over 10% so while we are sitting in a better position at 6.9%¹, that's still a far cry from the 2 to 3% that we've been accustomed to. The Canadian Gross Domestic Product has held up better than other countries this year with positive GDP Growth in the first two quarters². That being said, growth slowed to a measly 0.1% in August this year³. In the United States, we got some better news in Q3. After two negative quarters of growth, their GDP grew at a modest 2.6%⁴ in the third quarter of this year. Obviously, that's a number we would rather see. Unfortunately, this could be some good growth before a significant slow-down. There are some indicators that productivity South of the border is declining. Like July though, October was a very good month on the market. In the United States, the Dow Jones Industrial Average had one of its best months ever⁵. This is why we always bug you to stay invested!!

Anyone who has met with me and/or Patrycja over the last couple of months has heard us talk about the few things that have actually worked in 2022. It's a very rare year when the Stock and Bond Markets are so closely correlated so investors haven't got ahead in their Equity Funds or their Bond Funds this year. These higher Interest Rates have caused all kinds of headaches but they are good for savers. We are showing clients how they can get over 3.5% on High Interest Savings Accounts and over 4.5% on 1 Year GICs. These are rates that we haven't seen in

many years. If you are sitting on some Cash, allocating it to a High Interest Savings Account or a GIC may be a good fit for short term needs. Just let us know if that's something that you'd like to look at.

As we go into the end of the year, we'll continue to ask you to be patient with us as we get more and more used to our new Portfolio Strategies Software. We've had very good feedback from clients who are logging in and we are enjoying the platform ourselves. Things are just taking us a little longer as we are trying to get familiar with where we find everything! We'll be in the office until later in December so please, let us know if you'd like to get a visit in before Christmas.

Have a great November and an excellent 4th Quarter!!

Bryce A. Borden

¹Trading Economics: - <https://tradingeconomics.com/country-list/inflation-rate?continent=world> [1]

²Trading Economics: - <https://tradingeconomics.com/canada/gdp-growth-annual> [2]

³BNN Bloomberg: - <https://www.bnnbloomberg.ca/canada-s-gdp-grows-modestly-in-august-statistics-canada-1.1838721> [3]

⁴BNN Bloomberg: - <https://www.bnnbloomberg.ca/us-economy-shows-worst-is-yet-to-come-with-cooling-just-starting-1.1838258> [4]

⁵Market Watch: - <https://www.marketwatch.com/story/why-the-dow-is-having-a-killer-month-as-it-heads-for-best-october-ever-11666976353> [5]

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Links

[1] <https://tradingeconomics.com/country-list/inflation-rate?continent=world> [2] <https://tradingeconomics.com/canada/gdp-growth-annual> [3] <https://www.bnnbloomberg.ca/canada-s-gdp-grows-modestly-in-august-statistics-canada-1.1838721> [4] <https://www.bnnbloomberg.ca/us-economy-shows-worst-is-yet-to-come-with-cooling-just-starting-1.1838258> [5] <https://www.marketwatch.com/story/why-the-dow-is-having-a-killer-month-as-it-heads-for-best-october-ever-11666976353>