
New Back Office System and a Good Finish to a Tough Year

Posted on: December 12, 2022

Anyone reading my newsletters throughout 2022 is well aware that this has been a tough year. We've dealt with significant Inflation, higher Interest Rates and a weak Stock Market. In past years, when the Stock Market struggles, you might get some help from your Bond Funds. Not in a year like this. In 2022, with Interest Rates quickly rising, it has put some serious downward pressure on the Bond Market. Very few things have worked well this year and this rare phenomenon of Stocks and Bonds being so heavily correlated is very rare. In fact, you would have to go all the way back to 1969 to find another year like this¹. Normally, Diversification helps. This year? Not so much. If we could rewind to the beginning of the year, we'd just hold High Interest Savings Accounts (which are now paying over 3.5%) and Canadian Energy Companies.

There is some good news though. Like I mentioned, you can get good rates on High Interest Savings Accounts and GICs these days. That's something I haven't been able to say since before 2008. We've also seen a real rally on the Stock Market since the beginning of October. Both October and November turned out to be very positive months which was nice to see after a tough August and September². There is some evidence that Inflation is continuing to come down and some hope that will mean a softening with Interest Rates. This might not mean a plateau for rate hikes yet, but it could mean smaller increases. That optimism has been very good for the Equity Markets. It is also welcome news for the Bond Market which could start performing well again once these rate hikes cool off. It's likely that we will still be looking at a negative year in 2022; We just might not see it as negative as we thought it could be. Historically, December is a good month for the market so let's keep our fingers crossed that it turns out to be another good one³!

We have had really good feedback about our new back office system. This new software is much more user-friendly and is easier to use for us advisors too. I have been using the new software to send out forms to a lot of you and this new DocuSign process has been pretty slick. I can populate things based on your instructions and quickly send them over to you for some electronic signatures. These DocuSign Forms are emailed to you and after you have signed off on them, they come right back to me for processing. You are left with a copy of the completed paperwork immediately afterwards. This means that the process is quickly completed and you have copies of what we accomplished. There are still some bugs to work out with the new system but it seems to be getting better all the time. Please let me know if you have any questions about this at all.

As we do every December, we try to match up our Christmas Holidays with the girls' winter break. This year, I will be out of the office starting on December 19th and returning on January 9th. Over the years, we have found that people really don't want to get together anywhere near Christmas so this is a nice chance for us to spend some quality time with our daughters. Please get in touch with us before this period if you need anything at all. We plan to hit the ground running that second week of 2023 as that January to March period is our busiest time of year!

On behalf of our family and Patrycja's family, have a Very Merry Christmas and all the best going into the New Year!!

Bryce A. Borden

¹CNBC: - <https://www.cnbc.com/2022/10/18/stocks-and-bonds-both-down-what-to-do-with-your-money.html#:~:text=So%20far%20in%202022%2C%20both.Index%20has%20surrendered%20about%2016%25> [1]

²Forbes: - <https://www.forbes.com/advisor/investing/stock-market-outlook-and-forecast/> [2]

³Market Watch: - <https://www.marketwatch.com/story/heres-what-history-says-about-stock-market-performance-in-december-11669841079> [3]

Tags: [investment planning](#) [4]

Source URL: <https://bordenfinancial.ca/good-finish-tough-year>

Links

[1] <https://www.cnbc.com/2022/10/18/stocks-and-bonds-both-down-what-to-do-with-your-money.html#:~:text=So%20far%20in%202022%2C%20both.Index%20has%20surrendered%20about%2016%25>
[2] <https://www.forbes.com/advisor/investing/stock-market-outlook-and-forecast/> [3] <https://www.marketwatch.com/story/heres-what-history-says-about-stock-market-performance-in-december-11669841079> [4] <https://bordenfinancial.ca/taxonomy/term/19>