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DEKKER HEWETT GROUP

Market Watch Weekly

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We have reached the mid-point of the summer when vacation plans and family holidays are supposed to take center stage and allow capital markets to take a breather. Or if your preference is simply to relax in the backyard with a cool beverage or enjoy the wonderful Canadian outdoors in our parks...somehow market activity keeps demanding some part of our attention. Will the fireworks ever stop?

Again this week we experienced record highs in the three major US equity indices. To date, as many as 180 of the 500 corporations that make up the S&P500 reported their latest quarterly earnings. We touched upon earnings consensus and revenue expectations in last week's MWW, so no need to go over those numbers again. Two companies that had exceptional releases mid-week were Boeing and Facebook with their shares jumping to new highs. For the most part, the majority of companies have exceeded expectations and upward revisions are ongoing.

We were particularly focused on Amazon's release after the market close on Thursday. Through the day, Amazon's stock had traded to an all-time high of US\$1,083.31, a full 44% percent higher than its close of 2016. At one point in the day, Amazon founder Jeff Bezos briefly overtook Bill Gates as the world's richest man. Mr. Bezos owns a 17% stake in Amazon and has become a household name across North America. He did fall back to number two as Amazon's share price dipped after disappointing second-quarter results, but it is our view that it is only a matter of time before he regains the top spot.

The Federal Reserve was also grabbing headlines in what was supposed to be a "steady-as-you-go" two-day FOMC meeting. Although they kept their benchmark interest rate in the same 1% to 1.25% target range, they did signal that they would start shrinking their balance sheet holding of bonds (US Treasuries and Mortgage Backed Securities) "relatively soon." Market participants took that as a sign that an announcement of that program could dominate the upcoming September meeting and push back any further interest rate increases out to year end. The FOMC release also highlighted a more concerned, dovish view on inflation that at 1.4% remains stubbornly below their 2% target.

The week also saw the US Dollar lose ground to the Euro and Canadian Dollar with our currency trading above 80 cents for the first time in over two years. At the time of writing the US Dollar/Canadian Dollar exchange rate stood at 1.2442/80.37. The spike back above the

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80 cent level was a direct result of an accelerating Canadian economy when our GDP statistics were released this morning. Strength in the energy, manufacturing and retail trade sectors had the Canadian economy blow past estimates. The May number tripled estimates coming in at 0.6%. Fireworks indeed.

Speaking of fireworks, this Saturday marks the beginning of the 27th annual Honda Celebration of Lights being held at English Bay in Vancouver. Kicking things off this Saturday will be Japan, followed by the United Kingdom on Wednesday, August 2nd, and wrapping things up with Canada on Saturday, August 5th. [Click here](#) for the 8 best places to watch the Honda Celebration of Light fireworks.

From all of us at Dekker Hewett Group, we wish you a wonderful weekend with family and friends.

Sincerely,
Dekker Hewett Group

TODAY'S STOCK WATCH

S&P/ TSX Composite	15,128
Dow Jones Indus. Avg.	21,830
S&P 500	2,472

Canadian/US Dollar	\$0.8044
US/Canadian Dollar	\$1.2432
Euro / Canadian	\$1.4617

Gold	\$1276.00
Silver	\$16.73
Copper	\$2.87

Brent Crude Oil	\$52.61
WTI Crude Oil	\$49.75
Natural Gas	\$2.93



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