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DEKKER HEWETT GROUP

Market Watch Weekly

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If we expected the last week of August to be any less volatile than the month itself or the summer in general, we would once again be wrong. Over the past five days, the US equity market experienced a few record high closes in both the S&P 500 and Nasdaq. Steamrolling higher, the S&P 500 finished the week hovering either side of the technically important 2,900 level and seems to be willing to “climb the wall of worry” through the upcoming autumn months.

US equity prices did however trade sideways on Friday as President Trump threatened more trade chaos by saying that the US may withdraw from the World Trade organization (WTO) if participating members “don’t shape up”. The warning came just ahead of a decision by the US to impose further tariffs on \$200 billion of Chinese imports as soon as next week once the public-comment period concludes on September 6th. While US equity prices keep setting new records, it should be noted that Chinese markets are down roughly 20% year to date and the Trump administration seems to have grabbed the upper hand in the US-China trade war.

The S&P/TSX and the Canadian dollar did not fare as well this week, with both declining at the margin since last Friday. Investors refused to reward Canadian banks for a relatively strong Q3 earnings season, while our energy stocks could not keep up with a slight improvement in the price of oil. On the trade front, as we closed for the week, it was uncertain whether Canada would be able to join the US and Mexico in salvaging the NAFTA agreement. Are we going to be the odd man out? Internationally, it would place Canada in a poor light, especially coming off this week’s decision by our Federal Court to quash the Trans Mountain expansion project.

At Dekker Hewett Group, we still fall back on the positive market stance from our Macro Strategist, Tony Dwyer. He argues that it is essential to remember that while politics may well cause markets to gyrate from time to time, the future direction of the equity markets is influenced by economic growth, Fed monetary policy and individual company’s earnings per share.

These proven measures continue to be positive for equities. Just this week, the US Commerce Department said that Q2 economic growth in America was stronger than earlier estimated, with GDP rising at an annual rate of 4.2%. Adjusted for inflation and seasonal factors, this was the strongest quarterly performance in almost four years. The upward revision was partly due to higher business spending on software than previously estimated. We saw upward revisions on target prices this week, especially for Amazon, Microsoft, and Salesforce.com, which traded to new highs. Part of Amazon’s continuing success can be seen in their [dominance in eCommerce](#).

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Friday is here and its time relax and put the week behind us. The summer months go by so quickly and we never seem to fully disconnect from work even when we take holidays. The ideal work-life balance can be a challenge for all of us.

The Economist newspaper ran an interesting article a week ago where they noted that more than four in ten Americans check work messages at least once a day while they are “off” on holidays. Moreover, while at work, 70% of emails are viewed within six seconds of arrival. The Dutch seem to have it right as only 0.5% of Dutch employees regularly work very long hours. Employees in Turkey, Mexico and Japan work the longest hours. The most shocking find from their research is that almost a quarter of American workers haven’t taken any vacation time in over a year. That just doesn’t seem healthy and appropriate.

So as another wonderful summer comes to an end, let’s all take the upcoming Labour Day long weekend as the perfect opportunity to relax, take a well-deserved break from our hectic lives and truly enjoy time spent with those closest to us.



Source: [Victordidit](#)

Sincerely,
Dekker Hewett Group

TODAY'S STOCK WATCH

| | |
|-----------------------|--------|
| S&P/ TSX Composite | 16,262 |
| Dow Jones Indus. Avg. | 25,964 |
| S&P 500 | 2,901 |

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|--------------------|----------|
| Canadian/US Dollar | \$0.7670 |
| US/Canadian Dollar | \$1.3034 |
| Euro / Canadian | \$1.5123 |

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|--------|-----------|
| Gold | \$1206.70 |
| Silver | \$14.55 |
| Copper | \$2.67 |

| | |
|-----------------|---------|
| Brent Crude Oil | \$77.45 |
| WTI Crude Oil | \$69.80 |
| Natural Gas | \$2.91 |

[Crypto Quarterly – Q3 2018](#)

[Cannabis Monthly – August 2018](#)

[Tony Dwyer Strategy Picture Book – August 2018](#)



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