MERCATOR Financial *Awaken Your Wealth*

Market Commentary

April 30th, 2016

April was a positive month for the markets in general with some stability evident in most sectors. The Canadian market's performance has been a result of the improved energy sector and not as broad based as one would expect.

Some of the key observations:

- Growth in Western Canada is heavily influenced by the price of oil and the strength of the U.S. economy. The U.S. economy remains on track to grow and this should stave off a recession in Canada. As a result, a positive, albeit modest, GDP growth at a rate of 1 – 2% in Canada for the year ahead is anticipated.

- The price of oil set a low in January and should continue to recover; however, we do not expect that it will reach its previous highs during 2016.

- The Canadian dollar is currently at the high end of its projected trading range, oil prices and economic data will dictate its future direction.

- Expectation is that the U.S. Federal Reserve will be cautious with respect to raising interest rates and that there may be one or two further rate increase this year. In Canada, there isn't a catalyst for an increase in interest rates, but as the economy gradually strengthens, there may be hesitancy from the Bank of Canada to lower rates further.

- Announced infrastructure spending in the recent Federal budget was lower than expected, and as a result, will not provide as much of a stimulus to economic growth as was hoped.

- Expect a tightening of the earnings gap between European and U.S. equities. The key risks to the euro area continue to be a possible deep economic slowdown in China and the political/economic ramifications of the refugee crisis. However, both of these risks are likely already reflected in equity valuations.

- Overall, the outlook for credit markets is likely to be driven by actions of major central banks, commodity prices, and flows – the factors behind the most recent rally and spread tightening.

Predicting the markets is a difficult task at the best of times so to add in currency movement adds to the uncertainty.

Stock Exchange	Year to Date Apr. 30, 2016
TSX (Toronto)	7.24%
DOW (U.S.)	2.00%
S&P (U.S.)	1.05%
NASDAQ (U.S.)	-4.63%
CAC (France)	-4.49%
FTSE 100 (London)	-0.01%
DAX (Germany)	-6.55%
NIKKEI (Japan)	-12.44%
HANG SENG (Hong Kong)	-3.87%

Rates as of April 30th, 2016 *

Term	*GICs*	*RSPs*
1 year	1.87%	1.76%
2 Year	2.02%	2.02%
3 Year	2.06%	2.06%
4 Year	2.12%	2.10%
5 Year	2.31%	2.30%

*** Rates subject to change without notice.**

DAILY INTEREST ACCOUNT
1.00%

TAX FREE ACCOUNT
1.00%

(Information Source: Sentry Investment Q1-2016 | Michael Simpson, CFA, Senior VP & Senior Portfolio Manager; Sandy McIntyre, Vice-Chair & CIO; James Dutkiewicz, CFA, Chief Investment Strategist & Senior Portfolio Manager; Michael Missaghie, MBF, CFA, VP & Senior Portfolio Manager; Gajan Kulasingam, CPA, CA,CFA, VP & Senior Portfolio Manager)

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Stock up on staples like white vinegar, lemons, baking soda, olive oil and salt. These green cleaning superstar are good for you and the planet.

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YOUR LIFE. MAKE THE MOST OF IT.

At Mercator Financial we work with you to help you get the things in life you desire. Every client has different goals and objectives, sometimes even the same households have different wish lists. One spouse may want to take a trip while the other may want a new car or they both want to renovate but it becomes a kitchen versus game room discussion.

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We encourage our client's to realize possibilities in life, but we also make sure any major spending is reviewed so as to not alter their life and retirement objectives. When considering a major expenditure we make sure a debt-elimination plan is consider as well. It doesn't have to be complicated, we work to find one that will allow you to do your renovations, travel or reach your investing goals.

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