

What happened in April?

- The major North American indices ended April ahead of their March closing levels.
 - The TSX significantly underperformed the U.S. equity markets, and its own very strong performance in 2016.
 - The NASDAQ reached an all-time high just prior to month-end, advancing well over 2% for the month.
 - The last week of the month reversed the results of the first few weeks in the United States; otherwise American results would have been similar to the performance of the TSX.
- The Canadian dollar had a difficult April in relation to the U.S. dollar closing the month down nearly 2 cents and 2.45%.
 - It is not a coincidence that the price of oil is also down (and coincidentally almost the same amount at 2.51%), since the demand for Canadian dollars to purchase Canadian oil is inversely linked to the price of oil.
 - As a simplification, as the price of oil drops, the demand and supply switches to lower priced sources, not the Canadian oil sands which produces a lower quality oil at a higher price than other locations.
- April concluded with Donald Trump finishing his first 100 days as the sitting U.S. President, with 1,360 more days left in his mandate. So far:
 - Two attempts at repealing the Affordable Health Care Act (i.e. Obama-care) have failed to gather the necessary support in Congress, with a vote cancelled for the latest attempt to replace it.
 - “The Great, Great Wall” as President Trump called the wall along the U.S.- Mexico border in his address to Congress has been cancelled.
 - A lack of details regarding his personal and corporate tax reform, concerns over his protectionist trade ideals, and lack of legislative achievement and cooperation from the Republican-controlled congress has, amongst other things, taken sum luster off his Presidency over this period.

Stock Exchange	Year to Date April 28, 2017
TSX (Toronto)	1.95%
DOW (U.S.)	5.96%
S&P (U.S.)	6.49%
NASDAQ (U.S.)	12.34%
CAC (France)	8.33%
FTSE 100 (London)	0.86%
DAX (Germany)	8.34%
NIKKEI (Japan)	0.43%
HANG SENG (Hong Kong)	11.88%

Stock exchange source: <http://www.investing.com/indices>

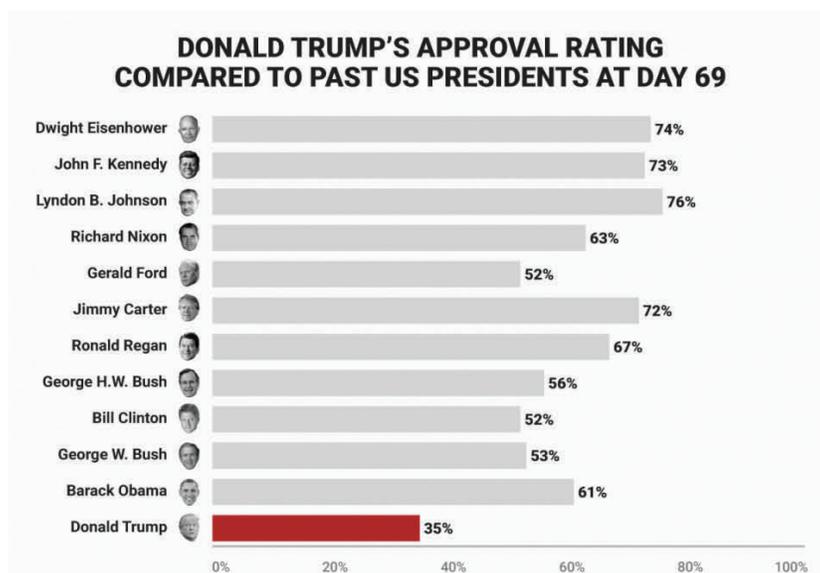
Rates as of May 16, 2017 *		
Term	GICs	RSPs
1 year	2.13%	1.85%
2 Year	2.17%	2.05%
3 Year	2.15%	2.15%
4 Year	2.25%	2.25%
5 Year	2.40%	2.40%

* Rates subject to change without notice.

DAILY INTEREST ACCOUNT
0.90%

TAX FREE ACCOUNT
0.90%

GIC Rates: <http://financialservicesgroup.net/rates.aspx>



(Graph Source: Business Insider and Gallup)

- If President Trump raises his approval ratings by enacting regulatory, legal and legislative changes to make the U.S. a better business environment, the Canadian economy could benefit dramatically.
 - This requires free trade to continue between the two countries so that Canadian firms can supply raw materials and finished goods and services to U.S. firms and to his infrastructure renewal program.
- As a side note, Trump's disapproval rating at his inauguration was 45% according to Gallup, George W. Bush started his Presidency with a now lowly 25%, and the remaining eight Presidents (in the graph on page one) had an average disapproval rating of 9.5% at their Inaugurations.
 - More information and insights regarding Presidents' ratings can be found at http://www.gallup.com/poll/202811/trump-sets-new-low-point-inaugural-approval-rating.aspx?g_source=position1&g_medium=related&g_campaign=tiles

What's ahead for May and beyond?

- Unless the U.S. economy shows more signs of growth, the Federal Reserve's 'promise' of additional interest rate increases in 2017 will likely be broken, since increases won't be necessary.
 - The Bank of Canada wants more definitive indicators of our economy, either healthy or sick, before adjusting Canadian interest rates.

It is clear to see the news for April was dictated by President Trump's first 100 days. One would have to be without any outside world connection to not be aware that the actions around the White House have the world watching. As we move forward emotions continue to run high as hopes and fears will be the news that dominate the headlines. As always, we stress do not let the headlines and emotions change the plan you have established with your **Mercator Financial** wealth advisor. We continue to monitor the business news and urge you to call your wealth advisor if you have any questions or concerns.

(Information source(s): Advisors Research Group - April 2017—Monthly Market Update)

*"When written in Chinese, the word 'crisis' is composed of two characters.
One represents danger and the other represents opportunity."
~John F. Kennedy*

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