



NOVEMBER 2024



Market Watch

US equity markets moved slightly in the past month up around 1-1.5%, with the Canadian index up about 2.5%. Bond markets have been down over the last month, with world bonds down by over 2%. This week we have seen a widespread sell-off begin across major equity indexes, bonds, and commodities. With the US election looming, there is some uncertainty. Some economists feel the US economy is misaligned, with some parts of the economy still running strong. This could put downward pressure on equities, especially if rate cuts are slower than expected.

The headline news as of this morning, October 23rd, is that the Bank of Canada cut the key interest rate by 0.5%, with it now sitting at 3.75%. The Canadian economy has shown signs of weakening with inflation at a 3-year low, at 1.6% for September. Interest rates are likely to keep falling with a high possibility of another cut at the Bank of Canada's next meeting on December 11th - potentially a 0.50% cut.

- Brad Wilson CIM®

Finance 101: Indexes

Indexes are widely discussed in the news and often posted front and center on financial websites. This month we're digging in and examining what they are and how they relate to your portfolio.

What are Indexes and What Do They Do?

An index's sole purpose is to track the movement of a group of investments. While the markets are open, indexes fluctuate based on the changing prices of the investments included in their mix. Experts then analyze these movements - seeking past trends and forecasting potential future trends, similar to how a weather forecaster analyzes weather patterns.

Given that there are countless investments, there are a multitude of indexes, each tracking different areas of the investment world. They track items such as :

- A particular stock exchange
- An industry or sector
- A country or group of countries
- A specific investment theme
- The bond markets
- Private investments
- And so much more...

Honestly, if it can be tracked there is likely an index for it.

There are also a variety of companies that create indexes, including:

- S&P Dow Jones
- MSCI
- NASDAQ
- FTSE Russell
- Morningstar

The Most Popular Indexes

The four indexes Canadian news outlets regularly discuss, and post are:

- S&P/TSX Composite – Tracks approximately 250 of the largest companies on the Toronto Stock Exchange.
- NASDAQ Composite – Tracks more than 2,500 stocks on the New York Stock Exchange.
- S&P 500 – Tracks the top 500 stocks in the New York Stock Exchange based on market cap.
- DOW – Tracks the top 30 publicly owned blue-chip companies on the NASDAQ.

Investors & Indexes

Many investors feel overwhelmed when it comes to understanding investments. But keeping an eye on the movement of the more popular indexes will help an investor wishing to be better informed.

Now, when following indexes, it's important to note no index is a 1:1 match for your portfolio. Indexes also do not take into consideration your goals, time horizon and risk profile like your portfolio – they are simply for tracking. However, tracking the movement of markets can allow for a more in-depth understanding of how your portfolio performs in varied market conditions, allowing you to pose more complex questions about your portfolio. Some good introductory questions you could ask are:

- What is my portfolio's investment strategy?
 - Is it to mimic an index?
 - Is it to outperform in all markets?
 - Is it to protect when the markets drop?
- How has my portfolio performed under certain market conditions?
- How does my portfolio's volatility compare to that of the index?
- How does my risk profile factor into performance?

These questions can provide valuable insights and help give you more confidence in your investment strategy.

If you want to discuss indexes and how they relate to your portfolio, feel free to contact your Q Wealth Associate Portfolio Managers at KLT Wealth Management.

- Courtney Beach QAFP



Remembrance Day

A yearly memorial day that is observed in many Commonwealth countries, including Canada, to remember those who died in military service, and honour those who served in wartime.

Thank you for your service

**Is there a topic or question you want
mentioned in a future newsletter?
send us an email at
team@kltwealth.ca**



JOKE OF THE MONTH

Why did the turkey join the band in November?

Because he had the drumsticks!



Monthly Recipe

Big, Fat, Chewy Chocolate Chip Cookie

Ingredients:

- 2 cups all-purpose flour
- ½ teaspoon baking soda
- ½ teaspoon salt
- 1 cup packed brown sugar
- ¾ cup unsalted butter, melted
- ½ cup white sugar
- 1 egg
- 1 egg yolk
- 1 tablespoon vanilla extract
- 2 cups semisweet chocolate chips



Directions:

1. Preheat the oven to 325 degrees F (165 degrees C). Grease cookie sheets or line with parchment paper.
2. Sift flour, baking soda, and salt together; set aside.
3. Beat brown sugar, melted butter, and white sugar with an electric mixer in a large bowl until smooth. Beat in egg, egg yolk, and vanilla until light and creamy; add flour mixture and stir until dough is just combined. Stir in chocolate chips.
4. Drop spoonfuls of dough 3 inches apart onto the prepared baking sheets.
5. Bake in the preheated oven until edges are golden, about 15 to 17 minutes. Cool on the cookie sheets briefly before transferring them to a wire rack to cool completely.

ENJOY!



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