

RAYMOND JAMES®

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What is going on?

Hello everyone,

Here we are at the beginning of the second half of 2023. Where do we stand? Well, the Toronto stock exchange is progressing by approximately +3% thus far and although it is not great, it is better than last year, which finished -8.66%.

Interest rates have moved substantially upwards to levels that we have not witnessed for about 15 years! Along with the interest rate rise, we have witnessed inflation rise up and become a concern for most all households, currently above 5%, down ever slightly since the beginning of 2023. At this stage interest rates are expected to rise further this year. When businesses and people renew their loans and mortgages, they will all be disappointed to see the difference these new interest rates will have on their payments!

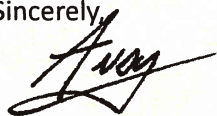
I expect the economy to slow down as we proceed through 2023 and into 2024. The growth in the US Markets has been attributed to primarily just seven companies, all of them technology related. If we look at the balance of the companies within the S&P 500 the picture is not as bright. The enclosed "Market Minute with McGarel" article from First Trust Portfolios Canada better explains this situation.

What to do?

As I have said before and will repeat again, "Blue Chip Dividend Stocks." Hold them tightly and don't let your TV talk you into selling them. Most dividend stocks are yielding 4-6% per year, providing excellent tax-efficient income from non-registered accounts. Review and clean out smaller riskier companies, accept the loss if necessary. Always think long term.

Call me with any questions or concerns, or just call and tell me about your summer, the warm days are here, take care this summer.

Sincerely,



Andrew Ellis, FA

Oshawa Administration & Customer Care Team – Elizabeth and Mark welcome your inquiries!

Phone: 905 723 8000

Email: AdminTeam.OshawaIFS@raymondjames.ca

"Andrew Ellis is a Financial Advisor with Raymond James Ltd. Information provided is not a solicitation and although obtained from sources considered reliable, is not guaranteed. The view and opinions contained in the article are those of Andrew Ellis, not Raymond James Ltd. Raymond James Ltd. member of Canadian Investor Protection Fund."

**Raymond James Ltd.
Independent Financial Services**

Suite 211 - 200 Bond Street West, Oshawa, ON, Canada L1J 2L7 • T: 905.723.8000

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