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“In the long run I certainly hope information is the cure for fanaticism,
but I am afraid information is more the cause than the cure.”

- Daniel Dennett-
American Philosopher



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It is only two months into Donald Trump's second term of office, and the raging crosscurrents unleashed by daily Washington policy announcements continue to confound and challenge market forecasters and political analysts alike. In response, other countries are announcing a raft of countermeasures, and one result we have seen is a shift in investor sentiment. Last fall, many strategists favoured the U.S. equity market as likely to be the strongest growth story in the developed world. However, after factoring in the disruption of potential tariffs and geopolitical toe-stomping, the mood has begun to change.

As Europe and Asia have announced large stimulus measures in reply, international equities have soundly outperformed the broad U.S. market so far this year. Here in Canada, a common reflexive response to the President's aggressive assault on Canada-U.S. trade (and annexation comments) has been to consider

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expunging U.S. holdings for alternatives. Emotionally satisfying, perhaps, but is it a sound investment plan? **Manulife's** viewpoint piece discusses this phenomenon of geographic re-weighting and questions whether this move is sustainable. They point out that while technology is the largest component of the broad U.S. index, financial stocks are the heaviest weighting on the world indices when the U.S. is removed. As Asia and Europe announced interest rate cuts, their bank stocks surged. Despite this recent rise, they suggest that both U.S. and international stocks cannot escape the grasp of the global economic cycle and caution against chasing this trend.

With Canada now in election mode, pollsters have noticed that dealing with President Trump has become the front-of-mind issue for voters, compared to questions of affordability and cost of living, which dominated only a few months back. Recent research has shown how badly our country has lagged the rest of our OECD peers in the last decade in measures like real GDP per capita growth. The leading Liberal and Conservative candidates have both spoken about the essential need to fix Canadian productivity and growth, especially in an environment of dismantled Canadian–U.S. trade. With this in mind, **Visual Capitalist** has an enlightening comparison chart that examines average wages in OECD countries, translated to U.S. dollars and adjusted for cost-of-living differences. Of the larger economies, Switzerland and the U.S. lead, while Canada remains wealthy at 11th at present, although the trendline is going in the wrong direction. Japan is a cautionary note, as it has seen declining real wages over the last 30 years, despite still being a developed nation.

“Signal and noise” is an expression that has been used when trying to decipher the torrent of information we are inundated with, in this digital world. It seems the political and economic news flow has been dialed up to a “10” in the last year. Noise can be ignored, but signals are highly valuable—how does one know the difference? **Big Think** features an interview with the late philosopher Daniel Dennett that offers some practical tools to aid in this data-deciphering exercise. He highlights three cognitive heuristics that help us get a better read on the truth. Occam’s razor is centuries old and essentially suggests that, in competing explanations, the simpler one is often the correct one. It’s not infallible, but by carving off the “excess junk” of an explanatory story, the odds tilt toward uncovering the correct one. Another tool is Occam’s broom—a tendency for people to sweep relevant facts under the rug when trying to support a theory they want to believe. Engaging with others is his third cognitive tool. Utilizing the Socratic method of honest questioning and integrating feedback from

others allows for collaborative learning, rather than striving to be a debate winner or a problem-solving individualist.

Manulife: U.S. stocks falter, overseas stocks rally: start of a tectonic shift?



International stocks have strongly outperformed their U.S. counterparts to start the year. Is this a sustainable market trend or just a blip on the screen?

The week of March 3, 2025, punctuated the trend of international equity outperformance as we saw a sharp shift in investor sentiment from U.S. to international equity markets, with the latter surging on growing hopes of fiscal stimulus measures (particularly coming out of China and Germany) and a 25 basis point interest rate cut by the European Central Bank (ECB).

In a reversal of the prevailing trend observed for much of the past few years, the MSCI EAFE Index and the MSCI All Country World (MSCI ACWI) ex-USA Index both outperformed the S&P 500 Index, which lost ground for the week amid mounting investor worries about U.S. trade policy (tariffs) and the risk of a slowing U.S. economy in the months ahead—what we’re currently calling a U.S.-only growth scare. More cyclical S&P 500 Index sectors such as consumer discretionary and financials were hit the hardest last week.

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Visual Capitalist: Average Wages in OECD Countries

Salaries can vary widely across countries due to factors like economic productivity, cost of living, and purchasing power.

Even within the Organisation for Economic Co-operation and Development (OECD)—a group of mostly high-income economies—wages differ significantly, with some countries offering four times as much pay as others.

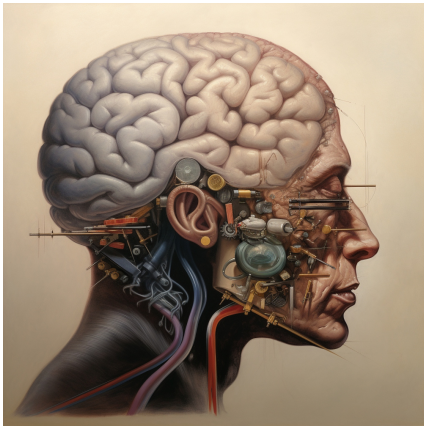


This infographic uses data from the OECD to map the average annual wages across 34 member countries as of 2023. The OECD calculates average wages by dividing each country’s total annual wage bill by the average number of employees (full-time equivalent).

Wage figures are presented in U.S. dollars after purchasing power parity (PPP) adjustments, which help account for cost-of-living differences between nations.

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Big Think: 3 brilliant critical thinking tools used by Daniel Dennett



Daniel Dennett spent his career as a philosopher studying the mind, but by his own admission, he was always more of an engineer at heart. His intellectual drive was an ever-present enthusiasm for explaining how things worked and why they happen as they do. Like a boy tinkering with his favorite toys, he wanted to open up ideas to see how all the cognitive gears, springs, and sprockets ticked.

Inevitably, that led him to converse, debate, and argue with some of the world's brightest thinkers on an array of profound and complex problems. And he discovered that people aren't always the best at seeing the flaws in their thinking — even if thinking is their whole professional deal.

As he told Big Think in an interview: “A lot of people just dig in, double down, and refuse to abandon a point of view which is under attack from their critics. That in itself is not a bad thing. I'm glad that my criticisms are resisted so resolutely and ferociously by some of those I criticize. Otherwise, we'd never get at the truth.”

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