

A Husband's Point Of View

February

A.M.H. Financial Services

February



Volume 13, Issue 2

February 2023

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This month we celebrate Family Day. I hope that you will be able to enjoy the day and spend some quality time with your family.

There is still time to purchase or add to existing RRSPs. Call me today to set this up for you.

As we are now in a new year, it's important to acknowledge the main determinants of economic activity and financial market performance over the past 12 months and how those may shape portfolio risk and return expectations. Canada Life prepared a 2023 Market Outlook Report. They teamed up with some of the most sought-after investment managers from the industry to bring together a comprehensive collection of market insights. No single asset manager is an expert in every asset class. That's why they used a multi-manager approach that draws on several management styles, asset class and regional expertise, investment philosophies and risk management styles. This broad range of input allowed them to deliver a truly global perspective.

Inflation took centre stage in market commentaries in 2022 and caused trouble in every sector. Price increases drove the most aggressive tightening of monetary policy in several decades. Central banks raised interest rates and reduced balance sheets, pushing bond yields higher, undermining the relative valuation case for equities, and squeezing consumer spending power and confidence. Global equities declined over 21% at their lowest point, while bond markets experienced one of the worst years on record as yields rose to the highest level in almost 15 years.

The positive news about inflation is that it might be peaking in some regions, including the U.S. and Canada. However, it was still well above major central banks' targets of 2% at the end of 2022.

The largest military conflict in Europe since World War Two (between Russia and Ukraine) prevented hopes of a rebound in European economic growth.

I want to help you understand what lies ahead beyond the current market uncertainty, so that you can prepare for the investment challenges and opportunities ahead. My goal is to inform you regarding asset allocation decisions and support you in building more resilient portfolios.

For more information please call me today (780) 425-4058 or email andy@amhfinancial.ca



On the Lighter Side

Why do monks always wear brown? It's just their habit.

How do you kill a circus? Go for the juggler.

Why do cows wear bells? Because their horns don't work

Did you hear about the two fat athletes? One ran in short bursts and the other in burst shorts.

Give a man a fish and he will eat for a day. Teach a man how to fish and he'll sit in a boat and drink beer all day.

The Global Economy Outlook for 2023



Times have changed. Good advice hasn't!



Advanced economies' fight against inflation and geopolitics will continue to be the overarching themes of 2023. Interest rate increases and Russia's restriction of European energy supplies over the past year will further weigh on households, business investment and economic growth. As China's struggle with its zero-COVID policy continues, the world's biggest economies—the U.S., China, and the European Union, representing over half of global GDP—are headed for recession or slow growth in 2023.

More economic downside risks are hovering. Rising interest rates and slowing growth threaten distress for highly-indebted economic sectors. The stronger U.S. dollar makes the foreign-currency debts of emerging markets more onerous and exports inflation globally. If central banks are not able to thread the needle on rate hikes, policy errors can spark a deep recession.

Other risks are geopolitical. With its military momentum flagging, Russia may squeeze weakened Western economies by restricting energy supplies, lifting prices and testing their support for Ukraine. Weak national balance sheets could heighten economic rivalry even between friendly countries.

Just as the global economy continues to navigate COVID-19 and its aftereffects, new headwinds appear to be emerging—structurally tighter labour markets, higher interest rates, increased costs of emitting greenhouse gases, lower gains from trade, and inadequate preparations for energy security and national defence.

The year 2022 presaged the potential implications: rising global competition in an increasingly unsettled energy sector, securing a foothold in new industries, fighting for talent, and determining who pays for the high cost of transitioning to the new economy. Fierce competition could decouple economies and erode global prosperity.

As much as 2023 is bound to be a challenging year, there are bright spots. Most likely inflation returns close to target with only moderate recessions in most advanced economies. Structural shifts present opportunities to invest now in climate, capital, and people. Co-operation within Europe and among Western nations may continue to regress Russia's position in Ukraine. Weak economic growth could also prompt countries to walk back from the precipice, recognizing the need to cool geopolitical tensions.

It adds up to a volatile 2023 as the global economy transitions to the post-pandemic era.

The RRSP deadline for 2022 is March 1, 2023.

Year	RRSP
2023	\$30,780
2022	\$29,210
2021	\$27,830
2020	\$27,230

Highlights of the Canada Life 2023 Market Outlook Report

Below are some highlights of the Canada Life 2023 Market Outlook Report.

- Once the Bank of Canada stops raising interest rates, they expect the bond yield curve inversion to reverse as investors switch to lower-risk, higher-yielding assets.
- Fixed income returns in 2022, as spreads have widened, highlight the need for investors to diversify their fix income allocation through active management.
- They expect the impact of inflation to decline in 2023, as a global recession causes energy prices to decline, eases supply chain pressures, and pushes unemployment rates higher in most countries.
- They prefer safe-haven investments such as long-end treasury securities. Attractive yields and prices can also be found in select investment grade and high-quality high yield credit.
- The Federal Government and the Bank of Canada have committed to doing whatever it takes to bringing down inflation, even if it means higher unemployment, slowing the housing market, or causing a recession. This will have significant implications for stocks too, as we have seen already with the turbulence of 2022. Volatility is likely to be a major factor in 2023 for equities.
- Companies will need to adapt to the new reality of tighter monetary policy, high energy prices and modest growth. The adjustment could be uncomfortable, coming in the wake of above-average growth stimulated by government spending during the pandemic.
- Instead of calling the market direction, you need to try to invest in companies with above-average market growth so that your portfolio succeeds in various market and economic conditions.
- They believe the market will reward companies that can compound growth supported by strong long-term trends in attractive addressable markets.
- To manage trade tensions, companies are rethinking their supply chains by “friend-shoring” or moving capacity away from hostile regimes to allied countries. Efforts to diversify supply chains could significantly boost capital expenditures, driving economic growth.
- They remain cautious on China in response to excessive debt, governance issues, and demographic challenges.
- Despite historic outflows from emerging markets in 2022, they believe the sector is well-positioned for growth over the next decade.
- Inflationary pressures, supply chain reconfigurations, and energy transition, among other forces, are presenting a new reality. Investment strategies that proved successful over the last decade may look quite different from those that lead to successful outcomes in the next.
- Opportunities may emerge as high-quality companies with excellent secular growth prospects trade down to valuations that offer a compelling risk-reward balance in the long term.



Financial Advisor
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Take a look at our website!

www.amhfinancial.ca

AMH Financial Services is a full-service firm. We offer services to help you examine your financial goals and select the options that will best suit your needs, timeframe and investment style. We believe in helping you create a comprehensive financial plan for your family that includes planning, insurance and portfolio management.



MY COMMITMENT AS A FINANCIAL ADVISOR IS TO HELP PEOPLE TO REACH THEIR FINANCIAL GOALS. IF YOU HAVE A FAMILY MEMBER, FRIEND OR COLLEAGUE WHO YOU FEEL COULD BENEFIT FROM A CONVERSATION WITH ME, I WOULD BE PLEASED TO SPEAK WITH THEM WITHOUT OBLIGATION.

I believe that every individual has an unalienable right to make the best and most effective use of hard-earned income, to have easy access to up-to-date and informed advice, and to be able to provide for short and long-term requirements.

I am committed to serving the individual customer with investment and financial portfolios which will meet current needs and provide for future requirements and situations.



My mission is to help you to make an educated decision that you are comfortable with!



Understanding what matters to you.

As life changes, your financial priorities evolve. That's why at AMH Financial Services we are here to understand you first, and then your financial picture.

We take the time to understand your unique investment goals. Through an in-depth discovery process, we'll get to know who you are and what truly matters to you and your family.

I have been helping people reach their financial goals for over forty years!
I need your assistance to help me reach out to other people that can benefit from my over 40 years of experience in the financial industry.
Perhaps your children, friends, neighbours or even coworkers!

If you know of someone that is in need of a financial advisor please provide me with their name and contact information. If they place business with me I will award you with a gift card for either Tim Hortons, Amazon or Wayfair.



Together we can make good things happen for other people!