



WEEKEND READING

Shedding the light on what's happening - our world - our finances - our times

Trump 2.0 – follow up

Following the Nov 5 election of Donald Trump, Remembrance Day's somber reflection has us revisiting geopolitics and defense.

'Record drone strike on Moscow & interviews with NATO and Baltic ministers at Prague Defence Conference' - Ukraine: The Latest – Telegraph – Nov 11, 2024

The Remembrance Day edition of **Ukraine: The Latest** featured an interview with senior NATO officials regards Europe's position after the election of Donald Trump.

<https://podcastaddict.com/ukraine-the-latest/episode/185854315>

Staying with national defense....

This year's Remembrance Day rang louder than in year's past. For much of the past 20 years, the idea of imminent military threat seemed laughable. Canadians moved on to 'fight' other battles over culture wars, climate change, reproductive rights, progressive policies, etc. These laudable causes have one thing in common. Money. Taxes went up to support these causes. Even with dramatic tax hikes, there's never enough revenue to meet all the demands. A politically low-risk decision was to take money from 'buying bullets' to pay for day care. Will today's (and tomorrow's) children need defending? Not a thing.

Canadian governments of all stripes cannibalized Canada's Armed-Forces budgets. Adding Federal Government bureaucratic muck saw our military ability decline. How does Canada compare to other NATO members? How bad is it?

Pretty bad.

‘Canadian Defence Strategy and Issues - Procurement Disasters, the Arctic & Alliances’ – Perun YouTube

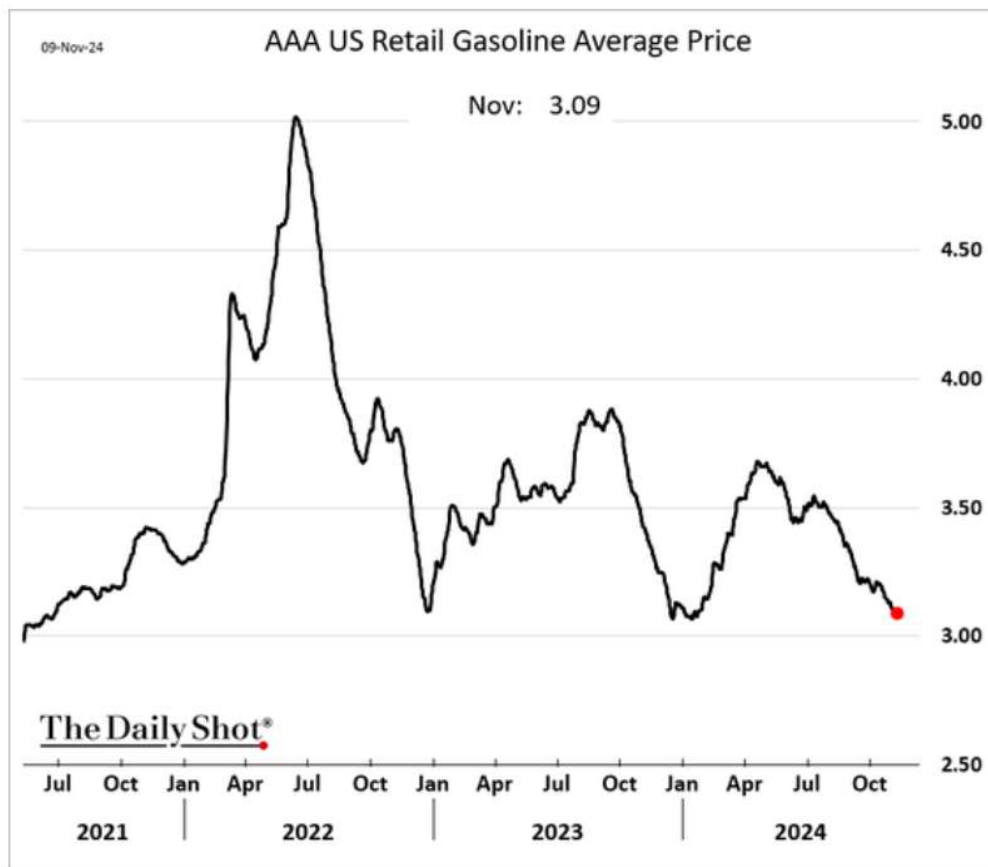
<https://www.youtube.com/watch?v=27wWRszlZWU>

Donald Trump pledged to dramatically alter the US approach to energy. Given Canada’s reliance on energy exports our economy demands we pay attention. RBN Energy looks at the potential impacts of the Trump policies.

‘The Long Road, Encore Edition - More EVs Coming, But Forecasts For Sales Growth, Impact On Gasoline Demand Vary’ RBN Energy Nov 11, 2024

<https://rbnenergy.com/the-long-road-encore-edition-more-evs-coming-but-forecasts-for-sales-growth-impact-on-gasoline-demand-vary>

Mr. Trumps luck just keeps on giving. US Gasoline prices have been falling for the last year and a half of Joe Biden’s term. The Trump administration is sure to take credit.



Source: WSJ Daily Shot Nov 12, 2024

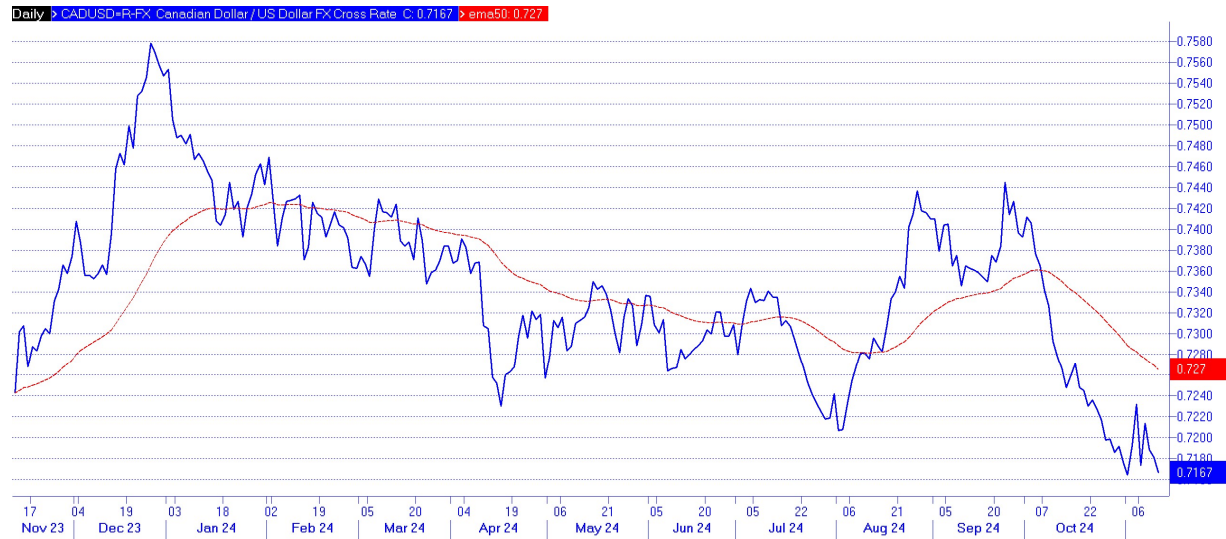
With the Trump energy policy changes in mind, Canada’s previous Liberal Finance Minister Bill Morneau advised caution on Canada’s energy policies. Thus far the current Liberal leadership has appeared to be immune to such advice.

‘Former finance minister wonders if Canada should institute emissions cap after Trump victory’ – CTV News – Nov 11, 2024

<https://www.ctvnews.ca/politics/former-finance-minister-bill-morneau-questions-if-it-s-the-right-time-for-emissions-cap-following-trump-re-election-1.7106058>

\$1 Canadian in US Funds (\$0.7168) 12 months.

The Loonie continues to sag.



Source: Refinitiv, NBF, Hilberry

The drag on Canadian purchasing power south of the border is getting serious. The reverse is true for US investors looking north. Canada is on sale. Given the close economic ties this is unlikely to continue. A minute percentage of US money-decisions heading north can turn things around quickly. History shows rebounds can be breath-taking. But... we need a catalyst. Maybe a Canadian change of government in 2025?

Moving on to equities.

Animal Sprits let loose. Ed Yardeni – Linked In Nov 11, 2024

YARDENI RESEARCH IN BLOOMBERG (November 11, 2024). The “animal spirits” being set loose by the economic policies of President-elect Donald Trump will send the S&P 500 to 10,000 by the end of the decade, according to veteran strategist Ed Yardeni. His uber-bullish prediction, which would represent a 66% surge by 2030, is another sign that Wall Street is growing increasingly optimistic about stock markets in the wake of the US election. Yardeni lifted year-end targets to 6,100 for 2024, 7,000 for 2025 and 8,000 for 2026.

<https://www.linkedin.com/in/edward-yardeni/recent-activity/all/>

*Link available only through a LinkedIn account

As we noted last Friday, staying with equities has been the right move.

Have a Great Week

Steve & Anna Hilberry



November 12, 2024

FOR THE RECORD January 19, 2024

DOW INDUSTRIALS:	37,885
S&P 500:	4,840
S&P/TSX COMP:	20895
WTI:	\$73.40
LOONIE IN \$USD:	\$0.7430 \$US

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