



Neil's Monthly Update - May 2024

We needed rain and we got rain! Some snow as well which certainly cooled things down and provided a fitting backdrop to equity markets in April.

As predicted, the markets took a little bit of a breather in April as indices declined globally for the first time in a few months. With earnings season mostly behind us, there were some surprises but for the most part earnings came in as expected. What was noticeable was the high-flying technology stocks losing a little bit of momentum. It seems investors are coming to understand that there are limits to the multiples that people should pay and that eventually, earnings growth needs to support stock prices...

Globally, tensions are still high, and politics are taking more of the center stage. This has provided a distraction from the inflation conversation, although we believe this remains the key driver of market behavior. The Federal Reserve seems content to keep rates unchanged with the US economy continuing to impress with its ongoing resiliency. This leaves little room for Canada to drop rates although at some point that may no longer be an option if the economic woes here continue. Unfortunately, we are likely in for a little bumpier weather over the summer months. Considering this we are contemplating ways of becoming more conservative in portfolios.

In the meantime, at least we get to watch the Oilers penalty kill and power play! It is hard to say which

has been more impressive. Fingers crossed for the second round!

Happy Mother's Day to all the Moms out there! Hopefully, Sunday turns out to be a beautiful day.

All the best from your team at the Bosch Investment Group.

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