NEWSLETTER

OCTOBER 2024 / QUARTER 3

Global markets performed well in the third quarter of 2024, continuing their positive trend this year. This was influenced by factors such as strong corporate profits, lower inflation, and interest rate cuts by central banks worldwide.

The S&P 500 Index, S&P/TSX Composite Index, and MSCI World Index increased by 20.8% (USD), 14.5%, and 17.5% (USD), respectively, in the first nine months of the year.* Bonds also performed well. Canadian and U.S. bonds, as measured by the FTSE Canada Universe Bond Index and Bloomberg US Aggregate Bond Index, rose by 4.3% and 4.7% (USD), respectively, over the same period.** This was driven by slower global growth and interest rate declines.

Despite some market ups and downs, both stock and bond investors have seen good returns this year. However, many questions lie ahead. The global economy, including the U.S. and Canada, may not be as stable as it seems.

A mild recession is expected both here and in the United States. Recession risks, Federal Reserve actions, the U.S. election, and general market sentiment could all cause further volatility.

Market volatility often surprises and can happen when investors feel most secure. We believe investors should stay calm and wait for the right moment to act on opportunities, rather than letting fear drive their decisions.

Despite potential short-term challenges, the outlook remains favourable for longer-term investors. Over the coming year, global central banks are expected to continue cutting interest rates, creating a supportive environment for both stocks and bonds. Our year-to-date rates of return on our balanced portfolios are between 7-10%, and maintaining a balanced and diversified portfolio will be central to managing the months ahead.

*Source: Bloomberg. As at September 30, 2024.
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Sources: The Globe and Mail, CNBC, BNN Bloomberg, Jan 2/24, Jul 2/24, Oct 1/24	**Market**	**Dec 31/23**	**Jun 30/24**	**Sep 30/24**	**YTD**
Canada	TSX	19541	21876	24000	22.82%
U.S.	DOW	37690	39118	42330	12.31%
U.S.	S&P 500	4770	5460	5762	20.80%
U.K.	FTSE	7733	8164	8237	6.52%
France	CAC	7543	7479	7636	1.23%
Germany	DAX	16751	18235	19213	14.70%
Japan	NIKKEI	33464	39557	37919	13.31%
Canadian $		75.51	73.10	73.90	-2.13%
Oil (U.S. $)	WTI	71.65	81.54	68.17	-4.86%
Western Canadian Select	WCS	52.30	66.27	54.92	5.01%

*Listed above are the market numbers for end-of-month market close for December 2023, June 2024, and September 2024. The YTD column shows the % change from the end of December 2023 to the end of September 2024.

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Managing Debt This Winter

As the autumn chill hits the air, many of us can't help but think about the financial demands of the holidays soon to come. Canadians are no strangers to the adjustment that comes with a change in seasons, but the cost of winter tires, home weatherproofing, Christmas gifts, and the occasional hot cocoa can strike even the most insulated wallets like an ice storm. When debt is already in the picture, these expenses, no matter how predictable, can feel overwhelming.

Many Canadians who are struggling—especially those who have experienced a recent job loss or a change in career—will be looking to the coming months with trepidation. When finances are tight, debts can balloon and repayment becomes difficult. According to a report by Equifax Canada, over 1.2 million Canadians consumers missed a credit payment in the first quarter of 2024, including over 34,000 who missed a mortgage payment in the same period. While financial stress and uncertainty can be scary, there are steps you can take to make debt more manageable and this new season a hopeful one.

Ask for help and make a plan

Without knowing where you are, it's hard to know where you're going. While it can feel more comfortable to look away from a troubling financial situation, it is less painful in the long run to take in the full picture and begin charting a course for the future. An appointment with your financial advisor can be a positive first step in developing a debt management plan that helps you feel in charge again. An advisor will look at your assets, liabilities, income, and expenses to help you prioritize your short-term financial goals, while also looking ahead to your retirement. According to Statistics Canada, mortgages account for 75% of household debt in Canada, and your advisor can help you decide on the best approach to address this debt *before* you find yourself ready to retire but unable to do so.

Avoid taking on additional debt and save when the opportunity arises

For many people who are struggling to pay their bills and debt obligations, suggestions to simply "tighten the belt" (especially when grocery costs and other household expenses are so affected by inflation) can feel out-of-touch. Increases in mortgage rates over recent years have left many Canadians with monthly payment amounts they never anticipated, and it will take more than a reduction in drive-thru coffee consumption to meet the challenge. Still, there are practical steps you can take to avoid increasing your debt burden:

Think carefully before spending or taking on additional debt: Before making a purchase, take a moment to ask yourself some tough questions. *What is the real purpose of this purchase? Can it wait until a later date? Is this part of an unhealthy pattern of spending?* It can be especially hard to face these questions around the holidays, when the pressure to buy is at its peak. But if you are already struggling to pay the minimum balance on a credit card, the best gift you can give yourself is to prevent future pain and avoid taking on additional debt altogether.

Use unexpected or bonus funds wisely: Every now and then, you may come into some money that isn't a planned part of your budget. Whether a tax refund or a bonus at work, it can be tempting to use this money for novel purchases. Remember that a tax refund is your own money being returned to you—use it wisely by paying off student loans, vehicles, or credit card balances first. Any extra money you make through raises, bonuses, or even a change in career can take you a step closer to your goal of becoming debt-free, and that's a step worth taking.

Help us make a difference!

As Maude Financial Inc. looks toward 2025, we are busy brainstorming new ideas to make our office more environmentally conscious and our processes more efficient for our clients. You may have noticed that this year, we began using DocuSign to obtain digital client signatures on our forms. According to the Environmental Paper Calculator, this has already saved a whopping 2,184 pages of paper and resulted in a carbon emissions reduction of 202 lbs!

To help us reduce even more of our paper usage, you can use your phone's camera to scan the QR code to the right and sign up for the email version of this newsletter. If each of our paper newsletter subscribers converted to digital, we would prevent another 216 lbs of carbon emissions yearly.

Environmental impact estimates were made using the Environmental Paper Network Paper Calculator Version 4.0. For more information visit www.papercalculator.org.

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