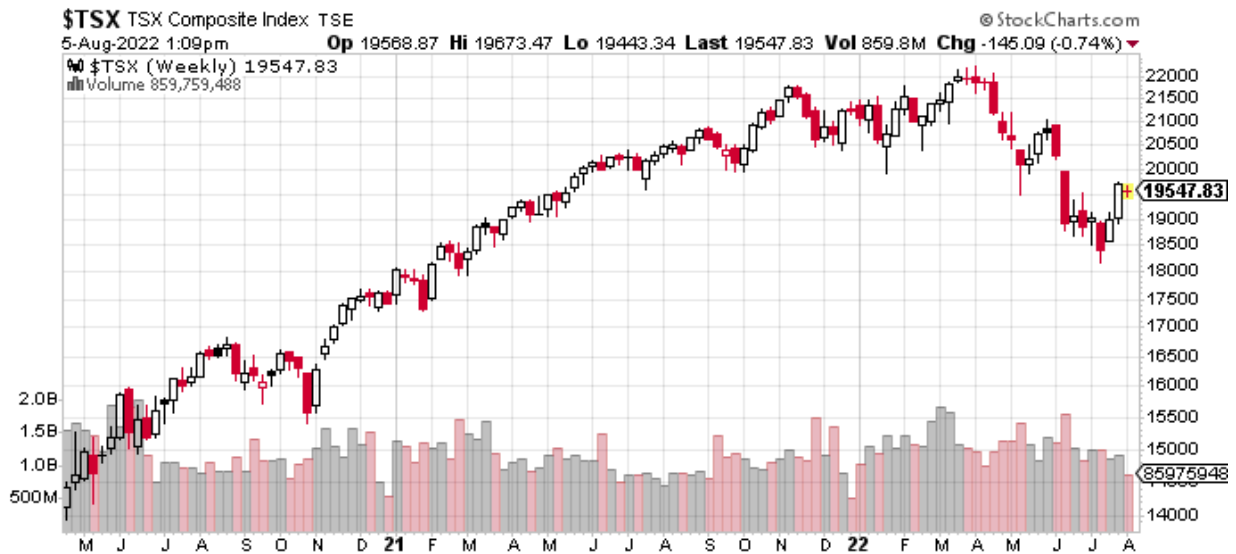
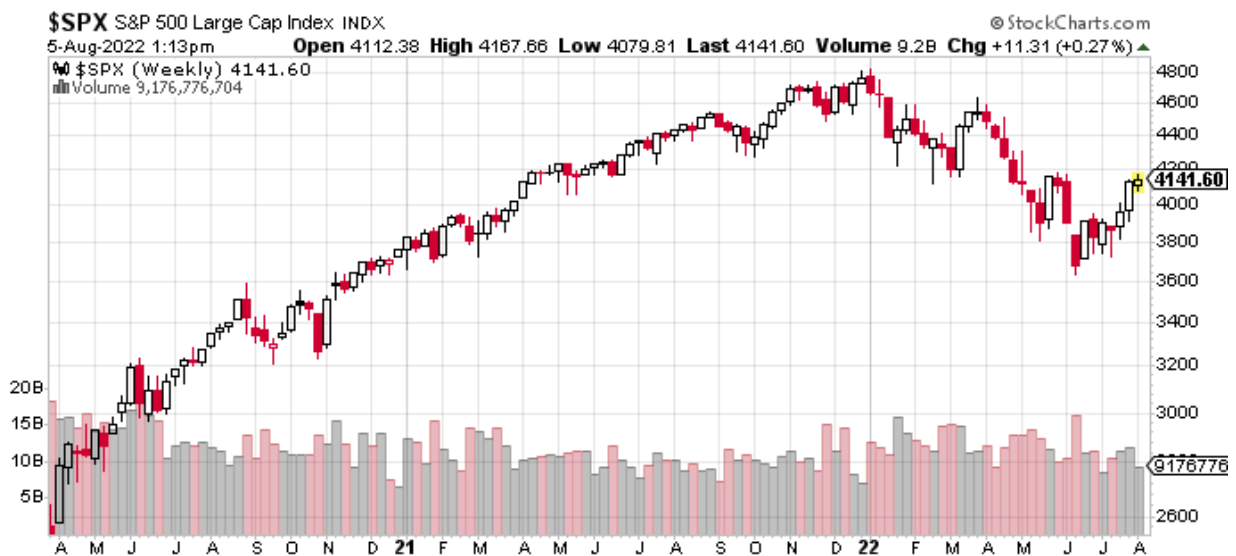


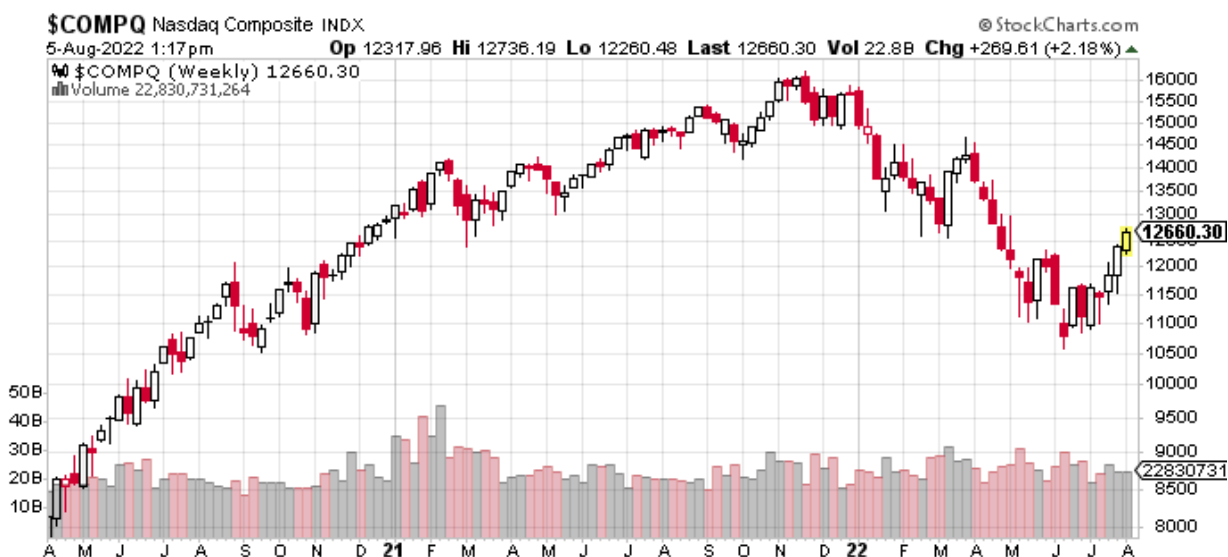
Market rallies out of lows...



Canadian TSX rallies out of July lows +7.4%. The TSX is now down YTD <7.9%>.



The broad market S&P 500 in the U.S. rallies out of July lows +13.4%. The index is down YTD <13.1%>



The technology heavy Nasdaq index in the U.S. rallies out of July lows +18.3%. The index is down YTD <19%>

Lesson. Stay invested. Big moves in the market can occur over very short periods and you don't want to miss those. The upward move in the Nasdaq last week included the biggest rally in one day in several years. At the same time, the Federal Reserve was raising interest rates again in the U.S. another $\frac{3}{4}$ of a point. The trick for the Fed will be to raise rates to battle inflation while not seeking to slow the economy to a point that it recedes. At least, they have the ability now to lower interest rates again and that may be in part, what the market (which is forward looking) is anticipating – potential back peddling.

With markets turning upwards, we are looking at any non-performers this year to see if they have participated in the rally in respective indices – or not.

I like the dividend paying stocks right now as a hedge against potential recession but am also aware of the current values in growth names that presented well during second quarter earnings.

Lots of headwinds near-term. I was reading recently that our ability to pay attention to negatives is about 8X higher than positive (news). That may explain some of which we read in media.

The consumer drives the stock market. While Air Canada lost money last quarter as a result of all sorts of opening up issues and sky rocketing fuel prices, revenue went up five-fold because *the consumer wants to travel* and doesn't mind the inflated ticket prices.

I have prepared this commentary to give you my thoughts on various investment alternatives and considerations which may be relevant to your portfolio. This commentary reflects my opinions alone and may not reflect the views of National Bank Financial Group. In expressing these opinions, I bring my best judgment and professional experience from the perspective of someone who surveys a broad range of investments. Therefore, this report should be viewed as a reflection of my informed opinions rather than analyses produced by the Research Department of National Bank Financial.

Enjoy the second half of summer!

Best,

National Bank Financial

Rob Hunter
Senior Wealth Advisor

Sources: Stockcharts.com, Bloomberg, Reuters,

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This information was prepared by Rob Hunter, an Investment Advisor with National Bank Financial. The particulars contained herein were obtained from sources that we believe reliable but are not guaranteed by us and may be incomplete.

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