

2023 in Review

ABCs and 123s



2023 wrapped up to be one for the books in more ways than one. Ending on 12.31.23, or 123-123, 2023 reminds us about the importance of the fundamentals. Like knowing your ABCs and 123s, it is important to remember the basics of investing amid the chaos of the world, and this was definitely a chaotic year.

From the accelerated adoption of artificial intelligence to the fall of the crypto giant Sam Bankman-Fried, there was no shortage of topics when reflecting on 2023. Hard to believe that early in 2023 there was a severe banking crisis in the United States with regional banks rocking the stock markets in the spring. Sticking to the knitting, the U.S. Federal Reserve and the larger U.S. banks took immediate action and supported these banks to limit the overall effect on the equity markets.

While the first half of the year was eventful and the third quarter brought negative results that left investors uneasy, as of December 31, the markets still managed to record an amazing total return for the year. Rebounding back in 2023, Technology and Communication services, as well as Consumer Discretionary stocks have led the way for market returns, with the Magnificent Seven* being especially brilliant this year.

Despite positive returns, there were plenty of world events to worry about this year, with the ongoing wars in Europe and the Middle East and inflation and interest rate fluctuations dominating the headlines. Consumers and businesses were especially careful to limit their exposure to long-term rates and stay cautious with expenses to maintain profitability and mitigate risk. December brought stability with interest rates levelling off and the inflation numbers coming down. Slowly, the stock markets have helped fuel an investor shift from focusing on rising rates to the possibility of falling rates in 2024.

Overall, the headlines in 2023 made for a stressful year, and some investors may feel uneasy about what's to come in 2024. Investors need to remind themselves about the importance of those fundamentals. As said by Murray Leith, Executive Vice President, Director, Investment Research, "It would be wonderful if we could correctly and consistently predict the timing of economic and market setbacks all of the time, but we can't... those who commit to owning shares of great companies through good times and bad invariably do better than those who try to time their participation in the market." In other words, avoid distractions and headlines and focus on the fundamentals: good companies with proven results and strong management teams. Review where you are with your financial goals and make adjustments, and rebalance where necessary. Time to stick to the knitting as we move into 2024.

Word of the Year

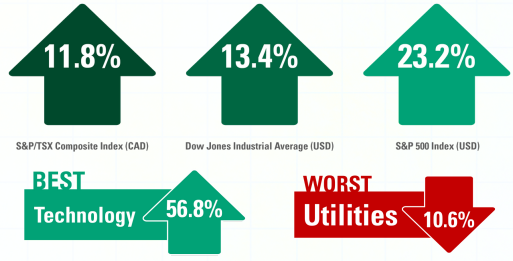
au·then·tic
/əˈThen(t)ɪk/
adjective

1. of undisputed origin; genuine.

One key factor for the performance of technology stocks has been the mass adoption of artificial intelligence (AI). Investment in this sector has skyrocketed as investors and corporations alike recognize the significance this change will have on their businesses from an efficiency and security perspective. Following the release of programs such as ChatGPT in late 2022, we have all felt the immediate shift in the introduction of AI tools in our day-to-day lives. In fact, the 2023 Merriam Webster word of the year was "Authentic," suitable for this age of AI adoption, as people navigate the line between real and fake, and the idea of authenticity is as important as ever.

2023: Facts & Figures

2023 Total Returns



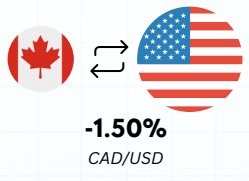
Canadian Prime Rates



Inflation



Exchange



Year at a Glance



AI Adoption



Inflation Pressure



SVB Bank Crisis



Odlum Brown celebrates 100 years



Magnificent Year for the Magnificent Seven*

*"Magnificent Seven": Nvidia, Apple, Microsoft, Alphabet, Meta, Amazon and Tesla.

A look ahead ...

Coming Soon: Financial Long Game

Shelly is excited to announce her new podcast, Financial Long Game, coming January 2024. She will talk about everything money - investing, saving, planning and, yes, even some considerations for spending, to help you WIN at your financial long game. Stay tuned to hear more details.

