

Barenaked Money

QUARTERLY UPDATE | JUNE 30, 2024



Recent developments

PROGRESS: Inflation is gradually receding to levels deemed reasonable...

...**BUT:** Economies appear to be weakening at the same time, especially in Canada.

AI IS REAL: Technology companies, especially the largest, have benefitted from the AI boom.



Implications for portfolio positioning

HEADWIND BECOMES TAILWIND: Interest rates have likely peaked for this cycle – good for bonds.

CAUTION TO THE WIND: Weaker economic performance suggests some caution is worthwhile.

TECH SPEC: Excessive speculation within technology stocks means elevated risks of a pullback.



Reasons for Optimism

POSITIVE THINKING: Economic growth is still positive, despite many predictions of a recession.

INFLATION: Much lower than recent years and getting close to target.



Key Risks

ECONOMY IS LIFE: A weakening economy is often a poor environment for stock performance.

HIGH EXPECTATIONS = HIGH BAR: Even a modestly less good outlook may lead to disappointment for stocks.



Investment Principles

“Remember who you are.”
– Mufasa, The Lion King

- Markets go up over the long-term.
That’s the headline.
It’s a boring one, that’s why you don’t see it.
- Market timing is impossible. The world is unpredictable and being reliably able to catch the up days and avoid the down days just isn’t a thing.
- Time is your protection for long term money.
Cash is your protection for short term money.
- Emotion destroys wealth. Rash decisions or decisions made with a lack of logic or sound advice can really wreck your retirement plans.



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