

Taking Stock with Steele

Your Monthly Newsletter

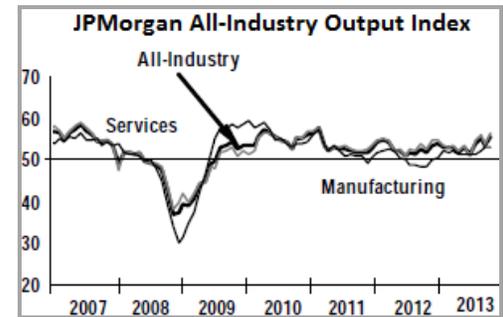
The purpose of this newsletter is to share insights and expertise. Our goal is to ensure that our clients are well-informed of changes affecting local business decisions and our investment recommendations.

We believe Knowledge Pays and we want our knowledge to help pay for you.

ECONOMIC TIDBITS AN INVENTORY OF NOTABLE DATA AND INFO

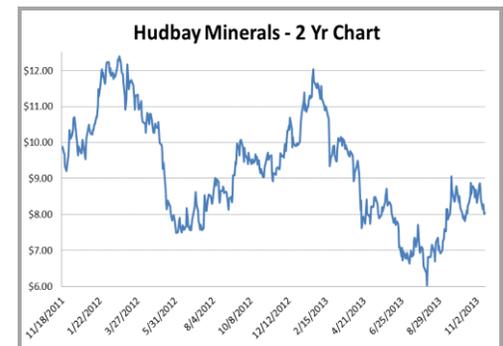
- Since our last newsletter, equity markets surged higher while bond and commodity markets were even. The end of the U.S. government shutdown, if only until January, aided equity market sentiment. Additionally, economic data showed widespread improvement in most economies. The positive sentiment from the economic data was offset by an increased probability of the U.S. Fed tapering its bond purchases at the December/January Fed meetings instead of in March. Oil prices continued to fall as Syrian peace talks began.
- The JPMorgan Global All-Industry Output Index showed that economic activity hit a 32-month high in October despite the U.S. government shutdown. Notable improvement was seen in the U.S. non-manufacturing sector and the Chinese, Brazilian, Japanese and Irish economies. The UK remains the strongest performer with its job creation index hitting an all-time high. Though we recently indicated our worry that the market may perform poorly in the face of positive economic data (due to the inevitable end to the U.S. Fed's bond buying program), the degree to which the global economy has improved gives us some solace that the market may be able to tolerate it. See Fig. 1 for a Chart of the JPMorgan AIO Index

Fig. 1



Data Source: JPMorgan, Markit

Fig. 2



Data Source: Market-Q

LE JIT A "JUST-IN-TIME" RUNDOWN OF OUR CURRENT INVESTMENT THEME

Economic Landscape Shaping Up in Miners' Favour

- Improving Chinese economic data and the start of the seasonally strong period for miners increases the odds of strong performance in the short-term
- Small producers trade near their cash levels and well below book value and technically, most miners appear to have bottomed
- **Hudbay Minerals (HBM)** and **New Millennium Iron (NML)** are two investment ideas related to this theme:
 - Hudbay owns and operates several copper, gold and zinc mines in North and South America. See Fig. 2 for 2-year chart.
 - New Millennium owns 20% of an operating mine and several other prospective mines in Quebec/Labrador. See Fig. 2 for 2-year chart.

Fig. 3



Data Source: Market-Q

RIDING THE CURVE A CATALOGUE OF OUR MONTHLY FIXED INCOME FAVOURITES

SPDR Barclays Convertible Securities ETF (CWB-US)

- CWB invests in U.S. bonds that are convertible into common or preferred shares
- CWB has an average term to maturity of 12.86 years but due to the fund being deep in-the-money it is expected to trade like an equity fund with limited downside
- At \$146.91, the issue has a yield-to-worst of 3.36% and a running yield of 2.94%

Student Transportation Debenture C (STB.DB.C) Maturing June 30th, 2019

- Student Transportation operates school buses in Canada and the US
- This is a 5.6 year debenture with a conversion price of \$9.05 (current price of \$6.55)
- This debenture yields 6.82% until maturity at a current trading price of \$97.39

RETIREMENT PLANNING CPP A HOT TOPIC FOR RETIREES

In a recent CARP survey, **69% of respondents** stated that they would be frustrated if the federal government does not act to **enhance the CPP**. This is a surprisingly high number considering the vast majority of CARP members would not even qualify for the enhancement. **54% of respondents** stated that they support changes to CPP that will **only benefit future generations**. Retirees' inability to save enough for a comfortable retirement is leading them to give their children a chance at a comfortable retirement.

Retirees feel so strongly about this issue that they are willing to make CPP enhancement a key deciding factor in who they vote for in the next election. **60% of respondents** stated that they would **deny the Conservatives their vote** in the next federal election if they refuse to enhance CPP, half of which are current supporters of the Conservative government. An even greater percentage (69%) disagree with Finance Minister Jim Flaherty's argument that the economy is too weak to deal with an increase in CPP contributions (which would affect both employers and employees).

At Steele Wealth Management, we believe that increasing CPP contributions and benefits is an incredibly efficient way to increase Canadians' retirement income and lift Canadians out of poverty. Though employment levels would likely be negatively affected by an increase in CPP contributions, fewer overall transfer payments would help offset any declines in employment. The decline in company-sponsored pension plans needs to be addressed, whether through enhanced CPP or a program like the proposed PRPP. **As a current or future retiree, what are your thoughts?**

JEANNINE'S TIP O' THE MONTH ENHANCING YOUR SWM EXPERIENCE

Email Encryption. We value your privacy and you may from time to time receive an encrypted email from us that reads: **this is a secure message, open the attachment (SecureMessageAtt.html)**.

- Click the attachment **SecureMessageAtt.html** which will open in your internet browser.
- Click the **Click to read message** button.
- The first time you receive a secure message you will be prompted to **register with Proofpoint Encryption**. This registration is for encrypted emails received from Raymond James Ltd.
- If you choose **reply** or **reply all**, the message will be sent encrypted back to us.

If you have any questions or concerns, please do not hesitate to contact us.

Current Rates & Data

Govt of Canada

90 day	0.92%
1 year	0.99%
2 year	1.11%
5 year	1.79%
10 year	2.57%
30 year	3.13%

U.S. Treasury

90 day	0.07%
1 year	0.12%
2 year	0.29%
5 year	1.34%
10 year	2.72%
30 year	3.81%

Canada Prime Rate

3.00%

U.S. Prime Rate

3.25%

Canada CPI Y-o-Y (Sep)

1.10%

U.S. CPI Y-o-Y (Sep)

1.20%

Exchange Rates

CAD/USD	0.956
USD/EUR	1.348
JPY/USD	100.2

This newsletter has been brought to you by Steele Wealth Management

Brian Steele, CA, CPA, CFA | Jeannine Campbell | Laura Prust, CPCA
Kelly Townsend | Matthew Bell, CFA | Keith Gummow, CFP, CLU, Ch.F.C.

Phone: (519) 883-6030 Toll-Free: 1 (877) 642-6408

Email: steelewealthmanagement@raymondjames.ca

Address: 1001-20 Erb Street West | Waterloo, Ontario | N2L 1T2

Website: www.steelewealthmanagement.com

**To opt out of receiving this newsletter, please reply to this e-mail with the word
“Unsubscribe” in the subject line.**

**If you know someone who would benefit from receiving this newsletter, please forward it to
them and let them know they can subscribe by emailing us at:
steelewealthmanagement@raymondjames.ca**

Any bond, debenture or preferred share ratings listed within this newsletter are those of DBRS (Dominion Bond Rating Service).

All rates mentioned within this newsletter are as of November 15th, 2013, unless otherwise stated.

This newsletter has been prepared by Steele Wealth Management and expresses the opinions of the author and not necessarily those of Raymond James Ltd. (RJL). Statistics, factual data and other information are from sources RJL believes to be reliable but their accuracy cannot be guaranteed. This newsletter is furnished on the basis and understanding that RJL is to be under no liability whatsoever in respect thereof. It is for information purposes only and is not to be construed as an offer or solicitation for the sale or purchase of securities. RJL and its officers, directors, employees and their families may from time to time invest in the securities discussed in this newsletter. This newsletter is intended for distribution only in those jurisdictions where RJL is registered as a dealer in securities. Any distribution or dissemination of this newsletter in any other jurisdiction is strictly prohibited. Securities-related products and services are offered through Raymond James Ltd. Member-Canadian Investor Protection Fund. Insurance products and services are offered through Raymond James Financial Planning Ltd., which is not a Member-Canadian Investor Protection Fund.

As the investment products listed in this newsletter may not be appropriate for everyone, a recommendation would only be made following a personal review of an individual's portfolio and risk tolerance.