

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.

ULTIMATE AGING MAKING THE BEST CHOICE OF ELDERCARE IN LATE LIFE

With the holiday season in full gear and many families getting together to celebrate, it is the perfect time to broach the subject of eldercare. Eldercare is one of those subjects that most people avoid. In fact, a 2016 study by Care.com revealed that 54% of respondents would rather have the “bird and the bees” talk with their kids than the eldercare talk with their parents.¹ 54%! Discomfort often signals importance.

Everyone should be thinking about eldercare, not just those in the twilight of their life. Those in early retirement or approaching retirement should include eldercare choices as part of their retirement plan. Given the importance of the subject, we have decided to dedicate some of our efforts over the next year to discuss the issue of eldercare.

Why do we think it is important to discuss eldercare early?

Because few individuals neither talk about it nor think about it until a crisis arrives. As a result, most individuals end up making semi-permanent decisions regarding eldercare that they must live with for the rest of their lives often without thinking about what is truly important to them or thoroughly discussing the decision with family members who are also affected by the decision. Further, limited time to make the decision and limited information at the time may result in a decision that disregards important consequences and/or costs.

Also important to note is that many of us will experience cognitive decline as we age. Making a decision about how we want to live in later life when we are fully capable to comprehend the dilemma will pay dividends if, and when, the decision needs to be carried out. Having full knowledge of the choices and their consequences will also allow you to make the best decision, as your medical needs change.

While we admit, our knowledge is far from complete and from the outside looking in, we have the experience of watching very many clients live with their choices. We also have knowledge of your expected retirement income as well as the cost of the various options and can help you understand which choices are available to you.

We are here for you and we invite you to discuss your eldercare concerns

We can, and will, provide a treasure chest of information over the next year about various eldercare options (i.e. types of facilities, different medical needs, homes versus away) and other considerations (i.e. social considerations, family commitments, etc.).

That said, where you will get the most value is by talking to us about your concerns and allowing us to aid you in making this incredibly important decision.

More to come...

Current Rates & Data

Govt of Canada

90 day	1.61%
1 year	1.90%
2 year	1.92%
5 year	1.92%
10 year	2.01%
30 year	2.18%

U.S. Treasury

90 day	2.37%
1 year	2.52%
2 year	2.62%
5 year	2.64%
10 year	2.73%
30 year	2.82%

Canada Prime Rate

3.95%

U.S. Prime Rate

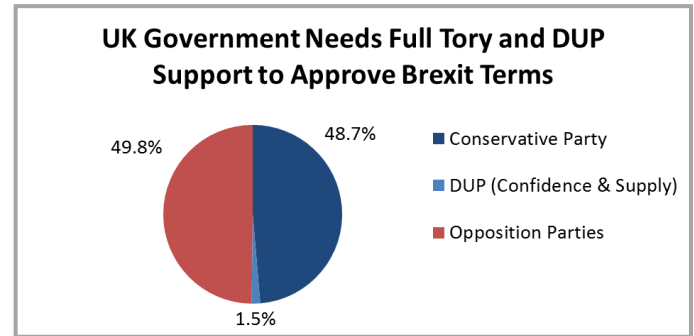
5.25%

Exchange Rates

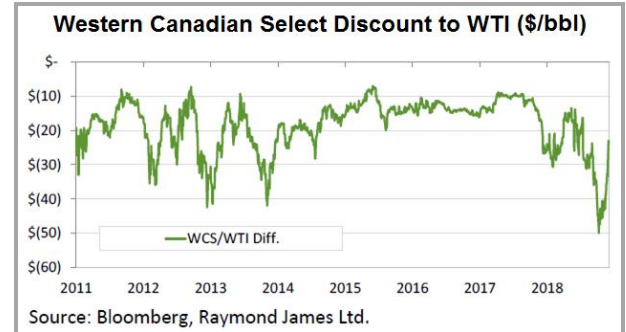
CAD/USD	0.745
USD/EUR	1.144
JPY/USD	112.2

ECONOMIC TIDBITS BREXIT TERMS FINALIZED BUT UK PARLIAMENT UNHAPPY & PEAK FEAR IN CDN OIL PATCH

- UK parliament was set to vote on final Brexit terms on December 11, but PM May delayed the vote indefinitely. Many UK lawmakers reject the Irish border backstop designed to prevent the restoration of a physical border between Northern Ireland and the Republic of Ireland. Distinct regulatory and customs rules for Northern Ireland versus the rest of the UK, results in a loss of sovereignty.



- Western Canadian Select (WCS), the benchmark price for Canadian heavy crude, fell to a record low of US\$14/bbl in November and at one point traded at a US\$52/bbl discount to West Texas Intermediate prices (WTI). WCS prices have recovered as the Alberta government mandated a production cut for large producers of 325,000 bbls/day and OPEC+ announced a production cut of 1.2 million bbls/day.



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

Sifting Through the Rubble in the Canadian Energy Sector After Alberta’s Intervention

- In early December, the Alberta government ordered a mandatory initial oil production cut of 325,000 barrels per day starting on January 1, 2019. This production cut represents 8.7% of Alberta’s oil output and will apply to companies that produce more than 10,000 barrels of oil per day. The Alberta government estimates that the cuts will affect the largest 25 oil producers. The mandatory supply cut will gradually decline throughout 2019 as the 17 million barrels of excess oil in storage clears. The mandatory supply cut is expected to end on or around December 31, 2019.
- This supply cut was in response to record low Canadian oil prices because of temporary oil overproduction, relative to available transportation and refining capacity. Pipeline delays, temporary shutdowns at major US refineries and slow to ramp oil-by-rail capacity all contributed to less transportation capacity than expected in 2018 and future years.
- The production cut is clearly beneficial to smaller producers, as it should improve Canadian oil pricing without affecting their production levels. The production cut will be less beneficial to larger producers but will likely have a long-term positive impact on Canadian oil pricing. The downside of the mandatory cuts is that foreign investment may be limited during this period, which could hurt smaller producers.
- We recommend sticking to companies with strong balance sheets, low operating costs and high levels of cash flow. This is especially important when looking at small caps. It is important to remember that energy stocks are extremely volatile and oil prices could remain depressed indefinitely.

JEANNINE’S TIP O’ THE MONTH Cheer on Canadian Astronaut David Saint-Jacques on the ISS

At NASA’s *Spot the Station* (spotthestation.nasa.gov), you can sign up for daily alerts that will notify you of good sighting opportunities of the International Space Station (ISS) as it passes overhead. Simply choose your city, and whether you wish email or text notifications. Cheer David on as he hovers ~400 km above the earth at a speed of 27,600 km/h!

This newsletter has been brought to you by Steele Wealth Management

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ⁱ How Senior Care Impacts Families Financially, Emotionally and in the Workplace, Care.com, 2016.

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All rates mentioned within this newsletter are as of December 19, 2018, unless otherwise stated. Rates have been sourced from Bloomberg. All stock information has been sourced from Market-Q.

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