

CI Associates

Financial

connections

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GREEN BUSINESS NEWS

Keystone pipeline spill pushes oil higher, fuels TransCanada opponents

A major oil spill on the Keystone pipeline in South Dakota helped push U.S. crude prices higher on Friday, while fueling opposition to another pipeline project by owner TransCanada Corp that faces a crunch decision in Nebraska next week.

The climb in U.S. crude futures and slide in Canadian heavy crude prices, as well as TransCanada Corp shares, came the day after the 5,000 barrel spill, tied for this year's largest pipeline leak in the United States.

No date has been set for reopening Keystone, TransCanada said, adding that a media report that had identified a restart date was incorrect.

The spill gave further ammunition to environmental groups and other U.S. opponents of another pipeline the company has proposed, the long-delayed Keystone XL.

Keystone carries 590,000 barrels per day of crude from Alberta's oil sands to markets in the United States.

The state of Nebraska was set to decide on Monday whether to approve Keystone XL.

On Thursday, Calgary, Alberta-based TransCanada said it had contained the leak in the town of Amherst, South Dakota, and was investigating the cause.



Market Highlights

Dow, S&P log weekly loss as investors weigh earnings, tax plan

U.S. stocks finished lower on Friday, with the S&P 500 and the Dow logging a second straight week of losses as investors tracked the progress of the Republican tax cut plan wending its way through the legislative grind. How did the main benchmarks perform? The S&P 500 SPX, -0.26% fell 6.79 points, or 0.3%, to 2,578.85 for a weekly decline of 0.1%. The Dow Jones Industrial Average DJIA, -0.43% shed 100.12 points, or 0.4%, to 23,358.24. For the week, the blue-chip index dropped 0.3%. The Nasdaq Composite Index COMP, -0.15% slid 10.50 points, or 0.2%, to 6,782.79. However, it outperformed the S&P 500 and the Dow on a weekly basis, adding 0.5%. The small-cap Russell 2000 index RUT, +0.40% gained 5.94 points, or 0.4%, to 1,492.82.

Warnings, downgrades weigh as European shares post another weekly fall

Disappointing earnings updates and a series of broker downgrades weighed on European shares on Friday, with regional indexes posting their second weekly fall in a row. Investors have been locking in profits, shrugging off continued strength in economic data as euro zone earnings growth slowed compared to the previous quarters and caution rose over whether a stock market rally could continue. On Friday, Elixer slumped more than 18 percent after Europe's third-largest catering group cut its profit guidance, citing the impact of Hurricane Irma. Shares in Fresenius SE, Greene King, Just Eat, United Utilities and H&M all fell more than 2 percent after ratings downgrades from brokers.

World stocks claw back losses but set for second weekly fall

World stocks continued to claw back losses on Friday after spending much of the week in the red, boosted by signs of progress in U.S. tax reform and strong corporate results. The U.S. House of Representatives passed a tax overhaul expected to boost share prices if it becomes law. The legislative battle now shifts to the Senate. Despite a bounceback, however, global stocks were still on track for their second straight week of losses, their longest weekly losing streak since August. The U.S. Treasury yield curve remained on investors' radar, reaching its flattest levels in a decade, reflecting a belief that the Federal Reserve will continue to raise interest rates. The MSCI world equity index, which tracks shares in 47 countries was up 0.1 percent on the day, but was heading for a 0.1 percent fall on the week. European shares were sluggish in early deals after the previous session's strong recovery, with the STOXX 600 index falling back 0.3 percent as disappointing company results and downgrades weighed.

TERMINOLOGY :

Promissary Note

A promissory note is a financial instrument that contains a written promise by one party (the note's issuer or maker) to pay another party (the note's payee) a definite sum of money, either on demand or at a specified future date. A promissory note typically contains all the terms pertaining to the indebtedness, such as the principal amount, interest rate, maturity date, date and place of issuance, and issuer's signature. Although financial institutions may issue them (see below), promissory notes are debt instruments that allow companies and individuals to get financing from a source other than a bank. This source can be an individual or a company willing to carry the note (and provide the financing) under the agreed-upon terms. In effect, anyone becomes a lender when he issues a promissory note.

This Is How Retirees Live on \$1 Million - 3

Traditional Portfolio

The Good

Another strategy to make \$1 million last through retirement is to place the money in a diversified portfolio and withdraw a set percentage per year, indexing that amount to inflation. Many retirees who use this strategy follow the 4% rule. They withdraw 4% the first year, or \$40,000, and they live on this amount. The second year, they take out the same 4%, plus the rate of inflation for that year. If inflation were 2%, the second year's withdrawal would be 102% of \$40,000, or \$40,800. The third year follows the same pattern, and so forth, with the retiree always taking out 4% plus the accumulated inflation rate. Projecting forward the interest rates and inflation environment of 2017, a retiree can easily make \$1 million last more than 30 years using this strategy.

"A globally diversified portfolio allows investors to match their individual risk capacity with their individual risk exposure, provide flexibility in terms of access to their money, potentially provide flexibility in terms of tax exposure and provide potentially higher payout rates than what is provided by products in the insurance market. While a 4% withdrawal rule is a good start, I usually tell clients they can afford 5% to 6% if they are globally diversified with tilts towards the known sources of expected return, such as small cap and value stocks," says Mark Hebner, president and founder of Index Fund Advisors, Inc., Irvine, Calif., and author of "Index Funds: The 12-Step Recovery Program for Active Investors."

The Bad

The main downside to the traditional portfolio strategy is, unfortunately, no method exists to project with certainty future market returns or inflation rates. The years following the Great Recession have been excellent for stocks and mutual funds, and equally good as far as low inflation is concerned. However, a protracted bear market or a period of unusually high inflation – the 1970s featured both – causes a retiree's \$1 million to evaporate much more quickly if it is invested using the strategy outlined above.

The Bottom Line

Investing \$1 million in a traditional portfolio and taking yearly withdrawals gives a retiree more flexibility with money than purchasing an annuity does. The returns from mutual funds, historically, have been stronger than annuity returns. And in a low interest rate environment, such as the current one, annuities are going to have less generous payout rates than in times when interest rates are higher.



Commodities

Oil bounces back from 2-week lows, but suffers first weekly loss in six

Oil prices jumped Friday, rebounding from a two-week low, but the move was not enough to save prices from their first weekly decline in six weeks. December West Texas Intermediate crude CLZ7, +2.79% rallied by \$1.41, or 2.6%, to settle at \$56.55 a barrel on the New York Mercantile Exchange, ahead of the contract's expiration at Monday's settlement. Brent for January LCOF8, +2.22% gained \$1.36, or 2.2%, to \$62.72 a barrel on ICE Futures Europe. For the week, WTI still suffered a 0.3% slump, while Brent lost about 1.3% since last Friday, following gains in each of the previous five weeks.

API report shows U.S. crude output climbed to highest October level in 45 years

U.S. crude-oil production rose 7% in October, from a year earlier, to average 9.4 million barrels a day, according to a monthly report Friday from the American Petroleum Institute, a trade group. That was the highest October output since 1972. Production has now held above 9 million barrels for nine months in a row, the report said. Meanwhile, total petroleum deliveries, an implied demand indicator, climbed by 1.1% in October from a year earlier to average 19.9 million barrels a day--the highest October deliveries in 10 years.

Gold prices rally toward \$1,300 to finish at a more than 1-month high

Gold prices rallied Friday to settle at their highest level in more than a month, up nearly 1.8% for the week. Prices for the precious metal got a boost as the U.S. dollar fell on concerns surrounding U.S. special counsel Robert Mueller's probe into Russian interference in the U.S. president election. The ICE U.S. Dollar Index DXY, -0.26% fell 0.3% in Friday trading, set for a weekly loss of 0.8%.

International Economy

United States and Canada

U.S. Stocks Fall With Dollar as Treasuries Advance

U.S. stocks failed to add to the best rally in two months as the Treasury yield curve flattened further, raising concern about economic growth. The dollar dropped as the yen and gold gained. The S&P 500 Index slipped Friday to cap a second week of losses. The spread between two- and 10-year Treasury yields hit the tightest level in a decade. The greenback remained linked to political developments in Washington, where the Senate girded for negotiations on its version of tax reform. The risk-off tone comes before a week shortened by the Thanksgiving holiday in the U.S.

Dollar weak on worries over U.S. tax reform outlook, Mueller probe

The dollar fell against a basket of other major currencies on Friday, as Treasury yields slipped and investors remained skeptical of U.S. Republicans' efforts to pass tax cuts after a barren first year for the Trump administration in Congress. The dollar index .DXY, which measures the greenback against six rival currencies, was down 0.31 percent to 93.645. For the week, the index was down 0.8 percent. The euro EUR= was up 0.23 percent to \$1.1796. The greenback was down 0.82 percent against the Japanese yen.

High-yield bond funds see 3rd largest weekly outflows on record

Data show skittish investors in high-yield bonds ran for the exits this week amid mounting concerns about corporate debt levels, stretched valuations and potential changes to the U.S. tax code. Buyers of high-yield corporate debt, or junk bonds, suffered a torrid week with many choosing to shed their holdings outright. Junk-bond mutual funds and exchange-traded funds reported \$4.43 billion of outflows this week, according to Bank of America Merrill Lynch. That amount represents the third largest weekly drop on record and the largest since Aug. 2014. According to FactSet, the SPDR Bloomberg Barclays High Yield Bond ETF JNK, -0.05% shed \$934 million alone, topped by its larger counterpart iShares iBoxx \$ High Yield Corporate Bond ETF HYG, -0.07% which lost \$348 million this week, but \$1.43 billion over a one month period.

FTSE 100 ends slightly lower as British pound recovers

U.K. stocks slipped and logged a second straight weekly loss on Friday, pushed lower by a stronger pound. What are markets doing: The FTSE 100 index UKX, -0.08% dropped 0.1% to close at 7,380.68, falling for a sixth session out of the last seven. The benchmark managed to break a five-day losing run on Thursday to close 0.2% higher after a round of well-received corporate updates. For the week, the FTSE 100 posted 0.7% loss, adding to a 1.7% decline from last week. "The fact that yesterday's bullish sentiment wasn't replicated today could be a sign that markets may turn over next week," said David Madden, market analyst at CMC Markets UK, in a note.

Sterling trims early gains as Brexit nervousness sets in

Sterling inched up on Friday, trimming early gains as investors took profits after the European Union repeated an early December deadline for Prime Minister Theresa May to move on Britain's Brexit divorce bill. European Council President Donald Tusk increased the pressure on May to make progress in time for the EU to respond at a summit on Dec. 14-15, or risk losing a chance to push the talks to a discussion of future trade ties -- something London desperately wants so it can offer some certainty to nervy businesses.

Brexit: Goldman Sachs chief Lloyd Blankfein suggests second vote

The chief executive of Goldman Sachs, Lloyd Blankfein, has suggested holding another referendum on Brexit. Mr Blankfein tweeted: "Here in UK, lots of hand-wringing from CEOs over #Brexit... So much at stake, why not make sure consensus still there?" The firm, which is known to have taken office space in Frankfurt, employs about 6,000 people in London. Banks are particularly worried the UK will fail to strike an EU trade deal.

Continental Europe

European stocks end lower, log 1.3% weekly slump

European stocks declined on Friday, suffering a second straight weekly loss, as disappointing corporate updates and broker downgrades provided pressure. Equities were also weighed by a stronger euro against the dollar, after the greenback stumbled on news top officials from President Donald Trump's election campaign were subpoenaed in the Russia probe. What did markets do?: The Stoxx Europe 600 index SXXP, -0.29% gave up 0.3% to close at 383.80, extending its weekly decline to 1.3%. Germany's DAX 30 index DAX, -0.41% dropped 0.4% to 12,993.73 on Friday, while France's CAC 40 PX1, -0.32% dropped 0.3% to 5,319.17. The U.K.'s FTSE 100 index UKX, -0.08% slipped 0.1% to 7,380.68. Traders continued to watch corporate earnings, which produced some downbeat news on Friday. Elixir Group ELIOR, -18.17% tumbled 18% after the catering group cut its guidance, while Carillion PLC CLLN, -48.19% plunged 48% after warning that full-year profit will be "materially" lower than what the market expects.

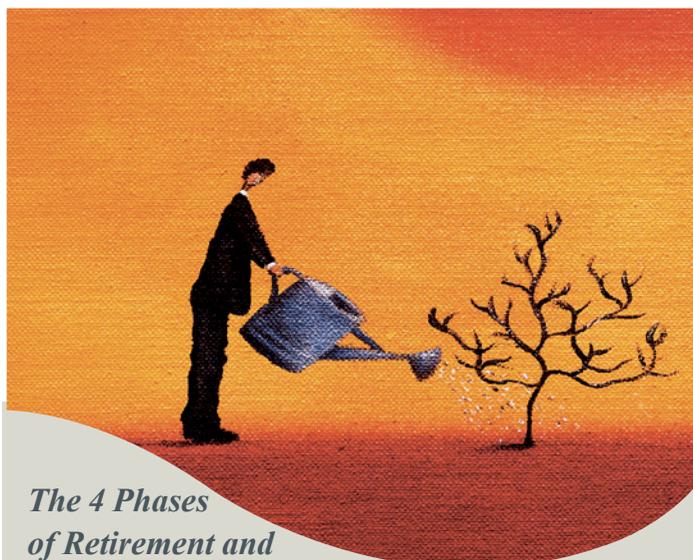


Security warning over Brexit customs plans

Border staff might be diverted from "crucial security functions" after Brexit to cope with a sudden increase in customs activity, MPs have warned. The Commons Home Affairs Committee said a planned 4% increase in Border Force staff was "completely unconvincing", warning: "Security must not be put at risk by government failure to plan." It also warned of "major border disruption" without urgent action. The Home Office said customs officials would have the resources they needed. The UK is due to withdraw from the EU in March 2019 when it will also leave the customs union.

Euro Is a Haven and So Much More to Traders

When the going gets tough, traders are increasingly buying the euro these days. Europe's common currency, which just a few years ago was almost a byword for political instability and faced threats to its very existence, is now attracting buyers at times when risk assets around the world are being sold. Part of that is due to haven flows and investors unwinding carry trades. But it also reflects a market that is increasingly upbeat about growth and inflation in Europe even as central bankers remain reticent about dialing back stimulus.



The 4 Phases of Retirement and How to Budget for Them - 2

At this stage, you should assess what your likely income and expenses will be once you're no longer in the workforce. What will you receive from a pension or Social Security? What is the balance in your retirement plans, such as 401(k)s, 403(b)s or IRAs, and how much will you be able to comfortably withdraw each month? Will you have paid off your mortgage already, and if not, how much will you still owe and for how long?

You may be in a strong enough position to seriously evaluate whether you can afford to retire early. Your employer might downsize and you might find yourself considering whether to accept a buyout -- or be forced to accept one. If you run a family business, this is a good time to create a succession plan. And if you aren't where you want to be financially, it's a good time to work more, change jobs or actively pursue a promotion so you can earn more and save more for retirement while you have the chance.

Asia-Pacific

Australian dollar hits 5-month low after disappointing domestic data

The Australian dollar dropped to a five-year low against its U.S. rival on Friday, following a week of mixed data that could lead its central bank to continue holding off on raising interest rates. This week's labor market data for October was almost paradoxical in that it showed a slowing in total job growth, but a lower unemployment rate, thanks to an increase in full-time jobs. In fact, unemployment fell to a four-year low of 5.4%, compared with the FactSet consensus estimate of 5.5%.

Asian markets mostly higher, but Nikkei abandons rally on yen strength

Asian stocks were looking to end the week broadly higher, building on the global rebound that began a day earlier, but early strength in Japan and South Korea cooled by late morning, with fresh weakness in the U.S. dollar hurting their export-reliant stock markets. The Nikkei NIK, +0.20% closed up 0.2% and briefly fell into negative territory after rising as much as 1.8% in morning trading. The gains evaporated as the yen strengthened, especially against the sagging U.S. dollar. The index ended a nine-week winning streak, the longest since the start of 2013. The dollar rebounded from session lows by early afternoon, with the WSJ Dollar Index BUX, -0.28% off 0.2% after hitting its worst level of the week. The greenback was recently down 0.5% at ¥112.46 from ¥113.10 in early Asian trading.

Tencent earnings buoy Hong Kong index; Nikkei looks to snap losing streak

Global stock markets stabilized somewhat in Asia on Thursday, following broad weakness since the end of last week, with shares in Japan gaining after six straight sessions in the red. The Nikkei Stock Average NIK, +0.20% was up 0.8%, recovering from Wednesday's 1.6% decline, though the index was still off 3.5% since closing at a 25-year high on Tuesday last week. The Nikkei's gains come despite a stronger yen, with the dollar JPYUSD, +0.836671% last at ¥112.95, compared with ¥113.21 at Tokyo's stock market close on Wednesday.

Latin America and Caribbean

Mexico Dithers With Banxico Presidency as CPI Rises, Peso Drops

In two weeks time, the central bank governor of the second-largest economy in Latin America will leave his post. No one seems to have a clear idea of who will replace him. Agustin Carstens announced his plans to leave almost a year ago, yet Mexico's President Enrique Pena Nieto hasn't even proposed the name of his replacement. If he continues to dither, the bank's longest-serving policy maker, Roberto del Cueto -- a lawyer by training -- will take over temporarily next month. It's a stopgap measure that is unlikely to reassure the more-than-\$10 billion-a-day peso market.

Unions take NAFTA wage fight to Mexican Senate

The head of Canada's biggest private-sector union headed to Mexico's Senate on Friday, promising to fight at the NAFTA trade pact talks for improved Mexican wages and free collective bargaining as a way of benefiting workers across North America. The issue of tougher labor standards has emerged as a key sticking point in the talks to update the North American Free Trade Agreement, and has brought disparate groups of workers from across the region closer to U.S. right-wing populists. "There will not be an agreement until the Mexican team agrees to free collective bargaining, the elimination of yellow unions and that Mexican workers get paid what they deserve," Unifor president Jerry Dias said.

Brazil speaker says pension overhaul in danger if left until 2018

The Brazilian government's plan to overhaul the costly pension system will be in trouble if it does not clear the lower house of Congress this year, and it still lacks the votes needed for approval, the Speaker Rodrigo Maia said on Friday. Maia told Reuters that cabinet changes by President Michel Temer benefiting coalition allies should make it clear by next week whether the government can muster the two-thirds super majority of votes needed to pass pension reform in the house. "They don't have the votes yet ... if the bill is left for next year it will be hard to pass," he said in an interview.



Business News

Toshiba Seeks \$5.4 Billion Cash Injection to Avoid Delisting

Toshiba Corp. plans to sell shares to raise 600 billion yen (\$5.4 billion) and will explore a divestment of its Westinghouse-related assets in a bid to avoid being removed from the Tokyo Stock Exchange. Selling its holding in and its claims against nuclear-power business Westinghouse will let Toshiba "significantly reduce" resources required to rehabilitate that unit, funds that can be focused on new businesses, the company said in a statement Sunday. With the cash from a successful share sale, Toshiba expects that the consolidated negative 750 billion yen on its balance sheet will be erased by the end of the fiscal year in March. Overseas firms, including Effissimo Capital Management PTE, are planning to make investments, it said.

VW says worker efficiency deal saved €1.9 billion

Volkswagen AG (VOW.XE) on Friday said that its Volkswagen brand has saved 1.9 billion euros (\$2.24 billion) through efficiency gains since signing an agreement with workers a year ago. Volkswagen's management board and general works council said the savings correspond to 96% of the targets set for 2017, while the brand has also reached 94% of its planned early-retirement targets for 2020. The agreement--known as the pact for the future--is expected to increase the brand's earnings by EUR3.7 billion a year from 2020 through sweeping operational changes, including the reduction of 23,000 existing jobs in Germany and the creation of 9,000 new jobs. "We have made considerable progress with the pact for the future but we still have a demanding route ahead of us," said Volkswagen brand Chief Executive Herbert Diess.

Broadcom closes \$5.5 billion Brocade deal

Broadcom Ltd said on Friday it closed its acquisition of network gear maker Brocade Communications Systems Inc, giving it a larger share of the data center products market. Broadcom, which made a \$103 billion unsolicited bid for smartphone chip supplier Qualcomm Inc earlier this month that was rejected, agreed to buy Brocade in November of last year. It won U.S. antitrust approval for the deal in July. But in October, Brocade and Broadcom Limited withdrew and re-filed their joint voluntary notice to the Committee on Foreign Investment in the United States to allow more time for review and discuss the proposed acquisition.

China says will work with North Korea to boost ties as envoy visits

Traditional friendship between China and North Korea represents “valuable wealth” for their people, China said after its special envoy met a high-ranking North Korean official, but there was no mention of the crisis over North Korea’s weapons. Song Tao, who heads the ruling Chinese Communist Party’s international department, is visiting Pyongyang to discuss the outcome of the recently concluded Communist Party Congress in China, at which President Xi Jinping cemented his power. In a brief statement dated Friday but reported by Chinese media on Saturday, the international department said Song, who is there representing Xi, reported to North Korean official Choe Ryong Hae the outcome of the congress.

Syria toxic gas inquiry to end after Russia again blocks U.N. renewal

An international investigation into who is to blame for chemical weapons attacks in Syria will end on Friday after Russia blocked for the third time in a month attempts at the United Nations to renew the inquiry, which Moscow has slammed as flawed. In the past two years, the joint U.N. and the Organization for the Prohibition of Chemical Weapons (OPCW) inquiry has found the Syrian government used the nerve agent sarin in an April 4 attack and has also several times used chlorine as a weapon. It blamed Islamic State militants for using mustard gas.

North Korea petitions Russia to let workers stay despite sanctions

North Korea has petitioned the Russian parliament to help 3,500 migrant workers from the isolated Asian country stay in Russia despite new U.N. sanctions, the Interfax news agency reported on Friday, citing a Russian lawmaker. Tougher sanctions on North Korea, imposed by the United Nations Security Council over Pyongyang’s ballistic missile and nuclear programs on Sept. 11, banned countries from providing new work permits for North Korean nationals, but allowed existing workers to remain. Most of the around 30,000-40,000 North Korean migrants legally working in Russia were hired before the new sanctions entered into force and the ban will not affect them, Interfax said, quoting an earlier statement from Maxim Topilin, Russia’s labor minister.

Index/Com/ Currency	Fridays Close	Weekly % Change
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AMERICAS

Dow Jones (USA)	23,358.24	-0.27%
S&P 500 (USA)	2,578.55	-0.15%
NASDAQ (USA)	6,782.79	0.47%
IPC (Mexico)	47,857.14	-0.36%
Bovespa (Brazil)	73,437.28	1.73%

EUROPE

FTSE100 (UK)	7,380.68	-0.71%
DAX (Germany)	12,993.73	-1.03%
CAC 40 (France)	5,319.17	-1.16%
IBEX 35 (Spain)	10,010.40	-0.82%
RTSI (Russia)	1,132.45	-2.14%

ASIA

SENSEX (India)	33,342.80	0.08%
Nikkei (Japan)	22,396.80	-1.27%
Hang Seng (H.K.)	29,199.04	0.27%
Shanghai C.	3,382.90	-1.47%

COMMODITIES

Brent Crude Oil	67.72	6.20%
Gold	1,292.41	1.34%
Silver	17.31	2.48%
Platinum	951.53	2.32%
Copper	309.10	0.49%
Sugar	15.37	2.67%
Cotton	69.35	0.30%
Coffee	127.25	-2.87%
Cocoa	2,131.00	-3.80%

CURRENCIES

USD/GBP	1.32	0.17%
USD/EUR	1.18	0.99%
JPY/USD	111.96	-1.38%

‘No fireworks’ at NAFTA talks, but few signs of progress

Negotiations in Mexico to update NAFTA have not made much progress on tough U.S. demands that could sink the 1994 trade pact, but the current round of talks are progressing with civility, some participants said on Saturday. Officials from the United States, Canada and Mexico are meeting in Mexico City for the fifth of seven planned rounds to update the North American Free Trade Agreement, from which U.S. President Donald Trump has threatened to withdraw.

Time is running short to seal a deal by the deadline of end-March 2018. Officials say next year’s Mexican presidential election means talks after that date will not be possible. The U.S. administration has made demands that the other members say are unacceptable, such as a five-year “sunset” clause and tightening so-called rules of origin to boost the North American content of autos. “It is very slow moving but there are no fireworks,” said a Canadian source with knowledge of the talks, adding there had “not been much conversation at all” on the more contentious U.S. proposals.

Within hours of the latest round of talks formally starting on Friday, Canada was complaining about inflexibility by the United States. Officials have so far discussed other issues such as labor, gender, intellectual property, energy and telecommunications but it is too soon to say whether there will be any breakthroughs this round, added a source familiar with the talks. “The work is moving forward,” Mexican deputy economy minister Juan Carlos Baker told reporters, adding that the three countries had prioritized technical work in Mexico City. But he said negotiators were aware that much work lay ahead and “we have to double our efforts.” “The atmosphere is good, the atmosphere is one of work,” Baker added.

The mood was calmer than the tense scenes during last month’s round in Arlington, Virginia, where tough U.S. demands were revealed. Still, the negotiations have passed the halfway point of an initial schedule with few clear signs of process.

