PINNACLE SOVEREIGN INVESTMENTS

ALIGNED capital partners inc.

THE MARKET PULSE

SEPTEMBER 2024

CENTRAL INFLUENCES

As the leaves began their transformations into yellow, orange and red, summer slumbering market cogs were welcomed back to the humming embrace of their investment desks and trading terminals, eager to make their mark on the final few weeks of the year's third quarter.

Oddly enough, September kicked off eerily echoing August's start. Whether it was the lingering margarita effect or mental cobwebs not fully dusted off, we will never know. But both months launched with chilling market slides.

It's true, the September Skid stopped short of the August Abatement, seeing five- or six-day drops, from recent top to recent low, in the neighbourhood of 4% or 5%. For those with a keen ear, market actors could be audibly heard drawing in a collective gasp in worry. But before they could turn blue in despair, the price march quickly returned to its expected "up" direction.

In the midst of September's developing blitz, the Bank of Canada announced its third consecutive overnight rate reduction, shedding 25 basis points, from 4.50% to 4.25%. Given the Bank's stance on Canadian economic metrics, the move was evidently highly anticipated by the general investment sages, though one could not help but wonder if a second threatening market menace wasn't the cherry on top that moved the Bank into action.

Two weeks later, as global markets sputtered higher, the godfather of central banks, the US Fed, stepped up to the plate and delivered an aggressive 50 basis point shaving to the Federal Fund Target Rate, with assurances of more to come before yearend. The Bank pointed to their confidence in the inflation rate returning to more normal and acceptable levels, with worries that maintaining a higher-than-recently-normal interest rate would also play an adverse role in higher unemployment rates in the US.

These moves surely helped spur many global markets – with the TSX in Canada, the US Dow Jones and S&P 500 US, German DAX, and India's Nifty 50, to name but a few – setting ever-higher all-time highs.

To the discerning eye however, one prudently notes that such a sky-high push did not apply to all global markets. Case in point, the UK FTSE marked its all-time high in May and has since been rangebound, sputtering around. Similarly, the Japanese Nikkei finally surpassed its 1990 all-time high in July. But since then, it too has been dillydallying within a range. These are merely two examples, not exhaustive of the current reality.

As has been an ongoing recent theme in this monthly paper, we have yet again identified two opposing global directions. The engaged investor will wonder whether it's the global bulls or global bears who are gaining the upper hand. With our investment portfolios running mostly on 12-month returns ranging from 10% to 20%, one wouldn't be blamed for being lulled into a sense of euphoria. But as so many investment adages remind us, including quips from the investment legend Warren Buffett himself, this is the time to be most cautious and vigilant. Even the patron of conflict, Niccolo Machiavelli, reminds us: "It is a common fault of men not to reckon on storms in fair weather"(1).

Of course, this does not suggest wholesale liquidation and panic. Ships never stop in their tracks in calm waters. Instead, they take heed, continue forward but make calculated course corrections to help navigate what may lie ahead. Why should investing be any different?

Most readers likely find little curiosity in these insights, with a preference to delegate stewardship of their investment portfolio. If that's you, connect with us so we can demonstrate how our insights and beyond conventional strategies are helping others reach their investment goals. No obligations. Just discussions.

All My Best,

Adrian Harasymiw
Investment Advisor

QUOTE OF THE MONTH
"No one can possibly achieve any real and lasting success or 'get rich' in business by being a conformist."
~ J. Paul Getty

1. https://quotesoftheowl.com/it-is-a-common-fault-of-men-not-to-reckon-on-storms-in-fair-weather-niccolo-machiavelli/

10-YEAR BOND YIELDS	Sept 2024	August 2024	Quarter 3 2024	Year-to-Date 2024
Canada	-6.87%	-0.35%	-19.17%	-8.43%
U.S.	-3.47%	-3.10%	-14.22%	-2.15%
Switzerland	-17.35%	13.04%	-24.82%	-47.00%
Japan	-3.50%	-14.89%	-20.61%	38.13%

MAJOR STOCK INDICES	Sept 2024	August 2024	Quarter 3 2024	Year-to-Date 2024
S&P/TSX (Canada)	3.08%	1.04%	9.84%	14.81%
DOW (U.S.)	2.03%	1.58%	8.02%	12.68%
S&P 500 (U.S.)	2.46%	2.00%	5.33%	21.44%
Nasdaq (U.S.)	3.20%	1.03%	1.73%	20.36%
NYSE (U.S.)	1.16%	3.11%	8.27%	15.80%
FTSE 100 (U.K.)	-1.67 %	0.10%	0.89%	6.51%
Euro Stoxx 50 (EUR)	0.90%	1.87%	1.55%	10.42%
Nikkei 225 (Japan)	-2.83%	-0.35%	-4.82%	14.24%
Shanghai (China)	17.80%	-3.33%	12.52%	12.24%

MAJOR COMMODITIES	Sept 2024	August 2024	Quarter 3 2024	Year-to-Date 2024
Gold (USD)	4.87%	1.37%	13.83%	28.31%
Silver (USD)	7.59%	-0.07%	6.84%	30.84%
WTI Crude Oil	-7.29%	-6.41%	-16.30%	-4.94%
Natural Gas	36.36%	4.17%	13.37%	12.50%
Uranium	2.96%	-5.99%	-4.33%	-10.80%
Wheat	5.76%	4.71%	1.85%	-7.10%
Cotton	5.19%	1.49%	1.18%	-9.05%

OTHER	Sept 2024	August 2024	Quarter 3 2024	Year-to-Date 2024
USD Index	-0.96%	-2.25%	-4.81%	-0.61%
CAD/USD	-0.22%	2.32%	1.15%	-2.04%
Bitcoin	7.41%	-8.77%	0.88%	49.77%
Ethereum	3.51%	-22.21%	-24.23%	14.03%
VIX	6.09%	-7.35%	28.81%	26.48%

For more investment information, be sure to check out the INVESTMENTS segment of www.PinnacleSovereign.com

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High Interest Savings Fund (net)**: 3.85% (CAD) & 4.48% (USD)**

1-Year GIC (net)**: 3.80% (CAD) & 4.40% (USD)**