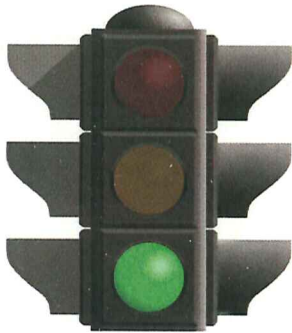


MARKET COMMENTARY

JULY 29, 2009

GO!



Wondering what's going on in the markets? Should you jump in with both feet? Waiting for some kind of sign? Here it is.

There are many signs indicating that the stock markets have bottomed out and are starting to recover. It is my belief (and my strong recommendation) that now is the time to be fully invested in the markets. Every day I am seeing more and more evidence to back this up. Here is just a small sample of the reasons for my optimism:

- The Canadian economy is starting to stabilize. Last week the Bank of Canada Governor, Mark Carney, stated that the recession in Canada was over,
- Many analysts and fund managers are becoming optimistic about future growth,
- Stock markets tend to recover before the overall economy,
- Interest rates are at an all-time low,
- In Canada, wholesale and retail trade were significantly better than expected in May
- U.S. existing home sales were up for 3 straight months,
- There is a mountain of cash on the side lines. Nervous investors bailed out in the fall & winter. This money will not stay in cash (earning almost nothing, with today's low interest rates). Sooner or later this cash will move back into the markets in pursuit of better returns. This money is now starting to be deployed. As more cash gets into the markets, it will boost the markets even more.

KEY INVESTMENT PRINCIPLES

- It's not rocket science. We all know that to make money in the markets, we must "Buy Low & Sell High". Doing it in reverse NEVER, EVER works!
- If you want to profit, you must buy now. Don't wait until after the markets go back up. It is too late then.

SOME MATHEMATICS:

Investments double in value in 5 years, with a return of 14.9% per year; in 10 years at 7.2%. Leaving your money in a money market fund or savings account that earns 0.25% (if you're lucky) means that you will not double your money for quite a while, actually 277 years!

P.S. I put my money where my mouth is. I just invested some more today.

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