

## THE LUCK FINANCIAL GROUP

*“Darren’s take on things”...*

A few things I have been watching:

1. **Inflation has been a hot topic for months and expect it to get hotter.** The crown corporation that sets the price that dairy farmers get for their milk is recommending an increase of 8.4% starting in February, to make up for big jumps in the cost of feed, fuel and equipment. Sylvain Charlebois, a professor and often-quoted expert in Canadian food matters, calls it an increase of historic proportions and predicts the price of milk, cheese and yogurt will "skyrocket" in the new year.
2. **Sales of cigarette’s have been declining every year until 2020 when cigarette sales actually rose.** To me, this isn’t so much a cigarette story as it is a society story or a consequence of Covid story which is unfolding day by day. That longer term trend is *probably* going to continue. Considering how extreme last year was on so many levels, it’s not hard to come up with theories as to why 2020 saw more people reaching for a cigarette; as nicotine can offer a much needed quick hit of dopamine.
3. **People aren’t quitting smoking, but they are quitting their jobs.** This past August, 4.3 million Americans quit their jobs, that is more than in any other month in recorded history.

Here is my take, our economy is comprised of:

- Workers
- Consumers
- Shareholders

Creating a sort of economic symphony where they all work together. Since 2008 the stock market is up over 400%, consumers have done well while the minimum wage (in the US) went from \$7.25/hour in 2008, wait for it...to \$7.25/hour in 2021. The pendulum of power appears to have finally swung from capitol to labor and any business owner I speak with says they can’t find workers. Covid isn’t the cause, but has accelerated these trends and I expect to see strikes and other similar actions by labour to get paid more in the future. This will lead to more inflation and stressed out cigarette smoking capitalists!

## THE LUCK FINANCIAL GROUP

These are not necessarily bad news developments, but things are clearly shaping up to be a very different post-Covid world. For the month of October CAD and U.S. markets were up over 4% while oil (a good proxy for economic growth) is up 74% in 2021, reflecting the pent up demand, technological innovations and the fact that people are excited to get on with living their lives again.

No one knows how high things will go or when the party ends, but I can promise you that we are working hard to stay on top of any and all developments that could impact the investments you have entrusted to us. If you have any questions or if we can help in any way please feel free to reach out.

Sincerely,



**Darren J Luck, CIM®**, Senior Wealth Advisor, Portfolio Manager

The Luck Financial Group | (519) 972-2976 | [LuckFinancialGroup@cibc.com](mailto:LuckFinancialGroup@cibc.com)

***We understand that you've worked hard, saved and sacrificed. Which is why we have been committed to helping generations of families and business owners meet their goals since 1991.***

CIBC Wood Gundy is a division of CIBC World Markets Inc., a subsidiary of CIBC and a Member of the Canadian Investor Protection Fund and Investment Industry Regulatory Organization of Canada.

CIBC Private Wealth Management consists of services provided by CIBC and certain of its subsidiaries, including CIBC Wood Gundy, a division of CIBC World Markets Inc.

"CIBC Private Wealth Management" is a registered trademark of CIBC, used under license. "Wood Gundy" is a registered trademark of CIBC World Markets Inc.

The views of Darren Luck do not necessarily reflect those of CIBC World Markets Inc.

If you are currently a CIBC Wood Gundy client, please contact your Investment Advisor.

This information, including any opinion, is based on various sources believed to be reliable, but its accuracy cannot be guaranteed and is subject to change.

CIBC and CIBC World Markets Inc., their affiliates, directors, officers and employees may buy, sell, or hold a position in securities of a company mentioned herein, its affiliates or subsidiaries, and may also perform financial advisory services, investment banking or other services for, or have lending or other credit relationships with the same. CIBC World Markets Inc. and its representatives will receive sales commissions and/or a spread between bid and ask prices if you purchase, sell or hold the securities referred to above.

© CIBC World Markets Inc. 2022.