

# NEWSLETTER: FOURTH QUARTER 2020

## Cindy's Insight

I'm sitting in my office thinking about 2020 and the words that come to mind are, "WOW, what a year!" Thanksgiving has come and gone but I always take a few moments to be thankful. This year I am very thankful that I live in Canada. I am always thankful for my clients and the opportunity to build my business and practice in the city where I was born, Abbotsford.

Many people have been staying at home and it has been really interesting for them. You can't go many places and you are somewhat stuck with those you love. I found it interesting that my clients with young families who are at home with their children are; saving money, playing more games with their children, taking walks with them and having this once in a lifetime opportunity to stop "the gerbil wheel" we all get on and to actually spend quality time with their family. Going on trips, getting into programs and keeping very busy was a way of life and now we have stopped.

Working at home has become more normal for many people. I worked from home for several months and I missed the ladies here at the branch and our normal communication. At this time, we are back in the office with social distancing, with masks on and other items as we need to stay safe. We have limited our in-person meetings, but can have one with you if needed.

We are never too old to learn new things. For my retired clients, I appreciate you learning Zoom so we can have great meetings "face to face". It is important that we stay current and we know that we do not need to be isolated. We can continue to communicate even if it is different than our normal.

The markets have been unusual but are now starting to settle down (as of writing this). Many companies struggled to make a profit as people stopped buying things. On the other hand some companies are benefiting from people working from home. For us, there are some sectors we do not own and others where we have increased our exposure to over the last several months. For example, I do not own airplanes but I do own technology. Having said that, I do not own everything in technology but currently have more exposure in this sector than before.

There is a lot of speculation in the market especially in the tech sector. We have been in a tech correction and many people are starting to feel this, especially the smaller companies. You must be very careful if you own assets elsewhere. Recently, I have received numerous penny stock questions in the tech sector, and frankly it shows me the market is too high and if everyone is buying, it can distort the value. For me I am happy to wait to find the price I like as I prefer to do tactical trades. Remember that the price of the stock may not even reflect the value of the stock and the economy does not drive the stock market.

I want to thank you for not only putting your trust in me and my teams' ability but also for being the type of people that make us want to come to work to be able to help you. The other day someone asked me, "what type of client do you work with?" My answer is, "people like you."

Cindy Boury FMA, CIM®, FCSI®  
Portfolio & Branch Manager



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ADVISOR TALK

Nearly half of  
Canadians are \$200  
or less away from  
financial insolvency.

(On average they have \$557 left  
each month after paying bills.)

- Cindy Boury

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## Recipe Corner

### Pesto Zuppa Toscana Soup

Prep Time: 15 minutes | Cook Time: 45 or 15 minutes | Servings: 6

#### Ingredients:

- 4 slices thick cut bacon, chopped
- 3/4 pound ground spicy Italian chicken sausage
- 1 yellow onion, chopped
- 4 cloves garlic, minced or grated
- 2 ribs celery, chopped
- 4 small yukon gold or russet potatoes peeled and chopped
- 6 cups low sodium chicken broth
- 1/3 cup basil pesto, homemade or store-bought
- juice of 1 lemon
- 1 pinch crushed red pepper flakes
- kosher salt and black pepper
- 1 bunch Tuscan or curly kale, roughly chopped
- 3/4 cup heavy cream or whole milk
- 1/2 cup grated parmesan or asiago cheese
- fresh thyme, for serving (optional)



#### Directions Using Stove-Top:

1. Cook the bacon in a large soup pot set over medium heat until crisp, about 5 minutes. Remove the bacon. If there's excess bacon grease, drain off all but 1 tablespoon.
2. Add the chicken sausage and onions, and brown all over, about 5 to 8 minutes. Add the garlic, celery, and potatoes, and cook 2 minutes. Add the broth, pesto, lemon juice, red pepper flakes, and season with salt and pepper.
3. Simmer over medium heat for 15-20 minutes, until the potatoes are tender.
4. Stir in the kale, cream, and parmesan. Cook until the kale is wilted, about 10 minutes. Remove from the heat. Stir in the reserved bacon.
5. Serve the soup topped with additional parmesan and fresh thyme, if desired.

#### Directions Using Instant Pot:

1. Set Instant Pot to sauté. Add the bacon and cook until crisp, about 5 minutes. Remove the bacon. If there's excess bacon grease, drain off all but 1 tablespoon.
2. Add the chicken sausage and onions, and brown all over, about 5 to 8 minutes. Add the garlic, celery, and potatoes, and cook 2 minutes. Turn the Instant Pot off.
3. To the instant pot, add the broth, pesto, lemon juice, red pepper flakes, and season with salt and pepper. Cover and cook on high pressure for 8 minutes.
4. Once done cooking, use the natural or quick release function. Set the Instant Pot to sauté. Stir in the kale, cream, and parmesan. Cook until the kale is wilted, about 10 minutes. Turn the Instant Pot off. Stir in the reserved bacon.
5. Serve the soup topped with additional parmesan and fresh thyme, if desired.

Recipe Source: [www.halfbakedharvest.com](http://www.halfbakedharvest.com)

## Life Insurance FAQ's

**Q:** "Why do I need disability insurance?"

**A:** None of us want to face the possibility of becoming injured or being diagnosed with a disease that will keep us from earning a living, but it does happen. I can remember being at a get together about 17 years ago with three other couples. There were four men present all in their early to mid-forties, one was living with Crohn's Disease, one with MS and another with Parkinson's Disease. Here were three men who had lived healthy lives and each one was living with a life altering disease. I'm willing to bet none of them expected to have those types of health issues at such an early age.

Have you ever considered how you and your family would be impacted if you were diagnosed with a disease or sustained an injury where you were unable to work? Would you have enough savings to meet your expenses and for how long?

If you have a health plan through your employer it is important you know the details of the DI benefit. We often hear "I've got coverage through work", however most people don't know how much their disability plan pays or how long they may receive benefits.

The answer to "Why do I need disability insurance" is simple. To provide you with financial security and peace of mind should you become unable to work due to an accident or illness.

Please contact us if you'd like a quote for disability insurance.

Florenza Jones  
Insurance  
Representative



## What's Better Than Bonds?

It's been exactly one year since we last ran our "Better than Bonds" (BTB) screen and a lot has changed since then, to say the least. The weak macro environment resulting from the global pandemic has pushed the majority of central banks to cut their policy rates to near-zero while also offering a dovish outlook. Given this, bond yields have continued to trend lower around the world. In fact, almost 60% of developed countries have government bonds that are negative yielding with Canada being one of the few that is not (along with the US, UK, Australia, Singapore and New Zealand). The 10-year Government of Canada (GoC) bond, a closely watched gauge of investor confidence, hit 0.43% in early-August – down 217 bps from its five-year high of 2.60%.

The expectation that interest rates are to remain low for the foreseeable future make equity markets look more attractive, despite absolute valuation levels looking stretched relative to bonds. As such, in our view, dividend-paying stocks present an attractive option for investors looking to supplement their income needs in a low interest rate world. In fact, compared to the 10-year GoC bond, currently yielding 0.55%, the iShares Core S&P/TSX Capped Composite Index ETF (S&P/TSX) dividend yield is at 3.3%, presenting a 275 bp spread above the GoC bond, a phenomenon that has existed since 2011. This difference set an all-time high on March 23, 2020 with a 414 bp spread.

While lower rates have made stocks more attractive, investors must be aware of the differences between these two asset classes, including, but not limited to, the inherent volatility that not only comes with stock prices, but also their associated dividends. While it is known that equity prices are historically more volatile than bonds, thus making them riskier, stock dividends can fluctuate in either direction. For instance, distributions can

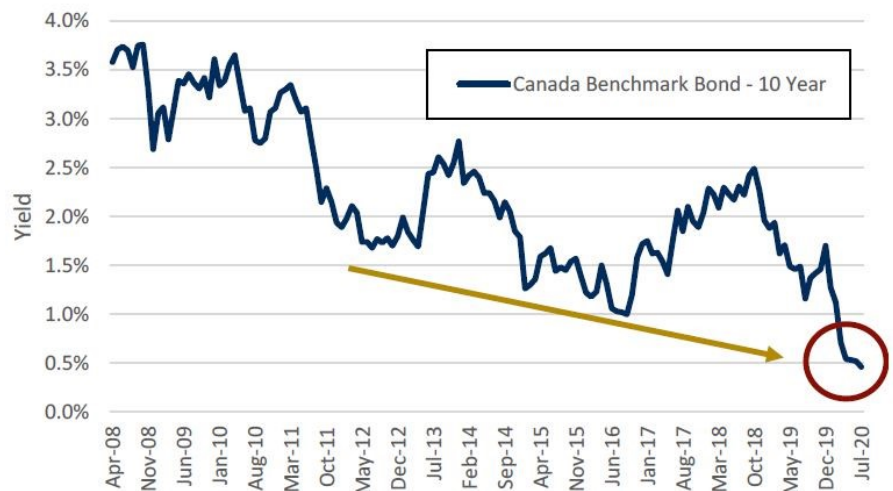
be cut when companies need to preserve their cash flow as seen this year by many companies in the energy sector. The flip side to that argument is that while bond coupons are "fixed income" and cannot be increased, dividends can be raised if companies believe such distributions can be sustainable going forward.

In an environment where income seekers must turn to the equity markets for yield, we run our BTB screen to generate a list of Canadian stocks for income seeking clients. For the method-

ology, please refer to our January 11, 2018 Trends & Ideas piece titled Better Than Bonds. The resulting names below were generated after running both the Original and Aggressive screens. As a reminder to clients, given that stocks are inherently riskier than bonds, we advise readers to get in touch with their Raymond James financial advisor in order to set a more appropriate path to achieve a desirable level of income.

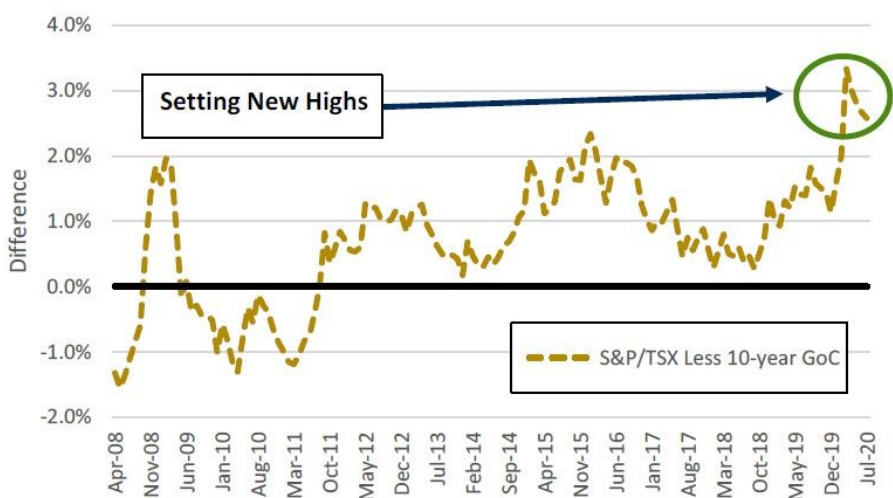
Larbi Moumni CFA  
Senior Equity Specialist, PCS Investment Strategy team at Raymond James Ltd.

### 10-year GoC Yield Reaching a New Low



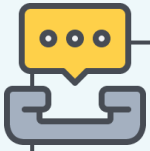
Source: Factset, Raymond James Ltd. Monthly data

### S&P/TSX Yield Less GoC 10-Year – Set All-time High



Source: Factset, Raymond James Ltd. Monthly data

## Attend Our Free Events & Presentations



Have you joined us yet for Cindy's LIVE ZOOMINARS!?

Cindy will be hosting video webinars speaking on market and branch updates. Watch for the invite emails, or give us a call for more info.

Back to the Basics: Part 2 & 3

Pay Off Your Mortgage Smarter

Women's Only Events

Understanding Wills, Probate & Estates:  
Have You Prepared For Your Family?

The Role of an Executor: Your Obligations  
& Risk of Personal Liabilities

Stay up to date by visiting our website:  
[www.cindybourypwm.ca](http://www.cindybourypwm.ca)

## Follow Our Social Media!

Have you seen our Facebook and LinkedIn? Stay up to date on the Cindy Boury Private Wealth Management team by following us!

Click the hyperlinks or copy to a webpage:

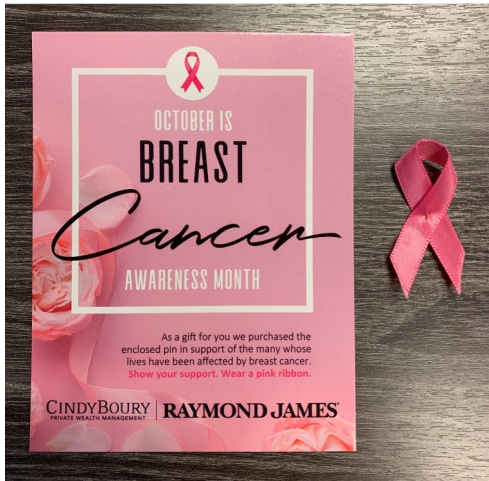
 [www.linkedin.com/in/cindyboury/](http://www.linkedin.com/in/cindyboury/)

 [www.facebook.com/cindybourypwm/](http://www.facebook.com/cindybourypwm/)



### We attended the 26th Annual Women's Symposium...VIRTUALLY!

(Above) This 3-day conference featured speakers, breakout sessions, award presentations and a virtual cocktail hour (with a red-carpet). Each year the Symposium provides an occasion for women advisors to share experiences and increase expertise.



### Breast Cancer Awareness Month

(Left) Did you know 1 in 8 Canadian women are diagnosed with breast cancer!? October is Breast Cancer Awareness Month! In support and memory of the many people whose lives have been affected by breast cancer, we are supporting the Canadian Cancer Society by purchasing pink ribbon pins and mailing them to our clients and friends. Show your support. Wear a pink ribbon.



### Team Facemasks

(Left) The CBPWM team wearing their Raymond James Cares Foundation facemasks!



### Central Fraser Valley Search & Rescue

(Left) Cindy delivered her sponsorship cheque. CFVSAR is a dedicated group of unpaid professional Search and Rescue workers serving the Cities of Abbotsford, Langley and Sumas Mtn.

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