DIVIDENDS
Investment Planning eNewsletter

Taking Share Issue 2024-12 Dec. 6, 2024

"Movin' on up and taking no prisoners"

Ok...I know I talk a lot about the US equity markets and Dividends. Well today I'll saturate you with both.
Dividend Growth Is Still Workin'
The Canadian companies that have global reach make up the core positions of this strategic component has had a very good year thus far.
There remains 16 considerations for ownership as I have removed 5 in the last month from this strategy.
Of these 16 considerations; 4 have announced 2 dividend increases in 2024, 9 have announced 1 dividend increase for 2024, and 3 have yet to announce an increase in 2024.
The "interest sensitive" holdings (bank, financial, insurance and infrastructure) have all had strong quarters as we close out this year with further expectations of continuation as rates continue to drop.

	Last 10 Years Change in Weighting	MSCI All Country Weighting December 2014	MSCI All Country Weighting December 2024
United States	14.3%	52.23%	66.52%
Rest of World			
Japan	-2.4%	7.20%	4.78%
United Kingdom	-3.1%	6.16%	3.06%
Switzerland	-1.6%	3.61%	2.00%
Canada	-0.6%	3.34%	2.77%
France	-1.1%	3.25%	2.20%
Germany	-1.2%	3.14%	1.90%
Australia	-1.0%	2.64%	1.60%
China	0.2%	2.47%	2.62%
Netherlands	-0.7%	1.60%	0.91%
South Korea	-0.7%	1.56%	0.88%
Taiwan	0.6%	1.27%	1.85%
Spain	-0.6%	1.13%	0.57%
Sweden	-0.3%	1.03%	0.77%
Net Change Of ROW	-12.5%		

Chart courtesy of DataTrek that showcases the change in the All Country weight by Country in the past 10 years

Taking Share

Over the last decade the US has "taken share" from pretty much every country, when one looks at the composite of global equities. Are you surprised that China and Taiwan, areas of what is supposed to be massive growth, have only added 0.2% and 0.6% respectively? Are they not supposed to be where all the growth is happening? Yes, however the US is where it has all been by a massive margin.

Canada has dropped a substantial -17% in the last 10 years from 3.34% to the current 2.77% of global equities. This one is easy to see for we are giving up market share continually by how hard we make it for companies to want to grow their Canadian exposure, spend money here, and our lower level of worker productivity. Anecdotally, many of my data providers no longer include Canada in their discussions for we are just such a small player now in the globe.

The US now represents a full 2/3rds of the global index. A massive increase of 14.3% from 52.23%. You can see who have been the losers to facilitate this exceedingly strong growth.

So many pundits have been calling the last 10 years of the US equity market as overvalued. Hard to call it overvalued when it grew 27% during this time frame! When you focus on growth and profitability this is what happens. The US remains one of the foremost areas of opportunity for growth to occur and as I have said many times before: where it will continue to occur over the next 5 to 8 years.

The US dollar remains the international standard and due to its strength and Canadian dollar weakness we have recently seen our dollar devalue into the $0.71USD range. I had suggested at the start of 2024 that the CAD$ could devalue into the $0.70 range and I hope you find it eye-opening that we are nearly there. At the start of October we were at $0.745! Canadian dollar roller-coasted down $0.04 in just over 2 months.

My consensus statement to all: The markets have had 10 years to decide that the US equity markets are overvalued or that other countries equities were worth more. We shall continue to use US Growth to provide "protection" to our portfolio's.

Happy to speak with you or your friends at 905-541-2012 or email vwarrington@alignedcp.com

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