



The Month Gawne By

December 2018

What Happened?

The S&P 500 had its [worst year since 2008](#) in 2018, falling 6.24%. While [the NASDAQ entered a bear market](#) (a decline of 20% or more from a high point). Equity markets around the world struggled with central banks tightening monetary policy (see below) and with the headlines surrounding trade wars, Brexit, and a US government shut down.

The Federal Reserve [raised its benchmark interest rate by 0.25%](#) and lowered the number of projected increases in 2019 from 3 to 2. More recently the Federal Reserve Chairman said they are [willing to be flexible](#) going forward given volatility and slowing global growth.

The ECB is [ending quantitative easing](#).

Bank of Canada kept the interest rate steady at 1.75% (which was expected).

Despite the actions of the Federal Reserve, the Bloomberg Barclays US Aggregate Bond Index was flat on the year.

[Inverting yield curve](#), don't panic.

US sets a [hard deadline of March 1st, 2019](#) for a China-US trade deal to be reached.

US became a [net oil exporter](#) for the first time in 75 years

Theresa May [delays Brexit Vote](#), expected to attempt renegotiation with EU. UK scheduled to leave the EU on March 29th, 2019. What will happen if [MPs reject Brexit deal](#).

I have incorporated my trip to India during the remainder of this newsletter as much as possible. It was an amazing place, which I recommend visiting. I was fortunate to have visited 4 different cities covering quite a bit of geography (Banglore, Tirumala, Hyderabad, and Ahmedabad). The traffic and the food were two things that really stuck out in my experience.

Markets (as of December 31st, 2018)

Stocks	Benchmark	December	2018
Canada	S&P TSX Composite	-5.76%	-11.64%
United States	S&P 500	-9.18%	-6.24%
International	MSCI EAFE	-4.96%	-16.14%
Emerging Markets	MSCI Emerging Markets	-2.92%	-16.64%
World	MSCI ACWI	-7.17%	-11.18%

Bonds	Benchmark	December	2018
Canada	FTSE TMX Canada Universe Bond	1.36%	1.41%
United States	Bloomberg Barclays US Aggregate	1.84%	0.01%
World	Bloomberg Barclays Global Aggregate	2.02%	-1.20%

Currency	December	2018
CAD / USD (Source: ThomsonOne)	2.26%	7.94%

Articles of Interest

Large human crowds [exhibit fluid-like collective behavior](#) that can be predicted based solely on hydrodynamic theory. This is the best way that I can describe traffic in India. There is no politeness, whoever has the advantageous position proceeds. At the same time I didn't observe any road rage. Horns were used incessantly, with trucks displaying messages encouraging the use of horns. Every time you entered a person's blindspot horns were sounded, rendering side view mirrors obsolete.

59 [good things that happened](#) in 2018.

15 charts showing [how the world got better](#) in 2018.

We might be [hallucinating all the time](#).





Two-thirds of the world's [recycled plastic](#) used to be sent to China.

What 105 experts [worry the most](#) about our future.

[52 things](#) Tom Whitwell learned in 2018.

Life below earth's surface is [significantly more abundant](#) than on it.

Music

[December Playlist](#) – the 10 to 20 songs I listened to the most during the month. I've done my best to filter for objectionable content and language.

Books

"[The Intelligent Investor](#)," Benjamin Graham

This book has sat on my bookshelf half-read for more than 6 years. Originally published in 1949, you'll be hard pressed to find a [must read list](#) for investors where it is not number 1. The author, Benjamin Graham, was one of Warren Buffett's professors at Columbia University. He is one of [3 people that Warren Buffett credits](#) for his success. One of the things that really stood out for me was how much the economy has changed. I can count on one hand the number of companies highlighted in the book that are still in existence today.

[5 books](#) Bill Gates loved in 2018.

Movies

I got my first taste of Bollywood while visiting India and really enjoyed the style of filmmaking. If you have an interest I would recommend the following: [Simmba](#), [Blackmail](#), [Judwaa 2](#).

11 [best documentaries of 2018](#) according to Vox.

Food

The 24 hour journey to India was worth it if only for the food. The most memorable meal I had was at the wedding I attended. It was served on a banana leaf. Servers walked up and down the table with stainless steel buckets full of different items dropping little piles across the leaf until you could take no more. I didn't

know exactly what I was eating but it was all delicious. I learned after that each item was delivered in a specific order to coincide with the digestive process. Also, there were no utensils provided. Though a few of the guests requested a spoon for me, since they were fearful I was going to bite my fingers off while eating. There is a skill to eating with your hands in the same sense there is a skill to using chop sticks.

[Kerala style chicken curry](#) was one of the meals I really enjoyed and one of the few I was able to remember the name of.

Health

Life expectancy in the US decreasing, but not because of what you think. [Suicide rates have increased](#).

Meditation is the [fastest growing wellness activity](#) in the US. While in India I spent time with a Pranayama Guru. He claims he was able to reverse his 4th stage cancer with breathing exercises and meditation. Happy to share his experience if you are interested.



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