

INSIGHTS

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Good reads:

- [RRSPs are getting a bum rap as a tax trap](#)
- [If you die owning US property or stock, beware the political football that is US estate tax](#)
- [Wealthy Canadians are worried about wealth transfer](#)
- [In investing, reacting to headlines can cost you](#)
- [Massive cryptocurrency heist spurs call for more regulation](#)

Best quotes of the week:

An investment in knowledge pays the best interest. – Benjamin Franklin

Buy when everyone else is selling and hold until everyone else is buying. That's not just a catchy slogan. It's the very essence of successful investing. – J.P. Getty

Innovation distinguishes between a leader and a follower. – Steve Jobs

If you have trouble imagining a 20% loss in the stock market, you shouldn't be in stocks. – John (Jack) Bogle

I have not failed. I've just found 10,000 ways that won't work. – Thomas A. Edison

Best soundbites of the week:

On the potential of the new healthcare venture between Amazon.com, Berkshire Hathaway and JPMorgan + an interesting stat on US healthcare spending:

Healthcare industry experts say the new entity could eventually negotiate directly with drug makers, doctors and hospitals and use their vast databases to get a better handle on the costs of those services. That could undercut the industry's "middlemen," from health insurers to pharmacies and benefits managers. "The ballooning costs of healthcare act as a hungry tapeworm on the American economy," said Berkshire Hathaway Chairman and CEO Buffett. "Our group does not come to this problem with answers. But we also do not accept it as inevitable." U.S. healthcare spending has been increasing annually faster than inflation, and in 2017 accounted for 18 percent of the economy. Corporations sponsor health benefits for more than 160 million Americans. – Reuters [article](#)

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Some interesting (and healing) uses of drone technology:

In Rwanda, peaceful drones have made some 3,000 deliveries to date, including bags of blood flown to remote medical clinics. Zipline, a Silicon Valley firm that's working with the African nation, says its battery-powered fixed-wing craft can deliver goods within about 50 miles of a distribution center. The technology can turn a four-hour drive into a 45-minute flight, says the World Economic Forum, which has been working to create a new regulatory framework for drones. – Barron's [article](#)

Reasons to believe the US markets are not overly stretched:

For 20 years, the average price/earnings ratio has been 19.3. If you go back 50 years, it's 15.6 times. In periods where inflation grew 3% or less—which is 22 of the past 50 years—the P/E of the market was 19.7. Now, at 17 for 2019 and 15.9 for 2020, P/Es don't look particularly stretched. If earnings are rising 16% this year and a minimum of 8% next year, and if companies buy back 3% of shares, and M&A reduces them by another 4%, then I don't see why the market can't rise 10% to 15% this year and another 10% or so next year. – [Marvin Schwartz](#), Neuberger Berman

On the current issues apparent with exchanges for cryptocurrencies:

The whole point of Bitcoin was to get rid of the middlemen that dominate the financial system. But in the past few years, most bitcoin buying and selling has been conducted using middlemen--the exchanges that let people turn traditional currencies into digital coins. Users have flocked to exchanges in part because the original Bitcoin network can't process enough transactions to allow for seamless trading. The problem is that those exchanges have been susceptible to hacking. All told, more than \$1 billion worth of digital coins have been stolen or lost from exchanges. (Friday's hack actually targeted another coin called XEM, not bitcoin.) Even regulated U.S. exchanges have had trouble keeping up with the surge of interest in digital coins, with Coinbase and Gemini both reporting downtime amid spikes in user interest in recent months. Network downtime can be particularly problematic if it happens when prices of digital coins spike or drop, and users can't get into their accounts. – Barron's [article](#)

Reminder: TFSA & RRSP contributions

You can now make your 2018 tax-free savings account (TFSA) contributions. The 2018 contribution limit is \$5,500. If you have never made a contribution and have been eligible since 2009, you can invest up to \$57,500 in 2018.

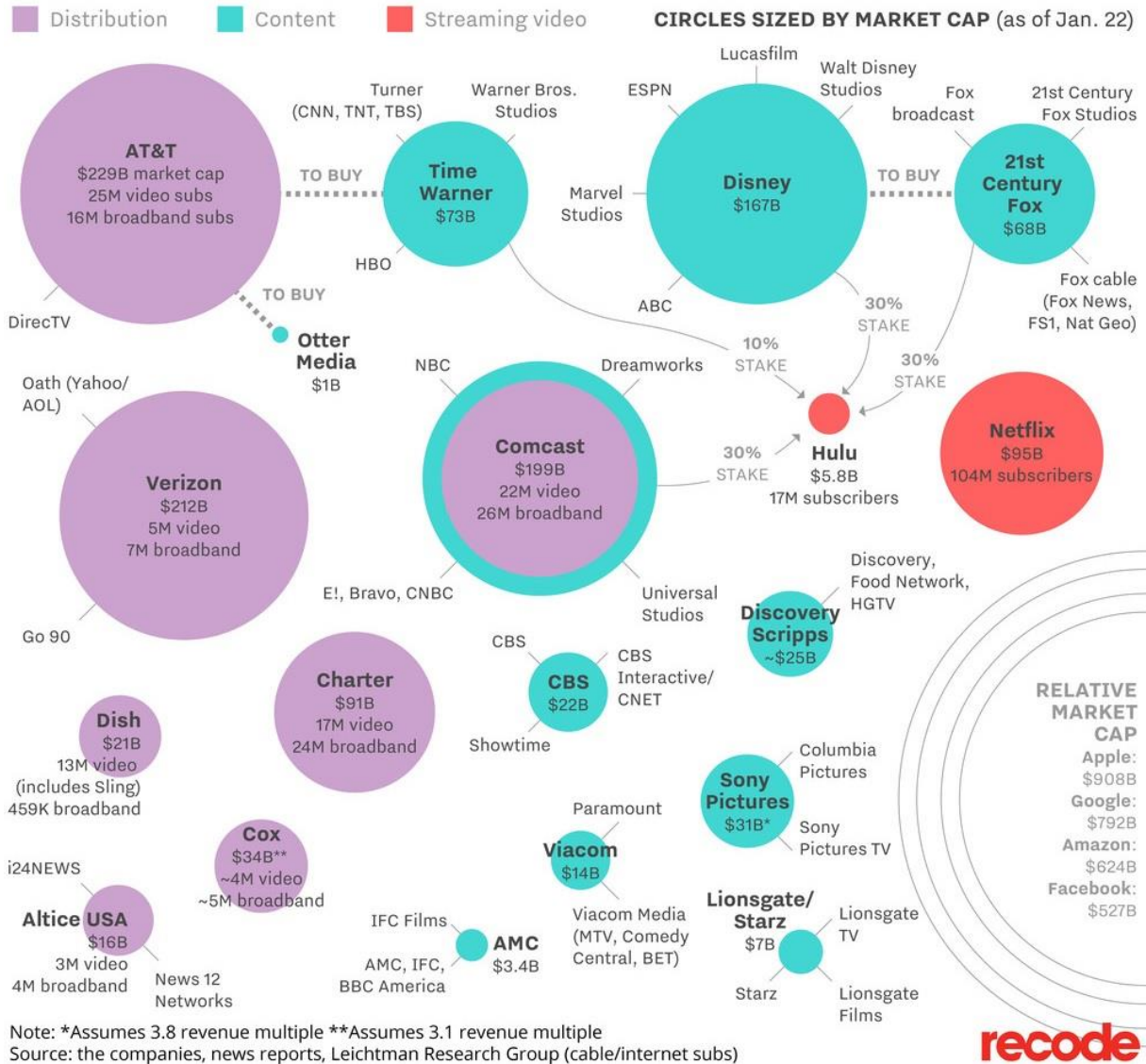
The 2017 RRSP contribution deadline is March 1, 2018.



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Best visual of the week:

The media world has been making some big changes over the last number of years as it finds new ways to distribute content and monetize its material. Here is a great infographic that sums up the most recent changes and also helps visualize where the media world might be headed:



Source: [Visual Capitalist](#)

Beyond the Markets:



Today is Groundhog Day!

As a fan of the movie called Groundhog Day starring Bill Murray, I thought I'd share some interesting trivia about the production:

- Bill Murray was bitten by the groundhog twice during shooting. Murray had to have anti rabies injections because the bites were so severe.
- Originally, Phil was supposed to murder the groundhog in his lair. This was changed because it was too similar to Caddyshack (1980).
- Since the film's release, the town of Punxsutawney has now become a major tourist attraction.
- All the clocks in the diner are stopped, mirroring Phil's predicament. The "clocks" restaurant in Woodstock, Illinois, is now a Starbucks.
- The second time Phil counts down to go on the air (after the groundhog sees his shadow), when he gets to "1" he holds up his middle finger, rather than his pointer.
- Rita slaps Phil ten times during the course of the film.

Source: [IMDb](https://www.imdb.com)

Wishing everyone a fantastic weekend!

Cheers,
Kim

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