

# HAC Update for August 8, 2017

	Gain % from July 31 to Aug 4
HAC	0.0
S&P 500	0.2
S&P/TSX 60™ Index	1.3

## Portfolio Performance / Transactions/End of Week Holdings\*

Ticker	Week % Gain**	% Buy/Sell***	% End of Week Holdings****
HFR	0.0		16
HUF.U	0.0		9
HTB	1.3		15
HBB	0.8		9
IBB	-1.9		3
HXS	0.2		3
IYT	-0.6		-3
HUG	0.2		5
PSA	0.0		10
CASH			33

\* Transactions and End of Week Holdings are % of portfolio

\*\* Based on price from a sell/buy during the week where applicable

\*\*\* Buy/Sell may not be equal due to use of cash

\*\*\*\* Includes trades on last day of week

## Market/Portfolio Comments

The S&P 500® ended up with a nominal gain for the week. The Dow Jones Industrial Average stole the show as it surpassed 22,000 for the first time. The U.S. stock market was buoyed on Friday as the Nonfarm Payroll employment report for July came in stronger than expected with the economy adding 209,000 jobs in July, higher than the expected 180,000 (Bloomberg).

Last week, the Canadian stock market gained an impressive 1.3% as energy stocks were generally higher as were Canadian banks. Last week, HAC was flat as its losses were generally cancelled out by its gains.

## U.S. Stock Market (HXS)

Last week, the U.S. stock market was mildly positive as the earnings numbers continued to be stronger than expected.

## iShares Transportation Average ETF - \*\*\*Short Sell\*\*\*

From 1990 to 2015, on average, the transportation sector has produced a loss of 3.9% during the period from August 1st to October 9th. This year, the sector has started its seasonally weak period early and is currently underperforming the S&P 500. The weak performance of the transportation sector does not bode well for the overall stock market as the economically sensitive sector often leads the stock market.

## U.S. 7-10 yr. Government Bonds (HTB)

U.S. government bonds were positive last week as investors –backed off their expectations that the U.S. Federal Reserve would be taking a more hawkish stance in the future. The seasonal sweet spot for the U.S. government bond trade occurs in August and September.

## Canadian Bonds (HBB)

Last week, Canadian bonds were positive, as investors seemed to incorporate the Bank of Canada's new hawkish stance into bond prices.

## iShares Nasdaq Biotechnology ETF (IBB)

Last week, the biotech sector produced a loss as investors became concerned with the rhetoric surrounding the possibility of replacing Obamacare. The seasonal sweet spot for the biotech sector occurs during the month of July. If the biotech sector weakens, consideration should be given to exiting the position.

## Gold Bullion (HUG)

Last week, gold bullion increased in price by a nominal amount. The price of gold is largely being influenced by the waxing and waning of the expectations that the U.S. Federal Reserve will become more or less hawkish. Although geopolitical events around the world have risen to the surface in the media, so far, it seems that they have not had a large effect on the price of gold. Of course, that could change in the near future.

Please visit <http://www.horizonsetfs.com/HAC> for the complete historical performance of HAC.

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The indicated rate[s] of return on the website is [are] the historical annual compounded total return[s] including changes in [share or unit] value and reinvestment of all [dividends or distributions] and does [do] not take into account sales, redemption, distribution or optional charges or income taxes payable by any security holder that would have reduced returns.

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