

Market Watch

S&P/TSX	S&P 500	DOW	NASDAQ	DOLLAR	OIL per barrel	Nat. Gas/mmBTU	GOLD
20,219.19 +31.0	3,970.04 -42.28	32,816.92 -336.99	11,394.94 -195.46	73.41¢US -0.40¢	US\$76.32 +\$0.93	US\$2.55 +\$0.12	US\$1,817.10 -\$9.70

What is Bitcoin?

Can Bitcoin be categorized as a financial asset, currency, commodity or 'other' and how should it be valued?

Given my background as a chartered financial analyst (CFA) with degrees in finance and economics, I look at everything through the lens of a financial analyst.

One of the key principals of finance is that an asset should be worth the discounted value of its expected cash flow into the future. CFAs working on Wall Street and Bay Street use complex discounted cash-flow models to calculate target prices for public and private companies.

They forecast how much cash companies will generate in future years and discount that cash flow back to a present value for the stock. Commercial real estate is valued in a similar manner (rent you expect to earn). Bitcoin can't be valued using this method because it doesn't generate earnings or cash flow.

Is Bitcoin a currency?

Currencies have value due to a country's ability to tax its citizens. The stronger a country's economy, the greater the government's ability to tax. International currencies are a multi-trillion-dollar, sophisticated market where professional traders around the world buy and sell currencies daily based on the currency's prospects of appreciating or depreciating in value.

Traders consider factors like



Eric Van Enk
Economics 101

interest rates, GDP growth and inflation to determine the value of one currency relative to another (e.g. Canadian vs. U.S. dollar). Digital currencies like Bitcoin can't be valued like a traditional currency because they don't represent the tax base of any country.

Is Bitcoin a commodity?

Commodities are products required to produce essential goods — oil, lumber, copper, grains, etc. For example, we need oil to produce plastic, gasoline, paint, fertilizer, etc. Is Bitcoin a required input for anything? Does Bitcoin need to exist?

If digital currencies like Bitcoin aren't a financial asset (don't generate cash flow like a stock, bond or real estate) and they aren't a currency (don't represent the tax base of a country) and aren't a commodity (not an essential input; don't need to exist), what are they?

Are digital currencies a Ponzi scheme?

Not necessarily — assets like art, baseball cards and rare cars don't fit into the categories outlined above (financial assets, currencies or commodities). Baseball cards don't need to exist and don't generate cash flow or represent a country's ability to tax, yet, they have value.

Assets like baseball cards derive value from scarcity — the rarer the card, the higher the value. They aren't making any more Van Gogh's or Monet's, which creates scarcity value for fine art. It's in this last category, which I will term 'other,' that digital currencies belong in my view.

Digital currencies only have value because someone else is willing to buy them; the day nobody wants to buy them, they will cease to have value. Digital currencies have no inherent value because they don't generate cash flow, don't represent any tax base and aren't a required input for anything.

Investors in digital currencies may want to Google 'Dutch tulip mania' for an interesting read.

Eric Van Enk is a wealth adviser & associate portfolio manager with National Bank Financial in Medicine Hat. He is a graduate of the University of Calgary, as well as a CFA charter holder with 20 years of financial markets experience in New York, Toronto and Calgary. He can be reached at eric.vanenk@nbc.ca.

Canada's inflation rate expected to fall significantly this year

The Canadian Press

After a steep and rapid climb in prices, Canada's inflation rate is expected to fall significantly this year, giving comfort to economists worried about untamed price growth but little relief to those who have fallen behind.

Inflation, which first began creeping higher in 2021, took off dramatically last year and peaked at 8.1 per cent in the summer.

That's well above the 2% inflation target the Bank of Canada is supposed to maintain.

The run-up in prices was sparked by what Desjardins' chief economist Jimmy Jean called a "perfect storm" — the reopening of economies after COVID-19 restrictions, the Russian invasion of Ukraine and the disruptions in supply chains.

As that storm continues to dissipate, price pressures have relented, giving glimmers of hope that normalcy in price growth may be restored. Those glimmers are now more apparent in the data. Statistics Canada reported earlier this week that the headline inflation rate fell last month to 5.9 per cent from 6.3 per cent in December, a decline that can be explained by a "base-year effect."

A base-year effect refers to the impact of price movements from a year ago on the calculation of the year-over-year inflation rate.

Simply put, it means prices today aren't rising as fast because they're being compared to already elevated prices a year ago.

Given much of the acceleration in price growth happened in the first half of 2022, the federal agency said the annual inflation rate will continue to slow in the coming months.

Economists tracking month-over-month changes in prices have noticed price pressures easing for a while now. But as base year effects fade, that deceleration will be more obvious to Canadians who may only be familiar with the annual inflation rate.

Looking ahead, the Bank of Canada is forecasting inflation will fall to about three per cent by mid-year and back down to two per cent in 2024. Most private sector economists are forecasting similar figures as well.

The forecasts come with a major caveat, however: Canada must be spared from unexpected global events that could cause another rise in inflation.

As Canada's inflation rate continues to fall, Jean warns people shouldn't confuse disinflation — which refers to prices rising at a slower pace — to outright deflation.

For Canadians who have been struggling with the cost of living, slower price growth doesn't mean relief from high prices.

"A good part of the purchasing power erosion we saw over the last year or so, that's likely to be permanent, unfortunately," Jean said. "Unless and until we see incomes pick up."

PUBLIC NOTICES



DEVELOPMENT PERMITS APPROVED FEBRUARY 16 TO FEBRUARY 22, 2023 PLANNING & DEVELOPMENT SERVICES



COMMERCIAL/INDUSTRIAL/INSTITUTIONAL

1380 POWER HOUSE ROAD SW (Lot 1, Block 49, Plan 2211672)
PLDP20230067. Utilities (Water Treatment Plant).

2000 DIVISION AVENUE NW (Section 1, Township 13, Range 6)
PLDP20230105. Accessory Use (Washroom And Storage Building).

HOME BUSINESS

29 612 20 STREET NE (Lot 19, Block 1, Plan 7410918)
PLDP20230043. Home Business Minor. Courier Service/Rideshare.

A person claiming to be affected by a decision of the Development Officer or the Municipal Planning Commission may appeal to the Medicine Hat Subdivision and Development Appeal Board by completing and submitting to the City Clerk Department, the required Notice of Appeal form within twenty one (21) days of this publication. Notice of Appeal forms are available from the City Clerk Department, Third Floor, City Hall or on the City's website at www.medicinehat.ca.

All Development Permits listed are subject to conditions. Further information on any Development Permit may be obtained from the Planning & Development Services Department, Second Floor, City Hall during normal business hours (Telephone 403.529.8374).

PROTECT WATER LINES FROM FREEZING

The following actions should be considered to protect your water lines during the cold weather months:

- Repair broken windows and ensure windows/vents are closed during the winter.
- Insulate water pipes in unheated areas, including crawl spaces.
- For sinks located against a non-insulated outside wall:
 - Open the vanity door to allow warm air to reach the water pipes.
 - A light bulb placed near the water pipe may generate enough heat to keep the water flowing.
 - Heat tape wrapped around the pipe may keep the pipe from freezing.
- Residents of mobile homes should check the condition of the heat tape on their water service and water meter.
- Protect an unheated indoor water meter with an insulated box and water pipes should be wrapped in insulation using heat tape.
- Outside water faucets and underground sprinkler systems should have the water supply shut off inside the house at the isolation valve for the faucet/hose bib.
- Sprinkler lines and faucets should be drained/blown out.
- A thin stream of cold-water (as thick as a pen) running continuously from at least one faucet will help prevent a frozen water service.
- If you plan to be away from home over the winter period, close the main water isolation valve located next to the water meter in your home.
 - You should leave the heat on in your home and have someone check inside your home daily while you're away.

A frozen water service or a burst water pipe is an inconvenience and expense that most people would like to avoid. Please take all possible precautions to prevent this happening in your home or business.

For more information, refer to www.medicinehat.ca/frozenwaterlines or contact City Assets Environmental Utilities at 403-529-8176.

www.medicinehat.ca

8AM - 4PM SPECIAL SERVICES

Electric Outages..... 403.529.8260
Gas Emergency 403.529.8191
Water & Sewer Emergency 403.502.8042
After Hours Special Services..... 403.526.2828

2023 PROPERTY ASSESSMENT ROLL

Notice is hereby given that the 2023 Assessment Roll for the City of Medicine Hat has been prepared and the Assessment Notices will be mailed on February 28, 2023.

The Assessment Roll is open for inspection as of February 28, 2023. The roll is available to view at www.medicinehat.ca/viewmyassessment. Inquiries may be directed to the Assessment Department, City Hall, from 8:30 a.m. to 4:30 p.m. on every day of the week except Saturday, Sunday, and public holidays by calling 403-529-8114. The complaint deadline is May 8, 2023.

Prior to filing a complaint, property owners are encouraged to contact the Assessment Department, Main Floor, City Hall, or phone (403) 529-8114, to resolve any concerns and possibly avoid a formal complaint to the Assessment Review Board.

Dated this 25th day of February 2023.
Sue Sterkenburg, AMAA
Manager & City Assessor

FILING A COMPLAINT

If you wish to object to the entry or omission of your name, or that of any other person, or to the assessment of your property or any other property upon the said roll, you must complete and submit the Assessment Review Board Complaint form together with the applicable complaint registration fee. An agent may file a complaint on your behalf if you, the assessed owner, complete an Assessment Complaint Agent Authorization form. Submit completed forms to the Clerk of the Assessment Review Board at the following address:

ATTENTION: CLERK OF ASSESSMENT REVIEW BOARD
CITY OF MEDICINE HAT
CITY HALL, CITY CLERK DEPARTMENT, 3RD FLOOR
580 FIRST STREET SE
MEDICINE HAT, ALBERTA T1A 8E6

Your complaint must include the following:

- indicate what information shown on an assessment notice or tax notice is incorrect,
- explain in what respect that information is incorrect,
- indicate what the correct information is,
- identify the requested assessed value, if the complaint relates to an assessment, and
- include the appropriate complaint registration fee.

Please ensure your complaint form includes all reasons for appealing. The Assessment Review Board cannot consider matters not included on your form.

Forms are available online at www.medicinehat.ca or from the City Clerk Department, 3rd floor, City Hall.

His & Hers

CLEAN PACKAGE

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