

Market Watch

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|---|---|-------------------------------------|--|-------------------------------------|---|---|
| S&P/TSX 30,353.07 + 166.79 | S&P 500 6,791.69 + 53.25 | DOW 47,207.12 + 472.51 | NASDAQ 23,204.87 + 263.07 | DOLLAR 71.36¢US -0.10¢ | OIL per barrel US\$61.50 -\$0.29 | GOLD US\$4,137.80 -\$ 7.80 |
|---|---|-------------------------------------|--|-------------------------------------|---|---|

The trend is your friend

This week's chart shows the return of the S&P 500 following the U.S. Federal Reserve's first interest rate cut over ten interest rate cycles since 1974. Notice there are only two observations (2001 & 2007) where the S&P 500 was lower two years after the Federal Reserve's decision to begin cutting interest rates.

For the other eight observations (1974, 1980, 1981, 1984, 1989, 1995, 1998 & 2019), the S&P 500 was materially higher two years after the first rate cut. In the current cycle (bold red line), we are closely tracking the average of the ten observations (bold black line), approximately one year after the first reduction in interest rates (September 2024).

The average return for the S&P 500 two years following the first interest rate cut by the Federal Reserve is approximately 35% with the highest return approaching 80% (1995 interest rate cutting cycle) and the lowest return of approximately -30% occurring two years after both the 2001 & 2007 interest rate cuts.

The interest rate cutting

cycle of 2001 coincided with the bursting of the dotcom bubble. There are significant parallels between the dotcom bubble and the market's current focus on artificial intelligence. These include the market's willingness to pay high stock valuation multiples on the expectation of future earnings growth and the high concentration of the value of the S&P 500 being attributed to a handful of companies (Magnificent 7 in the case of artificial intelligence).

However, there are very important differences between the dotcom bubble and the current artificial intelligence driven market; primarily, the ability of the Magnificent 7 group of companies to grow into their earnings multiple.

In other words, the large U.S. technology companies which currently represent a substantial share of the S&P 500 have been able to grow their earnings at rates which have, thus far, met or exceeded market expectations. This was not the case in the dotcom bubble when many of the largest dotcom companies were never able to generate



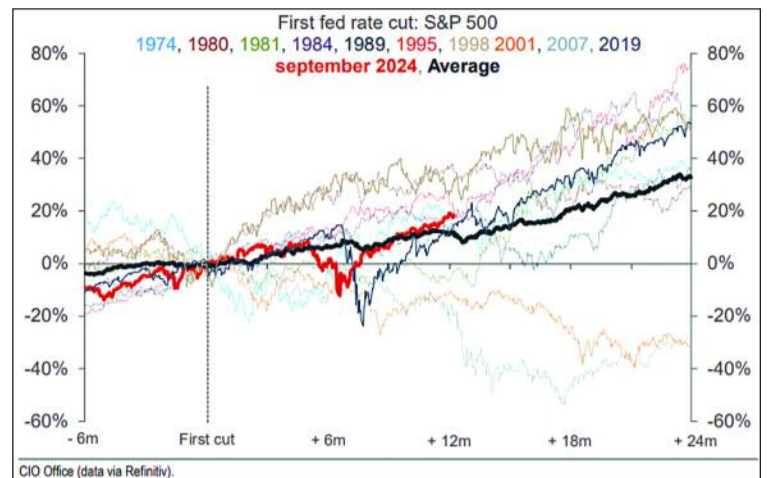
Eric Van Enk
Economics 101

positive earnings.

2007 is the other observation with a negative return two years after the first rate cut, however, that cut immediately preceded the Global Financial Crisis of 2008 which became the worst recession experienced since the 1930's.

The Global Financial Crisis of 2008 was primarily caused by mortgage fraud and excessive leverage associated with mortgage-backed securities which ultimately created a liquidity crisis in the U.S. banking system.

A well-known market saying is, "the trend is your friend" which simply means investors



SOURCE: NATIONAL BANK FINANCIAL

should continue to follow trends until those trends have been broken. This is also known as momentum investing, which isn't a method of investing that I subscribe to, but many successful investors do.

Another well-known saying among capital market participants is, "don't fight the Fed" which means the market will most often do what the U.S. Federal Reserve wants it to do.

If the U.S. Federal Reserve is cutting interest rates and / or providing the market with stimulus, the stock market typ-

ically responds favorably. Currently, the Federal Reserve is in an interest rate cutting cycle and the trend of the S&P 500 is higher.

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.vanenken@nbc.ca

PUBLIC NOTICES



8AM - 4PM SPECIAL SERVICES

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

DEVELOPMENT PERMITS APPROVED OCTOBER 16 TO OCTOBER 22, 2025

RESIDENTIAL

- 19 STERLING LINK SE - Fence Height Variance.
- 521 ABERDEEN STREET SE - Single Detached House (Demolition).
- 377 4 STREET NW - Detached Garage.
- 1047 QUEEN STREET SE - Single Detached House Addition With Variance To Schedule "A" River Flats Overlay (3)(D).
- 625 SPRUCE WAY SE - Garage
- 227 3 STREET NE - Fence Height Variance - Refused
- 328 SOMERSIDE ROAD SE - Secondary Suite.

COMMERCIAL/INDUSTRIAL/INSTITUTIONAL

- 3257 DUNMORE ROAD SE - Fascia Sign
- 3 1177 1 STREET SW - Free Standing Sign
- 380 2 STREET SE - Change Of Use (Retail And Consumer Services).
- 745 2 STREET SE - Change Of Use To Health Care Office - Refused.

HOME BUSINESS

- 830 B 4 STREET SE - Home Business Minor - Exempt.
- 1939 17 STREET SE - Home Business Minor - Dog Grooming.
- 434 9 STREET SE - Home Business Minor - Janitorial Service.
- 238 PROSPECT DRIVE SW - Home Business Minor - Craft Show/Flea Market Organizer
- 302 11 STREET SW - Home Business Minor - Consultant.

A person claiming to be affected by a decision of the Development Authority 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. Forms available from: City Clerk Dept., 3rd Floor, City Hall or City website: www.medicinehat.ca.

All Development Permits listed are subject to conditions. For more information, contact Planning and Development Services, 2nd Floor, City Hall. Ph. (403) 529-8374.

What's Happening
IN YOUR NEIGHBOURHOOD

Scan code to view development notices online (updated weekly)

NOW RECRUITING Commissions, Boards and Working Groups

Are you a passionate community member who wants to make a difference?

Apply for a position with:

- Assessment Review Board
- Combative Sports Commission
- Community Vibrancy Advisory Board
- Heritage Resources Working Group
- Medicine Hat Public Library Board
- Municipal Planning Commission
- Subdivision and Development Appeal Board
- Working Group for Accessibility and Inclusion

Deadline to apply is October 29, 2025. Visit www.medicinehat.ca/cityagencies for details.



2025 SUPPLEMENTARY PROPERTY ASSESSMENT ROLL

Notice is hereby given that the 2025 Supplementary Assessment Roll for the City of Medicine Hat has been prepared and the Supplementary Assessment and Tax Notices will be mailed on October 23rd, 2025.

The Supplementary Assessment Roll is open for inspection and available for viewing at <https://www.medicinehat.ca/home-property-utilities/assessment-property-taxes/property-assessment/view-your-assessment/>. 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 December 30, 2025.

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.

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:

CITY OF MEDICINE HAT
CITY HALL, 580 1 STREET SE
MEDICINE HAT, ALBERTA T1A 8E6
ATTENTION: CLERK OF ASSESSMENT REVIEW BOARD

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, and
- identify the requested assessed value, if the complaint relates to an assessment.
- 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.

Please refer to the City website, <https://www.medicinehat.ca/ChallengeYourAssessment> for more information. Dated this 14th day of October 2025.

Sue Sterkenburg, AMAA
City Assessor

Business sector not sounding alarm after Trump ends trade talks over ad campaign

ALESSIA PASSAFIUME
The Canadian Press

U.S. President Donald Trump's sudden termination of trade talks with Canada over an Ontario government ad campaign is not cause for alarm, the Canadian Chamber of Commerce CEO said Friday.

Candace Laing said the negotiations with the U.S. are "3D chess," and no one should lose sight of the bigger picture.

"We currently have a strong trade deal that underpins massive amounts of investment, jobs and successful integrated industries. What the majority of businesses want is to keep the advantage of (the Canada-U.S.-Mexico agreement on trade)," Laing said in a statement to The Canadian Press.

"Our negotiators have signalled there will be no quick wins and we need to focus on the long game goal: stable trade."

Trump lashed out on social media Thursday over an ad campaign fielded by the Ontario government that features footage of former U.S. president Ronald Reagan saying tariffs damage economies. The ad began running in American media markets on Oct. 14.

Speaking on the tarmac outside Ottawa's airport ahead of a flight to Asia on Friday, Prime Minister Mark Carney said Canada can't control a "fundamentally changed" U.S. trade policy.

Ontario Premier Doug Ford's government paid roughly \$75 million for the ads, which his office confirmed will run during the World Series broadcast Friday in the U.S.

Ford said mid-afternoon Friday the ads would be paused on Monday to allow trade talks to continue.

Trump accused Canada of trying to influence an upcoming U.S. Supreme Court ruling on his global tariff regime. The top court is set to hear oral arguments in November on the legality of Trump's use of the International Emergency Economic Powers Act — IEEPA — to hit most of the world with devastating duties.

Trump posted Friday that "CANADA CHEATED AND GOT CAUGHT" for saying Reagan did not like tariffs, which Trump also claimed the late president "LOVED."

Unifor president Lana Payne defended the ad in a media statement, saying Ford's province has been hit hard by Trump's tariff regime.

"We need to fight back. We can't remain silent while we are bleeding jobs, and our workers and industries are under attack by unjust and punitive tariffs. That is exactly the outcome Trump is counting on," Payne said.

"This is why Canada cannot allow the U.S. to pit workers against workers, sectors against sectors, regions against regions and Canadians against Canadians. We fight back together, we stand together because that is how we win."

The Canadian Steel Producers Association said it will comment on the state of trade talks in the coming days and it continues to work with Ottawa toward a deal that supports the Canadian steel industry.

In a social media post, the senior vice-president of the U.S. Chamber of Commerce said there is much at stake with the Canada-U.S. relationship.

"We are Canada's top trading partner — by a mile — but Canada is our top export market as well," John Murphy wrote.

"Nearly 8 million U.S. jobs depend on trade with Canada. Americans benefit when we have more trade with Canada, not less."