

Monthly newsletter

March 2026 commentary

What's REALLY going on?

Let's take a page from political strategy and say, "WE ARE IN A RECESSION!" Ok we say this because it is completely untrue! We did a Google AI search and for sure and for certain there are no clear data points to support this claim. BUT folks this is where we stand on the political policy frontier. Some of these rogue statements impact businesses, true, false or otherwise. There are some concerns about certain parts of the economy, like employment, that may be under some pressure but not yet in a recession. So what is going on?

The answer is mostly answered in the future but ultimately the world is still spinning and the nations are getting back to work with one less player at the table – sometimes. Here is what we see happening with a grain of salt added because the Clown Car can come off the rails at any given moment:

The Dollar – Trade

We think and are likely not alone in this thought that the US is seeking a softer dollar to be more competitive globally. The process to accomplish this has been super noisy and some days just aggravating... Without going too deep down the rabbit hole, one catalyst for this move is the expectation of lower US interest rates. This is Economics 101 – lower relative rates lower dollar generally speaking.

Metals – Gold and Silver

It has been a wacky period for this positioning. The basic premise is weaker dollar or paper money and stronger hedge against that for mega global players. NOW, the bigger challenge here has been volatility and trying to get this trade right. Below is a price graph of the 3 month price movement of silver, not for the faint of heart. But the world we are living in right now...



Dollar versus Digital

Consider this review of what digital payment is doing to the world, almost right under our noses...

If I hand \$20 in cash to the meat vendor at the farmers market, and he hands that same \$20 to the barber who cuts his hair, and the barber gives it to a babysitter, and the babysitter uses it to buy a pizza, that same \$20 bill keeps moving through the community at full value. No one skims anything off the top.

But in the digital system, that cut happens again and again, and the effect compounds. At a 3.5% fee (AMEX charges up to 3.3% plus other frictional transaction costs), after one transaction, that \$20 becomes \$19.30. After two, \$18.62. After three, \$17.97. After four, \$17.34. After five digital transactions, only about \$16.74 remains in circulation. More than \$3 of the original \$20 has quietly disappeared in just a handful of everyday exchanges. That money didn't go to the farmer, the barber, the babysitter, or the pizza shop. It left the community entirely.

Visa, AMEX, Bitcoin or other wise digital transaction forms a drag on the dollar trade as well. A very quiet erosion.

AI

Fire up the BOTS because AI is real and will have meaning in our lives in the future. We could liken this to the introduction of the handheld computer (phone). It will be a major shift in our lives. The noise in this space is just beginning and the spend is real.

The Market - Stock Market 😊

It has been said for many years that the economy is not the stock market. In no other time in history can this be more amplified (maybe 😊). To start the year, we have experienced a meaningful rotation out of the momentum growth trades and into the more "value" oriented parts of the market. Dispersion of allocation has been the measure of the day. Now this can and will change like it always does but it is reflective of where we are at today. As we penned last month it remains complicated. WE do like some of the rotation as it has helped parts of the Canadian allocation.

Final Thought(s)

Regardless of what happens going forward the world will continue to turn, products will be consumed, energy will be burned, people will take trips, jobs will be created and jobs will be lost, rates may go down and or up depending as our friend Powell says based on the data 😊. For us it keeps us comfortably uncomfortable with what is happening globally and with capital markets. IF political pressure remains (likely), rates in the US could drift lower this year (once again data dependent – sort of). Bottom line we see the world grinding forward with a sprinkling of speedbumps. We think this is what's going on...



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