

Notes from the Bridge

CANACCORD Genuity
Wealth Management

Benson
Private Wealth

Issue 19

Thursday, May 24th, 2018

Geopolitical headlines are once again in the driver's seat. With global equity markets surrendering gains made earlier in the week, amid President Trump announcing that the planned summit with North Korea has been sidelined and a renewed call for trade tariffs. While these headlines create uncertainty and increased volatility, longer-term catalysts remain intact.

Last week, I wrote about paying attention to the signposts with respect to current economic trends, and remaining positioned towards where those indicators are robust and avoiding those that are weak. From a longer-term perspective, one of the strongest themes I am seeing right now, is that of innovation. While there are a multitude of ways to have this theme working for you, I prefer the simple, tried and true method of owning well run companies that are leaders and more importantly, are growing their profits.

Yes, there will always be the latest and greatest hot company that many will speculate on to become the dominant player, but I have also been around long enough to remember all those latest and greatest Y2K internet companies that no longer exist. Rather than speculate and take risks that are not needed, I would rather own existing leaders and enjoy a much more consistent return. Which brings me to **IBM**.

IBM is already a clear leader when it comes to where global corporations are turning as they innovate, incorporating technologies such as Artificial Intelligence and Blockchain, to provide faster, less expensive and more robust solutions to their clientele. Just as IBM was the innovative leader as the nascent field of computing sciences took hold 50 years ago, it is my belief that their current strong and strategic lead in today's innovative fields of Artificial Intelligence and Blockchain technology, will see them remain positioned as a strong and strategic leader for years to come.

In a previous commentary, I had noted that nearly 90% of global financial institutions already operate on an IBM platform solution within their existing framework. This week we saw how, I think, they will leverage this dominant position to drive revenue and earnings growth in the future. The European financial institution, Credit Mutuel out of Paris, announced that as part of their "digital reinvention" they are partnering with IBM to embed artificial intelligence solutions across most of its banking and insurance businesses to serve their near 12 million clients.

Where I believe IBM's artificial intelligence platform, named Watson, will have its greatest positive innovative impact will be in healthcare. It was also announced this week that Apollo Hospitals, India's largest dedicated cancer care provider, having touched the lives of nearly 50 million people from 140 countries over the past 35 years, announced that they will be adopting IBM Watson for both their Oncology and Genomics departments.

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Through the incorporation of Watson, physicians will now be able to provide personalized treatment options based upon global evidence-based clinical data. All in a fraction of the time it previously took for the physician to manually research. Put another way, the implementation of cognitive and data-driven IBM Watson could very well transform how clinicians and oncologists deliver treatment. A transformation that I suspect, should provide for significant revenue and earnings growth for IBM as this innovation becomes more of a standard in terms of how global healthcare is provided.

Investing towards innovation does take time, which is why is also like the 4.3% dividend IBM pays me to wait. While IBM is certainly not the only innovative company out there, as there are many, I think it is an excellent example of how the patient investor can take advantage of what I see as a long-term growth theme.

However, for those where it is more appropriate or suitable to invest for innovation through an actively managed fund or ETF, the **Fidelity Global Innovators** or **Evolve's Innovator Index ETF** can provide a diversified ownership towards this theme. While you may or may not own IBM specifically within them, they do provide exposure towards the longer-term theme I have described. A theme that I believe will be a rewarding one for investors for many years to come.

Please feel free to share my commentary as I am always looking to work with new people.



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TODAY'S STOCK WATCH

S&P/ TSX Composite	16,113
Dow Jones Indus. Avg.	24,811
S&P 500	2,725

Canadian/US Dollar	\$0.7757
US/Canadian Dollar	\$1.2888
Euro / Canadian	\$1.5113

Gold	\$1310.10
Silver	\$16.70
Copper	\$3.10

Brent Crude Oil	\$78.78
WTI Crude Oil	\$70.66
Natural Gas	\$2.94

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