

DAVID PESCOD'S Stocktalk

Royal Bank

(RY)

\$94.60 -2.86

Bank of Commerce

(CM)

\$112.88 -2.05

Dow Jones

24,583 -608.



There's nothing like a market correction to make it feel like the end of the world and not many sectors would be immune. How about nice, safe banking with its tasty dividends and perceived security. While there are a whole generation of youngsters that have bought houses and have assumed that housing prices only go up, now that we have experienced an interest rate increase and we see articles headlined "One third of Mortgage Holders may encounter Stress with Higher Interest Rates". With articles like that, it does encourage a sense of worry that maybe this new generation that has never experienced one of the corrections we see from time to time in real estate prices, maybe witnessing the start of a correction in real estate prices possibly?

For sure when you hear of the average house prices in places like Vancouver and Toronto, it sounds ridiculous doesn't it? And when things get ridiculous, something usually happens. It

will be interesting to follow the nice, safe, secure dividend paying banks over the next while, but I'd rather be an observer than a participant on either side.

Crude Oil
S&P/TSX Composite
Canopy Growth

(WEED)

\$66.34 -0.08
14909.13 -376.04
\$49.54 -4.09

Josef Schachter



So how are you liking the market correction so far? Even for us folks with grey hair and have been through a gazillion corrections, each one feels like it's the end of the world. But it's a new introduction to market life as even the youngsters that thought weed stocks only go to the heavens, encounter their first market correction, as Canopy Growth is now down \$20.00 in record quick time despite the fact that when we check many of the cannabis stores in the Edmonton area...they are virtually sold out of everything.

The question remains, how much can you actually sell of the stuff and can you make any money at all doing so?

Let's get to the price of oil as we catch up with Josef Schachter and what does he think of what's gone on in the oil and gas part of the world over the last while...it also has been not fun at all.

He writes:

- Our expectation of continued rising commercial oil stocks is occurring with this week a 6.3Mb build after a 6.5Mb build last week.
- Inventories are now only 34.6Mb below last years levels and we expect this to close up even more in the coming weeks.
- Gasoline inventories fell by 4.8Mb but this is normal as refineries want to get rid of summer grades. The level this week is still 12.5Mb above



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last years level so they need this to come down materially from here before they start to produce winter grades.

- The commercial stock build would have been even higher if not for imports falling 335Kb/d (weekly 2.34Mb). Exports also rose by 398Kb/d and this lowered inventories on the week by 2.79Mb.

- Cushing inventories rose by 1.4Mb to 30.0Mb as Texas volumes head to Cushing storage.

- WTI is bouncing today due to the sharp fall off in recent days and the perceived positive gasoline report. This is just a technical bounce after crude has fallen by US\$10/b in the last three weeks. It could recover a bit more but in the coming weeks should bust US\$60/b.

- Energy stocks are getting very cheap but not yet at table pounding BUY levels. This is surely going to occur during the upcoming tax loss selling season.

We caught up with former Canaccord oil and gas analyst **Fred Kozak** today...also expecting lowish \$60's for oil, tax-loss selling, but a good year next year!!

Crude Oil

WTI (NYMEX) Price

End of day Commodity Futures Price Quotes for Crude Oil WTI (NYMEX)



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Deb's Ditty:



Just for once I'd like to shout

"Don't you know who I am" because I'm important and
not because I'm drunk and I've actually forgotten