



FORWARD MOVEMENT ON SOME LONG-STANDING ISSUES MAY PROVIDE RELIEF FOR VOLATILE MARKETS

## 2020 shaping up to be good year

By TIMOTHY A. PHILLIPS  
Financial Advisor, RJFS

This last week held quite a lot of breaking news of possible resolutions to some of the behavior of the markets' volatility.

Early in the week, an hour after two articles of impeachment were announced against President Donald J. Trump, Democrats signed off on a new trade deal with Canada and Mexico. Speaker of the House Nancy Pelosi announced the U.S.-Mexico-Canada Agreement, after provisions, is ready to go before the House of Representatives.

Later in the week we learned the results of the elections in the UK. Boris Johnson will return as the elected Prime Minister.

Finally to end out the week a Phase 1 U.S.-China trade deal agreement was reached.

**1** **"NAFTA 2.0"**  
After more than a year of talks, a trade deal with Canada and Mexico is headed to the House of Representatives.

The passage of the U.S.-Mexico-Canada Agreement (USMCA) will be better than what is current-



Canadian Deputy Prime Minister Chrystia Freeland, U.S. President Donald J. Trump and British Prime Minister Boris Johnson are just some of the players in a handful of matters that could pave the way to more stable markets in 2020.

ly in place for our country and the markets. US-MCA is an update to the North America Free Trade Agreement of 1994.

We will see how one of the provisions play out with Mexico: This provision would station U.S. officials in Mexico to track the enforcement of its labor laws and ensure compliance with the new deal.

Continued on back page

# Good year

From front page

Even if there is no issue with Mexico or Canada on provisions, it is not likely the deal will be signed into law soon. Christmas recess begins Dec. 20th, and with all likelihood by the time you read this the House will have voted to impeach the President, setting up a January trial in the Senate.

Senate Majority Leader Mitch McConnell said in reference to USMCA, "That will happen, in all likelihood, right after the trial is finished in the Senate."

**Brexit Go or No?**  
The seat-holding majority swung in the Conservative Party's favor after elections in the United Kingdom. Result: Brexit might actually happen.

In a landslide win, acting Prime Minister Boris Johnson will retain his position. The headline here is in elections for seats in the House of Commons: Johnson's Conservative party picked up 66 seats and the Labour party lost 42. The House consists of 650 members, and 326 votes are needed to win.

All past votes to "BREXIT" the European Union have failed. The pickup of 66 seats moves the Conservative party from 299 seats to 365. We at Jade feel we will soon see the UK leave the EU due to the likelihood of reaching the needed 326 votes.

**Tariff talks paying off: U.S. and China announce Phase I agreement.**

Just days away from new tariffs set to go into effect, the U.S. and China announced they had reached a Phase 1 trade agreement.

It is good for the market that those tariffs did not go into effect, since China had retaliatory tariffs scheduled as well.

China has agreed to import at least \$200 billion in U.S. goods and services over the next two years, which equates to spending about \$16 billion a year more than in 2017. In addition, the U.S. will drop existing tariffs on \$120 billion in goods in half, to 7.5 percent. Unfortunately, the recent agreement appears to not

have many details regarding intellectual property.

A type of "maybe truce" provides better clarity, so it is good for businesses. Otherwise, we at Jade think China may have won this round. Swine fever in China has reduced domestic pork production by an estimated 13 tons. Meanwhile, China's soybean consumption has increased from 25 million metric tons to more than 110 million metric tons annually in the last 19 years. According to the latest United Nations data the population in China is 1.39 billion. Are you seeing where I am going? China needs food desperately!

October 2019 data shows the U.S. is only the 6th highest importer of soybeans (source: Trading Economics, tradingeconomics.com). It will probably not be difficult for China to adjust the purchases it makes from five other countries to reach their newly agreed-upon purchases.

In our opinion, a Phase 2 agreement is a post-Trump Re-election matter, if it happens at all.



From our home to yours, have a very Merry Christmas and a Happy New Year!

-Your Jade Family

Jade Investments & Retirement Solutions

Home of the **JADESPEED** Process

Timothy A. Phillips  
Financial Advisor, RJFS

130 E. 10th St.  
Mount Carmel, IL 62863

Phone: 618-263-4400  
Fax: 618-262-7444  
Email: tim.phillips@raymondjames.com

Visit us online at [jaderetirement.com](http://jaderetirement.com)

Any information is not a complete summary or statement of all available data necessary for making an investment decision and does not constitute a recommendation. This information is not intended as a solicitation or an offer to buy or sell any security referred to herein. Prior to making an investment decision, please consult with your financial advisor about your individual situation. Investing involves risk and investors may incur a profit or a loss. Past performance is not a guarantee of future results. Indices are not available for direct investment. Any investor who attempts to mimic the performance of an index would incur fees and expenses which would reduce returns. Opinions expressed in this newsletter are those of the author and are not necessarily those of Raymond James. All opinions are as of this date and are subject to change without notice. Raymond James does not offer tax advice or services. You should discuss any tax matter with the appropriate professional.