Episode 80: 2023 market outlook—what the signals are telling us

Kevin Headland:

I'm a weird person. I think like you are, I enjoy following the markets and looking at them. I don't think I could be retired just yet.

Macan Nia:

Yeah, but that being said, we've been back, what, three days? And I could go on a holiday.

Kevin Headland:

Can always use a holiday.

I want to take this opportunity to wish you all a happy New Year, and hope that you were able to enjoy the holidays. I wonder if it's still too late to wish you a happy New Year. I never know when we have to stop, but I digress. I think I can safely say that we are all happy to see the calendar close on 2022. It was a tough year for the Caleb markets, and also a very rare one. However, when we look ahead to 2023, we are excited about the opportunities not just in equities, but fixing as well. I think 2022 can be classified as a year of multiple unexpected negative surprises. The primary surprise was higher stubborn inflation and central banks' reactions to it. Using the US as an example, we start 2022 with expectation that the Federal Reserve would raise rates by approximately 1% at most. But stubbornly higher inflation rate has resulted in an increase to 4.5% by end of year for the Federal Reserve federal funds rates.

Second, an unexpected conflict in Ukraine in February added fuel to the inflationary fire by impacting energy and food prices. And finally, China's ambitious zero COVID policy resulted in large scale shutdowns of major city centers, including Shanghai and Beijing, which delayed the full opening of supply chains, negatively impacting global economic growth. We've been referencing Brad Paley's quote throughout the year, "If you make the mistake of looking back too much, you aren't focused enough on the road in front of you." In our 2023 outlook, we lay out a framework for how we believe the coming year will unfold. Listen on, this is Investments Unplugged.

Welcome back to Investments Unplugged. I'm your host, co-chief investment strategist, Kevin Headland. And with me as always my other host, Macan Nia, the other co-chief investment strategist. Welcome back, Macan.

Macan Nia:

Thanks, Kev. I'm thinking we need to have a better intro. It's starting to get real... I don't know what the right word is, but it seems like that intro is getting a little bit stale. I don't know an alternative but my other co-chief investment strategist. But anyways. You have a good break, Kev?

Kevin Headland:

It was nice. Always too short, but it's nice. It's funny, but it's good to be back in the swing of things.

Macan Nia:
Do you mean that?

Kevin Headland:
I enjoy my time off, but hey, I'm a weird person. I think like you are, I enjoy following the markets and looking at them. I don't think I could be retired just yet.

Macan Nia:
But that being said, we've been back, what, three days? And I could go on a holiday.

Kevin Headland:
Can always use a holiday. You went away, didn't you?

Macan Nia:
Yeah, I went away. Came back. Could go away again.

Kevin Headland:
No luggage lost?

Macan Nia:
No. But just filthy long lineups for checked bags. Typically, Kev, when we travel it's all carry-on. But it was a family trip, so I had a couple checked bags. I think that was the most painful part of the trip, waiting an hour and a half to get your baggage. But anyways, first world problems.

Kevin Headland:
There we go. Today, we are going to talk about our 2023 outlook. And I think we're very much more optimistic in 2023, and very happy to close the calendar on 2022, I would say. I think 2023 is going to be a much better year. When we do this in 2024, I think we'll be quite happy at the result of 2023.

Macan Nia:
Yeah, I think it's time to turn a corner. We're not saying the market's going to be shooting out of the gates here, but we're likely to experience... And we'll go into more detail, but we're likely to experience some choppiness over the next couple of months. But once we get through that choppiness, the backdrop at that point will be quite constructive I think. Not just for stocks, but also bonds. We'll go into those details in a bit.

Kevin Headland:
Yeah, I think the data definitely is getting weaker from a macro perspective, but the pauses here is we're starting to get a bit more clarity, right? We've been waiting for this weaker data and it's here, and that typically actually signals that we're getting closer to the bottom and getting closer to the recovery phase. Let's talk about our macro perspectives.

Macan Nia:

Let's start with the PMI, that's usually how we start our macro discussions. PMI is purchasing manager indices, for those that are not familiar with it, listening in. It's a gauge of manufacturing in a whole host of countries across the world. They ask these private managers 10 questions related to the health of their business. I'm not going to go into the math, it's a diffusion index. But from this heat map... And this deck will be available online, reach out to us if you want to get it, or so on. Kev, you gave me a weird look online. When I said online, I meant LinkedIn, to clarify. But in the heat map what you'll see is green is good, yellows neutral, and red is bad. And when you look across the world, all regions as we transition into 2023, a lot of reds, a lot of yellows, very few greens. And really, this trend started in September of last year, and the degree of the weakness has only increased.

We believe that it will also continue to decrease through Jan, Feb, March. Not a surprise, Kev, we had an unprecedented...well...it's not unprecedented amounts of tightening, but the degree of tightening that we saw from March through the end of the year, typically it takes a year and a bit for those interest rate increases to flow through the broader economy, and we're starting to see the extent of that. So a lot of red, a lot of yellow. In our view, it's not a question of whether we're going to get a recession, we are. Our view is the degree, we'll talk to that in a bit. But when you look at the heat map, the global economy is slowing. A couple quick side notes of this, Kev. One of the questions relates to the health... Or not the health, the lead time for these supply chains. They'll ask the manager, how long does it take you to get your good from basically your factory to the end, or to the end consumer? That has been declining, the lead time over the past couple months.

That's a positive thing for the global growth at some point in 2023, also for inflation. Because we know one of the factors that led to inflation was the supplier delay. So that's a positive. And then also another one is inventories are actually, they have built up. In the short-term, that's a bad news story because we got to go through these inventories. But once we've gone through them, we got to replenish them. And historically, that's a positive thing for the global economy. In the near term there are going to be some more challenges, but we believe that lays the groundwork for the remainder of 2023 to be positive.

Kevin Headland:

And you spoke about inflation there, and also another aspect of the PMI indices that have been positive is input costs. Those have come down materially, which is also positive from the inflation perspective. The areas that I would say that we really enjoy, or really look at this data very closely in this heat map is one of our favorite charts is this real-time data. This survey is done towards the end of the month, it comes out a week or so after. It's not lagged, so you're actually getting real-time data, which, it's a lot of positive.

Macan Nia:

And very rare to get from any government agency the timeliness of this data. As we transition to our table of typical indicators that flash red, either right before recession or during the recession, we take the traffic-like analogy with them. There's a bunch of measures. And very quickly, when we look at them, what are they? So inverted yield curve, manufacturing below 45, tighter financial conditions, labor market weakening, leading economic indicators, just to name a few. And with the exception of labor market weakening, they're either yellow or red. Labor market continues to be the last bastion of strength typically is the yellow, or the neutrals is manufacturing, financial conditions, and housing starts. Those are still neutral. The reds are inflation, no surprise there. Leading economic indicators, and I'll talk to that one in the next slide, but also inverted yield curve.

Now, the reason we believe... And Kev, surprising is not all the South Side strategists are on the same boat in terms of a recession or not. There's some that are calling that we're not going to get a recession. That's not our view. We think it's just we are in a recession, or very soon to go into one. It's going to be mild. We get questions from advisors, why mild? Labor market strength, it's still tight. Yes, we're going to get an increase in the unemployment rate. We're seeing a bunch of tech layoffs, we're seeing a bunch of financial sector layoffs. That's going to increase, but it's not going to get to the level that would lead to a severe recession.

Financial condition's a big one. Despite rates increasing from basically zero to four and a half, as of today, financial conditions have tightened at the margin. But I would say they're at that neutral, just slightly tightened. Despite the overnight rate being higher, financial conditions are not loose, but they're not extremely tight. And as long as those remain neutral, odds of [inaudible 00:09:08] recession probably off the tables, as companies can continue to borrow, consumers can continue to borrow. So that's our view in terms of why we think it's going to be mild, less likely to be severe. Where we're wrong is if there's a shock to the system. And as of right now, we don't see any signs of that.

Kevin Headland:

I think when you mentioned employment, I think that's one of the reasons why the South Side, or other analysts, strategists are saying perhaps avoid a recession because the National Bureau of Economic Research think tank that calls recession and always is a retroactive call. We're already in a recession by the time they call a recession, and they'll say it started 3, 4, 5 months ago, is because employment remains extremely healthy. But as you said, there's no denying the economic data, the macro data. Eventually, employment will catch up to some degree and we'll start to weaken. And I think we'll definitely be able to call recession, especially when you look at leading economic indicators index. And you look at that, it's really pointing to recession.

Macan Nia:

Yeah. As you mentioned, Kev, the LEI is leading economic indicators, 10 measures that they put into this one nice fancy number. And as the name suggests, these are indicators that typically lead an economy. Examples, housing start. If everyone helps rebuild, it adds roughly eight to 12 jobs to the broader economy. It leads. This has flashed red every single time, and it typically goes red a couple of months before. I think it went negative in August of last year, so we're at the four or five month period where it's negative. And the degree, I think we're close to -5 today. Historically, when we are at these levels for LEIs, we are either already in a recession or it's less than two months away.

We strongly believe that this time will not be any different, that we are either in one already, a mild one, or about to enter one when it comes to recession. The good news with that is, a lot of that negativity surrounding bear markets in recessions is already baked into the numbers from last year. Not to say that there might not be more choppiness or volatility in the near term, I think we have to digest this flat to negative earnings environment. But if you believe that we are going to get a mild recession, that the majority of historical downside during these periods is likely already priced in.

Kevin Headland:

And the best part of leading economic indicators I find is it aggregates those 10 sub-indicators all in one index. You just have to look at the line, and it's been very telling. You said every time it goes zero and below zero for more than two, three months it's foolproof. There ends to be a recession eventually. It's foolhardy to bet against some of the data that's going through.

Macan Nia:

Absolutely. And the fundamentals are just one side of the story. As we look through earnings for 2023, this is where we think that it may provide a backdrop, earnings, or lack... Not lack of, but just not meeting expectations. Where it could provide choppiness in the first, to start the year. When we go through the earnings environment. As little as, I think it was September, Kev, of last year, the markets are still pricing in high single digit growth for S&P 500 earnings growth. That changed quickly. I think we're at slightly positive today. I think it's flat to slightly positive. We are of the view that we're probably going to be flat to slightly negative when we look at the US and Canada through the measures that we typically follow. So in the US, as an example, our nuts and bolts index or model that is an aggregate of manufacturing across the states historically ties very strongly with earnings growth. That's pointing to flat to negative.

Manufacturing as well, just the ISM, also pointing to flat to negative. I think in the US we are going to get that flat to negative. Once the market absorbs it, I think, not to say it's the last headwind that we have to get through, but it's the one last expected headwind I think we need to get through. Now, that doesn't mean that all companies are going to be treated the same. There's companies even the past quarter that have been able to navigate higher inflation pretty decently, slowing economy. This type of market is a really active picker market. Because from a broad-based index perspective, from an EDF perspective, earnings are going to be challenged, but that doesn't necessarily follow through for each individual company.

Kevin Headland:

It's interesting when you mentioned the analysts. Recently, actually they've, according to facts, said they've had the largest percentage of changes to expectations. And it's also important, we think the full year 2023 still has positive earnings growth which should drive returns for the full year. But Q4 2022 and Q1 2023 are likely going to be more challenging for earnings. We're already seeing guidance lower, we're already seeing companies start to re-announce, shall we say, set the table, set the stage for weaker than expected or as weak as expected earnings. I think we should enter the next couple of earning seasons with eyes wide open. With that said, not every company is going to be the same, and this is a really strong opportunity for active management with this diversification in earnings announcements that we expect over the next few quarters.

Macan Nia:

And then when we look at the TSX, historically, to surprise probably to no one listening in, the broad-based TSX earnings growth has a very strong relationship or correlation with crude prices, or to change in crude prices year over year.

Kevin Headland:

I thought you said food prices.

Macan Nia:

Did I say food or crude?

Kevin Headland:

I heard food, but I thought you said crude oil. Whatever.

Macan Nia:

That's your stomach wanting to hear what it wants to-

Kevin Headland:

I am hungry.

Macan Nia:

And historically, has had a very strong relationship. And no surprise, as year over year changing crude prices last year were very strong. Same was DSX earnings and the overall performance relative to other global markets. The challenge in 2023, is the year over year, it's not going to be as positive. Even when we use $90 oil. And what were we at today, $74, $75? It's pointing to a TSX earnings environment that's going to be black to negative. And if oil prices are less than oil, I think there's going to be much more challenges for the broad-based TSX. This same message applies to the TSX as it does with the S&P in terms of stock picking. Not every single one of these companies is going to be impacted the same, but the TSX is going to be... I think it's going to face more challenges in 2023 than what it did in 2022.

Kevin Headland:

The interesting thing is earlier you were talking about a lot of the negativities priced in, we've seen a big drop in valuation. You go back last year, 2022, more than all of it, actually more than 100% of the decline was due to valuation. When you look at the three components of returns being valuation change, earnings growth, or change earnings growth as well as dividends. From a yield perspective, valuation was the largest drop, and they priced in a lot of that negativity. We could still see, again, more choppy as you mentioned. But we look across the world, you're starting to see a lot of the indices around the world at the lower end of their long-term trading levels in terms of price earnings, a trailing 12-month perspective. Not saying markets are cheap just yet, but a lot of the risk or the expectation of risk hasn't been priced in. And they're getting closer, if not already at share value.

Macan Nia:

Yeah, and that's a good point. Specifically when you look at relative valuation, or in its absolute terms, the small caps and mid-caps look extremely extracted from a valuation perspective. And if you are of the view that we are in a troughing period over the next couple of months, typically historically what leads... Now, what asset classes come out of the trough, the strongest are typically mid-caps, the NASDAQ, anything cyclical. But I think the US mid-cap story is very interesting to us, just given the fundamental backdrop. Also, given that the amount of, not to say alpha generation ability, but that is definitely there. And a focus on the US economy.

And when we look, Kev, across the world, global economies are going to be challenged in the first part of 2023. We think when we look at the European economy, when we put them in let's say 1, 2, 3s, I think the way we would characterize them in terms of weakness: international, Canada, US. So with the US mid-cap story that's much more focused on the US economy than let's say international, that's another positive for that story.

Kevin Headland:

It's also important to understand that of course valuation is just one component of the return story. And a very poor predictor, you've mentioned many times in the past, of near term returns. So even evaluation looks cheap on an aggregate basis or a benchmark basis, that doesn't tell the whole story. We got to look at the earnings fundamentals, and again, identify the companies that look attractively priced, but also have the earnings growth and the earnings power, and the predictability. And I think that's huge, predictability. I think some of those boring companies that have been ignored over the last while will start to be rewarded for their steadiness, shall I say, or predictability of their earnings.

Macan Nia:

Kev, if I asked you... We are down for the S&P 500, I think it was 19 points, 4% last year. You already know the answer, so that's not even why I'm asking you. You got a look on your face, you might not know the answer. What percent of the time, since the 1970s, have we been down, let's just say, between 15% and 20%?

Kevin Headland:

So 15% and 20% actually has been less than 5% of the time.

Macan Nia:

Yeah, 4% to be exact. Last year when you mentioned the start of the conversation was a very unique year. And I feel that investors have a tendency of doing this, both with positive returns historical and negative.

Kevin Headland:

So recency bias.

Macan Nia:

Exactly. And the recency bias now is that we're likely to maybe get flat to negative this year, or even small. Now, we were in that mid to high single digits. But when you look at, the average return for the markets is... Well, I think it's 8.7% since the 70s. But to get that average return, the returns are usually around that average. So you either get these negative years, like last year, or you get these strong positive. And since the 70s, nearly 60% of the time market returns have been greater than 10%. Now, we're not sitting here saying that it's going to happen this year, but don't discount too much of the ability maybe for the markets to churn out a low teen return.

And one could factor in maybe earnings growth at the end of this year, and multiple expansion as the Fed pauses. We don't think that they're going to cut this year. And if they do, maybe by the end of the year they cut maybe once 25 beeps. But there is an opportunity for multiple expansion in this environment where you could get returns that are above that mid single digit. Now it's going to be choppy and lumpy, but it wouldn't surprise me... But you know I'm the eternal optimist. It wouldn't surprise me if we look back at this year and everyone's pleasantly surprised with the return profile.

Kevin Headland:

Yeah, I think what you also have to look at is forward-looking returns after poor years, or negative returns. Especially when you look at two, three years out tend to be very positive. And you said this short-term might be lumpy, but opportunities like this don't come along very often. As you said, 4% of the time, 15% to 20% negative returns. For that longterm patient investor, and longterm, I don't mean 20 year investor. A patient investor is not going to look at the portfolio for maybe three years. They can be very happy with starting to get money invested now, get the money to work, try to ignore the short-term choppiness and focus on their longer term goals.

Now you mentioned that the Fed pausing, you mentioned the markets troughing, we talked about recessions. When we look at fixed income, this is one area that we're extremely attractive. I'm extremely excited about. I think we've talked about almost ad nauseam now, but we haven't been this excited about fixed income in 15 years. Yields are much more attractive today than they were even the beginning of last year, but also the go forward return profile. We talked about our three phased approach of fixed income in a recent podcast. And we interviewed Dan Janis, and we talked about that a little bit as well. When we look at the current yield environment, it's attractive. We're clipping the coupon.

As we get weaker economic data, recession occurs. What happens with recessions? Yields tend to fall. And what happens when yields tend to fall? Bond prices tend to go up. And that's where you generate returns. The opposite is what happened last year, when yields went up, prices fell. Now we're entering the phases where the bond environment is working in our favor, the mathematics are working in our favor. And then the third phase, as we get close to trough economic data, as we get to the worst is behind us from an economic perspective, that's when we start to take on a bit of risk. High yield actually tends to outperform coming out of economic weakness, out of recessions, and performing as well essentially as equity. So you can really see an opportunity where it's not just the next six months or the next year for fixed income, but this could be a longer term story from returns.

Macan Nia:

And just throwing some numbers to those comments, Kev. We looked back since the 70s, and we looked at various asset class performance going into a recession, a year in, a year afterwards, the trough. We looked at everything. And one year from the trough of the market, the bottom of the market, on average... And mind you, high yield data only goes back to the 1990s, so keep that in mind. But high yield returns are close to 46%, S&P 500's 44. And what's interesting to me is investment grade credit, US investment credit still does really well in that environment, it's up roughly 17%.

I know we've talked about how credit is a sweet spot today, given where we are with income as we start really pricing in a recession. Then there is a case that maybe transition to more higher quality, either higher quality credit or gubbies. But one could just hold US investment grade throughout this process if you don't have the time or patience, or the appetite to maneuver different asset classes. One could just be in the US investment grade credit throughout this period. Because even the US investment grade credit, as I said, is up 70% one year after the trough. And it does well during the recessionary period as well.

Kevin Headland:

I think it's important also to understand that as well, that being flexible in this fixing environment is key, very important. It's security selection. High yield should not be painted with the same brush, because you actually have higher quality high yield. But as we get to a recession, the bond market starts to pricing in the default risk. And those lower quality, high yield that have performed probably a little bit better than some of the other bonds over the last six months or so, as they've had better yields, they could be at risk as we get spread widening. So we have to be very careful as we get weaker economic data of what you own in fixed income.

I think you said it best, was talking about fixed income. Every company's out there pounding the table on fixed income. It's not just about fixed income, it's not just about investing in bonds, it's where you're investing in the bonds. I think that's going to be key over the next little while for investments. Because we want to take advantage of the best opportunities, not just blindly buying bonds.

Macan Nia:

Now, one thing that we think about is what may be different this time, and I hate saying this time is different. But what may be different is how quickly the Fed will revert back to cutting rates in this cycle relative to other cycles. Historically, once they pause... So the market returns are when they pause, markets love that. And then when they start cutting, markets love that even more. And we've seen it early this year, we had the job number last Friday, wage growth was slower, markets ripped with the assumption that they are going to maybe cut at the end of the year. I know that is not our view in that sense. I think the markets are getting, when we've talked about it, they're getting a little ahead of themselves in terms of how quickly they're going to cut. But we're still in the camp where we think they're pausing at some point in this quarter. And once they pause, provides more clarity.

Historically, Kev, I'm just going to throw some asset class in one your performance out at you. Historically when the Fed pauses, the one-year for returns on average for US investment grade is, I'm going to use round numbers, roughly 16%. US government is closer to 12, high yield is close to eight. And actually, the markets, the S&P 500 does 16 as well. So even if we get this pause and they don't start cutting until... Because the markets are expecting they're going to cut this year, we think they may hold off because... We all laugh about it. Inflation is at 7.1% today, we're talking about it trending towards four by the summer. End of summer.

They're still pretty damn high compared to 2%. And are they going to be in an environment where they want to really start cutting in a mild recession too? If it's a mild recession and consumers are somewhat resilient, corporates are resilient, are they going to be quick to cut? We don't think that's going to be the case. But that provides a nice story for 2024 as well, Kev, right? We get the pause bump this year and then we get the cut bump next.

Kevin Headland:

I think it's interesting to see how the market reacts to the expectation of the Fed is going to start changing the narrative and start talking about weaker. And we've heard talk about the Fed governance saying any positives in the marketplace, or any change in tone will essentially undo some of the financial condition tightening we've done with rate increases. We don't want to do that because we want to make sure inflation under control. I've said this before, I think Powell and the Federal Reserve have seen what Paul Volcker did in the 80s, and the mistake he made by cutting rates too soon at the first sign of economic weakness. Had to re-raise in '81, and essentially led to the '82 recession, which was worse from an economic perspective and unemployment than the '80 recession. So was a double-dip recession. I don't think they want to make me the mistake. The Fed has not changed the narrative.

The market I seen, I think I've used analogy before, it seems like a petulant child at the store. It's crying and whining because it wants a toy, and the Fed is not changing its tone. It keeps saying no, but they still cry and whine and expecting things to change, and it's not going to. And eventually leave the store and the kid doesn't get their toy. And I think that's what the Fed's doing right now, is make sure they stay vigilant. They don't want to, perhaps, think the fire or the inflation fires out when there's burning embers and read nights. They are committed. They know at these levels at five, even five and a quarter. Even if they have raised to five and a half, I don't think they're worried about too much about the impact in the economy. They're focus is inflation.

As you said, from a pause perspective, we're getting closer, we're getting clarity on that. And if we're there by March meeting, I think the four returns are going to be quite strong, and that's a quarter from now. We've seen it happen in the past, and I think that's a very strong playbook. Not just for 2023, but as you alluded to, 2024. There's opportunities that exist today, not necessarily from a one year perspective, but a longer term horizon.

Macan Nia:

And narratives change very quickly. And I always am a big believer of that. Last year, Kev, if we were recording this on this date, January 10th, let's say 2022. What were we talking about? We were talking about the Fed raising rates maybe two to three times, and that the terminal rate might be at 1%. And how quickly that narrative continued to evolve throughout all of 2022. Right now the markets are saying maybe a 25B, maybe another one in the first quarter. Some might say that narrative could change too, Macan. How are you so sure that they might not have to go another 2% or 3%? Not with inflation coming down, not with the global economy slowing, not with them waiting to see the impact of all the interest rate increases from last year. So if we're wrong this year, we are going to be wrong by maybe 25 beeps. At maximum 50 beeps. But I can't see us being wrong by the terminal rate being at six and a half, 7% because they don't need to. The inflation's coming down, financial cutting issues have tightened. That whole narrative.

Kevin Headland:

I think we're getting clarity there, and we keep talking about that as we're getting close to the end of the rate hike cycle. The big shocks, the negativity are standing behind us. Valuation have fallen as rates have moved higher. And we've talked about this before, it's important not to look back. It's important to look forward. We've used the analogy before, the windshield is bigger than the rear view mirror. It's important to know where you come from, but more important where you're going. And I think we got to keep on path and pace to achieve those goals over longer term, and it's starting to look attractive. Maybe not next couple months, but if we're up here again a year from now and doing the same thing, I think we're very happy. And I think that that's key right now. I think that's a great way to end it. Macan, I don't know if you have anything else to add?

Macan Nia:

Not really, to be quite honest. What's the one thing you're looking forward to in 2023, Kev?

Kevin Headland:

I've got a couple of vacations planned, but also getting back to more normal. We started traveling more last year, and I think getting back to the traveling and a more normalized schedule I think is something I'm looking forward to. And of course, brighter days on the markets ahead.

Macan Nia:

Yeah, we're all looking forward to that, whether it's from the bond side or equity side. And it'd be nice that both were so challenging last year that you flipped that script and both are positive this year. So that's what I'm looking forward to. And as well with you going out, seeing clients again, it's always nice. And not to do a shameless plug, but let's do it. For anyone on the call, if you find these podcasts of value... Kev, how many people... We couldn't believe it, to be quite honest, when marketing told us. How many people download, how many active listeners did we have last year? I want to say 8,000?

Kevin Headland:

It was more than that. We had over 20 the current levels. I don't know, it's not this year it's current levels. Over 23,000 listeners and 54,000 downloads of our podcast since the beginning that we started.

Macan Nia:

Yeah, which is incredible. We would've never thought of those numbers when we first started this many years ago. But that's a thank you out to everyone listening, who continues to listen, who recommends us to friends, clients or whatnot. So thank you so much. Continue that. And if you want to get in more regular contact with us outside of the podcast, Kevin and I put out a monthly distribution for advisors that aggregates our thought leadership for the past month. And always a very good way of keeping in touch with us on a more weekly basis is through LinkedIn, where we'll post once a week on Wednesday. We try anyways. Tuesday, Wednesday, Thursday to post one thing that has caught our eyes. If we haven't added you on LinkedIn, feel free to reach out, we're more than happy to you. That's it for me, Kev.

Kevin Headland:

Awesome. Thanks again, and thanks everyone for listening. We'll talk to you soon. Take care.

Macan Nia:

Take care. Cheers.

Kevin Headland:

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