The Di Rocco Keenan Wealth Advisory Group

Welcome to 2025!

We've turned the page to a new year, and it's the perfect time to hit "refresh". While the resolution crowd might be flocking to the gym, we are here to help you get your financial fitness in shape. After all, your money deserves a workout too! As we look ahead, the investment landscape is full of promise—and challenges. Here are some key trends and potential market conditions we expect for 2025:

Navigating Interest Rates

After aggressive rate hikes, central banks may take a more measured approach in 2025. In the U.S., while inflation is showing signs of stabilization, interest rates could remain elevated for longer to ensure economic equilibrium. In Canada, inflation has been less sticky, causing a faster rate cutting agenda by the Bank of Canada.

Inflationary Pressures Still in Play

Though inflation has moderated as we saw in this past week's CPI number, it remains a key concern in many global economies. Rising labour costs and supply chain disruptions could continue to keep prices higher than historical averages.

Potential Volatility—The Market's Favorite Game

Volatility is likely to persist as markets adjust to the shifting economic environment. With geopolitical risks, economic slowdowns, and potential regulatory changes in key sectors (like technology and energy), 2025 might see more frequent market fluctuations. The key is ensuring your portfolio is well-diversified to weather the storm while capturing opportunities in undervalued sectors. Keep a balanced approach to risk—sometimes the greatest rewards come from staying steady when the market is in a tailspin.

As we enter 2025, our investment strategy will remain focused on asset allocation and the fundamentals of the underlying securities. Together we will make adjustments to the portfolio as the economic environment unfolds, while still keeping our eye on your longer-term goals.

We wish you a Happy New Year and look forward to connecting in 2025!

Lianne and Jamie

January 2025

2025 TFSA Contributions

The CRA has announced that the **2025 TFSA contribution limit is $7,000**. If you have never contributed to a TFSA, and were born in 1991 or earlier, your 2025 TFSA room would be $102,000. Please reach out if you need any assistance.

It's RRSP Season!

March 3, 2025, is the deadline for contributing to your RRSP for the **2024 tax year**. The RRSP contribution limit for the 2024 tax year is 18% of earned income you reported on your tax return in the previous year, up to a maximum of $31,560.

2025 RESP Contributions

December 31, 2025, is the deadline to make your 2025 RESP contributions. Please reach out to us if you need any information on how much you can contribute or for any assistance with this.

2025 FHSA Contributions

December 31, 2025, is the deadline to make your FHSA contribution. The maximum annual amount you can contribute is $8,000, with up to one year of carry forward room. Please reach out to us for more information and we would be happy to help with you with this**.**

2025 RIF and LIF Withdrawals

Your 2025 annual minimum withdrawals will be indicated on your January 2025 monthly statements. We are also happy to provide this information to you. Please reach out to us if you need any assistance.

BMO for Women – Upcoming Virtual Events

January 29th 2025, 2-3 pm EST – Financial Forecasting

Heather Tuason, CEO of Arena, and Jamie Doolittle, Head of BMO Business Banking, Central Region Canada, dive beyond the basics and into the ways your forecast can be your guide when and if profits jump, losses sting and pivots are needed.

February 5th 2025, 2-3 pm EST – Granted

Stephanie Sang, Founder & CEO of Granted Consulting, and Katherine Scarlett, Head of BMO's National Operations for Canadian Personal Banking Distribution, as they show you how to find the grants that match your business strategy the best, instead of trying to contort your business strategy to suit the grants.

Details on both these events and how to register are included in the attached invitations.

INDUSTRY TRENDS

With Trudeau's announcement that he is resigning as Prime Minister, Parliament will be prorogued (try saying that 10 times fast!) until March 24th, 2025. This termination of the Federal government session brings an end to all proceedings, including bills that haven't received Royal Assent, like the capital gains inclusion rate changes. Despite the prorogation, CRA announced in November 2024 that it will administer the proposed legislation with the higher capital gains. See attached further details from BMO Private Wealth.

BMO Private Wealth

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