# The Morning After Pill

By Brian Shaw June 27, 2016

Mackie Research Campbell River

The United Kingdom's exit from the European Union – also known as BREXIT – will take place over the next few years as a result of the referendum result of 52% in favour of leaving, thus also triggering the resignation in October of UK Prime Minister David Cameron.

That uncertainty on the morning after the referendum gave the markets reason for a knee-jerk downside reaction and the price of gold moved up quite significantly, as we expected in our previous blog, reaching $1321.80 at the Friday close, up about $59, so its existing up trend has broken through previous resistance and is continuing.

Expect constant volatility coming out of Europe and Britain in coming weeks, such as renewed talk of Scottish separatism and anti-EU sentiment rising in several European nations, so we can expect further declines in the British pound and Euro, and gains in the U.S. Dollar, Japanese Yen and Gold – because they are widely seen as safe havens for investors.

But sooner or later some normalcy will return to the overall market, and perhaps sooner than most experts now say, because players on all sides still have vested interests in making commerce happen regardless of trade barriers.

All that means reduced risk of Interest rate increases in North America in the foreseeable future, so long-term bonds are still the best investment as their up trend remains intact.
The Canadian markets will not be overly affected by BREXIT as its trade ties with the U.K. are around only two per cent of our economy.

Going forward watch the trend in newly emerging market sectors like, Oil & Gas, O&G Services, Energy Resellers and Engineering.