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America's economic engine keeps moving forward as indicated by the unemployment number hitting 7 year lows at 5.4 %. Federal Reserve Chair Yellen has indicated that she would consider raising rates once the unemployment was nearing 5%. However does this mean that the Federal Reserve will act? Other factors weigh heavy on the decision to raise interest rates beyond unemployment. Remember the unemployment number is a rear view look at the economy, not a forward guidance.

A few issues that may choke America's growth are a green back dollar that keeps rising making it difficult for American corporations to remain competitive in the export market. The price of oil (energy) has acted as an additional economic stimulus. If the price of oil dramatically rises, profit margins for corporations will shrink, consumers will have less to spend ultimately forcing inflation to stay constantly higher.

The likelihood of all of the above is slim. Why? The American economy has just now exited the dark recess of the great recession with economic growth at the initial and critical stages of fragility. Employment is normalizing to pre-recession levels. Oil prices and the value of the American dollar remain keys to further growth. Even though oil prices have risen from a bottom of \$45 in March to above \$60, data reveals that this is not sustainable for several reasons. The markets have hyped up a quick recovery of prices to \$70.00 which has not materialized due to lack of demand. Lack of demand can be chalked up to many reasons starting from; greater fuel efficiency, green energy projects globally China's faltering economy, overall malaise in the global economies and so on. The one elephant in the room very few people talk about is supply. For the first time in economic history we have more oil and energy products at hand than we can possibly know what to do with. Supply is out-stripping demand. Storage of oil is a real issue right now. Energy producers and refineries do not have the storage facilities to warehouse all this extra oil. As we speak the number of oil rigs extracting oil has declined to 1987 levels with the amount of oil being extracted continuing to grow daily. Lastly and most importantly, the number of untapped oil wells ready for production is about 3,400 located in the 3 largest oil fields of Bakken, Eagleford and Permian.

Energy prices will continue to be volatile till one of two events unfold. Storage issues are solved and/or demand picks up. We believe neither of these will happen any time soon.

The current environment of energy and oil is watched closely by the Fed along with the strength of the American dollar. If the Federal Reserve would chose to raise interest raise rates, it will only serve to strengthen the green back dollar and hurt economic expansion. Export are vital to growth for any nation and just as valuable to America's recovery which is why the focus will be on keeping the world's most powerful currency on the low side. America is just entering the same struggle Canada has seen with the Loonie since the last four years.

The uncertainty of oil and low interest rate will serve to push money out of fixed income and into yield paying equities which will only serve to expand price to earnings ratios across the board.

Europe, the old continent, just refuses to apply proven economic science. Fortunately, the Germans having seen the light and are moving forward. A low Eurodollar has immensely helped exports across the continent. France is now the sick man of Europe. Any European nation looking to follow France's style of economic planning should steer clear. Excluding Greece, Ireland and Spain are posting a solid recovery and are on firm footing.

Britain's currency and equity markets surged this morning as it was made clear the conservative government is still in power for another term. A close fought election could have seen Labour take control.

Here at home, the surprise upset of the conservatives in Alberta will have rippling effects for the federal conservative government. The protest vote has upset the apple cart for Premier Stephen Harper chance of a repeat victory. Losing Alberta was never on the radar screen. This is stanch conservative stomping ground. Image Texas becoming a democratic state! Oil companies are already reeling from the impacts of dealing with

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an NDP government. How will this hurt the province? Hard to say. One thing is for sure it will not help Alberta get out of their recession quicker. Remember Ontario, when it elected the NDP in protest to bad government. All I need to say is” Bob Rae days”. Prepare to see more labour unrest across Canada with the greatest intensity in Ontario, Quebec and British Columbia.

Political uncertainty is a poison pill even for the healthiest economy. Expect to see the days closer to the federal election to be heated and fiercely debated. Labour voices are on the rise across Canada and will make themselves heard.