

## INVESTMENT TEAM

Robert Jukes  
Global Strategist  
T: 44.207.523.4594  
rjukes@cgf.com

Kevin Vandermeer  
Managing Director, Investments  
& Advisory Solutions & Lead  
Portfolio Manager  
T: 416.867.2643  
kvandermeer@cgf.com

## She's Gone

It is not every day that a Prime Minister resigns, but when they do the resignation speeches are always charged with emotion, and this one was no different. Prime Minister May finally bowed to the inevitable on Friday last week, ending speculation about the very public and slow-motion assignation that had been instigated by her own colleagues. Like Margaret Thatcher, John Major and David Cameron before her, May joins a long list of Tory Prime Ministers taken down by their own party in one way or another over Europe.

May announced that she will formally resign on June 7<sup>th</sup> after the 75<sup>th</sup> anniversary of the D-Day landings, and Donald Trump's state visit to the UK. That date will also officially launch the leadership race to succeed her as Prime Minister, although the very public "shadow" contest has been in full swing for some time now, and Boris Johnson way ahead in the polls. Whoever the successful candidate might be, they will be expected to take the reins before the end of July. They will also face the same party and parliamentary arithmetic as their predecessor. A change of leader does not change the BREXIT problem, or take us any closer to the solution.

While this Brexit saga has consumed May and her party, both the Labour and Tory parties face disastrous results from European Parliament elections last Thursday, due to be declared later today. It is tempting therefore to judge May on her failure to deliver for her country, on the single most important UK peace time issue of our lifetime, but we suspect that that history will be much kinder than the weekend papers, particularly if her successor also fails to deliver as seems likely. Her fate was sealed at the last election, and her slim "confidence and supply" majority meant that party arithmetic had to be her first consideration throughout early negotiations with the EU. The hard right simply would not tolerate a cross party consensual approach. That arithmetic has not changed and is likely to hamper her successor in the same way, making another General Election likely, and or another referendum.

As we have said before, path of Sterling has been towards further weakness against the US dollar, and that is likely to continue through the leadership election campaign. Some leadership candidates advocate a preference for a no-deal exit, which would push Sterling below parity if it became manifest. The more likely outcome, however, is that we either remain or we leave in a way that is remaining in all but name. So, while the most likely BREXIT outcomes continue to polarise around the opposite extremes for now, we continue to believe that remain is ultimately the most likely outcome, eventually taking Sterling back above \$1.50, but it looks set to be a rough ride!

All information is given as of the date appearing in this document and Canaccord Genuity Wealth Management (CGWM) does not assume any obligation to update it or to advise on further developments related. All this information has been compiled from sources believed to be reliable, but the accuracy and completeness of the information is not guaranteed, nor in providing it do CGWM assume any liability.

All views expressed in this document are provided for informational purposes only and does not constitute an offer or solicitation to buy or sell any securities. The statements expressed herein are not intended to provide tax, legal or financial advice, and under no circumstances should be construed as a solicitation to act as a securities broker or dealer in any jurisdiction. All views are intended for general circulation to clients and do not have any regard to the specific investment objectives, financial situation or general needs of any particular person.

Forward-looking statements and past performance are not guarantees of future results. To the fullest extent permitted by law, neither CGWM nor its affiliates or any other person accepts any liability whatsoever for any direct or consequential loss arising from any use of the information contained in this document. Canaccord Genuity Wealth Management in Canada is a division of Canaccord Genuity Corp. Member – Canadian Investor Protection Fund and the Investment Industry Regulatory Organization of Canada.