

What China Wants (and What the World Wants from China)

Speaker Key:

KM Kevin McCreadie
Gen. AL Lt. General Andrew Leslie
DP David Pett
RC Regina Chi

Time code	Speaker	Text
00:00:06	DP	<p>The Ukraine war is igniting fears of a new cold war, but it's not just the original two superpowers, Russia and the United States, that are butting heads.</p> <p>On this episode of Inside Perspectives Kevin McCreadie, AGF CEO and Chief Investment Officer, is joined by AGF Portfolio Manager Regina Chi and special guest General Andrew Leslie to talk about China's growing influence on the geopolitical landscape today.</p>
00:00:31		<p>I'm your host, David Pett. Let's get into it.</p> <p>Okay, Kevin, here we go again. We're back. General, thanks for being here again. And Regina, welcome back. I understand we're on a bit of a time limit, General. Maybe you can tell us a little bit about what you're going to be doing later this evening.</p>
00:00:59	Gen. AL	<p>I'd be honoured. One of my nephews has joined the Canadian Army as a reservist. He's an engineer when he's not doing his soldier stuff. And he's being promoted to become a junior officer in his regiment. And I'm honorary colonel of an artillery regiment in Ottawa, so my nephew's asked me to come down and present him with his new rank at 7:30 tonight. So I'm quite thrilled about that.</p>
	DP	<p>So he knows that you'll be presenting?</p>

Time code	Speaker	Text
	Gen. AL	He does. Actually, he knows that I'll be there. I don't think he knows that I'll actually be pinning the rank on him.
00:01:33	DP	Interesting, and exciting for your nephew and yourself. Just curious, are these big events?
	Gen. AL	There'll be other events taking place. There could be a couple of hundred people there. It's certainly very big for the people who are getting promoted, because when you get your first promotion to become an officer in the Canadian Army, it's something that everyone remembers.
	DP	Kevin, do you remember the first time you were promoted?
	KM	Oh, yes. Many, many years ago. But it was never in the public domain like that. And nobody pinned anything on my chest.
00:02:03	DP	Maybe your parents took you for dinner or something like that?
	KM	I always did celebrate a promotion with a good meal.
	DP	Okay. I want to get started on the more serious topic of geopolitics. And as we've done with the past two episodes that we've had the general join us, maybe we can begin with Ukraine, and I'll just quote something from our esteemed colleague Greg Valliere. His note this morning goes like this, the headline at least.
00:02:29		The astonishing Ukrainian blitzkrieg, could the war end soon? So maybe, General, I'll start with you and just get your thoughts on what's happening in Ukraine and how the war has progressed to date from the last time we spoke.
	Gen. AL	Today is the 200th day of Russia's savage war on the Ukraine, and over the last three to four days we've seen an almost unprecedented display of brilliance in soldiering and political leadership when combined with battle-hardened Ukraine soldiers who are willing not only to fight for their country and families, but to die for them.

Time code	Speaker	Text
00:03:06		<p>And that willingness to fight, combined with an extraordinary amount of initiative, seized the opportunity. And that's what a bunch of tough Ukraine generals have done.</p> <p>What happened was they had an opportunity to blow a hole in the Russian defences, because the Russians had been busy digging in defensive positions to extend the line of about 1,400 kilometres long in anticipation of the winter snows, and before that, the mud.</p>
00:03:33		<p>And they seized the opportunity, the Ukraine. They concentrated their firepower with the new rocket systems from the United States and other areas, blew holes in the line, and then they poured a couple of hundred tanks through this penetration.</p> <p>The tanks then spread out by day and night, got in behind the Russians, and caused them to panic. And there's tales and videos which show hundreds of Russian vehicles untouched, abandoned by their crews.</p>
00:04:01		<p>This is, though, not the end of the war. I think it's the end of the beginning. The Russians had the offensive, where they were on the offence for the first 200 days. Now it's Ukraine's turn to retake. But it's still going to last for a while. And I think the geopolitical implications still have yet to be thought through.</p>
00:04:18		<p>There's no doubt though that President Xi of China and Mr Putin are having probably a very unpleasant conversation right about now.</p>
	DP	<p>I'm glad you just brought up China in this conversation because I want to talk a little bit more about China's role in the geopolitical landscape today. But, Kevin, maybe I'll just get your thoughts quickly on the Ukraine war and where you see this headed.</p>
	KM	<p>So, I ran into the general outside getting a coffee before we came in, and I asked him what he thought about this. And he summed it up and said, today's probably the biggest day in this war from the day it started.</p>

Time code	Speaker	Text
00:04:50		<p>So, implications for markets, obviously, that I think about. If this were to be a sooner end, and I think we can talk about that, it doesn't feel it, then obviously it has implications for bringing energy prices down, and it has implications for maybe Europe evading a deep recession. It has big implications for inflation, and therefore what central banks do.</p> <p>So a lot tied to this, if they can get this resolved sooner, I think. That's a question that is still, I think, unanswered here.</p>
00:05:17	DP	<p>And then, Regina, maybe I'll just get you into the conversation. We've talked a lot over the last couple of episodes about how the Ukraine war has impacted markets, and Kevin's just alluded to some of the implications going forward. But I would be curious to know how it's impacted your area of expertise, which is emerging markets, more generally. What has the war done for that region, again, from a market perspective?</p>
	RC	<p>The immediate impact would be to central and eastern Europe and their economies there, where they're faced with an enormous amount of inflation, because they're dependent on gas imports as well as green.</p>
00:05:48		<p>And so, we're seeing central banks raising interest rates significantly, by as much as 100 or 125 basis points at each meeting. So you're seeing double-digit inflation rate handles across eastern Europe, and so they clearly would be a beneficiary if we see a stop to the war.</p>
	KM	<p>You just have to think about it. A lot of energy is still priced in US dollars, and with the tear the US dollar's been on, it's seen as this place of strength. If you think about an emerging market economy whose currency has been hit this hard, and you've got to then turn around and pay US dollars for something that's already priced up because of this incursion, it's been a double whammy.</p>
00:06:24	RC	<p>And then there are other countries like China who are benefitting from higher trade with Russia due to the sanctions. And then there are other countries like India, as</p>

Time code	Speaker	Text
		well as China, that are benefitting from cheaper oil imports from Russia, by buying from them directly.
	DP	In particular, India would be one of those countries, right?
	RC	Correct.
	KM	Yes. You've got to remember, the Russians can't deal with Europe, or mainstream Europe, for their oil. They're going to turn to other buyers. Those other buyers have been China, India, who've been arguably buying them at a great discount.
00:06:52		So it's been good for their economies, relative to these other economies we just talked about.
	DP	We talked a little bit about the idea of a cold war emerging. Does that throw water on the flames of that idea, if we do get an end to this war?
	Gen. AL	I think we're at the end of the beginning. And to pick up on Kevin's thinking, it would be perhaps not unwise, but I'd just want to be cautious about making future plans on the assumption that the war could actually finish sometime between now and Christmas.
00:07:22		History is full of folk who've wanted the war to be over by Christmas, any war. And history is full of cemeteries of folk who underestimated the power of their enemy, or their willingness to actually fight when you think they're running away. So, what am I trying to say? I'm trying to say that Ukraine's counterattack is brilliant on a multiplicity of levels, but I still think it's going to be a cold winter for Europe. I think Russia will insist on imposing the sanctions because if Putin doesn't, he's not saving face at all.
00:07:50		There's probably a couple of tough young Russian generals who are looking at Putin now going, hmm, he's not invulnerable, I think I could do a better job than he could,

Time code	Speaker	Text
		just like President Xi right now is probably worried because he's backed what turns out to be a loser in Russia.
	RC	Yes. This whole China-Russia relationship has been a huge reputational headache for Xi. Clearly, it's not a relationship of equals, and China has been the benefactor, in fact.
00:08:18		So, they were clearly disappointed with the way... China is clearly surprised with how the war has unfolded. And at this point, since they're meeting relatively soon, we'll see what happens from that encounter.
	KM	Since the war started, China is the largest exporter in the world. It's already had a strained relationship with the United States. Europe was a very large buyer. With Europe looking at the Chinese as being aligned with the Russians here, it has obviously changed that relationship too. So, economically, you'd have to argue that not only has backing Putin, even quietly, not been good but it's also not been good economically.
00:08:54	Gen. AL	I think all of us want to get back to whatever normal was prior to February of this year, as quickly as possible. But there are still warlords at play. And between Putin and what President Xi's about to do as he faces his Congress, which he'd better win if he wants to keep his job, it's still going to be really volatile and hard to predict.
	KM	One of the things I still don't know where it turns, but if you look at the silence of India on this, they've really aligned more, not silently, but quietly aligned with Russia.
00:09:24		They haven't chosen a side. But you look at the incident where the Chinese, after Nancy Pelosi's visit to Taiwan, moved further into that neutral zone, and you heard the large nations of the Quad, right, which is Australia, India, South Korea and Japan, with the exception of Japan, nobody cried foul. So, we still haven't basically said, well, maybe he really is a bad guy. People have not stood up and faced this.

Time code	Speaker	Text
00:09:52		Maybe this event, maybe the turn of events in the Ukraine today, maybe how this Congress comes out, may make people choose differently. But you have seen a shift in the patterns of who you would have thought would have gotten behind whom in this from the beginning, particularly when you relate that to India.
	DP	Yes, and that's curious, because we were talking offline, Regina, about India and then Turkey and how they're posturing through all of this. Is it strategic, or is this just agenda-driven to a certain extent?
00:10:17	RC	I think all of the countries are self-serving at this point. And with inflation going up, India is maintaining their relationship with Russia by buying cheap oil, because they're a net importer of oil. And so, that helps their current account balances. And then it's all the individual countries' decisions and responsibilities is really what they're looking toward themselves.
	Gen. AL	It's unfortunate, but it's not the case of the world against Russia, because half the world has taken at least no action on sanctions, and a significant portion of the world's populations are actively supporting, or quietly supporting, what Russia thought it intended to do.
00:10:56		<p>This whole idea of the sovereignty of the state and the inviolability of the borders above all else. Now it turns out that that's not entirely logical when you launch such a murderous attack on someone who's independent, like the Ukraine.</p> <p>But over the course of the next couple of hundred days, we'll see where people's loyalties start to direct themselves. In the interim, I agree with both my colleagues here, it's really enlightened self-interest which is driving the activities of nations such as India and Brazil, and the list goes on.</p>
00:11:27	DP	What's interesting to me, as we think about drawing those lines, is the cold war that we think of in the past, you're thinking Russia versus the US. But now you've got China here,

Time code	Speaker	Text
		and they're this huge superpower that are kind of complicating matters. When you think of China, how would you best describe their place in the world today?
00:11:48	Gen. AL	I would say they are the second superpower. And I know a lot of my American colleagues with whom I serve would be slightly dismayed to hear that, but most of them are realists and they're fairly pragmatic when it comes time to assessing threats. And for years, the American focus has been shifting towards seeing China as the near peer competitor and the potential enemy.
	AM	Yes. This is a classic case of the emerging power versus the incumbent power. And very different than the last cold war, which was Russia and the US.
00:12:20		Russia was an agricultural commodity-driven economy with not a lot of actual wealth, and had nuclear weapons. This is a sophisticated large economy, financially independent economy with great technological resources. It's a very different cold war, if you think about the future.
	Gen. AL	And that's why we all hope that, should it enter a cold war period much akin to the last one, that it stays cold. The start of this cold war though is obviously not, with all the blood that's been shed in Ukraine.
00:12:51		And emotions do matter in international relations, because that anger, that frustration, that rage that a variety of parties to the conflict feel can spill over into trade.
	DP	When I think about Taiwan, again, today is only one day, but this turn of events in the Ukraine, does it weaken the Chinese thinking about they ultimately want to do with Taiwan?
	Gen. AL	I think, deep down, the president and his entourage, President Xi and his entourage have staked their future on being aggressive towards the reintegration of Taiwan.
00:13:21		But there are some really sobering lessons to be learnt as to what a smaller power can do, who's defending their home,

Time code	Speaker	Text
		<p>their hearth, their families, from exterior aggression, and how willing they are to fight to the death to keep them safe, whereas the attacking forces, some of them who will be extraordinarily well educated, with access to technologies and also information flows that show not the propaganda the state might wish they know, but the stuff that's actually happening all around them, that can attack a soldier's willingness to fight, which we've seen with the Russians in Ukraine.</p>
00:13:55		<p>And when they get hit hard by an aggressive counterattack, caught them by surprise, they run. The difference of course in Taiwan, once Chinese soldiers might get ashore, they probably wouldn't last long if they tried to run.</p>
	DP	<p>When we're thinking about China and its role as a second superpower, what does it want to accomplish on the international stage? And maybe this is a question that is answered differently depending on your perspectives. Regina, from a markets perspective, what is it that China wants out of this power that it seems to have these days?</p>
00:14:26	RC	<p>I think they want regional primacy, and potential global. But in the meantime, they have a lot to do before they get there. They are not self-sufficient in many different areas, and so while the world is so focused on a second superpower being China, it's going to take a long time before they could really dominate.</p> <p>Economically, they could overtake the United States by 2030, because in real terms they're growing GDP by 5%. The United States is only growing by 2% to 3%.</p>
00:14:53		<p>But for them to be positioned well to really, truly dominate, they need to get their own house in order. Right now, they are facing a lot of their own challenges with the zero-COVID policy, restrictions and lockdowns, as well as a property crisis.</p> <p>But they also have a strategy in place for dual circulation, and so they're trying to rebalance the economy toward domestic consumption. But they need to boost confidence right now, and so, until that happens, where there's self-sufficiency, there's self-reliance on key technologies like chip</p>

Time code	Speaker	Text
		manufacturing, I'm not so worried about that outcome in the near term.
00:15:27	DP	On that front, there's friction, and there has been for a number of years now. But it seems like China doesn't want to completely go an enemy to the US. They want to be friendly. And I cite the recent cooperation agreement between the US and China that may allow US inspections of auto firms within China's borders. China seems to realise that they need to have that relationship with the US.
00:15:54	KM	<p>The Chinese are strategic. They realise they've got to pick their spot. Obviously, they can't afford to have an economy roll over hard here.</p> <p>As Regina said, they're facing a number of stresses here. A population that is really unhappy about these lockdowns, and this idea of trying to get Beijing to be COVID-free for the 16th and the party Congress. You have this idea of this property sector, and the deleveraging that has to go on. Again, we talk about it in the West as a housing problem.</p>
00:16:21		<p>Well, most people's savings are tied up in their house. There are people who are hung up in terms of they've put money down on a lot of places and they may not see them finished. So you've got a lot of unrest and unhappiness there.</p> <p>You can go back to some of the policies that Xi put in place, the common prosperity policy, which was essentially, hey, man, we need income equality in this country. Some of the environmental policies. People are tired of the pollution. You can even go and look at some of the anti-corruption. People are tired of the graft.</p> <p>So he's dealing with a lot of unrest in a large population that's under stress.</p>
00:16:51		He cannot afford to have an economic war at the same time. The tariffs are one thing. But two years later, or more than that now since those tariffs, but he really can't afford to have a larger civil unrest right now, which would be led by

Time code	Speaker	Text
		<p>either a really weakened economy or significantly higher inflation, if it were to materialise.</p>
	DP	<p>And then, General, maybe just from a military standpoint, Regina talked about this idea of perhaps regional supremacy to a certain extent that China's looking for. How do you see that?</p>
00:17:20	Gen. AL	<p>Putin attacked Ukraine because he thought the West was weak and he could win. And most of us are actually competitive in nature. And the large the collective, the more competition is available for those who seek that outlet. And there's an old saying which may or may not be true, that empires grow or they die.</p> <p>And in this case, the Chinese empire and the American equivalent have essentially had to grow their economies, increase prosperity, increase their wealth, increase wealth generation, enhance trade, or else they would fade away.</p>
00:17:51		<p>Xi, I suspect, has thought for some time that the West is weak, and I think that probably what's happened over the last couple of days actually, the last couple of days in Ukraine, has made him pay a great deal more attention to the idea of the West not being quite as weak as he thought it was, as evidenced by the response of the Ukraine, who really are part of the West.</p> <p>Right now, they're acting as our surrogates or our proxies in this fight. And I think it's forced home a salutary lesson to President Xi and China to just be careful.</p>
00:18:23		<p>Don't poke the eagle or the lion as hard as you might wish, because they can poke back, using other nations, in this instance, to do the fighting.</p> <p>I think China is a danger to watch, but I think there's great opportunity for joint prosperity if they continue to play the long game, if they don't get mesmerised by the possibility of short-term success, for example, attacking Taiwan or just completely disregarding the international rule of law and the creation of new states and islands in areas that they wish to dominate.</p>

Time code	Speaker	Text
00:18:56		So I think there's opportunity, but it's got to be carefully managed. But we must not turn our back on China because of their enormous trade that they have with us, and their wealth.
	DP	If China needs to be cautious about its approach towards the West, does the West need to be cautious about its approach to China? And I guess the question is, what do we get out of this relationship, sitting here in the West today?
00:19:21	KM	If you had asked me this question six years ago, where most of the technology supply chains had some tie to China, the chip industry particularly, the medical industry, I can go through a host of industries, since COVID that has lessened. It is still a large dependence. But I think a lot of US companies that have been selling goods to China have maybe woken up and said, maybe I've got to step back from that. You've seen Apple has taken a downshift on that. You've seen Honda has taken a change in tack.
00:19:51		I think that things have changed. I still think there is a large amount of dependence on the West on the supply chain and things that we need until we can become more independent. And I really do think about some of the componentry for semiconductors, solar. There's a host of sectors where we really are dependent. And even in the medical sector, the drug industry today.
	RC	China has almost 400 million people in the middle-income class. That's a huge amount of people. It's much bigger than all of the United States.
00:20:20		And so, that's the opportunity for the West in terms of economically growing with a growing middle-income class, as their disposable income goes up. So, that's really the key positive to keep that relationship going, as well as the manufacturing side.
	DP	It's interesting to me. When the war started in Ukraine, it seemed fairly easy for the West to divest from Russia. It

Time code	Speaker	Text
		doesn't strike me that that would be a very easy thing to do if things came to blows with China.
	KM	Well, I think if you said the US could divest from Russia, yes, we didn't buy any Russian oil.
00:20:51		I'm thinking if it's getting a little cold in December in Europe, people may think differently about natural gas, which there is a dependency. So, when you say the West, I think you have to define where you're sitting in the West and what time of the year. But I do think that's right. I think that there would be a different economic tie that Russia, particularly for the US, wouldn't have that China does.
	Gen. AL	I think it's going to be a cold winter in Europe, no matter what happens, unfortunately. I could be wrong. I hope I am. The whole idea of the ties that bind trade with China is important.
00:21:20		So, although it maybe counterintuitive, despite all the hostilities and the different philosophies and the drives of empire, it's in all our interests to enhance trade opportunities with China, and therefore bind our economies as partners more closely together so that years from now or months from now people can't get a rush of blood to the head and try to pull off what Putin just finished doing with such disastrous effect in Ukraine.
	DP	Kevin talked about supply chains and how tied we are to China on that front. There was a lot of talk when COVID hit that perhaps some of those supply chains would move to other emerging market nations.
00:21:56		And I think some of that has happened, but has the progress on that been slower than expected, and is that potentially not a way out?
	RC	It's been happening, but it's going to be slow because capital expenditure and big projects like that will take time. But China's just way too big to move away from. You might have a China plus one or two strategy, meaning you'll have

Time code	Speaker	Text
		China plus Vietnam, China plus India plus Indonesia, but the infrastructure is so good in China that it's going to be hard to do it in any other smaller country efficiently and economically.
00:22:27		So, there will be more nearshoring, regionalisation, the regionalisation with south-east Asia, for example, maybe central and eastern Europe. But the reality, the bottom line, is that it's going to be very costly as companies try to nearshore their production to have a second source of manufacturing outside of China.
	KM	I think if you're there, you'll probably stay there and/or looking for alternatives over time.
00:22:50		If you're thinking about going there, you're thinking maybe differently. So it's about new supply chain issues, I think, that probably won't develop as a result of this uncertainty.
	DP	<p>Maybe we'll talk for a few minutes on the 20th National Congress of the Chinese Communist Party, which they have a date for now. I think the last time we spoke it was still up in the air as to when this would actually occur.</p> <p>So, October 16 is what I've read is the date. What happens at this conference? Does anything concrete come out of this that perhaps markets can react to, or from a geopolitical standpoint we can react to?</p>
00:23:23	Gen. AL	Historically, it's been a celebration of the current leader, who almost invariably gets an extension or, in certain cases, his successor is named. This time I think the same will ensue. That'll be the result. But I think that President Xi, no matter what happens, is wounded by the incompetence of his chosen friend, his battle buddy, Putin, who is doing the president of China absolutely no favours right now.
00:23:52		And he's putting essentially the longer-term risk of his authority in play.
	RC	I have to disagree with that. It might be a small wound, but I don't think it changes his political grip on the economy or his congress. There is going to be a very big turnover of the

Time code	Speaker	Text
		regime because a number of people are retiring. So, what will be interesting is whether we'll get the makeup of reformers, market reformers, versus technocrats, who will just follow Xi. But their philosophy and their ideology is unchanged.
00:24:24	DP	Does this become a market event for you then?
	RC	I don't think so. What it does is that it sets a new political cycle for China. And for a year and a half we had so much disturbances within China with a lot of competitive noise among local provinces and officials. You had a lot of regulation and so forth. And so, I think, going into 2023 we will have just a new table being set, where they'll focus on the economy because you'll have new officials in place
00:24:55		And I think that 2023 will be a year where you're going to actually have a reopening of the Chinese economy, probably the biggest reopening play since COVID lockdown.
	KM	One of the things that comes out of this is that you get to the 16th and we can probably take the Band-Aid off of this zero-tolerance on COVID, after he gets his new reaffirmation, if you want to call it that, or chairman for life. But I do think it does finally get them on pace with the rest of the world to reopen. That'll be a positive, because as China slows, as China locks down, it has this ripple effect on still supply chain effects around the world as we struggle with this higher inflation.
00:25:29		So getting that behind it would be good. And I come back to the other thing. I don't know that he can declare victory. I do think that he will have faced some headline risk. I agree with Regina, it's low. About this relationship with Putin, I think he probably spins it as, hey, listen, we got a great deal of commodities on the cheap, our inflation rate's been kept down. But I think now this allows him post that to probably move more aggressively about supporting the economy, trying to... Again, while the rest of the world is tightening, he'll

Time code	Speaker	Text
		probably be more aggressive about easing the key economic growth, given the headwinds around him about some of these other issues we've talked about, the housing sector and other things.
00:26:02	Gen. AL	If I could offer an idea, and that is to learn from what Ukraine has just done and try to apply it to business in the short-term. So you had an organisation under stress, facing enemies on all sides, and they got together with likeminded folk whom they trust. They had the right idea. They did the research, and they chose the right timing to move aggressively.
00:26:24		And essentially, they went all in where the market opportunity presented itself, which was to punch a hole in the Russian lines, spread out behind them, and cause chaos and confusion. And the case so often, there are lessons to be learned from the parables or examples that the military can provide. Now, they're not directly transferrable, but they can get into the right mindset if approached properly, I submit.
	DP	With everything that we talked about today and in previous episodes, can everybody get what they want here, or are we in a situation where there has to be...? You mentioned that we're competitive by nature. Part of that may be, does there have to be winners and losers?
00:26:59	Gen. AL	I think that we can get much towards what we each might want, until you run into a rabid bear, Putin and his entourage, the oligarchs, who quite frankly saw an opportunity, they thought the West was weak, they attacked. And as a result, tens of thousands have died and tens of thousands more are likely to die, and the economies have been shattered.
00:27:22		And the ripple effects for standard of living and trade are still being felt, and will still develop and grow over the course of the winter. So, that's a severe miscalculation. War is the oldest of professions, those who serve war. And there will be a lot of business for people like me, or like I used to be as a professional soldier, doing a variety of things, peacekeeping,

Time code	Speaker	Text
		peace-making. But the future has got to be trade. It has to be.
00:27:49		And so, if you withdraw from the international trading markets and you don't respect the rule of law, which is the foundation of interstate commerce, then the whole system starts to collapse.
	RC	That's the conundrum, right? The US wants China to be a happy number two, and China doesn't want to be a happy number two. They want to move up the value chain. They want to grow. And they have 1.4 billion people, and they have a top-down strategy to do that. And so, when you ringfence that, what do you get? You get a pretty aggressive country that's trying to figure out how they can manage without the global markets behind them.
00:28:24	KM	I think it's not a cold war. I think it's a chilly war, frosty war. It's not cold. I think both have dependencies on each other that play out over many, many years. It's strategic. It's not like it was in the 60s with Russia, where people were fearing each other with nuclear weapons. This is a long game. Bringing it back to the current state of Russia, I think we are going to be in for a tough fall. I think that you are going to see energy being used as a weapon. I think the sanctions, which haven't worked, will start to bite because as the West pulls back from oil, which Russia really needs to fund this war, things will get more interestingly challenging domestically.
00:28:59		And so, I think this thing does grind on, and Putin is obviously banking on the fact that this will cause great unrest in places like France and the UK and most of Europe, as people in the streets protest the higher prices of things. So I don't see the fall being this panacea of this breakthrough actually becoming a breakthrough immediately, but it probably sets the tone for the next stage.
00:29:21		As the general has said, this is the second part of the beginning, I guess.

Time code	Speaker	Text
00:29:29	DP	<p>Okay. I think that's a good place to end today's conversation. Thanks as always. Regina, always great to have you with us. General, you as well. And Kevin, until next time.</p> <p>For a full transcript of today's episode, visit agf.com/podcast, and don't forget to subscribe to hear more from us at Apple Podcast, Spotify, Google Play Music, Stitcher, Podcast Addict, and Pocket Casts.</p>
		<p>This podcast is for informational purposes only and is prepared by AGF. It is not intended to be relied upon as a forecast, research or investment advice, and is not a recommendation, offer or solicitation to buy or sell any securities or adopt any investment strategy. The views and opinions expressed in this podcast are based upon information available as at the publication date and are subject to change.</p>
00:30:23		<p>The opinions provided are those of the speakers and not necessarily those of AGF, its subsidiaries or any of its affiliated companies.</p> <p>References to specific securities are presented for illustrative purposes only, and should not be considered as investment advice or recommendations. The specific securities identified and described herein should not be considered as an indication of how the portfolio of any investment vehicle is or will be invested, and it should not be assumed that investments in the securities identified were or will be profitable.</p> <p>Any discussion or performance is historical and is not indicative of, nor does it guarantee, a future result, and there can be no assurance comparable results will be achieved in the future.</p>
00:30:56		<p>Reliance upon information in this material is at the sole discretion of the listener. The information provided is neither tax nor legal advice, and investors are expected to obtain professional investment advice.</p>

Time code	Speaker	Text
		The AGF logo and Invested in Discipline are registered trademarks of AGF Management Limited, and used under licence.