

March 5, 2020

Stock market corrections have a tendency to unfold in three distinct stages.

The first stage shakes up folks, gets the bears loaded up with short positions, and shifts investor sentiment rapidly from bullish to bearish. That was the decline we saw last week.

The next stage is an oversold bounce. This move forces short-sellers to buy back their short positions - often at a loss, especially if they got too aggressive and sold short into oversold conditions. Meanwhile, the bulls scramble to get back in and they chase prices higher. I believe that is where we are now.

The third stage of a correction is a move back down to retest the lows of the first stage. It's usually a fast and uncomfortable move that gets the bulls to finally cry "uncle."

I suspect we'll get to that stage either later this week or early next week. It is at that time that we will want to buy those companies we value, that have come down.

Please call me at 1-866-860-4190 or direct at 613-491-3344.

Sincerely,

John S. Bruce
Senior Investment Advisor
Private Client Division
Direct Line- 613-491-3344
Fax- 613-491-2292
Toll Free- 866-860-4190
Email- jbruce@mackieresearch.com
www.creatingwealth.ca | www.mackieresearch.com

Assistant - Chelsea Dutchak
Direct Line - 416-860-7612
Toll Free - 1-844-860-7612
Fax - 416-860-7671
Email - cdutchak@mackieresearch.com