

April 20, 2020

### **Last Week in the Markets**

I am writing to you again this week to discuss the recent happenings in and around markets. What took place this week?

- Canadian and U.S. markets began the week with a sharp move higher based on growing confidence that lockdowns worldwide could slowly begin to ease in the foreseeable future. Poor economic numbers brought about a pullback mid-week, but markets remained relatively stable amidst these data.
- The U.S. announced weekly jobless claims of 5.245 million, taking the total number of jobs lost in the last four weeks to approximately 22 million.
- Canada announced a "flash" estimate of real gross domestic product (GDP), seeing a 9% decline in overall output in March. The Bank of Canada left interest rates unchanged, but announced it would expand its bond buying program to include provincial debt instruments, easing the strain of raising funds during the crisis.
- The price of oil continued to decline despite an OPEC+ deal that included a daily production cut of 9.7 million barrels. Reduced demand due to the COVID-19 outbreak was seen as being too large a factor for this supply cut to overcome.
- The number of confirmed COVID-19 cases worldwide surpassed two million, as Europe began to slowly ease restrictions in certain regions and the U.S. began looking at plans to eventually do the same.

### **How does this affect my investments?**

The fact that markets have recovered as much as they have from their recent lows serves as a great example of the dangers of trying to time market moves, rather than staying invested for the long term. While news surrounding COVID-19 continues unabated, including growing infection numbers and lengthy lockdowns, North American markets have proven quite resilient as of late. There may be a number of reasons for this reaction, including government stimulus and a hope that economies will be up and running sooner rather than later, but it has still confused many investors who expected further declines.

By sticking with our long-term plan, we have had the luxury of avoiding this unpleasant surprise - when those who have pulled their money out must watch a bounce back that they are not involved in. This is not to say that we know the direction the market will take tomorrow or in the days and months to follow. In fact, it is precisely for this reason that we stay the course, allowing our plan to ride the waves during the good times and bad.

I am always here to discuss your investment plans if you feel it would be beneficial. Please do not hesitate to contact me at (613) 491-3344 or toll free at (866) 860-4190.

Sincerely,

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