June 25, 2020

I hope that all is well and you are adjusting well with so many changes taking place. Below you will find a summary of this month's market developments and related thoughts.

Market developments

- Following the best 50-day period in the history of the S&P 500 Index (which measures the stock performance of 500 large companies listed on stock exchanges in the U.S.) and the Nasdaq (a stock exchange that includes the world's primary technology and biotech giants) hitting new all-time highs, North American equity markets fluctuated throughout the month.
- North American equity markets declined sharply on Thursday, June 11. Analysts said markets reacted to a gloomy outlook from the U.S. Federal Reserve and an uptick in COVID-19 cases in several states.
- Dr. Anthony Fauci, Director, National Institute of Allergy and Infectious Diseases, stated that the coronavirus outbreak "isn't over yet" as hospitalizations in at least nine states have risen since Memorial Day (May 25).
- Opposition parties refused to give unanimous consent to Canada's Liberal government to speedily pass new emergency COVID-19 legislation, which is focused on expansion of the wage subsidy program and penalties for fraudulently claiming the Canada Emergency Response Benefit.
- The U.S Federal Reserve said it expects interest rates to remain near zero through 2022, and while U.S. GDP is forecast to shrink by 6.5% in 2020, it is expected to bounce back to 5% growth in 2021.
- Jobless claims in the U.S. were 1.54 million for the week of June 15

How does this affect my investments?

The fact that the S&P 500 gained 40% in just 50 days - even as the economy falls into a severe recession - should give most investors pause when they consider trying to "time" the market. You may have heard the saying, "It's time in the market, not timing the market," and the last few months have lent credence to that statement.

When the Coronavirus first emerged and the lockdowns began, it was difficult to foresee the sheer extent of stimulus that governments and central banks would provide to keep economies and markets functioning. Those who remained invested benefited from those measures.

That said, there are no guarantees on how markets will react in the future, as we saw during June 11's strong and sudden decline. What we can be sure of is that missing such sudden moves to the upside can greatly hurt a portfolio. That's why I believe in being patient and staying committed to your investment plan.

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

Sincerely,

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