

May 28, 2020

I hope that all is well with you and your family as we move into warmer weather and the gradual easing of lockdown restrictions. Below you will find a summary of what took place in the economy and markets this week, as well as some other thoughts.

Market developments

- North American markets moved higher this week, propelled by U.S. Federal Reserve ("the Fed") Chairman Jerome Powell's comments that the Fed was "not out of ammunition by a long shot" and not to bet against the U.S. economy in the medium or long run. Market optimism was also buoyed by positive results from Moderna's COVID-19 vaccine phase 1 clinical trial.
- The Canadian government announced expanded eligibility for emergency business loans to include businesses that have filed either a 2018 or 2019 tax return and have expenses between \$40,000 and \$1.5 million per year.
- Canada's consumer price index was down 0.2% year-over-year, the first such decline since September 2009.
- The U.S. Census Bureau announced that housing starts in April were 29.7% below the April 2019 rate, a negative but expected sign for the economy. Weekly jobless claims were 2.438 million, bringing the cumulative nine-week tally to 38.6 million.
- The price of U.S. oil reached two-month highs as lockdown restrictions eased even further in much of the world and supply continued to decrease.

How does this affect my investments?

The markets have continued to rebound in the face of a great deal of uncertainty related to both the progress of the pandemic and the prospects for an economic recovery, further demonstrating the risk of attempting to time your investments based on short-term reactions.

Much of this week's optimism appears to have been fostered by the potential for both a vaccine and additional government stimulus. Whether reality will live up to this potential on either front has yet to be seen, which is why your investment plan does not depend on it.

In light of the news that continues to come out, including continued re-openings and poor economic data, the markets have a plethora of both positive and negative indicators to choose from. As we've seen of late, they may alternate their focus from week to week, even when the news does not appear to be relevant. This is why my advice is to continue to stay informed, but to stick with your long-term plan. This allows you to remain unaffected by the market's week-to-week mood.

As always, I am happy to discuss your investment plans. Please do not hesitate to contact me at (866) 860-4190.

Sincerely,

John S. Bruce, CIM®
Senior Investment Advisor
Private Client Division
Direct Line- 613-491-3344
Fax- 613-491-2292
Email- jbruce@mackieresearch.com
www.creatingwealth.ca | www.mackieresearch.com

Assistant - Robert Trei
Direct Line - 416-860-7788

Fax - 416-860-6798

Email - rtrei@mackieresearch.com

Sources: Sources: CI Investments Inc., nbcnews.com, cnbc.com, reuters.com and ctvnews.com