

*"Relationships are the fertile soil from which all advancement, all success, all achievement in real life grows."--Ben Stein*

Good morning,

I trust the weekend was good to everyone and you were able to enjoy the sun out there!!!

As we continue to progress through the pandemic and dealing with the current reality, we **all** understand it can be trying on our relationships.

As you know, I firmly believe that our "[Social Capital](#)" is our greatest asset and in times like these, we can experience challenges in every aspect of our lives.

Recognizing this, and being aware that our relationships with our colleagues, our friends and, most importantly....our family now more than ever take nurturing, patience and compassion. Ensuring that we are aware of others perspective will enable your relationships not only survive, but make them stronger and ensure they thrive through any challenge. If we can offer [compassion](#) the rewards of our social capital will prove to be our greatest asset.

*"Our rewards in life will always be in exact proportion to the amount of consideration we show toward others."--Earl Nightingale*

And now....for some brief market commentary as we head into what looks to be another [Green](#) day in the markets,

It would have been reasonable to expect last week to be unkind to Canadian investors. Yet, equity markets were relatively flat overall and remain well above the lows seen a month ago.....

### **Oil steals the spotlight**

Last week began with news that a widely followed crude oil price, called West Texas Intermediate (WTI), fell into negative territory for the first time in its history. It may be worth explaining that there is no single WTI price but rather one for each month in the future, with the upcoming monthly contract being the price that is often the most widely quoted. Oil producers and buyers use these contracts to negotiate transactions - buying, selling, and hedging - of oil on a monthly basis. The price for the May contract (which expired this week) fell below zero. Prices for contracts for future months also fell, but by meaningfully less and remain in positive territory. The driver of the weakness is twofold: limited available storage capacity as inventories at major hubs have grown in recent months and demand that has been extraordinarily weak as a result of the global economic shutdown.

The implications are undeniably negative for the energy industry and Canada, whose economy and stock market remain dependent on oil. But, while negative prices may be new, low prices are not. And sentiment around energy has arguably been very poor for some time. This may help to explain why the energy sector, the stock market, and the Canadian dollar held in relatively well given the circumstances.

Looking into May, the prospects for oil remain challenging but there may be some relief on its way. More regions may begin to gradually reopen their economies, helping reignite some demand. Meanwhile, the supply side should also improve as recently agreed upon production cuts from global producers like Russia and Saudi Arabia should begin to kick in.

### **Coronavirus and the reopening of economies**

The positive trend of stable to lower new daily coronavirus cases across Europe and North America continued this week. Yet, when looking at the details, trends remain very specific to each region. For example, in Canada, many provinces continue to show declining new daily cases. But, new cases in Quebec and Ontario remain stubbornly high. A similar story exists in the United States, where New York has shown signs of progress despite the fact the number of cases remains elevated, while other states have seen a jump in new daily cases. The approach to reopening economies is therefore likely to vary by region and be gradual in nature. Furthermore, reopening may likely be accompanied by preventative measures that include ongoing social distancing, wearing of protective gear, and mass testing. In other words, while the removal of lockdown measures appear to be on the horizon, a full return to pre-crisis activities appears to still be a ways off.

Elsewhere, the emerging markets – Turkey, Brazil, and countries across Africa – remain a source of concern. Case count trends are accelerating in these regions and many may not have the benefit of the kind of health care infrastructure needed to deal with a crisis of such magnitude. While trends in these places may not directly impact our own path to economic recovery, they will undoubtedly have an influence on how global markets behave.

Despite high uncertainty, equity markets have rebounded sharply since the lows reached in March. Much of this can be attributed to the decisive actions taken by governments and central banks that should help businesses, consumers, and households that are facing economic hardship. The hope is that the global economy can begin to heal by the summer. As a result, it remains important to monitor developments in the weeks to come to gauge whether the assumption of such an upturn is appropriate.

We will continue to keep you apprised of the situation as it unfolds. Should you have any questions or concerns, please feel free to reach out --- drop me a line, anytime!

I'll leave you with one of the most relevant thoughts I have found.....

*“The secret of health for both mind and body is not to morn for the past, not to worry about the future, or not to anticipate troubles, but live in the present moment wisely and earnestly” – Buddha*