



Technical Update

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Markets bottom first. The stock market tends to be a forward-looking vehicle as it prices in not only what is going on in the world presently, but also the expectations for earnings and economic conditions going forward. We think that by the time a peak in the virus crisis is being recognized, the stock market will already be in a recovering trend with the low point in the market being far behind. In this way, it is important that investors be looking ahead at the inevitable recovery rather than reacting to the news of today. The indexes appear to us to be at an important low level with nearly all measures of stock market health at the kinds of low zones that have often occurred at major market bottoms. The recovery pattern could be long and still volatile, but we see the additional risk from here as being minor compared to the past month.



Chart courtesy StockCharts.com and RBC Wealth Management

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