

SICK OR NOT I AM GOING TO WORK!!!

An impressive Job Gains number last week further confirmed the **U.S. economy remains strong** and the **US consumer continues to spend**. On Friday, stock markets moved noticeably lower, with the Dow Jones falling almost one percent and the other major indices not far behind, as increasing coronavirus cases and quarantines renewed concerns on the ultimate impact on global growth.

Despite this new worry, virtually all global markets, led by 3% or more gains in the major US indices, were strongly positive for the week. Even European shares, buoyed by more signs that manufacturing and growth are slowly improving, ignored the fact that China is their major trading partner and managed a 3.3% weekly jump.

The only big loser was Chinese shares, as data show tens of millions in quarantine, major factories shutting down and, of course, travel reduced to virtual standstill. The two other big losses were again oil and copper. Oil has now fallen almost 18% and copper 7% in 2020. Both declines are evidence of investors' fears of the impact on global trade and travel. Almost half the annual demand for copper comes from China, and travel, by both air and sea, are key users of oil. Consequently, the Ozzie dollar (Copper) and our Loonie (oil) did not fare at all well against the resurgent greenback.

Going forward, I think it is reasonable to **expect more volatility** until we have clear signs that the Coronavirus is under control.