

FOMO VS OH NO!

We have 2 very clearly divided camps: The medical experts warning of rapid escalation of the new Covid cases as the UK and S. African variants gain traction in both countries versus investors and much of the general population desperately wanting to "get out and about."

Dr. Colin Furness, an epidemiologist at the University of Toronto, predicted last week that Ontario could witness as many as 8,000 cases per day by mid-April. South of the border, Dr. Michael Osterholm, a familiar face on many TV news broadcasts, said that the USA is in the eye of the hurricane before another surge in cases led by the UK (B .1.1.7 variant). Dr. Peter Hotez, Dean for the national school of tropical medicine at the College of Medicine in Houston stated *"Everybody's focused on the big declines in the number of cases, pretending the plateau is not really substantive, and oblivious to the impact of B117."* All warn that the relaxing of preventative spread restrictions could be disastrous.

The **FOMO (Fear Of Missing Out)** crowd includes multiple states in America abandoning all restraints and many others, as is Ontario, loosening existing ones. Even previously bearish Investors are changing their tune. Billionaire Hedge Fund manager David Tepper, who had stated on CNBC back in May of 2020 that the stock market **was the second most overvalued in history** (1999 being number one). The co-founder of the 14 Billion dollar Appaloosa Management, and known for his brash and confident style, now says "Basically, I think rates have temporarily made the most of the move and should be more stable in the next few months, which makes it safer to be in stocks for now." He points out that with the Senate's approval of the coronavirus fiscal stimulus package, it is currently "very difficult to be bearish."

Mark Hoeffel, chief investment officer at UBS Global Wealth Management stated, "While we expect conditions to remain volatile, the most recent developments on three of the main market drivers - stimulus, pandemic news, and inflation data - point to further equity upside." He went on to say, "This windfall comes on top of existing signs of pent-up demand from U.S. consumers". Investors were also encouraged last week as the Federal Reserve Board maintained their stance that it has no immediate plans to tighten monetary policy. In fact, its main worry doesn't appear to be inflation, but rather the damage done to the labor market by the pandemic.

So far the FOMO crowd are winning as it was a strong week for stocks everywhere. Impressive gains in the 2 ½% to over 4% for the week were widespread. Our own TSX was up 2.6% and the Consumer Discretionary sector was a big winner on both sides of the border. As I have noted for a number of weeks

there is a lot of money that people desperately want to spend and it seems nothing is going to deny them !!

For me, and I think I can echo your sentiments, that just like the **Y2K** scare back in 2000, I sincerely hope the (medical) doomsayers will be totally wrong.