

MILLIONS VS TRILLIONS

By this Monday, over 185 million Americans will have received at least one Covid-19 vaccine dose. At the same time, President Biden's pandemic relief bill and additional spending plans to build a "*modern, sustainable infrastructure now and to deliver an equitable clean energy future*", together total some \$5 trillion dollars. A million, most of us can get an handle on, but a trillion, a number bandied about with great abandon these days - not so easy. Well, to help conceptualize: A billion dollars spent at \$40 a second will last just 289 days, but a trillion dollars at the same rate: 792.5 years. Or, a trillion dollars laid end to end would stretch 96,906,656 miles (Further than the sun).

Last week, investors focused on the millions of vaccine doses being administered daily and the economic benefits of trillions of dollars being injected into the economy. Also encouraging was a strong US March unemployment report, and the Federal Reserve Board continuing to **stress that the economy is still far from their employment and inflation goals** and, thus, low rates and stimulus would remain for some time. More US states confirmed full reopening within a few weeks, California being the most notable.

All in all it was enough to encourage strong gains across most sectors, and both the major WFH (work from home) technology shares and "Get out and about" companies all witnessed some impressive gains. For example, Microsoft and Carnival Cruise lines were both up over 7% for the week.

Some other notable weekly up moves:

- S&P500 2.7%
- NASDAQ 3.1%
- Both Australia and the UK indices up around 2½%
- Canada's TSX 1.3% - Real Estate shares were the notable standout
- Japan's Nikkei, also higher by 1.3%

What was blissfully ignored was the continuing and rapid surge in Covid cases worldwide. In addition to Europe and India, there were worrying increases of cases in Japan, S. Korea and Thailand. The US also saw a huge jump, mostly from the UK variant and the upper Mid-West witnessed 30% more hospitalizations in a week. Most of the new cases are in the below-50 age group and an increasing numbers of teens. Ontario was not spared, but I am sure I do not need to tell you that. Our government's efforts to curtail the renewed spread sadly brings to mind the definition of insanity.

Also ignored was further evidence of rising inflation across the board and U.S. Treasury Secretary, Janet Yellen, at the virtual IMF and World Bank meetings specifically advocating for the adoption of a **global minimum tax for corporations** in order to avoid a "race to the bottom" on taxation.

