

NEW HIGHS

Of the **many major financial markets, commodities, and currencies** that I follow on a weekly basis, only five were (marginally) lower last week: equity markets in Japan, Shanghai and India, and also on the losing side were the US dollar and lean hogs! All-time highs were witnessed for the S&P500, the Dow Jones, and our own TSX. So, if your investment portfolio lost money last week we need to talk.

Sadly, also reaching new highs were Covid cases and related death tolls all over the world, with India, Brazil, and Russia being particularly hard hit last week. Work and travel restrictions remain in force through much of the globe and while many European countries are providing tentative reopening plans, most are weeks, if not months, away.

However, none of this seemed to faze **investors as they continued the trend for the year of focusing on a US economy that's building momentum**. Retail sales, housing starts and jobless claims all were better than economists were predicting. Inflation numbers were also substantially higher than forecast, as the US Consumer Price Index was up 2.6% year-over-year, the biggest jump since 2012. Air travel, cruise lines, and even Las Vegas reported strong bookings. **Caesars Entertainment CEO Tom Reef told CNBC, “bookings both for the second half of this year and into [2022] are extremely strong; we've just got to make sure that we can accommodate them.”**

While the USA is doing an impressive job of getting needles into arms (anyone over 18 is eligible as of today), most northern hemisphere countries - not so much. Concern over side effects on both Astra Zeneca and J&J vaccines is not helping either.

Bottom line - should the challenge of getting Covid-19 under control substantially delay the anticipated timeline of “getting out and about” expect some very disappointed travelers, revenge spenders, and, by default, investors, and we all know what that means for equity markets.