

ON THE MOVE

“**On the Move**” is how President Biden greeted the US June employment report, as 850,000 new jobs were created and employers are being forced to raise wages and provide perks to attract qualified staff. This “**Historic Progress**” in America’s economic recovery was greeted favorably by equity markets with a second-straight week of gains for the 3 major indices. The NASDAQ led with a gain of 1.9%, the S&P 500 up 1.6% and the Dow Jones rose 1%. However, our TSX and most European and Asian markets did not join in the fun – to wit:

- Hong Kong: - 3.3%
- Shanghai: – 2.5%
- Japan: -1.0%
- FTSE Emerging Markets: – 1.7%

Our TSX was break-even for the week as gains in Real Estate, Consumer Staples, and Communication Services were offset by losses in the heavily index-weighted Financial and Energy sectors. One reason for the disappointing showing by non-USA markets may well be that the very contagious Delta variant of Covid19 continues to spread rapidly. **For example:** weekly Covid-19 infections in the UK jumped an estimated 67 percent at the end of June, with more than a quarter of a million people testing positive as the highly infectious Delta variant continues to drive up cases. Renewed locked downs from Australia to Spain are being instituted, putting a potential big damper on the summer tourist season.

As the US economy and ours continue to recover, the other headline news continues to be **inflation and rising consumer prices** everywhere. I did warn you. Prices at our pumps are at record highs and American users of Lyft or Uber can expect price increases of 27% or more from a year ago. The other ongoing challenge is, of course, getting people to fill much-needed vacancies as government financial assistance still pervades our and the American economy.

This can manifest itself in unexpected ways. An airline pilot acquaintance of mine reports many flights are being delayed at major US airports – why? Not enough designated employees to move wheelchair passengers off the aircraft. Crews cannot leave until all passengers are off and these delays snowball and back up everything from new travelers boarding to flights waiting for those wheelchair-bound connecting passengers.

Meanwhile, talking of government assistance, a US national moratorium on the eviction of tenants, that had been set to expire on Wednesday, was extended for another month. While the moratorium has protected millions of tenants, it has also resulted in financial hardships for landlords. Property owners, which say they are losing \$13B a month in unpaid rent, are still liable for taxes, insurance, and maintenance costs tied to their real estate.

The first half of 2021 has been a rewarding one for investors. What will the second half bring? History indicates that a strong first half often means a **“sloppy”** July performance-wise.