

PPE

Eight months ago, unless you were a medical professional, I doubt whether many knew **the acronym PPE**; I certainly didn't. Today, it is mentioned daily and there are political debates and government enquiries centering on how adequately Canada prepared our hospitals and long-term care workers with adequate Personal Protective Equipment.

But today I want to cover **the other PPE**, which for investors is of no less concern: I talk course of **Politics, Pandemics** and the **Economy**. All have also been at the forefront this year and, despite lots to concern ourselves over all three of those "letters", since late March equity markets have moved substantially higher. However, in the last few weeks I have commented that investors have seemingly been able to "Shake Off" (October 16th) growing concerns over PPE or at worst remain more or less ambivalent (October 25th). **NOT SO LAST WEEK.**

Worldwide Covid-19 cases exploded to new highs, severe lockdowns were re-imposed and closer to home any chance of a new US stimulus package was delayed, perhaps until 2021. **The result was across the board declines in every financial index or sector.** Much like earlier this year, the only safe haven was perceived to be CASH. It was not pretty. Even impressive (but largely expected) blow out earnings and revenue numbers from our technology favorites was not enough to save the day.

The only weekly winner was the US dollar, and the large declines were widespread. Some notables:

- Dow Jones Industrials -6.5%
- S&P500 -5.6%
- Nasdaq -5.5%
- FTSE All world -5.3%
- Toronto TSX -4.4%
- OIL -9.8%
- Gold -1.2%
- CDN Dollar -1.4%

The week ahead includes some major earnings announcements. Amongst those reporting are pandemic hit companies, health care as well as some work-at-home beneficiaries. The list includes Peloton, Alibaba, Humana, Bristol-Myers Squibb, Hilton Worldwide, MetLife, General Motors and Uber. However, it will be Tuesday's election that overshadows it all and tied to that will be how long before we get a definitive result.

Fasten your seatbelts as I forecast a bumpy ride for a week or two, but then, as I have noted before, the economy will dictate the 2021 path of financial assets and the panic now makes it all the more likely of a strong year-end rally.

