

THE LINE HOLDS FOR NOW --- HOWEVER!!!

In last week's email to you I ended by stating many major indices and shares reached "significant (price) support levels last week and ... a move higher this week would not be unexpected." My forecast was spot on and it was an **UP WEEK** for virtually every major market and sector. The smaller US company sectors led the way with the Russell 2000, Mid-Cap and the S&P500 gaining over 4%. Smaller companies are generally more country, rather than export, centric, so perhaps this is a sign that the US economy is doing better?

Weekly gains north of 1 ½% were seen for the major US indices as well as most major foreign bourses. Currencies did well against the recently strong greenback and Gold reversed its recent decline with a gain of 2.28%.

Sadly, our TSX barely joined in the fun, eking out only a 0.83% gain, as an almost 8% drop in oil prices weighed heavily on our energy sector – which was down 4.2% last week.

Economically, there's still much to worry about. The weekend Wall Street Journal highlighted the widespread, and potentially permanent, job losses. Also in its focus was the severe impact on New York City. Meanwhile, airlines and the travel industry mainstays await anxiously to see what further government support will mean as tens of thousands of layoffs roll forward.

On **Friday, all fundamentals went out the window**, as President Trump announced he had tested positive for COVID-19. This new, and potentially far reaching, uncertainty naturally resulted in down markets, but not enough to reverse the gains for the week.

I write this on Sunday and the President is still in the hospital. I, thus, expect next week's financial markets to react on the state of his recovery. With the election less than a month away, more volatility will be the norm.