

WHAT ME WORRY?

I have quoted the *Mad* magazine's Alfred E. Neuman's famous motto before, and it seems so timely to reuse it to illustrate what appears to be the *mindset* of Americans flooding to beaches, bars, and, in fact, any and all social gatherings. After months of forced social distancing, the attitude in restriction-lifted states seems to be, "we want to get back to "normal" and hang the consequences". News media has fully reported the increased and sustained rise in Covid cases, especially in the sunbelt states of California, Texas, Florida and Arizona, thus it would be superfluous to go into more detail here.

Financial markets appeared to have the same mindset, and it was gratifying for bullish investors (i.e. me) to see major indices hold at the key price support levels reached in last week's decline and move higher.

For the week, the technology heavy **NASDAQ** was the big winner, up 3.7%, the broad-based S&P500 rose 1.9% and the smaller company Russell 2000 2.2%. Canada's TSX managed a 1.4% gain and, even though oil was up almost 10%, our energy index was down almost one percent. Concerns over the sustainability of oil's recent rise and whether companies can even be profitable at these low levels still weighed on oil company shares. The **big price gainers last week** were mainly **European indices** as more of Europe returns to (the new) normal. Consumers there, as in the US, seem to be enthusiastically engaging in "revenge spending", the Euro STOXX 600 gained 3.2% and Germany, France and the UK market indices also all rose around 3% for the week.

On the fixed income side, the US central bank announced its latest step to reassure investors by committing to also buying individual corporate bonds, on top of the bond ETFs it's already snapping up. This increased activity in the secondary market is really unprecedented. If this mandate of doing everything possible to shore up financial markets continues, maybe common shares will be next?

Wouldn't that be nice 😊