



Equity selloff: Something other than “something worse”

RBC Wealth Management’s Global Portfolio Advisory Committee discusses the stock market selloff and the implications for investors.

Dear clients,

With 2022 bringing some increased volatility back to equity markets, we wanted to provide you with a timely update from RBC Wealth Management’s Global Portfolio Advisory Committee. Please see the attached report that provides some context for what is causing the recent downturn, and expectations going forward.

We will highlight their view that the long-term bull market remains intact, and that these short-term dips are not uncommon during this stage of the economic cycle. Further, each of the 7 leading indicators of economic recession in the US are currently still flashing “green”, which means expansionary. (There is a link within this report to view the current indicators in more detail)

“With the economy downshifting to a more sedate pace of expansion and ongoing inflation risks, it’s no surprise markets are on edge. But in the absence of convincing signals that a recession is in the offing, we regard the pullback as something that should be endured on the way to further worthwhile market gains as the expansion should play out for several more years.”

If you have any questions or need further guidance, please do not hesitate to contact our team.

John, Tim, Liam & Kristen
