

Archer Wealth Management

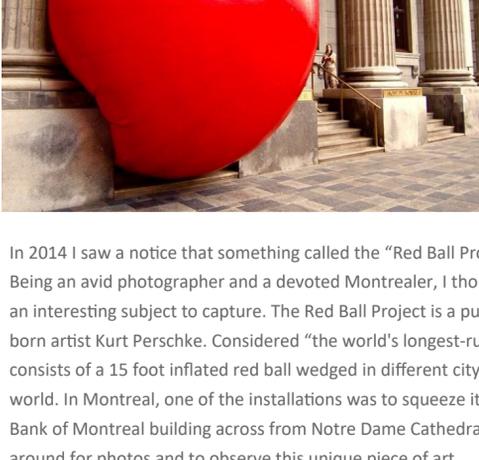
Newsletter



June 5th, 2020

Welcome to our regular newsletter, where we will do our best to keep you informed with Financial Planning, Estate Planning, Investment Management News, Tax Saving Strategies and various other ideas or photographs that you might like. We welcome your feedback as well as your referrals.

Red Ball Project



Photos by John Archer

In 2014 I saw a notice that something called the “Red Ball Project” was coming to Montreal. Being an avid photographer and a devoted Montrealer, I thought this would certainly make for an interesting subject to capture. The Red Ball Project is a public travelling street art piece by US born artist Kurt Perschke. Considered “the world’s longest-running street art work” the project consists of a 15 foot inflated red ball wedged in different city spaces in various cities around the world. In Montreal, one of the installations was to squeeze it between columns at the original Bank of Montreal building across from Notre Dame Cathedral in Old Montreal. People clustered around for photos and to observe this unique piece of art.

It was quite surreal but I did get a fun shot or two!

John Archer

Market News:

Addressing Market Volatility

It was an eventful week. Understandably, many were focused on the social unrest that permeated across the United States. As a result, there was less attention paid to the pandemic and state of the economic recovery. This week, we take a look at developments on both fronts, and also discuss the noteworthy move in the Canadian dollar.

Coronavirus update

A second wave of the coronavirus has been a concern since the beginning of this pandemic. Unfortunately, the risks of such an occurrence, particularly in the U.S., have increased. The mass protests across the country have resulted in a sharp unwind of the social distancing behaviour that had existed across many American cities in recent months. There is no guarantee of a rise in infections once the incubation period expires in a week or two. In fact, should no spike in new cases ensue, it could suggest the transmission risks have declined, and lead to further easing of restrictions and act as another positive catalyst for stock markets. But the mass gatherings have created multiple opportunities for the virus to spread and re-emerge as a more serious risk. While markets do not appear very concerned about this, we believe it is something that bears watching.

Meanwhile, new virus case counts in Canada largely remain on an improving trajectory in the two more problematic provinces of Quebec and Ontario. It is worth noting the latter has been plagued by sporadic increases in cases again this week. Meanwhile, in the U.S., overall levels have not changed much week over week but there have been notable increases in cases across California, Arizona, and Alabama for example. Some of this may be attributable to increased testing, but it bears monitoring nonetheless. In Latin America, Brazil continues to report more than 20,000 new daily cases per day, suggesting there is limited visibility around the potential for its peak in new cases. Elsewhere, there were meaningful developments in the Middle East and Asia. Iran appears to be experiencing a second wave, after having reported its largest increase in new daily case counts since March. Meanwhile, Pakistan has also reported a surge. Both are notable as each country appeared to have their outbreaks well under control in recent months. Lastly, India recorded a high in new daily cases this week suggesting it may still be a ways away from containing the virus.

The rebounding economy

Millions of people lost their jobs across North America over the past month. This is on top of the millions that were lost in April. That paints a rather depressing and real picture of the current state of the economy. But, markets tend to be less concerned about the present and more focused on the future. In other words, it’s the change in trend that is more important for investors. And the change has been positive. Weekly jobless claims for example have now declined for nine straight weeks in the U.S. and there have been early signs of certain jobs coming back, suggesting some of the job losses may only be temporary in nature.

Meanwhile, more “real time” or high-frequency data as it is often called is also portraying a slowly improving picture. For example, internet searches for “filing unemployment” have made fresh lows, driving mobility is nearly back to normal levels, the rate of year over year decline in retail sales is improving, and restaurant reservations are trending in the right direction. Even the Bank of Canada this week acknowledged that our country appears to have avoided the worst case outcome. The economic rebound is not just a North American phenomenon as monthly services and manufacturing data across China and much of Europe this week showed evidence of improving over the past month. Much work remains, but the overall trend is improving, rather than deteriorating. And with the prospects of extensions and expansions of aid and stimulus programs across China, Europe, and North America, governments and central banks remain very focused on providing economic support.

The rise of the loonie...or the fall of the U.S. dollar?

The Canadian dollar had quite the week, breaching the \$0.74 level for the first time since the beginning of March. But, its move higher may have more to do with the global recovery than with what’s transpiring domestically. While the U.S. dollar has fallen relative to the Canadian dollar, it has also depreciated against other major currencies too. And just as the U.S. dollar strengthens during periods of crisis as investors flock to it for its relative “safe haven” status, it can weaken as investor concern fades and risk appetite rises. We expect the weakness in the U.S. dollar may continue in the weeks to come barring any setbacks in the health crisis. But looking out beyond the next few months, Canada’s domestic challenges – high consumer debt loads, lack of pipeline capacity that exacerbates depressed energy prices, and weaker overall competitiveness levels - remain structural headwinds that may limit any sustainable move higher in the loonie.

Overall, we are encouraged by the broadening rally across equities and currencies, which suggests growing confidence in the economic recovery. Its path and sustainability longer-term remain questions in our minds. A new near-term risk has presented itself in the form of the abandonment of social distancing across the United States. We will be watching closely to see if it results in a re-escalation of the health crisis.

Should you have any questions or concerns, please feel free to reach out.

More time at home, more time for Estate Planning...?



As we speak to clients these past few months during the stay at home period we find more and more are finding unique ways to pass the time: online bridge, cleaning out garages, organizing bookshelves, learning to cook... there have been a variety of tasks that had been put away to do one day in the future and that future is now.

One task that you may also have put aside to deal with “in the future” may have been your estate planning. Having an up to date Will, an updated Protective Mandate and Power of Attorney are all documents best prepared when you have the time to concentrate on these important issues. Perhaps that time has come for you?

Our partners at Royal trust can assist in this endeavor should you need a corporate liquidator for your Will, an agent for liquidator (where they will assist a liquidator with most of the paperwork) or a mandatory for property (financial assets, bill paying, taxes, etc) in the case of protective mandates and Powers of Attorneys. The attached article answer some of these related questions that you may have on all of these topics.

If you would like an introduction to one of our partners at Royal Trust please give Mauricio or I a call and we would be pleased to help you get the ball rolling. There is no time like the present!

John Archer

[Click here to access the article](#)

DS Online is transforming... New Wealth Management Online

RBC Dominion Securities is launching a new client-facing platform called Wealth Management Online (or WM Online). This new website is replacing the former DS online, with improved functionalities and an enhanced user-friendly interface.

The release is scheduled for tomorrow June 6th and for clients currently accessing DS Online the login information remains the same. If you need assistance registering for the first time, if you forgot your Client Card number or your password, or if you need guidance to navigate through the new website, please contact Mauricio at 514 878 7527.

[Click here to view a sneak-peek video](#)

Traveling with Mauricio:

Himalayas

I have always been curious about the intricacies of the human being, its psychology, its emotions and its cultures. My favorite challenge is to travel to places that are diametrically opposed to what I know and get mixed in with locals.

Last fall I spent a month in India and as part of this magical experience I decided that I wanted to see the Himalayas (or at least a tiny bit of them), so I did my research and found out that the best way to have a peek was from a city called Dharamshala, at the very north of the country, which I came to learn was the city where the Dalai Lama lives. Dharamshala is about a five hour drive north/west of New Delhi.

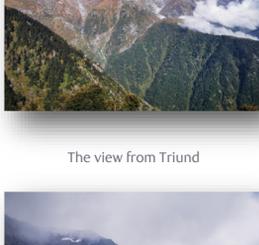
This beautiful, small and peaceful city in the mountains is a destination for yoga and monk trainees. It is one of the few cities that sheltered Tibetans that escaped China’s invasion to Tibet.

From there I hiked 5 hours until reaching Triund, a tiny camping site 2,800 meters above the sea level, where I took the pictures on your right. The views of the mountains are breathtaking, and you must ring the bell to Lord Hanuman, the Hindu God of strength.

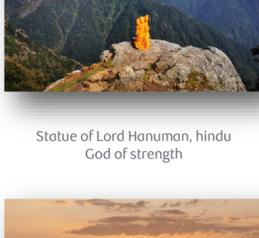
Definitely an unforgettable experience that I couldn’t miss sharing with you all. If you want tips to visit Dharamshala or India, feel free to contact me.

(Note: as a strange coincidence, this is the area of India where John’s son, Jonathan, has been living for the last four months. He has been unable to fly back home due to the pandemic but he is no rush to come back, anyways. He loves it there! I can fully understand why.)

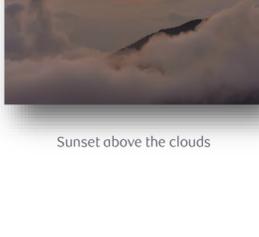
Mauricio



The view from Triund



Statue of Lord Hanuman, hindu God of strength



Sunset above the clouds

Referrals Corner

Do you have a friend, family member, colleague or client that could benefit from our wealth management services?

Perhaps start by forwarding to them this newsletter?
The link to our website is: johnarcher.ca

John Archer

Portfolio Manager & Wealth Advisor
john.archer@rbc.com
 Phone: 514-878-5040
 Fax: 514-878-5070
[LinkedIn](#)

Mauricio Bonaguro

Administrative Assistant
mauricio.bonaguro@rbc.com
 Phone: 514-878-7527
 Fax: 514-878-5070
[LinkedIn](#)