

Archer Wealth Management

Holistic wealth planning for you and your family: Estate and will planning, discretionary portfolio management, charitable gift plans, life insurance protection. For today and tomorrow...



Welcome to our regular newsletter, where we do our best to keep you informed with Financial Planning articles, Estate Planning tips, 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!

John & Mauricio

Once in a Blue Moon...



Photo by John Archer

Once in a while an occasion occurs that inspires even the most casual of photographers to perk up and get ready to capture the event on film or more to the point on a digital memory card. Such was the case on this past Halloween for an exceptional lunar event known as a Halloween Blue Moon which last occurred in 1944 (the next one will be in 19 years!).

Being an avid photographer, I gathered up my cameras and headed out on my eBike to try to capture a shot worth keeping. First I tried from the Mont Royal lookout (none of those made the grade though the view of the full moon lighting up downtown was breathtaking) and I then rode down the mountain to the Lachine Canal in front of the iconic Farine Five Roses neon sign | I arrived just as the blue moon was approaching as a backdrop from the east. A little work with my photo editing program and voila! A Once in a Blue Moon shot!

John Archer

Market News:

Addressing Market Volatility

It was a week full of drama. Yet, the biggest surprise was not the U.S. elections. Rather, the unexpected collapse in volatility in the days that followed that spurred a sharp global equity market rally. This happened despite the uncertainty that still lies in front of us. We explain more below, including our thoughts on some implications for equity markets going forward. We finish with a brief update on Covid-19, which remains a significant challenge.



U.S. elections

The market action over the past week was surprising to many. Yet, it is worth remembering the lead up to the U.S. elections involved some pain for investors. Prior to this week, volatility had jumped and global equities sold off based on a variety of concerns: a second wave of Covid that has been spreading faster than expected and the elections. On the latter, the worry was twofold: the risk of a contested outcome and investor anxiety over a “blue wave” scenario in which the Democratic Party would control the presidency and both chambers of Congress. This potential outcome presented the risk of more sweeping policy shifts such as the removal of tax cuts implemented a few years ago and a heightened regulatory environment. The results to date suggest the odds of a “blue wave” have fallen meaningfully, helping to reassure investors despite some uncertainty around the elections that remain.

We appreciate the degree of election fatigue that now exists. However, it is worth briefly reflecting on where the results stand. As a reminder, there were three elections: the presidency, the House of Representatives, and the Senate.

With respect to the presidential elections, Democratic candidate Joe Biden has 264 electoral votes to President Donald Trump’s 214. 270 electoral votes are needed to win the White House. There are four states that have yet to confirm a winner: Nevada, Pennsylvania, Georgia, and North Carolina. Joe Biden needs to win one, while Donald Trump needs to win all four. The race in each remains incredibly close.

On the congressional side, the Democratic Party has fallen short of expectations. They appear set to keep their majority in the House of Representatives despite losing a few seats. Meanwhile, in the Senate, the path for them to win a majority has narrowed significantly as they were unable to win states that were considered toss-ups. There is still a slim chance with a “runoff” election in January in the state of Georgia. The Republican Party’s success in the Senate race has helped reduce the odds of a “blue wave” scenario.

We expect more clarity on the presidential election in the coming days as states complete the counting of ballots. But, even then, some doubt may linger. There is a high likelihood of recounts. And, several legal challenges have already been submitted in many of the battleground states, including Georgia, Michigan, Wisconsin, and Pennsylvania. We are not litigation experts, and so it is difficult to offer much of an assessment. Nevertheless, we expect this to drag on longer than we would have preferred.

Implications going forward

It may seem premature to discuss implications of an election that has yet to conclude. Yet, there is more clarity today than a week ago given the likelihood of a divided Congress. First, the probability of a large and far-reaching round of fiscal stimulus appears to now be off the table. Instead, a smaller package is more likely as both parties will have to come to an agreement. Meanwhile, any plans to increase taxes on corporations and individuals will be more limited in nature. Lastly, we expect less risk of disruption from any new regulations. Industries like technology, health care, financial, and energy may be less encumbered than they otherwise would have been under a “blue wave” scenario.

Coronavirus

Unfortunately, the trend of rising Covid-19 infections around the world continued this week. Globally, we have reached 500,000 new cases and 6,500 new deaths daily.

Despite the actions undertaken by several European countries, the upward trend in infections has yet to significantly change. Meanwhile, fatalities linked to the virus have continued to climb.

Although some of the broader nationwide lockdowns have only been in place for a week, governments are hopeful the actions taken will eventually curb these trends. Time will tell but it has been a formula that has proven successful in the past. In the U.S., the country reported a record of more than 100,000 new daily infections this week. Hospitals across southern and Midwestern states such as Oklahoma, Missouri, North Dakota, and Idaho are showing signs of strain, suggesting more restrictive measures may be needed.

In Canada, the 7-day moving average of new daily cases is over 3200 versus the 2750 from the previous week. Outside of the northern territories and the East Coast, all provinces saw an increase. Alberta did see a slowing in its rate of new case growth, while Quebec and Ontario’s changes were relatively modest. Elsewhere, Manitoba continues to lead with the fastest increase in its new daily infection rate, while Saskatchewan and British Columbia also saw alarming increases relative to other provinces.

In closing, we circle back to the issue of uncertainty. Despite the drama that unfolded over the past week, investors now have some more clarity with respect to the Congressional make-up of the next U.S. government. And, as mentioned, we expect less extensive action with respect to taxes and regulation. This should help provide a supportive backdrop for consumers and businesses. We expect investors to gradually turn their attention back to the economy and the earnings recovery that remain key to the outlook for markets in the year ahead.

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

U.S. ELECTIONS & MARKET MATTERS



Audio Commentary: The U.S. has voted-what’s next?

Janet Engels, Head of the Portfolio Advisory Group – U.S., and Tylar Lunke, Senior Manager of Managed Portfolio Strategies at RBC Wealth Management, talk about how the markets have handled this wild week and what they’re watching as the election outcome remains in a bit of no-man’s land. They also discuss the implications of what appears to be a status quo Congress, and where investors should focus their attention.

Approximately 13-minute duration.

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

[Click here to listen](#)

Roasted Pork with bacon and garlic

This week has been, as one of our clients said, nail-biting!

We have been busy following the news about the U.S. elections and trying to share as much information as we can with you. I had definitely not too much time for meal prepping.

If you are looking to eat something tasty, easy and that can solve for a few meals, then this might help!

Ingredients:

- One pork loin of approx. 1 Kg.
- 5 garlic cloves
- 5 bacon strips
- 5 carrots in large cubes
- 2 chopped onions
- Rosemary, salt and pepper

Preparation:

Step 1: We are going to make 5 holes scattered along the pork loin, by making short but deep cuts in “X” shape and widening the with our fingers. In each hole, we are going to place a garlic clove and a bacon strip. This will ensure that the meat is flavourful and humid.

Step 2: In a big pan, we are going to add a little oil, heat it at high temperature and sear the pork loin. Subsequently, adding the chopped onions and carrots. Spice up with salt, pepper and rosemary. Add boiling water until covering it to half it’s height.

Step 3: cover the pan with its lid, reduce temperature to medium and let cook for around 2 hours or until the liquid is reduced.

Can be served with a nice salad, steamed vegetables or mashed potatoes.

Enjoy ;)

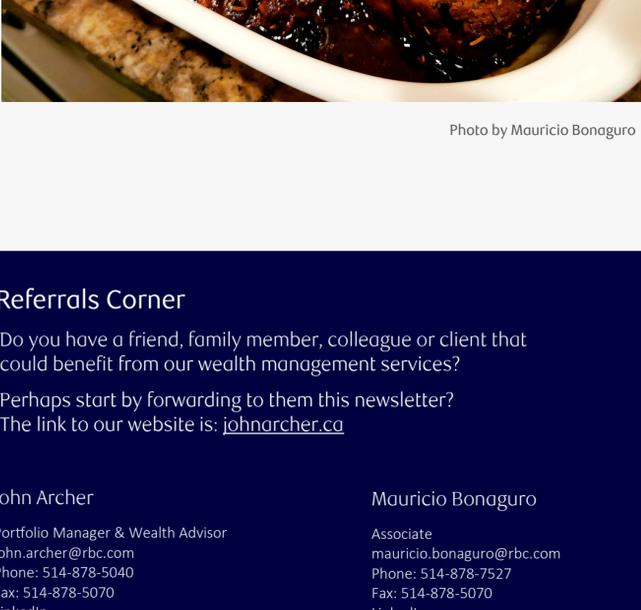


Photo by Mauricio Bonaguro

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

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