

# 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

## “Bob’s Barber Shop” - Montreal as a film set

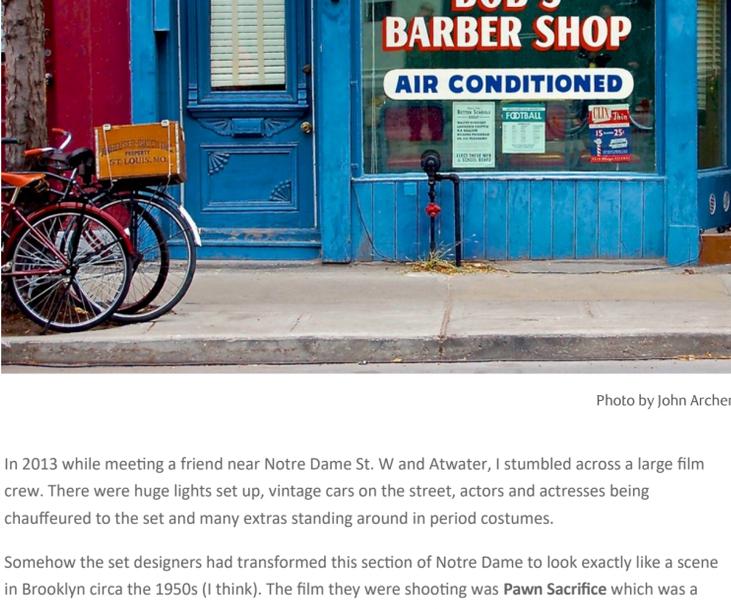


Photo by John Archer

In 2013 while meeting a friend near Notre Dame St. W and Atwater, I stumbled across a large film crew. There were huge lights set up, vintage cars on the street, actors and actresses being chauffeured to the set and many extras standing around in period costumes.

Somehow the set designers had transformed this section of Notre Dame to look exactly like a scene in Brooklyn circa the 1950s (I think). The film they were shooting was **Pawn Sacrifice** which was a 2014 American biographical drama film about chess player Bobby Fischer. It follows Fischer's challenge against top Soviet chess grandmasters during the Cold War and culminating in the World Chess Championship 1972 match versus Boris Spassky in Reykjavik, Iceland. This part of the film was to denote Bobby Fisher's early life in Brooklyn (at least, this is what I recall).

I snapped this picture while walking on the perimeter of the set as it was an actual perfect representation of a Brooklyn barber shop of that era! Sometimes a photographer can piggyback on others' hard work and “steal” the results!

John Archer

## Market News:

### Addressing Market Volatility

This past week is one we would like to forget. Volatility jumped meaningfully higher and stocks sold off in the worst week for global equity markets since the end of March, when the pandemic was in its infancy. The second wave of Covid continues to spread in a faster way than anticipated. The situation is particularly troublesome in Europe but is also concerning in the U.S., while Canada is faring a bit better. The market selloff is understandable as the trajectory for the global economy and corporate earnings is now at greater risk of faltering over the next few months. However, we think the situation today is sufficiently different than the winter and spring. We explain more below.



#### Coronavirus update

Paris has become the epicenter of Europe's Covid-19 health crisis, with daily cases topping 50,000 over the past week. To put things into perspective, France has a similar number of new daily cases to the U.S. but only accounts for a fifth of the population. In an effort to limit the spread and rising pressure on its health care system, France announced it will re-impose a national lockdown until the start of December, and has banned all public and private gatherings. Its European neighbours are also fighting significant increases in infections with cases continuing to climb in Germany, the U.K., Belgium, Italy, Czech Republic and Spain. All are either considering or have already implemented some restrictions, but more may be needed should the trends not change soon.

In the U.S. there were roughly 500,000 new coronavirus cases over the last week. There has been a big surge in cases from the American heartland. Illinois is currently seeing the highest absolute number of new daily infections in the country. Meanwhile, smaller states such as the Dakotas and Wisconsin rank as having the highest numbers of new infections on a population adjusted basis. The latter recently set up a field hospital because of capacity constraints on the state's hospital infrastructure.

In Canada, the trend does not appear to be as bad as some other regions. The moderation in new infections witnessed recently did not continue over the past week. Instead, the growth rate in new daily cases accelerated with the 7 day moving average of new infections sitting at just over 2700 versus the 2400 from a week ago. Nevertheless, there is some good news. The East Coast continues to see few signs of problems. Meanwhile, Quebec saw its peak in new daily cases about three weeks ago, though the number of new infections still remains the highest in the country. In Ontario, the new infection rate did rise this week. But, the fastest rate of growth continues to lie outside these big provinces, with British Columbia and Manitoba leading the way, followed by Alberta and Saskatchewan. A few of these provinces are contemplating additional new restrictions to stem the virus' spread.

#### Differences versus the spring

1. More experience. While the pressure on health care systems is mounting in certain areas, the level of fatalities remains below levels seen earlier this year despite the substantially higher number of current cases. A combination of better preparedness, experience, therapeutics, and the sheltering of vulnerable people has led to this improvement in hospitalization and fatality rates.
2. Range of containment measures. Governments are likely to employ less draconian measures than used earlier in the year unless the situation reaches an extreme, as it has in France. Even here, we expect to see progress over the next month. Israel serves as a good comparison. It went into a nationwide lockdown nearly 5 weeks ago, and has seen its new daily infections decline by over 90%. Admittedly, it has come with a heavy economic cost.
3. The stability of the financial system. The financial system is much better prepared today with central banks having aggressively lowered rates and employed a variety of means to ensure the proper functioning of credit markets. Access to capital should present less of a challenge.
4. Government aid. Furlough programs, debt relief, rent deferrals, loans and guarantees, business subsidies, and income support are just a few of the various ways governments have stepped in to offer support to households and businesses impacted by the pandemic. We expect additional aid going forward given the anticipated impact from renewed restrictions.
5. Vaccines. Hundreds of vaccines are being studied and more than a handful are in clinical trials with some expected to release data in the coming months. There is no guarantee, but given the coordinated efforts by the global scientific community, we remain hopeful that a vaccine will be available for mass distribution in 2021.

The near-term has become more uncertain in the wake of the accelerating virus spread. Compounding the challenge for investors is next week's U.S. election. Any clear and final outcome, whatever it may be, would be a welcome development for investors as it would remove one source of uncertainty. A contested outcome on the other hand, or one that remains unclear for days if not weeks, would likely add to the volatility that has already weighed on markets of late.

On a final note, we can't help but remind ourselves of March 23rd, 2020. This date marked the low for global equity markets this year. A significant market recovery unfolded in the days and weeks thereafter. Yet, at that time, anxiety levels were high and it seemed like there was no end in sight for the spread of the virus. It serves to remind us that timing a recovery, or a setback for that matter, is nearly impossible given human emotions that often get in the way. It is also too short-term sighted. We remain focused on the longer-term needs and an investment plan that can help us accomplish our objectives. We see the prospects for less uncertainty with the passage of time.

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



## New normal, new opportunities

### A special report by the Portfolio Advisory Group

This report is a compilation of the previously published "New normal, new opportunities" articles, in which secular trends in a post- COVID-19 world are examined. The series covers a range of themes that are emerging as a result of social distancing, the work-from-home imperative, health care developments, corporate implications, and broader societal change. We believe identifying these trends and understanding their investment implications will be critical to navigating the road ahead.

[Click here to open the report](#)

## Beef Stroganoff

### Brazilian version

This dish was originated in Russia in the 19th century. The legend says that French chef Charles Brière created the dish while working for the Stroganov family in St. Petersburg. After the fall of the Russian Empire, it was popularized in China and the Americas, becoming a famous dish worldwide.

In Brazil, particularly, it became a typical popular restaurant serving, and it is very common for families to alternate between Stroganoff and *feijoada* (a Brazilian black beans and pork stew with rice and manioc flour) in the Sunday's family dinner.

There are uncountable different variations and versions of this dish, but today, in celebration of my grandmother's 81st birthday, I will stick to the popular Brazilian one, which replaces the sour cream for heavy cream and adds a little bit of tomato paste and mustard.

**Ingredients:**

- 2 cloves garlic minced
- 4 chopped onions
- 500 gr of filet mignon in cubes or strips
- 1.5 cups of white wine
- 1 tbsp mustard
- 2 tbsp tomato paste
- 300 gr Mushrooms
- 350 ml of Cooking cream 35%
- Salt and pepper

**Preparation:**

**Step 1:** Stir fry the garlic and onions at high temperature and add the cubes of beef. Once seared, add the white wine, the tomato paste, and the mushrooms and the mustard. Add salt, the pepper at your taste.

**Step 2:** Mix all the ingredients gently, and let cook for around 10 minutes. At the end add the cooking cream and serve with rice, mashed potatoes or pasta.

Наслаждаться (enjoy) :

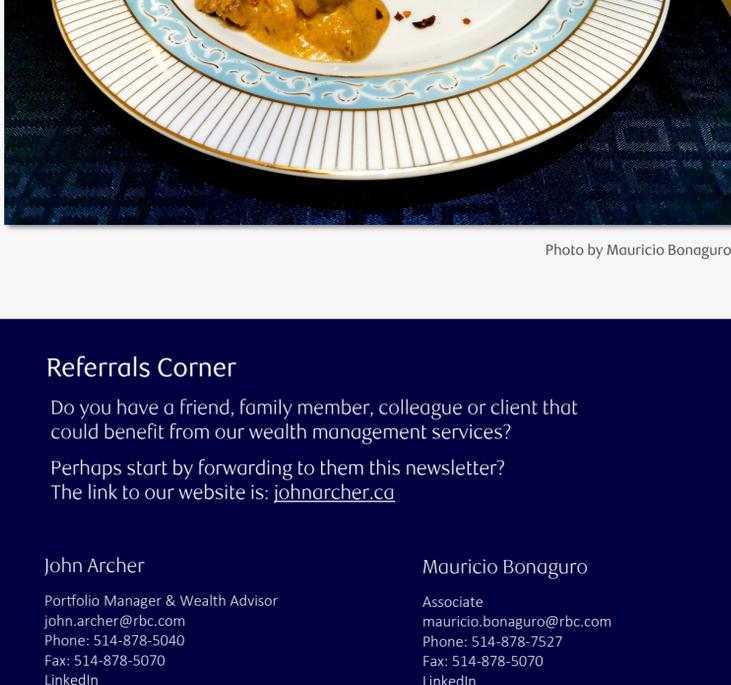


Photo by Mauricio Bonaguro

## 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](http://johnarcher.ca)

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