

We hope that everyone is well and keeping safe.

We are all well and working remotely and available to answer any calls or emails. Response times may be a bit delayed but we are here for you.

With all of the frightening headlines and negative numbers and projections it seems strange that the markets are recovering from their lows and in the case of the Nasdaq reaching new highs. We are living through uncertain times where the daily news dramatically affects the psychology of the individual and the collective represented by the financial markets. Underlying the short term headlines are the economic realities that ultimately drive the economy. We have seen monetary easing of historic proportions. Governments and central banks have gone all in, using all means at their disposal to allow for the free flow of credit and keep the economy afloat. The banking systems on both sides of the border remain strong and well capitalized. Interest rates are now so low that riskier assets, especially those that offer stable income remain attractive. Eventually, the U.S. dollar and the bond markets should reflect this reality and face some pressure, especially with the massive spending that has occurred.

The equity markets will remain volatile and we will likely see corrections in the midst of recovery. It is important to remember the markets are forward looking. What the markets seem to be indicating is that we will see a gradual recovery and a resumption of growth in 2021. The shock of March and April is likely behind us and economies around the world are beginning to re-open. This is likely why we have recovered some of the losses and are climbing back. The TSX and the S&P 500 now appear to be in a wait and see mode and despite the volatility are trading in a fairly limited range. The technology, health care and gold sectors have led the recovery. This has made the stock markets a little misleading as those sectors make up a large proportion of the representation, especially south of the border. We have also seen the energy sector gain some momentum as economic activity begins anew.

As we look forward it is extremely difficult to make forecasts and chart a clear path. The economic damage that has been done and will continue is staggering and largely unknowable. What history has shown us is that recovery is inevitable. What is uncertain this time is how long it will take. The world will be different coming out the other side. Change offers opportunity and we will see growth stem from these shifts in activity. What is critical at this point is to get through this period and provide hope for the future.

Our focus remains defensive. We are looking to maintain cash flow and income while finding opportunity in the areas that will lead us forward.

As always if you ever have any questions or just want to touch base please call or email.

We're here to help!

Ken, John, Will & Patrick

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