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BMO Nesbitt Burns

## April 2021 Monthly Summary

With Spring officially arriving we hope that you and your family are able to enjoy the fresh air, sunshine and additional outdoor activities. We appreciate everyone has grown tired of COVID and the many restrictions we all face. Thankfully, the arrival of additional vaccines over the coming months will bring brighter and happier days to all of us.

In this summary we provide important steps in the event of a death of a spouse or partner, an educational summary of what variants really are, and a market and economic review during March.

### Death of a Partner

The death of a spouse or common-law partner is a very difficult and emotional time.

The article, [Death of a Spouse or Common-law Partner](#), outlines the steps to be taken when your spouse dies, whether or not you have been named as executor, and considerations for updating your own estate plan.

### Variants – An Independent Voice of Reason

You can't read the news without the mention of variants. Bill Gates provides an excellent and rational and educational summary [here](#).

### March Market Recap

#### Market Recap: Stocks Hit New All-Time Highs as Economic Recovery Hopes Broaden

Wall Street and Canadian stocks are in the midst of a record-breaking rally, fueled by hopes that the Northern American economies are poised for recovery following better-than-expected jobs data. Despite a sudden resurgence in Covid-19 cases in Canada, the TSX Composite Index continues to trade comfortably above 19,000. In the United States, the S&P 500 and Dow Jones Industrial Average set new milestones at the beginning of April.



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## North American Stocks Extend Rally

North America's major benchmark indexes posted new all-time highs in the first full week of April, extending an impressive winning streak from the previous month. The S&P 500 Index closed above 4,100 on April 9<sup>th</sup> for the first time in history, while the Dow Jones rose to 33,800. Surging tech stocks also powered impressive gains for the Nasdaq Composite Index, which is also closing in on new all-time highs.

In Canada, the benchmark S&P/TSX Composite Index climbed above 19,000 in early April for the first time ever. Year-to-date, the TSX has gained over 10%.

## Federal Reserve Maintains Pledge for Easy Monetary Policy

Underpinning the stock market's impressive rally are signs from the United States Federal Reserve that monetary policy will remain highly accommodative for the foreseeable future. Fed officials struck a dovish tone at the March Federal Open Market Committee meeting, with Chairman Jerome Powell reassuring investors that the central bank would act decisively to control rising inflation.

Meanwhile, Fed Bank of St. Louis President James Bullard said it is too early for policymakers to consider tapering bond purchases.<sup>1</sup> The federal funds rate is expected to remain anchored near zero for the foreseeable future.

The Fed, like other central banks around the world, slashed interest rates and introduced new policy measures in early 2020 to combat the financial and economic fallout from Covid-19.

## Labour Markets Improve

U.S. nonfarm payrolls surged by 906,000 in March, easily outpacing forecasts for 675,000, the Department of Labor reported April 2<sup>nd</sup>. Gains were strongest in the leisure and hospitality sector, an encouraging sign for the post-pandemic recovery. Labor economists also revised the previous two months' data to reflect additional gains of 156,000 jobs. The unemployment rate declined to 6% in March.<sup>2</sup>

The Canadian economy also registered impressive job gains in March, with employers adding 303,000 workers to payrolls during the month. That puts the labour market within 1.5% of its pre-COVID levels, according to Statistics Canada. The unemployment rate fell 0.7 percentage point to 7.5%, official data showed

## Looking Ahead

The COVID-19 pandemic has taken center stage yet again, with the province of Ontario reverting to strict lockdown measures to control the rapid spread of infections. Against this backdrop, investors can expect an uneven pace to economic recovery in the second quarter. While the Bank of Canada was

widely expected to begin tightening monetary policy in April, the resurgence of COVID-19 infections could impact its timetable.<sup>3</sup>

Sincerely,

[Ferrie Petruccelli Wealth Management Group](#)

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<sup>1</sup> Rita Nazareth (April 8, 2021). "Stocks Climb on Powell's Reassurance; Dollar Falls: Markets Wrap." Bloomberg News.

<sup>2</sup> Jeff Cox (April 2, 2021). "Jobs report blows past expectations as payrolls boom by 916,000 in March." CNBC.

<sup>3</sup> Shelly Hagan (April 9, 2021). "Canada's Recovery Accelerates With Another Blowout Jobs Gain." Bloomberg.