



MAY 2020 MONTHLY NEWSLETTER

We continue to hope that you and your family are safe and healthy. The stress of “The New Normal” is weighing on many of us as we adapt to a world with many unexpected restrictions. Like you, we are hopeful that some of the current restrictions will be eased in the near future, especially as summer approaches.

Despite these challenges, we remain focused in helping you achieve your long term financial goals. We hope you find this summary informative and educational.

Wealth Planning for Uncertain Times

In times of uncertainty and market volatility, creating or updating a wealth plan can provide meaningful reassurance that your long-term financial goals remain achievable.

The article [Wealth Planning for Uncertain Times](#), emphasizes the importance of having a wealth plan and includes tips to help you stay focused on long-term financial goals.

Philanthropy Guide

In these extraordinary times, there is no shortage of those who need help during this pandemic. *The [Philanthropy Emergency Response Guide](#) shares some ideas on how you can make a difference during these challenging times and mitigate the impact of COVID-19 through philanthropy.*

Market Round Up - ‘Coronacrisis’ Becomes Buy-the-Dip Opportunity as Stocks Close Out Best Month Since 1987

The Dow and broader U.S. stock market rebounded sharply in April, closing out their best month of gains since 1987. The rally follows a disastrous March that saw the major indexes crash into bear-market territory at the fastest clip ever.



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Coronavirus was once again the major theme in April, as investors monitored the economic fallout from the novel disease.

Best Month in Decades

March's steep sell-off was partially recovered in April, with U.S. and global equity markets rebounding sharply. The Dow and S&P 500 rose 11.1% and 12.7%, respectively, in April, while the Nasdaq booked gains of 15.5%.¹

In Canada, the TSX gained 10.5% in April after plunging 17.7% in March. The Canadian benchmark ended April roughly 18% shy of its Feb. 20 record high.²

European markets were higher across the board, with the German DAX gaining 9.3% during the month. The U.K.'s FTSE 100 booked a monthly return of 4% for its second-best April in a decade.³

Oil's Historic Collapse

The economic fallout from coronavirus was on stark display in the energy markets, as demand for crude experienced a dramatic collapse. Demand has fallen so much that storage facilities are running out of space to house excess crude. As a result, U.S. West Texas Intermediate futures (WTI) for May delivery plunged into negative territory for the first time ever.

On April 20, a barrel of WTI reached negative \$40.32. In other words, producers paid customers to take their deliveries.⁴

The oil-price collapse was stoked by months of infighting between OPEC and Russia on how to rebalance an oversupplied market in the wake of Covid-19. Even with a new supply agreement in place, tens of millions in lost demand due to the novel disease put a lid on price recovery.

Economic Pain-points

Equity markets were surprisingly resilient in the face of dismal economic data that seemed to suggest an imminent recession is underway.

In the United States, more than 30 million people have filed for first-time unemployment benefits in the last six weeks. Preliminary data from the Commerce Department showed U.S. GDP contracted 4.8% annually in the first quarter.⁵ Fed Chairman Jerome Powell has warned that the worst is still yet to come.

Eurozone GDP fell 3.8% compared with the fourth quarter, which translated into a year-over-year decline of 14.4%. As MarketWatch reported, three years of Eurozone economic growth was wiped away due to coronavirus.⁶



Meanwhile, Canada's economy contracted 9% in March, the steepest decline since similar record-keeping began in 1961.⁷

The Month Ahead

The economic and financial fallout from coronavirus will be top of mind for investors in May. First-quarter earnings season is shaping up to be one of the worst on record, with the blended earnings decline of S&P 500 companies coming in at 15.8% so far, according to FactSet.⁸

Economic data ranging from GDP to unemployment and up to consumer spending will likely continue to show steep declines heading into the second quarter. So far, most of the economic data have had a March cut-off point.

Sincerely,

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¹ Mark DeCambre and Andrea Riquier (April 30, 2020). “Dow, S&P 500 end last session in April lower, but notch best monthly gains since 1987.” MarketWatch

² Ross Marowitz (April 30, 2020). “TSX falls before ending one of its best months in years.” Global News

³ Alan Oscroft (May 1, 2020). “The FTSE 100 just had its 2nd-best April for a decade. Here’s what I’d do now.” The Motley Fool

⁴ Sam Bourgi (April 20, 2020). “Oil Price Crashes Below Zero as U.S. Crude Suffers Historic Meltdown.” CCN.com

⁵ Harriet Torry (April 29, 2020). “U.S. Economy Shrank at 4.8% Pace in First Quarter.” The Wall Street Journal

⁶ Steve Goldstein (April 30, 2020). “Three years of eurozone economic growth wiped away as ECB’s Lagarde forecasts big drop for the year.” MarketWatch

⁷ Erica Alini (April 15, 2020). “Canada’s GDP shrank by 9% in March amid COVID-19: StatCan.” Global News

⁸ FactSet (April 24, 2020). Earnings Insight.

