

## 2020-04-09 Market Update

To our valued clients, on this shortened week in the markets, we are writing to briefly update you on recent developments.

### What were the market developments this week?

- Canadian and U.S. markets moved steadily higher throughout the week, perhaps demonstrating investor confidence that the recovery from the COVID-19 outbreak could be swift.
- The Canadian economy lost 1.01 million jobs in March, while the U.S. announced weekly jobless claims of 6.6 million. The U.S. Federal Reserve announced an additional \$2.3 trillion in aid, timed to coincide with the release of the jobs number.
- Saudi Arabia and Russia were expected to agree to cut oil output after American oil production began falling. Regardless, the price of oil continued to decline, as many expected these measures would not make enough of a dent in the current supply glut.
- The number of confirmed COVID-19 cases worldwide surpassed 1.5 million, a 50% increase week over week. While social distancing and lockdown measures remained active in much of the world, China ended its lockdown of the city of Wuhan, where the virus first emerged.

### Has anything changed regarding how you should view your investments?

We continue to stand by the advice we have been sharing since this downturn began – your long-term investment plan was built on solid footing and to be able to overcome market shocks such as the one brought about by COVID-19.

Some of the most turbulent markets in history have bounced back significantly in short order, with those able to withstand the emotions of such declines reaping the rewards. This is not to say that we know exactly how this specific event will play out, but it does bring some comfort knowing that markets have been here before, showing impressive strength in the years that followed.

The table below demonstrates this ability to recover from large declines over periods of one, three and five years, with examples from 1930 to 2008. Perhaps most impressive is the average result when all of these moves are combined, which skews overwhelmingly positive.

S&P 500 Since 1926		Forward Performance		
Quarter Ending	Quarterly Performance	One Year	Three Years	Five Years
June 1932	-37.7%	162.9%	170.5%	344.8%
Sept 1931	-33.6%	-9.6%	13.1%	118.2%
Dec 1929	-27.8%	-24.9%	-60.9%	-40.7%
Sept 1974	-25.2%	38.1%	72.7%	117.5%
Dec 1987	-22.6%	16.8%	48.8%	109.0%
Dec 2008	-21.9%	26.5%	48.6%	128.2%
Dec 1937	-21.4%	31.1%	17.8%	25.4%
June 1962	-20.6%	31.2%	69.2%	94.8%
Mar 1938	-18.6%	35.2%	38.2%	84.5%
Sept 1946	-18.0%	6.4%	24.5%	115.4%
June 1970	-18.0%	41.9%	57.4%	56.3%
June 1930	-17.7%	-23.4%	-34.7%	-32.8%
Sept 2002	-17.3%	0.3%	27.0%	66.3%
<b>Averages</b>	<b>-23.1%</b>	<b>25.6%</b>	<b>37.9%</b>	<b>91.3%</b>

Source: [theirrelevantinvestor.com](http://theirrelevantinvestor.com)

With that said, if your situation or objectives have changed, we can discuss how this may affect your plans. Please do not hesitate to contact us.

Sincerely,

James, Ahmed and Steve.

Sources: CI Investments Inc., Johns Hopkins University (JHU), Bloomberg Finance L.P., The New York Times Company, CNBC LLC, Yahoo! Canada Finance and Thomson Reuters Corporation.

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