

Weekly Market Update

March 23, 2020



Last Week in the Markets: March 16th – 20th, 2020

	TSX	S&P 500	DOW	NASDAQ	ACWI	CAD/USD	GOLD (USD)	OIL (USD)
Friday Close	11,851.81	2,304.92	19,173.98	6,879.52	397.115	69.61 ¢	\$1,488.10	\$ 22.43
week +/-	- 1,864.52	- 406.10	- 4,011.64	- 995.36	- 53.973	- 2.82 ¢	- \$ 28.60	- \$9.30
week +/- %	- 13.59%	- 14.98%	- 17.30%	- 12.64%	- 11.97%	- 3.90%	- 1.89%	- 29.31%
52 wk HIGH	17,971	3,394	29,569	9,838	580	77.21 ¢	\$1,708	\$ 64.39
52 wk LOW	11,361	2,281	18,917	6,686	394	68.18 ¢	\$1.303	\$ 20.52
YTD +/- %	- 30.54%	- 28.66%	- 32.81%	- 23.33%	- 29.74%	- 9.58%	- 2.30%	- 63.27%
1Yr +/- %	- 26.69%	- 18.39%	- 25.53%	- 10.99%	- 22.14%	- 7.39%	+ 13.79%	- 62.51%

(source: Bloomberg <https://www.bloomberg.com/markets>, MSCI <https://www.msci.com/end-of-day-data-search> and ARG Inc. analysis)

What happened last week?

The negative momentum in the markets has not slowed. Government and central bank actions have not effectively injected confidence back into equities, credit or economies. The uncertainty of the coronavirus is overwhelming the reaction. As long as the economic effects remain unquantified, it will be difficult to stem further losses in the markets. Once infection rates begin to slow, and the overall economic damage can be reasonably estimated, and a recovery is envisioned, the markets will begin their recovery.

As of Tuesday, over \$20 Trillion in losses had been achieved as the overall market capitalization fell dramatically in response to the uncertainty of the coronavirus. And the losses have continued to grow as the week progressed.

<https://www.theglobeandmail.com/investing/markets/inside-the-market/article-global-markets-hit-with-us20-trillion-in-losses-during-coronavirus/>

On Wednesday in a joint press conference with Minister of Finance, Bill Morneau, and Bank of Canada Chair, Stephen Poloz, announced fiscal measures and explained monetary manoeuvres. The government of Canada has totalled \$93 Billion in measures, representing more than 3% of our Gross Domestic Product, to create liquidity, and defer expenses and taxes.

<https://www.theglobeandmail.com/business/article-canadian-policy-makers-move-to-shore-up-financial-system-cushion/>

<https://www.theglobeandmail.com/politics/article-trudeau-unveils-82-billion-in-aid-tax-deferrals-for-coronavirus/>

By Sunday evening, Johns-Hopkins University tallied the global number of covid-19 infections at 329,935, with deaths at 14,379. The U.S. is experiencing the greatest growth rate in cases at the moment, with over 32,000 cases and 409 deaths. <https://coronavirus.jhu.edu/map.html>

What's ahead for this week?

On Sunday morning, in his daily press briefing, Prime Minister Trudeau indicated that the \$93 Billion in fiscal stimulus and tax deferrals are the first waves of assistance. Parliament is being recalled on Tuesday to pass emergency legislation. In the United States, legislators are negotiating a recovery package with a total cost and benefit of approximately \$1 Trillion. Markets will respond to these actions once they have been passed.