



I hope you enjoyed your “stay at home” long weekend and that you were able to rest and relax. Taking time for yourself is important.

I want to touch on three things in this note:

1. What happened in Capital Markets the past week?
2. Changes to Investment Recommendations.
3. It's Not ALL Bad News!

What were the market developments this week?

- Canadian and U.S. markets moved steadily higher throughout the past week, possibly 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 last week and a further 5 million reported today.
- The US Government announced an additional \$2.3 trillion in aid, timed to coincide with the release of the jobs number. This includes generous jobless benefits, loans and grants to businesses, stimulus checks and more. The U.S. Federal bank has moved beyond reducing the overnight lending rate into aggressively purchasing investment instruments. Both have acted with much greater speed and considerably more aggressively than in 2008.
- 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.
- There are “signs” that the virus is peeking in the US. In April 12 Bloomberg News offered a cautiously upbeat headline: “CDC says US near peak; 70 vaccines in pipeline.”
- The US is talking about reopening shuttered industries and businesses in the near term. This encouraging news has served to stimulate markets.

Of course, it isn't all good news. The second quarter of 2020 is going to look bad. How bad remains to be seen, and we are not certain if the negative results have already been priced into financial markets. Uncertainty remains, and as always, I will be monitoring the situation and providing guidance.

Has anything changed regarding how you should view your investments?

For long term investors, nothing has changed. Your long-term investment plan was built on sound investment principles, and to be able to overcome market shocks such as the one brought about by COVID-19. We continue to monitor what is happening and will contact you to discuss any recommended changes.

“Staying Invested” is a phrase that is perhaps overused in the world of finance, but it comes from a good place. Some of the most turbulent markets in history have bounced back significantly in relatively short order, with those able to withstand the emotions of such declines reaping the rewards. The volume of government stimulus injected into financial markets and Main Street in such short order is already being felt. This unprecedented aid has had significant impact and will likely continue to influence financial markets as we move through this crisis.

This is not to say that we know exactly how this specific event will play out. In my 27 years as an Advisor, I have guided clients through similar markets in the past, and I am here to help you navigate this event in the best manner possible for you.

It may bring some comfort knowing that markets have been here before, showing impressive strength in the years that followed. The table below demonstrates this ability of markets 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%
Averages	-23.1%	25.6%	37.9%	91.3%

Russell 2000 Since 1979		Forward Performance		
Quarter Ending	Quarterly Performance	One Year	Three Years	Five Years
Dec 1987	-29.1%	25.0%	17.0%	102.4%
Dec 2008	-26.1%	27.2%	54.6%	149.7%
Sept 1990	-24.5%	45.1%	110.5%	166.6%
Sept 2011	-21.9%	31.9%	78.3%	108.4%
Sept 2002	-21.4%	36.5%	91.2%	136.1%
Sept 2001	-20.8%	-9.3%	47.0%	90.6%
Sept 1998	-20.1%	19.1%	15.8%	43.3%
Sept 1981	-17.5%	8.8%	69.7%	126.8%
Mar 2009	-15.0%	62.8%	104.4%	196.9%
Mar 1980	-12.8%	72.1%	138.0%	176.3%
Averages	-20.9%	31.9%	72.7%	129.7%

Source: theirrelevantinvestor.com

It's Not All Bad News...

Unexpected blessings have surfaced during this difficult time. People are reaching out to family and friends via texting and emails and some are even connecting in old-fashioned ways – by telephone. Families are closer than ever before. For Michelle and me, our two daughters are back home from University, one graduating and the other finishing her first year. Michelle and I agree that it has truly been a blessing to have them with us. Most of the time...

On another positive note, activities and jobs around the country have been suspended but not ended. There is a sense that things are deferred not eliminated, furloughed not terminated. As always, I remain confident that we will see the economic recovery take root in the pandemic will subside.

Finally, below are a series of links to assist you if you have questions on tax and estate topics, employment insecurity, or how to access many of the stimulus packages. Simply follow the link to the appropriate resource, and do not hesitate to reach out for a chat or for clarification.

Take care of yourselves and your families.

Tax & Estate Updates:

[- Federal Tax Measures to Combat COVID-19](#)

[- COVID-19 Tax Infographic](#)

Articles & Discussions:

[Globe & Mail: Layoffs, Salary, EI and More: Your Coronavirus and employment questions answered](#)

- Discussion article addressing FAQs pertaining to layoffs & accessing EI
- The article discusses who can apply and receive benefits under different scenarios
- Addresses questions related to self-employed, contract, and full/part-time employees

[BDO Canada: Timeline of Fiscal Stimulus Package](#)

- Brief summary of federal government's stimulus package
- Outlines various components & announcements leading up to \$82 billion stimulus package

Government Resource Centres:

[Government of Canada: Canada's COVID-19 Economic Response Plan](#)

- Overview page from the Canadian Government
- Aggregates all resources & support related to both individuals and businesses
- Provides online assistance for questions through the 'COVID-19 Virtual Assistant', located in the bottom right hand corner

[Nova Scotia Provincial COVID 19 Response](#)

- Overview page from the NS Provincial Government
- Aggregates all resources & support related to

[CRA: COVID-19 Changes to Canadian Taxes and Benefits](#)

- Landing page for filing income tax and benefit/support payments
- Discusses electronic signatures and contact information for the CRA

[Government of Canada, Department of Finance: Support for Canadians and Businesses](#)

- Summary report further outlining relief benefits to individuals and businesses
- Provides steps in how to access benefit programs

[Government of Canada, Employment and Social Development: COVID-19 Benefit Programs](#)

- Further information on who to contact to access benefit programs
- Benefits related to EI, childcare, student loans, etc.

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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