

Market Update

April 6, 2018

## Finding it difficult to keep up with the seesaw in the market lately?

Here is a summary that hopefully, makes things more clear...

Here in Canada, the TSX is down -6.11% year-to-date.

In the U.S.A, the S&P 500 is down -2.5% year-to-date.

A recap... Late in January, we experienced a significant number of profitable assignments on call options after a large rally in American equities. This created a lot of cash in portfolios, which in hindsight has been a pretty good thing. That said, ***cash isn't always appealing to investors because they don't think they are invested.***

History suggests that longer term, cash would not be a great asset, but so far this year, cash is outperforming the broader Canadian and U.S. markets.

The current volatility in the market is driven by the uncertainty of the U.S. Presidency, which is ongoing and while the market often dismisses tweets, it also recognizes potential for very real ramifications out of say, a full blown trade war.

Of course all of this is short-term. The legs of the U.S. Presidency itself may well be cut out from beneath it in November mid-term elections (six months from now).

So think beyond the headlines...

Did you ever regret not owning Amazon? This *disruptive* stock has caught the anger of the American President because it owns the Washington Post which as it turns out, often writes less than flattering articles about him. He has taken to personally attacking the company in a Putinesque style on twitter! Anyway, the stock is down 13% and of 55 analysts covering the stock, 92.2% are currently buyers with a \$1708 consensus target which is +21.5% higher than the current price at \$1405.

That is what I like about volatility...and of course, *having a bit of cash.*

Bring on spring!

I have prepared this commentary to give you my thoughts on various investment alternatives and considerations which may be relevant to your portfolio. ***This commentary reflects my opinions alone, and may not reflect the views of National Bank Financial Group.*** In expressing these opinions, I bring my best judgment and professional experience from the perspective of someone who surveys a broad range of investments. Therefore, this report should be viewed as a reflection of my informed opinions rather than analyses produced by the Research Department of National Bank Financial.

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Sources: Reuters, Bloomberg

**I and/or my family currently own Amazon (AMZN)**

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