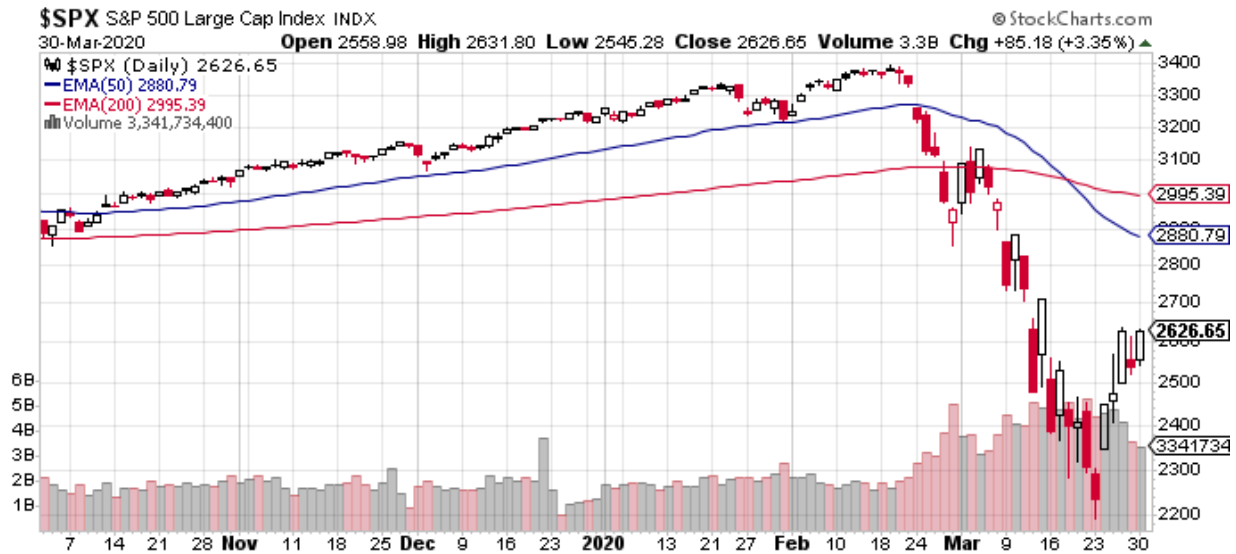


Market UPDATE.

March 30, 2020

Despite the daily up and down volatility, the S&P 500 has started to retrace...



Since Feb 20<sup>th</sup> (recent peak), the S&P 500 is down -22.1%, a depth of correction for the moment, similar to the late 2018 correction... and a lot better than the Mar 23<sup>rd</sup> low of -33.6%.

The TSX here in Canada is down -27% from Feb 20<sup>th</sup> (recent peak), again better than it's low of Mar 23<sup>rd</sup> -37.4%. The TSX here in Canada is under particular pressure, in part from a price war currently being played out between Saudi Arabia and Russia. Energy is a big part of our economy. Edmonton Light Oil (quality/refinable) was trading at \$8.26 today and Western Canada Select (Bitumen blended) was cheaper than the cost of a Latte at \$4.26!!

The hardest hit sectors in this correction are anything to do with Energy followed by Travel (Transportation, Hotels, Restaurants).

With an anticipated lockdown through April (in BC), the market may well retest lows so trying to pick the floor is a bit of a mugs game. Corrections of this magnitude are infrequent, and history suggests a significant BUYING opportunity if you can get your head around thinking a few years out – instead of a few weeks out. Historically, all corrections end the same way.

**What is on sale?**

Dividends certainly are and the first place to consider is the banks, the power and utilities group all of which have a very strong dividend history this century. They are also beat up and trading way below February 20<sup>th</sup> highs and their current consensus target prices.

The Health care group is defensive and in demand as our population ages and... current circumstances.

Technology – the creators of innovative change. Thanks to Microsoft and Cisco, my team and I are working seamlessly together while in our individual homes right now. **We are open to you at our regular phone numbers despite our physical offices being closed.**

**Remember...**

Despite the immediate, markets spend way more time in positive territory than negative and bull markets dominate most of the time. Bear markets are historically brief and INSTILL FEAR. **Investor discipline in a bear market is CRITICAL.**

**TAX TIME...** We will continue to send out tax information slips as normal. Remember that if you own any form of trust unit, they don't report until tomorrow March 31<sup>st</sup>, so typically we send these out sometime in the first week of April.

**Further, the tax filing deadline has been pushed back from April 30<sup>th</sup> into June 1<sup>st</sup> without penalty.**

In order to avoid confusion and reduce the amount of email you are getting, I am trying to keep you informed on a *weekly basis* versus monthly for the time being. During this time, we have reduced research updates intentionally. Research pieces are about companies you own which you may or may not choose to read. **Market UPDATE in the subject line of an email is me updating you on what is going on.**

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: Stockcharts.com, Bloomberg, Reuters

Disclosure: I or an immediate member of my family currently own the following securities: Acadia Pharma, Activision, Alibaba, Alphabet (Google), Apple, Arc Resources, Bank of Montreal, Bank of Nova Scotia, BCE Enterprises, Descartes, Brookfield Infrastructure, Disney, Enbridge, Intuitive Surgical, Johnson & Johnson, Keyera, Labrador Iron Ore Royalty Trust, Mastercard, Microsoft, McDonalds, National Bank, Neurocrine Biosciences, NXP Semiconductor, Okta, Palo Alto Networks, Parkland Fuels, Paypal, Royal Bank of Canada, Seattle Genetics, Superior Plus, TD Bank, Tourmaline, Tricida, Visa, Hamilton Australia Financials ETF, Evolve Cybersecurity ETF, Evolve Innovation ETF.

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This information was prepared by Rob Hunter, an Investment Advisor with National Bank Financial. The particulars contained herein were obtained from sources that we believe reliable but are not guaranteed by us and may be incomplete.

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National Bank Financial is a member of the Canadian Investor Protection Fund.

