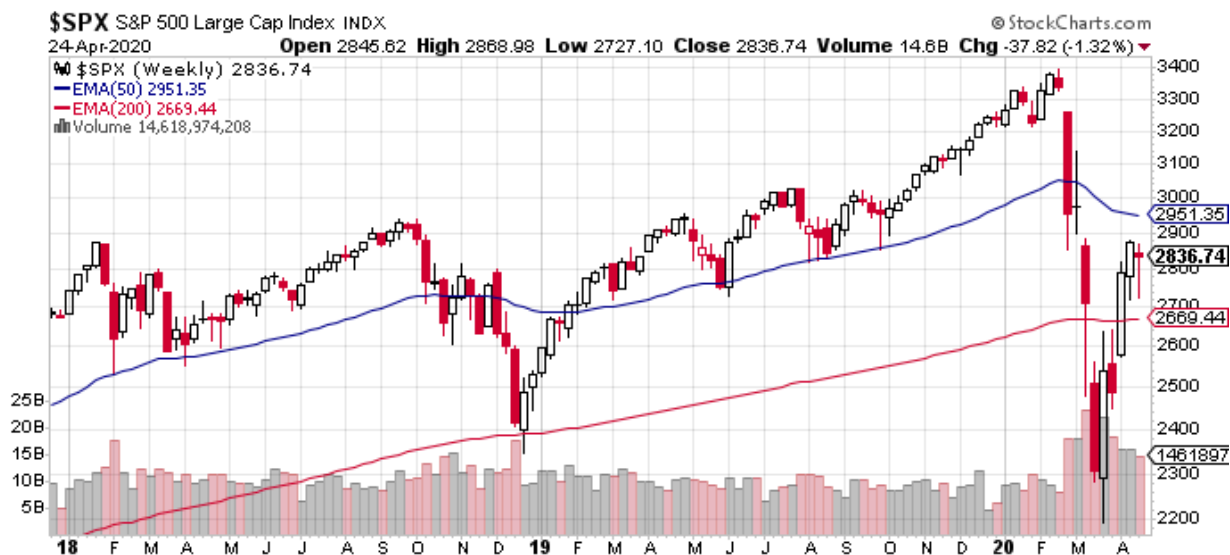


Market Update:

April 26, 2020



The S&P 500 has regained half of what it gave up in this Covid-19 driven correction, currently trending upward.

Market Peak was Feb 20/20	Market Low (Mar 23 rd)	Last Friday, Apr 24/20
S&P (American broad market)	-33.4%	-15.9%
Nasdaq (Technology laden index)	-30%	-11.5%
TSX (Canadian broad market index)	-37.4%	-19.6%

What to expect?

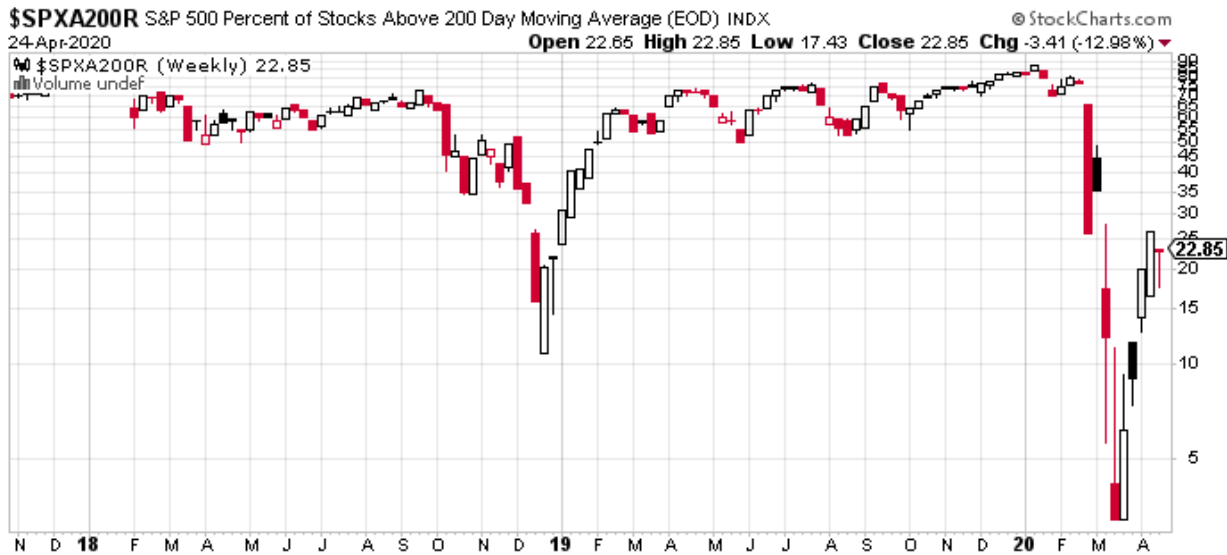
While the stock market has historically been a leading indicator of economic reality, it is reactive to short-term events like every correction before this one. While some good earnings have surprised Wall Street, the market is anticipating an eventual reopening of the economy. This will I believe, be tempered by markets potentially retesting lower levels depending on how long the economy is shut and how bad earnings are reflected in the next quarter or two. Retests are normal off of bottoms.

The best performing sector off of market lows March 23rd has been technology as reflected in recent Nasdaq performance. Canada has been trending upward too, but lags because of exposure to commodities and in particular supply constraints and lack of demand for energy.

What am I doing?

I have been seeking to layer into technology, health care and financials – that have all responded well to a deflationary economic environment. Likewise, I have been seeking to add dividend income from stocks that historically respond well to a deflation and a low interest rate environment. As markets have been recovering, the day to day volatility is making call writing premiums attractive again as a means of enhancing income, reducing downside risk and creating an eventual market-driven exit strategy.

At writing 22.85% of American S&P 500 stocks are trading above their 200 day moving average.



Stay well and be in touch should you have any questions.

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.

National Bank Financial

Rob Hunter
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Senior Investment Advisor

Sources: Stockcharts.com, TechnicalSepeculator.com, Bloomberg, Reuters

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