

Market Update

May 2021

I was reading this morning (May 12th) that 60% of gas stations in Atlanta are currently without gasoline. Apparently, this is due to ‘panic buying’ after the Colonial Pipeline, a fuel supplier, was shut down following a cyber attack that involved ransomware last Friday. It instantly reminded me of the early days of the current Covid 19 pandemic when ‘panic buying’ resulted in brief scarcity of toilet paper.

I started wondering about how much of these shortages were a direct result of fear-based reaction ‘panic buying’ versus the actual events themselves.

Markets corrected 35% last year due to a pandemic but like every other correction in history, the market went on to make new highs.

Market highs tend to tempt *the speculator*, where they reason what goes up must come down or worse, that somehow they can time the market.

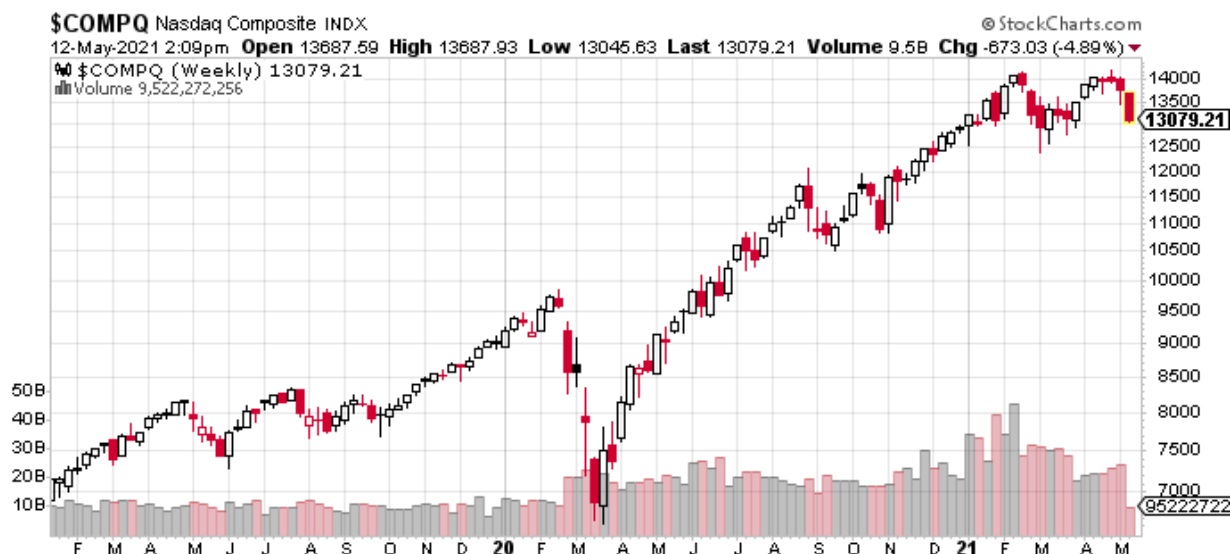
Investors have a longer view and of course part of my job is remind you, my clients, that the investor course is better than that of speculators. History is reason that serves to temper language like ‘it is different this time’. It has never been different.

Our perspectives are tempered by time.

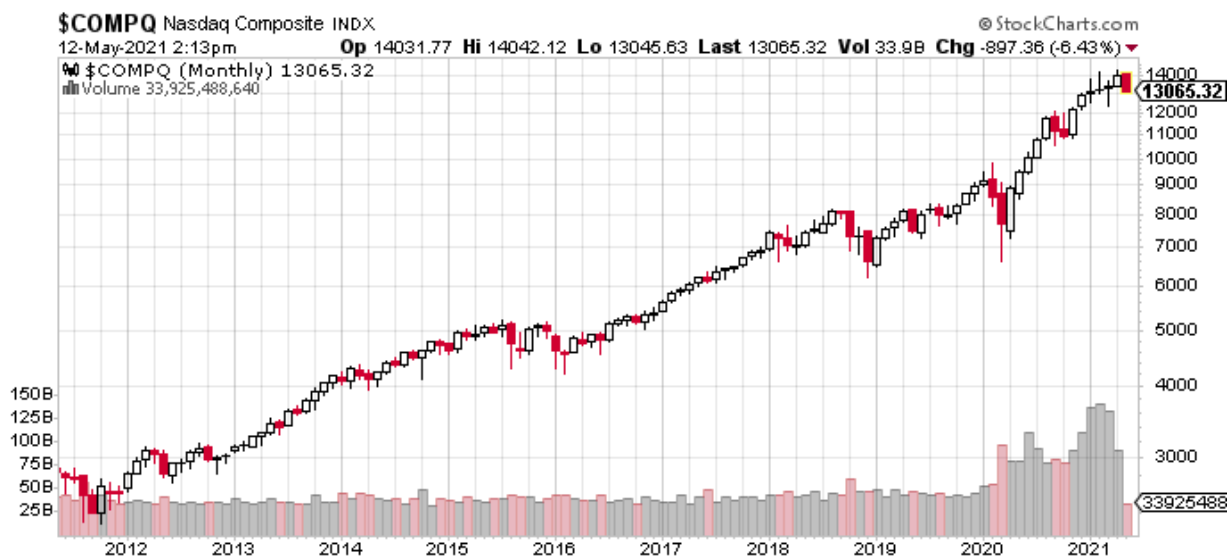
This is the Nasdaq (technology index) over the last six months. **What happened in May will be news.** How does this chart make you feel?



Now, here is the very same index but over the last 2.5 years. Feeling more positive?



Now, here is the same index again over the last 30 years. You probably really like this one.



See how perspective is affected by the immediate vs the longer trend. If you think about it, the stock market really is built on bad news. This is history.

If you missed my market update with a view of the economy last month, I have attached it here as my perspective hasn't really changed much.

<https://rhunterwealth.ca/wp-content/uploads/2021/03/Market-UpdateApril-2021.pdf>

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Best wishes for a warmer May.

National Bank Financial

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Sources: Stockcharts.com, NBF Research, Twitter, Globe & Mail, New York Times

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