

October 2020

Dear Client,

I hope you and your family are keeping well amid the ongoing pandemic. We all will certainly welcome a vaccine that can lessen the severity of Covid-19. The drug maker Johnson & Johnson is currently in Stage 3 clinical trials using a single dose vaccine, which appears to look promising.

Many global stock markets have recovered a significant portion of their declines, experienced earlier in the year. This gave rise to the shortest Bear market in history, lasting only 33 days! To put that in perspective, the average recovery period is 14 months for market declines greater than 20%, which defines a Bear market. U.S stock markets in particular have posted new record highs led by the technology and healthcare sectors, amidst so much uncertainty and economic difficulty. This once again reflects the forward-looking nature of the capital markets and as I have noted before, market declines have historically been followed by new highs. In fact, most market gains are achieved shortly after steep declines. I cannot emphasize enough the importance of a properly constructed portfolio, which provides downside protection to withstand market volatility, associated with political and economic uncertainty.

With the holidays just around the corner and social distancing measures still in place, I suspect virtual gatherings to be held across the country with the aid of technology. We are fortunate to have new ways to connect, in order to maintain important relationships. I would like to wish you and your family a happy and safe Thanksgiving!

Sincerely,

David Beauchamp, CFP®, FMA, CIM, FCSI®
Senior Financial Advisor

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Sources: Reuters