

Weekly Market Update

October 26, 2020

M|R|G Wealth Management



Last Week in the Markets: October 19th – 23rd, 2020

	TSX	S&P 500	DOW	NASDAQ	ACWI	CAD/USD	GOLD (USD)	OIL (USD)
Friday Close	16,304.08	3,465.39	28,335.57	11,548.28	581.908	76.19 ¢	\$1,905.20	\$ 39.85
week +/-	- 134.67	- 18.42	- 270.74	- 123.28	- 1.205	+ 0.37¢	- \$ 1.20	- \$ 1.03
week +/- %	- 0.82%	- 0.53%	- 0.95%	- 1.06%	- 0.21%	+ 0.49%	- 0.06%	- 2.52%
52 wk HIGH	17,971	3,588	29,569	12,074	588	77.21 ¢	\$2,089	\$ 59.51
52 wk LOW	11,173	2,192	18,214	6,631	403	68.18 ¢	\$1,459	\$ 25.31
YTD +/- %	- 4.45%	+ 7.26%	- 0.71%	+ 28.71%	+ 2.95%	- 1.03%	+ 25.09%	- 34.74%
1Yr +/- %	- 0.19%	+ 15.34%	+ 5.60%	+ 42.22%	+ 10.12%	- 0.24%	+ 27.87%	- 28.80%

(source: Bloomberg <https://www.bloomberg.com/markets>, MSCI <https://www.msci.com/end-of-day-data-search> and ARG Inc. analysis)

What happened last week?

StatsCan announced that September inflation has risen to 0.5% from July and August levels that both measured 0.1% rises in consumer prices. All are far below the target level of inflation, 2% per year, which allows and accounts for economic expansion. Inflation is essential for an economy to grow, and this small increase to a still very low level is an encouraging sign for the Canadian economy. [September inflation source](#)

Tuesday was Nancy Pelosi's self-imposed deadline to arrange a new stimulus package to support Americans during the pandemic. As the Democrat's leader in the U.S. House of Representatives she has been negotiating with Steve Mnuchin, Secretary of Treasury. By the end of the week no compromise had been reached, and nearly all the time available for a deal before the election has expired. Nancy Pelosi is being portrayed as being unable to compromise and the White House is said to be focused on political games, not helping working Americans. Both positions are unhelpful. [Stimulus deal link](#)

The second and final Presidential Debate occurred between incumbent President Trump and former Vice-President, Joe Biden. This debate was, perhaps, less entertaining than their first exchange. Ultimately, the performance of each candidate will be judged on November 3rd, which is one week away.

It was also an action-packed week for other reasons in the U.S. with the World Series beginning on Tuesday night. The Tampa Bay Lightning and Los Angeles Lakers have already won the Stanley Cup and the NBA Championship, respectively, so either the Tampa Bay Rays and the LA Dodgers will make their city a two-sport winner in this year's pandemic-shortened pro sports season.

What's ahead for this week?

In Canada, on Wednesday the Bank of Canada will announce its latest interest rate decision and update on monetary policy. August Gross Domestic Product will also be announced, which will provide some guidance on how well the economy was rebounding before our latest pandemic setbacks.

In the U.S., a number of important indicators for September will be released in the next week or so; new home sales, pending home sales, personal income, personal spending and durable goods orders. The U.S. announces economic news about one month sooner than Canada providing more current guidance for fiscal and monetary decisions.