
MARKET WATCH

**David Derwin – Portfolio Manager & Investment Advisor
PI Financial Corp.**

Connect at www.Commodity-Options.ca or 1-844-982-0011

Below are excerpts from my weekly Market Watch radio spots.
Market Watch is broadcast on over two dozen radio stations across Western Canada.

What surprises are in store for the New Year? – January 4, 2021

After so much uncertainty going on last year triggered by COVID, it's easy to assume that the surprises will continue into 2021. But, maybe the biggest surprise of all will be that there will be no big surprises this year?!

Notably, the US election is done and central banks around the world, including the US Federal Reserve as well as the Bank of Canada, may keep interest rate policies steady after slashing rates and flooding the system with cash in 2020. When it comes to COVID, it will have variants but the unforeseen impact that we experienced back in March last year likely won't occur again.

Bottom line, while a return to some normalcy could be the case for financial markets like stock, bonds and currencies, one area that is certainly still experiencing a lot of volatility that could continue well in to 2021 are the grain markets. Keep in mind, there is still a lot of growing season weather around the world in front of us. So, for new commodity marketing & hedging strategies in the New Year connect with me at 844-982-0011 or commodity-options.ca.

Is wheat next? – January 11, 2021

We all know of the run up in soybean, canola and corn prices over the past few months so could wheat be next?

In December, we had the USDA report that lowered wheat ending stock and this week the USDA reports on final 2020 crop production, grain stocks, supply/demand and winter wheat seeded acres.

Then we have the drought concerns creeping in to the hard red winter wheat growing regions. Next we heard of the Russia wheat export tax this is expected to reduce exports by over 10%. Now we're hearing of a Ukraine export quota on wheat because of low stocks.

Throughout all this, European milling wheat futures are up over 20% since the summer lows. At the same time, Chicago and Kansas winter wheat futures have risen by 30% while spring wheat increased by 15%.

Daily > MX/H1 WHEAT HARD RED SPRING 3/21 C: 608 1/2 Chg 3/4



Bottom line, could wheat follow the volatility of the other grain markets? Specific option strategies are ideally suited for wheat in this type of price environment so to find out more, connect with me at 844-982-0011 or commodity-options.ca.

Will the US stock market have a strong start under President Biden? – January 18, 2021

The US stock market typically does well in the first 100-days following a new president's inauguration, up on average of about 3% going back to the 1980s.

Keep in mind that US stocks have usually gone up over time anyways, especially during the historically strong six-month period between November and April. So, it makes sense that the first quarter of any given year is strong.

Perhaps more telling than a positive first quarter for the Biden administration would be a weak period. If the US stock market doesn't perform well over the next couple of months then maybe some underlying concerns are developing. Of course, a lot will also depend on how well COVID vaccination programs roll out around the world.

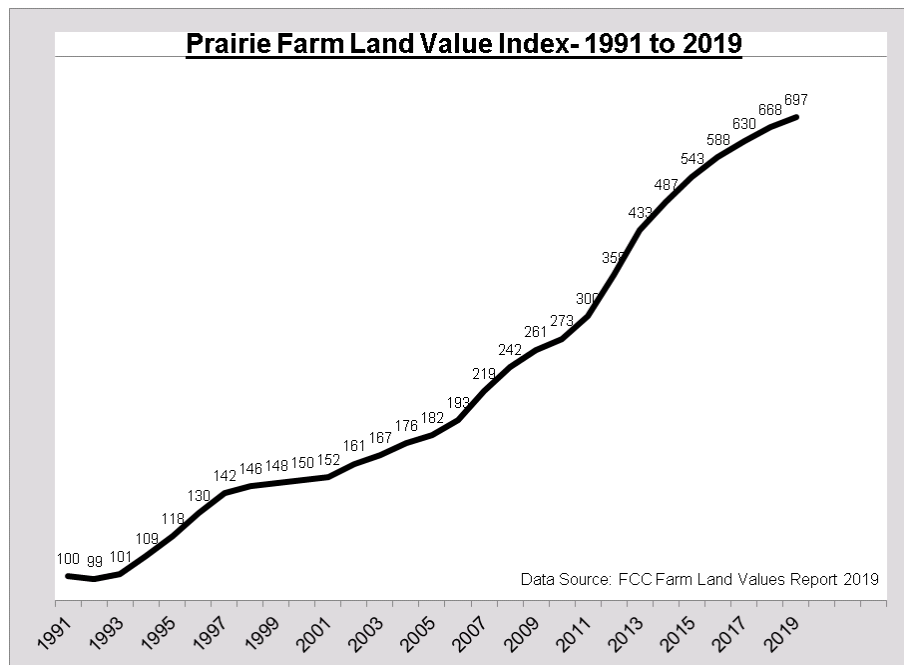
Bottom line, stocks continue to push higher and economies are slowly getting back to some normalcy. The next few months will give us a better sense of the direction of the market during the initial stages of the Biden presidency. For, market analysis and investment management strategies, connect with me at 844-982-0011 or commodity-options.ca.

The next Wayne Gretzky rookie card? – January 25, 2021

I read a few weeks ago that Gretzky's rookie card recently sold \$1.3 million, 40 years after he had his first professional season. So what investment could turn out to be the next Gretzky rookie card?

Perhaps it will be Bitcoin since it already seems to be on its way given it's trading near US\$40,000. Likewise, what tech company will be the next Apple, Amazon or Google? Could it be Tesla or Zoom?

Real hard asset like, certain real estate, land and gold could do well, especially with the amount of currency governments around the world created last year. Maybe farmland will be the big winner given Prairie farmland has gone up sevenfold in the past 30 years and still seems to be trending higher. But, keep in mind, that doesn't necessarily mean prices have to keep going up.



Bottom line, nobody knows the future and we'll only find out what the next Gretzky rookie card will be well after the fact, usually many years if not decades down the road. For market analysis and insights, connect with me at 844-982-0011 or commodity-options.ca.

Options and Commodity trading has inherent risks where significant loss of capital may occur. Investors should consult with their investment advisor to determine if options and commodity trading is suitable for their portfolio and risk tolerance profile. This document has been prepared by David Derwin, Portfolio Manager & Investment Advisor for PI Financial Corp, for information purposes only. This is not an official publication of PI Financial Corp. and the author is not a PI Financial Corp. analyst. The views expressed herein are those of the author alone, not necessarily those of PI Financial Corp. The information contained herein has been obtained from sources believed to be reliable, but the accuracy or completeness of the information is not guaranteed, nor in providing it does PI Financial Corp. assume any responsibility or liability. This document is not to be construed as an offer to sell or a solicitation of an offer to buy any securities and is intended for distribution only to those jurisdictions where PI Financial Corp. is registered as an advisor or a dealer in securities. The inventories of PI Financial Corp, its affiliated companies and the holdings of their respective directors and officers and companies with which they are associated may from time to time include the securities mentioned herein. PI Financial Corp. is a member of the Canadian Investor Protection Fund & the Investment Industry Regulatory Organization of Canada.