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# MARKET WATCH

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

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## Never say never – February 1, 2021

The longer you trade and invest, the more you understand that you should never say never when it comes to financial markets. We've seen some great examples of this recently.

Remember last April during all the COVID uncertainty when oil futures were negative - US\$40/barrel. Nobody wanted to take delivery of oil and you couldn't even give it away. In fact, you had to pay someone else \$40 just to take it off your hands.

How about Bitcoin? A digital currency that recently hit US\$40,000 when it was just US\$10,000 in the summertime.

Then last week canola futures touched \$725/tonne, the high reached only twice in the past 40 years. It was just \$500 in August.



Now we have Gamestop stock, essentially a bricks and mortar video gaming store, up 25 fold in just two weeks!!

Bottom line, the lesson in all this is that you can never say never in the markets and should expect the unexpected. For a variety of different trading & investment strategies that are diversified across time, connect with me at 844-982-0011 or [commodity-options.ca](http://commodity-options.ca).

## **Can the Super Bowl predict the stock market? – February 8, 2021**

Welcome back to Market Watch. You can learn more about farm financial solutions at [commodity-options.ca](http://commodity-options.ca).

There's an old Super Bowl Indicator that has a great track record of predicting the US S&P 500 stock market index. According to Investopedia, the indicator has been correct in about 75% of the past 55 Super Bowls. The outcome of this Sunday's game suggests a higher stock market this year. Of course, there is no real economic connection between the Super Bowl and the U.S. stock market; any relationship is purely a coincidence.

But there is another old market indicator called: Don't fight the Fed. So, what is not a coincidence is the impact of US Federal Reserve interest rate policy as well as government fiscal spending on the stock market. Low rates, the creation of money and huge spending should be good for stocks, at least in the short-term.

Bottom line, with the Biden administration trying to pass a US\$1.9 trillion spending bill and interest rates still near zero, there's a lot of money floating around the system. Some of that will directly or indirectly make its way into the stock market and other assets. For trading & investment management strategies, connect with me at 844-982-0011 or [commodity-options.ca](http://commodity-options.ca).

## **Is wheat the classic underdog tale? – February 15, 2021**

You might think wheat prices will be a perennial underdog since so much has been going against it for the past couple of years. There's been lots of wheat around and its price has been expected to lose. There was also lots of canola, corn and soybeans around until there wasn't and look at those prices now.

A couple of key developments have been set in motion that could be supportive of wheat prices.

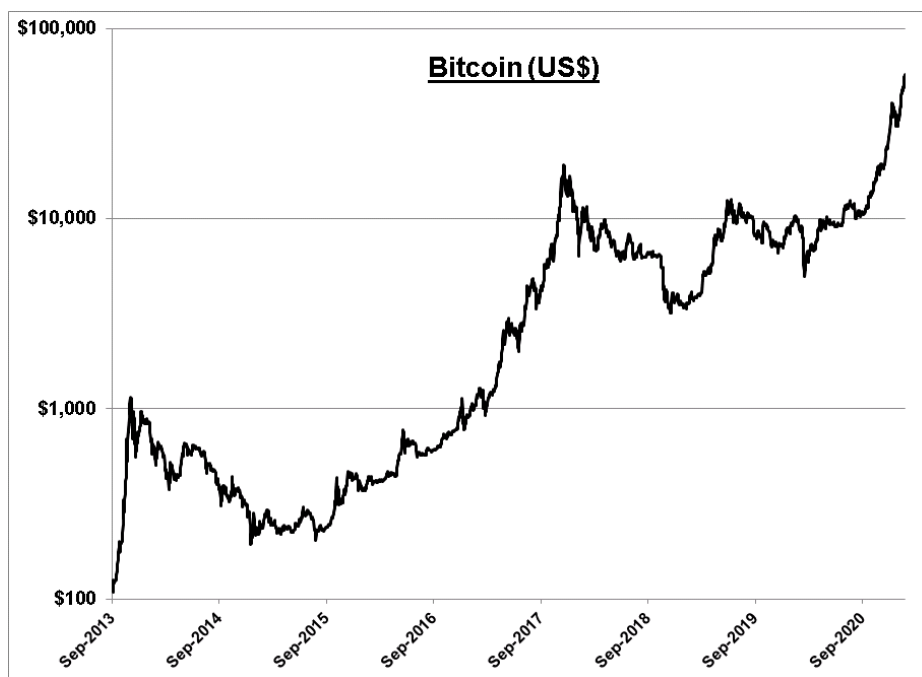
First, the highest level of Chinese wheat sales in 25 years could continue for years to come. Recent changes in global agriculture trade and tariff policies could make China the third largest wheat importer.

Second, Russia is making its wheat export tax permanent. That could backfire, ultimately reducing domestic supply eventually causing higher wheat prices around the world.

Bottom line, not only will wheat have to compete for acres along with all the other crops, but these two wheat specific issues could support wheat prices and amplify any weather related new crop growing issues. For CWRS and CPS wheat price hedging strategies, connect with me at 844-982-0011 or [commodity-options.ca](http://commodity-options.ca).

## Bitcoin – February 22, 2021

If I would have told you several years ago that some unknown person or persons would create a fictitious computer entry that would be worth C\$70,000 today, it would be hard to believe. Yet here it is.



Data source: Coindesk.com

Bitcoin as payment processing is easy enough to understand and more and more institutions and companies are accepting it as a payment method. But as an investment category? That one is harder to see how it will develop over time but for now, Bitcoin is still going higher. There are even Bitcoin futures contracts that trade on the Chicago Mercantile Exchange and stock of companies that mine bitcoin themselves or sell computer mining rigs.

Maybe all this bewilderment is what people have felt about gold, gold mining as well as all the different currencies issued by banks, states and provinces before the US Federal Reserve and Bank of Canada were formed.

Bottom line, are bitcoin and other cryptocurrency investments in a bubble? Probably. Will prices continue going higher? Maybe. Never say never when it comes to markets and human psychology. For trading analysis and investment strategy, connect with me at 844-982-0011 or [commodity-options.ca](http://commodity-options.ca).

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