
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.

***"If you don't read the newspaper, you're uninformed.
If you read the newspaper, you're misinformed."
- Mark Twain***

Timing the market vs. Time in the market – March 7, 2022

Did you know that since 1926, the S&P 500 stock market index was up barely half of the time?

There's a big difference between **timing the market** versus **time in the market**. For instance, the S&P 500 US stock market index has been up only 56% of the days since 1926. At the same time, the S&P 500 has been up 63% of all the months. Furthermore, it's been up 76% of the years, 88% of five-year periods, 95% of 10-year periods, and 100% of 15-year periods, or longer.

	S&P 500 since 1926
	% of Positive Time Periods
Days	56%
Months	63%
Years	76%
5-Years	88%
10-Years	95%
+15-Years	100%

Despite war, rising interest rates and recessions, stock markets tend to be good long term investments. However, this doesn't mean there won't be periods of extreme volatility or stagnant markets. Broad based North American stock indices essentially went nowhere in the 1970s and then again between 2000 & 2010. Or consider that the main Japanese stock market index is still down 33% in the past 33 years since 1989.

Bottom line, there could be a lot of financial uncertainty over the next few months so for investment analysis and portfolio management, connect with me at 844-982-0011 or commodity-options.ca.

LIMIT UP! – March 14, 2022

Looking for a really good book to read this winter about grain markets and the agriculture industry? "Limit Up" www.limitup.ca is a new book written by Canadian Russ Crawford, a 50-year veteran of the commodity business, that details the thrilling events surrounding the 1972 Great Russian Grain robbery. During this period of severe drought throughout the Soviet Union as well as the end of US grain export subsidies, wheat prices ultimately increased fourfold from US\$1.50/bu to US\$6/bu.

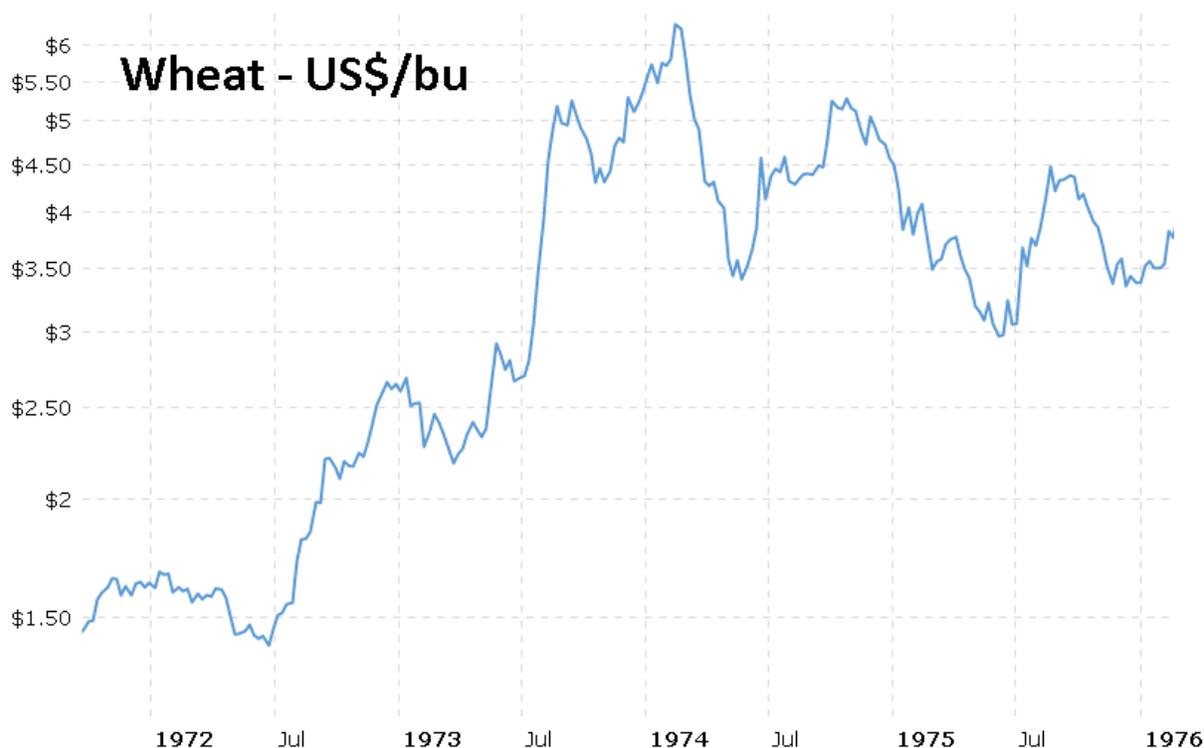


Chart Source: www.macrotrends.net/2534/wheat-prices-historical-chart-data

Fifty years later Russia is at the centre of it again with potentially similar impacts on grain markets as well as grain handling, transportation and logistics systems.

Bottom line, the book concludes that "the impact of Soviet grain purchases in 1972 was a historic turning point in global commodity prices. Exchange futures prices for wheat, corn and soybeans never returned to the low levels of the early 1970s - ever. For the next decade the agricultural economy soared, enriching the farm community and associated industries."

Are we now also at a new level of grain pricing and could it be here to stay? For hedging tools to manage today's opportunities and risks, connect with me at 844-982-0011 or commodity-options.ca.

If you're interested in ordering a copy of Limit Up you can get it on Amazon.ca or most major eBook sites.

INTEREST RATES UP! – March 21, 2022

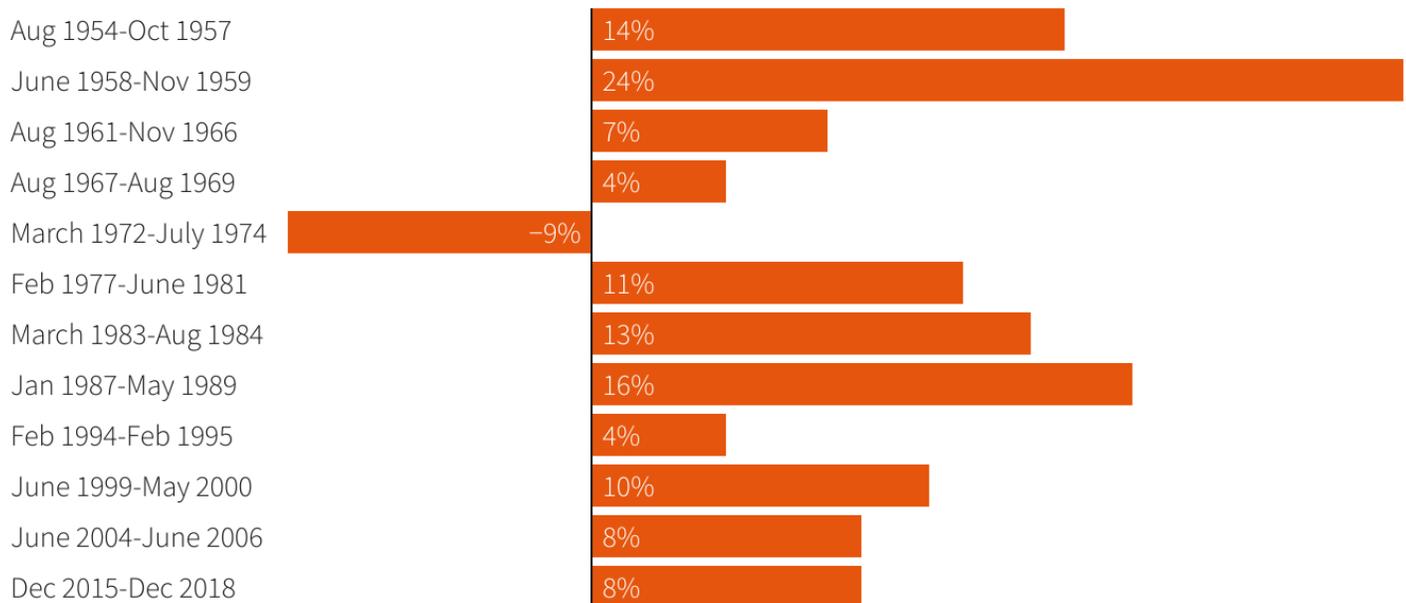
The US Federal Reserve central bank raised rates this past week for the first time in over 3 years. What could this mean for the stock market?

A couple weeks back, we saw that stock markets tend to do well in the year after rates start to rise. In fact, the S&P 500 US stock market index has returned almost 8% on average during the first year the Federal Reserve raises rates based on 13 previous hiking cycles since 1955.

Furthermore, when interest rates are rising over time, the S&P 500 still had a total annualized average return of just over 9% throughout over the course of those cycles, and was positive in 90% of those periods.

U.S. stock market during rate hike cycles

S&P 500 has risen at an average annualized rate of 9.4% during 12 rate hike cycles



Note: Data is annualized total return

Source: Truist Advisory Services

Bottom line, stocks typically do well during periods when the Federal funds rate is rising because this generally means a strong economy and increasing corporate profits. For long-term financial strategies and portfolio management for your personal or corporate investments, connect with me at 844-982-0011 or commodity-options.ca.

The History of Stocks & Geopolitical Uncertainty – March 28, 2022

How have stocks performed during periods of military conflict and geopolitical uncertainty?

History has shown that following over twenty geopolitical events since World War Two, the US stock market, as measured by the S&P 500, has dropped on average about 5% around a month following the initial date of the event. However, markets have then recovered about a month and a half later after that.

So here we are and it's been a month since Russia invaded Ukraine and the US S&P 500 is up almost 5% since then.

By contrast, however, the main European stock index is down 5%. This is not too surprising since Europe will certainly feel a greater economic and financial impact given its closer proximity and interconnected relations with Russia, especially in the area of energy supply.

Bottom line, history is a guide, not a guarantee, but in the past, stocks have typically worked through conflicts, invasions and bombings after about a month or two following the initial incident. For long-term financial strategies and portfolio management for your personal or corporate investments, connect with me at 844-982-0011 or commodity-options.ca.

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