
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.

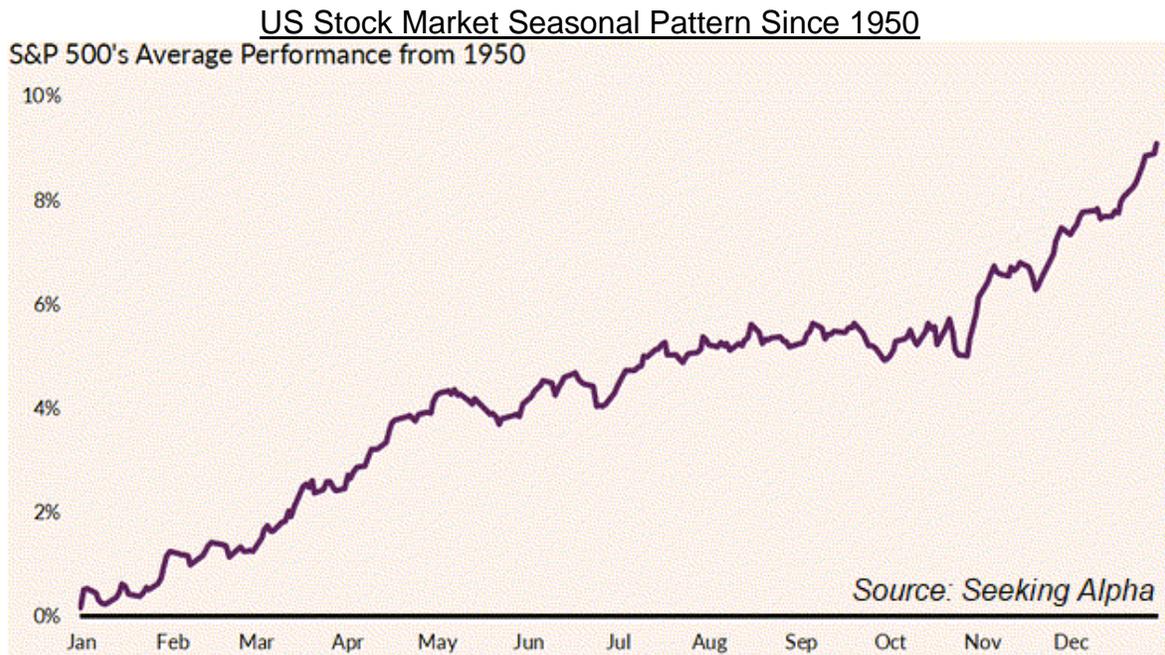
*"I'd rather be on the ground wishing I were in the air than in the air wishing I were on the ground."
-Airplane pilots risk management motto*

US Stock Bear Markets Part I – October 3, 2022

October has notoriously been perceived as a bad month for stocks. Will that be the case this year?

As we enter the month of October, the current bear market in stocks takes even more significance. Since 1928, there have been 28 bear markets, lasting 9.5 months and giving up about 35% on average. This current bear market began nine months ago at the beginning of the year with the S&P 500 Index now off around 25%.

October can be a very volatile month but historically it has often marked the bottom and turnaround of a downtrend. Seasonal analysis shows the classic pattern of stock market strength from fall to spring, or roughly October to May, resulting in the famous saying "buy when it snows and sell when it goes."



Bottom line, history is a guide, not a guarantee and rising interest rates make for a different investing environment. So will the stock market downturn continue? Or have we reached a bottom? For investment management and long-term planning, connect with me at 800-982-0011 or commodity-options.ca.

US Stock Bear Markets Part II: It's a long way to the top... - October 10, 2022

Last week we asked if stocks have reached a bottom and if a turnaround was in the works. This week we'll look at what a potential turnaround could look like.

Over the last 70 years, after US stocks drop 20% or more, it took on average 19 months, or just over a year and a half, to recover.

Bear Market Recoveries

S&P 500 Index Length To Recover From A Bear Or Near Bear Market

Month of Peak	Month of Low	Length of Bear (Months)	% Decline	Length of Recovery (Months)
8/2/1956	10/22/1957	15	-21.6%	11
12/12/1961	6/26/1962	6	-28.0%	14
2/9/1966	10/7/1966	8	-22.2%	7
11/29/1968	5/26/1970	18	-36.1%	21
1/11/1973	10/3/1974	21	-48.2%	69
9/21/1976	3/6/1978	17	-19.4%	17
11/28/1980	8/12/1982	20	-27.1%	3
8/25/1987	12/4/1987	3	-33.5%	20
7/16/1990	10/11/1990	3	-19.9%	4
7/17/1998	8/31/1998	1	-19.3%	3
3/24/2000	10/9/2002	31	-49.1%	56
10/9/2007	3/9/2009	17	-56.8%	49
4/29/2011	10/3/2011	5	-19.4%	4
9/20/2018	12/24/2018	3	-19.8%	4
2/19/2020	3/23/2020	1	-33.9%	5
All Bear Markets		11	-30.3%	19
If Bear Is Worse Than -22%		14	-37.2%	27
If Bear Is Better Than -22%		7	-19.9%	7

Source: LPL Research, CFRA FactSet 05/20/22

All indexes are unmanaged and cannot be invested into directly. Past performance is no guarantee of future results.

The modern design of the S&P 500 Index was first launched in 1957. Performance before then incorporates the performance of its predecessor index, the S&P 90.

However, the deeper the bear market, the longer it usually takes to get back to where it was. Some recoveries have taken as much as four, five or almost six years. If we are in a typical bear market, it could take up to a year and a half to two years to reach new highs after we hit the bottom.

Once again, history is a guide, not a guarantee and rising interest rates can make for a different investing environment. So, will the stock market downturn continue? Have we reached a bottom? Could it ultimately take one, two or three years to recover? For investment management and long-term planning, connect with me at 800-982-0011 or commodity-options.ca.

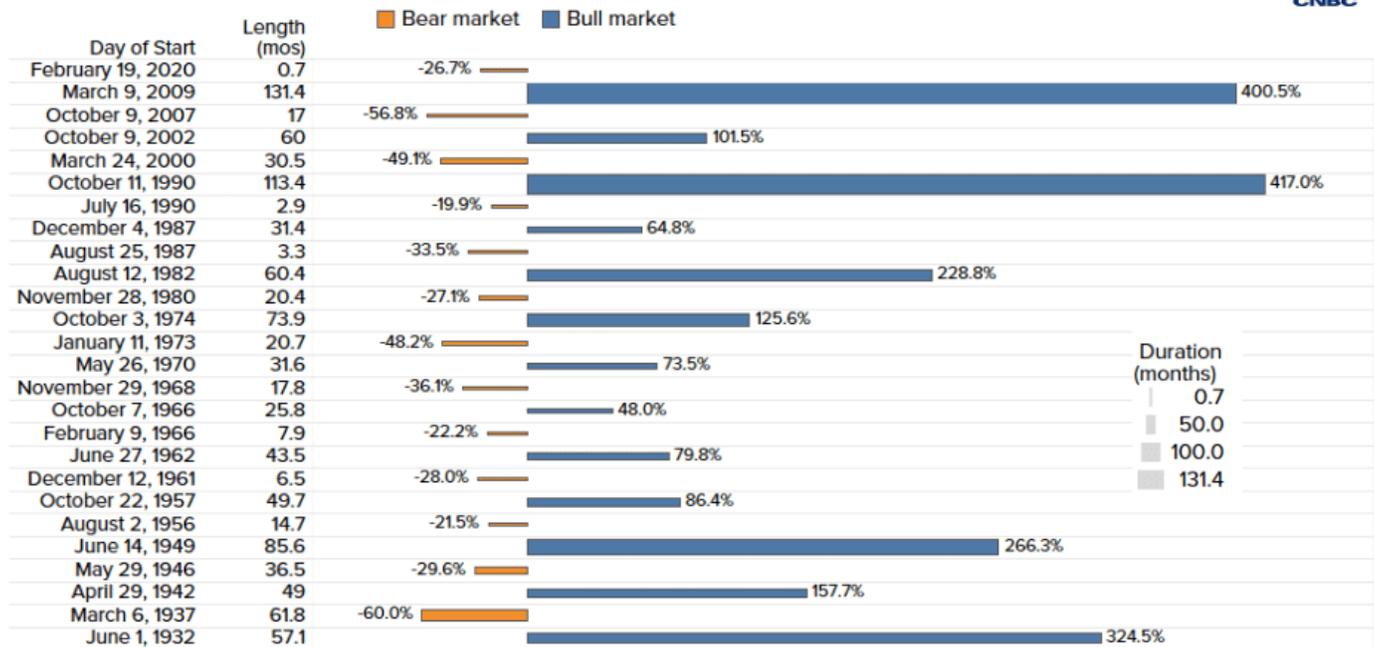
US Stock Bear Markets Part III: - October 17, 2022

Over the past couple of weeks, we explored how long stock bear markets last and then how long they take to recover. In this final of a three-part series, we'll look at how long and how high the subsequent bull markets usually go.

While so many economic, social and political factors like the levels of interest rates, changing technology and wars will all affect the performance of the stock, history provides some interesting insights.

After a bear market when stocks are finally ready for their next move higher, bull markets have on average lasted 5 years but can be as short as 2 years or as long as 11 years. During those bull runs, the average annual returns have been about 21% but have been between 14% and 36% annualized.

Bull and bear markets



SOURCE: S&P Dow Jones Indices

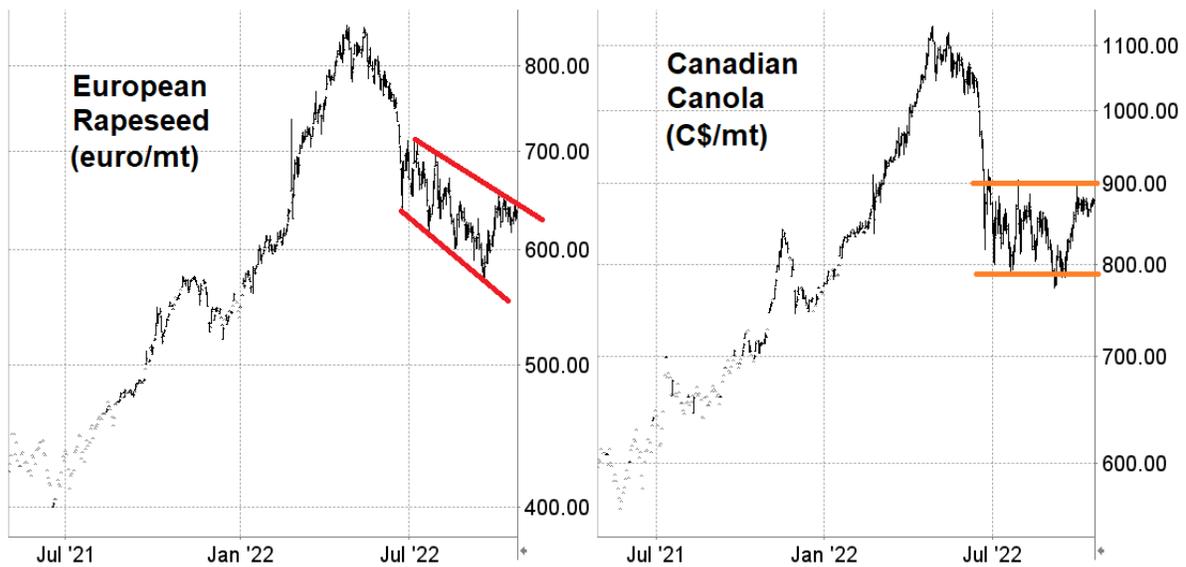
As always, history is a guide, not a guarantee and rising interest rates can make for a different investing environment. So, will the stock market downturn continue? Have we reached a bottom? Will it ultimately take one, two or three years to recover? How long will the next bull market last. For investment management and long-term planning, connect with me at 844-982-0011 or commodity-options.ca.

Things that make you go hmmm... - October 24, 2022

Some things just jump out at you as being interesting and worthy of further investigation. One such thing was a Reuters article this week called: "France set for rare rapeseed export to the United States".

The article noted that "France is set to export about 40,000 tonnes of rapeseed to the United States in an unusual shipment for the oilseed. France is one of the European Union's largest rapeseed producers but rarely exports beyond the region."

The article goes on to say "It is unclear what prompted the planned shipment of French rapeseed to the United States. It may reflect ample supplies in France and the EU after a bigger than expected harvest and strong early-season imports, and niche U.S. demand for non-genetically modified oilseed." Perhaps futures market can help explain this: domestic Canadian canola futures prices have been in a sideways range for the past three months. Meanwhile European rapeseed futures are down 12%.



Bottom line, maybe US buyers want to access cheaper, more globally diverse rapeseed supplies or was it just a one-off occurrence. Either way, it's something to track going forward. For commodity analysis and farm hedging strategies, connect with me at 844-982-0011 or commodity-options.ca.

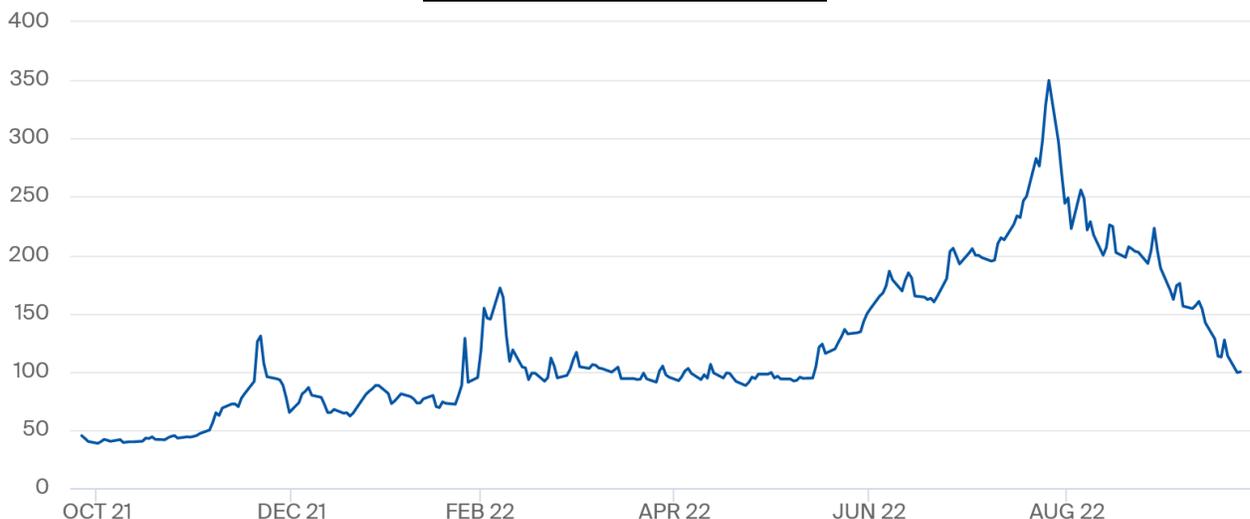
The cure for high prices is... high prices – October 31, 2022

It is often said that the cure for high prices is... high prices. Following a global price disruption caused by war, coordinated government energy or interest rate policy change, or a major financial bubble, commodities can undergo a significant shift higher.

As prices reach previously unheard of levels, it marshals the collective global resources, human ingenuity and profit seeking behavior to deliver that commodity at those high prices. And voila, you have the cure for high prices.

A great example of this was the surge in European natural gas prices as a result of the Russian-Ukraine war. Recently, however, there were 35 backlogged liquefied natural gas floating storage tankers circling the LNG terminals in Spain, with potentially dozens more, just waiting to unload their liquid gold since plants are already at maximum capacity. Dutch natural gas futures are now down 70% from their highs in August.

Dutch Natural Gas Futures



Bottom line, grain prices were also similarly influenced by Russian invasion panic-induced buying last spring and have been drifting lower, but wheat jumped 4% to start this week because Russia backed out of the Black Sea grain corridor deal this past weekend. Where will grain prices go from here? For commodity analysis and farm hedging strategies, connect with me at 844-982-0011 or commodity-options.ca.

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