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After writing about the economy, stock markets and whiskey yesterday, today's Daily Report is a rather brief and perfunctory summary of the first post-Morneau government program which both extends CERB for another month and eases EI eligibility as part of a \$37 Billion (as in Million, but with a 'B'). Read [<here>](#) The Trudeau Liberals are clearly worried that withdrawing government assistance too early will cause the economy to reverse its preliminary steps towards recovery. Of course a month from now little will have changed, other than every Canadian taxpayer will be on the hook for another thousand bucks each. More, what is clear is that the government's strategy of propping up the economy through deficit financing must come to an end sooner than later, so a 30 day reprieve is simply delaying the inevitable.



That said, governments (even minority ones that shutter Parliament and then prorogue it altogether) are there to make decisions and the Liberals have made this one. The decisions that follow though are far more important because they will have to deal with the economy in real terms. This will be a challenge, made only harder by what does -or does not, transpire south of the border. The Republicans and Democrats are locked in a scorpion-like death struggle to advance their own agendas and economic stimulus packages based on their political calculations. So far, neither Party has been able to win enough support to do so.

The U.S. election, U.S.-China trade relations, inflation, interest rates, consumer sentiment and government support programs are just some of the factors in the equation that will determine the direction the global economy will take over the course of the balance of the year. Our view is that, absent of a vaccine until some point in 2021, the economy will continue to recover, albeit more slowly -particularly on the employment front. This will have an effect on consumer spending, which is the ultimate driver of global GDP. The arrival of a vaccine however is expected to produce a massive stimulus to the economy, dwarfing all previous efforts by governments. Consumer and Investor sentiment is critical to what happens in the real economy, and good news has a way of translating into good outcomes.

So have a read through the Globe & Mail article as you're heading into your weekend and I wish all of you a good one with family and friends!

Be safe, be well!

Martin
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