



It been good five days in the Markets this week, and global equities edged towards record highs on Friday after U.S. President Joe Biden embraced a bipartisan Senate infrastructure deal. The deal raises hopes for an extended rebound in the world's largest economy, boosting the prices of oil on expected higher demand.

Investors have been looking to an infrastructure agreement to extend the U.S. recovery after massive fiscal stimulus helped the U.S. economy grow at a 6.4% annualized rate in the first quarter of this year. The plan is valued at \$1.2 trillion over eight years. The positive market tone recognizes the potential growth benefits of the compromise, with the smaller size tempering some of the tax implications to pay for it.

European stocks rose 0.1% overnight following a 0.6% gain for US stocks Thursday, and the MSCI all-country index rose 0.13%, nearing a record high reached on June 15th. For the week, equity markets rose an impressive 2%, meaning that June 30th mid-year portfolio statements will look decidedly good.

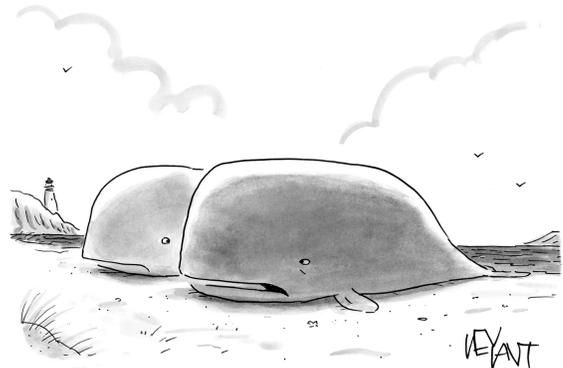
Monetary and fiscal stimulus around the world in response to the Covid-19 pandemic is boosting financial sets, despite an uneven pace of recovery between regions. Both bonds and equities have moved up, underscoring that this is very much a liquidity-driven market.

Inflation is higher, with the core personal consumption index -an inflation gauge tracked closely by the Federal Reserve- expected to post year-on-year gains of 3.4% later today. We remain of the view that inflation is temporary and inflationary pressures will subside as post-pandemic spending tempers in the second half of 2022.

So good news on the Market front, and I look forward to speaking with you next month to review your June 30th mid-year statement. It will be emailed to you, accompanied by the First Capital Financial Quarterly Report which summarizes what's happened in the first half of the year, and provide guidance as to what we expect to see in the second half.

Be safe, be well!

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"It's hard to totally relax when you know in a few days you'll be dragged back to work."