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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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## **How have currencies done so far this year? – December 7, 2020**

Last week we saw how commodities have performed so far in 2020, this week we'll look at currencies.

Overall, the US Dollar Index is down about 6% this year but like every other market this year, there have been a lot of fluctuations. At one point, however, during the height of the COVID induced turmoil in March, the US dollar index had jumped by as much as 8%

The Swiss franc, a perennial safe haven, and the euro, the biggest alternative to the US\$, are now both higher by about 9%. Meanwhile, the British pound, with its lingering Brexit issues, and the Japanese yen have risen only around 3%.

Moving to the Asian region, the China yuan, Australian and New Zealand dollar are all up 6%.

A couple of notable standouts are the Russian ruble and the Brazilian real, both have collapsed in the neighborhood of 25%.

Finally, how about our loonie? It's up only about 1% in 2020.

Bottom line, to help manage all sorts of currency market environments using options and futures hedging tools, connect with me at 844-982-0011 or [commodity-options.ca](http://commodity-options.ca).

## **How have stock markets done so far this year? – December 14, 2020**

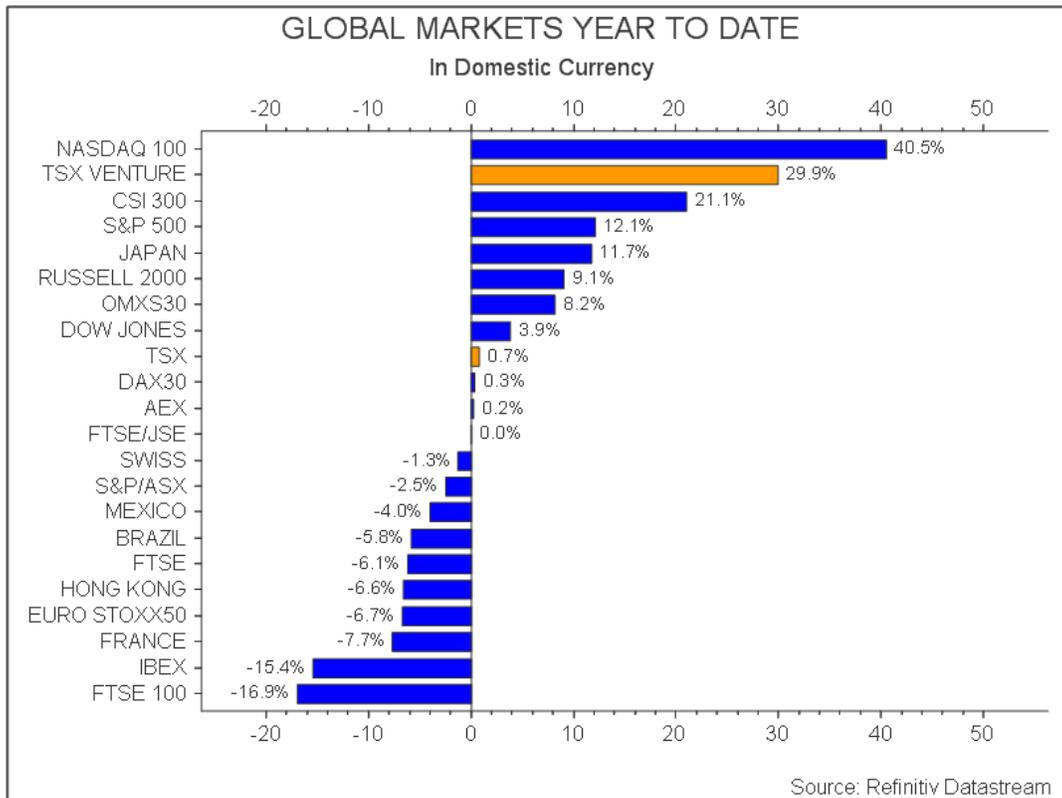
In the third in a series of market reviews, this week, we'll look at what stocks have done so far in 2020.

Overall, the global broad-based World Stock Market Index is up about 7% but at one point had plummeted 25% this year.

There's been a wide variability of performance between stock markets around the world. Amongst the larger industrialized economic regions, the US is up about 15% and Asia-Pacific markets are up on average about 15%. Meanwhile Europe is still down 6% and South & Latin American stocks markets are down about 15%.

How about Canada? The Toronto Stock Exchange index is up only about 3% so far in 2020.

Likewise, some industries and sectors have done better than others. Technology stocks were one of the clear winners this year while energy stocks as well as the obvious airline and cruise line companies are all still down around 30%.



Bottom line, as we come to a close on a very volatile year, most investments have recouped a lot of the losses experienced at the peak of the COVID panic. For market analysis and investment portfolio management for you or your business, connect with me at 844-982-0011 or [commodity-options.ca](http://commodity-options.ca).

### **Interest Rate Review 2020 – December 21, 2020**

No review of the markets would be complete without a look at interest rates in this fourth segment in a special year-end series.

Government bond rates around the globe touched some amazing lows in 2020.

Currently, almost every country in the European Union has negative bond rates and so does Japan.

Five year rates in Canada and the US are still hovering below the half a percent level that began at the height of the COVID concerns. At the same time, high-yield corporate bond investment rates are now about 5%. In Canada, our prime lending rate that started the year at 4% is now 2.5%.

Bottom line, negative, zero and near-zero government borrowing rates around the world are so low they are almost meaningless. But, in fact, there is a lot of meaning in those low rates. It means things are far from normal. We don't know exactly how interest rate trends will evolve nor what the consequences will be and while it can't stay this way forever, this period of low rates could be with us for a long time to come.

## **Economic Review – December 28, 2020**

The gross domestic product, also known as the GDP, is an economic measure of the market value of all the final goods and services produced by a region or country over the course of a year.

For the world as a whole, global GDP was negative 4.5% in 2020 because of the social and economic impact of the COVID. However, some countries and regions performed better than others.

Europe was the hardest hit area with the major economies of Italy, France and Britain all down around 10%. Even Germany, one of the strongest of the large economies in Europe was still down about 6% in 2020.

Throughout North and South America, Canada is down around 7% but the US is off by only about 4%. Mexico dropped almost 9% while Brazil fell by only 6%.

The Asian region performed better than the others and of all the largest economies around the world, only China squeezed out positive growth with its GDP up almost 2%.

That's it for this year so for bottom line market analysis, commodity hedging strategies and investment portfolio management for you or your business, connect with me at 844-982-0011 or [commodity-options.ca](http://commodity-options.ca).

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