THE MARKET PULSE

APRIL 2024

After posting a rather robust March, investment markets signaled caution in April, with most equity markets tumbling while many commodities defensively flexed their muscle. That should hardly be a surprise as geopolitical tensions continue to rise with Iran's strike against Israeli targets.

I know what you're thinking – not another morose commentary. That most certainly is not the intention. Experience has taught well that keeping a constant despondent posture is no way to bring about positive investment performance. That said, another sure way to fall behind the curve is to insert one's head in the sand and simply swallow what is being fed by conventional narratives. "Market go up" is not an investment strategy, especially in times of market corrections or bear markets. How would you feel if your concerns at such times were met with a simple "market go up" response? I prefer being realistic.

For those willing to fairly search out pragmatic information and varying assessments, it may surprise some that the dig isn't that deep these days, as even prominent institutions and individuals are raising red flags. For instance, in early April, JPMorgan Chase CEO Jamie Dimon sounded off his fears:

> "The nation's most influential banker…told investors Monday that he continues to expect the U.S. economy to be resilient and grow this year. But he worries geopolitical events including the war in Ukraine and the Israel-Hamas ware, as well as U.S. political polarization, might be creating an environment that 'may very well be creating risks that could eclipse anything since World War II'."[1.]

While one could not be faulted for latching on to and cheering Mr. Dimon's positive note about the U.S. economy, he urges caution later in his letter:

> "It is important to note that the economy is being fuels by large amounts of government deficit spending and past stimulus…This may lead to stickier inflation and higher rates than markets expect." [2.]

A week later, the International Monetary Fund (IMF) issued its own warning:

> "The exceptional recent performance of the United States is certainly impressive and a major driver of global growth…But it reflects strong demand factors as well, including a fiscal stance that is out of line with long-term fiscal sustainability…Something will have to give." [3.]

Then, on April 20th, Seeking Alpha made an astute observation in its weekly "Wall Street Breakfast" email:

> "The much-awaited Fed pivot materialized, but it **wasn't what investors had been** expecting. The change was supposed to signal that the central bank finally reversed course on its contractionary monetary policy path, which has been in place since March 2022, but policymakers are now formally taking a step back from those forecasts following three consecutive months of stronger-than-expected inflation readings. 'The recent data have clearly not given us greater confidence and instead indicate that it's likely to take longer than expected to achieve that confidence,' [Fed Chair] Powell said at an event at the Wilson Center in Washington, D.C." [emphasis added]

An eventful month, to say the least. No doubt it has sparked an interest in better understanding how these observations may have impacted the markets and how they could apply to your investment portfolio. Our Market Connection, available only to Pinnacle Sovereign Investments of ACPI clients, provided excellent points for such consideration. But you can also learn more by reaching out to us for an informal conversation about your investment portfolio and how Pinnacle Sovereign Investments of ACPI may be a better steward in achieving your life's ambitions.

All My Best,

Adrian Harasymiw
Investment Advisor

QUOTE OF THE MONTH
"You learn only from your losses, not your gains."
~ Anonymous

1. www.theglobeandmail.com/investing/article-jpmorgan-ceo-jamie-dimon-hails-us-economic-power-in-policy-focused/
2. reports.jpmorganchase.com/investor-relations/2023/ar-ceo-letters.htm
3. finance.yahoo.com/news/imf-steps-warning-us-over-130000253.html

10-YEAR BOND YIELDS	April 2024	March 2024	Quarter 1 2024	Year-to-Date 2024
Canada	9.75%	-0.72%	7.40%	18.22%
U.S.	11.52%	-1.13%	8.79%	21.16%
Switzerland	-0.79%	-20.43%	-16.25%	-6.13%
Japan	16.49%	3.95%	18.90%	40.39%

MAJOR STOCK INDICES	April 2024	March 2024	Quarter 1 2024	Year-to-Date 2024
S&P/TSX (Canada)	-2.13%	3.61%	6.04%	3.88%
DOW (U.S.)	-5.00%	2.10%	5.97%	0.66%
S&P 500 (U.S.)	-4.23%	3.06%	10.73%	6.12%
Nasdaq (U.S.)	-4.60%	1.03%	9.52%	4.64%
NYSE (U.S.)	-3.87%	4.01%	8.66%	4.45%
FTSE 100 (U.K.)	2.41%	4.23%	2.84%	5.31%
Euro Stoxx 50 (EUR)	-3.45%	3.99%	12.25%	8.67%
Nikkei 225 (Japan)	-5.51%	2.84%	21.62%	15.70%
Shanghai (China)	1.83%	0.91%	2.30%	4.44%

MAJOR COMMODITIES	April 2024	March 2024	Quarter 1 2024	Year-to-Date 2024
Gold (USD)	1.93%	9.04%	7.99%	11.11%
Silver (USD)	6.03%	8.87%	3.62%	10.85%
WTI Crude Oil	-1.46%	6.25%	15.98%	14.25%
Natural Gas	12.75%	-4.59%	-32.12%	-23.46%
Uranium	3.15%	-6.43%	-3.98%	-1.85%
Wheat	7.33%	-2.57%	-10.88%	-4.04%
Cotton	-14.25%	-8.16%	13.00%	-2.91%

OTHER	April 2024	March 2024	Quarter 1 2024	Year-to-Date 2024
USD Index	1.74%	0.38%	3.10%	4.86%
CAD/USD	-1.68%	0.26%	-2.16%	-3.80%
Bitcoin	-14.87%	16.60%	68.60%	43.53%
Ethereum	-17.26%	9.11%	59.74%	32.02%
VIX	14.92%	-2.55%	-1.66%	18.31%

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High Interest Savings Fund: 4.70% (net)

1-Year GIC: 5.13% (net)