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## Market Review

December 14, 2020

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### Market Commentary

Stock markets continue to climb higher reflecting an increasingly brighter economic outlook next year. COVID-19 vaccine distribution is now beginning with health experts predicating widespread availability to the general population sometime next spring. The successful development of additional vaccines will supplement accessible vaccine supply.

The resurgence of the virus in many countries accompanied by renewed containment measures suggests a moderation in economic growth over the near-term. This temporary slowing is cushioned by the extension of government assistance programs which are expected to remain in place until the employment situation in distressed service industries improve.

Over the medium and longer-term, a return to economic normalcy means an improving labour market as well as a business cycle and profit recovery. The year-over-year comparisons, especially in the latter half of next year will be extremely positive particularly for those industries currently suffering from mobility restrictions.

With sentiment indicators near extreme bullish levels, pullbacks are inevitable especially given escalating pandemic worries over the short-term. The Georgia Senate run-off election on January 5 remains another risk. Nonetheless, against a backdrop of a recovering global economy, an extremely accommodative monetary policy and declining volatility, sustainable upside for equities is expected next year.