**April XX, 2022**

Dear Client,

Russia-Ukraine tensions, oil prices, inflation, supply chain disruptions and central bank policy continued to be top of mind for investors in March. Here’s a summary of the notable events that steered the markets.

**COVID-19 and market developments**

* U.S., Canadian and global equities posted gains in March but were mixed YTD with U.S. and global stocks in the red while the energy-rich TSX Composite Index benefited from the market turbulence.
* In bond markets, U.S. and Canadian yields rose on expectations of more, larger rate hikes. The yield curve continued flattening, reflecting tighter Fed policy and forecasts for slower economic growth.
* Pressured by supply chain chaos and the Russia-Ukraine conflict, oil soared to US$110 a barrel, before falling on news the U.S. would release millions of barrels of its reserves to help ease prices.
* Ontario lifted its COVID-19 mask mandates for most public spaces including shops, schools, bars and gyms. Face-covering will continue for public transit, hospitals and LTC homes until end of April.
* Accounting and auditing giant Deloitte became the first major corporation to end its mandatory COVID-19 vaccination policy and masking in offices for Canadian employees.
* Canada and the U.K. began talks on creating a comprehensive free-trade agreement, committing to concluding negotiations relatively quickly and having an agreed upon plan in place soon.
* U.S. inflation climbed to 7.9%, another 40 year-high, on rising energy, food and housing costs and is expected to increase further due to the Russia-Ukraine conflict. Fed chair Powell said “inflation is much too high” and it might be appropriate to raise rates more aggressively to get inflation under control. The Fed hiked rates from near zero to 0.25%, its first increase in three years and signalled six more hikes by year end. Powell noted the Fed was ready to make 0.50% hikes if required.
* In Canada, inflation surged to 5.7%, its highest level since 1991, again off the back of rising prices. According to Statistics Canada, housing costs in particular rose at the fastest pace since 1983. The Bank of Canada also raised rates 0.25% to 0.50% for the first time since the pandemic began. BoC governor Macklem said the economy was now ready to adjust to a normal, higher interest rate setting.

**How does this affect my investments?**

After a stressful start to 2022, there were signs in March that markets are rebounding. More rate hikes are coming to combat inflation, which will likely remain high in Q2, but should cool later in the year as supply chains normalize, prices ease and hopefully peace is restored in Ukraine. After the record breaking double digit returns of 2021 it’s inevitable the pace of growth will be slower this year. However, economic fundamentals and corporate earnings remain healthy and the post-pandemic recovery continues.

*The information in this letter is derived from various sources, including CI Global Asset Management, CI Financial, Globe and Mail, Daily Mail, Toronto Sun, National Post, Wall Street Journal, Bank of Canada, Bloomberg, Reuters, Marketwatch, MSN.com, CNBC.com, and Statistics Canada as at various dates. This material is provided for general information and is subject to change without notice. Every effort has been made to compile this material from reliable sources and reasonable steps have been taken to ensure their accuracy. Market conditions may change which may impact the information contained in this document. Before acting on any of the above, please contact me for individual financial advice based on your personal circumstances.*