*July 3 client comfort letter (general)*

*July 3, 2020*

[Date]

Dear Client,

I trust that all is well with you and your family. Below you will find a summary of this week’s market developments and some associated thoughts.

**Market developments**

* In a shortened week, North American equity markets rebounded from last week’s decline, weighing positive vaccine data from Pfizer and BioNTech against growing COVID-19 outbreaks in the U.S.
* More than 50% of states decided to halt or reverse their reopening plans, as health officials expressed concerns about the continued spread of the coronavirus. Dr. Anthony Fauci, Director of the U.S. National Institute of Allergy and Infectious Diseases, stated that he “would not be surprised” to see the daily number of new cases rise to 100,000 from the current 40,000. Dr. Anne Schuchat, Principal Deputy Director of the Centers for Disease Control and Prevention, said the pandemic is out of control and that “This is really the beginning.”
* U.S. Federal Reserve (Fed) Chairman Jay Powell told Congress that businesses around the country opened sooner than central bank officials expected, leading to a rebound in some economic activity, but highlighted the challenge in keeping the virus in check.
* During the same testimony, U.S. Treasury Secretary Steven Mnuchin stated the Trump administration’s goal is to pass another round of fiscal stimulus by the end of July. The U.S. House of Representatives passed a $1.5 trillion infrastructure package earlier in the week.
* Statistics Canada announced that real gross domestic product (GDP) by industry decreased 11.6% in April, and that building permits issued by Canadian municipalities bounced back 20.2% in May, following declines of 13.4% in March and 15.4% in April.
* U.S. jobs increased by 4.8 million in June, while weekly jobless claims totalled 1.4 million. Given the re-shuttering of activity in some regions, the July figures may see a reversal of the May and June gains.

**How does this affect my investments?**

The next few weeks may prove pivotal as to how the market reacts both to the surge of COVID-19 cases in the U.S. and the new government economic stimulus measures. While Canada seems to have contained its outbreak for the time being, how its southern neighbour handles the situation will have a significant impact on the country.

So far, the Fed has proven it is willing to use all of the tools at its disposal to mitigate the economic threats of the virus, and the markets’ strong recovery from their March lows are evidence of that. However, we cannot be sure that this support will have the same effect going forward as the pandemic escalates in the U.S. This is why it is important not to deviate from our plan, which was built to handle markets’ ups and downs.

I am always happy to discuss your investment plans. Please do not hesitate to contact me at (xxx) xxx-xxxx.

Sincerely,

**Financial Advisor Name**

Sources: CI Investments Inc., marketwatch.com, cnbc.com, statnews.com, the Financial Times, The New York Times, Bloomberg Finance L.P., and globalnews.ca