**June 2022 Client Letter *template (general)*June XX, 2022**Dear Client, Lingering inflation, tightening central bank policy, high oil prices and geopolitical tensions remained top of mind for investors in May. Here’s a summary of the notable events that steered the markets.  
  
**Market developments**

* After seven straight weeks of collective declines, U.S., Canadian and global equities rebounded in the last week of May, with the S&P500 Index in particular notching its best results since November 2020.
* U.S. and Canadian bond yields continued to rise, but at a slower pace than previous months, possibly indicating the current pullback captures most of the downside andmarket**s** are beginning to stabilize.
* Like recent months, tech stocks and cryptos were a drag on U.S. markets and spilled over globally, however, in Canada a raft of big banks and insurers posted strong earnings and increased dividends.
* Oil hit a two-month high, mainly due to sanctions on Russian imports and China ending its COVID-19 lockdown. Saudi oil giant Aramco also eclipsed Apple as the world’s most valuable company.
* There were a number of positive North American economic indicators during the month. The jobless rate in the U.S. and Canada remained low, U.S. retail sales grew and Canadian housing prices cooled.
* The G7 finance ministers met in Germany and agreed to work closely to combat inflation, monitor markets and exchange rates given recent volatility as well as called for faster crypto regulations*.*
* Australia’s central bank raised rates for the first time in a decade while the Bank of England hiked rates for the fourth time since December 2021, after U.K. inflation rose to 9%, the highest in the G7.
* U.S. inflation moderated from 8.5% to 8.3%, breaking a seven month streak of monthly increases, which President Biden called “heartening”. However, both food and energy prices continued to spike. As Fed chair Powell indicated last month, the Fed hiked rates by 0.50%, at its May meeting, the biggest hike since 2000. Powell said the Fed is determined to “keep pushing” until inflation comes down. Powell also confirmed the Fed will begin shrinking its asset portfolio of bond holdings in June.
* Canadian inflation increased fractionally, from 6.7% to 6.8%, though still a 31-year high, mainly due to food prices. Statistics Canada reported the cost of most groceries rose including fruit, vegetables, meat and grains. The Bank of Canada took a rare step of providing interest rate guidance. After raising rates 50 basis points in April, the bank is considering another 0.5% hike at its June 1 meeting.

**How does this affect my investments?**  
  
This year has been a bumpy ride so far as we’ve experienced a market correction with valuations repriced for higher interest rates. Despite the volatility, there is a silver lining. Although still stubbornly high, the early signs are inflation is peaking and will likely ease gradually in the second half of 2022. Economic fundamentals such as consumer demand, wage growth, the job market and corporate earnings remain healthy. It will take time to recoup recent losses but investors should feel optimistic over the long-term.

Regardless of where we are in the market cycle, it’s important to take a disciplined approach to investing and stay focused on your long-term financial goals. This strategy helps you keep your emotions out of investing, typically buying high and selling low like many investors do. Ongoing monitoring and reviewing of your portfolio also ensures it remains on track.  
  
We are here to support you in achieving your financial goals. Please do not hesitate to contact us.

*The information in this letter is derived from various sources, including CI Global Asset Management, National Post, US Treasury Dept, Bank of Canada, Bloomberg, Reuters, Globe and Mail, Wall Street Journal, Marketwatch, Daily Mail, Investment Executive, Advisor.ca, Toronto Sun, Al Jazeera, USnews.com, Coindesk.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.*

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