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# MARKET WATCH

**David Derwin – Portfolio Manager & Investment Advisor  
PI Financial Corp.**

Connect at [www.Commodity-Options.ca](http://www.Commodity-Options.ca) or 1-844-982-0011

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Below are excerpts from my weekly Market Watch radio spots.  
Market Watch is broadcast on over two dozen radio stations across Western Canada.

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*“Anyone can give up – it’s the easiest thing in the world to do.  
But to hold it together when the rest of the world falls apart... that’s true strength.”  
– Smithers J. Patrick III, British Industrialist*

## **Commodities Review 2022 – December 5, 2022**

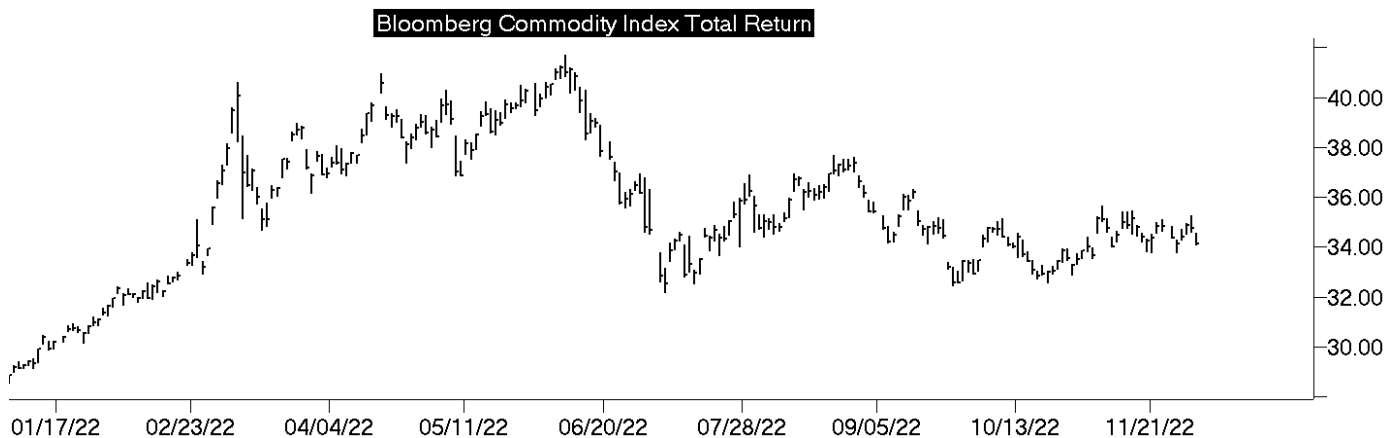
As we count down to the end of the year, we'll review all the major market groups. To begin, commodity futures have had a very volatile year. Oil has far-reaching influence on almost all other commodities because of its impact on power generation, transportation, manufacturing and food, via ethanol and biofuels, as well as its position as a very sensitive geopolitical commodity. It rose dramatically from under \$70/barrel at the beginning of the year to almost \$120 following the Russian invasion of Ukraine. It's now barely holding above \$80.

Major crops like canola, wheat corn and soybeans traded in a similar way; rising almost 50% as a group but now up only around 10%.

Metals followed a similar path too; an index of important industrial metals like aluminum & copper jumped up 22% following the invasion but now is actually down 12%.

Finally, livestock like feeders, full-weight cattle and hogs futures were much more stable, up about 5% coming into the end of the year.

Bottom line, keep an especially close eye on crude oil, the king of all commodities, as we head in to the New Year. For global market analysis and financial strategies, connect with me at 844-982-0011 or [commodity-options.ca](http://commodity-options.ca).



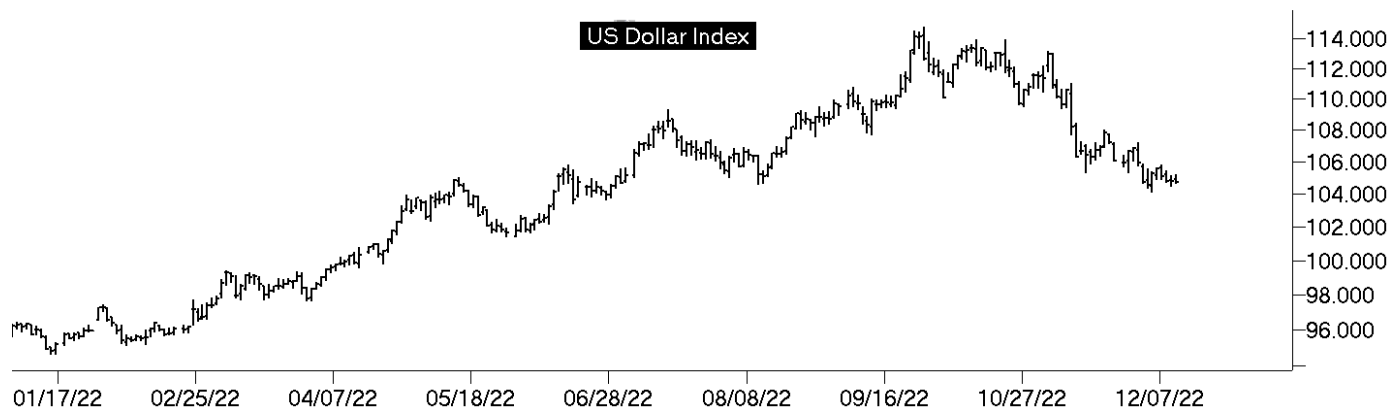
## Foreign Exchange Review 2022 – December 12, 2022

Last week we saw just how volatile commodities were in 2022. This week we'll turn our attention to currencies.

As the effects of inflation, rising interest rates and war spread around the world, the US dollar came out on top of almost all other currencies. It's up 10% compared to a basket of major currencies. In particular, the British pound, the Euro, and the Chinese yuan are down around 10% but the Japanese yen has fallen almost 20%. Meanwhile the commodity-driven currencies of Australia, New Zealand and Canada are all off about 7%.

Surprisingly enough, the US dollar is actually down against the one currency that you would think would have been hit the hardest: the Russian Ruble. Despite the cost of war, economic sanctions and trade barriers against Russia, their Ruble is up 17%. Another example of "never say never" when it comes to the markets.

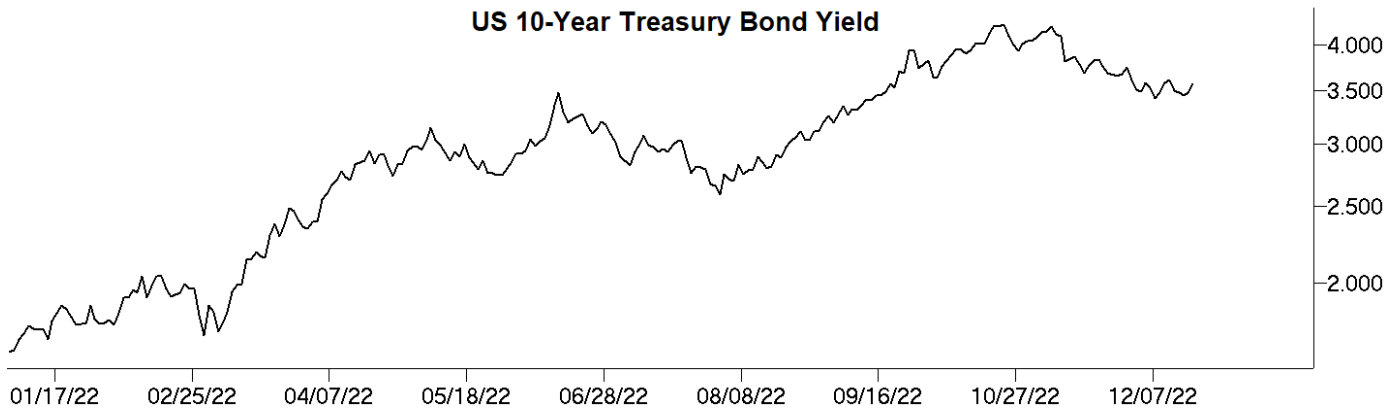
Bottom line, the US dollar has been steadily moving higher for most of the year and the uptrend is still in place, for now. For global market analysis and financial strategies, connect with me at 844-982-0011 or [commodity-options.ca](http://commodity-options.ca).



## Interest Rate Review 2022 – December 19, 2022

With Canadian and US central banks done with their last meetings for the year, let's review what interest rates did over the past year. Since the beginning of the year, the Bank of Canada has increased short-term interest rates 4%, from 0.25% to 4.25%. At the same time, the US Federal Reserve hiked their rates by 4.25% from essentially zero to around 4.25%.

While central bank and short-term rates have been rising, longer rates determined by the daily trading activity of the bond market are telling a bit of a different story. Although ten-year bond rates in Canada and the US had been rising for most of the year, they have recently fallen from their highs, despite central bank hikes. As a result, the difference between short term rates and long-term rates remains upside down. Normally, long-term rates are higher than short-term so in this current inverted scenario with short rates higher, decades of history suggest we could enter a recession in the New Year.



Bottom line, short-term rates have been going higher but long-term rates are drifting lower, leaving mixed market signals going forward. For global market analysis and financial strategies, connect with me at 844-982-0011 or commodity-options.ca.

### Stock Market Review 2022 – December 26, 2022

For global stock markets, not even the traditional Santa Claus rally that usually comes in late December could have made a difference this year. Equities worldwide have trended lower since the opening bell of the first trading day in January. US and European markets are set to be down 20% and 10%, respectively, with an index of global shares down around 20% as well. Canada did fairly well, down only about 10%, because of our heavy concentration of energy company shares.



Overall, though, combined with rising interest rates and therefore falling bond values, it was one of the worst years in the past century for a standard 60% stocks and 40% bond portfolio. As a result, typical investment holdings could be down around 20% for the year.

Bottom line, the seasonal positive stock market pattern that usually runs from October to May has not yet materialized so next year could be another different year, filled with swings both up and down. For investment management and financial planning strategies, connect with me at 844-982-0011 or [commodity-options.ca](http://commodity-options.ca).

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