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THE POSITIVE NOVEMBER RALLY MAY GIVE WAY TO A MINOR CORRECTION.

Firstly, I would like to thank all of you who replied to my last Market Comment about "30,000 to 100,000". Most of the comments centered on "I hope I will be there to enjoy it"!

The **Long-Term** outlook is unchanged. The bull market that commenced in 2009 should continue through 2021 and probably longer. We will comment on this in our next Market Comment in early January.

The **Medium-Term** outlook looks back to the markets behavior between the end of October and last Friday. During this 40-day period, the S&P 500 (SPX) appreciated 15%, the DOW (DJI) 14%, the NASDAQ 17%. Toronto (TSX) kept pace as it rose 15%.

Our technical indicators kept pace with the rise: the Advance/Decline Index for New York rose from -70 to +115, the Up-Volume/Down-Volume Index moved from -150 to +500. In Toronto the readings for these same Indicators were -200 to +200 and -20 to +25 respectively. The number of stocks hitting new 52-week highs expended in both countries. The percentage of stocks above their respective 10-week Moving Averages rose to 87.5% and the Bulls out-numbered the Bears by 64-to-17 (courtesy of Investors Intelligence).

The FAANG stocks, except for Alphabet (GOOG), stayed relatively unchanged. Other stocks such as Disney (DIS), General Motors (GM) and Nike (NKE) in Consumer Discretionary; Colgate-Palmolive (CL), Philip Morris (PM) and Rite Aid (RAD) in Staples; Chevron (CVX), Exxon (XOM) and Haliburton (HAL) in the Energy; Deere (DE), FedEx

(FDX) and Honeywell (HON) in Industrials; Citigroup (C), JPMorgan (JPM) and Morgan Stanley (MS) in Financials; Applied Materials (AMAT), Cisco (CSCO), Seagate (STX) and Unisys (UIS) in Info.Tech.; and Cleveland-Cliffs (CLF), Freeport-McMoRan (FCX), International Paper (IP) and United States Steel (X) in Materials, had similar upside moves.

In Toronto, Gildan (GIL), Linamar (LNR) and Magna (MG); Maple Leaf Foods (MFI) and Saputo (SAP); Cdn Resources Natural (CNQ) and Suncor (SU); all the Banks; ATS Automation (ATA), Finning (FTT) and Transcontinental (TCL.A); CCL Ind. (CCL.B), Canfor (CFP) and Methanex (MX) mirrored the rises in New York.

Gold (\$1849.90) rose from \$1,451 in March to \$2,082 in August and has been in a corrective pattern that reached a low of \$1,767 on November 30th. The decline reached the exact 1/2 correction level of the March-August rise and brought Gold precisely to its rising 200-day Moving Average. This coincidence suggests that a price turn-around should be close.

Conclusion

The market rise from the end of October to last Friday has been aggressive and finds the Indices quite above their respective 50-day and 200-day Moving Averages. This could result in a minor corrective move. A one-third pull-back for the SPX may see it at 3550 and Toronto at 16,920. Similarly, the securities mentioned above may also experience a one third correction of their recent rise, providing excellent entry points.

Best wishes for the holidays and a Happy New Year to all.

S&P 500



S&P/TSX Composite Index



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