

March 2022 - BLOG 1

Is anybody out there? Please let me know if you are reading this, feel free to send me an e-mail to brahm.satov@cibc.com.

I have been saying for many months that we are likely going to be in for a period of higher than normal volatility. If we were in an airplane, I'd say much like flying through really rough weather with lots of air pockets. The reason for this is due to higher interest rates, the likely shrinking of central bank balance sheets (less liquidity) and heightened uncertainty due to war as well as the new Covid variant, BA.2. The equity markets, do not like uncertainty or tighter monetary or fiscal policy. Soft landings are like the Northern Lights, you hear about them happening, may have seen pictures, they are beautiful, but in truth they are very rare. The alternative of a soft landing, is obviously a hard one, and if this turns out to be the case, then it would be reasonable for stock markets to have a correction. I wrote a newsletter recently, "[Better Too Early than Too Late](#)". I meant it, as I said in the newsletter, I do not expect a severe correction imminently, but the possibility of one has been rising, and perhaps investors should consider adjusting their portfolios accordingly.