



It Looks Like This Wild Stock Market Is Here to Stay

Description

People should come to terms with the new life model and learn to coexist with the novel COVID-19. For example, the Japanese government is advocating a model on how to live and work while COVID-19 is still in our midst. The country is basing the model on the principles of rationality, science, and risk assessment.

In the same light, investors should expect the [wild stock market](#) to persist for an indefinite period. However, the uncertainty will not stem from COVID-19 alone, although it is still the preeminent threat. If you can't accept the volatility, stay away from the market.

WHO warning

On July 13, 2020, the World Health Organization (WHO) Chief Tedros Adhanom Ghebreyesus said, "If public health guidelines are not followed, the crisis will get worse and worse and worse." The WHO chief is alluding to governments around the world that are bungling their response to the pandemic.

Some countries that were lifting lockdown measures are now witnessing a resurgence of COVID-19. It indicates that people do not follow the proven methods (physical distancing, handwashing and wearing masks) to reduce the risk of contracting the deadly virus.

Major political event

A major political event this year may affect global financial markets. The U.S. presidential elections will take place on Tuesday, November 3, 2020. Incumbent Donald Trump is the Republican candidate who is running for re-election. He will know his opponent after the Democratic party's national convention on July 16, 2020.

Regarding the impact on stock markets, volatility is typically higher during election years than in non-election years. Markets often reprice the probability of the next administration's policies. Interestingly, markets tend to react more positively post-election if a Republican president wins because they view

the party's policies as [market-friendly](#).

Health is wealth

The stock market will be wild and woolly, but it doesn't mean there won't be investment opportunities. **Jamieson Wellness** ([TSX:JWEL](#)) should continue to skyrocket. The reason is apparent as this \$1.39 billion company manufactures, distributes, and sells natural health products. Also, Health and wellness are the primary concerns today.

In Q1 2020 (quarter ended March 31, 2020), Jamieson's revenue and adjusted net income grew by 16.5% (to \$84.5 million) and 20.6% (to \$7.8 million), respectively, versus Q1 2019. The revenue from Jamieson Brands surged by 24.5%, combined sales in Canada and international markets.

This consumer-defensive stock is outperforming the general market with its 37.5% year-to-date gain. The current stock price is \$35.52, while the dividend yield is a modest 1.21%. Analysts covering the stock recommend a buy rating. They forecast the price to climb to \$38 within a year.

Jamieson Wellness is not adjusting its business outlook for fiscal 2020. Management anticipates ending the year within a net revenue range of \$364 to \$376 million or growth of 5.5% to 9.0%.

Market influences

COVID-19 is the greatest enemy. As long as it is around, the virus can disrupt market behaviour at any time. The U.S. elections will add some tension. But one thing is certain: the world will not return to the old normal.

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