

# HAC Update for January 18, 2021

	Gain % from January 11 to January 18
HAC	-0.8
S&P 500	-1.5
S&P/TSX 60™ Index	-0.6

Please visit <https://www.horizonsetfs.com/etf/HAC?tab=performance> for the complete historical performance of HAC.

## Portfolio Performance / Transactions/End of Week Holdings\*

Ticker	Week % Gain**	% Buy/Sell***	% End of Week Holdings****
XLK	-0.7	-4	0
HXT	-0.4	-5	50
HULC	-0.9		3
HXS	-0.9		15
HUG	-1.2	-2	3
HXEM	-0.4	2	8
GDX	-5.5	-2	2
HUZ	-2.7	-1	1
XLF	0.1		5
XLI	-1.3	2	2
HEWB	0.8	10	10
Cash			1

\* Transactions and End of Week Holdings are % of portfolio

\*\* Based on price from a sell/buy during the week where applicable

\*\*\* Buy/Sell may not be equal due to use of cash

\*\*\*\* Includes trades on last day of week

## Market/Portfolio Comments

Last week, the S&P 500 lost 1.5%. Thursday and Friday provided two days in a row of negative performance. This negative price action was despite the new administration announcing that they were going to introduce a new stimulus plan of \$1.9 trillion, higher than expected. There were some concerns that the full plan might not be implemented, but overall, the market reaction was probably the result

of investors anticipating the stimulus plan and then selling the news. The US banks unofficially kicked off earnings season last week and despite fairly good earnings, investors sold off the sector. This week more US banks release their earnings as the earnings season starts in earnest for many of the S&P 500 companies.

Last week the S&P/TSX 60 Index lost 0.6% and HAC lost 0.8%.

## Technology – (XLK) – Exited position

The technology sector has a strong historical seasonal period from December 15 to January 17. Last week, the technology sector underperformed the S&P 500. In the first part of the week the technology sector underperformed the S&P 500 and then towards the end of the week managed to outperform. Last week, HAC exited its position in the technology sector as it started to show weakness with its seasonal period ending shortly.

## Canadian Stock Market – (HXT) –

The Canadian stock market on a historical seasonal basis tends to perform well at this time of the year. Last week, the Canadian stock market outperformed the US stock market by a fairly large margin, mainly because of the energy sector's strong performance which has a larger impact on the Canadian stock market compared to the US. Last week, HAC decreased its position in the Canadian stock market in order to allocate funds into the Canadian banking sector.

## US Stock Market – (HULC/HXS) –

The US stock market is currently in its strong historical seasonal period.

## Gold – (HUG) – Decreased position

Gold bullion tends to put in a bottom on a historical seasonal basis sometime in November and December, before historically moving higher into the new year. On average, historically gold has started a strong seasonal period on December 27, which has lasted until late January. Last week, gold was negative, particularly on Friday, even as interest rates moved lower. Gold is starting to show weakness before the end of its seasonal period on January 26. Last week, HAC reduced its position in the gold sector.

## Gold Miners – (GDX) – Decreased position

Gold miners have a strong historical seasonal period from December 23 to February 14. Last week, the gold miners sector was negative, largely based upon gold's negative performance. Last week, HAC reduced its position in the gold miner's sector.



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## **Silver – (HUZ) – Decreased position**

Silver has a strong seasonal period that lasts from December 27 to February 22. Silver benefits from being a precious metal and an industrial metal. Over the last decade, silver has on average performed well starting in late December. Last week, silver was negative and underperformed the S&P 500. Last week, HAC decreased its position in the silver sector.

## **Emerging Markets – (HXEM) – Increased position**

The emerging markets sector tends to perform well on a historical seasonal basis from late November in to April. Last week, emerging markets outperformed the S&P 500. Last week, HAC increased its position in the emerging markets sector.

## **Canadian Banks – (HEWB) – Entered into a position**

Canadian banks have a strong seasonal period that lasts from January 23 to April 13. Canadian banks started to underperform the Canadian stock market in late November as they started to announce their fourth quarter earnings. Recently, Canadian banks have started to show increasing strength relative to the Canadian stock market just ahead of its next period of seasonal strength. Last week, HAC entered into a position in the Canadian banking sector.

## **Industrials – (XLI) – Entered into a position**

The industrial sector tends to perform well from January 23rd to May 5. Recently, the sector has been showing stability relative to the S&P 500, just ahead of its next seasonal period. Last week, HAC took an initial position in the industrial sector.

## **US Financials – (XLF) –**

The US financial sector has a strong seasonal period that lasts from December 15 to April 13. Recently, the US financial sector has been showing improving performance relative to the S&P 500.



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