

Capital Markets Snapshot

November 1st to November 12th, 2021

U.S. Economy

- Headline CPI advanced +6.2% (exp. +5.9%) from last year, as price appreciation spread beyond categories typically associated with the reopening of the economy. CPI ex Food & Energy rose +4.6% (exp. +4.3%) year-over-year, the largest increase since 1991.
- Nonfarm payrolls increased by 531K (exp. 450K) in October, while the September print was revised up to 312K from 194K. The labor force participation rate held steady at 61.6%.
- The University of Michigan's Consumer Sentiment Index dropped from 71.7 to 66.8 (exp. 72.5), its lowest level since 2011. Short-term inflation expectations are at their highest level since 2008.

CONSUMER SENTIMENT

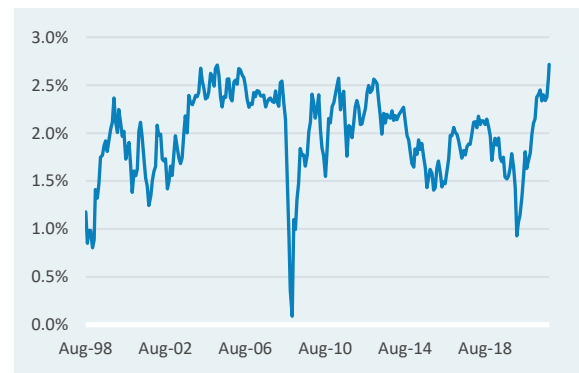


Source: University of Michigan, preliminary as of 10/31/21

U.S. Markets

- The FOMC formally announced their decision to cut the monthly pace of Treasury and agency mortgage-backed security purchases by \$10B and \$5B, respectively, meeting investors' expectations.
- Long-term Treasuries were twice as volatile as the S&P 500, as a blowout inflation report stoked speculation that the Fed would have to adjust policy more quickly than thought previously.
- Strong earnings continued to fuel equity gains, although inflation concerns persist. Of the 465 companies which have reported earnings, 285 have cited the term "inflation" in their reports, the highest number since 2010 (per FactSet, as of November 12th).

U.S. 10-YEAR BREAKEVEN INFLATION RATE

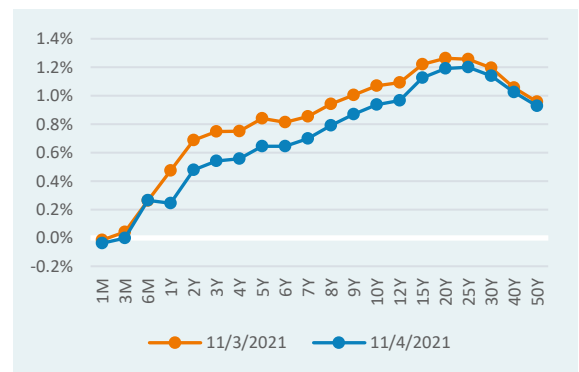


Source: Bloomberg, as of 11/12/21

International Economy

- The Bank of England's Monetary Policy Committee voted 7-2 to keep their benchmark rate at 0.10%. This decision not to hike came as a surprise, as investors had priced in a 15-basis-point hike to 0.25%. Yields fell across the curve following the announcement.
- Producer prices in China grew +13.5% from last October (exp. +12.3%), the highest rate of growth in 26 years. Rising global commodity prices as well as energy shortages drove the increase.
- Covid case growth has been accelerating in Europe recently, leading many countries to reinstitute social distancing controls. Weekly case growth hit its highest level since January.

U.K. SOVEREIGN YIELD CURVE

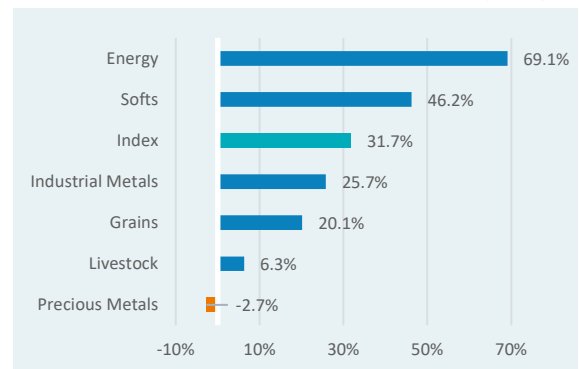


Source: Bloomberg, as of 11/4/21

International Markets

- U.S. equities (S&P 500 +1.8%) led the global opportunity set (MSCI ACWI +1.6%), with international developed (MSCI EAFE +1.3%) and emerging market (MSCI EM +1.7%) equities close behind. U.S. small-caps materially outperformed (Russell 2000 +5.1%).
- The Bloomberg Commodity Index declined -0.5% during the period, as significant gains in Softs (+5.2%) and Precious Metals (+5.0%) were negated by losses in the Energy sector (-5.3%).
- Turkey's central bank is set to deliver its third-consecutive rate cut despite inflation running at 19.9% YoY. The Turkish Lira hit record lows relative to the dollar as it moved past 10 TRY per USD.

COMMODITY SECTOR PERFORMANCE (YTD)



Source: Bloomberg, as of 11/12/21



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MARKET PERFORMANCE

Equities

	Last Two Weeks 11/1/2021 - 11/12/2021		MTD		QTD		YTD	
	Return	Std Dev	Return	Std Dev	Return	Std Dev	Return	Std Dev
S&P 500 TR USD	1.75	7.33	1.75	7.33	8.88	9.82	26.21	12.48
Russell 2000 TR USD	5.05	19.41	5.05	19.41	9.52	16.81	23.11	21.58
MSCI ACWI NR USD	1.61	6.15	1.61	6.15	6.79	8.14	18.67	10.39
MSCI EAFE NR USD	1.29	7.46	1.29	7.46	3.78	9.09	12.45	11.34
MSCI EM NR USD	1.67	4.62	1.67	4.62	2.68	10.98	1.40	15.35

Fixed Income

Bloomberg US Treasury US TIPS TR USD	1.45	5.65	1.45	5.65	2.60	5.07	6.21	4.56
Bloomberg US Treasury TR USD	-0.05	5.92	-0.05	5.92	-0.12	4.36	-2.61	3.92
Bloomberg Long Term US Treasury TR USD	0.02	15.49	0.02	15.49	1.88	13.37	-5.76	12.63
Bloomberg US Agg Bond TR USD	-0.11	5.28	-0.11	5.28	-0.14	3.91	-1.69	3.40
Bloomberg US Credit TR USD	-0.10	6.90	-0.10	6.90	0.12	5.28	-1.18	4.70
Bloomberg High Yield Corporate TR USD	0.36	2.72	0.36	2.72	0.19	2.06	4.73	1.83
JPM EMBI Global Diversified TR USD	0.09	4.82	0.09	4.82	0.11	3.87	-1.25	3.76

Other

Bloomberg Commodity TR USD	-0.54	10.55	-0.54	10.55	2.03	15.15	31.75	15.08
Wilshire US REIT TR USD	1.79	9.65	1.79	9.65	9.88	12.18	37.12	14.80
MSCI Currency Factor Mix ER USD	-0.46	2.89	-0.46	2.89	0.00	2.54	0.28	2.51

Source: Morningstar, data as of last available market close, Top/bottom two highlighted.

ECONOMIC DATA - RELEASED

Date	Country	Event	Freq	Period	Surv(M)	Actual	Surprise
11/01/21	US	ISM Manufacturing	M	Oct	61	61	0.4
11/01/21	US	ISM Prices Paid	M	Oct	82.0	85.7	2.6
11/03/21	US	ISM Services Index	M	Oct	62.0	66.7	6.8
11/04/21	EC	PPI YoY	M	Sep	15.4%	16.0%	0.7
11/04/21	UK	Bank of England Bank Rate	D	4-Nov	0.10%	0.10%	0.0
11/04/21	UK	BOE Gilt Purchase Target	M	Nov	875b	875b	0.0
11/04/21	US	Unit Labor Costs	Q	3Q P	7.0%	8.3%	1.0
11/04/21	US	Trade Balance	M	Sep	-\$80.2b	-\$80.9b	-0.2
11/05/21	US	Change in Nonfarm Payrolls	M	Oct	450k	531k	0.8
11/05/21	US	Unemployment Rate	M	Oct	4.7%	4.6%	-1.4
11/05/21	US	Average Hourly Earnings YoY	M	Oct	4.9%	4.9%	0.0
11/05/21	US	Consumer Credit	M	Sep	\$16.000b	\$29.913b	2.2
11/10/21	US	CPI YoY	M	Oct	5.9%	6.2%	2.4
11/10/21	US	CPI Ex Food and Energy YoY	M	Oct	4.3%	4.6%	3.7
11/12/21	US	U. of Mich. Sentiment	M	Nov P	72.5	66.8	-5.2

ECONOMIC DATA - NEXT TWO WEEKS

Date	Country	Event	Freq	Period	Prior	Surv(M)	Std Dev
11/15/21	US	Empire Manufacturing	M	Nov	19.8	22.0	3.1
11/16/21	EC	GDP SA YoY	Q	3Q P	3.7%	3.7%	0.0
11/16/21	US	Retail Sales Advance MoM	M	Oct	0.7%	1.3%	0.7
11/16/21	US	NAHB Housing Market Index	M	Nov	80.0	80.0	0.8
11/17/21	UK	CPI YoY	M	Oct	3.1%	3.9%	0.1
11/18/21	US	Philadelphia Fed Business Outlook	M	Nov	23.8	24.0	2.6
11/18/21	JN	Natl CPI YoY	M	Oct	0.2%	0.1%	0.2
11/22/21	US	Existing Home Sales	M	Oct	6.29m	6.19m	0.1
11/23/21	EC	Markit Eurozone Manufacturing PMI	M	Nov P	58.3	--	--
11/23/21	EC	Markit Eurozone Services PMI	M	Nov P	54.6	--	--
11/23/21	US	Markit US Manufacturing PMI	M	Nov P	58.4	--	--
11/23/21	US	Markit US Services PMI	M	Nov P	58.7	--	--
11/24/21	US	Durable Goods Orders	M	Oct P	-0.3%	0.3%	0.6
11/24/21	US	PCE Core Deflator YoY	M	Oct	3.6%	4.0%	0.1
11/24/21	US	Personal Income	M	Oct	-1.0%	0.2%	0.4

Source: Bloomberg



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