

Weekly Update

10/11/21

		<u>Last Week</u>	<u>YTD Returns</u>
Domestic Equities	S&P 500	0.83%	18.23%
International Developed	MSCI EAFE	0.29%	7.84%
Emerging Markets	MSCI EM	0.85%	-0.92%
Fixed Income	BBgBarc US Agg Bond	-0.78%	-2.05%

Stocks were higher last week, while bond markets face higher yields and lower prices. As expected, we have seen a bit of a repricing in fixed income markets as Covid concerns wane. Investors continue to look ahead to a gradual tightening of policy from the Fed as growth and inflation targets remain higher than the pre-pandemic trends. Equity investors were happy as congress agreed on a short-term extension of government funding and the debt ceiling until early December, even if all this does is ensure several more weeks of uncertainty and potential volatility in markets. The debt ceiling debate remains political theater in our opinion, and we see little risk of it not being raised. We also believe that the bipartisan infrastructure bill will eventually pass. However, there is a much higher degree of uncertainty around the budget reconciliation bill. Ultimately, we see a stripped-down version of the \$3 trillion plan being the compromise among moderate and progressive democrats. Despite the noise, we believe that stock markets will continue to move higher in the coming months.

*Index returns are from Morningstar and are calculated on a total return basis, with dividends reinvested.