

## Weekly Update 11/15/21

		<u>Last Week</u>	<u>YTD Returns</u>
Domestic Equities	S&P 500	-0.27%	26.21%
International Developed	MSCI EAFE	-0.34%	12.45%
Emerging Markets	MSCI EM	1.71%	1.40%
Fixed Income	BBgBarc US Agg Bond	-0.75%	-1.69%

The S&P 500 had its multiweek winning streak come to a halt last week as inflation fears once again came into focus. The CPI report last week showed headline inflation rising 6.2% in October, higher than expected. Core inflation, which excludes food and energy, rose 4.6%, hitting a 30 year high. Markets reacted negatively to the news, as stocks dipped lower and bond yields rose, with the 10-year Treasury yield jumping 0.14% in a single day. We continue to expect that at least some of this year's higher inflation will roll off as things get back to normal, but some may persist, particularly as labor shortages exist and wages continue to trend higher. Even with last week's moves, most people believe that yields are still too low for the current environment and are likely headed higher still. While equities can weather the storm and do well in a moderate inflationary period our concerns continue to be primarily focused on bonds, which face more headwinds.

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