

Weekly Update

11/07/21

| | | <u>Last Week</u> | <u>YTD Returns</u> |
|-------------------------|---------------------|------------------|--------------------|
| Domestic Equities | S&P 500 | 2.03% | 26.56% |
| International Developed | MSCI EAFE | 1.64% | 12.83% |
| Emerging Markets | MSCI EM | -0.04% | -0.31% |
| Fixed Income | BBgBarc US Agg Bond | 0.64% | -0.95% |

Markets were generally higher last week as earnings and economic data boosted stock returns and bond yields continued to fall from recent highs. Investors rejoiced as October's jobs data showed higher than expected job gains and a strong upward revision to the previous two months' numbers. Elsewhere, the ISM non-manufacturing index hit an all-time high in October, showing strong demand for services as covid worries wane. Late last week congress also passed the long-discussed bipartisan infrastructure bill, turning an uncertainty into a tailwind for markets. This came as the Fed announced their much-anticipated plans for tapering bond purchases, starting this month. Tapering is expected to continue through the middle of next year, at which point the Fed will likely start to telegraph their first rate hike. Expectations are for the Fed to tighten policy slowly and while bond yields have fallen recently, we continue to see a challenging environment for fixed income. Although stock markets are at all-time highs, we see more upside in the weeks and months ahead.

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