

November 2021 Market Watch

S&P 500 posted seven new all-time highs at the beginning of November, and both earnings and sales set a quarterly record. However, U.S. markets gave back initial gains by the end of month as Omicron, a new variant detected first in South Africa, reignited transmissibility concerns and global travel restrictions. It may take a few weeks for scientists to get a clearer picture as more countries saw its first variant cases and a rise in hospitalization. This time around, however, new antiviral pills could help to reduce hospitalizations. The S&P 500 ended the month down -0.8%.

Pre-holiday shopping reflected strong demands as supply chain and tight labor market challenges were ongoing. U.S. ISM manufacturing index was 60.8 better vs. 60.4, but dipped from Sept 61.1. The U.S. Consumer Price Index (CPI) jumped to 6.2% YoY in Oct, its highest reading since 1990.

The Federal Reserve Chairman, Jay Powell, renewed his four-year term. Supply shortages, labor costs and shortages, and high consumers demand continued to fuel inflation concerns. Omicron uncertainty put a damper on near term potential of speeding up tapering.

Omicron data, supply chain issues, and Fed tapering remain in focus.

	Date	1 Week Ago		1 Month Ago		YTD	1 Year Ago	
	11/30/21	11/23/21	% chg*	10/31/21	% chg*	% chg*	11/30/20	% chg*
DJIA	34,483.7	35,813.8	-3.7%	35,819.6	-3.7%	12.7%	26,501.6	30.1%
S&P 500	4,567.0	4,690.7	-2.6%	4,605.4	-0.8%	21.6%	3,270.0	39.7%
NYSE Comp Index	16,319.0	17,007.9	-4.1%	17,016.4	-4.1%	12.4%	12,429.3	31.3%
NASDAQ Composite	15,537.7	15,775.1	-1.5%	15,498.4	0.3%	20.6%	10,911.6	42.4%
Russell 2000	2,198.9	2,327.9	-5.5%	2,297.2	-4.3%	11.3%	1,538.5	42.9%
MSCI EM (Emerging Markets)	1,212.4	1,255.4	-3.4%	1,264.8	-4.1%	-6.1%	1,103.5	9.9%
MSCI EAFE	2,223.7	2,311.1	-3.8%	2,335.5	-4.8%	3.5%	1,780.1	24.9%
Japan Nikkei 225	27,821.8	29,774.1	-6.6%	28,892.7	-3.7%	1.4%	22,977.1	21.1%
FTSE 100	7,059.5	7,266.7	-2.9%	7,237.6	-2.5%	13.1%	5,577.3	26.6%
SSE Comp Index	3,563.9	3,589.1	-0.7%	3,547.3	0.5%	2.6%	3,224.5	10.5%

US Equity Sector Performance

	Nov	YTD	1 Yr Ret.
Consumer Discretionary	2.0%	24.7%	38.8%
Consumer Staples	-1.1%	7.6%	17.7%
Energy	-5.1%	50.0%	100.5%
Financials	-5.7%	30.7%	62.4%
Health Care	-3.0%	15.7%	29.8%
Industrials	-3.5%	15.0%	34.9%
Information Tech	4.3%	30.1%	53.3%
Materials	-0.5%	18.3%	36.5%
Communication Services	-5.2%	18.6%	33.9%
Utilities	-1.7%	7.3%	8.9%
Real Estate	-0.6%	32.1%	42.8%

US Equity Style Performance

	Nov	YTD	1 Yr Ret.
Dow Jones Utilities	-2.4%	3.3%	4.2%
DJ TRANS Avg.	-0.2%	28.0%	28.6%
Russell 1000 Value	-3.5%	17.7%	38.7%
Russell 1000 Growth	0.6%	25.0%	44.1%
Russell 2000 Value	-3.4%	23.2%	58.7%
Russell 2000 Growth	-4.9%	2.4%	31.7%

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U.S. equity sectors closed mostly lower, led by losses in Financials -5.7%, Communication Services -5.2%, and Energy -5.1%. Consumer Discretionary +2.0%, and Info Tech +4.3% were the only sector gainers this month.

Both Developed International Equities (MSCI EAFE) -4.8% and Emerging Market (MSCI EM) -4.1% closed lower. Even before Omicron emerged, infections were on the rise (especially in Europe). Covid concerns led European equities to decline this month and government bonds rallied. Bank of England surprised by leaving rates unchanged at record low of 0.10%. Chinese October macroeconomic data showed an improvement in both external demand and domestic activity. Climate change was one of the areas where China's President, Xi Jinping, and U.S. President, Biden, agreed to work together during their virtual summit.

U.S. government yields saw the 2-Yr note rise to 0.52%. However, Omicron weighed on expectations for economic growth, even though U.S. unemployment rate fell to 4.2% in November from 4.8%. As a result, the 10-Yr move lower to 1.44% along with the 30-Yr move to 1.78%.

The Bloomberg Commodity Index closed slightly higher at +0.25% as WTI crude oil closed -20.8% lower this month at \$66.18. The U.S., China, Japan, and the U.K. said it would help to reduce oil prices and inflation with the U.S. pledging 50 million barrels (of the 605M in its reserve). Gold closed near flat -0.4%.

Bond Markets (%)

	11/30/21	1 Mth Ago	1 Yr Ago
US Benchmark Bond – 3 Mth	0.05	0.06	0.10
US Benchmark Bond – 6 Mth	0.10	0.07	0.11
US Benchmark Bond – 2 Yr	0.52	0.49	0.15
US Benchmark Bond – 5 Yr	1.15	1.18	0.38
US Benchmark Bond – 10 Yr	1.44	1.55	0.85
US Benchmark Bond – 30 Yr	1.78	1.94	1.64

US Bond Sector Performance

	Nov	YTD	1 Yr Ret.
Bloomberg Barclays U.S. Govt. Intrm. TR	0.25%	-1.44%	-1.40%

Exchange Rates (per US dollar)

	11/30/21	1 Mth Ago	1 Yr Ago
Canadian Dollar	1.283	1.240	1.333
Mexican Peso	21.490	20.543	21.278
Euro	0.888	0.864	0.858
British Pound	0.756	0.730	0.773
Swiss Franc	0.925	0.914	0.917
Chinese Yuan	6.371	6.399	6.700
Indian Rupee	75.153	74.881	74.108
Japanese Yen	113.545	114.025	104.540

Commodities (In US dollars)

	11/30/21	1 Mth Ago	1 Yr Ago
Gold	1,776.50	1,783.90	1,879.90
Crude Oil	66.18	83.57	35.79
US Dollar Index	96.01	94.12	94.04
Bloomberg Commodity Index	95.80	103.36	71.84

Interest Rates (%)

	11/30/21	1 Mth Ago	1 Yr Ago
Prime Rate	3.25	3.25	3.25
Federal Funds Rate	0.09	0.09	0.09
Libor Rate 30 Day	0.09	0.09	0.14
Libor Rate 3 Months	0.17	0.13	0.22
30yr Fixed Mortgage	3.11	3.14	2.81

Economic Sentiment

	11/30/21	1 Yr Ago
Unemployment Rate	4.20%	6.90%
Average Single Family Home	377,300	348,300
Capacity Utilization	76.40%	72.90%

*Performance for world indices represents price returns (excluding dividends) for the DJIA, S&P 500, NASDAQ, Russell 2000, MSCI EM, MSCI EAFE, NYSE, SSE, and Nikkei, due to data availability.

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