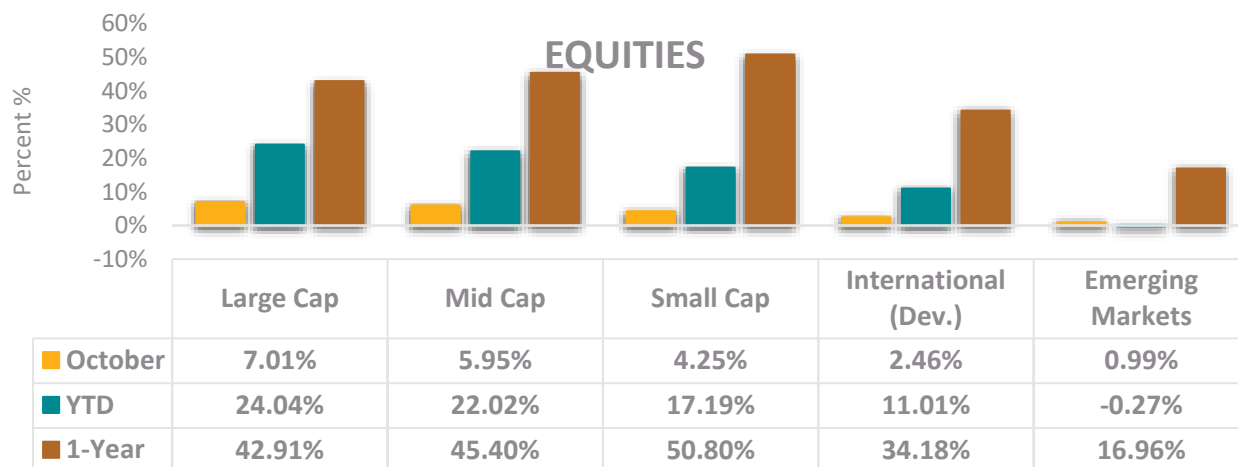


# Monthly Market Summary

## Market Update and Economic Developments

- The 3Q21 earnings season has been exceptionally strong. With 280 companies reporting as of 10/31/21, 82% have beat earnings expectations and 66% have beat revenue expectations. The boost in earnings helped to propel U.S. equities during the month with large, mid, and small capitalization stocks up 7.0%, 6.0%, and 4.3%, respectively.
- Real GDP in the third quarter grew at a 2% annualized rate. This is lower than consensus estimates of 2.6% and a sharp slowdown from gains earlier in the year. The deceleration in consumer spending along with slower home building, a wider trade deficit, and weak auto sales contributed to the lower-than-expected growth. It is likely supply chain interruptions will persist into 2022 as companies dealing with labor shortages try to keep up with consumer demand, which will likely continue to hinder GDP growth into next year.
- In September, the nonfarm payrolls added 194,000 jobs, well below expectations. Notable job gains occurred in leisure and hospitality, transportation, and warehousing. The unemployment rate declined from 5.2% to 4.8% showing signs of a reinvigorated labor market. Wages continued to climb through October, increasing 0.5% month-over-month and 5.5% year-over year.



Benchmark Indexes: Large Cap = S&P 500; Mid Cap = Russell Mid Cap; Small Cap = Russell 2000; International Developed = MSCI EAFE; Emerging Markets = MSCI EM.



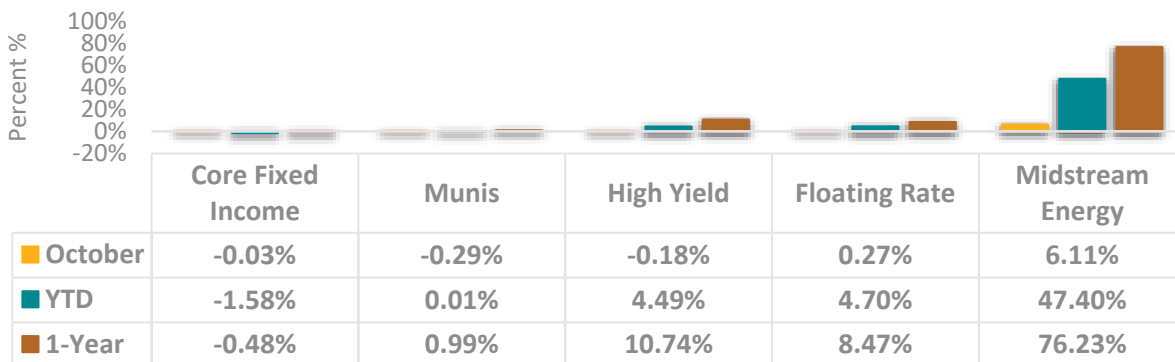
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# Monthly Market Summary

## Fixed Income Market Update and Other Assets

- Inflation has well surpassed the Federal Reserve’s 2% target. During September, headline CPI increased 5.4% year-over-year. The rise was primarily driven by increases in the price of food and housing.
- The Federal Reserve left their target rate unchanged at 0-0.25% during the November meeting and officially announced it will begin tapering the pace of monthly asset purchases starting in mid-November. The monthly reduction will result in \$10 billion less in Treasury’s and \$5 billion less in mortgage-backed securities. Inflation was acknowledged as “elevated” but is expected to be temporary.
- The price of Brent Crude Oil has surged more than 60% in 2021, hitting a three-year record high during October of \$86.70 per barrel. OPEC+, which cut output by 9.7 million barrels per day or about 10% of daily demand in 2020, has been sticking to gradual increases in supply despite the additional demand. High demand helped midstream energy advance 6.1% during October and now 47.4% year-to-date.

### FIXED INCOME AND OTHERS



Benchmark Indexes: Core Fixed Income = Bloomberg US Agg Bond; Municipal Bonds = Bloomberg Municipal 5Yr 4-6; High Yield = ICE BofA US High Yield; Floating Rate = S&P/LSTA Leverage Loan; Midstream Energy = Alerian Midstream



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