

### The Economy

- A higher-than-expected inflation reading unsettled investors during the week ending November 12, breaking a five-week winning streak for U.S. stocks.
- U.S. inflation expanded by 6.2% year over year in October—the largest annualized increase since 1990—as measured by the Department of Labor's (DOL) consumer price index, despite widespread assumption that inflation has peaked. Core inflation (which excludes volatile food and energy prices) accelerated by 4.6% over the same period. The Federal Reserve has been monitoring price pressures to gauge the timing of potential interest-rate hikes.
- Consumer optimism deteriorated from 71.7 to 66.8 in November, as measured by the University of Michigan's consumer sentiment survey. Stalling U.S. economic growth amid a spike in COVID-19 cases and intensifying inflationary pressures (which translates to higher prices) led to persistent consumer anxiety.
- Producer prices jumped by 0.6% in October, according to the DOL, a signal that inflation may further escalate. Costs for businesses surged by 8.6% on an annual basis as the U.S. economy strengthened amid easing lockdown restrictions and climbing demand for goods and services. Supply-chain disruptions and materials shortages also spiked prices.
- The number of U.S. job openings (a measure of labor demand) slipped from 10.6 million in August to 10.4 million in September, according to the DOL. Health care, leisure and food services businesses posted the largest reduction in job opportunities. The quits rate—which measures employees who leave companies of their own accord and that generally increases as the economy improves—moved to an all-time high of 4.4 million for the month, signaling worker confidence in finding new jobs.
- The rate of initial jobless claims fell to a pre-pandemic low during the week ending November 6, from 269,000 to 267,000, suggesting a still-healing labor market.
- Mortgage-purchase applications increased by 3.0% for the week ending November 5, while refinancing applications surged by 7.0%. The average interest rate on a 30-year fixed-rate mortgage decreased to 2.08% from 3.09% in the prior week.

### Stocks

- Global equities closed lower during the week. Emerging markets led developed markets.
- U.S. equities closed lower during the week. Materials and health care were the top performers, while energy and utilities lagged. Value stocks led growth stocks and large caps beat small caps.

### Bonds

The 10-year Treasury bond yield increased to 1.57%. Global bond markets were in negative territory this week. High-yield bonds led, followed by global corporate bonds and global government bonds.

The Numbers as of November 12, 2021	1 Week	YTD	1 Year	Friday's Close
<b>Global Equity Indexes</b>				
MSCI ACWI (\$)	-0.7%	16.4%	25.1%	752.0
MSCI EAFE (\$)	-0.8%	9.6%	17.7%	2354.6
MSCI Emerging Mkts (\$)	1.4%	-0.8%	8.4%	1281.4
<b>US &amp; Canadian Equities</b>				
Dow Jones Industrials (\$)	-0.6%	18.0%	24.1%	36100.8
S&P 500 (\$)	-0.3%	24.7%	32.4%	4684.6
NASDAQ (\$)	-0.7%	23.0%	35.4%	15855.4
S&P/TSX Composite (C\$)	1.4%	24.8%	31.2%	21763.4
<b>UK &amp; European Equities</b>				
FTSE All-Share (£)	0.5%	14.2%	17.5%	4194.9
MSCI Europe ex UK (€)	0.3%	21.3%	25.9%	1739.0
<b>Asian Equities</b>				
Topix (¥)	0.0%	13.1%	18.2%	2040.6
Hong Kong Hang Seng (\$)	1.8%	-7.0%	-3.2%	25328.0
MSCI Asia Pac. Ex-Japan (\$)	0.6%	-1.9%	6.4%	649.4
<b>Latin American Equities</b>				
MSCI EMF Latin America (\$)	3.1%	-9.4%	7.2%	2220.7
Mexican Bolsa (peso)	-0.9%	16.8%	27.7%	51491.5
Brazilian Bovespa (real)	1.6%	-10.6%	3.9%	106459.9
<b>Commodities (\$)</b>				
West Texas Intermediate				
Spot	-0.6%	66.5%	96.5%	80.8
Gold Spot Price	2.8%	-1.6%	-0.7%	1864.8
<b>Global Bond Indices (\$)</b>				
Barclays Global Aggregate (\$)	-0.7%	-4.3%	-1.9%	534.6
JPMorgan Emerging Mkt Bond	0.0%	-0.9%	1.4%	925.7
<b>10-Year Yield Change (basis points*)</b>				
US Treasury	12	66	69	1.57%
UK Gilt	7	72	56	0.91%
German Bund	2	31	28	-0.26%
Japan Govt Bond	2	6	5	0.08%
Canada Govt Bond	8	99	95	1.67%
<b>Currency Returns**</b>				
US\$ per euro	-1.1%	-6.3%	-3.1%	1.145
Yen per US\$	0.4%	10.3%	8.3%	113.87
US\$ per £	-0.6%	-1.8%	2.3%	1.342
C\$ per US\$	0.7%	-1.4%	-4.5%	1.254

**Source: Bloomberg. Equity-index returns are price only, others are total return. \*100 basis points = 1 percentage point. \*\*Increases in U.S. dollars (USD) per euro or pound indicate a decline in the value of the USD; increases in yen or Canadian dollars per USD indicate an increase in the value of the USD.**

Index returns are for illustrative purposes only and do not represent actual investment performance. Index performance returns do not reflect any management fees, transaction costs or expenses. Indexes are unmanaged, and one cannot invest directly in an index. Past performance does not guarantee future results.

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