## Monthly Market Commentary

The air is filled with holiday cheer! Can you believe we are already in December? It seems like just yesterday we were starting 2021 and now we are approaching 2022. This time of year is filled with lots of holiday joy, wrapping presents, decorating the Christmas tree, and of course family time. We hope that you were able to enjoy Thanksgiving and that you can enjoy Christmas with your family! Merry Christmas!!!

Well, another month and another variant! Volatility spiked yet again in major asset classes as we have seen at different intervals all through this year on renewed concerns about growth with the emergence of a new Covid variant. Global markets corrected over these new concerns and retraced after the initial panic response over the holiday weekend. It's still too early to have a definitive answer about whether the new variant will materially impact growth and put further pressure on supply chains causing higher inflation. However, early indications from studies and research point to a highly transmissible virus that is much less lethal than the previous variants. Despite all this, economic momentum continued to accelerate in major economies as indicated by both manufacturing and services PMIs. The US manufacturing PMI ticked up to 61.1 while services ticked up to 69.1, which is the highest reading for the series. The consumption side of the economy remains strong, and we are seeing some re-acceleration in retail sales. Overall, strength observed in both the manufacturing and services side of the economy should bode well for risk assets. Especially, if the Omicron variant proves to be what virologists expect and that it slowly becomes a common cold virus over time. As we approach the new year, we remain cautiously optimistic and fully exposed.

**\*\*\* In-person meetings: if you are feeling ill, please call to reschedule your appointment at a later date. \*\*\***

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