

### **Monthly Market Commentary**

November is finally here! As we head into the beloved Thanksgiving holiday, we have a lot to be thankful for. Much of the country has returned to operating as normal, protections against illness are in place, and it appears that we can have a holiday season as we once have. We hope that you and your family can remain safe and healthy! One last note – GO PACK GO!

Major indexes retraced back to all-time highs after a short period of consolidation in the prior month as markets priced in a step function lower in growth and peak acceleration in covid cases in the 3<sup>rd</sup> quarter. Third quarter GDP came in at 4.9% on a Year-over-Year basis vs 12.2% in the second quarter of 2021. As we enter the 4<sup>th</sup> quarter, early signs of a reacceleration in economic growth and a slowdown in Covid cases are starting to show up in reported economic data. As we progress, growth is expected to reaccelerate to around 6% in the quarter and should continue to bode well for risk assets and facilitate strong earnings for companies. ISM services posted one of its strongest prints of 66.7 vs 61.9 in the prior month and should be a leading indicator for strong services consumption as we get into the holiday season. Supply chain bottlenecks should also start to ease as people feel more comfortable to get back to work as more people are vaccinated globally.

Finally, despite a slowdown in the overall economy in the third quarter, 75% of S&P 500 companies have reported strong revenues and earnings so far. This represents an aggregate revenue and earnings growth rate of 16.1% and 40.4%, respectively. This is further evidence of a strong underlying momentum and demand backdrop in the economy. We believe this trend to persist for a little longer as consumers are resilient with strong balance sheets, which we have not seen in a long time. We will remain cognizant of any risks that may develop but are comfortable with our positioning in the near term.

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