



Market Update – September 2021

September closed the third quarter with some turbulence as further data led to fears over weaker growth, inflation, and central bank tightening. While investors continued to evaluate whether inflation is as transitory in nature as central banks globally have preached, volatility returned to fixed income where yields on sovereigns rose as tapering and rate rises were contemplated. Energy shortages and continued supply bottle necks further weakened sentiment and spurred inflationary concerns. It is no surprise therefore that the energy sector was the biggest winner in the month. The contagion of China's Evergrande's liquidity crisis was also evaluated by markets looking at potential spill overs in the wider property sector and financial sector. This all led to one of the weakest months for equities since the start of the pandemic, where the S&P 500 Index returned -4.8%, and the MSCI World Index returned -4.3%. Year to date banking, financial and energy sectors remain the strongest performers.