



Market Update – October 2021

Equity markets hit new highs in October as the corporate earnings season got off to a strong start with over 80% of companies in the S&P 500 reporting surprises to the upside and beating earnings expectations. Fixed income markets saw more turbulence during the month with inflationary pressures from supply chain bottlenecks and rising energy prices driving markets to price in a faster pace of central bank tightening. Sovereign yield curves flattened with the increase in shorter dated yields, while the US 10 year hit a high of 1.7%. While headline inflation prints remained high year on year with ongoing price pressures, central banks retained a transitory narrative ahead of November meetings. Some attention will also likely shift to an ESG focus within markets with COP26.