

		<u>Oct 2021</u>	<u>YTD</u>	<u>1-Year</u>	<u>3-Years</u>	<u>5-Years</u>	<u>10-Years</u>
U.S. Large Cap Equities	S&P 500	7.01%	24.04%	42.91%	21.48%	18.93%	16.21%
U.S. Small Cap Equities	Russell 2000	4.25%	17.19%	50.80%	16.47%	15.52%	13.50%
Energy Infrastructure Equities	Alerian U.S. Midstream Energy	5.74%	52.43%	89.98%	5.80%	3.64%	-
U.S. Real Estate Equities	Dow Jones U.S. Select REIT	8.18%	34.66%	56.10%	12.15%	8.61%	9.88%
Global Equities	MSCI All Country World Index	5.10%	16.79%	37.28%	17.47%	14.72%	11.32%
International Developed Equities	MSCI EAFE	2.46%	11.01%	34.18%	11.54%	9.79%	7.37%
Emerging Market Equities	MSCI Emerging Markets	0.99%	-0.27%	16.96%	12.30%	9.39%	4.88%
U.S. Taxable Fixed Income	Bloomberg U.S. Aggregate	-0.03%	-1.58%	-0.48%	5.63%	3.10%	3.00%
U.S. Tax-Exempt Fixed Income	Bloomberg Municipal Aggregate	-0.29%	0.50%	2.64%	5.17%	3.41%	3.88%
High Yield Fixed Income	Bloomberg U.S. Corporate High Yield	-0.17%	4.35%	10.53%	7.43%	6.40%	6.78%
Floating Rate Loans	S&P/LSTA Leveraged Loan	0.27%	4.69%	8.46%	4.24%	4.47%	4.64%
International Fixed Income	Bloomberg Global Aggregate Ex-U.S.	-0.39%	-6.31%	-1.99%	3.52%	1.92%	0.65%

- Global equity markets rallied in October, with many equity indices recording new record highs during the month.
- The S&P 500 Index gained 7.0%, supported by strong third quarter earnings, with more than 80% of companies exceeding guidance.
 - The debt ceiling crisis was averted, or rather postponed, until a new deadline in December.
 - U.S. labor market data report showed wages increased by 5.5%, year-over-year, while the unemployment rate dipped to 4.8%.
 - U.S. GDP growth disappointed in the third quarter at 2.0%, year-over-year; a result of supply-side distortions.
 - U.S. CPI remained elevated at 5.4%, year-over-year (core CPI at 4.0%), predominately due to the semiconductor shortage.
- Outside of the U.S., international developed and emerging market equities lagged, returning 2.5% and 1.0%, respectively.
 - China's real GDP growth decelerated to 4.9% in the third quarter (y/y), down from 7.9% in the second quarter.
- In bond markets, the 10-year U.S. Treasury yield spiked to a high of 1.7% during the month; the 30-year Treasury yield declined to 1.9%.
- Investment grade bond indices were broadly negative in October, and yields remained very low; investment grade bond prices declined.
- High yield bonds and floating rate loan returns diverged in October; high yield and loan yields were 5.7% and LIBOR +3.7% at month-end.
- Global bonds declined slightly in October as yields moved higher, prices declined, and the U.S. dollar continued to strengthen.

- The U.S. dollar weakened 2.3% against the Canadian dollar in October, ending the month with an exchange rate of 1.2386.
- Canada's economy likely underperformed expectations in the third quarter, amid supply chain disruptions and a significant drought.
- The prediction of contracting growth has prompted some analysts to suggest the Bank of Canada may move slower on rate increases.
 - The economy expanded by a meager 0.4% in August, and showed no growth in September.
 - According to Statistics Canada, auto exports were meaningfully lower and retail sales declined, as a result of supply chain issues.
 - The agriculture sector has been particularly hard hit amid an unrelenting drought, which is weighing on the economy.
- Third quarter annualized GDP rose by 1.9%, according to a flash estimate, which falls well short of the Bank of Canada's 5.5% forecast.



Date Range	USD to CAD	+/-
YTD	1.2754-1.2386	-2.9%
1-Year	1.3323-1.2386	-7.0%
3-Years	1.3124-1.2386	-5.6%

\$USD 1,000,000
 =
\$CAD 1,238,699
 @ 1.2386
 (10/31/2021)

CAD Profile	
*Inflation Rate	4.4% (Sep 2021)
Interest Rate	0.25% (Oct 2021)
Information	http://www.bankofcanada.ca

*Total CPI Inflation

Sources: xe.com, Statistics Canada, bankofcanada.com, Reuters, BNN Bloomberg

The larger chart below shows the historical daily COMEX copper price, which is displayed in U.S. dollars per pound. The chart provides 20 years of price history as well as past recessions. The embedded chart provides a zoomed-in image of the 2021 calendar year copper price movement.

Copper prices were up \$0.85 per pound year-to-date, or 24.1%.
Since the \$2.10 low point on March 23, 2020, prices have risen \$2.27 per pound, or 108.1%.

The price of copper was \$4.37 per pound as of October 31, 2021.



Copper Price Outlook

Copper prices ended October 6.8% higher, or \$0.28 per pound. Starting at \$4.09 per pound, the price of copper moved erratically throughout the month, first surging 15.6% higher to \$4.73 per pound, and then falling rapidly back down. The mid-month price increase was primarily attributable to a combination of robust demand and supply disruptions, and the rapid rise in the price of gas and coal.

It was reported at the first in-person LME Week post-pandemic, that inventories of physical copper fell in October to their lowest levels since 1974. Inventories of copper at LME-registered warehouses, not already earmarked for delivery, stood at less than 15,000 metric tons, down from more than 200,000 metric tons in September. For some perspective, the annual consumption of refined copper is about \$25 million metric tons.

Looking ahead, even small changes in inventory levels will have an exaggerated impact on price, but the longer-term trajectory is still upwards.

The chart below shows the historical daily West Texas Intermediate (WTI or NYMEX) crude oil prices per barrel, displayed in U.S. dollars. The chart provides 20 years of price history and includes shaded columns to reflect past U.S. economic recessions.

Oil prices were up \$35.05 per barrel year-to-date, or 72.2%.

Since the \$11.26 low point on April 21, 2020, prices have risen \$72.31 per barrel, or 642%.

The price of crude oil was \$83.57 per barrel as of October 31, 2021.



Oil Price Outlook

Oil prices ended October 11.4% higher, or \$8.54 per barrel. Starting at \$75.03 per barrel, the price of crude oil moved steadily higher throughout the month, before peaking at nearly \$85 per barrel.

The higher oil price was directly attributable to tight global supply, and a rapidly strengthening demand for fuel.

According to senior oil analysts at Rystad Energy, “The global energy supply crunch continues to show its teeth...a result of traders pricing in the ongoing rise in fuel demand...which amid limited supply response is depleting global stockpiles.”

Looking ahead, we expect greater divergence between global supply and global demand. Goldman Sachs now predicts that the strong rebound in global oil demand could push the price of crude oil to more than \$90 per barrel by year-end.