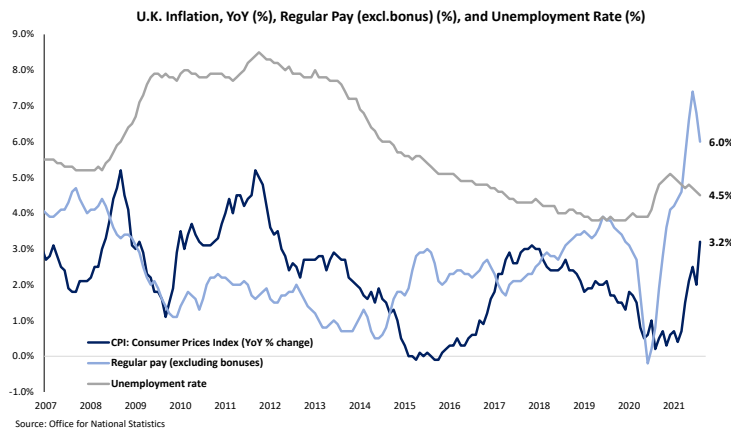


## World Equities

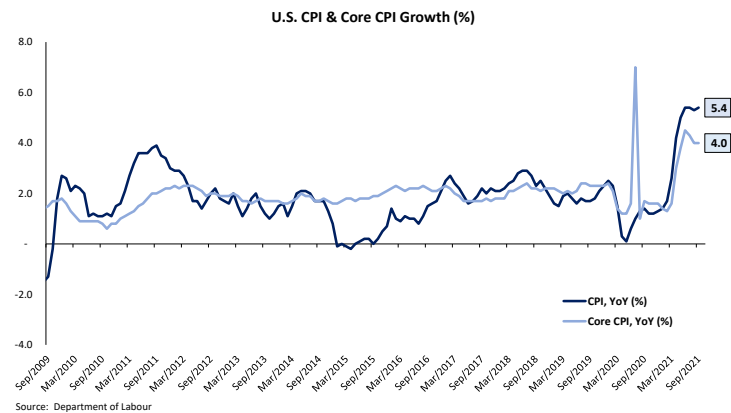
Equity Market	Current	T-1	T-1, Δ %	T-5, Δ %
DOW	35,294.76	34,912.56	1.09%	1.58%
S&P 500	4,471.37	4,438.26	0.75%	1.82%
Nasdaq	14,897.34	14,823.43	0.50%	2.18%
S&P/TSX	20,928.10	20,819.94	0.52%	2.51%
FTSE 100	7,234.03	7,207.71	0.37%	1.95%
DAX	15,587.36	15,462.72	0.81%	2.51%
Hang Seng	25,330.96	24,962.59	1.48%	5.69%
Shanghai Index	3,572.37	3,558.28	0.40%	-0.55%
Nikkei 225	29,068.63	28,550.93	1.81%	3.64%

U.S. equity markets finished higher on Friday thanks to a strong start to Q3 earnings.

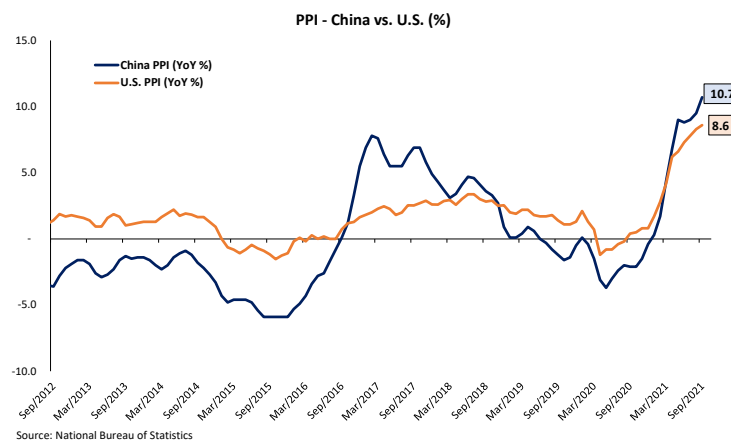
The Dow Jones Industrial Average jumped 382.20 points (+1.09%) to settle at 35,294.76, led by Goldman Sachs, American Express, and Visa. The S&P 500 index gained 33.11 points (+0.75%) to finish at 4,471.37 helped by top performing sectors including Financials and Consumer Discretionary. Nasdaq rose 73.91 points (+0.50%) to close at 14,897.34. For the week, all three indices stayed in the green with Nasdaq outperforming and up 2.18%.



On Tuesday, U.K. job vacancies remained elevated as employers struggled to hire staff to meet demand shortage. In the three months ended in August, both employment rate and unemployment rate improved slightly to 75.3% (from 76.8%) and to 4.5% (from 4.6%). Meanwhile, regular pay (ex. bonuses) rose 6% y/y in the three months ended in August, following a strong 8.3% increase last month. Adjusted for inflation, regular pay (ex. bonuses) grew 3.4% y/y. Rising price pressures coupled with a healthy recovery in the labour market will likely weigh on schedule of tightening monetary policy by the Bank of England and the central bank is expected to increase interest rates as early as in Dec/21.

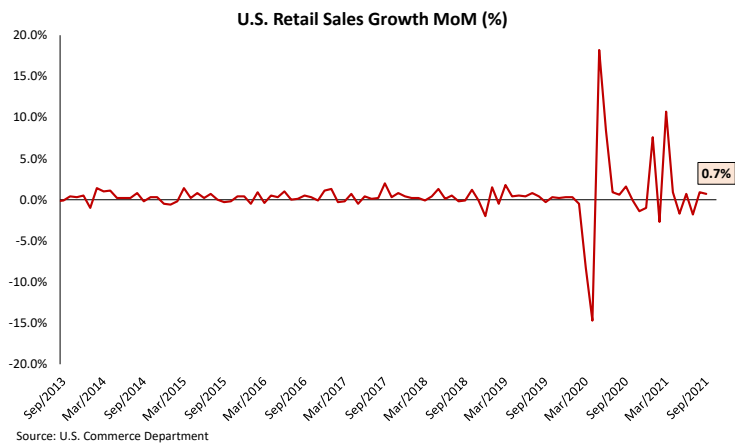


On Wednesday, U.S. released September CPI figures with inflation rising to 5.4% y/y (from 5.3%), a touch above the 5.3% street consensus, marking a 13-year high as inflationary pressures continue to mount driven by higher costs on food, energy, and rent. Excluding volatile items such as food and energy, core inflation rose 4.0% y/y in September. It is becoming more evident that inflation is here to stay in the near future, casting doubt on the “transitory” narrative advocated by the Fed. That said, elevated inflation is unlikely to alter the path forward for monetary policy as the Fed is expected (also telegraphed in its latest FOMC minutes) to start tapering in November and finish it by mid-2022.



Meanwhile, China’s September CPI results showed a modest increase in prices, with inflation inching up 0.7% y/y (vs. 0.8% y/y growth in August). On the other hand, China’s PPI grew 10.7% y/y in September (vs. 9.5% in August), reaching the highest level in over 25 years, underpinned by strong increases in coal prices and other commodity costs. Considering elevated price pressures in the upstream (China) and the U.S. being the largest importer of Chinese goods, it’s another piece of evidence that suggests the U.S. inflation (both domestic and imported) is expected to persist through 2022.

To put things in perspective, on Thursday, U.S. reported its September PPI results on Thursday, which increased 8.6% y/y (up from 8.3% y/y growth in August). Positively, excluding food & energy items, core PPI rose 6.8% y/y, a level considered reasonable given the base effect and it was below street expectation.



On Friday, U.S. retail sales in September surprised to the upside and grew 0.7% m/m (vs. 0.9% in August), better than the -0.2% decline forecasted by economists. The increase in retail sales was largely driven by more expensive auto sales (impacted by ongoing supply bottlenecks), thus does not help alleviate investor concerns associated with a slowdown in consumer spending (which accounts for 2/3 of U.S. economic activities).

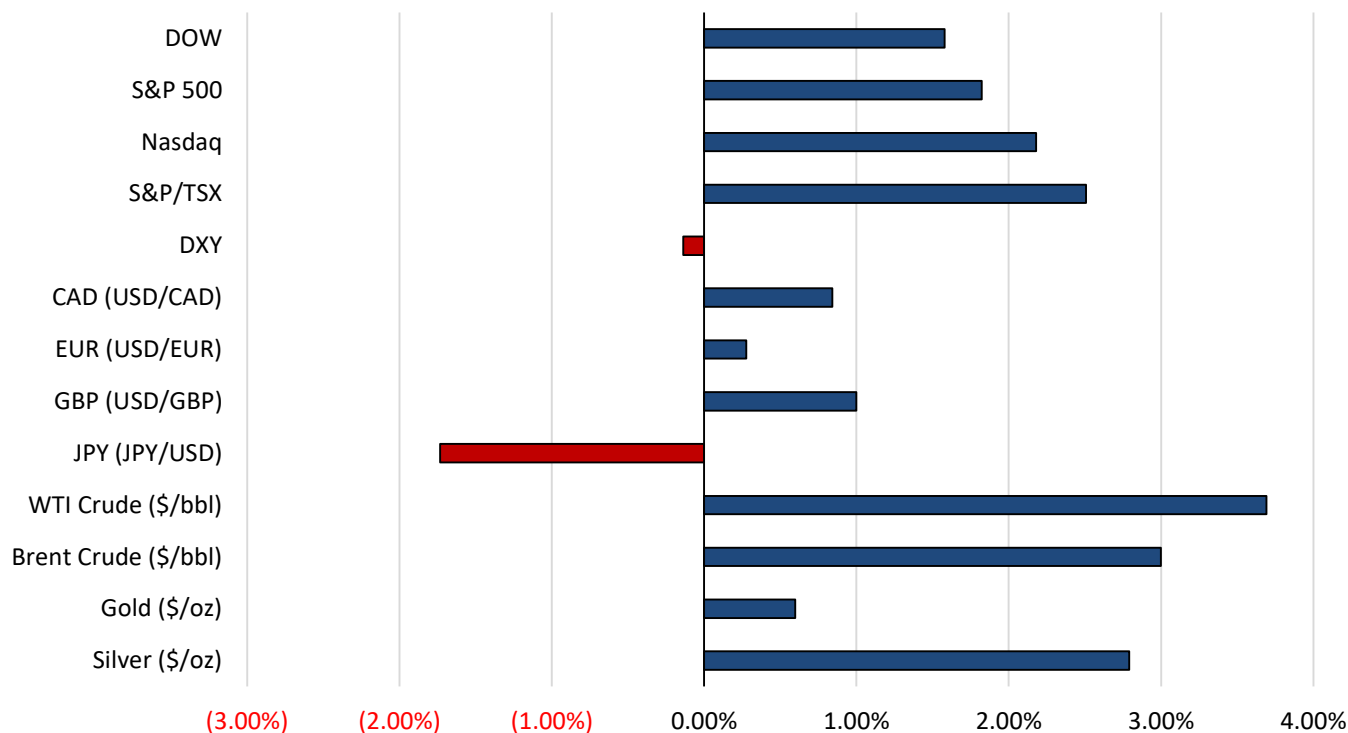
## Commodities & FX

Commodities	Current	T-5	T-30	T-365
WTI Crude (\$/bbl)	82.3	79.4	72.3	43.1
Brent Crude (\$/bbl)	84.9	82.4	74.8	45.6
Natural Gas (\$/MMBtu)	5.41	5.57	5.51	3.04
Gold (\$/oz)	1,767.6	1,757.1	1,794.1	1,908.7
Silver (\$/oz)	23.3	22.7	23.8	24.3
Copper (\$/oz)	9,984.0	9,280.0	9,442.0	6,716.0
FX	Current	T-5	T-30	T-365
CAD (USD/CAD)	1.24	1.25	1.26	1.32
EUR (USD/EUR)	1.16	1.16	1.18	1.17
GBP (USD/GBP)	1.38	1.36	1.38	1.29
JPY (JPY/USD)	114.2	112.2	109.4	105.5

## Fixed Income

Gov't Bonds	2-Year (%)				5-Year (%)				10-Year (%)			
	Current	T-1	T-5	T-30	Current	T-1	T-5	T-30	Current	T-1	T-5	T-30
U.S.	0.39	0.36	0.32	0.21	1.13	1.05	1.06	0.80	1.57	1.51	1.61	1.30
Canada	0.76	0.72	0.68	0.42	1.24	1.18	1.21	0.83	1.58	1.53	1.62	1.22
Eurozone	-0.69	-0.70	-0.70	-0.70	-0.52	-0.54	-0.53	-0.63	-0.17	-0.19	-0.15	-0.31
Japan	-0.12	-0.12	-0.12	-0.13	-0.08	-0.08	-0.09	-0.11	0.08	0.08	0.08	0.03
U.K.	0.58	0.51	0.54	0.26	0.77	0.70	0.77	0.45	1.10	1.04	1.16	0.78

## Weekly Performance



## Upcoming Events

Date	Events
Mon, Oct 18, 2021	China Q3 GDP, China Industrial Production (Sep), Canada Housing Starts (Sep)
Tue, Oct 19, 2021	U.S. Housing Starts & Building Permits (Sep)
Wed, Oct 20, 2021	U.K. & Eurozone CPI (Sep); Canada CPI (Sep)
Thu, Oct 21, 2021	U.S. Existing Home Sales (Sep)
Fri, Oct 22, 2021	Canada Retail Sales (Aug)