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| **RESOURCE LOG – NOVEMBER 2021** | | | | |
| **Article Title** | **Detail** | **Publication** | **Date** | **Author** |
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| Limited Progress on Climate At G-20 Signals Hurdles Ahead | The world’s leading economies made no major progress on Sunday over how to cut greenhouse gas emissions, showing how difficult it will be to achieve a break-through at United Nations climate talks in Glasgow over the next two weeks.  The G-20 economies account for around 75% of global emissions. | The Wall Street Journal | 11/01/2021 | Max Colchester, Sha Hua and Matthew Dalton |
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| Narrow Yield Gap Shows Worries on Rates, Growth | The gap between yields on shorter- and longer-term Treasurys narrowed at month’s end, reflecting the tension between investors’ expectations that interest rates will climb and their concerns about the prospects for longer-term growth.  Yields on longer-term Treasurys, which tend to fall when investors expect cooling economic growth, have retreated since approaching their 2021 highs early in October.  Yields on shorter-term Treasurys, meanwhile, have continued to rise. The yield on the two-year Treasury, which tends to climb when investors expect rates to rise, settled at new yearly highs throughout the past week.  “the market is trying to figure out what the long-term outlook is here for both Fed policy and inflation,” said Kathy Jones, chief fixed-income strategist at Charles Schwab. “Those two things are getting investors rather muddled.”  The U.S. central bank is set to begin winding down its $120 billion-a-month bond-purchase program in November, sooner than some investors had anticipated.  Analysts expect officials won’t raise rates before finishing that process. | The Wall Street Journal | 11/01/2021 | Sebastian Pelllejero |
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| Inflation Raises Stakes for Fed | Stubbornly high inflation across more wealthy economies last week prompted a shakeout in bond markets as investors began expecting central banks to quickly tighten monetary policy.  All eyes this week will be on the Federal Reserve, which is likely to begin winding down its $120 billion-a-month asset-buying program with an eye toward ending those purchases by June.  Markets show investors are increasingly betting on the Fed raising U.S. interest rates next summer, following recent inflation reports…  Mr. Powell is likely to seek a middle ground that assures investors he is closely monitoring inflation risks while not appearing so worried that he boosts expectations of a quick pivot toward tighter money, as has occurred in the U. K. and Canada.  In the U.S., so-called core prices that exclude volatile food and energy categories rose 3.6% in September from a year earlier, using the Fed’s preferred gauge.  Investors are on guard to see whether the Fed’s post-meeting statement changes the way it characterizes inflationary pressures. | The Wall Street Journal | 11/02/2021 | Nick Timiraos |
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| Stocks Rise on Investor Confidence | Stocks continued a weeks-long march higher, reaching records on Monday in a display of investor confidence in the economy’s bumpy recovery.  The Dow Jones Industrial Average briefly jumped above 36000 for the first time, hitting 36009.74 just after the opening bell. It later pared gains and ended the day with an increase of 94.28 points, or 0.3%, to 35913.84.  The S&P 500 rose 8.29 points, or 0.2%, to 4613.67 after closing out October with its best monthly performance since November 2020. | The Wall Street Journal | 11/02/2021 | Caitlin Ostroff and Alexander Osipovich |
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| What’s News | ♦ The Dow closed above 36000 for the first time, gaining 0.4%. the S&P 500 and the Nasdaq also ended at new highs, rising 0.4% and 0.3%. respectively. | The Wall Street Journal | 11/03/2021 |  |
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| U.S. Proposes Methane Rules As Leaders Vow Emissions Cut | Global leaders at the Glasgow climate summit pledged Tuesday to sharply curtail methane emissions, with President Biden saying the U.S. would tighten regulations on oil and natural-gas production to reduce leaks of the potent greenhouse gas.  Under the newly proposed U.S. methane regulations, the Environmental Protection Agency would seek for the first time to regulate methane at existing oil and gas wells nationwide, a move smaller producers fought for year. | The Wall Street Journal | 11/03/2021 | Timothy Puko and Katy Stech Ferek |
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| What’s News | ♦ The Fed closed a chapter on its aggressive, pandemic-driven stimulus when it approved plans Wednesday to begin scaling back its bond-buying program this month and concerns that inflationary pressures could last longer than officials expected earlier this year. | The Wall Street Journal | 11/04/2021 |  |
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| What’s News | ♦ The S&P 500, Dow and Nasdaq closed at records after the Fed’s policy meeting, with gains of 0.6%, 0.3% and 1%, respectively. | The Wall Street Journal | 11/04/2021 |  |
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| Shortage of Truck Drivers Worsens Supply-Chain Mess | Trucks haul more than 70% of domestic cargo shipments. Yet many fleets say they can’t hire enough drivers to meet booming consumer demand as the U.S. economy emerges from the pandemic.  The American Trucking Associations, one of the largest trade bodies, estimates the industry is some 80,000 drivers short of the workers needed to keep goods moving freely this year…  In September, the average cost to hire a big rig on the “spot market,” where companies book last minute transportation, was $2.49 per mile excluding fuel surcharges, up 14% from the same months in 2020…  The ATA said pay increases mean some drivers will choose to work less at higher rates, further denting capacity. | The Wall Street Journal | 11/04/2021 | Jennifer Smith |
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| Negative bond Yields Recede In Europe Amid Rate Outlook  *Behind the rise is a bet that ECB will have to raise interest rates sooner than it wants* | Negative bond yields are getting harder to find in Europe, shrinking the pool of debt that pays back less to investors than they put in.  French, Irish, Dutch and Swiss yields have all either turned positive or flirted with the line in recent weeks and months. German 10-year bond yields, the region’s benchmark, are still negative, but rose as high as negative 0.07% this week, the closest they have come to turning positive since April 2019.  Interest rates have been negative in the eurozone since 2014. | The Wall Street Journal | 11/04/2021 | Patricia Kowsmann |
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| What’s News | ♦ OPEC and a group of Russia-led producers agreed to keep to their gradual, monthly increase in oil output. | The Wall Street Journal | 11/05/2021 |  |
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| Treasury Yields Fall on Jobs Data | U.S. government bonds rallied after a better-than-expected jobs report Friday, sending the yield on the benchmark 10-year Treasury note below 1.5% for the first time in about a month.  The 30-year Treasury yield slipped to 1.885% from 1.963%.  After the Federal Reserve announced plans to end its pandemic bond-buying program by June, some stuck to bets that persistent inflation might force Federal Reserve officials to raise interest rates several times in 2022. | The Wall Street Journal | 11/06-07/2021 | Sebastian Pellejero |
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| Jobs Market Churns Out Big Rebound | The economy churned out 531,000 new jobs last month, the biggest gain in three months, the Labor Department said Friday.  The unemployment rate fell to 4.6% in October from 4.8% a month earlier and is down by more than half a percentage point in just two months.  Major stock indexes rose to closing records after the report. The D ow Jones Industrial Average climbed 203.72 points, or 0.6%, to 36327.95 and advanced 1.4% for the week. The S&P 500 logged a 2% weekly rise.  The U.S. has more than four million fewer jobs than in February 2020, the month before the pandemic shut down much of the economy, and the unemployment rate remains higher than the pre-pandemic 3.5%.  The Fed has said it would keep interest rates near zero until inflation is projected to moderately exceed its 2% target and until hiring conditions are consistent with maximum employment.  Job growth is expected to remain steady through the rest of the year because of several factors. Delta cases declined. Employers desperate to hire are rapidly raising wages, dangling bonuses and offering more flexible hours. | The Wall Street Journal | 11/06-07/2021 | Josh Mitchell |
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| Global Economic Recovery Is Facing Big Tests | Central banks in the U.S. and elsewhere are trying to chart a path that will curb inflation but not choke off growth as they navigate the process of weaning economies off the extraordinary measures – including rock-bottom interest rates and enormous bond-buying programs – deployed to support their economies.  The surge in U.S. consumer demand over the past year – turbocharged by trillions of dollars in stimulus – has ricocheted outward and caused disruptions to global supply chains that are now worsening and might stretch through 2022, executives said. | The Wall Street Journal | 11/08/2021 | Tom Fairless, Mike Cherney and David Harrison |
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| Government-Bond Swings Burn Wall Street Investors | A rapid U-turn in government-bond markets has sparked deep losses for some of Wall Street’s biggest investors…  Behind the losses are recent abrupt moves in government-bond prices. With central banks signaling plans to end their extraordinary stimulus measures, short-term bonds have declined in price, sending yields – which rise when prices fall – to touch their highest levels since March 2020.  At the same time, yields on longer-term bonds, which tend to fall when investors expect slowing growth, have retreated from near their highs for the year. The gap between the two narrowed sharply, a phenomenon known as a flattening yield curve.  Hedge funds and others wo make big bond bets “were caught offsides” by the recent price moves, said Steve Kane, who helps run TCW Group Inc.’s $86 billion MetWest Total Return Bond Fund, which has also seen losses. “They’re getting squeezed,” he said.  A Bloomberg Treasurys index has lost about 1.5% since early August.  While inflation worries have racked markets for months, the recent price action suggests that the bond market is now preparing for lingering inflation over the next few years, in tension with the Fed’s view that easing supply-chain bottlenecks will soon slow rising consumer prices.  Bond prices now suggest inflation will be 3% over the next five years, up from 2.5% a month ago, Traders said.  Bond prices indicate that the Fed will raise interest rates five times by the end of 2023, resulting in a slowdown of the global economy. | The Wall Street Journal | 11/08/2021 | Gregory Zuckerman and Julia-Ambra Verlaine |
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| Economists Predict Modest Boost to Growth | The infrastructure package just passed by Congress will modestly help the economy in the short tun while priming the country for slightly stronger growth in coming decades, economists say.  The new spending approved by the law is small compared with the economy, representing about half a percentage point of U.S. gross domestic product over the next decade, according to University of Pennsylvania economist Kent Smetters.  Moody’s estimates the law will raise U.S. output by 0.17%, or $34 billion, by year-end and by 0.5% by year-end 2026, with the effect then fading as spending winds down. | The Wall Street Journal | 11/08/2021 | Josh Mitchell |
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| Germany’s Economy, Once Europe’s Engine, Is Stalling  *Export-oriented businesses fare poorly in a post-pandemic world* | German manufacturers are struggling to produce cars and factory equipment because of parts and labor shortages. They face surging energy prices that are making sky-high electricity bills even higher.  The era of easy foreign trade and rapid globalization has given way to geopolitical tensions, transport bottlenecks and pressure to manufacture locally. Chinese businesses, Germany’s biggest customers, are turning into competitors.  German industrial output in August was about 9% below its 2015 level, compared with a 2% increase for the eurozone as a whole… | The Wall Street Journal | 11/09/2021 | Tom Fairless |
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| Stocks Advance to Records | The S&P 500 rose 4.17 points, or less than 0.1%, to 4701.70 – the eighth consecutive trading session in which the broad market index closed at a record, a feat it hasn’t accomplished since 1997.  The Dow Jones Industrial Average advanced 104.27, or 0.3% to 36432.22, while the Nasdaq composite ticked up 10.77, or less than 0.1%, to 15982.36. Both indexes hit records. Stocks have rallied in recent weeks on strong corporate earnings and signs that the economic recovery remains on track, including data showing a rebound in job growth in October.  About 81% of S&P 500 companies that have reported results this season have topped analysts’ earnings forecasts, according to Refinitiv.  …Jason Pride, chief investment officer for pr9vate wealth at Glenmede.  Mr. Pride added that investors have grown more comfortable with the prospect of the Federal Reserve tapering its bond purchases…  In bond markets, the yield on the benchmark 10-year Treasury note climbed to 1.496% from 1.451% Friday. Yields rise when prices fall.  In commodities, Brent crude futures, the benchmark in global oil markets, rose 0.8% to $83.43 a barrel. | The Wall Street Journal | 11/09/2021 | Caitlin Ostroff and Alexander Osipovich |
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| China Risks Slowdown as Real Estate Stalls | China’s aggressive campaign to root out speculative real-estate activity could slow the country’s growth rate for years to come, economists say, even if the worst-case scenario – a major housing correction with sharply falling home prices – is averted.  While economists generally agree that purging the market of irrational behavior is necessary, they say the campaign will at least partly deprive China of one of its biggest sources of growth.  Real-estate activity accounts for about one-fourth of gross domestic product tin China…  The IIF projects China’s GDP to expand by an average of 3% or lower each year from 2022 to 2031 as its economy matures, per capita incomes rise and real estate slows.  That is lower than the average annual growth rate of 5% that China needs to maintain from now until 2025 to avoid the middle-income trap… | The Wall Street Journal | 11/09/2021 | Stella Yifan Xie |
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| GE Breakup Marks End of an Era | General Electric Co., the company that for more than a century stood as a beacon of U.S. manufacturing might and management prowess, will split into three public companies, drawing the curtain on an era of business – the dominance of industrial conglomerates.  The decision, announced Tuesday by Chief Executive Larry Culp…  When Mr. Culp took over as CEO of a wounded GE three years ago, he faced calls from inside and outside to break it apart. | The Wall Street Journal | 11/10/2021 | Thomas Gryta |
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| What’s News | ♦ U.S. stocks fell as inflation data added to investors’ concerns. The Nasdaq, S&P 500 and Dow retreated 2.7%, 0.8% and 0.7%, respectively. The yield on the 10-year Treasury note rose to 1.558%. | The Wall Street Journal | 11/11/2021 |  |
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| Inflation Rate Of 6.2% Marks A 31-Year High  *Persistent supply squeeze, consumer demand trigger broad rise in consumer prices* | The core price index, which excludes the often-volatile categories of food and energy, climbed 4.6% in October from a year earlier, higher than September’s 4% rise.  Price increases were broad, with higher costs for autos, gasoline and other energy, furniture, rent and medical care, the Labor Department said. | The Wall Street Journal | 11/11/2021 | Gwynn Guilford |
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| Price Jumps Awaken Caution in Markets | In the government bond market, longer-term Treasury securities, which generally are most sensitive to inflation expectations, fell in price, as did short-term Treasurys, which tend to anticipate interest rate moves by the Federal Reserve. The 10-year Treasury yield posted its largest rise in a year. When bond prices fall, yields rise. | The Wall Street Journal | 11/11/2021 | Gregory Zuckerman and Sam Goldfarb |
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| OPEC Says High Prices Likely to Slow Demand | Soaring energy prices are likely to crimp demand for oil in some of the world’s fastest-growing economies this year, the Organization of the Petroleum Exporting Countries said Thursday.  Prices for a range of energy commodities have surged in recent months. | The Wall Street Journal | 11/12/2021 | Will Horner |
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| S&P, Nasdaq Gain, but Dow Falls | The S&P 500 and Nasdaq composite rebounded as investors shook off concerns about mounting inflation.  The benchmark S&P 500 added 2.56 points, or 0.1%, to 4649.27, reversing direction after finishing Wednesday with its largest one-day decline in more than a month. The Nasdaq composite gained 81.58 points, or 0.5%, to 15704.28.  The Dow Jones Industrial Average lost 158.71 points, or 0.4%, to 35921.23. the blue-chip index was pulled down, in part, by Walt Disney’s worst daily performance in more than a year.  Shares of growth and technology companies, which tend to perform poorly in an inflationary environment, helped push the S&P and Nasdaq higher  Financial companies, which tend to benefit from higher interest rates, also rallied. Energy and materials stocks posted strong performances, too. The Russell 2000 index of small-cap stocks rose 0.8%.  Even as pricing pressures remain top of mind for strategists and investors, many say they have a bullish outlook for the rest of the year. | The Wall Street Journal | 11/12/2021 | Caitlin McCabe and Anna Hirtensteiin |
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| Record Quitting Fuels Tight Job Market | The so-called quits rate – a measurement of workers’ leaving jobs as a share of overall employment – was 3% in September, a record high. Friday’s Labor Department date showed a sign of worker confidence in the job market.  Total job openings have been well above their pre-pandemic peak – about 7.5 million in November 2018- since February, when Covid-19 vaccinations initially ramped up and the U.S. economy started to more broadly reopen.  Labor-force participation, or the share of working-age people employed or looking for work, has remained lower than normal despite strong job growth during the recovery. | The Wall Street Journal | 11/13-14/2021 | Gabriel T. Rubin |
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| Low Real Yields Spur Riskier Investment | Enthusiasm for riskier corners of the market has sent stock indexes and cryptocurrencies to records. A powerful driver, investors say is surging inflation and the effect it has suppressing returns on safe government bonds, a main alternative to stocks.  Last week, real yields, which take into account the corrosive effects of inflation, hit some of their lowest levels on record. One measure of real yields, 10-year Treasury inflation-protected securities, fell to minus 1.2%, according to Tradeweb.  The prospect of negative returns on super safe inflation-protected bonds has pushed investors to buy riskier assets.  Cryptocurrencies have surged. Bitcoin hit a record last Tuesday, trading at $68525 on Tuesday, according to CoinDesk.  In Europe, the German real-yield equivalent slid to minus 2.2%, close to its lowest level on record.  As real yields have fallen, technology stocks whose growth prospects are far in the future have benefited the most. The tech-heavy Nasdaq composite Index has risen 10% in the past month, roughly doubling the rise in the Dow Jones Industrial Average…  “the lower-yield, risk-on environment has been favorable to crypto,” said Joel Kruger, a currency strategist at LMAX Group, a currency and cryptocurrency exchange.  But if inflation rises to the point where the Fed might need to increase rates, cutting credit off from the economy, this could hit risk taking in general including crypto, he said. | The Wall Street Journal | 11/15/2021 | Anna Hirtenstein |
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| Inflation Helps Boost Profit Margins | Companies are paying higher wages, spending more for materials and absorbing record freight costs, pushing up economic inflation gauges. They are also reporting some of their best profitability in years.  Executives are seizing a once in a generation opportunity to raise prices to match and in some cases outpace their own higher expenses, after decades of grinding down costs and prices.  Industries from retail and manufacturing to biotech have seen their profits rise.  Profit margins often rise with inflation. The risk to companies is that they overreach, raising prices faster than their competitors, or farther than customers will tolerate, losing sales and market share that may take years to recover.  The consumer-price index, a key economic indicator, increased in October by 6.2% from a year ago. That was the fastest 12-month pace since 1990 and the fifth straight month of inflation above 5%.  Entrenched inflation could mean Federal Reserve officials might have to raise rates sooner or more than they expected to, potentially dampening growth. | The Wall Street Journal | 11/15/2021 | Kristin Broughton and Theo Francis |
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| Shipping Rates Ease, but Logjams Don’t | The decline in ocean-freight rates coincides with the winding down of the traditional peak shipping season, which starts in August when Western importers start to load up on cargo ahead of the year-end holidays. With most products at least on their way, space is gradually opening up on the front end of the trip, leading to lower prices.  The cost to move a container from China to the U.S. West Coast fell 26% last week compared with the week before to $13,295, according to the Freightos Baltic Index. That is still more than three times as high as at the start of the year, when the same box cost $4,200. | The Wall Street Journal | 11/16/2021 | Costas Paris |
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| What’s News | ♦ Gold prices have surged near their highest level in fixe months, a sign of growing unease that inflation will slow the economy and undercut the stock market’s steady run-up. | The Wall Street Journal | 11/16/2021 |  |
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| Strap Yourself In: Inflation Isn’t going Away | Mr. Powell and others may be right, but the evidence against their position is accumulating. Most U.S. firms are reporting limited consumer resistance to price hikes. Households have built up more than $2 trillion in saving thanks to government transfers and less spending during the pandemic. For upper-income households, the “wealth effect” is boosting their demand for goods and services.  Two of the factors most often blamed for disruptions that lead to price hikes – shortages of computer chips and the snarled supply chain – won’t abate as quickly as policy makers hope.  With an aging population at home and throughout the industrialized world – including in China – slow labor-force growth will exert persistent upward pressure on wages. | The Wall Street Journal | 11/17/2021 | William A. Galston |
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| Yellen Says Action on Debt Cap Is Needed By Dec. 15 | The U.S. government could run out of resources to meet the nation’s obligations as soon as Dec. 15, Treasury Secretary Janet Yellen said Tuesday, reviving questions about how Congress will resolve a standoff about raising or suspending the federal borrowing limit.  Raising the debt limit doesn’t authorize new spending, but instead allows the government to issue new debt to pay for existing obligations, such as Social Security benefits and interest on the debt.  If the debt ceiling isn’t addressed and the Treasury’s available funds dwindle, the department could be forced to suspend certain payments. | The Wall Street Journal | 11/17/2021 | Amara Omeokwe and Andrew Duehren |
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| What’s News | ♦ U.S. retail sales rose in October by a seasonally adjusted 1.7% from the previous month as consumers continued their stepped-up spending despite Covid-19 fears and concerns about inflation. | The Wall Street Journal | 11/17/2021 |  |
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| Treasury Yields Fall Despite Strong Retail-Sales Data | U.S. government bond yields are showing signs of stabilizing near the top of their 2021 range after a bout of selling precipitated by last week’s surprisingly high inflation data.  The yield on the benchmark 10-year U.S. Treasury note settled Wednesday at 1.604%, down from 1.632% Tuesday.  The prospects for inflation remain central to bond investors’ trading strategies. Various market indicators suggest that many still expect inflation to moderate in the coming years, as consumer spending slows…  Yields on short-term Treasurys, which are highly sensitive to Fed policy, have been on a steep ascent for much of the year, with the three-year yield climbing to nearly 0.9% from less than 0.2% in early February.  Investors, though, have been less sure about the outlook for interest rates in the second half of this decade, causing longer-term yields to fluctuate and not rise at the same pace as shorter-term yields.  As it stands, the 10-year yield is up from around 1.17% in August. But it remains below the nearly 1.75% level it reached at the end of March… | The Wall Street Journal | 11/18/2021 | Sam Goldfarb |
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| U.K. Inflation Hits Fastest Pace Since ‘11 | Annual inflation in the U.K. accelerated to its fastest rate in a decade, strengthening expectations the Bank of England will be the first major central bank to lift interest rates from pandemic lows as worries over global inflation intensify. | The Wall Street Journal | 11/18/2021 | Jason Douglas and Xavier Fontdegloria |
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| Will Manchin Stand His Ground on Inflation? | While Covid-19 disrupted the world’s supply chains and the Federal Reserve accommodated to a degree unprecedented in its history, the explosion in federal spending is the primary driving force behind surging inflation. Total federal outlays skyrocketed by 47% in 2020 and 54% in 2021. This spending created a 35% surge in personal government transfers, some 4.2 times the postwar average. Americans hold $4.7 trillion on their checking accounts, more than three times their pre-pandemic holdings.  Democrats Larry Summers and Jason Furman have sounded the alarm about the surge in federal spending and the building inflation crisis.  As written, the bill is almost totally front-loaded. | The Wall Street Journal | 11/19/2021 | Phil Gramm and Mike Solon |
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| With Powell Sticking Around, Markets Refocus on Inflation | Markets climb a wall of worry, and the renomination of Jerome Powell as Federal Reserve chairman takes away one important uncertainty.  The market response to taking away a risk is easy to predict. Stocks and other risky assets go up, and bonds, gold and other safer assets go down.  The market will now get back to its main preoccupation: Is Mr. Powell right to think that inflation is transitory? If he is, there is an important secondary issue: Will the economy be strong enough to allow rates to return to something like normal over the next few decades?  The bond market is priced for inflation to average more than 3% over the next five years, well above the Fed’s 2% target.  Investors are betting that the economy won’t grow strongly enough to support much of a rise in real, after-inflation interest rates in the long run. | The Wall Street Journal | 11/23/2021 | James Mackintosh |
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| Powell Tapped for New Fed Term  Bank Chief Faces Changed Economy | Over his first term in office, Jerome Powell became arguably the most dovish chairman in the Federal Reserve’s modern history, giving priority to full employment in an era in which inflation seemed extinct. In his second term, he might have to execute the reverse: giving priority to inflation at the risk of sacrificing jobs.  The pivot could be painful for both Mr. Powell and President Biden. On Monday, Mr. Biden praised Mr. Powell for his commitment to “maximum employment” …  Yet economic conditions have been substantially reordered in just the past year. Inflation, at 6.2%, is its highest in 31 years. While employment remains 4.2 million below its pre-pandemic peak, labor shortages are widespread and wage growth is accelerating. All that threatens the Fed’s 2% inflation target.  For now, Mr. Powell and his colleagues including Gov. Lael Brainard, whom Mr. Biden plans to nominate as vice chairwoman, hope and expect inflation to drop, as pandemic-related obstacles recede. | The Wall Street Journal | 11/23/2021 | Greg Ip |
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| Powell Tapped for New Fed Term  *Biden’s decision to renominate the bank chief signals a desire for continuity in policy* | President Biden said he would nominate Federal Reserve Chairman Jerome Powell to a second term leading the central bank, opting for continuity in U.S. economic policy desp8te pushback from some fellow Democrats who wanted someone tougher on bank regulations and climate change. | The Wall Street Journal | 11/23/2021 | Nick Timiraos and Andrew Restuccia |
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| S&P 500 Slips After Powell Choice | The S&P 500 pared gains and finished lower after President Biden said he would nominate Jerome Powell for a second term as Federal Reserve chairman, paving the way for the continuation of the current policy framework.  The S&P 500 slipped 0.3%, or 15.02 points, to 4682.94 after rising earlier in the day. The Dow Jones Industrial Average advanced less than 0.1%, or 17.27 points, to 35619.25. The Nasdaq composite Index lost 1.3%, or 202.68 points, to 15854.76.  Mr. Powell’s nomination “keeps monetary policy relatively stable and takes one of the potential catalysts for disruption off the table,” said Jason Pride, chief investment officer of private wealth at Glenmede.  Among the gainers in the S&P 500 were the energy, financials, industrials and materials sectors. Investors seem to be rotating away from technology stocks with high valuations into economically sensitive sectors as the recovery continues, said Stephanie Link, chief investment strategist and portfolio manager at Hightower Advisors. | The Wall Street Journal | 11/23/2021 | Dave Sebastian and Joe Wallace |
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| President To Tap U.S. Oil Reserves  *Other nations follow suit in bid to combat high gas prices; impact might not be lasting* | Mr. Biden predicated that the added supply would lead to lower prices, but wholesale crude prices on financial markets rose after Tuesday’s announcement.  Analysts questioned whether government releases are big enough to cover surging demand, …  Even is crude prices do fall, relief for consumers might be short-lived as demand is expected to keep rising into next year as the global economy continues its recovery from the Covid-19 pandemic. | The Wall Street Journal | 11/24/2021 | Timothy Puko and Alex Leary |
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| Small Investors Buck Worries Of Inflation, Buy Growth Stocks | Conventional Wall Street wisdom says inflation, which has been rising all year, is bad for growth and technology stocks. So far, many small investors don’t care.  Growth stocks are typically companies – often tech firms – that are expected to deliver faster-than-average profit growth in the future. They tend to flourish in a low-rate environment, including over the past year and a half. Investors are typically willing to take some risks and pay higher prices for such companies when they don’t see many alternatives for making sizable profits.  But mounting inflation can be troublesome for growth stocks. That is because inflation brings the prospect of higher interest rates and higher bond yields, making the promised future cash flows a growth stock less attractive. | The Wall Street Journal | 11/26/2021 | Caitlin McCabe |
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| OPEC+ Weighs Shift in Policy After Reserve Release | Top oil producers Saudi Arabia and Russia are considering a move to pause their recent efforts to provide the world with more crude, according to people familiar with those discussions, after Washington and other countries said they would release a slug of stored oil in an effort to lower prices.  To compensate for the new supply, Riyadh and Moscow are now considering a pause of the group’s monthly collective increase, OPEC delegates said.  After initially falling on news of the SPR release, Brent crude, the international benchmark, rose slightly on Wednesday. On Thursday, it lost 3 cents a barrel or 0.04%, to $82.22. | The Wall Street Journal | 11/26/2021 | Benoit Faucon and Summer Said |
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| Pricing Of Drugs Faces New Oversight | The House last week approved a roughly $2 trillion social-spending and climate bill supported by President Biden that requires the government to negotiate prices for some older high-cost medicines covered by Medicare.  Yet drugmakers avoided proposals that would have hit harder, according to congressional staffers and lobbyists. So far, the industry hasn’t mobilized in force against the bill after its passage in the House…  The Senate plans to take up the bill in December. Few changes are expected to be made to the drug-pricing provisions, which were hammered out in a compromise pact among Democratic lawmakers this month, according to people familiar with the matter.  Democrat are seeking to pass the bill through a process called budget reconciliation to bypass GOP opposition. | The Wall Street Journal | 11/26/2021 | Joseph Walker |
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| Dow Suffers Worst Day of 2021 | Stocks, oil prices and government-bond yields slumped after South Africa raised the alarm over a fast-spreading strain of the coronavirus. Triggering concern that travel restrictions and other curbs will spoil the global economy’s recovery.  The Dow Jones Industrial Average fell 905.04 points, or 2.5%, to 34899.34. It was the Dow’s biggest one-day percentage drop since October 2020.  The S&P 500 lost 106.84 points, or 2.3%, to 4594.62 and the Nasdaq Composite dropped 353.57 points, or 2.2%, to 15491.66. It was the worst Black Friday session on record for all three indexes.  U.S. crude oil tumbled 13% to $68.15. Traders fretted that lockdowns could reduce demand for transportation fuels. Bitcoin, following the path of other risk assets, skidded 8% to below $55,000.  Investors reached for havens. The yield on the 10-year Treasury note tumbled to 1.482% from 1.644% before the Thanksgiving break…  Gold, another perceived store of value when riskier assets retreat, rose 0.1%, to $1,785.30 a troy ounce.  Delta Air Lines, Untied Airlines and American Airlines Group all dropped 8% or more…  Oil prices experienced some of the biggest declines.  However, elevated inflation could prevent central banks and governments from spraying economies with stimulus in the event of renewed widespread lockdowns.  International stock markets tumbled. | The Wall Street Journal | 11/27-28/2021 | Joe Wallace, Quentin Webb and Paul Vigna |
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| High-Yield Bond Sales Climb to Record | Investors’ hunt for higher fixed-income returns has powered s ales of low-rated corporate bonds to a record.  This year’s bond sales mark a notable reversal from the spring of 2020, when investors’ worries about widespread bankruptcies and defaults sparked a selloff in low-rated debt. Since then, ultralow interest rates and a stimulus-fueled economic rebound have supported companies with weaker credit rating and boosted the appeal of riskier debt.  Junk bonds and so-called leveraged loans are typically issued by companies with significant debt relative to their earnings, or leverage, making them more sensitive to the economy’s trajectory.  The broader leveraged finance market, which also includes leveraged loans, has sold more than $1 trillion in bonds and loans this year, also a record.  Some market watchers worry that investors are taking on too much risk…  Junk bonds have returned 4.1% to investors this year through Monday, counting interest payments and price changes, according to LCD. That falls short of the 4.5% total return on leveraged loans, which have interest rates that rise and fall with their benchmark but beats the minus 1.73% return on investment-grade corporate bonds and minus 2.93% for Treasurys. | The Wall Street Journal | 11/27-28/2021 | Sebastian Pellejero |
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| Rout Exposes Perils of Margin | Friday’s global retreat from riskier assets exposes a vulnerability of the broad market advance of the past year and a half…  Traders said the Black Friday rout, which hammered stocks and energy prices from France to India to the U.S., doesn’t necessarily presage a broader pullback unless further bad news about the new variant of Covid-19 comes to light.  … the Dow Industrials posted their largest-ever Black Friday decline and U.S. oil prices dropped 13%.  At the same time, the Covid-19 pandemic has made investors more vigilant … | The Wall Street Journal | 11/29/2021 | Michael Wursthorn |
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| Eurozone Inflation May Be at a Peak | Consumer-price inflation in the eurozone likely hit a record high in November, but many economists think that might mark a peak for now, and therefore don’t expect the European Central Bank to raise its key interest rate next year. | The Wall Street Journal | 11/29/2021 | Paul Hannon |
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| Stocks Recover As Fears Abate on Omicron | The S&P 500 jumped 60.65 points, or 1.3%, to 4655.27, recouping some of its losses after the index suffered its worst one-day percentage decline in nine months. Friday’s selloff came after South Africa identified a fast-spreading strain of the coronavirus, which the World Health Organization named Omicron, and countries around the world responded with new travel restrictions.  The Nasdaq Composite advanced 291.18 points, or 1.9%, to 15782.83, boosted by investor appetite for technology stocks.  The Dow Jones Industrial Average added 236.60, or 0.7%, to 35135.94.  “Friday was a panic selloff,” said Ipek Ozkardeskaya, senior analyst at Swissquote Bank. | The Wall Street Journal | 11/30/2021 | Caitlin Ostroff and Frances Yoon |
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| Oil Prices Stabilize After Selloff | Oil prices stabilized, clawing back some of their losses after a new variant of the coronavirus fueled crude’s worst trading session since April 2020.  U.S. crude ended the day up 2.6% at $69.95 a barrel after previously rising as much as 6.9%, rebounding alongside stocks and other commodities following a Friday selloff… | The Wall Street Journal | 11/30/2021 | Amrith Ramkumar |

From 1955 to 1998, home prices in America have increase just 0.1 percentage point per year over inflation. In fact, for the entire 20th century, the annual average increase in home prices was only a 0.2 percentage point per year over the inflation rate. Over the past year, nominal U.S. home prices are up nearly 20% or about 15% in real terms. -*MarketWatch, September 30, 2021*

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