

# October 2021 Market Update

U.S. Stocks bounced back sharply in October, up 6.7% for a total year-to-date gain of 22.9%. U.S. stocks ended October at another all-time high and the 9<sup>th</sup> month this year that stocks have set a new all-time high. International stocks lagged substantially, adding only 2.9% for a YTD gain of 9.9%. Bonds were flat as the 10-year Treasury rose to 1.55% from 1.52% in September. Real estate was strong, adding 7.1% and is now up 30.9% on the year.

Democrats made significant progress on their “Build Back Better” fiscal stimulus proposal, which may partially explain market strength. CPI gained 0.3% month-over-month and core CPI gained 0.2%. Payrolls fell well short of consensus for the second month in a row, coming in at 194k vs. 500k consensus. The FOMC revealed a tapering plan to reduce Treasury bond purchases.

European natural gas prices soared as supplies dwindled due to abnormally low output from renewable electricity sources.

**Table 1: Benchmark Index Performance as of October 31, 2021**

<i>Benchmark Index</i>	<i>1 Mo</i>	<i>3 Mo</i>	<i>YTD</i>	<i>5 Yr Ann</i>
U.S. Stocks	6.7%	4.8%	22.9%	18.9%
International Stocks	2.9%	0.8%	9.9%	10.0%
U.S. Bonds	0.0%	-1.1%	-1.7%	3.0%
U.S. Real Estate	7.1%	3.2%	30.9%	10.3%

**Table 2: Vanguard Asset Allocation Benchmarks as of October 31, 2021**

<i>Vanguard Fund: % Stock/% Bond mix</i>	<i>1 Mo</i>	<i>3 Mo</i>	<i>YTD</i>	<i>5 Yr Ann</i>
LifeStrategy Growth Fund: 80/20	4.0%	2.3%	13.2%	12.9%
LifeStrategy Moderate Growth Fund: 60/40	2.9%	1.4%	9.3%	10.5%
LifeStrategy Conservative Growth Fund: 40/60	1.9%	0.4%	5.5%	8.0%

**Chart 1: Year-to-Date Market Index Performance as of October 31, 2021**

