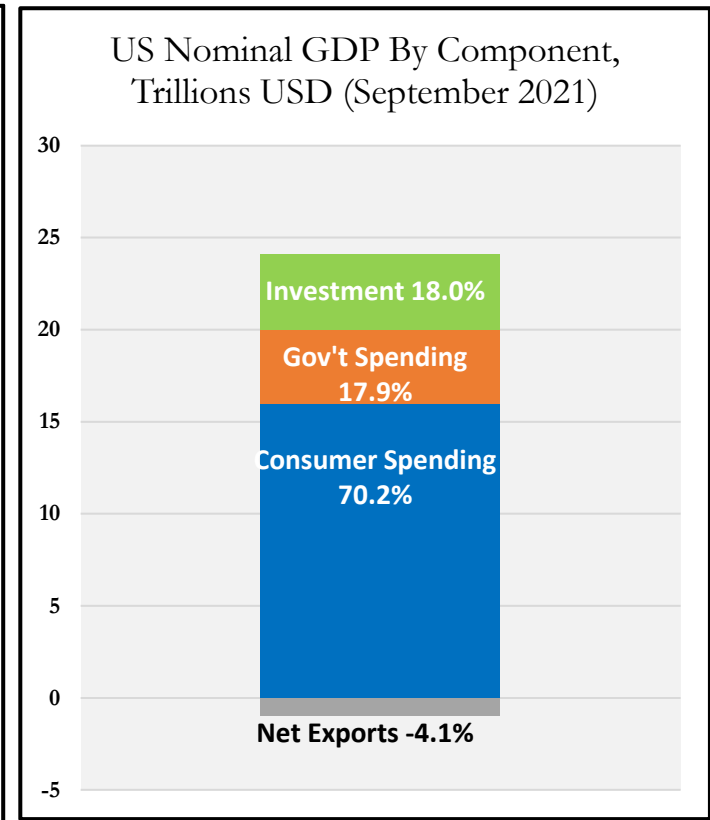


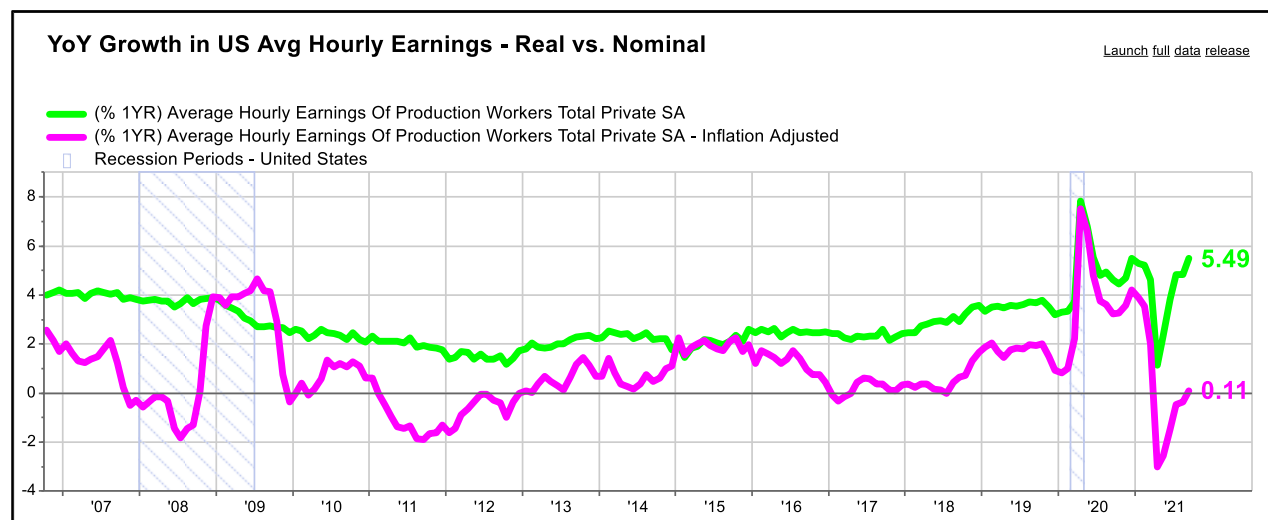
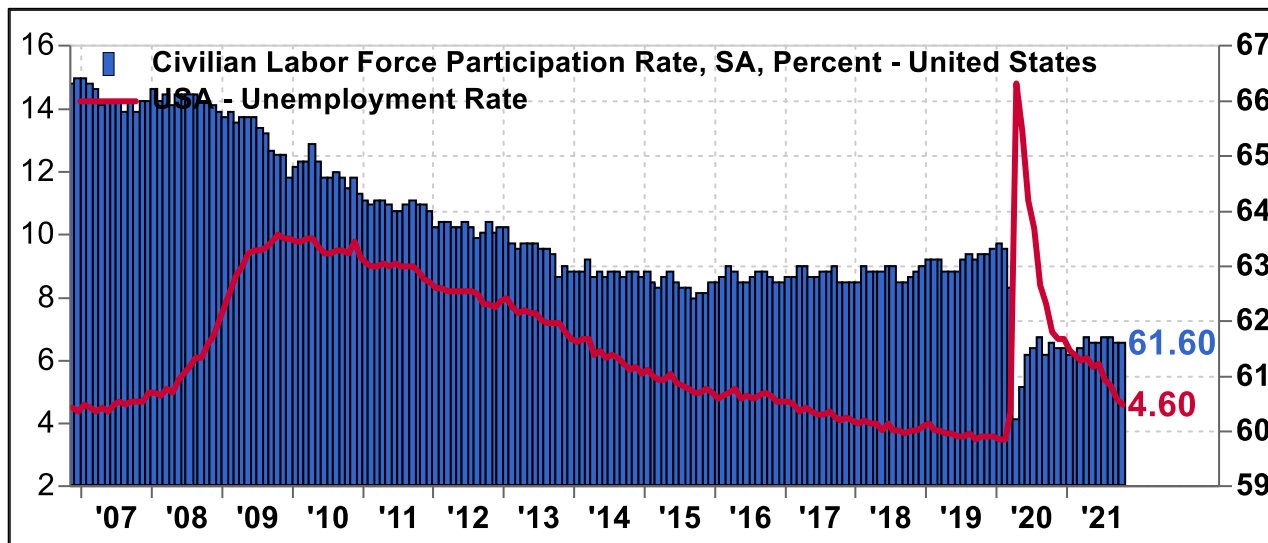
# JULEX MACRO CHART BOOK

October 2021

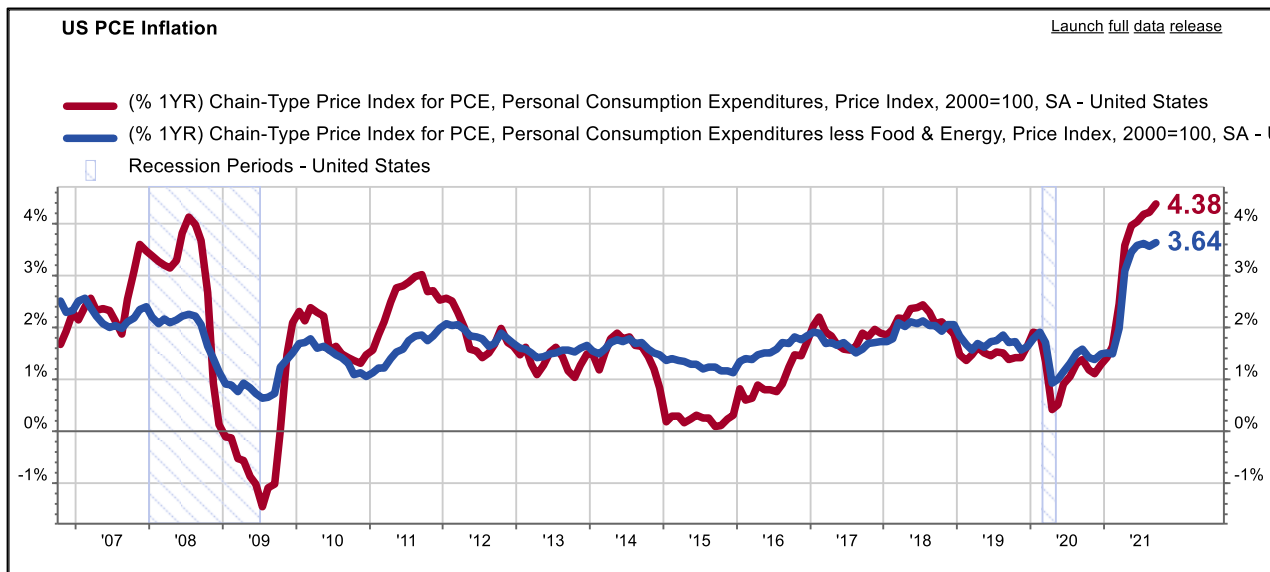
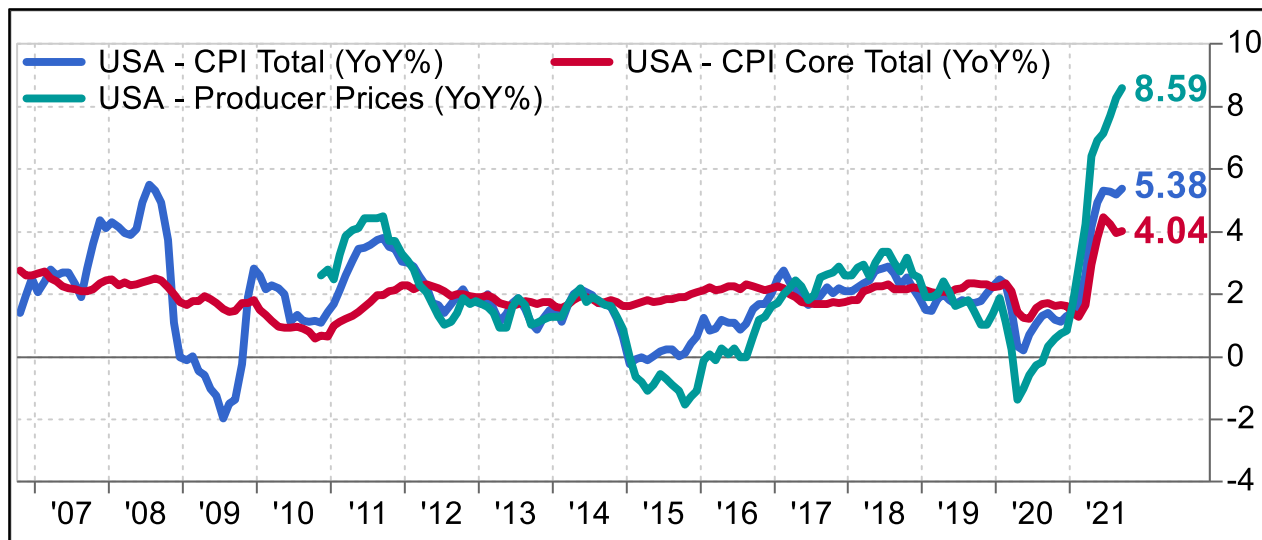
For Institutions and Investment Advisers Only.  
All Data From FactSet Unless Otherwise Noted.  
[www.julexcapital.com](http://www.julexcapital.com)



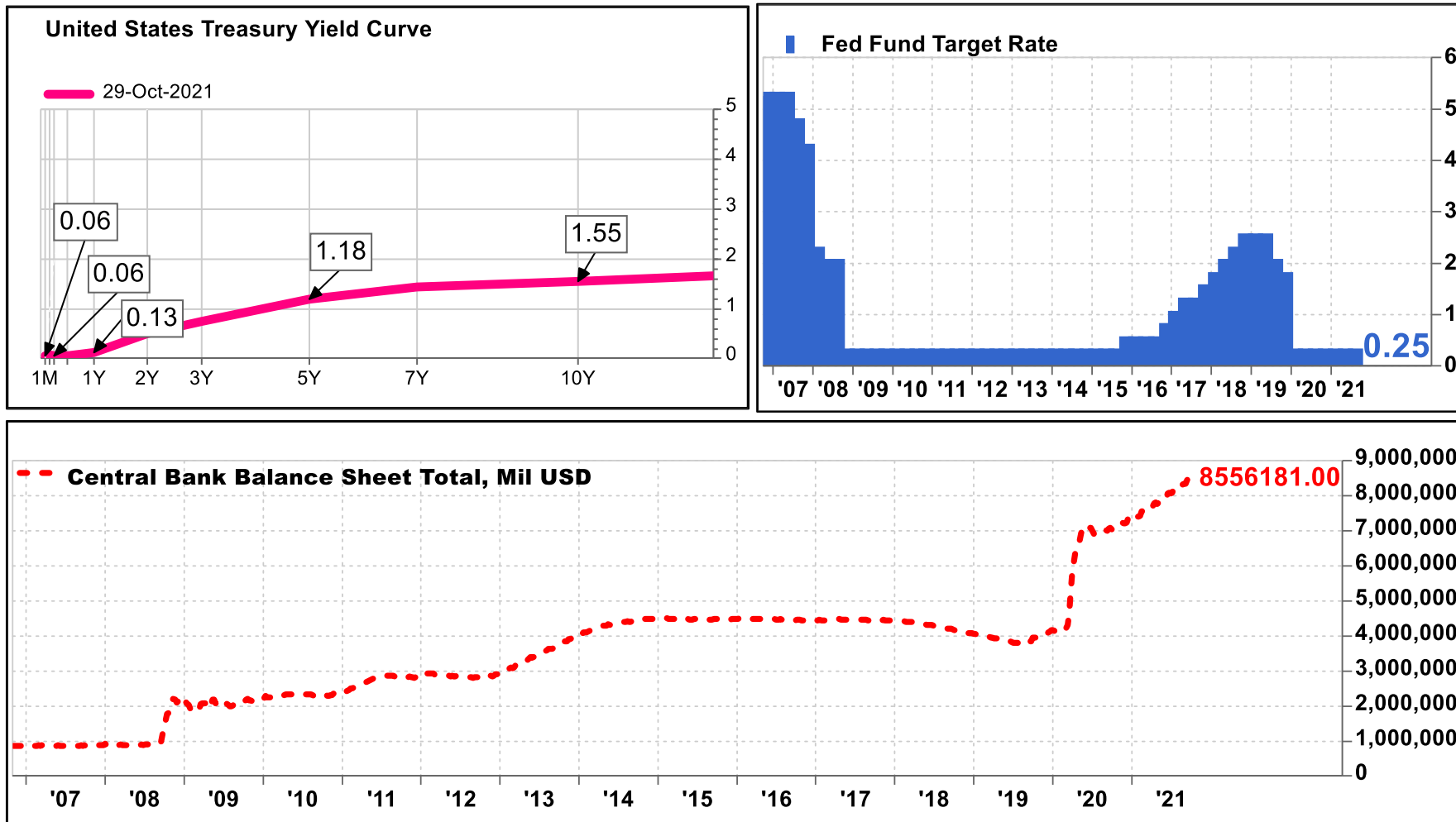
- The US economy grew at 2% annualized rate in Q3 2021, missing the 2.6% consensus estimate.



- The October jobs report saw the addition of 531,000 jobs, beating expectations and dropping the unemployment rate to 4.6%. The labor force participation stayed steady at 61.6%.
- Real wage growth crept back into positive territory for the first time in 6 months.

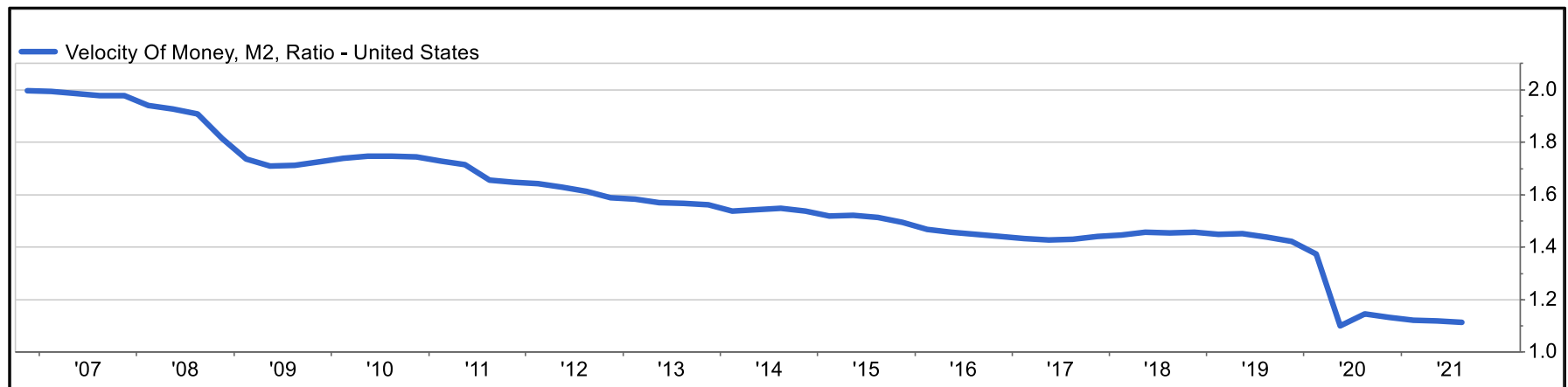
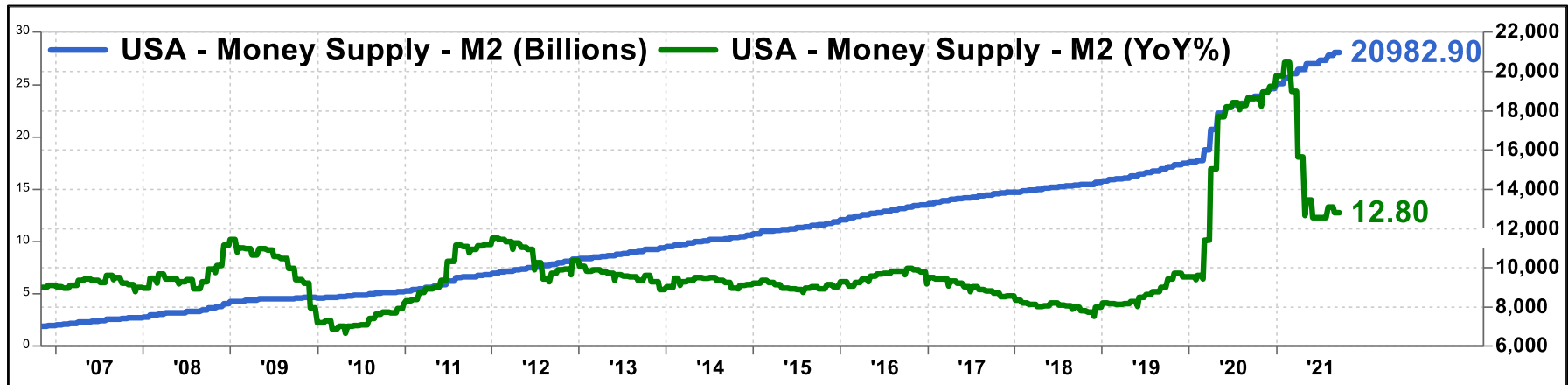


- Inflation is one of the most prominent factors on investor's minds as producer prices have increased by over 8% in the past year.
- PCE inflation is trending toward 4% after just recently eclipsing 3% for the first time in a decade.



- The yield curve steepened slightly in October.
- The Fed has reiterated that it will begin to taper bond purchases in November.

# US Economy - Monetary Policies (Cont.)



- As the money supply has increased, the velocity of money has decreased substantially, both as a natural result of high debt loads, and a byproduct of the economic shutdown. If velocity picks up, inflation concerns could be magnified.

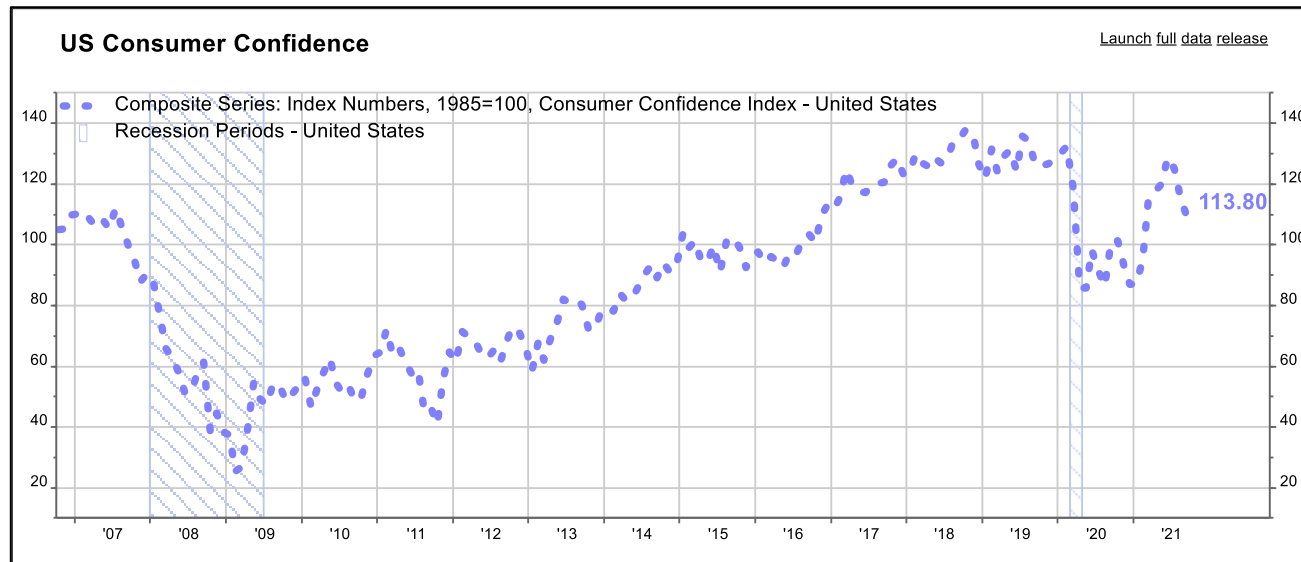


# US Economy - Fiscal Policies

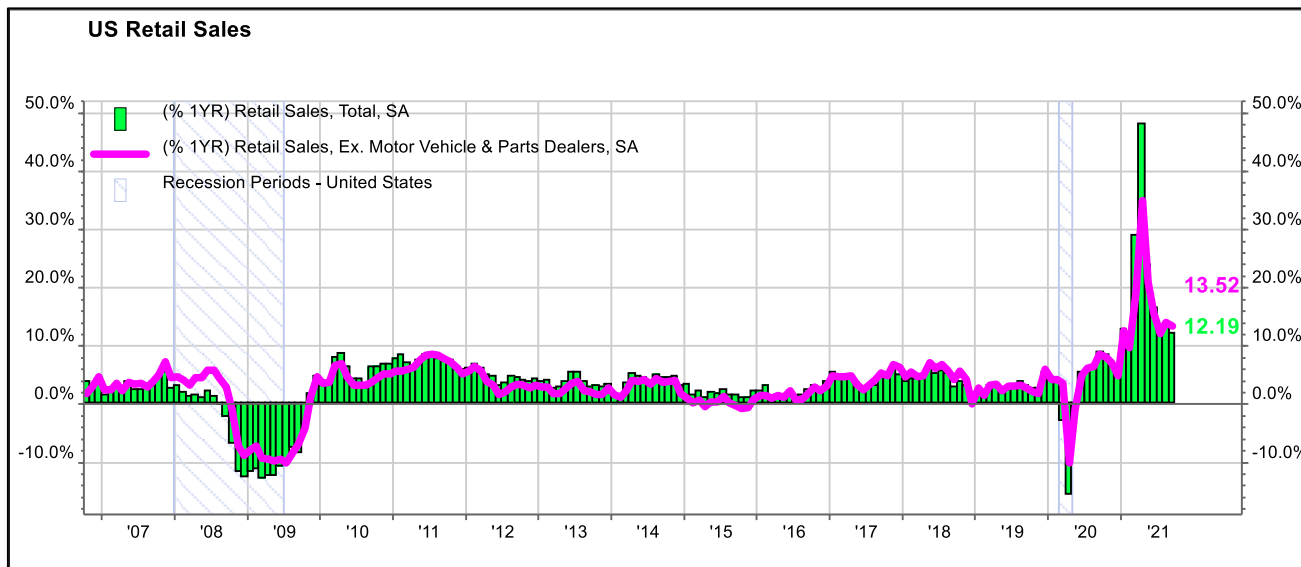
	2021 (Projected)	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
<b>Gouvernement Revenues (Billions):</b>												
Individual Income Taxes	1,951.7	1,608.7	1,717.9	1,683.5	1,587.1	1,546.1	1,540.8	1,394.6	1,316.4	1,132.2	1,091.5	898.5
Payroll Taxes	1,345.5	1,310.0	1,243.1	1,170.7	1,161.9	1,115.1	1,065.3	1,023.5	947.8	845.3	818.8	864.8
Corporate Income Taxes	238.4	211.8	230.2	204.7	297.0	299.6	343.8	320.7	273.5	242.3	181.1	191.4
Excise Taxes	86.8	86.8	98.9	95.0	83.8	95.0	98.3	93.4	84.0	79.1	72.4	66.9
Estate and Gift Taxes	17.6	17.6	16.7	23.0	22.8	21.4	19.2	19.3	18.9	14.0	7.4	18.9
Customs Duties	68.6	68.6	70.8	41.3	34.6	34.8	35.0	33.9	31.8	30.3	29.5	25.3
Miscellaneous	145.5	116.5	84.6	110.5	129.0	156.0	147.5	136.1	102.6	106.8	102.8	96.8
Total Revenue	3,854.1	3,420.0	3,462.2	3,328.7	3,316.2	3,268.0	3,249.9	3,021.5	2,775.1	2,450.0	2,303.5	2,162.7
<b>Mandatory Spending (Billions):</b>												
Social Security	1,129.0	1,089.8	1,038.5	982.2	939.2	910.3	881.9	844.9	807.8	767.7	724.9	700.8
Medicare	831.5	916.9	775.3	704.3	702.3	692.5	634.1	599.8	585.2	551.2	559.6	520.5
Medicaid	519.2	458.5	409.4	389.2	374.7	368.3	349.8	301.5	265.4	250.5	275.0	272.8
Income Security	1,351.5	1,052.1	303.1	285.3	293.8	303.8	301.0	310.9	339.5	353.6	404.0	437.3
Federal Retirement	177.2	171.2	170.0	163.1	162.6	163.8	161.5	157.5	152.5	143.5	144.2	138.4
Veterans' Programs	130.2	121.7	115.3	101.3	105.0	106.5	92.4	86.8	80.4	68.0	71.0	58.3
Other Programs	940.9	976.7	198.3	153.2	194.7	119.8	134.2	74.5	105.5	124.2	56.1	-17.8
Offsetting Receipts	-148.9	-231.5	-275.4	-259.0	-253.4	-237.6	-258.4	-277.3	-304.7	-228.3	-208.9	-196.5
Total Mandatory Spending	4,930.4	4,555.5	2,734.5	2,519.7	2,518.8	2,427.3	2,296.5	2,098.5	2,031.6	2,030.5	2,026.0	1,913.7
<b>Discretionary Spending (Billions):</b>												
Defense	756.6	756.6	676.4	621.7	590.2	584.8	583.4	596.4	625.8	670.5	699.4	688.9
Nondefense	1,142.2	1,139.3	660.0	641.7	610.0	600.4	585.3	582.2	576.4	615.6	647.7	658.3
Total Discretionary Spending	1,898.8	1,895.9	1,336.4	1,263.4	1,200.2	1,185.2	1,168.7	1,178.7	1,202.1	1,286.1	1,347.1	1,347.2
<b>Interest on Debt (Billions):</b>	330.8	344.7	375.6	324.7	262.6	240.0	223.2	229.0	220.9	220.4	230.0	196.2
<b>Total Spending:</b>	7,160.0	6,796.2	4,446.6	4,107.8	3,981.6	3,852.6	3,688.4	3,506.1	3,454.6	3,536.9	3,603.1	3,457.1
<b>Deficit:</b>	3,305.9	3,376.2	984.4	779.0	665.4	584.7	438.5	484.6	679.5	1,087.0	1,299.6	1,294.4

- President Biden signed legislation to temporarily raise the debt ceiling and avoid default in mid October.
- Treasury Secretary Yellen has advocated removing the debt ceiling altogether.

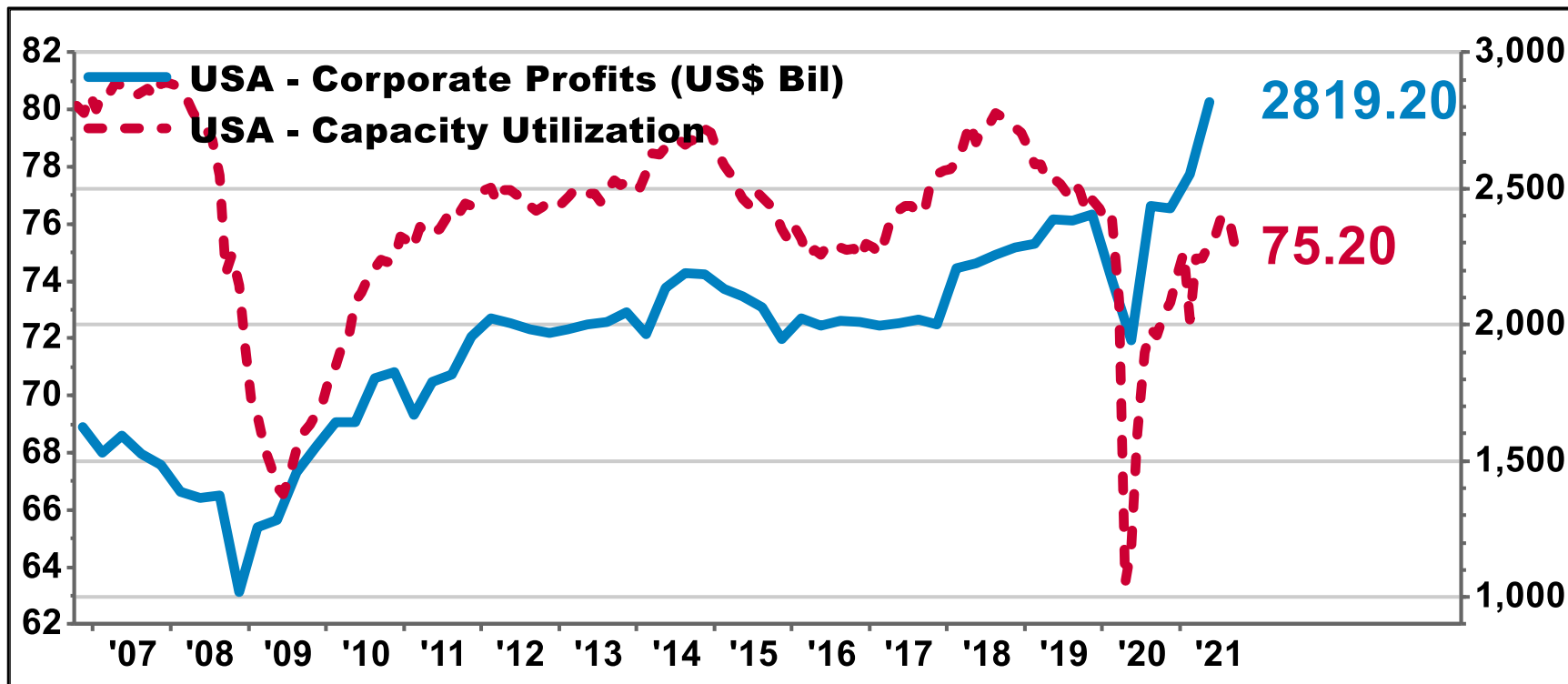
# US Economy - Consumption



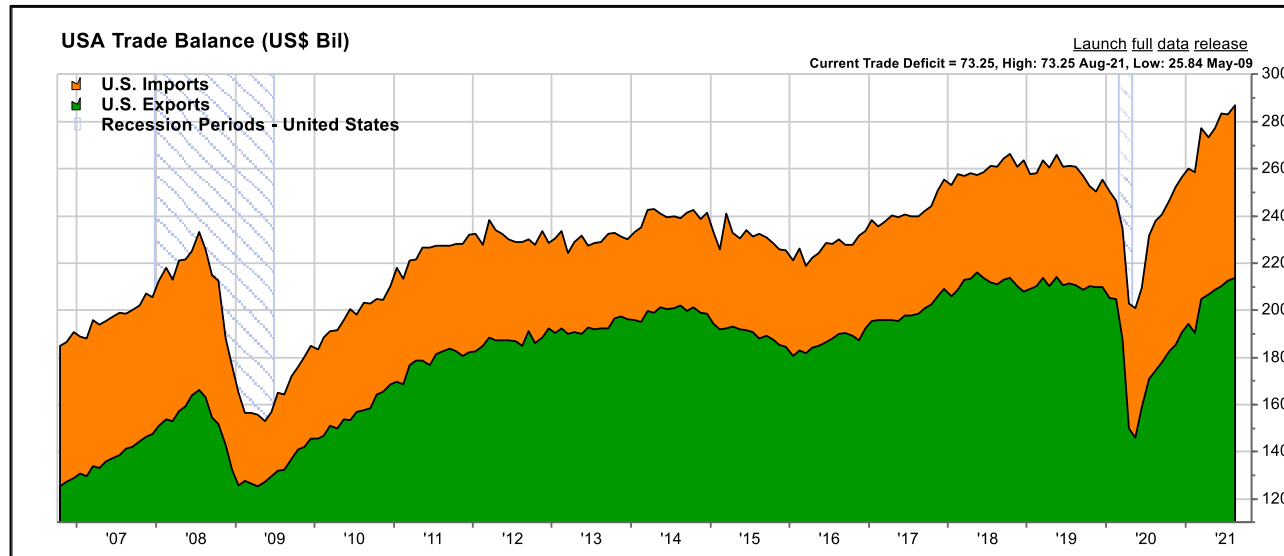
- Consumer confidence is trending down on inflation concerns
- U.S. retail sales have seen substantial YoY increases since this time last year.



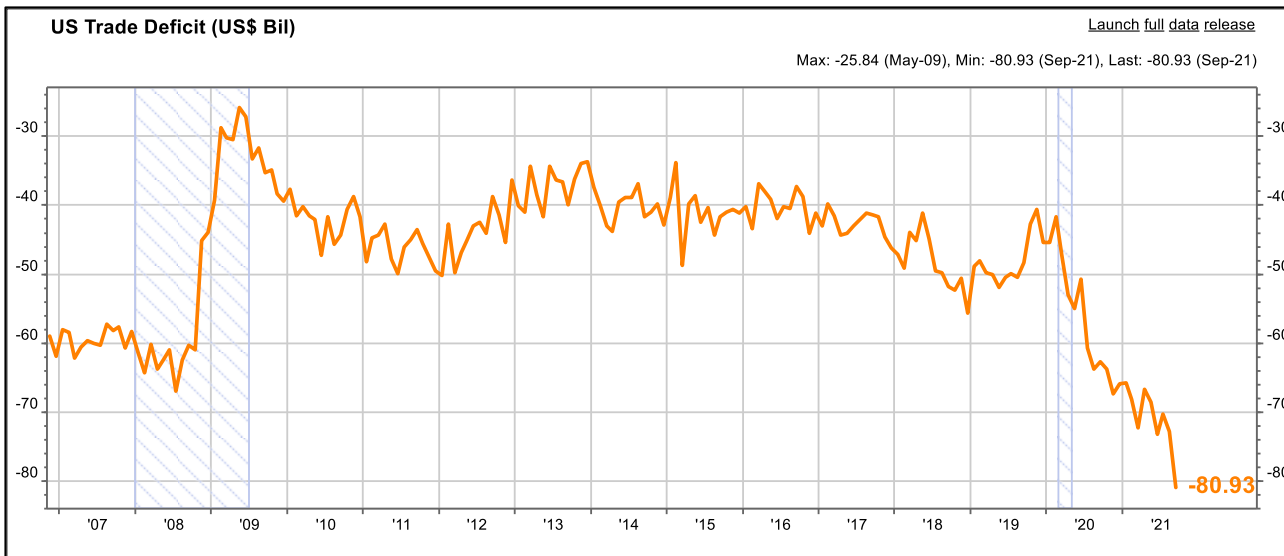




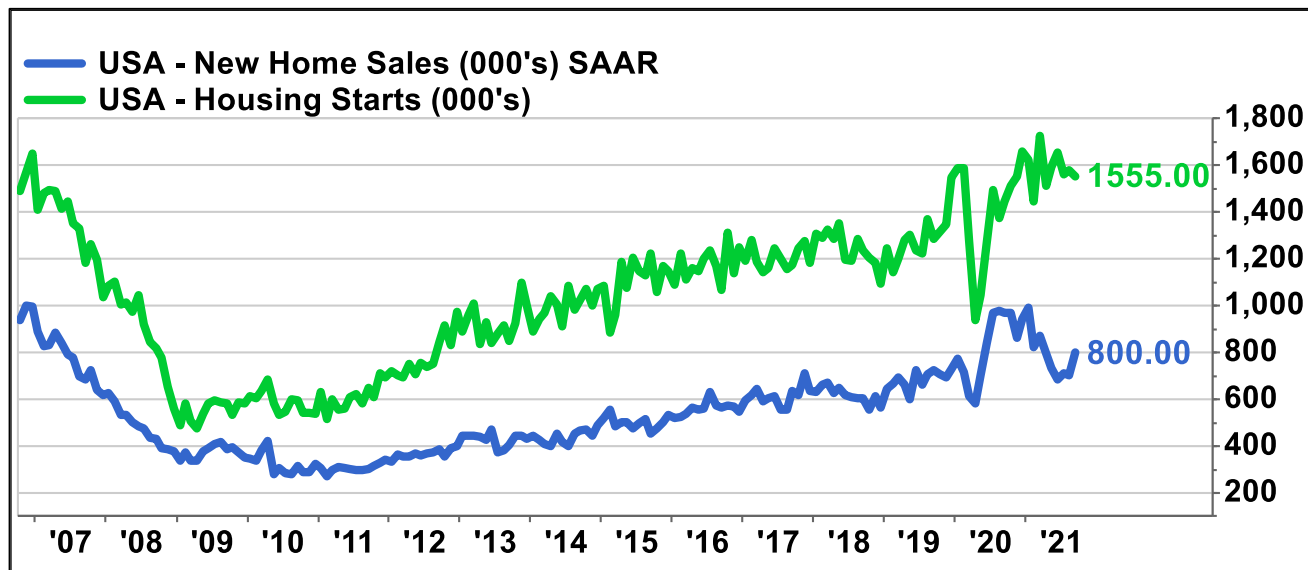
- With 89% of companies reporting, the estimate earnings growth rate for Q3 2021 is 39.1% according to FactSet



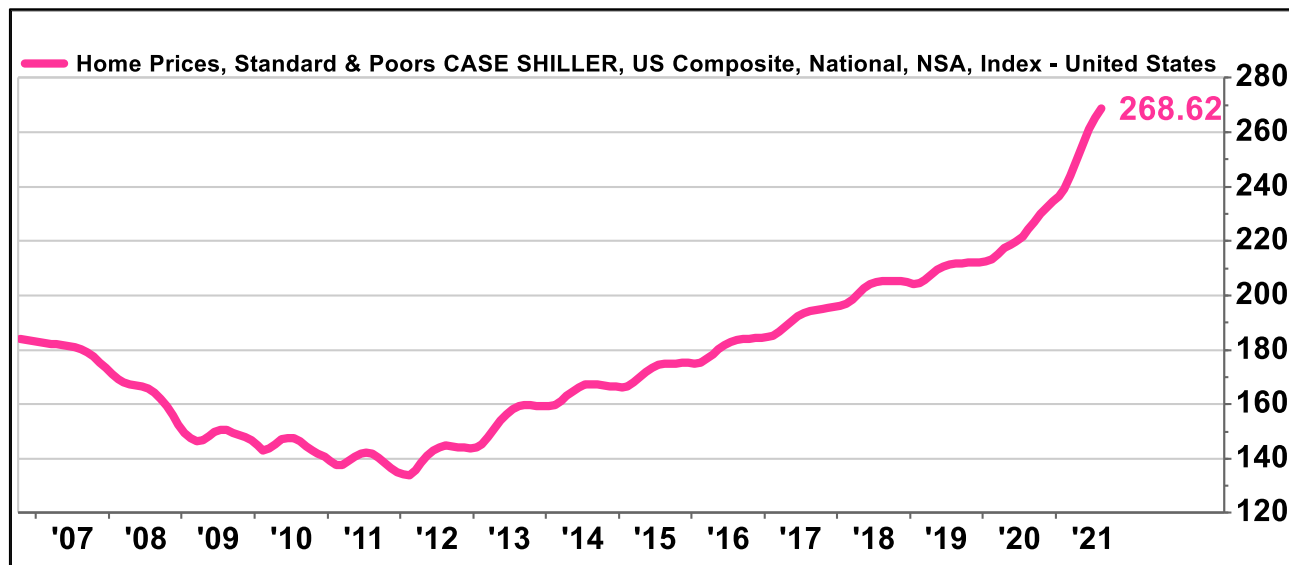
- The monthly trade deficit reached \$80B for the first time ever in the most recently available September data.



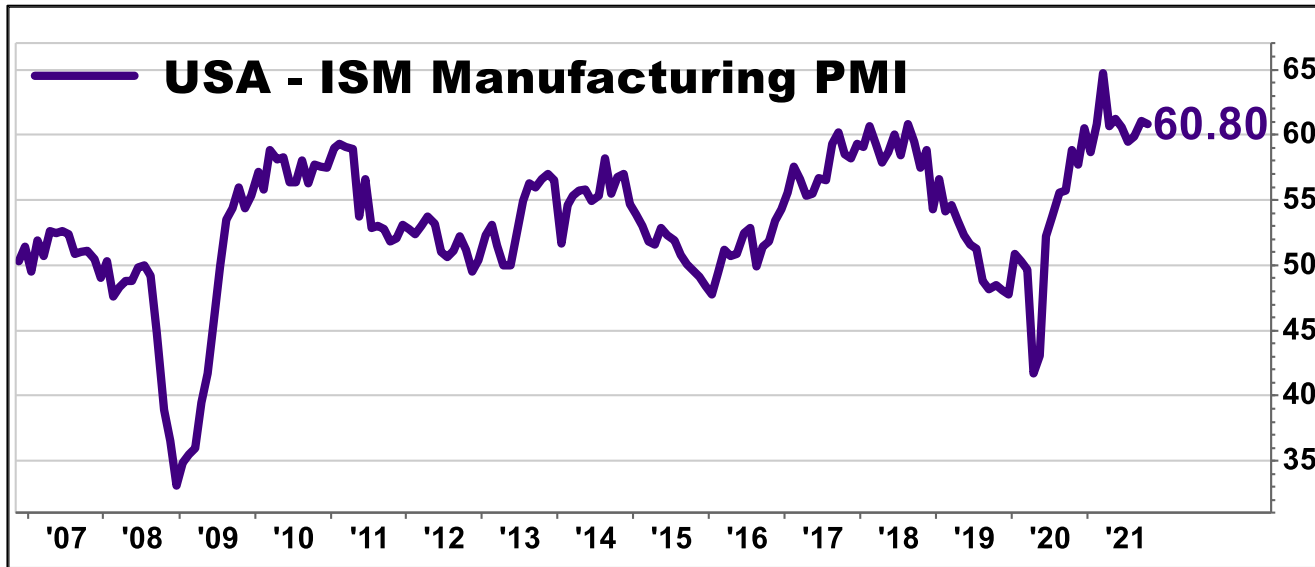
# US Economy – Housing Market



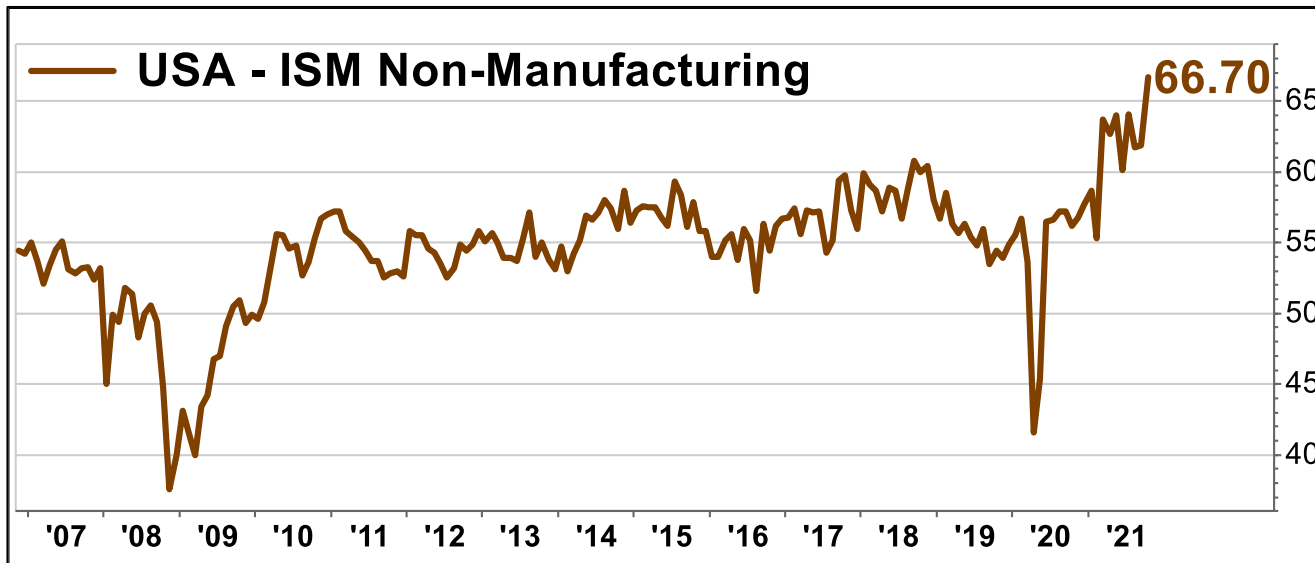
- Home prices continue to rise even as housing starts have faced a short-term down trend.



# US Economy – Leading Indicators and Surveys



- PMI numbers continued to show expansion in October.

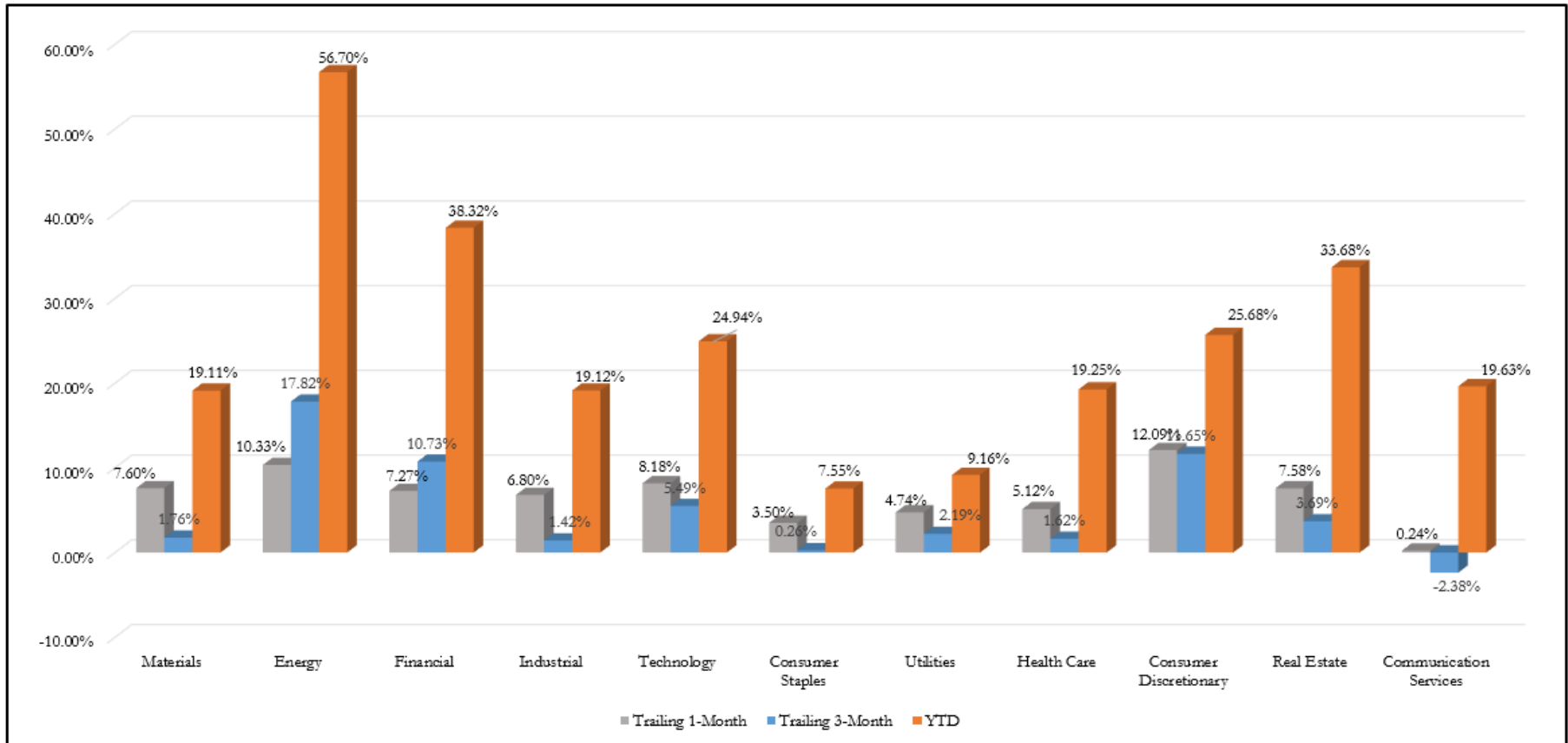


# Asset Class Performance

Sector/Asset Class	ETF	2016	2017	2018	2019	2020	YTD	Trailing 3-month	Trailing 1-month
US Large Cap	SPY	12.00%	21.70%	-4.56%	31.22%	18.37%	24.05%	5.07%	7.02%
US Small Cap	IWM	21.60%	14.59%	-11.11%	25.39%	20.03%	17.06%	3.48%	4.25%
Large Cap Value	IVE	17.31%	15.25%	-9.19%	31.63%	1.21%	20.45%	2.75%	4.55%
Large Cap Growth	IVW	6.82%	27.22%	-0.19%	30.77%	33.19%	26.89%	6.99%	9.11%
Mid Cap Value	IWS	19.79%	13.15%	-12.41%	26.74%	4.80%	24.32%	3.57%	5.32%
Mid Cap Growth	IWP	7.22%	24.94%	-4.87%	35.04%	35.24%	17.22%	5.18%	7.14%
Small Cap Value	IWN	31.98%	7.69%	-12.99%	22.01%	4.66%	27.50%	4.51%	3.84%
Small Cap Growth	IWO	11.68%	22.25%	-9.42%	28.48%	34.68%	7.46%	2.56%	4.71%
International Equity	EFA	1.37%	25.10%	-13.81%	22.03%	7.59%	11.82%	1.26%	3.18%
Emerging Markets Equity	VWO	12.21%	31.48%	-14.77%	20.76%	15.19%	2.73%	0.06%	1.30%
US REITs	VNQ	8.60%	4.91%	-6.02%	28.87%	-4.68%	30.87%	3.23%	7.13%
Infrastructure MLP	AML	14.84%	-7.92%	-12.62%	5.98%	-32.19%	45.69%	5.50%	5.19%
Gold	GLD	8.03%	12.81%	-1.94%	17.86%	24.81%	-6.57%	-1.87%	1.48%
Commodity	DJP	12.86%	0.74%	-13.07%	7.63%	-4.12%	38.04%	8.58%	3.35%
High Yield Bond	JNK	14.43%	6.48%	-3.27%	14.88%	4.95%	2.94%	-0.02%	-0.32%
Broad Bond	AGG	2.41%	3.55%	0.10%	8.46%	7.48%	-1.68%	-1.13%	-0.01%
TIPs	TIP	4.68%	2.92%	-1.42%	8.35%	10.84%	4.34%	0.15%	1.11%
Treasuries	IEF	1.01%	2.55%	0.99%	8.03%	10.01%	-3.87%	-2.42%	-0.44%
Long Term Treasuries	TLT	1.18%	9.18%	-1.61%	14.12%	18.15%	-5.27%	-0.85%	2.46%
Short Term Treasuries	SHV	0.41%	0.67%	1.72%	2.36%	0.81%	-0.08%	-0.05%	-0.03%

Note: As of October 31<sup>st</sup>, 2021.

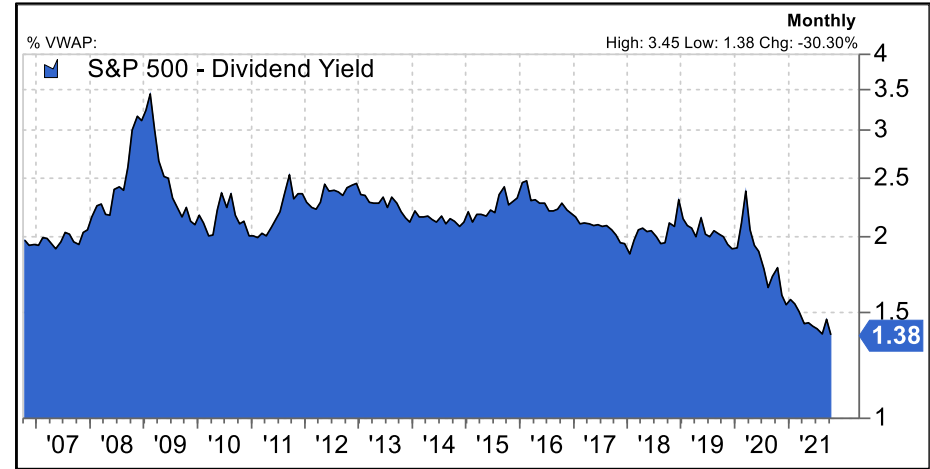
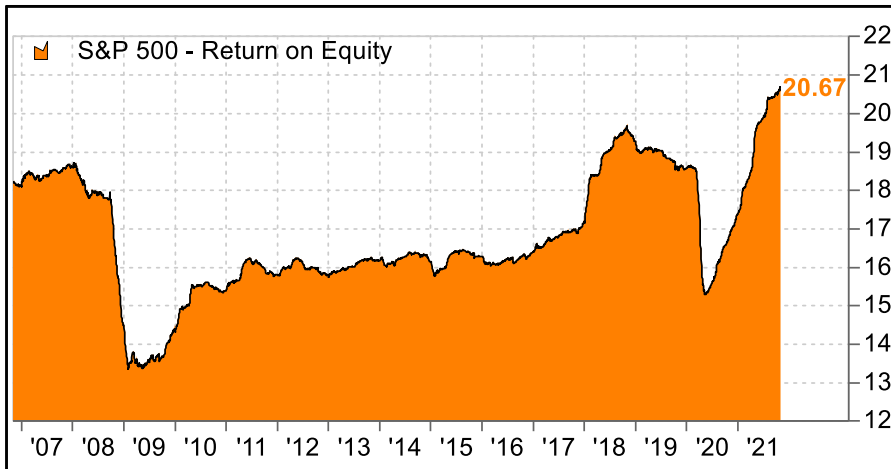
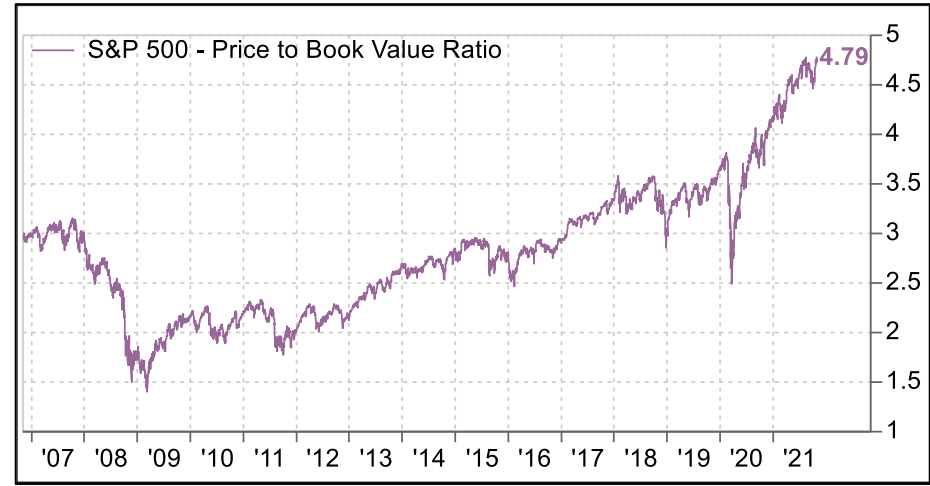
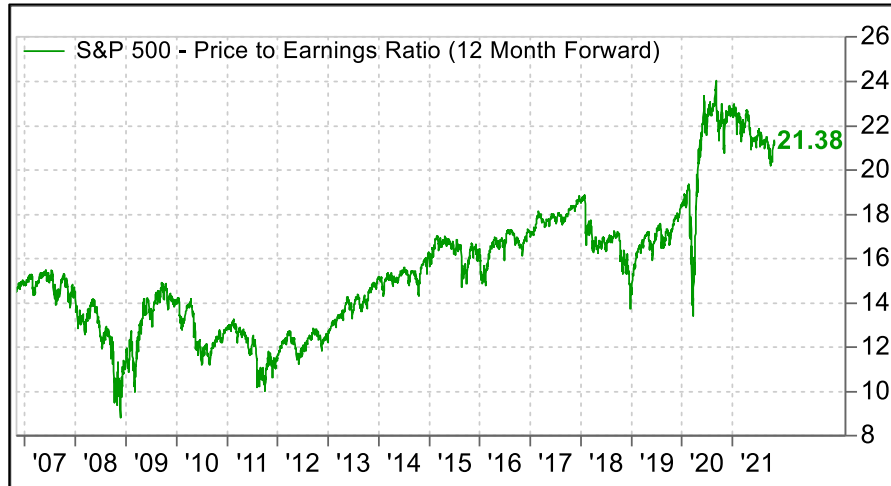
- Large Cap outperformed Small Cap and Growth outperformed Value in October.



Note: As of October 31<sup>st</sup>, 2021.

- Inflation concerns have continued to push energy companies higher. Trouble in mega cap company Meta (Facebook) has pushed the communications sector down.

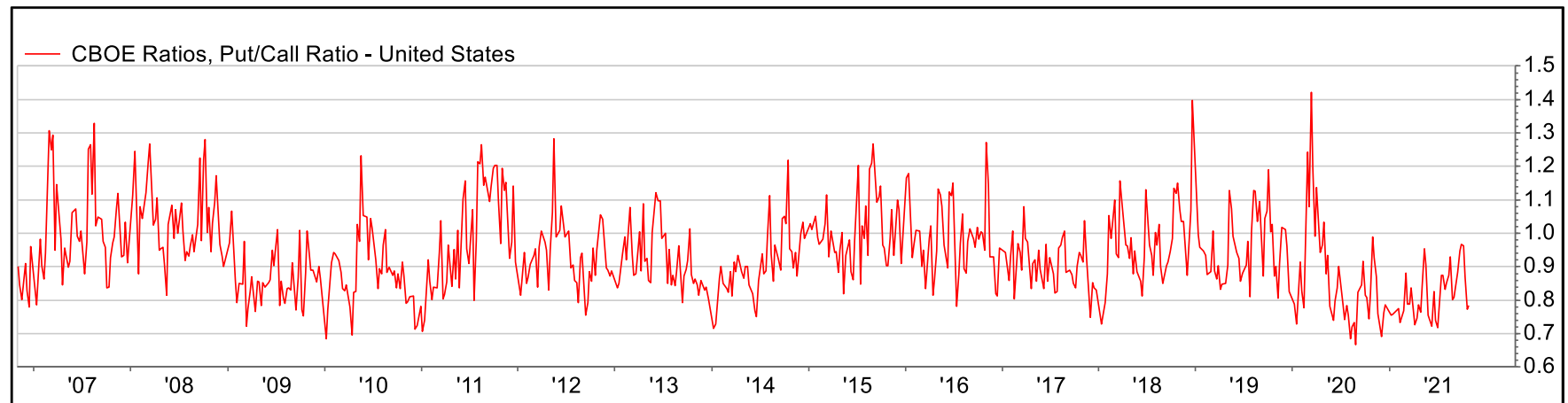
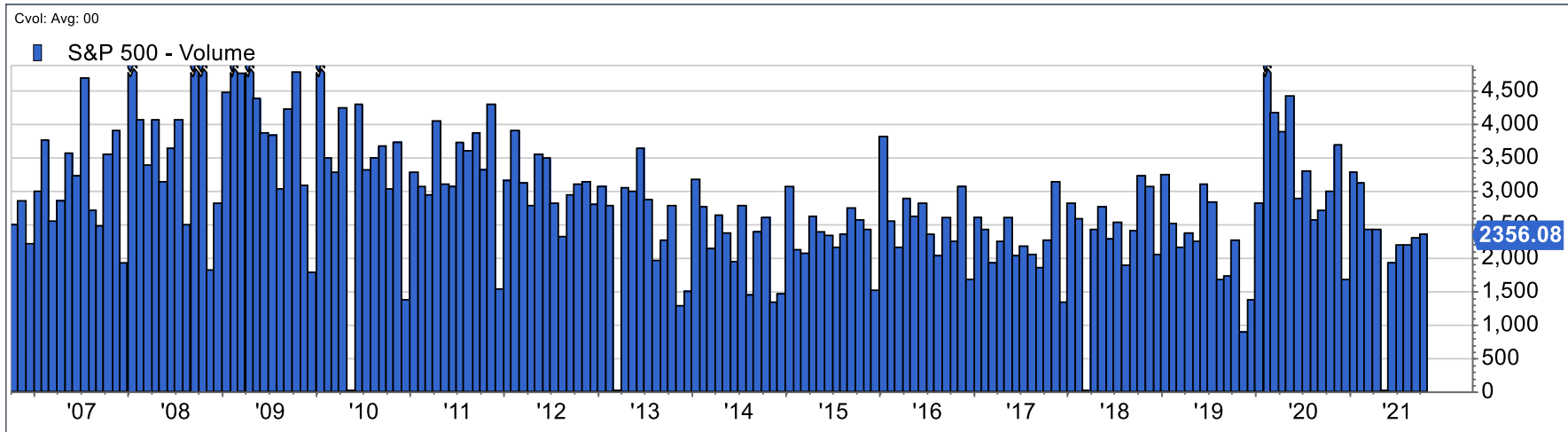
# US Equity Market Fundamentals



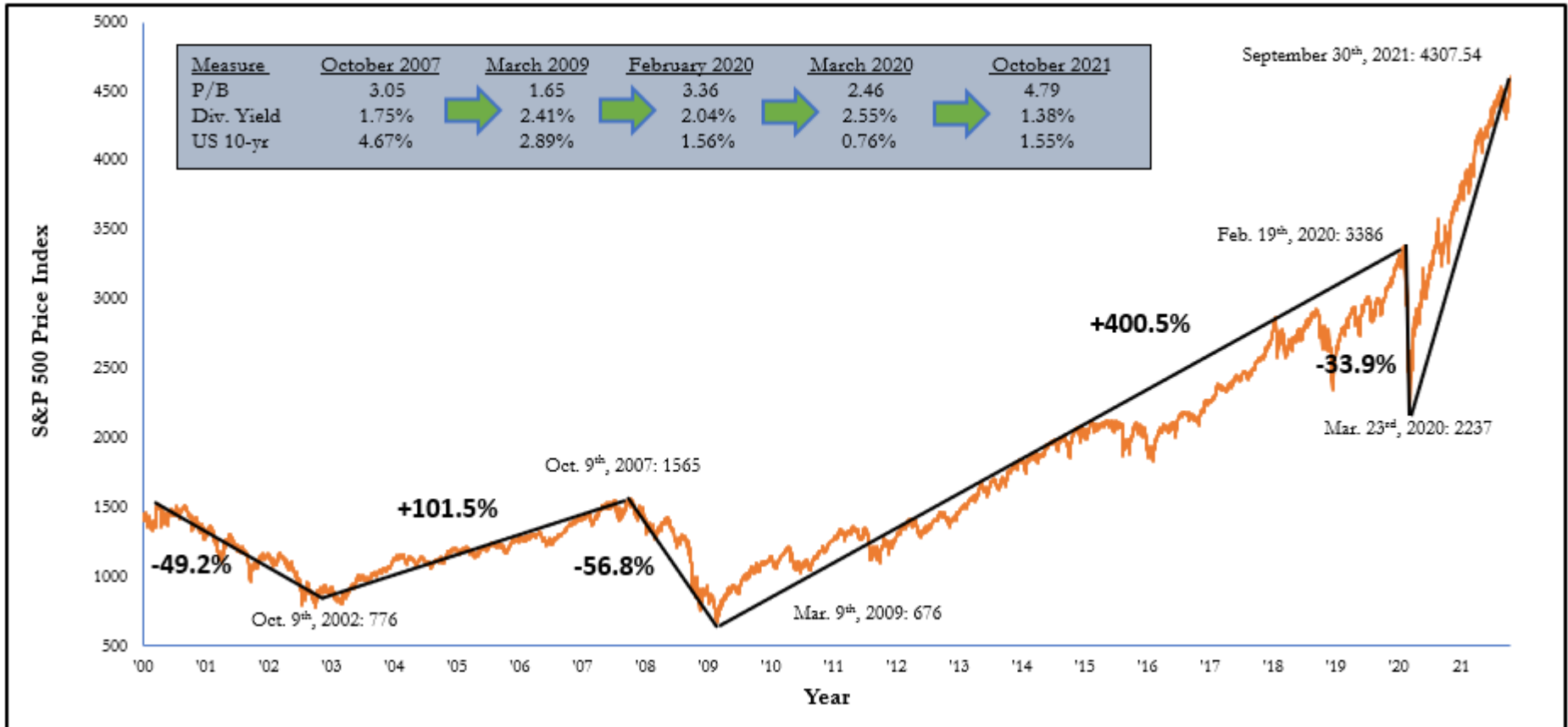
- A strong market has continued to push valuations up and yields down.



# US Equity Market Technicals



- S&P 500 volume is less than half it's peak volume during the pandemic.
- Put/Call Ratio is below historical averages, indicating strong bullish sentiment among investors.



Note: As of October 31<sup>st</sup>, 2021.

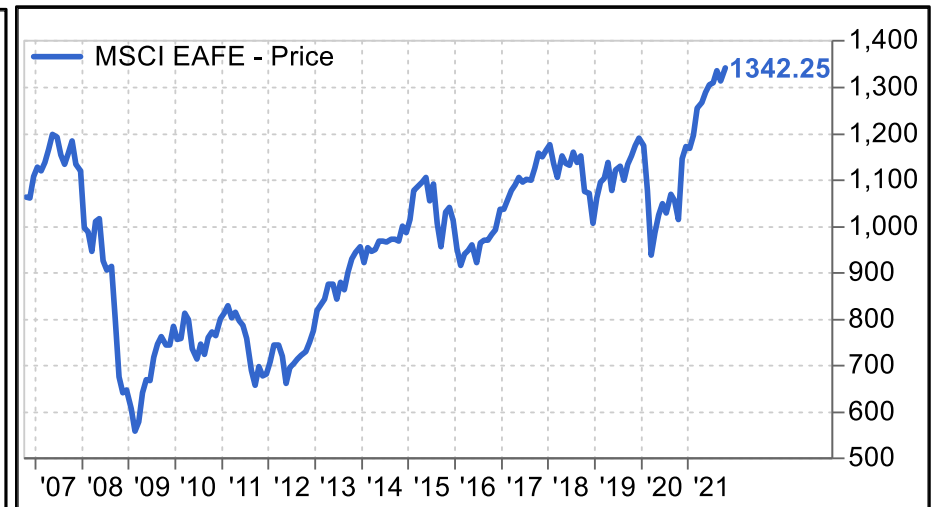
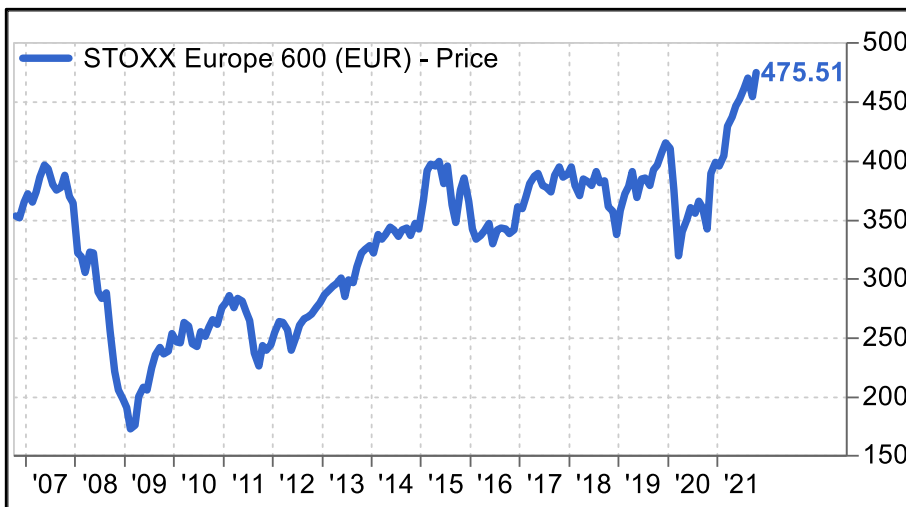
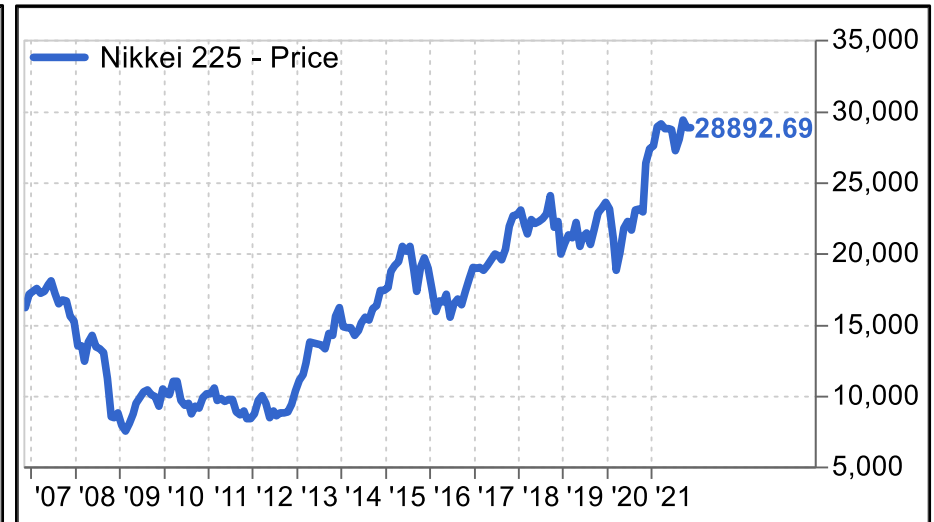
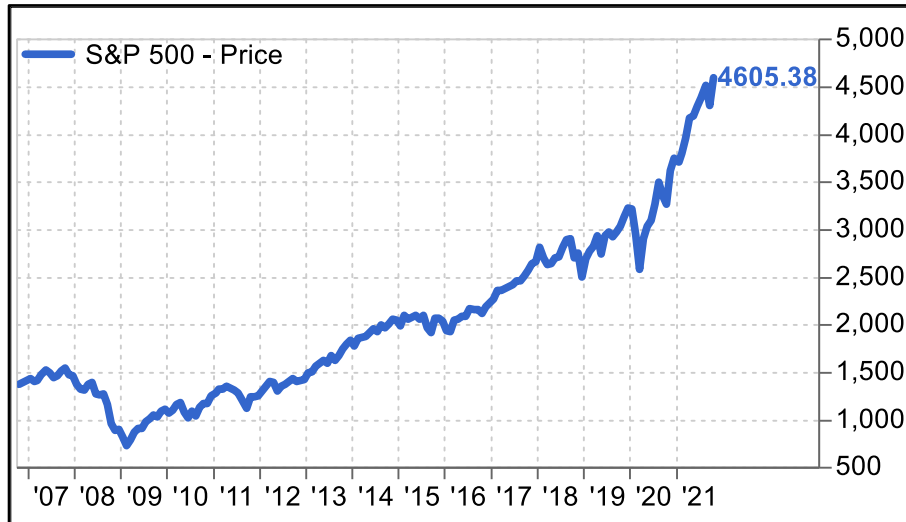
Data Source: FactSet, Yahoo Finance, and [www.treasury.gov](http://www.treasury.gov)

# Global Equity Performance - Country Comparison

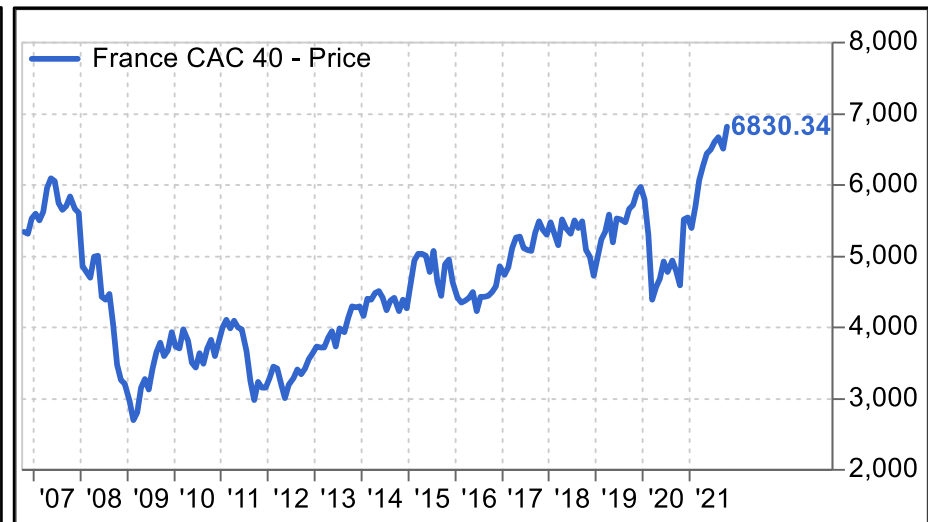
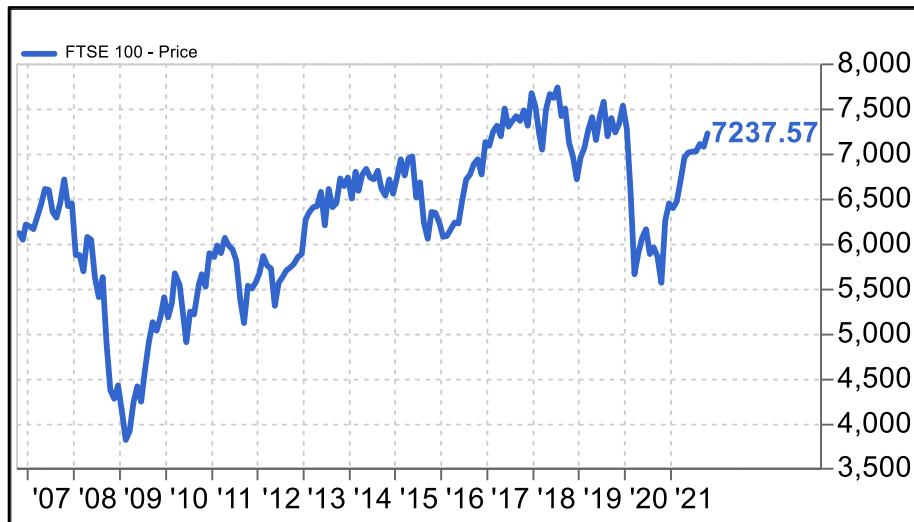
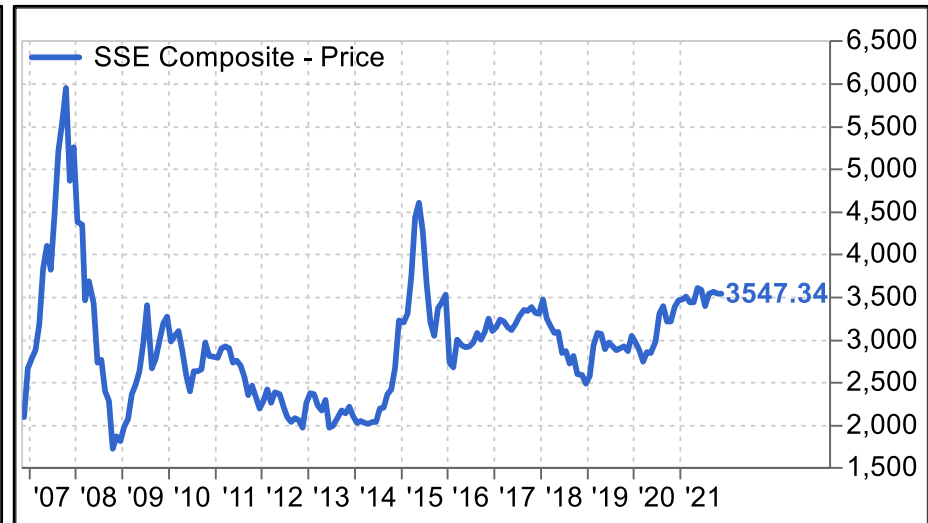
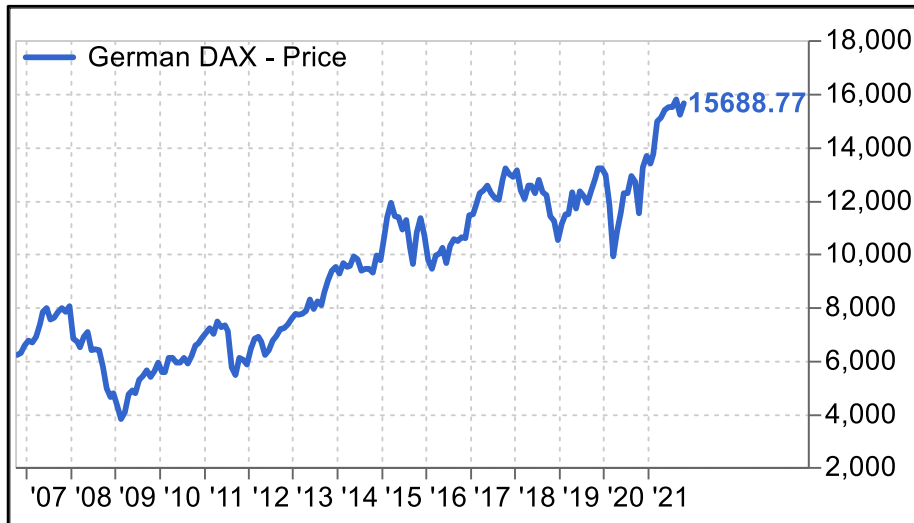
2016	2017	2018	2019	2020	YTD	Trailing 3-month	Trailing 1-month
Brazil 64.47%	China 54.68%	Brazil -2.56%	United States 31.22%	China 27.78%	Canada 27.82%	India 10.33%	Canada 7.93%
Canada 23.82%	India 36.15%	India -4.29%	Brazil 27.65%	United States 18.37%	United States 24.05%	United States 5.07%	United States 7.02%
United States 12%	France 29.13%	United States -4.56%	Canada 27.56%	Japan 15.41%	India 21.79%	Canada 4.96%	Italy 5.78%
France 4.90%	Italy 28.73%	France -12.88%	Italy 26.97%	Germany 10.56%	France 19.51%	Italy 3.05%	France 5.56%
Germany 3.10%	Germany 27.45%	Japan -14.09%	France 26.67%	India 10.01%	England 16.93%	England 2.71%	Spain 4.82%
Japan 2.78%	Spain 26.99%	England -14.28%	China 23.7%	Canada 5.52%	Italy 15.11%	France 2.53%	England 4.43%
India 1.03%	Japan 24.27%	Spain -15.32%	England 21.25%	France 2.85%	Germany 8.1%	Japan 1.92%	Germany 2.58%
China -0.32%	Brazil 23.36%	Canada -17.16%	Japan 19.33%	Italy 1.67%	Spain 6.04%	Spain 1.76%	China 2.53%
England -1.23%	United States 21.70%	Italy -17.19%	Germany 19.15%	Spain -3.96%	Japan 1.99%	Germany -2.17%	India 0.17%
Spain -1.81%	England 21.59%	China -19.77%	Spain 11.91%	England -11.8%	China -14.3%	China -2.85%	Japan -2.63%
Italy -8.55%	Canada 15.74%	Germany -21.37%	India 9.99%	Brazil -20.33%	Brazil -19.7%	Brazil -21.6%	Brazil -8.75%
Emerging Markets 10.29%	Emerging Markets 37.40%	Developed Markets -13.81%	Developed Markets 22.03%	Emerging Markets 17.88%	Developed Markets 11.82%	Developed Markets 1.26%	Developed Markets 3.18%
Developed Markets 1.37%	Developed Markets 25.10%	Emerging Markets -14.93%	Emerging Markets 17.79%	Developed Markets 7.59%	Emerging Markets 1.33%	Emerging Markets -1.23%	Emerging Markets 1.08%

Note: As of October 31<sup>st</sup>, 2021. Numbers reflective of ETF performance.

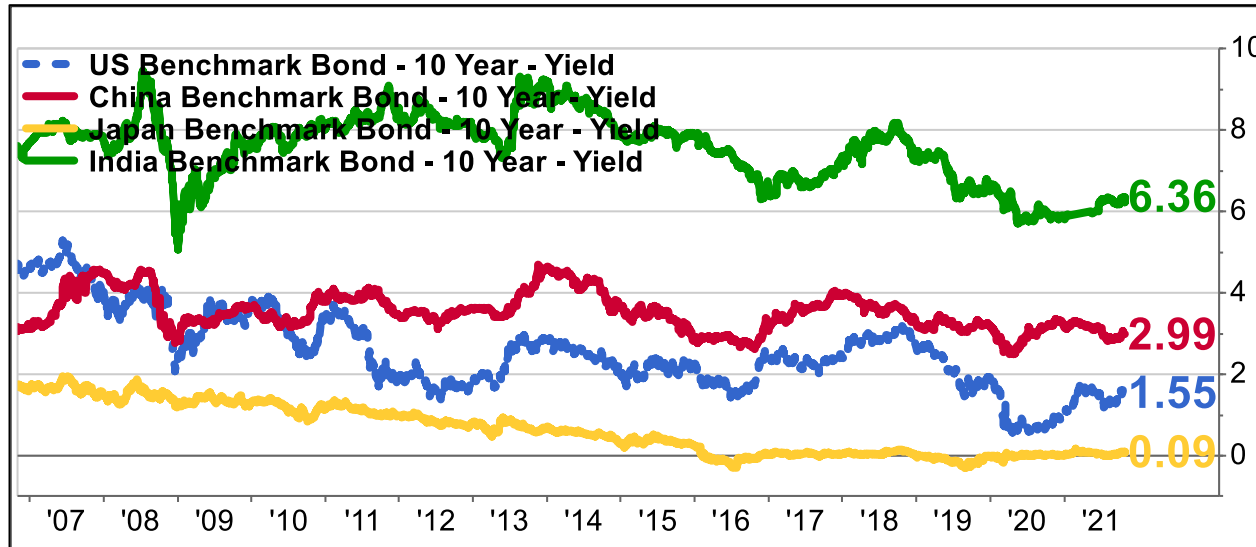
# Global Equity- Major Indices



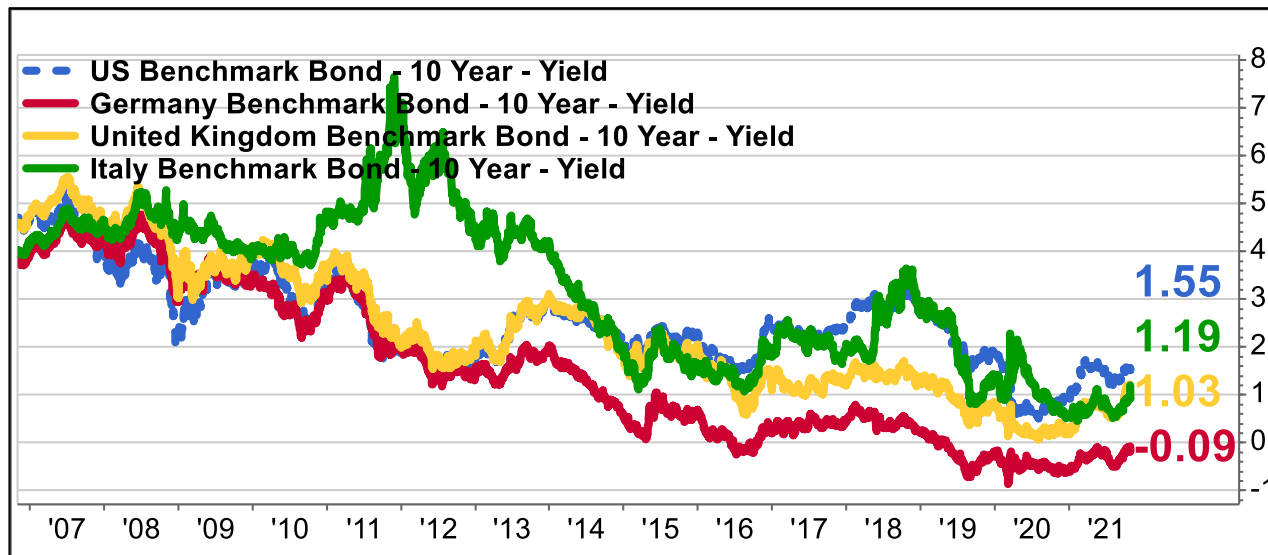
# Global Equity- Major Indices

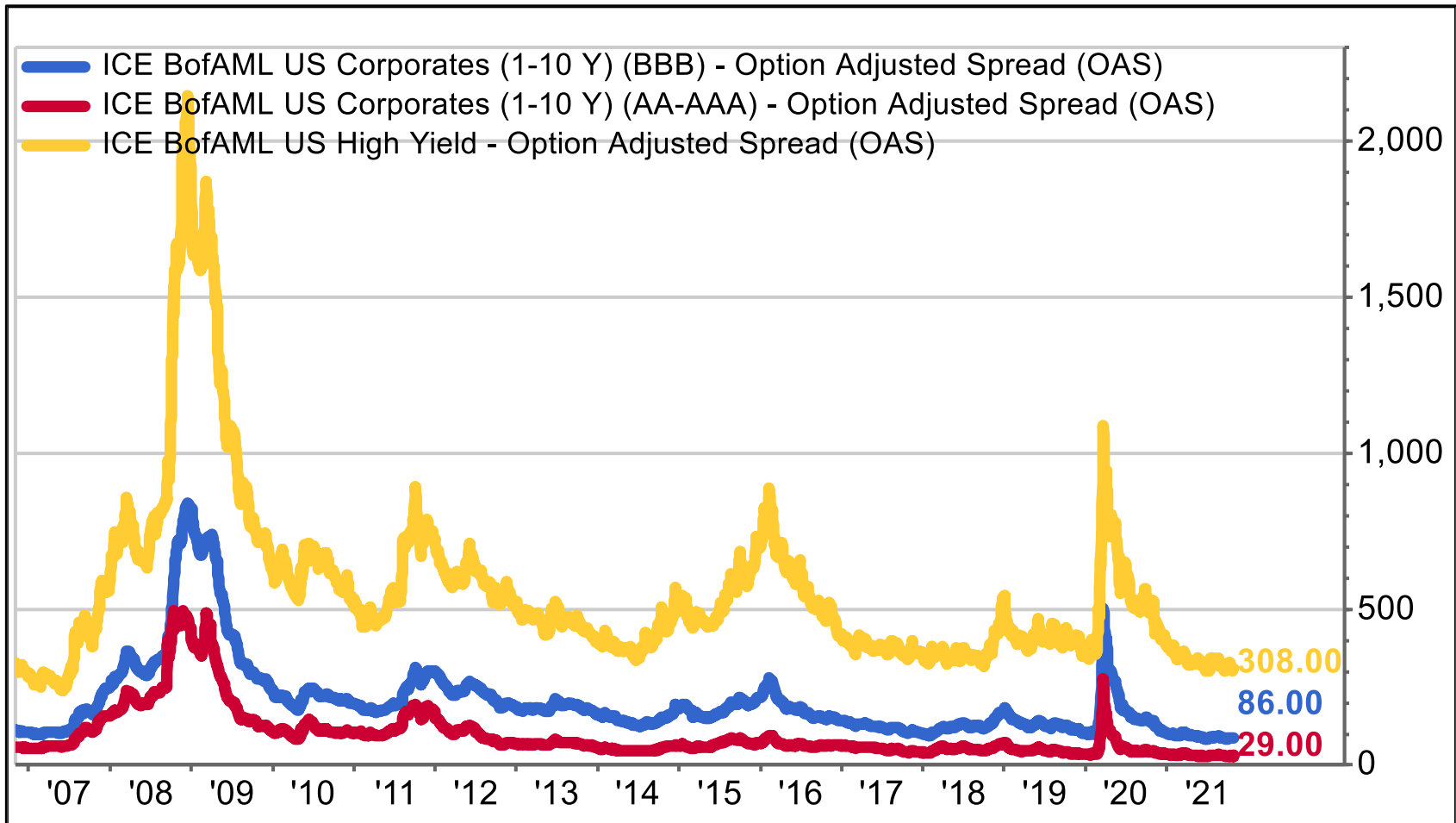


# Global Fixed Income- Government Yields



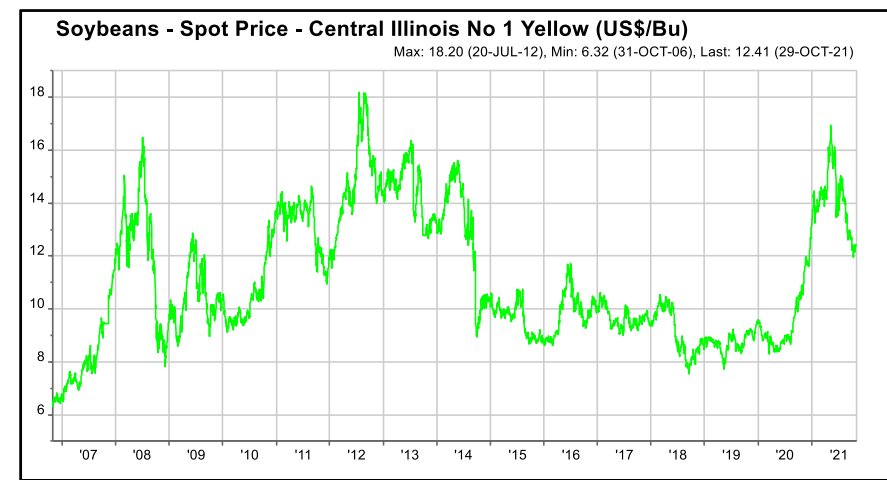
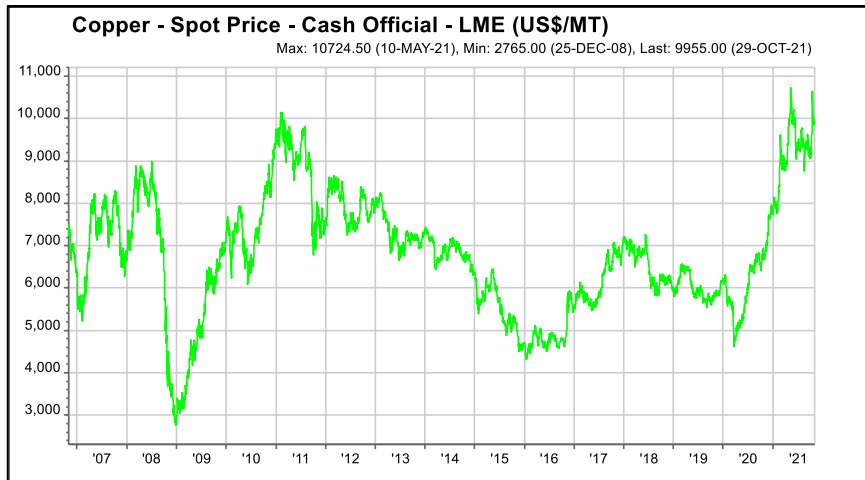
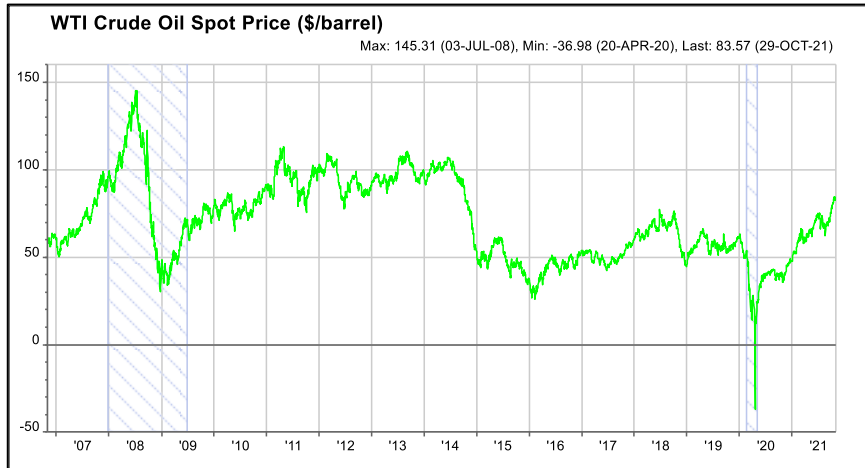
- Bond yields increased around the globe.





- Spreads marginally shrunk in October.

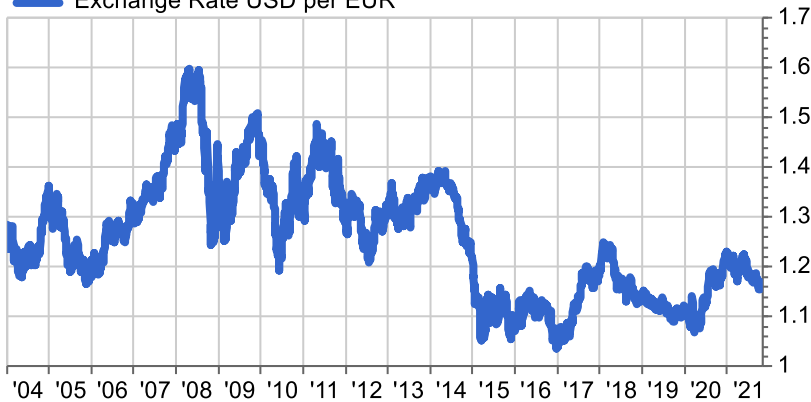




- As of 10/31/2021, WTI Crude: \$83.57/Barrel; Gold: \$1769.15/Troy Oz; Copper: \$9955/MT; Soybean: \$12.41/Bu.

## U.S. Dollar per Euro

— Exchange Rate USD per EUR



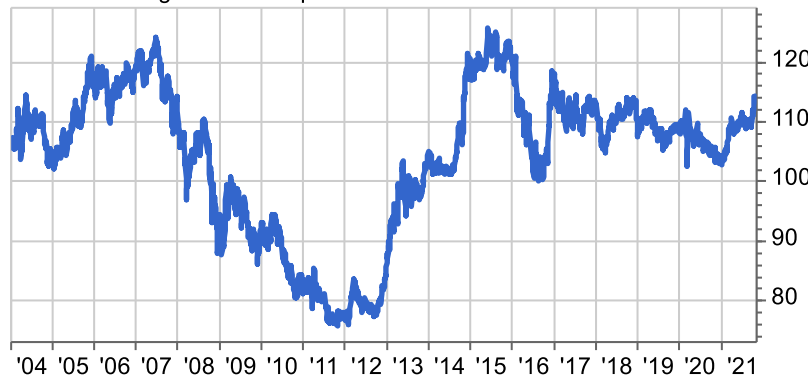
## U.S. Dollar per British Pounds

— Exchange Rate USD per GBP



## Japanese Yen per U.S. Dollar

— Exchange Rate JPY per USD



## China Renminbi per U.S. Dollar

— Exchange Rate CNY per USD



- As of 10/31/2021, FX rates are: 1.16 USD/EUR, 1.37 USD/GBP, 114.03 JPY/USD, 6.47 CNY/USD.

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