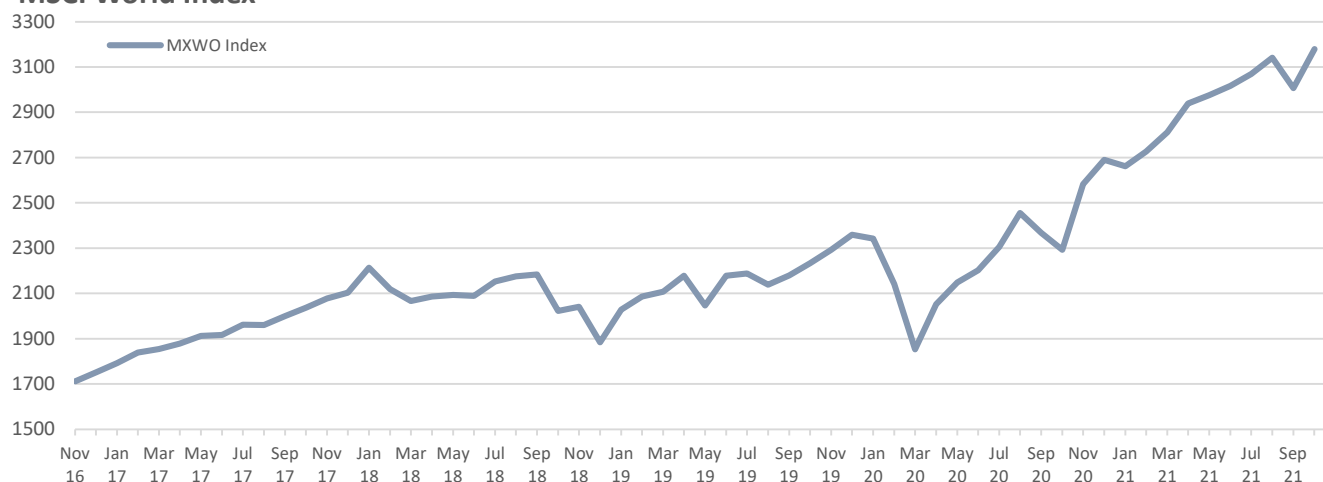




OVERVIEW

In October, federal Reserve Chair Jerome Powell remained to the same script during a virtual panel discussion before entering a media blackout period ahead of the FOMC’s upcoming meeting scheduled in November. The central bank is expected to announce tapering considering persistently high inflation. US inflation remained high at 5.4% in September, after 5.3% y-o-y in August. The strongest appreciation came once again from the sub-sector of transportation, pointing to the possibility of a transitory effect after the reopening of the economy. Consumer confidence increased slightly in October, indicating some rebound in 4Q21. The index provided by the Conference Board showed an index level of 113.8 for October, compared with 109.8 in September.

MSCI World Index



The unemployment rate dipped again to stand at only 4.6% in October in comparison with 4.8% in September and 5.2% in August. Participation rates remained to be low, 61.6% in October, similar to the level in September.

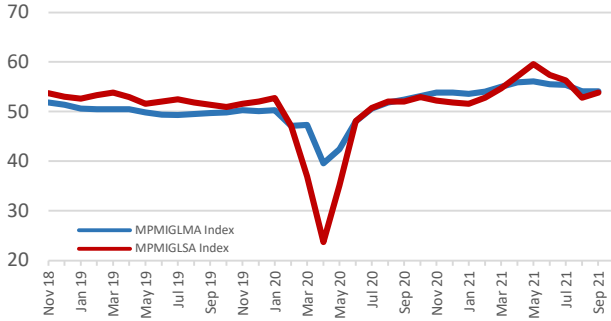
As for the Eurozone, the new quarter brings the same old trouble for the euro which suffered from negative European yields and an idle ECB stance on tightening debates, while strong inflationary pressures are heating up talks of rate hikes. ECB governor Christine Lagarde did not signal any moves to adjust bank support as upward price pressures. They maintained its accommodative monetary policies for the time being and while inflation has continued to rise. Inflation in the Euro-zone rose to 4.1% y-o-y in October, after having reached 3.5% y-o-y in September.

The labor market continued to improve. According to the latest figures from Eurostat, unemployment rate stood at 7.4% in September, an improvement of 0.1% compared to the previous month.

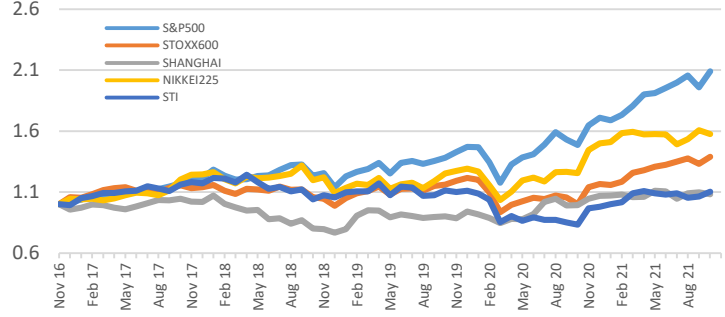
Japan has been impacted by the social-distancing measures seen in 3Q21, including emergency measures in Tokyo and other major prefectures. Emergency measures designed to fight the pandemic were lifted only at the end of September. Alongside supply chain issues, this has led to a slowing momentum in 3Q21. Retail sales declined in September, falling by 0.6% year on year.



Global PMI



Major Indices





MARKET STATISTICS

ECONOMY

Economy

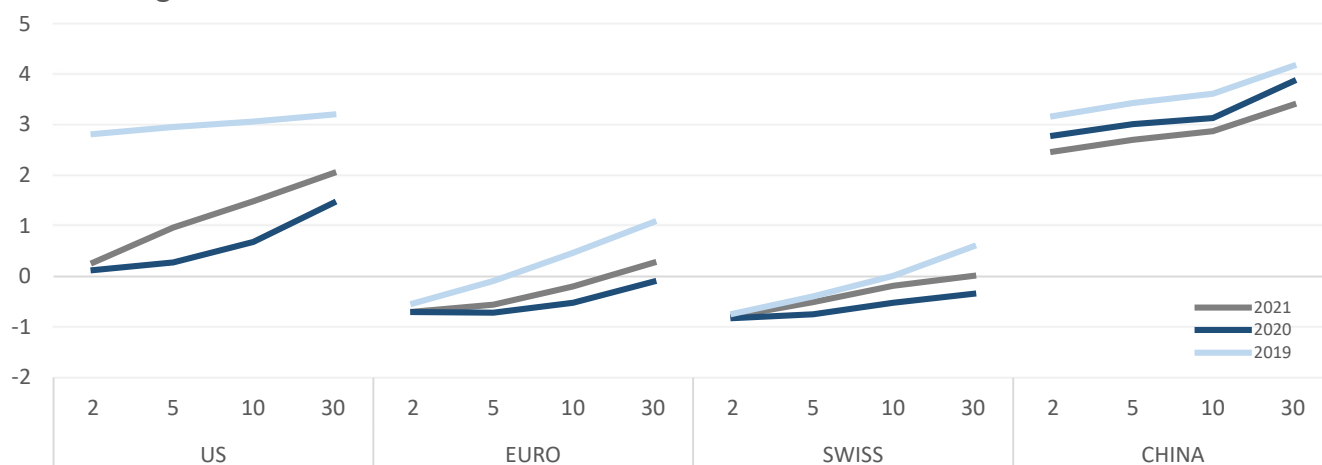
	%1M	%6M	%1Y	3Y		%1M	%6M	%1Y	3Y
World MPMI	0.0%	-1.6%	3.2%		EM MPMI	2.4%	-1.0%	-3.8%	
World SPMI	1.9%	-1.6%	3.5%		EM SPMI	7.1%	1.3%	0.9%	
US CPI	0.4%	3.5%	5.4%		EU CPI	0.5%	2.0%	3.6%	
US PPI	0.5%	4.8%	8.6%		EU PPI	2.7%	10.5%	16.2%	
US UNEMP	-7.7%	-20.0%	-38.5%		EU UNEMP	-2.9%	-9.5%	-13.0%	
US MPMI	2.0%	-5.6%	9.7%		EU MPMI	-4.4%	-5.8%	9.0%	
-	-	-	-	-	EU SPMI	-4.4%	13.7%	17.5%	
CHINA MPMI	1.6%	-1.2%	-5.7%		SWISS MPMI	0.6%	2.7%	29.0%	
CHINA SPMI	14.3%	-1.7%	-2.6%		SWISS SPMI	1.3%	11.9%	15.9%	

KEY RATES

Sovereign Key Rates

	Oct	Δ1M	Δ6M	Δ1Y		Oct	Δ1M	Δ6M	Δ1Y
US 2Y	0.2775	0.0672	0.0481	0.0333	EU 2Y	-0.6946	0.0277	-0.0277	0.0104
US 5Y	0.9665	0.1885	-0.1621	0.6625	EU 5Y	-0.5582	0.1219	-0.0507	0.0837
US 10Y	1.4882	0.1777	-0.4318	1.0574	EU 10Y	-0.2002	0.1844	-0.0914	0.2303
US 30Y	2.0459	0.1121	-0.4788	0.9561	EU 30Y	0.2742	0.1849	-0.1661	0.3518
CHINA 2Y	2.4732	0.0156	-0.2693	-0.0591	SWISS 2Y	-0.7808	-0.0192	0.0439	0.0134
CHINA 5Y	2.7018	0.0422	-0.3475	-0.0055	SWISS 5Y	-0.5055	0.1453	-0.0600	0.1558
CHINA 10Y	2.8726	0.0272	-0.3404	0.0514	SWISS 10Y	-0.1832	0.1634	-0.0427	0.2136
CHINA 30Y	3.4137	0.0134	-0.3099	-0.1523	SWISS 30Y	0.0154	0.1232	-0.0663	0.2985

3Y Sovereign Yield Curve



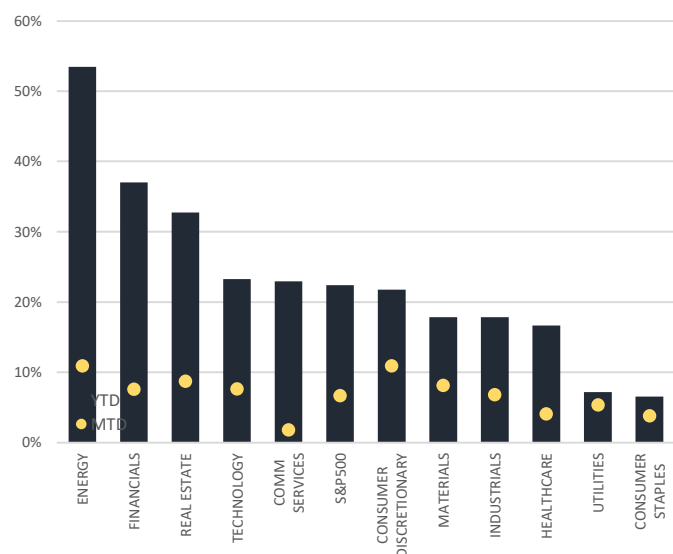


EQUITIES

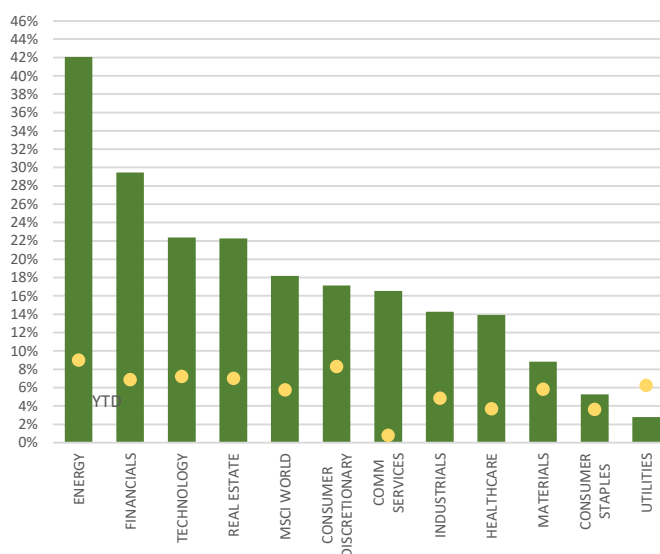
Equities	Oct	YTD	1Y	3Y Ann	5Y Ann	3Y SD	3Y
WORLD	5.75%	18.19%	38.66%	16.29%	13.18%	15.96%	
EM	1.83%	-1.18%	15.64%	10.11%	8.14%	13.17%	
ASIA PAC	0.80%	-0.56%	15.76%	9.97%	7.94%	12.69%	
US	6.71%	22.37%	40.57%	19.23%	15.89%	17.92%	
EUROPE	4.47%	19.08%	38.65%	8.77%	6.32%	9.79%	
CHINA	3.97%	-14.15%	-9.36%	9.65%	8.79%	14.94%	
SWISS	4.41%	14.41%	26.34%	10.48%	9.27%	9.02%	

Style	Oct	YTD	Oct	YTD
WORLD LARGE CAP	5.89%	18.55%	US LARGE CAP	6.71%
WORLD SMALL CAP	4.04%	16.67%	US SMALL CAP	3.59%
WORLD VALUE	4.83%	17.21%	US VALUE	5.39%
WORLD GROWTH	6.62%	18.84%	US GROWTH	8.90%
WORLD MOMENTUM	7.64%	16.67%	US MOMENTUM	7.19%

S&P500 SECTOR RETURNS



MSCI WORLD SECTOR RETURNS



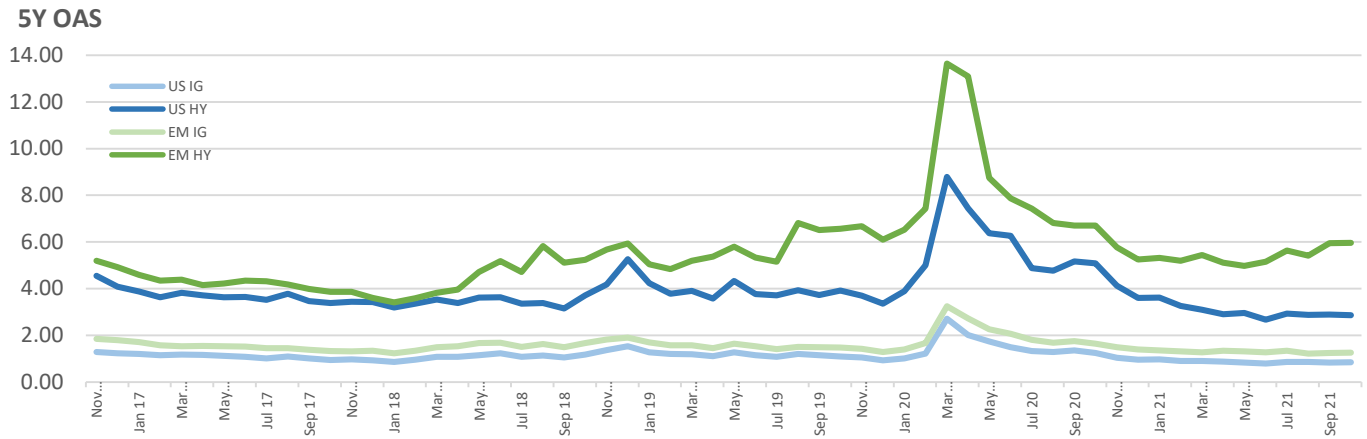


FIXED INCOME

Fixed Income	Oct	YTD	1Y	3Y Ann	5Y Ann	3Y SD	3Y CURVE
WORLD AGG	0.26%	-3.81%	-0.75%	4.72%	3.46%	4.85%	
US AGG	-0.07%	-1.62%	-0.52%	5.61%	3.58%	5.39%	
EUROPE AGG	0.50%	-1.81%	-1.04%	3.16%	1.96%	3.13%	
CHINA AGG	0.81%	6.30%	10.06%	7.72%	5.18%	6.66%	
EM AGG	-0.38%	-1.52%	3.05%	6.29%	4.83%	5.93%	
SWISS AGG	-0.18%	-2.11%	-1.73%	1.02%	0.38%	1.64%	

OAS

	Oct	Δ1M	Δ6M	Δ1Y	Δ3Y		Oct	Δ1M	Δ6M	Δ1Y	Δ3Y
WORLD IG OAS	0.90	0.02	-0.02	-0.38	-0.34	EM IG OAS	1.26	0.01	-0.09	-0.38	-0.41
WORLD HY OAS	3.81	0.00	0.24	-1.70	-0.43	EM HY OAS	5.97	0.02	0.85	-0.74	0.73
US IG OAS	0.85	0.01	-0.03	-0.40	-0.33	EURO IG OAS	0.90	0.03	0.02	-0.31	-0.42
US HY OAS	2.86	-0.03	-0.05	-2.23	-0.85	EURO HY OAS	3.12	0.12	0.15	-1.67	-0.97





FX & COMMODITIES

Commodities	Oct	YTD	1Y	3Y Ann	5Y Ann	3Y SD	3Y Curve
BBG Index	3.52%	33.67%	45.25%	8.89%	5.09%	12.97%	
BBG Energy	3.97%	81.88%	86.93%	-2.93%	1.19%	24.43%	
BBG Agri & Livestock	1.86%	19.52%	37.34%	8.99%	1.64%	15.10%	
BBG Soft	1.43%	38.20%	55.40%	10.28%	-1.10%	15.94%	
BBG Precious Metals	4.01%	-6.39%	-3.67%	13.41%	7.34%	13.81%	
BBG Industrial Metal	5.49%	26.60%	40.37%	15.05%	9.28%	17.03%	
	Oct	YTD	1Y	3Y Ann	S-Term	M-Term	3Y CURVE
BBG Gold	2.60%	-5.53%	-5.09%	12.42%	1800-1875	1775-1850	
BBG Brent Crude	7.91%	73.59%	133.62%	4.84%	70-80	75-85	

Currencies	Oct	1M HIGH	1M LOW	1M SD	S-Term	M-Term	1M CURVE
EUR/USD	1.1559	1.1651	1.153	0.27%	1.12-1.16	1.13-1.17	
USD/JPY	114.07	114.38	110.9	1.14%	112-116	112-116	
GBP/USD	1.3688	1.3824	1.3474	0.70%	1.33-1.37	1.35-1.4	
USD/CHF	0.9163	0.9317	0.9158	0.51%	0.92-0.95	0.93-0.96	
USD/CNY	6.4056	6.4506	6.3826	0.37%	6.35-6.4	6.37-6.42	
USD/SGD	1.3488	1.359	1.3436	0.36%	1.34-1.37	1.33-1.37	

FX & COMMODITIES VIEW

An autumn upturn lifted the USD index to September 2020 highs. The world's largest economy continued to make steady, if uneven, progress towards recovery. The euro performed badly against commodity-linked currencies like the AUD and CAD, but also lost ground against GBP and CHF. The currency remained down near its annual low against the USD. GBP on the other hand, surged to multi-month highs against countercyclical currencies like the USD, JPY and even EUR. The pound weakened against procyclical currencies though, particularly of oil-exporting nations as Brent crude prices rallied to three-year highs.

Crude oil spot prices surged by more than 12% in October, on the back of soaring energy prices in Europe and Asia. Strong oil market fundamentals, compounded by expectations of higher oil demand in the winter months from "gas to oil switching", supported futures prices. OPEC Reference Basket (ORB) increased \$8.23 or 11.1%, m-o-m, in October to average \$82.11/b.

Energy commodities rose across the board for the second consecutive month, with new average price records for natural gas and coal prices in Europe and Asia on concerns of potential shortages should winter temperatures be colder than usual. The energy price index rose month on month by 16.1% in October.

Base metals advanced supported by declining inventories, though, towards the end of the month, the expectation of some reductions of the ongoing energy restrictions in China, which would in turn lead to higher output weighed down on prices. Gold prices were relatively stable with little movement in expectations of interest rates during the month.



THEME OF THE MONTH

Electric Vehicles (EV) batteries and it's price tag

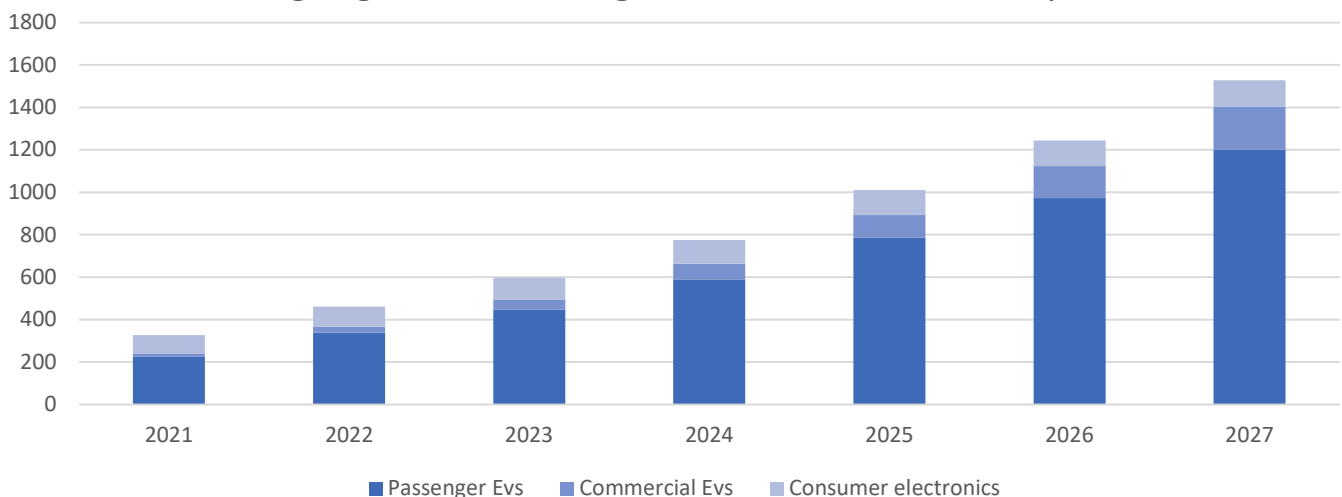
Have you ever wondered why are EV batteries so expensive? Well, the main reason is largely associated with what exists in them. An EV uses the same rechargeable lithium-ion batteries that are in your laptop or mobile phone, they're just much bigger. The cells are grouped in packs resembling big suitcases. The priciest component in each battery cell is the cathode, one of the two electrodes that store and release electricity. The materials needed in cathodes to pack in more energy often come with a high price tag, which includes metals including cobalt, nickel, lithium. They need to be mined and processed into high-purity chemical compounds.

At current market rates, the average battery cost for a typical EV works out to about USD 6,300. The ones that go into premium models are more. Over the last decade, battery pack prices have reduced almost by 89%, according to figures extracted by BloombergNEF. Industry average price of \$137 for a kilowatt of power for an hour (from about \$1,191 in 2010) is still above the \$100 threshold at an EV's cost should match a car with an internal combustion engine. As of today, costs aren't expected to keep falling as quickly, and rising raw materials prices haven't helped.

In order for batteries to get cheaper, one way to go around it is to substitute cobalt with nickel, which cost less and holds more energy. Doing so isn't simple, as cobalt's advantage is that it doesn't overheat or catch fire easily. Another move has been to use low cost lithium iron phosphate as the cathode material. Such cells were once derided for poorer performance but are having a revival as design changes deliver improvements.

The biggest players in the game currently belongs to Asia, which dominates the manufacturing of lithium-ion cells, accounting for more than 80% of existing capacity. Chinese owned company Contemporary Amperex Technology shipped the highest volume in 2020, capturing almost a quarter of the market. By September this year it had extended its lead to 30%, followed by South Korea based LG Energy Solution and Japan's Panasonic Corp. Tesla and Panasonic's joint venture is the biggest battery producer in the U.S. Emerging producers include Northvolt AB in Sweden, founded by former Tesla executives, and Gotion High-tech Co. in China.

EVs are going to be the driving force for lithium-ion battery demand



Source: Bloomberg



Date	Country	Event	Period	Surv(M)	Actual	Prior	Revised
11/18	Russia	Gold and Forex Reserve	Nov 12	--	626.2b	622.1b	--
11/18	United States	Initial Jobless Claims	Nov 13	260k	268k	267k	269k
11/18	United States	Leading Index	Oct	0.8%	0.9%	0.2%	0.1%
11/19	Japan	Natl CPI YoY	Oct	0.2%	0.1%	0.2%	--
11/19	United Kingdom	Retail Sales Inc Auto Fuel MoM	Oct	0.5%	0.8%	-0.2%	0.0%
11/22	United States	Existing Home Sales	Oct	6.20m	6.34m	6.29m	--
11/23	France	Markit France Manufacturing PMI	Nov P	53.1	54.6	53.6	--
11/23	Greece	Markit/BME Germany Manufacturing PMI	Nov P	56.9	57.6	57.8	--
11/23	Eurozone	Markit Eurozone Manufacturing PMI	Nov P	57.4	58.6	58.3	--
11/23	United Kingdom	Markit UK PMI Manufacturing SA	Nov P	57.3	58.2	57.8	--
11/23	United States	Markit US Manufacturing PMI	Nov P	59.1	59.1	58.4	--
11/24	Japan	Jibun Bank Japan PMI Mfg	Nov P	--	54.2	53.2	--
11/24	Greece	Ifo Expectations	Nov	94.6	94.2	95.4	--
11/24	Greece	Ifo Business Climate	Nov	96.7	96.5	97.7	--
11/24	United States	MBA Mortgage Applications	Nov 19	--	1.8%	-2.8%	--
11/24	United States	Initial Jobless Claims	Nov 20	260k	199k	268k	270k
11/24	United States	Wholesale Inventories MoM	Oct P	1.0%	2.2%	1.4%	--
11/24	United States	GDP Annualized QoQ	3Q S	2.2%	2.1%	2.0%	--
11/24	United States	Durable Goods Orders	Oct P	0.2%	-0.5%	-0.3%	-0.4%
11/24	United States	Personal Income	Oct	0.2%	0.5%	-1.0%	--
11/24	United States	Personal Spending	Oct	1.0%	1.3%	0.6%	--
11/24	United States	U. of Mich. Sentiment	Nov F	66.9	67.4	66.8	--
11/24	United States	New Home Sales	Oct	800k	745k	800k	742k
11/25	Russia	Industrial Production YoY	Oct	6.0%	7.1%	6.8%	--
11/25	Russia	Gold and Forex Reserve	Nov 19	--	626.3b	626.2b	--
11/26	Japan	Tokyo CPI Ex-Fresh Food YoY	Nov	0.3%	0.3%	0.1%	--
11/26	Eurozone	M3 Money Supply YoY	Oct	7.4%	--	7.4%	--
11/26	Italy	Consumer Confidence Index	Nov	117	--	118.4	--
11/26	Italy	Manufacturing Confidence	Nov	114	--	114.9	--
11/28	United Kingdom	Nationwide House PX MoM	Nov	--	--	0.7%	--
11/28	United Kingdom	Nationwide House Px NSA YoY	Nov	--	--	9.9%	--
11/29	United Kingdom	Mortgage Approvals	Oct	--	--	72.6k	--
11/29	Greece	CPI MoM	Nov P	-0.5%	--	0.5%	--
11/29	Greece	CPI YoY	Nov P	4.9%	--	4.5%	--
11/30	Japan	Job-To-Applclicant Ratio	Oct	1.17	--	1.16	--
11/30	Japan	Jobless Rate	Oct	2.8%	--	2.8%	--
11/30	Japan	Industrial Production MoM	Oct P	1.9%	--	-5.4%	--
11/30	France	CPI YoY	Nov P	--	--	2.6%	--
11/30	France	GDP QoQ	3Q F	--	--	3.0%	--
11/30	France	GDP YoY	3Q F	--	--	3.3%	--
11/30	Greece	Unemployment Change (000's)	Nov	-25.0k	--	-39.0k	--
11/30	Italy	GDP WDA QoQ	3Q F	--	--	2.6%	--
11/30	Italy	GDP WDA YoY	3Q F	--	--	3.8%	--
11/30	Italy	CPI EU Harmonized MoM	Nov P	--	--	0.8%	0.9%



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Source and Abbreviation:

WORLD MPMI: Manufacturing Composite PMI, Seasonally Adjusted; WORLD SPMI: Service Composite PMI, Seasonally Adjusted; EM MPMI: Manufacturing Composite PMI, Seasonally Adjusted; EM SPMI: Service Composite PMI, Seasonally Adjusted; EURO CPI: Harmonised Index of Consumer Prices, 2015 = 100; EURO PPI: Producer Price Index, 2015 = 100; EURO UNEMP: Unemployment Rate; EURO MPMI: Manufacturing Composite PMI, Seasonally Adjusted; EURO SPMI: Service Composite PMI, Seasonally Adjusted; CHINA MPMI: Manufacturing Composite PMI, Seasonally Adjusted; CHINA SPMI: Service Composite PMI, Seasonally Adjusted; US CPI: Consumer Price Index (1967 = 100); US PPI: Producer Price Index, 2009 = 100; US UNEMP: Unemployment Rate; US MPMI: Manufacturing Composite PMI, Seasonally Adjusted; SWISS MPMI: Manufacturing Composite PMI, Seasonally Adjusted; SWISS SPMI: Service Composite PMI, Seasonally Adjusted; EM: Emerging Market, ASIA PAC: Asia Pacific, AGG: Aggregate, IG: Investment Grade, HY: High Yield, OAS: Option Adjusted Spread, AGRI: Agricultural, FOMC: Federal Open Market, SAAR: Seasonally Adjusted Annual Rate

Graphs:

MSCI World Index: Source – MXWO Index; Global PMI: Source – MPMIGLMA Index, MPMIGLSA Index; Brent Crude Price: Source – CO1 Comdty. Economy Index:

WORLD MPMI: Source: MPMIGLMA Index; WORLD SPMI: Source: MPMIGLSA Index; EM MPMI: MPMIEMMA Index; EM SPMI: MPMIEMSA Index. EURO CPI: CPALAU Index, EURO PPI: PPTX27 Index; EURO Unemployment: UMRT27 Index; EURO MPMI: MPMIEUMA Index, EURO SPMI: MPMIEUSA Index. China MPMI: MPMICNMA Index, China SPMI: MPMICNSA Index; US CPI: CPI INDX Index; US PPI: FDIDFDA Index, US UNEMP: USURTOT Index, US MPMI: NAPMPMI Index, SWISS MPMI: SZPUI Index, SWISS SPMI: SZPUSERV Index

Key Rates:

US 2Y: GT2 GOVT, US 5Y: GT5 GOVT, US 10Y: GT10 GOVT, US 30Y: GT30 GOVT, CHINA 2Y: GTCNY2Y GOVT, CHINA 5Y: GTCNY5Y GOVT, CHINA 10Y: GTCNY10Y GOVT, CHINA 30Y: GTCNY30Y GOVT, EURO 2Y: GTEUR2Y GOVT, EURO 5Y: GTEUR5Y GOVT, EURO 10Y: GTEUR10Y GOVT, EURO 30Y: GTEUR30Y GOVT, SWISS 2Y: GTCHF2Y GOVT, SWISS 5Y: GTCHF5Y GOVT, SWISS 10Y: GTCHF10Y GOVT, SWISS 30Y: GTCHF30Y GOVT

Equities Index:

EM: MXEF Index; ASIA PAC: MXAP Index; US: SPX Index; EURO: MXEU Index; CHINA: MXCN Index; SWISS: MXCH Index; WORLD LARGE CAP: MXWOLC Index; WORLD SMALL CAP: MXWOSC Index; WORLD VALUE: MXWO000V Index; WORLD GROWTH: MXWO000G Index; WORLD MOMENTUM: M1WOMOM Index; LARGE CAP: SPX Index; SMALL CAP: SPTRSMCP Index; VALUE: SPXPV Index; GROWTH: SPXPG Index; MOMENTUM: SP500MUP Index; S&P UTILITIES: S5UTIL Index; S&P REAL ESTATE: S5RLST Index; S&P ENERGY: S5ENRS Index; S&P HEALTHCARE: S5HLTH Index; S&P S&P500: SPX Index; S&P CONSUMER STAPLES: S5CONS Index; S&P TECHNOLOGY: S5INFT Index; S&P MATERIALS: S5MATR Index; S&P FINANCIALS: S5FINL Index; S&P COMM SERVICES: S5TELS Index; S&P INDUSTRIALS: S5INDU Index; S&P CONSUMER DISCRETIONARY: S5COND Index; MSCI TECHNOLOGY: MXWO0IT Index; MSCI REAL ESTATE: MXWO0RE Index; MSCI UTILITIES: MXWO0UT Index; MSCI CONSUMER DISCRETIONARY: MXWO0CD Index; MSCI INDUSTRIALS: MXWO0IN Index; MSCI CONSUMER STAPLES: MXWO0CS Index; MSCI COMM SERVICES: MXWO0TC Index; MSCI MSCI WORLD: MXWO Index; MSCI FINANCIALS: MXWO0FN Index; MSCI MATERIALS: MXWO0MT Index; MSCI HEALTHCARE: MXWO0HC Index; MSCI ENERGY: MXWO0EN Index;

Fixed Income Index:

WORLD AGG: LEGATRUU Index; US AGG: LBUSTRUU Index; EURO AGG: LP06TREU Index; CHINA AGG: LACHTRUU Index; EM AGG: EMUSTRUU Index; SWISS AGG: LSFATRCU Index; WORLD IG OAS: LGCPOAS Index; WORLD HY OAS: LG30OAS Index; US IG OAS: LUACOAS Index; US HY OAS: LF98OAS Index; EM IG OAS: BEHGOAS Index; EM HY OAS: BEBGOAS Index; EURO IG OAS: LP05OAS Index; EURO HY OAS: LP01OAS Index;

Commodities and Currencies:

COMMODITIES: BCOMTR Index; ENERGY: BCOMENTR Index; AGRIL&LIVESTOCK: BCOMAVT Index; SOFT: BCOMSOTR Index; PRECIOUS METAL: BCOMPRTR Index; INDUSTRIAL METAL: BCOMINTR Index; EUR/USD: EURUSD BGN Curncy; JPY/USD: JPYUSD BGN Curncy; GBP/USD: GBPUSD Curncy; CHF/USD: CHFUSD Curncy; CNY/USD: CNYUSD Curncy; SGD/USD: SGDUSD Curncy;

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