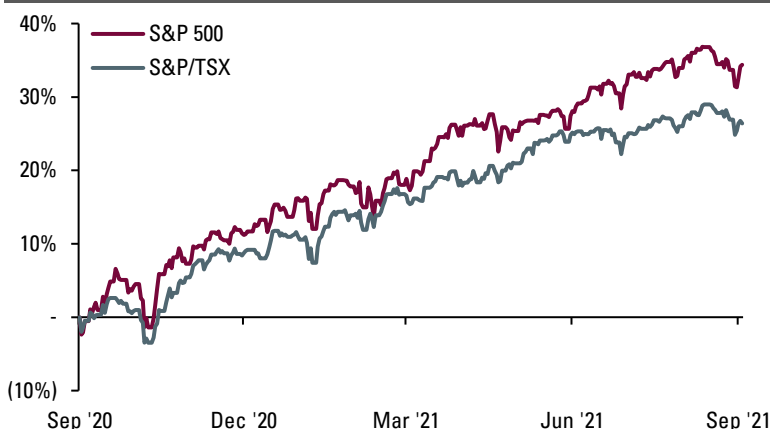


Equity Returns: Last Twelve Months



Weekly Update

Economics

- **Evergrande Group**, China's second-largest property developer, announced that it is currently unable to pay interest payments to multiple of its largest bank creditors. The announcement sparked concerns that China's highly leveraged real estate market, which accounts for over 30% of the country's GDP, could crash resulting in a global ripple effect similar to that in 2008. Large international holders of Evergrande debt include UBS Group, Blackrock, RBC, and others. It is currently unknown if Evergrande will default.
- The US Federal Reserve signaled that it will start scaling back bond purchases as soon as November and return interest rates to conventional levels around mid-2022. The Federal Reserve is among other central banks developed economies that have already started tapering, including the Bank of England which recently hinted that it will raise interest rates before 2022, and Norges Bank which has already done so.

Politics

- **Justin Trudeau** will continue to lead a minority government following the 2021 Canadian federal election. The Liberals won 159 seats (11 short of a majority), the Conservatives 119, the Bloc Québécois 33, and the NDP 25. The Bloc Quebecois has stated it will refuse to participate in a coalition government, eliminating the possibility of any opposition coalitions.
- The US House Budget Committee voted to advance a draft version of the Biden administration's signature fiscal plan, which will include **\$1.1T** and **\$3.5T** dedicated to infrastructure and social spending, respectively. The bill also includes taxation reform to pay for some of these expenditures, including a corporate tax rate hike from 21% to 28% and a personal income tax rate hike to 39.6% for individuals in the highest income bracket.
- The People's Bank of China announced that all transactions involving "virtual currencies" are now illegal, effectively banning Bitcoin and other cryptocurrencies. For justification, the Chinese central bank said that the volatility of cryptocurrency markets "endangers the safety of people's assets."

Markets

- Equity markets tanked and bond yields jumped earlier in the week amid concerns of Fed tapering and Chinese insolvency, before rising throughout the rest of the week, with the Dow and S&P 500 even surpassing levels from the previous Friday.
- Following a sudden shortage in Russia's gas supply, gas prices in Europe have surged. The crisis has sparked conversations among European countries about their heavy dependence on Russian energy.

Technology

- **Twitter** released a feature that allows users to ask for tips in Bitcoin through its platform, making it the first major social network to encourage the use of cryptocurrency as a method of payment. Twitter also announced its plans to let users connect their cryptocurrency wallets and authenticate the ownership of NFTs they tweet with a special badge.

Changes & Ranges

Security	Price	Weekly Δ	52 Week Range
S&P 500	4,455	0.5%	3,237 - 4,537
S&P/TSX	20,403	(0.4%)	15,581 - 20,821
10Y Yield	1.45%	+9 bps	0.65% - 1.74%
10Y TIPS	(0.88%)	+10 bps	-1.20% - -0.59%
USD Index	93.3	0.1%	89.4 - 94.6
VIX Index	17.8	(3.1)	15.1 - 40.3
WTI	74.0/bbl	2.8%	\$35.79 - \$75.25
Gold	\$1,750/oz	(0.2%)	\$1,684 - \$1,951

Recent Transaction Activity

Name	Type	Value	Notes
Entain	M&A	\$25,091M	DraftKings (NASDAQ:DKNG) proposed to acquire Entain (LON:ENT), in an effort to expand its international presence
AusNet Services	M&A	\$13,404M	APA Group (ASX:APA) and Brookfield (TSE:BAM) are in a bidding war to acquire AusNet (ASX:AST), with APA Group's \$13.4B offer currently being the highest
UnionBank	M&A	\$7,990M	MUFG (TYO:8306) announced it is selling Union Bank North America to US Bancorp (NYSE:USB)

Upcoming DFIC Events



Intro to Valuation

- Learn how to accurately value a company at our Intro to Valuation event on September 28th @ 5:00 pm
- We will go over key financial models including DCFs, comparable companies, precedent transactions, and others



Intro to LBOs

- Are you interested in private equity, or just curious about how large buyers can take public companies private? Come and learn how to build a leveraged buyout model at our Intro to LBOs event on September 30th @ 5:00 pm

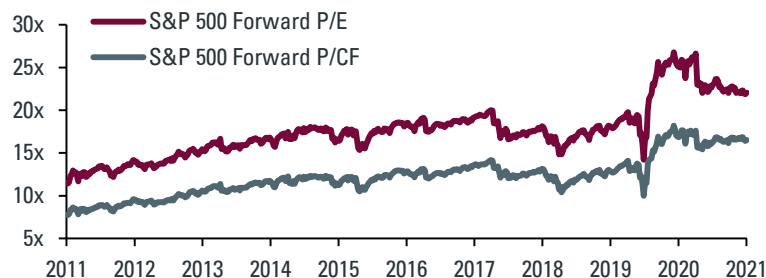


Intro to Quant Finance

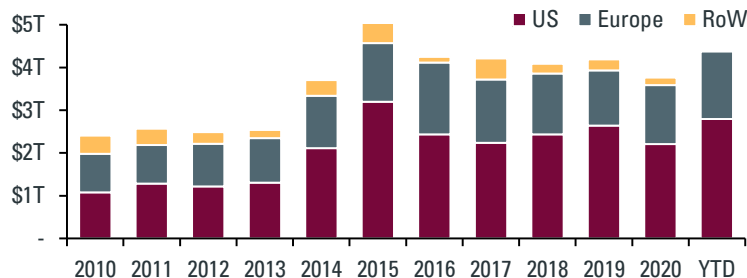
- Discover how mathematics and computer science complement a career in finance at our Intro to Quantitative Finance event on October 5th @ 5:00 pm

Description	Price	Performance							
		1w	1m	3m	Qtd	Ytd	1y	2y	5y
United States									
Equity Indices									
S&P 500 Index	4,455	0.5%	(0.7%)	4.4%	3.1%	18.6%	37.2%	50.2%	105.8%
NASDAQ Composite Index	15,048	0.0%	0.2%	4.7%	3.6%	16.8%	41.0%	88.2%	183.6%
Dow Jones Industrial Average	34,798	0.6%	(1.6%)	1.8%	0.5%	13.7%	29.8%	29.8%	90.6%
CBOE SPX Volatility Index	17.8	(4.1)	(0.5)	0.8	1.3	(6.0)	(11.8)	(0.3)	4.5
US Dollar Index	93.3	0.1%	0.5%	1.6%	0.8%	3.8%	(1.1%)	(5.1%)	(2.3%)
S&P 500 Sector Performance									
Consumer Discretionary	1,474	0.3%	2.2%	3.8%	2.5%	13.2%	26.5%	57.0%	132.9%
Consumer Staples	736	(0.3%)	(1.2%)	3.1%	2.3%	5.7%	14.0%	18.2%	34.3%
Energy	387	4.7%	6.6%	(7.1%)	(6.7%)	35.1%	68.6%	(13.2%)	(22.3%)
Financials	636	2.2%	0.3%	4.8%	3.4%	29.8%	64.5%	37.3%	97.8%
Healthcare	1,540	(0.4%)	(2.5%)	5.5%	3.8%	16.3%	30.2%	46.6%	82.0%
Industrials	853	0.8%	(2.8%)	(1.3%)	(2.1%)	13.8%	33.9%	31.0%	70.7%
Information Technology	2,754	0.9%	(0.4%)	7.8%	6.0%	20.2%	40.6%	96.8%	246.2%
Materials	509	0.1%	(4.6%)	(1.3%)	(2.1%)	11.7%	30.6%	40.8%	71.3%
Telecommunication Services	278	(0.7%)	(1.1%)	5.3%	4.2%	25.2%	46.2%	65.7%	60.6%
Utilities	331	(1.2%)	(4.6%)	2.9%	1.8%	3.8%	12.7%	1.0%	28.0%
Global Indices									
Americas									
S&P/TSX Composite	20,403	(0.4%)	(0.7%)	0.9%	1.2%	17.0%	28.2%	21.5%	38.8%
Mexico IPC Index	51,106	(0.4%)	(1.7%)	1.1%	1.4%	16.0%	41.1%	18.6%	7.0%
Brazil Bovespa Index	113,283	1.7%	(5.8%)	(12.5%)	(9.9%)	(4.8%)	16.8%	9.1%	93.0%
Europe									
EURO STOXX 50 Index	4,159	0.7%	(0.5%)	0.9%	2.0%	17.1%	31.6%	17.7%	37.1%
FTSE 100 Index	7,051	1.3%	(1.0%)	(0.8%)	(1.0%)	9.1%	21.1%	(3.3%)	2.1%
Germany DAX Index	15,532	0.3%	(2.4%)	(0.4%)	(0.5%)	13.2%	23.2%	26.2%	46.2%
France CAC 40 Index	6,638	1.0%	(0.4%)	0.1%	1.3%	19.6%	39.4%	17.9%	47.9%
Switzerland SMI Index	11,817	(1.0%)	(5.0%)	(1.5%)	(1.3%)	10.4%	15.7%	18.3%	42.8%
Asia									
Nikkei 225 Index	30,249	(0.8%)	9.1%	4.8%	5.4%	10.2%	31.0%	36.9%	80.5%
Hang Seng Index	24,192	(2.9%)	(6.0%)	(16.2%)	(16.1%)	(11.2%)	3.8%	(7.9%)	2.1%
S&P/ASX 200 Index	7,343	(0.8%)	(2.1%)	0.9%	1.1%	11.5%	25.0%	8.8%	35.2%

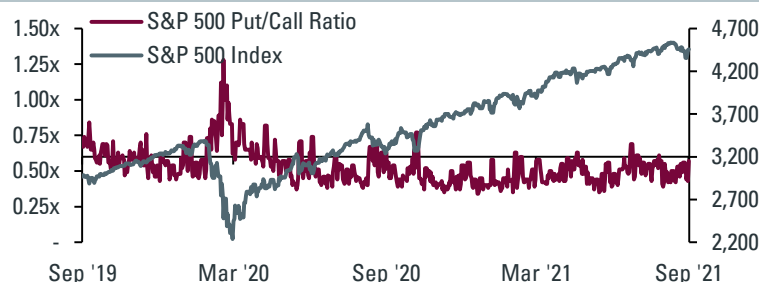
S&P 500 Valuation Multiples (10-year)



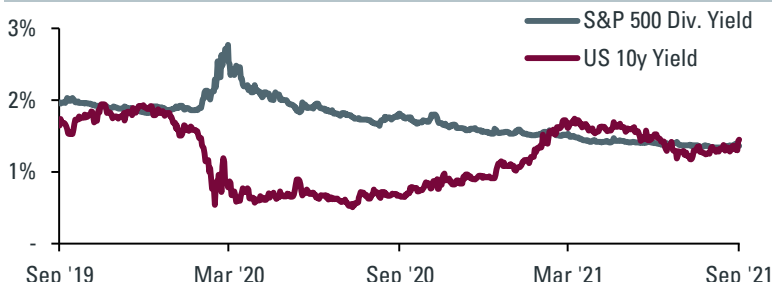
M&A Transaction Value



Put/Call Ratio

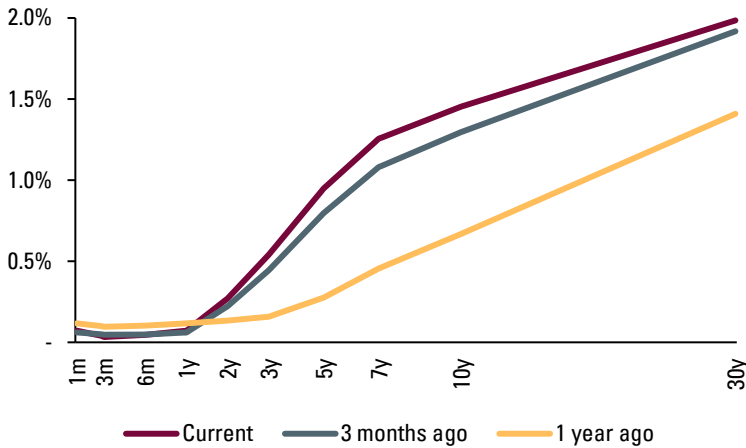


Dividend Yields

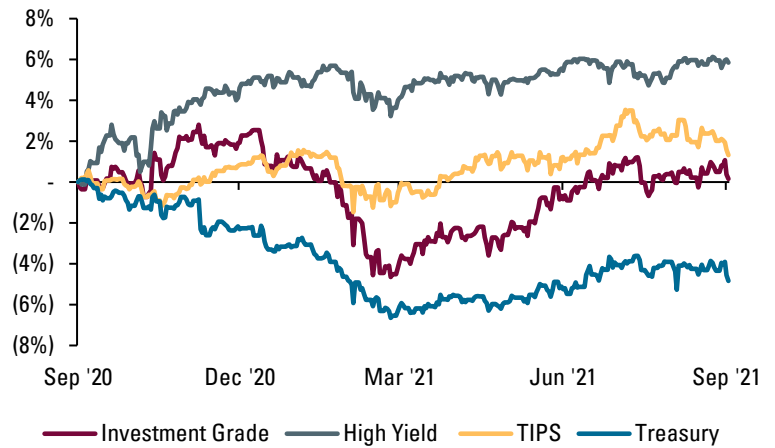


Description	Yield	Performance							
		1w	1m	3m	Qtd	Ytd	1y	2y	5y
North America									
US Treasury Yields									
3-month	0.03	-0	-1	-2	-1	-4	-6	-188	-14
12-month	0.07	0	1	-1	0	-4	-5	-172	-51
2-year	0.27	5	5	0	2	15	14	-136	-49
10-year	1.45	9	16	-4	-1	54	79	-19	-17
30-year	1.99	8	7	-12	-8	34	58	-12	-36
5-year TIPS	-1.61	12	13	-2	4	2	-41	-175	-131
10-year TIPS	-0.88	10	14	-5	2	21	3	-95	-92
30-year TIPS	-0.25	8	4	-9	-3	13	8	-70	-82
2-10-year spread	118.11	5	11	-4	-2	39	65	117	32
1-year inflation expectations	2.45	-16	-3	-74	-73	43	170	108	185
10-year inflation expectations	2.33	-1	2	1	-1	35	75	75	75
Canada Treasury Yields									
3-month	0.13	-0	-6	-1	-2	5	-2	-151	-41
12-month	0.27	0	-	4	3	10	5	-140	-26
2-year	0.50	4	5	7	5	30	25	-102	-2
10-year	1.38	9	19	-4	-1	70	82	7	33
Fixed Income Indices									
USD High Yield	2.77	3	-25	-1	12	-83	-256	-93	-210
USD Investment Grade	0.82	-3	-7	-	1	-14	-54	-32	-55
US 3-month LIBOR	0.13	1	1	-1	-1	-11	-10	-198	-72
US12-month LIBOR	0.23	1	-1	-2	-1	-11	-14	-180	-133

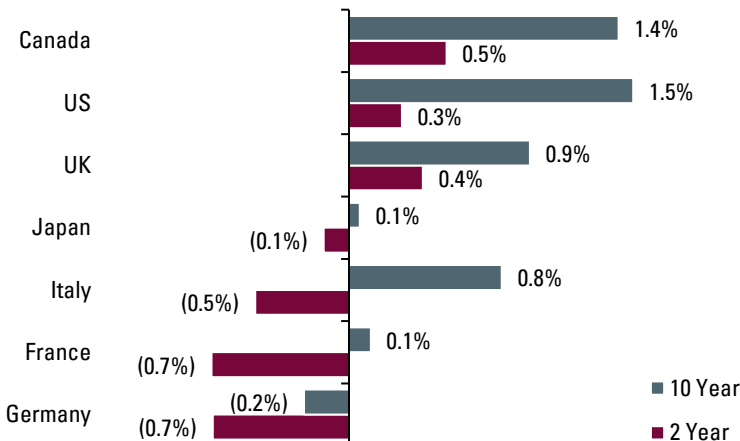
US Yield Curve



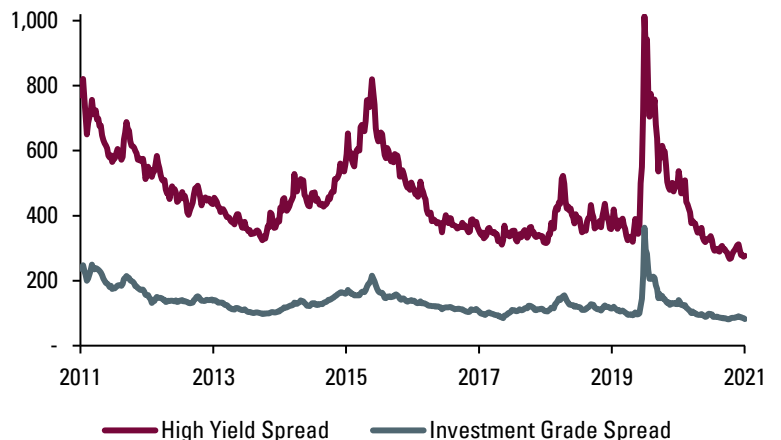
Annual Total Bond Returns



Sovereign Debt YTM Comparisons



Credit Spreads (bps)

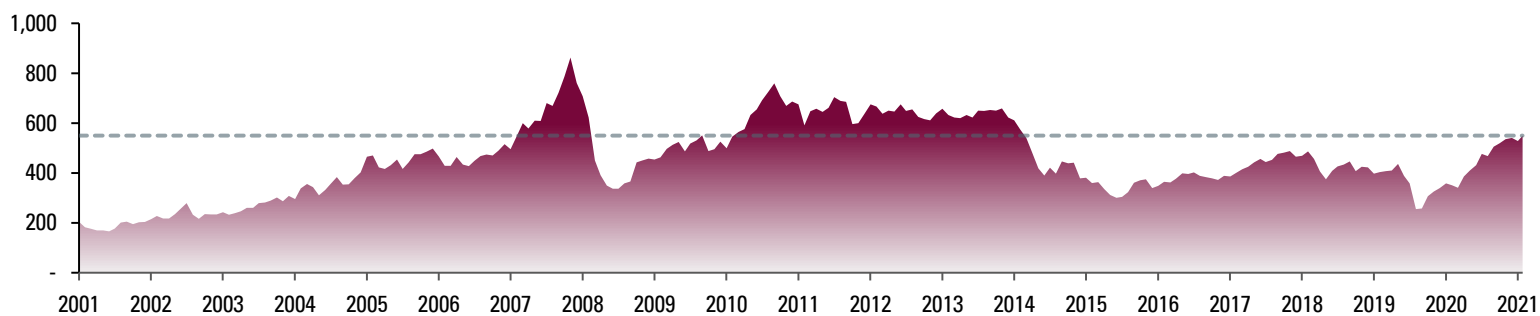


Currencies & Commodities

September 24, 2021

Description	Price	Performance							
		1w	1m	3m	Qtd	Ytd	1y	2y	5y
Commodities									
Precious Metals									
Gold spot (US\$/oz)	1,750	(0.2%)	(2.9%)	(1.4%)	(1.5%)	(7.8%)	(6.3%)	14.3%	30.9%
Silver spot (US\$/oz)	22.42	0.2%	(6.0%)	(13.6%)	(13.9%)	(15.1%)	(3.1%)	20.5%	13.9%
Platinum spot (US\$/oz)	985	4.5%	(2.8%)	(10.1%)	(9.3%)	(8.1%)	15.7%	3.2%	(6.5%)
Palladium spot (US\$/oz)	1,973	(2.2%)	(20.3%)	(25.4%)	(28.7%)	(19.4%)	(11.8%)	17.8%	181.0%
Base and Industrial Metals									
LME copper spot (US\$/lb)	4.21	(1.7%)	(0.4%)	(1.2%)	(0.7%)	19.8%	41.9%	61.0%	92.6%
LME lead spot (US\$/lb)	0.98	(2.5%)	(12.0%)	(1.8%)	(3.7%)	9.5%	16.3%	5.1%	12.9%
LME zinc spot (US\$/lb)	1.41	-	4.9%	7.4%	5.9%	14.2%	30.7%	34.4%	36.9%
LME nickel spot (US\$/lb)	8.70	(4.4%)	0.6%	5.4%	6.1%	16.0%	35.3%	11.1%	80.5%
LME aluminum spot (US\$/lb)	1.32	(0.3%)	9.7%	21.2%	17.1%	46.9%	71.2%	65.9%	77.4%
NYME coil steel (US\$/tonne)	1,933	(0.2%)	0.2%	10.3%	6.7%	163.0%	233.3%	NA	NA
Energy									
WTI (US\$/bbl)	73.98	2.8%	9.5%	0.9%	(1.7%)	52.5%	83.5%	29.1%	66.3%
ICE Brent (US\$/bbl)	78.09	3.7%	10.9%	6.5%	5.3%	53.4%	71.0%	37.0%	34.0%
Natural Gas (US\$/mmd)	5.14	0.7%	31.3%	50.2%	41.9%	87.5%	78.0%	115.1%	71.9%
Other									
Baltic dry index (US\$/tonne/day)	4,644	8.6%	10.5%	46.3%	39.1%	240.0%	189.3%	119.5%	393.5%
CBT corn futures (US\$/bu)	527	(0.1%)	(3.3%)	(19.4%)	(26.8%)	8.8%	44.9%	40.6%	56.5%
CBT wheat futures (US\$/bu)	724	2.1%	0.8%	11.1%	9.9%	13.0%	31.7%	50.2%	78.8%
CBT soybean futures (US\$/bu)	1,285	0.1%	(3.9%)	(6.3%)	(11.2%)	(2.3%)	28.5%	43.7%	34.6%
Lumber futures (US\$/1,000 bf)	643	1.4%	33.9%	(23.7%)	(12.6%)	(26.4%)	11.1%	72.4%	96.6%
Bitcoin / USD cross rate (US\$)	42,982	(8.5%)	(11.1%)	23.3%	28.6%	46.9%	304.3%	400.8%	7039.8%
Currencies									
Foreign Exchange Ratios (US\$ Cross)									
US dollar index	93.33	0.1%	0.5%	1.6%	0.8%	3.8%	(1.1%)	(5.1%)	(2.3%)
Euro	0.85	0.0%	0.3%	1.8%	1.1%	4.2%	(0.4%)	(6.0%)	(4.2%)
British pound	0.73	0.5%	0.4%	1.8%	0.6%	(0.0%)	(6.8%)	(8.6%)	(5.2%)
Japanese yen	110.73	0.7%	1.0%	(0.1%)	(0.7%)	7.3%	5.0%	3.4%	9.6%
Canadian dollar	1.27	(0.9%)	0.5%	2.7%	1.7%	(0.6%)	(5.3%)	(4.5%)	(3.9%)
Australian dollar	1.38	0.2%	0.0%	4.5%	2.9%	6.0%	(2.9%)	(6.3%)	5.1%
Chinese yuan	6.47	0.0%	(0.1%)	(0.1%)	(0.0%)	(0.9%)	(5.3%)	(9.1%)	(3.0%)
Mexican peso	20.05	0.2%	(0.8%)	1.0%	0.3%	0.8%	(9.5%)	3.1%	1.3%
Chilean peso	793.04	1.3%	1.3%	8.0%	7.0%	11.4%	1.1%	9.5%	20.0%
Brazilian real	5.33	0.9%	1.7%	8.5%	5.7%	2.6%	(3.2%)	28.1%	64.4%
Argentine peso	98.56	0.2%	1.2%	3.1%	2.9%	17.1%	30.2%	73.3%	549.8%
Swiss franc	0.92	(0.8%)	1.3%	0.8%	(0.1%)	4.4%	(0.2%)	(6.2%)	(4.7%)
Turkish lira	8.89	2.8%	5.6%	2.0%	2.6%	19.4%	16.6%	56.0%	199.3%
Russian ruble	72.75	(0.2%)	(1.3%)	0.6%	(0.9%)	(2.2%)	(5.7%)	13.7%	13.6%
South African rand	14.95	1.6%	(0.3%)	5.2%	3.6%	1.8%	(11.7%)	0.6%	9.0%
Indian rupee	73.69	0.3%	(0.7%)	(0.6%)	(1.2%)	0.8%	(0.3%)	3.8%	10.6%

GSCI Commodities Spot Index



Source: Bloomberg