

Insights

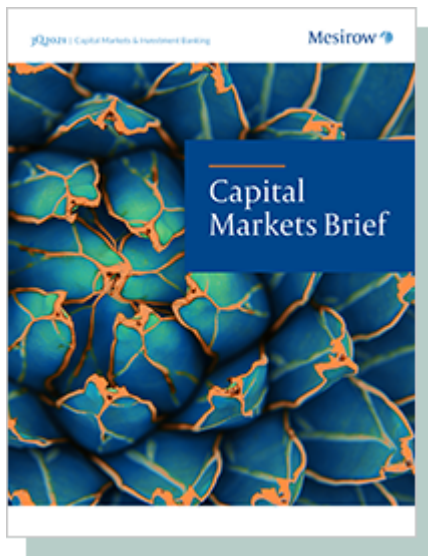
3Q2021 Capital Markets Brief

3Q2021 Review

As we close the third quarter of 2021, the party rolls on and the heavy-handed knock at the door that we all expect has not been heard above the loud chatter, although the two and a half point dip in the 30-year Treasury bond and the equity dump rattled the knob. In spite of this, equity markets continue to sleepwalk through this liquidity fueled asset bubble (S&P 500 at 25.82X as we write). Credit spreads dance ever tighter.

If the rates markets haven't heard the knock, perhaps some government bond traders noted the late hour; one to three month notes inverted this week as traders eyed the cascade of dysfunctional Washington headlines: government spending authorization, debt limit, infrastructure bill stall, Senate reconciliation stimulus bill deadlock, Fed taper on the near horizon.

So much to worry about, but so little market reaction...*Please find the full brief below.*



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