



NOBLE WEALTH
PARTNERS

SANCTUARY ASSET MANAGEMENT

CIO WEEK AHEAD



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CALENDAR

Monday

Earnings: Coupa Software, Sumo Logic

Tuesday

Earnings: Toll Brothers, Autozone, John Wiley, Designer Brands, Dave & Buster's, Casey's General Store, ChargePoint
8:30 a.m. Trade balance
8:30 a.m. Productivity and costs
1:00 p.m. Treasury auctions \$54-billion 3-year notes
3:00 p.m. Consumer credit

Wednesday

Earnings: Campbell Soup, GameStop, Brown-Forman, Vera Bradley, Rent the Runway, United Natural Foods, Thor Industries
7:00 a.m. Mortgage applications
10:00 a.m. JOLTS
1:00 p.m. Treasury auctions \$36-billion 10-year notes

Thursday

Earnings: Costco, Oracle, Hormel, Lululemon, Ciena, K. Hovnanian, Broadcom, Vail Resorts, Chewy, American Outdoor Brands
8:30 a.m. Unemployment claims
1:00 p.m. Treasury auctions \$22-billion 30-year bonds

Friday

8:30 a.m. CPI
10:00 a.m. Consumer sentiment

Week of December 6, 2021

Investors await updates on the Omicron variant and another important inflation report (Friday) that may confirm the trajectory of rising consumer prices. Volatility should remain elevated.

Last Friday's nonfarm payroll number reverted to another disappointing jobs report, this time for the month of November. Friday's selling pressure wrapped up a volatile week for the major averages as investors evaluated new information about the Omicron variant. Indeed, a rollercoaster week as the Dow Jones Industrial Average fell 0.9%, to 34,580; the S&P 500 lost 1.2%, to 4538; and the Nasdaq Composite slumped 2.6%, to 15,085. Small Caps were punched in the mouth yet again as the Russell 2000 stumbled lower by 3.86% for the week.

Volatility has recently been injected into equity markets in the wake of the Black Friday troubling market session that saw sellers come out in droves reacting to Omicron. However, I do not believe it is time to panic as VIX Futures remain under 35. I believe this market volatility shall pass...just some indigestion is occurring as markets have more than usual to contend with this Holiday Season.

Jobs Data: The labor market lost momentum again in November. The Labor Department said nonfarm employment rose by only 210k (missing expectations of 573k) through the middle of the month, down from 546k in October. Despite the big shortfall in job creation, the unemployment rate fell by more than expected to 4.2% of the workforce from 4.6% in October.

Mixed Reviews: Global reactions to the additional variant have begun as we witnessed travel bans and testing in several countries. Japan and Israel closed their borders; Australia is considering putting off reopening for at least another two weeks. The variant apparently was in Europe earlier than first reported, and the first cases indeed appeared in the United States. Vaccine makers were split on the threat of the new variant. Moderna was pessimistic, while BioNTech argued vaccines seem to be effective at preventing severe cases

Tech Heavy: Recent commentary from Fed Chairman Powell articulating that the central bank may move faster than expected on both tapering and surging consumer prices have negatively impacted high flying growth names. The intensity of the recent selling pressure in technology has been significant. Shares of

pandemic darling Zoom slumped 16% for the week, hitting a new 52-week low, a 69% drop from its record high in October 2020. Etsy, which became an online marketplace haven for mask buyers early in the pandemic, fell 20% for the week, while food delivery service DoorDash slumped 16%, Roku also dropped 13%, Shopify slid 10.5% and Netflix fell 9.5%. Last and certainly least in this case, e-signature software maker DocuSign, which tripled in value last year, tanked 42% on Friday after the company's weak 4Q guidance.

Treasury Yields Dip: Although a lonely view in 2021, I have fortunately been correct in my forecast that 10-year yields would remain tethered to 1.50%. #GolfClap. As stocks dropped Friday, U.S. Treasury yields fell again. As investors bought and drove bond Treasury prices higher for a safe haven play, yields (which act in an opposite manner to prices) fell to 1.35% in the 10-year note.

Blackout: I am by no means suggesting this for any Holiday parties... I simply want investors to be aware that next week, the Fed enters a media blackout period ahead of its December 14-15 policy gathering, its last one of 2021. This may quell market sentiment.

Hurdles have been placed higher than usual for Santa and his heavy sleigh for an anticipated Santa Claus rally that investors always have on their wish list. However, I have confidence that Santa is coming, and markets will drift back higher before year end. If you are wondering what worked in 2021, I would be happy to set up time to further discuss portfolios that performed.

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