



THE WEEK IN REVIEW

Investors' growing optimism that a government shutdown may be avoided helped U.S. equity indexes stabilize this week after the S&P 500 fell 2.21% last week. Democrat and Republican Senate leaders reached a short-term agreement on Thursday to raise the debt ceiling by \$480 billion which will fund the government's expenses through December 3. The Senate passed the debt ceiling bill Friday morning and the House of Representatives will likely vote on the bill next week. Stocks wavered on Friday following September's weaker-than-expected employment report. The price of West Texas Intermediate (WTI) crude oil surpassed \$80 per barrel intraday Friday for the first time since 2014. Oil prices have risen over 10% since late September amid the commodities rally which also included rising prices of natural gas and coal due to the energy supply crunch in Europe and Asia.

The U.S. economy added 194,000 non-farm jobs during September, a drop from the previous month's reading of 366,000 and the smallest gain since December 2020. Economists estimated that the figure would reach 500,000. The underwhelming number of jobs added last month was heavily due to local education employment decreasing by 144,000 amid difficulty hiring for schools reopening in September. The private sector added 317,000 jobs in September, in line with August's 332,000 jobs added. The unemployment rate fell to 4.8% from 5.2% in August, but the majority of the downward move was due to workers leaving the labor force. September's employment report may complicate the Federal Reserve's expected timeline to begin tapering their asset purchases before year end. However, Fed Chair Powell said last month he is less interested in the pattern of month-to-month job gains and is more interested in the accumulated progress. Powell's comment that "substantial-further-progress test for employment is all but met" suggests he believes the accumulated employment progress is sufficient to begin tapering.

The ISM Services Purchasing Managers Index for September showed increasing economic activity within the services sector. The reading came in at a 61.9 which was higher than August's reading of 61.7 and surpassed economists' expectations for a reading of 60.0. According to the ISM report, 17 industries within the sector experienced growth, but the report also pointed out noticeable challenges within the continuity of supply such as a shortage of labor resources and logistics/materials bottlenecks.

| ECONOMIC INDICATOR | LATEST | 3MO PRIOR | CHANGE |
|-------------------------------|--------|-----------|--------|
| Non-Farm Payrolls (Thousands) | 194 | 962 | ▼ |
| Unemployment Rate | 4.8% | 5.9% | ▼ |
| Average Hourly Earnings (Y/Y) | 4.6% | 3.7% | ▲ |
| ISM Non-Manufacturing | 61.9 | 60.1 | ▲ |
| Durable Goods Orders (M/M) | 1.80% | 3.20% | ▼ |

| INDEX | LEVEL | WEEK | YTD | 12 MO |
|---------------------------|----------|--------|--------|--------|
| DJ Industrial Average | 34746.25 | 1.22% | 13.53% | 22.24% |
| NASDAQ | 14579.54 | 0.09% | 13.12% | 27.66% |
| S&P 500 | 4391.34 | 0.79% | 16.91% | 27.40% |
| MSCI EAFE | 2266.37 | 0.11% | 5.53% | 19.50% |
| Bbg Barclays Aggregate US | 2348.29 | -0.56% | -1.83% | -0.97% |

| KEY BOND RATES | WEEK | 1MO AGO | 1YR AGO |
|------------------|-------|---------|---------|
| 3-Month T-Bill | 0.04% | 0.04% | 0.09% |
| 10-Year Treasury | 1.61% | 1.34% | 0.79% |

| REPORTS DUE NEXT WEEK | LATEST |
|---------------------------------|--------|
| Core Consumer Price Index (Y/Y) | 4.0% |
| Core Producer Price Index (Y/Y) | 6.7% |
| Retail Sales (Y/Y) | 15.1% |
| U. of Mich. Consumer Sentiment | 72.8 |
| NFIB Small Business Optimism | 100.1 |

Price returns as of the last available closing data. Source data: Bloomberg and Morningstar are believed to be correct but not verified.

This Financial Market Update was prepared by MainStreet Investment Advisors, LLC ("MainStreet Advisors"), an investment adviser registered with the SEC and wholly-owned subsidiary of Fifth Third Bank, National Association. Registration as an investment adviser does not imply any level of skill or training. Information and opinions herein are as of the publication date and are subject to change without notice based on market and other conditions. The week is calculated beginning with Monday's market open. The specific securities identified are shown for illustrative purposes only and should not be considered a recommendation by MainStreet Advisors. Index and sector statistics are unmanaged and a common measure of performance of their respective asset classes. Indexes are not available for direct investment. Any graph, data, or information is considered reliably sourced and for educational purposes only. Any suggestion of cause and effect or of the predictability of economic or investment cycles is unintentional. This Financial Market Update may contain forward-looking statements and/or candid statements and observations regarding investment strategies, asset allocation, individual securities, and economic and market conditions; however, there is no guarantee that the statements, opinions, or forecasts will prove to be correct. The material included herein was prepared or is distributed solely for information purposes; is not a solicitation or an offer to buy/sell any security or instrument, to participate in any trading strategy or to offer advisory services by MainStreet Advisors; is not intended to be used as a general guide to investing or as a source of any specific investment recommendations; makes no implied or express recommendations concerning the manner in which any client's account should or would be handled; and should not be relied on for accounting, tax or legal advice. There are risks involved with investing including possible loss of principal and the value of investments and the income derived from them can fluctuate. Investing for short periods may make losses more likely. Past performance is not indicative of future results, which may vary. Investors are urged to consult with their financial advisors before buying or selling any securities. Not a deposit, not FDIC insured, may lose value, not bank guaranteed, not insured by any federal government agency.