



The Lyttle Company

Registered Investment Advisory LLC

NEWSLETTER

Fall 2021-
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Summary

- Economic News – The Fed is looking maintain course for inflation to moderately exceed 2 percent for some time. It will reduce its monthly pace of purchases of Treasury securities and agency mortgage-backed securities.
- Market Events – The S&P 500 gained 35.3% over past year.

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Economic News

The US Real GDP increased at an annual rate of 2% in the third quarter of 2021.

Inflation measured in the 12-month Consumer Price Index (CPI) percentage change was 4% in September 2021. The Personal Consumption Expenditure Price Index (PCE) change was 4.4% in September 2021. The Fed's objective for inflation continues to remain at a 2 percent average over the longer run.

The Fed continues to set the federal funds rate to target a range of 0 to 0.25 percent and maintaining it until labor market conditions have reached a level consistent with Committee's assessment of maximum employment and inflation moderately exceeds 2 percent for some time. In light of substantial progress in the economy. The Federal Reserve will reduce its monthly pace of purchases. The decrease in purchases will be \$10 billion per month for Treasury securities and \$5 billion per month for agency mortgage-backed securities. The purchase will respectively be \$70 billion and \$35 billion this month and decrease in each consecutive month moving forward.

The US Dollar maintained stability with the US Dollar Index remaining in the low 90's range. Oil prices have continued to drift upwards increasing to \$84 a barrel.

Market Events

The S&P 500 closed today 35.3% higher from a year ago. The 10-year treasury rate is at 1.6%.