

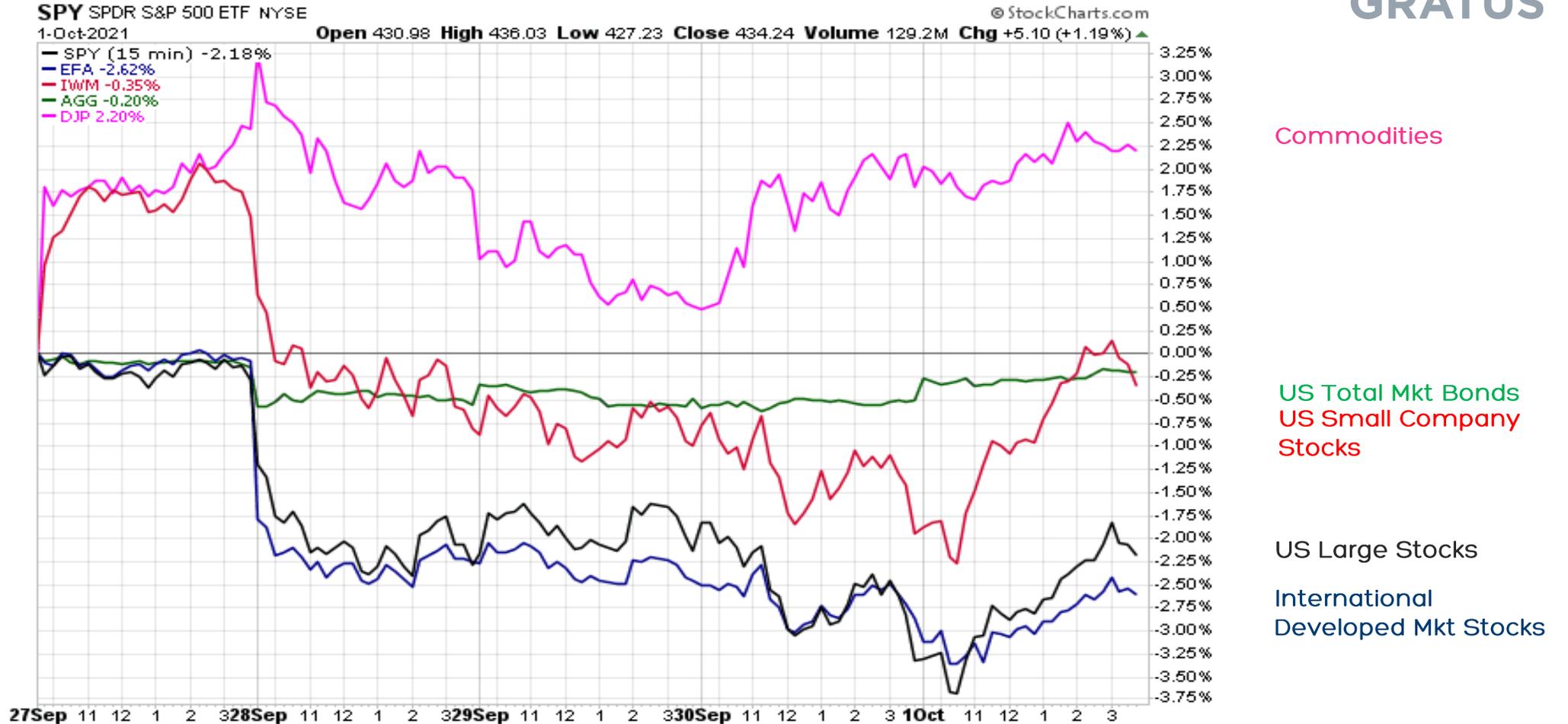


# Two Minutes With Todd

Supporting Charts + Commentary

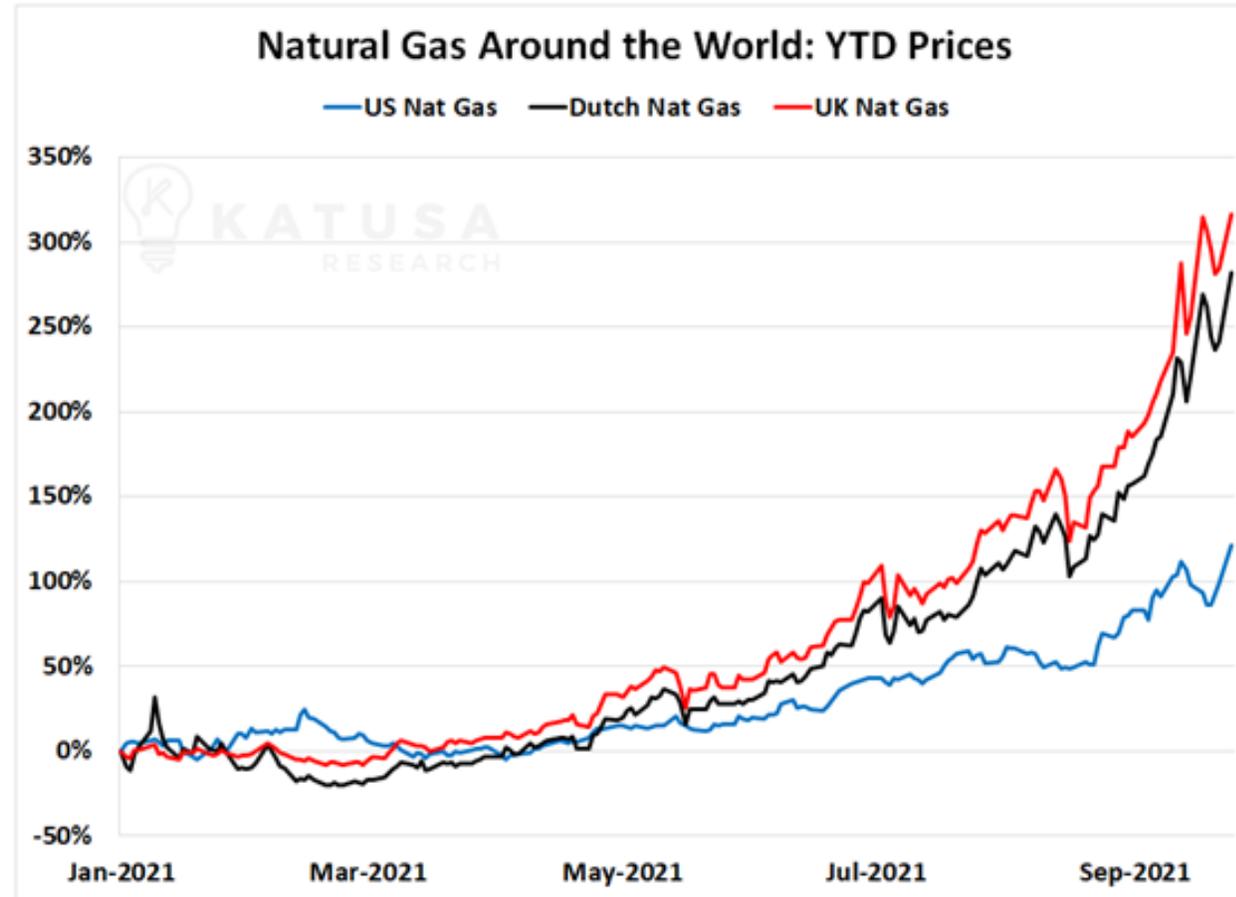
October 4<sup>th</sup>, 2021

# Last Week's Performance



It was another week of choppy activity across most financial markets apart from commodities (again). US small companies were ~flat while larger companies indices (both US and International) fell >2% each.

# Chart #1: Global Natural Gas Price Issues

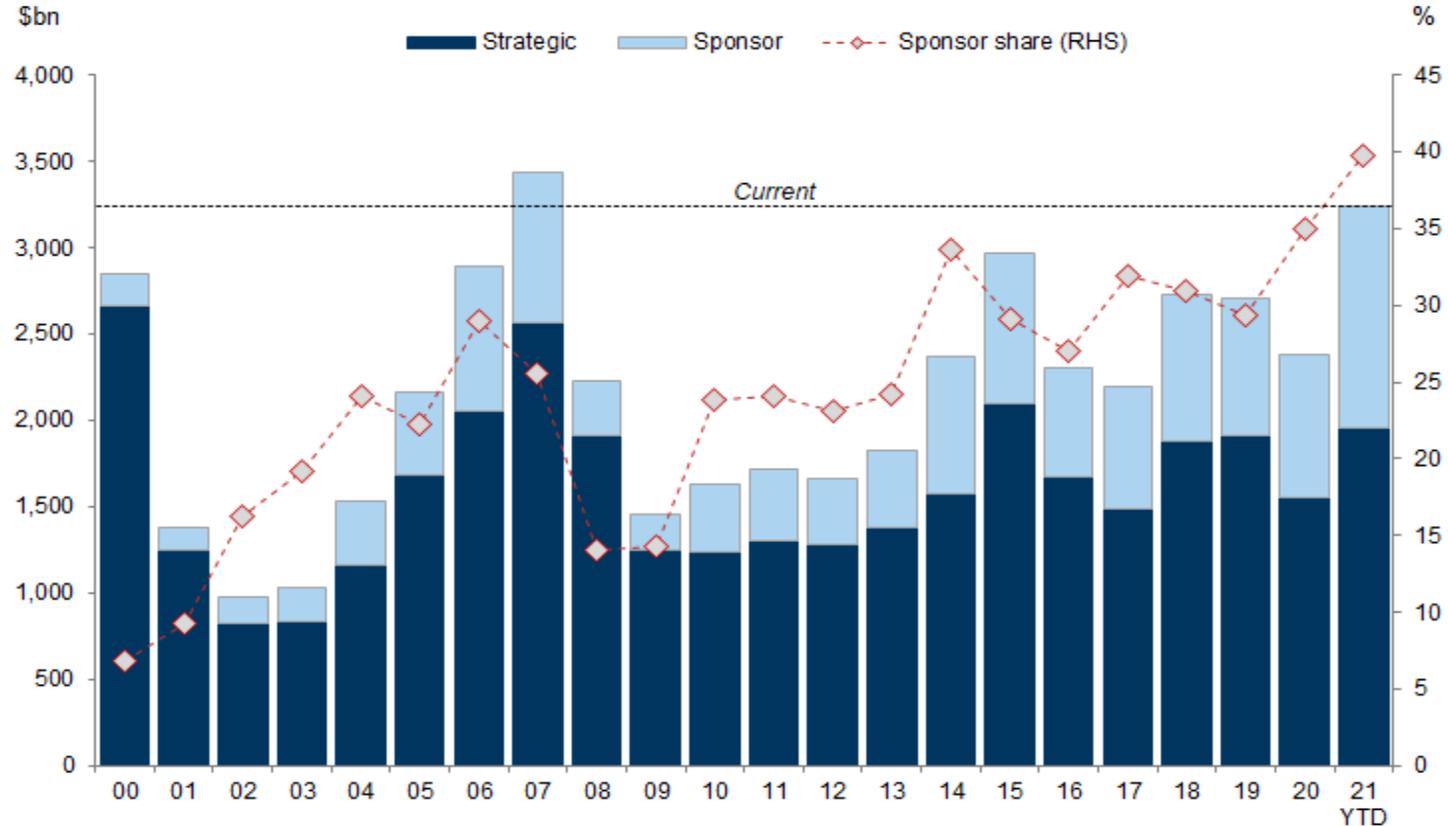


While we've been positive on natural gas companies, no one would have predicted the staggering increase in gas prices so far in 2021. Commodities, once again, seem to be bucking the consensus trend as countries migrate energy generation to renewable sources.

# Chart #2: M&A On Track For Best Year Since '07



Annual Announced M&A Deal Volume In North America + Europe



Despite elevated valuation and COVID uncertainty, North America and European merger and acquisition volume has resumed its uptrend. Two observations: (1) M&A is supportive for public equity prices and should be considered in valuation discussions, and (2) private equity sponsors driving incremental deals.

# Appendix

# Correction / Recession Indicators



|   |              |  |
|---|--------------|--|
| Commodities Trend (3M) <sup>1</sup>                     | <b>Up</b>    |  |
| High Yield Credit Spreads<br>(579 bps ave) <sup>2</sup> | <b>315</b>   |  |
| BBB Credit Spreads<br>(172 bps ave) <sup>2</sup>        | <b>110</b>   |  |
| Yield Curve 10yr - 3M (175<br>bps ave) <sup>2</sup>     | <b>144</b>   |  |
| CBOE Put/Call Ratio (0.9<br>to 1.1) <sup>1</sup>        | <b>0.94</b>  |  |
| Chemicals Activity<br>Barometer (3MMA y/y) <sup>5</sup> | <b>12.5%</b> |  |
| NYSE Advance/Decline<br>Line (month/month) <sup>1</sup> | <b>Down</b>  |  |

|   |              |  |
|---|--------------|--|
| CNN Fear/Greed Index <sup>3</sup>               | <b>Fear</b>  |  |
| AII % Bulls Sentiment<br>(39% ave) <sup>4</sup> | <b>28.1%</b> |  |
| Volatility Index<br>(13-19 ave) <sup>1</sup>    | <b>21.1</b>  |  |
| S&P 500 200 Day Moving<br>Average Cross         | <b>No</b>    |  |

Total Positive **11 / 18**

Total Negative **5 / 18**

|   |              |  |
|---|--------------|--|
| Continued Unemployment<br>Claims <sup>2</sup>       | <b>2,802</b> |  |
| GDP Nowcast <sup>6</sup>                            | <b>2.3%</b>  |  |
| Case-Schiller HPI<br>(y/y) <sup>7</sup>             | <b>20%</b>   |  |
| US ISM Manufacturing (>50= +)<br><sup>7</sup>       | <b>61.1</b>  |  |
| US ISM Services<br>(>50= +) <sup>7</sup>            | <b>61.7</b>  |  |
| Headline Consumer Price Index<br>(y/y) <sup>7</sup> | <b>5.3%</b>  |  |
| Leading Economic Index<br>(m/m) <sup>7</sup>        | <b>0.9%</b>  |  |

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