

## Monthly Market Commentary – November 2021

Markets have been resilient into year end, with major market indices holding on to strong returns which driven by above average earnings reported for domestic companies and continued easy monetary policy by the Fed. Inflation and the potential of tax increases continue to be the primary concerns we see moving into 2022.

This month, our commentary focuses on Electric Vehicles (EV.) According to analysis by Deloitte, EVs will make up one-third of the global market share by 2030, with figures for Europe and China as high as one-half. At this point, almost every major carmaker worldwide has set targets for a significant increase in EV production. Most targets range from 30-50% of sales by 2025. This shift has been driven by consumer sentiment and financial incentives. Currently, the two most important factors to consumers are charging time and battery range. According to the International Energy Agency (IEA), passenger vehicles will drive most of the growth, although we see a similar trend in buses, light duty vehicles, and trucks.

There are several ways in which clients can add exposure to their portfolios to participate in this trend, including:

- Major current automobile manufactures that have a forward-looking plan for the EV space
- Standalone EV automobile manufacturers
- Manufacturers of parts including:
  - lithium batteries
  - hydrogen fuel cells
  - electric drivetrains
  - autonomous driving sensors
- Complement service providers such as charging stations

Investment into this space has been incredibly popular recently, so please reach out to your financial advisor to discuss investment options in these areas, as well as if they are appropriate for your risk profile.

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