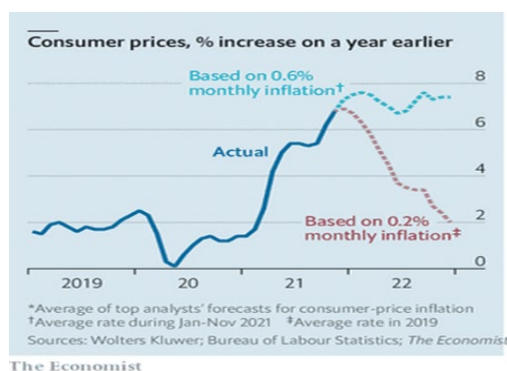


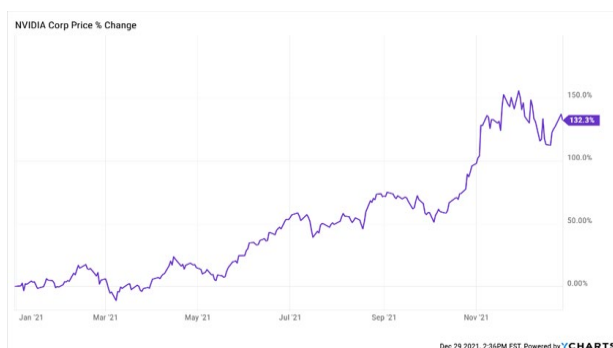
## Macro View – 2022 Global Macro Outlook

From Covid to global supply chain disruptions, it's safe to say that 2021 was filled with many challenges. While we can hope that 2022 will bring an end to some of the challenges we faced this last year, one thing is certain, Inflation is here to stay. The only thing that proved transitory about inflation in America in 2021 was the consensus that it would subside. According to the chart below by The Economist, consumer prices are now rising by nearly 7% compared with a year earlier, the fastest pace since 1982. The economist then talks about two scenarios as we head into 2022: the first, inflation subsides back to pre-pandemic levels of around 2%. However, the second scenario is not as pleasant as they see inflation soar to almost 8% by the end of Q1 and remain elevated throughout the remainder of the year. Currently, Morgan Stanley Economists are projecting the Federal Reserve will likely wait until September 2022 to raise interest rates. However, if scenario two plays out, they may be forced to act sooner in what many are predicting to be a June interest rate hike.



## Taking Stock – Nvidia

The semiconductor chip shortage in 2021 impacted multiple aspects of the economy and shed light on what appears to be a systematic flaw in the global supply chain. Despite these shortages, Nvidia Corp (NVDA) has been the top performing chip stock in 2021, soaring 132% as of December 28th. With the explosion of gaming, analysts expect Nvidia's strong performance to continue into 2022. UBS analyst Timothy Arcuri expects Nvidia to benefit as it builds more stable revenue streams around its GPU and software segments. These GPU chips are essential for video games, whether you are on a PC or console (PlayStation, XBOX). However, Nvidia is far more expensive than its semiconductor peers on P/B basis (31.49 vs. 6.2 – YCharts). Time will tell if investors continue to invest in Nvidia in 2022 or look to some of its less expensive peers like Advanced Micro Devices Inc (AMD) or Taiwan Semiconductor Manufacturing Co Ltd (TSM).



Source: Ycharts