



Friday, August 13, 2021

Week in Review, August 13, 2021

Special Focus: IPCC 6th Assessment Report

U.S. stocks this week set another all-time high, after back-to-back record finishes for the Dow Jones Industrial Average (DJIA) and the S&P 500 Index for the first time in five months. The U.S. producer price index also saw back-to-back increases, surging 1.0% last month after rising 1.0% in June. Americans filing claims for unemployment benefits fell again last week, falling for a third straight week. Federal Reserve Chairman Powell has repeatedly said the current burst in inflation is transitory but other officials have become increasingly wary price increases will persist above the central bank's 2% inflation target, which is considered a flexible average ([MarketWatch](#), [Reuters](#)). For the week, markets ended with the S&P 500 up 0.7%, the DJIA up 0.9%, and the NASDAQ down 0.1%.

On Monday, the United Nations and the World Meteorological Organization released their 2021 Intergovernmental Panel on Climate Change Report (IPCC). This sixth assessment report is the most comprehensive climate change report ever released and the IPCC is the global authority on the state of Earth's climate and how human activities affect it. Unfortunately, the [3,900 page report](#) hardly has any good news. Here are some of the key findings noted:

- Earth has warmed nearly 2 degrees Fahrenheit, or 1.1 degrees Celsius since the Industrial Revolution began
- All global warming is due to human activities
- Sea-level rise and glacier melt are now virtually irreversible
- Escape from human-caused climate change is no longer possible
- Climate change is now affecting every continent, region and ocean on Earth
- Carbon dioxide levels today are higher and rising faster than at any time in at least the past two million years
- Extreme weather events are more frequent as a result of the climate crisis

The report states that to stabilize the climate, carbon emissions must reach net zero much sooner than 2050. Near term goals should cut carbon emissions by a minimum of 50% by 2030. This can be accomplished only by dethroning oil, coal, and gas as the central energy sources powering the global economy ([CNN](#), [The Atlantic](#)). In 2022, look out for the release of major IPCC reports which will go into more detail on specific impacts and ways to mitigate them.

This week, California stepped back into the leadership role on climate. The California Energy Commission, chaired by David Hochschild, voted to require most new commercial and residential buildings to have solar power and battery storage while providing incentives to remove natural gas ([NY Times](#)). This will speed up the transition away from fossil fuels to renewable energy. Given this week's IPCC report ending fossil fuel use can't

happen soon enough!

Here's a very visionary article from 1912. However, like today's scientists, their estimate of centuries is too conservative ([Reddit](#)).

The Italian island of Sicily may have set a Europe-wide temperature record of 120 degrees Fahrenheit this week. Meanwhile, the Pacific Northwest is bracing for another second major heatwave expected to arrive as soon as today and may linger through the weekend. Officials in Washington and Oregon have issued warnings and a state of emergency has been declared ([NY Times](#), [The Guardian](#)). If your idea of staying cool is taking a dip at your favorite beach this weekend, be sure to check out NASA's platform tool called [Sea Level Projection](#). Your beach getaway might not be there much longer.

On social issues, the 2020 Census report released this week shows that the U.S. is more diverse and more multiracial than ever. While the white population declined for the first time in history, significant increases among people of color who identify as multi-racial, Hispanic and Asian drove the most growth between 2010 and 2020 ([Reuters](#)). Is America ready for racial demographic parity? See the most racially diverse countries [here](#).

As always, please reach out to us with any market questions or commentary. Have a nice weekend!

Weekend Reads

RBC [Global Insight Monthly August 2021](#)

RBC [Monthly Scorecard August 2021](#)

RBC [Global Insight Weekly August 12, 2021](#)

Bloomberg [Nasdaq Wins SEC Support for Plan to Diversify Company Boards](#)

Finance Monthly [SRI WM piece – Debunking Myths About Responsible Investing](#)

GreenBiz [The coming net-zero backlash](#)

The Hill [Seawalls protect some communities – at the expense of others](#)

The MIT Press [They Knew: The US Federal Government's Fifty-Year Role in Causing the Climate Crisis](#)

Nextcracker [Beyond the Burn – A Photographic Expedition of Australian Solar Farms](#)

Reuters [Billionaire-backed mining firm to seek electric vehicle metals in Greenland](#)

The Guardian [‘No place to hide’: pressure on Australia to end support for new fossil fuel projects after IPCC report](#)

The Independent [1.6 billion disposable masks entered the ocean in 2020 and will take 450 years to biodegrade](#)

The Independent [‘So why are you still subsidizing fossil fuels?’: Biden hit by critics for not doing enough on climate crisis after he tweets IPCC report](#)

VICE [What Happens to a Pipeline After It Dies?](#)

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