

# Mostly strong reports last week, but discounted in valuations

**This weekly letter looks at the Q3 company reports, the business cycle, and valuation. We also identify investors having increased their risk premiums. Technically, Tesla stock continues to look attractive, while Volvo is at a crossroads**

Although 84% of US company reports were better than expected in terms of earnings and revenues exceeded expectations in 79% of cases, analysts have on average revised down their Q4 2021 earnings forecasts by 3.2%. The S&P index had outperformed the companies' earnings growth by 27% since March 2020, when the Covid outbreak started.

The US 10-year Treasury yield continues to rise, while the HYG (junk bond ETF) shows a downward trend. It seems that investors are currently increasing their risk premiums. S&P500 set a new all-time high late last week with a small margin, but a Doji indicating uncertainty has emerged. While the Tesla share was flying last week, it may run into a consolidation phase. The Volvo share did not manage to raise much last week, despite a strong Q3 2021 report.

Please find out more in our weekly letter on certificates Vontobel.com: [Read the weekly newsletter here.](#)

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### About Vontobel:

As a globally operating financial expert with Swiss roots, Vontobel specializes in wealth management, active asset management and investment solutions. Digital Investing bundles different investment solutions for private investors either directly or via ecosystems. [Read more](#)

**Attachments**

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