

CPWM's Weekly Market Monitor is designed to provide a summary of recent market commentary and statistics.

**MARKET COMMENTARY**

- The first week of the New Year brought choppiness and stress to the global markets, but ended on an upbeat note. Manufacturing slumps in China, Europe and the United States put investors on alert for slowing economic activity. Trade uncertainty exacerbated the edginess after Apple cut revenue expectations for the first time in over 15 years, citing weakening iPhone sales in China.
- Markets rebounded firmly on Friday, however, taking a boost from comments by Federal Reserve Chairman Jerome Powell that the Fed will be "patient" as the economy evolves, and that it is listening to the market's concerns. On the economic front, December's nonfarm payrolls report strongly surpassed expectations. China stayed in the mix as its central bank cut the reserve rate and promised other policy fine-tuning measures.
- Brent crude and gold prices rose modestly. Bond prices fell after the strong jobs report. The widely watched 10-year U.S. Treasury yield fell to 2.56% midweek, but rose Friday to about 2.67%. The U.S. dollar declined slightly on the week.
- The Labor Department reported that U.S. nonfarm payrolls rose by 312,000 in December, the biggest gain since February. U.S. payrolls have grown for 99 straight months, the longest stretch of steady hiring on record. Average hourly earnings rose 0.4% from November and 3.2% from December 2017, the largest full-year gain in ten years.
- The unemployment rate climbed to 3.9% from 3.7% in November as more people entered the workforce. December's laborforce participation rate rose to 63.1%, matching its highest level since 2014.
- December ISM manufacturing surprised to the downside. The headline posted 54.1, below November's 59.3. It was the indicator's largest monthly drop in a decade. New orders represented an area of notable weakness. Respondent commentary was cautious and continued to cite China trade uncertainties.
- The Caixin China General Manufacturing PMI index dipped from 50.2 in November to 49.7 in December, into contraction territory for the first time since May 2017.
- Eurozone manufacturing continued to slow in December. The IHS Markit Eurozone Manufacturing PMI index registered 51.4, down from 51.8 in November but still in expansion territory.

ASSET CLASS / BENCHMARK	1 WEEK	1 MONTH	YTD	1 YEAR
<b>Investment Grade Fixed Income</b>				
iShares Short-Term National AMT-Free Muni Bond ETF	0.1	0.5	(0.0)	1.8
iShares National AMT-Free Muni Bond ETF	0.1	0.9	(0.0)	1.2
iShares Core US Aggregate Bond ETF	0.4	1.7	0.2	0.5
<b>Global Equity</b>				
iShares MSCI ACWI	1.9	(4.4)	1.4	(9.8)
<b>U.S. Equity</b>				
iShares Core S&P 500 ETF	1.9	(6.1)	1.0	(5.2)
iShares Russell Mid Cap ETF	2.1	(6.9)	1.2	(9.4)
iShares Russell 2000 ETF	3.3	(6.7)	2.5	(10.1)
iShares Core U.S. Value ETF	2.1	(6.4)	1.3	(9.4)
iShares Core U.S. Growth ETF	1.7	(6.2)	0.6	(2.2)
<b>Foreign Equity</b>				
iShares MSCI EAFE ETF	2.1	(2.3)	1.9	(14.2)
iShares MSCI EAFE Small Cap ETF	2.5	(2.7)	2.0	(17.6)
iShares MSCI EAFE Value ETF	2.7	(1.4)	2.5	(14.6)
iShares MSCI EAFE Growth ETF	1.7	(2.8)	1.4	(13.7)
<b>Emerging Markets Equity</b>				
iShares MSCI Emerging Markets ETF	1.2	(1.8)	1.6	(16.8)
iShares MSCI Emerging Markets Small Cap ETF	1.5	(1.4)	1.6	(19.7)
<b>"Other" Asset Classes</b>				
iShares U.S. Real Estate ETF	(0.2)	(7.2)	(0.5)	(2.6)
iShares International Developed Real Estate ETF	1.5	0.2	1.5	(6.2)
SPDR Barclays High Yield Bond ETF	1.7	(1.0)	1.6	(2.5)
iShares S&P GSCI Commodity Indexed Trust	3.4	(6.5)	3.1	(12.6)

## IMPORTANT NOTES

ALL COMMENTARY SOURCED FROM VOYA GLOBAL PERSPECTIVES REPORT AND TO BE USED FOR INFORMATIONAL PURPOSES ONLY.

PRIOR PERFORMANCE IS NO GUARANTEE OF FUTURE RESULTS. INDIVIDUAL INVESTOR PERFORMANCE MAY VARY. ALL INVESTING INVOLVES THE RISK OF LOSS INCLUDING THE POSSIBLE LOSS OF ALL AMOUNTS INVESTED. DIFFERENT TYPES OF INVESTMENTS INVOLVE VARYING DEGREES OF RISK, AND THERE CAN BE NO ASSURANCE THAT ANY SPECIFIC INVESTMENT WILL BE PROFITABLE.

MARKET-RELATED DATA INCLUDED IN CHARTS AND GRAPHS IS SOURCED MORNINGSTAR.COM.

ALL RETURNS REFERENCED ARE EXCHANGE TRADED FUNDS (ETFs) DESIGNED TO TRACK A PARTICULAR INDEX OR BENCHMARK. THERE CAN BE NO GUARANTEE THE ETFs ACHIEVE THEIR OBJECTIVE. BENCHMARK DESCRIPTIONS PROVIDED BELOW.

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### EXCHANGE TRADED FUND DESCRIPTIONS:

- THE ISHARES SHORT-TERM NATIONAL AMT-FREE MUNI BOND ETF SEEKS TO TRACK THE INVESTMENT RESULTS OF AN INDEX COMPOSED OF INVESTMENT-GRADE U.S. MUNICIPAL BONDS WITH REMAINING MATURITIES BETWEEN ONE MONTH AND FIVE YEARS.
- THE ISHARES NATIONAL AMT-FREE MUNI BOND ETF SEEKS TO TRACK THE INVESTMENT RESULTS OF AN INDEX COMPOSED OF INVESTMENT-GRADE U.S. MUNICIPAL BONDS.
- THE ISHARES CORE U.S. AGGREGATE BOND ETF SEEKS TO TRACK THE INVESTMENT RESULTS OF AN INDEX COMPOSED OF THE TOTAL U.S. INVESTMENT-GRADE BOND MARKET.
- THE ISHARES MSCI ACWI ETF SEEKS TO TRACK THE INVESTMENT RESULTS OF AN INDEX COMPOSED OF LARGE AND MID-CAPITALIZATION DEVELOPED AND EMERGING MARKET EQUITIES.
- THE ISHARES CORE S&P 500 ETF SEEKS TO TRACK THE INVESTMENT RESULTS OF AN INDEX COMPOSED OF LARGE-CAPITALIZATION U.S. EQUITIES.
- THE ISHARES RUSSELL MID-CAP ETF SEEKS TO TRACK THE INVESTMENT RESULTS OF AN INDEX COMPOSED OF MID-CAPITALIZATION U.S. EQUITIES.
- THE ISHARES RUSSELL 2000 ETF SEEKS TO TRACK THE INVESTMENT RESULTS OF AN INDEX COMPOSED OF SMALL-CAPITALIZATION U.S. EQUITIES.
- THE ISHARES CORE U.S. VALUE ETF SEEKS TO TRACK THE INVESTMENT RESULTS OF A BROAD-BASED INDEX COMPOSED OF U.S. EQUITIES THAT EXHIBIT VALUE CHARACTERISTICS.
- THE ISHARES CORE U.S. GROWTH ETF SEEKS TO TRACK THE INVESTMENT RESULTS OF A BROAD-BASED INDEX COMPOSED OF U.S. EQUITIES THAT EXHIBIT GROWTH CHARACTERISTICS.
- THE ISHARES MSCI EAFE ETF SEEKS TO TRACK THE INVESTMENT RESULTS OF AN INDEX COMPOSED OF LARGE-, MID- AND SMALL-CAPITALIZATION DEVELOPED MARKET EQUITIES, EXCLUDING THE U.S. AND CANADA.
- THE ISHARES MSCI EAFE SMALL CAP ETF SEEKS TO TRACK THE INVESTMENT RESULTS OF AN INDEX COMPOSED OF SMALL-CAPITALIZATION DEVELOPED MARKET EQUITIES, EXCLUDING THE U.S. AND CANADA.
- THE ISHARES MSCI EAFE VALUE ETF SEEKS TO TRACK THE INVESTMENT RESULTS OF AN INDEX COMPOSED OF DEVELOPED MARKET EQUITIES, EXCLUDING THE U.S. AND CANADA, THAT EXHIBIT VALUE CHARACTERISTICS.
- THE ISHARES MSCI EAFE GROWTH ETF SEEKS TO TRACK THE INVESTMENT RESULTS OF AN INDEX COMPOSED OF DEVELOPED MARKET EQUITIES, EXCLUDING THE U.S. AND CANADA, THAT EXHIBIT GROWTH CHARACTERISTICS.
- THE ISHARES MSCI EMERGING MARKETS ETF SEEKS TO TRACK THE INVESTMENT RESULTS OF AN INDEX COMPOSED OF LARGE- AND MID-CAPITALIZATION EMERGING MARKET EQUITIES.
- THE ISHARES MSCI EMERGING MARKETS SMALL CAP ETF SEEKS TO TRACK THE INVESTMENT RESULTS OF AN INDEX COMPOSED OF SMALL-CAPITALIZATION EMERGING MARKET EQUITIES.
- THE ISHARES U.S. REAL ESTATE ETF SEEKS TO TRACK THE INVESTMENT RESULTS OF AN INDEX COMPOSED OF U.S. EQUITIES IN THE REAL ESTATE SECTOR.
- THE ISHARES INTERNATIONAL DEVELOPED REAL ESTATE ETF SEEKS TO TRACK THE INVESTMENT RESULTS OF AN INDEX COMPOSED OF REAL ESTATE EQUITIES IN DEVELOPED NON-U.S. MARKETS.
- THE SPDR® BARCLAYS HIGH YIELD BOND ETF SEEKS TO PROVIDE INVESTMENT RESULTS THAT, BEFORE FEES AND EXPENSES, CORRESPOND GENERALLY TO THE PRICE AND YIELD PERFORMANCE OF THE BARCLAYS HIGH YIELD VERY LIQUID INDEX.
- THE ISHARES S&P GSCI COMMODITY INDEXED TRUST SEEKS TO TRACK THE RESULTS OF A FULLY COLLATERALIZED INVESTMENT IN FUTURES CONTRACTS ON AN INDEX COMPOSED OF A DIVERSIFIED GROUP OF COMMODITIES FUTURES.