

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

MARKET COMMENTARY

- Most stock indexes were flat or down for the week; technology eked out a slight gain. Markets dipped on Thursday as participants reacted to disappointing U.S. manufacturing data; also to the Federal Reserve's decision to stand pat on interest rates, which undermined hopes for a rate cut later this year. Markets regained most, but not all, lost ground on Friday as S&P 500 earnings growth turned positive and jobs growth came in strong.
- Oil prices fell on reports of a U.S. inventory buildup. Gold prices also declined and bonds were mixed. The yield on the ten year U.S. Treasury rose to about 2.53%. The U.S. dollar fell against a basket of major currencies.
- With 78% of S&P 500 companies reporting first-quarter results, 76% have exceeded earnings per share expectations and 58% have beaten revenue expectations. As of May 3, 2019, Refinitiv estimated the S&P 500 index's first-quarter earnings growth rate at 0.9% and its 12-month forward P/E ratio at 17.0. Apple, General Electric and Qualcomm impressed this week; whereas Alphabet, Eli Lilly and Company and Pitney Bowes Inc. disappointed.
- U.S. nonfarm payrolls rose by 263,000 in April; March was reduced to 189,000 and February increased to 56,000. The unemployment rate dropped to 3.6%, its lowest level in 50 years — partly because the labor force shrank by 500,000. Average hourly earnings rose 0.2% and the average workweek fell to 34.4 hours.
- U.S. productivity rose at a 3.6% annual rate in 1Q19, notably higher than the 2.2% forecast. Unit labor costs increased just 0.1% YoY.
- ISM manufacturing recorded 52.8 in April, which while expansionary, was its lowest since October 2016. Chicago PMI fell to 52.6 in April from 58.7 in March, its lowest point since January 2017.
- Core PCE inflation, the Fed's preferred measure, rose 0.05% in April, resulting in a YoY increase of only 1.6%.
- As expected, at its April–May meeting the Federal Open Market Committee (FOMC) voted unanimously to hold the Fed funds rate steady in the 2.25–2.50% range. The press release acknowledged the solid economic backdrop and weaker inflation, reiterating that the Fed will remain “patient.”

ASSET CLASS / BENCHMARK	1 WEEK	1 MONTH	YTD	1 YEAR
Investment Grade Fixed Income				
iShares Short-Term National AMT-Free Muni Bond ETF	0.0	0.1	0.9	2.8
iShares National AMT-Free Muni Bond ETF	0.2	0.9	3.1	5.7
iShares Core US Aggregate Bond ETF	(0.1)	0.3	2.7	5.3
Global Equity				
iShares MSCI ACWI	0.5	1.9	16.5	6.5
U.S. Equity				
iShares Core S&P 500 ETF	0.2	2.6	18.1	14.2
iShares Russell Mid Cap ETF	0.4	2.3	21.0	11.5
iShares Russell 2000 ETF	1.4	3.5	20.2	5.7
iShares Core U.S. Value ETF	0.6	2.8	17.1	11.5
iShares Core U.S. Growth ETF	(0.1)	2.5	19.2	15.7
Foreign Equity				
iShares MSCI EAFE ETF	0.8	1.2	14.0	(2.3)
iShares MSCI EAFE Small Cap ETF	0.7	1.2	14.8	(7.4)
iShares MSCI EAFE Value ETF	0.6	0.2	11.0	(5.9)
iShares MSCI EAFE Growth ETF	0.9	2.2	16.5	1.4
Emerging Markets Equity				
iShares MSCI Emerging Markets ETF	0.8	1.0	13.2	(2.3)
iShares MSCI Emerging Markets Small Cap ETF	0.8	(0.7)	8.8	(10.0)
“Other” Asset Classes				
iShares U.S. Real Estate ETF	0.9	0.2	17.8	19.3
iShares International Developed Real Estate ETF	0.2	(2.2)	11.0	2.9
SPDR Barclays High Yield Bond ETF	0.0	1.2	9.5	7.1
iShares S&P GSCI Commodity Indexed Trust	(0.9)	(1.0)	15.3	(7.3)

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.

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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.