

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

**MARKET COMMENTARY**

- U.S. stocks ended the week on a softer note after the Federal Reserve downplayed the chances of a larger rate cut at its July meeting. The Dow ended the week at 27265, slightly off its week-ago, all-time high of 27332. The S&P 500 and Nasdaq closed at 2,976.61 and 8,146.49, respectively, both slightly lower. With stocks easing and the prospects of a rate cut looming, yields on two-year and ten-year Treasuries eased to 1.813% and 2.048%, respectively for the week. Oil prices edged high on Friday on U.S.-Iranian tensions, but still finished the week lower overall at \$55.63 on oversupply concerns.
- With nearly 16% of S&P 500 companies reporting second-quarter results, 77% have exceeded earnings per share (EPS) expectations, while 64.6% have beaten revenue expectations. As of July 19, 2019, Refinitiv estimated the S&P 500 index's first-quarter earnings growth rate at 1% and its 12-month forward P/E ratio at 17.2. Citi, IBM and Microsoft impressed this week, whereas CSX, Netflix and American Express disappointed.
- While Fed officials indicated readiness to cut the overnight fed funds rate by 25 basis points (bp), as well as additional cuts going forward, they do not believe a larger cut is necessary at this time. While the Fed has expressed general concerns about a slowdown in global growth, ongoing trade-policy uncertainty and a pullback in inflation, the prospects for a larger, or 50 bp cut were dashed following data earlier in the month showing inflation may not be as weak as feared.
- Housing starts fell 0.9% in June from May to an annual rate of 1.253 million. Residential building permits dropped 6.1% during the month to an annual rate of 1.220 million, the largest monthly drop since March 2016.
- Initial jobless claims rose by 8,000, coming in at 216,000 for the week ending July 13,
- a jump from the prior week's 208,000. Meanwhile, continuing claims decreased by 42,000 to 1,686,000 in the week ended July 6.
- The University of Michigan's consumer sentiment increased to 98.4 in July, slightly higher than June's 98.2 final reading.

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	0.0	0.4	2.1	3.0
iShares National AMT-Free Muni Bond ETF	0.1	0.7	5.4	6.4
iShares Core US Aggregate Bond ETF	0.3	0.2	5.9	7.4
<b>Global Equity</b>				
iShares MSCI ACWI	(0.8)	1.5	17.1	4.6
<b>U.S. Equity</b>				
iShares Core S&P 500 ETF	(1.2)	1.9	20.0	8.3
iShares Russell Mid Cap ETF	(1.1)	1.4	22.2	5.4
iShares Russell 2000 ETF	(1.5)	(0.5)	15.6	(8.0)
iShares Core U.S. Value ETF	(1.1)	2.1	17.9	6.7
iShares Core U.S. Growth ETF	(1.2)	1.5	21.7	8.6
<b>Foreign Equity</b>				
iShares MSCI EAFE ETF	(0.4)	0.7	13.9	(0.2)
iShares MSCI EAFE Small Cap ETF	(0.8)	1.1	12.5	(6.0)
iShares MSCI EAFE Value ETF	(1.0)	0.3	8.7	(3.3)
iShares MSCI EAFE Growth ETF	0.0	0.8	18.1	2.5
<b>Emerging Markets Equity</b>				
iShares MSCI Emerging Markets ETF	0.0	1.4	10.6	1.1
iShares MSCI Emerging Markets Small Cap ETF	(0.5)	1.9	7.1	(3.7)
<b>"Other" Asset Classes</b>				
iShares U.S. Real Estate ETF	(2.1)	(2.8)	19.1	12.0
iShares International Developed Real Estate ETF	(0.6)	0.8	14.0	7.7
SPDR Barclays High Yield Bond ETF	(0.3)	(0.2)	10.4	6.9
iShares S&P GSCI Commodity Indexed Trust	(3.8)	2.2	10.7	(8.2)

## 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.

WHILE THE INFORMATION CONTAINED HEREIN WAS OBTAINED FROM SOURCES BELIEVED TO BE RELIABLE, CPWM CANNOT GUARANTEE ITS ACCURACY OR COMPLETENESS. TOTALS MAY NOT SUM DUE TO ROUNDING.

THESE MATERIALS MAY NOT BE REPRODUCED, DISTRIBUTED, OR USED FOR ANY OTHER PURPOSE OR SHARED WITH ANYONE IN ANY FORM OR FORMAT. REPRODUCTION OR DISTRIBUTION OF THESE MATERIALS MAY CONSTITUTE A VIOLATION OF FEDERAL OR STATE SECURITIES LAWS AND CERTAIN CONFIDENTIALITY AGREEMENTS TO WHICH THE INTENDED RECIPIENT IS A PARTY.

THIS IS NOT AN OFFER TO INVEST OR AN OFFER FOR ADVISORY SERVICES.

## 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.