

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

MARKET COMMENTARY

- U.S. stocks capped the week with new highs following slightly better-than-expected GDP data and strong earnings from key reporters, shrugging off Larry Kudlow cautioning that major “breakthroughs” from next week’s trade talks with China were unlikely. The S&P500 and Nasdaq closed at 3,025.86 and 8,330.21, respectively, both new closing records. The Dow closed up at 27,192.45. With GDP growth and investors positioning for 25 bp rate cut at this week’s FOMC meeting, 10-year U.S. Treasury yields rose on Friday to end the week higher at 2.081%.
- With nearly 44% of S&P 500 companies reporting second-quarter results, 75.2% have exceeded earnings per share (EPS) expectations, while 60% have beaten revenue expectations. As of July 26, 2019, Refinitiv estimated the S&P 500 index’s second-quarter earnings growth rate at 0.5% and its 12-month forward P/E ratio at 17.3. Starbucks, Twitter and Google (Alphabet) impressed this week, whereas Boeing, Tesla and Amazon disappointed.
- While the European Central Bank left short term interest rates steady last week, it did prepare the market for a package of easing measures in September, including its first rate cut since 2016, and a restart of its quantitative easing program. The change, while anticipated, represents a significant shift in its monetary policy aimed fortifying the economy from global headwinds and Brexit uncertainty.
- U.S. gross domestic product increased at a 2.1% annual rate in the second quarter, down 1% from the first quarter. Not surprisingly, second-quarter consumer spending increased a greater-than-expected 4.3%, the strongest personal consumption read in over four years, while government spending also rose at a 5% annualized rate for the period.
- Headline June durable goods orders increased 2% from May. Meanwhile, core capital-goods orders increased 1.9% for the same period, marking its strongest monthly result since February 2018.
- New, single-family home sales increased 7% from May to 646,000 (seasonally adjusted, annual). The increase follows declines in April and May.
- Initial jobless claims decreased by 10,000, coming in at 206,000 for the week ending July 19, a pull-back from the prior week’s 8,000-claim jump. Also, continuing claims decreased by 42,000 to 1,686,000 during the week ended July 6.

ASSET CLASS / BENCHMARK	1 WEEK	1 MONTH	YTD	1 YEAR
Investment Grade Fixed Income				
iShares Short-Term National AMT-Free Muni Bond ETF	0.1	0.5	2.2	3.2
iShares National AMT-Free Muni Bond ETF	0.1	0.8	5.5	6.9
iShares Core US Aggregate Bond ETF	0.0	0.3	6.0	7.9
Global Equity				
iShares MSCI ACWI	0.9	2.4	18.2	4.1
U.S. Equity				
iShares Core S&P 500 ETF	1.6	4.0	22.0	8.8
iShares Russell Mid Cap ETF	1.7	4.4	24.3	6.8
iShares Russell 2000 ETF	2.2	4.2	18.1	(5.5)
iShares Core U.S. Value ETF	1.7	4.0	19.9	7.2
iShares Core U.S. Growth ETF	1.6	4.0	23.7	9.3
Foreign Equity				
iShares MSCI EAFE ETF	(0.0)	0.5	13.8	(1.5)
iShares MSCI EAFE Small Cap ETF	0.5	1.6	13.1	(6.7)
iShares MSCI EAFE Value ETF	(0.2)	(0.2)	8.5	(5.1)
iShares MSCI EAFE Growth ETF	0.5	1.1	18.7	2.0
Emerging Markets Equity				
iShares MSCI Emerging Markets ETF	(0.4)	0.1	10.2	(1.9)
iShares MSCI Emerging Markets Small Cap ETF	(1.0)	(0.4)	6.1	(7.0)
“Other” Asset Classes				
iShares U.S. Real Estate ETF	1.0	2.8	20.2	13.7
iShares International Developed Real Estate ETF	(1.2)	0.0	12.6	5.3
SPDR Barclays High Yield Bond ETF	0.7	0.7	11.2	7.2
iShares S&P GSCI Commodity Indexed Trust	(0.5)	(2.8)	10.1	(11.0)

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.