

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

MARKET COMMENTARY

- Stocks posted weekly losses as declining economic conditions, elevated volatility and rising trade-tension risk weighed on sentiment. Nonetheless, markets partially recovered Friday as April industrial production and May manufacturing and consumer sentiment came in better than expected.
- Weakening consumer sentiment sent U.S. Treasury yields down. The ten-year yield finished at 0.65%, from 0.68% the week before; yields declined across the curve except among T-bills.
- Commodities futures were mixed: oil and precious metals rose but copper and others fell. The U.S. dollar continued to climb against a basket of major currencies.
- With 91% of S&P 500 companies reporting first-quarter results, 66.5% have exceeded earnings per share expectations, while 59.3% have beaten revenue expectations. As of May 15, 2020, Refinitiv estimated the S&P 500 index's first-quarter earnings growth rate at -12.1% and its 12-month forward P/E ratio at 22x. Cisco Systems, Tencent Holdings and Vodafone impressed; Adaptive Biotechnologies, Hertz Global Holdings and Virtusa disappointed.
- U.S. retail sales fell a record 16.4% in April. Sales fell at grocery stores, bars and restaurants, furniture and electronics stores; hardest hit was clothing, which plunged 78.8%. By contrast, non-store retailers grew 8.4%.
- Surprisingly, the University of Michigan survey of U.S. consumer sentiment rose to 73.7 in May after plummeting to 71.8 in April. The survey attributed the rise to stimulus checks helping consumers' finances and widespread price discounting. The current economic conditions index jumped to 83.0 in May from 74.3 in April, whereas consumer expectations fell to 67.7 from 70.1. Reinforcing the latter, the New York Fed's April survey of consumer expectations found that 31.6% of respondents expected to be worse off financially in a year.
- The general business conditions index of the Empire State Manufacturing Survey climbed 30 points in May but remained far below zero at -48.5. New orders and shipments, inventories and employment levels fell further in May. Separately, the Federal Reserve reported that U.S. industrial production fell 11.2% in April, the steepest monthly drop on record.
- Initial jobless claims for the week of May 7 came in at 2.98 million, the eighth consecutive week in the multi-millions but a decrease from the prior week's 3.18 million.

ASSET CLASS / BENCHMARK	1 WEEK	1 MONTH	YTD	1 YEAR
Investment Grade Fixed Income				
iShares Short-Term National AMT-Free Muni Bond ETF	0.3	0.7	0.9	2.7
iShares National AMT-Free Muni Bond ETF	0.8	(0.1)	0.4	3.4
iShares Core US Aggregate Bond ETF	0.5	0.0	5.0	10.1
Global Equity				
iShares MSCI ACWI	(2.2)	3.1	(14.5)	(3.6)
U.S. Equity				
iShares Core S&P 500 ETF	(2.1)	3.1	(10.6)	2.4
iShares Russell Mid Cap ETF	(4.0)	4.1	(18.8)	(9.8)
iShares Russell 2000 ETF	(5.5)	6.2	(24.2)	(17.6)
iShares Core U.S. Value ETF	(3.7)	(0.2)	(21.6)	(8.6)
iShares Core U.S. Growth ETF	(1.2)	6.0	(2.4)	9.8
Foreign Equity				
iShares MSCI EAFE ETF	(3.0)	1.6	(20.6)	(11.9)
iShares MSCI EAFE Small Cap ETF	(2.9)	5.7	(22.3)	(12.2)
iShares MSCI EAFE Value ETF	(4.0)	0.2	(28.2)	(22.1)
iShares MSCI EAFE Growth ETF	(1.7)	2.6	(12.8)	(1.7)
Emerging Markets Equity				
iShares MSCI Emerging Markets ETF	(2.2)	2.1	(19.7)	(10.1)
iShares MSCI Emerging Markets Small Cap ETF	(2.1)	4.5	(23.8)	(17.2)
"Other" Asset Classes				
iShares U.S. Real Estate ETF	(8.2)	(7.7)	(25.2)	(18.7)
iShares International Developed Real Estate ETF	(6.0)	(2.3)	(28.7)	(22.6)
SPDR Barclays High Yield Bond ETF	(1.3)	(2.0)	(9.6)	(4.2)
iShares S&P GSCI Commodity Indexed Trust	0.7	(2.2)	(43.6)	(43.7)

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.