

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

MARKET COMMENTARY

- Last week, confidence in a V-shaped economic recovery and progress toward a coronavirus vaccine overshadowed spiking COVID-19 cases across the south, leading to a 3.0% gain in the S&P 500 in the holiday-shortened week. The benchmark index closed on Thursday at 3,130.01 versus last Friday's 3,009.02.
- Wall Street applauded data on home sales, consumer confidence, and the labor market even as Florida, Arizona, and Texas emerged as the new epicenters of the virus and put phase 3 reopening plans for the holiday weekend at risk. Restaurants, bars, and gyms were closed or had their reopening plans dialed back as confirmed cases and hospitalizations increased.
- Development on a vaccine also helped dull the impact from COVID-stats after Pfizer (PFE) and BioNTech (BNTX) announced promising results from their clinical trials of one of seventeen currently COVID treatments being developed across the globe.
- The surprise revision in May private payrolls was eclipsed Friday by a 4.8 million increase in June non-farm payrolls, giving investors hope that the fallout from the shuttered economy will dissipate in the second half of the year. As a result, all eleven sectors of the S&P closed higher with measurable gains in communication services taking the lead spot, up 5.2%.
- The popularity of streaming services during the pandemic put Netflix (NFLX) at the top of the communication services sector with a gain of 7.6% from last Friday. Wall Street analysts conceded that the company was well-positioned to hike prices next year as the economy improves.
- The consumer discretionary sector closed more than 4.7% higher as well. Takeover speculation continued to prop up shares of L Brands (LB), lifting it to the top of the rankings with a 9% gain. And thanks to a 10-year partnership with Kanye West and his Yeezy fashion line, The Gap (GPS) saw its shares driven 1.7% higher.
- Outsized gains were also posted in defensive sectors like real estate (5.6%) and utilities (4.9%) even in the substantial risk-on environment.
- Tech stocks gained a collective 3.7% with all but 15% of the stocks in the sector closing the week in the green. PayPal (PYPL) was vaulted towards the top of the list with a 3.7% increase as consumers step-up their online purchases, and as Venmo emerges as a key player in the digital wallet industry. The stock has closed higher for nine consecutive weeks.
- Led by gains in FedEx (FDX) which reported better-than-expected results, the industrial sector was up by a more modest 4.3% by comparison but more than enough to erase last week's 4.0% loss.
- Banking stocks limped into Thursday's close as the sector remains compromised by diminished demand for consumer loans, as well as the Federal Reserve's restrictions on banking dividends to protect capital levels. But thanks to strength in insurance stocks, the financial sector held onto a 1.7% gain for the week.
- The economy dominated trade this week as Wall Street digested better-than-expected pending home sales, a big jump in consumer confidence, and 5.8 million reversal in private sector jobs. The latest data culminated with a record 4.8 million increase in June non-farm payrolls which pushed the employment rate down 11.1% from May's 13.3%.

ASSET CLASS / BENCHMARK	1 WEEK	1 MONTH	YTD	1 YEAR
Investment Grade Fixed Income				
iShares Short-Term National AMT-Free Muni Bond ETF	0.2	0.1	1.8	2.8
iShares National AMT-Free Muni Bond ETF	0.3	0.7	2.5	4.6
iShares Core US Aggregate Bond ETF	0.5	0.8	6.5	8.8
Global Equity				
iShares MSCI ACWI	1.5	2.2	(4.6)	2.7
U.S. Equity				
iShares Core S&P 500 ETF	1.6	1.8	(2.0)	7.4
iShares Russell Mid Cap ETF	1.8	0.3	(8.6)	(2.4)
iShares Russell 2000 ETF	1.4	1.0	(13.4)	(6.9)
iShares Core U.S. Value ETF	1.1	(1.8)	(15.6)	(5.6)
iShares Core U.S. Growth ETF	1.8	4.0	8.4	16.6
Foreign Equity				
iShares MSCI EAFE ETF	0.6	1.8	(9.8)	(4.4)
iShares MSCI EAFE Small Cap ETF	0.2	(0.4)	(12.2)	(3.6)
iShares MSCI EAFE Value ETF	0.5	0.9	(17.8)	(13.7)
iShares MSCI EAFE Growth ETF	0.7	2.4	(1.8)	4.7
Emerging Markets Equity				
iShares MSCI Emerging Markets ETF	2.3	5.3	(7.3)	(1.9)
iShares MSCI Emerging Markets Small Cap ETF	2.8	6.4	(10.1)	(7.4)
"Other" Asset Classes				
iShares U.S. Real Estate ETF	2.9	1.2	(12.3)	(6.7)
iShares International Developed Real Estate ETF	1.7	0.4	(19.7)	(14.5)
SPDR Barclays High Yield Bond ETF	0.3	(1.0)	(4.4)	(1.0)
iShares S&P GSCI Commodity Indexed Trust	2.9	5.1	(35.0)	(31.3)

IMPORTANT NOTES

ALL COMMENTARY SOURCED FROM YCHARTS WEEKLY MARKET PULSE AND ARE 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 FROM YCHARTS.

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.