

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

MARKET COMMENTARY

- The S&P 500 index rose 3.8% last week, marking its second consecutive week higher, as the materials, energy, technology and utilities sectors led broad gains amid renewed hopes for a pandemic stimulus plan.
- The market benchmark ended the week at 3,477.13, up from last Friday's close of 3,348.44, putting the index into the black for October with a month-to-date increase of 3.4%.
- All of the S&P 500's sectors ended above their week-earlier levels with both the materials sector and energy sector finishing the week up 5.1%. That was followed by gains of 4.6% each in technology and utilities.
- The strong weekly advance came as investors grew more hopeful for a second round of stimulus measures to be agreed upon by Congress, especially as President Donald Trump -- who returned to the White House this week following hospitalization and treatment for COVID-19 -- appeared eager to distribute stimulus checks.
- Trump said Thursday that negotiators on Capitol Hill were "starting to have some very productive talks" on stimulus. Still, Democrats and Republicans continue to disagree over key details.
- The materials sector's gainers included Martin Marietta Materials (MLM). Shares rose 14% as the company's stock was boosted by an improved analyst view. Deutsche Bank upgraded its investment rating on the stock to buy from hold.
- The jump in energy stocks coincided with a strong weekly gain in crude oil futures thanks to the hopes for renewed stimulus talks while Hurricane Delta forced the evacuation of Gulf of Mexico platforms. Gainers in the sector included ONEOK (OKE), whose shares rallied 9.5% this week amid positive analyst actions. Among them, Wells Fargo upgraded its investment rating on the shares to overweight from equal-weight.
- The technology sector was boosted by a 6.0% jump in the shares of International Business Machines (IBM) as the company unveiled plans to split off its Managed Infrastructure Services unit into a separate, publicly trading company. IBM said the new company, which has yet to be named, will be a tax-free spin-off to investors, expected to be completed by the end of 2021. The remaining IBM will have 50% of its portfolio in recurring revenue, the company said.
- In the utilities sector, DTE Energy (DTE) also benefited from positive analyst actions, with JPMorgan upgrading its investment rating on the stock to overweight from neutral while raising its price target on the shares to \$134 from \$126. This came amid a report the company is considering selling or spinning off its natural gas pipelines and other non-utility operations. Shares of DTE climbed 5.4%.
- Next week, the Q3 earnings reporting season kicks off in earnest, with those releasing quarterly results next week including Johnson & Johnson (JNJ), JPMorgan Chase (JPM) and Delta Air Lines (DAL).
- Investors will also be watching next week for Tuesday's release of the consumer price index for September, Wednesday's producer price index for September, and retail sales and consumer sentiment due Friday, among other data points.

| 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 | 0.0 | 2.1 | 2.6 |
| iShares National AMT-Free Muni Bond ETF | (0.4) | (0.4) | 2.9 | 2.9 |
| iShares Core US Aggregate Bond ETF | (0.2) | (0.3) | 6.6 | 6.2 |
| Global Equity | | | | |
| iShares MSCI ACWI | 3.6 | 2.6 | 5.4 | 16.7 |
| U.S. Equity | | | | |
| iShares Core S&P 500 ETF | 3.9 | 2.5 | 9.3 | 21.4 |
| iShares Russell Mid Cap ETF | 4.7 | 6.3 | 3.5 | 13.5 |
| iShares Russell 2000 ETF | 6.4 | 7.4 | (0.7) | 12.2 |
| iShares Core U.S. Value ETF | 3.7 | 2.5 | (8.4) | 3.0 |
| iShares Core U.S. Growth ETF | 4.2 | 2.8 | 23.4 | 35.6 |
| Foreign Equity | | | | |
| iShares MSCI EAFE ETF | 2.8 | 1.2 | (4.1) | 5.3 |
| iShares MSCI EAFE Small Cap ETF | 3.2 | 4.3 | (0.7) | 11.4 |
| iShares MSCI EAFE Value ETF | 3.2 | (0.5) | (15.3) | (6.7) |
| iShares MSCI EAFE Growth ETF | 2.1 | 2.7 | 7.3 | 17.5 |
| Emerging Markets Equity | | | | |
| iShares MSCI Emerging Markets ETF | 4.2 | 3.6 | 2.7 | 15.8 |
| iShares MSCI Emerging Markets Small Cap ETF | 3.0 | 2.4 | 1.2 | 11.1 |
| "Other" Asset Classes | | | | |
| iShares U.S. Real Estate ETF | 1.2 | 2.5 | (8.1) | (7.3) |
| iShares International Developed Real Estate ETF | 0.5 | (0.1) | (16.9) | (12.4) |
| SPDR Barclays High Yield Bond ETF | 1.3 | 0.7 | 0.4 | 3.7 |
| iShares S&P GSCI Commodity Indexed Trust | 6.4 | 4.0 | (32.0) | (26.1) |

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.