

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 2.2% last week to a fresh closing high despite COVID-19 cases and hospitalizations also reaching new highs in the US, as vaccine hopes and post-election relief spurred strong gains led by the energy and financial sectors.
- The market benchmark ended the week at 3,585.15, up from last Friday's close of 3,509.44 and surpassing the previous closing high of 3,580.84 that had been recorded in early September.
- This marks the measure's second week of gains in a row. It is now up 9.6% for November as the passage of the US presidential election - with Joe Biden becoming the president-elect -- sparked a relief rally.
- The week's climb came despite a continued rise in COVID-19 cases and hospitalizations as investors appeared hopeful for an effective vaccine and a Biden presidency to make the US economy stable again. Encouraging vaccine study data earlier in the week from Pfizer (PFE) and BioNTech (BNTX) boosted sentiment.
- The energy sector had the largest percentage increase of the week, up 17.1%, followed by an 8.3% increase in financials. Other strong gainers included industrials, up 5.4%, and real estate, up 5.3%.
- Only one sector declined this week: technology, down 0.3%.
- The jump in energy stocks came as crude-oil futures climbed on the vaccine data, with investors hoping an effective vaccine could bring a big boost to oil consumption. Among the sector's gainers this week, Diamondback Energy (FANG) shares soared 36% and Valero Energy (VLO) rallied 33%.
- In the financial sector, shares of American Express (AXP) jumped 19% this week as UBS upgraded its investment rating on the payments company's stock to neutral from sell while boosting its price target on the shares to \$116 from \$90. Among other strong gainers in financials, Citigroup (C) added 14% and Hartford Financial Services Group (HIG) rose 15%.
- On the downside, decliners in consumer discretionary included some of the stocks that have benefited from stay-at-home trends as the vaccine news had some investors reversing their pandemic-related bets. Among them, Pool Corp. (POOL) fell 11%, Whirlpool (WHR) shed 6.4% and Amazon.com (AMZN) slipped 5.5%.
- The drop in the technology sector also came amid the reversal of bets on companies receiving pandemic-related demand. Adobe (ADBE) shares fell 5.1%. Adobe said it has struck a deal to acquire Workfront, a work management platform for marketers, for \$1.5 billion.
- Next week, the housing market will come into focus as the November home builders index will be released Tuesday, followed by October housing starts and building permits Wednesday, and October existing home sales Thursday. Retail sales, import prices and industrial production for October are also expected Tuesday.

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	0.1	0.1	2.2	2.6
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iShares Core US Aggregate Bond ETF	(0.1)	(0.1)	6.7	7.3
<b>Global Equity</b>				
iShares MSCI ACWI	2.5	3.3	9.4	14.2
<b>U.S. Equity</b>				
iShares Core S&P 500 ETF	2.2	2.3	12.8	18.1
iShares Russell Mid Cap ETF	3.2	4.5	8.4	13.0
iShares Russell 2000 ETF	6.0	6.6	5.9	11.3
iShares Core U.S. Value ETF	6.0	5.7	(3.4)	0.5
iShares Core U.S. Growth ETF	0.1	0.5	26.1	32.5
<b>Foreign Equity</b>				
iShares MSCI EAFE ETF	4.8	6.2	1.3	4.5
iShares MSCI EAFE Small Cap ETF	3.7	3.9	2.3	8.0
iShares MSCI EAFE Value ETF	7.6	8.3	(9.3)	(6.9)
iShares MSCI EAFE Growth ETF	2.1	3.6	11.2	15.1
<b>Emerging Markets Equity</b>				
iShares MSCI Emerging Markets ETF	0.8	5.0	8.3	16.1
iShares MSCI Emerging Markets Small Cap ETF	2.3	5.3	5.6	12.5
<b>"Other" Asset Classes</b>				
iShares U.S. Real Estate ETF	6.2	3.8	(5.6)	(3.0)
iShares International Developed Real Estate ETF	5.4	6.2	(11.9)	(7.3)
SPDR Barclays High Yield Bond ETF	0.3	1.2	1.7	4.1
iShares S&P GSCI Commodity Indexed Trust	3.5	0.8	(32.1)	(29.2)

## 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.