

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

MARKET COMMENTARY

- The S&P 500 kicked off the first week of the new year with a 1.8% increase and fresh record highs as investors looked past turmoil at the US Capitol building and made optimistic bets on the outcomes of COVID-19 vaccine distributions and Democrats gaining control of both the Senate and the House.
- The market benchmark ended the first business week of 2021 at 3,824.68, up from last week's closing level of 3,756.07 and marking a new closing high. The index also reached a new intraday high Friday at 3,826.69.
- The gains came despite the US Capitol being stormed Wednesday by pro-Trump rioters who were attempting to block the certification by Congress of Joe Biden as the nation's president-elect. In the aftermath of the riot, Congress still certified Biden and Democratic congressional leaders called for President Donald Trump to be removed from office while a number of Trump administration officials resigned.
- Friday's record highs also came despite weaker-than-expected monthly jobs data. US December non-farm payrolls fell by 140,000 last month when the consensus on Econoday had been for a gain of 50,000. December's fall was the first since April. Still, the unemployment rate remained unchanged at 6.7%, better than the Street's view for 6.8%.
- Investors instead placed the focus of their trades on the outcome of two runoff races in Georgia that gave Democrats control of the Senate. Democrats have retained control of the House, and market participants are hopeful that having Democratic control of the presidency, House and Senate will make for a smoother path for legislation including stimulus plans that could boost the economy.
- Market participants are also optimistic about the distribution of COVID-19 vaccines.
- The US reported new highs in COVID-19 deaths and hospitalizations this week while a new variant of the virus continues to be identified in more parts of the country, so investors are eager for vaccines to slow down the spread of the virus, although the distribution of the vaccines has been moving more slowly than anticipated.
- This week's advance was led by the energy sector, up 9.3%, followed by the materials sector, up 5.7%, and financials, up 4.9%. On the downside, three sectors fell, led by real estate, which shed 2.5%, followed by a 0.8% decline in consumer staples, and a 0.6% drop in utilities.
- On the downside, the real estate sector's decliners included Alexandria Real Estate Equities (ARE), which priced a public offering of 6 million shares at \$164 per share, a 3.9% discount from the stock's previous close. The shares posted a weekly drop of 6.9%.
- Next week's calendar appears light early in the week but will get busier as the days go by. On the economic front, the December consumer price index is due Wednesday, followed by import prices and weekly jobless claims Thursday while Friday's economic schedule includes December producer prices, retail sales, industrial production and capacity utilization, among other readings.
- Fourth-quarter earnings reports from big banks including JPMorgan Chase (JPM), Citigroup (C) and Wells Fargo (WFC) are also expected Friday.

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)	0.2	(0.0)	2.3
iShares National AMT-Free Muni Bond ETF	(0.2)	0.1	(0.2)	4.2
iShares Core US Aggregate Bond ETF	(0.9)	(0.5)	(0.9)	6.2
Global Equity				
iShares MSCI ACWI	3.0	4.9	3.0	19.1
U.S. Equity				
iShares Core S&P 500 ETF	1.9	3.4	1.9	19.7
iShares Russell Mid Cap ETF	3.2	5.0	3.2	20.4
iShares Russell 2000 ETF	5.9	9.2	5.9	27.4
iShares Core U.S. Value ETF	2.6	3.4	2.6	4.5
iShares Core U.S. Growth ETF	1.7	3.8	1.7	32.9
Foreign Equity				
iShares MSCI EAFE ETF	3.8	5.9	3.8	11.5
iShares MSCI EAFE Small Cap ETF	3.3	7.7	3.3	16.1
iShares MSCI EAFE Value ETF	4.8	6.0	4.8	1.6
iShares MSCI EAFE Growth ETF	2.6	6.0	2.6	20.7
Emerging Markets Equity				
iShares MSCI Emerging Markets ETF	5.9	8.7	5.9	23.4
iShares MSCI Emerging Markets Small Cap ETF	3.8	7.1	3.8	25.0
"Other" Asset Classes				
iShares U.S. Real Estate ETF	(2.5)	(1.3)	(2.5)	(6.7)
iShares International Developed Real Estate ETF	0.0	2.2	0.0	(6.8)
SPDR Barclays High Yield Bond ETF	0.1	1.2	0.1	4.7
iShares S&P GSCI Commodity Indexed Trust	4.5	10.7	4.5	(20.2)

IMPORTANT NOTES

ALL COMMENTARY SOURCED FROM YCHARTS WEEKLY MARKET PULSE AND ARE TO BE USED FOR INFORMATIONAL PURPOSES ONLY.

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MARKET-RELATED DATA INCLUDED IN CHARTS AND GRAPHS IS SOURCED FROM YCHARTS.

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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.