

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

MARKET COMMENTARY

- The S&P 500 index ended the week in the red, snapping a two-week winning streak.
- The benchmark average closed the week at 4,459, down 1.67% from last Friday's close of 4,535. Despite a strong start on Friday, the S&P tumbled into negative territory in the last hour of trading, fueled by gloomy Wall Street projections for the economy and stock market as COVID-19 continues to spread.
- With five consecutive losses, this was the worst week for the S&P 500 since February.
- Investors' pivot into more defensive assets such as Treasuries was driven by worries about the longevity of the economic recovery and the spread of the Delta variant while global central bankers make preparations to exit pandemic-era stimulus programs.
- All sectors of the S&P ended the week in the red with the real estate sector taking the brunt of last week's selling pressure, down nearly 4% from last Friday's close. Digital Realty Trust (DLR) was the worst-performing stock in the sector with the majority of its 7.3% loss attributed to a 6.25 million stock offering last week.
- Healthcare stocks were also under heavy selling pressure with the sector down 2.7% from last week. A sizable gain in component stock Moderna (MRNA) was overshadowed by a big loss for Biogen (BIIB) and Eli Lilly (LLY) as Biogen announced a "slower than anticipated" launch for its Alzheimer's drug Aduhelm. The stock suffered its longest losing streak in more than two years, taking Eli Lilly down in sympathy.
- Supply chain disruptions continued to weigh on the industrial sector, down for a second straight week with a loss of 2.5%. Construction machinery manufacturer Deere (DE) was the sector's worst-performing stock, losing 6.7% in value alongside chemical-maker PPG (PPG) which withdrew its 2021 outlook on increased supply-chain challenges that were undermining profits.
- The tech sector started the week near record highs, dodging a broad market sell-off but ultimately ended the week 1.8% lower as losses in Hewlett Packard Enterprises (HPE) and Enphase Energy (ENPH) offset strength in Analog Devices (ADI) and Global Payments (GPN).
- The consumer discretionary sector nearly ended the week in the green, but ultimately lost ground in sympathy with a broad market sell-off. CarMax (KMX) was higher by almost 6% as the dearth of automobile inventory coupled with the preference for touch-less car buying made CarMax investors' top pick in the sector. At the other end of the spectrum was Pulte Homes (PHM) with a problematic supply chain undermining the company's Q3 closing projections. The homebuilders' stock lost more than 10% in value last week, leaving it at its lowest level since March.
- A dearth of key economic data last week was offset by a strong Treasury refunding and a deluge of Fed speak.
- Investors eagerly scooped up \$120 billion in 3-Year notes, 10-Year notes, and 30-Year bonds, driving Treasury yields lower, and dampening demand for financial stocks amid declining lending rates. The sector was down 1.3% on the week.
- The Fed released their Beige Book last week with the Delta variant making a prominent appearance, mentioned more than 30 times in the report. Dining and travel were noticeably impacted while sectors like manufacturing and transportation remained strong.
- Next week's calendar includes the consumer price index on Tuesday, the Empire State manufacturing index, production data on Wednesday, and retail sales Thursday.

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	(0.1)	0.3	0.7
iShares National AMT-Free Muni Bond ETF	(0.1)	(0.3)	0.9	2.8
iShares Core US Aggregate Bond ETF	(0.2)	0.5	(0.8)	(0.2)
Global Equity				
iShares MSCI ACWI	(1.3)	0.5	15.1	32.4
U.S. Equity				
iShares Core S&P 500 ETF	(1.7)	0.7	20.0	35.6
iShares Russell Mid Cap ETF	(2.2)	0.3	18.3	44.0
iShares Russell 2000 ETF	(3.2)	(0.4)	13.4	49.1
iShares Core U.S. Value ETF	(2.2)	(1.5)	17.6	35.6
iShares Core U.S. Growth ETF	(1.4)	2.3	21.8	37.2
Foreign Equity				
iShares MSCI EAFE ETF	(0.7)	0.9	12.8	29.5
iShares MSCI EAFE Small Cap ETF	(0.4)	3.2	15.7	37.3
iShares MSCI EAFE Value ETF	(1.3)	(0.6)	11.9	29.1
iShares MSCI EAFE Growth ETF	(0.3)	2.3	12.7	28.4
Emerging Markets Equity				
iShares MSCI Emerging Markets ETF	(0.7)	0.6	2.0	22.4
iShares MSCI Emerging Markets Small Cap ETF	(1.0)	0.8	17.9	44.3
"Other" Asset Classes				
iShares U.S. Real Estate ETF	(3.8)	1.5	26.2	35.2
iShares International Developed Real Estate ETF	(2.3)	(0.5)	11.2	25.1
SPDR Barclays High Yield Bond ETF	(0.2)	1.3	3.6	9.5
iShares S&P GSCI Commodity Indexed Trust	(0.1)	1.7	30.1	53.2

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.