

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

MARKET COMMENTARY

- The S&P 500 index fell 2.2% last week as losses logged in the final days of Q3 amid worries about inflation and supply chain issues outweighed a positive start to Q4 on Friday as data showed August consumer spending rose more than expected.
- The index ended the week at 4,357.04, down from last Friday's closing level of 4,455.48. The weekly decline would have been sharper if not for a 1.2% Friday jump as the market kicked off the new month and quarter on a positive note.
- The S&P 500 posted a 4.8% drop for the month of September, marking its first monthly drop since this January and its largest monthly decline since March 2020, when the pandemic began prompting shutdowns. Still, the index edged up 0.2% in Q3 as gains in the first two months of the quarter helped narrowly outweigh the September slump. It is now up 16% for the year to date.
- The week's decline came as investors exerted caution into the end of the quarter amid concerns about inflation, supply chain disruptions and continued pandemic impacts on economic growth. Adding to the worries, the Federal Reserve's Federal Open Market Committee indicated last week that it may begin reducing bond buying as soon as November and could start raising rates next year. Concerns about China's economy have also weighed on sentiment and added to uncertainty.
- However, despite rising prices, data released Friday showed consumer spending rose by 0.8% in August, better than expectations for a 0.6% rise and marking a strong improvement from July's 0.1% slip. Investors were encouraged by the better-than-expected consumer spending data, especially heading into the holiday shopping season.
- Nevertheless, the weekly slide was broad, with all but one sector declining. The health care sector had the largest tumble, down 3.5%, followed by a 3.3% drop in technology. Among other hard-hit sectors, consumer staples, consumer discretionary and real estate logged declines of more than 2% each. Energy was the lone sector in the black, up 5.8% for the week.
- The technology sector's decliners included NXP Semiconductors (NXPI), whose shares fell 11% on the week as Bernstein downgraded its investment rating on the connectivity technology company's stock to market perform from outperform. The firm also reduced its price target on NXP's stock to \$230 from \$245.
- In health care, shares of Moderna (MRNA), the maker of one of the approved COVID-19 vaccines, shed 21% last week. The drop came even as the biotechnology company unveiled plans to create a new science center in Cambridge, Massachusetts to support the company's growth and drug discovery efforts. A phased move-in is expected in 2023.
- On the upside, the energy sector's gainers included Cabot Oil & Gas (COG), whose shares jumped 9.4% as its shareholders and shareholders of Cimarex Energy (XEC) voted in favor of Cabot's acquisition of Cimarex, which was expected to close Friday. Wolfe Research upgraded its investment rating on Cabot's shares to outperform from peer perform while raising its price target on the stock to \$28 per share from \$25.
- In economic data next week, the first full week of October and Q4, all eyes will be on employment data for the just-ended month. Private-sector September jobs data will be released Wednesday by ADP, followed by the Labor Department's weekly jobless claims on Thursday and US nonfarm payrolls and the US unemployment rate for September on Friday.

ASSET CLASS / BENCHMARK	1 WEEK	1 MONTH	YTD	1 YEAR
Investment Grade Fixed Income				
iShares Short-Term National AMT-Free Muni Bond ETF	(0.1)	(0.2)	0.1	0.5
iShares National AMT-Free Muni Bond ETF	(0.4)	(0.7)	0.4	2.2
iShares Core US Aggregate Bond ETF	(0.2)	(0.6)	(1.4)	(0.8)
Global Equity				
iShares MSCI ACWI	(2.1)	(3.8)	11.9	27.0
U.S. Equity				
iShares Core S&P 500 ETF	(2.2)	(3.6)	17.3	30.8
iShares Russell Mid Cap ETF	(2.0)	(3.3)	16.4	38.2
iShares Russell 2000 ETF	(0.3)	(2.0)	14.1	47.5
iShares Core U.S. Value ETF	(0.7)	(1.9)	17.3	35.1
iShares Core U.S. Growth ETF	(3.2)	(5.0)	17.3	29.1
Foreign Equity				
iShares MSCI EAFE ETF	(2.6)	(3.9)	8.6	25.0
iShares MSCI EAFE Small Cap ETF	(3.4)	(4.3)	10.3	27.6
iShares MSCI EAFE Value ETF	(1.0)	(2.8)	9.8	30.0
iShares MSCI EAFE Growth ETF	(4.2)	(5.1)	6.6	19.0
Emerging Markets Equity				
iShares MSCI Emerging Markets ETF	(0.9)	(5.2)	(2.2)	14.8
iShares MSCI Emerging Markets Small Cap ETF	(1.1)	(2.7)	16.0	40.2
"Other" Asset Classes				
iShares U.S. Real Estate ETF	(1.5)	(6.0)	22.8	30.1
iShares International Developed Real Estate ETF	(1.9)	(6.2)	6.5	19.2
SPDR Barclays High Yield Bond ETF	(0.2)	(0.1)	3.5	9.6
iShares S&P GSCI Commodity Indexed Trust	2.4	7.5	38.1	61.4

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.