

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 1.9% last week as worries about inflation and COVID-19 flared, weighing on risk sentiment.
- The market benchmark ended the week at 4,620.64, down from last Friday's closing level of 4,712.02. However, the index is still in positive territory for the month, up 1.2% for December to date, and is up 23% for the year to date.
- The S&P 500 last week jumped 3.8% as investors grew hopeful that the omicron variant of COVID-19 could have milder effects on the economy than initially feared. Last week, however, the variant's ability to spread quickly became more apparent as the UK said the number of domestic omicron cases is doubling every two days.
- Fresh restrictions across Europe, with many holiday events being canceled, brought worries about the variant's economic impact back to the forefront.
- Inflation also continues to be a concern.
- The Federal Reserve's Federal Open Market Committee on Wednesday released a statement indicating inflation fears have pushed the central bank's policy-setting committee to accelerate its pace of asset price tapering starting in January. It also suggested there could be three rate increases by the end of 2022.
- The energy sector had the largest percentage drop of the week, down 5.1%, followed by a 4.3% slide in consumer discretionary and a 4% decline in technology. Other sectors in the red included industrials, financials, communication services and materials.
- Still, four sectors rose. The health care sector posted a 2.5% increase, followed by gains of more than 1% each in real estate, utilities and consumer staples.
- The energy sector's drop came as crude oil futures declined. Shares of ONEOK (OKE) shed 6.7% on the week after Wells Fargo downgraded its investment rating on the midstream service provider's stock to equal-weight from overweight.
- The decliners in consumer discretionary included shares of travel-related stocks amid concerns about the impacts of pandemic-related travel restrictions. Among the affected stocks, shares of Expedia Group (EXPE) fell 4.6%, Carnival (CCL) dropped 5.2% and Norwegian Cruise Line Holdings (NCLH) lost 5.6%.
- In technology, shares of Adobe (ADBE) fell 15% as the software company issued guidance below Street consensus views for both its new fiscal year and fiscal Q1.
- On the upside, in health care, shares of Pfizer (PFE) jumped 13% last week as advisers for the US Centers for Disease Control & Prevention recommended that adults get COVID-19 vaccines manufactured by Pfizer and BioNTech (BNTX) or Moderna (MRNA) or over Johnson & Johnson's (JNJ) vaccine due to concerns that the J&J shot may be linked to a rare but serious blood clotting condition.
- Also boosting Pfizer's shares, the European Medicines Agency's Committee for Medicinal Products for Human Use said Pfizer's PAXLOVID oral antiviral therapy can be used to treat adults with COVID-19 who don't require supplemental oxygen but are at increased risk of progressing to severe disease.
- Next week, the US stock market will have a shortened week, closing Friday in observance of the Christmas holiday. The week's economic reports will thus be consolidated into the first four days of the week, with the bulk being released Thursday.
- The economic data expected earlier in the week will include November leading economic indicators on Monday, the Q3 current account deficit on Tuesday, and revised Q3 gross domestic product as well as December consumer confidence on Wednesday. Thursday's slew of data will include weekly jobless claims; November core inflation, real consumer spending, and new home sales; and December consumer sentiment from the University of Michigan.

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	(0.1)	0.1
iShares National AMT-Free Muni Bond ETF	0.1	0.7	1.1	1.3
iShares Core US Aggregate Bond ETF	0.3	0.6	(1.4)	(1.1)
<b>Global Equity</b>				
iShares MSCI ACWI	(1.8)	(2.9)	15.2	15.9
<b>U.S. Equity</b>				
iShares Core S&P 500 ETF	(1.9)	(1.4)	24.7	25.9
iShares Russell Mid Cap ETF	(1.6)	(5.1)	18.1	18.3
iShares Russell 2000 ETF	(1.9)	(8.5)	10.8	10.6
iShares Core U.S. Value ETF	(0.6)	(0.8)	21.4	22.3
iShares Core U.S. Growth ETF	(2.9)	(2.2)	27.1	28.4
<b>Foreign Equity</b>				
iShares MSCI EAFE ETF	(1.4)	(3.6)	8.4	8.2
iShares MSCI EAFE Small Cap ETF	(1.7)	(5.1)	6.3	7.3
iShares MSCI EAFE Value ETF	(0.7)	(2.9)	8.2	7.3
iShares MSCI EAFE Growth ETF	(2.1)	(4.6)	7.5	8.4
<b>Emerging Markets Equity</b>				
iShares MSCI Emerging Markets ETF	(2.4)	(5.4)	(5.0)	(3.9)
iShares MSCI Emerging Markets Small Cap ETF	(1.8)	(3.7)	14.8	15.8
<b>"Other" Asset Classes</b>				
iShares U.S. Real Estate ETF	1.0	1.7	32.8	32.9
iShares International Developed Real Estate ETF	(1.1)	(2.9)	5.8	5.3
SPDR Barclays High Yield Bond ETF	0.0	0.2	3.2	4.1
iShares S&P GSCI Commodity Indexed Trust	(1.3)	(6.0)	33.1	34.6

## 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.