

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

MARKET COMMENTARY

- The S&P 500 index started the new year in the red, falling 1.9% in the first week of 2022, even as the energy sector jumped 11%.
- The S&P 500 ended Friday's session at 4,677.03, down from last Friday's closing level of 4,766.18. The index rose in its first trading session of the new year and hit a fresh intraday high on Tuesday but closed lower in each of the last four sessions.
- The rocky start to the year follows a 2021 in which the S&P 500 climbed 27%. The market benchmark is now up 22% from its year-ago level.
- The gains over the past year came amid the authorizations of COVID-19 vaccines and treatments while the US economy has been recovering from 2020's pandemic-related closures. However, as the highly contagious omicron variant has prompted record daily COVID-19 case levels in the US in recent days, leading to staffing issues across industries, investors have seen that the virus still has the ability to disrupt business.
- December jobs data released Friday by the Labor Department showed last month had the smallest monthly jobs gain since December 2020. The increase in nonfarm payrolls for December amounted to 199,000, about half of the amount expected according to the Econoday consensus. This followed an increase of 249,000 in November, which was revised up by 39,000 jobs.
- Still, December's unemployment rate fell to 3.9%, the lowest level since February 2020, from 4.2% in November, and surpassed expectations for a 4.1% rate. The larger-than-expected drop in the unemployment rate pushed market bets higher that the Federal Reserve's Federal Open Market Committee will raise interest rates in March. Minutes released last week from last month's FOMC meeting showed some participants suggested rate increases may begin sooner and at a faster pace than previously expected.
- The real estate sector had the largest percentage drop of the week, down 4.9%, followed by a 4.7% decline in technology and a 4.6% drop in health care. Other sectors in the red included communication services, consumer discretionary and utilities.
- However, there were still four sectors in the black, led by an 11% surge in energy and a 5.4% climb in financials. The other gainers were industrials and consumer staples.
- The real estate sector's decliners included shares of Crown Castle International (CCI), which fell 6.7% as JPMorgan Chase downgraded its investment rating on the real estate investment trust's stock to neutral from overweight.
- In technology, shares of Enphase Energy (ENPH) shed 21% as the supplier of micro inverter-based solar and battery systems said it completed its previously announced acquisition of ClipperCreek, a provider of electric vehicle charging stations. BofA Securities downgraded its investment rating on Enphase's stock to neutral from buy while cutting its price target on the stock to \$187 from \$297.
- In health care, shares of Biogen (BIIB) slipped 3.1% as the biotechnology company said it exercised its option to obtain from Ionis Pharmaceuticals (IONS) a worldwide, exclusive, royalty-bearing license to develop and commercialize BIIB115/ION306 to treat spinal muscular atrophy. As a part of the option exercise, Biogen made a one-time \$60 million payment to Ionis in Q4 of 2021. Future payments may include potential post-licensing development, regulatory and commercial milestone payments, and royalties on annual worldwide revenue.
- On the upside, the energy sector's climb came as crude oil futures jumped amid unrest in Kazakhstan, which is a member of the OPEC+ alliance. Among the sector's gainers, shares of Schlumberger (SLB) rose 17% while Halliburton added 14%.
- Next week, economic data on tap include the release of the December consumer price index on Wednesday, the December producer price index on Thursday, and December retail sales, import prices and industrial production on Friday.
- The Q4 earnings season will also kick off toward the end of next week, with Delta Air Lines (DAL) expected to release its Q4 financial results on Thursday, followed by reports from Wells Fargo (WFC), JPMorgan Chase (JPM) and Citigroup (C) 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	(0.2)	(0.2)	(0.2)	(0.2)
iShares National AMT-Free Muni Bond ETF	(0.4)	(0.3)	(0.4)	0.7
iShares Core US Aggregate Bond ETF	(1.4)	(1.6)	(1.4)	(2.3)
Global Equity				
iShares MSCI ACWI	(1.4)	(0.2)	(1.4)	14.6
U.S. Equity				
iShares Core S&P 500 ETF	(1.9)	(0.1)	(1.9)	24.7
iShares Russell Mid Cap ETF	(2.9)	(1.4)	(2.9)	15.5
iShares Russell 2000 ETF	(2.9)	(3.3)	(2.9)	4.8
iShares Core U.S. Value ETF	1.1	4.0	1.1	23.5
iShares Core U.S. Growth ETF	(4.4)	(3.7)	(4.4)	24.6
Foreign Equity				
iShares MSCI EAFE ETF	0.1	1.1	0.1	8.5
iShares MSCI EAFE Small Cap ETF	(1.1)	0.2	(1.1)	6.2
iShares MSCI EAFE Value ETF	3.3	4.9	3.3	9.8
iShares MSCI EAFE Growth ETF	(3.0)	(2.3)	(3.0)	6.4
Emerging Markets Equity				
iShares MSCI Emerging Markets ETF	0.1	(0.9)	0.1	(6.5)
iShares MSCI Emerging Markets Small Cap ETF	(0.6)	0.6	(0.6)	13.9
"Other" Asset Classes				
iShares U.S. Real Estate ETF	(4.5)	0.3	(4.5)	37.2
iShares International Developed Real Estate ETF	(1.6)	(0.7)	(1.6)	7.1
SPDR Barclays High Yield Bond ETF	(1.3)	(0.7)	(1.3)	2.7
iShares S&P GSCI Commodity Indexed Trust	3.2	6.8	3.2	38.9

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.