

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

MARKET COMMENTARY

- The S&P 500 index slipped 0.3% last week, marking its second weekly drop in a row, as investors traded cautiously at the start of the Q4 earnings reporting season.
- The market benchmark ended the week at 4,662.85, down from last Friday's closing level of 4,677.03. The index is now down 2.2% for the year to date following a 27% jump in 2021.
- The decline for 2022 thus far has come amid concerns about inflation and the COVID-19 pandemic. While the pandemic has been going on for two years, the US recently has been setting new record highs in daily case counts due to the spread of the highly contagious omicron variant. This has contributed to recent staffing and supply-chain issues.
- As the Q4 earnings season begins, investors are looking to see how US companies coped with the inflation, staffing and supply-chain issues last quarter. They also will be paying close attention to the companies' outlooks.
- Some of the season's early reports have added to investors' concerns. Delta Air Lines (DAL) swung to a Q4 profit that topped analysts' estimates, but the US airline expects to record a loss in the current three-month period with the omicron variant of COVID-19 impacting its short-term outlook. JPMorgan Chase's (JPM) Q4 earnings per share surpassed analysts' mean estimate but fell from the year-earlier period while its revenue not only declined year over year but also missed the Street consensus estimate.
- By sector, real estate had the largest percentage drop last week, down by 2%, followed by a 1.5% slip in consumer discretionary, a 1.4% fall in utilities and a 0.8% decline in financials.
- Still, two sectors managed to gain. Energy jumped 5.2% and communication services rose 0.5%.
- The real estate sector's decliners included shares of Extra Space Storage (EXR), whose shares fell 2.3% on the week. A release earlier last week said the company sold 16 self-storage facilities across 12 US states to Rosewood Property for an undisclosed sum. The stock decline also came as the real estate investment trust's shares were downgraded to hold from buy by Jefferies, which cut its price target on the shares to \$223 from \$229.
- In the consumer discretionary sector, shares of Domino's Pizza (DPZ) shed 7% as Oppenheimer cut its price target on the pizza company's stock to \$550 per share from \$565. The firm noted investors have been hoping for a same-store-sales boost if management raised price points on its national value platform. However, "this coveted tailwind now appears unlikely," Oppenheimer analysts said in a note to clients following a presentation Domino's management gave at a conference.
- The energy sector's climb coincided with a continued advance in crude oil futures as investors have been betting demand will rise after new infections from the COVID-19 omicron variant peak. The US Energy Information Administration on Wednesday said US oil inventories fell for the seventh-straight week, dropping by 4.5 million barrels, which was greater than expected and added to the buoyant demand outlook.
- Among the energy sector's gainers, shares of APA Corp. (APA) jumped 12% last week while Hess (HES) added 6%.
- Markets will be closed on Monday for the Martin Luther King Jr. Day holiday. When it reopens Tuesday, investors will see earnings reports from companies including Bank of America (BAC) and Goldman Sachs Group (GS). Wednesday's reports are expected to include Procter & Gamble (PG), Alcoa (AA) and United Airlines Holdings (UAL). Thursday's list features Union Pacific (UNP) and Netflix (NFLX) while Friday will bring reports from Schlumberger (SLB) and Huntington Bancshares (HBAN).
- Economic data being released next week will include some regional January data, including the Empire State Manufacturing Survey on Tuesday and the Philadelphia Fed manufacturing survey on Wednesday, as well as housing data including December building permits and housing starts on Wednesday and December existing home sales on Thursday.

ASSET CLASS / BENCHMARK	1 WEEK	1 MONTH	YTD	1 YEAR
Investment Grade Fixed Income				
iShares Short-Term National AMT-Free Muni Bond ETF	(0.3)	(0.5)	(0.5)	(0.5)
iShares National AMT-Free Muni Bond ETF	(0.5)	(1.0)	(0.9)	0.2
iShares Core US Aggregate Bond ETF	(0.3)	(1.9)	(1.7)	(2.5)
Global Equity				
iShares MSCI ACWI	0.2	1.5	(1.2)	14.1
U.S. Equity				
iShares Core S&P 500 ETF	(0.3)	0.6	(2.1)	24.5
iShares Russell Mid Cap ETF	(0.7)	(0.0)	(3.6)	13.6
iShares Russell 2000 ETF	(0.8)	0.1	(3.7)	1.1
iShares Core U.S. Value ETF	0.1	4.6	1.2	22.6
iShares Core U.S. Growth ETF	(0.7)	(2.6)	(5.1)	24.9
Foreign Equity				
iShares MSCI EAFE ETF	0.3	3.4	0.4	8.0
iShares MSCI EAFE Small Cap ETF	(0.1)	2.4	(1.2)	6.0
iShares MSCI EAFE Value ETF	2.5	9.0	5.8	11.9
iShares MSCI EAFE Growth ETF	(2.2)	(2.1)	(5.1)	3.4
Emerging Markets Equity				
iShares MSCI Emerging Markets ETF	2.5	3.4	2.6	(7.3)
iShares MSCI Emerging Markets Small Cap ETF	0.8	3.2	0.1	12.8
"Other" Asset Classes				
iShares U.S. Real Estate ETF	(1.4)	(0.5)	(5.9)	33.7
iShares International Developed Real Estate ETF	(0.2)	0.9	(1.8)	6.6
SPDR Barclays High Yield Bond ETF	0.3	(0.0)	(1.0)	3.1
iShares S&P GSCI Commodity Indexed Trust	3.8	11.8	7.1	39.7

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.