

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 5.7% last week with the consumer discretionary, communication services and technology sectors leading a broad slide as Q4 earnings reports came in mixed and added to investors' concerns about the impacts of the pandemic, inflation and supply-chain issues.
- The market benchmark ended the week at 4,397.94, down from last week's closing level of 4,662.85. The week, which had only four trading days due to the market being closed Monday for the Martin Luther King Jr. Day holiday, is the S&P 500's third consecutive week in the red. The index is now down 7.7% for the year to date following a 27% jump in 2021.
- The decline for 2022 has come amid increasing concerns about inflation, supply chain issues and the COVID-19 pandemic.
- Last week marked the first full week of US companies' Q4 earnings results being released, and the reports only added to investors' worries as many companies confirmed their concerns.
- Every sector fell last week, with the largest percentage drops logged by consumer discretionary, down 8.5%; communication services, down 7%; technology, down 6.9%; and financials, down 6.4%. Among the other sectors with declines of 3% or more, materials lost 5.4%, industrials fell 4.4%, health care shed 3.4% and energy slipped 3.1%.
- The decliners in the consumer discretionary sector included Ford Motor (F), whose shares tumbled 18% on the week as a National Highway Traffic Safety Administration report said the automaker is recalling nearly 200,000 older-model cars for an issue with their brake pedal bumper. The issue affects certain 2014 and 2015 Fusion and MKZ vehicles as well as some 2015 Mustang vehicles. Jefferies downgraded its investment rating on Ford's stock to hold from buy.
- In communication services, shares of Netflix (NFLX) shares fell 22% in Friday's session alone, which put the stock down 24% for the week, as the entertainment services company released weaker-than-expected guidance for Q1 earnings per share, revenue and subscription growth. Disappointment over the guidance led to a flurry of investment rating downgrades and price target cuts by analysts.
- In the technology sector, shares of NXP Semiconductors (NXPI) shed 11% last week as Piper Sandler downgraded its investment rating on the semiconductor maker ahead of the company's Q4 report due at the end of the month. The firm also lowered its price target on NXP's stock to \$210 from \$235.
- In the financial sector, Goldman Sachs (GS) shares slid 9.7% last week as the investment bank reported Q4 earnings per share below analysts' mean estimate amid higher operating expenses and lower revenue in its global markets business. Chief Executive David Solomon said on a conference call with analysts that there is still a "fair amount of uncertainty" as COVID-19 cases, driven by the omicron variant, rise.
- Next week's earnings slate is expected to include many big names including 3M (MMM), Microsoft (MSFT), Johnson & Johnson (JNJ), Boeing (BA), AT&T (T), Kimberly-Clark (KMB), Intel (INTC), Tesla (TSLA), Apple (AAPL), Chevron (CVX) and Caterpillar (CAT).
- Data to be released next week will include January readings on consumer confidence and consumer sentiment as well as Markit's January readings on the manufacturing and services sectors. Reports on December new and pending home sales as well as the December personal consumption expenditure price index are also expected.
- In addition, there will be a two-day Federal Open Market Committee meeting next week, with a statement expected Wednesday afternoon.

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)	(0.6)	(0.7)	(0.7)
iShares National AMT-Free Muni Bond ETF	(0.6)	(1.4)	(1.4)	(0.3)
iShares Core US Aggregate Bond ETF	(0.5)	(1.8)	(1.6)	(2.6)
Global Equity				
iShares MSCI ACWI	(4.7)	(3.7)	(5.9)	7.5
U.S. Equity				
iShares Core S&P 500 ETF	(5.7)	(5.4)	(7.8)	15.6
iShares Russell Mid Cap ETF	(6.5)	(7.0)	(9.4)	6.5
iShares Russell 2000 ETF	(8.0)	(9.7)	(11.4)	(6.4)
iShares Core U.S. Value ETF	(4.5)	(0.6)	(3.2)	18.1
iShares Core U.S. Growth ETF	(7.0)	(9.5)	(11.8)	12.3
Foreign Equity				
iShares MSCI EAFE ETF	(3.5)	(1.1)	(3.0)	4.5
iShares MSCI EAFE Small Cap ETF	(4.6)	(2.4)	(5.3)	1.0
iShares MSCI EAFE Value ETF	(3.0)	4.2	2.3	9.0
iShares MSCI EAFE Growth ETF	(3.9)	(6.2)	(8.2)	(0.6)
Emerging Markets Equity				
iShares MSCI Emerging Markets ETF	(2.3)	1.6	0.3	(11.3)
iShares MSCI Emerging Markets Small Cap ETF	(2.5)	0.3	(2.3)	9.9
"Other" Asset Classes				
iShares U.S. Real Estate ETF	(4.5)	(5.4)	(9.3)	25.6
iShares International Developed Real Estate ETF	(2.6)	(1.1)	(4.1)	4.8
SPDR Barclays High Yield Bond ETF	(0.9)	(1.4)	(1.8)	1.9
iShares S&P GSCI Commodity Indexed Trust	3.3	11.6	8.5	43.3

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.