

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

**MARKET COMMENTARY**

- The S&P 500 index rose 0.8% last week, its first week of the year in the black, as better-than-expected Q1 results from Apple (AAPL) gave the market a boost at a time when worries have been high over the ongoing pandemic, inflationary pressures and potential monetary policy changes.
- The market benchmark ended the week at 4,431.85, up from last Friday's closing level of 4,397.94.
- At Thursday's market close, the index was on track for its fourth negative week in a row. However, Apple's release of its fiscal Q1 results after Thursday's close prompted a Friday rally that sent the S&P 500 up 2.4% in Friday's session, moving the index into positive territory for the week. It is now down 7% for the year to date.
- Last week's market activity came as numerous quarterly earnings reports were released by US companies, with many noting their results were negatively impacted by rising input costs and supply chain issues amid the COVID-19 pandemic. These challenges have also weighed on many companies' outlooks for 2022.
- However, Apple's late-Thursday report showed the consumer technology company was able to produce record sales in its fiscal Q1 ended in December. Its revenue and earnings per share both rose year over year and topped analysts' expectations. Apple also said it expects to achieve "solid" year-over-year revenue growth in the quarter ending in March despite "significant" supply constraints.
- In other encouraging news last week, government data showed US economic growth, measured by gross domestic product, rose 6.9% in Q4, surpassing an Econoday consensus estimate of 5.7% growth and following a 2.3% rise in Q3.
- Meanwhile, investors are digesting comments from a Federal Open Market Committee meeting that indicated an increase in interest rates could come at its mid-March meeting. Investors are concerned about the potential impact on the economy and the labor market, especially as the US is still grappling with the COVID-19 omicron variant, but Fed Chair Jerome Powell said, "there's room to raise interest rates without threatening the labor market."
- Powell also said the FOMC does expect some softening in the economy from the COVID-19 omicron variant but expects that will be temporary.
- The S&P 500's biggest percentage gainer of the week was energy, which jumped 5% amid a climb in crude oil futures to seven-year highs as the threat of war in Eastern Europe continues to raise security of supply concerns. Technology had the next-largest percentage climb, up 2.3%, followed by gains in financials, health care and communication services.
- However, a number of other sectors were still in the red for the week, led by a 1.5% slide in industrials, a 1.3% slip in utilities and a 1% decline in consumer discretionary. Other decliners included materials, consumer staples and real estate.
- The energy sector's gainers included shares of Halliburton (HAL), whose shares climbed 14% as the oilfield services provider reported better-than-expected Q4 results and raised its dividend rate.
- The technology sector's climb came as Apple shares jumped 7% in Friday's session alone and ended the week up 4.9% versus last week.
- Among the decliners, shares of Tesla (TSLA) weighed on the consumer discretionary sector. The stock fell 10% last week as the maker of electric vehicles reported Q4 revenue and adjusted earnings per share above analysts' expectations and said its target for 50% year-over-year growth in output this year is achievable with just two of its factories. However, investors were disappointed as CEO Elon Musk also said the company doesn't plan to launch new models this year; Musk said new models would take resources from production and jeopardize year-end targets, according to a Capital IQ transcript of the earnings call.
- Next week's companies releasing quarterly results are expected to include Google parent Alphabet (GOOGL) as well as Exxon Mobil (XOM), General Motors (GM), Starbucks (SBUX), D.R. Horton (DHI), Amazon.com (AMZN), Merck (MRK), Eli Lilly (LLY) and Ford Motor (F).
- In economic data next week, all eyes will be on the January employment data, with ADP set to release monthly private-sector jobs data on Wednesday while the Labor Department will release weekly jobless claims on Thursday and monthly nonfarm payrolls as well as the monthly unemployment rate on Friday. Other economic reports expected next week will include readings on the manufacturing and services sectors from the Institute for Supply Management as well as Markit.

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	(0.9)	(1.7)	(1.6)	(1.7)
iShares National AMT-Free Muni Bond ETF	(0.9)	(2.4)	(2.3)	(1.7)
iShares Core US Aggregate Bond ETF	(0.4)	(2.1)	(2.0)	(3.1)
<b>Global Equity</b>				
iShares MSCI ACWI	(0.6)	(6.7)	(6.5)	9.1
<b>U.S. Equity</b>				
iShares Core S&P 500 ETF	0.9	(7.4)	(7.0)	18.6
iShares Russell Mid Cap ETF	(0.2)	(9.5)	(9.7)	9.2
iShares Russell 2000 ETF	(0.9)	(12.3)	(12.2)	(5.6)
iShares Core U.S. Value ETF	0.4	(2.7)	(2.8)	21.1
iShares Core U.S. Growth ETF	0.9	(11.8)	(11.0)	14.9
<b>Foreign Equity</b>				
iShares MSCI EAFE ETF	(2.1)	(5.4)	(5.0)	4.5
iShares MSCI EAFE Small Cap ETF	(2.8)	(7.8)	(8.0)	0.1
iShares MSCI EAFE Value ETF	(1.0)	0.9	1.3	10.7
iShares MSCI EAFE Growth ETF	(3.6)	(11.8)	(11.5)	(2.5)
<b>Emerging Markets Equity</b>				
iShares MSCI Emerging Markets ETF	(3.5)	(3.0)	(3.2)	(11.8)
iShares MSCI Emerging Markets Small Cap ETF	(3.5)	(5.2)	(5.7)	8.4
<b>"Other" Asset Classes</b>				
iShares U.S. Real Estate ETF	(0.4)	(8.5)	(9.6)	24.7
iShares International Developed Real Estate ETF	(0.7)	(4.1)	(4.8)	4.0
SPDR Barclays High Yield Bond ETF	(0.9)	(3.0)	(2.8)	1.2
iShares S&P GSCI Commodity Indexed Trust	2.4	10.3	11.2	47.7

## IMPORTANT NOTES

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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.