

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 1.5% last week, marking its largest weekly percentage gain of 2022 so far, led by the energy, consumer discretionary, and financial sectors amid better-than-expected January nonfarm payrolls, while some Q4 corporate earnings also topped estimates.
- The market benchmark ended the week at 4,500.53, up from last week's closing level of 4,431.85. This marks the S&P 500's second positive week in a row, although the index is still in the red for 2022 after posting declines in the first three weeks of the year. The S&P 500 is now down 5.6% year to date.
- It was a tumultuous week for the S&P 500. Monday, the index closed out January with a 5.3% monthly drop that came amid worries about inflation, anticipated monetary policy changes, and the COVID-19 omicron variant. Still, the S&P 500 had a strong daily gain on Monday as well as Tuesday and Wednesday, driven by better-than-expected quarterly results from industry heavyweights including Google parent Alphabet (GOOGL), chip-maker Advanced Micro Devices (AMD), and package shipping company United Parcel Service (UPS). The rally came to a halt Thursday.
- The S&P 500 recorded its largest one-day percentage drop in nearly a year on Thursday as Facebook parent Meta Platforms (FB) disappointed the market with weaker-than-expected Q4 earnings per share and a lower-than-expected Q1 sales forecast. Meta shares tumbled 26%, wiping out about \$232 billion in market value - the largest such one-day loss for any stock in US history - and many other stocks in the communication services and technology sectors fell in sympathy.
- Friday, the S&P 500 resumed its climb as the Labor Department reported nonfarm payrolls rose by 467,000 in January, well above the increase of 125,000 jobs expected in a survey compiled by Bloomberg, while December payrolls had a large upward revision to a 510,000 increase. The unemployment rate ticked up to 4% in January from 3.9% in December, versus an expectation for no change, but the labor force participation rate rose to 62.2% from 61.9%.
- The energy sector had the largest percentage gain of the week, up 4.9%, as crude oil futures rose. That was followed by a 3.9% increase in consumer discretionary, a 3.5% rise in financials, and a 1.3% increase in health care. Other sectors in the black included technology, utilities, industrials, and consumer staples.
- Three sectors fell, led by communication services, down 0.3%. The other decliners were real estate and materials, down 0.2% each.
- The advance in energy stocks came as West Texas Intermediate crude oil closed above \$90 per barrel for the first time since October 2014 after OPEC+ agreed to stick to its schedule of monthly production increases, while tensions over Russian threats to Ukraine continue.
- Among the energy sector's gainers, shares of Marathon Petroleum (MPC) rose 8.9% on the week as the oil and gas company reported it swung to a Q4 adjusted profit per share that was much larger than expected, while revenue also surpassed analysts' mean estimate.
- Also, in the energy sector, shares of Exxon Mobil (XOM) climbed 8.1% as the oil company posted Q4 adjusted earnings per share and revenue above year-earlier results and analysts' expectations.
- Among consumer discretionary gainers, shares of Ralph Lauren (RL) rose 8.5%. The fashion company raised its fiscal-year revenue growth outlook as its fiscal Q3 results topped Wall Street's expectations on double-digit comparable store sales growth and a strong holiday season.
- In the financial sector, shares of CME Group (CME) added 9% last week as the derivatives marketplace operator reported its average daily volume rose 28% to 24.6 million contracts during January. The company also said its equity index average daily volume was 56% higher in January than a year earlier. CME also boosted its quarterly dividend rate by 11%.
- Also, in financials, Chubb (CB) shares rose 4.9% as the company reported Q4 core operating income gained year over year and topped analysts' mean estimate.
- On the downside, the decline in communication services came as shares of Meta Platforms ended the week 21% lower than last week. The Facebook parent's Q4 earnings miss and disappointing Q1 sales guidance drove many analysts to cut their price targets on the stock while some, including Raymond James and BMO Capital, also downgraded their investment ratings on Meta's stock.
- Next week's earnings calendar features Hasbro (HAS), Tyson Foods (TSN), DuPont (DD), Pfizer (PFE), CVS Health (CVS), Coca-Cola (KO), and Twitter (TWTR).
- On the economic front, investors will be focusing next week on updated inflation readings, with the January consumer price index expected Thursday. The University of Michigan will also be releasing February five-year inflation expectations on Friday in addition to its February consumer sentiment index.

ASSET CLASS / BENCHMARK	1 WEEK	1 MONTH	YTD	1 YEAR
Investment Grade Fixed Income				
iShares Short-Term National AMT-Free Muni Bond ETF	0.5	(1.1)	(1.1)	(1.1)
iShares National AMT-Free Muni Bond ETF	0.1	(2.2)	(2.2)	(1.6)
iShares Core US Aggregate Bond ETF	(1.0)	(2.3)	(2.9)	(3.7)
Global Equity				
iShares MSCI ACWI	2.0	(5.0)	(4.6)	9.3
U.S. Equity				
iShares Core S&P 500 ETF	1.6	(6.0)	(5.5)	17.9
iShares Russell Mid Cap ETF	2.2	(7.5)	(7.6)	8.3
iShares Russell 2000 ETF	1.6	(11.8)	(10.8)	(8.4)
iShares Core U.S. Value ETF	1.1	(3.2)	(1.7)	19.8
iShares Core U.S. Growth ETF	2.1	(8.9)	(9.1)	14.7
Foreign Equity				
iShares MSCI EAFE ETF	1.8	(4.5)	(3.3)	5.9
iShares MSCI EAFE Small Cap ETF	2.3	(6.6)	(5.9)	0.8
iShares MSCI EAFE Value ETF	2.1	1.1	3.4	12.4
iShares MSCI EAFE Growth ETF	1.6	(10.2)	(10.1)	(1.1)
Emerging Markets Equity				
iShares MSCI Emerging Markets ETF	2.9	(0.8)	(0.4)	(11.0)
iShares MSCI Emerging Markets Small Cap ETF	2.6	(3.5)	(3.3)	8.9
"Other" Asset Classes				
iShares U.S. Real Estate ETF	0.1	(8.6)	(9.5)	22.1
iShares International Developed Real Estate ETF	0.6	(4.3)	(4.2)	4.7
SPDR Barclays High Yield Bond ETF	(0.6)	(3.1)	(3.3)	0.1
iShares S&P GSCI Commodity Indexed Trust	3.4	13.2	15.0	46.7

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.