

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

MARKET COMMENTARY

- The S&P 500 closed fractionally higher for the week, extending its winning streak to a third week, as a last gasp to the upside made up for early losses that were tied to lingering concerns about a global recession and the ongoing conflict in Eastern Europe.
- The benchmark index closed 0.06% higher at 4,545.86 versus last week's close of 4,543.06.
- For the month, the S&P gained 5.2% in March with the utility sector outperforming with an 11% gain from the month prior. But for the first quarter, the S&P 500 was down 5.6%, making this the worst quarter for the index since 2020. An impressive 34% gain in the energy sector and 5% gain in utilities were overshadowed by losses in the other nine sectors.
- Stocks were cautiously higher at the start of the week as Russia's war again Ukraine and the siege of the port town of Mariupol continued to hold global financial markets captive.
- For US investors, the risk that a recession will result from overly aggressive monetary policy was amplified by last week's economic data that suggested the post-pandemic economic surge is fading, causing consumer discretionary stocks like Best Buy (BBY) and Tapestry (TPR) to close with sizeable losses last week. But thanks to impressive gains in the cruise industry after the Centers for Disease Control eased cruise restrictions, the consumer discretionary sector eked out a 0.89% gain.
- Real estate was the top-performing sector within the S&P with a 4.43% gain for the week. While traditional real estate stocks closed the week with modest gains, the top names were in data storage and cell phone towers. Equinix (EQIX), Iron Mountain (IRM), and SBA Communications (SBAC) all gained more than 6% last week, while REITs were under increasing pressure from rising rates.
- Utility stocks gained a collective 3.7% with Constellation Energy (CEG) closing the week 7.8% higher and adding to last week's gain after creditors approved its debt restructuring plans.
- The semiconductor sector gave back last week's gains as investors rotated out of growth stocks and into value stocks amid concerns about a recession and COVID-related shutdowns that spread to China's largest city, Shanghai. Shares of Qualcomm (QCOM), Applied Materials (AMAT), and Advanced Micro Devices (AMD) were the worst-performing stocks in the technology sector with losses of 7%, 7%, and 9.5%, respectively. Thanks to outsized gains in payroll processing firms Paychex (PAYX) and Automatic Data Processing (ADP), the technology sector ended the week with a modest 0.12% gain.
- Financials, which comprised the worst-performing sector of the week, were down 3.28% as a flattening yield curve undermines banks' interest margins. Last week saw the yield between the 2-yr note and 10-yr note invert and end the week at a negative 8 basis point spread. This inversion was primarily responsible for stocks like Zions Bancorp (ZION) and M&T Bank (MTB) losing as much as 10% last week.
- Airline stocks got a boost by relaxed COVID travel restrictions, and a 23% rally in Nielson Holdings (NLSN) on a go-private offer helped blunt losses in freight stocks. But the industrial sector erased last week's gain and ended the week 1.5% lower, while energy shares lost a collective 2.4% to make it the second worst-performing sector.
- Last week's second-tier economic data was eclipsed by the March labor market report which showed the economy added 431,000 jobs. The jobless rate declined to 3.6% while at the same time, wages rose for the twelfth consecutive month. This fueled expectations that the Federal Reserve will hike interest rates 50 basis points in May even as regional data showed signs of a slowing manufacturing sector.
- Next week's calendar includes data on factory orders (Monday), trade balance (Tuesday), the S&P and ISM services sector PMIs (Tuesday) and the minutes from the March FOMC meeting at which the Fed raised rates by 25 basis points.

ASSET CLASS / BENCHMARK	1 WEEK	1 MONTH	YTD	1 YEAR
Investment Grade Fixed Income				
iShares Short-Term National AMT-Free Muni Bond ETF	(0.0)	(1.3)	(2.6)	(2.4)
iShares National AMT-Free Muni Bond ETF	0.2	(3.0)	(5.5)	(4.0)
iShares Core US Aggregate Bond ETF	0.8	(3.5)	(6.0)	(4.8)
Global Equity				
iShares MSCI ACWI	0.5	4.4	(5.1)	6.0
U.S. Equity				
iShares Core S&P 500 ETF	0.0	5.6	(4.3)	14.6
iShares Russell Mid Cap ETF	0.4	5.0	(5.2)	5.7
iShares Russell 2000 ETF	0.7	4.3	(6.5)	(6.3)
iShares Core U.S. Value ETF	(0.1)	5.1	0.3	12.0
iShares Core U.S. Growth ETF	0.3	6.1	(8.4)	15.5
Foreign Equity				
iShares MSCI EAFE ETF	0.7	3.7	(5.6)	(0.1)
iShares MSCI EAFE Small Cap ETF	0.3	2.6	(8.5)	(5.6)
iShares MSCI EAFE Value ETF	0.7	4.2	0.8	2.9
iShares MSCI EAFE Growth ETF	0.8	3.1	(12.1)	(3.7)
Emerging Markets Equity				
iShares MSCI Emerging Markets ETF	1.9	(0.5)	(6.0)	(13.1)
iShares MSCI Emerging Markets Small Cap ETF	2.3	4.1	(4.0)	4.0
"Other" Asset Classes				
iShares U.S. Real Estate ETF	3.9	8.9	(4.9)	20.2
iShares International Developed Real Estate ETF	1.7	4.6	(2.6)	2.3
SPDR Barclays High Yield Bond ETF	1.2	(0.9)	(4.8)	(1.8)
iShares S&P GSCI Commodity Indexed Trust	(7.3)	2.4	32.1	59.9

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.