

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 2.1% last week as investors digested the highest consumer inflation figure in four decades as well as a mixed start to the Q1 earnings season.
- The market benchmark ended Thursday's session at 4,392.59, down from last Friday's closing level of 4,488.28. Thursday marked the last trading day of the week as the US stock market will be closed Friday for the Good Friday holiday. The S&P 500 is now down 3% for the month of April and down 7.8% for the year to date.
- Despite being short, the week had multiple key updates on the state of the US economy, including inflation data for March and the kickoff of Q1 corporate earnings reports.
- The US consumer price index rose by a seasonally adjusted 1.2% in March, matching expectations, and the core consumer price index, which excludes food and energy prices, rose by 0.3%, which was better than the consensus estimate for a 0.5% increase. Still, the year-over-year rates for overall and core CPI jumped to 8.5% and 6.5%, respectively, from decades-high levels of 7.9% and 6.4% in the previous month.
- The US producer price index for March, meanwhile, rose by 1.4%, which was higher than the 1.1% gain expected. The core PPI figure, which excludes food and energy prices, also came in worse than expected at a rate of 0.9%, versus a 0.5% increase expected. Year over year, the PPI climbed 11.2% - marking the largest gain since records began in 2010 - while core PPI rose by 7%.
- On the earnings front, JPMorgan Chase (JPM) reported lower-than-expected Q1 earnings per share despite revenue coming in slightly above expectations while Delta Air Lines (DAL) posted a Q1 loss but said it anticipates a Q2 profit. Shares of JPMorgan fell 5.6% last week while Delta shares jumped 15%.
- By sector, technology and communication services had the largest percentage drops of the week, down by 3.8% and 3%, respectively. They were followed by a 2.9% decline in health care and a 2.6% slip in financials. Other sectors in the red included real estate, utilities and consumer discretionary.
- Four sectors managed to still post gains last week: Materials rose 0.7%, followed by a 0.4% lift in industrials, a 0.3% rise in energy and a 0.2% increase in consumer staples.
- In the technology sector, shares of PayPal (PYPL) fell 8% last week as the digital payments company said its chief financial officer, John Rainey, is leaving the company to join Walmart (WMT) as its chief financial officer. PayPal named Gabrielle Rabinovitch, its senior vice president of corporate finance and investor relations, as interim CFO while the company's board has launched a search for a permanent successor.
- In communication services, Twitter (TWTR) shares ended the week 2.5% lower as the microblogging company confirmed the receipt of an unsolicited, non-binding proposal from Elon Musk - who already has a stake of more than 9% in Twitter - to acquire all of its outstanding common stock for \$54.20 per share in cash. Twitter said its board will carefully review the proposal, but a Wall Street Journal report citing a person familiar with the situation said Twitter is also weighing a so-called poison pill, a legal mechanism that would prevent Musk from increasing his stake in the company significantly.
- On the upside, the materials sector's gainers included shares of LyondellBasell Industries (LYB), which climbed 6% as the company said it is committing more than \$10 million to support a program focused on the recovery of plastics across North America. Wells Fargo raised its price target on the stock to \$120 per share from \$115 while keeping its investment rating on the shares at overweight.
- Next week, the companies expected to release quarterly earnings include Bank of America (BAC), Charles Schwab (SCHW), Hasbro (HAS), Johnson & Johnson (JNJ), Netflix (NFLX), Procter & Gamble (PG), Alcoa (AA), AT&T (T) and Verizon Communications (VZ).
- Economic data will be on the lighter side but with an emphasis on housing data, including March building permits, housing starts and existing home sales.

ASSET CLASS / BENCHMARK	1 WEEK	1 MONTH	YTD	1 YEAR
Investment Grade Fixed Income				
iShares Short-Term National AMT-Free Muni Bond ETF	(0.4)	(1.1)	(3.4)	(3.4)
iShares National AMT-Free Muni Bond ETF	(0.9)	(2.4)	(6.9)	(5.9)
iShares Core US Aggregate Bond ETF	(1.2)	(3.0)	(8.5)	(7.5)
Global Equity				
iShares MSCI ACWI	(1.9)	5.3	(8.2)	0.5
U.S. Equity				
iShares Core S&P 500 ETF	(2.4)	5.3	(7.5)	7.9
iShares Russell Mid Cap ETF	(0.6)	6.2	(7.4)	1.4
iShares Russell 2000 ETF	(0.3)	3.4	(10.4)	(10.1)
iShares Core U.S. Value ETF	(0.1)	5.3	(0.3)	9.9
iShares Core U.S. Growth ETF	(4.3)	5.2	(13.9)	4.5
Foreign Equity				
iShares MSCI EAFE ETF	(1.2)	4.0	(8.5)	(4.7)
iShares MSCI EAFE Small Cap ETF	(0.9)	1.8	(11.3)	(10.5)
iShares MSCI EAFE Value ETF	0.1	4.3	(1.2)	(0.2)
iShares MSCI EAFE Growth ETF	(2.6)	3.3	(15.8)	(9.7)
Emerging Markets Equity				
iShares MSCI Emerging Markets ETF	(1.5)	6.5	(9.5)	(16.1)
iShares MSCI Emerging Markets Small Cap ETF	(1.1)	6.6	(5.7)	1.5
"Other" Asset Classes				
iShares U.S. Real Estate ETF	(1.1)	6.7	(6.2)	17.4
iShares International Developed Real Estate ETF	(1.0)	1.8	(5.8)	(3.9)
SPDR Barclays High Yield Bond ETF	(0.6)	0.7	(6.9)	(4.1)
iShares S&P GSCI Commodity Indexed Trust	7.6	8.9	40.6	66.0

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.