

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 1.9% last week, led by the communication services and consumer discretionary sectors as investors saw buying opportunities following a 21% drop in the first half of the year.
- The S&P 500 ended Friday's session at 3,899.38, up from last week's closing level of 3,825.33. The week had just four sessions as the US stock market was closed Monday for the Independence Day holiday.
- The week's climb came as the S&P 500 rose four sessions in a row through Thursday's close, marking its longest daily winning streak since March. It came close to extending the winning streak to a fifth day on Friday, but ended Friday's session just barely in the red with a 0.1% decline.
- The weekly gain also came despite mixed economic readings and expectations.
- Federal Reserve Bank of St. Louis President James Bullard, a voting member of the Federal Reserve's Federal Open Market Committee, on Thursday said "it would make a lot of sense" for the policy-setting committee to raise its key interest rate target by 75 basis points at its meeting later this month. Such a move would mark the second month in a row of an increase that large. While the rate increases are intended to tame inflation and thus help the economy, investors have been fearful a recession could be looming.
- Still, Bullard gave upbeat comments on the economic outlook. He described the labor market as robust and said output is expected to continue to expand through 2022.
- Friday, the Labor Department reported US jobs rose by more than expected in June while the unemployment rate remained unchanged for the fourth month in a row. Nonfarm employment increased by 372,000 jobs last month following a downwardly revised gain of 384,000 in May, the Bureau of Labor Statistics said Friday. The consensus on Econoday was for a 270,000 rise. The unemployment rate remained unchanged at 3.6%, matching the Street's view.
- The communication services sector had the largest percentage gain last week, climbing 4.9%, followed by a 4.6% rise in consumer discretionary and a 4.3% increase in technology. Other gainers included the health care sector and financials.
- On the downside, the utilities sector fell 2.9%, followed by a 2.4% drop in energy. Other decliners included materials, real estate, consumer staples and industrials.
- In communication services, shares of Facebook parent Meta Platforms (META) were among the sector's best-performing stocks last week, climbing 6.8%. The social media company "remains well-positioned to benefit from the evolution of social commerce, commercial aspects, and future monetization potential of the Metaverse," Tigress Financial Partners said in a Thursday note to clients while reiterating a strong buy investment rating on the stock.
- The gainers in consumer discretionary included shares of Amazon.com (AMZN), which struck a deal that could result in it acquiring a stake of as much as 15% in European food giant Just Eat Takeaway's US arm, Grubhub. Under the deal, a subsidiary of Amazon will receive warrants to purchase a 2% shareholding in Grubhub and could acquire an additional stake of up to 13%. The deal also gives Amazon's US Prime members free food deliveries via Grubhub for one year. Shares of Amazon rose 5.5% on the week.
- The utilities sector's decliners included FirstEnergy (FE), whose shares fell 5.6%. Goldman Sachs cut its price target on the electric distribution company's stock to \$44 per share from \$46 while maintaining a buy investment rating on the shares.
- Next week, the Q2 earnings reporting season will kick off with reports from companies including Delta Air Lines (DAL), JPMorgan Chase (JPM), Morgan Stanley (MS), UnitedHealth Group (UNH), Wells Fargo (WFC) and Citigroup (C).
- Economic data expected next week include the June consumer price index on Wednesday, the June producer price index on Thursday and June retail sales on Friday.

| 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 | 0.1    | (0.0)   | (2.2)  | (2.4)  |
| iShares National AMT-Free Muni Bond ETF            | 0.4    | (0.5)   | (7.4)  | (7.8)  |
| iShares Core US Aggregate Bond ETF                 | (0.3)  | (0.7)   | (10.4) | (11.2) |
| <b>Global Equity</b>                               |        |         |        |        |
| iShares MSCI ACWI                                  | 1.9    | (6.1)   | (18.5) | (13.5) |
| <b>U.S. Equity</b>                                 |        |         |        |        |
| iShares Core S&P 500 ETF                           | 3.0    | (5.1)   | (17.6) | (8.5)  |
| iShares Russell Mid Cap ETF                        | 2.9    | (7.5)   | (19.4) | (14.3) |
| iShares Russell 2000 ETF                           | 3.7    | (6.3)   | (20.7) | (19.9) |
| iShares Core U.S. Value ETF                        | 1.2    | (6.7)   | (10.5) | (3.1)  |
| iShares Core U.S. Growth ETF                       | 4.8    | (3.7)   | (23.8) | (14.0) |
| <b>Foreign Equity</b>                              |        |         |        |        |
| iShares MSCI EAFE ETF                              | (0.2)  | (7.9)   | (19.0) | (16.9) |
| iShares MSCI EAFE Small Cap ETF                    | 0.0    | (8.9)   | (23.9) | (22.9) |
| iShares MSCI EAFE Value ETF                        | (1.2)  | (9.9)   | (12.4) | (11.2) |
| iShares MSCI EAFE Growth ETF                       | 0.8    | (5.8)   | (25.7) | (22.8) |
| <b>Emerging Markets Equity</b>                     |        |         |        |        |
| iShares MSCI Emerging Markets ETF                  | (0.0)  | (5.9)   | (17.2) | (22.0) |
| iShares MSCI Emerging Markets Small Cap ETF        | (0.3)  | (9.0)   | (20.4) | (19.8) |
| <b>"Other" Asset Classes</b>                       |        |         |        |        |
| iShares U.S. Real Estate ETF                       | 1.1    | (3.8)   | (19.3) | (8.6)  |
| iShares International Developed Real Estate ETF    | (0.4)  | (8.6)   | (20.3) | (22.1) |
| SPDR Barclays High Yield Bond ETF                  | 2.2    | (3.4)   | (12.9) | (12.0) |
| iShares S&P GSCI Commodity Indexed Trust           | (1.4)  | (13.6)  | 33.1   | 44.3   |

## IMPORTANT NOTES

ALL COMMENTARY SOURCED FROM YCHARTS WEEKLY MARKET PULSE AND ARE TO BE USED FOR INFORMATIONAL PURPOSES ONLY.

PRIOR PERFORMANCE IS NO GUARANTEE OF FUTURE RESULTS. INDIVIDUAL INVESTOR PERFORMANCE MAY VARY. ALL INVESTING INVOLVES THE RISK OF LOSS INCLUDING THE POSSIBLE LOSS OF ALL AMOUNTS INVESTED. DIFFERENT TYPES OF INVESTMENTS INVOLVE VARYING DEGREES OF RISK, AND THERE CAN BE NO ASSURANCE THAT ANY SPECIFIC INVESTMENT WILL BE PROFITABLE.

MARKET-RELATED DATA INCLUDED IN CHARTS AND GRAPHS IS SOURCED FROM YCHARTS.

ALL RETURNS REFERENCED ARE EXCHANGE TRADED FUNDS (ETFs) DESIGNED TO TRACK A PARTICULAR INDEX OR BENCHMARK. THERE CAN BE NO GUARANTEE THE ETFs ACHIEVE THEIR OBJECTIVE. BENCHMARK DESCRIPTIONS PROVIDED BELOW.

WHILE THE INFORMATION CONTAINED HEREIN WAS OBTAINED FROM SOURCES BELIEVED TO BE RELIABLE, CPWM CANNOT GUARANTEE ITS ACCURACY OR COMPLETENESS. TOTALS MAY NOT SUM DUE TO ROUNDING.

THESE MATERIALS MAY NOT BE REPRODUCED, DISTRIBUTED, OR USED FOR ANY OTHER PURPOSE OR SHARED WITH ANYONE IN ANY FORM OR FORMAT. REPRODUCTION OR DISTRIBUTION OF THESE MATERIALS MAY CONSTITUTE A VIOLATION OF FEDERAL OR STATE SECURITIES LAWS AND CERTAIN CONFIDENTIALITY AGREEMENTS TO WHICH THE INTENDED RECIPIENT IS A PARTY.

THIS IS NOT AN OFFER TO INVEST OR AN OFFER FOR ADVISORY SERVICES.

## 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.