

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 4.3% last week and recorded a 9.1% July climb, its strongest monthly gain in nearly two years, as better-than-expected quarterly earnings fueled a relief rally.
- The S&P 500 ended Friday's session at 4,130.29, up from last Friday's closing level of 3,961.63.
- Last week's advance helped lock in the S&P 500's strongest month of gains since November 2020. Still, July's 9.1% jump failed to erase all of June's tumble; the index is still below May's closing level of 4,132.15. For 2022, the S&P 500 is also still solidly in the red with a 13% drop for the year to date.
- The weekly climb came even as the Federal Reserve's policy-setting committee raised its key rate by another 0.75 point and data indicated the US economy may have entered a recession.
- The rate increase, made Wednesday by the Fed's Federal Open Market Committee, brought the central bank's benchmark lending rate to a range of 2.25% to 2.5%, in line with Wall Street projections but marking the highest level since December 2018. The move, which marked the second month in a row that the rate was increased by 0.75 point, came two weeks after inflation data showed US consumer prices soared 9.1% in June.
- Gross domestic product data released Thursday showed the US economy shrank in the second quarter as consumer spending slowed, triggering questions over whether a recession has begun. The Q2 GDP contraction amounted to a 0.9% annualized drop and follows a 1.6% contraction in the first quarter. Recessions are often defined by two successive quarters of GDP contractions, but the National Bureau of Economic Research makes the official determination considering many factors.
- At a Wednesday press conference ahead of the GDP data, Fed Chairman Jerome Powell said there are "too many areas of the economy that are performing too well" for him to think the US is in a recession. Still, he acknowledged that demand was "moderating."
- The week's advance was broad, with every sector of the S&P 500 gaining. Energy had the largest percentage increase, up 10%, followed by a 6.5% climb in utilities and a 5.7% rise in industrials. Other sectors up by more than 5% each included consumer discretionary and technology.
- In the energy sector, shares of Hess (HES) climbed 11% as the oil and gas company reported Q2 adjusted EPS and revenue above year-earlier results and analysts' mean estimates.
- The gainers in the utilities sector included shares of Edison International (EIX), which rose 11% from a week earlier as the company reported Q2 adjusted earnings per share and revenue above analysts' mean estimates. The electric utility holding company reiterated its full-year EPS guidance.
- In industrials, shares of United Rentals (URI) jumped 18% as the equipment rental company reported Q2 adjusted EPS and revenue above year-earlier results and analysts' mean estimates. The company also raised its guidance for 2022 revenue.
- Companies expected to release quarterly results next week include Activision Blizzard (ATVI), Advanced Micro Devices (AMD), Starbucks (SBUX), Caterpillar (CAT), CVS Health (CVS), Eli Lilly (LLY), ConocoPhillips (COP) and Berkshire Hathaway (BRK.A, BRK.B).
- On the economic front, the market will get July readings on the manufacturing and services sectors from Standard & Poor's as well as the Institute for Supply Management in the earlier part of next week, but July jobs numbers due Friday are likely to receive the most attention.

| ASSET CLASS / BENCHMARK | 1 WEEK | 1 MONTH | YTD | 1 YEAR |
|----------------------------------------------------|--------|---------|--------|--------|
| Investment Grade Fixed Income | | | | |
| iShares Short-Term National AMT-Free Muni Bond ETF | 0.1 | 1.0 | (1.5) | (1.8) |
| iShares National AMT-Free Muni Bond ETF | 0.6 | 2.7 | (5.8) | (6.1) |
| iShares Core US Aggregate Bond ETF | 0.7 | 3.0 | (7.9) | (8.9) |
| Global Equity | | | | |
| iShares MSCI ACWI | 3.8 | 6.2 | (14.3) | (10.8) |
| U.S. Equity | | | | |
| iShares Core S&P 500 ETF | 4.3 | 8.4 | (12.6) | (5.1) |
| iShares Russell Mid Cap ETF | 4.3 | 8.8 | (14.0) | (10.4) |
| iShares Russell 2000 ETF | 4.3 | 9.7 | (15.4) | (14.9) |
| iShares Core U.S. Value ETF | 3.5 | 5.6 | (6.2) | (0.4) |
| iShares Core U.S. Growth ETF | 5.2 | 11.3 | (18.2) | (9.8) |
| Foreign Equity | | | | |
| iShares MSCI EAFE ETF | 3.7 | 4.6 | (14.6) | (14.2) |
| iShares MSCI EAFE Small Cap ETF | 3.5 | 6.2 | (18.8) | (20.2) |
| iShares MSCI EAFE Value ETF | 3.5 | 1.1 | (9.4) | (10.2) |
| iShares MSCI EAFE Growth ETF | 3.6 | 8.0 | (20.2) | (19.0) |
| Emerging Markets Equity | | | | |
| iShares MSCI Emerging Markets ETF | 1.4 | (0.8) | (17.5) | (21.5) |
| iShares MSCI Emerging Markets Small Cap ETF | 2.5 | 2.1 | (17.6) | (18.4) |
| "Other" Asset Classes | | | | |
| iShares U.S. Real Estate ETF | 5.0 | 8.6 | (13.1) | (4.0) |
| iShares International Developed Real Estate ETF | 3.3 | 5.0 | (15.1) | (17.9) |
| SPDR Barclays High Yield Bond ETF | 1.7 | 6.6 | (9.0) | (8.2) |
| iShares S&P GSCI Commodity Indexed Trust | 4.6 | (3.6) | 34.0 | 40.2 |

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.