

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

MARKET COMMENTARY

- The S&P 500 closed lower for a second straight week as Federal Reserve chairman Jerome Powell's blunt remarks at the Jackson Hole Fed symposium spooked financial markets and left all the major US indices with heavy losses. After Powell threw cold water on the possibility for the Fed to moderate restrictive monetary policy to avert a recession, the S&P 500 continued to lose ground and closed below 4,100 for the first time in a month.
- As a result, the benchmark index closed the week 4% lower at 4,057.66 from last week's close of 4,228.48 with all but one of the 11 sectors ending the week in the red.
- The one exception was the energy sector which closed higher for a third consecutive week with a 4.3% gain fueled by comments from members of the Organization of Petroleum Exporting Countries concerning production cuts to stabilize prices. A new oil discovery off the coast of Suriname launched APA Corp (APA) to the top spot with an 11% gain over the prior week's close.
- The tech sector limped into the close down by more than 5.6%, as disappointing guidance from Salesforce (CRM) and Nvidia (NVDA) underscored the sector's vulnerability to macroeconomic headwinds. Both saw their price targets cut by Wall Street analysts after releasing second-quarter results after Wednesday's close.
- Financial stocks were weighed down by the combination of higher Treasury yields and broader market pressure, adding another 3.6% to last week's loss. Citigroup (C), down 5.4% from last week, retreated late in the week after announcing that it would shutter its Russian consumer operations at a cost of \$170 million over the next 18 months.
- The industrial sector closed with a loss of 3.4% as heavy selling pressure on building stocks was offset by gains in defense names like Raytheon (RTX) and Northrop Grumman (NOC).
- Twitter (TWTR) shares were dragged lower for a second week as whistleblower allegations concerning lax security at the social media site undermined its legal case against Elon Musk. The stock was down another 8% last week and was the worst performing stock within the communication sector (-4.8%).
- The consumer discretionary and consumer staples sectors were lower by 4.8% and 3.3%, respectively, while utilities were down 2.6% for the week. Real estate stocks were down a collective 4% with the poor performance of the housing market causing REIT stocks to slide by as much as 6%.
- Gloomy data on manufacturing and the housing market last week showed new home sales plunging 12.6% in July while pending home sales were down another 1% as higher mortgage rates continue to choke off demand. The S&P Global services PMI fell to its lowest level since May 2020 while the Richmond Fed manufacturing index sunk to a 27-month low.
- But the economic data was eclipsed Friday by Powell's blunt message to Wall Street that struck a very different tone from his "inflation is transitory" speech from Jackson Hole 2021. Powell's hawkish tone came with a warning that the Fed would do whatever is necessary to restore price stability, even if efforts to slow the economy lead to a recession. The S&P 500 suffered its biggest one-day decline since late June before bottoming out below 4,100.
- Next week's calendar could give the Fed the ammunition it needs for another 75 basis point rate hike at its next FOMC meeting (Sept 20-21) with data on non-farm productivity and unit labor costs, as well as the S&P Global manufacturing and Institute for Supply Management PMIs for August.
- Data on the labor market next week includes job openings and labor turnover (JOLTS) Tuesday, private payrolls (ADP) on Wednesday, culminating in the pivotal August non-farm payroll report Friday with early estimates at +290,000.

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)	(0.8)	(2.5)	(2.7)
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iShares Core US Aggregate Bond ETF	(0.4)	(1.1)	(9.9)	(10.6)
Global Equity				
iShares MSCI ACWI	(3.2)	2.5	(16.1)	(12.9)
U.S. Equity				
iShares Core S&P 500 ETF	(4.0)	3.7	(14.1)	(7.9)
iShares Russell Mid Cap ETF	(3.3)	4.4	(14.6)	(11.9)
iShares Russell 2000 ETF	(2.9)	5.4	(14.7)	(13.3)
iShares Core U.S. Value ETF	(3.1)	2.7	(6.8)	(2.0)
iShares Core U.S. Growth ETF	(4.7)	4.9	(20.2)	(13.4)
Foreign Equity				
iShares MSCI EAFE ETF	(3.1)	(0.5)	(18.5)	(18.2)
iShares MSCI EAFE Small Cap ETF	(3.0)	(0.5)	(22.9)	(24.6)
iShares MSCI EAFE Value ETF	(2.2)	0.2	(12.3)	(12.4)
iShares MSCI EAFE Growth ETF	(3.8)	(1.2)	(24.8)	(24.3)
Emerging Markets Equity				
iShares MSCI Emerging Markets ETF	0.3	1.9	(17.4)	(19.6)
iShares MSCI Emerging Markets Small Cap ETF	0.2	4.8	(16.6)	(14.5)
"Other" Asset Classes				
iShares U.S. Real Estate ETF	(3.7)	1.4	(15.9)	(6.8)
iShares International Developed Real Estate ETF	(3.3)	(3.6)	(21.1)	(23.0)
SPDR Barclays High Yield Bond ETF	(1.6)	(0.1)	(11.2)	(10.4)
iShares S&P GSCI Commodity Indexed Trust	3.1	3.3	34.8	46.1

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.