

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 2.9% last week, its third consecutive week in the red, as investors concluded Q3 full of worries about the global economy.
- The S&P 500 ended Friday's session at 3,585.62, down from last week's closing level of 3,693.23. This brought the index to a 5.3% drop for Q3, including a 9.3% loss for the month of September and marking its third consecutive quarter in the red. With just one quarter remaining in 2022, the S&P 500 is now down 25% for the year to date.
- The S&P 500 has shed 12% in the past three weeks amid concerns about inflation, monetary tightening, and the effects on global economic growth. The slide comes as global central banks have been raising lending rates in an attempt to combat inflation, yet prices have remained elevated. With the Q3 earnings reporting season just weeks away, companies have been warning investors about the negative impacts of higher costs on their profitability.
- In the latest week, bond market turmoil became another cause for concern and helped send the S&P 500 to lows not seen since November 2020. Also adding to worries, data showed the average 30-year mortgage rate is now at its highest level since 2007 and confirmed a prior estimate that the US economy contracted by 0.6% in Q2 following a 1.6% contraction in Q1.
- Friday, fresh data showed while US consumer spending topped expectations for August, the Federal Reserve's preferred inflation measure also rose by more than expected despite Fed efforts to tame it. The inflation measure, the core personal consumption expenditure price index, advanced to a 4.9% annual rate in August from 4.7% in July, surpassing the Street's consensus view for a 4.8% reading.
- All but one of the S&P 500's sectors participated in the weekly drop. Utilities had the biggest percentage decline, falling 8.8%, followed by a 4.2% drop in technology, a 4% slip in consumer staples, and a 3.9% decrease in real estate.
- Energy was the lone sector in positive territory for the week with a 1.8% increase.
- The decliners in the utilities sector included Duke Energy (DUK), whose shares slid 10% as the electric and natural gas company said Hurricane Ian cut power to many of its Florida customers. While the company said more than 650,000 customers have had power restored thus far, it also noted about 430,000 customers were still without power as of midday Friday, with outages spread throughout its territory.
- The technology sector was weighed down by shares of Apple (AAPL), which declined 8.1% on the week as BofA Securities Thursday downgraded its investment rating on the consumer technology company's stock to neutral from buy amid expectations for consumer spending to slow.
- In consumer staples, shares of Walgreens Boots Alliance (WBA) shed 4.4% as fellow pharmacy retailer Rite Aid (RAD) reported a wider-than-expected fiscal Q2 loss and said it expects consumer spending and supply chain challenges to persist through the second half of the year.
- On the upside, the energy sector's climb came despite weekly declines in crude oil and natural gas futures. The sector's gainers included shares of Occidental Petroleum (OXY), which rose 4.6% as Berkshire Hathaway (BRK.A, BRK.B) said it added about six million of the company's shares.
- Next week, October will kick off with data on September manufacturing and services as well as August construction spending and factory orders in the first few days of the week, but September jobs data due Friday will 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	(0.3)	(1.3)	(3.9)	(3.9)
iShares National AMT-Free Muni Bond ETF	(0.8)	(2.7)	(10.6)	(10.0)
iShares Core US Aggregate Bond ETF	(0.9)	(4.7)	(14.4)	(14.5)
Global Equity				
iShares MSCI ACWI	(2.5)	(10.0)	(25.7)	(20.5)
U.S. Equity				
iShares Core S&P 500 ETF	(2.9)	(9.9)	(23.9)	(15.5)
iShares Russell Mid Cap ETF	(1.8)	(9.8)	(24.3)	(19.4)
iShares Russell 2000 ETF	(0.9)	(10.2)	(25.1)	(23.6)
iShares Core U.S. Value ETF	(2.6)	(9.2)	(16.6)	(9.7)
iShares Core U.S. Growth ETF	(2.9)	(10.7)	(30.2)	(21.0)
Foreign Equity				
iShares MSCI EAFE ETF	(1.3)	(9.8)	(27.2)	(25.1)
iShares MSCI EAFE Small Cap ETF	(2.0)	(11.1)	(32.0)	(31.8)
iShares MSCI EAFE Value ETF	(2.5)	(9.5)	(21.3)	(20.1)
iShares MSCI EAFE Growth ETF	(0.7)	(10.5)	(33.5)	(30.6)
Emerging Markets Equity				
iShares MSCI Emerging Markets ETF	(3.1)	(11.2)	(28.0)	(29.1)
iShares MSCI Emerging Markets Small Cap ETF	(2.6)	(9.0)	(24.6)	(22.9)
"Other" Asset Classes				
iShares U.S. Real Estate ETF	(4.1)	(13.0)	(28.6)	(18.2)
iShares International Developed Real Estate ETF	(2.5)	(13.3)	(31.4)	(29.8)
SPDR Barclays High Yield Bond ETF	(1.1)	(4.5)	(16.2)	(15.6)
iShares S&P GSCI Commodity Indexed Trust	0.2	(9.6)	20.3	22.1

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.

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.

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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.