

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 1.5% last week, kicking off the final quarter of 2022 in positive territory following three weeks of declines.
- The slight weekly advance came as gains booked earlier in the week on hopes for rate increases to start slowing managed to more than offset a slide posted later in the week as stronger-than-expected September jobs data seemingly dashed those hopes.
- The S&P 500 ended Friday's session at 3,639.66, up from a closing level of 3,585.62 a week earlier when the market benchmark ended September with a 9.3% monthly drop and a 5.3% Q3 decline. The S&P 500 is now down nearly 24% year-to-date.
- The US stock market's September slide came amid concerns about inflation, monetary tightening and the effects on global economic growth. Global central banks have been raising lending rates in an attempt to combat inflation, yet prices have remained elevated. Meanwhile, with Q3 earnings reports approaching, some companies have been warning investors about the negative impacts of higher costs on their profitability.
- Stocks, however, posted strong gains earlier last week as investors grew hopeful for central banks to start slowing the pace of their rate increases. These hopes came as the World Trade Organization cut its forecast for global economic growth in 2023 and warned that the global economy could experience a more significant slowdown if central banks raise interest rates too sharply. Also, a US Labor Department report showed US employers' job openings fell by 10% in August while layoffs rose.
- Investors were hoping slowdowns in the economy and labor market could be signs the rate increases are already working and could prompt central banks to slow the pace of future rate increases.
- However, September jobs data in the US, released Friday, showed nonfarm payrolls rose by 263,000 last month, slightly ahead of the 250,000 jobs increase expected in a survey compiled by Bloomberg. The unemployment rate, which had been expected to have no change from August, unexpectedly improved to 3.5% in September from 3.7% in August.
- The S&P 500 fell 2.8% on Friday as the stronger-than-expected jobs data prompted investors to resume expectations for the Federal Open Market Committee to keep up a more aggressive pace of rate increases.
- Despite the Friday losses, seven of the S&P 500's 11 sectors still ended the week in positive territory versus last Friday. The energy sector posted the strongest advance with 14% climb, followed by a 2.9% increase in industrials and a 2.1% rise in materials.
- The four declining sectors were led by real estate, which fell 4.2%, followed by a 2.6% decrease in utilities, a 1.1% decline in consumer discretionary and a 0.4% slip in consumer staples.
- The jump in the energy sector came as crude-oil futures climbed amid an agreement for a production cut by the Organization of the Petroleum Exporting Countries and its Russia-led allies. The agreement is for output to be slashed by 2 million barrels of oil a day. Gainers included Marathon Oil (MRO) and APA (APA), whose shares surged 24% each.
- In the industrial sector, gainers included United Rentals (URI), whose shares rose 5.3%. The equipment rental company said it has agreed to buy electric dumpsters from JCB for its North American rental fleet. The company said it expects to offer the electric dumpsters to customers in Q4.
- On the downside, the decliners in real estate included Welltower (WELL) as RBC Capital Markets cut its price target on the health-care infrastructure company's stock to \$79 per share from \$96 while also lowering its earnings estimates for the company, citing higher interest rates and foreign-exchange moves. Shares of Welltower shed 8.9%.
- Next week, the Q3 earnings reporting season will kick off with reports expected from companies including Wells Fargo (WFC), Delta Air Lines (DAL), JPMorgan Chase (JPM), Morgan Stanley (MS), Citigroup (C) and UnitedHealth Group (UNH).
- Economic reports expected to receive attention next week include the September consumer price index on Thursday and September retail sales on Friday.

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	(0.9)	(3.6)	(3.6)
iShares National AMT-Free Muni Bond ETF	1.1	(1.5)	(9.6)	(8.9)
iShares Core US Aggregate Bond ETF	(0.4)	(4.1)	(14.7)	(14.6)
Global Equity				
iShares MSCI ACWI	1.5	(7.8)	(24.6)	(20.6)
U.S. Equity				
iShares Core S&P 500 ETF	1.6	(8.4)	(22.7)	(16.0)
iShares Russell Mid Cap ETF	2.4	(7.8)	(22.5)	(19.3)
iShares Russell 2000 ETF	2.2	(7.0)	(23.5)	(23.5)
iShares Core U.S. Value ETF	2.2	(7.2)	(14.8)	(10.1)
iShares Core U.S. Growth ETF	1.3	(9.1)	(29.3)	(21.5)
Foreign Equity				
iShares MSCI EAFE ETF	1.5	(6.6)	(26.1)	(24.0)
iShares MSCI EAFE Small Cap ETF	0.7	(8.0)	(31.5)	(30.9)
iShares MSCI EAFE Value ETF	1.9	(5.8)	(19.8)	(19.1)
iShares MSCI EAFE Growth ETF	1.7	(7.0)	(32.4)	(29.1)
Emerging Markets Equity				
iShares MSCI Emerging Markets ETF	2.2	(7.7)	(26.4)	(27.9)
iShares MSCI Emerging Markets Small Cap ETF	1.6	(6.8)	(23.4)	(21.9)
"Other" Asset Classes				
iShares U.S. Real Estate ETF	(3.4)	(17.3)	(31.0)	(22.4)
iShares International Developed Real Estate ETF	(1.8)	(12.8)	(32.7)	(31.8)
SPDR Barclays High Yield Bond ETF	1.4	(3.8)	(15.1)	(14.2)
iShares S&P GSCI Commodity Indexed Trust	9.9	7.0	32.1	29.5

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.