

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

**MARKET COMMENTARY**

- The S&P 500 index shed 0.7% last week, led by the consumer discretionary sector as a number of retailers released weaker-than-expected quarterly results and cut their forecasts.
- The market benchmark ended Friday's session at 3,965.34, down from last Friday's closing level of 3,992.93. The decline erased only part of last week's 5.9% jump; the S&P 500 is still up 2.4% for November to date. Nevertheless, the S&P 500 is solidly in the red for 2022 thus far with a year-to-date drop of 17%.
- The weekly decline came as some retail companies including Target (TGT) reported quarterly earnings below analysts' expectations and lowered guidance. The week's drop also reflects a paring of the excitement over slower-than-expected inflation that fueled last week's rally.
- Among the S&P 500's sectors, the consumer discretionary sector had the largest percentage drop last week, sliding 3.1%, followed by a 2.4% drop in energy, a 1.8% decline in real estate and a 1.6% slip in materials.
- However, three sectors managed to post gains: Consumer staples rose 1.7%, followed by a 1% increase in health care and a 0.8% rise in utilities.
- The decliners in consumer discretionary included Target, whose shares fell 6% on the week amid its earnings miss, and Advance Auto Parts (AAP) and Mohawk Industries (MHK).
- Advance Auto Parts' fiscal Q3 adjusted earnings per share and revenue both missed analysts' expectations amid a margin contraction. The company also lowered its full-year profit forecast, citing currency fluctuations. Shares fell 21%.
- Mohawk Industries' shares slipped 9% as the company reported fiscal Q3 adjusted earnings per share that merely matched the Street view while revenue missed analysts' mean estimate.
- The energy sector's drop coincided with a decline in crude oil futures. West Texas Intermediate crude oil hit its lowest level in six weeks on Friday as a rising number of new Covid-19 cases in China added to concerns over demand from the world's No.1 importer. The sector's decliners included Coterra Energy (CTRA), which fell 6.5%, and Marathon Oil (MRO), which slid 6.3%.
- The real estate sector's drop came as investors worried about the impact of higher lending rates on the real estate market. Decliners included Boston Properties (BXP), down 6.8%; and Welltower (WELL), down 5.3%.
- On the upside, the gain in consumer staples was led by Walmart (WMT), which reported quarterly results above analysts' mean estimates and raised its full-year guidance as high inflation is expected to fuel more demand for the company's discounted prices. Walmart's shares climbed 5.4%.
- Next week, inflation will continue to be a focal point as inflation expectations from the New York Fed are expected on Monday. Retail sales for October are due Wednesday while October building permits and housing starts are also due Wednesday. Investors will get another reading on real estate on Friday, when existing home sales for October will be released.

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	0.3	0.9	(2.8)	(2.6)
iShares National AMT-Free Muni Bond ETF	1.0	1.6	(8.3)	(7.9)
iShares Core US Aggregate Bond ETF	0.5	2.3	(13.4)	(13.3)
<b>Global Equity</b>				
iShares MSCI ACWI	(0.7)	8.2	(17.0)	(17.1)
<b>U.S. Equity</b>				
iShares Core S&P 500 ETF	(0.6)	6.8	(15.6)	(14.4)
iShares Russell Mid Cap ETF	(1.6)	7.4	(15.3)	(16.4)
iShares Russell 2000 ETF	(1.7)	5.5	(16.6)	(20.8)
iShares Core U.S. Value ETF	(0.0)	9.1	(4.2)	(1.6)
iShares Core U.S. Growth ETF	(1.3)	4.1	(25.3)	(25.2)
<b>Foreign Equity</b>				
iShares MSCI EAFE ETF	(0.5)	12.7	(15.3)	(16.2)
iShares MSCI EAFE Small Cap ETF	(1.5)	11.6	(22.5)	(23.8)
iShares MSCI EAFE Value ETF	0.2	12.4	(8.1)	(8.3)
iShares MSCI EAFE Growth ETF	(1.0)	12.5	(22.8)	(24.2)
<b>Emerging Markets Equity</b>				
iShares MSCI Emerging Markets ETF	(0.3)	8.2	(21.5)	(23.6)
iShares MSCI Emerging Markets Small Cap ETF	(1.0)	5.6	(19.8)	(19.9)
<b>"Other" Asset Classes</b>				
iShares U.S. Real Estate ETF	(1.6)	7.3	(24.1)	(19.3)
iShares International Developed Real Estate ETF	(1.7)	11.3	(25.2)	(26.1)
SPDR Barclays High Yield Bond ETF	(0.2)	2.3	(12.3)	(11.3)
iShares S&P GSCI Commodity Indexed Trust	(4.4)	0.2	25.3	22.4

## 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.

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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.