

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

MARKET COMMENTARY

- U.S. equity indexes ticked up during the period with the Dow Jones, Nasdaq and S&P 500 all posting gains. Gold advanced and oil was slightly down. The 10-year U.S. Treasury note yield ended the week at approximately 2.41%.
- The release of the latest Federal Open Market Committee (FOMC) minutes revealed that participants emphasized considerable uncertainty surrounding the timing, size and composition of any future fiscal policy initiative.
- Meeting participants indicated that upside risks to their forecasts for economic growth had increased as a result of prospects for more expansionary fiscal policies in coming years. Several members noted that if the labor market appeared to be tightening significantly more than expected, it might become necessary to adjust the FOMC's communication consistent with the possibility that a less gradual pace of rate hikes could become appropriate.
- According to the December nonfarm payroll report, the U.S. added 156K jobs, below the 175K consensus estimate. However, November's level was revised higher to 204K from 178K, while October was revised lower by 7K. The three-month average monthly gain now stands at 165K.
- The unemployment rate rose to 4.7% from 4.6%, in line with consensus. Average hourly earnings rose 0.4% month-to-month after a slight decline in the prior month. The year-to-year rate rose to 2.9%, the highest since June 2009. However, average weekly hours were unchanged at 34.3, below the 34.4 expected.
- The Institute for Supply Management's ISM manufacturing index increased to 54.7 in December from 53.2 in November. This was ahead of the 53.7 consensus.
- The ISM non-manufacturing index also beat expectations for December, coming in at 57.2. That beat the 56.8 consensus estimate and was unchanged from the prior month. New orders rose to 61.6 from 57.0 in November. However, the employment component fell to 53.8 from 58.2.
- December auto sales are on pace for a new trend high with the majority of automakers having reported results. Auto data pegged the final tally at a SAAR of 18.4M. That is above the November 2015 peak rate of 18.1M, while beating the 17.5M-17.7M consensus estimate, and up from a 17.5M in the previous month.

MARKET PERFORMANCE

ASSET CLASS / BENCHMARK	1 WEEK	1 MONTH	YTD	1 YEAR
Investment Grade Fixed Income				
iShares Short-Term National AMT-Free Muni Bond ETF	0.0	0.4	0.0	(0.2)
iShares National AMT-Free Muni Bond ETF	0.2	1.1	0.2	(0.4)
iShares Core US Aggregate Bond ETF	0.2	0.4	0.2	2.2
U.S. Equity				
iShares Core S&P 500 ETF	1.6	3.1	1.6	16.9
iShares Russell Mid Cap ETF	1.8	1.9	1.8	18.9
iShares Russell 2000 ETF	0.6	1.2	0.6	26.9
iShares Core U.S. Value ETF	1.2	2.4	1.2	23.0
iShares Core U.S. Growth ETF	2.2	3.2	2.2	13.0
Foreign Equity				
iShares MSCI EAFE ETF	2.3	3.5	2.3	7.2
iShares MSCI EAFE Small Cap ETF	2.3	3.6	2.3	8.1
iShares MSCI EAFE Value ETF	2.6	3.4	2.6	11.9
iShares MSCI EAFE Growth ETF	1.9	3.2	1.9	2.3
Emerging Markets Equity				
iShares MSCI Emerging Markets ETF	2.7	2.1	2.7	19.0
iShares MSCI Emerging Markets Small Cap ETF	2.3	1.7	2.3	6.6
"Other" Asset Classes				
iShares U.S. Real Estate ETF	1.9	5.3	1.9	8.7
iShares International Developed Real Estate ETF	2.3	2.6	2.3	5.8
SPDR Barclays High Yield Bond ETF	0.8	1.8	0.8	15.8
iShares S&P GSCI Commodity Indexed Trust	(0.6)	1.7	(0.6)	14.8

IMPORTANT NOTES

ALL COMMENTARY SOURCED FROM VOYA GLOBAL PERSPECTIVES REPORT AND 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 MORNINGSTAR.COM.

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, CPCM CANNOT GUARANTEE ITS ACCURACY OR COMPLETENESS. TOTALS MAY NOT SUM DUE TO ROUNDING.

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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 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.