

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

**MARKET COMMENTARY**

- Major U.S. equity indexes dipped during inauguration week with the S&P 500, Dow Jones and Nasdaq each posting a slight loss. Oil was also down, gold finished higher. The 10-year U.S. Treasury yield closed at approximately 2.47%.
- With 12% of S&P 500 companies having reported fourth quarter results, 61% have beaten earnings expectations while 47% have beaten sales expectations. According to FactSet, the fourth quarter blended earnings growth rate for the S&P 500 is 3.4%. If the index reports earnings growth for the quarter, it will mark the first time the index has recorded year-over-year earnings growth for two consecutive quarters since Q4 2014 and Q1 2015. CoLucid Pharmaceuticals, Clayton Williams Energy and Netflix impressed this week; Rent-A-Center, Pearson PLC and Target were among the disappointments.
- President Donald Trump delivered his inauguration speech and largely echoed the populist approach from his campaign, repeating intentions to bring power back to the people. He touched on his infrastructure pledges and said he would work to protect the borders.
- Federal Reserve Chair Janet Yellen delivered a speech during the period stating that the U.S. economy is close to the FOMC's goals of maximum employment and price stability. She noted the future path of interest rates will depend on how the economy actually evolves over coming months. However, she reiterated that she and most of the committee expect a few rate hikes a year until the fed funds rate is close to the Fed's estimate of its longer-run neutral rate of 3%, which would occur by the end of 2019.
- Initial U.S. jobless claims fell to 234K, below the 254K consensus and compared to last week's 249K level. The four-week moving average fell to 247K, the lowest since November 1973.
- December housing starts rose 11.3% month-to-month and 5.7% year-over-year to a 1.226M seasonally adjusted rate (saar), better than the 1.187M consensus estimate.
- December building permits came in below expectations at a 1.21M saar, down 0.2% month-to-month and 0.7% higher year-over-year. Consensus was looking for a 1.225M pace. Multi-family permits dropped 10.1%, while single-family permits were up 4.7%.

**MARKET PERFORMANCE**

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	(0.2)	0.4	0.2	(0.1)
iShares National AMT-Free Muni Bond ETF	(0.8)	0.8	0.1	(0.7)
iShares Core US Aggregate Bond ETF	(0.3)	0.9	0.0	1.6
<b>U.S. Equity</b>				
iShares Core S&P 500 ETF	(0.1)	0.2	1.4	24.8
iShares Russell Mid Cap ETF	(0.2)	0.3	1.7	29.1
iShares Russell 2000 ETF	(1.3)	(2.2)	(0.3)	37.7
iShares Core U.S. Value ETF	(0.3)	(0.8)	0.4	32.1
iShares Core U.S. Growth ETF	(0.2)	0.9	2.5	21.0
<b>Foreign Equity</b>				
iShares MSCI EAFE ETF	(0.3)	3.0	2.9	16.6
iShares MSCI EAFE Small Cap ETF	(0.1)	4.2	2.8	18.7
iShares MSCI EAFE Value ETF	(0.4)	2.8	3.0	22.5
iShares MSCI EAFE Growth ETF	(0.2)	3.3	2.8	10.4
<b>Emerging Markets Equity</b>				
iShares MSCI Emerging Markets ETF	(0.7)	5.2	4.0	31.4
iShares MSCI Emerging Markets Small Cap ETF	(0.6)	4.6	3.9	17.9
<b>"Other" Asset Classes</b>				
iShares U.S. Real Estate ETF	0.4	1.0	0.6	17.4
iShares International Developed Real Estate ETF	(0.9)	2.4	0.8	12.6
SPDR Barclays High Yield Bond ETF	(0.1)	1.4	0.8	21.2
iShares S&P GSCI Commodity Indexed Trust	(0.3)	0.9	(0.7)	26.7

## 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.

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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.