

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

MARKET COMMENTARY

- It was a strong week for the U.S. equity market with the Dow Jones industrial setting a new record and breaking through 20,000. The S&P 500 and Nasdaq were also up. Gold dipped and oil concluded the period with a gain. The 10-year U.S. Treasury yield closed at approximately 2.49%.
- With 34% of S&P 500 companies having reported fourth quarter results, 65% have beaten earnings expectations while 52% have beaten sales expectations. According to FactSet, the fourth quarter blended earnings growth rate for the S&P 500 is 4.2%. 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. Northern Oil and Gas, Alibaba and GoPro impressed this week; Verizon, Johnson & Johnson and Brinker International were among the disappointments.
- President Trump opened his first week with a focus on manufacturing. Trump said he believes his administration can cut corporate regulations by 75% or more, and argued that companies wishing to build factories could benefit from an expedited environmental clearance process. On taxes, he said he planned to cut taxes "massively" for companies and the middle class, positing a new corporate tax rate in the 15-20% range.
- President Trump also issued executive orders calling for a federal hiring freeze and a withdrawal from the Trans-Pacific Partnership.
- Markit's flash manufacturing PMI for January came in at 55.1, beating consensus for 54.4 and ahead of December's 54.3 level. The release noted overall operating conditions improved at the quickest pace since September 2014.
- December existing home sales came in at a 5.49M SAAR, below expectations for 5.53M and November's upwardly revised 5.65M rate. The release noted higher mortgage rates and housing prices combined with record low inventory stunted sales for much of the country during the month.
- Initial jobless claims came in at 259K, higher than the 245K consensus. However, the 246K four-week average still represented a new cycle low.
- New home sales fell 10.4% to a 536K SAAR in December, much weaker than the 588K consensus and November's 598K reading.

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	0.1	0.4	0.2	(0.1)
iShares National AMT-Free Muni Bond ETF	(0.0)	0.5	0.1	(0.7)
iShares Core US Aggregate Bond ETF	0.0	0.7	0.0	1.6
U.S. Equity				
iShares Core S&P 500 ETF	1.0	1.2	2.4	24.4
iShares Russell Mid Cap ETF	1.1	1.5	2.8	28.2
iShares Russell 2000 ETF	1.3	(0.3)	1.0	38.7
iShares Core U.S. Value ETF	0.8	0.1	1.2	30.5
iShares Core U.S. Growth ETF	1.2	2.3	3.7	21.8
Foreign Equity				
iShares MSCI EAFE ETF	1.0	4.1	3.9	13.8
iShares MSCI EAFE Small Cap ETF	1.1	4.7	3.9	16.4
iShares MSCI EAFE Value ETF	0.6	3.7	3.6	19.2
iShares MSCI EAFE Growth ETF	1.1	4.4	3.9	8.0
Emerging Markets Equity				
iShares MSCI Emerging Markets ETF	2.9	8.8	7.0	31.0
iShares MSCI Emerging Markets Small Cap ETF	0.9	6.1	4.9	18.1
"Other" Asset Classes				
iShares U.S. Real Estate ETF	(0.6)	1.4	0.0	13.3
iShares International Developed Real Estate ETF	0.5	2.6	1.4	10.6
SPDR Barclays High Yield Bond ETF	0.7	1.7	1.5	19.8
iShares S&P GSCI Commodity Indexed Trust	(0.5)	(0.9)	(1.2)	18.4

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.

THESE MATERIALS ARE CONFIDENTIAL AND HAVE BEEN PREPARED SOLELY FOR THE INFORMATION OF THE INTENDED RECIPIENT AND MAY NOT BE REPRODUCED, DISTRIBUTED, OR USED FOR ANY OTHER PURPOSE OR SHARED WITH ANYONE IN ANY FORM OR FORMAT. REPRODUCTION OR DISTRIBUTION OF THESE MATERIALS MAY CONSTITUTE A VIOLATION OF FEDERAL OR STATE SECURITIES LAWS AND CERTAIN CONFIDENTIALITY AGREEMENTS TO WHICH THE INTENDED RECIPIENT IS A PARTY.

THIS IS NOT AN OFFER TO INVEST OR AN OFFER FOR ADVISORY SERVICES.

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.