

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 U.S. equities with the Nasdaq, Dow Jones and S&P 500 all experiencing gains and the latter two breaking records. Oil prices dipped and gold was slightly up. The 10-year U.S. Treasury yield closed at approximately 2.42%.
- With 82% of S&P 500 companies having reported fourth quarter results, 66% have beaten earnings expectations while 53% have beaten sales expectations. According to FactSet, the fourth quarter blended earnings growth rate for the S&P 500 is 4.6%. 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. Groupon, Procter & Gamble and Southwest airlines impressed this week; Avis, Dean Foods and GNC were among the disappointments.
- Federal Reserve Chair Janet Yellen said that incoming data suggests labor market conditions continue to tighten and inflation may move up to 2%, consistent with their expectations. She added that the Fed will evaluate whether employment and inflation are continuing to evolve in line with these expectations at upcoming meetings.
- Atlanta Fed President Dennis Lockhart said there is no urgent need for the Fed to hike rates as it evaluates how the Trump administration's policies impact the economy. He said he was agnostic about whether the economy would likely warrant two or three rate hikes this year, but that in either case he didn't really see a compelling reason to move ahead in March.
- President Donald Trump spoke about tax reform again during the period. He said that a "massive tax plan" would be unveiled in the "not-too-distant future". He added that his plan would lower rates "substantially" for individuals and businesses. However, details are yet to be released.
- Initial jobless claims remained impressive, coming in at 239K in the latest week. This compares to the prior week of 234K, and better than the 245K consensus estimate. It is the sixth week out of the past seven coming in below 250K.
- The NFIB small business index rose to 105.9 in January from 105.8 in December, the highest level since December 2004.

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	0.2	0.5	(0.2)
iShares National AMT-Free Muni Bond ETF	(0.1)	(0.7)	0.3	(1.0)
iShares Core US Aggregate Bond ETF	(0.1)	(0.2)	0.5	1.4
U.S. Equity				
iShares Core S&P 500 ETF	1.5	3.9	5.1	24.6
iShares Russell Mid Cap ETF	0.8	3.6	5.2	28.9
iShares Russell 2000 ETF	0.9	3.5	3.2	40.7
iShares Core U.S. Value ETF	1.6	3.7	3.8	30.7
iShares Core U.S. Growth ETF	1.4	4.1	6.5	22.7
Foreign Equity				
iShares MSCI EAFE ETF	0.6	1.9	4.8	15.0
iShares MSCI EAFE Small Cap ETF	0.7	3.4	6.2	18.6
iShares MSCI EAFE Value ETF	0.3	0.5	3.6	19.3
iShares MSCI EAFE Growth ETF	0.7	2.8	5.6	10.5
Emerging Markets Equity				
iShares MSCI Emerging Markets ETF	0.4	4.7	9.7	28.1
iShares MSCI Emerging Markets Small Cap ETF	0.4	4.5	9.0	20.8
"Other" Asset Classes				
iShares U.S. Real Estate ETF	0.3	1.5	2.4	19.2
iShares International Developed Real Estate ETF	0.2	2.5	4.4	9.7
SPDR Barclays High Yield Bond ETF	0.2	1.0	1.9	21.8
iShares S&P GSCI Commodity Indexed Trust	(1.4)	(1.1)	(1.4)	18.9

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.