

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

**MARKET COMMENTARY**

- U.S. equities finished slightly up for the period with the Dow Jones, S&P 500 and Nasdaq all posting gains. Gold was lower for the week following its largest daily decline of 2017. Oil also dropped. The 10-year U.S. Treasury yield closed at approximately 2.49%.
- Federal Reserve Chairwoman Janet Yellen stated that a rate increase is “likely to be appropriate” in March providing that upcoming economic data pertaining to inflation and the U.S. labor market aligns with the Fed’s expectations. Yellen added that, “The economy has essentially met the employment portion of our mandate and inflation is moving closer to our 2% objective.”
- Gross domestic product (GDP) grew 1.6% for all of 2016 compared to a 2.6% expansion in 2015. This is the worst growth rate since 2011.
- Pending home sales dropped 2.8% in January, against consensus for a 1.0% gain and the prior month’s 0.8% rise. The release cited an inventory crunch amid increased buyer traffic.
- Consumer confidence for February beat estimates coming in at 114.8 compared to the 111.0 consensus and up from 111.6 in January.
- Personal income rose 0.4% in January, slightly higher than the prior month’s 0.3% gain. Personal spending disappointed rising 0.2% vs consensus for 0.3% and the prior month’s 0.5% rise.
- Initial jobless claims hit a new trend low in the latest report. Claims fell 19K to 223K, better than the 244K consensus expectations and the lowest weekly level since March 1973. It was also the biggest weekly decline this year.
- Headline durable goods orders were up 1.8% in January, better than consensus for a 1.6% gain and ahead of December’s 0.5% decline. The gain followed two consecutive monthly decreases.
- Core durable orders (non-defense, ex-aircraft) were weak and dropped 0.4% month-to-month against expectations for a 0.5% gain. Prior-month core orders saw a notable downward revision to a 0.4% drop vs the report’s original 0.7% rise.
- The February Institute of supply management (ISM) manufacturing index came in at 57.7, well ahead of consensus for 56.3 and January’s 56.0 reading. Seventeen of eighteen industries reported growth during the month, with furniture the only decliner.

**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 | (0.1)  | 0.4     | 0.6   | 0.1    |
| iShares National AMT-Free Muni Bond ETF            | (0.5)  | 0.1     | 0.3   | (0.4)  |
| iShares Core US Aggregate Bond ETF                 | (0.8)  | 0.1     | 0.3   | 0.8    |
| <b>U.S. Equity</b>                                 |        |         |       |        |
| iShares Core S&P 500 ETF                           | 0.7    | 4.0     | 6.7   | 22.1   |
| iShares Russell Mid Cap ETF                        | 0.1    | 2.3     | 5.6   | 22.3   |
| iShares Russell 2000 ETF                           | 0.0    | 1.3     | 2.8   | 31.4   |
| iShares Core U.S. Value ETF                        | 0.7    | 3.8     | 5.2   | 26.6   |
| iShares Core U.S. Growth ETF                       | 0.8    | 4.0     | 8.1   | 20.1   |
| <b>Foreign Equity</b>                              |        |         |       |        |
| iShares MSCI EAFE ETF                              | 0.9    | 1.3     | 5.5   | 12.3   |
| iShares MSCI EAFE Small Cap ETF                    | 0.6    | 1.2     | 6.4   | 14.4   |
| iShares MSCI EAFE Value ETF                        | 1.4    | 0.9     | 4.7   | 16.1   |
| iShares MSCI EAFE Growth ETF                       | 0.5    | 1.7     | 6.2   | 8.3    |
| <b>Emerging Markets Equity</b>                     |        |         |       |        |
| iShares MSCI Emerging Markets ETF                  | (0.8)  | 1.2     | 9.1   | 21.0   |
| iShares MSCI Emerging Markets Small Cap ETF        | (0.2)  | 2.0     | 9.7   | 16.2   |
| <b>“Other” Asset Classes</b>                       |        |         |       |        |
| iShares U.S. Real Estate ETF                       | (0.8)  | 2.8     | 3.5   | 12.0   |
| iShares International Developed Real Estate ETF    | (1.2)  | 1.4     | 4.0   | 5.0    |
| SPDR Barclays High Yield Bond ETF                  | 0.3    | 1.1     | 2.7   | 17.0   |
| iShares S&P GSCI Commodity Indexed Trust           | (0.8)  | (2.1)   | (2.4) | 14.5   |

## 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.