

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

MARKET COMMENTARY

- Emerging markets and international have both lapped or nearly lapped the S&P 500 year to date as investors are diverted by action in FANGS.
- The Nasdaq dipped for the second consecutive week along with oil and gold. The S&P 500 and Dow Jones finished slightly higher following a period largely consumed with the latest Federal Open Market Committee (FOMC) rate hike. The 10-year U.S. Treasury yield closed at approximately 2.16%.
- The FOMC hiked short-term interest rates 25 basis points (bp), as widely expected. Their statement emphasized that economic activity has been rising moderately this year. The Fed further acknowledged that inflation data has been soft and discussed its plan to begin normalizing its balance sheet "this year." The statement does not outline a definitive endpoint to the normalization but says that the quantity of reserve balances will fall, but will remain larger than before the financial crisis.
- Reuters reported that the Trump administration and top GOP leaders in Congress are within a few weeks of agreeing on key aspects of a tax overhaul plan. Officials still need to decide how much to slash tax rates and if the package should increase the budget deficit.
- The Producer Price Index (PPI) for May came in unchanged compared to April, matching expectations. However, producer prices ex-food and energy rose 0.3% month to month, ahead of the 0.2% gain expected. On a year to year basis, PPI rose 2.1%, above the 2% increase expected. That was the first reading above 2% in the last three years.
- The headline Consumer Price Index (CPI) was down 0.1% month to month in May vs. April's 0.2% rise and consensus for a 0.1% gain. CPI rose 1.9% year to year, the lowest 12-month change since the November 2016 report.
- May retail sales declined 0.3% month to month following a 0.4% rise in April. This missed the consensus for a 0.1% rise. Retail sales are up 3.8% year over year.
- The NFIB Small Business Optimism Index came in at 104.5 for May, matching April's reading and remained pinned near all-time highs. Much of the focus in the survey remained on the tight labor market. The average employment change per firm was 0.34, which puts hiring activity near the highest levels in the survey's 43-year history.

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)	0.1	1.2	0.4
iShares National AMT-Free Muni Bond ETF	0.1	1.1	3.3	(0.3)
iShares Core US Aggregate Bond ETF	0.4	1.1	2.8	0.7
Global Equity				
iShares MSCI ACWI	0.1	1.2	12.0	21.2
U.S. Equity				
iShares Core S&P 500 ETF	0.1	1.5	9.5	19.4
iShares Russell Mid Cap ETF	0.2	1.8	8.1	17.9
iShares Russell 2000 ETF	(1.0)	1.1	4.3	24.3
iShares Core U.S. Value ETF	0.2	1.8	4.8	18.6
iShares Core U.S. Growth ETF	0.1	1.4	13.7	21.2
Foreign Equity				
iShares MSCI EAFE ETF	0.1	0.6	15.0	22.5
iShares MSCI EAFE Small Cap ETF	0.3	1.7	17.7	23.0
iShares MSCI EAFE Value ETF	(0.0)	(0.3)	11.6	25.3
iShares MSCI EAFE Growth ETF	0.4	1.6	18.4	19.1
Emerging Markets Equity				
iShares MSCI Emerging Markets ETF	(0.9)	(1.1)	17.7	26.6
iShares MSCI Emerging Markets Small Cap ETF	(0.6)	(0.8)	16.1	19.2
"Other" Asset Classes				
iShares U.S. Real Estate ETF	1.5	4.9	6.5	6.1
iShares International Developed Real Estate ETF	1.1	3.4	13.4	9.8
SPDR Barclays High Yield Bond ETF	(0.2)	0.2	4.2	12.8
iShares S&P GSCI Commodity Indexed Trust	(1.4)	(4.9)	(12.8)	(10.1)

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 MSCI ACWI ETF SEEKS TO TRACK THE INVESTMENT RESULTS OF AN INDEX COMPOSED OF LARGE AND MID-CAPITALIZATION DEVELOPED AND EMERGING MARKET EQUITIES.
- 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.