

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

MARKET COMMENTARY

- U.S. equities experienced a strong week as speculation for a new Fed chair continued and the European Central Bank (ECB) kept its rates unchanged. Oil prices climbed and gold dipped for the period.
- With 55% of S&P 500 companies reporting third-quarter results, 76% have beaten earnings expectations while 67% have beaten sales expectations. According to FactSet, the third-quarter blended earnings growth rate stood at 4.7%, up from 1.7% last week. Twitter, Aetna and GrubHub impressed this week; Chipolte, Dr. Pepper Snapple and Expedia were among the disappointments.
- Tax reform negotiations continue to be a centerpiece of the fundamental narrative during the week. The latest reports indicate that the House will release draft legislation at some over the coming days. Senate Finance Committee Chairman Orrin Hatch said his panel needs to produce a plan in the next two to three weeks.
- The Fed chair race continues to grab headlines. Politico reported that Janet Yellen is out of contention, along with Kevin Warsh and Gary Cohn (though this had been largely understood for a while). Jerome Powell and John Taylor are the finalists. A Fox Business report claimed that President Trump could nominate both of them to lead the Fed, with one getting the chair role and the other getting vice chair.
- The decision is expected to come before Trump's upcoming trip to Asia. The market seems to have grown more comfortable with the leadership change, and some recent commentary has centered around the notion that a change won't likely move the needle much on policy.
- As widely expected, the ECB kept rates unchanged and reduced its monthly quantitative easing (QE) target to €30B vs. €60B. The ECB will start the reduced QE pace from January to September 2018 (well-flagged) and pledged that it will increase the size/and or duration of its QE program, if needed.
- New home sales for September came in stronger than expected, rising 18.9% month-to-month to a 667K annualized pace (compared to the 555K consensus estimate). That was the biggest monthly gain since January 1992. Sales were up 17% on a year-to-year basis, to the highest level since October 2007.

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)	1.3	0.8
iShares National AMT-Free Muni Bond ETF	(0.4)	(0.1)	4.1	1.7
iShares Core US Aggregate Bond ETF	(0.1)	(0.2)	3.0	0.7
Global Equity				
iShares MSCI ACWI	(0.2)	2.7	20.0	23.2
U.S. Equity				
iShares Core S&P 500 ETF	0.2	3.1	16.9	23.4
iShares Russell Mid Cap ETF	(0.4)	2.3	13.5	21.6
iShares Russell 2000 ETF	(0.1)	1.6	12.2	28.3
iShares Core U.S. Value ETF	(0.4)	2.0	9.9	19.9
iShares Core U.S. Growth ETF	0.8	4.0	22.8	27.1
Foreign Equity				
iShares MSCI EAFE ETF	(0.2)	1.9	21.8	22.9
iShares MSCI EAFE Small Cap ETF	0.1	2.2	26.9	26.2
iShares MSCI EAFE Value ETF	(0.6)	0.9	18.4	22.6
iShares MSCI EAFE Growth ETF	0.2	2.6	25.1	22.3
Emerging Markets Equity				
iShares MSCI Emerging Markets ETF	(0.3)	4.1	32.4	26.5
iShares MSCI Emerging Markets Small Cap ETF	0.6	4.8	27.1	20.1
"Other" Asset Classes				
iShares U.S. Real Estate ETF	(1.5)	0.5	6.3	10.0
iShares International Developed Real Estate ETF	(1.3)	0.6	13.4	10.2
SPDR Barclays High Yield Bond ETF	(0.2)	0.3	6.5	7.9
iShares S&P GSCI Commodity Indexed Trust	2.5	2.4	(1.8)	2.1

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.