

Voya Global Perspectives

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As of August 3, 2018

Investment Weekly

Commentary and Statistics

- Stock markets again posted mixed results for the week: U.S. indexes were mostly up but Asia and Europe were mostly down. Second-quarter earnings remained supportive, trade tensions remained a drag on sentiment. Oil prices were volatile, ending the week down, as did gold prices. The 10-year U.S. Treasury yield broke through the 3% barrier midweek but ended slightly lower for the week at about 2.95%.
- Based on Thursday's intraday prices, analysts estimated that Apple Inc. became the first company to reach a \$1 trillion market capitalization.
- With 81% of S&P 500 companies reporting second-quarter results, 80% have exceeded earnings per share expectations, while 74% have beaten sales expectations. As of August 3, 2018, FactSet estimated the S&P 500 index's second-quarter earnings growth rate at 24.0% and its 12-month forward P/E ratio at 16.5, above the five- and ten-year averages of 16.2 and 14.4, respectively. Apple, Pandora and Procter & Gamble impressed this week, whereas Baidu, Cheesecake Factory and Lumber Liquidators disappointed.
- U.S. employers added 157,000 new jobs in July, fewer than May or June. Taking the three months together, the report showed job growth still is expanding. The unemployment rate ticked down from 4.0% last month to 3.9%, but wages rose only modestly from a year earlier in July.
- Consumer confidence climbed to 127.4 in July from a downwardly revised 126.4 in June, better than the 126.5 consensus though expectations had slipped. About four in ten respondents said jobs are "plentiful," the highest reading since March 2001. Personal spending was up 0.4%.
- After a strong first half-year, U.S. auto sales declined in July. Analysts blamed rising interest rates, higher gasoline prices and falling demand for passenger cars.

Index Prices (\$)		
Index	08/03/18	12/31/17
Dow Jones Industrial Average	25,462.58	24,652.00
S&P 500 Index	2,840.35	2,676.00

Returns (%)				
U.S. Market Indexes Returns	One Week	MTD	YTD	3-Months
Dow Jones Industrial Average	0.05	0.20	4.28	7.04
S&P 500 Index	0.80	0.88	7.40	8.55
Russell 2000 Index	0.63	0.17	9.73	8.54
Russell MidCap Index	0.54	0.49	5.41	6.76
Bloomberg Barclays U.S. Aggregate Index	0.14	0.09	-1.50	0.81
Bloomberg Barclays High Yield Bond Index	0.33	0.16	1.42	1.76
United States 20-Year Treasury Bond	-0.03	-0.16	-4.65	1.04
S&P/LSTA Senior Loan Index	0.15	0.06	2.83	1.01

S&P 500 Sector Returns	One Week	MTD	YTD	3-Months
Consumer Discretionary	0.17	0.52	14.15	9.25
Consumer Staples	1.77	1.37	-3.52	11.72
Energy	-1.74	-2.28	5.86	3.26
Financials	-0.01	0.63	1.61	4.96
Health Care	2.16	1.04	9.70	12.23
Industrials	-0.19	-1.34	0.92	6.64
Materials	-0.13	-0.79	-1.00	4.50
Real Estate	3.37	1.49	3.41	9.27
Technology	1.18	2.70	16.24	10.28
Telecom	2.22	1.04	-5.24	6.31
Utilities	1.25	0.75	2.95	4.81

U.S. Returns by Style

One Week (%)		Year to Date (%)		3-Months (%)	
Large Value	Large Growth	Large Value	Large Growth	Large Value	Large Growth
0.8	0.9	2.4	12.2	6.7	10.1
Mid Value	Mid Growth	Mid Value	Mid Growth	Mid Value	Mid Growth
0.7	0.2	2.7	8.7	6.0	7.6
Small Value	Small Growth	Small Value	Small Growth	Small Value	Small Growth
0.8	0.5	7.3	12.0	8.3	8.8

Large Value: Russell 1000 Value
MidCap Value: Russell MidCap Value
Small Value: Russell 2000 Value

Large Growth: Russell 1000 Growth
MidCap Growth: Russell MidCap Growth
Small Growth: Russell 2000 Growth

Global Market Returns (%)	One Week	MTD	YTD	3-Months
Bloomberg Barclays Global Aggregate Bond Index	-0.27	-0.27	-1.89	-1.27
MSCI EAFE Index	-1.45	-1.19	-1.15	-1.33
MSCI United Kingdom Index	-1.30	-1.87	-2.02	-1.04
MSCI Europe ex-U.K. Index	-1.16	-1.42	-0.63	-0.71
MSCI Japan Index	-1.83	0.23	-1.23	-2.86
MSCI AC Asia ex-Japan Index	-2.43	-1.86	-5.57	-5.52
MSCI Emerging Markets Index	-1.66	-1.24	-5.55	-4.37
JPM EMBI+ Emerging Markets Bond Index	-0.53	-0.28	-3.55	0.82
FTSE EPRA/NAREIT GRE Index	0.65	-0.12	0.71	2.78

Source: FactSet

- Chicago PMI increased to 65.5 from 64.1, above the 62.0 consensus. New orders reached a six-month high and inventories hit an 18-month low, amid more signs of input price pressures. By contrast, the ISM manufacturing index ticked lower.
- The flash Markit Eurozone Manufacturing PMI rose to 55.1 in July, above June's final reading of 54.9. New export order growth approached a two-year low amid concerns about tariffs and trade wars.

Bond Rates (%) as of:	08/03/18	07/27/18	12/31/17	05/03/18
U.S. Federal Funds Target Rate	2.00	2.00	1.50	1.75
U.S. Two-Year Treasury Yield	2.65	2.68	1.89	2.49
U.S. Ten-Year Treasury Yield	2.95	2.96	2.41	2.95
U.S. 30-Year Treasury Yield	3.09	3.09	2.74	3.12
High Yield (Merrill U.S. Corporates)	6.36	6.36	5.59	6.37

Commodity Prices as of:	08/03/18	07/27/18	12/31/17	05/03/18
Gold (USD/oz)	1,223.20	1,223.00	1,309.30	1,312.70
Crude Oil (USD/bbl)	68.49	68.69	60.42	68.43
Gasoline (USD/gal)	3.01	2.99	2.66	3.07
Copper (NYM \$/lbs)	2.75	2.79	3.28	3.06

Exchange Rates as of:	08/03/18	07/27/18	12/31/17	05/03/18
\$ per €	1.16	1.17	1.20	1.20
\$ per £	1.30	1.31	1.35	1.35
¥ per \$	111.17	110.98	112.65	109.06

Index Definitions

Bloomberg Barclays Global Aggregate Bond Index measures a wide range of global government, government-related, corporate and securitized fixed-income investments, all with maturities greater than one year.

Bloomberg Barclays High Yield Bond Index tracks the performance of below investment grade U.S. dollar-denominated corporate bonds publicly issued in the U.S. domestic market.

Bloomberg Barclays U.S. Aggregate Index is a bond market index composed of U.S. securities in Treasury, Government-Related, Corporate, and Securitized sectors that are of investment-grade quality or better, have at least one year to maturity, and have an outstanding par value of at least \$250 million.

Dow Jones Industrial Average is a price-weighted average computed from the stock prices of 30 of the largest and most widely held public companies in the United States, adjusted to reflect stock splits and stock dividends.

FTSE EPRA/NAREIT Global Real Estate Index represents general performance trends of the equity securities of real estate companies involved in the ownership, disposition and development of income-producing properties worldwide.

JPMorgan Emerging Markets Bond Index Plus (EMBI+) tracks total returns for traded foreign currency denominated debt instruments in the emerging markets which meet minimum criteria for face value outstanding and market trading liquidity.

MSCI EAFE Index is a free float-adjusted market capitalization weighted index designed to measure developed markets' equity performance, excluding the U.S. & Canada, for 21 countries.

MSCI Europe ex-U.K. Index is a free float-adjusted market capitalization weighted index designed to measure equity performance of the 15 developed European markets except the United Kingdom.

MSCI U.K. Index is a free float-adjusted market capitalization weighted index designed to measure equity performance of listed common stocks in the United Kingdom.

MSCI Asia ex-Japan Index is a free float-adjusted market capitalization weighted index designed to measure equity performance of the 15 developed Asian markets except Japan.

MSCI Japan Index is a free float-adjusted market capitalization weighted index designed to measure equity performance of listed common stocks in Japan.

This commentary has been prepared by Voya Investment Management for informational purposes. Nothing contained herein should be construed as (i) an offer to sell or solicitation of an offer to buy any security or (ii) a recommendation as to the advisability of investing in, purchasing or selling any security. Any opinions expressed herein reflect our judgment and are subject to change. Certain of the statements contained herein are statements of future expectations and other forward-looking statements that are based on management's current views and assumptions and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in such statements. Actual results, performance or events may differ materially from those in such statements due to, without limitation, (1) general economic conditions, (2) performance of financial markets, (3) changes in laws and regulations and (4) changes in the policies of governments and/or regulatory authorities. The opinions, views and information expressed in this commentary regarding holdings are subject to change without notice. The information provided regarding holdings is not a recommendation to buy or sell any security. Fund holdings are fluid and are subject to daily change based on market conditions and other factors.

Past performance is no guarantee of future results.

MSCI Emerging Markets Index is a free float-adjusted market capitalization index that measures emerging market equity performance of 23 countries.

Municipal Bond Index is a bond index that includes investment-grade, tax-exempt fixed-rate bonds with long-term maturities (greater than two years) selected from issues larger than \$50 million.

NASDAQ Composite Index is a market capitalization weighted index of the performance of domestic and international common stocks listed on The Nasdaq Stock Market including over 2,800 securities.

Russell 1000 Growth Index measures the large-cap growth segment of the U.S. equity market including Russell 1000 companies with higher price-to-book ratios and forecasted growth.

Russell 1000 Value Index measures the large-cap value segment of the U.S. equity market including Russell 1000 companies with lower price-to-book ratios and lower expected growth.

Russell MidCap Growth Index measures the performance of the mid-cap growth segment of the U.S. equity market including Russell Midcap Index companies with higher price-to-book ratios and forecasted growth.

Russell MidCap Value Index measures the performance of the mid-cap growth segment of the U.S. equity market including Russell Midcap Index companies with lower price-to-book ratios and forecasted growth.

Russell 2000 Growth Index measures the performance of small-cap growth stocks in the U.S. equity market including Russell 2000 companies with higher price-to-value ratios and forecasted growth.

Russell 2000 Value Index measures the performance of small-cap growth stocks in the U.S. equity market including Russell 2000 companies with lower price-to-value ratios and forecasted growth.

S&P 500 Index is a widely regarded as the best single gauge of the U.S. equities market, including 500 leading companies in major industries of the U.S. economy.

S&P 500 Sectors are defined as the GICS (Global Industry Classification Standard) sectors which provide standardized industry definitions consisting of 10 sectors, 24 industry groups, and 67 industries.

Economic Release Calendar

Monday, August 6	Tuesday, August 7	Wednesday, August 8	Thursday, August 9	Friday, August 10
Sentix Investor Confidence (Aug) Euro Zone	Leading & Coincident Indexes (Jun) Japan	RICS House Price Balance (Jul) U.K.	PPI Final Demand (Jul) U.S.	Manufacturing Production (Jun) U.K.
Household Spending (Jun) Japan	Trade Balance (Jul) China	PPI (Jul) China	Wholesale Inventories (Jun) U.S.	Construction Output (Jun) U.K.
	JOLTS Job Openings (Jun) U.S.	CPI (Jul) China	PPI (Jul) Japan	GDP (2Q18) U.K.
	Consumer Credit (Jun) U.S.	Tokyo Avg Office Vacancies (Jul) Japan	GDP (2Q18) Japan	CPI (Jul) U.S.
			GDP Business Spending (2Q18) Japan	Real Avg Weekly Earnings (Jul) U.S.

Source: Bloomberg

Earnings Announcements

Monday, August 6	Tuesday, August 7	Wednesday, August 8	Thursday, August 9	Friday, August 10
BOISE CASCADE COOPER TIRE ETSY HERTZ HOWARD HUGHES MARRIOTT INTL SEAWORLD TYSON FOODS WEIGHT WATCHERS ZILLOW	AVIS DEAN FOODS DISCOVERY DISNEY FOSSIL HOSTESS BRANDS OFFICE DEPOT SHUTTERFLY WENDYS	ADT CRAFT BREW ALLN CVS HEALTH CORP DUN & BRAD ST JACK IN THE BOX MONSTER BEVERAGE NY TIMES THOMSON REUTERS TWENTY-FIRST CENT FOX YELP	AVAYA COCA-COLA DROPBOX EQUITABLE JONES SODA PARTY CITY PLANET FITNESS VIACOM	CINEPLEX FRESHII PLAZA RETL TREMONT MTGE UNI-SELECT

Source: Bloomberg

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Past performance is no guarantee of future results.

Voya Investment Management

Voya Investment Management (Voya IM) is the asset management business of Voya Financial, a Fortune 500 company with over 6,000 employees seeking to help clients plan, invest and protect their savings. Voya IM managed approximately 227 billion¹ in assets across Fixed Income, Senior Loans, Equities and Multi-Asset Strategies & Solutions. Drawing on over 40 years of experience and the expertise of 250+ investment professionals, Voya IM's capabilities span traditional products and solutions as well as those that cannot be easily replicated by an index.

Voya IM's award-winning culture is deeply rooted in a client-centric approach to helping investors meet their goals — from insurance companies, corporate and public pension funds, sovereign wealth funds, endowments and foundations, and consultants to intermediaries, and individual investors. Reliability is why our clients hire us and it is why they trust us to navigate the path ahead.



79% of our assets outperformed their benchmark or peer median on a 5-year basis.²

86% of the time our portfolios outperformed their benchmark on a rolling 5-year basis.³

87% of the time our portfolios outperformed their benchmark on a rolling 7-year basis.³

Past performance does not guarantee future results.

¹ As of 03/31/18. Voya Investment Management assets are calculated on a market value basis and include proprietary insurance general account assets of \$87 billion. ² Metrics presented use pre-determined criteria to measure each individual investment product based on its ability to either A) rank above the median of its peer category; or B) outperform its benchmark index on a gross-of-fees basis. Generally speaking, the results for unconstrained, fully-active investment products were based on relevant peer category rankings while those of "enhanced index", rules-based, risk-constrained, or client-specific investment products were based on benchmark-relative performance. Metrics are calculated on an annualized basis and includes mutual funds as well as pooled and separately-managed institutional portfolios that fall within our traditional (long-only) commercial book of business that remain open as of 03/31/18. If terminated and other accounts had been included, results may have differed from that shown. Source of performance returns and peer medians is Voya Investment Management but is based in part on data from Morningstar (mutual funds) and eVestment (institutional composites). Further detailed information regarding these calculations is available upon request. ³ Metrics are based on observations of rolling 5-year or 7-year annualized returns over the last 30 months, calculated on an annualized, gross-of-fees basis, and includes mutual funds as well as pooled and separately-managed institutional portfolios that fall within our traditional long-only commercial book of business that remain open as of 03/31/18. If terminated and other accounts had been included, results may have differed from that shown. Source of performance returns is Voya Investment Management, and further detailed information regarding these calculations is available upon request.

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