

# Voya Global Perspectives

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As of August 9, 2019

## Investment Weekly

### Commentary and Statistics

- Stocks posted losses for the week, driven by eruptions of trade-related volatility. With last week's news still fresh in memory, investors were confronted with escalating trade-war threats, disruptive White House tweets and a devaluation of China's currency. Stocks suffered their worst day of the year on Monday as investors piled into bonds, sending prices skyward and yields earthward.
- Stocks rallied after the yuan devaluation proved less severe than feared, but retrenched again after the White House suggested it might suspend upcoming trade talks with China. The 10-year U.S. Treasury yield declined from 1.775% to 1.736%. Economic worries sent crude oil futures down and gold futures up. The U.S. dollar held steady against a basket of major currencies.
- With 90% of S&P 500 companies reporting second-quarter results, 73% have exceeded earnings per share (EPS) expectations, while 57% have beaten revenue expectations. As of August 9, 2019, Refinitiv estimated the S&P 500 index's second-quarter earnings growth rate at 2.8% and its 12-month forward P/E ratio at 17.1. Carvana, Shake Shack and Vonage Holdings impressed this week, whereas Dean Foods, Disney and International Flavors disappointed.
- The July ISM non-manufacturing index fell to 53.7, marking its lowest reading since August 2016. Business activity, new orders and prices were down. Final IHS Markit U.S. Services PMI rose to 53.0, up 1.5 versus June. Though business confidence registered fresh lows, business activity hit its fastest pace in three months.
- German industrial production was much worse than expected in July, down 1.5% from June; year-to-date, production was down 5.3%. By contrast, industrial orders rose 2.5% in June, ahead of expectations.

Index Prices (\$)		
Index	08/09/19	12/31/18
Dow Jones Industrial Average	26,287	23,327
S&P 500 Index	2,919	2,507

Returns (%)				
U.S. Market Indexes Returns	One Week	MTD	YTD	3-Months
Dow Jones Industrial Average	-0.61	-2.00	14.35	2.43
S&P 500 Index	-0.40	-2.00	17.84	2.20
MSCI ACWI Index	-0.79	-2.65	13.87	0.87
Russell 2000 Index	-1.32	-3.87	13.10	-3.28
Russell MidCap Index	-0.31	-2.52	19.98	1.36
Bloomberg Barclays U.S. Aggregate Index	0.57	1.32	7.75	4.43
Bloomberg Barclays High Yield Bond Index	-0.31	-0.64	9.86	1.42
United States 20-Year Treasury Bond	2.92	5.63	17.59	13.05
S&P/LSTA Senior Loan Index	-0.41	-0.45	7.42	0.38

S&P 500 Sector Returns	One Week	MTD	YTD	3-Months
Consumer Discretionary	0.01	-2.18	20.32	0.70
Consumer Staples	0.05	-0.32	18.71	5.48
Energy	-2.14	-5.65	4.83	-6.57
Financials	-1.58	-4.03	15.28	-0.05
Health Care	0.41	0.35	6.72	3.32
Industrials	-0.56	-3.14	18.36	-0.26
Materials	0.75	-1.03	15.62	6.83
Real Estate	1.78	2.82	25.98	8.72
Technology	-0.69	-2.88	27.57	3.68
Communication Services	-0.64	-1.91	20.75	1.58
Utilities	1.14	2.23	16.93	7.75

#### U.S. Returns by Style

One Week (%)		Year to Date (%)		3-Months (%)	
Large Value -0.9	Large Growth 0.1	Large Value 14.1	Large Growth 22.4	Large Value 1.0	Large Growth 3.2
Mid Value -0.8	Mid Growth 0.5	Mid Value 15.5	Mid Growth 26.6	Mid Value 0.0	Mid Growth 3.4
Small Value -1.5	Small Growth -1.1	Small Value 8.5	Small Growth 17.6	Small Value -5.4	Small Growth -1.3

**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	0.82	1.43	6.78	4.34
MSCI EAFE Index	-1.14	-2.87	9.81	-0.20
MSCI United Kingdom Index	-1.98	-5.30	5.04	-5.64
MSCI Europe ex-U.K. Index	-0.31	-2.27	12.83	1.30
MSCI Japan Index	-1.13	-1.10	6.92	1.07
MSCI AC Asia ex-Japan Index	-2.71	-5.69	2.75	-5.06
MSCI Emerging Markets Index	-2.22	-5.33	3.66	-3.19
JPM EMBI+ Emerging Markets Bond Index	0.89	0.95	12.93	5.99
FTSE EPRA/NAREIT GRE Index	-0.04	-0.27	15.27	2.35

Source: FactSet

- Britain's GDP contracted by 0.2% in the second quarter as Brexit uncertainty undermined business confidence. The drop was equivalent to an annualized decline of 0.8%, a sharp slowdown from the 2.0% increase seen in the first quarter. As a result, the pound fell to multiyear lows against the euro and U.S. dollar.
- U.S. job openings in June were little changed at 7.35 million, compared to 7.38 million in May, according to the Job Openings and Labor Turnover Survey. Hiring fell by 58,000 jobs to 5.70 million.

Bond Rates (%) as of:	08/09/19	08/02/19	12/31/18	05/09/19
U.S. Federal Funds Target Rate	2.25	2.25	2.50	2.50
U.S. Two-Year Treasury Yield	1.63	1.72	2.50	2.30
U.S. Ten-Year Treasury Yield	1.74	1.86	2.69	2.46
U.S. 30-Year Treasury Yield	2.25	2.39	3.02	2.88
High Yield (Merrill U.S. Corporates)	5.71	5.71	7.37	6.11

Commodity Prices as of:	08/09/19	08/02/19	12/31/18	05/09/19
Gold (USD/oz)	1,508.50	1,457.50	1,281.30	1,285.20
Crude Oil (USD/bbl)	54.50	55.66	45.41	61.70
Gasoline (USD/gal)	2.90	2.93	2.50	3.17
Copper (NYM \$/lbs)	2.58	2.57	2.63	2.78

Exchange Rates as of:	08/09/19	08/02/19	12/31/18	05/09/19
\$ per €	1.12	1.11	1.14	1.12
\$ per £	1.21	1.21	1.27	1.30
¥ per \$	105.66	106.57	109.72	109.57

## 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.

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**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 12	Tuesday, August 13	Wednesday, August 14	Thursday, August 15	Friday, August 16
No Data	<b>Industrial Output (Jul)</b> China  <b>Retail Sales (Jul)</b> China  <b>ZEW Economic Sentiment (Aug)</b> Germany  <b>NFIB Small Business Index (Jul)</b> U.S.  <b>CPI (Jul)</b> U.S.	<b>GDP (2Q19)</b> Germany  <b>Retail Sales (Jun)</b> Japan  <b>CPI Core (Jul)</b> U.K.  <b>PPI Output (Jul)</b> U.K.	<b>Industrial Production (Jun)</b> Japan  <b>Empire State Index (Aug)</b> U.S.  <b>Philadelphia Fed Index (Aug)</b> U.S.  <b>Retail Sales (Jul)</b> U.S.  <b>Industrial Production (Jul)</b> U.S.  <b>Business Inventories (Jun)</b> U.S.  <b>NAHB Housing Market Index (Aug)</b> U.S.	<b>Housing Starts (Jul)</b> U.S.  <b>U. of Michigan Consumer Sentiment (Aug)</b> U.S.

Source: FactSet

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