

Voya Global Perspectives

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As of August 16, 2019

Investment Weekly

Commentary and Statistics

- Stocks ended another volatile week in the red. Investors got spooked by an inversion of the two-to-ten-year U.S. Treasury yield spread, the first since 2007 — you may recall what happened after that. At one point, the 30-year Treasury yield traded as low as 1.979% and the 10-year retraced multiyear lows. Hints of forceful stimulus from the European Central Bank and strong U.S. retail sales helped offset fears of weak global manufacturing and a less-accommodative Federal Reserve, but the uplift wasn't enough to bring stocks across into the black.
- Economic angst drove gold prices upward along a choppy path. Oil prices were volatile too, with slight gains as tensions mounted in the Strait of Hormuz. The 10-year Treasury finished at 1.544%. The U.S. dollar gained against a basket of currencies.
- July retail sales rose 0.4 percentage point to 0.7%, beating the 0.3% estimate; the best print in four months. Retail sales ex-autos rose 1.0%.
- The preliminary reading of the U. of Michigan's consumer sentiment index fell from 98.4 in July to 92.1 in August, a seven-month low. Respondents cited the recent rate cut and higher prices from tariffs as reasons to curtail spending.
- The Consumer Price Index rose 0.3% in July, ahead of June's 0.1%; annual CPI was up 1.8%. Core CPI, excluding food and energy, rose 0.3%, unchanged from June; its annual rate hit 2.2%.
- The Empire State Manufacturing Survey was up 0.5 points in August to 4.8. New orders reversed two months of contraction. The Philadelphia Fed Manufacturing Business Outlook fell 5.0 points to 16.8. July industrial production contracted by 0.2% versus an expected expansion of 0.2%; manufacturing production declined by 0.4%.

Index Prices (\$)		
Index	08/16/19	12/31/18
Dow Jones Industrial Average	25,886	23,327
S&P 500 Index	2,889	2,507

Returns (%)				
U.S. Market Indexes Returns	One Week	MTD	YTD	3-Months
Dow Jones Industrial Average	-1.40	-3.38	12.75	0.75
S&P 500 Index	-0.94	-2.92	16.73	0.94
MSCI ACWI Index	-1.15	-3.77	12.56	-0.50
Russell 2000 Index	-1.24	-5.07	11.70	-3.74
Russell MidCap Index	-1.34	-3.82	18.38	0.06
Bloomberg Barclays U.S. Aggregate Index	0.95	2.29	8.78	5.09
Bloomberg Barclays High Yield Bond Index	-0.17	-0.81	9.67	1.39
United States 20-Year Treasury Bond	4.42	10.30	22.78	17.21
S&P/LSTA Senior Loan Index	-0.31	-0.75	7.09	0.06

S&P 500 Sector Returns	One Week	MTD	YTD	3-Months
Consumer Discretionary	-1.88	-4.02	18.06	-0.93
Consumer Staples	1.60	1.27	20.60	4.76
Energy	-3.34	-8.81	1.32	-10.58
Financials	-2.14	-6.08	12.81	-1.25
Health Care	-1.01	-0.66	5.64	2.63
Industrials	-1.47	-4.57	16.61	-1.33
Materials	-1.97	-2.97	13.35	3.69
Real Estate	0.44	3.27	26.53	6.17
Technology	-0.23	-3.11	27.28	3.34
Communication Services	-0.96	-2.85	19.59	-0.35
Utilities	0.81	3.06	17.87	5.82

U.S. Returns by Style					
One Week (%)		Year to Date (%)		3-Months (%)	
Large Value	Large Growth	Large Value	Large Growth	Large Value	Large Growth
-1.4	-0.7	12.5	21.5	-0.6	2.2
Mid Value	Mid Growth	Mid Value	Mid Growth	Mid Value	Mid Growth
-1.5	-1.1	13.7	25.3	-1.6	2.5
Small Value	Small Growth	Small Value	Small Growth	Small Value	Small Growth
-1.4	-1.1	7.0	16.3	-6.0	-1.5

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	0.53	1.96	7.34	4.89
MSCI EAFE Index	-1.45	-4.28	8.22	-2.28
MSCI United Kingdom Index	-0.99	-6.23	4.00	-7.10
MSCI Europe ex-U.K. Index	-1.31	-3.55	11.35	-1.88
MSCI Japan Index	-1.87	-2.95	4.93	0.40
MSCI AC Asia ex-Japan Index	0.09	-5.61	2.84	-3.49
MSCI Emerging Markets Index	-1.01	-6.29	2.61	-2.56
JPM EMBI+ Emerging Markets Bond Index	-0.80	0.13	12.02	4.83
FTSE EPRA/NAREIT GRE Index	0.09	-0.17	15.38	0.66

Source: FactSet

- The NAHB housing market index reached 66 in August, beating the 65 estimate.
- The NFIB Small Business Index rose 1.4 points in July to 104.7. Expectations rose for business conditions, real sales and expansion.
- China's year-over-year industrial output slowed from 6.3% in June to 4.8% in July. Retail sales growth slowed from 9.8% to 7.6%. Unemployment ticked up from 5.1% to 5.3%. The German economy contracted by 0.1% in 2Q19 versus the prior quarter's 0.4% expansion.

Bond Rates (%) as of:	08/16/19	08/09/19	12/31/18	05/16/19
U.S. Federal Funds Target Rate	2.25	2.25	2.50	2.50
U.S. Two-Year Treasury Yield	0.01	1.63	2.50	2.24
U.S. Ten-Year Treasury Yield	1.54	1.74	2.69	2.41
U.S. 30-Year Treasury Yield	2.00	2.25	3.02	2.84
High Yield (Merrill U.S. Corporates)	5.69	5.71	7.37	6.13

Commodity Prices as of:	08/16/19	08/09/19	12/31/18	05/16/19
Gold (USD/oz)	1,523.60	1,508.50	1,281.30	1,286.20
Crude Oil (USD/bbl)	54.87	54.50	45.41	62.87
Gasoline (USD/gal)	2.84	2.90	2.50	3.15
Copper (NYM \$/lbs)	2.59	2.58	2.63	2.76

Exchange Rates as of:	08/16/19	08/09/19	12/31/18	05/16/19
\$ per €	1.11	1.12	1.14	1.12
\$ per £	1.21	1.21	1.27	1.28
¥ per \$	106.39	105.66	109.72	109.94

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 19	Tuesday, August 20	Wednesday, August 21	Thursday, August 22	Friday, August 23
Foreign Direct Investment China	PPI (Jul) Germany	Markit/JMMA PMI Manufacturing (Aug) Japan Existing Home Sales (Jul) U.S.	Markit PMI Manufacturing (Aug) Germany Markit PMI Services (Aug) Germany CPI Core (Jul) Japan Markit PMI Manufacturing (Aug) U.S. Markit PMI Services (Aug) U.S. Leading Indicators (Jul) U.S.	Building Permits (Jul) U.S. New Home Sales (Jul) U.S.

Source: FactSet

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