

# Voya Global Perspectives

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As of January 17, 2020

## Investment Weekly

### Commentary and Statistics

- U.S. stocks capped another strong week with fresh record highs, as overall positive global economic data and a solid start to the earnings season drove investor optimism. For the week, the Dow Jones Industrial Average gained 1.8%, while the S&P 500 and the Nasdaq gained nearly 2% and 2.3%, respectively. With stocks rallying, U.S. Treasuries were mixed; the two-year yield eased 1 bp to 1.56% while the 10-year yield increased 3 bps to 1.84%.
- With 8.8% of S&P 500 companies reporting third-quarter results, 70.5% have exceeded earnings per share expectations, while 65.9% have beaten revenue expectations. As of January 17, 2019, Refinitiv estimated the S&P 500 index's fourth-quarter earnings growth rate at -0.8% and its 12-month forward P/E ratio at 18.8. Bank of America, JPMorgan and Morgan Stanley impressed, whereas Wells Fargo, Alcoa and Boston Scientific disappointed.
- December housing starts increased 16.9% from November to 1.61 million, beating estimates of a 0.5% increase to 1.38 million, logging the largest gain since December, 2006.
- Core retail sales in December increased 0.5%, beating the 0.4% expected and erasing the 0.2% decline in November.
- December's headline month-over-month CPI of 0.2% was below the 0.3% consensus but the 2.3% year-over-year gain was higher than November's 2.1%.
- The Philly Fed January business outlook index surged, coming in at 17 versus the 3.8 consensus and 2.4 in December. Furthermore, January's 4.8 Empire State manufacturing survey reading beat the estimate of 3.55 and came in stronger than December's 3.3.
- Weekly initial jobless claims of 204,000 for the week ending January 11 beat consensus of 216,000. However,

Index Prices (\$)		
Index	01/17/20	12/31/19
Dow Jones Industrial Average	29,348	28,538
S&P 500 Index	3,330	3,231

Returns (%)				
U.S. Market Indexes Returns	One Week	MTD	YTD	3-Months
Dow Jones Industrial Average	1.84	2.92	2.92	9.25
S&P 500 Index	1.99	3.14	3.14	11.60
MSCI ACWI Index	1.02	2.54	2.54	10.73
Russell 2000 Index	2.54	1.90	1.90	10.65
Russell MidCap Index	2.29	2.76	2.76	9.94
Bloomberg Barclays U.S. Aggregate Index	0.06	0.50	0.50	0.91
Bloomberg Barclays High Yield Bond Index	0.27	0.71	0.71	3.13
United States 20-Year Treasury Bond	-0.36	1.38	1.38	-0.81
S&P/LSTA Senior Loan Index	0.11	0.58	0.58	3.39

S&P 500 Sector Returns	One Week	MTD	YTD	3-Months
Consumer Discretionary	1.13	1.98	1.98	4.91
Consumer Staples	1.93	1.52	1.52	6.14
Energy	-1.11	-1.67	-1.67	7.14
Financials	1.15	0.91	0.91	11.37
Health Care	1.70	2.58	2.58	14.82
Industrials	2.02	3.57	3.57	9.40
Materials	2.71	-0.48	-0.48	6.94
Real Estate	2.47	2.26	2.26	1.25
Technology	2.96	5.92	5.92	19.46
Communication Services	2.39	5.48	5.48	11.49
Utilities	3.76	3.27	3.27	5.90

#### U.S. Returns by Style

One Week (%)		Year to Date (%)		3-Months (%)	
Large Value 1.7	Large Growth 2.3	Large Value 1.4	Large Growth 4.9	Large Value 9.1	Large Growth 14.1
Mid Value 2.4	Mid Growth 2.1	Mid Value 1.8	Mid Growth 4.2	Mid Value 9.0	Mid Growth 11.4
Small Value 2.1	Small Growth 3.0	Small Value 0.3	Small Growth 3.5	Small Value 7.9	Small Growth 13.4

**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	-0.01	-0.15	-0.15	0.20
MSCI EAFE Index	0.86	1.05	1.05	7.45
MSCI United Kingdom Index	0.71	0.18	0.18	8.17
MSCI Europe ex-U.K. Index	0.98	1.30	1.30	7.70
MSCI Japan Index	0.48	-0.17	-0.17	6.09
MSCI AC Asia ex-Japan Index	-0.01	3.71	3.71	12.91
MSCI Emerging Markets Index	0.16	2.91	2.91	12.37
JPM EMBI+ Emerging Markets Bond Index	0.46	0.89	0.89	2.84
FTSE EPRA/NAREIT GRE Index	2.28	1.60	1.60	3.05

Source: FactSet

employers posted only 6.8 million new jobs in November, short of 7.2 million expected and down from the 7.4 million in October.

- Boeing said it found last week a new software issue that must be resolved before the 737 MAX can return to service. Boeing had hoped to schedule a certification flight with the FAA by the end of January, but that may now be pushed into at least February.

Bond Rates (%) as of:	01/17/20	01/10/20	12/31/19	10/17/19
U.S. Federal Funds Target Rate	1.75	1.75	1.75	2.00
U.S. Two-Year Treasury Yield	1.57	1.57	1.56	1.61
U.S. Ten-Year Treasury Yield	1.84	1.83	1.91	1.76
U.S. 30-Year Treasury Yield	2.30	2.29	2.38	2.24
High Yield (Merrill U.S. Corporates)	4.62	4.72	4.81	5.23

Commodity Prices as of:	01/17/20	01/10/20	12/31/19	10/17/19
Gold (USD/oz)	1,560.30	1,560.10	1,523.10	1,498.30
Crude Oil (USD/bbl)	58.58	59.04	61.06	53.93
Gasoline (USD/gal)	2.76	2.76	2.75	2.92
Copper (NYM \$/lbs)	2.85	2.82	2.79	2.59

Exchange Rates as of:	01/17/20	01/10/20	12/31/19	10/17/19
\$ per €	1.11	1.11	1.12	1.11
\$ per £	1.30	1.31	1.32	1.28
¥ per \$	110.18	109.56	108.68	108.65

## 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, January 20	Tuesday, January 21	Wednesday, January 22	Thursday, January 23	Friday, January 24
<b>Japan Policy Rate</b> Japan	<b>No Data</b>	<b>FHFA Home Price Index</b> U.S.  <b>Bank of Canada Interest Rate Announcement and Monetary Policy Report</b> Canada  <b>BoC Overnight Rate Target</b> Canada  <b>Pending Home Sales</b> U.S.  <b>Consumer Inflation Expectation</b> Australia  <b>Unemployment Rate</b> Australia	<b>Initial Claims</b> U.S.  <b>Leading Indicators</b> U.S.  <b>CPI Core</b> Japan	<b>Markit PMI Services &amp; Manufacturing</b> France  <b>Markit PMI Services &amp; Manufacturing</b> Germany  <b>CIPS Services &amp; Manufacturing</b> U.K.  <b>Markit PMI Services &amp; Manufacturing</b> U.S.

Source: FactSet

## Earnings Announcements

Monday, January 20	Tuesday, January 21	Wednesday, January 22	Thursday, January 23	Friday, January 24
<b>Logitech International SA</b> <b>New Oriental Education &amp; Technology Group, Inc.</b> <b>Enterprise Financial Services Corp</b> <b>First Defiance Financial</b>	<b>Netflix Inc</b> <b>Capital One Financial Corporation</b> <b>TD Ameritrade Holding Corp.</b> <b>United Airlines Holdings Corp.</b> <b>Halliburton Company</b> <b>Comerica Incorporated</b> <b>Zions Bancorporation NA</b> <b>Signature Bank</b> <b>Pinnacle Financial Partners</b> <b>F.N.B. Corporation</b>	<b>Johnson &amp; Johnson</b> <b>Abbott Laboratories</b> <b>ASML Holding NV</b> <b>Texas Instruments Incorporated</b> <b>Prologis, Inc.</b> <b>Las Vegas Sands Corp.</b> <b>Progressive Corporation</b> <b>Amphenol Corporation</b> <b>Rogers Communications, Inc.</b> <b>Baker Hughes Company</b>	<b>Procter &amp; Gamble Co</b> <b>Intel Corporation</b> <b>Comcast Corporation</b> <b>Union Pacific Corporation</b> <b>Starbucks Corporation</b> <b>Intuitive Surgical, Inc.</b> <b>Kimberly-Clark Corporation</b> <b>V.F. Corporation</b> <b>The Travelers Companies, Inc.</b> <b>Southwest Airlines Company</b>	<b>Ericsson</b> <b>American Express, Co.</b> <b>NextEra Energy, Inc.</b> <b>Synchrony Financial</b> <b>Air Products &amp; Chemicals, Inc.</b> <b>NextEra Energy Partners LP</b> <b>Synovus Financial Corp.</b> <b>NVR, Inc.</b> <b>Hill-Rom Holdings, Inc.</b> <b>IBERIABANK Corporation</b>

Source: Zacks Investment Research

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