

# Voya Global Perspectives

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As of January 31, 2020

## Investment Weekly

### Commentary and Statistics

- Stock prices retreated on the week; volatility spiked as the coronavirus spread outside China and the death toll rose. The World Health Organization declared the outbreak a “public health emergency”; in macabre situational irony, New York’s first coronavirus case appeared in Queens. Fearing the outbreak would disrupt global supply chains and hinder growth, investors fled stocks; the S&P 500 posted its worst week since August 2019.
- The flight to perceived “safe-haven” assets lifted government bond prices and drove yields down. U.S. Treasury yields sank to three-month lows on Friday as investors bet that economic deceleration would force the Federal Reserve to lower interest rates. The yield on the widely watched ten-year U.S. T-note dropped on the week from 1.68% to 1.52%. Oil prices also slumped on global growth worries, whereas gold prices advanced. The U.S. dollar fell against a basket of major currencies.
- With 45% of S&P 500 companies reporting fourth-quarter results, 69% have exceeded earnings per share expectations, while 64% have beaten revenue expectations. As of January 31, 2019, Refinitiv estimated the S&P 500 index’s fourth-quarter earnings growth rate at 1.1% and its 12-month forward P/E ratio at 18.6. Coca Cola, Hershey and Tesla impressed, whereas DuPont de Nemours, Hess Corporation and Sherwin-Williams disappointed.
- U.S. GDP grew at an annual rate of 2.1% in 4Q19, unchanged from 3Q19 and beating estimates of 1.9%, though full-year growth of 2.3% was the slowest annual pace since 2016. Personal consumption contributed 1.2%, less than in the previous two quarters.
- December U.S. new home sales fell 0.4% compared to November, to a seasonally-adjusted annual rate of 694,000. It was the lowest rate in five months, marking the third straight monthly decline.

Index Prices (\$)		
Index	01/31/20	12/31/19
Dow Jones Industrial Average	28,256	28,538
S&P 500 Index	3,226	3,231

Returns (%)				
U.S. Market Indexes Returns	One Week	MTD	YTD	3-Months
Dow Jones Industrial Average	-2.52	-0.89	-0.89	5.11
S&P 500 Index	-2.10	-0.04	-0.04	6.72
MSCI ACWI Index	-2.54	-1.08	-1.08	4.99
Russell 2000 Index	-2.89	-3.21	-3.21	3.68
Russell MidCap Index	-2.42	-0.80	-0.80	5.10
Bloomberg Barclays U.S. Aggregate Index	0.62	1.92	1.92	1.80
Bloomberg Barclays High Yield Bond Index	-0.26	0.03	0.03	2.36
United States 20-Year Treasury Bond	2.18	6.99	6.99	3.39
S&P/LSTA Senior Loan Index	-0.31	0.22	0.22	2.68

S&P 500 Sector Returns	One Week	MTD	YTD	3-Months
Consumer Discretionary	0.15	0.63	0.63	4.78
Consumer Staples	-0.78	0.36	0.36	4.04
Energy	-5.59	-11.07	-11.07	-3.99
Financials	-1.31	-2.58	-2.58	5.08
Health Care	-3.24	-2.72	-2.72	5.85
Industrials	-2.89	-0.45	-0.45	3.93
Materials	-3.54	-6.17	-6.17	-0.23
Real Estate	-1.82	1.42	1.42	0.99
Technology	-2.16	3.96	3.96	14.48
Communication Services	-2.99	0.92	0.92	6.77
Utilities	0.85	6.65	6.65	8.29

#### U.S. Returns by Style

One Week (%)		Year to Date (%)		3-Months (%)	
Large Value	Large Growth	Large Value	Large Growth	Large Value	Large Growth
-2.3	-1.8	-2.2	2.2	3.6	10.0
Mid Value	Mid Growth	Mid Value	Mid Growth	Mid Value	Mid Growth
-2.4	-2.5	-1.9	0.9	3.7	7.2
Small Value	Small Growth	Small Value	Small Growth	Small Value	Small Growth
-3.3	-2.5	-5.4	-1.1	0.2	7.1

**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	0.83	1.28	1.28	1.09
MSCI EAFE Index	-2.50	-2.08	-2.08	2.27
MSCI United Kingdom Index	-3.11	-3.79	-3.79	2.91
MSCI Europe ex-U.K. Index	-2.48	-2.05	-2.05	2.83
MSCI Japan Index	-1.58	-1.36	-1.36	1.29
MSCI AC Asia ex-Japan Index	-5.19	-4.45	-4.45	2.22
MSCI Emerging Markets Index	-5.09	-4.66	-4.66	2.38
JPM EMBI+ Emerging Markets Bond Index	0.71	1.74	1.74	3.48
FTSE EPRA/NAREIT GRE Index	-1.71	-0.34	-0.34	0.37

Source: FactSet

- At its January meeting, the Federal Open Market Committee (FOMC) held the benchmark fed funds rate steady at 1.50–1.75%. Though market calls have intensified for the Fed to cut rates in 2020, the FOMC statement indicated the Committee still sees little reason to do so. The policy statement was nearly unchanged from last time, reiterating that job gains had been solid, and inflation remained below the Fed's 2% target.

Bond Rates (%) as of:	01/31/20	01/24/20	12/31/19	10/31/19
U.S. Federal Funds Target Rate	1.75	1.75	1.75	1.75
U.S. Two-Year Treasury Yield	1.33	1.49	1.56	1.53
U.S. Ten-Year Treasury Yield	1.52	1.68	1.91	1.69
U.S. 30-Year Treasury Yield	2.01	2.13	2.38	2.18
High Yield (Merrill U.S. Corporates)	4.95	4.76	4.81	5.22

Commodity Prices as of:	01/31/20	01/24/20	12/31/19	10/31/19
Gold (USD/oz)	1,587.90	1,571.90	1,523.10	1,514.80
Crude Oil (USD/bbl)	51.56	54.19	61.06	54.18
Gasoline (USD/gal)	2.71	2.73	2.75	2.87
Copper (NYM \$/lbs)	2.52	2.69	2.79	2.63

Exchange Rates as of:	01/31/20	01/24/20	12/31/19	10/31/19
\$ per €	1.11	1.10	1.12	1.12
\$ per £	1.32	1.31	1.32	1.29
¥ per \$	108.39	109.44	108.68	108.11

## 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, February 3	Tuesday, February 4	Wednesday, February 5	Thursday, February 6	Friday, February 7
<b>Markit/Caixin PMI Manufacturing (Jan)</b> China	<b>Markit/Caixin Services PMI (Jan)</b> China	<b>Markit PMI Services</b> Germany	<b>Initial Claims (Feb 1)</b> U.S.	<b>Trade Balance (Jan)</b> China
<b>Markit/JMMA PMI Manufacturing (Jan)</b> Japan	<b>Durable Orders (Dec)</b> U.S.	<b>CIPS Services PMI (Jan)</b> U.K.	<b>Productivity (4Q19)</b> U.S.	<b>Industrial Production (Dec)</b> Germany
<b>Markit PMI Manufacturing (Jan)</b> Germany	<b>Factory Orders (Dec)</b> U.S.	<b>ADP Employment Survey (Jan)</b> U.S.		<b>Leading Index (Dec)</b> Japan
<b>CIPS Manufacturing PMI (Jan)</b> U.K.		<b>Markit PMI Services (Jan)</b> U.S.		<b>Nonfarm Payrolls (Jan)</b> U.S.
<b>Markit PMI Manufacturing (Jan)</b> U.S.		<b>ISM Non Manufacturing (Jan)</b> U.S.		<b>Unemployment Rate (Jan)</b> U.S.
<b>ISM Manufacturing (Jan)</b> U.S.				

Source: FactSet

## Earnings Announcements

Monday, February 3	Tuesday, February 4	Wednesday, February 5	Thursday, February 6	Friday, February 7
<b>Alphabet Inc.</b> <b>Sysco Corp.</b> <b>NXP Semiconductors</b> <b>Panasonic Corp.</b> <b>The Hartford Financial Group</b> <b>Ryanair</b>	<b>The Walt Disney Co.</b> <b>BP plc</b> <b>Fiserv, Inc.</b> <b>Gilead Sciences Inc.</b> <b>Chubb Limited</b> <b>ConocoPhillips</b> <b>Allergan plc</b>	<b>Merck &amp; Co., Inc.</b> <b>Toyota Motor Corp.</b> <b>GlaxoSmithKline plc</b> <b>Qualcomm Inc.</b> <b>Boston Scientific Corp.</b> <b>Daimler AG</b> <b>General Motors, Co.</b> <b>Humana Inc.</b> <b>MetLife, Inc.</b>	<b>Total S.A.</b> <b>Sanofi</b> <b>Bristol-Myers Squibb Co.</b> <b>Becton, Dickinson &amp; Co.</b> <b>Cigna Corp.</b> <b>The Estee Lauder Co.</b> <b>T-Mobile US, Inc.</b> <b>Uber Technologies</b>	<b>Novo Nordisk</b> <b>Abbvie Inc.</b> <b>Honda Motor Co.</b> <b>Hoya Corp.</b> <b>Cboe Global Markets</b> <b>Avantor, Inc.</b>

Source: Zacks Investment Research

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