

# Voya Global Perspectives

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As of February 21, 2020

## Investment Weekly

### Commentary and Statistics

- The major U.S. stock indexes ended down for the week. The coronavirus was the high-profile worry, as flash PMIs telegraphed early warnings that the outbreak was hindering the global economy. Stocks retreated as bonds and gold advanced, disrupting a recent counter-trend: investors had been buying “risk” and “safe” assets at the same time as they confronted a murky economic outlook.
- U.S. Treasury yields declined across the curve; the 30-year bond fell near record lows to 1.92% and the ten-year note dropped to 1.47%. The two-to-ten-year spread further tightened. Gasoline and distillate supplies fell, driving up oil prices. Gold continued to benefit from the risk-off trade. The U.S. dollar index declined on Friday but ended the week slightly up.
- With 87% of S&P 500 index companies reporting 4Q19 results, 71% have exceeded earnings per share expectations, while 65% have beaten revenue expectations. As of February 21, 2020, Refinitiv estimated the S&P 500’s 4Q19 earnings growth rate at 3.2% and its 12-month forward P/E ratio at 19.2. Advance Auto Parts, Domino’s Pizza and Zillow impressed; whereas Apple, Six Flags and Walmart disappointed.
- February IHS Markit flash Manufacturing PMI declined 1.1 points to 50.8. The rate of production new orders was down for the first time in over a decade. Demand, delivery delays and business confidence were all weaker. Flash Services PMI fell four points to 49.4, falling into contraction territory.
- By contrast, February regional manufacturing surveys outstripped estimates. The Philadelphia Federal Reserve survey soared to 36.7, from January’s 17 reading. The Empire State survey jumped to 12.9 from 4.8. Both surveys reported strong gains in new orders and shipments but pointed to easing employment and capital expenditures.

Index Prices (\$)		
Index	02/21/20	12/31/19
Dow Jones Industrial Average	28,992	28,538
S&P 500 Index	3,338	3,231

Returns (%)				
U.S. Market Indexes Returns	One Week	MTD	YTD	3-Months
Dow Jones Industrial Average	-1.36	2.85	1.94	5.03
S&P 500 Index	-1.22	3.63	3.59	8.05
MSCI ACWI Index	-9.39	2.64	1.53	-12.18
Russell 2000 Index	-0.52	4.08	0.74	6.34
Russell MidCap Index	-0.81	3.67	2.84	6.68
Bloomberg Barclays U.S. Aggregate Index	0.57	0.53	2.47	2.57
Bloomberg Barclays High Yield Bond Index	0.09	1.18	1.21	3.74
United States 20-Year Treasury Bond	2.37	1.95	9.08	6.52
S&P/LSTA Senior Loan Index	0.09	0.09	0.31	2.24

S&P 500 Sector Returns	One Week	MTD	YTD	3-Months
Consumer Discretionary	-1.08	4.00	4.65	10.26
Consumer Staples	-0.09	2.59	2.96	6.39
Energy	-0.90	0.96	-10.22	-6.60
Financials	-1.24	2.67	0.02	4.25
Health Care	-0.51	4.34	1.50	6.83
Industrials	-1.19	3.10	2.64	3.53
Materials	-0.25	4.76	-1.71	2.56
Real Estate	0.05	6.78	8.30	10.64
Technology	-2.46	4.32	8.45	15.16
Communication Services	-1.24	3.44	4.39	7.40
Utilities	-0.10	1.96	8.74	12.58

U.S. Returns by Style					
One Week (%)		Year to Date (%)		3-Months (%)	
Large Value	-0.7	Large Growth	-1.5	Large Value	4.4
Mid Value	-0.5	Large Growth	6.9	Large Growth	12.0
Small Value	-0.4	Mid Value	-1.3	Mid Value	5.7
		Mid Growth	5.0	Mid Growth	8.2
		Small Value	-2.4	Small Value	3.0
		Small Growth	3.8	Small Growth	9.6

**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	0.15	-0.70	0.56	1.04
MSCI EAFE Index	-6.43	0.58	-1.51	-13.38
MSCI United Kingdom Index	-7.76	0.04	-3.75	-17.22
MSCI Europe ex-U.K. Index	-7.30	2.56	0.46	-12.49
MSCI Japan Index	-3.66	-3.08	-4.40	-12.98
MSCI AC Asia ex-Japan Index	-4.46	2.79	-1.78	-5.08
MSCI Emerging Markets Index	-6.76	2.11	-2.64	-9.39
JPM EMBI+ Emerging Markets Bond Index	0.59	1.23	3.00	5.28
FTSE EPRA/NAREIT GRE Index	-0.68	3.06	2.71	5.55

Source: FactSet

- January existing home sales decreased 1.3% to a seasonally adjusted annual rate of 5.46 million. Year-over-year sales rose 9.6%. Housing starts fell 3.6% to 1.567 million, building permits rose 9.2% to 1.551 million. The February NAHB Housing Market index fell one point to 74; current sales, six-month expectations and traffic declined.
- Weekly initial jobless claims totaled 210,000 as of February 15, up from 206,000 the prior week. The four-week average dropped by 3,000 to 209,000.

Bond Rates (%) as of:	02/21/20	02/14/20	12/31/19	11/21/19
U.S. Federal Funds Target Rate	1.75	1.75	1.75	1.75
U.S. Two-Year Treasury Yield	1.35	1.43	1.56	1.61
U.S. Ten-Year Treasury Yield	1.47	1.59	1.91	1.77
U.S. 30-Year Treasury Yield	1.92	2.04	2.38	2.23
High Yield (Merrill U.S. Corporates)	4.67	4.64	4.81	5.29

Commodity Prices as of:	02/21/20	02/14/20	12/31/19	11/21/19
Gold (USD/oz)	1,648.80	1,586.40	1,523.10	1,463.60
Crude Oil (USD/bbl)	53.38	52.05	61.06	58.58
Gasoline (USD/gal)	2.63	2.62	2.75	2.85
Copper (NYM \$/lbs)	2.62	2.61	2.79	2.62

Exchange Rates as of:	02/21/20	02/14/20	12/31/19	11/21/19
\$ per €	1.09	1.08	1.12	1.11
\$ per £	1.30	1.30	1.32	1.29
¥ per \$	111.70	109.76	108.68	108.52

## 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 24	Tuesday, February 25	Wednesday, February 26	Thursday, February 27	Friday, February 28
<b>Ifo Business Climate (Feb)</b> Germany	<b>GDP (4Q19)</b> Germany	<b>New Home Sales (Jan)</b> U.S.	<b>CPI Tokyo (Feb)</b> Japan	<b>CFLP Manufacturing and Services PMIs (Feb)</b> China
<b>Ifo Expectations (Feb)</b> Germany	<b>GDP (4Q19)</b> Mexico	<b>Building Permits (Jan)</b> U.S.	<b>Industrial Production (Jan)</b> Korea	<b>GDP (4Q19)</b> India
<b>Chicago Fed National Activity Index (Jan)</b> U.S.	<b>FHFA Home Price Index (Dec)</b> U.S.		<b>Durable Orders (Jan)</b> U.S.	<b>Personal Consumption Expenditure (Jan)</b> U.S.
	<b>Consumer Confidence (Feb)</b> U.S.		<b>GDP (4Q19)</b> U.S.	<b>Wholesale Inventories (Jan)</b> U.S.
	<b>S&amp;P/Case-Shiller Comp.20 HPI (Dec)</b> U.S.		<b>Initial Claims (Feb 22)</b> U.S.	<b>Chicago PMI (Feb)</b> U.S.
				<b>Michigan Sentiment (Feb)</b> U.S.

Source: FactSet

## Earnings Announcements

Monday, February 24	Tuesday, February 25	Wednesday, February 26	Thursday, February 27	Friday, February 28
<b>Intuit Inc.</b> <b>HP Inc.</b> <b>ONEOK, Inc.</b> <b>Palo Alto Networks</b> <b>Galp Energia, SGPS</b> <b>Gaurdant Health</b> <b>Covestro AG</b> <b>BWX Technologies</b>	<b>The Home Depot</b> <b>Salesforce.com</b> <b>American Tower Corp.</b> <b>Bank of Nova Scotia</b> <b>BASF SE</b> <b>América Móvil</b> <b>Bank of Montreal</b> <b>Ecopetrol S.A.</b> <b>Thomson Reuters</b> <b>Public Storage</b>	<b>Lowe's Companies</b> <b>The TJX Companies</b> <b>Bayer Aktiengesellschaft</b> <b>Crown Castle International</b> <b>Adidas AG</b> <b>Wal-Mart de México</b> <b>ICICI Bank Limited</b> <b>Marriott International</b> <b>NetEase, Inc.</b>	<b>Anheuser-Busch InBev</b> <b>Toronto Dominion Bank</b> <b>VMware, Inc.</b> <b>Ambev S.A.</b> <b>Baxter International</b> <b>Baidu, Inc.</b> <b>Autodesk, Inc.</b> <b>EOG Resources, Inc.</b> <b>Keurig Dr. Pepper</b> <b>Dell Technologies</b> <b>Occidental Petroleum</b> <b>Monster Beverage</b>	<b>Berkshire Hathaway</b> <b>The AES Corporation</b> <b>Vistra Energy Corp.</b> <b>Wayfair Inc.</b> <b>PNM Resources</b> <b>Foot Locker</b> <b>Strategic Education</b> <b>Heron Therapeutics</b> <b>Magellan Health</b> <b>Gibraltar Industries</b>

Source: Zacks Investment Research

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