

Voya Global Perspectives

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As of March 6, 2020

Investment Weekly

Commentary and Statistics

- Global stock markets had a mixed week; the major U.S. indexes finished in the black after a string of up-and-down sessions. Volatility surged as coronavirus anxiety tightened its grip on sentiment; investors sought shelter in government bonds, pushing yields to unprecedented lows. The Federal Reserve tried to inoculate the economy from adverse impacts with a 50-basis-point rate cut, which ended up intensifying the sell-off. The Fed also had to intervene in the overnight repurchase markets, adding another \$100 billion as the demand for cash exceeded the repo market's capacity. A strong jobs report helped the mood Friday, and stocks ended the week on an upbeat note.
- The widely watched ten-year U.S. Treasury note ended the week at 0.71%; as a result, U.S. mortgage rates declined to 49-year lows. Oil prices fell on fears of weakening demand and the failure of OPEC and Russia to agree on production cuts. Gold had its best week in four years as risk-off sentiment predominated. The U.S. dollar declined against a basket of major currencies.
- U.S. nonfarm payrolls increased by 273,000 jobs in February, the unemployment rate ticked down to 3.5% and wages increased 3% year-over-year. Jobless claims, a gauge of corporate layoffs, declined to an historically low 216,000 the prior week. The findings suggested that so far, the coronavirus is having a muted impact on economic data.
- The J. P. Morgan Global PMI Composite Output Index contracted from 52.2 in January to 46.1 in February — its lowest reading since mid-2009. Manufacturing suffered a steeper downturn than services as new orders and international trade declined, particularly in China.

Index Prices (\$)		
Index	03/06/20	12/31/19
Dow Jones Industrial Average	25,865	28,538
S&P 500 Index	2,972	3,231

Returns (%)				
U.S. Market Indexes Returns	One Week	MTD	YTD	3-Months
Dow Jones Industrial Average	1.79	1.79	-8.95	-7.20
S&P 500 Index	0.65	0.65	-7.67	-5.08
MSCI ACWI Index	0.48	0.48	-8.59	-5.62
Russell 2000 Index	-1.81	-1.81	-12.96	-10.98
Russell MidCap Index	-0.89	-0.89	-10.22	-8.15
Bloomberg Barclays U.S. Aggregate Index	1.88	1.88	5.71	5.87
Bloomberg Barclays High Yield Bond Index	-0.44	-0.44	-1.82	-0.21
United States 20-Year Treasury Bond	8.57	8.57	24.13	22.28
S&P/LSTA Senior Loan Index	-1.04	-1.04	-2.76	-1.66

S&P 500 Sector Returns	One Week	MTD	YTD	3-Months
Consumer Discretionary	-0.78	-0.78	-7.70	-4.45
Consumer Staples	6.34	6.34	-1.93	-0.65
Energy	-7.22	-7.22	-29.50	-26.43
Financials	-4.00	-4.00	-16.94	-15.39
Health Care	4.96	4.96	-4.70	-2.20
Industrials	-1.58	-1.58	-11.16	-10.25
Materials	1.48	1.48	-12.78	-10.22
Real Estate	4.79	4.79	-0.47	1.08
Technology	0.57	0.57	-3.05	1.69
Communication Services	-1.34	-1.34	-6.74	-5.56
Utilities	7.98	7.98	3.78	7.00

U.S. Returns by Style

One Week (%)		Year to Date (%)		3-Months (%)	
Large Value	Large Growth	Large Value	Large Growth	Large Value	Large Growth
-0.1	0.9	11.7	-3.8	-9.7	-0.8
Mid Value	Mid Growth	Mid Value	Mid Growth	Mid Value	Mid Growth
-1.2	-0.4	-12.7	-6.4	-10.4	-4.8
Small Value	Small Growth	Small Value	Small Growth	Small Value	Small Growth
-2.5	-1.2	-16.7	-9.3	-14.4	-7.7

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	2.47	2.47	4.48	5.16
MSCI EAFE Index	0.35	0.35	-10.60	-8.03
MSCI United Kingdom Index	0.41	0.41	-14.91	-10.40
MSCI Europe ex-U.K. Index	0.80	0.80	-9.50	-6.59
MSCI Japan Index	-0.07	-0.07	-10.43	-9.87
MSCI AC Asia ex-Japan Index	1.36	1.36	-5.92	-0.23
MSCI Emerging Markets Index	0.69	0.69	-9.05	-3.06
JPM EMBI+ Emerging Markets Bond Index	1.42	1.42	2.35	4.18
FTSE EPRA/NAREIT GRE Index	2.85	2.85	-5.21	-3.82

Source: FactSet

- The final February reading of the IHS Markit U.S. Manufacturing Purchasing Managers' Index posted 50.7, down from 51.9 at the start of the year. Markit's Services PMI registered 49.4 in February versus January's 53.4. By contrast, the February ISM non-manufacturing reading was 57.3, up from 55.5 the prior month.
- The Commerce Department reported that the U.S. trade deficit narrowed to a seasonally-adjusted \$45.34 billion in January, versus expectations of \$46 billion. Economists attributed the easing to slowing trade flows during a time when the coronavirus' impact was becoming more intense in China.

Bond Rates (%) as of:	03/06/20	02/28/20	12/31/19	12/06/19
U.S. Federal Funds Target Rate	1.25	1.75	1.75	1.75
U.S. Two-Year Treasury Yield	0.49	0.88	1.56	1.62
U.S. Ten-Year Treasury Yield	0.71	1.13	1.91	1.84
U.S. 30-Year Treasury Yield	1.22	1.67	2.38	2.28
High Yield (Merrill U.S. Corporates)	5.43	5.36	4.81	5.06

Commodity Prices as of:	03/06/20	02/28/20	12/31/19	12/06/19
Gold (USD/oz)	1,672.40	1,566.70	1,523.10	1,465.10
Crude Oil (USD/bbl)	41.28	44.76	61.06	59.20
Gasoline (USD/gal)	2.64	2.67	2.75	2.78
Copper (NYM \$/lbs)	2.57	2.55	2.79	2.71

Exchange Rates as of:	03/06/20	02/28/20	12/31/19	12/06/19
\$ per €	1.13	1.10	1.12	1.10
\$ per £	1.30	1.28	1.32	1.31
¥ per \$	105.35	107.87	108.68	108.66

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, March 9	Tuesday, March 10	Wednesday, March 11	Thursday, March 12	Friday, March 13
GDP (4Q19) Japan	Industrial Production (Jan) France	Industrial Production (Jan) U.K.	Initial Claims (Mar 7) U.S.	CPI (Feb) France
NAB Business Confidence (Feb) Australia	Industrial Production (Jan) Italy	Manufacturing Production (Jan) U.K.	PPI ex-Food & Energy (Feb) U.S.	CPI (Feb) Germany
New Yuan Loans (Feb) China	Unemployment Rate (Feb) Korea	CPI ex-Food & Energy (Feb) U.S.	PPI (Feb) U.S.	Export Price Index (Feb) U.S.
CPI (Feb) China	NFIB Small Business Index (Feb) U.S.	CPI (Feb) U.S.		Import Price Index (Feb) U.S.
PPI (Feb) China		Hourly Earnings (Feb) U.S.		Michigan Sentiment (Mar) U.S.
Industrial Production (Jan) Germany				

Source: FactSet

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