

# Voya Global Perspectives

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As of July 5, 2019

## Investment Weekly

### Commentary and Statistics

- Markets rose over a holiday-shortened week, absorbing the ambivalent outcome of China-United States trade talks at the G20 summit, and then digesting strong U.S. jobs growth. The U.S. and China did not resolve the trade challenges roiling markets but did agree to keep talking, and the U.S. refrained from imposing further tariffs. The strong June payrolls report on Friday forced the repricing of more aggressive expectations for Federal Reserve policy easing; investors backed off bets for a 50-basis-point July cut.
- Analysts noted the most likely outcome was still a rate cut given the recent, dovish Fed pivot. U.S. Treasury yields rose across the curve, which flattened slightly but stayed inverted; the 10-year note ended the week slightly higher at 2.04%. Oil prices fell and gold prices were flat. The U.S. dollar rose against a basket of major currencies.
- Nonfarm payrolls increased 224,000 in June, beating expectations for 160,000 and rebounding from a weak May. The increase shifted the three-month average to 171,000, the highest since March. Average hourly earnings were weaker than expected, up 0.2% for June and 3.1% year-over-year, unchanged from May. The unemployment rate ticked up 0.1 percentage point (pp) to 3.7% in June, against expectations that it would remain 3.6%.
- The labor force participation rate also rose 0.1 pp, to 62.9%. The average workweek was unchanged at 34.4 hours. Elsewhere, initial jobless claims were 221,000, level with consensus and above the prior week's 229,000.
- The ISM and PMI manufacturing indexes beat expectations in June, though reports were mixed. The ISM index declined 0.4 to 51.7. The new orders component slipped

Index Prices (\$)		
Index	07/05/2019	12/31/18
Dow Jones Industrial Average	26,922.12	23,327.46
S&P 500 Index	2,990.41	2,506.85

Returns (%)				
U.S. Market Indexes Returns	One Week	MTD	YTD	3-Months
Dow Jones Industrial Average	1.27	1.27	16.87	2.52
S&P 500 Index	1.69	1.69	20.55	3.90
MSCI ACWI Index	1.21	1.21	18.01	2.88
Russell 2000 Index	0.59	0.59	17.68	-0.09
Russell MidCap Index	1.51	1.51	23.18	3.15
Bloomberg Barclays U.S. Aggregate Index	-0.15	-0.15	5.96	3.23
Bloomberg Barclays High Yield Bond Index	0.26	0.26	10.23	2.26
United States 20-Year Treasury Bond	-0.34	-0.34	10.76	7.39
S&P/LSTA Senior Loan Index	0.24	0.24	7.02	0.85

S&P 500 Sector Returns	One Week	MTD	YTD	3-Months
Consumer Discretionary	2.07	2.07	24.36	4.10
Consumer Staples	2.20	2.20	18.73	7.10
Energy	-0.94	-0.94	12.06	-5.87
Financials	2.03	2.03	19.63	6.55
Health Care	1.22	1.22	9.39	2.33
Industrials	0.12	0.12	21.53	1.01
Materials	0.52	0.52	17.87	2.51
Real Estate	2.45	2.45	23.38	3.97
Technology	2.26	2.26	30.00	5.73
Communication Services	2.85	2.85	22.48	4.34
Utilities	1.66	1.66	16.60	5.36

#### U.S. Returns by Style

One Week (%)		Year to Date (%)		3-Months (%)	
Large Value	Large Growth	Large Value	Large Growth	Large Value	Large Growth
1.3	2.1	17.8	24.0	3.3	4.4
Mid Value	Mid Growth	Mid Value	Mid Growth	Mid Value	Mid Growth
1.3	1.8	19.6	28.4	2.2	4.5
Small Value	Small Growth	Small Value	Small Growth	Small Value	Small Growth
0.6	0.6	14.2	21.1	-1.1	0.8

**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	-0.41	-0.41	5.14	3.37
MSCI EAFE Index	0.52	0.52	15.09	2.45
MSCI United Kingdom Index	-0.11	-0.11	12.82	-1.38
MSCI Europe ex-U.K. Index	-0.12	-0.12	17.62	3.66
MSCI Japan Index	1.71	1.71	9.81	1.51
MSCI AC Asia ex-Japan Index	0.73	0.73	11.64	-2.20
MSCI Emerging Markets Index	0.69	0.69	11.53	-1.12
JPM EMBI+ Emerging Markets Bond Index	0.66	0.66	11.33	4.25
FTSE EPRA/NAREIT GRE Index	2.40	2.40	18.18	2.44

Source: FactSet

2.7 points to 50.0, and the backlog of orders contracted for a second straight month. Final IHS Markit manufacturing PMI rose 0.4 to 50.5, though this was the second-lowest reading since September 2009.

- The ISM nonmanufacturing index came in at 55.1 in June versus expectations for 55.9 and May's 56.9. New orders slipped to 55.8, down from 58.6 in May. Markit services PMI registered 51.5 versus consensus for 50.7; respondents observed some acceleration in new business and a slight pickup in client demand.

Bond Rates (%) as of:	07/05/2019	06/28/2019	12/31/18	04/05/2019
U.S. Federal Funds Target Rate	2.50	2.50	2.50	2.50
U.S. Two-Year Treasury Yield	1.88	1.74	2.50	2.36
U.S. Ten-Year Treasury Yield	2.05	2.00	2.69	2.50
U.S. 30-Year Treasury Yield	2.55	2.53	3.02	2.91
High Yield (Merrill U.S. Corporates)	5.68	5.73	7.37	6.07

Commodity Prices as of:	07/05/2019	06/28/2019	12/31/18	04/05/2019
Gold (USD/oz)	1,400.10	1,413.70	1,281.30	1,295.60
Crude Oil (USD/bbl)	57.51	58.47	45.41	63.08
Gasoline (USD/gal)	2.94	2.90	2.50	2.86
Copper (NYM \$/lbs)	2.66	2.71	2.63	2.89

Exchange Rates as of:	07/05/2019	06/28/2019	12/31/18	04/05/2019
\$ per €	1.12	1.14	1.14	1.12
\$ per £	1.25	1.27	1.27	1.30
¥ per \$	108.47	107.74	109.72	111.75

### 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, July 8	Tuesday, July 9	Wednesday, July 10	Thursday, July 11	Friday, July 12
<b>Loan Growth Y/Y (Jun)</b> China	<b>CPI Y/Y (Jun)</b> China	<b>GDP 3M/3M (May)</b> U.K.	<b>CPI M/M Final (Jun)</b> Germany	<b>PPI M/M (Jun)</b> U.S.
<b>Export M/M (May)</b> Germany	<b>PPI Y/Y (Jun)</b> China	<b>Industrial Production M/M (May)</b> U.K.	<b>Continuing Jobless Claims (Jul 6)</b> U.S.	
<b>Industrial Production M/M (May)</b> Germany	<b>NFIB Small Business Index (Jun)</b> U.S.	<b>Manufacturing Production M/M (May)</b> U.K.	<b>CPI M/M (Jun)</b> U.S.	
	<b>JOLTS Job Openings (May)</b> U.S.	<b>FOMC Minutes</b> U.S.	<b>Initial Jobless Claims (Jul 6)</b> U.S.	

Source: FactSet

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