

Voya Global Perspectives

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As of July 19, 2019

Investment Weekly

Commentary and Statistics

- U.S. stocks ended the week on a softer note after the Federal Reserve downplayed the chances of a larger rate cut at its July meeting. The Dow ended the week at 27265, slightly off its week-ago, all-time high of 27332. The S&P 500 and Nasdaq closed at 2,976.61 and 8,146.49, respectively, both slightly lower. With stocks easing and the prospects of a rate cut looming, yields on two-year and ten-year Treasuries eased to 1.813% and 2.048%, respectively for the week. Oil prices edged high on Friday on U.S.-Iranian tensions, but still finished the week lower overall at \$55.63 on oversupply concerns.
- With nearly 16% of S&P 500 companies reporting second-quarter results, 77% have exceeded earnings per share (EPS) expectations, while 64.6% have beaten revenue expectations. As of July 19, 2019, Refinitiv estimated the S&P 500 index's first-quarter earnings growth rate at 1% and its 12-month forward P/E ratio at 17.2. Citi, IBM and Microsoft impressed this week, whereas CSX, Netflix and American Express disappointed.
- While Fed officials indicated readiness to cut the overnight fed funds rate by 25 basis points (bp), as well as additional cuts going forward, they do not believe a larger cut is necessary at this time. While the Fed has expressed general concerns about a slowdown in global growth, ongoing trade-policy uncertainty and a pullback in inflation, the prospects for a larger, or 50 bp cut were dashed following data earlier in the month showing inflation may not be as weak as feared.
- Housing starts fell 0.9% in June from May to an annual rate of 1.253 million. Residential building permits dropped 6.1% during the month to an annual rate of 1.220 million, the largest monthly drop since March 2016.
- Initial jobless claims rose by 8,000, coming in at 216,000 for the week ending July 13,

Index Prices (\$)		
Index	07/19/19	12/31/18
Dow Jones Industrial Average	27,154.20	23,327.46
S&P 500 Index	2,976.61	2,506.85

Returns (%)				
U.S. Market Indexes Returns	One Week	MTD	YTD	3-Months
Dow Jones Industrial Average	-0.61	2.21	17.95	2.88
S&P 500 Index	-1.21	1.29	20.06	2.98
MSCI ACWI Index	-0.62	0.80	17.53	1.85
Russell 2000 Index	-1.40	-1.15	15.64	-0.79
Russell MidCap Index	-1.12	0.89	22.43	2.61
Bloomberg Barclays U.S. Aggregate Index	0.38	0.01	6.13	3.46
Bloomberg Barclays High Yield Bond Index	-0.15	0.06	10.00	1.44
United States 20-Year Treasury Bond	1.01	-0.75	10.30	7.81
S&P/LSTA Senior Loan Index	0.26	0.75	7.56	0.59

S&P 500 Sector Returns	One Week	MTD	YTD	3-Months
Consumer Discretionary	-1.65	2.54	24.94	3.06
Consumer Staples	0.35	3.50	20.24	6.21
Energy	-2.65	-1.49	11.44	-5.73
Financials	-1.32	1.15	18.60	2.75
Health Care	-0.80	-0.96	7.03	7.27
Industrials	-1.22	0.14	21.54	-0.64
Materials	0.15	-0.14	17.10	1.83
Real Estate	-2.28	-0.06	20.35	4.39
Technology	-0.65	3.15	31.13	4.03
Communication Services	-3.06	1.13	20.43	0.10
Utilities	-0.44	1.10	15.96	6.24

U.S. Returns by Style

One Week (%)		Year to Date (%)		3-Months (%)	
Large Value	-1.1	Large Value	17.0	Large Value	2.3
Large Growth	-1.2	Large Growth	23.9	Large Growth	3.7
Mid Value	-1.3	Mid Value	18.1	Mid Value	1.1
Mid Growth	-0.8	Mid Growth	28.8	Mid Growth	4.8
Small Value	-1.8	Small Value	11.4	Small Value	-3.2
Small Growth	-1.0	Small Growth	19.7	Small Growth	1.5

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	0.45	-0.18	5.37	3.63
MSCI EAFE Index	-0.13	-0.16	14.31	1.10
MSCI United Kingdom Index	-0.40	-0.71	12.15	-2.23
MSCI Europe ex-U.K. Index	-0.13	-0.97	16.62	1.40
MSCI Japan Index	-0.43	0.81	8.85	1.03
MSCI AC Asia ex-Japan Index	0.99	0.56	11.45	-2.89
MSCI Emerging Markets Index	0.76	0.70	11.54	-1.84
JPM EMBI+ Emerging Markets Bond Index	0.49	0.60	11.26	4.42
FTSE EPRA/NAREIT GRE Index	-1.08	1.06	16.62	3.18

Source: FactSet

a jump from the prior week's 208,000. Meanwhile, continuing claims decreased by 42,000 to 1,686,000 in the week ended July 6.

- The University of Michigan's consumer sentiment increased to 98.4 in July, slightly higher than June's 98.2 final reading.

Bond Rates (%) as of:	07/19/19	07/12/19	12/31/18	04/19/19
U.S. Federal Funds Target Rate	2.50	2.50	2.50	2.50
U.S. Two-Year Treasury Yield	1.82	1.84	2.50	2.40
U.S. Ten-Year Treasury Yield	2.05	2.11	2.69	2.56
U.S. 30-Year Treasury Yield	2.58	2.63	3.02	2.96
High Yield (Merrill U.S. Corporates)	5.74	5.72	7.37	5.96

Commodity Prices as of:	07/19/19	07/12/19	12/31/18	04/19/19
Gold (USD/oz)	1,426.70	1,412.20	1,281.30	1,276.00
Crude Oil (USD/bbl)	55.76	60.21	45.41	64.07
Gasoline (USD/gal)	2.99	2.96	2.50	3.05
Copper (NYM \$/lbs)	2.74	2.69	2.63	2.93

Exchange Rates as of:	07/19/19	07/12/019	12/31/18	04/19/19
\$ per €	1.12	1.13	1.14	1.12
\$ per £	1.25	1.26	1.27	1.30
¥ per \$	107.74	108.02	109.72	111.88

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 22	Tuesday, July 23	Wednesday, July 24	Thursday, July 25	Friday, July 26
No Data	Import Price Index Germany FHFA Home Price Index U.S. Existing Home Sales U.S. Markit/JMMA PMI Manufacturing SA (Preliminary) Japan	Leading Index (Final) Japan Markit PMI Manufacturing & Services (Preliminary) France Markit PMI Services SA (Preliminary) France Markit PMI (Preliminary) Germany Building Permits SAAR (Final) U.S. PMI Composite SA (Preliminary) U.S. Markit PMI Manufacturing SA (Preliminary) U.S. Markit PMI Services SA (Preliminary) U.S. New Home Sales SAAR U.S. GDP (Preliminary) Korea	Durable Orders (Preliminary) U.S. Initial Claims SA U.S. Wholesale Inventories (Preliminary) U.S. Kansas City Fed Manufacturing Index U.S. CPI Tokyo Japan	GDP Q/Q & Y/Y (Preliminary) U.S. Trade Balance Mexico

Source: FactSet

Earnings Announcements

Monday, July 22	Tuesday, July 23	Wednesday, July 24	Thursday, July 25	Friday, July 26
TD Ameritrade Holding Corp Cadence Design Systems Inc. Halliburton Co Ryanair Holdings PLC ADR Celanese Corporation Equity Lifestyle Properties Inc Lennox International Inc Brown & Brown Inc Whirlpool Corporation	Visa Inc. Coca-cola Company United Technologies Corp Texas Instruments Inc. Lockheed Martin Corp. Chubb Limited Canadian National Railway Co Kimberly-Clark Corp Biogen Inc.	Facebook, Inc. At&t Inc. The Boeing Company Paypal Holdings Inc Glaxosmithkline PLC Banco Bradesco United Parcel Service Inc. Anthem, Inc. Caterpillar Inc. Northrop Grumman Corp General Dynamics Corp	Amazon.com, Inc Alphabet Inc. Alphabet Inc. Intel Corporation Comcast Corporation Anheuser-Busch InBev Total S.a. Praxair, Inc. Starbucks Corporation	Mcdonald's Corp. Abbie Inc. Charter Communications Inc Colgate-palmolive Co Basf Se Aon Plc Phillips 66

Source: Zacks Investment Research

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