Weekly Update | August 5, 2019

Voya Global Perspectives

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As of August 2, 2019

Investment Weekly

Commentary and Statistics

- Stocks around the globe retreated after policy surprises rattled investors. The Federal Reserve cut interest rates as expected but conveyed a surprisingly hawkish tone at the presser, dashing hopes for an easing cycle. United States-China trade talks concluded with no breakthroughs but a promise to resume talks, which seemed to back-burner trade concerns. The next day, however, President Trump announced 10% tariffs on the final $300 billion tranche of Chinese imports.
- The surprise tariffs reignited fears of global recession, driving stock prices and bond yields down everywhere. The major U.S. indexes slumped: the S&P 500 and Nasdaq closed at 2932.04 and 8004.07, respectively; the Dow Jones Industrial Average closed at 26485.14. The 10-year U.S. Treasury yield dropped to 1.851%, plumbing lows not seen since late 2016. The yield on Germany's longest-term bond, the 29-year Bund, went negative for the first time, falling to -0.004% as investors sought "safe-haven" assets.
- Oil prices fell on concerns about oversupply and slowing demand. Gold prices surged on escalating economic uncertainty. The U.S. dollar fell against a basket of major currencies.
- With 59% of S&P 500 companies reporting second-quarter results, 75% have exceeded earnings per share (EPS) expectations, while 61% have beaten revenue expectations. As of July 31, 2019, Refinitiv estimated the S&P 500 index's second-quarter earnings growth rate at 1.3% and its 12-month forward P/E ratio at 17.4. Booz Allen Hamilton, Procter & Gamble and Tower Semiconductor impressed this week, whereas Beyond Meat, Capital One and Cooper Tire disappointed.
- Nonfarm payrolls rose by 164,000 in July, just shy of the 165,000 monthly average year-to-date; the YTD average for 2018

Index Prices ($)

Index	08/02/19	12/31/18
Dow Jones Industrial Average	26,485	23,327
S&P 500 Index	2,932	2,507

Returns (%)

U.S. Market Indexes Returns	One Week	MTD	YTD	3-Months
Dow Jones Industrial Average	-2.59	-1.40	15.05	1.31
S&P 500 Index	-3.07	-1.60	18.32	1.02
MSCI ACWI Index	-3.09	-1.88	14.78	-0.52
Russell 2000 Index	-2.85	-2.59	14.61	-2.74
Russell MidCap Index	-3.32	-2.21	20.36	0.40
Bloomberg Barclays U.S. Aggregate Index	0.98	0.74	7.14	4.26
Bloomberg Barclays High Yield Bond Index	-0.31	-0.32	10.20	1.38
United States 20-Year Treasury Bond	3.91	2.63	14.25	11.27
S&P/LSTA Senior Loan Index	0.15	-0.04	7.87	0.50

S&P 500 Sector Returns	One Week	MTD	YTD	3-Months
Consumer Discretionary	-4.57	-2.20	20.30	-0.51
Consumer Staples	-1.91	-0.37	18.65	4.65
Energy	-3.34	-3.59	7.12	-4.37
Financials	-3.82	-2.48	17.13	-0.32
Health Care	-1.07	-0.06	6.28	2.22
Industrials	-3.42	-2.59	19.02	-1.62
Materials	-2.94	-1.77	14.76	2.77
Real Estate	2.09	1.02	23.78	5.61
Technology	-4.35	-2.21	28.46	1.52
Communication Services	-3.49	-1.28	21.52	1.27
Utilities	0.31	1.08	15.61	4.74

U.S. Returns by Style

One Week (%)		Year to Date (%)		3-Months (%)	
Large Value -3.0	Large Growth -3.3	Large Value 15.1	Large Growth 22.3	Large Value 0.3	Large Growth 1.6
Mid Value -2.9	Mid Growth -3.9	Mid Value 16.4	Mid Growth 26.1	Mid Value -0.5	Mid Growth 1.7
Small Value -3.2	Small Growth -2.5	Small Value 10.2	Small Growth 18.9	Small Value -4.6	Small Growth -1.0

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	0.82	0.60	5.90	4.13
MSCI EAFE Index	-2.64	-1.75	11.07	-1.56
MSCI United Kingdom Index	-4.06	-3.39	7.16	-5.52
MSCI Europe ex-U.K. Index	-3.19	-1.96	13.18	-1.29
MSCI Japan Index	-0.31	0.03	8.15	-0.02
MSCI AC Asia ex-Japan Index	-4.61	-3.06	5.61	-7.42
MSCI Emerging Markets Index	-4.24	-3.19	6.01	-5.58
JPM EMBI+ Emerging Markets Bond Index	0.15	0.06	11.94	4.89
FTSE EPRA/NAREIT GRE Index	-0.73	-0.22	15.32	1.04

Source: FactSet

was 223,000. The unemployment rate held steady at 3.7%. Average hourly wages rose 3.2% versus a year ago, up slightly from June's pace.

- July ISM manufacturing came in at 51.2 versus consensus 52.0 and June's 51.7, marking the fourth month of decline and the lowest headline level in three years. Final July Markit manufacturing PMI logged 50.4, above 50.0 consensus but lower than June's 50.6 and the lowest headline since September 2009. Construction spending for June declined 1.3% from May, down 2.1% year-over-year.

Bond Rates (%) as of:	08/02/19	07/26/19	12/31/18	05/02/19
U.S. Federal Funds Target Rate	2.25	2.50	2.50	2.50
U.S. Two-Year Treasury Yield	1.72	1.87	2.50	2.37
U.S. Ten-Year Treasury Yield	1.86	2.08	2.69	2.55
U.S. 30-Year Treasury Yield	2.39	2.60	3.02	2.94
High Yield (Merrill U.S. Corporates)	5.71	5.61	7.37	5.96

Commodity Prices as of:	08/02/19	07/26/19	12/31/18	05/02/19
Gold (USD/oz)	1,457.50	1,419.30	1,281.30	1,272.00
Crude Oil (USD/bbl)	55.66	56.20	45.41	61.81
Gasoline (USD/gal)	2.93	2.96	2.50	3.16
Copper (NYM $/lbs)	2.57	2.68	2.63	2.78

Exchange Rates as of:	08/02/19	07/26/19	12/31/18	05/02/19
$ per €	1.11	1.11	1.14	1.12
$ per £	1.21	1.24	1.27	1.30
¥ per $	106.57	108.66	109.72	111.54

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.

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, August 5	Tuesday, August 6	Wednesday, August 7	Thursday, August 8	Friday, August 9
Markit PMI Services (Jul) Germany **PMI Composite (Jul)** U.S. **Markit PMI Services (Jul)** U.S. **ISM Non Manufacturing (Jul)** U.S.	**Manufacturing Orders (Jun)** Germany **Leading Index (Jun)** Japan **JOLTS Job Opening (Jun)** U.S.	**Industrial Production (Jun)** Germany **Halifax House Price 3-M/Y (Jul)** U.K. **Consumer Credit (Jun)** U.S.	**CPI Y/Y (Jul)** China **PPI Y/Y (Jul)** China **GDP (2Q19)** Japan **Continuing Jobless Claims (07/27)** U.S.	**GDP (2Q19)** U.K. **Industrial Production (Jun)** U.K. **Manufacturing Production (Jun)** U.K. **PPI (Jul)** U.S.

Source: FactSet

Earnings Announcements

Monday, August 5	Tuesday, August 6	Wednesday, August 7	Thursday, August 8	Friday, August 9
Sapiens International Corp **HSBC Holdings PLC** **Praxair, Inc.** **Marriott International Inc.** **Tyson Foods, Inc** **Wec Energy Group** **Kla-tencor Corp.** **Realty Income Corp.** **Fuji Heavy Industries** **Ansys, Inc.**	**The Walt Disney Co.** **Becton, Dickinson & Co.** **Duke Energy Corp.** **Zoetis Inc.** **Fidelity Nationaional Information Services Inc.** **Emerson Electric Co.** **Regeneron Pharmaceuticals Inc.** **TransDigm Group Inc.** **FleetCor Technologies Inc.** **Pioneer Natural Resources Co.**	**Banco Bradesco** **Volkswagen AG** **Booking Holdings Inc** **CVS Health Corp** **American International Group** **Japan Tob Inc** **Energy Transfer LP** **Manulife Financial Corp** **Monster Beverage Corp** **Mercadolibre, Inc**	**Uber Technologies, Inc.** **Adidas AG** **Worldpay, Inc.** **Deutsche Post AG** **Keurig Dr Pepper** **The Kraft Heinz Co.** **Activision Blizzard Inc.** **Coca-cola European Partners** **Cheniere Energy Partners** **Fujifilm Holdings**	**Novozymes** **BRF S.A.** **Semiconductor Manufacturing International Corp.** **Hospitality Properties Trust** **Colony Capital, Inc.** **Transalta Corp.** **The RMR Group Inc.** **Enerplus Corp.** **Tidewater Inc.** **U.S. Concrete, Inc.**

Source: Zacks Investment Research

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