

# Voya Global Perspectives

Markets. Insights. Opportunities.®

As of December 7, 2018

## Investment Weekly

### Commentary and Statistics

- The hoped-for “Santa” rally took a detour this week, misrouted by unclear directions from the Federal Reserve and Tariff Man. The S&P 500 moved negative YTD, returning to correction territory and capping its third-worst weekly performance of the year. The news, however, skewed positive, with China signaling it considers the Huawei matter separate from trade negotiations, and nonfarm payrolls data coming in light, which fits into the narrative of the Fed looking for a pause. The OPEC+ production cut was also larger than estimated.
- Nonetheless, other issues clouded the horizon: slower global growth, peak-earnings worries and possible recession signals from the yield curve as a spread inversion between the three- and five-year notes persisted through the week. The last such inversion occurred in 2017, before the Great Recession of 2008. The 10-year U.S. Treasury yield fell back to about 2.86%.
- Oil prices slid but mostly recovered after OPEC and Russia agreed to substantial production cuts. Gold prices gained significantly for the week.
- U.S. nonfarm payrolls increased by 155,000 in November — fewer than the average of 220,000 per month in the first two-thirds of 2018, but extending a record-breaking streak of 98 straight months of job gains. The unemployment and labor-force participation rates held steady at 3.7% and 62.9%, respectively. November YoY wage growth matched October’s 3.1% rate, the best since 2009. Average hourly earnings increased six cents to \$27.35.
- November’s ISM manufacturing indicator came in at 59.3, ahead of October’s 57.7 level. The new orders component registered 62.1, up 4.7 points from October. The employment component rose to 58.4 from 56.8, pointing to a faster pace of manufacturing job gains. Respondent commentary was generally positive but cautious, again highlighting challenges from tariffs and a tight labor market.

Index Prices (\$)		
Index	12/07/18	12/31/17
Dow Jones Industrial Average	24,388.95	24,652.00
S&P 500 Index	2,633.08	2,676.00

Returns (%)				
Market Indexes Returns	One Week	MTD	YTD	3-Months
Dow Jones Industrial Average	-4.44	-4.44	0.90	-5.33
S&P 500 Index	-4.55	-4.55	0.32	-7.84
MSCI ACWI Index	-3.42	-3.42	-5.42	-7.14
Russell 2000 Index	-5.53	-5.53	-4.60	-15.18
Russell MidCap Index	-4.35	-4.35	-3.44	-9.88
Bloomberg Barclays U.S. Aggregate Index	0.85	0.85	-0.95	0.45
Bloomberg Barclays High Yield Bond Index	-0.14	-0.14	-0.08	-1.91
United States 20-Year Treasury Bond	3.08	3.08	-4.34	0.18
S&P/LSTA Senior Loan Index	-0.50	-0.50	2.13	-1.23

S&P 500 Sector Returns	One Week	MTD	YTD	3-Months
Consumer Discretionary	-4.18	-4.18	5.44	-10.62
Consumer Staples	-2.94	-2.94	-2.16	1.16
Energy	-2.99	-2.99	-9.02	-11.20
Financials	-7.00	-7.00	-8.84	-10.89
Health Care	-4.62	-4.62	11.12	-1.67
Industrials	-6.27	-6.27	-8.99	-11.87
Materials	-5.12	-5.12	-13.08	-12.06
Real Estate	0.27	0.27	5.89	2.65
Technology	-5.05	-5.05	3.43	-11.98
Telecom	-4.05	-4.05	-9.48	-6.39
Utilities	1.48	1.48	10.08	5.33

#### U.S. Returns by Style

One Week (%)		Year to Date (%)		3-Months (%)	
Large Value	-4.3	Large Value	-2.9	Large Value	-5.9
Large Growth	-4.8	Large Growth	2.6	Large Growth	-10.5
Mid Value	-3.8	Mid Value	-5.7	Mid Value	-8.5
Mid Growth	-5.2	Mid Growth	-0.7	Mid Growth	-11.9
Small Value	-5.0	Small Value	-5.9	Small Value	-13.1
Small Growth	-6.0	Small Growth	-3.5	Small Growth	-17.2

**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	0.87	0.87	-2.31	-0.38
MSCI EAFE Index	-2.25	-2.25	-11.01	-6.66
MSCI United Kingdom Index	-2.85	-2.85	-13.27	-7.22
MSCI Europe ex-U.K. Index	-2.71	-2.71	-12.43	-8.70
MSCI Japan Index	-1.88	-1.88	-8.10	-4.00
MSCI AC Asia ex-Japan Index	-1.51	-1.51	-13.11	-5.72
MSCI Emerging Markets Index	-1.33	-1.33	-13.13	-3.72
JPM EMBI+ Emerging Markets Bond Index	0.84	0.84	-5.19	0.23
FTSE EPRA/NAREIT GRE Index	0.60	0.60	-0.07	0.29

Source: FactSet

Elsewhere, the final Markit manufacturing PMI for November came in at 55.3, slightly below the 55.4 consensus.

- November's IHS Markit Eurozone Manufacturing PMI final reading came in at 51.8 in November, down from 52.0 in October. The euro area's "big-four" economies posted the lowest PMIs of all countries covered by the survey. Italy registered its lowest reading in nearly four years.

Bond Rates (%) as of:	12/07/18	11/30/18	12/31/17	09/07/18
U.S. Federal Funds Target Rate	2.25	2.25	1.50	2.00
U.S. Two-Year Treasury Yield	2.71	2.81	1.89	2.71
U.S. Ten-Year Treasury Yield	2.85	3.01	2.41	2.94
U.S. 30-Year Treasury Yield	3.14	3.31	2.74	3.10
High Yield (Merrill U.S. Corporates)	6.94	6.91	5.59	6.41

Commodity Prices as of:	12/07/18	11/30/18	12/31/17	09/07/18
Gold (USD/oz)	1,252.60	1,226.00	1,309.30	1,200.40
Crude Oil (USD/bbl)	52.61	50.93	60.42	67.75
Gasoline (USD/gal)	2.67	2.74	2.66	2.96
Copper (NYM \$/lbs)	2.76	2.78	3.28	2.60

Exchange Rates as of:	12/07/18	11/30/18	12/31/17	09/07/18
\$ per €	1.14	1.13	1.20	1.16
\$ per £	1.28	1.28	1.35	1.30
¥ per \$	112.70	113.55	112.65	111.12

## 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.

This commentary has been prepared by Voya Investment Management for informational purposes. Nothing contained herein should be construed as (i) an offer to sell or solicitation of an offer to buy any security or (ii) a recommendation as to the advisability of investing in, purchasing or selling any security. Any opinions expressed herein reflect our judgment and are subject to change. Certain of the statements contained herein are statements of future expectations and other forward-looking statements that are based on management's current views and assumptions and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in such statements. Actual results, performance or events may differ materially from those in such statements due to, without limitation, (1) general economic conditions, (2) performance of financial markets, (3) changes in laws and regulations and (4) changes in the policies of governments and/or regulatory authorities. The opinions, views and information expressed in this commentary regarding holdings are subject to change without notice. The information provided regarding holdings is not a recommendation to buy or sell any security. Fund holdings are fluid and are subject to daily change based on market conditions and other factors.

**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, December 10	Tuesday, December 11	Wednesday, December 12	Thursday, December 13	Friday, December 14
<b>Sentix Investor Confidence (Dec)</b> Eurozone	<b>Mfng Production (Oct)</b> U.K.	<b>Industrial Production (Oct)</b> Eurozone	<b>CPI (Nov)</b> Germany	<b>Retail Sales Advance (Nov)</b> U.S.
<b>GDP (Oct)</b> U.K.	<b>ZEW Survey Expectations (Dec)</b> Eurozone	<b>Employment (3Q18)</b> Eurozone	<b>Initial Jobless Claims (Dec 8)</b> U.S.	<b>Industrial Production (Nov)</b> U.S.
<b>JOLTS Job Openings (Oct)</b> U.S.	<b>NFIB Small Business Optimism (Nov)</b> U.S.	<b>CPI (Nov)</b> U.S.	<b>Tankan Large Mfg Index (4Q18)</b> Japan	<b>Capacity Utilization (Nov)</b> U.S.
<b>Machine Tool Orders (Nov)</b> Japan	<b>PPI Final Demand (Nov)</b> U.S.	<b>Real Avg Weekly Earnings (Nov)</b> U.S.	<b>Retail Sales (Nov)</b> China	<b>Mfng (SIC) Production (Nov)</b> U.S.
	<b>PPI (Nov)</b> Japan	<b>RICS House Price Balance (Nov)</b> U.K.	<b>Industrial Production (Nov)</b> China	<b>Business Inventories (Oct)</b> U.S.

Source: Bloomberg

This commentary has been prepared by Voya Investment Management for informational purposes. Nothing contained herein should be construed as (i) an offer to sell or solicitation of an offer to buy any security or (ii) a recommendation as to the advisability of investing in, purchasing or selling any security. Any opinions expressed herein reflect our judgment and are subject to change. Certain of the statements contained herein are statements of future expectations and other forward-looking statements that are based on management's current views and assumptions and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in such statements. Actual results, performance or events may differ materially from those in such statements due to, without limitation, (1) general economic conditions, (2) performance of financial markets, (3) changes in laws and regulations and (4) changes in the policies of governments and/or regulatory authorities. The opinions, views and information expressed in this commentary regarding holdings are subject to change without notice. The information provided regarding holdings is not a recommendation to buy or sell any security. Fund holdings are fluid and are subject to daily change based on market conditions and other factors.

**Past performance is no guarantee of future results.**



This commentary has been prepared by Voya Investment Management for informational purposes. Nothing contained herein should be construed as (i) an offer to sell or solicitation of an offer to buy any security or (ii) a recommendation as to the advisability of investing in, purchasing or selling any security. Any opinions expressed herein reflect our judgment and are subject to change. Certain of the statements contained herein are statements of future expectations and other forward-looking statements that are based on management's current views and assumptions and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in such statements. Actual results, performance or events may differ materially from those in such statements due to, without limitation, (1) general economic conditions, (2) performance of financial markets, (3) changes in laws and regulations and (4) changes in the policies of governments and/or regulatory authorities. The opinions, views and information expressed in this commentary regarding holdings are subject to change without notice. The information provided regarding holdings is not a recommendation to buy or sell any security. Fund holdings are fluid and are subject to daily change based on market conditions and other factors.

**Past performance is no guarantee of future results.**

©2018 Voya Investments Distributor, LLC • 230 Park Ave, New York, NY 10169 • All rights reserved.  
BBGP-STATISTICS 687771 • 163086