

# Voya Global Perspectives

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As of December 14, 2018

## Investment Weekly

### Commentary and Statistics

- U.S. stocks began the week looking like they would rally, but economic disappointments from China and the Eurozone caused a retreat. The Dow Jones Industrial Average closed at about 24,100, marking the first time since March 2016 that the Dow, Nasdaq and S&P 500 simultaneously were in correction territory — i.e., a fall of at least 10% from a recent high. Asian and European bourses generally showed slight gains for the week.
- Friday saw a sharp drop in the major U.S. stock indexes. This seems to be a developing pattern as wary investors try to avoid large exposures over the weekend, when markets are closed but vulnerable to unpredictable geopolitical news. Technology companies most closely linked to the Chinese and global economy were among the hardest hit.
- U.S. Treasury yields were relatively stable for the week: the widely watched ten-year yield rose from 2.86% to 2.89%. At the same time, the U.S. dollar continued its ascent, driving oil prices down. Gold prices also declined in response to the rising dollar and higher yields.
- American consumers gave the holiday shopping season a strong start in November. U.S. retail sales rose 0.2% from October, better than expected. Department store sales rose 0.4%, while electronics and appliance-store sales rose 1.4%. Sales at nonstore retailers such as Amazon.com increased 2.3%.
- Chinese retail sales and industrial production disappointed in November. Industrial production was up 5.4% year-over-year and retail sales increased 8.1% YoY, but the figures pointed to a continuing slowdown in China's economy.
- U.S. industrial production rose 0.6% in November, driven by a 3.3% rise in utility output due to cool November weather. Output at U.S. factories, which accounts for about two-thirds of U.S. industrial production, was flat.

Index Prices (\$)		
Index	12/14/18	12/31/17
Dow Jones Industrial Average	24,100.51	24,652.00
S&P 500 Index	2,599.95	2,676.00

Returns (%)				
U.S. Market Indexes Returns	One Week	MTD	YTD	3-Months
Dow Jones Industrial Average	-1.17	-5.56	-0.28	-7.31
S&P 500 Index	-1.22	-5.72	-0.90	-10.06
MSCI ACWI Index	-1.11	-4.49	-6.47	-9.36
Russell 2000 Index	-2.52	-7.91	-7.01	-17.76
Russell MidCap Index	-1.79	-6.06	-5.17	-12.57
Bloomberg Barclays U.S. Aggregate Index	0.06	0.91	-0.90	0.62
Bloomberg Barclays High Yield Bond Index	0.11	-0.03	0.03	-2.24
United States 20-Year Treasury Bond	0.06	3.14	-4.28	0.73
S&P/LSTA Senior Loan Index	-0.77	-1.27	1.34	-2.16

S&P 500 Sector Returns	One Week	MTD	YTD	3-Months
Consumer Discretionary	-1.18	-5.31	4.20	-12.72
Consumer Staples	-0.55	-3.48	-2.70	-0.19
Energy	-3.22	-6.11	-11.94	-15.80
Financials	-3.51	-10.27	-12.04	-13.74
Health Care	-1.78	-6.32	9.14	-4.45
Industrials	-1.45	-7.63	-10.31	-14.78
Materials	-1.05	-6.12	-13.99	-13.51
Real Estate	-1.63	-1.36	4.16	0.55
Technology	0.01	-5.04	3.44	-13.57
Telecom	0.51	-3.56	-9.02	-8.56
Utilities	0.68	2.17	10.83	5.58

#### U.S. Returns by Style

One Week (%)		Year to Date (%)		3-Months (%)	
Large Value	-1.8	Large Value	-4.7	Large Value	-8.5
Large Growth	-0.7	Large Growth	1.9	Large Growth	-12.5
Mid Value	-2.3	Mid Value	-7.9	Mid Value	-11.4
Mid Growth	-1.0	Mid Growth	-1.7	Mid Growth	-14.2
Small Value	-3.0	Small Value	-8.7	Small Value	-15.8
Small Growth	-2.1	Small Growth	-5.5	Small Growth	-19.6

**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	-0.32	0.55	-2.62	-0.71
MSCI EAFE Index	-0.89	-3.12	-11.80	-9.11
MSCI United Kingdom Index	-0.61	-3.44	-13.79	-9.06
MSCI Europe ex-U.K. Index	-0.19	-2.89	-12.60	-10.61
MSCI Japan Index	-2.22	-4.06	-10.15	-7.92
MSCI AC Asia ex-Japan Index	-0.52	-2.02	-13.56	-6.93
MSCI Emerging Markets Index	-0.95	-2.27	-13.95	-5.20
JPM EMBI+ Emerging Markets Bond Index	0.66	1.50	-4.57	0.11
FTSE EPRA/NAREIT GRE Index	-1.28	-0.68	-1.35	-1.55

Source: FactSet

- U.S. inflation, as measured by the Consumer Price Index (CPI), was flat for November, falling from a 0.3% rise in October. Prices were up 2.2% YoY vs. 2.5% in October. Especially impactful was a 4.2% decline in gasoline prices. Core CPI, ex-food and energy, was up 0.2% on the month, in line with October, and up 2.2% YoY.

Bond Rates (%) as of:	12/14/18	12/07/18	12/31/17	09/14/18
U.S. Federal Funds Target Rate	2.25	2.25	1.50	2.00
U.S. Two-Year Treasury Yield	2.74	2.71	1.89	2.78
U.S. Ten-Year Treasury Yield	2.89	2.85	2.41	2.99
U.S. 30-Year Treasury Yield	3.14	3.14	2.74	3.13
High Yield (Merrill U.S. Corporates)	6.89	6.94	5.59	6.31

Commodity Prices as of:	12/14/18	12/07/18	12/31/17	09/14/18
Gold (USD/oz)	1,241.40	1,252.60	1,309.30	1,201.10
Crude Oil (USD/bbl)	51.20	52.61	60.42	68.99
Gasoline (USD/gal)	2.62	2.67	2.66	2.98
Copper (NYM \$/lbs)	2.76	2.76	3.28	2.63

Exchange Rates as of:	12/14/18	12/07/18	12/31/17	09/14/18
\$ per €	1.13	1.14	1.20	1.17
\$ per £	1.26	1.28	1.35	1.31
¥ per \$	113.42	112.70	112.65	112.09

## 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, December 17	Tuesday, December 18	Wednesday, December 19	Thursday, December 20	Friday, December 21
<b>CPI (Nov)</b> Eurozone	<b>Housing Starts (Nov)</b> U.S.	<b>CPI (Nov)</b> U.K.	<b>BoE Bank Rate</b> U.K.	<b>GDP Annualized (3Q18)</b> U.S.
<b>Empire Mfg (Dec)</b> U.S.	<b>Building Permits (Nov)</b> U.S.	<b>Existing Home Sales (Nov)</b> U.S.	<b>Philadelphia Fed Bus. Outlook (Dec)</b> U.S.	<b>Personal Consumption (3Q18)</b> U.S.
<b>NAHB Housing Mkt Index (Dec)</b> U.S.	<b>GfK Consumer Confidence (Dec)</b> U.K.	<b>BoJ 10-Yr Yield Target</b> Japan	<b>Leading Index (Nov)</b> U.S.	<b>Core PCE (3Q18)</b> U.S.
		<b>FOMC Rate Decision</b> U.S.	<b>Natl CPI (Nov)</b> Japan	<b>Personal Spending (Nov)</b> U.S.
				<b>U. of Mich. Sentiment (Dec)</b> U.S.

Source: Bloomberg

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