

# Voya Global Perspectives

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As of December 28, 2018

## Investment Weekly

### Commentary and Statistics

- Stocks globally closed out 2018 with a tumultuous week of trading. While all three major US indices ended on a positive note and snapped a three-week losing streak, all were on track to post their first annual losses since 2008. U.S. Treasury yields eased as the week progressed, driven by stock market volatility and signs of a potential economic slowdown heading into the New Year. Oil prices moved in tandem with stocks, finishing the week higher, too.
- By the market's close on Christmas Eve, the S&P 500 had dropped 20.06% since hitting its all-time high of 2940.91 on 9/21/18, officially moving the index into bear-market territory and putting an end to a bull run that lasted since the close of 676.53 on 3/9/09. Other market indices had recently slipped into bear-market territory as well, including the Nasdaq Composite (down 23.86% from its 52-week high of 8133.30 from 8/30/18) and the Russell 2000 (down 27.28% from its 52-week high of 1742.09 from 8/31/18). However, the day after Christmas the Dow and S&P 500 each posted their biggest one-day point gains ever, and all three major indices posted best the percentage gains since March of 2009.
- Consumer confidence for December fell more than expected to 128.1 from November's 136.4, marking the lowest measure since July. Meanwhile, initial jobless claims were down 1000 week-over-week to 216K. The Commerce Department's new home sales report was not released due to the government shutdown.
- Chicago PMI for December ticked down one point to 65.4, but beat estimates of 61.2. The report showed back orders at the highest level since July, and production rising to 11-month high.

Index Prices (\$)		
Index	12/28/18	12/31/17
Dow Jones Industrial Average	23,062.40	24,652.00
S&P 500 Index	2,485.74	2,676.00

Returns (%)				
U.S. Market Indexes Returns	One Week	MTD	YTD	3-Months
Dow Jones Industrial Average	2.75	-9.63	-4.58	-12.32
S&P 500 Index	2.90	-9.81	-5.20	-14.26
MSCI ACWI Index	1.87	-7.62	-9.53	-13.23
Russell 2000 Index	3.62	-12.58	-11.72	-20.84
Russell MidCap Index	2.46	-10.75	-9.89	-16.15
Bloomberg Barclays U.S. Aggregate Index	0.21	1.59	-0.23	1.39
Bloomberg Barclays High Yield Bond Index	0.10	-2.29	-2.23	-4.68
United States 20-Year Treasury Bond	-0.10	5.17	-2.39	3.75
S&P/LSTA Senior Loan Index	-0.42	-3.33	-0.77	-4.56

S&P 500 Sector Returns	One Week	MTD	YTD	3-Months
Consumer Discretionary	4.70	-9.36	-0.26	-17.32
Consumer Staples	0.87	-9.48	-8.75	-5.59
Energy	1.71	-13.06	-18.46	-24.13
Financials	3.39	-12.14	-13.88	-13.96
Health Care	3.11	-9.87	5.01	-9.97
Industrials	2.47	-11.61	-14.17	-18.13
Materials	3.14	-7.68	-15.42	-13.04
Real Estate	0.03	-7.57	-2.40	-4.00
Technology	3.70	-9.32	-1.23	-18.12
Telecom	3.59	-7.59	-12.81	-13.47
Utilities	-1.84	-4.21	3.91	1.16

U.S. Returns by Style					
One Week (%)		Year to Date (%)		3-Months (%)	
Large Value	2.0	Large Growth	3.9	Large Value	-12.4
Mid Value	1.5	Mid Growth	3.8	Mid Value	-15.6
Small Value	2.4	Small Growth	4.8	Small Value	-19.1
				Large Growth	-16.7
				Mid Growth	-16.9
				Small Growth	-22.5

**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	0.35	1.78	-1.43	0.96
MSCI EAFE Index	0.45	-5.25	-13.74	-12.88
MSCI United Kingdom Index	0.31	-4.06	-14.34	-12.01
MSCI Europe ex-U.K. Index	-0.02	-5.32	-14.79	-13.40
MSCI Japan Index	0.83	-7.25	-13.14	-14.75
MSCI AC Asia ex-Japan Index	0.48	-3.09	-14.50	-9.02
MSCI Emerging Markets Index	0.82	-2.91	-14.52	-7.69
JPM EMBI+ Emerging Markets Bond Index	0.10	1.50	-4.57	-1.15
FTSE EPRA/NAREIT GRE Index	-0.44	-5.29	-5.92	-5.17

Source: FactSet

- On December 19, as expected, the FOMC raised the Federal funds target rate another 25 basis points, to a range of 2.25–2.50%. Importantly, officials released new interest rate projections for 2019 that signaled a milder path of rate increases than previously communicated. Officials' median projection of the neutral interest rate, which neither spurs nor slows growth, edged down to 2.75% from 3%. The latest increase leaves the Fed roughly one interest rate move away from that neutral setting.

Bond Rates (%) as of:	12/28/18	12/21/18	12/31/17	09/28/18
U.S. Federal Funds Target Rate	2.50	2.50	1.50	2.25
U.S. Two-Year Treasury Yield	2.54	2.64	1.89	2.82
U.S. Ten-Year Treasury Yield	2.74	2.79	2.41	3.06
U.S. 30-Year Treasury Yield	3.04	3.03	2.74	3.20
High Yield (Merrill U.S. Corporates)	7.38	7.35	5.59	6.34

Commodity Prices as of:	12/28/18	12/21/18	12/31/17	09/28/18
Gold (USD/oz)	1,283.00	1,258.10	1,309.30	1,196.20
Crude Oil (USD/bbl)	45.33	45.59	60.42	73.25
Gasoline (USD/gal)	2.54	2.58	2.66	2.98
Copper (NYM \$/lbs)	2.68	2.68	3.28	2.79

Exchange Rates as of:	12/28/18	12/21/18	12/31/17	09/28/18
\$ per €	1.14	1.14	1.20	1.16
\$ per £	1.27	1.27	1.35	1.30
¥ per \$	110.42	111.14	112.65	113.59

## 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 31	Tuesday, January 1	Wednesday, January 2	Thursday, January 3	Friday, January 4
No Data	No Data	<b>Markit PMI Manufacturing SA (Final)</b> U.S.  <b>Treasury Auction 13-Week Bill, Total Accepted Bids</b> U.S.  <b>Treasury Auction 26-Week Bill, Total Accepted Bids</b> U.S.	<b>Nationwide House Price SA M/M</b> U.K.  <b>Nationwide House Price NSA Y/Y</b> U.K.  <b>Employment Change SA M/M</b> Germany  <b>Unemployment Change SA</b> Germany  <b>Unemployment Rate</b> Germany  <b>CIPS Construction PMI SA</b> U.K.  <b>MBA Mortgage Applications SA W/W</b> U.S.  <b>ICSC-Goldman Sachs Retail Sales Tracking SA W/W</b> U.S.  <b>Redbook Department/Chain Sales SA M/M</b> U.S.  <b>ISM Manufacturing Price SA</b> U.S.  <b>ISM Manufacturing SA</b> U.S.  <b>FOMC Minutes</b> U.S.	<b>Continuing Jobless Claims SA</b> U.S.  <b>Initial Claims SA</b> U.S.

Source: Bloomberg

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