

# Voya Global Perspectives

Markets. Insights. Opportunities.®

As of February 8, 2019

## Investment Weekly

### Commentary and Statistics

- A fairly uneventful week of ups and downs ended with slight gains for the major indexes. U.S. economic resilience, the Federal Reserve's recent pivot on its expected path of interest rate hikes and lowered earnings expectations were supportive of equities.
- By contrast, concerns about global economic slowdown and downward earnings revisions weighed on markets. Worries about China-United States trade negotiations continued to dampen sentiment, though analysts noted that the leaders of both countries are feeling greater pressure to strike a deal. Investors also cited overbought conditions as a concern after an improvement in sentiment and positioning in recent weeks.
- Against this backdrop, utilities fared the best for the week. Crude oil prices fell as price forecasts declined, and gold prices rose slightly. Trade concerns boosted the prices of U.S. government bonds, and the ten-year U.S. Treasury yield slipped to 2.63%. The U.S. dollar gained against a basket of major currencies.
- With 66% of S&P 500 companies reporting fourth-quarter results, 71% have exceeded earnings per share expectations, while 62% have beaten sales expectations. As of February 8, 2019, FactSet estimated the S&P 500 index's fourth-quarter earnings growth rate at 13.3% and its 12-month forward P/E ratio at 15.8, below the five-year average of 16.4 but above its ten-year average of 14.6. Clorox, Estee Lauder and Sysco Corporation impressed this week; Dunkin' Brands, Gilead Sciences and Twitter disappointed.
- January PMI data reflected a broadening slowdown outside the U.S. The JP Morgan World Aggregate fell to 50.1 from 54.3 one year earlier. Germany, Italy, South Korea, Taiwan and China fell below 50, indicating contraction. The Eurozone held on at 50.5 – off from 60 one year earlier. Contraposed is the U.S., where the Markit Manufacturing

Index Prices (\$)		
Index	02/08/19	12/31/18
Dow Jones Industrial Average	25,106.33	23,327.46
S&P 500 Index	2,707.88	2,506.85

Returns (%)				
U.S. Market Indexes Returns	One Week	MTD	YTD	3-Months
Dow Jones Industrial Average	0.32	0.58	7.91	-3.54
S&P 500 Index	0.11	0.21	8.24	-3.00
MSCI ACWI Index	-0.52	-0.46	7.43	-1.69
Russell 2000 Index	0.32	0.50	11.80	-4.18
Russell MidCap Index	0.69	1.12	12.02	-0.29
Bloomberg Barclays U.S. Aggregate Index	0.38	0.13	1.20	3.89
Bloomberg Barclays High Yield Bond Index	0.17	0.29	4.83	1.02
United States 20-Year Treasury Bond	1.18	0.63	1.30	9.40
S&P/LSTA Senior Loan Index	0.40	0.45	4.03	-0.55

S&P 500 Sector Returns	One Week	MTD	YTD	3-Months
Consumer Discretionary	-0.29	-2.06	8.03	-4.26
Consumer Staples	1.14	0.87	6.11	-4.20
Energy	-2.94	-1.15	9.83	-7.60
Financials	-1.50	-0.91	7.85	-5.63
Health Care	-0.93	-0.71	4.10	-3.09
Industrials	1.59	1.80	13.42	0.48
Materials	-1.55	-1.10	4.33	-4.75
Real Estate	1.39	0.71	11.57	5.82
Technology	1.90	2.52	9.66	-3.92
Communication Services	-0.33	-0.67	9.63	0.39
Utilities	2.10	1.79	5.28	2.55

U.S. Returns by Style					
One Week (%)		Year to Date (%)		3-Months (%)	
Large Value -0.4	Large Growth 0.7	Large Value 7.8	Large Growth 9.7	Large Value -3.1	Large Growth -2.1
Mid Value 0.3	Mid Growth 1.2	Mid Value 10.9	Mid Growth 13.6	Mid Value -2.0	Mid Growth 2.2
Small Value 0.2	Small Growth 0.4	Small Value 11.4	Small Growth 12.2	Small Value -4.3	Small Growth -4.1

**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	-0.23	-0.48	1.03	3.30
MSCI EAFE Index	-1.38	-1.44	5.06	-2.43
MSCI United Kingdom Index	-0.44	-0.19	6.89	-1.84
MSCI Europe ex-U.K. Index	-2.02	-1.78	4.54	-3.20
MSCI Japan Index	-2.13	-2.80	3.13	-4.48
MSCI AC Asia ex-Japan Index	-0.41	-0.31	6.98	5.16
MSCI Emerging Markets Index	-1.34	-1.31	7.34	4.73
JPM EMBI+ Emerging Markets Bond Index	-0.06	0.05	4.48	5.17
FTSE EPRA/NAREIT GRE Index	0.69	0.09	10.97	6.63

Source: FactSet

PMI clocked in at 54.9 in January, up from 53.8 in December and outperforming expectations. The composite continued solidly at 54.5 in January.

- The Labor Department reported that initial jobless claims, a proxy for U.S. layoffs, dropped by 19,000 to 234,000 for the week ended February 2. The figure was higher than the 225,000 expected by economists, and higher than before the partial government shutdown that ended January 25.

Bond Rates (%) as of:	02/08/29	02/01/19	12/31/18	11/08/18
U.S. Federal Funds Target Rate	2.50	2.50	2.50	2.25
U.S. Two-Year Treasury Yield	2.47	2.51	2.50	2.97
U.S. Ten-Year Treasury Yield	2.63	2.69	2.69	3.23
U.S. 30-Year Treasury Yield	2.98	3.03	3.02	3.43
High Yield (Merrill U.S. Corporates)	6.50	6.51	7.37	6.56

Commodity Prices as of:	02/08/29	02/01/19	12/31/18	11/08/18
Gold (USD/oz)	1,318.50	1,322.10	1,281.30	1,225.10
Crude Oil (USD/bbl)	52.72	55.26	45.41	60.67
Gasoline (USD/gal)	2.45	2.46	2.50	2.93
Copper (NYM \$/lbs)	2.81	2.78	2.63	2.74

Exchange Rates as of:	02/08/29	02/01/19	12/31/18	11/08/18
\$ per €	1.13	1.15	1.14	1.14
\$ per £	1.29	1.31	1.27	1.31
¥ per \$	109.73	109.38	109.72	113.80

## 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, February 11	Tuesday, February 12	Wednesday, February 13	Thursday, February 14	Friday, February 15
<b>GDP (4Q18)</b> U.K.	<b>NFIB Small Business Optimism (Jan)</b> U.S.	<b>Industrial Production (Dec)</b> Eurozone	<b>Employment (4Q18)</b> Eurozone	<b>Empire Manufacturing (Feb)</b> U.S.
<b>Total Business Investment (4Q18)</b> U.K.	<b>JOLTS Job Openings (Dec)</b> U.S.	<b>CPI (Jan)</b> U.S.	<b>GDP (4Q18)</b> Eurozone	<b>Retail Sales Advance (Jan)</b> U.S.
<b>Private Consumption (4Q18)</b> U.K.	<b>PPI (Jan)</b> Japan	<b>Real Avg Hourly Earning (Jan)</b> U.S.	<b>CPI (Jan)</b> China	<b>Industrial Production (Jan)</b> U.S.
<b>Manufacturing Production (Dec)</b> U.K.		<b>GDP (4Q18)</b> Japan	<b>PPI (Jan)</b> China	<b>U. of Mich. Sentiment (Feb)</b> U.S.
		<b>RICS House Price Balance (Jan)</b> U.K.	<b>Industrial Production (Dec)</b> Japan	

Source: Bloomberg

## Earnings Announcements

Monday, February 11	Tuesday, February 12	Wednesday, February 13	Thursday, February 14	Friday, February 15
<b>AXA Equitable</b> <b>CNA Financial</b> <b>FMC Corp.</b> <b>HDFC Bank</b> <b>Loews</b> <b>Vornado Realty</b>	<b>Activision</b> <b>Akamai Technologies</b> <b>Baidu</b> <b>Martin Marietta</b> <b>Molson Coors</b> <b>Occidental Petroleum</b> <b>TripAdvisor</b> <b>Under Armour</b>	<b>CBRE Group</b> <b>CenturyLink</b> <b>Cisco Systems</b> <b>Hilton Worldwide</b> <b>Marriott Int'l</b> <b>NetApp, Inc.</b> <b>Teva Pharmaceuticals</b>	<b>AstraZeneca</b> <b>CBS</b> <b>CME Group</b> <b>Coca-Cola</b> <b>Nissan</b> <b>NVIDIA</b> <b>Total S.A.</b> <b>Waste Management</b> <b>Zoetis Inc.</b>	<b>Bridgestone</b> <b>Deere &amp; Co.</b> <b>Fortis</b> <b>Kraft Heinz</b> <b>Moody's</b> <b>Newell Brands</b> <b>Pepsico</b> <b>Sensient Technologies</b>

Source: Zacks Investment Research

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.**

©2019 Voya Investments Distributor, LLC • 230 Park Ave, New York, NY 10169 • All rights reserved.  
BBGP-STATISTICS • 740817 • 163086