

Voya Global Perspectives

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As of February 1, 2019

Investment Weekly

Commentary and Statistics

- Global stock markets heated up despite the winter deep-freeze. Several factors drove gains: the hot job market, positive earnings news and the tailwind after the Federal Reserve stood pat on interest rates and signaled that further hikes were on hold. Headwinds included falling consumer confidence and the uncertainty as U.S.-China trade talks commenced.
- Oil prices took a leg up as worries mounted about Venezuela's political crisis. Gold prices also rose. The ten-year U.S. Treasury yield dipped to 2.69%. The U.S. dollar was flat against a basket of major currencies.
- With 46% of S&P 500 companies reporting fourth-quarter results, 70% have exceeded earnings per share (EPS) expectations, while 62% have beaten sales expectations. As of February 1, 2019, FactSet estimated the S&P 500 index's fourth-quarter earnings growth rate at 12.4% and its 12-month forward P/E ratio at 15.7, below the five-year average of 16.4 but above its ten-year average of 14.6. Facebook, United Parcel Service and Xerox impressed this week; Caterpillar, Harley-Davidson and NVIDIA disappointed.
- January nonfarm payrolls increased by 304,000 against December's downwardly revised 222,000 (was 312,000). It was the 100th consecutive month of job gains, a record.
- Unemployment ticked up to 4%, largely because of an increase in labor-force participation, which hit its highest level since 2013. Average hourly earnings rose only 0.1% for the month but were still up 3.2% for the year.
- The January ISM manufacturing index read 56.6, better than December's 54.1. November construction spending rose 0.8% versus October's upwardly revised 0.1% (was a 0.1% decline).
- The final January reading for the University of Michigan consumer sentiment survey rose from the flash reading of 90.7 to 91.2,

Index Prices (\$)		
Index	02/01/19	12/31/18
Dow Jones Industrial Average	25,063.89	23,327.46
S&P 500 Index	2,706.53	2,506.85

Returns (%)				
U.S. Market Indexes Returns	One Week	MTD	YTD	3-Months
Dow Jones Industrial Average	1.33	0.26	7.57	-0.65
S&P 500 Index	1.62	0.10	8.13	-0.68
MSCI ACWI Index	1.47	0.06	7.99	0.91
Russell 2000 Index	1.31	0.18	11.45	-2.40
Russell MidCap Index	2.09	0.43	11.26	0.96
Bloomberg Barclays U.S. Aggregate Index	0.53	-0.25	0.81	3.19
Bloomberg Barclays High Yield Bond Index	0.79	0.13	4.65	1.44
United States 20-Year Treasury Bond	0.59	-0.54	0.12	7.42
S&P/LSTA Senior Loan Index	0.18	0.05	3.61	-0.81

S&P 500 Sector Returns	One Week	MTD	YTD	3-Months
Consumer Discretionary	-0.08	-1.77	8.34	-0.17
Consumer Staples	2.95	-0.27	4.91	-3.27
Energy	3.21	1.84	13.16	-3.61
Financials	0.29	0.60	9.49	-0.59
Health Care	2.11	0.22	5.08	1.47
Industrials	2.60	0.21	11.65	1.76
Materials	0.84	0.45	5.97	-0.35
Real Estate	2.89	-0.67	10.05	7.15
Technology	1.07	0.60	7.61	-4.49
Communication Services	2.36	-0.34	10.00	1.17
Utilities	2.30	-0.30	3.12	3.04

U.S. Returns by Style

One Week (%)		Year to Date (%)		3-Months (%)	
Large Value	1.7	Large Value	8.2	Large Value	-0.2
Large Growth	1.7	Large Growth	8.9	Large Growth	-0.8
Mid Value	2.0	Mid Value	10.6	Mid Value	-0.2
Mid Growth	2.2	Mid Growth	12.3	Mid Growth	2.7
Small Value	1.2	Small Value	11.1	Small Value	-2.3
Small Growth	1.4	Small Growth	11.8	Small Growth	-2.5

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	0.61	-0.25	1.27	3.34
MSCI EAFE Index	0.95	-0.06	6.53	0.64
MSCI United Kingdom Index	2.51	0.25	7.36	0.20
MSCI Europe ex-U.K. Index	0.89	0.25	6.70	0.00
MSCI Japan Index	0.22	-0.68	5.38	-0.35
MSCI AC Asia ex-Japan Index	1.54	0.10	7.42	8.53
MSCI Emerging Markets Index	1.74	0.03	8.80	8.59
JPM EMBI+ Emerging Markets Bond Index	0.72	0.11	4.54	5.42
FTSE EPRA/NAREIT GRE Index	2.41	-0.59	10.21	8.23

Source: FactSet

still near the lows of the Trump presidency. The Conference Board's consumer confidence index fell to 120.2, marking a 17-month low.

- As expected, the Federal Open Market Committee left rates unchanged and slightly downgraded its economic assessment. The statement said the FOMC will be "patient" as it determines what future "adjustments" may be appropriate. A special statement noted the FOMC would be "prepared to adjust" its balance sheet runoff plan "in light of economic and financial developments."

Bond Rates (%) as of:	02/01/19	01/25/19	12/31/18	11/01/18
U.S. Federal Funds Target Rate	2.50	2.50	2.50	2.25
U.S. Two-Year Treasury Yield	2.51	2.60	2.50	2.85
U.S. Ten-Year Treasury Yield	2.69	2.75	2.69	3.14
U.S. 30-Year Treasury Yield	3.03	3.06	3.02	3.39
High Yield (Merrill U.S. Corporates)	6.51	6.63	7.37	6.68

Commodity Prices as of:	02/01/19	01/25/19	12/31/18	11/01/18
Gold (USD/oz)	1,322.10	1,298.10	1,281.30	1,238.60
Crude Oil (USD/bbl)	55.26	53.69	45.41	63.69
Gasoline (USD/gal)	2.46	2.47	2.50	2.98
Copper (NYM \$/lbs)	2.78	2.74	2.63	2.72

Exchange Rates as of:	02/01/19	01/25/19	12/31/18	11/01/18
\$ per €	1.15	1.14	1.14	1.14
\$ per £	1.31	1.32	1.27	1.30
¥ per \$	109.38	109.68	109.72	112.79

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, February 4	Tuesday, February 5	Wednesday, February 6	Thursday, February 7	Friday, February 8
Sentix Investor Confidence (Feb) Eurozone	Markit/ADACI Italy Composite PMI (Jan) Italy	Nonfarm Productivity (4Q18) U.S.	Leading, Coincident, Trailing Indexes (Dec) Japan	Industrial Production (Dec) Italy
PPI (Dec) Eurozone	Markit Eurozone Composite PMI (Jan) Eurozone	Tokyo Avg Office Vacancies (Jan) Japan	ECB Economic Bulletin Eurozone	Wholesale Inventories (Dec) U.S.
Factory Orders (Dec) U.S.	Markit/CIPS UK Composite PMI (Jan) U.K.		Retail Sales (Dec) Italy	Machine Tool Orders (Jan) Japan
Nikkei Japan PMI Composite (Jan) Japan	Retail Sales (Dec) Eurozone		Bank of England Bank Rate U.K.	
	Markit U.S. Composite PMI (Jan) U.S.		Continuing Claims (Jan 26) U.S.	

Source: FactSet

Earnings Announcements

Monday, February 4	Tuesday, February 5	Wednesday, February 6	Thursday, February 7	Friday, February 8
Alexion Pharmaceuticals Alphabet Clorox Gilead Sciences Panasonic Sysco Corp.	Allstate Becton, Dickinson BP Chubb Ltd Disney Emerson Electric Estee Lauder Toyota Vertex Pharmaceuticals	Boston Scientific Cognizant Technologies Eli Lilly and Co. Glaxosmithkline GM Humana Metlife Prudential Financial	Fiat Chrysler Marathon Petroleum Philip Morris Praxair Sanofi Twitter Yum! Brands	Cboe Global Markets Exelon Corp. Hasbro, Inc. Olympus Corp. Pacific Gas & Electric Phillips 66

Source: Zacks Investment Research

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