

Voya Global Perspectives

Markets. Insights. Opportunities.™

As of February 20, 2015

Investment Weekly

Commentary and Statistics

- Stock markets extended their gains into the third week of February. In the U.S., a holiday-shortened trading week produced solid progress for most equity indices; both the DJIA and S&P 500 established new records, while the Nasdaq closed just 1.9% short of its March 2000 peak. European and Asian bourses posted similar results to establish new multi-year highs. Yield on the benchmark ten-year U.S. Treasury was volatile, but ultimately higher; it's risen nearly 50 bps over the past three weeks. Oil prices remained under pressure and finished lower.
- Of the 443 S&P 500 companies that have reported fourth quarter 2014 results, 75% have beaten earnings expectations while 58% have beaten revenue expectations. The blended earnings growth rate for the fourth quarter stands at 3.5%, according to FactSet, up from 3.1% a week ago. Avis Budget, Brocade Communications and Consolidated Edison impressed this week, while Deere, Iron Mountain and Noodles & Co. were among the disappointments.
- Weekly jobless claims fell to 283,000 as of Feb. 14, vs. a consensus 290,000. The four-week moving average fell to 283,000, the lowest level since early November.
- The NAHB housing market index fell in February from January and failed to match consensus. The big drag came from reduced buyer traffic, attributed to winter weather. U.S. housing starts fell 2% in January. New applications for building permits, a bellwether for construction in coming months, slipped 0.7%.
- Headline producer price inflation declined a record 0.8% in January after a 0.2% decline in December. The consensus was for a 0.4% decline. Core PPI was - 0.1% versus an 0.1% consensus. Industrial production rose 0.2% in January versus an expected 0.3% increase.

Index Prices (\$)		
Index	2/20/2015	12/31/2014
Dow Jones Industrial Average	18,140.44	17,823.07
S&P 500 Index	2,110.30	2,058.90

Returns (%)				
U.S. Market Index Returns	One Week	MTD	YTD	One Year
Dow Jones Industrial Average	0.71	5.82	2.16	15.08
S&P 500 Index	0.68	6.00	2.82	17.08
Russell 2000 Index	0.72	5.76	2.36	7.40
Russell MidCap Index	1.08	6.03	4.37	15.49
Barclays U.S. Aggregate Index	-0.35	-1.58	0.48	4.99
Barclays High Yield Bond Index	0.38	1.61	2.28	2.82
United States 20-Year Treasury Bond	-1.89	-8.12	0.41	22.58
S&P/LSTA Senior Loan Index	0.39	1.28	1.47	1.85

S&P 500 Sector Returns	One Week	MTD	YTD	One Year
Consumer Discretionary	0.79	7.87	4.57	17.78
Consumer Staples	0.11	3.36	2.22	22.55
Energy	-2.36	6.13	1.03	-4.75
Financials	0.12	6.36	-0.98	16.17
Health Care	2.01	4.22	5.50	24.47
Industrials	1.75	6.65	2.78	15.24
Materials	0.99	9.03	6.98	14.00
Technology	1.26	8.39	4.22	23.41
Telecom	-1.36	5.57	4.39	10.10
Utilities	1.19	-5.41	-3.16	17.05

U.S. Returns by Style					
One Week (%)		Year to Date (%)		One Year (%)	
Large Value	Large Growth	Large Value	Large Growth	Large Value	Large Growth
0.3	1.2	1.2	5.1	15.3	17.8
Mid Value	Mid Growth	Mid Value	Mid Growth	Mid Value	Mid Growth
0.8	1.4	3.3	5.4	16.0	15.1
Small Value	Small Growth	Small Value	Small Growth	Small Value	Small Growth
0.1	1.3	0.3	4.4	6.2	8.7

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	One Year
Barclays Global Aggregate Bond Index	-0.31	-0.93	-1.09	-2.14
MSCI EAFE Index	1.55	4.84	5.37	0.83
MSCI United Kingdom Index	0.66	5.27	4.20	-3.18
MSCI Europe ex-U.K. Index	1.30	4.86	5.38	-2.15
MSCI Japan Index	3.39	5.05	7.50	10.11
MSCI AC Asia ex-Japan Index	0.12	1.22	3.76	13.23
MSCI Emerging Markets Index	-0.21	2.48	3.11	6.51
JPM EMBI+ Emerging Markets Bond Index	-0.32	0.44	0.78	6.09
NAREIT Global Real Estate Index	-0.20	0.26	4.70	16.94

Source: FactSet

- The Conference Board Leading Economic Index for the U.S. increased 0.2% in January, following increases of 0.4% and 0.3% in December and November.
- The euro zone approved a four-month extension on Greece's bailout, provided Athens details its intended reform and budgetary measures. The extension was shorter than the six months Greece had requested. Separately, euro zone consumer confidence improved more than expected in February.
- The head of the Chinese central bank's research bureau said China's economic growth could slow to between 6.9% and 7.1% this year as the country fends off sluggish demand and deflation risks.

Bond Rates (%) as of:	2/20/2015	2/13/2015	12/31/2014	2/20/2014
U.S. Federal Funds Target Rate	0.25	0.25	0.25	0.25
U.S. Two-Year Treasury Yield	0.65	0.64	0.69	0.32
U.S. Ten-Year Treasury Yield	2.13	2.02	2.17	2.75
High Yield (Merrill U.S. Corporates)	5.74	5.80	6.19	5.70

Commodity Prices as of:	2/20/2015	2/13/2015	12/31/2014	2/20/2014
Gold (USD/oz)	1204.90	1227.10	1184.10	1316.90
Crude Oil (USD/bbl)	50.34	52.78	53.27	102.75
Gasoline (USD/gal)	2.42	2.31	2.44	3.49
Copper (NYM \$/lbs)	2.61	2.61	2.84	3.32

Exchange Rates as of:	2/20/2015	2/13/2015	12/31/2014	2/20/2014
\$ per €	1.14	1.14	1.21	1.37
\$ per £	1.54	1.54	1.56	1.67
¥ per \$	118.76	118.68	119.90	102.32

Index Definitions

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.

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.

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.

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.

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Past performance is no guarantee of future results.

Economic Release Calendar

Monday, February 23	Tuesday, February 24	Wednesday, February 25	Thursday, February 26	Friday, February 27
Chicago Fed Ntl Activity (Jan) U.S.	CPI (Jan) Euro Zone	New Home Sales (Jan) U.S.	Various Confidence Indicators (Feb) Euro Zone	GDP (4Q14) U.K.
Existing Home Sales (Jan) U.S.	Case-Shiller Home Prices (Dec) U.S.		CPI (Jan) U.S.	GDP (4Q14) U.S.
Dallas Fed Mnfg (Feb) U.S.	Composite PMI (Feb) U.S.		Durable and Capital Goods Orders (Jan) U.S.	Personal Consumption (4Q14) U.S.
	Richmond Fed Mnfg (Feb) U.S.		FHFA House Prices (Dec) U.S.	ISM Milwaukee (Feb) U.S.
	Manufacturing PMI (Feb) China		Kansas City Fed Mnfg (Feb) U.S.	Chicago PMI (Feb) U.S.
			CPI (Jan) Japan	Pending Home Sales (Jan) U.S.
			Industrial Production (Jan) Japan	U. of Michigan Sentiment (Feb) U.S.

Source: Bloomberg

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Voya Investment Management

Our Promises

- Clients first
- Long-term perspective
- Unmatched service

Our Skills

- Disciplined processes
- Intensive research
- Expert portfolio construction

Our Core Capabilities

- Equities
- Fixed Income
- Multi-Asset Strategies and Solutions

A reliable partner committed to reliable investing

\$213 Billion AUM* | Over 900 Employees | Over 200 Investment Professionals

* Data is as of 12/31/14. Voya IM assets of \$213 billion include proprietary insurance general account assets of \$85 billion on a market value basis. Voya IM assets, as reported in Voya Financial SEC filings, include general account assets valued on a statutory book value basis and total approximately \$206 billion.

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