

Voya Global Perspectives

Markets. Insights. Opportunities.®

As of January 11, 2019

Investment Weekly

Commentary and Statistics

- Global stocks continued their gains from the previous week, despite easing during Friday's session and jitters over disappointing holiday sales. Better sentiment carried over as the Federal Open Market Committee's December meeting minutes reinforced Fed Chair Powell's signals, that interest-rate policy might be more flexible in light of market conditions. Trade negotiations between the United States and China seemed to make progress, easing fears and boosting optimism.
- Oil prices gained on a report that Saudi Arabia plans to cut crude oil exports by 800,000 barrels per day (bpd) to 7.1 million bpd, in a bid to boost prices to \$80 per barrel. Gold prices declined modestly as risk assets drew investors back. Bond prices retreated during the week and yields, which move in the opposite direction, rose. The widely watched ten-year U.S. Treasury yield pushed back up to about 2.70%. The U.S. dollar declined slightly on the week.
- With 4% of S&P 500 companies reporting fourth-quarter results, 90% have exceeded earnings per share (EPS) expectations, while 65% have beaten sales expectations. As of January 11, 2019, FactSet estimated the S&P 500 index's fourth-quarter earnings growth rate at 12.3% and its 12-month forward P/E ratio at 16.4, below the five-year average of 16.4 and above ten-year averages of 14.6. Bed, Bath & Beyond, Lennar Corp. and Union Pacific impressed this week, whereas Constellation Brands, Helen of Troy and Macy's disappointed.
- The ISM non-manufacturing index fell to a five-month low in December, registering 57.6 (est. 58.5), down 3.1 points from November. The new orders index of 62.7 was the highest in six months, though business activity fell 5.4 points to 59.9.

Index Prices (\$)		
Index	01/11/19	12/31/18
Dow Jones Industrial Average	23,995.95	23,327.46
S&P 500 Index	2,596.26	2,506.85

Returns (%)				
U.S. Market Indexes Returns	One Week	MTD	YTD	3-Months
Dow Jones Industrial Average	2.42	2.93	2.93	-3.65
S&P 500 Index	2.58	3.63	3.63	-4.34
MSCI ACWI Index	2.93	3.92	3.92	-2.83
Russell 2000 Index	4.84	7.36	7.36	-5.97
Russell MidCap Index	4.16	5.33	5.33	-3.55
Bloomberg Barclays U.S. Aggregate Index	-0.04	0.18	0.18	2.28
Bloomberg Barclays High Yield Bond Index	1.89	3.13	3.13	-0.51
United States 20-Year Treasury Bond	-1.01	-0.17	-0.17	5.84
S&P/LSTA Senior Loan Index	1.14	3.47	3.47	-1.15

S&P 500 Sector Returns	One Week	MTD	YTD	3-Months
Consumer Discretionary	3.74	6.00	6.00	-1.91
Consumer Staples	0.65	1.64	1.64	-0.37
Energy	3.35	8.07	8.07	-14.27
Financials	1.04	2.85	2.85	-6.77
Health Care	2.26	1.63	1.63	-1.65
Industrials	4.09	5.38	5.38	-7.09
Materials	1.90	3.42	3.42	-2.00
Real Estate	3.98	3.16	3.16	4.94
Technology	3.37	2.55	2.55	-7.04
Communication Services	2.33	6.26	6.26	-0.90
Utilities	0.84	0.61	0.61	1.46

U.S. Returns by Style					
One Week (%)		Year to Date (%)		3-Months (%)	
Large Value	2.4	Large Value	3.8	Large Value	-3.8
Large Growth	3.2	Large Growth	4.0	Large Growth	-4.7
Mid Value	3.8	Mid Value	5.3	Mid Value	-4.8
Mid Growth	4.7	Mid Growth	5.3	Mid Growth	-1.6
Small Value	4.0	Small Value	7.2	Small Value	-6.8
Small Growth	5.6	Small Growth	7.5	Small Growth	-5.2

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	0.17	0.59	0.59	2.29
MSCI EAFE Index	2.89	3.90	3.90	-3.13
MSCI United Kingdom Index	1.99	3.59	3.59	-3.67
MSCI Europe ex-U.K. Index	2.21	3.80	3.80	-3.12
MSCI Japan Index	4.13	3.98	3.98	-6.00
MSCI AC Asia ex-Japan Index	4.09	2.60	2.60	4.89
MSCI Emerging Markets Index	3.77	3.70	3.70	5.35
JPM EMBI+ Emerging Markets Bond Index	0.64	1.71	1.71	2.12
FTSE EPRA/NAREIT GRE Index	4.33	4.53	4.53	5.17

Source: FactSet

- NFIB small business optimism fell in December for a fourth straight month to its lowest level since 2016, though the index remains relatively high. There was some press focus on the economic impact of the U.S. government shutdown.
- German industrial production unexpectedly fell in November, further darkening the outlook for the Eurozone economy. The possibility of a recession in the continent's powerhouse bodes ill for the wider Eurozone, which has been hit recently by protests in France and tensions over Italy's government debt.

Bond Rates (%) as of:	01/11/19	01/04/19	12/31/18	10/11/18
U.S. Federal Funds Target Rate	2.50	2.50	2.50	2.25
U.S. Two-Year Treasury Yield	2.54	2.49	2.50	2.84
U.S. Ten-Year Treasury Yield	2.70	2.66	2.69	3.13
U.S. 30-Year Treasury Yield	3.04	2.98	3.02	3.31
High Yield (Merrill U.S. Corporates)	6.75	7.13	7.37	6.54

Commodity Prices as of:	01/11/19	01/04/19	12/31/18	10/11/18
Gold (USD/oz)	1,289.50	1,285.80	1,281.30	1,227.60
Crude Oil (USD/bbl)	51.59	47.96	45.41	70.97
Gasoline (USD/gal)	2.47	2.50	2.50	3.06
Copper (NYM \$/lbs)	2.67	2.65	2.63	2.80

Exchange Rates as of:	01/11/19	01/04/19	12/31/18	10/11/18
\$ per €	1.15	1.14	1.14	1.16
\$ per £	1.28	1.27	1.27	1.32
¥ per \$	108.41	108.13	109.72	112.27

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, January 14	Tuesday, January 15	Wednesday, January 16	Thursday, January 17	Friday, January 18
Industrial Production (Nov) Eurozone	Machine Tool Orders (Dec) Japan	CPI (Dec) U.K.	CPI (Dec) Eurozone	No Data
	General Government Debt (Nov) Italy	Retail Sales Advance (Dec) U.S.	Housing Starts (Dec) U.S.	
	Empire Manufacturing (Jan) U.S.	Business Inventories (Nov) U.S.	Philadelphia Fed Business Outlook (Jan) U.S.	
	PPI Final Demand (Dec) U.S.	NAHB Housing Market Index (Jan) U.S.	Bloomberg Consumer Comfort (Jan 13) U.S.	
	PPI (Dec) Japan	RICS House Price Balance (Dec) U.K.	Industrial Production (Nov) Japan	

Source: Bloomberg

Earnings Announcements

Monday, January 14	Tuesday, January 15	Wednesday, January 16	Thursday, January 17	Friday, January 18
Citigroup	Delta Air Lines JPMorgan Chase Unitedhealth Grp Wells Fargo	Alcoa Corp. Bank of America Bank of New York Blackrock Charles Schwab Comerica CSX Corp. Goldman Sachs Kinder Morgan	American Express Keycorp Morgan Stanley Netflix Taiwan Semiconductor	Schlumberger State Street Suntrust Banks V.F. Corp. Wipro Limited

Source: Bloomberg

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 711901 • 163086