

Voya Global Perspectives

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As of January 18, 2019

Investment Weekly

Commentary and Statistics

- Markets gained for the fourth consecutive week, notching the biggest four-week gain since October 2011. Investors took heart from upbeat 4Q18 earnings, signs trade tensions were easing and reduced fears of economic slowdown. Federal Reserve officials offered further reassurances that the central bank's monetary policy would be flexible depending on the economy's performance.
- As investors' risk appetite increased, demand rose for corporate bonds, and credit yield spreads began to tighten. Demand for U.S. Treasuries diminished and government securities saw yields rise. The 10-year Treasury yield climbed for the week, ending at about 2.79%. For the week, oil prices were up and gold prices were down. The U.S. dollar gained slightly against a basket of currencies.
- With 11% of S&P 500 companies reporting fourth-quarter results, 76% have exceeded earnings per share (EPS) expectations, while 56% have beaten sales expectations. As of January 18, 2019, FactSet estimated the S&P 500 index's fourth-quarter earnings growth rate at 10.6% and its 12-month forward P/E ratio at 15.3, below the five-year average of 16.4 but above its ten-year average of 14.6. Bank of America, Goldman Sachs and United Airlines impressed this week, whereas Alcoa, Netflix and Morgan Stanley disappointed.
- Preliminary University of Michigan Consumer Sentiment for January fell 7.6 points to 90.7 (est. 96.7). The report noted the headline index was at its lowest level since October 2016. The year-ahead outlook was the worst since mid-2014, citing the government shutdown, tariffs, financial market instability, global slowdown and a lack of clarity around monetary policy.

Index Prices (\$)		
Index	01/18/19	12/31/18
Dow Jones Industrial Average	24,706.35	23,327.46
S&P 500 Index	2,670.71	2,506.85

Returns (%)				
U.S. Market Indexes Returns	One Week	MTD	YTD	3-Months
Dow Jones Industrial Average	3.01	6.02	6.02	-2.05
S&P 500 Index	2.90	6.63	6.63	-3.03
MSCI ACWI Index	2.18	6.19	6.19	-1.74
Russell 2000 Index	2.44	9.97	9.97	-4.64
Russell MidCap Index	3.05	8.54	8.54	-2.05
Bloomberg Barclays U.S. Aggregate Index	-0.19	-0.01	-0.01	2.34
Bloomberg Barclays High Yield Bond Index	0.69	3.84	3.84	0.03
United States 20-Year Treasury Bond	-1.00	-1.17	-1.17	5.62
S&P/LSTA Senior Loan Index	0.17	3.64	3.64	-1.08

S&P 500 Sector Returns	One Week	MTD	YTD	3-Months
Consumer Discretionary	2.28	8.42	8.42	-0.70
Consumer Staples	1.64	3.31	3.31	-1.29
Energy	2.91	11.21	11.21	-11.07
Financials	6.14	9.16	9.16	-1.56
Health Care	2.58	4.25	4.25	-2.03
Industrials	3.34	8.90	8.90	-3.92
Materials	2.32	5.82	5.82	0.50
Real Estate	2.12	5.35	5.35	4.92
Technology	2.79	5.42	5.42	-6.29
Communication Services	1.83	8.20	8.20	-1.68
Utilities	-0.18	0.43	0.43	-0.23

U.S. Returns by Style					
One Week (%)		Year to Date (%)		3-Months (%)	
Large Value	2.8	Large Growth	3.0	Large Value	-2.3
Mid Value	2.7	Mid Growth	3.5	Large Growth	-3.6
Small Value	2.3	Small Growth	2.6	Mid Value	-3.2
				Mid Growth	-0.4
				Small Value	-4.7
				Small Growth	-4.6

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	-0.46	0.12	0.12	2.04
MSCI EAFE Index	1.08	5.02	5.02	-2.15
MSCI United Kingdom Index	1.41	5.05	5.05	-1.48
MSCI Europe ex-U.K. Index	1.18	5.03	5.03	-2.15
MSCI Japan Index	0.51	4.51	4.51	-5.53
MSCI AC Asia ex-Japan Index	1.64	4.28	4.28	5.05
MSCI Emerging Markets Index	1.69	5.45	5.45	5.32
JPM EMBI+ Emerging Markets Bond Index	1.03	2.76	2.76	2.89
FTSE EPRA/NAREIT GRE Index	1.42	6.02	6.02	5.00

Source: FactSet

- January's Philadelphia Fed manufacturing index came in at 17.0 vs. consensus for 10.0 and December's 9.1. New orders were strong at 21.3 (the highest reading in six months) vs. the prior month's 13.3 level. The report contrasted with weaker Fed manufacturing surveys, such as the New York Fed's Empire survey, which hit its lowest level since mid-2017 this week.
- The latest Fed Beige Book reported eight of twelve Fed districts were seeing modest to moderate growth. Manufacturing continued to expand, though the pace of growth slowed, particularly in the auto and energy sectors.

Bond Rates (%) as of:	01/18/19	01/11/19	12/31/18	10/18/18
U.S. Federal Funds Target Rate	2.50	2.50	2.50	2.25
U.S. Two-Year Treasury Yield	2.61	2.54	2.50	2.88
U.S. Ten-Year Treasury Yield	2.78	2.70	2.69	3.18
U.S. 30-Year Treasury Yield	3.10	3.04	3.02	3.36
High Yield (Merrill U.S. Corporates)	6.62	6.75	7.37	6.50

Commodity Prices as of:	01/18/19	01/11/19	12/31/18	10/18/18
Gold (USD/oz)	1,282.60	1,289.50	1,281.30	1,230.10
Crude Oil (USD/bbl)	54.04	51.59	45.41	68.65
Gasoline (USD/gal)	2.47	2.47	2.50	3.03
Copper (NYM \$/lbs)	2.74	2.67	2.63	2.74

Exchange Rates as of:	01/18/19	01/11/19	12/31/18	10/18/18
\$ per €	1.14	1.15	1.14	1.15
\$ per £	1.29	1.28	1.27	1.31
¥ per \$	109.66	108.41	109.72	112.50

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, January 21	Tuesday, January 22	Wednesday, January 23	Thursday, January 24	Friday, January 25
No Data	Employment Change (Nov) U.K. ZEW Survey Expectations (Jan) Eurozone Existing Home Sales (Dec) U.S.	BoJ 10-Yr Yield Target Japan FHFA House Price Index (Nov) U.S. Consumer Confidence (Jan) Eurozone Richmond Fed Mfg (Jan) U.S. Nikkei Japan PMI Mfg (Jan) Japan	Leading Index (Nov) Japan Markit Eurozone Composite PMI (Jan) Eurozone Initial Jobless Claims (Jan 19) U.S. Markit US Composite PMI (Jan) U.S. Leading Index (Dec) U.S.	New Home Sales (Dec) U.S.

Source: Bloomberg

Earnings Announcements

Monday, January 21	Tuesday, January 22	Wednesday, January 23	Thursday, January 24	Friday, January 25
Logitech	Johnson & Johnson Prologis Capital One The Travelers Cos. TD Ameritrade Halliburton	Procter & Gamble Novartis Comcast Abbott Laboratories Texas Instruments United Technologies Kimberly-Clark The Progressive Ford Canadian Pacific	Intel Union Pacific Bristol-Myers Squibb Starbucks Celgene Praxair, Inc. Norfolk Southern Southwest Airlines Discover	Abbvie Inc. Nextera Energy Colgate-Palmolive Ericsson Lear Corp.

Source: Bloomberg

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