

Voya Global Perspectives

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As of January 19, 2018

Investment Weekly

Commentary and Statistics

- As of January 19, 2018, for week of Jan. 22 to Jan. 26
- U.S. equities hit new highs during the period, with the Dow Jones closing above 26,000 for the first time, and finished up the holiday week posting modest gains. The yield on the 10-year U.S. Treasury note closed at approximately 2.66%, rising in an environment focused on the elevated concerns of a government shutdown.
- With 11% of S&P 500 companies having reported fourth-quarter results, 68% have reported positive earnings per share (EPS) while 85% have beaten sales expectations. According to FactSet, the fourth quarter blended earnings decline estimate for the S&P 500 is -0.2%. As of January 19, 2018, the forward 12-month P/E ratio for the S&P 500 stood at 18.4, above the five-year average of 15.9 and the ten-year average of 14.2. Blackhawk, IBM and Wal-Mart impressed this week while Under Armour, Viacom and General Electric disappointed.
- Despite the headline drama populating the press about the prospective government shutdown, the market largely shrugged off concerns, with analysts and commentators suggesting any economic damage from a shutdown would likely be reversed once funding begins to flow again.
- Initial jobless claims for the week came in at 220K, below the consensus estimate of 250K. This was the lowest weekly reading since 1973 (with 218K the low for that year). It was also well below the 261K reading posted in the prior week, with the focus at the time on elevated claims due to seasonal adjustments following the holidays.

Index Prices (\$)		
Index	01/19/18	12/31/17
Dow Jones Industrial Average	26,071.72	24,652.00
S&P 500 Index	2,810.30	2,676.00

Returns (%)				
U.S. Market Indexes Returns	One Week	MTD	YTD	3-Months
Dow Jones Industrial Average	1.08	5.56	5.56	13.22
S&P 500 Index	0.88	5.20	5.20	10.22
Russell 2000 Index	0.36	4.08	4.08	6.72
Russell MidCap Index	0.51	4.06	4.06	8.73
Bloomberg Barclays U.S. Aggregate Index	-0.44	-0.93	-0.93	-0.68
Bloomberg Barclays High Yield Bond Index	-0.08	0.61	0.61	0.65
United States 20-Year Treasury Bond	-1.05	-2.88	-2.88	-1.09
S&P/LSTA Senior Loan Index	0.20	0.70	0.70	1.10

S&P 500 Sector Returns	One Week	MTD	YTD	3-Months
Consumer Discretionary	0.56	7.12	7.12	16.32
Consumer Staples	2.46	2.03	2.03	8.35
Energy	-1.27	5.87	5.87	13.51
Financials	1.05	5.82	5.82	12.78
Health Care	1.86	7.07	7.07	5.99
Industrials	-0.86	5.23	5.23	9.93
Materials	-0.15	4.70	4.70	9.24
Technology	1.49	6.74	6.74	12.74
Telecom	0.45	-1.77	-1.77	5.77
Utilities	-0.54	-5.05	-5.05	-7.93

U.S. Returns by Style

One Week (%)		Year to Date (%)		3-Months (%)	
Large Value	Large Growth	Large Value	Large Growth	Large Value	Large Growth
0.5	1.2	3.9	6.2	8.2	11.9
Mid Value	Mid Growth	Mid Value	Mid Growth	Mid Value	Mid Growth
0.1	1.1	2.7	5.8	7.3	10.6
Small Value	Small Growth	Small Value	Small Growth	Small Value	Small Growth
0.1	0.6	3.6	4.5	4.9	8.4

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	0.45	0.45	1.24
MSCI EAFE Index	1.25	4.97	4.97	7.65
MSCI United Kingdom Index	0.51	2.97	2.97	8.32
MSCI Europe ex-U.K. Index	1.50	5.61	5.61	5.87
MSCI Japan Index	1.59	6.45	6.45	11.35
MSCI AC Asia ex-Japan Index	1.72	5.99	5.99	10.89
MSCI Emerging Markets Index	2.02	6.43	6.43	10.77
JPM EMBI+ Emerging Markets Bond Index	-0.27	-0.22	-0.22	-0.15
FTSE EPRA/NAREIT GRE Index	0.78	0.01	0.01	2.36

Source: FactSet

- Housing starts for December came in at a 1.19M seasonally adjusted annual rate (SAAR), below the consensus for a 1.27M pace. While this was a downtick, housing starts remain near long-term highs. Housing permits of 1.30M beat the consensus of 1.29M, and November permits were revised slightly higher to 1.303M (from 1.298M).
- The Philadelphia Fed Manufacturing Index for January printed at 22.2, below consensus of 24.9. This was a five-month low, but the report noted the index has stayed within a relatively narrow range for the past eight months. December was revised higher to 27.9 from 26.2.

Bond Rates (%) as of:	01/19/18	01/12/18	12/31/17	10/19/17
U.S. Federal Funds Target Rate	1.50	1.50	1.50	1.25
U.S. Two-Year Treasury Yield	2.06	2.01	1.89	1.56
U.S. Ten-Year Treasury Yield	2.64	2.55	2.41	2.32
U.S. 30-Year Treasury Yield	2.91	2.85	2.74	2.83
High Yield (Merrill U.S. Corporates)	5.58	5.51	5.59	5.23

Commodity Prices as of:	01/19/18	01/12/18	12/31/17	10/19/17
Gold (USD/oz)	1,333.10	1,334.90	1,309.30	1,290.00
Crude Oil (USD/bbl)	63.31	64.30	60.42	51.51
Gasoline (USD/gal)	2.74	2.72	2.66	2.65
Copper (NYM \$/lbs)	3.17	3.20	3.28	3.15

Exchange Rates as of:	01/19/18	01/12/18	12/31/17	10/19/17
\$ per €	1.22	1.21	1.20	1.19
\$ per £	1.38	1.37	1.35	1.32
¥ per \$	110.64	111.32	112.65	112.51

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 22	Tuesday, January 23	Wednesday, January 24	Thursday, January 25	Friday, January 26
Chicago Fed National Activity (Dec) U.S. BoJ Interest Rate Decision Japan	BoJ Outlook Report (YoY) Japan German ZEW Current Conditions Euro Zone ZEW Economic Sentiment Euro Zone	Unemployment Rate (Nov) U.K. Existing Home Sales (Dec) U.S.	ECB Interest Rate Decision Euro Zone Initial Jobless Claims U.S. New Home Sales (Dec) U.S.	GDP (YoY) (Q4) U.K. Core Durable Goods Orders (MoM) (Dec) U.S. GDP (QoQ) (Q4) U.S. GDP Price Index (QoQ) (Q4) U.S.

Source: Bloomberg

Earnings Announcements

Monday, January 22	Tuesday, January 23	Wednesday, January 24	Thursday, January 25	Friday, January 26
J & J Snack Foods Netflix TD Ameritrade UBS Group	Las Vegas Sands Procter & Gamble Texas Instruments Verizon	Abbott Labs Comcast Ford Motor General Electric United Rentals	3M Caterpillar Southwest Airlines Starbucks TAL Education	AbbVie Colgate-Palmolive NextEra Rockwell Collins

Source: Bloomberg

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Past performance is no guarantee of future results.

Voya Investment Management



Equity | Fixed Income | Multi-Asset Strategies & Solutions

Voya Investment Management is the asset management arm of Voya Financial, a leader in retirement services and investing. Our investment platform has been carefully built to help meet the long-term needs and goals of our clients, supported by more than 200 investment professionals. Our deep understanding of managing risk exposure and capturing unrecognized investment potential through intense fundamental research and skilled portfolio construction has delivered a consistency of results across continuously evolving market cycles. Today, we are proud to manage more than \$230 billion in assets for investors.¹

79% of our assets outperformed their benchmark or peer median on a 5-year basis.²

84% of the time our portfolios outperformed their benchmark on a rolling 3-year basis.³

88% of the time our portfolios outperformed their benchmark on a rolling 5-year basis.³

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¹ As of 09/30/17, Voya IM assets of \$230 billion include proprietary insurance general account assets of \$91 billion calculated on a market value basis. Voya IM assets, as reported in Voya Financial, Inc. SEC filings, include general account assets valued on a statutory book value basis and total approximately \$222 billion. ² Metrics presented use pre-determined criteria to measure each individual investment product based on its ability to either A) rank above the median of its peer category; or B) outperform its benchmark index on a gross-of-fees basis. Generally speaking, the results for unconstrained, fully-active investment products were based on relevant peer category rankings while those of "enhanced index", rules-based, risk-constrained, or client-specific investment products were based on benchmark-relative performance. Metrics are calculated on an annualized basis and includes mutual funds as well as pooled and separately-managed institutional portfolios that fall within our traditional (long-only) commercial book of business that remain open as of 09/30/17. If terminated and other accounts had been included, results may have differed from that shown. Source of performance returns and peer medians is Voya Investment Management but is based in part on data from Morningstar (mutual funds) and eVestment (institutional composites). Further detailed information regarding these calculations is available upon request. ³ Metrics are based on observations of rolling 3-year or 5-year annualized returns over the last 30 months, calculated on an annualized, gross-of-fees basis, and includes mutual funds as well as pooled and separately-managed institutional portfolios that fall within our traditional long-only commercial book of business that remain open as of 09/30/17. If terminated and other accounts had been included, results may have differed from that shown. Source of performance returns is Voya Investment Management, and further detailed information regarding these calculations is available upon request.

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