

Voya Global Perspectives

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As of January 25, 2019

Investment Weekly

Commentary and Statistics

- Stock markets had mixed results during a holiday-shortened trading week. Asian and European bourses saw mixed results; U.S. markets achieved slight gains. Investors worried that China's economic growth had marked its slowest pace in nearly 30 years and that manufacturing activity had slackened in the Eurozone and Japan, while weighing the persistent uncertainties of the partial U.S. government shutdown and trade tensions. But investor sentiment was lifted by positive 4Q18 earnings, and by a report that the Federal Reserve might soon end its unwinding of QE holdings, retaining a larger than expected portfolio of U.S. Treasury securities.
- Oil prices fell modestly, tugged by factors such as reduced Canadian output, rising U.S. inventories and supply uncertainty from Venezuela. Gold prices slipped. U.S. Treasuries yields fell; the 10-year yield ended the week at about 2.76%. The U.S. dollar declined.
- With 22% of S&P 500 companies reporting fourth-quarter results, 71% have exceeded earnings per share (EPS) expectations, while 59% have beaten sales expectations. As of January 25, 2019, FactSet estimated the S&P 500 index's fourth-quarter earnings growth rate at 10.9% and its 12-month forward P/E ratio at 15.4, below the five-year average of 16.4 but above its ten-year average of 14.6. Comcast, Halliburton and Procter & Gamble impressed this week, whereas Abbott Laboratories, Capital One Financial and Kimberly-Clark disappointed.
- The IHS Markit Flash Manufacturing PMI rose in January to 54.5, its highest level since last May. The report noted faster expansion of production, new orders and stocks of purchases.
- Initial jobless claims fell to 199,000 for the week ended January 19, the lowest reading since 1969. The four-week average decreased by 6,000 to 215,000.

Index Prices (\$)		
Index	01/25/19	12/31/18
Dow Jones Industrial Average	24,737.20	23,327.46
S&P 500 Index	2,664.76	2,506.85

Returns (%)				
U.S. Market Indexes Returns	One Week	MTD	YTD	3-Months
Dow Jones Industrial Average	0.12	6.16	6.16	-0.40
S&P 500 Index	-0.21	6.41	6.41	-0.99
MSCI ACWI Index	0.23	6.43	6.43	1.26
Russell 2000 Index	0.03	10.01	10.01	-0.78
Russell MidCap Index	0.40	8.98	8.98	1.68
Bloomberg Barclays U.S. Aggregate Index	0.30	0.28	0.28	2.52
Bloomberg Barclays High Yield Bond Index	-0.01	3.83	3.83	0.51
United States 20-Year Treasury Bond	0.70	-0.47	-0.47	6.11
S&P/LSTA Senior Loan Index	-0.21	3.42	3.42	-1.23

S&P 500 Sector Returns	One Week	MTD	YTD	3-Months
Consumer Discretionary	0.00	8.42	8.42	-0.19
Consumer Staples	-1.36	1.91	1.91	-5.15
Energy	-1.42	9.63	9.63	-5.63
Financials	0.01	9.17	9.17	2.13
Health Care	-1.29	2.91	2.91	1.07
Industrials	-0.07	8.82	8.82	1.05
Materials	-0.68	5.09	5.09	4.53
Real Estate	1.52	6.95	6.95	3.79
Technology	1.00	6.47	6.47	-4.54
Communication Services	-0.69	7.46	7.46	-0.54
Utilities	0.37	0.79	0.79	-0.99

U.S. Returns by Style					
One Week (%)		Year to Date (%)		3-Months (%)	
Large Value	-0.3	Large Growth	0.0	Large Value	0.0
Mid Value	0.2	Mid Growth	0.8	Large Growth	-1.4
Small Value	0.2	Small Growth	-0.1	Mid Value	-0.1
				Mid Growth	4.4
				Small Value	-1.2
				Small Growth	-0.4

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	0.53	0.66	0.66	2.73
MSCI EAFE Index	0.48	5.53	5.53	2.07
MSCI United Kingdom Index	-0.31	4.73	4.73	0.46
MSCI Europe ex-U.K. Index	0.70	5.76	5.76	1.38
MSCI Japan Index	0.62	5.15	5.15	1.20
MSCI AC Asia ex-Japan Index	1.45	5.79	5.79	9.26
MSCI Emerging Markets Index	1.42	6.94	6.94	9.27
JPM EMBI+ Emerging Markets Bond Index	1.00	3.79	3.79	4.43
FTSE EPRA/NAREIT GRE Index	1.51	7.61	7.61	6.24

Source: FactSet

- The National Association of Realtors said existing home sales for December fell 6.4% to 4.99 million versus November's 5.32 million.
- Japanese manufacturing PMI dropped to 50.0 in January, straddling the borderline between expansion and contraction; production scaled back for the first time since July 2016. Eurozone Manufacturing PMI dropped to 50.5, in January, down from 51.4 in December and a 50-month low. China's industrial production beat estimates, but its economy grew only 6.6% in 2018.

Bond Rates (%) as of:	01/25/19	01/18/19	12/31/18	10/25/18
U.S. Federal Funds Target Rate	2.50	2.50	2.50	2.25
U.S. Two-Year Treasury Yield	2.60	2.61	2.50	2.86
U.S. Ten-Year Treasury Yield	2.75	2.78	2.69	3.14
U.S. 30-Year Treasury Yield	3.06	3.10	3.02	3.35
High Yield (Merrill U.S. Corporates)	6.63	6.62	7.37	6.63

Commodity Prices as of:	01/25/19	01/18/19	12/31/18	10/25/18
Gold (USD/oz)	1,298.10	1,282.60	1,281.30	1,232.40
Crude Oil (USD/bbl)	53.69	54.04	45.41	67.33
Gasoline (USD/gal)	2.47	2.47	2.50	3.01
Copper (NYM \$/lbs)	2.74	2.74	2.63	2.75

Exchange Rates as of:	01/25/19	01/18/19	12/31/18	10/25/18
\$ per €	1.14	1.14	1.14	1.14
\$ per £	1.32	1.29	1.27	1.28
¥ per \$	109.68	109.66	109.72	112.55

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 28	Tuesday, January 29	Wednesday, January 30	Thursday, January 31	Friday, February 1
Chicago Fed Nat'l Activity Index (Dec) U.S.	S&P CoreLogic CS 20-City (Nov) U.S.	Economic Confidence (Jan) Eurozone	Unemployment Rate (Dec) Eurozone	CPI Core (Jan) Eurozone
Dallas Fed Manf. Activity (Jan) U.S.	Conf. Board Consumer Confidence (Jan) U.S.	GDP (4Q18) U.S.	GDP (4Q18) Eurozone	Change in Nonfarm Payrolls (Jan) U.S.
	Retail Sales (Dec) Japan	Core PCE (4Q18) U.S.	Chicago PMI (Jan) U.S.	Unemployment Rate (Jan) U.S.
		Pending Home Sales (Dec) U.S.	Nikkei Japan PMI Mfg (Jan) Japan	ISM Manufacturing (Jan) U.S.
		FOMC Rate Decision (Jan) U.S.	Caixin China PMI Mfg (Jan) China	U. of Mich. Sentiment (Jan) U.S.

Source: Bloomberg

Earnings Announcements

Monday, January 28	Tuesday, January 29	Wednesday, January 30	Thursday, January 31	Friday, February 1
Caterpillar Celanese Corp. Whirlpool Wynn Resorts	3M Co. Apple Canon Ebay Lockheed Martin Pfizer T. Rowe Price Verizon	Alibaba Group AT&T Boeing Facebook McDonald's Microsoft Nintendo Paypal Qualcomm Visa	AFLAC Amazon.com Baxter Int'l Conocophillips Dow Chemical General Electric Mastercard Royal Dutch Shell United Parcel Service	Chevron Cigna Corp. Exxon Mobil Honda Honeywell Int'l Merck & Co. Sony Weyerhaeuser

Source: Zacks Investment Research

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