

Voya Global Perspectives

Markets. Insights. Opportunities.®

As of July 27, 2018

Investment Weekly

Commentary and Statistics

- Stocks showed mixed results for the week — large caps outpaced the tech-heavy NASDAQ and small caps. Investors focused on corporate earnings, aided by some trade tension relief. Oil prices rose unevenly, gold prices fell. The 10-year U.S. Treasury yield nudged close to 3%.
- With 53% of S&P 500 companies reporting second-quarter results, 83% have exceeded earnings per share expectations, while 77% have beaten sales expectations. As of July 27, 2018, FactSet estimated the S&P 500 index's second-quarter earnings growth rate at 21.3% and its 12-month forward P/E ratio at 16.7, above the five- and ten-year averages of 16.2 and 14.4, respectively. Alphabet, Hasbro and Kaiser Aluminum impressed this week, whereas AT&T, Facebook and General Motors disappointed.
- Gross domestic product rose at a 4.1% annual rate in 2Q18, on the low end of expectations but still the strongest growth in almost four years. Consumption was up 4%, well above consensus. Nonresidential business investment grew at an annual rate of 7.3%, following 11.5% annual growth in 1Q18 and raising hopes that long-awaited capex was materializing. The fly in the ointment was the 3% PCE deflator, which drove year-over-year inflation to 2.4%.
- The Chicago Fed National Activity Index rebounded to 0.43 in June from -0.45 in May, led by improvements in production-related indicators. The index's three-month moving average rose to 0.16 in June from 0.10 in May.
- June existing home sales fell 0.6% to 5.38 million, missing estimates of 5.48 million and falling below May's downwardly revised 5.41 million. Tight supply pushed the median sales price to an all-time high of \$276,900. New home sales also continued recent weakness in June, falling 5.3% to 631,000 — far below expectations of 669,000. The median new home price fell 4.2% YoY to \$302,100.

Index Prices (\$)		
Index	07/27/18	12/31/17
Dow Jones Industrial Average	25,451.06	24,652.00
S&P 500 Index	2,818.82	2,676.00

Returns (%)				
U.S. Market Indexes Returns	One Week	MTD	YTD	3-Months
Dow Jones Industrial Average	1.57	4.98	4.22	5.30
S&P 500 Index	0.61	3.80	6.55	6.08
Russell 2000 Index	-1.96	1.28	9.04	7.20
Russell MidCap Index	-0.19	2.44	4.84	4.63
Bloomberg Barclays U.S. Aggregate Index	-0.17	-0.03	-1.64	0.66
Bloomberg Barclays High Yield Bond Index	0.32	0.92	1.08	1.31
United States 20-Year Treasury Bond	-1.00	-1.65	-4.62	1.24
S&P/LSTA Senior Loan Index	0.14	0.81	2.67	0.84

S&P 500 Sector Returns	One Week	MTD	YTD	3-Months
Consumer Discretionary	-0.45	2.19	13.95	7.58
Consumer Staples	0.99	3.66	-5.20	6.05
Energy	2.32	0.87	7.74	4.63
Financials	2.04	5.94	1.61	1.99
Health Care	1.40	5.44	7.37	5.72
Industrials	2.08	6.09	1.11	4.23
Materials	1.82	2.28	-0.87	3.39
Real Estate	-0.16	-0.76	0.05	5.60
Technology	-1.15	3.62	14.88	10.31
Telecom	1.15	1.15	-7.30	-1.50
Utilities	0.69	1.36	1.69	2.73

U.S. Returns by Style					
One Week (%)		Year to Date (%)		3-Months (%)	
Large Value	1.3	Large Growth	-0.5	Large Value	3.3
Mid Value	0.4	Mid Growth	-1.1	Large Growth	8.6
Small Value	-1.3	Small Growth	-2.6	Mid Value	3.1
				Mid Growth	6.4
				Small Value	6.5
				Small Growth	7.8

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	-0.20	-0.17	-1.63	-1.40
MSCI EAFE Index	1.35	2.73	0.30	-0.56
MSCI United Kingdom Index	0.56	0.29	-0.72	-1.57
MSCI Europe ex-U.K. Index	1.38	4.04	0.54	-0.45
MSCI Japan Index	2.18	2.51	0.61	-1.33
MSCI AC Asia ex-Japan Index	1.86	1.51	-3.21	-3.39
MSCI Emerging Markets Index	2.15	2.73	-3.96	-4.26
JPM EMBI+ Emerging Markets Bond Index	0.43	2.27	-3.08	0.05
FTSE EPRA/NAREIT GRE Index	0.38	0.07	0.06	2.07

Source: FactSet

- A meeting between President Trump and the European Commission's Jean-Claude Juncker de-escalated trade tensions, as the two parties agreed to work toward zero tariffs on non-auto industrial goods. Trump said steel and aluminum tariffs, as well as retaliatory tariffs, would get resolved. Juncker added the United States and European Union would not impose further tariffs while they sorted out their differences.

Bond Rates (%) as of:	07/27/18	07/20/18	12/31/17	04/27/18
U.S. Federal Funds Target Rate	2.00	2.00	1.50	1.75
U.S. Two-Year Treasury Yield	2.68	2.60	1.89	2.49
U.S. Ten-Year Treasury Yield	2.96	2.89	2.41	2.96
U.S. 30-Year Treasury Yield	3.09	3.03	2.74	3.13
High Yield (Merrill U.S. Corporates)	6.36	6.41	5.59	6.28

Commodity Prices as of:	07/27/18	07/20/18	12/31/17	04/27/18
Gold (USD/oz)	1,223.00	1,231.10	1,309.30	1,323.40
Crude Oil (USD/bbl)	68.69	68.26	60.42	68.10
Gasoline (USD/gal)	2.99	3.02	2.66	3.01
Copper (NYM \$/lbs)	2.79	2.75	3.28	3.05

Exchange Rates as of:	07/27/18	07/20/18	12/31/17	04/27/18
\$ per €	1.17	1.17	1.20	1.21
\$ per £	1.31	1.31	1.35	1.38
¥ per \$	110.98	111.84	112.65	109.08

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, July 30	Tuesday, July 31	Wednesday, August 1	Thursday, August 2	Friday, August 4
Business Climate Indicator (Jul) Euro Zone	Unemployment Rate (Jun) Euro Zone	Markit Eurozone Composite PMI (Jul) Euro Zone	Markit US Composite PMI (Jul) U.S.	Leading & Coincident Indexes (Jun) Japan
Consumer Confidence (Jul) Euro Zone	CPI Estimate YoY (Jul) Euro Zone			Change in Nonfarm Payrolls (Jul) U.S.
Pending Home Sales (Jun) U.S.	GDP (2Q18) Euro Zone			Unemployment Rate (Jul) U.S.
Industrial Production (Jun) Japan	Personal Spending (Jun) U.S.			Labor Force Participation Rate (Jul) U.S.
Composite PMI (Jul) China	S&P CoreLogic CS 20-City (May) U.S.			

Source: Bloomberg

Earnings Announcements

Monday, July 30	Tuesday, July 31	Wednesday, August 1	Thursday, August 2	Friday, August 4
BOOZ ALLEN CATERPILLAR J&J SNACK FOODS LOEWS NUTRI/SYSTEM POTLATCH SEAGATE TECH TEXAS ROADHOUSE TRANSOCEAN LTD	APPLE BAIDU CHEESECAKE FACTORY HONDA MOTOR HYATT HOTELS LUMBER LIQUIDATORS PFIZER PROCTER & GAMBLE RALPH LAUREN SONY	ALLSTATE AMC ENTERTAINMENT CAESARS ENTERTAINMENT HANESBRANDS PITNEY BOWES PRUDENTIAL SPRINT TRIPADVISOR VALVOLINE	ALTICE USA AVON CBS CHURCH & DWIGHT DOWDUPONT KELLOGG LEAF GROUP LTD SALLY BEAUTY YUM! BRANDS	CBOE HOLDINGS ITT KRAFT HEINZ LYONDELLBASEL NOBLE ENERGY

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.

Voya Investment Management

Voya Investment Management (Voya IM) is the asset management business of Voya Financial, a Fortune 500 company with over 6,000 employees seeking to help clients plan, invest and protect their savings. Voya IM managed approximately 227 billion¹ in assets across Fixed Income, Senior Loans, Equities and Multi-Asset Strategies & Solutions. Drawing on over 40 years of experience and the expertise of 250+ investment professionals, Voya IM's capabilities span traditional products and solutions as well as those that cannot be easily replicated by an index.

Voya IM's award-winning culture is deeply rooted in a client-centric approach to helping investors meet their goals — from insurance companies, corporate and public pension funds, sovereign wealth funds, endowments and foundations, and consultants to intermediaries, and individual investors. Reliability is why our clients hire us and it is why they trust us to navigate the path ahead.



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

86% of the time our portfolios outperformed their benchmark on a rolling 5-year basis.³

87% of the time our portfolios outperformed their benchmark on a rolling 7-year basis.³

Past performance does not guarantee future results.

¹ As of 03/31/18. Voya Investment Management assets are calculated on a market value basis and include proprietary insurance general account assets of \$87 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 03/31/18. 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 5-year or 7-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 03/31/18. 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.

A reliable partner committed to reliable investing®

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.

©2018 Voya Investments Distributor, LLC • 230 Park Ave, New York, NY 10169 • All rights reserved.
BBGP-STATISTICS IM0729-43832-1017 • 163086

PLAN | INVEST | PROTECT

voyainvestments.com

VOYA®