

# Voya Global Perspectives

Markets. Insights. Opportunities.™

As of March 6, 2015

## Investment Weekly

### Commentary and Statistics

- The Dow, Nasdaq and S&P 500 closed lower for the first week of March, breaking February's run of gains. It was the steepest drop in two months for the S&P 500, as a robust nonfarm payrolls report increased the likelihood of a mid-2015 fed funds rate hike. European and Asian equities were mixed. The yield on the benchmark ten-year U.S. Treasury climbed to 2.25% following the jobs report, its highest level since December. Oil and gold prices closed down for the week.
- Employment data continue to impress. The economy added 295,000 jobs in February according to the Commerce Department, well ahead of expectations. Also, the unemployment rate edged down to 5.5%, its lowest level in almost seven years. Wage growth, however, disappointed in February. Meanwhile, ADP reported that private sector employment increased by 212,000 jobs in February, the 12<sup>th</sup> consecutive month of growth in excess of 200,000, the longest streak since 1994–95. January personal income increased 0.3%, and disposable personal income increased 0.4%. Consumption decreased 0.2%.
- At 5.3%, the increase in February vehicle sales fell well short of expectations around 7%, though much of the blame went to adverse weather through large parts of the country.
- In February the ISM manufacturing index declined to its lowest point since January 2014 but still indicated expansion. The decline was partially attributable to weaker growth abroad and the work slowdown at West Coast ports.
- January U.S. construction spending fell 1.1%, well below expectations for an increase.
- The U.S. trade deficit narrowed to \$41.8 billion in January after hitting a two-year high of \$45.6 billion in December.

Index Prices (\$)		
Index	3/06/2015	12/31/2014
Dow Jones Industrial Average	17,856.78	17,823.07
S&P 500 Index	2,071.26	2,058.90

Returns (%)				
U.S. Market Index Returns	One Week	MTD	YTD	One Year
Dow Jones Industrial Average	-1.48	-1.48	0.66	11.29
S&P 500 Index	-1.54	-1.54	1.00	12.62
Russell 2000 Index	-1.26	-1.26	1.24	2.41
Russell MidCap Index	-1.43	-1.43	2.41	10.86
Barclays U.S. Aggregate Index	-0.98	-0.98	0.15	4.37
Barclays High Yield Bond Index	-0.46	-0.46	2.61	2.35
United States 20-Year Treasury Bond	-4.23	-4.23	-1.40	19.44
S&P/LSTA Senior Loan Index	0.28	0.28	1.92	2.20

S&P 500 Sector Returns	One Week	MTD	YTD	One Year
Consumer Discretionary	-0.75	-0.75	4.50	13.48
Consumer Staples	-2.51	-2.51	0.50	17.93
Energy	-2.86	-2.86	-3.79	-9.82
Financials	-0.49	-0.49	-1.93	10.83
Health Care	-1.14	-1.14	4.40	21.70
Industrials	-1.81	-1.81	-0.05	8.83
Materials	-1.96	-1.96	3.93	6.82
Technology	-1.41	-1.41	2.54	19.82
Telecom	-2.73	-2.73	2.52	9.57
Utilities	-4.06	-4.06	-8.07	12.91

U.S. Returns by Style					
One Week (%)		Year to Date (%)		One Year (%)	
Large Value	Large Growth	Large Value	Large Growth	Large Value	Large Growth
-1.7	-1.3	-1.1	3.7	10.3	13.9
Mid Value	Mid Growth	Mid Value	Mid Growth	Mid Value	Mid Growth
-1.8	-1.1	0.8	3.9	10.8	11.0
Small Value	Small Growth	Small Value	Small Growth	Small Value	Small Growth
-1.8	-0.7	-1.5	4.0	0.3	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	One Year
Barclays Global Aggregate Bond Index	-1.96	-1.96	-2.91	-4.47
MSCI EAFE Index	-1.84	-1.84	4.55	-1.78
MSCI United Kingdom Index	-2.79	-2.79	2.27	-5.04
MSCI Europe ex-U.K. Index	-2.40	-2.40	4.24	-5.52
MSCI Japan Index	-0.14	-0.14	8.39	8.75
MSCI AC Asia ex-Japan Index	-0.46	-0.46	3.98	10.68
MSCI Emerging Markets Index	-1.87	-1.87	1.79	2.97
JPM EMBI+ Emerging Markets Bond Index	-0.74	-0.74	0.84	4.11
NAREIT Global Real Estate Index	-3.22	-3.22	0.93	11.06

Source: FactSet

- The Peoples Bank of China cut its benchmark lending rate and its deposit rate by 25 bps in a move intended to keep real interest rates suitable for economic growth trends. HSBC manufacturing PMI rose to a seven-month high, but new export orders contracted.
- President Draghi confirmed the European Central Bank will start purchasing €60 billion per month of sovereign debt in March; the program will run until there is a sustained adjustment in the path toward the bank's inflation target.

Bond Rates (%) as of:	3/06/2015	2/27/2015	12/31/2014	3/06/2014
U.S. Federal Funds Target Rate	0.25	0.25	0.25	0.25
U.S. Two-Year Treasury Yield	0.73	0.62	0.69	0.34
U.S. Ten-Year Treasury Yield	2.24	2.00	2.17	2.74
High Yield (Merrill U.S. Corporates)	5.83	5.61	6.19	5.59

Commodity Prices as of:	3/06/2015	2/27/2015	12/31/2014	3/06/2014
Gold (USD/oz)	1164.30	1213.10	1184.10	1351.80
Crude Oil (USD/bbl)	49.61	49.76	53.27	101.56
Gasoline (USD/gal)	2.71	2.49	2.44	3.60
Copper (NYM \$/lbs)	2.63	2.72	2.84	3.28

Exchange Rates as of:	3/06/2015	2/27/2015	12/31/2014	3/06/2014
\$ per €	1.09	1.12	1.21	1.38
\$ per £	1.51	1.55	1.56	1.67
¥ per \$	121.15	119.55	119.90	103.09

## Index Definitions

**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.

**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.

**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.

**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.

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**Past performance is no guarantee of future results.**

## Economic Release Calendar

Monday, March 9	Tuesday, March 10	Wednesday, March 11	Thursday, March 12	Friday, March 13
<b>Investor Confidence (Mar)</b> Euro Zone	<b>Small Business Optimism (Feb)</b> U.S.	<b>Retail Sales (Feb)</b> China	<b>Trade Balance (Jan)</b> U.K.	<b>Industrial Production (Jan)</b> Japan
<b>CPI and PPI (Feb)</b> China	<b>Wholesale Inventories and Sales (Jan)</b> U.S.	<b>Industrial Production (Feb)</b> China	<b>Industrial Production (Jan)</b> Euro Zone	<b>PPI (Feb)</b> U.S.
	<b>JOLTS Report (Jan)</b> U.S.		<b>Retail Sales (Feb)</b> U.S.	<b>U. of Michigan Sentiment (Mar)</b> U.S.
	<b>PPI (Feb)</b> Japan			

Source: Bloomberg

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# Voya Investment Management

## Our Promises

- Clients first
- Long-term perspective
- Unmatched service

## Our Skills

- Disciplined processes
- Intensive research
- Expert portfolio construction

## Our Core Capabilities

- Equities
- Fixed Income
- Multi-Asset Strategies and Solutions

## A reliable partner committed to reliable investing

\$213 Billion AUM\* | Over 900 Employees | Over 200 Investment Professionals

\* Data is as of 12/31/14. Voya IM assets of \$213 billion include proprietary insurance general account assets of \$85 billion on a market value basis. Voya IM assets, as reported in Voya Financial SEC filings, include general account assets valued on a statutory book value basis and total approximately \$206 billion.

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