

# Voya Global Perspectives

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As of November 16, 2018

## Investment Weekly

### Commentary and Statistics

- Global stock markets delivered mixed results during yet another volatile week, following rising Brexit concerns. Stocks fell in the United States, Europe and Japan. By contrast, emerging Asian markets such as China posted gains despite the uncertainty surrounding U.S.-China trade tensions. In the U.S., fears that business growth might be slowing, and that inflation might be igniting, sparked volatility across sectors and market cap segments.
- U.S. Treasury prices continued to rally, bolstered by the volatility in equity markets, pressing yields lower. The widely watched 10-year U.S. Treasury yield fell from 3.19% last week to 3.07%. Gold prices increased as Treasury yields declined and the U.S. dollar weakened slightly against major currencies.
- Oil prices ended down after a sharp sell-off in the middle of the week, spurred by worries about weaker demand amid oversupply. Earlier in the month, the U.S. authorized exemptions to eight countries, allowing them to continue importing Iranian oil despite sanctions. The size of the waivers surprised market participants.
- U.S. retail sales increased by 0.8% in October, the largest increase since May. This was mainly due to purchases of motor vehicles and building materials to repair damage following Hurricane Florence. Analysts noted that real consumer spending is on pace to increase at an annualized 3.0% this quarter, down 1.0% from Q3, but still described as firm.
- The Consumer Price index (CPI) in the U.S. rose to 252.83 in October, up 0.3% from September; in line with expectations and higher than September's 0.1%. Gasoline prices were responsible for over a third of October's increase, followed by a sharp rebound in prices for used cars. Core CPI, ex-food and energy, was up 0.2%, also in line with consensus and higher than September's 0.1%.

Index Prices (\$)		
Index	11/16/18	12/31/17
Dow Jones Industrial Average	25,413.22	24,652.00
S&P 500 Index	2,736.27	2,676.00

Returns (%)				
Market Indexes Returns	One Week	MTD	YTD	3-Months
Dow Jones Industrial Average	-2.15	1.41	4.87	-0.03
S&P 500 Index	-1.54	1.07	4.11	-3.21
MSCI ACWI Index	-1.18	0.92	-2.64	-4.02
Russell 2000 Index	-1.37	1.16	0.55	-9.09
Russell MidCap Index	-1.09	1.50	0.01	-5.32
Bloomberg Barclays U.S. Aggregate Index	0.47	0.43	-1.95	-0.84
Bloomberg Barclays High Yield Bond Index	-1.29	-1.00	-0.08	-1.57
United States 20-Year Treasury Bond	1.26	1.51	-7.56	-4.28
S&P/LSTA Senior Loan Index	-0.38	-0.19	3.59	0.53

S&P 500 Sector Returns	One Week	MTD	YTD	3-Months
Consumer Discretionary	-3.74	0.78	7.87	-5.96
Consumer Staples	-1.70	1.38	0.26	3.22
Energy	-1.91	0.03	-4.61	-6.39
Financials	-1.27	1.93	-2.81	-4.26
Health Care	-1.01	3.69	12.85	1.79
Industrials	-0.62	2.99	-3.70	-4.53
Materials	0.43	5.11	-7.45	-4.59
Real Estate	0.98	4.28	4.25	0.58
Technology	-2.37	-1.58	9.26	-6.14
Telecom	-1.07	-1.92	-6.86	-5.47
Utilities	0.00	2.15	6.97	2.03

#### U.S. Returns by Style

One Week (%)		Year to Date (%)		3-Months (%)	
Large Value	Large Growth	Large Value	Large Growth	Large Value	Large Growth
-0.8	-2.3	0.7	6.5	-1.7	-5.5
Mid Value	Mid Growth	Mid Value	Mid Growth	Mid Value	Mid Growth
-0.9	-1.3	-2.5	3.1	-4.9	-5.9
Small Value	Small Growth	Small Value	Small Growth	Small Value	Small Growth
-1.0	-1.7	-0.9	1.9	-8.2	-9.9

**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	0.40	0.40	-3.07	-0.91
MSCI EAFE Index	-1.42	0.01	-8.85	-5.12
MSCI United Kingdom Index	-2.46	-0.71	-9.86	-5.30
MSCI Europe ex-U.K. Index	-1.20	-0.05	-9.48	-5.36
MSCI Japan Index	-1.61	-1.02	-7.66	-4.14
MSCI AC Asia ex-Japan Index	1.37	3.81	-13.03	-5.06
MSCI Emerging Markets Index	1.05	3.22	-12.73	-2.98
JPM EMBI+ Emerging Markets Bond Index	-0.50	-0.21	-5.81	-0.96
FTSE EPRA/NAREIT GRE Index	0.25	3.08	-1.81	-1.99

Source: FactSet

- The New York Empire State Manufacturing index increased 2.2 points in November, exceeding market expectations. Shipments, inventories, employment and average workweek increased. The Philadelphia Fed Manufacturing index fell to 12.9, well below October's reading of 22.2. The decline was attributed to weaker new orders. U.S. industrial output rose October, as an increase in factory production offset a drop in mining and utilities output.

Bond Rates (%) as of:	11/16/18	11/09/18	12/31/17	08/16/18
U.S. Federal Funds Target Rate	2.25	2.25	1.50	2.00
U.S. Two-Year Treasury Yield	2.81	2.93	1.89	2.62
U.S. Ten-Year Treasury Yield	3.07	3.19	2.41	2.87
U.S. 30-Year Treasury Yield	3.33	3.39	2.74	3.03
High Yield (Merrill U.S. Corporates)	6.89	6.64	5.59	6.36

Commodity Prices as of:	11/16/18	11/09/18	12/31/17	08/16/18
Gold (USD/oz)	1,223.00	1,208.60	1,309.30	1,184.00
Crude Oil (USD/bbl)	56.68	60.19	60.42	65.46
Gasoline (USD/gal)	2.86	2.93	2.66	2.99
Copper (NYM \$/lbs)	2.80	2.69	3.28	2.61

Exchange Rates as of:	11/16/18	11/09/18	12/31/17	08/16/18
\$ per €	1.14	1.14	1.20	1.14
\$ per £	1.28	1.30	1.35	1.27
¥ per \$	112.84	113.72	112.65	110.75

## 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, November 19	Tuesday, November 20	Wednesday, November 21	Thursday, November 22	Friday, November 23
<b>Construction Output (Sep)</b> Eurozone	<b>Housing Starts (Oct)</b> U.S.	<b>Durable Goods Orders (Oct)</b> U.S.	<b>Bloomberg Economic Expectations (Nov)</b> U.S.	<b>Markit Eurozone Manufacturing PMI (Nov)</b> Eurozone
<b>NAHB Housing Market Index (Nov)</b> U.S.	<b>PPI (Oct)</b> Germany	<b>Initial Jobless Claims (Nov)</b> U.S.	<b>Consumer Confidence (Nov)</b> Eurozone	<b>Markit Eurozone Composite PMI Nov)</b> Eurozone
<b>Saudi Arabia September Crude Oil Output Exports: JODI (Nov)</b> Saudi Arabia		<b>Bloomberg Consumer Comfort (Nov)</b> U.S.		<b>Markit U.S. Manufacturing PMI (Nov)</b> U.S.
<b>CBI Trends Total Orders (Nov)</b> U.K.		<b>U. of Mich. Sentiment (Nov)</b> U.S.		<b>Markit U.S. Composite PMI (Nov)</b> U.S.
		<b>Existing Home Sales (Oct)</b> U.S.		

Source: Bloomberg

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