

Voya Global Perspectives

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As of November 2, 2018

Investment Weekly

Commentary and Statistics

- Global stock markets advanced during a volatile week, but gave back some gains on Friday as technology stocks took another beating — this time because of disappointing guidance from Apple. Trade headlines and an upside hiring surprise notwithstanding, corporate earnings showed that business fundamentals remained strong. The U.S. dollar slid against the major currencies for the week. The 10-year U.S. Treasury yield rose from 3.08% to nearly 3.22%; compared to a year ago, the yield curve rose more on the short end than the long. Gold prices fell with higher Treasury yields. Oil prices declined for the week on overproduction concerns, despite imminent sanctions against Iran.
- With 74% of S&P 500 companies reporting third-quarter results, 78% have exceeded earnings per share (EPS) expectations, while 61% have beaten sales expectations. As of November 2, 2018, FactSet estimated the S&P 500 index's third-quarter earnings growth rate at 24.9% and its 12-month forward P/E ratio at 15.6, below the five-year average of 16.4, but above the ten-year average of 14.5. Under Armour impressed as 3Q earnings beat expectations and the company raised FY18 guidance. General Electric disappointed as EPS missed and the company cut its dividend. General Motors and T-Mobile also impressed, whereas Kellogg and Wayfair disappointed.
- The Labor Department reported that U.S. nonfarm payrolls increased by 250,000 in October, well ahead of economists' expectations for 188,000 new jobs. Average hourly earnings increased 3.1% year-over-year, the greatest wage gain since 2009. The unemployment rate held steady at 3.7%, its lowest level since December 1969. The labor-force participation rate rose from 62.7% in September to 62.9%, up from a 2015 low of 62.3% but just slightly above multi-decade lows.

Index Prices (\$)		
Index	11/02/18	12/31/17
Dow Jones Industrial Average	25,270.83	24,652.00
S&P 500 Index	2,723.06	2,676.00

Returns (%)				
Market Indexes Returns	One Week	MTD	YTD	3-Months
Dow Jones Industrial Average	2.36	0.62	4.05	0.32
S&P 500 Index	2.45	0.43	3.45	-3.22
MSCI ACWI Index	3.15	1.13	-2.44	-4.80
Russell 2000 Index	4.35	2.43	1.82	-7.68
Russell MidCap Index	4.12	1.35	-0.13	-5.03
Bloomberg Barclays U.S. Aggregate Index	-0.73	-0.28	-2.65	-0.97
Bloomberg Barclays High Yield Bond Index	0.22	0.18	1.11	-0.19
United States 20-Year Treasury Bond	-2.33	-0.86	-9.72	-4.86
S&P/LSTA Senior Loan Index	-0.12	0.08	3.87	1.05

S&P 500 Sector Returns	One Week	MTD	YTD	3-Months
Consumer Discretionary	4.00	2.65	9.88	-3.42
Consumer Staples	2.39	0.21	-0.90	3.92
Energy	1.77	0.76	-3.92	-9.64
Financials	4.50	0.51	-4.16	-5.11
Health Care	2.13	0.64	9.53	0.48
Industrials	2.60	1.46	-5.13	-5.90
Materials	6.14	2.70	-9.57	-7.82
Real Estate	1.42	-0.43	-0.46	-2.48
Technology	0.99	-0.71	10.22	-4.85
Telecom	2.26	-0.67	-5.68	0.47
Utilities	-0.51	-1.02	3.65	1.71

U.S. Returns by Style

One Week (%)		Year to Date (%)		3-Months (%)	
Large Value 3.0	Large Growth 2.2	Large Value -0.8	Large Growth 7.1	Large Value -2.6	Large Growth -4.3
Mid Value 3.3	Mid Growth 5.3	Mid Value -3.2	Mid Growth 3.9	Mid Value -5.3	Mid Growth -4.6
Small Value 3.6	Small Growth 5.0	Small Value -0.6	Small Growth 4.1	Small Value -7.7	Small Growth -7.7

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	-0.57	0.04	-3.42	-1.40
MSCI EAFE Index	3.36	1.22	-7.74	-6.43
MSCI United Kingdom Index	3.28	0.97	-8.34	-5.53
MSCI Europe ex-U.K. Index	3.39	1.12	-8.42	-7.57
MSCI Japan Index	2.34	0.51	-6.25	-5.24
MSCI AC Asia ex-Japan Index	6.71	4.80	-12.20	-6.94
MSCI Emerging Markets Index	6.09	4.27	-11.83	-6.11
JPM EMBI+ Emerging Markets Bond Index	-0.17	0.36	-5.27	-1.56
FTSE EPRA/NAREIT GRE Index	1.03	0.67	-4.12	-4.22

Source: FactSet

- The Conference Board reported that October consumer confidence came in at 137.9, better than September's 135.3. The release noted a gain in consumer expectations, suggesting respondents are looking for the strong pace of growth to continue into 2019.
- The ISM manufacturing index registered 57.7 in October, below September's reading of 58.9. Respondent comments reflected high demand and cost pressures attributed to trade issues. The Dallas Fed manufacturing survey was up 1.3 points to 29.4.

Bond Rates (%) as of:	11/02/18	10/26/18	12/31/17	08/02/18
U.S. Federal Funds Target Rate	2.25	2.25	1.50	2.00
U.S. Two-Year Treasury Yield	2.92	2.81	1.89	2.67
U.S. Ten-Year Treasury Yield	3.21	3.08	2.41	2.99
U.S. 30-Year Treasury Yield	3.45	3.32	2.74	3.12
High Yield (Merrill U.S. Corporates)	6.66	6.69	5.59	6.39

Commodity Prices as of:	11/02/18	10/26/18	12/31/17	08/02/18
Gold (USD/oz)	1,233.30	1,235.80	1,309.30	1,220.10
Crude Oil (USD/bbl)	63.14	67.59	60.42	68.96
Gasoline (USD/gal)	2.98	3.01	2.66	3.01
Copper (NYM \$/lbs)	2.80	2.74	3.28	2.73

Exchange Rates as of:	11/02/18	10/26/18	12/31/17	08/02/18
\$ per €	1.14	1.14	1.20	1.16
\$ per £	1.30	1.28	1.35	1.30
¥ per \$	113.10	111.44	112.65	111.47

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 5	Tuesday, November 6	Wednesday, November 7	Thursday, November 8	Friday, November 9
Sentix Investor Confidence (Nov) Eurozone	Markit Eurozone Composite PMI (Oct) Eurozone	Leading & Coincident Indexes (Sep) Japan	EC Economic Forecasts Eurozone	Mfg Production (Sep) U.K.
Markit/CIPS UK Composite PMI (Oct) U.K.	PPI (Sep) Eurozone	Retail Sales (Sep) Eurozone	Continuing Claims (Oct 27) U.S.	GDP (3Q18) U.K.
Markit U.S. Composite PMI (Oct) U.S.	JOLTS Job Openings (Sep) U.S.	RICS House Price Balance (Oct) U.K.	FOMC Rate Decision U.S.	PPI Final Demand (Oct) U.S.
ISM Non-Mfg Index (Oct) U.S.		Tokyo Avg Office Vacancies (Oct) Japan	PPI (Oct) China	U. of Mich. Sentiment (Nov) U.S.
Household Spending (Sep) Japan			CPI (Oct) China	New Yuan Loans CNY (Oct) China

Source: Bloomberg

Earnings Announcements

Monday, November 5	Tuesday, November 6	Wednesday, November 7	Thursday, November 8	Friday, November 9
Avis Budget Grp Cabot Corp. Flexshopper Howard Hughs Marriott Intl Seaworld Sysco Valvoline	Archer Daniels Camping World CVS Health Corp. Etsy Inc. Planet Fitness Ralph Lauren Thomson Reuters Wendys	ADT Carvana Dean Foods Dish Network Keurig Dr Pepper Michael Kors Office Depot Qualcomm TripAdvisor Twenty-First Cent. Fox	AMC Entmnt Disney Hain Celestial Hertz Lions Gate Entmnt Sally Beauty Unisys Yelp	McClatchy Co. Potbelly Corp. Starwood Properties Tribune Media Williams Industries

Source: Bloomberg

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