

Voya Global Perspectives

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As of September 28, 2018

Investment Weekly

Commentary and Statistics

- Global stock indexes posted mixed results as a U.S. interest-rate increase and stalled trade talks tapped the brakes on gains. Despite impressive U.S. economic strength investors worried that tax-cut effects were waning, while higher rates and trade frictions with China and Canada might constrain growth.
- The Federal Reserve raised the Fed funds rate a quarter-point and signaled another hike in December, with more to come in 2019. U.S. Treasury yields, which recently reached seven-year highs, fell back, taking financial stocks with them. The 10-year yield rose to 3.12%, but ended at about 3.06%. The U.S. dollar gained slightly against a basket of currencies.
- Oil prices moved up on expectations of a global supply shortfall after U.S. sanctions against crude exporter Iran take effect in five weeks. Rising interest rates pressured gold prices lower.
- As expected, the Federal Reserve raised the target range of the Fed funds rate by 0.25% to 2.00-2.25%. Notably, the announcement omitted the longstanding characterization of monetary policy as “accommodative.” Fed Chair Jerome Powell cautioned investors not to think the omission signaled a shift in the path of interest rates.
- The Conference Board Consumer Confidence Index® increased to 138.4 in September, from 134.7 in August and near an 18-year high. Consumers’ views of current conditions remained extremely favorable, bolstered by robust economic and employment growth.
- The Commerce Department’s final revision left 2Q18 GDP growth unchanged at 4.2%, the fastest annual pace in nearly four years.
- The Chicago Fed National Activity Index (CFNAI) was unchanged at 0.18 in August. A positive reading indicates above-trend

Index Prices (\$)		
Index	09/28/18	12/31/17
Dow Jones Industrial Average	26,458.31	24,652.00
S&P 500 Index	2,913.98	2,676.00

Returns (%)				
U.S. Market Indexes Returns	One Week	MTD	YTD	3-Months
Dow Jones Industrial Average	-1.07	1.97	8.83	9.88
S&P 500 Index	-0.51	0.57	10.56	7.80
Russell 2000 Index	-0.86	-2.41	11.51	3.46
Russell MidCap Index	-1.01	-0.64	7.46	5.15
Bloomberg Barclays U.S. Aggregate Index	0.17	-0.64	-1.60	0.06
Bloomberg Barclays High Yield Bond Index	0.17	0.56	2.57	2.45
United States 20-Year Treasury Bond	0.21	-3.05	-5.92	-3.06
S&P/LSTA Senior Loan Index	0.21	0.67	3.97	2.07

S&P 500 Sector Returns	One Week	MTD	YTD	3-Months
Consumer Discretionary	0.63	1.04	20.64	8.36
Consumer Staples	-2.01	1.04	-3.34	5.54
Energy	0.82	2.59	7.46	1.27
Financials	-4.02	-2.22	0.09	4.23
Health Care	0.90	2.93	16.63	14.71
Industrials	-1.68	2.19	4.84	10.22
Materials	-4.42	-2.09	-2.73	0.63
Real Estate	-1.51	-2.65	1.67	1.07
Technology	0.84	-0.33	20.62	8.81
Telecom	1.06	4.26	0.75	9.24
Utilities	-0.69	-0.60	2.72	2.49

U.S. Returns by Style

One Week (%)		Year to Date (%)		3-Months (%)	
Large Value	Large Growth	Large Value	Large Growth	Large Value	Large Growth
-1.7	0.7	3.9	17.1	5.7	9.3
Mid Value	Mid Growth	Mid Value	Mid Growth	Mid Value	Mid Growth
-1.6	-0.1	3.1	13.4	3.4	7.7
Small Value	Small Growth	Small Value	Small Growth	Small Value	Small Growth
-1.5	-0.2	7.1	15.8	1.4	5.5

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	-0.52	-0.86	-2.37	-0.61
MSCI EAFE Index	-0.85	0.91	-0.98	2.45
MSCI United Kingdom Index	-0.12	1.75	-2.65	-0.55
MSCI Europe ex-U.K. Index	-1.93	-0.14	-1.60	3.66
MSCI Japan Index	0.57	3.17	1.89	3.68
MSCI AC Asia ex-Japan Index	-0.64	-1.36	-6.03	0.30
MSCI Emerging Markets Index	-0.25	-0.50	-7.39	1.22
JPM EMBI+ Emerging Markets Bond Index	0.76	1.77	-3.46	1.92
FTSE EPRA/NAREIT GRE Index	-1.54	-2.35	-0.79	-0.03

Source: FactSet

economic growth. The three-month moving average rose to 0.24, well below the 0.70 threshold associated with sustained, increasing inflation.

- The Richmond Fed manufacturing index rose five points to 29, its highest level on record. The strong Richmond reading contrasted with cooling seen in other regional Fed districts.
- The S&P CoreLogic Case-Shiller U.S. National Home Price index reported a 6.0% annual gain in July, down from 6.2% in June. Sales of existing single-family homes have dropped each month for the last six months. Housing affordability has worsened substantially since the start of the year.

Bond Rates (%) as of:	09/28/18	09/21/18	12/31/17	06/28/18
U.S. Federal Funds Target Rate	2.25	2.00	1.50	2.00
U.S. Two-Year Treasury Yield	2.82	2.81	1.89	2.52
U.S. Ten-Year Treasury Yield	3.06	3.07	2.41	2.85
U.S. 30-Year Treasury Yield	3.20	3.21	2.74	2.98
High Yield (Merrill U.S. Corporates)	6.34	6.34	5.59	6.52

Commodity Prices as of:	09/28/18	09/21/18	12/31/17	06/28/18
Gold (USD/oz)	1,196.20	1,201.30	1,309.30	1,251.00
Crude Oil (USD/bbl)	73.25	70.78	60.42	73.45
Gasoline (USD/gal)	2.98	2.99	2.66	3.02
Copper (NYM \$/lbs)	2.79	2.84	3.28	2.95

Exchange Rates as of:	09/28/18	09/21/18	12/31/17	06/28/18
\$ per €	1.16	1.18	1.20	1.16
\$ per £	1.30	1.31	1.35	1.31
¥ per \$	113.59	112.54	112.65	110.38

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, October 1	Tuesday, October 2	Wednesday, October 3	Thursday, October 4	Friday, October 5
Markit Eurozone Mfg PMI (Sep) Eurozone Markit UK PMI Mfg (Sep) U.K. Unemployment Rate (Aug) ISM Mfg (Sep) U.S.	Consumer Confidence Index (Sep) Japan PPI (Aug) Nikkei Japan PMI Eurozone Composite (Sep) Japan	Markit Eurozone Composite PMI (Sep) Eurozone Retail Sales (Aug) Eurozone Markit US Composite PMI (Sep) U.S.	Initial Jobless Claims (Sep 29) U.S. Continuing Claims (Sep 22) U.S. Durable Goods Orders (Aug) U.S.	Leading & Coincident Indexes (Aug) Japan Change in Nonfarm Payrolls (Sep) U.S. Unemployment Rate (Sep) U.S. Average Hourly Earnings (Sep) U.S.

Source: Bloomberg

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