

Voya Global Perspectives

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As of October 12, 2018

Investment Weekly

Commentary and Statistics

- Despite a rebound on Friday (albeit a tumultuous one) U.S. stocks ended the week sharply lower following a mid-week plunge that was largely driven by concerns over rising interest rates, higher oil prices, and fears that U.S.-China trade tensions appear to be escalating. The Wednesday-into Thursday-rout in equities was the worst since February, and capped off a six-day losing streak for the S&P500. For the week, the Dow and S&P 500 shed 4.2% and 4.1%, respectively, while the Nasdaq lost 3.7%. Meanwhile, the yield on the 10-year Treasury note rose to 3.16% by Friday's close, after easing during the mid-week equity plunge.
- With 6% of S&P 500 companies reporting third-quarter results, 86% have exceeded earnings per share (EPS) expectations, while 68% have beaten sales expectations. As of October 12, 2018, FactSet estimated the S&P 500 index's third-quarter earnings growth rate at 19.1% and its 12-month forward P/E ratio at 15.7, below the five-year average of 16.3, but above the ten-year average of 14.5. JPMorgan, Citigroup, and Wells Fargo impressed this week; Walgreens and PNC and mildly disappointed. Also, General Electric delayed its earnings publication by nearly a week.
- The consumer-price index rose 0.1% in September, slight below economists' 0.2% expectation. This after rising a seasonally adjusted 0.2% in August. In the 12 months through September, overall prices rose 2.3%, the smallest year-over-year change since February, and down sharply from a nearly 3% YOY increases seen this summer.

Index Prices (\$)		
Index	10/12/18	12/31/17
Dow Jones Industrial Average	25,339.99	24,652.00
S&P 500 Index	2,767.13	2,676.00

Returns (%)				
U.S. Market Indexes Returns	One Week	MTD	YTD	3-Months
Dow Jones Industrial Average	-4.17	-4.17	4.29	2.22
S&P 500 Index	-4.07	-4.97	5.07	-0.64
Russell 2000 Index	-5.22	-8.81	1.69	-8.21
Russell MidCap Index	-4.69	-6.69	0.27	-4.44
Bloomberg Barclays U.S. Aggregate Index	0.44	-0.51	-2.10	-0.76
Bloomberg Barclays High Yield Bond Index	-0.46	-0.89	1.65	1.05
United States 20-Year Treasury Bond	1.49	-1.91	-7.72	-5.49
S&P/LSTA Senior Loan Index	-0.06	0.09	4.06	1.69

S&P 500 Sector Returns	One Week	MTD	YTD	3-Months
Consumer Discretionary	-3.52	-7.73	11.31	-2.94
Consumer Staples	-1.92	-2.79	-6.04	0.94
Energy	-5.38	-3.61	3.58	-2.92
Financials	-5.56	-4.06	-3.97	-1.86
Health Care	-3.45	-4.22	11.71	4.86
Industrials	-6.40	-5.68	-1.12	1.34
Materials	-6.58	-7.06	-9.60	-7.60
Real Estate	-2.88	-5.51	-3.93	-5.87
Technology	-3.82	-5.94	13.46	-2.29
Telecom	-2.84	-4.98	-4.26	1.77
Utilities	-1.26	0.57	3.30	1.79

U.S. Returns by Style					
One Week (%)		Year to Date (%)		3-Months (%)	
Large Value	Large Growth	Large Value	Large Growth	Large Value	Large Growth
-4.3	-4.0	-0.5	9.8	-0.8	-1.5
Mid Value	Mid Growth	Mid Value	Mid Growth	Mid Value	Mid Growth
-4.5	-5.0	-2.6	3.9	-4.1	-4.9
Small Value	Small Growth	Small Value	Small Growth	Small Value	Small Growth
-4.7	-5.7	-0.4	3.7	-7.6	-8.8

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	0.60	-0.46	-2.81	-1.36
MSCI EAFE Index	-3.93	-6.17	-7.09	-5.21
MSCI United Kingdom Index	-3.59	-5.67	-8.17	-7.56
MSCI Europe ex-U.K. Index	-4.30	-6.90	-8.40	-6.75
MSCI Japan Index	-3.67	-4.98	-3.18	0.88
MSCI AC Asia ex-Japan Index	-3.00	-8.08	-13.62	-9.20
MSCI Emerging Markets Index	-2.02	-6.42	-13.33	-7.76
JPM EMBI+ Emerging Markets Bond Index	0.09	-1.32	-4.73	-1.01
FTSE EPRA/NAREIT GRE Index	-2.32	-5.52	-6.27	-6.74

Source: FactSet

- Meanwhile, economic confidence among American households eased during the early days of October, but remained at a historically high level nonetheless. The University of Michigan's preliminary index of U.S. consumer sentiment dropped to 99.0 in October from 100.1 in September. Furthermore, economic expectations also weakened, according to the release.
- Elsewhere, U.S. Jobless claims edged higher during the first week of October, but only a slight bounce off the historic lows reached in September. Initial jobless claims, a proxy for layoffs across the U.S., increased by 7,000 to a seasonally adjusted 214,000.

Bond Rates (%) as of:	10/12/18	10/05/18	12/31/17	07/12/18
U.S. Federal Funds Target Rate	2.25	2.25	1.50	2.00
U.S. Two-Year Treasury Yield	2.84	2.89	1.89	2.60
U.S. Ten-Year Treasury Yield	3.14	3.23	2.41	2.85
U.S. 30-Year Treasury Yield	3.32	3.40	2.74	2.95
High Yield (Merrill U.S. Corporates)	6.51	6.38	5.59	6.55

Commodity Prices as of:	10/12/18	10/05/18	12/31/17	07/12/18
Gold (USD/oz)	1,222.00	1,205.60	1,309.30	1,246.60
Crude Oil (USD/bbl)	71.34	74.34	60.42	70.33
Gasoline (USD/gal)	3.01	3.01	2.66	3.03
Copper (NYM \$/lbs)	2.79	2.75	3.28	2.77

Exchange Rates as of:	10/12/18	10/05/18	12/31/17	07/12/18
\$ per €	1.16	1.15	1.20	1.17
\$ per £	1.32	1.31	1.35	1.32
¥ per \$	112.12	113.75	112.65	112.42

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 15	Tuesday, October 16	Wednesday, October 17	Thursday, October 18	Friday, October 19
Industrial Production (Aug) Japan	Jobless Claims Change (Sep) U.K.	CPI (Sep) U.K.	Philadelphia Fed Business Outlook (Oct) U.S.	Existing Home Sales (Sep) U.S.
Retail Sales Advance (Sep) U.S.	ZEW Survey Expectations (Oct) Eurozone	CPI (Sep) Eurozone	Initial Jobless Claims (Oct) U.S.	CBI Business Optimism (Oct) U.K.
Business Inventories (Aug) U.S.	Industrial Production (Sep) U.S.	Housing Starts (Sep) U.S.	Continuing Claims (Oct) U.S.	
PPI (Sep) China	NAHB Housing Market Index (Oct) U.S.	FOMC Meeting Minutes (Sep) U.S.	Bloomberg Consumer Comfort (Oct) U.S.	
	JOLTS Job Openings (Aug) U.S.	Exports (Sep) Japan	CPI (Sep) Japan	
	Tokyo Dept Store Sales (Sep) Japan		GDP (3Q) China	

Source: Bloomberg

Earnings Announcements

Monday, October 15	Tuesday, October 16	Wednesday, October 17	Thursday, October 18	Friday, October 19
BANK OF AMER CP BAC CCA INDUSTRIES CAW FIRST DEFIANCE FDEF RAFAEL HOLDINGS RFL	BLACKROCK INC BLK CSX CORP CSX DEL TACO RSTRNT TACO DOMINOS PIZZA DPZ HUNT (JB) TRANS JBHT INTL BUS MACH IBM JOHNSON & JOHNS JNJ MORGAN STANLEY MS NETFLIX INC NFLX PROGRESSIVE COR PGR UNITED CONT HLD UAL UNITEDHEALTH GP UNH	ALCOA CORP AA KINDER MORGAN KMI NORTHERN TRUST NTRS SL GREEN REALTY SLG STEEL DYNAMICS STLD US BANCORP USB UTD RENTALS INC URI	ALLIANCE DATA ADS AMER EXPRESS CO AXP BANK OF NY MELL BK BLACKSTONE GRP BX E TRADE FINL CP ETFC ERICSSON LM ADR ERIC NOVARTIS AG-ADR NVS PAYPAL HOLDINGS PYPL PHILIP MORRIS PM TRAVELERS COS TRV	CITIZENS FIN GP CFG HONEYWELL INTL HON PROCTER & GAMBL PG STATE ST CORP STT SUNTRUST BKS STI SYNCHRONY FIN SYF VOLVO AB-B VLVLY

Source: Bloomberg

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