

Voya Global Perspectives

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As of October 19, 2018

Investment Weekly

Commentary and Statistics

- Despite volatility throughout the week, U.S. stocks ended roughly flat. Strong corporate earnings bolstered stocks early in the week. However, investors' negative reaction to the minutes of the Federal Reserve's latest meeting caused stocks to plummet. After outperforming large-cap indices for much of 2018, U.S. small-cap stocks recently entered correction territory. Like large-cap stocks, the small-cap index saw gains early in the week but followed the rest of the market down later in the week and ended flat.
- With 17% of S&P 500 companies reporting third-quarter results, 80% have exceeded earnings per share (EPS) expectations, while 64% have beaten sales expectations. As of October 19, 2018, FactSet estimated the S&P 500 index's third-quarter earnings growth rate at 19.5% and its 12-month forward P/E ratio at 15.9, below the five-year average of 16.3, but above the ten-year average of 14.5. The story of the week from an earnings perspective was Netflix as the company's stronger-than-expected subscriber growth catapulted the stock.
- Of note, China reported third-quarter gross domestic product (GDP) growth of 6.5% year over year. This compared to a consensus estimate of +6.6% and +6.7% in the prior quarter. Oil prices declined on swelling U.S. inventories and concern that trade wars were curbing economic activity. U.S. crude stockpiles rose by 6.5 million barrels, almost triple what analysts had forecast.
- Meanwhile in the housing market, rising mortgage rates are playing a bigger role and compounding the effect of U.S. home prices that are up more than 50% since their 2012 bottom. Fixed 30-year mortgage rates averaged 4.85% for the week ending Oct. 18, according to Freddie Mac, up from 3.88% a year ago. Delinquency rates and foreclosures, however, remain low.

Index Prices (\$)		
Index	10/19/18	12/31/17
Dow Jones Industrial Average	25,444.34	24,652.00
S&P 500 Index	2,767.78	2,676.00

Returns (%)				
U.S. Market Indexes Returns	One Week	MTD	YTD	3-Months
Dow Jones Industrial Average	0.45	-3.74	4.76	2.07
S&P 500 Index	0.05	-4.93	5.11	-0.84
Russell 2000 Index	-0.29	-9.08	1.39	-9.08
Russell MidCap Index	0.00	-6.69	0.27	-4.89
Bloomberg Barclays U.S. Aggregate Index	-0.37	-0.88	-2.46	-1.24
Bloomberg Barclays High Yield Bond Index	-0.05	-0.94	1.60	0.85
United States 20-Year Treasury Bond	-1.10	-2.99	-8.73	-6.31
S&P/LSTA Senior Loan Index	0.11	0.19	4.17	1.62

S&P 500 Sector Returns	One Week	MTD	YTD	3-Months
Consumer Discretionary	-1.97	-9.55	9.11	-5.09
Consumer Staples	4.42	1.50	-1.89	5.13
Energy	-1.92	-5.47	1.59	-3.84
Financials	0.78	-3.31	-3.22	-2.62
Health Care	0.45	-3.79	12.21	5.75
Industrials	-1.00	-6.62	-2.10	-1.27
Materials	-1.34	-8.31	-10.81	-8.76
Real Estate	3.22	-2.47	-0.84	-1.95
Technology	-1.14	-7.00	12.18	-3.40
Telecom	0.72	-4.30	-3.58	4.69
Utilities	3.05	3.63	6.45	4.61

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	-0.7	0.3	9.0	-0.3	-2.5
Mid Value	Mid Growth	Mid Value	Mid Growth	Mid Value	Mid Growth
0.6	-0.9	-2.0	3.0	-3.9	-6.4
Small Value	Small Growth	Small Value	Small Growth	Small Value	Small Growth
-0.1	-0.5	-0.5	3.1	-8.0	-10.1

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	-0.33	-0.79	-3.14	-1.47
MSCI EAFE Index	-0.06	-6.23	-7.15	-5.51
MSCI United Kingdom Index	-0.08	-5.75	-8.24	-6.39
MSCI Europe ex-U.K. Index	0.22	-6.70	-8.19	-6.84
MSCI Japan Index	-0.80	-5.74	-3.96	-1.73
MSCI AC Asia ex-Japan Index	-1.14	-9.12	-14.60	-9.54
MSCI Emerging Markets Index	-0.88	-7.24	-14.09	-7.82
JPM EMBI+ Emerging Markets Bond Index	-0.24	-1.55	-4.96	-1.50
FTSE EPRA/NAREIT GRE Index	2.12	-3.51	-4.28	-3.96

Source: FactSet

Bond Rates (%) as of:	10/19/18	10/12/18	12/31/17	07/19/18
U.S. Federal Funds Target Rate	2.25	2.25	1.50	2.00
U.S. Two-Year Treasury Yield	2.91	2.84	1.89	2.60
U.S. Ten-Year Treasury Yield	3.20	3.14	2.41	2.85
U.S. 30-Year Treasury Yield	3.38	3.32	2.74	2.97
High Yield (Merrill U.S. Corporates)	6.52	6.51	5.59	6.41

Commodity Prices as of:	10/19/18	10/12/18	12/31/17	07/19/18
Gold (USD/oz)	1,228.70	1,222.00	1,309.30	1,224.00
Crude Oil (USD/bbl)	69.12	71.34	60.42	68.24
Gasoline (USD/gal)	3.03	3.06	2.66	3.02
Copper (NYM \$/lbs)	2.77	2.79	3.28	2.69

Exchange Rates as of:	10/19/18	10/12/18	12/31/17	07/19/18
\$ per €	1.15	1.16	1.20	1.16
\$ per £	1.30	1.32	1.35	1.30
¥ per \$	112.50	112.12	112.65	112.90

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 22	Tuesday, October 23	Wednesday, October 24	Thursday, October 25	Friday, October 26
No Data	Consumer Confidence Indicator (Flash) Eurozone	Markit PMI Composite SA (Preliminary) Eurozone FED Beige Book U.S. Markit PMI Manufacturing SA (Preliminary) Eurozone Markit PMI Services SA (Preliminary) Eurozone FHFA Home Price Index U.S. Markit PMI Manufacturing SA (Preliminary) U.S. Markit PMI Services SA (Preliminary) U.S. New Home Sales SAAR U.S.	Pending Home Sales Index SAAR U.S. ECB's Governing Council decision on Monetary Policy in Frankfurt, Germany Eurozone CPI Tokyo SA Y/Y Japan Durable Orders ex-Transportation SA M/M (Preliminary) U.S. Durable Orders SA M/M (Preliminary) U.S. Pending Home Sales M/M U.S.	GDP SA Y/Y (First Preliminary) U.S. Michigan Sentiment NSA (Final) U.S.

Source: Bloomberg

Earnings Announcements

Monday, October 22	Tuesday, October 23	Wednesday, October 24	Thursday, October 25	Friday, October 26
T-mobile Us, In... Kimberly-clark... Halliburton Com... Continental Ag Td Ameritrade H... Iqvia Holdings... Hasbro, Inc. Cadence Design... Zions Bancorpor...	Verizon Communi... Mcdonald's Corp... 3m Company United Technolo... Texas Instrumen... Lockheed Martin... Caterpillar Inc... Nextera Energy,... Basf Se	Microsoft Corpo... Visa Inc. The Boeing Comp... At&t Inc. United Parcel S... Thermo Fisher S... Hdfc Bank Limit... Suncor Energy... General Dynamic... Northrop Grumma... Boston Scientif...	Amazon.com, Inc... Alphabet Inc. Intel Corporati... Merck & Co., In... Comcast Corpora... Anheuser-busch... Altria Group, I... Union Pacific C... Gilead Sciences... Bristol-myers S... Conocophillips Bayer Aktienges... Ambev S.a.	Volkswagen Ag Total S.a. Charter Communi... Eni Spa Colgate-palmoli... Phillips 66 Royal Bank Scot... Aon Plc Moody's Corpora... Cabot Oil & Gas... The Goodyear Ti...

Source: Bloomberg

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