

Voya Global Perspectives

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As of September 21, 2018

Investment Weekly

Commentary and Statistics

- Stock markets across the globe advanced as investors set aside international trade concerns and bet the U.S. economy would keep the rally afloat. European and Asian bourses all gained; Chinese stocks had their best week since 2016. The Dow Jones Industrial Average and the S&P 500 index set new highs, pushed by gains in trade-sensitive manufacturers, after tariffs announced by the United States and China appeared less severe than expected. The indexes further benefited as rising yields boosted bank stocks. By contrast, the Nasdaq index finished the week flat.
- With the U.S. economy strengthening and inflation looking benign, most investors thought the Federal Reserve would raise interest rates at next week's policy meeting. As a result, U.S. Treasury prices declined and yields rose steadily. The 10-year U.S. Treasury yield crested at 3.09% but closed at 3.06%.
- The U.S. dollar, as measured by the WSJ Dollar Index, declined against a basket of currencies; several analysts said this reflected renewed confidence that trade quarrels would not stymie global economic growth. Commodities gained on the week. U.S. crude oil rose from \$69/barrel to about \$71. Gold prices jumped from \$1199/oz. to \$1213 before easing to \$1203.
- Initial jobless claims — a proxy for U.S. layoffs — fell to 201,000 this week, their lowest level since 1969. The four-week moving average of continuing claims reached its lowest point since late 1973.
- Regional economic activity gauges showed mixed readings for September vs. August. The Empire State Manufacturing Survey pointed to slower growth, falling to 19.0 from 25.6, though respondents remained optimistic about the six-month outlook. By contrast, the Philadelphia Fed Index jumped to 22.9 from 11.9.

Index Prices (\$)		
Index	09/21/18	12/31/17
Dow Jones Industrial Average	26,743.50	24,652.00
S&P 500 Index	2,929.67	2,676.00

Returns (%)				
U.S. Market Indexes Returns	One Week	MTD	YTD	3-Months
Dow Jones Industrial Average	2.25	3.07	10.01	9.95
S&P 500 Index	0.86	1.08	11.13	7.05
Russell 2000 Index	-0.53	-1.56	12.48	1.70
Russell MidCap Index	0.08	0.37	8.55	4.48
Bloomberg Barclays U.S. Aggregate Index	-0.26	-0.81	-1.76	0.17
Bloomberg Barclays High Yield Bond Index	0.07	0.39	2.39	1.69
United States 20-Year Treasury Bond	-1.21	-3.25	-6.12	-2.15
S&P/LSTA Senior Loan Index	0.16	0.46	3.75	1.68

S&P 500 Sector Returns	One Week	MTD	YTD	3-Months
Consumer Discretionary	0.41	0.41	19.88	5.35
Consumer Staples	1.18	3.11	-1.35	8.53
Energy	1.92	1.75	6.58	3.04
Financials	2.27	1.87	4.29	6.10
Health Care	1.21	2.01	15.60	11.97
Industrials	1.32	3.94	6.63	10.72
Materials	2.33	2.44	1.76	5.67
Real Estate	-0.35	-1.16	3.23	4.50
Technology	-0.04	-1.16	19.63	5.14
Telecom	0.20	3.17	-0.30	11.41
Utilities	-1.47	0.09	3.43	6.26

U.S. Returns by Style					
One Week (%)		Year to Date (%)		3-Months (%)	
Large Value	1.4	Large Growth	-0.1	Large Value	6.9
Mid Value	0.8	Mid Growth	-0.9	Mid Value	4.3
Small Value	0.2	Small Growth	-1.3	Small Value	1.3
				Large Growth	6.5
				Mid Growth	4.8
				Small Growth	2.2

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	0.06	-0.35	-1.86	-0.18
MSCI EAFE Index	2.91	1.77	-0.14	2.08
MSCI United Kingdom Index	2.82	1.87	-2.53	-0.70
MSCI Europe ex-U.K. Index	2.62	1.82	0.33	4.12
MSCI Japan Index	3.84	2.58	1.32	1.38
MSCI AC Asia ex-Japan Index	1.83	-0.73	-5.43	-2.54
MSCI Emerging Markets Index	2.28	-0.25	-7.16	-1.39
JPM EMBI+ Emerging Markets Bond Index	0.51	1.00	-4.19	1.25
FTSE EPRA/NAREIT GRE Index	0.53	-0.83	0.75	0.80

Source: FactSet

- The housing market's ongoing affordability challenges showed in recent stats. The NAHB Housing Market Index, a gauge of builder confidence, was unchanged at 67 from August to September. August housing starts beat expectations, but existing home sales were flat and building permits declined.
- The eurozone economy continued gradually to slow. The IHS Markit Composite Purchasing Managers Index fell to 54.2 in September from 54.5 in August. Most of the slowdown occurred in the manufacturing sector, where growth of export orders stalled.

Bond Rates (%) as of:	09/21/18	09/14/18	12/31/17	06/21/18
U.S. Federal Funds Target Rate	2.00	2.00	1.50	2.00
U.S. Two-Year Treasury Yield	2.81	2.78	1.89	2.54
U.S. Ten-Year Treasury Yield	3.07	2.99	2.41	2.90
U.S. 30-Year Treasury Yield	3.21	3.13	2.74	3.04
High Yield (Merrill U.S. Corporates)	6.34	6.31	5.59	6.36

Commodity Prices as of:	09/21/18	09/14/18	12/31/17	06/21/18
Gold (USD/oz)	1,201.30	1,201.10	1,309.30	1,270.50
Crude Oil (USD/bbl)	70.78	68.99	60.42	65.54
Gasoline (USD/gal)	2.99	2.98	2.66	3.06
Copper (NYM \$/lbs)	2.84	2.63	3.28	3.03

Exchange Rates as of:	09/21/18	09/14/18	12/31/17	06/21/18
\$ per €	1.18	1.17	1.20	1.16
\$ per £	1.31	1.31	1.35	1.33
¥ per \$	112.54	112.09	112.65	110.00

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, September 24	Tuesday, September 25	Wednesday, September 26	Thursday, September 27	Friday, September 28
Chicago Fed Nat Activity Index (Aug) U.S.	Leading & Coincident Indexes (Jul) Japan	UK Finance Loans for Housing (Aug) U.K.	GDP Annualized (2Q18) U.S.	GDP (2Q18) U.K.
Dallas Fed Manf. Activity (Sep) U.S.	FHFA House Price Index (Jul) U.S.	New Home Sales (Aug) U.S.	Personal Consumption (2Q18) U.S.	CPI Estimate (Sep) Eurozone
	S&P CoreLogic CS 20-City (Jul) U.S.	FOMC Rate Decision U.S.	Core PCE (2Q18) U.S.	PCE Deflator (Aug) U.S.
	Richmond Fed Manufact. Index (Sep) U.S.		Industrial Production (Aug) Japan	Chicago Purchasing Manager (Sep) U.S.
			Caixin China PMI Mfg (Sep) China	U. of Mich. Sentiment (Sep) U.S.

Source: Bloomberg

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