

Investment Weekly

Voya Investment Management

As of October 09, 2020

Commentary and Statistics

- Global stocks posted strong weekly gains — the S&P 500 had its best week since August — as markets processed signs that another round of U.S. coronavirus stimulus might be within reach. All 11 S&P 500 sectors posted gains. Consumer staples, materials and energy were the leaders; REITs, communication services and financials were the relative laggards.
- Investors also welcomed signs of a decisive outcome in November's presidential election. Reuters and the Wall Street Journal reported that a jump in Joe Biden's lead over President Donald Trump prompted moves in a broad range of assets sensitive to a Democratic win, such as clean energy companies, U.S. government bonds and F/X derivative hedges against market volatility.
- Yields went higher across the U.S. Treasury curve; the ten-year note rose from 0.67% to 0.77%. The two-year note climbed from 0.14% to 0.16%, widening the two-to-ten-year spread from 56 to 61 basis points.
- The Bloomberg Commodities index rose, including oil, gold and copper. The U.S. dollar declined against a basket of major currencies.
- Initial jobless claims totaled 840,000 for the week ended October 3, below the prior week's 849,000. The largest increases occurred in MA, IL and NJ; the largest decreases in TX, FL and GA. Continuing claims for the week ended September 26 were well lower at 10.976 million versus the prior week's 11.979 million. Individuals filing initial claims in the federal Pandemic Unemployment Assistance program for the week ended October 3 fell to 464,000 from 509,000 the prior week.
- September ISM services surprised higher, rising to 57.8 from August's 56.9. Business activity was up 0.6, new orders rose 4.7 and employment was up 3.9. By contrast, September Markit services PMI declined slightly to 54.6, from August's 55.0.

Index Prices (\$)		
Index	10/09/20	12/31/19
Dow Jones Industrial Average	28,587	28,538
S&P 500 Index	3,477	3,231

Returns (%)				
U.S. Market Indexes Returns	One Week	MTD	YTD	3-Months
Dow Jones Industrial Average	3.31	2.95	2.02	11.81
S&P 500 Index	3.89	3.46	9.22	10.78
MSCI ACWI Index	3.67	3.50	5.33	9.10
Russell 2000 Index	6.40	8.64	-0.80	17.43
Russell MidCap Index	4.74	6.08	3.59	14.17
Bloomberg Barclays U.S. Aggregate Index	-0.17	-0.22	6.55	-0.27
Bloomberg Barclays High Yield Bond Index	1.20	1.36	1.99	4.83
United States 20-Year Treasury Bond	-1.69	-2.18	19.12	-4.02
S&P / LSTA Senior Loan Index	0.44	0.41	-0.13	3.08

S&P 500 Sector Returns	One Week	MTD	YTD	3-Months
Consumer Discretionary	3.88	4.34	28.73	13.23
Consumer Staples	2.70	2.60	6.84	12.00
Energy	5.00	2.72	-46.68	-9.46
Financials	3.87	4.84	-16.36	11.87
Health Care	4.06	2.65	7.80	7.84
Industrials	4.01	4.84	0.65	20.72
Materials	5.12	4.50	10.21	17.16
Real Estate	1.44	4.64	-2.45	6.29
Technology	4.61	2.94	32.47	11.47
Communication Services	2.49	1.82	10.58	5.51
Utilities	4.59	6.85	0.78	12.89

U.S. Returns by Style					
One Week (%)		Year to Date (%)		3-Months (%)	
Large Value	3.8	Large Value	-7.7	Large Value	11.6
Mid Value	4.3	Mid Value	-7.5	Mid Value	15.6
Small Value	5.7	Small Value	-14.4	Small Value	19.2
Large Growth	4.2	Large Growth	28.5	Large Growth	11.4
Mid Growth	5.5	Mid Growth	20.7	Mid Growth	11.6
Small Growth	7.0	Small Growth	12.4	Small Growth	15.8

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	0.34	0.35	6.10	2.25
MSCI EAFE Index	2.98	3.00	-3.93	6.44
MSCI United Kingdom Index	2.28	3.05	-21.08	2.65
MSCI Europe ex-U.K. Index	3.20	3.47	0.18	7.59
MSCI Japan Index	2.08	1.30	0.96	7.52
MSCI AC Asia ex-Japan Index	3.78	3.85	9.71	5.27
MSCI Emerging Markets Index	3.78	3.80	2.86	4.60
JPM EMBI+ Emerging Markets Bond Index	1.33	1.36	1.74	2.55
FTSE EPRA / NAREIT GRE Index	1.37	3.98	-16.27	5.82

Source: FactSet

- German industrial production declined 0.2% in August, compared with a rise of 1.4% in July, as momentum faded. By contrast, German manufacturing orders rose for the fourth consecutive month in August, increasing 4.5% after a 3.3% expansion in July.
- The preliminary August reading of Japan's leading economic index touched 88.8, compared with 86.7 in July. The coincident index read 79.4 versus 78.3 the prior month. The readings pointed to continued, slight improvement in the Japanese economy.

Bond Rates (%) as of:	10/09/20	10/02/20	12/31/19	07/09/20
U.S. Federal Funds Target Rate	0.25	0.25	1.75	0.25
U.S. Two-Year Treasury Yield	0.16	0.14	1.56	0.15
U.S. Ten-Year Treasury Yield	0.75	0.67	1.91	0.60
U.S. 30-Year Treasury Yield	1.57	1.48	2.38	1.31
High Yield (Merrill U.S. Corporates)	4.53	4.86	4.81	5.49

Commodity Prices as of:	10/09/20	10/02/20	12/31/19	07/09/20
Gold (USD/oz)	1,926.20	1,907.60	1,523.10	1,803.80
Crude Oil (USD/bbl)	40.60	37.05	61.06	39.62
Gasoline (USD/gal)	2.35	2.35	2.75	2.34
Copper (NYM \$/lbs)	3.08	2.98	2.79	2.83

Exchange Rates as of:	10/09/20	10/02/20	12/31/19	07/09/20
\$ per €	1.18	1.17	1.12	1.13
\$ per £	1.30	1.29	1.32	1.26
¥ per \$	105.66	105.36	108.68	107.29

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 ACWI Index is a free float-adjusted market capitalization weighted index designed to provide a broad measure of equity-market performance throughout the world, capturing large and mid cap representation across 23 Developed Markets (DM) and 26 Emerging Markets (EM) countries.

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.

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 12	Tuesday, October 13	Wednesday, October 14	Thursday, October 15	Friday, October 16
Industrial Production (Aug) Mexico	ILO Unemployment Rate (Aug) U.K.	Foreign Direct Investment (Sep) China	Initial Claims (Oct 10) U.S.	Retail Sales (Sep) U.S.
CPI (Sep) India	ZEW Current Situation (Oct) Germany	PPI (Sep) U.S.	Empire State Index (Oct) U.S.	Initial Production (Sep) U.S.
	NFIB Small Business Index (Sep) U.S.	CPI (Sep) China	Philadelphia Fed Index (Oct) U.S.	Business Inventories (Aug) U.S.
	CPI (Sep) U.S.	PPI (Sep) China	Continuing Jobless Claims (Oct 3) U.S.	Michigan Sentiment (Oct) U.S.
	Average Workweek (Sep) U.S.	Industrial Production (Aug) Japan		Manufacturing Shipments (Aug) Canada

Source: FactSet

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