

Investment Weekly

Voya Investment Management

As of November 27, 2020

Commentary and Statistics

- U.S. stocks advanced during a holiday-shortened week, with strong gains in the Dow, Nasdaq Composite and S&P 500. Growing optimism that a Covid vaccine might be deployed in the first half of 2021 boosted stocks broadly and trimmed market volatility. Most S&P 500 sectors posted gains: the leaders were energy, financials and consumer discretionary; the laggards were REITs, utilities and healthcare. Asian and European markets gained as well.
- Optimism also shifted U.S. Treasury yields; the ten-year note ticked down, whereas the two-year note stayed about flat. The U.S. dollar was roughly flat against other major currencies. The Bloomberg Commodities index continued its rise as copper and oil again advanced, while precious metals continued their recent decline.
- Initial jobless claims reached 778,000 for the week ended November 21, surpassing the prior week's reading of 748,000. The four-week average rose by 5,000 to 749,000. Continuing claims for the week ended November 14 fell to 6.071 million versus the prior week's 6.370 million.
- Markit flash manufacturing PMI increased 2.3 points m/m in November to 56.7, a new 74-month high. Production and new order growth rose sharply as new export orders turned slightly positive. Flash services PMI was up 0.8 points to 57.7 versus consensus 55.5. Employment growth was the strongest since 2009 due to rising demand. In both reports, the one-year outlooks rose to their highest levels in more than five years.
- October durable goods orders rose 1.3% m/m following September's 2.1% rise. Metal fabrication and electronics fared best; machinery and motor vehicles were weaker. Core capital goods orders rose 0.7% versus last month's 1.9%.

Index Prices (\$)		
Index	11/27/20	12/31/19
Dow Jones Industrial Average	29,910	28,538
S&P 500 Index	3,638	3,231

Returns (%)				
U.S. Market Indexes Returns	One Week	MTD	YTD	3-Months
Dow Jones Industrial Average	2.25	13.13	7.04	5.52
S&P 500 Index	2.30	11.44	14.52	4.85
MSCI ACWI Index	2.36	13.35	12.58	7.42
Russell 2000 Index	3.94	20.72	12.54	18.96
Russell MidCap Index	2.60	14.54	12.57	13.31
Bloomberg Barclays U.S. Aggregate Index	-0.03	0.91	7.28	0.71
Bloomberg Barclays High Yield Bond Index	0.63	3.88	5.06	3.48
United States 20-Year Treasury Bond	-0.77	1.22	19.46	-0.45
S&P / LSTA Senior Loan Index	0.57	2.66	1.73	2.49

S&P 500 Sector Returns	One Week	MTD	YTD	3-Months
Consumer Discretionary	2.97	9.27	30.86	2.95
Consumer Staples	0.60	7.49	8.78	3.57
Energy	8.51	35.30	-32.87	10.13
Financials	4.63	19.17	-5.70	13.23
Health Care	0.58	7.63	8.87	1.97
Industrials	2.48	17.11	10.82	14.33
Materials	2.82	13.53	18.81	13.85
Real Estate	-0.37	7.81	-2.84	1.98
Technology	2.10	10.70	35.19	0.73
Communication Services	2.74	10.41	20.85	3.99
Utilities	0.33	2.22	1.27	9.22

U.S. Returns by Style					
One Week (%)		Year to Date (%)		3-Months (%)	
Large Value	2.8	Large Growth	2.4	Large Value	10.4
Mid Value	2.7	Mid Growth	2.5	Mid Value	14.0
Small Value	4.4	Small Growth	3.5	Small Value	20.3

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	0.27	1.81	7.74	2.27
MSCI EAFE Index	2.24	16.99	4.77	9.95
MSCI United Kingdom Index	0.71	18.61	-13.75	7.96
MSCI Europe ex-U.K. Index	2.16	17.97	7.62	8.08
MSCI Japan Index	3.47	14.60	12.40	14.61
MSCI AC Asia ex-Japan Index	1.50	10.45	19.95	10.54
MSCI Emerging Markets Index	1.79	11.58	12.86	10.52
JPM EMBI+ Emerging Markets Bond Index	0.12	3.86	4.12	2.09
FTSE EPRA / NAREIT GRE Index	0.76	14.43	-10.84	7.71

Source: FactSet

- October personal consumption expenditures (PCE) of 0.5% m/m followed a 1.2% gain in September; by contrast, personal income declined 0.7% m/m. Inflation, as measured by the core PCE deflator, came in at 0.0% m/m, as expected following a 0.2% rise in September.
- The final reading of the University of Michigan Consumer Sentiment index for November slipped 0.1 point to 76.9, 4.9 points below October. Resurgence in Covid cases and partisanship around election results drove the decline.
- October new home sales came in at 999,000 SAAR, surpassing expectations and September's upwardly revised 959,000. The Midwest and East gained; the South and West declined modestly.

Bond Rates (%) as of:	11/27/20	11/20/20	12/31/19	08/27/20
U.S. Federal Funds Target Rate	0.25	0.25	1.75	0.25
U.S. Two-Year Treasury Yield	0.14	0.16	1.56	0.16
U.S. Ten-Year Treasury Yield	0.81	0.80	1.91	0.73
U.S. 30-Year Treasury Yield	1.58	1.53	2.38	1.50
High Yield (Merrill U.S. Corporates)	4.12	4.20	4.81	4.57

Commodity Prices as of:	11/27/20	11/20/20	12/31/19	08/27/20
Gold (USD/oz)	1,788.10	1,878.20	1,523.10	1,940.00
Crude Oil (USD/bbl)	45.53	42.42	61.06	43.04
Gasoline (USD/gal)	2.31	2.31	2.75	2.38
Copper (NYM \$/lbs)	3.40	3.29	2.79	2.97

Exchange Rates as of:	11/27/20	11/20/20	12/31/19	08/27/20
\$ per €	1.19	1.19	1.12	1.18
\$ per £	1.33	1.33	1.32	1.32
¥ per \$	104.00	103.82	108.68	106.45

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, November 30	Tuesday, December 1	Wednesday, December 2	Thursday, December 3	Friday, December 4
Chicago PMI (Nov) U.S.	Markit PMI Manufacturing (Nov) Germany	Retail Sales (Oct) Germany	CIPS Services PMI (Nov) U.K.	Manufacturing Orders (Oct) Germany
Pending Home Sales (Oct) U.S.	CIPS Manufacturing PMI (Nov) U.K.	ADP Employment Survey (Nov) U.S.	Initial Claims (Nov 28) U.S.	Nonfarm Payrolls (Nov) U.S.
GDP (3Q20) Korea	GDP SAAR (3Q20) Canada	PMI Services (Nov) Japan	Markit PMI Services (Nov) U.S.	Unemployment Rate (Nov) U.S.
Markit/JMMA PMI Manufacturing (Nov) Japan	Markit PMI Manufacturing (Nov) U.S.	Markit/Caixin Services PMI (Nov) China	PMI Composite (Nov) U.S.	Durable Orders (Oct) U.S.
Markit/Caixin PMI Manufacturing (Nov) China	Construction Spending (Oct) U.S.	Fed Beige Book U.S.		Factory Orders (Oct) U.S.
	ISM Manufacturing (Nov) U.S.			

Source: FactSet

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