

Investment Weekly

Voya Investment Management

As of December 25, 2020

Commentary and Statistics

- U.S. stocks were mixed during a holiday-shortened week; the Dow Jones Industrial Average and the NASDAQ Composite posted modest gains; the S&P 500 posted a slight loss. Markets in Asia and Europe also were mixed.
- Financials and technology were the only S&P 500 sectors with weekly gains; the biggest decliners were energy, consumer staples and communication services.
- Uncertainty around the new coronavirus relief package caused a volatility spike, which subsided as investors saw the uncertainty as more about timing than delivery.
- U.S. Treasury yields shifted counter to the volatility spike. The ten-year note seesawed, falling from 0.95% to 0.90%. The two-year note rose slightly, from 0.11% to 0.13%.
- The U.S. dollar finished the week flat against most other major currencies. The Bloomberg Commodities index declined for the week, as copper, oil and gold prices pulled back.
- Initial jobless claims totaled 803,000 for the week ended December 19, versus consensus of 850,000 and the prior week's 892,000. Continuing claims for the week ended December 12 fell to 5.337 million versus consensus 5.500 million and the prior week's 5.507 million.
- November monthly personal consumption expenditures printed -0.4%, following a 0.3% gain in October; personal income declined 1.1% versus an October reading of -0.6%.
- November durable goods orders rose 0.9%, following October's 1.8% rise. Electronics and motor vehicles gained; fabricated metal parts and aircraft declined. Core capital goods orders rose 0.4% versus consensus 0.5% and the prior month's 1.6%.

| Index Prices (\$) | | |
|------------------------------|----------|----------|
| Index | 12/25/20 | 12/31/19 |
| Dow Jones Industrial Average | 30,200 | 28,538 |
| S&P 500 Index | 3,703 | 3,231 |

| Returns (%) | | | | |
|--|----------|-------|-------|----------|
| U.S. Market Indexes Returns | One Week | MTD | YTD | 3-Months |
| Dow Jones Industrial Average | 0.07 | 2.03 | 8.27 | 11.70 |
| S&P 500 Index | -0.15 | 2.36 | 16.71 | 12.73 |
| MSCI ACWI Index | -0.35 | 3.21 | 15.18 | 15.29 |
| Russell 2000 Index | 1.74 | 10.21 | 21.68 | 36.28 |
| Russell MidCap Index | 0.31 | 4.69 | 17.11 | 22.18 |
| Bloomberg Barclays U.S. Aggregate Index | 0.14 | -0.08 | 7.27 | 0.41 |
| Bloomberg Barclays High Yield Bond Index | 0.08 | 1.38 | 6.58 | 6.70 |
| United States 20-Year Treasury Bond | 0.66 | -1.66 | 17.54 | -4.26 |
| S&P / LSTA Senior Loan Index | 0.02 | 0.89 | 2.66 | 3.09 |

| S&P 500 Sector Returns | One Week | MTD | YTD | 3-Months |
|------------------------|----------|-------|--------|----------|
| Consumer Discretionary | -0.91 | 0.54 | 30.71 | 8.12 |
| Consumer Staples | -1.02 | 0.50 | 9.35 | 6.87 |
| Energy | -2.03 | 4.84 | -33.40 | 27.43 |
| Financials | 1.97 | 4.27 | -3.55 | 23.78 |
| Health Care | -0.95 | 1.98 | 11.34 | 8.61 |
| Industrials | -0.59 | 0.44 | 10.23 | 15.58 |
| Materials | -0.49 | 1.30 | 19.26 | 15.20 |
| Real Estate | -0.18 | -0.42 | -4.02 | 4.80 |
| Technology | 0.82 | 4.78 | 42.59 | 13.53 |
| Communication Services | -1.13 | 1.12 | 21.26 | 13.44 |
| Utilities | -0.95 | -1.78 | -1.99 | 5.11 |

| U.S. Returns by Style | | | | | |
|-----------------------|---------------------|--------------------|----------------------|---------------------|----------------------|
| One Week (%) | | Year to Date (%) | | 3-Months (%) | |
| Large Value -0.1 | Large Growth 0.0 | Large Value 1.5 | Large Growth 37.3 | Large Value 16.7 | Large Growth 12.9 |
| Mid Value 0.3 | Mid Growth 0.3 | Mid Value 4.1 | Mid Growth 37.7 | Mid Value 21.4 | Mid Growth 23.5 |
| Small Value 1.1 | Small Growth 2.3 | Small Value 4.8 | Small Growth 38.1 | Small Value 36.8 | Small Growth 35.8 |

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 | -0.14 | 0.84 | 8.65 | 3.13 |
| MSCI EAFE Index | -0.60 | 3.21 | 6.78 | 16.26 |
| MSCI United Kingdom Index | -0.05 | 5.17 | -10.68 | 19.16 |
| MSCI Europe ex-U.K. Index | -0.67 | 3.04 | 10.08 | 16.52 |
| MSCI Japan Index | -1.10 | 1.81 | 12.33 | 13.17 |
| MSCI AC Asia ex-Japan Index | -0.82 | 3.29 | 21.19 | 17.28 |
| MSCI Emerging Markets Index | -1.02 | 4.25 | 15.20 | 18.82 |
| JPM EMBI+ Emerging Markets Bond Index | 0.01 | 1.46 | 5.53 | 5.34 |
| FTSE EPRA / NAREIT GRE Index | 0.15 | 1.67 | -10.51 | 13.07 |

Source: FactSet

- The final December reading of the Michigan Consumer Sentiment index declined to 80.7, 3.8 points lower than November. The current conditions index was down 1.8 points to 90. The expectations index was 0.1 point lower at 74.6.
- December consumer confidence fell 4.3 points m/m to 88.6, missing estimates of 97.0, the lowest reading since August. The present situation index fell 15.6 points to 90.3, though the expectations index rose 3.2 points m/m to 87.5.
- November new home sales came in at 841,000 SAAR, an 11% drop from October's downwardly revised 945,000. All regions fell, led by a sharp decline in the Midwest. Year-over-year sales were nonetheless up by 20.8%. Existing home sales fell 2.5% m/m to a 6.69 million SAAR, in line with estimates and marking the first decline in six months.

| Bond Rates (%) as of: | 12/25/20 | 12/18/20 | 12/31/19 | 9/25/20 |
|--------------------------------------|----------|----------|----------|---------|
| U.S. Federal Funds Target Rate | 0.25 | 0.25 | 1.75 | 0.25 |
| U.S. Two-Year Treasury Yield | 0.13 | 0.11 | 1.56 | 0.14 |
| U.S. Ten-Year Treasury Yield | 0.90 | 0.92 | 1.91 | 0.64 |
| U.S. 30-Year Treasury Yield | 1.67 | 1.70 | 2.38 | 1.41 |
| High Yield (Merrill U.S. Corporates) | 3.98 | 3.97 | 4.81 | 5.06 |

| Commodity Prices as of: | 12/25/20 | 12/18/20 | 12/31/19 | 9/25/20 |
|-------------------------|----------|----------|----------|----------|
| Gold (USD/oz) | 1,883.20 | 1,888.90 | 1,523.10 | 1,866.30 |
| Crude Oil (USD/bbl) | 48.23 | 49.24 | 61.06 | 40.25 |
| Gasoline (USD/gal) | 2.41 | 2.36 | 2.75 | 2.37 |
| Copper (NYM \$/lbs) | 3.56 | 3.63 | 2.79 | 2.97 |

| Exchange Rates as of: | 12/25/20 | 12/18/20 | 12/31/19 | 9/25/20 |
|-----------------------|----------|----------|----------|---------|
| \$ per € | 1.22 | 1.22 | 1.12 | 1.16 |
| \$ per £ | 1.35 | 1.35 | 1.32 | 1.27 |
| ¥ per \$ | 103.63 | 103.40 | 108.68 | 105.64 |

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, December 28 | Tuesday, December 29 | Wednesday, December 30 | Thursday, December 31 | Friday, January 1 |
|---------------------|---|--|----------------------------------|-------------------|
| | Consumer Confidence (Dec) U.S. | Wholesale Inventories SA (Nov) U.S. | Trade Balance NSA (Dec) Korea | |
| | Industrial Production (Nov) Korea | Chicago PMI SA (Dec) U.S. | | |
| | Nationwide House Price NSA (Dec) U.K. | Pending Home Sales (Nov) U.S. | | |
| | S&P/Case-Shiller comp.20 HPI (Oct) U.S. | CFLP PMI Manufacturing (Dec) China | | |
| | | CFLP Non Manufacturing PMI (Dec) China | | |

Source: FactSet

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