

Investment Weekly

Voya Investment Management

As of January 08, 2021

Commentary and Statistics

- U.S. stocks finished the week with solid gains; investors looked past political turmoil and a disappointing jobs report to focus on prospects for more fiscal stimulus as Democrats gained control of the Senate. The major indexes closed at records on Thursday and Friday.
- Prospects for stimulus led to expectations of faster economic growth. Accordingly, the top-performing S&P 500 sectors for the week were energy, materials and financials. The biggest laggards were REITs, consumer staples and utilities.
- Investors also looked for higher inflation and interest rates, pushing up yields and steepening the U.S. Treasury curve. The ten-year note jumped from 0.92% to 1.07%, surpassing 1% for the first time since March 2020; the two-year note rose from 0.11% to 0.13%.
- The U.S. dollar was mixed against other major currencies. The Bloomberg Commodities index rose; oil and copper prices increased, while gold prices declined.
- Seven months of job growth halted in December: the Labor Department reported that nonfarm payrolls shrank by 140,000, confounding expectations of a 105,000 gain. Losses were blamed on the resurgent coronavirus; hardest hit were bars, restaurants and other hospitality industries. By contrast, construction firms, factories and retailers added jobs, though the latter may have been more seasonal.
- The U.S. unemployment rate remained at 6.7%, well below the April 2020 peak of 14.8% but nonetheless nearly twice the rate before the coronavirus pandemic.
- U.S. initial jobless claims totaled 787,000 for the week of January 2, better than the expected 802,000 and the upwardly revised 790,000 the prior week. Claims marked their lowest level since late November. Continuing claims came in at 5.072 million, against a 5.185 million forecast.

Index Prices (\$)		
Index	01/08/21	12/31/20
Dow Jones Industrial Average	31,098	30,606
S&P 500 Index	3,825	3,756

Returns (%)				
U.S. Market Indexes Returns	One Week	MTD	YTD	3-Months
Dow Jones Industrial Average	1.66	1.66	1.66	9.95
S&P 500 Index	1.88	1.88	1.88	11.41
MSCI ACWI Index	2.71	2.72	2.72	14.83
Russell 2000 Index	5.93	5.93	5.93	28.80
Russell MidCap Index	3.19	3.19	3.19	17.14
Bloomberg Barclays U.S. Aggregate Index	-0.94	-0.94	-0.94	-0.08
Bloomberg Barclays High Yield Bond Index	0.23	0.23	0.23	5.43
United States 20-Year Treasury Bond	-4.11	-4.11	-4.11	-5.05
S&P / LSTA Senior Loan Index	0.90	0.91	0.91	3.84

S&P 500 Sector Returns	One Week	MTD	YTD	3-Months
Consumer Discretionary	3.84	3.84	3.84	9.13
Consumer Staples	-0.95	-0.95	-0.95	3.47
Energy	9.31	9.31	9.31	33.80
Financials	4.83	4.83	4.83	23.30
Health Care	3.37	3.37	3.37	9.74
Industrials	1.10	1.10	1.10	12.00
Materials	5.68	5.68	5.68	16.60
Real Estate	-2.54	-2.54	-2.54	-2.55
Technology	0.46	0.46	0.46	10.81
Communication Services	-0.06	-0.06	-0.06	12.58
Utilities	-0.65	-0.65	-0.65	-0.99

U.S. Returns by Style					
One Week (%)		Year to Date (%)		3-Months (%)	
Large Value 3.0	Large Growth 1.2	Large Value 3.0	Large Growth 1.2	Large Value 14.9	Large Growth 10.8
Mid Value 3.2	Mid Growth 3.1	Mid Value 3.2	Mid Growth 3.1	Mid Value 17.0	Mid Growth 17.3
Small Value 6.0	Small Growth 5.9	Small Value 6.0	Small Growth 5.9	Small Value 29.4	Small Growth 28.2

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	-0.46	-0.46	-0.46	2.84
MSCI EAFE Index	3.16	3.16	3.16	17.11
MSCI United Kingdom Index	5.79	5.79	5.79	21.46
MSCI Europe ex-U.K. Index	2.62	2.62	2.62	15.64
MSCI Japan Index	2.34	2.34	2.34	16.34
MSCI AC Asia ex-Japan Index	5.18	5.22	5.22	20.52
MSCI Emerging Markets Index	4.79	4.83	4.83	21.52
JPM EMBI+ Emerging Markets Bond Index	-0.93	-0.93	-0.93	3.46
FTSE EPRA / NAREIT GRE Index	-1.47	-1.47	-1.47	6.54

Source: FactSet

- The ISM services index registered 57.2 in December, better than November's 55.9 and surpassing expectations for a drop to 54.6. New orders were better, though employment dropped after three months of growth.
- The ISM Manufacturing index read 60.7 for December, its highest reading since August 2018, up from November's 57.5 and marking an eighth month of continuous recovery. Prices and supplier deliveries rose sharply; new export orders declined.
- Caixin China services PMI fell to 56.3 in December from 57.8 in November, pulled down as the coronavirus restrained overseas demand, but still marking eighth straight months of expansion.

Bond Rates (%) as of:	01/08/21	01/01/21	12/31/20	10/08/20
U.S. Federal Funds Target Rate	0.25	0.25	0.25	0.25
U.S. Two-Year Treasury Yield	0.13	0.11	0.11	0.15
U.S. Ten-Year Treasury Yield	1.07	0.87	0.87	0.74
U.S. 30-Year Treasury Yield	1.86	1.64	1.64	1.57
High Yield (Merrill U.S. Corporates)	3.88	3.86	3.86	4.56

Commodity Prices as of:	01/08/21	01/01/21	12/31/20	10/08/20
Gold (USD/oz)	1,835.40	1,895.10	1,895.10	1,895.10
Crude Oil (USD/bbl)	52.24	48.52	48.52	41.19
Gasoline (USD/gal)	2.44	2.42	2.42	2.35
Copper (NYM \$/lbs)	3.67	3.51	3.51	3.04

Exchange Rates as of:	01/08/21	01/01/21	12/31/20	10/08/20
\$ per €	1.23	1.22	1.22	1.17
\$ per £	1.36	1.37	1.37	1.29
¥ per \$	103.80	103.24	103.25	106.03

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, January 11	Tuesday, January 12	Wednesday, January 13	Thursday, January 14	Friday, January 15
	NFIB Small Business Index (Dec) U.S.	Foreign Direct Investment (Dec) China	Export Price Index (Dec) U.S.	Industrial Production (Nov) U.K.
	JOLTS Job Openings (Nov) U.S.	CPI (Dec) U.S.	Import Price Index (Dec) U.S.	Empire State Index (Jan) U.S.
		Hourly Earnings (Dec) U.S.	Initial Claims (Jan 9) U.S.	PPI (Dec) U.S.
		Average Workweek (Dec) U.S.		Retail Sales (Dec) U.S.
				Industrial Production (Dec) U.S.
				Michigan Sentiment (Jan) U.S.

Source: FactSet

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