

Investment Weekly

Voya Investment Management

As of March 26, 2021

Commentary and Statistics

- After early wavering in the week, U.S. stocks regrouped and raced to a strong finish. The Dow Jones Industrial Average and the S&P 500 index pushed above recent highs but the NASDAQ Composite declined. The small-cap Russell 2000 index lagged for a second week. Asian markets were mixed, European indexes rose.
- S&P 500 sector performance was a mixed bag: the leaders were REITs, consumer staples and energy; the laggards were communication services, consumer discretionary and financials.
- Market participants continued to weigh prospects for rapid economic growth against concerns about inflation and rising yields. Though investors expected the Federal Reserve would have to raise rates sooner than it acknowledged, the U.S. Treasury market eased a bit; the 10-year yield declined from 1.73% to 1.68%.
- The U.S. dollar index rose strongly. The Bloomberg Commodities index ticked down; oil prices were down despite blockage of the Suez canal; copper and precious metals also declined.
- February personal consumption expenditures of -1.0% m/m came in worse than expected, though January was revised up from 2.4% to 3.4%. Personal income fell 7.1%; the prior reading was revised up a tenth to 10.1%.
- The February core PCE deflator increased 0.1% following 0.3% last month; this brought the y/y reading down to 1.4%, versus January's reading of 1.5%.
- Initial jobless claims fell to 684,000 in the week ended March 20, versus the prior week's 781,000. The reading marked the first post-Covid print below 700,000. Continuing claims for the week ended March 13 fell to 3.870 million versus the prior week's 4.134 million.

Index Prices (\$)		
Index	03/26/21	12/31/20
Dow Jones Industrial Average	33,073	30,606
S&P 500 Index	3,975	3,756

Returns (%)				
U.S. Market Indexes Returns	One Week	MTD	YTD	3-Months
Dow Jones Industrial Average	1.36	7.06	8.58	10.04
S&P 500 Index	1.58	4.40	6.20	7.74
MSCI ACWI Index	0.32	2.65	4.60	6.10
Russell 2000 Index	-2.88	1.01	12.71	11.11
Russell MidCap Index	0.16	2.95	8.40	8.39
Bloomberg Barclays U.S. Aggregate Index	0.35	-1.15	-3.28	-3.06
Bloomberg Barclays High Yield Bond Index	0.63	-0.12	0.58	1.08
United States 20-Year Treasury Bond	1.42	-4.50	-13.32	-12.91
S&P / LSTA Senior Loan Index	-0.02	-0.31	1.00	1.18

S&P 500 Sector Returns	One Week	MTD	YTD	3-Months
Consumer Discretionary	-0.21	2.45	1.91	3.93
Consumer Staples	3.98	8.79	1.71	3.01
Energy	2.99	5.92	34.83	34.27
Financials	0.96	6.96	17.25	19.51
Health Care	2.12	4.28	3.53	5.49
Industrials	2.18	8.82	11.32	12.16
Materials	2.53	8.79	10.31	11.66
Real Estate	4.26	7.93	10.17	12.30
Technology	2.53	1.67	1.95	2.88
Communication Services	-1.88	1.80	6.69	8.76
Utilities	2.86	9.62	1.97	4.55

U.S. Returns by Style

One Week (%)		Year to Date (%)		3-Months (%)	
Large Value	1.4	Large Value	12.0	Large Value	13.5
Mid Value	0.2	Mid Value	13.8	Mid Value	14.8
Small Value	-2.5	Small Value	21.9	Small Value	21.7
Large Growth	1.2	Large Growth	0.2	Large Growth	1.1
Mid Growth	0.0	Mid Growth	-1.1	Mid Growth	-2.6
Small Growth	-3.3	Small Growth	4.2	Small Growth	1.6

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	-0.07	-1.49	-4.04	-3.56
MSCI EAFE Index	-0.54	2.59	3.79	5.25
MSCI United Kingdom Index	0.07	3.07	6.53	6.82
MSCI Europe ex-U.K. Index	-0.03	2.88	3.19	4.65
MSCI Japan Index	-1.98	2.52	3.04	5.40
MSCI AC Asia ex-Japan Index	-1.98	-2.80	2.46	5.98
MSCI Emerging Markets Index	-2.15	-2.20	1.60	4.68
JPM EMBI+ Emerging Markets Bond Index	-0.16	-0.72	-4.44	-4.13
FTSE EPRA / NAREIT GRE Index	0.98	3.50	6.71	8.32

Source: FactSet

- March IHS Markit Flash Manufacturing PMI rose 0.4 m/m to 59.0, the second-fastest increase since April 2010; supply-chain disruptions drove the fastest rise of input costs in a decade. Flash services PMI increased 0.2 to 60.0, its strongest pace since July 2014; it also recorded new highs for input- and selling-price inflation. February headline durable goods orders fell 1.1%, down from January's 3.4%.
- European PMIs surprised to the upside in March. German manufacturing rose to 66.6, beating a forecast 60.5; services rose to 50.8 over 46.5 forecast. Eurozone manufacturing was 62.4, over forecast 57.6; services rose to 48.8, forecast 46. U.K. manufacturing rose to 57.9, forecast 55; services roses to 56.8, forecast 51.

Bond Rates (%) as of:	03/26/21	03/19/21	12/31/20	12/25/20
U.S. Federal Funds Target Rate	0.25	0.25	0.25	0.25
U.S. Two-Year Treasury Yield	0.10	0.11	0.11	0.13
U.S. Ten-Year Treasury Yield	1.68	1.68	0.87	0.90
U.S. 30-Year Treasury Yield	2.37	2.45	1.64	1.67
High Yield (Merrill U.S. Corporates)	4.44	4.60	3.86	3.98

Commodity Prices as of:	03/26/21	03/19/21	12/31/20	12/25/20
Gold (USD/oz)	1,732.30	1,741.70	1,895.10	1,883.20
Crude Oil (USD/bbl)	60.97	61.44	48.52	48.23
Gasoline (USD/gal)	3.05	3.04	2.42	2.41
Copper (NYM \$/lbs)	4.08	4.12	3.51	3.56

Exchange Rates as of:	03/26/21	03/19/21	12/31/20	12/25/20
\$ per €	1.18	1.19	1.22	1.22
\$ per £	1.38	1.39	1.37	1.35
¥ per \$	109.55	108.86	103.25	103.63

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, March 29	Tuesday, March 30	Wednesday, March 31	Thursday, April 01	Friday, April 02
BoE Net Mortgage Lending SA (Feb) U.K.	FHFA Home Price Index (Jan) U.S.	GDP SA (4Q20) U.K.	CIPS Manufacturing PMI SA (Mar) U.K.	Hourly Earnings SA (Mar) U.S.
Unemployment Rate (Feb) Japan	Consumer Confidence (Mar) U.S.	Chicago PMI SA (Mar) U.S.	Markit PMI Manufacturing SA (Mar) Germany	Average Workweek SA (Mar) U.S.
Dallas Fed Index (Mar) U.S.	Industrial Production (Feb) Korea	Pending Home Sales (Feb) U.S.	Initial Claims SA (Mar 27) U.S.	Manufacturing Payrolls SA (Mar) U.S.
	CFLP PMI Manufacturing (Mar) China	Tankan Large Non-Manufacturing Index NSA (1Q21) Japan	Markit PMI Manufacturing SA (Mar) U.S.	Nonfarm Payrolls SA (Mar) U.S.
	CFLP Non Manufacturing PMI (Mar) China	Markit/JMMA PMI Manufacturing SA (Mar) Japan	ISM Manufacturing SA (Mar) U.S.	Unemployment Rate (Mar) U.S.

Source: FactSet

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