

Investment Weekly

Voya Investment Management

As of August 20, 2021

Commentary and Statistics

- Stock markets around the world retreated during a week of volatile trading. Risk-off sentiment was stoked by a slew of worries including resurgent Covid-19 infections, slowing economic growth, inflation, Federal Reserve tapering plans and regulatory crackdown in China.
- Bond prices rose and yields on longer maturities fell, flattening the yield curve. The ten-year U.S. Treasury note declined from 1.23% to 1.19%; the two-year note stayed flat at 0.23%; the two-to-ten spread tightened from 1.00% to 0.96%.
- The U.S. dollar index jumped against other major currencies; bitcoin continued its rise against the dollar. The Bloomberg Commodity index fell; as the dollar rose, prices on agricultural commodities, copper and oil fell; gold ticked up, boosted by market uncertainties.
- Initial jobless claims totaled 348,000 for the week ended August 14, below the prior week's 377,000 and the best reading since March 14, 2020. Continuing claims registered 2.820 million, below last week's 2.899 million.
- The Empire Manufacturing Survey fell 24.7 points to 18.3 for August, missing estimates for 28.0 and down sharply from July's record 43.0 print. General business conditions declined 25 points to 18.3. New orders fell 18 points to 14.8, shipments declined 40 points to 3.3. Nonetheless, the future conditions index rose to 46.5.
- The Philadelphia Fed business survey logged 19.4 for August, below July's 21.9 and marking the fourth consecutive monthly decline after reaching a long-term high in April. Still, three times as many firms reported increases in current activity as reported decreases.

Index Prices (\$)		
Index	08/20/21	12/31/20
Dow Jones Industrial Average	35,120	30,606
S&P 500 Index	4,442	3,756

Returns (%)				
U.S. Market Indexes Returns	One Week	MTD	YTD	3-Months
Dow Jones Industrial Average	-1.01	0.71	16.13	3.50
S&P 500 Index	-0.55	1.16	19.36	7.17
MSCI ACWI Index	-1.77	-0.09	13.27	3.52
Russell 2000 Index	-2.47	-2.56	10.39	-1.58
Russell MidCap Index	-1.54	-0.28	16.81	3.81
Bloomberg Barclays U.S. Aggregate Index	0.16	-0.15	-0.65	2.09
Bloomberg Barclays High Yield Bond Index	-0.06	-0.41	3.59	1.74
United States 20-Year Treasury Bond	1.33	0.78	-3.85	10.10
S&P / LSTA Senior Loan Index	0.05	0.23	2.14	0.34

S&P 500 Sector Returns	One Week	MTD	YTD	3-Months
Consumer Discretionary	-2.23	-1.80	8.83	4.17
Consumer Staples	0.46	2.05	9.90	4.05
Energy	-6.98	-7.02	24.23	-10.57
Financials	-2.29	3.16	29.09	1.66
Health Care	1.80	3.04	20.89	9.91
Industrials	-2.25	-0.69	16.63	0.40
Materials	-3.08	-0.27	16.52	-2.68
Real Estate	0.57	1.34	30.74	11.53
Technology	0.49	1.56	20.00	14.02
Communication Services	-0.39	1.10	25.32	9.92
Utilities	1.86	6.05	13.28	7.12

U.S. Returns by Style

One Week (%)		Year to Date (%)		3-Months (%)	
Large Value -1.2	Large Growth -0.3	Large Value 18.9	Large Growth 17.7	Large Value 1.7	Large Growth 12.0
Mid Value -1.9	Mid Growth -1.0	Mid Value 20.0	Mid Growth 11.0	Mid Value 1.0	Mid Growth 9.5
Small Value -2.3	Small Growth -2.6	Small Value 20.4	Small Growth 1.2	Small Value -2.8	Small Growth -0.2

Large Value: Russel 1000 Value
Midcap Value: Russell Midcap Value
Small Value: Russell 2000 Value

Large Growth: Russel 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	-0.32	-0.63	-2.53	0.28
MSCI EAFE Index	-2.94	-0.39	9.57	0.49
MSCI United Kingdom Index	-3.34	-0.70	12.77	-1.92
MSCI Europe ex-U.K. Index	-2.25	0.29	14.92	2.86
MSCI Japan Index	-3.76	-0.96	-0.79	-1.20
MSCI AC Asia ex-Japan Index	-4.58	-4.46	-5.81	-8.46
MSCI Emerging Markets Index	-4.61	-4.29	-3.90	-7.23
JPM EMBI+ Emerging Markets Bond Index	0.23	0.21	-0.26	2.22
FTSE EPRA / NAREIT GRE Index	-1.09	-0.13	17.17	4.71

Source: FactSet

- July housing starts fell 7.0% to 1.534 million SAAR, far below estimates for a 2.3% decline to 1.610 million. The reading followed three consecutive monthly increases and was the lowest since April. Building permits rose 2.6% to 1.635 million SAAR, rebounding from June's nine-month low. Housing completions rose 5.6% to 1.391 million, the highest since April. Elsewhere, the August NAHB housing market index fell five points to 75.0, a 13-month low.
- July headline retail sales contracted 1.1%, worse than the expected 0.3%. By contrast, June sales were revised up 0.1 pp to 0.7%. July year-over-year sales increased 15.8%, down from last month's 18.7%. Sales ex-autos were down 0.4%; motor vehicles were down 3.9%, extending June's 2.2% contraction.

Bond Rates (%) as of:	08/20/21	08/13/21	12/31/20	05/20/21
U.S. Federal Funds Target Rate	0.25	0.25	0.25	0.25
U.S. Two-Year Treasury Yield	0.23	0.23	0.11	0.09
U.S. Ten-Year Treasury Yield	1.19	1.23	0.87	1.57
U.S. 30-Year Treasury Yield	1.87	1.95	1.64	2.34
High Yield (Merrill U.S. Corporates)	4.21	4.20	3.86	4.41

Commodity Prices as of:	08/20/21	08/13/21	12/31/20	05/20/21
Gold (USD/oz)	1,784.00	1,778.20	1,895.10	1,881.90
Crude Oil (USD/bbl)	62.14	68.44	48.52	61.94
Gasoline (USD/gal)	3.38	3.37	2.42	3.24
Copper (NYM \$/lbs)	4.13	4.39	3.51	4.58

Exchange Rates as of:	08/20/21	08/13/21	12/31/20	05/20/21
\$ per €	1.17	1.18	1.22	1.22
\$ per £	1.36	1.39	1.37	1.42
¥ per \$	109.81	109.87	103.25	108.85

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, August 23	Tuesday, August 24	Wednesday, August 25	Thursday, August 26	Friday, August 27
Markit PMI Manufacturing SA (Aug) Germany	GDP SA (2Q21) Germany	Leading Index (Jun) Japan	GfK Consumer Confidence (Sep) Germany	Personal Consumption Expenditure SA (Jul) U.S.
CIPS Manufacturing PMI SA (Aug) U.K.	New Home Sales SAAR (Jul) U.S.	Ifo Business Climate SA (Aug) Germany	GDP SAAR (2Q21) U.S.	Personal Income SA (Jul) U.S.
Markit PMI Manufacturing SA (Aug) U.S.	Building Permits SAAR (Jul) U.S.	Durable Orders SA (Jul) U.S.		Wholesale Inventories SA (Jul) U.S.
Markit PMI Services SA (Aug) U.S.				Michigan Sentiment NSA (Aug) U.S.
Existing Home Sales SAAR (Jul) U.S.				PCE Deflator SA (Jul) U.S.

Source: FactSet

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