

Voya Global Perspectives

Voya Investment Management

As of July 29, 2022

Commentary and Statistics

- U.S. stocks advanced for the week, ending July with the strongest monthly gain since November 2020. Markets rose on upbeat earnings and economic contraction, which investors believed might slow the pace of interest rate hikes. Asian and European markets were mixed.
- Bonds rallied on GDP contraction and U.S. Treasury yields fell. The ten-year note declined from 2.79% to 2.64%, the two-year from 2.99% to 2.90%. The two-to-ten spread remained inverted at -25 basis points (bp).
- The U.S. dollar index continued to decline and bitcoin continued to gain on the dollar. The Bloomberg Commodities index advanced. Prices rose for copper, gold, natural gas and oil.
- With 56% of S&P 500 companies reporting 2Q22 results, 78% exceeded earnings expectations and 67% beat revenue expectations. As of July 29, 2022, Refinitiv estimated the S&P 500's 12-month forward PE at 17.2 and its 2Q22 y/y earnings growth at 7.7%, excluding the energy sector, -2.6%. 3M, Archer-Daniels-Midland and General Electric impressed this week. Coinbase Global, Koninklijke Philips and Walmart disappointed.
- The Federal Reserve raised rates by 75 bp. Chairman Jerome Powell did not rule out another 75-bp hike in September, stressing the Fed remains data dependent. Powell acknowledged signs of moderation but doesn't think the economy is in recession.
- The BEA's advance reading showed 2Q22 real U.S. GDP shrank 0.9% y/y, which, combined with the 1Q22 contraction, met a common definition of recession. Decreases in private inventories, fixed investment and government spending drove the decline. Exports and personal consumption expenditures (PCE) increased.

Index Prices (\$)		
Index	07/29/22	12/31/21
Dow Jones Industrial Average	32,845	36,338
S&P 500 Index	4,130	4,766

Returns (%)				
U.S. Market Indexes Returns	One Week	MTD	YTD	3-Months
S&P 500 Index	4.26	0.20	-12.58	0.39
S&P MidCap 400 Index	4.84	0.19	-10.81	0.94
S&P SmallCap 600 Index	4.62	0.61	-10.83	2.49
Russell 1000 Index	4.18	0.16	-13.58	0.01
Russell MidCap Index	4.32	-1.09	-13.83	-1.02
Russell 2000 Index	4.34	1.36	-15.43	1.51
Dow Jones Industrial Average	2.97	-0.19	-8.60	0.13
NASDAQ Composite Index	4.70	2.66	-20.47	0.68

U.S. Bond Market Returns	One Week	MTD	YTD	3-Months
Bloomberg U.S. Aggregate Index	0.64	0.84	-8.16	1.49
Bloomberg High Yield Bond Index	1.53	-1.23	-9.12	-0.98
S&P / LSTA Senior Loan Index	-0.03	0.22	-2.58	-2.27

S&P 500 Sector Returns	One Week	MTD	YTD	3-Months
Technology	5.09	2.95	-17.01	2.07
Materials	4.10	-8.55	-12.85	-7.51
Consumer Discretionary	5.55	6.10	-20.10	0.95
Health Care	2.00	0.57	-5.29	2.02
Utilities	6.51	0.25	4.92	4.58
Consumer Staples	1.65	0.71	-2.47	-3.94
Energy	10.37	-8.72	44.66	5.68
Financials	2.99	-4.48	-12.86	-1.87
Industrials	5.71	1.40	-8.88	0.92
Communication Services	2.49	-4.26	-27.57	-2.55
Real Estate	4.88	1.05	-13.20	-4.02
S&P 500	4.28	0.20	-12.58	0.39

U.S. Returns by Style					
One Week (%)		Year to Date (%)		3-Months (%)	
Large Value	3.3	Large Value	-7.1	Large Value	-0.8
Large Growth	5.0	Large Growth	-19.4	Large Growth	0.7
Mid Value	4.1	Mid Value	-9.0	Mid Value	-1.5
Mid Growth	4.7	Mid Growth	-22.6	Mid Growth	-0.2
Small Value	4.3	Small Value	-9.3	Small Value	0.7
Small Growth	4.3	Small Growth	-21.6	Small Growth	2.3

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

International Market Returns (%)	One Week	MTD	YTD	3-Months
MSCI EAFE Index	2.11	-4.73	-15.22	-3.88
MSCI United Kingdom Index	3.12	-5.20	-5.43	-3.57
MSCI Europe ex-U.K. Index	2.45	-5.54	-19.53	-4.85
MSCI Japan Index	0.94	-2.62	-15.55	-1.01
MSCI AC Asia ex-Japan Index	-0.18	-5.48	-17.09	-5.03
MSCI Emerging Markets Index	0.42	-6.71	-17.61	-6.28
MSCI ACWI Index	3.28	-1.96	-14.35	-1.77
Bloomberg Global Aggregate Bond Index	1.15	-1.15	-12.08	-0.88
JPM EMBI+ Emerging Markets Bond Index	2.31	-2.52	-16.23	-2.33

Source: FactSet

- June PCE increased 1.1% m/m, above May's 0.3%. Major drivers included gasoline, healthcare and housing. The June core PCE price index rose 0.6% against May's 0.3%.
- June durable-goods orders rose 1.9% m/m, compared to May's 0.8% rise. Transportation equipment increased, as did core capital goods shipments, which feed into GDP.
- Higher mortgage rates pulled down pending-home sales 8.6% m/m in June, compared to May's 0.7% gain and marking a 20% y/y decline.
- June new home sales fell 8.1% m/m to a 590,000 seasonally-adjusted annual rate, the lowest since April 2020. Inventory jumped to 9.3 months' supply from 8.4; the median sales price of \$402,400 was the lowest since June 2021.

U.S. Bond Rates (%) as of:	07/29/22	07/22/22	12/31/21	04/29/2022
U.S. Federal Funds Target Rate	2.50	1.75	0.25	0.50
U.S. Two-Year Treasury Yield	2.90	2.99	0.73	2.69
U.S. Ten-Year Treasury Yield	2.64	2.79	1.51	2.89
U.S. 20-Year Treasury Yield	3.24	3.30	1.88	3.16
U.S. 30-Year Treasury Yield	2.98	3.00	1.90	2.94
High Yield (Merrill U.S. Corporates)	6.86	7.65	6.85	6.85
Consumer Rates (%) as of	Prior Close	12/31/21	04/29/2022	
30-Year Mortgage Rate	5.74	3.33		5.36
Prime Rate	4.75	3.25		3.50
Commodity Prices as of:	07/29/22	07/22/22	12/31/21	04/29/2022
Gold (USD/oz)	1781.80	1727.40	1828.60	1911.70
Crude Oil (USD/bbl)	98.62	94.70	75.21	104.69
Copper (LME \$/mt)	7800.50	7372.00	9692.00	9820.50
Gasoline (USD/gal)	4.65	4.80	3.58	4.43
Exchange Rates as of:	07/29/22	07/22/22	12/31/21	04/29/2022
\$ per €	1.02	1.02	1.14	1.05
\$ per £	1.22	1.20	1.35	1.26
¥ per \$	133.65	136.05	115.16	129.56
U.S. Dollar Index	105.90	106.73	95.97	102.96

Index Definitions

Bloomberg 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 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 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.

The S&P MidCap 400 includes 400 companies and represents almost 6% of the U.S. markets. To be eligible for inclusion in the index, a company should be a U.S. company, have a market cap between USD 3.3 billion to USD 11.8 billion, maintain a public float of at least 10% of its shares outstanding, and its most recent quarter's earnings and the sum of its trailing four consecutive quarters' earnings must be positive. The index implements changes on an as-needed basis.

The S&P SmallCap 600 includes 600 companies and represents almost 3% of the U.S. market. To be eligible for inclusion in the index, a company should be a U.S. company, have a market cap between USD 750 million to USD 3.3 billion, maintain a public float of at least 10% of its shares outstanding, and its most recent quarter's earnings and the sum of its trailing four consecutive quarters' earnings must be positive. The index implements changes on an as-needed basis.

The Russell 1000 Index measures the performance of the large-cap segment of the U.S. equity market and includes approximately 1,000 of the largest securities based on market capitalization and representing approximately 92% of the U.S. market.

Economic Release Calendar

Monday, August 01	Tuesday, August 02	Wednesday, August 03	Thursday, August 04	Friday, August 05
Retail Sales (Jun) Germany	JOLTS Job Openings (Jun) U.S.	Markit PMI Services (Jul) Germany	Manufacturing Orders (Jun) Germany	Leading Index (Jun) Japan
Markit PMI Manufacturing (Jul) Germany	PMI Services (Jul) Japan	CIPS Services PMI (Jul) U.K.	BoE Official Bank Rate U.K.	Industrial Production (Jun) Germany
CIPS Manufacturing PMI (Jul) U.K.	Retail Sales (Jun) Australia	Durable Orders (Jun) U.S.	Initial Claims (Jul 30) U.S.	Hourly Earnings (Jul) U.S.
Construction Spending (Jun) U.S.	Markit/ Caixin Services PMI (Jul) China	Factory Orders (Jun) U.S.	Real Household Consumption Expenditure (Jun) Japan	Nonfarm Payrolls (Jul) U.S.
ISM Manufacturing (Jul) U.S.		ISM Services PMI (Jul) U.S.		Unemployment Rate (Jul) U.S.

Source: FactSet

Earnings Announcements

Monday, August 01	Tuesday, August 02	Wednesday, August 03	Thursday, August 04	Friday, August 05
HSBC	Advanced Micro Devices	Toyota Motor	Eli Lilly	Berkshire Hathaway
Mitsubishi UFJ Financial Group	S&P Global	CVS Health	Alibaba	Allianz
Activision Blizzard	PayPal	Regeneron Pharmaceuticals	Amgen	A.P. Moller-Maersk
Itau Unibanco	Caterpillar	Moderna	ConocoPhillips	Tokio Marine
The Williams Companies	Starbucks	Enterprise Products Partners	Diageo	ING Group
Devon Energy	BP	MetLife	Volkswagen	
Aflac	Gilead Sciences	McKesson	Cigna	
SBA Communications	Airbnb	Exelon	Zoetis	
Simon Property Group	Marriott International	Honda Motor Co.	Duke Energy	
	Daikin Industries	MercadoLibre	Vertex Pharmaceuticals	
	Uber Technologies	Yum Brands	Nintendo	
			Monster Beverage	

Source: Zacks Investment Research

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