

Investment Weekly

Voya Investment Management

As of March 19, 2021

Commentary and Statistics

- U.S. stocks declined during a week of choppy trading sessions. Asian and European markets were mixed.
- Only three S&P 500 sectors – communication services, healthcare and consumer staples – posted modest gains; the worst decliners were energy, financials and technology.
- Market volatility ticked up as investors weighed improving economic prospects against fears of rising interest rates. Some investors worried that persistently higher inflation would force the Federal Reserve to tighten policy; those worries led to a government bond sell-off and a retreat from growth stocks.
- Not everyone bought the Fed policy reflation narrative, but rates still were a key market focus. The ten-year U.S. Treasury yield rose for an eighth straight week, from 1.63% to 1.73%. The two-year yield declined from 0.16% to 0.11%, widening the two-to-ten spread.
- The U.S. dollar index rose slightly; bitcoin continued to rise, as Morgan Stanley became the first major bank to offer bitcoin funds. The Bloomberg Commodities index declined; copper and oil fell, precious metals rose and agricultural commodities were mixed.
- February retail sales of -3% missed expectations of -0.7%, down from January's 7.6% but up 6.3% y/y. Sporting goods, department stores and non-store retailers saw the steepest declines, followed by motor vehicles; gasoline sales rose.
- Initial jobless claims marked a one-month high, rising to 770,000 for the week ended March 13, versus the prior week's upwardly revised 725,000. Continuing claims for the week ended March 6 fell to 4.124 million versus the prior week's 4.142 million.

Index Prices (\$)		
Index	03/19/21	12/31/20
Dow Jones Industrial Average	32,628	30,606
S&P 500 Index	3,913	3,756

Returns (%)				
U.S. Market Indexes Returns	One Week	MTD	YTD	3-Months
Dow Jones Industrial Average	-0.45	5.62	7.12	8.64
S&P 500 Index	-0.74	2.78	4.55	5.91
MSCI ACWI Index	-0.42	2.32	4.27	5.39
Russell 2000 Index	-2.76	4.00	16.04	16.39
Russell MidCap Index	-0.79	2.79	8.22	8.55
Bloomberg Barclays U.S. Aggregate Index	-0.28	-1.49	-3.61	-3.26
Bloomberg Barclays High Yield Bond Index	-0.53	-0.75	-0.05	0.52
United States 20-Year Treasury Bond	-0.97	-5.83	-14.53	-13.56
S&P / LSTA Senior Loan Index	-0.16	-0.28	1.03	1.22

S&P 500 Sector Returns	One Week	MTD	YTD	3-Months
Consumer Discretionary	-0.14	2.67	2.13	3.20
Consumer Staples	0.36	4.63	-2.18	-1.95
Energy	-7.65	2.84	30.92	27.72
Financials	-1.65	5.94	16.14	20.71
Health Care	0.38	2.11	1.38	2.32
Industrials	-0.28	6.51	8.95	9.13
Materials	-0.82	6.11	7.59	8.37
Real Estate	-0.92	3.52	5.67	7.52
Technology	-1.33	-0.84	-0.56	1.17
Communication Services	0.55	3.74	8.73	9.58
Utilities	-0.33	6.57	-0.87	0.68

U.S. Returns by Style					
One Week (%)		Year to Date (%)		3-Months (%)	
Large Value	-0.8	Large Growth	-0.9	Large Value	11.9
Mid Value	-0.7	Mid Growth	-1.0	Mid Value	14.9
Small Value	-2.9	Small Growth	-2.6	Small Value	26.2
		Large Value	10.5	Large Growth	-0.1
		Mid Value	13.5	Mid Growth	-2.4
		Small Value	25.0	Small Growth	7.5

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	-0.22	-1.42	-3.97	-3.62
MSCI EAFE Index	0.61	3.15	4.36	5.19
MSCI United Kingdom Index	-0.84	2.99	6.45	6.69
MSCI Europe ex-U.K. Index	0.13	2.91	3.22	3.98
MSCI Japan Index	2.77	4.59	5.12	6.36
MSCI AC Asia ex-Japan Index	-0.73	-0.84	4.53	7.25
MSCI Emerging Markets Index	-0.80	-0.04	3.84	5.89
JPM EMBI+ Emerging Markets Bond Index	0.36	-0.56	-4.29	-3.96
FTSE EPRA / NAREIT GRE Index	-0.35	2.49	5.67	7.42

Source: FactSet

- The Philadelphia Fed manufacturing survey soared to 51.8 in March, a 50-year high, versus February's 23.1. New orders and prices paid jumped sharply; shipments, number of employees, workweek and prices received also rose; inventory measures fell.
- The Empire State Manufacturing Survey posted a strong gain in March, climbing five points to 17.4, its highest level since last summer. Shipments were up substantially; new orders, inventories and employment also increased. Input prices increased at the fastest pace in nearly a decade.
- The FOMC held rates steady at its March meeting and made no change to its asset-purchase plan. The meeting statement noted that economic indicators have turned up recently, though inflation continues to run below the bank's 2% target. The Summary of Economic Projections (SEP) still showed a median projection for no hikes through 2023.

Bond Rates (%) as of:	03/19/21	03/12/21	12/31/20	12/18/20
U.S. Federal Funds Target Rate	0.25	0.25	0.25	0.25
U.S. Two-Year Treasury Yield	0.11	0.12	0.11	0.11
U.S. Ten-Year Treasury Yield	1.73	1.58	0.87	0.92
U.S. 30-Year Treasury Yield	2.45	2.40	1.64	1.70
High Yield (Merrill U.S. Corporates)	4.60	4.42	3.86	3.97

Commodity Prices as of:	03/19/21	03/12/21	12/31/20	12/18/20
Gold (USD/oz)	1,741.70	1,719.80	1,895.10	1,888.90
Crude Oil (USD/bbl)	61.44	65.61	48.52	49.24
Gasoline (USD/gal)	3.04	2.96	2.42	2.36
Copper (NYM \$/lbs)	4.12	4.15	3.51	3.63

Exchange Rates as of:	03/19/21	03/12/21	12/31/20	12/18/20
\$ per €	1.19	1.19	1.22	1.22
\$ per £	1.39	1.39	1.37	1.35
¥ per \$	108.86	108.99	103.25	103.40

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 22	Tuesday, March 23	Wednesday, March 24	Thursday, March 25	Friday, March 26
Leading Index Final (Jan) Japan	ILO Unemployment Rate 3-M (Jan) U.K.	Markit PMI Manufacturing SA (Mar) Germany	GfK Consumer Confidence SA (Apr) Germany	Retail Sales SA (Feb) U.K.
Existing Home Sales SAAR (Feb) U.S.	Current Account SA (4Q20) U.S.	CIPS Manufacturing PMI SA (Mar) U.K.	GDP SAAR (4Q20) U.S.	Ifo Current Assessment and Expectations SA (Mar) Germany
Chicago Fed National Activity Index (Feb) U.S.	New Home Sales SAAR (Feb) U.S.	Durable Orders SA (Feb) U.S.	Initial Claims SA (Mar 20) U.S.	Personal Consumption Expenditure (Feb) U.S.
	Markit/JMMA PMI Manufacturing SA (Mar) Japan	Markit PMI Manufacturing SA (Mar) U.S.	Continuing Jobless Claims SA (Mar 10) U.S.	Personal Income (Feb) U.S.
	Building Permits SAAR Final (Feb) U.S.	Markit PMI Services SA (Mar) U.S.	GDP SA (4Q20) U.S.	Michigan Sentiment NSA (Mar) U.S.

Source: FactSet

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