

Investment Weekly

Voya Investment Management

As of October 30, 2020

Commentary and Statistics

- Stocks retreated around the globe for a second week as volatility spiked up. Strong U.S. GDP and consumer spending data lifted sentiment but didn't offset renewed coronavirus concerns, election uncertainty and lack of fiscal stimulus.
- Despite upbeat earnings and fundamentals, investors backed away from big technology stocks, pulling down the major U.S. indexes at month-end. All 11 S&P 500 sectors declined; hardest hit were industrials, technology and consumer discretionary.
- U.S. Treasury yields climbed as investors bet on higher government spending after the elections. The ten-year Treasury yield rose from 0.84% to 0.88%. The two-year rose from 0.17% to 0.18%; the two-to-ten spread widened to 70 basis points.
- The Bloomberg Commodities index fell for the week as copper, oil and precious metals declined. The U.S. dollar rose against other major currencies.
- With 64% of S&P 500 companies reporting 3Q20 results, 86% have exceeded earnings per share expectations and about 80% have beaten revenue expectations. As of October 30, 2020, Refinitiv estimated the S&P 500's 3Q20 earnings growth rate at -10.2% and its 12-month forward P/E at 20.9. General Electric, Pinterest and Tupperware impressed this week; MasterCard, MGM Resorts and SAP disappointed.
- U.S. personal consumption expenditures increased by 1.4% in September. Spending on goods rose 2%, focused on autos, clothing and footwear; spending on services increased 1.1%, focused on healthcare, fitness and entertainment. Personal income increased by 0.9%.
- The final October reading of the University of Michigan's consumer sentiment index reached 81.8, slightly above September's 80.4.

Index Prices (\$)		
Index	10/30/20	12/31/19
Dow Jones Industrial Average	26,502	28,538
S&P 500 Index	3,270	3,231

Returns (%)				
U.S. Market Indexes Returns	One Week	MTD	YTD	3-Months
Dow Jones Industrial Average	-6.47	-4.52	-5.38	1.24
S&P 500 Index	-5.62	-2.66	2.77	1.15
MSCI ACWI Index	-5.29	-2.41	-0.68	0.31
Russell 2000 Index	-6.21	2.09	-6.77	3.23
Russell MidCap Index	-5.64	0.64	-1.72	2.17
Bloomberg Barclays U.S. Aggregate Index	-0.04	-0.45	6.32	-1.26
Bloomberg Barclays High Yield Bond Index	-1.05	0.51	1.13	0.60
United States 20-Year Treasury Bond	0.30	-3.08	18.02	-7.07
S&P / LSTA Senior Loan Index	-0.88	-0.38	-0.91	1.02

S&P 500 Sector Returns	One Week	MTD	YTD	3-Months
Consumer Discretionary	-6.23	-2.93	19.76	3.78
Consumer Staples	-4.77	-2.81	1.20	0.15
Energy	-5.55	-4.41	-50.38	-19.57
Financials	-5.49	-0.81	-20.87	-0.10
Health Care	-5.70	-3.68	1.15	-3.77
Industrials	-6.51	-1.43	-5.36	5.82
Materials	-4.28	-0.78	4.65	5.12
Real Estate	-4.20	-3.33	-9.88	-5.40
Technology	-6.46	-5.10	22.13	3.11
Communication Services	-3.94	0.79	9.46	3.60
Utilities	-3.65	5.04	-0.93	3.65

U.S. Returns by Style					
One Week (%)		Year to Date (%)		3-Months (%)	
Large Value	-5.5	Large Growth	-5.9	Large Value	-0.1
Mid Value	-5.6	Mid Growth	-5.7	Mid Value	2.3
Small Value	-6.6	Small Growth	-5.8	Small Value	2.9
				Large Growth	3.2
				Mid Growth	1.9
				Small Growth	3.5

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	-0.43	0.10	5.82	-0.37
MSCI EAFE Index	-5.51	-3.98	-10.44	-2.98
MSCI United Kingdom Index	-5.70	-5.05	-27.28	-7.47
MSCI Europe ex-U.K. Index	-7.33	-5.78	-8.77	-5.20
MSCI Japan Index	-2.43	-1.60	-1.92	3.48
MSCI AC Asia ex-Japan Index	-2.11	2.80	8.60	4.81
MSCI Emerging Markets Index	-2.89	2.08	1.15	2.41
JPM EMBI+ Emerging Markets Bond Index	-0.58	-0.12	0.25	-1.12
FTSE EPRA / NAREIT GRE Index	-4.83	-3.23	-22.08	-3.98

Source: FactSet

- Initial jobless claims totaled 751,000 for the week ended October 24, a drop of 36,000 from the week before. Continuing claims declined from 8.373 million to 7.756 million.
- U.S. GDP increased 7.4% in 3Q20, the largest quarterly gain on record. Following contractions in 1Q20 and 2Q20, however, YoY GDP growth was -3.5%. Personal consumption, residential investment and inventories contributed; federal, state and local government spending detracted.
- September new home sales fell 3.5% to 959,000 SAAR, and August sales were revised from 1,011,000 to 994,000. Pending home sales fell 2.2%, the first monthly contraction since April.
- The Dallas Fed Manufacturing index rose 6.2 points to 19.8 in October, the fifth straight monthly gain. The Richmond Fed index rose to 29, a new high after reaching 21 in September.

Bond Rates (%) as of:	10/30/20	10/23/20	12/31/19	07/30/20
U.S. Federal Funds Target Rate	0.25	0.25	1.75	0.25
U.S. Two-Year Treasury Yield	0.16	0.16	1.56	0.13
U.S. Ten-Year Treasury Yield	0.84	0.82	1.91	0.54
U.S. 30-Year Treasury Yield	1.64	1.65	2.38	1.20
High Yield (Merrill U.S. Corporates)	4.80	4.53	4.81	4.59

Commodity Prices as of:	10/30/20	10/23/20	12/31/19	07/30/20
Gold (USD/oz)	1,879.90	1,905.20	1,523.10	1,942.30
Crude Oil (USD/bbl)	35.79	39.85	61.06	39.92
Gasoline (USD/gal)	2.34	2.34	2.75	2.37
Copper (NYM \$/lbs)	3.04	3.13	2.79	2.90

Exchange Rates as of:	10/30/20	10/23/20	12/31/19	07/30/20
\$ per €	1.16	1.18	1.12	1.18
\$ per £	1.29	1.30	1.32	1.30
¥ per \$	104.54	104.83	108.68	105.03

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, November 2	Tuesday, November 3	Wednesday, November 4	Thursday, November 5	Friday, November 6
Markit/JMMA PMI Manufacturing (Oct) Japan	Durable Orders (Sep) U.S.	Markit PMI Services (Oct) U.S.	BoE Official Bank Rate U.K.	Industrial Production (Sep) Germany
Markit/Caixin PMI Manufacturing (Oct) China	Factory Orders (Sep) U.S.	ISM Non Manufacturing (Oct) U.S.	Initial Claims (Oct 31) U.S.	Nonfarm Payrolls (Oct) U.S.
Markit PMI Manufacturing (Oct) Germany	Retail Sales (Sep) Australia	PMI Services (Oct) Japan	Productivity SAAR (3Q20) U.S.	Unemployment Rate (Oct) U.S.
Markit PMI Manufacturing (Oct) U.S.	Markit/ Caixin Services PMI (Oct) China	PMI Composite (Oct) U.S.	Fed Funds Target Rate U.S.	Wholesale Inventories (Sep) U.S.
ISM Manufacturing (Oct) U.S.			Continuing Jobless Claims (Oct 24) U.S.	

Source: FactSet

Earnings Announcements

Monday, November 2	Tuesday, November 3	Wednesday, November 4	Thursday, November 5	Friday, November 6
Paypal Holdings The Estee Lauder Cos. Mondelez International Waste Management Petróleo Brasileiro Itaú Unibanco China Shenhua Energy Deutsche Börse The Clorox Co. Skyworks Solutions	Softbank Corp. NTT DoCoCo Nippon Telegraph China Life Insurance Humana Hoya Corp. Emerson Electric Thomson Reuters Ferrari	Qualcomm Total S.A. MercadoLibre Adidas Baidu Bayer Public Storage MetLife Ahold	Alibaba Group Toyota T-Mobile US AstraZeneca Bristol Myers Squibb Linde Plc Siemens AG Zoetis Inc. Deutsche Telekom Becton Dickinson	Berkshire Hathaway Novo Nordisk CVS Health Corp. Enbridge Inc Marriott International Hershey Company

Source: Zacks Investment Research

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