

Investment Weekly

Voya Investment Management

As of November 13, 2020

Commentary and Statistics

- Global stocks generally finished higher on the week. The Dow Jones Industrial Average and the S&P 500 index registered a second week of gains, whereas the Nasdaq declined. Asian and European markets also were mixed. Energy was the standout among S&P 500 sectors, followed by financials and industrials. Laggards included consumer discretionary, communication services and technology.
- Growth stocks trailed value as investors rotated out of momentum to cyclical, reacting to promising news about the Pfizer/BioNTech coronavirus vaccine candidate. But counterforces to the rotation remained: coronavirus cases surged and the Congressional stalemate over fiscal stimulus dragged on.
- Central bankers suggested there might be more monetary policy accommodation to come, which lifted U.S. Treasury yields. The ten-year note rose from 0.80% to 0.85%, and the two-year rose from 0.16% to 0.18%; the two-to-ten spread thus widened to 67 basis points.
- The Bloomberg Commodities index rose as copper and oil gained, while precious metals declined. The U.S. dollar rose against other major currencies.
- With 92% of S&P 500 companies reporting 3Q20 results, 84% exceeded earnings per share expectations and 78% beat revenue expectations. As of November 13, 2020, Refinitiv estimated the S&P 500's 3Q20 earnings growth rate at -7.4%, likely close to the final result, and its 12-month forward P/E at 22.1. Fossil, Hain Celestial and ZoomInfo Technologies impressed this week; Beyond Meat, Lemonade and Southwest Air disappointed.
- October PPI rose 0.3% versus September's 0.4%, up 0.5% year-over-year. Food and energy led goods; services were more muted, with transportation and warehousing ahead.

Index Prices (\$)		
Index	11/13/20	12/31/19
Dow Jones Industrial Average	29,480	28,538
S&P 500 Index	3,585	3,231

Returns (%)				
U.S. Market Indexes Returns	One Week	MTD	YTD	3-Months
Dow Jones Industrial Average	4.19	11.36	5.37	6.22
S&P 500 Index	2.21	9.74	12.77	6.72
MSCI ACWI Index	2.27	10.05	9.30	6.63
Russell 2000 Index	6.13	13.44	5.76	10.76
Russell MidCap Index	3.22	10.36	8.46	9.74
Bloomberg Barclays U.S. Aggregate Index	-0.14	0.35	6.68	-0.22
Bloomberg Barclays High Yield Bond Index	0.48	2.60	3.76	2.68
United States 20-Year Treasury Bond	-0.89	-0.04	17.97	-3.04
S&P / LSTA Senior Loan Index	0.81	1.90	0.97	1.91

S&P 500 Sector Returns	One Week	MTD	YTD	3-Months
Consumer Discretionary	-1.08	6.23	27.22	5.07
Consumer Staples	3.59	8.38	9.68	6.15
Energy	17.14	18.12	-41.39	-9.11
Financials	8.32	13.27	-10.37	8.32
Health Care	1.86	10.32	11.59	5.25
Industrials	5.39	13.03	6.96	11.53
Materials	1.51	9.25	14.33	10.68
Real Estate	5.27	9.92	-0.94	5.43
Technology	-0.37	9.36	33.56	6.56
Communication Services	0.80	8.45	18.71	8.44
Utilities	3.07	5.99	5.00	9.56

U.S. Returns by Style					
One Week (%)		Year to Date (%)		3-Months (%)	
Large Value	5.7	Large Growth	-1.3	Large Value	7.9
Mid Value	6.0	Mid Growth	-1.5	Mid Value	10.0
Small Value	9.2	Small Growth	3.4	Small Value	10.6
				Large Growth	6.8
				Mid Growth	9.3
				Small Growth	11.0

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	-0.47	0.82	6.69	1.03
MSCI EAFE Index	3.89	12.32	0.59	5.06
MSCI United Kingdom Index	7.73	15.97	-15.66	3.20
MSCI Europe ex-U.K. Index	4.11	13.86	3.87	3.77
MSCI Japan Index	1.77	8.29	6.20	8.24
MSCI AC Asia ex-Japan Index	0.81	6.87	16.06	9.62
MSCI Emerging Markets Index	1.03	7.72	8.96	8.80
JPM EMBI+ Emerging Markets Bond Index	1.07	3.31	3.57	0.61
FTSE EPRA / NAREIT GRE Index	6.85	12.88	-12.05	6.76

Source: FactSet

Headline CPI declined to 0.0% in October and 1.6% YoY. Takeout food, electricity and shelter rose; medical care was a big drag.

- The first November reading of 77 for the University of Michigan's Consumer Sentiment index missed expectations for 81.8. The consumer expectations index fell sharply, attributed to COVID resurgence and the presidential election outcome; the current economic conditions index was little changed.
- Initial jobless claims fell to 709,000 for the week of November 7, below the prior week's 751,000. Continuing claims declined 436,000 to 6.786 million.
- The NFIB's small business optimism index remained at 104.0 in October, unchanged from September. A six-point increase in the uncertainty index to 98 was attributed to election uncertainty and worries about potential future shutdowns due to COVID resurgence.

Bond Rates (%) as of:	11/13/20	11/06/20	12/31/19	08/13/20
U.S. Federal Funds Target Rate	0.25	0.25	1.75	0.25
U.S. Two-Year Treasury Yield	0.18	0.16	1.56	0.17
U.S. Ten-Year Treasury Yield	0.85	0.80	1.91	0.70
U.S. 30-Year Treasury Yield	1.65	1.60	2.38	1.43
High Yield (Merrill U.S. Corporates)	4.28	4.27	4.81	4.64

Commodity Prices as of:	11/13/20	11/06/20	12/31/19	08/13/20
Gold (USD/oz)	1,886.20	1,951.70	1,523.10	1,970.40
Crude Oil (USD/bbl)	40.13	37.14	61.06	42.24
Gasoline (USD/gal)	2.30	2.31	2.75	2.35
Copper (NYM \$/lbs)	3.18	3.15	2.79	2.80

Exchange Rates as of:	11/13/20	11/06/20	12/31/19	08/13/20
\$ per €	1.18	1.19	1.12	1.18
\$ per £	1.32	1.31	1.32	1.31
¥ per \$	104.64	103.31	108.68	106.89

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 16	Tuesday, November 17	Wednesday, November 18	Thursday, November 19	Friday, November 20
GDP (3Q20) Japan	Retail Sales (Oct) U.S.	PPI Output (Oct) U.K.	Initial Claims (Nov 14) U.S.	PPI (Oct) Germany
Industrial Output (Oct) China	Capacity Utilization (Oct) U.S.	Housing Starts (Oct) U.S.	Philadelphia Fed Index (Nov) U.S.	Retail Sales (Oct) U.K.
Empire State Index (Nov) U.S.	Industrial Production (Oct) U.S.	CPI All Items (Oct) Canada	Existing Home Sales (Oct) U.S.	Retail Sales (Sep) Canada
Manufacturing Shipments (Sep) Canada	Business Inventories (Sep) U.S.	Building Permits (Oct) U.S.	Leading Indicators (Oct) U.S.	
	NAHB Housing Market Index (Nov) U.S.		Markit/JMMA PMI Manufacturing (Nov) Japan	

Source: FactSet

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