

# Investment Weekly

## Voya Investment Management

As of December 11, 2020

### Commentary and Statistics

- U.S. stocks broadly retreated and volatility advanced as investors grew skeptical about prospects for another coronavirus relief bill before year-end. Small caps, as measured by the Russell 2000 index, posted gains. Overseas bourses were mixed.
- As stocks retreated, S&P 500 sector leadership realigned. Only energy and communication services posted gains; REITs, financials and technology sustained the biggest losses.
- The risk-off mood lowered U.S. Treasury yields. The ten-year note eased from 0.94% to 0.86%, the two-year note rose from 0.15% to 0.11%. The U.S. dollar interrupted its downward trend to rise against other major currencies.
- The Bloomberg Commodities index continued its upward trend; copper and oil prices again advanced. Gold futures posted slight gains, whereas silver declined.
- November headline PPI rose 0.1% after last month's 0.3%. November's year-over-year reading increased 0.7%, up from October's 0.5%. Core PPI (ex-food and energy) rose 0.1% versus October's 0.1% and was up 1.4% y/y from last month's 1.1%.
- The preliminary December reading of the University of Michigan consumer sentiment index marked 81.4, up 4.5 points from November. The current conditions index rose to 91.8; the expectations index was higher at 74.7.
- Initial jobless claims for the week ended December 5 totaled 853,000 versus the prior week's 716,000. The four-week average rose by 36,000 to 776,000. Continuing claims for the week ended November 28 rose to 5.757 million versus the prior week's 5.527 million, the first increase since August.

Index Prices (\$)		
Index	12/11/20	12/31/19
Dow Jones Industrial Average	30,046	28,538
S&P 500 Index	3,663	3,231

Returns (%)				
U.S. Market Indexes Returns	One Week	MTD	YTD	3-Months
Dow Jones Industrial Average	-0.54	1.50	7.70	9.17
S&P 500 Index	-0.95	1.21	15.39	10.11
MSCI ACWI Index	-0.50	1.92	13.75	11.76
Russell 2000 Index	1.03	5.08	16.02	28.07
Russell MidCap Index	-0.46	2.21	14.33	18.81
Bloomberg Barclays U.S. Aggregate Index	0.35	-0.14	7.21	0.17
Bloomberg Barclays High Yield Bond Index	0.18	0.97	6.15	4.75
United States 20-Year Treasury Bond	2.07	-0.95	18.40	-3.23
S&P / LSTA Senior Loan Index	0.16	0.66	2.42	1.92

S&P 500 Sector Returns	One Week	MTD	YTD	3-Months
Consumer Discretionary	-1.17	-0.85	28.91	5.44
Consumer Staples	-0.28	0.76	9.64	5.12
Energy	1.21	11.76	-29.00	27.77
Financials	-1.74	2.09	-5.56	15.86
Health Care	-0.79	1.78	11.12	7.22
Industrials	-0.51	0.94	10.78	14.87
Materials	-1.18	-0.16	17.55	9.36
Real Estate	-2.87	-0.71	-4.30	2.47
Technology	-1.42	0.68	37.01	10.28
Communication Services	0.10	2.75	23.21	12.16
Utilities	-0.29	-0.97	-1.19	6.49

U.S. Returns by Style					
One Week (%)		Year to Date (%)		3-Months (%)	
Large Value	-0.7	Large Growth	-0.8	Large Value	13.9
Mid Value	-1.0	Mid Growth	0.5	Mid Value	17.2
Small Value	-0.1	Small Growth	2.1	Small Value	28.4
		Large Value	1.3	Large Growth	33.3
		Mid Value	2.7	Mid Growth	31.8
		Small Value	2.3	Small Growth	28.9
		Large Value	10.2	Large Growth	10.2
		Mid Value	21.8	Mid Growth	21.8
		Small Value	27.8	Small Growth	27.8

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	0.35	0.65	8.45	2.45
MSCI EAFE Index	-0.51	1.80	5.31	10.71
MSCI United Kingdom Index	-2.00	3.45	-12.14	12.67
MSCI Europe ex-U.K. Index	-0.98	1.00	7.90	8.02
MSCI Japan Index	0.51	1.68	12.19	13.07
MSCI AC Asia ex-Japan Index	0.21	3.56	21.51	14.72
MSCI Emerging Markets Index	0.54	4.38	15.36	15.53
JPM EMBI+ Emerging Markets Bond Index	0.17	0.76	4.80	2.29
FTSE EPRA / NAREIT GRE Index	-1.49	0.98	-11.11	8.91

Source: FactSet

- November CPI of 0.2% m/m beat expectations for 0.1% following October's 0.0%. The 1.2% y/y rate was unchanged from October. Core CPI (ex-food and energy) of 0.2% also increased after 0.0% the prior month. The 1.6% y/y rate was unchanged from October.
- The NFIB Small Business Optimism index declined 2.6 points in November to 101.4 but remained well above its 47-year historical average reading of 98. The NFIB Uncertainty index decreased 8 points to 90, still a historically high reading.
- Industrial production in Germany increased 3.2% in October, marking the sixth consecutive monthly rise, fueled by a large increase in the auto sector.
- The ZEW Indicator of Economic Sentiment for Germany increased 16 points in December to 55. The assessment of the economic situation worsened to -66.5, 2.2 points lower than November.

Bond Rates (%) as of:	12/11/20	12/04/20	12/31/19	9/11/20
U.S. Federal Funds Target Rate	0.25	0.25	1.75	0.25
U.S. Two-Year Treasury Yield	0.11	0.15	1.56	0.13
U.S. Ten-Year Treasury Yield	0.86	0.94	1.91	0.65
U.S. 30-Year Treasury Yield	1.63	1.73	2.38	1.42
High Yield (Merrill U.S. Corporates)	4.01	3.94	4.81	4.65

Commodity Prices as of:	12/11/20	12/04/20	12/31/19	9/11/20
Gold (USD/oz)	1,843.60	1,840.00	1,523.10	1,947.90
Crude Oil (USD/bbl)	46.57	46.26	61.06	37.33
Gasoline (USD/gal)	2.36	2.33	2.75	2.41
Copper (NYM \$/lbs)	3.52	3.51	2.79	3.03

Exchange Rates as of:	12/11/20	12/04/20	12/31/19	9/11/20
\$ per €	1.21	1.21	1.12	1.18
\$ per £	1.32	1.35	1.32	1.28
¥ per \$	103.94	104.19	108.68	106.20

#### 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, December 14	Tuesday, December 15	Wednesday, December 16	Thursday, December 17	Friday, December 18
Tankan Large Manufacturing Index NSA (4Q20) Japan	ILO Unemployment Rate (Oct) U.K.	Markit PMI Manufacturing SA (Dec) Germany	BoE Official Bank Rate U.K.	PPI NSA (Nov) Germany
Tankan Large Non-Manufacturing Index NSA (4Q20) Japan	Empire State Index SA (Dec) U.S.	Markit PMI Services SA (Dec) Germany	Housing Starts SAAR (Nov) U.S.	Retail Sales SA (Nov) U.K.
Industrial Output NSA (Nov) China	Industrial Production SA (Nov) U.S.	CIPS Manufacturing PMI SA (Dec) U.K.	Initial Claims SA (Dec 12) U.S.	Ifo Current Assessment SA (Dec) Germany
	Markit/JMMA PMI Manufacturing SA (Dec) Japan	CIPS Services PMI SA (Dec) U.K.	Philadelphia Fed Index SA (Dec) U.S.	Leading Indicators SA (Nov) U.S.
		Retail Sales SA (Nov) U.S.	Japan Policy Rate Japan	Retail Sales SA (Oct) Canada
		Markit PMI Manufacturing SA (Dec) U.S.		
		Markit PMI Services SA (Dec) U.S.		
		Business Inventories SA (Oct) U.S.		
		NAHB Housing Market Index SA (Dec) U.S.		
		Fed Funds Target Upper Bound U.S.		

Source: FactSet

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