

Investment Weekly

Voya Investment Management

As of December 31, 2020

Commentary and Statistics

- Global stock markets ended a holiday-shortened week — and a tumultuous year — on an upbeat note. The rally was attributed to hopes for a synchronous global recovery in 2021, as Covid vaccines permit a return to normal economic activity.
- The Dow, NASDAQ and S&P 500 posted solid gains for the week, month, quarter and full-year 2020. The top-performing S&P 500 sectors for the week were utilities, consumer discretionary and communication services; the laggards were energy, industrials and technology.
- The U.S. Treasury yield curve steepened as 2020 wound down. The ten-year note rose from 0.90% to 0.92%; the two-year note eased from 0.13% to 0.11%.
- The U.S. dollar was mixed against major currencies. The Bloomberg Commodities index rose; oil and gold prices gained, while copper ticked down.
- Initial jobless claims for the week ended December 26 fell to 787,000, better than expected. The prior week was revised up by 3,000 to 806,000. Continuing claims fell to 5.219 million, also better than expected; the prior week was revised down by 15,000 to 5.322 million.
- Mastercard data showed a 3% year-over-year (y/y) increase in sales for an extended October 11 – December 24 holiday sales season, with sales up 2.4% for the traditional November 1 – December 24 period. The release noted pandemic-consistent trends of record e-commerce growth and higher spending on home and fitness goods, with much weaker apparel spending.
- December Chicago PMI rose to 59.3, 1.3 points ahead of November. Employment was the strongest component, rising to a one-year high, while prices paid hit the highest level since September 2018.

Index Prices (\$)		
Index	12/31/20	12/31/19
Dow Jones Industrial Average	30,606	28,538
S&P 500 Index	3,756	3,231

Returns (%)				
U.S. Market Indexes Returns	One Week	MTD	YTD	3-Months
Dow Jones Industrial Average	1.35	3.41	9.72	10.73
S&P 500 Index	1.45	3.84	18.40	12.15
MSCI ACWI Index	0.37	4.68	16.24	14.40
Russell 2000 Index	-1.41	8.65	18.21	31.37
Russell MidCap Index	-0.01	4.68	15.18	19.91
Bloomberg Barclays U.S. Aggregate Index	0.22	0.61	7.44	0.67
Bloomberg Barclays High Yield Bond Index	0.50	5.36	7.11	6.45
United States 20-Year Treasury Bond	0.47	-1.20	17.87	-3.02
S&P / LSTA Senior Loan Index	0.18	3.40	2.99	3.39

S&P 500 Sector Returns	One Week	MTD	YTD	3-Months
Consumer Discretionary	1.98	2.53	31.80	8.04
Consumer Staples	1.27	1.78	9.53	6.35
Energy	-0.42	4.40	-33.60	27.77
Financials	1.93	6.28	-3.02	23.22
Health Care	1.89	3.91	13.45	8.03
Industrials	0.76	1.20	8.23	15.68
Materials	1.23	2.54	19.49	14.47
Real Estate	1.93	1.50	-5.39	4.94
Technology	0.91	5.74	41.34	11.81
Communication Services	1.94	3.08	21.75	13.82
Utilities	2.53	0.70	-2.13	6.54

U.S. Returns by Style					
One Week (%)		Year to Date (%)		3-Months (%)	
Large Value	1.3	Large Value	1.4	Large Value	16.3
Mid Value	0.9	Mid Value	3.2	Mid Value	20.4
Small Value	-0.2	Small Value	3.1	Small Value	33.4
Large Growth	0.9	Large Growth	36.4	Large Growth	11.4
Mid Growth	-1.5	Mid Growth	33.6	Mid Growth	19.0
Small Growth	-2.5	Small Growth	32.6	Small Growth	29.6

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	0.50	2.91	9.36	3.28
MSCI EAFE Index	1.39	4.67	9.04	16.89
MSCI United Kingdom Index	2.00	5.46	-9.51	17.27
MSCI Europe ex-U.K. Index	1.05	4.51	12.77	16.16
MSCI Japan Index	1.38	4.15	14.50	15.77
MSCI AC Asia ex-Japan Index	4.80	6.84	26.83	19.97
MSCI Emerging Markets Index	4.32	7.40	19.90	20.98
JPM EMBI+ Emerging Markets Bond Index	0.33	3.74	5.90	5.49
FTSE EPRA / NAREIT GRE Index	1.53	9.44	-9.16	12.81

Source: FactSet

■ The National Association of Realtors' pending home sales index fell 2.6% in November to 125.7, missing estimates for a 1.0% contraction and marking its third straight monthly decline. Nevertheless, signings rose 16.4% y/y.

■ China's official manufacturing PMI fell in December to 51.9, down from 52.1 in November. The official non-manufacturing PMI also slipped in December, to 55.7, lower than November's 56.4 reading. Both PMIs remained above the 50-mark, indicating expansion.

■ Despite support from President Trump and a handful of GOP Senators, the Congressional measure to increase stimulus checks from \$600 to \$2,000 appeared likely to die in the Senate. The measure might resurface should the Senate balance of power shift in the aftermath of the Georgia run-off elections.

Bond Rates (%) as of:	12/31/20	12/24/20	12/31/19	09/30/20
U.S. Federal Funds Target Rate	0.25	0.25	1.75	0.25
U.S. Two-Year Treasury Yield	0.11	0.13	1.56	0.13
U.S. Ten-Year Treasury Yield	0.92	0.90	1.91	0.66
U.S. 30-Year Treasury Yield	1.64	1.67	2.38	1.45
High Yield (Merrill U.S. Corporates)	3.86	3.98	4.81	4.89

Commodity Prices as of:	12/31/20	12/24/20	12/31/19	09/30/20
Gold (USD/oz)	1,895.10	1,883.20	1,523.10	1,895.50
Crude Oil (USD/bbl)	48.52	48.23	61.06	40.22
Gasoline (USD/gal)	2.39	2.39	2.75	2.35
Copper (NYM \$/lbs)	3.51	3.56	2.79	3.03

Exchange Rates as of:	12/31/20	12/24/20	12/31/19	09/30/20
\$ per €	1.22	1.22	1.12	1.17
\$ per £	1.37	1.35	1.32	1.29
¥ per \$	103.25	103.63	108.68	105.53

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, January 04	Tuesday, January 05	Wednesday, January 06	Thursday, January 07	Friday, January 08
Markit/JMMA PMI Manufacturing (Dec) Japan	Retail Sales (Nov) Germany	Markit PMI Services (Dec) Germany	Manufacturing Orders (Nov) Germany	Loan Growth (Dec) China
Markit/Caixin PMI Manufacturing (Dec) China	ISM Manufacturing (Dec) U.S.	CIPS Services PMI (Dec) U.K.	Manufacturing Turnover (Nov) Germany	Leading Index (Nov) Japan
Markit PMI Manufacturing (Dec) Germany	ISM Non Manufacturing (Dec) U.S.	Markit PMI Services (Dec) U.S.	CIPS Construction PMI (Dec) U.K.	Industrial Production (Nov) Germany
CIPS Manufacturing PMI (Dec) U.K.	Markit/ Caixin Services PMI (Dec) China	Durable Orders (Nov) U.S.	Initial Claims (Jan 2) U.S.	Nonfarm Payrolls (Dec) U.S.
Markit PMI Manufacturing (Dec) U.S.		Factory Orders (Nov) U.S.		Unemployment Rate (Dec) U.S.

Source: FactSet

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