

# Investment Weekly

## Voya Investment Management

As of February 12, 2021

### Commentary and Statistics

- U.S. stocks advanced, buoyed by progress toward fresh stimulus, better than expected corporate earnings and widening rollouts of COVID-19 vaccines. Asian and European markets also gained.
- S&P 500 sectors had mixed results. The leaders were cyclically oriented, including energy, technology and financials; the laggards were utilities, consumer discretionary and consumer staples.
- Inflation expectations continued to widen the U.S. Treasury yield curve in a “bear steepener,” as the long end rose faster than the short. The 30-year bond broke above 2% and the 10-year note breached 1.2%; the two-year ticked up to 0.10%.
- The U.S. dollar index declined. The Bloomberg Commodities index rose; copper, oil and precious metals gained, whereas agricultural commodities pulled back.
- With 74% of S&P 500 companies reporting 4Q20 results, 82% exceeded earnings per share expectations and 76% beat revenue expectations. As of February 12, 2021, Refinitiv estimated the S&P 500’s 4Q20 earnings growth at 3.4% and its 12-month forward P/E at 22.6. Hanesbrands, Lyft and Zillow impressed this week; Assurant, Carrier Global and Molson Coors disappointed.
- The University of Michigan index of consumer sentiment dropped from 79.0 in January to 76.2 in February, a six-month low. The decline was attributed to lowered expectations among households with annual incomes below \$75,000. The assessment of current conditions also decreased.
- Initial jobless claims totaled 793,000 for the week ended February 6, lower than the upwardly revised 812,000 of the prior week. Continuing claims for the week ended January 30 fell to 4.55 million versus the prior week’s 4.69 million.

Index Prices (\$)		
Index	02/12/21	12/31/20
Dow Jones Industrial Average	31,458	30,606
S&P 500 Index	3,935	3,756

Returns (%)				
U.S. Market Indexes Returns	One Week	MTD	YTD	3-Months
Dow Jones Industrial Average	1.11	5.05	3.00	8.77
S&P 500 Index	1.28	6.01	4.94	11.69
MSCI ACWI Index	1.77	6.17	5.72	13.86
Russell 2000 Index	2.54	10.45	16.01	34.36
Russell MidCap Index	2.87	8.61	8.32	19.06
Bloomberg Barclays U.S. Aggregate Index	-0.13	-0.52	-1.23	-0.47
Bloomberg Barclays High Yield Bond Index	0.30	1.01	1.34	4.62
United States 20-Year Treasury Bond	-0.61	-3.17	-6.80	-6.66
S&P / LSTA Senior Loan Index	0.14	0.33	1.31	3.18

S&P 500 Sector Returns	One Week	MTD	YTD	3-Months
Consumer Discretionary	-1.25	4.67	5.09	11.58
Consumer Staples	-0.07	2.47	-2.82	-0.54
Energy	4.92	13.62	17.92	38.52
Financials	2.04	8.80	6.98	19.20
Health Care	1.40	1.91	3.36	6.47
Industrials	1.49	6.46	1.88	8.07
Materials	1.10	5.02	2.51	10.07
Real Estate	1.14	4.33	4.89	5.96
Technology	2.32	7.37	6.38	15.60
Communication Services	1.33	8.68	7.28	13.14
Utilities	-1.54	0.74	-0.19	-3.49

U.S. Returns by Style					
One Week (%)		Year to Date (%)		3-Months (%)	
Large Value 1.9	Large Growth 1.3	Large Value 5.7	Large Growth 5.6	Large Value 14.0	Large Growth 13.5
Mid Value 2.7	Mid Growth 3.2	Mid Value 7.9	Mid Growth 9.1	Mid Value 18.0	Mid Growth 20.9
Small Value 2.9	Small Growth 2.2	Small Value 15.5	Small Growth 16.5	Small Value 33.5	Small Growth 35.2

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	0.29	-0.45	-1.32	1.14
MSCI EAFE Index	2.09	4.91	3.80	11.55
MSCI United Kingdom Index	2.46	3.51	3.26	9.52
MSCI Europe ex-U.K. Index	1.76	4.58	2.71	10.59
MSCI Japan Index	2.94	6.74	5.67	13.44
MSCI AC Asia ex-Japan Index	2.54	7.66	12.08	21.80
MSCI Emerging Markets Index	2.41	7.49	10.81	21.35
JPM EMBI+ Emerging Markets Bond Index	-0.20	0.31	-0.90	1.38
FTSE EPRA / NAREIT GRE Index	1.89	4.17	3.04	7.61

Source: FactSet

- January CPI of 0.3% m/m surpassed last month's 0.2%. The 1.4% y/y rate was unchanged from December. Gasoline rose 7.4%, while food was up only 0.1%. Core CPI (excluding food and energy) was unchanged at 0.03% m/m, 1.4% y/y.
- The NFIB Optimism index declined to 95.0 in January, down from 95.9 in December. The NFIB Uncertainty index decreased 2 points to 80.
- The U.K. economy shrank 9.9% in 2020 — the largest yearly decline among the G7 economies, and according to the Bank of England, Britain's worst economic slump since the Great Frost of 1709. On a happier note, U.K. GDP grew at a 4% annualized rate in 4Q20, aided by government spending.

Bond Rates (%) as of:	02/12/21	02/05/21	12/31/20	11/12/20
U.S. Federal Funds Target Rate	0.25	0.25	0.25	0.25
U.S. Two-Year Treasury Yield	0.10	0.09	0.11	0.18
U.S. Ten-Year Treasury Yield	1.13	1.12	0.87	0.85
U.S. 30-Year Treasury Yield	2.00	1.97	1.64	1.65
High Yield (Merrill U.S. Corporates)	3.84	3.87	3.86	4.27

Commodity Prices as of:	02/12/21	02/05/21	12/31/20	11/12/20
Gold (USD/oz)	1,823.20	1,813.00	1,895.10	1,873.30
Crude Oil (USD/bbl)	59.47	56.85	48.52	41.12
Gasoline (USD/gal)	2.65	2.61	2.42	2.30
Copper (NYM \$/lbs)	3.80	3.64	3.51	3.14

Exchange Rates as of:	02/12/21	02/05/21	12/31/20	11/12/20
\$ per €	1.21	1.20	1.22	1.18
\$ per £	1.38	1.37	1.37	1.31
¥ per \$	104.98	105.46	103.25	105.13

## 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, February 15	Tuesday, February 16	Wednesday, February 17	Thursday, February 18	Friday, February 19
<b>ZEW Current Situation (Feb)</b> Germany	<b>PPI SA (Jan)</b> U.S.	<b>Retail Sales SA (Jan)</b> U.S.		<b>Retail Sales SA (Jan)</b> U.K.
<b>ZEW Economic Sentiment (Feb)</b> Germany		<b>NAHB Housing Market Index SA (Feb)</b> U.S.		<b>PMI Composite SA (Feb)</b> U.S.
<b>Empire State Index SA (Feb)</b> U.S.		<b>Philadelphia Fed Index SA (Feb)</b> U.S.		
		<b>Markit/JMMA PMI Manufacturing SA (Feb)</b> Japan		
		<b>Markit PMI Manufacturing SA (Feb)</b> Germany		
		<b>Existing Home Sales SAAR (Jan)</b> U.S.		

Source: FactSet

## Earnings Announcements

Monday, February 15	Tuesday, February 16	Wednesday, February 17	Thursday, February 18	Friday, February 19
Murata Manufacturing Bridgestone Kerry Group Liberty Global Service Corp. Desktop Metal Konica Minolta	Medtronic HSBC Holdings CVS Health Corp. Deutsche Telekom Zoetis Inc. Ecolab Inc. Glencore Agilent Technologies Ringcentral Occidental Petroleum	Shopify Baidu Twilio Analog Devices Synopsys Lloyds Banking Group Hilton Worldwide Copart	Walmart Ping An Insurance Royal Bank of Canada Applied Materials Vale Petroleo Brasileiro Southern Company AXA Roku	Deere & Company DTE Energy Magna International Kion Group ITT Inc. Balchem Corp. Portland General Electric Barnes Group Cinemark

Source: Zacks Investment Research

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