

Investment Weekly

Voya Investment Management

As of February 19, 2021

Commentary and Statistics

- Stock markets saw mixed results as volatility ticked up. The Dow Jones Industrial Average advanced; the S&P 500, NASDAQ Composite and Russell 2000 indexes retreated.
- S&P 500 sector leaders included energy, financials and materials; laggards included healthcare, utilities and technology.
- Braced by stronger than expected earnings and expectations that the U.S. economy will continue to accelerate, investors sold government bonds and bought cyclically-sensitive sectors and value stocks.
- The U.S. Treasury yield curve continued its YTD widening. The 30-year bond reached 2.14%, the 10-year note rose to 1.28%; the two-year ticked down to 0.10%.
- After a midweek spike, the U.S. dollar index fell. The Bloomberg Commodities index continued to climb on the bullish outlook; copper futures gained, oil futures were unchanged and precious metals declined.
- With almost 80% of S&P 500 companies reporting 4Q20 results, 82% exceeded earnings per share expectations and 76% beat revenue expectations. As of February 19, 2021, Refinitiv estimated the S&P 500's 4Q20 earnings growth at 3.7% and its 12-month forward P/E at 22.5. Agilent Technologies, Stamps.com and Twilio impressed this week; CVS Health, Ecolab and Vonage disappointed.
- January retail sales printed 5.3%, up from December's -1%. Top gainers included food services, gasoline and motor vehicles.
- The IHS Markit Flash U.S. Composite PMI Output index rose to 58.8 in February, from 58.7 in January; the Flash U.S. Services Business Activity index read 58.9, up from 58.3 in January; both readings marked their sharpest upturns since March 2015. By contrast, Flash U.S.

Index Prices (\$)		
Index	02/19/21	12/31/20
Dow Jones Industrial Average	31,494	30,606
S&P 500 Index	3,907	3,756

Returns (%)				
U.S. Market Indexes Returns	One Week	MTD	YTD	3-Months
Dow Jones Industrial Average	0.16	5.22	3.17	7.33
S&P 500 Index	-0.68	5.29	4.23	9.49
MSCI ACWI Index	-0.33	5.82	5.37	11.78
Russell 2000 Index	-0.98	9.37	14.88	27.36
Russell MidCap Index	-0.12	8.47	8.18	15.27
Bloomberg Barclays U.S. Aggregate Index	-0.57	-1.09	-1.80	-1.47
Bloomberg Barclays High Yield Bond Index	-0.05	0.96	1.30	3.94
United States 20-Year Treasury Bond	-2.56	-5.65	-9.18	-10.19
S&P / LSTA Senior Loan Index	0.05	0.38	1.37	3.04

S&P 500 Sector Returns	One Week	MTD	YTD	3-Months
Consumer Discretionary	-0.52	4.13	4.55	9.11
Consumer Staples	-1.12	1.33	-3.91	-2.21
Energy	3.46	17.55	22.00	30.12
Financials	2.83	11.87	10.00	18.93
Health Care	-2.45	-0.59	0.83	5.47
Industrials	0.78	7.29	2.68	4.50
Materials	0.93	5.99	3.46	7.95
Real Estate	-0.72	3.58	4.13	3.77
Technology	-1.87	5.36	4.39	12.25
Communication Services	-0.93	7.68	6.28	11.08
Utilities	-1.94	-1.22	-2.12	-2.51

U.S. Returns by Style					
One Week (%)		Year to Date (%)		3-Months (%)	
Large Value	0.3	Large Value	6.1	Large Value	11.4
Mid Value	0.5	Mid Value	8.4	Mid Value	14.4
Small Value	0.1	Small Value	15.6	Small Value	26.2
Large Growth	-1.7	Large Growth	3.8	Large Growth	10.6
Mid Growth	-1.3	Mid Growth	7.7	Mid Growth	17.0
Small Growth	-2.0	Small Growth	14.2	Small Growth	28.5

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	-0.63	-1.07	-1.94	-0.14
MSCI EAFE Index	0.28	5.20	4.08	10.46
MSCI United Kingdom Index	2.08	5.67	5.41	11.06
MSCI Europe ex-U.K. Index	-0.08	4.50	2.64	9.41
MSCI Japan Index	-0.53	6.17	5.11	11.18
MSCI AC Asia ex-Japan Index	0.22	7.90	12.34	20.24
MSCI Emerging Markets Index	0.09	7.58	10.91	19.59
JPM EMBI+ Emerging Markets Bond Index	-1.06	-0.75	-1.96	0.00
FTSE EPRA / NAREIT GRE Index	-0.35	3.80	2.68	5.27

Source: FactSet

Manufacturing PMI slipped from 59.2 in January to 58.5 in February.

- Initial jobless claims totaled 861,000 for the week ended February 13, above the prior week's upwardly revised 848,000. Continuing claims for the week ended February 6 declined to 4.49 million, from the prior week's upwardly revised 4.56 million.
- January housing starts registered 1.58 million SAAR, below December's 1.68 million. By contrast, building permits totaled 1.88 million SAAR against December's 1.70 million pace.
- The Philadelphia Fed manufacturing survey registered 23.1 in February, below January's 26.5. Business activity and new orders ticked lower, but employment broadened.
- The New York Fed Empire manufacturing survey accelerated to 12.1 in February following January's 3.5 reading. New orders picked up while shipments decelerated slightly.
- PPI rose 1.3% in January, its largest gain since 2009; PPI ex-food and energy gained 1.2%.

Bond Rates (%) as of:	02/19/21	02/12/21	12/31/20	11/19/20
U.S. Federal Funds Target Rate	0.25	0.25	0.25	0.25
U.S. Two-Year Treasury Yield	0.10	0.10	0.11	0.17
U.S. Ten-Year Treasury Yield	1.28	1.13	0.87	0.82
U.S. 30-Year Treasury Yield	2.14	2.00	1.64	1.58
High Yield (Merrill U.S. Corporates)	3.90	3.84	3.86	4.19

Commodity Prices as of:	02/19/21	02/12/21	12/31/20	11/19/20
Gold (USD/oz)	1,777.40	1,823.20	1,895.10	1,861.50
Crude Oil (USD/bbl)	59.26	59.47	48.52	41.90
Gasoline (USD/gal)	2.70	2.65	2.42	2.31
Copper (NYM \$/lbs)	4.09	3.80	3.51	3.20

Exchange Rates as of:	02/19/21	02/12/21	12/31/20	11/19/20
\$ per €	1.21	1.21	1.22	1.18
\$ per £	1.40	1.38	1.37	1.32
¥ per \$	105.63	104.98	103.25	103.90

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 22	Tuesday, February 23	Wednesday, February 24	Thursday, February 25	Friday, February 26
Ifo Current Assessment SA (Feb) Germany	ILO Unemployment Rate (Dec) U.K.	GDP SA (4Q20) Germany	Leading Index (Dec) Japan	Personal Consumption Expenditure SA (Jan) U.S.
Ifo Expectations SA (Feb) Germany	FHFA Home Price Index (Dec) U.S.	New Home Sales SAAR (Jan) U.S.	GfK Consumer Confidence SA (Mar) Germany	Personal Income SA (Jan) U.S.
Leading Indicators SA (Jan) U.S.	Consumer Confidence (Feb) U.S.		Durable Orders SA (Jan) U.S.	Wholesale Inventories SA (Jan) U.S.
Chicago Fed National Activity Index (Jan) U.S.	S&P/Case-Shiller comp.20 HPI (Dec) U.S.		Initial Claims SA (Feb 2) U.S.	Chicago PMI SA (Feb) U.S.
	Richmond Fed Index (Feb) U.S.		Pending Home Sales (Jan) U.S.	Michigan Sentiment NSA (Feb) U.S.
			CPI Tokyo SA (Feb) Japan	

Source: FactSet

Earnings Announcements

Monday, February 22	Tuesday, February 23	Wednesday, February 24	Thursday, February 25	Friday, February 26
Mercadolibre Murata Manufacturing Cadence Design Systems Palo Alto Networks Williams Companies Michelin Occidental Petroleum Discovery	The Home Depot Medtronic Intuit Daimler Bank Of Nova Scotia Exelon Thomson Reuters	Nvidia Lowes Companies Rio Tinto The Tjx Companies Danone Public Storage Ansys	Salesforce.com Anheuserbusch Inbev Airbnb Toronto Dominion Bank Moderna Autodesk Reckitt Benckiser Group Vmware Dell Technologies	Berkshire Hathaway BASF Banco Santander Liberty Broadband Draftkings Liberty Media

Source: Zacks Investment Research

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