

Investment Weekly

Voya Investment Management

As of February 26, 2021

Commentary and Statistics

- Global stock markets retreated, and volatility intensified. Expectations that faster economic growth would drive interest rates higher prompted a broad shift — away from growth and momentum towards cyclical and value styles. The major U.S. indexes declined for the week but saw monthly gains.
- The shift away from bonds continued and the U.S. Treasury yield curve climbed; the ten-year T-note broke above 1.5% and the two-year spiked to 0.18%, though both eased by Friday's close.
- The U.S. dollar index rose for the week. The Bloomberg Commodities index was flat; oil futures gained, copper was flat and precious metals declined.
- As of February 26, 2021, nearly 96% of S&P 500 companies had reported 4Q20 results; 80% beat EPS and 74% beat revenue expectations. Refinitiv estimated the S&P 500's 4Q20 earnings growth at 4.2% and 12-month forward P/E at 22.0, which were likely to be close to the final results. Airbnb, Macy's and ZoomInfo Technologies impressed this week; Best Buy, Cracker Barrel and Domino's Pizza disappointed.
- For the week ended February 20, initial jobless claims fell 131,000 w/w to 730,000. Continuing claims fell 101,000 w/w to 4.419 million.
- The University of Michigan's index of consumer sentiment dropped from 79.0 in January to 76.8 in February. Both sub-indexes declined: current economic conditions from 86.7 to 86.2 and consumer expectations from 74.0 to 70.7. The drop was attributed to households with annual incomes below \$75,000.
- U.S. household income rose 10% in January, the second largest rise on record, almost entirely due to federal pandemic relief aid. Personal spending rose 2.4%, the first increase in three months; much of it went to big-ticket items but spending on services also rose.

Index Prices (\$)		
Index	02/26/21	12/31/20
Dow Jones Industrial Average	30,932	30,606
S&P 500 Index	3,811	3,756

Returns (%)				
U.S. Market Indexes Returns	One Week	MTD	YTD	3-Months
Dow Jones Industrial Average	-1.70	3.43	1.41	4.11
S&P 500 Index	-2.41	2.76	1.72	5.42
MSCI ACWI Index	-3.28	2.35	1.91	6.17
Russell 2000 Index	-2.87	6.23	11.58	19.60
Russell MidCap Index	-2.68	5.57	5.29	9.86
Bloomberg Barclays U.S. Aggregate Index	-0.36	-1.44	-2.15	-1.75
Bloomberg Barclays High Yield Bond Index	-0.59	0.37	0.70	2.72
United States 20-Year Treasury Bond	-0.05	-5.70	-9.23	-9.51
S&P / LSTA Senior Loan Index	-0.05	0.33	1.32	2.48

S&P 500 Sector Returns	One Week	MTD	YTD	3-Months
Consumer Discretionary	-4.86	-0.93	-0.53	1.56
Consumer Staples	-2.71	-1.41	-6.51	-4.87
Energy	4.34	22.66	27.30	24.19
Financials	-0.34	11.49	9.63	13.81
Health Care	-1.53	-2.11	-0.72	4.45
Industrials	-0.38	6.89	2.29	2.33
Materials	-2.00	3.87	1.39	3.56
Real Estate	-1.97	1.54	2.08	2.56
Technology	-3.94	1.21	0.28	7.27
Communication Services	-1.39	6.18	4.81	7.88
Utilities	-4.96	-6.12	-6.98	-8.58

U.S. Returns by Style					
One Week (%)		Year to Date (%)		3-Months (%)	
Large Value	-1.0	Large Growth	-4.4	Large Value	7.8
Mid Value	-0.9	Mid Growth	-5.9	Mid Value	10.5
Small Value	-0.4	Small Growth	-5.2	Small Value	20.4
				Large Growth	4.7
				Mid Growth	8.6
				Small Growth	18.9

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	-0.66	-1.72	-2.59	-1.05
MSCI EAFE Index	-2.79	2.26	1.18	5.25
MSCI United Kingdom Index	-1.96	3.60	3.35	7.52
MSCI Europe ex-U.K. Index	-2.27	2.12	0.30	5.04
MSCI Japan Index	-4.38	1.52	0.51	3.45
MSCI AC Asia ex-Japan Index	-6.17	1.25	5.41	10.37
MSCI Emerging Markets Index	-6.33	0.77	3.89	9.35
JPM EMBI+ Emerging Markets Bond Index	-1.82	-2.56	-3.75	-2.00
FTSE EPRA / NAREIT GRE Index	0.41	4.23	3.10	4.90

Source: FactSet

- Led by improvements in personal consumption, the Chicago Fed national activity index increased to 0.66 in January from 0.41 in December. Contributions of production- and employment-related indicators declined. A positive index value implies the economy is growing at an above-average rate.
- Headline durable goods orders rose 3.4% in January, above December's 1.2%. "Core" orders, excluding defense and aircraft, rose 0.5%, below the prior month's 1.5%.
- January pending home sales fell 2.8%, which National Association of Realtors economists blamed on tight inventories.

Bond Rates (%) as of:	02/26/21	02/19/21	12/31/20	11/26/20
U.S. Federal Funds Target Rate	0.25	0.25	0.25	0.25
U.S. Two-Year Treasury Yield	0.13	0.10	0.11	0.15
U.S. Ten-Year Treasury Yield	1.42	1.28	0.87	0.85
U.S. 30-Year Treasury Yield	2.19	2.14	1.64	1.62
High Yield (Merrill U.S. Corporates)	4.18	3.90	3.86	4.12

Commodity Prices as of:	02/26/21	02/19/21	12/31/20	11/26/20
Gold (USD/oz)	1,728.80	1,777.40	1,895.10	1,805.50
Crude Oil (USD/bbl)	61.50	59.26	48.52	45.71
Gasoline (USD/gal)	2.82	2.70	2.42	2.31
Copper (NYM \$/lbs)	4.09	4.09	3.51	3.31

Exchange Rates as of:	02/26/21	02/19/21	12/31/20	11/26/20
\$ per €	1.21	1.21	1.22	1.19
\$ per £	1.40	1.40	1.37	1.33
¥ per \$	106.54	105.63	103.25	104.28

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, March 01	Tuesday, March 02	Wednesday, March 03	Thursday, March 04	Friday, March 05
Markit PMI Manufacturing SA (Feb) Germany	Markit PMI Services SA (Feb) Germany	Initial Claims SA (Feb 27) U.S.	Industrial Production NSA (Jan) Korea	PMI Composite SA (Feb) U.S.
Markit PMI Manufacturing SA (Feb) U.S.	CIPS Services PMI SA (Feb) U.K.	Nonfarm Payrolls SA (Feb) U.S.		FED Beige Book U.S.
ISM Manufacturing SA (Feb) U.S.	Markit PMI Services SA (Feb) U.S.	Unemployment Rate (Feb) U.S.		Continuing Jobless Claims SA (Feb 20) U.S.
Industrial Production (Jan) Korea	ISM Non-Manufacturing SA (Feb) U.S.	Consumer Credit SA (Jan) U.S.		
GDP SAAR (4Q20) Canada	GDP NSA (4Q20) Korea			
Markit/ Caixin Services PMI (Feb) China				

Source: FactSet

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