

# Global Perspectives Weekly

For the week ended June 14, 2024

## Commentary

- **Cooler inflation and the FOMC meeting drove markets this week.**
- **U.S. equities were mixed as the S&P 500 and Nasdaq posted gains.** Breadth was again narrow as large tech led the way and concerns around market concentration were again in focus. Europe was down while Asia and emerging markets were up.
- **Treasuries rallied across the curve,** as 2yr and 10yr yields fell to the lowest level since early April.
- The Fed made no changes at its June FOMC meeting, keeping the benchmark rate at 5.25-5.50% as expected. However, **the dot plot showed a median forecast for just one cut this year,** down from three in the March projection. Projected cuts were pushed into 2025. Consensus still projects two cuts this year, with the year-end median fed funds rate of 4.96%.
- Lots of inflation data came in this week: **May CPI and PPI were cooler than expected.** The Michigan Consumer Sentiment survey also came in weaker than anticipated, although the market was hoping for a lower inflation forecast that what it showed.
- **Initial jobless claims rose to the highest level since last August** and continuing claims increased the most since the end of 2021. Any sign of labor softness may support a sooner rate cut.
- **The dollar index was up.** Gold and crude oil also rose.
- **1Q24 earnings:** Of the 100% of S&P companies that reported through 6/14, the earnings growth rate was 8.1%. The revenue growth rate was 3.9%. 79% of S&P companies reported above consensus earnings while 61% surpassed sales expectations. Analysts have also increased earnings estimates for the second quarter.

## Market data

Index prices (\$)	06/14/24	12/29/23
Dow Jones Industrial Average	38,589	37,690
S&P 500	5,432	4,770

Returns (%)	1wk	QTD	YTD	3mo
<b>Equities</b>				
S&P 500	1.32	3.69	14.63	5.82
S&P Mid Cap 400	-1.06	-4.66	4.83	-0.67
S&P Small Cap 600	-1.39	-5.02	-2.69	-0.24
Russell 1000	1.14	2.88	13.47	5.13
Russell MidCap	-0.83	-4.11	4.13	-0.60
Russell 2000	-1.25	-5.31	-0.40	-0.88
Dow Jones Industrial Average	-0.72	-2.65	3.32	-0.40
NASDAQ Composite	2.89	8.18	18.25	9.88

<b>Fixed income</b>				
Bloomberg U.S. Aggregate	1.46	0.87	0.09	1.76
Bloomberg Global Aggregate	1.00	-0.42	-2.48	-0.29
Bloomberg High Yield Bond	0.28	0.84	2.33	1.42
S&P / LSTA Senior Loan	-0.10	2.00	4.01	1.93
JPM EMBI+ Emerging Markets Bond	1.40	0.68	3.02	2.06

<b>S&amp;P 500 sectors</b>				
Technology	6.12	15.05	29.64	15.42
Materials	-0.78	-4.21	4.36	-1.54
Consumer discretionary	-0.24	-2.26	2.61	0.02
Health care	-0.67	-1.27	7.46	0.37
Utilities	-1.28	6.54	11.40	11.37
Consumer staples	-0.85	1.02	8.62	2.92
Energy	-2.99	-6.71	6.06	-2.74
Financials	-1.59	-3.49	8.53	-0.04
Industrials	-1.27	-3.85	6.71	-0.36
Communication services	0.30	7.19	24.15	10.16
Real Estate	1.03	-2.54	-3.08	-0.59

<b>Equity style performance</b>				
Large cap value	-1.36	-3.13	5.57	0.26
Large cap growth	3.08	7.87	20.18	9.07
Mid cap value	-1.15	-4.10	3.78	-0.04
Mid cap growth	-0.03	-4.12	4.98	-1.91
Small cap value	-1.68	-6.07	-3.34	-0.47
Small cap growth	-0.84	-4.55	2.68	-1.28

<b>International equities</b>				
MSCI EAFE	-2.21	-0.50	5.29	0.42
MSCI U.K.	-1.45	3.51	6.73	5.33
MSCI Europe ex-U.K.	-2.78	-0.32	5.72	-0.11
MSCI Japan	-1.82	-4.21	5.99	-1.81
MSCI AC Asia ex-Japan	0.86	7.02	9.29	5.73
MSCI Emerging Markets	0.77	4.27	6.53	3.65
MSCI ACWI	0.35	2.38	10.84	3.92

Source: FactSet.

**Economic calendar**

Date	Country/Region	Event
06/17/24	U.S.	Empire State Index (Jun)
06/18/24	Eurozone	CPI (May)
	Germany	ZEW Economic Sentiment (Jun)
	U.S.	Retail Sales (May)
	U.S.	Capacity Utilization (May)
	U.S.	Industrial Production (May)
06/19/24	U.K.	CPI Core (May)
	U.K.	PPI Output (May)
	U.S.	NAHB Housing Market Index (Jun)
06/20/24	U.S.	Housing Starts (May)
	U.S.	Initial Claims (06/15)
	U.S.	Philadelphia Fed Index (Jun)
	Eurozone	Consumer Confidence Indicator (Jun)
06/21/24	Japan	CPI (May)
	Japan	Markit/JMMA PMI Manufacturing (Jun)
	U.K.	Retail Sales (May)
	Germany	Markit PMI Services/Manufacturing (Jun)
	Eurozone	Markit PMI Services/Manufacturing (Jun)
	U.K.	CIPS Manufacturing/Services PMI (Jun)
	U.S.	Markit PMI Services/Manufacturing (Jun)
	U.S.	Existing Home Sales (May)
	U.S.	Leading Indicators (May)

Source:FactSet.

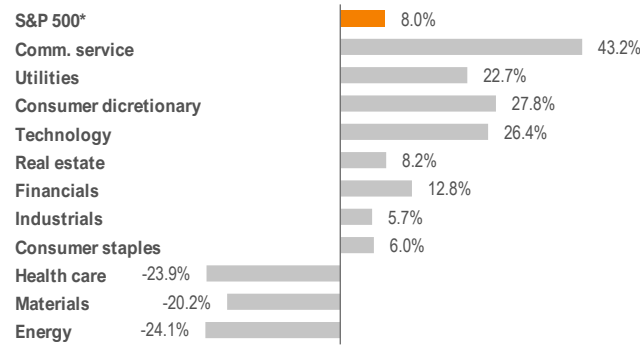
**Market data, cont'd**

As of:	Last close	Prior week	Year end	3 mos ago
<b>U.S. bond rates (%)</b>				
U.S. federal funds target rate	5.50	5.50	5.50	5.50
U.S. 2yr Treasury	4.69	4.88	4.25	4.68
U.S. 10yr Treasury	4.21	4.47	3.89	4.30
U.S. 20yr Treasury	4.46	4.68	4.19	4.54
U.S. 30yr Treasury	4.34	4.59	4.05	4.44
High yield (Merrill U.S. Corporates)	7.15	7.23	6.98	7.22
<b>Consumer rates (%)</b>				
30yr mortgage rate	7.29	7.34	6.99	7.09
Prime rate	8.50	8.50	8.50	8.50
<b>Commodities (\$)</b>				
Gold (USD/oz)	2,349	2,327	2,071	2,167
Crude oil (USD/bbl)	78.05	77.74	71.65	81.26
Copper (LME \$/mt)	9,650	9,694	8,476	8,791
Gasoline (USD/gal)	3.71	3.82	3.36	3.58
<b>Exchange rates</b>				
\$ per €	1.07	1.07	1.10	1.09
\$ per £	1.27	1.27	1.27	1.27
¥ per \$	157.38	156.91	140.98	148.19
U.S. Dollar Index	105.55	105.15	101.33	103.36

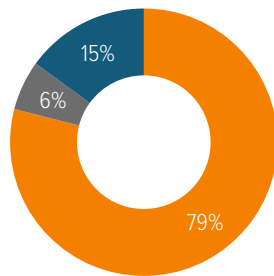
Source: FactSet.

1Q24 S&P 500 earnings dashboard

Growth rates

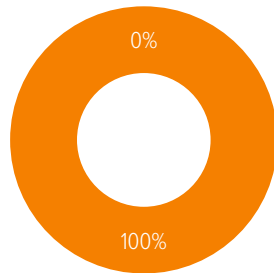


■ Above ■ Match ■ Below



	Above	Match	Below
S&P 500	79%	6%	15%
Consumer disc.	79%	2%	19%
Consumer staples	86%	5%	8%
Energy	64%	9%	27%
Financials	76%	6%	19%
Health care	89%	2%	9%
Industrials	80%	6%	14%
Materials	68%	7%	25%
Real estate	68%	23%	10%
Technology	91%	2%	8%
Comm. service	79%	0%	21%
Utilities	58%	13%	29%

■ Reported ■ Remaining



	Reported	Remaining
S&P 500	498	2
Consumer disc.	52	0
Consumer staples	37	1
Energy	22	0
Financials	70	1
Health care	64	0
Industrials	79	0
Materials	28	0
Real estate	31	0
Technology	65	0
Comm. service	19	0
Utilities	31	0

As of 06/14/24. Source: London Stock Exchange Group, Institutional Brokers' Estimate System. Above, Match and Below are showing the percentage of constituents that beat, matched or missed analyst expectations on the day of reporting. \*Please note that a one-time charge related to Bristol Myers Squibb has impacted the overall index growth rate. When excluding Bristol Myers Squibb from the index, the S&P 500 1Q24 adjusted earnings growth rate improves from 2.7% to 5.8%.

Voya Global Perspectives Market Models positioning

Current positioning

Following 4Q23 positive earnings growth for S&P 500 companies, the models remain with a base posture.

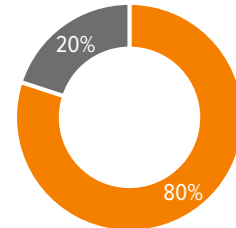
Upcoming positioning

1Q24 positioning will be announced and commence in early July.

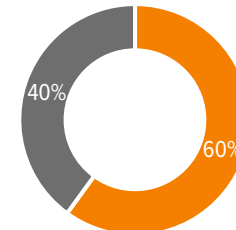
Base positioning

■ Equity ■ Fixed Income

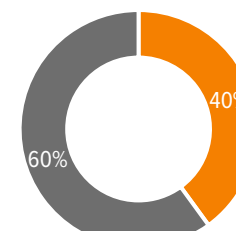
Global Aggressive Growth



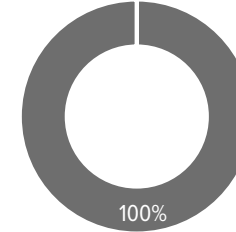
Global Moderate Growth



Global Conservative Growth



Global income



Source: Voya IM.

Principal Risks

All investing involves risks of fluctuating prices and the uncertainties of rates of return and yield. **Asset Allocation:** The success of the Fund's strategy depends on the Adviser's or Sub-Adviser's skill in allocating Fund assets between the asset classes and in choosing investments within those categories. There is a risk that the Fund may allocate assets to an asset class that underperforms other asset classes. **Investment Model:** The Fund or certain underlying funds invest based on a proprietary model managed by the manager. The manager's proprietary model may not adequately address existing or unforeseen market factors or the interplay between such factors. **Other Investment Companies:** The main risk of investing in other investment companies, including exchange-traded funds, is the risk that the value of the securities underlying an investment company might decrease. Because the Fund or an underlying fund may invest in other investment companies, you will pay a proportionate share of the expenses of those other investment companies (including management fees, administration fees, and custodial fees) in addition to the expenses of the Fund and a proportionate share of the expenses of each underlying fund. **Interest Rate:** With bonds and other fixed rate debt instruments, a rise in interest rates generally causes values to fall; conversely, values generally rise as interest rates fall. The higher the credit quality of the instrument, and the longer its maturity or duration, the more sensitive it is likely to be to interest rate risk. **Foreign Investments/Developing and Emerging Markets:** Investing in foreign (non-U.S.) securities may result in the Fund or the underlying funds experiencing more rapid and extreme changes in value than a fund that invests exclusively in securities of U.S. companies due to smaller markets different reporting, accounting and auditing standards; nationalization, expropriation, or confiscatory taxation; foreign currency fluctuations, currency blockage or replacement; potential for default on sovereign debt; or political changes or diplomatic developments. Other risks of the Fund include but are not limited to **Credit, High-Yield Securities Investments, Call, Company, Currency, Liquidity, Market, Market Capitalization, Real Estate Companies and Real Estate Investment Trusts, U.S. Government Securities and Obligations.** An investment in the Fund is not a bank deposit and is not insured by the Federal Deposit Insurance Corporation, the Federal Reserve Board or any other government agency.

**Index definitions**

**Bloomberg 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 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 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.

**Large Growth: 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.

**Large Value: 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.

**Midcap 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.

**Midcap Value: 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.

**Small Cap 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.

**Small Cap Value: 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.

**The S&P MidCap 400** includes 400 companies and represents almost 6% of the U.S. markets. To be eligible for inclusion in the index, a company should be a U.S. company, have a market cap between USD 3.3 billion to USD 11.8 billion, maintain a public float of at least 10% of its shares outstanding, and its most recent quarter's earnings and the sum of its trailing four consecutive quarters' earnings must be positive. The index implements changes on an as-needed basis.

**The S&P SmallCap 600** includes 600 companies and represents almost 3% of the U.S. market. To be eligible for inclusion in the index, a company should be a U.S. company, have a market cap between USD 750 million to USD 3.3 billion, maintain a public float of at least 10% of its shares outstanding, and its most recent quarter's earnings and the sum of its trailing four consecutive quarters' earnings must be positive. The index implements changes on an as-needed basis.

**The Russell 1000 Index** measures the performance of the large-cap segment of the U.S. equity market and includes approximately 1,000 of the largest securities based on market capitalization and representing approximately 92% of the U.S. market.

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