

Investment Weekly

For the week ended Jan 31, 2025

Commentary

Markets review

- **U.S. equities were mixed this week.** Tech names outside of some of the bigger ones, cyclicals and defensives helped offset the AI-linked market weakness, dampening some fears around market concentration. Small value stocks were the worst performers while mid growth stocks were the best. Real estate and energy led the way down while communication services was the standout. Overseas markets advanced.
- **Treasury yields rose across the curve.** U.S. and global bonds fell during the week.
- **The dollar was up as was gold.** Bitcoin futures were down.
- **WTI crude was down.**

Economic review

- **Tariff were in focus this week** as the President threatened to implement tariffs on Canada and Mexico, leading to market volatility.
- **The FOMC held rates steady as expected.** The Fed seemed more positive on the labor market, and even though it seemed less positive on disinflation, it didn't appear to worry about inflation reaccelerating. Markets are pricing in less than a 20% chance of a March cut. Currently, the first cut is expected in June, with 50bp of cuts forecasted by year-end.
- **December Core PCE was in line with consensus**, while personal consumption was better than consensus.
- **4Q24 GDP of 2.3% was below consensus** though consumption was better than expected.
- **January Consumer Confidence missed** and included an uptick in inflation expectations.
- **4Q24 earnings are coming in strong.** The blended earnings growth rate for the S&P 500 was 11.5% and the revenue growth rate was 4.6%. Seventy-five percent of S&P 500 companies have beat consensus EPS expectations and 65% have surpassed consensus sales expectations according to FactSet.

Market data

Index prices (\$)	01/31/25	12/31/24
Dow Jones Industrial Average	44,545	42,544
S&P 500	6,041	5,882

Returns (%)	1wk	QTD	YTD	3mo
Equities				
S&P 500	0.47	2.78	2.78	6.22
S&P Mid Cap 400	-0.02	3.85	3.85	4.95
S&P Small Cap 600	-0.14	2.91	2.91	5.09
Russell 1000	0.55	3.18	3.18	6.76
Russell MidCap	0.16	4.25	4.25	5.47
Russell 2000	0.16	2.62	2.62	4.47
Dow Jones Industrial Average	-0.38	4.78	4.78	7.10
NASDAQ Composite	1.48	1.66	1.66	8.65

Fixed income				
Bloomberg U.S. Aggregate	-0.10	0.53	0.53	-0.07
Bloomberg Global Aggregate	-0.19	0.57	0.57	-1.25
Bloomberg High Yield Bond	0.14	1.37	1.37	2.10
S&P / LSTA Senior Loan	0.02	0.70	0.70	2.22
JPM EMBI+ Emerging Markets Bond	0.48	1.76	1.76	2.16

S&P 500 sectors				
Technology	1.10	-2.90	-2.90	2.79
Materials	-0.29	5.59	5.59	-4.19
Consumer discretionary	0.54	4.41	4.41	21.17
Health care	-0.44	6.79	6.79	0.44
Utilities	0.30	2.93	2.93	-1.74
Consumer staples	-0.89	2.04	2.04	1.56
Energy	-3.04	2.07	2.07	-1.19
Financials	0.11	6.56	6.56	11.13
Industrials	-0.59	5.03	5.03	3.94
Communication services	3.50	9.12	9.12	16.53
Real Estate	-1.31	1.84	1.84	-3.07

Equity style performance				
Large cap value	-0.47	4.63	4.63	3.70
Large cap growth	1.44	1.98	1.98	9.55
Mid cap value	-0.34	3.51	3.51	3.00
Mid cap growth	1.60	6.38	6.38	13.07
Small cap value	-0.54	2.05	2.05	2.57
Small cap growth	0.83	3.16	3.16	6.33

International equities				
MSCI EAFE	0.79	5.26	5.26	2.33
MSCI U.K.	1.52	5.21	5.21	3.74
MSCI Europe ex-U.K.	0.64	7.40	7.40	2.23
MSCI Japan	0.71	1.57	1.57	1.90
MSCI AC Asia ex-Japan	0.41	0.76	0.76	-2.35
MSCI Emerging Markets	0.55	1.81	1.81	-1.93
MSCI ACWI	0.61	3.38	3.38	4.78

Source: FactSet.

Economic calendar

Date	Country/Region	Event
02/03/25	Germany	Markit PMI Manufacturing (Jan)
	Eurozone	Markit PMI Manufacturing (Jan)
	U.K.	CIPS Manufacturing PMI (Jan)
	Eurozone	CPI (Jan)
	U.S.	Markit PMI Manufacturing (Jan)
02/04/25	U.S.	ISM Manufacturing (Jan)
	U.S.	Factory Orders (Dec)
	U.S.	JOLTS Job Openings (Dec)
	Japan	PMI Services (Jan)
	China	Markit/ Caixin Services PMI (Jan)
02/05/25	Germany	Markit PMI Services (Jan)
	Eurozone	Markit PMI (Jan)
	U.K.	CIPS Services PMI (Jan)
	Eurozone	PPI (Dec)
	U.S.	ADP Employment Survey (Jan)
02/06/25	U.S.	Markit PMI Services (Jan)
	U.S.	ISM Services PMI (Jan)
	Germany	Manufacturing Orders (Dec)
	Germany	PMI Construction (Jan)
	U.K.	CIPS Construction PMI (Jan)
02/07/25	Eurozone	Retail Sales (Dec)
	U.K.	BoE Official Bank Rate
	U.S.	Initial Claims (02/01)
	Japan	Real Household Consumption Expenditure (Dec)
	Japan	Leading Index (Dec)
02/07/25	Germany	Industrial Production (Dec)
	U.S.	Hourly Earnings (Jan)
	U.S.	Nonfarm Payrolls (Jan)
	U.S.	Unemployment Rate (Jan)
	U.S.	Michigan Sentiment (Feb)
U.S.	Wholesale Inventories (Dec)	

Source: FactSet.

Market data, cont'd

As of:	Last close	Prior week	Year end	3 mos ago
U.S. bond rates (%)				
U.S. federal funds target rate	4.50	4.50	4.50	5.00
U.S. 2yr Treasury	4.20	4.18	4.25	4.16
U.S. 10yr Treasury	4.55	4.53	4.58	4.28
U.S. 20yr Treasury	4.85	4.83	4.86	4.60
U.S. 30yr Treasury	4.80	4.77	4.79	4.48
High yield (Merrill U.S. Corporates)	6.78	6.82	6.97	6.93
Consumer rates (%)				
30yr mortgage rate	7.26	7.25	7.28	7.28
Prime rate	7.50	7.50	7.50	8.00
Commodities				
Gold (USD/oz)	\$2,835	\$2,738	\$2,641	\$2,749
Crude oil (USD/bbl)	\$72.53	\$73.17	\$71.72	\$69.26
Copper (LME \$/mt)	\$8,950	\$9,051	\$8,706	\$9,427
Gasoline (USD/gal)	\$3.31	\$3.32	\$3.22	\$3.36
Exchange rates				
\$ per €	1.04	1.05	1.04	1.09
\$ per £	1.24	1.25	1.25	1.29
¥ per \$	154.85	154.36	157.16	152.33
U.S. Dollar Index	108.37	107.34	108.49	103.98

Source: FactSet.

Earnings Calendar

Monday, Feb 3	Tuesday, Feb 4	Wednesday, Feb 5	Thursday, Feb 6	Friday, Feb 7
Palantir Technologies	Alphabet	Novo Nordisk	Amazon.com	KDDI
Mitsubishi UFJ Financial	Toyota Motor	Alibaba	Eli Lilly	Southern Copper
Itochu	Merck & Co.	Disney	Roche Holding	Mizuho Financial Group
NXP Semiconductors	PepsiCo	Qualcomm	AstraZeneca	Mitsui & Co.
Hoya	Advanced Micro Devices	ARM Holdings	Linde PLC	
Mitsubishi Electric	Amgen	Boston Scientific	Philip Morris International	
IDEXX Laboratories	Pfizer	Uber Technologies	Honeywell International	
Murata Manufacturing	KKR & Co.	TotalEnergies	Bristol Myers Squibb	
	UBS	Fiserv	ConocoPhillips	
	Spotify Technology	DBS Group	Sumitomo Mitsui Financial Group	
	Ferrari	Banco Santander	Intercontinental Exchange	
	Apollo Global Management	MicroStrategy	BNP Paribas	
	PayPal	Illinois Tool Works	Fortinet	
	Nintendo	McKesson	Thomson Reuters	
	BP	O'Reilly Automotive	Air Products and Chemicals	
	Chipotle Mexican Grill	Emerson Electric Co.	Becton, Dickinson and Company	
	Mondelez International	GSK PLC Sponsored ADR	Hilton Worldwide	
	Transdigm Group	Equinor	ING Group	
	Regeneron Pharmaceuticals	Vinci		
	Enterprise Products Partners	Ares Management		
	Simon Property Group	MetLife		
	MPLX LP	Aflac		

Source: Zacks.

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.

This commentary has been prepared by Voya Investment Management for informational purposes. Nothing contained herein should be construed as (i) an offer to sell or solicitation of an offer to buy any security or (ii) a recommendation as to the advisability of investing in, purchasing or selling any security. Any opinions expressed herein reflect our judgment and are subject to change. Certain of the statements contained herein are statements of future expectations and other forward-looking statements that are based on management's current views and assumptions and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in such statements. Actual results, performance or events may differ materially from those in such statements due to, without limitation, (1) general economic conditions, (2) performance of financial markets, (3) changes in laws and regulations and (4) changes in the policies of governments and/or regulatory authorities. The opinions, views and information expressed in this commentary regarding holdings are subject to change without notice. The information provided regarding holdings is not a recommendation to buy or sell any security. Fund holdings are fluid and are subject to daily change based on market conditions and other factors.

Past performance is no guarantee of future results.

©2025 Voya Investments Distributor, LLC • 230 Park Ave, New York, NY 10169 • All rights reserved.

IM-WEEKLY-4210832

voyainvestments.com