

# Global Perspectives Weekly

For the week ended April 12, 2024

## Commentary

- **Inflation and geopolitical tensions headlined the week:** Inflation rose to the highest level since last May. In addition, rising geopolitical tensions caused investors to move toward “safer” investments. Both U.S. equities and bonds fell for the week.
- **U.S. equities were lower, again:** The S&P 500 finished down for the second week in a row while the Nasdaq declined for the third straight week. Smaller names were down more than larger ones. Overseas equities also fell.
- **Treasuries weakened and the curve flattened.** The 2yr touched 5% and the 10yr moved above 4.5%, which neither had hit since 11/23. However, geopolitical tensions pushed treasuries off their lows late in the week.
- **March CPI increased more than estimated,** the highest inflation level since 05/23. The persistence of this trend, which started in January, adds to the higher-for-longer rates narrative. However, PPI was down, in line with expectations.
- Following the CPI, the **odds of a June Fed rate cut fell to around 20%** from 60% the week prior. The median fed funds rate for the year is 4.97%, which suggests only ~40 bp of cuts in 2024.
- **Consumer sentiment also missed** as inflation expectations rose. In addition, small business optimism fell to the lowest since 2012 on signs of softer demand.
- The **dollar index was up 1.6%**, the best weekly performance since 09/22. Gold finished the week up 1.2%. Both Bitcoin futures and WTI crude were down.

## Market data

Index prices (\$)	4/12/24	12/29/23
Dow Jones Industrial Average	37,983	37,690
S&P 500	5,123	4,770

Returns (%)	1wk	QTD	YTD	3mo
<b>Equities</b>				
S&P 500	-1.52	-2.44	7.86	7.49
S&P Mid Cap 400	-3.40	-4.78	4.69	6.69
S&P Small Cap 600	-3.56	-5.50	-3.17	0.47
Russell 1000	-1.64	-2.56	7.48	7.30
Russell MidCap	-3.00	-4.21	4.03	5.64
Russell 2000	-3.40	-5.68	-0.80	3.05
Dow Jones Industrial Average	-2.34	-4.54	1.32	1.53
NASDAQ Composite	-0.49	-1.23	7.97	8.23

<b>Fixed income</b>				
Bloomberg U.S. Aggregate	-0.61	-1.75	-2.52	-2.23
Bloomberg Global Aggregate	-0.99	-1.69	-3.73	-2.74
Bloomberg High Yield Bond	-0.63	-1.07	0.39	0.55
S&P / LSTA Senior Loan	0.01	0.28	2.25	1.97
JPM EMBI+ Emerging Markets Bond	-1.11	-1.37	0.92	1.86

<b>S&amp;P 500 sectors</b>				
Technology	0.11	-1.19	11.34	10.64
Materials	-3.11	-3.22	5.44	8.06
Consumer discretionary	-1.42	-2.55	2.30	4.36
Health care	-2.68	-6.00	2.31	-0.74
Utilities	-2.12	-2.22	2.24	2.31
Consumer staples	-1.00	-3.80	3.44	2.18
Energy	-1.31	1.90	15.85	17.37
Financials	-3.96	-4.88	6.97	7.09
Industrials	-2.00	-2.44	8.27	10.01
Communication services	-0.36	2.10	18.26	15.46
Real Estate	-3.74	-5.82	-6.33	-5.15

<b>Equity style performance</b>				
Large cap value	-2.91	-4.09	4.53	5.18
Large cap growth	-0.59	-1.28	9.99	9.07
Mid cap value	-3.25	-4.39	3.47	5.20
Mid cap growth	-2.38	-3.76	5.38	6.70
Small cap value	-3.47	-5.52	-2.78	1.11
Small cap growth	-3.34	-5.84	1.30	5.09

<b>International equities</b>				
MSCI EAFE	-1.85	-2.32	3.35	3.76
MSCI U.K.	-0.77	-0.73	2.35	3.41
MSCI Europe ex-U.K.	-3.06	-3.37	2.49	3.68
MSCI Japan	0.24	-1.11	9.42	5.98
MSCI AC Asia ex-Japan	-0.43	0.21	2.33	5.80
MSCI Emerging Markets	-0.68	0.22	2.38	5.17
MSCI ACWI	-1.55	-2.16	5.91	6.19

Source: FactSet.

**Economic calendar**

Date	Country/Region	Event
4/15/24	Eurozone	Industrial Production (Feb)
	U.S.	Retail Sales (Mar)
	U.S.	Business Inventories (Feb)
	U.S.	NAHB Housing Market Index (Apr)
	China	GDP (1Q24)
	China	Industrial Output (Mar)
4/16/24	U.K.	ILO Unemployment Rate (Feb)
	Eurozone	Trade Balance (Feb)
	Germany	ZEW Economic Sentiment (Apr)
	U.S.	Housing Starts (Mar)
4/17/24	U.S.	Industrial Production (Mar)
	U.K.	CPI (Mar)
	U.K.	PPI (Mar)
	U.K.	ONS House Price (Feb)
	Eurozone	CPI (Mar)
4/18/24	U.S.	Initial Claims (4/13)
	U.S.	Philadelphia Fed Index (Apr)
	U.S.	Existing Home Sales (Mar)
	U.S.	Leading Indicators (Mar)
	Japan	CPI (Mar)
4/19/24	Germany	PPI (Mar)
	U.K.	Retail Sales (Mar)

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	4.90	4.80	4.25	4.16
U.S. 10yr Treasury	4.52	4.42	3.89	3.95
U.S. 20yr Treasury	4.75	4.66	4.19	4.31
U.S. 30yr Treasury	4.63	4.55	4.05	4.20
High yield (Merrill U.S. Corporates)	7.37	7.22	6.98	6.99
<b>Consumer rates (%)</b>				
30yr mortgage rate	7.36	7.31	6.99	6.93
Prime rate	8.50	8.50	8.50	8.50
<b>Commodities (\$)</b>				
Gold (USD/oz)	2,374	2,351	2,071	2,051.
Crude oil (USD/bbl)	85.66	86.43	71.65	72.68
Copper (LME \$/mt)	9,402	9,301	8,476	8,289
Gasoline (USD/gal)	3.90	3.77	3.36	3.35
<b>Exchange rates</b>				
\$ per €	1.06	1.09	1.10	1.10
\$ per £	1.24	1.26	1.27	1.28
¥ per \$	152.95	151.81	140.98	144.73
U.S. Dollar Index	106.04	104.14	101.33	102.40

Source: FactSet.

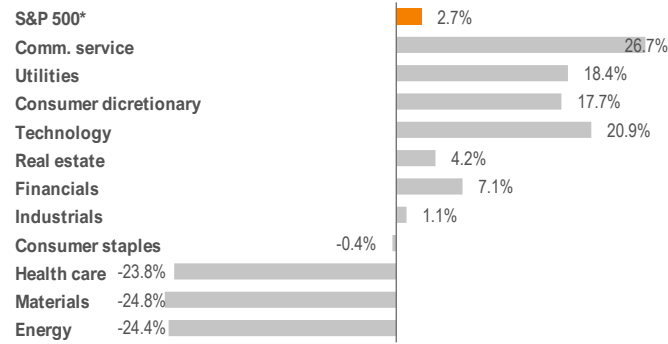
**Earnings calendar**

Mon, Apr 15	Tues, Apr 16	Wed, Apr 17	Thurs, Apr 18	Fri, Apr 19
The Goldman Sachs Group	UnitedHealth Group	ASML Holding	Taiwan Semiconductor	Procter & Gamble
Charles Schwab	Johnson & Johnson	Abbott Laboratories	Netflix	American Express
HDFC Bank Limited	Bank of America	Prologis	Intuitive Surgical	Schlumberger
	Morgan Stanley	CSX	Elevance Health, Inc.	
	The PNC Financial Services Group	U.S. Bancorp	Marsh & McLennan Companies	
	Interactive Brokers	Volvo	EssilorLuxottica	
	The Bank of New York Mellon	The Travelers Companies	The Blackstone Group	
		Crown Castle Inc.	Infosys	
		Kinder Morgan	D.R. Horton	
		Las Vegas Sands	DISCO CORP	
		Discover Financial Services	Seven and I Holdings Co.	
		Equifax	PPG Industries	

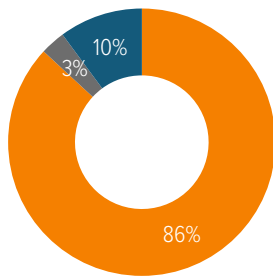
Source: Zacks.

1Q24 S&P 500 earnings dashboard

Growth rates

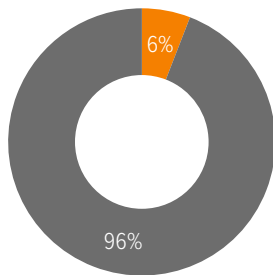


■ Above ■ Match ■ Below



	Above	Match	Below
S&P 500	86%	3%	10%
Consumer disc.	67%	17%	17%
Consumer staples	86%	0%	14%
Energy	0%	0%	0%
Financials	100%	0%	0%
Health care	0%	0%	0%
Industrials	80%	0%	20%
Materials	0%	0%	0%
Real estate	0%	0%	0%
Technology	100%	0%	0%
Comm. service	0%	0%	0%
Utilities	0%	0%	0%

■ Reported ■ Remaining



	Reported	Remaining
S&P 500	29	471
Consumer disc.	6	46
Consumer staples	7	31
Energy	0	23
Financials	6	65
Health care	0	64
Industrials	5	74
Materials	0	28
Real estate	0	31
Technology	5	60
Comm. service	0	19
Utilities	0	30

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.

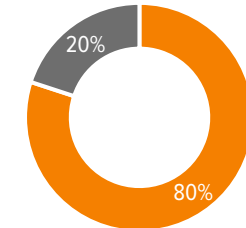
Upcoming positioning

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

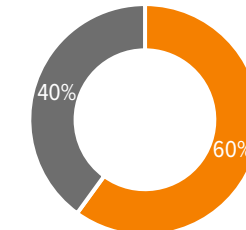
Base positioning

■ Equity ■ Fixed Income

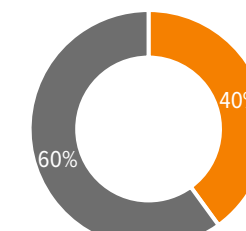
Global Aggressive Growth



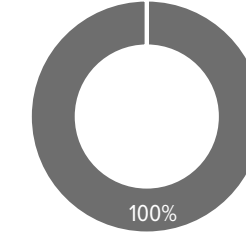
Global Moderate Growth



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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