

Technology Stocks Are Still Building Momentum

S&P 500 Information Technology Index

Category	Time Period	% Share	S&P 500 Sector Rank
S&P 500 Weighting	6/23/14	18.70%	1st
S&P 500 Non-Financial Cash Holdings	12/31/13	39.00%	1st
Contribution to S&P 500 Dividend	6/18/14	15.05%	1st
S&P 500 Stock Buybacks	Q1'09 - Q1'14	24.03%	1st
IPOs Priced (Total Market)	2009 - 2013	27.50%	1st

Sources: S&P Dow Jones Indices, Moody's, Renaissance Capital. Past performance is no guarantee of future results.

View from the Observation Deck

1. Today's blog post is intended to complement a post we did a week ago highlighting the performance of technology ("tech") stocks in the current bull market. ([Click here to view previous post from 6/17/14](#))
2. The five data points in the chart speak to the strength and momentum built up in the tech sector over the past five years, in our opinion.
3. On a sector basis, Information Technology has carried the biggest weighting in the S&P 500 since the bull market began. It actually increased from 17.84% at the bear market low (3/9/09) to 18.70% (6/23/14), according to Bespoke Investment Group.
4. Technology companies in the S&P 500 held more cash (\$638 billion out of a total of \$1.64 trillion) than any other non-financial sector at the close of 2013, according to Moody's.
5. Technology companies are now the biggest contributors to the S&P 500 dividend distribution at 15.05%, up from 6.97% at the end of 2008, according to S&P Dow Jones Indices.
6. Technology companies bought back \$443.2 billion of their own stock in the 5-year period ended Q1'14, according to S&P Dow Jones Indices. The next highest total was \$282.7 billion (Consumer Discretionary).
7. From 2009-2013, 180 technology companies went public via IPOs, according to Renaissance Capital. The next highest total was 112 (Financials).

The chart and performance data referenced are for illustrative purposes only and not indicative of any actual investment. The index performance data excludes the effects of taxes and brokerage commissions or other expenses incurred when investing. Investors cannot invest directly in an index. There can be no assurance that any of the projections cited will occur. The S&P 500 Information Technology Index is capitalization-weighted and comprised of S&P 500 constituents representing the technology sector.