

The Best-Performing Sectors Since 5/21/15, 8/25/15 and 2/11/16

S&P 500 Index & S&P 500 Sector Index Total Returns

Index	2/11/16-7/19/16	8/25/15-7/19/16	5/21/15-7/19/16
S&P 500	19.41%	18.15%	4.10%
Consumer Discretionary	19.43%	16.18%	7.50%
Consumer Staples	13.94%	24.88%	15.98%
Energy	28.64%	22.69%	-8.74%
Financials	21.34%	8.52%	-2.37%
Health Care	17.51%	10.85%	0.50%
Industrials	21.69%	23.81%	6.73%
Information Technology	17.98%	20.93%	4.58%
Materials	26.41%	22.59%	-2.04%
Telecom. Services	18.33%	37.17%	21.82%
Utilities	15.75%	28.59%	22.09%

Source: Bloomberg. Past performance is not an indication of future results.

View from the Observation Deck

1. Today's blog post features the total return performance of the S&P 500 Index and its 10 major sectors over three specific time periods. All three periods ended on 7/19/16.
2. With the kickoff of the 2016 Summer Olympics just 15 days away (8/5/16), we have identified the top three performing sectors in each period using gold, silver and bronze.
3. We chose 5/21/15 because it had marked the all-time closing high (2,130.82) for the S&P 500 Index prior to being supplanted by a new all-time high on 7/11/16 (2,137.16), according to Bloomberg. The index then went on to set four more records, eventually closing at an all-time high of 2,166.89 on 7/18/16 (as of 7/19/16). The index had gone 418 days before setting the new record high on 7/11/16.
4. The 8/25/15 date is symbolic because it marked the last day of a 12.35% price-only correction (10.00% to 19.99% price decline), in the S&P 500 Index, according to Bloomberg. The calculation did not include dividends. While the index recovered nearly all of its price decline by 11/3/15 (2,109.79), it fell short of the 2,130.82 high mark and then proceeded to fall by 13.31% to 1,829.08 on 2/11/16, according to Bloomberg.
5. The 2/11/16 date is important because it not only marked the bottom of the second sell-off in the S&P 500 Index, it marked the low in the price of crude oil (\$26.21 per barrel) since it began its plunge on 6/20/14, according to Bloomberg.
6. Our takeaway from the chart is that investors favored defensive sectors (Utilities, Telecommunication Services & Consumer Staples) after the S&P 500 Index hit an all-time high on 5/21/15 and continued to favor them after the first correction ended on 8/25/15. Notice, however, that investors have not been as defensive since the price of crude oil began rising after 2/11/16, in our opinion.

This chart is for illustrative purposes only and not indicative of any actual investment. The illustration excludes the effects of taxes and brokerage commissions and other expenses incurred when investing. Investors cannot invest directly in an index. The S&P 500 Index is a capitalization-weighted index comprised of 500 stocks used to measure large-cap U.S. stock market performance, while the 10 major S&P 500 Sector Indices are capitalization-weighted and comprised of S&P 500 constituents representing a specific sector.