Market Commentary Blog

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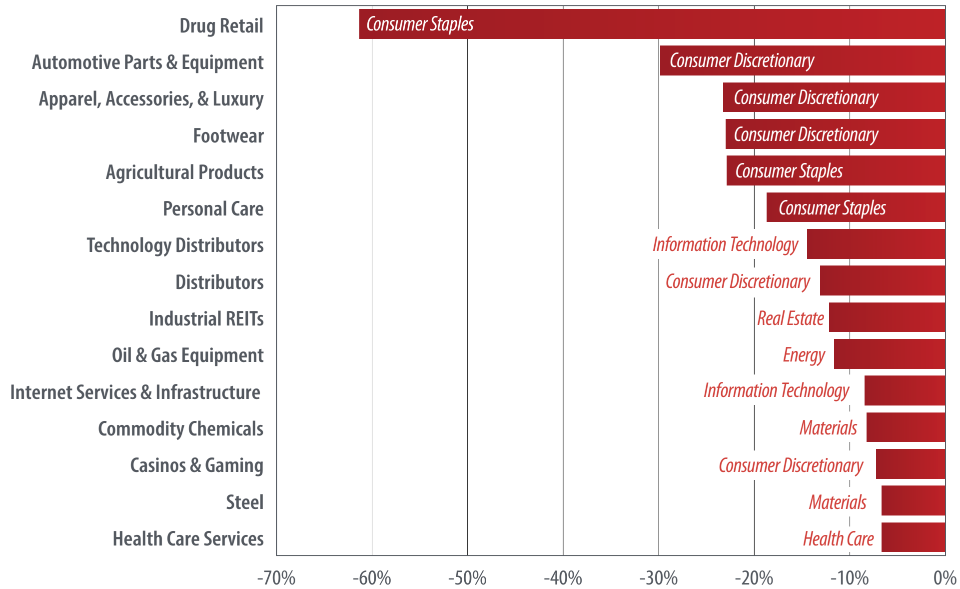
Worst-Performing S&P 500 Index Subsectors YTD (thru 11/5)

Bottom 15 S&P 500 Index Subsector Total Returns *(12/29/23 – 11/5/24)*



Source: Bloomberg. **Past Performance is no guarantee of future results.**

View from the Observation Deck

Today's blog post is for those investors who want to drill down below the sector level to see what is not performing well in the stock market. The S&P 500 Index was comprised of 11 sectors and 126 subsectors as of 11/1/24, according to S&P Dow Jones Indices. The 15 worst-performing subsectors in today's chart posted total returns ranging from -6.64% (Health Care Services) to -61.30% (Drug Retail) over the period. Click here to view our last post on the worst performing subsectors.

- As indicated in the chart above, five of the 15 worst-performing subsectors came from the S&P 500 Index Consumer Discretionary sector, followed by three subsectors from the Consumer Staples sector. Drug Retail, a subsector of the Consumer Staples sector was the worst performer, posting a total return of -61.30% for the period.
- Each of the 11 sectors that comprise the Index were positive on a year-to-date (YTD) basis through 11/5/24. Information Technology was the top performer, with a total return of 31.57% over the period. The Health Care sector was the worst performer, posting a total return of 9.78% over the time frame. For comparison, the broader S&P 500 Index posted a total return of 22.61% during the period.
- As of 11/1/24, the most heavily weighted sector in the S&P 500 Index was Information Technology at 31.75%, according to S&P Dow Jones Indices. For comparison, the Financials and Health Care sectors were the next-largest with weightings of 13.33% and 11.18%, respectively.

Takeaway

As we enter the final months of the year, the S&P 500 Index looks poised to register back-to-back years of positive total returns. Notably, each of the S&P 500 Index's 11 major sectors are positive YTD (thru 11/5). For comparison, the Real Estate, Consumer Staples, Health Care, and Utilities sectors all suffered negative total returns over the same period in 2023. In our view, the Utilities sector stands out among its peers in this regard. After posting a total return of -7.08% (the worst performer) in 2023, the sector has enjoyed a stunning turnaround, notching a total return of 26.72% YTD thru 11/5, making it the third-best performing sector in the broader Index. Click here to read our recent commentary on the Utilities space. As always, there are no guarantees, but there could be some potential deep value opportunities in this group of subsectors. For those investors who have interest, there are a growing number of packaged products, such as exchange-traded funds, that feature S&P 500 Index subsectors.