Market Commentary Blog

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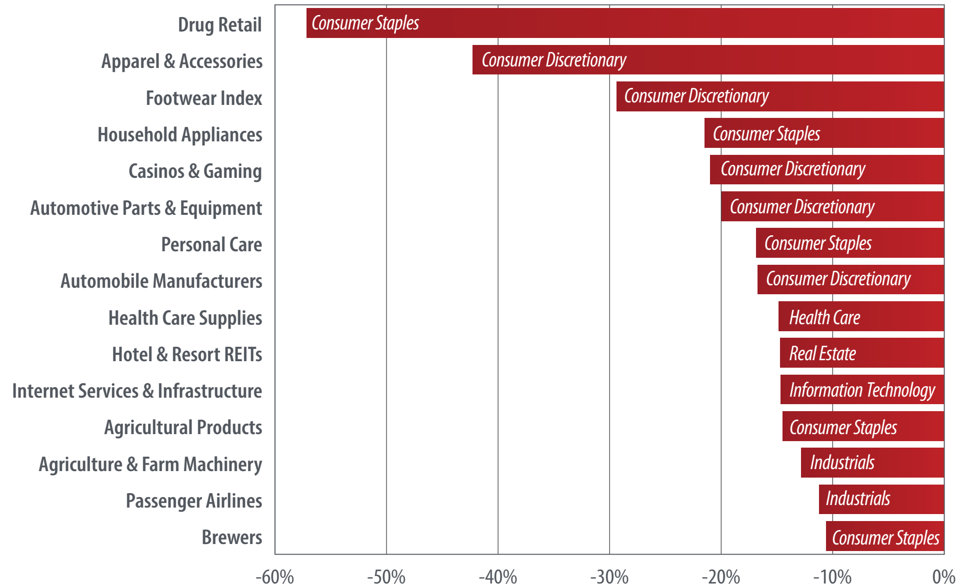
Worst-Performing S&P 500 Subsectors YTD (Thru 8/6)

Bottom 15 S&P 500 Index Subsector Total Returns (12/29/23 – 8/6/24)



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 ("Index") was comprised of 11 sectors and 126 subsectors as of 8/2/24, according to S&P Dow Jones Indices. The 15 worst-performing subsectors in today's chart posted total returns ranging from -10.57% (Brewers) to -57.15% (Drug Retail) over the period. Click here to view our last post on the worst performing subsectors.

- As indicated in the chart above, 10 of the 15 worst-performing subsectors came from the S&P 500 Index Consumer Discretionary and Consumer Staples sectors (5 subsectors from each sector), followed by two subsectors from the Industrials sector. Drug Retail, a subsector of the Consumer staples sector was the worst performer, posting a total return of -57.15% for the period.
- Ten of the 11 sectors that comprise the Index were positive on a year-to-date (YTD) basis through 8/6/24. Consumer Discretionary was the only sector with a negative total return (-1.91%). The second and third-worst performers were Materials and Real Estate, with total returns of 4.35% and 5.62%, respectively. For comparison, the Index posted a total return of 10.74% during the period.
- The most heavily weighted sector in the Index was Information Technology at 30.71% as of 8/2/24, according to S&P Dow Jones Indices. For comparison, the Financials sector was second highest with a weighting of 12.97%.

Takeaway

Since the start of August, the S&P 500 Index has declined by 5.83% on a total return basis (thru 8/7). The sharp selloff stands in stark contrast to the first seven months of the year when the Index delivered a total return of 16.69%. Several sectors have sold off substantially more than others. Since the start of August (thru 8/7), the Consumer Discretionary, Information Technology, and Energy sectors declined by 9.99%, 9.11%, and 5.81%, respectively. For comparison, those same sectors had increased by 7.41%, 25.57%, and 13.27% on a total return basis, respectively, during the first seven months of the year. The Consumer Discretionary and Consumer Staples sectors combined account for 10 of the 15 worst-performing subsectors in today's chart. 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.