Market Commentary Blog

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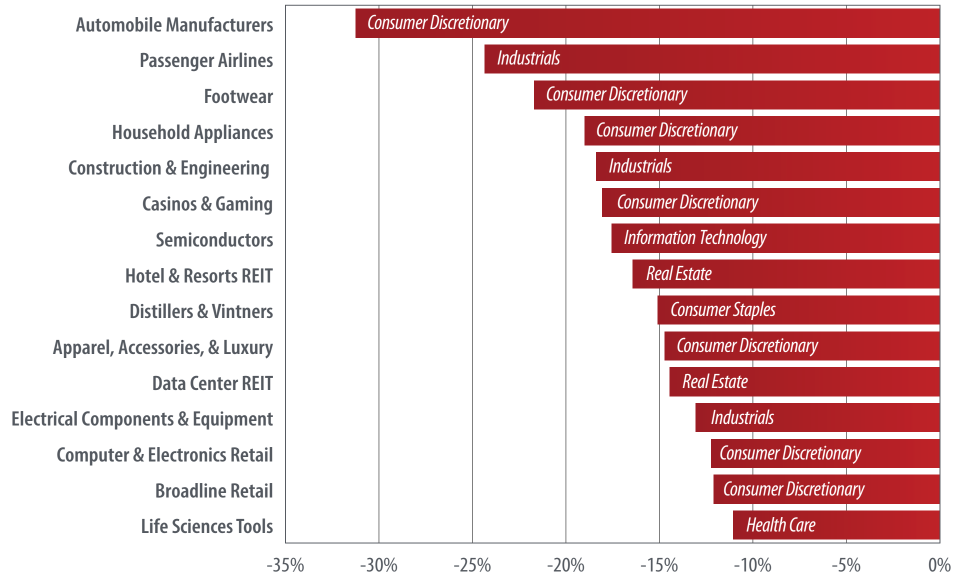
Worst-Performing S&P 500 Index Subsectors YTD (thru 4/1)

Bottom 15 S&P 500 Index Subsector Total Returns *(12/31/24 – 4/1/25)*



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 this year. The S&P 500 Index ("Index") was comprised of 11 sectors and 127 subsectors as of 3/31/25, according to S&P Dow Jones Indices. The 15 worst-performing subsectors in today's chart posted total returns ranging from -11.05% (Life Sciences Tools & Services) to -31.25% (Automobile Manufacturers) over the period. Click here to view our last post on this topic.

- As indicated in the chart above, the S&P 500 Consumer Discretionary Index accounts for seven of the 15 worst-performing subsectors year-to-date (YTD) through 4/1, followed by Industrials (3) and Real Estate (2). Automobile Manufacturers, a subsector of the Consumer Discretionary sector was the worst performer, posting a total return of -31.25% for the period.
- Just three of the 11 sectors that comprise the Index posted negative total returns YTD. Consumer Discretionary was the worst performer, with a total return of -12.83% during the period. The broader S&P 500 Index posted a total return of -3.91% over the time frame.
- Semiconductors and Data Center REITs, which declined 17.54%, 14.44%, respectively, YTD, are notable additions to today's chart. For comparison, the Semiconductors subsector increased by 129.46% (total return) over the two-year period ended 4/1/25, while Data Center REITs saw total returns of 28.55% over the same period.
- As of 3/31/25, the most heavily weighted sector in the S&P 500 Index was Information Technology at 29.63%, according to S&P Dow Jones Indices. For comparison, the Financials and Health Care sectors were the next-largest with weightings of 14.68% and 11.18%, respectively.

Takeaway

Consumer Discretionary stocks are bearing the brunt of this year's equity market downturn, with seven of the worst-performing subsectors in today's chart coming from the broader sector. Fears of an economic downturn, persistent inflation, and weakening consumer sentiment likely contributed to waning expectations for these companies. Semiconductors and Data Center REITs are noteworthy additions to today's post, having declined by 17.54% and 14.44%, respectively, YTD. As many readers will know, capital expenditure among semiconductor companies and data centers skyrocketed as vendors rushed to fulfill demand for AI applications. As we see it, recent losses in these subsectors may reflect concern over future returns, especially given fresh developments from competitors in the space who claim disruptive efficiency gains. 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.