

# Cash Flow and Carey



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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 an unmanaged index of 500 companies used to measure large-cap U.S. stock market performance. The S&P MidCap 400 Index is a capitalization-weighted index that tracks the mid-range sector of the U.S. stock market. The S&P SmallCap 600 Index is a capitalization-weighted index that tracks U.S. stocks with a small market capitalization. The S&P 500 Equal Weighted Index is the equal-weight version of the S&P 500 Index. The 11 major sector indices are capitalization-weighted and comprised of S&P 500, S&P MidCap 400 and S&P SmallCap 600 constituents representing a specific sector.

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## Sector Performance Via Market Cap

### Large-, Mid-, & Small-Cap Total Returns

■ 12/29/23 – 12/31/24 ■ 12/31/24 – 5/13/25

Category	S&P 500		S&P MidCap 400		S&P SmallCap 600	
Index	25.00%	0.54%	13.89%	-1.48%	8.64%	-5.91%
Comm. Services	40.23%	0.26%	3.75%	0.05%	16.86%	-10.54%
Consumer Disc.	30.14%	-5.13%	9.42%	-4.36%	6.74%	-8.28%
Consumer Staples	14.87%	4.03%	17.79%	3.19%	1.19%	-8.59%
Energy	5.72%	1.04%	13.12%	-1.80%	-5.24%	-18.31%
Financials	30.50%	6.10%	25.21%	0.54%	18.95%	-0.27%
Health Care	2.58%	-3.71%	5.26%	-8.79%	3.92%	-7.57%
Industrials	17.30%	7.59%	13.44%	0.66%	17.03%	-3.50%
Info. Tech.	36.61%	-1.48%	24.38%	-5.53%	-0.81%	-6.61%
Materials	-0.04%	2.76%	-2.47%	0.78%	1.02%	-9.22%
Real Estate	5.23%	1.71%	5.15%	-1.25%	7.91%	-6.64%
Utilities	23.43%	6.03%	31.45%	7.42%	1.98%	2.37%

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

### View from the Observation Deck

We update today's table on a regular basis to provide insight into the variability of sector performance by market capitalization. The table above presents the total returns of three major U.S. equity indices and their sectors over two distinct time frames: the 2024 calendar year, and year-to-date (YTD) through 5/13/25.

- The S&P 500 Index ("Index") stood at 5,886.55 on 5/13/25, representing a price-only return of 18.14% from its most recent low (4,982.77 on 4/8/25). That said, the Index remains 4.19% below its all-time high, which was set on 2/19/25. For comparison, the S&P MidCap 400 and S&P SmallCap 600 Indices stood 9.75% and 14.70% below their respective all-time highs as of the same date.
- Large-cap stocks, as represented by the S&P 500 Index, posted total returns of 25.00% in 2024, outperforming the S&P MidCap 400 and S&P SmallCap 600 indices, with total returns of 13.89% and 8.64%, respectively, over the period (see table).
- Sector performance can vary widely by market cap and have a significant impact on overall index returns. Communication Services and Information Technology were two of the more extreme cases last year. This year, Energy and Consumer Staples exhibit the largest performance difference between market capitalizations.
- Industrials and Financials were the two top-performing sectors in the S&P 500 Index YTD. By comparison, those sectors returned just 0.66% and 0.54%, respectively, in the S&P MidCap 400 Index and -3.50% and -0.27%, respectively, in the S&P SmallCap 600 Index over the period.

### Takeaway

As revealed in today's table, mid-cap and small-cap stocks have trailed their large-cap counterparts so far this year. At the sector level, large-cap stocks outperformed their small and mid-sized peers in nine of the eleven sectors presented today, with consumer discretionary and utility companies acting as the only outliers. This was not the case last year. In 2024, large-cap stocks outperformed their peers in just five of the eleven sectors. As we see it, heightened volatility from the threat of tariffs, eroding economic conditions, and increasing geopolitical tensions may have pushed investors into less risky assets. That said, the near-term prospects for equities are likely to increase as trade agreements are announced, in our opinion. We continue to suggest that investors watch adjustments to year-end earnings estimates closely. Data from FactSet revealed that 2025 calendar-year earnings for the S&P MidCap 400 and S&P SmallCap 600 Indices are estimated to total 183.30 and 82.95, respectively, as of 5/13/25, down from 198.17 and 92.04 on 12/31/24. For comparison, the S&P 500 Index's 2025 calendar-year earnings were estimated to total 265.38 on 5/13/25, down from 274.12 on 12/31/24.