Market Commentary Blog

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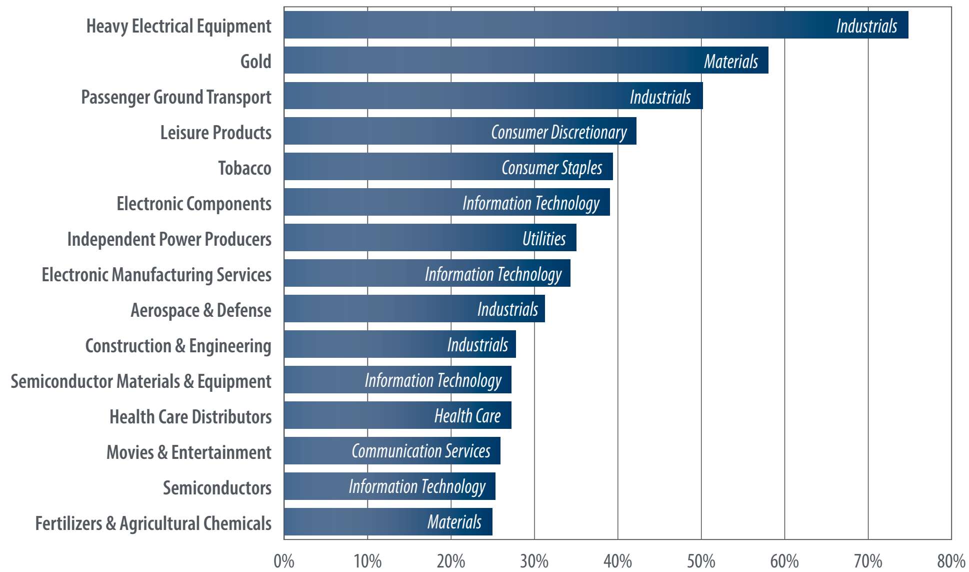
Top-Performing S&P 500 Index Subsectors YTD (thru 7/18)

Top 15 S&P 500 Index Subsector Total Returns 12/31/24 – 4/18/25



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 performing well in the stock market. The S&P 500 Index was comprised of 11 sectors and 127 subsectors on 7/3/25, according to S&P Dow Jones Indices. The 15 top-performing subsectors in today's chart posted total returns ranging from 74.82% (Heavy Electrical Equipment) to 24.93% (Fertilizers & Agricultural Equipment). Click here to view our last post on this topic.

- As indicated in the chart above, the Industrials and Information Technology sectors were tied for most top-performing subsectors (4) on a year-to-date (YTD) basis.
- With respect to the 11 major sectors that comprise the S&P 500 Index, Industrials posted the highest total return for the period captured in the chart, increasing by 15.71%. The second and third-best performers were Utilities and Information Technology, with total returns of 12.21% and 12.11%, respectively. The S&P 500 Index posted a total return of 7.83% over the period.
- As of 7/3/25, the most heavily weighted sector in the S&P 500 Index was Information Technology at 33.18%, according to S&P Dow Jones Indices. For comparison, Financials and Consumer Discretionary were the next-largest sectors with weightings of 14.08% and 10.42%, respectively.
- Using 2025 consensus earnings estimates, the Information Technology and Energy sectors had the highest and lowest price-to-earnings (P/E) ratios at 35.75 and 15.21, respectively, as of 7/18/25 (excluding Real Estate). For comparison, the S&P 500 Index had a P/E ratio of 24.64 as of the same date.

Takeaway

With total returns of 15.71% and 12.11%, respectively, the Industrials and Information Technology Indices are the best and third-best performing sectors year-to-date (YTD) through 7/18. In total, eight of the fifteen subsectors in today's chart belong to one of these two sectors, up from just one in our last post on this topic. By contrast, Energy, which was the top performing sector as of 3/31, now finds itself near the bottom with a YTD total return of 2.07%. As we see it, newfound clarity regarding the impact of U.S. policies, including tariffs, taxation, and potential adjustments to the federal funds target rate culminated in an increased risk appetite. Evidence of this can be found in the recent returns of the Information Technology, Communication Services, and Industrials Indices, which surged by 28.36%, 16.77%, and 15.93% between our last post (3/31/25) and 7/18/25. Utilities, Consumer Staples, and Health Care saw total returns of 6.92%, 0.36%, and -9.21%, respectively, over the same time frame.