

# Cash Flow and Carey



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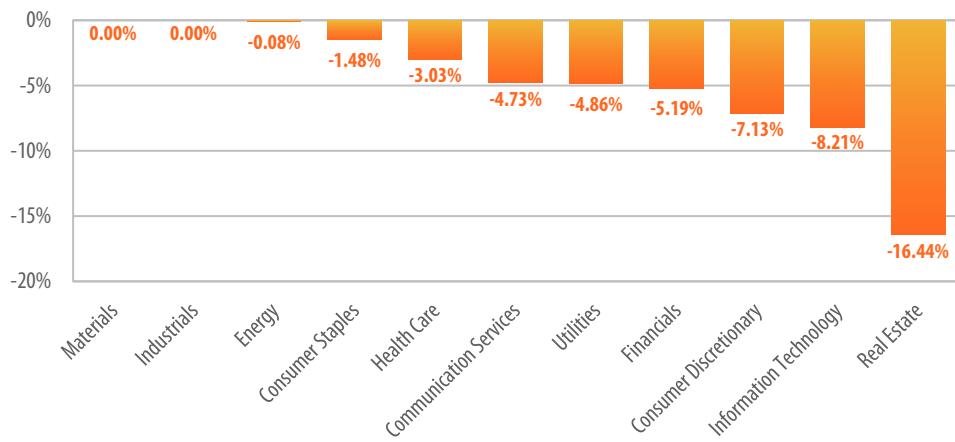


This chart is for illustrative purposes only and not indicative of any actual investment. There can be no assurance that any of the projections cited will occur. The illustration excludes the effects of taxes and brokerage commissions and other expenses incurred when investing. Investors cannot invest directly in an index. The S&P 500 Index is an unmanaged index of 500 stocks used to measure large-cap U.S. stock market performance, while the 11 major S&P 500 Sector Indices are capitalization-weighted and comprised of S&P 500 constituents representing a specific sector.

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## S&P 500 Index Sector Prices vs. All-Time Highs

### S&P 500 Index Sectors (Average Stock % From All-Time High)



Source: Bloomberg. As of 2/10/26. Past Performance is no guarantee of future results.

### View from the Observation Deck

Persistent earnings growth, continued developments in Artificial Intelligence, and strengthening economic data propelled the S&P 500 Index (“Index”) to an all-time high of 6,978.60 on 1/27/2026. Notably, the sectors we have grown accustomed to seeing as top performers (Communication Services and Technology) have largely sat out this year’s rally. We discussed our view on the catalysts behind this rotation in several recent pieces. [Click here](#) for one such insight. Given this trend, we thought a deeper dive into where each of the Index’s sectors sit relative to their all-time highs was warranted.

- Ten of the 11 sectors that comprise the Index were within ten percentage points of their all-time highs on 2/10/26, with eight of those ten having reached record highs in 2026.
- Excluding Materials and Industrials, which set their all-time highs on the day we pulled this dataset, Energy was closest to its record high (-0.08%), which was set just one day prior (2/9/26). Real Estate was furthest (-16.44%) from its all-time high which was attained on 12/31/2021.
- Energy, Materials, Consumer Staples, and Industrials are off to a phenomenal start this year, exhibiting price returns of 20.22%, 15.54%, 12.32%, and 12.11%, respectively, through 2/10.
- Communication Services and Technology, which were the two top performing sectors in 2025, saw respective year-to-date (YTD) price returns of 1.03% and -2.06% through 2/10.
- The Index’s breadth has expanded meaningfully in 2026, with 330 stocks outperforming the broader Index YTD through 2/10, compared to just 253 over the same period last year.
- A Bloomberg survey of 22 equity strategists found that their average year-end price target for the S&P 500 Index was 7,561 as of 1/21/26. The highest current estimate was 8,100, while the lowest was 7,000.

### Takeaway

Equities are off to a strong start in 2026, with the broader Index reaching a record high in January. Seven of the 11 sectors that comprise the Index are positive YTD through 2/10, with four of them already boasting double-digit returns (see the third bullet point above). From our perspective, we could be in the nascent stages of a broad rotation. As the chart reveals, the two sectors that have led the Index’s multi-year upward trajectory (Communication Services and Technology) currently lie 4.73% and 8.21% below their all-time highs. Tellingly, the Technology sector has been unable to best its previous price record (set in October 2025), despite the broader Index’s compelling surge to nearly 7,000 at the start of the year. By contrast Materials, Industrials, Energy, and Consumer Staples each achieved their record highs at the start of February 2026. Expanding market breadth lends further support to this theory. Will the trend continue as the year drives onward? Be sure to check back regularly for updates!