

# 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 500 Energy Index is a capitalization-weighted index comprised of 21 companies spanning five subsectors in the energy sector. The S&P 500 Utilities Index is a capitalization-weighted index comprised of 29 companies spanning five subsectors in the utilities sector.

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## Drilling Into Energy Stocks

### Energy-Related Stocks vs. the S&P 500 Index

(YTD, 1-Year and Average Annualized Total Returns thru 6/18/26)

Period	S&P 500 Energy Index	S&P 500 Utilities Index	50% Energy/50% Utilities	S&P 500 Index
YTD	20.29%	5.64%	12.97%	10.18%
1-Year	25.72%	14.34%	20.03%	26.90%
3-Year	13.40%	13.46%	13.43%	20.91%
5-Year	19.96%	10.29%	15.13%	14.08%
10-Year	8.91%	9.32%	9.12%	15.63%
15-Year	6.28%	10.61%	8.45%	14.62%
20-Year	6.78%	9.08%	7.93%	11.46%
25-Year	7.96%	7.42%	7.69%	9.60%

Source: Bloomberg. 50%/50% combination reflects daily rebalancing. **Past Performance is no guarantee of future results.**

### View from the Observation Deck

Today's post compares the performance of energy-related stocks to the broader equity market, as measured by the S&P 500 Index, over an extended period. Given global dependence on oil, natural gas, and electricity, the prices of companies in those industries are subject to myriad influences. [Click here](#) to view our last post on this topic.

**The S&P 500 Energy Index ("Energy Index") is the second-best performing sector year-to-date (YTD), surging 20.29% through June 18th.**

The Energy Index's YTD total return puts it 14.7 and 10.1 percentage points ahead of the S&P 500 Utilities Index ("Utilities Index") and the broader S&P 500 Index, respectively. With a total return of 21.37%, Technology is the only sector to outperform Energy YTD.

**Natural gas prices increased slightly since our last post on this topic, rising 3.79% between February 10, 2026, and June 18th.**

Despite the relatively benign headline increase, natural gas remains volatile, with the price per million British thermal units (BTUs) falling as low as \$2.52 (April 24th) and rising as high as \$3.34 (June 4th) over the time frame. The overall trend has been negative in 2026, with natural gas prices declining 12.29% YTD through June 18th.

**The price per barrel of West Texas Intermediate (WTI) crude oil has also been volatile, increasing 19.76% between February 10, 2026, and June 18th.**

The U.S. war with Iran destabilized the global energy market, sending crude prices skyrocketing 33.40% YTD through June 18. Recent progress toward peace and an announced truce provided some relief, with the per-barrel price of WTI crude declining from \$112.95 (April 7, 2026) to \$76.60 (June 18, 2026). As noted in our previous post on this topic, the price of oil was rising prior to the Iranian conflict, driven upward by rising global demand and heightened geopolitical tension. In its 2026 Global Energy Review, the International Energy Agency (IEA) reported that global oil demand increased 0.7% year-over-year in 2025.

### Takeaway

The Energy Index increased 20.29% YTD through June 18, 2026, making it the second-best performer among the 11 sectors that comprise the S&P 500 Index over the period. In our view, geopolitical instability and rising oil demand may continue to be near-term catalysts for price volatility. Utilities have not fared as well, increasing just 5.64% over the same time frame. This may seem counterintuitive given estimates of surging electricity and water usage over the near-term. The IEA reported that the U.S. will add a total of 420 terawatt-hours of electricity generation over the next five years, with nearly 50% of that increase being consumed by data centers. Several factors may explain Utilities' lagging performance. First, U.S. Utilities are a regulated industry, meaning earnings growth is unlikely to be commensurate with increases in demand. Second, because they are longer-duration, capital-intensive businesses, Utilities often exhibit heightened interest rate sensitivity. As many investors are likely aware, interest rate cut expectations have eroded in recent months. Will the Energy Index continue to outperform its peers this year? We will update this post with new information as warranted.