Market Commentary Blog

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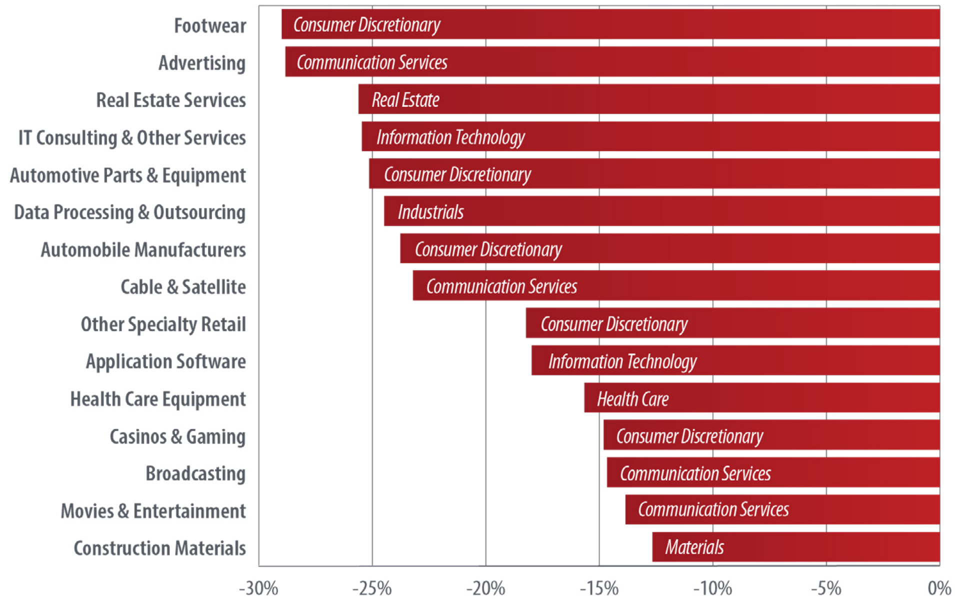
Worst-Performing S&P 500 Index Subsectors YTD (thru 8/7)

Bottom 15 S&P 500 Index Subsector Total Returns (12/31/25 – 8/7/26)



Source: Bloomberg. S&P Dow Jones Indices. **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 126 subsectors as of 8/7/26, according to S&P Dow Jones Indices. The 15 worst-performing subsectors in today's chart posted total returns ranging from -12.7% (Construction Materials) to -29.0% (Footwear) 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 accounted for five of the 15 worst-performing subsectors year-to-date (YTD) through 8/7, followed by Communication Services with four subsectors represented.
- Each of the 11 sectors that comprise the broader Index delivered positive total returns YTD through 8/7. Communication Services, Consumer Discretionary, and Utilities were the worst performers, generating total returns of 2.7%, 2.9%, and 3.6%, respectively. The broader S&P 500 Index increased by 14.1% over the period.
- The smallest S&P 500 Index sector by weight was Materials at 1.81% on 8/7/26, according to S&P Dow Jones Indices. Real Estate and Utilities were the next-largest sectors with weightings of 1.82% and 2.04%, respectively.

Takeaway

Five of the worst-performing subsectors in today's chart belong to the S&P 500 Consumer Discretionary Index, which was also the second-worst-performing sector in the Index YTD, generating a total return of 2.9% through 8/7. As we see it, the sector's results likely reflect deteriorating sentiment amid the ongoing Iranian war and the subsequent increase in global oil prices. Application Software, which was one of the worst performers in our last post on this topic, remains among them today, indicating just how persistent AI's tech industry disruption continues to be, in our opinion. As always, there are no guarantees, but there could be some 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.