Market Commentary Blog

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S&P 500 Index International Revenue By Sector

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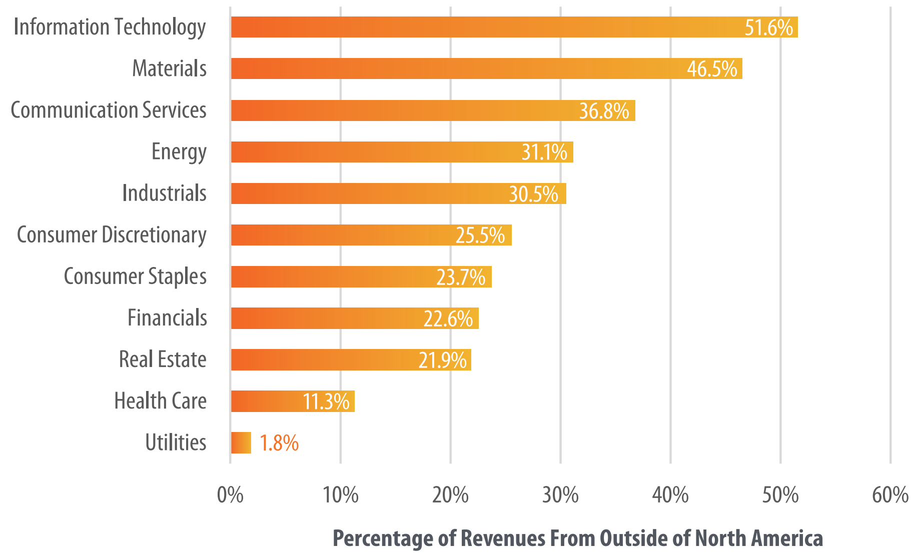

Source: FactSet Research Systems. Data as of 9/22/26.

View from the Observation Deck

In today's post, we set out to discuss the impact of international revenue generation on each of the eleven sectors that make up the broader S&P 500 Index ("Index"). The chart above provides a starting point, ranking each sector by the percentage of revenue generated outside of North America.

Information Technology, Materials, Communication Services, Energy, and Industrials have the highest exposure to international revenues.

Of all the sectors in the Index, Energy (+40.4%), Information Technology (+28.9%), and Materials (+12.7%) have the highest total returns year-to-date (YTD) through September 22, 2026. They also happen to generate a sizeable portion of their revenue from overseas (see chart). Consumer Discretionary and Utilities have not fared as well this year, shedding 2.7% and 3.0% (total returns), respectively, over the same period.

While still boasting positive total returns, international equities have lagged the broader S&P 500 Index YTD.

The YTD total return for international equities, as measured by the MSCI World (ex-U.S.) Index, was 12.3% through September 22, compared to the Index's total return of 14.4% over the period. By contrast, the calendar year 2025 total return for the MSCI World (ex-U.S.) Index was 32.7% compared to 17.9% for the Index, marking the first time the MSCI World (ex-U.S.) Index outperformed the Index since 2022 (when both were negative).

Takeaway

We believe today's chart offers a unique perspective on the increasingly intricate interconnection among global markets. Perhaps unsurprisingly, companies generating significant overseas revenues are among the top performers YTD (Energy, Information Technology, and Materials). One outlier is the Consumer Discretionary sector. Despite generating a significant share of revenue from overseas (25.5%), the sector's YTD total return is a dismal -2.7%. As we see it, this underperformance could be the result of persistent geopolitical unease and tighter U.S. monetary policy, with higher interest rates restricting consumers' near-term discretionary expenditures. The international revenue generation of the Information Technology sector is striking, as it unveils the depth of the sector's global sales channels and offers insight into the remarkable role U.S.-based companies play in the global AI landscape, in our view. While we cannot know what the future holds, we expect overseas revenue streams to have a positive impact on the near-term performance of U.S. companies.