Sector Performance Via Market Capitalization (Since Steel/Aluminum Tariffs Enacted)

Large-, Mid- & Small-Cap Total Returns *(3/8/18-6/26/18)*

Category	S&P 500 Index	S&P MidCap 400 Index	S&P SmallCap 600 Index
Index	-0.03%	2.95%	8.61%
Consumer Disc.	5.45%	3.05%	14.46%
Consumer Staples	-3.78%	4.03%	13.51%
Energy	12.71%	25.84%	18.96%
Financials	-7.20%	-3.27%	5.06%
Health Care	-0.85%	11.34%	13.96%
Industrials	-5.55%	-1.84%	5.03%
Info. Tech.	1.82%	-1.67%	4.13%
Materials	-3.08%	-2.19%	0.89%
Real Estate	6.96%	13.32%	13.24%
Telecom. Services	-5.90%	-5.11%	11.76%
Utilities	6.50%	12.81%	14.07%

Source: Bloomberg. Past performance is no guarantee of future results.

View from the Observation Deck

1. On 3/8/18, President Trump signed orders imposing tariffs on imported steel (25%) and aluminum (10%).
2. Since 3/8/18, tariff announcements have expanded beyond steel and aluminum, with President Trump targeting China in particular due to the sizable trade deficit between the U.S. and China. That trade deficit rose from $347 billion in 2016 to $375 billion in 2017, according to CNBC. China, the European Union and some other U.S. allies are responding in kind by levying tariffs against U.S. goods.
3. While tensions over tariffs have escalated, the hope is that things do not evolve into an all-out trade war.
4. As of 6/26/18, the S&P 500, S&P MidCap 400 and S&P SmallCap 600 Indices stood 5.21%, 1.94% and 1.81% below their respective all-time closing highs, according to Bloomberg.
5. These three indices together comprise the S&P Composite 1500 Index, which represents approximately 90% of total U.S. equity market capitalization (cap), according to S&P Dow Jones Indices.
6. Sector performance can vary widely by market cap. Some of the sectors reflect a fairly significant disparity in performance (see table).
7. Based on market cap alone, small-cap stocks, as measured by the S&P SmallCap 600 Index, have significantly outperformed their mid- and large-cap counterparts since the tariffs began (3/8/18). Small-cap stocks tend to have less exposure to global trade policies.

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