

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

## Large-, Mid- & Small-Cap Cumulative Total Returns (3/8/18-11/19/19)

Category	S&P 500 Index	S&P MidCap 400 Index	S&P SmallCap 600 Index
<b>Index</b>	17.79%	7.33%	5.17%
<b>Comm. Services</b>	18.43%	10.75%	1.67%
<b>Consumer Disc.</b>	16.27%	0.74%	6.55%
<b>Consumer Staples</b>	19.17%	4.53%	7.12%
<b>Energy</b>	-7.84%	-44.67%	-57.41%
<b>Financials</b>	6.74%	-1.70%	4.48%
<b>Health Care</b>	18.14%	16.89%	7.84%
<b>Industrials</b>	10.67%	12.97%	9.15%
<b>Info. Tech.</b>	30.60%	18.60%	17.46%
<b>Materials</b>	3.57%	-6.99%	-12.99%
<b>Real Estate</b>	34.01%	25.08%	27.10%
<b>Utilities</b>	35.41%	27.16%	30.06%

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

As of 9/28/18, the Global Industry Classification Standard (GICS) was reconstituted and the Telecommunications Services sector was renamed Communication Services. GICS sector information for periods prior to 9/28/18 may not necessarily be comparable to the reconstituted sectors.

## View from the Observation Deck

1. On 3/8/18, President Trump signed orders imposing tariffs on imported steel (25%) and aluminum (10%). Since then, trade tensions with China have escalated and we believe such tensions are weighing on global growth projections and the stock market.
2. As of 11/19/19, the S&P 500, S&P MidCap 400 and S&P SmallCap 600 Indices stood 0.06%, 2.38% and 10.76% below their respective all-time closing highs (down 10% to 19.99% from recent peak is correction territory), according to Bloomberg.
3. 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.
4. Sector performance can vary widely by market cap. Some of the sectors reflect a significant disparity in performance (see table). The more defensive/income-oriented sectors (Utilities & Real Estate) performed the best for investors.
5. Large-cap stocks, as measured by the S&P 500 Index, have significantly outperformed their mid- and small-cap counterparts since the tariffs began (3/8/18).
6. There is far less red in today's chart compared to our last post on 8/27/19. [Click here](#) to view.

*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 stocks used to measure large-cap U.S. stock market performance, while the 11 major S&P 500 Sector Indices (Real Estate was added as the 11th major sector in 2016 but data is not available for this chart) are capitalization-weighted and comprised of S&P 500 constituents representing a specific sector. The S&P MidCap 400 Index is a capitalization-weighted index that tracks the mid-range sector of the U.S. stock market. The S&P SmallCap 600 Index is a capitalization-weighted index that tracks U.S. stocks with a small market capitalization.*

*The information presented is not intended to constitute an investment recommendation for, or advice to, any specific person. By providing this information, First Trust is not undertaking to give advice in any fiduciary capacity within the meaning of ERISA, the Internal Revenue Code or any other regulatory framework. Financial advisors are responsible for evaluating investment risks independently and for exercising independent judgment in determining whether investments are appropriate for their clients.*

