

Checking in on the 10-Largest Stocks in the S&P 500 Index

S&P 500 Index Breadth (Price-Only Returns)

Period	Top 10 Stocks by Market Cap Avg. % Price Change	S&P 500 Index % Price Change
YTD (11/30/19)	33.22%	25.30%
2018	-10.00%	-6.24%
2017	32.11%	19.42%
2016	15.00%	9.54%
2015	16.52%	-0.73%
2014	11.37%	11.39%
2013	28.63%	29.60%
2012	8.90%	13.41%

Source: S&P Dow Jones Indices. Past performance is no guarantee of future results.

View from the Observation Deck

1. We receive questions over time concerning the degree to which the largest companies in the S&P 500 Index, by market capitalization (cap), are influencing the performance of the index in the current bull market.
2. The price-only returns featured in the table are shaded in either gray or blue. The gray shaded years indicate, for the most part, that a broad number of stocks in the S&P 500 Index were participating in the upside of the market, while the blue shaded years indicate that the top 10 stocks garnered more favor from investors.
3. Most recently, while the top 10 companies by market cap significantly outperformed the broader market from 2015-2017, the S&P 500 Index delivered better results in 2018, albeit losses. The top 10 companies are outperforming the broader market once again in 2019.
4. Another way to size up the bull market with respect to market breadth is to compare the S&P 500 Index, which is cap-weighted, to the S&P 500 Equal Weight Index (not depicted in table).
5. From 12/30/11-11/30/19 (period featured in table), the S&P 500 Index posted a cumulative total return of 194.66% (14.62% on an average annualized basis), compared to 184.05% (14.09% on an average annualized basis) for the S&P 500 Equal Weight Index, according to Bloomberg. A slight edge for the S&P 500 Index.
6. The bull market, as measured by the S&P 500 Index, commenced in March 2009. From 3/9/09-11/30/19, the S&P 500 Index posted a cumulative total return of 480.95% (17.82% on an average annualized basis), compared to 570.45% (19.40% on an average annualized basis) for the S&P 500 Equal Weighted Index, according to Bloomberg. A notable win for the S&P 500 Equal Weight Index.
7. Those returns suggest that this bull market has been inclusive, rather than one dominated by the biggest companies, in our opinion.

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. The S&P 500 Equal Weight Index is comprised of the same companies as the capitalization weighted S&P 500 Index, but each company is allocated a fixed weight, or 0.2% of the index total at each quarterly rebalance.

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