

# Some Perspective On The Outsized Gains In Stocks in 2019

## S&P 500 Index & S&P 500 Sector Index Total Returns

Index	1/26/18-7/5/19	9/20/18-7/5/19	12/31/18-7/5/19
<b>S&amp;P 500</b>	7.17%	3.68%	20.55%
<b>Communication Services</b>	5.35%	8.51%	22.48%
<b>Consumer Discretionary</b>	13.37%	4.30%	24.36%
<b>Consumer Staples</b>	5.38%	10.55%	18.73%
<b>Energy</b>	-14.63%	-13.27%	12.06%
<b>Financials</b>	-3.80%	-0.61%	19.63%
<b>Health Care</b>	5.05%	0.94%	9.39%
<b>Industrials</b>	-1.06%	-0.90%	21.53%
<b>Information Technology</b>	19.05%	7.99%	30.00%
<b>Materials</b>	-5.16%	-1.42%	17.87%
<b>Real Estate</b>	23.48%	16.74%	23.38%
<b>Utilities</b>	25.26%	17.83%	16.60%

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

### View from the Observation Deck

1. Today's blog post features the total return performance of the S&P 500 Index and its 11 major sectors over three specific time periods. All three periods end on 7/5/19.
2. As indicated in the table, the last column shows year-to-date (YTD) performance and the total returns are eye-popping. That is why we feel the need to add some perspective to the current climate in the stock market.
3. As we often point out, from 1926-2018 (93 years), the S&P 500 Index posted an average annual total return of 9.99%, according to Ibbotson & Associates/Morningstar. Some of the YTD total returns have doubled, and even tripled, that 9.99% historical annual average.
4. The all-time closing high for the S&P 500 Index was registered on 7/3/19 at 2,995.82, according to Bloomberg. Two prior all-time closing highs that stood out in 2018 were made on 1/26/18 (2,872.87) and 9/20/18 (2,930.75). They are the start dates for the other two columns in the table.
5. Investors need to remember that the S&P 500 Index experienced a correction (decline of 10.00% to 19.99% from the recent peak) following each of those 2018 highs. From 1/26/18-2/8/18, the S&P 500 Index declined in price by 10.16%, according to Bloomberg. From 9/20/18-12/24/18, the index plunged 19.78% in price, nearly falling into bear market territory (20% or more price decline from the recent peak).
6. Our takeaway is that equity investors should not let the hot start to 2019 dissuade them from adding more capital to the market moving forward. A good percentage of this year's performance helped recoup last year's downside.
7. As noted, the current all-time closing high for the index is 2,995.82 (7/3/19). Brian Wesbury, Chief Economist at First Trust Advisors L.P., just raised his 2019 year-end target for the S&P 500 Index from 3,100 to 3,250.

*This chart is for illustrative purposes only and not indicative of any actual investment. 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 are capitalization-weighted and comprised of S&P 500 constituents representing a specific sector.*

*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.*

