

How Stocks Have Fared In The First Year Of A Four-Year Presidential Term

First Year Of A Four-Year Presidential Term (S&P 500 Index & Sector Index Total Returns)

	1993	1997	2001	2005	2009	2013	2017
White House	Democrat	Democrat	Republican	Republican	Democrat	Democrat	Republican
Senate	Democrat	Republican	Democrat	Republican	Democrat	Democrat	Republican
House	Democrat	Republican	Republican	Republican	Democrat	Republican	Republican
S&P 500	10.08%	33.36%	-11.89%	4.91%	26.46%	32.39%	21.83%
Comm. Svcs.	15.06%	41.24%	-12.24%	-5.63%	8.93%	11.47%	-1.25%
Cons. Disc.	14.64%	34.36%	2.79%	-6.37%	41.31%	43.08%	22.98%
Cons. Staples	-3.86%	32.89%	-6.40%	3.58%	14.89%	26.14%	13.49%
Energy	15.88%	25.28%	-10.39%	31.37%	13.82%	25.07%	-1.01%
Financials	10.60%	48.15%	-8.95%	6.48%	17.22%	35.63%	22.18%
Health Care	-8.18%	43.73%	-11.96%	6.46%	19.70%	41.46%	22.08%
Industrials	21.71%	28.53%	-25.87%	0.99%	61.72%	28.43%	38.83%
Info. Tech.	18.58%	27.04%	-5.74%	2.32%	20.93%	40.68%	21.03%
Materials	13.46%	8.41%	3.48%	4.42%	48.59%	25.60%	23.84%
Real Estate	N/A	N/A	N/A	12.56%	27.10%	1.60%	10.85%
Utilities	13.69%	24.65%	-30.45%	16.84%	11.91%	13.21%	12.11%

Source: Bloomberg and The Spokesman-Review. **Past performance is no guarantee of future results.**

View from the Observation Deck

1. What makes today's blog post different from many like it is we included sector performance. Based on the availability of sector data, we could only go back as far as 1993.
2. As indicated in the table, of the seven years featured, the Democrats controlled the White House in four of them, as was the case with the Senate. With respect to the House of Representatives, Republicans controlled five of the seven.
3. There are 81 total returns in the table and 66, or 81.5%, of them were positive.
4. The only sector without a negative total return over all seven years was Materials.
5. The following returns reflect the averages for 11 of the indices (excluding Real Estate) in the table over the seven years: 16.73% (S&P 500); 8.23% (Communication Services); 21.83% (Consumer Discretionary); 11.53% (Consumer Staples); 14.29% (Energy); 18.76% (Financials); 16.18% (Health Care); 22.05% (Industrials); 17.83% (Information Technology); 18.26% (Materials); and 8.85% (Utilities).
6. For comparative purposes, from 1926 through 2019, the average annual total return on the S&P 500 Index was 10.20%, according to Morningstar/Ibbotson Associates.

This chart is for illustrative purposes only and not indicative of any actual investment. There can be no assurance that any of the projections cited will occur. The illustration excludes the effects of taxes and brokerage commissions or 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 11 major S&P 500 Sector Indices are capitalization-weighted and comprised of S&P 500 constituents representing a specific sector.

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