

# The Action In The Stock Market Has Been Fast And Furious

S&P 500 Index & Sector Index Total Returns (2020)

Category	12/31/19 - 2/19/20	2/19/20 - 3/23/20	3/23/20 - 8/5/20	12/31/19 - 8/5/20
S&P 500 Index	5.07%	-33.79%	49.71%	4.16%
Comm. Services	6.51%	-28.59%	40.77%	7.07%
Consumer Disc.	6.40%	-31.73%	63.60%	18.84%
Consumer Staples	2.56%	-24.04%	30.66%	1.80%
Energy	-8.92%	-55.92%	58.73%	-36.28%
Financials	1.09%	-42.92%	38.99%	-19.80%
Health Care	2.10%	-27.91%	43.55%	5.67%
Industrials	3.25%	-41.69%	51.87%	-8.56%
Info. Tech.	12.08%	-31.15%	62.17%	25.14%
Materials	-1.49%	-36.09%	61.82%	1.88%
Real Estate	6.61%	-37.71%	42.15%	-5.61%
Utilities	8.59%	-35.64%	35.25%	-5.47%

Source: Bloomberg. Data thru 8/5/20. Past performance is no guarantee of future results.

## View from the Observation Deck

1. Today's blog post features the total return performance figures for the S&P 500 Index and its 11 major sectors over four specific periods this year.
2. The first column of total returns in the table above indicates that, with the exception of Materials and Energy, the S&P 500 Index and the sectors that comprise it were off to a prosperous start to 2020.
3. Due largely to the onset of coronavirus (COVID-19), a major shift in sentiment occurred after the close of trading on 2/19/20. The second column of total returns captures the depth of the sell-off in the stock market.
4. The S&P 500 Index actually crossed over into bear market territory (a 20% or more price decline from the most recent high) at the close of trading on 3/12/20. It only took 16 trading days, the fastest path to a bear market ever. The sell-off did not cease until 3/23/20.
5. What changed around 3/23/20? The Federal Reserve, Treasury Department and Congress joined up with the Trump administration to pull together trillions of dollars of aid and stimulus to help prop up workers, companies and municipalities in this time of need. They have acknowledged throughout that they may need to contribute additional stimulus until the economy can mount a recovery on its own. The Democrats in the House and the Senate Republicans are battling over the next phase of stimulus as we speak.
6. The third column of total returns shows the rebound currently in progress. Despite the severe economic fallout anticipated from shutting down huge chunks of the U.S. economy for an indeterminate period, it appears that investors have placed their confidence in the government's ability to mitigate this pandemic, in our opinion.
7. The last column reflects the year-to-date total returns through 8/6/20. It exposes those sectors still struggling to get back into positive territory.
8. Some investors may have already shifted their focus beyond 2020's expectations. Bloomberg's consensus earnings growth rate estimates for the S&P 500 Index for 2020, 2021 and 2022 were -20.64%, 24.84% and 17.43%, respectively, as of 7/31/20.

*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 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 are capitalization-weighted and comprised of S&P 500 constituents representing a specific sector.*

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