

Sector Performance Via Market Cap. (2020-2021 and YTD-1/25/22)

Large-, Mid- & Small-Cap Total Returns

■ 12/31/19-12/31/21 ■ 12/31/21-1/25/22

Category	S&P 500		S&P MidCap 400		S&P SmallCap 600	
Index	52.34%	-8.54%	41.76%	-8.64%	40.98%	-7.46%
Comm. Services	50.27%	-10.55%	2.12%	-10.55%	52.63%	-6.50%
Consumer Disc.	65.87%	-12.70%	67.26%	-9.65%	76.99%	-9.10%
Consumer Staples	31.38%	-2.89%	34.55%	-6.98%	42.98%	-8.27%
Energy	2.37%	17.95%	2.80%	6.35%	-3.53%	10.95%
Financials	32.50%	-1.47%	30.71%	-0.69%	16.56%	-1.09%
Health Care	43.09%	-9.02%	45.06%	-15.00%	39.26%	-14.27%
Industrials	34.48%	-4.75%	49.62%	-9.50%	40.79%	-9.19%
Info. Tech.	93.56%	-13.12%	54.82%	-13.45%	62.10%	-12.92%
Materials	53.67%	-8.08%	46.30%	-8.72%	45.03%	-3.61%
Real Estate	42.97%	-9.54%	19.48%	-7.52%	17.46%	-9.38%
Utilities	18.29%	-6.24%	3.15%	-4.86%	12.47%	-7.91%

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

View from the Observation Deck

- Equities appear to be on the cusp of delivering the market correction, as measured by the S&P 500 Index, that many pundits have been forecasting.
- A correction is usually defined as a 10.00% to 19.99% decline in the price of a security or index from its most recent peak. A bear market is defined as a 20.00% or greater decline in the price of a security or index.
- As of the close on 1/25/22, the S&P 500 Index stood 9.18% below its all-time closing high of 4,796.56 (1/3/22), just shy of correction territory, according to Bloomberg.
- The three major indices featured in the table 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.
- For comparative purposes, at the close of 1/25/22, the S&P MidCap 400 and S&P SmallCap 600 Indices stood 10.84% and 11.55% below their respective all-time highs. Both are already in correction territory.
- Large-cap stocks performed significantly better than their mid- and small-cap counterparts from 2020-2021 (black columns). YTD through 1/25/22, large-caps were in line with the performance of mid-caps, but were down a bit more than small-caps for the period (see table above). From 12/31/19 through 1/25/22 (period covered in the table that captures the COVID-19 pandemic), the S&P 500, S&P MidCap 400 and S&P SmallCap 600 Indices posted cumulative total returns of 39.38%, 29.55% and 30.61%, respectively, according to Bloomberg.
- Sector performance can vary widely by market cap (see table). A couple of the more extreme cases (2020-2021) include Information Technology, Real Estate and Utilities.
- As of the close on 1/26/22, the percentage of stocks in the S&P 500, S&P MidCap 400 and S&P SmallCap 600 Indices trading above their 50-day moving averages were 30%, 18% and 21%, respectively.
- The percentage of stocks in the S&P 500, S&P MidCap 400 and S&P SmallCap 600 Indices trading above their 200-day moving averages were 42%, 29% and 32%, respectively.
- Moving averages tend to smooth out day-to-day price fluctuations and can be a useful tool for traders and investors to identify both positive trends and reversals, 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 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 11 major sector indices are capitalization-weighted and comprised of S&P 500, S&P MidCap 400 and S&P SmallCap 600 constituents representing a specific sector.

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