

Cash Flow and Carey



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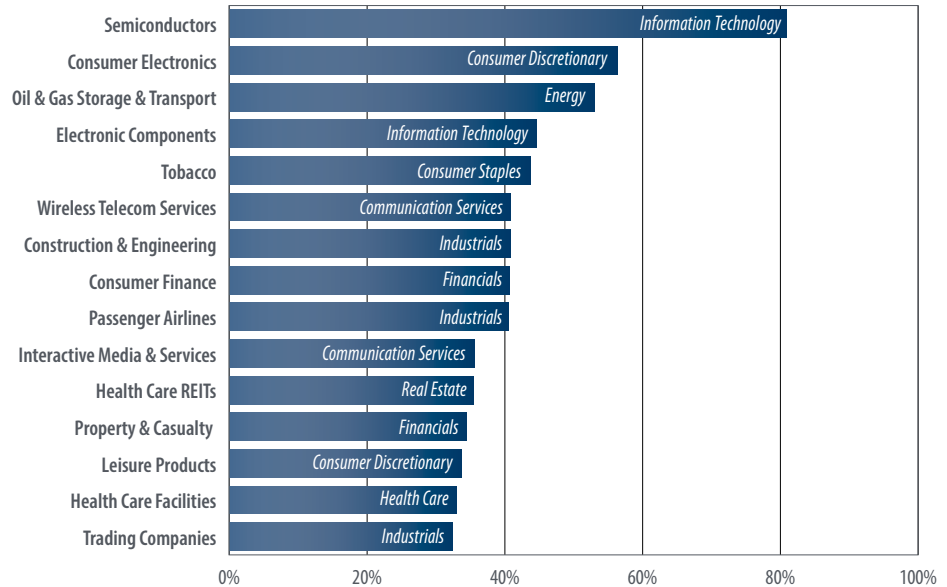
11/5/24

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 companies used to measure large-cap U.S. stock market performance, while the S&P sector and subsector indices are capitalization-weighted and comprised of S&P 500 constituents representing a specific sector or industry.

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Top-Performing S&P 500 Index Subsectors YTD (thru 11/1)

Top 15 S&P 500 Index Subsector Total Returns 12/29/23 – 11/1/24



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

View from the Observation Deck

Today's blog post is for those investors who want to drill down below the sector level to see what is performing well in the stock market. The S&P 500 Index was comprised of 11 sectors and 126 subsectors on 11/1/24, according to S&P Dow Jones Indices. The 15 top-performing subsectors in the chart posted total returns ranging from 80.93% (Semiconductors) to 32.45% (Trading Companies). [Click here](#) to view our last post on the top performing subsectors.

- As indicated in the chart above, the Industrials sector had the most subsectors (3) represented in the top 15 performers on a year-to-date (YTD) basis.
- With respect to the 11 major sectors that comprise the S&P 500 Index, Communication Services posted the highest total return for the period captured in the chart, increasing by 31.22%. The second and third-best performers were Information Technology and Utilities, with total returns of 29.83% and 26.40%, respectively. The S&P 500 Index posted a total return of 21.46% over the period.
- As of 11/1/24, the most heavily weighted sector in the S&P 500 Index was Information Technology at 31.75%, according to S&P Dow Jones Indices. For comparison, the Financials and Health Care sectors were the next-largest with weightings of 13.33% and 11.18%, respectively.
- Using 2024 consensus earnings estimates, the Information Technology and Energy sectors had the highest and lowest price-to-earnings (P/E) ratios at 35.16 and 13.95, respectively, as of 11/4/24 (excluding Real Estate). For comparison, the S&P 500 Index had a P/E ratio of 24.44 as of the same date.

Takeaway

The Information Technology, Financials, and Communication Services sectors accounted for 41.34%, 14.91%, and 12.95%, respectively, of the total return of the S&P 500 Index YTD through 10/31/24, according to data from S&P Dow Jones Indices. With a total return of 31.22%, communication services stocks are the top-performer in the S&P 500 Index YTD through 11/1, followed by technology companies (+29.83%). Surprisingly, none of the 15 subsectors in today's chart come from the S&P 500 Utilities sector, which happens to be the third-best performer with a total return of 26.40% YTD. For those investors who may have an interest, there are a growing number of packaged products, such as exchange-traded funds, that feature S&P 500 Index subsectors.