



**STATE STREET GLOBAL ADVISORS**  
**SPDR US Sector Weekly Checkup**  
**May 8, 2020**

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Weekly as of 05/08/2020

## US Sector Weekly Checkup

### Key Takeaways

- **Performance:** Sectors that have beaten earnings estimates and exhibit high growth continue to outperform the other sectors despite COVID-19
- **Flows and Positioning:** Technology continued to have strong inflows, while Health Care continued its three-month trend of inflows
- **Earnings:** As earnings season wraps up, cyclical sectors were battered, while high-growth sectors fared well
- **Technicals:** Technology, Communications Services, and Consumer Discretionary saw an increase to their RSI, approaching overbought territory

### Performance

- Sectors that have beaten earnings estimates and exhibit high growth continue to outperform the other sectors despite COVID-19
- Energy led performance this past week as news from Saudi Arabia of an additional production cut of 1 million barrels per day boosted growth

Sectors	Price Return (%)					Momentum Composite Z-Score*
	Last Week	MTD	Trailing 3 Mth.	YTD	1 Year	
Cons. Disc.	4.4	-0.4	-6.3	-3.5	2.4	0.1
Cons. Staples	0.9	-0.3	-9.8	-7.9	2.4	0.7
Energy	8.3	1.8	-27.9	-35.4	-37.5	-2.3
Financials	1.0	-2.3	-27.9	-27.7	-18.4	-0.7
Health Care	1.7	-0.4	-3.5	-2.6	12.6	1.0
Industrials	1.3	-1.7	-24.4	-22.5	-16.6	-0.6
Tech.	6.6	3.5	-4.8	3.4	25.0	1.2
Materials	3.4	1.2	-12.4	-14.4	-3.0	-0.1
Comm. Svcs.	3.7	2.1	-7.8	-4.1	6.3	0.3
Real Estate	1.5	-1.8	-16.6	-14.0	-6.4	0.1
Utilities	0.5	-1.9	-18.0	-13.2	-1.2	0.5

Source: Bloomberg Finance L.P., as of 05/08/2020. \*Momentum Composite Z-Score is calculated based on 3-month, 6-month, and 12-month price returns as of one month ago. **Past performance is not a guarantee of future results.**

**Key** The green boxes signify the three most positive sectors in their respective column, while the red boxes signify the three negative sectors.

**Flows and Positioning**

- Health Care led inflows with \$1 billion this past week, a reversal from the outflows seen the prior week.
- Technology saw \$559 million in inflows this past week, bringing their trailing 12 month total near \$10 billion

Sector	ETF Flows (\$M)				Put/Call Open Interest (1-Yr. Percentile Ranking)	
	Prior Week	MTD	Trailing 3 Mth.	Trailing 12 Mth.	Current	1 W Ago
Technology	559	484	4,005	9,928	87%	75%
Financials	-254	-543	-4,337	-9,115	4%	1%
Health Care	1,031	1,324	7,887	4,526	47%	39%
Cons. Disc.	69	66	-2,062	-2,423	61%	99%
Cons. Staples	239	462	2,378	3,616	35%	48%
Energy	242	119	3,882	5,141	13%	9%
Materials	49	87	-1,116	-403	80%	72%
Industrials	-7	41	-2,875	-1,726	36%	31%
Real Estate	-531	-653	-1,551	3,095	77%	49%
Utilities	-210	-64	1,674	2,737	6%	12%
Communications	135	156	1,141	2,087	86%	93%

Source: Bloomberg Finance L.P., State Street Global Advisors, as of 05/08/2020.

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**Earnings**

- As earnings season wraps up, cyclical sectors suffered, while high-growth and defensive sectors had a strong rally
- Consumer Discretionary and Utilities firms will report the most this week. Overall, Consumer Discretionary firms had one of the worst negative revisions to their EPS, while Utilities had the one of the best.

Sector	% of Cos. Reported	% of Cos. to Report This Week	% of Mkt. Cap to Report This Week	Blended Earnings Growth %	Q1 2020	CY 2020		
					The Magnitude of Earnings Surprise in %	% of Companies with Earnings Beats	Earnings Growth Est. as of 12/31/2019	Current Est. Earnings Growth %
Cons. Disc.	63%	11%	3%	-52%	-9%	50%	1%	-49%
Cons. Staples	82%	3%	1%	4%	7%	78%	3%	-1%
Energy	100%	0%	0%	-28%	133%	78%	31%	-106%
Financials	100%	0%	0%	-44%	-28%	48%	-3%	-36%
Health Care	88%	7%	2%	7%	8%	75%	7%	0%
Industrials	94%	1%	1%	-26%	11%	67%	1%	-44%
Technology	79%	4%	4%	4%	8%	73%	4%	2%
Materials	93%	7%	5%	-20%	8%	85%	-4%	-21%
Comm. Svcs.	96%	0%	0%	4%	-3%	60%	19%	-12%
Real Estate	97%	3%	4%	3%	1%	50%	6%	-3%
Utilities	93%	11%	15%	7%	5%	54%	5%	2%
S&P 500	88%	4%	2%	-14%	0%	64%	5%	-20%

Source: FactSet, as of 05/11/2020.

Sector	1-Month Changes to 2020 EPS Est.	3-Month Changes to 2020 EPS Est.	2020 EPS Est. 1 Mth. Upgrade-to-Downgrade Ratio	2020 EPS Est. 3 Mth. Upgrade-to-Downgrade Ratio
Cons. Disc.	-35.7%	-50.4%	0.05	0.05
Cons. Staples	-4.6%	-7.0%	0.43	0.32
Energy	-399.3%	-119.7%	0.23	0.00
Financials	-35.9%	-47.3%	0.23	0.12
Health Care	-6.5%	-9.1%	0.14	0.18
Industrials	-28.4%	-46.8%	0.03	0.01
Tech.	-4.4%	-8.3%	0.18	0.13
Materials	-13.7%	-26.3%	0.04	0.04
Comm. Svcs.	-16.2%	-21.9%	0.18	0.18
Real Estate	-11.7%	-18.8%	0.03	0.00
Utilities	-1.0%	-1.6%	0.08	0.26
S&P 500	-17.2%	-28.8%	0.13	0.10

Source: FactSet, as of 05/11/2020.

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**Technicals**

- The recent market bounce-back rally has produced strong short-term momentum, increasing the RSI for Technology, Communications Services, and Consumer Discretionary almost to an overbought territory
- Energy, Health Care, and Technology continue to have the most index constituents trade above their 50 DMA, however many stocks in those sectors are well below their 200 DMA

Sector	Last Px % Diff. to 50 DMA	Last Px % Diff. to 200 DMA	% Diff. Between 50 and 200 DMA	% of Companies Trading Above 50 DMA	% of Companies Trading Above 200 DMA	14-Day Relative Strength Index	1-Week Change in 14-Day RSI
Cons. Disc.	11%	2%	-9%	70%	12%	62	7
Cons. Staples	2%	-4%	-6%	79%	18%	51	3
Energy	15%	-24%	-34%	89%	1%	60	7
Financials	1%	-18%	-19%	71%	10%	51	2
Health Care	7%	5%	-2%	97%	36%	56	3
Industrials	2%	-16%	-17%	73%	11%	53	3
Tech.	12%	10%	-2%	94%	39%	63	9
Materials	9%	-6%	-14%	86%	6%	58	4
Comm. Svcs.	10%	2%	-7%	77%	9%	64	6
Real Estate	1%	-11%	-12%	39%	7%	51	3
Utilities	-2%	-10%	-8%	32%	0%	47	2

Source: Bloomberg Finance L.P., as of 05/08/2020.

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