



STATE STREET GLOBAL ADVISORS

SPDR US Sector Weekly Checkup

May 1, 2020

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Weekly as of 05/01/2020

US Sector Weekly Checkup

Key Takeaways

- **Performance:** Prior period laggards – such as Energy, Financials, and Materials – rallied, while Health Care – a prior leader – gave back some gains last week
- **Flows and Positioning:** In a reversal of the prior three months' trends, Health Care led outflows, while Financials led inflows
- **Earnings:** Technology, Consumer Staples, Health Care, and Utilities continue to see more resiliency in their earnings estimates than all other sectors
- **Technical:** In a sign of strong relative momentum, both Health Care and Technology were the only two sectors trading above both their 50 and 200-day moving averages.

Performance

- Positive earnings reports for mega-cap Communication Services firms boosted the overall sector's performance
- Prior period laggards – such as Energy, Financials, and Materials – rallied, while Health Care – a prior leader – gave back some gains last week

Sectors	Price Return (%)					Momentum Composite Z-Score*
	Last Week	MTD	Trailing 3 Mth.	YTD	1 Year	
Cons. Disc.	-1.1	-4.6	-8.1	-7.6	-3.1	0.2
Cons. Staples	-2.0	-1.2	-8.9	-8.7	0.7	0.8
Energy	2.9	-6.0	-32.8	-40.3	-42.1	-2.4
Financials	1.3	-3.3	-26.4	-28.5	-20.8	-0.7
Health Care	-2.6	-2.1	-1.4	-4.2	9.9	0.9
Industrials	1.2	-3.0	-23.1	-23.5	-19.3	-0.4
Tech.	0.2	-2.9	-6.7	-3.1	13.9	1.1
Materials	1.9	-2.2	-11.7	-17.2	-9.1	-0.3
Comm. Svcs.	2.0	-1.6	-8.1	-7.5	1.5	0.5
Real Estate	-0.6	-3.2	-16.3	-15.2	-8.8	-0.1
Utilities	-4.3	-2.4	-19.0	-13.6	-3.5	0.4

Source: Bloomberg Finance L.P., as of 05/01/2020. *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 outflows with \$206 million this past week, a reversal from the strong inflows seen over the past few weeks. YTD, this sector still leads all inflows, and its April flows set a new monthly record for the sector
- Financials led inflows this past week with \$723 million, a reversal from the prior week, when this sector led outflows

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	296	-43	3,718	9,749	77%	54%
Financials	723	-209	-3,890	-7,993	0%	2%
Health Care	-206	286	7,582	3,382	41%	42%
Cons. Disc.	240	-14	-2,671	-2,544	99%	96%
Cons. Staples	230	222	2,647	3,911	46%	44%
Energy	79	-123	4,023	4,186	8%	9%
Materials	87	38	-919	-964	74%	86%
Industrials	61	70	-2,925	-1,922	31%	33%
Real Estate	-86	-106	-1,050	3,023	51%	60%
Utilities	-87	146	1,975	3,516	10%	5%
Communications	60	4	1,117	1,937	93%	98%

Source: Bloomberg Finance L.P., State Street Global Advisors, as of 05/01/2020.

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Earnings

- Technology, Consumer Staples, Health Care, and Utilities continue to see more resiliency in their earnings estimates than all other sectors
- Real Estate and Utilities have the majority of their companies reporting earnings this week. Of the companies that have reported, over half of them have beat earnings estimates.

Sector	Q1 2020				CY 2020			
	% of Cos. Reported	% of Cos. to Report This Week	% of Mkt. Cap to Report This Week	Blended Earnings Growth %	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.	44%	16%	9%	-51%	-10%	50%	1%	-43%
Cons. Staples	73%	9%	4%	5%	8%	83%	3%	0%
Energy	56%	46%	28%	-32%	116%	80%	31%	-108%
Financials	86%	15%	15%	-43%	-31%	45%	-3%	-35%
Health Care	60%	26%	21%	6%	8%	72%	7%	0%
Industrials	69%	26%	16%	-32%	6%	67%	-2%	-42%
Technology	48%	31%	11%	5%	9%	74%	4%	2%
Materials	46%	46%	47%	-24%	6%	85%	-4%	-18%
Comm. Svcs.	42%	50%	18%	3%	-2%	36%	17%	-10%
Real Estate	29%	68%	51%	2%	2%	56%	5%	-2%
Utilities	32%	68%	56%	6%	8%	78%	5%	3%
S&P 500	56%	31%	17%	-15%	-1%	64%	4%	-19%

Source: FactSet, as of 05/04/2020.

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.	-37.5%	-47.3%	0.03	0.05
Cons. Staples	-4.6%	-6.4%	0.52	0.38
Energy	-159.3%	-111.1%	0.00	0.00
Financials	-32.6%	-36.2%	0.14	0.12
Health Care	-7.6%	-8.2%	0.09	0.20
Industrials	-30.5%	-42.0%	0.01	0.04
Tech.	-5.0%	-7.7%	0.11	0.20
Materials	-14.8%	-24.3%	0.04	0.04
Comm. Svcs.	-16.0%	-20.3%	0.25	0.13
Real Estate	-13.7%	-18.1%	0.00	0.07
Utilities	-0.9%	-1.5%	0.04	0.47
S&P 500	-18.0%	-25.4%	0.09	0.13

Source: FactSet, as of 05/04/2020.

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Technicals

- In a sign of strong relative momentum, both Health Care and Technology were the only two sectors trading above both their 50 and 200-day moving averages
- Over half of the measured sectors have the majority of their constituents trading above their 50-day moving averages, but a few are trading above their 200-day moving averages – underlining the low breadth in the current market rally

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.	6%	-3%	-8%	48%	8%	55	-6
Cons. Staples	0%	-5%	-5%	61%	12%	48	-5
Energy	3%	-31%	-33%	63%	1%	53	0
Financials	-3%	-20%	-17%	36%	7%	49	0
Health Care	5%	3%	-2%	72%	32%	54	-7
Industrials	-2%	-17%	-16%	57%	6%	50	0
Tech.	5%	4%	-1%	79%	23%	54	-2
Materials	4%	-9%	-13%	71%	4%	54	0
Comm. Svcs.	5%	-2%	-7%	38%	9%	58	1
Real Estate	-3%	-12%	-10%	26%	6%	48	-2
Utilities	-5%	-11%	-6%	7%	0%	45	-6

Source: Bloomberg Finance L.P., as of 05/01/2020.

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