



STATE STREET GLOBAL ADVISORS
US Sector Weekly Checkup
April 09, 2020

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C20-15705 | 04/2020 | EXP 03/31/2021

Weekly as of 04/09/2020

US Sector Weekly Checkup

Key Takeaways

- **Performance:** All sectors saw positive performance this past week due to optimistic reports on COVID-19
- **Flows and Positioning:** Health Care and Financials both had strong inflows this past week
- **Earnings:** Earnings season has begun, with large banks reporting earnings. Estimates are volatile, but they generally point downward
- **Technicals:** Health Care is testing its golden cross level, while all sectors have increased their RSI this past week

Performance

- All sectors saw positive performance this past week, following the broader market rally over positive news on the global pandemic
- Financials led performance this past week, as the Federal Reserve unveiled an additional lending program that would use commercial banks to spur commercial and service-providing businesses

Sectors	Price Return					Momentum Composite Z-Score*
	Last Week	MTD	Trailing 3 Mth.	YTD	1 Year	
Cons. Disc.	12.10	8.03	-13.85	-13.13	-7.87	0.11
Cons. Staples	5.50	6.57	-7.30	-7.70	3.40	0.65
Energy	11.73	16.22	-42.80	-43.12	-47.92	-2.45
Financials	16.46	12.21	-23.79	-24.07	-11.68	-0.70
Health Care	8.36	7.08	-7.69	-6.92	4.11	0.66
Industrials	10.55	7.03	-23.47	-22.31	-16.16	-0.41
Tech.	8.77	6.00	-9.51	-6.95	11.88	0.95
Materials	17.84	14.11	-13.56	-16.24	-10.04	-0.40
Comm. Svcs.	7.53	5.18	-15.27	-12.94	-2.75	0.26
Real Estate	20.30	14.46	-8.05	-8.25	-2.55	0.34
Utilities	13.38	9.79	-5.35	-5.79	5.86	0.98

Source: Bloomberg Finance L.P., as of 04/09/2020. *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 saw \$2.6 billion in inflows this past week as investors reacted to positive news on the effects of quarantine on COVID-19
- Financials saw \$2.1 billion in inflows this past week, a reversal from the prior week, when this sector led outflows as news was unveiled of the new Fed stimulus

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	-193	-121	1,846	7,528	52%	56%
Financial	2,139	1,402	-4,107	-7,197	5%	6%
Health Care	2,650	2,947	3,313	-1,284	29%	39%
Cons. Disc.	83	-53	-2,078	-1,887	40%	94%
Cons. Staples	-234	-54	1,175	2,243	18%	9%
Energy	204	849	3,426	3,140	7%	2%
Materials	908	735	-1,295	-1,208	67%	74%
Industrials	502	496	-3,169	-2,003	39%	48%
Real Estate	854	437	-280	2,401	51%	27%
Utilities	1,247	1,115	2,021	3,663	3%	2%
Communications	-51	10	917	2,111	19%	17%

Source: Bloomberg Finance L.P., State Street Global Advisors, as of 04/09/2020.

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Earnings

- Earnings season officially begins this week, with 26% of Financials reporting their earnings this week. Estimates are volatile, but they all generally point downward
- Cyclical sectors, such as Energy, Consumer Discretionary, and Industrials, are poised to receive the heaviest declines this earnings season

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.	9%	2%	1%	-32.16	4.21	67	50.68	33.62
Cons. Staples	21%	0%	0%	-1.05	3.68	71	10.59	7.05
Energy	0%	4%	3%	-53.49	-	-	2268.78	689.38
Financials	0%	26%	67%	-17.72	-	-	38.08	13.86
Health Care	0%	7%	21%	1.99	-	-	14.02	11.92
Industrials	4%	10%	8%	-30.39	4.04	100	66.77	38.08
Technology	7%	0%	0%	1.57	4.63	100	15.70	14.43
Materials	0%	0%	0%	-22.82	-	-	43.85	21.66
Comm. Svcs.	0%	4%	0%	7.40	-	-	21.54	15.48
Real Estate	0%	0%	0%	2.78	-	-	10.98	6.77
Utilities	0%	0%	0%	5.25	-	-	5.48	5.34
S&P 500	4%	6%	30%	-9.77	4.25	80.95	31.27	17.85

Source: FactSet, as of 04/13/2020.

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.	-16.76	5.96	-22.72	0.12
Cons. Staples	2.12	0.04	2.07	0.38
Energy	-94.13	-10.66	-83.47	0.00
Financials	-18.28	6.99	-25.27	0.21
Health Care	3.77	4.86	-1.09	0.74
Industrials	-23.62	4.71	-28.34	0.04
Tech.	6.04	-0.19	6.23	0.42
Materials	-9.22	-9.28	0.06	0.04
Comm. Svcs.	1.17	4.74	-3.57	0.32
Real Estate	2.75	2.81	-0.06	0.25
Utilities	2.99	6.64	-3.65	0.56
S&P 500	-8.34	2.70	-11.05	0.25

Source: FactSet, as of 04/13/2020.

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Technicals

- While Health Care is testing its golden cross level, the majority of the companies within that sector are trading above its 50 DMA
- Every single sector has increased their RSI this past week, as investors are ending their indiscriminate selloff due to COVID-19 fears

Sector	Last Px % Diff. to 50-Day MVA	Last Px % Diff. to 200-Day MVA	% Diff. Between 50- and 200-Day MVA	% 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.	-4%	-9%	-5%	6%	3%	55	14
Cons. Staples	-2%	-4%	-2%	42%	14%	54	6
Energy	-16%	-37%	-24%	4%	1%	51	9
Financials	-8%	-16%	-9%	15%	8%	54	13
Health Care	1%	1%	0%	52%	26%	57	9
Industrials	-10%	-17%	-9%	17%	2%	52	10
Tech.	-3%	0%	4%	23%	15%	54	8
Materials	0%	-9%	-9%	32%	4%	59	16
Comm Svcs.	-5%	-8%	-3%	19%	6%	53	9
Real Estate	-1%	-6%	-5%	29%	8%	58	17
Utilities	-1%	-3%	-1%	36%	12%	56	11

Source: Bloomberg Finance L.P., as of 04/09/2020.

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Expiration Date: 07/31/2020