



STATE STREET GLOBAL ADVISORS

SPDR US Sector Weekly Checkup

April 24, 2020

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Weekly as of 04/24/2020

US Sector Weekly Checkup

Key Takeaways

- **Performance:** Volatile swings in the oil market and disappointing earnings results led the market to decline last week.
- **Flows and Positioning:** Health Care continues to see strong inflows, while Consumer Staples doubled its amount of inflows from the prior week.
- **Earnings:** The majority of Financial firms have reported earnings, and compared with other sectors, Financials has the fewest number of firms surprising to the upside. A large part of both the Industrials sector and the Technology sector will report this week.
- **Technicals:** With the market moving lower, RSI fell for all sectors. Consumer Staples, Technology, and Health Care have the majority of their companies trading above their 50 DMA.

Performance

- Most of the market was down this past week due to oil's volatile swings and disappointing earnings results.
- By the end of the week, however, Energy was able to rebound and lead on the week.

Sectors	Price Return (%)					Momentum Composite Z-Score*
	Last Week	MTD	Trailing 3 Mth.	YTD	1 Year	
Cons. Disc.	-0.2	16.3	-6.9	-6.5	-2.8	0.4
Cons. Staples	-3.2	7.5	-7.8	-6.9	3.7	0.6
Energy	1.7	18.4	-38.4	-42.1	-46.7	-2.4
Financials	-3.1	4.3	-28.4	-29.4	-20.8	-0.5
Health Care	-0.5	13.1	-2.1	-1.7	14.5	0.6
Industrials	-2.5	4.2	-26.2	-24.3	-19.8	-0.5
Tech.	-0.8	10.2	-8.9	-3.3	12.6	1.4
Materials	-0.9	10.7	-16.5	-18.7	-11.6	-0.2
Comm. Svcs.	0.0	9.5	-12.7	-9.4	-2.7	0.7
Real Estate	-4.4	6.5	-17.4	-14.7	-7.3	-0.3
Utilities	-3.8	5.1	-14.7	-9.8	0.7	0.2

Source: Bloomberg Finance L.P., as of 04/24/2020. *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 \$1.9 billion in inflows this past week, a continuation of the strong inflows seen over the past few weeks.
- Consumer Staples saw \$787 million in inflows this past week, more than double the amount of flows seen the prior week.

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	762	2,188	2,796	9,181	56%	67%
Financials	-380	181	-5,977	-8,973	0%	6%
Health Care	1,901	6,465	7,334	2,979	46%	30%
Cons. Disc.	-63	-252	-3,033	-2,123	97%	95%
Cons. Staples	787	1,107	2,294	3,472	44%	45%
Energy	218	945	3,779	3,463	9%	10%
Materials	-49	768	-1,279	-964	85%	67%
Industrials	36	189	-3,805	-2,272	32%	35%
Real Estate	-265	13	-712	2,712	52%	61%
Utilities	341	1,393	2,352	4,175	7%	3%
Communications	42	242	849	2,083	98%	99%

Source: Bloomberg Finance L.P., State Street Global Advisors, as of 04/24/2020.

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Earnings

- As the majority of Financial firms have reported their earnings, this sector has the smallest percentage of companies beating earnings. Furthermore, their earnings surprises point downward.
- A large portion of the Industrials sector will be releasing their earnings this week. Currently, around 70% of companies within the sector have beaten their earnings estimates, but earnings growth is still pointed downward, given trends in CAPEX.

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.	19%	30%	56%	-44%	5%	67%	1%	-32%
Cons. Staples	36%	36%	30%	3%	8%	75%	3%	0%
Energy	19%	36%	59%	-68%	-7%	60%	31%	-112%
Financials	56%	30%	6%	-42%	-41%	30%	-3%	-34%
Health Care	17%	43%	39%	3%	9%	70%	7%	1%
Industrials	28%	43%	52%	-32%	7%	70%	-1%	-35%
Technology	23%	24%	54%	1%	8%	81%	4%	3%
Materials	7%	43%	41%	-25%	16%	50%	-4%	-13%
Comm. Svcs.	15%	31%	50%	5%	0%	50%	17%	-7%
Real Estate	6%	26%	40%	2%	4%	50%	5%	0%
Utilities	11%	21%	23%	4%	5%	100%	5%	3%
S&P 500	24%	33%	30%	-16%	-10%	59%	4%	-16%

Source: FactSet, as of 04/27/2020.

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.	-31.9%	-37.6%	0.03	0.09
Cons. Staples	-3.9%	-5.1%	0.57	0.38
Energy	-134.1%	-109.6%	0.00	0.00
Financials	-31.9%	-33.5%	0.12	0.12
Health Care	-5.9%	-5.9%	0.09	0.28
Industrials	-27.7%	-37.6%	0.01	0.04
Tech.	-5.0%	-4.7%	0.08	0.29
Materials	-13.3%	-22.2%	0.04	0.04
Comm. Svcs.	-13.8%	-17.1%	0.24	0.13
Real Estate	-12.3%	-15.6%	0.00	0.07
Utilities	-1.0%	-1.3%	0.04	0.50
S&P 500	-17.1%	-22.4%	0.09	0.16

Source: FactSet, as of 04/27/2020.

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Technicals

- The RSI for all sectors fell this past week as volatile swings left investors on edge
- Consumer Staples, Technology, and Health Care have the majority of their companies trading above their 50 DMA, as these three sectors are likely to see continued demand for their products and services during the pandemic and the recovery.

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.	6%	-2%	-7%	30%	7%	61	-2
Cons. Staples	1%	-3%	-4%	58%	15%	53	-6
Energy	-5%	-34%	-30%	19%	1%	54	2
Financials	-8%	-21%	-14%	17%	7%	48	-2
Health Care	8%	6%	-1%	80%	33%	61	-3
Industrials	-6%	-19%	-13%	33%	5%	50	-2
Tech.	3%	4%	0%	65%	24%	56	-2
Materials	1%	-11%	-12%	43%	2%	54	-1
Comm Svcs.	2%	-4%	-5%	38%	9%	57	-1
Real Estate	-4%	-12%	-8%	26%	7%	50	-5
Utilities	-2%	-7%	-4%	21%	5%	51	-4

Source: Bloomberg Finance L.P., as of 04/24/2020.

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One Iron Street Boston, MA 02210.

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