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thinking outside the box
Figure 1.

S&P 500 INFORMATION TECHNOLOGY STOCK PRICE INDEX*

- 200-day moving average.
* Ratio scale.
Source: Standard & Poor’s and Haver Analytics.

Figure 2.

S&P 500 SECTORS PERFORMANCE: 2019
(percent change ytd)

S&P 500 Sectors
- S&P 500 Index (21.1)
- Consumer Discretionary (21.4)
- Consumer Staples (19.9)
- Energy (3.3)
- Financials (21.1)
- Health Care (8.7)
- Information Technology (34.2)
- Materials (16.5)
- Industrials (23.0)
- Real Estate (26.1)
- Communication Services (23.2)
- Utilities (19.7)

Latest data thru: 10/29/19
Source: Standard & Poor’s.
Figure 3.

S&P 500 RELATIVE TO S&P 1500 (percent)
- Capitalization Share (90.9)
- Earnings Share* (91.2)

INDUSTRIALS
- (9.3)
- (9.9)

CONSUMER DISCRETIONARY
- (10.1)
- (8.2)

INFORMATION TECHNOLOGY
- (21.8)
- (19.2)

CONSUMER STAPLES
- (7.5)
- (6.5)

MATERIALS
- (2.7)
- (2.7)

ENERGY
- (4.5)
- (4.7)

REAL ESTATE
- (3.3)
- (1.3)

FINANCIALS
- (13.0)
- (18.1)

COMMUNICATION SERVICES
- (10.4)
- (10.1)

HEALTH CARE
- (13.8)
- (16.3)

UTILITIES
- (3.5)
- (3.0)

* Using consensus 12-month forward earnings forecasts. Monthly through 2006, then weekly.
Source: I/B/E/S data by Refinitiv.
Figure 4.

**FAANGM** STOCKS SHARE OF S&P 500 MARKET CAP

((percent)

Share of S&P 500
Market Cap (18.3)

* FAANGM stocks include Facebook, Amazon, Apple, Netflix, Google (Alphabet), and Microsoft. Both classes of Alphabet are included. Source: Standard & Poor’s and I/B/E/S data by Refinitiv.

Figure 5.

**FAANGM MARKET CAP**

(trillion dollars)

Market Cap (4.6)

* FAANGM stocks include Facebook, Amazon, Apple, Netflix, Google (Alphabet), and Microsoft. Both classes of Alphabet are included. Source: Standard & Poor’s and I/B/E/S data by Refinitiv.
**Figure 6.**
MARKET CAP: FAANGM PERFORMANCE RELATIVE TO S&P 500 WITH & WITHOUT FAANGM*
(indexed to 100 on 12/28/2012)

FAANGM (403.2)
S&P 500 (200.3)
S&P 500 ex-FAANGM (180.1)

* FAANGM stocks include Facebook, Amazon, Apple, Netflix, Google (Alphabet), and Microsoft. Both classes of Alphabet are included. Source: Standard & Poor’s and Yardeni Research Inc.

**Figure 7.**
FAANGM* vs S&P 500 RELATIVE FORWARD EARNINGS PERFORMANCE
(indexed to 100 on 1/1/2015)

FAANGM (183.6)
S&P 500 (139.9)
S&P 500 ex-FAANGM (125.8)

* FAANGM stocks include Facebook, Amazon, Apple, Netflix, Google (Alphabet), and Microsoft. Both classes of Alphabet are included. Source: I/B/E/S data by Refinitiv.
Figure 8.

FAANGM* STOCKS FORWARD VALUATION

Forward P/E** (30.3)

* FAANGM stocks include Facebook, Amazon, Apple, Netflix, Google (Alphabet), and Microsoft. Both classes of Alphabet are included.
** Market cap divided by aggregate forward consensus expected operating earnings per share.
Source: I/B/E/S data by Refinitiv.

Figure 9.

FORWARD P/E RATIOS* OF S&P 500 WITH & WITHOUT FAANGM**

S&P 500 (17.2)
S&P 500 ex-FAANGM (15.7)

* Price divided by consensus forward earnings forecast.
** FAANGM stocks include Facebook, Amazon, Apple, Netflix, Google (Alphabet), and Microsoft. Both classes of Alphabet are included.
Source: I/B/E/S data by Refinitiv.
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