

Sector Performance & Economic Cycle

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The relative performance of financial sectors is a recognized indicator of the economic cycle. The leading sectors correspond to a specific phase of the economic cycle.

Economic Phase	Full Recession	Early Recovery	Full Recovery	Early Recession
Leading Sectors	Finance Technology Cyclicals Housing	Transportation Technology Industrials Capital Goods Basic Materials	Basic Materials Energy Staples	Healthcare Utilities Finance

The following chart shows the 2-month relative performance of multiple sectors between June 13, 2021 and August 13, 2021. The three leading sectors were Homebuilders, Technology, and Consumer Cyclicals. All three had performed better than the S&P 500 during the same period.

Based on the results of this analysis the economy was likely in a **recessionary phase**.

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