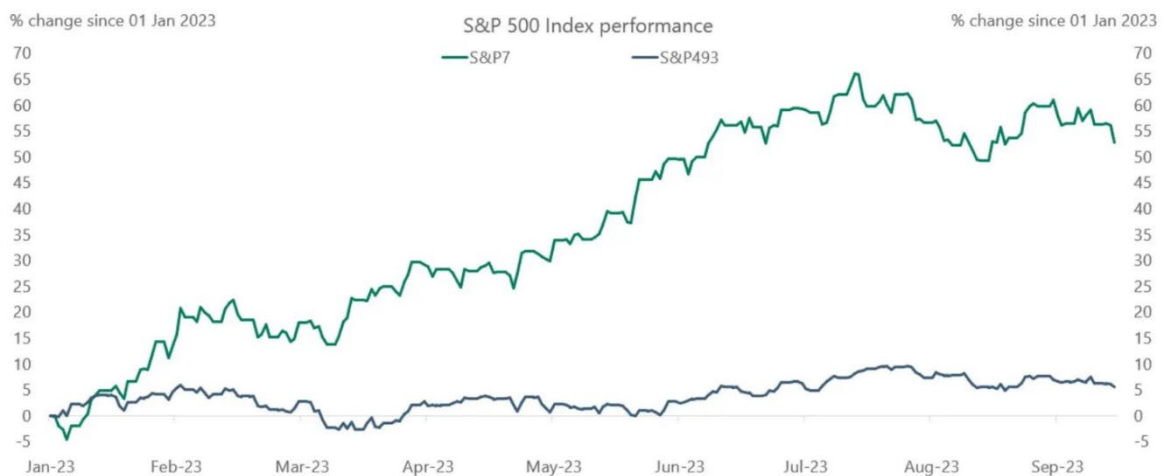


The S&P 500 year to date story-The Magnificent 7

The S&P 500 has experienced a positive year so far, with the index posting gains of +11.42%, despite continued uncertainty in Global Markets. The key driver for returns for most of 2023 has been in 'AI' or artificial intelligence and the so called magnificent 7. The below chart shows the S&P 7 and S&P 493. The S&P 7 is comprised of 7 mega cap companies in the S&P 500, namely Apple, Microsoft, Alphabet, Meta, Amazon, NVIDIA, and Tesla, while the S&P 493 comprises all of the remaining stocks within the index. Up to the end of September, the S&P 7 is currently up more than 50%, while the S&P 493 is just above 5%. What this means is that while on the outside the S&P 500 is performing well, that performance is effectively tied to 7 companies who have been buoying the index so far this year. Whilst performance has been concentrated year to date the broader market sectors are in catch up mode where valuations are not demanding. With corporate earnings for many of the S&P 500 due to be released next week, it will be interesting to see how the index fares overall.

So far in 2023 S&P7 is up more than 50%. S&P493 is basically flat.



Source: Bloomberg, Apollo Chief Economist