

# State Street Sector Scorecard

November 2025

Sector investing is a powerful portfolio construction tool that can enhance your core equity exposure. Our scorecard provides transparent and quantitative measurements of each sector's **valuation, momentum, sentiment, volatility, and current positioning**.

The metrics shown are z-scores, which are calculated using the mean and standard deviation of the relevant metrics within S&P 500® sectors.

## Monthly insights

Tech. positive earnings sentiment is matched by strong momentum while Financials lag in momentum despite strong sentiment. Communication Services continues leading in momentum despite a deterioration in sentiment.

| Sector                 | Valuation composite score | Momentum composite score | Earnings sentiment composite score |
|------------------------|---------------------------|--------------------------|------------------------------------|
| Communication Services | -0.46                     | 1.68                     | -1.05                              |
| Consumer Discretionary | -0.44                     | 0.53                     | -0.16                              |
| Consumer Staples       | 0.08                      | -0.94                    | -0.10                              |
| Energy                 | 0.63                      | -0.79                    | -0.75                              |
| Financials             | -0.12                     | -0.32                    | 0.83                               |
| Health Care            | 0.56                      | -0.34                    | 0.39                               |
| Industrials            | -0.47                     | -0.05                    | 0.30                               |
| Information Technology | -1.43                     | 1.84                     | 1.53                               |
| Materials              | 0.41                      | -0.88                    | -0.54                              |
| Real Estate            | 1.34                      | -0.93                    | -0.45                              |
| Utilities              | 0.02                      | 0.19                     | 0.01                               |

Source: FactSet, Americas ETF Research, as of November 28, 2025. Green shading represents top 3, red shading represents bottom 3. Red and green shading are meant to be read vertically.

## Absolute valuation composite score

On an absolute basis, Energy and Real Estate are exhibiting constructive valuations on most metrics while Tech. screens as expensive across the board.

| Sector                 | P/E   | NTM P/E | P/B   | P/S   | Absolute valuation composite score |
|------------------------|-------|---------|-------|-------|------------------------------------|
| Communication Services | 1.13  | -0.76   | -0.83 | -0.69 | -0.29                              |
| Consumer Discretionary | -0.29 | -0.21   | -0.04 | -0.56 | -0.28                              |
| Consumer Staples       | -0.98 | -0.45   | -0.33 | -0.22 | -0.50                              |
| Energy                 | 0.71  | 0.97    | 1.30  | 0.61  | 0.90                               |
| Financials             | -0.39 | -0.45   | -0.58 | -0.56 | -0.50                              |
| Health Care            | 0.24  | -0.65   | -0.65 | 2.88  | 0.46                               |
| Industrials            | -0.39 | -0.35   | -0.73 | -0.59 | -0.51                              |
| Information Technology | -0.88 | -0.73   | -0.78 | -0.64 | -0.75                              |
| Materials              | -0.59 | 0.09    | 1.85  | 0.30  | 0.41                               |
| Real Estate            | 2.47  | 2.81    | 1.60  | 0.04  | 1.73                               |
| Utilities              | -0.32 | -0.26   | -0.80 | -0.56 | -0.49                              |

Source: FactSet, Americas ETF Research, as of November 28, 2025. Green shading represents top 3, red shading represents bottom 3. Red and green shading are meant to be read vertically. Sector z-score for each metric is calculated across sectors.

## Relative valuation composite score

Relative valuations for Real Estate are constructive across the board. The opposite is true for Tech., with relative valuations expensive based on every metric.

| Sector                 | P/E   | NTM P/E | P/B   | P/S   | Relative valuation composite score |
|------------------------|-------|---------|-------|-------|------------------------------------|
| Communication Services | 0.50  | 0.16    | -1.38 | -1.78 | -0.62                              |
| Consumer Discretionary | -0.83 | -1.01   | 0.71  | -1.27 | -0.60                              |
| Consumer Staples       | 0.20  | 0.94    | 0.73  | 0.79  | 0.66                               |
| Energy                 | 0.34  | 0.02    | 0.52  | 0.60  | 0.37                               |
| Financials             | 0.45  | 0.48    | -0.54 | 0.61  | 0.25                               |
| Health Care            | 0.73  | 0.54    | 0.61  | 0.74  | 0.66                               |
| Industrials            | 0.31  | -1.70   | -0.07 | -0.22 | -0.42                              |
| Information Technology | -2.46 | -1.88   | -2.43 | -1.63 | -2.10                              |
| Materials              | -0.63 | 0.72    | 0.73  | 0.80  | 0.40                               |
| Real Estate            | 1.20  | 1.10    | 0.73  | 0.80  | 0.95                               |
| Utilities              | 0.52  | 0.64    | 0.41  | 0.57  | 0.53                               |

Source: FactSet, Americas ETF Research, as of November 28, 2025. Green shading represents top 3, red shading represents bottom 3. Red and green shading are meant to be read vertically. Sector z-score for each metric is calculated across sectors.

## Momentum composite score

Mag7-heavy Communication Services, Consumer Discretionary, and Tech. continue leading in momentum. Meanwhile, momentum behind Consumer Staples and Real Estate remains weak.

|                        | 3 months | 6 months | 12 months | Momentum composite score |
|------------------------|----------|----------|-----------|--------------------------|
| Communication Services | 1.76     | 1.40     | 1.88      | 1.68                     |
| Consumer Discretionary | 0.33     | 0.54     | 0.73      | 0.53                     |
| Consumer Staples       | -0.93    | -1.19    | -0.72     | -0.94                    |
| Energy                 | -0.81    | -0.69    | -0.86     | -0.79                    |
| Financials             | -0.75    | -0.37    | 0.16      | -0.32                    |
| Health Care            | 0.53     | -0.71    | -0.85     | -0.34                    |
| Industrials            | -0.70    | 0.28     | 0.27      | -0.05                    |
| Information Technology | 1.75     | 2.24     | 1.54      | 1.84                     |
| Materials              | -1.01    | -0.53    | -1.10     | -0.88                    |
| Real Estate            | -0.74    | -0.92    | -1.14     | -0.93                    |
| Utilities              | 0.57     | -0.07    | 0.08      | 0.19                     |

Source: Bloomberg Finance L.P., Americas ETF Research, as of November 28, 2025. Green shading represents top 3, red shading represents bottom 3. Red and green shading are meant to be read vertically. Sector z-score for each metric is calculated across sectors.

## Sentiment composite score

Tech. and Financials maintain strong earnings sentiment, supported by broad upward revisions to 2026 estimates. In contrast, Materials and Energy have seen their earnings estimates revised down.

| Sector                 | 3-month change to 2026 EPS est. | 2026 EPS est. upgrade-to-downgrade ratio | Current earnings season        |                                    | Sentiment composite score |
|------------------------|---------------------------------|--|--------------------------------|------------------------------------|---------------------------|
|                        |                                 |  | Magnitude of earnings surprise | % of companies with earnings beats |                           |
| Communication Services | 0.33                            | 0.12                                     | -2.64                          | -2.02                              | -1.05                     |
| Consumer Discretionary | 0.11                            | -0.33                                    | 0.64                           | -1.04                              | -0.16                     |
| Consumer Staples       | -0.27                           | -0.78                                    | -0.32                          | 0.98                               | -0.10                     |
| Energy                 | -1.79                           | -1.12                                    | 0.16                           | -0.24                              | -0.75                     |
| Financials             | 0.49                            | 1.55                                     | 0.38                           | 0.87                               | 0.83                      |
| Health Care            | -0.17                           | -0.40                                    | 0.88                           | 1.25                               | 0.39                      |
| Industrials            | -0.35                           | -0.30                                    | 1.51                           | 0.32                               | 0.30                      |
| Information Technology | 2.56                            | 2.24                                     | 0.01                           | 1.29                               | 1.53                      |
| Materials              | -0.67                           | -0.86                                    | 0.00                           | -0.64                              | -0.54                     |
| Real Estate            | -0.42                           | -0.62                                    | -0.53                          | -0.23                              | -0.45                     |
| Utilities              | 0.18                            | 0.49                                     | -0.11                          | -0.53                              | 0.01                      |

Source: FactSet, Americas ETF Research, as of November 28, 2025. Green shading represents top 3, red shading represents bottom 3. Red and green shading are meant to be read vertically. Sector z-score for each metric is calculated across sectors.

## Volatility composite score

Energy, Financials, and Industrials were the most tranquil sectors in November, with realized and implied volatilities easing into their respective one-year bottom quintiles. In contrast, Tech. ranked as the most volatile on both measures.

|                        | Volatility relative to the S&P 500 (%) |                 | Volatility Z-score |         | Volatility composite score |
|------------------------|--|-----------------|--------------------|---------|----------------------------|
|                        | 30-day realized                        | 3-month implied | Realized           | Implied |                            |
| Communication Services | 45                                     | 24              | 0.19               | -0.38   | -0.10                      |
| Consumer Discretionary | 87                                     | 36              | 1.86               | 0.09    | 0.98                       |
| Consumer Staples       | 57                                     | 63              | 0.67               | 1.21    | 0.94                       |
| Energy                 | 11                                     | 2               | -1.17              | -1.28   | -1.23                      |
| Financials             | 16                                     | 11              | -0.96              | -0.94   | -0.95                      |
| Health Care            | 35                                     | 47              | -0.23              | 0.53    | 0.15                       |
| Industrials            | 7                                      | 14              | -1.33              | -0.81   | -1.07                      |
| Information Technology | 68                                     | 90              | 1.10               | 2.27    | 1.69                       |
| Materials              | 63                                     | 44              | 0.88               | 0.40    | 0.64                       |
| Real Estate            | 39                                     | 22              | -0.05              | -0.47   | -0.26                      |
| Utilities              | 16                                     | 18              | -0.96              | -0.63   | -0.80                      |

Source: Bloomberg Finance L.P., Americas ETF Research, as of November 28, 2025. Green shading represents least volatile, red shading represents most volatile. Red and green shading are meant to be read vertically. Sector z-score for each metric is calculated across sectors.

## Sector positioning

Short interest in Communication Services marked a new one-year low in November. Put/Call volume ratio for the sector is also near one-year lows.

| Sector                 | Put/Call volume ratio |                               | Short interest as % of shares outstanding |                 |                               |
|------------------------|-----------------------|-------------------------------|---|-----------------|-------------------------------|
|                        | Current level         | 1-year percentile ranking (%) | Current level (%)                         | Prior month (%) | 1-year percentile ranking (%) |
| Communication Services | 0.77                  | 1                             | 1.52                                      | 1.7             | 0                             |
| Consumer Discretionary | 1.85                  | 51                            | 14.78                                     | 15.2            | 36                            |
| Consumer Staples       | 2.67                  | 50                            | 11.3                                      | 13.4            | 50                            |
| Energy                 | 1.76                  | 42                            | 6.9                                       | 7.7             | 36                            |
| Financials             | 2.16                  | 95                            | 8.1                                       | 8.3             | 18                            |
| Health Care            | 1.19                  | 21                            | 16.0                                      | 15.3            | 68                            |
| Industrials            | 4.48                  | 62                            | 6.6                                       | 6.6             | 50                            |
| Information Technology | 1.49                  | 34                            | 4.4                                       | 3.8             | 95                            |
| Materials              | 1.66                  | 10                            | 10.5                                      | 9.6             | 9                             |
| Real Estate            | 3.19                  | 92                            | 2.1                                       | 2.5             | 5                             |
| Utilities              | 2.14                  | 90                            | 3.3                                       | 3.6             | 9                             |

Source: Bloomberg Finance L.P., Americas ETF Research, as of November 28, 2025. Select Sector SPDR Funds' put/call volume is used to represent the sector. Short interest of all US-listed sector ETFs are used to calculate short interest as a percent of shares outstanding. Current levels of short interest as a percent of shares outstanding are in green if short interest decreases from last quarter and are in red if short interest increases from last quarter. Sectors with lowest percentile ranking based on put/call ratio and of short interest are shaded in green, and highest ranking are in red.

## Scorecard methodology

Z-scores are calculated using the mean and standard deviation of the relevant metrics within S&P 500 sectors. Using z-scores to standardize results across all sectors allows for easier relative assessment. Sectors with cheaper valuation, higher price momentum, higher sentiment and higher volatility will have higher z-scores.

We calculate a composite score by equally weighting each metric z-score in the same category.

The scorecard does not represent the investment views of State Street. Metrics used in the scorecard have not been backtested for any sector strategies by State Street. These are for illustrative and educational purposes, as we seek to bring greater transparency to the sector-investing landscape and the due diligence required to build sophisticated portfolios to meet specific client objectives.

Our rationale for these parameters guides our examinations:

**Value** Stocks that trade at a lower price relative to their fundamentals may outperform high-valuation sectors

**Momentum** Stocks that have performed well may tend to continue doing well in the near term

|            | Composite score     | Metrics  |
|------------|---------------------|--|
| Sector     | Valuation           | <b>Relative valuation</b><br>(P/B, P/E, NTM P/E, P/S)                              |
|            |                     | <b>Absolute valuation</b><br>(P/B, P/E, NTM P/E, P/S)                              |
|            | Earnings sentiment  | <b>Earnings revision</b><br>(Changes to EPS Estimates, Upgrade-to-Downgrade Ratio) |
|            |                     | <b>Earnings surprise</b><br>(The Magnitude and Breadth of Earnings Surprise)       |
|            | Momentum            | <b>Price returns</b><br>3 - Months, 6 - Months, 12 - Months                        |
| Volatility | Realized volatility | <b>Standard deviation</b><br>30 - Days Annualized                                  |
|            | Implied volatility  | <b>3-month-at-the-money</b><br>Implied Volatility for Options                      |

Source: Americas ETF Research.

**Earnings sentiment** Stocks with strong earnings sentiment may indicate improving earnings growth prospects in the near term

**Volatility** Realized volatility provides an insight on the sector historical volatility levels, while implied volatility indicates forward-looking risk levels

To calculate the **Absolute valuation composite score**, we examined the percentile ranking of sector trailing price-to-earnings (P/E), next-12-month price-to-earnings (NTM P/E), price-to-book (P/B) and price-to-sales (P/S) over the past 15 years. A higher score indicates more attractive valuations at present relative to the sector's historical norm.

To calculate the **Relative valuation composite score**, we examined the percentile ranking of sector valuations relative to the S&P 500 over the past 15 years based on trailing P/E, NTM P/E, P/B and P/S. A higher score indicates more attractive relative valuations compared with the sector's historical norm.

The **Momentum composite score** is calculated by combining recent — (not including the most recent month) 3-months, 6-months and 12-months — price performance of the sector. A higher score indicates higher price momentum.

To calculate the **Sentiment composite score**, we examined changes to the NTM EPS estimates over the prior three months, the EPS upgrade-to-downgrade ratio, and the magnitude and breadth of earnings beats in the current earnings season. A higher score indicates higher earnings sentiment in the sector.

To calculate the **Volatility composite score**, we examined the percentile ranking of each sector's 30-day realized volatility and 3-month implied volatility relative to the S&P 500 over the past 12 months. A z-score was calculated based off that percentile. A higher score indicates higher-than-normal levels of realized or implied volatility.

US Sector ETFs' put and call volume is used to calculate **Put/Call volume ratio**. Short interest of all US-listed sector ETFs are used to calculate **Short interest as a percentage of shares outstanding**.

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### Information Classification: General Access

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### Glossary

**Implied Volatility (IV)** is measured by the 3-month at-the-money implied volatility for options tied to the corresponding Select Sector SPDR ETFs. It represents the market's forward-looking expectation of volatility based on current options pricing.

**NTM Price-to-Earnings Ratio (NTM P/E)** The ratio of the price of a stock and the firm's earnings per share over the next 12 months. A lower NTM P/E indicates cheaper valuation.

**Price-to-Book Ratio (P/B)** A financial ratio used to compare a company's current market price to its book value which is the carrying value of an asset according to its balance sheet account balance. A lower P/B indicates cheaper valuation.

**Price-to-Earnings Ratio (P/E)** The ratio of the price of a stock and the firm's earnings per share. A lower P/E indicates cheaper valuation.

**Price-to-Sales Ratio (P/S)** The ratio of the price of a stock and the firm's sales per share. A lower P/S indicates cheaper valuation.

**Z-score** measures how many standard deviations an element is above or below the population mean. A sector z-score can be calculated from the following formula.  $z = (X - \mu) / \sigma$ , where X is the sector value of the metrics,  $\mu$  is the mean of 11 sector values for a certain metric, and  $\sigma$  is the standard deviation of the value of 11 sectors.

### Important Risk Information

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