



Market Coverage

Sector Overview – Industrial

Industrial Sector Overview

I. Background

- Sector Definition:
 - i. Produces capital goods utilized in manufacturing, construction, and other large projects.
 - ii. Provides goods and services for subsectors like defense, infrastructure, mining, and waste management.
- Sector Size:
 - i. As of June 21, 2024, the Industrials Sector is the **5th largest sector** in the economy:
 - 1. More than \$7.07 trillion in public market capitalization.
 - 2. Representing 9.58% of the total market.
- Sector Composition:
 - i. Capital Goods; Railroads; Trucking; Commercial and Professional Services; Aerospace and Defense

II. Players in the Sector

Market Capitalizations as of June 21, 2024

- 3M Co (NYSE: MMM) // Market Capitalization ~\$161 Billion

- Caterpillar Inc (NYSE: CAT) // Market Capitalization ~\$160 Billion
- Eaton Corp PLC (NYSE: ETN) // Market Capitalization ~\$128 Billion
- Honeywell International Inc (NASDAQ: HON) // Market Capitalization ~\$140 Billion
- Deere & Co (NYSE: DE) // Market Capitalization ~\$104 Billion
- RTX Corp (NYSE: RTX) // Market Capitalization ~\$135 Billion

III. Sector Performance

- Return:
 - i. The sector has returned 9.3% throughout 2024 (year-to-date), based on the performance of the ETF SPDR Fund XLI.
 - ii. Relative to the SPY, the Industrials Sector has underperformed the general market by 6.6% YTD 2024.

IV. Sector Performance

- The Industrial Sector is generally viewed as cyclical as the sector grows to meet higher production demands during times of expansion.
- Performance in the Industrial Sector is also driven by government demand for goods and services needed to maintain, build, and expand defense and infrastructure.

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The material in this document reflects performance based on adjusted close prices for June 21, 2024.

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