



Market Sectors

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Market Sectors

An area of the economy in which businesses broadly share the same or a related product or service.

Broader than Industries

Generally 11 different categories

Each sector has its own characteristics they may require different valuation considerations.

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Market Sectors

Sector	Description
Communications	Facilitate communication or provide entertainment content and other information through various types of media.
Consumer Discretionary	Manufacture goods or provide services that people want but don't necessarily need, such as high-definition televisions, new cars, and family vacations.
Consumer Staples	Provide goods and services that people use on a daily basis, like food, clothing, or other personal products
Energy	Exploration, production, or management of energy resources such as oil and gas, as well as companies that service these industries.
Health Care	Production and delivery of medicine and health care-related goods and services.

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Market Sectors

Sector	Description
Financial	Banking and brokerage, mortgage finance, and insurance.
Industrials	Manufacture and distribute capital goods in support of industries such as aerospace and defense, construction and engineering, electrical equipment and heavy machinery.
Technology	Goods and services, including hardware, software, semiconductors, and consulting services
Materials	Manufacturing or processing of chemicals and plastics, or they may harvest forests or extract metals and minerals
Real Estate	Own commercial real estate properties. A large portion of the companies are structured as Real Estate Investment Trusts (REITs)
Utilities	Production and delivery of electric power, natural gas, water, and other utility services, such as steam and cooled air.

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Industrial vs. Financial

	Industrials	Financials
Product	Physical Good	Service
Inventory	Large Amounts	None
Expenditures	High Overhead	Less Overhead
Assets	Tangible	Financial
Regulation	Average	High: Systemic Risk

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