

# SECTOR ROTATION STRATEGY, ALIGNING INVESTMENTS WITH ECONOMIC CYCLES



# EXPANSION (GROWTH PHASE)

Invest in Technology, Consumer Discretionary, and Financials as spending and borrowing rise. Avoid defensive sectors like Utilities and Healthcare.

# PEAK (HIGH INFLATION & INTEREST RATES)



Shift to Energy, Commodities, and Real Estate, which benefit from rising prices. Avoid Tech and Consumer Discretionary, as higher rates hurt valuations.



# CONTRACTION (RECESSION OR SLOWDOWN)

Focus on Healthcare, Consumer Staples, and Utilities, which remain stable during downturns. Avoid Financials and Real Estate, which suffer from low demand.

# TROUGH (EARLY RECOVERY) ➡

Invest in Industrials, Financials, and Real Estate, as government spending and lending activity pick up. Reduce exposure to defensive sectors.



# STRATEGY:

Adjust sector allocation every 6-12 months based on economic conditions, or maintain a balanced mix and rebalance yearly.



## KEY TAKEAWAY:

Rotate sectors to stay ahead of market cycles and manage risk! 🚀