

2020 Q1 Investing Activities

XBRL Element : **NetCashProvidedByUsedInInvestingActivities**

As At June 16, 2020

Introduction

We are three months into lockdown, are the S&P 500 locking down their investing activities? These investing activities typically consist of capital expenditures, purchases and / or sale of investments, acquisitions, divestitures, etc. While it is usually a negative number on the cash flow statement (cash out to buy something), a substantial sale could result in cash provided by investing activities becoming a positive number.

So we wish to look at two things - what is the direction of the number, and how does it compare to the same quarter last year.

The Data

Of the 500 companies, 399 had produced a cash flow statement for a quarter sometime between January 31, 2020 and May 31, 2020. Of the others, they produced cash flow statements for periods longer than 99 days, and so their changes would cover greater period, watering down the effects of the pandemic.

The individuals

JP Morgan took top spot, by investing \$135 billion in purchases of debt securities.

The sectors

Financials managed to take 14 of the top 15 spots, while also holding three of the five bottom spots. Financials also managed to overwhelm the total change between first quarter periods, increasing by \$733 billion, while the total change was 'only' \$729 billion.

Industrials was the only sector to show a cash inflow from investing activities, totaling \$8.1 billion. This could be entirely attributed to General Electric, the conglomerate who sold \$20.5 billion in businesses as it tries to get back to its former glory. Compared to the prior year, Industrials also saw the greatest decrease in investment, at \$22.6 billion less than the prior year.

Of the eleven sectors, seven saw increases in cash from investments, showing a definite decline in investment

Data issues

The concept of cash flows from investing activities is to indicate investments made for the future. The problem is that a financial company can buy a bond for a month, and this is considered the same classification as a utility building a power plant. Both are investments for the future, but one commitment is much easier to reverse than another.

GICSSector	2020 Q1	2019 Q1	change
Communication Services	(\$25,797,766,000)	(\$29,587,495,000)	3,789,729,000
Consumer Discretionary	(\$24,840,173,000)	(\$22,716,082,000)	(2,124,091,000)
Consumer Staples	(\$2,687,393,000)	(\$12,639,144,000)	9,951,751,000
Energy	(\$25,198,442,000)	(\$26,609,692,000)	1,411,250,000
Financials	(\$697,595,919,000)	\$36,112,793,000	(733,708,712,000)
Health Care	(\$40,001,555,000)	(\$5,105,961,000)	(34,895,594,000)
Industrials	\$8,088,763,000	(\$14,565,860,000)	22,654,623,000
Information Technology	(\$22,349,672,000)	(\$23,742,977,000)	1,393,305,000
Materials	(\$2,669,836,000)	(\$5,787,305,000)	2,117,469,000
Real Estate	(\$6,573,124,000)	(\$4,895,924,000)	(1,677,200,000)
Utilities	(\$27,833,857,000)	(\$28,675,142,000)	841,285,000
Grand Total	(\$866,432,974,000)	(\$138,212,789,000)	(729,220,185,000)