EARNINGS INSIGHT

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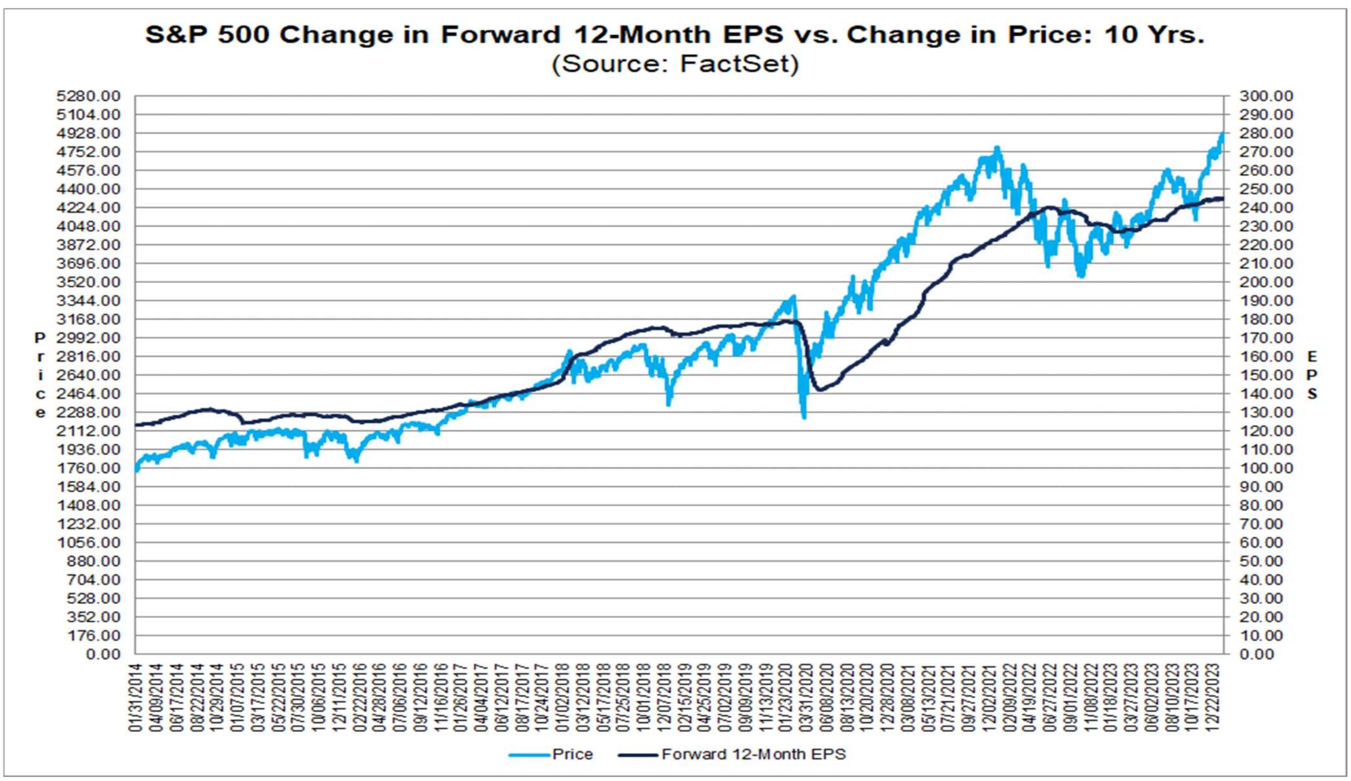
Key Metrics

- **Earnings Scorecard:** For Q4 2023 (with 46% of S&P 500 companies reporting actual results), 72% of S&P 500 companies have reported a positive EPS surprise and 65% of S&P 500 companies have reported a positive revenue surprise.
- **Earnings Growth:** For Q4 2023, the blended (year-over-year) earnings growth rate for the S&P 500 is 1.6%. If 1.6% is the actual growth rate for the quarter, it will mark the second-straight quarter that the index has reported earnings growth.
- **Earnings Revisions:** On December 31, the estimated (year-over-year) earnings growth rate for the S&P 500 for Q4 2023 was 1.5%. Seven sectors are reporting higher earnings today compared to December 31 due to positive EPS surprises.
- **Earnings Guidance:** For Q1 2024, 31 S&P 500 companies have issued negative EPS guidance and 17 S&P 500 companies have issued positive EPS guidance.
- **Valuation:** The forward 12-month P/E ratio for the S&P 500 is 20.0. This P/E ratio is above the 5-year average (18.9) and above the 10-year average (17.6).



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Topic of the Week: 1

S&P 500 Now Reporting Year-over-Year Growth in Earnings for Q4 2023

After dipping to a year-over-year decline in earnings of -1.8% on January 19, the S&P 500 is now reporting year-over-year growth in earnings of 1.6% for the fourth quarter. What is driving the increase in earnings for the index since January 19?

The main reason for the improvement in earnings is that more companies have beaten EPS estimates and by a wider margin after January 19 compared to before January 19. Through January 19, 63% of S&P 500 companies had reported actual EPS above estimates. In aggregate, S&P 500 companies had reported actual earnings that were 17.8% below estimated earnings. At that point in time, nearly half (46%) of the companies that had reported actual results for the fourth quarter were in the Financials sector. Companies in the Financials sector, mainly in the Banks industry, accounted for most of this below-average performance relative to estimates. From December 31 through January 19, the blended earnings decline for the Financials sector increased from -2.2% to -19.2%.

Over the past two weeks, with more companies across the other ten sectors reporting actual results, the performance of the index relative to estimates has improved. Since January 19, 75% of S&P 500 companies have reported actual EPS above estimates. In aggregate, S&P 500 companies have reported actual earnings that have exceeded estimates by 7.3% during this period. Overall, these positive earnings surprises have led to a net $16.0 billion increase in earnings (to $471.3 billion from 455.3 billion) for the index for Q4 since January 19. As a result, ten of the eleven sectors now have higher earnings growth rates (or smaller earnings declines) today compared to January 19, led by the Information Technology, Energy, Health Care, and Consumer Discretionary sectors.

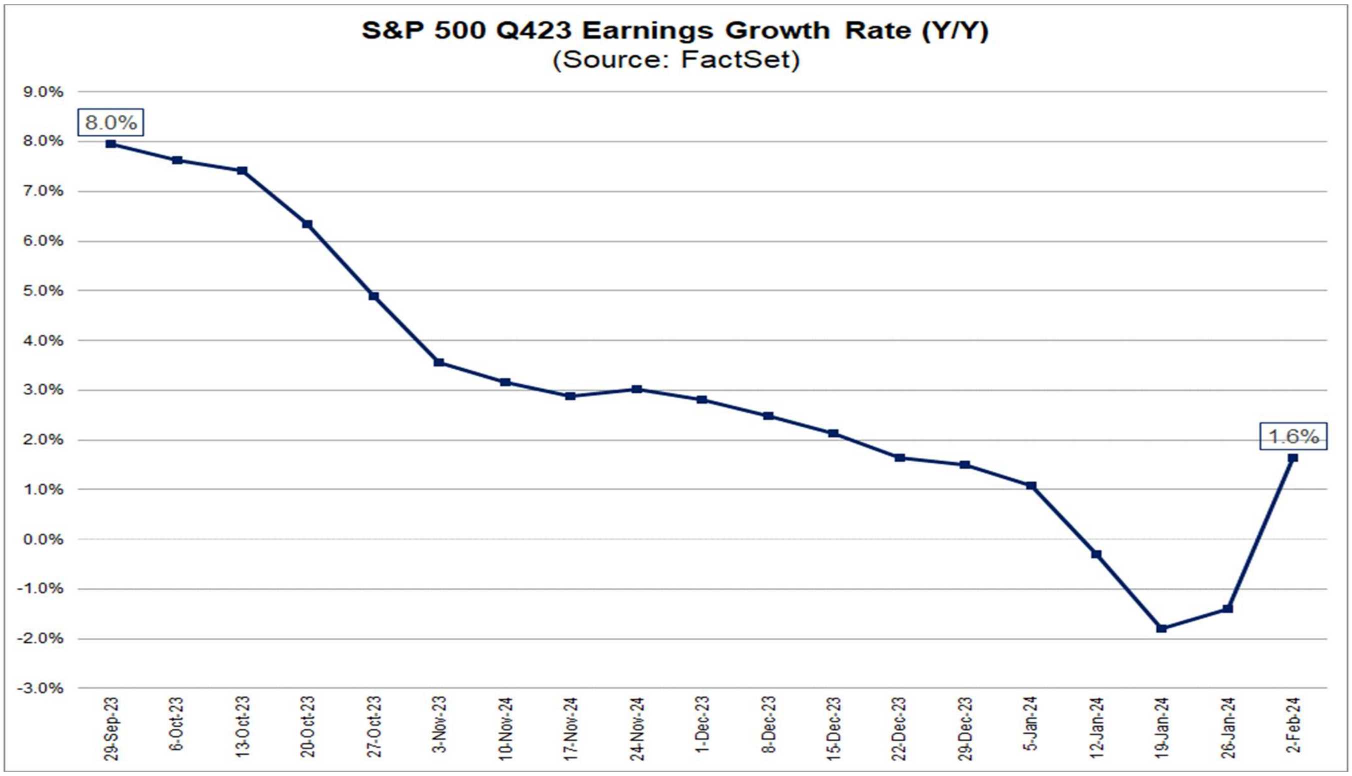
The Information Technology sector is the largest contributor to this increase in earnings, accounting for about $3.8 billion of the net increase in earnings of $16.0 billion. The positive earnings surprises reported by Microsoft ($2.93 vs. $2.77), Apple ($2.18 vs. $2.10), QUALCOMM ($2.75 vs. $2.37), and Intel ($0.54 vs. $0.45) have been significant contributors to the increase in earnings for the index during this time. As a result, the blended earnings growth rate for the Information Technology sector has improved to 19.8% today from 15.9% on January 19.

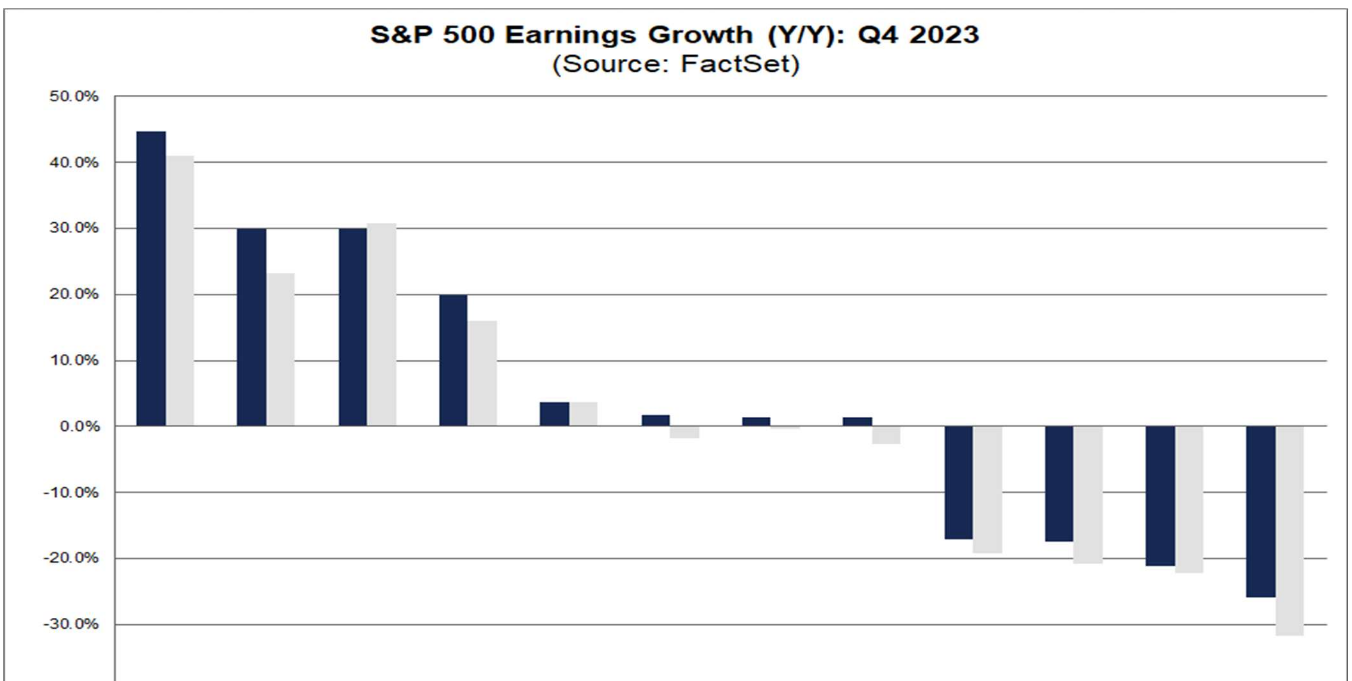
The Energy sector is the second-largest contributor to this increase in earnings, accounting for about $2.8 billion of the net increase in earnings of $16.0 billion. The positive earnings surprises reported by Exxon Mobil ($2.48 vs. $2.20), Marathon Petroleum ($3.98 vs. $2.19) and Chevron ($3.45 vs. $3.19) have been substantial contributors to the increase in earnings for the index during this time. As a result, the blended earnings decline for the Energy sector has improved to -25.9% today from -31.7% on January 19.

The Health Care sector is the third-largest contributor to this increase in earnings, accounting for about $2.4 billion of the net increase in earnings of $16.0 billion. The positive earnings surprise reported by Pfizer ($0.10 vs. -$0.16) has been a significant contributor to the increase in earnings for the index during this time. As a result, the blended earnings decline for the Health Care sector has improved to -17.4% today from -20.8% on January 19.

The Consumer Discretionary sector is the fourth-largest contributor to this increase in earnings, accounting for about $2.0 billion of the net increase in earnings of $16.0 billion. The positive earnings surprise reported by Amazon.com ($1.00 vs. $0.79) has been a substantial contributor to the increase in earnings for the index during this time. As a result, the blended earnings growth rate for the Consumer Discretionary sector has improved to 29.9% today from 23.2% on January 19.

Outside of these four sectors, the positive EPS surprises reported by Chubb ($8.30 vs. $5.12), Meta Platforms ($5.33 vs. $4.82), and Alphabet ($1.64 vs. $1.59) have also been significant contributors to the increase in earnings for the index since January 19.





	Comm. Services	Consumer Disc.	Utilities	Info. Technology	Real Estate	S&P 500	Consumer Staples	Industrials	Financials	Health Care	Materials	Energy
Today	44.6%	29.9%	29.9%	19.8%	3.7%	1.6%	1.4%	1.4%	-17.1%	-17.4%	-21.2%	-25.9%
19-Jan	41.0%	23.2%	30.9%	15.9%	3.6%	-1.8%	-0.3%	-2.7%	-19.2%	-20.8%	-22.2%	-31.7%

Topic of the Week: 2

Analysts Making Smaller Cuts Than Average to EPS Estimates for S&P 500 Companies for Q1

Given concerns in the market about a possible economic slowdown or recession, have analysts lowered EPS estimates more than normal for S&P 500 companies for the first quarter?

The answer is no. During the month of January, analysts lowered EPS estimates for the first quarter by a smaller margin than average. The Q1 bottom-up EPS estimate (which is an aggregation of the median EPS estimates for Q1 for all the companies in the index) decreased by 1.4% (to $55.55 from $56.34) from December 31 to January 31.

In a typical quarter, analysts usually reduce earnings estimates during the first month of a quarter. During the past five years (20 quarters), the average decline in the bottom-up EPS estimate during the first month of a quarter has been 2.1%. During the past ten years, (40 quarters), the average decline in the bottom-up EPS estimate during the first month of a quarter has been 1.8%. During the past fifteen years, (60 quarters), the average decline in the bottom-up EPS estimate during the first month of a quarter has been 1.9%. During the past 20 years (80 quarters), the average decline in the bottom-up EPS estimate during the first month of a quarter has been 1.8%.

Thus, the decline in the bottom-up EPS estimate recorded during the first month of the first quarter was smaller than the 5-year average, the 10-year average, the 15-year average, and the 20-year average.

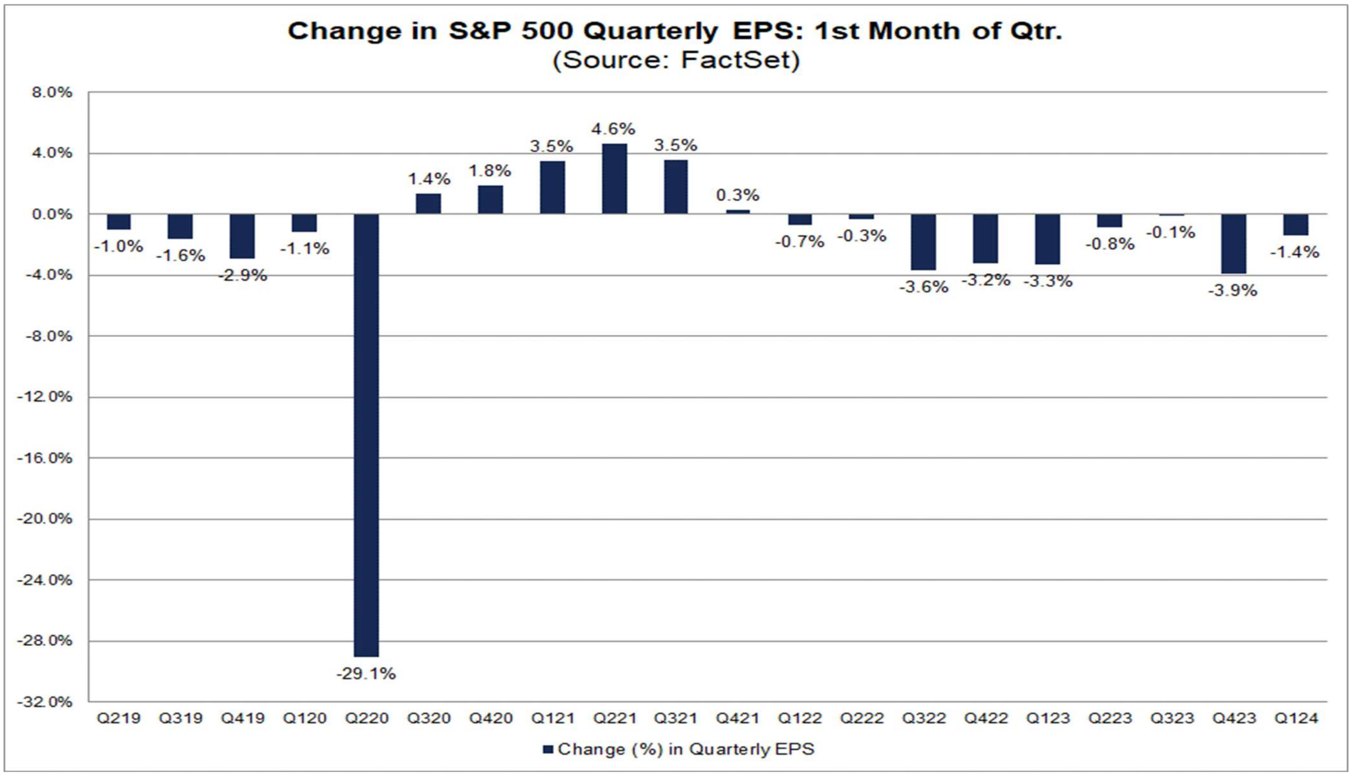
At the sector level, eight of the eleven sectors witnessed a decrease in their bottom-up EPS estimate for Q1 2024 from December 31 to January 31, led by the Energy (-10.1%) and Materials (-4.4%) sectors. On the other hand, three sectors recorded an increase in their bottom-up EPS estimate for Q1 2024 during this period, led by the Information Technology (+0.5%) sector.

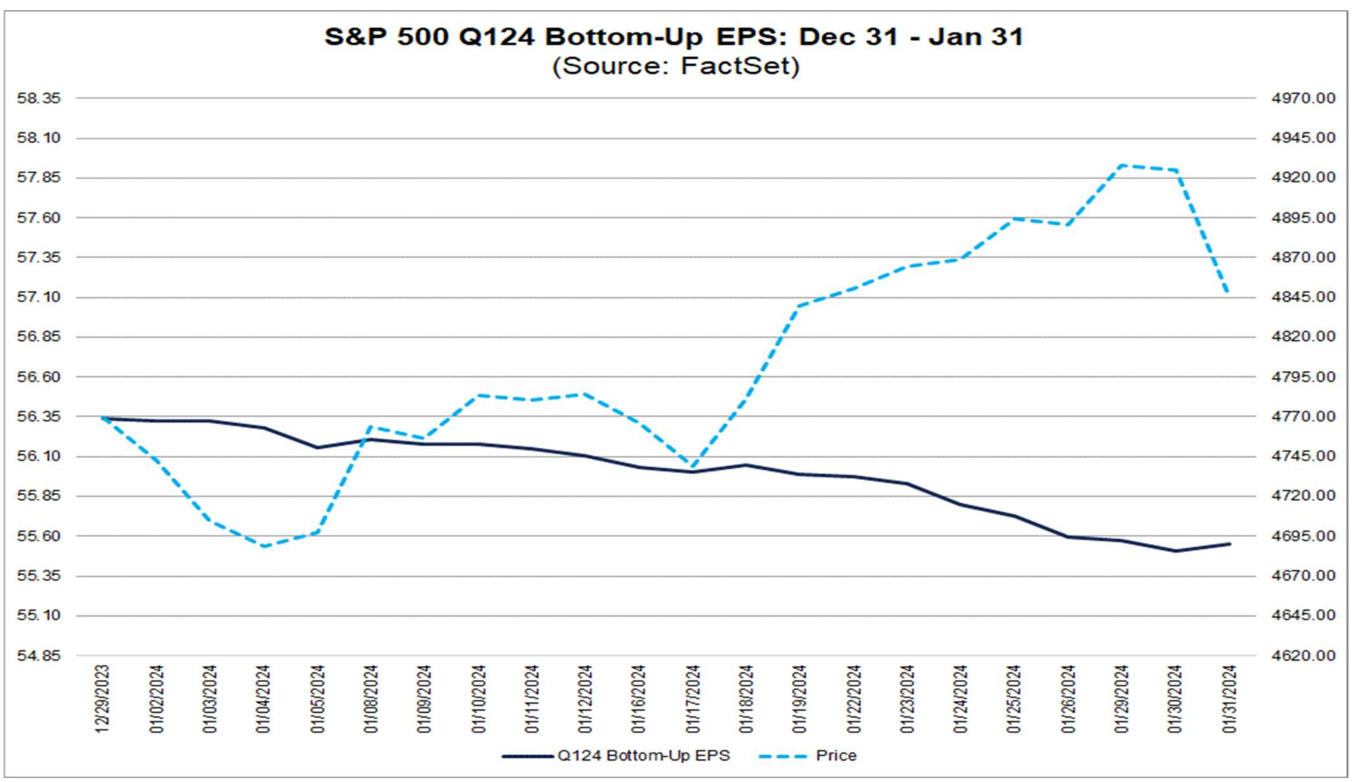
While the bottom-up EPS estimate for Q1 2024 declined by 1.4% during the month of January, analysts lowered EPS estimates for CY 2024 by 0.7% (to $242.61 from $244.41) during this same period.

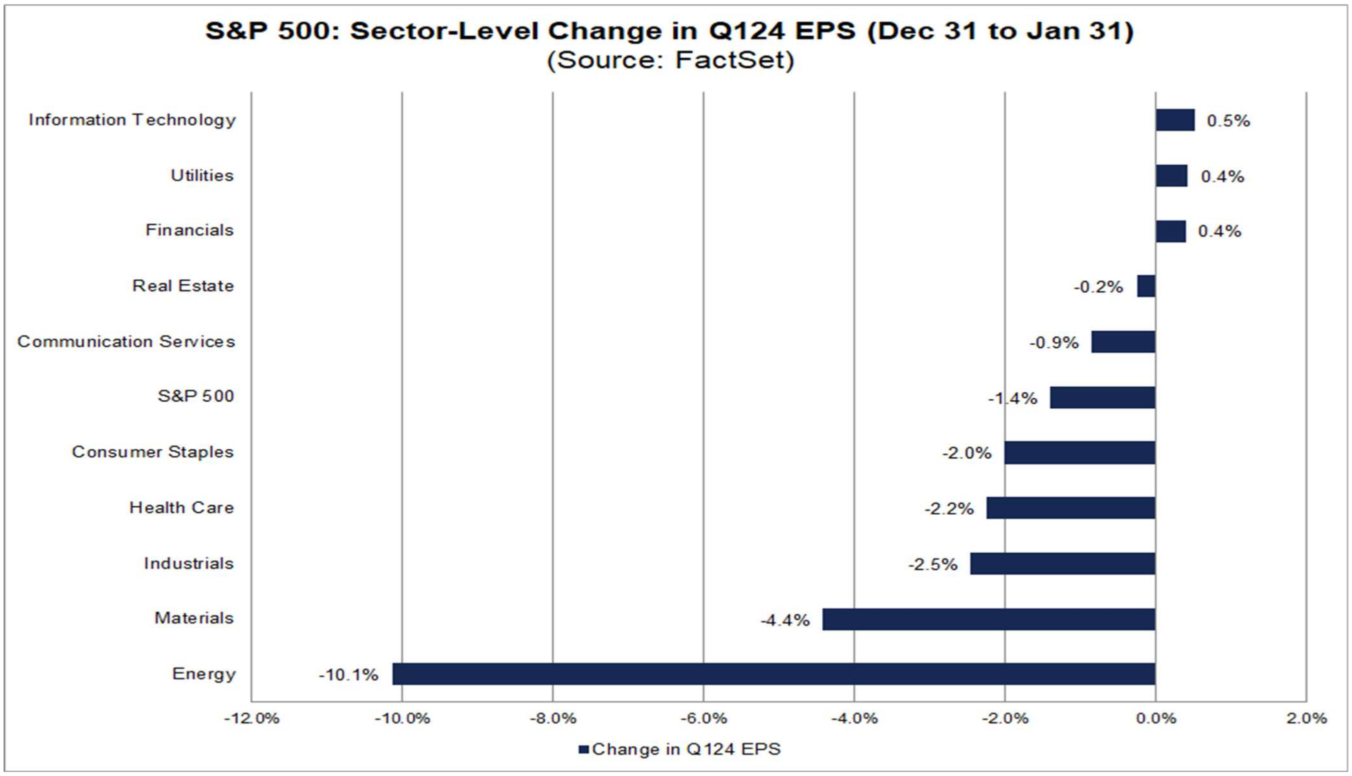
Analysts also usually reduce earnings estimates for the year during the month of January. During the past five years, the average decline in the bottom-up EPS estimate for the year during the month of January has been 0.3%. During the past ten years, the average decline in the bottom-up EPS estimate for the year during the month of January quarter has been 0.5%. During the past fifteen years, the average decline in the bottom-up EPS estimate for the year during the month of January has been 1.2%. During the past 20 years, the average decline in the bottom-up EPS estimate for the year during the month of January has been 1.1%. During the past 25 years, the average decline in the bottom-up EPS estimate for the year during the month of January has been 1.2%.

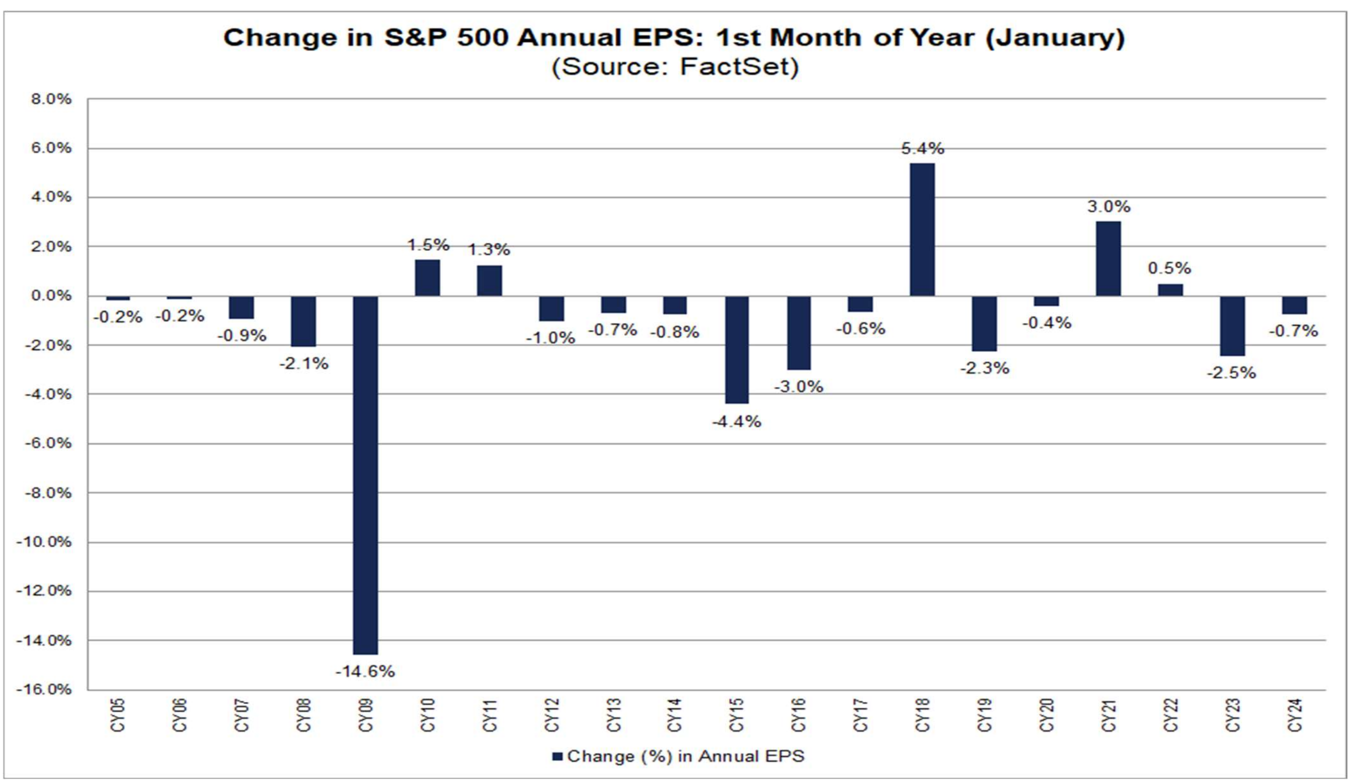
Thus, the decline in the CY 2024 bottom-up EPS estimate recorded during the month of January was larger than the 5-year average and the 10-year average, but smaller than the 15-year average, the 20-year average, and the 25-year average.

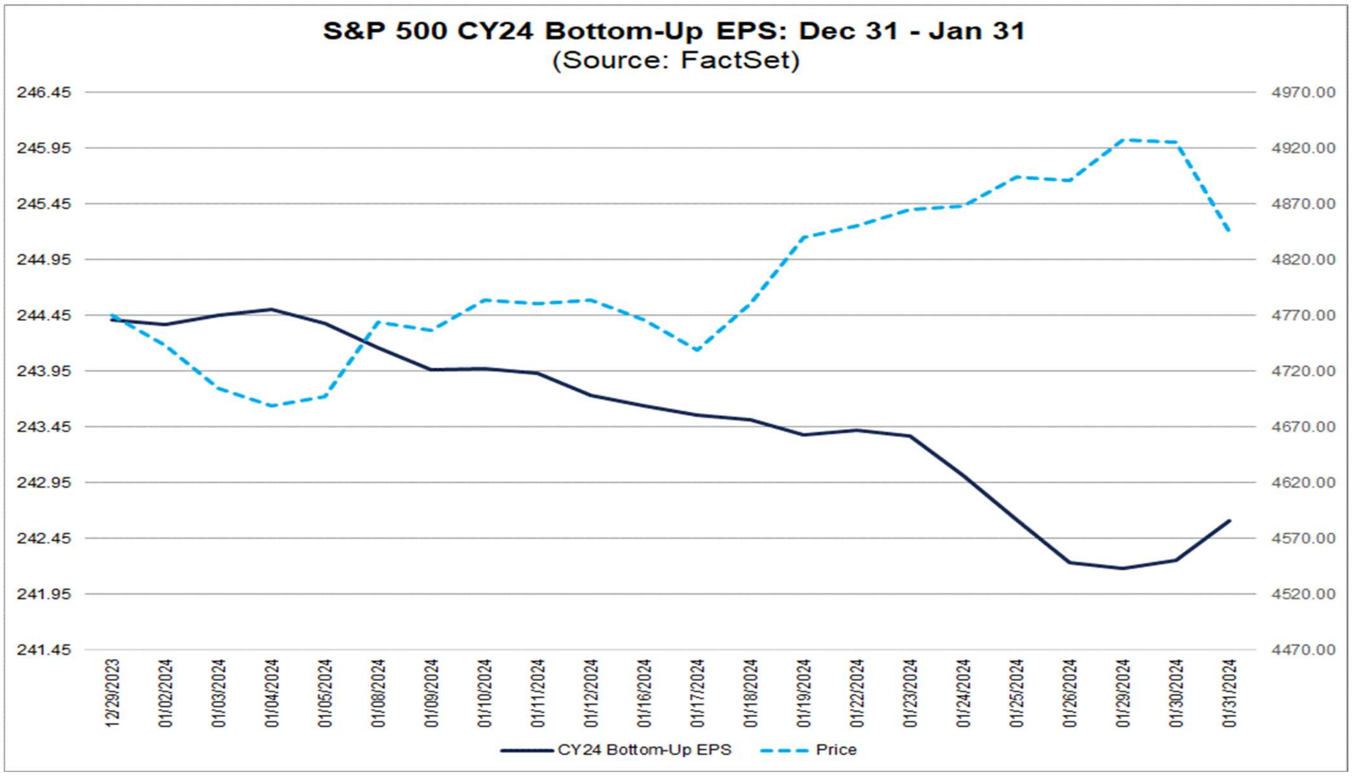
At the sector level, ten sectors witnessed a decrease in their bottom-up EPS estimate for CY 2024 from December 31 to January 31, led by the Energy (-5.7%) and Materials (-2.3%) sectors. The Real Estate sector (0.0%) recorded no change its CY 2024 bottom-up EPS estimate during this period. None of the sectors witnessed an increase in its bottom-up EPS estimate for CY 2024 from December 31 to January 31.

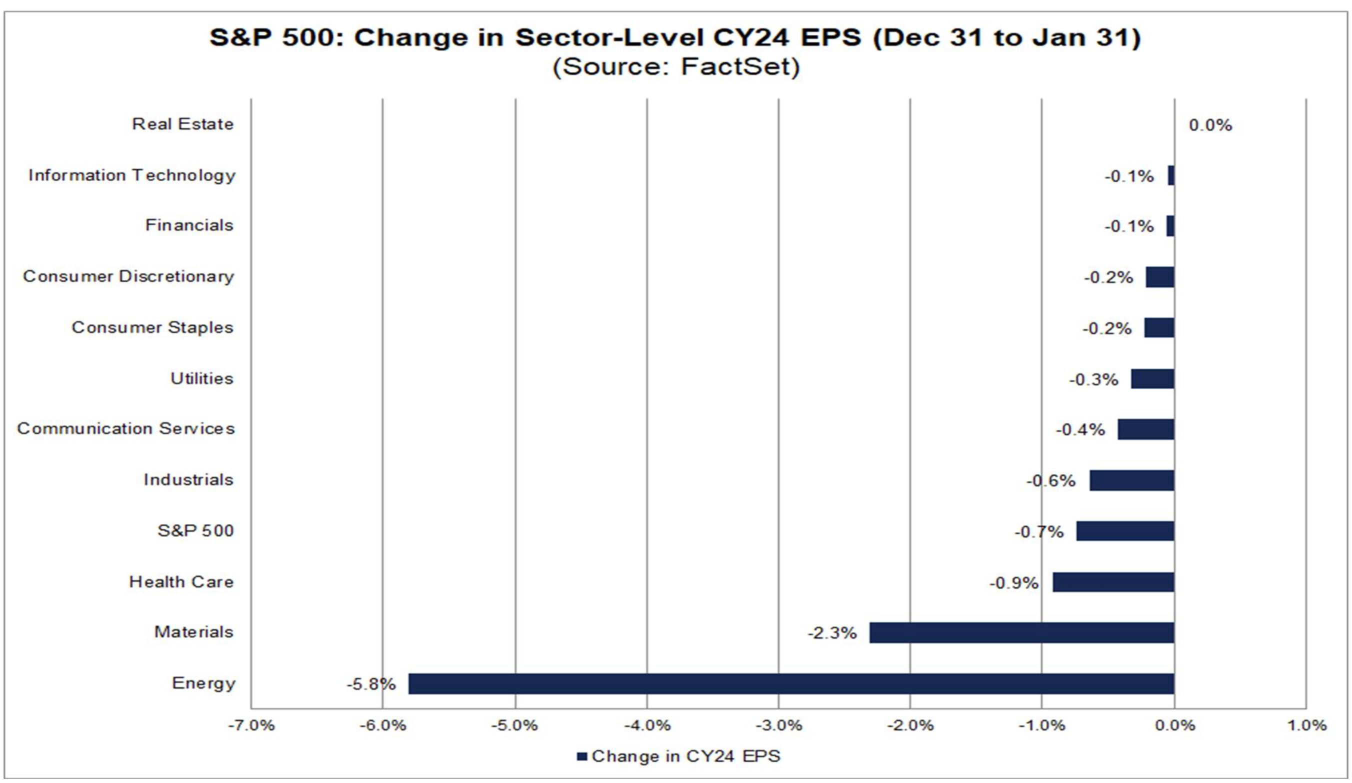

Change in S&P 500 Quarterly EPS: 1st Month of Qtr.
(Source: FactSet)
8.0%
4.0%
0.0%
-4.0%
-8.0%
-12.0%
-16.0%
-20.0%
-24.0%
-28.0%
-32.0%
-1.0%
-1.6%
-2.9%
-1.1%
-29.1%
1.4%
1.8%
3.5%
4.6%
3.5%
0.3%
-0.7%
-0.3%
-3.6%
-3.2%
-3.3%
-0.8%
-0.1%
-3.9%
-1.4%
Q219 Q319 Q419 Q120 Q220 Q320 Q420 Q121 Q221 Q321 Q421 Q122 Q222 Q322 Q422 Q123 Q223 Q323 Q423 Q124
Change (%) in Quarterly EPS


S&P 500 Q124 Bottom-Up EPS: Dec 31 - Jan 31
(Source: FactSet)
58.35
58.10
57.85
57.60
57.35
57.10
56.85
56.60
56.35
56.10
55.85
55.60
55.35
55.10
54.85
4970.00
4945.00
4920.00
4895.00
4870.00
4845.00
4820.00
4795.00
4770.00
4745.00
4720.00
4695.00
4670.00
4645.00
4620.00
12/29/2023 01/02/2024 01/03/2024 01/04/2024 01/05/2024 01/08/2024 01/09/2024 01/10/2024 01/11/2024 01/12/2024 01/16/2024 01/17/2024 01/18/2024 01/19/2024 01/22/2024 01/23/2024 01/24/2024 01/25/2024 01/26/2024 01/29/2024 01/30/2024 01/31/2024
Q124 Bottom-Up EPS
Price


S&P 500: Sector-Level Change in Q124 EPS (Dec 31 to Jan 31)
(Source: FactSet)
Information Technology 0.5%
Utilities 0.4%
Financials 0.4%
Real Estate -0.2%
Communication Services -0.9%
S&P 500 -1.4%
Consumer Staples -2.0%
Health Care -2.2%
Industrials -2.5%
Materials -4.4%
Energy -10.1%
-12.0% -10.0% -8.0% -6.0% -4.0% -2.0% 0.0% 2.0%
Change in Q124 EPS


Change in S&P 500 Annual EPS: 1st Month of Year (January)
(Source: FactSet)
8.0% 6.0% 4.0% 2.0% 0.0% -2.0% -4.0% -6.0% -8.0% -10.0% -12.0% -14.0% -16.0%
CY05 -0.2%
CY06 -0.2%
CY07 -0.9%
CY08 -2.1%
CY09 -14.6%
CY10 1.5%
CY11 1.3%
CY12 -1.0%
CY13 -0.7%
CY14 -0.8%
CY15 -4.4%
CY16 -3.0%
CY17 -0.6%
CY18 5.4%
CY19 -2.3%
CY20 -0.4%
CY21 3.0%
CY22 0.5%
CY23 -2.5%
CY24 -0.7%
Change (%) in Annual EPS


S&P 500 CY24 Bottom-Up EPS: Dec 31 - Jan 31
(Source: FactSet)
246.45
245.95
245.45
244.95
244.45
243.95
243.45
242.95
242.45
241.95
241.45
4970.00
4920.00
4870.00
4820.00
4770.00
4720.00
4670.00
4620.00
4570.00
4520.00
4470.00
12/29/2023
01/02/2024
01/03/2024
01/04/2024
01/05/2024
01/08/2024
01/09/2024
01/10/2024
01/11/2024
01/12/2024
01/16/2024
01/17/2024
01/18/2024
01/19/2024
01/22/2024
01/23/2024
01/24/2024
01/25/2024
01/26/2024
01/29/2024
01/30/2024
01/31/2024
CY24 Bottom-Up EPS
Price


S&P 500: Change in Sector-Level CY24 EPS (Dec 31 to Jan 31)
(Source: FactSet)
Real Estate 0.0%
Information Technology -0.1%
Financials -0.1%
Consumer Discretionary -0.2%
Consumer Staples -0.2%
Utilities -0.3%
Communication Services -0.4%
Industrials -0.6%
S&P 500 -0.7%
Health Care -0.9%
Materials -2.3%
Energy -5.8%
-7.0%
-6.0%
-5.0%
-4.0%
-3.0%
-2.0%
-1.0%
0.0%
1.0%
Change in CY24 EPS

Q4 Earnings Season: By The Numbers

Overview

At the mid-point of the fourth quarter earnings season, the overall performance of the S&P 500 relative to earnings estimates continues to be subpar. Both the percentage of S&P 500 companies reporting positive earnings surprises and the magnitude of earnings surprises are below average. However, most of this underperformance compared to estimates is due to the high number of companies in the Financials sector that reported results at the start of the earnings season. Over the past two weeks, with more companies across all ten sectors reporting results, the earnings numbers have improved significantly. As a result, the index is reporting higher earnings for the fourth quarter today relative to the end of last week and relative to the end of the quarter. On a year-over-year basis, the index is now reporting earnings growth for the second consecutive quarter.

Overall, 46% of the companies in the S&P 500 have reported actual results for Q4 2023 to date. Of these companies, 72% have reported actual EPS above estimates, which is below the 5-year average of 77% and below the 10-year average of 74%. In aggregate, companies are reporting earnings that are 2.6% above estimates, which is below the 5-year average of 8.5% and below the 10-year average of 6.7%. Historical averages reflect actual results from all 500 companies, not the actual results from the percentage of companies that have reported through this point in time.

However, it should be noted that since January 19, 75% of S&P 500 companies have reported actual EPS above estimates. In aggregate, S&P 500 companies have reported actual earnings that have exceeded estimates by 7.3% during this period.

As a result of this stronger performance in recent weeks, the index is reporting higher earnings for the fourth quarter today relative to the end of last week and relative to the end of the quarter. The blended (combines actual results for companies that have reported and estimated results for companies that have yet to report) earnings growth rate for the fourth quarter is 1.6% today, compared to an earnings decline of -1.4% last week and an earnings growth rate of 1.5% at the end of the fourth quarter (December 31).

Positive earnings surprises reported by companies in multiple sectors (led by the Health Care, Information Technology, Energy, and Consumer Discretionary sectors) were the largest contributors to the increase in overall earnings for the index during the past week. Positive earnings surprises reported by companies in multiple sectors (led by the Information Technology, Consumer Discretionary, and Health Care sectors), mostly offset by negative earnings surprises reported by companies in the Financials sector, have been the largest contributors to the increase in overall earnings for the index since the end of the quarter.

If 1.6% is the actual growth rate for the quarter, it will mark the second consecutive quarter that the index has reported year-over-year growth in earnings.

Seven of the eleven sectors are reporting year-over-year earnings growth, led by the Communication Services, Consumer Discretionary, Utilities, and Information Technology sectors. On the other hand, four sectors are reporting a year-over-year decline in earnings: Energy, Materials, Health Care, and Financials.

In terms of revenues, 65% of S&P 500 companies have reported actual revenues above estimates, which is below the 5-year average of 68% but above the 10-year average of 64%. In aggregate, companies are reporting revenues that are 1.0% above the estimates, which is below the 5-year average of 2.0% and below the 10-year average of 1.3%. Again, historical averages reflect actual results from all 500 companies, not the actual results from the percentage of companies that have reported through this point in time.

The blended revenue growth rate for the fourth quarter is 3.5% today, compared to a revenue growth rate of 3.2% last week and a revenue growth rate of 3.1% at the end of the fourth quarter (December 31).

Positive revenue surprises reported by companies in multiple sectors (led by the Health Care and Consumer Discretionary sectors), partially offset by downward revisions to revenue estimates and negative revenue surprises in the Energy sector, were the largest contributors to the increase in overall revenues for the index over the past week. Positive revenue surprises reported by companies in the Health Care, Consumer Discretionary, and Communication Services sectors, partially offset by downward revisions to revenue estimates and negative revenue surprises in the Energy sector, have been the largest contributors to the increase in overall revenues for the index since the end of the quarter.

If 3.5% is the actual revenue growth rate for the quarter, it will mark the 13th consecutive quarter of revenue growth for the index.

Nine sectors are reporting year-over-year growth in revenues, led by the Communication Services, Information Technology, and Financials sectors. On the other hand, two sectors are reporting a year-over-year decline in revenues: Energy and Materials.

Looking ahead, analysts expect (year-over-year) earnings growth of 4.5% for Q1 2024 and 9.4% for Q2 2024. For CY 2024, analysts are calling for (year-over-year) earnings growth of 11.2%.

The forward 12-month P/E ratio is 20.0, which is above the 5-year average (18.9) and above the 10-year average (17.6). It is also above the forward P/E ratio of 19.5 recorded at the end of the fourth quarter (December 31).

During the upcoming week, 104 S&P 500 companies (including 4 Dow 30 components) are scheduled to report results for the fourth quarter.

Scorecard: Number and Magnitude of Positive EPS Surprises Are Below 5-Year Average

Percentage of Companies Beating EPS Estimates (72%) is Below 5-Year Average

Overall, 46% of the companies in the S&P 500 have reported earnings to date for the fourth quarter. Of these companies, 72% have reported actual EPS above the mean EPS estimate, 7% have reported actual EPS equal to the mean EPS estimate, and 21% have reported actual EPS below the mean EPS estimate. The percentage of companies reporting EPS above the mean EPS estimate is below the 1-year average (77%), below the 5-year average (77%), and below the 10-year average (74%). Historical averages reflect actual results from all 500 companies, not the actual results from the percentage of companies that have reported through this point in time.

At the sector level, the Energy (90%), Health Care (85%), and Information Technology (84%) sectors have the highest percentages of companies reporting earnings above estimates, while the Real Estate (38%), Financials (53%), and Communication Services (55%) sectors have the lowest percentages of companies reporting earnings above estimates.

Earnings Surprise Percentage (+2.6%) is Below 5-Year Average

In aggregate, companies are reporting earnings that are 2.6% above expectations. This surprise percentage is below the 1-year average (+5.7%), below the 5-year average (+8.5%), and below the 10-year average (+6.7%). Historical averages reflect actual results from all 500 companies, not the actual results from the percentage of companies that have reported through this point in time.

The Energy (+14.2%) sector is reporting the largest positive (aggregate) difference between actual earnings and estimated earnings. Within this sector, Marathon Petroleum ($3.98 vs. $2.19), Phillips 66 ($3.09 vs. $2.35), Valero Energy ($3.55 vs. $2.95), and Hess Corporation ($1.63 vs. $1.36) have reported the largest positive EPS surprises.

The Consumer Discretionary (+12.9%) sector is reporting the second-largest positive (aggregate) difference between actual earnings and estimated earnings. Within this sector, Carnival (-$0.07 vs. -$0.13), Amazon.com ($1.00 vs. $0.79), CarMax ($0.52 vs. $0.42), and NIKE ($1.03 vs. $0.84) have reported the largest positive EPS surprises.

The Health Care (+9.4%) sector is reporting the third-largest positive (aggregate) difference between actual earnings and estimated earnings. Within this sector, Pfizer ($0.10 vs. -$0.16), Merck ($0.03 vs. -$0.11), HCA Healthcare ($5.90 vs. $5.05), Cardinal Health ($1.82 vs. $1.60), and Cencora ($3.28 vs. $2.90) have reported the largest positive EPS surprises.

On the other hand, the Financials (-17.1%) sector is reporting the largest negative (aggregate) difference between actual earnings and estimated earnings. Within this sector, Citigroup (-$1.16 vs. $0.11), Truist Financial (-$3.85 vs. $0.68), Comerica ($0.20 vs. $0.87), and Bank of New York Mellon ($0.33 vs. $0.85) have reported the largest negative EPS surprises. Actual results for these four companies included FDIC special assessments, which had a negative impact on earnings for the quarter.

Market Punishing Negative EPS Surprises Less Than Average

To date, the market is rewarding positive earnings surprises reported by S&P 500 companies near average levels and punishing negative EPS surprises reported by S&P 500 companies less than average.

Companies that have reported positive earnings surprises for Q4 2023 have seen an average price increase of +1.1% two days before the earnings release through two days after the earnings release. This percentage increase is slightly larger than the 5-year average price increase of +1.0% during this same window for companies reporting positive earnings surprises.

Companies that have reported negative earnings surprises for Q4 2023 have seen an average price decrease of -1.0% two days before the earnings release through two days after the earnings. This percentage decrease is smaller than the 5-year average price decrease of -2.3% during this same window for companies reporting negative earnings surprises.

Percentage of Companies Beating Revenue Estimates (65%) is Below 5-Year Average

In terms of revenues, 65% of companies have reported actual revenues above estimated revenues and 35% have reported actual revenues below estimated revenues. The percentage of companies reporting revenues above estimates is below the 1-year average (67%) and below the 5-year average (68%), but above the 10-year average (64%). Historical averages reflect actual results from all 500 companies, not the actual results from the percentage of companies that have reported through this point in time.

At the sector level, the Communication Services (91%) and Health Care (88%) sectors have the highest percentages of companies reporting revenues above estimates, while the Utilities (25%), Consumer Staples (40%), and Energy (40%) sectors have the lowest percentages of companies reporting revenues above estimates.

Revenue Surprise Percentage (+1.0%) is Below 5-Year Average

In aggregate, companies are reporting revenues that are 1.0% above expectations. This surprise percentage is below the 1-year average (+1.6%), below the 5-year average (+2.0%), and below the 10-year average (+1.3%). Historical averages reflect actual results from all 500 companies, not the actual results from the percentage of companies that have reported through this point in time.

At the sector level, the Health Care (+2.5%) and Consumer Discretionary (+2.5%) sectors are reporting the largest positive (aggregate) differences between actual revenues and estimated revenues, while the Utilities (-4.6%), Energy (-2.6%), and Real Estate (-1.6%) sectors are reporting the largest negative (aggregate) differences between actual revenues and estimated revenues.

Revisions: Increase in Blended Earnings This Week Due to Multiple Sectors

Increase in Blended Earnings This Week Due to Multiple Sectors

The blended (year-over-year) earnings growth rate for the fourth quarter is 1.6%, which is above the earnings decline of -1.4% last week. Positive earnings surprises reported by companies in multiple sectors (led by the Health Care, Information Technology, Energy, and Consumer Discretionary sectors) were the largest contributors to the increase in earnings for the index during the past week.

In the Health Care sector, the positive EPS surprises reported by Pfizer ($0.10 vs. -$0.16), Merck ($0.03 vs. -$0.11), and Bristol-Myers Squibb ($1.70 vs. $1.55) were substantial contributors to the increase in earnings for the index during the week. As a result, the blended earnings decline for the Health Care sector improved to -17.4% from -21.9% over this period.

In the Information Technology sector, the positive EPS surprises reported by Apple ($2.18 vs. $2.10), Microsoft ($2.93 vs. $2.77) and QUALCOMM ($2.75 vs. $2.37) were significant contributors to the increase in earnings for the index during the week. As a result, the blended earnings growth rate for the Information Technology sector increased to 19.8% from 17.0% over this period.

In the Energy sector, the positive EPS surprises reported by Exxon Mobil ($2.48 vs. $2.20), Marathon Petroleum ($3.98 vs. $2.19), Chevron ($3.45 vs. $3.19), and Phillips 66 ($2.09 vs. $2.35) were significant contributors to the increase in earnings for the index during the week. As a result, the blended earnings decline for the Energy sector improved to -25.9% from -31.5% over this period.

In the Consumer Discretionary sector, the positive EPS surprise reported by Amazon.com ($1.00 vs. $0.79) was a significant contributor to the increase in earnings for the index during the week. As a result, the blended earnings growth rate for the Consumer Discretionary sector improved to 29.9% from 23.3% over this period.

In the Communication Services sector, the positive EPS surprises reported by Meta Platforms ($5.33 vs. $4.82) and Alphabet ($1.64 vs. $1.59) were substantial contributors to the increase in earnings for the index during the week. As a result, the blended earnings growth rate for the Communication Services sector improved to 44.6% from 40.3% over this period.

In the Financials sector, the positive EPS surprise reported by Chubb ($8.30 vs. $5.12) was a substantial contributor to the increase in earnings for the index during the week. The actual (core operating) EPS reported by Chubb included a tax benefit of $2.76. As a result, the blended earnings decline for the Financials sector improved to -17.1% from -19.0% over this period.

Increase in Blended Revenues This Week Due to Multiple Sectors

The blended (year-over-year) revenue growth rate for the fourth quarter is 3.5%, which is above the revenue growth rate of 3.2% last week. Positive revenue surprises reported by companies in multiple sectors (led by the Health Care and Consumer Discretionary sectors), partially offset by negative revenue surprises reported by companies in the Energy sector, were the largest contributors to the increase in overall revenues for the index over the past week.

Information Technology Sector Has Seen Largest Increase in Earnings since December 31

The blended (year-over-year) earnings growth rate for Q4 2023 of 1.6% is slightly above the estimate of 1.5% at the end of the fourth quarter (December 31). Seven sectors have recorded an increase in their earnings growth rate or a decrease in their earnings decline since the end of the quarter due to upward revisions to EPS estimates and positive earnings surprises, led by the Consumer Discretionary (to 29.9% from 22.8%) sector. However, The Information Technology, Consumer Discretionary, and Health Care sectors have been the largest contributors to the increase in earnings for the index since December 31. On the other hand, three sectors have recorded a decrease in their earnings growth rate or an increase in their earnings decline since the end of the quarter due to downward revisions to earnings estimates and negative earnings surprises, led by the Financials (to -17.1% from -2.2%) sector. This sector has also been the largest detractor to the increase in earnings for the index since December 31. The Real Estate (3.7%) sector has the same earnings growth rate today compared to December 31.

In the Information Technology sector, the positive EPS surprises reported by Microsoft ($2.93 vs. $2.77), Apple ($2.18 vs. $2.10), QUALCOMM ($2.75 vs. $2.37), and Intel ($0.54 vs. $0.45) have been significant contributor to the increase in earnings for the index since December 31. As a result, the blended earnings growth rate for the Information Technology sector increased to 19.8% from 15.7% over this period.

In the Consumer Discretionary sector, the positive EPS surprise reported by Amazon.com ($1.00 vs. $0.79) has been a substantial contributor to the increase in earnings for the index since December 31. As a result, the blended earnings growth rate for the Consumer Discretionary sector improved to 29.9% from 22.8% over this period.

In the Health Care sector, the positive EPS surprise reported by Pfizer ($0.10 vs. -$0.16) has been a significant contributor to the increase in earnings for the index since December 31. As a result, the blended earnings decline for the Health Care sector improved to -17.4% from -20.1% over this period.

In the Industrials sector, the positive EPS surprises reported by Boeing (-$0.47 vs. -$0.73) and PACCAR ($2.70 vs. $2.25) have been positive contributors to the increase in earnings for the index since December 31. As a result, the blended earnings growth rate for the Industrials sector improved to 1.4% from -2.7% over this period.

In the Energy sector, the positive EPS surprises reported by Exxon Mobil ($2.48 vs. $2.20) and Marathon Petroleum ($3.98 vs. $2.19) have been substantial contributors to the increase in earnings for the index since December 31. As a result, the blended earnings decline for the Energy sector improved to -25.9% from -29.0% over this period.

In the Communication Services sector, the positive EPS surprises reported by Meta Platforms ($5.33 vs. $4.82) and Alphabet ($1.64 vs. $1.59) have been significant contributors to the increase in earnings for the index since December 31. As a result, the blended earnings growth rate for the Communication Services sector improved to 44.6% from 41.6% over this period.

In the Financials sector, the negative EPS surprises reported by Truist Financial (-$3.85 vs. $0.68), Citigroup (-$1.16 vs. $0.11), Bank of America ($0.35 vs. $0.53), and JPMorgan Chase ($3.04 vs. $3.35) have been the largest detractors to the increase in earnings for the index since December 31. Actual results for all four companies included FDIC special assessments, which had a negative impact on earnings for the quarter. In addition, actual results for Truist Financial also included a non-cash goodwill impairment of $4.53, which also had a negative impact on earnings for the quarter. As a result, the blended earnings decline for the Financials sector increased to -17.1% from -2.2% over this period.

Health Care Sector Has Seen Largest Increase in Revenues since December 31

The blended (year-over-year) revenue growth rate for Q4 2023 of 3.5% is above the estimate of 3.1% at the end of the fourth quarter (December 31). Seven sectors have recorded an increase in their revenue growth rate or a decrease in their revenue decline since the end of the quarter due to upward revisions to revenue estimates and positive revenue surprises, led by the Health Care (to 5.7% from 4.0%), Consumer Discretionary (to 5.3% from 3.7%), and Communication Services (to 7.7% from 6.2%) sectors. These three sectors have also been the largest contributors to the increase in revenues for the index since the end of the quarter. On the other hand, four sectors have recorded a decrease in their revenue growth rate or an increase in their revenue decline since the end of the quarter due to downward revisions to revenue estimates and negative revenue surprises, led by the Energy (to -9.8% from -6.1%) sector. The Energy sector has also been the largest detractor to the increase in revenues for the index since the end of the quarter.

In the Health Care sector, the positive revenue surprises reported by Cencora ($72.25 billion vs. $69.25 billion), UnitedHealth Group ($94.43 billion vs. $92.13 billion), and Cigna ($51.15 billion vs. $48.91 billion) have been substantial contributors to the increase in revenues for the index since December 31. As a result, the blended revenue growth rate for the Health Care sector has increased to 5.7% from 4.0% over this period.

In the Consumer Discretionary sector, the positive revenue surprises reported by General Motors ($42.98 billion vs. $38.73 billion) and Amazon.com ($169.96 billion vs. $164.89 billion) have been significant contributors to the increase in revenues for the index since December 31. As a result, the blended revenue growth rate for the Consumer Discretionary sector has increased to 5.3% from 3.7% over this period.

In the Communication Services sector, the positive revenue surprises reported by Meta Platforms ($40.11 billion vs. $39.05 billion), and Alphabet ($86.31 billion vs. $85.28 billion) have been significant contributors to the increase in revenues for the index since December 31. As a result, the blended revenue growth rate for the Communication Services sector has increased to 7.7% from 6.2% over this period.

In the Energy sector, the downward revisions to revenue estimates and negative revenue surprises for Chevron (to $47.18 billion from $52.28 billion), Exxon Mobil (to $84.34 billion from $89.40 billion), and Phillips 66 (to $38.60 billion from $40.06 billion, and the downward revisions to revenue estimates for Valero Energy (to $35.41 billion from $36.73 billion) have been substantial detractors to the increase in revenues for the index since December 31. As a result, the blended revenue decline for the Energy sector has increased to -9.8% from -6.1% over this period.

Earnings Growth: 1.6%

The blended (combines actual results for companies that have reported and estimated results for companies that have yet to report), year-over-year earnings growth rate for Q4 2023 is 1.6%, which is below the 5-year average earnings growth rate of 9.5% and below the 10-year average earnings growth rate of 8.4%. If 1.6% is the actual growth rate for the quarter, it will mark the second consecutive quarter that the index has reported year-over-year earnings growth.

Seven of the eleven sectors are reporting year-over-year earnings growth, led by the Communication Services, Consumer Discretionary, Utilities, and Information Technology sectors. On the other hand, four sectors are reporting a year-over-year decline in earnings: Energy, Materials, Health Care, and Financials.

Communication Services: Meta Platforms is Largest Contributor to Year-Over-Year Growth

The Communication Services sector is reporting the largest (year-over-year) earnings growth rate of all eleven sectors at 44.6%. At the industry level, 3 of the 5 industries in the sector are reporting a year-over-year increase in earnings of 30% or more: Entertainment (163%), Interactive Media & Services (86%), and Wireless Telecommunication Services (32%). On the other hand, two industries are reporting a (year-over-year) decline in earnings: Diversified Telecommunication Services (-10%) and Media (-8%).

At the company level, Meta Platforms ($5.33 vs. $1.76) is the largest contributor to earnings growth for the sector. If this company were excluded, the estimated earnings growth rate for Communication Services sector would fall to 24.8% from 44.6%.

Consumer Discretionary: Amazon Is Largest Contributor to Year-Over-Year Growth

The Consumer Discretionary sector (along with the Utilities sector) is reporting the second-highest (year-over-year) earnings growth rate of all eleven sectors at 29.9%. At the industry level, 4 of the 9 industries in the sector are reporting year-over-year earnings growth. Two of these four industries are reporting a year-over-year increase in earnings of more than 100%: Broadline Retail (1,014%) and Hotels, Restaurants, & Leisure (125%). On the other hand, five industries are reporting a year-over-year decline in earnings. Two of these five industries are reporting a decrease in earnings of 10% or more: Automobiles (-53%) and Leisure Products (-50%).

At the industry level, the Broadline Retail and Hotels, Restaurants, & Leisure industries are the largest contributors to earnings growth for the sector. If these two industries were excluded, the Consumer Discretionary sector would be reporting a (year-over-year) decline in earnings of -20.8% instead of year-over-year earnings growth of 29.9%. On the other hand, the Automobiles industry is the largest detractor to earnings growth for the sector. If this industry were excluded, the blended earnings growth rate for the Consumer Discretionary sector would improve to 64.2% from 29.9%.

At the company level, Amazon.com ($1.00 vs. $0.03) is the largest contributor to earnings growth for the sector. If this company were excluded, the Consumer Discretionary sector would be reporting a (year-over-year) decline in earnings of -3.7% instead of earnings growth of 29.9%.

Utilities: Electric Utilities Industry Is Largest Contributor to Year-Over-Year Growth

The Utilities sector (along with the Consumer Discretionary sector) is reporting the second-highest (year-over-year) earnings growth rate of all eleven sectors at 29.9%. At the industry level, 4 of the 5 industries in this sector are reporting year-over-year earnings growth. Three of these four industries are reporting double-digit growth: Electric Utilities (52%), Independent Power and Renewable Electricity Producers (36%), and Gas Utilities (15%). On the other hand, the Multi-Utilities (-5%) industry is the only industry reporting a (year-over-year) decline in earnings.

At the industry level, the Electric Utilities industry is the largest contributor to earnings growth for the sector. If this industry were excluded, the Utilities sector would be reporting a year-over-year decline in earnings of -0.5% rather than (year-over-year) earnings growth of 29.9%.

Information Technology: NVIDA Is Largest Contributor to Year-Over-Year Growth

The Information Technology sector is reporting the fourth-highest (year-over-year) earnings growth rate of all eleven sectors at 19.8%. At the industry level, 4 of the 6 industries in the sector are reporting year-over-year earnings growth. Three of these four industries are reporting double-digit growth: Semiconductors & Semiconductor Equipment (41%), Software (23%), and Technology Hardware, Storage & Peripherals (11%). On the other hand, two industries are reporting a year-over-year decline in earnings: Electronic Equipment, Instruments, & Components (-4%) and Communications Equipment (-2%).

At the company level, NVIDIA ($4.53 vs. $0.88) is the largest contributor to earnings growth for the sector. If this company were excluded, the blended (year-over-year) earnings growth rate for the Information Technology sector would drop to 10.7% from 19.8%.

Energy: 3 of 5 Sub-Industries Reporting Year-Over-Year Decline

The Energy sector is reporting the largest (year-over-year) earnings decline of all eleven sectors at -25.9%. At the sub-industry level, three of the five sub-industries in the sector are reporting a (year-over-year) decrease in earnings: Oil & Gas Refining & Marketing (-51%), Integrated Oil & Gas (-27%), and Oil & Gas Exploration & Production (-19%). On the other hand, two sub-industries are reporting year-over-year earnings growth: Oil & Gas Equipment & Services (23%) and Oil & Gas Storage & Transportation (4%).

Materials: 3 of 4 Industries Reporting Year-Over-Year Decline of More Than 15%

The Materials sector is reporting the second-largest (year-over-year) earnings decline of all eleven sectors at -21.2%. At the industry level, three of the four industries in this sector are reporting a year-over-year decline in earnings of 15% or more: Metals & Mining (-32%), Chemicals (-20%), and Containers & Packaging (-16%). On the other hand, the Construction Materials (30%) industry is the only industry in the sector projected to report (year-over-year) earnings growth.

Health Care: Pfizer and Merck Are Largest Contributors to Year-Over-Year Decline

The Health Care sector is reporting the third-largest (year-over-year) earnings decline of all eleven sectors at -17.4%. At the industry level, three of the five industries in this sector are reporting a year-over-year decline in earnings: Pharmaceuticals (-45%), Biotechnology (-18%), and Life Sciences, Tools, & Services (-8%). On the other hand, two industries are reporting year-over-year earnings growth: Health Care Providers & Services (7%) and Health Care Equipment & Supplies (7%).

At the company level, Pfizer (-$0.10 vs. $1.14) and Merck (-$0.03 vs. $1.62) are the largest contributors to the earnings decline for the sector. If these two companies were excluded, the blended earnings decline for the Health Care sector would improve to -4.0% from -17.4%.

Financials: Banks Industry Leads Year-Over-Year Decline

The Financials sector is reporting the fourth-largest (year-over-year) earnings decline of all eleven sectors at -17.1%. At the industry level, three of the five industries in this sector are reporting a year-over-year decline in earnings: Banks (-64%), Consumer Finance (-15%), and Capital Markets (-3%). On the other hand, the other two industries in the sector are reporting earnings growth: Insurance (44%) and Financial Services (10%).

At the industry level, the Banks industry is the largest contributor to the year-over-year decline in earnings for the sector. Actual results for most of the companies in the Banks industry include FDIC special assessments, which had a negative impact on earnings for the quarter. If this industry were excluded, the Financials sector would be reporting would be reporting (year-over-year) growth in earnings of 13.2% instead of a year-over-year earnings decline of -17.1%.

Revenue Growth: 3.5%

The blended (year-over-year) revenue growth rate for Q4 2023 is 3.5%, which is below the 5-year average revenue growth rate of 6.9% and below the 10-year average revenue growth rate of 5.0%. If 3.5% is the actual revenue growth rate for the quarter, it will mark the 13th consecutive quarter of revenue growth for the index.

At the sector level, nine sectors are reporting year-over-year growth in revenues, led by the Communication Services, Information Technology, and Financials sectors. On the other hand, two sectors are reporting a year-over-year decline in revenues: Energy and Materials.

Communication Services: Interactive Media & Services Industry Leads Year-Over-Year Growth

The Communications Services sector is reporting the highest (year-over-year) revenue growth rate at 7.7%. At the industry level, four of the five industries in the sector are reporting (year-over-year) growth in revenues, led by the Interactive Media & Services (15%) industry.

Information Technology: Semiconductors Industry Leads Year-Over-Year Growth

The Information Technology sector is reporting the second-highest (year-over-year) revenue growth rate at 7.0%. At the industry level, four of the six industries in the sector are reporting year-over-year growth in revenues, led by the Semiconductors & Semiconductor Equipment (19%) and Software (15%) industries.

Financials: All 5 Industries Reporting Year-Over-Year Growth

The Financials sector is reporting the third-highest (year-over-year) revenue growth rate at 6.5%. At the industry level, all five industries in the sector are reporting year-over-year growth in revenues. Two of these five industries are reporting double-digit growth: Financials Services (10%) and Consumer Finance (10%).

Energy: 4 of 5 Sub-Industries Reporting Year-Over-Year Decline

The Energy sector is reporting the largest (year-over-year) revenue decline of all eleven sectors at -9.8%. At the sub-industry level, four of the five sub-industries in the sector are reporting a year-over-year decrease in revenues: Integrated Oil & Gas (-12%), Oil & Gas Exploration & Production (-11%), Oil & Gas Refining & Marketing (-10%), and Oil & Gas Storage & Transportation (-4%). On the other hand, the Oil & Gas Equipment & Services (11%) sub-industry is the only sub-industry reporting (year-over-year) revenue growth in the sector.

Materials: 3 of 4 Industries Reporting Year-Over-Year Decline

The Materials sector is reporting the second-highest (year-over-year) decline in revenues at -5.6%. At the industry level, three of the four industries in the sector are reporting a year-over-year decrease in revenues: Chemicals (-6%), Metals & Mining (-6%), and Containers & Packaging (-5%). On the other hand, the Construction Materials (11%) industry is the only industry expected to report a year-over-year growth in revenues.

Net Profit Margin: 11.0%

The blended net profit margin for the S&P 500 for Q4 2023 is 11.0%, which is below the previous quarter’s net profit margin of 12.2%, below the 5-year average of 11.5%, and below the year-ago net profit margin of 11.2%.

At the sector level, four sectors are reporting a year-over-year increase in their net profit margins in Q4 2023 compared to Q4 2022, led by the Communication Services (11.8% vs. 8.8%), Information Technology (25.8% vs. 23.1%), and Utilities (11.8% vs. 9.1%) sectors. On the other hand, seven sectors are reporting a year-over-year decrease in their net profit margins in Q4 2023 compared to Q4 2022, led by the Financials (12.9% vs. 16.6%) sector.

Five sectors are reporting net profit margins in Q4 2023 that are above their 5-year averages, led by the Information Technology (25.8% vs. 23.3%) sector. On the other hand, six sectors are reporting net profit margins in Q4 2023 that are below their 5-year averages, led by the Financials (12.9% vs. 16.6%) and Health Care (7.3% vs. 10.1%) sectors.

Forward Estimates and Valuation

Quarterly Guidance: % of S&P 500 Companies Issuing Negative Guidance for Q1 Above 5-Year Average

At this point in time, 48 companies in the index have issued EPS guidance for Q1 2024. Of these 48 companies, 31 have issued negative EPS guidance and 17 have issued positive EPS guidance. The percentage of companies issuing negative EPS guidance for Q1 2024 is 65% (31 out of 48), which is above the 5-year average of 59% and above the 10-year average of 63%.

At this point in time, 268 companies in the index have issued EPS guidance for the current fiscal year (FY 2023 or FY 2024). Of these 268 companies, 126 have issued negative EPS guidance and 142 have issued positive EPS guidance. The percentage of companies issuing negative EPS guidance is 47% (126 out of 268).

The term “guidance” (or “preannouncement”) is defined as a projection or estimate for EPS provided by a company in advance of the company reporting actual results. Guidance is classified as negative if the estimate (or mid-point of a range estimates) provided by a company is lower than the mean EPS estimate the day before the guidance was issued. Guidance is classified as positive if the estimate (or mid-point of a range of estimates) provided by the company is higher than the mean EPS estimate the day before the guidance was issued.

Earnings: S&P 500 Expected to Report Earnings Growth of 11% for CY 2024

For the fourth quarter, S&P 500 companies are reporting a year-over-year growth in earnings of 1.6% and year-over-year growth in revenues of 3.5%. For CY 2023, S&P 500 companies are reporting year-over-year growth in earnings of 0.7% and year-over-year growth in revenues of 2.4%

For Q1 2024, analysts are projecting earnings growth of 4.5% and revenue growth of 3.6%.

For Q2 2024, analysts are projecting earnings growth of 9.4% and revenue growth of 4.8%.

For Q3 2024, analysts are projecting earnings growth of 8.1% and revenue growth of 5.0%.

For Q4 2024, analysts are projecting earnings growth of 19.0% and revenue growth of 5.6%.

For CY 2024, analysts are projecting earnings growth of 11.2% and revenue growth of 5.4%.

Valuation: Forward P/E Ratio is 20.0, Above the 10-Year Average (17.6)

The forward 12-month P/E ratio for the S&P 500 is 20.0. This P/E ratio is above the 5-year average of 18.9 and above the 10-year average of 17.6. It is also above the forward 12-month P/E ratio of 19.5 recorded at the end of the fourth quarter (December 31). Since the end of the fourth quarter (December 31), the price of the index has increased by 2.9%, while the forward 12-month EPS estimate has increased by 0.5%. At the sector level, the Information Technology (27.7) and Consumer Discretionary (24.7) sectors have the highest forward 12-month P/E ratios, while the Energy (11.5) and Financials (14.9) sectors have the lowest forward 12-month P/E ratios.

The trailing 12-month P/E ratio is 24.2, which is above the 5-year average of 22.8 and above the 10-year average of 21.1.

Targets & Ratings: Analysts Project 9% Increase in Price Over Next 12 Months

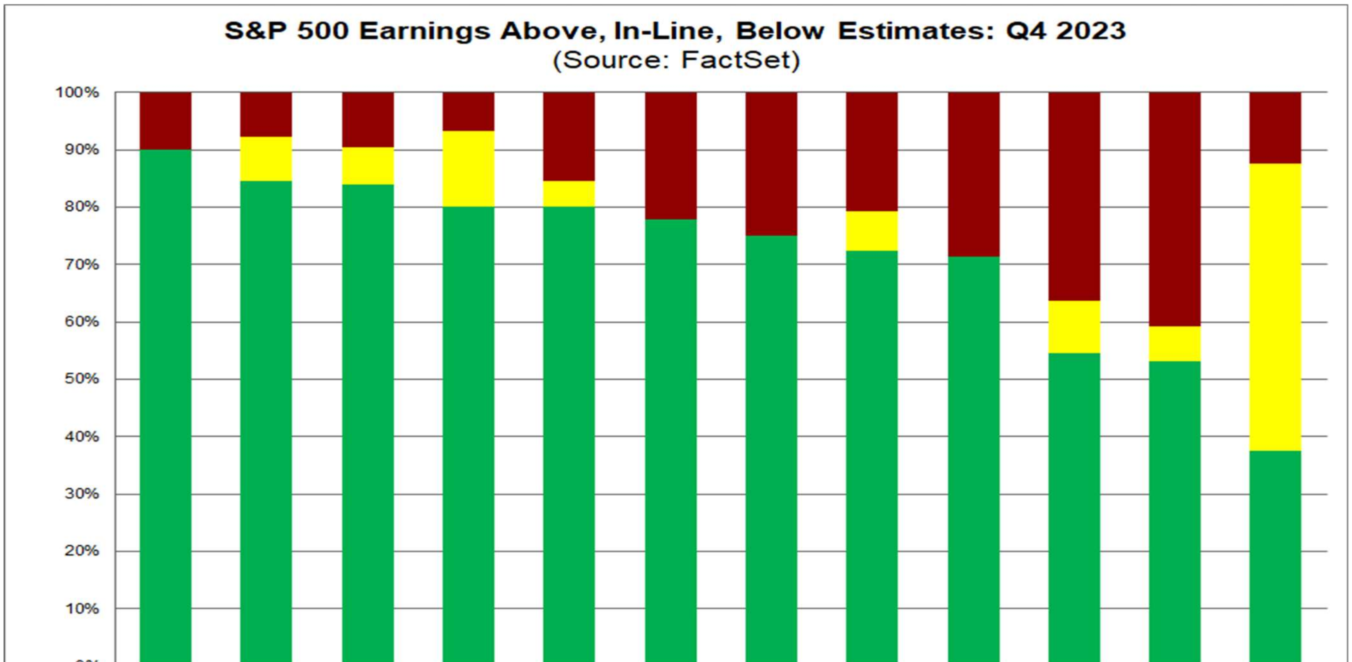
The bottom-up target price for the S&P 500 is 5340.48, which is 8.9% above the closing price of 4906.19. At the sector level, the Energy (+20.5%) sector is expected to see the largest price increase, as this sector has the largest upside difference between the bottom-up target price and the closing price. On the other hand, the Industrials (+5.5%) sector is expected to see the smallest price increase, as this sector has the smallest upside difference between the bottom-up target price and the closing price.

Overall, there are 11,479 ratings on stocks in the S&P 500. Of these 11,479 ratings, 54.4% are Buy ratings, 40.2% are Hold ratings, and 5.4% are Sell ratings. At the sector level, the Energy (64%) and Communication Service (63%) sectors have the highest percentages of Buy ratings, while the Consumer Staples (45%) sector has the lowest percentage of Buy ratings.

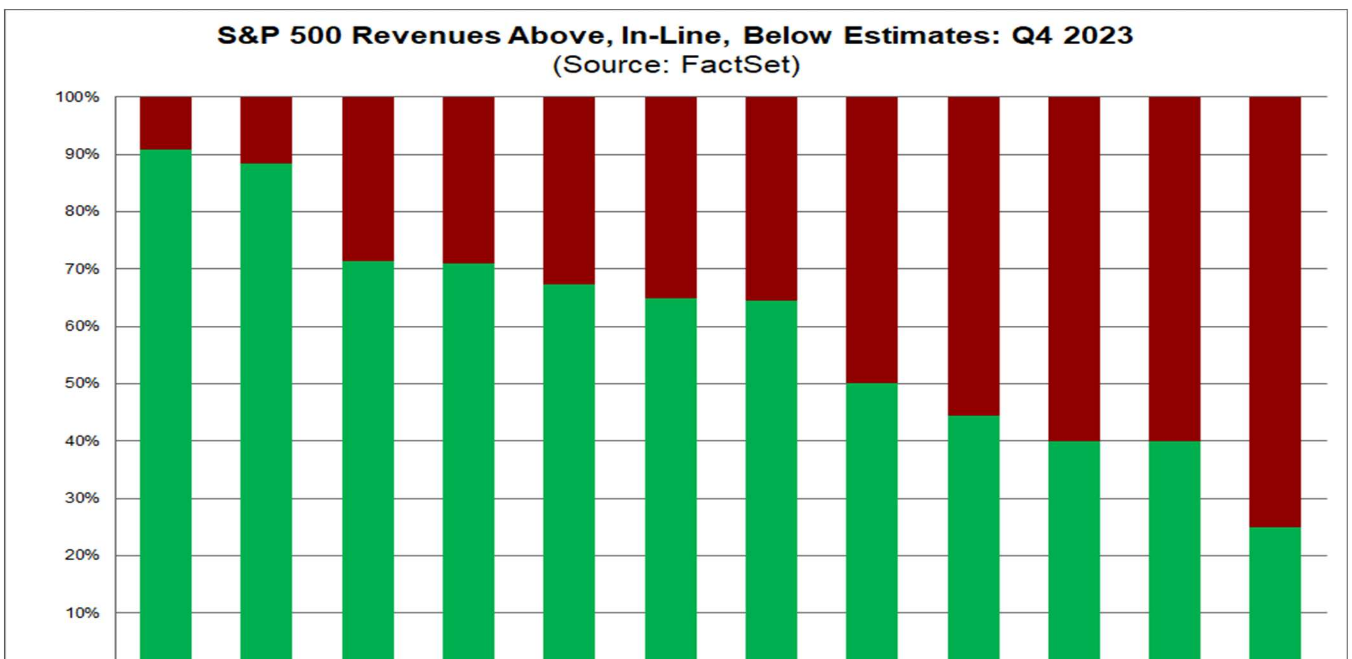
Companies Reporting Next Week: 104

During the upcoming week, 104 S&P 500 companies (including 4 Dow 30 components) are scheduled to report results for the fourth quarter.

Q4 2023: Scorecard

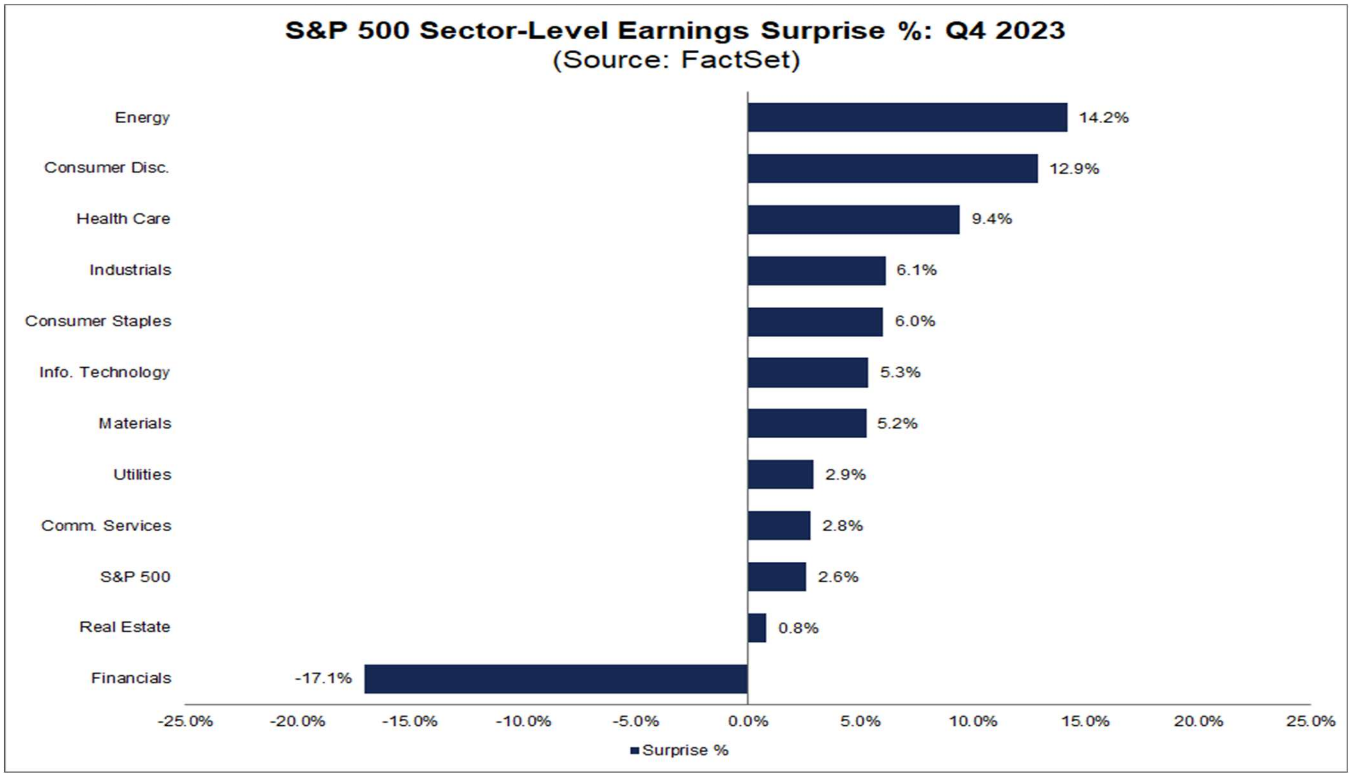


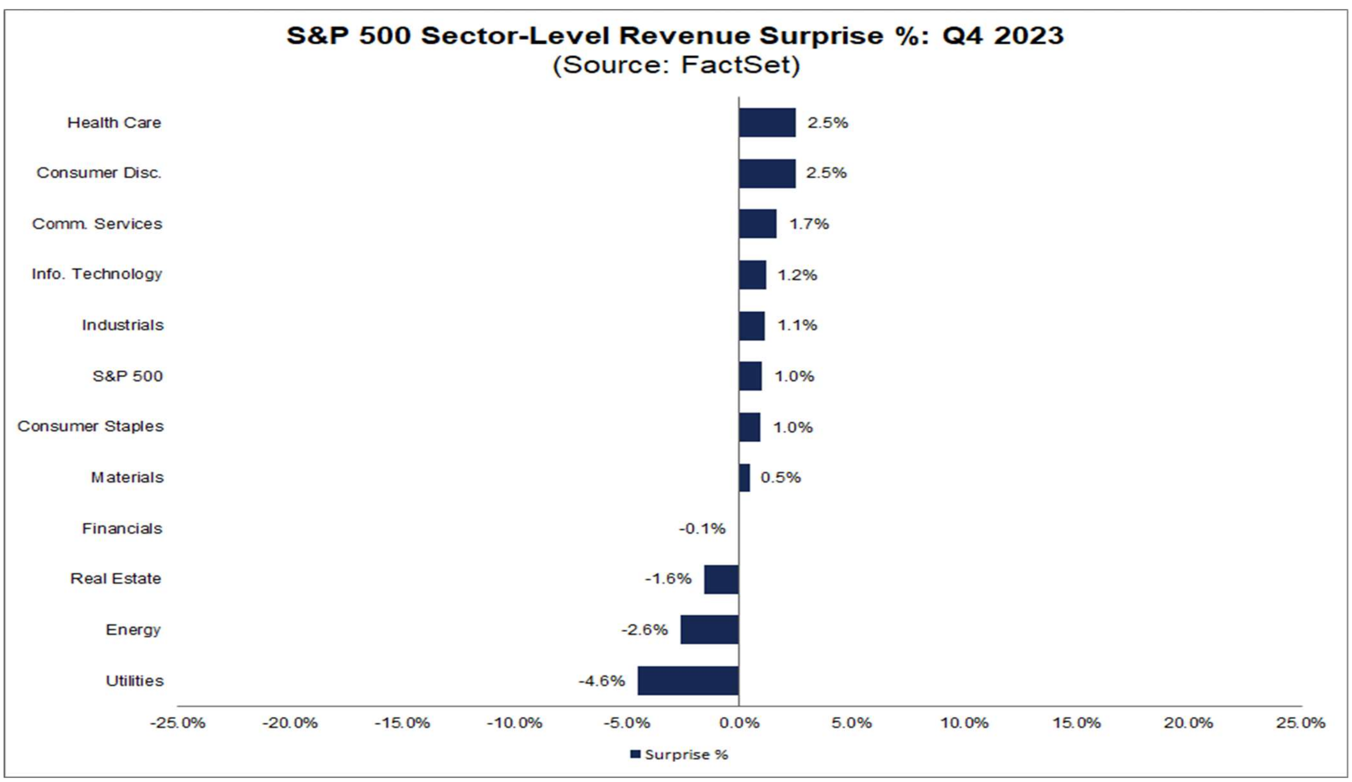
	Energy	Health Care	Info. Technology	Consumer Staples	Industrials	Consumer Disc.	Utilities	S&P 500	Materials	Comm. Services	Financials	Real Estate
Below	10%	8%	10%	7%	16%	22%	25%	21%	29%	36%	41%	13%
In-Line	0%	8%	6%	13%	4%	0%	0%	7%	0%	9%	6%	50%
Above	90%	85%	84%	80%	80%	78%	75%	72%	71%	55%	53%	38%



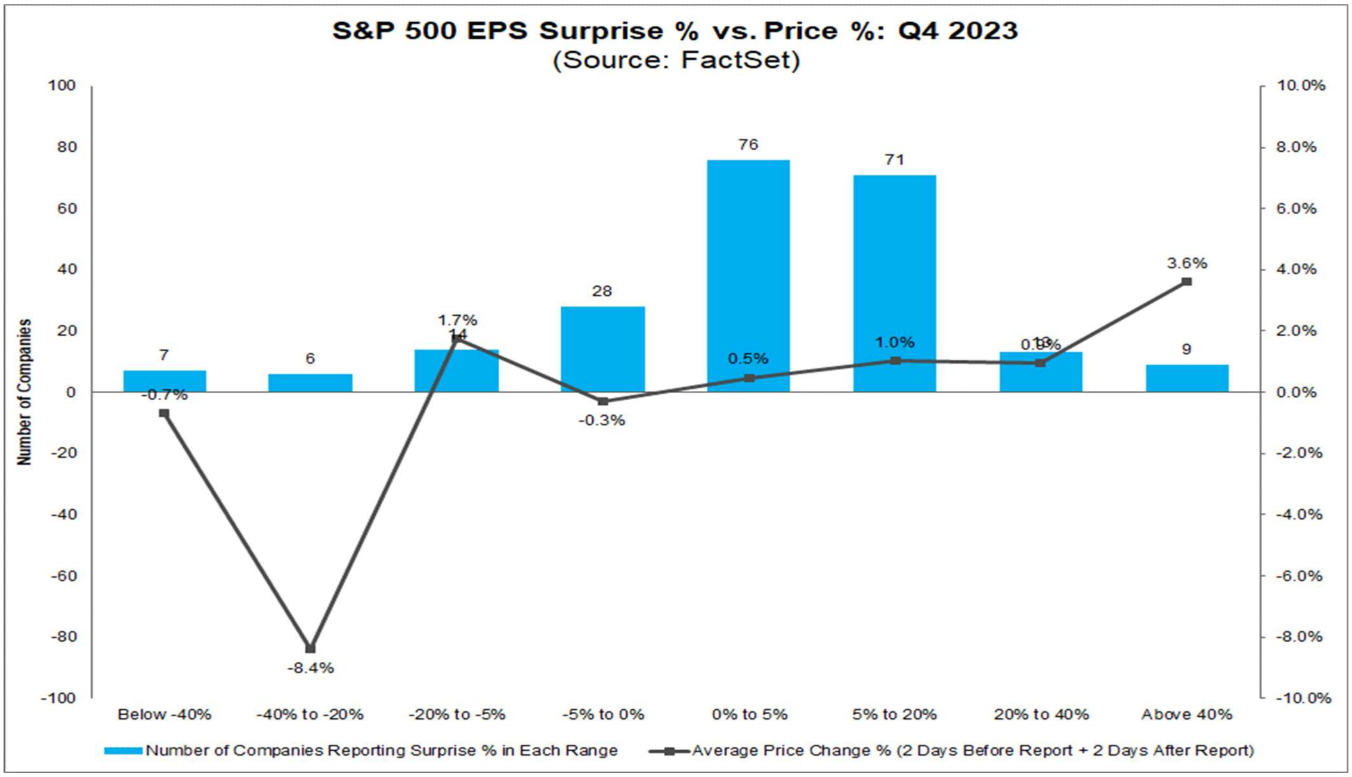
	Comm. Services	Health Care	Materials	Info. Technology	Financials	S&P 500	Industrials	Real Estate	Consumer Disc.	Energy	Consumer Staples	Utilities
Below	9%	12%	29%	29%	33%	35%	36%	50%	56%	60%	60%	75%
In-Line	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Above	91%	88%	71%	71%	67%	65%	64%	50%	44%	40%	40%	25%

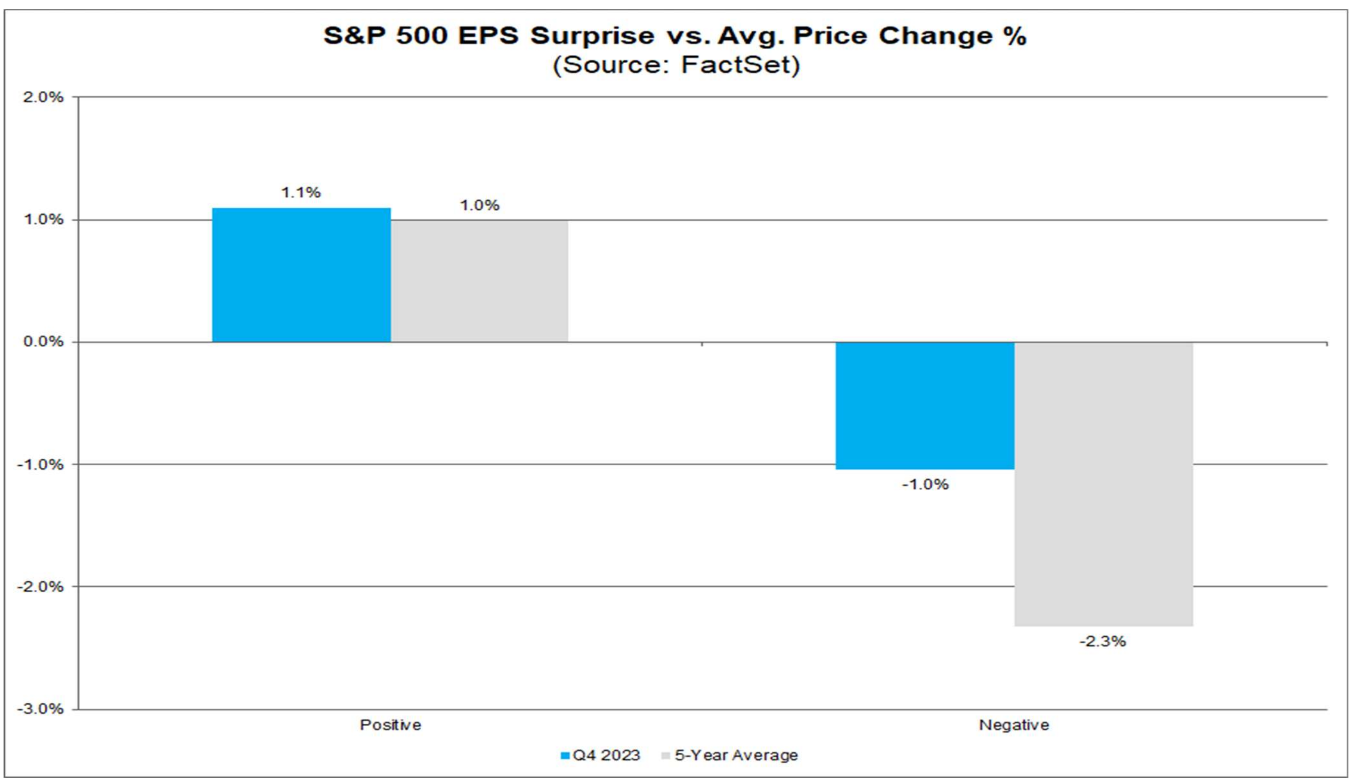
Q4 2023: Surprise



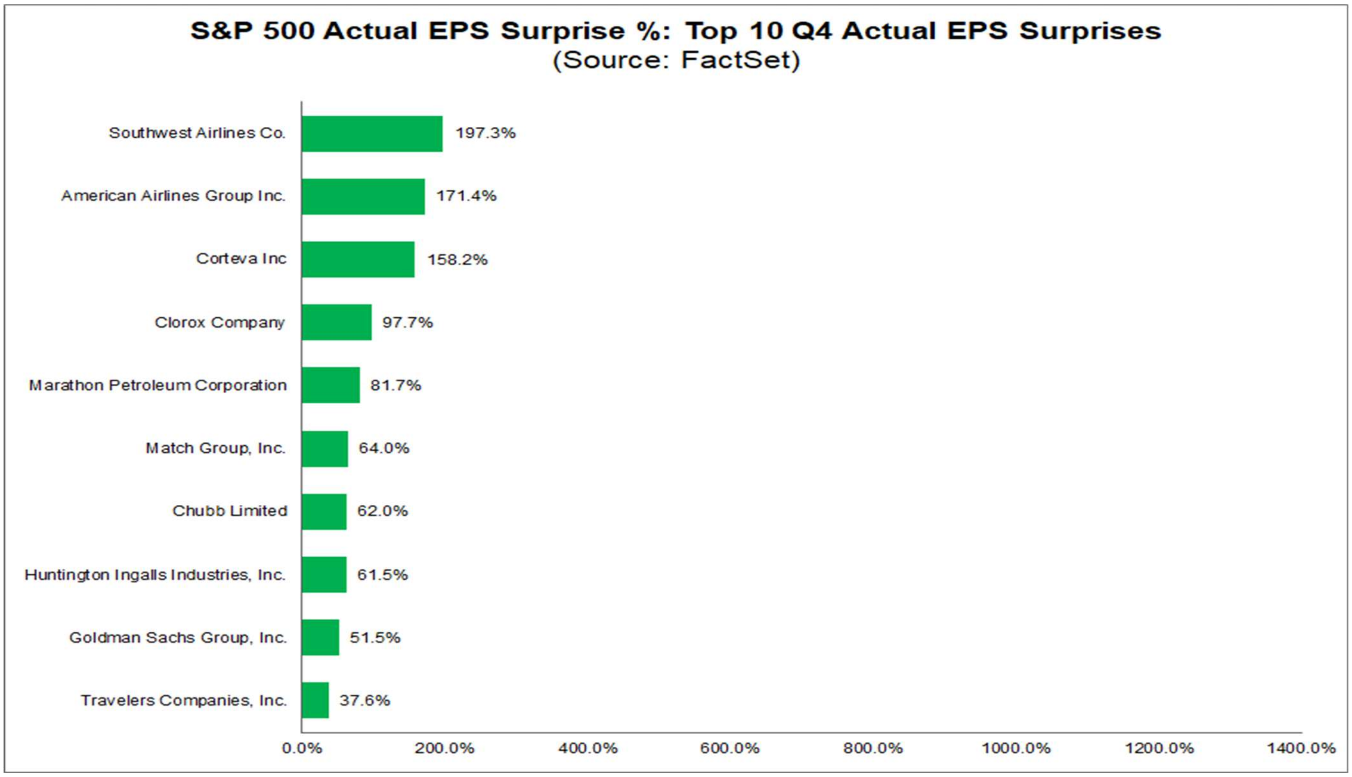


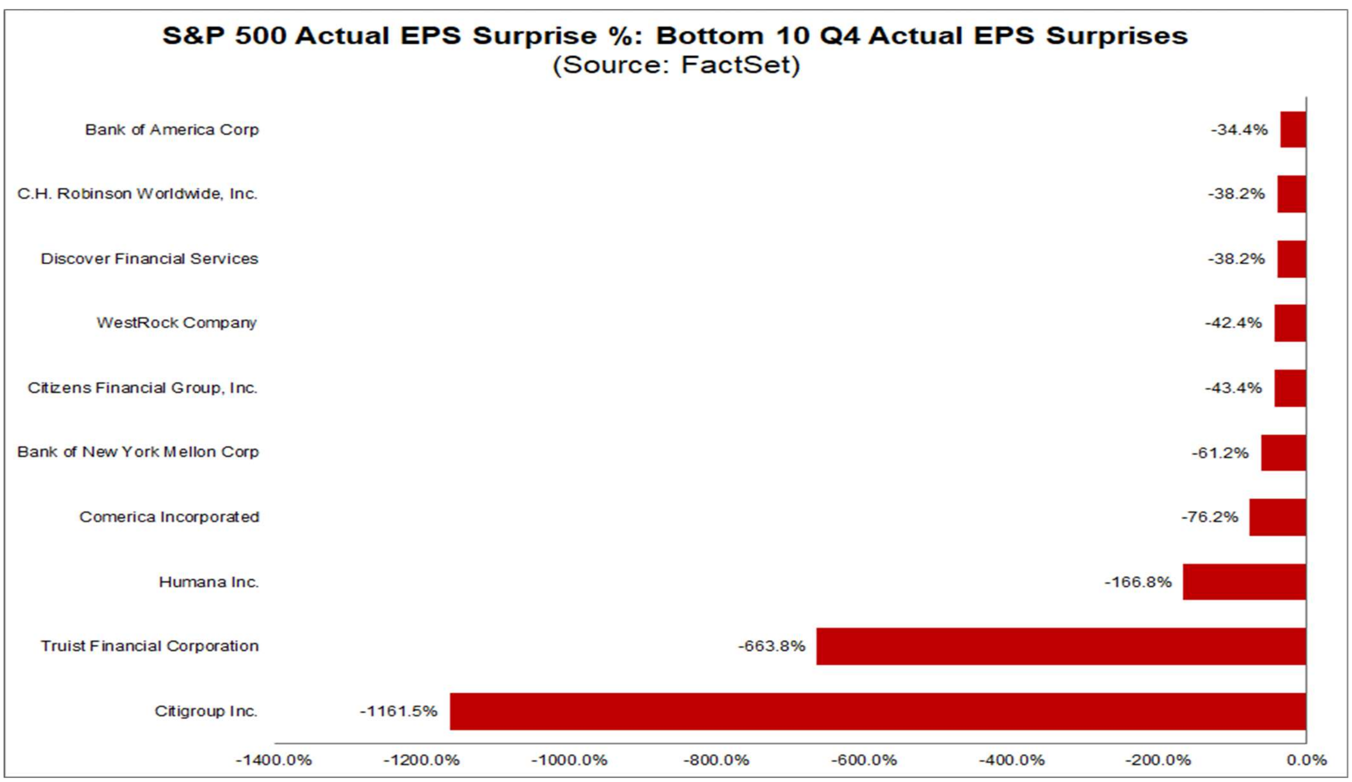
Q4 2023: Surprise



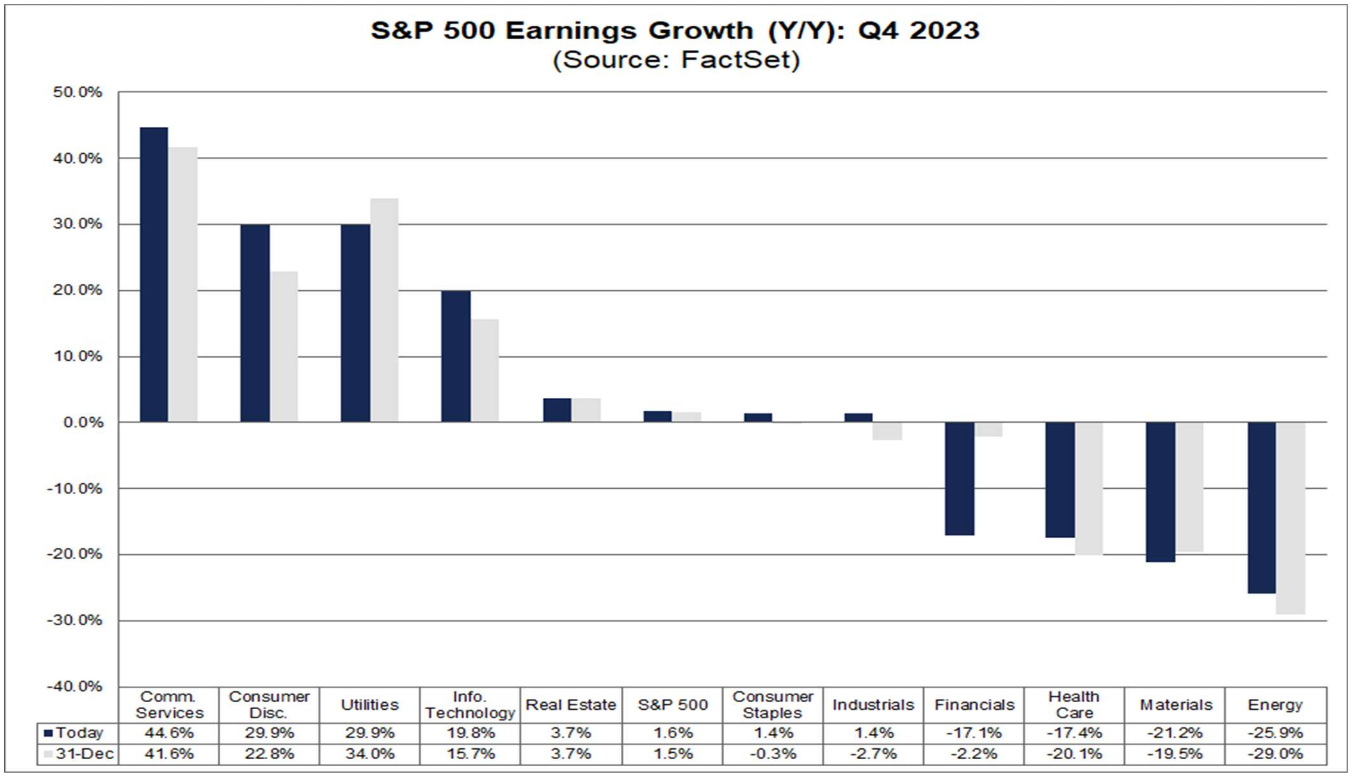


Q4 2023: Surprise

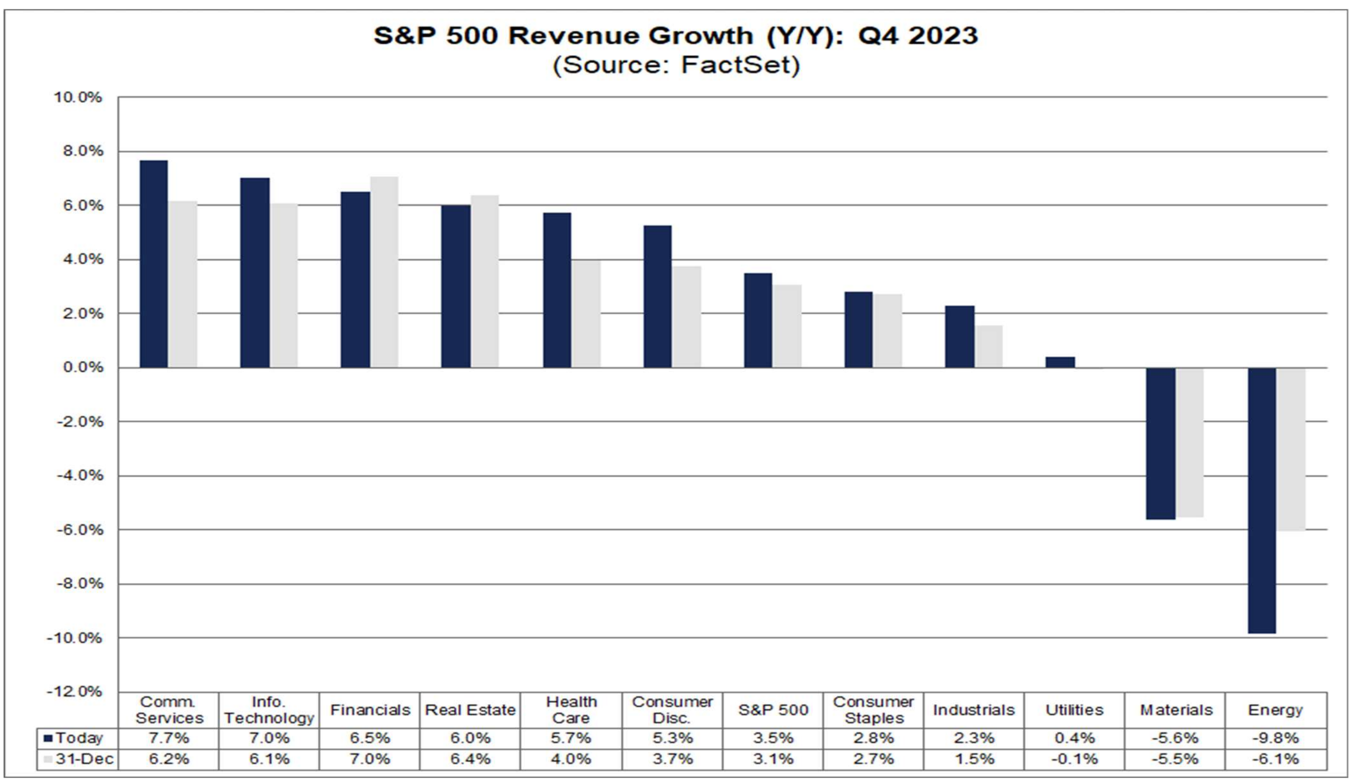




Q4 2023: Growth

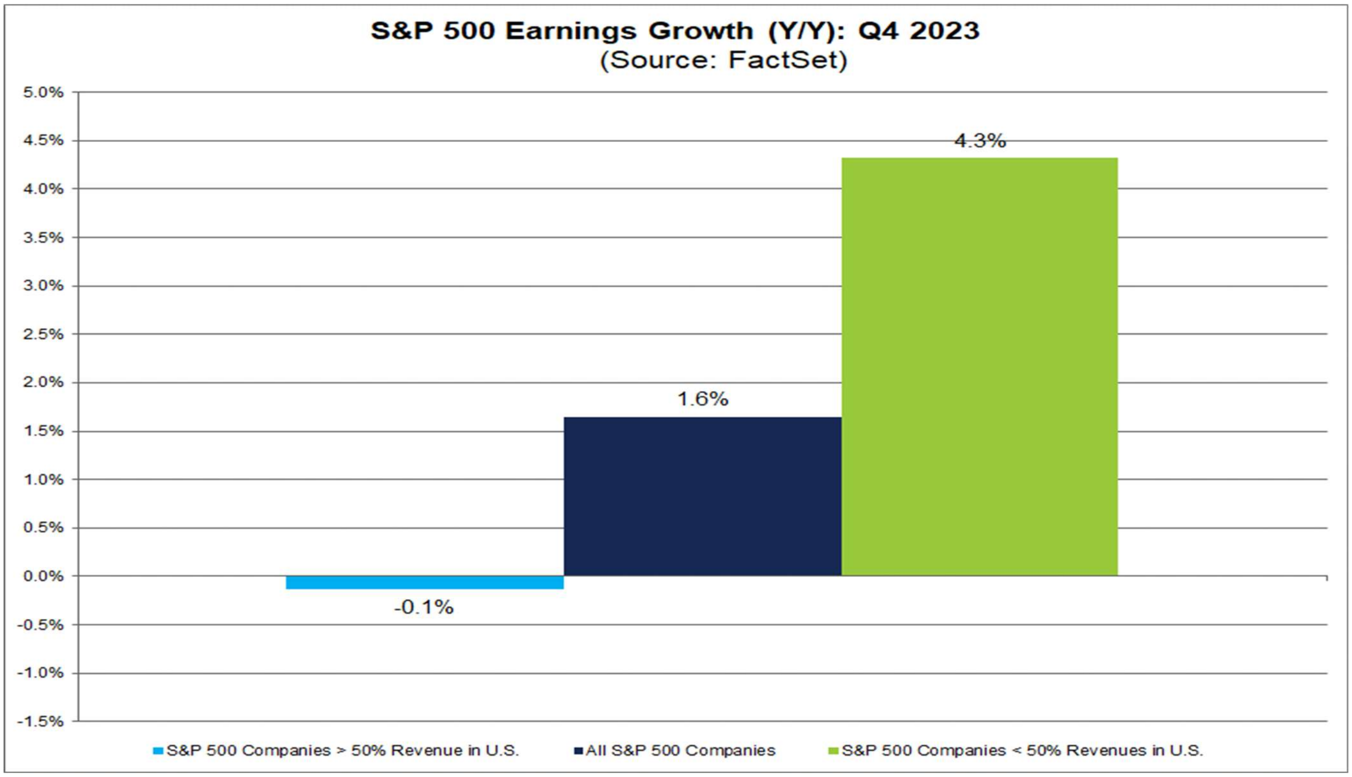


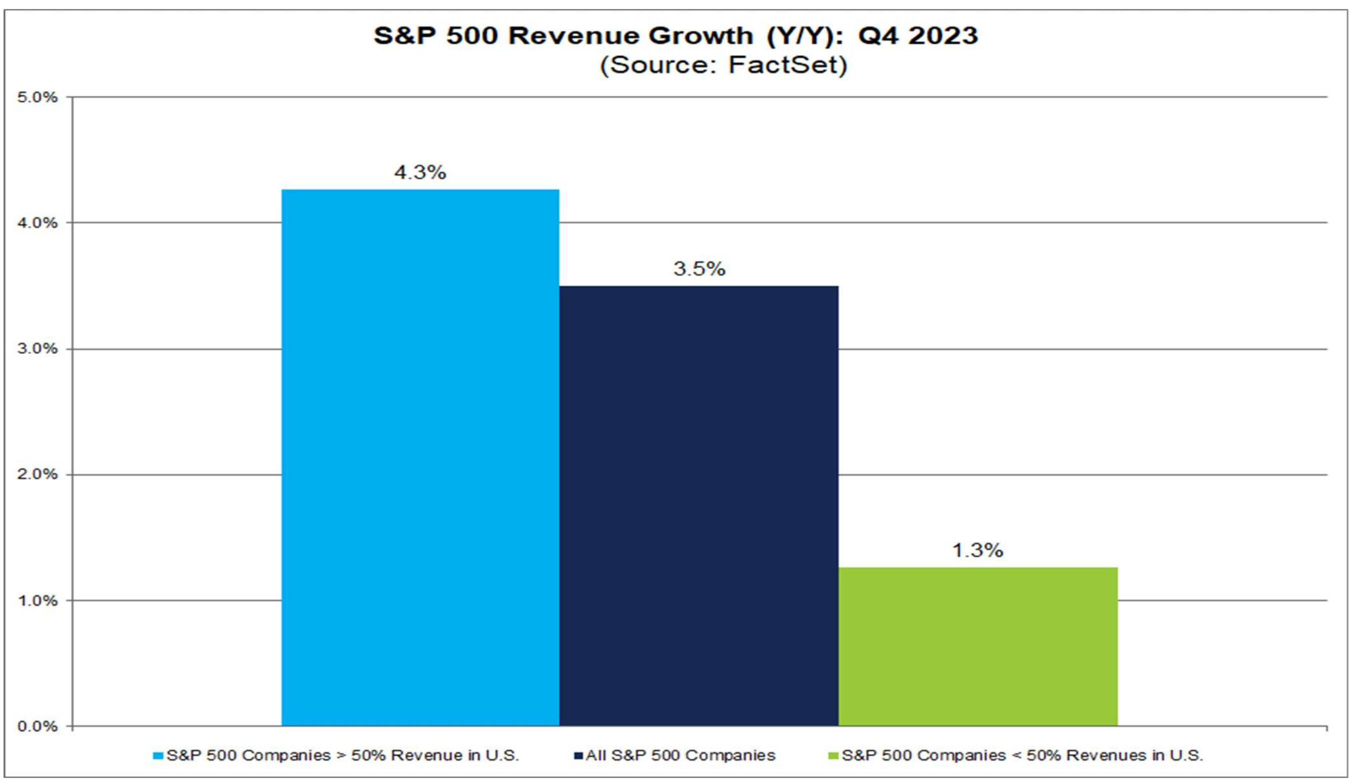
	Comm. Services	Consumer Disc.	Utilities	Info. Technology	Real Estate	S&P 500	Consumer Staples	Industrials	Financials	Health Care	Materials	Energy
Today	44.6%	29.9%	29.9%	19.8%	3.7%	1.6%	1.4%	1.4%	-17.1%	-17.4%	-21.2%	-25.9%
31-Dec	41.6%	22.8%	34.0%	15.7%	3.7%	1.5%	-0.3%	-2.7%	-2.2%	-20.1%	-19.5%	-29.0%



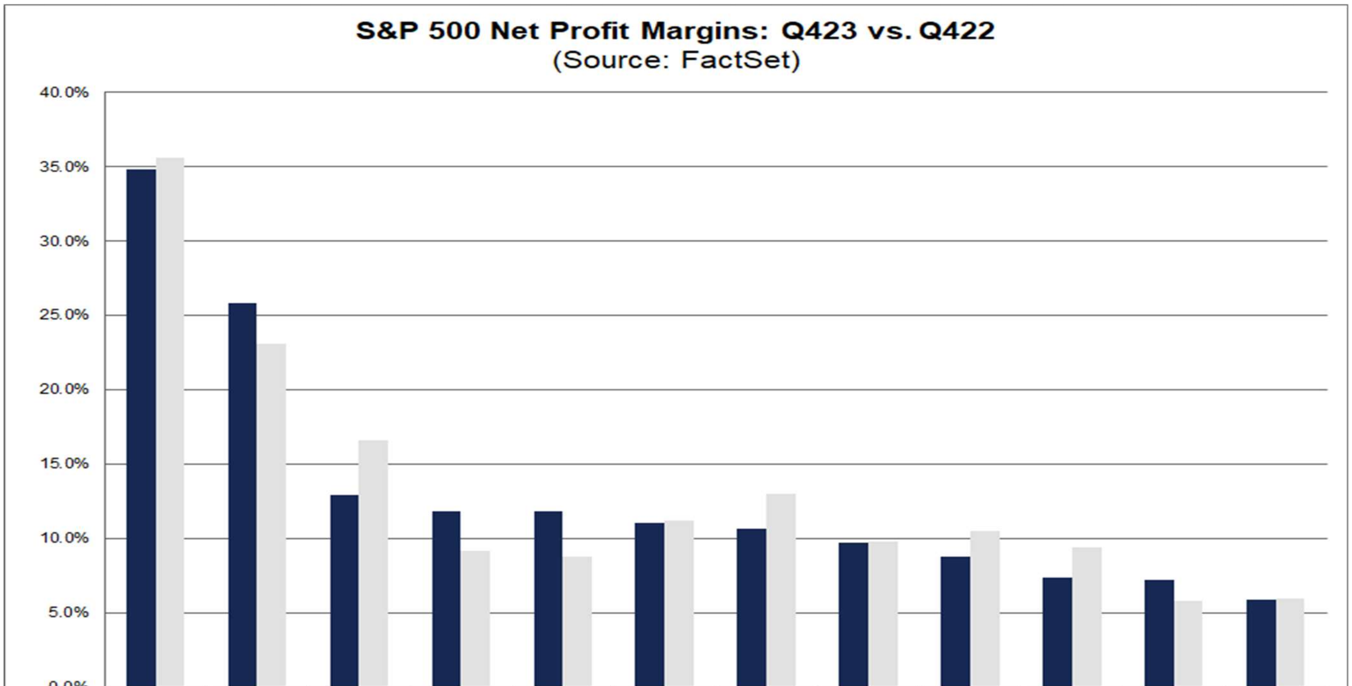
	Comm. Services	Info. Technology	Financials	Real Estate	Health Care	Consumer Disc.	S&P 500	Consumer Staples	Industrials	Utilities	Materials	Energy
Today	7.7%	7.0%	6.5%	6.0%	5.7%	5.3%	3.5%	2.8%	2.3%	0.4%	-5.6%	-9.8%
31-Dec	6.2%	6.1%	7.0%	6.4%	4.0%	3.7%	3.1%	2.7%	1.5%	-0.1%	-5.5%	-6.1%

Q4 2023: Growth

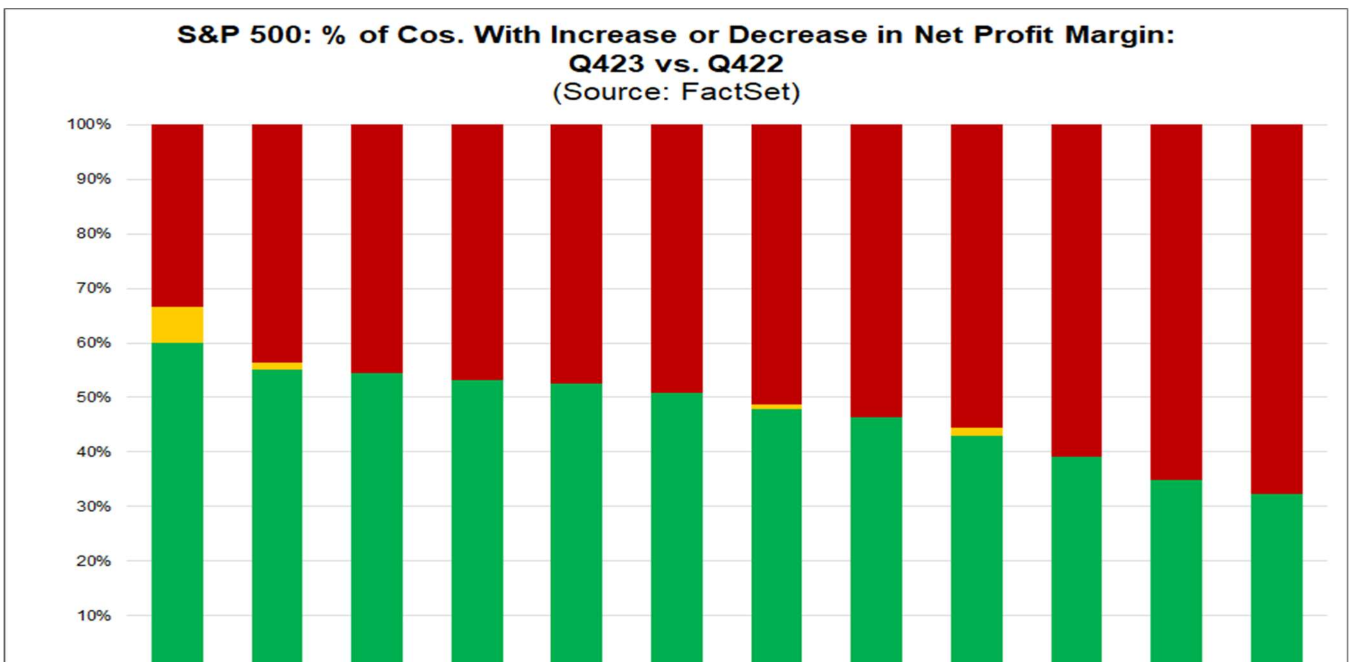




Q4 2023: Net Profit Margin

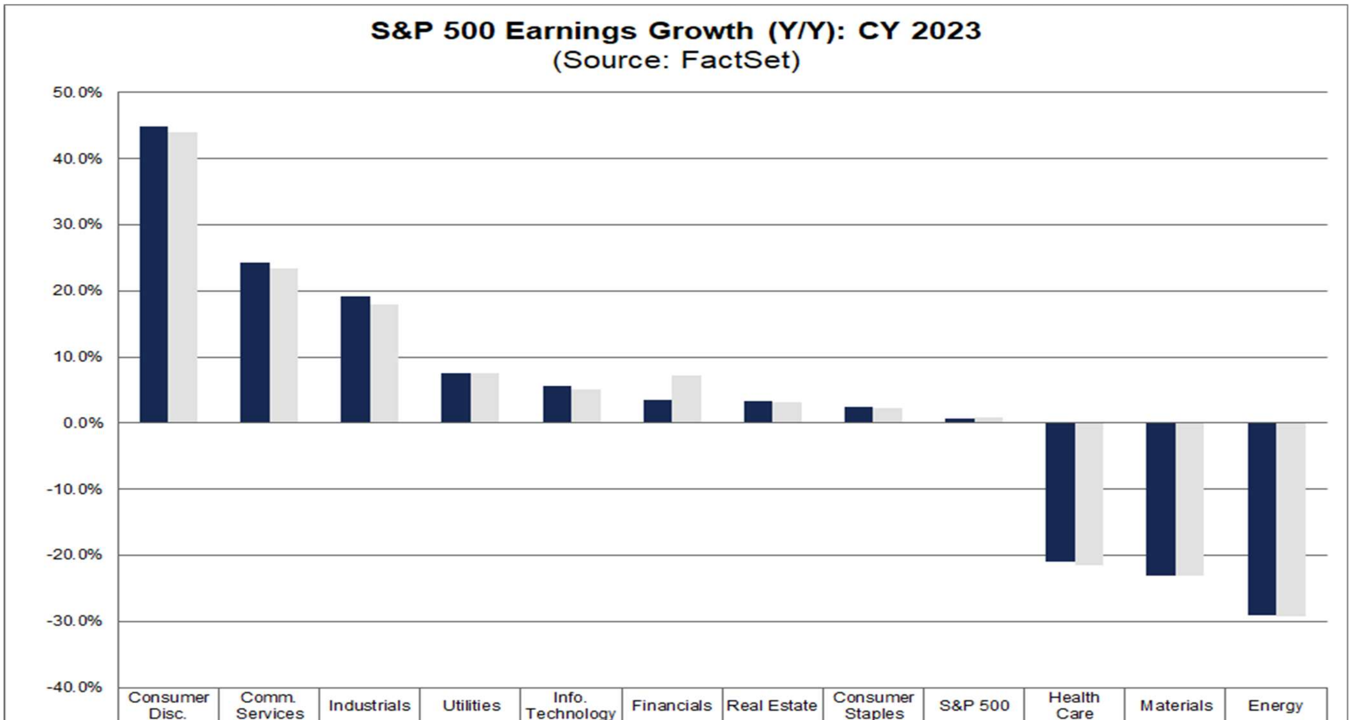


	Real Estate	Information Tech.	Financials	Utilities	Comm. Services	S&P 500	Energy	Industrials	Materials	Health Care	Consumer Disc.	Consumer Staples
Q423	34.8%	25.8%	12.9%	11.8%	11.8%	11.0%	10.6%	9.7%	8.8%	7.3%	7.2%	5.9%
Q422	35.6%	23.1%	16.6%	9.1%	8.8%	11.2%	13.0%	9.8%	10.5%	9.4%	5.8%	5.9%

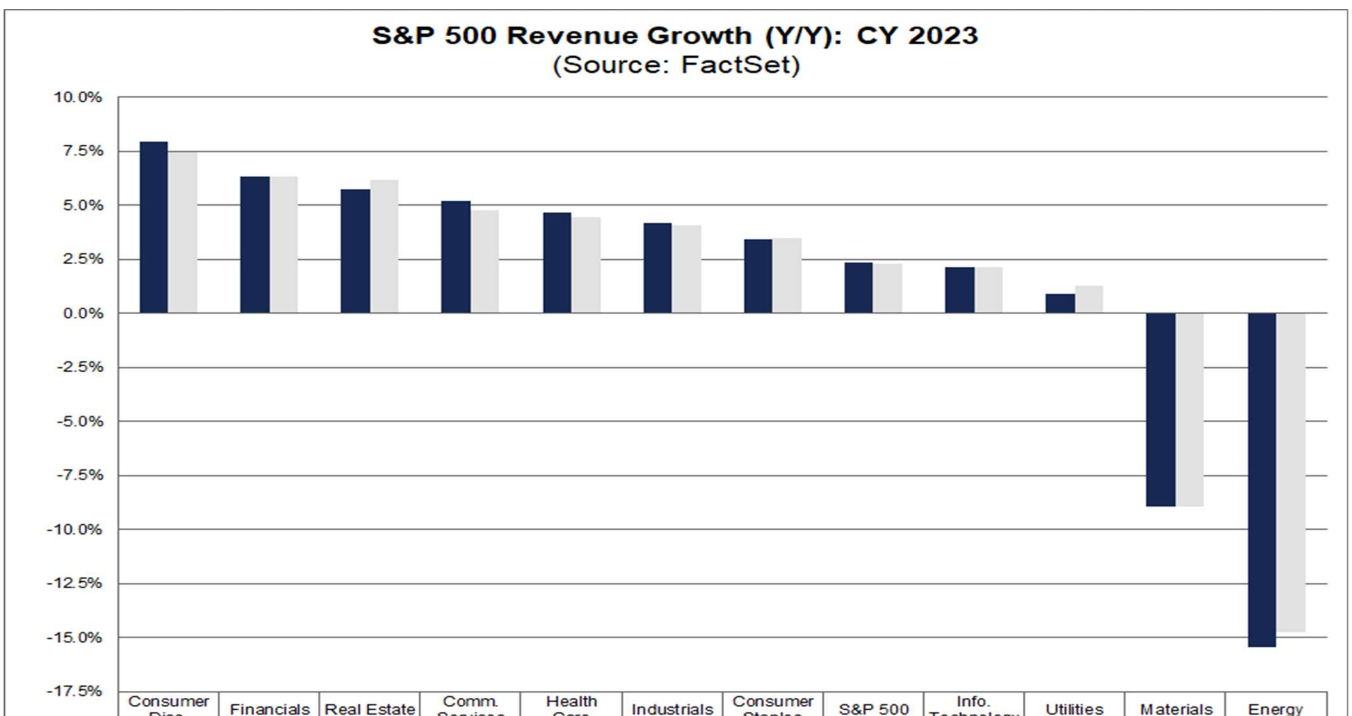


	Utilities	Industrials	Comm. Services	Information Tech.	Consumer Staples	Consumer Disc.	S&P 500	Materials	Financials	Health Care	Energy	Real Estate
Down %	33%	44%	45%	47%	47%	49%	51%	54%	56%	61%	65%	68%
None %	7%	1%	0%	0%	0%	0%	1%	0%	1%	0%	0%	0%
Up %	60%	55%	55%	53%	53%	51%	48%	46%	43%	39%	35%	32%

CY 2023: Growth

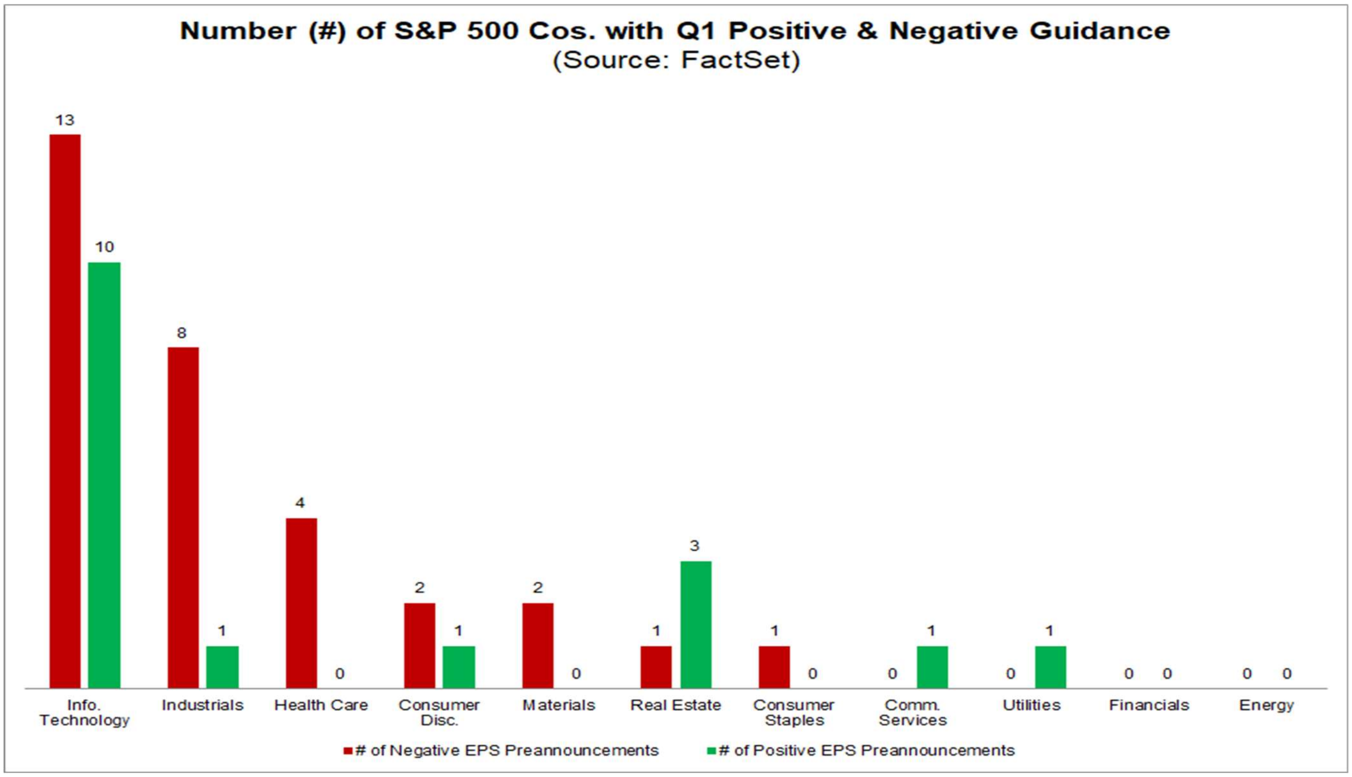


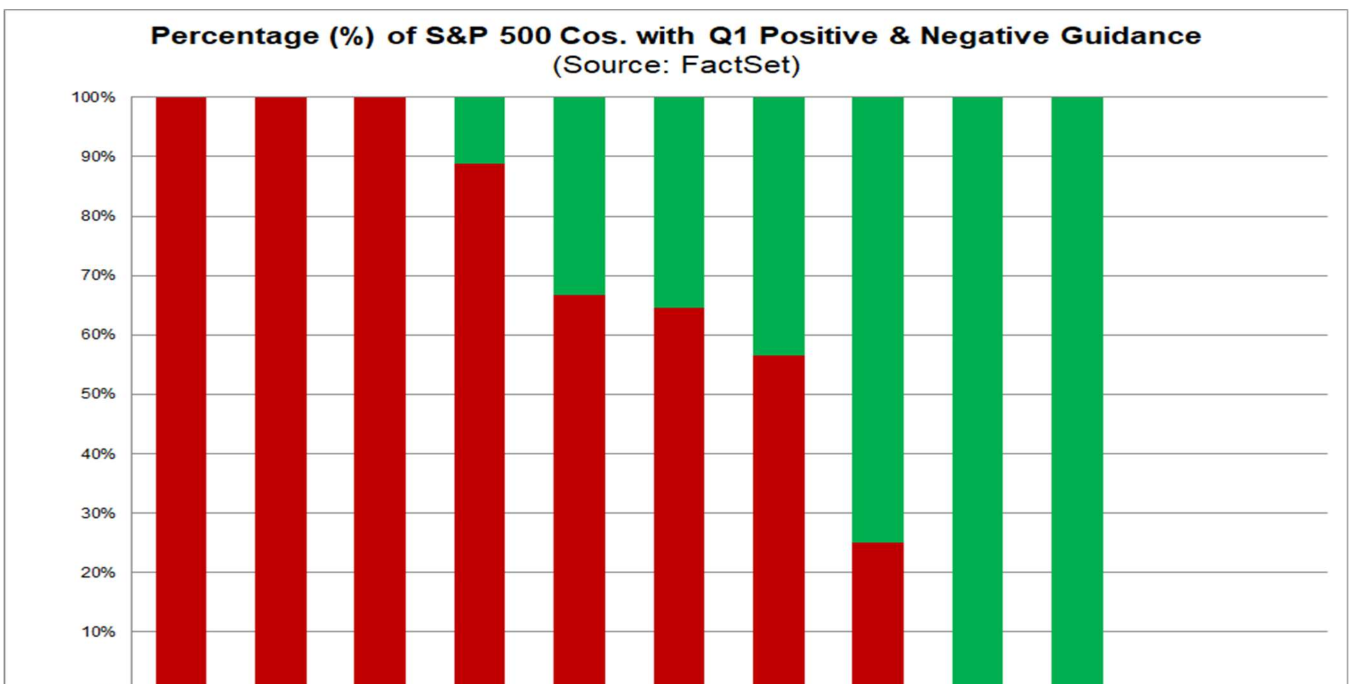
	Consumer Disc.	Comm. Services	Industrials	Utilities	Info. Technology	Financials	Real Estate	Consumer Staples	S&P 500	Health Care	Materials	Energy
Today	44.9%	24.3%	19.1%	7.6%	5.7%	3.4%	3.2%	2.4%	0.7%	-21.0%	-23.1%	-29.0%
31-Dec	43.9%	23.3%	18.0%	7.6%	5.1%	7.2%	3.1%	2.3%	0.9%	-21.6%	-23.1%	-29.2%



	Consumer Disc.	Financials	Real Estate	Comm. Services	Health Care	Industrials	Consumer Staples	S&P 500	Info. Technology	Utilities	Materials	Energy
Today	7.9%	6.3%	5.7%	5.2%	4.7%	4.2%	3.4%	2.4%	2.1%	0.9%	-8.9%	-15.5%
31-Dec	7.5%	6.3%	6.2%	4.8%	4.4%	4.1%	3.5%	2.3%	2.2%	1.3%	-8.9%	-14.8%

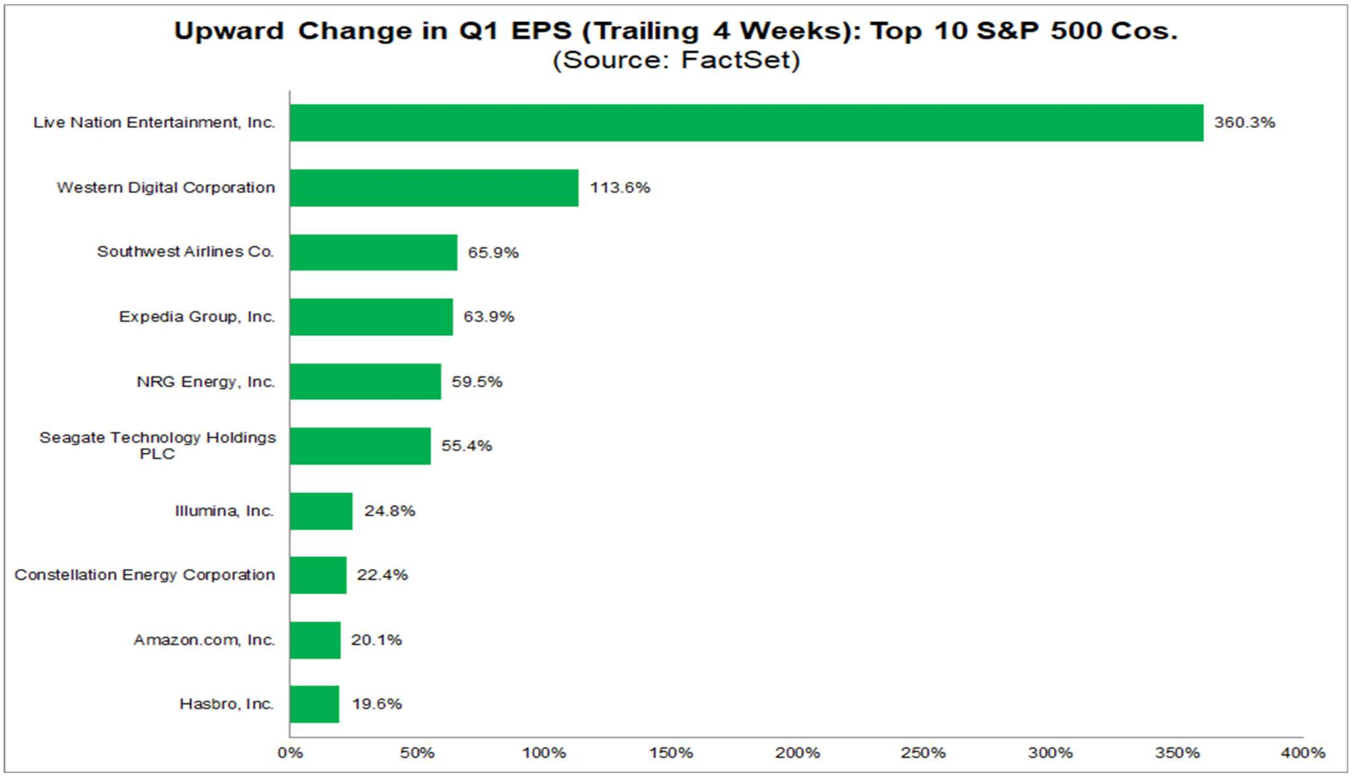
Q1 2024: Guidance

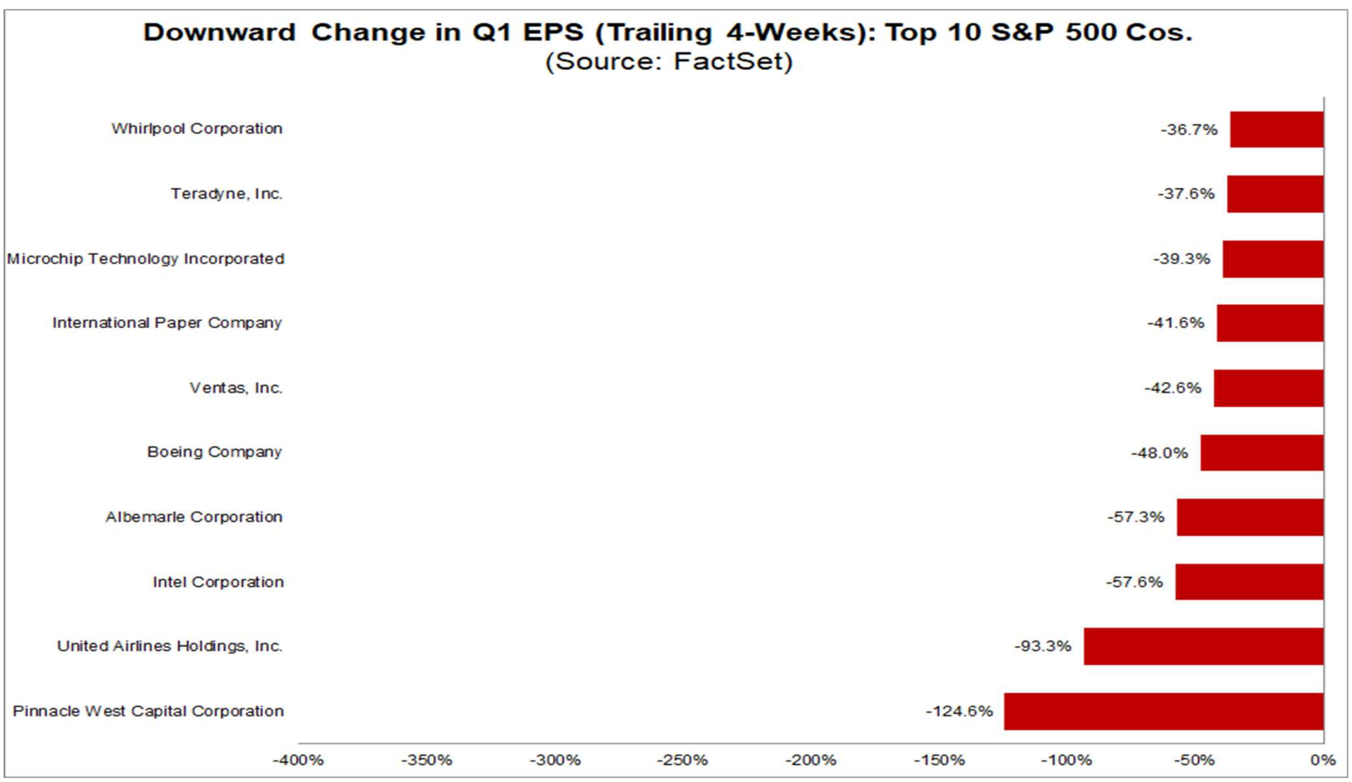




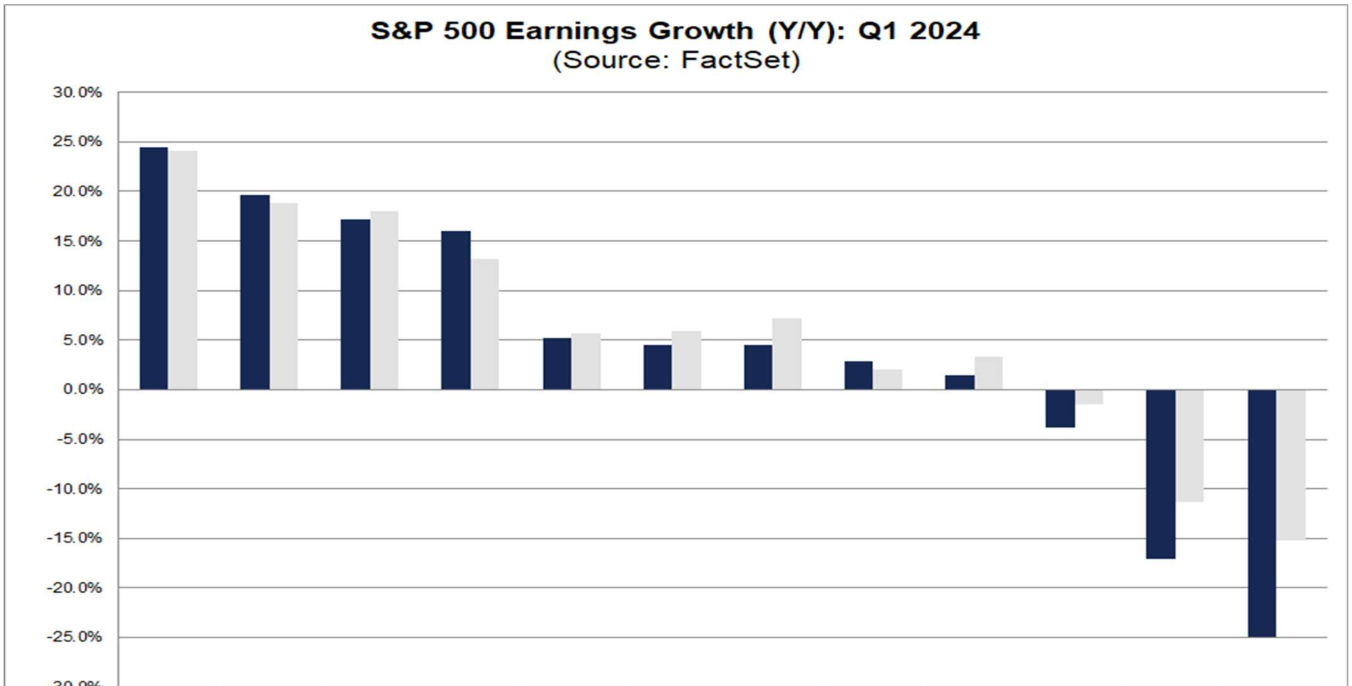
	Health Care	Materials	Consumer Staples	Industrials	Consumer Disc.	S&P 500	Info. Technology	Real Estate	Comm. Services	Utilities	Financials	Energy
Positive	0%	0%	0%	11%	33%	35%	43%	75%	100%	100%	0%	0%
Negative	100%	100%	100%	89%	67%	65%	57%	25%	0%	0%	0%	0%

Q1 2024: EPS Revisions

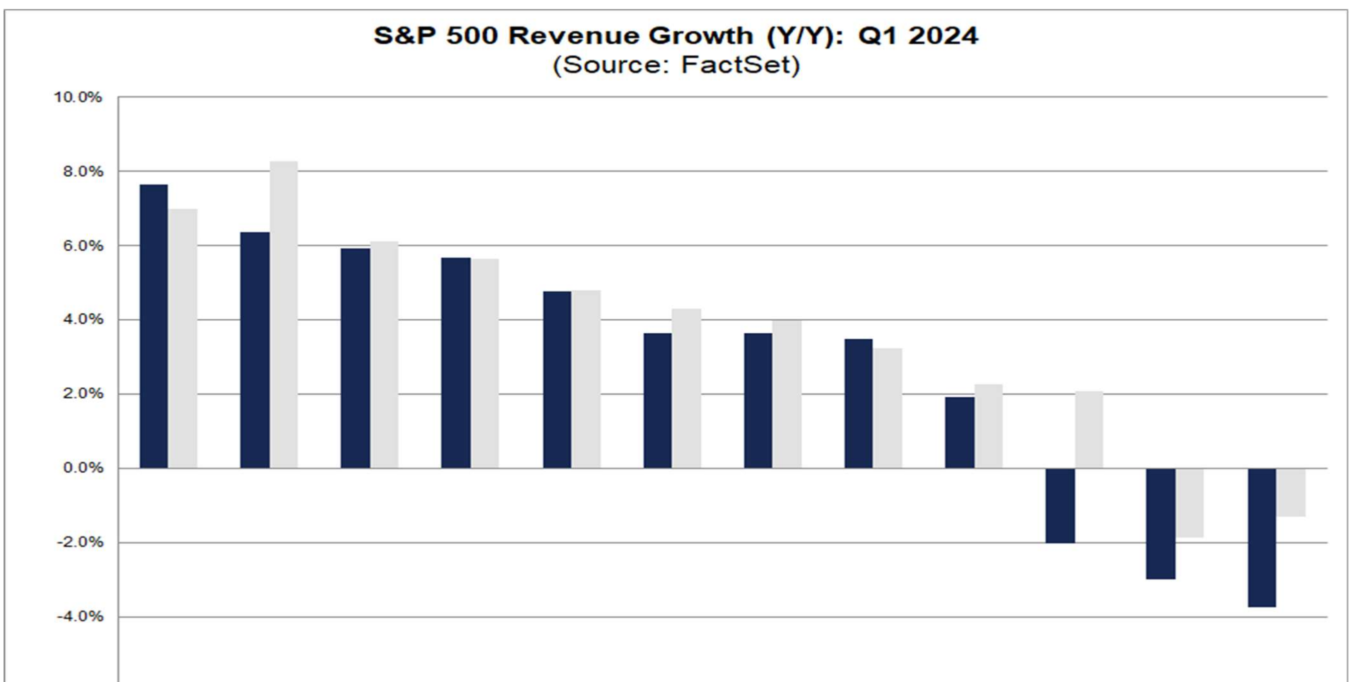




Q1 2024: Growth

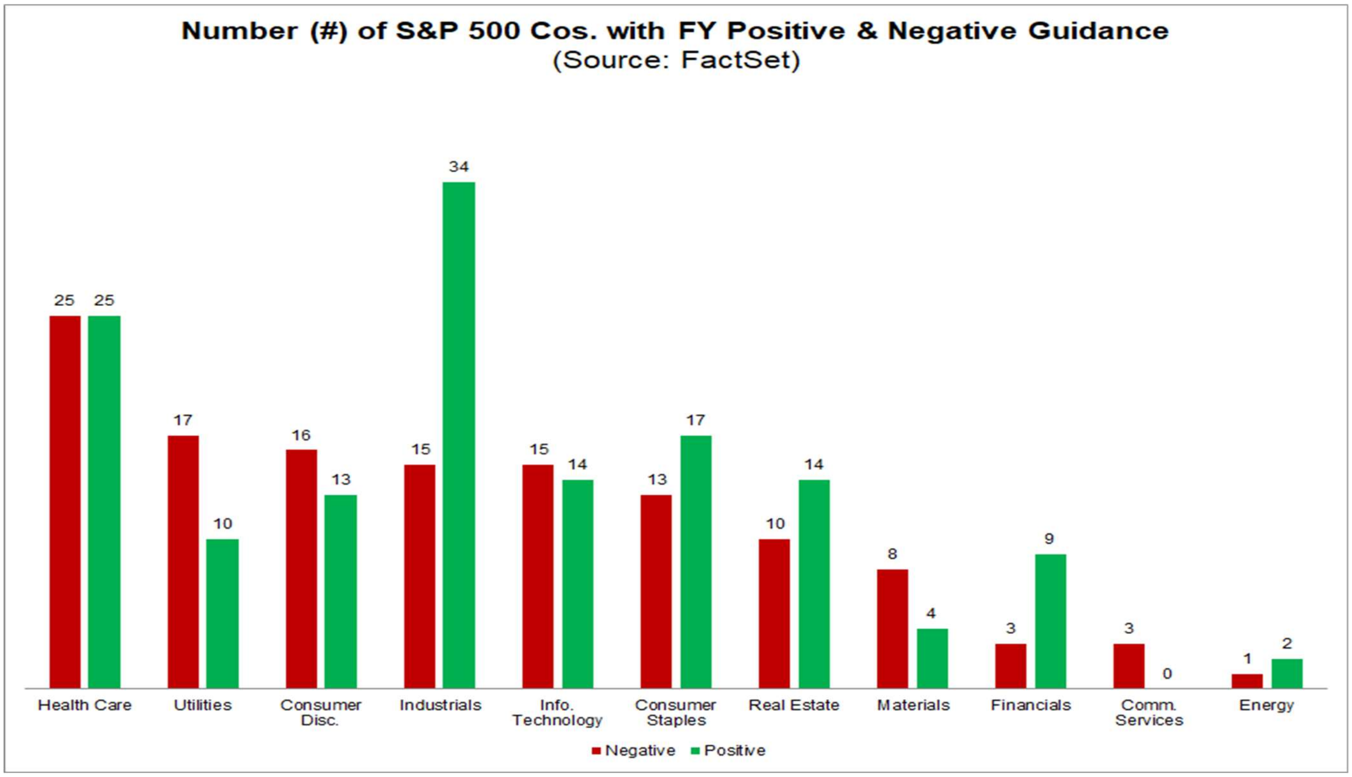


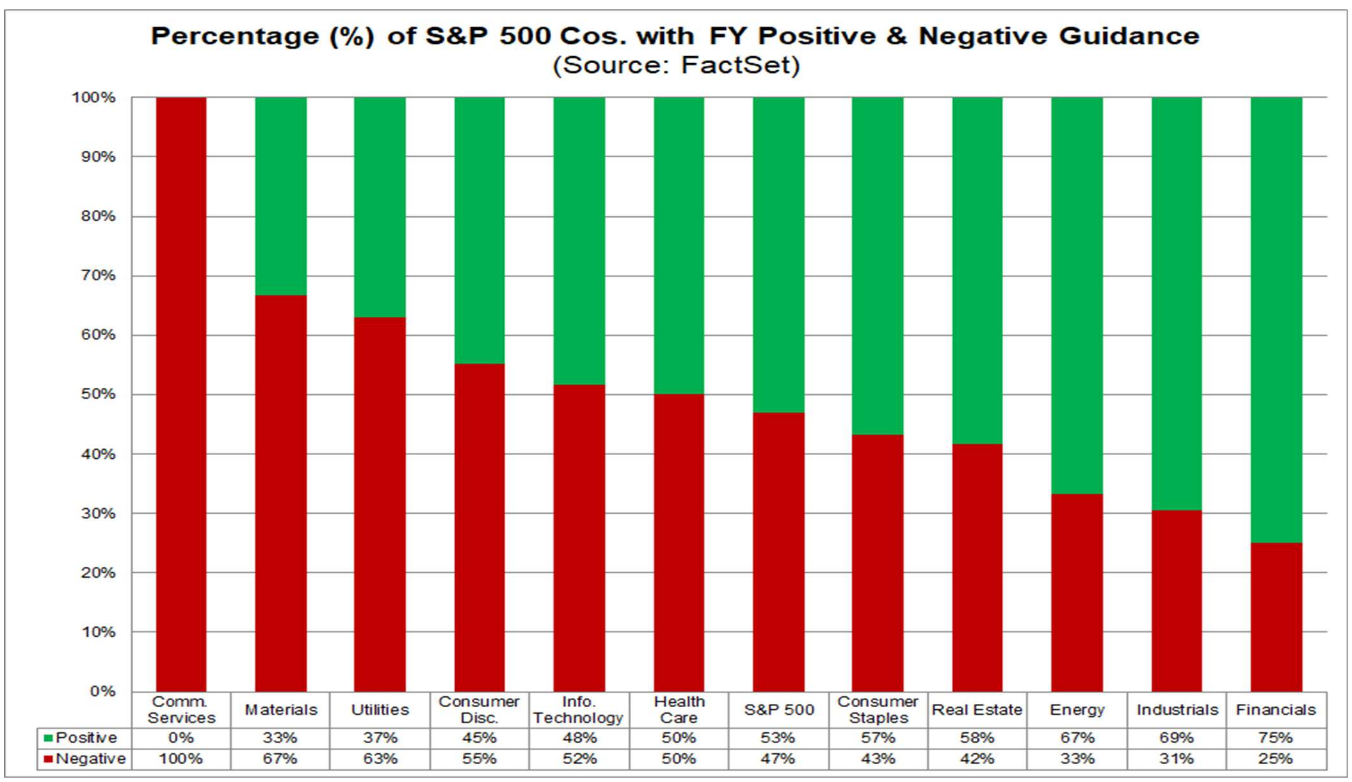
	Utilities	Comm. Services	Info. Technology	Consumer Disc.	Real Estate	S&P 500	Industrials	Financials	Consumer Staples	Health Care	Materials	Energy
Today	24.4%	19.7%	17.2%	16.0%	5.2%	4.5%	4.5%	2.9%	1.4%	-3.8%	-17.0%	-24.9%
31-Dec	24.0%	18.8%	17.9%	13.2%	5.7%	5.9%	7.2%	2.1%	3.3%	-1.5%	-11.3%	-15.3%



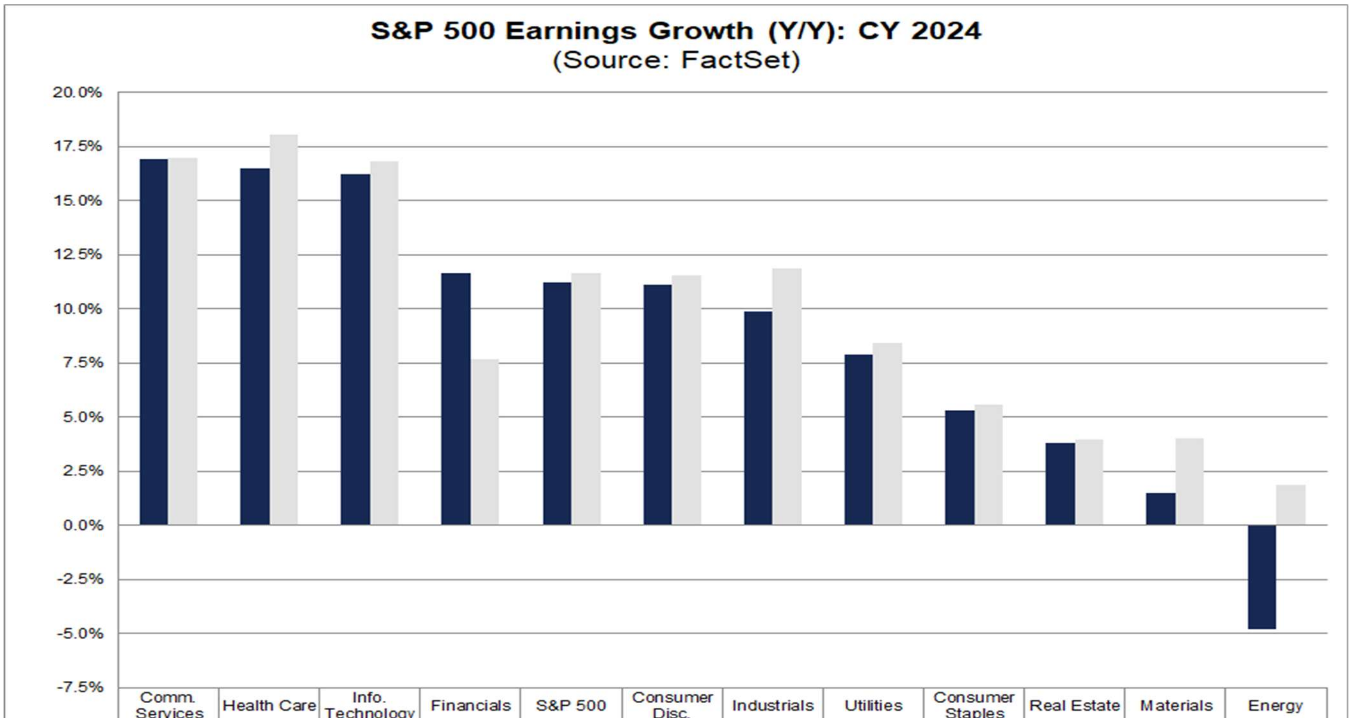
	Comm. Services	Info. Technology	Consumer Disc.	Real Estate	Health Care	S&P 500	Industrials	Financials	Consumer Staples	Energy	Materials	Utilities
Today	7.6%	6.4%	5.9%	5.7%	4.8%	3.6%	3.6%	3.5%	1.9%	-2.0%	-3.0%	-3.7%
31-Dec	7.0%	8.3%	6.1%	5.7%	4.8%	4.3%	4.0%	3.2%	2.3%	2.1%	-1.9%	-1.3%

FY 2023 / 2024: EPS Guidance

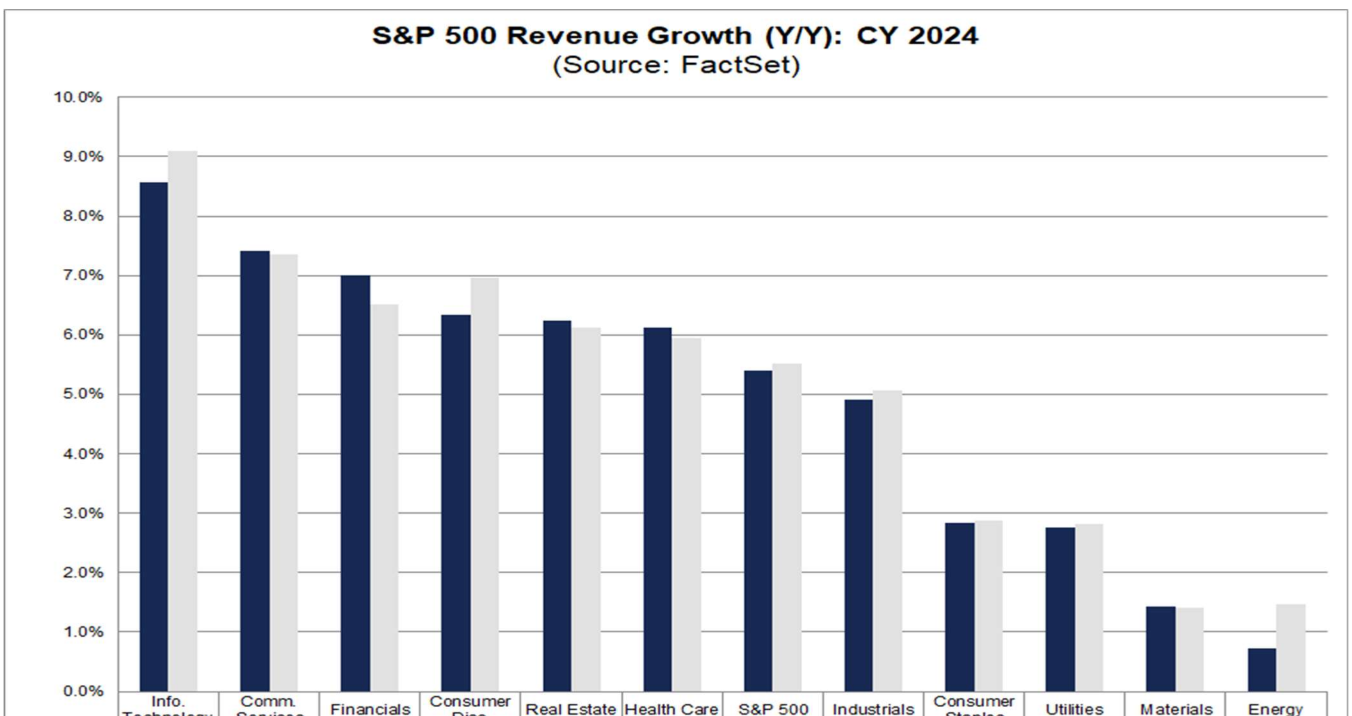




CY 2024: Growth

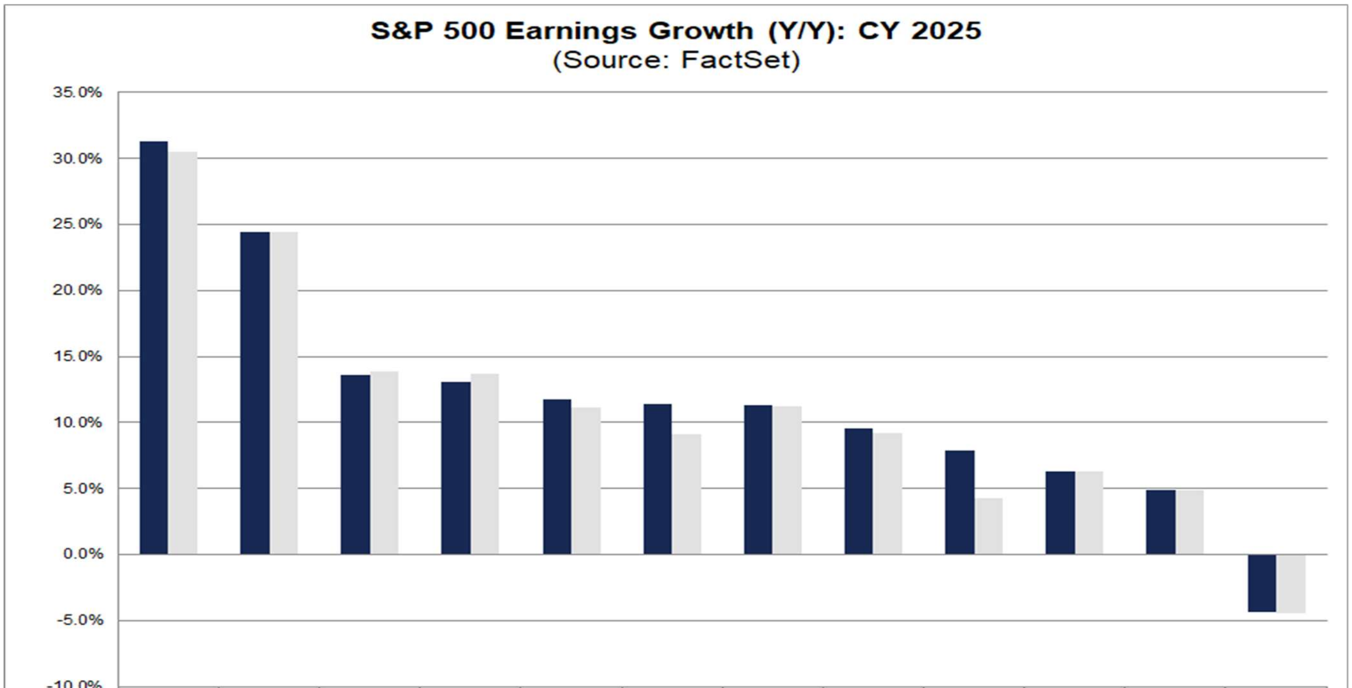


	Comm. Services	Health Care	Info. Technology	Financials	S&P 500	Consumer Disc.	Industrials	Utilities	Consumer Staples	Real Estate	Materials	Energy
Today	16.9%	16.5%	16.2%	11.7%	11.2%	11.1%	9.9%	7.9%	5.3%	3.8%	1.5%	-4.8%
31-Dec	17.0%	18.1%	16.8%	7.7%	11.7%	11.6%	11.9%	8.4%	5.6%	4.0%	4.0%	1.9%

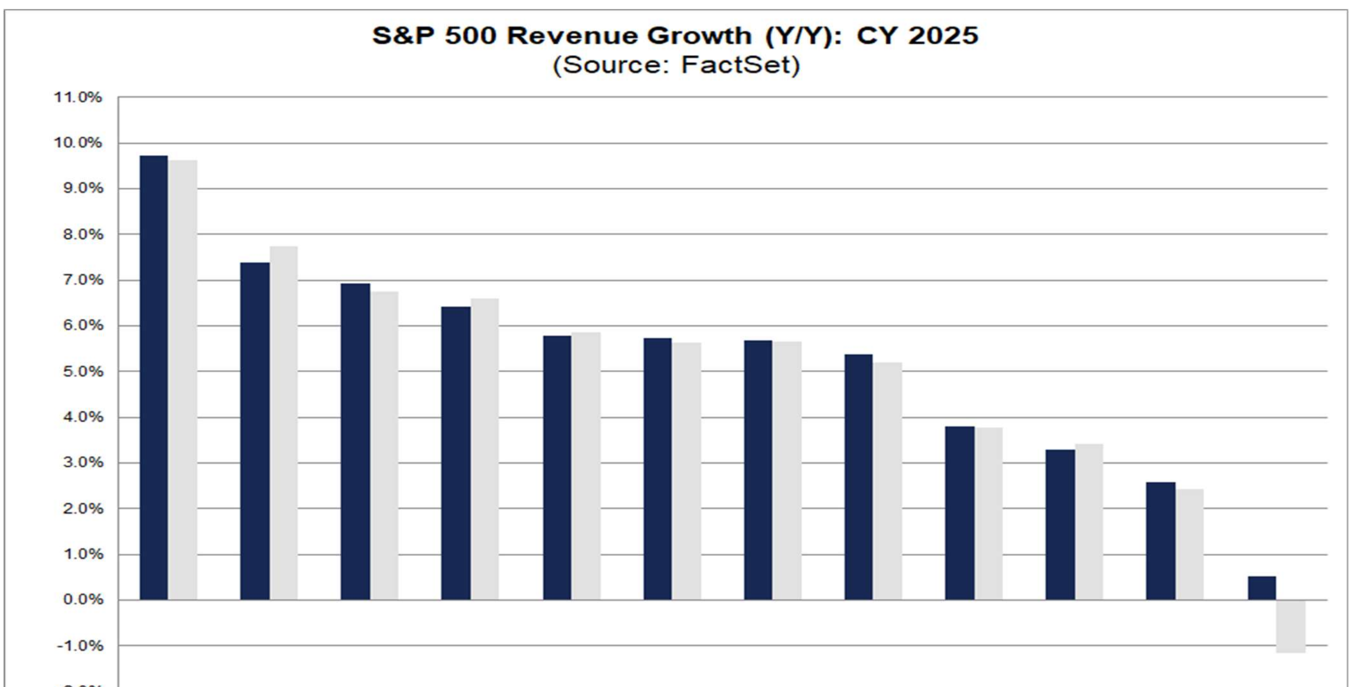


	Info. Technology	Comm. Services	Financials	Consumer Disc.	Real Estate	Health Care	S&P 500	Industrials	Consumer Staples	Utilities	Materials	Energy
Today	8.6%	7.4%	7.0%	6.3%	6.2%	6.1%	5.4%	4.9%	2.8%	2.8%	1.4%	0.7%
31-Dec	9.1%	7.4%	6.5%	7.0%	6.1%	5.9%	5.5%	5.1%	2.9%	2.8%	1.4%	1.5%

CY 2025: Growth

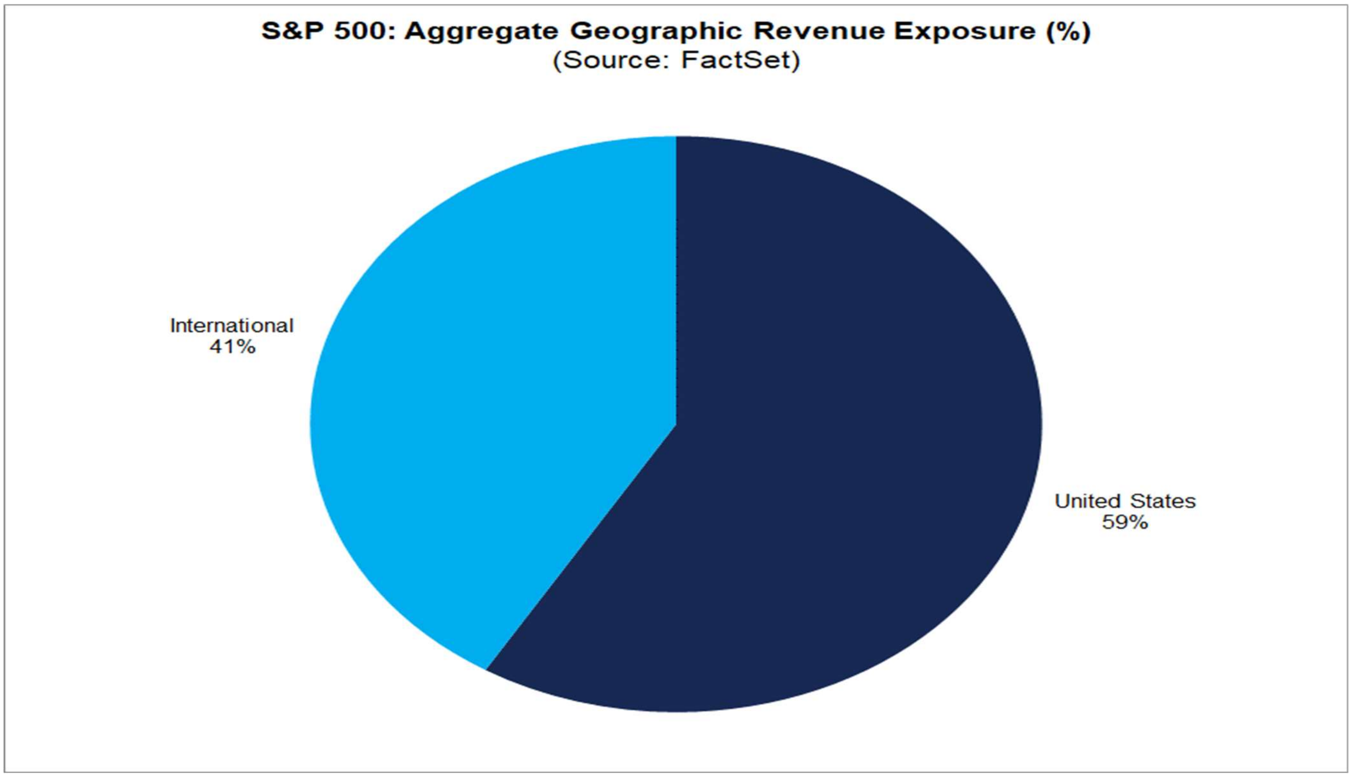


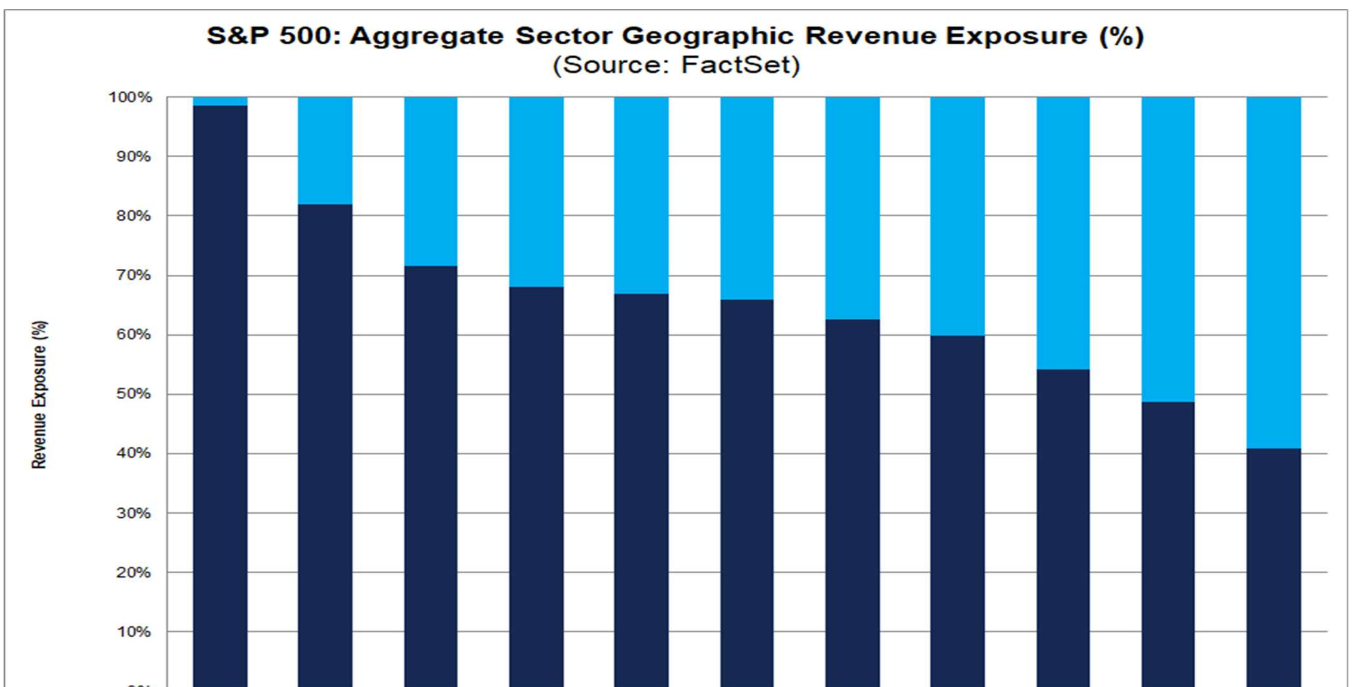
	Utilities	Real Estate	Info. Technology	Consumer Disc.	Comm. Services	Materials	Health Care	S&P 500	Energy	Consumer Staples	Financials	Industrials
Today	31.3%	24.4%	13.6%	13.1%	11.7%	11.4%	11.3%	9.5%	7.9%	6.3%	4.9%	-4.3%
31-Dec	30.5%	24.4%	13.8%	13.7%	11.1%	9.1%	11.2%	9.2%	4.3%	6.3%	4.9%	-4.4%



	Info. Technology	Consumer Disc.	Comm. Services	Health Care	Real Estate	S&P 500	Industrials	Financials	Consumer Staples	Utilities	Materials	Energy
Today	9.7%	7.4%	6.9%	6.4%	5.8%	5.7%	5.7%	5.4%	3.8%	3.3%	2.6%	0.5%
31-Dec	9.6%	7.7%	6.7%	6.6%	5.9%	5.6%	5.6%	5.2%	3.8%	3.4%	2.4%	-1.2%

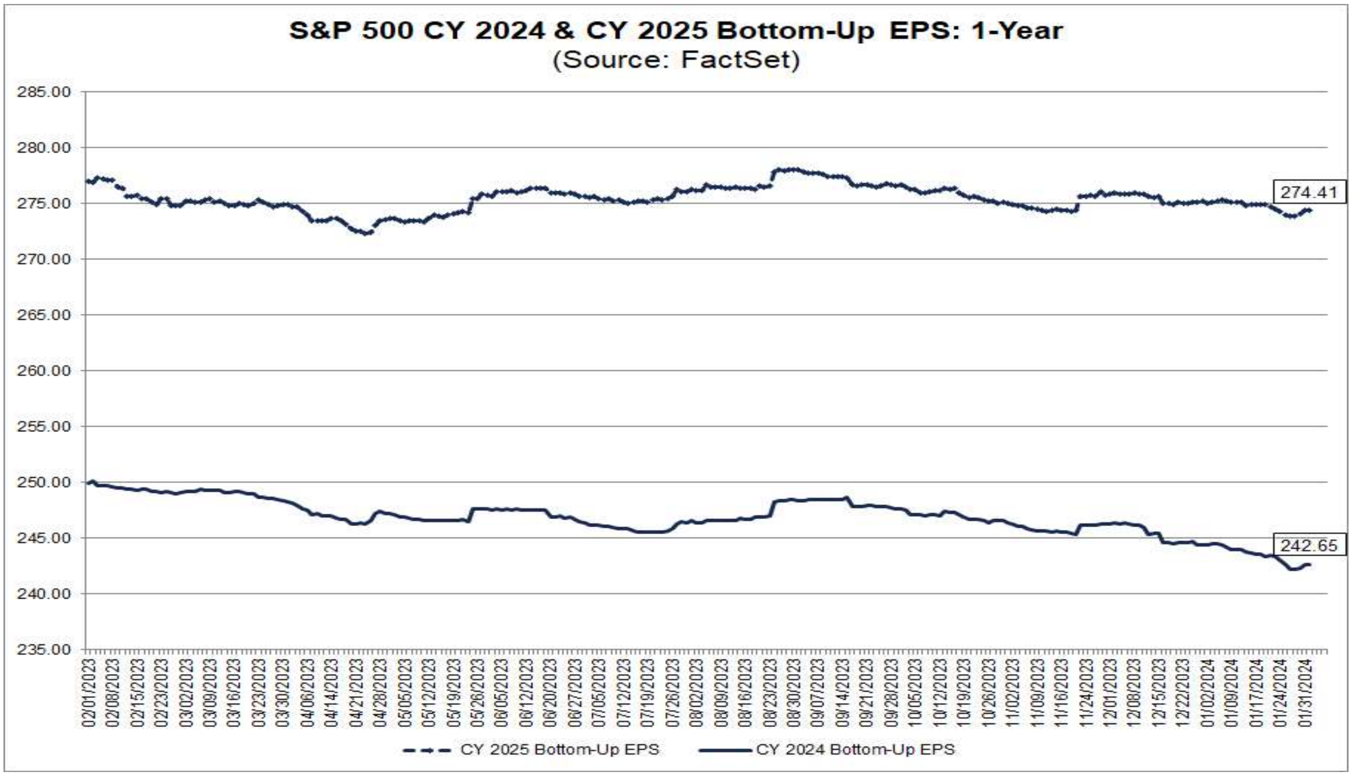
Geographic Revenue Exposure

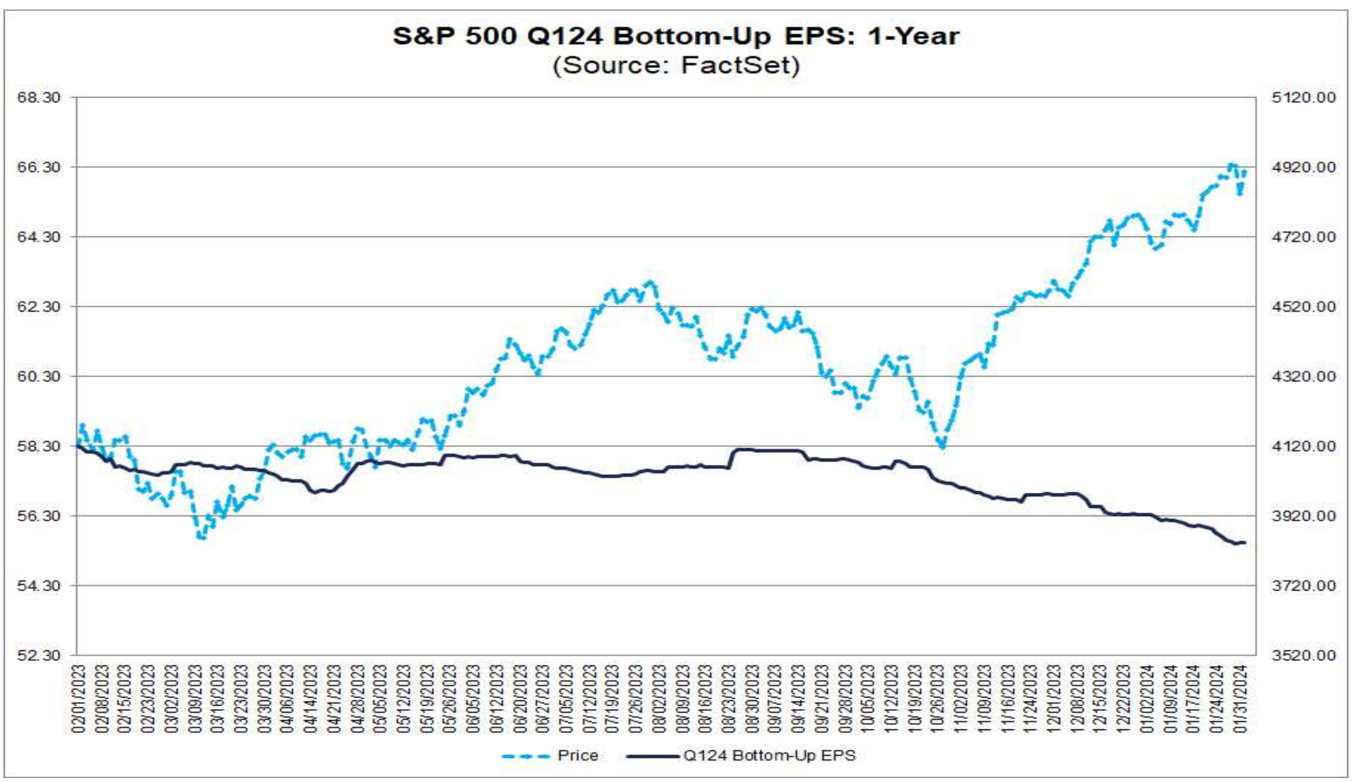




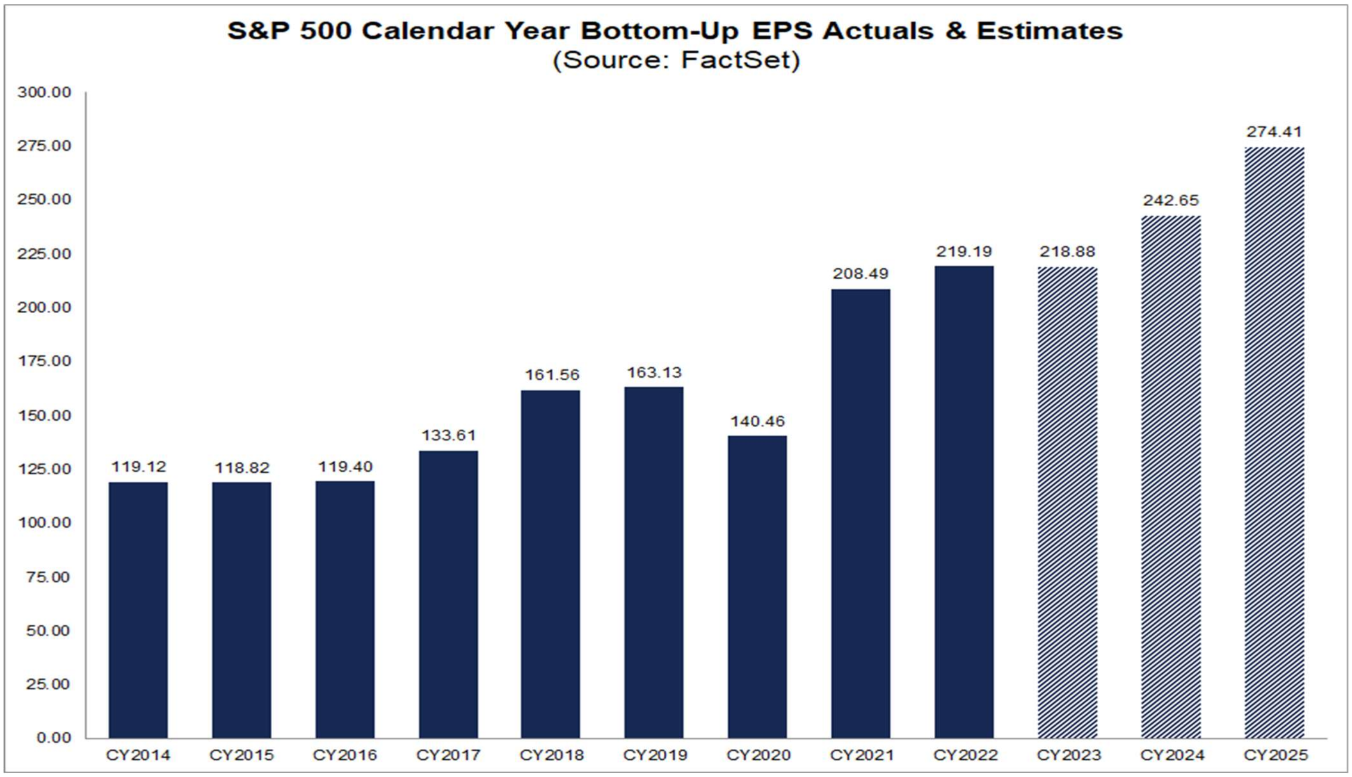
	Utilities	Real Estate	Financials	Industrials	Consumer Disc.	Health Care	Energy	Consumer Staples	Comm. Services	Materials	Info. Technology
International	1%	18%	28%	32%	33%	34%	37%	40%	46%	51%	59%
United States	99%	82%	72%	68%	67%	66%	63%	60%	54%	49%	41%

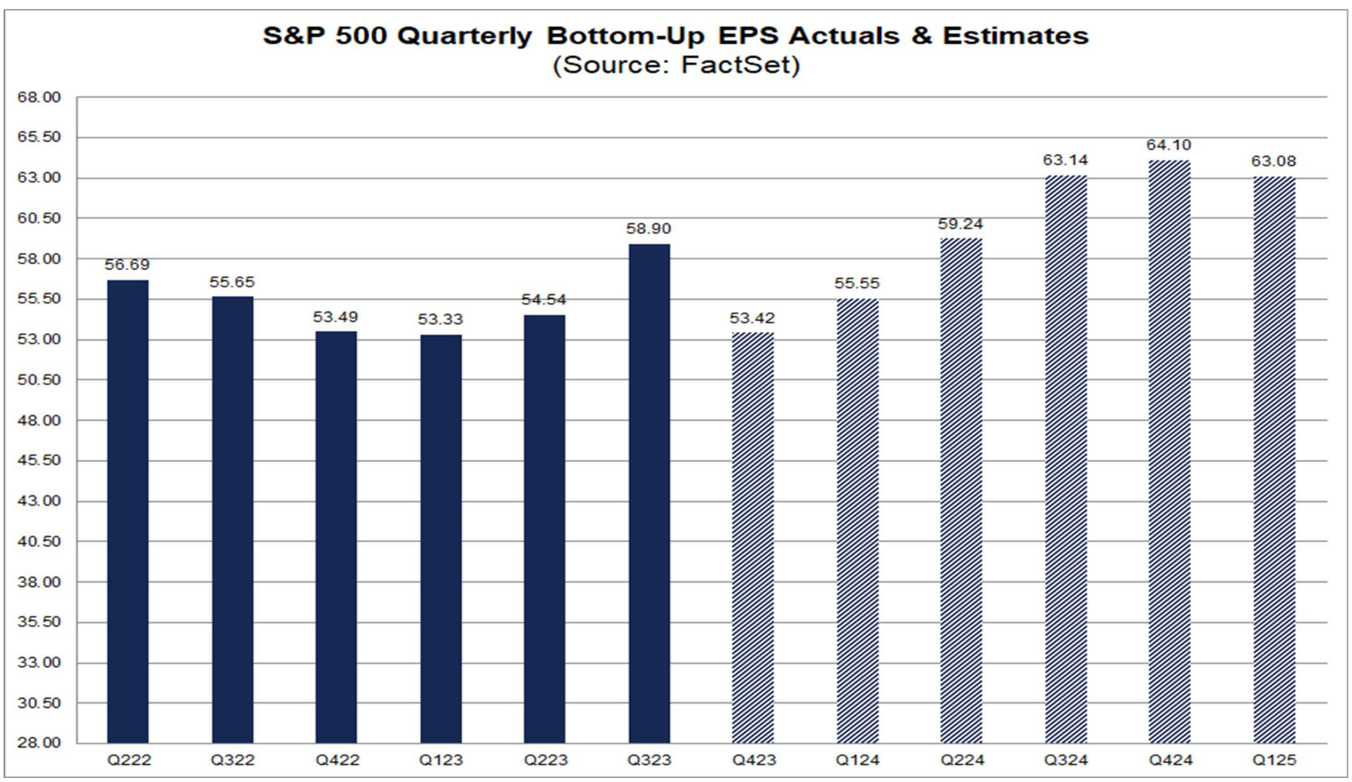
Bottom-Up EPS Estimates



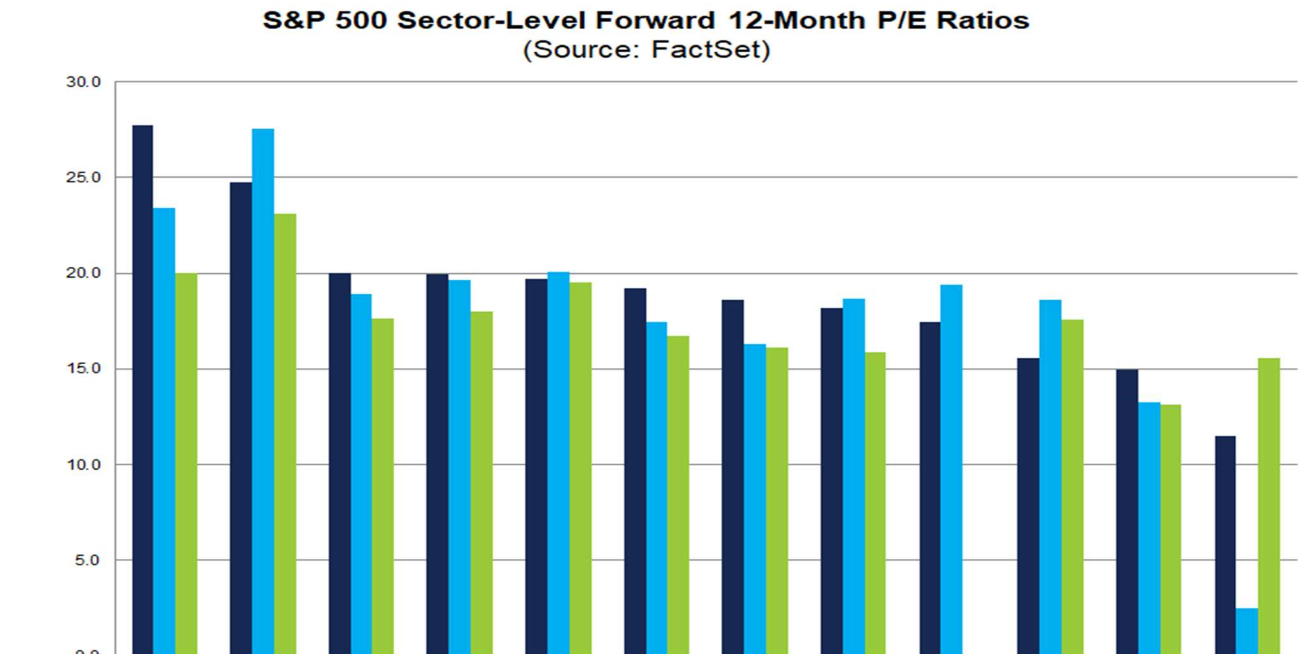


Bottom-Up EPS Estimates: Current & Historical

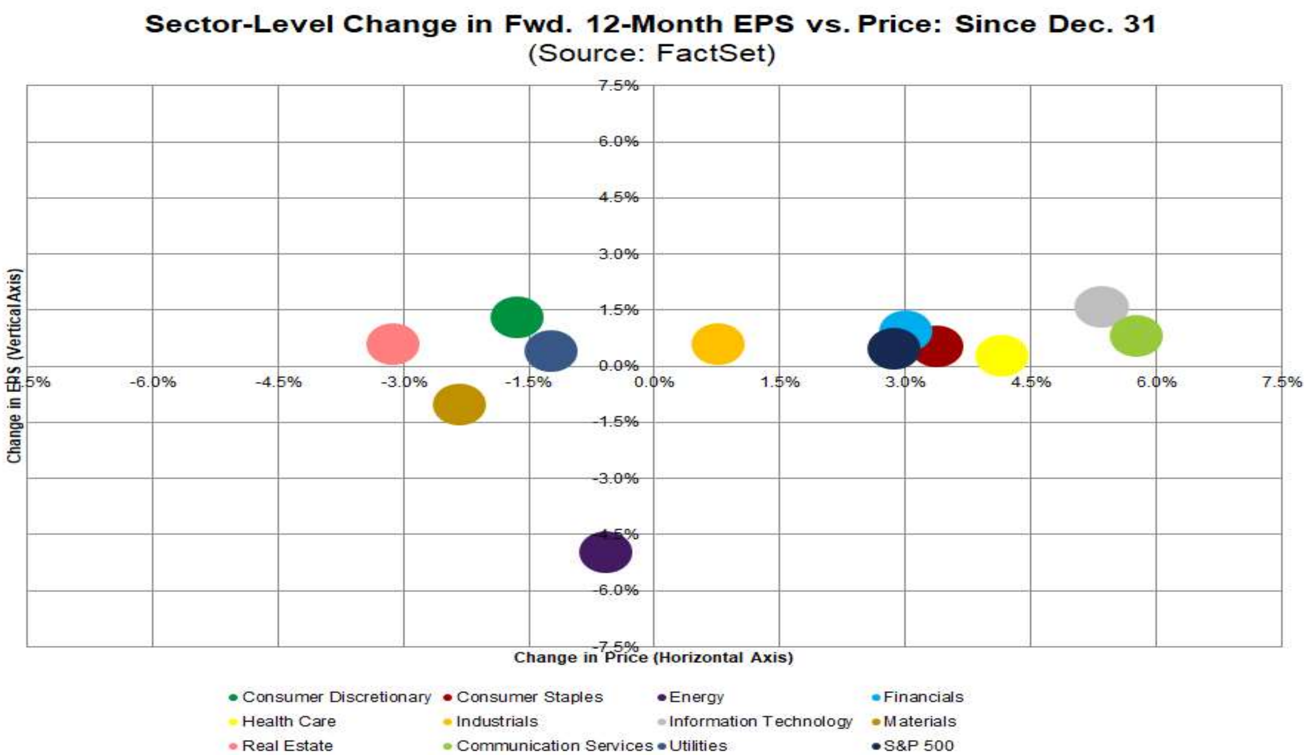




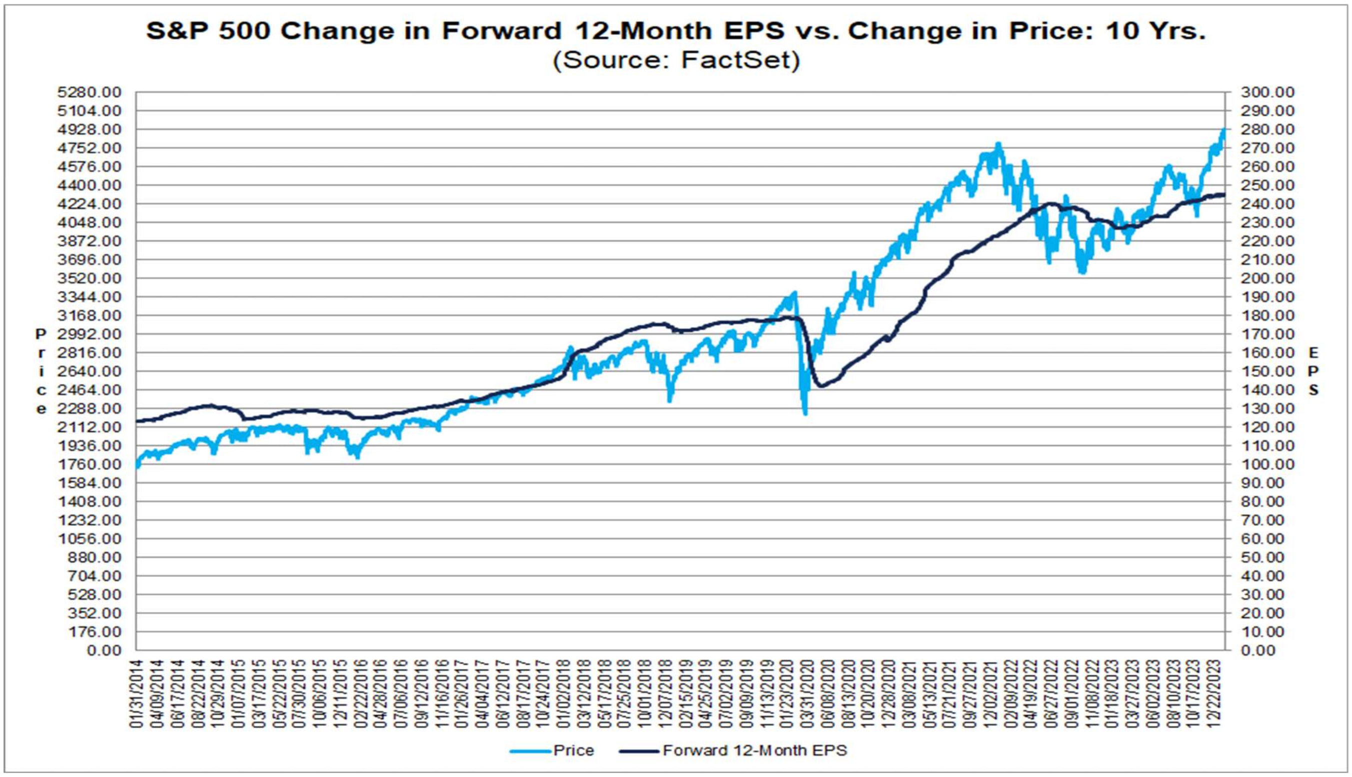
Forward 12M P/E Ratio: Sector Level

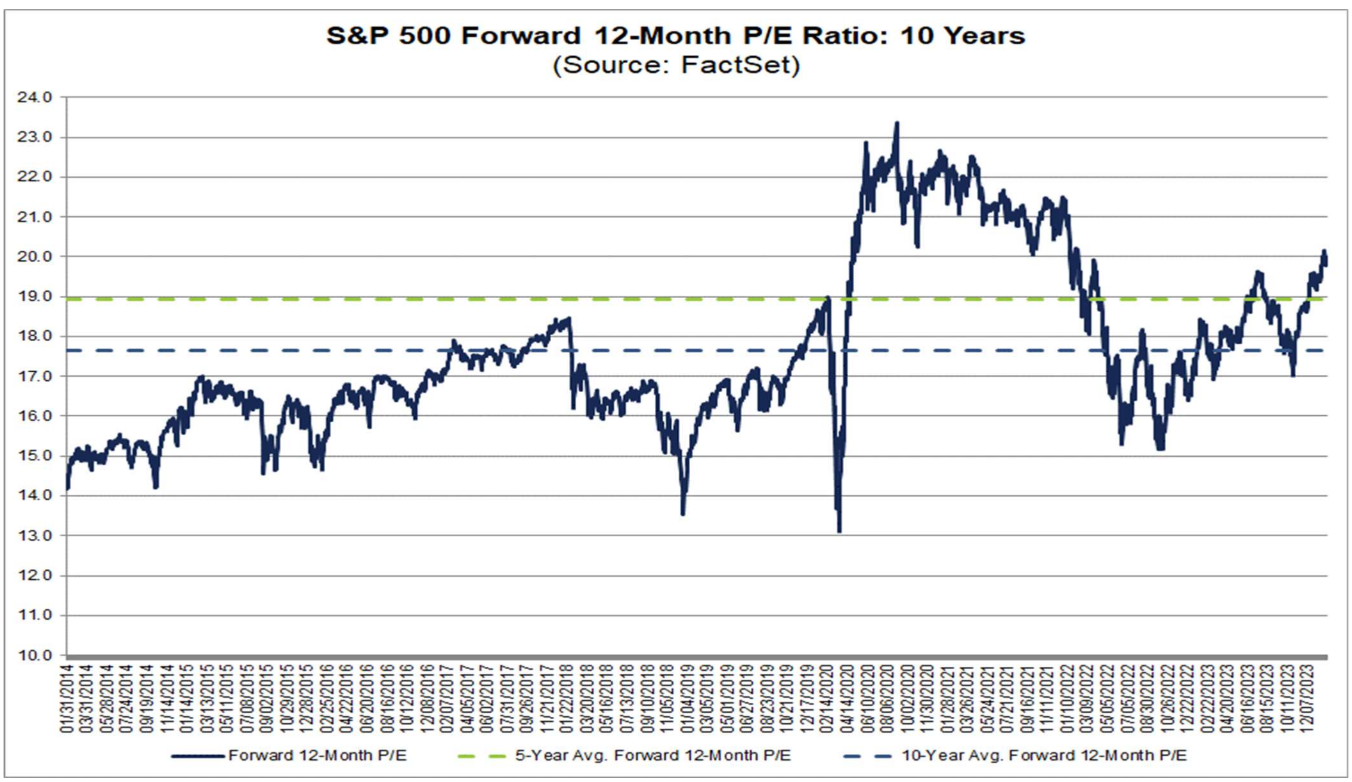


	Info. Technology	Consumer Disc.	S&P 500	Industrials	Consumer Staples	Materials	Health Care	Comm. Services	Real Estate	Utilities	Financials	Energy
Fwd P/E	27.7	24.7	20.0	19.9	19.7	19.2	18.6	18.2	17.5	15.6	14.9	11.5
5-Yr Avg.	23.4	27.5	18.9	19.7	20.0	17.5	16.3	18.7	19.4	18.6	13.2	2.5
10-Yr Avg.	20.0	23.1	17.6	18.0	19.5	16.7	16.1	15.9	0.0	17.6	13.1	15.5

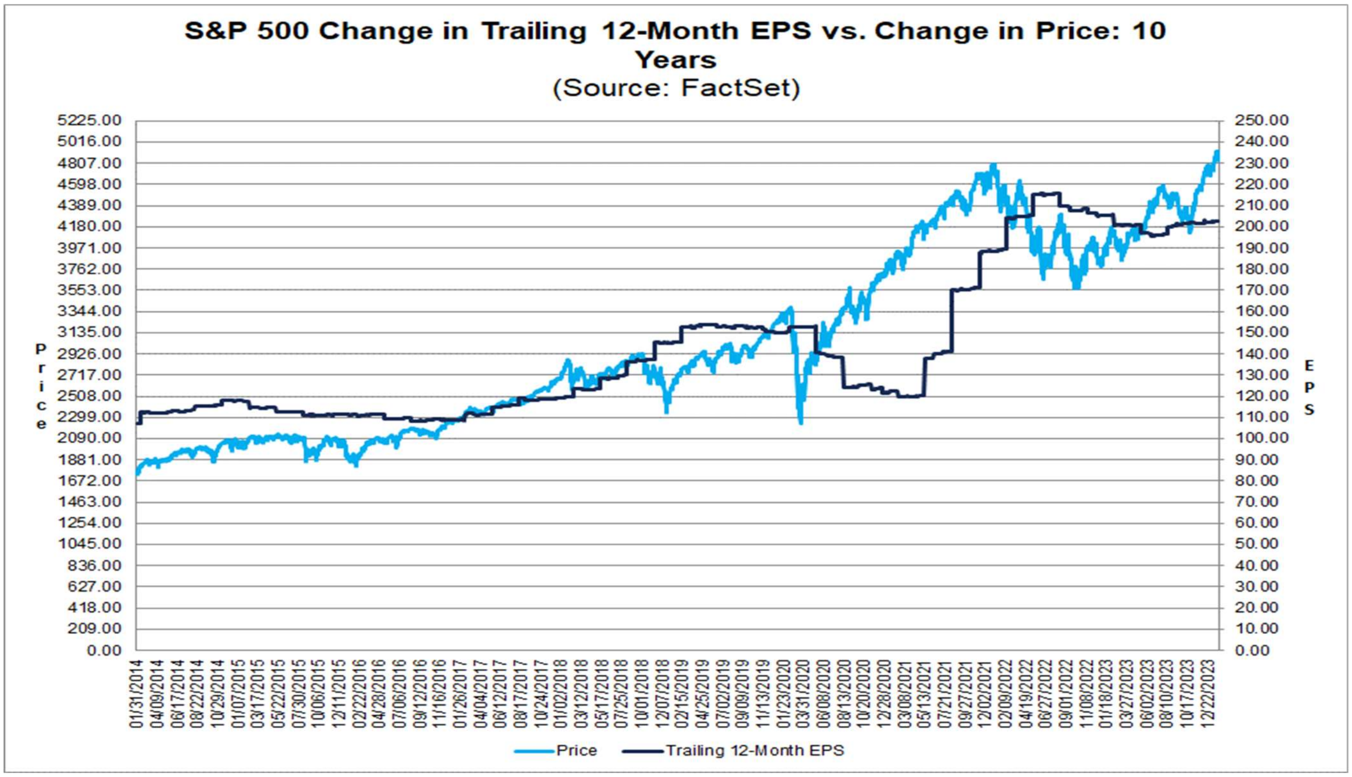


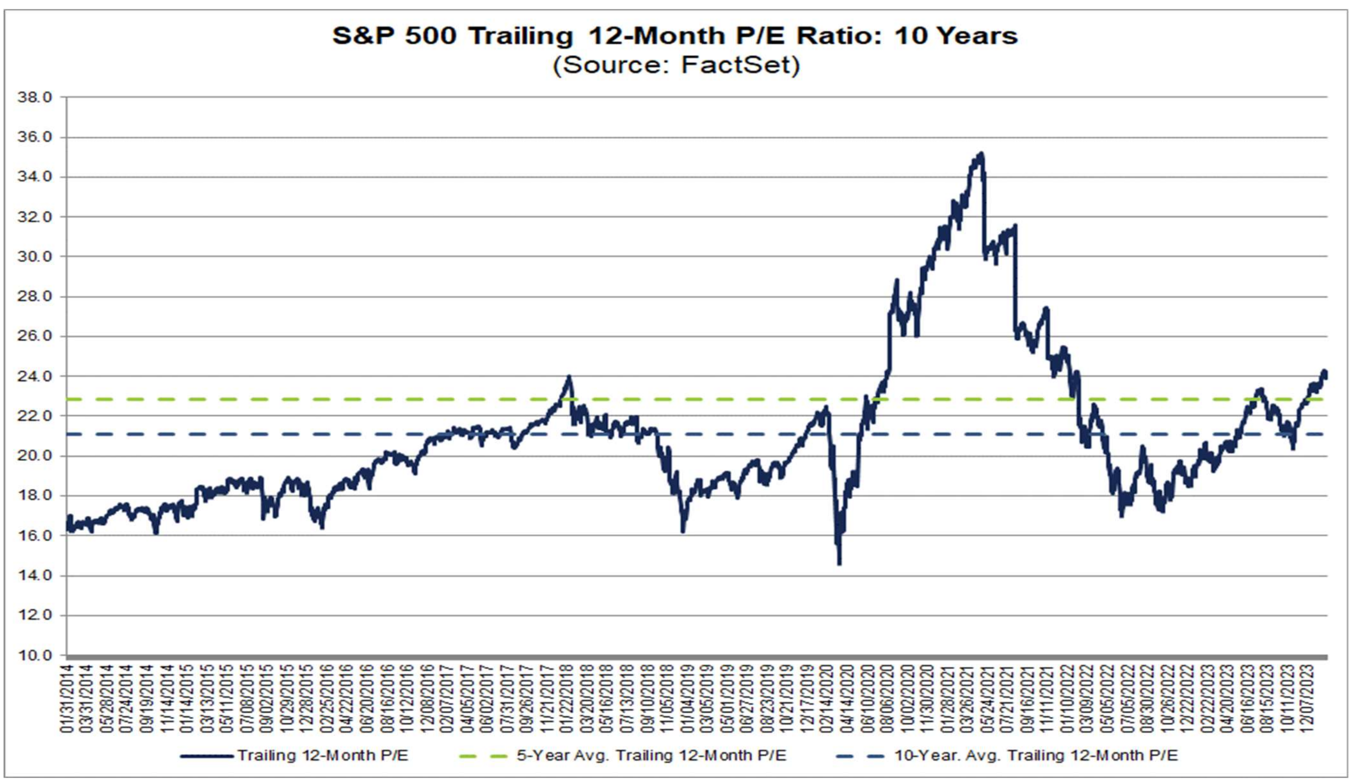
Forward 12M P/E Ratio: 10-Years



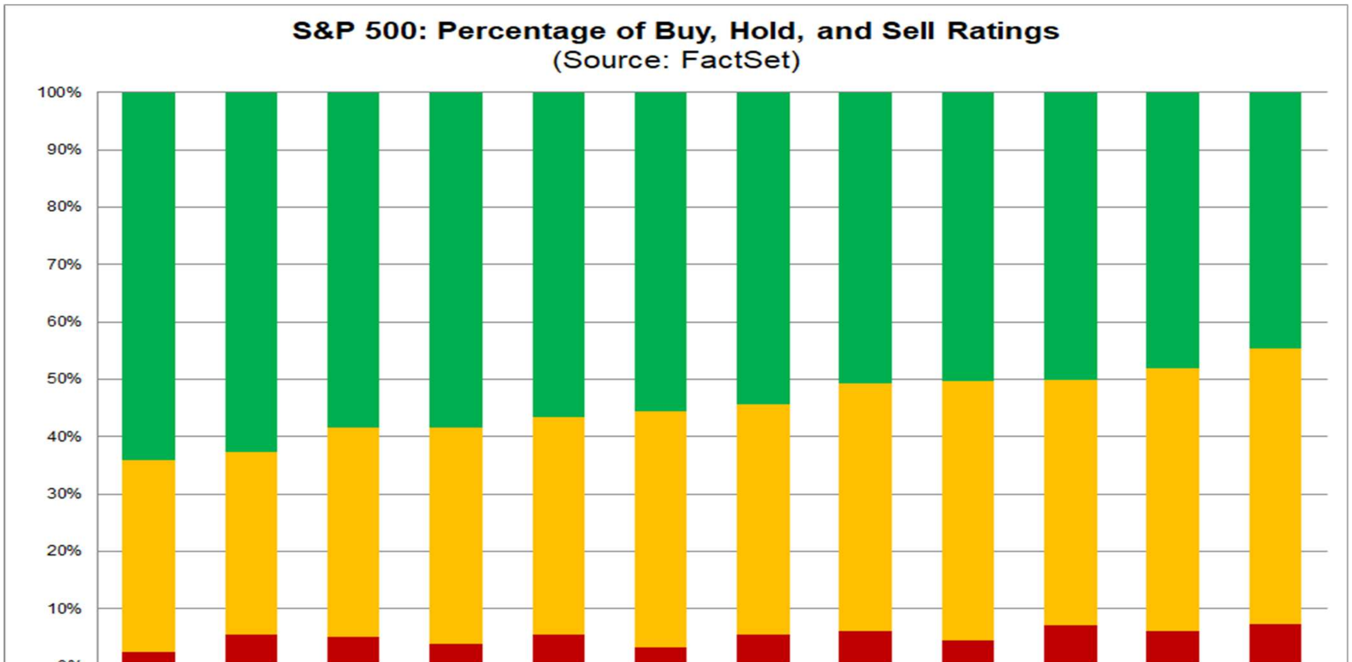


Trailing 12M P/E Ratio: 10-Years

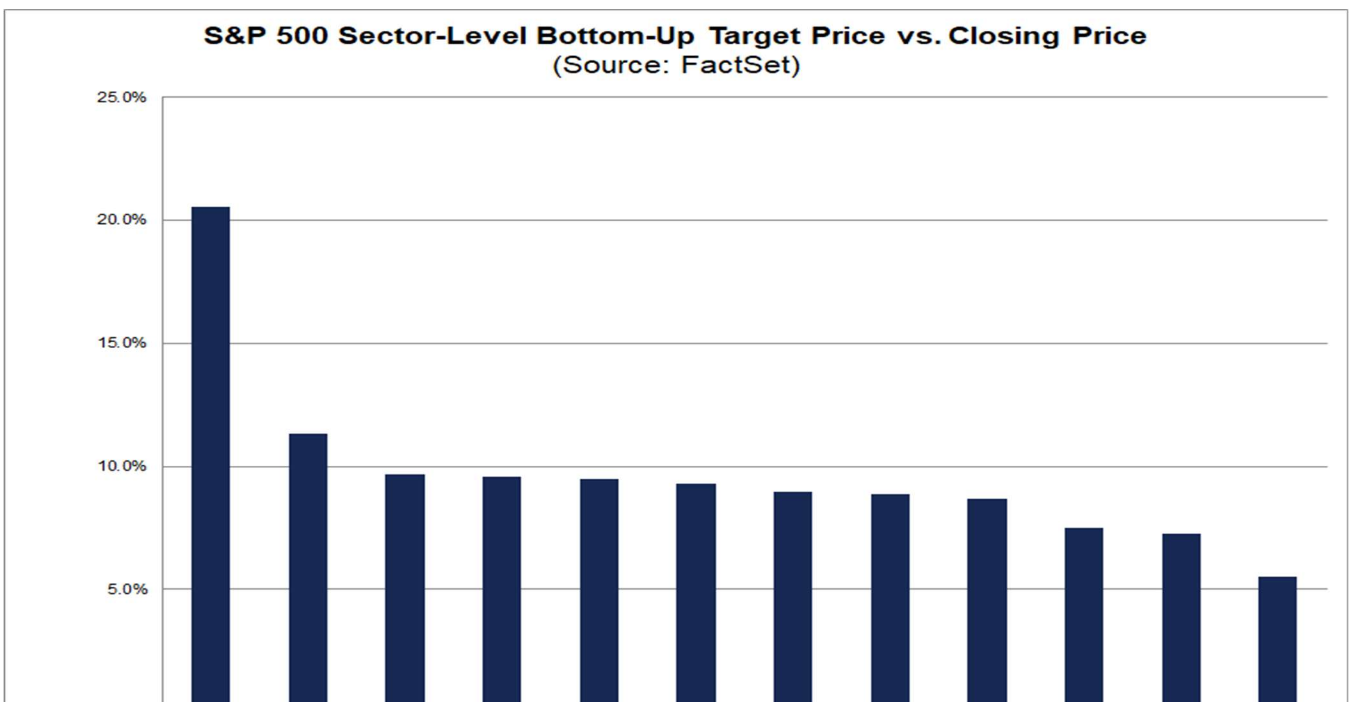




Targets & Ratings



	Energy	Comm. Services	Info. Tech.	Health Care	Consumer Disc.	Real Estate	S&P 500	Financials	Utilities	Industrials	Materials	Consumer Staples
Buy	64%	63%	59%	58%	57%	56%	54%	51%	50%	50%	48%	45%
Hold	33%	32%	36%	38%	38%	41%	40%	43%	45%	43%	46%	48%
Sell	2%	5%	5%	4%	6%	3%	5%	6%	5%	7%	6%	7%



	Energy	Consumer Disc.	Real Estate	Materials	Utilities	Financials	Comm. Services	S&P 500	Health Care	Info. Tech.	Consumer Staples	Industrials
Target/Close	20.5%	11.3%	9.7%	9.6%	9.5%	9.3%	8.9%	8.9%	8.7%	7.5%	7.3%	5.5%

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