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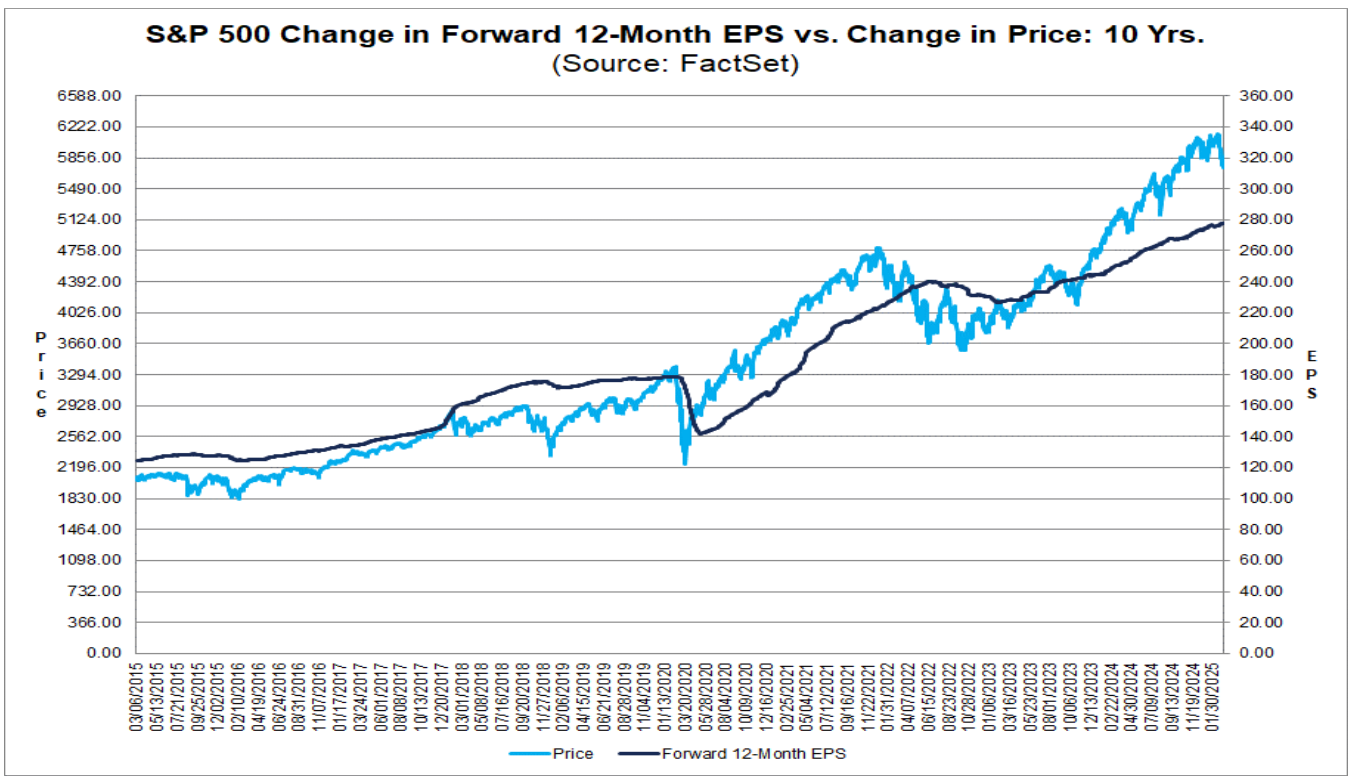
Key Metrics

- **Earnings Growth:** For Q1 2025, the estimated (year-over-year) earnings growth rate for the S&P 500 is 7.3%. If 7.3% is the actual growth rate for the quarter, it will mark the seventh-straight quarter of (year-over-year) earnings growth reported by the index.
- **Earnings Revisions:** On December 31, the estimated (year-over-year) earnings growth rate for the S&P 500 for Q1 2024 was 11.6%. All 11 sectors are expected to report lower earnings today (compared to December 31) due to downward revisions to EPS estimates.
- **Earnings Guidance:** For Q1 2025, 64 S&P 500 companies have issued negative EPS guidance and 39 S&P 500 companies have issued positive EPS guidance.
- **Valuation:** The forward 12-month P/E ratio for the S&P 500 is 20.7. This P/E ratio is above the 5-year average (19.8) and above the 10-year average (18.3).
- **Earnings Scorecard:** For Q1 2025 (with 2 S&P 500 companies reporting actual results), 0 S&P 500 companies have reported a positive EPS surprise and 1 S&P 500 company has reported a positive revenue surprise.



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Topic of the Week: 1

Highest Number of S&P 500 Companies Citing “Tariffs” on Earnings Calls Over Past 10 Years

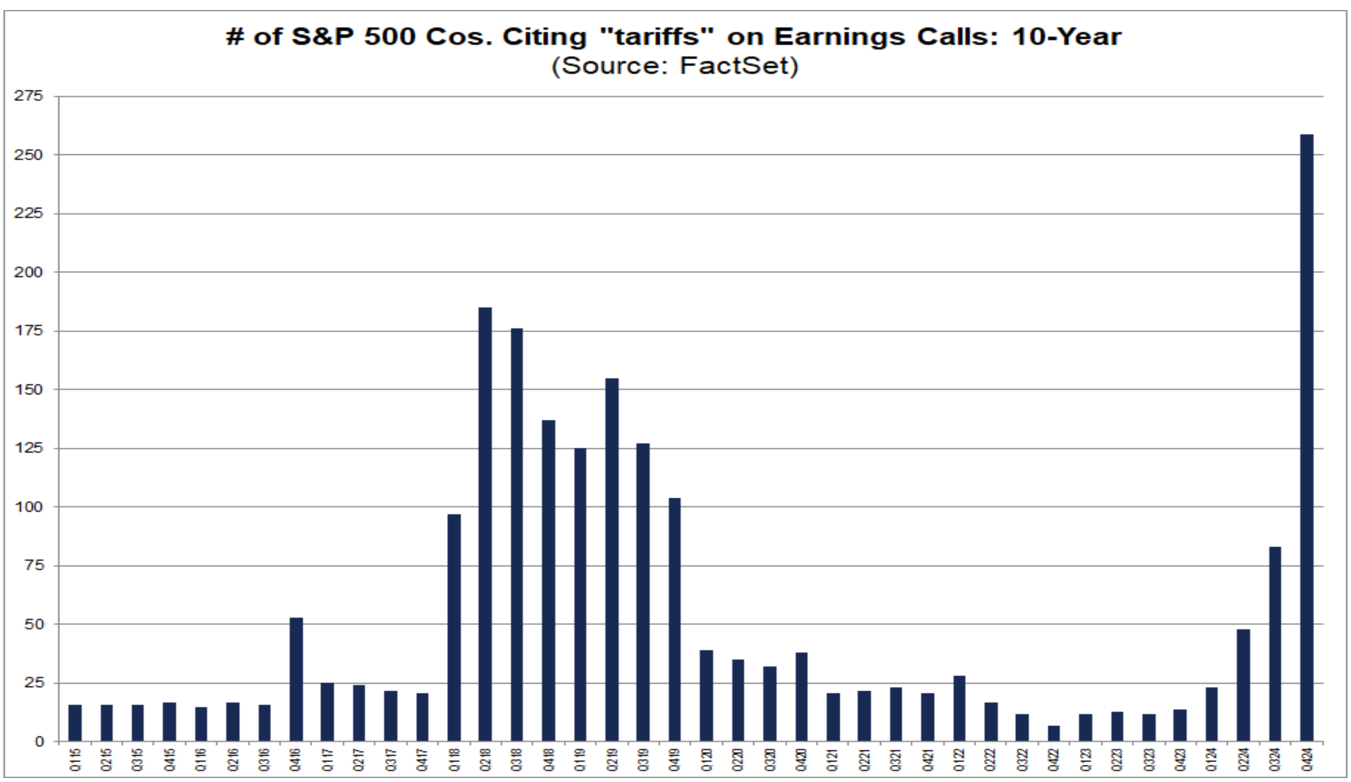
During each corporate earnings season, companies may comment on government policies that could have an impact on their business in the current quarter or in future quarters. Given the Trump administration implementing tariffs during the past week, have S&P 500 companies commented on tariffs during their earnings conference calls for the fourth quarter?

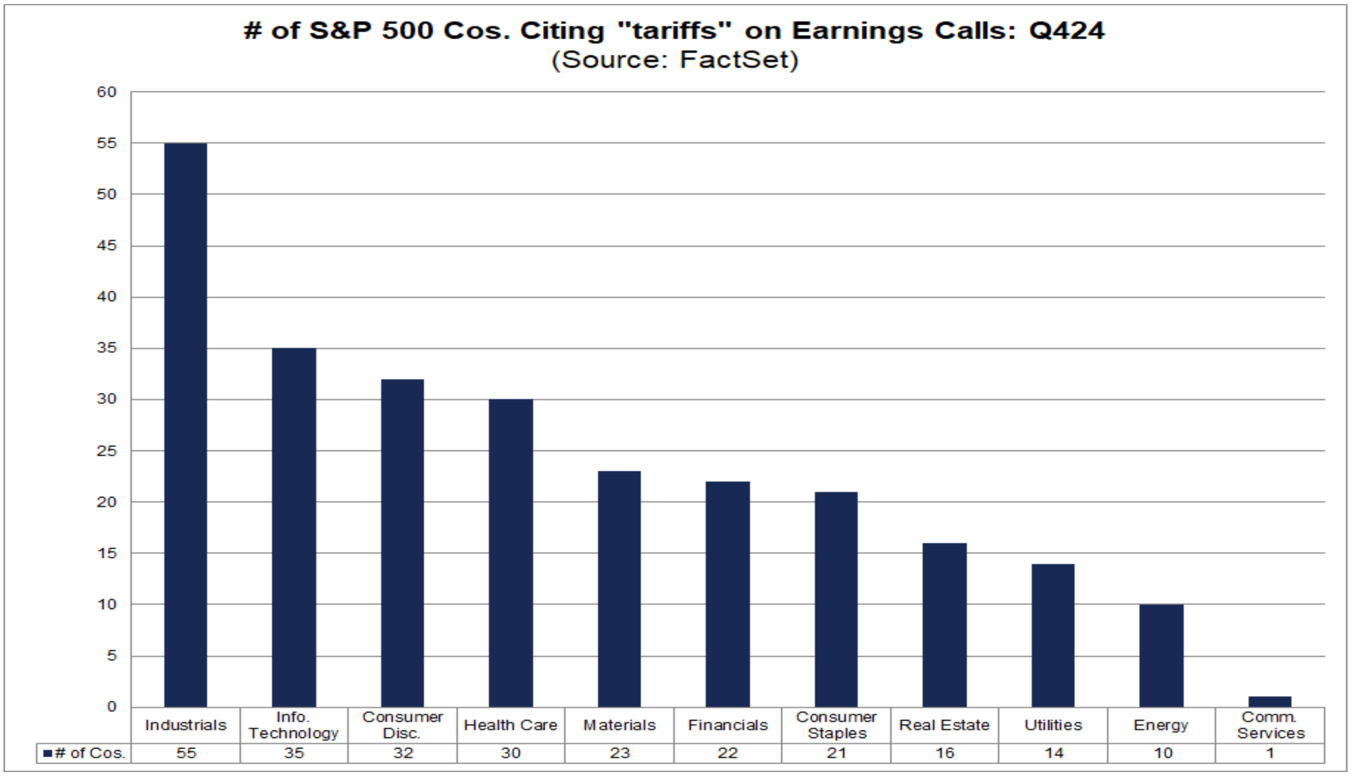
The answer is yes. FactSet Document Search (which allows users to search for key words or phrases across multiple document types) was used to answer this question. Through Document Search, FactSet searched for the term “tariff” and “tariffs” in the conference call transcripts of all the S&P 500 companies that conducted earnings conference calls from December 15 through March 6.

Of these companies, 259 have cited the term “tariff” or “tariffs” during their earnings calls for the fourth quarter. This marks the highest number of S&P 500 companies citing “tariff” or “tariffs” on quarterly earnings calls over the past 10 years (using current index constituents going back in time). The previous record-high number during the past 10 years was 185 companies, which occurred in Q2 2018.

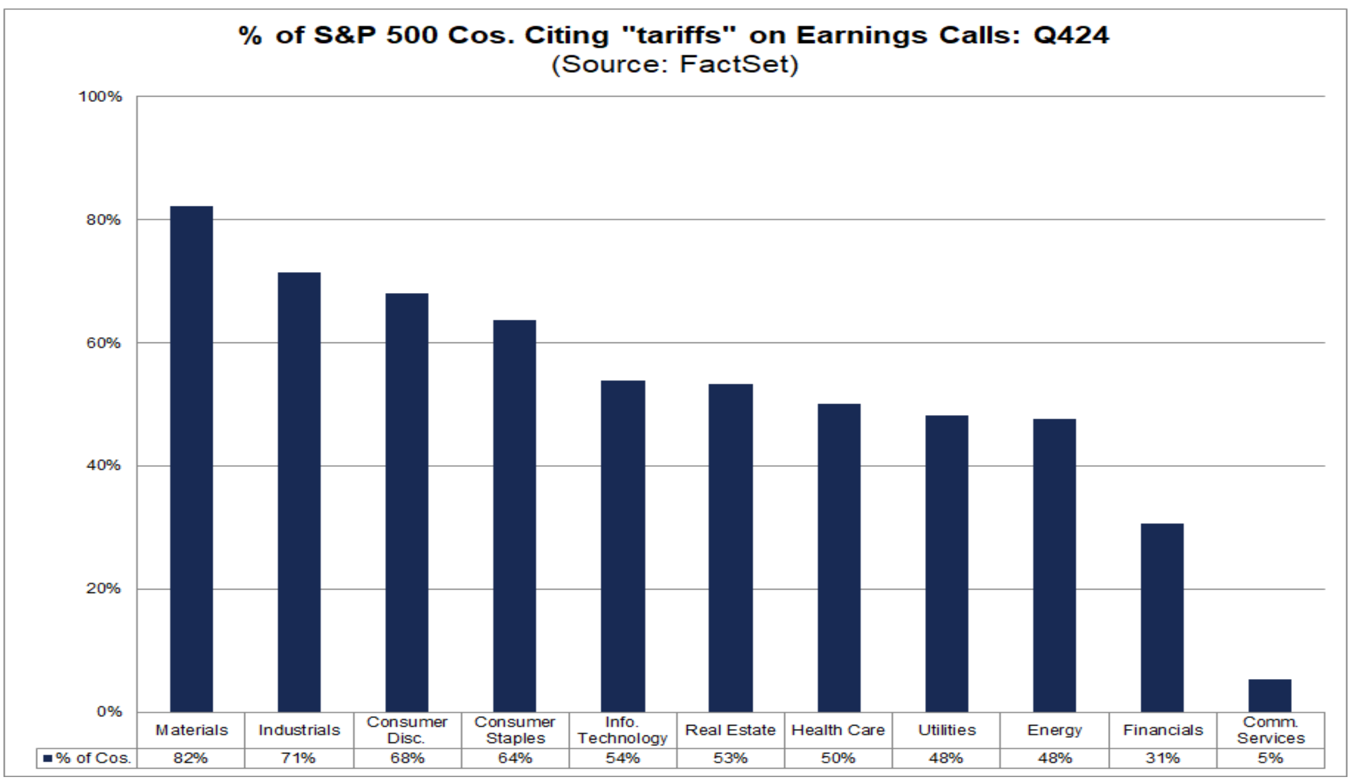
At the sector level, the Industrials sector has the highest number of companies (55) citing the term “tariff” or “tariffs” on earnings calls for Q4 2024, while the Materials sector has the highest percentage of companies (82%) citing the term “tariff” or “tariffs” on earnings calls for Q4 2024.

It is interesting to note that the four sectors (Materials, Industrials, Consumer Discretionary, and Consumer Staples) that have the highest percentages of companies citing “tariff” or “tariffs” on earnings calls for Q4 are also the four sectors that have seen the largest cuts to EPS estimates for Q1 to date. For more details on estimate revisions, please go to this link: https://insight.factset.com/analysts-making-larger-cuts-than-average-to-eps-estimates-for-sp-500-companies-for-q1-1

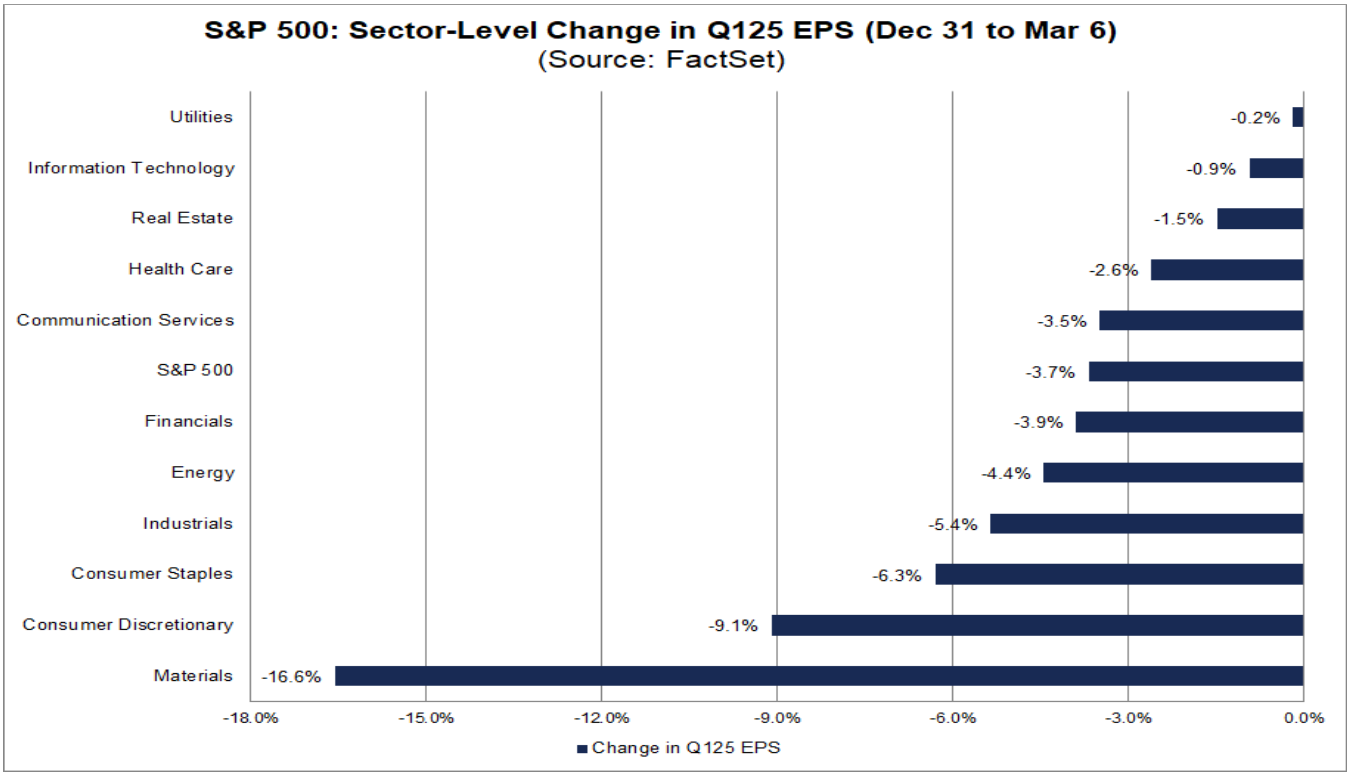




# of S&P 500 Cos. Citing "tariffs" on Earnings Calls: Q424
(Source: FactSet)
60
55
50
45
40
35
30
25
20
15
10
5
0
Industrials
Info. Technology
Consumer Disc.
Health Care
Materials
Financials
Consumer Staples
Real Estate
Utilities
Energy
Comm. Services
# of Cos.
55
35
32
30
23
22
21
16
14
10
1



% of S&P 500 Cos. Citing "tariffs" on Earnings Calls: Q424
(Source: FactSet)
100%
80%
60%
40%
20%
0%
Materials
Industrials
Consumer Disc.
Consumer Staples
Info. Technology
Real Estate
Health Care
Utilities
Energy
Financials
Comm. Services
% of Cos.
82%
71%
68%
64%
54%
53%
50%
48%
48%
31%
5%


S&P 500: Sector-Level Change in Q125 EPS (Dec 31 to Mar 6)
(Source: FactSet)
Utilities
Information Technology
Real Estate
Health Care
Communication Services
S&P 500
Financials
Energy
Industrials
Consumer Staples
Consumer Discretionary
Materials
-0.2%
-0.9%
-1.5%
-2.6%
-3.5%
-3.7%
-3.9%
-4.4%
-5.4%
-6.3%
-9.1%
-16.6%
-18.0%
-15.0%
-12.0%
-9.0%
-6.0%
-3.0%
0.0%
Change in Q125 EPS

Topic of the Week: 2

Lowest Number of S&P 500 Companies Citing "Recession" on Earnings Calls in Over 5 Years

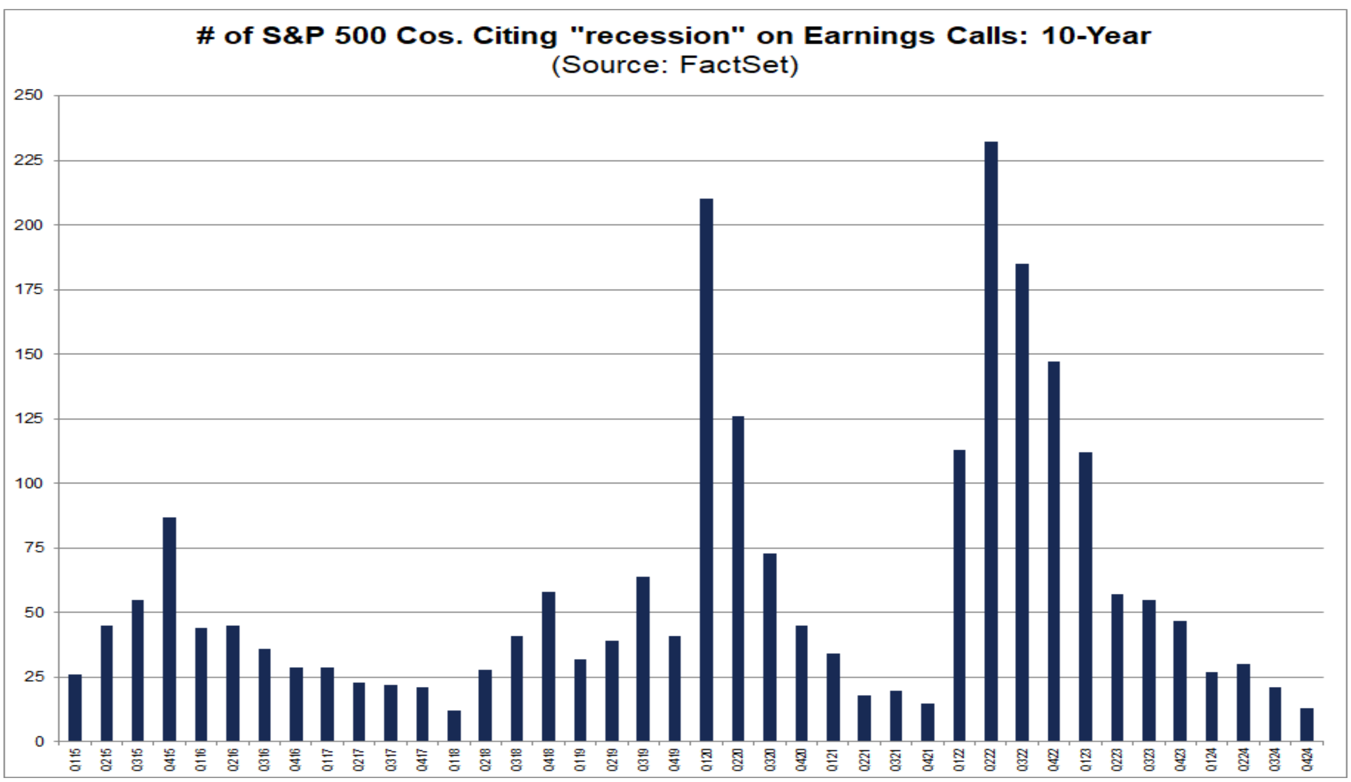
Given concerns in the market about inflation and tariffs, have more S&P 500 companies than normal commented on recession during their earnings conference calls for the fourth quarter?

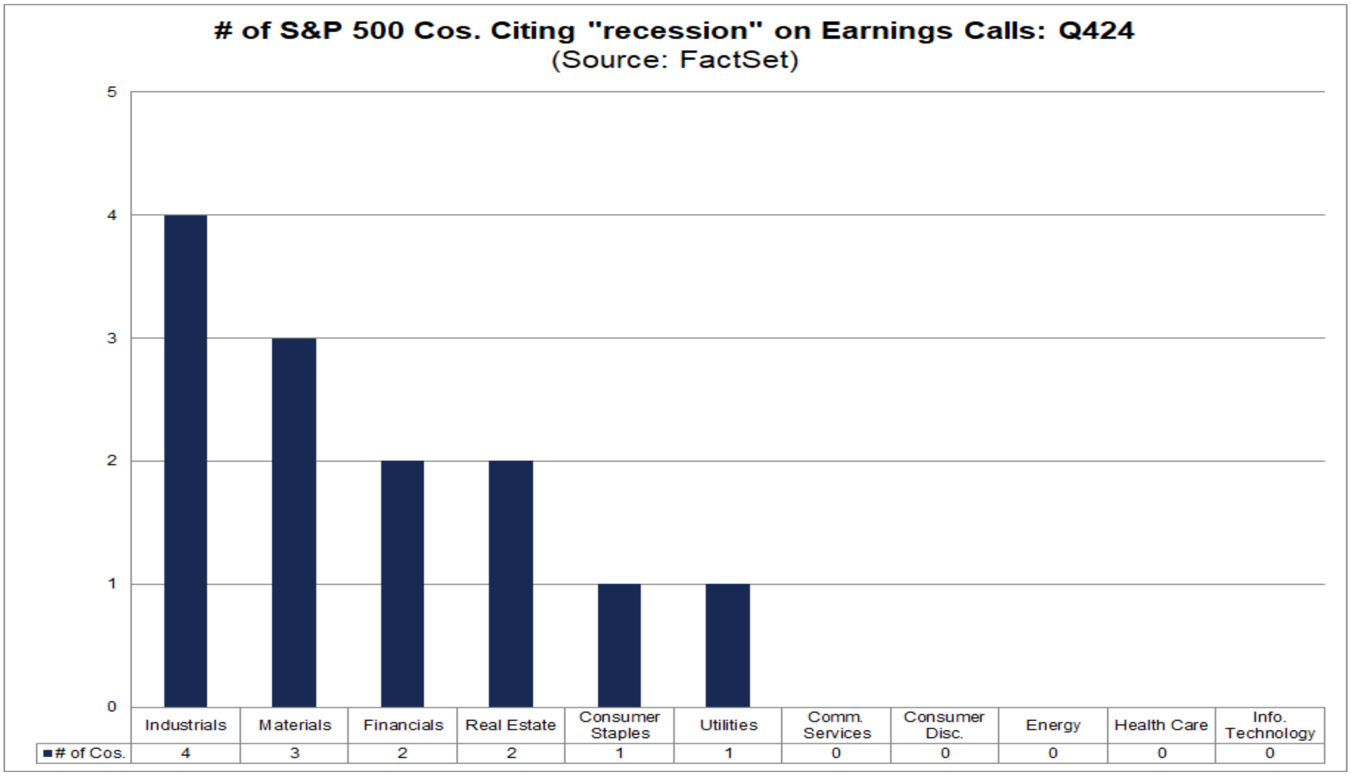
The answer is no. FactSet Document Search (which allows users to search for key words or phrases across multiple document types) was used to answer this question. Through Document Search, FactSet searched for the term "recession" in the conference call transcripts of all the S&P 500 companies that conducted earnings conference calls from December 15 through March 6.

Of these companies, 13 cited the term "recession" during their earnings calls for the fourth quarter. This number is well below the 5-year average of 80 and the 10-year average of 60.

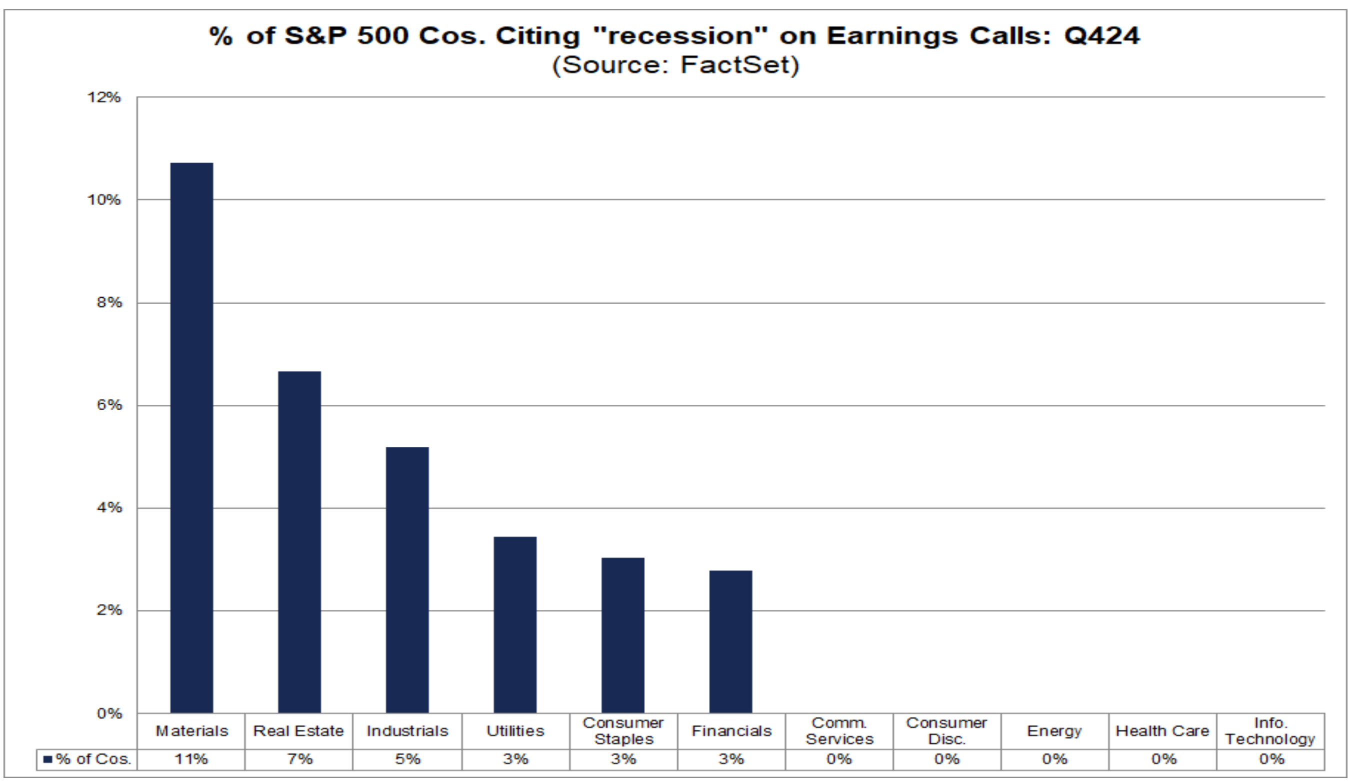
In fact, this quarter marks the lowest number of S&P 500 companies citing "recession" on earnings calls for a quarter since Q1 2018 (12).

At the sector level, the Industrials sector has the highest number (4) of S&P 500 companies citing "recession" on earnings calls for Q4 2024, while the Materials sector has the highest percentage (11%) of S&P 500 companies citing "recession" on earnings calls for Q4 2024.





# of S&P 500 Cos. Citing "recession" on Earnings Calls: Q424
(Source: FactSet)
5
4
3
2
1
0
Industrials
Materials
Financials
Real Estate
Consumer Staples
Utilities
Comm. Services
Consumer Disc.
Energy
Health Care
Info. Technology
# of Cos.
4
3
2
2
1
1
0
0
0
0
0



% of S&P 500 Cos. Citing "recession" on Earnings Calls: Q424
(Source: FactSet)
12%
10%
8%
6%
4%
2%
0%
Materials
Real Estate
Industrials
Utilities
Consumer Staples
Financials
Comm. Services
Consumer Disc.
Energy
Health Care
Info. Technology
% of Cos.
11%
7%
5%
3%
3%
3%
0%
0%
0%
0%
0%

Q1 Earnings Season: By The Numbers

Overview

Heading into the final weeks of the quarter, analysts and companies have reduced earnings expectations for the first quarter. As a result, estimated earnings for the S&P 500 for the first quarter are lower today compared to expectations at the start of the quarter. Despite the decline in estimated earnings, the index is still expected to report year-over-year earnings growth rate for the seventh-straight quarter.

In terms of estimate revisions for companies in the S&P 500, analysts have lowered earnings estimates for Q1 2025 by a larger margin than average. On a per-share basis, estimated earnings for the first quarter have decreased by 3.7% to date. This decline is larger than the 5-year average (-3.3%) and the 10-year average (-3.2%) for a quarter.

In terms of guidance for the first quarter, the number of S&P 500 companies issuing negative EPS guidance for Q1 2025 is above average. At this point in time, 103 companies in the index have issued EPS guidance for Q1 2025. Of these companies, 64 have issued negative EPS guidance and 39 have issued positive EPS guidance. The number of S&P 500 companies issuing negative EPS guidance for Q1 2025 is above the 5-year average of 56 and above the 10-year average of 62.

Due to the downward revisions to earnings estimates by analysts and the negative EPS guidance issued by companies, the estimated (year-over-year) earnings growth rate for Q1 2025 is lower today relative to the start of the first quarter. As of today, the S&P 500 is expected to report (year-over-year) earnings growth of 7.3%, compared to the estimated (year-over-year) earnings growth rate of 11.6% on December 31.

If 7.3% is the actual growth rate for the quarter, it will mark the seventh consecutive quarter of year-over-year earnings growth for the index.

Eight of the eleven sectors are projected to report year-over-year growth, led by the Health Care and Information Technology sectors. On the other hand, three sectors are predicted to report a year-over-year decline in earnings, led by the Energy and Materials sectors.

In terms of revenues, analysts have also lowered their estimates during the quarter. As of today, the S&P 500 is expected to report (year-over-year) revenue growth of 4.3%, compared to the expectations for revenue growth of 5.1% on December 31.

If 4.3% is the actual revenue growth rate for the quarter, it will mark the 18th consecutive quarter of revenue growth for the index.

Nine sectors are projected to report year-over-year growth in revenues, led by the Information Technology and Health Care sectors. On the other hand, two sectors are predicted to report a year-over-year decline in revenues: Industrials and Energy.

For Q2 2025 through Q4 2025, analysts are calling for earnings growth rates of 9.7%, 12.1%, and 11.6%, respectively. For CY 2025, analysts are predicting (year-over-year) earnings growth of 11.6%.

The forward 12-month P/E ratio is 20.7, which is above the 5-year average (19.8) and above the 10-year average (18.3). However, This P/E ratio is below the forward P/E ratio of 21.5 recorded at the end of the fourth quarter (December 31).

During the upcoming week, 3 S&P 500 companies are scheduled to report results for the fourth quarter and 2 S&P 500 companies are scheduled to report results for the first quarter.

Earnings Revisions: Materials Sector Has Seen Largest Decrease in EPS Estimates

Slight Decrease In Estimated Earnings Growth Rate for Q1 This Week

During the past week, the estimated earnings growth rate for the S&P 500 for Q1 2025 decreased slightly to 7.3% from 7.4%. Downward revisions to EPS estimates for companies in multiple sectors were responsible for the small decrease in the overall earnings growth rate for the index during the week.

The estimated earnings growth rate for the S&P 500 for Q1 2025 of 7.3% today is below the estimate of 11.6% at the start of the quarter (December 31), as estimated earnings for the index of $528.5 billion today are 3.8% below the estimate of $549.5 billion at the start of the quarter. All eleven sectors have recorded a decrease in dollar-level earnings due to downward revisions to earnings estimates, led by the Materials, Consumer Discretionary, Consumer Staples, and Industrials sectors.

Materials: 96% of Companies Have Recorded a Decrease In Earnings Since December 31

The Materials sector has recorded the largest percentage decrease in estimated (dollar-level) earnings of all eleven sectors since the start of the quarter at -16.4% (to $9.5 billion from $11.3 billion). As a result, the estimated (year-over-year) earnings decline for the sector is -10.5% today compared to expected earnings growth of 7.1% on December 31. Despite the decline in expected earnings, this sector has recorded an increase in price of 3.9% since December 31. Overall, 27 of the 28 companies (96%) in the Materials sector have seen a decrease in their mean EPS estimate during this time. Of these 27 companies, 16 have recorded a decrease in their mean EPS estimate of more than 10%, led by FMC Corporation (to $0.08 from $0.83), Dow (to $0.10 from $0.52), Celanese Corporation (to $0.46 from $1.75), LyondellBasell Industries (to $0.65 from $1.45), Albemarle Corporation (to -$0.50 from -$0.33), and Freeport-McMoRan (to $0.24 from $0.46).

Consumer Discretionary: Ford Motor and Tesla Lead Earnings Decrease Since December 31

The Consumer Discretionary sector has recorded the second-largest percentage decrease in estimated (dollar-level) earnings of all eleven sectors since the start of the quarter at 9.6% (to $39.4 billion from $43.6 billion). As a result, the estimated (year-over-year) earnings growth rate for this sector has decreased to 0.5% today from 11.2% on December 31. This sector has also witnessed the largest price decrease of all 11 sectors since December 31 at -10.3%. Overall, 38 of the 50 companies (76%) in the Consumer Discretionary sector have seen a decrease in their mean EPS estimate during this time. Of these 38 companies, 15 have recorded a decline in their mean EPS estimate of more than 10%, led by Caesars Entertainment (to -$0.18 from $0.02), Ford Motor (to -$0.02 from $0.49), Norwegian Cruise Line Holdings (to $0.09 from $0.13), and Tesla (to $0.54 from $0.74). Ford Motor and Tesla have also been the largest contributors to the decrease in expected (dollar-level) earnings for this sector since December 31.

Consumer Staples: Walmart Leads Earnings Decrease Since December 31

The Consumer Staples sector has recorded the third-largest percentage decrease in estimated (dollar-level) earnings of all eleven sectors since the start of the quarter at 6.6% (to $32.1 billion from $34.4 billion). As a result, the estimated (year-over-year) earnings decline for this sector has increased to -6.9% today from -0.3% on December 31. Despite the decline in expected earnings, this sector has recorded the second-largest increase in price of all 11 sectors since December 31 at 6.6%. Overall, 35 of the 38 companies (92%) in the Consumer Staples sector have seen a decrease in their mean EPS estimate during this time. Of these 35 companies, 10 have recorded a decline in their mean EPS estimate of more than 10%, led by Estee Lauder (to $0.32 from $0.65), Archer-Daniels-Midland (to $0.68 from $1.18), Bunge Global (to $1.31 from $2.14), Kenvue (to $0.23 from $0.30), and Hershey (to $1.99 from $2.50). However, Walmart (to $0.59 from $0.65) has been the largest contributor to the decrease in expected (dollar-level) earnings for this sector since December 31.

Industrials: 83% of Companies Have Recorded a Decrease In Earnings Since December 31

The Industrials sector has recorded the fourth-largest percentage decrease in estimated (dollar-level) earnings of all eleven sectors since the start of the quarter at 5.6% (to $39.3 billion from $41.6 billion). As a result, the estimated (year-over-year) earnings growth rate for this sector has decreased to 3.0% today from 9.0% on December 31. Despite the decline in expected earnings, this sector has recorded an increase in price of 0.5% since December 31. Overall, 65 of the 78 companies (83%) in the Industrials sector have seen a decrease in their mean EPS estimate during this time. Of these 65 companies, 16 have recorded a decline in their mean EPS estimate of more than 10%, led by Southwest Airlines (to -$0.16 from -$0.06), Boeing (to -$0.88 from -$0.45), GE Vernova (to $0.45 from $0.84), Builders FirstSource (to $1.43 from $2.17), Generac Holdings (to $1.01 from $1.50), and Stanley Black & Decker (to $0.67 from $0.96).

Index-Level EPS Estimate: 3.7% Decrease Since December 31

The Q1 bottom-up EPS estimate (which is an aggregation of the median Q1 earnings estimates for all 500 companies in the index and can be used as a proxy for the earnings of the index) has decreased by 3.7% (to $60.57 from $62.89) since December 31. In a typical quarter, analysts usually reduce earnings estimates. Over the past five years (20 quarters), earnings expectations have fallen by 3.3% on average during a quarter. Over the past ten years, (40 quarters), earnings expectations have fallen by 3.2% on average during a quarter. Over the past fifteen years (60 quarters), earnings expectations have fallen by 3.2% on average during a quarter. Over the past twenty years (60 quarters), earnings expectations have fallen by 4.2% on average during a quarter.

Guidance: # of Cos. Issuing Negative EPS Guidance for Q1 is Above Average

Quarterly Guidance: # of Cos. Issuing Negative EPS Guidance for Q1 is Above Average

At this point in time, 103 companies in the index have issued EPS guidance for Q1 2025. Of these 103 companies, 64 have issued negative EPS guidance and 39 have issued positive EPS guidance. The number of companies issuing negative EPS guidance for Q1 2025 is above the 5-year average of 56 and above the 10-year average of 62. The number of companies issuing positive EPS guidance is below the 5-year average of 42 but above the 10-year average of 38.

The percentage of companies issuing negative EPS guidance for Q1 2025 is 62% (64 out of 103), which is above the 5-year average of 58% but equal to the 10-year average of 62%.

Annual Guidance: 59% of S&P 500 Companies Issuing Negative Guidance for Current Year

At this point in time, 260 companies in the index have issued EPS guidance for the current fiscal year (FY 2025 or FY 2026). Of these 260 companies, 153 have issued negative EPS guidance and 107 have issued positive EPS guidance. The percentage of companies issuing negative EPS guidance is 59% (153 out of 260).

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 Growth: 7.3%

The estimated (year-over-year) earnings growth rate for Q1 2025 is 7.3%, which is below the 5-year average earnings growth rate of 10.4% and below the 10-year average earnings growth rate of 8.5%. If 7.3% is the actual growth rate for the quarter, it will mark the seventh consecutive quarter of year-over-year earnings growth.

Eight of the eleven sectors are expected to report year-over-year earnings growth, led by the Health Care and Information Technology sectors. On the other hand, three sectors are projected to report year-over-year decline in earnings, led by the Energy and Materials sectors.

Health Care: Bristol Myers Squibb is Largest Contributor to Year-Over-Year Growth

The Health Care sector is expected to report the highest (year-over-year) earnings growth rate of all eleven sectors at 35.3%. At the industry level, 4 of the 5 industries in the sector are projected to report year-over-year earnings growth: Pharmaceuticals (116%), Biotechnology (67%), Health Care Providers & Services (6%), and Health Care Equipment & Supplies (3%). On the other hand, the Life Sciences, Tools, & Services (-7%) industry is the only industry predicted to report a year-over-year decline in earnings.

At the company level, Bristol Myers Squibb ($1.52 vs. -$4.40) and Gilead Sciences ($1.77 vs. -$1.32) are expected to be the largest contributors to earnings growth for the sector. Both companies are benefitting from easy comparisons to weaker (non-GAAP) earnings reported in the year-ago quarter due to IPR&D and other charges that were included in their non-GAAP EPS. If these two companies were excluded, the estimated earnings growth rate for the Health Care sector would fall to 4.3% from 35.3%.

Information Technology: Semiconductors Industry Is Largest Contributor to Year-Over-Year Growth

The Information Technology sector is expected to report the second-highest (year-over-year) earnings growth rate of all eleven sectors at 14.7%. At the industry level, 5 of the 6 industries in the sector are projected to report year-over-year earnings growth: Semiconductors & Semiconductor Equipment (34%), Electronic Equipment, Instruments, & Components (13%), Software (10%), Communication Services (6%), and Technology Hardware, Storage, & Peripherals (4%). On the other hand, the IT Services (-10%) industry is the only industry predicted to report a year-over-year decline in earnings.

The Semiconductors & Semiconductor Equipment industry is also expected to be the largest contributor to earnings growth for the sector. If this industry were excluded, the estimated earnings growth rate for the Financials sector would fall to 6.4% from 14.7%.

Energy: 3 of 5 Sub-Industries Expected to Report Year-Over-Year Decline

The Energy sector is expected to report the largest (year-over-year) earnings decline of all eleven sectors at -11.9%. Lower year-over-year oil prices are contributing to the year-over-year decrease in earnings for this sector, as the average price of oil to date in Q1 2025 ($72.68) is 5% below the average price for oil in Q1 2024 ($76.91). At the sub-industry level, 3 of the 5 sub-industries in the sector are predicted to report a year-over-year decline in earnings: Oil & Gas Refining & Marketing (-79%), Integrated Oil & Gas (-12%), and Oil & Gas Equipment & Services (-8%). On the other hand, two sub-industries are predicted to report year-over-year growth in earnings: Oil & Gas Storage & Transportation (14%) and Oil & Gas Exploration & Production (6%).

The Oil & Gas Refining & Marketing sub-industry is also expected to be the largest contributor to the earnings decline for the sector. If this sub-industry were excluded, the estimated earnings decline for the Energy sector would improve to -4.2% from -11.9%.

Materials: Metals & Mining Industry Is Largest Contributor to Year-Over-Year Growth

The Materials sector is expected to report the second-largest (year-over-year) earnings decline of all eleven sectors at -10.5%. At the industry level, 3 of the 4 industries in the sector are projected to report a year-over-year earnings decline: Metals & Mining (-30%), Chemicals (-12%), and Construction Materials (-3%). On the other hand, the Containers & Packaging (44%) industry is the only industry predicted to report year-over-year growth in earnings.

The Metals & Mining industry is also expected to be the largest contributor to the earnings decline for the sector. If this industry were excluded, the estimated earnings decline for the Materials sector would improve to -4.4% from -10.5%.

Revenue Growth: 4.3%

The estimated (year-over-year) revenue growth rate for Q1 2025 is 4.3%, which is below the 5-year average revenue growth rate of 6.9% and below the 10-year average revenue growth rate of 5.2%. If 4.3% is the actual growth rate for the quarter. it will mark the 18th consecutive quarter of revenue growth for the index.

At the sector level, nine sectors are expected to report year-over-year growth in revenues, led by the Information Technology and Health Care sectors. On the other hand, two sectors are predicted to report a year-over-year decline in revenues, led by the Industrials sector.

Information Technology: All 6 Industries Expected to Report Year-Over-Year Growth

The Information Technology sector is expected to report the highest (year-over-year) revenue growth rate of all eleven sectors at 11.4%. At the industry level, all 6 industries in the sector are predicted to report year-over-year revenue growth: Semiconductors & Semiconductor Equipment (26%), Communication Equipment (11%), Software (11%), Technology Hardware, Storage, & Peripherals (5%), Electronic Equipment, Instruments, & Components (4%), and IT Services (3%).

Health Care: 4 of 5 Industries Expected to Report Year-Over-Year Growth

The Health Care sector is expected to report the second-highest (year-over-year) revenue growth rate of all eleven sectors at 7.5%. At the industry level, 4 of the 5 industries in the sector are projected to report year-over-year revenue growth: Health Care Providers & Services (9%), Biotechnology (5%), Health Care Equipment & Supplies (3%), and Pharmaceuticals (3%). On the other hand, the Life Sciences, Tools, & Services (-1%) industry is the only industry predicted to report a year-over-year decline in revenue.

Industrials: 5 of 12 Industries Expected to Report Year-Over-Year Decline

The Industrials sector is expected to report the largest (year-over-year) revenue decline of all eleven sectors at -0.7%. At the industry level, 5 of the 12 industries in the sector are predicted to report a year-over-year decline in revenue, led by the Industrial Conglomerates (-9%), Building Products (-8%), and Machinery (-7%) industries. On the other hand, 7 of the 12 industries in the sector are projected to report year-over-year revenue growth, led by the Construction & Engineering (17%), Commercial Services & Supplies (11%), and Passenger Airlines (7%) industries.

Energy: 3 of 5 Sub-Industries Expected to Report Year-Over-Year Decline

The Energy sector is expected to report the second-largest (year-over-year) revenue decline of all eleven sectors at -0.4%. Lower year-over-year oil prices are contributing to the year-over-year decrease in revenues for this sector, as the average price of oil to date in Q1 2025 ($72.68) is 5% below the average price for oil in Q1 2024 ($76.91). At the sub-industry level, 3 of the 5 sub-industries in the sector are predicted to report a year-over-year decline in revenues: Oil & Gas Refining & Marketing (-7%), Oil & Gas Equipment & Services (-2%), and Integrated Oil & Gas (less than -1%), and. On the other hand, two sub-industries are predicted to report year-over-year growth in revenues: Oil & Gas Storage & Transportation (18%) and Oil & Gas Exploration & Production (12%).

Net Profit Margin: 12.1%

The estimated net profit margin for the S&P 500 for Q1 2024 is 12.1%, which is below the previous quarter's net profit margin of 12.6%, but above the year-ago net profit margin of 11.8% and above the 5-year average of 11.6%.

At the sector level, five sectors are expected to report a year-over-year increase in their net profit margins in Q1 2025 compared to Q1 2024, led by the Health Care (8.3% vs. 6.6%) sector. On the other hand, six sectors are expected to report a year-over-year decrease in their net profit margins in Q1 2025 compared to Q1 2024, led by the Real Estate (35.1% vs. 36.2%), Energy (8.3% vs. 9.4%), and Materials (8.5% vs. 9.6%) sectors.

Six sectors are expected to report net profit margins in Q1 2025 that are above their 5-year averages, led by the Communication Services (13.4% vs. 11.8%), Information Technology (25.4% vs. 24.0%), Financials (18.0% vs. 16.6%), and Industrials (9.8% vs. 8.3%) sectors. On the other hand, five sectors are expected to report net profit margins in Q1 2025 that are below their 5-year averages, led by the Materials (8.5% vs. 11.1%) sector.

Forward Estimates & Valuation

Earnings: S&P 500 Expected to Report Earnings Growth of 12% for CY 2025

For the first quarter, S&P 500 companies are expected to report year-over-year growth in earnings of 7.3% and year-over-year growth in revenues of 4.3%.

For Q2 2025, analysts are projecting earnings growth of 9.7% and revenue growth of 4.7%.

For Q3 2025, analysts are projecting earnings growth of 12.1% and revenue growth of 5.4%.

For Q4 2025, analysts are projecting earnings growth of 11.6% and revenue growth of 6.1%.

For CY 2025, analysts are projecting earnings growth of 11.6% and revenue growth of 5.4%.

For CY 2026, analysts are projecting earnings growth of 14.1% and revenue growth of 6.5%.

Valuation: Forward P/E Ratio is 20.7, Above the 10-Year Average (18.3)

The forward 12-month P/E ratio for the S&P 500 is 20.7. This P/E ratio is above the 5-year average of 19.8 and above the 10-year average of 18.3. However, it is below the forward 12-month P/E ratio of 21.5 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 decreased by 2.4%, while the forward 12-month EPS estimate has increased by 1.4%. At the sector level, the Information Technology (25.7) and Consumer Discretionary (25.5) sectors have the highest forward 12-month P/E ratios, while the Energy (13.6) sector has the lowest forward 12-month P/E ratio.

The trailing 12-month P/E ratio is 25.5, which is above the 5-year average of 24.5 and above the 10-year average of 22.2.

Targets & Ratings: Analysts Project 21% Increase in Price Over Next 12 Months

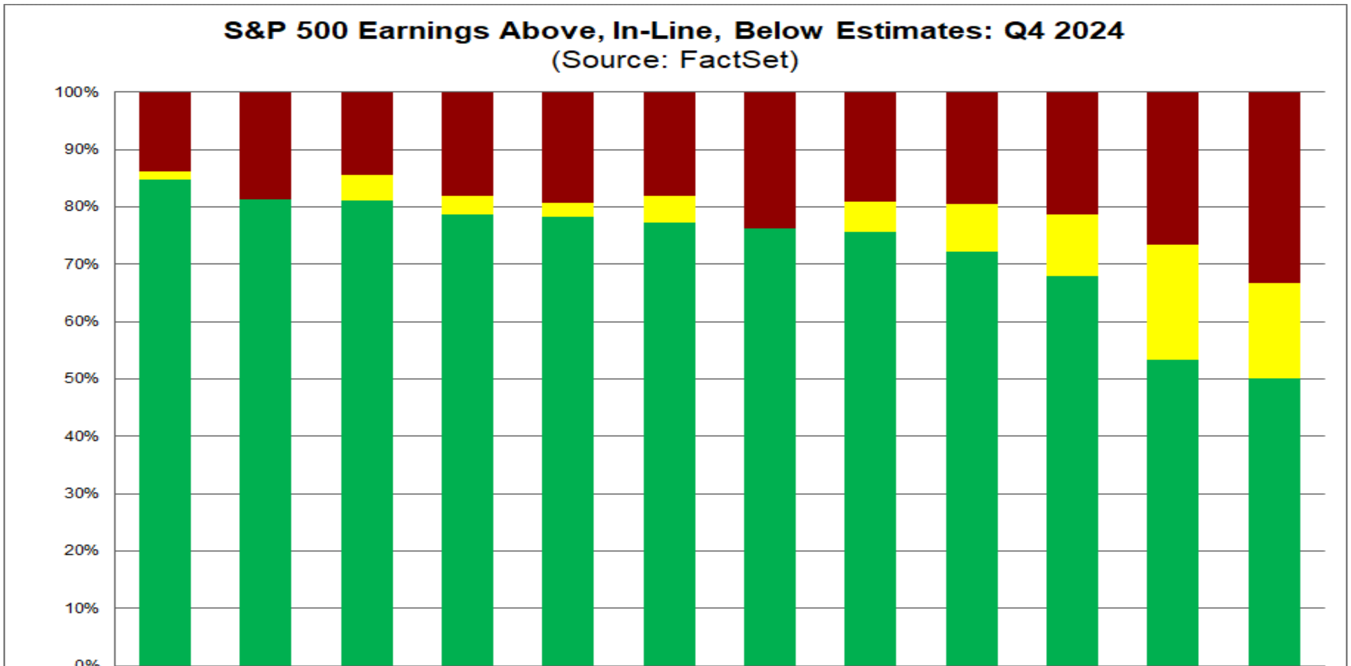
The bottom-up target price for the S&P 500 is 6943.43, which is 21.0% above the closing price of 5738.52. At the sector level, the Information Technology (+29.2%) and Consumer Discretionary (+28.0%) sectors are expected to see the largest price increases, as these sectors have the largest upside differences between the bottom-up target price and the closing price. On the other hand, the Consumer Staples (+7.4%) 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 12,250 ratings on stocks in the S&P 500. Of these 12,250 ratings, 55.3% are Buy ratings, 39.1% are Hold ratings, and 5.6% are Sell ratings. At the sector level, the Energy (64%), Communication Services (63%), and Information Technology (62%) sectors have the highest percentages of Buy ratings, while the Consumer Staples (41%) sector has the lowest percentage of Buy ratings.

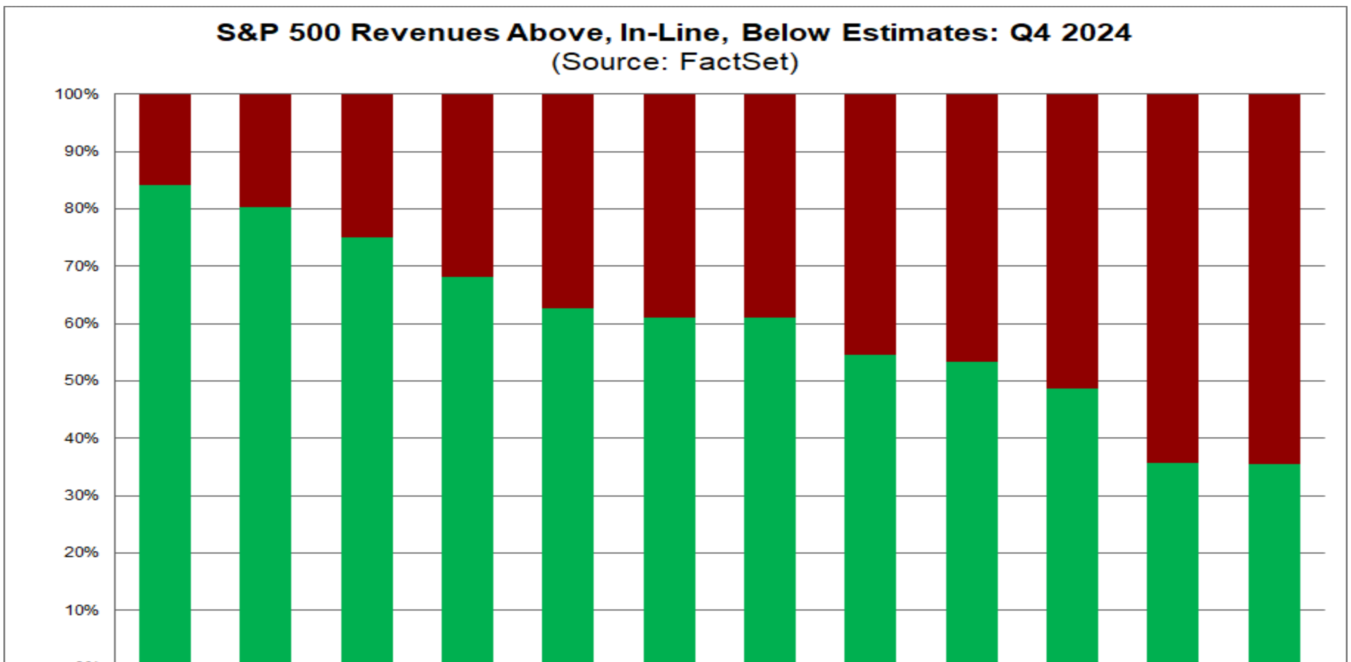
Companies Reporting Next Week: 5

During the upcoming week, 3 S&P 500 companies are scheduled to report results for the fourth quarter and 2 S&P 500 companies are scheduled to report results for the first quarter.

Q4 2024: Scorecard

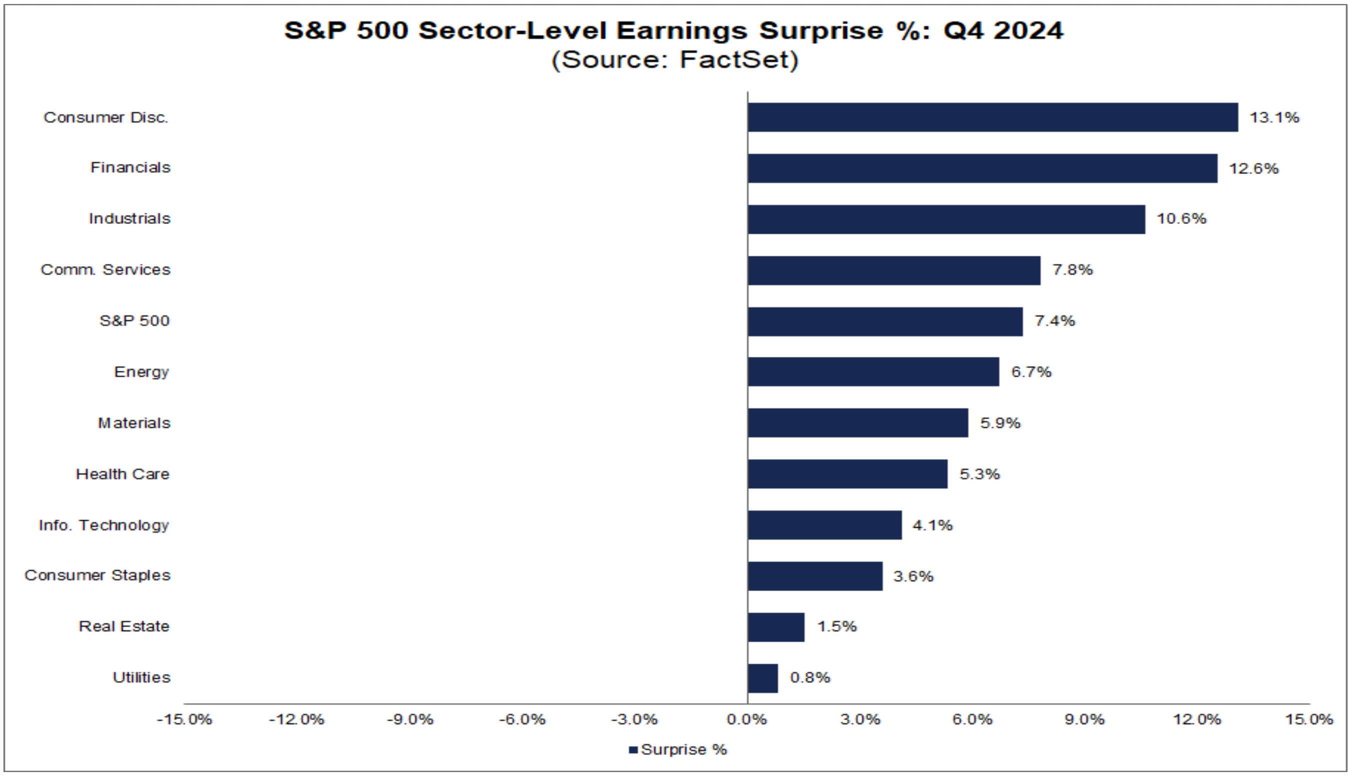


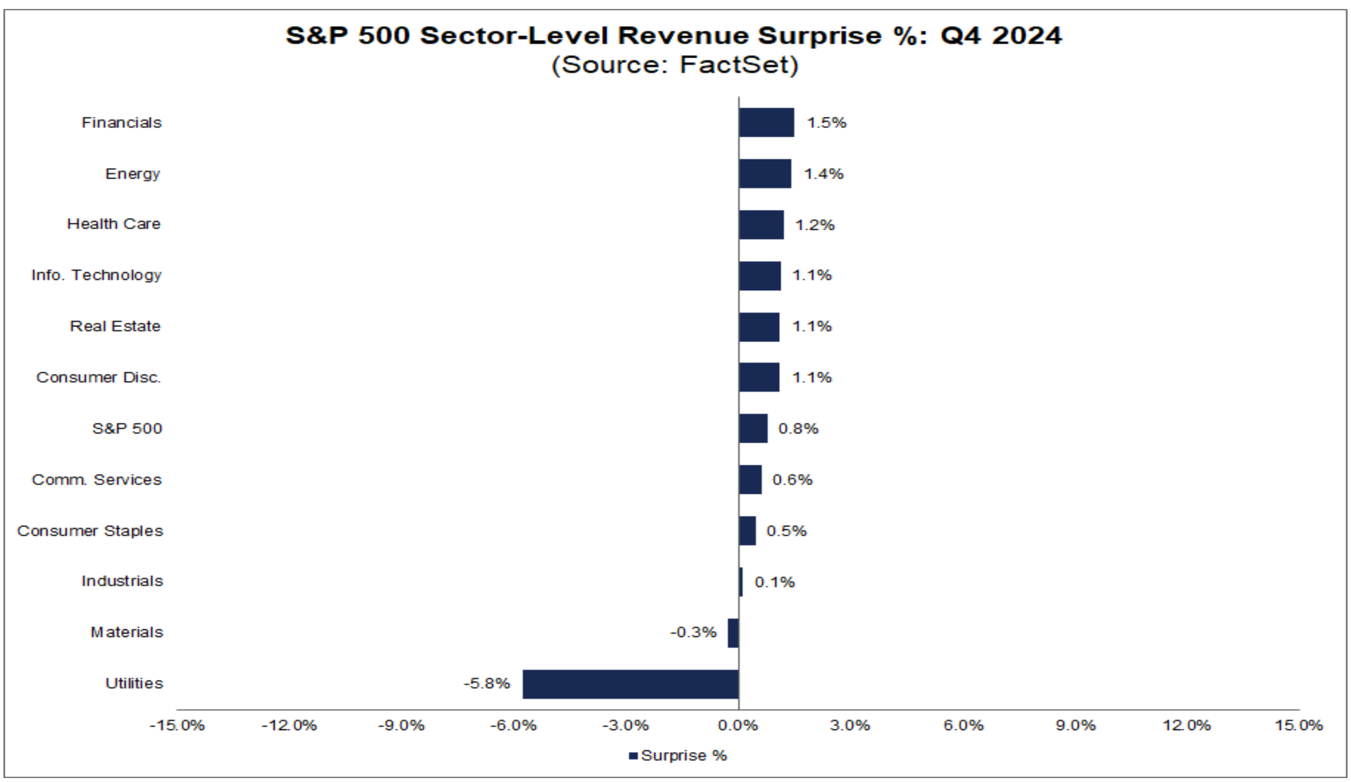
	Financials	Consumer Disc.	Info. Technology	Health Care	Industrials	Comm. Services	Energy	S&P 500	Consumer Staples	Materials	Real Estate	Utilities
Below	14%	19%	14%	18%	19%	18%	24%	19%	19%	21%	27%	33%
In-Line	1%	0%	4%	3%	3%	5%	0%	5%	8%	11%	20%	17%
Above	85%	81%	81%	79%	78%	77%	76%	76%	72%	68%	53%	50%



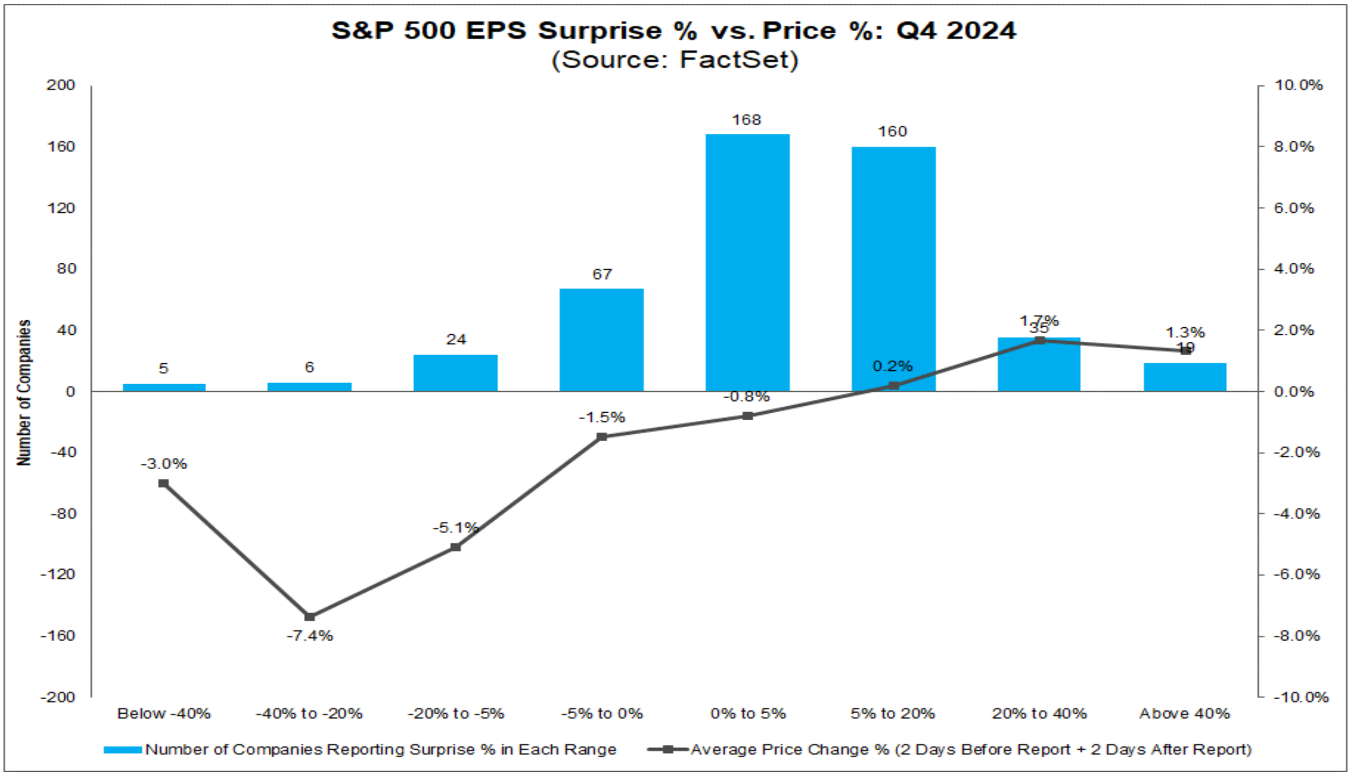
	Info. Technology	Health Care	Consumer Disc.	Comm. Services	S&P 500	Consumer Staples	Financials	Energy	Real Estate	Industrials	Materials	Utilities
Below	16%	20%	25%	32%	37%	39%	39%	45%	47%	51%	64%	65%
In-Line	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Above	84%	80%	75%	68%	63%	61%	61%	55%	53%	49%	36%	35%

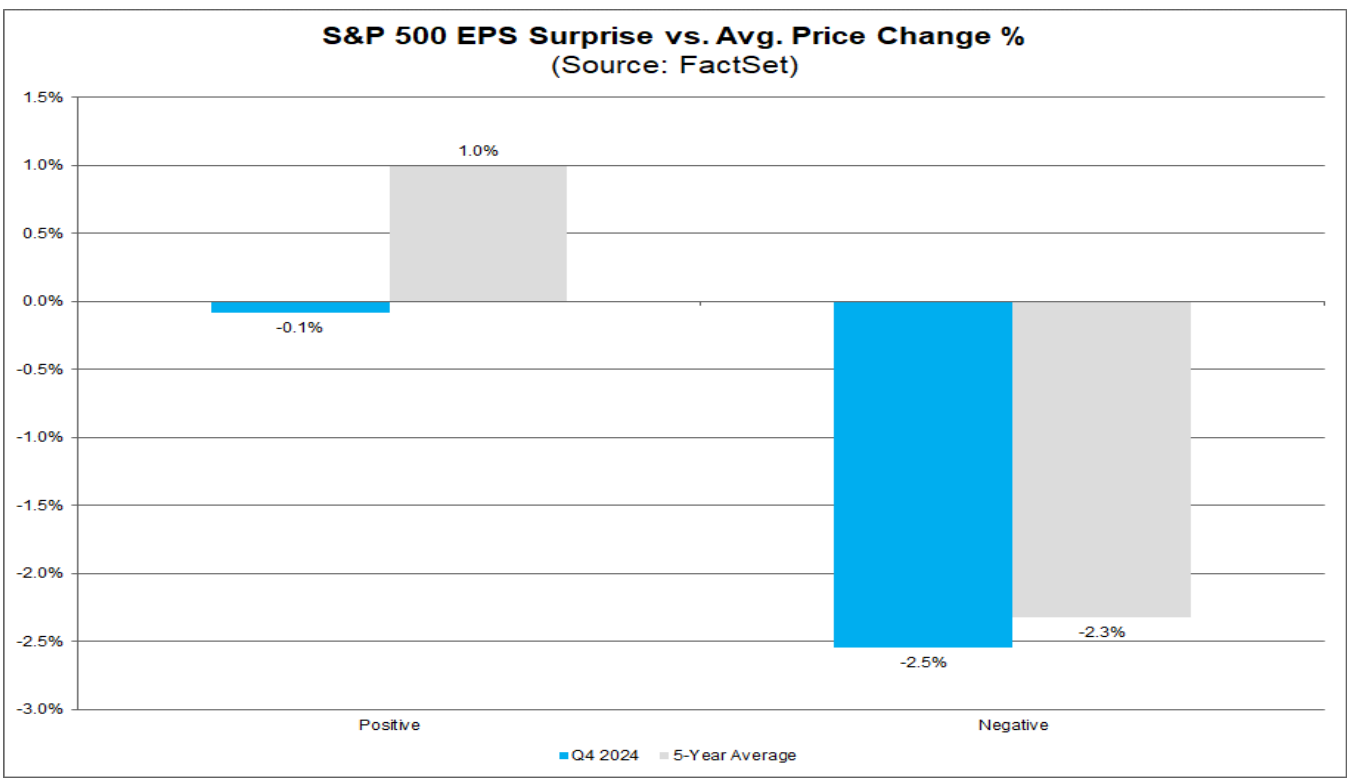
Q4 2024: Surprise



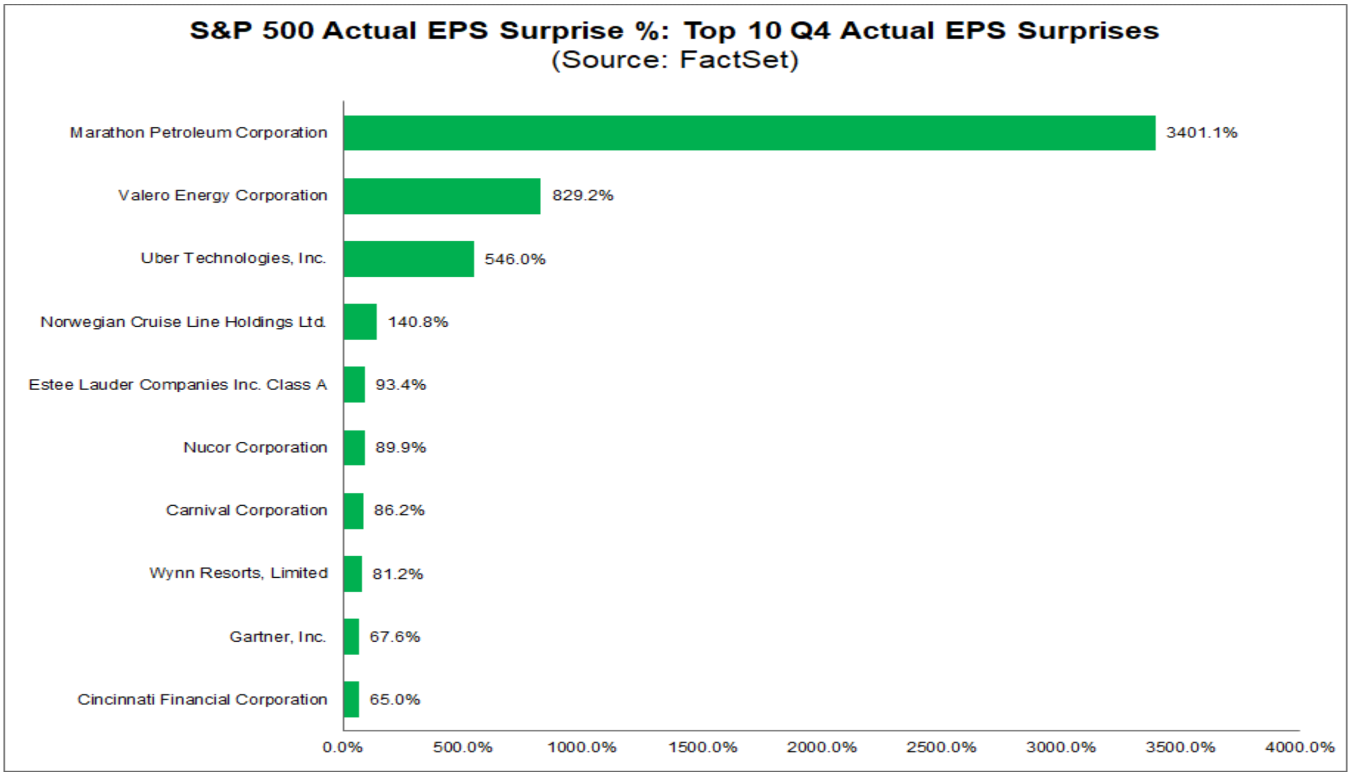


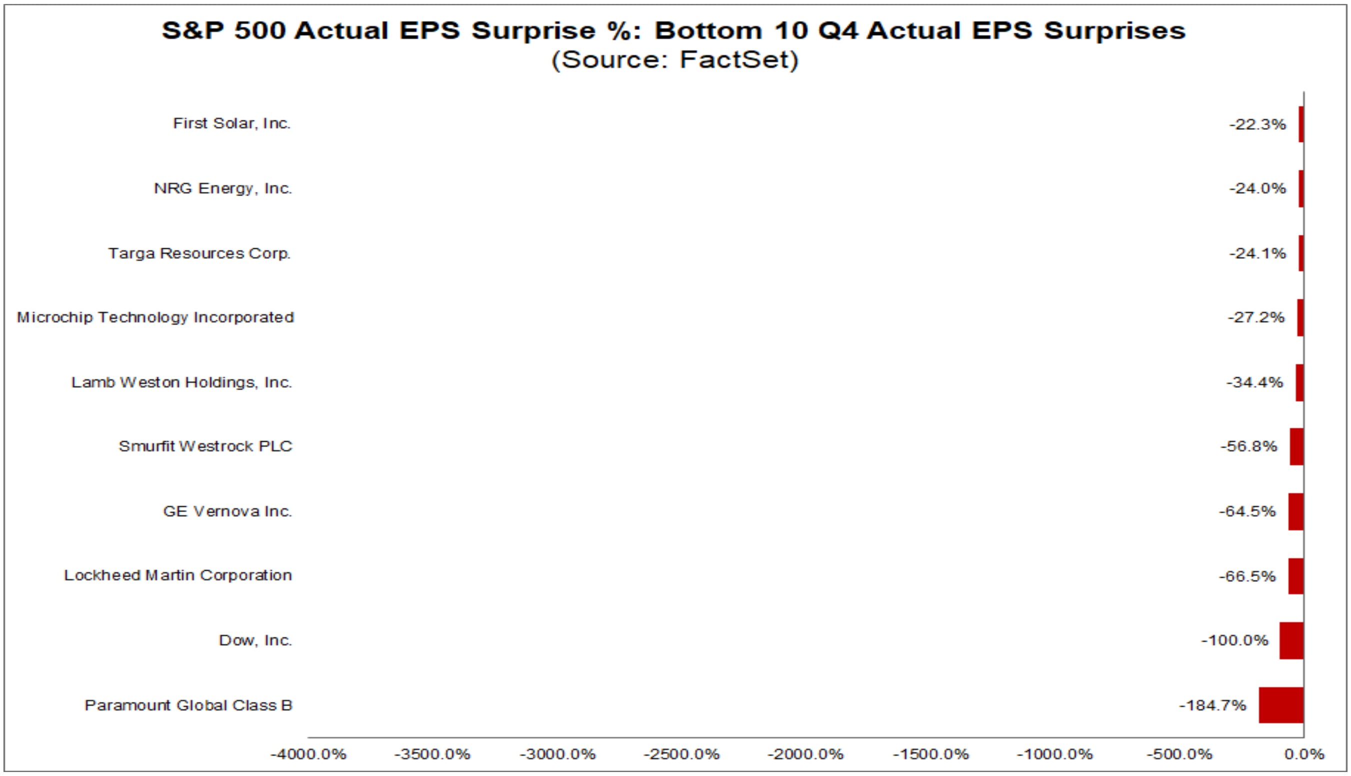
Q4 2024: Surprise



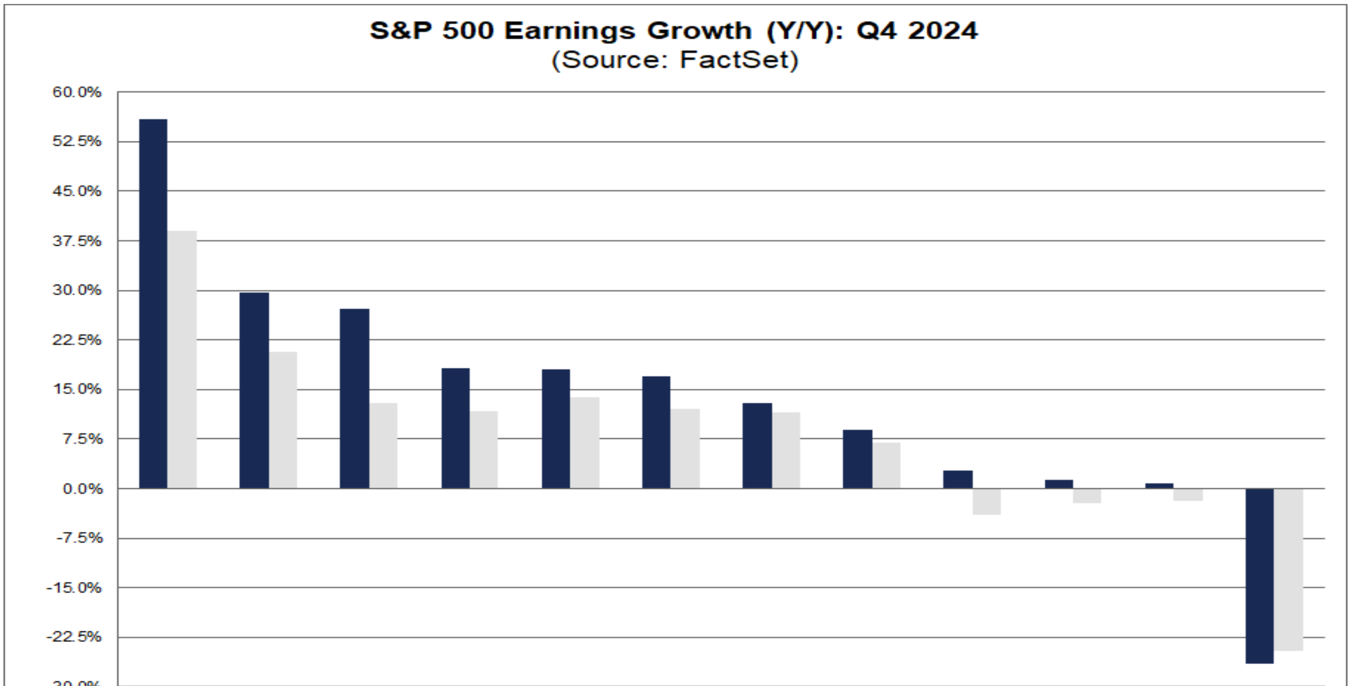


Q4 2024: Surprise

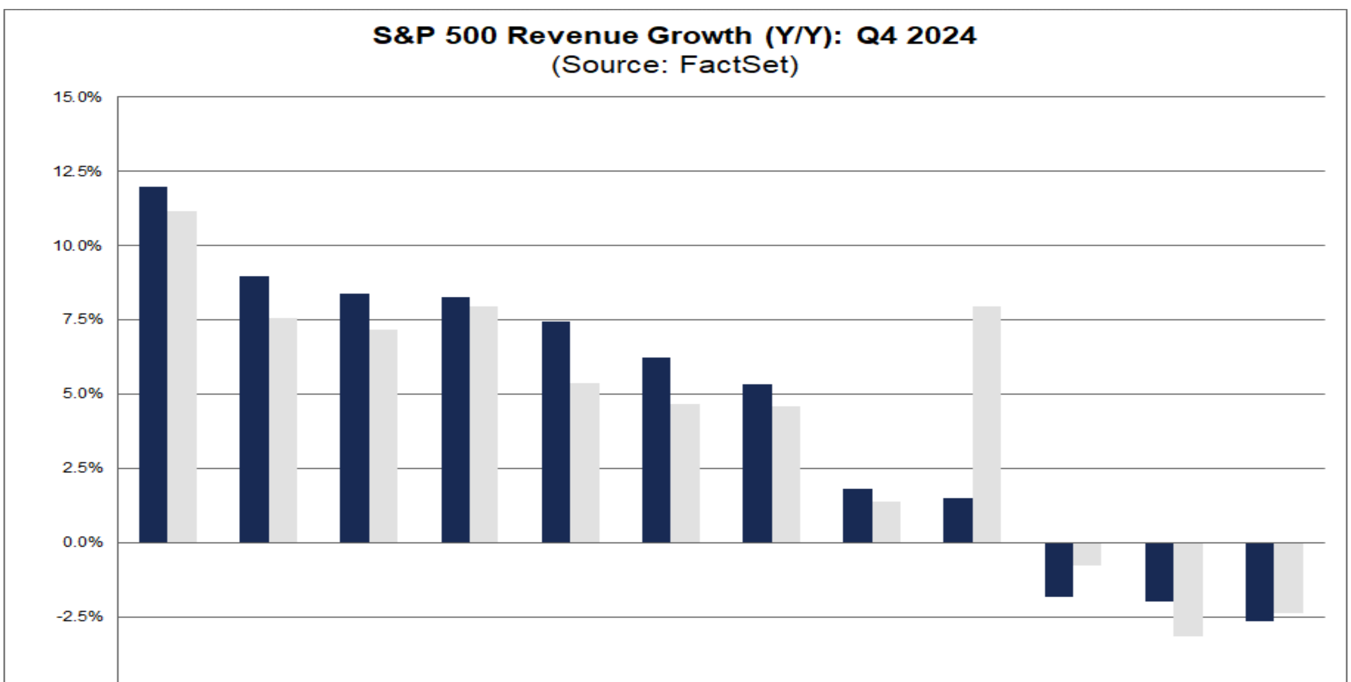




Q4 2024: Growth

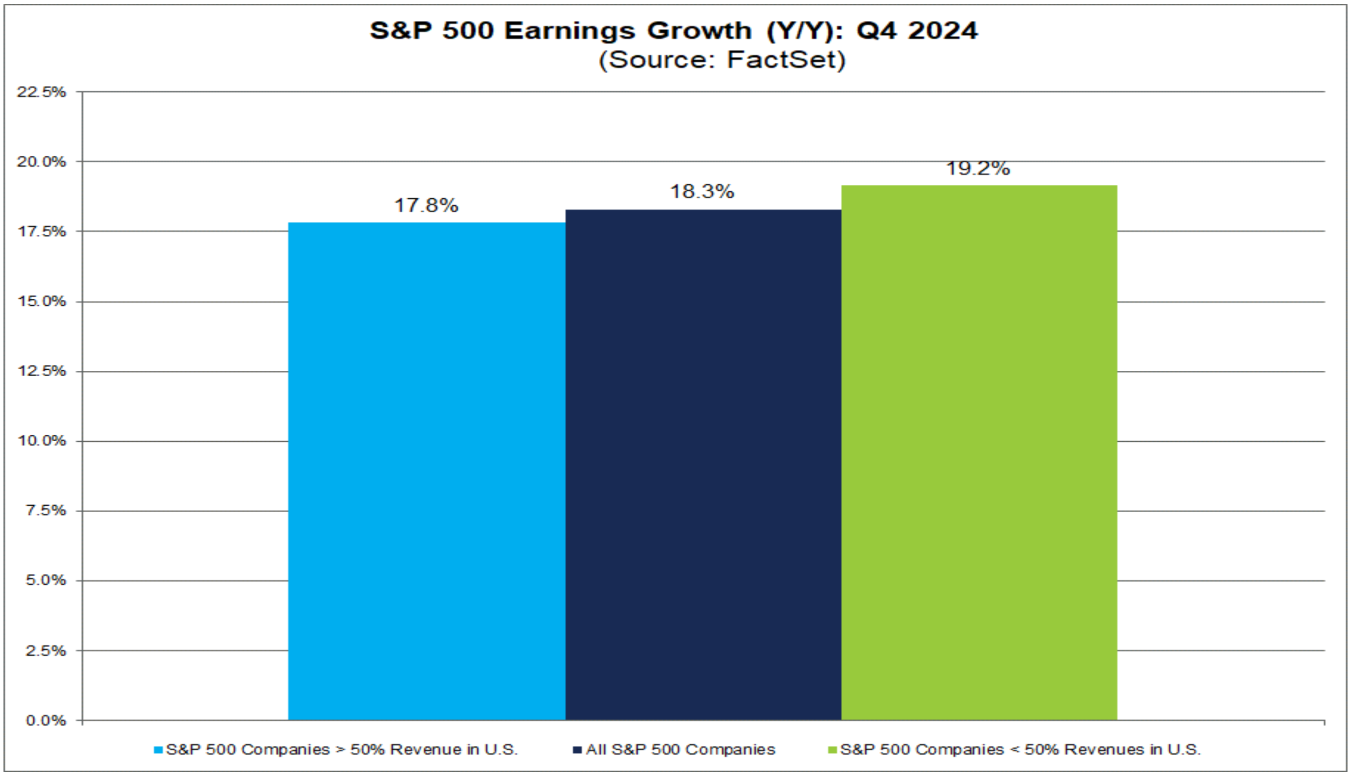


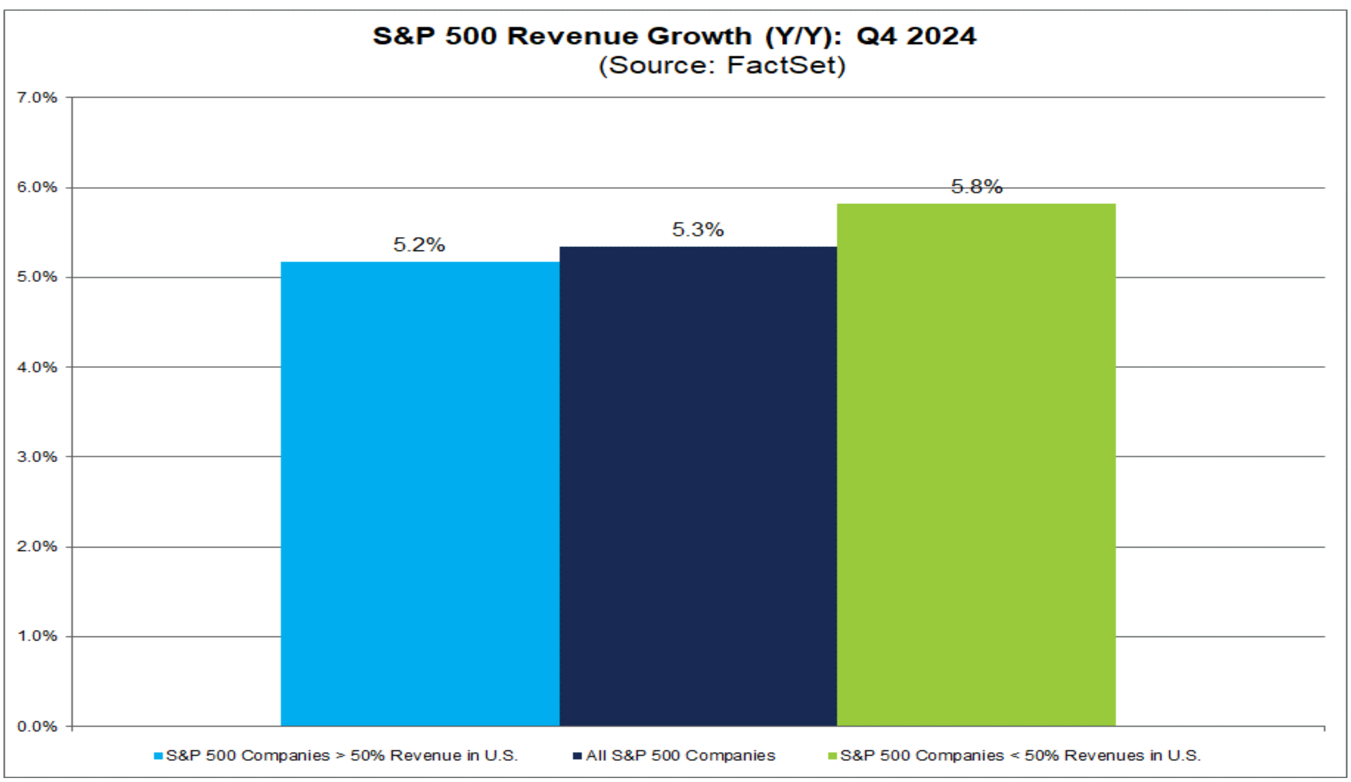
	Financials	Comm. Services	Consumer Disc.	S&P 500	Info. Technology	Utilities	Health Care	Real Estate	Industrials	Materials	Consumer Staples	Energy
Today	55.9%	29.6%	27.1%	18.3%	18.0%	17.0%	13.0%	8.9%	2.7%	1.3%	0.8%	-26.4%
31-Dec	39.1%	20.6%	13.0%	11.7%	13.8%	12.1%	11.5%	7.0%	-3.9%	-2.2%	-1.9%	-24.6%



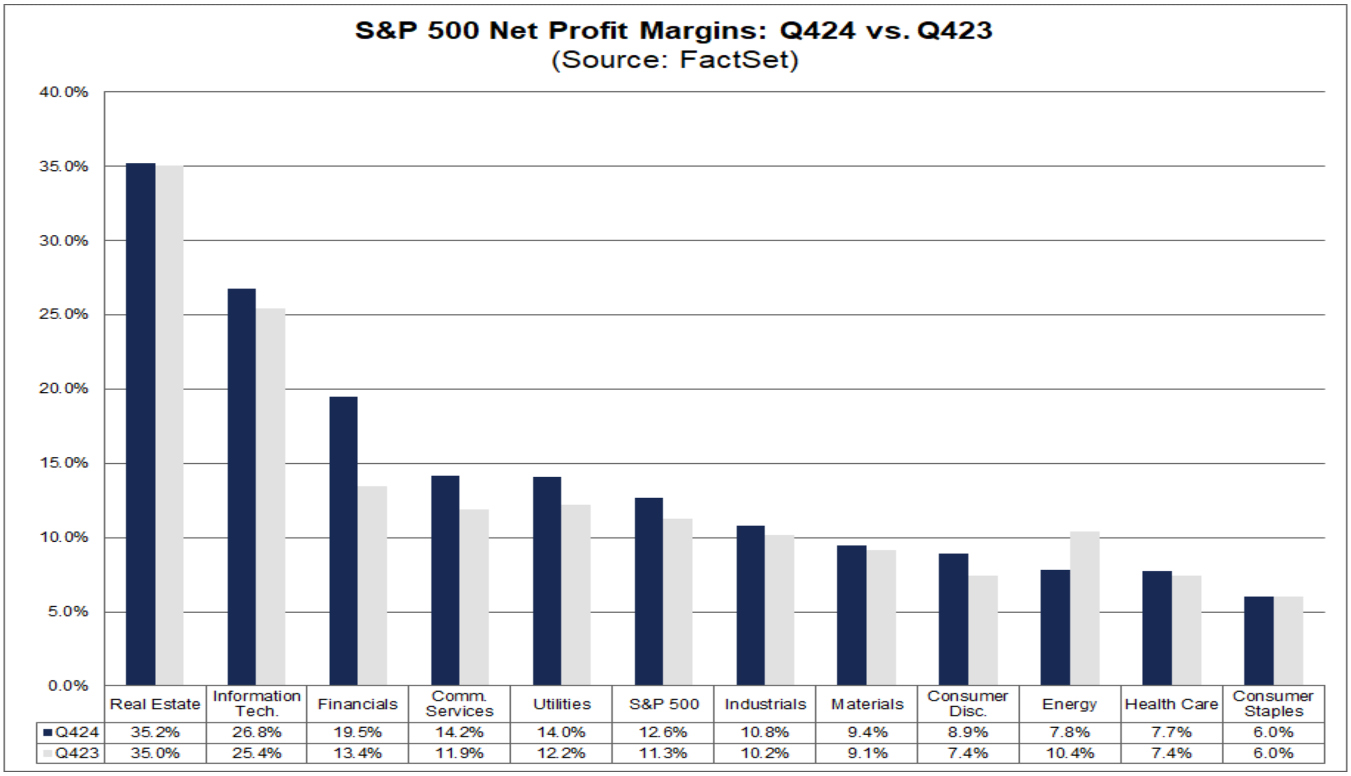
	Info. Technology	Health Care	Real Estate	Comm. Services	Financials	Consumer Disc.	S&P 500	Consumer Staples	Utilities	Materials	Energy	Industrials
Today	12.0%	9.0%	8.4%	8.3%	7.4%	6.2%	5.3%	1.8%	1.5%	-1.8%	-2.0%	-2.7%
31-Dec	11.1%	7.5%	7.2%	7.9%	5.4%	4.7%	4.6%	1.4%	7.9%	-0.8%	-3.2%	-2.4%

Q4 2024: Growth

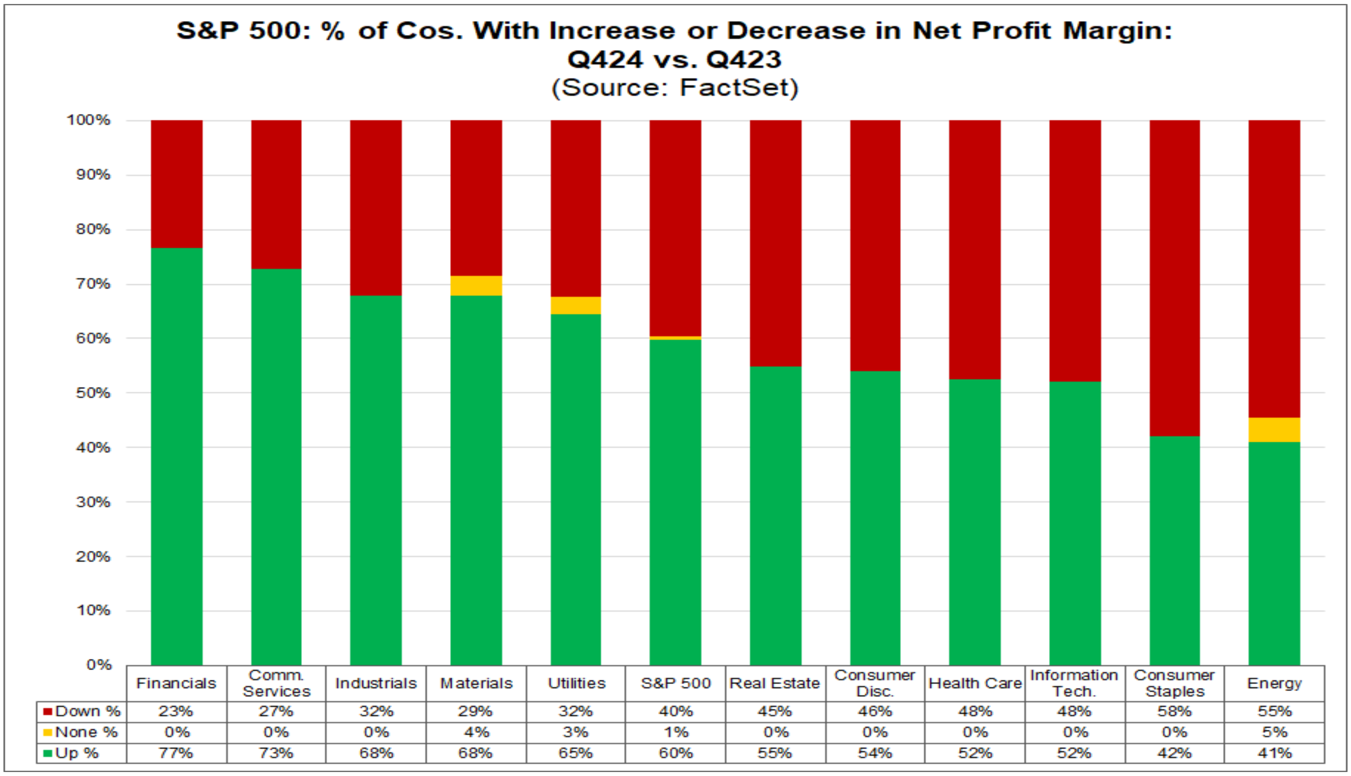




Q4 2024: Net Profit Margin

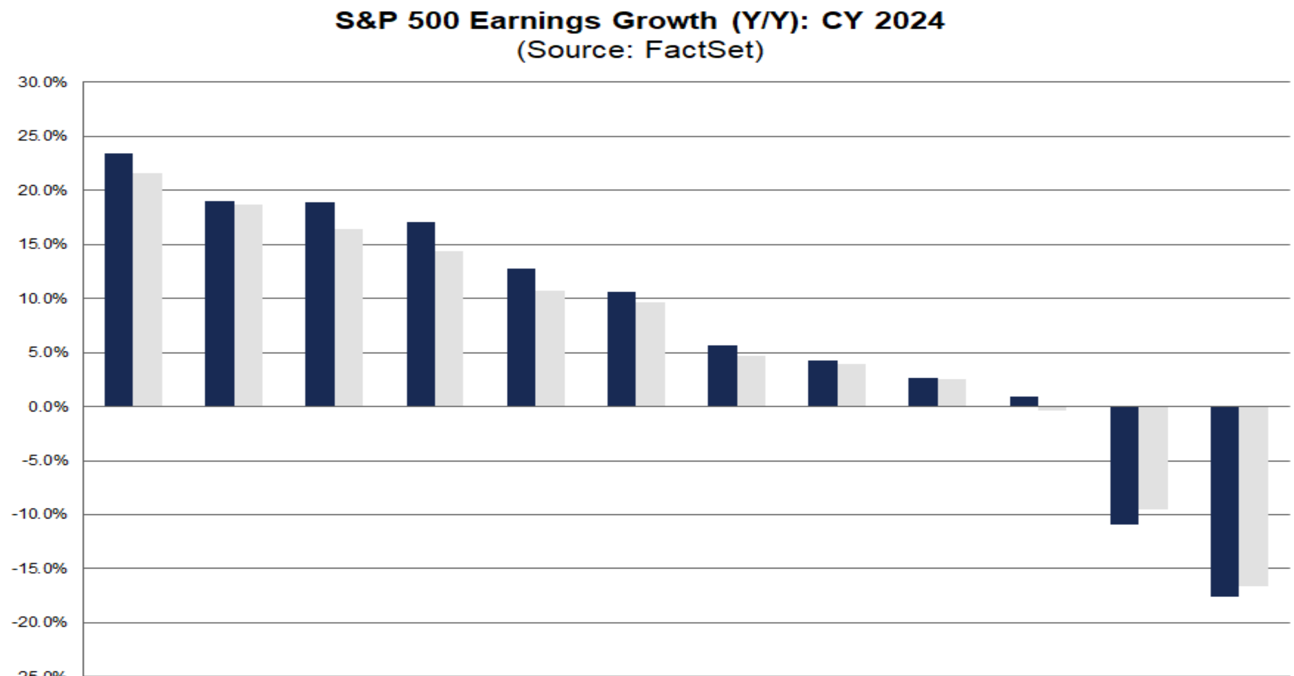


	Real Estate	Information Tech.	Financials	Comm. Services	Utilities	S&P 500	Industrials	Materials	Consumer Disc.	Energy	Health Care	Consumer Staples
Q424	35.2%	26.8%	19.5%	14.2%	14.0%	12.6%	10.8%	9.4%	8.9%	7.8%	7.7%	6.0%
Q423	35.0%	25.4%	13.4%	11.9%	12.2%	11.3%	10.2%	9.1%	7.4%	10.4%	7.4%	6.0%

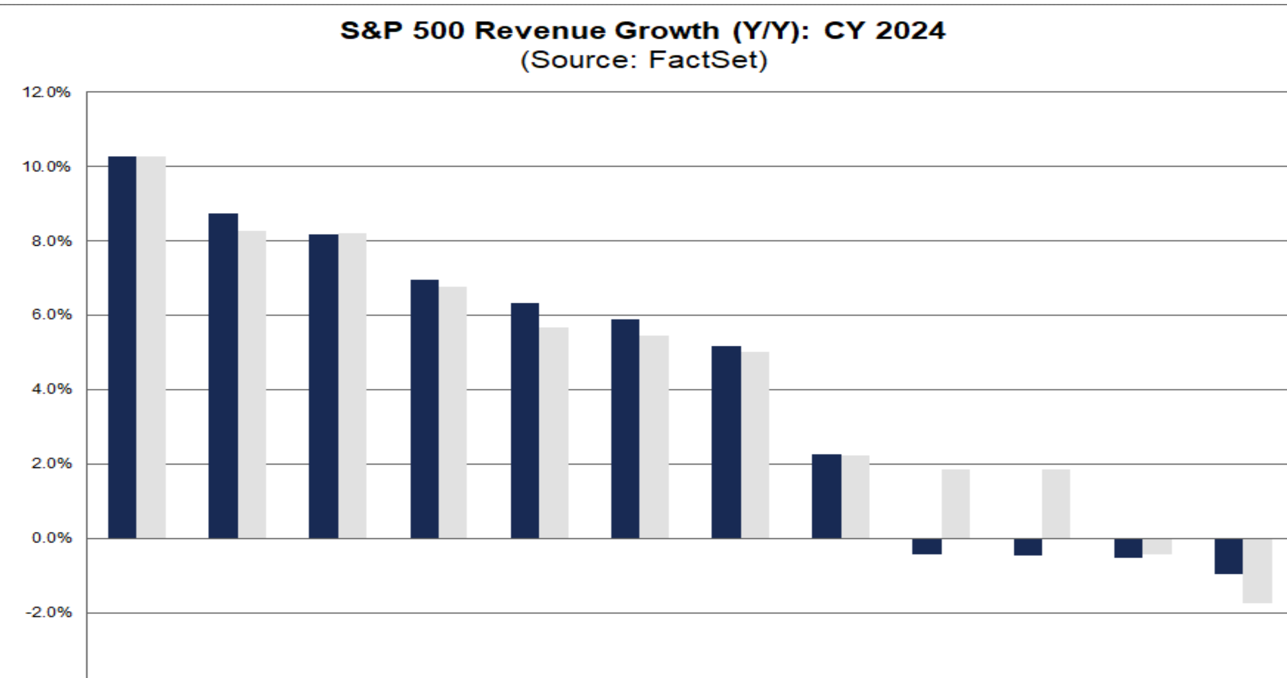


	Financials	Comm. Services	Industrials	Materials	Utilities	S&P 500	Real Estate	Consumer Disc.	Health Care	Information Tech.	Consumer Staples	Energy
Down %	23%	27%	32%	29%	32%	40%	45%	46%	48%	48%	58%	55%
None %	0%	0%	0%	4%	3%	1%	0%	0%	0%	0%	0%	5%
Up %	77%	73%	68%	68%	65%	60%	55%	54%	52%	52%	42%	41%

CY 2024: Growth

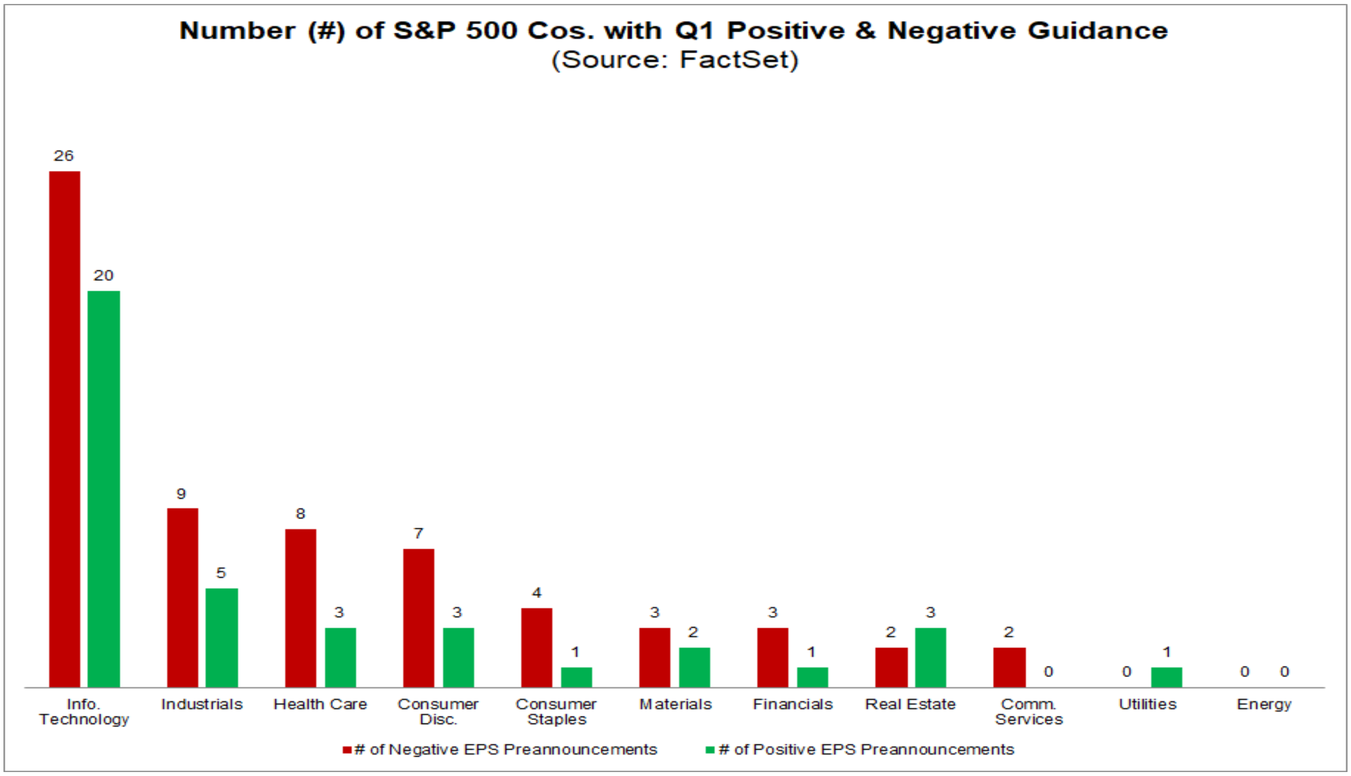


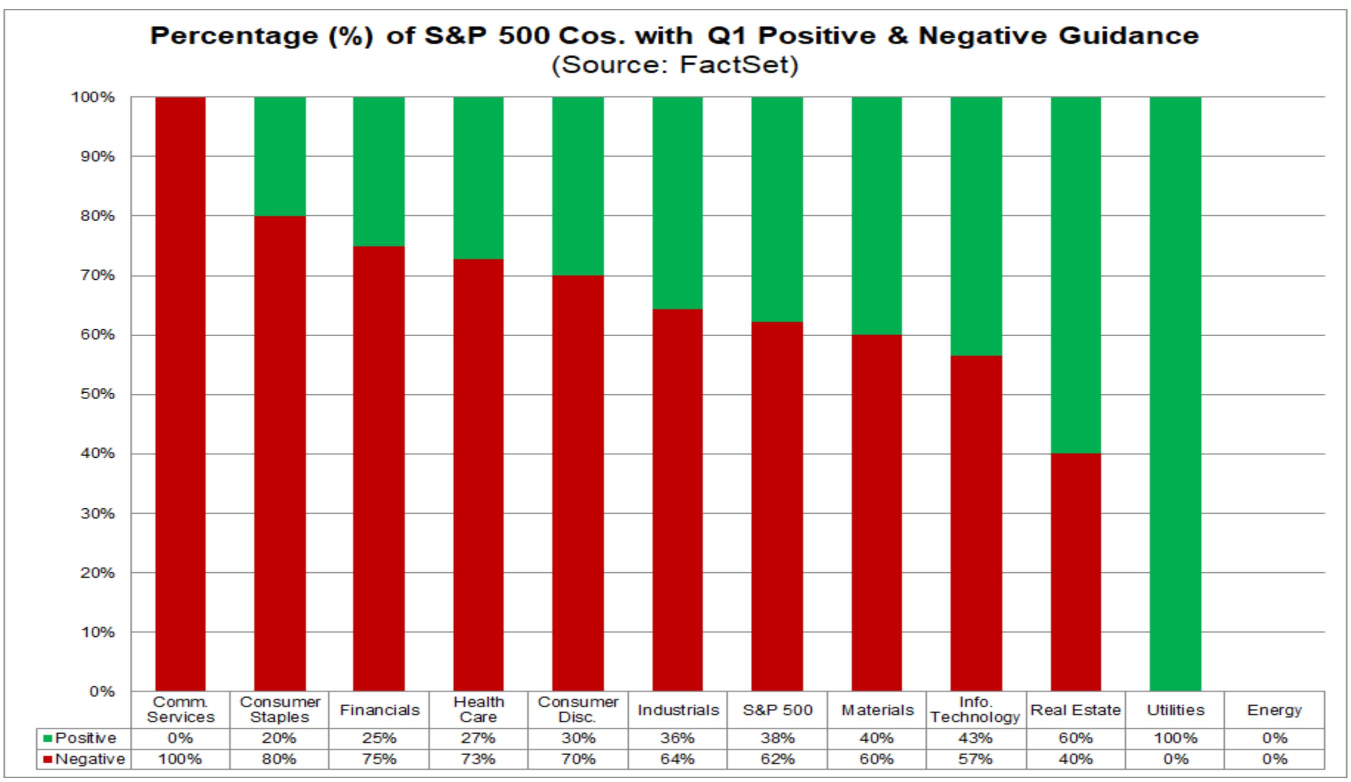
	Comm. Services	Info. Technology	Financials	Consumer Disc.	Utilities	S&P 500	Real Estate	Health Care	Consumer Staples	Industrials	Materials	Energy
Today	23.4%	19.0%	18.9%	17.0%	12.8%	10.7%	5.7%	4.2%	2.6%	0.9%	-11.0%	-17.6%
31-Dec	21.6%	18.7%	16.4%	14.3%	10.7%	9.6%	4.7%	4.0%	2.5%	-0.4%	-9.5%	-16.6%



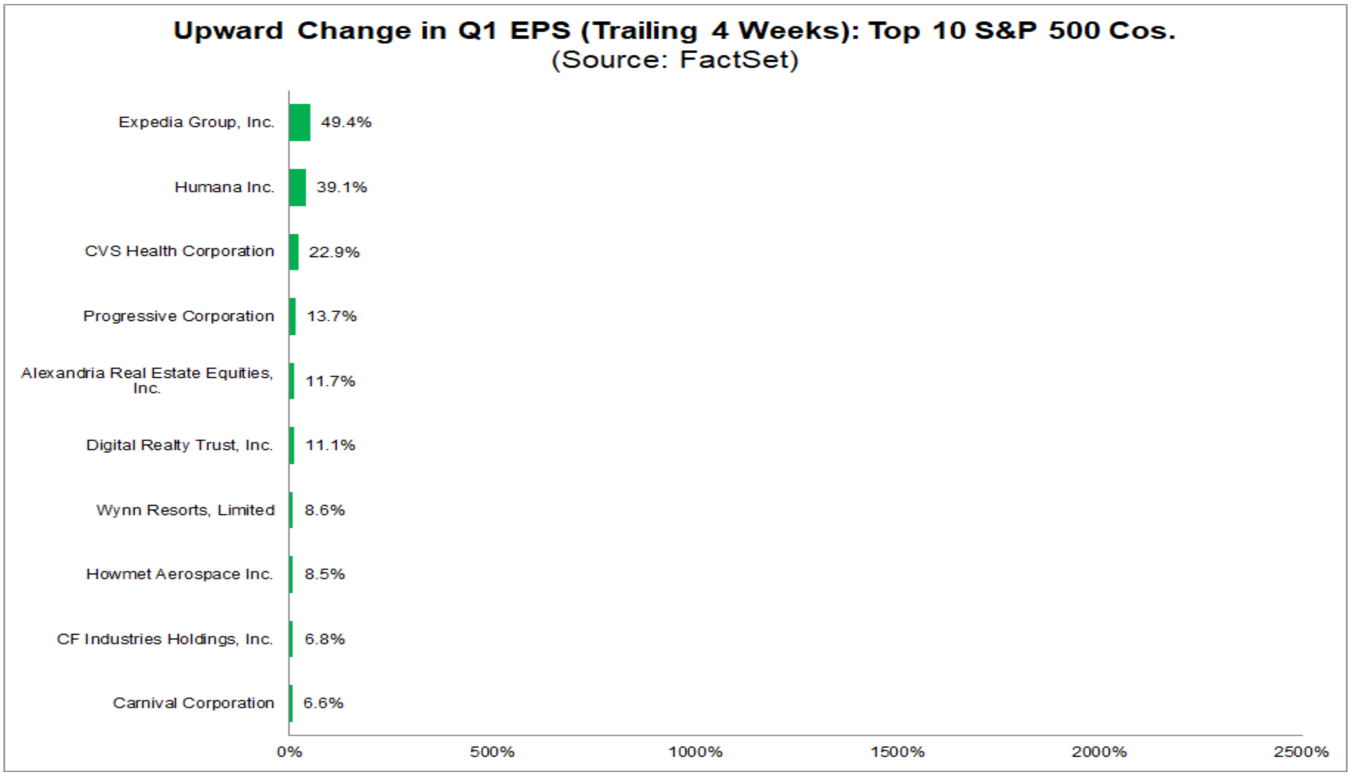
	Info. Technology	Health Care	Comm. Services	Real Estate	Financials	Consumer Disc.	S&P 500	Consumer Staples	Utilities	Materials	Industrials	Energy
Today	10.3%	8.8%	8.2%	7.0%	6.3%	5.9%	5.2%	2.3%	-0.4%	-0.5%	-0.5%	-1.0%
31-Dec	10.3%	8.3%	8.2%	6.8%	5.7%	5.5%	5.0%	2.2%	1.8%	1.8%	-0.4%	-1.7%

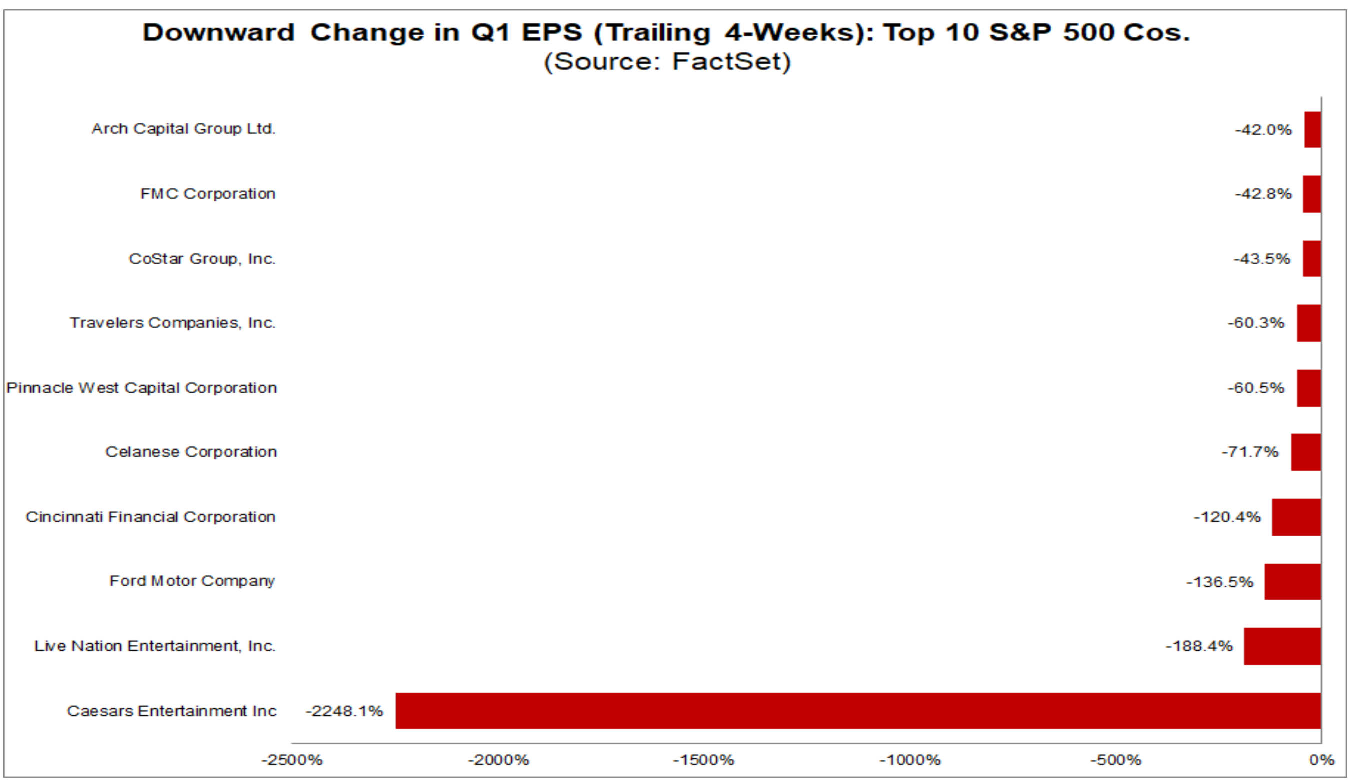
Q1 2025: Guidance



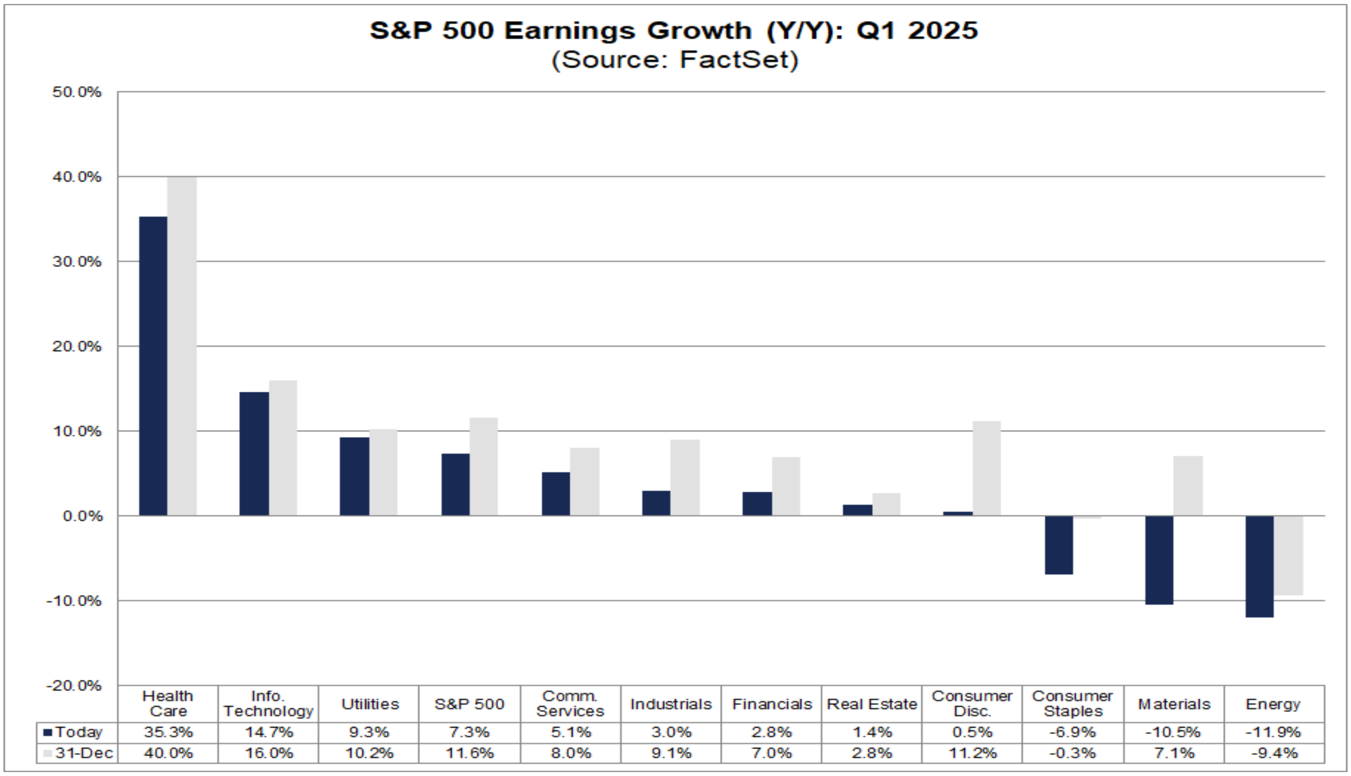


Q1 2025: EPS Revisions

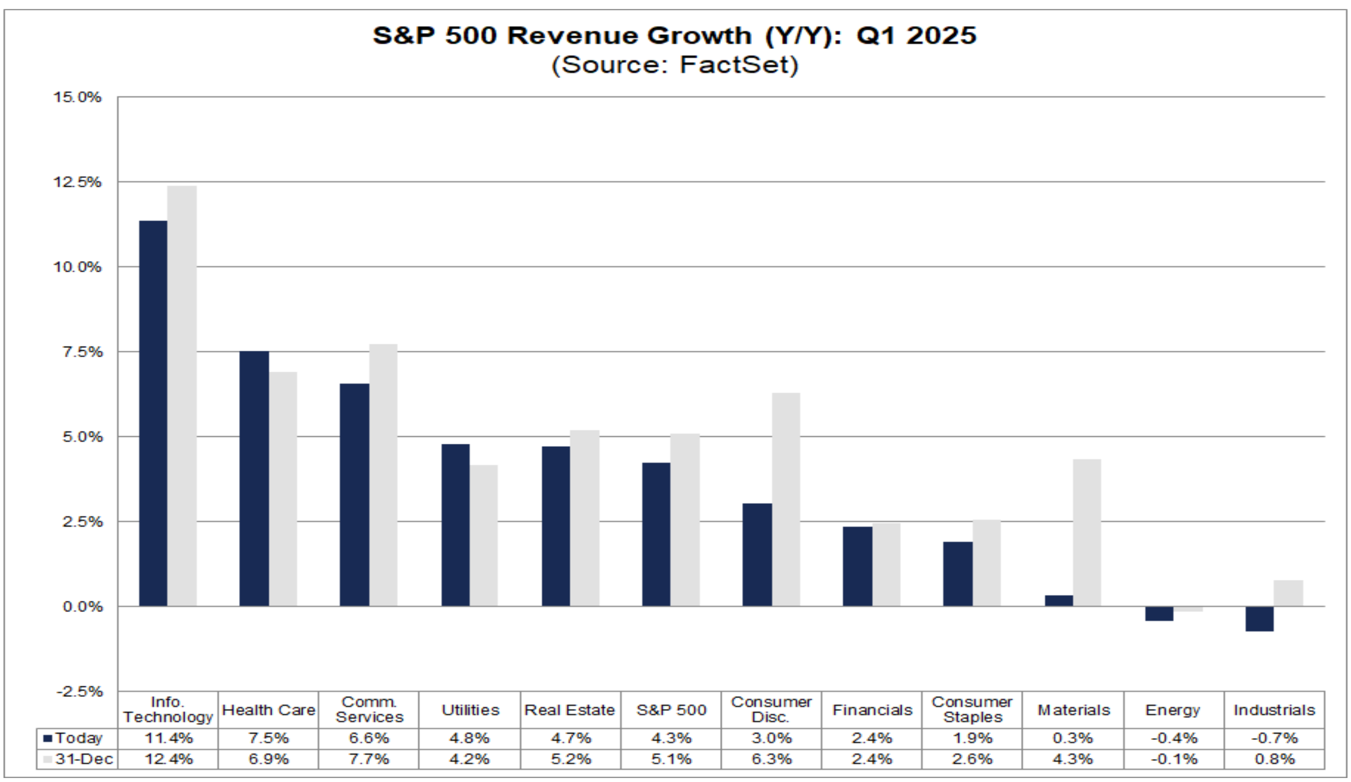




Q1 2025: Growth

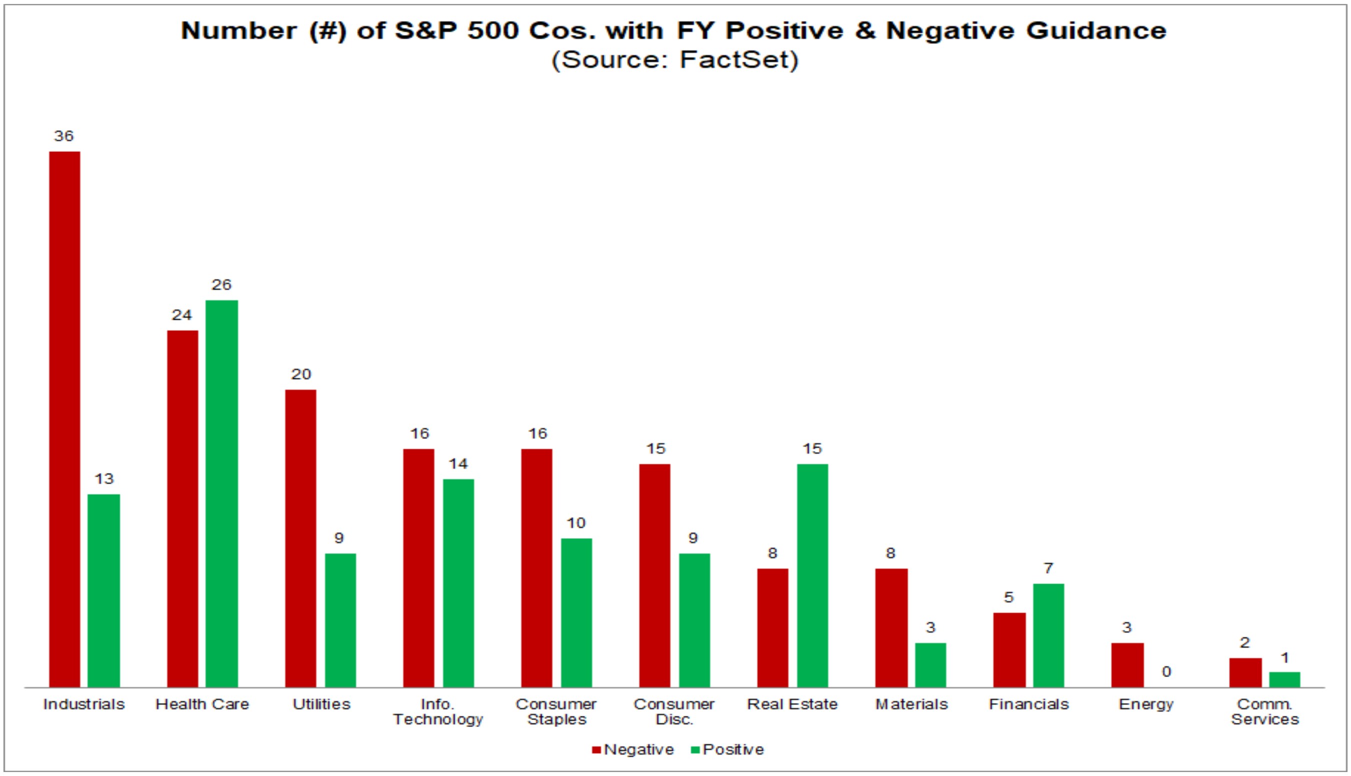


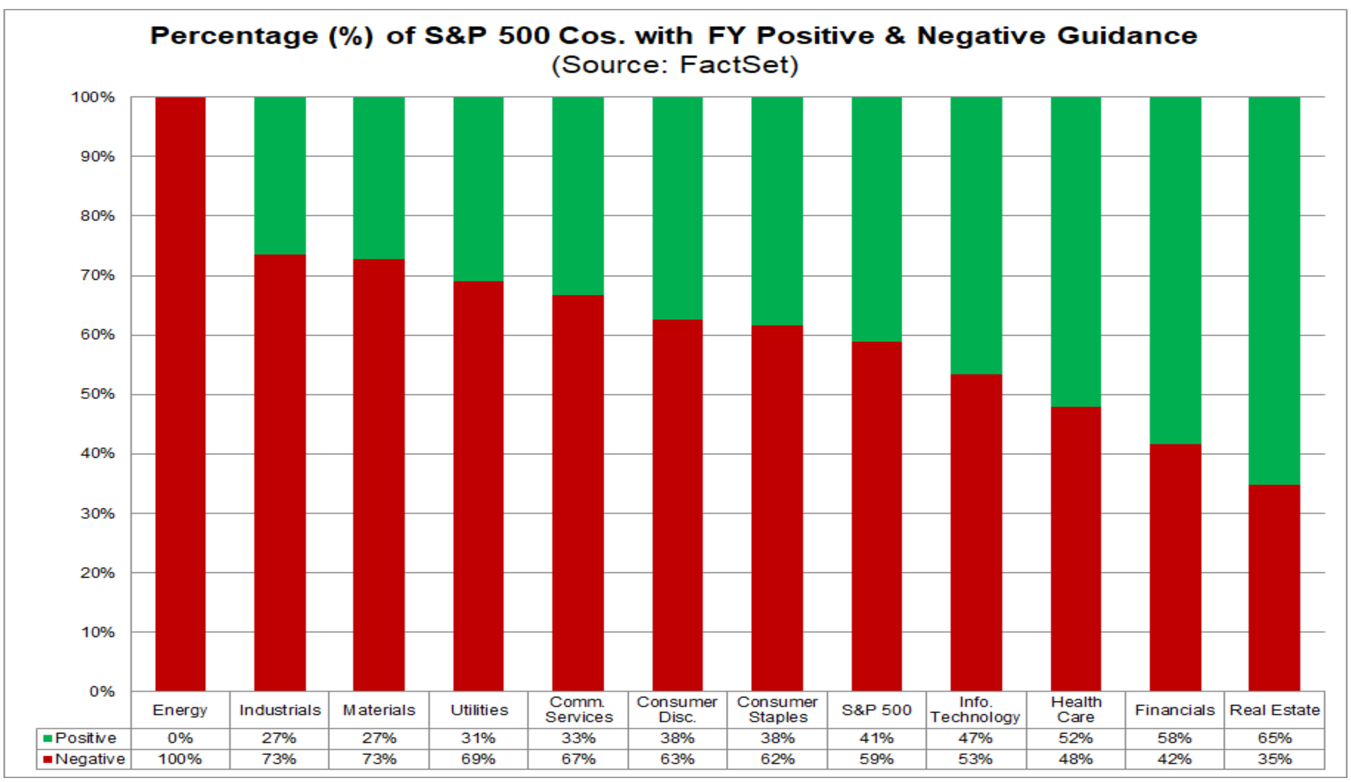
	Health Care	Info. Technology	Utilities	S&P 500	Comm. Services	Industrials	Financials	Real Estate	Consumer Disc.	Consumer Staples	Materials	Energy
Today	35.3%	14.7%	9.3%	7.3%	5.1%	3.0%	2.8%	1.4%	0.5%	-6.9%	-10.5%	-11.9%
31-Dec	40.0%	16.0%	10.2%	11.6%	8.0%	9.1%	7.0%	2.8%	11.2%	-0.3%	7.1%	-9.4%



	Info. Technology	Health Care	Comm. Services	Utilities	Real Estate	S&P 500	Consumer Disc.	Financials	Consumer Staples	Materials	Energy	Industrials
Today	11.4%	7.5%	6.6%	4.8%	4.7%	4.3%	3.0%	2.4%	1.9%	0.3%	-0.4%	-0.7%
31-Dec	12.4%	6.9%	7.7%	4.2%	5.2%	5.1%	6.3%	2.4%	2.6%	4.3%	-0.1%	0.8%

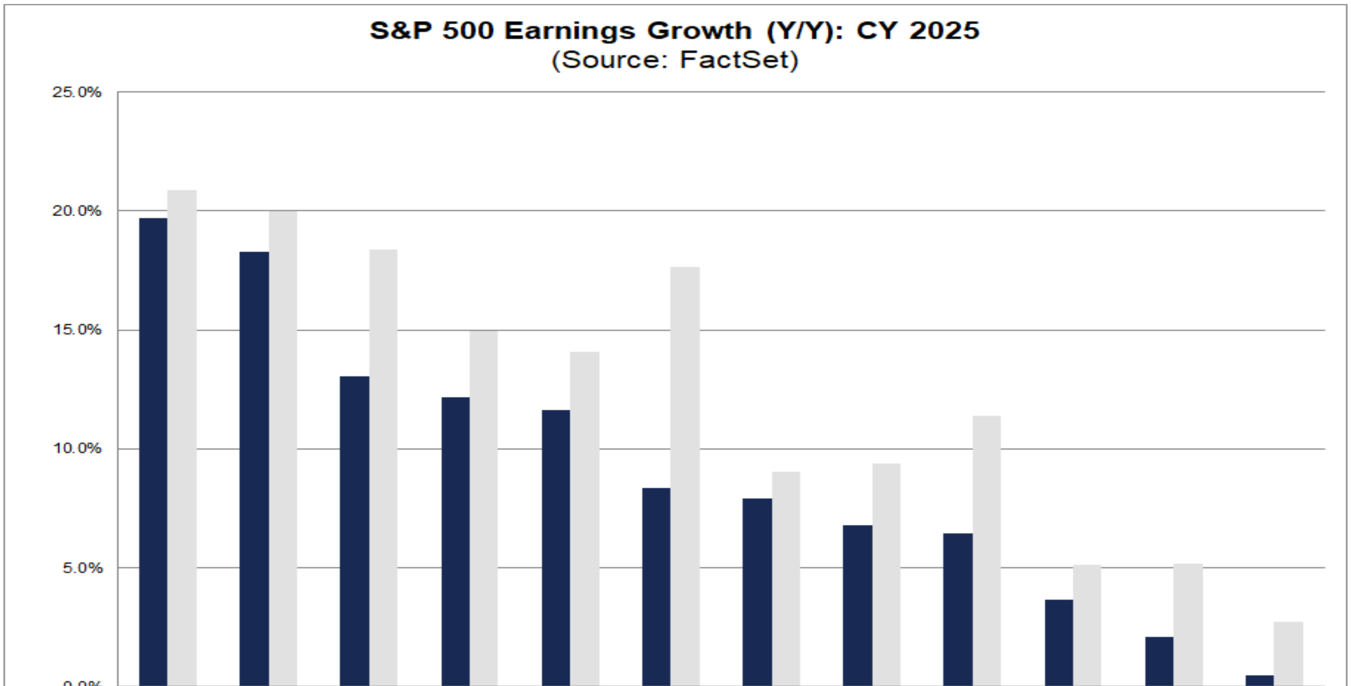
FY 2024 / 2025: EPS Guidance



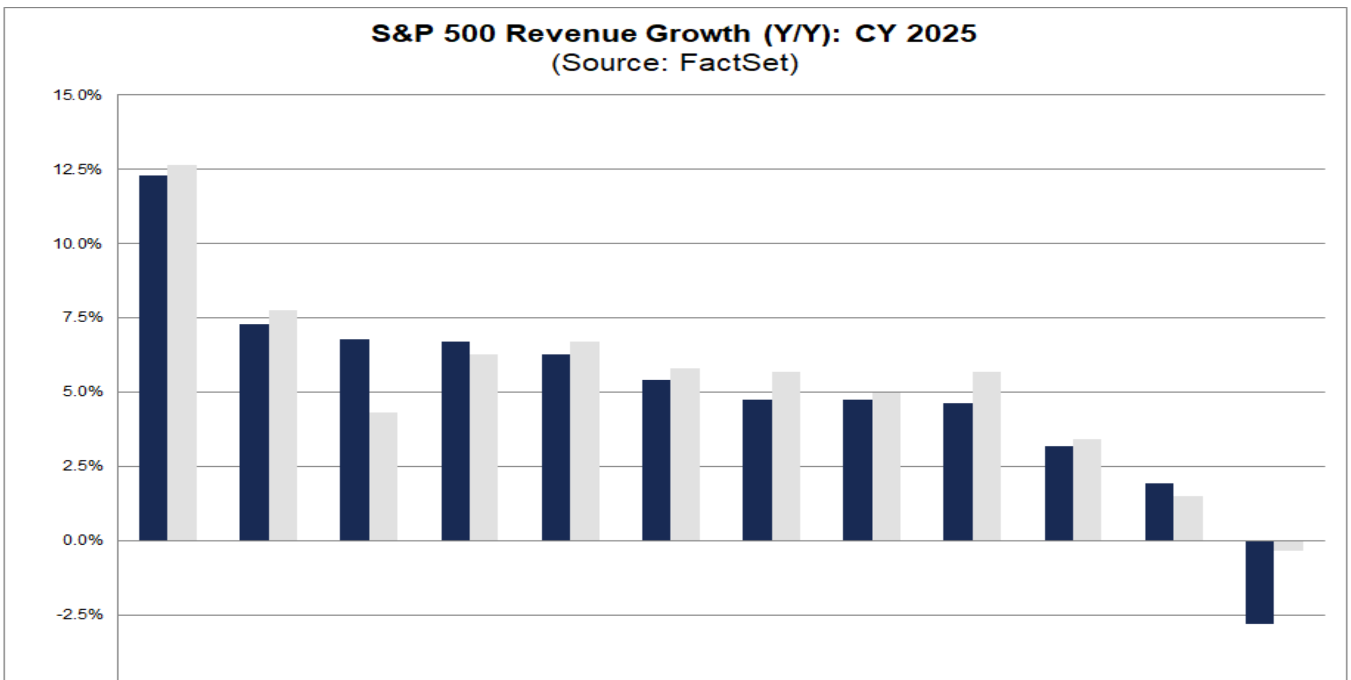


	Energy	Industrials	Materials	Utilities	Comm. Services	Consumer Disc.	Consumer Staples	S&P 500	Info. Technology	Health Care	Financials	Real Estate
Positive	0%	27%	27%	31%	33%	38%	38%	41%	47%	52%	58%	65%
Negative	100%	73%	73%	69%	67%	63%	62%	59%	53%	48%	42%	35%

CY 2025: Growth

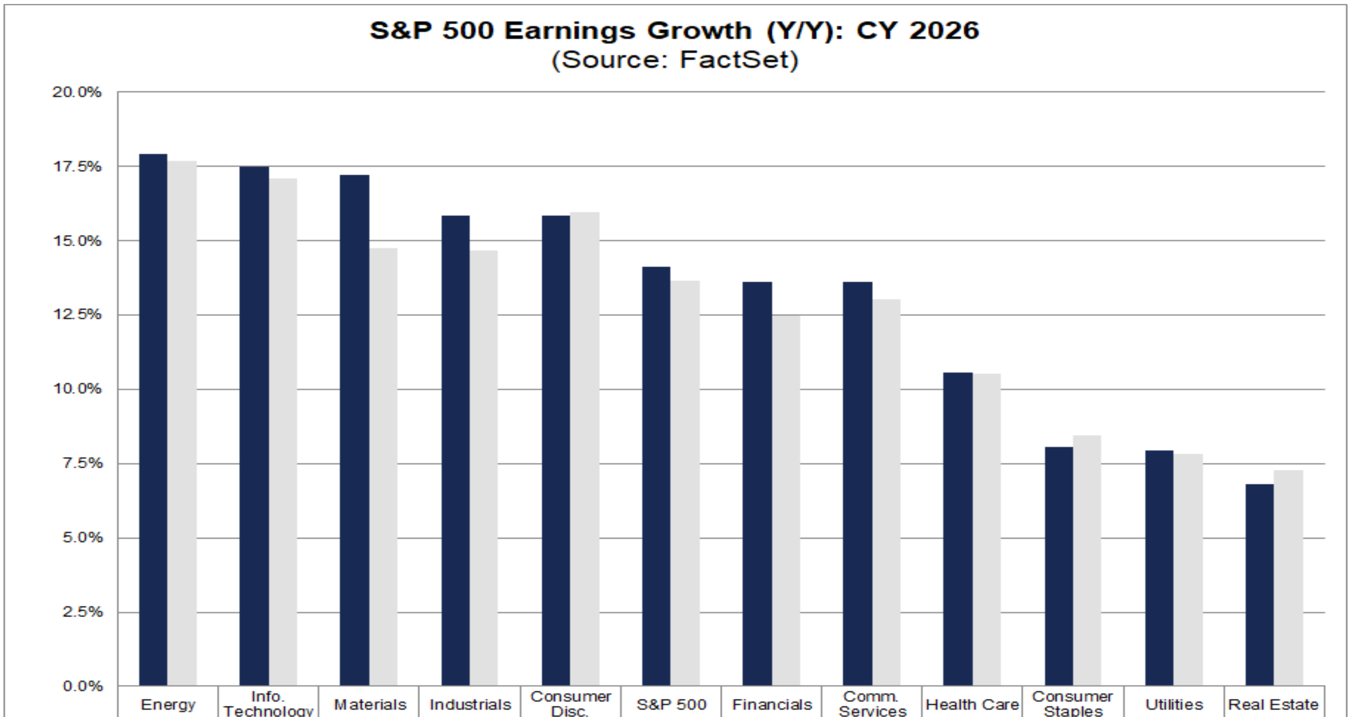


	Info. Technology	Health Care	Industrials	Comm. Services	S&P 500	Materials	Financials	Utilities	Consumer Disc.	Real Estate	Consumer Staples	Energy
Today	19.7%	18.3%	13.1%	12.2%	11.6%	8.4%	7.9%	6.8%	6.5%	3.7%	2.1%	0.5%
31-Dec	20.9%	20.0%	18.4%	15.0%	14.1%	17.6%	9.0%	9.4%	11.4%	5.1%	5.2%	2.8%

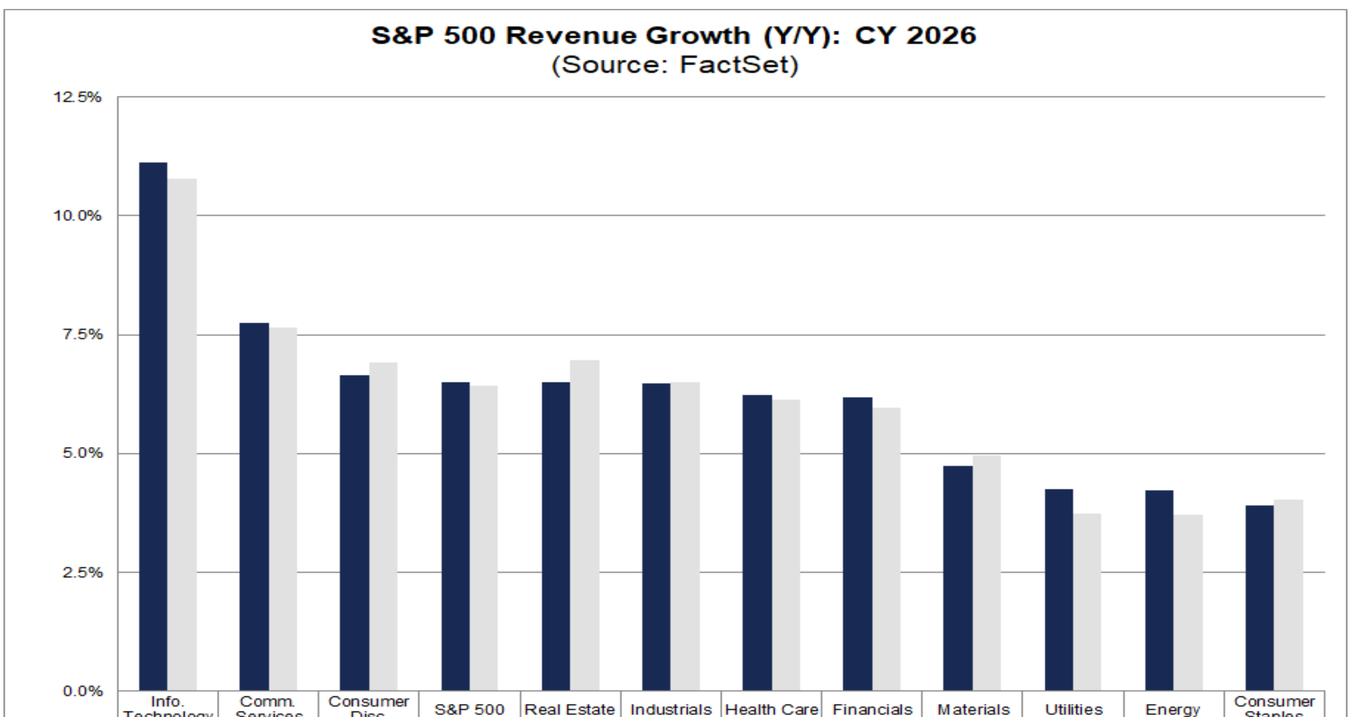


	Info. Technology	Comm. Services	Utilities	Health Care	Real Estate	S&P 500	Industrials	Financials	Consumer Disc.	Consumer Staples	Materials	Energy
Today	12.3%	7.3%	6.8%	6.7%	6.2%	5.4%	4.7%	4.7%	4.6%	3.2%	1.9%	-2.8%
31-Dec	12.6%	7.7%	4.3%	6.3%	6.7%	5.8%	5.7%	5.0%	5.7%	3.4%	1.5%	-0.3%

CY 2026: Growth

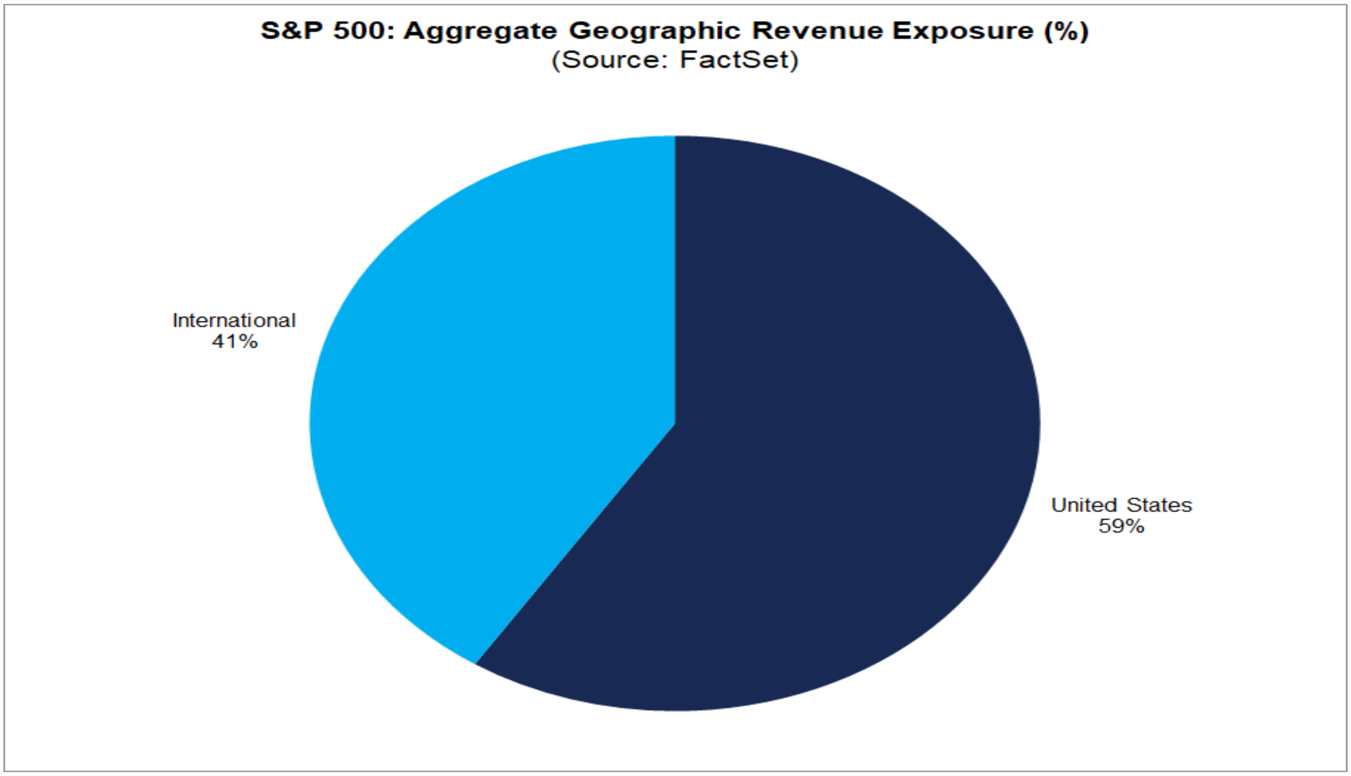


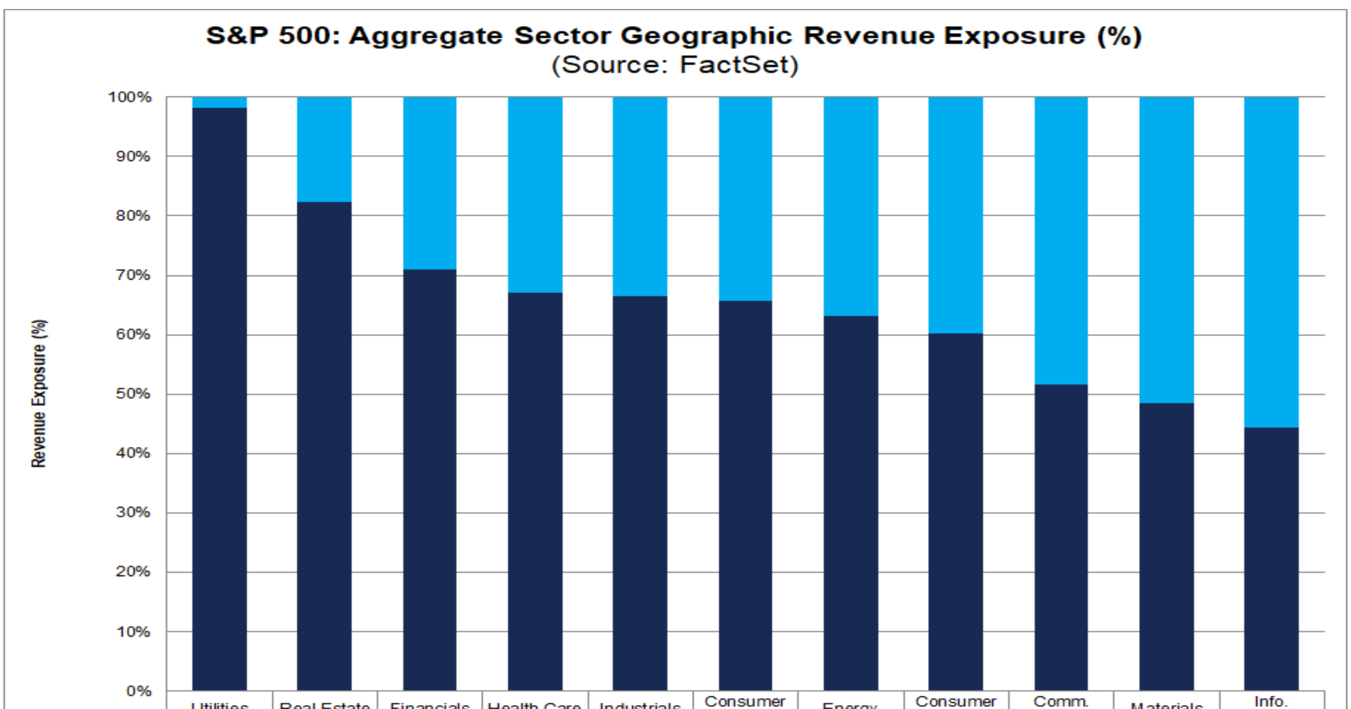
	Energy	Info. Technology	Materials	Industrials	Consumer Disc.	S&P 500	Financials	Comm. Services	Health Care	Consumer Staples	Utilities	Real Estate
Today	17.9%	17.5%	17.2%	15.8%	15.8%	14.1%	13.6%	13.6%	10.6%	8.1%	8.0%	6.8%
31-Dec	17.7%	17.1%	14.7%	14.7%	16.0%	13.7%	12.5%	13.0%	10.5%	8.4%	7.8%	7.3%



	Info. Technology	Comm. Services	Consumer Disc.	S&P 500	Real Estate	Industrials	Health Care	Financials	Materials	Utilities	Energy	Consumer Staples
Today	11.1%	7.7%	6.7%	6.5%	6.5%	6.5%	6.2%	6.2%	4.7%	4.3%	4.2%	3.9%
31-Dec	10.8%	7.6%	6.9%	6.4%	7.0%	6.5%	6.1%	6.0%	5.0%	3.7%	3.7%	4.0%

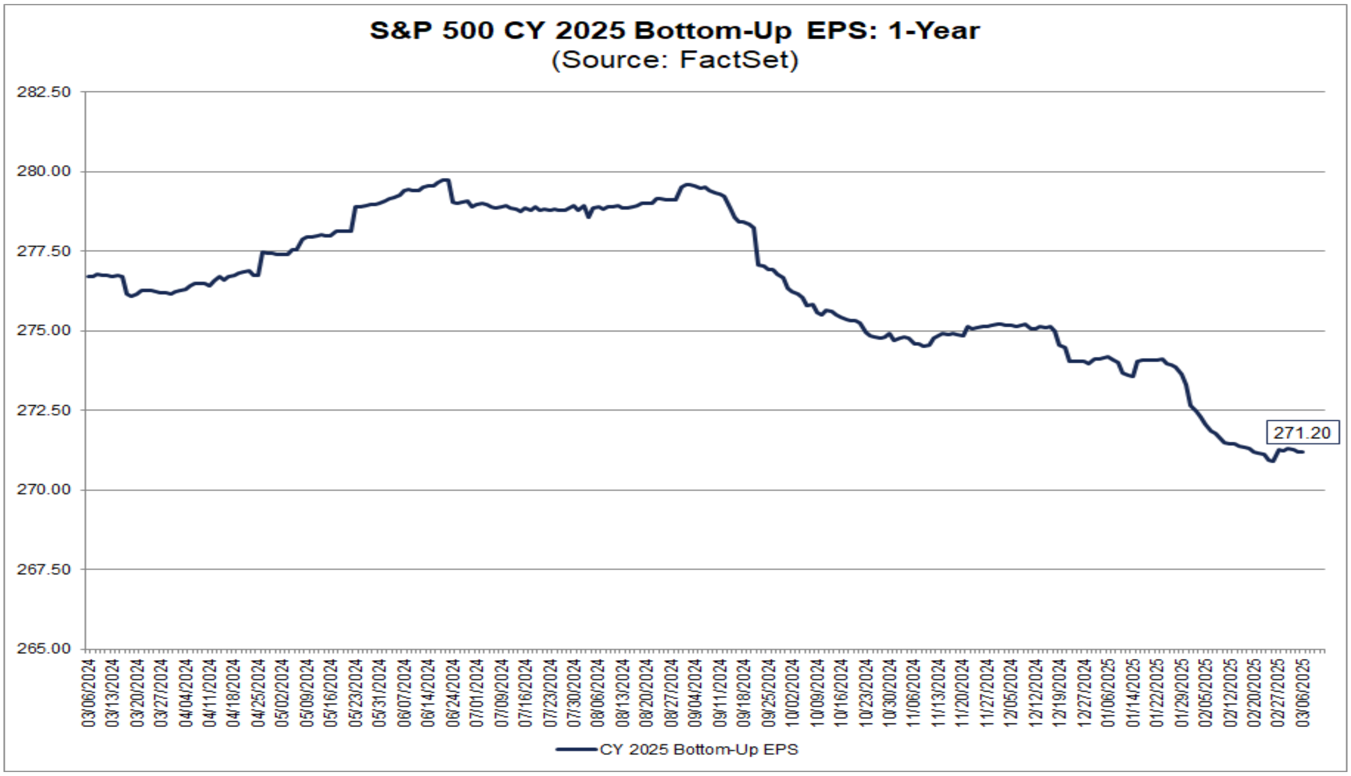
Geographic Revenue Exposure

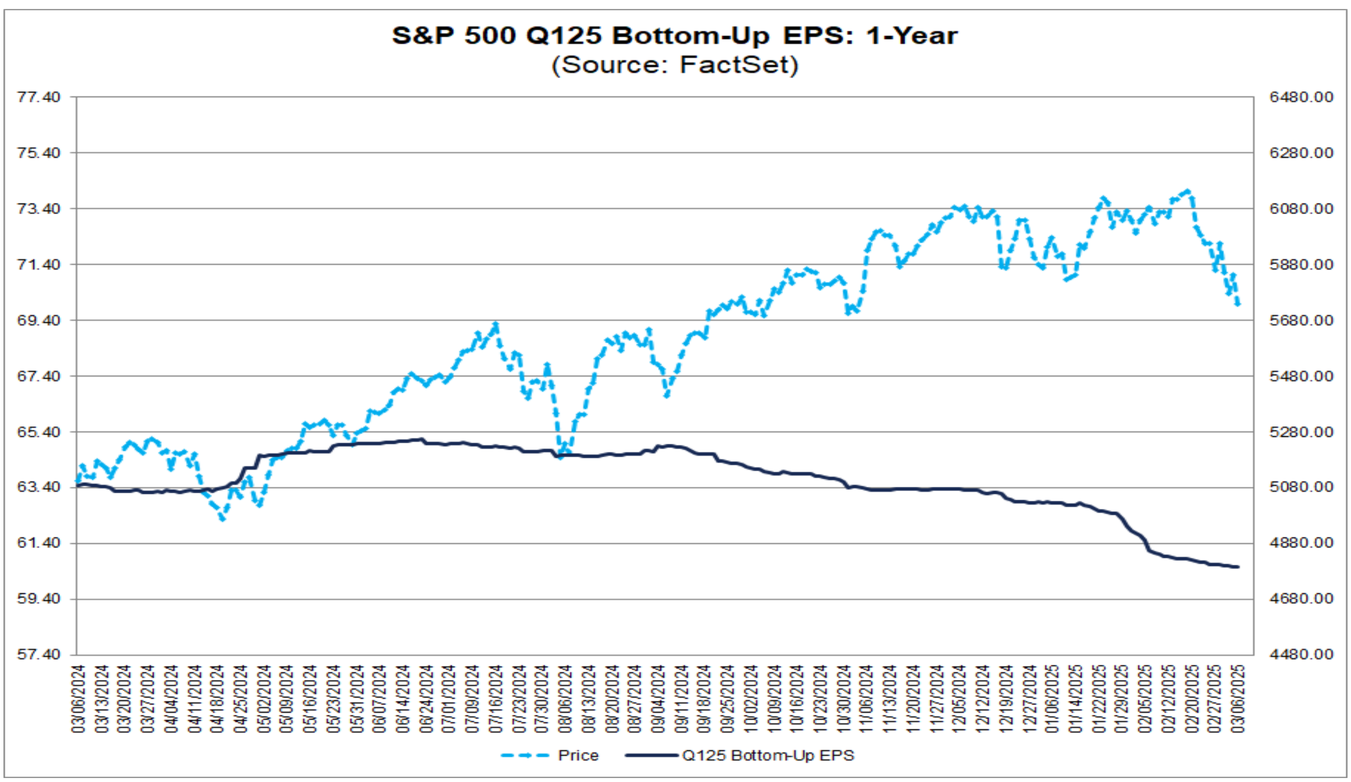




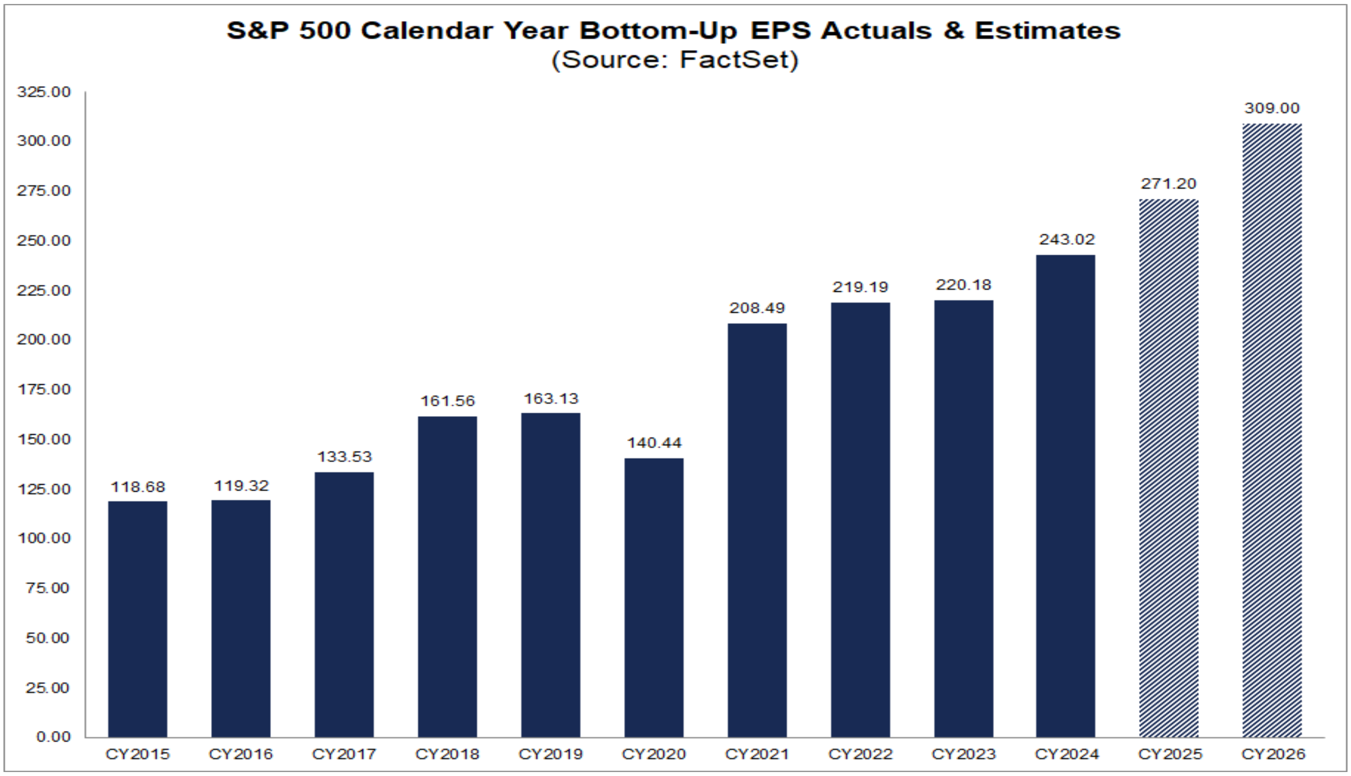
	Utilities	Real Estate	Financials	Health Care	Industrials	Consumer Disc.	Energy	Consumer Staples	Comm. Services	Materials	Info. Technology
International	2%	18%	29%	33%	33%	34%	37%	40%	48%	52%	56%
United States	98%	82%	71%	67%	67%	66%	63%	60%	52%	48%	44%

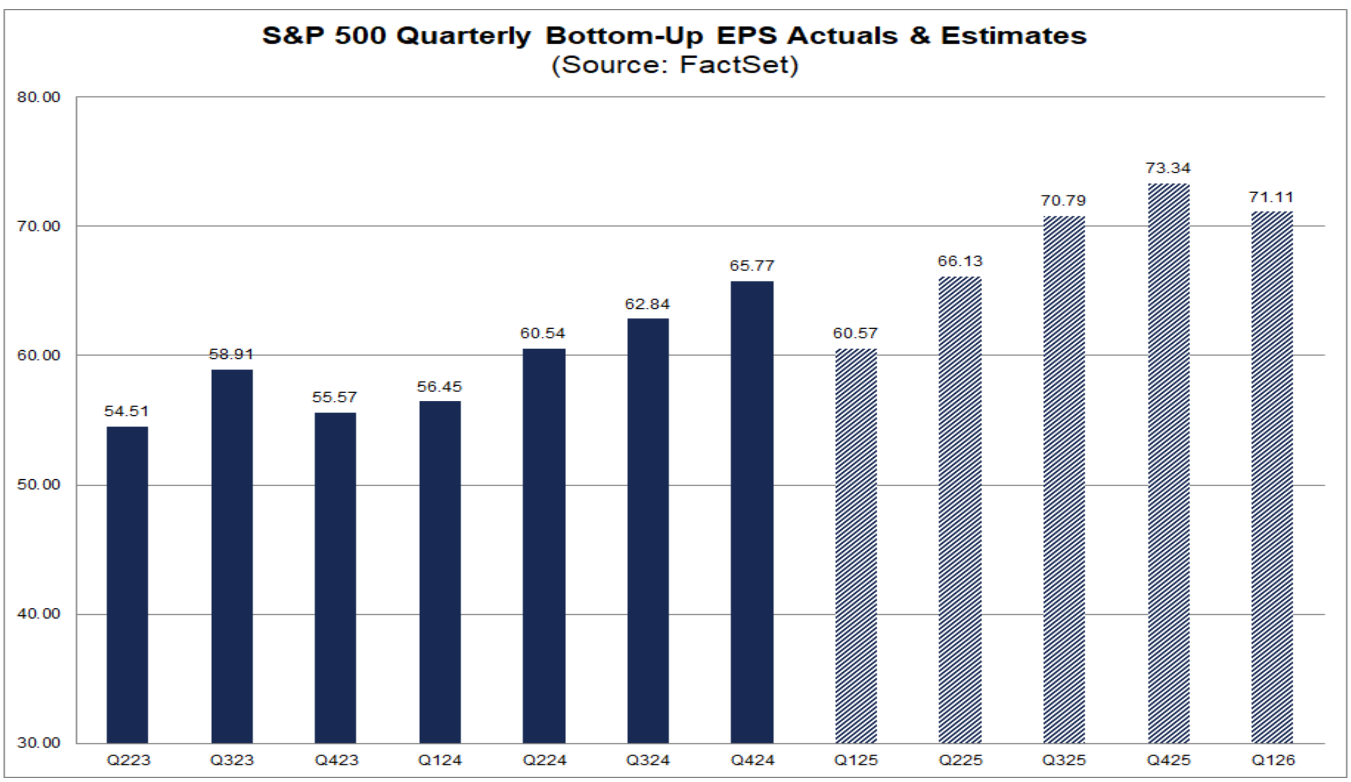
Bottom-Up EPS Estimates



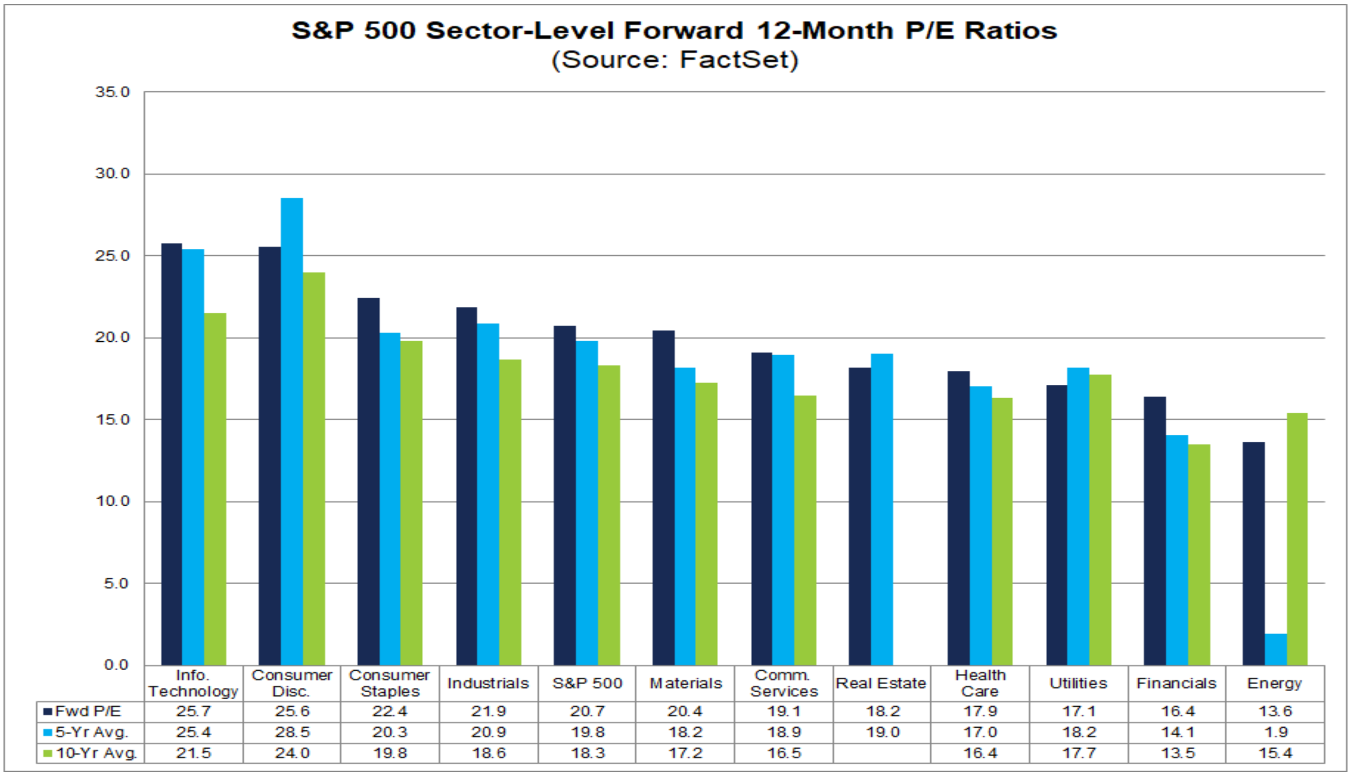


Bottom-Up EPS Estimates: Current & Historical

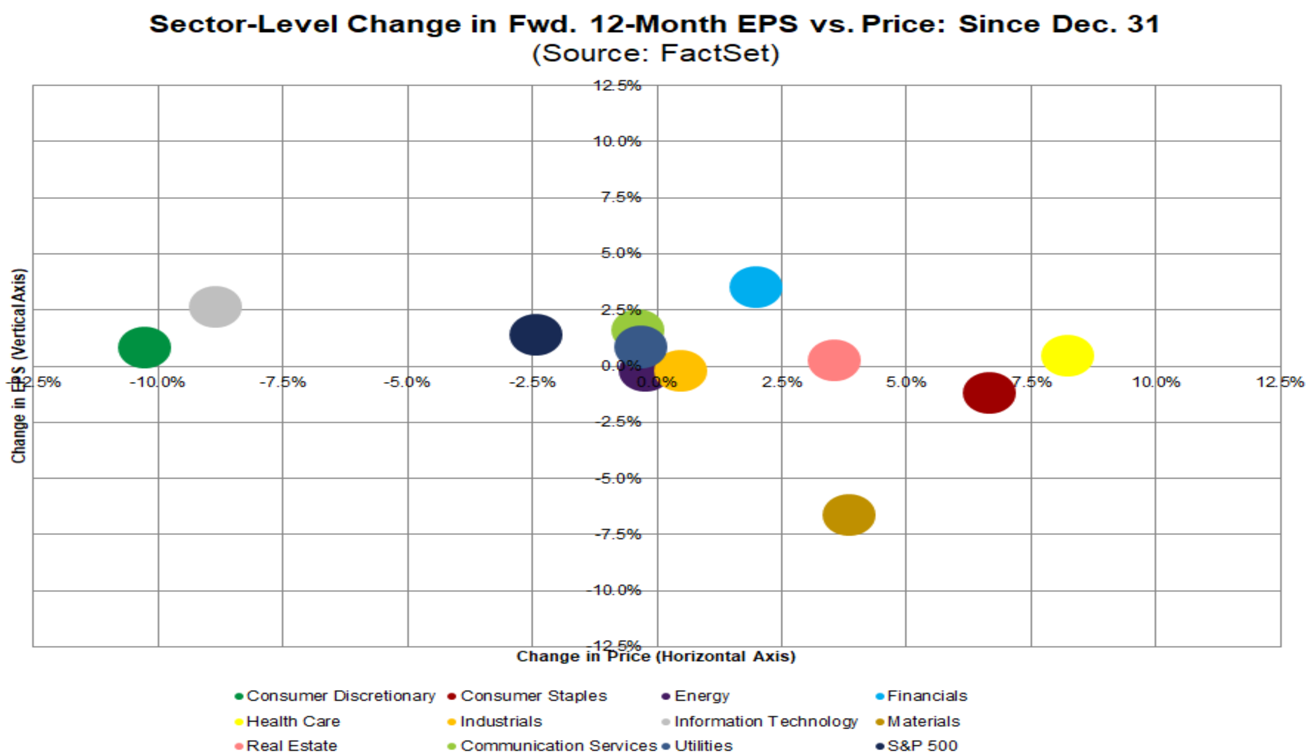




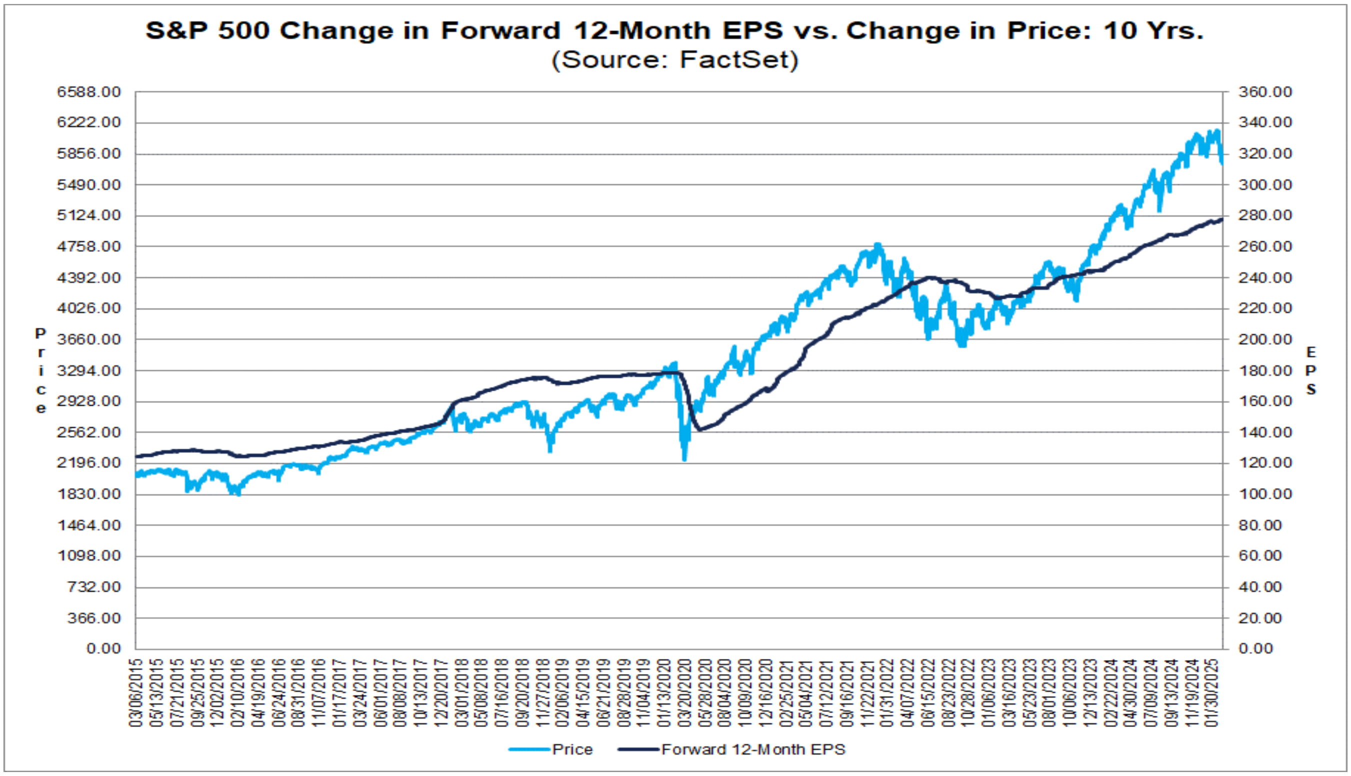
Forward 12M P/E Ratio: Sector Level

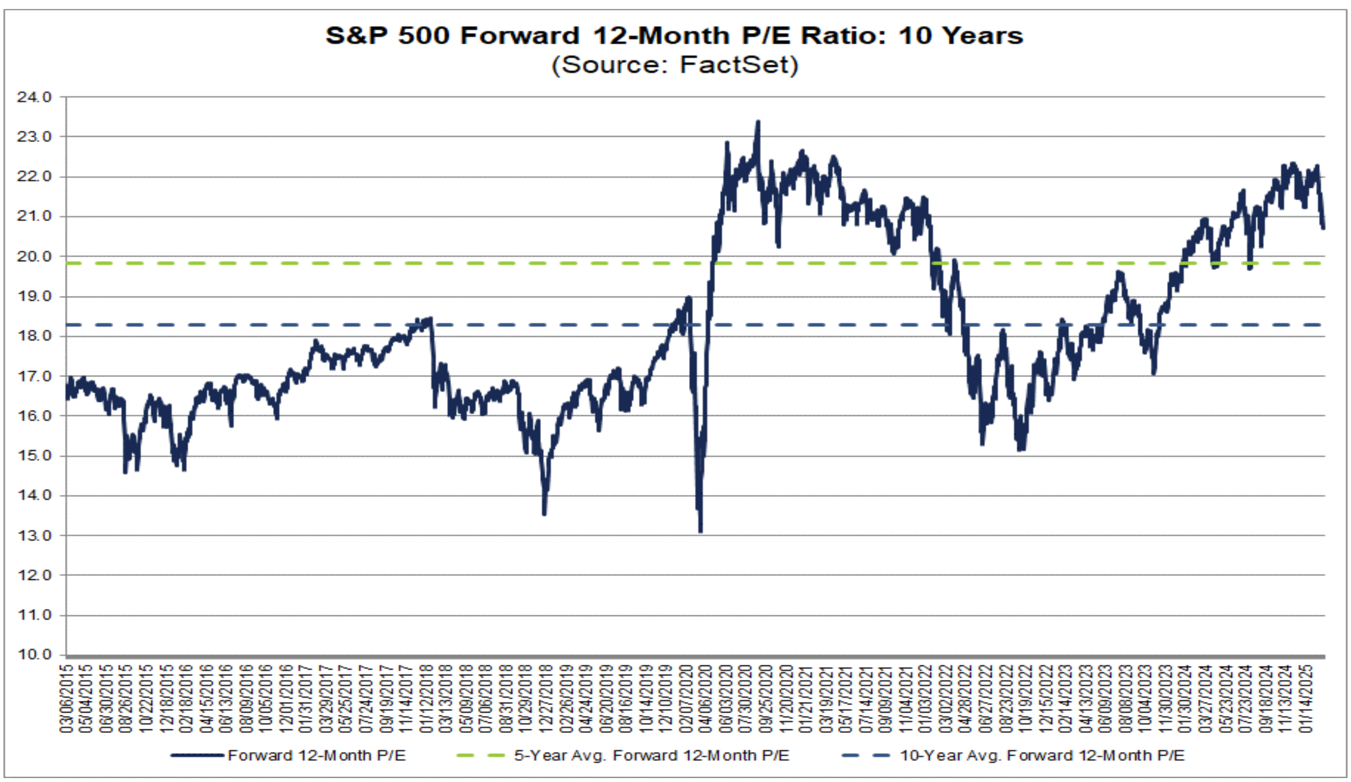


	Info. Technology	Consumer Disc.	Consumer Staples	Industrials	S&P 500	Materials	Comm. Services	Real Estate	Health Care	Utilities	Financials	Energy
Fwd P/E	25.7	25.6	22.4	21.9	20.7	20.4	19.1	18.2	17.9	17.1	16.4	13.6
5-Yr Avg.	25.4	28.5	20.3	20.9	19.8	18.2	18.9	19.0	17.0	18.2	14.1	1.9
10-Yr Avg.	21.5	24.0	19.8	18.6	18.3	17.2	16.5		16.4	17.7	13.5	15.4

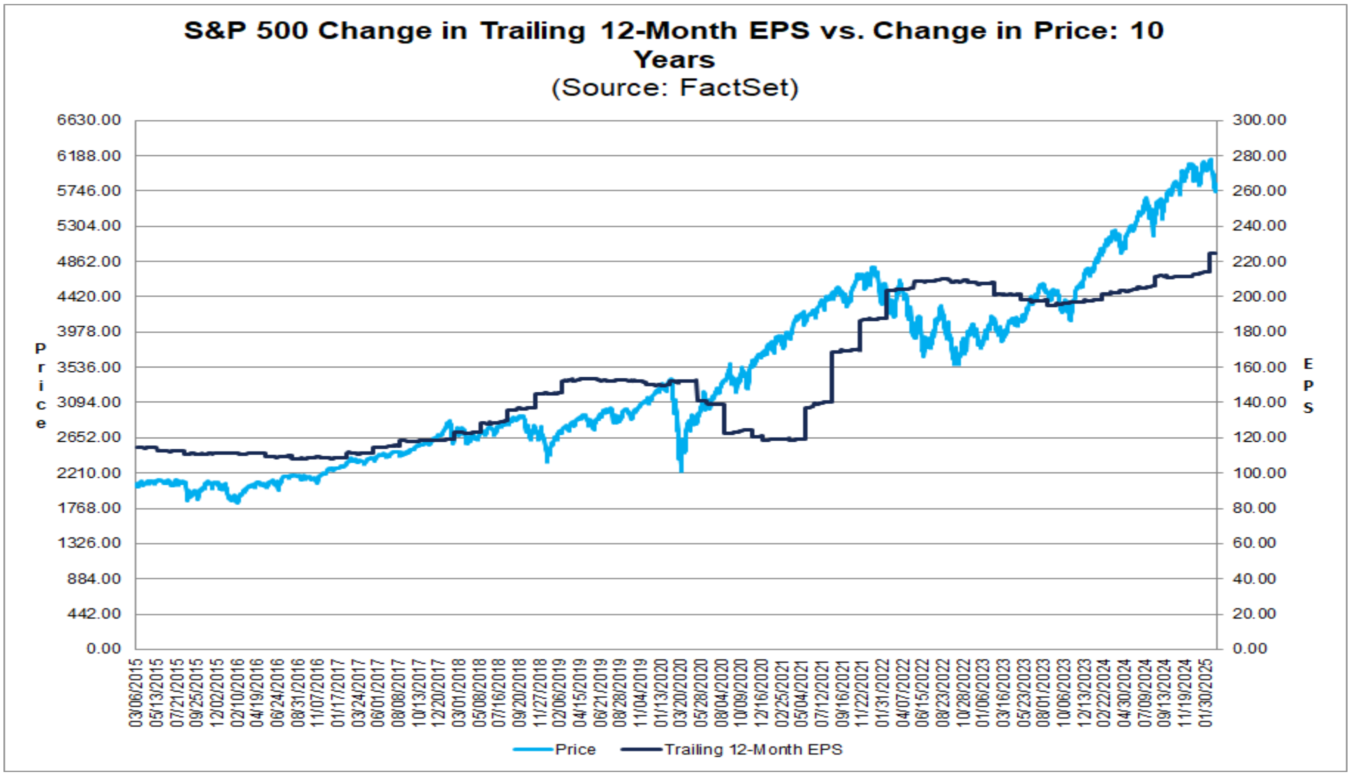


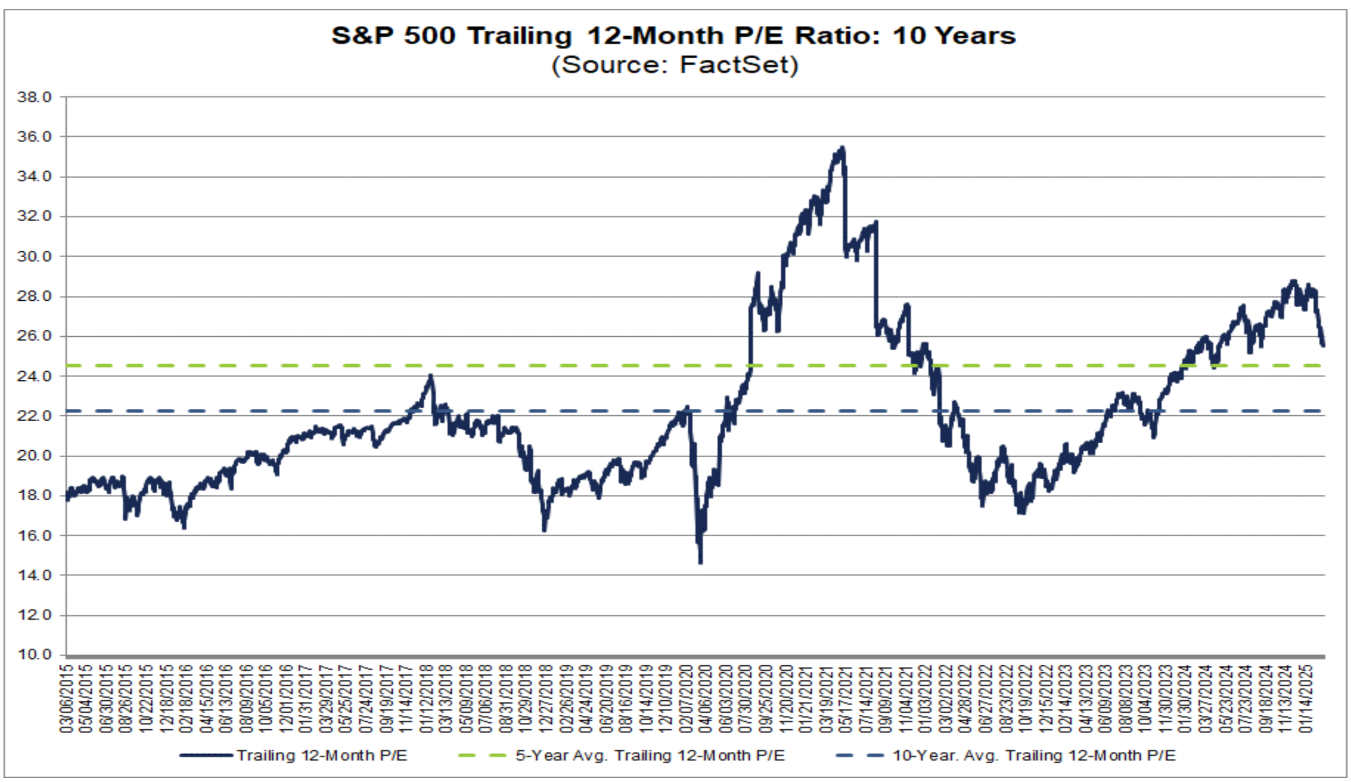
Forward 12M P/E Ratio: 10-Years



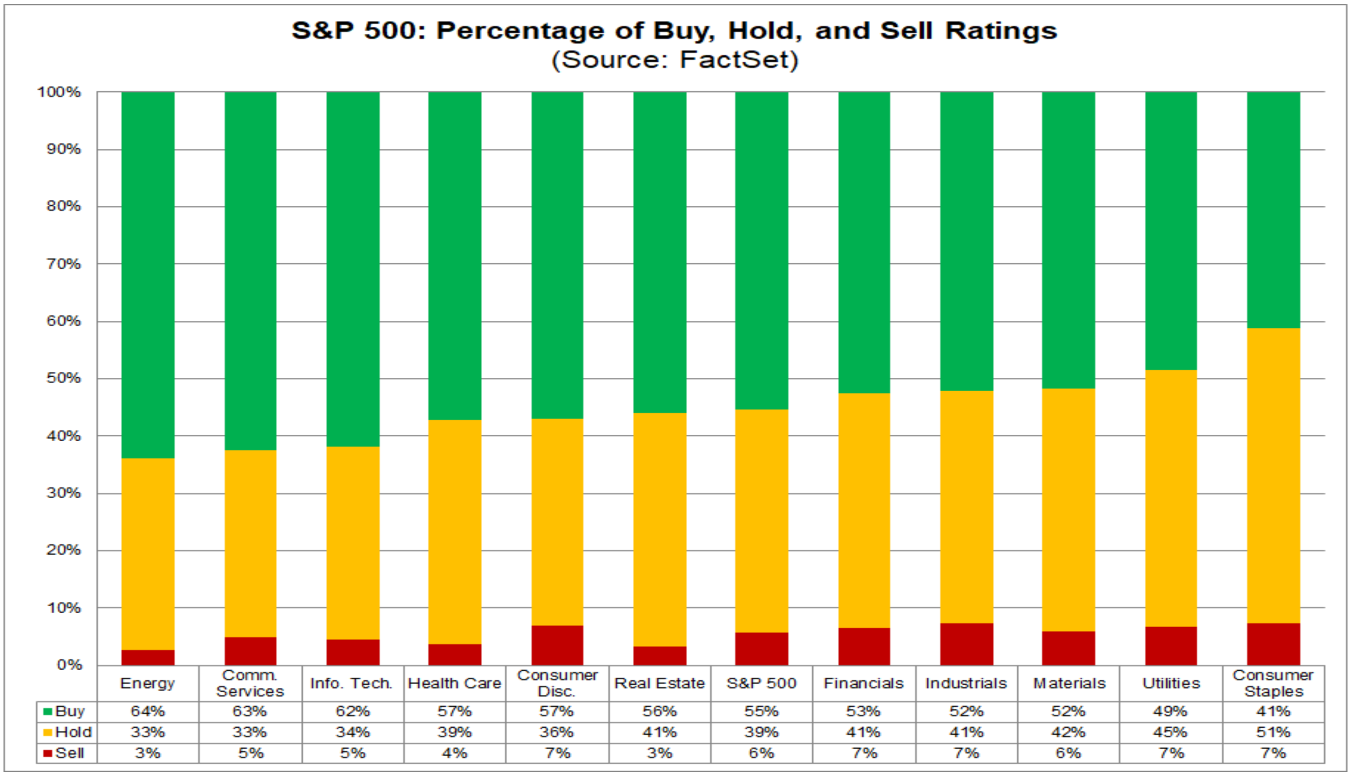


Trailing 12M P/E Ratio: 10-Years

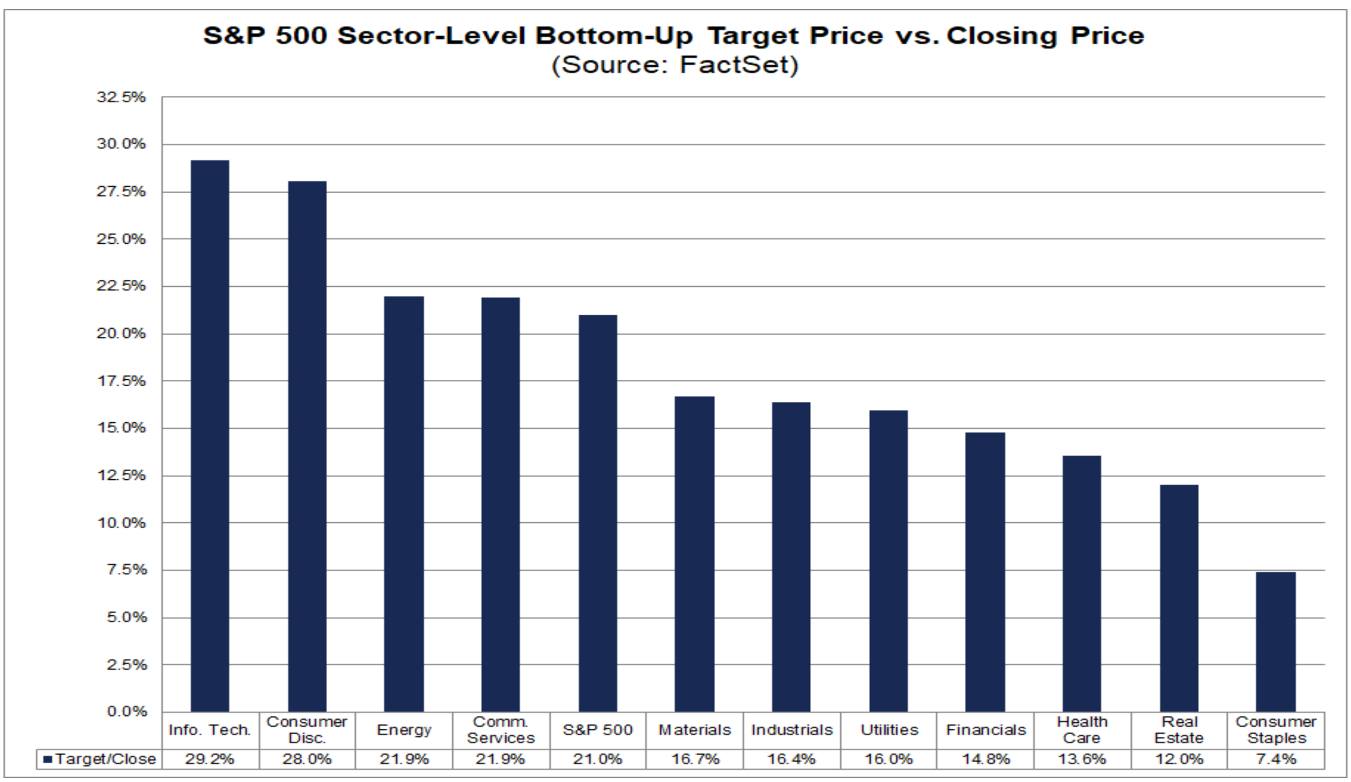




Targets & Ratings



	Energy	Comm. Services	Info. Tech.	Health Care	Consumer Disc.	Real Estate	S&P 500	Financials	Industrials	Materials	Utilities	Consumer Staples
Buy	64%	63%	62%	57%	57%	56%	55%	53%	52%	52%	49%	41%
Hold	33%	33%	34%	39%	36%	41%	39%	41%	41%	42%	45%	51%
Sell	3%	5%	5%	4%	7%	3%	6%	7%	7%	6%	7%	7%



	Info. Tech.	Consumer Disc.	Energy	Comm. Services	S&P 500	Materials	Industrials	Utilities	Financials	Health Care	Real Estate	Consumer Staples
Target/Close	29.2%	28.0%	21.9%	21.9%	21.0%	16.7%	16.4%	16.0%	14.8%	13.6%	12.0%	7.4%

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