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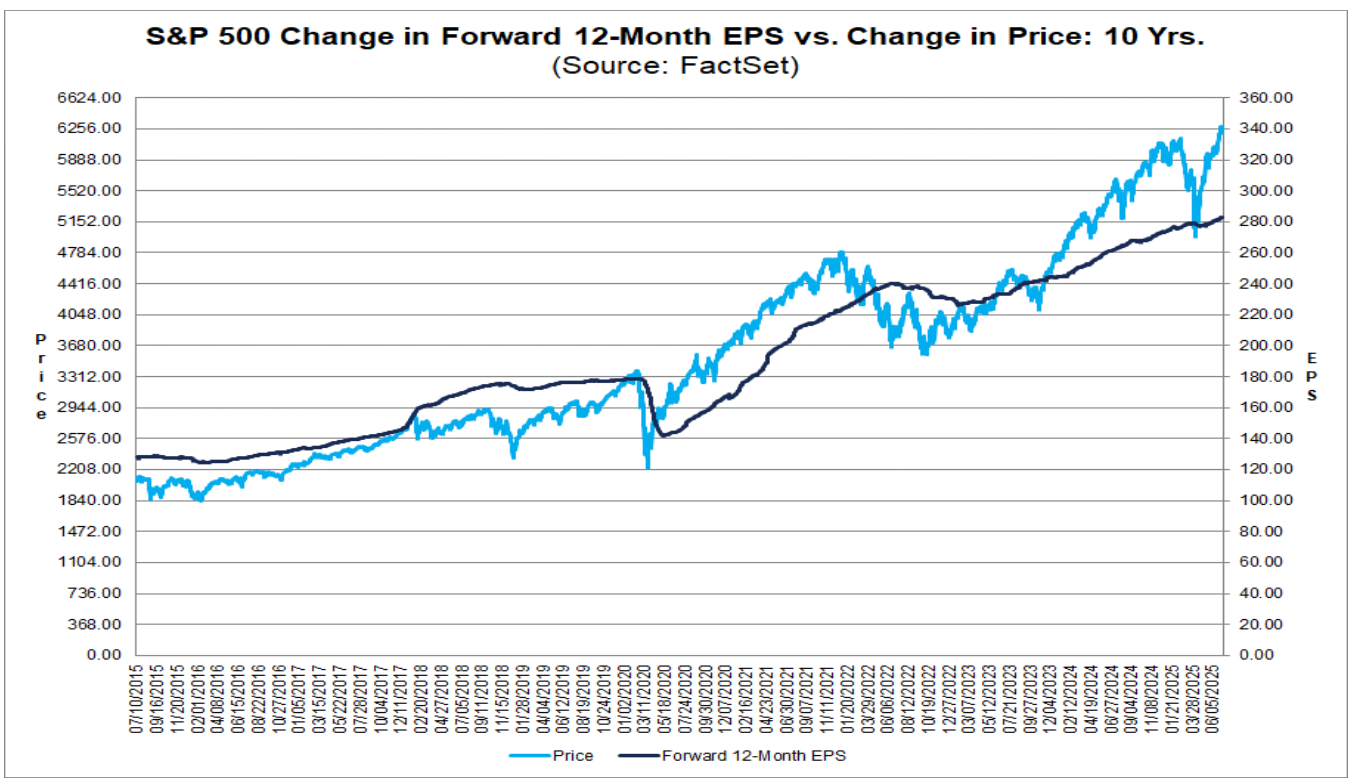
Key Metrics

- **Earnings Scorecard:** For Q2 2025 (with 4% of S&P 500 companies reporting actual results), 71% of S&P 500 companies have reported a positive EPS surprise and 81% of S&P 500 companies have reported a positive revenue surprise.
- **Earnings Growth:** For Q2 2025, the blended (year-over-year) earnings growth rate for the S&P 500 is 4.8%. If 4.8% is the actual growth rate for the quarter, it will mark the lowest earnings growth reported by the index since Q4 2023 (4.0%).
- **Earnings Revisions:** On June 30, the estimated (year-over-year) earnings growth rate for the S&P 500 for Q2 2025 was 4.9%. Five sectors are reporting (or are expected to report) lower earnings today (compared to June 30) due to downward revisions to EPS estimates.
- **Earnings Guidance:** For Q2 2025, 60 S&P 500 companies have issued negative EPS guidance and 51 S&P 500 companies have issued positive EPS guidance.
- **Valuation:** The forward 12-month P/E ratio for the S&P 500 is 22.3. This P/E ratio is above the 5-year average (19.9) and above the 10-year average (18.4).



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S&P 500 Financials Sector Earnings Preview: Q2 2025

The Financials sector will be a focus for the market during the upcoming week, as just over 50% of the S&P 500 companies that are scheduled to report earnings for the second quarter over this period are part of this sector, including American Express, Bank of America, Citigroup, Goldman Sachs, JPMorgan Chase, Morgan Stanley, Travelers Companies, and Wells Fargo. The Financials sector is predicted to report the fifth-highest year-over-year earnings growth rate of all eleven sectors for the second quarter at 2.4%.

At the industry level, four of the five industries in the sector are expected to report year-over-year earnings growth: Consumer Finance, Insurance, Capital Markets, Banks, and Financial Services.

The Consumer Finance industry is expected to report the highest earnings growth rate in the sector at 23%, led by Capital One Financial ($3.97 vs. $3.14).

The Insurance industry is expected to report second-highest earnings growth rate in the sector at 13%. Within the Insurance industry, two sub-industries are projected to report year-over-year earnings growth: Property & Casualty Insurance (26%) and Insurance Brokers (14%). On the other hand, the other two sub-industries are projected to report a year-over-year decline in earnings: Reinsurance (-13%) and Life & Health Insurance (-5%).

Stewart Johnson, Associate Director for Deep Sector Content, highlighted key themes to watch for the Insurance industry during this earnings season:

Insurance earnings in 2Q25 are likely be impacted by several macro factors: tariffs, equity markets, and technology. Tariffs imposed on US trading partners will cause downward pressures on P&C earnings as the price of computer chips, car parts and lumber, for example, start to increase. The higher price of these goods will be reflected in companies' claims costs, such as repairing cars and rebuilding homes. These higher claims costs will push up benefit ratios and pressure earnings. If the cost increases are more than P&C companies expected for policies written before tariffs, earnings outlooks may be lowered. However, P&C companies should see an offset to tariff pressure from rising equity markets, which would provide a tailwind to investment income. Technology is the final macro factor and is expected to have a favorable impact on life and P&C companies as prior investments in AI begin to automate manual tasks, such as generating policyholder communication and analyzing loss trends.

For more commentary and analysis on the insurance industry, please see Stewart's articles on the FactSet Insight blog at this link: https://insight.factset.com/author/stewart-johnson

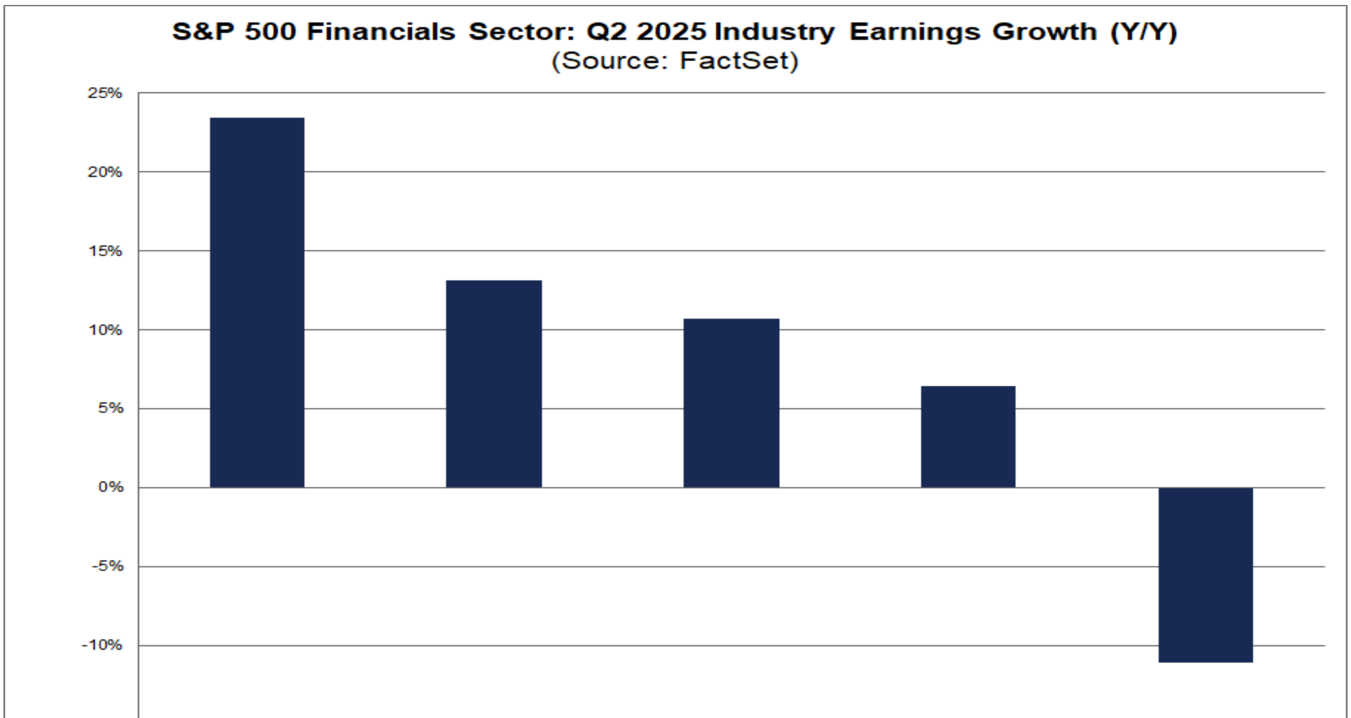
The Capital Markets industry is expected to report the third-highest earnings growth rate in the sector at 11%. Within the Capital Markets industry, all three sub-industries are projected to report year-over-year earnings growth: Financial Exchanges & Data (15%), Investment Banking & Brokerage (14%), and Asset Management & Custody Banks (5%).

The Financial Services industry is expected to report the fourth-highest earnings growth rate in the sector at 6%. Within this industry, two of the three sub-industries are projected to report year-over-year earnings growth: Diversified Financial Services (13%) and Transaction & Payment Processing Services (13%). The Multi-Sector Holdings (-5%) sub-industry is the only sub-industry in the Financial Services industry expected to a report a year-over-year decline in earnings.

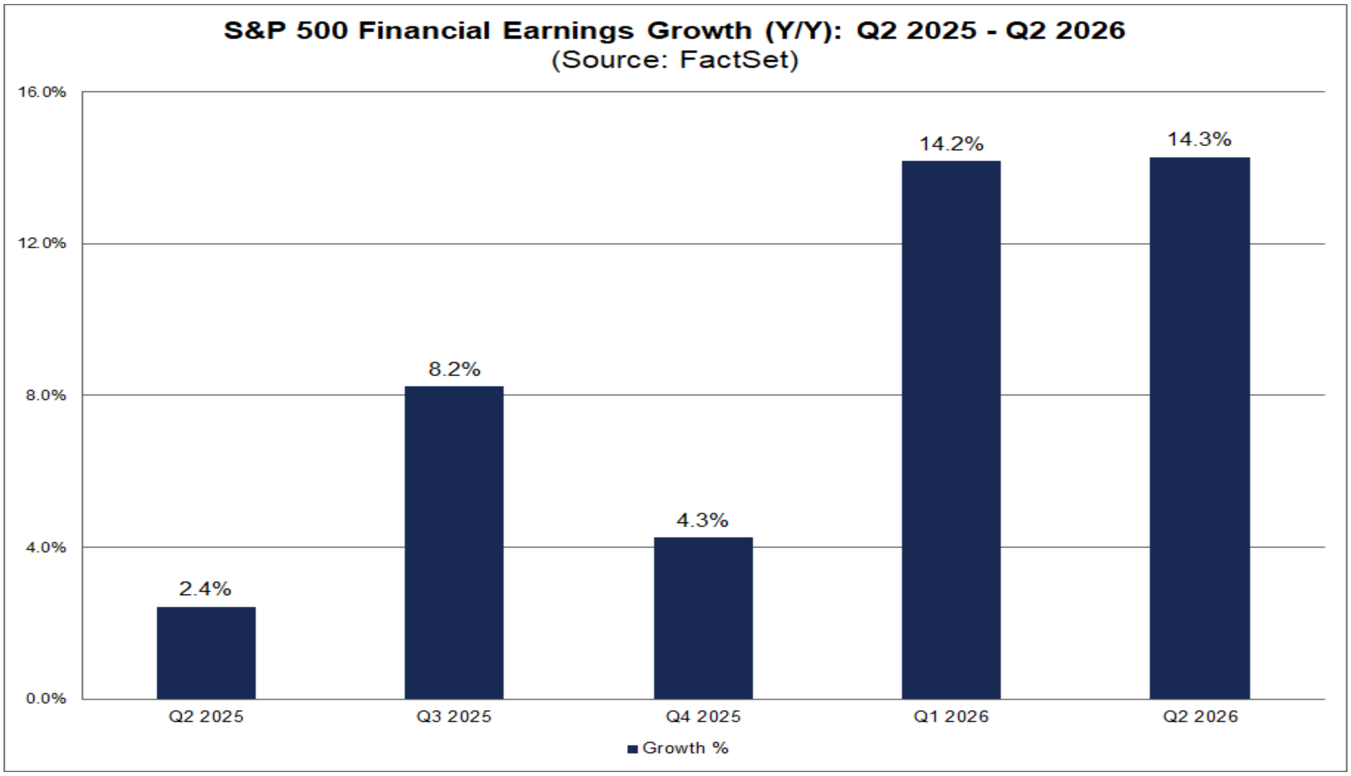
On the other hand, the Banks industry is the only industry in the Financials sector expected to report a year-over-year decline in earnings at -11%. Within the Banks industry, the Diversified Banks industry is projected to report a year-over-year decline in earnings of -13%, while the Regional Banks industry is predicted to report year-over-year earnings growth of 18%.

At the company level, JPMorgan Chase ($4.48 vs. $6.12) is expected to the be the largest contributor the expected earnings decline for the Banks industry and is also expected to be the largest detractor to expected earnings growth for the entire Financials sector. The company is facing a more difficult comparison to year-ago (GAAP) EPS that included a $7.9 billion gain related to Visa shares. If JPMorgan Chase were excluded, the estimated earnings growth rate for the Financials sector would improve to 9.3% from 2.4%.

Looking ahead, analysts are predicting earnings growth rates for the Financials sector of 8.2%, 4.3%, 14.2%, and 14.3% for Q3 2025 through Q2 2026.



	Consumer Finance	Insurance	Capital Markets	Financial Services	Banks
Growth %	23%	13%	11%	6%	-11%


S&P 500 Financial Earnings Growth (Y/Y): Q2 2025 - Q2 2026
(Source: FactSet)
16.0%
12.0%
8.0%
4.0%
0.0%
2.4%
8.2%
4.3%
14.2%
14.3%
Q2 2025
Q3 2025
Q4 2025
Q1 2026
Q2 2026
Growth %

Topic of the Week: 2

S&P 500 Will Likely Report Earnings Growth Above 9% For Q2

The blended earnings growth rate for the S&P 500 for the second quarter is of 4.8%, which would mark the lowest earnings growth reported by the index since Q4 2023 (4.0%). Given that most S&P 500 companies report actual earnings above estimates, what is the likelihood the index will report earnings growth of 4.8% for the quarter?

Based on the average improvement in the earnings growth rate during the earnings season, the index will likely report year-over-year growth in earnings above 9% for the second quarter.

When companies in the S&P 500 report actual earnings above estimates during an earnings season, the overall earnings growth rate for the index increases because the higher actual EPS numbers replace the lower estimated EPS numbers in the calculation of the growth rate. For example, if a company is projected to report EPS of $1.05 compared to year ago EPS of $1.00, the company is projected to report earnings growth of 5%. If the company reports actual EPS of $1.10 (a $0.05 upside earnings surprise compared to the estimate), the actual earnings growth rate for the company for the quarter is now 10%, five percentage points above the estimated growth rate (10% - 5% = 5%).

In fact, the actual earnings growth rate has exceeded the estimated earnings growth rate at the end of the quarter in 37 of the past 40 quarters for the S&P 500. The only exceptions were Q1 2020, Q3 2022, and Q4 2022.

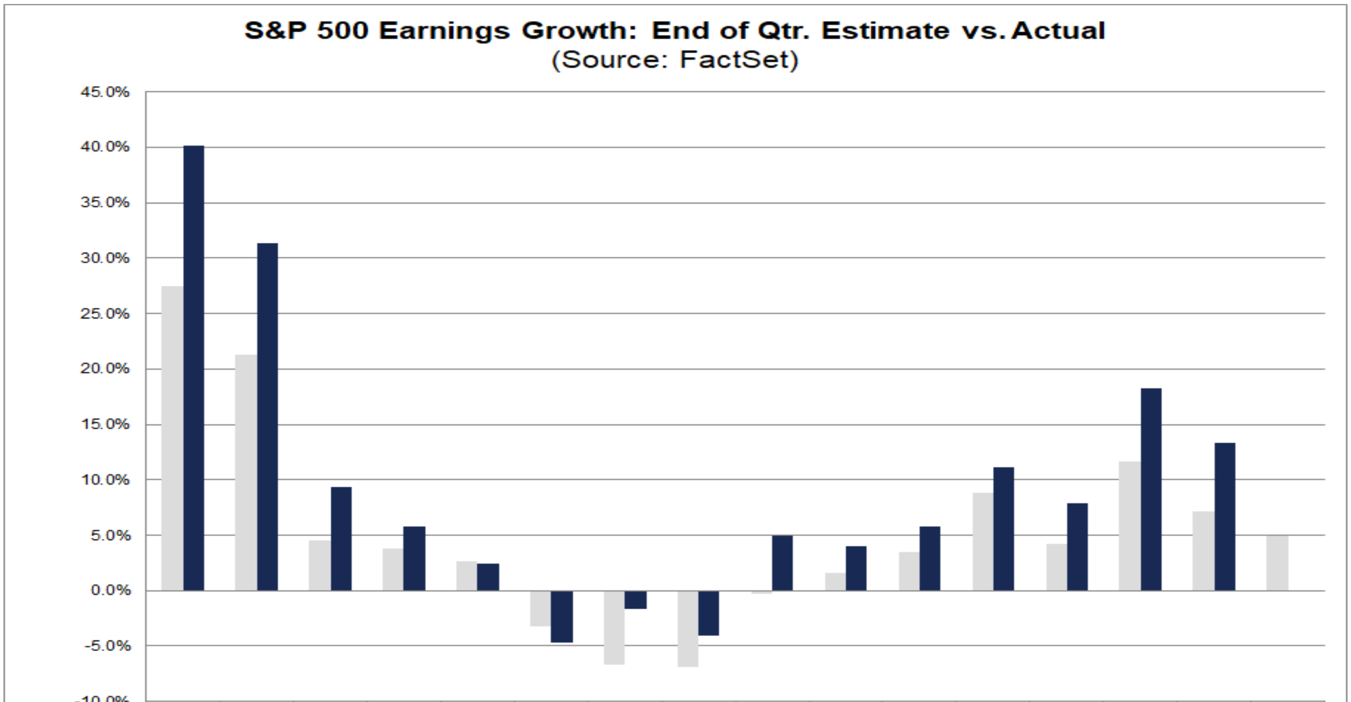
Over the past ten years, actual earnings reported by S&P 500 companies have exceeded estimated earnings by 6.9% on average. During this same period, 75% of companies in the S&P 500 have reported actual EPS above the mean EPS estimate on average. As a result, from the end of the quarter through the end of the earnings season, the earnings growth rate has increased by 5.6 percentage points on average (over the past ten years) due to the number and magnitude of positive earnings surprises. If this average increase is applied to the estimated earnings growth rate at the end of Q2 (June 30) of 4.9%, the actual earnings growth rate for the quarter would be 10.5% (4.9% + 5.6% = 10.5%).

Over the past five years, actual earnings reported by S&P 500 companies have exceeded estimated earnings by 9.1% on average. During this same period, 78% of companies in the S&P 500 have reported actual EPS above the mean EPS estimate on average. As a result, from the end of the quarter through the end of the earnings season, the earnings growth rate has increased by 8.1 percentage points on average (over the past five years) due to the number and magnitude of positive earnings surprises. If this average increase is applied to the estimated earnings growth rate at the end of Q2 (June 30) of 4.9%, the actual earnings growth rate for the quarter would be 13.0% (4.9% + 8.1% = 13.0%).

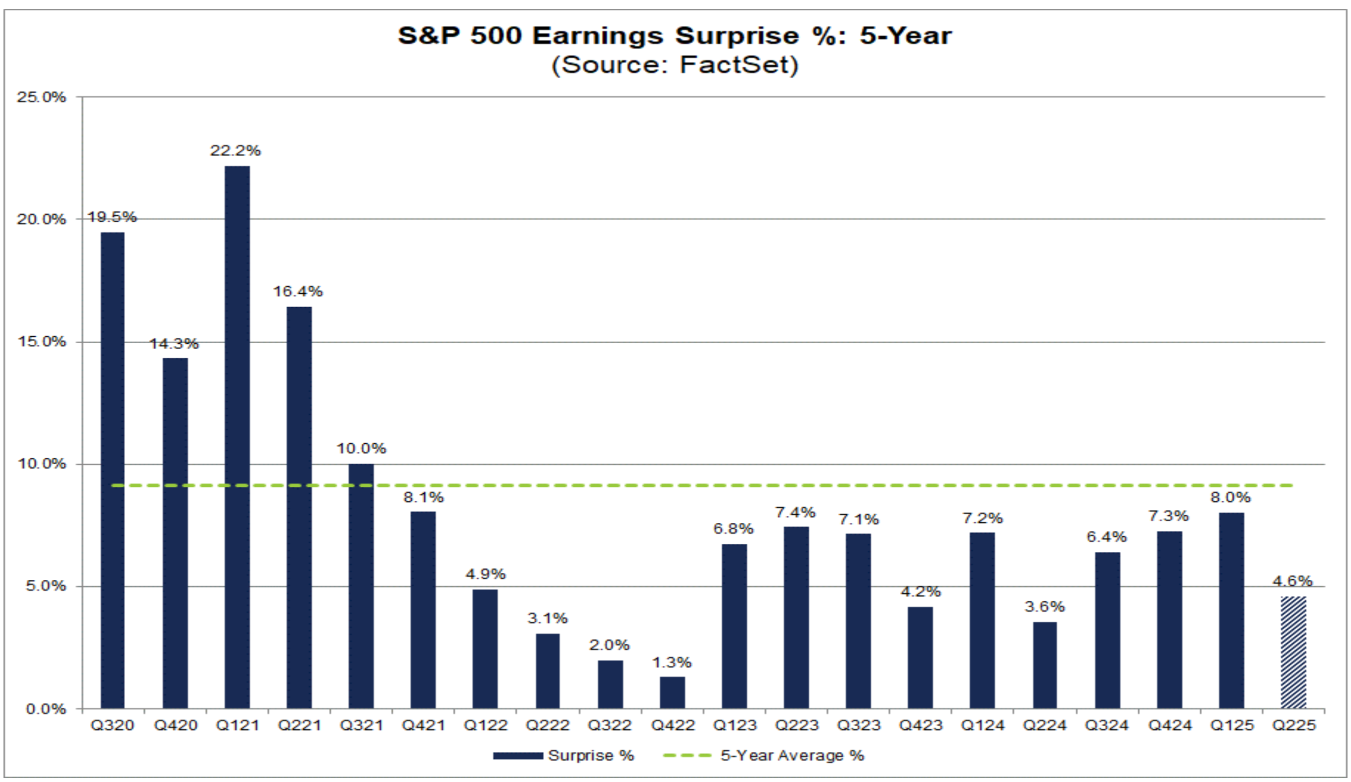
Over the past four quarters (Q2 2024 through Q1 2025), actual earnings reported by S&P 500 companies have exceeded estimated earnings by 6.3% on average. During these four quarters, 77% of companies in the S&P 500 reported actual EPS above the mean EPS estimate on average. As a result, from the end of the quarter through the end of the earnings season, the earnings growth rate has increased by 4.6 percentage points on average (during the past four quarters) due to the number and magnitude of positive earnings surprises. If this average increase is applied to the estimated earnings growth rate at the end of Q2 (June 30) of 4.9%, the actual earnings growth rate for the quarter would be 9.5% (4.9% + 4.6% = 9.5%).

Thus, using the most conservative average improvement of these three periods, the index will likely report year-over-year earnings growth of 9.5% for the second quarter.

How are the numbers trending to date? Of the 21 S&P 500 companies that have reported actual earnings for Q2 2025 through July 11, 71% have reported actual EPS above the mean EPS estimate. In aggregate, actual earnings reported by these 21 companies have exceeded estimated earnings by 4.6%. However, downward revisions to EPS estimates have offset these positive EPS surprises to date. As a result, the earnings growth rate for the S&P 500 has decreased by 0.1 percentage points since June 30 (to 4.8% from 4.9%).



	Q321	Q421	Q122	Q222	Q322	Q422	Q123	Q223	Q323	Q423	Q124	Q224	Q324	Q424	Q125	Q225
End of Qtr.	27.5%	21.3%	4.6%	3.9%	2.6%	-3.3%	-6.6%	-6.9%	-0.3%	1.6%	3.5%	8.8%	4.2%	11.7%	7.2%	4.9%
Actual	40.2%	31.3%	9.4%	5.8%	2.4%	-4.7%	-1.6%	-4.1%	4.9%	4.0%	5.8%	11.1%	7.9%	18.2%	13.3%	



Q2 Earnings Season: By The Numbers

Overview

At this very early stage, the second quarter earnings season for the S&P 500 is off to a weaker start than average compared to expectations. Both the percentage of S&P 500 companies reporting positive earnings surprises and the magnitude of earnings surprises are below recent averages. Overall, the index is reporting lower earnings for the second quarter today relative to the end of last week and relative the end of the quarter. The index is also reporting its lowest year-over-year earnings growth rate since Q4 2023 (4.0%).

Overall, 4% of the companies in the S&P 500 have reported actual results for Q2 2025 to date. Of these companies, 71% have reported actual EPS above estimates, which is below the 5-year average of 78% and below the 10-year average of 75%. In aggregate, companies are reporting earnings that are 4.6% above estimates, which is below the 5-year average of 9.1% and below the 10-year average of 6.9%. 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 index is reporting lower earnings for the second 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 second quarter is 4.8% today, compared to an earnings growth rate of 5.0% last week and an earnings growth rate of 4.9% at the end of the second quarter (June 30).

If 4.8% is the actual growth rate for the quarter, it will mark the lowest earnings growth rate reported by the index since Q4 2023 (4.0%). However, it will also mark the eighth consecutive quarter of year-over-year earnings growth for the index.

Six of the eleven sectors are reporting (or are projected to report) year-over-year growth, led by the Communication Services and Information Technology sectors. On the other hand, five sectors are reporting (or are predicted to report) a year-over-year decline in earnings, led by the Energy sector.

In terms of revenues, 81% of S&P 500 companies have reported actual revenues above estimates, which is above the 5-year average of 70% and above the 10-year average of 64%. In aggregate, companies are reporting revenues that are 2.2% above the estimates, which is above the 5-year average of 2.1% and above the 10-year average of 1.4%. 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 second quarter is 4.2% today, compared to a revenue growth rate of 4.2% last week and a revenue growth rate of 4.2% at the end of the second quarter (June 30).

If 4.2% is the actual revenue growth rate for the quarter, it will mark the 19th consecutive quarter of revenue growth for the index.

Ten sectors are reporting (or are projected to report) year-over-year growth in revenues, led by the Information Technology sector. On the other hand, the Energy sector is the only sector predicted to report a year-over-year decline in revenues.

For Q3 2025 and Q4 2025, analysts are calling for earnings growth rates of 7.3% and 6.5%, respectively. For CY 2025 analysts are predicting (year-over-year) earnings growth of 9.0%.

The forward 12-month P/E ratio is 22.3, which is above the 5-year average (19.9) and above the 10-year average (18.4). This P/E ratio is also above the forward P/E ratio of 22.1 recorded at the end of the second quarter (June 30).

During the upcoming week, 42 S&P 500 companies (including 6 Dow 30 companies) are scheduled to report results for the second quarter.

Scorecard: Percentage and Magnitude of Positive EPS Surprises Are Below 5-Year Averages

Percentage of Companies Beating EPS Estimates (71%) is Below 5-Year Average

Overall, 4% of the companies in the S&P 500 have reported earnings to date for the second quarter. Of these companies, 71% have reported actual EPS above the mean EPS estimate, 5% have reported actual EPS equal to the mean EPS estimate, and 24% 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 (78%), and below the 10-year average (75%). 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 Information Technology (100%) sector has the highest percentage of companies reporting earnings above estimates, while the Financials (0%) sector has the lowest percentage of companies reporting earnings above estimates.

Earnings Surprise Percentage (+4.6%) is Below 5-Year Average

In aggregate, companies are reporting earnings that are 4.6% above expectations. This surprise percentage is below the 1-year average (+6.3%), below the 5-year average (+9.1%), and below the 10-year average (+6.9%). 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 Information Technology (+6.1%) sector is reporting the largest positive (aggregate) difference between actual earnings and estimated earnings. Within this sector, Micron Technology ($1.91 vs. $1.60) and Jabil ($2.55 vs. $2.31) have reported the largest positive EPS surprises.

The Consumer Discretionary (+5.4%) sector is reporting the second-largest positive (aggregate) difference between actual earnings and estimated earnings. Within this sector, Carnival Corporation ($0.35 vs. $0.25), CarMax ($1.38 vs. $1.16), and NIKE ($0.14 vs. $0.13) have reported the largest positive EPS surprises.

Market Rewarding Positive EPS Surprises More Than Average

To date, the market is rewarding positive earnings surprises reported by S&P 500 companies for Q2 more than average and punishing negative earnings surprises reported by S&P 500 companies for Q2 less than average.

Companies that have reported positive earnings surprises for Q2 2025 have seen an average price increase of +5.2% two days before the earnings release through two days after the earnings release. This percentage increase is well above 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 Q2 2025 have seen an average price decrease of -1.3% 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 -2.4% during this same window for companies reporting negative earnings surprises.

Percentage of Companies Beating Revenue Estimates (81%) is Above 5-Year Average

In terms of revenues, 81% of the companies have reported actual revenues above estimated revenues, 0% of the companies have reported actual revenues equal to estimated revenues, and 19% of the companies have reported actual revenues below estimated revenues. The percentage of companies reporting revenues above estimates is above the 1-year average (62%), above the 5-year average (70%), and above the 10-year average (65%). 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 Consumer Discretionary (100%), Financials (100%), and Information Technology (100%) sectors have the highest percentages of companies reporting revenues above estimates, while the Consumer Staples (50%) sector has the lowest percentage of companies reporting revenues above estimates.

Revenue Surprise Percentage (+2.2%) is Above 5-Year Average

In aggregate, companies are reporting revenues that are 2.2% above expectations. This surprise percentage is above the 1-year average (+0.9%), above the 5-year average (+2.1%), and above the 10-year average (+1.4%). 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 Information Technology (+3.7%) sector is reporting the largest positive (aggregate) difference between actual revenues and estimated revenues.

Earnings Growth: 4.8%

The blended (year-over-year) earnings growth rate for Q2 2025 is 4.8%, which is below the 5-year average earnings growth rate of 12.7% and below the 10-year average earnings growth rate of 9.2%. If 4.8% is the actual growth rate for the quarter, it will mark the lowest earnings growth reported by the index since Q4 2023 (4.0%). However, it will also mark the eighth consecutive quarter of year-over-year earnings growth for the index.

Six of the eleven sectors are reporting (or are expected to report) year-over-year earnings growth, led by the Communication Services and Information Technology sectors. On the other hand, five sectors are reporting (or are projected to report) a year-over-year decline in earnings, led by the Energy sector.

Communication Services: Warner Bros. Discovery Is Largest Contributor to Year-Over-Year Growth

The Communication Services sector is expected to report the highest (year-over-year) earnings growth rate of all eleven sectors at 29.6%. At the industry level, 3 of the 5 industries in the sector are expected to report year-over-year earnings growth: Entertainment ($5.5 billion vs. -$4.9 billion), Interactive Media & Services (12%), and Wireless Telecommunication Services (4%). On the other hand, two industries are projected to report a year-over-year decline in earnings: Media (-5%) and Diversified Telecommunication Services (-1%).

At the company level, Warner Bros. Discovery (-$0.24 vs. -$4.07) is expected to be the largest contributor to earnings growth for the sector. The company is benefitting from an easy comparison to weaker earnings reported in the year-ago quarter due to a $9.1 billion non-cash goodwill impairment charge and other expenses that were included in their GAAP EPS for Q2 2024. If this company were excluded, the estimated earnings growth rate for the Communication Services sector would fall to 8.2% from 29.6%.

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

The Information Technology sector is reporting the second-highest (year-over-year) earnings growth rate of all eleven sectors at 16.6%. At the industry level, all 6 industries in the sector are reporting (or are projected to report) year-over-year earnings growth: Semiconductors & Semiconductor Equipment (34%), Electronic Equipment, Instruments, & Components (16%), Software (13%), Communication Equipment (12%), IT Services (9%), and Technology Hardware, Storage, & Peripherals (less than 1%).

The Semiconductors & Semiconductor Equipment industry is also the largest contributor to earnings growth for the sector. If this industry were excluded, the blended earnings growth rate for the Information Technology sector would fall to 8.6% from 16.6%.

Energy: 4 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 -25.8%. 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 in Q2 2025 ($63.68) was 21% below the average price for oil in Q2 2024 ($80.66). At the sub-industry level, 4 of the 5 sub-industries in the sector are predicted to report a year-over-year decline in earnings. All 4 are projected to report a double-digit decline: Oil & Gas Refining & Marketing (-34%), Integrated Oil & Gas (-34%), Oil & Gas Exploration & Production (-19%), and Oil & Gas Equipment & Services (-19%). On the other hand, the Oil & Gas Storage & Transportation (14%) sub-industry is the only sub-industry predicted to report year-over-year growth in earnings.

Revenue Growth: 4.2%

The blended (year-over-year) revenue growth rate for Q2 2025 is 4.2%, which is below the 5-year average revenue growth rate of 7.2% and below the 10-year average revenue growth rate of 5.4%. If 4.2% is the actual growth rate for the quarter. it will mark the 19th consecutive quarter of revenue growth for the index.

At the sector level, ten sectors are reporting (or are expected to report) year-over-year growth in revenues, led by the Information Technology sector. On the other hand, the Energy sector is the only sector that is projected to report a year-over-year decline in revenues.

Information Technology: All 6 Industries Reporting Year-Over-Year Growth

The Information Technology sector is reporting the highest (year-over-year) revenue growth rate of all eleven sectors at 12.4%. At the industry level, all 6 industries in the sector are reporting (or are projected to report) year-over-year revenue growth: Semiconductors & Semiconductor Equipment (23%), Software (14%), Electronic Equipment, Instruments, & Components (12%), Communication Equipment (9%), IT Services (7%), and Technology Hardware, Storage, & Peripherals (5%).

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) revenue decline of all eleven sectors at -9.7%. 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 in Q2 2025 ($63.68) was 21% below the average price for oil in Q2 2024 ($80.66). 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 (-15%), Integrated Oil & Gas (-14%), and Oil & Gas Equipment & Services (-7%). On the other hand, two sub-industries are projected to report year-over-year growth in revenues: Oil & Gas Storage & Transportation (25%) and Oil & Gas Exploration & Production (10%).

Net Profit Margin: 12.2%

The blended net profit margin for the S&P 500 for Q2 2025 is 12.2%, which is below the previous quarter's net profit margin of 12.7%, equal to the year-ago net profit margin of 12.2%, and above the 5-year average of 11.8%.

At the sector level, two sectors are reporting (or are expected to report) a year-over-year increase in their net profit margins in Q2 2025 compared to Q2 2024: Communication Services (14.0% vs. 11.6%) and Information Technology (24.9% vs. 24.0%). On the other hand, nine sectors are reporting (or are expected to report) a year-over-year decrease in their net profit margins in Q2 2025 compared to Q2 2024, led by the Energy (7.5% vs. 9.1%) sector.

Five sectors are reporting (or are expected to report) net profit margins in Q2 2025 that are above their 5-year averages, led by the Industrials (10.6% vs. 8.6%) and Communication Services (14.0% vs. 12.2%) sectors. On the other hand, six sectors are reporting (or are expected to report) net profit margins in Q2 2025 that are below their 5-year averages, led by the Energy (7.5% vs. 9.9%) sector.

Forward Estimates & Valuation

Quarterly Guidance: % of Cos. Issuing Negative EPS Guidance for Q2 is Below Average

At this point in time, 111 companies in the index have issued EPS guidance for Q2 2025. Of these 111 companies, 60 have issued negative EPS guidance and 51 have issued positive EPS guidance. The number of S&P 500 companies issuing negative EPS guidance for Q2 2025 is above the 5-year average of 57 but below the 10-year average of 62. The number of companies issuing positive EPS guidance for Q2 2025 is above the 5-year average of 42 and above the 10-year average of 39.

The percentage of companies issuing negative EPS guidance for Q2 2025 is 54% (60 out of 111), which is below the 5-year average of 57% and below the 10-year average of 61%.

At this point in time, 261 companies in the index have issued EPS guidance for the current fiscal year (FY 2025 or FY 2026). Of these 261 companies, 134 have issued negative EPS guidance and 127 have issued positive EPS guidance. The percentage of companies issuing negative EPS guidance is 51% (134 out of 261).

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 9% for CY 2025

For the second quarter, S&P 500 companies are reporting year-over-year growth in earnings of 4.8% and year-over-year growth in revenues of 4.2%.

For Q3 2025, analysts are projecting earnings growth of 7.3% and revenue growth of 4.8%.

For Q4 2025, analysts are projecting earnings growth of 6.5% and revenue growth of 5.3%.

For CY 2025, analysts are projecting earnings growth of 9.0% and revenue growth of 5.0%.

For CY 2026, analysts are projecting earnings growth of 13.9% and revenue growth of 6.3%.

Valuation: Forward P/E Ratio is 22.3, Above the 10-Year Average (18.4)

The forward 12-month P/E ratio for the S&P 500 is 22.3. This P/E ratio is above the 5-year average of 19.9 and above the 10-year average of 18.4. It is also above the forward 12-month P/E ratio of 22.1 recorded at the end of the second quarter (June 30). Since the end of the second quarter (June 30), the price of the index has increased by 1.2%, while the forward 12-month EPS estimate has increased by 0.3%. At the sector level, the Information Technology (29.6) and Consumer Discretionary (28.6) sectors have the highest forward 12-month P/E ratios, while the Energy (15.7) sector has the lowest forward 12-month P/E ratio.

The trailing 12-month P/E ratio is 27.5, which is above the 5-year average of 24.9 and above the 10-year average of 22.5.

Targets & Ratings: Analysts Project 8% Increase in Price Over Next 12 Months

The bottom-up target price for the S&P 500 is 6764.11, which is 7.7% above the closing price of 6280.46. At the sector level, the Health Care (+15.2%), Real Estate (+12.5%), and Energy (+11.2%) 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 Industrials (+3.7%) 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.

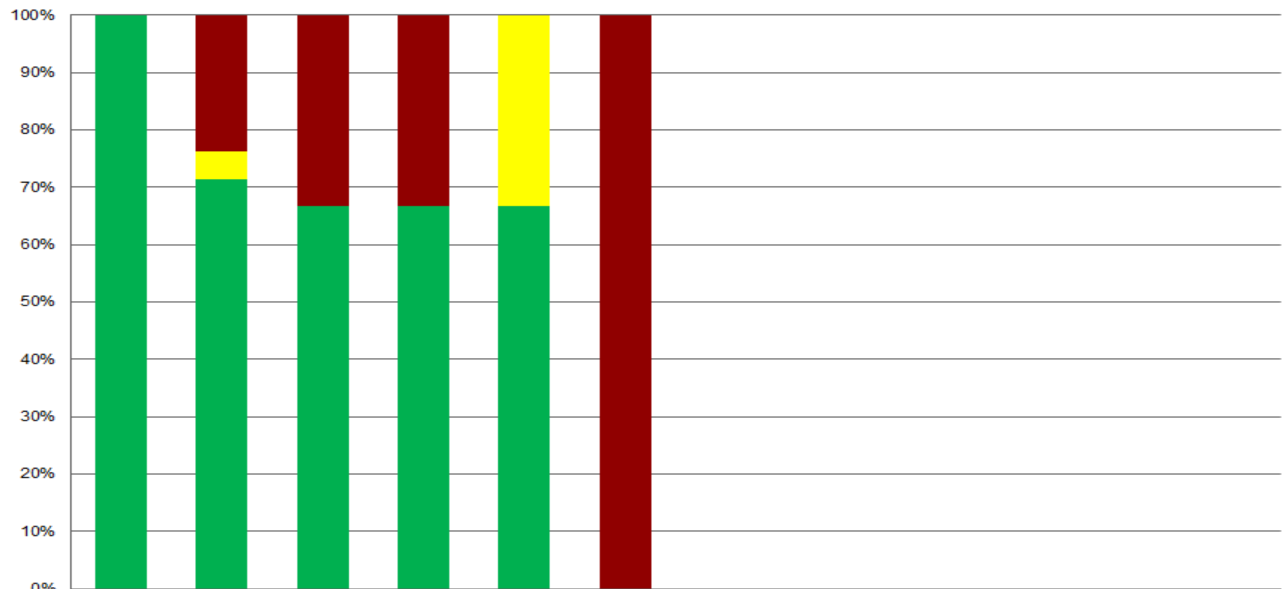
Overall, there are 12,416 ratings on stocks in the S&P 500. Of these 12,416 ratings, 56.5% are Buy ratings, 38.6% are Hold ratings, and 5.0% are Sell ratings. At the sector level, the Energy (68%), Communication Services (65%), and Information Technology (63%) sectors have the highest percentages of Buy ratings, while the Consumer Staples (40%) sector has the lowest percentage of Buy ratings.

Companies Reporting Next Week: 42

During the upcoming week, 42 S&P 500 companies (including 6 Dow 30 components) are scheduled to report results for the second quarter.

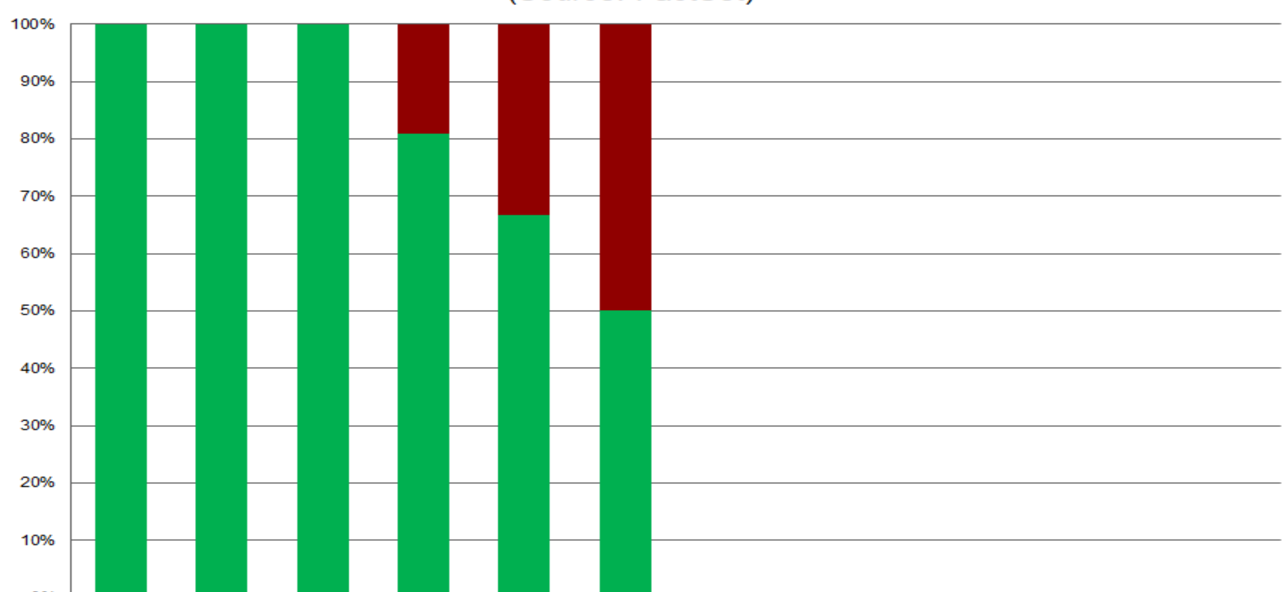
Q2 2025: Scorecard

S&P 500 Earnings Above, In-Line, Below Estimates: Q2 2025
(Source: FactSet)



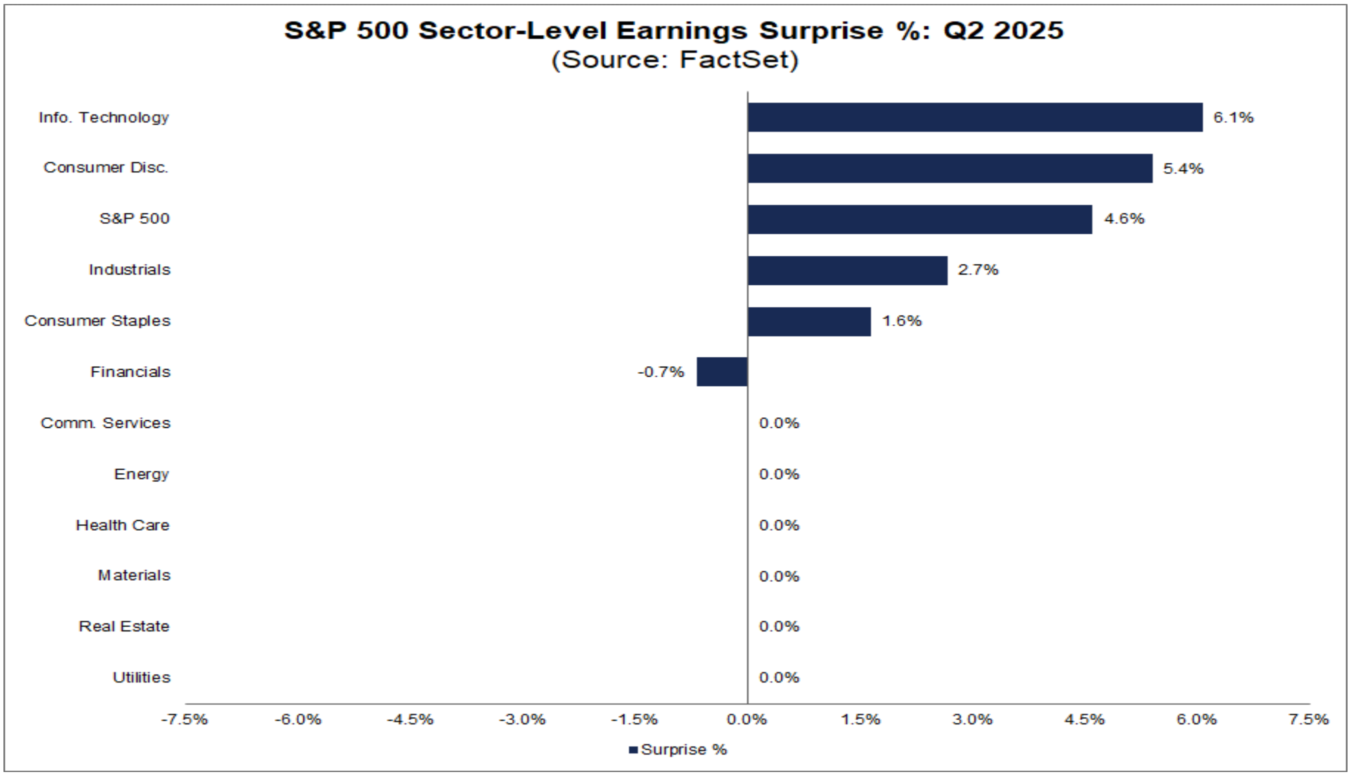
	Info. Technology	S&P 500	Consumer Staples	Consumer Disc.	Industrials	Financials	Comm. Services	Energy	Health Care	Materials	Real Estate	Utilities
Below	0%	24%	33%	33%	0%	100%	0%	0%	0%	0%	0%	0%
In-Line	0%	5%	0%	0%	33%	0%	0%	0%	0%	0%	0%	0%
Above	100%	71%	67%	67%	67%	0%	0%	0%	0%	0%	0%	0%

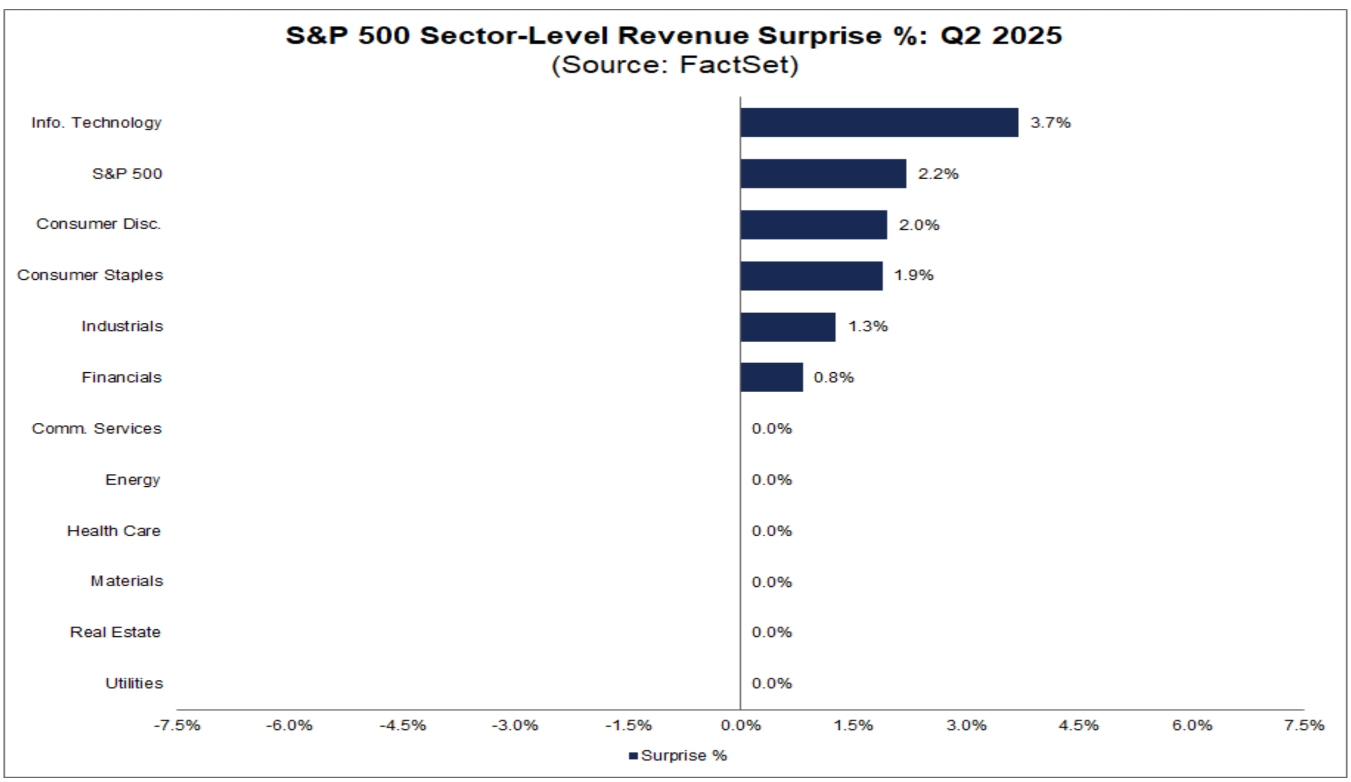
S&P 500 Revenues Above, In-Line, Below Estimates: Q2 2025
(Source: FactSet)



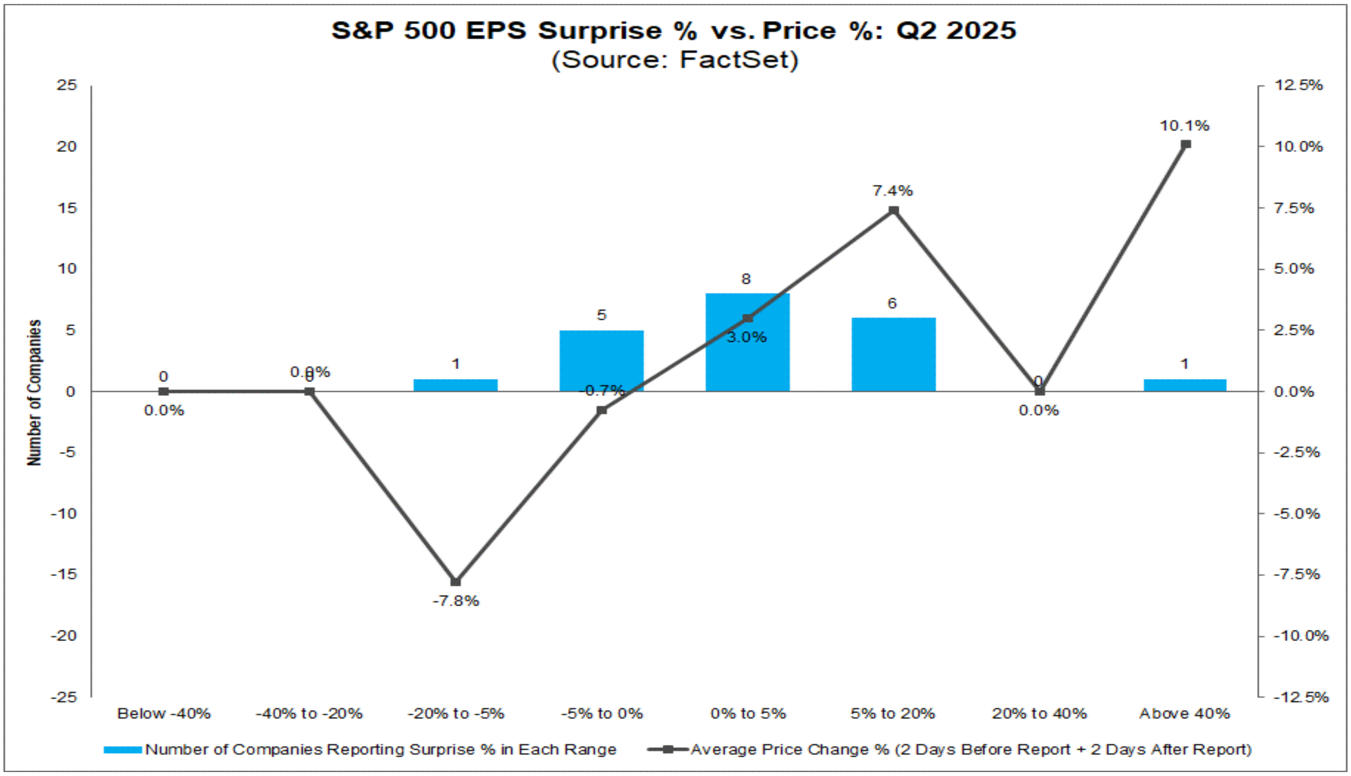
	Consumer Disc.	Financials	Info. Technology	S&P 500	Industrials	Consumer Staples	Comm. Services	Energy	Health Care	Materials	Real Estate	Utilities
Below	0%	0%	0%	19%	33%	50%	0%	0%	0%	0%	0%	0%
In-Line	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Above	100%	100%	100%	81%	67%	50%	0%	0%	0%	0%	0%	0%

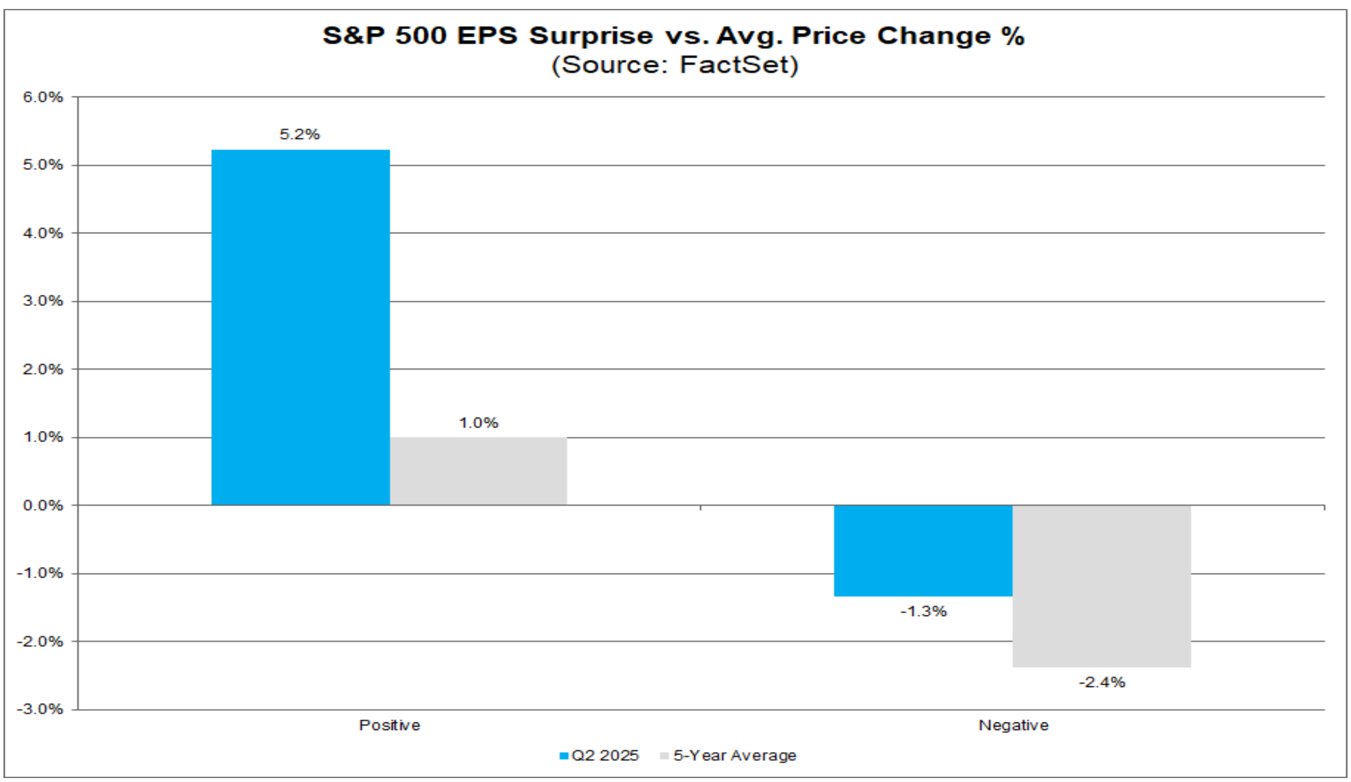
Q2 2025: Surprise



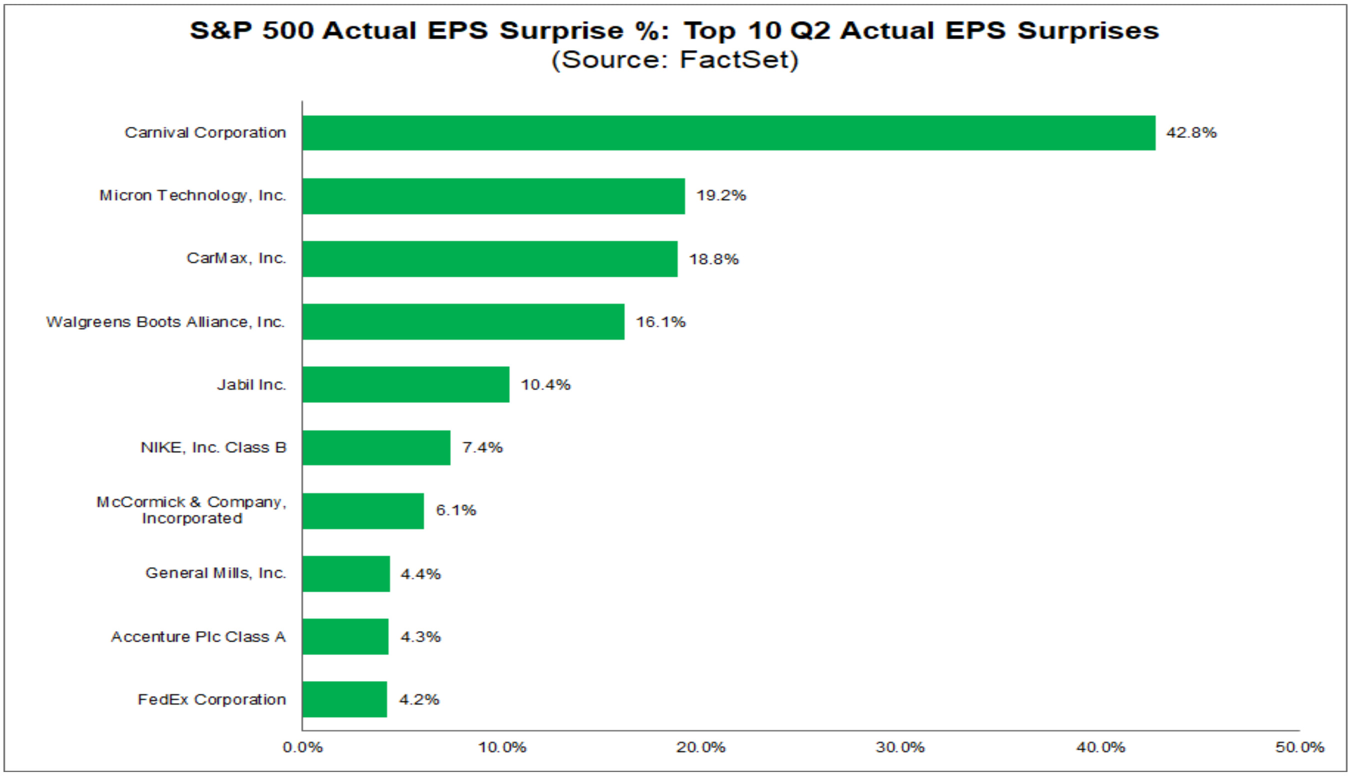


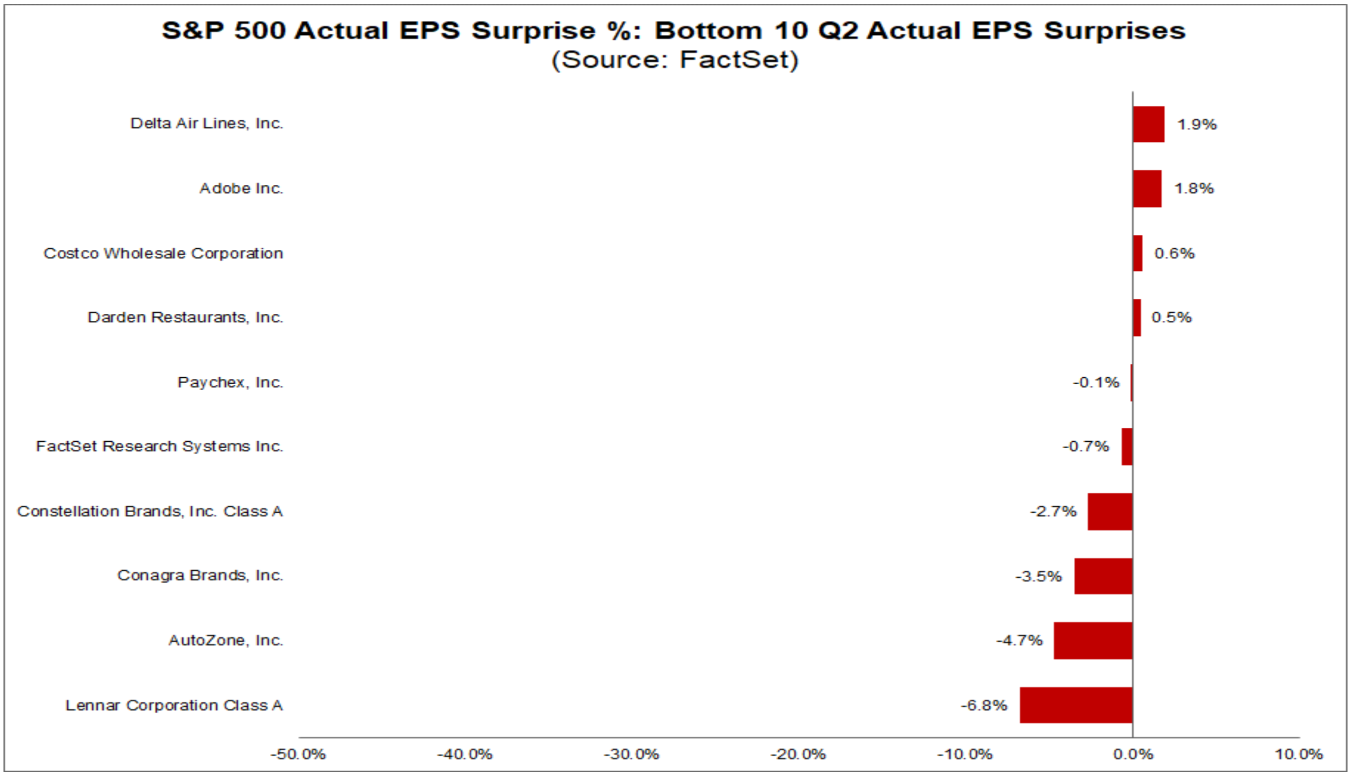
Q2 2025: Surprise



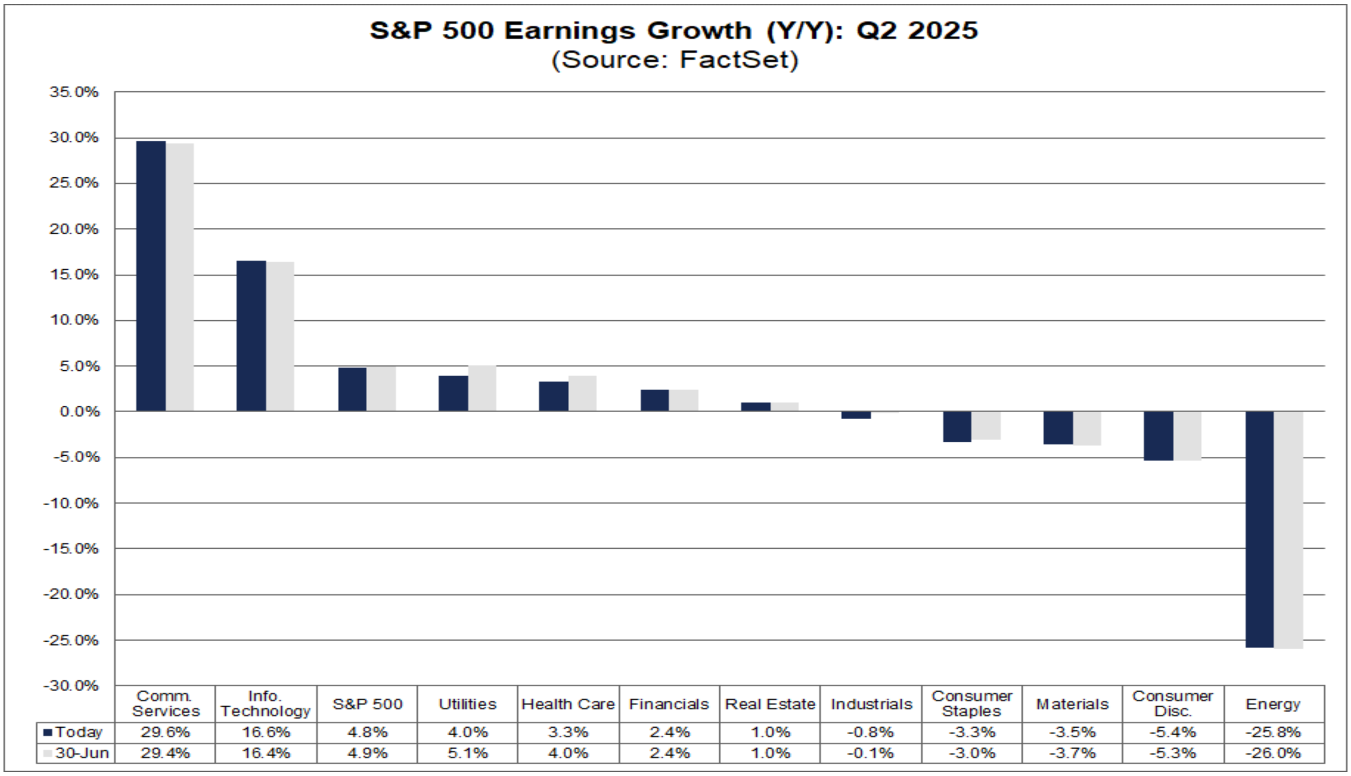


Q2 2025: Surprise

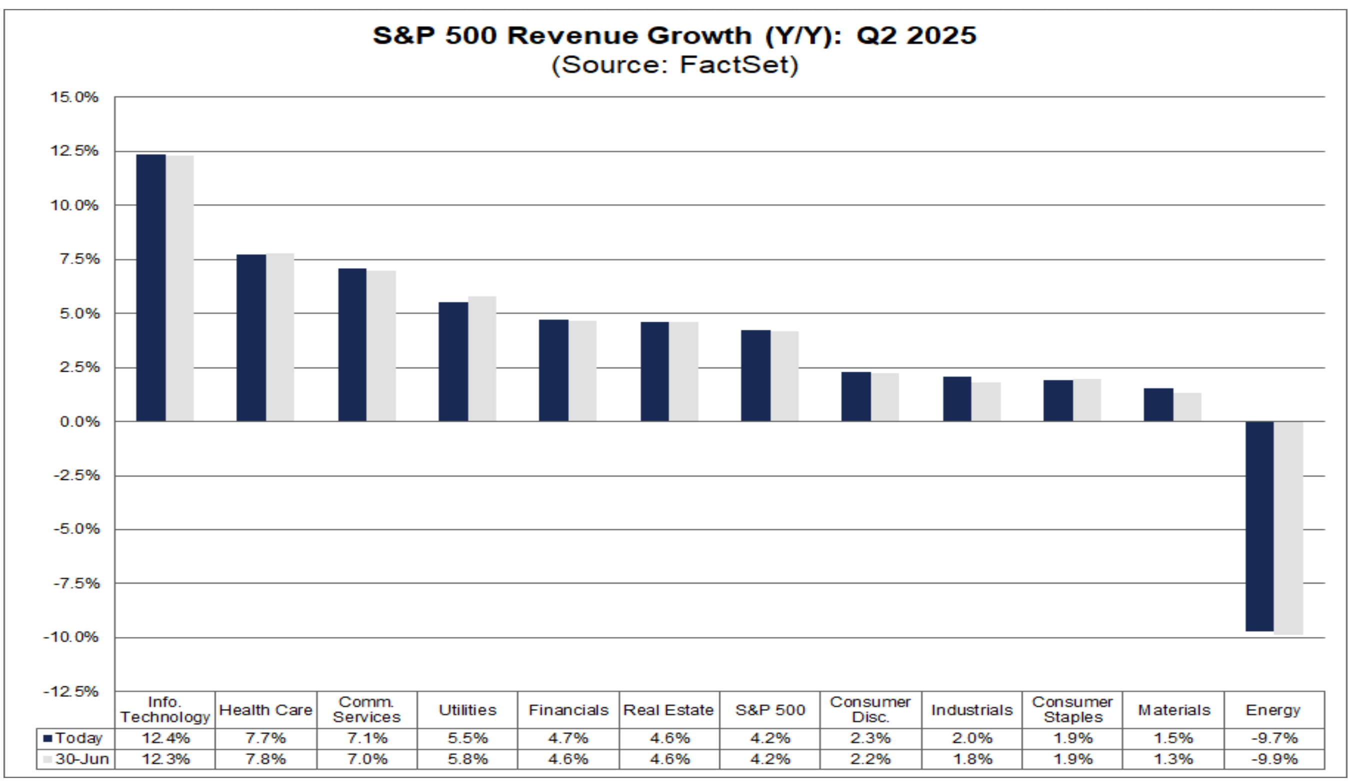




Q2 2025: Growth

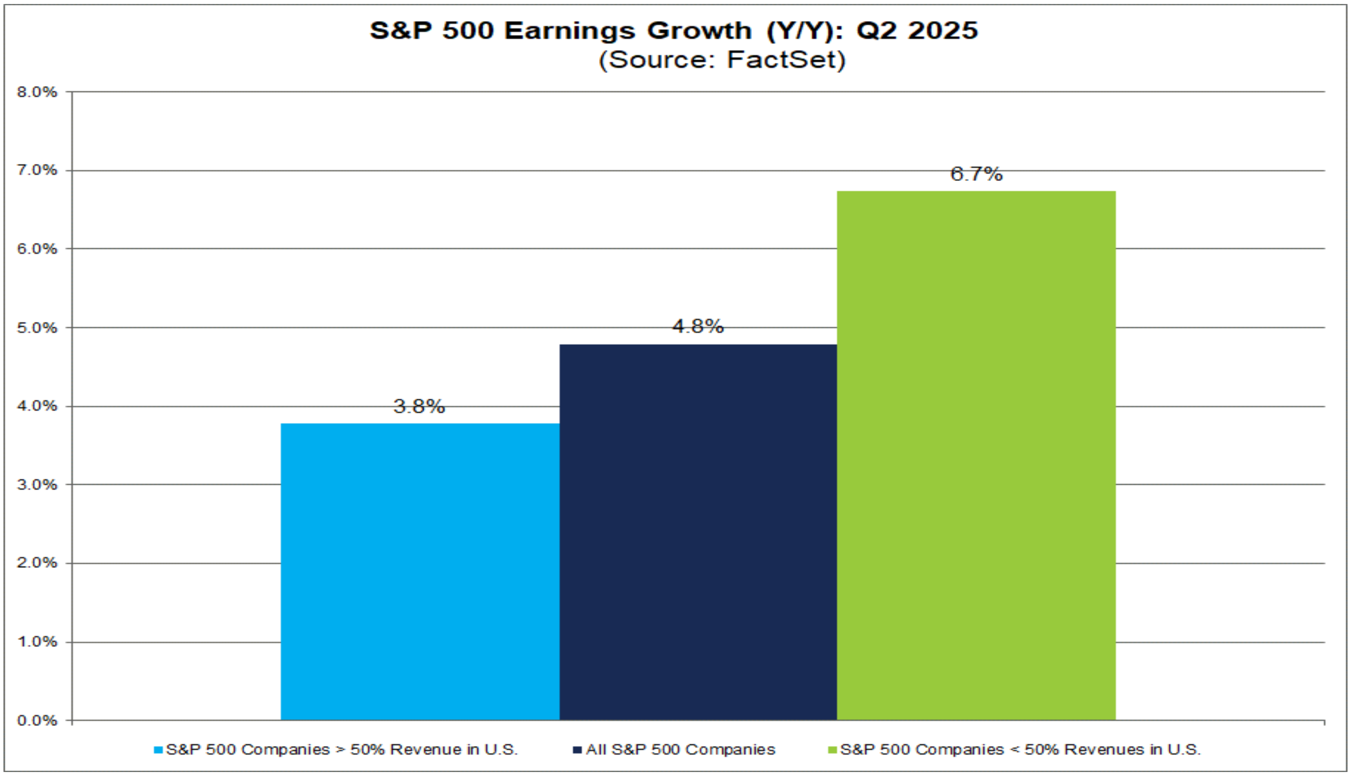


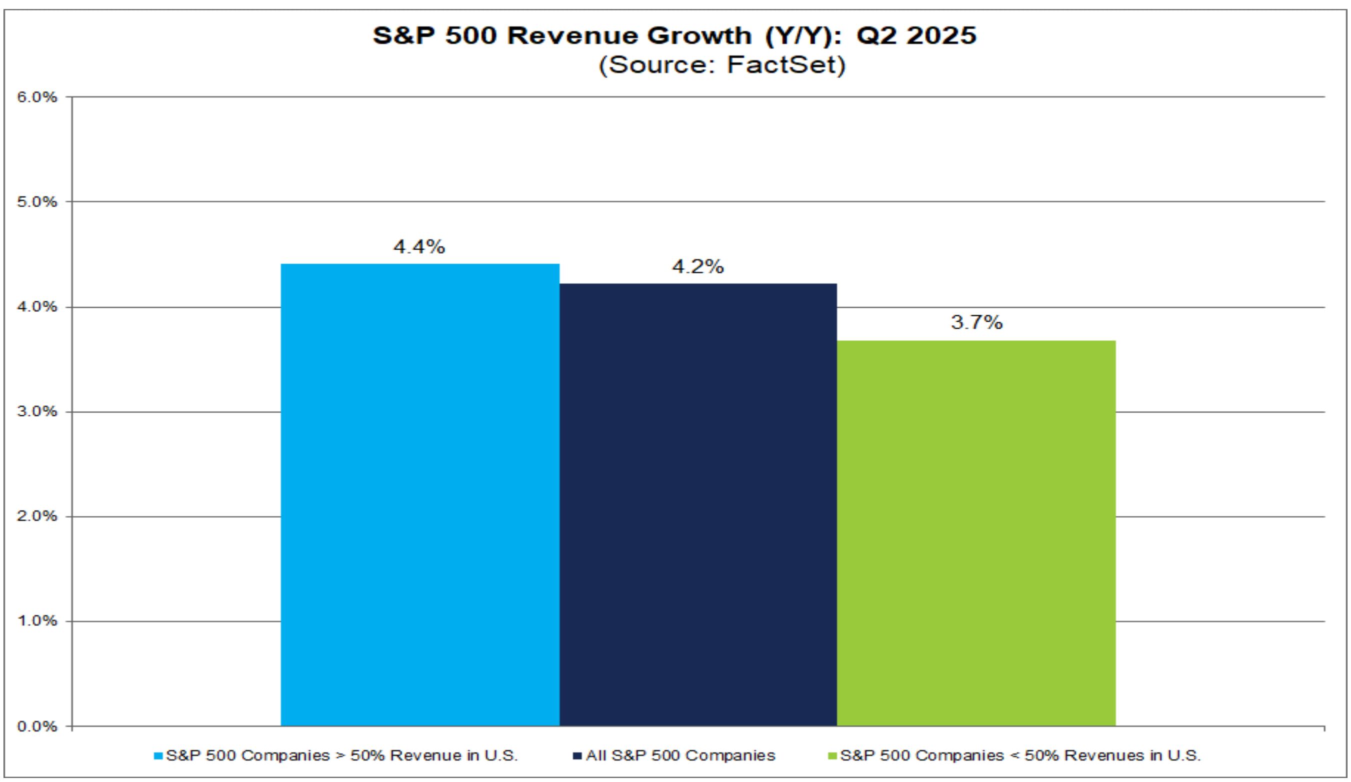
	Comm. Services	Info. Technology	S&P 500	Utilities	Health Care	Financials	Real Estate	Industrials	Consumer Staples	Materials	Consumer Disc.	Energy
Today	29.6%	16.6%	4.8%	4.0%	3.3%	2.4%	1.0%	-0.8%	-3.3%	-3.5%	-5.4%	-25.8%
30-Jun	29.4%	16.4%	4.9%	5.1%	4.0%	2.4%	1.0%	-0.1%	-3.0%	-3.7%	-5.3%	-26.0%



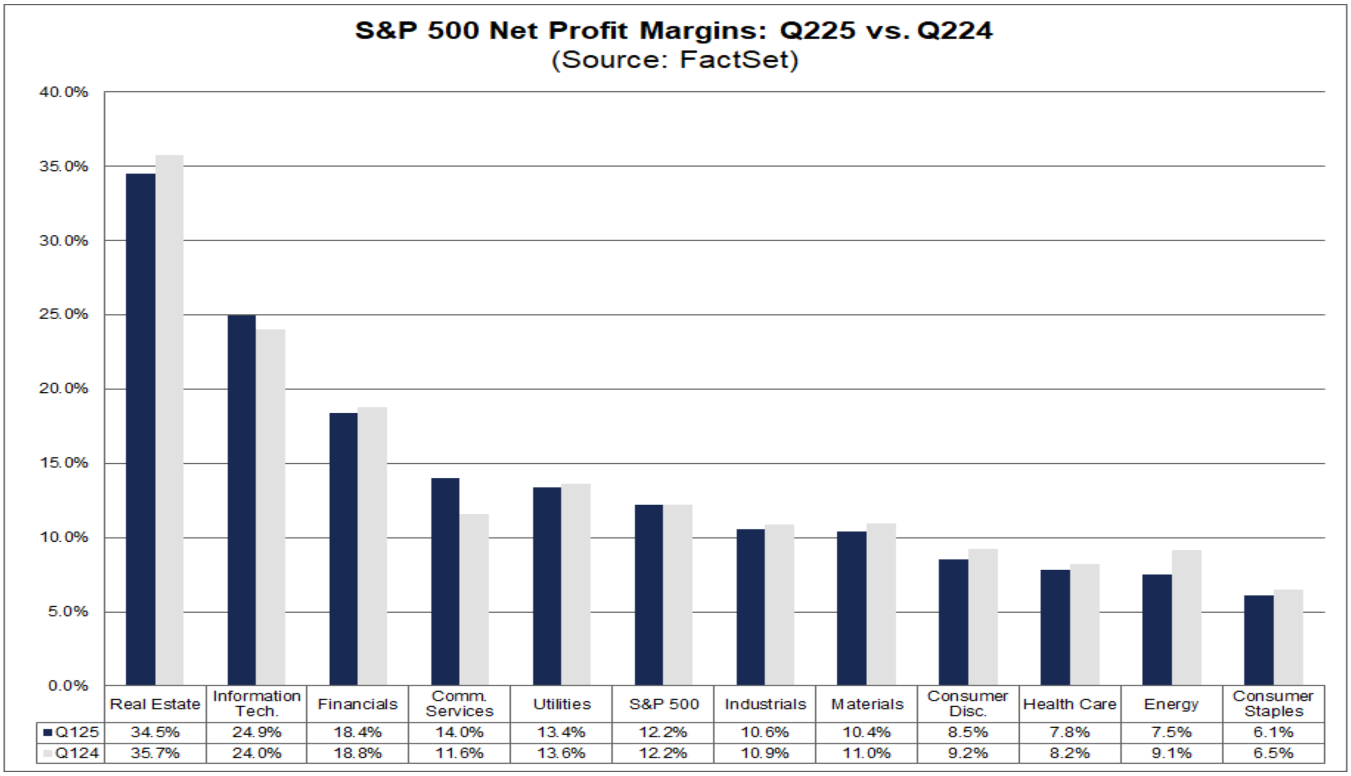
	Info. Technology	Health Care	Comm. Services	Utilities	Financials	Real Estate	S&P 500	Consumer Disc.	Industrials	Consumer Staples	Materials	Energy
Today	12.4%	7.7%	7.1%	5.5%	4.7%	4.6%	4.2%	2.3%	2.0%	1.9%	1.5%	-9.7%
30-Jun	12.3%	7.8%	7.0%	5.8%	4.6%	4.6%	4.2%	2.2%	1.8%	1.9%	1.3%	-9.9%

Q2 2025: Growth

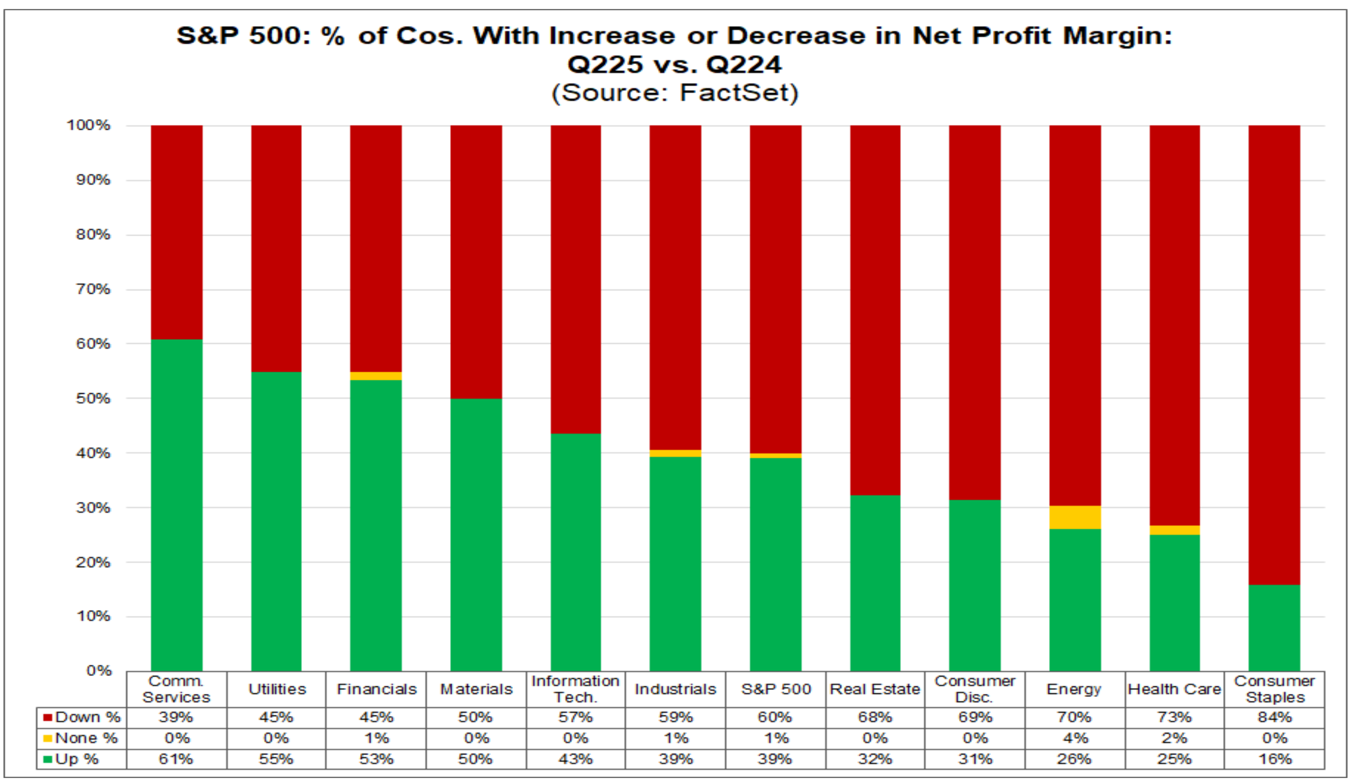




Q2 2025: Net Profit Margin

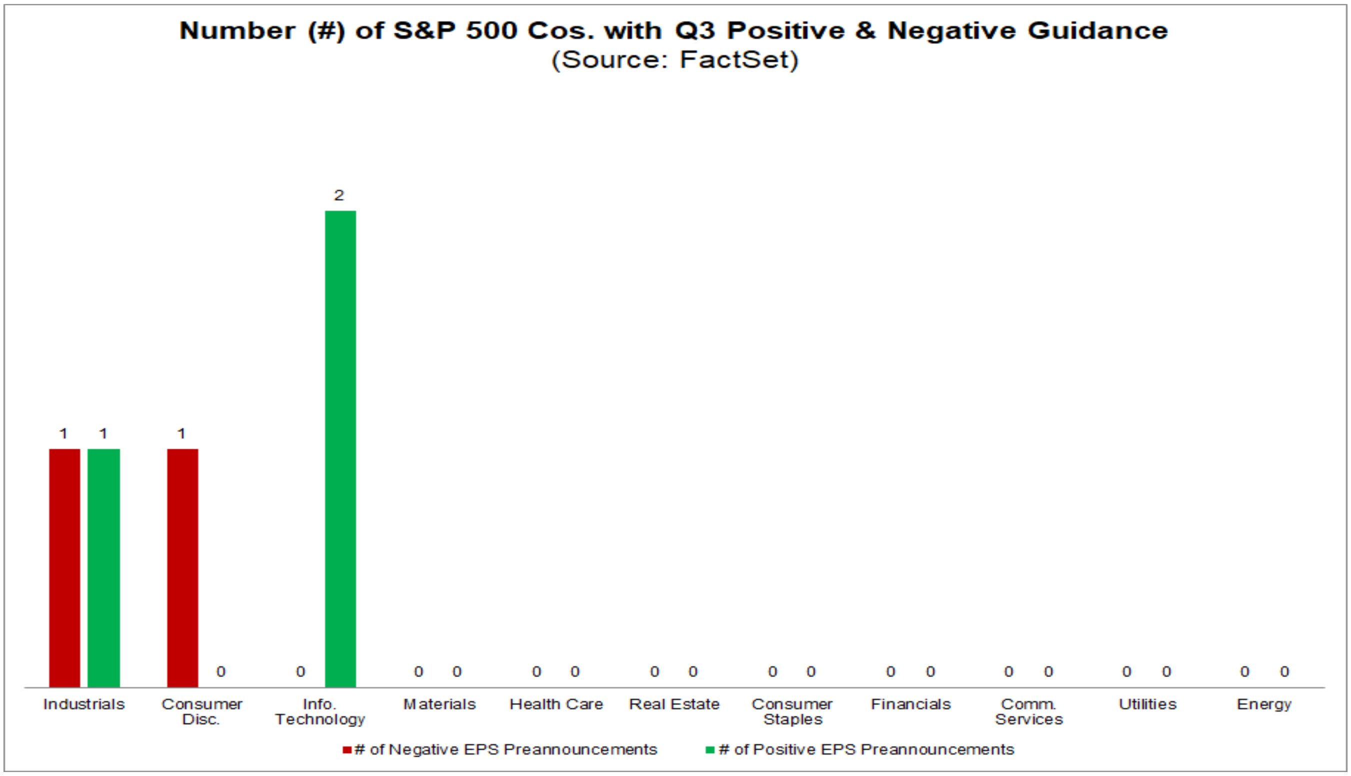


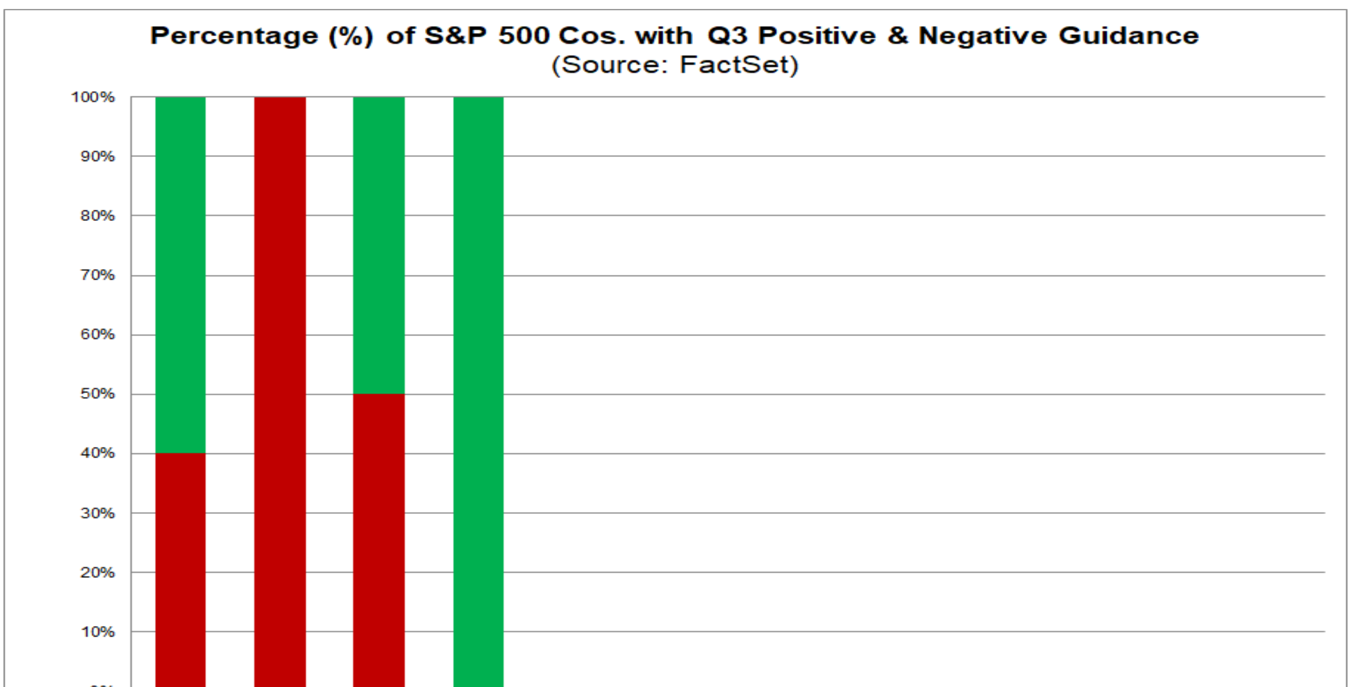
	Real Estate	Information Tech.	Financials	Comm. Services	Utilities	S&P 500	Industrials	Materials	Consumer Disc.	Health Care	Energy	Consumer Staples
Q125	34.5%	24.9%	18.4%	14.0%	13.4%	12.2%	10.6%	10.4%	8.5%	7.8%	7.5%	6.1%
Q124	35.7%	24.0%	18.8%	11.6%	13.6%	12.2%	10.9%	11.0%	9.2%	8.2%	9.1%	6.5%



	Comm. Services	Utilities	Financials	Materials	Information Tech.	Industrials	S&P 500	Real Estate	Consumer Disc.	Energy	Health Care	Consumer Staples
Down %	39%	45%	45%	50%	57%	59%	60%	68%	69%	70%	73%	84%
None %	0%	0%	1%	0%	0%	1%	1%	0%	0%	4%	2%	0%
Up %	61%	55%	53%	50%	43%	39%	39%	32%	31%	26%	25%	16%

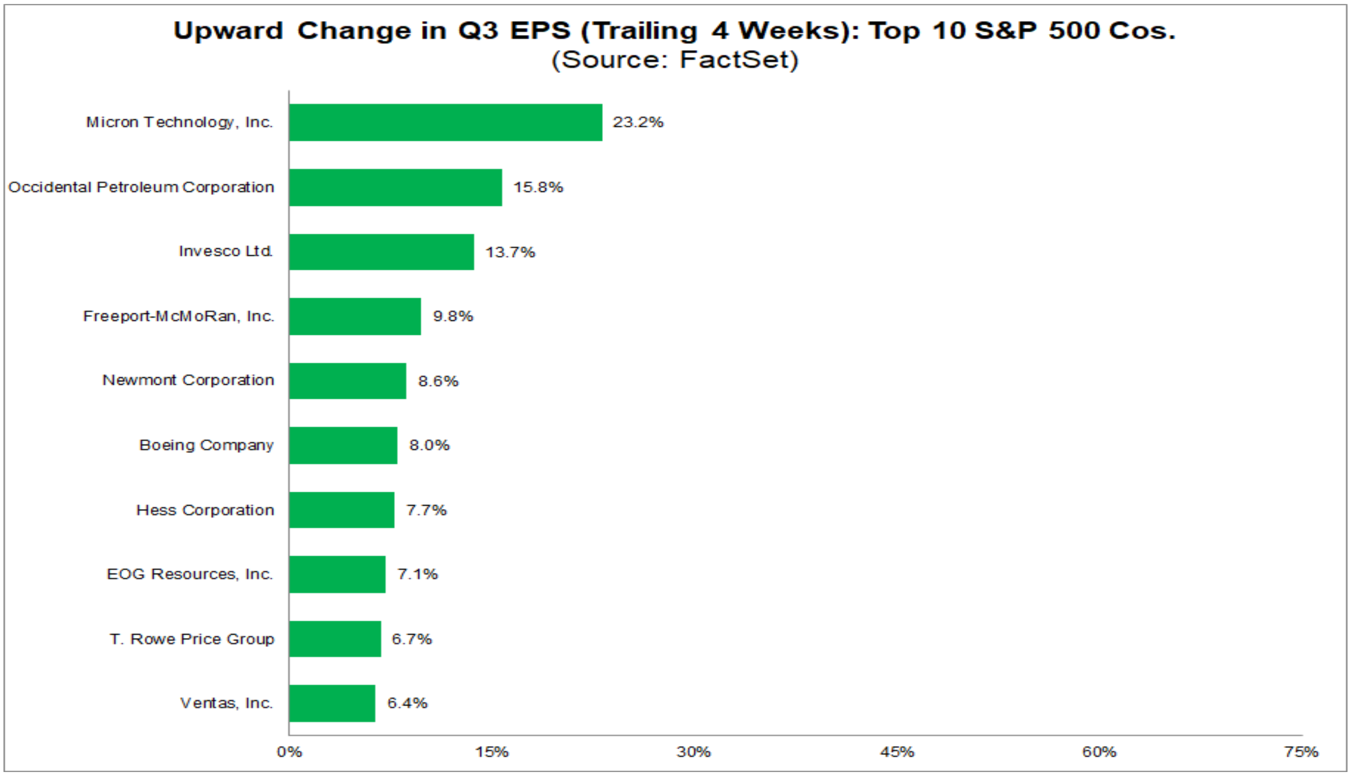
Q3 2025: Guidance

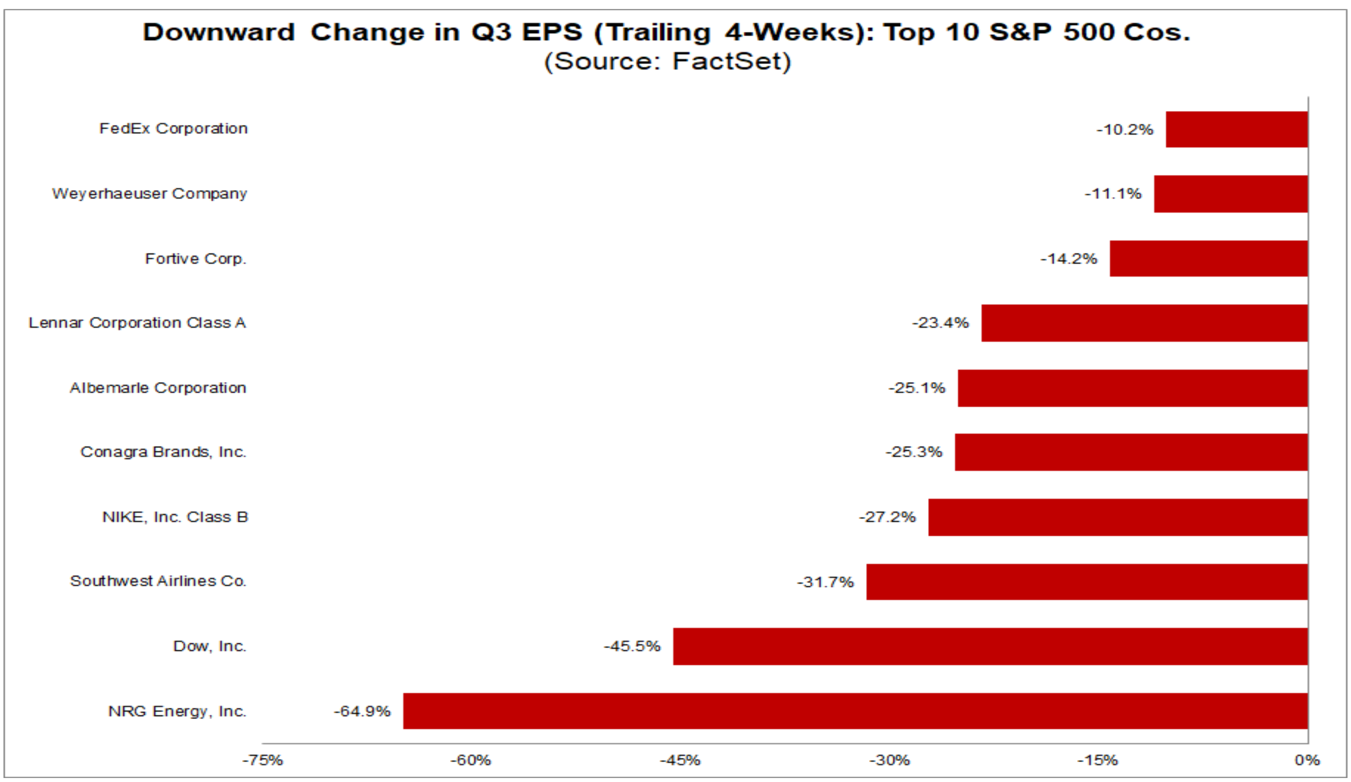




	S&P 500	Consumer Disc.	Industrials	Info. Technology	Utilities	Materials	Financials	Real Estate	Health Care	Consumer Staples	Comm. Services	Energy
Positive	60%	0%	50%	100%	0%	0%	0%	0%	0%	0%	0%	0%
Negative	40%	100%	50%	0%	0%	0%	0%	0%	0%	0%	0%	0%

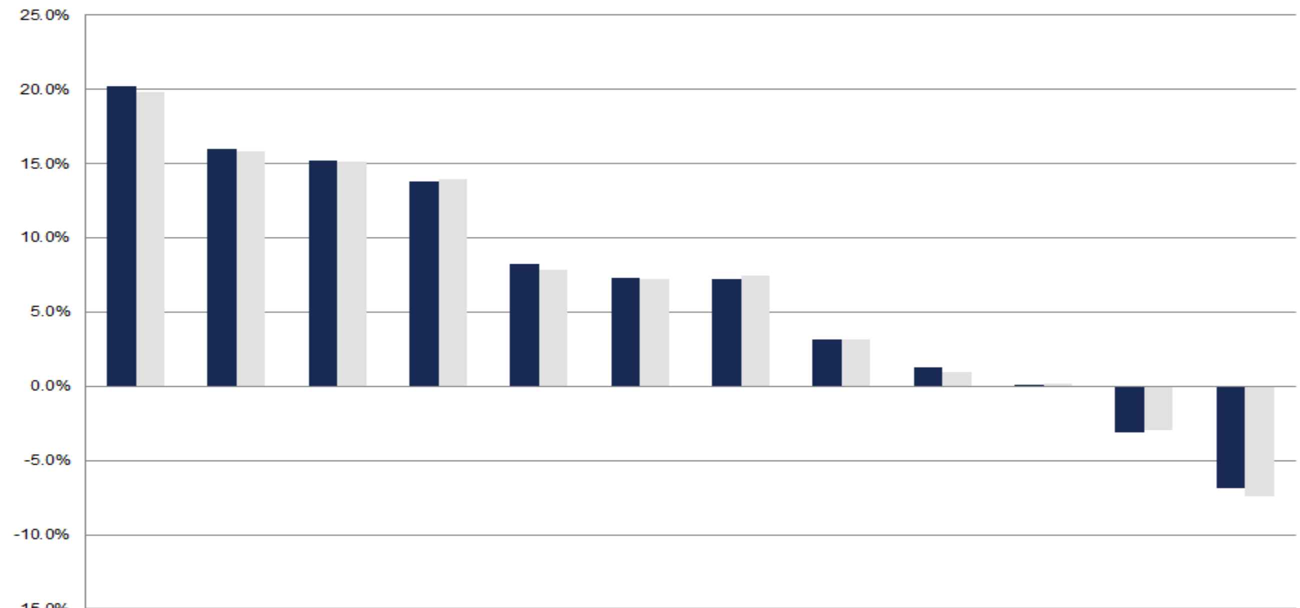
Q3 2025: EPS Revisions





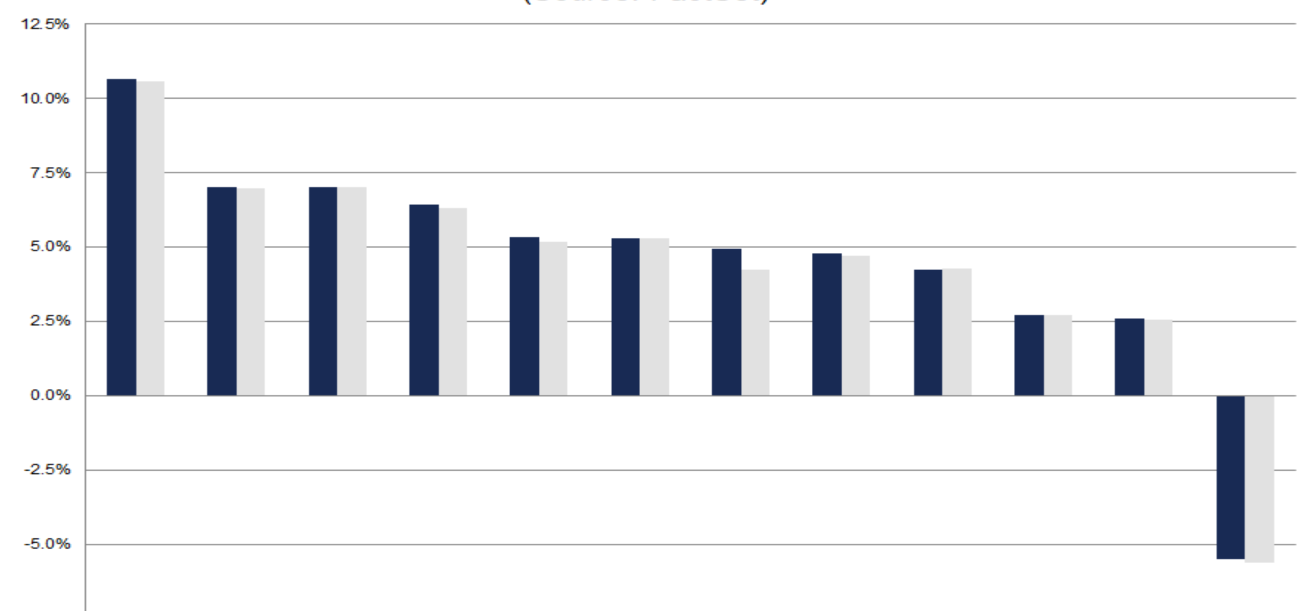
Q3 2025: Growth

S&P 500 Earnings Growth (Y/Y): Q3 2025
(Source: FactSet)



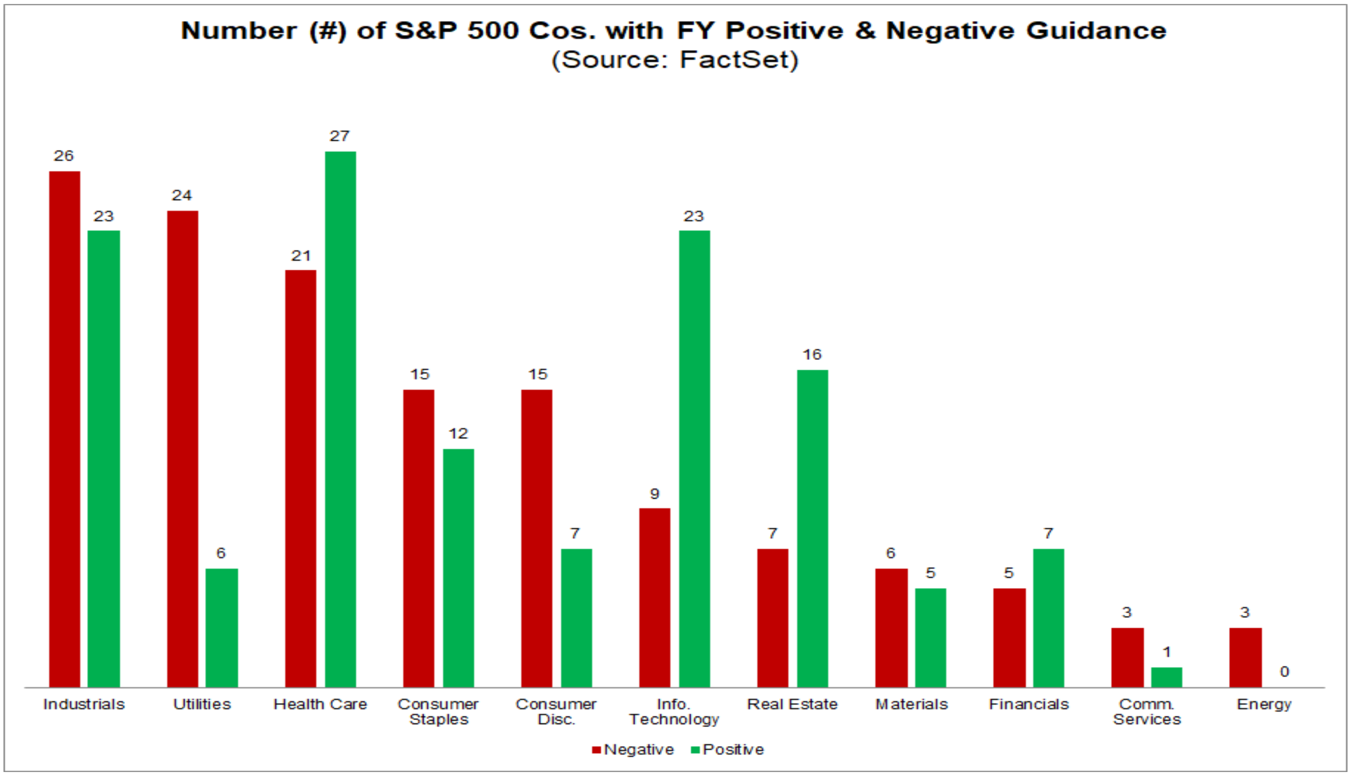
	Materials	Info. Technology	Utilities	Industrials	Financials	S&P 500	Health Care	Real Estate	Comm. Services	Consumer Staples	Consumer Disc.	Energy
Today	20.2%	16.0%	15.2%	13.8%	8.2%	7.3%	7.2%	3.1%	1.2%	0.0%	-3.1%	-6.9%
30-Jun	19.8%	15.8%	15.1%	13.9%	7.9%	7.2%	7.5%	3.2%	1.0%	0.2%	-2.9%	-7.4%

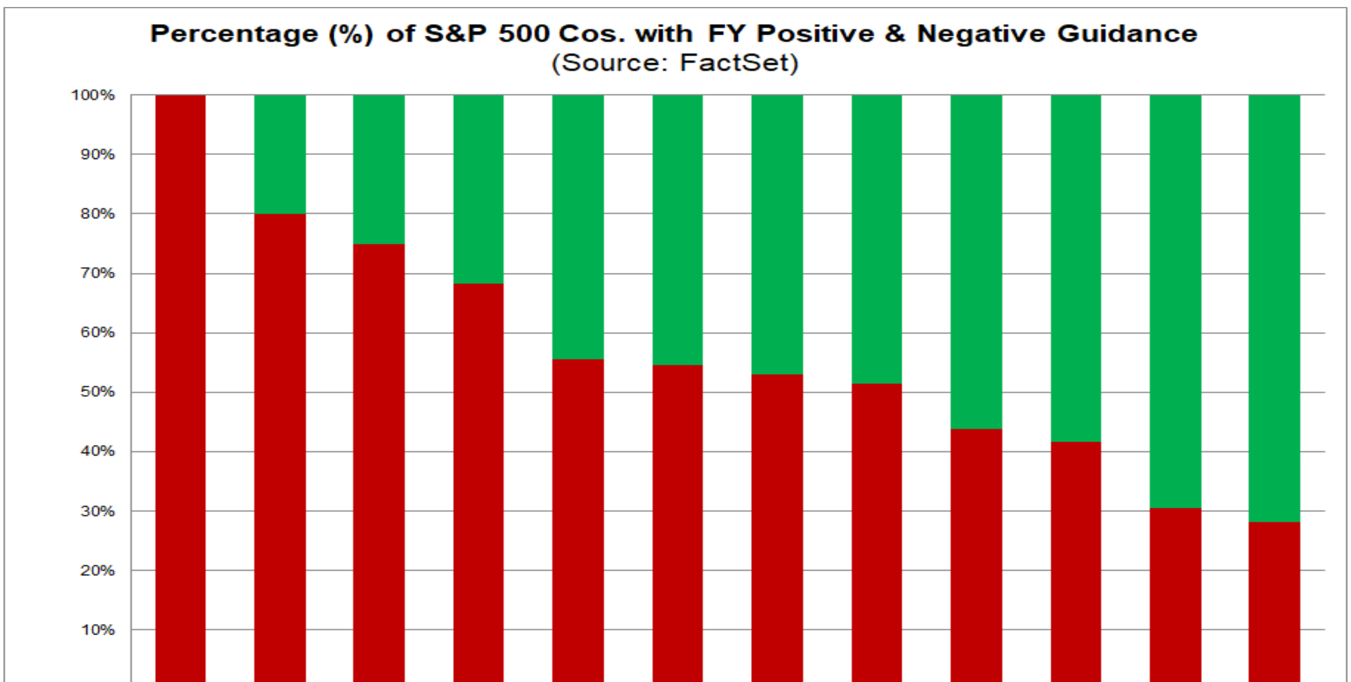
S&P 500 Revenue Growth (Y/Y): Q3 2025
(Source: FactSet)



	Info. Technology	Utilities	Health Care	Comm. Services	Financials	Real Estate	Materials	S&P 500	Industrials	Consumer Staples	Consumer Disc.	Energy
Today	10.6%	7.0%	7.0%	6.4%	5.3%	5.3%	4.9%	4.8%	4.2%	2.7%	2.6%	-5.5%
30-Jun	10.6%	7.0%	7.0%	6.3%	5.2%	5.3%	4.2%	4.7%	4.3%	2.7%	2.6%	-5.6%

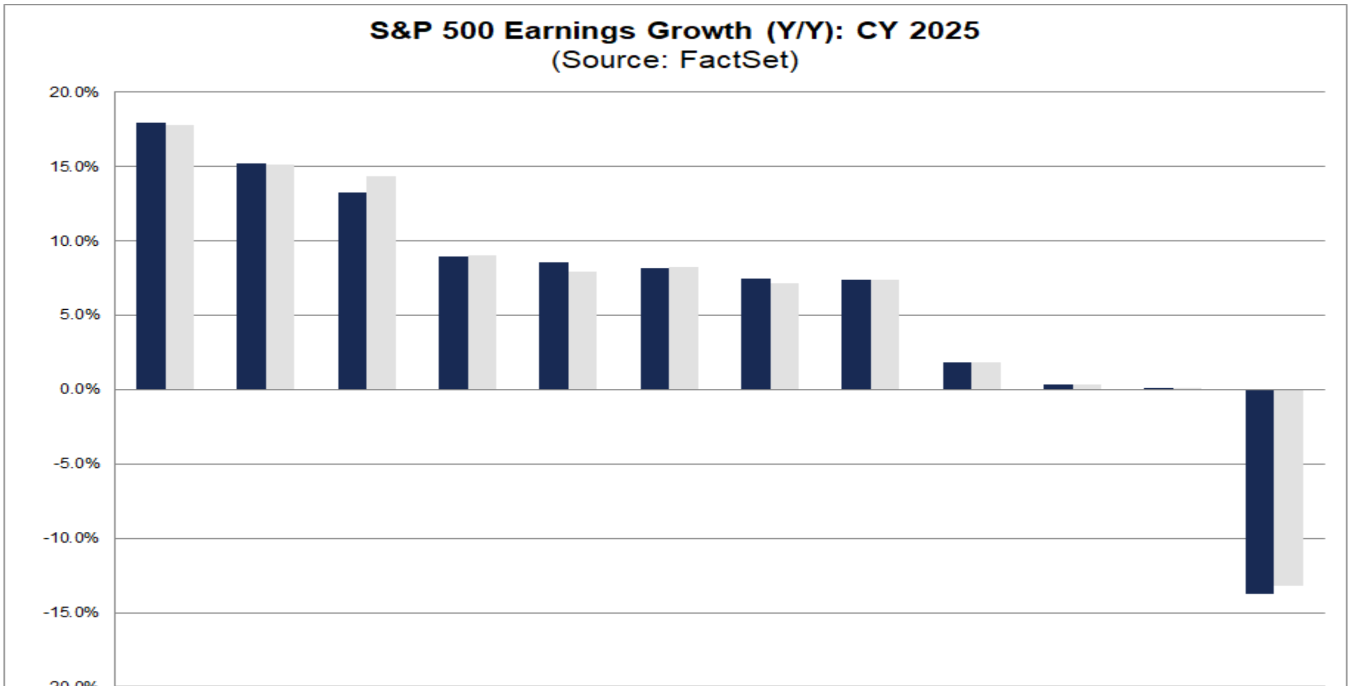
FY 2025 / 2026: EPS Guidance



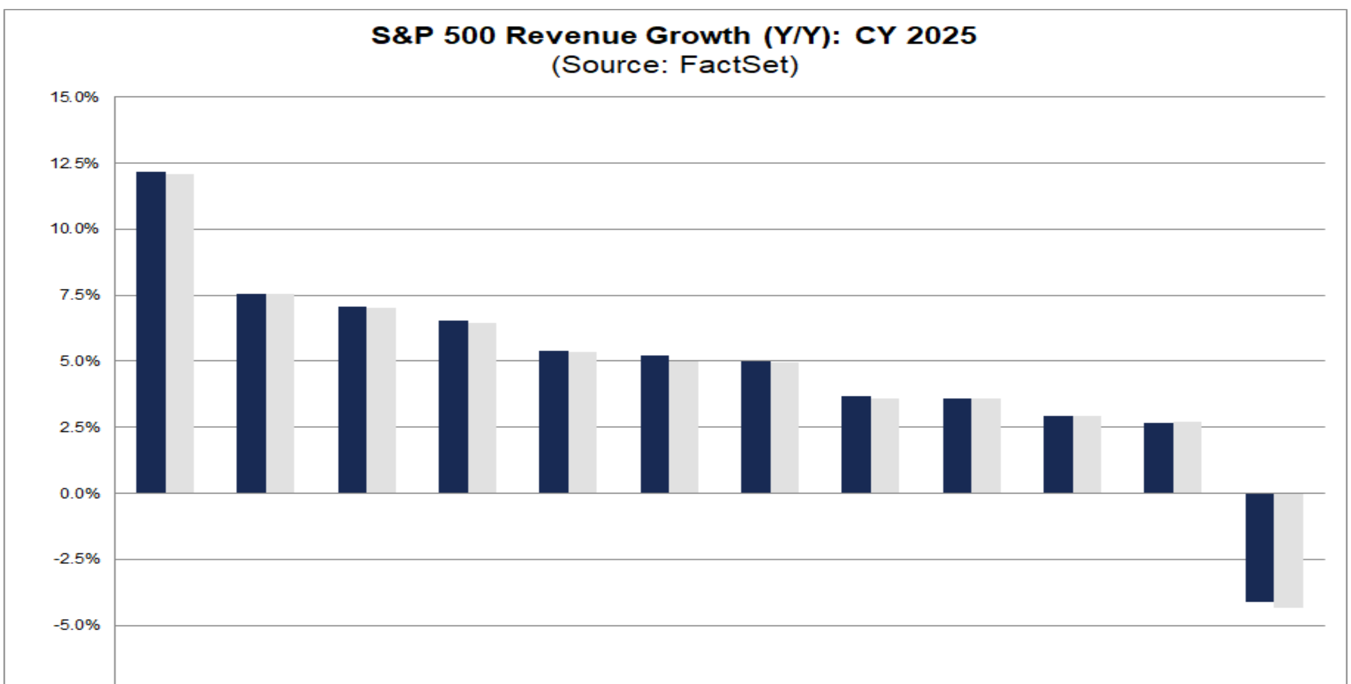


	Energy	Utilities	Comm. Services	Consumer Disc.	Consumer Staples	Materials	Industrials	S&P 500	Health Care	Financials	Real Estate	Info. Technology
Positive	0%	20%	25%	32%	44%	45%	47%	49%	56%	58%	70%	72%
Negative	100%	80%	75%	68%	56%	55%	53%	51%	44%	42%	30%	28%

CY 2025: Growth



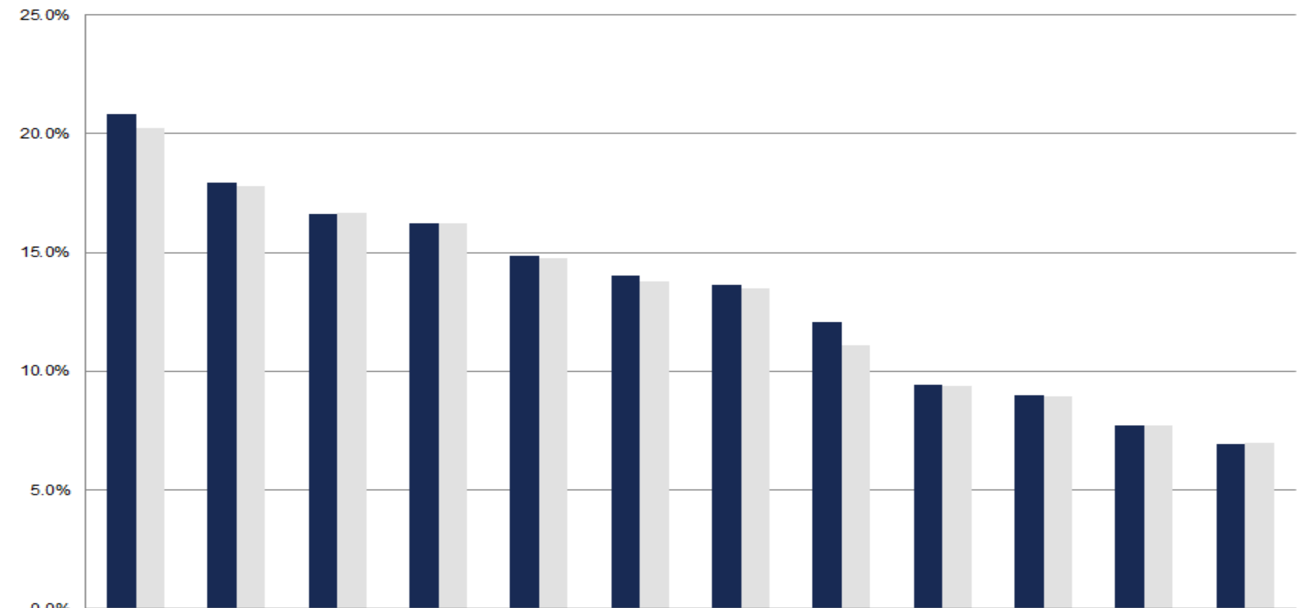
	Info. Technology	Comm. Services	Health Care	S&P 500	Materials	Industrials	Financials	Utilities	Real Estate	Consumer Disc.	Consumer Staples	Energy
Today	17.9%	15.2%	13.2%	9.0%	8.5%	8.2%	7.4%	7.4%	1.8%	0.4%	0.0%	-13.7%
30-Jun	17.8%	15.1%	14.4%	9.1%	8.0%	8.2%	7.1%	7.3%	1.8%	0.4%	0.1%	-13.2%



	Info. Technology	Health Care	Comm. Services	Utilities	Real Estate	Materials	S&P 500	Financials	Industrials	Consumer Disc.	Consumer Staples	Energy
Today	12.2%	7.5%	7.1%	6.5%	5.4%	5.2%	5.0%	3.7%	3.6%	2.9%	2.7%	-4.1%
30-Jun	12.1%	7.5%	7.0%	6.4%	5.4%	5.0%	5.0%	3.6%	3.6%	2.9%	2.7%	-4.3%

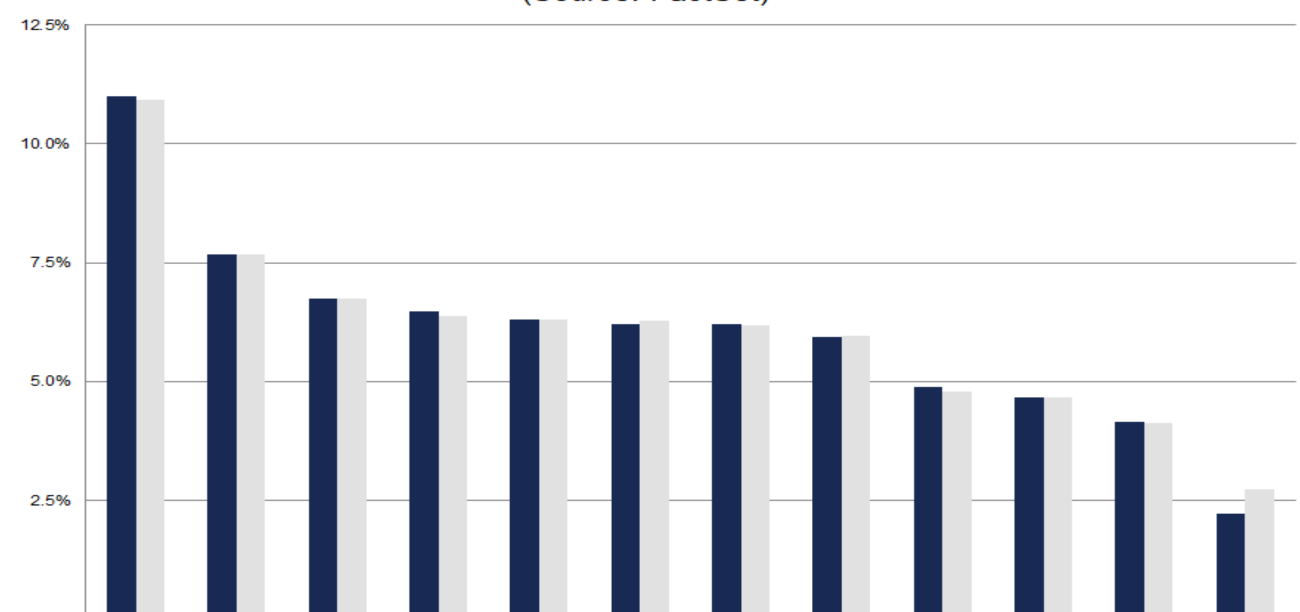
CY 2026: Growth

S&P 500 Earnings Growth (Y/Y): CY 2026
(Source: FactSet)



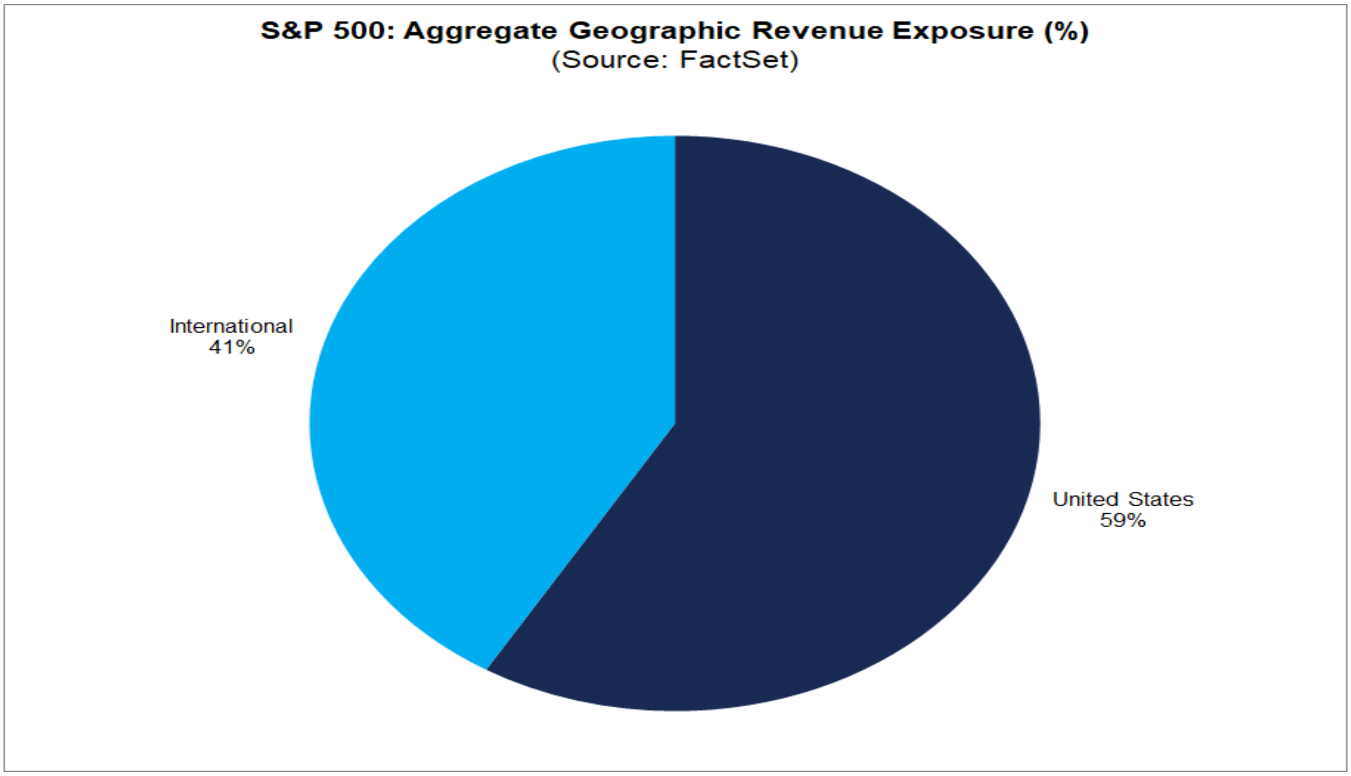
	Energy	Info. Technology	Materials	Industrials	Consumer Disc.	S&P 500	Financials	Health Care	Comm. Services	Utilities	Consumer Staples	Real Estate
Today	20.8%	17.9%	16.6%	16.2%	14.9%	14.0%	13.7%	12.1%	9.4%	9.0%	7.7%	7.0%
30-Jun	20.2%	17.8%	16.7%	16.2%	14.8%	13.8%	13.5%	11.1%	9.4%	9.0%	7.7%	7.0%

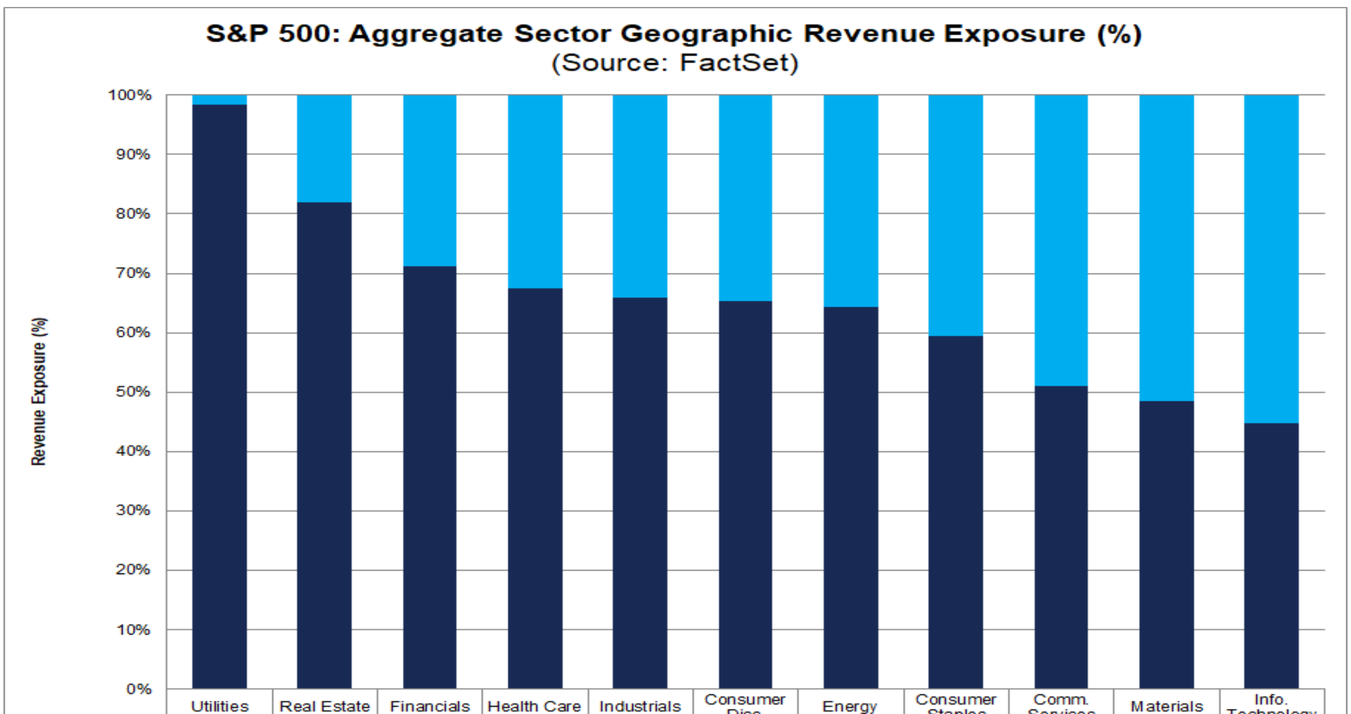
S&P 500 Revenue Growth (Y/Y): CY 2026
(Source: FactSet)



	Info. Technology	Comm. Services	Real Estate	Financials	S&P 500	Industrials	Consumer Disc.	Health Care	Utilities	Materials	Consumer Staples	Energy
Today	11.0%	7.7%	6.7%	6.5%	6.3%	6.2%	6.2%	6.0%	4.9%	4.7%	4.2%	2.2%
30-Jun	10.9%	7.7%	6.8%	6.4%	6.3%	6.3%	6.2%	6.0%	4.8%	4.7%	4.1%	2.7%

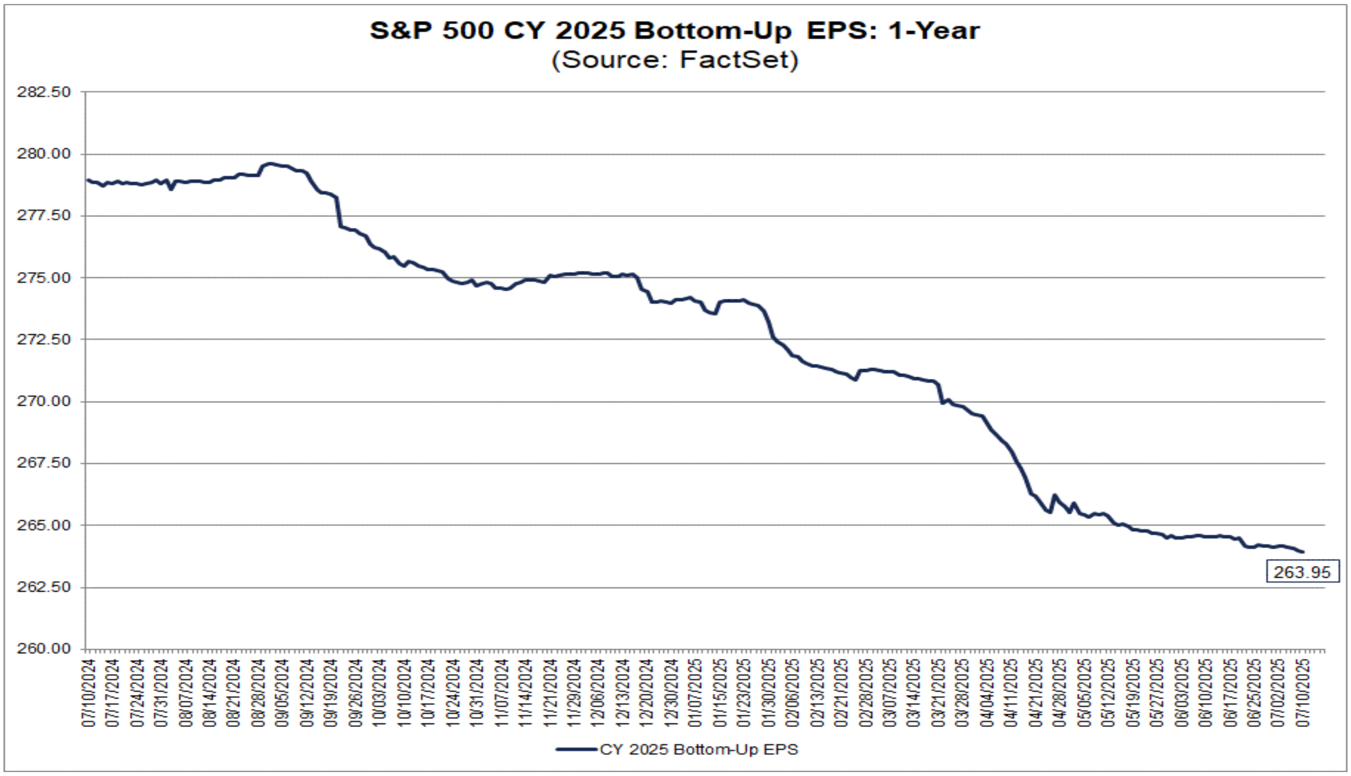
Geographic Revenue Exposure

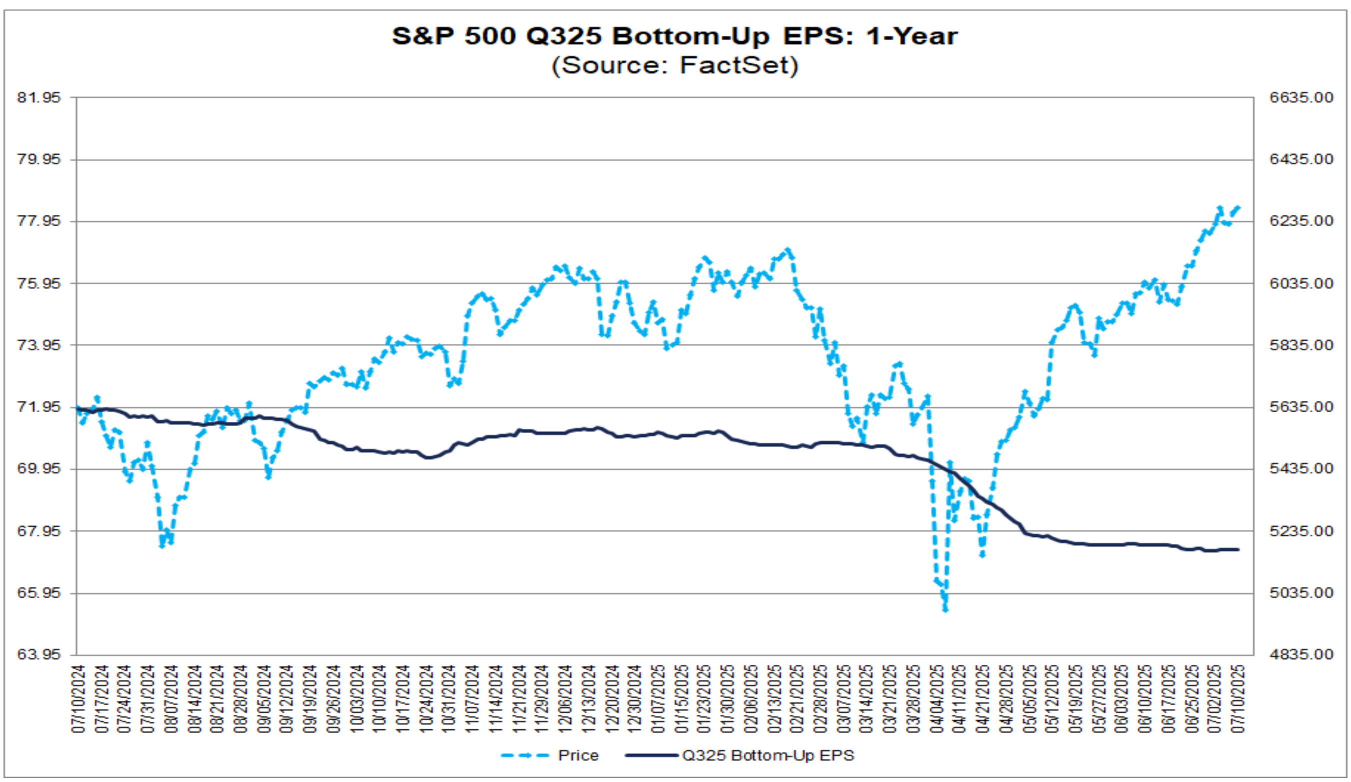




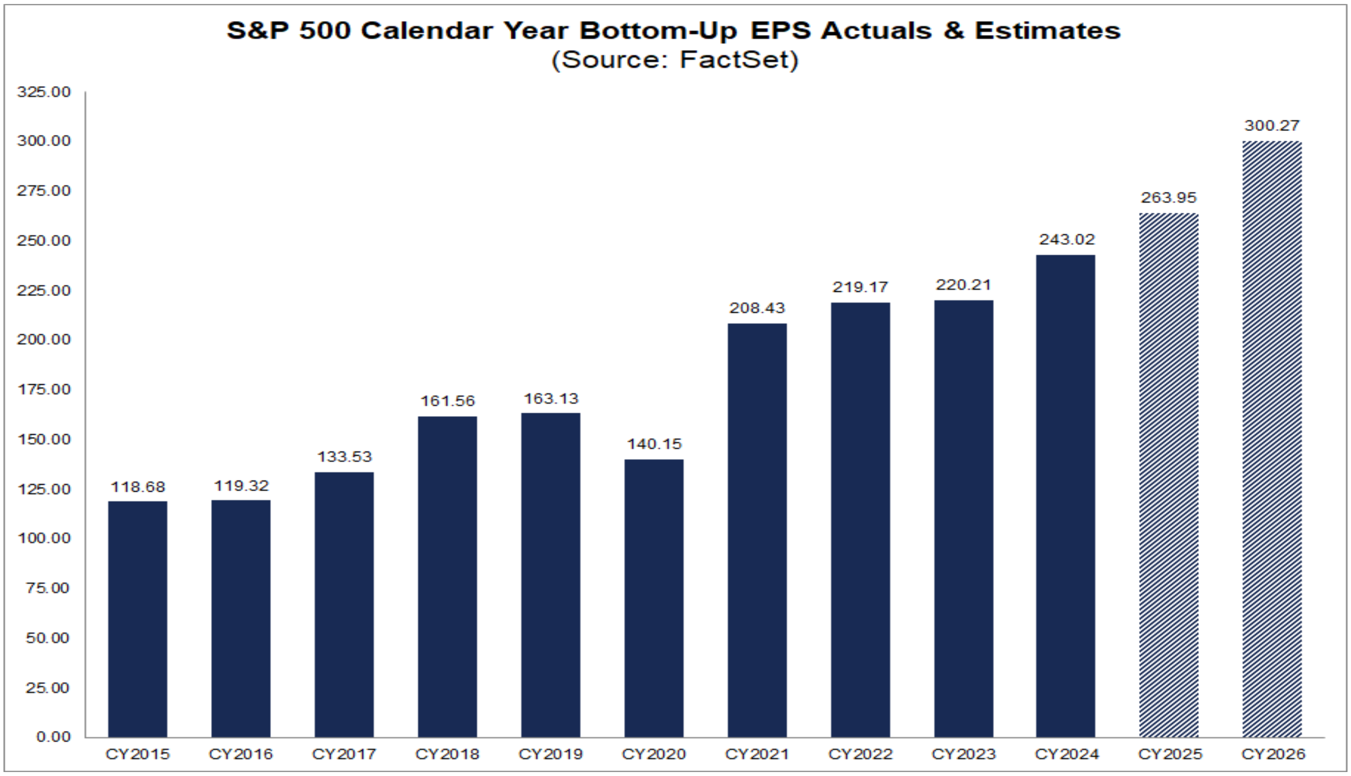
	Utilities	Real Estate	Financials	Health Care	Industrials	Consumer Disc.	Energy	Consumer Staples	Comm. Services	Materials	Info. Technology
International	2%	18%	29%	33%	34%	35%	36%	41%	49%	52%	55%
United States	98%	82%	71%	67%	66%	65%	64%	59%	51%	48%	45%

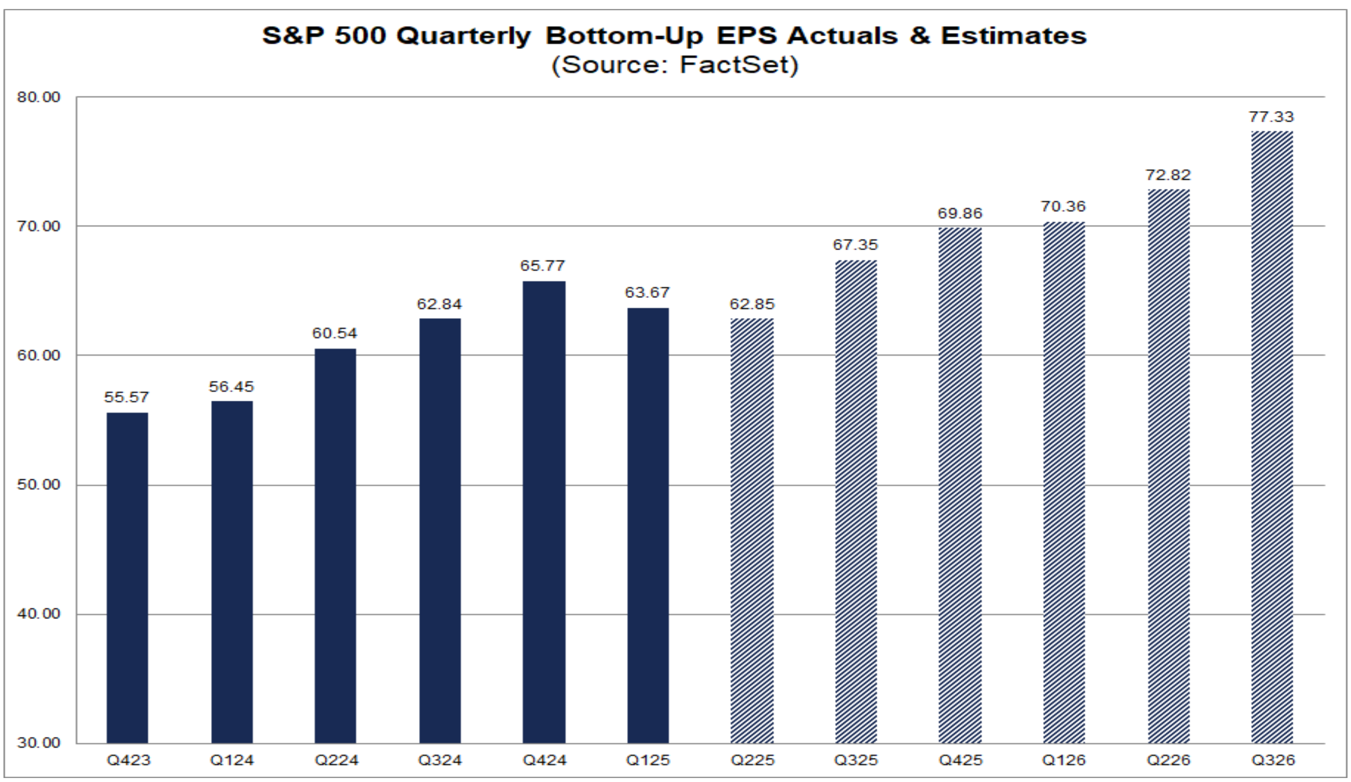
Bottom-Up EPS Estimates



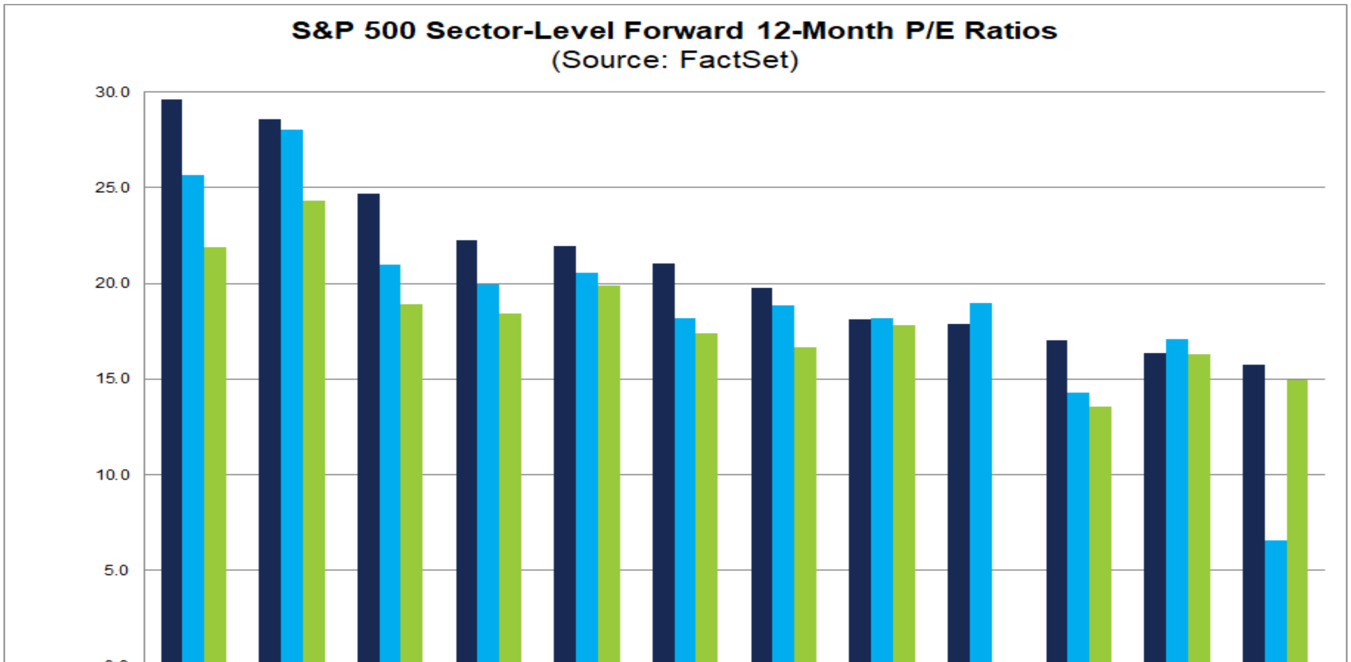


Bottom-Up EPS Estimates: Current & Historical

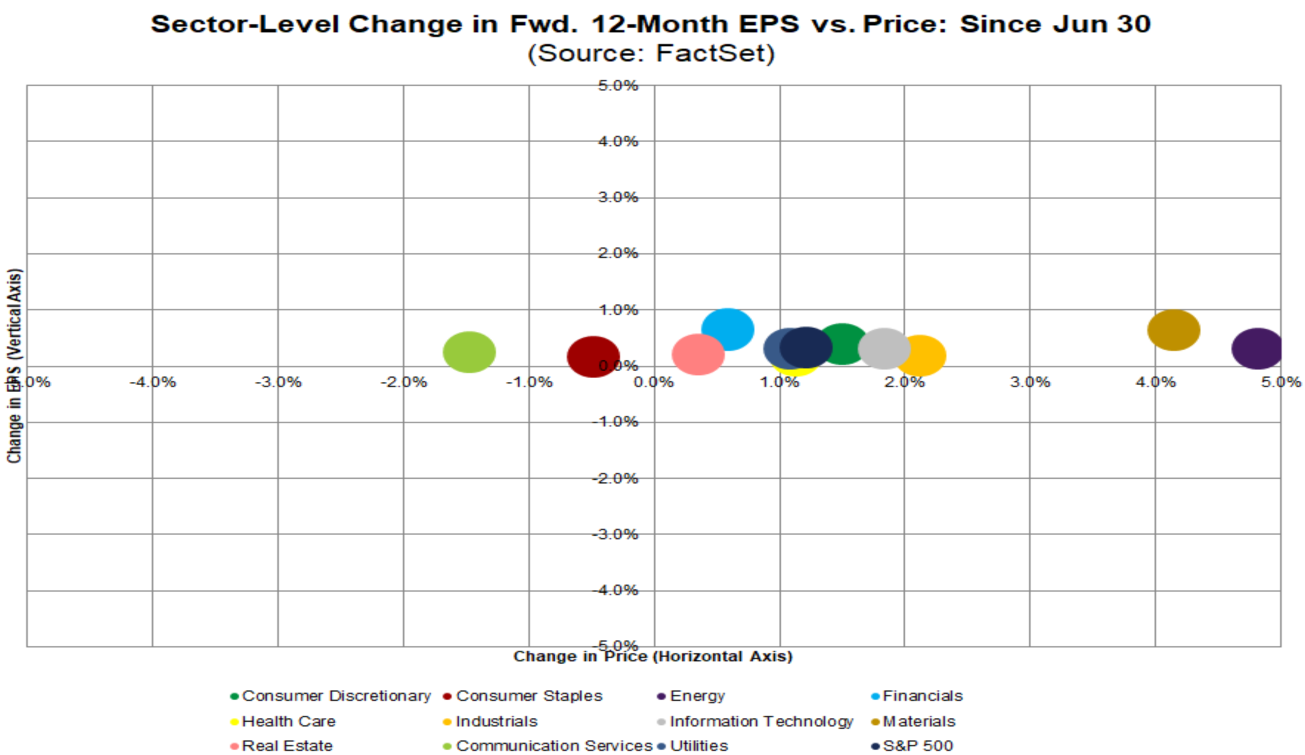




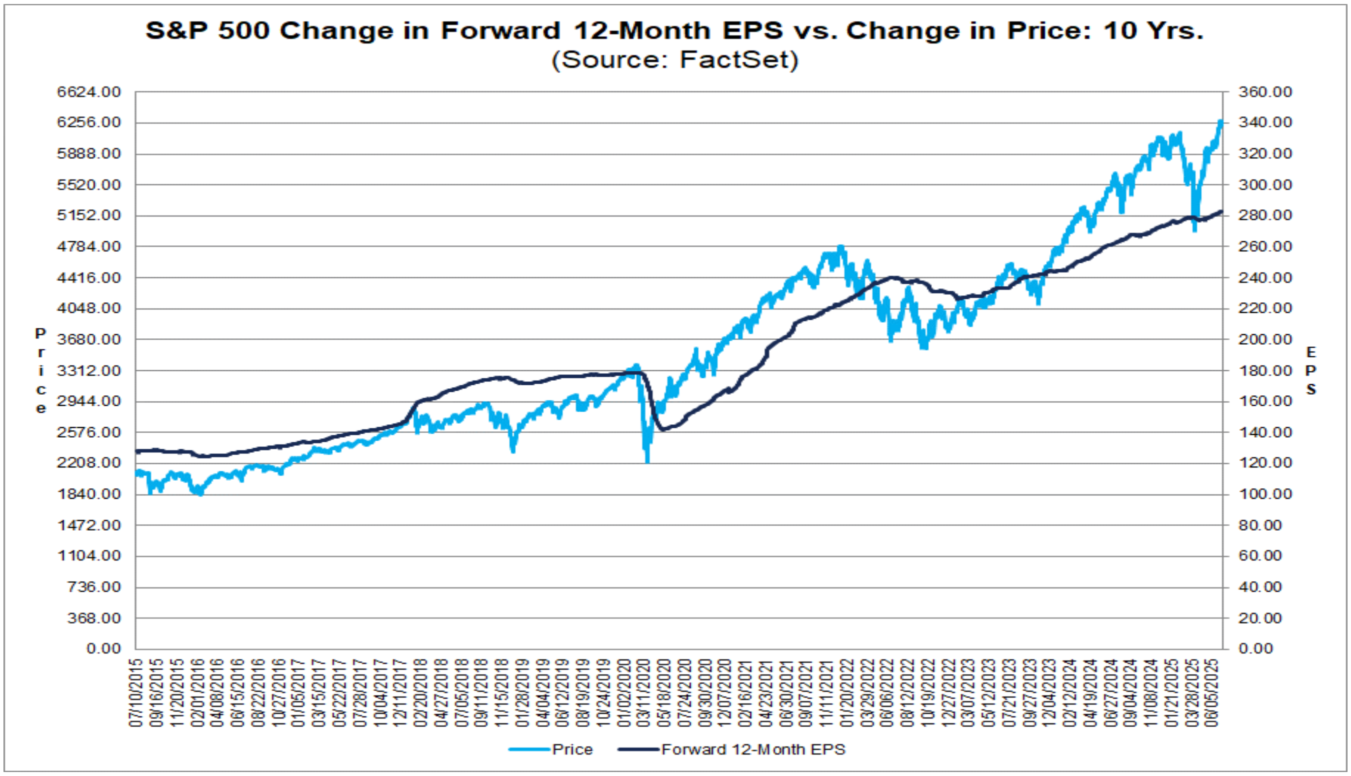
Forward 12M P/E Ratio: Sector Level

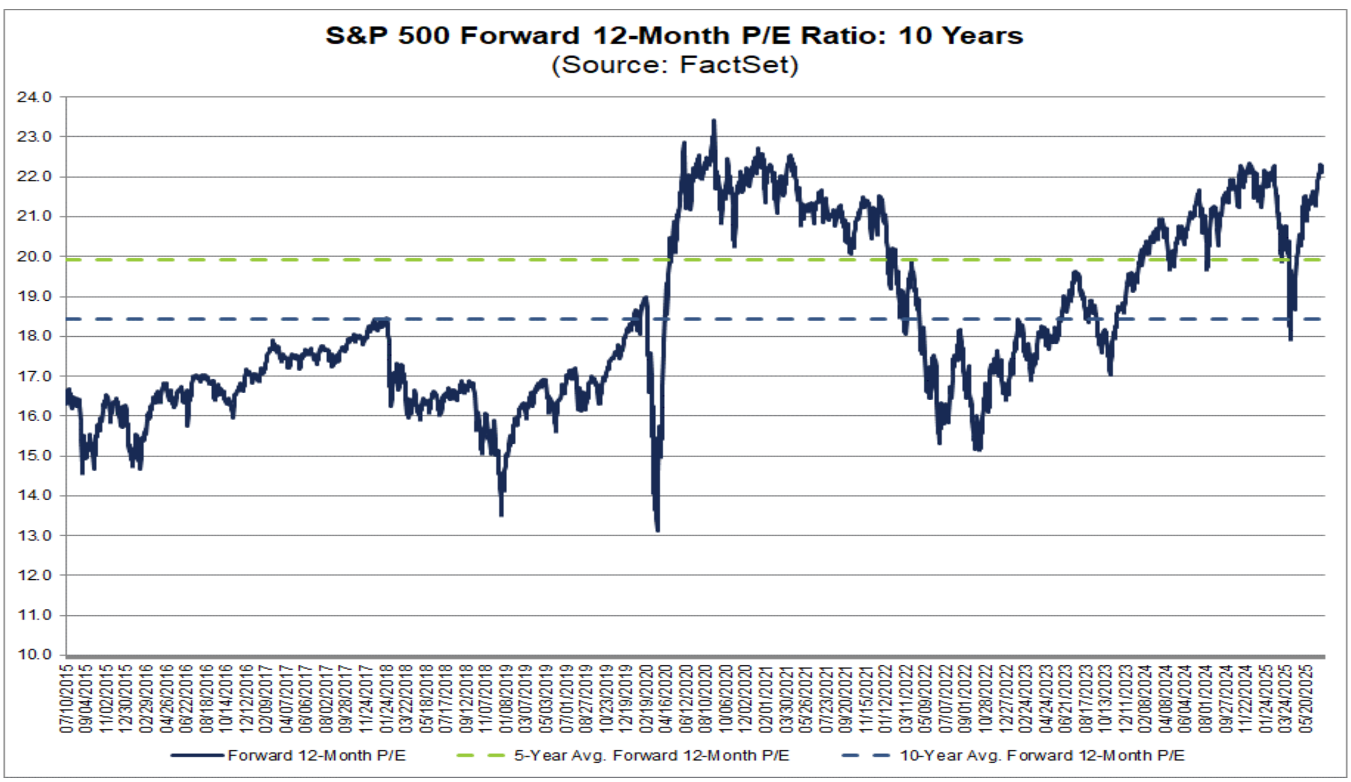


	Info. Technology	Consumer Disc.	Industrials	S&P 500	Consumer Staples	Materials	Comm. Services	Utilities	Real Estate	Financials	Health Care	Energy
Fwd P/E	29.6	28.6	24.7	22.3	21.9	21.1	19.8	18.1	17.9	17.0	16.4	15.7
5-Yr Avg.	25.7	28.0	21.0	19.9	20.5	18.2	18.8	18.2	19.0	14.3	17.1	6.6
10-Yr Avg.	21.9	24.3	18.9	18.4	19.9	17.4	16.7	17.8		13.6	16.3	15.0

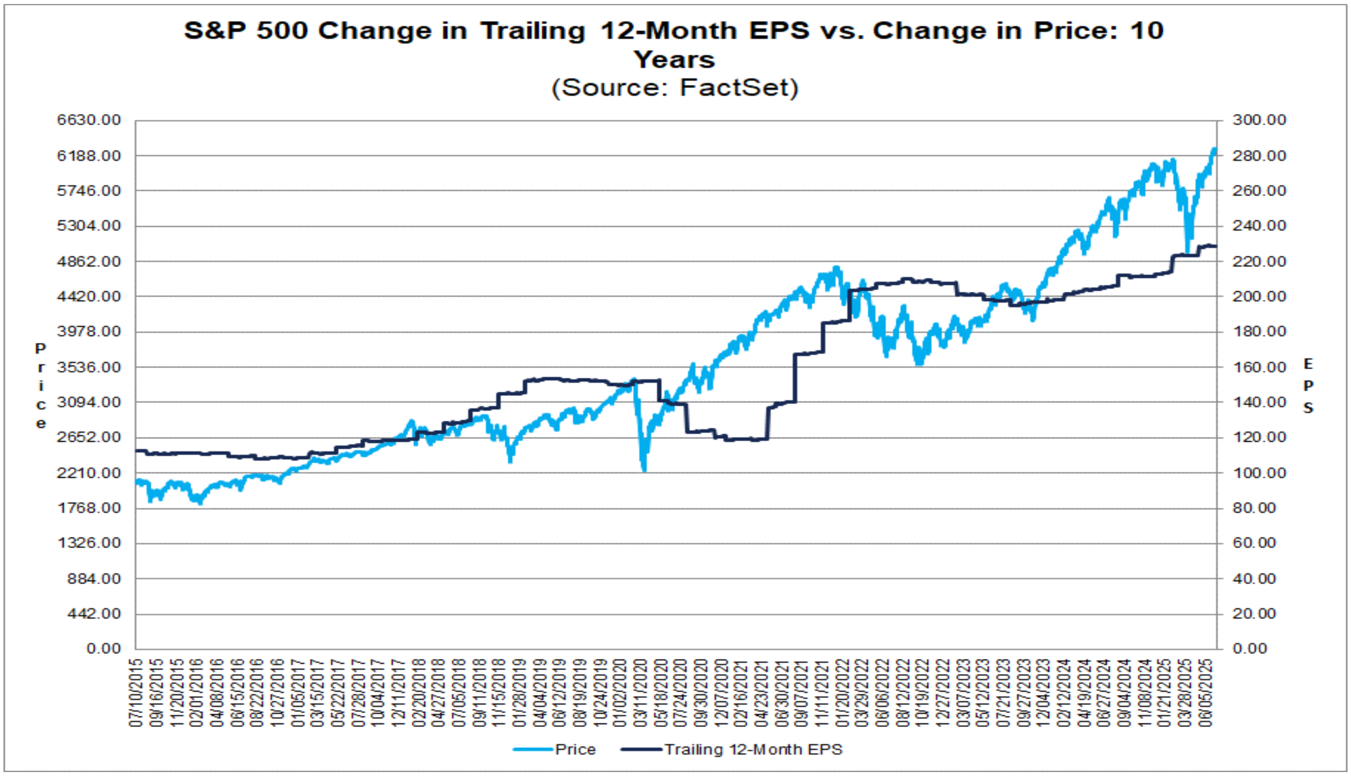


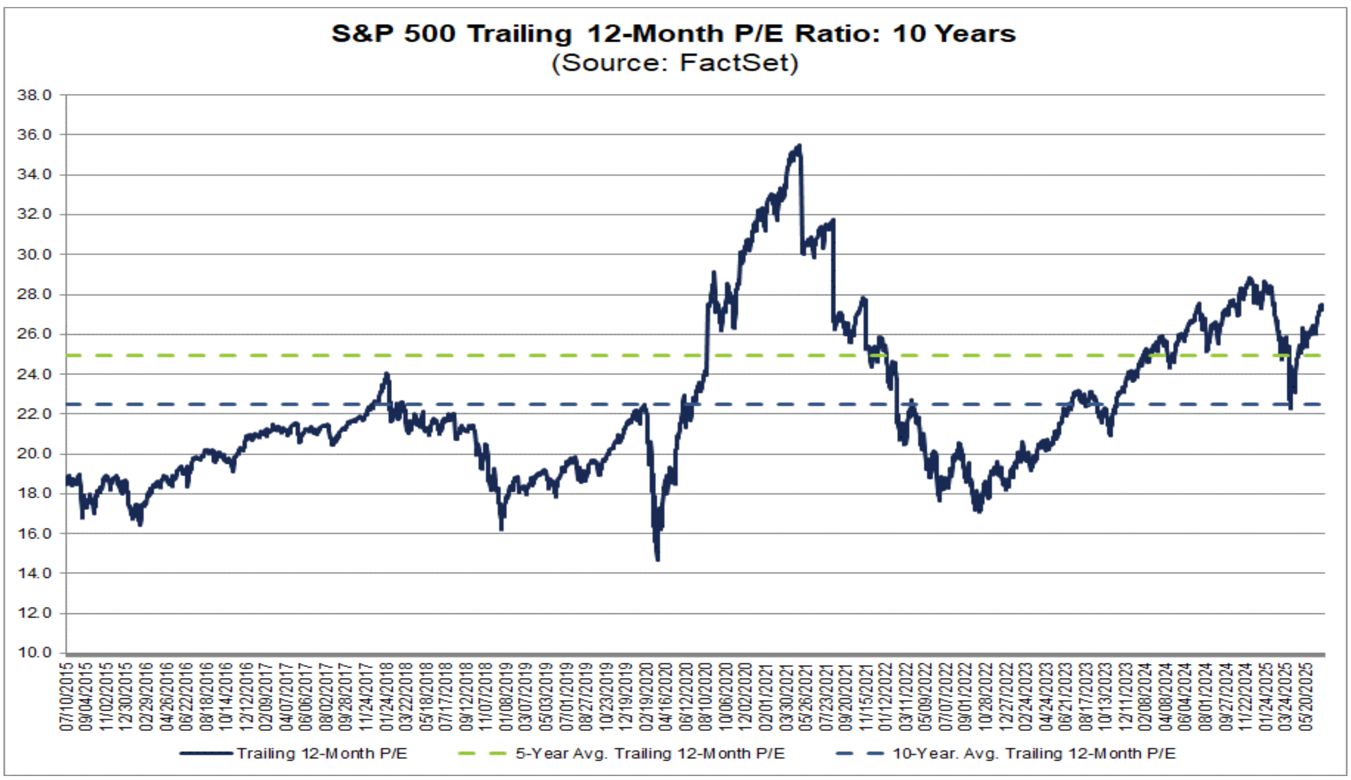
Forward 12M P/E Ratio: 10-Years



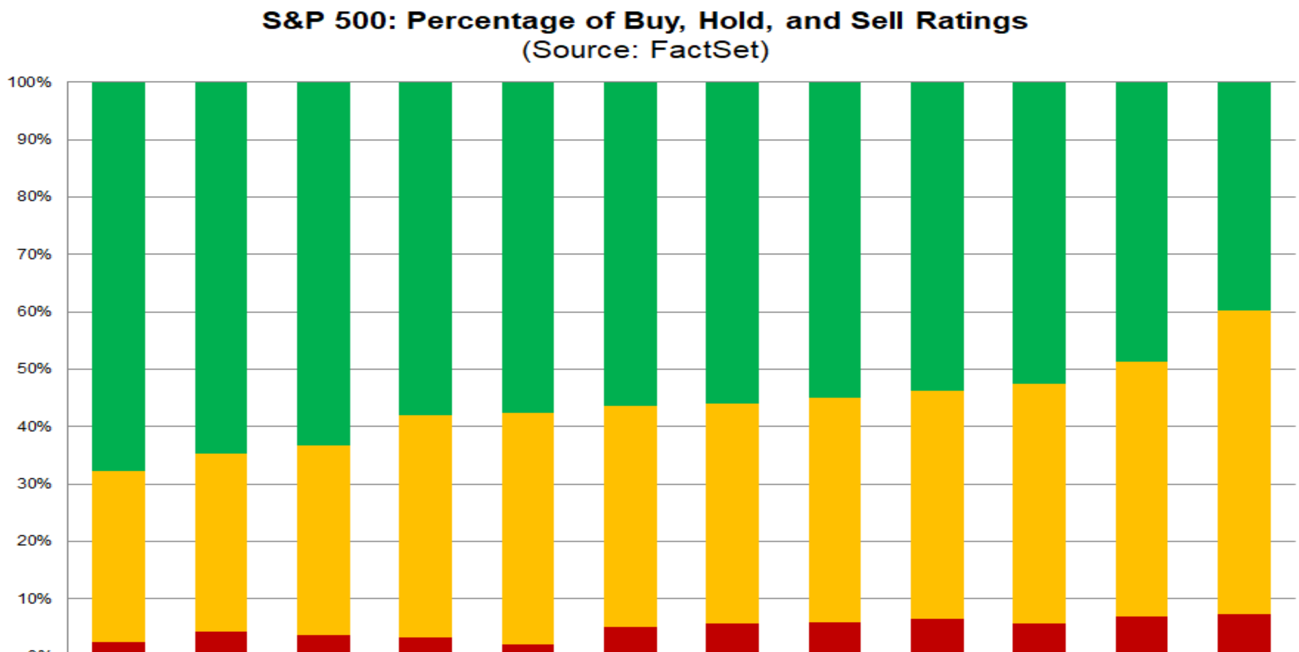


Trailing 12M P/E Ratio: 10-Years

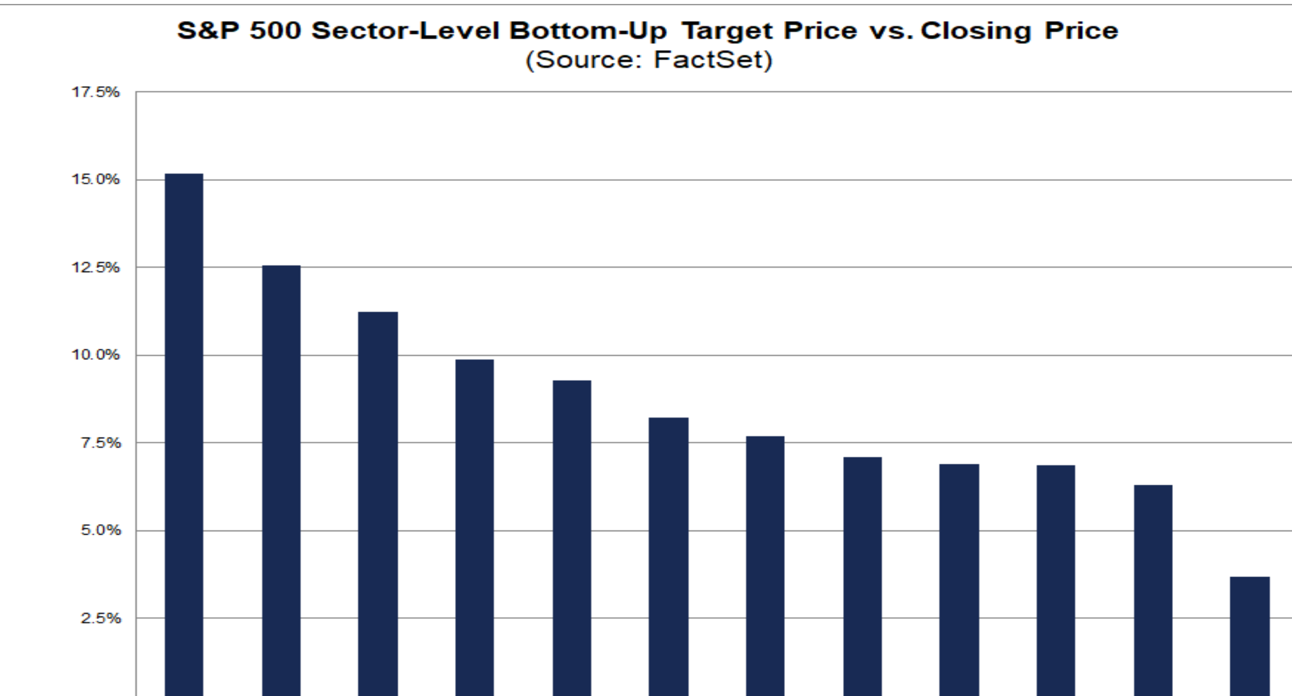




Targets & Ratings



	Energy	Info. Tech.	Comm. Services	Health Care	Real Estate	S&P 500	Materials	Consumer Disc.	Financials	Industrials	Utilities	Consumer Staples
Buy	68%	65%	63%	58%	58%	56%	56%	55%	54%	53%	49%	40%
Hold	30%	31%	33%	39%	40%	39%	38%	39%	40%	42%	45%	53%
Sell	2%	4%	4%	3%	2%	5%	6%	6%	6%	6%	7%	7%



	Health Care	Real Estate	Energy	Consumer Staples	Utilities	Materials	S&P 500	Consumer Disc.	Financials	Comm. Services	Info. Tech.	Industrials
Target/Close	15.2%	12.5%	11.2%	9.9%	9.3%	8.2%	7.7%	7.1%	6.9%	6.9%	6.3%	3.7%

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