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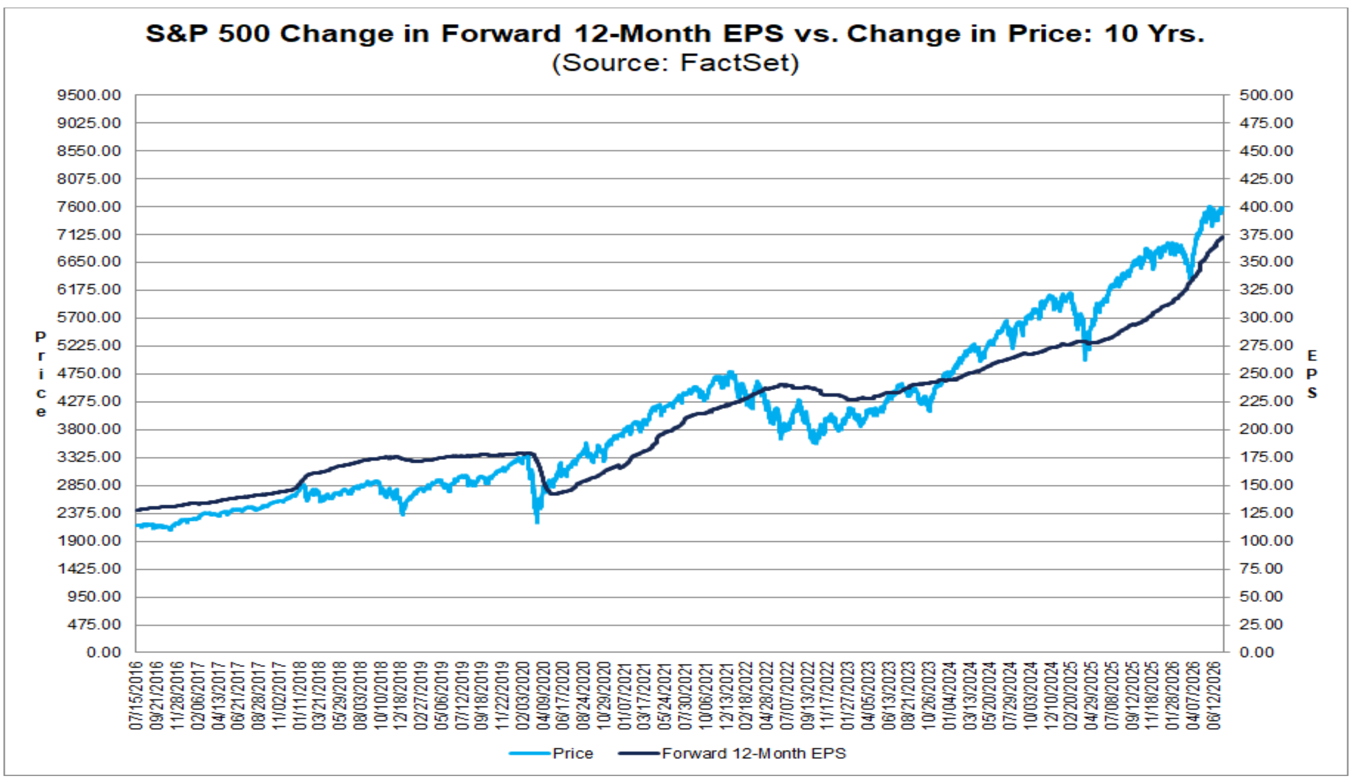
Key Metrics

- **Earnings Scorecard:** For Q2 2026 (with 10% of S&P 500 companies reporting actual results), 88% of S&P 500 companies have reported a positive EPS surprise and 85% of S&P 500 companies has reported a positive revenue surprise.
- **Earnings Growth:** For Q2 2026, the blended (year-over-year) earnings growth rate for the S&P 500 is 24.7%. If 24.7% is the actual growth rate for the quarter, it will mark the second-straight quarter of earnings growth above 20% for the index.
- **Earnings Revisions:** On June 30, the estimated (year-over-year) earnings growth rate for the S&P 500 for Q2 2026 was 23.2%. Eight sectors are reporting (or are expected to report) higher earnings today (compared to June 30) due to upward revisions to EPS estimates and positive EPS surprises.
- **Earnings Guidance:** For Q3 2026, 4 S&P 500 companies have issued negative EPS guidance and 5 S&P 500 companies have issued positive EPS guidance.
- **Valuation:** The forward 12-month P/E ratio for the S&P 500 is 20.3. This P/E ratio is above the 5-year average (19.9) and above the 10-year average (19.0).



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Topic of the Week

Are “Magnificent 7” Companies Still Top Contributors to S&P 500 Earnings Growth for Q2?

In aggregate, the “Magnificent 7” companies have reported higher (year-over-year) earnings growth than the other 493 companies in the S&P 500 over the past several quarters. Is this trend expected to continue in Q2 2026?

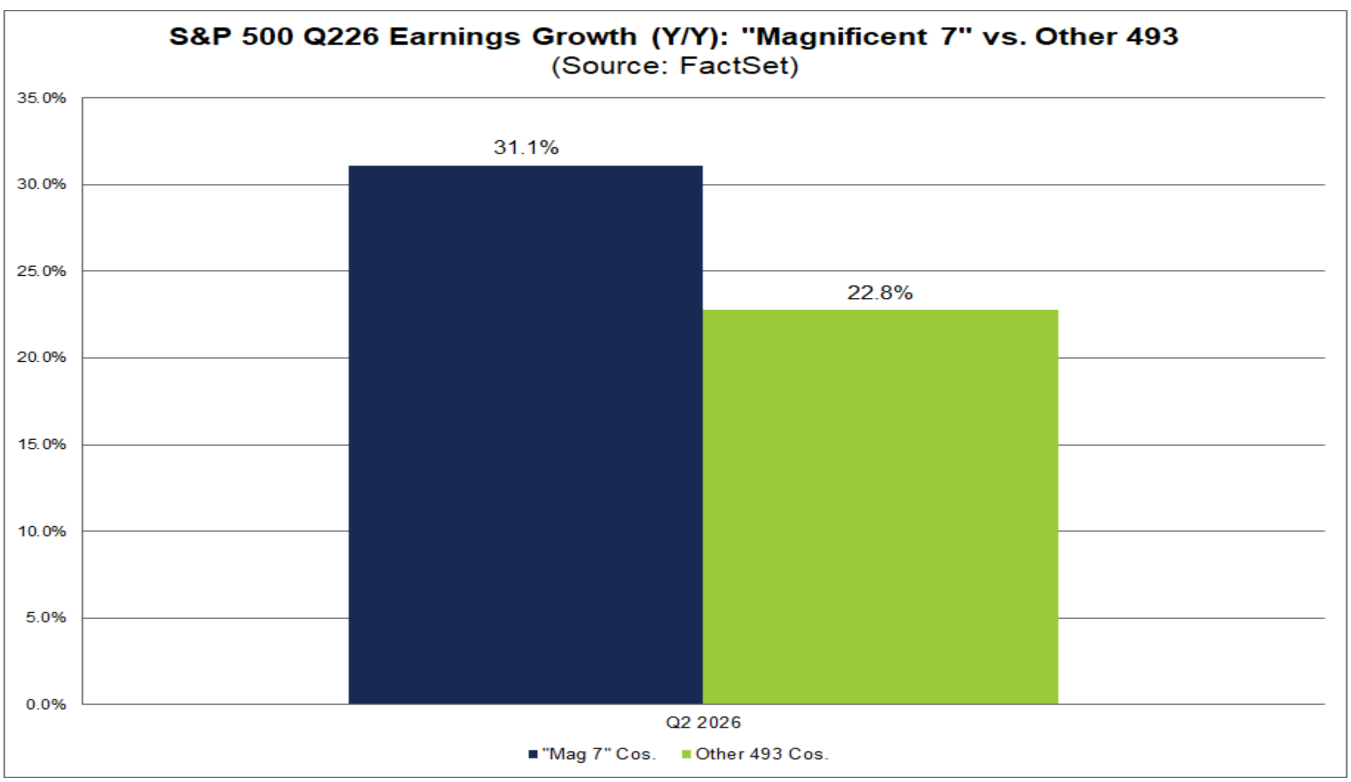
The answer is yes. For Q2 2026, the estimated (year-over-year) earnings growth rate for the “Magnificent 7” companies is 31.1%. On the other hand, the blended (combines actual and estimated results) earnings growth rate for the remaining 493 companies in the S&P 500 for the second quarter is 22.8%.

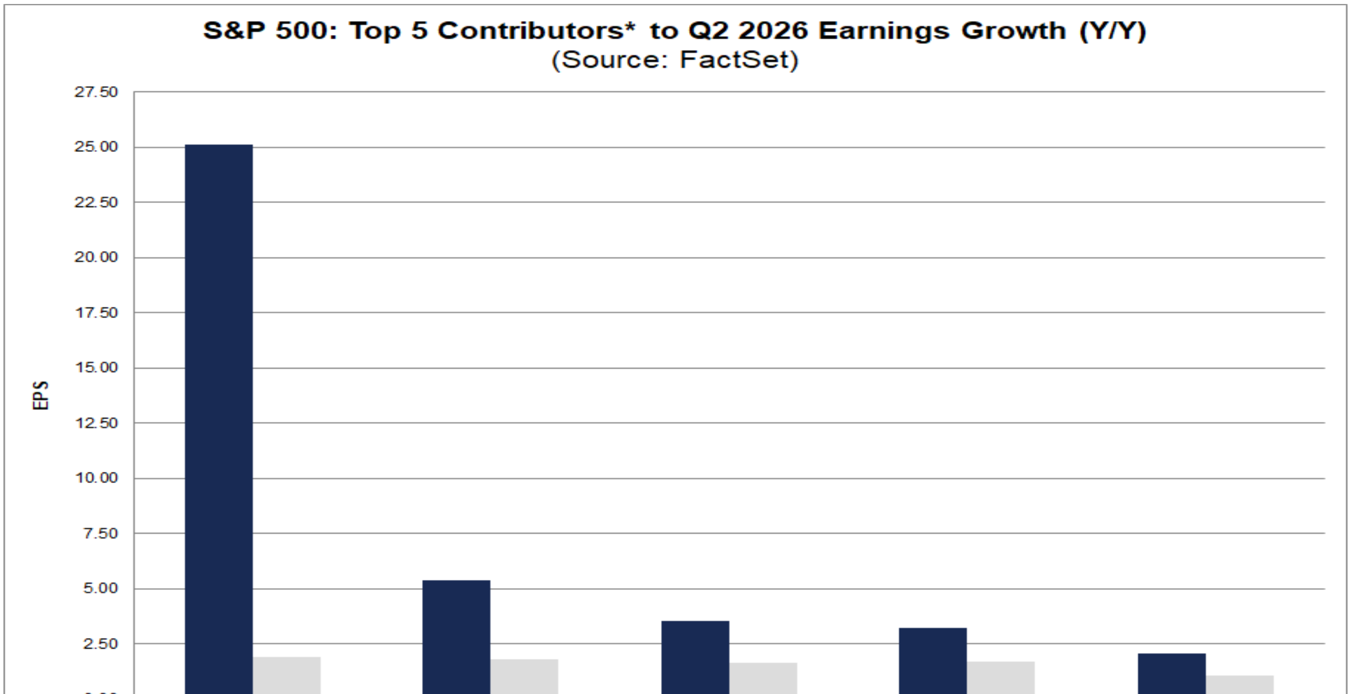
However, if the other 493 companies report actual earnings growth of 22.8% for Q2 2026, it will mark the highest (year-over-year) earnings growth rate reported by this group of companies since Q4 2021 (32.3%).

In fact, four of the five top contributors to earnings growth for the S&P 500 for Q2 2026 are not “Magnificent 7” companies: Micron Technology, Chevron, Exxon Mobil, and Broadcom. NVIDIA is the only “Magnificent 7” company that is also a top-5 contributor to earnings growth for Q2 2026.

Overall, Micron Technology and NVIDIA are the top 2 contributors to (year-over-year) earnings growth for the S&P 500 for Q2 2026. If these 2 companies were excluded, the blended earnings growth rate for the S&P 500 for Q2 would fall to 16.8% from 24.7%.

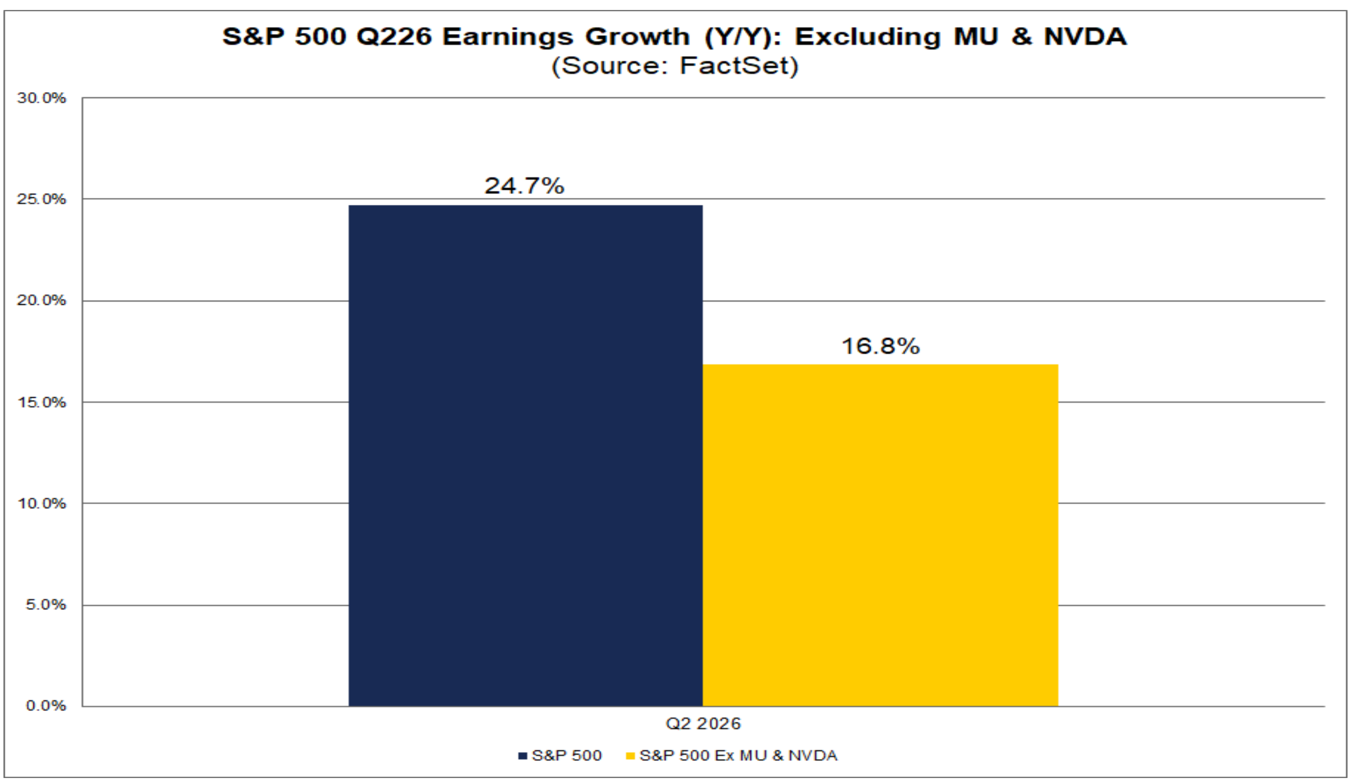
It is interesting to note that analysts expect higher earnings growth for the other 493 companies in the 2nd half of 2026. For Q3 2026 and Q4 2026, the “Magnificent 7” companies are projected to report earnings growth rates of 31.8% and 22.8% while the other 493 companies are predicted to report earnings growth rates of 25.5% and 25.3%. Thus, for Q4 2026, the other 493 companies are expected to report higher (year-over-year) earnings growth than the “Magnificent 7” companies.

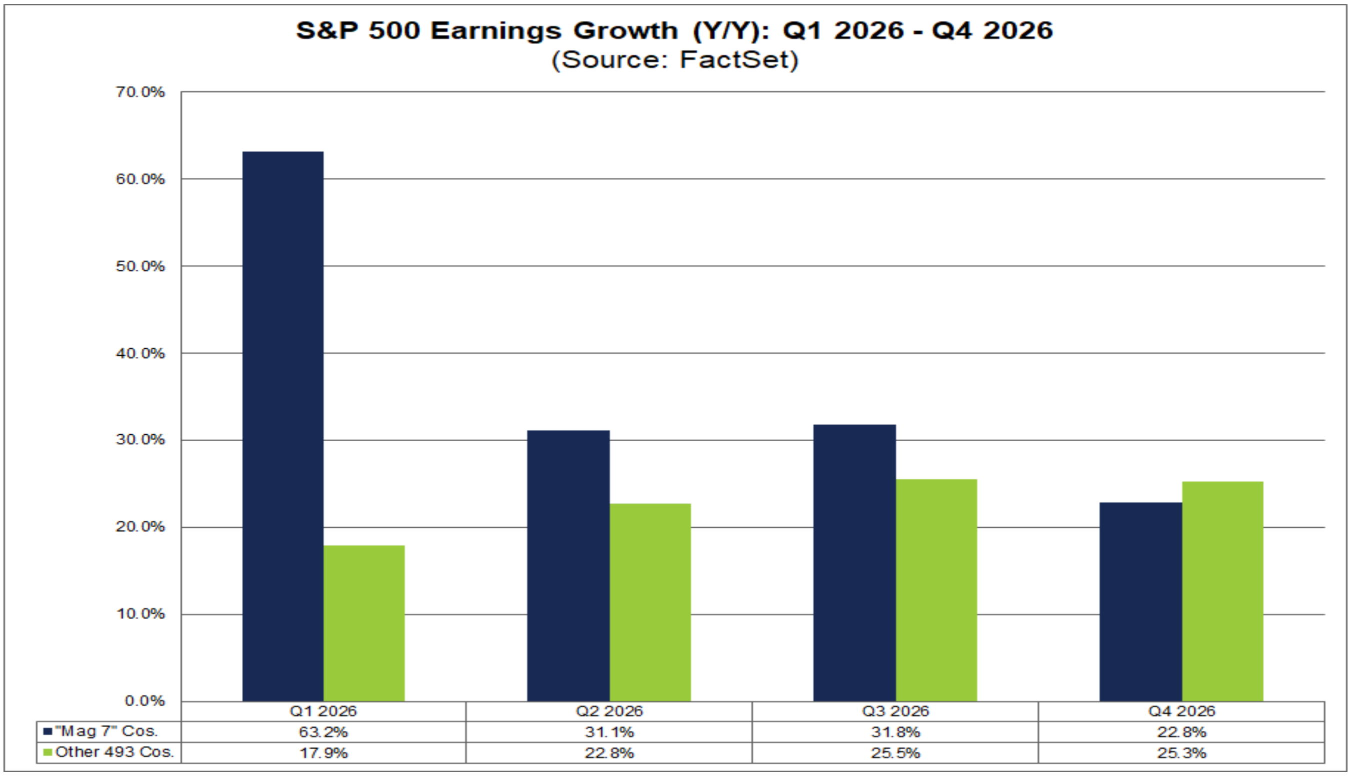




	Micron Technology	Chevron	Exxon Mobil	Broadcom	NVIDIA
Q2 2026	25.11	5.40	3.55	3.21	2.08
Q2 2025	1.91	1.77	1.64	1.69	1.05

*Not in order of contribution




S&P 500 Earnings Growth (Y/Y): Q1 2026 - Q4 2026
(Source: FactSet)
70.0%
60.0%
50.0%
40.0%
30.0%
20.0%
10.0%
0.0%
Q1 2026
Q2 2026
Q3 2026
Q4 2026
"Mag 7" Cos.
63.2%
31.1%
31.8%
22.8%
Other 493 Cos.
17.9%
22.8%
25.5%
25.3%

Q2 Earnings Season: By The Numbers

Overview

At this early stage, the second quarter earnings season for the S&P 500 is off to a strong start relative to expectations. Both the percentage of S&P 500 companies reporting positive earnings surprises and the magnitude of earnings surprises are above recent averages. As a result, the index is reporting higher earnings for the second quarter today relative to the end of last week and relative to the end of the quarter. The index is also reporting (year-over-year) earnings growth above 20% for the 2nd straight quarter.

Overall, 10% of the companies in the S&P 500 have reported actual results for Q2 2026 to date. Of these companies, 88% have reported actual EPS above estimates, which is above the 5-year average of 78% and above the 10-year average of 76%. In aggregate, companies are reporting earnings that are 16.4% above estimates, which is above the 5-year average of 7.0% and above the 10-year average of 7.4%. 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.

During the past week, positive EPS surprises reported by companies in the Financials sector were the largest contributor to the increase in the overall earnings growth rate for the index over this period. Since June 30, positive EPS surprises reported by companies in the Financials sector, partially offset by downward revisions to EPS estimates for companies in the Health Care sector, have been the largest contributor to the increase in the overall earnings growth rate for the index over this period.

As a result, the index is reporting higher 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 24.7% today, compared to an earnings growth rate of 22.5% last week and an earnings growth rate of 23.2% at the end of the second quarter (June 30).

If 24.7% is the actual growth rate for the quarter, it will mark the second consecutive quarter of earnings growth above 20% and the seventh consecutive quarter of double-digit earnings growth for the index.

Ten of the eleven sectors are reporting (or are projected to report) year-over-year growth. Six of these ten sectors are reporting (or are projected to report) double-digit growth, led by the Energy, Information Technology, and Materials sectors. On the other hand, the Health Care sector is the only sector reporting a year-over-year decline in earnings.

In terms of revenues, 85% 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 68%. In aggregate, companies are reporting revenues that are 3.8% above the estimates, which is above the 5-year average of 1.9% and above the 10-year average of 1.6%. 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.

As a result, the blended revenue growth rate for the second quarter is 12.8% today, compared to a revenue growth rate of 12.3% last week and a revenue growth rate of 12.2% at the end of the second quarter (June 30).

During the past week, positive revenue surprises reported by companies in the Financials sector were the largest contributor to the increase in the overall revenue growth rate for the index over this period. Since June 30, positive revenue surprises reported by companies in the Financials sector have also been the largest contributor to the increase in the overall revenue growth rate for the index over this period.

If 12.8% is the actual revenue growth rate for the quarter, it will mark the highest revenue growth rate reported by the index since Q2 2022 (13.9%). It will also mark the second consecutive quarter of double-digit revenue growth for the index.

All eleven sectors are reporting (or are projected to report) year-over-year growth in revenues, led by the Information Technology, Energy, and Communication Services sectors.

For Q3 2026 and Q4 2026, analysts are calling for earnings growth rates of 27.0% and 24.6%. For CY 2026, analysts are predicting (year-over-year) earnings growth of 24.5%.

The forward 12-month P/E ratio is 20.3, which is above the 5-year average (19.9) and above the 10-year average (19.0). This P/E ratio is also slightly below the forward P/E ratio of 20.4 recorded at the end of the second quarter (June 30).

During the upcoming week, 86 S&P 500 companies (including 4 Dow 30 components) are scheduled to report results for the second quarter.

Scorecard: Number & Magnitude of Positive EPS Surprises Are Above Average

Percentage of Companies Beating EPS Estimates (88%) is Above 5-Year Average

Overall, 10% of the companies in the S&P 500 have reported earnings to date for the second quarter. Of these companies, 88% have reported actual EPS above the mean EPS estimate, 6% have reported actual EPS equal to the mean EPS estimate, and 6% have reported actual EPS below the mean EPS estimate. The percentage of companies reporting EPS above the mean EPS estimate is above the 1-year average (80%), above the 5-year average (78%), and above the 10-year average (76%). 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 (100%), Health Care (100%), Real Estate (100%), and Financials (89%) sectors have the highest percentages of companies reporting earnings above estimates, while the Consumer Discretionary (80%) and Consumer Staples (80%) sectors have the lowest percentages of companies reporting earnings above estimates.

Earnings Surprise Percentage (+16.4%) is Above 5-Year Average

In aggregate, companies are reporting earnings that are 16.4% above expectations. This surprise percentage is above the 1-year average (+9.2%), above the 5-year average (+7.0%), and above the 10-year average (+7.4%). 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.

The Consumer Discretionary (+44.3%) sector is reporting the largest positive (aggregate) difference between actual earnings and estimated earnings. Within this sector, NIKE ($0.72 vs. $0.12) has reported the largest positive EPS surprise. The (GAAP) EPS actual for NIKE for Q2 2026 included a $0.52 benefit related to the expected recovery of the IEEPA tariffs.

The Financials (+21.7%) sector is reporting the second-largest positive (aggregate) difference between actual earnings and estimated earnings. Within this sector, Travelers Companies ($10.04 vs. $5.41), Goldman Sachs ($20.98 vs. $14.51), and JPMorgan Chase ($7.70 vs. $5.59) have reported the largest positive EPS surprises. The (GAAP) EPS actual for JPMorgan Chase for Q2 2026 included gains of $1.56.

The Information Technology (+14.2%) sector is reporting the third-largest positive (aggregate) difference between actual earnings and estimated earnings. Within this sector, Micron Technology ($25.11 vs. $20.86) has reported the largest positive EPS surprise.

The Health Care (+11.9%) sector is reporting the fourth-largest positive (aggregate) difference between actual earnings and estimated earnings. Within this sector, UnitedHealth Group ($6.38 vs. $4.91) and Elevance Health ($7.45 vs. $6.21) have reported the largest positive EPS surprises.

Market Punishing Negative EPS Surprises More Than Average

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

Companies that have reported positive earnings surprises for Q2 2026 have seen an average price decrease of -0.1% two days before the earnings release through two days after the earnings release. This percentage decrease is well below 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 2026 have seen an average price decrease of -9.0% two days before the earnings release through two days after the earnings release. This percentage decrease is larger than the 5-year average price decrease of -3.0% during this same window for companies reporting negative earnings surprises.

Percentage of Companies Beating Revenue Estimates (85%) is Above 5-Year Average

In terms of revenues, 85% of the companies have reported actual revenues above estimated revenues, 0% of the companies have reported actual revenues equal to estimated revenues, and 15% of the companies have reported actual revenues below estimated revenues. The percentage of companies reporting revenues above estimates is above the 1-year average (78%), above the 5-year average (70%), and above the 10-year average (68%). 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 Staples (100%), Financials (100%), Health Care (100%), Industrials (100%), and Real Estate (100%) sectors have the highest percentages of companies reporting revenues above estimates, while the Communication Services (0%) and Consumer Discretionary (20%) sectors have the lowest percentages of companies reporting revenues above estimates.

Revenue Surprise Percentage (+3.8%) is Above 5-Year Average

In aggregate, companies are reporting revenues that are 3.8% above expectations. This surprise percentage is above the 1-year average (+1.9%), above the 5-year average (+1.9%), and above the 10-year average (+1.6%). 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 Financials (+7.8%) and Information Technology (+4.9%) sectors are reporting the largest positive (aggregate) differences between actual revenues and estimated revenues, while the Consumer Discretionary (-0.2%) and Communication Services (-0.2%) sectors are reporting the largest negative (aggregate) differences between actual revenues and estimated revenues.

Revisions: Increase in Blended Earnings This Week Due to Financials Sector

Increase in Blended Earnings This Week Due to Financials Sector

The blended (year-over-year) earnings growth rate for the second quarter is 24.7%, which is above the earnings growth rate of 22.5% last week. Positive EPS surprises reported by companies in the Financials sector were the largest contributor to the increase in the overall earnings growth rate during the past week.

In the Financials sector, the positive EPS surprises reported by JPMorgan Chase ($7.70 vs. $5.59), Goldman Sachs ($20.98 vs. $14.54), Travelers Companies ($10.04 vs. $5.41), Well Fargo ($2.00 vs. $1.72), Morgan Stanley ($3.46 vs. $2.93), Citigroup ($3.15 vs. $2.74), and Bank of America ($1.21 vs. $1.13) were substantial contributors to the increase in the earnings growth rate for the index during the past week. The (GAAP) EPS actual for JPMorgan Chase for Q2 2026 included gains of $1.56. As a result, the blended earnings growth rate for the Financials sector increased to 17.9% from 6.5% over this period.

Increase in Blended Revenues This Week Due to Financials Sector

The blended (year-over-year) revenue growth rate for the second quarter is 12.8%, which is above the revenue growth rate of 12.3% last week. Positive revenue surprises reported by companies in the Financials sector were the largest contributor to the increase in the overall revenue growth rate during the past week.

Financials Sector Has Seen Largest Increase in Earnings since June 30

The blended (year-over-year) earnings growth rate for Q2 2026 of 24.7% is above the estimate of 23.2% at the end of the second quarter (June 30). Eight 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 Financials (to 17.9% from 5.5%) sector. The Financials sector has also been the largest contributor to the increase in the earnings growth rate for the index since June 30. 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 Health Care (to -18.2% from -8.9%) sector. The Health Care sector has also been the largest detractor to the increase in the earnings growth rate for the index since June 30.

In the Financials sector, the positive EPS surprises reported by JPMorgan Chase ($7.70 vs. $5.59), Goldman Sachs ($20.98 vs. $14.54), Travelers Companies ($10.04 vs. $5.41), Morgan Stanley ($3.46 vs. $2.93), Well Fargo ($2.00 vs. $1.72), Citigroup ($3.15 vs. $2.74), and Bank of America ($1.21 vs. $1.13) have been significant contributors to the increase in the earnings growth rate for the index since June 30. The (GAAP) EPS actual for JPMorgan Chase for Q2 2026 included gains of $1.56. As a result, the blended earnings growth rate for the Financials sector has increased to 17.9% from 5.5% over this period.

In the Health Care sector, the decrease in the mean EPS estimates for Merck (to -$0.29 from $2.12) and Eli Lilly & Company (to $6.05 from $8.80) have been the largest detractors to the increase in the earnings growth rate since June 30, as the majority of analysts providing (non-GAAP) EPS estimates for Merck and Eli Lilly are now including IPR&D charges in their estimates for Q2. As a result, the estimated earnings decline for the Health Care sector has increased to -18.2% from -8.9% over this period.

Financials Sector Has Seen Largest Increase in Revenues since June 30

The blended (year-over-year) revenue growth rate for Q2 2026 of 12.8% is above the estimate of 12.2% at the end of the second quarter (June 30). Six 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 Financials (to 12.4% from 8.9%) sector. The Financials sector has also been the largest contributor to the increase in the revenue growth rate for the index since June 30. On the other hand, no 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. Five sectors have recorded no change in their revenue growth rates since June 30.

In the Financials sector, the positive revenue surprises reported by JPMorgan Chase ($57.35 billion vs. $50.72 billion), Goldman Sachs ($20.34 billion vs. $16.22 billion), and Morgan Stanley ($21.35 billion vs. $19.67 billion), have been the largest contributors to the increase in the revenue growth rate for the index since June 30. As a result, the blended revenue growth rate for the Financials sector has increased to 12.4% from 8.9% over this period.

Earnings Growth: 24.7%

The blended (year-over-year) earnings growth rate for Q2 2026 is 24.7%, which is above the 5-year average earnings growth rate of 15.2% and above the 10-year average earnings growth rate of 11.2%. If 24.7% is the actual growth rate for the quarter, it will mark the 2nd consecutive quarter of year-over-year earnings growth above 20% and the 7th consecutive quarter of double-digit growth for the index.

Ten of the eleven sectors are reporting (or are expected to report) year-over-year earnings growth. Six of these ten sectors are reporting (or are predicted to report) double-digit growth, led by the Energy, Information Technology, and Materials sectors. On the other hand, the Health Care sector is the only sector reporting a year-over-year decline in earnings.

Energy Sector: 3 of 5 Sub-Industries Expected to Report (Y/Y) Earnings Growth Above 100%

The Energy sector is expected to report the highest (year-over-year) earnings growth rate of all eleven sectors at 124.8%. Higher (average) oil prices on a year-over-year basis are contributing to the year-over-year increase in earnings for this sector, as the average price of oil in Q2 2026 ($92.55) was 45% above the average price of oil in Q2 2025 ($63.68). At the sub-industry level, 4 of the 5 sub-industries are projected to report year-over-year growth in earnings: Oil & Gas Refining & Marketing (244%), Integrated Oil & Gas (161%), Oil & Gas Exploration & Production (105%), and Oil & Gas Storage & Transportation (7%) On the other hand, the Oil & Gas Equipment & Services (-19%) sub-industry is the only sub-industry in the sector predicted to report a year-over-year decline in earnings.

Information Technology: Semiconductors Industry Is Largest Contributor to (Y/Y) Growth

The Information Technology sector is reporting the second-highest (year-over-year) earnings growth rate of all eleven sectors at 63.4%. 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 (131%), Technology Hardware, Storage, & Peripherals (45%), Electronic Equipment, Instruments, & Components (31%), Communication Services (21%), Software (17%), and IT Services (5%).

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 25.7% from 63.4%.

Materials: 3 of 4 Industries Expected to Report (Y/Y) Earnings Growth

The Materials sector is expected to report the third-largest (year-over-year) earnings growth of all eleven sectors at 34.7%. At the industry level, 3 of the 4 industries in the sector are projected to report (year-over-year) earnings growth: Chemicals (45%), Metals & Mining (39%), and Containers & Packaging (17%). On the other hand, the Construction Materials (less than -1%) industry is the only industry predicted to report a year-over-year decline in earnings.

Health Care: Gilead Sciences and Merck are Largest Contributors to (Y/Y) Decline

On the other hand, the Health Care sector is reporting the largest (year-over-year) decline in earnings of all 11 sectors at -18.2%. At the industry level, only 2 of the 6 industries in the sector are reporting (or are projected to report) a year-over-year decline in earnings: Biotechnology (-80%) and Pharmaceuticals (-24%). On the other hand, 4 of the 6 industries are reporting (or are predicted to report) year-over-year growth in earnings: Health Care Providers & Services (18%), Health Care Technology (11%), Health Care Equipment & Supplies (7%), and Life Sciences, Tools, & Services (6%).

At the company level, Gilead Sciences (-$7.29 vs. $2.01) and Merck (-$0.29 vs. $2.13) are the largest contributors to the earnings decline for the sector, as the majority of analysts providing (non-GAAP) EPS estimates for Merck and Eli Lilly are now including IPR&D charges in their estimates for Q2. If these two companies were excluded, the Health Care sector would be reporting earnings growth of 6.6% rather than an earnings decline of -18.2%.

Revenue Growth: 12.8%

The blended (year-over-year) revenue growth rate for Q2 2026 is 12.8%, which is above the 5-year average revenue growth rate of 8.8% and above the 10-year average revenue growth rate of 6.6%. If 12.8% is the actual growth rate for the quarter, it will mark the highest revenue growth rate reported by the index since Q2 2022 (13.9%) and the second-straight quarter that the index has reported revenue growth above 10.0%.

At the sector level, all eleven sectors are reporting (or are expected to report) year-over-year growth in revenues, led by the Information Technology, Energy, and Communication Services sectors.

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 34.2%. At the industry level, all 6 industries in the sector are reporting (or are predicted to report) year-over-year revenue growth: Semiconductors & Semiconductor Equipment (75%), Technology Hardware, Storage, & Peripherals (30%), Communication Equipment (18%), Electronic Equipment, Instruments, & Components (17%), Software (16%), and IT Services (4%).

Energy: 4 of 5 Sub-Industries Expected to Report Year-Over-Year Growth

The Energy sector is expected to report the second-highest (year-over-year) revenue growth rate of all eleven sectors at 27.6%. Higher (average) year-over-year oil prices are contributing to the year-over-year increase in revenues for this sector, as the average price of oil in Q2 2026 ($92.55) was 45% above the average price for oil in Q2 2025 ($63.68). At the sub-industry level, 4 of the 5 sub-industries in the sector are predicted to report year-over-year growth in revenues: Integrated Oil & Gas (36%), Oil & Gas Refining & Marketing (27%), Oil & Gas Exploration & Production (25%), and Oil & Gas Storage & Transportation (11%). On the other hand, the Oil & Gas Equipment & Services (-1%) is the only sub-industry predicted to report a year-over-year decline in revenues.

Communication Services: All 5 Industries Reporting Year-Over-Year Growth

The Communication Services sector is reporting the third-highest (year-over-year) revenue growth rate of all eleven sectors at 13.9%. At the industry level, all 5 industries in the sector are reporting (or are projected to report) year-over-year revenue growth: Interactive Media & Services (22%), Wireless Telecommunication Services (9%), Media (8%), Entertainment (7%), and Diversified Telecommunication Services (1%).

Net Profit Margin: 14.3%

The blended net profit margin for the S&P 500 for Q2 2026 is 14.3%, which is below the previous quarter's net profit margin of 14.8%, but above the year-ago net profit margin of 12.9% and above the 5-year average of 12.3%.

If 14.3% is the actual net profit margin for the quarter, it will mark the second-highest net profit margin reported by the index since FactSet began tracking this metric in 2009. The current record (going back to 2009) is 14.8%, which occurred in the previous quarter.

At the sector level, six sectors are reporting (or are expected to report) a year-over-year increase in their net profit margins in Q2 2026 compared to Q2 2025, led by the Energy (13.5% vs. 7.7%) and Information Technology (30.7% vs. 25.2%) sectors. On the other hand, five sectors are reporting (or are expected to report) a year-over-year decrease in their net profit margins in Q2 2026 compared to Q2 2025, led by the Health Care (6.3% vs. 8.1%) sector.

Eight sectors are reporting (or are expected to report) net profit margins in Q2 2026 that are above their 5-year averages, led by the Information Technology (30.7% vs. 25.3%) and Energy (13.5% vs. 9.6%) sectors. On the other hand, three sectors are reporting (or are expected to report) net profit margins in Q2 2026 that are below their 5-year averages, led by the Health Care (6.3% vs. 9.0%) and Real Estate (33.8% vs. 35.7%) and sectors.

Forward Estimates & Valuation

Quarterly Guidance: % of Cos. Issuing Negative EPS Guidance for Q3 is Below Average

At this point in time, 9 companies in the index have issued EPS guidance for Q3 2026. Of these 9 companies, 4 have issued negative EPS guidance and 5 have issued positive EPS guidance. The percentage of companies issuing negative EPS guidance for Q3 2026 is 44% (4 out of 9), which is below the 5-year average of 58% and below the 10-year average of 60%.

At this point in time, 265 companies in the index have issued EPS guidance for the current fiscal year (FY 2026 or FY 2027). Of these 265 companies, 110 have issued negative EPS guidance and 155 have issued positive EPS guidance. The percentage of companies issuing negative EPS guidance is 42% (110 out of 265).

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 24.5% for CY 2026

For the second quarter, S&P 500 companies are reporting year-over-year growth in earnings of 24.7% and year-over-year growth in revenues of 12.8%.

For Q3 2026, analysts are projecting earnings growth of 27.0% and revenue growth of 10.8%.

For Q4 2026, analysts are projecting earnings growth of 24.6% and revenue growth of 10.4%.

For CY 2026, analysts are projecting earnings growth of 24.5% and revenue growth of 10.9%.

For CY 2027, analysts are projecting earnings growth of 17.5% and revenue growth of 8.2%.

Valuation: Forward P/E Ratio is 20.3, Above the 10-Year Average (19.0)

The forward 12-month P/E ratio for the S&P 500 is 20.3. This P/E ratio is above the 5-year average of 19.9 and above the 10-year average of 19.0. It is also slightly below the forward 12-month P/E ratio of 20.4 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 0.5%, while the forward 12-month EPS estimate has increased by 1.1%. At the sector level, the Consumer Discretionary (25.9) and Industrials (25.2) sectors have the highest forward 12-month P/E ratios, while the Energy (13.4) and Financials (15.5) sectors have the lowest forward 12-month P/E ratios.

The trailing 12-month P/E ratio is 27.6, which is above the 5-year average of 24.5 and above the 10-year average of 23.5.

Targets & Ratings: Analysts Project 20% Increase in Price Over Next 12 Months

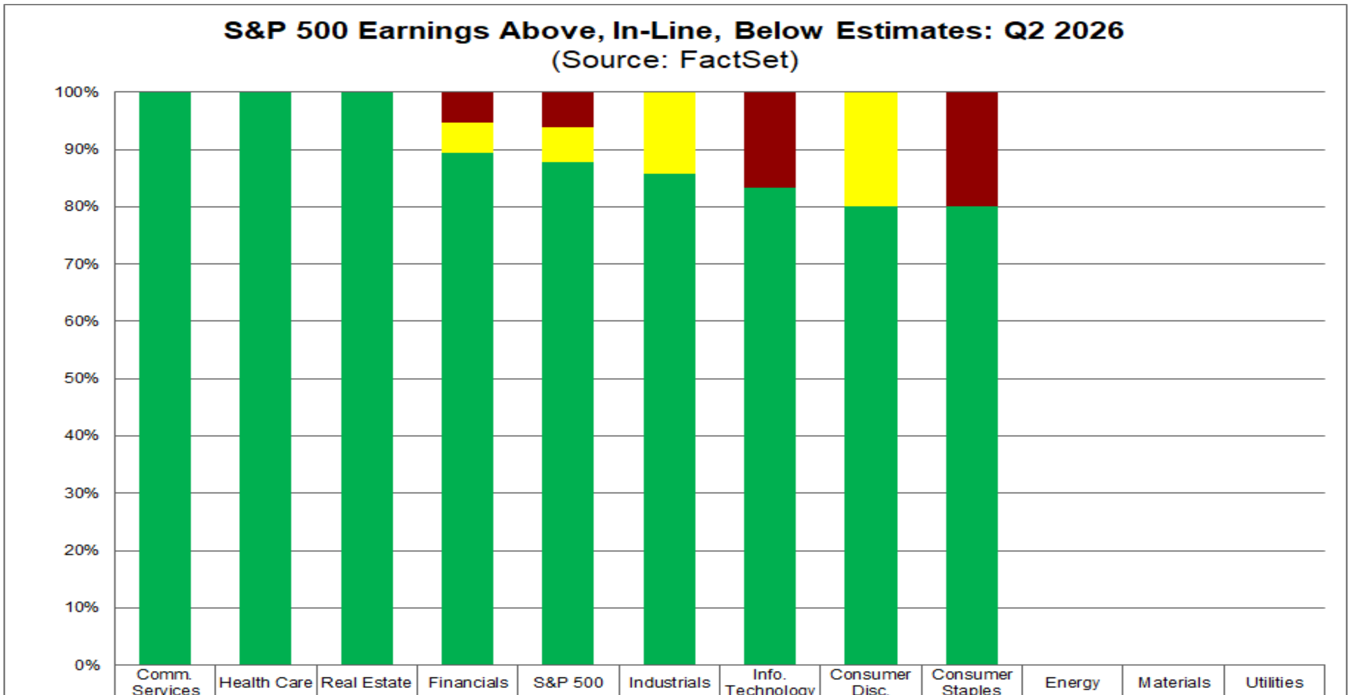
The bottom-up target price for the S&P 500 is 9066.31, which is 20.3% above the closing price of 7533.77. At the sector level, the Information Technology (+28.6%) and Communication Services (+25.1%) sectors are expected to see the largest price increases, as these sectors have the largest upside differences between the bottom-up target price and the closing price. On the other hand, the Real Estate (+8.8%) and Financials (+9.3%) sectors are expected to see the smallest price increases, as these sectors have the smallest upside differences between the bottom-up target price and the closing price.

Overall, there are 12,915 ratings on stocks in the S&P 500. Of these 12,915 ratings, 59.4% are Buy ratings, 35.7% are Hold ratings, and 5.4% are Sell ratings. At the sector level, the Information Technology (69%), Communication Services (67%), Materials (64%), Energy (63), and Health Care (62%) sectors have the highest percentages of Buy ratings, while the Consumer Staples (44%) sector has the lowest percentage of Buy ratings.

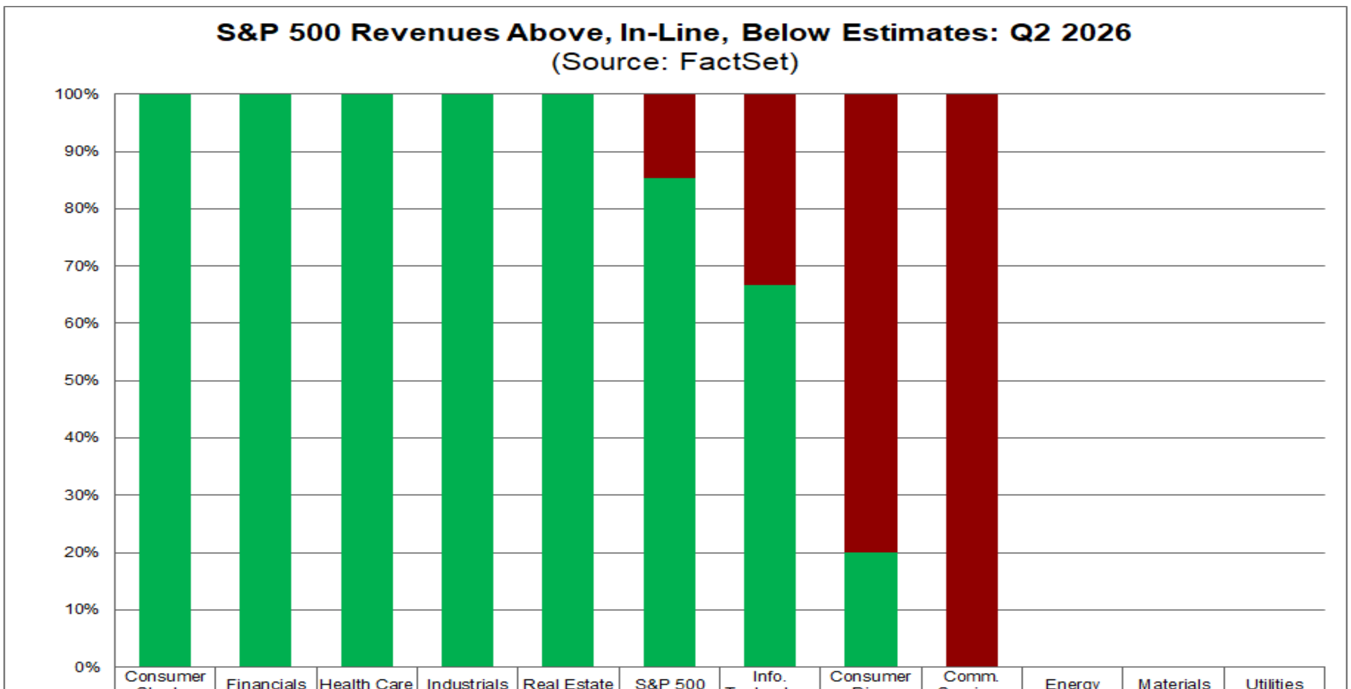
Companies Reporting Next Week: 86

During the upcoming week, 86 S&P 500 companies (including 4 Dow 30 components) are scheduled to report results for the second quarter.

Q2 2026: Scorecard

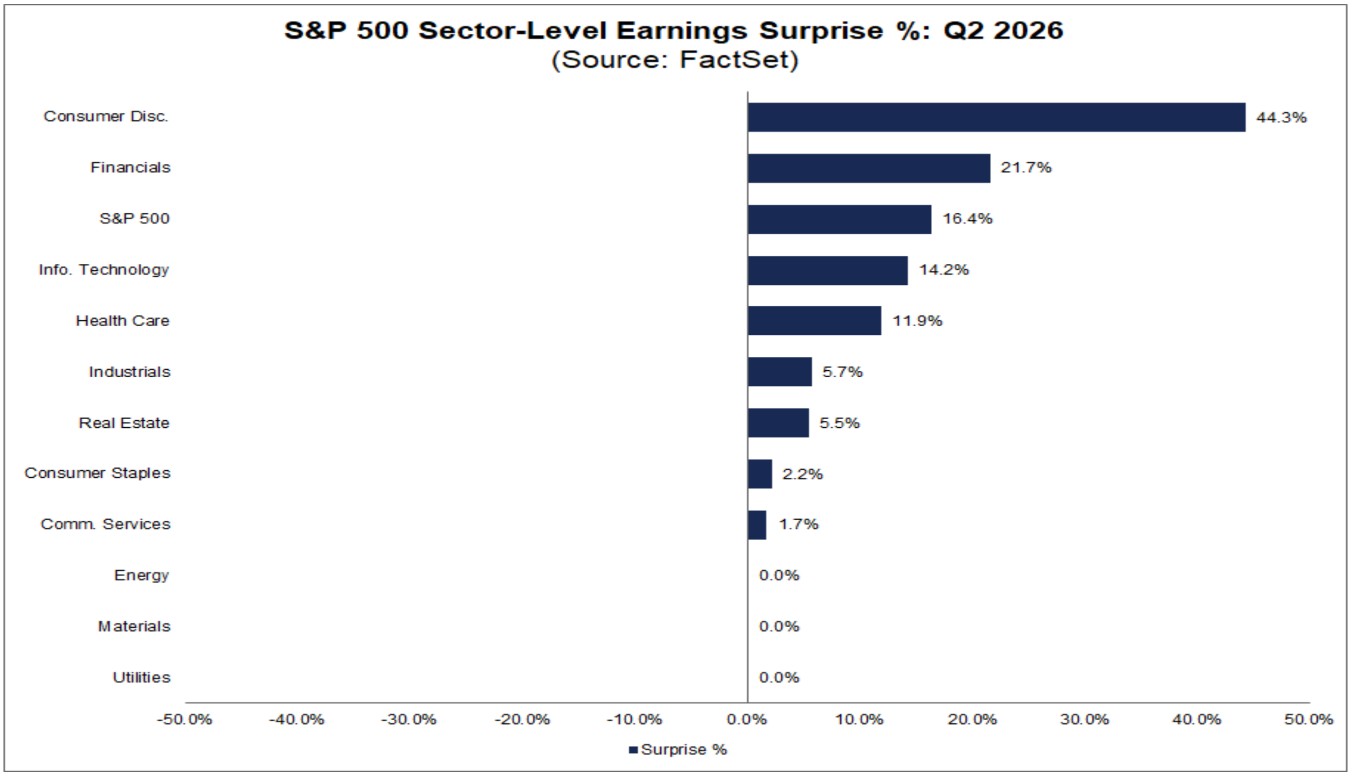


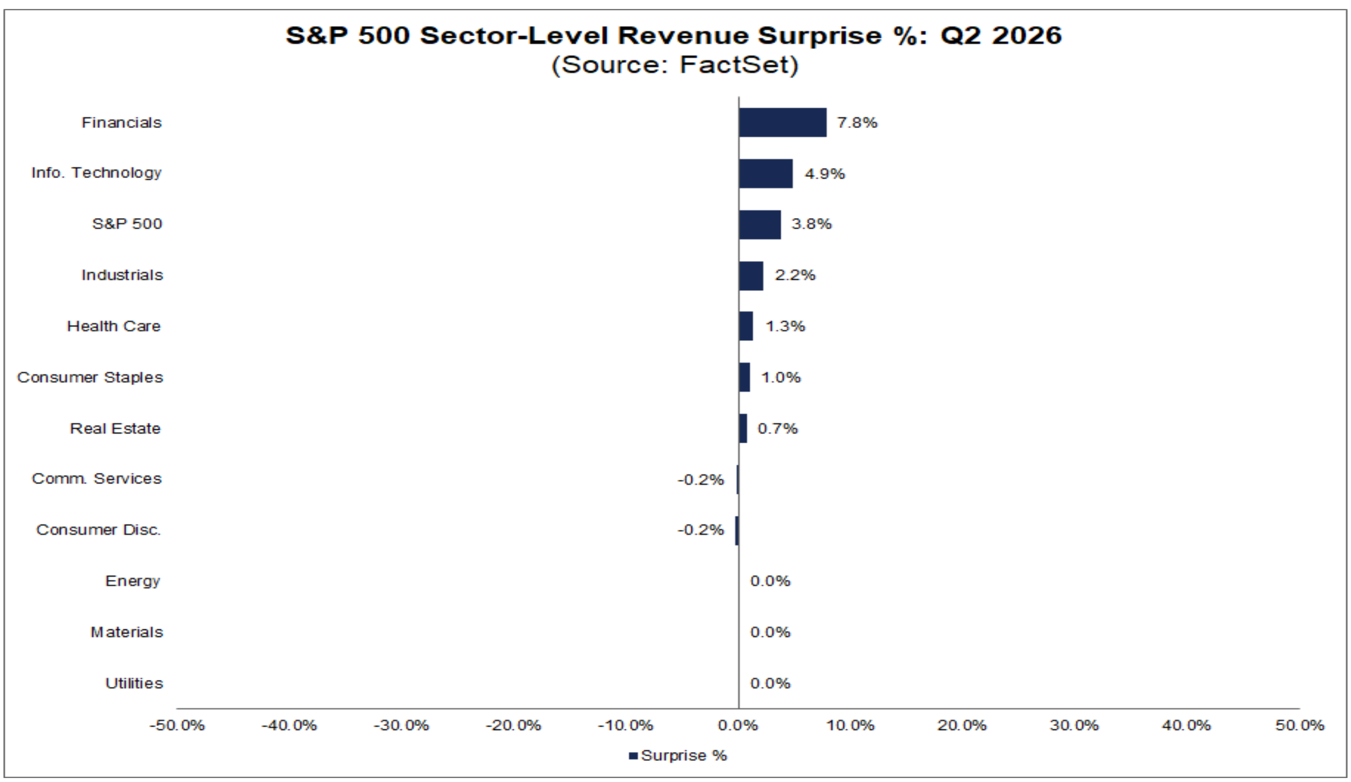
	Comm. Services	Health Care	Real Estate	Financials	S&P 500	Industrials	Info. Technology	Consumer Disc.	Consumer Staples	Energy	Materials	Utilities
Below	0%	0%	0%	5%	6%	0%	17%	0%	20%	0%	0%	0%
In-Line	0%	0%	0%	5%	6%	14%	0%	20%	0%	0%	0%	0%
Above	100%	100%	100%	89%	88%	86%	83%	80%	80%	0%	0%	0%



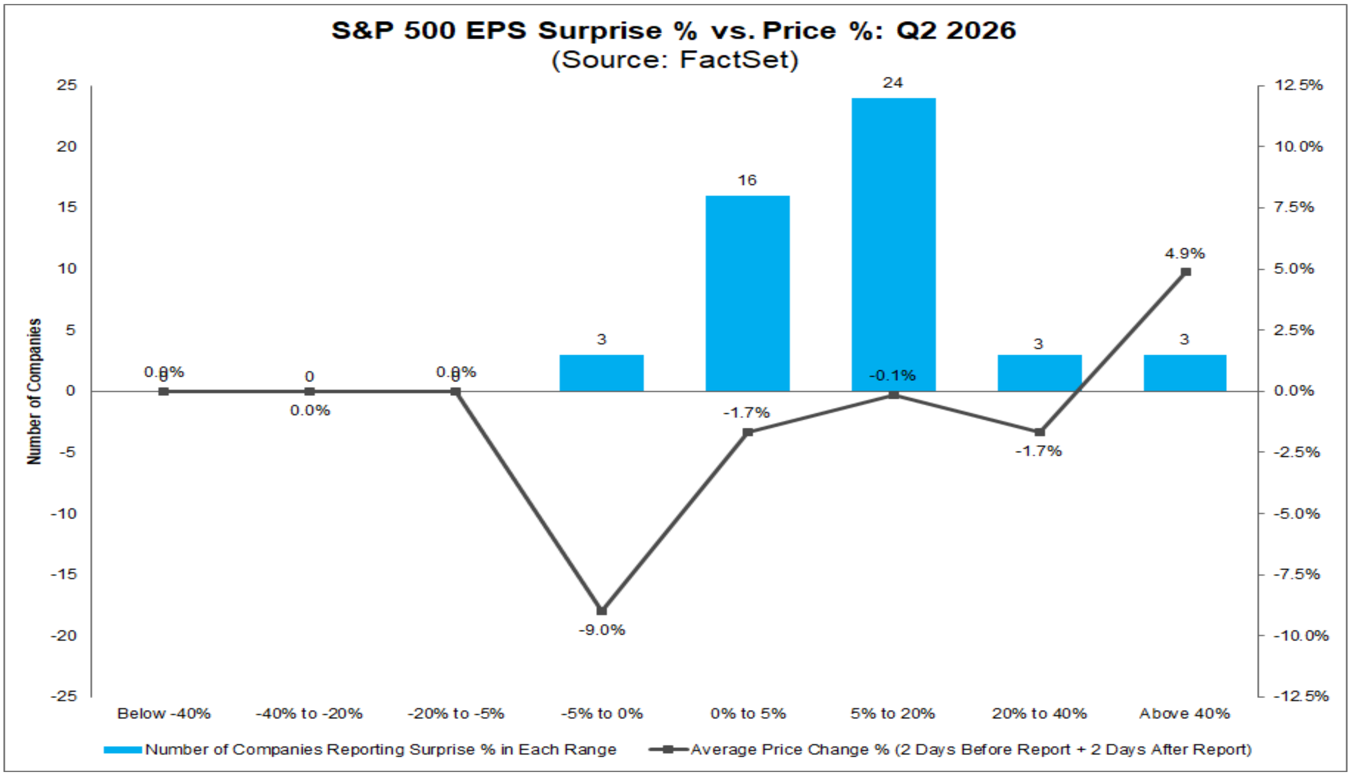
	Consumer Staples	Financials	Health Care	Industrials	Real Estate	S&P 500	Info. Technology	Consumer Disc.	Comm. Services	Energy	Materials	Utilities
Below	0%	0%	0%	0%	0%	15%	33%	80%	100%	0%	0%	0%
In-Line	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Above	100%	100%	100%	100%	100%	85%	67%	20%	0%	0%	0%	0%

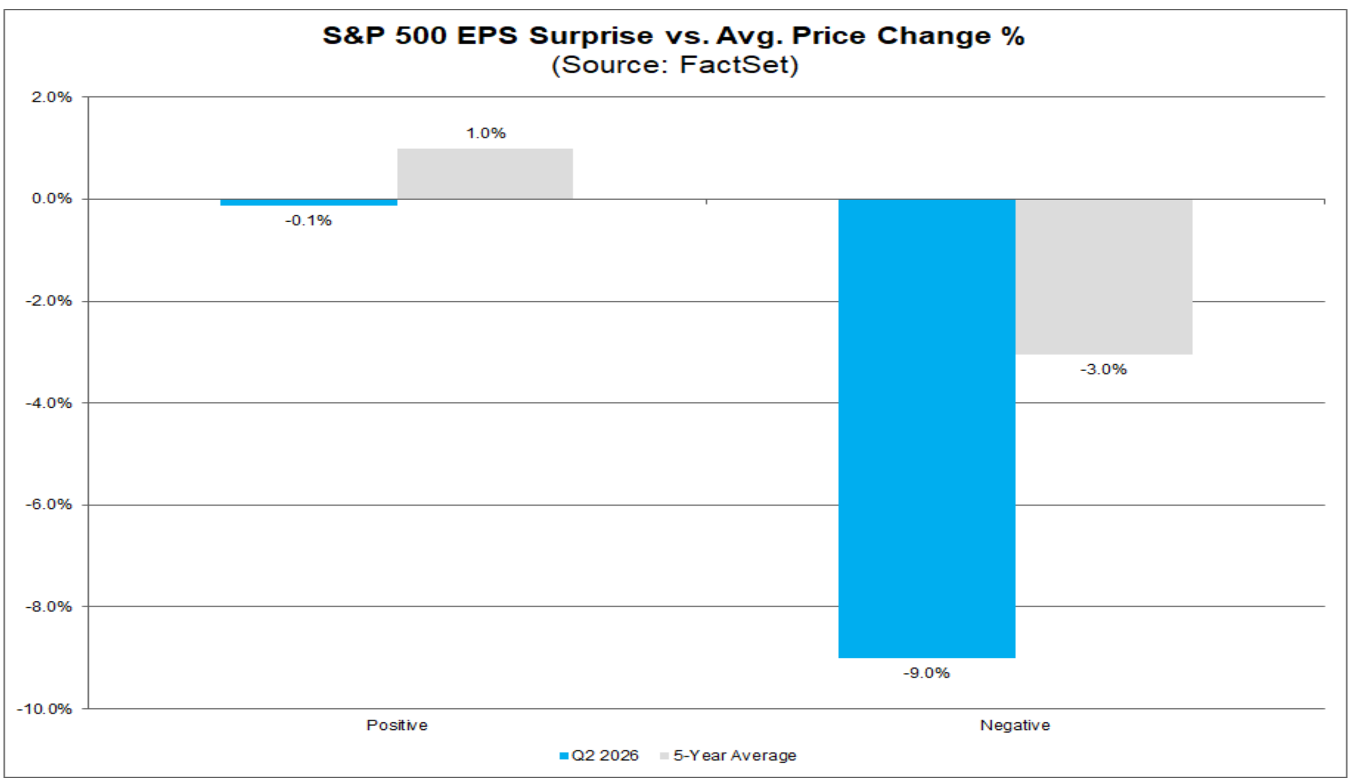
Q2 2026: Surprise



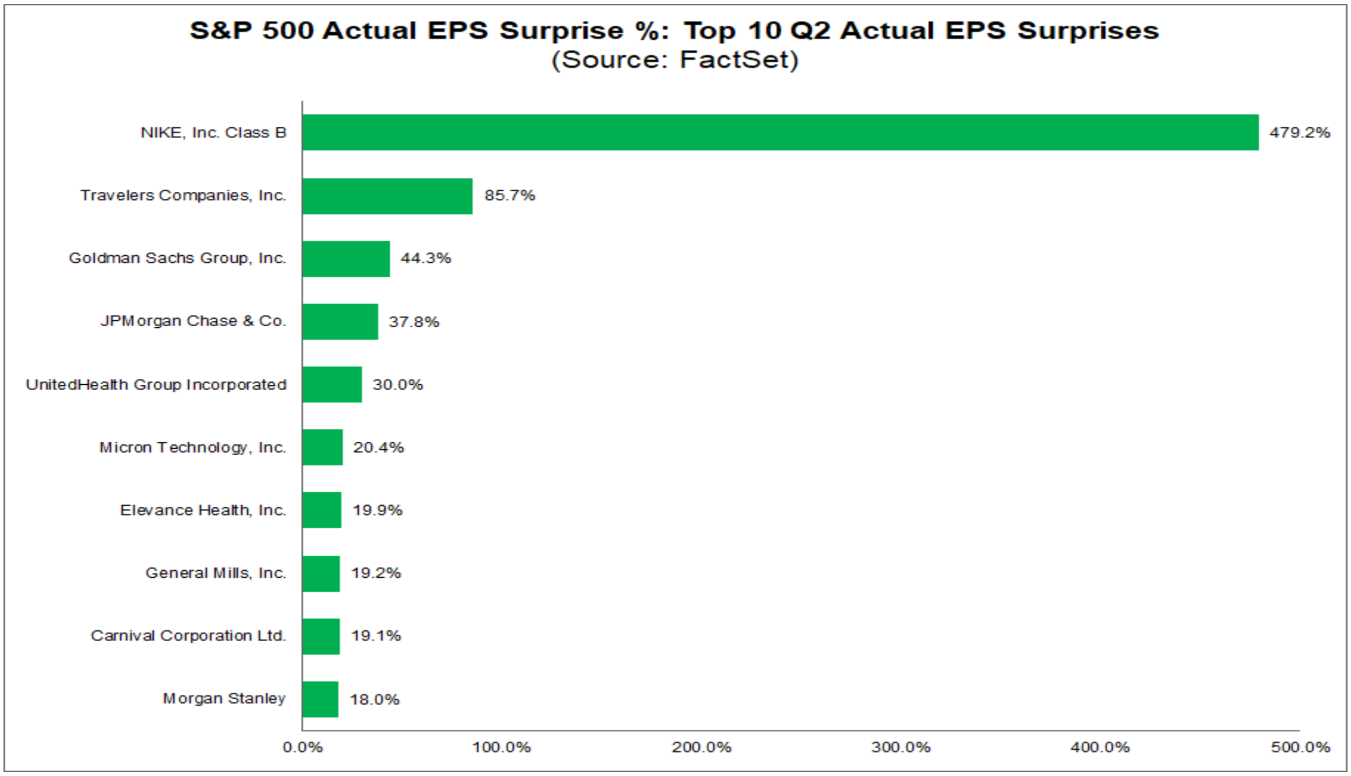


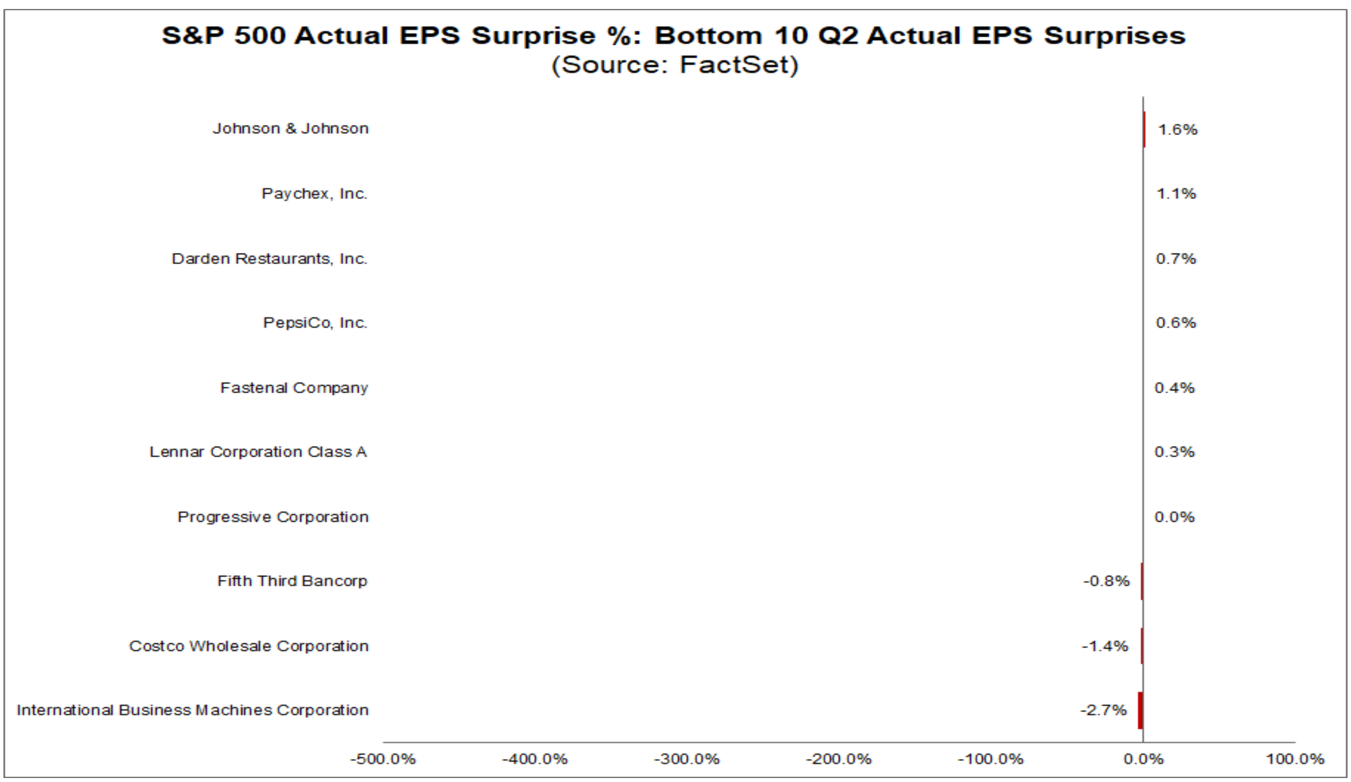
Q2 2026: Surprise



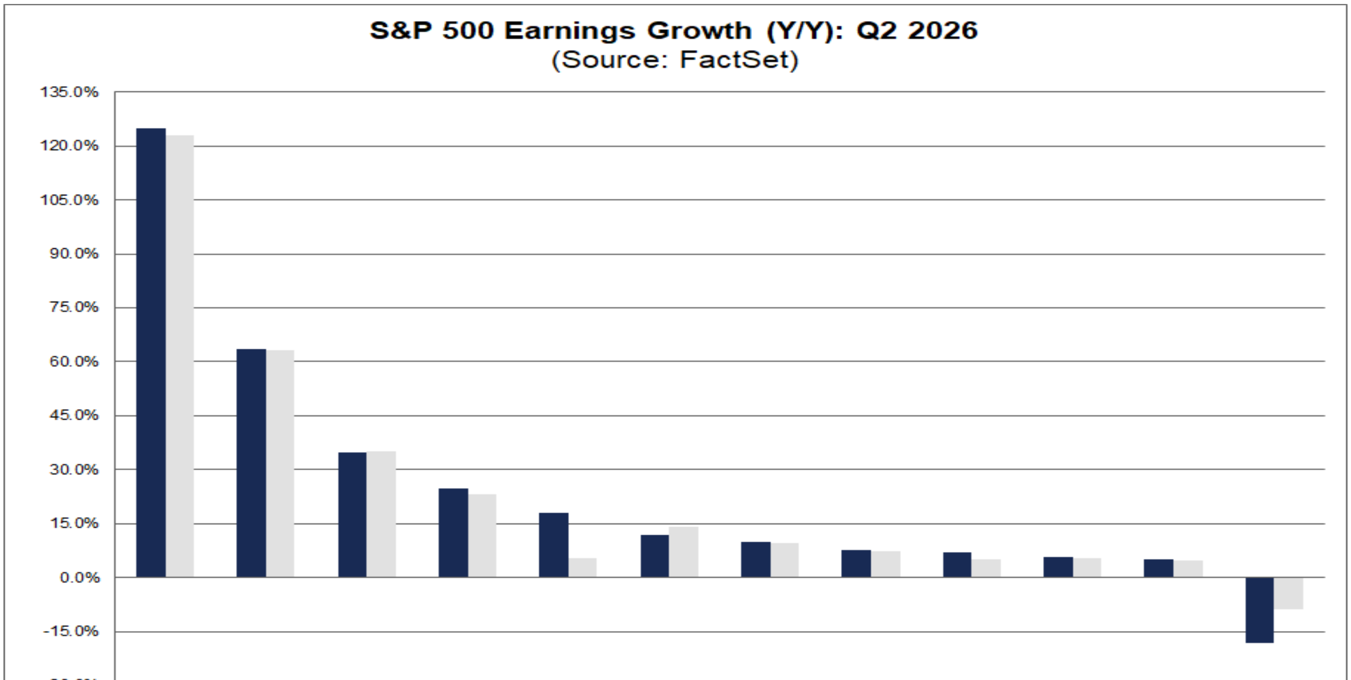


Q2 2026: Surprise

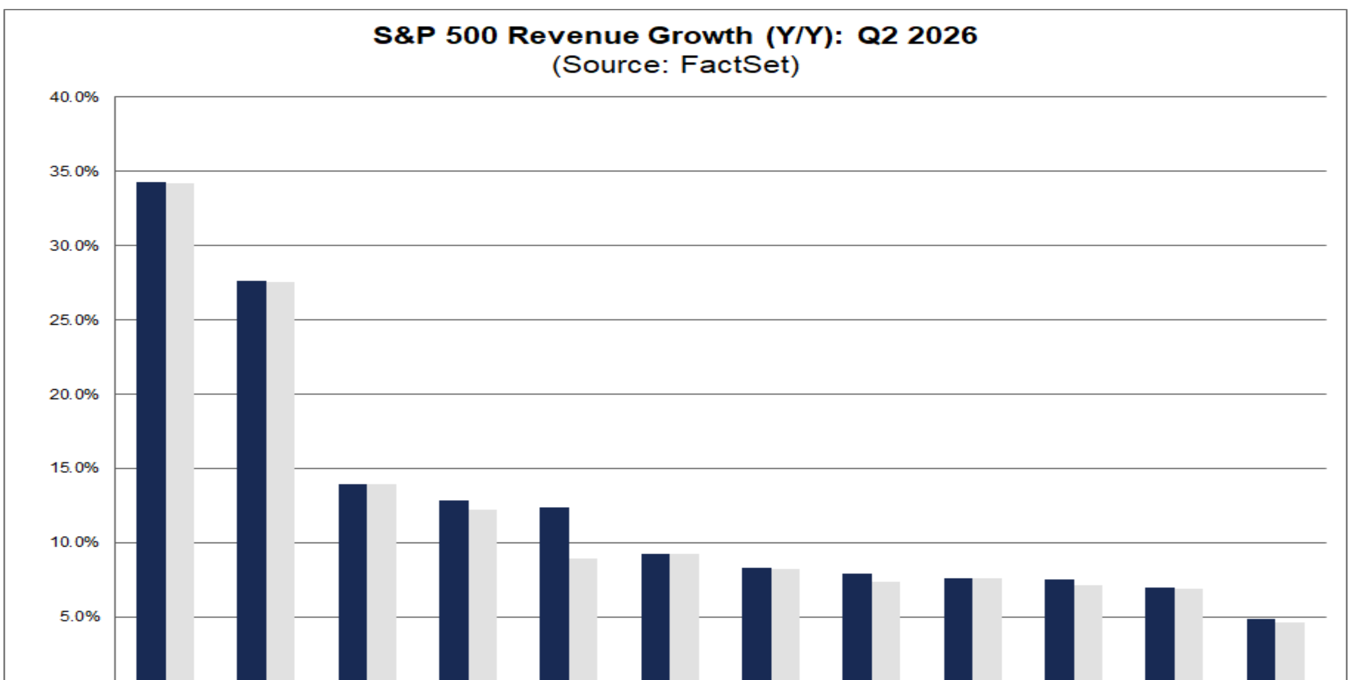




Q2 2026: Growth

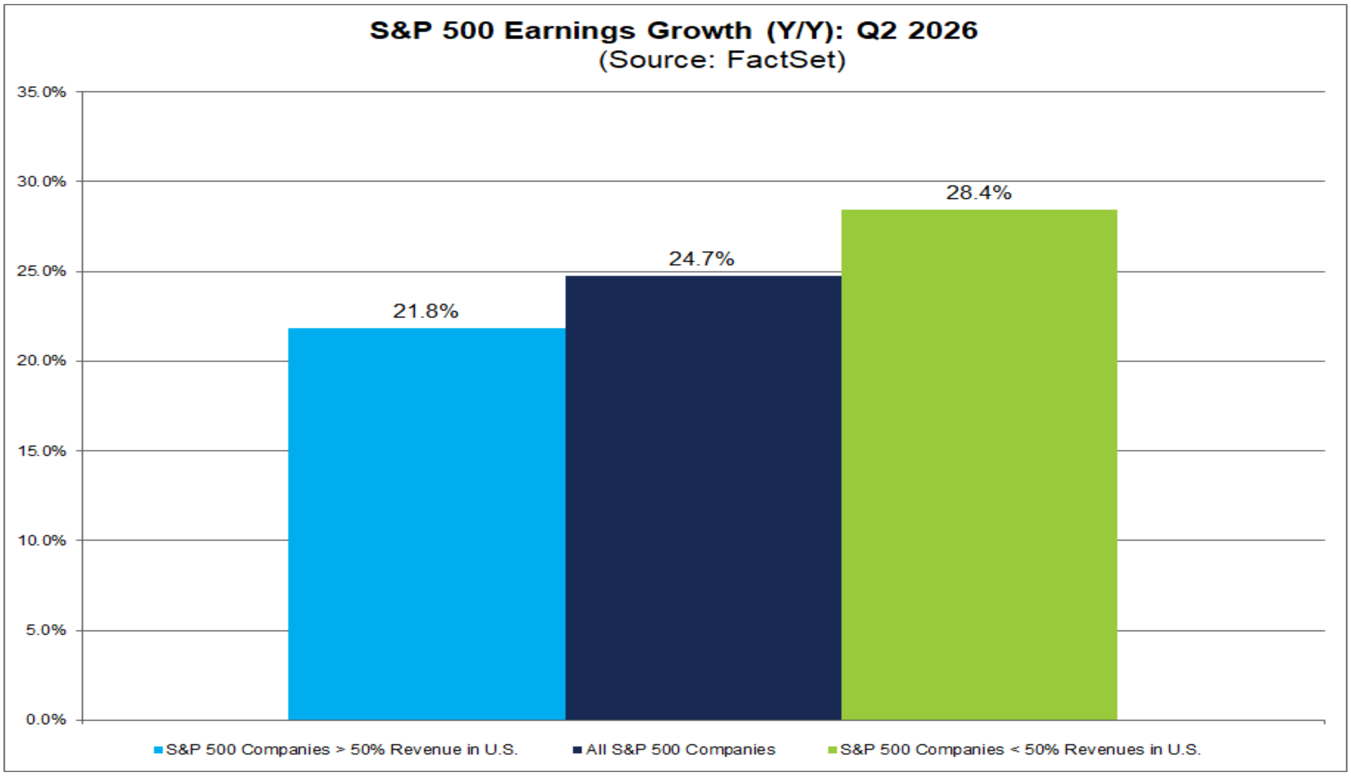


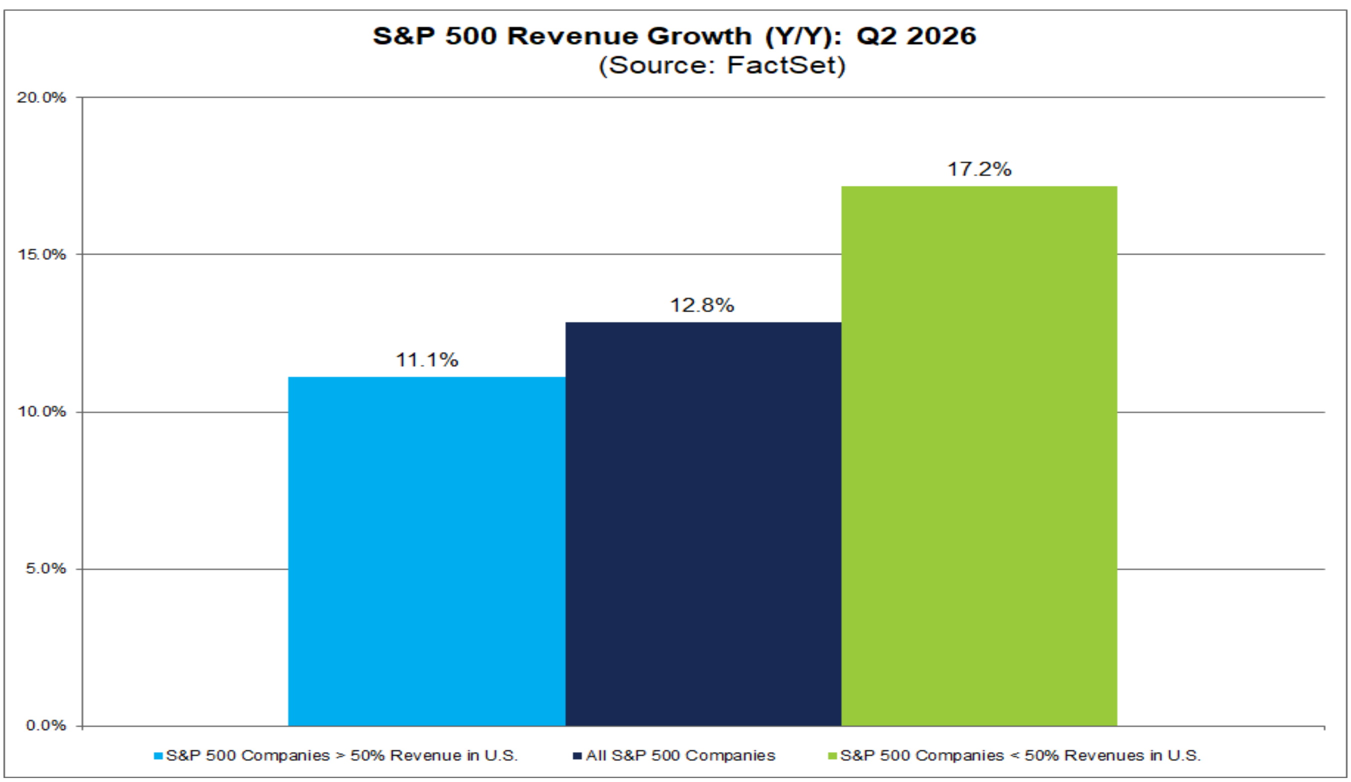
	Energy	Info. Technology	Materials	S&P 500	Financials	Utilities	Industrials	Comm. Services	Consumer Disc.	Real Estate	Consumer Staples	Health Care
Today	124.8%	63.4%	34.6%	24.7%	17.9%	12.0%	10.1%	7.6%	7.0%	5.7%	5.1%	-18.2%
30-Jun	123.0%	63.3%	35.2%	23.2%	5.5%	14.2%	9.4%	7.3%	5.0%	5.3%	4.8%	-8.9%



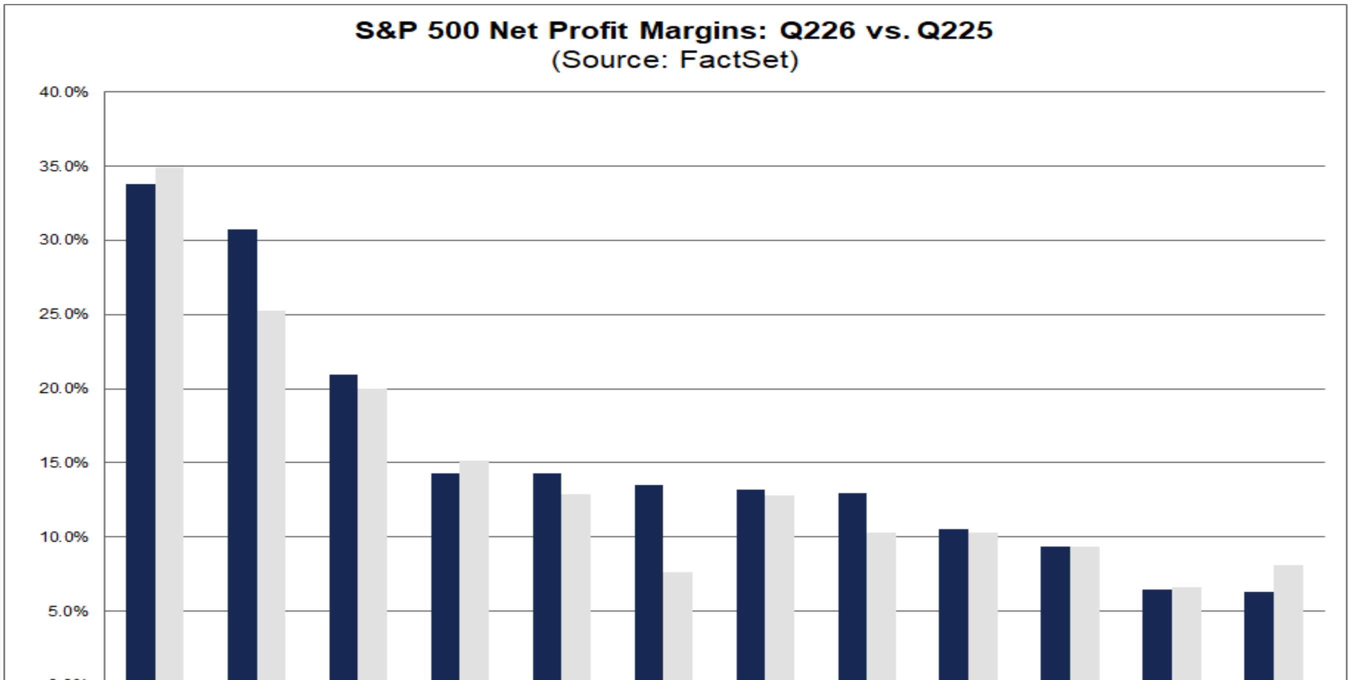
	Info. Technology	Energy	Comm. Services	S&P 500	Financials	Real Estate	Utilities	Industrials	Consumer Staples	Consumer Disc.	Materials	Health Care
Today	34.2%	27.6%	13.9%	12.8%	12.4%	9.2%	8.3%	8.0%	7.6%	7.5%	7.0%	4.9%
30-Jun	34.2%	27.5%	13.9%	12.2%	8.9%	9.2%	8.3%	7.4%	7.6%	7.1%	6.9%	4.6%

Q2 2026: Growth

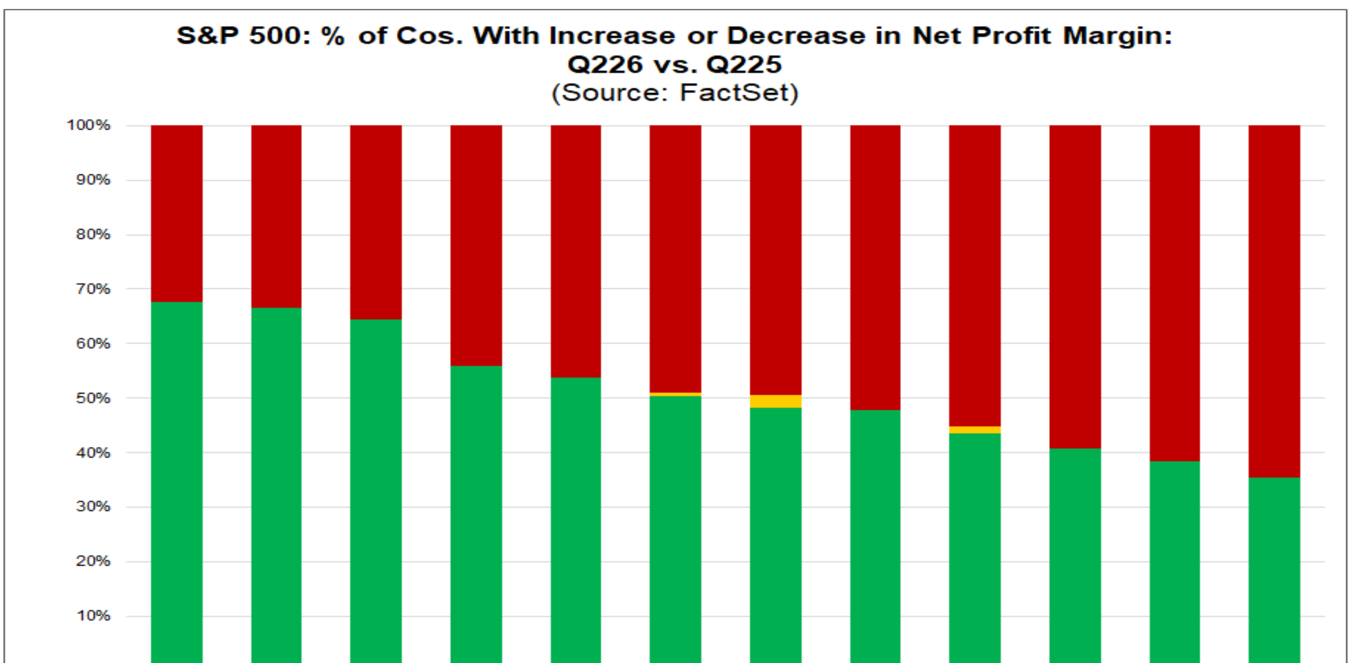




Q2 2026: Net Profit Margin

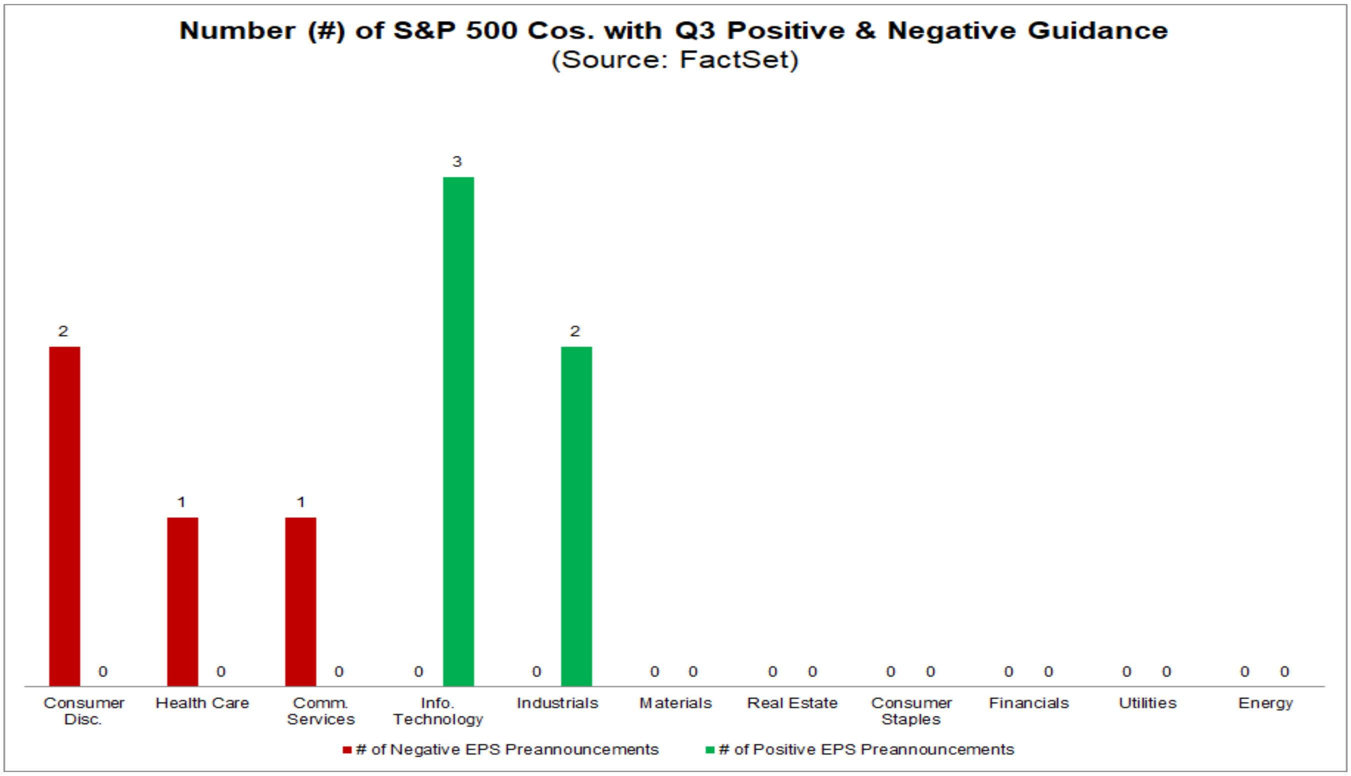


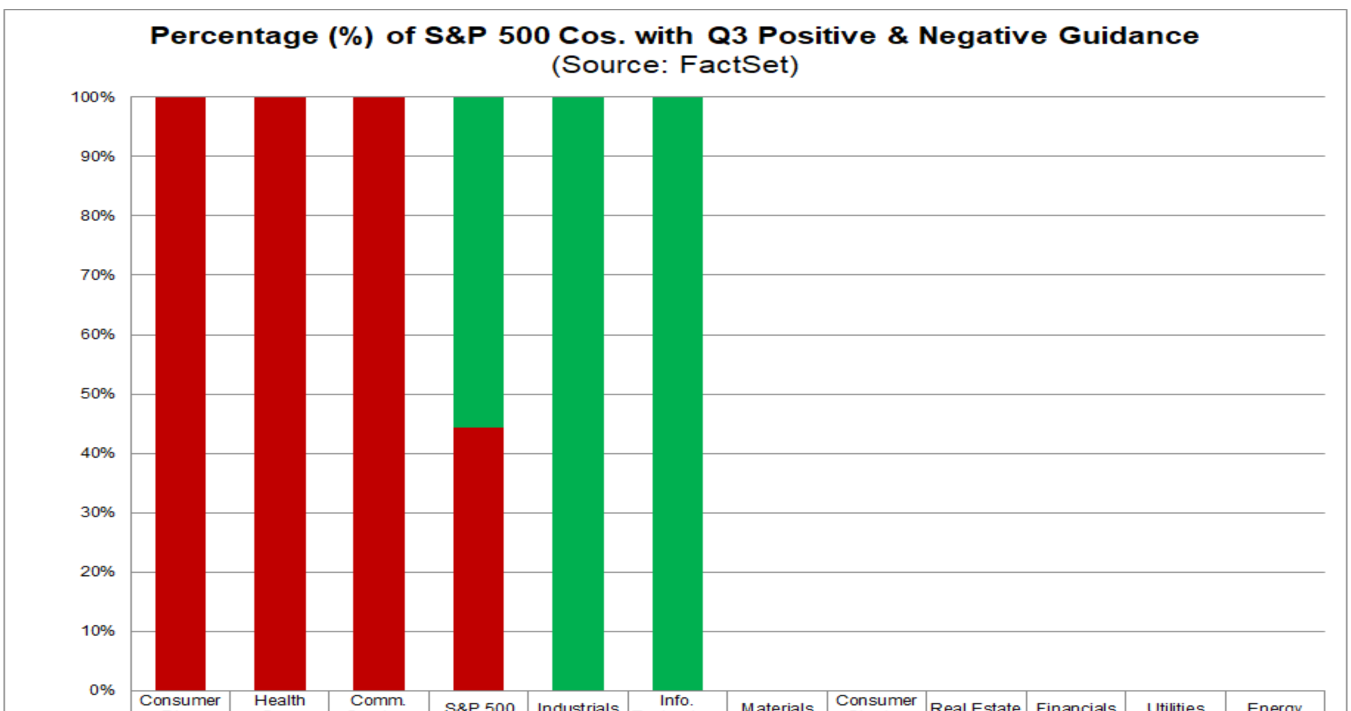
	Real Estate	Information Tech.	Financials	Comm. Services	S&P 500	Energy	Utilities	Materials	Industrials	Consumer Disc.	Consumer Staples	Health Care
Q226	33.8%	30.7%	21.0%	14.3%	14.3%	13.5%	13.2%	12.9%	10.5%	9.3%	6.5%	6.3%
Q225	34.9%	25.2%	20.0%	15.2%	12.9%	7.7%	12.8%	10.3%	10.3%	9.4%	6.6%	8.1%



	Information Tech.	Energy	Utilities	Consumer Staples	Materials	S&P 500	Industrials	Comm. Services	Financials	Health Care	Consumer Disc.	Real Estate
Down %	32%	33%	35%	44%	46%	49%	49%	52%	55%	59%	62%	65%
None %	0%	0%	0%	0%	0%	1%	2%	0%	1%	0%	0%	0%
Up %	68%	67%	65%	56%	54%	50%	48%	48%	43%	41%	38%	35%

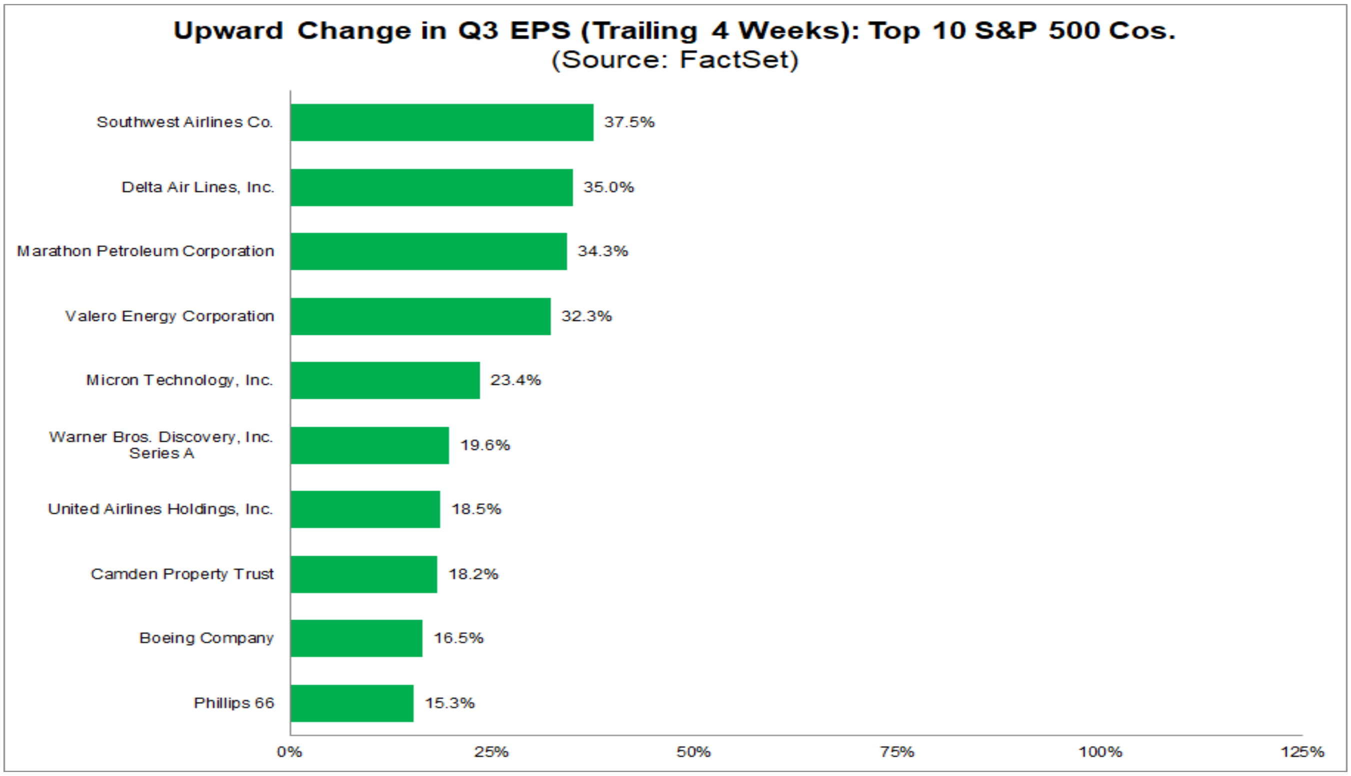
Q3 2026: Guidance

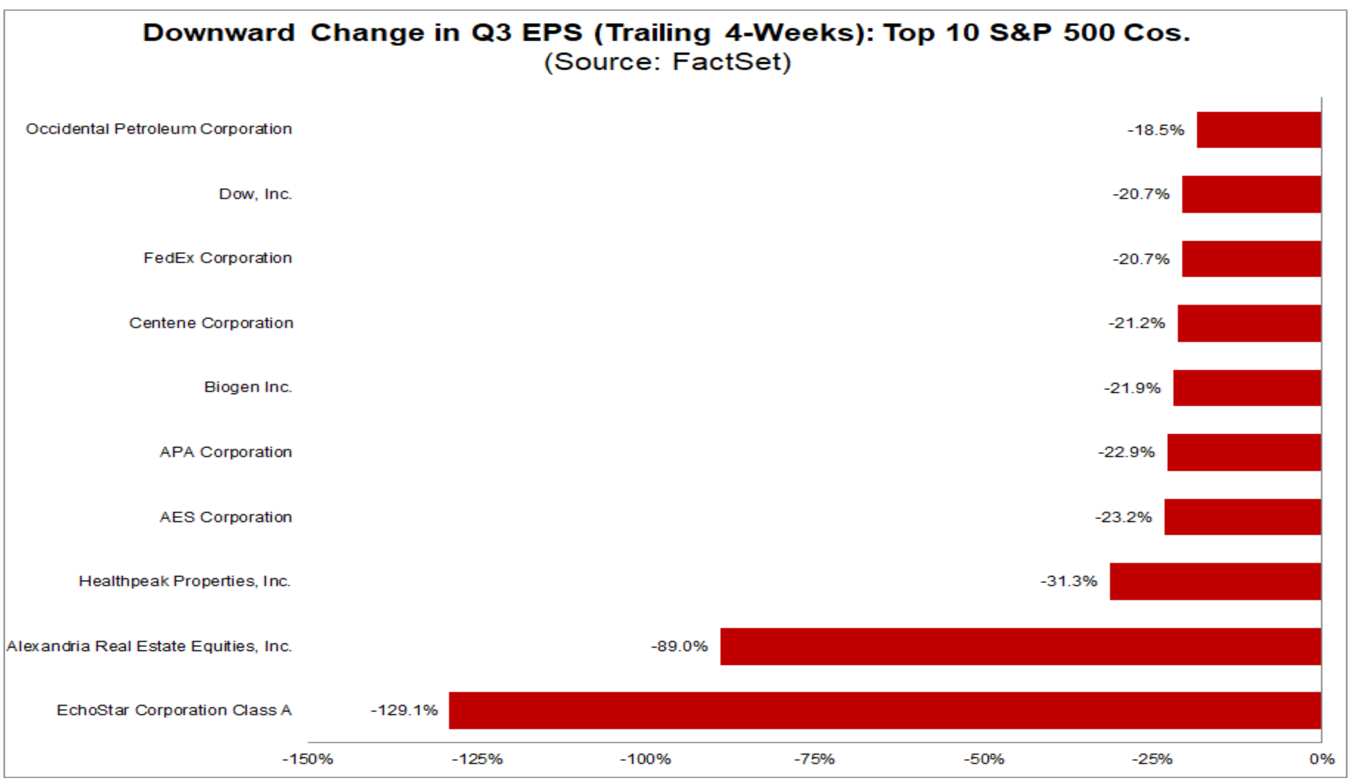




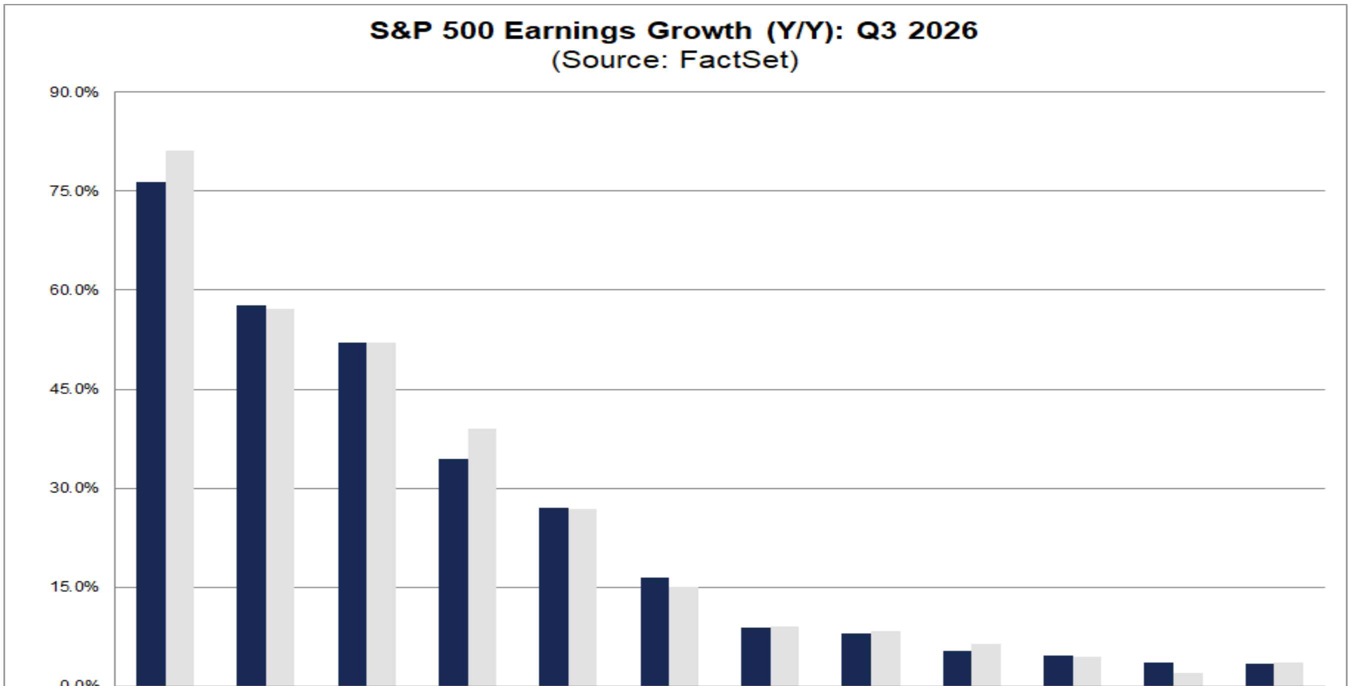
	Consumer Disc.	Health Care	Comm. Services	S&P 500	Industrials	Info. Technology	Materials	Consumer Staples	Real Estate	Financials	Utilities	Energy
Positive	0%	0%	0%	56%	100%	100%	0%	0%	0%	0%	0%	0%
Negative	100%	100%	100%	44%	0%	0%	0%	0%	0%	0%	0%	0%

Q3 2026: EPS Revisions

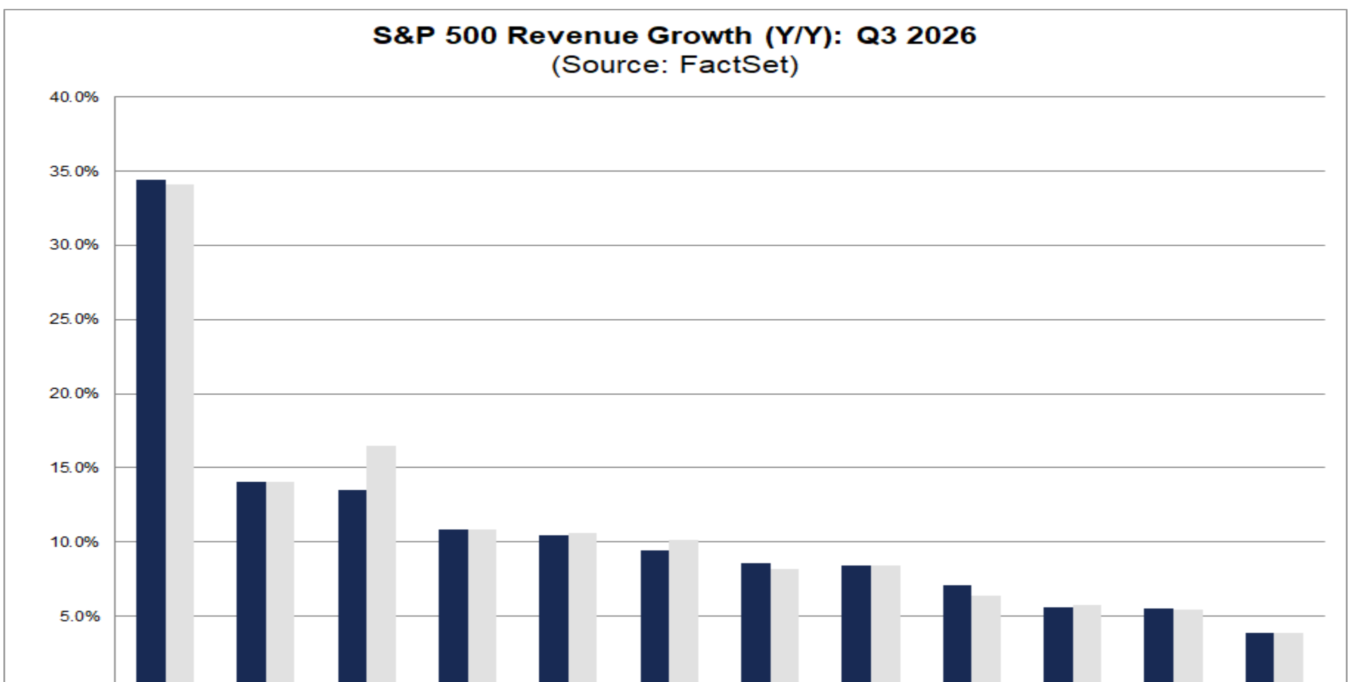




Q3 2026: Growth

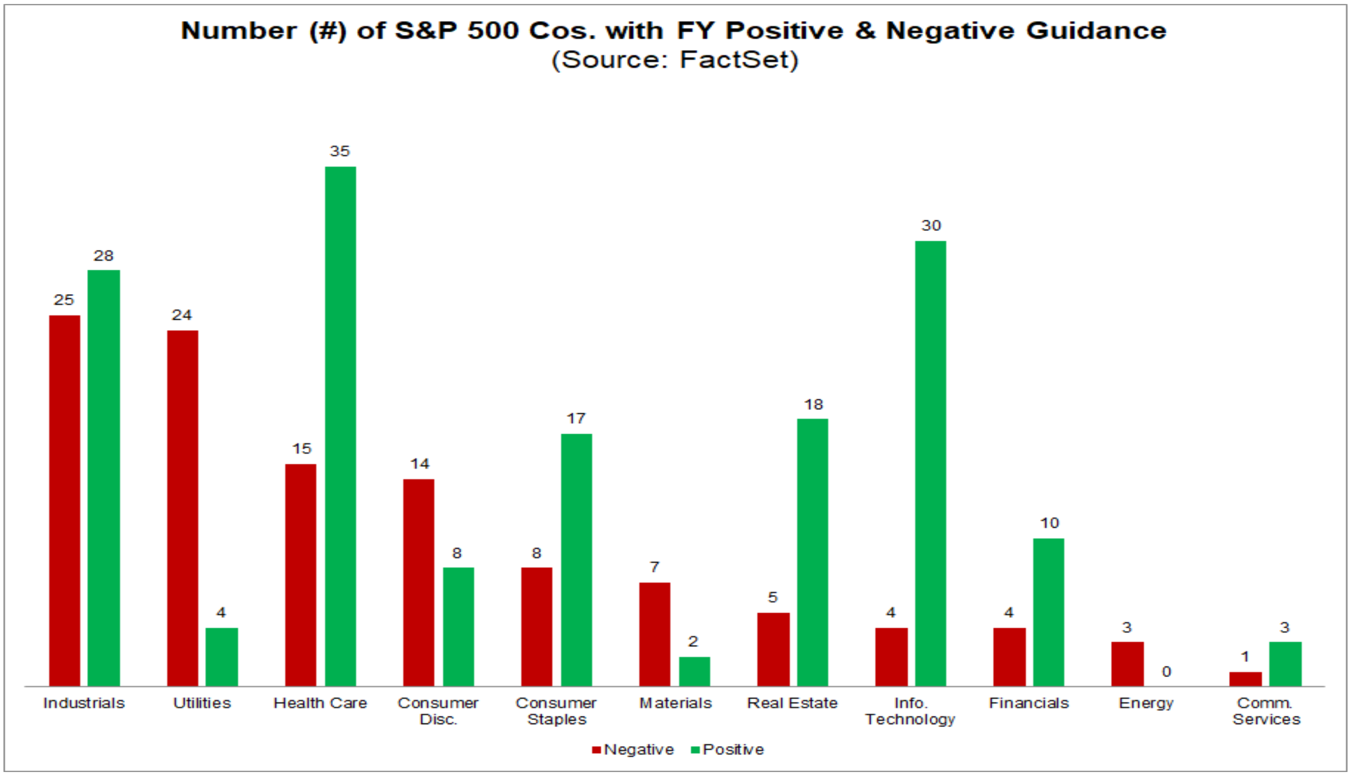


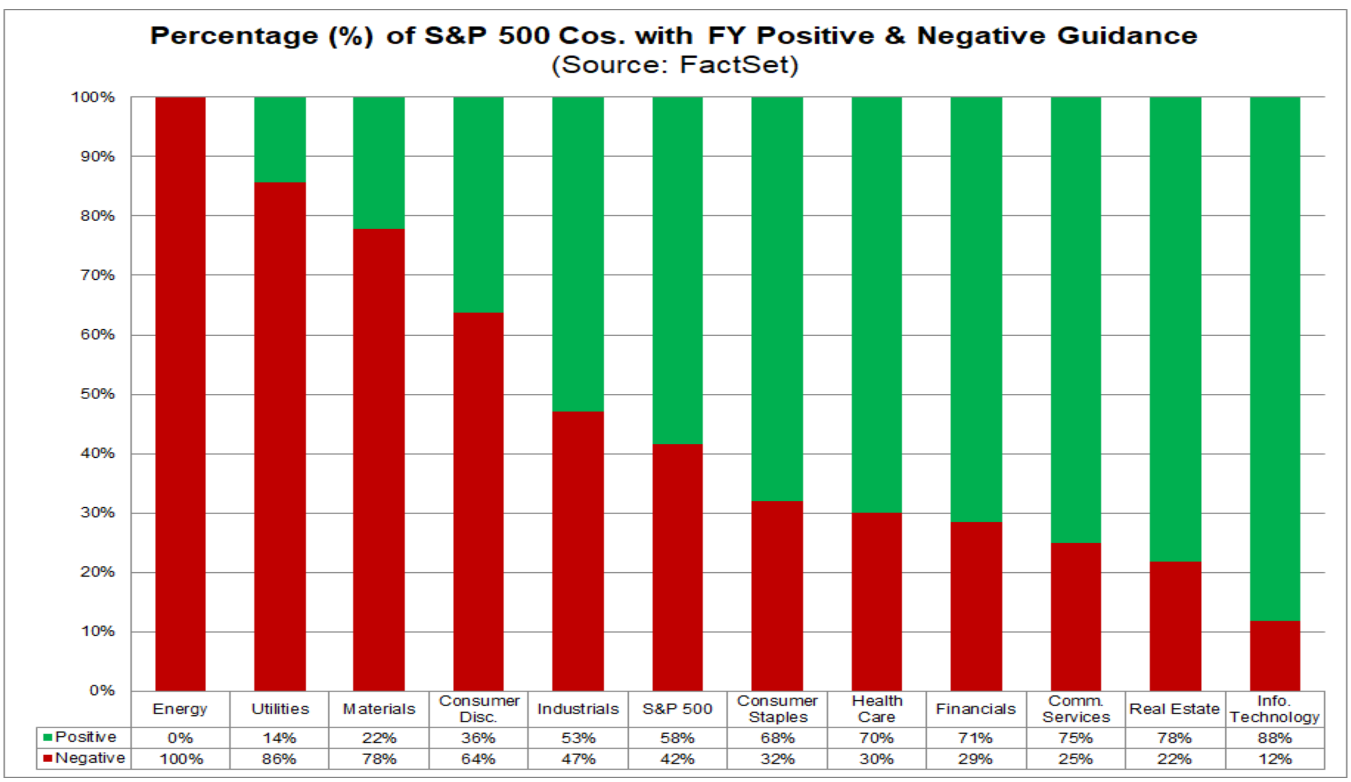
	Energy	Info. Technology	Comm. Services	Materials	S&P 500	Industrials	Health Care	Utilities	Consumer Staples	Real Estate	Financials	Consumer Disc.
Today	76.4%	57.8%	52.0%	34.5%	27.0%	16.4%	8.9%	8.0%	5.4%	4.6%	3.5%	3.4%
30-Jun	81.2%	57.2%	52.1%	39.0%	26.9%	15.1%	9.1%	8.5%	6.4%	4.6%	2.0%	3.7%



	Info. Technology	Comm. Services	Energy	S&P 500	Utilities	Materials	Industrials	Real Estate	Financials	Consumer Staples	Consumer Disc.	Health Care
Today	34.4%	14.0%	13.5%	10.8%	10.5%	9.4%	8.5%	8.4%	7.1%	5.6%	5.5%	3.9%
30-Jun	34.1%	14.0%	16.5%	10.9%	10.6%	10.2%	8.2%	8.4%	6.4%	5.7%	5.5%	3.9%

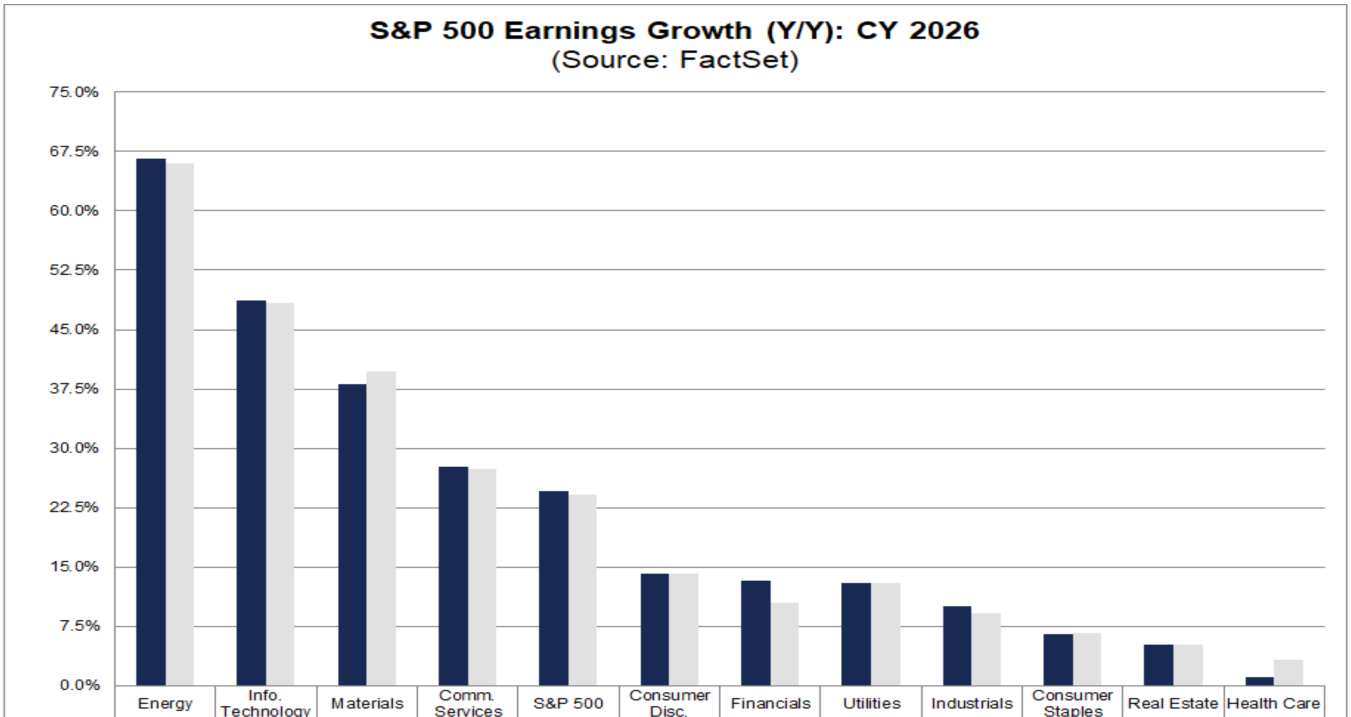
FY 2026 / 2027: EPS Guidance



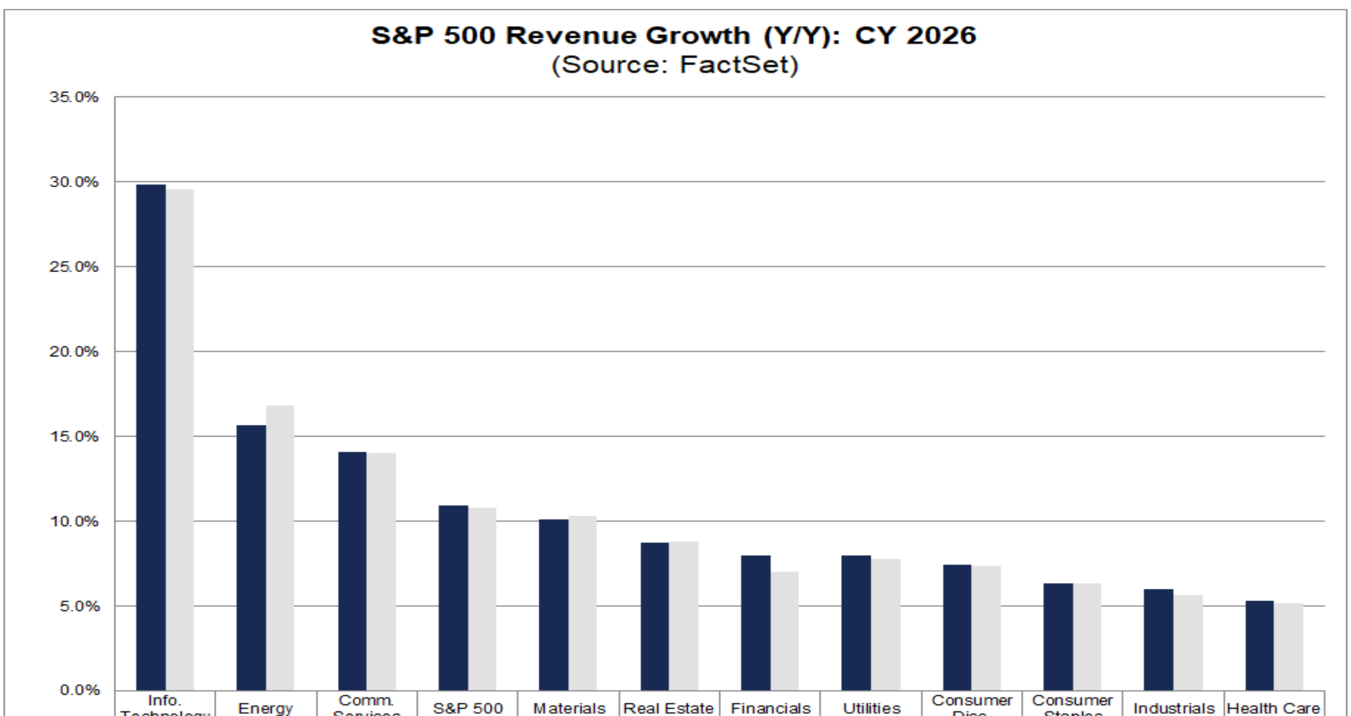


	Energy	Utilities	Materials	Consumer Disc.	Industrials	S&P 500	Consumer Staples	Health Care	Financials	Comm. Services	Real Estate	Info. Technology
Positive	0%	14%	22%	36%	53%	58%	68%	70%	71%	75%	78%	88%
Negative	100%	86%	78%	64%	47%	42%	32%	30%	29%	25%	22%	12%

CY 2026: Growth

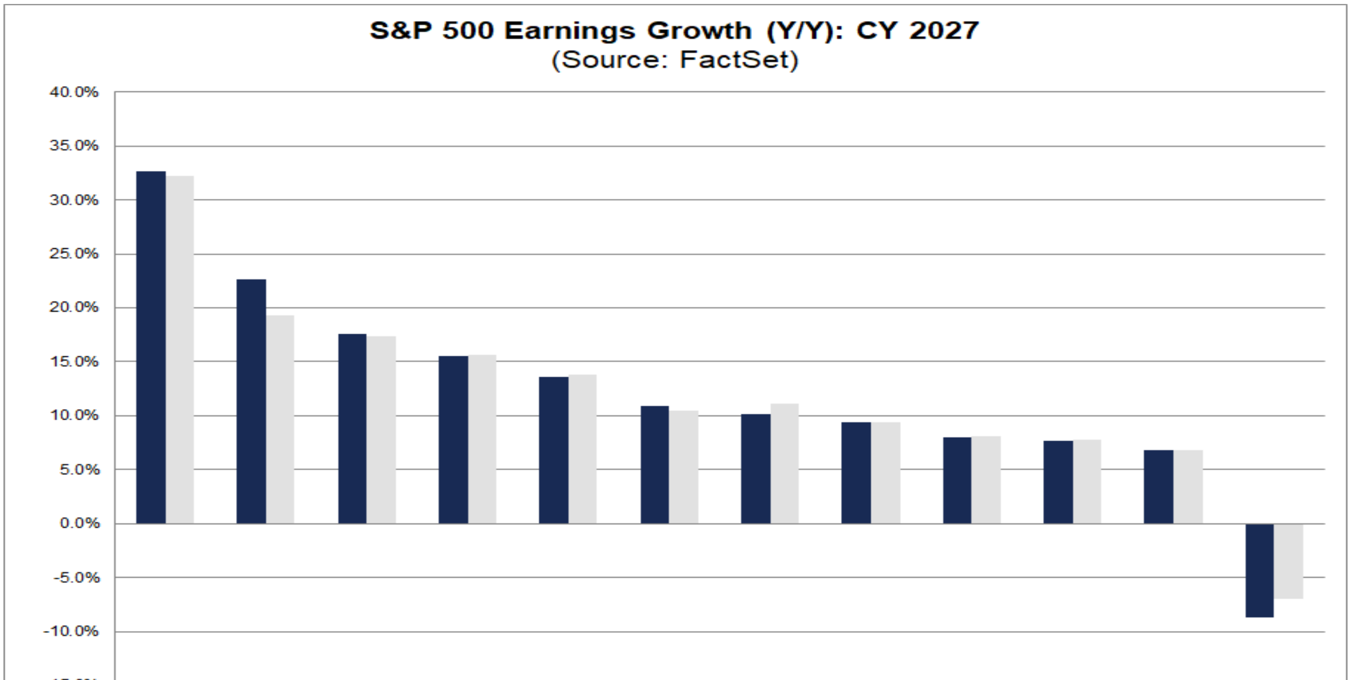


	Energy	Info. Technology	Materials	Comm. Services	S&P 500	Consumer Disc.	Financials	Utilities	Industrials	Consumer Staples	Real Estate	Health Care
Today	66.6%	48.7%	38.0%	27.7%	24.5%	14.2%	13.3%	13.0%	10.0%	6.6%	5.2%	1.1%
30-Jun	66.1%	48.4%	39.7%	27.4%	24.1%	14.1%	10.5%	13.0%	9.1%	6.7%	5.2%	3.3%

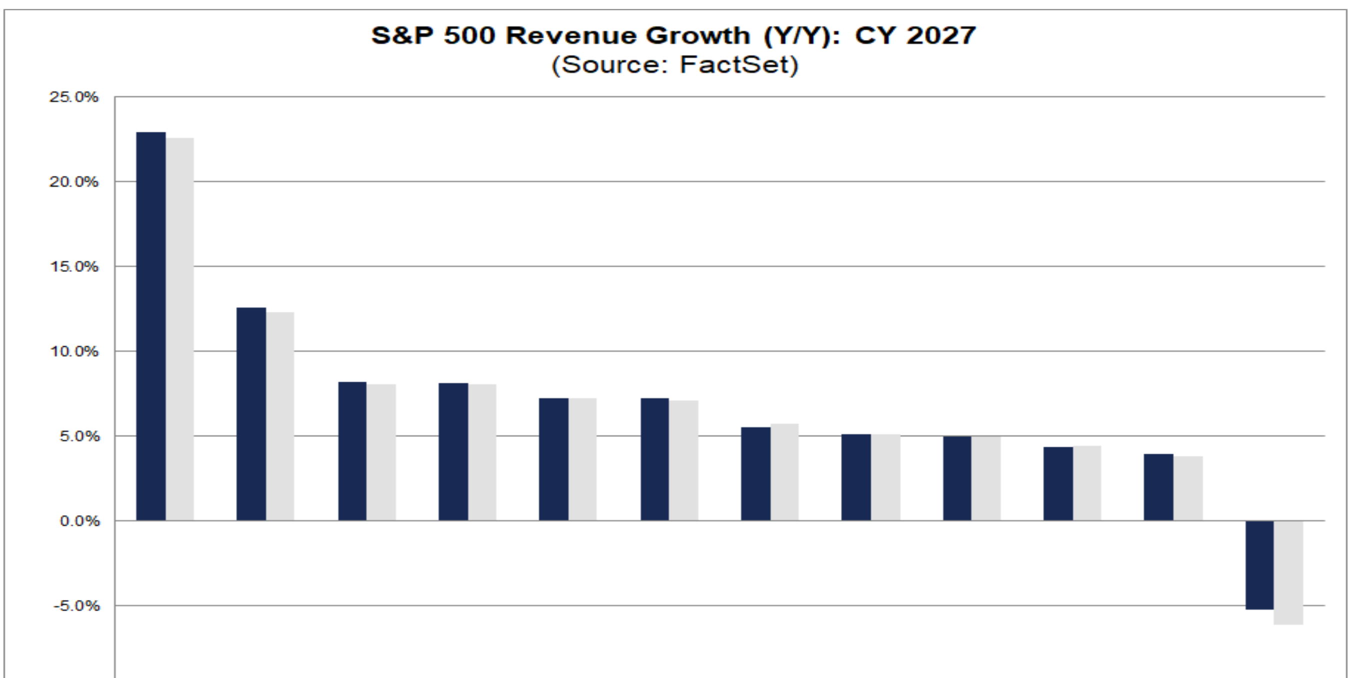


	Info. Technology	Energy	Comm. Services	S&P 500	Materials	Real Estate	Financials	Utilities	Consumer Disc.	Consumer Staples	Industrials	Health Care
Today	29.8%	15.7%	14.1%	10.9%	10.1%	8.7%	8.0%	8.0%	7.4%	6.3%	6.0%	5.3%
30-Jun	29.6%	16.8%	14.0%	10.8%	10.3%	8.8%	7.0%	7.8%	7.3%	6.4%	5.7%	5.2%

CY 2027: Growth

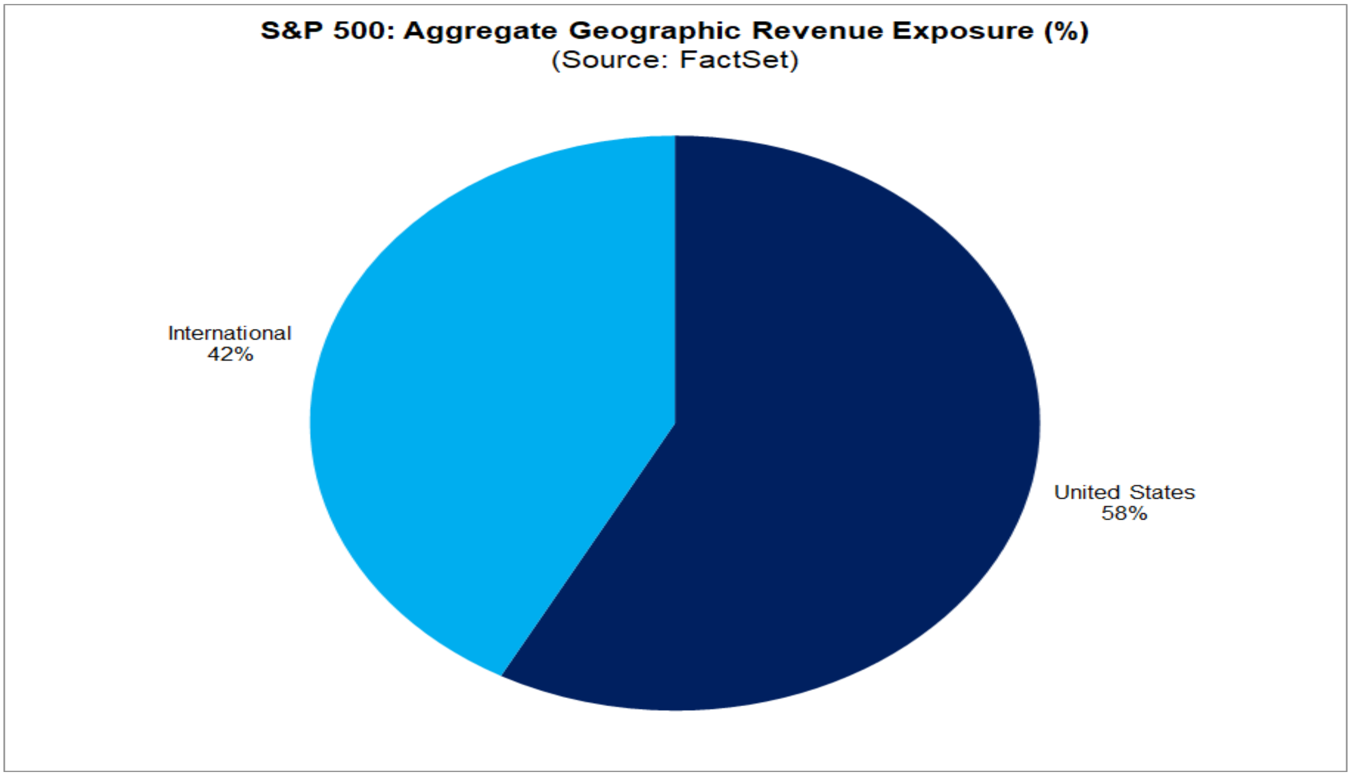


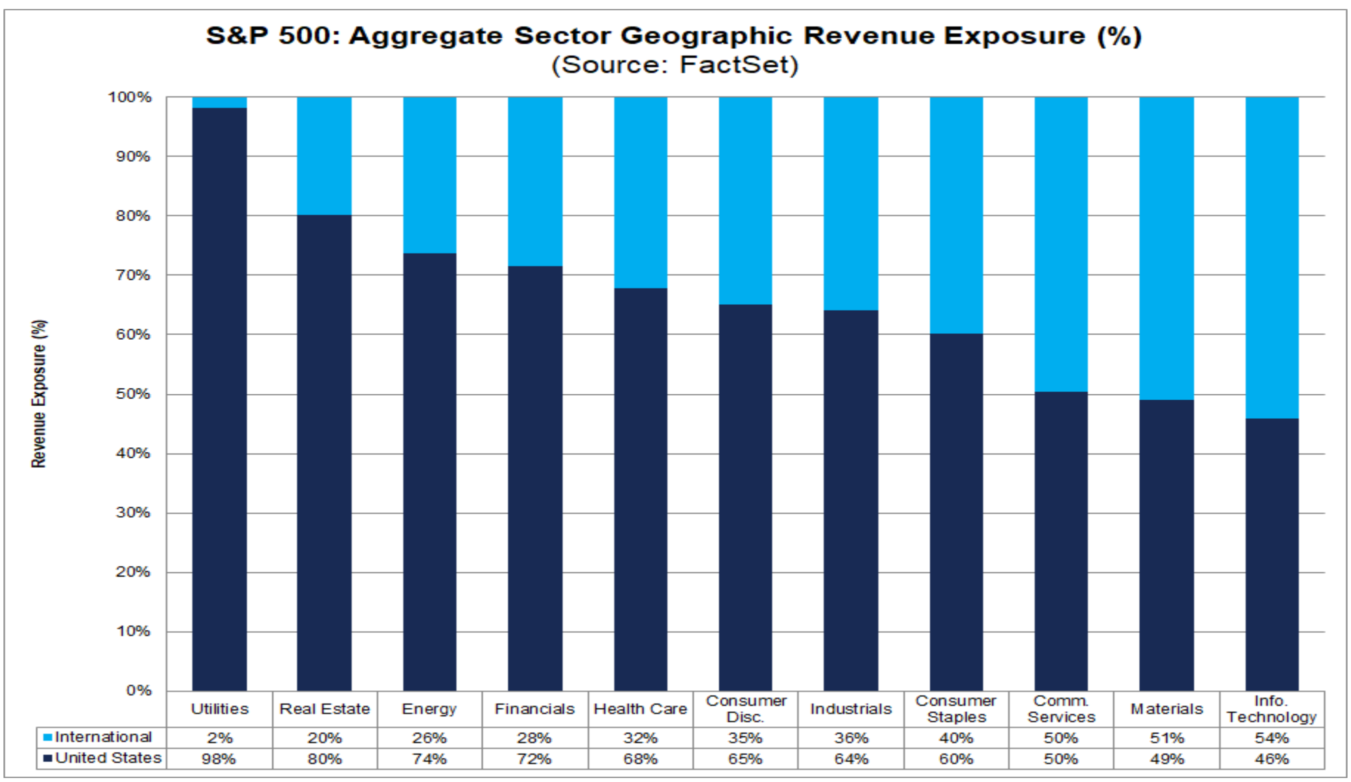
	Info. Technology	Health Care	S&P 500	Industrials	Consumer Disc.	Materials	Financials	Utilities	Consumer Staples	Comm. Services	Real Estate	Energy
Today	32.7%	22.7%	17.5%	15.5%	13.6%	10.9%	10.2%	9.4%	8.0%	7.7%	6.8%	-8.7%
30-Jun	32.2%	19.3%	17.4%	15.7%	13.8%	10.5%	11.1%	9.4%	8.0%	7.7%	6.8%	-7.0%



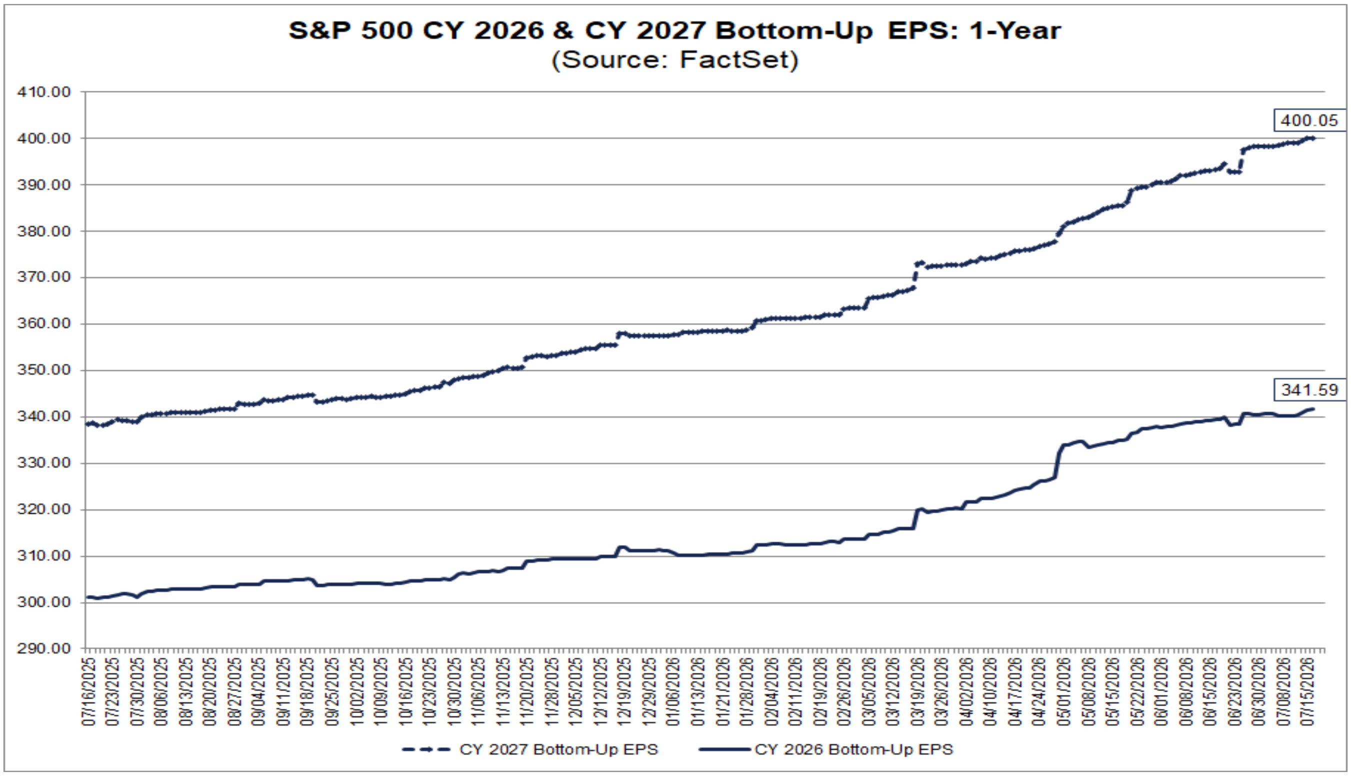
	Info. Technology	Comm. Services	S&P 500	Consumer Disc.	Industrials	Real Estate	Financials	Utilities	Health Care	Consumer Staples	Materials	Energy
Today	22.9%	12.6%	8.2%	8.1%	7.2%	7.2%	5.5%	5.1%	5.0%	4.3%	4.0%	-5.2%
30-Jun	22.6%	12.3%	8.1%	8.1%	7.2%	7.1%	5.7%	5.1%	5.0%	4.4%	3.8%	-6.2%

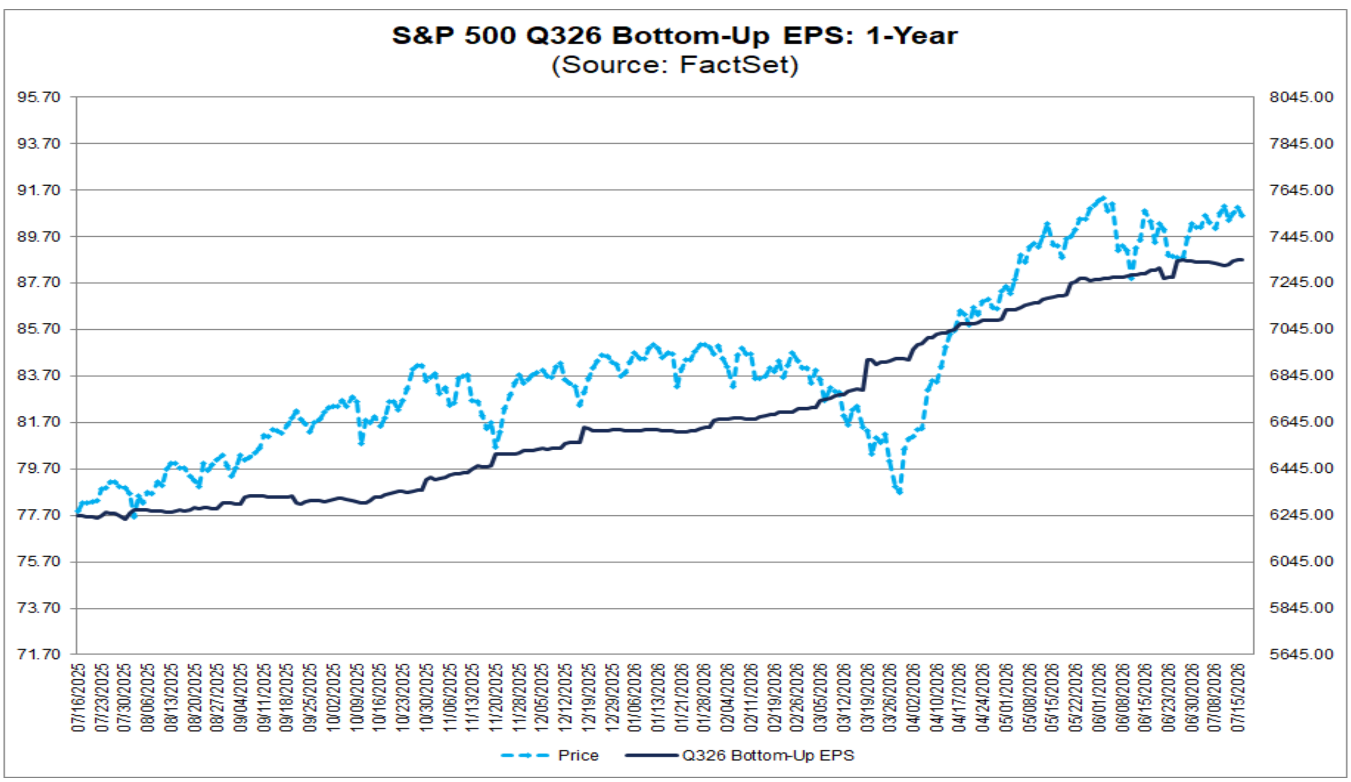
Geographic Revenue Exposure



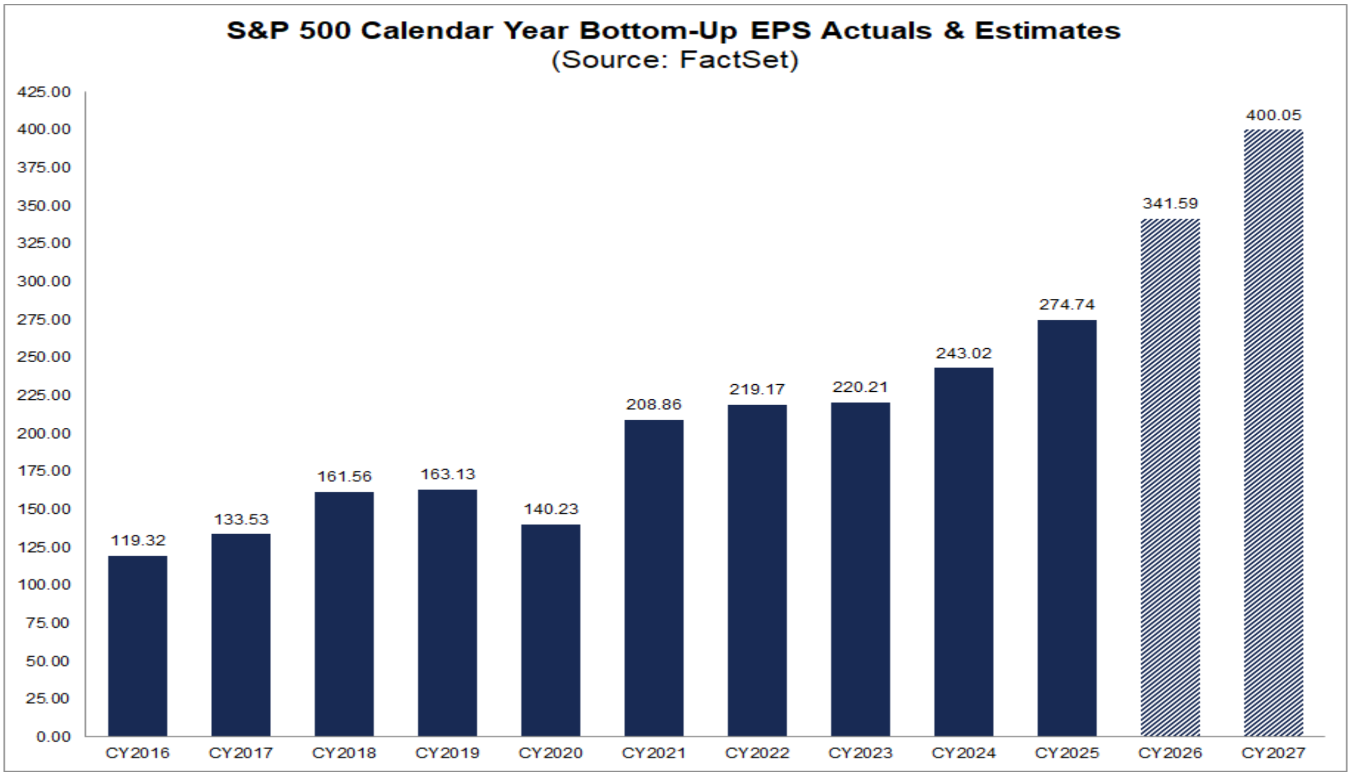


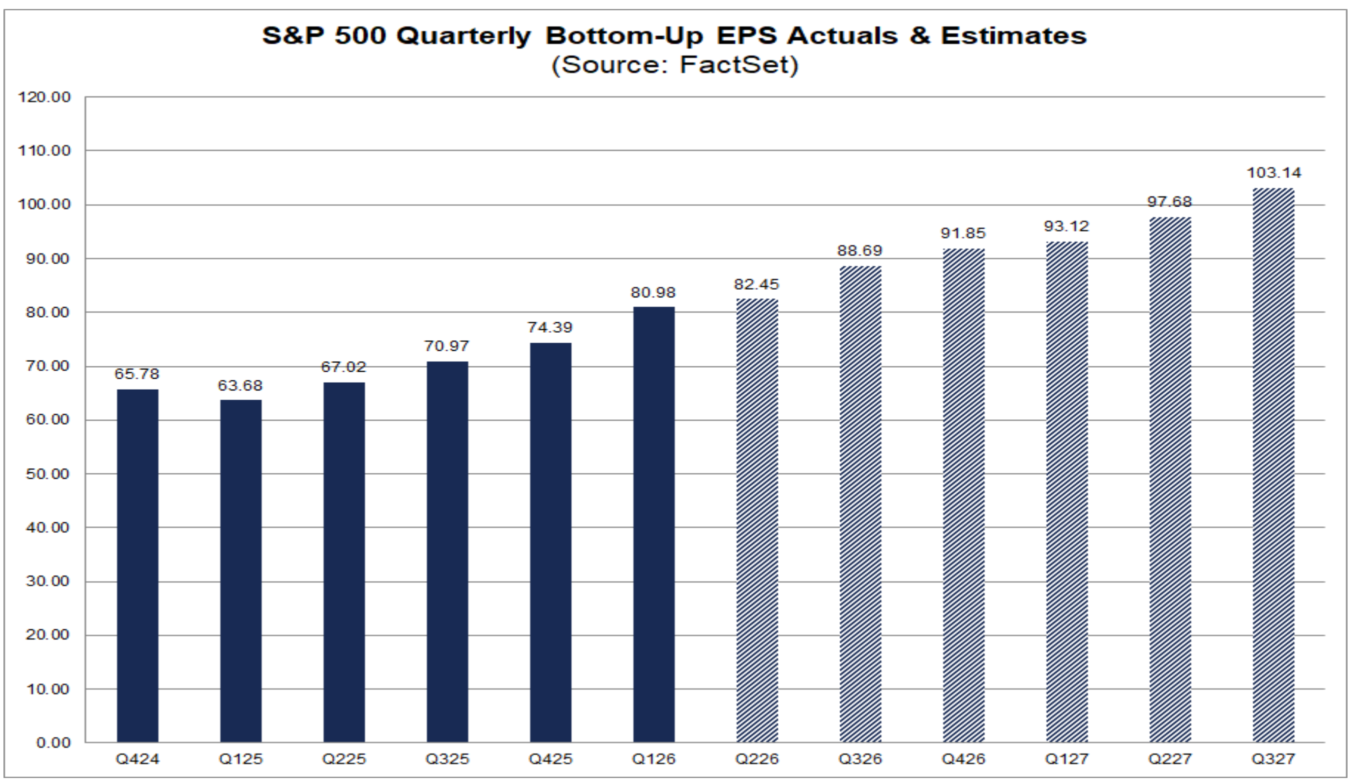
Bottom-Up EPS Estimates



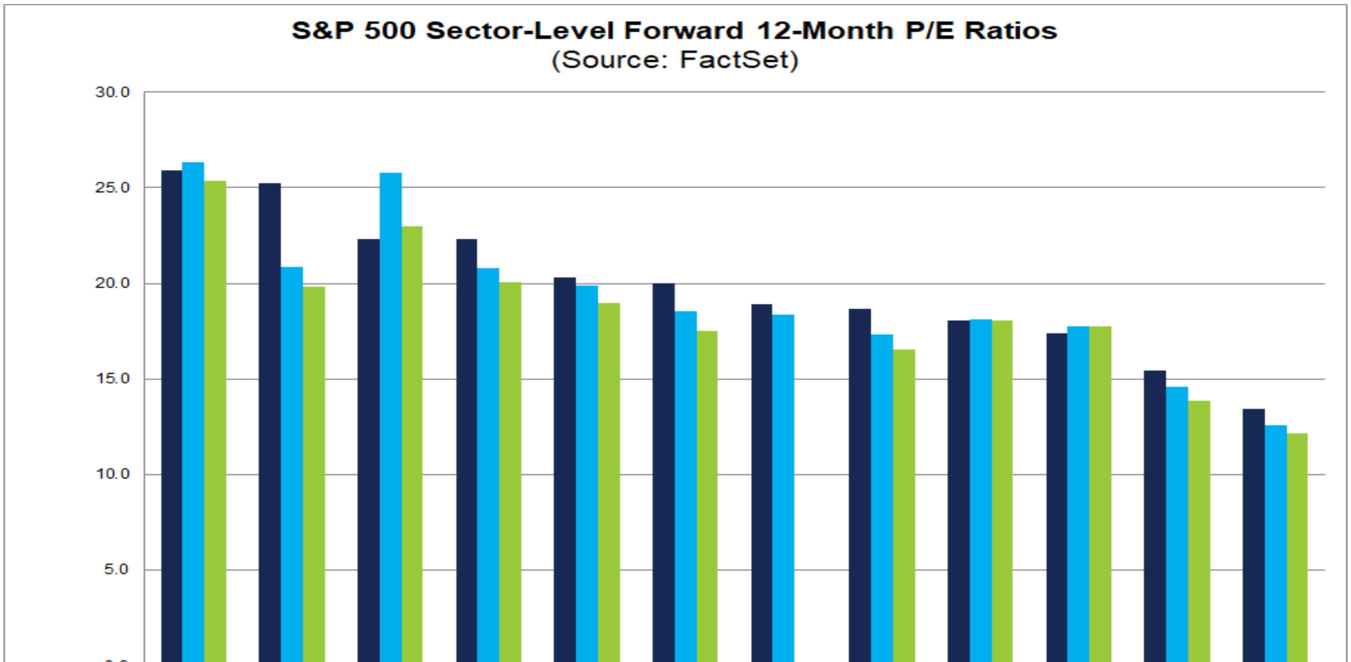


Bottom-Up EPS Estimates: Current & Historical

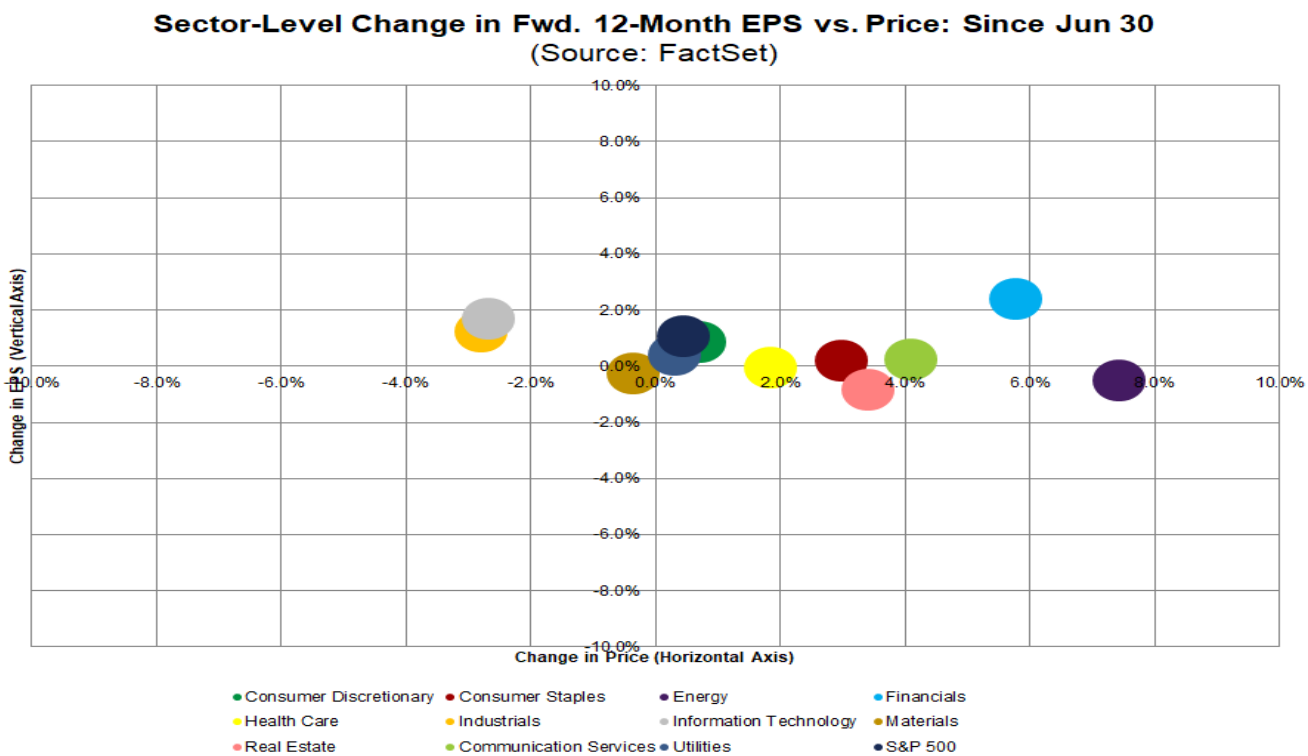




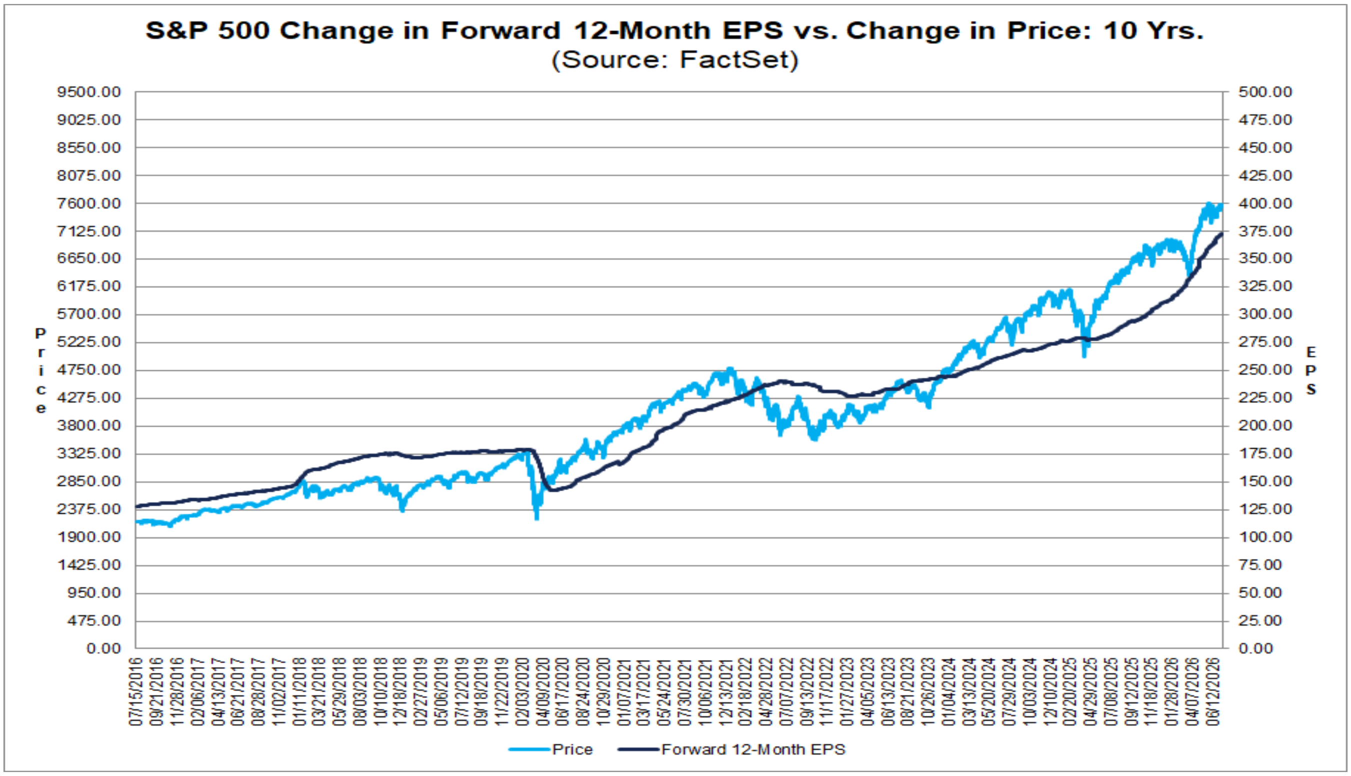
Forward 12M P/E Ratio: Sector Level

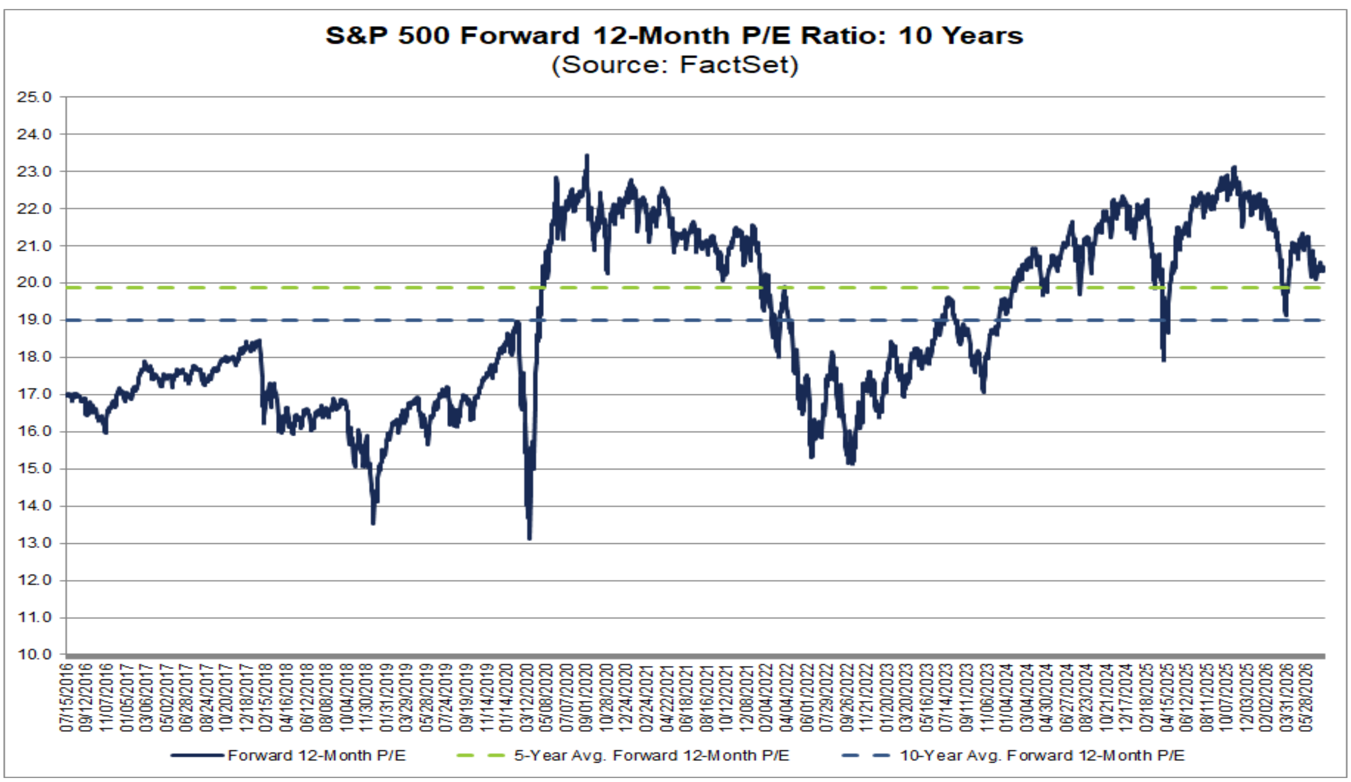


	Consumer Disc.	Industrials	Info. Technology	Consumer Staples	S&P 500	Comm. Services	Real Estate	Health Care	Utilities	Materials	Financials	Energy
Fwd P/E	25.9	25.2	22.3	22.3	20.3	20.0	18.9	18.7	18.0	17.4	15.5	13.4
5-Yr Avg.	26.4	20.9	25.8	20.8	19.9	18.5	18.3	17.3	18.1	17.7	14.6	12.6
10-Yr Avg.	25.4	19.8	23.0	20.1	19.0	17.5		16.5	18.0	17.7	13.9	12.1

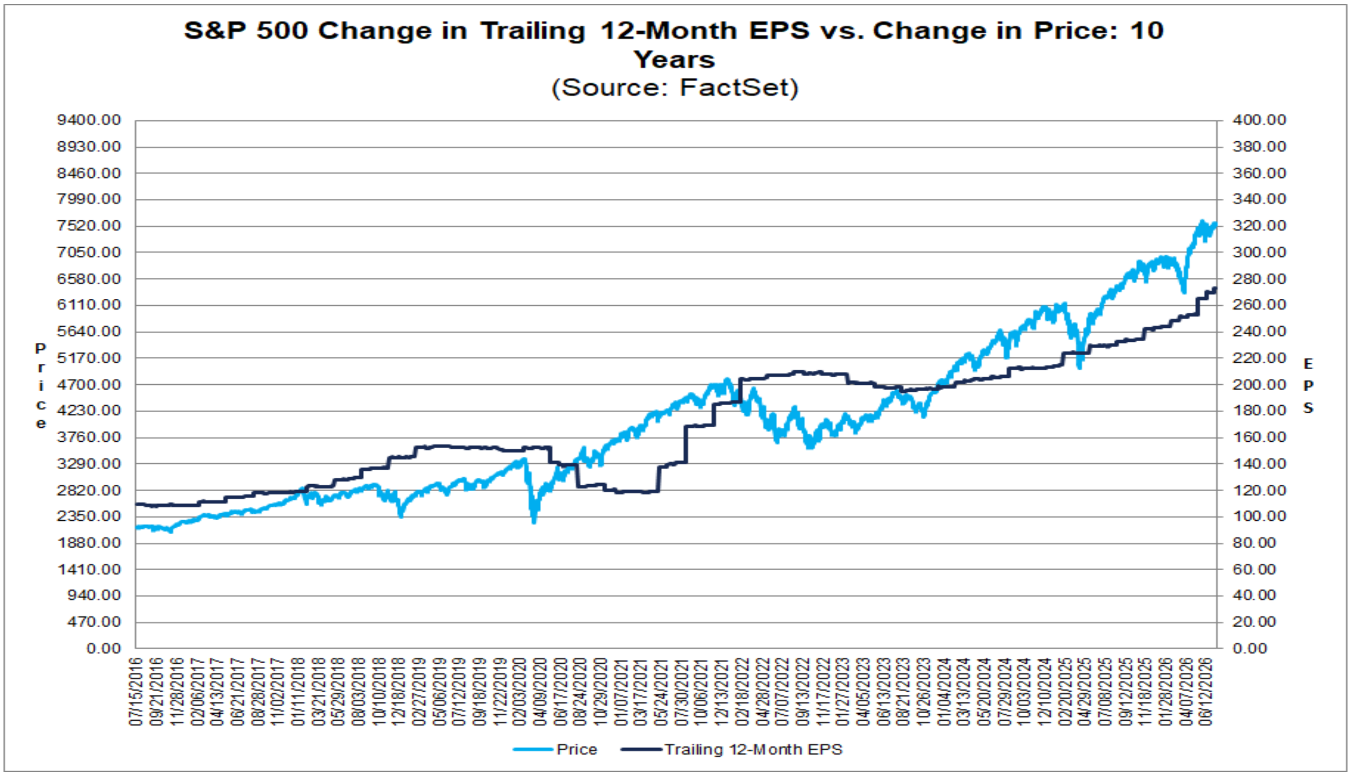


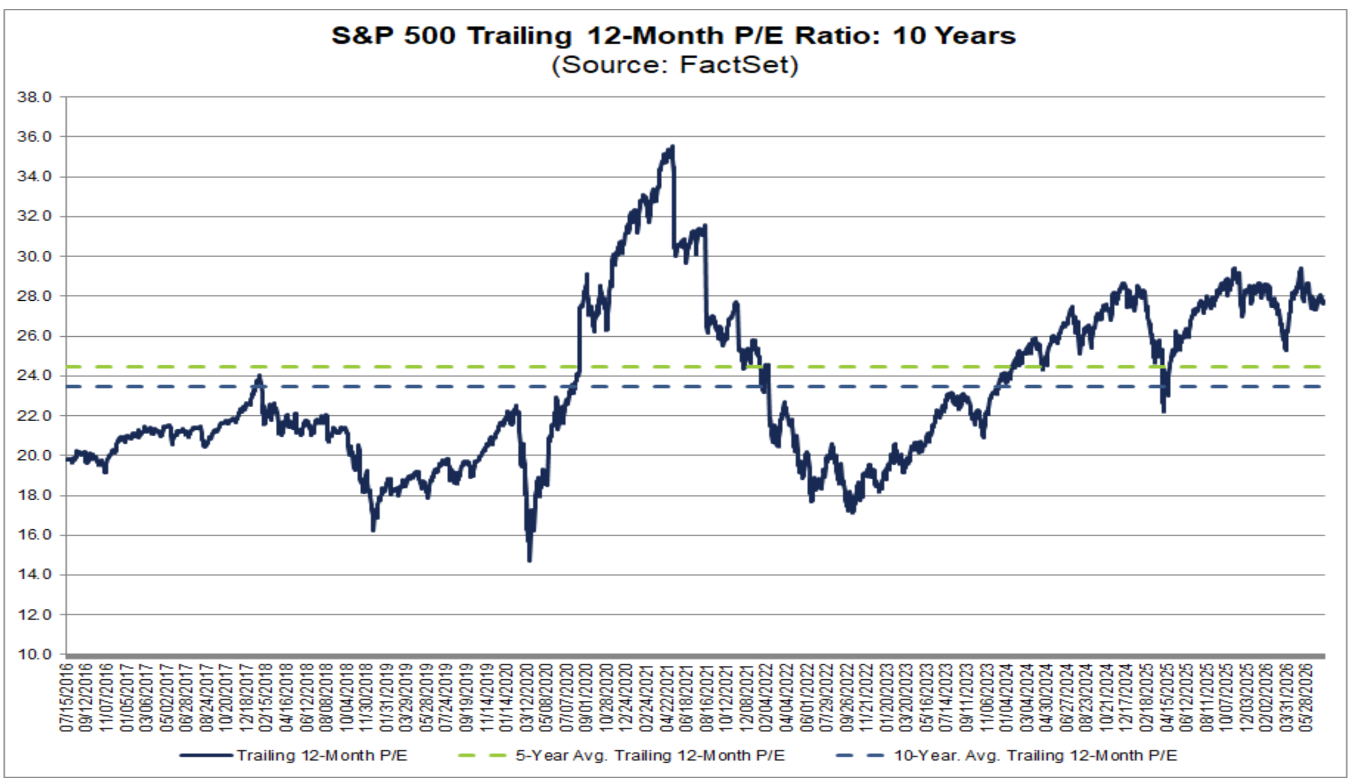
Forward 12M P/E Ratio: 10-Years



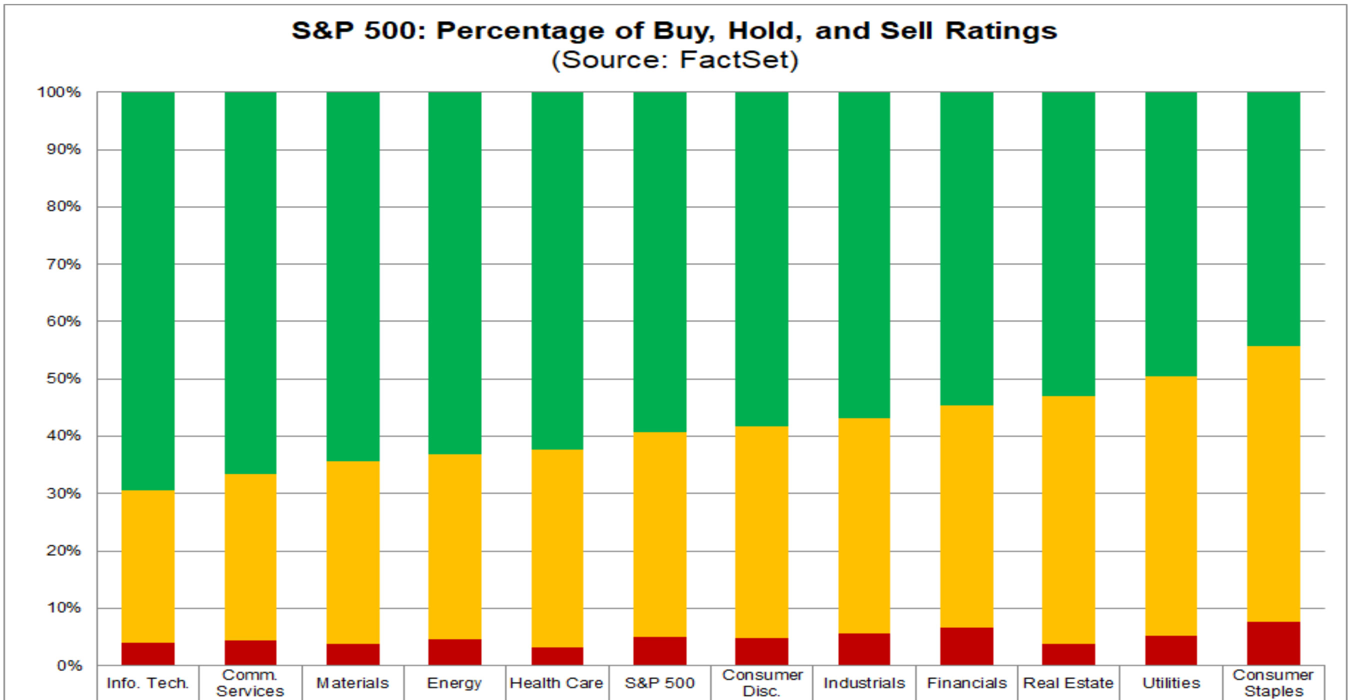


Trailing 12M P/E Ratio: 10-Years

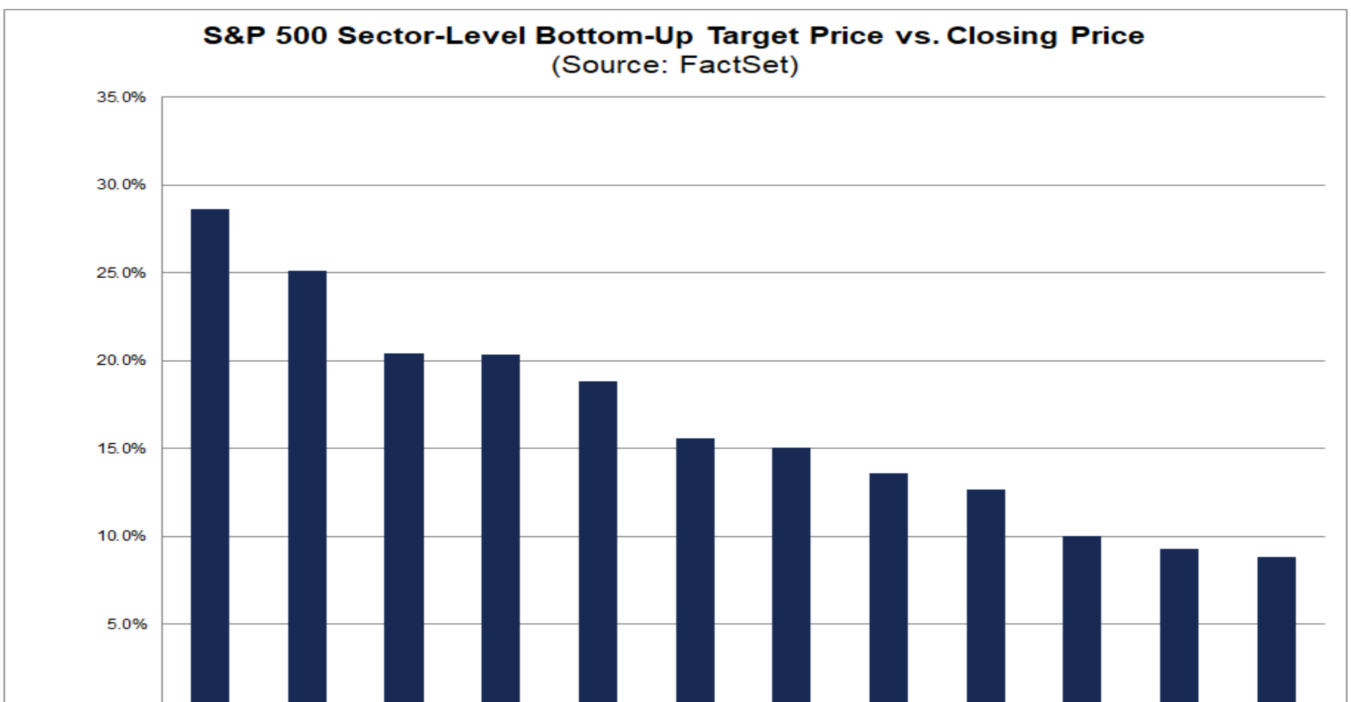




Targets & Ratings



	Info. Tech.	Comm. Services	Materials	Energy	Health Care	S&P 500	Consumer Disc.	Industrials	Financials	Real Estate	Utilities	Consumer Staples
Buy	69%	67%	64%	63%	62%	59%	58%	57%	55%	53%	50%	44%
Hold	27%	29%	32%	32%	35%	36%	37%	37%	39%	43%	45%	48%
Sell	4%	4%	4%	5%	3%	5%	5%	6%	7%	4%	5%	8%



	Info. Tech.	Comm. Services	Consumer Disc.	S&P 500	Materials	Energy	Industrials	Utilities	Health Care	Consumer Staples	Financials	Real Estate
Target/Close	28.6%	25.1%	20.4%	20.3%	18.8%	15.6%	15.1%	13.6%	12.7%	10.0%	9.3%	8.8%

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