

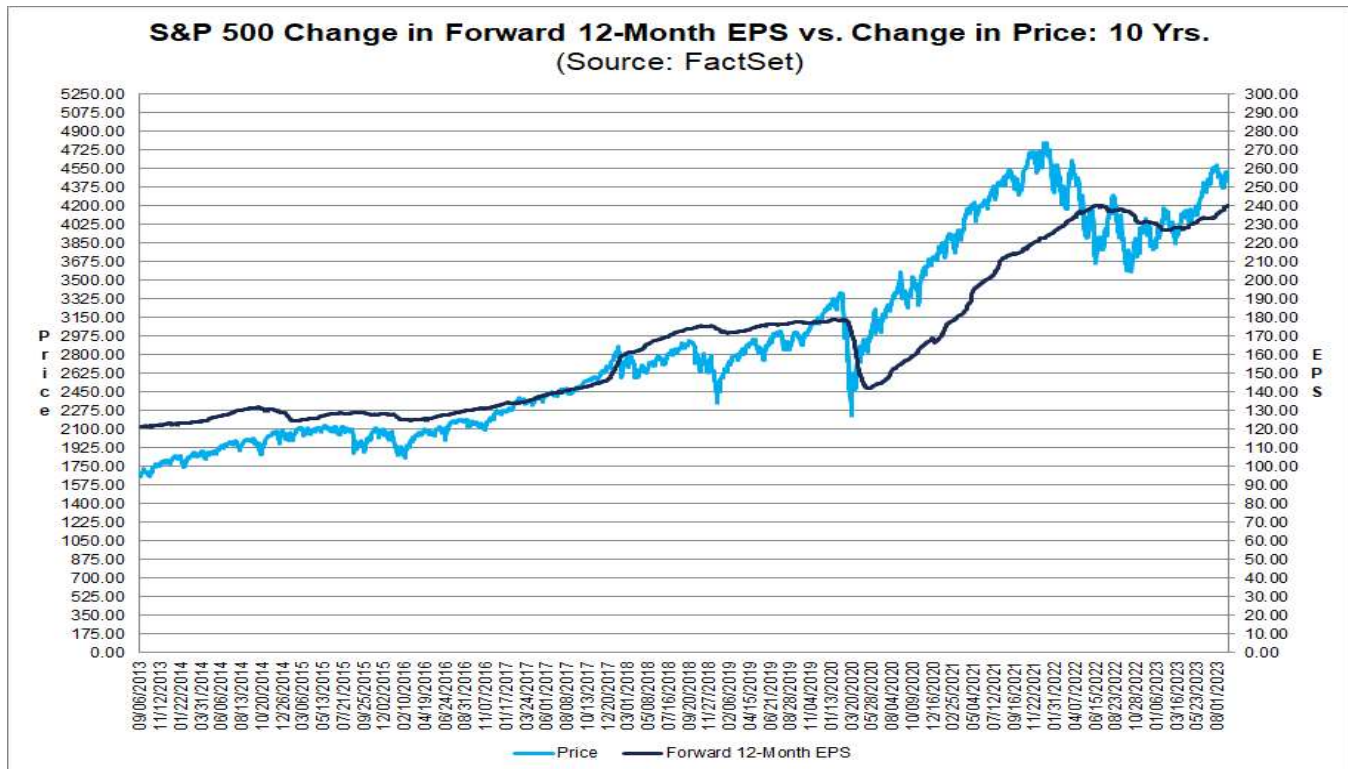
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Key Metrics

- **Earnings Growth:** For Q3 2023, the estimated (year-over-year) earnings growth rate for the S&P 500 is 0.5%. If 0.5% is the actual growth rate for the quarter, it will mark the first quarter of (year-over-year) earnings growth reported by the index since Q3 2022.
- **Earnings Revisions:** On June 30, estimated (year-over-year) earnings for the S&P 500 were flat (0.0%) for Q3 2023. Five sectors are expected to report higher earnings today (compared to June 30) due to upward revisions to EPS estimates.
- **Earnings Guidance:** For Q3 2023, 73 S&P 500 companies have issued negative EPS guidance and 42 S&P 500 companies have issued positive EPS guidance.
- **Valuation:** The forward 12-month P/E ratio for the S&P 500 is 18.6. This P/E ratio is below the 5-year average (18.7) but above the 10-year average (17.5).
- **Earnings Scorecard:** For Q2 2023 (with over 99% of S&P 500 companies reporting actual results), 79% of S&P 500 companies have reported a positive EPS surprise and 64% of S&P 500 companies have reported a positive revenue surprise.



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Topic of the Week: 1

Highest Number of S&P 500 Companies Citing “AI” on Q2 Earnings Calls in Over 10 Years

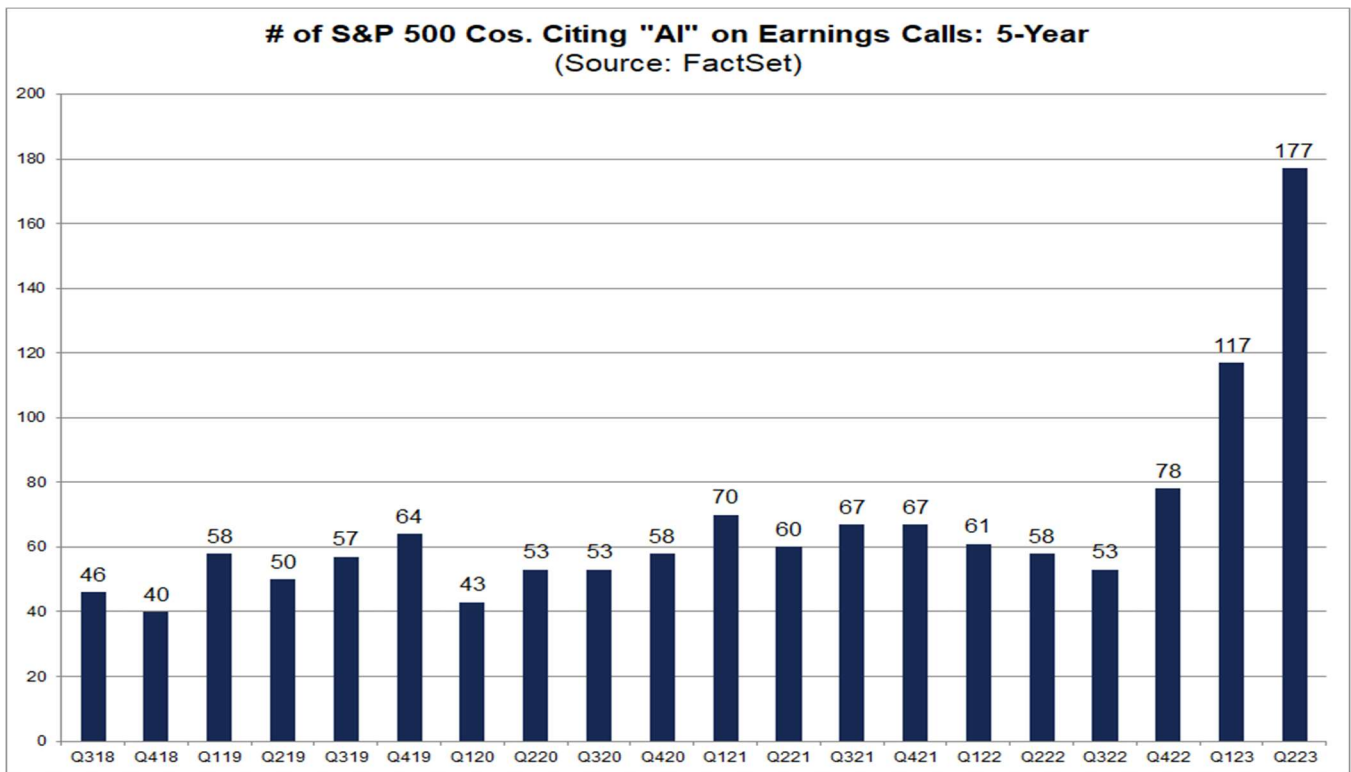
Artificial intelligence has been a focus topic for the market in recent months. Given the heightened interest, did more S&P 500 companies than normal comment on “AI” during their earnings conference calls for the second quarter?

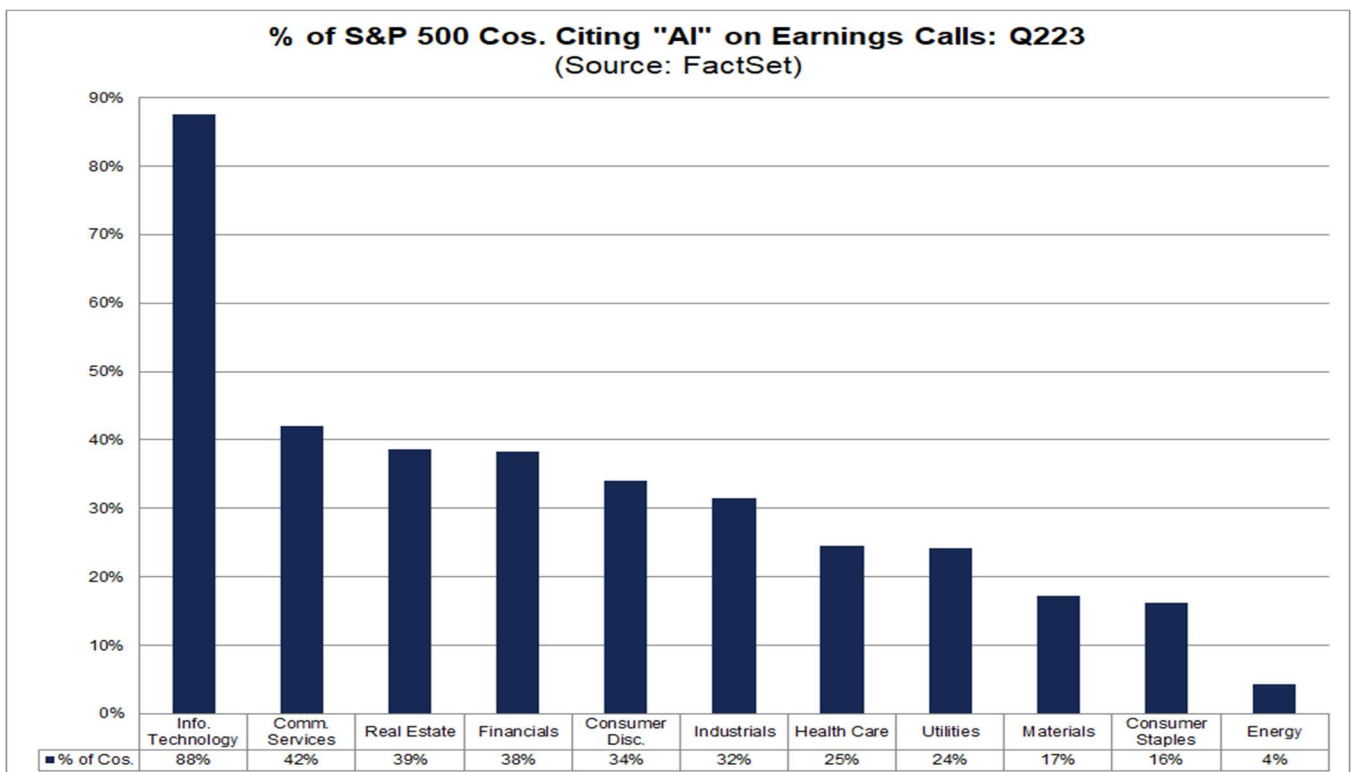
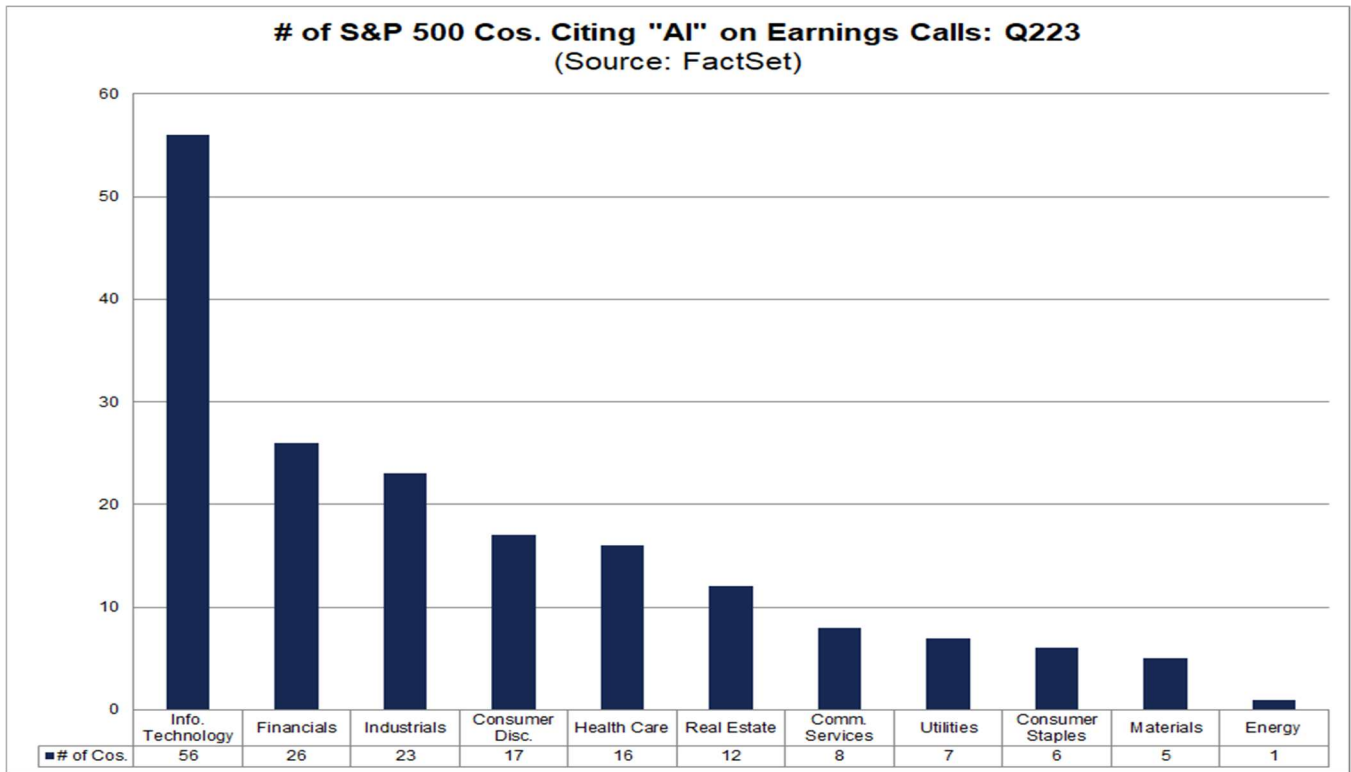
The answer is yes. FactSet Document Search (which allows users to search for key words or phrases across multiple document types) was used to answer this question. Through Document Search, FactSet searched for the term “AI” in the conference call transcripts of all the S&P 500 companies that conducted earnings conference calls from June 15 through September 7.

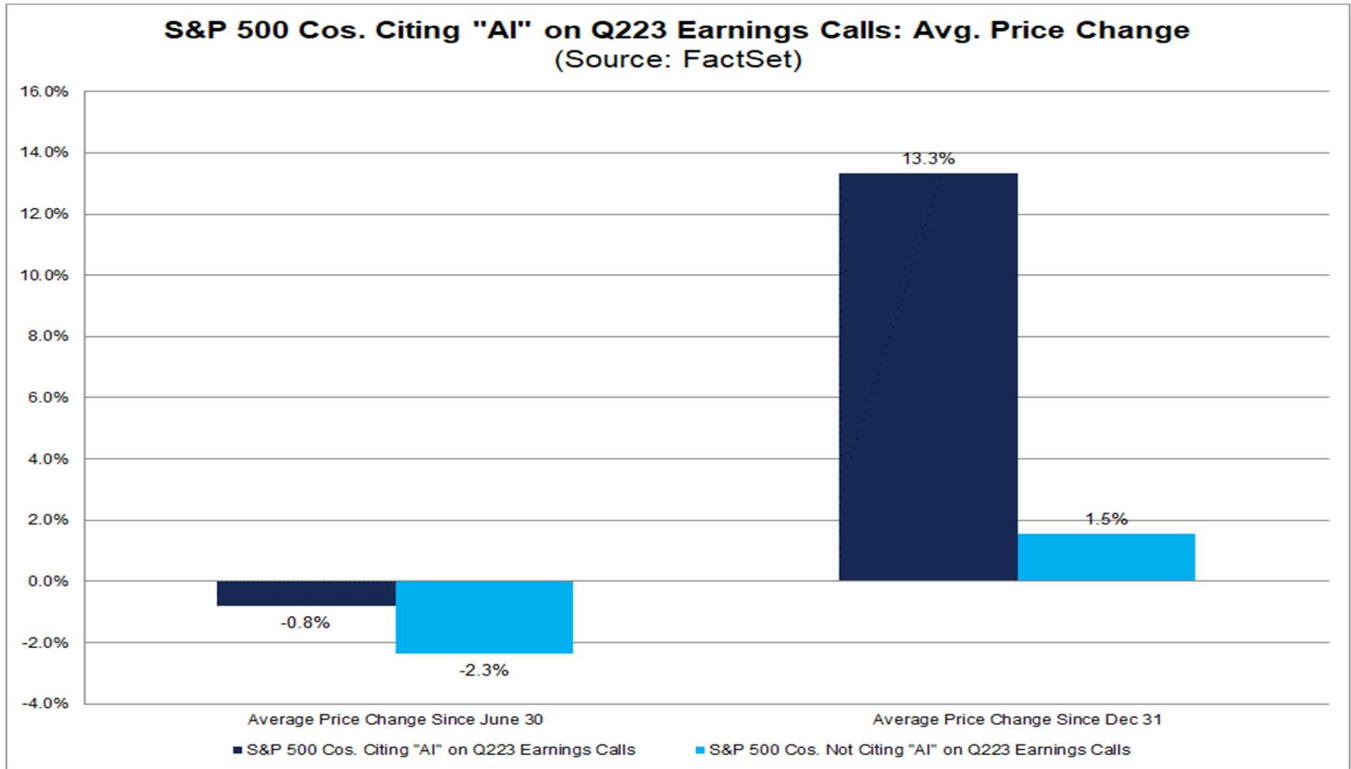
Of these companies, 177 cited the term “AI” during their earnings call for the second quarter. This number is well above the 5-year average of 60 and the 10-year average of 37. In fact, this is the highest number of S&P 500 companies citing “AI” on earnings calls going back to at least 2010 (using current index constituents going back in time). The previous record was 117, which occurred in the prior quarter (Q1 2023). This number also reflects a quarter-over-quarter increase of more than 50%.

At the sector level, the Information Technology has the highest number (56) and percentage (88%) of S&P 500 companies citing “AI” on Q2 earnings calls.

It is interesting to note that S&P 500 companies that cited “AI” on Q2 earnings calls have seen a better average stock price performance in recent months compared to S&P 500 companies that did not cite “AI” on Q2 earnings calls. For S&P 500 companies that cited “AI” on Q2 earnings calls, the average change in price since June 30 is -0.8% and the average change in price since December 31 is 13.3%. For S&P 500 companies that did not cite “AI” on Q2 earnings calls, the average change in price since June 30 is -2.3% and the average change in price since December 31 is 1.5%. Even excluding the “Magnificent Seven” (Alphabet, Amazon, Apple, Met Platforms, Microsoft, NVIDIA, and Tesla), the S&P 500 companies that cited “AI” still outperformed the S&P 500 companies that did not cite “AI” on average during these periods.







Topic of the Week: 2

Lowest Number of S&P 500 Companies Citing “Inflation” on Earnings Calls Since Q2 2021

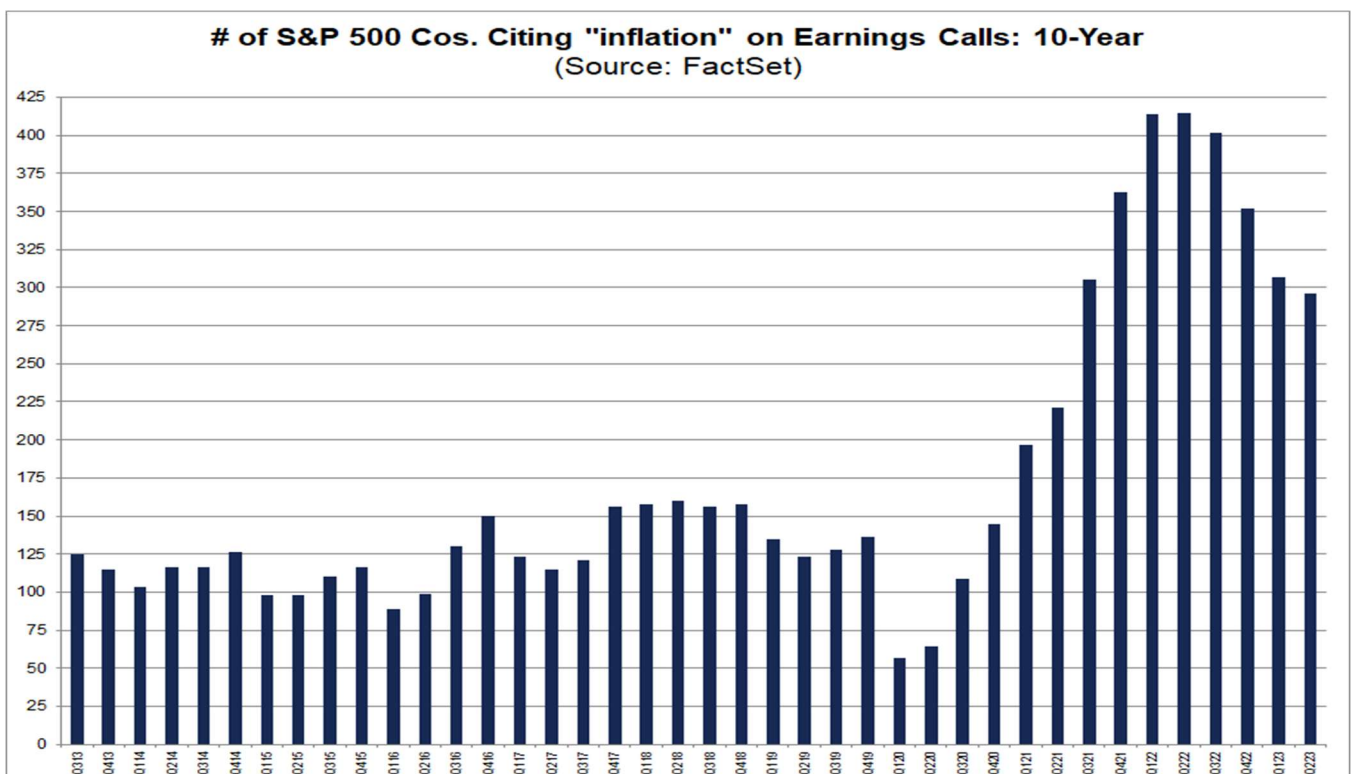
With the year-over-year CPI number falling back to the 3% level over the past few months, did fewer S&P 500 companies comment on inflation during their earnings conference calls for the second quarter relative to recent quarters?

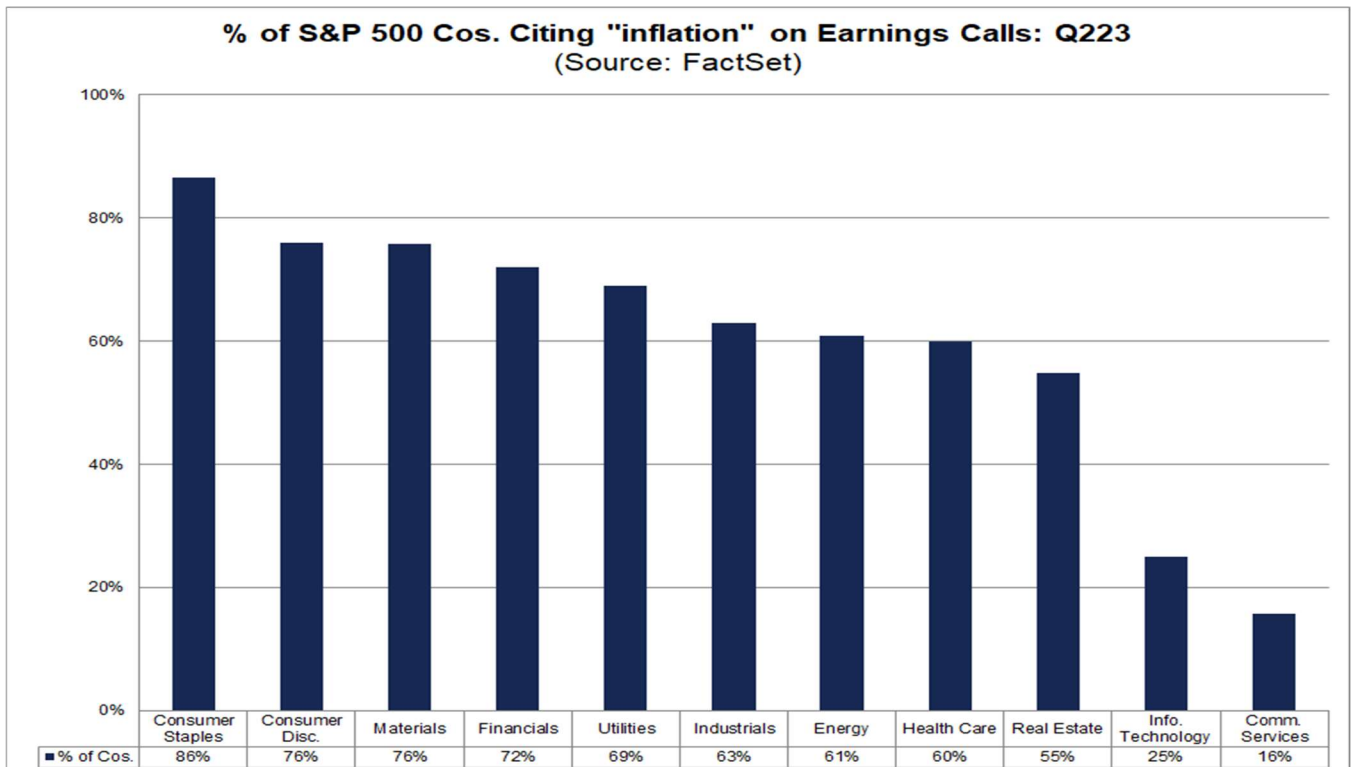
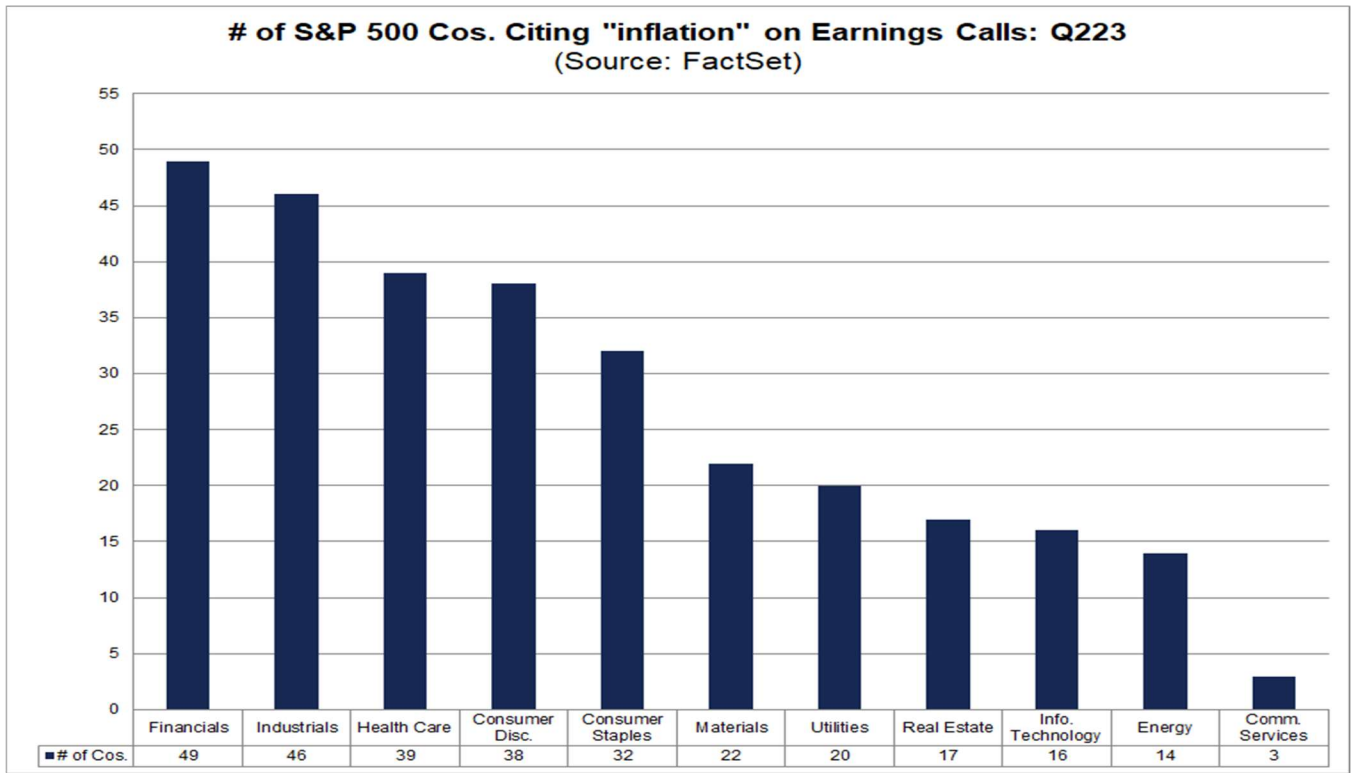
The answer is yes. FactSet Document Search (which allows users to search for key words or phrases across multiple document types) was used to answer this question. Through Document Search, FactSet searched for the term “inflation” in the conference call transcripts of all the S&P 500 companies that conducted earnings conference calls from June 15 through September 7.

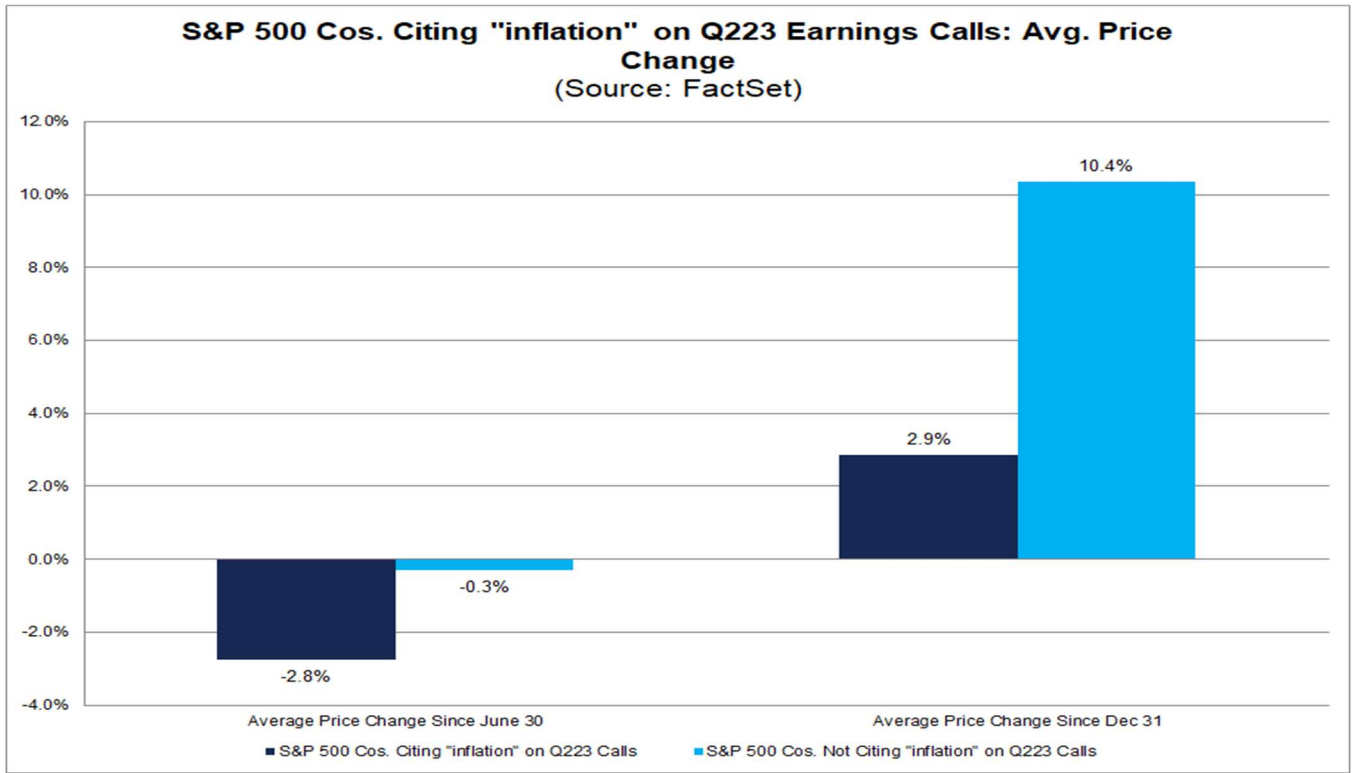
Of these companies, 296 cited the term “inflation” during their earnings calls for the second quarter. This is the lowest number of S&P 500 companies citing “inflation” on earnings calls going back to Q2 2021 (221). It also marks the fourth consecutive quarter in which the number of S&P 500 companies citing the term “inflation” has declined quarter-over-quarter. However, it should be noted that the number of S&P 500 companies citing “inflation” on earnings calls for Q2 2023 is still well above the 5-year average of 217 and the 10-year average of 168.

At the sector level, the Financials (49) and Industrials (46) sectors have the highest number of companies that cited “inflation” on earnings calls for Q2. However, the Consumer Staples (86%), Consumer Discretionary (76%), and Materials (76%) sectors have the highest percentages of companies that cited “inflation” on their Q2 earnings calls during this period.

It is interesting to note that S&P 500 companies that cited “inflation” on Q2 earnings calls have seen a weaker average stock price performance in recent months compared to S&P 500 companies that did not cite “inflation” on Q2 earnings calls. For S&P 500 companies that cited “inflation” on Q2 earnings calls, the average change in price since June 30 is -2.8% and the average change in price since December 31 is 2.9%. For S&P 500 companies that did not cite “inflation” on Q2 earnings calls, the average change in price since June 30 is -0.3% and the average change in price since December 31 is 10.4%.







Q3 Earnings Season: By The Numbers

Overview

The earnings outlook for the S&P 500 for the third quarter is more positive relative to recent quarters. While the percentage of companies issuing negative earnings guidance is in line with historical averages, analysts have actually increased earnings estimates in aggregate for the first time in nearly two years. As a result, estimated earnings for the S&P 500 for the third quarter are higher today compared to expectations at the start of the quarter. The index is expected to report year-over-year growth in earnings for the first time since Q3 2022.

In terms of estimate revisions, analysts have increased earnings estimates for Q3 2023 for the first time since Q4 2021. On a per-share basis, estimated earnings for the third quarter have increased by 0.4% since June 30. This increase is above the 5-year average of -3.6% and the 10-year average of -3.4%.

In terms of guidance, the percentage of S&P 500 companies issuing negative EPS guidance for Q3 2023 is between the 5-year average and the 10-year average. At this point in time, 115 companies in the index have issued EPS guidance for Q3 2023. Of these 115 companies, 73 have issued negative EPS guidance and 42 have issued positive EPS guidance. Thus, the percentage of S&P 500 companies issuing negative EPS guidance for Q3 2023 is 63% (73 out of 115), which is above the 5-year average of 59% but below the 10-year average of 64%.

Due to the net upward revisions in earnings estimates, the estimated (year-over-year) earnings growth rate for Q3 2023 is higher today relative to the start of the third quarter. As of today, the S&P 500 is expected to report (year-over-year) earnings growth of 0.5%, compared to the expectations for flat (year-over-year) earnings (0.0%) on June 30.

If 0.5% is the actual growth rate for the quarter, it will mark the first time the index has reported year-over-year growth in earnings since Q3 2022 (2.3%).

Eight of the eleven sectors are projected to report year-over-year earnings growth, led by the Communication Services and Consumer Discretionary 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 increased their estimates during the quarter. As of today, the S&P 500 is expected to report (year-over-year) revenue growth of 1.6%, compared to the expectations for revenue growth of 1.2% on June 30.

Nine sectors are projected to report year-over-year growth in revenues, led by the Consumer Discretionary sector. On the other hand, two sectors are predicted to report a year-over-year decline in revenues: Energy and Materials.

Looking ahead, analysts expect (year-over-year) earnings growth of 8.2% for Q4 2023. For CY 2023, analysts predict (year-over-year) earnings growth of 1.2%. For CY 2024, analysts are calling for (year-over-year) earnings growth of 12.2%

The forward 12-month P/E ratio is 18.6, which is below the 5-year average (18.7) but above the 10-year average (17.5). It is also below the forward P/E ratio of 19.1 recorded at the end of the second quarter (June 30).

During the upcoming week, one S&P 500 company is scheduled to report results for the second quarter and three S&P 500 companies are scheduled to report results for the third quarter.

Earnings Revisions: Consumer Discretionary Sector Has Seen Largest Increase in EPS Estimates

No Change in Estimated Earnings Decline for Q3 This Week

During the past week, the estimated earnings growth rate for the S&P 500 for Q3 2023 remained unchanged at 0.5%.

The estimated earnings growth rate for the S&P 500 for Q3 2023 of 0.5% today is larger than the estimate of 0.0% at the start of the quarter (June 30), as estimated earnings for the index of \$484.1 billion today are 0.5% above the estimate of \$481.6 billion at the start of the quarter. Five sectors have recorded an increase in expected (dollar-level) earnings due upward revisions to earnings estimates, led by the Consumer Discretionary, Communication Services, and Information Technology sectors. On the other hand, six sectors have recorded a decrease in dollar-level earnings due to downward revisions to earnings estimates, led by the Materials and Health Care sectors.

Consumer Discretionary: Amazon Leads Earnings Increase Since June 30

The Consumer Discretionary sector has recorded the largest percentage increase in estimated (dollar-level) earnings of all eleven sectors since the start of the quarter at 7.6% (to \$41.2 billion from \$38.3 billion). As a result, the estimated (year-over-year) earnings growth rate for this sector has increased to 20.7% today from 12.2% on June 30. Despite the increase in expected earnings, this sector has witnessed a very slight decrease in price (less than -0.1%) since June 30. Overall, 26 of the 52 companies (50%) in the Consumer Discretionary sector have seen an increase in their mean EPS estimate during this time. Of these 26 companies, 9 have recorded an increase in their mean EPS estimate of more than 10%, led by Amazon.com (to \$0.58 from \$0.41), D.R. Horton (to \$3.90 from \$2.95), PulteGroup (to \$2.83 from \$2.17), and Wynn Resorts (to \$0.77 from \$0.59). Amazon.com and General Motors (to \$1.90 from \$1.55) have been the largest contributors to the increase in estimated (dollar-level) earnings for this sector since June 30.

Communication Services: Meta Platforms and Alphabet Lead Earnings Increase Since June 30

The Communication Services sector has recorded the second-largest percentage increase in estimated (dollar-level) earnings of all eleven sectors since the start of the quarter at 5.0% (to \$47.7 billion from \$45.5 billion). As a result, the estimated (year-over-year) earnings growth rate for this sector has improved to 32.6% today from 26.3% on June 30. This sector has also witnessed the second-largest increase in price (+5.3%) of all eleven sectors since June 30. Overall, 9 of the 20 companies (45%) in the Communication Services sector have seen an increase in their mean EPS estimate during this time. Of these 9 companies, 3 have recorded an increase in their mean EPS estimate of more than 10%: Warner Bros. Discovery (to 0.02 from -0.01), Meta Platforms (to \$3.58 from \$2.98) and Netflix (to \$3.52 from \$3.19). Meta Platforms and Alphabet (to \$1.44 from \$1.35) have been the largest contributors to the increase in expected (dollar-level) earnings for this sector since June 30.

Information Technology: NVIDIA Leads Earnings Increase Since June 30

The Information Technology sector has recorded the third-largest percentage increase in estimated (dollar-level) earnings of all eleven sectors since the start of the quarter at 3.8% (to \$91.7 billion from \$88.4 billion). As a result, the estimated (year-over-year) earnings growth rate for this sector has increased to 4.2% today from 0.4% on June 30. Despite the increase in expected earnings, this sector has witnessed a decrease in price of -1.2% since June 30. Overall, 33 of the 65 companies (51%) in the Information Technology sector have seen an increase in their mean EPS estimate during this time. Of these 33 companies, 7 have recorded an increase in their mean EPS estimate of more than 10%, led by NVIDIA (to \$3.31 from \$2.25), Intel (to \$0.21 from \$0.15), and Applied Materials (to \$1.96 from \$1.58). NVIDIA and Apple (to \$1.39 from \$1.36) have been the largest contributors to the increase in expected (dollar-level) earnings for this sector since June 30.

Materials: Dow Leads Earnings Decrease Since June 30

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 -12.2% (to \$11.5 billion from \$13.1 billion). As a result, the estimated (year-over-year) earnings decline for this sector has increased to -21.8% today from -10.9% on June 30. This sector has also witnessed a decrease in price of -1.8% since June 30. Overall, 21 of the 29 companies (72%) in the Materials sector have seen a decrease in their mean EPS estimate during this time. Of these 21 companies, 15 have recorded a decrease in their mean EPS estimate of more than 10%, led by Corteva (to -\$0.21 from -\$0.08), Dow (to \$0.44 from \$0.88), and International Flavors & Fragrances (to \$0.79 from \$1.41). Dow has also been the largest contributor to the decrease in expected (dollar-level) earnings for this sector since June 30.

Health Care: Moderna Leads Earnings Decrease Since June 30

The Health Care sector has recorded the second-largest percentage decrease in estimated (dollar-level) earnings of all eleven sectors since the start of the quarter at -4.0% (to \$68.7 billion from \$71.6 billion). As a result, the estimated (year-over-year) earnings decline for this sector has increased to -11.5% today from -7.8% on June 30. This sector has also witnessed a decrease in price of -0.8% since June 30. Overall, 50 of the 65 companies (77%) in the Health Care sector have seen a decrease in their mean EPS estimate during this time. Of these 50 companies, 12 have recorded a decrease in their mean EPS estimate of more than 10%, led by Catalent (to -\$0.14 from \$0.04), Moderna (to -\$1.61 from \$0.60), and Illumina (to \$0.14 from \$0.44). Moderna, Pfizer (to \$0.63 from \$0.71), Johnson & Johnson (to \$2.55 from \$2.72), and Bristol-Myers Squibb (to \$1.82 from \$1.99) have been the largest contributors to the decrease in expected (dollar-level) earnings for this sector since June 30.

Index-Level EPS Estimate: 0.4% Increase Since June 30

The Q3 bottom-up EPS estimate (which is an aggregation of the median Q3 earnings estimates for all 500 companies in the index and can be used as a proxy for the earnings of the index) has increased by 0.4% (to \$56.10 from \$55.86) since June 30. In a typical quarter, analysts usually reduce earnings estimates. Over the past five years (20 quarters), earnings expectations have fallen by 3.6% on average during a quarter. Over the past ten years, (40 quarters), earnings expectations have also fallen by 3.4% on average during a quarter. Over the past fifteen years (60 quarters), earnings expectations have fallen by 4.4% on average during a quarter. Over the past twenty years (60 quarters), earnings expectations have fallen by 3.8% on average during a quarter.

The third quarter currently marks the first increase in the bottom-up EPS estimate during a quarter since Q4 2021 (+0.2%).

Guidance: % of S&P 500 Companies Issuing Negative Guidance for Q3 In Line With Averages**Quarterly Guidance: S&P 500 Companies Issuing Negative Guidance at Average Levels for Q3**

At this point in time, 115 companies in the index have issued EPS guidance for Q3 2023. Of these 115 companies, 73 have issued negative EPS guidance and 42 have issued positive EPS guidance. The percentage of companies issuing negative EPS guidance for Q3 2023 is 63% (73 out of 115), which is above the 5-year average of 59% but below the 10-year average of 64%.

Annual Guidance: 39% of S&P 500 Companies Issuing Negative Guidance for Current Year

At this point in time, 269 companies in the index have issued EPS guidance for the current fiscal year (FY 2023 or FY 2024). Of these 269 companies, 105 have issued negative EPS guidance and 164 have issued positive EPS guidance. The percentage of companies issuing negative EPS guidance is 39% (105 out of 269).

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: 0.5%

The estimated (year-over-year) earnings growth rate for Q3 2023 is 0.5%, which is below the 5-year average earnings growth rate of 12.0% and below the 10-year average earnings growth rate of 8.5%. If 0.5% is the actual growth rate for the quarter, it will mark the first time the index has reported (year-over-year) earnings growth rate since Q3 2022 (2.3%).

Eight of the eleven sectors are expected to report year-over-year earnings growth, led by the Communication Services and Consumer Discretionary sectors. On the other hand, three sectors are expected to report a year-over-year decline in earnings, led by the Energy and Materials sectors.

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

The Communication Services sector is expected to report the largest (year-over-year) earnings growth rate of all eleven sectors at 32.6%. At the industry level, 3 of the 5 industries in the sector are expected to report a year-over-year increase in earnings of 50% or more: Wireless Telecommunication Services (363%), Entertainment (202%), and Interactive Media & Services (50%). On the other hand, two industries are expected to report a (year-over-year) decline in earnings: Diversified Telecommunication Services (-9%) and Media (-6%).

At the company level, Meta Platforms, Warner Bros. Discovery and T-Mobile are predicted to be the largest contributors to earnings growth for the sector. If these three companies were excluded, the estimated earnings growth rate for Communication Services sector would fall to 11.3% from 32.6%.

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

The Consumer Discretionary sector is expected to report the second-highest (year-over-year) earnings growth rate of all eleven sectors at 20.7%. At the industry level, 3 of the 9 industries in the sector are expected to report a year-over-year increase in earnings of 30% or more: Broadline Retail (168%), Hotels, Restaurants, & Leisure (98%), and Leisure Products (31%). On the other hand, six industries are expected to report a (year-over-year) decline in earnings. Three of these six industries are predicted to report a decrease in earnings of 10% or more: Household Durables (-18%), Textiles, Apparel, & Luxury Goods (-16%), and Automobiles (-10%).

At the industry level, the Hotels, Restaurants, & Leisure and Broadline Retail and industries are predicted to be the largest contributors to earnings growth for the sector. If these two industries were excluded, the Consumer Discretionary sector would be projected to report a (year-over-year) decline in earnings of -9.9% instead of year-over-year earnings growth if 20.7%.

At the company level, Amazon.com is expected to be the largest contributor to earnings growth for the sector. If this company were excluded, the expected earnings growth rate for the sector would fall to 12.8% from 20.7%

Energy: 3 of 5 Sub-Industries Expected To Report Year-Over-Year Decline of More Than 20%

The Energy sector is expected to report the largest (year-over-year) earnings decline of all eleven sectors at -40.0%. 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 Q3 2023 (\$79.53) is 13% below the average price for oil in Q3 2022 (\$91.43). At the sub-industry level, three of the five sub-industries in the sector are expected to report a (year-over-year) decrease in earnings or more than 20%: Integrated Oil & Gas (-50%), Oil & Gas Exploration & Production (-44%), and Oil & Gas Refining & Marketing (-22%). On the other hand, two sub-industries are predicted to report (year-over-year) earnings growth in the sector: Oil & Gas Equipment & Services (29%) and Oil & Gas Storage & Transportation (4%).

Materials: 3 of 4 Industries Expected To Report Year-Over-Year Decline of More Than 15%

The Materials sector is expected to report the second-largest (year-over-year) earnings decline of all eleven sectors at -21.8%. At the industry level, three of the four industries in this sector are predicted to report a year-over-year decline in earnings of more than 15%: Containers & Packaging (-29%), Chemicals (-25%), and Metals & Mining (-18%). On the other hand, the Construction Materials (28%) industry is the only industry in the sector projected to report (year-over-year) earnings growth.

Revenue Growth: 1.6%

The estimated (year-over-year) revenue growth rate for Q3 2023 is 1.6%, which is below the 5-year average revenue growth rate of 7.7% and below the 10-year average revenue growth rate of 5.0%.

At the sector level, nine sectors are expected to report year-over-year growth in revenues, led by the Consumer Discretionary, Real Estate, and Communication Services sectors. On the other hand, two sectors are expected to report a year-over-year decline in revenues: Energy and Materials.

Consumer Discretionary: 6 of 9 Industries Expected to Report Year-Over-Year Growth

The Consumer Discretionary sector is expected to report the highest (year-over-year) revenue growth rate of all eleven sectors at 7.0%. At the industry level, 6 of the 9 industries in the sector are expected to report a year-over-year increase in revenues. Three of these six industries are projected to report revenue growth at or above 10%: Hotels, Restaurants, & Leisure (21%), Broadline Retail (11%), and Automobiles (10%).

Real Estate: All 8 Industries Expected To Report Year-Over-Year Growth

The Real Estate sector is predicted to report the second-largest (year-over-year) revenue growth rate of all eleven sectors at 6.6%. At the industry level, all eight industries in the sector are expected to report a (year-over-year) increase in revenues, led by the Industrial REITs (53%) industry.

Communication Services: 3 of 5 Industries Expected To Report Year-Over-Year Growth

The Communication Services sector is predicted to report the third-largest (year-over-year) revenue growth rate of all eleven sectors at 6.2%. At the industry level, three of the five industries in the sector are expected to report a (year-over-year) increase in revenues, led by the Interactive Media & Services (12%) industry.

Energy: 4 of 5 Sub-Industries Expected To Report Year-Over-Year Decline of More Than 10%

The Energy sector is expected to report the largest (year-over-year) revenue decline of all eleven sectors at -19.7%. 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 to date in Q3 2023 (\$79.53) is 13% below the average price for oil in Q3 2022 (\$91.43). At the sub-industry level, four of the five sub-industries in the sector are expected to report a (year-over-year) decrease in revenues of more than 10%: Oil & Gas Exploration & Production (-27%), Integrated Oil & Gas (-25%), Oil & Gas Refining & Marketing (-14%), and Oil & Gas Storage & Transportation (-14%). On the other hand, the Oil & Gas Equipment & Services (14%) sub-industry is the only sub-industry predicted to report (year-over-year) revenue growth in the sector.

Materials: Chemicals Industry Leads Year-Over-Year Decline

The Materials sector is expected to report the second-highest (year-over-year) decline in revenues at -9.5%. At the industry level, three of the four industries in the sector are predicted to report a (year-over-year) decrease in revenues: Chemicals (-12%), Metals & Mining (-9%), and Containers & Packaging (-6%). On the other hand, the Construction Materials (11%) industry is the only industry expected to report a year-over-year growth in revenues.

Net Profit Margin: 11.7%

The estimated net profit margin for the S&P 500 for Q3 2023 is 11.7%, which is above the previous quarter's net profit margin of 11.6% and above the 5-year average of 11.4%, but below the year-ago net profit margin of 11.8%.

At the sector level, six sectors are expected to report a year-over-year increase in their net profit margins in Q3 2023 compared to Q3 2022, led by the Communication Services (12.3% vs. 9.8%) sector. On the other hand, five sectors are expected to report a year-over-year decrease in their net profit margins in Q3 2023 compared to Q3 2022, led by the Energy (10.7% vs. 14.4%) sector.

Seven sectors are expected to report net profit margins in Q3 2023 that are above their 5-year averages, led by the Energy (10.7% vs. 8.2%) and Industrials (10.3% vs. 8.2%) sectors. On the other hand, four sectors are expected to report net profit margins in Q3 2023 that are below their 5-year averages, led by the Health Care (8.9% vs. 10.4%) sector.

Looking Ahead: Forward Estimates and Valuation

Earnings: S&P 500 Expected to Report Earnings Growth of 1% for CY 2023

For the third quarter, S&P 500 companies are expected to report year-over-year earnings growth of 0.5% and a year-over-year revenue growth of 1.6%.

For Q4 2023, analysts are projecting earnings growth of 8.2% and revenue growth of 3.7%.

For CY 2023, analysts are projecting earnings growth of 1.2% and revenue growth of 2.4%.

For Q1 2024, analysts are projecting earnings growth of 8.6% and revenue growth of 4.7%.

For Q2 2024, analysts are projecting earnings growth of 12.1% and revenue growth of 5.5%.

For CY 2024, analysts are projecting earnings growth of 12.2% and revenue growth of 5.6%.

Valuation: Forward P/E Ratio is 18.6, Above the 10-Year Average (17.5)

The forward 12-month P/E ratio for the S&P 500 is 18.6. This P/E ratio is below the 5-year average of 18.7 and above the 10-year average of 17.5. It is also below the forward 12-month P/E ratio of 19.1 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 less than 0.1%, while the forward 12-month EPS estimate has increased by 3.0%. At the sector level, the Information Technology (25.6) and Consumer Discretionary (24.6) sectors have the highest forward 12-month P/E ratios, while the Energy (12.0) and Financials (13.3) sectors have the lowest forward 12-month P/E ratios.

The trailing 12-month P/E ratio is 22.3, which is below the 5-year average of 22.6 but above the 10-year average of 20.9.

Targets & Ratings: Analysts Project 16% Increase in Price Over Next 12 Months

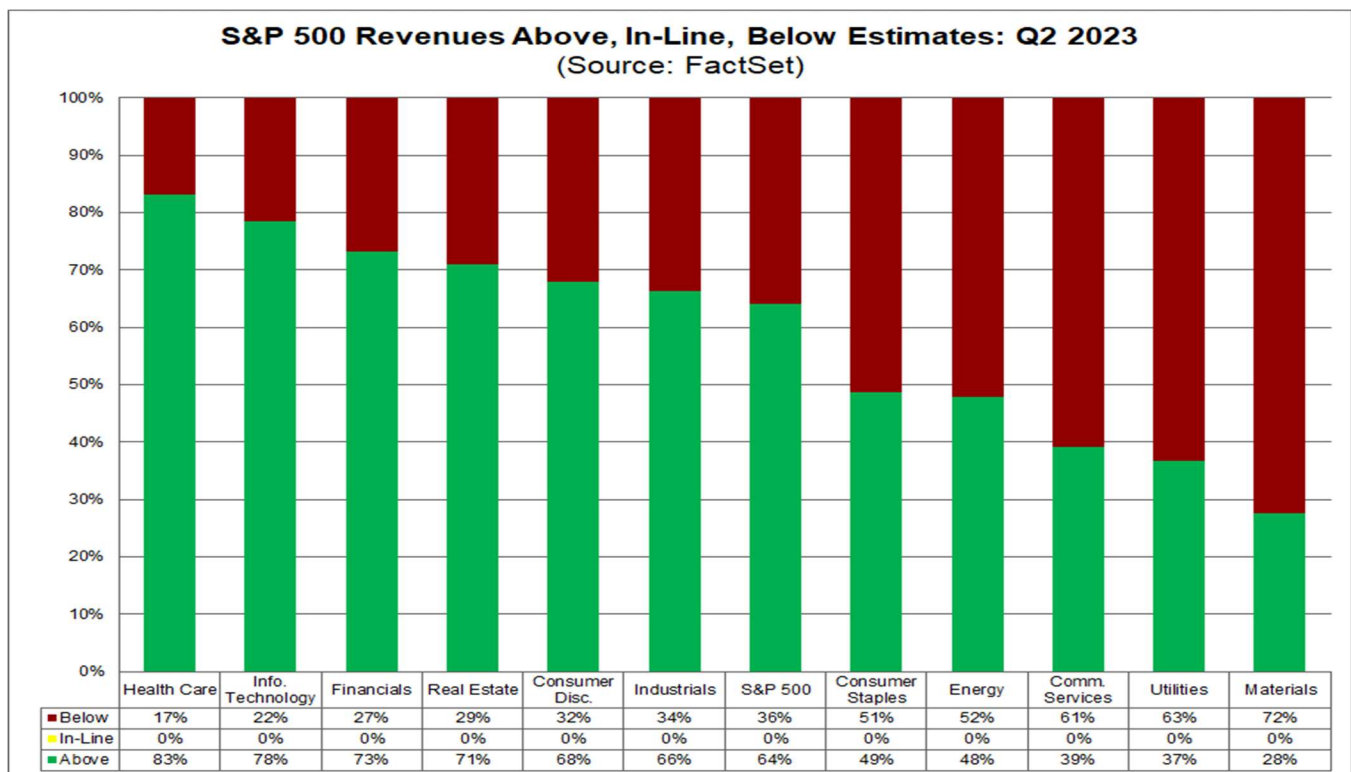
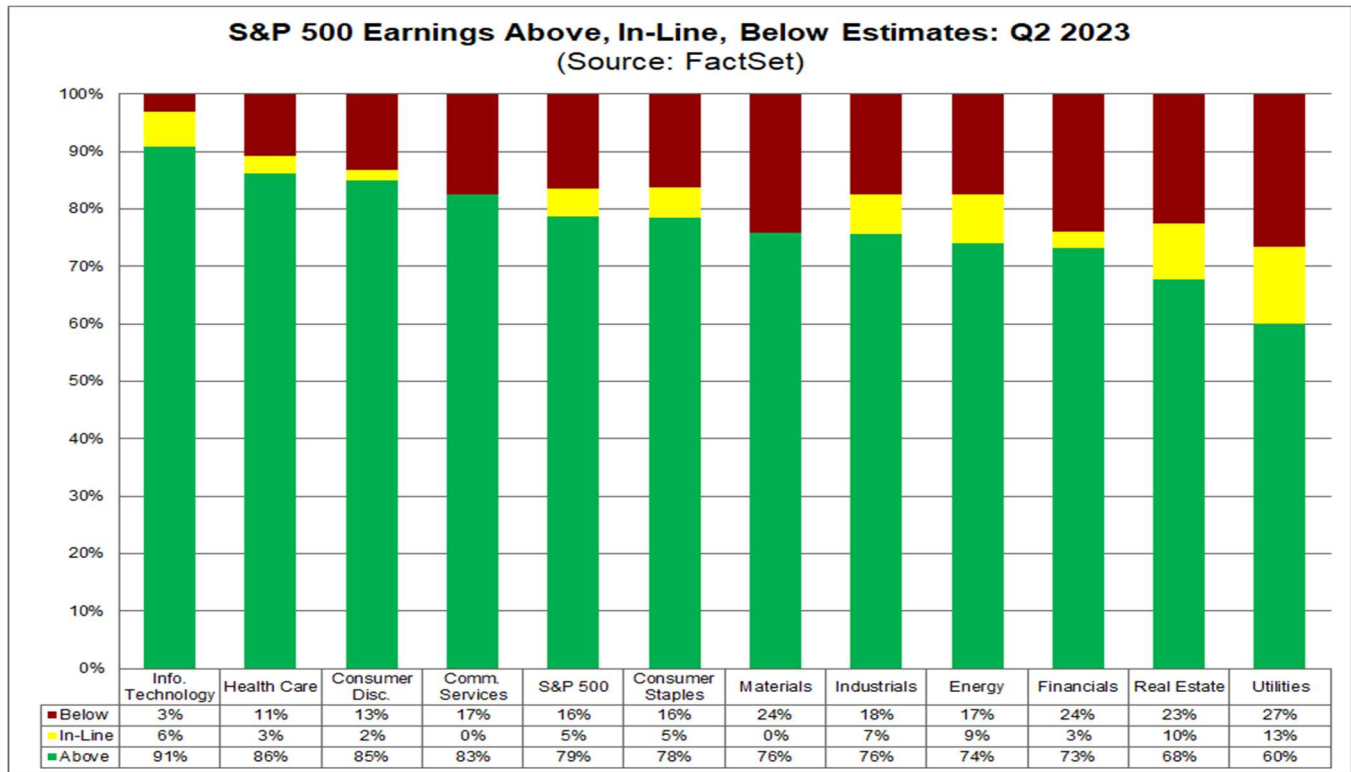
The bottom-up target price for the S&P 500 is 5155.99, which is 15.8% above the closing price of 4451.14. At the sector level, the Consumer Discretionary (+18.0%) sector is expected to see the largest price increase, as this sector has the largest upside difference between the bottom-up target price and the closing price. On the other hand, the Energy (+8.8%) sector is expected to see the smallest price increase, as this sector has the smallest upside difference between the bottom-up target price and the closing price.

Overall, there are 11,003 ratings on stocks in the S&P 500. Of these 11,003 ratings, 54.2% are Buy ratings, 40.2% are Hold ratings, and 5.6% are Sell ratings. At the sector level, the Energy (64%) sector has the highest percentage of Buy ratings, while the Consumer Staples (46%) sector has the lowest percentage of Buy ratings.

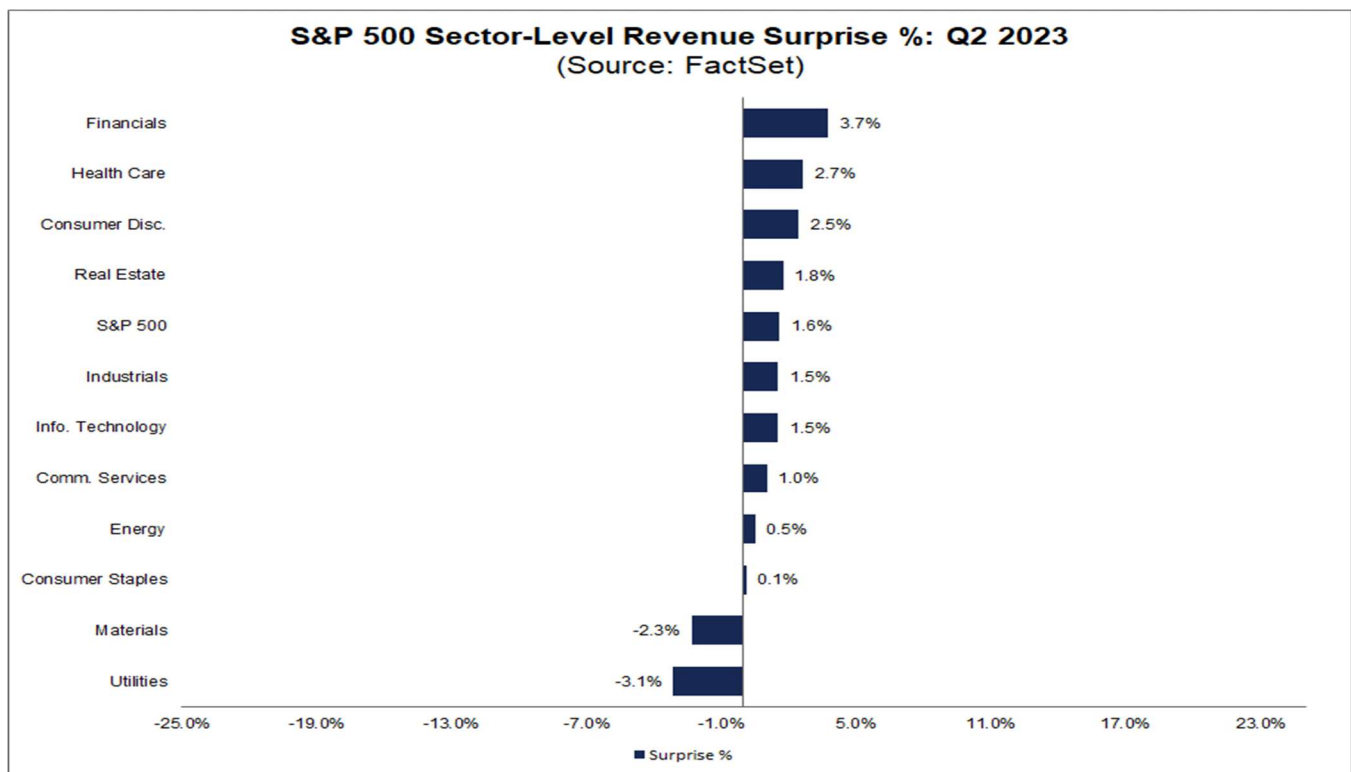
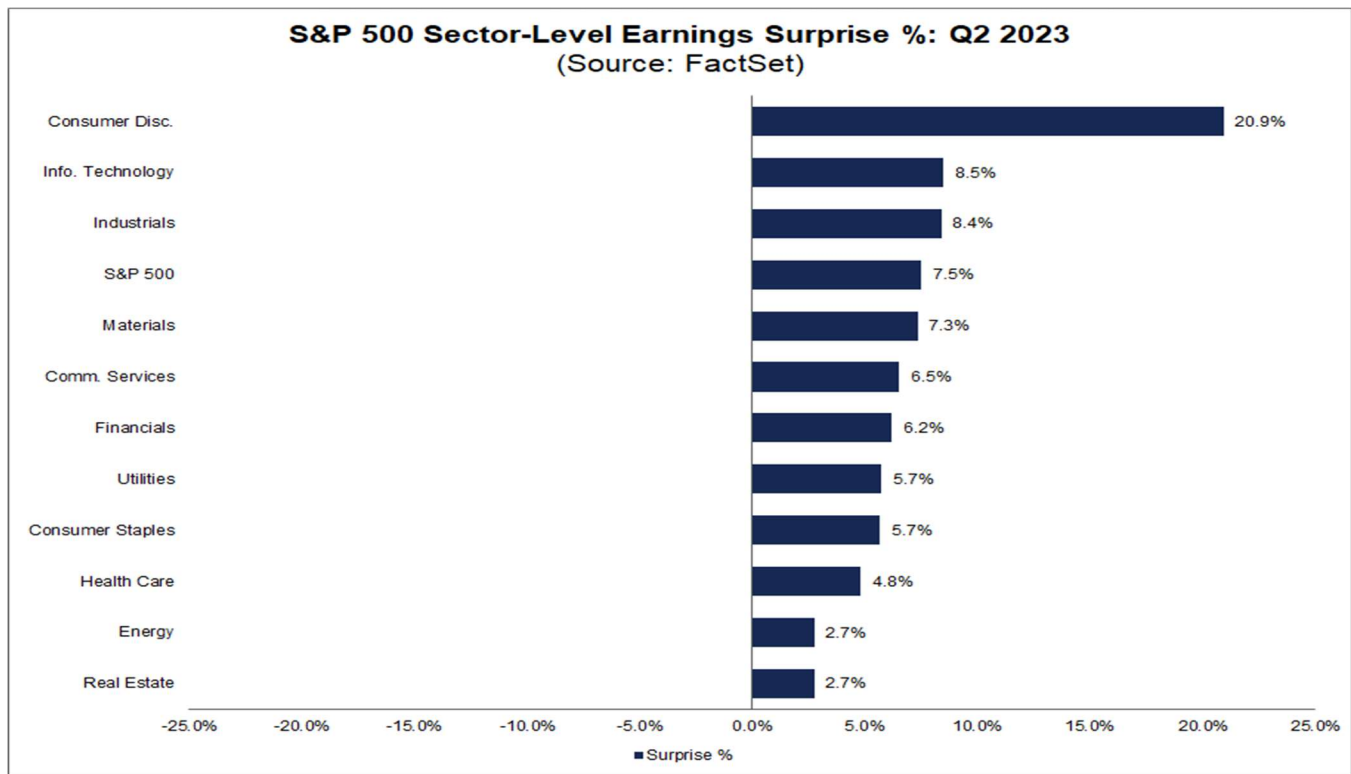
Companies Reporting Next Week: 4

During the upcoming week, one S&P 500 company is scheduled to report results for the second quarter and three S&P 500 companies are scheduled to report results for the third quarter.

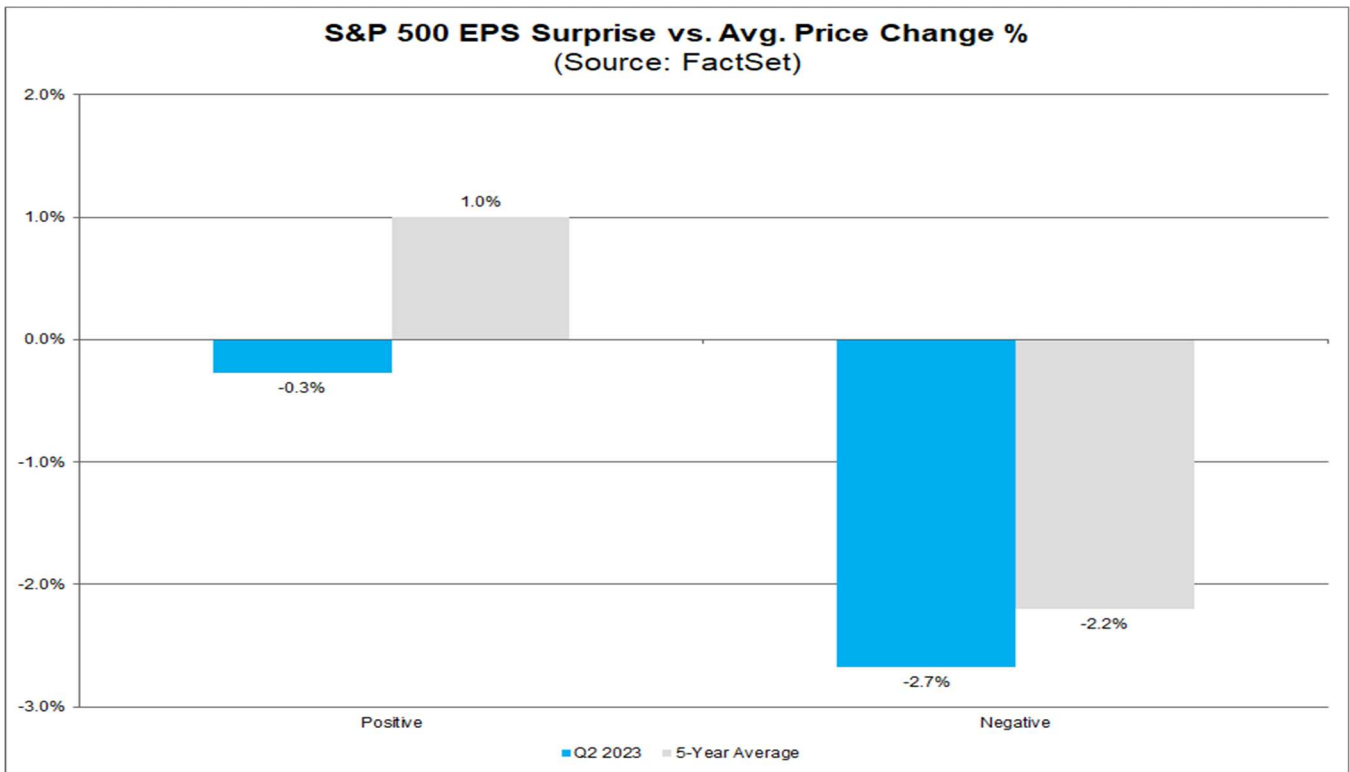
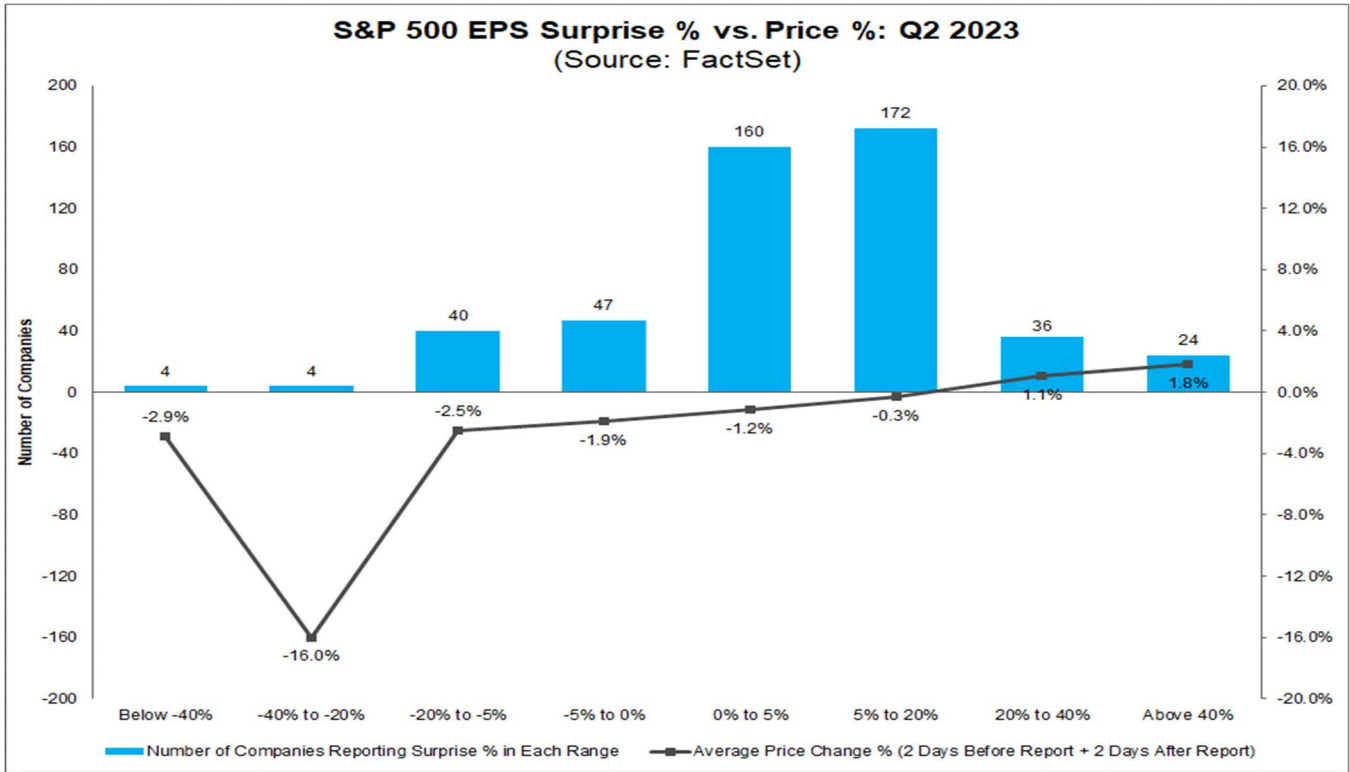
Q2 2023: Scorecard



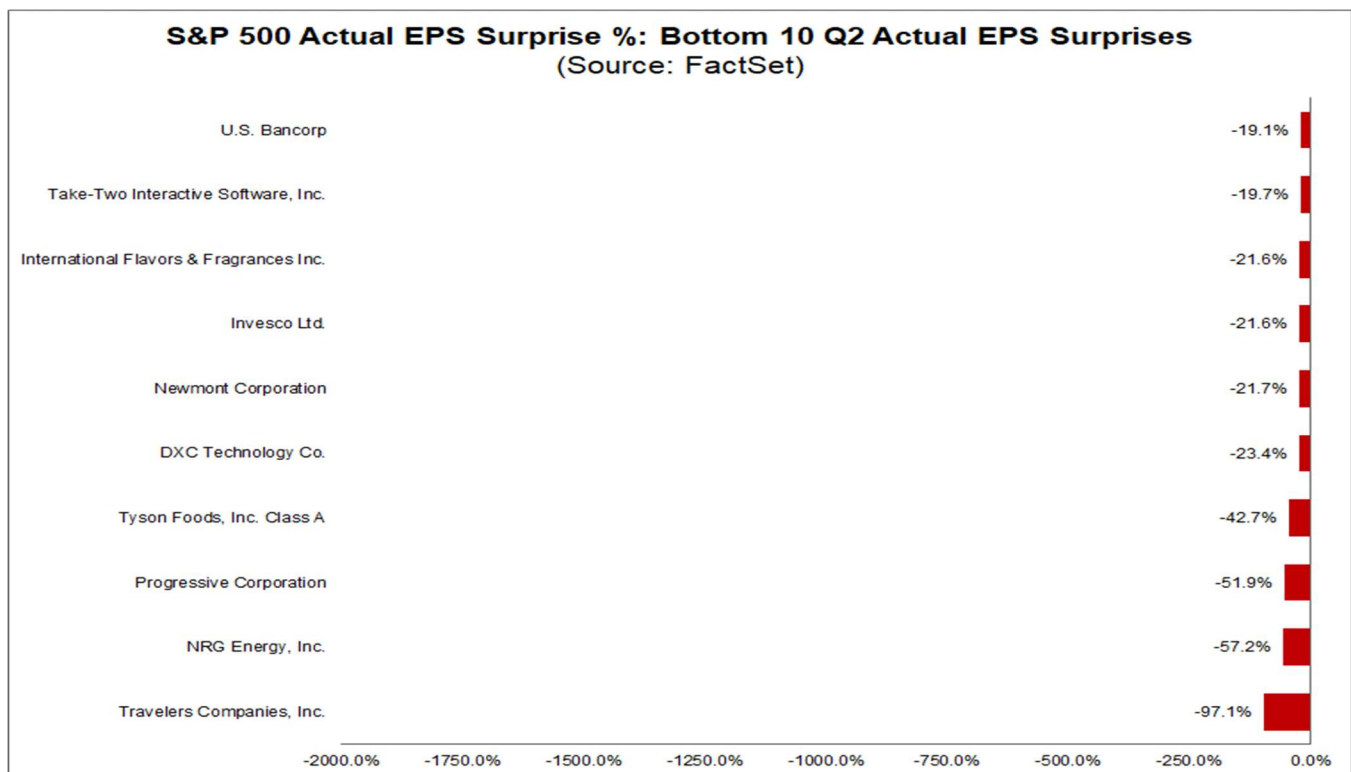
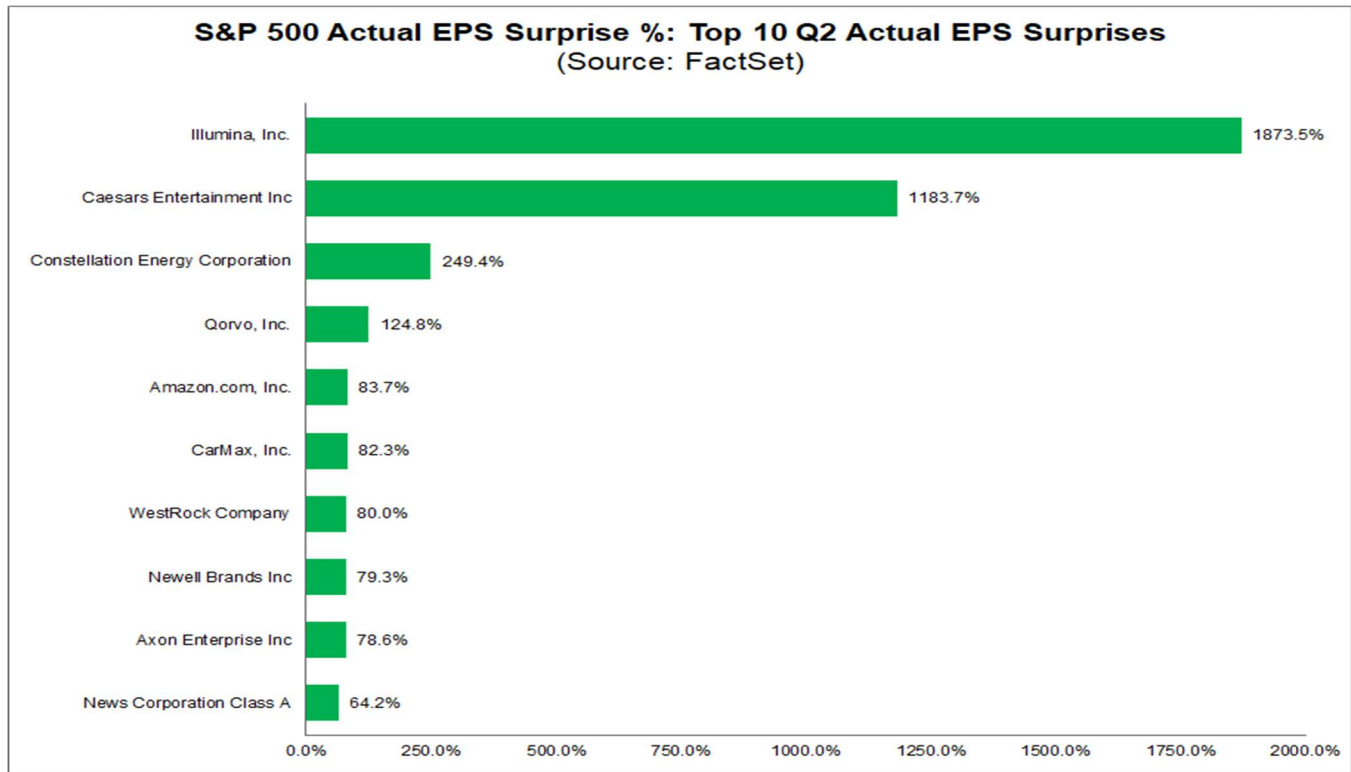
Q2 2023: Scorecard



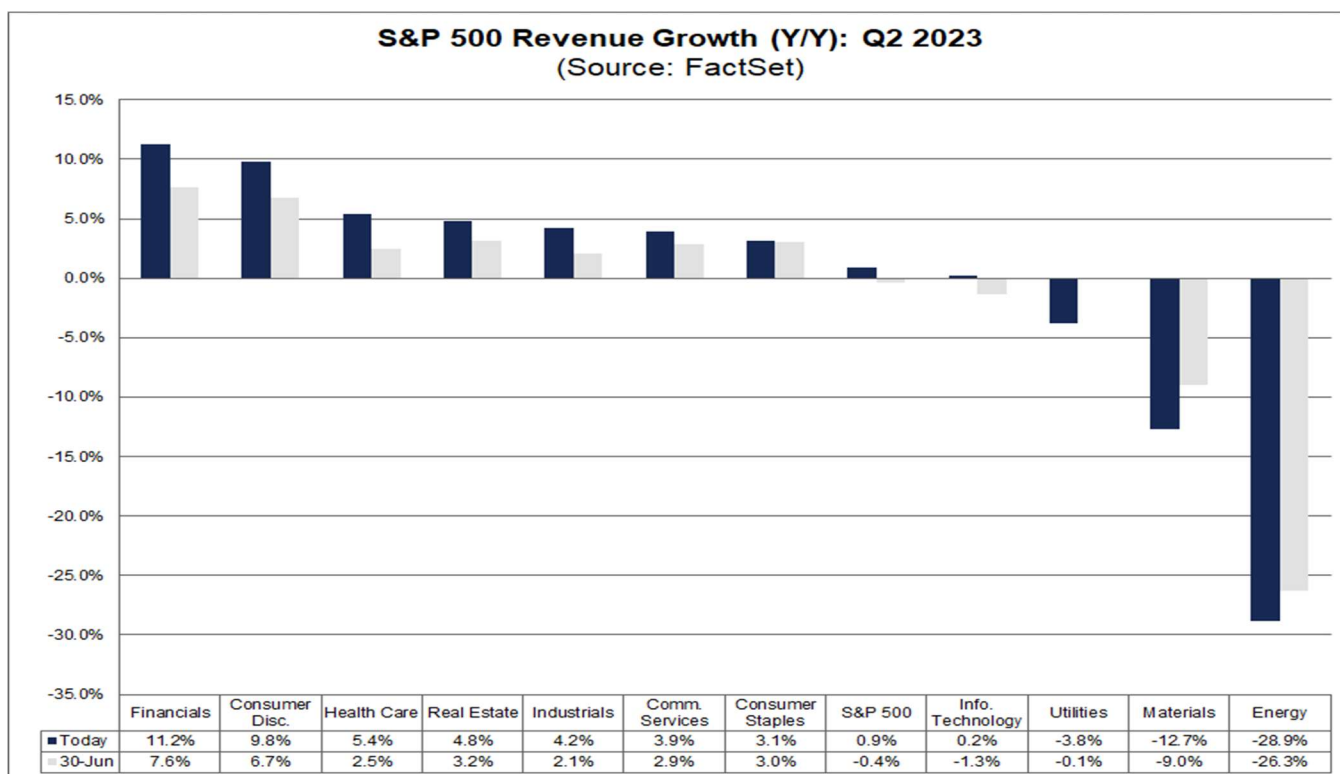
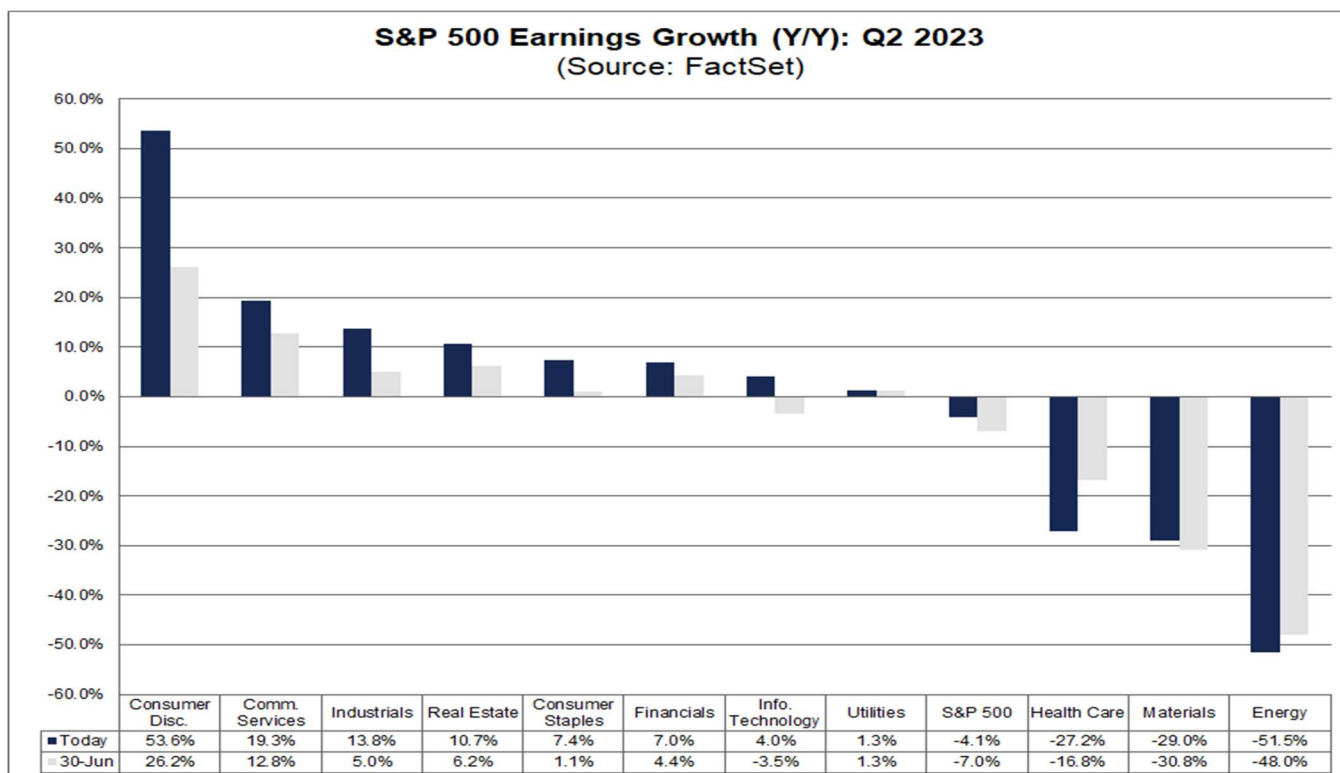
Q2 2023: Scorecard



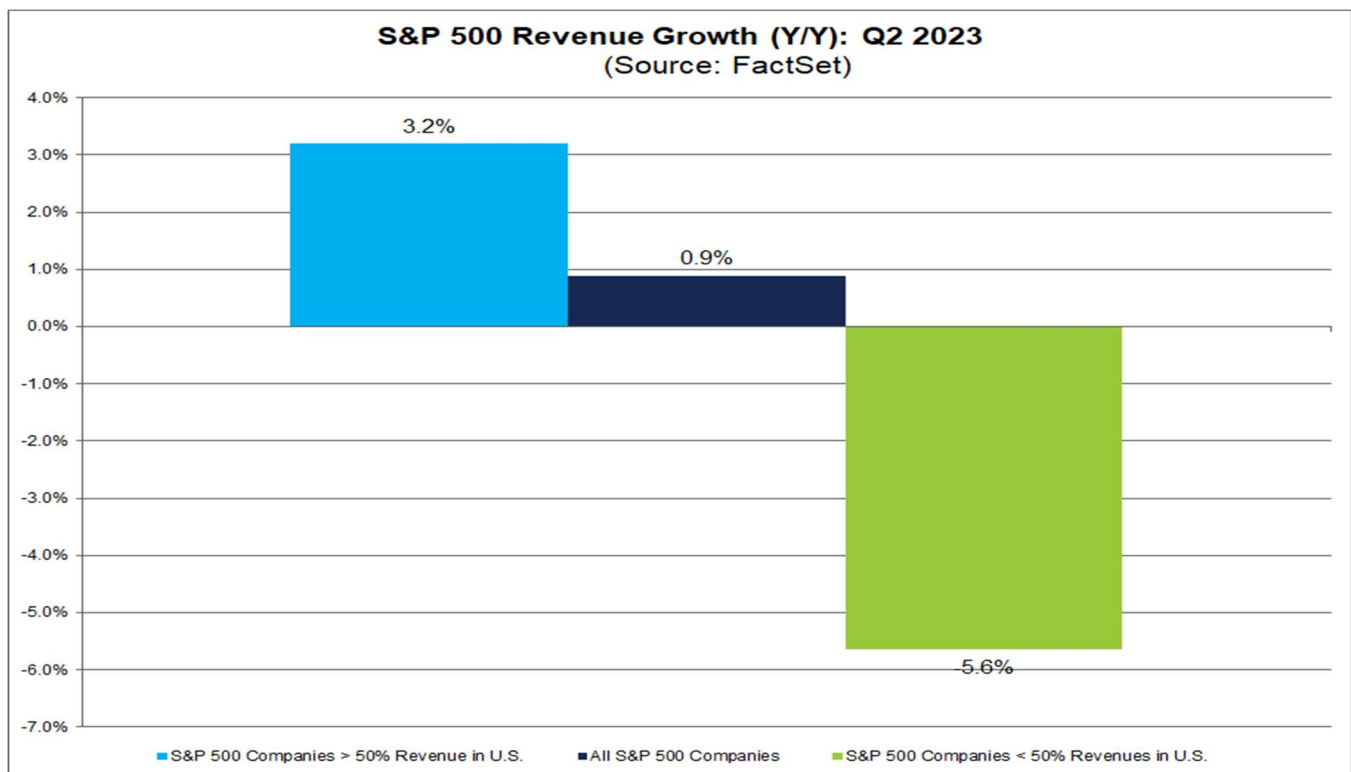
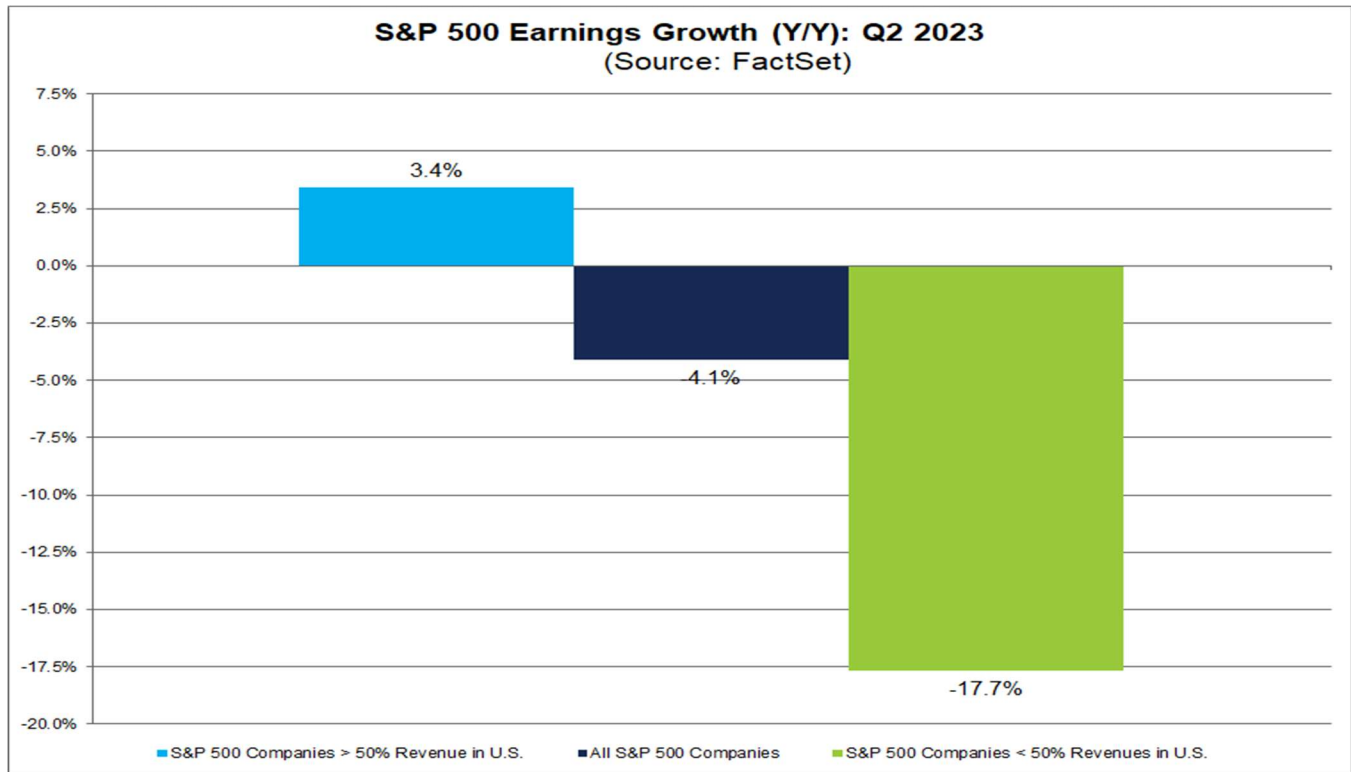
Q2 2023: Scorecard



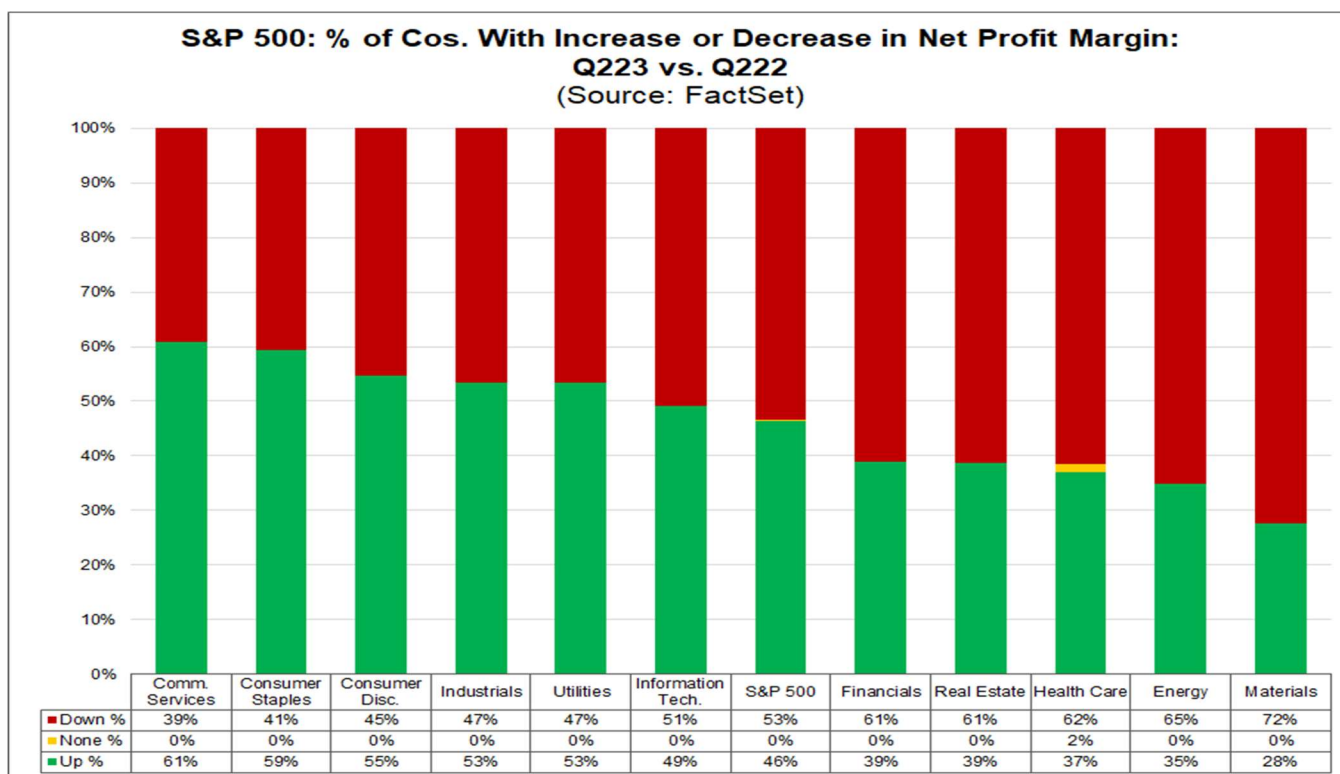
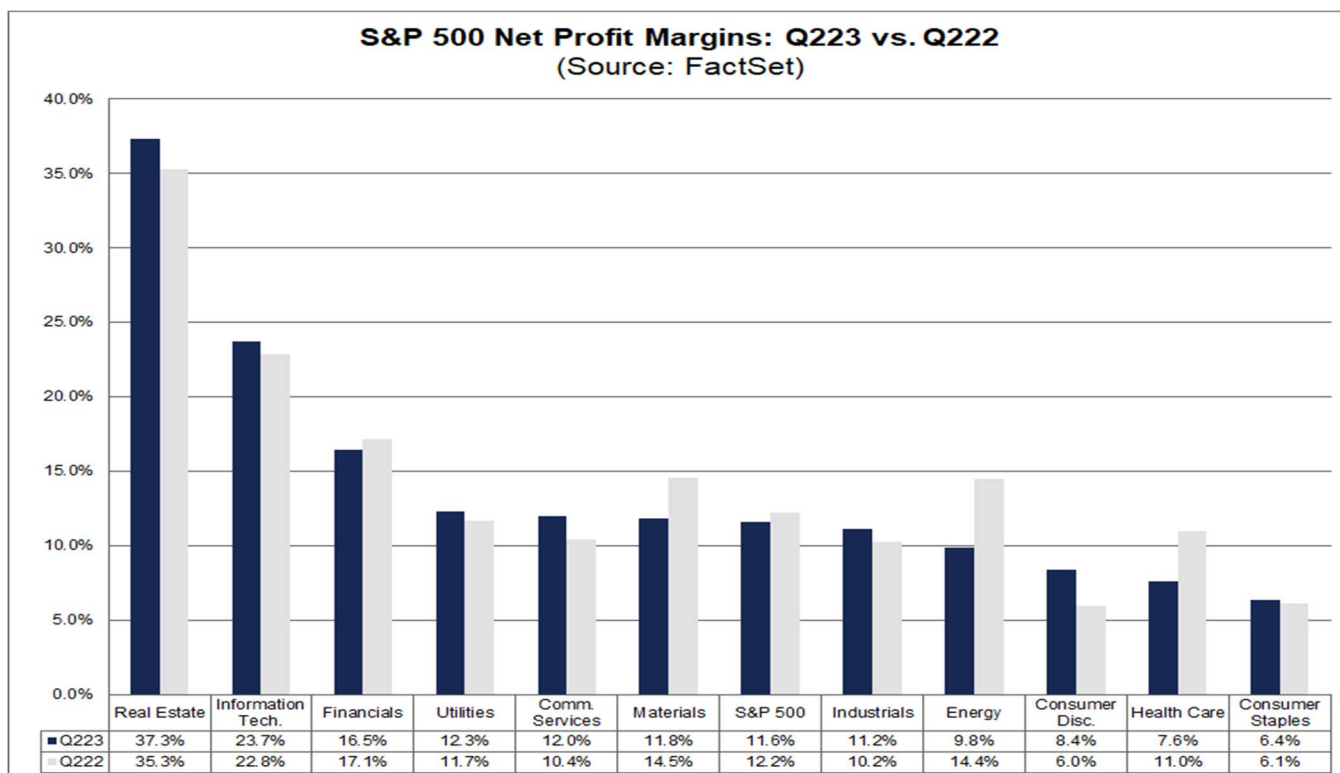
Q2 2023: Growth



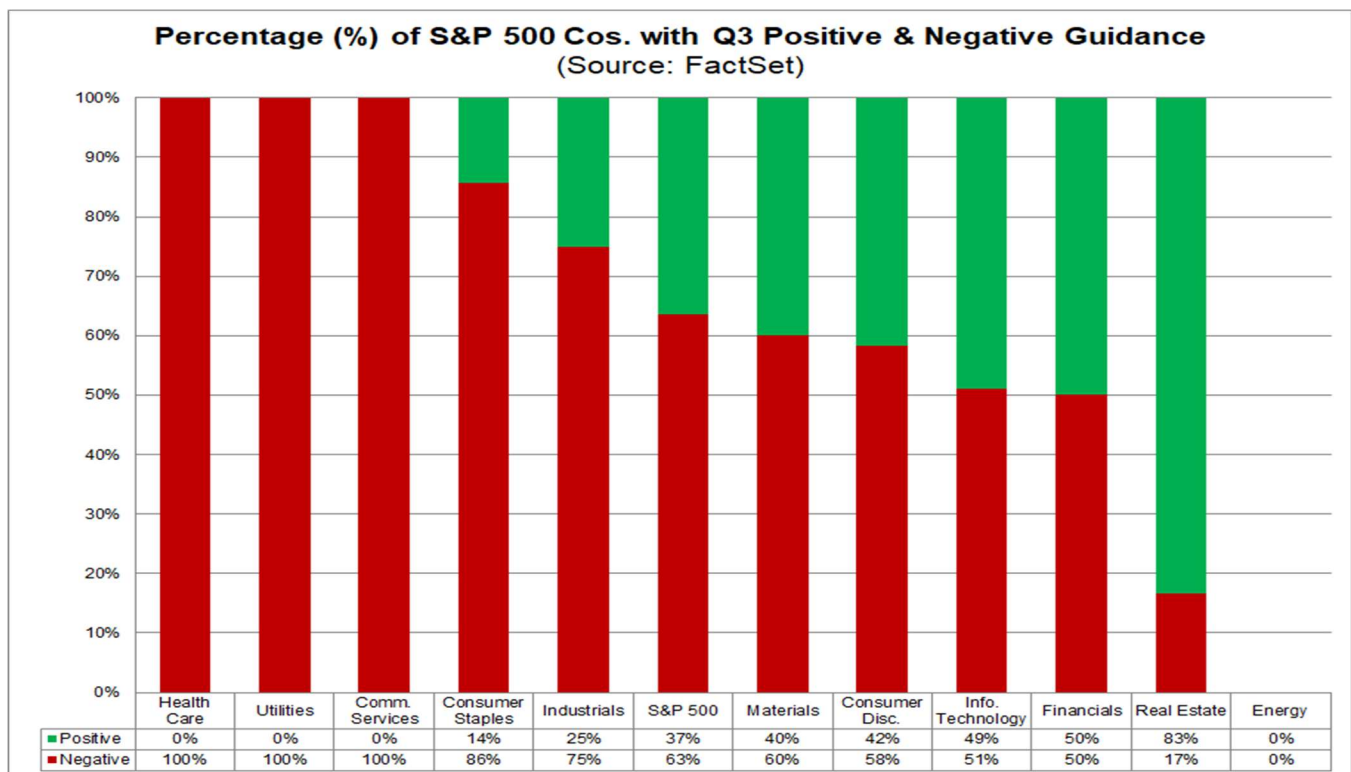
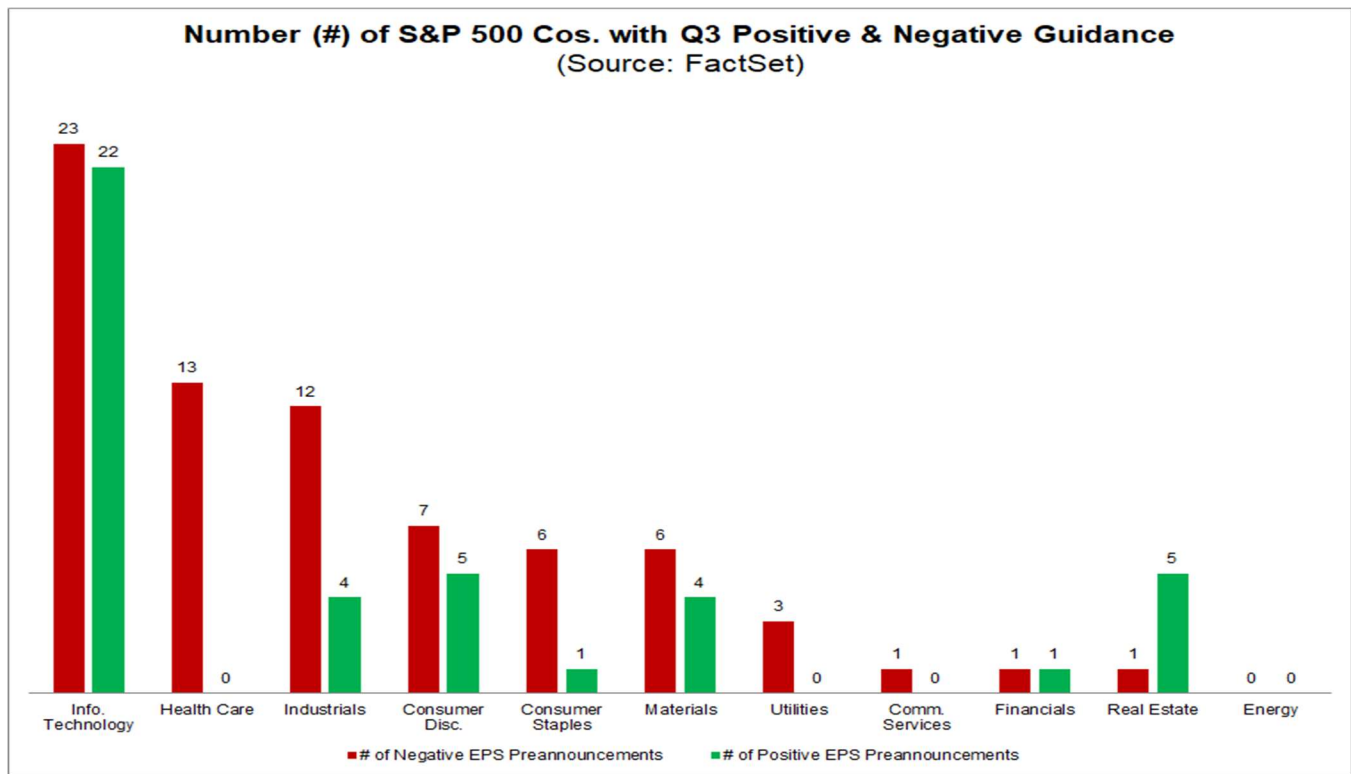
Q2 2023: Growth



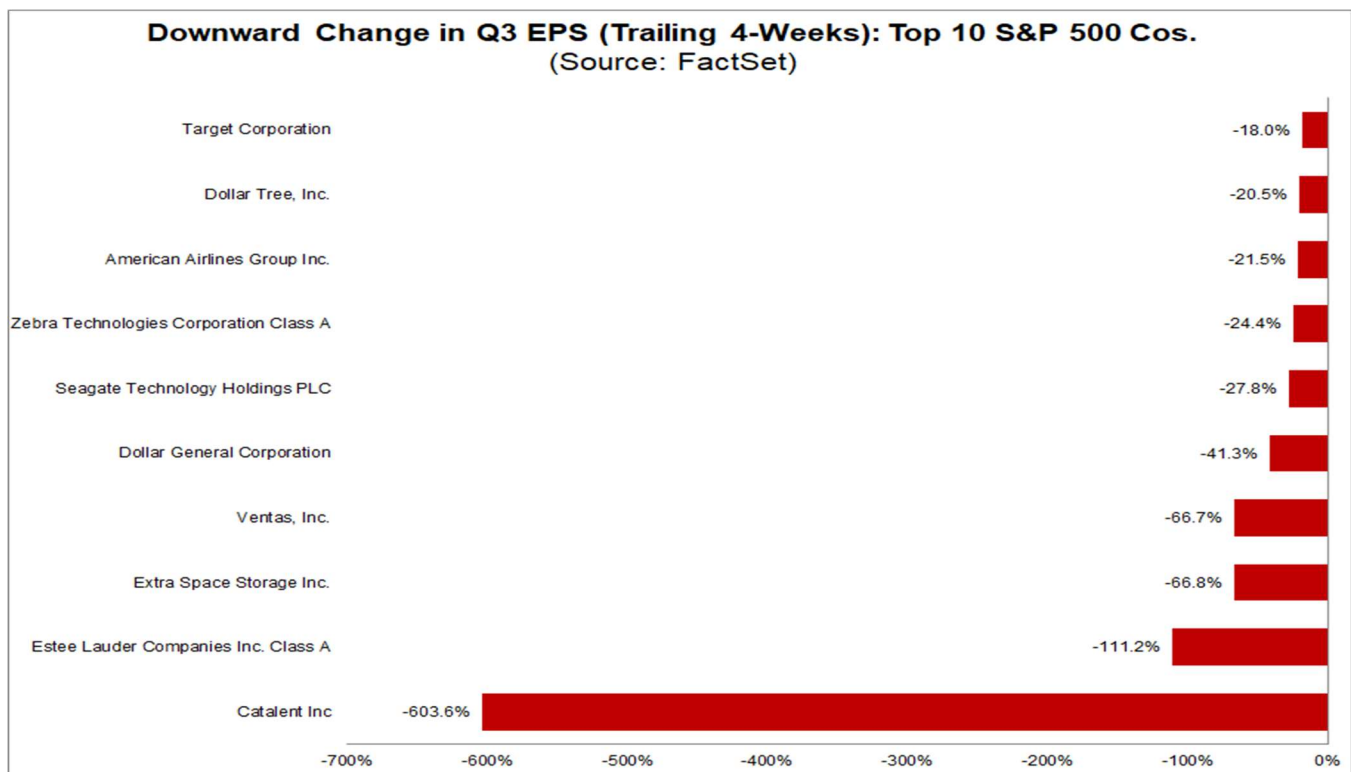
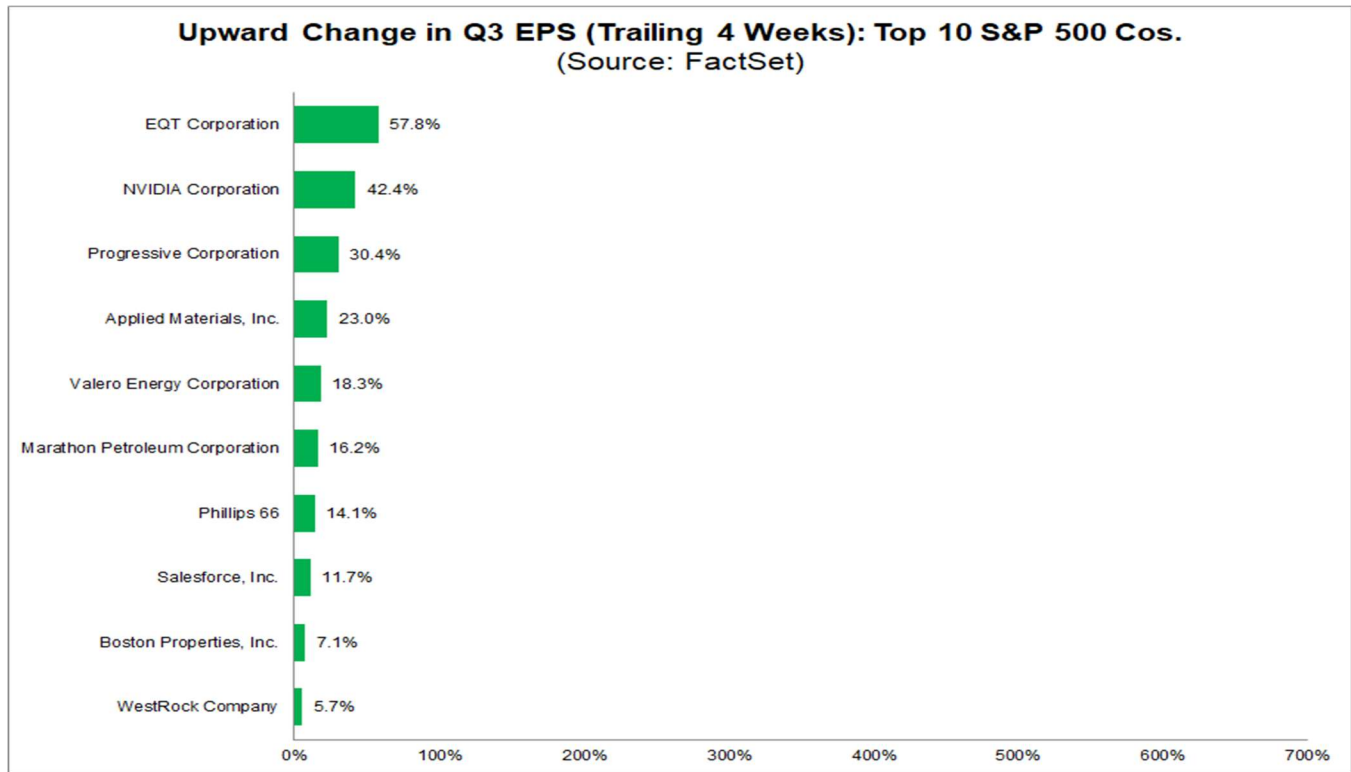
Q2 2023: Net Profit Margin



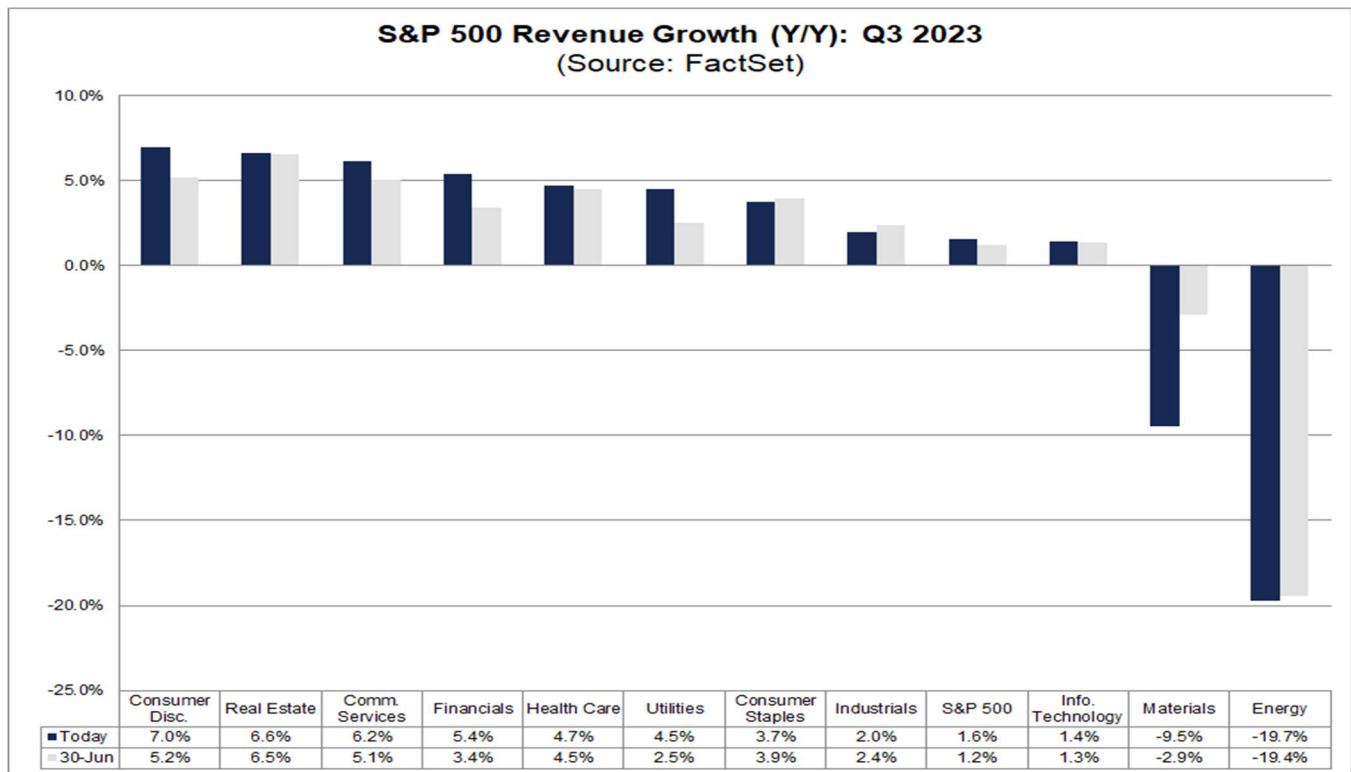
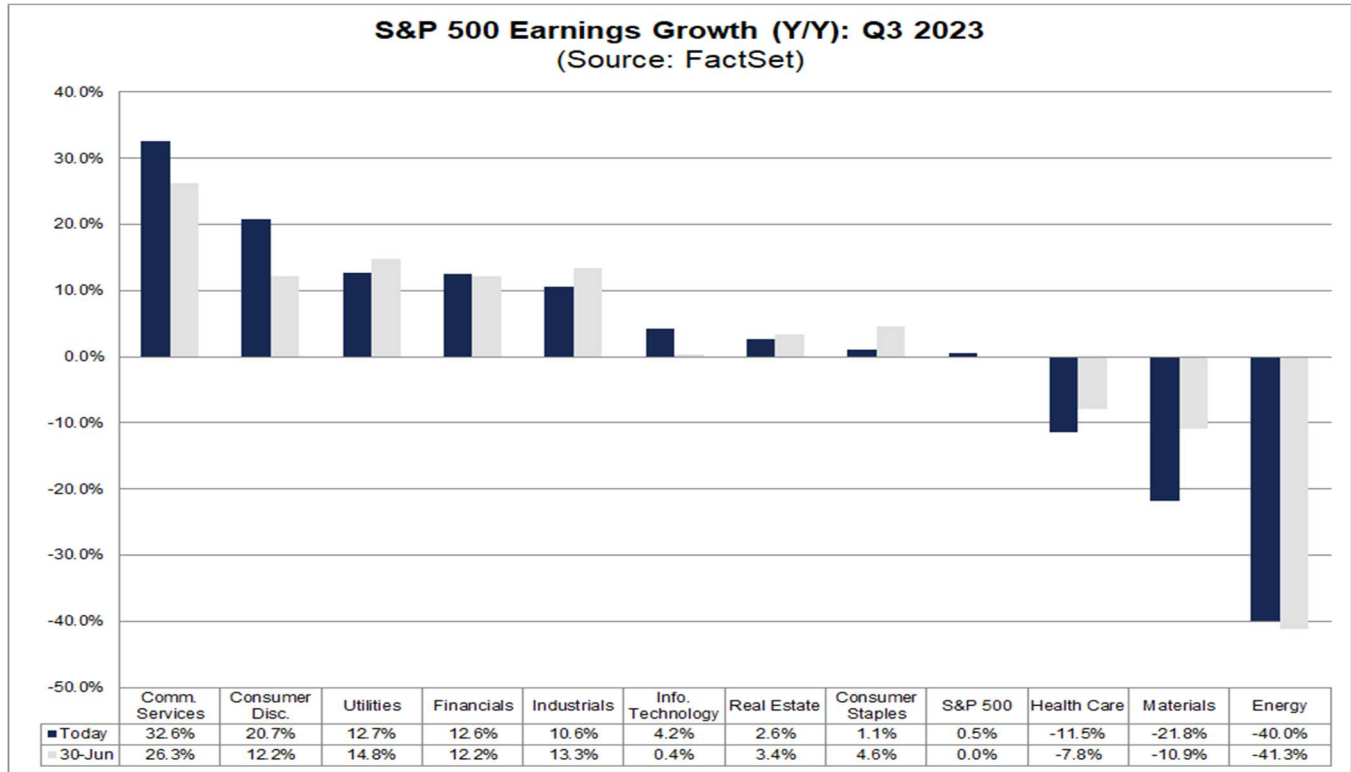
Q3 2023: Guidance



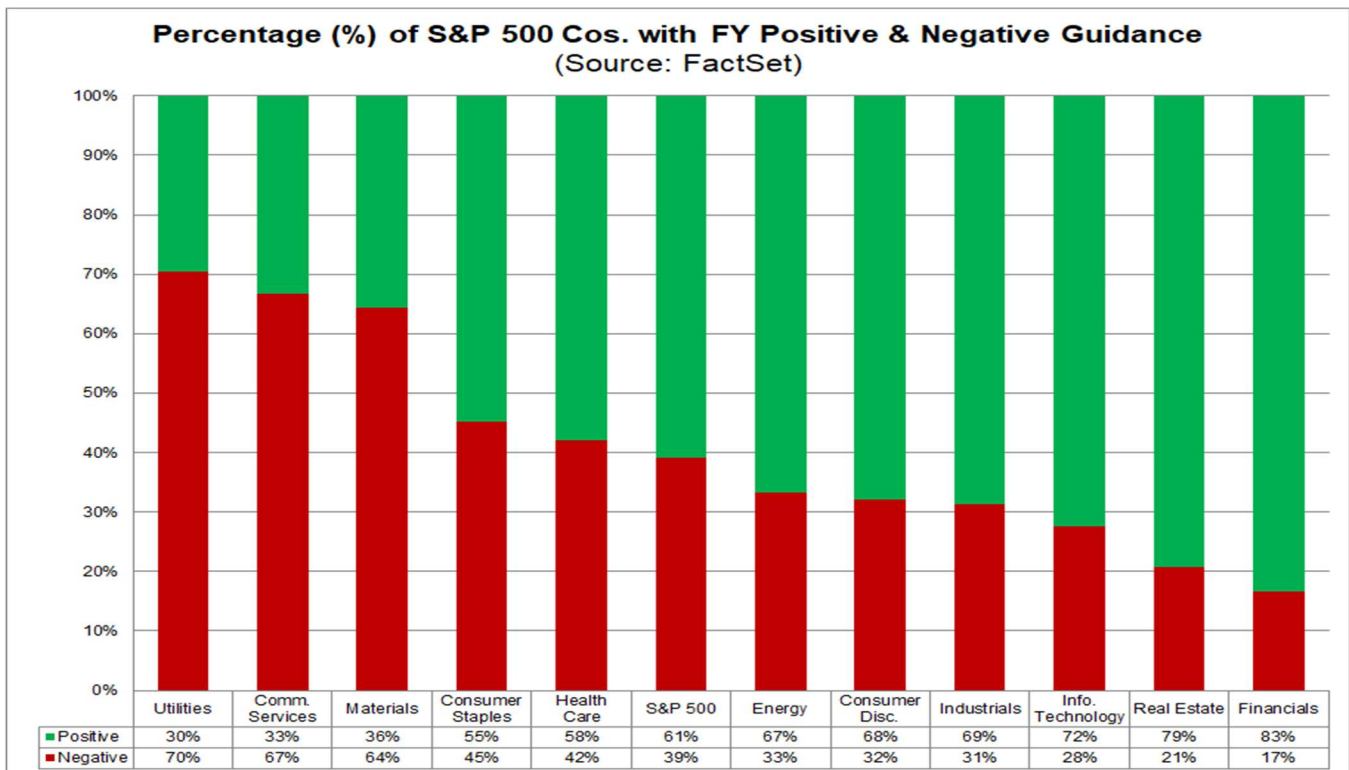
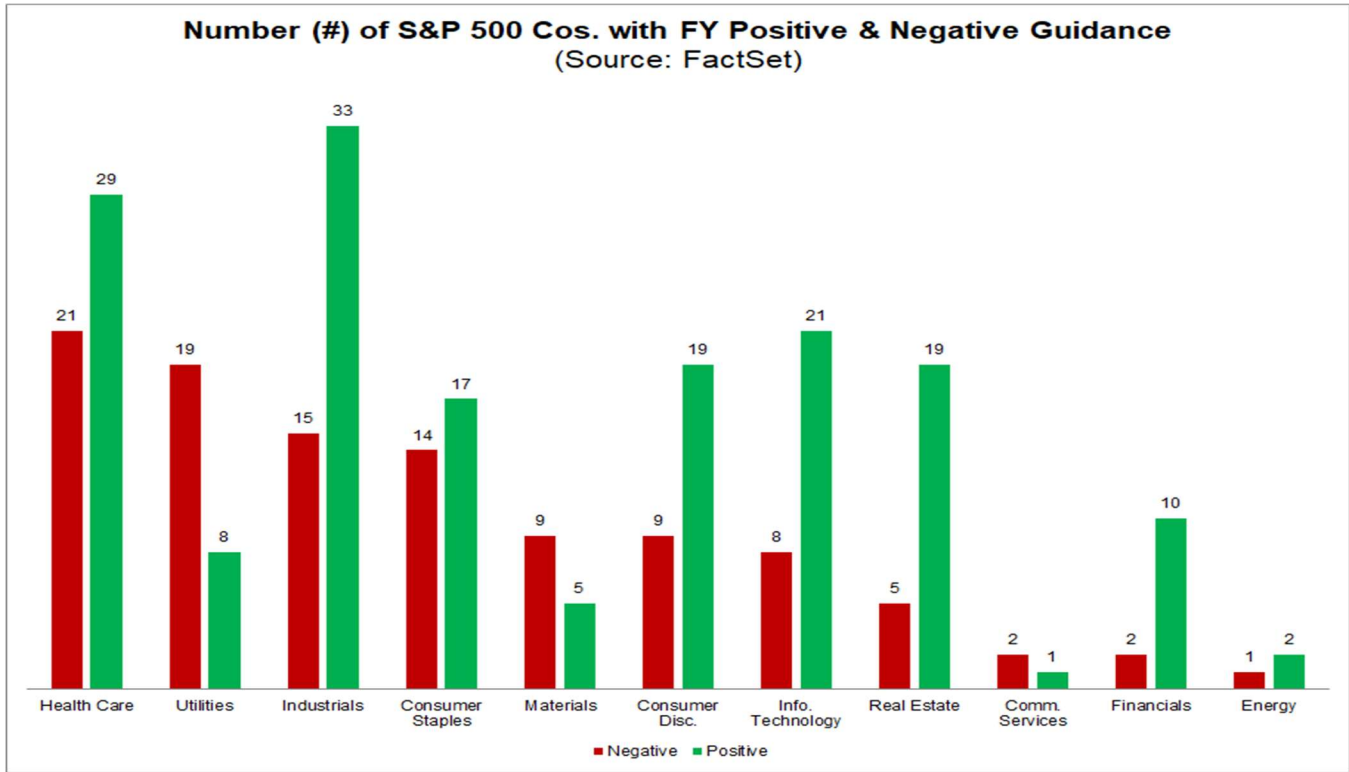
Q3 2023: EPS Revisions



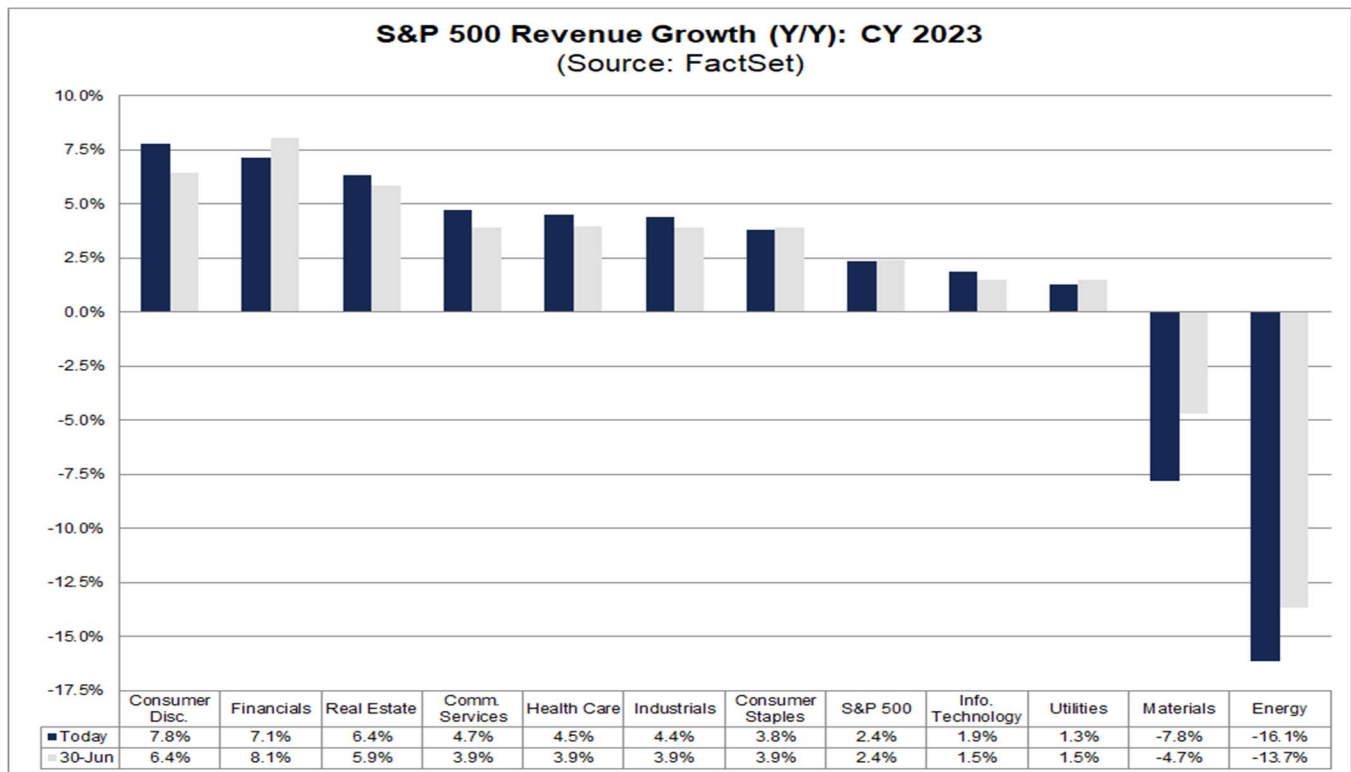
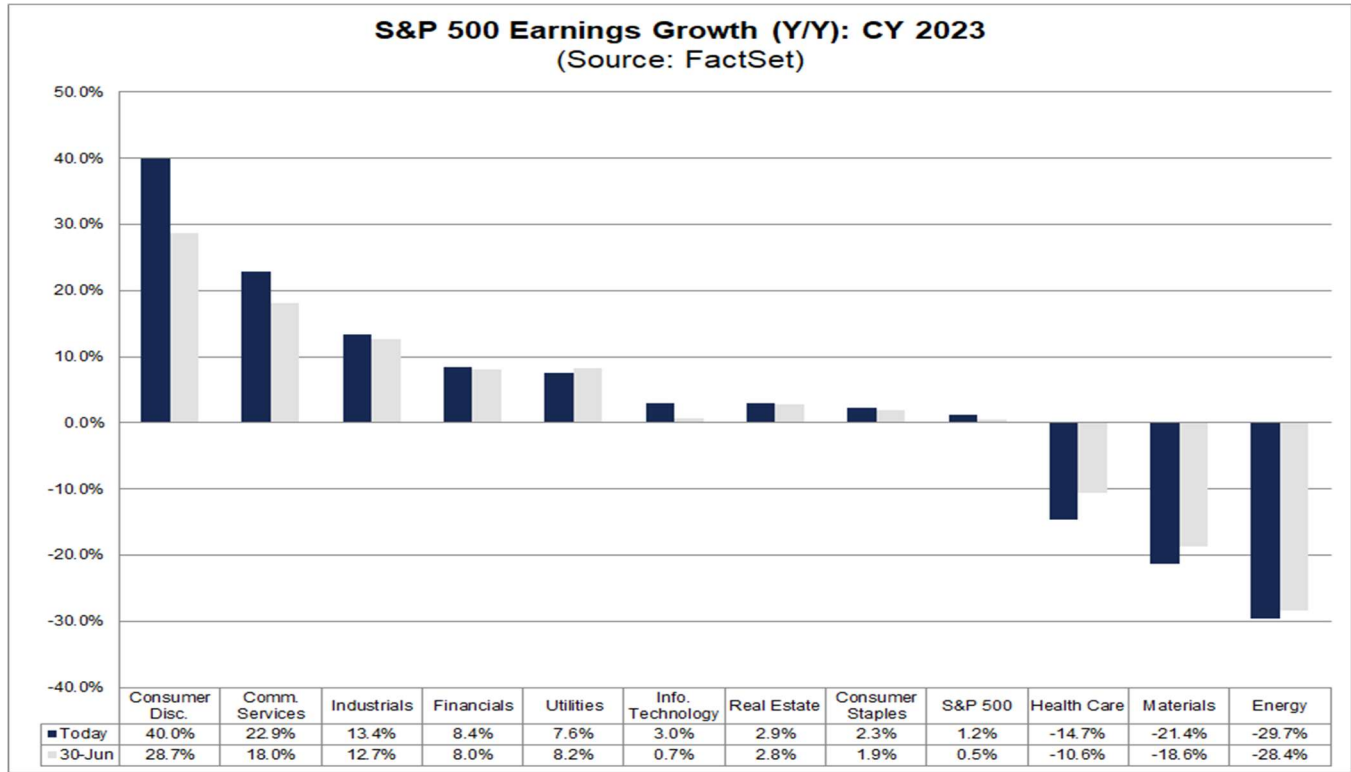
Q3 2023: Growth



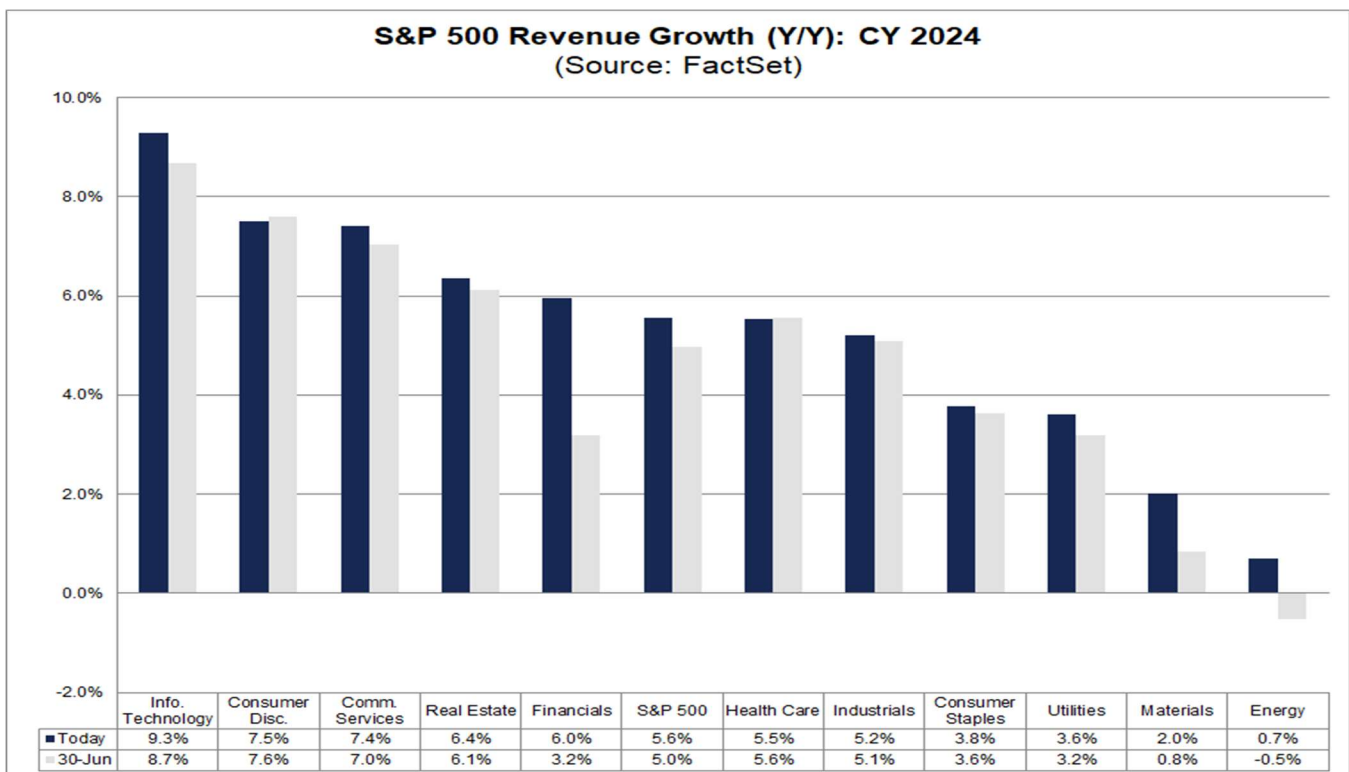
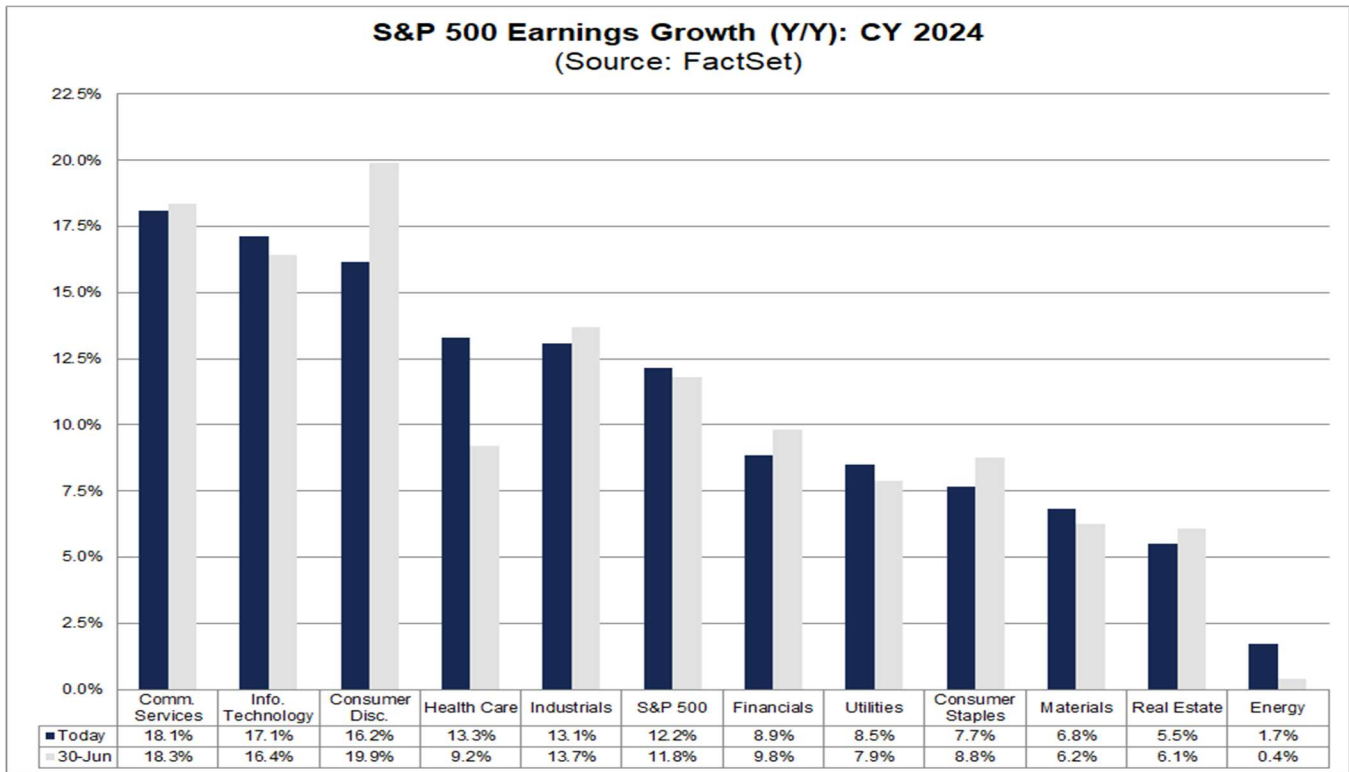
FY 2023 / 2024: EPS Guidance



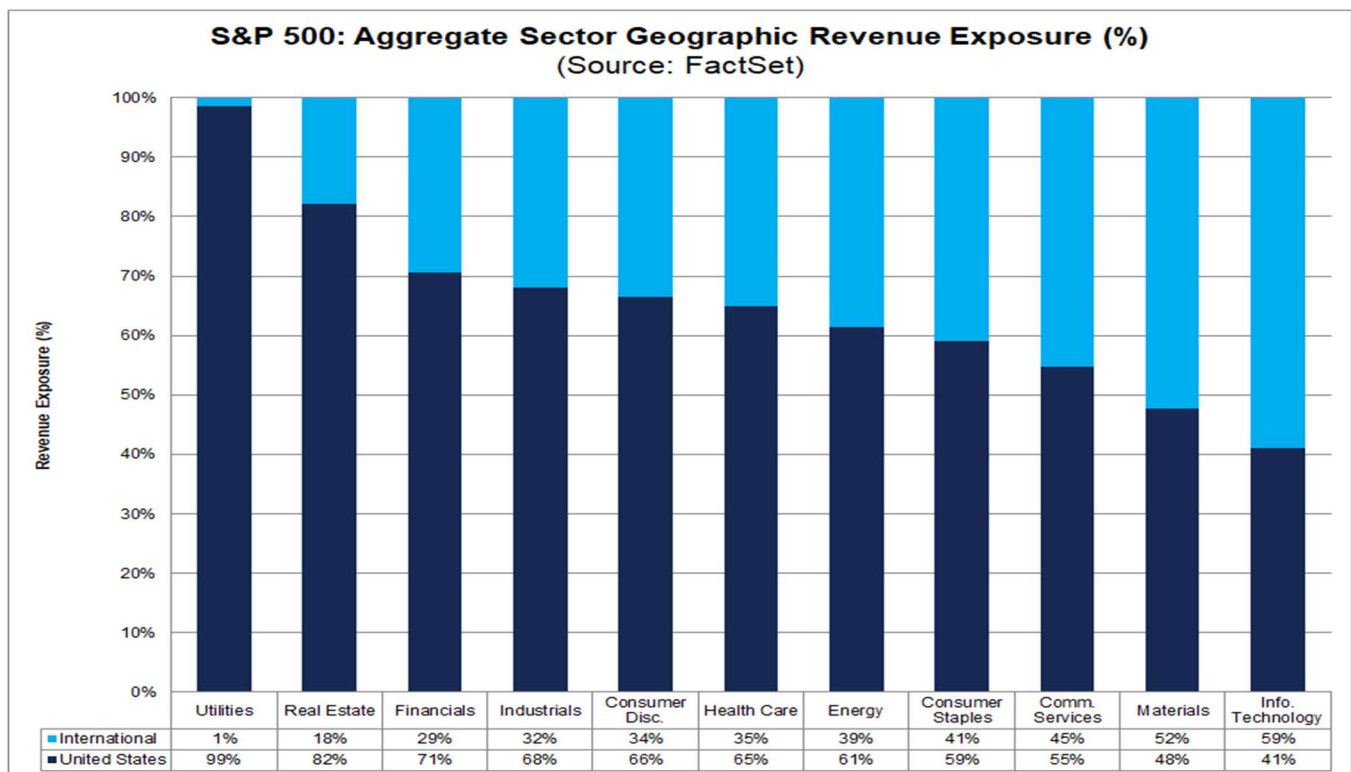
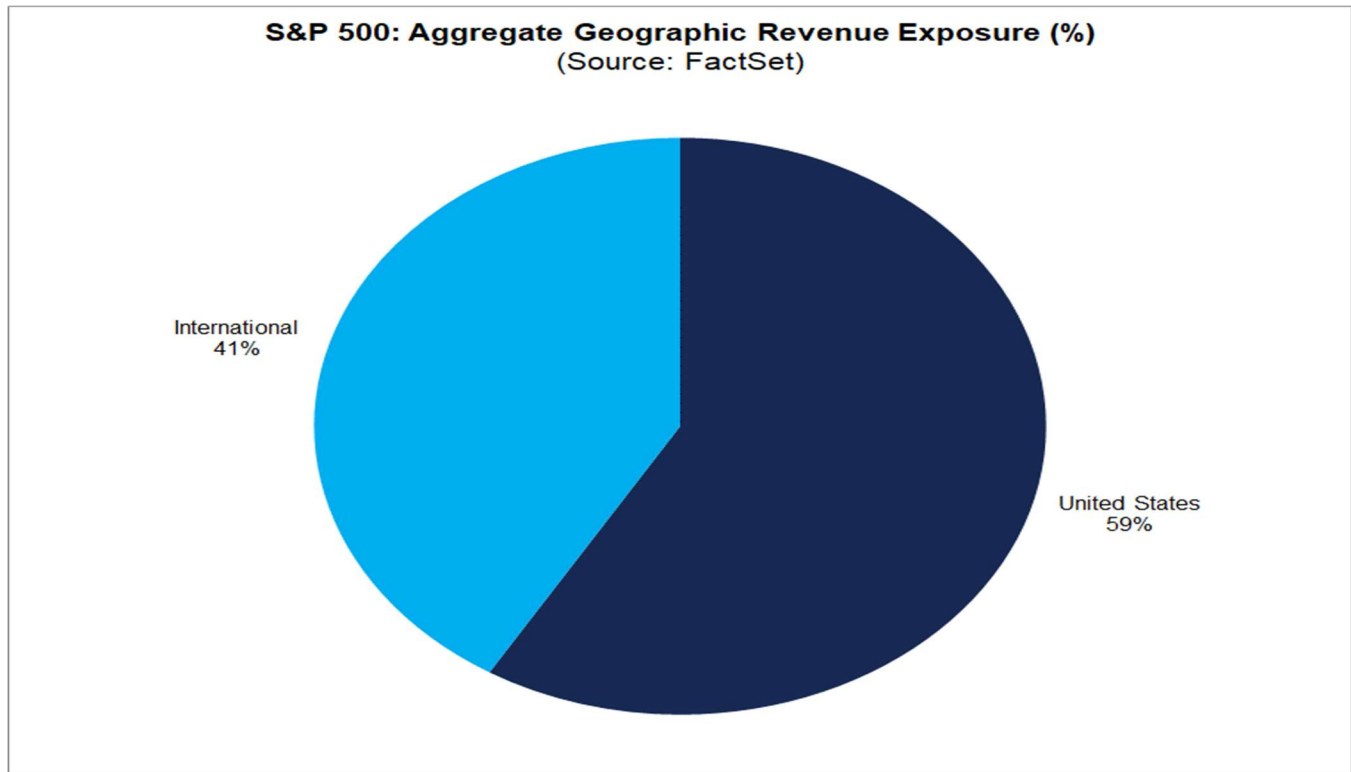
CY 2023: Growth



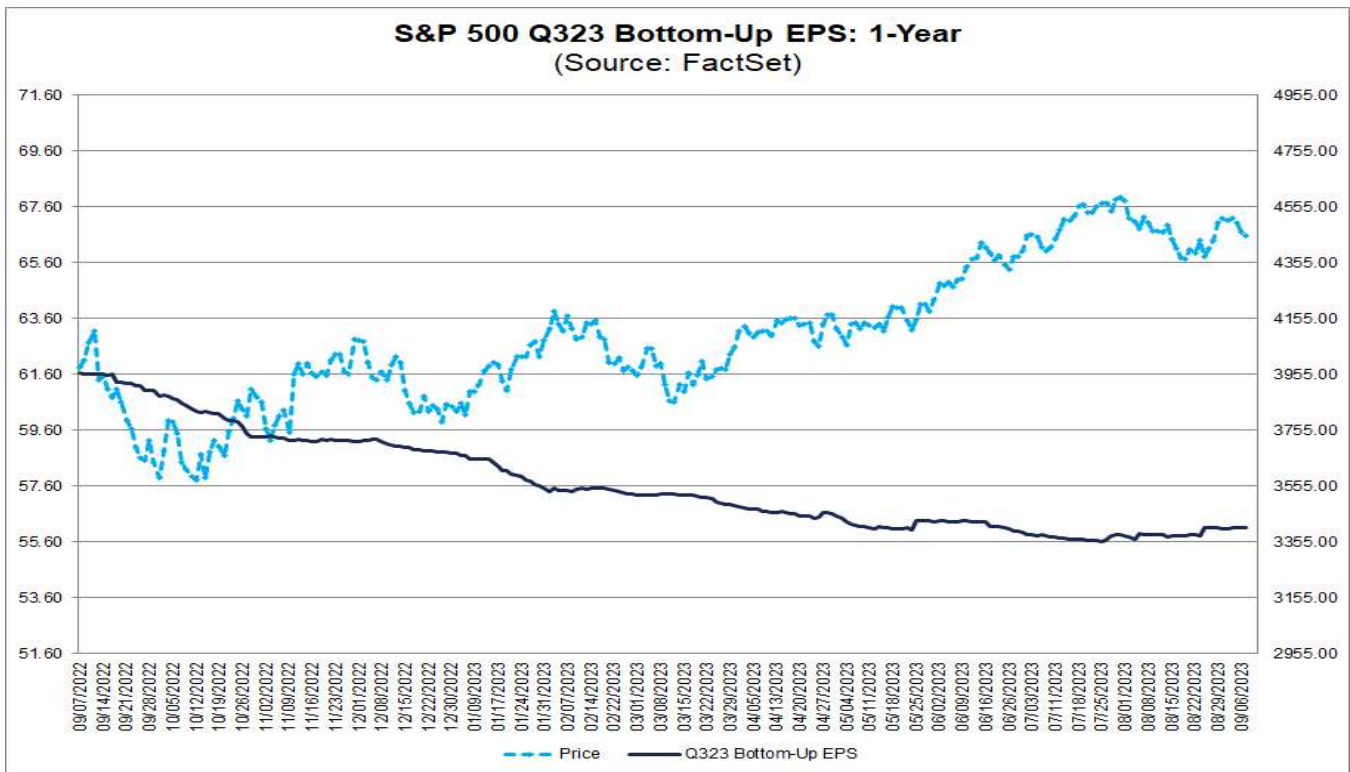
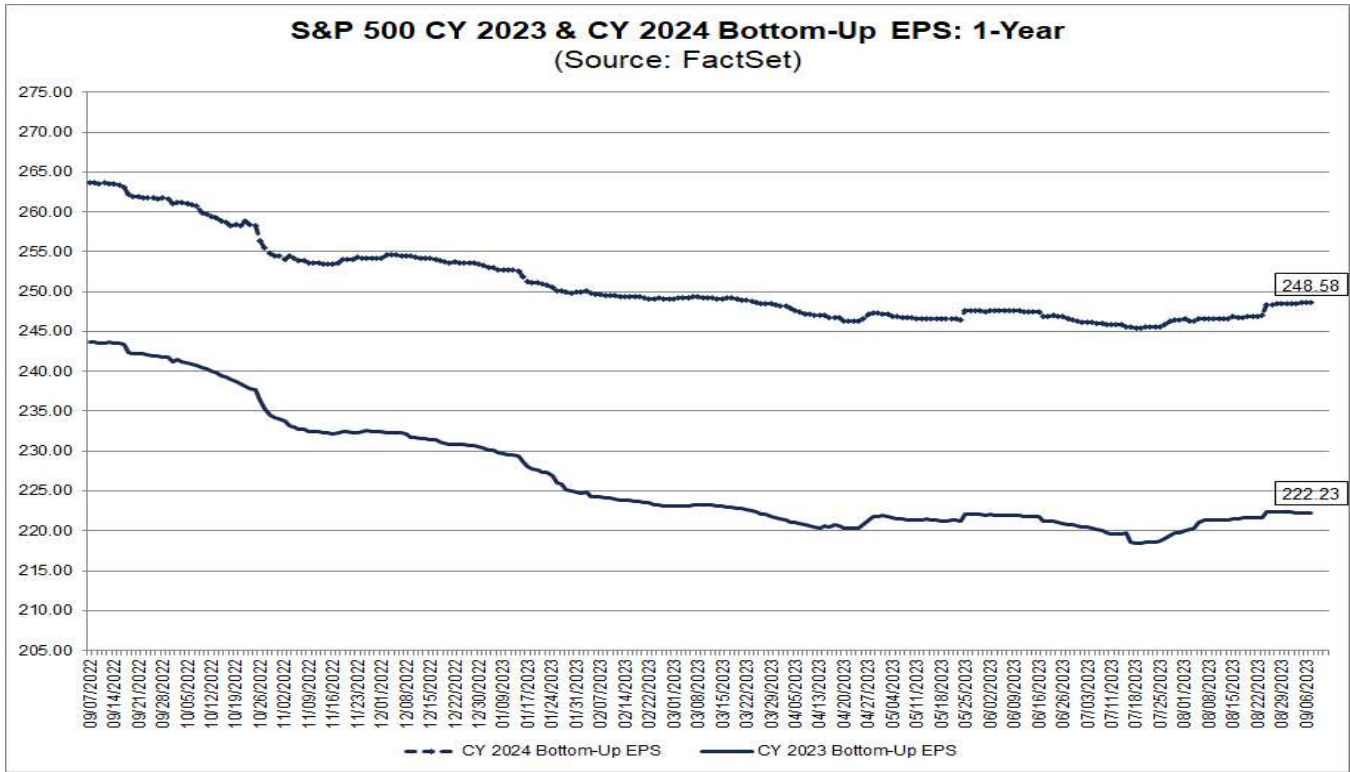
CY 2024: Growth



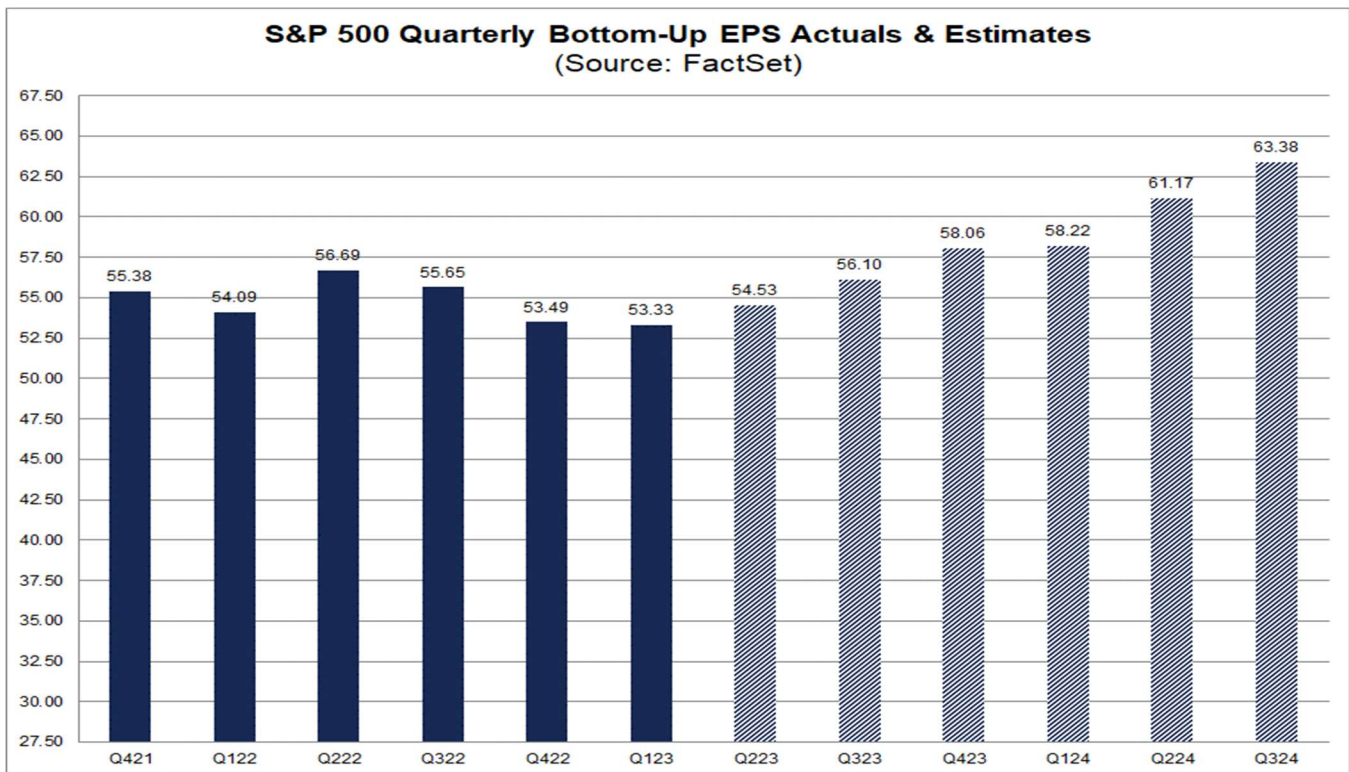
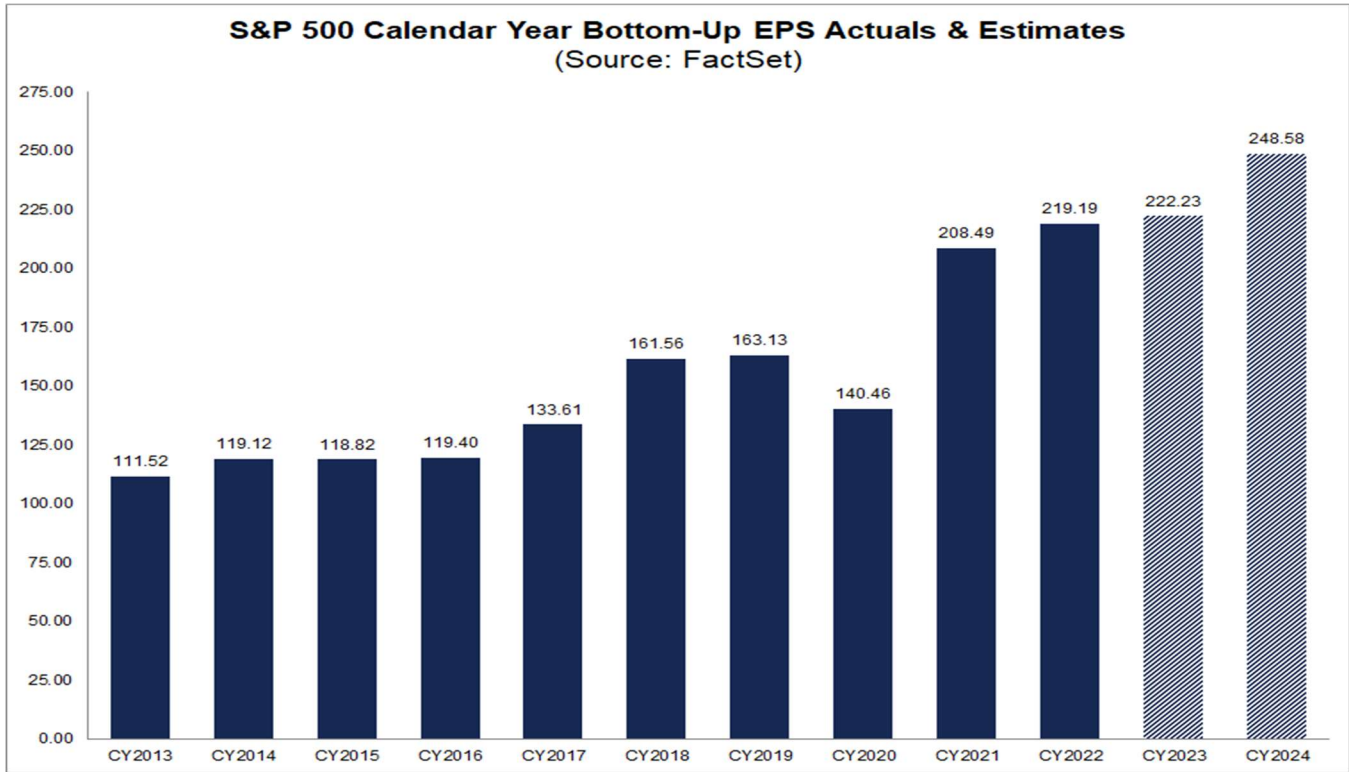
Geographic Revenue Exposure



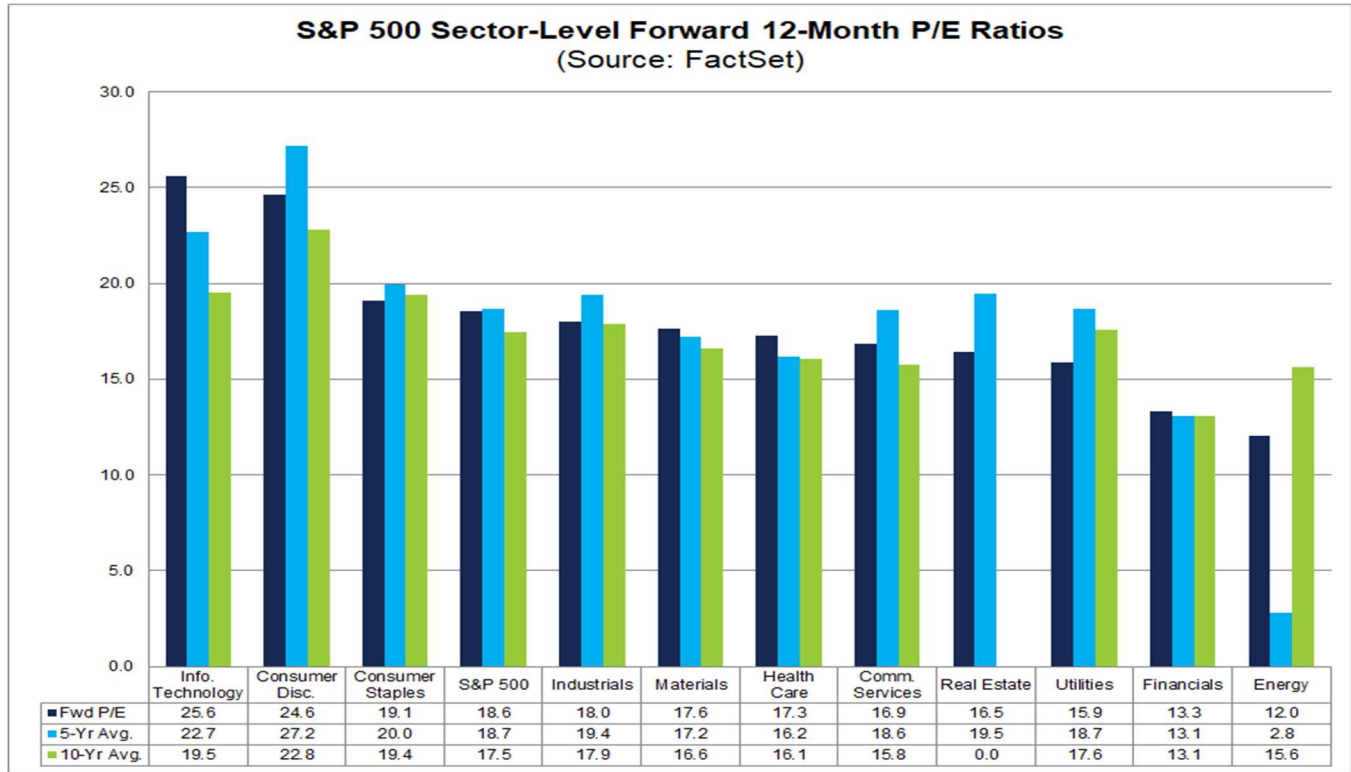
Bottom-Up EPS Estimates



Bottom-Up EPS Estimates: Current & Historical

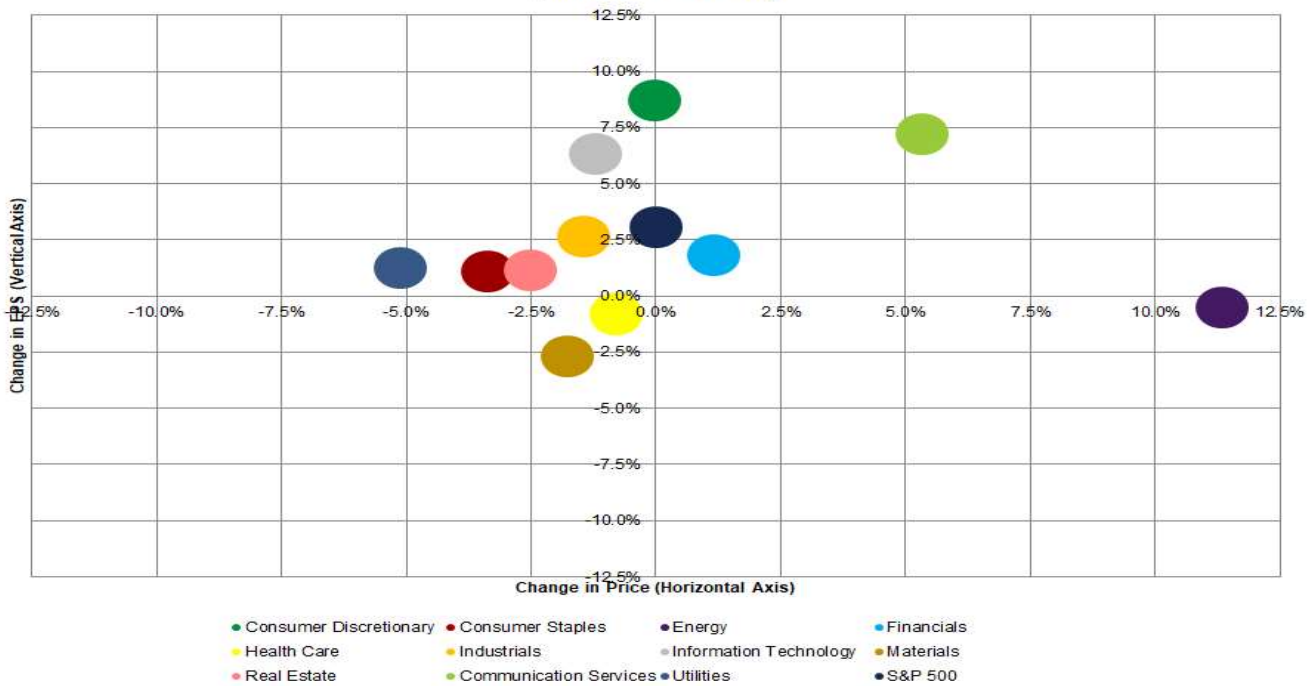


Forward 12M P/E Ratio: Sector Level

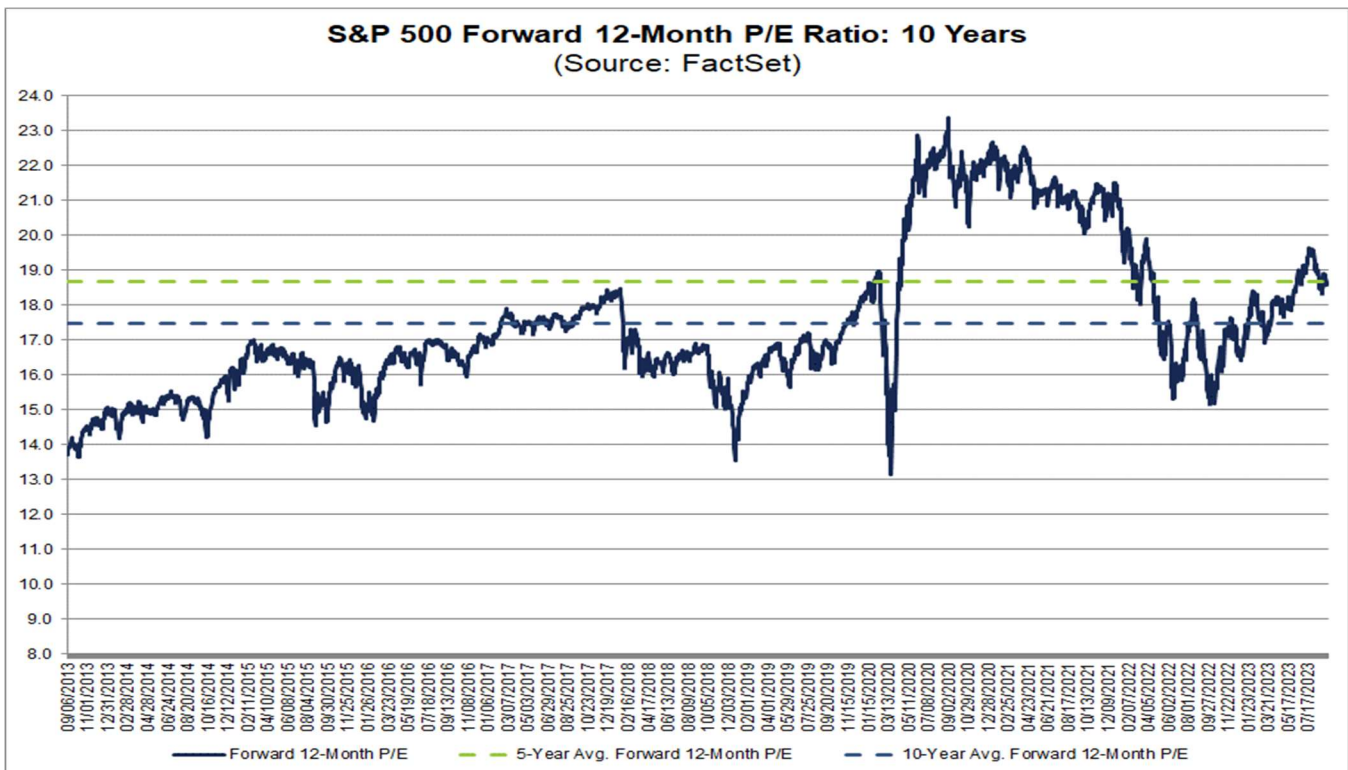
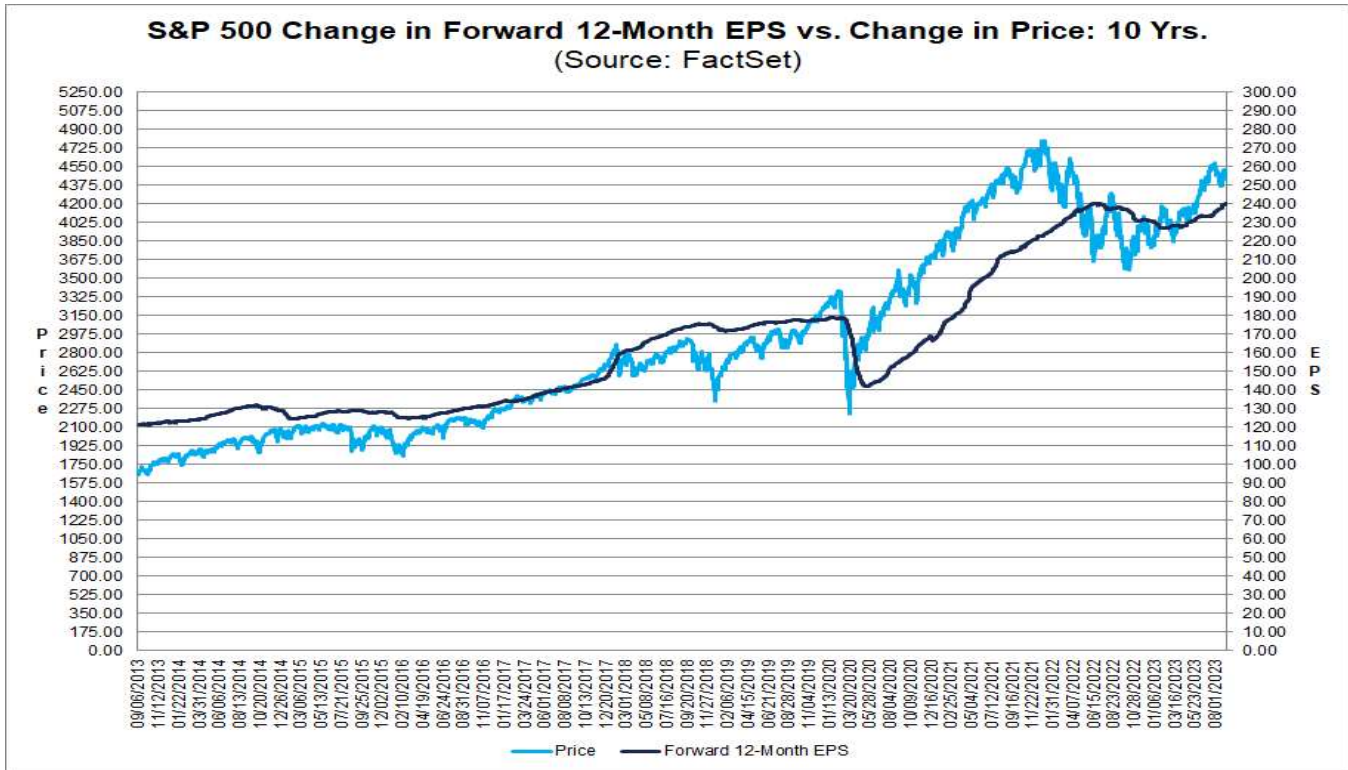


Sector-Level Change in Fwd. 12-Month EPS vs. Price: Since Jun. 30

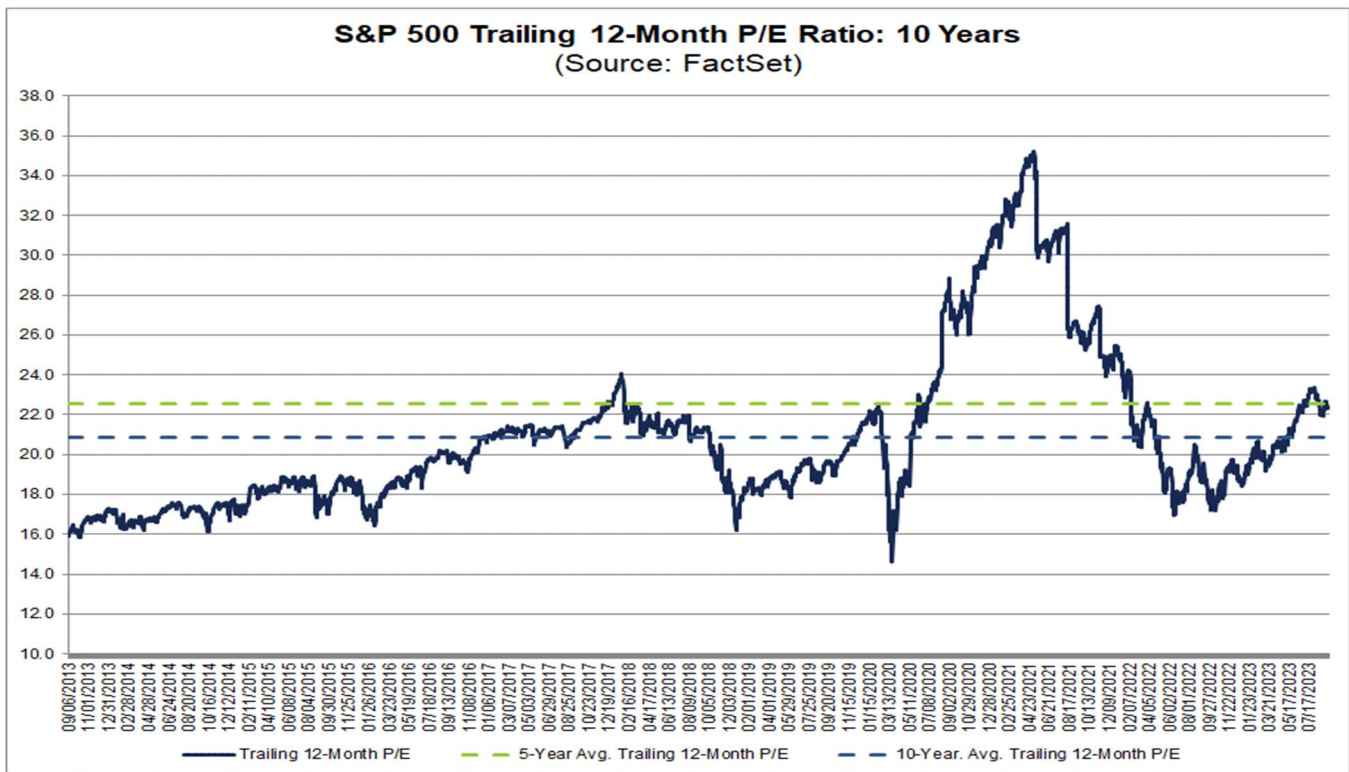
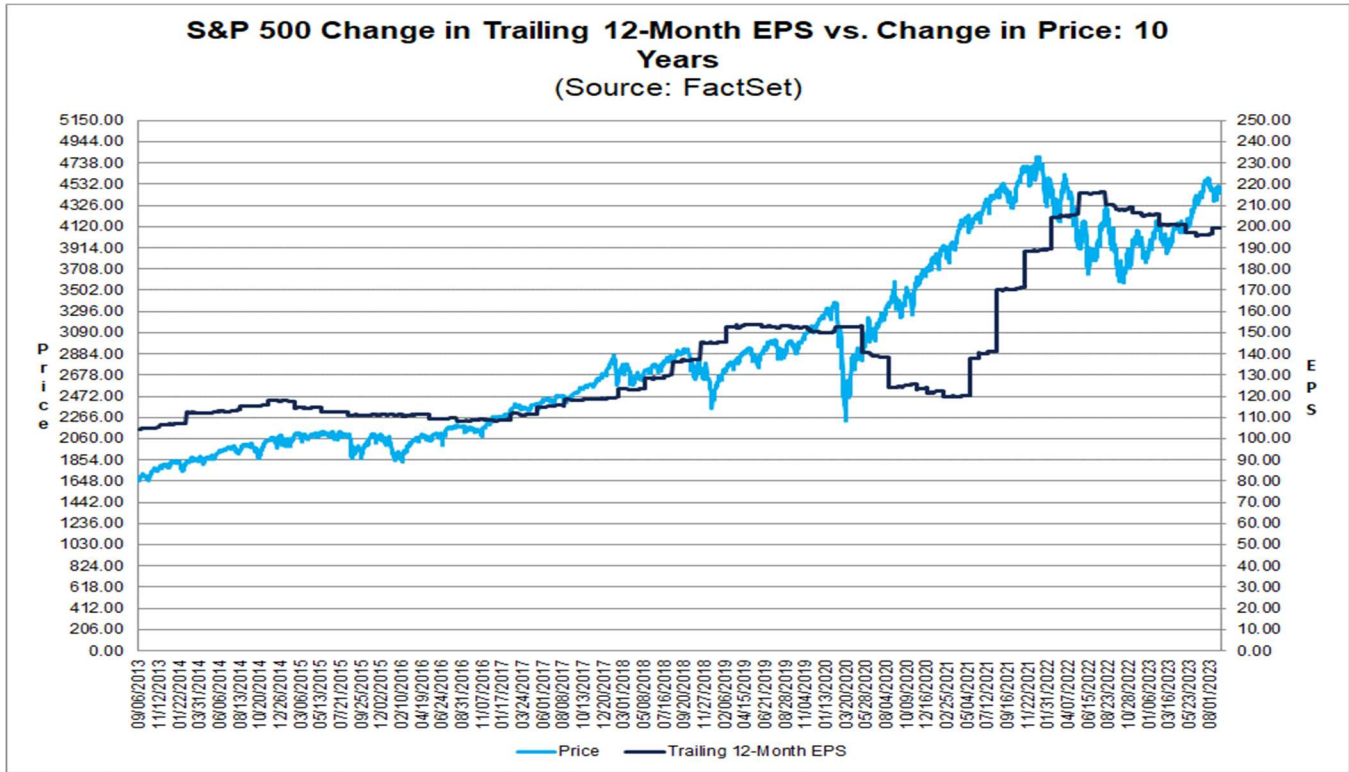
(Source: FactSet)



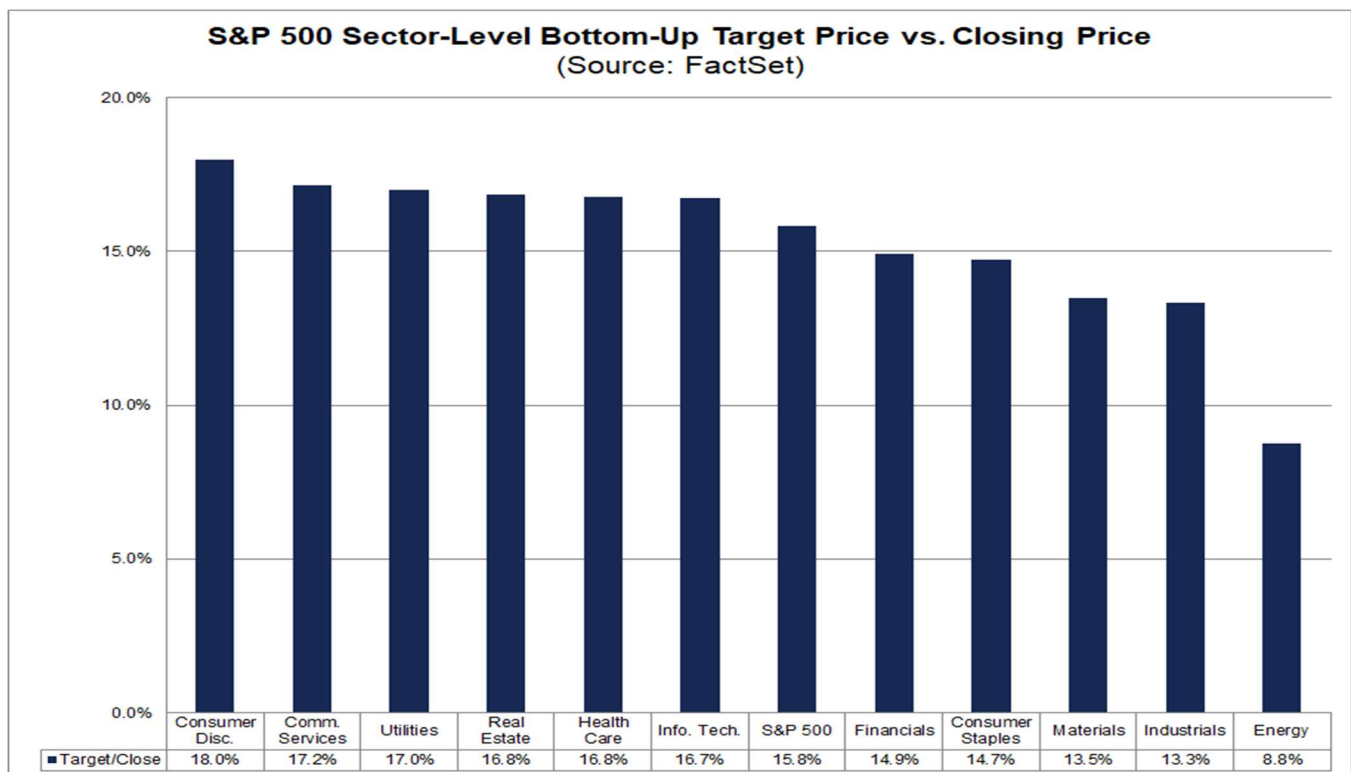
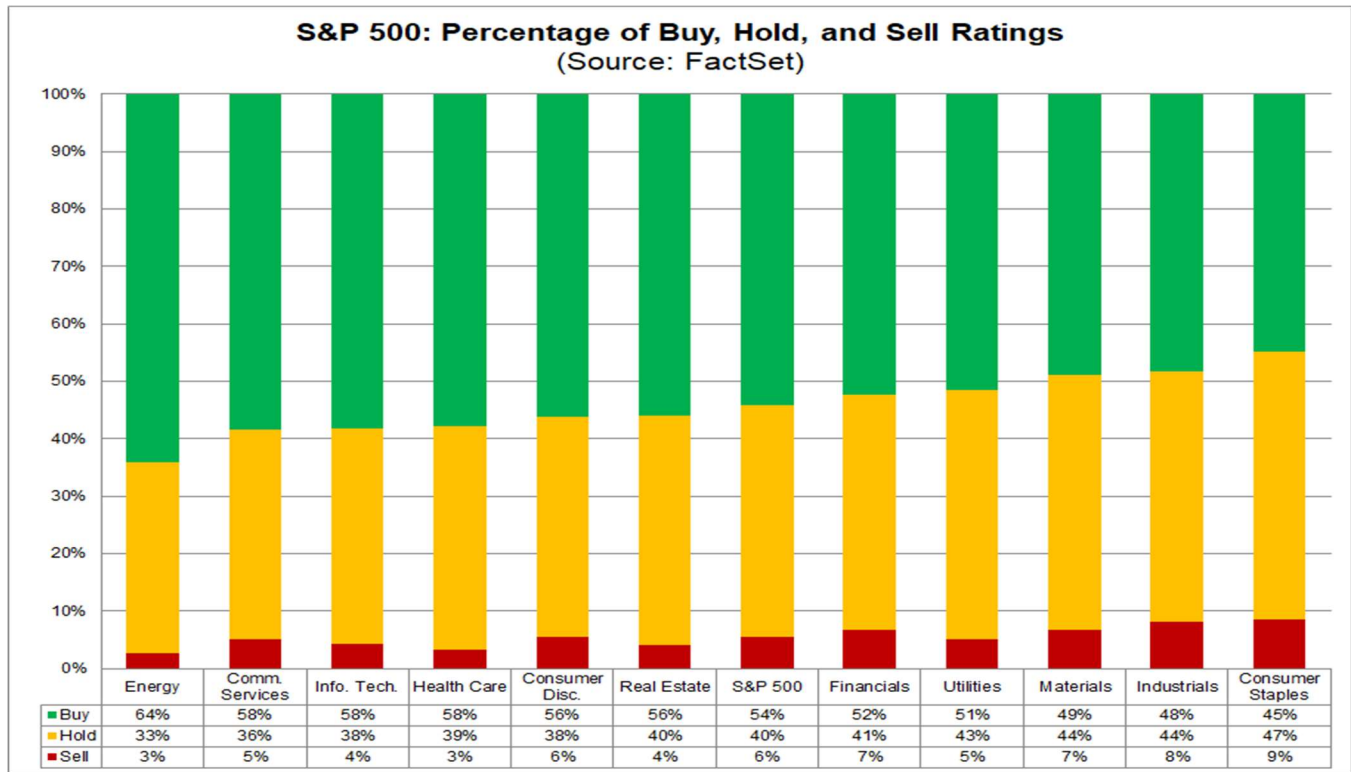
Forward 12M P/E Ratio: 10-Years



Trailing 12M P/E Ratio: 10-Years



Targets & Ratings



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