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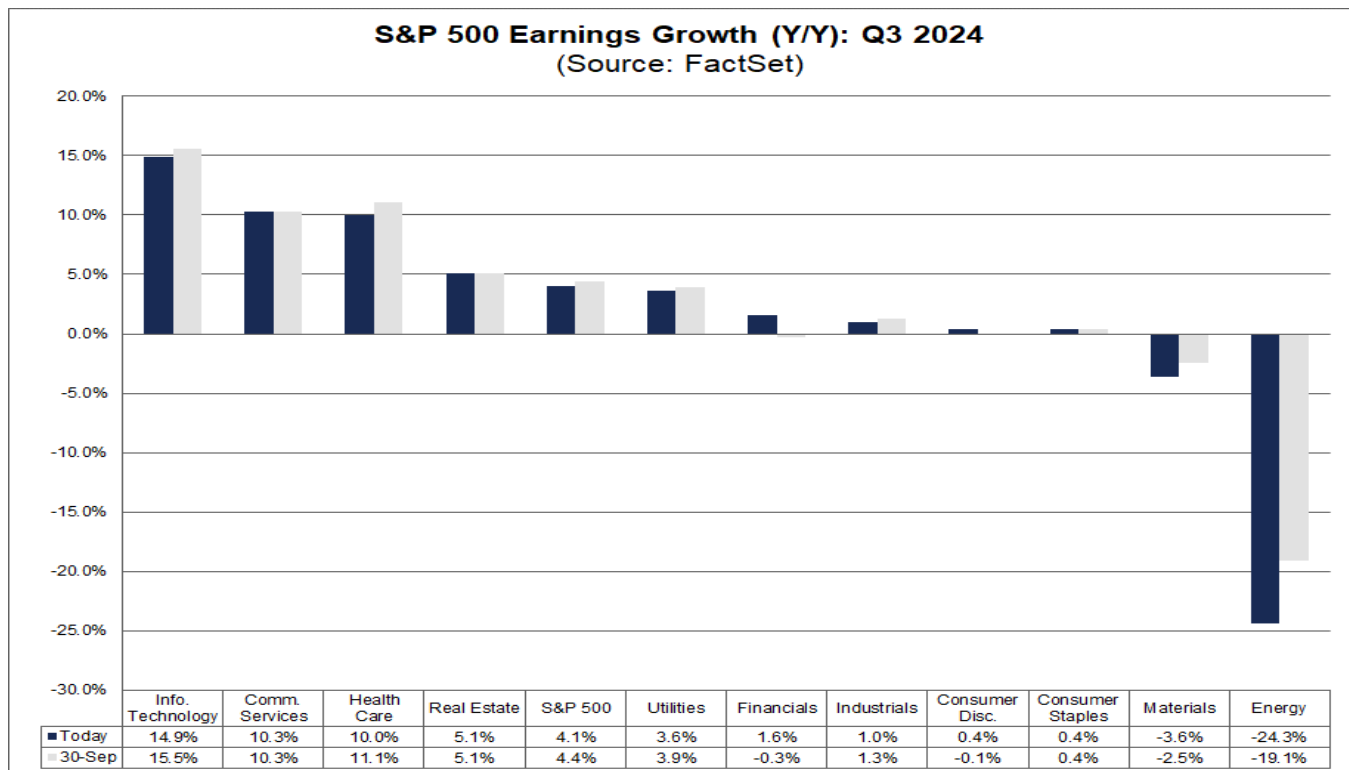
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Author’s Note: *Due to a technical issue, some of the charts and commentary normally published in the FactSet Earnings Insight report are not available this week. We apologize for any inconvenience.*

Key Metrics

- **Earnings Scorecard:** For Q3 2024 (with 6% of S&P 500 companies reporting actual results), 79% of S&P 500 companies have reported a positive EPS surprise and 60% of S&P 500 companies has reported a positive revenue surprise.
- **Earnings Growth:** For Q3 2024, the blended (year-over-year) earnings growth rate for the S&P 500 is 4.1%. If 4.1% is the actual growth rate for the quarter, it will mark the 5th straight quarter of year-over-year earnings growth for the index.
- **Earnings Revisions:** On September 30, the estimated (year-over-year) earnings growth rate for the S&P 500 for Q3 2024 was 4.4%. Six sectors are reporting lower earnings today (compared to September 30) due to downward revisions to EPS estimates and negative EPS surprises.
- **Earnings Guidance:** For Q3 2024, 60 S&P 500 companies have issued negative EPS guidance and 50 S&P 500 companies have issued positive EPS guidance.



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Topic of the Week: 1

S&P 500 Will Likely Report Earnings Growth Above 7% For Q3

The S&P 500 is reporting earnings growth of 4.1% for the third quarter, which would mark the fifth-straight quarter of year-over-year earnings growth rate reported by the index. Given that most S&P 500 companies report actual earnings above estimates, what is the likelihood the index will report earnings growth of 4.1% 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 7% for the third 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 6.8% 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 5.5 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 Q3 (September 30) of 4.4%, the actual earnings growth rate for the quarter would be 9.9% ($4.4\% + 5.5\% = 9.9\%$).

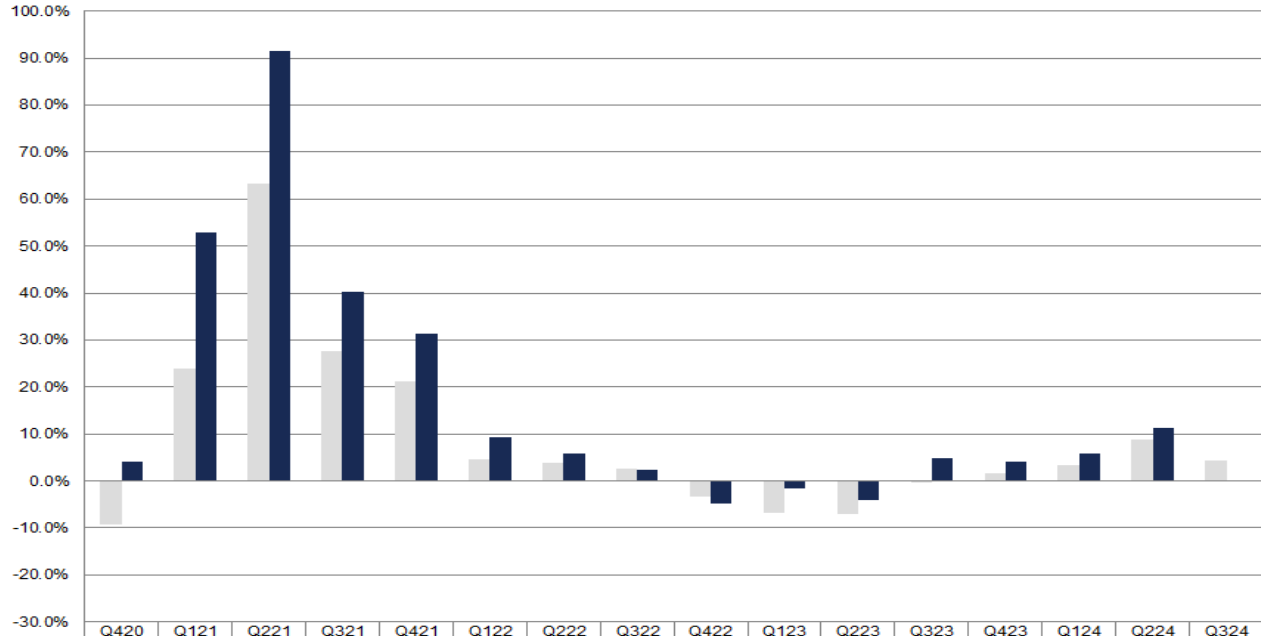
Over the past five years, actual earnings reported by S&P 500 companies have exceeded estimated earnings by 8.5% on average. During this same period, 77% of companies in the S&P 500 have reported actual EPS above the mean EPS estimate on average. As a result, from the end of the quarter through the end of the earnings season, the earnings growth rate has increased by 7.2 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 Q3 (September 30) of 4.4%, the actual earnings growth rate for the quarter would be 11.6% ($4.4\% + 7.2\% = 11.6\%$).

Over the past four quarters (Q3 2023 through Q2 2024), actual earnings reported by S&P 500 companies have exceeded estimated earnings by 5.5% on average. During these four quarters, 78% 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 3.1 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 Q3 (September 30) of 4.4%, the actual earnings growth rate for the quarter would be 7.5% ($4.4\% + 3.1\% = 7.5\%$).

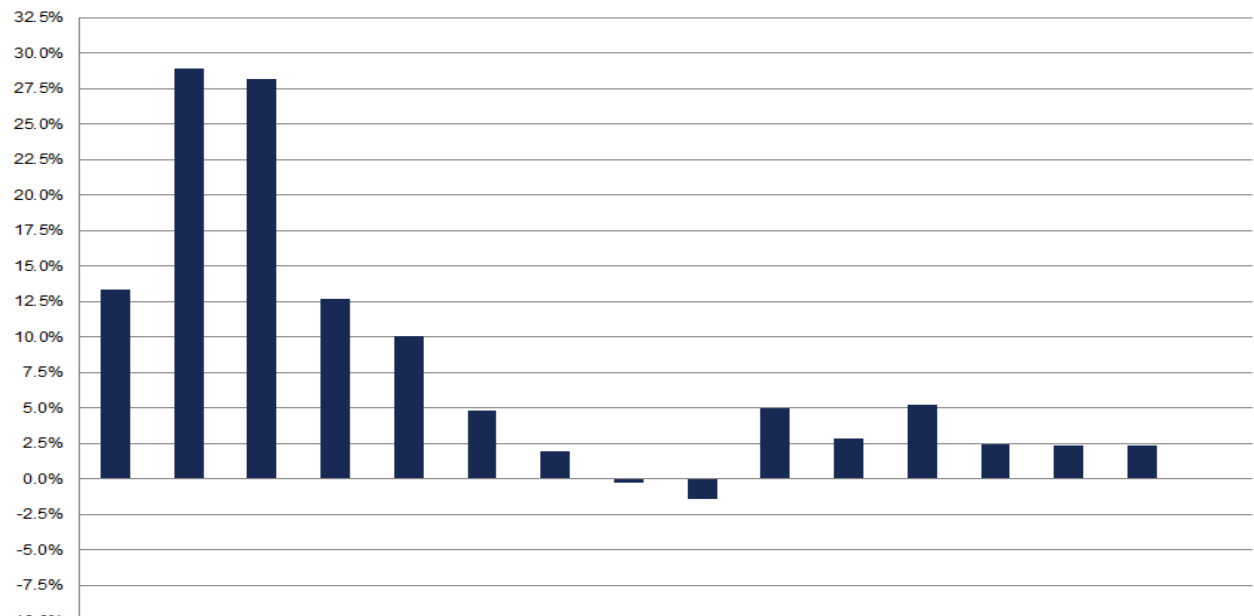
Thus, using the most conservative average improvement of these three timeframes, the index will likely report year-over-year earnings above 7% for the quarter.

How are the numbers trending to date? Of the 30 S&P 500 companies that have reported actual earnings for Q3 2024 through October 11, 79% have reported actual EPS above the mean EPS estimate. In aggregate, actual earnings reported by these 30 companies have exceeded estimated earnings by 5.9%. However, due to downward revisions to EPS estimates, the earnings growth rate for the S&P 500 has decreased by 0.3 percentage points (to 4.1% from 4.4%) since September 30.

S&P 500 Earnings Growth: End of Qtr. Estimate vs. Actual
(Source: FactSet)



Percentage-Point Change in S&P 500 Earnings Growth Rate: End of Qtr. to End of Earnings Season
(Source: FactSet)



Topic of the Week: 2

Highest Number of S&P 500 Technology Companies Issuing Positive EPS Guidance Since Q3 2021

Overall, 110 S&P 500 companies have issued quarterly EPS guidance for the third quarter. Of these companies, 60 have issued negative EPS guidance and 50 have issued positive EPS guidance.

The number of companies issuing negative EPS guidance is above the 5-year average of 57 but below the 10-year average of 62. Thus, the number for the third quarter is between the 5-year average and the 10-year average. However, this quarter also marks the lowest number of S&P 500 companies issuing negative EPS guidance for a quarter since Q4 2021 (53).

On the other hand, the number of companies issuing positive EPS guidance for the third quarter is well above the 5-year average of 41 and well above the 10-year average of 37. In fact, this is the highest number of S&P 500 companies issuing positive EPS guidance for a quarter since Q3 2021 (55).

As a result, the percentage of companies issuing negative EPS guidance is 55% (60 out of 110), which is below the 5-year average of 58% and below the 10-year average of 62%. This quarter also marks the lowest percentage of S&P 500 companies issuing negative EPS guidance since Q3 2021 (44%).

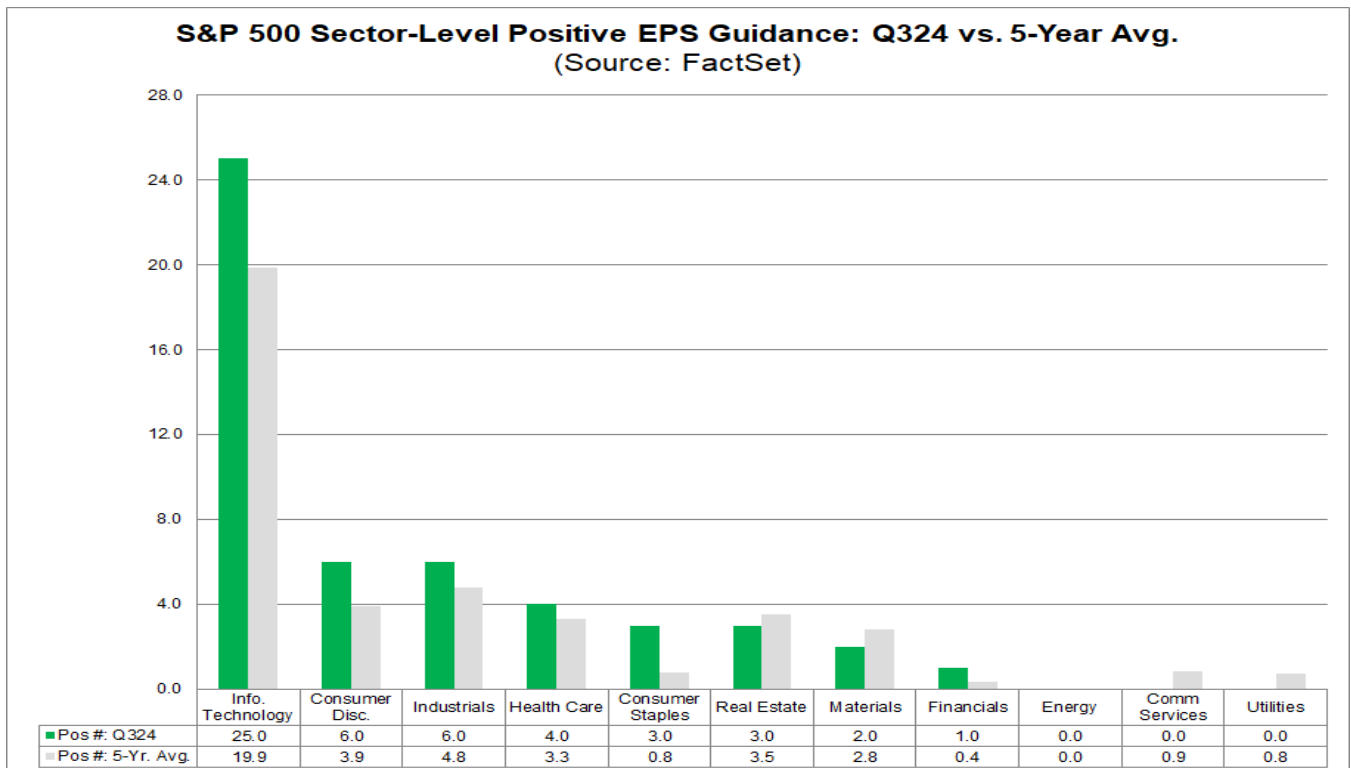
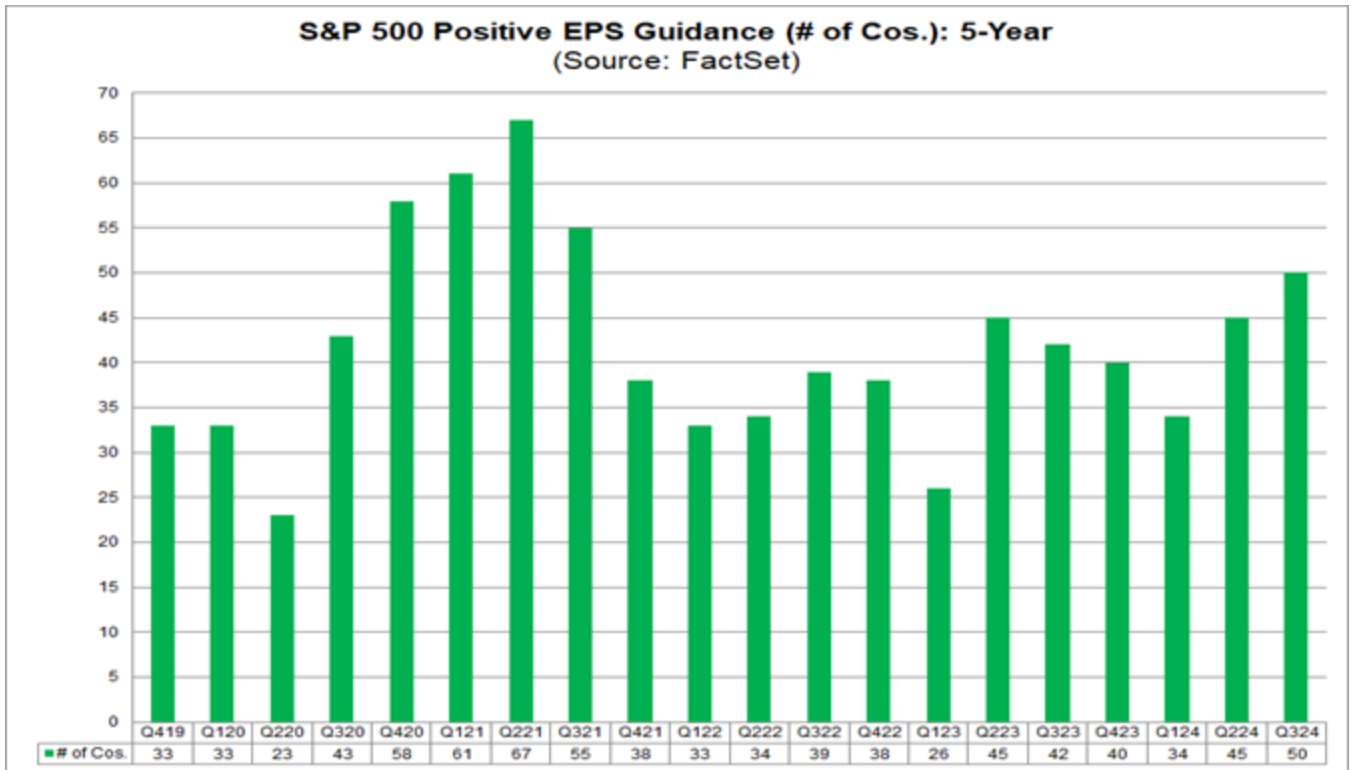
What is driving the higher number of S&P 500 companies issuing positive EPS guidance? At the sector level, the Information Technology sector has the highest number of companies issuing positive EPS guidance of all 11 sectors at 25. This number is above the 5-year average of 19.9 and above the 10-year average of 16.5 for the sector. In fact, this is the highest number of companies in the Information Technology sector issuing positive EPS guidance for a quarter since Q3 2021 (27).

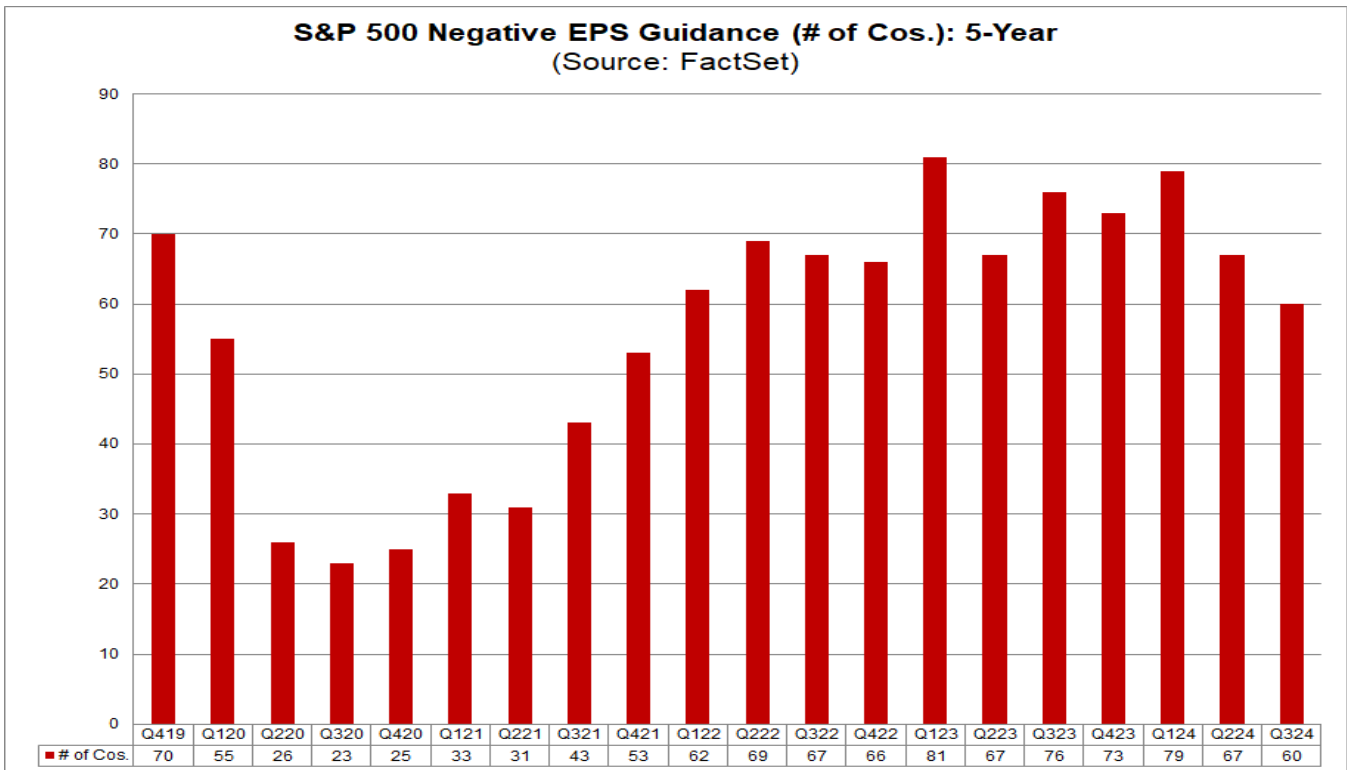
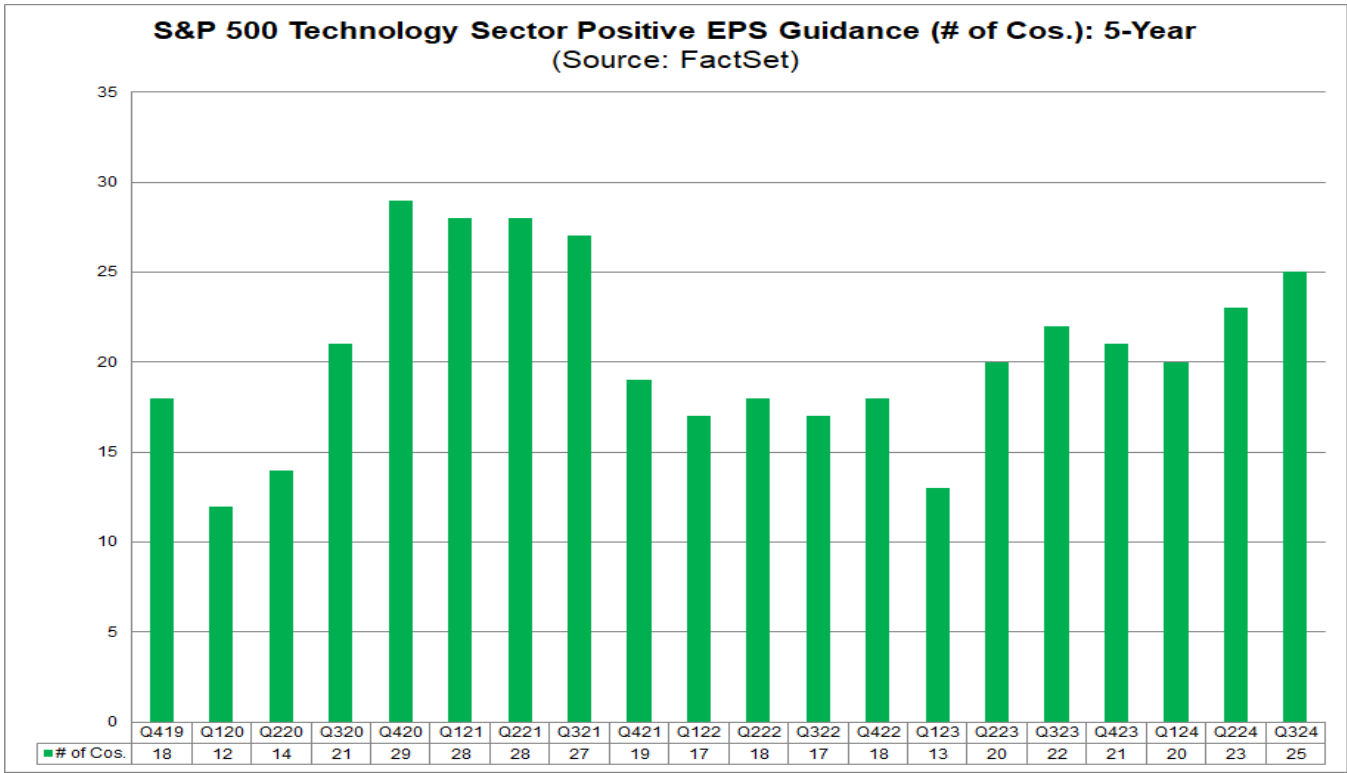
At the industry level, the Software (8) and Semiconductors & Semiconductor Equipment (7) industries have the highest number of companies issuing positive EPS guidance within the Information Technology sector.

It is interesting to note that the Information Technology is also the only sector in the S&P 500 to record an increase in its bottom-up EPS estimate (+0.3%) during the third quarter. For more details, please see our recent article at the following link: <https://insight.factset.com/did-analysts-cut-eps-estimates-more-than-average-for-sp-500-companies-for-q3>

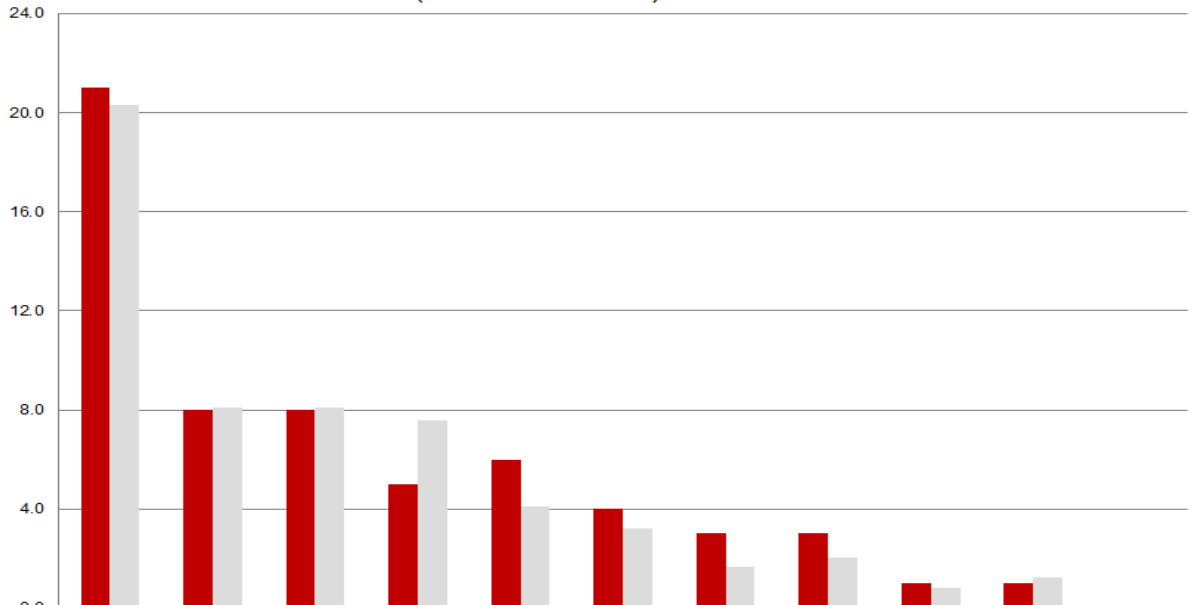
Thus, both companies and analysts have been more optimistic in their earnings outlooks for this sector relative to the other ten sectors. The Information Technology sector also has the highest earnings growth rate of all ten sectors for Q3 2024 at 14.9%.

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.





S&P 500 Sector-Level Negative EPS Guidance: Q324 vs. 5-Year Avg.
(Source: FactSet)



	Info. Tech.	Industrials	Health Care	Consumer Disc.	Materials	Consumer Staples	Real Estate	Utilities	Financials	Comm. Services	Energy
■ Neg #: Q324	21.0	8.0	8.0	5.0	6.0	4.0	3.0	3.0	1.0	1.0	0.0
■ Neg #: 5-Yr. Avg.	20.3	8.1	8.1	7.6	4.1	3.2	1.7	2.1	0.8	1.3	0.1

Q3 Earnings Season: By The Numbers

Overview

At this very early stage, the third quarter earnings season for the S&P 500 is off to a mixed start. While the percentage of S&P 500 companies reporting positive earnings surprises is above recent averages, the magnitude of earnings surprises is below recent averages. As a result, the index is reporting higher earnings for the third quarter today relative to the end of last week, but reporting lower earnings relative for the third quarter today relative to the end of the quarter. Overall, the index is reporting (year-over-year) earnings growth rate for the fifth-straight quarter.

Overall, 6% of the companies in the S&P 500 have reported actual results for Q3 2024 to date. Of these companies, 79% have reported actual EPS above estimates, which is above the 5-year average of 77% and above the 10-year average of 74%. In aggregate, companies are reporting earnings that are 5.9% above estimates, which is below the 5-year average of 8.5% and below the 10-year average of 6.8%. 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 index is reporting higher earnings for the third quarter today relative to the end of last week, but lower earnings today 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 third quarter is 4.1% today, compared to an earnings growth rate of 4.0% last week and an earnings growth rate of 4.4% at the end of the third quarter (September 30).

Positive EPS surprises and upward revisions to EPS estimates for companies in the Financials sector, partially offset by downward revisions to EPS estimates for companies in the Energy sector, were the largest contributors to the increase in the overall earnings growth rate for the index during the past week.

If 4.1% is the actual growth rate for the quarter, it will mark the fifth consecutive quarter of year-over-year earnings growth for the index.

Nine of the eleven sectors are reporting (or are projected to report) year-over-year growth. Three of these nine sectors are reporting (or are predicted to report) double-digit growth: Information Technology, Communication Services, and Health Care. On the other hand, two sectors are predicted to report a year-over-year decline in earnings. Only one of these sectors is expected to report a double-digit decline: Energy.

In terms of revenues, 60% of S&P 500 companies have reported actual revenues above estimates, which is below the 5-year average of 69% and below the 10-year average of 64%. In aggregate, companies are reporting revenues that are 0.5% above the estimates, which is below the 5-year average of 2.0% and below 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 4.6% today, compared to a revenue growth rate of 4.6% last week and a revenue growth rate of 4.7% at the end of the third quarter (September 30).

During the past week, positive revenue surprises reported by companies in the Financials sector were offset by downward revisions to revenues estimates for companies in the Energy sector and negative revenue surprises reported by companies in other sectors, resulting in no change in the overall revenue growth rate for the index over this period.

If 4.6% is the actual revenue growth rate for the quarter, it will mark the 16th consecutive quarter of revenue growth for the index.

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

Looking ahead, analysts expect (year-over-year) earnings growth rates of 14.2%, 13.9%, and 13.1% for Q4 2024, Q1 2025, and Q2 2025, respectively. For CY 2024, analysts are calling for (year-over-year) earnings growth of 9.7%. For CY 2025, analysts are predicting (year-over-year) earnings growth of 14.9%.

During the upcoming week, 43 S&P 500 companies (including 6 Dow 30 components) are scheduled to report results for the third quarter.

Scorecard: Percentage of Positive EPS Surprises Is Above Average

Percentage of Companies Beating EPS Estimates (79%) is Above 5-Year Average

Overall, 6% of the companies in the S&P 500 have reported earnings to date for the third quarter. Of these companies, 79% have reported actual EPS above the mean EPS estimate, 3% have reported actual EPS equal to the mean EPS estimate, and 17% 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 (78%), above the 5-year average (77%), and above 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 Financials (100%) and Information Technology (100%) sectors have the highest percentages of companies reporting earnings above estimates, while the Consumer Discretionary (57%) and Industrials (60%) sectors have the lowest percentages of companies reporting earnings above estimates.

Earnings Surprise Percentage (+5.9%) is Below 5-Year Average

In aggregate, companies are reporting earnings that are 5.9% above expectations. This surprise percentage is above the 1-year average (+5.5%), but below the 5-year average (+8.5%) and below the 10-year average (+6.8%). 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 Financials (+9.6%) sector is reporting the largest positive (aggregate) difference between actual earnings and estimated earnings. Within this sector, Wells Fargo (\$1.42 vs. \$1.28), BlackRock (\$11.46 vs. \$10.36), and JPMorgan Chase (\$4.37 vs. \$3.99) have reported the largest positive EPS surprises.

The Consumer Discretionary (+9.1%) sector is reporting the second-largest positive (aggregate) difference between actual earnings and estimated earnings. Within this sector, NIKE (\$0.70 vs. \$0.52), Lennar (\$4.26 vs. \$3.65), and Domino's Pizza (\$4.19 vs. \$3.64) have reported the largest positive EPS surprises.

Market Rewarding Positive EPS Surprises Less Than Average

To date, the market is rewarding positive earnings surprises reported by S&P 500 companies for Q3 less than average and also punishing negative earnings surprises reported by S&P 500 companies for Q3 less than average.

Companies that have reported positive earnings surprises for Q3 2024 have seen an average price increase of +0.6% two days before the earnings release through two days after the earnings release. This percentage increase is 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 Q3 2024 have seen an average price decrease of -2.1% two days before the earnings release through two days after the earnings release. This percentage decrease is smaller than the 5-year average price decrease of -2.3% during this same window for companies reporting negative earnings surprises.

Percentage of Companies Beating Revenue Estimates (60%) is Below 5-Year Average

In terms of revenues, 60% of the companies have reported actual revenues above estimated revenues, 0% of the companies have reported actual revenues equal to estimated revenues, and 40% of the companies have reported actual revenues below estimated revenues. The percentage of companies reporting revenues above estimates is below the 1-year average (62%), below the 5-year average (69%), and below the 10-year average (64%). Historical averages reflect actual results from all 500 companies, not the actual results from the percentage of companies that have reported through this point in time.

At the sector level, the Information Technology (100%) and Financials (80%) sectors have the highest percentages of companies reporting revenues above estimates, while the Consumer Staples (43%) and Consumer Discretionary (43%) sectors have the lowest percentages of companies reporting revenues above estimates.

Revenue Surprise Percentage (+0.5%) is Above 5-Year Average

In aggregate, companies are reporting revenues that are 0.5% above expectations. This surprise percentage is below the 1-year average (+0.8%), above the 5-year average (+2.0%), 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 Financials (+3.0%) and Information Technology (+1.3%) sectors are reporting the largest positive (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 third quarter is 4.1%, which is slightly above the earnings growth rate of 4.0% last week. Upward revisions to EPS estimates and positive EPS surprises reported by companies in the Financials sector, partially offset by downward revisions to EPS estimates for companies in the Energy sector, were the largest contributors to the small increase in the overall earnings growth rate during the past week.

In the Financials sector, the positive EPS surprises reported by JPMorgan Chase (\$4.37 vs. \$3.99) and Wells Fargo (\$1.42 vs. \$1.28) were the largest contributors to the small increase in the earnings growth rate for the index during the past week. As a result, the blended earnings growth rate for the Financials sector increased to 1.6% from -0.7% over this period.

In the Energy sector, downward revisions to EPS estimates for Marathon Petroleum (to \$1.13 from \$2.19), Exxon Mobil (to \$1.89 from \$1.94), Phillips 66 (to \$1.69 from \$2.08), and Valero Energy (to \$1.06 from \$1.39) were significant detractors to the increase in the overall earnings growth rate during the past week. As a result, the estimated earnings decline for the Energy sector increased to -24.3% from -21.5% over this period.

No Change in Blended Revenues This Week

The blended (year-over-year) revenue growth rate for the second quarter is 4.6%, which is equal to the revenue growth rate of 4.6% last week. During the past week, positive revenue surprises reported by companies in the Financials sector were offset by downward revisions to revenues estimates for companies in the Energy sector and negative revenue surprises reported by companies in other sectors, resulting in no change in the overall revenue growth rate for the index over this period.

Earnings Growth: 4.1%

The blended (year-over-year) earnings growth rate for Q3 2024 is 4.1%, which is below the 5-year average earnings growth rate of 10.0% and below the 10-year average earnings growth rate of 8.5%. If 4.1% is the actual growth rate for the quarter, it will mark the fifth consecutive quarter of year-over-year earnings growth for the index.

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

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

The Information Technology sector is reporting the highest (year-over-year) earnings growth rate of all eleven sectors at 14.9%. At the industry level, 5 of the 6 industries in the sector are reporting (or are projected to report) year-over-year earnings growth: Semiconductors & Semiconductor Equipment (37%), Technology Hardware, Storage, & Peripherals (11%), Software (7%), Electronic Equipment, Instruments, & Components (5%), and IT Services (2%). On the other hand, the Communications Equipment (-16%) industry is the only industry predicted to report a year-over-year decline in earnings.

At the company level, NVIDIA (\$0.74 vs. \$0.40) is the largest contributor to earnings growth for the sector. If this company were excluded, the estimated (year-over-year) earnings growth rate for the Information Technology sector would fall to 7.5% from 14.9%.

Communication Services: Alphabet and Meta Platforms Lead Year-Over-Year Growth

The Communication Services sector is expected to report the second-highest (year-over-year) earnings growth rate of all eleven sectors at 10.3%. At the industry level, 3 of the 5 industries in the sector are predicted to report year-over-year earnings growth. All three industries are projected to report double-digit growth: Wireless Telecommunication Services (33%), Entertainment (31%), and Interactive Media & Services (16%), and. On the other hand, two industries are expected to report a year-over-year decline in earnings: Diversified Telecommunication Services (-7%) and Media (-5%).

At the company level, Alphabet (\$1.84 vs. \$1.55) and Meta Platforms (\$5.19 vs. \$4.39) are expected to be the largest contributors to earnings growth for the sector. If these two companies were excluded, the estimated (year-over-year) earnings growth rate for Communication Services sector would fall to 3.6% from 10.3%.

Health Care: Pfizer, Eli Lilly, and Moderna Are Largest Contributors to Year-Over-Year Growth

The Health Care sector is expected to report the third-highest (year-over-year) earnings growth rate of all eleven sectors at 10.0%. At the industry level, 3 of the 5 industries in the sector are projected to report year-over-year earnings growth: Pharmaceuticals (29%), Biotechnology (20%), and Health Care Equipment & Supplies (6%). On the other hand, two industries are predicted to report a year-over-year decline in earnings: Life Sciences, Tools, & Services (-11%) and Health Care Providers & Services (-4%).

At the company level, Pfizer (\$0.59 vs. -\$0.17), Eli Lilly and Company (\$4.42 vs. \$0.10), and Moderna (-\$1.85 vs. -\$9.53) are expected to be the largest contributors to earnings growth for the sector. If these three companies were excluded, the Health Care sector would be projected to report a (year-over-year) decline in earnings of -7.8% instead of (year-over-year) earnings growth of 10.0%.

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

The Energy sector is expected to report the largest (year-over-year) earnings decline of all eleven sectors at -24.3%. 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 Q3 2024 (\$75.27) was 8% below the average price for oil in Q3 2023 (\$82.22). At the sub-industry level, 3 of the 5 sub-industries in the sector are predicted to report a year-over-year decline in earnings: Oil & Gas Refining & Marketing (-82%), Oil & Gas Exploration & Production (-12%), and Integrated Oil & Gas (-12%). On the other hand, two sub-industries are predicted to report year-over-year growth in earnings: Oil & Gas Storage & Transportation (15%) and Oil & Gas Equipment & Services (13%). The Oil & Gas Refining & Marketing sub-industry is also the largest contributor to the earnings decline for this sector. If this sub-industry were excluded, the estimated (year-over-year) earnings decline for the Energy sector would improve to -8.2% from -24.3%.

Revenue Growth: 4.6%

The blended (year-over-year) revenue growth rate for Q3 2024 is 4.6%, which is below the 5-year average revenue growth rate of 6.8% and below the 10-year average revenue growth rate of 5.1%. If 4.6% is the actual growth rate for the quarter, it will mark the 16th 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 and Communication Services sectors. On the other hand, the Energy sector is the only sector that is expected to report a year-over-year decline in revenues.

Information Technology: 4 of 6 Industries Expected to Report Year-Over-Year Growth

The Information Technology sector is reporting the highest (year-over-year) revenue growth rate of all eleven sectors at 11.8%. At the industry level, 4 of the 6 industries in the sector are reporting (or are predicted to report) year-over-year revenue growth: Semiconductors & Semiconductor Equipment (25%), Software (12%), Technology Hardware, Storage, & Peripherals (11%), and IT Services (2%). On the other hand, two industries are reporting (or are expected to report) a year-over-year decline in revenue: Communications Equipment (-3%) and Electronic Equipment, Instruments, & Components (-2%).

Communication Services: All 5 Industries Expected to Report Year-Over-Year Growth

The Communication Services sector is expected to report the second-highest (year-over-year) revenue growth rate of all eleven sectors at 8.0%. At the industry level, all 5 industries in the sector are projected to report year-over-year revenue growth: Interactive Media & Services (13%), Entertainment (5%), Wireless Telecommunication Services (4%), Media (3%), and Diversified Telecommunication Services (less than 1%).

Energy: 2 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 -4.2%. At the sub-industry level, two sub-industries are predicted to report a year-over-year decline in revenue: Oil & Gas Refining & Marketing (-15%) and Oil & Gas Exploration & Production (-1%). On the other hand, 3 sub-industries in the sector are projected to report year-over-year revenue growth: Oil & Gas Storage & Transportation (14%), Oil & Gas Equipment & Services (8%), and Integrated Oil & Gas (less than 1%).

Net Profit Margin: 12.1%

The estimated net profit margin for the S&P 500 for Q3 2024 is 12.1%, which is below the previous quarter's net profit margin of 12.2% and below the year-ago net profit margin of 12.2%, but above the 5-year average of 11.5%.

At the sector level, five sectors are reporting (or are expected to report) a year-over-year increase in their net profit margins in Q3 2024 compared to Q3 2023, led by the Information Technology (24.5% vs. 23.9%) sector. On the other hand, six sectors are reporting (or are expected to report) a year-over-year decrease in their net profit margins in Q3 2024 compared to Q3 2023, led by the Energy (8.4% vs. 10.6%) sector.

Seven sectors are reporting (or are expected to report) net profit margins in Q3 2024 that are above their 5-year averages, led by the Consumer Discretionary (9.2% vs. 6.7%) sector. On the other hand, four sectors are reporting (or are expected to report) net profit margins in Q3 2024 that are below their 5-year averages, led by the Materials (9.5% vs. 11.2%) and Health Care (8.1% vs. 9.7%) sectors.

Forward Estimates

Guidance: Negative Guidance Percentage for Q3 is Below 5-Year and 10-Year Averages

At this point in time, 110 companies in the index have issued EPS guidance for Q3 2024. Of these 110 companies, 60 have issued negative EPS guidance and 50 have issued positive EPS guidance. The number of companies issuing negative EPS guidance for Q3 2024 is above the 5-year average of 57 but below the 10-year average of 62. However, then number of companies issuing positive EPS guidance is above the 5-year average of 41 and above the 10-year average of 37.

The percentage of companies issuing negative EPS guidance for Q3 2024 is 55% (60 out of 110), which is below the 5-year average of 58% and below the 10-year average of 62%.

At this point in time, 269 companies in the index have issued EPS guidance for the current fiscal year (FY 2024 or FY 2025). Of these 269 companies, 122 have issued negative EPS guidance and 147 have issued positive EPS guidance. The percentage of companies issuing negative EPS guidance is 45% (122 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: S&P 500 Expected to Report Earnings Growth of 10% for CY 2024

For the third quarter, S&P 500 companies are reporting year-over-year growth in earnings of 4.1% and year-over-year growth in revenues of 4.6%.

For Q4 2024, analysts are projecting earnings growth of 14.2% and revenue growth of 5.1%.

For CY 2024, analysts are projecting earnings growth of 9.7% and revenue growth of 5.0%.

For Q1 2025, analysts are projecting earnings growth of 13.9% and revenue growth of 5.5%.

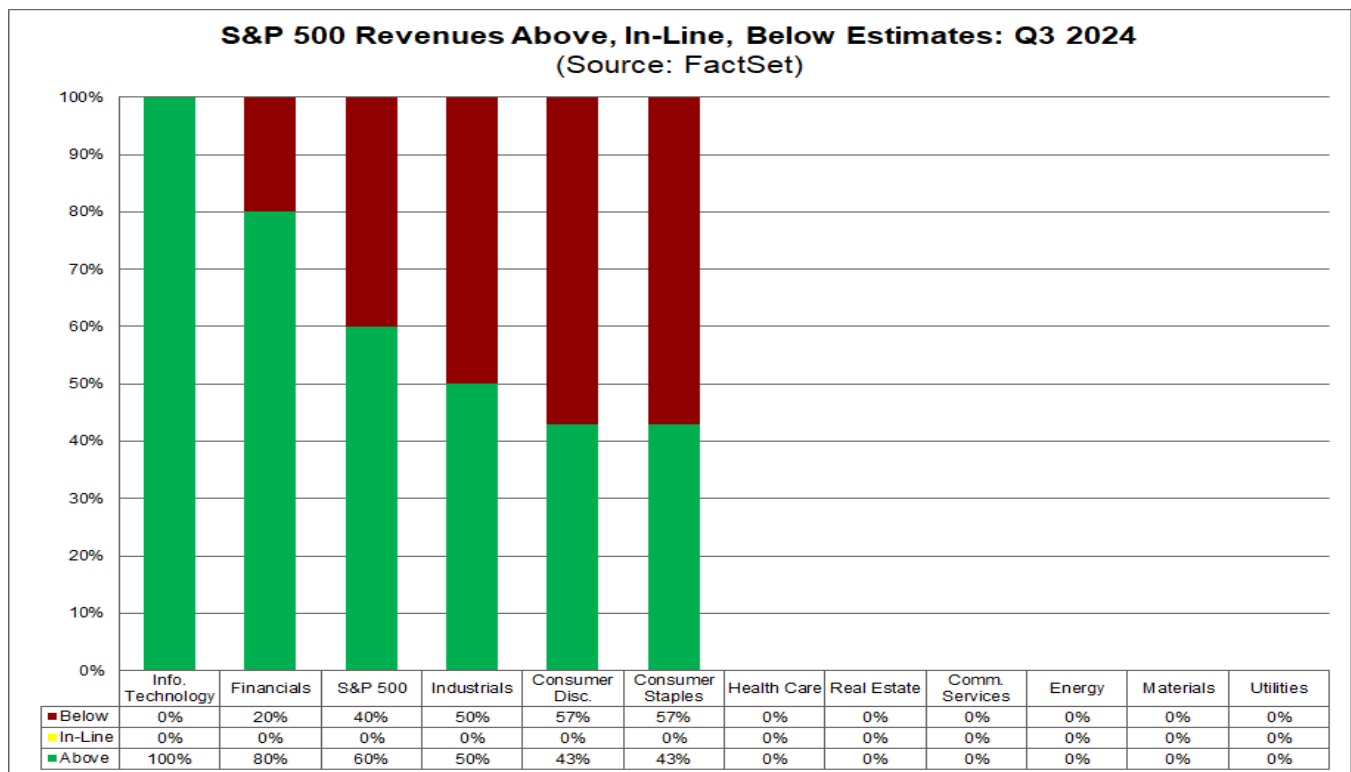
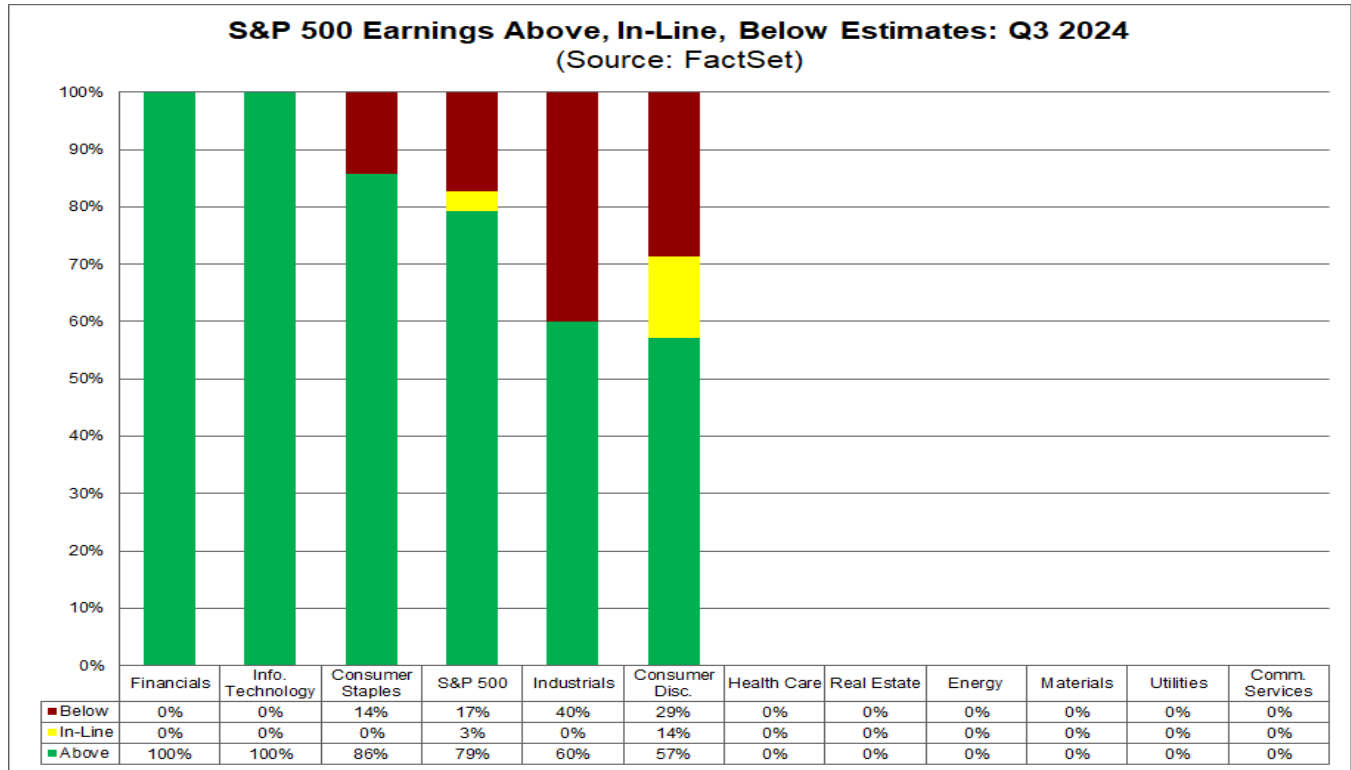
For Q2 2025, analysts are projecting earnings growth of 13.1% and revenue growth of 5.4%.

For CY 2025, analysts are projecting earnings growth of 14.9% and revenue growth of 5.9%.

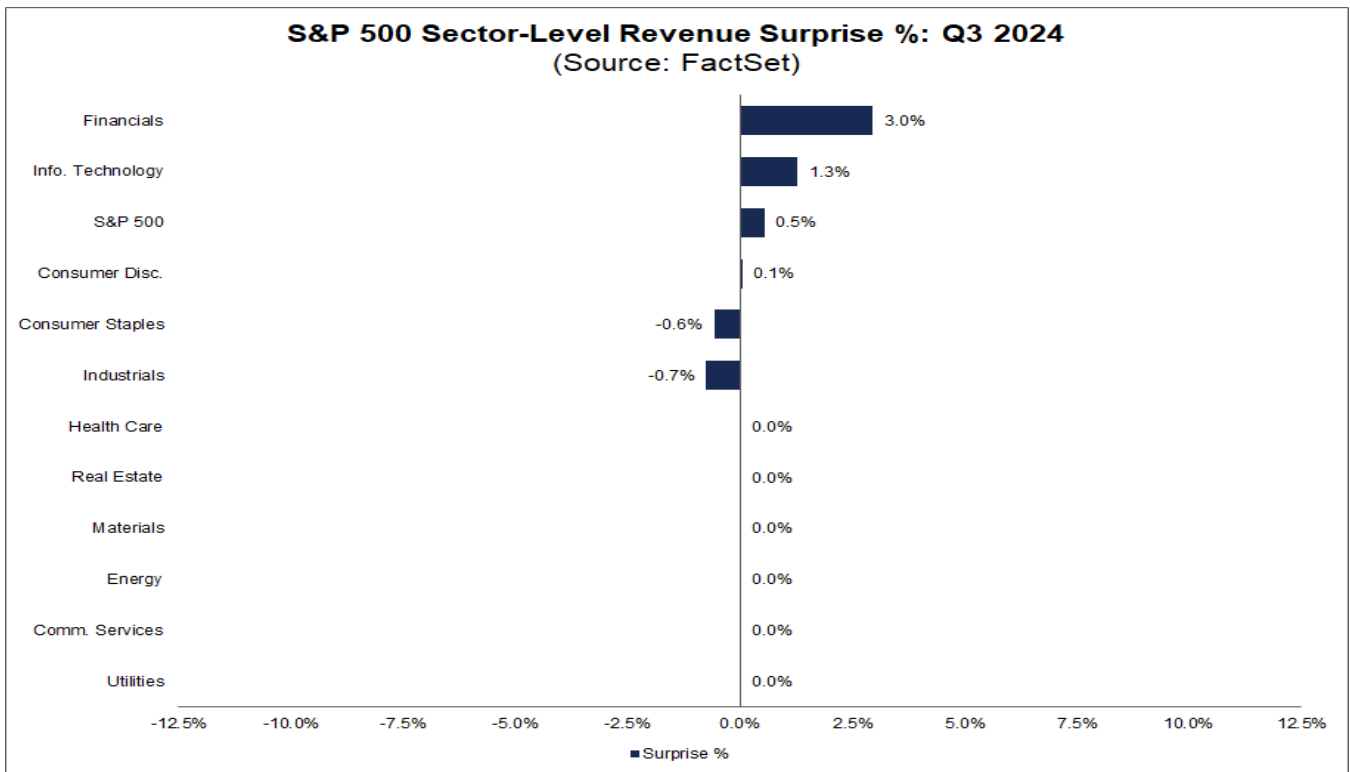
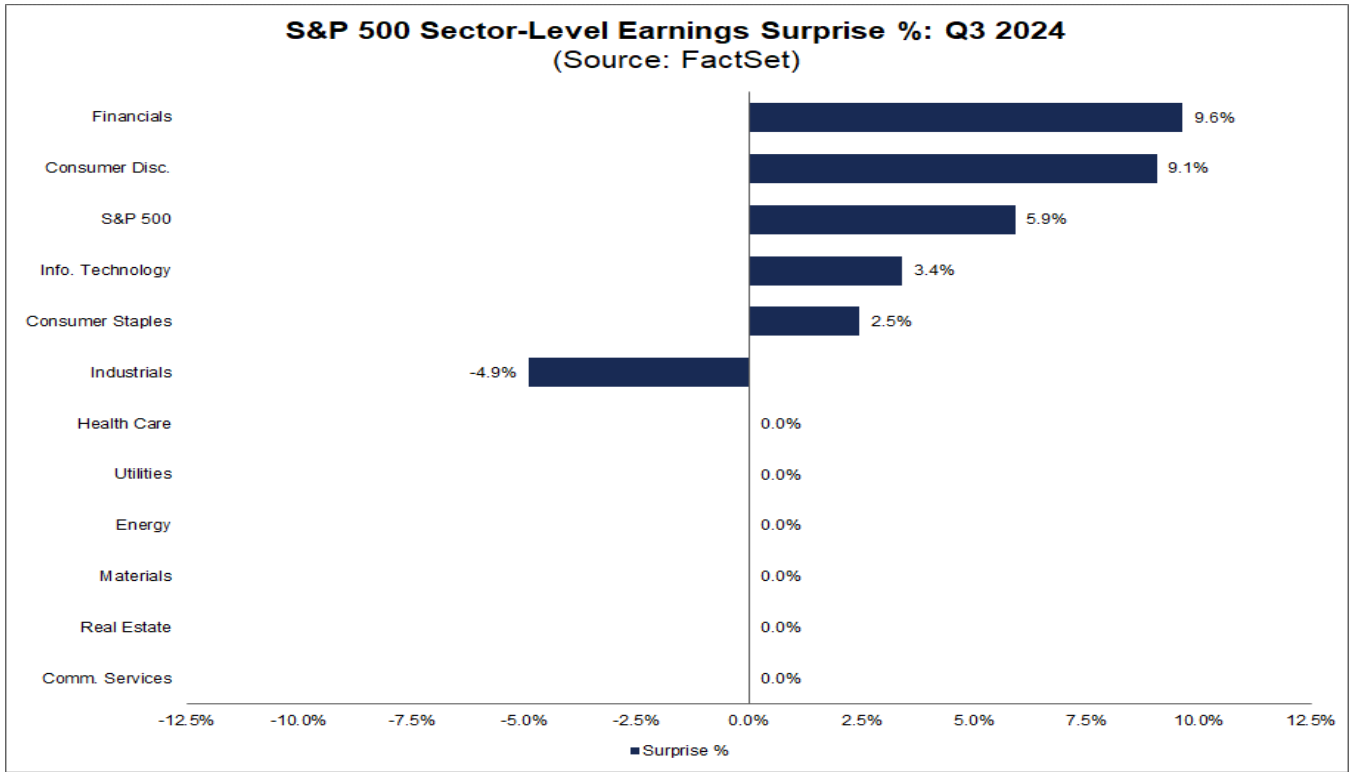
Companies Reporting Next Week: 43

During the upcoming week, 43 S&P 500 companies (including 6 Dow 30 components) are scheduled to report results for the third quarter.

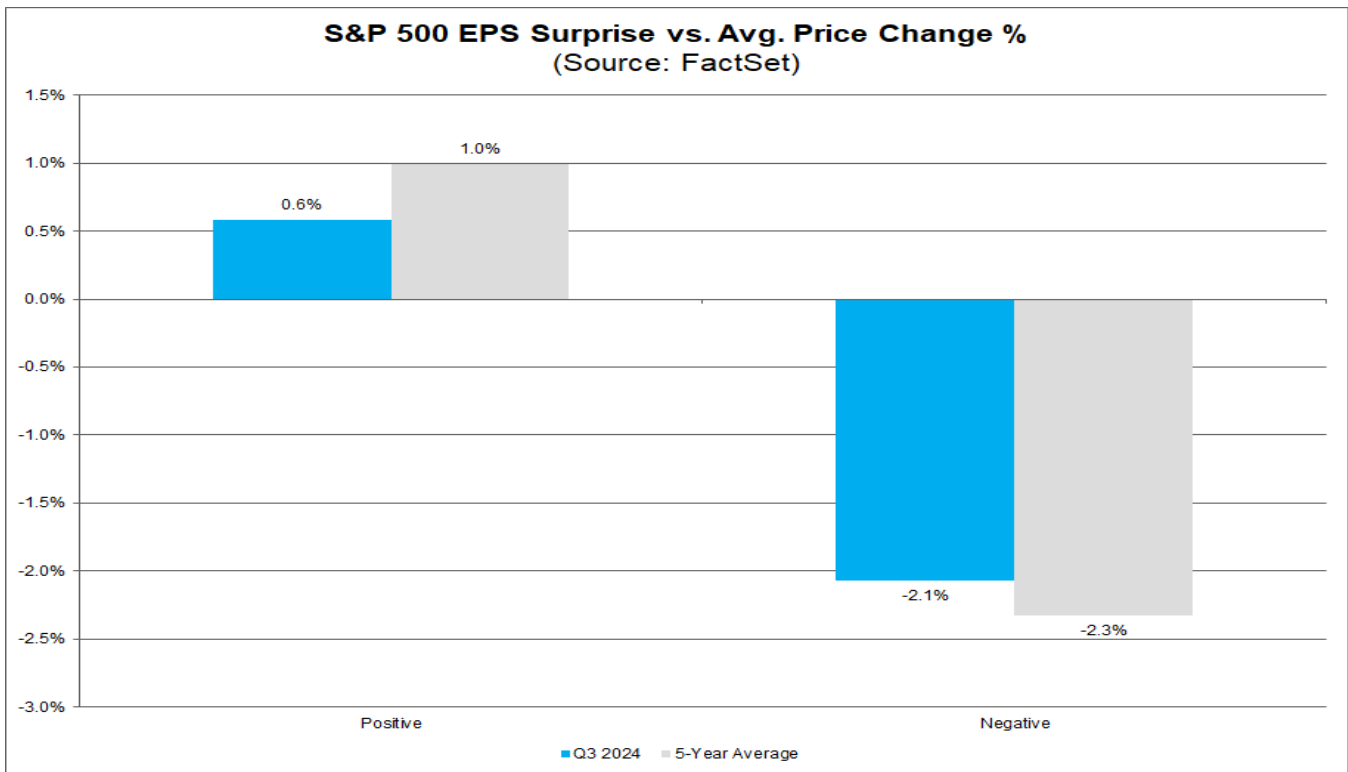
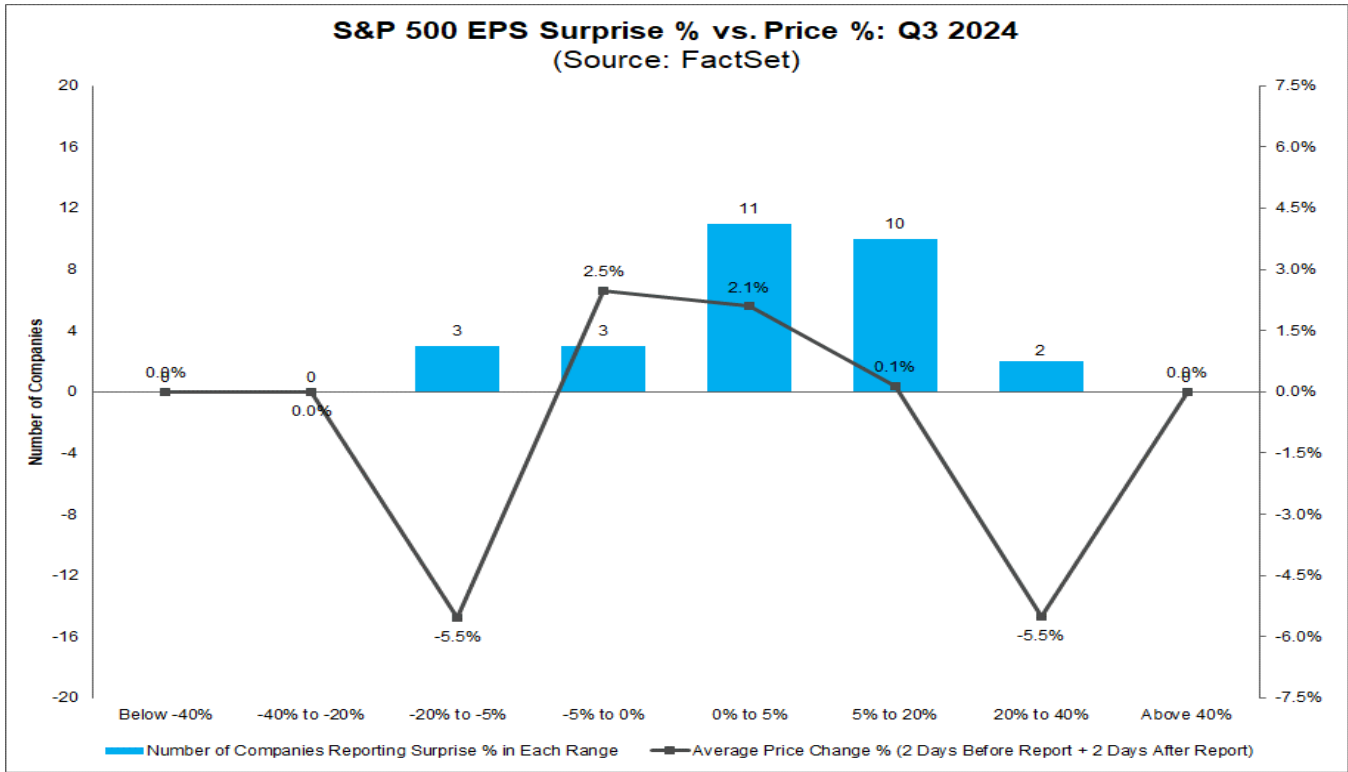
Q3 2024: Scorecard



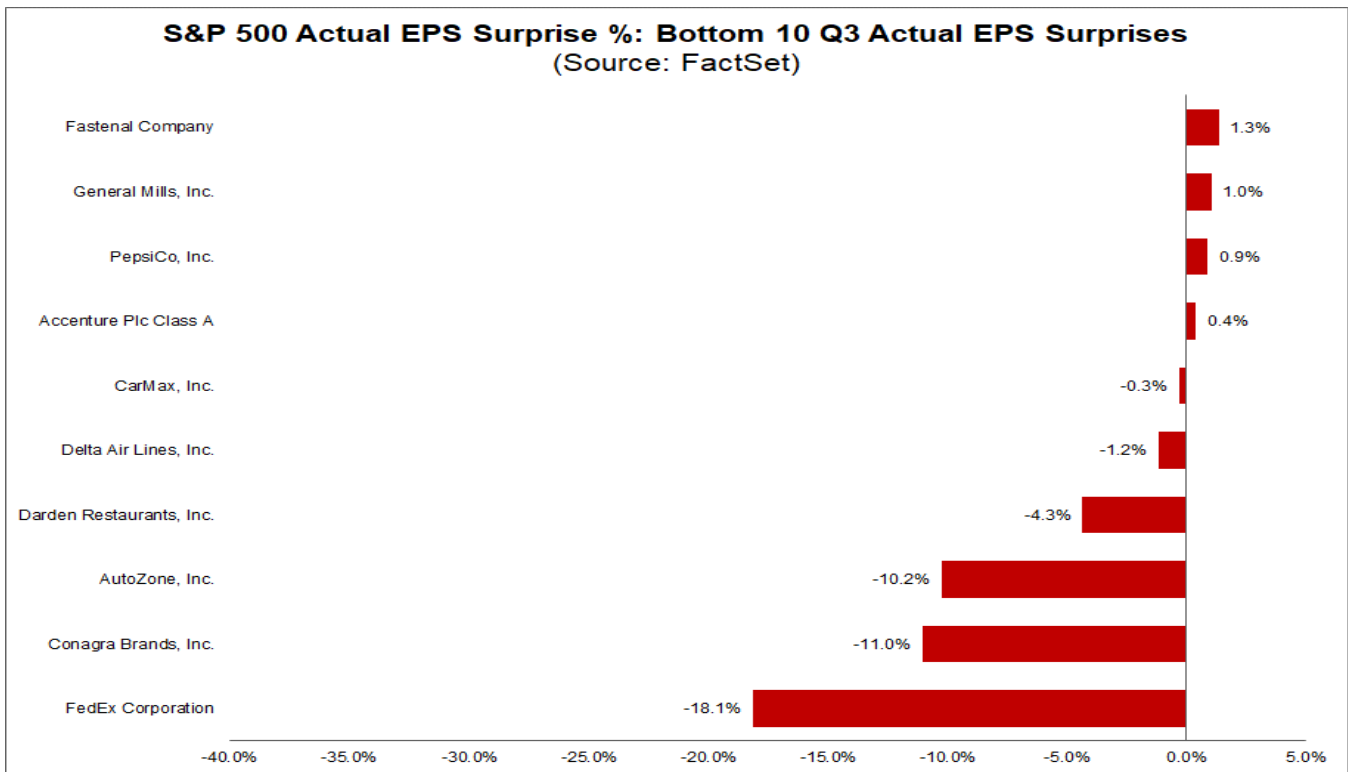
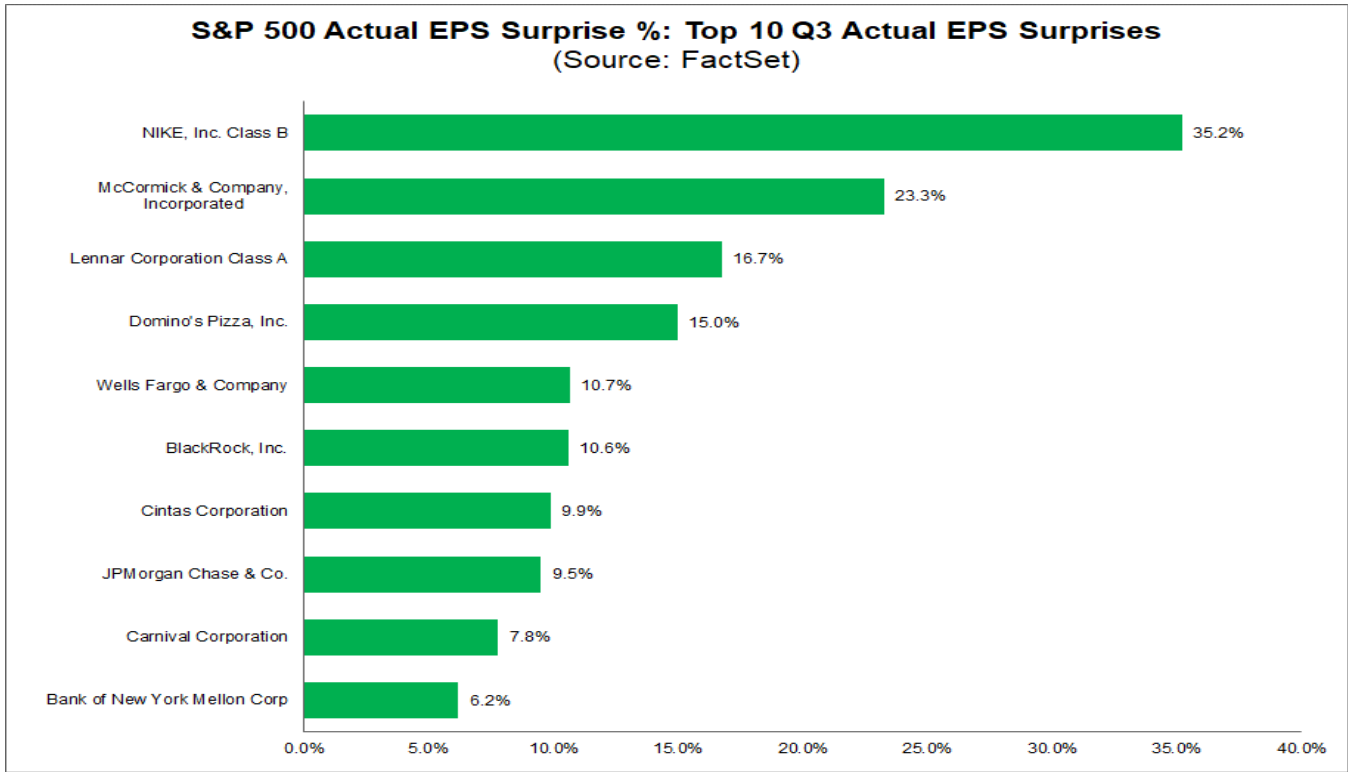
Q3 2024: Surprise



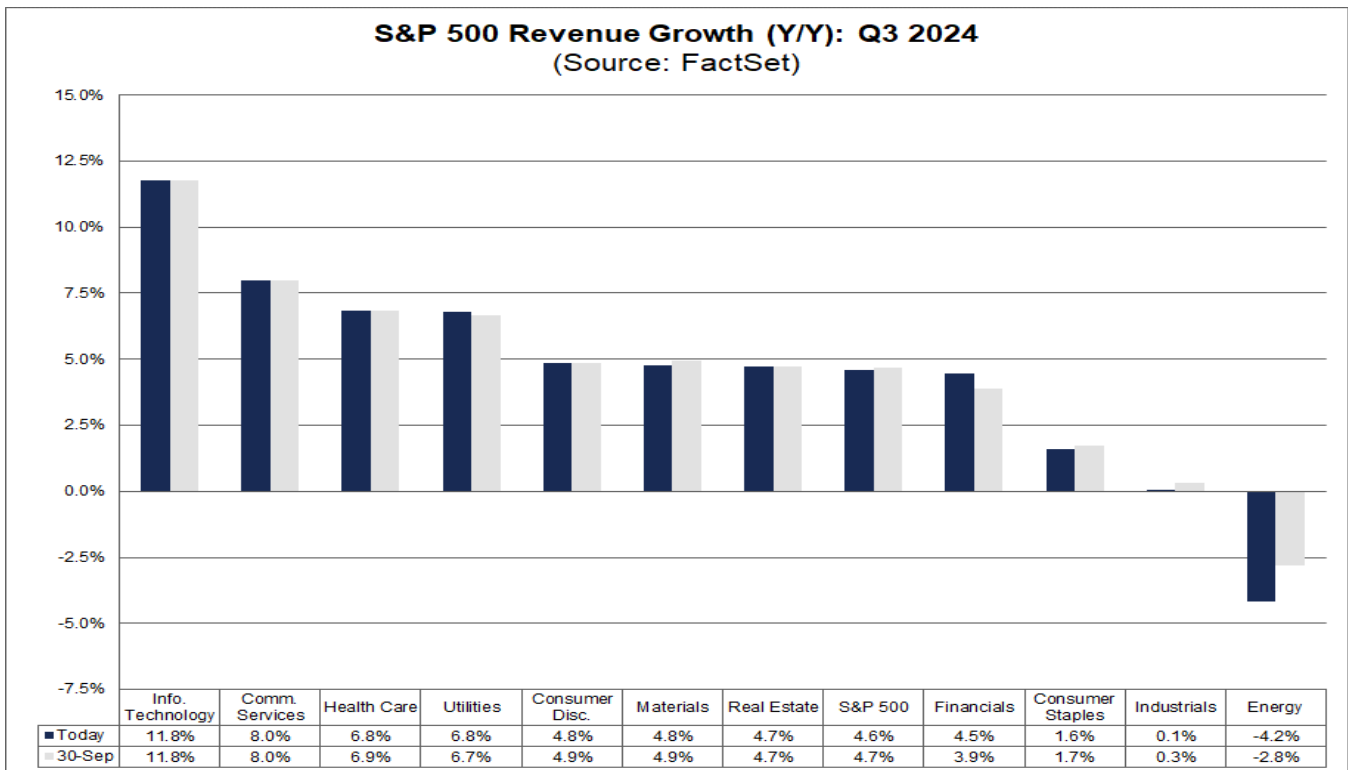
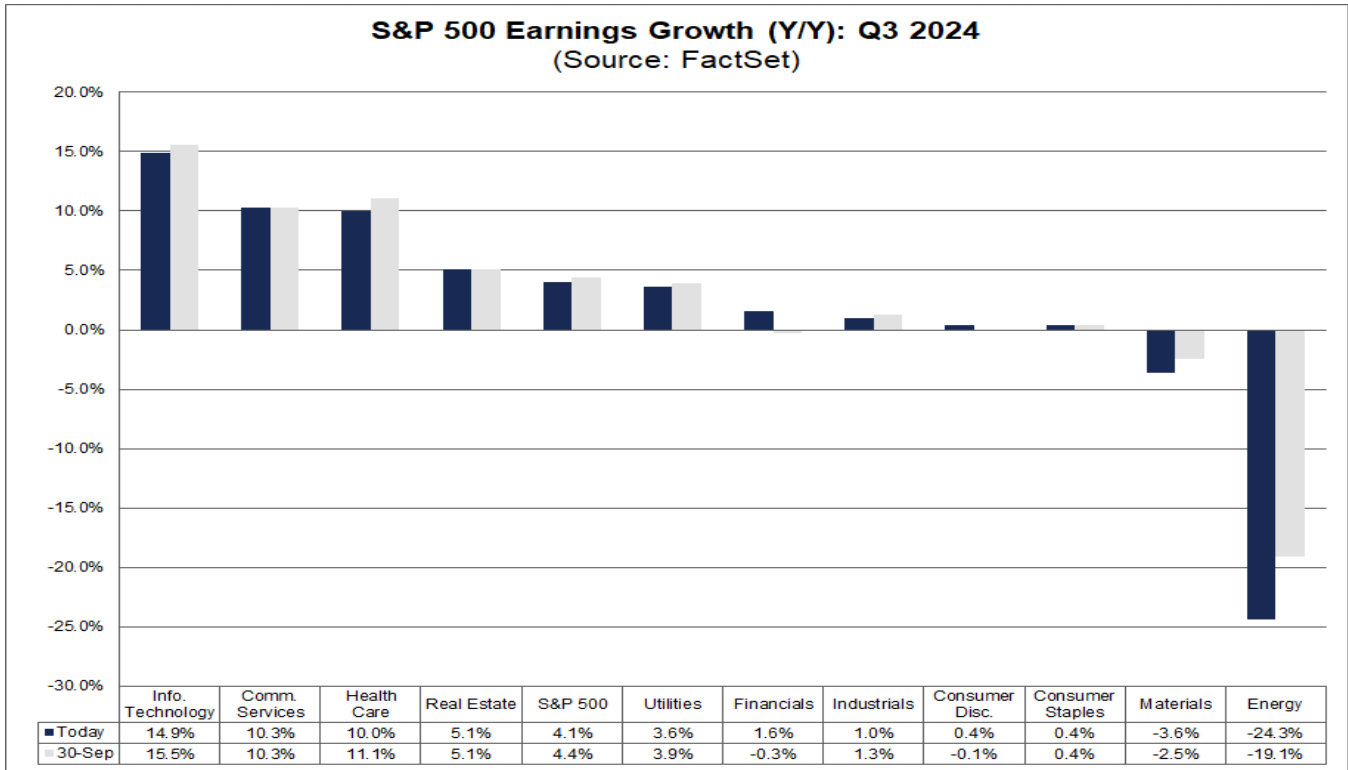
Q3 2024: Surprise



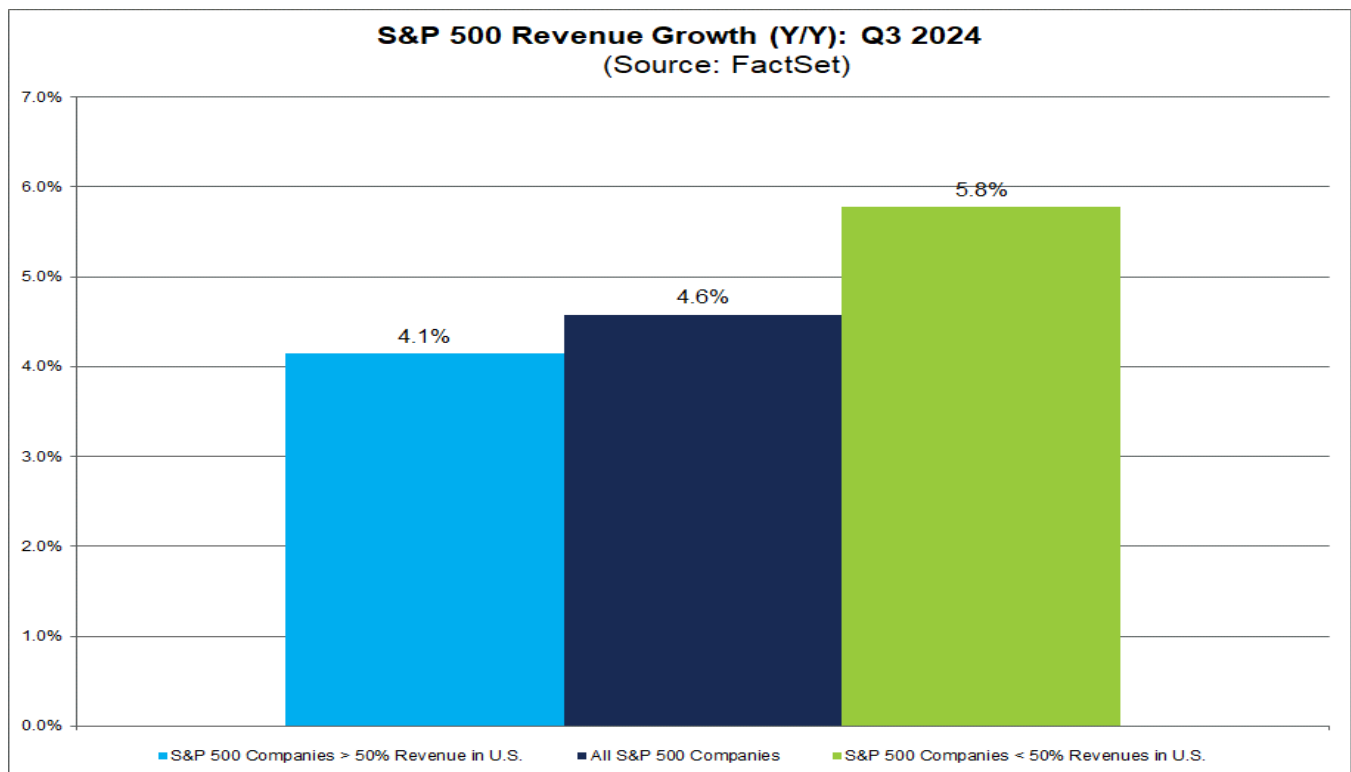
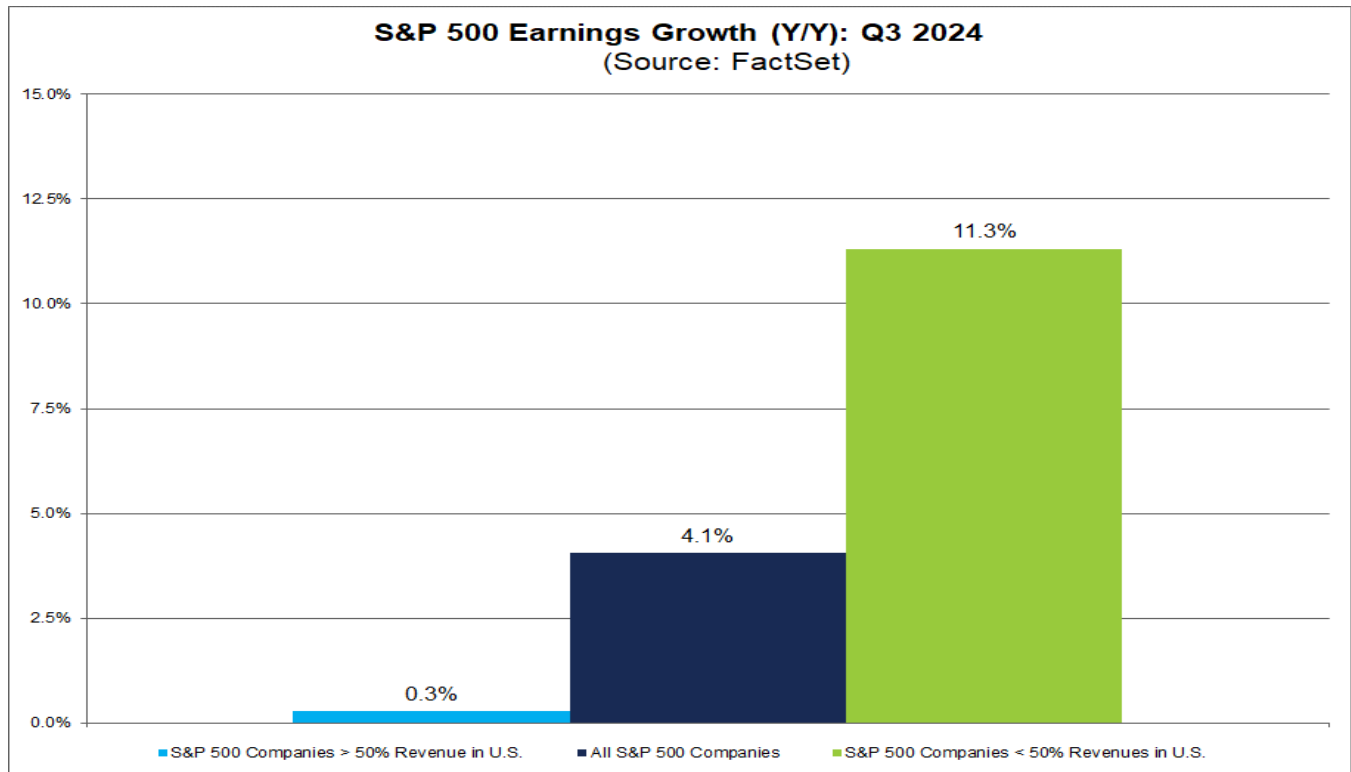
Q3 2024: Surprise



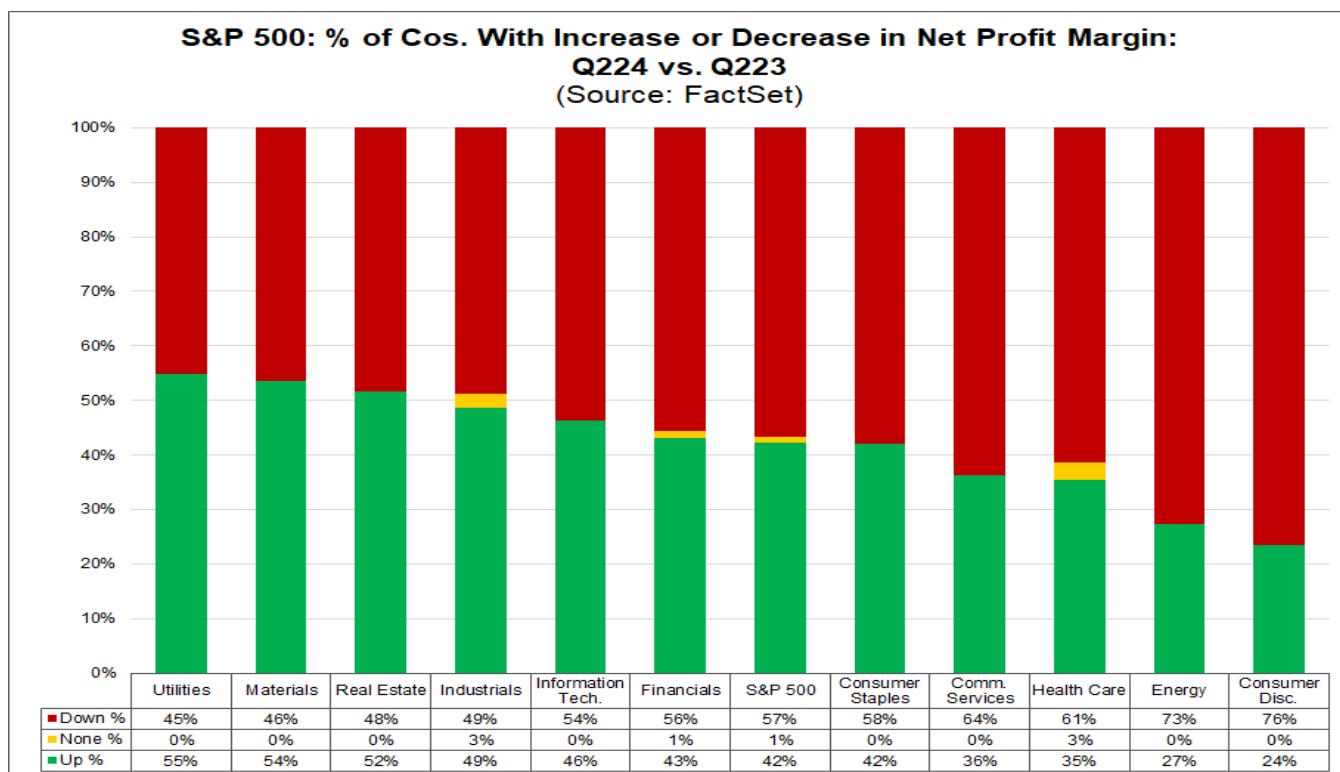
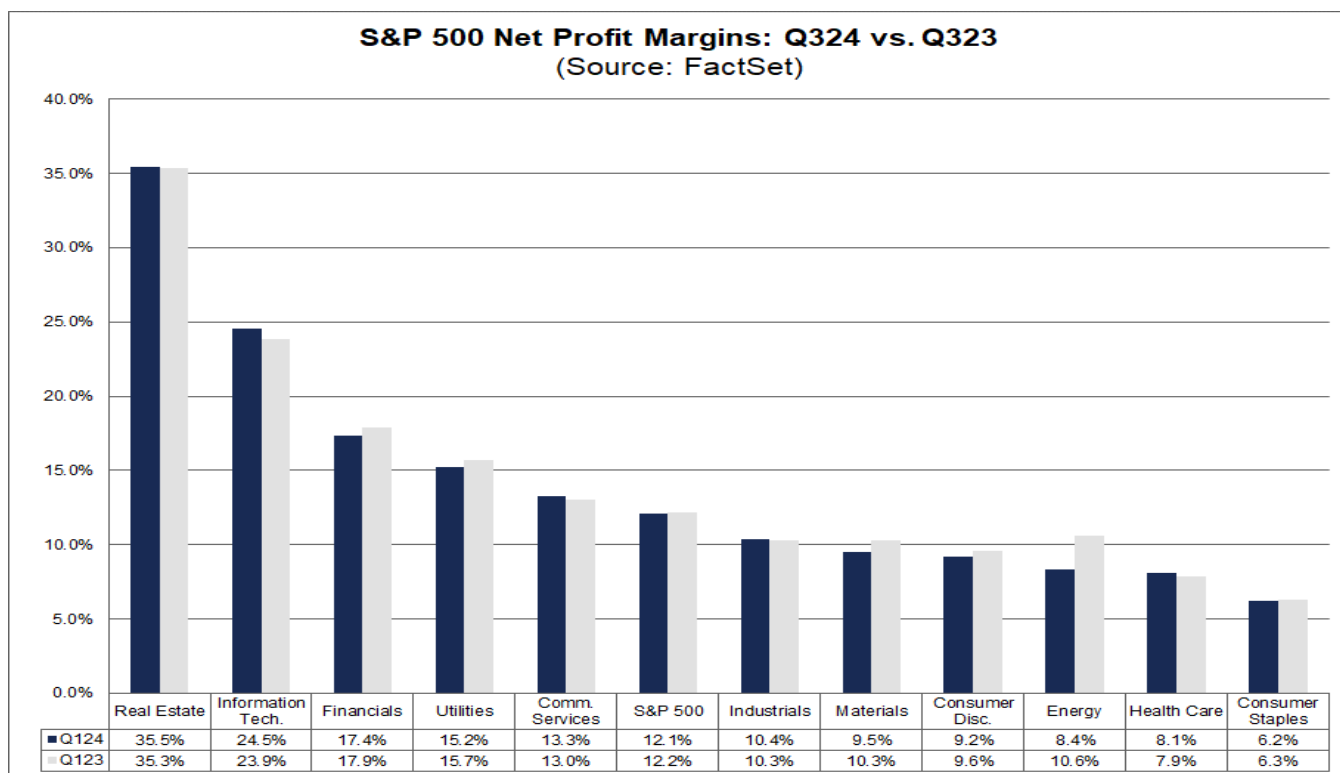
Q3 2024: Growth



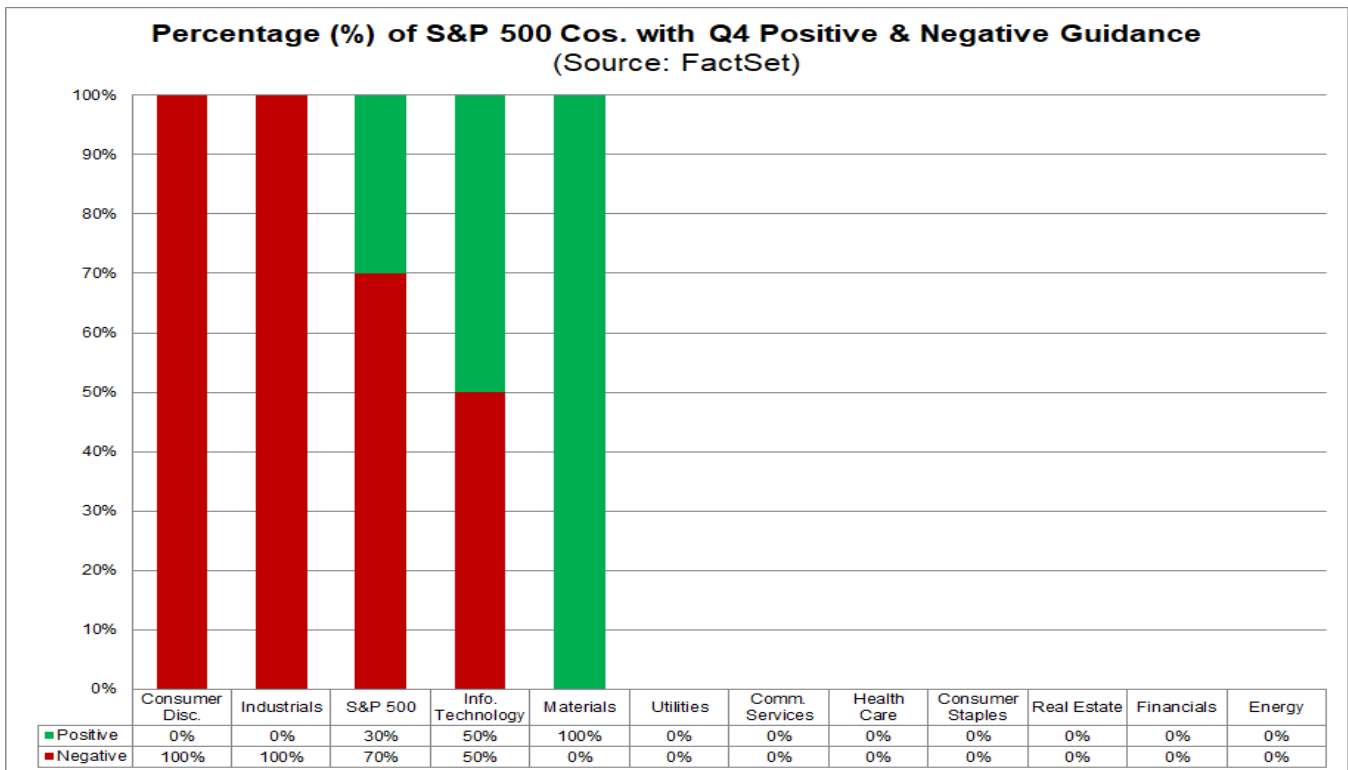
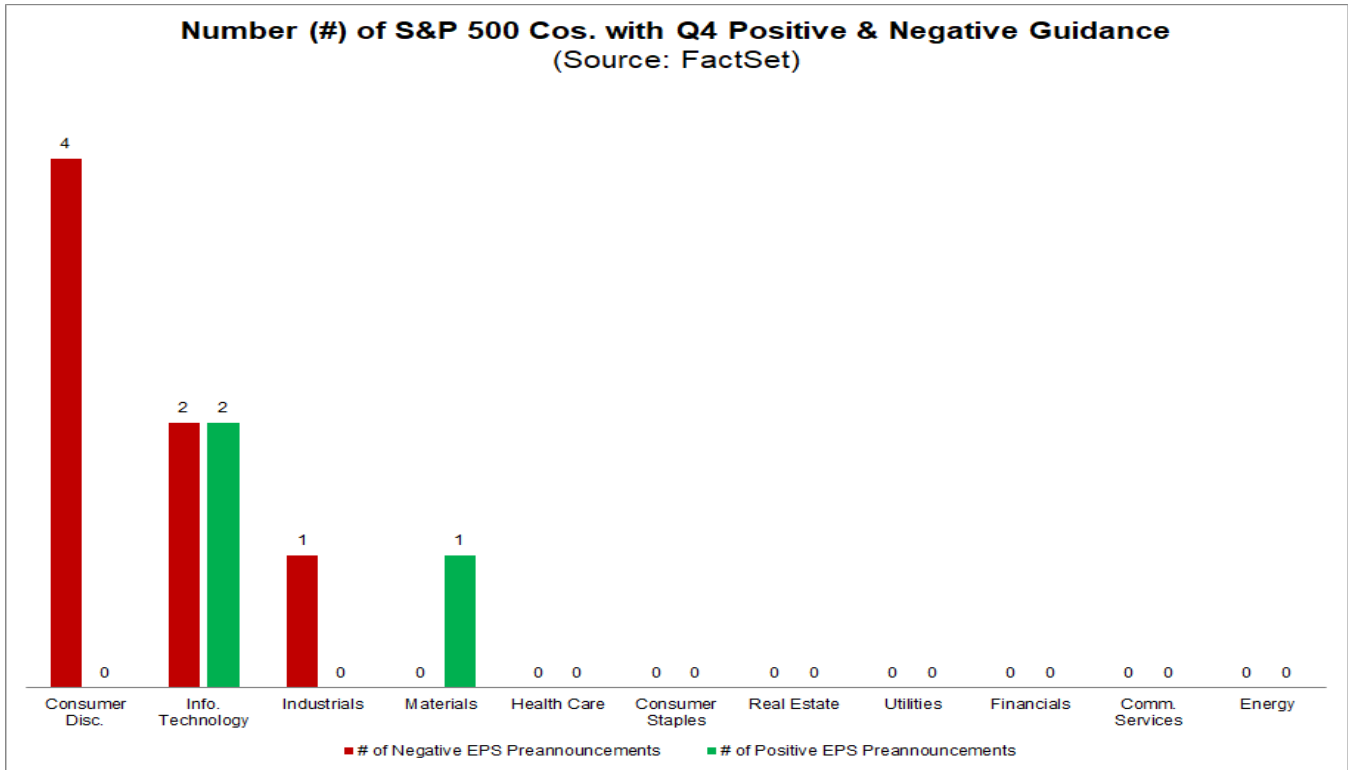
Q3 2024: Growth



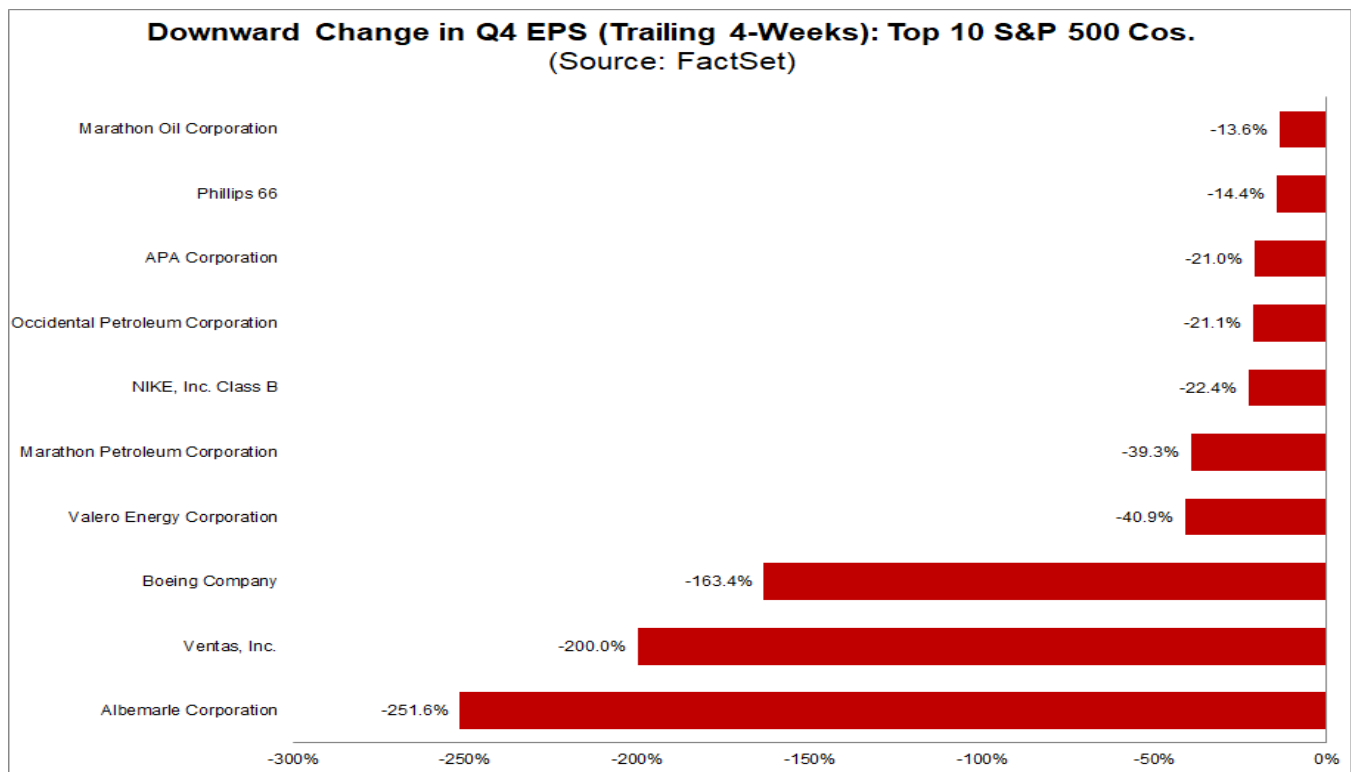
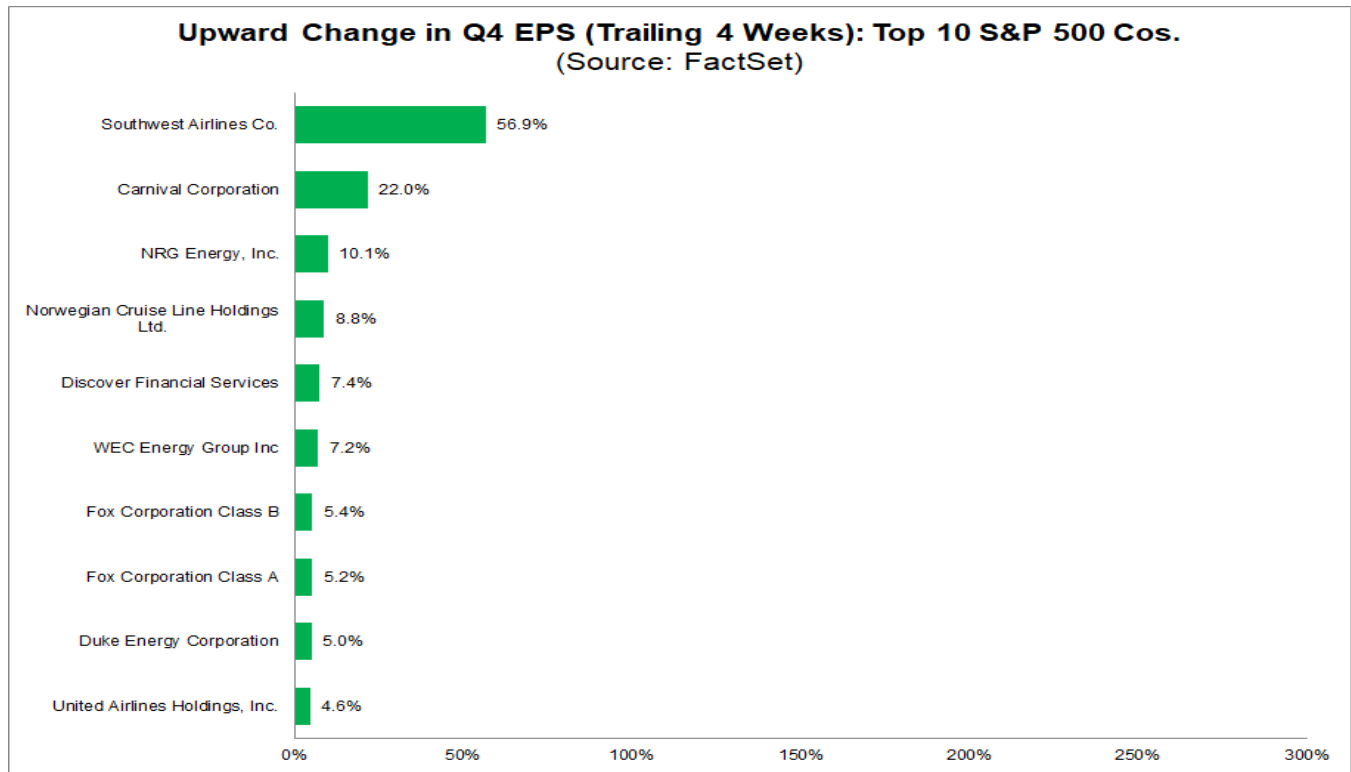
Q3 2024: Net Profit Margin



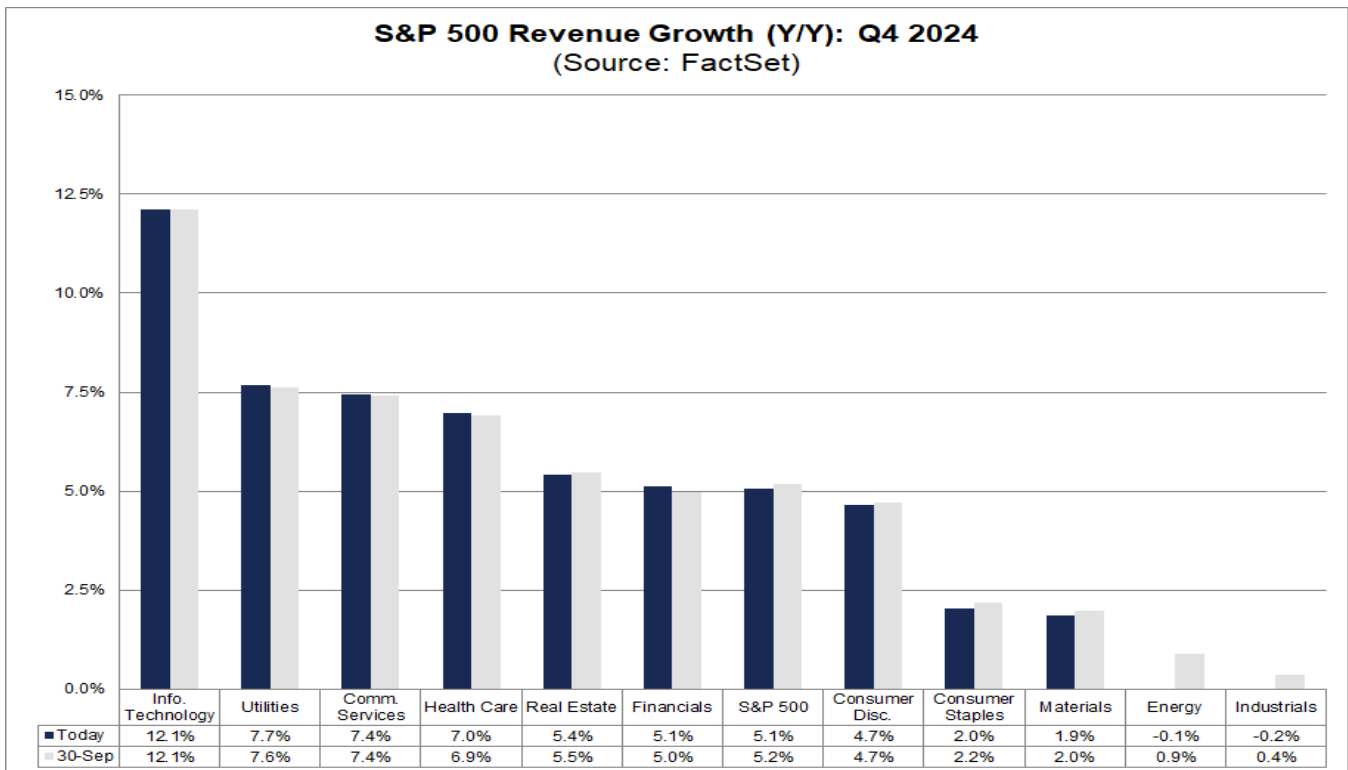
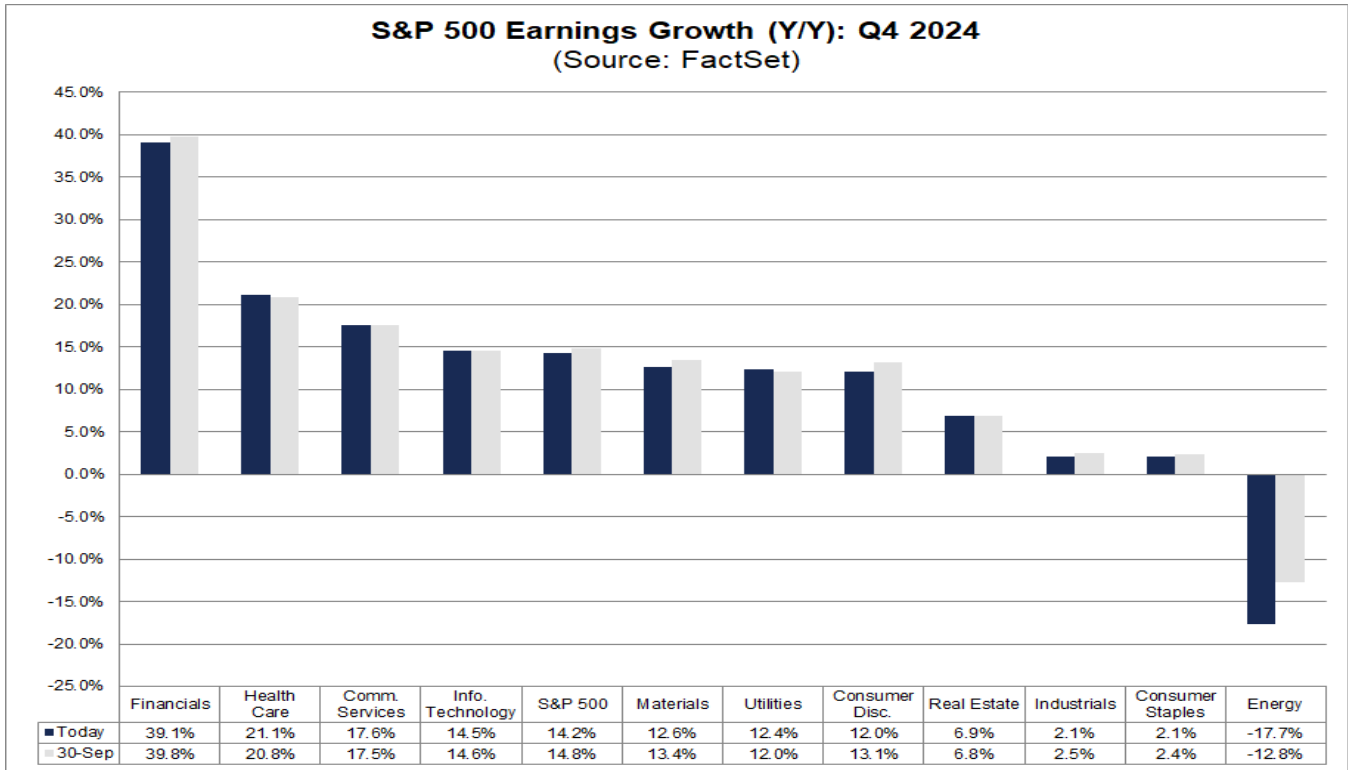
Q4 2024: Guidance



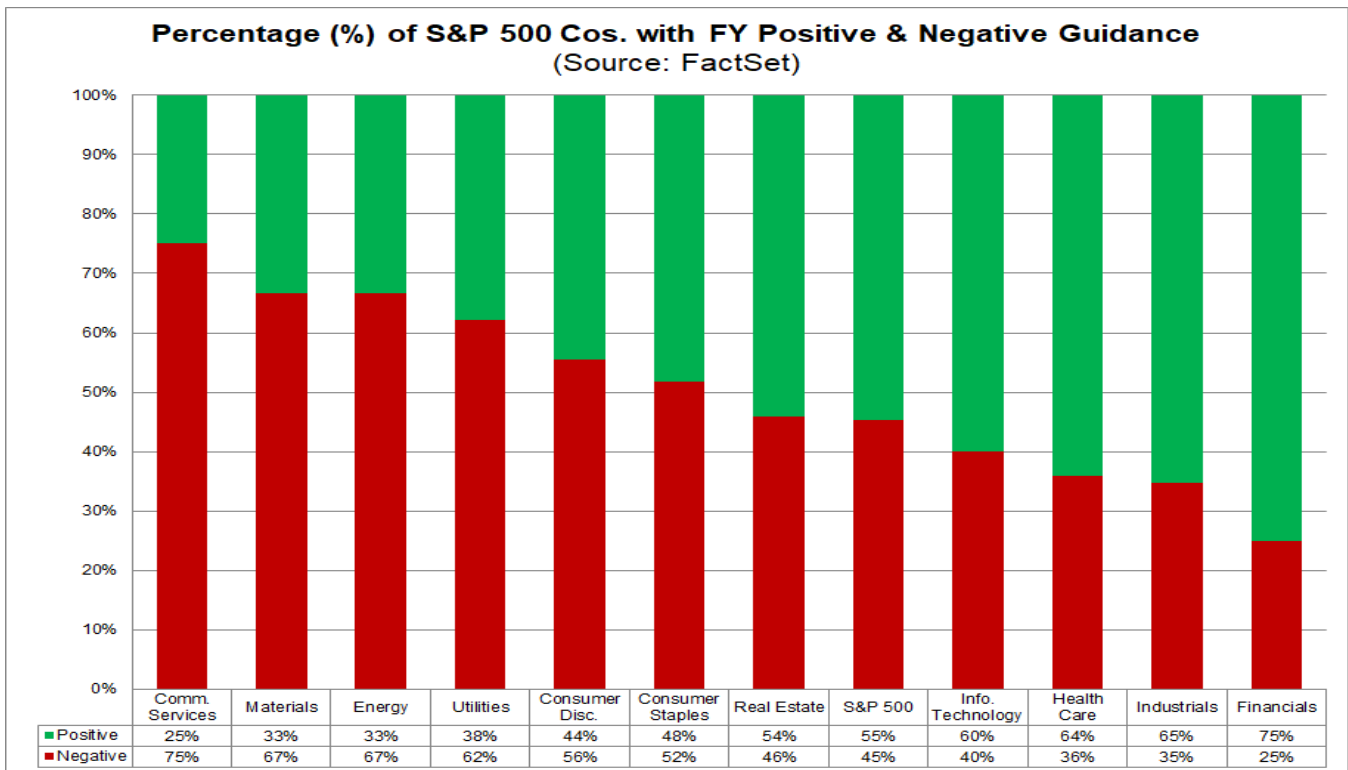
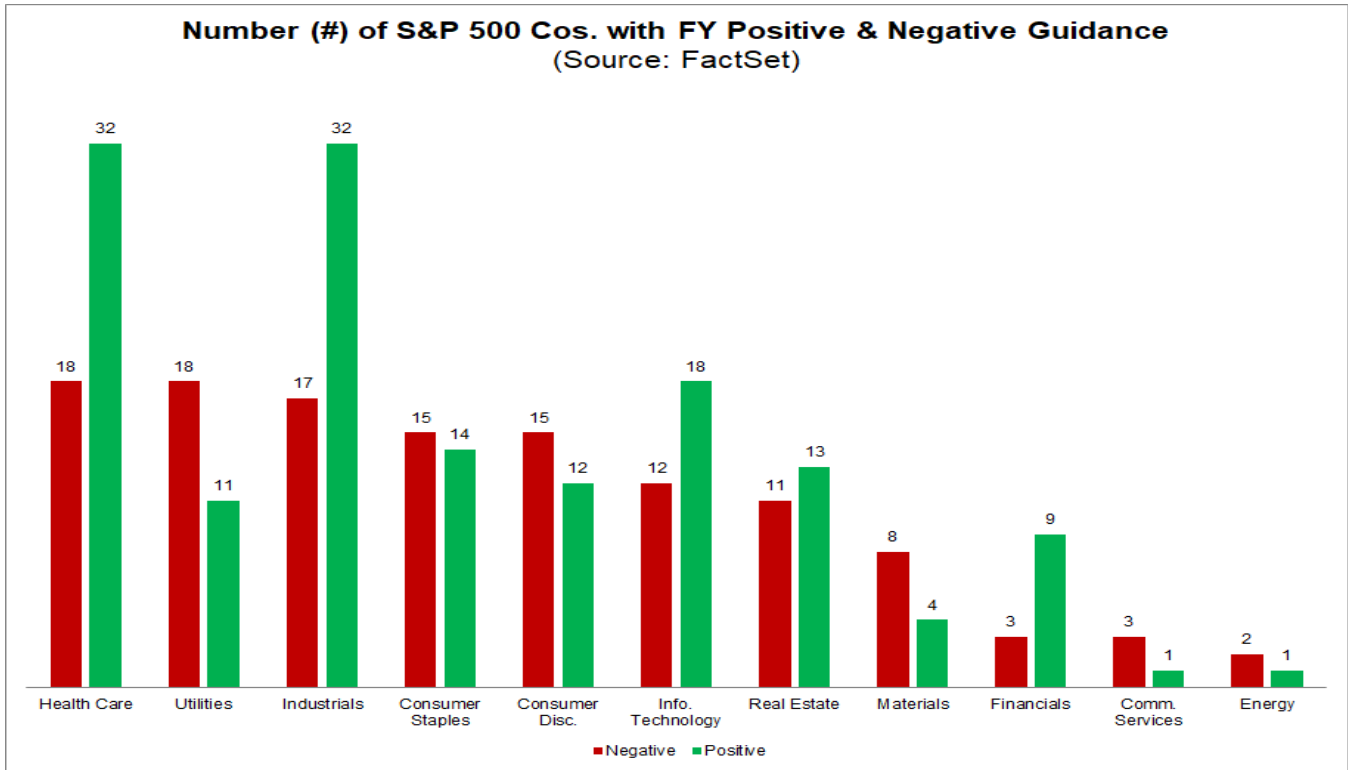
Q4 2024: EPS Revisions



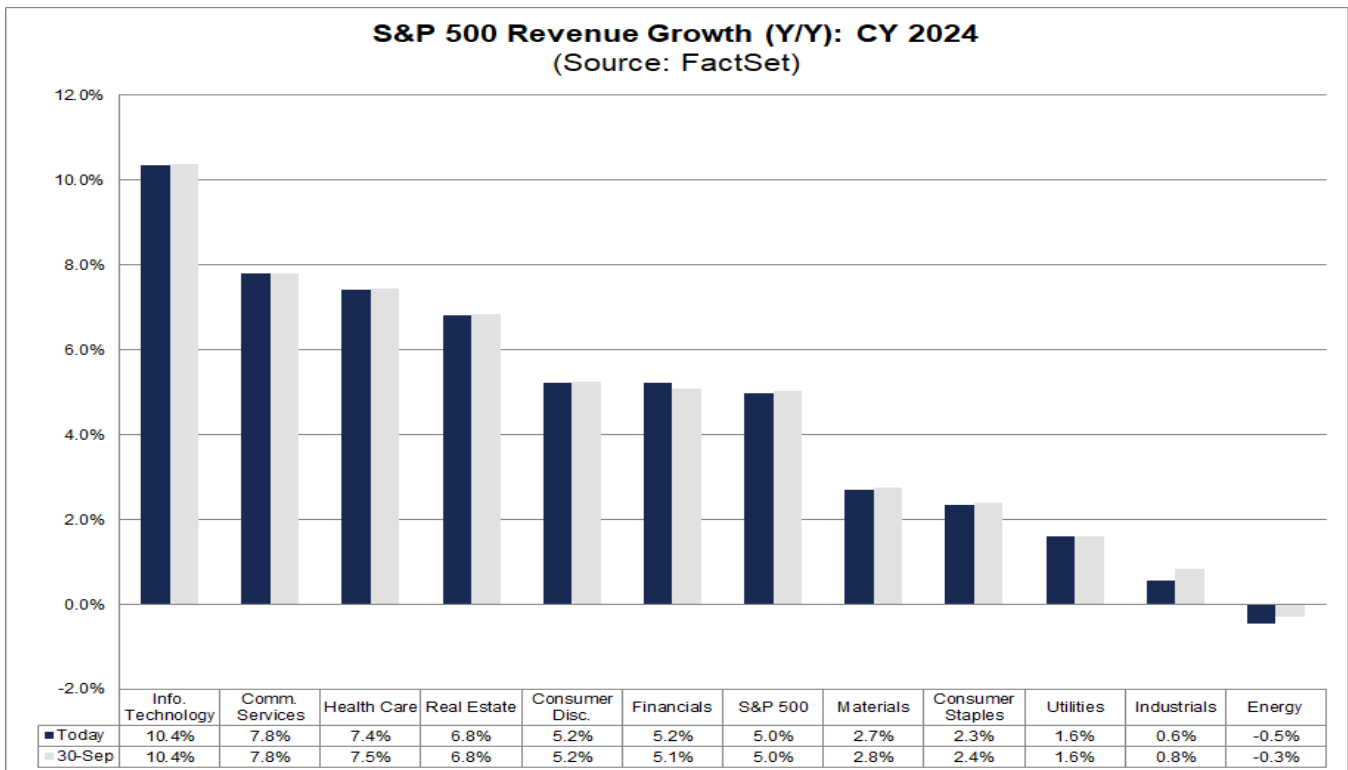
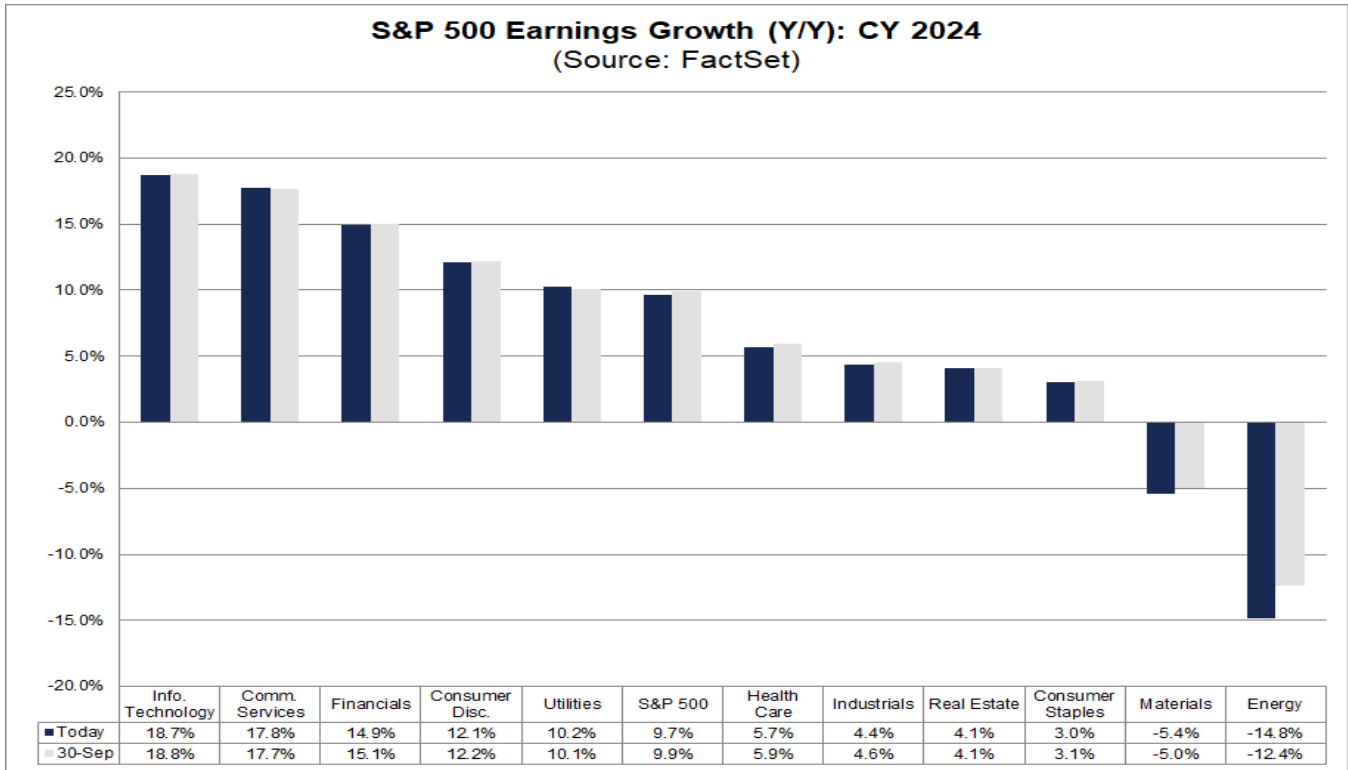
Q4 2024: Growth



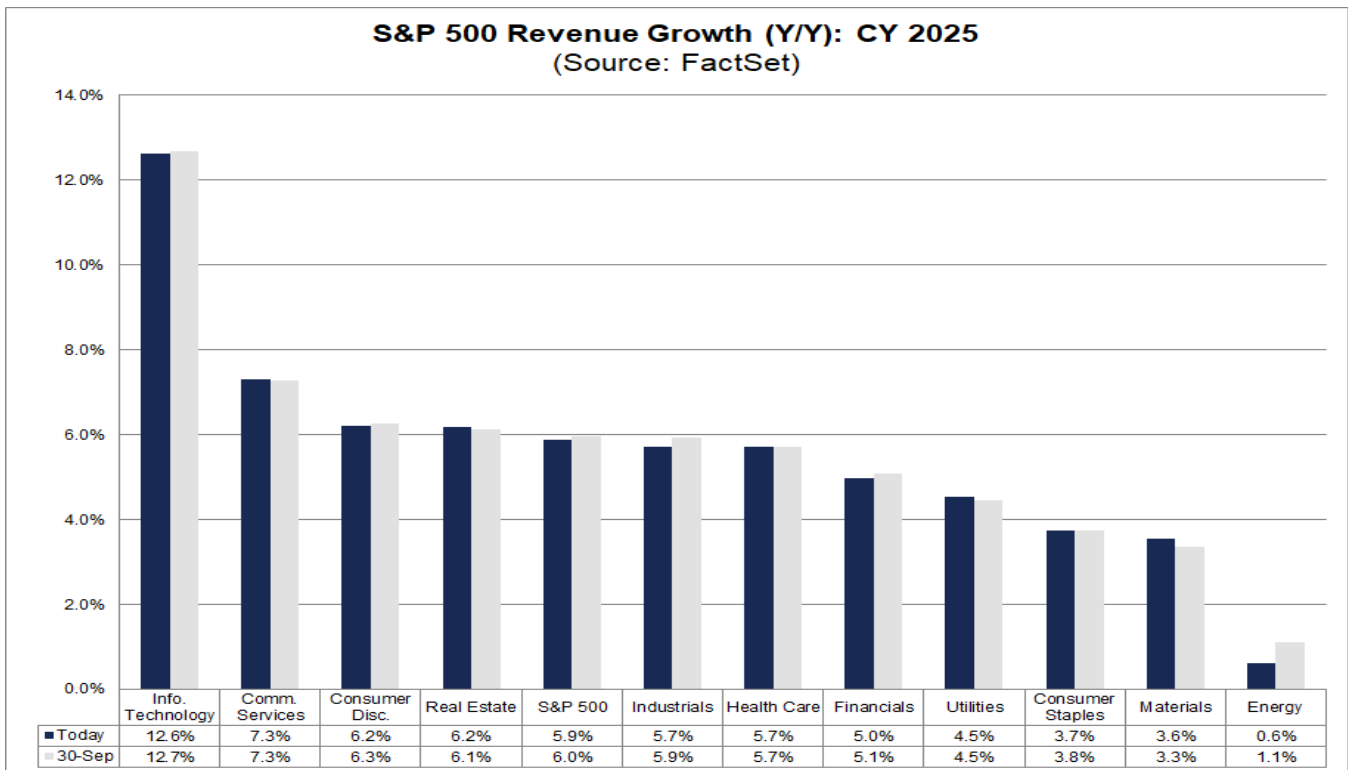
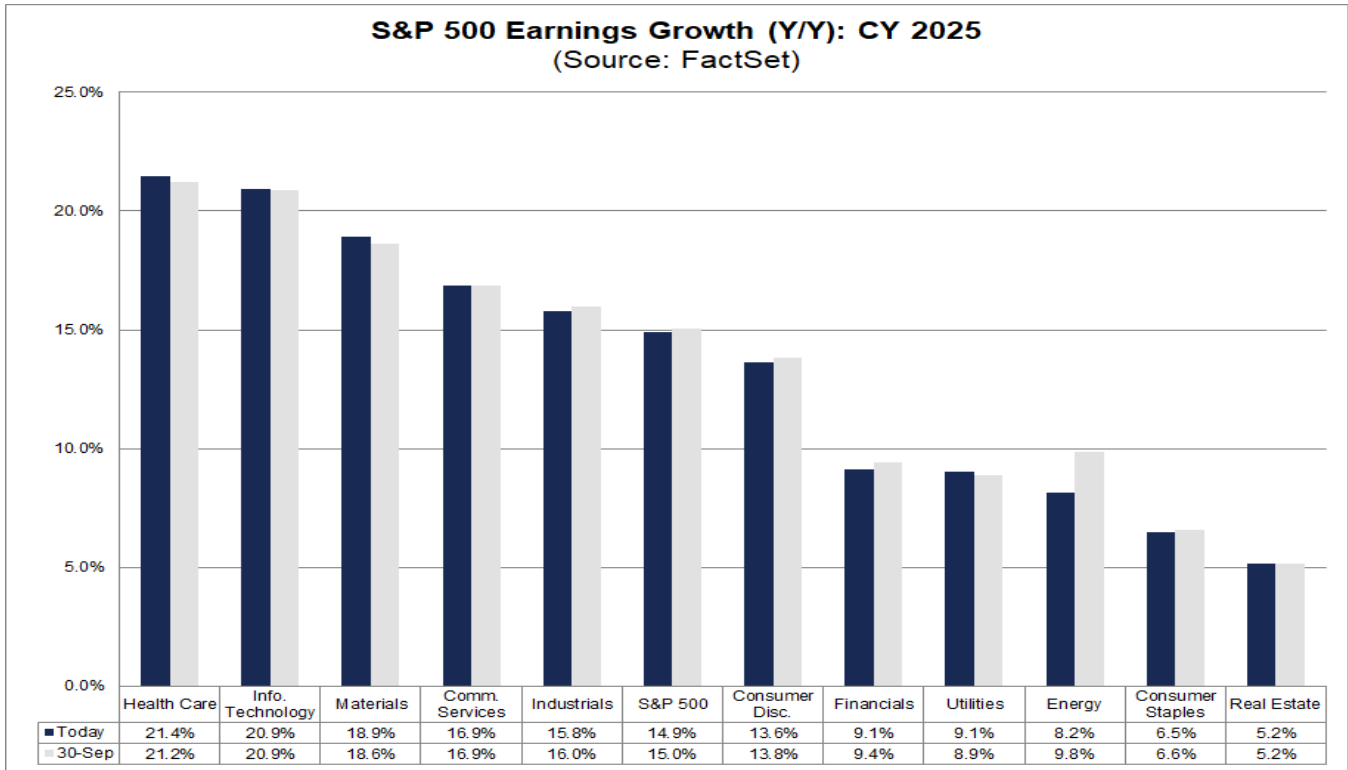
FY 2024 / 2025: EPS Guidance



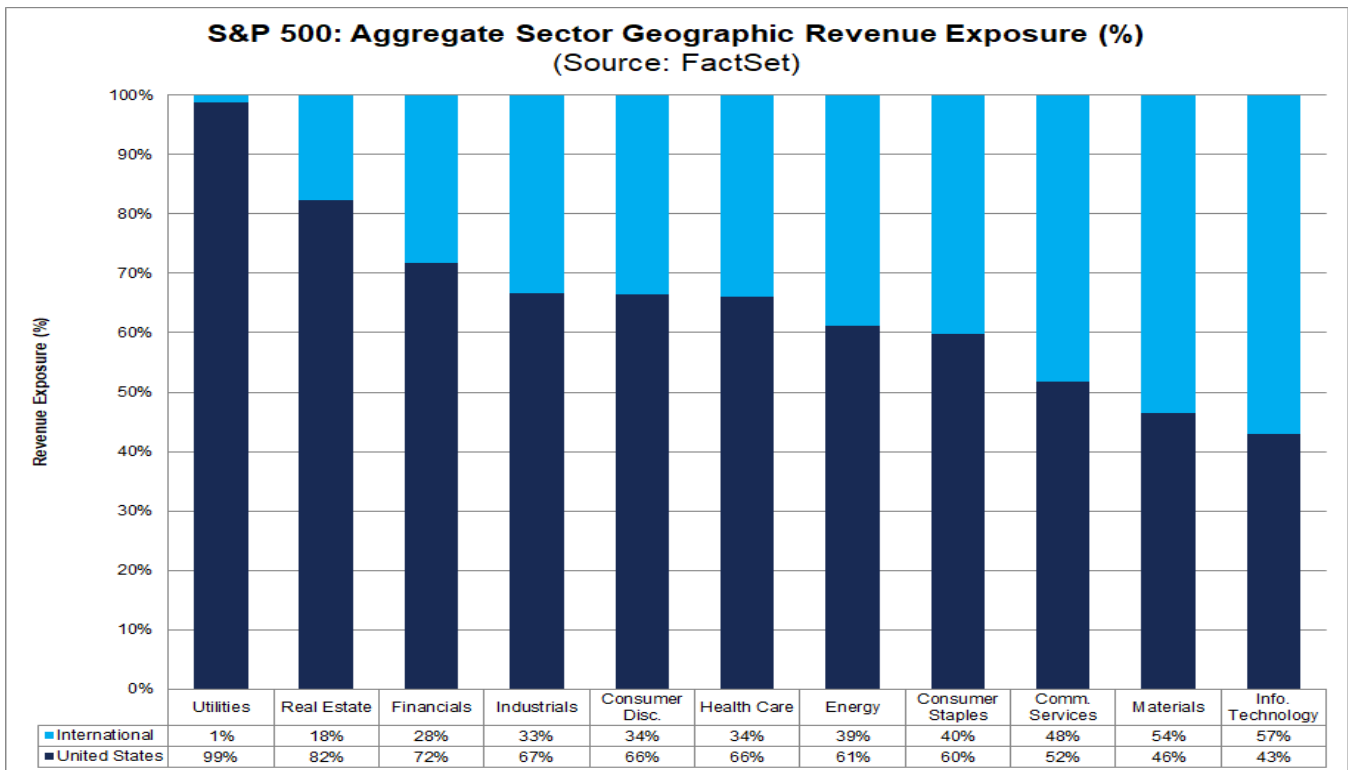
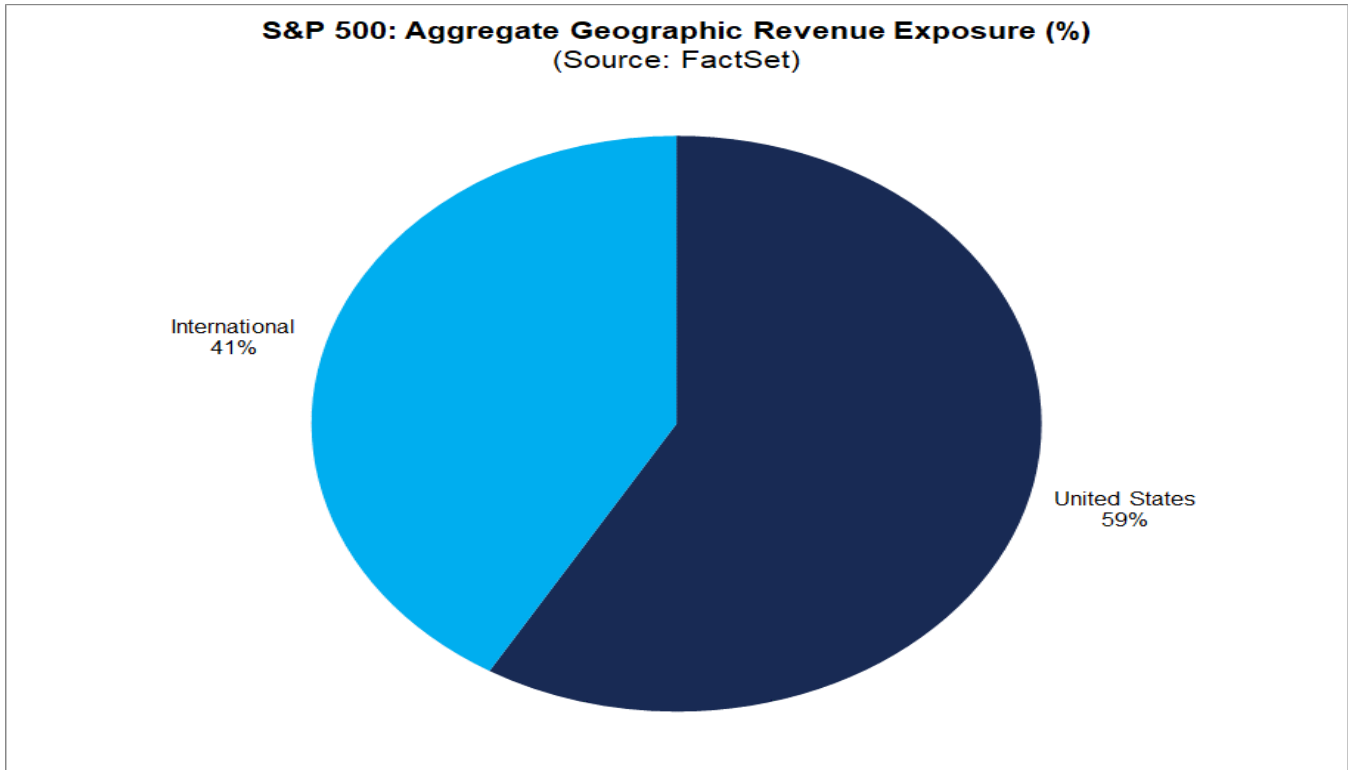
CY 2024: Growth



CY 2025: Growth



Geographic Revenue Exposure



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