EARNINGS INSIGHT

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Key Metrics

- **Earnings Scorecard:** For Q3 2023 (with 92% of S&P 500 companies reporting actual results), 81% of S&P 500 companies have reported a positive EPS surprise and 61% of S&P 500 companies have reported a positive revenue surprise.

- **Earnings Growth:** For Q3 2023, 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 first quarter of year-over-year earnings growth reported by the index since Q3 2022.

- **Earnings Revisions:** On September 30, the estimated (year-over-year) earnings decline for the S&P 500 for Q3 2023 was -0.3%. Nine sectors are reporting higher earnings today compared to September 30 due to positive EPS surprises and upward revisions to EPS estimates.

- **Earnings Guidance:** For Q4 2023, 59 S&P 500 companies have issued negative EPS guidance and 30 S&P 500 companies have issued positive EPS guidance.

- **Valuation:** The forward 12-month P/E ratio for the S&P 500 is 18.0. This P/E ratio is below the 5-year average (18.7) but above the 10-year average (17.5).

S&P 500 Change in Forward 12-Month EPS vs. Change in Price: 10 Yrs.
(Source: FactSet)
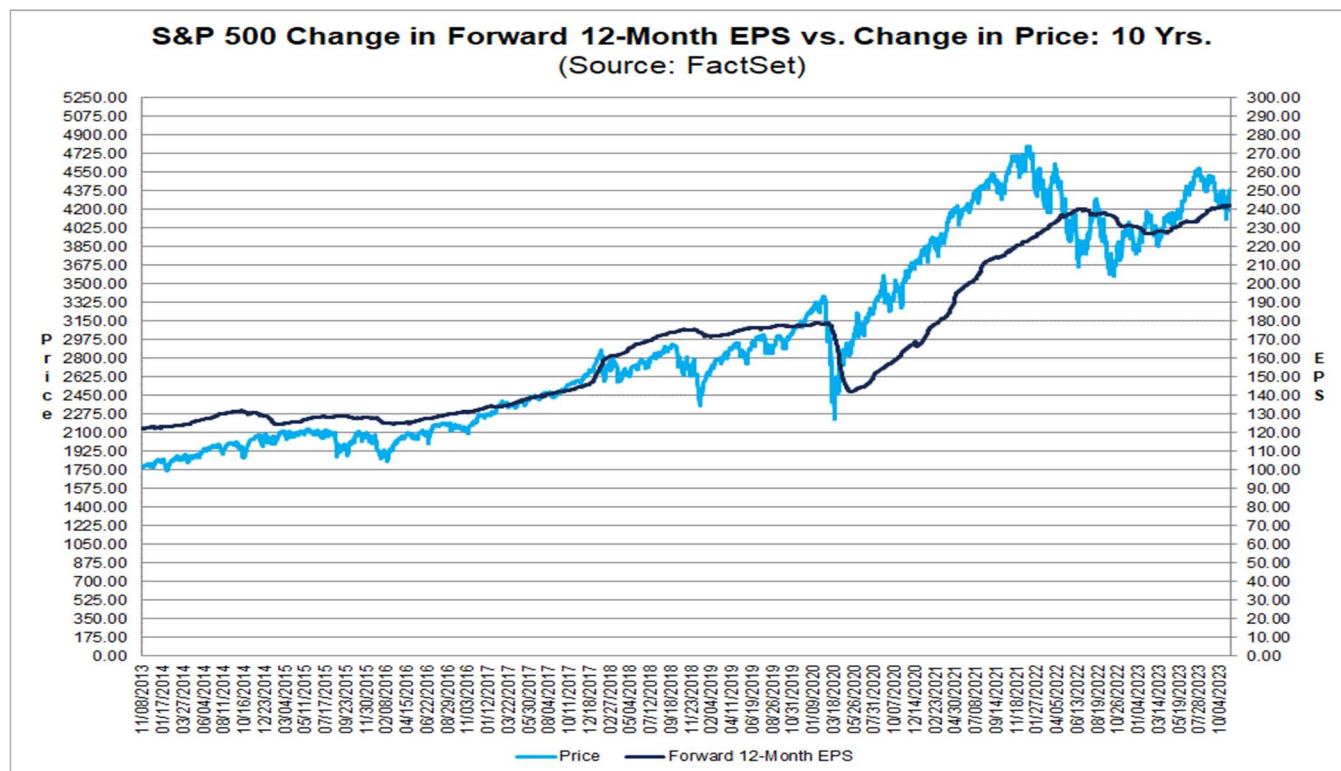
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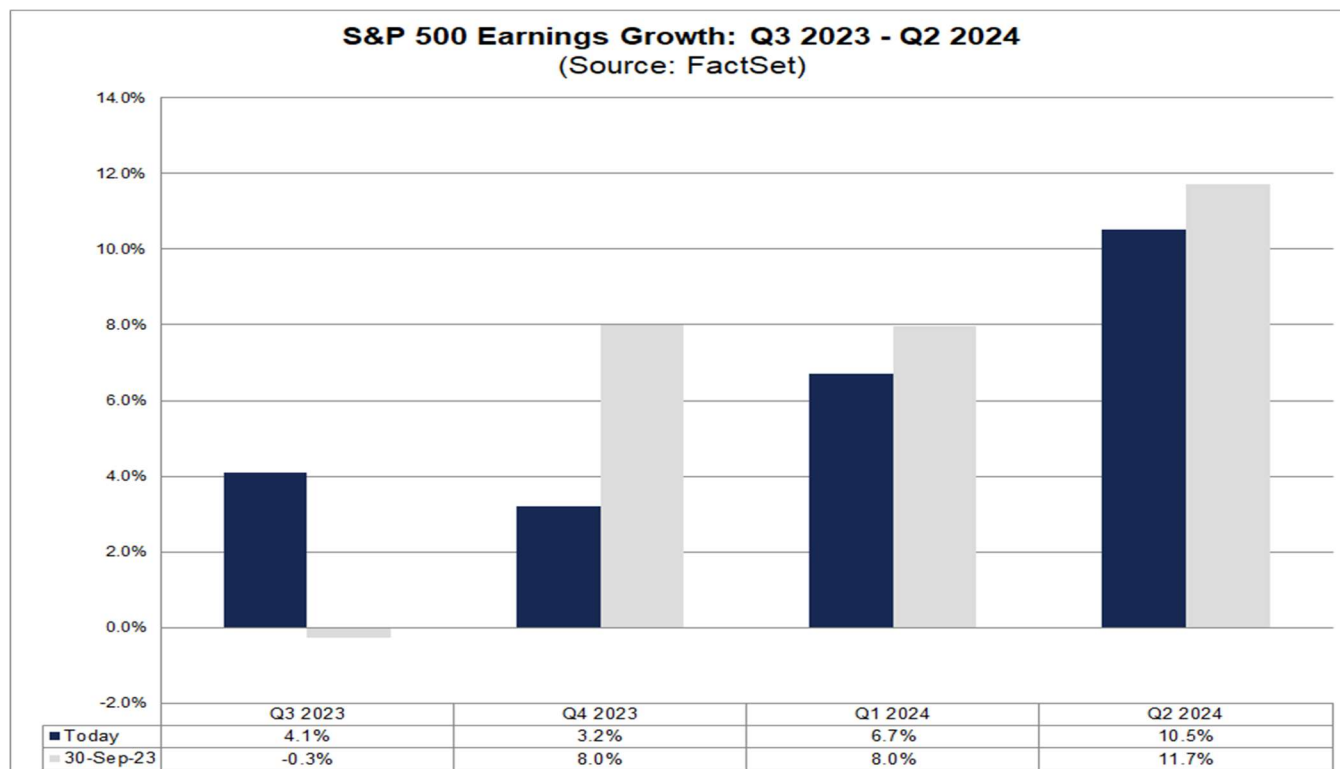### Charts

Topic of the Week:

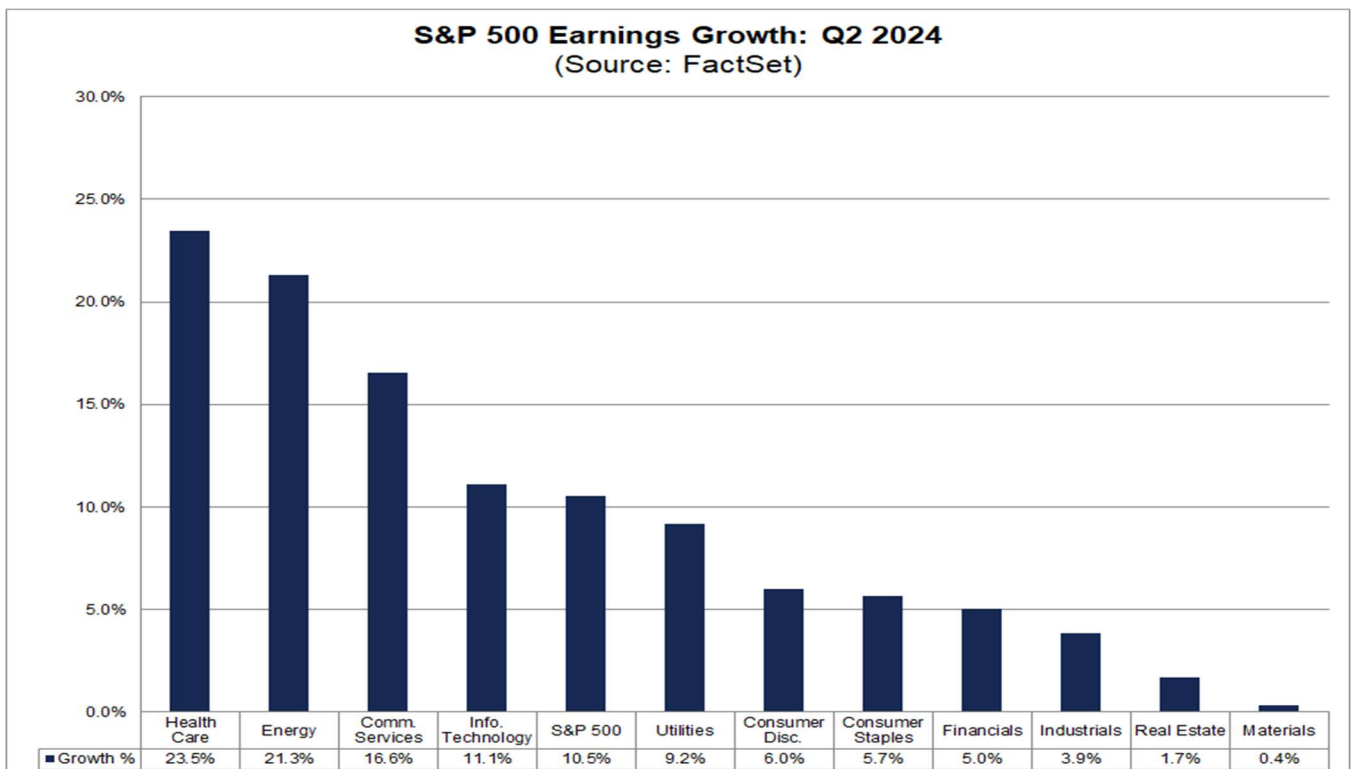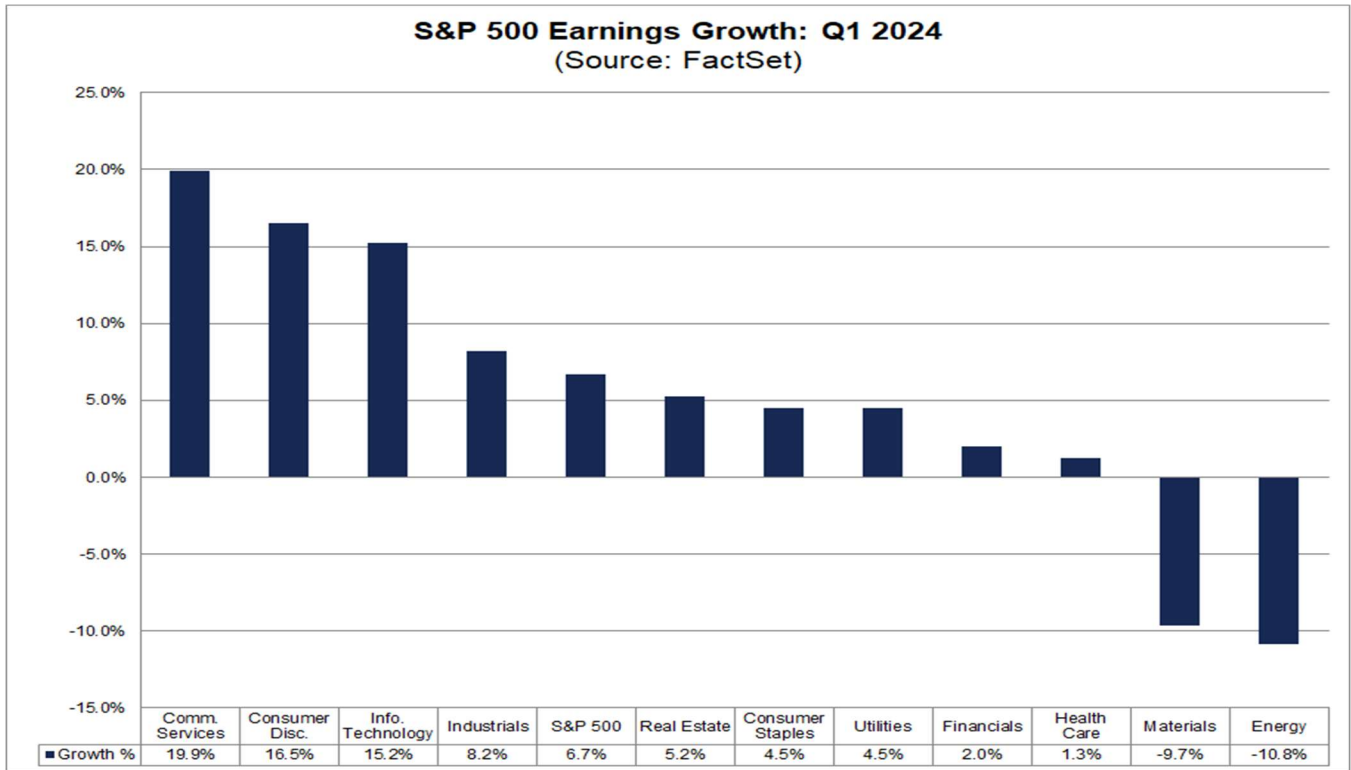### Analysts Expect S&P 500 Earnings Growth to Improve in 1st Half of 2024

For the third quarter, the S&P 500 is reporting (year-over-year) earnings growth of 4.1%. However, for the fourth quarter, analysts are now projecting (year-over-year) earnings growth of only 3.2%. Do analysts believe (year-over-year) earnings growth rates will continue to decline sequentially into the first half of 2024?

The answer is no. For Q1 2024, analysts are predicting (year-over-year) earnings growth of 6.7%. For Q2 2024, analysts are projecting earnings growth of 10.5%. While these growth rates are below the expectations on September 30, they are still above the current growth rates for Q3 2023 and Q4 2023. What sectors and companies are driving the expected increase in earnings growth for the first half of 2024?

At the sector level for Q1 2024, nine of the eleven sectors are predicted to report year-over-year earnings growth, led by the Communication Services (19.9%), Consumer Discretionary (16.5%), and Information Technology (15.2%) sectors. At the company level for Q1 2024, NVIDIA ($3.91 vs. $1.09), Amazon.com ($0.66 vs. $0.31), Meta Platforms ($3.60 vs. $2.20), and Alphabet ($1.49 vs. $1.17) are expected to be the largest contributors to earnings growth for the S&P 500 for the quarter. If these four companies were excluded, the estimated earnings growth rate for the S&P 500 for Q1 2024 would fall to 3.2% from 6.7%.

At the sector level for Q2 2024, all eleven sectors are predicted to report year-over-year earnings growth, led by the Health Care (23.5%), Energy (21.3%), Communication Services (16.6%), and Information Technology (11.1%) sectors. At the company level for Q2 2024, Merck ($2.06 vs. $-2.06), NVIDIA ($4.17 vs. $2.70), and Meta Platforms ($4.18 vs. $2.98) are expected to be the largest contributors to earnings growth for the S&P 500 for the quarter. If these three companies were excluded, the estimated earnings growth rate for the S&P 500 for Q2 2024 would fall to 7.0% from 10.5%.

S&P 500 Earnings Growth: Q3 2023 - Q2 2024
(Source: FactSet)

	Q3 2023	Q4 2023	Q1 2024	Q2 2024
■ Today	4.1%	3.2%	6.7%	10.5%
□ 30-Sep-23	-0.3%	8.0%	8.0%	11.7%

S&P 500 Earnings Growth: Q1 2024
(Source: FactSet)

	Comm. Services	Consumer Disc.	Info. Technology	Industrials	S&P 500	Real Estate	Consumer Staples	Utilities	Financials	Health Care	Materials	Energy
Growth %	19.9%	16.5%	15.2%	8.2%	6.7%	5.2%	4.5%	4.5%	2.0%	1.3%	-9.7%	-10.8%

S&P 500 Earnings Growth: Q2 2024
(Source: FactSet)

	Health Care	Energy	Comm. Services	Info. Technology	S&P 500	Utilities	Consumer Disc.	Consumer Staples	Financials	Industrials	Real Estate	Materials
Growth %	23.5%	21.3%	16.6%	11.1%	10.5%	9.2%	6.0%	5.7%	5.0%	3.9%	1.7%	0.4%

Q3 Earnings Season: By The Numbers

Overview

At this late stage of the Q3 earnings season for the S&P 500, both the number of positive earnings surprises and the magnitude of these earnings surprises are above their 10-year averages. As a result, the index is reporting higher earnings for the third quarter today relative to the end of last week and relative to the end of the quarter. The S&P 500 is now reporting year-over-year growth in earnings for the first time since Q3 2022.

Overall, 92% of the companies in the S&P 500 have reported actual results for Q3 2023 to date. Of these companies, 81% have reported actual EPS above estimates, which is above the 5-year average of 77% and above the 10-year average of 74%. If 81% is the final number for the quarter, it will mark the highest percentage of S&P 500 companies reporting a positive EPS surprise since Q3 2021 (82%). In aggregate, companies are reporting earnings that are 7.1% above estimates, which is below the 5-year average of 8.5% but above the 10-year average of 6.6%. 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.

During the past week, positive earnings surprises reported by companies in multiple sectors were responsible for the increase in overall earnings for the index over this period. Since September 30, positive earnings surprises reported by companies in the Financials, Consumer Discretionary, Information Technology, and Communication Services sectors, partially offset by downward revisions to EPS estimates and negative earnings surprises for companies in the Health Care sector, have been the largest contributors to the increase in the earnings for the index during this period.

As a result, the index is reporting higher earnings for the third 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 for the third quarter is 4.1% today, compared to an earnings growth rate of 3.7% last week and an earnings decline of -0.3% at the end of the third quarter (September 30).

If 4.1% 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.

Eight of the eleven sectors are reporting (or have reported) year-over-year earnings growth, led by the Communication Services, Consumer Discretionary, and Financials sectors. On the other hand, three sectors are reporting (or have reported) a year-over-year decline in earnings: Energy, Health Care, and Materials.

In terms of revenues, 61% of S&P 500 companies have reported actual revenues above estimates, which is below the 5-year average of 68% and below the 10-year average of 64%. If 61% is the final number for the quarter, it will mark lowest percentage of S&P 500 companies reporting a positive revenue surprise since Q1 2020 (56%). In aggregate, companies are reporting revenues that are 0.7% above the estimates, which is below the 5-year average of 2.0% and below the 10-year average of 1.3%. If 0.7% is the final number for the quarter, it will mark lowest revenue surprise percentage reported by the index since Q1 2020 (0.9%). 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.

During the past week, positive and negative revenue surprises reported by S&P 500 companies mostly offset each other, resulting in little change in revenues for the index over this period. Since September 30, upward revisions and positive revenue surprises reported by companies in the Energy and Health Care sectors, partially offset by negative revenue surprises reported by companies in the Utilities sector, have been the largest contributors to the increase in the overall revenue growth rate for the index during this period.

As a result, the blended revenue growth rate for the third quarter is 2.3% today, compared to a revenue growth rate of 2.3% last week and a revenue growth rate of 1.6% at the end of the third quarter (September 30).

If 2.3% is the actual revenue growth rate for the quarter, it will mark the 11th consecutive quarter of revenue growth for the index.

Eight sectors are reporting (or have reported) year-over-year growth in revenues, led by the Real Estate, Consumer Discretionary, and Communication Services sectors. On the other hand, three sectors reported a year-over-year decline in revenues, led by the Energy sector.

Looking ahead, analysts expect (year-over-year) earnings growth of 3.2% for Q4 2023, which is below the estimate of 8.0% on September 30. For CY 2023, analysts predict (year-over-year) earnings growth of 0.6%, which is below the estimate of 0.8% on September 30. For CY 2024, analysts are calling for (year-over-year) earnings growth of 11.6%, which is below the estimate of 12.2% on September 30.

The forward 12-month P/E ratio is 18.0, which is below the 5-year average (18.7) but above the 10-year average (17.5). It is also above the forward P/E ratio of 17.8 recorded at the end of the third quarter (September 30).

During the upcoming week, 12 S&P 500 companies (including 3 Dow 30 components) are scheduled to report results for the third quarter.

Scorecard: Percentage of Positive EPS Surprises Are Above 5-Year and 10-Year Averages

Highest Percentage of Companies Beating EPS Estimates (81%) Since Q3 2021

Overall, 92% of the companies in the S&P 500 have reported earnings to date for the third quarter. Of these companies, 81% have reported actual EPS above the mean EPS estimate, 5% have reported actual EPS equal to the mean EPS estimate, and 14% 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 (74%), above the 5-year average (77%), and above the 10-year average (74%). 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.

If 81% is the final number for the quarter, it will mark the highest percentage of S&P 500 companies reporting a positive EPS surprise since Q3 2021 (82%).

At the sector level, the Communication Services (91%) and Information Technology (90%) sectors have the highest percentages of companies reporting earnings above estimates, while the Real Estate (68%) sector has the lowest percentage of companies reporting earnings above estimates.

Earnings Surprise Percentage (+7.1%) is Below 5-Year Average

In aggregate, companies are reporting earnings that are 7.1% above expectations. This surprise percentage is above the 1-year average (+4.4%), below the 5-year average (+8.5%), and above the 10-year average (6.6%). 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.

The Consumer Discretionary (+21.7%) sector is reporting the largest positive (aggregate) difference between actual earnings and estimated earnings. Within this sector, Airbnb ($6.63 vs. $2.11), Amazon.com ($0.94 vs. $0.59), Wynn Resorts ($0.99 vs. $0.74), Etsy ($0.64 vs. $0.50), Domino's Pizza ($4.18 vs. $3.31), and NIKE ($0.94 vs. $0.76) have reported the largest positive EPS surprises.

The Communication Services (+9.4%) reported the second-largest positive (aggregate) difference between actual earnings and estimated earnings. Within this sector, Paramount Global ($0.30 vs. $0.15), Live Nation Entertainment ($1.78 vs. $1.26), News Corp. ($0.16 vs. $0.12), and Meta Platforms ($4.32 vs. $3.64) reported the largest positive EPS surprises.

The Financials (+9.0%) sector reported the third-largest positive (aggregate) difference between actual earnings and estimated earnings. Within this sector, Allstate ($0.81 vs. $0.45), Assurant ($4.29 vs. $2.65), Cincinnati Financial ($1.66 vs. $1.15), Arch Capital Group ($2.31 vs. $1.61), and Franklin Resources ($0.84 vs, $0.59) reported the largest positive EPS surprises.

The Information Technology (+8.6%) sector is reporting the fourth-largest positive (aggregate) difference between actual earnings and estimated earnings. Within this sector, Intel ($0.41 vs. $0.22), Qorvo ($2.39 vs. $1.77), Gartner ($2.56 vs. $1.96), and First Solar ($2.50 vs. $2.05) have reported the largest positive EPS surprises.

The Industrials (+7.2%) sector is reporting the fifth-largest positive (aggregate) difference between actual earnings and estimated earnings. Within this sector, American Airlines Group ($0.38 vs. $0.26), General Electric ($4.32 vs. $3.64), and Axon Enterprise ($1.02 vs. $0.76) have reported the largest positive EPS surprises.

On the other hand, the Energy (-0.8%) sector reported the largest negative (aggregate) difference between actual earnings and estimated earnings. Within this sector, Targa Resources ($0.98 vs. $1.19), Chevron ($3.05 vs. $3.70), ONEOK ($0.99 vs. $1.07), and Exxon Mobil ($2.27 vs. $2.37) reported the largest negative EPS surprises.

Market Punishing Negative EPS Surprises More Than Average

To date, the market is rewarding positive earnings surprises reported by S&P 500 companies slightly more than average, while punishing negative earnings surprises reported by S&P 500 companies more than average.

Companies that have reported positive earnings surprises for Q3 2023 have seen an average price increase of +1.1% two days before the earnings release through two days after the earnings release. This percentage increase is above the 5-year average price increase of +0.9% during this same window for companies reporting positive earnings surprises.

Companies that have reported negative earnings surprises for Q3 2023 have seen an average price decrease of -4.6% two days before the earnings release through two days after the earnings. This percentage decrease is much larger than the 5-year average price decrease of -2.3% during this same window for companies reporting negative earnings surprises.

Lowest Percentage of Companies Beating Revenue Estimates (61%) Since Q1 2020

In terms of revenues, 61% of companies have reported actual revenues above estimated revenues and 39% have reported actual revenues below estimated revenues. The percentage of companies reporting revenues above estimates is below the 1-year average (69%), below the 5-year average (68%), 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.

If 61% is the final number for the quarter, it will mark lowest percentage of S&P 500 companies reporting a positive revenue surprise since Q1 2020 (56%).

At the sector level, the Communication Services (82%) and Financials (76%) sectors have the highest percentages of companies reporting revenues above estimates, while the Utilities (21%) and Materials (38%) sectors have the lowest percentages of companies reporting revenues above estimates.

Lowest Revenue Surprise Percentage (+0.7%) Since Q1 2020

In aggregate, companies are reporting revenues that are 0.7% above expectations. This surprise percentage is below the 1-year average (+2.1%), below the 5-year average (+2.0%), and below the 10-year average (+1.3%). 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.

If 0.7% is the final number for the quarter, it will mark lowest revenue surprise percentage reported by the index since Q1 2020 (+0.9%).

At the sector level, the Real Estate (+1.8%) and Health Care (+1.8%) sectors are reporting the largest positive (aggregate) differences between actual revenues and estimated revenues, while the Utilities (-7.7%) sector reported the largest negative (aggregate) difference between actual revenues and estimated revenues.

Revisions: Increase in Blended Earnings This Week Due to Multiple Sectors

Increase in Blended Earnings This Week Due to Multiple Sectors

The blended (year-over-year) earnings growth rate for the third quarter is 4.1%, which is above the earnings growth rate of 3.7% last week. Positive earnings surprises reported by companies in multiple sectors were responsible for the increase in overall earnings for the index over this period.

No Change in Blended Revenues This Week

The blended (year-over-year) revenue growth rate for the third quarter is 2.3%, which is equal to the revenue growth rate of 2.3% last week. Positive and negative revenue surprises reported by S&P 500 companies mostly offset each other during the week, resulting in little change in revenues for the index over this period.

Financials Sector Has Seen Largest Increase in Earnings since September 30

The blended (year-over-year) earnings growth for Q3 2023 of 4.1% is larger than the estimate of -0.3% at the end of the third quarter (September 30). Nine 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 Consumer Discretionary (to 41.3% from 22.1%), Communication Services (to 42.7% from 32.0%), and Financials (to 18.5% from 8.9%) sectors. The Financials, Consumer Discretionary, Information Technology, and Communication Services sectors have been the largest contributors to the increase in earnings for the index since September 30. On the other hand, two 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: Health Care (to -20.2% from -12.0%) and Utilities (to 11.3% from 12.4%). The Health Care sector has also been the largest detractor to the increase in earnings for the index since September 30.

In the Financials sector, the positive EPS surprises reported by JPMorgan Chase ($4.33 vs. $3.95), Berkshire Hathaway ($4.96 vs. $4.36), Wells Fargo ($1.48 vs. $1.24), Citigroup ($0.91 vs. $0.81), and Bank of America ($0.90 vs. $0.83) were significant contributors to the increase in earnings for the index since September 30. As a result, the blended earnings growth rate for the Financials sector increased to 18.5% from 8.9% over this period.

In the Consumer Discretionary sector, the positive EPS surprises reported by Amazon.com ($0.94 vs. $0.57), Airbnb ($6.63 vs. $2.11), and General Motors ($2.28 vs. $1.87) have been substantial contributors to the increase in earnings for the index since September 30. As a result, the blended earnings growth rate for the Consumer Discretionary sector has improved to 41.3% from 22.1% over this period.

In the Information Technology sector, the positive EPS surprises reported by Microsoft ($2.69 vs. $2.55), Apple ($1.46 vs. $1.39), and Intel ($0.41 vs. $0.22) have been significant contributors to the increase in earnings for the index since September 30. As a result, the blended earnings growth rate for the Information Technology sector has improved to 11.0% from 4.6% over this period.

In the Communication Services sector, the positive EPS surprises reported by Meta Platforms ($4.39 vs. $3.64) and Alphabet ($1.55 vs. $1.46) were substantial contributors to the increase in earnings for the index since September 30. As a result, the blended earnings growth rate for the Communication Services sector increased to 42.7% from 32.0% over this period.

In the Health Care sector, downward revisions to EPS estimates for Pfizer and Eli Lilly and the negative EPS surprise reported by Moderna have been the largest detractors to the increase in earnings for the index since September 30. Pfizer issued (non-GAAP) EPS guidance for FY 2023 on October 13 that was below the previous (non-GAAP) EPS for FY 2023 issued on August 1. As a result, the mean EPS estimate for Pfizer for Q3 fell to -$0.08 on October 31 from $0.58 on September 30. The company reported actual EPS of -$0.17 compared to the mean estimate of -$0.08. For Eli Lilly, the majority of analysts covering Eli Lilly revised (non-GAAP) EPS estimates lower during the week of October 16 due to increased IPR&D charges. As a result, the mean EPS estimate for Eli Lilly for Q3 fell to -$0.18 on November 2 from $2.90 on September 30. The company reported actual EPS of $0.10 compared to the mean estimate of -$0.18. Moderna reported actual EPS of -$9.53 compared to the mean EPS estimate of -$1.93. The actual EPS reported by Moderna included non-cash charges of $3,1 billion related to resizing and tax allowances. As a result, the blended earnings decline for the Health Care sector has increased to -20.2% today from -12.0% over this period.

Energy and Health Care Sectors Have Seen Largest Increases in Revenues since September 30

The blended (year-over-year) revenue growth rate for Q3 2023 of 2.3% is above the estimate of 1.6% at the end of the third quarter (September 30). Eight 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 Energy (to -15.5% from -18.9%) sector. The Energy and Health Care sectors have also been the largest contributors to the increase in revenues for the index since the end of the quarter. On the other hand, two 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: Utilities (to -3.0% from 5.1%) and Consumer Staples (3.3% from 3.8%). The Utilities sector has also been the largest detractor to the increase in revenues for the index since September 30. The Materials sector reported a year-over-year decline in revenues of -10.2%, which is equal to the estimate on September 30.

In the Energy sector, Chevron, Exxon Mobil, and Marathon Petroleum were substantial contributors to the increase in revenues for the index since September 30, due to the upward revisions to revenues estimates Chevron and Exxon Mobil and the positive revenue surprises reported by Chevron ($54.08 billion vs. $51.41 billion) and Marathon Petroleum ($41.58 billion vs. $37.67 billion). As a result, the blended revenue decline for the Energy sector decreased to -15.5% from -18.9% over this period.

In the Health Care sector, the positive revenue surprises reported by Cencora ($68.92 billion vs. $66.25 billion), Centene Corporation ($38.04 billion vs. $36.24 billion), CVS Health ($89.76 billion vs. $88.30 billion), and McKesson ($77.22 billion vs. $76.03 billion) have been the significant contributors to the increase in revenues for the index since September 30. As a result, the blended revenue growth rate for the Health Care sector has increased to 6.2% from 4.5% over this period.

In the Utilities sector, the negative revenue surprises reported by NRG Energy ($7.95 billion vs. $10.95 billion), Southern Company ($6.98 billion vs. $8.23 billion), and Edison International ($4.70 billion vs. $5.35 billion) were substantial detractors to the increase in revenues for the index since September 30. As a result, the Utilities sector reported a decline in revenues of -3.0% compared to expectations for revenue growth of 5.1% on September 30.

Earnings Growth: 4.1%

The blended (year-over-year) earnings growth rate for Q3 2023 is 4.1%, which is below the 5-year average earnings growth rate of 10.6% and below the 10-year average earnings growth rate of 8.4%. If 4.1% 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.

Eight of the eleven sectors are reporting (or have reported) year-over-year earnings growth, led by the Communication Services, Consumer Discretionary, and Financials sectors. On the other hand, three sectors are reporting (or have reported) a year-over-year decline in earnings: Energy, Health Care, and Materials.

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

The Communication Services sector reported the largest (year-over-year) earnings growth rate of all eleven sectors at 42.7%. At the industry level, 4 of the 5 industries reported a year-over-year increase in earnings. Three of these four industries in the sector reported a year-over-year increase in earnings of 65% or more: Wireless Telecommunication Services (320%), Entertainment (289%), and Interactive Media & Services (67%). On the other hand, the Diversified Telecommunication Services (-7%) was the only industry that reported a year-over-year decline in earnings.

At the company level, Meta Platforms ($4.39 vs. $1.64) was the largest contributor to earnings growth for the sector. If this company were excluded, the blended earnings growth rate for Communication Services sector would fall to 28.8% from 42.7%.

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

The Consumer Discretionary sector is reporting the second-highest (year-over-year) earnings growth rate of all eleven sectors at 41.3%. At the industry level, 3 of the 9 industries in the sector reported a year-over-year increase in earnings of 15% or more: Broadline Retail (324%), Hotels, Restaurants, & Leisure (132%), and Leisure Products (16%). On the other hand, six industries are reporting (or have reported) a year-over-year decline in earnings. One of these six industries reported a decrease in earnings of more than 10%: Automobiles (-13%).

At the industry level, the Broadline Retail and Hotels, Restaurants, & Leisure industries are the largest contributors to earnings growth for the sector. If these two industries were excluded, the Consumer Discretionary sector would be reporting a (year-over-year) decline in earnings of -8.0% instead of year-over-year earnings growth if 41.3%.

At the company level, Amazon.com ($0.94 vs. $0.28) is the largest contributor to earnings growth for the sector. If this company were excluded, the blended earnings growth rate for the sector would fall to 23.4% from 41.3%

Financials: Insurance Industry Was Largest Contributor to Year-Over-Year Growth

The Financials sector reported the third-largest (year-over-year) earnings growth rate of all eleven sectors at 18.5%. At the industry level, 4 of the 5 industries reported a year-over-year increase in earnings. Three of these four industries reported a year-over-year increase in earnings of 15% or more: Insurance (82%), Financial Services (20%), and Banks (16%). On the other hand, the Capital Markets (-4%) industry was the only industry that reported a (year-over-year) decline in earnings.

At the industry level, the Insurance industry was the largest contributor to earnings growth for the sector. If this industry were excluded, the blended earnings growth rate for the Financials sector would fall to 10.7% from 18.5%.

Energy: Largest Detractor to Year-Over-Year Earnings Growth for S&P 500

The Energy sector reported the largest (year-over-year) earnings decline of all eleven sectors at -36.9%. Lower year-over-year oil prices contributed to the year-over-year decrease in earnings for this sector. Despite the rise in price during September, the average price of oil in Q3 2023 ($82.22) was still 10% 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 reported a year-over-year decrease in earnings of more than 20%: Integrated Oil & Gas (-50%), Oil & Gas Exploration & Production (-33%), and Oil & Gas Refining & Marketing (-21%). On the other hand, the other two sub-industries reported year-over-year earnings growth: Oil & Gas Equipment & Services (32%) and Oil & Gas Storage & Transportation (8%).

The Energy sector is also the largest detractor to overall earnings growth for the S&P 500. If this sector were excluded, the blended earnings growth rate for S&P 500 would improve to 9.8% from 4.1%.

Health Care: Pfizer and Moderna Are Largest Contributors to Year-Over-Year Decline

The Health Care sector is reporting the second-largest (year-over-year) earnings decline of all eleven sectors at -20.2%. At the industry level, three of the five industries in this sector are reporting (or have reported) a year-over-year decline in earnings: Pharmaceuticals (-43%), Biotechnology (-34%), and Life Sciences, Tools, & Services (-1%) industries. On the other hand, two industries are reporting year-over-year earnings growth: Health Care Providers & Services (10%) and Health Care Equipment & Supplies (7%).

At the company level, Pfizer (-$0.17 vs. $1.78) and Moderna (-$9.53 vs. $2.53) are the largest contributors to the earnings decline for the sector. If these two companies were excluded, the blended earnings decline for the Health Care sector would improve to -0.1% from -20.2%.

Materials: 3 of 4 Industries Reported Year-Over-Year Decline of More Than 20%

The Materials sector reported the third-largest (year-over-year) earnings decline of all eleven sectors at -20.1%. At the industry level, three of the four industries in this sector reported a year-over-year decline in earnings of more than 20%: Containers & Packaging (-25%), Metals & Mining (-22%), and Chemicals (-22%). On the other hand, the Construction Materials (39%) industry was the only industry in the sector that reported (year-over-year) earnings growth.

Revenue Growth: 2.3%

The blended (year-over-year) revenue growth rate for Q3 2023 is 2.3%, which is below the 5-year average revenue growth rate of 7.2% and below the 10-year average revenue growth rate of 5.0%. If 2.3% is the actual revenue growth rate for the quarter, it will mark the 11th consecutive quarter of revenue growth for the index.

At the sector level, eight sectors are reporting (or have reported) year-over-year growth in revenues, led by the Real Estate, Consumer Discretionary, and Communication Services sectors. On the other hand, three sectors are reported a year-over-year decline in revenues, led by the Energy and Materials sectors.

Real Estate: All 8 Industries Reported Year-Over-Year Growth

The Real Estate sector reported the highest (year-over-year) revenue growth rate of all eleven sectors at 7.9%. At the industry level, all 8 industries in the sector reported a year-over-year increase in revenues. Three of these 8 industries reported revenue growth at or above 10%: Industrial REITs (54%), Health Care REITs (11%), and Retail REITs (10%).

Consumer Discretionary: 7 of 9 Industries Reporting Year-Over-Year Growth

The Consumer Discretionary sector is reporting the second-highest (year-over-year) revenue growth rate of all eleven sectors at 7.4%. At the industry level, 7 of the 9 industries in the sector reported a year-over-year increase in revenues. Two of these seven industries reported revenue growth at or above 10%: Hotels, Restaurants, & Leisure (22%) and Broadline Retail (12%).

Communication Services: 3 of 5 Industries Reported Year-Over-Year Growth

The Communication Services sector reported the third-highest (year-over-year) revenue growth rate of all eleven sectors at 7.0%. At the industry level, 3 of the 5 industries in the sector reported a year-over-year increase in revenues. One of these 3 industries reported revenue growth at or above 10%: Interactive Media & Services (13%).

Energy: 4 of 5 Sub-Industries Reported a Year-Over-Year Decline of More Than 10%

The Energy sector reported the largest (year-over-year) revenue decline of all eleven sectors at -15.5%. Lower year-over-year oil prices contributed to the year-over-year decrease in revenues for this sector. Despite the rise in price during September, the average price of oil in Q3 2023 ($82.22) was still 10% 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 reported a year-over-year decrease in revenues of 10% or more: Oil & Gas Storage & Transportation (-25%), Oil & Gas Exploration & Production (-22%), Integrated Oil & Gas (-19%), and Oil & Gas Refining & Marketing (-10%). On the other hand, the Oil & Gas Equipment & Services (14%) sub-industry was the only sub-industry that reported (year-over-year) revenue growth in the sector.

Materials: Chemicals Industry Led Year-Over-Year Decline

The Materials sector reported the second-highest (year-over-year) decline in revenues at -10.2%. At the industry level, three of the four industries in the sector reported a year-over-year decrease in revenues: Chemicals (-12%), Containers & Packaging (-9%), and Metals & Mining (-9%). On the other hand, the Construction Materials (11%) industry was the only industry that reported year-over-year growth in revenues.

Net Profit Margin: 12.1%

The blended net profit margin for the S&P 500 for Q3 2023 is 12.1%, which is above the previous quarter's net profit margin of 11.6%, above the 5-year average of 11.4%, and above the year-ago net profit margin of 11.9%.

At the sector level, seven sectors are reporting (or have reported) a year-over-year increase in their net profit margins in Q3 2023 compared to Q3 2022, led by the Communication Services (13.0% vs. 9.7%) sector. On the other hand, four sectors are reporting (or have reported) 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.

Eight sectors are reporting (or have reported) net profit margins in Q3 2023 that are above their 5-year averages, led by the Consumer Discretionary (9.5% vs. 6.4%) and Energy (10.7% vs. 8.4%) sectors. On the other hand, three sectors are reporting (or have reported) net profit margins in Q3 2023 that are below their 5-year averages, led by the Health Care (7.9% vs. 10.3%) sector.

Forward Estimates and Valuation

Quarterly Guidance: Negative Guidance for Q4 is Above 5-Year and 10-Year Averages

At this point in time, 89 companies in the index have issued EPS guidance for Q4 2023. Of these 89 companies, 59 have issued negative EPS guidance and 30 have issued positive EPS guidance. The percentage of companies issuing negative EPS guidance for Q4 2023 is 66% (59 out of 89), which is above the 5-year average of 59% and above the 10-year average of 64%.

At this point in time, 273 companies in the index have issued EPS guidance for the current fiscal year (FY 2023 or FY 2024). Of these 273 companies, 123 have issued negative EPS guidance and 150 have issued positive EPS guidance. The percentage of companies issuing negative EPS guidance is 45% (123 out of 273).

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 1% for CY 2023

For the third quarter, S&P 500 companies are reporting a year-over-year growth in earnings of 4.1% and year-over-year growth in revenues of 2.3%.

For Q4 2023, analysts are projecting earnings growth of 3.2% and revenue growth of 3.3%.

For CY 2023, analysts are projecting earnings growth of 0.6% and revenue growth of 2.3%.

For Q1 2024, analysts are projecting earnings growth of 6.7% and revenue growth of 4.3%.

For Q2 2024, analysts are projecting earnings growth of 10.5% and revenue growth of 5.0%.

For CY 2024, analysts are projecting earnings growth of 11.6% and revenue growth of 5.5%.

Valuation: Forward P/E Ratio is 18.0, Above the 10-Year Average (17.5)

The forward 12-month P/E ratio for the S&P 500 is 18.0. This P/E ratio is below the 5-year average of 18.7 but above the 10-year average of 17.5. It is also above the forward 12-month P/E ratio of 17.8 recorded at the end of the third quarter (September 30). Since the end of the third quarter (September 30), the price of the index has increased by 1.4%, while the forward 12-month EPS estimate has increased by 0.5%. At the sector level, the Information Technology (25.6) and Consumer Discretionary (23.0) sectors have the highest forward 12-month P/E ratios, while the Energy (10.4) and Financials (13.1) sectors have the lowest forward 12-month P/E ratios.

The trailing 12-month P/E ratio is 21.6, which is below the 5-year average of 22.4 but above the 10-year average of 20.8.

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

The bottom-up target price for the S&P 500 is 5038.15, which is 15.9% above the closing price of 4347.35. At the sector level, the Energy (+21.6%) and Consumer Discretionary (+20.3%) 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 Utilities (+12.3%) 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 11,269 ratings on stocks in the S&P 500. Of these 11,269 ratings, 55.1% are Buy ratings, 39.6% are Hold ratings, and 5.4% are Sell ratings. At the sector level, the Energy (62%) and Communication Service (62%) sectors have the highest percentages of Buy ratings, while the Consumer Staples (47%) sector has the lowest percentage of Buy ratings.

Companies Reporting Next Week: 12

During the upcoming week, 12 S&P 500 companies (including 3 Dow 30 components) are scheduled to report results for the third quarter.

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Q3 2023: Scorecard

S&P 500 Earnings Above, In-Line, Below Estimates: Q3 2023
(Source: FactSet)

	Comm. Services	Info. Technology	Industrials	Consumer Staples	S&P 500	Financials	Consumer Disc.	Health Care	Utilities	Materials	Energy	Real Estate
Below	9%	6%	11%	7%	14%	17%	11%	15%	20%	14%	26%	23%
In-Line	0%	4%	3%	7%	5%	3%	9%	5%	3%	10%	0%	10%
Above	91%	90%	86%	86%	81%	80%	80%	80%	77%	76%	74%	68%

S&P 500 Revenues Above, In-Line, Below Estimates: Q3 2023
(Source: FactSet)

	Comm. Services	Financials	Real Estate	Consumer Disc.	Info. Technology	Health Care	S&P 500	Industrials	Consumer Staples	Energy	Materials	Utilities
Below	18%	24%	29%	31%	35%	38%	39%	41%	43%	57%	62%	79%
In-Line	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Above	82%	76%	71%	69%	65%	62%	61%	59%	57%	43%	38%	21%

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Q3 2023: Scorecard

S&P 500 Sector-Level Earnings Surprise %: Q3 2023
(Source: FactSet)

Sector	Surprise %
Consumer Disc.	21.7%
Comm. Services	9.4%
Financials	9.0%
Info. Technology	8.6%
Industrials	7.2%
S&P 500	7.1%
Consumer Staples	5.7%
Materials	5.2%
Utilities	3.1%
Real Estate	2.3%
Health Care	1.1%
Energy	-0.8%

■ Surprise %

S&P 500 Sector-Level Revenue Surprise %: Q3 2023
(Source: FactSet)

Sector	Surprise %
Real Estate	1.8%
Health Care	1.8%
Consumer Disc.	1.0%
Info. Technology	1.0%
Financials	1.0%
Comm. Services	0.9%
Industrials	0.8%
S&P 500	0.7%
Energy	0.5%
Materials	0.2%
Consumer Staples	-0.5%
Utilities	-7.7%

■ Surprise %

Q3 2023: Scorecard

S&P 500 EPS Surprise % vs. Price %: Q3 2023
(Source: FactSet)

Legend: Number of Companies Reporting Surprise % in Each Range — Average Price Change % (2 Days Before Report + 2 Days After Report)

S&P 500 EPS Surprise vs. Avg. Price Change %
(Source: FactSet)

Legend: Q3 2023, 5-Year Average

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Q3 2023: Scorecard

S&P 500 Actual EPS Surprise %: Top 10 Q3 Actual EPS Surprises
(Source: FactSet)

Company	Surprise %
Airbnb, Inc. Class A	214.2%
Illumina, Inc.	139.2%
Paramount Global Class B	124.8%
Intel Corporation	86.7%
Insulet Corporation	83.6%
Allstate Corporation	81.2%
Assurant, Inc.	62.0%
Amazon.com, Inc.	60.6%
Constellation Energy Corporation	52.8%
Lamb Weston Holdings, Inc.	50.5%

S&P 500 Actual EPS Surprise %: Bottom 10 Q3 Actual EPS Surprises
(Source: FactSet)

Company	Surprise %
FactSet Research Systems Inc.	-16.4%
Organon & Co.	-17.2%
Chevron Corporation	-17.6%
Targa Resources Corp.	-18.0%
Discover Financial Services	-18.4%
Albemarle Corporation	-27.0%
Travelers Companies, Inc.	-34.9%
Fidelity National Information Services, Inc.	-40.7%
NRG Energy, Inc.	-52.8%
SolarEdge Technologies, Inc.	-262.6%

Q3 2023: Growth

S&P 500 Earnings Growth (Y/Y): Q3 2023
(Source: FactSet)

	Comm. Services	Consumer Disc.	Financials	Utilities	Info. Technology	Industrials	Consumer Staples	Real Estate	S&P 500	Materials	Health Care	Energy
▪ Today	42.7%	41.3%	18.5%	11.3%	11.0%	9.1%	4.8%	4.5%	4.1%	-20.1%	-20.2%	-36.9%
30-Sep	32.0%	22.1%	8.9%	12.4%	4.6%	4.3%	0.7%	2.2%	-0.3%	-22.4%	-12.0%	-38.2%

S&P 500 Revenue Growth (Y/Y): Q3 2023
(Source: FactSet)

	Real Estate	Consumer Disc.	Comm. Services	Financials	Health Care	Consumer Staples	S&P 500	Industrials	Info. Technology	Utilities	Materials	Energy
▪ Today	7.9%	7.4%	7.0%	6.5%	6.2%	3.3%	2.3%	2.3%	2.3%	-3.0%	-10.2%	-15.5%
30-Sep	6.3%	7.2%	6.1%	5.4%	4.5%	3.8%	1.6%	1.7%	1.4%	5.1%	-10.2%	-18.9%

Q3 2023: Growth

S&P 500 Earnings Growth (Y/Y): Q3 2023
(Source: FactSet)

- 8.6% — S&P 500 Companies > 50% Revenue in U.S.
- 4.1% — All S&P 500 Companies
- -4.0% — S&P 500 Companies < 50% Revenues in U.S.

Legend: ■ S&P 500 Companies > 50% Revenue in U.S. ■ All S&P 500 Companies ■ S&P 500 Companies < 50% Revenues in U.S.

S&P 500 Revenue Growth (Y/Y): Q3 2023
(Source: FactSet)

- 3.8% — S&P 500 Companies > 50% Revenue in U.S.
- 2.3% — All S&P 500 Companies
- -1.8% — S&P 500 Companies < 50% Revenues in U.S.

Legend: ■ S&P 500 Companies > 50% Revenue in U.S. ■ All S&P 500 Companies ■ S&P 500 Companies < 50% Revenues in U.S.

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Q3 2023: Net Profit Margin

S&P 500 Net Profit Margins: Q323 vs. Q322
(Source: FactSet)

	Real Estate	Information Tech.	Financials	Utilities	Comm. Services	S&P 500	Energy	Industrials	Materials	Consumer Disc.	Health Care	Consumer Staples
Q323	35.4%	24.9%	17.7%	15.4%	13.0%	12.1%	10.7%	10.2%	10.1%	9.5%	7.9%	6.2%
Q322	36.6%	23.0%	15.9%	13.4%	9.7%	11.9%	14.4%	9.5%	11.3%	7.2%	10.5%	6.1%

S&P 500: % of Cos. With Increase or Decrease in Net Profit Margin: Q323 vs. Q322
(Source: FactSet)

	Utilities	Industrials	Consumer Disc.	Comm. Services	S&P 500	Financials	Consumer Staples	Information Tech.	Health Care	Materials	Real Estate	Energy
Down %	17%	33%	38%	35%	45%	46%	45%	49%	52%	59%	65%	65%
None %	0%	0%	0%	4%	0%	0%	3%	0%	0%	0%	0%	0%
Up %	83%	67%	62%	61%	55%	54%	53%	51%	48%	41%	35%	35%

Q4 2023: Guidance

Number (#) of S&P 500 Cos. with Q4 Positive & Negative Guidance
(Source: FactSet)

Sector	# of Negative EPS Preannouncements	# of Positive EPS Preannouncements
Info. Technology	19	14
Industrials	8	6
Consumer Disc.	7	3
Health Care	6	3
Materials	6	1
Real Estate	3	2
Consumer Staples	3	1
Utilities	3	0
Financials	2	0
Comm. Services	2	0
Energy	0	0

Percentage (%) of S&P 500 Cos. with Q4 Positive & Negative Guidance
(Source: FactSet)

	Utilities	Comm. Services	Financials	Materials	Consumer Staples	Consumer Disc.	Health Care	S&P 500	Real Estate	Info. Technology	Industrials	Energy
Positive	0%	0%	0%	14%	25%	30%	33%	34%	40%	42%	43%	0%
Negative	100%	100%	100%	86%	75%	70%	67%	66%	60%	58%	57%	0%

Q4 2023: EPS Revisions

Upward Change in Q4 EPS (Trailing 4 Weeks): Top 10 S&P 500 Cos.
(Source: FactSet)

Company	Change
Intel Corporation	36.3%
PG&E Corporation	29.6%
Constellation Energy Corporation	24.9%
Evergy, Inc.	22.1%
CMS Energy Corporation	16.7%
Amazon.com, Inc.	15.3%
Healthpeak Properties, Inc.	15.2%
Western Digital Corporation	14.0%
Edison International	12.8%
Welltower Inc.	12.5%

Downward Change in Q4 EPS (Trailing 4-Weeks): Top 10 S&P 500 Cos.
(Source: FactSet)

Company	Change
American Airlines Group Inc.	-78.5%
Illumina, Inc.	-85.1%
Merck & Co., Inc.	-93.3%
Pfizer Inc.	-114.0%
SolarEdge Technologies, Inc.	-127.5%
Warner Bros. Discovery, Inc. Series A	-182.3%
Moderna, Inc.	-189.5%
Norwegian Cruise Line Holdings Ltd.	-292.5%
Pinnacle West Capital Corporation	-358.5%
Boeing Company	-430.0%

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Q4 2023: Growth

S&P 500 Earnings Growth (Y/Y): Q4 2023
(Source: FactSet)

	Comm. Services	Utilities	Consumer Disc.	Info. Technology	Real Estate	S&P 500	Financials	Consumer Staples	Industrials	Materials	Health Care	Energy
Today	42.3%	32.1%	22.8%	13.7%	4.4%	3.2%	3.2%	-0.2%	-0.4%	-17.5%	-17.8%	-23.1%
30-Sep	45.5%	31.5%	28.5%	13.3%	6.4%	8.0%	6.5%	3.1%	5.4%	-7.2%	0.0%	-23.9%

S&P 500 Revenue Growth (Y/Y): Q4 2023
(Source: FactSet)

	Financials	Real Estate	Comm. Services	Info. Technology	Consumer Disc.	Health Care	S&P 500	Consumer Staples	Industrials	Utilities	Energy	Materials
Today	7.0%	6.4%	6.3%	5.9%	4.3%	4.1%	3.3%	2.7%	1.8%	0.0%	-4.6%	-5.2%
30-Sep	7.7%	7.0%	6.5%	7.0%	6.3%	5.1%	3.9%	3.7%	2.5%	-3.4%	-6.8%	-3.4%

FY 2023 / 2024: EPS Guidance

Number (#) of S&P 500 Cos. with FY Positive & Negative Guidance
(Source: FactSet)

Legend: ■ Negative ■ Positive

Percentage (%) of S&P 500 Cos. with FY Positive & Negative Guidance
(Source: FactSet)

	Comm. Services	Utilities	Health Care	Materials	Consumer Staples	Real Estate	S&P 500	Info. Technology	Industrials	Consumer Disc.	Energy	Financials
■ Positive	33%	37%	46%	46%	48%	50%	55%	63%	65%	66%	67%	83%
■ Negative	67%	63%	54%	54%	52%	50%	45%	37%	35%	34%	33%	17%

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CY 2023: Growth

S&P 500 Earnings Growth (Y/Y): CY 2023
(Source: FactSet)

	Consumer Disc.	Comm. Services	Industrials	Financials	Utilities	Info. Technology	Real Estate	Consumer Staples	S&P 500	Health Care	Materials	Energy
■ Today	43.9%	23.5%	11.2%	8.4%	7.1%	3.4%	3.0%	2.2%	0.6%	-20.4%	-22.5%	-28.2%
▫ 30-Sep	40.1%	22.1%	12.2%	6.6%	8.0%	2.7%	3.1%	2.1%	0.8%	-15.1%	-20.8%	-29.0%

S&P 500 Revenue Growth (Y/Y): CY 2023
(Source: FactSet)

	Consumer Disc.	Financials	Real Estate	Comm. Services	Health Care	Industrials	Consumer Staples	S&P 500	Info. Technology	Utilities	Materials	Energy
■ Today	7.5%	6.4%	6.0%	4.7%	4.4%	4.4%	3.4%	2.3%	2.0%	1.1%	-8.7%	-14.7%
▫ 30-Sep	8.0%	7.1%	6.1%	4.6%	4.3%	4.4%	3.9%	2.4%	2.0%	1.2%	-8.1%	-15.7%

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CY 2024: Growth

S&P 500 Earnings Growth (Y/Y): CY 2024
(Source: FactSet)

	Health Care	Comm. Services	Info. Technology	Industrials	Consumer Disc.	S&P 500	Utilities	Financials	Consumer Staples	Materials	Energy	Real Estate
■ Today	18.7%	16.9%	15.8%	12.3%	12.1%	11.6%	8.7%	6.5%	6.3%	4.9%	4.4%	3.6%
▨ 30-Sep	13.4%	18.4%	16.8%	13.6%	16.2%	12.2%	8.1%	9.0%	7.6%	7.2%	2.7%	5.3%

S&P 500 Revenue Growth (Y/Y): CY 2024
(Source: FactSet)

	Info. Technology	Comm. Services	Consumer Disc.	Financials	Real Estate	S&P 500	Health Care	Industrials	Utilities	Consumer Staples	Energy	Materials
■ Today	8.7%	7.3%	7.3%	6.3%	5.9%	5.5%	5.4%	5.2%	3.2%	3.1%	2.0%	1.5%
▨ 30-Sep	9.2%	7.4%	7.5%	6.2%	6.2%	5.6%	5.6%	5.2%	3.5%	3.4%	1.0%	1.9%

Geographic Revenue Exposure

S&P 500: Aggregate Geographic Revenue Exposure (%)
(Source: FactSet)

International 41%

United States 59%

S&P 500: Aggregate Sector Geographic Revenue Exposure (%)
(Source: FactSet)

	Utilities	Real Estate	Financials	Industrials	Health Care	Consumer Disc.	Energy	Consumer Staples	Comm. Services	Materials	Info. Technology
International	1%	18%	29%	31%	33%	34%	38%	41%	45%	52%	59%
United States	99%	82%	71%	69%	67%	66%	62%	59%	55%	48%	41%

Bottom-Up EPS Estimates

S&P 500 CY 2023 & CY 2024 Bottom-Up EPS: 1-Year
(Source: FactSet)

Legend: — — CY 2024 Bottom-Up EPS   —— CY 2023 Bottom-Up EPS

(Labeled values: 245.85, 220.74)

S&P 500 Q423 Bottom-Up EPS: 1-Year
(Source: FactSet)

Legend: — — Price   —— Q423 Bottom-Up EPS

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Bottom-Up EPS Estimates: Current & Historical

S&P 500 Calendar Year Bottom-Up EPS Actuals & Estimates
(Source: FactSet)

Year	EPS
CY2013	111.52
CY2014	119.12
CY2015	118.82
CY2016	119.40
CY2017	133.61
CY2018	161.56
CY2019	163.13
CY2020	140.46
CY2021	208.49
CY2022	219.19
CY2023	220.74
CY2024	245.85

S&P 500 Quarterly Bottom-Up EPS Actuals & Estimates
(Source: FactSet)

Quarter	EPS
Q122	54.09
Q222	56.69
Q322	55.65
Q422	53.49
Q123	53.33
Q223	54.54
Q323	58.49
Q423	55.10
Q124	56.93
Q224	60.29
Q324	63.68
Q424	64.41

Forward 12M P/E Ratio: Sector Level

S&P 500 Sector-Level Forward 12-Month P/E Ratios
(Source: FactSet)

	Info. Technology	Consumer Disc.	Consumer Staples	S&P 500	Industrials	Materials	Health Care	Comm. Services	Real Estate	Utilities	Financials	Energy
■ Fwd P/E	25.6	23.0	18.3	18.0	17.3	17.0	16.5	16.3	15.4	15.1	13.1	10.4
■ 5-Yr Avg.	22.9	27.3	20.0	18.7	19.5	17.3	16.2	18.7	19.4	18.7	13.1	2.7
■ 10-Yr Avg.	19.7	22.9	19.5	17.5	17.9	16.6	16.1	15.8	0.0	17.6	13.1	15.6

Sector-Level Change in Fwd. 12-Month EPS vs. Price: Since Sep. 30
(Source: FactSet)

Legend:
- Consumer Discretionary
- Consumer Staples
- Energy
- Financials
- Health Care
- Industrials
- Information Technology
- Materials
- Real Estate
- Communication Services
- Utilities
- S&P 500

Forward 12M P/E Ratio: 10-Years

S&P 500 Change in Forward 12-Month EPS vs. Change in Price: 10 Yrs.
(Source: FactSet)

S&P 500 Forward 12-Month P/E Ratio: 10 Years
(Source: FactSet)
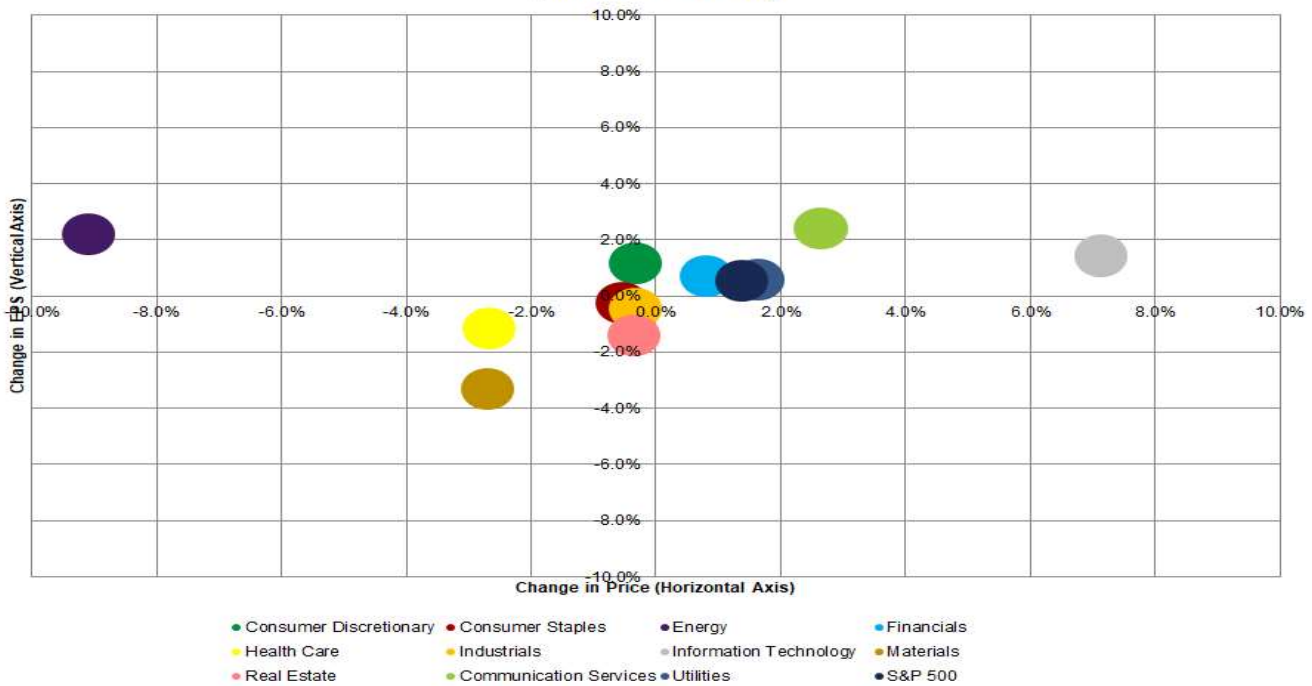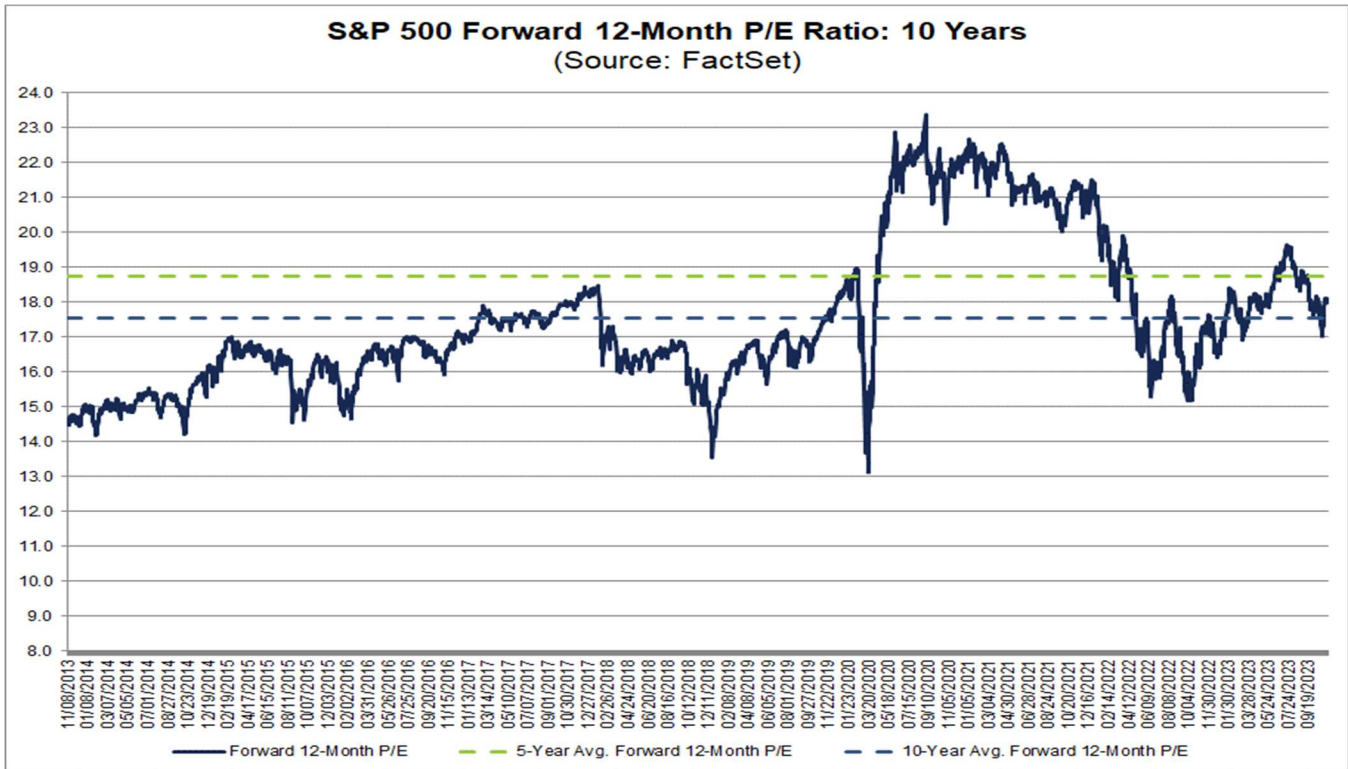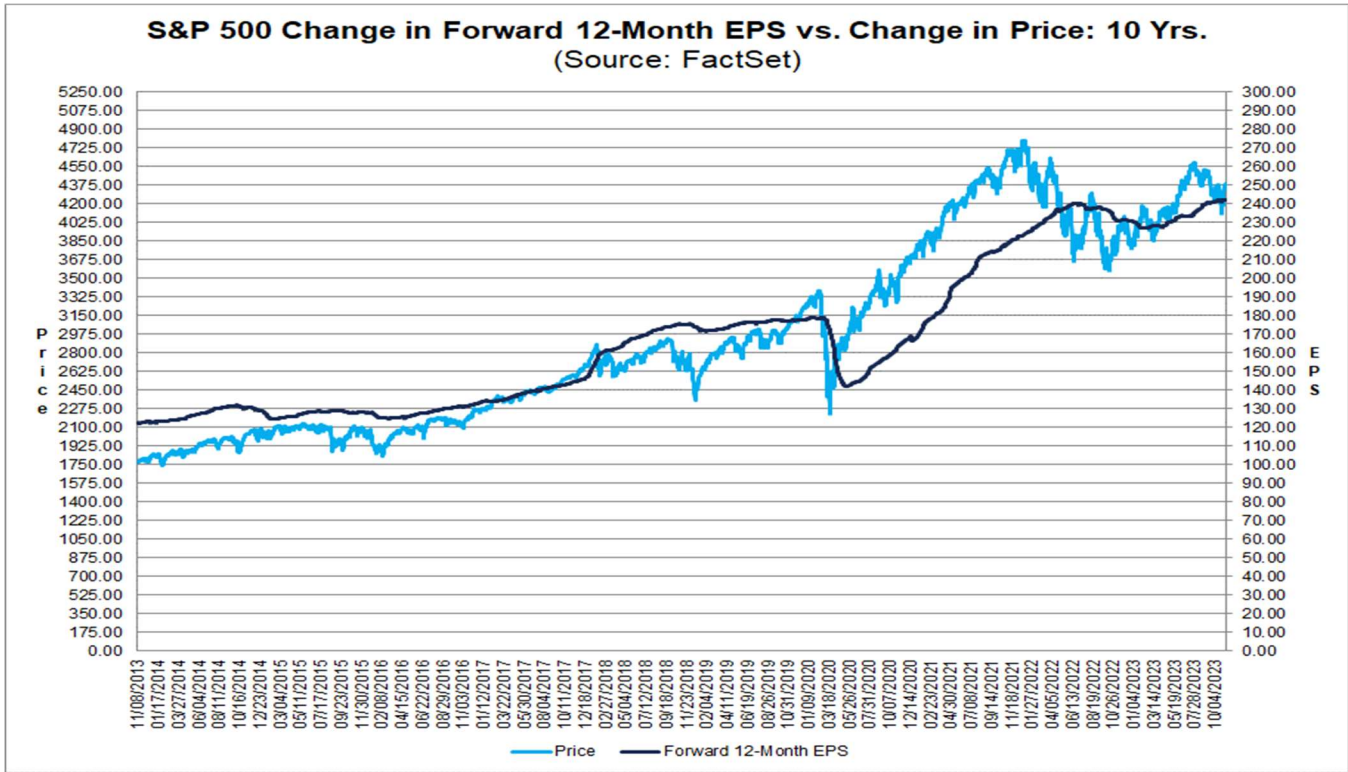
Trailing 12M P/E Ratio: 10-Years

S&P 500 Change in Trailing 12-Month EPS vs. Change in Price: 10 Years
(Source: FactSet)

S&P 500 Trailing 12-Month P/E Ratio: 10 Years
(Source: FactSet)

Targets & Ratings

S&P 500: Percentage of Buy, Hold, and Sell Ratings
(Source: FactSet)

	Energy	Comm. Services	Health Care	Info. Tech.	Consumer Disc.	Real Estate	S&P 500	Financials	Materials	Utilities	Industrials	Consumer Staples
Buy	62%	62%	59%	59%	58%	56%	55%	52%	51%	51%	50%	47%
Hold	35%	32%	38%	37%	37%	40%	40%	42%	44%	42%	43%	46%
Sell	3%	6%	3%	5%	5%	5%	5%	6%	5%	7%	7%	7%

S&P 500 Sector-Level Bottom-Up Target Price vs. Closing Price
(Source: FactSet)

	Energy	Consumer Disc.	Health Care	Materials	Comm. Services	Real Estate	S&P 500	Financials	Industrials	Consumer Staples	Info. Tech.	Utilities
Target/Close	21.6%	20.3%	18.6%	18.1%	17.1%	17.1%	15.9%	14.9%	13.9%	13.5%	13.4%	12.3%

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