EARNINGS INSIGHT

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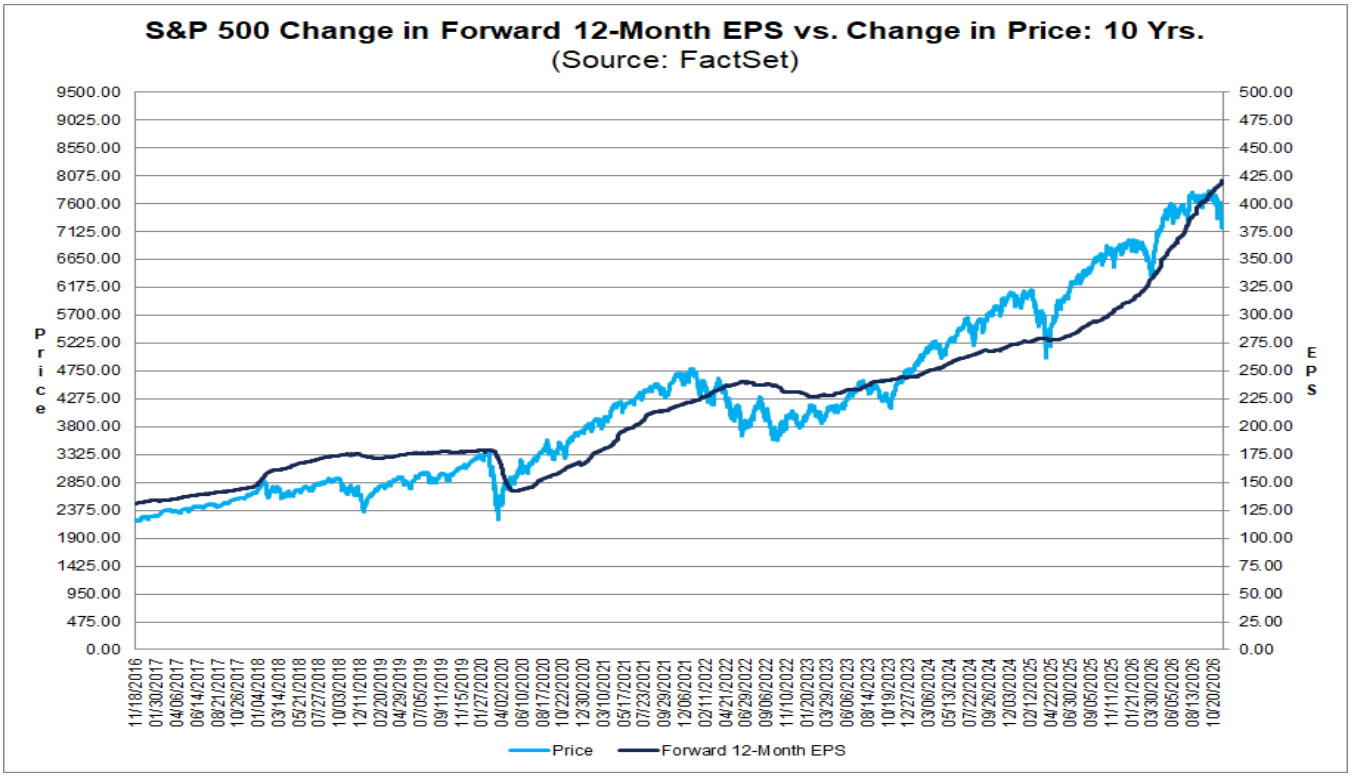
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Author's Note: ***The FactSet Earnings Insight report will not be published on November 27. The next edition of the report will be published on December 4.***

Key Metrics

- **Earnings Scorecard:** For Q3 2026 (with 93% of S&P 500 companies reporting actual results), 84% of S&P 500 companies have reported a positive EPS surprise and 74% of S&P 500 companies has reported a positive revenue surprise.
- **Earnings Growth:** For Q3 2026, the blended (year-over-year) earnings growth rate for the S&P 500 is 32.9%. If 32.9% is the actual growth rate for the quarter, it will mark the third-straight quarter of earnings growth above 25% for the index.
- **Earnings Guidance:** For Q4 2026, 36 S&P 500 companies have issued negative EPS guidance and 46 S&P 500 companies have issued positive EPS guidance.
- **Valuation:** The forward 12-month P/E ratio for the S&P 500 is 17.1. This P/E ratio is below the 5-year average (19.8) and below the 10-year average (19.1).



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Topic of the Week

"Mag 7" Reported Lower Earnings Growth Than Other 493 S&P 500 Companies for Q3

With NVIDIA reporting actual results for Q3 on November 17, all the companies in the "Magnificent 7" have now reported earnings for the third quarter. How did the earnings reported by these seven companies perform relative to analyst expectations and year-ago results?

On September 30, the estimated earnings growth rate for the "Magnificent 7" companies for Q3 2026 was 33.6%. Overall, 57% (4 out of 7) of the "Magnificent 7" companies reported a positive EPS surprise, compared to 84% for all S&P 500 companies. Earnings reported by the "Magnificent 7" companies fell short of estimates by 4.9% in aggregate, while earnings reported by all S&P 500 companies have exceeded estimates by 3.5% in aggregate.

As a result of this subpar performance relative to expectations, the actual earnings growth rate for the "Magnificent 7" companies for Q3 is 27.0%, which is below the estimate of 33.6% on September 30.

On the other hand, the blended (combines actual results for companies that have reported and estimated results for companies yet to report) earnings growth rate for the other 493 S&P 500 companies has increased to 34.7% today from 27.7% on September 30. Thus, the actual earnings growth rate for the "Magnificent 7" companies for Q3 2026 (27.0%) is lower than the blended earnings growth rate for the other 493 S&P 500 companies for Q3 2026 (32.6%).

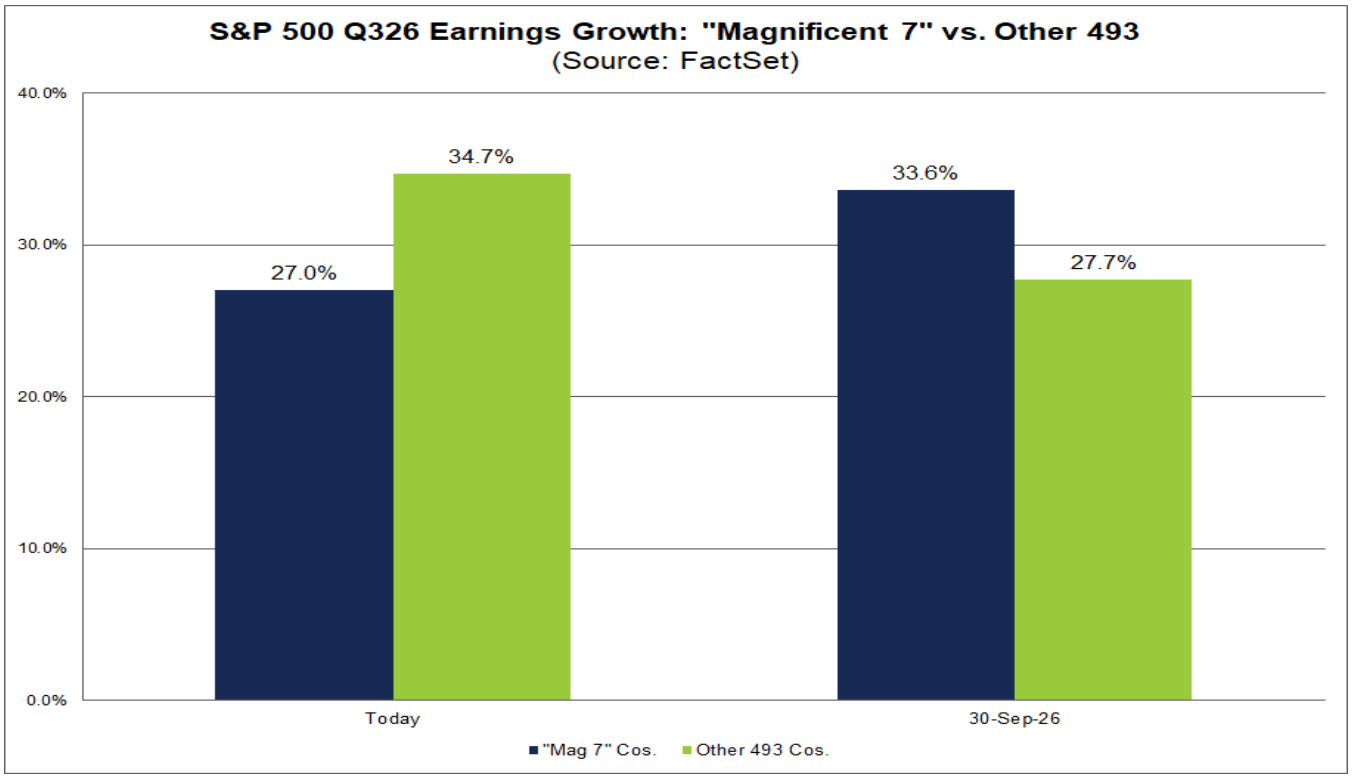
If these results hold until the end of the earnings season, this will mark the first time the "Magnificent 7" companies have reported lower earnings growth than the other 493 S&P 500 companies since Q4 2022 (-30.6% vs. 1.6%).

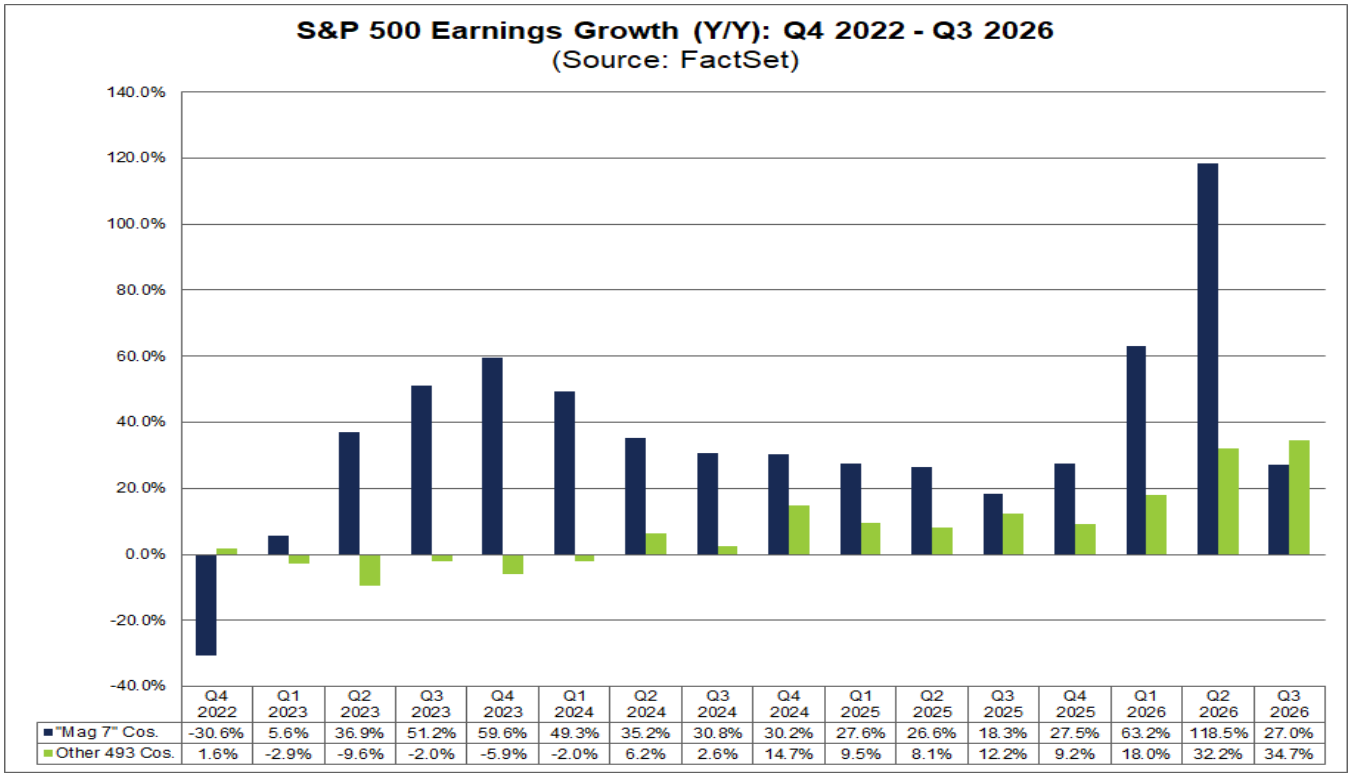
However, it should be noted that EPS reported on a GAAP basis by Alphabet, Amazon.com, and Meta Platforms was used for both the earnings surprise and the earnings growth rate calculations, as the majority of analysts contributing EPS estimates to FactSet for these three companies are providing EPS estimates on a GAAP basis. The (GAAP) EPS actual for Alphabet for Q3 2026 included a loss of $8.7 billion in other income due to net losses on equity securities. The year-ago (GAAP) EPS actual for Amazon.com for Q3 2025 included pre-tax gains of $9.5 billion in non-operating income from investments in Anthropic. The (GAAP) EPS actual for Meta Platforms for Q3 2026 included a $9.89 billion charge related to a litigation agreement. All three companies reported actual (GAAP) EPS for Q3 2026 that was below the mean EPS estimate of the analysts.

While all publicly traded U.S companies report EPS on a GAAP (generally accepted accounting principles) basis, many U.S. companies also choose to report EPS on a non-GAAP basis. There are mixed opinions in the market about the use of non-GAAP EPS. Supporters of the practice argue that it provides the market with a more accurate picture of earnings from the day-to-day operations of companies, as items that companies deem to be one-time events or nonoperating in nature are typically excluded from the non-GAAP EPS numbers. Critics of the practice argue that there is no industry-standard definition of non-GAAP EPS, and companies can take advantage of the lack of standards to exclude items that (more often than not) have a negative impact on earnings to boost non-GAAP EPS.

Looking ahead, analysts also expect the "Magnificent 7" companies to report lower earnings growth than other 493 S&P 500 companies in Q4 2026 (24.1% vs. 30.8%).

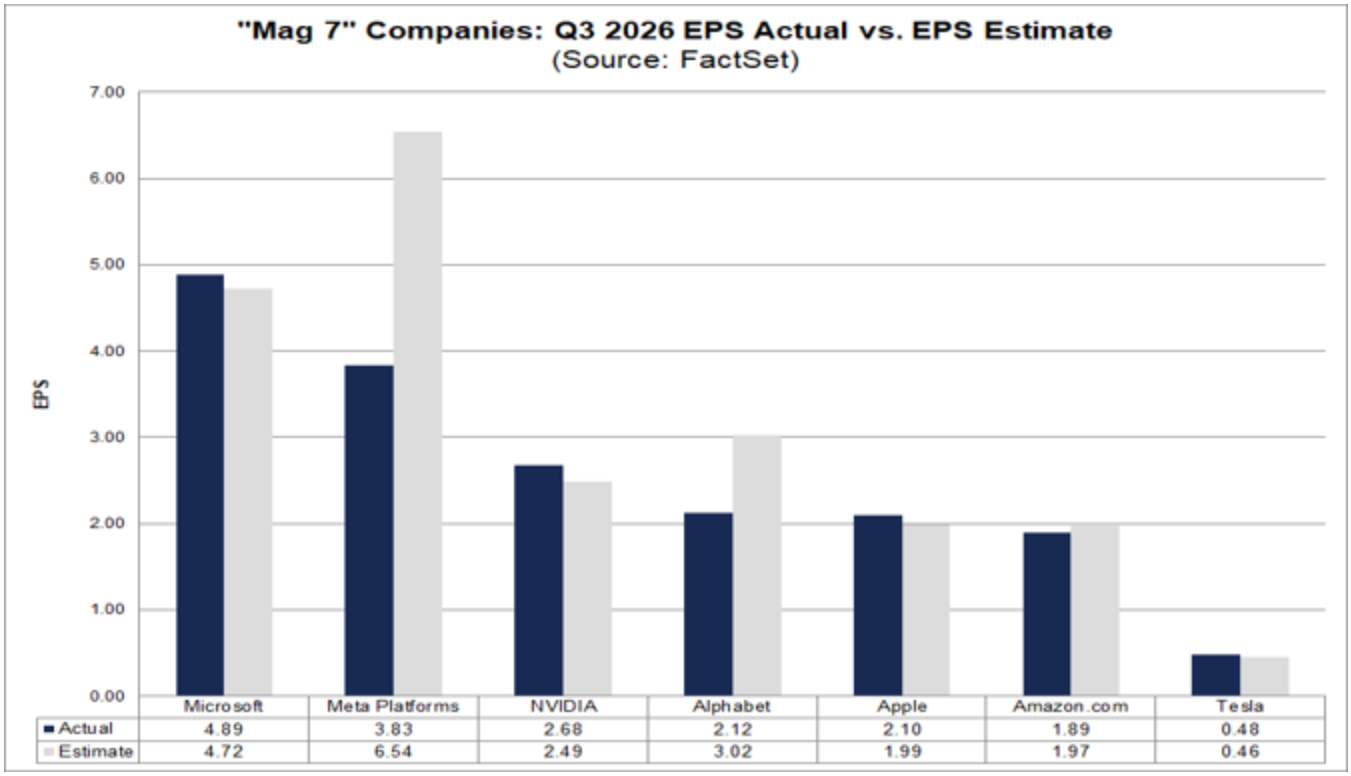
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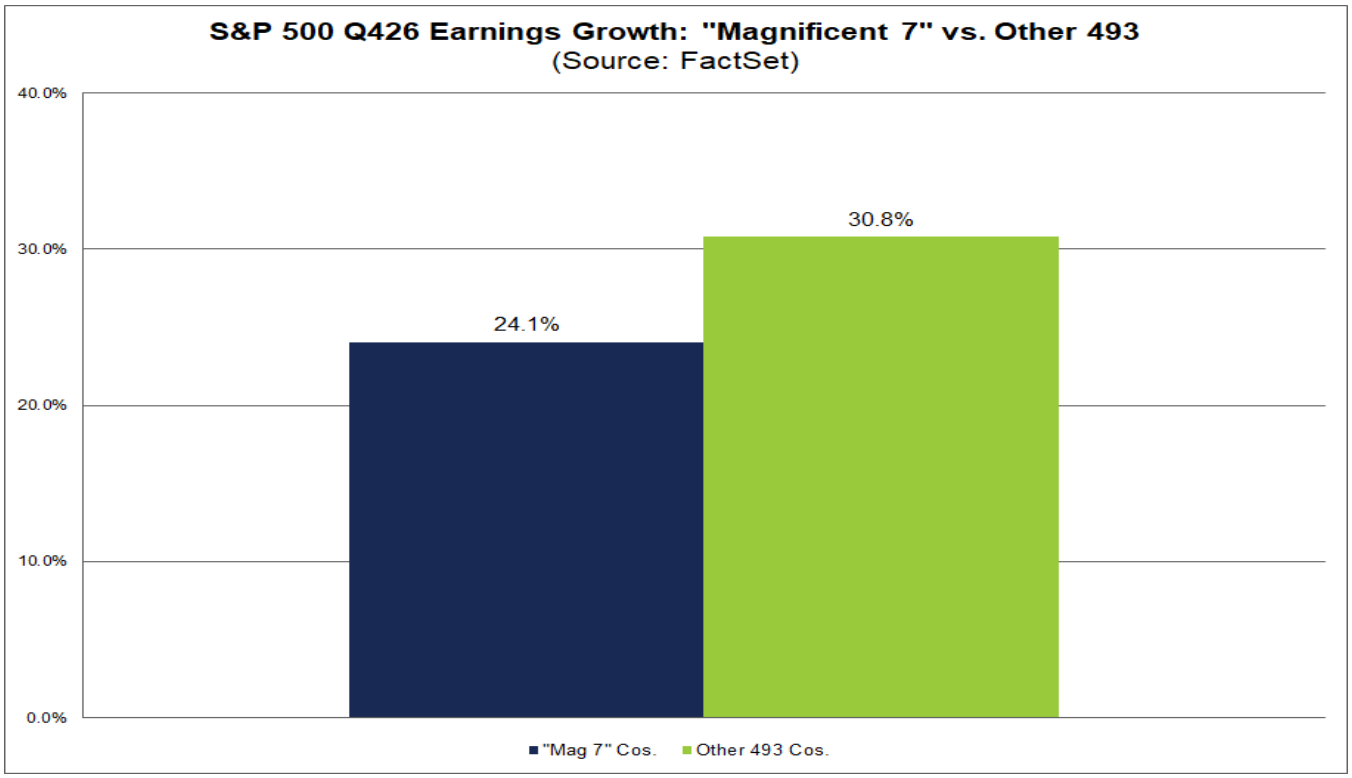




	Q4 2022	Q1 2023	Q2 2023	Q3 2023	Q4 2023	Q1 2024	Q2 2024	Q3 2024	Q4 2024	Q1 2025	Q2 2025	Q3 2025	Q4 2025	Q1 2026	Q2 2026	Q3 2026
"Mag 7" Cos.	-30.6%	5.6%	36.9%	51.2%	59.6%	49.3%	35.2%	30.8%	30.2%	27.6%	26.6%	18.3%	27.5%	63.2%	118.5%	27.0%
Other 493 Cos.	1.6%	-2.9%	-9.6%	-2.0%	-5.9%	-2.0%	6.2%	2.6%	14.7%	9.5%	8.1%	12.2%	9.2%	18.0%	32.2%	34.7%

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Q3 Earnings Season: By The Numbers

Overview

At this late stage of the earnings season, the S&P 500 is reporting mixed results for Q3 relative to expectations. 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 and relative to the end of the quarter. In addition, the index is reporting (year-over-year) earnings growth above 25% for the 3rd straight quarter.

Overall, 93% of the companies in the S&P 500 have reported actual results for Q3 2026 to date. Of these companies, 84% have reported actual EPS above estimates, which is above the 5-year average of 78% and above the 10-year average of 77%. In aggregate, companies are reporting earnings that are 3.5% above estimates, which is below the 5-year average of 7.5% and below the 10-year average of 8.0%. If 3.5% is the actual number for the quarter, it will mark the lowest earnings surprise percentage reported by the index since Q4 2022 (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.

During the past week, the positive EPS surprise reported by NVIDIA was the largest contributor to the increase in the overall earnings growth rate for the index over this period. Since September 30, positive EPS surprises reported by companies in multiple sectors (led by companies in the Information Technology and Energy sectors), partially offset by negative EPS surprises reported by companies in the Communication Services sector, have been the largest contributors to the increase in the overall earnings growth rate for the index over this period.

As a result, the index is reporting higher earnings for the 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 rate for the third quarter is 32.9% today, compared to an earnings growth rate of 32.0% last week and an earnings growth rate of 29.1% at the end of the third quarter (September 30).

If 32.9% is the actual growth rate for the quarter, it will mark the third consecutive quarter of earnings growth above 25% and the eighth consecutive quarter of double-digit earnings growth for the index.

All eleven sectors are reporting (or have reported) year-over-year earnings growth. Seven of these sectors are reporting (or have reported) double-digit growth, led by the Energy, Information Technology, and Materials sectors.

In terms of revenues, 74% of S&P 500 companies have reported actual revenues above estimates, which is above the 5-year average of 70% and above the 10-year average of 68%. In aggregate, companies are reporting revenues that are 2.2% above the estimates, which is above the 5-year average of 1.8% and above the 10-year average of 1.6%. Again, historical averages reflect actual results from all 500 companies, not the actual results from the percentage of companies that have reported through this point in time.

During the past week, the positive revenue surprise reported by NVIDIA was the largest contributor to the increase in the overall revenue growth rate for the index over this period. Since September 30, positive revenue surprises reported by companies in the Energy, Information Technology, and Health Care sectors have been the largest contributors to the increase in the overall revenue growth rate for the index over this period.

As a result, the blended revenue growth rate for the third quarter is 14.6% today, compared to a revenue growth rate of 14.4% last week and a revenue growth rate of 12.2% at the end of the third quarter (September 30).

If 14.6% is the actual revenue growth rate for the quarter, it will mark the second-highest revenue growth rate reported by the index since Q4 2021 (16.3%), trailing only the prior quarter (15.6%). It will also mark the third consecutive quarter of double-digit revenue growth for the index.

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All eleven sectors are reporting (or have reported) year-over-year growth in revenues. Six of these sectors are reporting (or have reported) double-digit growth, led by the Information Technology, Energy, and Communication Services sectors.

For Q4 2026, analysts are calling for earnings growth of 28.9%. For CY 2026, analysts are predicting (year-over-year) earnings growth of 33.7%.

The forward 12-month P/E ratio is 17.1, which is below the 5-year average (19.8) and below the 10-year average (19.1). This P/E ratio is also below the forward P/E ratio of 19.0 recorded at the end of the third quarter (September 30).

During the upcoming week, 13 S&P 500 companies are scheduled to report results for the third quarter.

Scorecard: Percentages of Positive EPS & Revenue Surprises Are Above 5-Year Averages

Percentage of Companies Beating EPS Estimates (84%) is Above 5-Year Average

Overall, 93% of the companies in the S&P 500 have reported earnings to date for the third quarter. Of these companies, 84% have reported actual EPS above the mean EPS estimate, 5% have reported actual EPS equal to the mean EPS estimate, and 11% 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 (82%), above the 5-year average (78%), and above the 10-year average (77%). 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 Energy (95%) and Information Technology (95%) sectors have the highest percentages of companies reporting earnings above estimates, while the Materials (58%) sector has the lowest percentage of companies reporting earnings above estimates.

Earnings Surprise Percentage (+3.5%) is Below 5-Year Average

In aggregate, companies are reporting earnings that are 3.5% above expectations. This surprise percentage is below the 1-year average (+13.8%), below the 5-year average (+7.5%), and below the 10-year average (+8.0%). 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 3.5% is the actual number for the quarter, it will mark the lowest earnings surprise percentage reported by the index since Q4 2022 (+1.3%).

The Health Care (+13.7%) sector is reporting the largest positive (aggregate) difference between actual earnings and estimated earnings. Within this sector, Centene Corporation ($0.58 vs. $0.10), Moderna ($0.38 vs. -$1.10), Elevance Health ($6.99 vs. $4.71), Biogen ($2.62 vs. $1.99), Humana (-0.70 vs. -1.00), and Eli Lilly and Company ($7.48 vs. $5.71) have reported the largest positive EPS surprises. The (non-GAAP) EPS actual for Elevance Health for Q3 2026 included a net non-operating benefit of $1.85.

The Utilities (+10.5%) sector reported the second-largest positive (aggregate) difference between actual earnings and estimated earnings. Within this sector, AES Corporation ($0.86 vs. $0.53), NRG Energy ($4.68 vs. $3.35), Constellation Energy Corporation ($5.06 vs. $3.90), and WEC Energy Group ($1.18 vs. $0.97) reported the largest positive EPS surprises.

The Energy (+8.8%) sector reported the third-largest positive (aggregate) difference between actual earnings and estimated earnings. Within this sector, ONEOK ($2.13 vs. $1.50), Occidental Petroleum ($1.91 vs. $1.46), APA Corporation ($1.94 vs. $1.60), and Phillips 66 ($14.08 vs. $11.73) reported the largest positive EPS surprises.

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The Industrials (+7.2%) sector is reporting the fourth-largest positive (aggregate) difference between actual earnings and estimated earnings. Within this sector, Stanley Black & Decker ($2.31 vs. $1.55), Bloom Energy ($0.94 vs. $0.69), RTX Corporation ($2.26 vs. $1.78), and Huntington Ingalls Industries ($5.48 vs. $4.36) have reported the largest positive EPS surprises. The (non-GAAP) EPS actual for RTX Corporation for Q3 2026 included $0.25 from IEEPA cost recovery.

On the other hand, the Communication Services (-21.1%) sector is reporting the largest negative (aggregate) difference between actual and estimated earnings. Within this sector, Charter Communications (-$20.50 vs. $8.94), Meta Platforms ($3.83 vs. $6.54), and Alphabet ($2.12 vs. $3.02) have reported the largest negative EPS surprises. The (GAAP) EPS actual for Meta Platforms for Q3 2026 included a $9.89 billion charge related to a litigation agreement, while the (GAAP) EPS actual for Alphabet included a loss of $8.7 billion in other income due to net losses on equity securities.

Percentage of Companies Beating Revenue Estimates (74%) is Above 5-Year Average

In terms of revenues, 74% of the companies have reported actual revenues above estimated revenues, 0% of the companies have reported actual revenues equal to estimated revenues, and 26% of the companies have reported actual revenues below estimated revenues. The percentage of companies reporting revenues above estimates is below the 1-year average (77%), but above the 5-year average (70%) and above the 10-year average (68%). Historical averages reflect actual results from all 500 companies, not the actual results from the percentage of companies that have reported through this point in time.

At the sector level, the Energy (95%), Information Technology (93%), and Health Care (91%) sectors have the highest percentages of companies reporting revenues above estimates, while the Real Estate (57%), Consumer Discretionary (57%), and Financials (59%) sectors have the lowest percentages of companies reporting revenues above estimates.

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

In aggregate, companies are reporting revenues that are 2.2% above expectations. This surprise percentage is above the 1-year average (+2.1%), above the 5-year average (+1.8%), and above the 10-year average (+1.6%). Historical averages reflect actual results from all 500 companies, not the actual results from the percentage of companies that have reported through this point in time.

At the sector level, the Energy (+10.5%) and Information Technology (+3.5%) sectors are reporting the largest positive (aggregate) differences between actual revenues and estimated revenues, while the Consumer Discretionary (+0.3%), Communication Services (+0.4%), and Financials (+0.4%) sectors are reporting the smallest positive (aggregate) differences between actual revenues and estimated revenues.

Revisions: Increase in Blended Earnings This Week Due to NVIDIA

Increase in Blended Earnings This Week Due to NVIDIA

The blended (year-over-year) earnings growth rate for the third quarter is 32.9%, which is above the earnings growth rate of 32.0% last week. The positive EPS surprise reported by NVIDIA ($2.68 vs. $2.49) was the largest contributor to the increase in the overall earnings growth rate for the index over this period. As a result, the blended earnings growth rate for the Information Technology sector increased to 72.7% from 69.8% over this period.

Increase in Blended Revenues This Week Due to NVIDIA

The blended (year-over-year) revenue growth rate for the third quarter is 14.6%, which is above the revenue growth rate of 14.2% last week. The positive revenue surprise reported by NVIDIA ($115.84 billion vs. $109.28 billion) was the largest contributor to the increase in the overall revenue growth rate for the index during the past week. As a result, the blended revenue growth rate for the Information Technology sector increased to 44.3% from 43.0% over this period.

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Information Technology Sector Has Seen Largest Increase in Earnings since September 30

The blended (year-over-year) earnings growth rate for Q3 2026 of 32.9% is above the estimate of 29.1% at the end of the third quarter (September 30). Ten 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 Energy (to 151.2% from 113.5%) sector. The Information Technology (to 72.7% from 63.8%) and Energy sectors have been the largest contributors to the increase in the earnings growth rate for the index since September 30. On the other hand, the Communication Services sector (to 18.3% from 51.5%) is the only sector that has recorded a decrease in its earnings growth rate since the end of the quarter due to downward revisions to earnings estimates and negative earnings surprises. The Communication Services sector has also been the largest detractor to the increase in the earnings growth rate for the index since September 30.

In the Energy sector, upward revisions to EPS estimates and positive EPS surprises reported by ExxonMobil ($4.23 vs. $4.12), Valero Energy ($23.90 vs. $21.17), Phillips 66 ($14.08 vs. $11.73), Chevron ($5.28 vs. $4.87), Marathon Petroleum ($26.93 vs. $25.37), and ConocoPhillips ($3.27 vs. $3.05) have been significant contributors to the increase in the earnings growth rate for the index since September 30. As a result, the blended earnings growth rate for the Energy sector has increased to 151.2% from 113.5% over this period.

In the Information Technology sector, the positive EPS surprises reported by NVIDIA ($2.68 vs. $2.49), Micron Technology ($33.42 vs. $31.77), Apple ($2.10 vs. $1.99), and Microsoft ($4.89 vs. $4.72), have been substantial contributors to the increase in the earnings growth rate for the index since September 30. As a result, the blended earnings growth rate for the Information Technology sector has increased to 72.7% from 63.8% over this period.

In the Communication Services sector, the negative EPS surprises reported by Alphabet ($2.12 vs. $3.02), Meta Platforms ($3.83 vs. $6.54), and Charter Communications (-$20.50 vs. $8.94) have been the largest detractors to the increase in the earnings growth rate for the index since September 30. The (GAAP) EPS actual for Alphabet included a loss of $8.7 billion in other income due to net losses on equity securities, while the (GAAP) EPS actual for Meta Platforms for Q3 2026 included a $9.89 billion charge related to a litigation agreement,. As a result, the blended earnings growth rate for the Communication Services sector has decreased to 18.3% from 51.5% over this period.

Energy Sector Has Seen Largest Increase in Revenues since September 30

The blended (year-over-year) revenue growth rate for Q3 2026 of 14.6% is above the estimate of 12.2% at the end of the third quarter (September 30). All eleven 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 35.9% from 21.9%) sector. The Energy, Information Technology (to 44.3% from 39.9%), and Health Care (to 6.3% from 4.0%) sectors have been the largest contributors to the increase in the revenue growth rate for the index since September 30.

In the Energy sector, upward revisions to revenue estimates and positive revenue surprises reported by Marathon Petroleum ($56.49 billion vs. $46.60 billion), Chevron ($67.80 billion vs. $61.82 billion), Phillips 66 ($51.51 billion vs. $44.91 billion), Valero Energy ($46.10 billion vs. $42.71 billion), ExxonMobil ($113.16 billion vs. $104.89 billion), ONEOK ($12.46 billion vs. $10.54 billion), and ConocoPhillips ($20.06 billion vs. $18.59 billion) have been significant contributors to the increase in the revenue growth rate for the index since September 30. As a result, the blended revenue growth rate for the Energy sector has increased to 35.9% from 21.9% over this period.

In the Information Technology sector, the positive revenue surprises reported by NVIDIA ($115.84 billion vs. $109.28 billion), Super Micro Computer ($19.95 billion vs. $16.29 billion), Micron Technology ($54.23 billion vs. $51.33 billion), and Microsoft ($92.28 billion vs. $90.62 billion) have been significant contributors to the increase in the revenue growth rate for the index since September 30. As a result, the blended revenue growth rate for the Information Technology sector has increased to 44.3% from 39.9% over this period.

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In the Health Care sector, the positive revenue surprises reported by CVS Health ($108.40 billion vs. $104.72 billion), Centene Corporation ($50.65 billion vs. $47.12 billion) and Eli Lilly ($24.40 billion vs. $22.58 billion) have been substantial contributors to the increase in the revenue growth rate for the index since September 30. As a result, the blended revenue growth rate for the Health Care sector has increased to 6.3% from 4.0% over this period.

Earnings Growth: 32.9%

The blended (year-over-year) earnings growth rate for Q3 2026 is 32.9%, which is above the 5-year average earnings growth rate of 13.3% and above the 10-year average earnings growth rate of 12.6%. If 32.9% is the actual growth rate for the quarter, it will mark the 3rd consecutive quarter of year-over-year earnings growth above 25% and the 8th consecutive quarter of double-digit earnings growth for the index.

All eleven sectors are reporting (or have reported) year-over-year earnings growth. Seven of these sectors are reporting (or have reported) double-digit growth, led by the Energy, Information Technology, and Communication Services sectors.

Energy: 2 of 5 Sub-Industries Reported (Y/Y) Earnings Growth Above 100%

The Energy sector reported the highest (year-over-year) earnings growth rate of all eleven sectors at 151.2%. Higher year-over-year oil prices contributed to the year-over-year increase in earnings for this sector, as the average price of oil in Q3 2026 ($85.68) was 32% above the average price for oil in Q3 2025 ($64.97). At the sub-industry level, 4 of the 5 sub-industries reported year-over-year growth in earnings: Oil & Gas Refining & Marketing (542%), Integrated Oil & Gas (141%), Oil & Gas Exploration & Production (83%), and Oil & Gas Storage & Transportation (30%) On the other hand, the Oil & Gas Equipment & Services (-3%) sub-industry is the only sub-industry in the sector that reported a year-over-year decline in earnings.

Information Technology: All 6 Industries Reporting (Y/Y) Earnings Growth

The Information Technology sector is reporting the second-highest (year-over-year) earnings growth rate of all eleven sectors at 72.7%. At the industry level, all 6 industries in the sector are reporting year-over-year earnings growth: Semiconductors & Semiconductor Equipment (141%), Technology Hardware, Storage, & Peripherals (48%), Electronic Equipment, Instruments, & Components (48%), Communications Equipment (47%), Software (17%), and IT Services (8%).

Materials: 3 of 4 Industries Reported (Y/Y) Earnings Growth

The Materials sector reported the third-largest (year-over-year) earnings growth of all eleven sectors at 29.8%. At the industry level, 3 of the 4 industries in the sector reported (year-over-year) earnings growth: Metals & Mining (56%), Containers & Packaging (42%), and Chemicals (24%). On the other hand, the Construction Materials (-4%) industry is the only industry in the sector that reported a year-over-year decline in earnings.

Revenue Growth: 14.6%

The blended (year-over-year) revenue growth rate for Q3 2026 is 14.6%, which is above the 5-year average revenue growth rate of 8.3% and above the 10-year average revenue growth rate of 7.0%. If 14.6% is the actual revenue growth rate for the quarter, it will mark the second-highest revenue growth rate reported by the index since Q4 2021 (16.3%), trailing only the prior quarter (15.6%). It will also mark the third consecutive quarter of double-digit revenue growth for the index.

At the sector level, all eleven sectors are reporting (or have reported) year-over-year growth in revenues. Six of these sectors are reporting (or have reported) double-digit growth, led by the Information Technology, Energy, and Communication Services sectors.

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Information Technology: All 6 Industries Reporting (Y/Y) Revenue Growth

The Information Technology sector is reporting the highest (year-over-year) revenue growth rate of all eleven sectors at 44.3%. At the industry level, all 6 industries in the sector are reporting year-over-year revenue growth: Semiconductors & Semiconductor Equipment (84%), Technology Hardware, Storage, & Peripherals (40%), Communications Equipment (29%), Electronic Equipment, Instruments, & Components (29%), Software (19%), and IT Services (5%).

Energy: All 5 Sub-Industries Reported (Y/Y) Revenue Growth

The Energy sector reported the second-highest (year-over-year) revenue growth rate of all eleven sectors at 35.9%. Higher year-over-year oil prices contributed to the year-over-year increase in earnings for this sector, as the average price of oil in Q3 2026 ($85.68) was 32% above the average price for oil in Q3 2025 ($64.97). At the sub-industry level, all 5 sub-industries in the sector reported year-over-year growth in revenues: Oil & Gas Refining & Marketing (49%), Integrated Oil & Gas (32%), Oil & Gas Exploration & Production (32%), Oil & Gas Storage & Transportation (30%), and Oil & Gas Equipment & Services (8%).

Communication Services: All 5 Industries Reporting (Y/Y) Revenue Growth

The Communication Services sector is reporting the third-highest (year-over-year) revenue growth rate of all eleven sectors at 16.2%. At the industry level, all 5 industries in the sector are reporting year-over-year revenue growth: Interactive Media & Services (25%), Entertainment (10%), Media (10%), Wireless Telecommunication Services (7%), and Diversified Telecommunication Services (<1%).

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Forward Estimates & Valuation

Quarterly Guidance: % of Cos. Issuing Negative EPS Guidance for Q4 is Below Average

At this point in time, 82 companies in the index have issued EPS guidance for Q4 2026. Of these 82 companies, 36 have issued negative EPS guidance and 46 have issued positive EPS guidance. The percentage of companies issuing negative EPS guidance for Q4 2026 is 44% (36 out of 82), which is below the 5-year average of 60% and below the 10-year average of 59%.

At this point in time, 269 companies in the index have issued EPS guidance for the current fiscal year (FY 2026 or FY 2027). Of these 269 companies, 86 have issued negative EPS guidance and 183 have issued positive EPS guidance. The percentage of companies issuing negative EPS guidance is 32% (86 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 34% for CY 2026

For the third quarter, S&P 500 companies are reporting year-over-year growth in earnings of 32.9% and year-over-year growth in revenues of 14.6%.

For Q4 2026, analysts are projecting earnings growth of 28.9% and revenue growth of 14.3%.

For CY 2026, analysts are projecting earnings growth of 33.7% and revenue growth of 13.5%.

For Q1 2027, analysts are projecting earnings growth of 20.0% and revenue growth of 12.7%.

For Q2 2027, analysts are projecting earnings growth of 3.6% and revenue growth of 8.6%.

For CY 2027, analysts are projecting earnings growth of 16.4% and revenue growth of 10.0%.

Valuation: Forward P/E Ratio is 17.1, Below the 10-Year Average (19.1)

The forward 12-month P/E ratio for the S&P 500 is 17.1. This P/E ratio is below the 5-year average of 19.8 and below the 10-year average of 19.1. It is also below the forward 12-month P/E ratio of 19.0 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 decreased by 6.2% while the forward 12-month EPS estimate has increased by 4.4%. At the sector level, the Consumer Discretionary (24.2), Consumer Staples (23.3), and Industrials (21.3) sectors have the highest forward 12-month P/E ratios, while the Energy (11.5) and Financials (14.4) sectors have the lowest forward 12-month P/E ratios.

The trailing 12-month P/E ratio is 22.9, which is below the 5-year average of 24.4 and below the 10-year average of 23.7.

Targets & Ratings: Analysts Project 27% Increase in Price Over Next 12 Months

The bottom-up target price for the S&P 500 is 9,099.54, which is 26.8% above the closing price of 7,175.83. At the sector level, the Information Technology (+38.6%) and Communication Services (+38.1%) sectors are expected to see the largest price increases, as these sectors have the largest upside differences between the bottom-up target price and the closing price. On the other hand, the Consumer Staples (+6.7%) sector is expected to see the smallest price increase, as this sector has the smallest upside difference between the bottom-up target price and the closing price.

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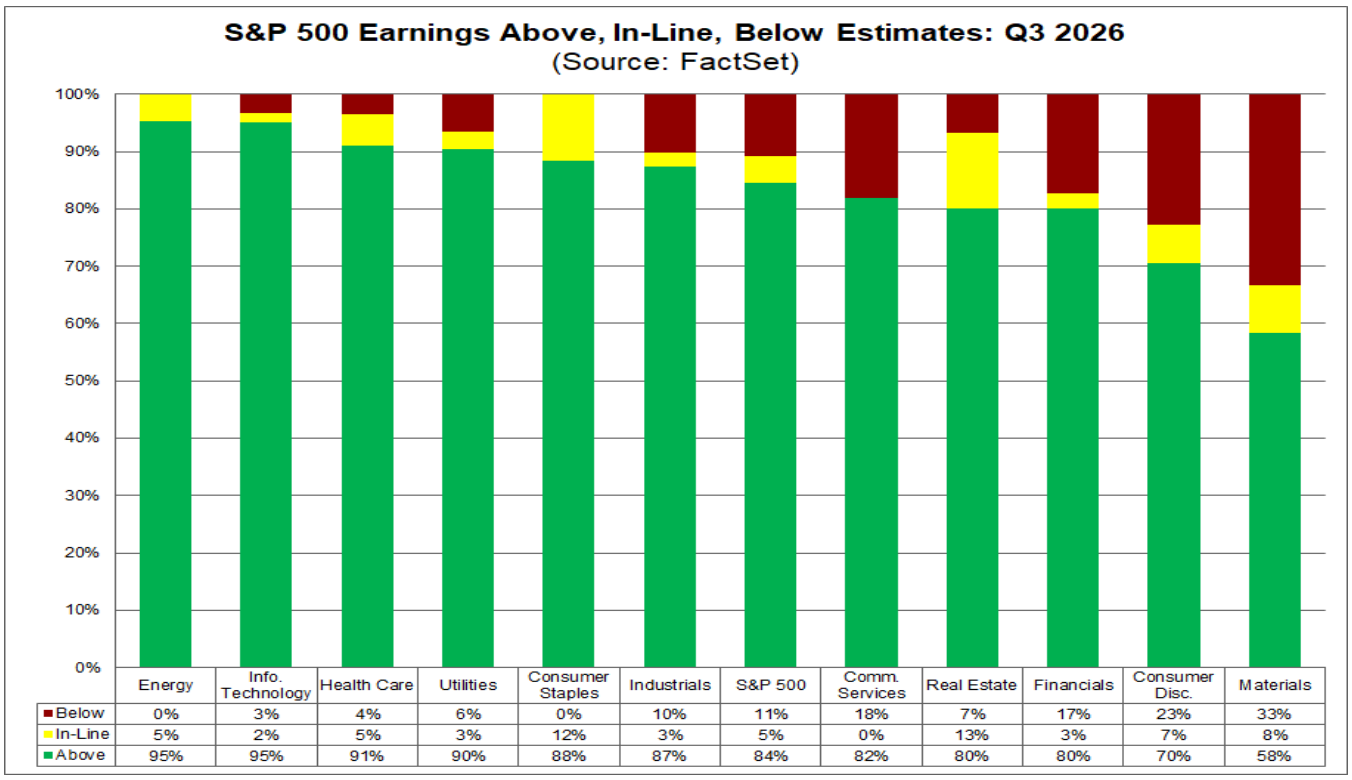
Overall, there are 13,221 ratings on stocks in the S&P 500. Of these 13,221 ratings, 59.7% are Buy ratings, 35.4% are Hold ratings, and 4.9% are Sell ratings. At the sector level, the Communication Services (72%), Information Technology (69%), Energy (63%), Materials (62%), and Health Care (60%) sectors have the highest percentages of Buy ratings, while the Consumer Staples (49%) sector has the lowest percentage of Buy ratings.

Companies Reporting Next Week: 13

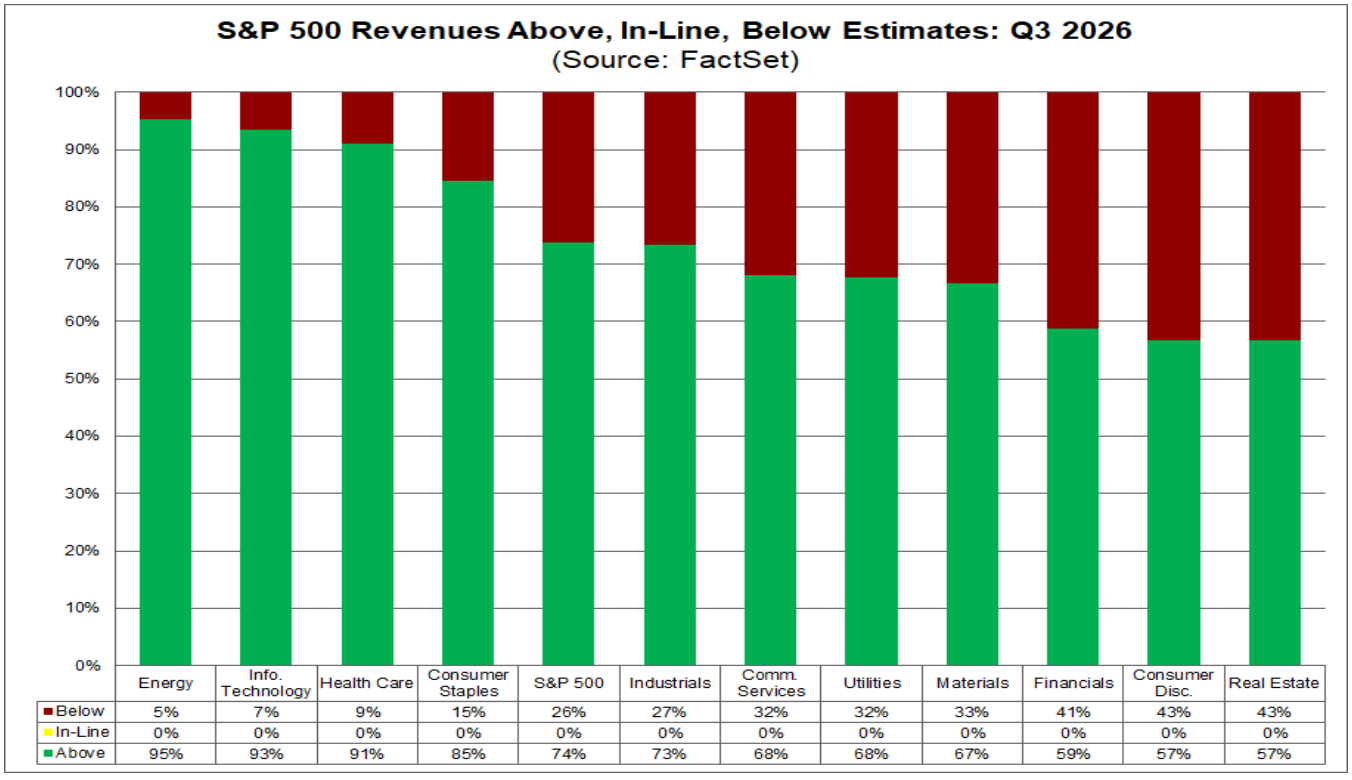
During the upcoming week, 13 S&P 500 companies are scheduled to report results for the third quarter.

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Q3 2026: Scorecard



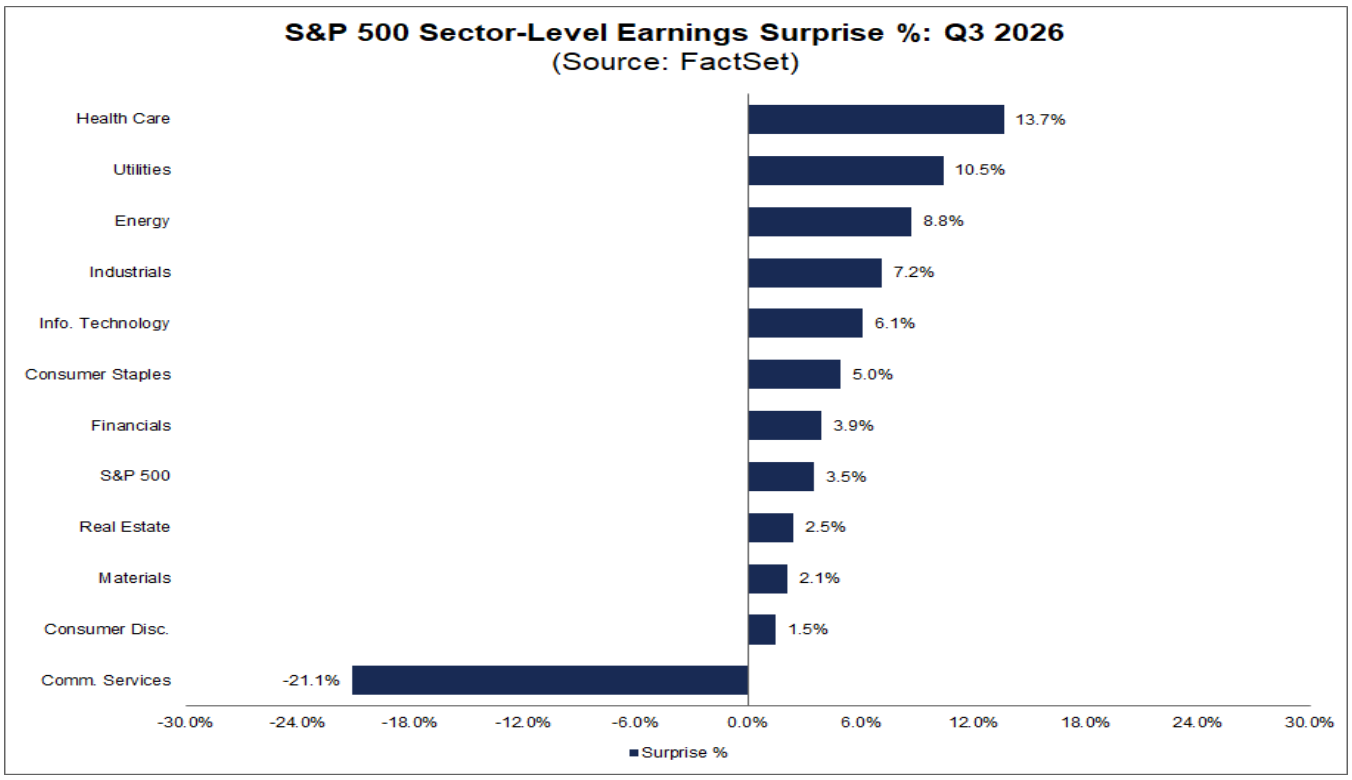
	Energy	Info. Technology	Health Care	Utilities	Consumer Staples	Industrials	S&P 500	Comm. Services	Real Estate	Financials	Consumer Disc.	Materials
Below	0%	3%	4%	6%	0%	10%	11%	18%	7%	17%	23%	33%
In-Line	5%	2%	5%	3%	12%	3%	5%	0%	13%	3%	7%	8%
Above	95%	95%	91%	90%	88%	87%	84%	82%	80%	80%	70%	58%

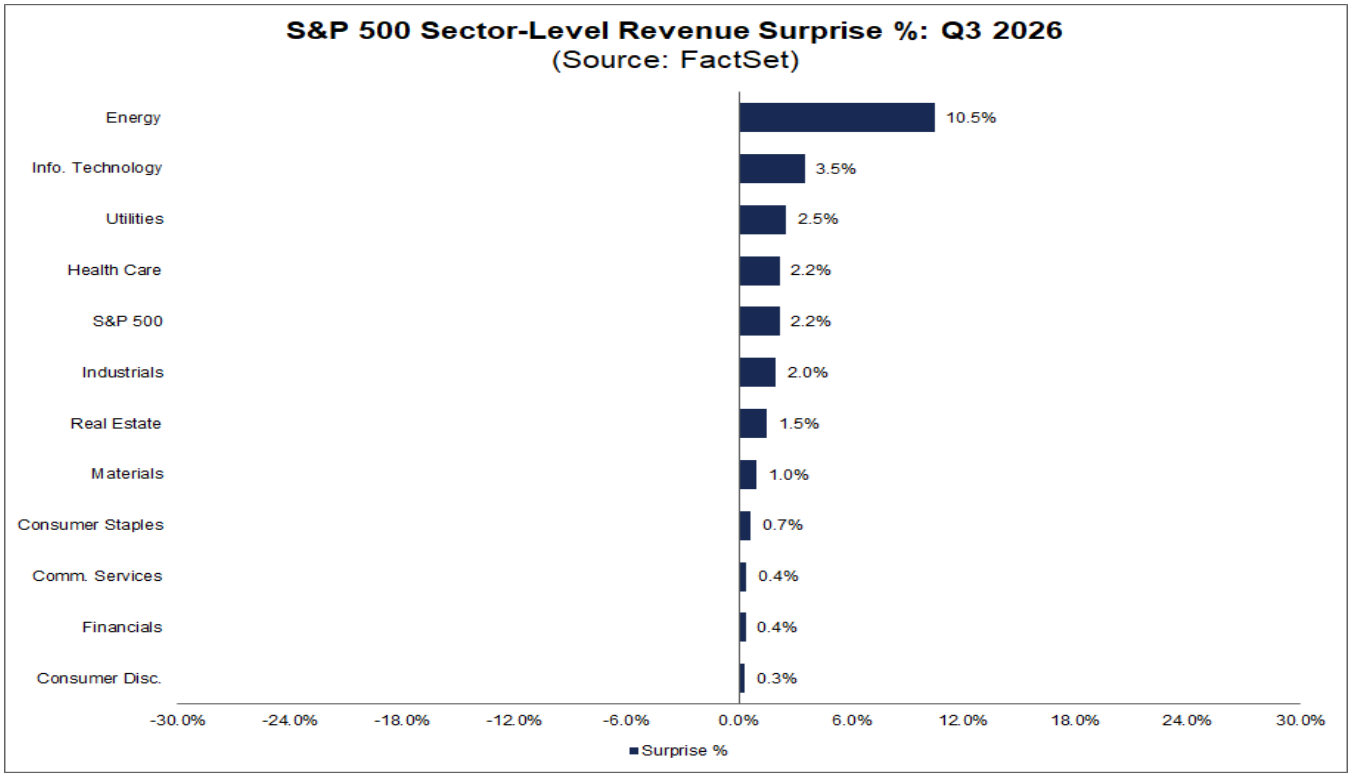


	Energy	Info. Technology	Health Care	Consumer Staples	S&P 500	Industrials	Comm. Services	Utilities	Materials	Financials	Consumer Disc.	Real Estate
Below	5%	7%	9%	15%	26%	27%	32%	32%	33%	41%	43%	43%
In-Line	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Above	95%	93%	91%	85%	74%	73%	68%	68%	67%	59%	57%	57%

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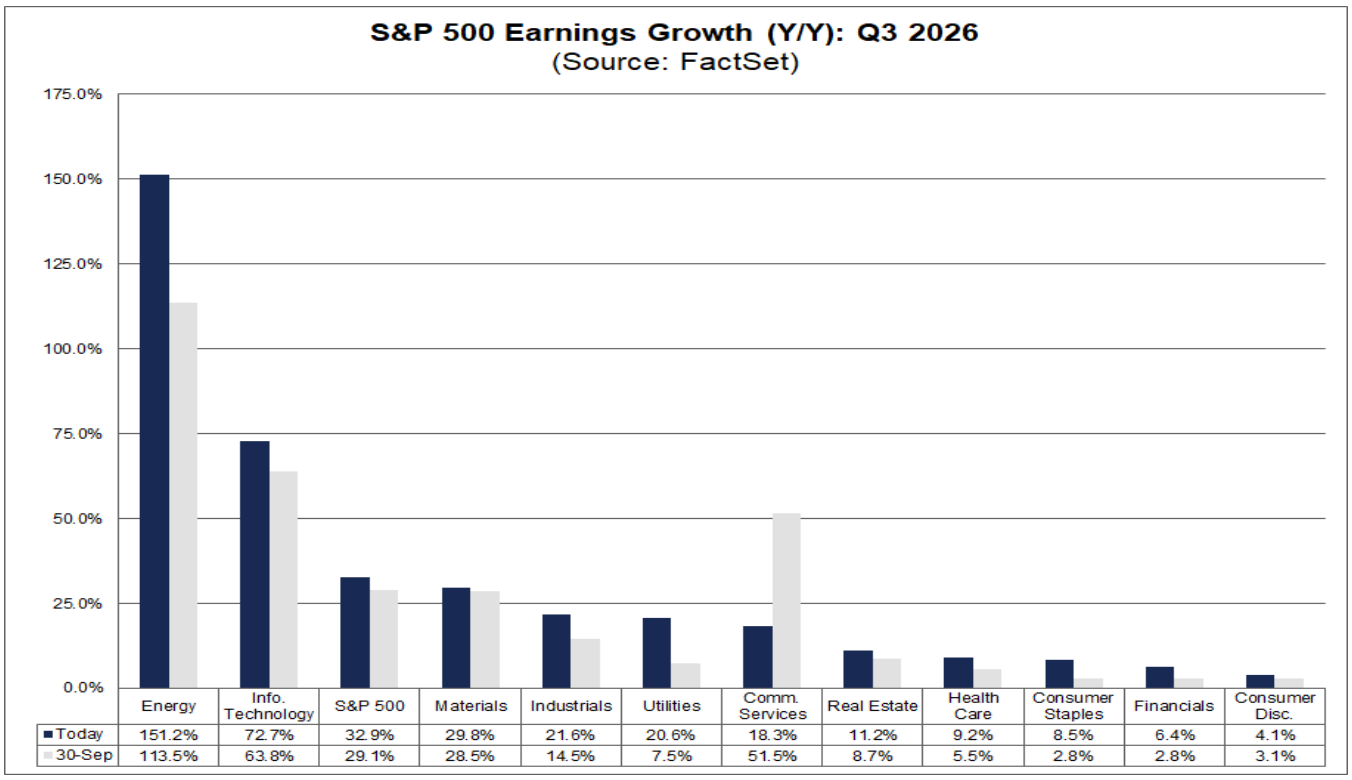
Q3 2026: Surprise



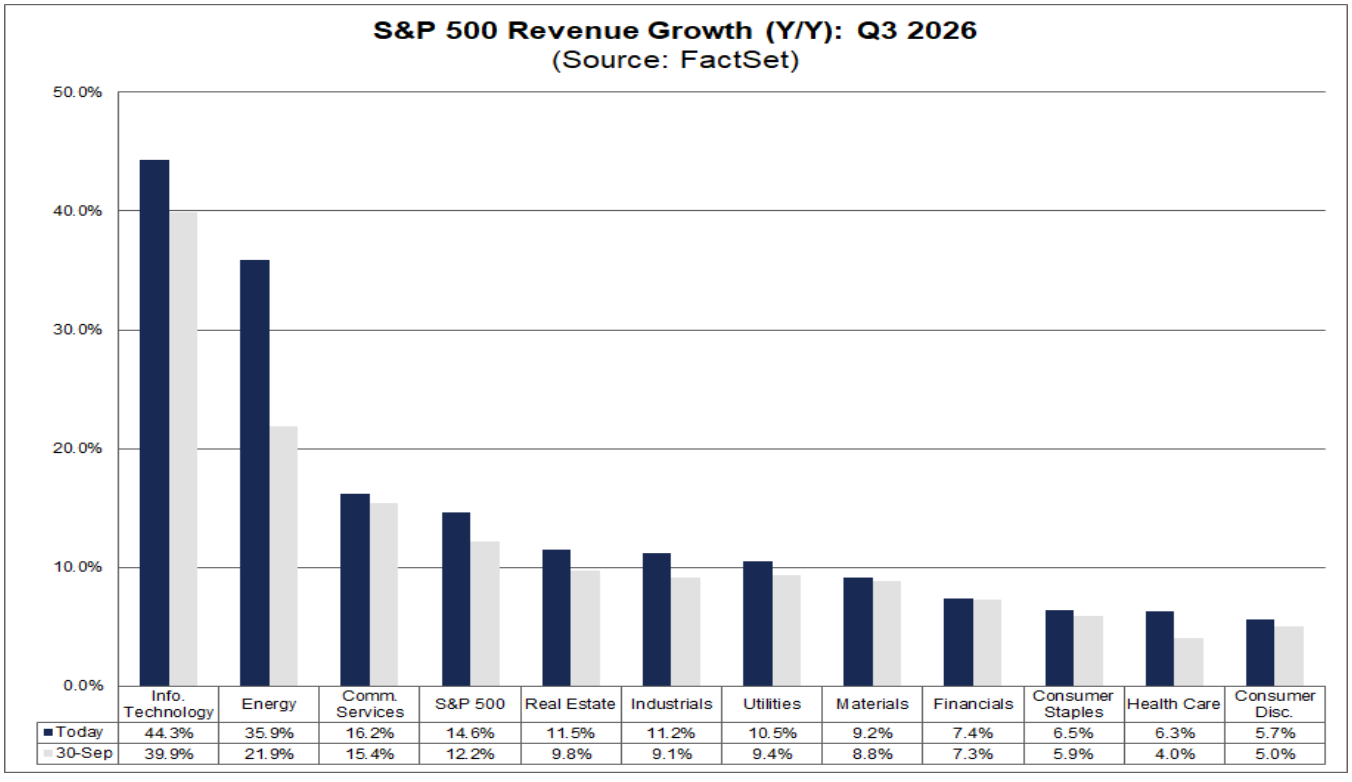


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Q3 2026: Growth



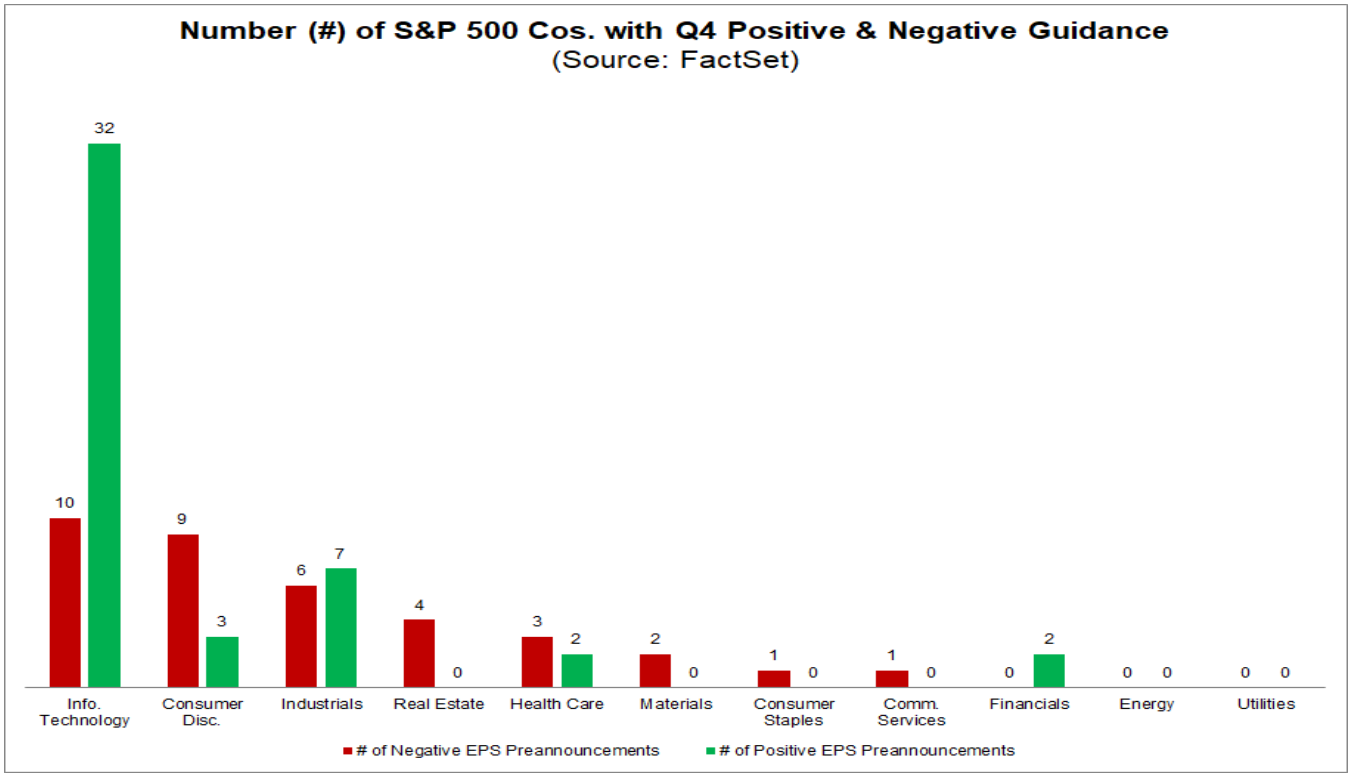
	Energy	Info. Technology	S&P 500	Materials	Industrials	Utilities	Comm. Services	Real Estate	Health Care	Consumer Staples	Financials	Consumer Disc.
Today	151.2%	72.7%	32.9%	29.8%	21.6%	20.6%	18.3%	11.2%	9.2%	8.5%	6.4%	4.1%
30-Sep	113.5%	63.8%	29.1%	28.5%	14.5%	7.5%	51.5%	8.7%	5.5%	2.8%	2.8%	3.1%

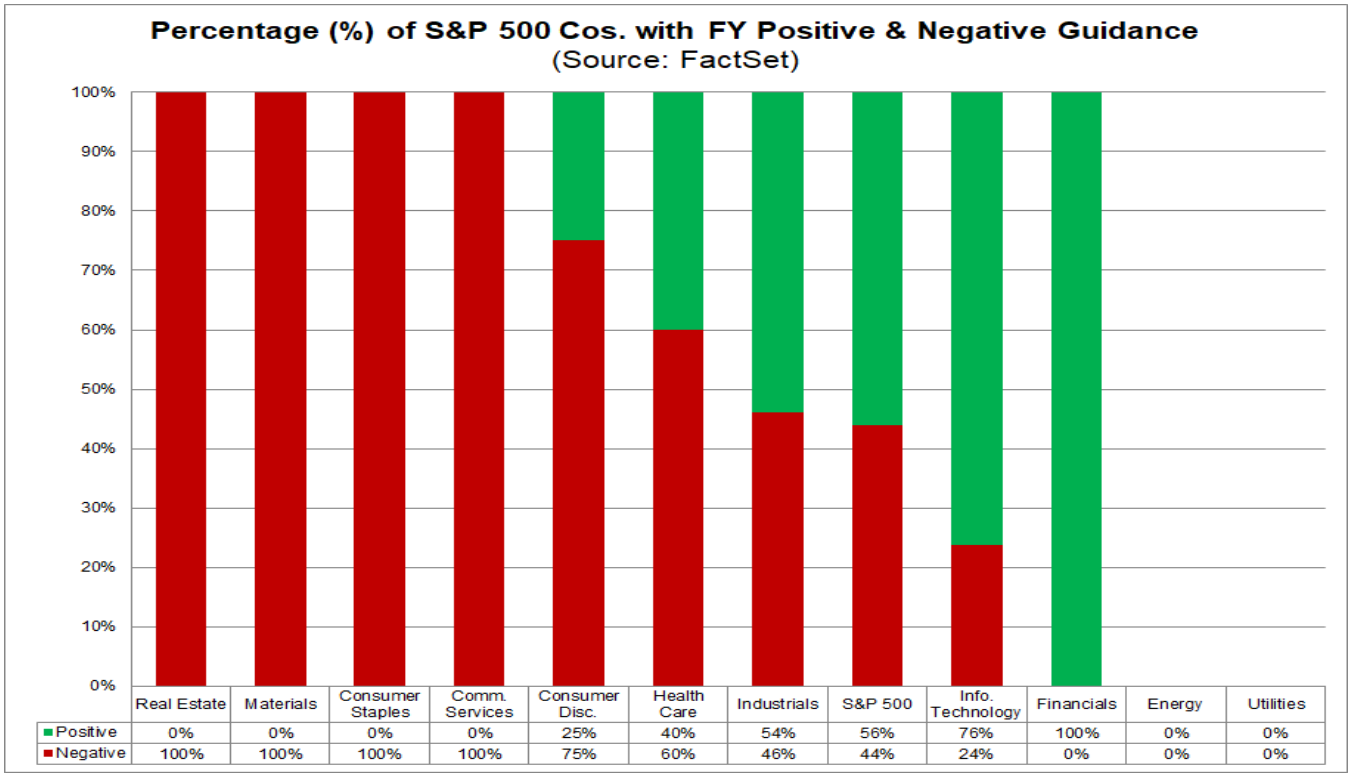


	Info. Technology	Energy	Comm. Services	S&P 500	Real Estate	Industrials	Utilities	Materials	Financials	Consumer Staples	Health Care	Consumer Disc.
Today	44.3%	35.9%	16.2%	14.6%	11.5%	11.2%	10.5%	9.2%	7.4%	6.5%	6.3%	5.7%
30-Sep	39.9%	21.9%	15.4%	12.2%	9.8%	9.1%	9.4%	8.8%	7.3%	5.9%	4.0%	5.0%

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Q4 2026: Guidance

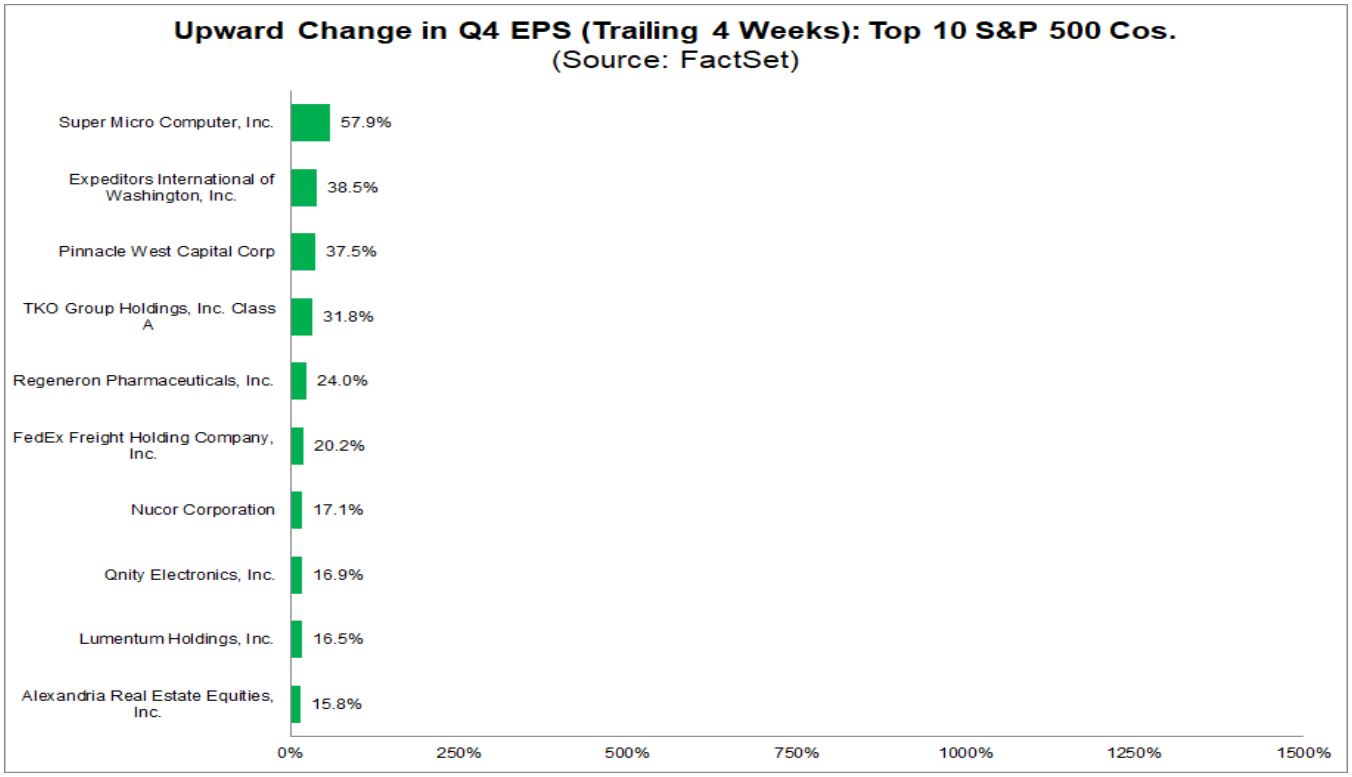


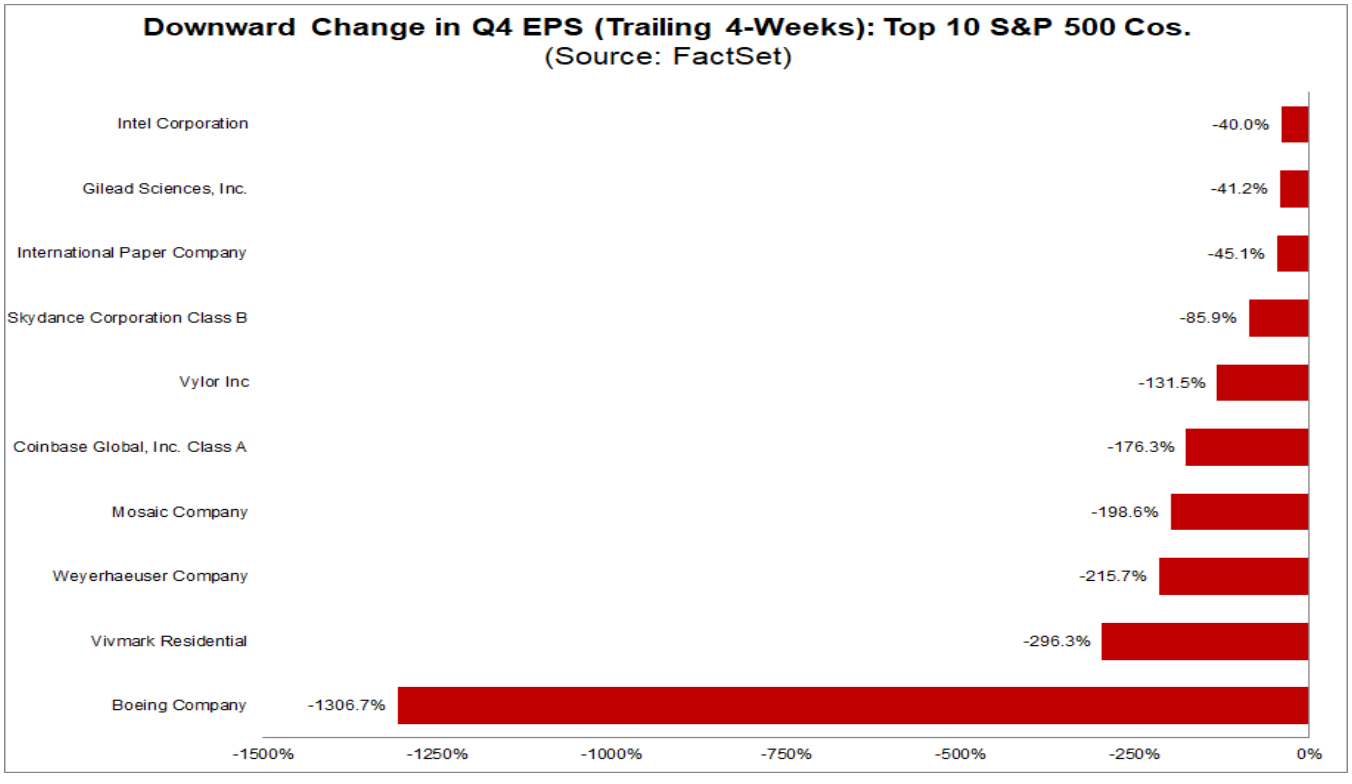


	Real Estate	Materials	Consumer Staples	Comm. Services	Consumer Disc.	Health Care	Industrials	S&P 500	Info. Technology	Financials	Energy	Utilities
Positive	0%	0%	0%	0%	25%	40%	54%	56%	76%	100%	0%	0%
Negative	100%	100%	100%	100%	75%	60%	46%	44%	24%	0%	0%	0%

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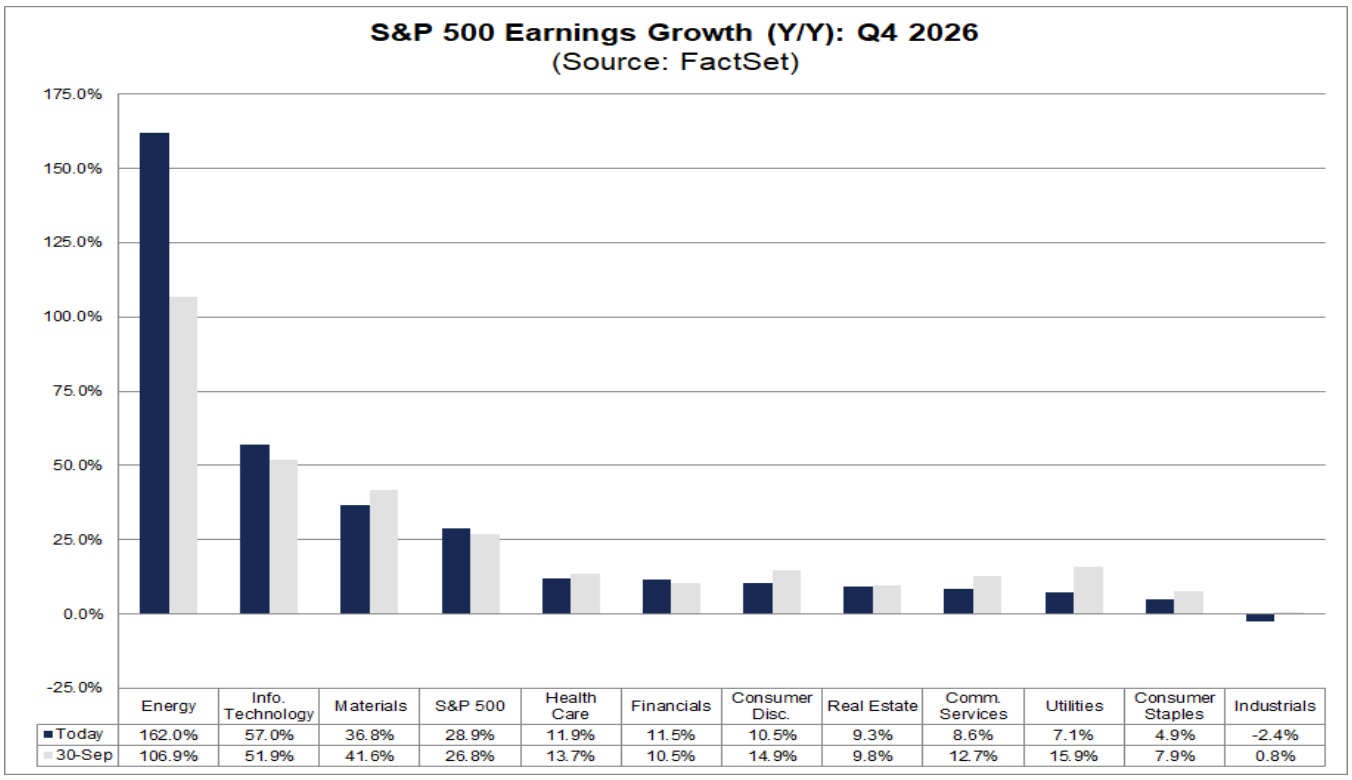
Q4 2026: EPS Revisions



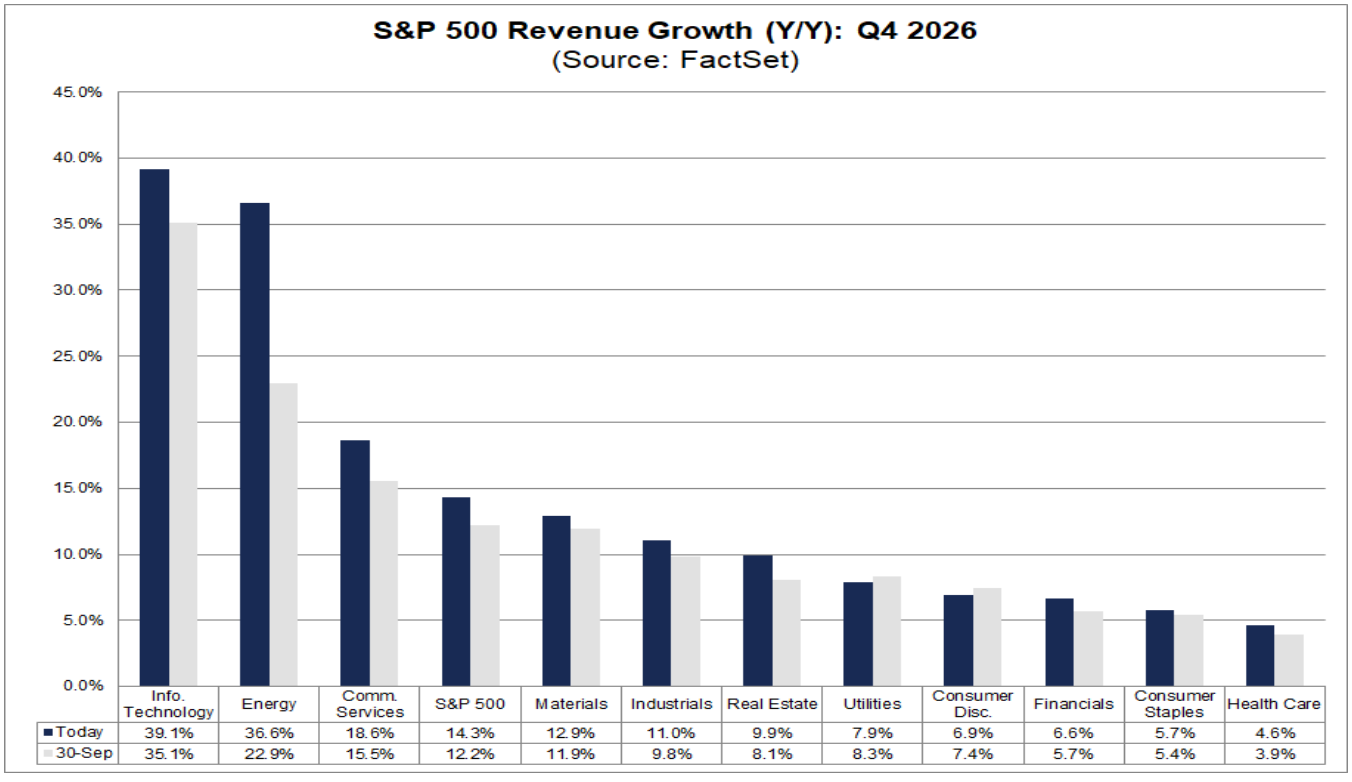


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Q4 2026: Growth



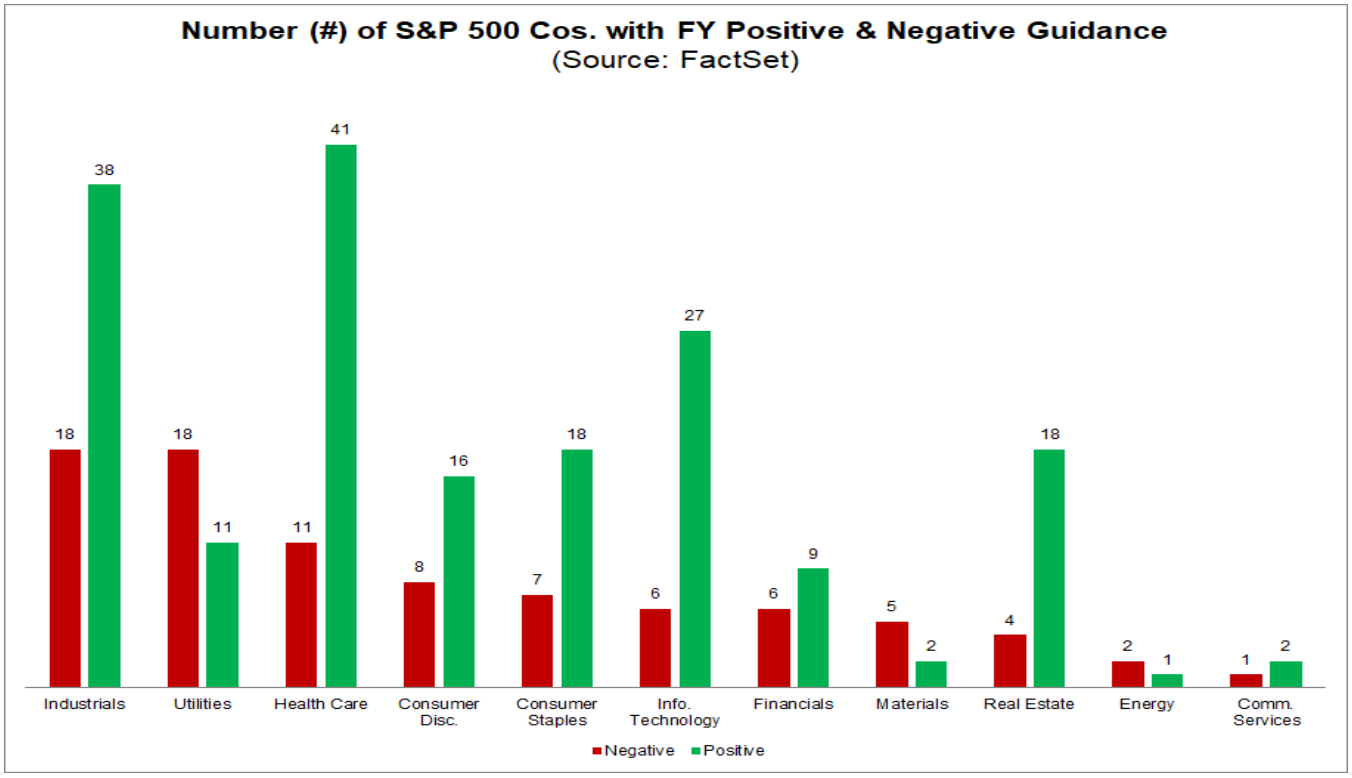
	Energy	Info. Technology	Materials	S&P 500	Health Care	Financials	Consumer Disc.	Real Estate	Comm. Services	Utilities	Consumer Staples	Industrials
Today	162.0%	57.0%	36.8%	28.9%	11.9%	11.5%	10.5%	9.3%	8.6%	7.1%	4.9%	-2.4%
30-Sep	106.9%	51.9%	41.6%	26.8%	13.7%	10.5%	14.9%	9.8%	12.7%	15.9%	7.9%	0.8%

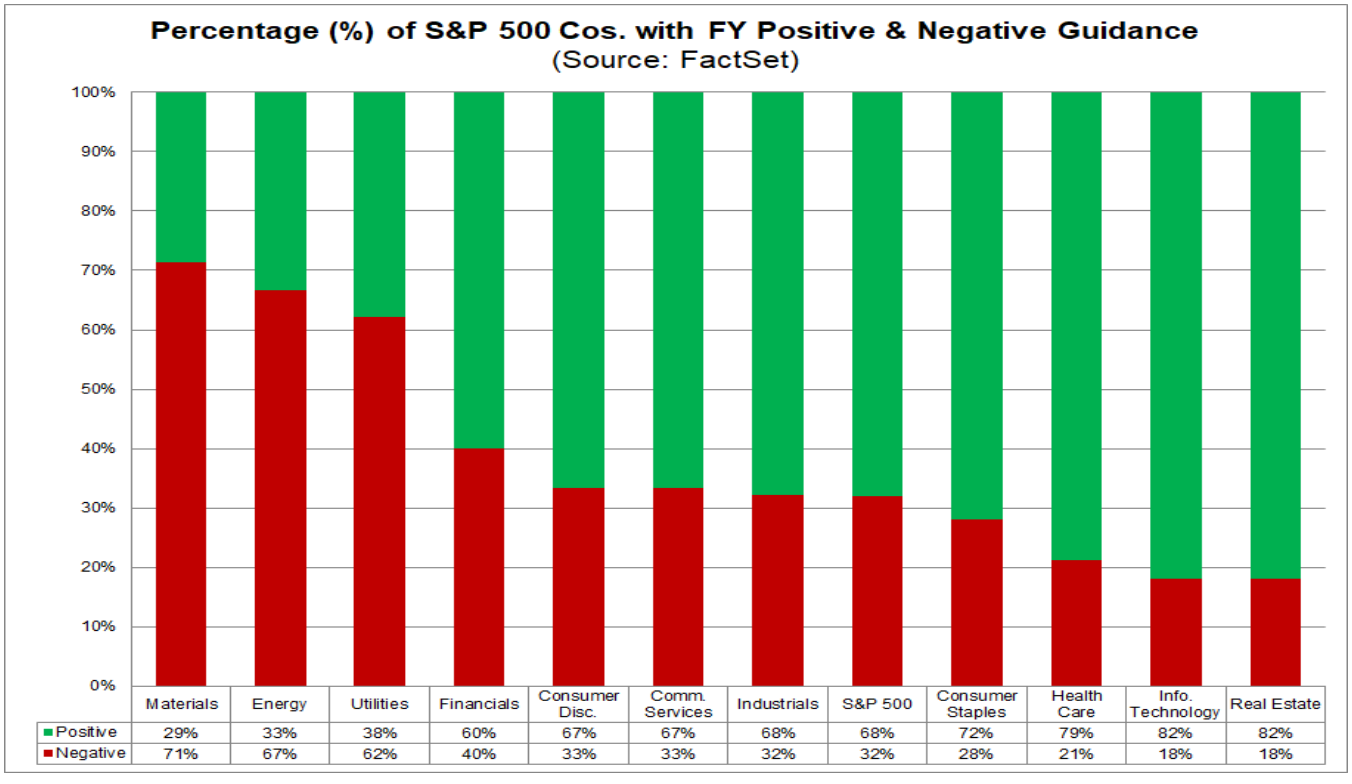


	Info. Technology	Energy	Comm. Services	S&P 500	Materials	Industrials	Real Estate	Utilities	Consumer Disc.	Financials	Consumer Staples	Health Care
Today	39.1%	36.6%	18.6%	14.3%	12.9%	11.0%	9.9%	7.9%	6.9%	6.6%	5.7%	4.6%
30-Sep	35.1%	22.9%	15.5%	12.2%	11.9%	9.8%	8.1%	8.3%	7.4%	5.7%	5.4%	3.9%

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FY 2026 / 2027: EPS Guidance

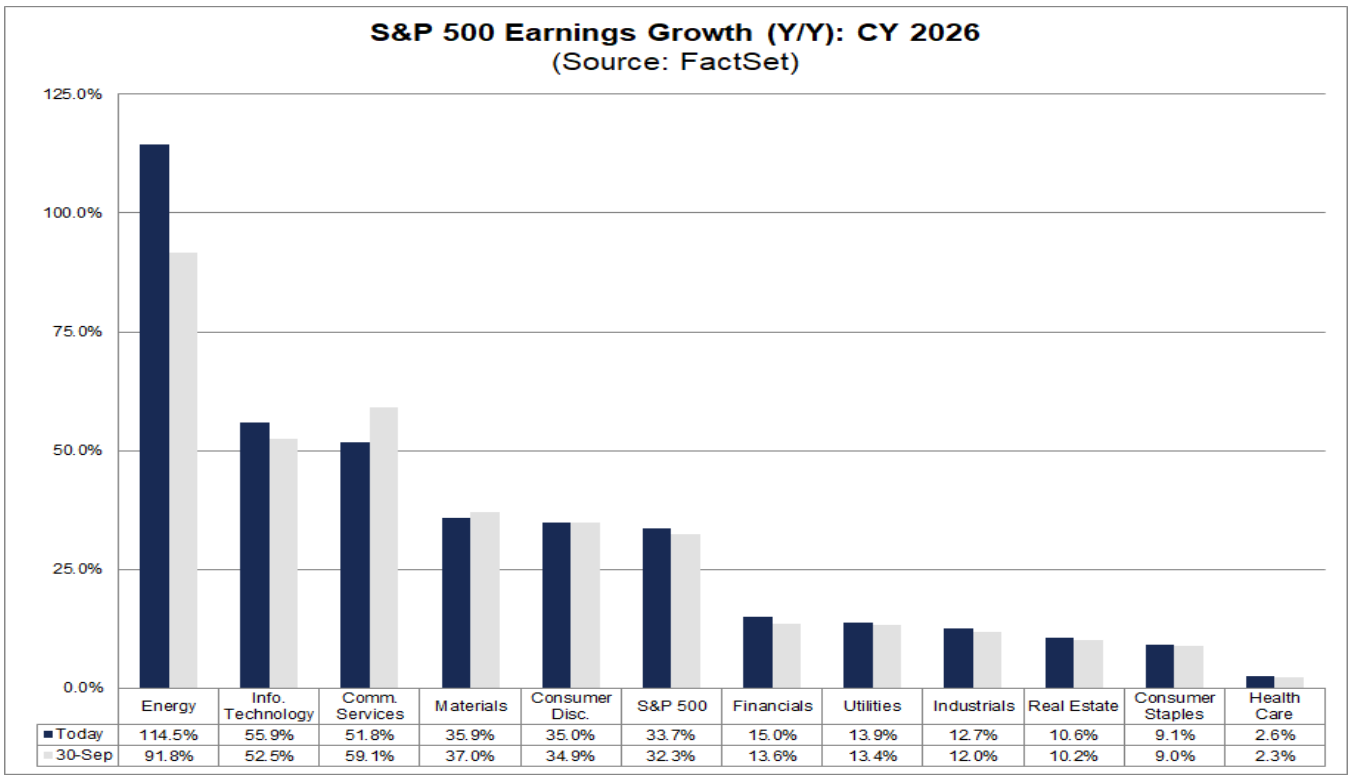




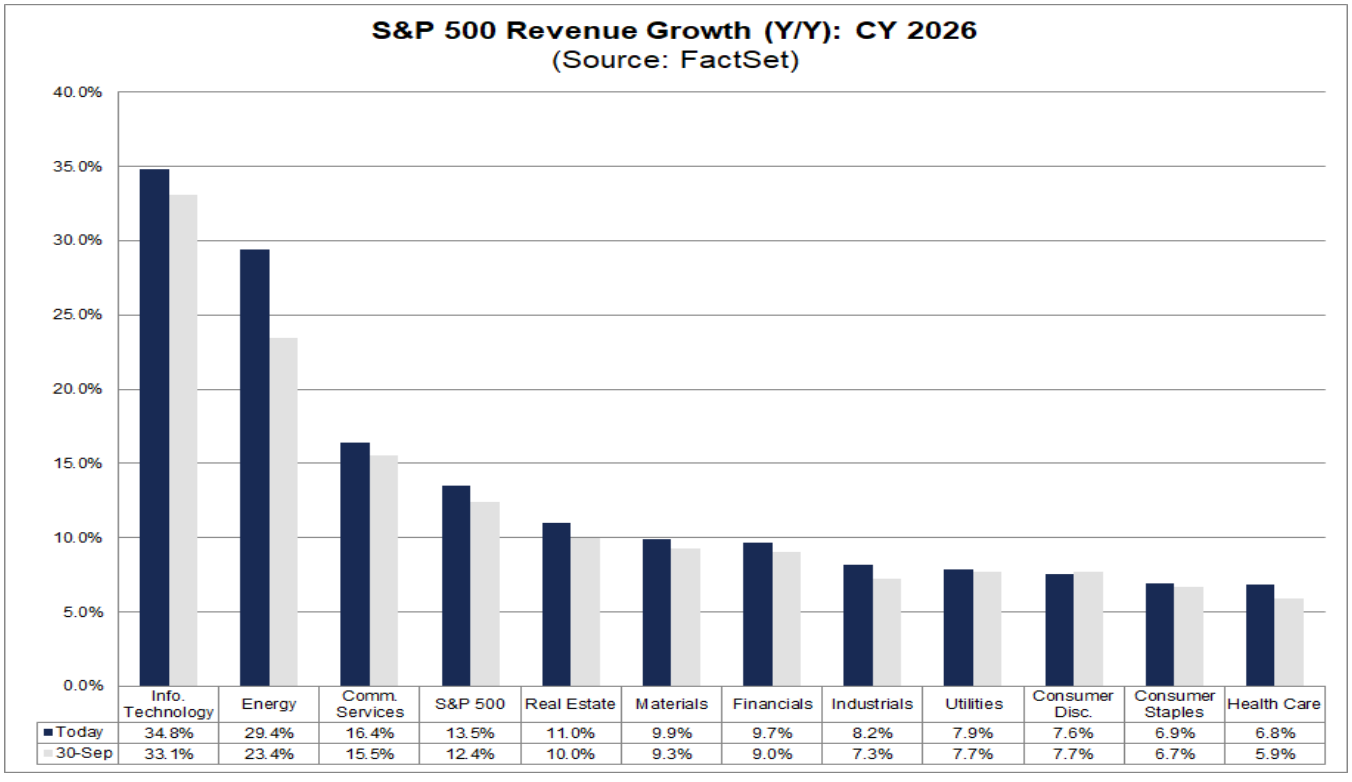
	Materials	Energy	Utilities	Financials	Consumer Disc.	Comm. Services	Industrials	S&P 500	Consumer Staples	Health Care	Info. Technology	Real Estate
Positive	29%	33%	38%	60%	67%	67%	68%	68%	72%	79%	82%	82%
Negative	71%	67%	62%	40%	33%	33%	32%	32%	28%	21%	18%	18%

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CY 2026: Growth



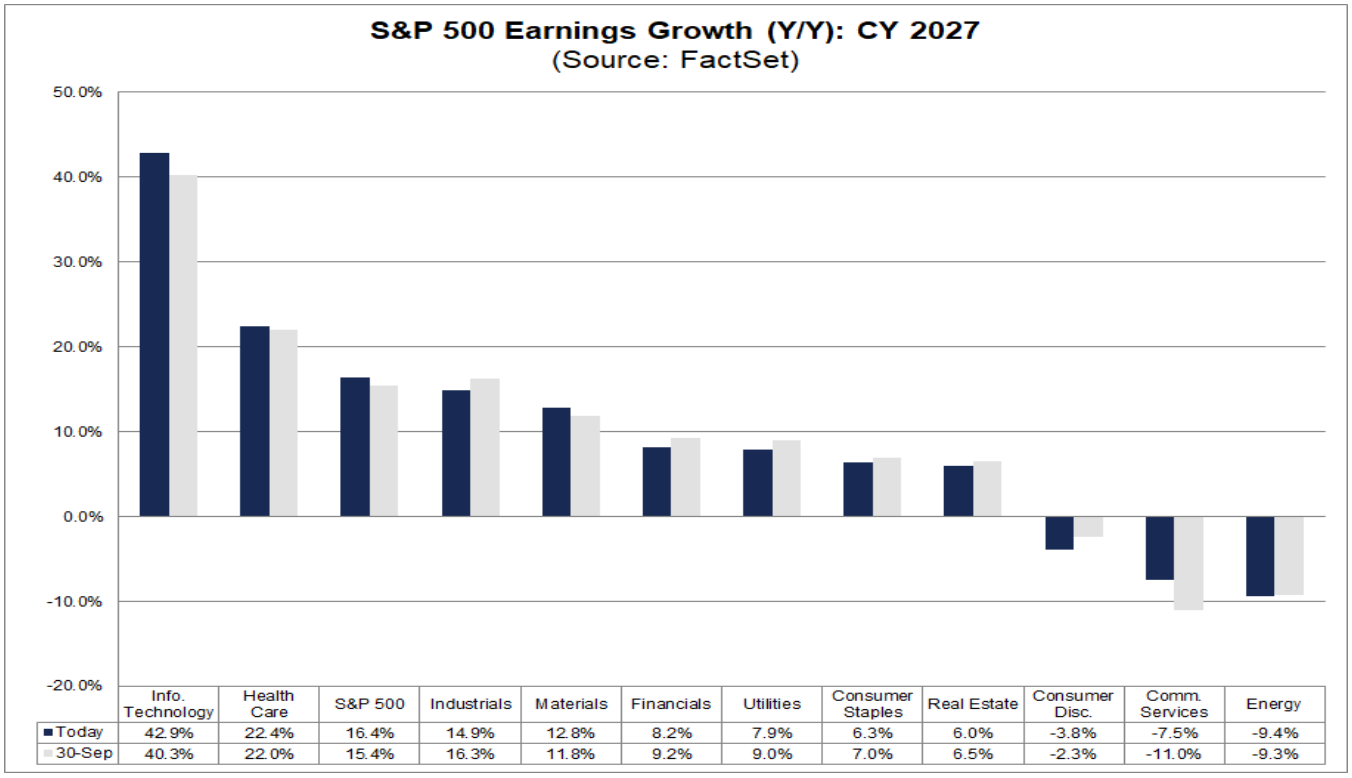
	Energy	Info. Technology	Comm. Services	Materials	Consumer Disc.	S&P 500	Financials	Utilities	Industrials	Real Estate	Consumer Staples	Health Care
Today	114.5%	55.9%	51.8%	35.9%	35.0%	33.7%	15.0%	13.9%	12.7%	10.6%	9.1%	2.6%
30-Sep	91.8%	52.5%	59.1%	37.0%	34.9%	32.3%	13.6%	13.4%	12.0%	10.2%	9.0%	2.3%



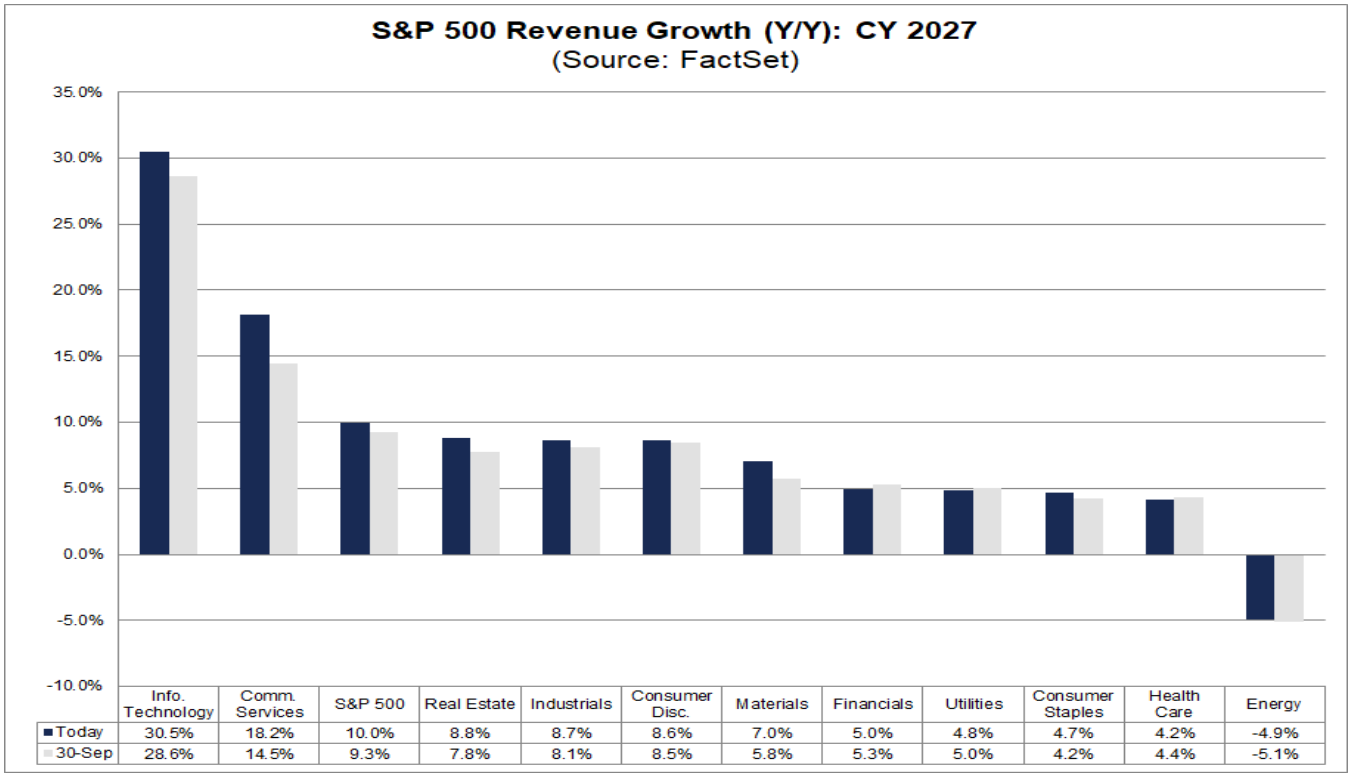
	Info. Technology	Energy	Comm. Services	S&P 500	Real Estate	Materials	Financials	Industrials	Utilities	Consumer Disc.	Consumer Staples	Health Care
Today	34.8%	29.4%	16.4%	13.5%	11.0%	9.9%	9.7%	8.2%	7.9%	7.6%	6.9%	6.8%
30-Sep	33.1%	23.4%	15.5%	12.4%	10.0%	9.3%	9.0%	7.3%	7.7%	7.7%	6.7%	5.9%

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CY 2027: Growth



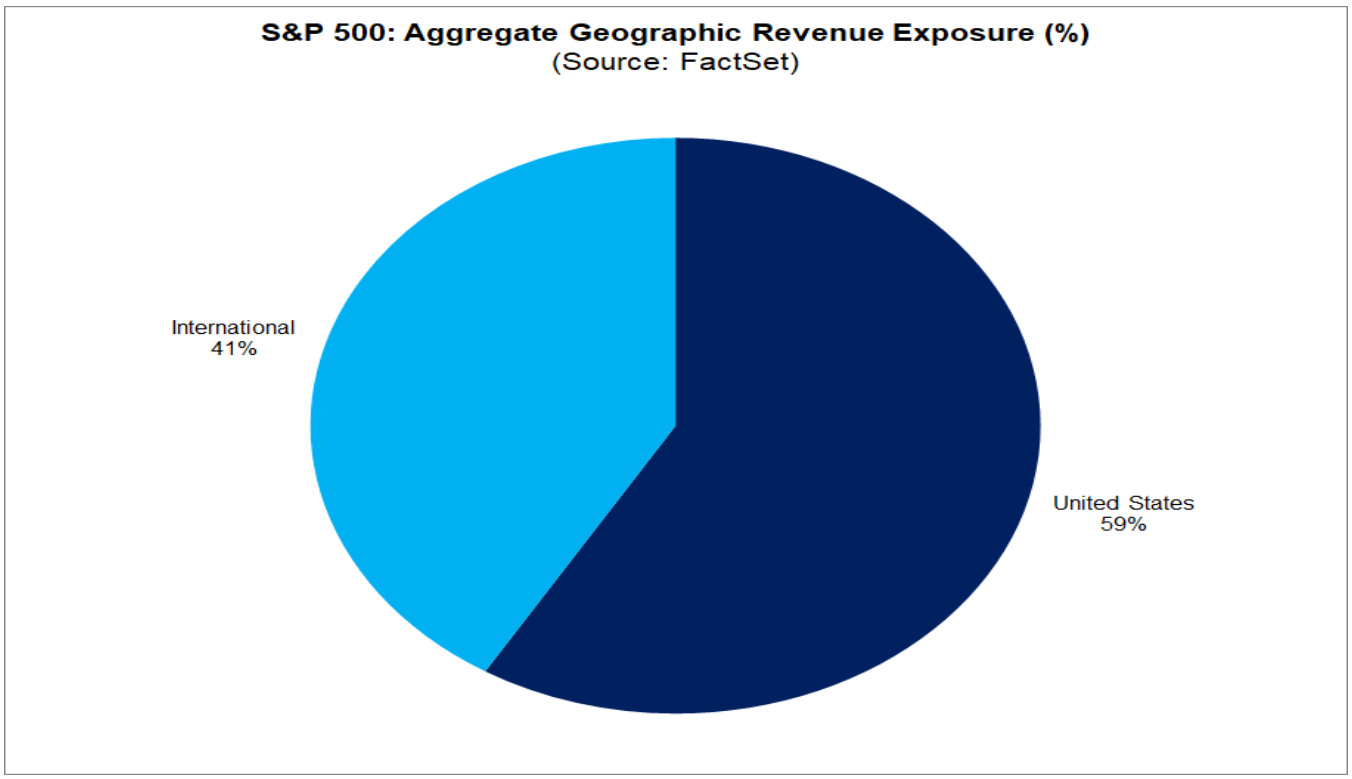
	Info. Technology	Health Care	S&P 500	Industrials	Materials	Financials	Utilities	Consumer Staples	Real Estate	Consumer Disc.	Comm. Services	Energy
Today	42.9%	22.4%	16.4%	14.9%	12.8%	8.2%	7.9%	6.3%	6.0%	-3.8%	-7.5%	-9.4%
30-Sep	40.3%	22.0%	15.4%	16.3%	11.8%	9.2%	9.0%	7.0%	6.5%	-2.3%	-11.0%	-9.3%

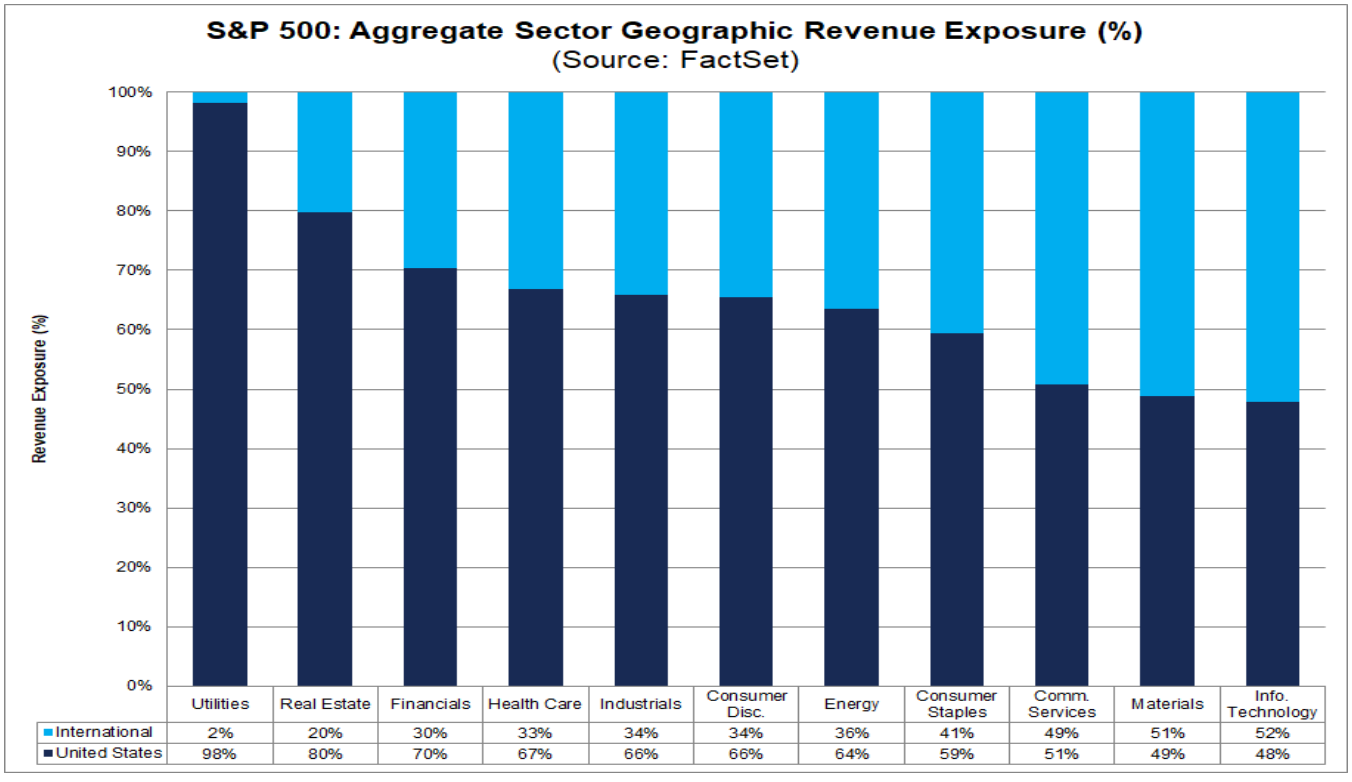


	Info. Technology	Comm. Services	S&P 500	Real Estate	Industrials	Consumer Disc.	Materials	Financials	Utilities	Consumer Staples	Health Care	Energy
Today	30.5%	18.2%	10.0%	8.8%	8.7%	8.6%	7.0%	5.0%	4.8%	4.7%	4.2%	-4.9%
30-Sep	28.6%	14.5%	9.3%	7.8%	8.1%	8.5%	5.8%	5.3%	5.0%	4.2%	4.4%	-5.1%

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Geographic Revenue Exposure

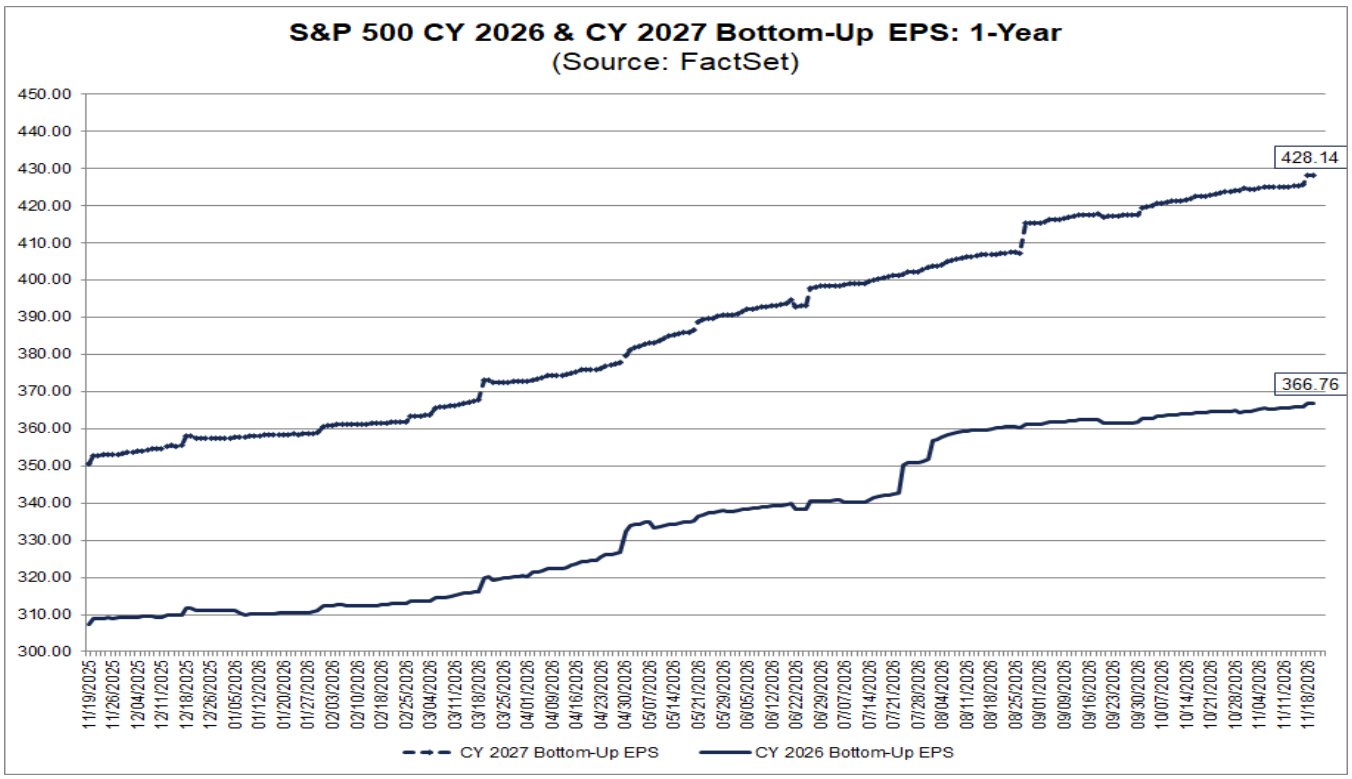


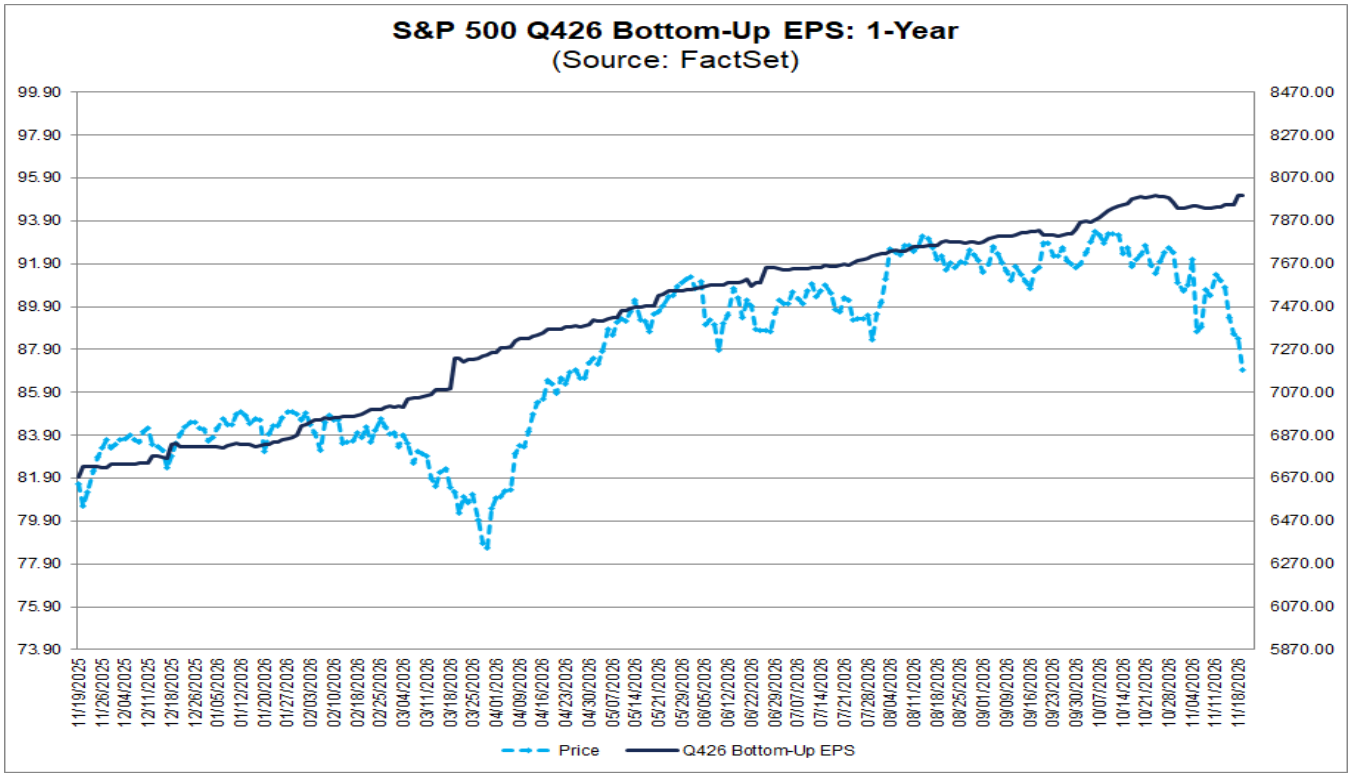


	Utilities	Real Estate	Financials	Health Care	Industrials	Consumer Disc.	Energy	Consumer Staples	Comm. Services	Materials	Info. Technology
International	2%	20%	30%	33%	34%	34%	36%	41%	49%	51%	52%
United States	98%	80%	70%	67%	66%	66%	64%	59%	51%	49%	48%

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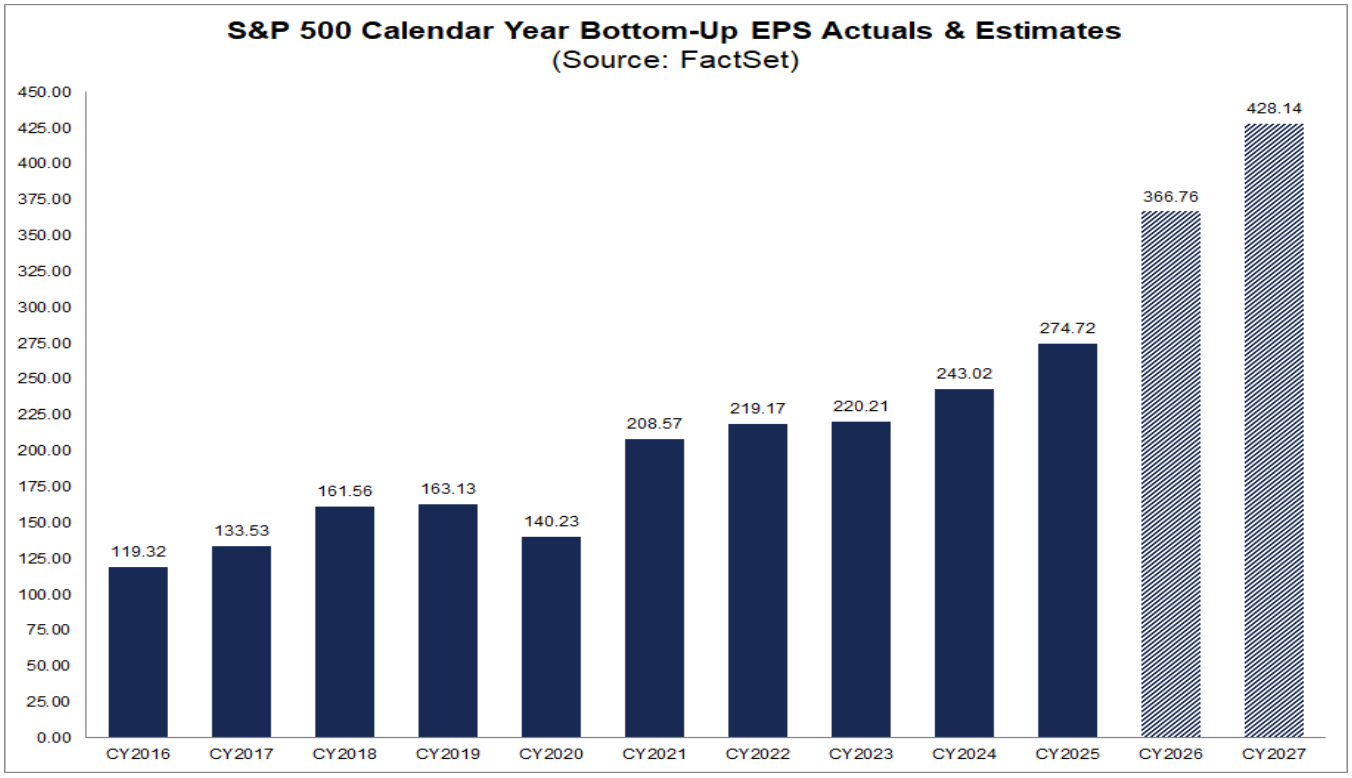
Bottom-Up EPS Estimates

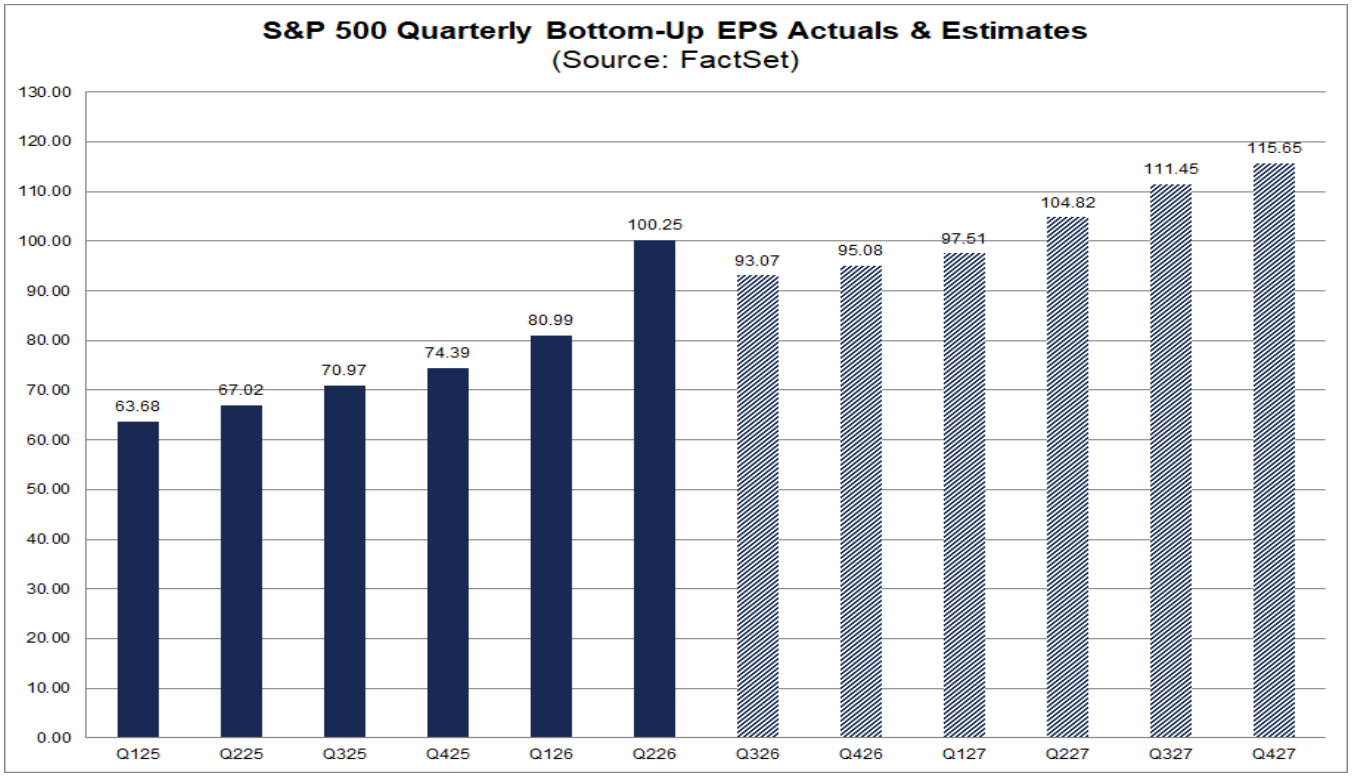




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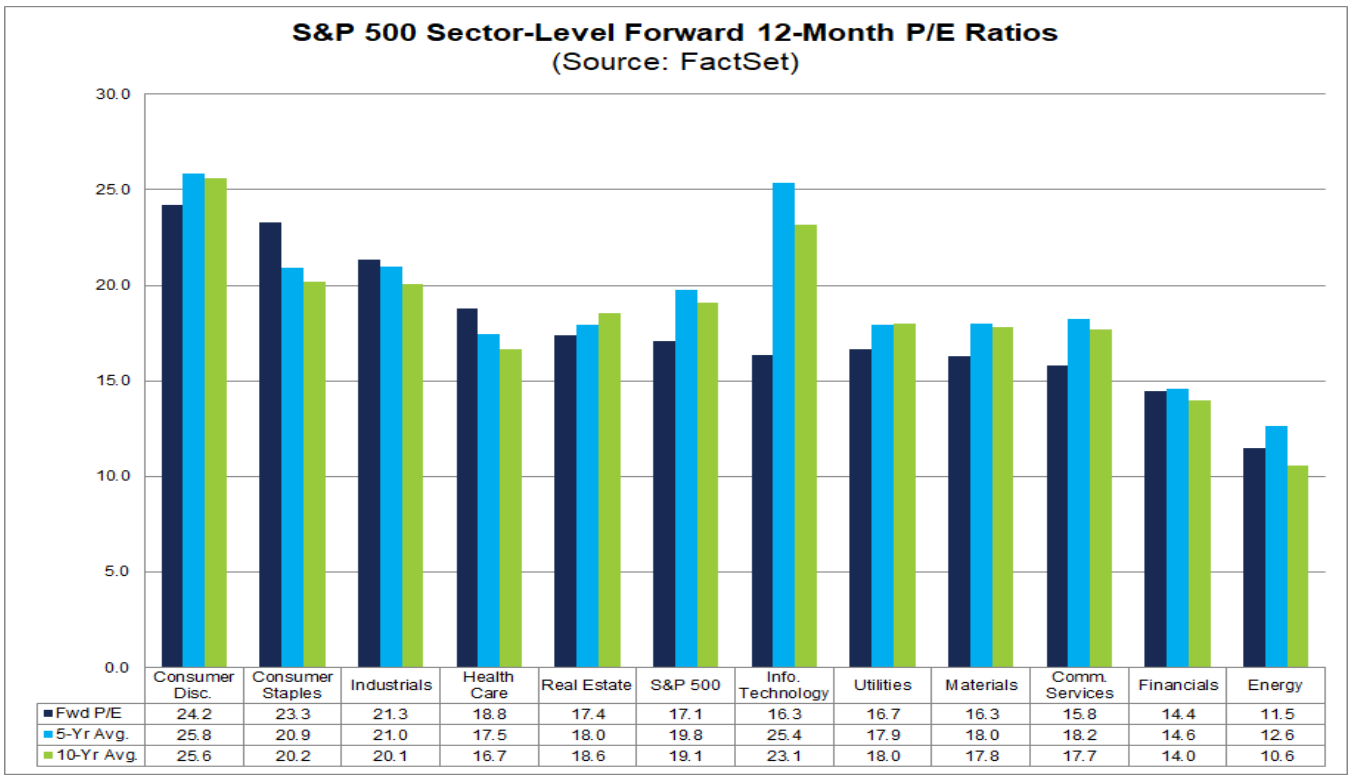
Bottom-Up EPS Estimates: Current & Historical



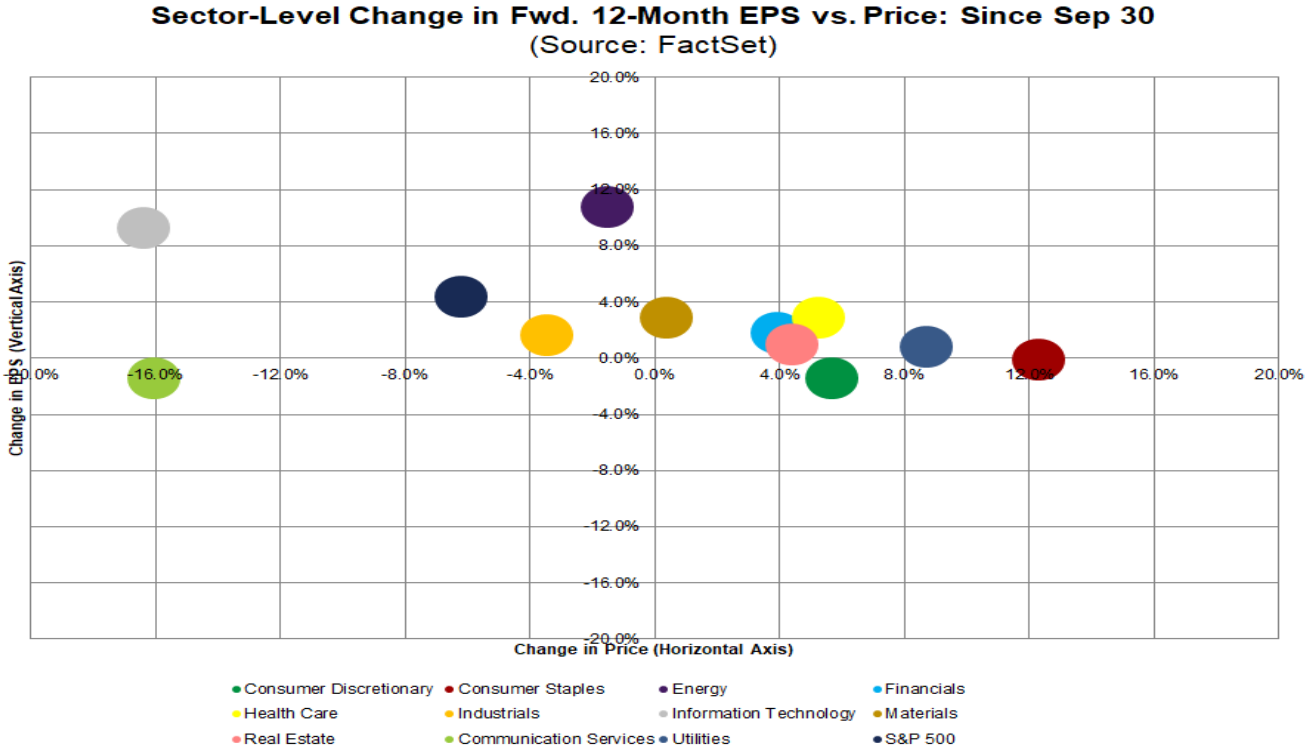


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Forward 12M P/E Ratio: Sector Level

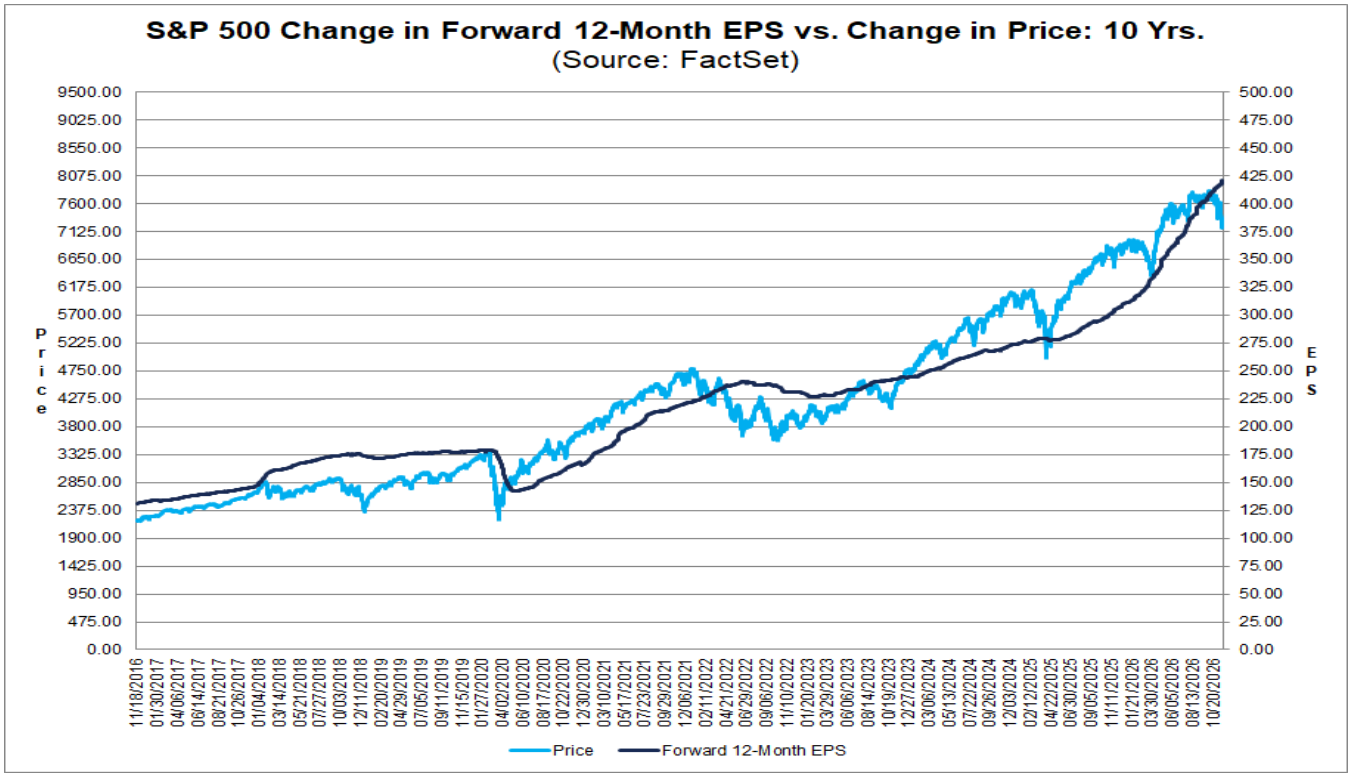


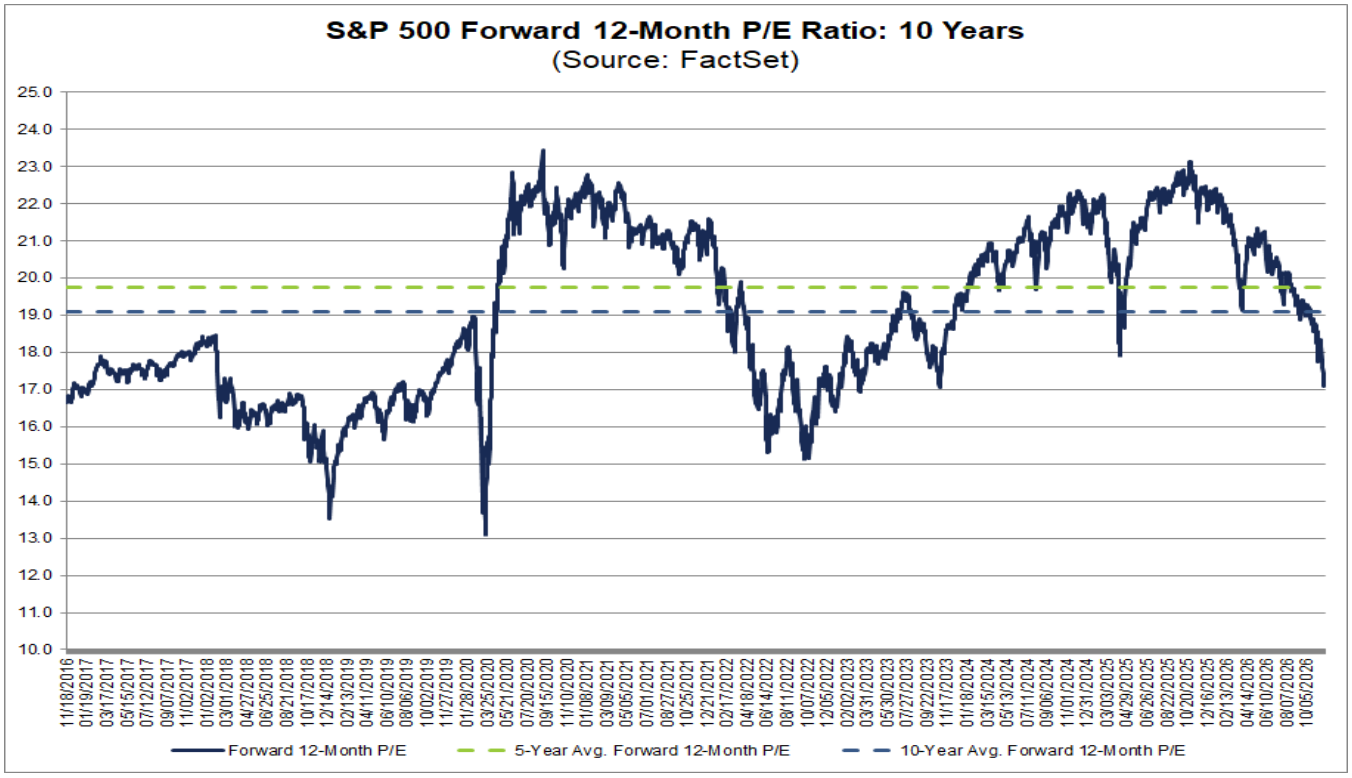
	Consumer Disc.	Consumer Staples	Industrials	Health Care	Real Estate	S&P 500	Info. Technology	Utilities	Materials	Comm. Services	Financials	Energy
Fwd P/E	24.2	23.3	21.3	18.8	17.4	17.1	16.3	16.7	16.3	15.8	14.4	11.5
5-Yr Avg.	25.8	20.9	21.0	17.5	18.0	19.8	25.4	17.9	18.0	18.2	14.6	12.6
10-Yr Avg.	25.6	20.2	20.1	16.7	18.6	19.1	23.1	18.0	17.8	17.7	14.0	10.6



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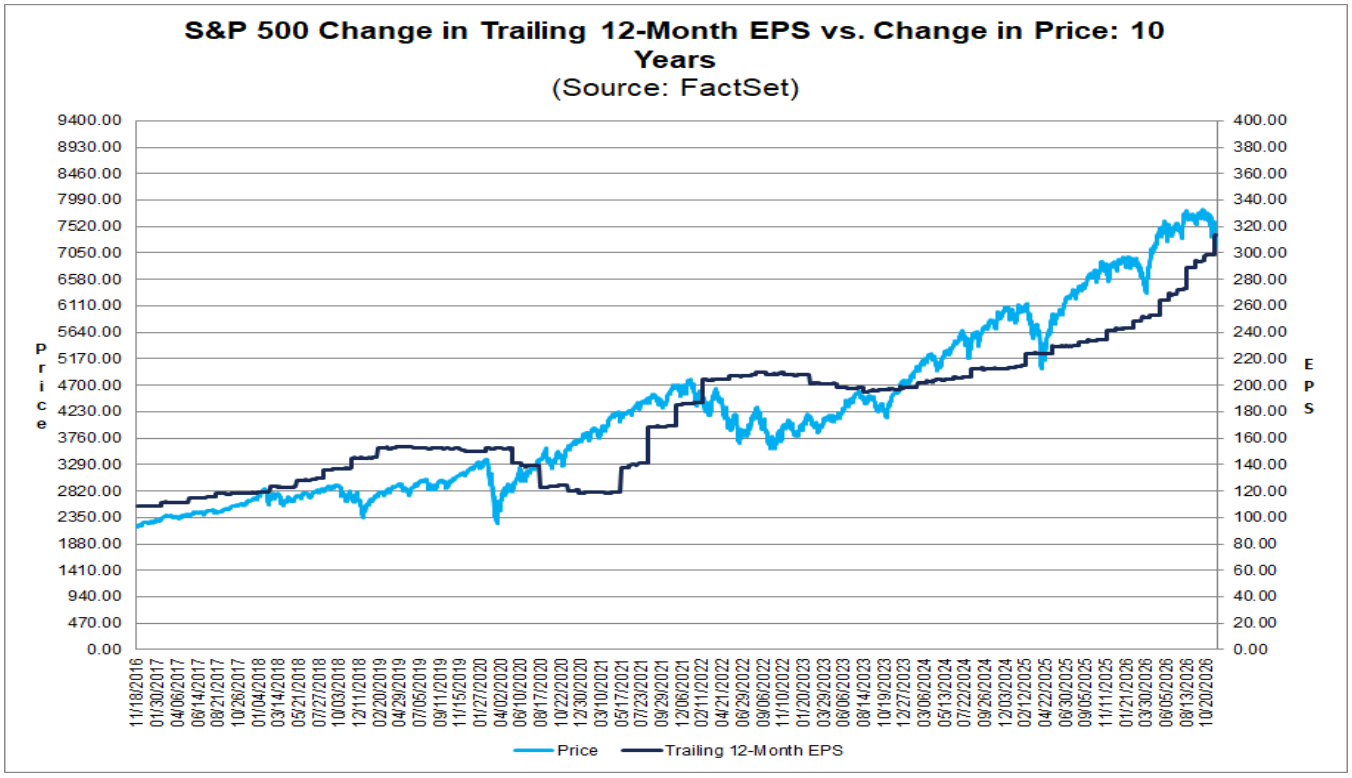
Forward 12M P/E Ratio: 10-Years

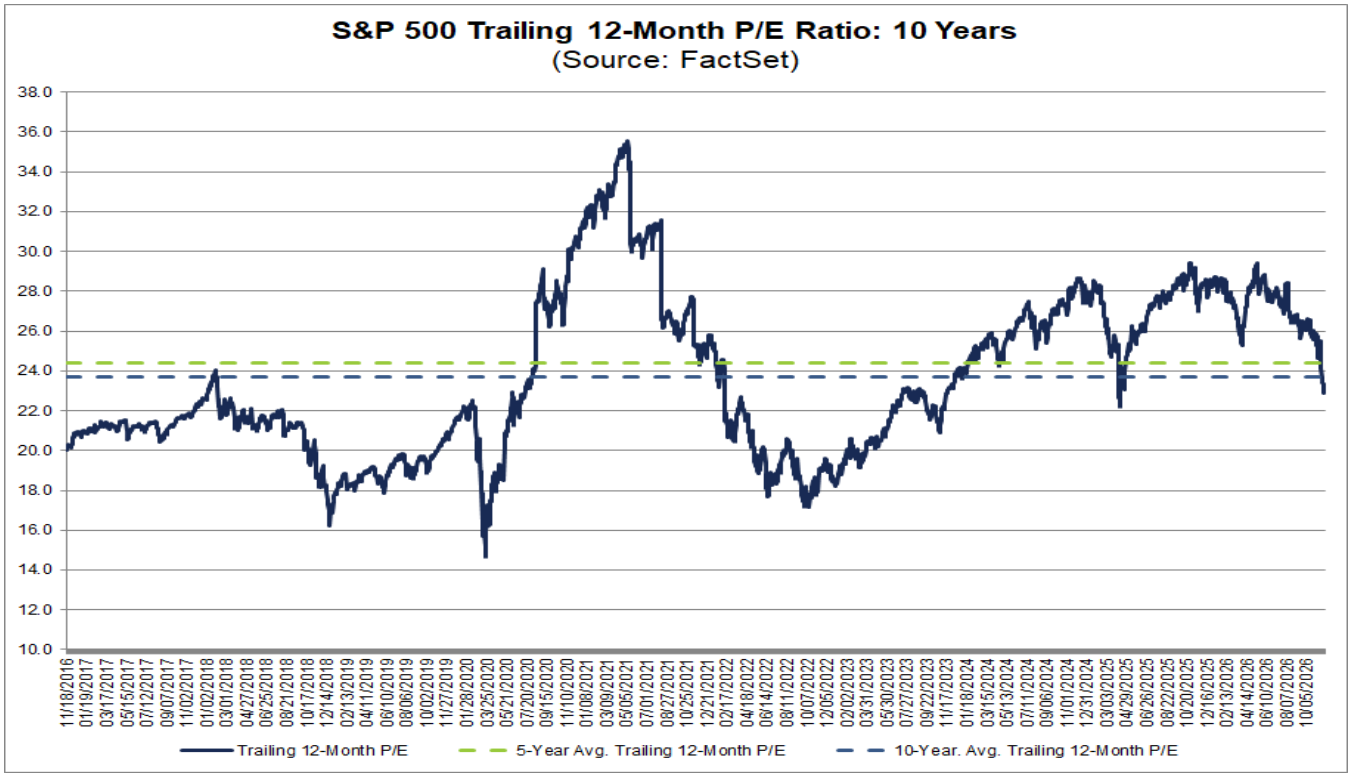




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Trailing 12M P/E Ratio: 10-Years

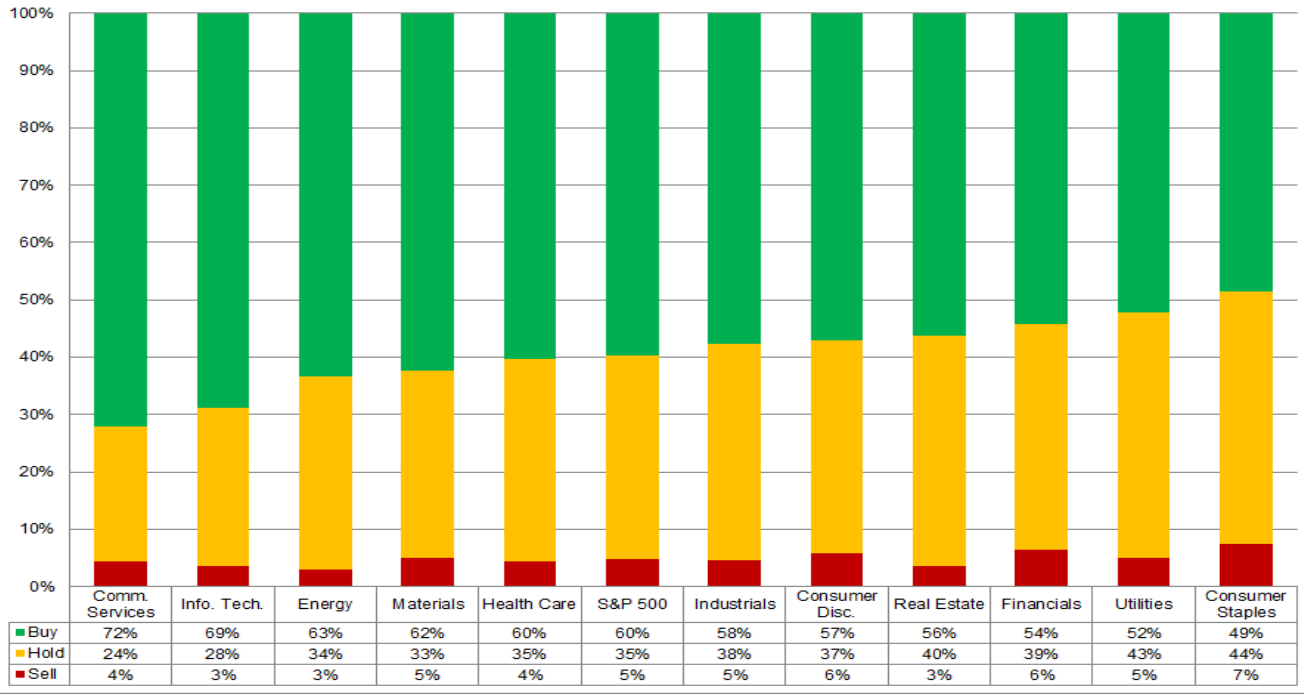




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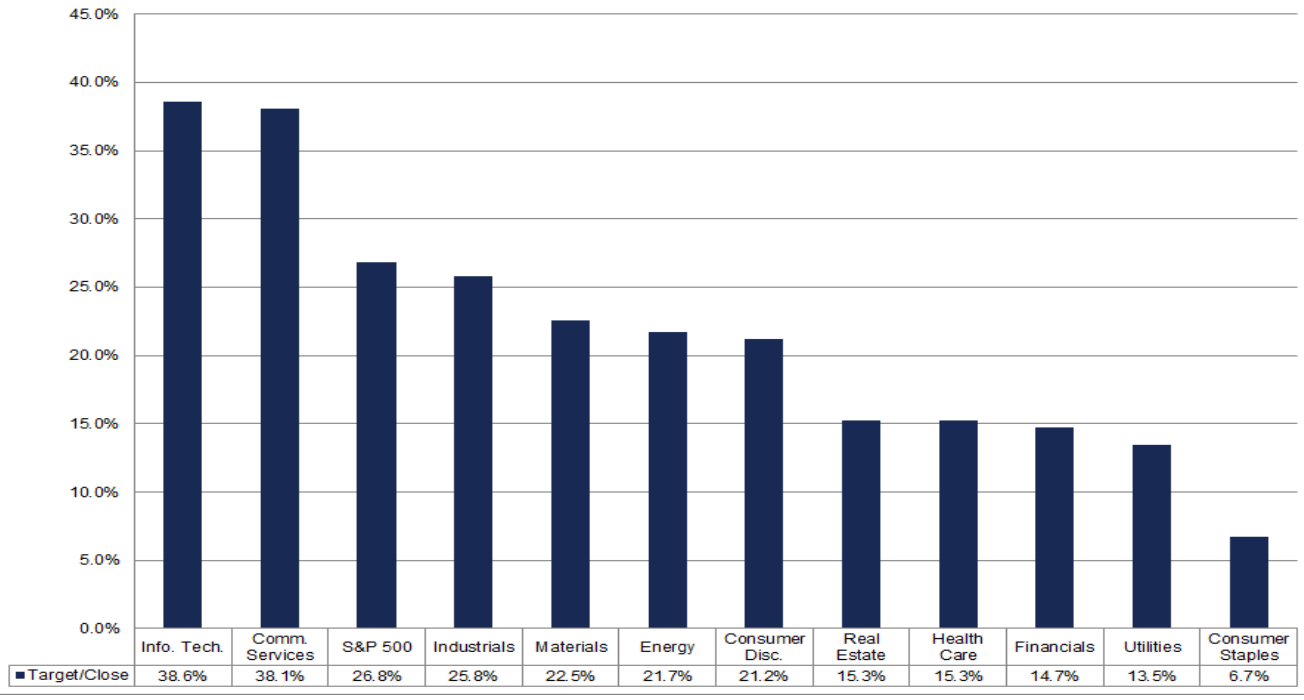
Targets & Ratings

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



	Comm. Services	Info. Tech.	Energy	Materials	Health Care	S&P 500	Industrials	Consumer Disc.	Real Estate	Financials	Utilities	Consumer Staples
Buy	72%	69%	63%	62%	60%	60%	58%	57%	56%	54%	52%	49%
Hold	24%	28%	34%	33%	35%	35%	38%	37%	40%	39%	43%	44%
Sell	4%	3%	3%	5%	4%	5%	5%	6%	3%	6%	5%	7%

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



	Info. Tech.	Comm. Services	S&P 500	Industrials	Materials	Energy	Consumer Disc.	Real Estate	Health Care	Financials	Utilities	Consumer Staples
Target/Close	38.6%	38.1%	26.8%	25.8%	22.5%	21.7%	21.2%	15.3%	15.3%	14.7%	13.5%	6.7%

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