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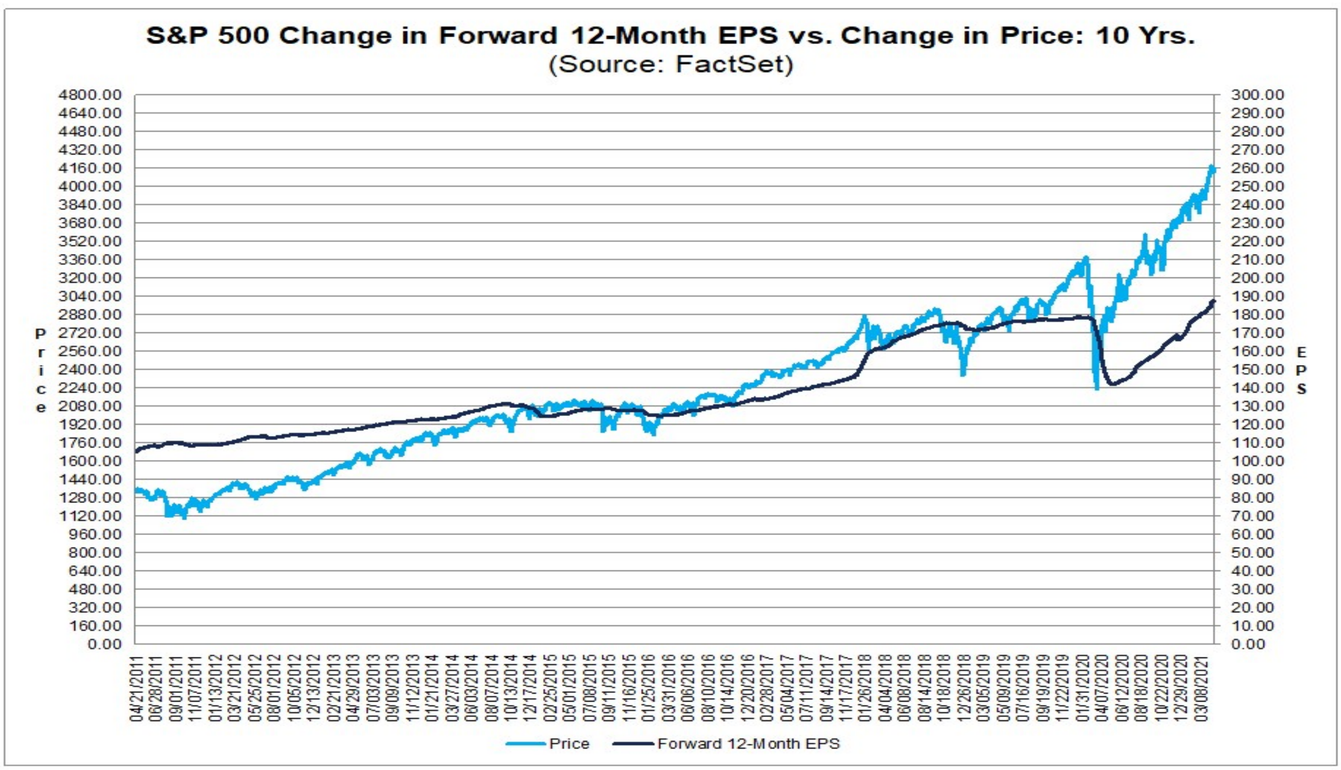
Key Metrics

- **Earnings Scorecard:** For Q1 2021 (with 25% of the companies in the S&P 500 reporting actual results), 84% of S&P 500 companies have reported a positive EPS surprise and 77% of S&P 500 companies have reported a positive revenue surprise. If 84% is the final percentage, it will tie the mark for the highest percentage of S&P 500 companies reporting a positive EPS surprise since FactSet began tracking this metric in 2008.
- **Earnings Growth:** For Q1 2021, the blended earnings growth rate for the S&P 500 is 33.8%. If 33.8% is the actual growth rate for the quarter, it will mark the highest year-over-year earnings growth rate reported by the index since Q3 2010 (34.0%).
- **Earnings Revisions:** On March 31, the estimated earnings growth rate for Q1 2021 was 23.8%. Ten sectors have higher earnings growth rates or smaller earnings declines today (compared to March 31) due to upward revisions to EPS estimates and positive EPS surprises, led by the Financials sector
- **Earnings Guidance:** For Q2 2021, 5 S&P 500 companies have issued negative EPS guidance and 12 S&P 500 companies have issued positive EPS guidance.
- **Valuation:** The forward 12-month P/E ratio for the S&P 500 is 22.3. This P/E ratio is above the 5-year average (17.9) and above the 10-year average (16.0).



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Topic of the Week:

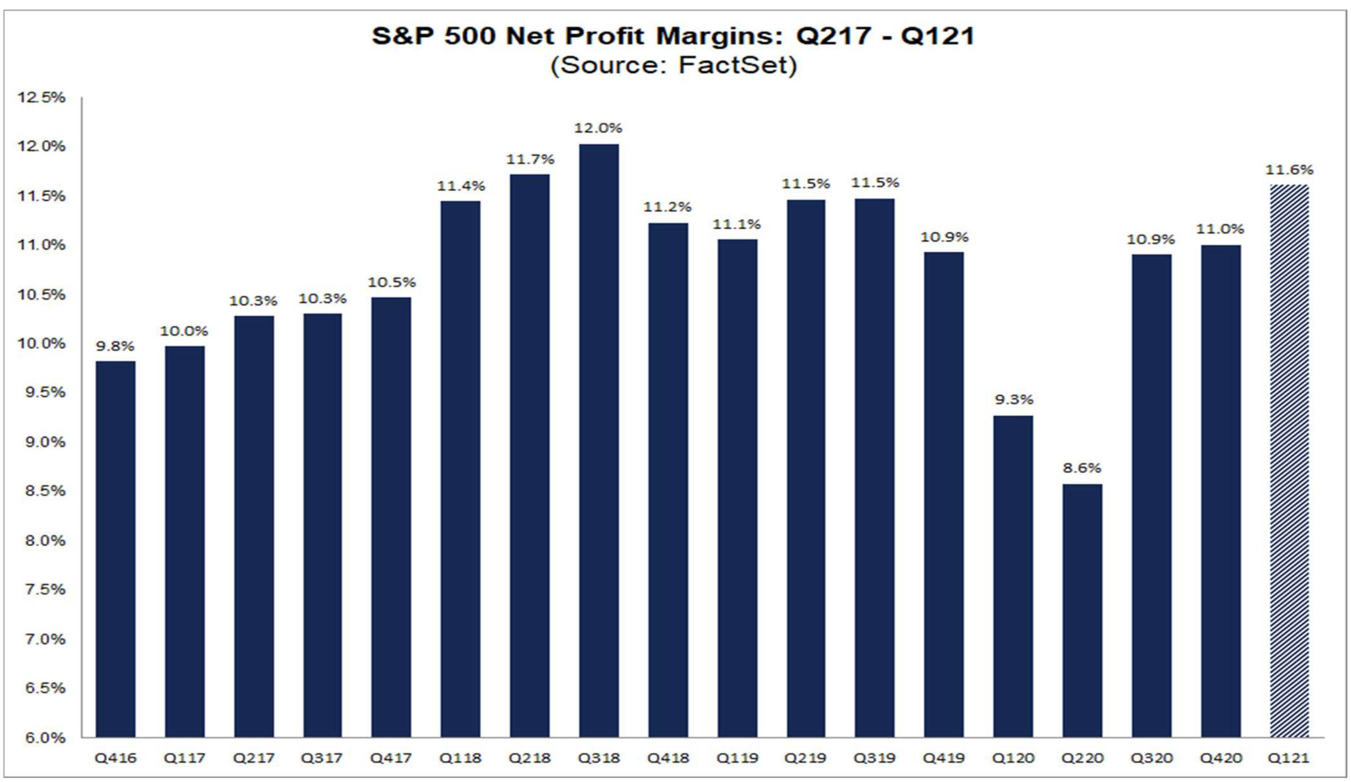
S&P 500 Is Reporting 3rd Highest Net Profit Margin Since 2008

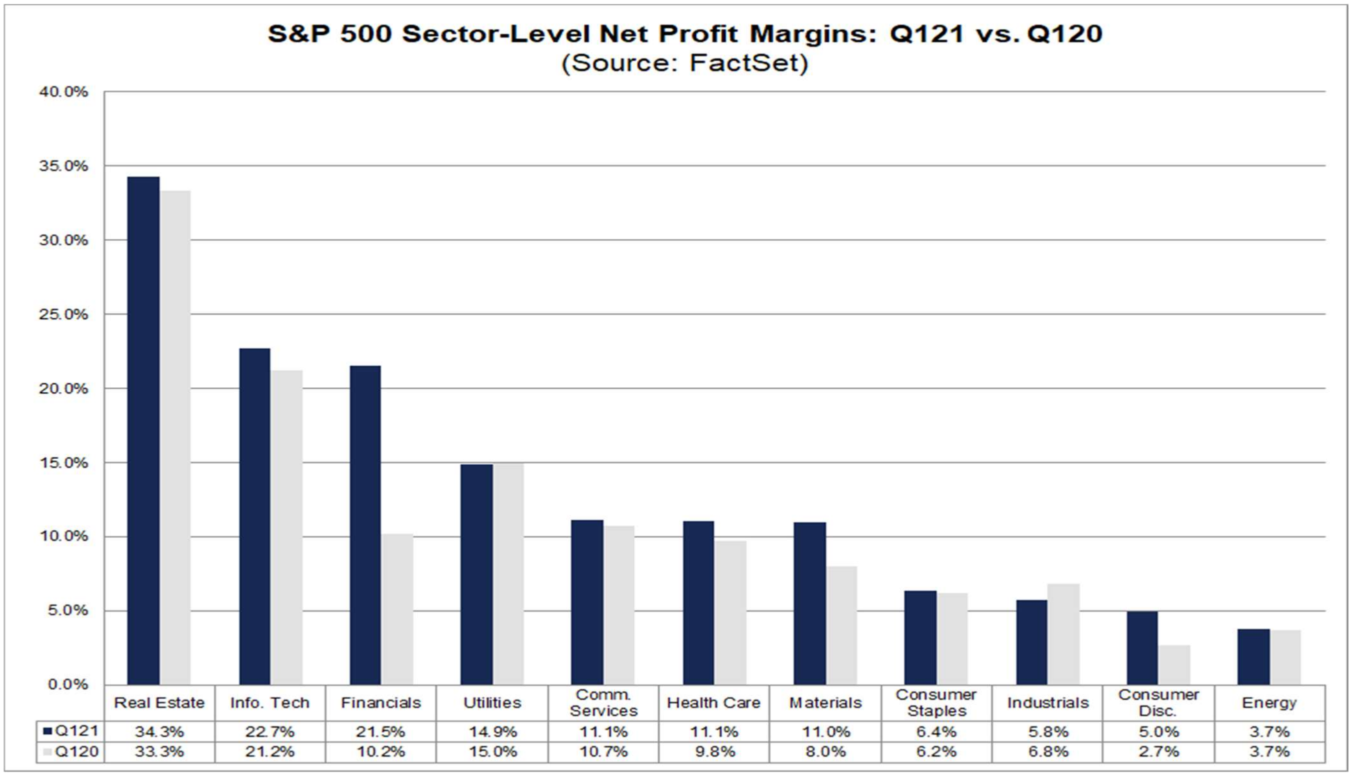
Concerns about inflation may be rising. Consumer prices increased 2.6% (year-over-year) in March compared to a 1.7% year-over-year increase in February, which marked the largest month-over-month increase (2.6% vs. 1.7%) in the CPI inflation rate since 2009. The jump in consumer inflation is being fed by higher producer prices. The March PPI was up 4.2% (year-over-year), which was the biggest year-over-year increase since September 2011. In addition, more S&P 500 companies (47) have cited the term "inflation" on their earnings calls for Q1 2021 through this point in time in the earnings season in more than 10 years. Given these inflation concerns, what is the S&P 500 reporting for a net profit margin in the first quarter?

The blended (combines actual results for companies that have reported and estimated results for companies that have yet to report) net profit margin for the S&P 500 for Q1 2021 is 11.6%, which is above the year-ago net profit margin, the 5-year average net profit margin (10.6%), and the previous quarter's net profit margin. If 11.6% is the actual net profit margin for the quarter, it will mark the third-highest net profit margin reported by the index since FactSet began tracking this metric in 2008, trailing only Q3 2018 (12.0%) and Q2 2018 (11.7%).

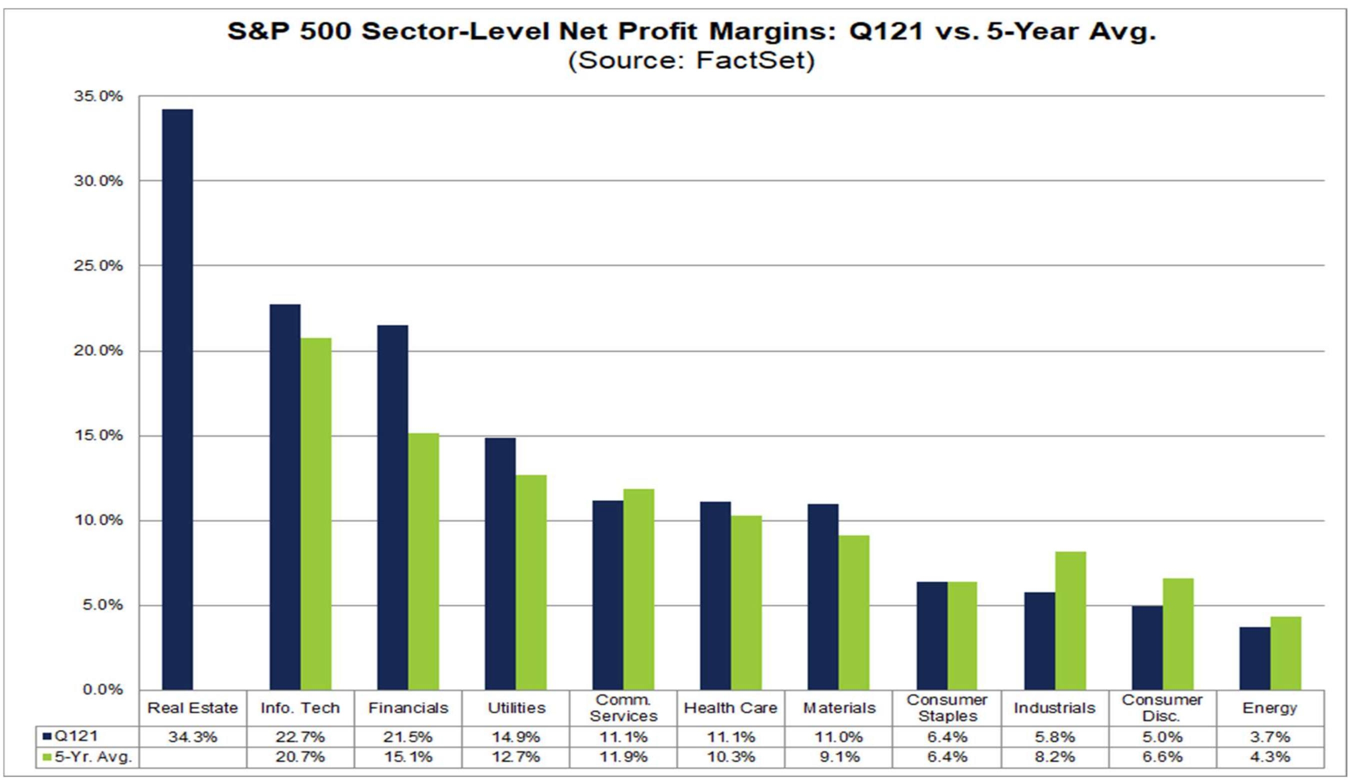
At the sector level, nine sectors are reporting a year-over-year increase in their net profit margins in Q1 2021 compared to Q1 2020, led by the Financials sector (21.5% vs. 10.2%). However, only five sectors are reporting net profit margins in Q1 2021 that are above their 5-year averages, again led by the Financials sector (21.5% vs. 15.1%). If 21.5% is the actual net profit margin reported by the Financials sector for Q1, it will mark the highest net profit margin reported by this sector since FactSet began tracking this metric in 2008. The current record for the sector is 18.0%, which occurred in Q1 2018. However, it should be noted that earnings and net profit margins for the Financials sector are being boosted on a year-over-year basis due to a substantial year-over-year decline in provisions for loan losses. These provisions for loan losses have no impact on top-line growth, but can have a substantial impact on bottom-line growth. For more details, please see our recent article at this link: https://insight.factset.com/lower-provisions-for-loan-losses-are-boosting-earnings-for-sp-500-banks-for-q1

Analysts also believe net profit margins for the S&P 500 will continue to be above 11.0% for the remainder of 2021. As of today, the estimated net profit margins for Q2 2021, Q3 2021, and Q4 2021 are 11.4%, 11.8%, and 11.8%.





	Real Estate	Info. Tech	Financials	Utilities	Comm. Services	Health Care	Materials	Consumer Staples	Industrials	Consumer Disc.	Energy
Q121	34.3%	22.7%	21.5%	14.9%	11.1%	11.1%	11.0%	6.4%	5.8%	5.0%	3.7%
Q120	33.3%	21.2%	10.2%	15.0%	10.7%	9.8%	8.0%	6.2%	6.8%	2.7%	3.7%



	Real Estate	Info. Tech	Financials	Utilities	Comm. Services	Health Care	Materials	Consumer Staples	Industrials	Consumer Disc.	Energy
Q121	34.3%	22.7%	21.5%	14.9%	11.1%	11.1%	11.0%	6.4%	5.8%	5.0%	3.7%
5-Yr. Avg.		20.7%	15.1%	12.7%	11.9%	10.3%	9.1%	6.4%	8.2%	6.6%	4.3%

Q1 Earnings Season: By The Numbers

Overview

At this point in time, more S&P 500 companies are beating EPS estimates for the first quarter than average, and beating EPS estimates by a wider margin than average. As a result, the index is reporting higher earnings for the first quarter today relative to the end of last week and relative to the end of the first quarter. The index is now reporting the highest year-over-year growth in earnings since Q3 2010 for Q1. Analysts also expect double-digit earnings growth for the remaining three quarters of 2021. These above-average growth rates are due to a combination of higher earnings for 2021 and an easier comparison to weaker earnings in 2020 due to the negative impact of COVID-19 on numerous industries.

Overall, 25% of the companies in the S&P 500 have reported actual results for Q1 2021 to date. Of these companies, 84% have reported actual EPS above estimates, which is above the 5-year average of 74%. If 84% is the final percentage for the quarter, it will tie the mark (with Q2 2020 and Q3 2020) for the highest percentage of S&P 500 companies reporting a positive EPS surprise since FactSet began tracking this metric in 2008. In aggregate, companies are reporting earnings that are 23.6% above the estimates, which is also above the 5-year average of 6.9%. If 23.6% is the final percentage for the quarter, it will mark the largest earnings surprise percentage reported by the index since FactSet began tracking this metric in 2008.

Due to the number and magnitude of these positive EPS surprises, the index is reporting higher earnings for the first quarter today relative to the end of last week and relative to the end of the first 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 first quarter is 33.8% today, compared to an earnings growth rate of 30.3% last week and an earnings growth rate of 23.8% at the end of the first quarter (March 31). Positive earnings surprises reported by companies in multiple sectors (led by the Financials, Health Care, Information Technology, and Communication Services sectors) were responsible for the improvement in overall earnings for the index during the past week. Positive earnings surprises reported by companies in the Financials sector have also been the top contributors to the overall increase in earnings for the index since the end of the first quarter.

If 33.8% is the actual growth rate for the quarter, it will mark the highest year-over-year earnings growth reported by the index since Q3 2010 (34.0%). The unusually high growth rate is due to a combination of higher earnings in Q1 2021 and an easier comparison to weaker earnings in Q1 2020 due to the negative impact of COVID-19 on numerous industries. Nine sectors are reporting year-over-year earnings growth, led by the Financials, Consumer Discretionary, and Materials sectors. Two sectors are reporting a year-over-year decline in earnings, led by the Industrials sector.

In terms of revenues, 77% of S&P 500 companies have reported actual revenues above estimates, which is above the 5-year average of 64%. If 77% is the final percentage for the quarter, it will tie the mark (with Q1 2018) for the third-highest percentage of S&P 500 companies reporting a positive revenue surprise since FactSet began tracking this metric in 2008. In aggregate, companies are reporting revenues that are 2.9% above the estimates, which is above the 5-year average of 1.0%. If 2.9% is the final percentage for the quarter, it will mark a tie (with Q4 2020) for the largest revenue surprise percentage reported by the index since FactSet began tracking this metric in 2008.

Due to the number and magnitude of these revenue surprises, the blended revenue growth rate for the first quarter is higher now relative to the end of last week and relative to the end of the first quarter. As of today, the S&P 500 is reporting year-over-year growth in revenues of 7.5%, compared to year-over-year growth in revenues of 7.1% last week and year-over-year growth in revenues of 6.2% at the end of the first quarter (March 31). Positive revenue surprises reported by companies in the multiple sectors (led by the Energy, Communication Services, and Information Technology sectors) were responsible for the increase in overall revenues for the index over the past week. Positive revenue surprises reported by companies in the Financials and Energy sectors have been the largest contributors to the increase in the overall revenues for the index since the end of the first quarter.

If 7.5% is the actual growth rate for the quarter, it will mark the highest year-over-year revenue growth reported by the index since Q3 2018 (8.6%). Eight sectors are reporting year-over-year growth in revenues, led by the Information Technology, Consumer Discretionary, and Communication Services sectors. Three sectors are reporting a year-over-year decline in revenues, led by the Industrials sector.

Looking at future quarters, analysts project double-digit earnings growth for the remaining three quarters of 2021, with earnings growth expected to peak in Q2 2021 at 55.4%

The forward 12-month P/E ratio is 22.3, which is above the 5-year average and above the 10-year average.

During the upcoming week, 181 S&P 500 companies (including 10 Dow 30 components) are scheduled to report results for the first quarter.

Scorecard: Companies Reporting Record or Near-Record Performances vs. Estimates

Percentage of Companies Beating EPS Estimates (84%) is at Record-High Level

Overall, 25% of the companies in the S&P 500 have reported earnings to date for the first quarter. Of these companies, 84% have reported actual EPS above the mean EPS estimate, 2% have reported actual EPS equal to the mean EPS estimate, and 15% 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 (77%) average and above the 5-year (74%) average.

If 84% is the final percentage for the quarter, it will tie the mark (with Q2 2020 and Q3 2020) for the highest percentage of S&P 500 companies reporting a positive EPS surprise since FactSet began tracking this metric in 2008.

At the sector level, the Health Care (100%), Communications Services (100%), Energy (100%), and Real Estate (100%) sectors have the highest percentages of companies reporting earnings (or FFO for Real Estate) above estimates, while the Utilities (67%), Consumer Staples (67%), and Industrials (68%) sectors have the lowest percentages of companies reporting earnings above estimates.

Earnings Surprise Percentage (+23.6%) is at Record-High Level

In aggregate, companies are reporting earnings that are 23.6% above expectations. This surprise percentage is above the 1-year (+14.5%) average and above the 5-year (+6.9%) average.

If 23.6% is the final percentage for the quarter, it will mark the largest earnings surprise percentage reported by the index since FactSet began tracking this metric in 2008. The current record is 23.1%, which occurred in Q2 2020.

The Energy (+335.7%) sector is reporting the largest positive (aggregate) difference between actual earnings and estimated earnings. Within this sector, Kinder Morgan ($0.60 vs. $0.24) has reported the largest positive EPS surprise.

The Consumer Discretionary (+44.7%) sector is reporting the second-largest positive (aggregate) difference between actual earnings and estimated earnings. Within this sector, Pool Corporation ($2.32 vs. $1.17), Lennar ($3.20 vs. $1.71) and Tractor Supply Company ($1.55 vs. $0.98) have reported the largest positive EPS surprises.

The Financials (+38.8%) sector is reporting the third-largest positive (aggregate) difference between actual earnings and estimated earnings. Within this sector, Goldman Sachs ($18.60 vs. $10.22), Discover Financial Services ($5.04 vs. $2.83), Comerica ($2.43 vs. $1.47), and American Express ($2.74 vs. $1.61) have reported the largest positive EPS surprises.

Market Rewarding Positive Earnings Surprises Less Than Average

To date, the market is rewarding positive earnings surprises less than average and also punishing negative earnings surprises less than average.

Companies that have reported positive earnings surprises for Q1 2021 have seen an average price increase of +0.4% two days before the earnings release through two days after the earnings release. This percentage increase is below the 5-year average price increase of +0.8% during this same window for companies reporting positive earnings surprises.

Companies that have reported negative earnings surprises for Q1 2021 have seen an average price decrease of -0.7% two days before the earnings release through two days after the earnings. This percentage decrease is much smaller than the 5-year average price decrease of -2.5% during this same window for companies reporting negative earnings surprises.

Percentage of Companies Beating Revenue Estimates (77%) is Near Record-High Level

In terms of revenues, 77% of companies have reported actual revenues above estimated revenues and 23% have reported actual revenues below estimated revenues. The percentage of companies reporting revenues above estimates is above the 1-year average (69%) and above the 5-year average (64%).

If 77% is the final percentage for the quarter, it will tie the mark (with Q1 2018) for the third-highest percentage of S&P 500 companies reporting a positive revenue surprise since FactSet began tracking this metric in 2008. The current record is 79%, which occurred in Q3 2020.

At the sector level, the Information Technology (100%) and Communication Services (100%) sectors have the highest percentages of companies reporting revenues above estimates, while the Utilities (33%) and Real Estate (50%) sectors have the lowest percentages of companies reporting revenues above estimates.

Revenue Surprise Percentage (+2.9%) is at Record-High Level

In aggregate, companies are reporting revenues that are 2.9% above expectations. This surprise percentage is above the 1-year (+2.0%) average and above the 5-year (+1.0%) average.

If 2.9% is the final percentage for the quarter, it will tie the mark (with Q4 2020) for the largest revenue surprise percentage reported by the index since FactSet began tracking this metric in 2008.

At the sector level, the Energy (+11.5%) and Financials (+6.8%) sectors are reporting the largest positive (aggregate) differences between actual revenues and estimated revenues, while the Utilities (-9.4%) sector is reporting the largest negative (aggregate) difference between actual revenues and estimated revenues.

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

Increase in Blended Earnings Growth Rate This Week Due to the Multiple Sectors

The blended (year-over-year) earnings growth rate for the first quarter is 33.8%, which is larger than the earnings growth rate of 30.3% last week. Positive earnings surprises reported by companies in multiple sectors (led by Financials, Health Care, Information Technology, and Communication Services sectors) were responsible for the improvement in overall earnings for the index during the past week.

In the Financials sector, the positive EPS surprises reported by American Express ($2.74 vs. $1.61) and Discover Financial Services ($5.04 vs $2.83) were significant contributors to the increase in the earnings growth rate for the index during the week. As a result, the blended earnings growth rate for this sector increased to 126.3% from 118.8% over this period.

In the Health Care sector, the positive EPS surprises reported by Johnson & Johnson ($2.59 vs $2.34), Danaher Corporation ($2.52 vs. $1.76), and HCA Healthcare ($4.14 vs. $3.32) were substantial contributors to the increase in the earnings growth rate for the index during the week. As a result, the blended earnings growth rate for this sector increased to 24.6% from 21.1% over this period.

In the Information Technology sector, the positive EPS surprise reported by Intel ($1.39 vs $1.15) was a significant contributor to the increase in the earnings growth rate for the index during the week. As a result, the blended earnings growth rate for this sector increased to 24.5% from 22.5% over this period.

In the Communication Services sector, the positive EPS surprises reported by AT&T ($0.86 vs $0.78) and Netflix ($3.75 vs. $3.04) were substantial contributors to the increase in the earnings growth rate for the index during the week. As a result, the blended earnings growth rate for the Communication Service sector increased to 17.2% from 13.5% over this period.

Increase in Blended Revenue Growth This Week Due to Multiple Sectors

The blended (year-over-year) revenue growth rate for the first quarter is 7.5%, which is larger than the revenue growth rate of 7.1% last week. Positive revenue surprises reported by companies in the multiple sectors (led by the Energy, Communication Services, and Information Technology sectors) were responsible for the increase in overall revenues for the index over the past week.

Financials Sector Has Seen Largest Increase in Earnings since March 31

The blended (year-over-year) earnings growth rate for Q1 2021 of 33.8% is larger than the estimate of 23.8% at the end of the first quarter (March 31). 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 earnings estimates and positive earnings surprises, led by the Financials sector (to 126.3% from 72.5%), Energy (to -1.3% from -10.4%), and Consumer Discretionary (to 112.4% from 103.4%) sectors. The Industrials (to -18.0% from -16.2%) is the only sector that has recorded an increase in its earnings decline due to downward revisions to earnings estimates and negative earnings surprises.

In the Financials sector, upward revisions to EPS estimates and positive EPS surprises reported by JPMorgan Chase ($4.50 vs $3.10), Goldman Sachs ($18.60 vs. $10.22), Citigroup ($3.62 vs. $2.60), Bank of America ($0.86 vs. $0.66), Wells Fargo ($1.05 vs. $0.70), and Morgan Stanley ($2.22 vs. $1.72) have been the largest contributors to the increase in the earnings growth rate for the index since the end of the first quarter (March 31). As a result, the blended earnings growth rate for the Financials sector has increased to 126.3% from 72.5% over this period.

Financials Sector Has Seen Largest Increase in Revenues since March 31

The blended (year-over-year) revenue growth rate for Q1 2021 of 7.5% is larger than the estimate of 6.2% at the end of the first quarter (March 31). All eleven sectors have recorded an increase in revenue growth or a decrease in their revenue decline since the end of the quarter due to upward revisions to revenue estimates and positive revenue surprises, led by the Financials (to 7.7% from 3.0%) and Energy (to -2.4% from -6.5%) sectors.

Earnings Growth: 33.8%

The blended (year-over-year) earnings growth rate for Q1 2021 is 33.8%, which is well above the 5-year average earnings growth rate of 4.1%. If 33.8% is the actual growth rate for the quarter, it will mark the highest year-over-year earnings growth reported by the index since Q3 2010 (34.0%). Nine sectors are reporting year-over-year earnings growth, led by the Financials, Consumer Discretionary, and Materials sectors. On the other hand, two sectors are reporting a year-over-year decline in earnings, led by the Industrials sector.

Financials: Banks Industry Is Largest Contributor to Year-Over-Year Growth

The Financials sector is reporting the highest (year-over-year) earnings growth of all eleven sectors at 126.3%. At the industry level, all five industries in this sector are reporting (or are predicted to report) year-over-year growth in earnings: Consumer Finance (N/A due to year-ago loss), Banks (259%), Capital Markets (80%), Insurance (3%), and Diversified Financial Services (2%). The Banks industry is also the largest contributor to growth for the sector. If this industry were excluded, the blended earnings growth rate for the Financials sector would fall to 64.8% from 126.3%. Lower provisions for loan losses are boosting year-over-year earnings growth for companies in the Banks industry.

Consumer Discretionary: 6 of 10 Industries Reporting to Year-Over-Year Growth Above 50%

The Consumer Discretionary sector is reporting the second-highest (year-over-year) earnings growth of all eleven sectors at 112.4%. At the industry level, nine of the ten industries in this sector are reporting (or are expected to report) double-digit earnings growth: Automobiles (1,268%), Textiles, Apparel, & Luxury Goods (484%), Specialty Retail (245%), Household Durables (88%), Internet & Direct Marketing Retail (80%), Multiline Retail (56%), Distributors (49%), Auto Components (30%), and Leisure Products (14%). The Specialty Retail industry is also the largest contributor to growth for the sector. If this industry were excluded, the blended earnings growth rate for the Consumer Discretionary sector would fall to 74.7% from 112.5%. On the other hand, the Hotels, Restaurants, & Leisure industry (-655%) is the only industry in this sector that is reporting a year-over-year decline in earnings and is the largest detractor to earnings growth. If this industry were excluded, the blended earnings growth rate for the Consumer Discretionary sector would rise to 151.7% from 112.4%.

Materials: Metals & Mining Industry Is Largest Contributor to Year-Over-Year Growth

The Materials sector is reporting the third-highest (year-over-year) earnings growth of all eleven sectors at 51.6%. At the industry level, all four industries in this sector are reporting (or are predicted to report) year-over-year growth: Metals & Mining (495%), Chemicals (30%), Containers & Packaging (12%), and Construction Materials (4%). The Metals & Mining industry is also the largest contributor to year-over-year growth in earnings for the sector. If this industry were excluded, the estimated earnings growth rate for the Materials sector would fall to 26.2% from 51.6%.

Industrials: Airlines Industry Is Largest Contributor To Year-Over-Year Decline

The Industrials sector is reporting the largest (year-over-year) earnings decline of all eleven sectors at -18.0%. At the industry level, five of the twelve industries in this sector are reporting (or are projected to report) a decline in earnings, led by the Airlines (N/A due to year-ago loss) industry. On the other hand, seven industries are reporting (or are projected to report) earnings growth, led by the Air Freight & Logistics (80%), Construction & Engineering (57%), and Machinery (34%) industries. The Airlines industry is also the largest contributor to the year-over-year decline in earnings for the sector. If this industry were excluded, year-over-year earnings for the Industrials sector would improve to 11.4% from -18.0%.

Revenue Growth: 7.5%

The blended (year-over-year) revenue growth rate for Q1 2021 is 7.5%, which is above the 5-year average revenue growth rate of 3.9%. If 7.5% is the actual growth rate for the quarter, it will mark the highest year-over-year revenue growth reported by the index since Q3 2018 (8.6%). Eight sectors are reporting year-over-year growth in revenues, led by the Information Technology, Consumer Discretionary, and Communication Services sectors. Three sectors are reporting a year-over-year decline in revenues, led by the Industrials sectors.

Information Technology: 4 of 6 Industries Reporting Year-Over-Year Growth Above 10%

The Information Technology sector is reporting the highest (year-over-year) revenue growth of all eleven sectors at 16.1%. At the industry level, all six industries in this sector are reporting (or are projected to report) year-over-year growth in revenues. Four of these six industries are reporting growth above 10%: Technology Hardware, Storage, & Peripherals (25%), Semiconductors & Semiconductor Equipment (21%), Software (17%), and Electronic Equipment, Instruments, & Components (15%).

Consumer Discretionary: 5 of 10 Industries Reporting Year-Over-Year Growth At Or Above 10%

The Consumer Discretionary sector is reporting the second-highest (year-over-year) revenue growth of all eleven sectors at 15.6%. At the industry level, nine of the ten industries in this sector are reporting (or are predicted to report) growth in revenues. Five of these nine industries are reporting (or are projected to report) double-digit growth: Internet & Direct Marketing Retail (38%), Auto Components (32%), Specialty Retail (27%), Household Durables (24%), and Textiles, Apparel, & Luxury Goods (10%). On the other hand, the Hotels, Restaurants, & Leisure (-29%) industry is the only industry reporting a year-over-year decline in revenues.

Communication Services: Alphabet & T-Mobile Lead Year-Over-Year Growth

The Communication Services sector is reporting the third-highest (year-over-year) revenue growth of all eleven sectors at 12.8%. At the industry level, four of the five industries in this sector are reporting (or are predicted to report) year-over-year growth in revenues. Two of these four industries are projected to report double-digit growth: Wireless Communication Services (69%) and Interactive Media & Services (26%). On the other hand, the only industry that is reporting a decline in revenue is the Entertainment (-5%) industry.

At the company level, Alphabet and T-Mobile are the largest contributors to revenue growth for the sector. If these two companies were excluded, the blended revenue growth rate for the sector would drop to 4.7% from 12.8%.

Industrials: Airlines Industry Is Largest Contributor To Year-Over-Year Decline

The Industrials sector is reporting the largest (year-over-year) decline in revenue of all eleven sectors at -3.2%. At the industry level, five of the twelve industries in this sector are reporting (or are projected to report) a decline in revenue, led by the Airlines (-54%) industry. On the other hand, seven industries are reporting (or are projected to report) revenue growth, led by the Air Freight & Logistics (19%) industry. The Airlines industry is also the largest contributor to the year-over-year decline in revenue for the sector. If this industry were excluded, year-over-year revenues for the Industrials sector would improve to 2.3% from -3.2%.

Net Profit Margin: 11.6%

The blended net profit margin for the S&P 500 for Q1 2021 is 11.6%, which is above the 5-year average of 10.6%, the year-ago net profit margin of 9.3% and the previous quarter's net profit margin of 11.0%.

If 11.6% is the actual net profit margin for the quarter, it will mark the third-highest net profit margin reported by the index since FactSet began tracking this metric in 2008, trailing only Q3 2018 (12.0%) and Q2 2018 (11.7%).

At the sector level, nine sectors are reporting a year-over-year increase in their net profit margins in Q1 2021 compared to Q1 2020, led by the Financials sector (21.5% vs. 10.2%). However, only five sectors are reporting net profit margins in Q1 2021 that are above their 5-year averages, again led by the Financials sector (21.5% vs. 15.1%).

Looking Ahead: Forward Estimates and Valuation

Guidance: % of S&P 500 Companies Issuing Positive EPS Guidance Above 5-Year Average

At this point in time, 17 companies in the index have issued EPS guidance for Q2 2021. Of these 17 companies, 5 have issued negative EPS guidance and 12 have issued positive EPS guidance. The percentage of companies issuing positive EPS guidance is 71% (12 out of 17), which is well above the 5-year average of 35%.

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 29% for CY 2021

For the first quarter, S&P 500 companies are reporting growth in earnings of 33.8% and growth in revenue of 7.5%.

For Q2 2021, analysts are projecting earnings growth of 55.4% and revenue growth of 17.4%.

For Q3 2021, analysts are projecting earnings growth of 20.3% and revenue growth of 10.6%.

For Q4 2021, analysts are projecting earnings growth of 15.6% and revenue growth of 7.8%.

For CY 2021, analysts are projecting earnings growth of 29.0% and revenue growth of 10.3%.

Valuation: Forward P/E Ratio is 22.3, Above the 10-Year Average (16.0)

The forward 12-month P/E ratio is 22.3. This P/E ratio is above the 5-year average of 17.9 and above the 10-year average of 16.0. It is also above the forward 12-month P/E ratio of 21.8 recorded at the end of the first quarter (March 31). Since the end of the first quarter (March 31), the price of the index has increased by 4.1%, while the forward 12-month EPS estimate has increased by 2.7%.

At the sector level, the Consumer Discretionary (37.2) sector has the highest forward 12-month P/E ratio, while the Financials (14.0) and Health Care (17.0) sectors have the lowest forward 12-month P/E ratios.

Targets & Ratings: Analysts Project 10% Increase in Price Over Next 12 Months

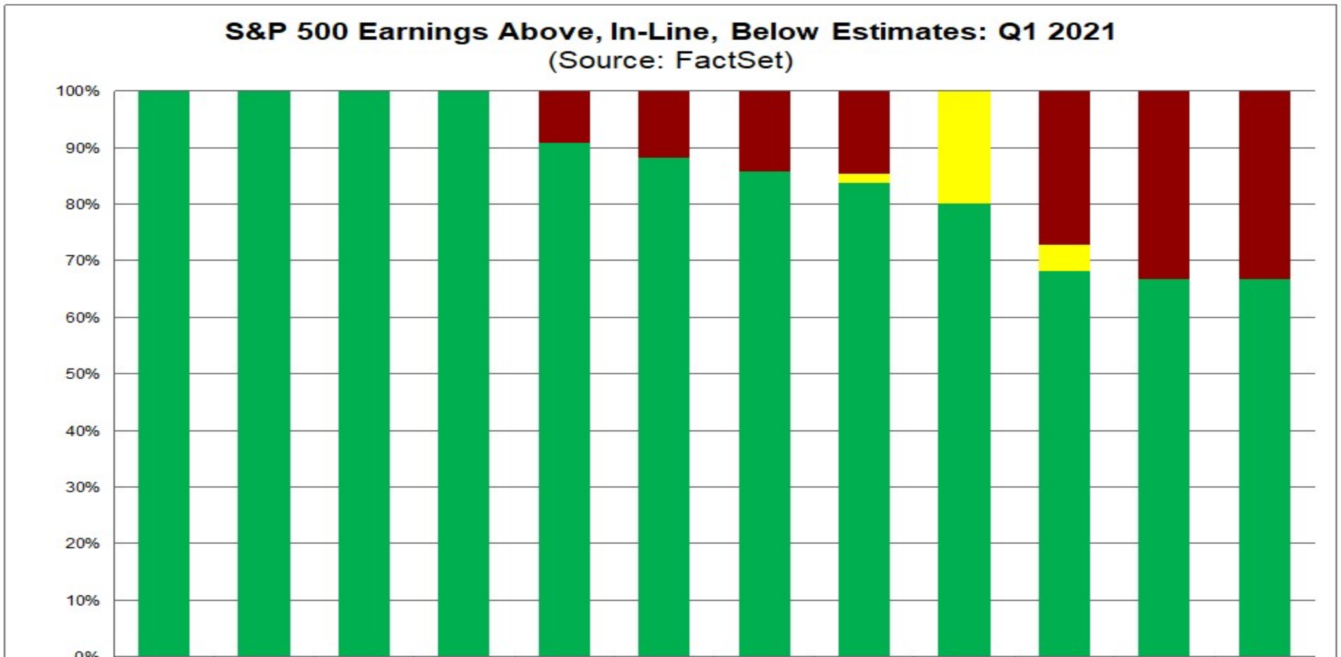
The bottom-up target price for the S&P 500 is 4554.54, which is 10.1% above the closing price of 4134.98. At the sector level, the Energy (+19.9%) sector is expected to see the largest price increase, as this sector has the largest upside difference between the bottom-up target price and the closing price. On the other hand, the Real Estate (+2.4%) 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 10,409 ratings on stocks in the S&P 500. Of these 10,409 ratings, 56.1% are Buy ratings, 37.0% are Hold ratings, and 6.0% are Sell ratings. At the sector level, the Health Care (63%), Information Technology (63%), and Energy (61%) sectors have the highest percentages of Buy ratings, while the Consumer Staples (45%) sector has the lowest percentage of Buy ratings.

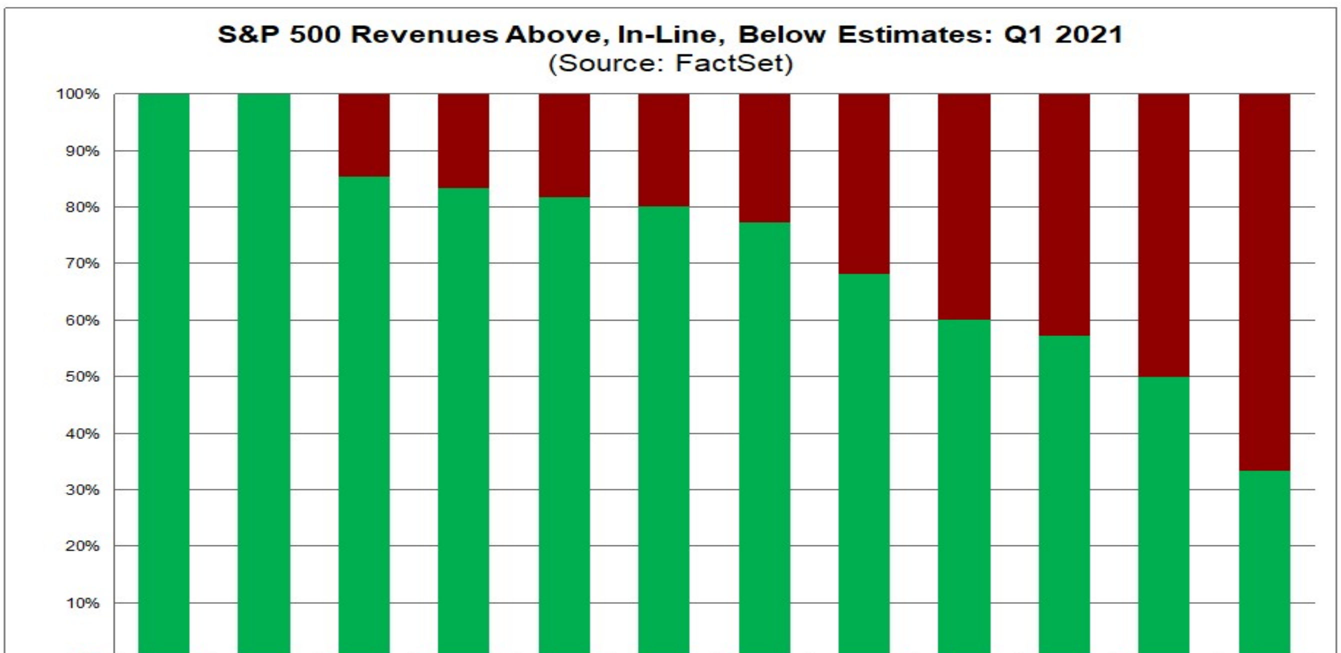
Companies Reporting Next Week: 181

During the upcoming week, 181 S&P 500 companies (including 10 Dow 30 components) are scheduled to report results for the first quarter.

Q1 2021: Scorecard

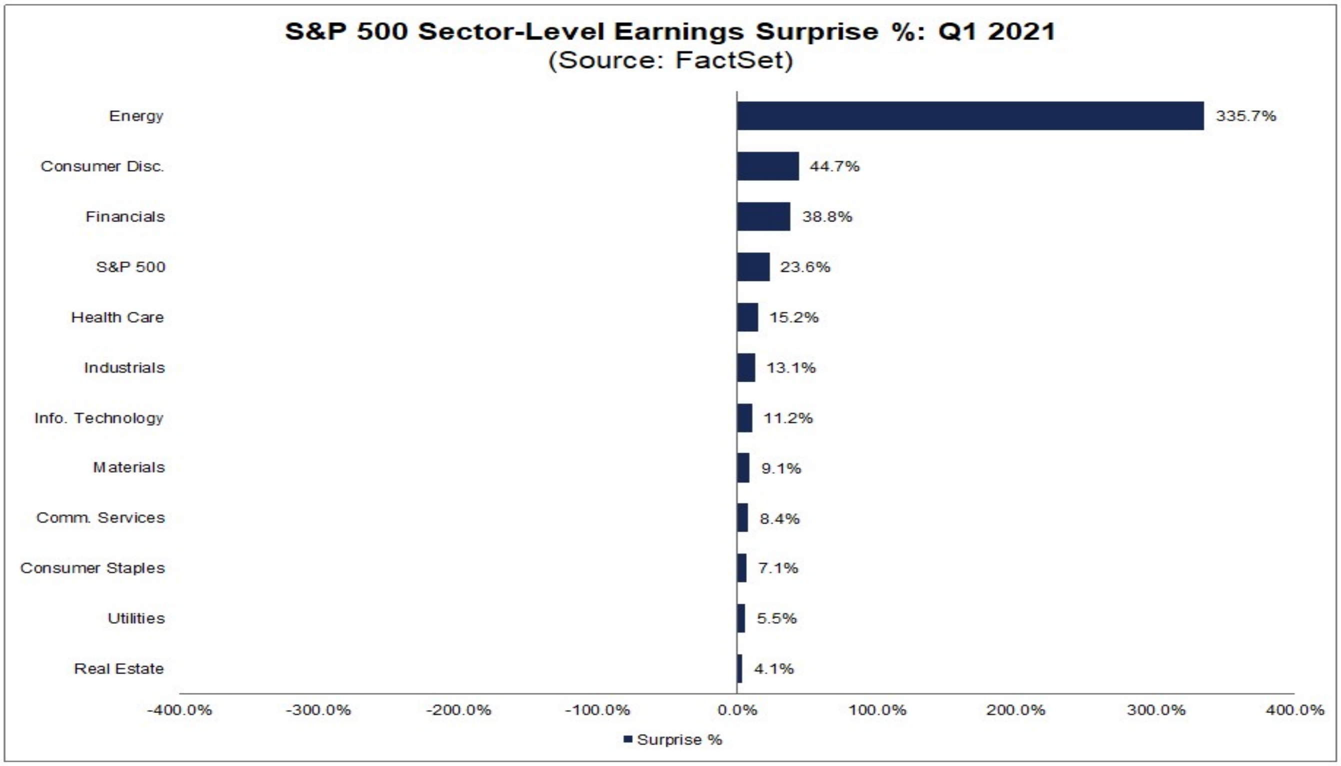


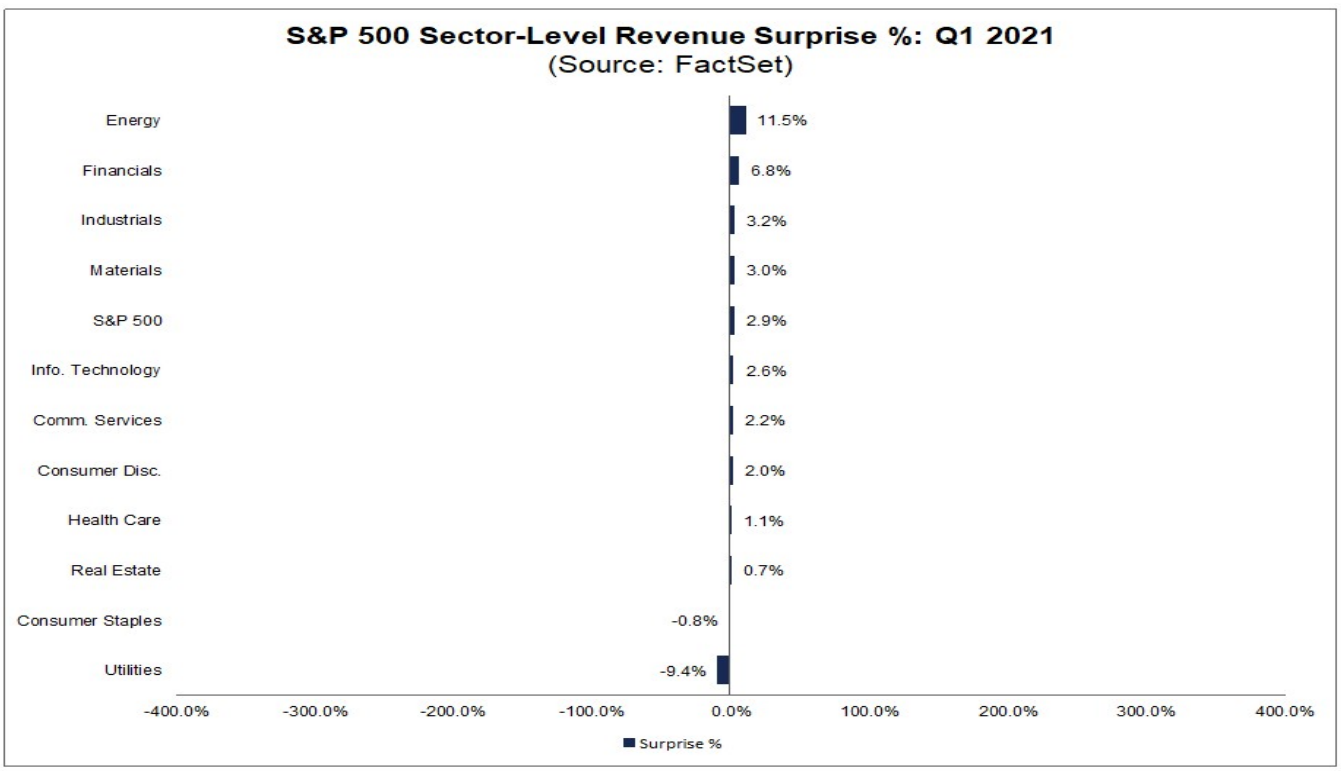
	Health Care	Comm. Services	Real Estate	Energy	Info. Technology	Financials	Consumer Disc.	S&P 500	Materials	Industrials	Consumer Staples	Utilities
Below	0%	0%	0%	0%	9%	12%	14%	15%	0%	27%	33%	33%
In-Line	0%	0%	0%	0%	0%	0%	0%	2%	20%	5%	0%	0%
Above	100%	100%	100%	100%	91%	88%	86%	84%	80%	68%	67%	67%



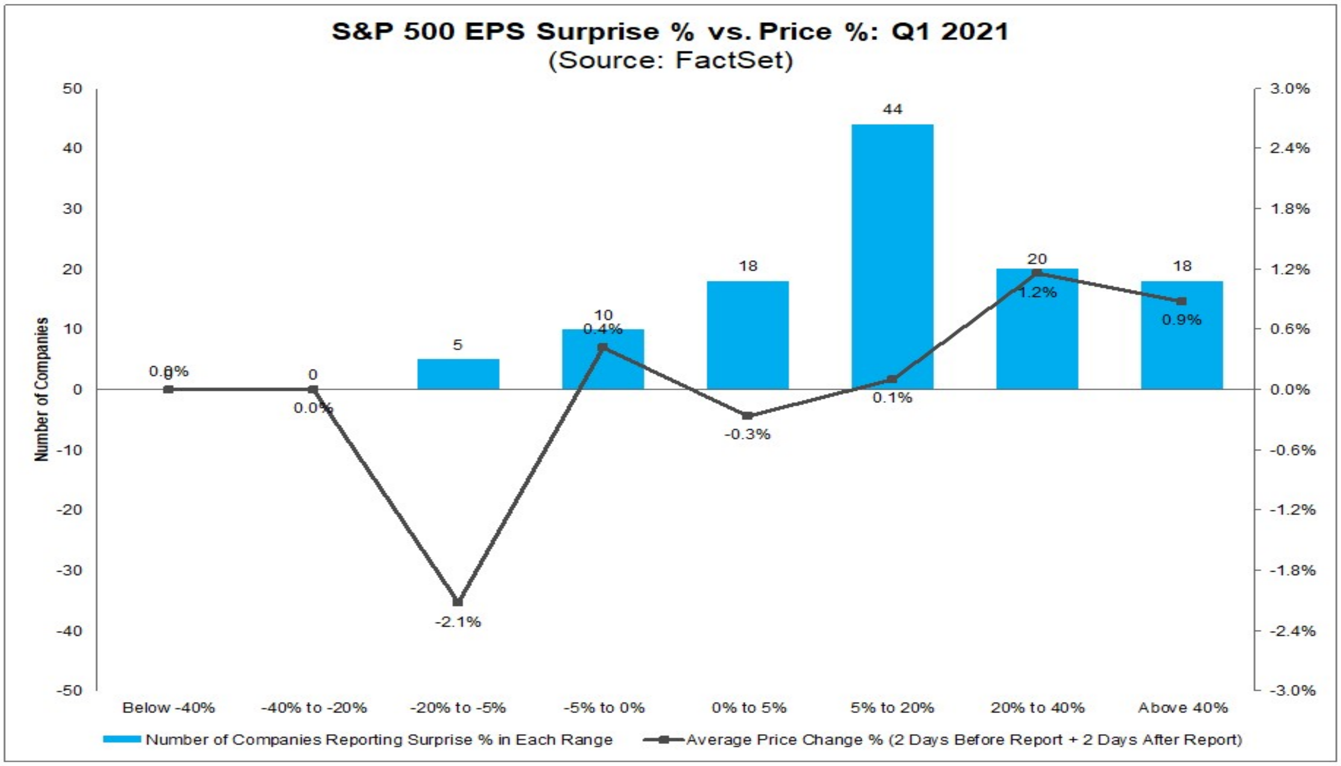
	Info. Technology	Comm. Services	Financials	Consumer Staples	Health Care	Energy	S&P 500	Industrials	Materials	Consumer Disc.	Real Estate	Utilities
Below	0%	0%	15%	17%	18%	20%	23%	32%	40%	43%	50%	67%
In-Line	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Above	100%	100%	85%	83%	82%	80%	77%	68%	60%	57%	50%	33%

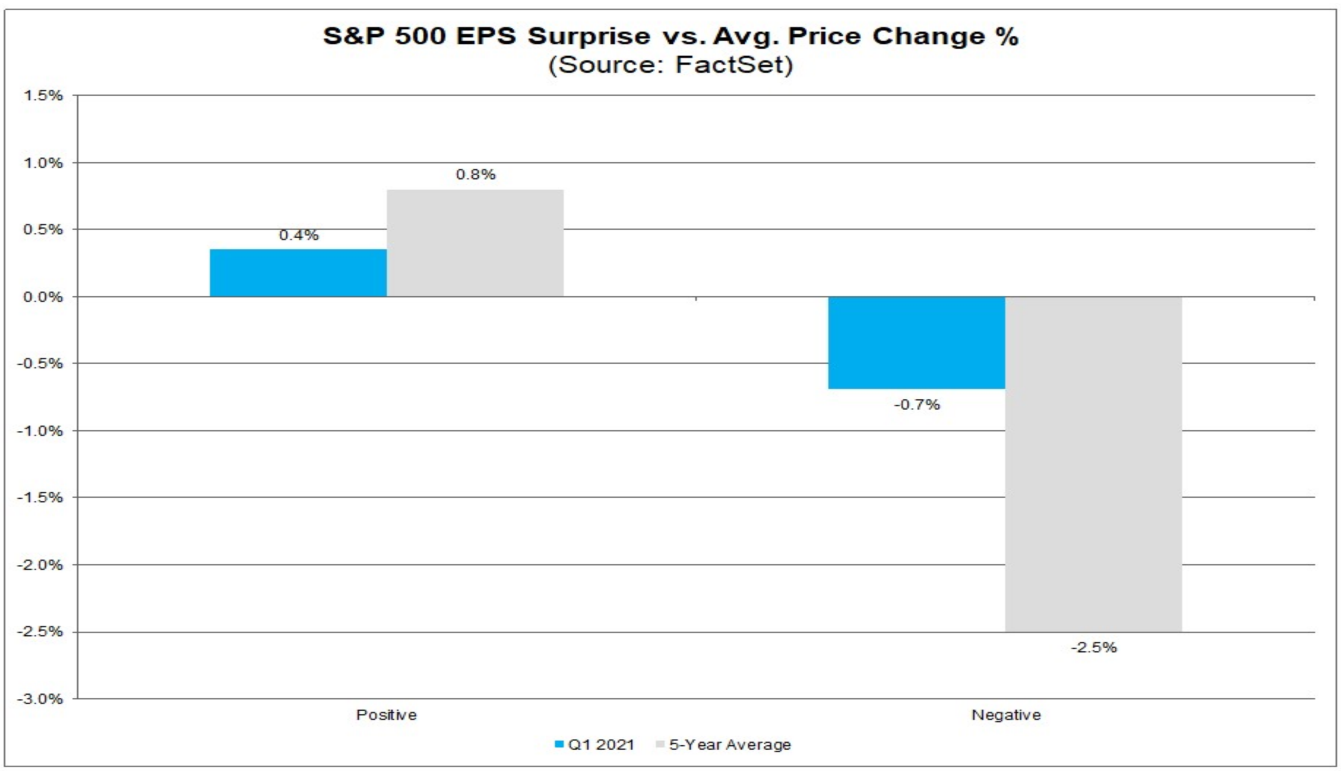
Q1 2021: Scorecard



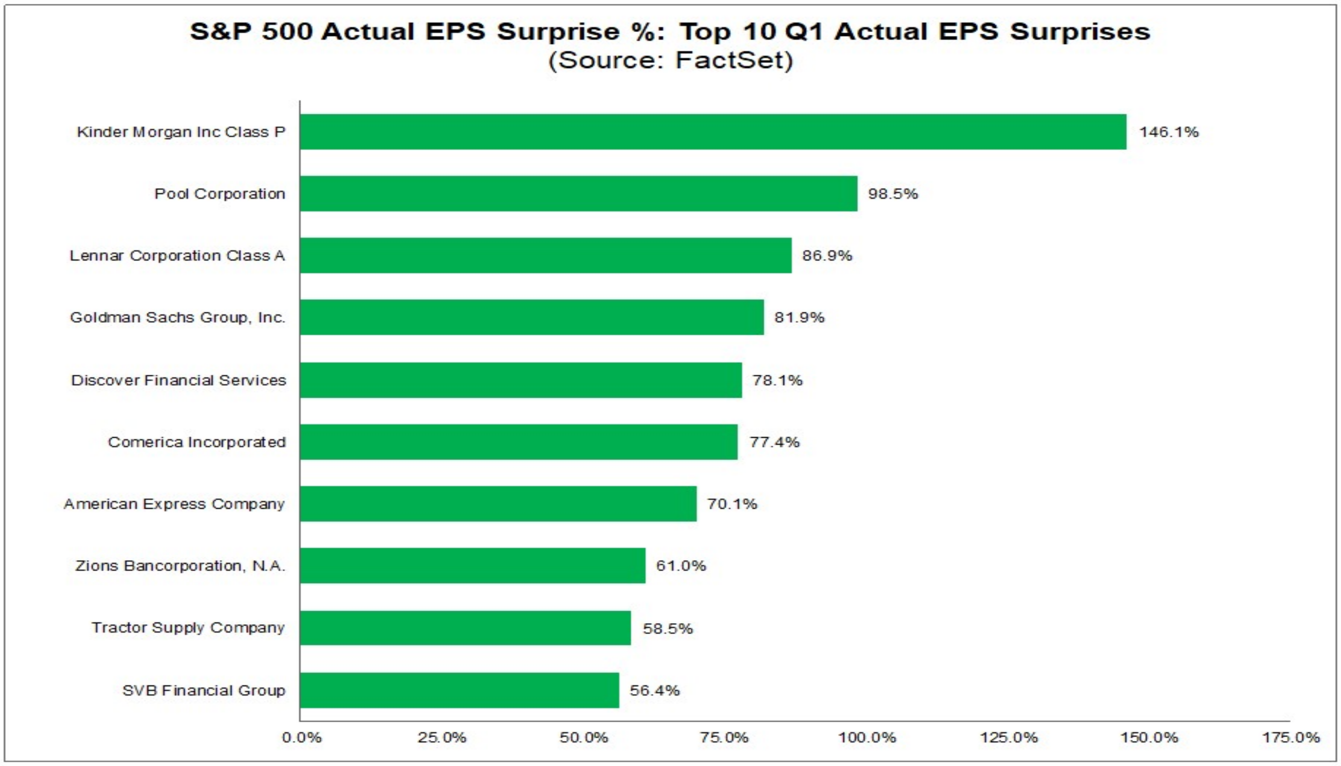


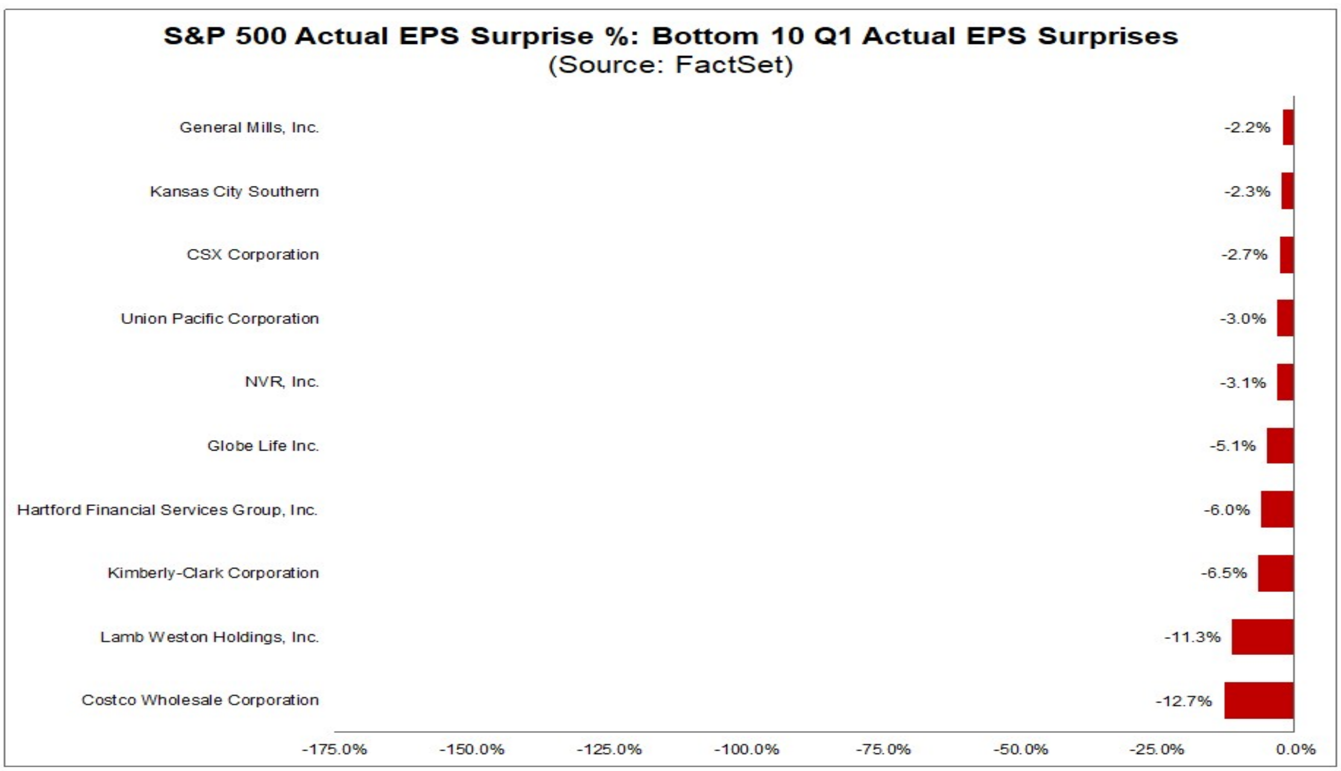
Q1 2021: Scorecard



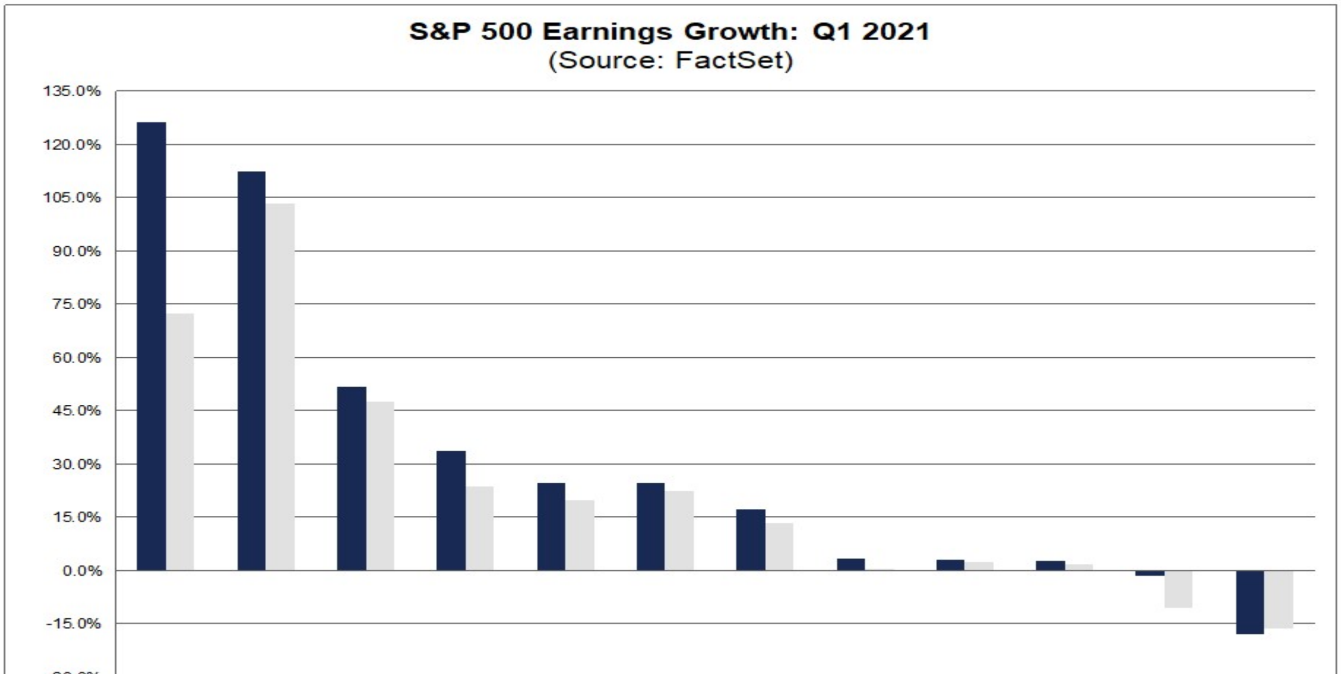


Q1 2021: Scorecard

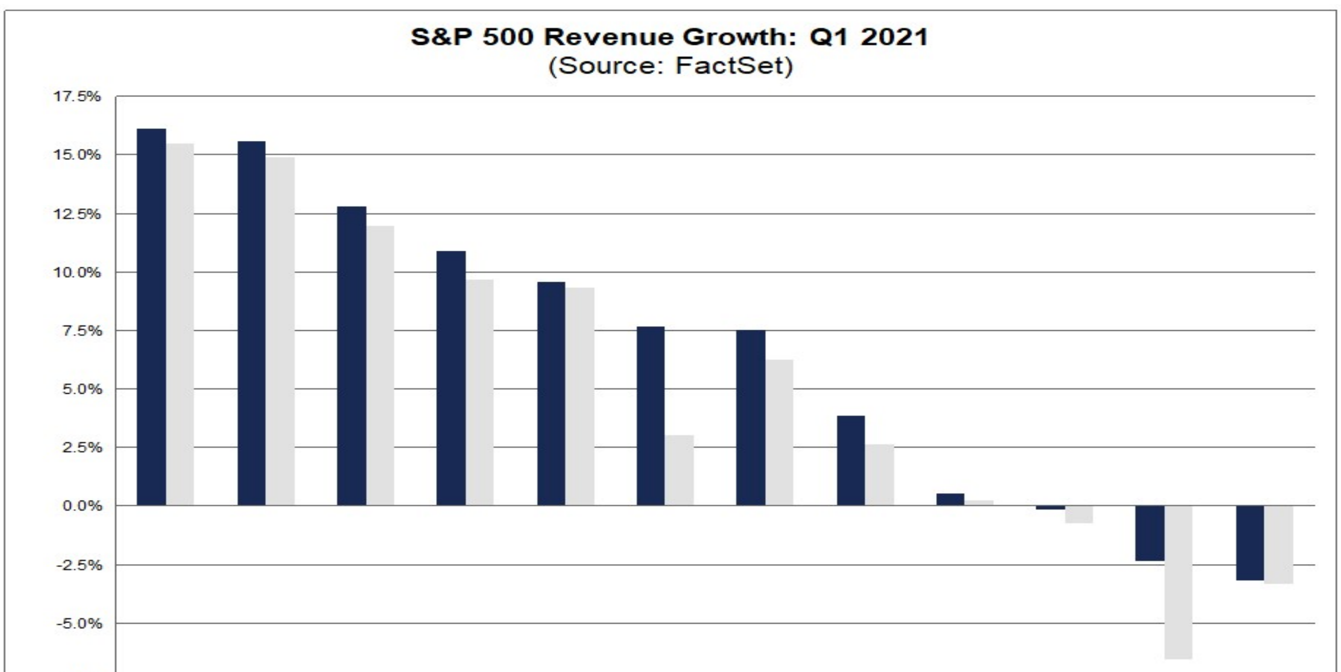




Q1 2021: Growth

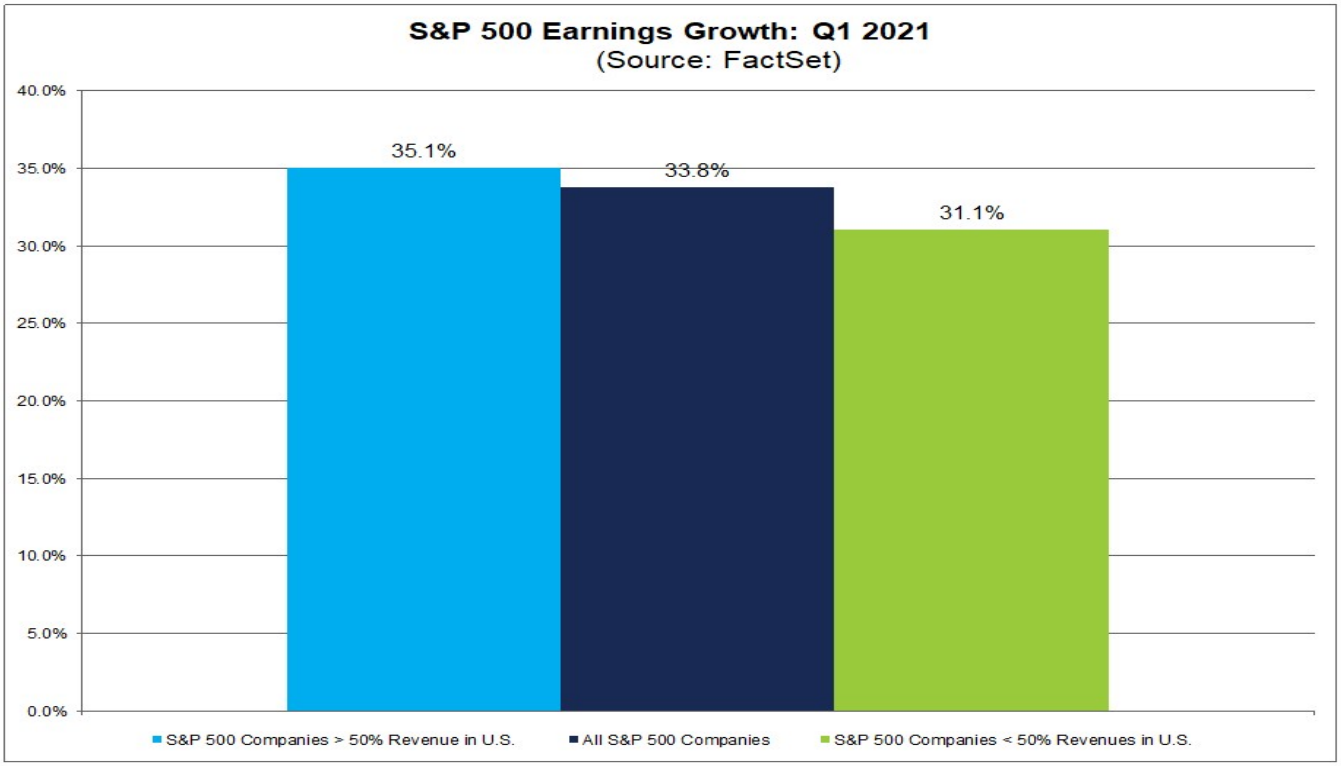


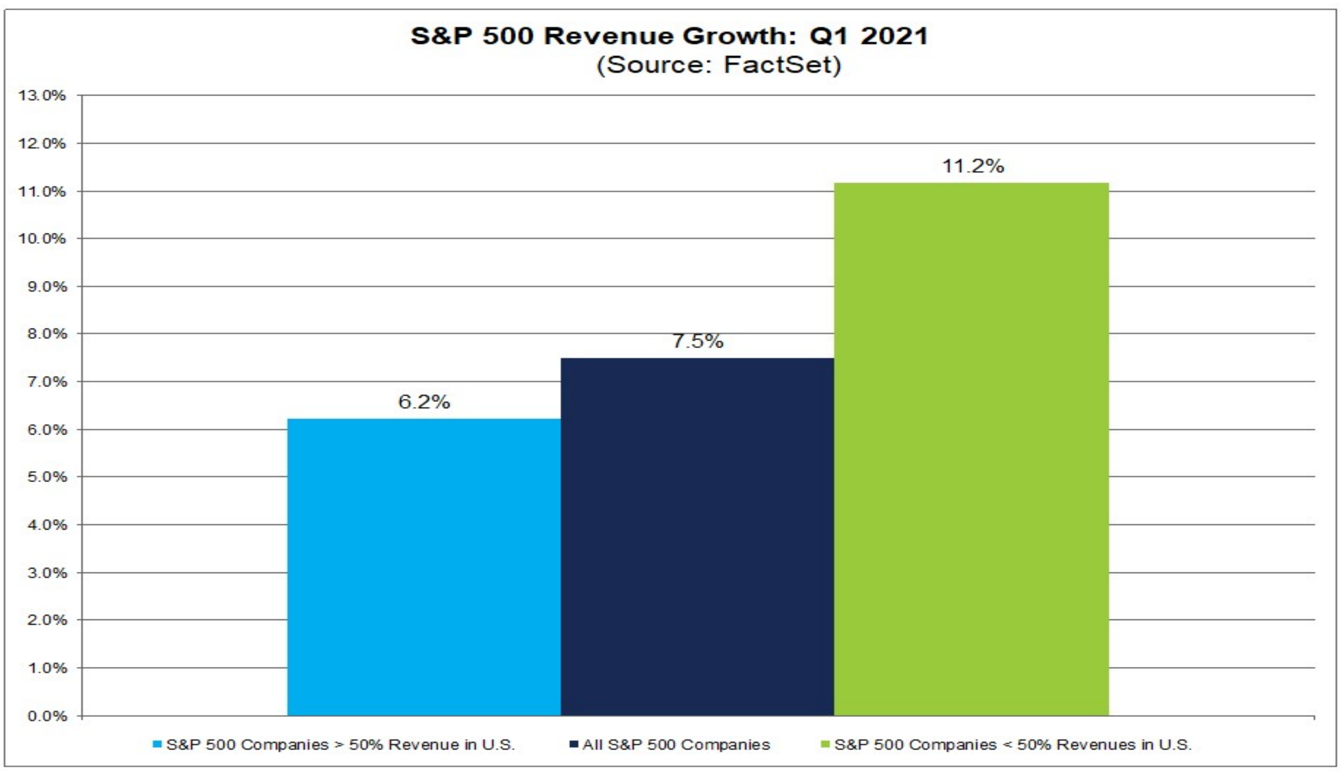
	Financials	Consumer Disc.	Materials	S&P 500	Health Care	Info. Technology	Comm. Services	Consumer Staples	Utilities	Real Estate	Energy	Industrials
Today	126.3%	112.4%	51.6%	33.8%	24.6%	24.5%	17.2%	3.2%	3.0%	2.7%	-1.3%	-18.0%
31-Mar	72.5%	103.4%	47.7%	23.8%	19.7%	22.3%	13.4%	0.2%	2.5%	1.7%	-10.4%	-16.2%



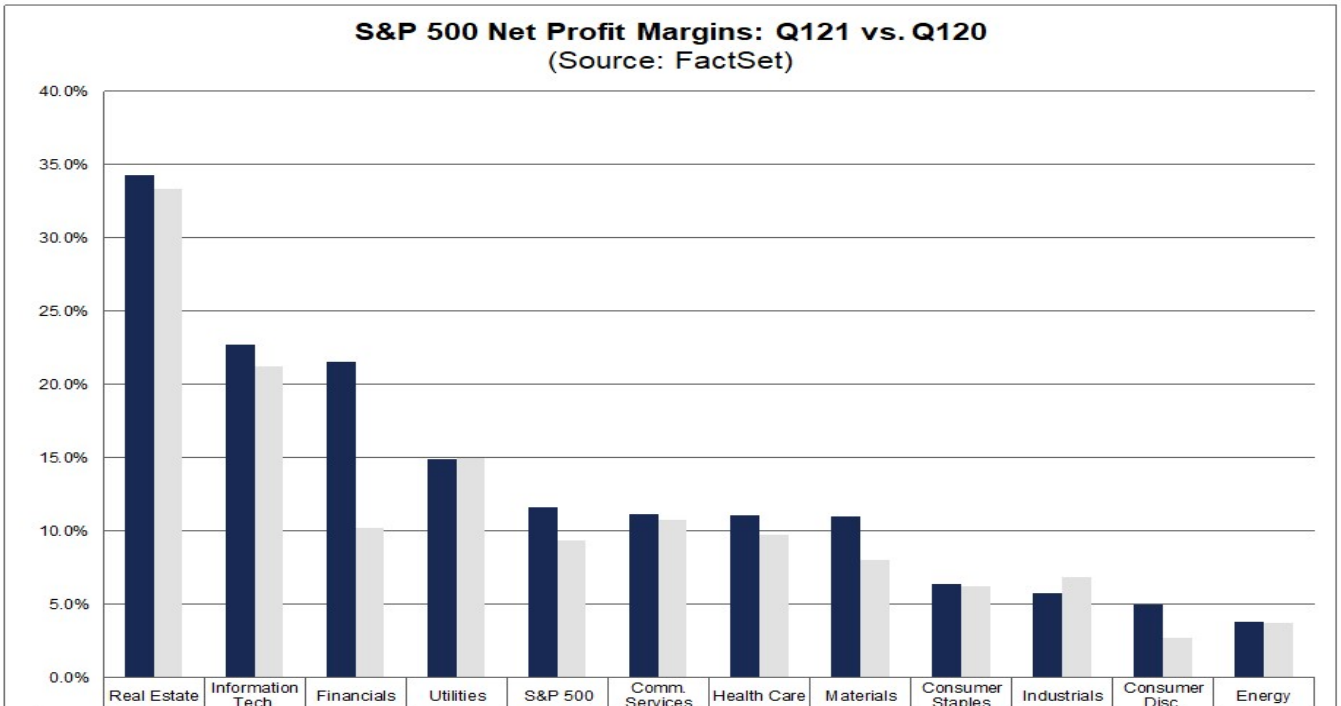
	Info. Technology	Consumer Disc.	Comm. Services	Materials	Health Care	Financials	S&P 500	Utilities	Consumer Staples	Real Estate	Energy	Industrials
Today	16.1%	15.6%	12.8%	10.9%	9.6%	7.7%	7.5%	3.9%	0.5%	-0.2%	-2.4%	-3.2%
31-Mar	15.5%	14.9%	12.0%	9.7%	9.3%	3.0%	6.2%	2.6%	0.2%	-0.7%	-6.5%	-3.3%

Q1 2021: Growth

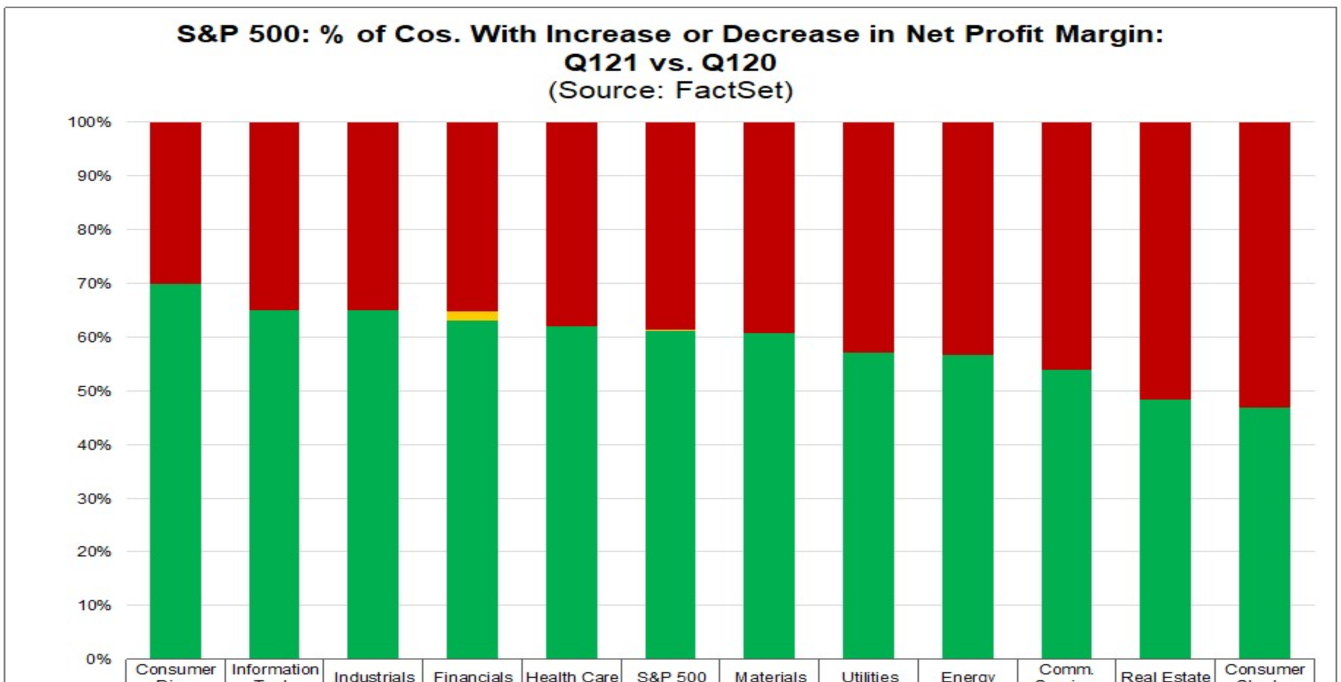




Q1 2021: Net Profit Margin

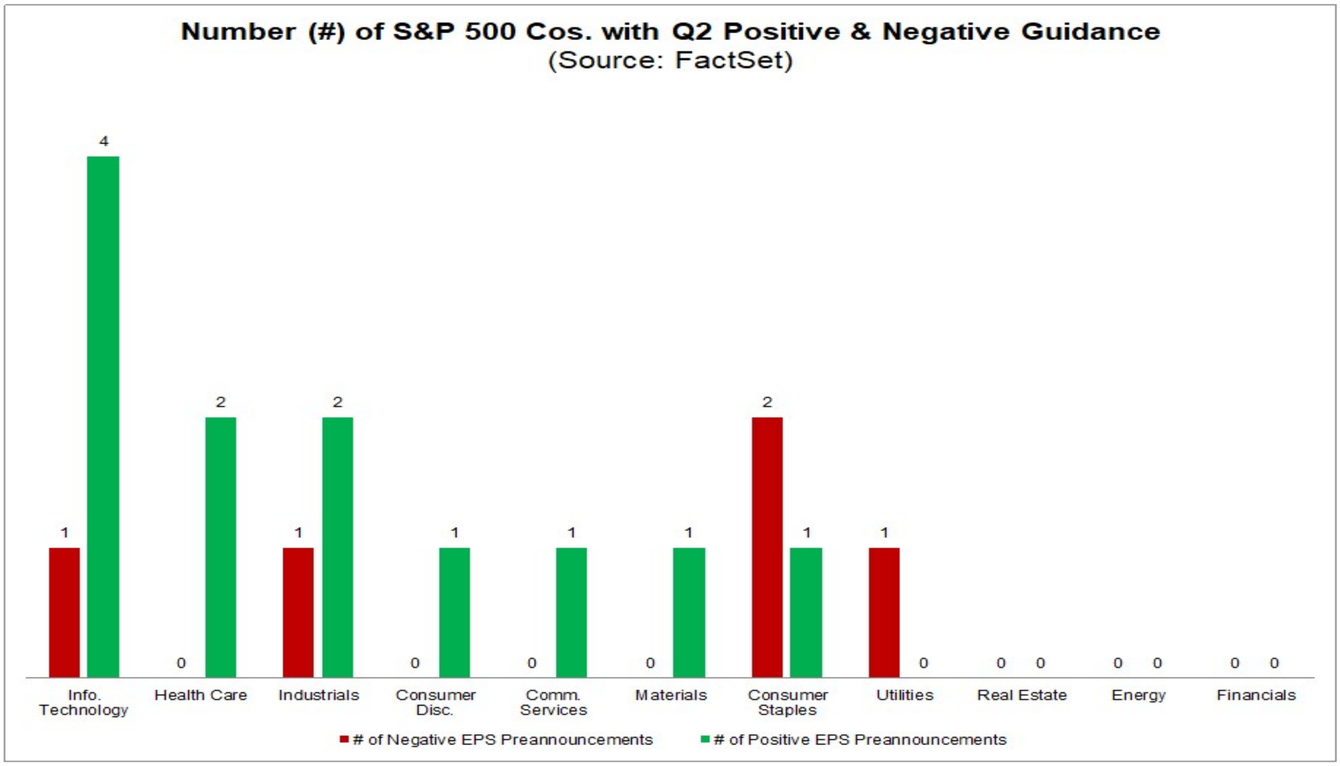


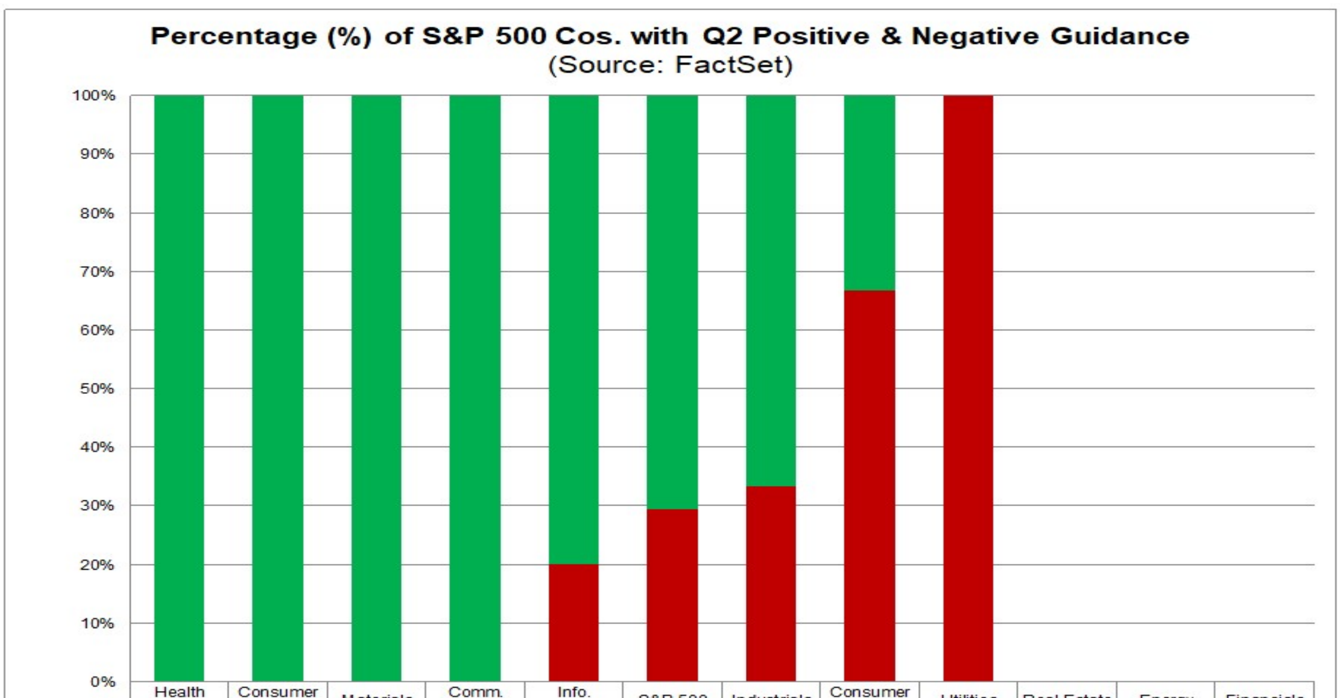
	Real Estate	Information Tech.	Financials	Utilities	S&P 500	Comm. Services	Health Care	Materials	Consumer Staples	Industrials	Consumer Disc.	Energy
Q121	34.3%	22.7%	21.5%	14.9%	11.6%	11.1%	11.1%	11.0%	6.4%	5.8%	5.0%	3.7%
Q120	33.3%	21.2%	10.2%	15.0%	9.3%	10.7%	9.8%	8.0%	6.2%	6.8%	2.7%	3.7%



	Consumer Disc.	Information Tech.	Industrials	Financials	Health Care	S&P 500	Materials	Utilities	Energy	Comm. Services	Real Estate	Consumer Staples
Down %	30%	35%	35%	35%	38%	39%	39%	43%	43%	46%	52%	53%
None %	0%	0%	0%	2%	0%	0%	0%	0%	0%	0%	0%	0%
Up %	70%	65%	65%	63%	62%	61%	61%	57%	57%	54%	48%	47%

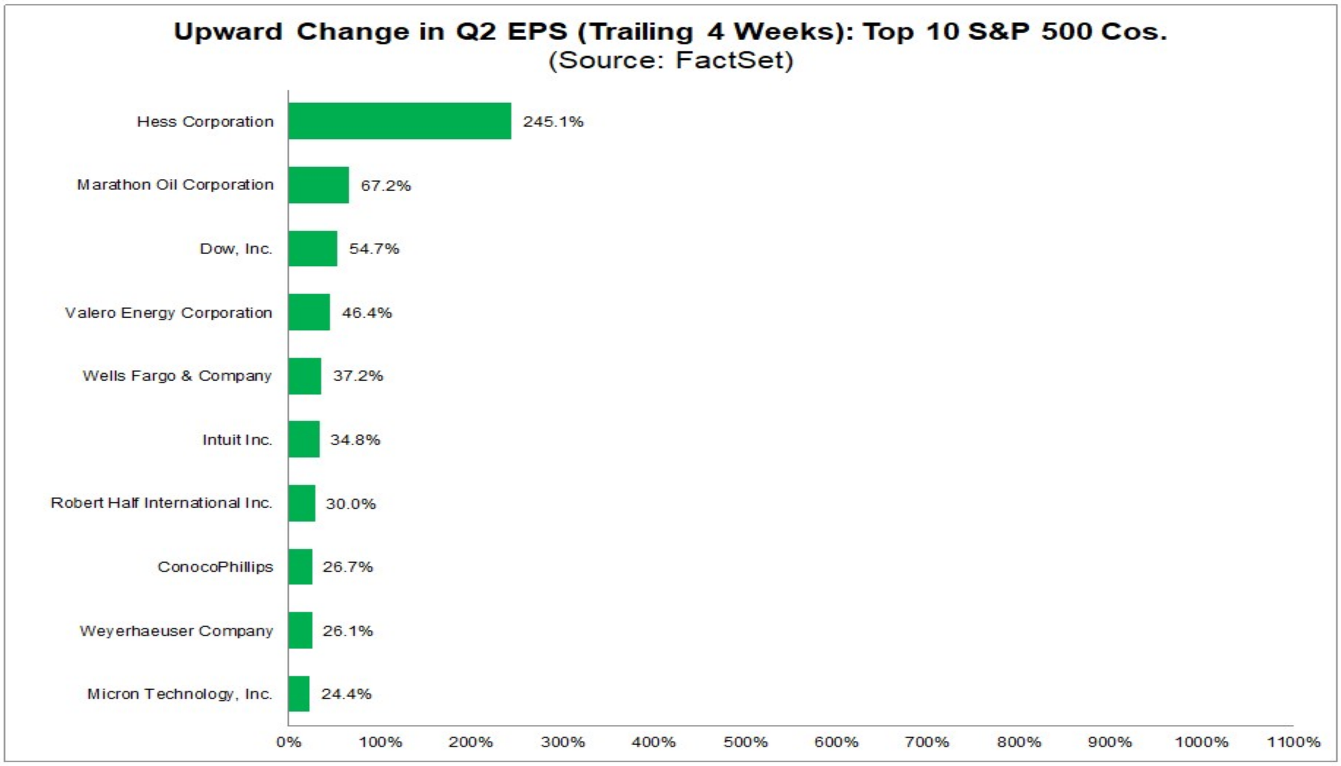
Q2 2021: EPS Guidance

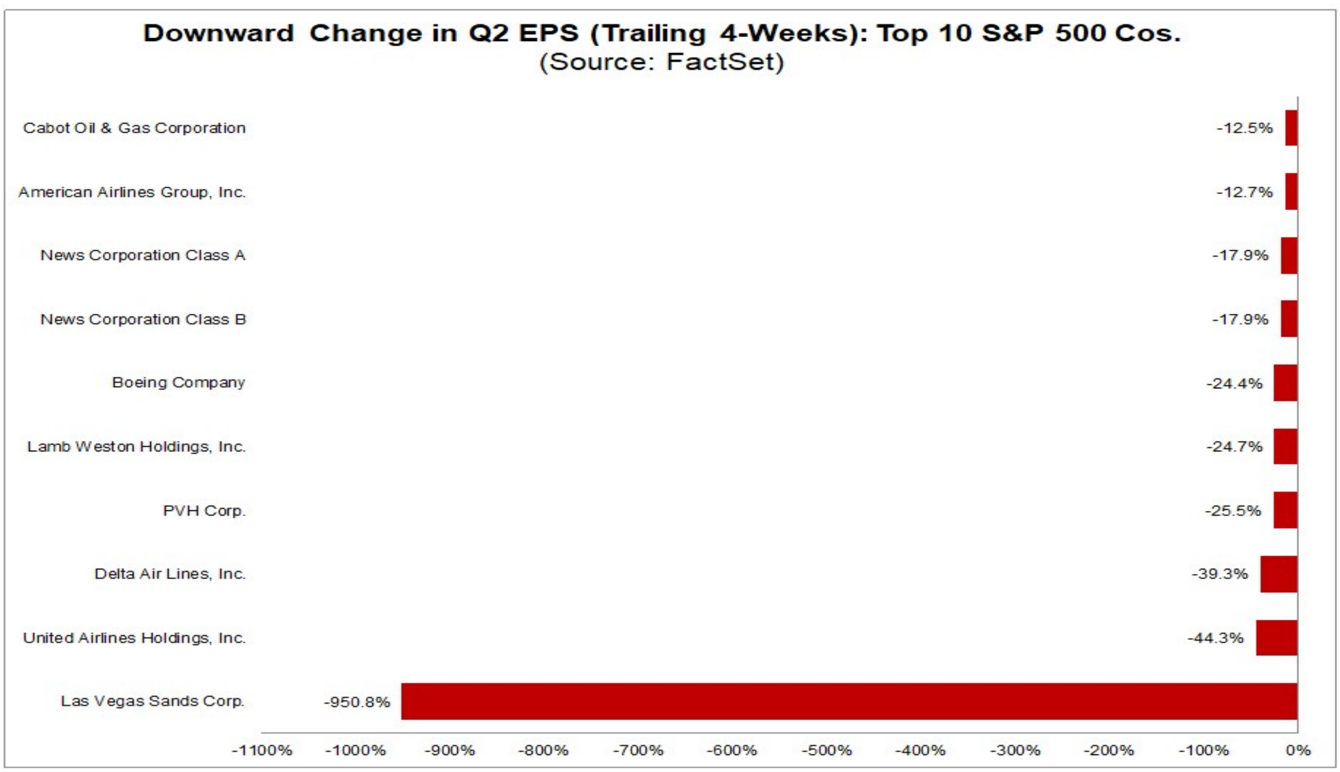




	Health Care	Consumer Disc.	Materials	Comm. Services	Info. Technology	S&P 500	Industrials	Consumer Staples	Utilities	Real Estate	Energy	Financials
Positive	100%	100%	100%	100%	80%	71%	67%	33%	0%	0%	0%	0%
Negative	0%	0%	0%	0%	20%	29%	33%	67%	100%	0%	0%	0%

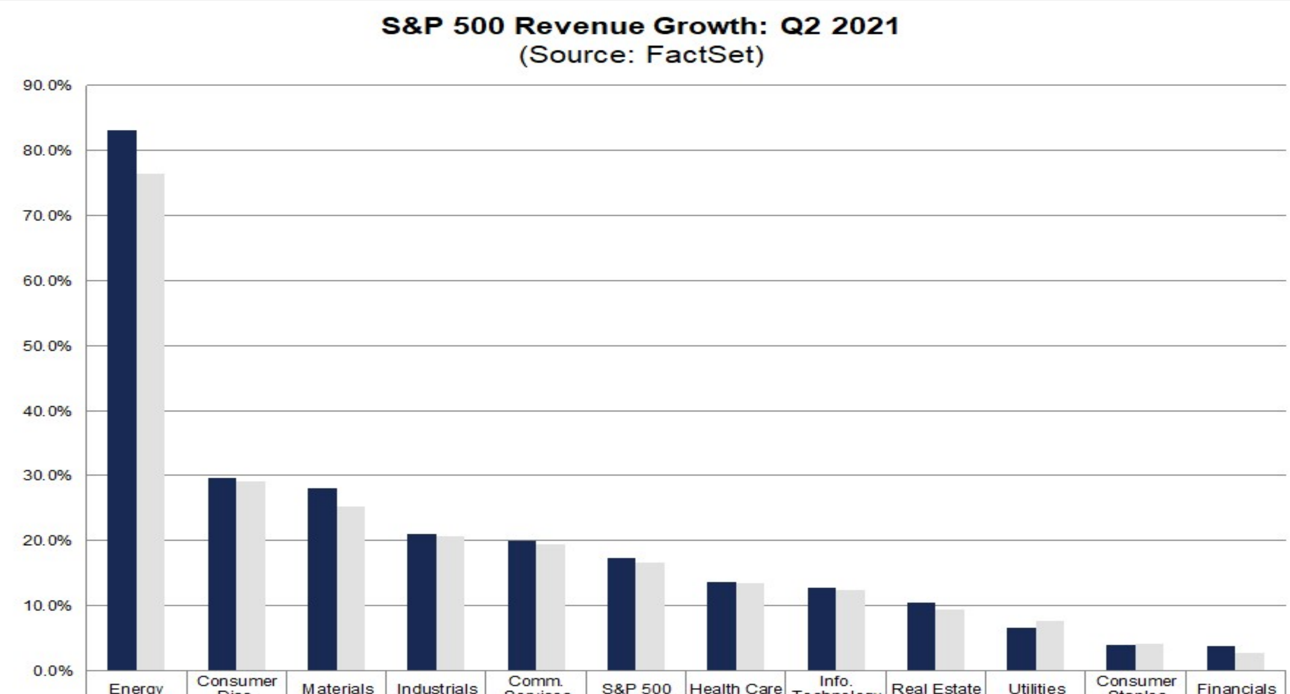
Q2 2021: EPS Revisions





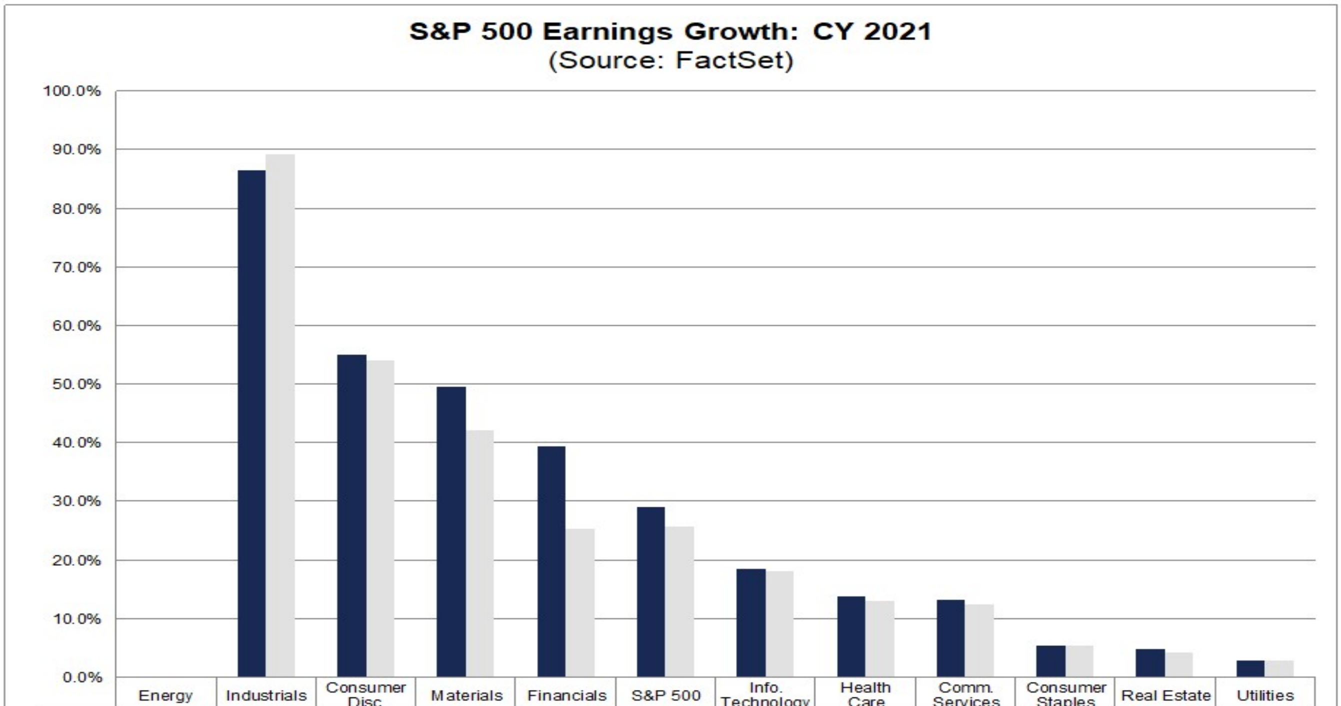
Q2 2021: Growth

	Energy	Industrials	Consumer Disc.	Financials	Materials	S&P 500	Comm. Services	Info. Technology	Real Estate	Health Care	Consumer Staples	Utilities
Today		313.6%	183.4%	112.2%	97.9%	55.4%	31.3%	20.3%	13.3%	11.9%	5.2%	2.2%
31-Mar		324.1%	181.7%	96.9%	83.5%	52.3%	30.0%	19.7%	12.1%	10.9%	6.6%	2.6%

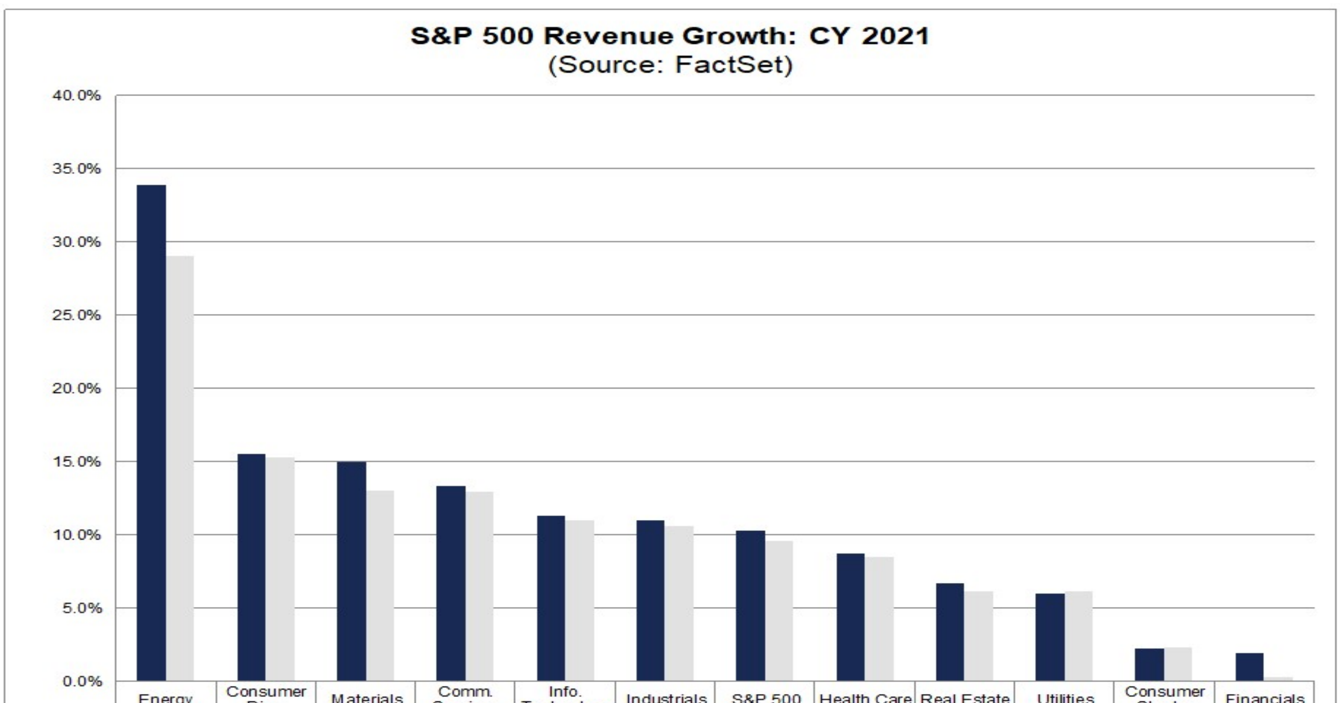


	Energy	Consumer Disc.	Materials	Industrials	Comm. Services	S&P 500	Health Care	Info. Technology	Real Estate	Utilities	Consumer Staples	Financials
Today	83.2%	29.6%	28.1%	21.0%	19.9%	17.4%	13.6%	12.7%	10.5%	6.6%	3.9%	3.8%
31-Mar	76.3%	29.1%	25.2%	20.6%	19.4%	16.7%	13.4%	12.4%	9.5%	7.7%	4.1%	2.7%

CY 2021: Growth

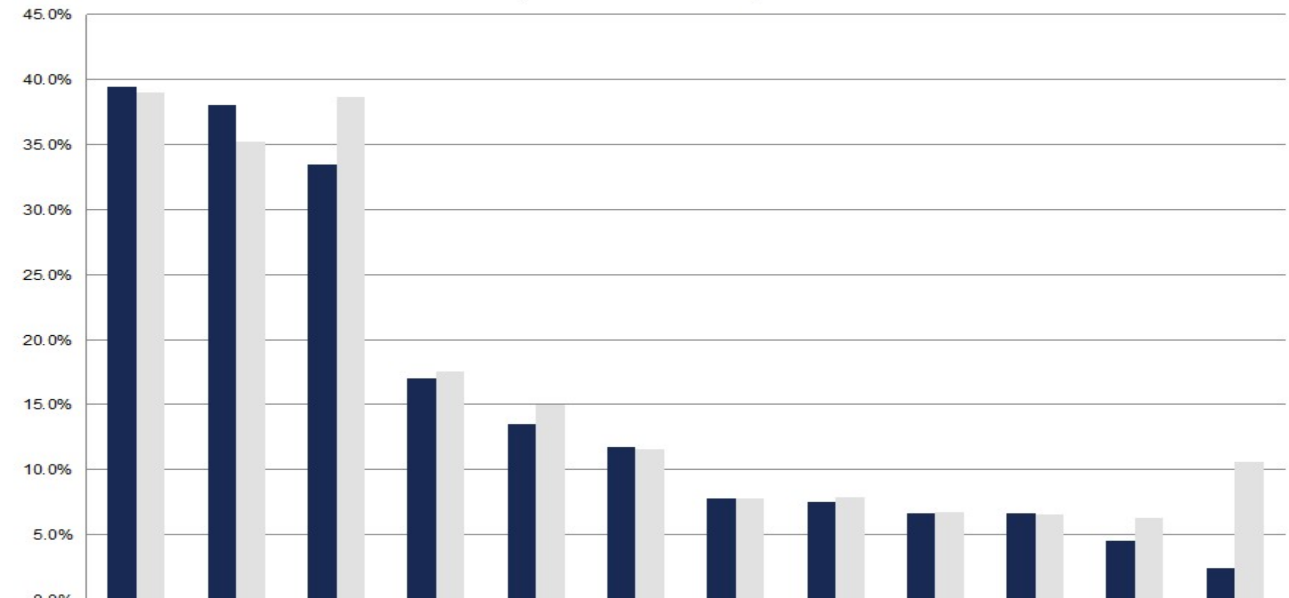


	Energy	Industrials	Consumer Disc.	Materials	Financials	S&P 500	Info. Technology	Health Care	Comm. Services	Consumer Staples	Real Estate	Utilities
Today		86.4%	55.0%	49.5%	39.3%	29.0%	18.5%	13.8%	13.3%	5.4%	4.7%	2.8%
31-Mar		89.2%	54.0%	42.0%	25.2%	25.8%	18.0%	12.9%	12.4%	5.4%	4.1%	2.9%

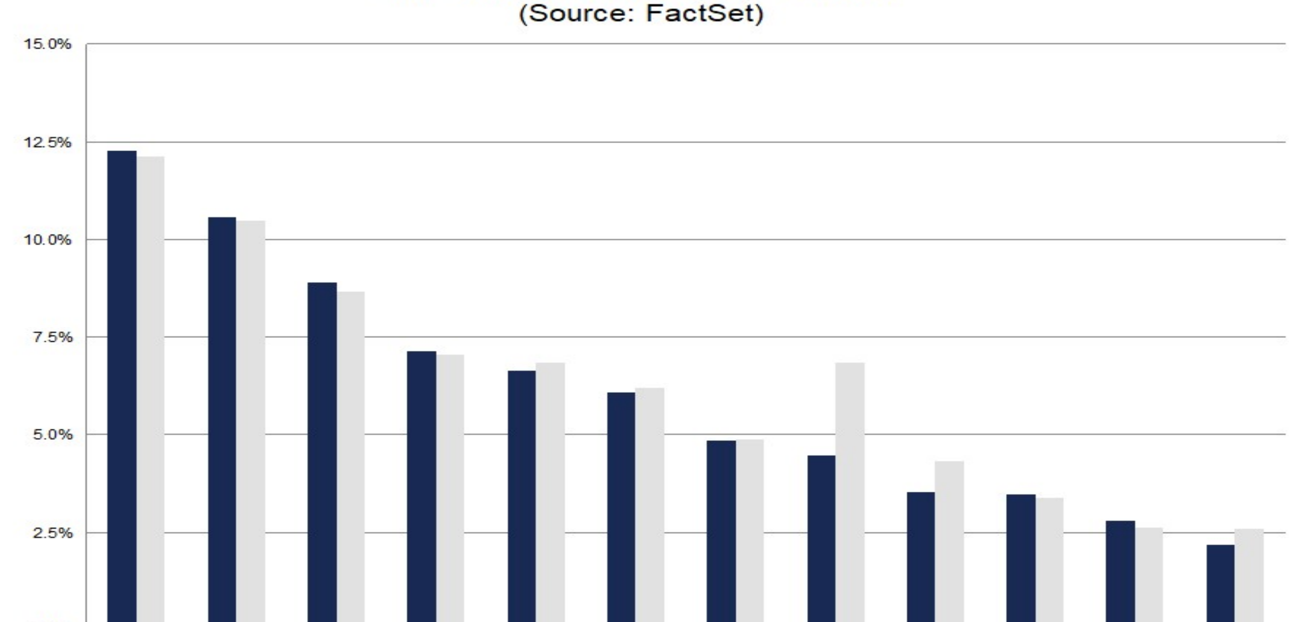


	Energy	Consumer Disc.	Materials	Comm. Services	Info. Technology	Industrials	S&P 500	Health Care	Real Estate	Utilities	Consumer Staples	Financials
Today	33.9%	15.5%	15.0%	13.3%	11.3%	11.0%	10.3%	8.7%	6.7%	5.9%	2.2%	1.9%
31-Mar	29.0%	15.3%	13.0%	12.9%	11.0%	10.6%	9.6%	8.5%	6.1%	6.2%	2.3%	0.3%

CY 2022: Growth

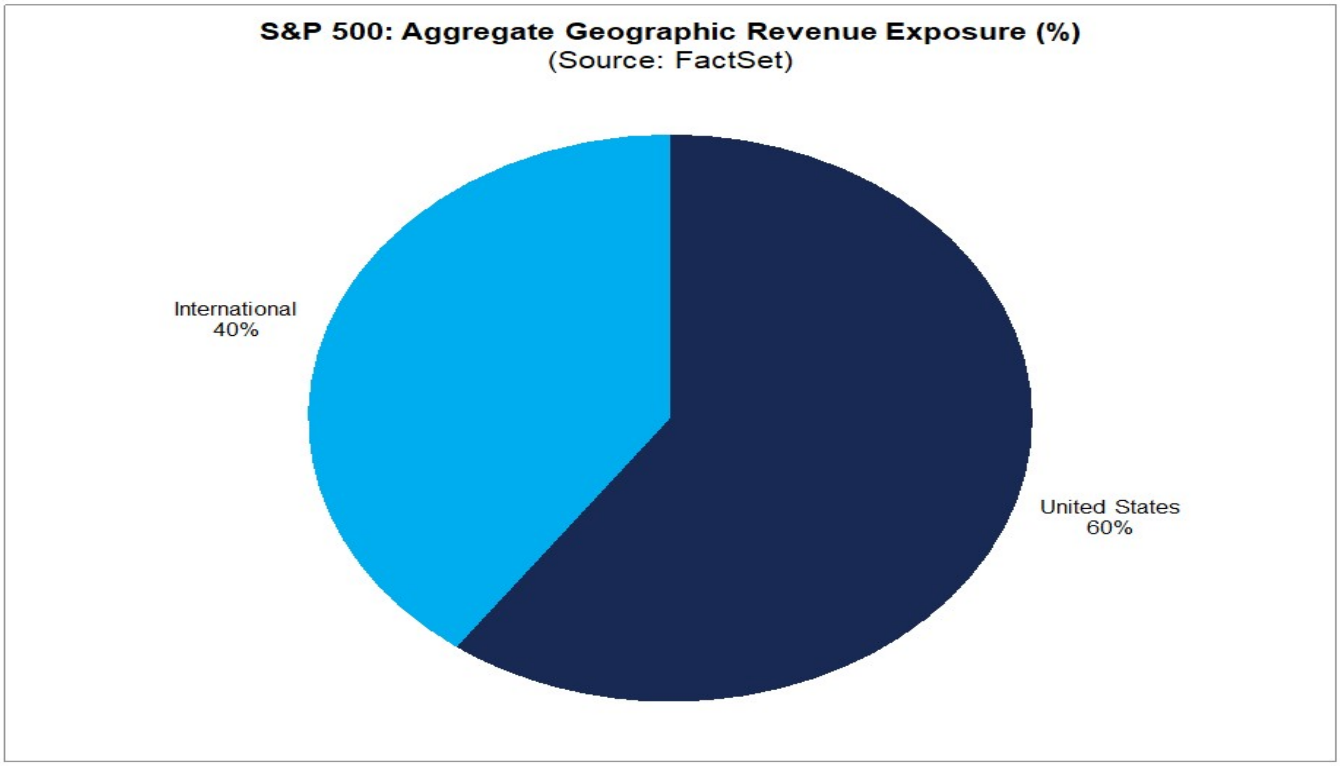


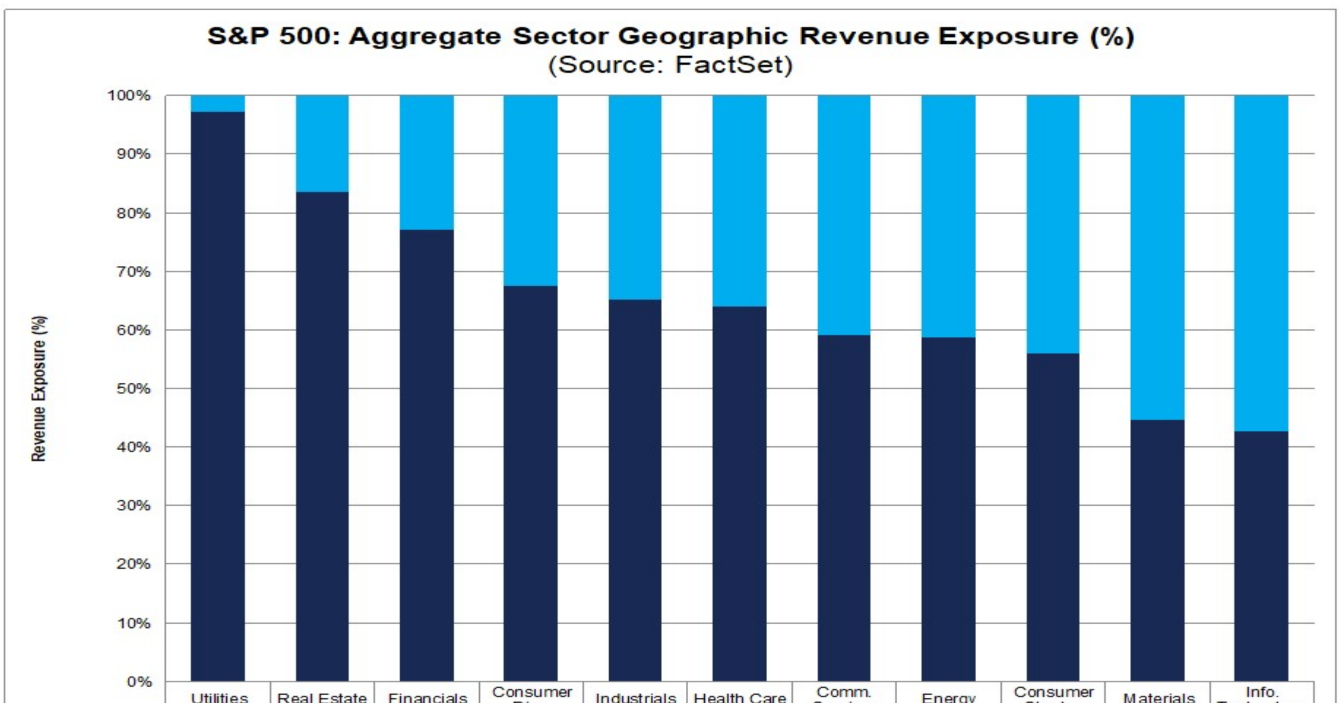
	Consumer Disc.	Industrials	Energy	Comm. Services	S&P 500	Info. Technology	Consumer Staples	Real Estate	Health Care	Utilities	Materials	Financials
Today	39.5%	38.1%	33.5%	17.0%	13.5%	11.8%	7.8%	7.5%	6.7%	6.6%	4.5%	2.4%
31-Mar	39.0%	35.2%	38.7%	17.6%	15.0%	11.5%	7.8%	7.9%	6.7%	6.5%	6.2%	10.6%



	Consumer Disc.	Comm. Services	Industrials	Info. Technology	S&P 500	Real Estate	Health Care	Energy	Financials	Consumer Staples	Utilities	Materials
Today	12.3%	10.6%	8.9%	7.1%	6.6%	6.1%	4.8%	4.5%	3.5%	3.5%	2.8%	2.2%
31-Mar	12.1%	10.5%	8.6%	7.0%	6.8%	6.2%	4.9%	6.8%	4.3%	3.4%	2.6%	2.6%

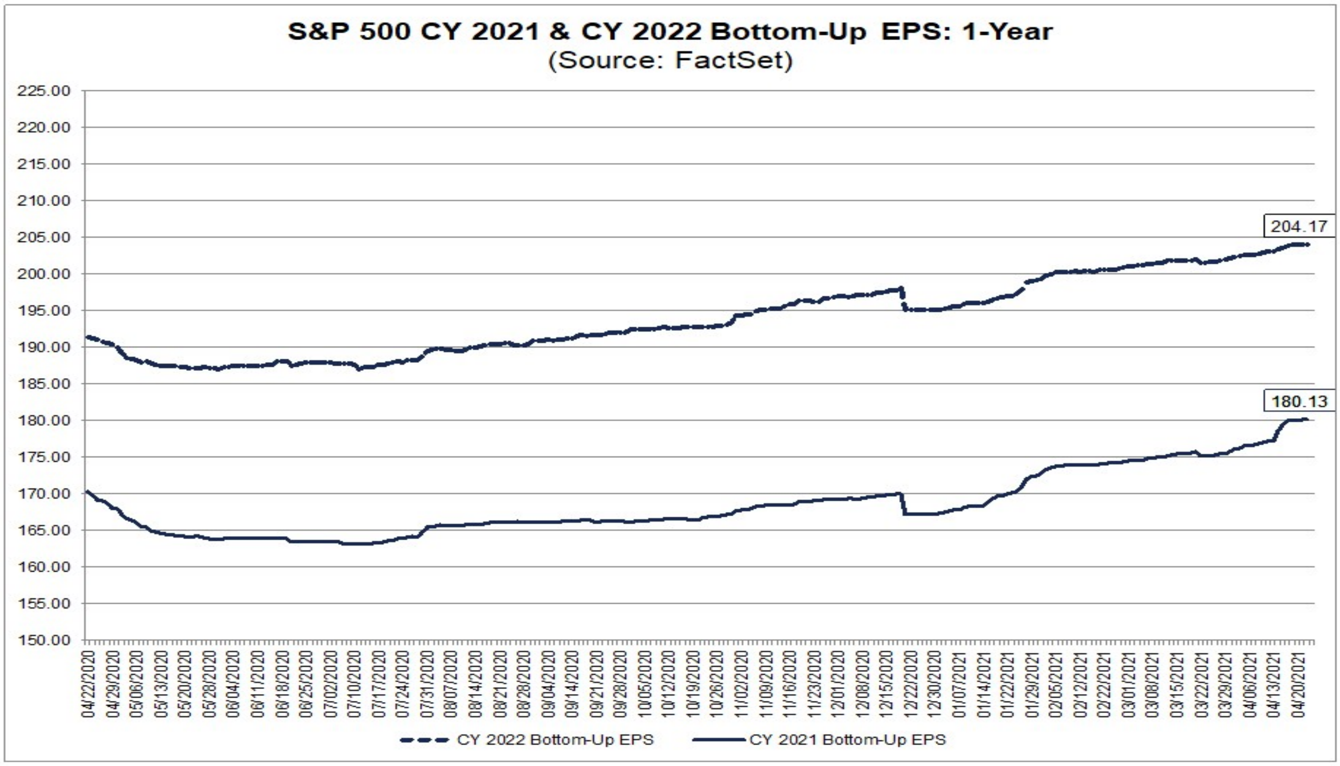
Geographic Revenue Exposure

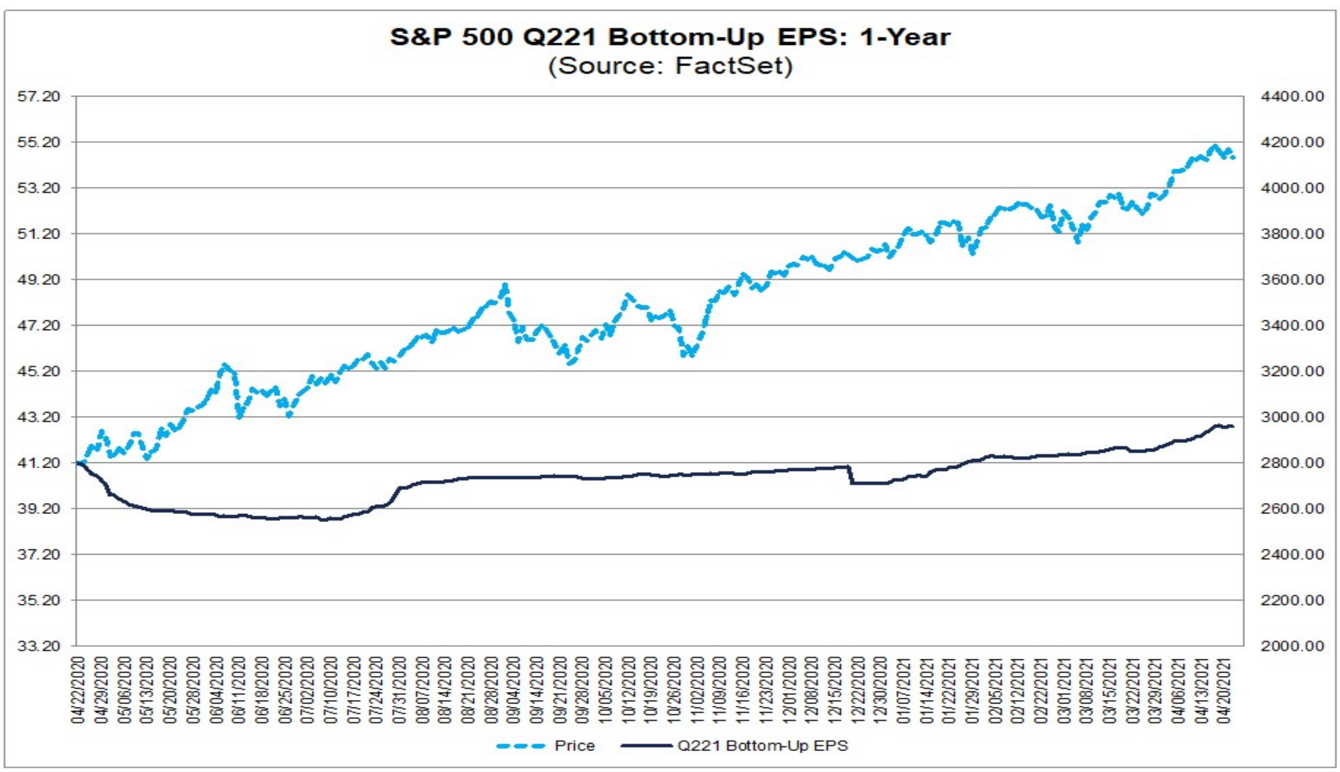




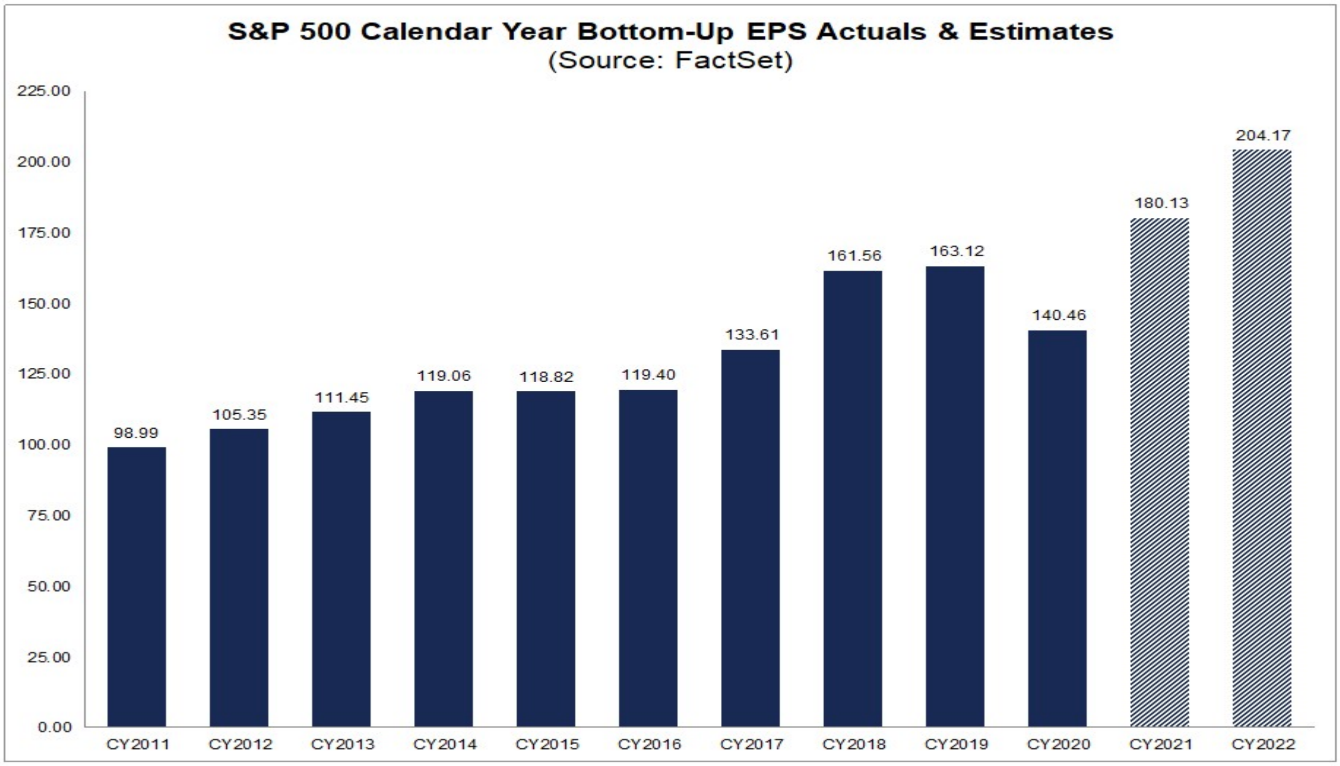
	Utilities	Real Estate	Financials	Consumer Disc.	Industrials	Health Care	Comm. Services	Energy	Consumer Staples	Materials	Info. Technology
International	3%	17%	23%	32%	35%	36%	41%	41%	44%	55%	57%
United States	97%	83%	77%	68%	65%	64%	59%	59%	56%	45%	43%

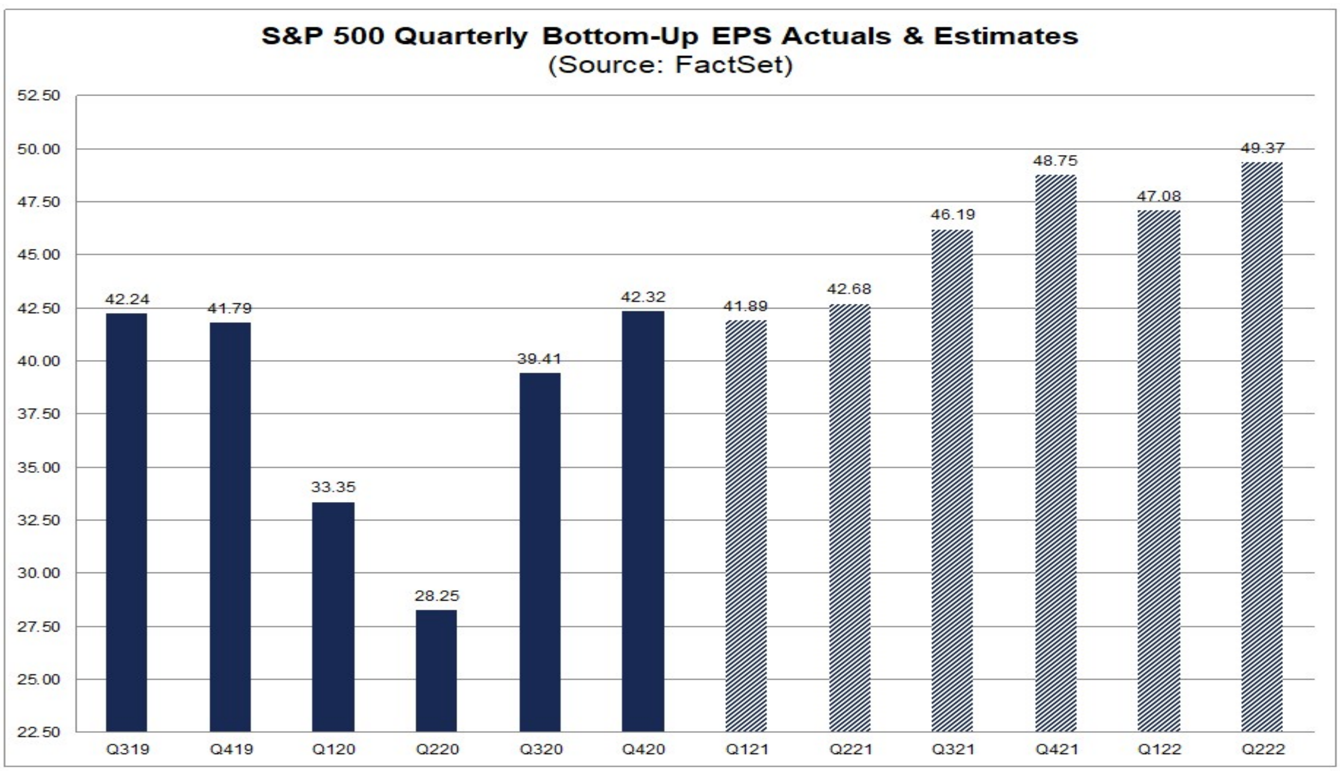
Bottom-up EPS Estimates: Revisions



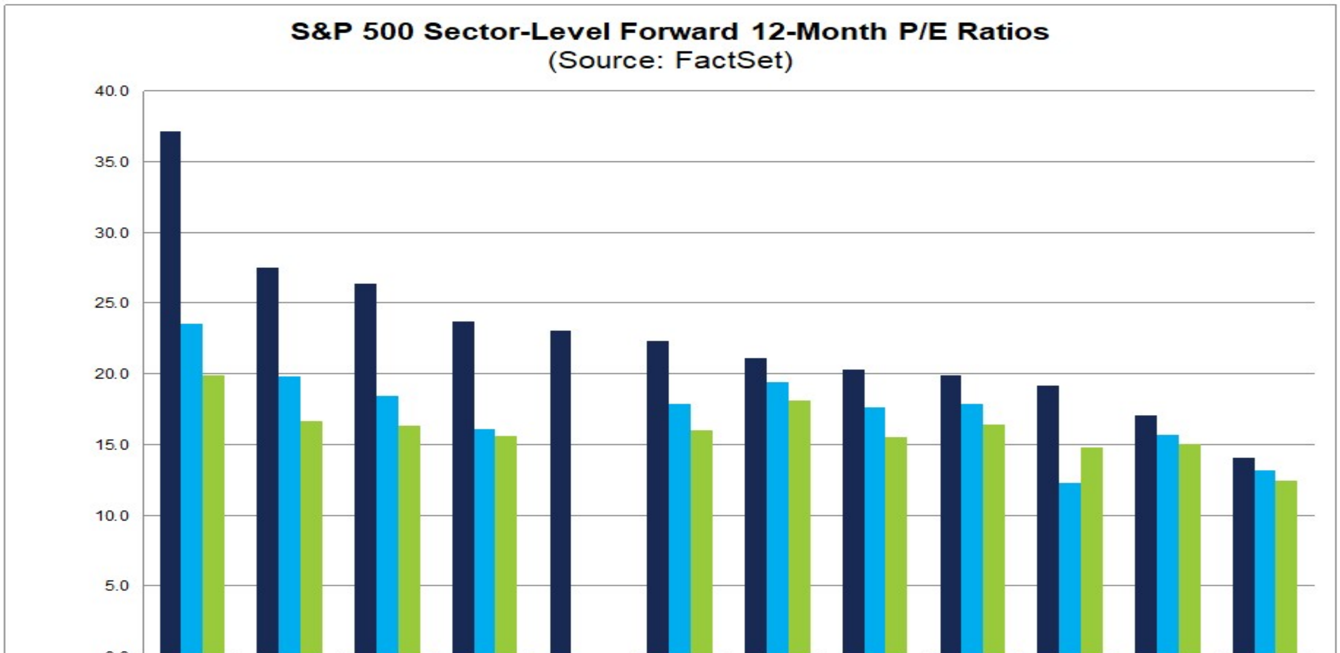


Bottom-up EPS Estimates: Current & Historical

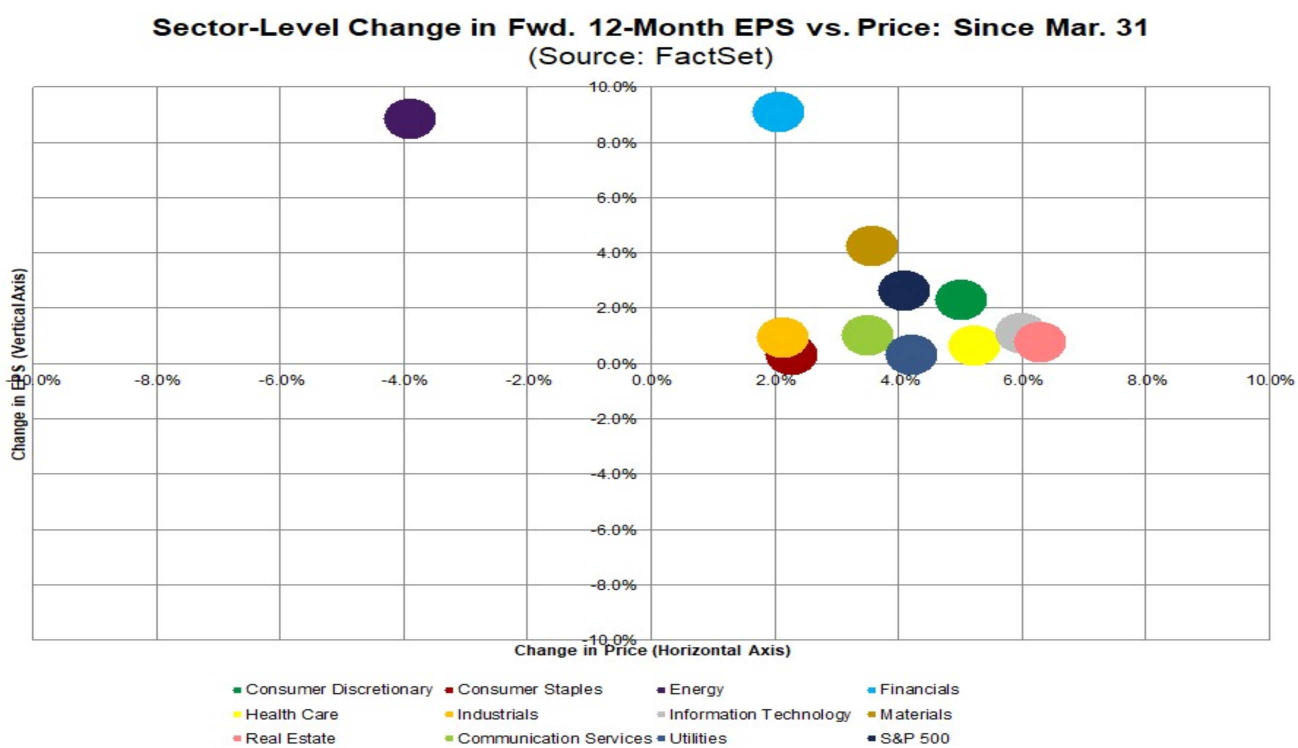




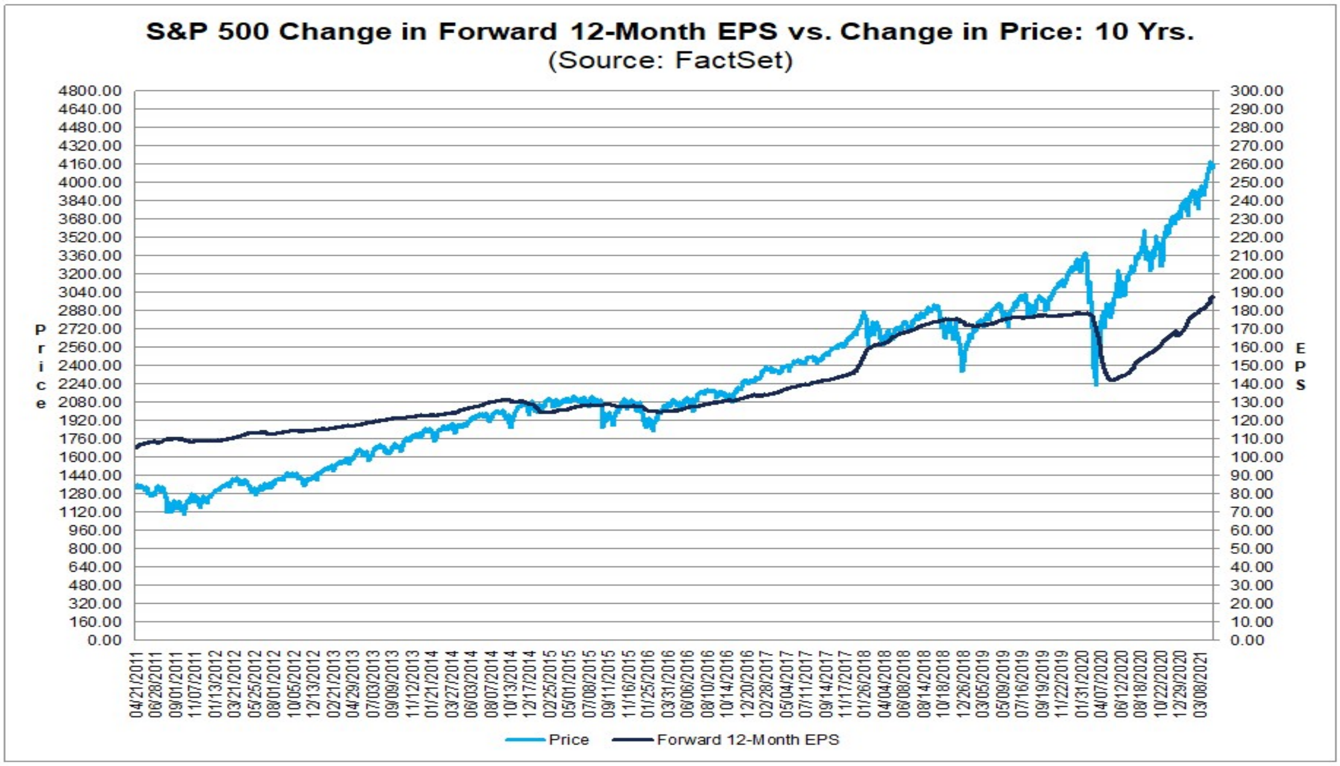
Forward 12M P/E Ratio: Sector Level

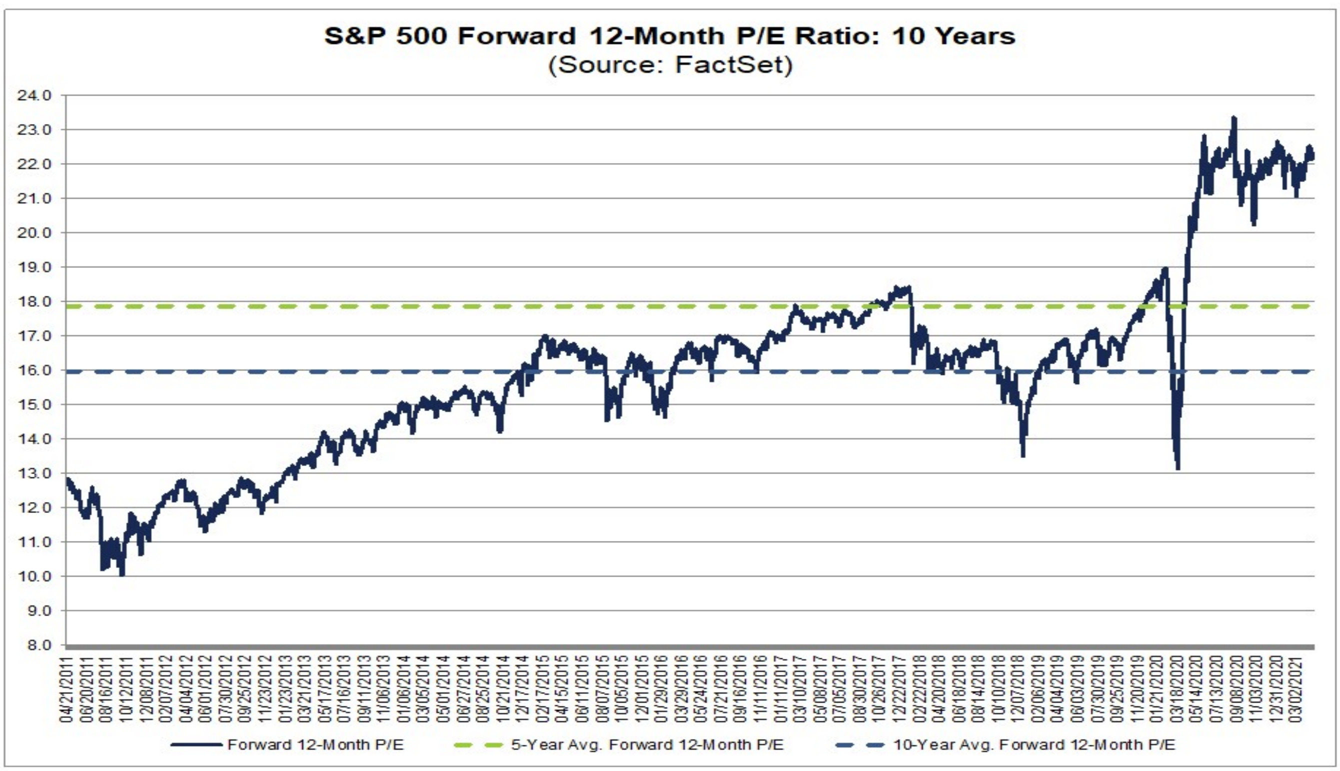


	Consumer Disc.	Info. Technology	Industrials	Comm. Services	Real Estate	S&P 500	Consumer Staples	Materials	Utilities	Energy	Health Care	Financials
Fwd P/E	37.2	27.5	26.4	23.7	23.0	22.3	21.1	20.3	19.9	19.2	17.0	14.0
5-Yr Avg.	23.6	19.8	18.4	16.1		17.9	19.4	17.6	17.9	12.3	15.6	13.1
10-Yr Avg.	19.9	16.6	16.3	15.6		16.0	18.1	15.5	16.4	14.8	15.1	12.5

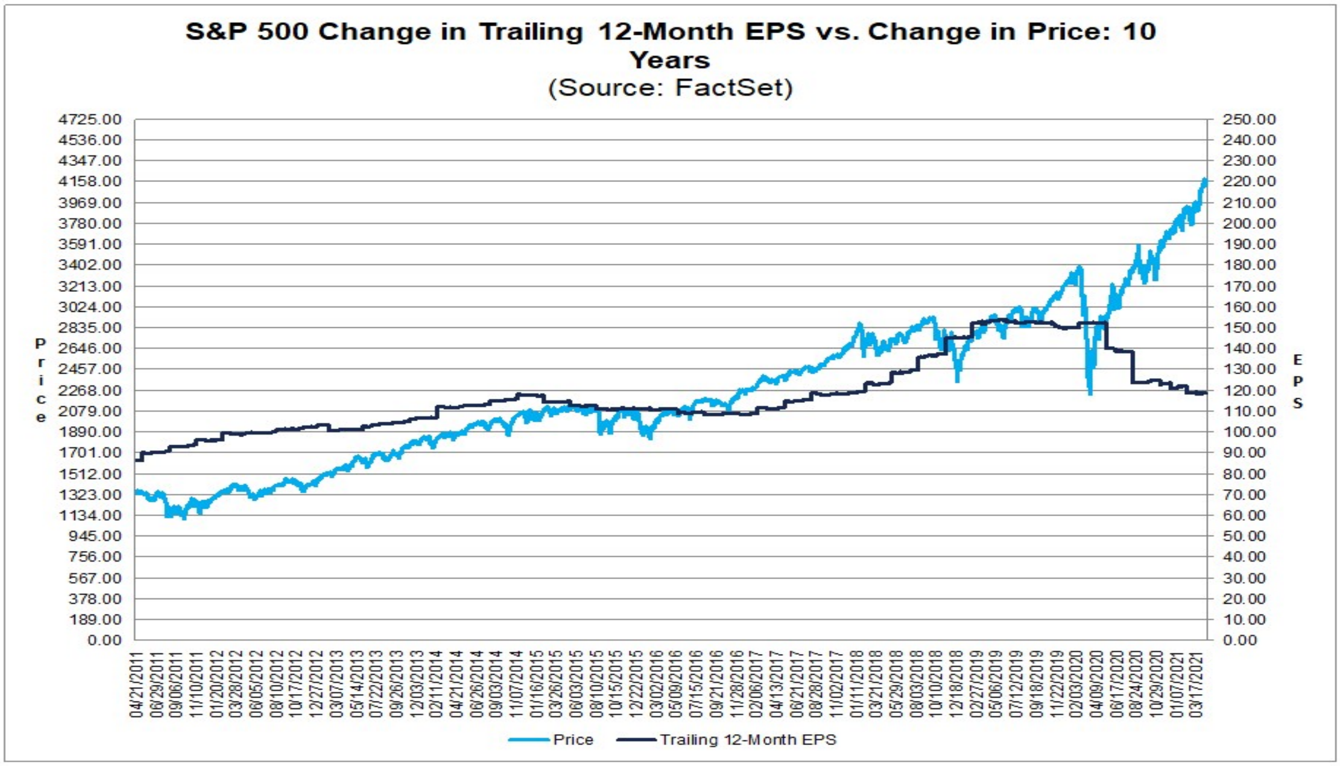


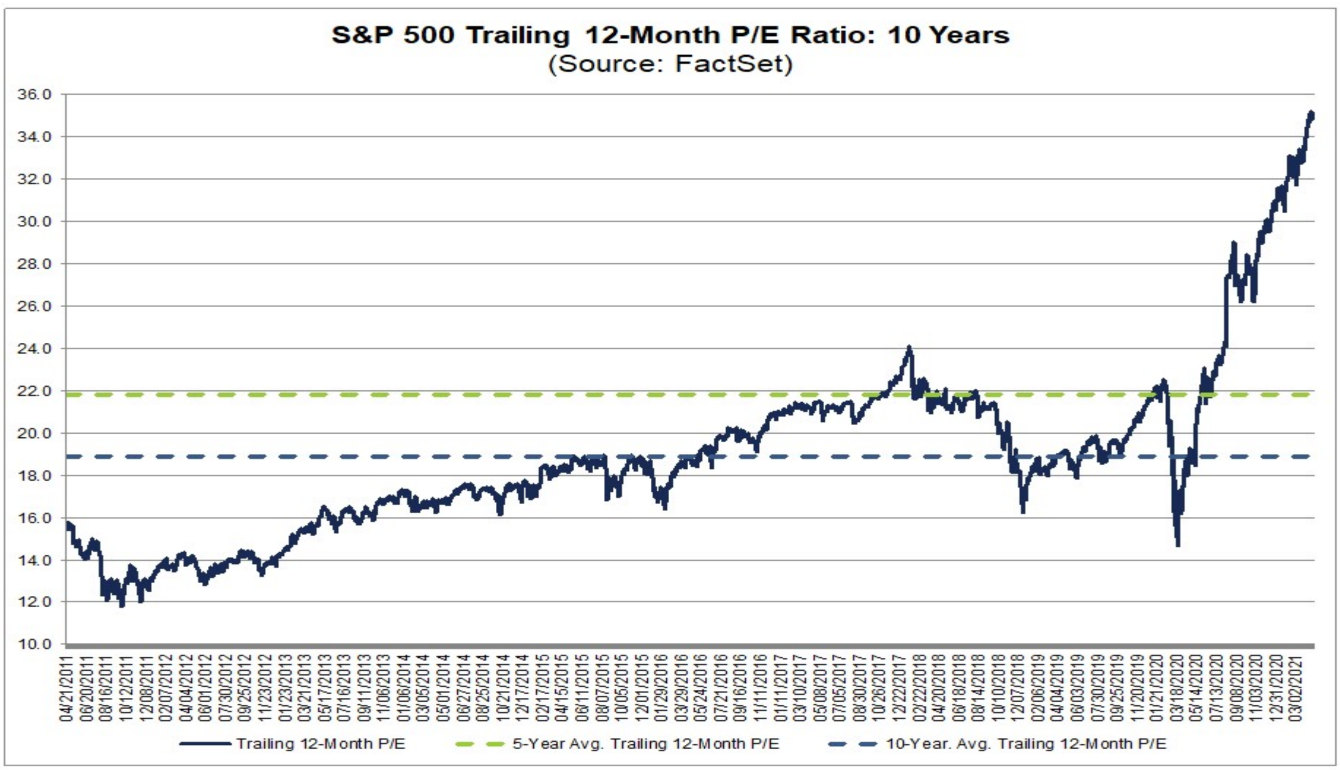
Forward 12M P/E Ratio: 10-Years



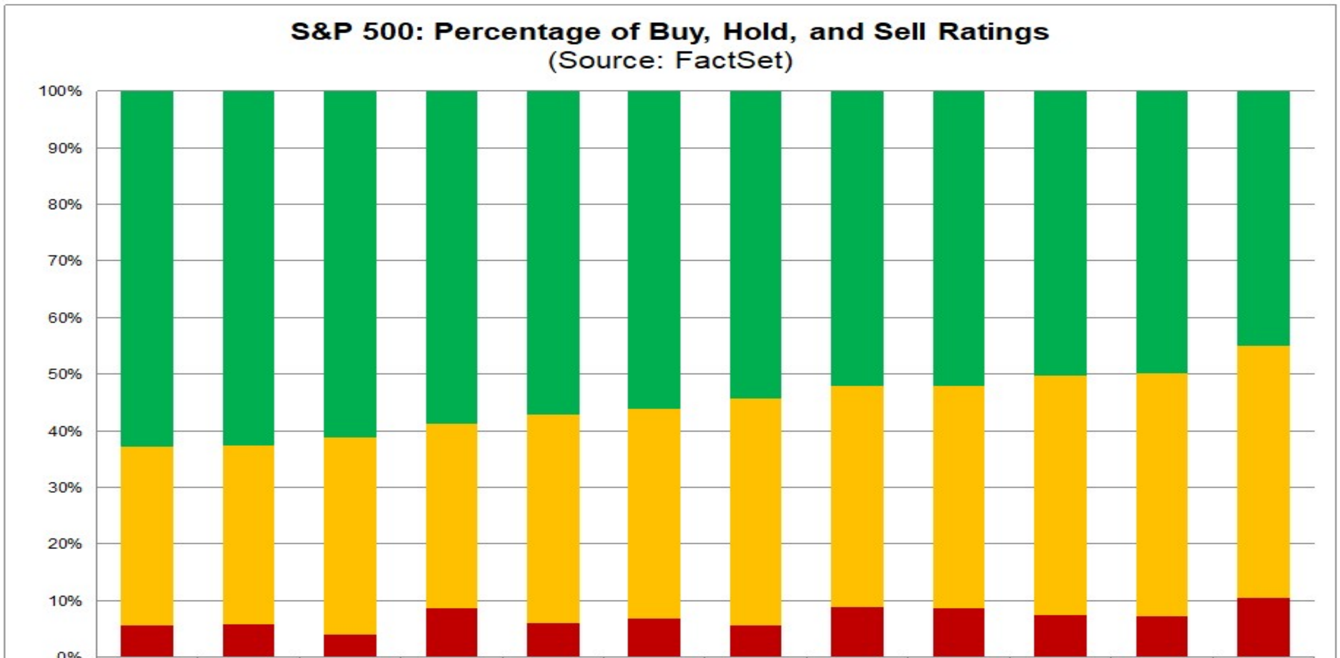


Trailing 12M P/E Ratio: 10-Years

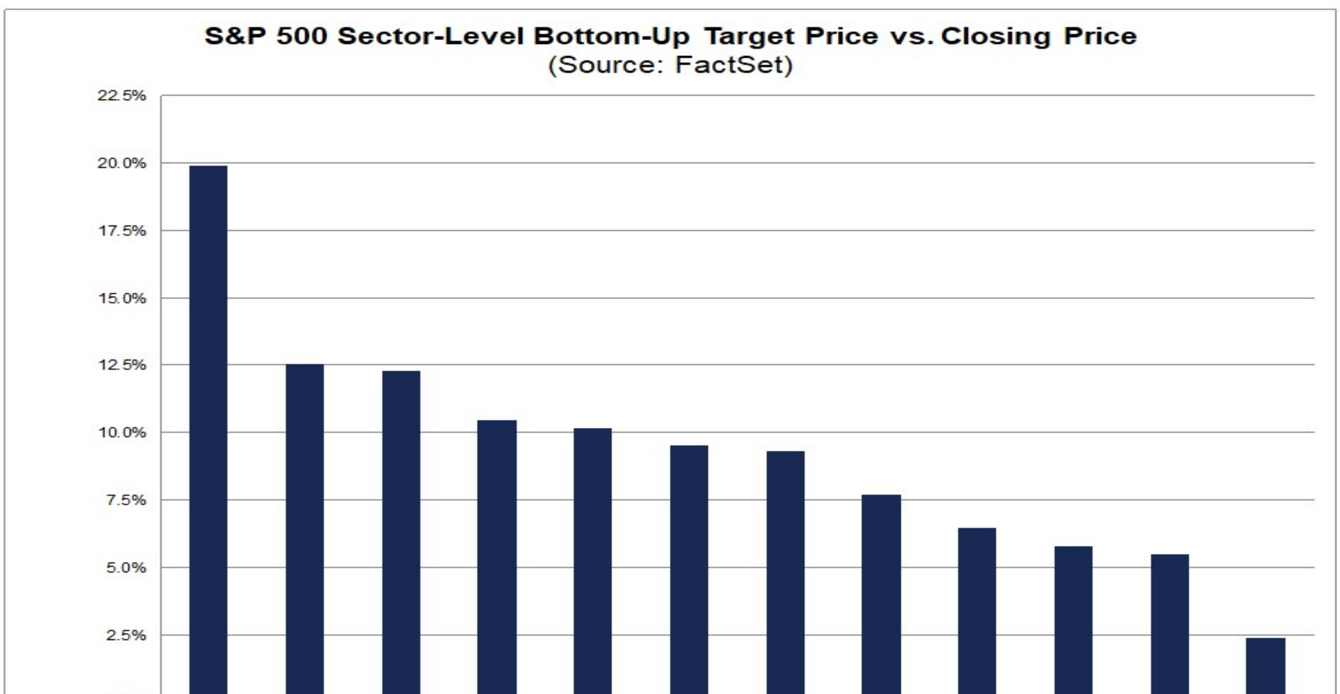




Targets & Ratings



	Health Care	Info. Tech.	Energy	Comm. Services	Consumer Disc.	S&P 500	Materials	Industrials	Utilities	Real Estate	Financials	Consumer Staples
Buy	63%	63%	61%	59%	57%	56%	54%	52%	52%	50%	50%	45%
Hold	32%	32%	35%	33%	37%	37%	40%	39%	39%	42%	43%	45%
Sell	6%	6%	4%	9%	6%	7%	5%	9%	9%	7%	7%	10%



	Energy	Comm. Services	Info. Tech.	Consumer Disc.	S&P 500	Health Care	Financials	Consumer Staples	Materials	Industrials	Utilities	Real Estate
Target/Close	19.9%	12.5%	12.3%	10.4%	10.1%	9.5%	9.3%	7.7%	6.5%	5.8%	5.5%	2.4%

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