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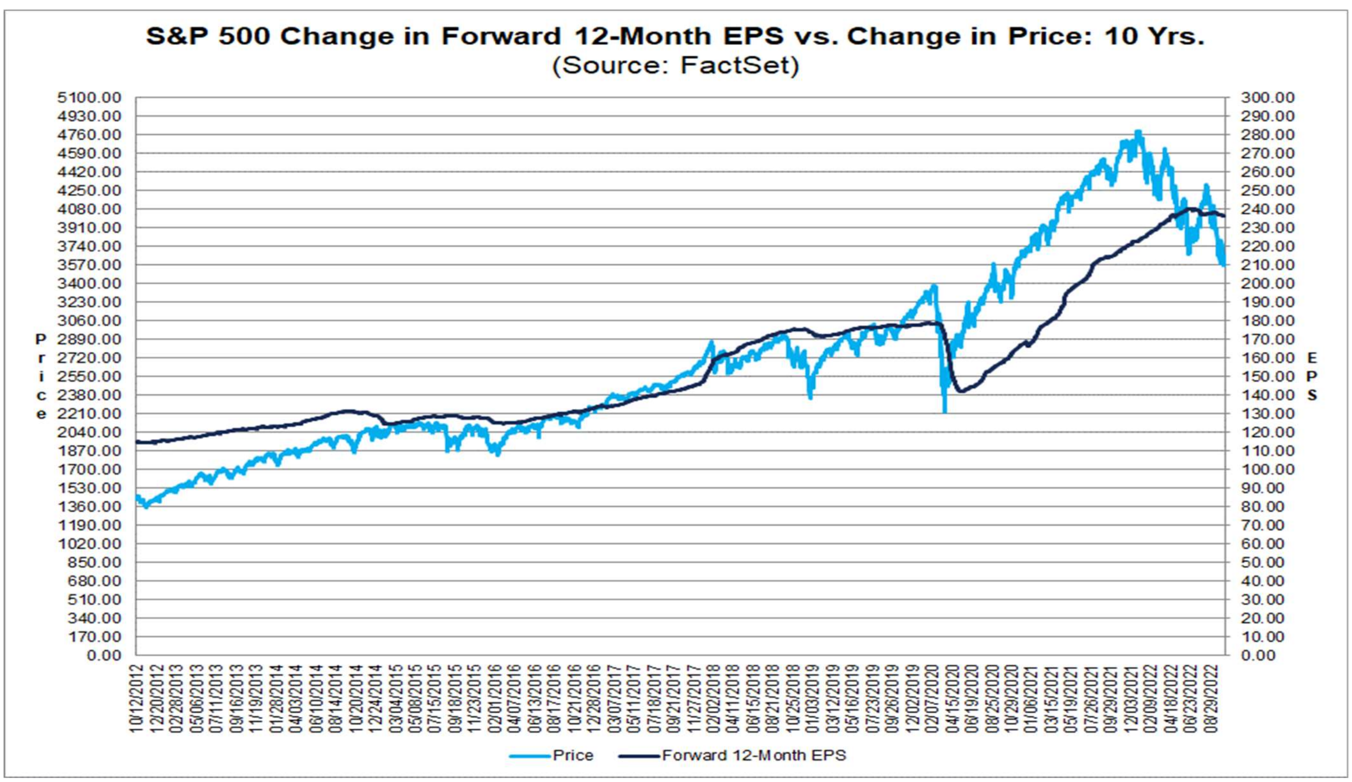
Key Metrics

- **Earnings Scorecard:** For Q3 2022 (with 7% of S&P 500 companies reporting actual results), 69% of S&P 500 companies have reported a positive EPS surprise and 67% of S&P 500 companies have reported a positive revenue surprise.
- **Earnings Growth:** For Q3 2022, the blended earnings growth rate for the S&P 500 is 1.6%. If 1.6% is the actual growth rate for the quarter, it will mark the lowest earnings growth rate reported by the index since Q3 2020 (-5.7%).
- **Earnings Revisions:** On September 30, the estimated earnings growth rate for Q3 2022 was 2.8%. Nine sectors are reporting (or are expected to report) lower earnings today (compared to September 30) due to downward revisions to EPS estimates and negative EPS surprises.
- **Earnings Guidance:** For Q4 2022, 5 S&P 500 companies have issued negative EPS guidance and 4 S&P 500 companies have issued positive EPS guidance.
- **Valuation:** The forward 12-month P/E ratio for the S&P 500 is 15.5. This P/E ratio is below the 5-year average (18.5) and below the 10-year average (17.1).



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Topic of the Week:

Higher Provisions for Loan Losses Are Lowering Earnings Growth for S&P 500 Banks for Q3

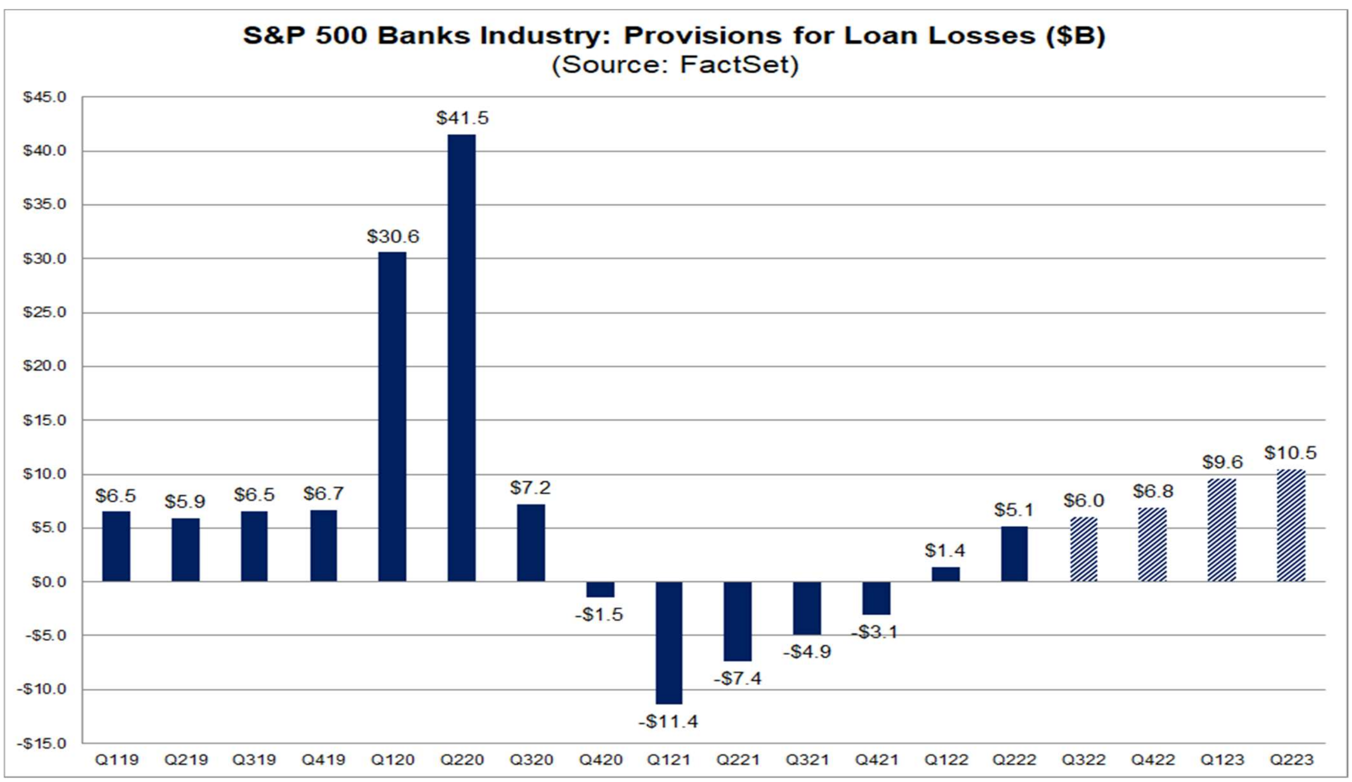
The Financials sector has been a sector in focus for the market during the past week, as 9 of the 16 companies in the S&P 500 that reported earnings for Q3 during the week were in this sector. Most of these 9 companies were in the Banks industry, including Citigroup, JPMorgan Chase, and Wells Fargo. Despite the recent rise in interest rates, this industry is reporting a year-over-year earnings decline of -13% for Q3. What is driving the decline in earnings for this industry?

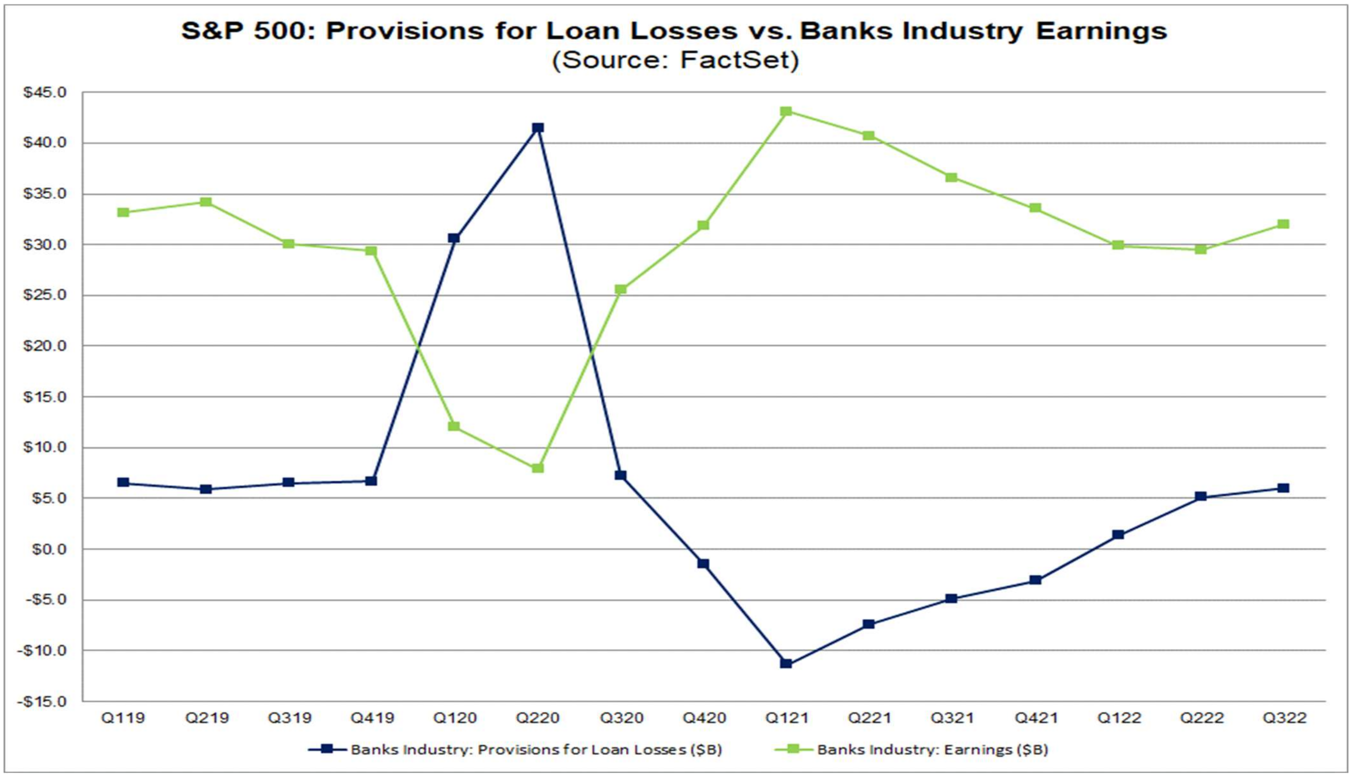
One factor contributing to the decline is that companies in the Banks industry are expected to report significantly higher provisions for loan losses in Q3 2022 relative to Q3 2021. Provisions for loan losses have no impact on top-line growth, but do have an impact on bottom-line growth, as they are treated like an expense on a company's income statement.

Banks dramatically increased their provisions for loan losses in the first half of 2020 in conjunction with the economic lockdowns caused by COVID-19. Banks then substantially reduced their provisions for loan losses during 2021, with restrictions easing and economic conditions improving during the year. Banks have been increasing these provisions again in 2022, but are facing difficult comparisons to the much lower (negative) numbers from 2021.

For example, Citigroup reported $2.26 billion in provisions for loan losses in Q3 2020 and -$192 million in provisions for loan losses in Q3 2021. For Q3 2022, the company reported provisions for loan losses of $1.37 billion.

FactSet Estimates actively tracks this metric for all 18 companies in the Banks industry in the S&P 500. In aggregate, the blended (combines actual results for companies that have reported and estimated results for companies yet to report) provision for loan losses for these 18 banks is $6.0 billion for Q3 2022, compared to -$4.9 billion for Q3 2021. Based on current estimates, the aggregate provision for loan losses for these 18 banks is expected to rise above pre-pandemic levels in the first half of 2023.




S&P 500: Provisions for Loan Losses vs. Banks Industry Earnings
(Source: FactSet)
$45.0
$40.0
$35.0
$30.0
$25.0
$20.0
$15.0
$10.0
$5.0
$0.0
-$5.0
-$10.0
-$15.0
Q119
Q219
Q319
Q419
Q120
Q220
Q320
Q420
Q121
Q221
Q321
Q421
Q122
Q222
Q322
Banks Industry: Provisions for Loan Losses ($B)
Banks Industry: Earnings ($B)

Q3 Earnings Season: By The Numbers

Overview

The start of the third quarter earnings season for the S&P 500 has been weaker than normal, as the number and magnitude of positive earnings and revenue surprises have been smaller than recent averages. In addition, analysts have continued to lower earnings estimates for companies since the end of the quarter. As a result, the earnings and revenue growth rates for the S&P 500 for the third quarter are lower today compared to September 30.

Overall, 7% of the companies in the S&P 500 have reported actual results for Q3 2022 to date. Of these companies, 69% have reported actual EPS above estimates, which is below the 5-year average of 77%. In aggregate, companies are reporting earnings that are 0.1% above estimates, which is well below the 5-year average of 8.7%.

As a result, the index is reporting lower 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 1.6% today, compared to an earnings growth rate of 2.2% last week and an earnings growth rate of 2.8% at the end of the third quarter (September 30). Downward revisions to earnings estimates for companies in the Financials sector and negative earnings surprises reported by companies in the Financials sector have been substantial contributors to the decline in the overall earnings growth rate for the index since last Friday and since September 30.

If 1.6% is the actual growth rate for the quarter, it will mark the lowest earnings growth rate reported by the index since Q3 2020 (-5.7%). Four of the eleven sectors are reporting (or are projected to report) year-over-year earnings growth, led by the Energy, Industrials, and Real Estate sectors. On the other hand, seven sectors are reporting (or are predicted to report) a year-over-year decline in earnings, led by the Financials, Communication Services, and Materials sectors.

In terms of revenues, 67% of S&P 500 companies have reported actual revenues above estimates, which is below the 5-year average of 69%. In aggregate, companies are reporting revenues that are 0.5% above the estimates, which is well below the 5-year average of 1.9%.

As a result, the index is reporting flat revenues relative to last week and lower revenues relative to the end of the quarter. The blended revenue growth rate for the third quarter is 8.5% today, compared to a revenue growth rate of 8.5% last week and a revenue growth rate of 8.7% at the end of the third quarter (September 30). Downward revisions to revenue estimates for companies in the Energy sector have been a substantial contributor to the decline in the overall revenue growth rate for the index since last Friday and since September 30.

If 8.5% is the actual growth rate for the quarter, it will mark the first time the index has reported revenue growth below 10% since Q4 2020 (3.2%). All eleven sectors are reporting (or are projected to report) year-over-year growth in revenues, led by the Energy sector.

Looking ahead, analysts expect earnings growth of 3.6% for Q4 2022 and 7.0% for CY 2022. For Q1 2023 and Q2 2023, analysts are projecting earnings growth of 5.8% and 4.3%. For CY 2023, analysts predict earnings growth of 7.6%.

The forward 12-month P/E ratio is 15.5, which is below the 5-year average (18.5) and below the 10-year average (17.1). However, it is above the forward P/E ratio of 15.2 recorded at the end of the third quarter (September 30), as the price of the index has increased while the forward 12-month EPS estimate has decreased slightly since September 30.

During the upcoming week, 66 S&P 500 companies (including eight Dow 30 components) are scheduled to report results for the third quarter.

Scorecard: Fewer Companies Beating EPS and Revenue Estimates Than Average

Percentage of Companies Beating EPS Estimates (69%) is Below 5-Year Average

Overall, 7% of the companies in the S&P 500 have reported earnings to date for the third quarter. Of these companies, 69% have reported actual EPS above the mean EPS estimate, 3% have reported actual EPS equal to the mean EPS estimate, and 28% have reported actual EPS below the mean EPS estimate. The percentage of companies reporting EPS above the mean EPS estimate is below the 1-year average (78%), below the 5-year average (77%), and below the 10-year average (73%).

At the sector level, the Consumer Staples (100%) and Health Care (100%) sectors have the highest percentages of companies reporting earnings above estimates, while the Industrials (40%) and Consumer Discretionary (43%) sectors have the lowest percentages of companies reporting earnings above estimates.

Earnings Surprise Percentage (+0.1%) is Below 5-Year Average

In aggregate, companies are reporting earnings that are 0.1% above expectations. This surprise percentage is well below the 1-year average (+6.5%), below the 5-year average (+8.7%), and below the 10-year average (6.5%).

The Health Care (+6.6%) sector is reporting the largest positive (aggregate) difference between actual earnings and estimated earnings. Within this sector, UnitedHealth Group ($5.79 vs. $5.43) has reported the largest positive EPS surprise.

The Consumer Staples (+6.0%) sector is reporting the second-largest positive (aggregate) difference between actual earnings and estimated earnings. Within this sector, Lamb Weston ($0.75 vs. $0.50), Constellation Brands ($3.17 vs. $2.82), and General Mills ($1.11 vs. $1.00) have reported the largest positive EPS surprises.

The Consumer Discretionary (-16.1%) sector is reporting the largest negative (aggregate) difference between actual earnings and estimated earnings. Within this sector, Carnival (-$0.58 vs. -$0.06) and CarMax ($0.79 vs, $1.39) have reported the largest negative EPS surprises.

The Industrials (-14.7%) sector is reporting the second-largest negative (aggregate) difference between actual earnings and estimated earnings. Within this sector, FedEx ($3.44 vs. $5.14) and A.O. Smith ($0.69 vs. $0.87) have reported the largest negative EPS surprises.

Market Rewarding Positive Surprises Less Than Average

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

Companies that have reported positive earnings surprises for Q3 2022 have seen an average price increase of +0.5% 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 +0.9% during this same window for companies reporting positive earnings surprises.

Companies that have reported negative earnings surprises for Q3 2022 have seen an average price decrease of -5.6% two days before the earnings release through two days after the earnings. This percentage decrease is larger than the 5-year average price decrease of -2.2% during this same window for companies reporting negative earnings surprises.

Percentage of Companies Beating Revenue Estimates (67%) is Below 5-Year Average

In terms of revenues, 67% of companies have reported actual revenues above estimated revenues and 33% have reported actual revenues below estimated revenues. The percentage of companies reporting revenues above estimates is below the 1-year average (74%) and below the 5-year average (69%), but above the 10-year average (62%).

At the sector level, the Health Care (100%) and Information Technology (80%) sectors have the highest percentages of companies reporting revenues above estimates, while the Industrials (40%) and Consumer Discretionary (57%) sectors have the lowest percentages of companies reporting revenues above estimates.

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

In aggregate, companies are reporting revenues that are 0.5% above expectations. This surprise percentage is below the 1-year average (+2.9%), below the 5-year average (+1.9%), and below the 10-year average (1.2%).

At the sector level, the Consumer Staples (+1.3%) and Financials (+1.1%) sectors are reporting the largest positive (aggregate) difference between actual revenues and estimated revenues, while the Consumer Discretionary (-1.3%) and Industrials (-1.1%) sectors are reporting the largest negative (aggregate) differences between actual revenues and estimated revenues.

Revisions: Decrease in Blended Earnings Growth This Week Due to Financials

Decrease in Blended Earnings Growth Rate This Week Due to Financials

The blended (year-over-year) earnings growth rate for the third quarter is 1.6%, which is below the earnings growth rate of 2.2% last week. Downward revisions to EPS estimates and negative earnings surprises for companies in the Financials sector were the largest contributors to the decrease in the overall earnings growth rate during the week.

In the Financials sector, the negative EPS surprises reported by Wells Fargo ($0.85 vs. $1.09) and Progressive ($0.49 vs. $0.99), along with downward revisions to EPS estimates for a number of the companies in the Insurance industry, were substantial contributors to the decrease in the earnings growth rate for the index during the week. These negative surprises and downward revisions were partially offset by the positive earnings surprises reported by JPMorgan Chase ($3.12 vs. $2.90), Blackrock ($9.55 vs. $7.06), and Citigroup ($1.63 vs. $1.42). As a result, the blended earnings decline for the Financials sector increased to -16.2% from -14.7% over this period.

No Change in Blended Revenue Growth This Week

The blended (year-over-year) revenue growth rate for the third quarter is 8.5%, which is equal to the revenue growth rate of 8.5% last week.

Financials Sector Has Seen Largest Decrease in Earnings since September 30

The blended (year-over-year) earnings growth rate for Q3 2022 of 1.6% is below the estimate of 2.8% at the end of the third quarter (September 30). Two sectors have recorded an increase in their earnings growth rate since the end of the quarter due to upward revisions to earnings estimates and positive earnings surprises, led by the Energy (to 119.4% from 115.4%) sector. On the other hand, nine sectors have recorded a decrease in their earnings growth rate or an increase in their earnings decline during this period, led by the Materials (to -12.0% from -7.0%) and Financials (to -16.2% from -12.0%) sectors. The Financials sector is also the largest contributor to the decrease in earnings for the index since September 30.

In the Financials sector, the negative EPS surprises reported by Wells Fargo ($0.85 vs. $1.09) and Progressive ($0.49 vs. $0.99), along with downward revisions to EPS estimates for Berkshire Hathaway (to $2.95 from $3.43), AIG (to $0.59 from $1.08), Everest Re Group (to -$4.43 from $3.60), and Chubb (to $3.03 from $3.76), have been substantial contributors to the decrease in the earnings growth rate for the index since September 30. As a result, the blended earnings decline for the Financials sector increased to -16.2% from -12.0% over this period.

Energy Sector Has Seen Largest Decrease in Revenues since September 30

The blended (year-over-year) revenue growth rate for Q3 2022 of 8.5% is slightly below the estimate of 8.7% at the end of the third quarter (September 30). Two sectors have recorded an increase in revenue growth since the end of the quarter due to upward revisions to revenue estimates and positive revenue surprises, led by the Financials (to 3.6% from 2.7%) sector. On the other hand, nine sectors have recorded a decrease in their revenue growth rate since the end of the quarter due to downward revisions to revenue estimates and negative revenue surprises, led by the Energy (to 33.3% from 35.5%) and Materials (to 4.1% from 5.7%) sectors. These two sectors have also been the largest contributors to the decrease in revenues for the index since September 30.

Earnings Growth: 1.6%

The blended (year-over-year) earnings growth rate for Q3 2022 is 1.6%, which is below the 5-year average earnings growth rate of 14.6% and below the 10-year average earnings growth rate of 8.8%. If 1.6% is the actual growth rate for the quarter, it will mark the lowest (year-over-year) earnings growth rate reported by the index since Q3 2020 (-5.7%).

Four of the eleven sectors are reporting (or are expected to report) year-over-year earnings growth, led by the Energy, Industrials, and Real Estate sectors. On the other hand, seven sectors are reporting (or are expected to report) a year-over-year decline in earnings, led by the Financials, Communication Services, and Materials sectors.

Energy: Largest Contributor to Year-Over-Year Earnings Growth for S&P 500 For Q3

The Energy sector is expected to report the highest (year-over-year) earnings growth of all eleven sectors at 119.4%. Higher year-over-year oil prices are contributing to the year-over-year improvement in earnings for this sector, as the average price of oil in Q3 2022 ($91.43) was 30% above the average price for oil in Q3 2021 ($70.52). At the sub-industry level, all five sub-industries in the sector are expected to report a year-over-year increase in earnings of more than 20%: Oil & Gas Refining & Marketing (273%), Oil & Gas Exploration & Production (116%), Integrated Oil & Gas (106%), Oil & Gas Equipment & Services (73%), and Oil & Gas Storage & Transportation (23%).

The Energy sector is also expected to be the largest contributor to earnings growth for the S&P 500 for the third quarter. If this sector were excluded, the index would be expected to report a decline in earnings of 4.9% rather than growth in earnings of 1.6%.

Industrials: Airlines Industry Is Largest Contributor to Year-Over-Year Growth

The Industrials sector is reporting the second-highest (year-over-year) earnings growth rate of all eleven sectors at 23.6%. At the industry level, 10 of the 12 industries in the sector are reporting (or are expected to report) a year-over-year increase in earnings. A growth rate is not being calculated for the Airlines industry due to the loss reported by the industry in the year-ago quarter. However, the Airlines industry is reporting a profit of $2.6 billion in Q3 2022 compared to a loss of -$731 million in Q3 2021. Seven of the remaining nine industries are reporting (or are predicted to report) earnings growth above 10%: Trading Companies & Distributors (28%), Aerospace & Defense (26%), Construction & Engineering (23%), Machinery (19%), Electrical Equipment (17%), Road & Rail (15%), and Commercial Services & Supplies (11%). On the other hand, the Air Freight & Logistics (-4%) and Professional Services (-2%) industries are the only industries in the sector reporting a year-over-year decline in earnings.

At the industry level, the Airlines industry is the largest contributor to earnings growth for the sector. If the five companies in this industry were excluded, the blended earnings growth rate for the Industrials sector would fall to 12.7% from 23.6%.

Real Estate: 4 of 8 Sub-Industries to Report Year-Over-Year Growth Above 10%

The Real Estate sector is expected to report the third-highest (year-over-year) earnings (FFO) growth of all eleven sectors at 15.4%. At the sub-industry level, seven of the eight sub-industries in the sector are expected to report a year-over-year increase in earnings (FFO). Four of these seven sub-industries are project to report earnings (FFO) growth of more than 10%: Hotel & Resort REITs (99%), Industrial REITs (63%), Residential REITs (21%), and Retail REITs (14%). On the other hand, the Real Estate Services (-13%) sub-industry is the only sub-industry predict to report a year-over-year decline in earnings.

Financials: 4 of 5 Industries Reporting Year-Over-Year Decline of More Than 10%

The Financials sector is reporting the largest (year-over-year) earnings decline of all eleven sectors at -16.2%. At the industry level, four of the five industries in this sector are reporting (or are predicted to report) a year-over-year earnings decline of more than 10%: Insurance (-23%), Consumer Finance (-21%), Capital Markets (-20%), and Banks (-13%). On the other hand, the Diversified Financial Services (1%) is the only industry in the sector projected to report (year-over-year) earnings growth.

Communication Services: All 5 Industries To Report Year-Over-Year Decline

The Communication Services sector is expected to report the second-largest (year-over-year) earnings decline of all eleven sectors at -14.2%. At the industry level, all five industries in this sector are predicted to report a year-over-year decline in earnings, led by the Wireless Telecommunication Services (-35%), Entertainment (-21%), and Interactive Media & Services (-19%) industries.

At the company level, Meta Platforms is the largest contributor to the expected earnings decline for the sector. If this company were excluded, the estimated earnings decline for the sector would improve to -8.7% from -14.2%.

Materials: 3 of 5 Industries To Report Year-Over-Year Decline of More Than 10%

The Materials sector is expected to report the third-largest (year-over-year) earnings decline of all eleven sectors at -12.0%. At the industry level, three of the four industries in this sector are predicted to report a year-over-year earnings decline: Metals & Mining (-35%), Chemicals (-6%), and Containers & Packaging (-4%). On the other hand, the Construction Materials (11%) is the only industry in the sector projected to report (year-over-year) earnings growth.

At the company level, Dow, Freeport McMoRan, and LyondellBasell Industries are the largest contributors to the expected earnings decline for this sector. If these three companies were excluded, the Materials sector would be expected to report earnings growth of 8.8% rather than an earnings decline of -12.0%.

Revenue Growth: 8.5%

The blended (year-over-year) revenue growth rate for Q3 2022 is 8.5%, which is above the 5-year average revenue growth rate of 7.8% and above the 10-year average revenue growth rate of 4.6%. However, if 8.5% is the actual growth rate for the quarter, it will mark the first time the index has reported (year-over-year) revenue growth below 10% since Q4 2020 (3.2%).

All eleven sectors are reporting (or are expected to report) year-over-year growth in revenues. Four sectors are reporting (or are predicted to report) double-digit revenue growth, led by the Energy sector.

Energy: All 5 Sub-Industries To Report Year-Over-Year Growth Above 20%

The Energy sector is expected to report the highest (year-over-year) revenue growth rate of all eleven sectors at 33.3%. Higher year-over-year oil prices are contributing to the year-over-year improvement in earnings for this sector, as the average price of oil in Q3 2022 ($91.43) was 30% above the average price for oil in Q3 2021 ($70.52). At the sub-industry level, all five sub-industries in the sector are predicted to report (year-over-year) growth in revenues above 20%: Oil & Gas Exploration & Production (55%), Integrated Oil & Gas (39%), Oil & Gas Storage & Transportation (30%), Oil & Gas Refining & Marketing (21%), and Oil & Gas Equipment & Services (21%).

The Energy sector is also expected to be the largest contributor to revenue growth for the S&P 500 for the third quarter. If this sector were excluded, the expected revenue growth rate for the index would fall to 6.5% from 8.5%.

Net Profit Margin: 12.1%

The blended net profit margin for the S&P 500 for Q3 2022 is 12.1%, which is above the 5-year average of 11.3%, but below the previous quarter's net profit margin of 12.2% and below the year-ago net profit margin of 12.9%.

At the sector level, three sectors are reporting (or are expected to report) a year-over-year increase in their net profit margins in Q3 2022 compared to Q3 2021, led by the Energy (to 14.7% vs. 8.9%) sector. On the other hand, eight sectors are reporting (or are expected to report) a year-over-year decrease in their net profit margins in Q3 2022 compared to Q3 2021, led by the Financials (15.2% vs. 18.8%).

Seven sectors are reporting (or are expected to report) net profit margins in Q3 2022 that are above their 5-year averages, led by the Energy (14.7% vs. 6.8%) sector. On the other hand, fours sectors are reporting (or are expected to report) net profit margins in Q3 2022 that are below their 5-year averages, led by the Financials (15.2% vs. 16.5%) and Communication Services (10.6% vs. 11.7%) sectors.

Looking Ahead: Forward Estimates and Valuation

Guidance: Fewer S&P 500 Companies Issuing Negative EPS Guidance for Q4 vs 5-Yr. Average

At this point in time, 9 companies in the index have issued EPS guidance for Q4 2022. Of these 9 companies, 5 have issued negative EPS guidance and 4 have issued positive EPS guidance. The percentage of companies issuing negative EPS guidance for Q4 2022 is 56% (5 out of 9), which is below the 5-year average of 60% and below the 10-year average of 67%.

At this point in time, 247 companies in the index have issued EPS guidance for the current fiscal year (FY 2022 or FY 2023). Of these 247 companies, 128 have issued negative EPS guidance and 119 have issued positive EPS guidance. The percentage of companies issuing negative EPS guidance is 52% (128 out of 247).

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 7% for CY 2022

For the third quarter, S&P 500 companies are reporting earnings growth of 1.6% and revenue growth of 8.5%.

For Q4 2022, analysts are projecting earnings growth of 3.6% and revenue growth of 5.8%.

For CY 2022, analysts are projecting earnings growth of 7.0% and revenue growth of 10.6%.

For Q1 2023, analysts are projecting earnings growth of 5.8% and revenue growth of 5.5%.

For Q2 2023, analysts are projecting earnings growth of 4.3% and revenue growth of 2.7%.

For CY 2023, analysts are projecting earnings growth of 7.6% and revenue growth of 4.2%.

Valuation: Forward P/E Ratio is 15.5, Below the 10-Year Average (17.1)

The forward 12-month P/E ratio for the S&P 500 is 15.5. This P/E ratio is below the 5-year average of 18.5 and below the 10-year average of 17.1. However, it is above the forward 12-month P/E ratio of 15.2 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 2.4%, while the forward 12-month EPS estimate has decreased by 0.2%. At the sector level, the Consumer Discretionary (22.6) sector has the highest forward 12-month P/E ratio, while the Energy (9.1) sector has the lowest forward 12-month P/E ratio.

The trailing 12-month P/E ratio is 17.6, which is below the 5-year average of 22.8 and below the 10-year average of 20.4.

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

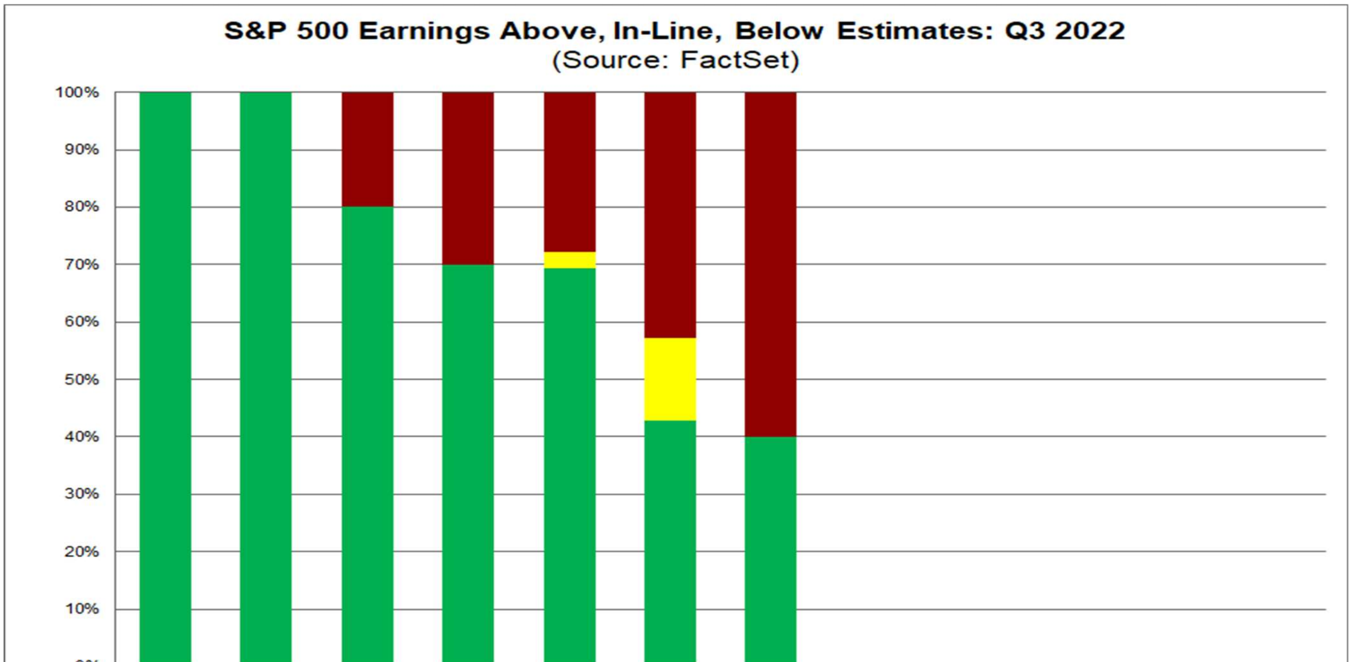
The bottom-up target price for the S&P 500 is 4648.52, which is 26.7% above the closing price of 3669.91. At the sector level, the Communication Services (+41.1%) and Real Estate (+37.0%) sectors are expected to see the largest price increases, as these sectors have the largest upside differences between the bottom-up target price and the closing price. On the other hand, the Energy (+12.4%) and Consumer Staples (+14.9%) sectors are expected to see the smallest price increases, as these sectors have the smallest upside differences between the bottom-up target price and the closing price.

Overall, there are 10,781 ratings on stocks in the S&P 500. Of these 10,781 ratings, 55.7% are Buy ratings, 38.5% are Hold ratings, and 5.8% are Sell ratings. At the sector level, the Energy (64%), Information Technology (61%), and Real Estate (61%) sectors have the highest percentages of Buy ratings, while the Consumer Staples (41%) sector has the lowest percentage of Buy ratings.

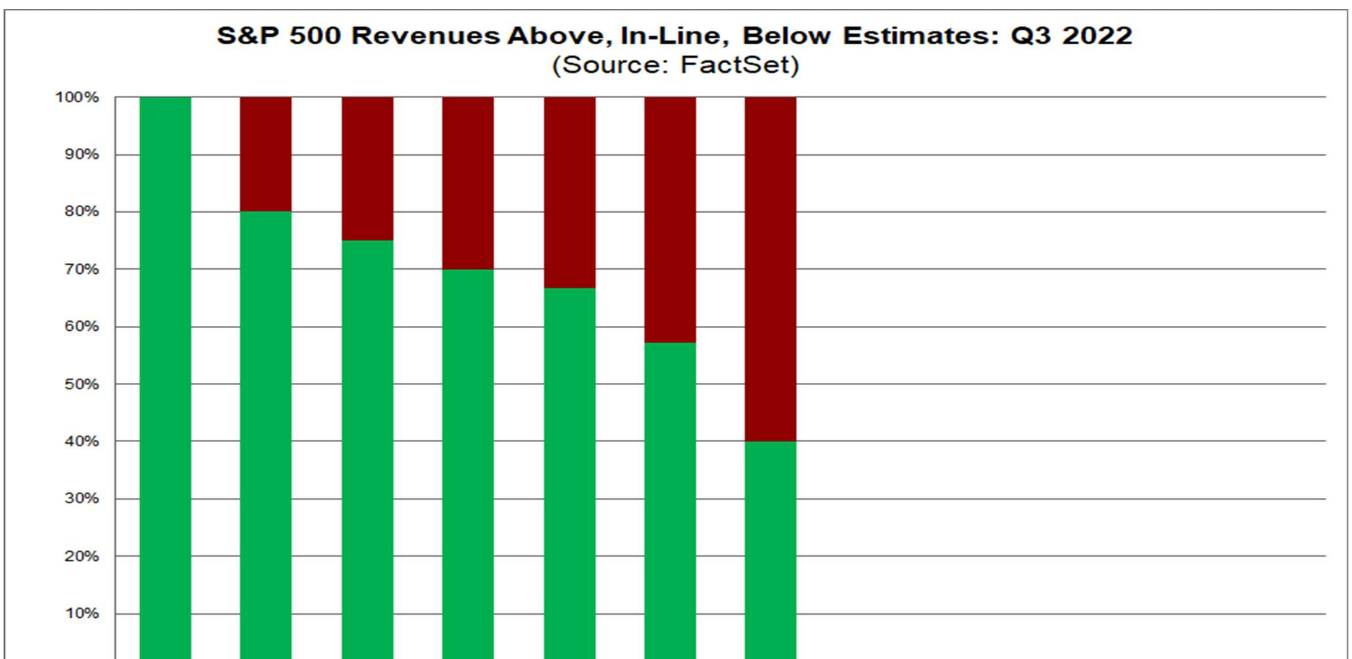
Companies Reporting Next Week: 66

During the upcoming week, 66 S&P 500 companies (including eight Dow 30 components) are scheduled to report results for the third quarter.

Q3 2022: Scorecard

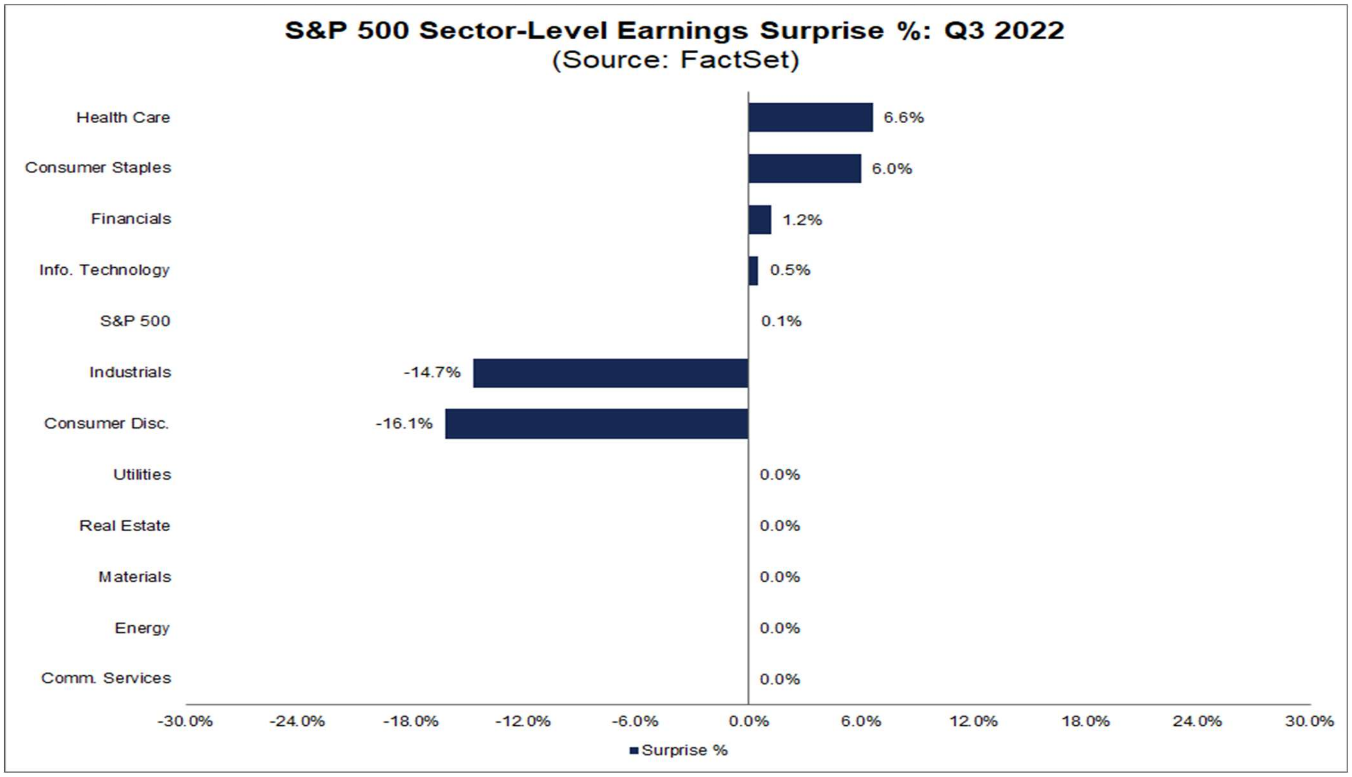


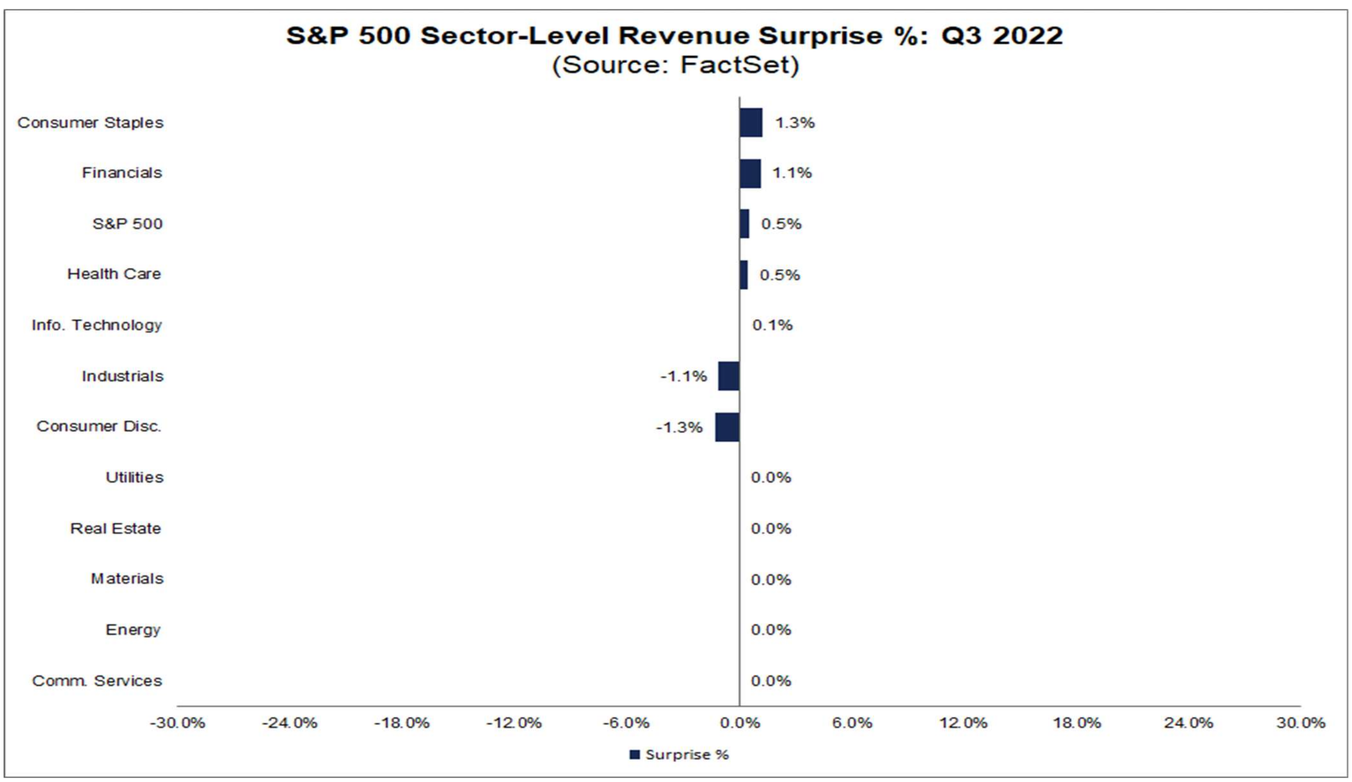
	Consumer Staples	Health Care	Info. Technology	Financials	S&P 500	Consumer Disc.	Industrials	Comm. Services	Energy	Materials	Real Estate	Utilities
Below	0%	0%	20%	30%	28%	43%	60%	0%	0%	0%	0%	0%
In-Line	0%	0%	0%	0%	3%	14%	0%	0%	0%	0%	0%	0%
Above	100%	100%	80%	70%	69%	43%	40%	0%	0%	0%	0%	0%



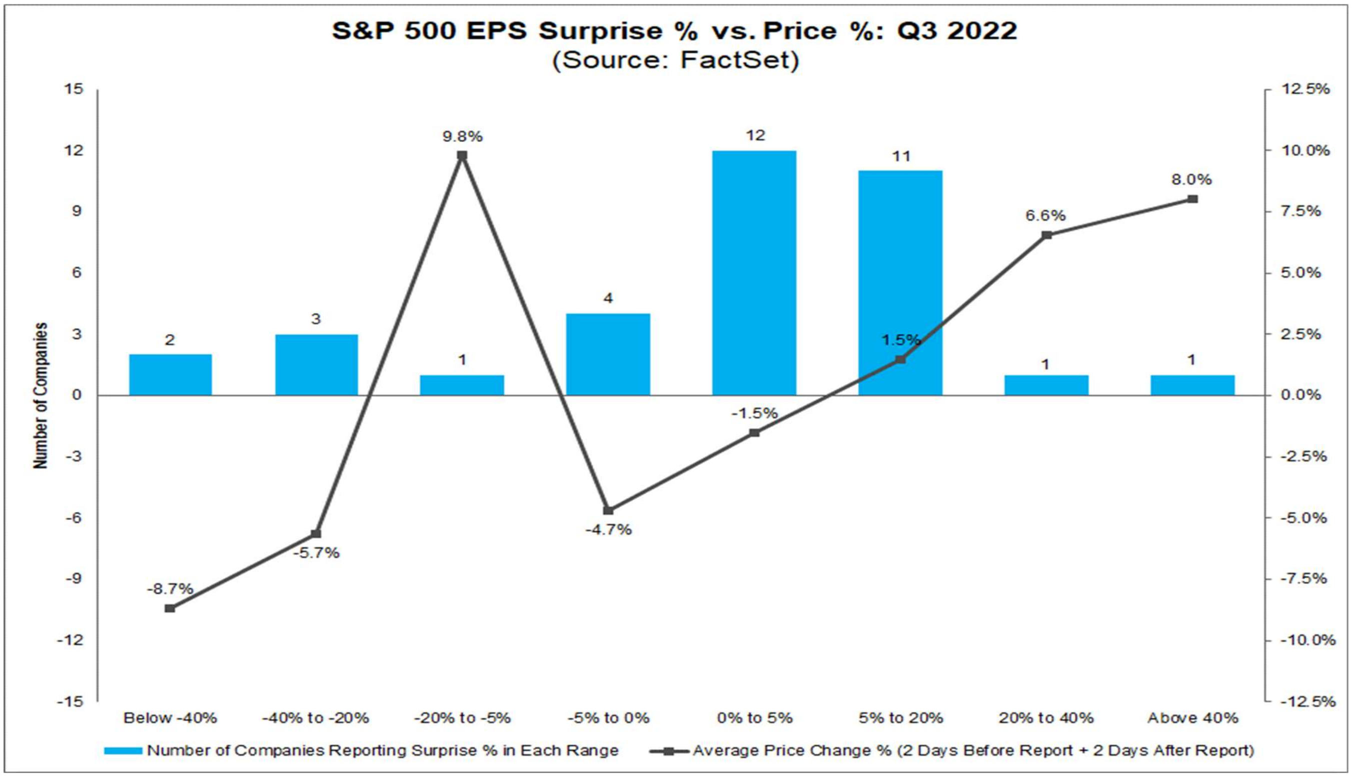
	Health Care	Info. Technology	Consumer Staples	Financials	S&P 500	Consumer Disc.	Industrials	Comm. Services	Energy	Materials	Real Estate	Utilities
Below	0%	20%	25%	30%	33%	43%	60%	0%	0%	0%	0%	0%
In-Line	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Above	100%	80%	75%	70%	67%	57%	40%	0%	0%	0%	0%	0%

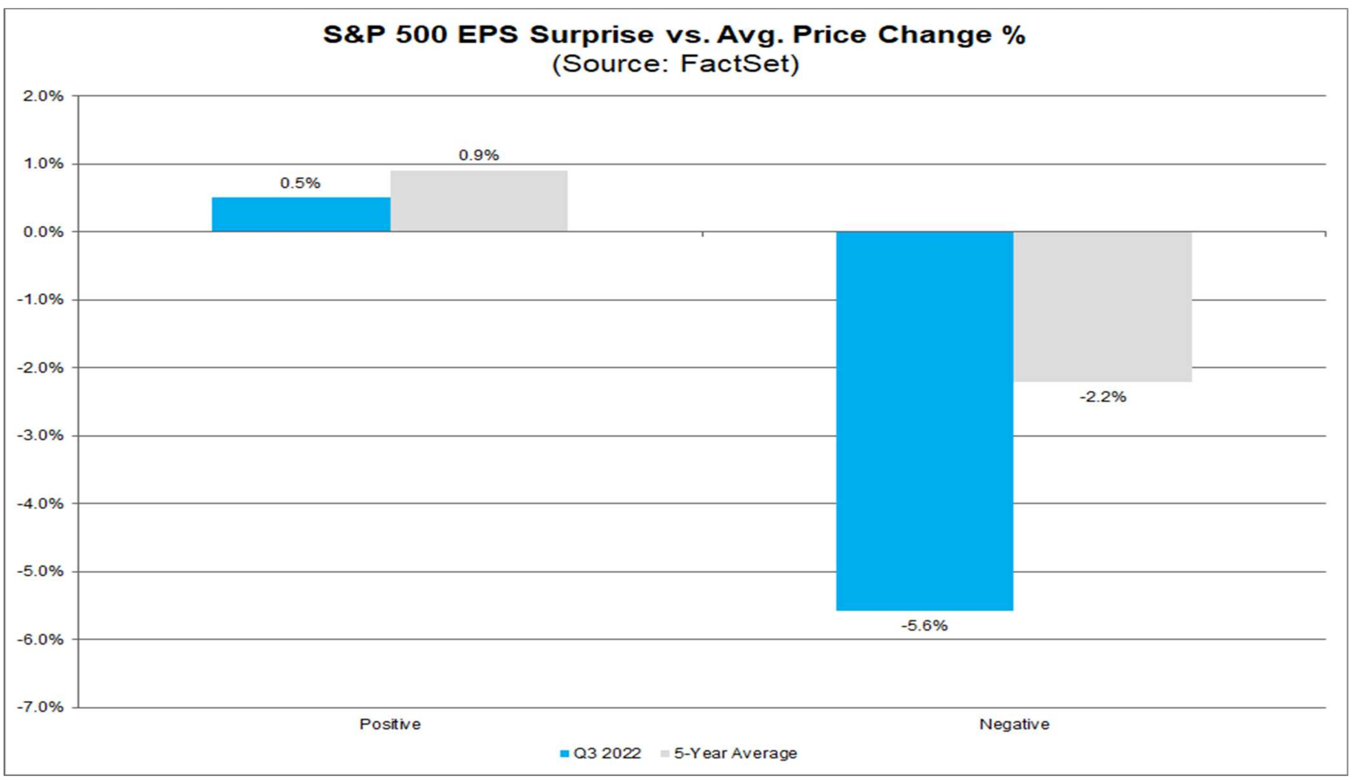
Q3 2022: Scorecard



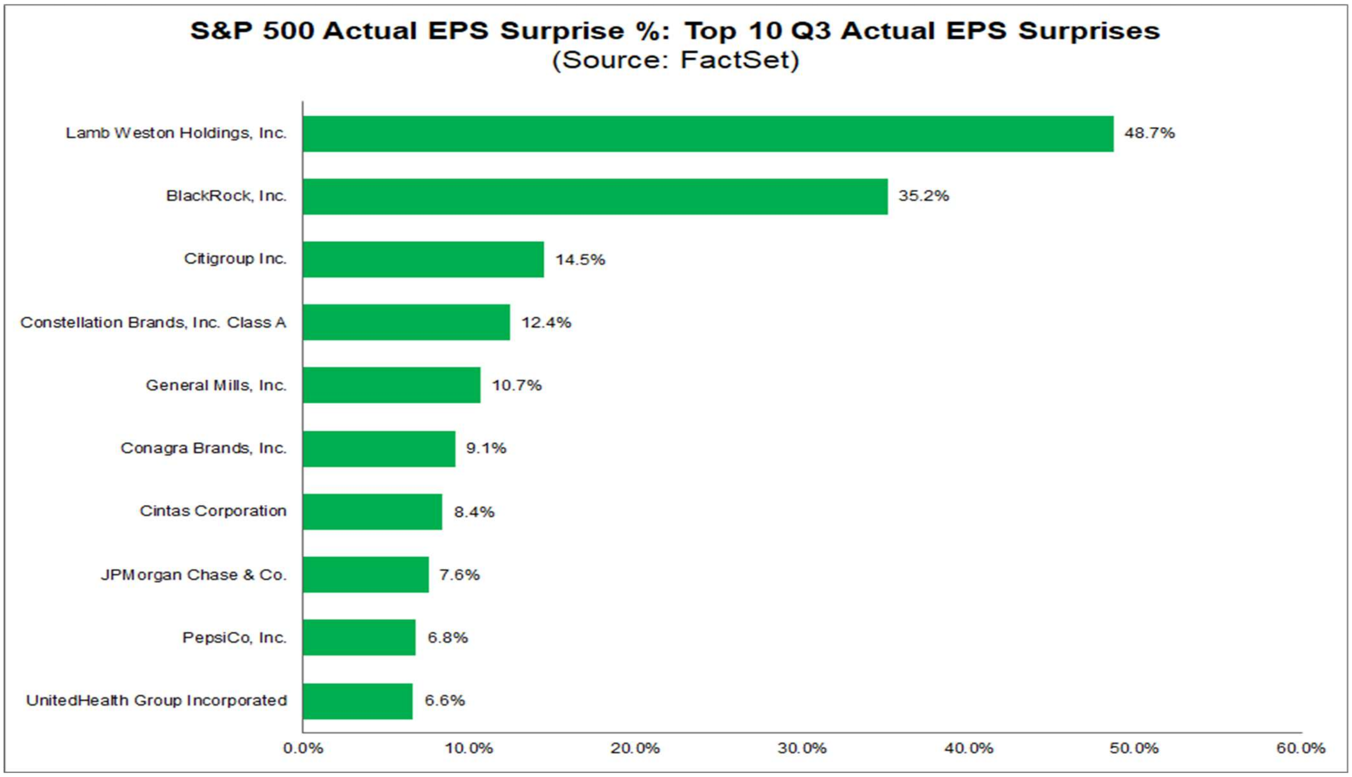


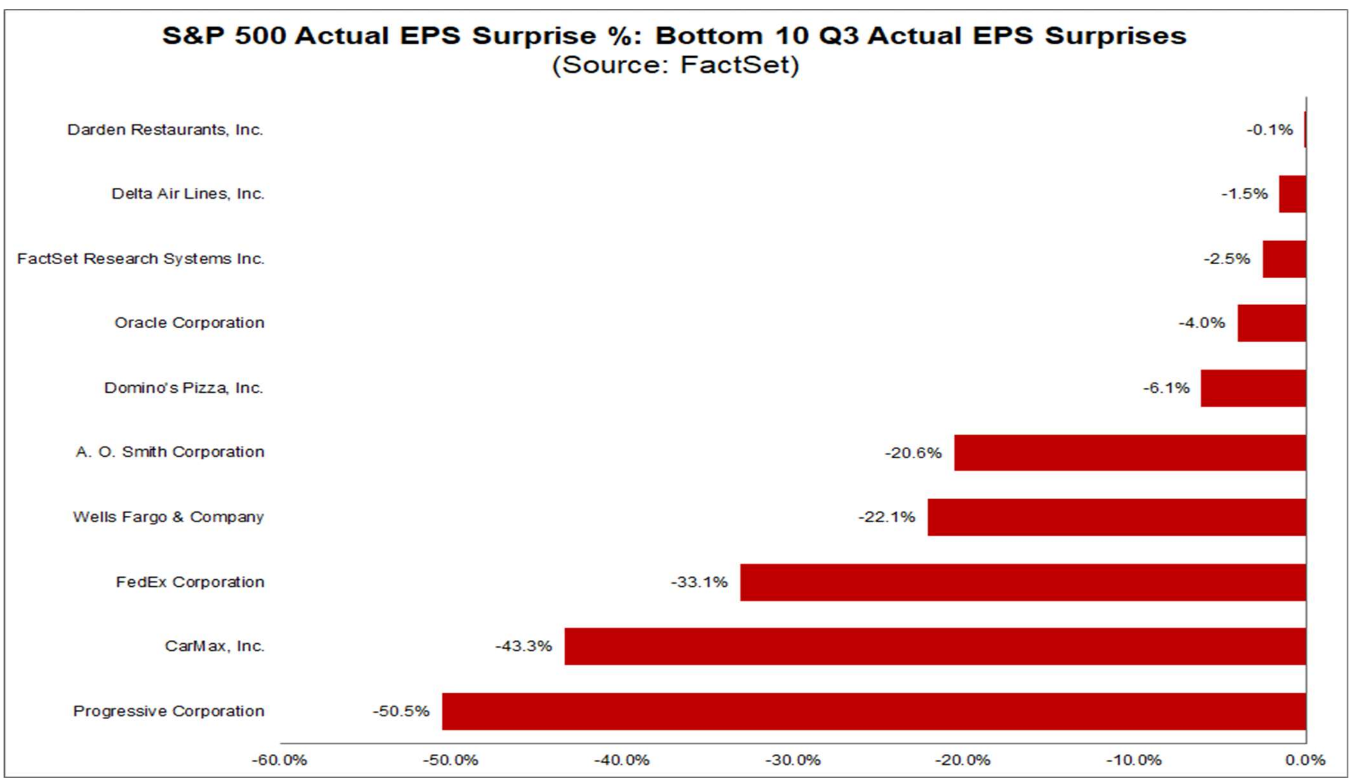
Q3 2022: Scorecard



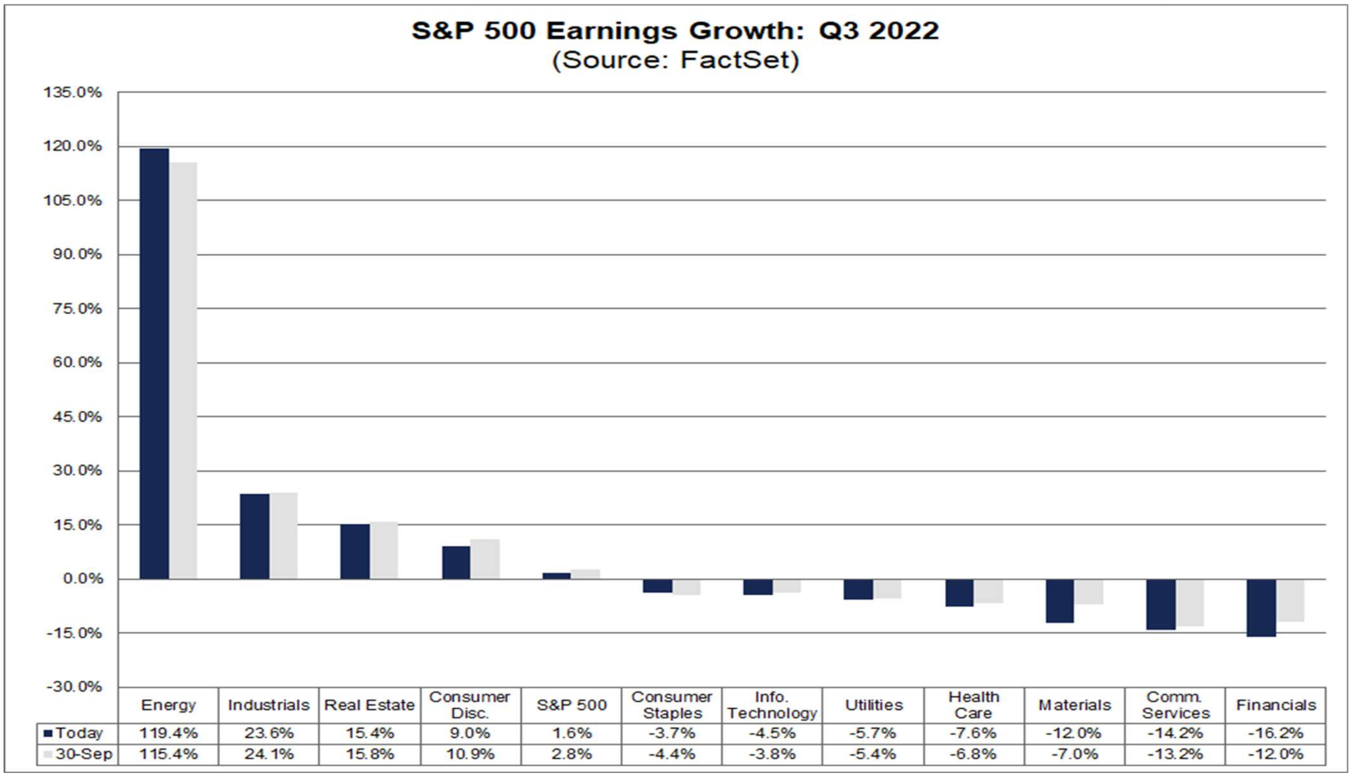


Q3 2022: Scorecard

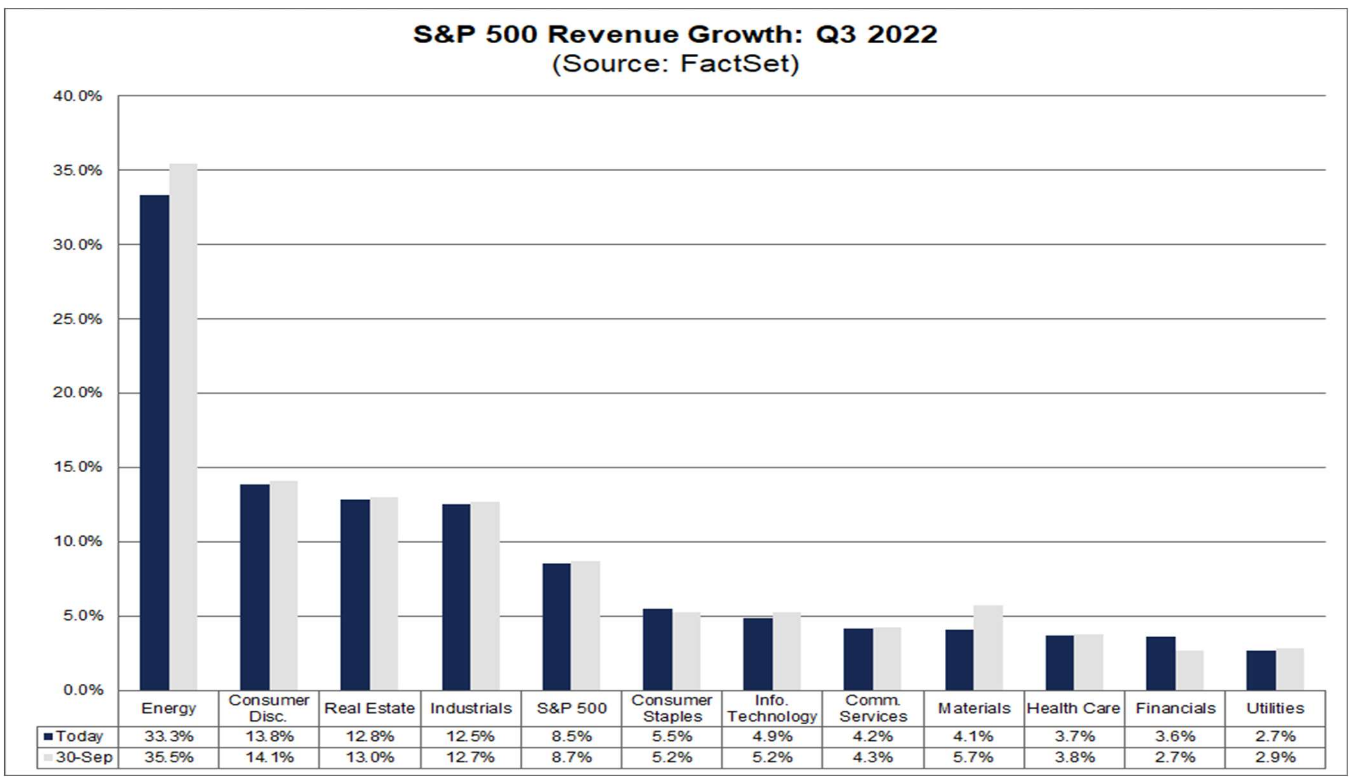




Q3 2022: Growth

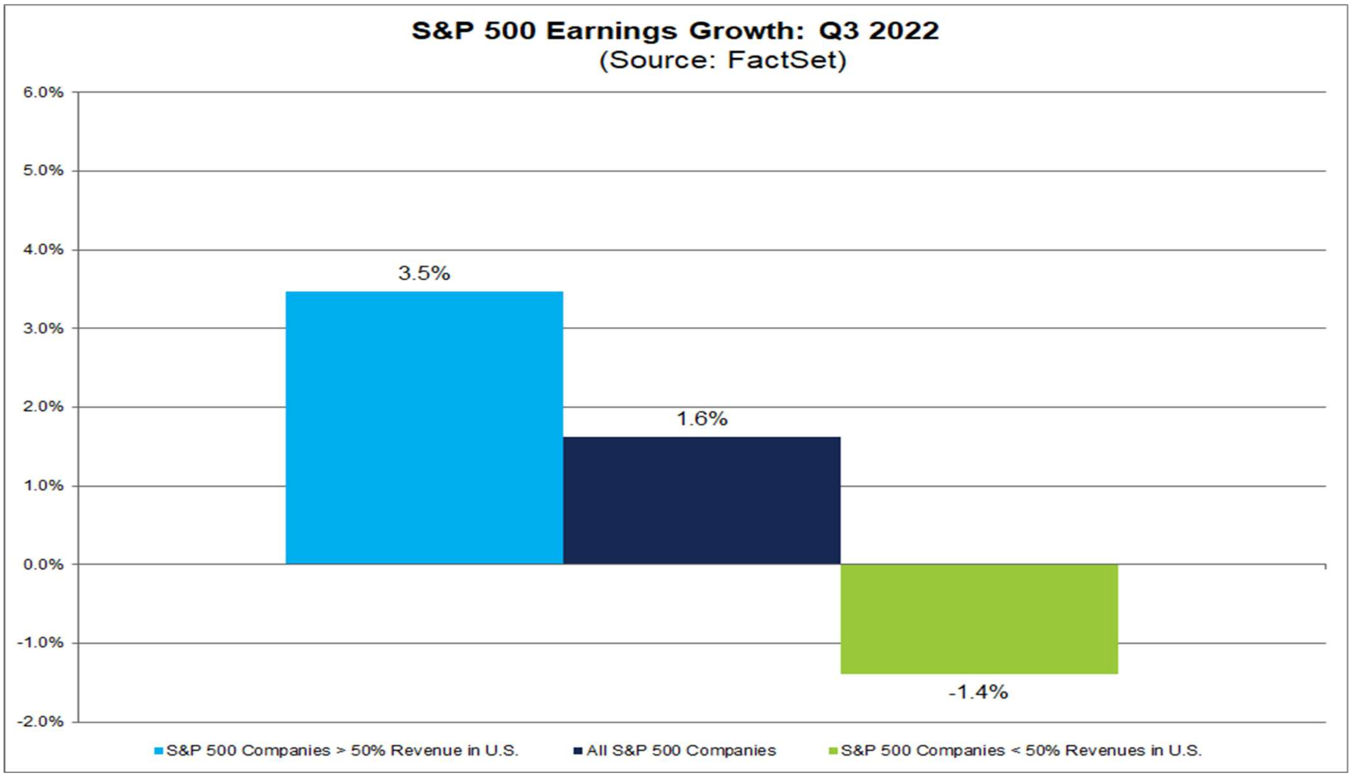


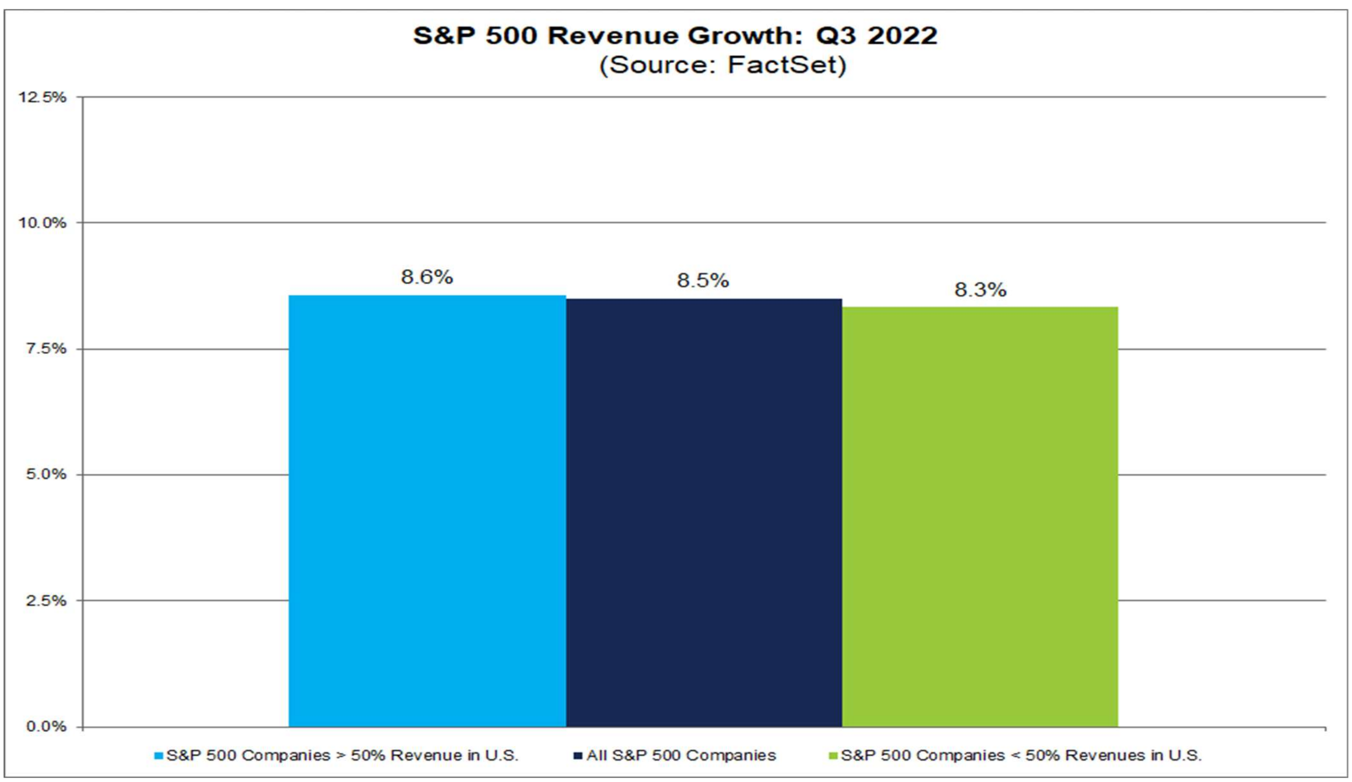
	Energy	Industrials	Real Estate	Consumer Disc.	S&P 500	Consumer Staples	Info. Technology	Utilities	Health Care	Materials	Comm. Services	Financials
Today	119.4%	23.6%	15.4%	9.0%	1.6%	-3.7%	-4.5%	-5.7%	-7.6%	-12.0%	-14.2%	-16.2%
30-Sep	115.4%	24.1%	15.8%	10.9%	2.8%	-4.4%	-3.8%	-5.4%	-6.8%	-7.0%	-13.2%	-12.0%



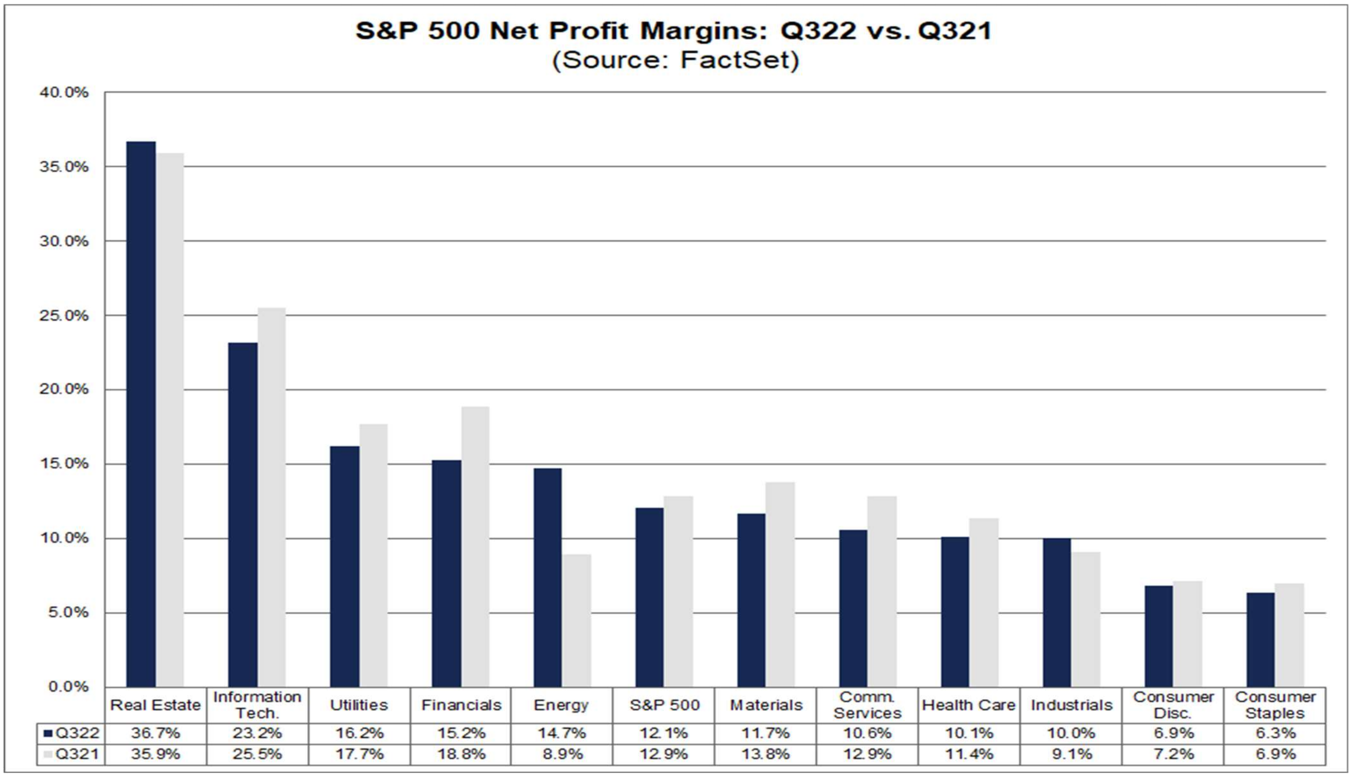
	Energy	Consumer Disc.	Real Estate	Industrials	S&P 500	Consumer Staples	Info. Technology	Comm. Services	Materials	Health Care	Financials	Utilities
Today	33.3%	13.8%	12.8%	12.5%	8.5%	5.5%	4.9%	4.2%	4.1%	3.7%	3.6%	2.7%
30-Sep	35.5%	14.1%	13.0%	12.7%	8.7%	5.2%	5.2%	4.3%	5.7%	3.8%	2.7%	2.9%

Q3 2022: Growth

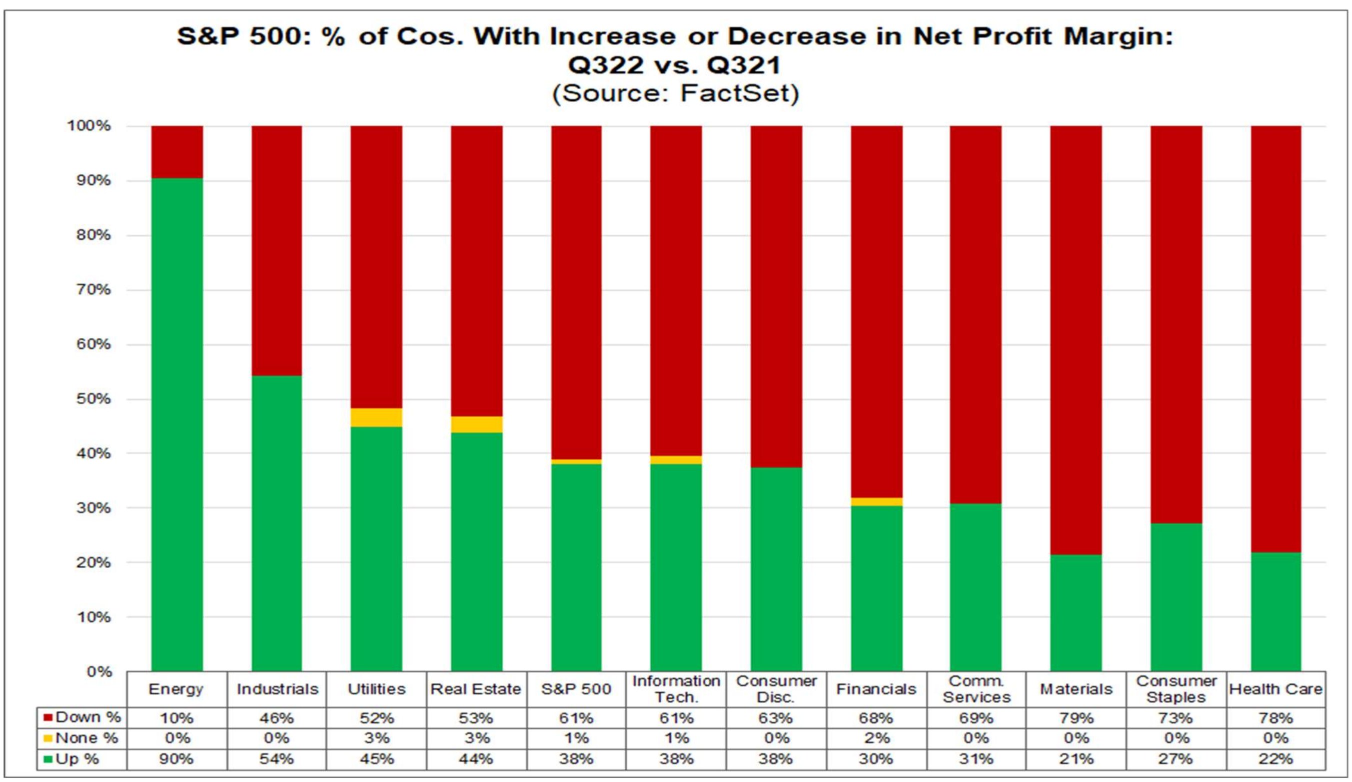




Q3 2022: Net Profit Margin

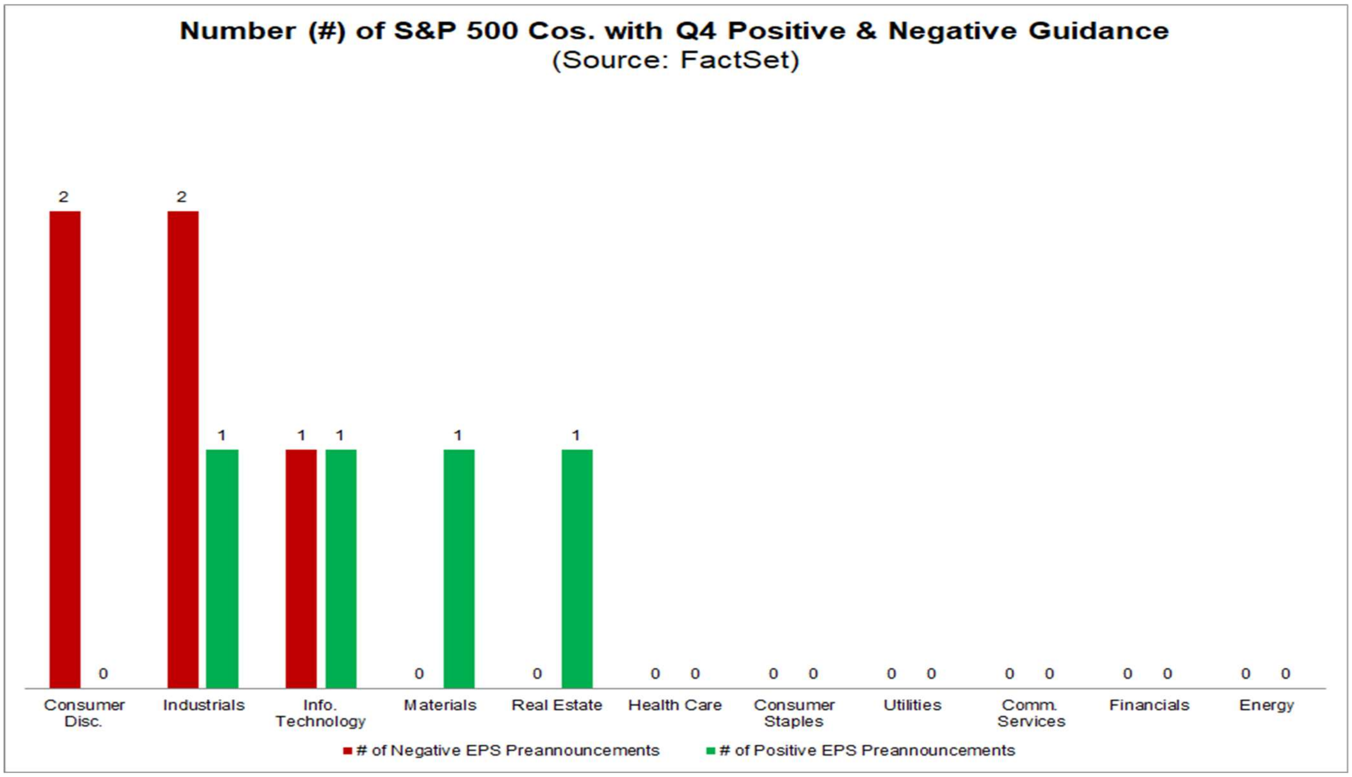


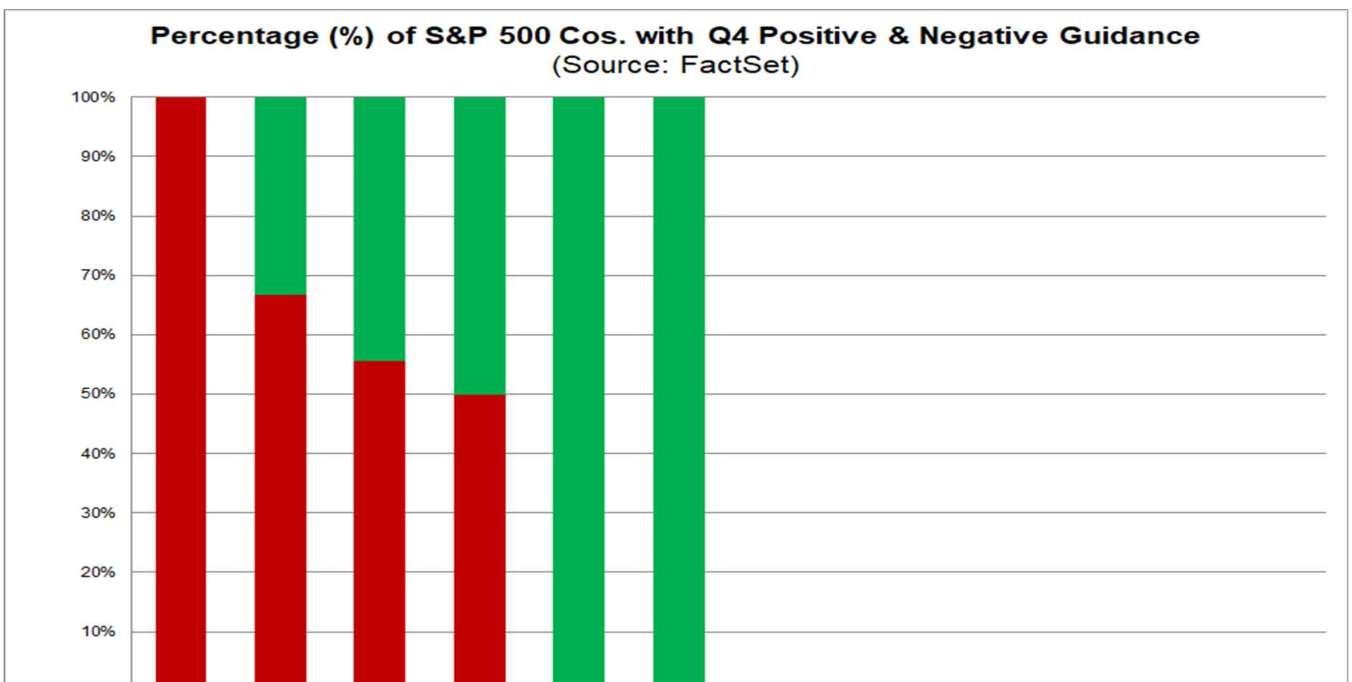
	Real Estate	Information Tech.	Utilities	Financials	Energy	S&P 500	Materials	Comm. Services	Health Care	Industrials	Consumer Disc.	Consumer Staples
Q322	36.7%	23.2%	16.2%	15.2%	14.7%	12.1%	11.7%	10.6%	10.1%	10.0%	6.9%	6.3%
Q321	35.9%	25.5%	17.7%	18.8%	8.9%	12.9%	13.8%	12.9%	11.4%	9.1%	7.2%	6.9%



	Energy	Industrials	Utilities	Real Estate	S&P 500	Information Tech.	Consumer Disc.	Financials	Comm. Services	Materials	Consumer Staples	Health Care
Down %	10%	46%	52%	53%	61%	61%	63%	68%	69%	79%	73%	78%
None %	0%	0%	3%	3%	1%	1%	0%	2%	0%	0%	0%	0%
Up %	90%	54%	45%	44%	38%	38%	38%	30%	31%	21%	27%	22%

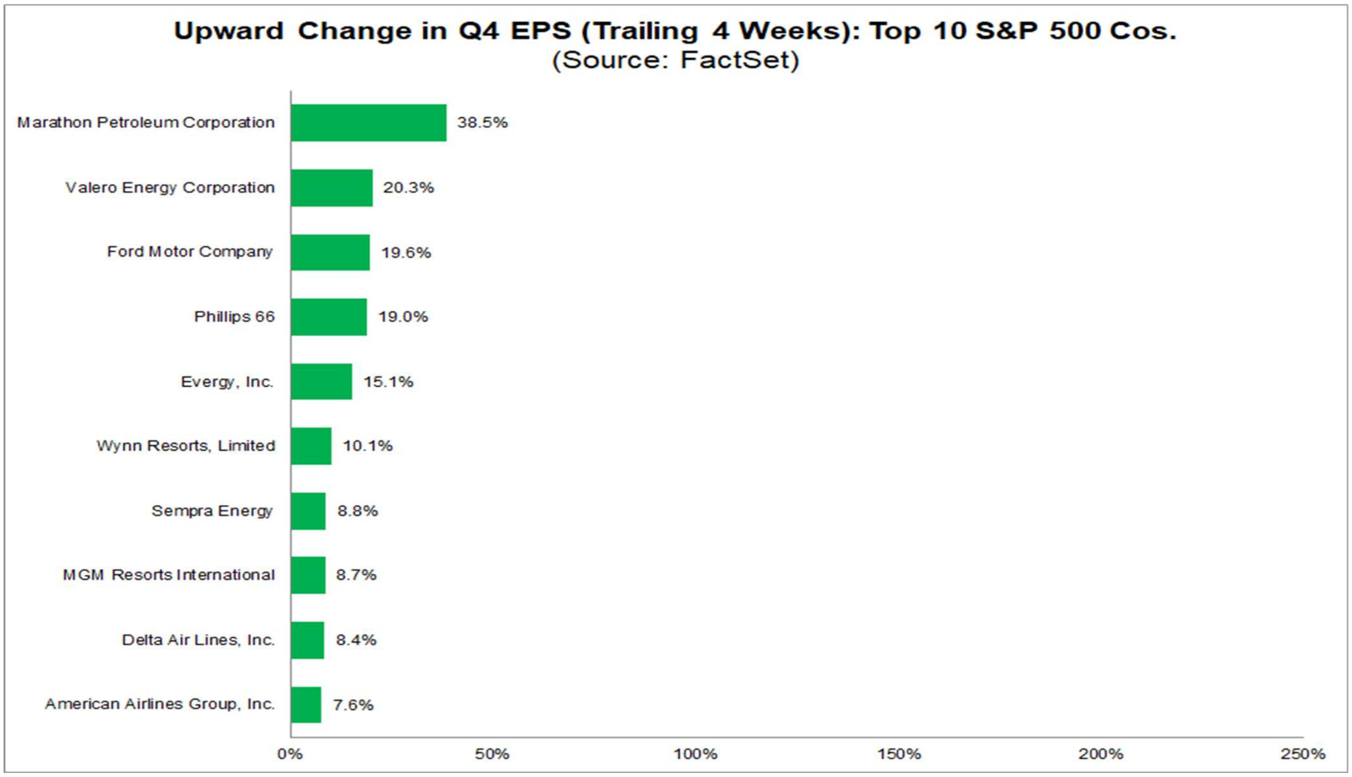
Q4 2022: Guidance

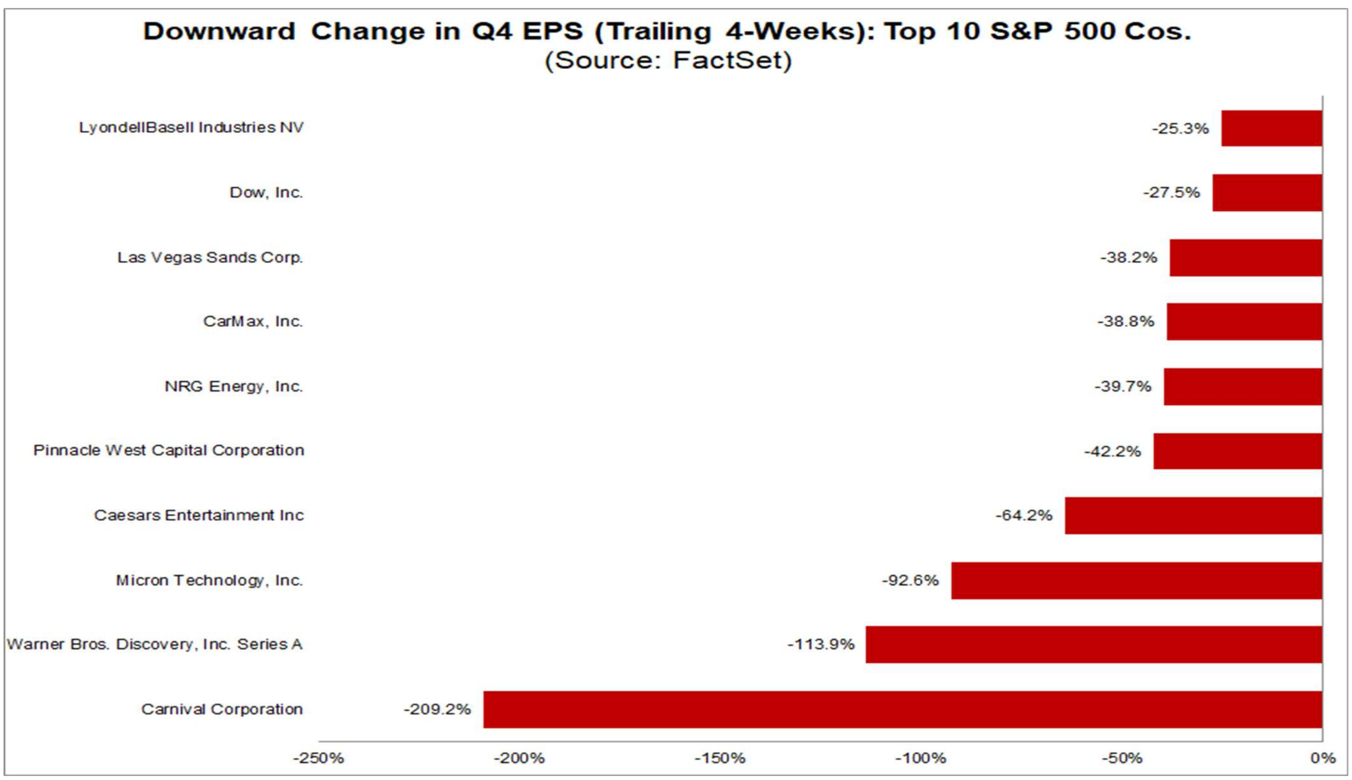




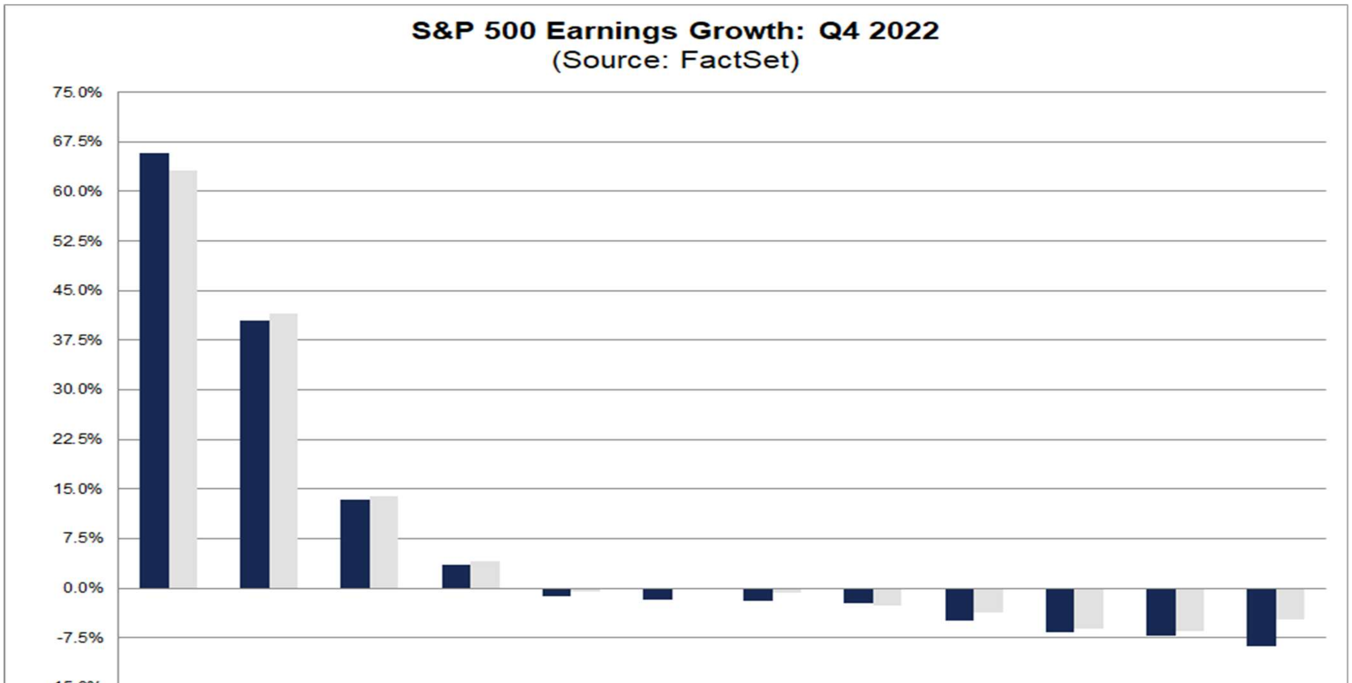
	Consumer Disc.	Industrials	S&P 500	Info. Technology	Materials	Real Estate	Utilities	Comm. Services	Consumer Staples	Health Care	Financials	Energy
Positive	0%	33%	44%	50%	100%	100%	0%	0%	0%	0%	0%	0%
Negative	100%	67%	56%	50%	0%	0%	0%	0%	0%	0%	0%	0%

Q4 2022: EPS Revisions

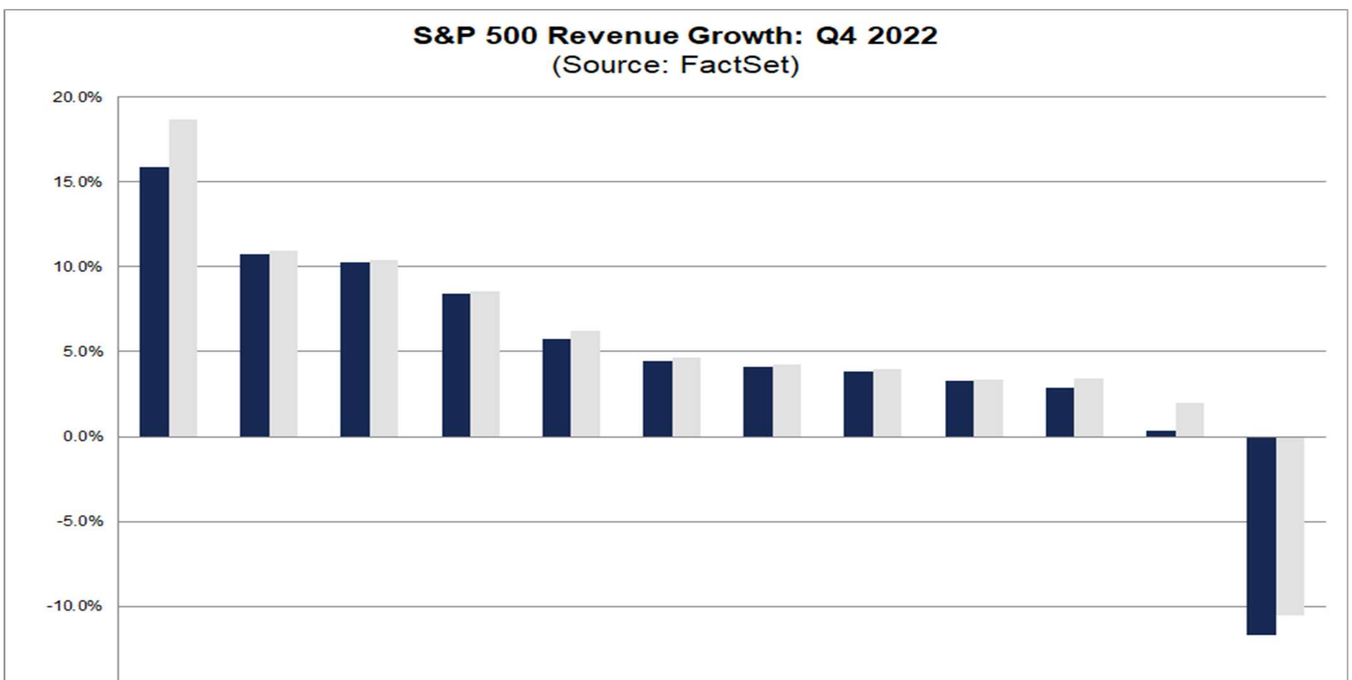




Q4 2022: Growth

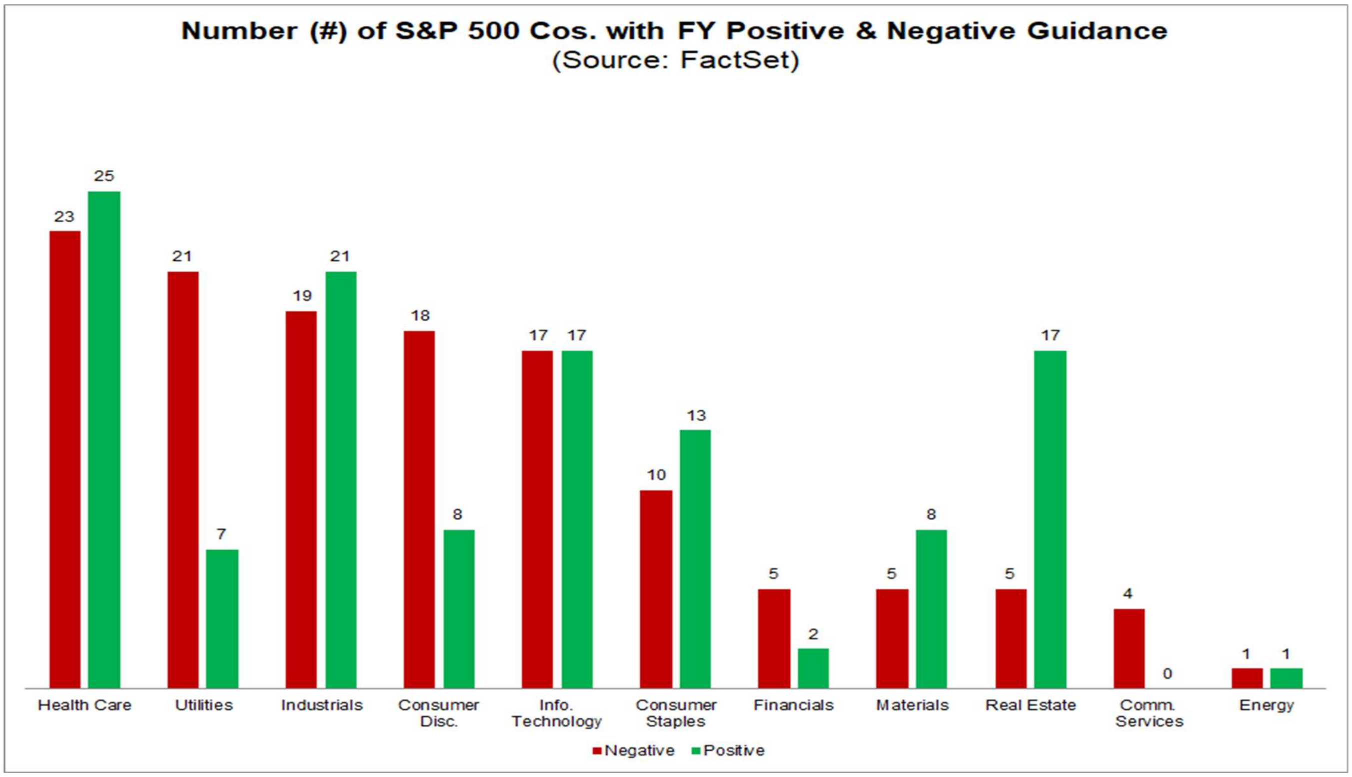


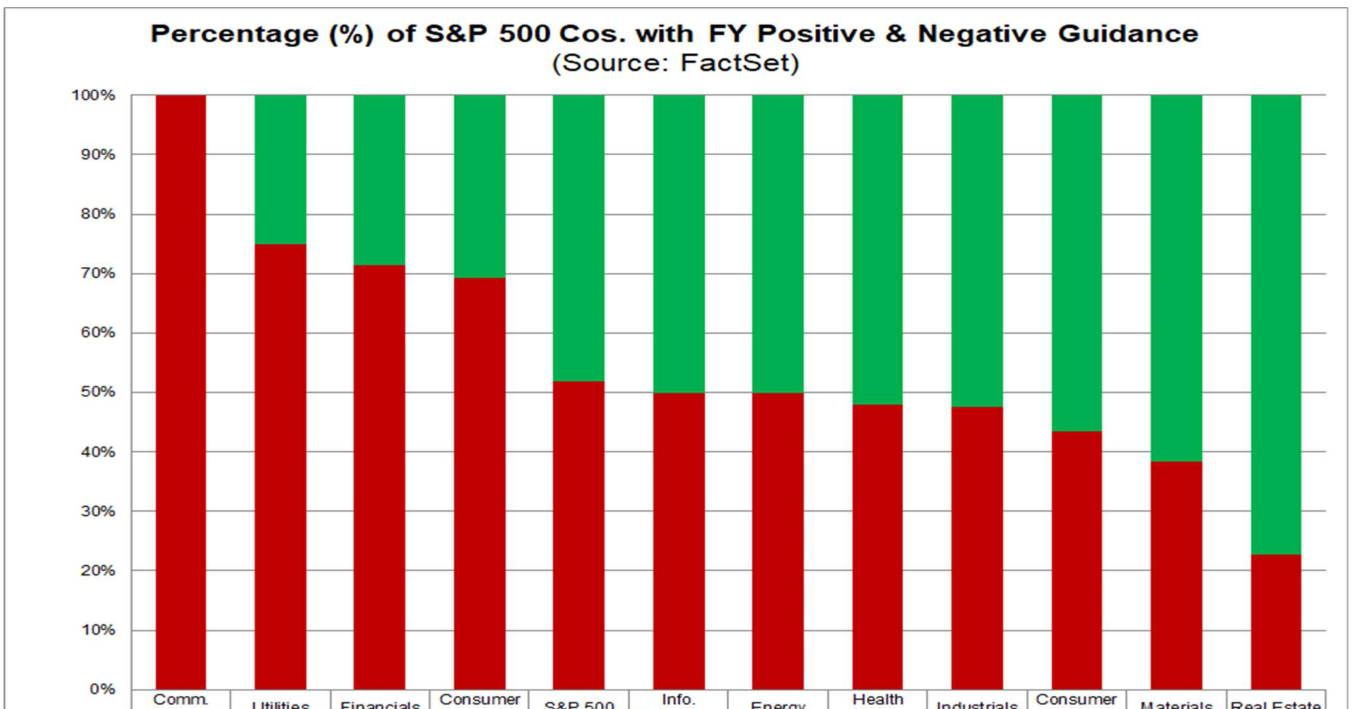
	Energy	Industrials	Real Estate	S&P 500	Info. Technology	Utilities	Consumer Staples	Health Care	Financials	Comm. Services	Consumer Disc.	Materials
Today	65.8%	40.5%	13.4%	3.6%	-1.3%	-1.8%	-1.9%	-2.3%	-4.9%	-6.7%	-7.2%	-8.7%
30-Sep	63.1%	41.4%	13.8%	4.1%	-0.6%	-0.1%	-0.7%	-2.6%	-3.8%	-6.2%	-6.4%	-4.7%



	Energy	Consumer Disc.	Industrials	Real Estate	S&P 500	Financials	Consumer Staples	Comm. Services	Health Care	Info. Technology	Materials	Utilities
Today	15.9%	10.8%	10.3%	8.4%	5.8%	4.5%	4.1%	3.8%	3.3%	2.9%	0.3%	-11.7%
30-Sep	18.6%	11.0%	10.4%	8.6%	6.2%	4.7%	4.2%	4.0%	3.4%	3.4%	2.0%	-10.6%

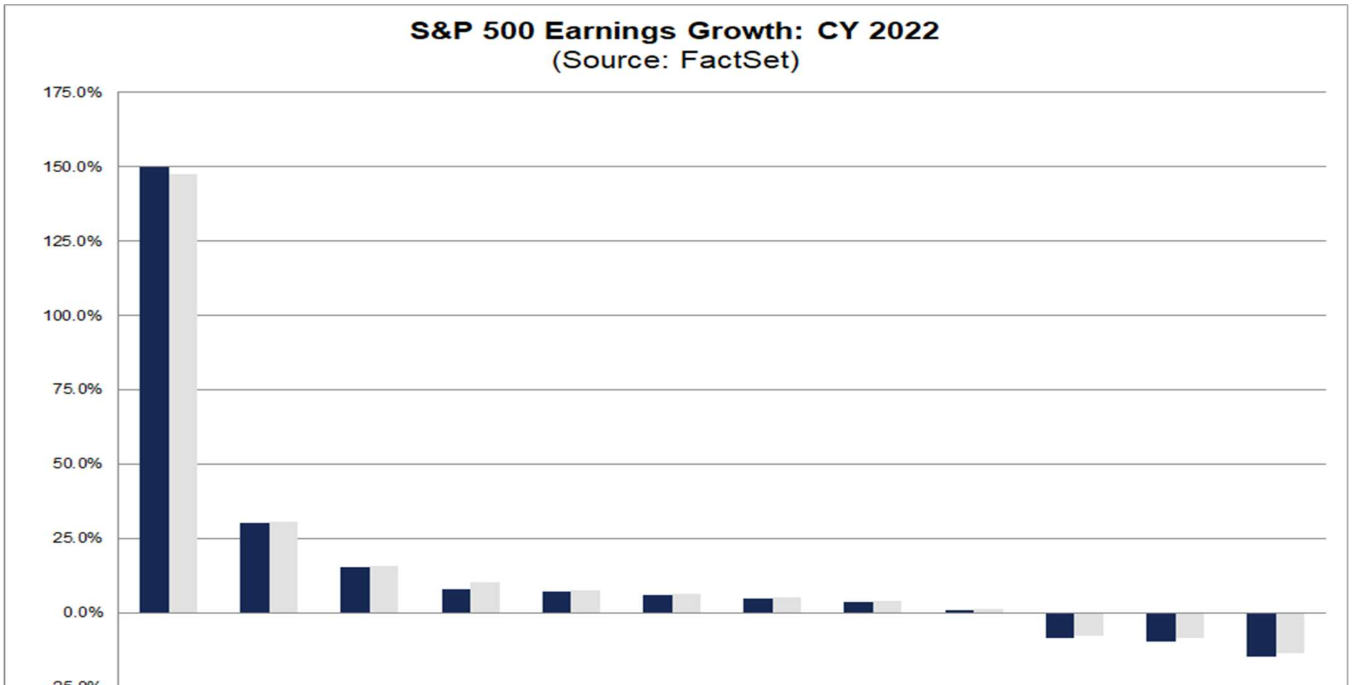
FY 2022 / 2023: EPS Guidance



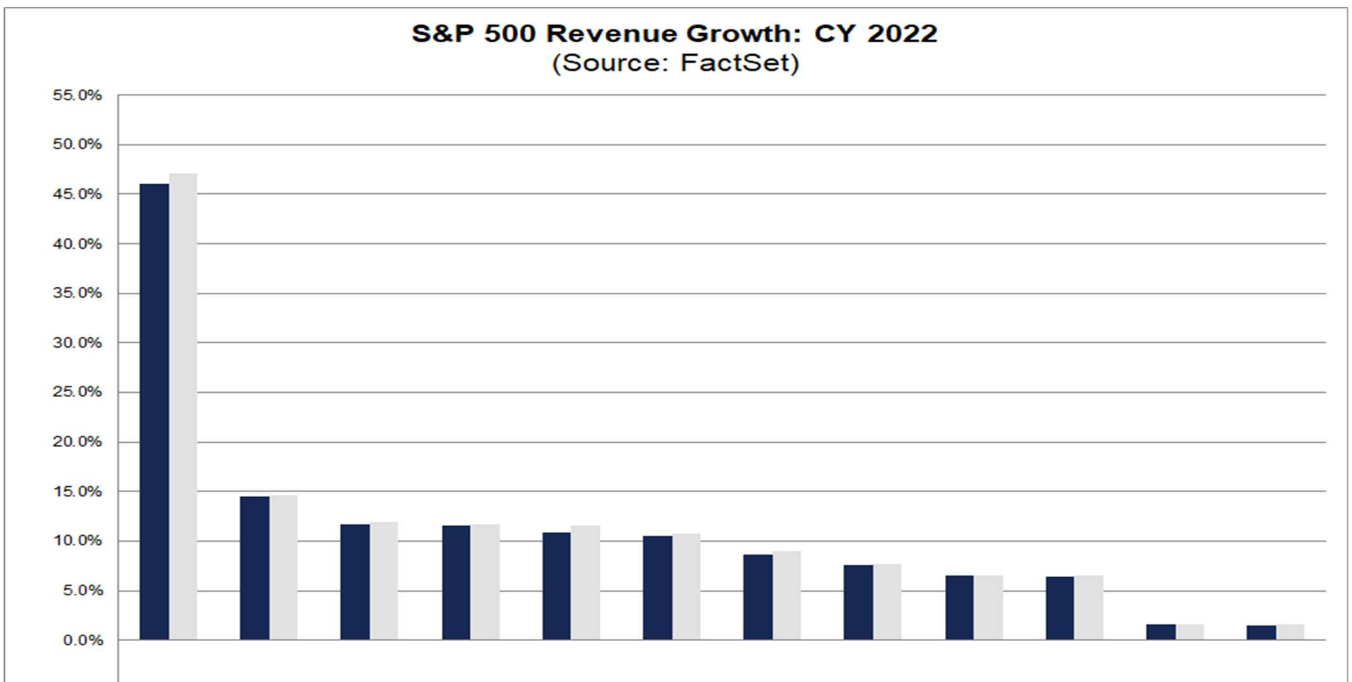


	Comm. Services	Utilities	Financials	Consumer Disc.	S&P 500	Info. Technology	Energy	Health Care	Industrials	Consumer Staples	Materials	Real Estate
Positive	0%	25%	29%	31%	48%	50%	50%	52%	53%	57%	62%	77%
Negative	100%	75%	71%	69%	52%	50%	50%	48%	48%	43%	38%	23%

CY 2022: Growth

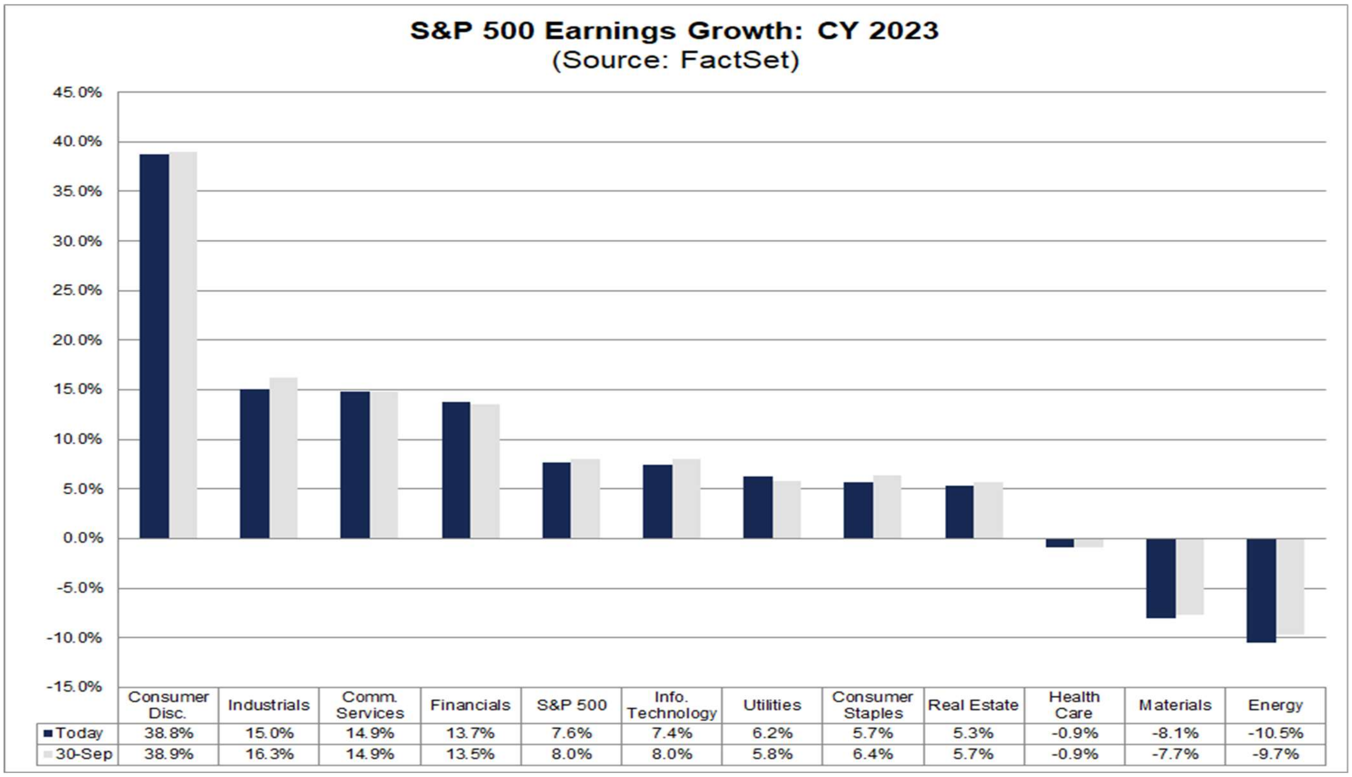


	Energy	Industrials	Real Estate	Materials	S&P 500	Info. Technology	Utilities	Health Care	Consumer Staples	Comm. Services	Consumer Disc.	Financials
Today	149.9%	30.1%	15.2%	7.9%	7.0%	6.0%	5.0%	3.6%	1.0%	-8.4%	-9.5%	-14.8%
30-Sep	147.6%	30.4%	15.6%	10.4%	7.5%	6.5%	5.3%	3.9%	1.2%	-7.8%	-8.6%	-13.6%

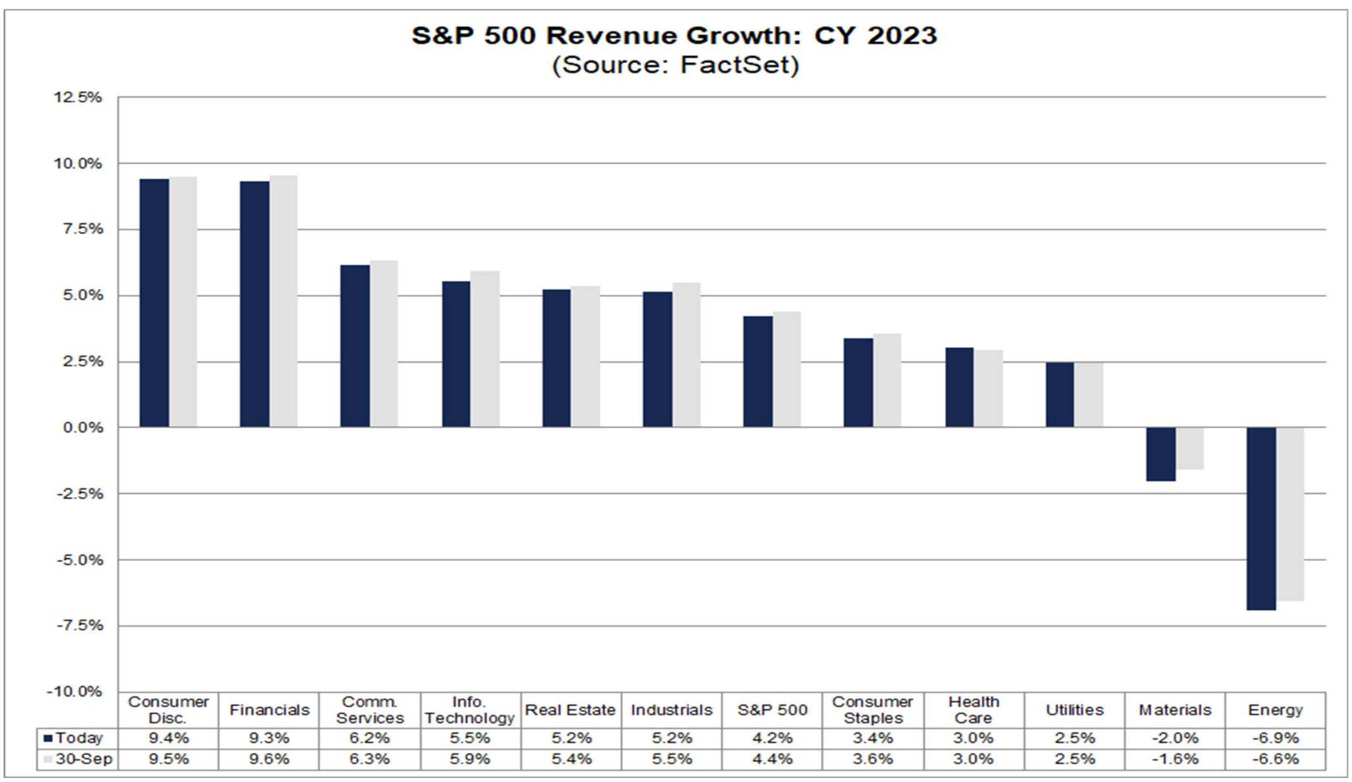


	Energy	Real Estate	Consumer Disc.	Industrials	Materials	S&P 500	Info. Technology	Health Care	Consumer Staples	Comm. Services	Financials	Utilities
Today	46.1%	14.5%	11.7%	11.6%	10.9%	10.6%	8.7%	7.6%	6.5%	6.4%	1.7%	1.4%
30-Sep	47.1%	14.6%	11.9%	11.7%	11.5%	10.7%	9.0%	7.7%	6.5%	6.5%	1.6%	1.7%

CY 2023: Growth

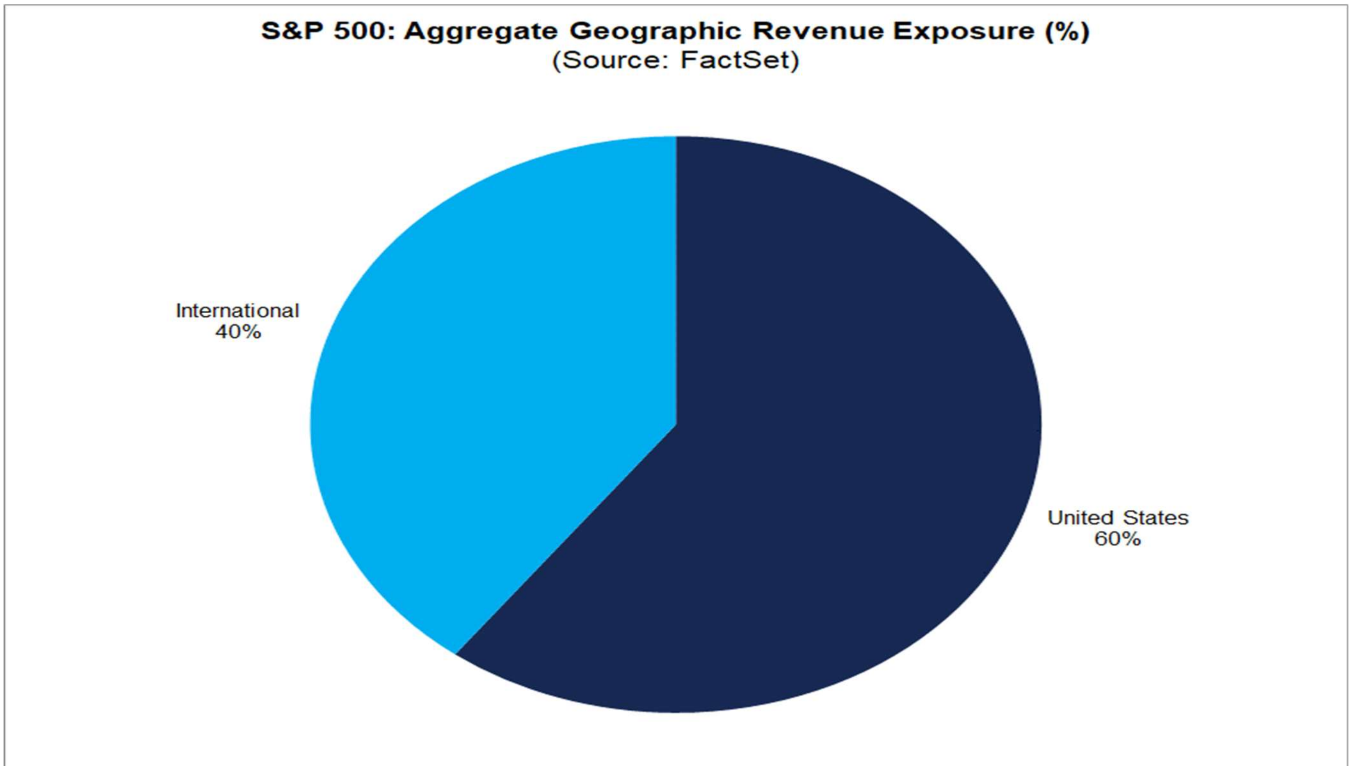


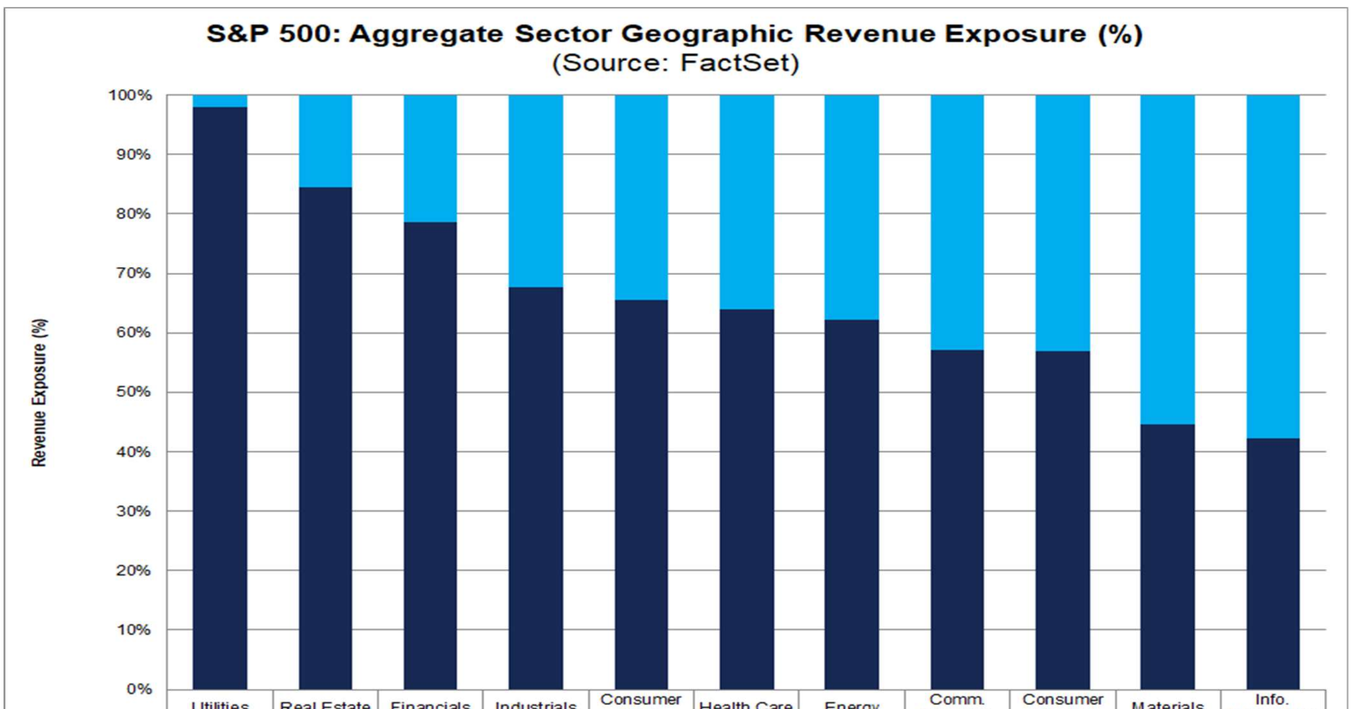
	Consumer Disc.	Industrials	Comm. Services	Financials	S&P 500	Info. Technology	Utilities	Consumer Staples	Real Estate	Health Care	Materials	Energy
Today	38.8%	15.0%	14.9%	13.7%	7.6%	7.4%	6.2%	5.7%	5.3%	-0.9%	-8.1%	-10.5%
30-Sep	38.9%	16.3%	14.9%	13.5%	8.0%	8.0%	5.8%	6.4%	5.7%	-0.9%	-7.7%	-9.7%



	Consumer Disc.	Financials	Comm. Services	Info. Technology	Real Estate	Industrials	S&P 500	Consumer Staples	Health Care	Utilities	Materials	Energy
Today	9.4%	9.3%	6.2%	5.5%	5.2%	5.2%	4.2%	3.4%	3.0%	2.5%	-2.0%	-6.9%
30-Sep	9.5%	9.6%	6.3%	5.9%	5.4%	5.5%	4.4%	3.6%	3.0%	2.5%	-1.6%	-6.6%

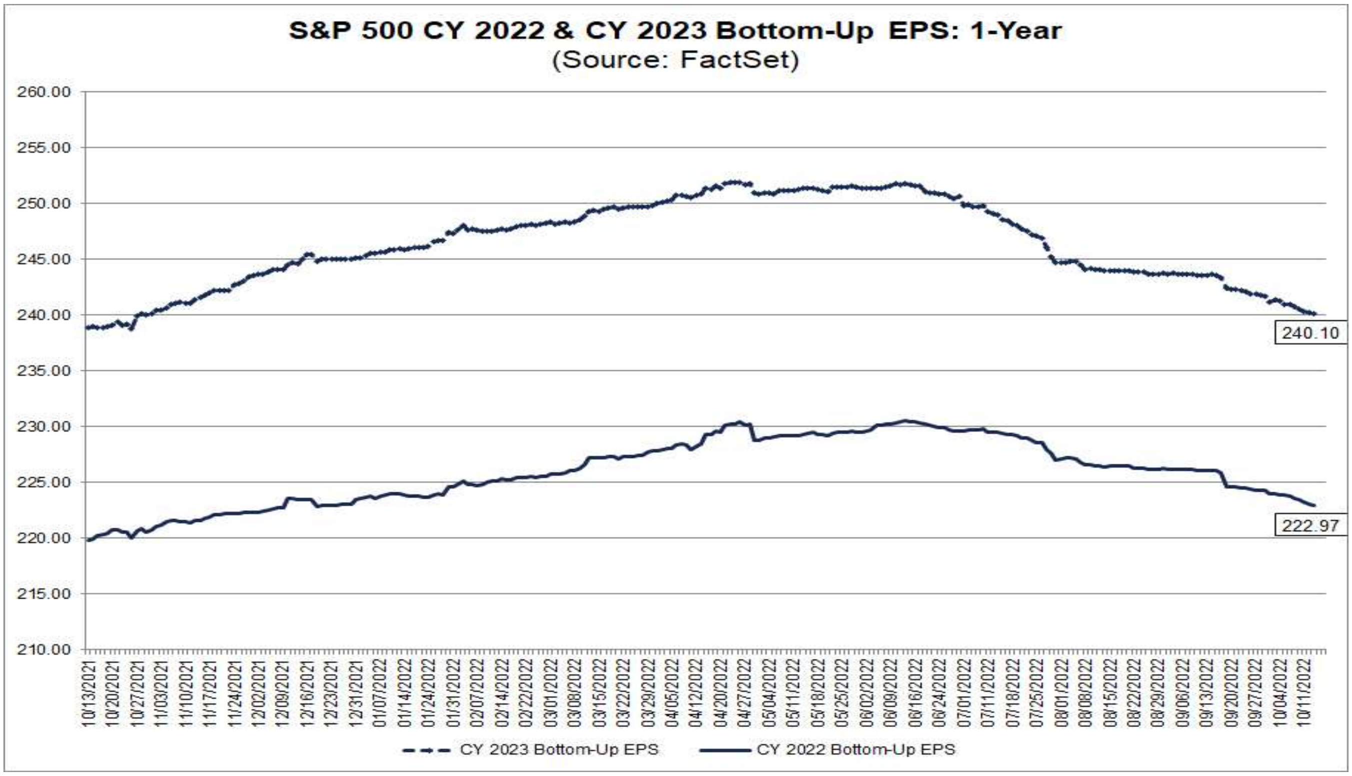
Geographic Revenue Exposure

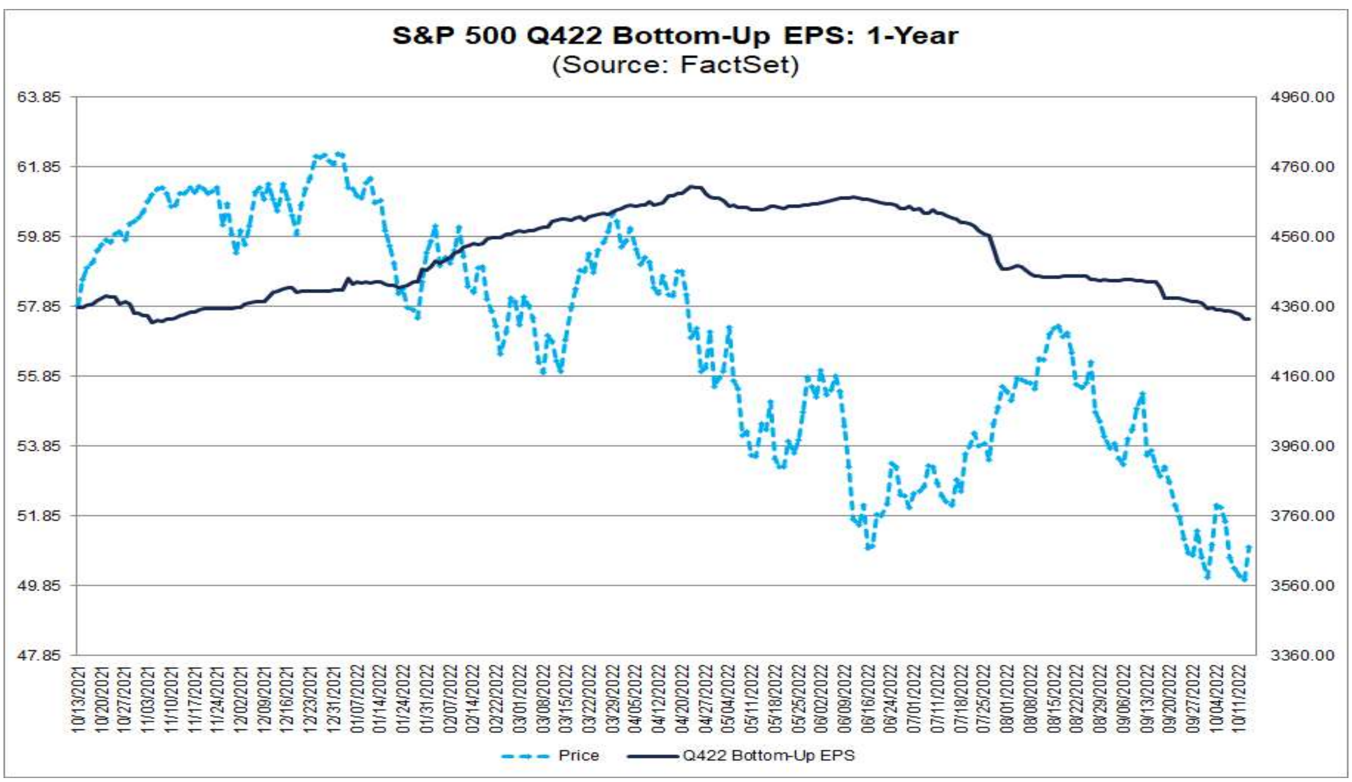




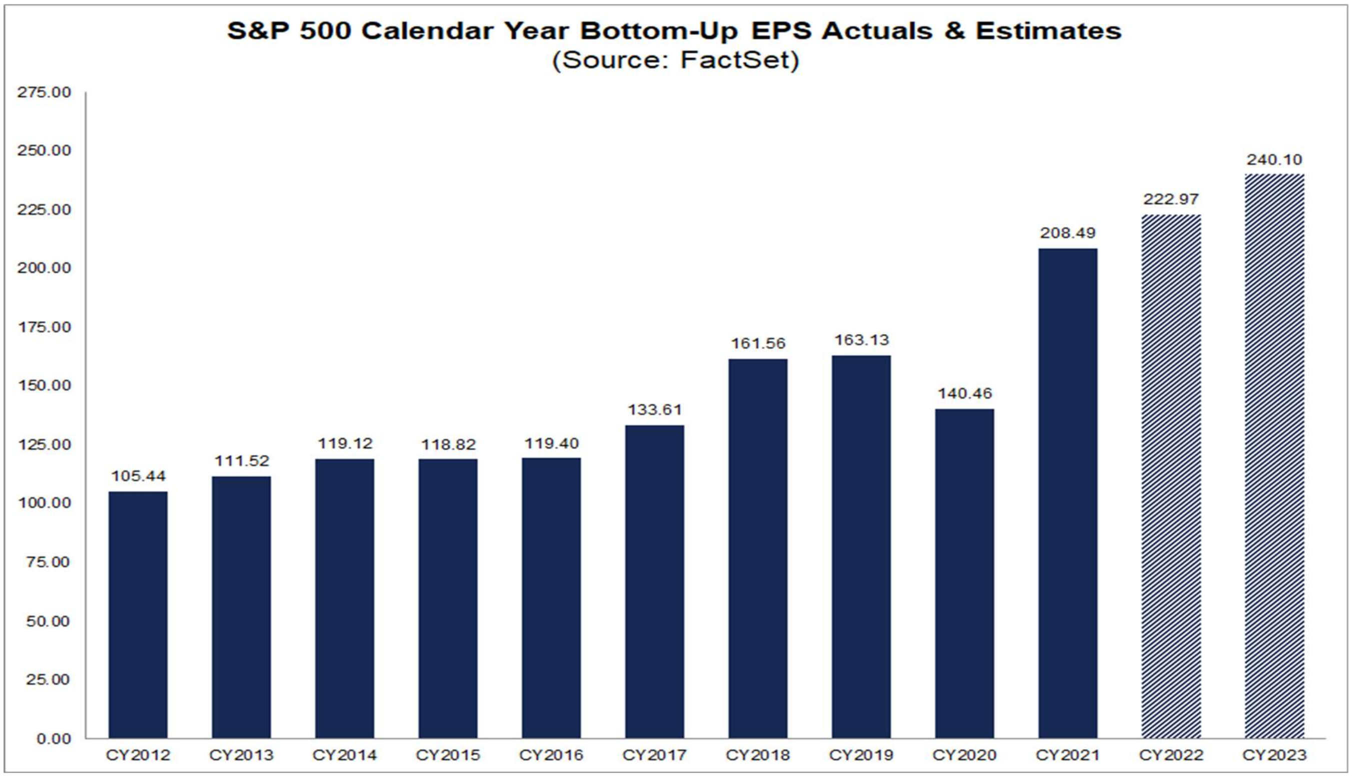
	Utilities	Real Estate	Financials	Industrials	Consumer Disc.	Health Care	Energy	Comm. Services	Consumer Staples	Materials	Info. Technology
International	2%	16%	21%	32%	34%	36%	38%	43%	43%	55%	58%
United States	98%	84%	79%	68%	66%	64%	62%	57%	57%	45%	42%

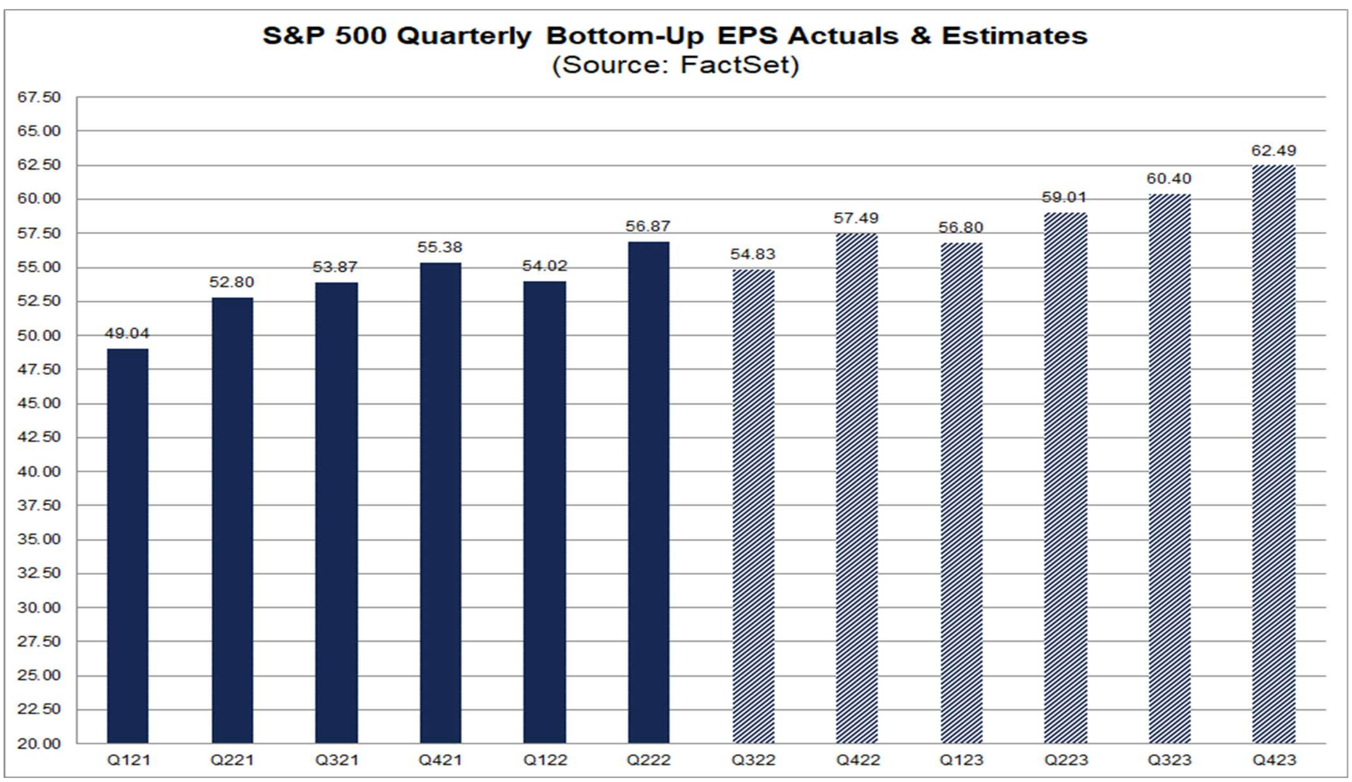
Bottom-Up EPS Estimates



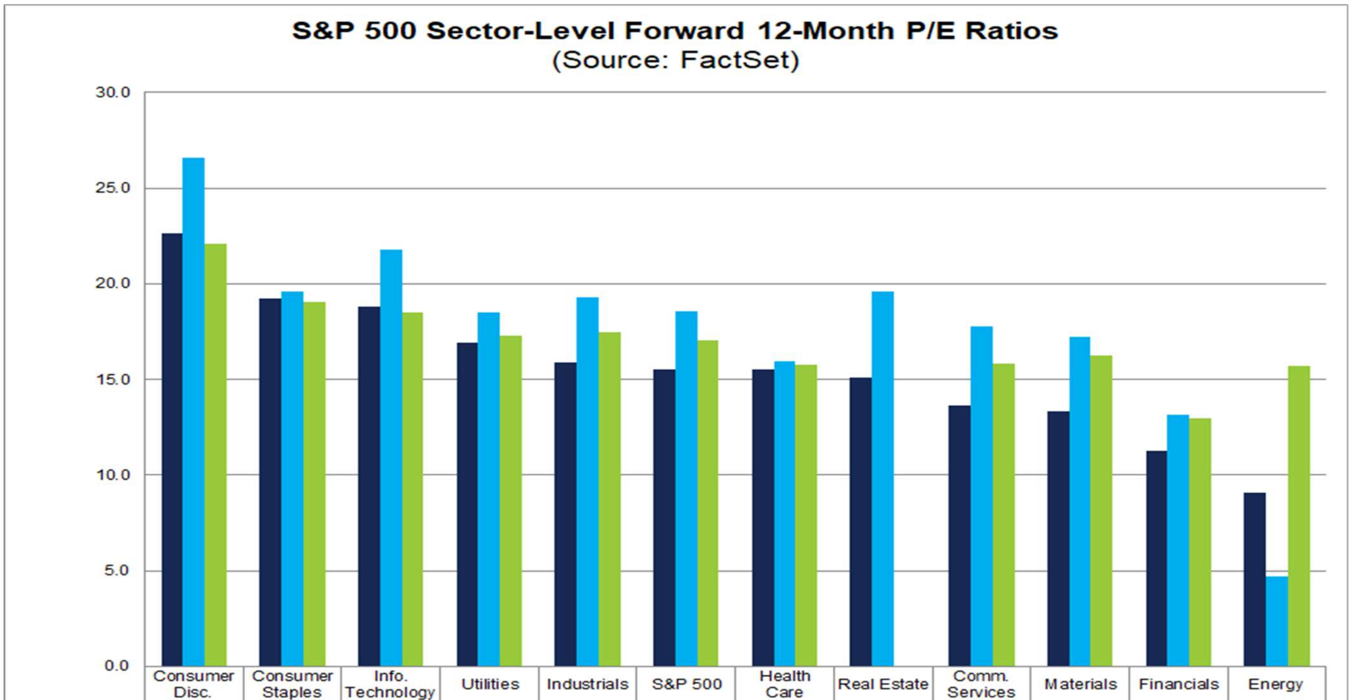


Bottom-Up EPS Estimates: Current & Historical

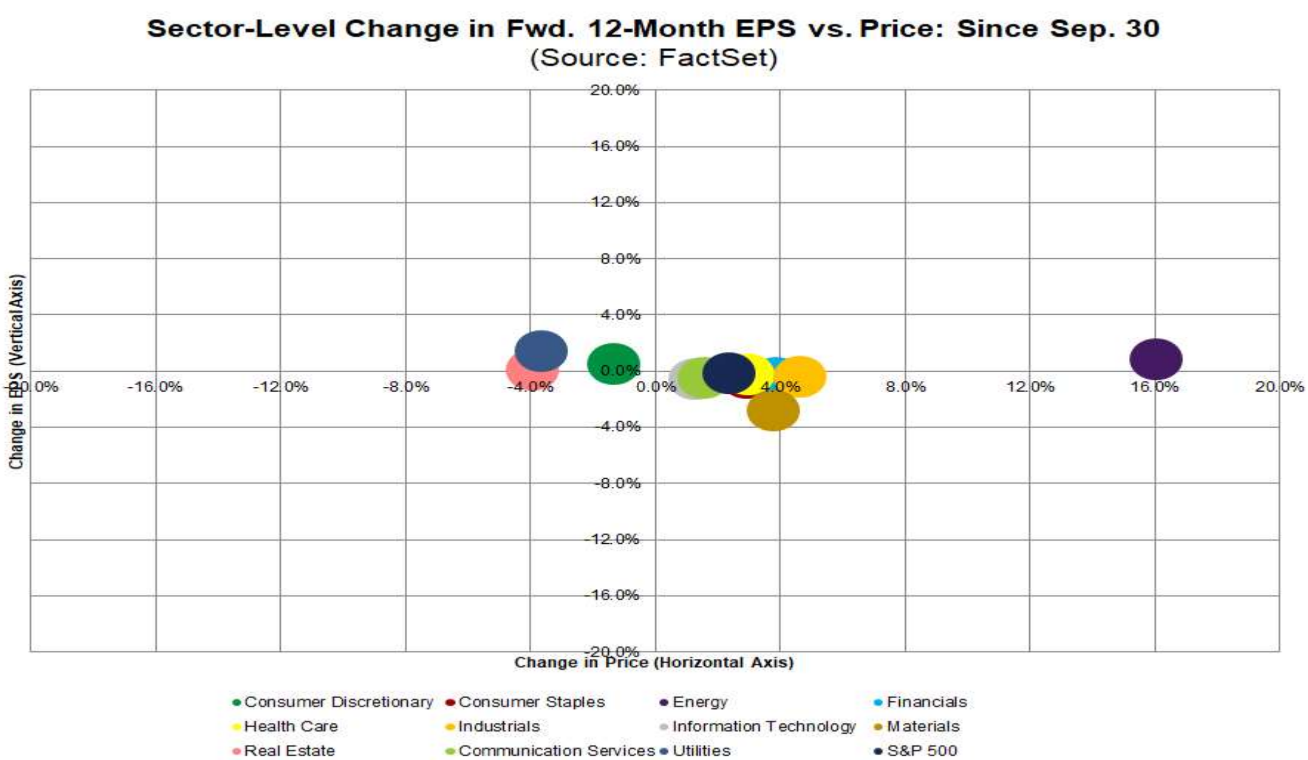




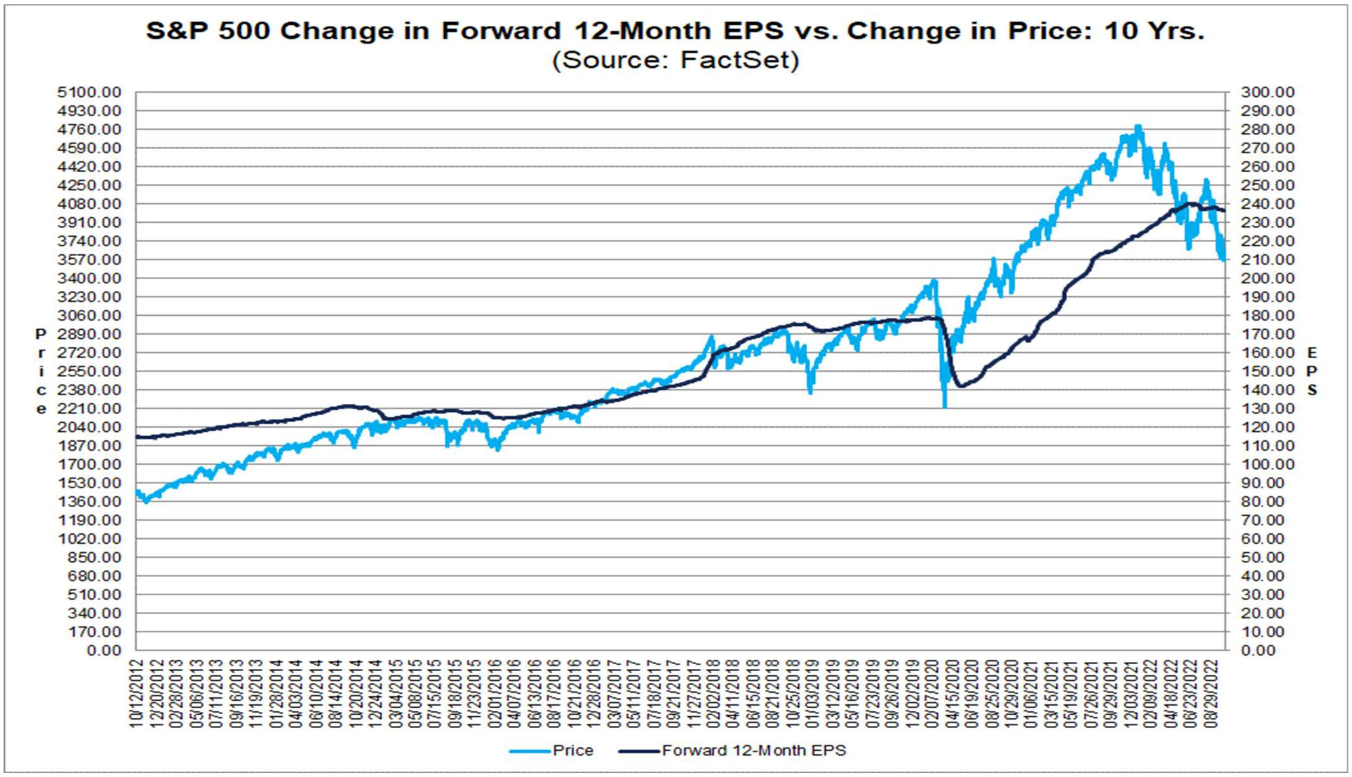
Forward 12M P/E Ratio: Sector Level

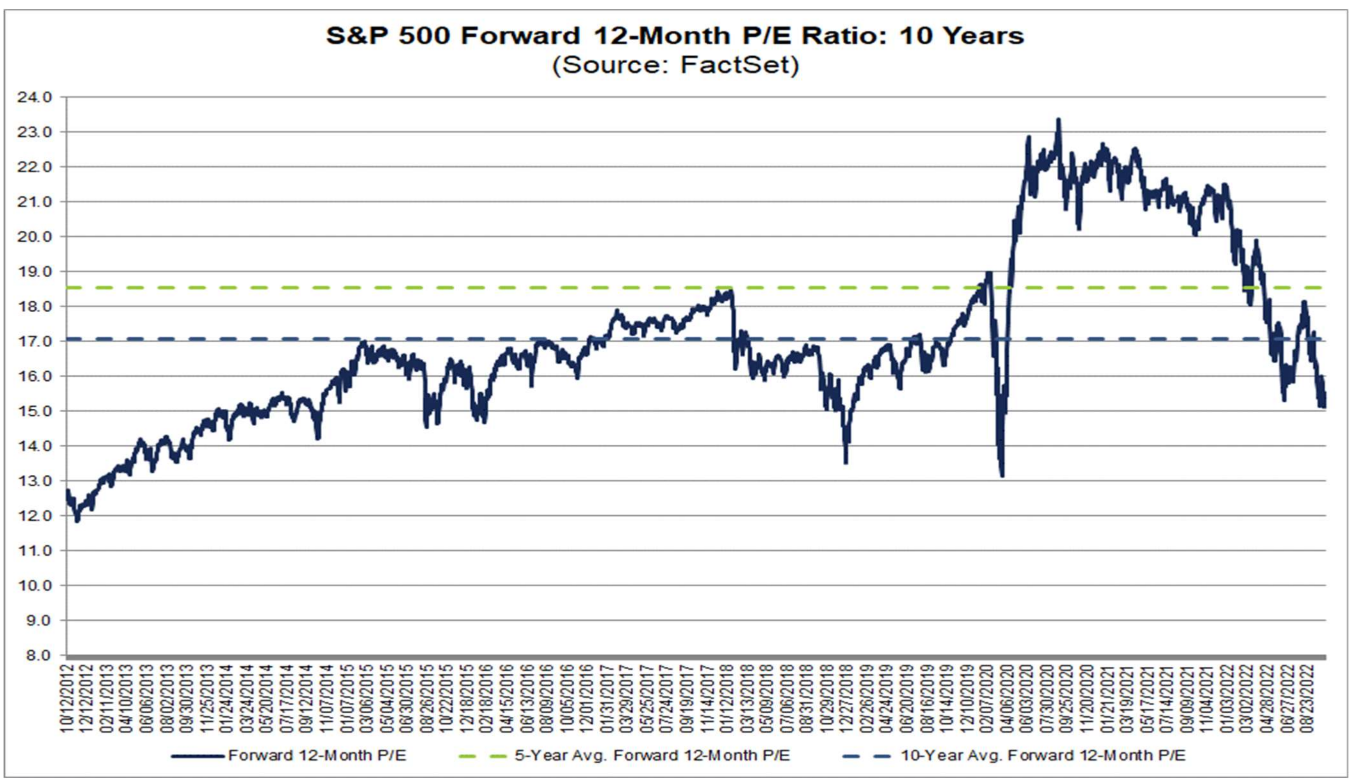


	Consumer Disc.	Consumer Staples	Info. Technology	Utilities	Industrials	S&P 500	Health Care	Real Estate	Comm. Services	Materials	Financials	Energy
Fwd P/E	22.6	19.2	18.8	16.9	15.9	15.5	15.5	15.1	13.6	13.3	11.2	9.1
5-Yr Avg.	26.6	19.6	21.8	18.5	19.3	18.5	15.9	19.6	17.8	17.2	13.2	4.7
10-Yr Avg.	22.1	19.1	18.5	17.3	17.5	17.1	15.8		15.8	16.3	13.0	15.7

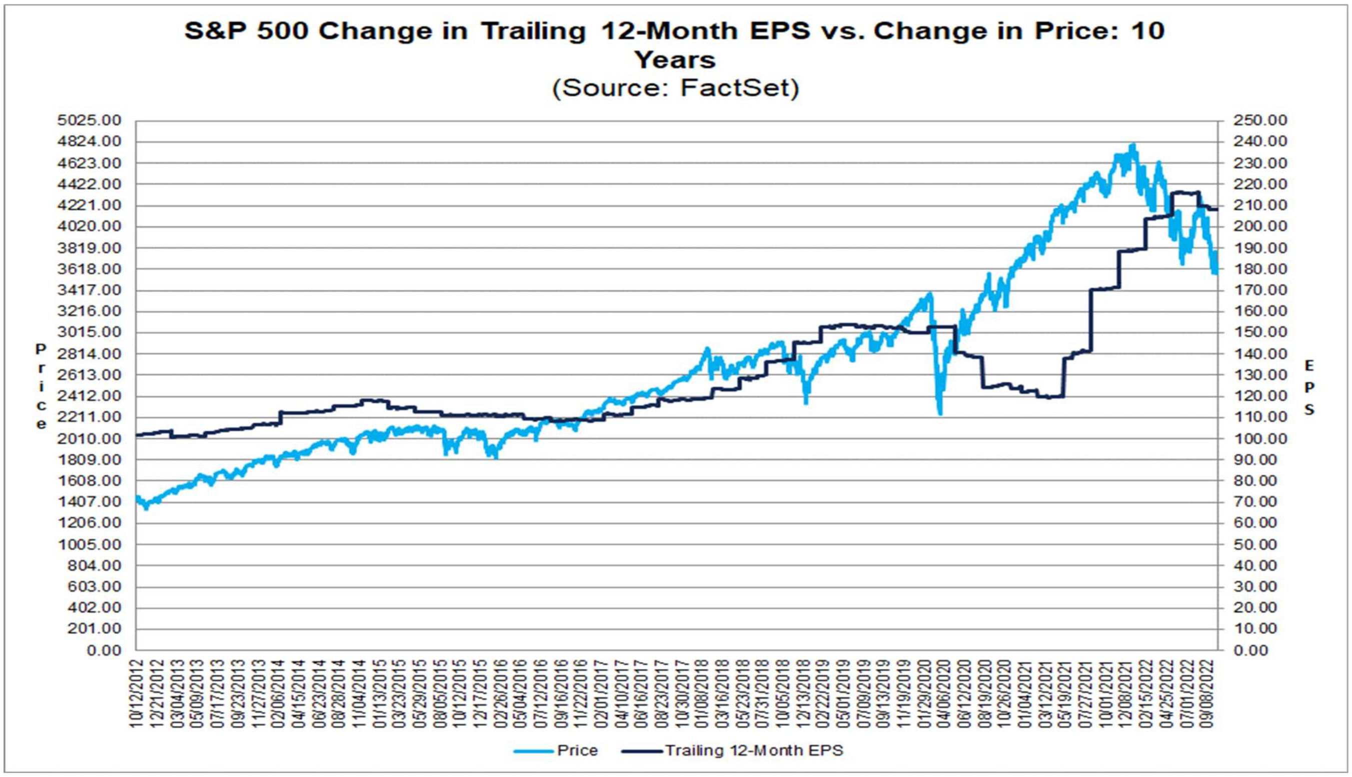


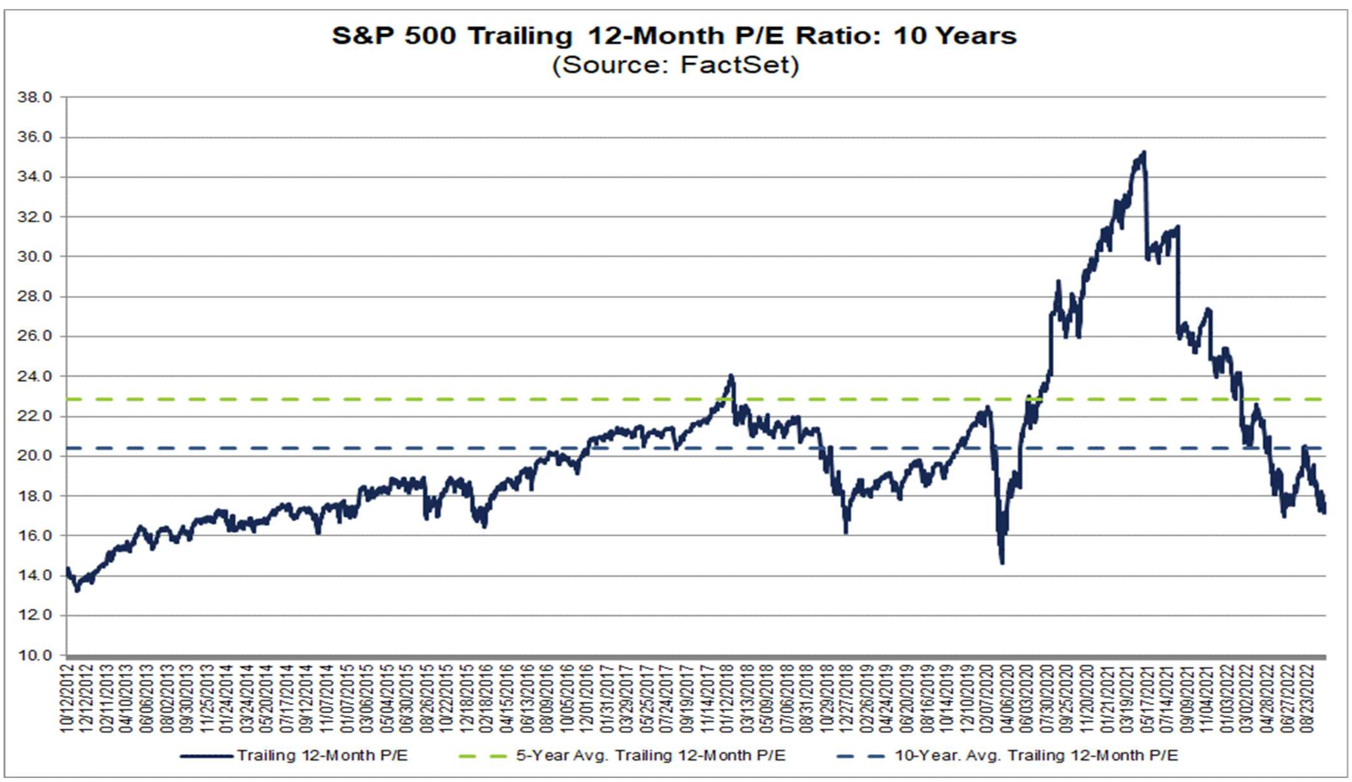
Forward 12M P/E Ratio: 10-Years



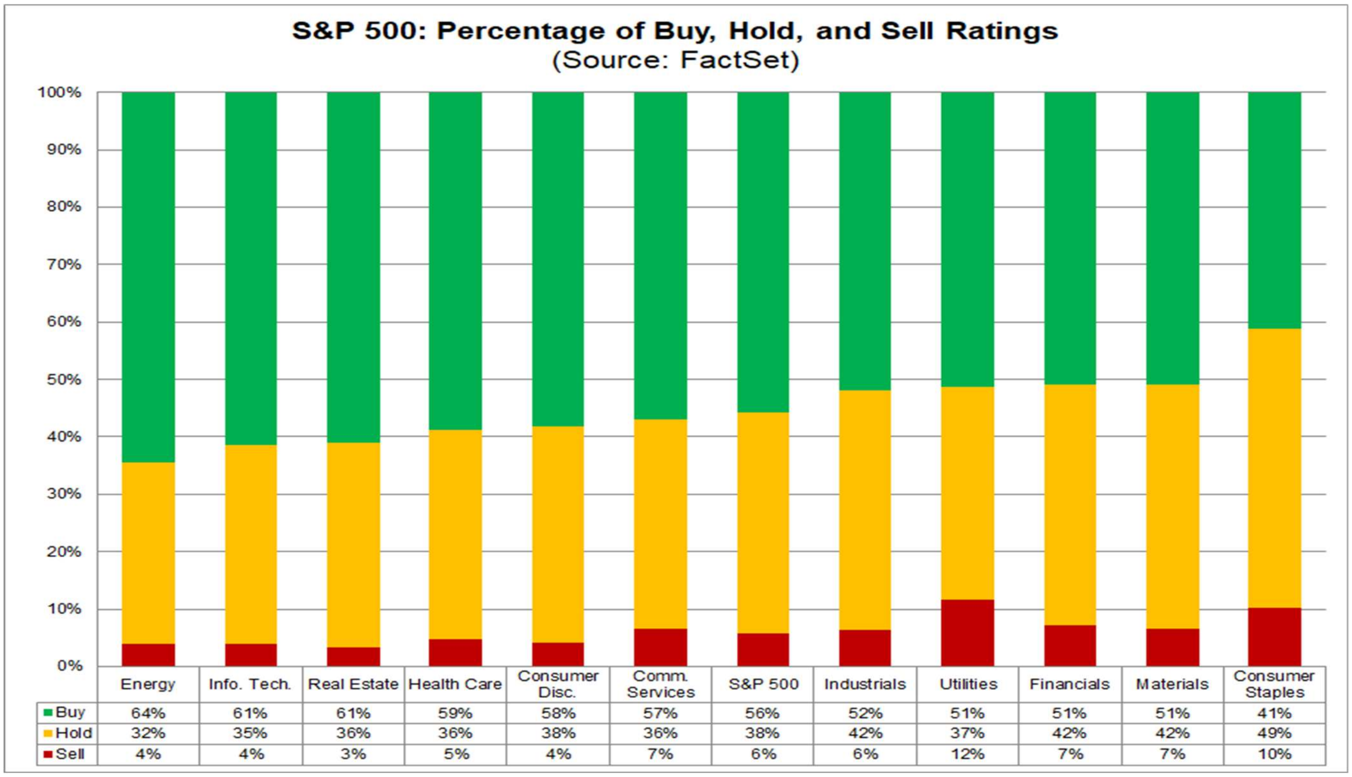


Trailing 12M P/E Ratio: 10-Years

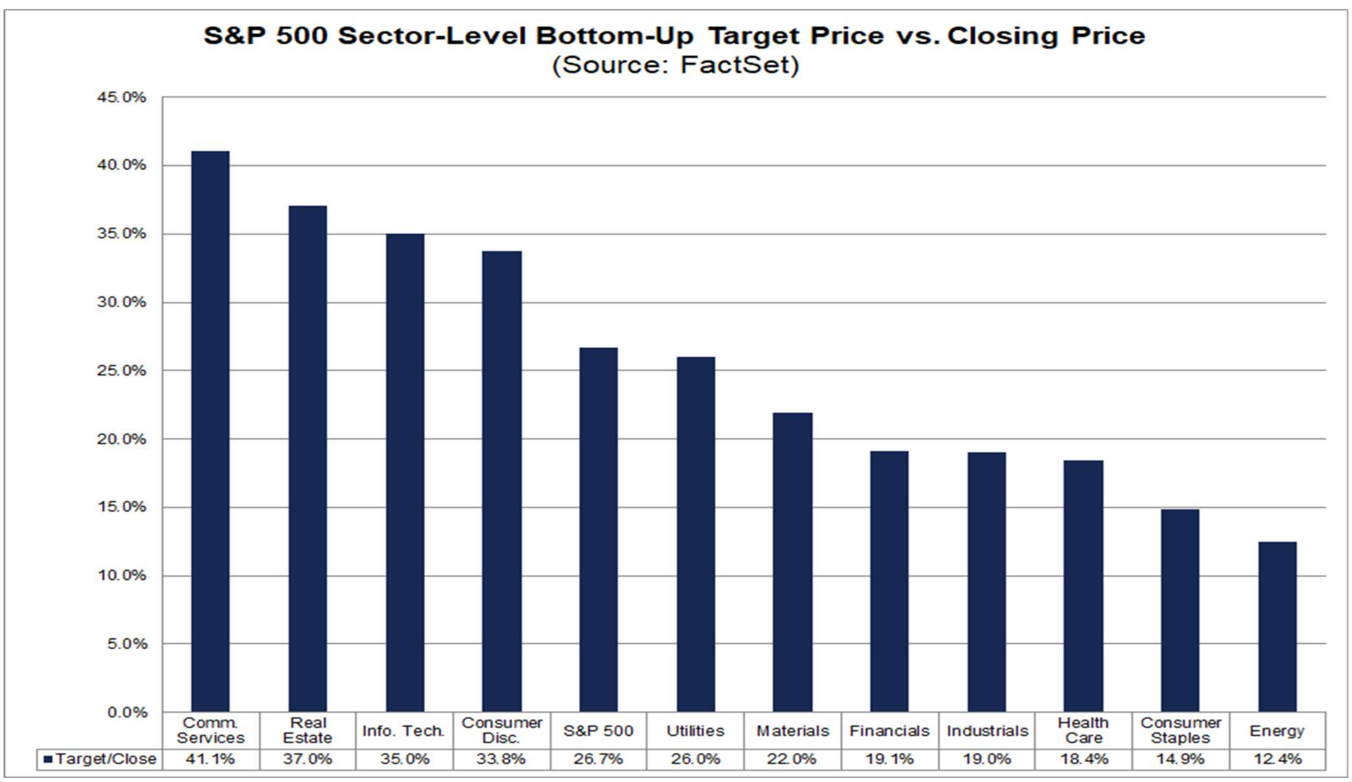




Targets & Ratings



	Energy	Info. Tech.	Real Estate	Health Care	Consumer Disc.	Comm. Services	S&P 500	Industrials	Utilities	Financials	Materials	Consumer Staples
Buy	64%	61%	61%	59%	58%	57%	56%	52%	51%	51%	51%	41%
Hold	32%	35%	36%	36%	38%	36%	38%	42%	37%	42%	42%	49%
Sell	4%	4%	3%	5%	4%	7%	6%	6%	12%	7%	7%	10%



	Comm. Services	Real Estate	Info. Tech.	Consumer Disc.	S&P 500	Utilities	Materials	Financials	Industrials	Health Care	Consumer Staples	Energy
Target/Close	41.1%	37.0%	35.0%	33.8%	26.7%	26.0%	22.0%	19.1%	19.0%	18.4%	14.9%	12.4%

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