

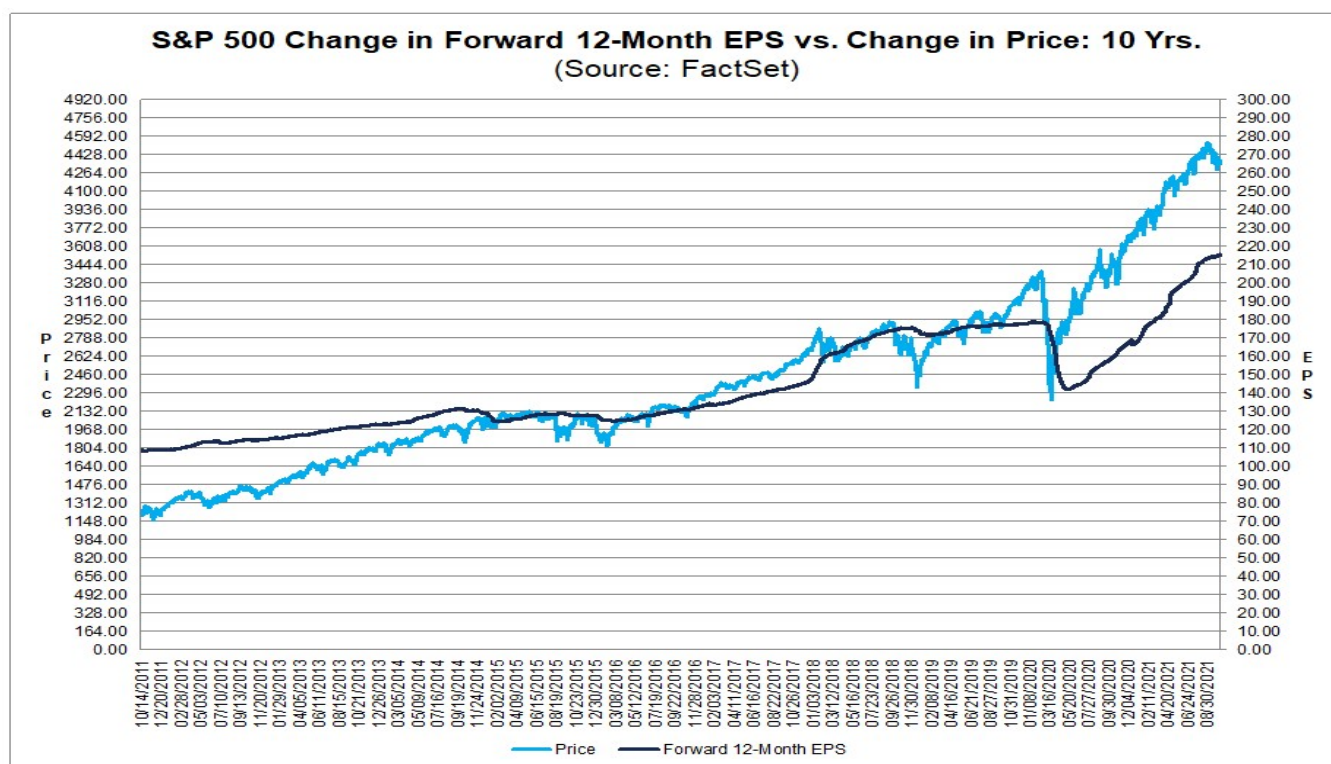
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Key Metrics

- **Earnings Scorecard:** For Q3 2021 (with 8% of S&P 500 companies reporting actual results), 80% of S&P 500 companies have reported a positive EPS surprise and 83% of S&P 500 companies have reported a positive revenue surprise.
- **Earnings Growth:** For Q3 2021, the blended earnings growth rate for the S&P 500 is 30.0%. If 30.0% is the actual growth rate for the quarter, it will mark the third-highest (year-over-year) earnings growth rate reported by the index since 2010.
- **Earnings Revisions:** On September 30, the estimated earnings growth rate for Q3 2021 was 27.5%. Six sectors have higher earnings growth rates today (compared to September 30) due to positive EPS estimates and upward revisions to estimates
- **Earnings Guidance:** For Q4 2021, 3 S&P 500 companies have issued negative EPS guidance and 2 S&P 500 companies have issued positive EPS guidance.
- **Valuation:** The forward 12-month P/E ratio for the S&P 500 is 20.3. This P/E ratio is above the 5-year average (18.3) and above the 10-year average (16.4).



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Topic of the Week:

S&P 500 Is Reporting 3rd Highest Net Profit Margin Since 2008 For Q3

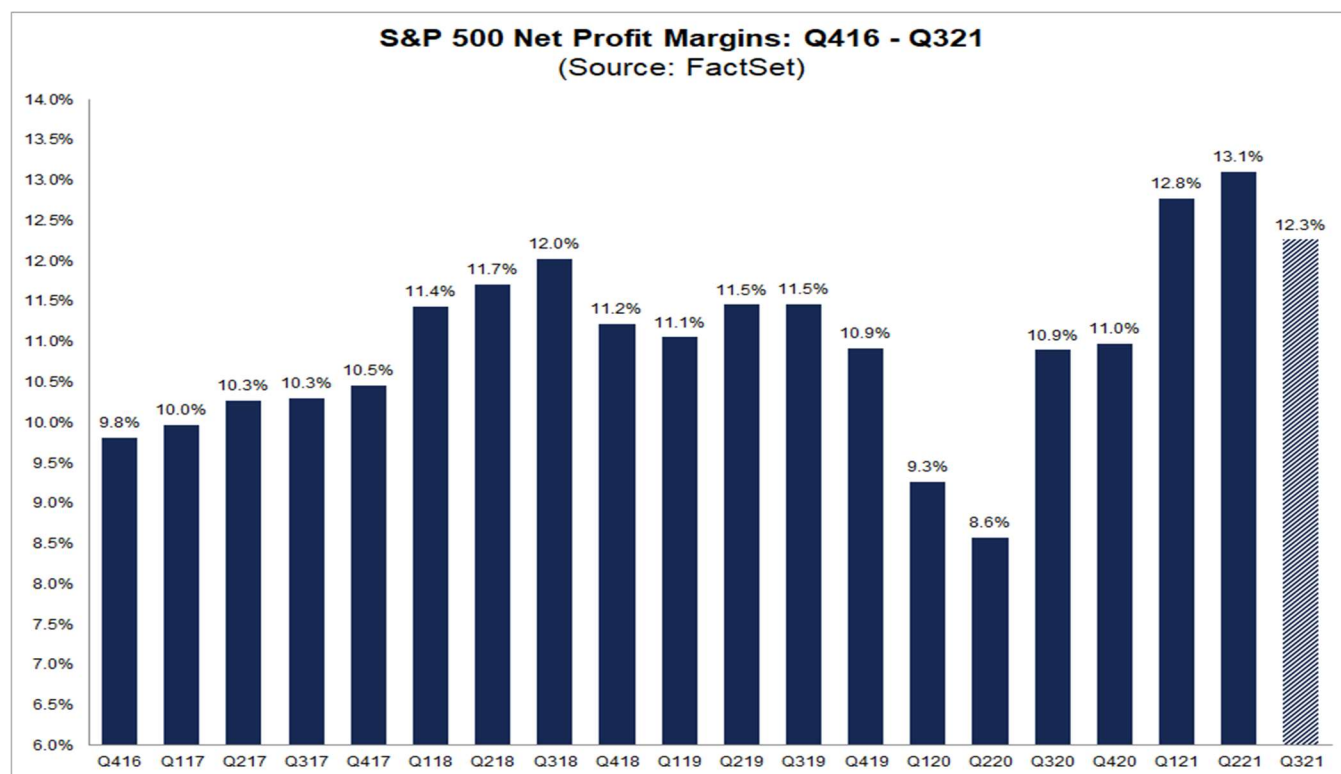
Given concerns in the market about rising inflation, what is the S&P 500 reporting for a net profit margin in the third quarter?

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 Q3 2021 is 12.3%, which is above the year-ago net profit margin and above the 5-year average net profit margin (10.9%). However, it is below the previous quarter's record-high net profit margin of 13.1%. If 12.3% 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 the previous two quarters.

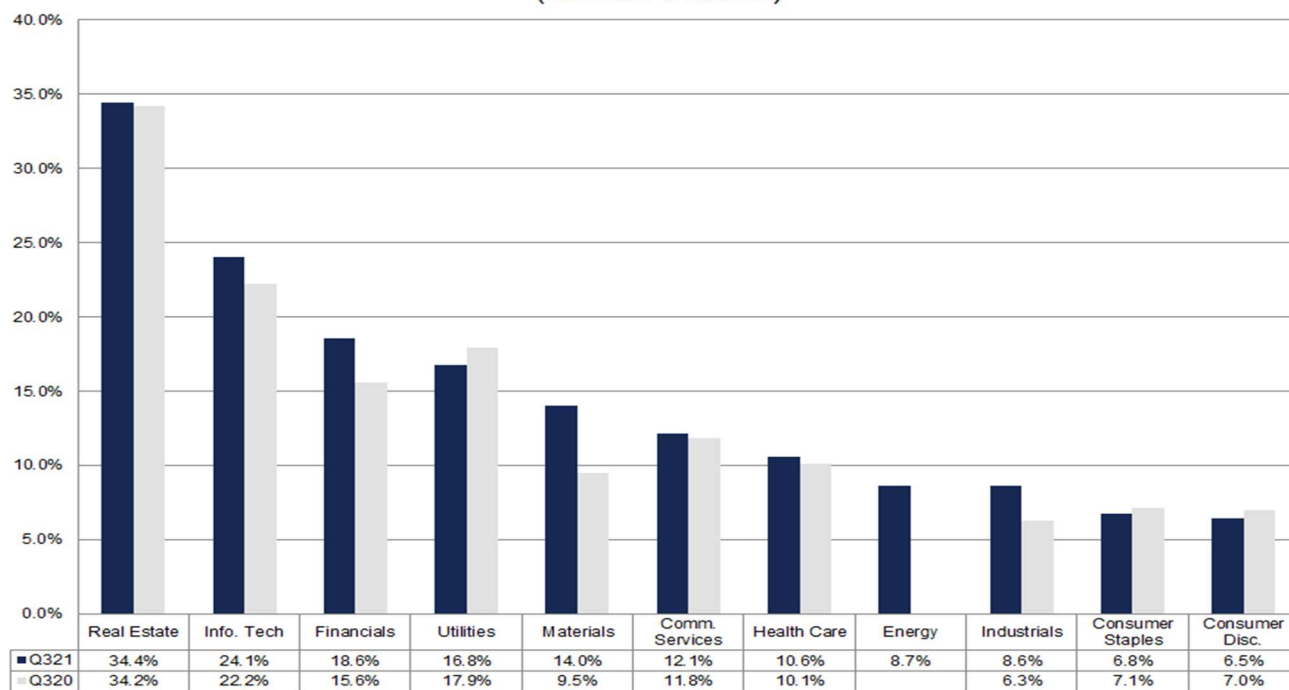
On June 30, the estimated net profit margin for the third quarter was 12.0%. Thus, the net profit margin is slightly higher today relative to expectations at the start of the third quarter.

At the sector level, eight sectors are reporting (or are expected to report) a year-over-year increase in their net profit margins in Q3 2021 compared to Q3 2020, led by the Energy (8.7% vs. NA) and Materials (14.0% vs. 9.5%) sectors. A year-ago net profit margin has not been calculated for the Energy sector due to the earnings loss reported by the sector in Q3 2020. Eight sectors are reporting (or are expected to report) net profit margins in Q3 2021 that are above their 5-year averages, led by the Materials (14.0% vs. 9.5%), Utilities (16.8% vs. 12.9%), and Energy (8.7% vs. 4.9%) sectors. However, only two sectors are expected to report a quarter-over-quarter increase in their net profit margins for Q3 2021 compared to Q2 2021: Energy (8.7% vs. 6.5%) and Utilities (16.8% vs. 15.0%).

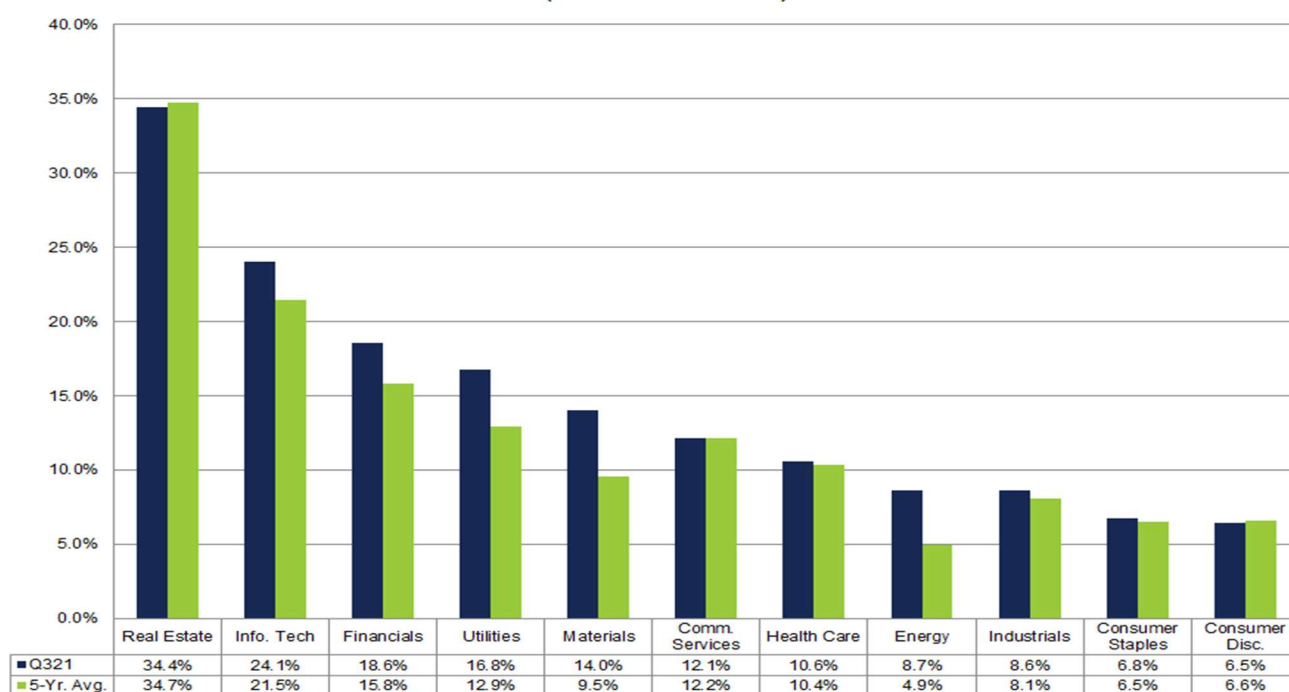
Analysts also believe net profit margins for the S&P 500 will continue to be above 12.0% for the remainder of 2021 and the first half of 2022. As of today, the estimated net profit margins for Q4 2021, Q1 2022, and Q2 2022 are 12.1%, 12.5%, and 12.8%, respectively.



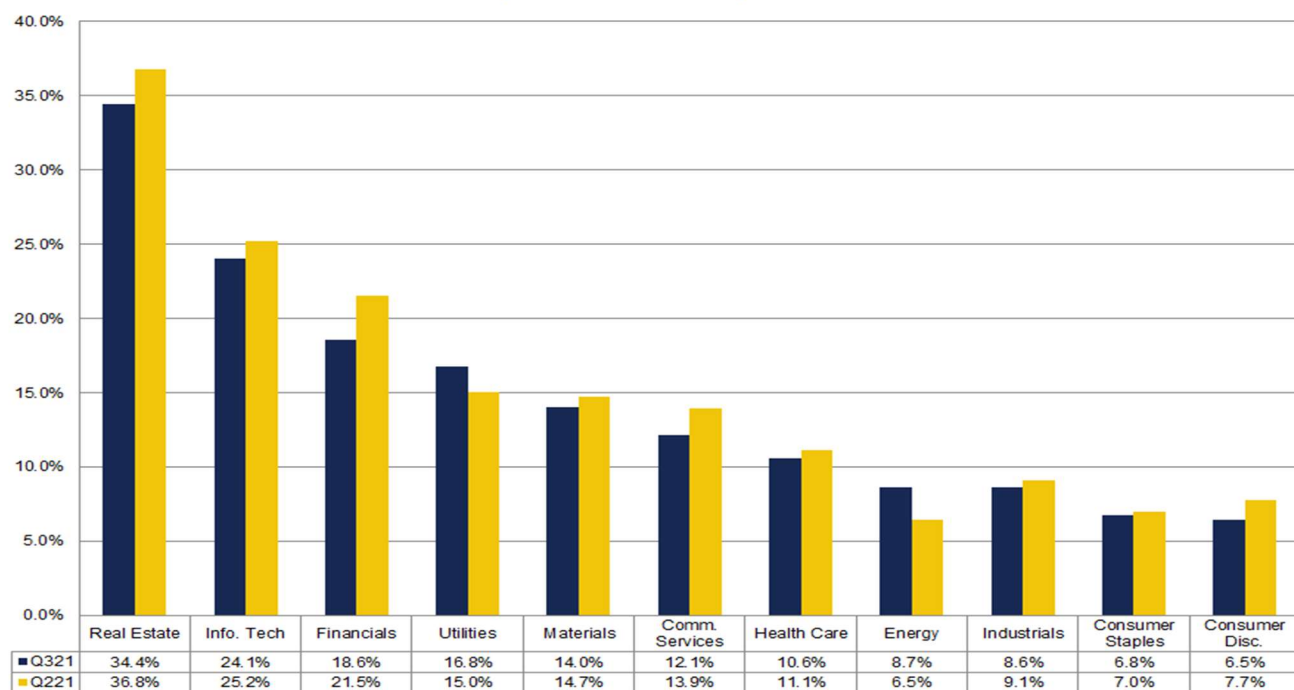
S&P 500 Sector-Level Net Profit Margins: Q321 vs. Q320
(Source: FactSet)



S&P 500 Sector-Level Net Profit Margins: Q321 vs. 5-Year Avg.
(Source: FactSet)



S&P 500 Sector-Level Net Profit Margins: Q321 vs. Q221
(Source: FactSet)



Q3 Earnings Season: By The Numbers

Overview

At this point in time, more S&P 500 companies are beating EPS estimates for the third quarter than average, and beating EPS estimates by a wider margin than average. Due to these positive surprises, 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 index is now reporting the third-highest (year-over-year) growth in earnings since Q3 2010. Analysts also expect earnings growth of more than 20% for the fourth quarter and earnings growth of more than 40% for the full year. 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 a number of industries.

Overall, 8% of the companies in the S&P 500 have reported actual results for Q3 2021 to date. Of these companies, 80% have reported actual EPS above estimates, which is above the 5-year average of 76%. In aggregate, companies are reporting earnings that are 14.7% above estimates, which is also above the 5-year average of 8.4%.

Due to the number and magnitude of these positive EPS surprises, 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 third 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 30.0% today, compared to an earnings growth rate of 27.5% last week and an earnings growth rate of 27.5% at the end of the third quarter (September 30). Positive earnings surprises reported by companies in the Financials sector (led by JPMorgan Chase, Goldman Sachs, Bank of America, Citigroup, Wells Fargo, and Morgan Stanley) were mainly responsible for the improvement in overall earnings for the index during the past week. Positive earnings surprises reported by companies in the Financials sector (led by these same six companies) have also been the top contributors to the overall increase in earnings for the index since the end of the third quarter.

If 30.0% is the actual growth rate for the quarter, it will mark the third-highest (year-over-year) earnings growth rate reported by the index since Q3 2010, trailing only the previous two quarters. The unusually high growth rate is due to a combination of higher earnings in Q3 2021 and an easier comparison to lower earnings in Q3 2020 due to the negative impact of COVID-19 on a number of industries. Ten sectors are reporting (or are expected to report) year-over-year earnings growth, led by the Energy, Materials, Industrials, Financials, and Information Technology sectors.

In terms of revenues, 83% of S&P 500 companies have reported actual revenues above estimates, which is above the 5-year average of 67%. If 83% is the final percentage for the quarter, it will mark the second-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 3.0% above the estimates, which is also above the 5-year average of 1.4%. If 3.0% is the final percentage for the quarter, it will mark the third-highest revenue surprise percentage reported by the since FactSet began tracking this metric in 2008.

Due to the number and magnitude of these positive revenue surprises, the blended revenue growth rate for the third quarter is higher now relative to the end of last week and relative to the end of the third quarter. As of today, the S&P 500 is reporting year-over-year growth in revenues of 15.1%, compared to year-over-year growth in revenues of 14.8% last week and year-over-year growth in revenues of 15.0% at the end of the third quarter (September 30). Positive revenue surprises reported by companies in the Financials sector were mainly responsible for the increase in overall revenues for the index over the past week. Positive revenue surprises reported by companies in the Financials sector have also been the largest contributors to the increase in the overall revenues for the index since the end of the third quarter.

If 15.1% is the actual growth rate for the quarter, it will mark the second-highest (year-over-year) revenue growth rate reported by the index since FactSet began tracking this metric in 2008, trailing only the previous quarter. All eleven sectors are reporting (or are expected to report) year-over-year growth in revenues, led by the Energy and Materials sectors.

Looking ahead, analysts project earnings growth of more than 20% for Q4 2021 and more than 40% for CY 2021.

The forward 12-month P/E ratio is 20.3, which is above the 5-year average and above the 10-year average. It is also above the forward P/E ratio of 20.1 at the start of the third quarter (September 30).

During the upcoming week, 80 S&P 500 companies (including eight Dow 30 components) are scheduled to report results for the third quarter.

Scorecard: More Companies Beating EPS and Sales Estimates vs. 5-Year Averages

Percentage of Companies Beating EPS Estimates (80%) is Above 5-Year Average

Overall, 8% of the companies in the S&P 500 have reported earnings to date for the third quarter. Of these companies, 80% have reported actual EPS above the mean EPS estimate, 2% have reported actual EPS equal to the mean EPS estimate, and 17% have reported actual EPS below the mean EPS estimate. The percentage of companies reporting EPS above the mean EPS estimate is below the 1-year (84%) average but above the 5-year (76%) average.

At the sector level, the Information Technology (100%), Health Care (100%), and Real Estate (100%) sectors have the highest percentages of companies reporting earnings above estimates, while the Industrials (67%) sector has the lowest percentage of companies reporting earnings above estimates.

Earnings Surprise Percentage (+14.7%) is Above 5-Year Average

In aggregate, companies are reporting earnings that are 14.7% above expectations. This surprise percentage is below the 1-year (+18.0%) average but above the 5-year (+8.4%) average.

The Financials (+21.3%) sector is reporting the largest positive (aggregate) difference between actual earnings and estimated earnings. Within this sector, Goldman Sachs (\$14.93 vs. \$10.14), Citigroup (\$2.15 vs. \$1.71), JPMorgan Chase (\$3.74 vs. \$3.00), Morgan Stanley (\$2.04 vs. \$1.69), Bank of America (\$0.85 vs. \$0.71), and Wells Fargo (\$1.17 vs. \$1.00) have reported the largest positive EPS surprises.

The Consumer Discretionary (+14.5%) sector is reporting the second-largest positive (aggregate) difference between actual earnings and estimated earnings. Within this sector, Lennar (\$4.52 vs. \$3.26) and AutoZone (\$35.72 vs. \$29.68) have reported the largest positive EPS surprises.

Market Punishing Negative Earnings Surprises More Than Average

To date, the market is rewarding positive earnings surprises at average levels but punishing negative earnings surprises more than average.

Companies that have reported positive earnings surprises for Q3 2021 have seen an average price increase of +0.8% two days before the earnings release through two days after the earnings release. This percentage increase is equal to 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 Q3 2021 have seen an average price decrease of -5.2% 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 -2.3% during this same window for companies reporting negative earnings surprises.

Percentage of Companies Beating Revenue Estimates (83%) is Near Record-High Level

In terms of revenues, 83% of companies have reported actual revenues above estimated revenues and 17% have reported actual revenues below estimated revenues. The percentage of companies reporting revenues above estimates is above the 1-year average (80%) and above the 5-year average (67%).

If 83% is the final percentage for the quarter, it will mark the second-highest percentage of S&P 500 companies reporting a positive revenue surprise since FactSet began tracking this metric in 2008. The current record is 87%, which occurred in Q2 2021.

At the sector level, the Financials (100%), Health Care (100%), Industrials (100%), and Real Estate (100%) sectors have the highest percentages of companies reporting revenues above estimates, while the Consumer Discretionary (43%) and Information Technology (60%) sectors have the lowest percentages of companies reporting revenues above estimates.

Revenue Surprise Percentage (+3.0%) is Near Record-High Level

In aggregate, companies are reporting revenues that are 3.0% above expectations. This surprise percentage is below the 1-year (+3.5%) average but above the 5-year (+1.4%) average.

If 3.0% is the final percentage for the quarter, it will mark the third-largest revenue surprise percentage reported by the index since FactSet began tracking this metric in 2008. The current record is 4.6%, which occurred in Q2 2021.

At the sector level, the Financials (+4.6%) and Consumer Staples (+3.0%) sectors are reporting the largest positive (aggregate) differences between actual revenues and estimated revenues, while the Real Estate (+0.1%) and Information Technology (+0.2%) sectors are reporting the smallest positive (aggregate) differences between actual revenues and estimated revenues.

Revisions: Increase in Blended Earnings Growth Due to Financials

Increase in Blended Earnings Growth Rate This Week Due to the Financials Sector

The blended (year-over-year) earnings growth rate for the third quarter is 30.0%, which is larger than the earnings growth rate of 27.5% last week. Positive earnings surprises reported by companies in the Financials sector were mainly responsible for the increase in the overall earnings growth rate for the index during the week.

In the Financials sector, the positive EPS surprises reported by JPMorgan Chase (\$3.74 vs. \$3.00), Goldman Sachs (\$14.93 vs. \$10.14), Bank of America (\$0.85 vs. \$0.71), Citigroup (\$2.15 vs. \$1.71), Wells Fargo (\$1.17 vs. \$1.00), and Morgan Stanley (\$2.04 vs. \$1.69) and were the largest 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 Financials sector has increased to 30.6% from 17.4% over this period.

Increase in Blended Revenue Growth This Week Due to Financials Sector

The blended (year-over-year) revenue growth rate for the third quarter is 15.1%, which is larger than the revenue growth rate of 14.8% last week. Positive revenue surprises reported by companies in the Financials sector were mainly responsible for the increase in the overall revenue growth rate during the past week.

Financials Sector Has Seen Largest Increase in Earnings since September 30

The blended (year-over-year) earnings growth rate for Q3 2021 of 30.0% is larger than the estimate of 27.5% at the end of the third quarter (September 30). Six 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 Financials sector (to 30.6% from 17.1%). This sector is also the largest contributor to the increase in the earnings growth rate for the index during this period. On the other hand, three sectors have recorded a decrease in their earnings growth rates due to downward revisions to earnings estimates and negative earnings surprises, led by the Industrials (to 60.6% from 64.7%). The Health Care sector (16.0%) is the only sector that has witnessed no change in earnings growth since September 30.

In the Financials sector, the positive EPS surprises reported by JPMorgan Chase (\$3.74 vs. \$3.00), Goldman Sachs (\$14.93 vs. \$10.14), Bank of America (\$0.85 vs. \$0.71), Citigroup (\$2.15 vs. \$1.71), Morgan Stanley (\$2.04 vs. \$1.69), and Wells Fargo (\$1.17 vs. \$1.00) have been the largest 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 Financials sector has increased to 30.6% from 17.1% over this period.

Financials Sector Has Seen Largest Increase in Revenues since September 30

The blended (year-over-year) revenue growth rate for Q3 2021 of 15.1% is larger than the estimate of 15.0% at the end of the third quarter (June 30). Four 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 9.8% from 7.7%) sector. Five sectors have recorded a decrease in revenue growth since the end of the quarter due to downward revisions to revenue estimates and negative revenue surprises, led by the Consumer Discretionary (to 11.2% from 12.2%) sector. Two sectors have recorded no change in revenue growth since September 30: Energy (53.1%) and Information Technology (18.8%).

Earnings Growth: 30.0%

The blended (year-over-year) earnings growth rate for Q3 2021 is 30.0%, which is well above the 5-year average earnings growth rate of 11.8%. If 30.0% is the actual growth rate for the quarter, it will mark the third-highest year-over-year earnings growth rate reported by the index since Q3 2010 (34.0%). The unusually high growth rate is due to a combination of higher earnings in Q3 2021 and an easier comparison to lower earnings in Q3 2020 due to the negative impact of COVID-19 on a number of industries. Ten sectors are reporting (or are expected to report) year-over-year earnings growth, led by the Energy, Materials, Industrials, Financials, and Information Technology sectors.

Energy: Exxon Mobil and Chevron Are Largest Contributors to Higher Year-Over-Year Earnings

The Energy sector is expected to report earnings of \$21.0 billion for Q3 2021 compared to a loss of -\$1.5 billion in Q3 2020. Thus, a year-over-year growth rate is not being calculated for the Energy sector due to the loss reported by the sector in Q3 2020. 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 2021 (\$70.52) was 72% above the average price for oil in Q3 2020 (\$40.92). At the sub-industry level, all five sub-industries in the sector are projected to report a year-over-year increase in earnings. A growth rate is not being calculated for three of these five sub-industries due to losses reported in the year-ago quarter. However, all three are projected to report profits in Q3 2021: Integrated Oil & Gas, Oil & Gas Exploration & Production, and Oil & Gas Refining & Marketing. The other two sub-industries that are predicted to report year-over-year growth are the Oil & Gas Equipment & Services (167%) and the Oil & Gas Storage & Transportation (14%) sub-industries. At the company level, Exxon Mobil and Chevron are the largest contributors to the year-over-year improvement in earnings for the sector. Combined, these two companies account for \$11.1 billion of the projected \$22.4 billion year-over-year increase in earnings for the sector.

Materials: 2 of 4 Industries Expected to Report Year-over-Year Growth Above 85%.

The Materials sector is expected to report the highest (year-over-year) earnings growth rate of all eleven sectors at 90.5%. At the industry level, two of the four industries in this sector are predicted to report year-over-year earnings growth above 85%: Metals & Mining (201%) and Chemicals (86%). On the other hand, the only industry expected to report a year-over-year decline in earnings is the Construction Materials (-3%) industry. At the company level, Nucor, Dow, and LyondellBasell Industries are the largest contributors to year-over-year earnings growth for the sector. If these three companies were excluded, the estimated earnings growth rate for the Materials sector would fall to 37.3% from 90.5%.

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 60.6%. At the industry level, all 12 industries in the sector are reporting (or are projected to report) a year-over-year increase in earnings. A growth rate is not being calculated for the Airlines industry due to a loss reported in the year-ago quarter. However, this industry is reporting a smaller loss in Q3 2021 (-1.0 billion) relative to Q3 2020 (-\$8.9 billion). Six of the remaining eleven industries are reporting (or are expected to report) double-digit earnings growth: Machinery (23%), Electrical Equipment (21%), Trading Companies & Distributors (19%), Commercial Services & Supplies (17%), Road & Rail (17%), and Aerospace & Defense (11%). The Airlines industry is also the largest contributor to earnings growth for the sector. If this industry were excluded, the blended earnings growth rate for the Industrials sector would fall to 13.2% from 60.6%.

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

The Financials sector is reporting the third-highest (year-over-year) earnings growth rate of all eleven sectors at 30.6%. At the industry level, four of the five industries in this sector are reporting (or are expected to report) year-over-year earnings growth above 25%: Banks (44%), Capital Markets (40%), Diversified Financial Services (28%), and Consumer Finance (26%). On the other hand, the only industry reporting a year-over-year decline in earnings is the Insurance (-11%) industry. The Banks industry is also the largest contributor to earnings growth for the sector. If this industry were excluded, the blended earnings growth rate for the Financials sector would fall to 20.1% from 30.6%.

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

The Information Technology sector is reporting the fourth-highest (year-over-year) earnings growth rate of all eleven sectors at 28.6%. At the industry level, all six industries in this sector are reporting (or are expected to report) a year-over-year improvement in earnings. Four of these six industries are reporting (or are predicted to report) double-digit earnings growth: Technology Hardware, Storage, & Peripherals (64%), Semiconductors & Semiconductor Equipment (39%), Electronic Equipment, Instruments, & Components (24%), and IT Services (18%). At the company level, Apple is the largest contributor to year-over-year earnings growth. If this company were excluded, the blended earnings growth rate for the Information Technology sector would fall to 21.2% from 28.6%.

Revenue Growth: 15.1%

The blended (year-over-year) revenue growth rate for Q3 2021 is 15.1%, which is above the 5-year average revenue growth rate of 5.8%. If 15.1% is the actual growth rate for the quarter, it will mark the second-highest year-over-year revenue growth rate reported by the index since FactSet began tracking this metric in 2008. The current record is 25.3%, which occurred in Q2 2021. All eleven sectors are reporting (or are expected to report) year-over-year growth in revenues, led by the Energy and Materials sectors.

Energy: 3 of 5 Sub-Industries Expected to Report Year-Over-Year Growth Above 40%

The Energy sector is expected to report the highest (year-over-year) revenue growth rate of all eleven sectors at 53.1%. Higher year-over-year oil prices are contributing to the year-over-year improvement in revenues for this sector, as the average price of oil in Q3 2021 (\$70.52) was 72% above the average price for oil in Q3 2020 (\$40.92). At the sub-industry level, all five sub-industries in the sector are projected to report double-digit (year-over-year) growth in revenues: Oil & Gas Exploration & Production (118%), Integrated Oil & Gas (57%), Oil & Gas Refining & Marketing (44%), Oil & Gas Storage & Transportation (28%), and Oil & Gas Equipment & Services (14%).

Materials: Metals & Mining Industry Leads Year-Over-Year Growth

The Materials sector is expected to report the second-highest (year-over-year) revenue growth of all eleven sectors at 28.5%. At the industry level, all four industries in this sector are predicted to report double-digit (year-over-year) growth in revenues: Metals & Mining (64%), Chemicals (27%), Construction Materials (13%), and Containers & Packaging (13%).

Net Profit Margin: 12.3%

The blended (combines actual results for companies that have reported and estimated results for companies yet to report) net profit margin for the S&P 500 for Q3 2021 is 12.3%, which is above the 5-year average of 10.9% and the year-ago net profit margin of 10.9%, but below the previous quarter's record-high net profit margin of 13.1%.

If 12.3% 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. The current record is 13.1%, which occurred in Q2 2021.

At the sector level, eight sectors are reporting (or are expected to report) a year-over-year increase in their net profit margins in Q3 2021 compared to Q3 2020, led by the Energy (8.7% vs. N/A), Materials (14.0% vs. 9.5%) and Industrials (8.6% vs. 6.3%) sectors. Eight sectors are also reporting (or expected to report) net profit margins in Q3 2021 that are above their 5-year averages, led by the Materials (14.0% vs. 9.5%), Utilities (16.8% vs. 12.9%), and Energy (8.7% vs. 4.9%) sectors.

Looking Ahead: Forward Estimates and Valuation

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

At this point in time, 5 companies in the index have issued EPS guidance for Q4 2021. Of these 5 companies, 3 have issued negative EPS guidance and 2 have issued positive EPS guidance. The percentage of companies issuing positive EPS guidance is 40% (2 out of 5), which is nearly equal to the 5-year average of 39%.

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 43% for CY 2021

For the third quarter, S&P 500 companies are reporting earnings growth of 30.0% and revenue growth of 15.1%.

For Q4 2021, analysts are projecting earnings growth of 22.1% and revenue growth of 11.6%.

For CY 2021, analysts are projecting earnings growth of 43.2% and revenue growth of 15.0%.

For Q1 2022, analysts are projecting earnings growth of 5.7% and revenue growth of 8.5%.

For CY 2022, analysts are projecting earnings growth of 9.5% and revenue growth of 6.8%.

Valuation: Forward P/E Ratio is 20.3, Above the 10-Year Average (16.4)

The forward 12-month P/E ratio is 20.3. This P/E ratio is above the 5-year average of 18.3 and above the 10-year average of 16.4. It is also above the forward 12-month P/E ratio of 20.1 recorded at the end of the third quarter (September 30). Since the end of the third quarter (September 30), the price of the index has increased by 1.3%, while the forward 12-month EPS estimate has increased by 0.6%. At the sector level, the Consumer Discretionary (29.7) and Information Technology (25.3) sectors have the highest forward 12-month P/E ratios, while the Energy (13.5) and Financials (14.4) sectors have the lowest forward 12-month P/E ratios.

The trailing 12-month P/E ratio is 25.7, which is above the 5-year average of 22.8 and above the 10-year average of 19.6.

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

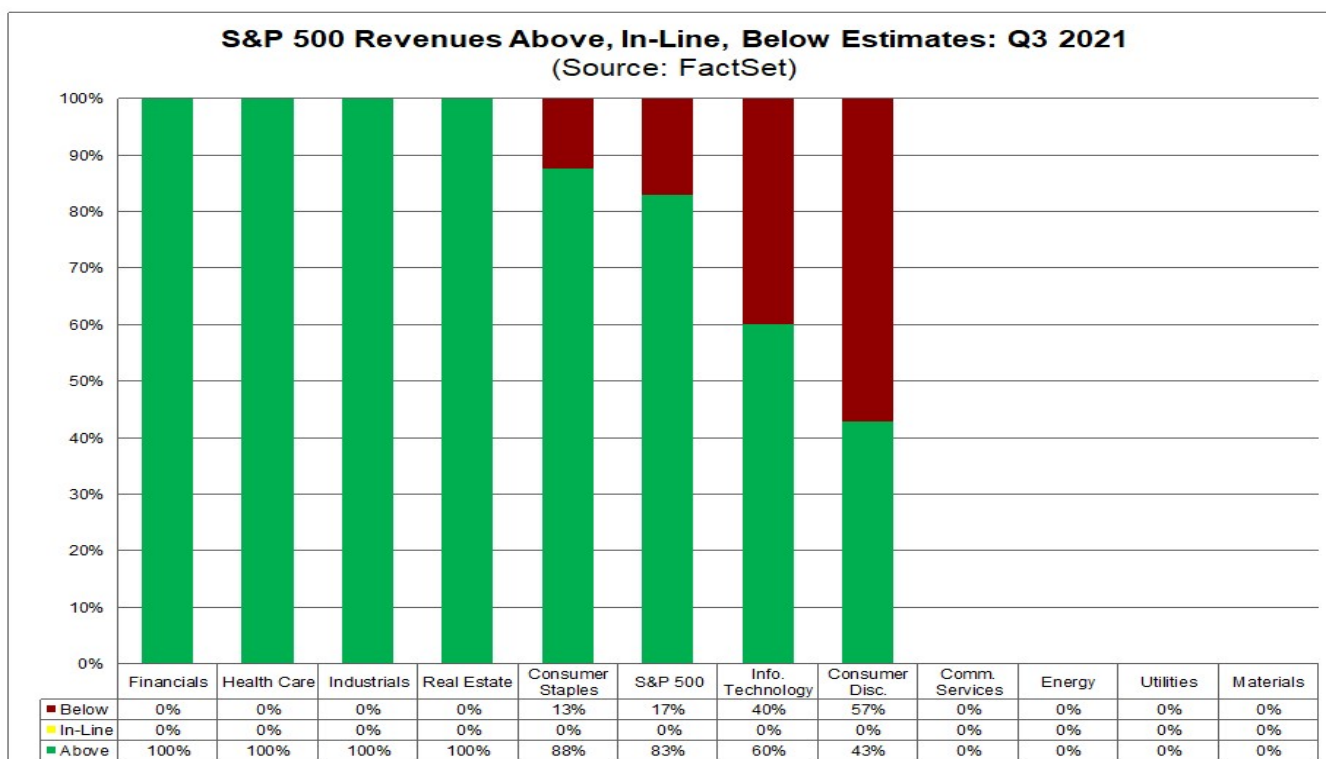
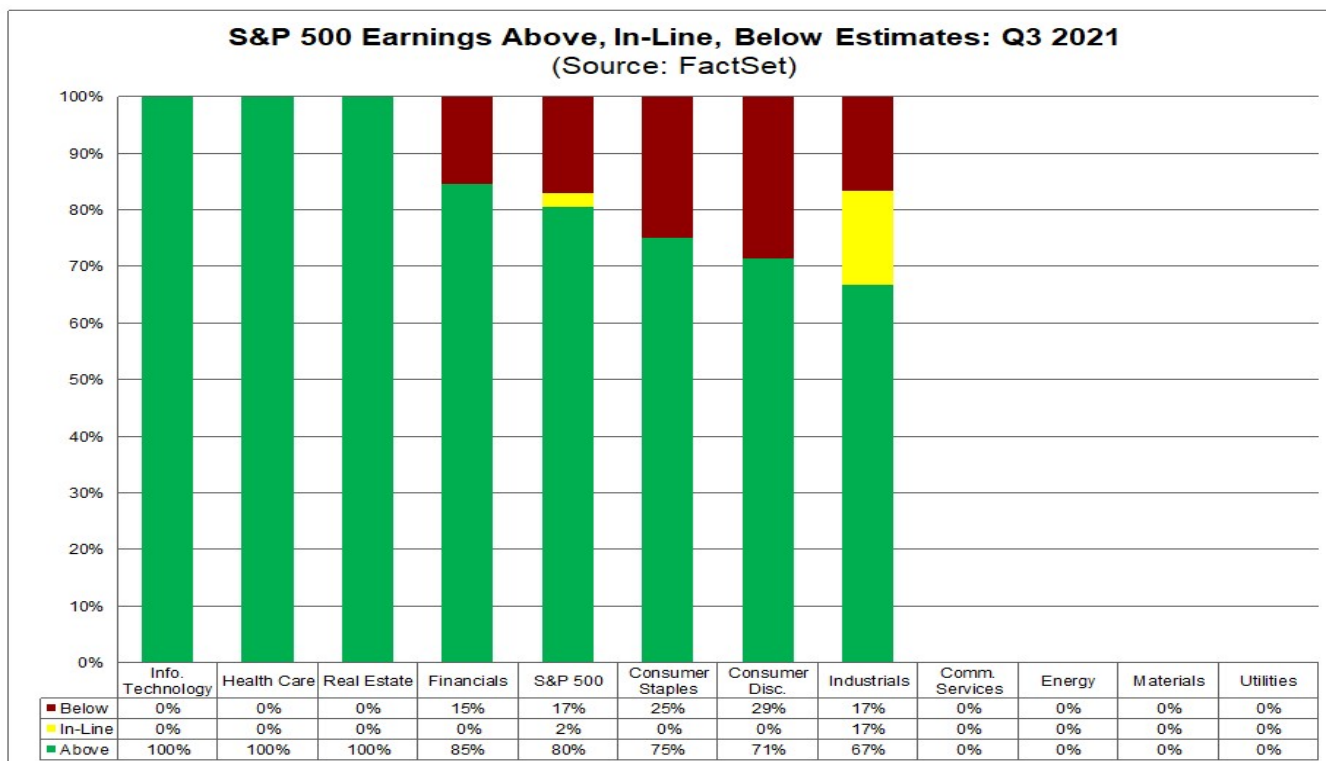
The bottom-up target price for the S&P 500 is 5053.43, which is 15.8% above the closing price of 4363.80. At the sector level, the Communication Services (20.9%) sector is expected to see the largest price increase, as this sector has the largest upside difference between the bottom-up target price and the closing price. On the other hand, the Energy (+10.0%) and Financials (+10.4%) 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 10,627 ratings on stocks in the S&P 500. Of these 10,627 ratings, 56.6% are Buy ratings, 37.2% are Hold ratings, and 6.2% are Sell ratings. At the sector level, the Energy (64%), Communication Services (63%), Health Care (62%), and Information Technology (62%) sectors have the highest percentages of Buy ratings, while the Consumer Staples (43%) sector has the lowest percentage of Buy ratings.

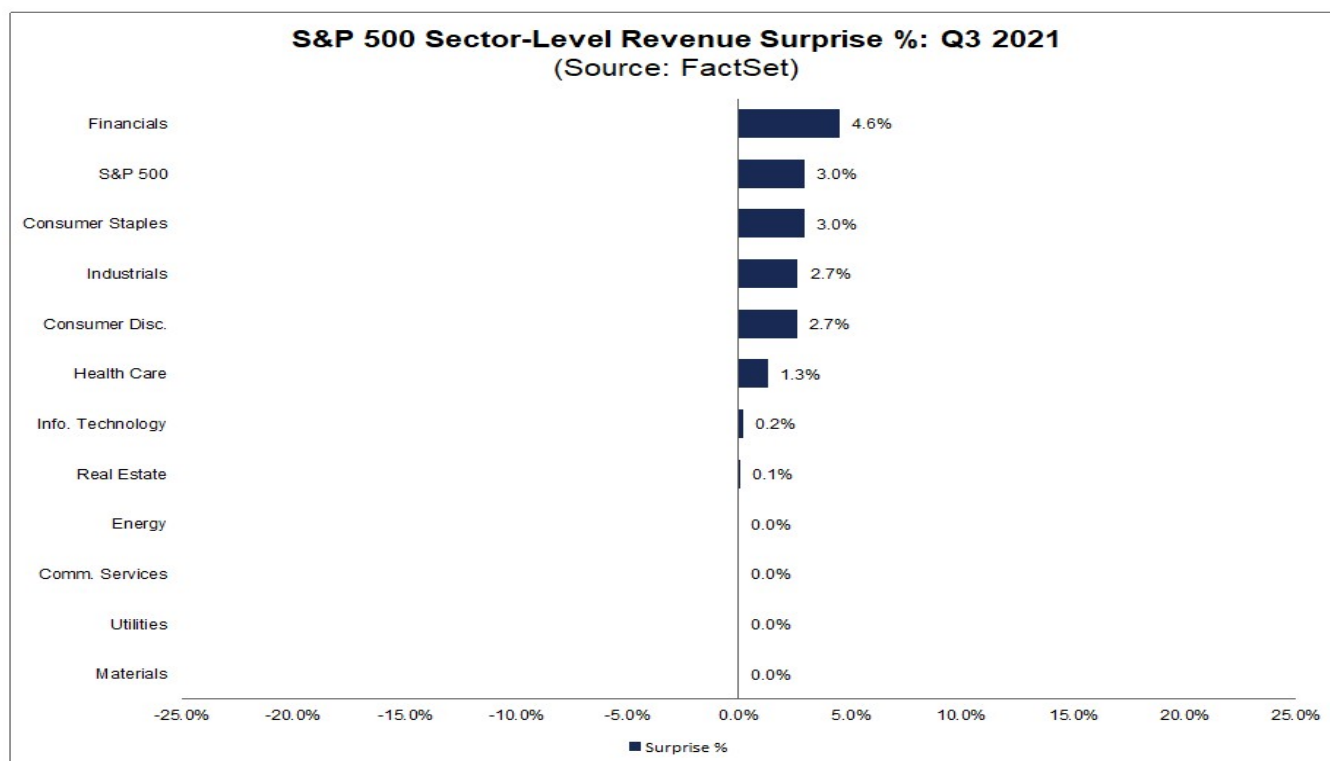
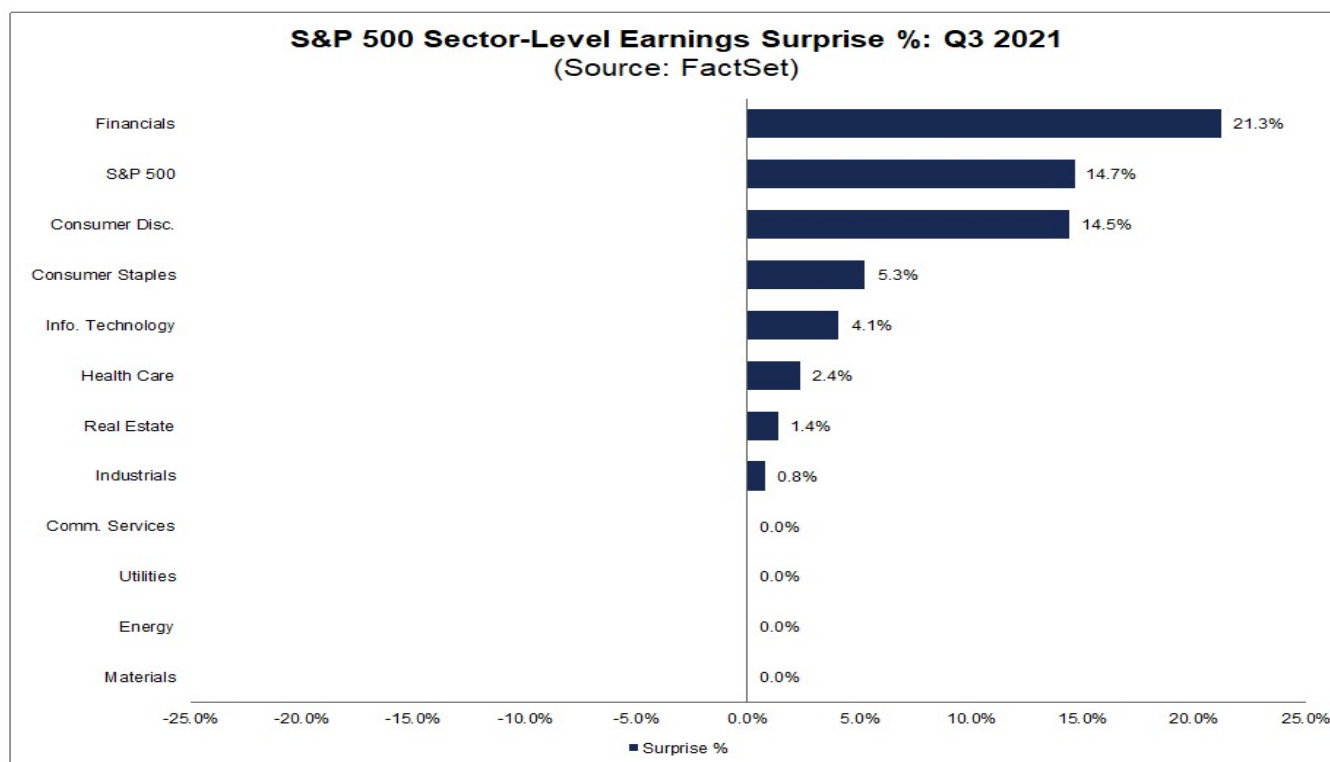
Companies Reporting Next Week: 80

During the upcoming week, 80 S&P 500 companies (including eight Dow 30 components) are scheduled to report results for the third quarter.

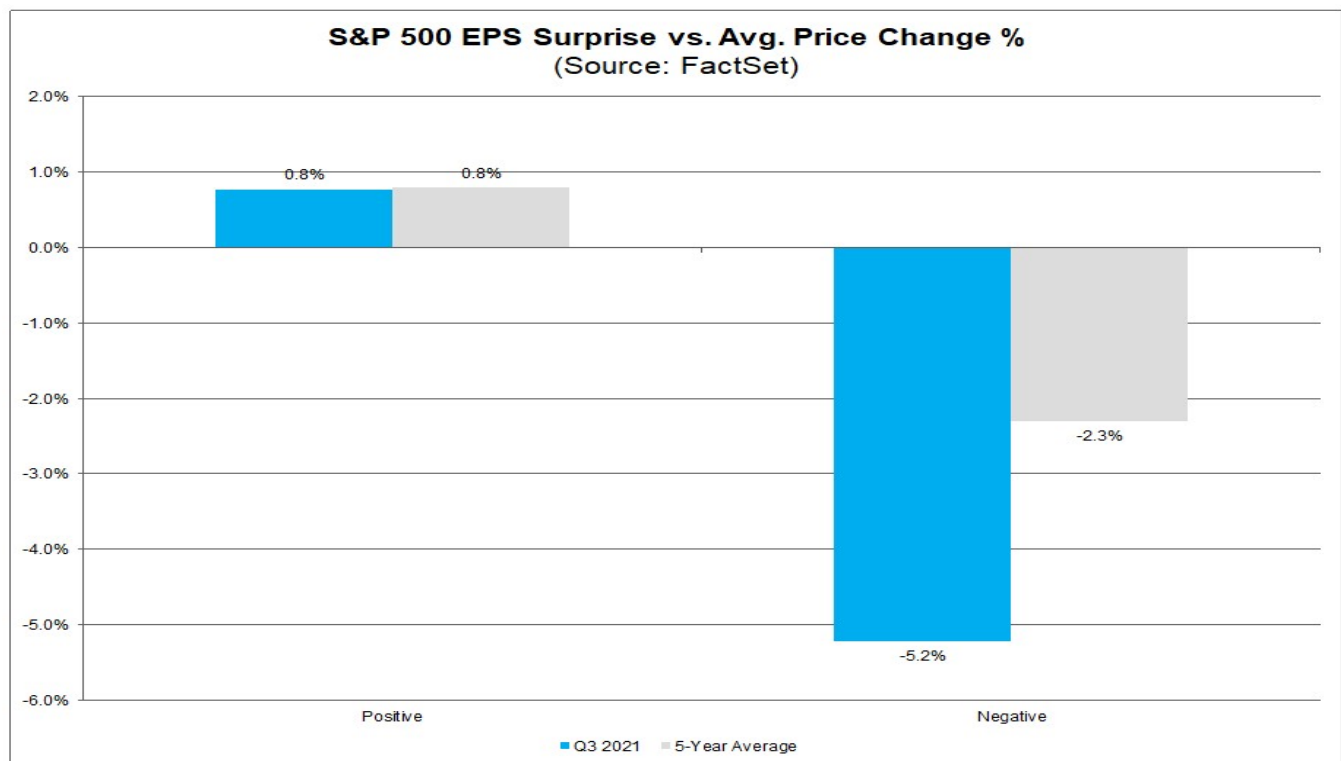
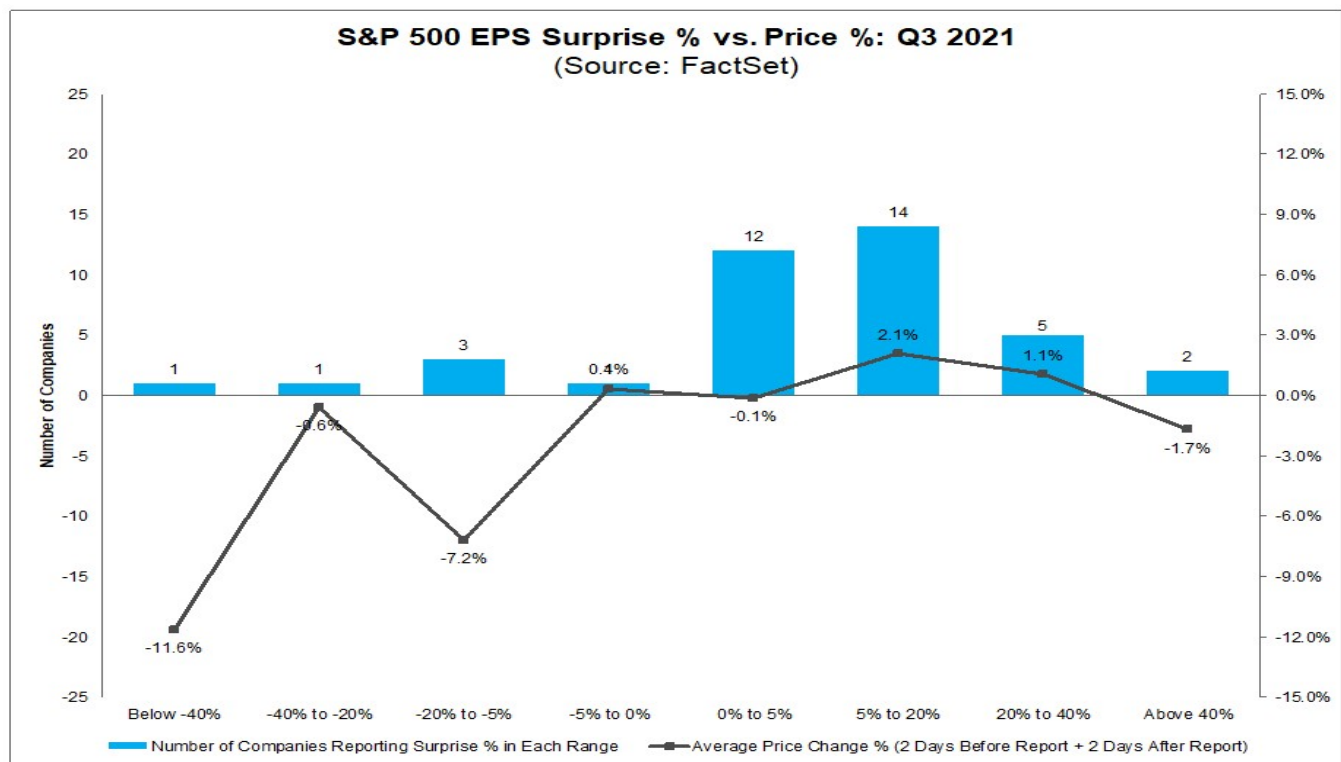
Q3 2021: Scorecard



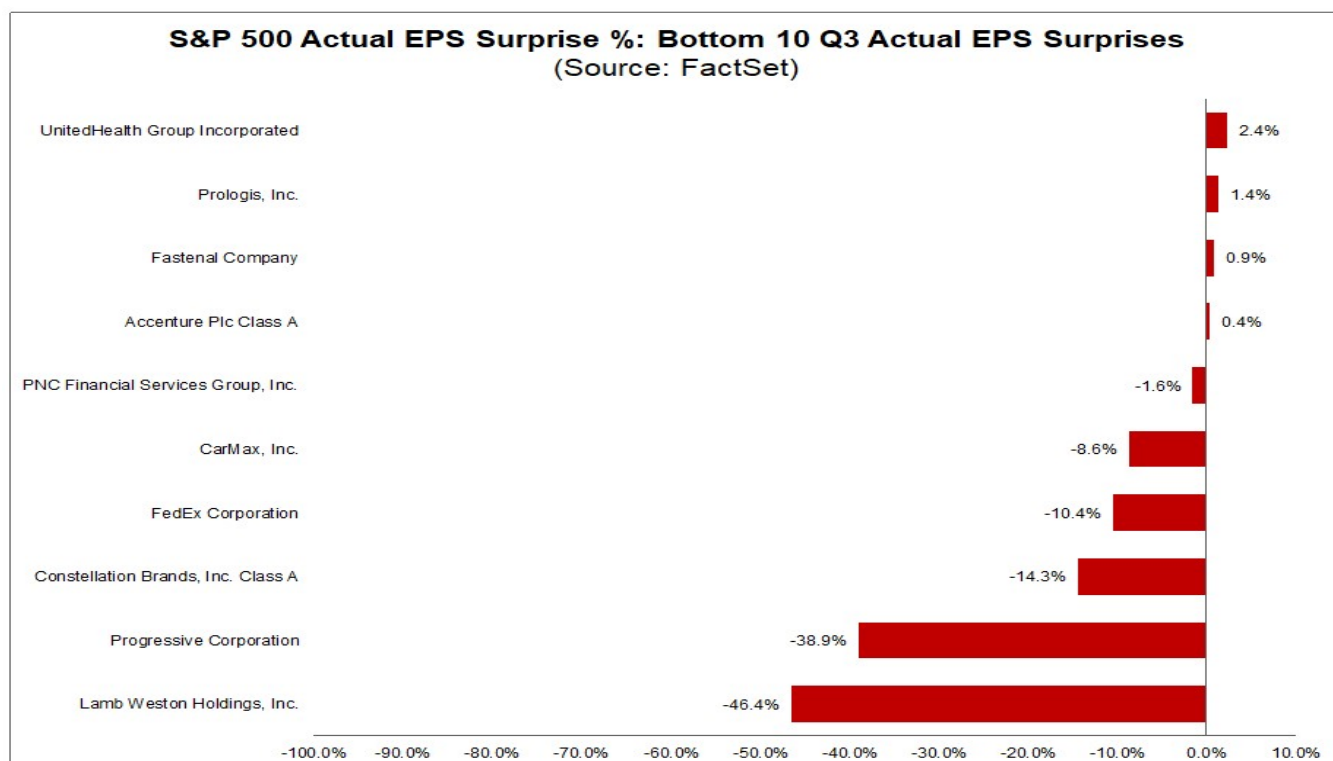
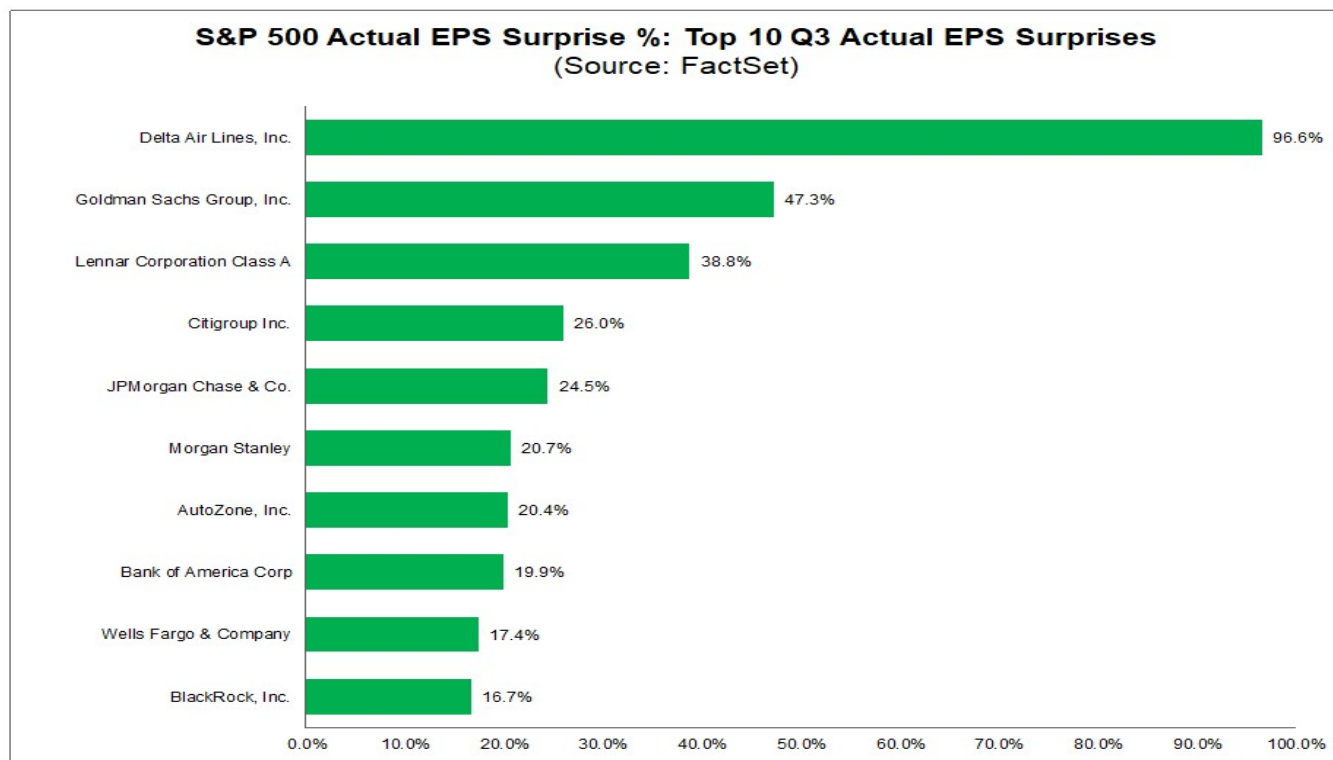
Q3 2021: Scorecard



Q3 2021: Scorecard

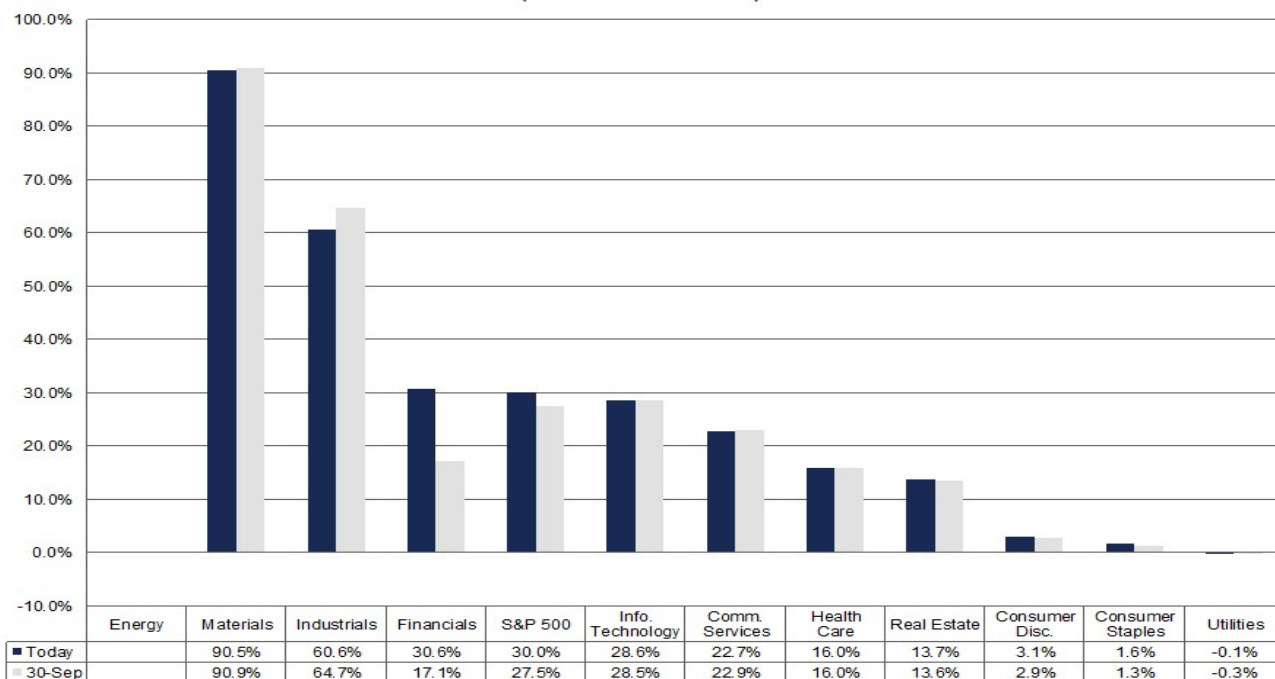


Q3 2021: Scorecard

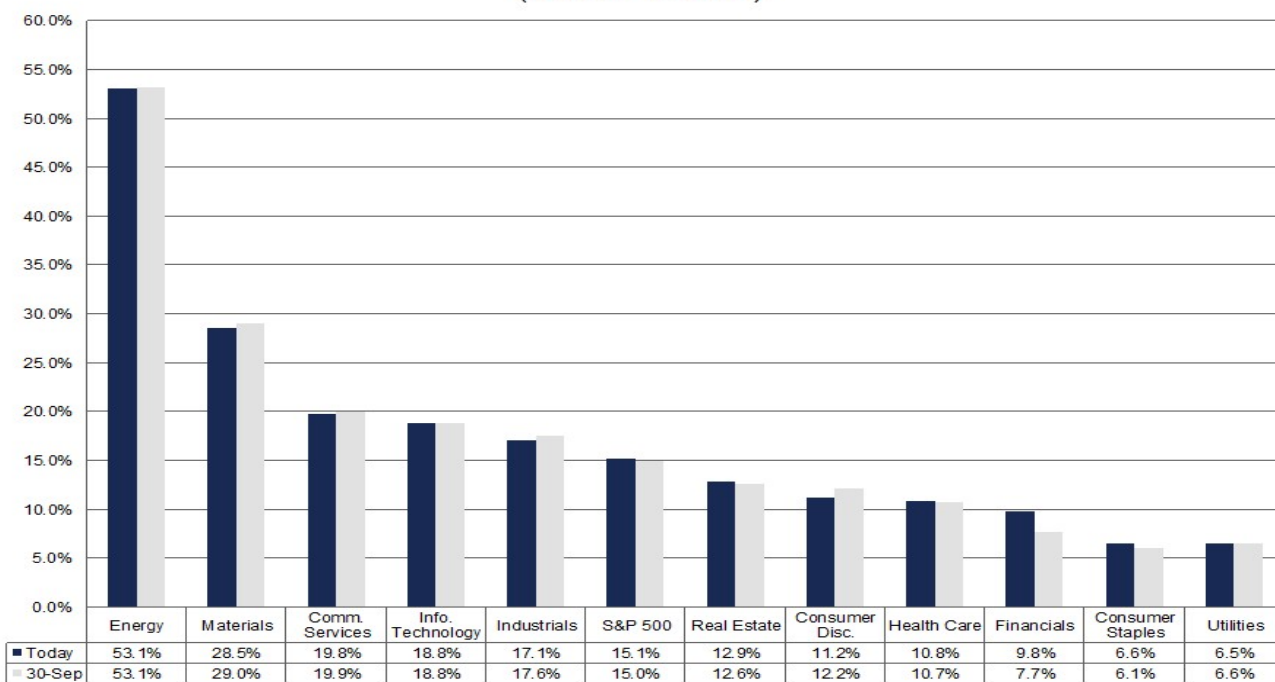


Q3 2021: Growth

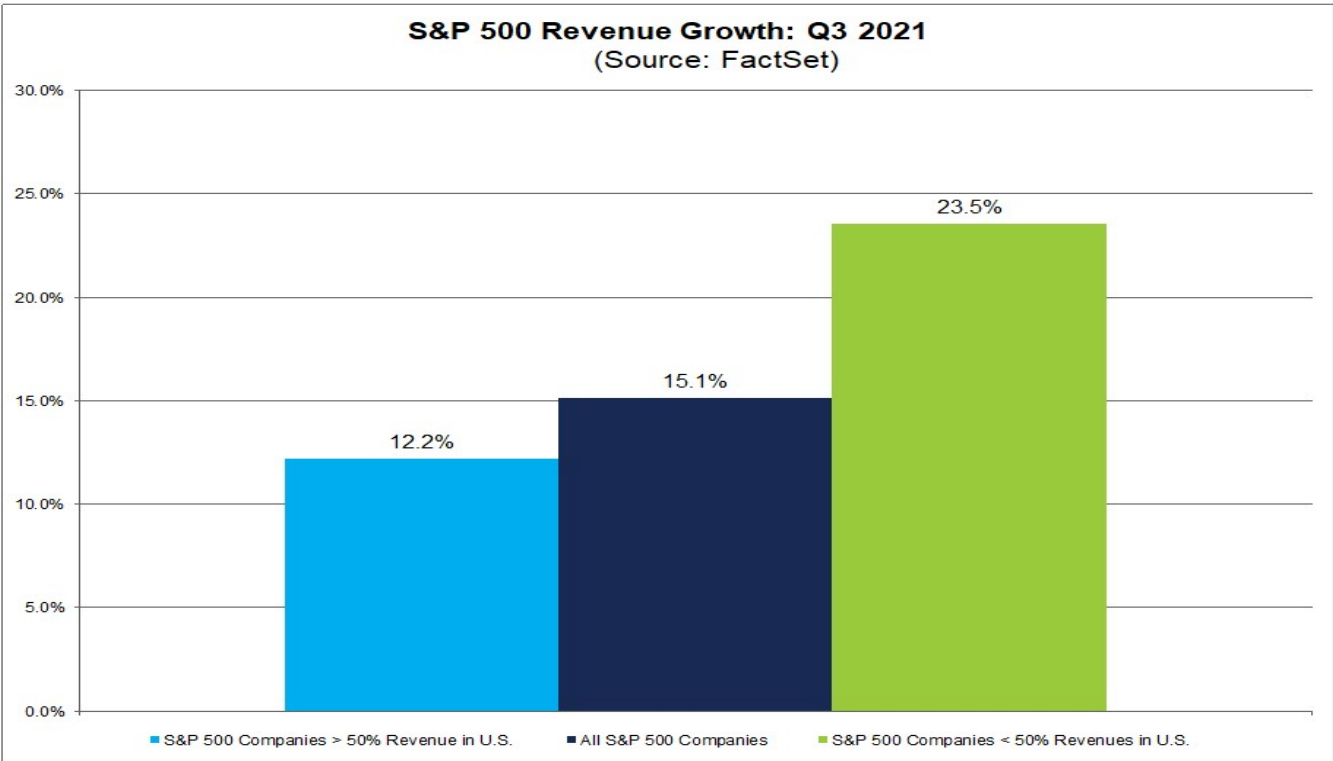
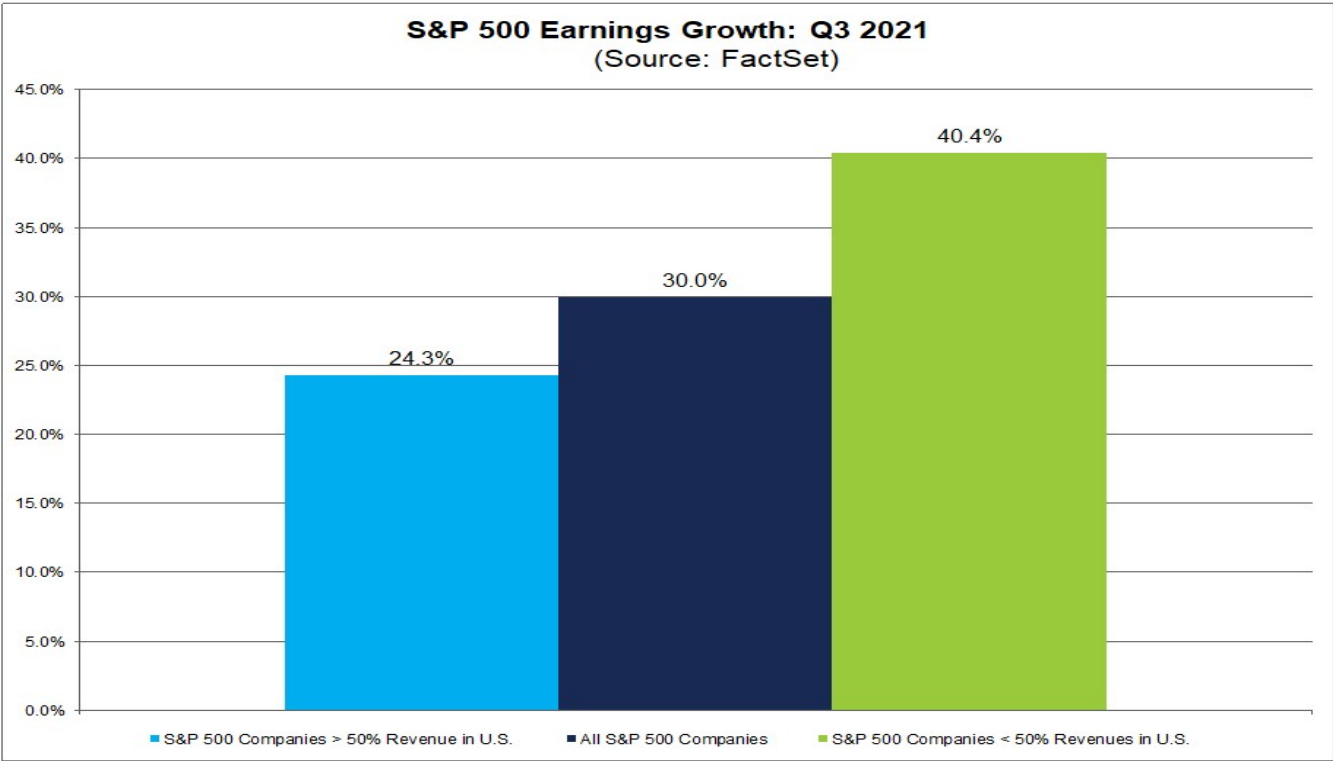
S&P 500 Earnings Growth: Q3 2021
(Source: FactSet)



S&P 500 Revenue Growth: Q3 2021
(Source: FactSet)



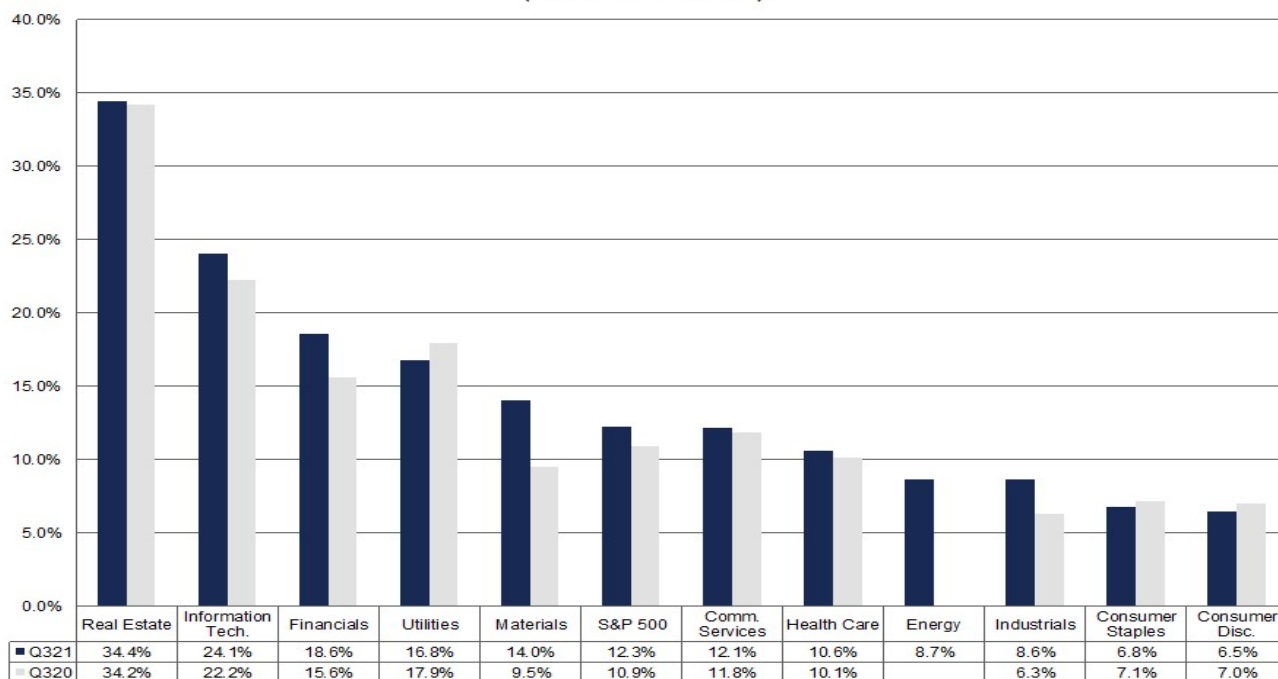
Q3 2021: Growth



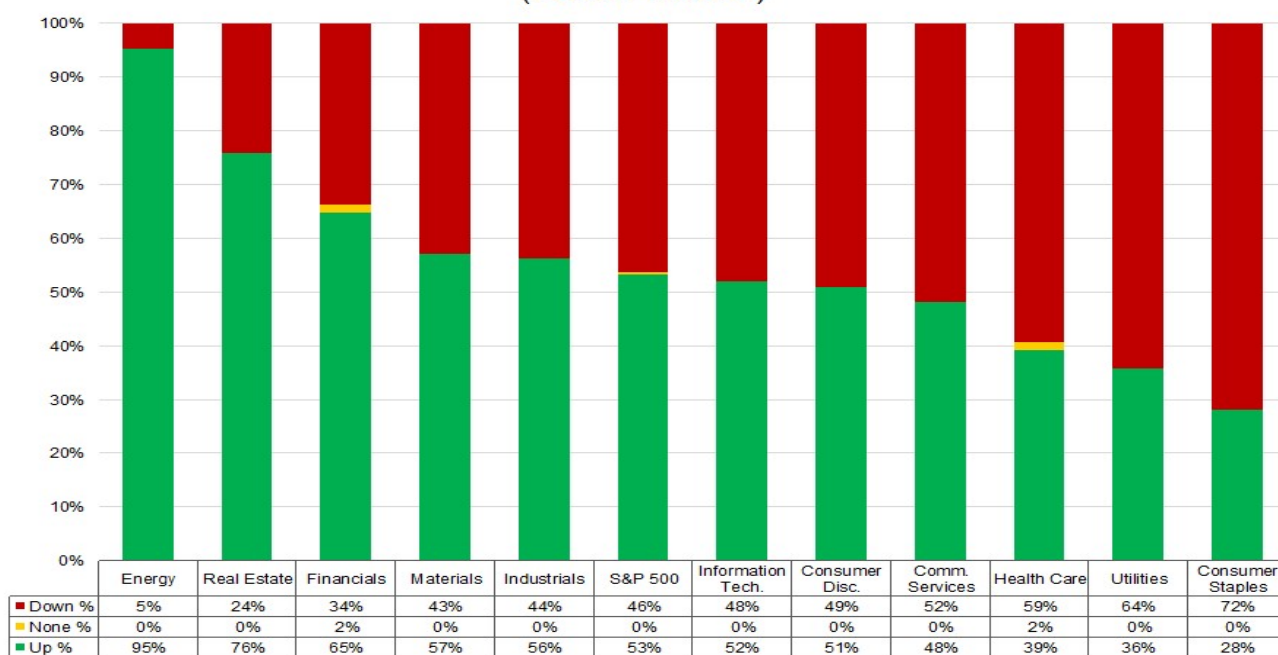
Q3 2021: Net Profit Margin

S&P 500 Net Profit Margins: Q321 vs. Q320

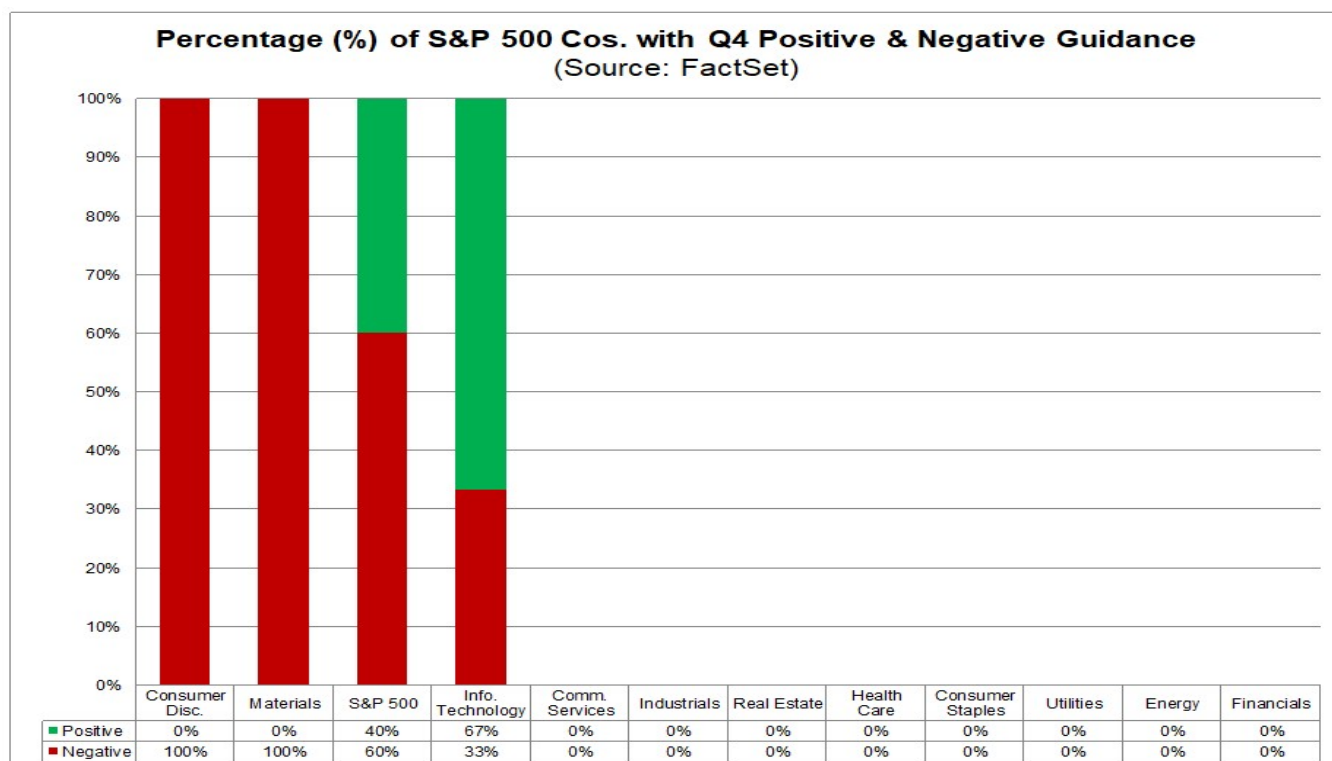
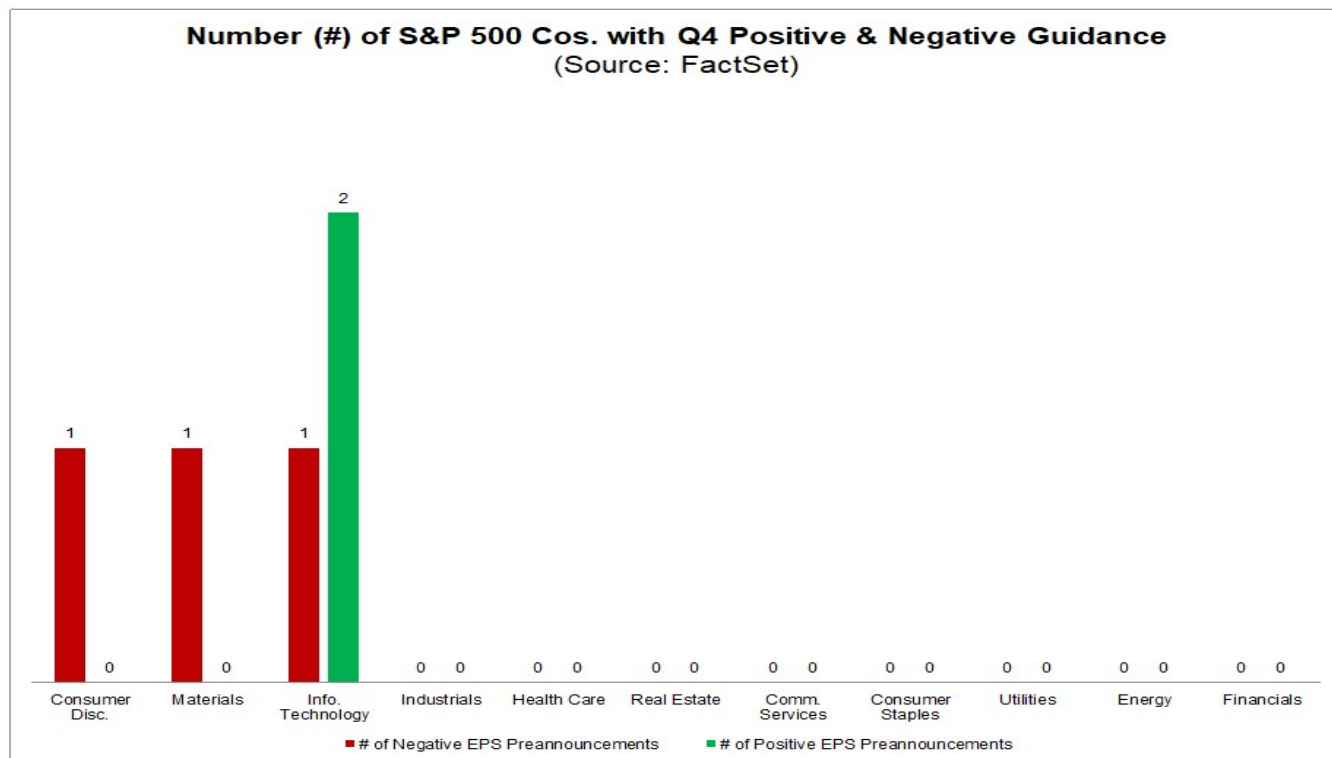
(Source: FactSet)

**S&P 500: % of Cos. With Increase or Decrease in Net Profit Margin: Q321 vs. Q320**

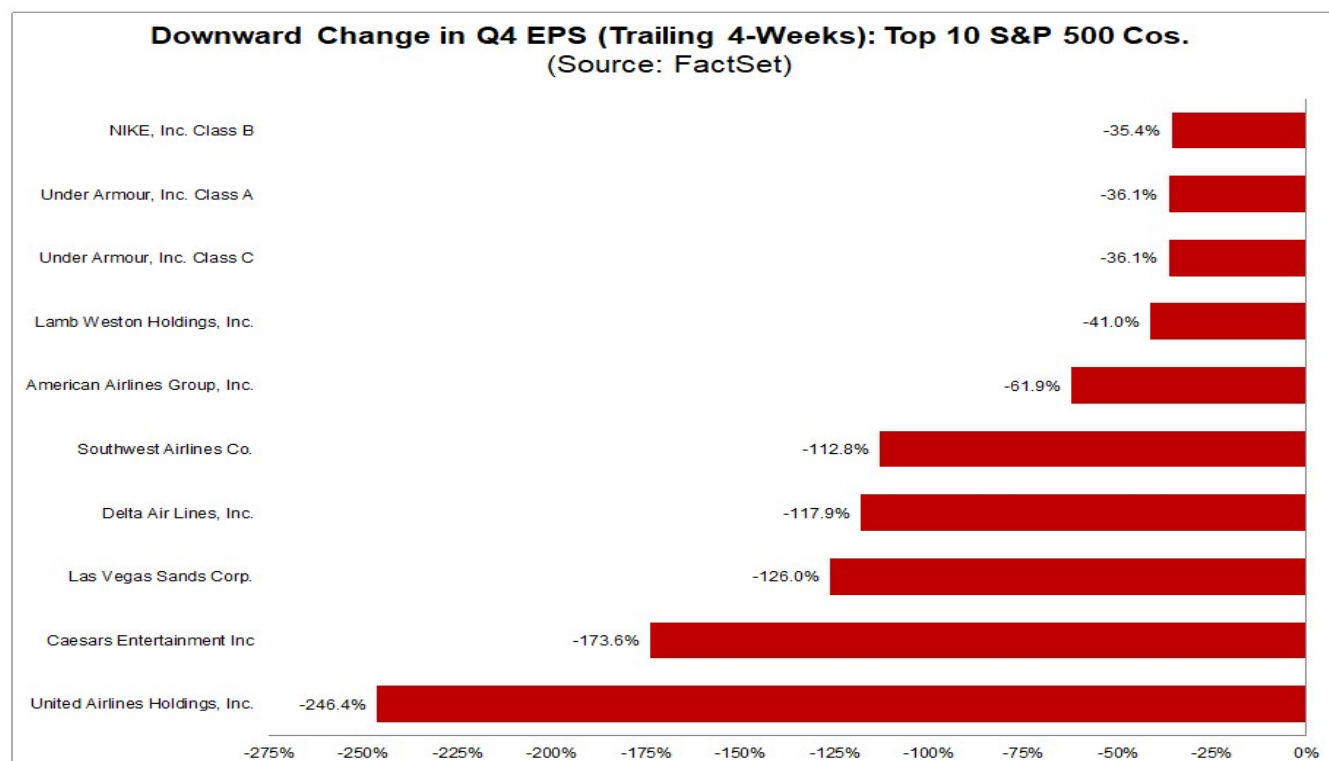
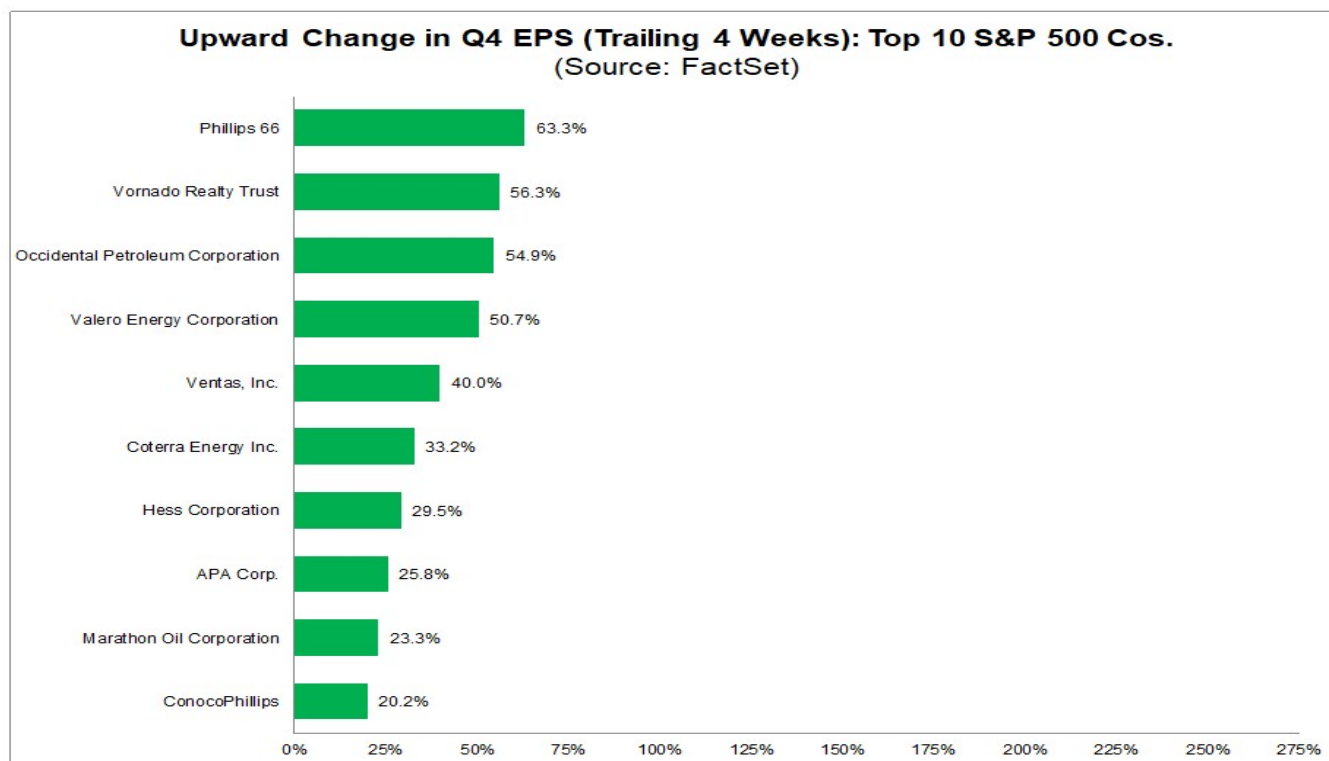
(Source: FactSet)



Q4 2021: EPS Guidance

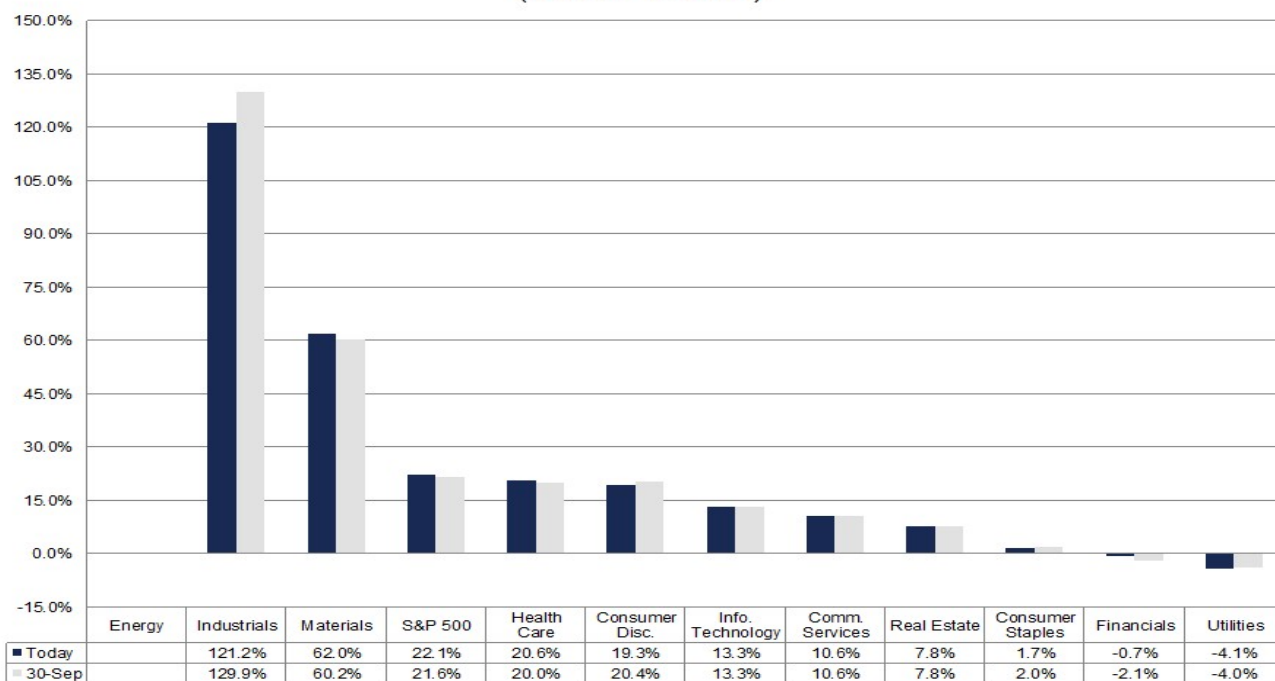


Q4 2021: EPS Revisions

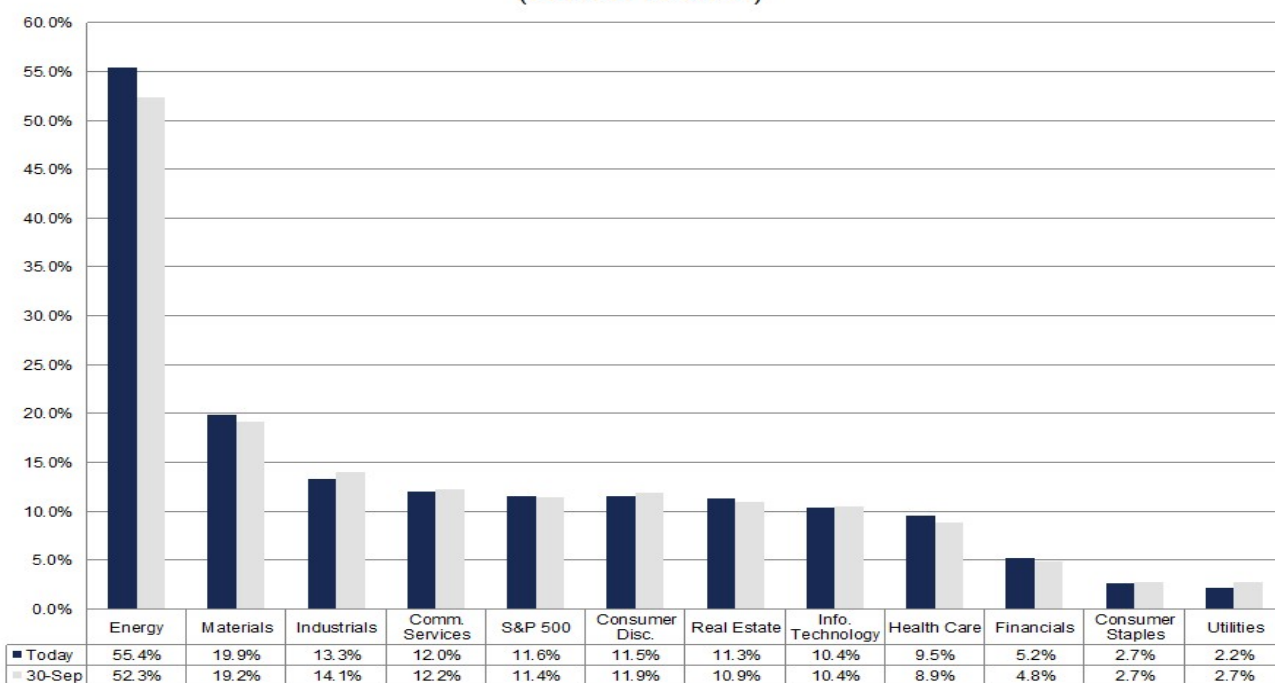


Q4 2021: Growth

S&P 500 Earnings Growth: Q4 2021
(Source: FactSet)

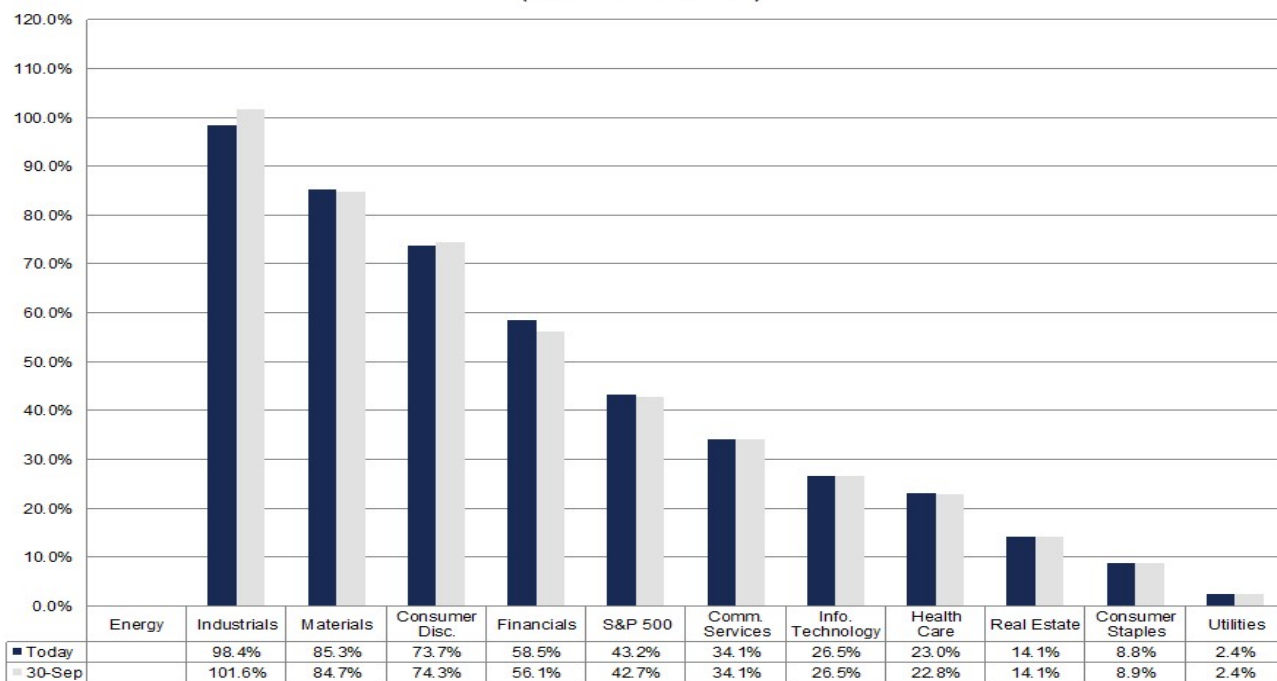


S&P 500 Revenue Growth: Q4 2021
(Source: FactSet)

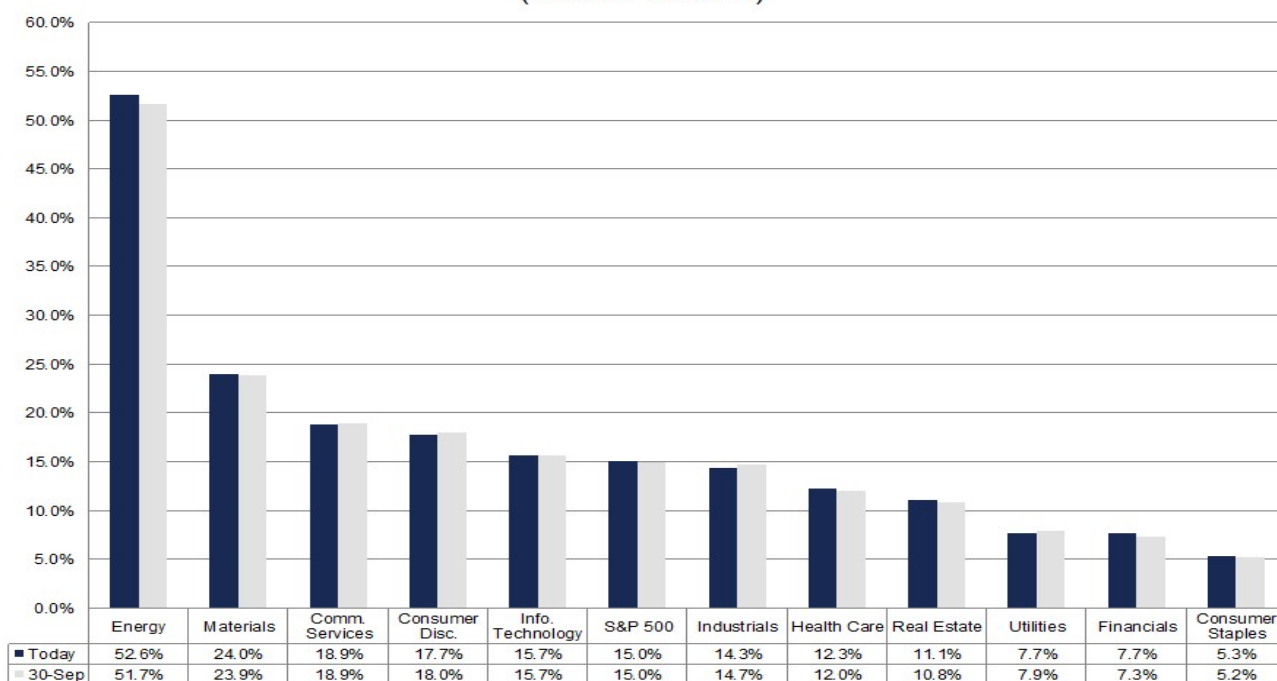


CY 2021: Growth

S&P 500 Earnings Growth: CY 2021
(Source: FactSet)

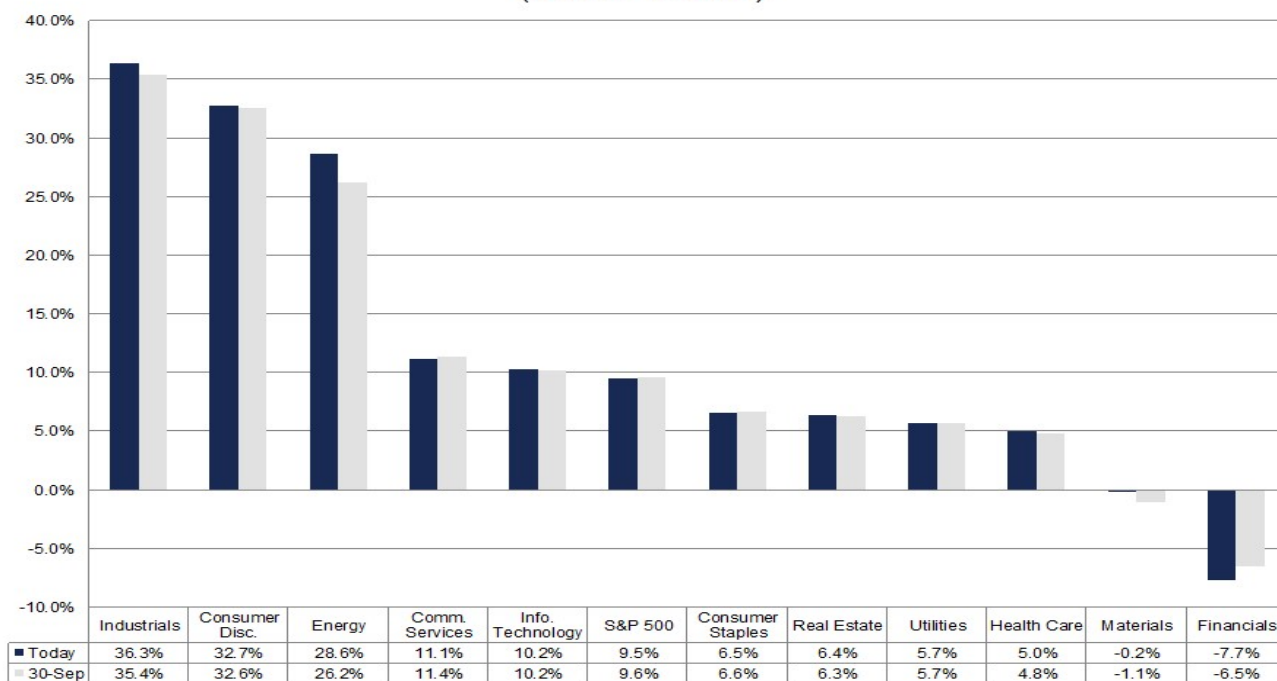


S&P 500 Revenue Growth: CY 2021
(Source: FactSet)

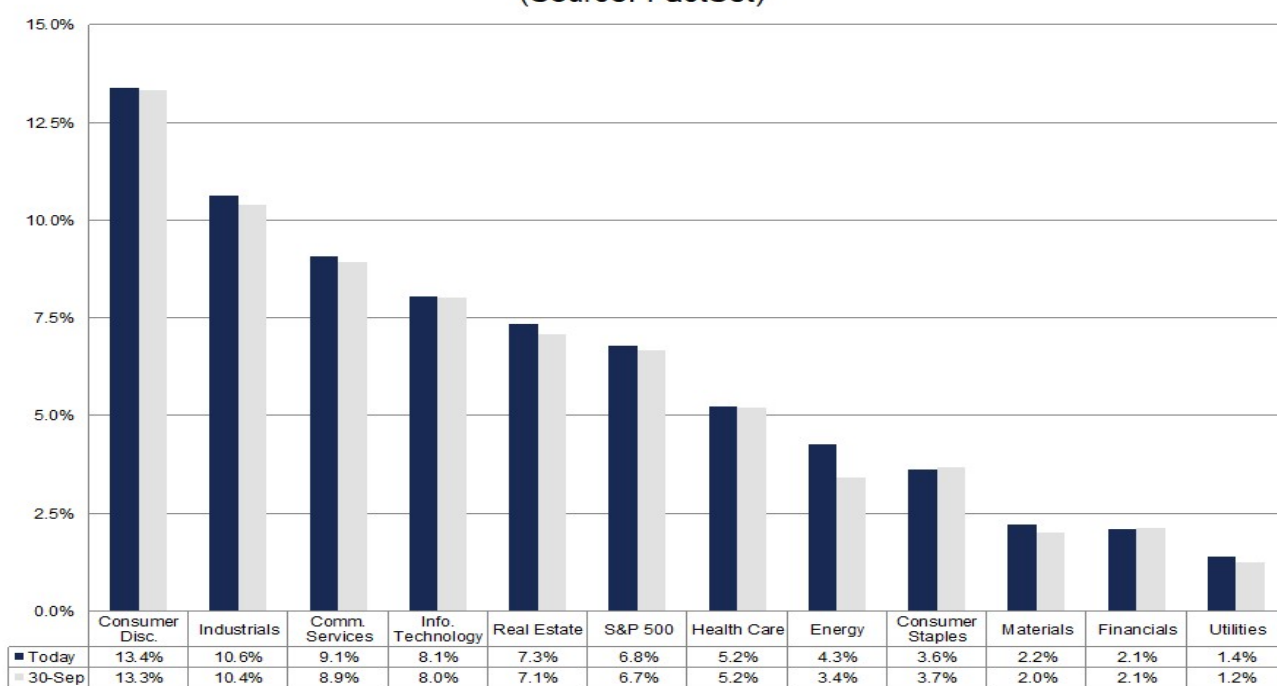


CY 2022: Growth

S&P 500 Earnings Growth: CY 2022
(Source: FactSet)

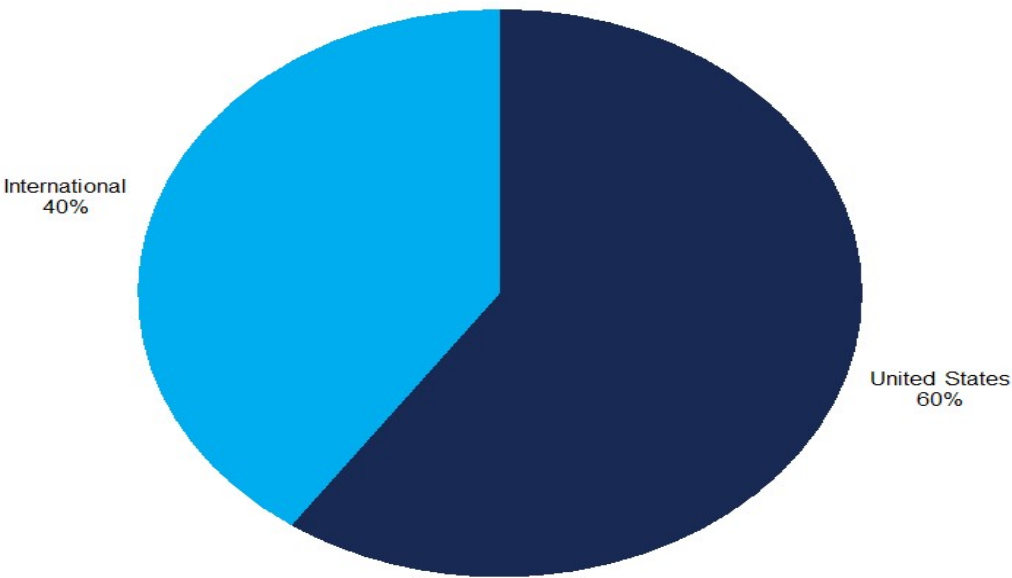


S&P 500 Revenue Growth: CY 2022
(Source: FactSet)

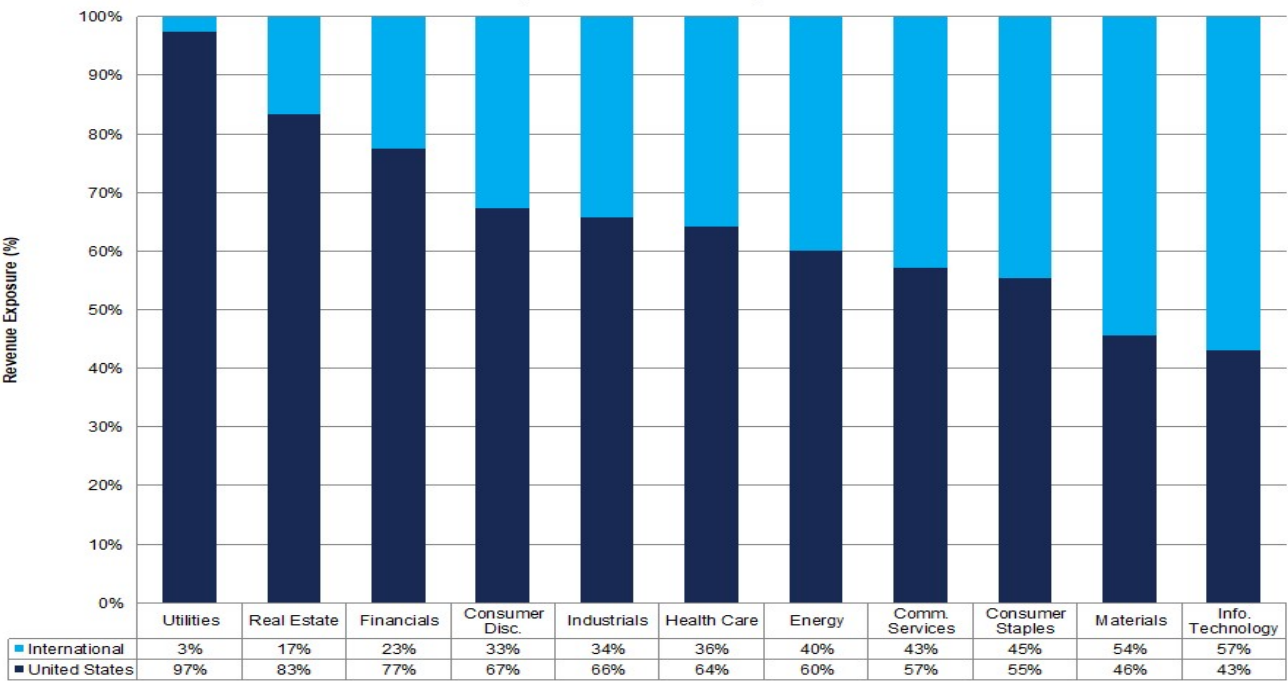


Geographic Revenue Exposure

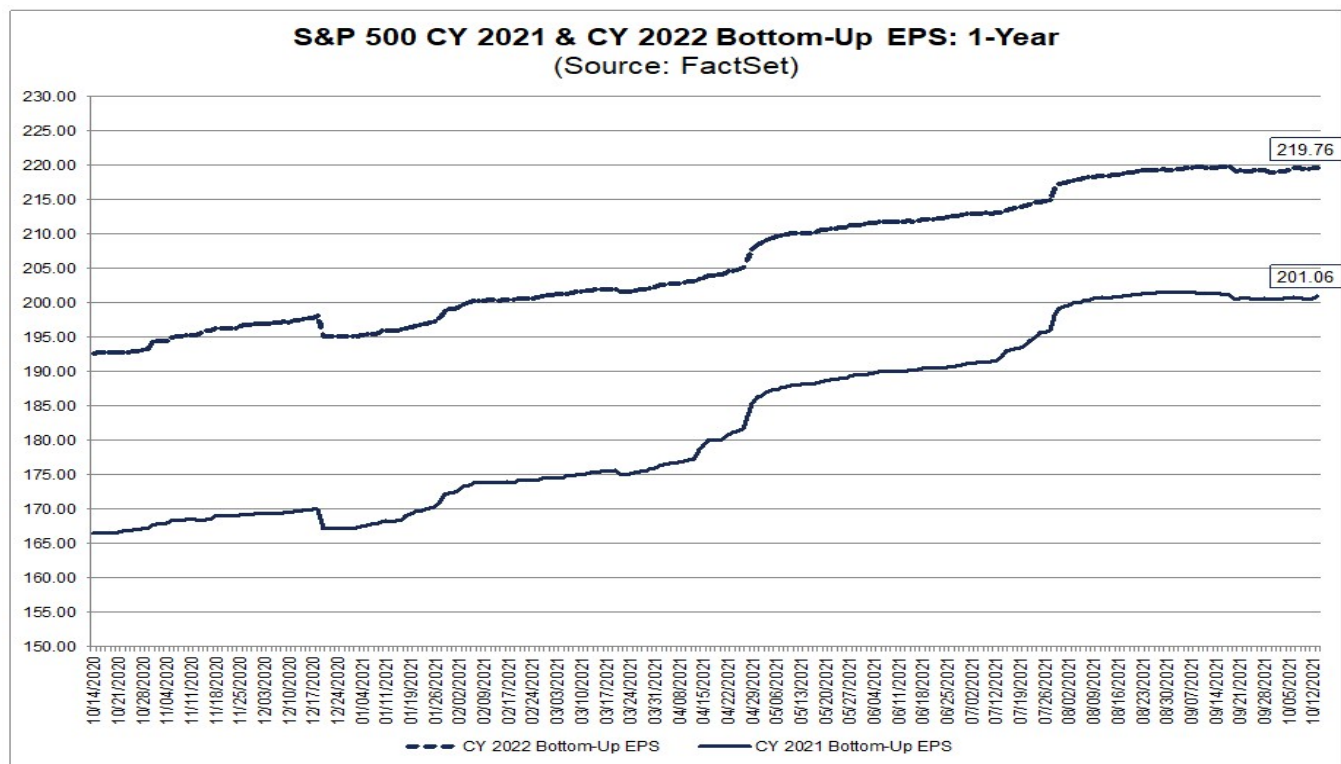
S&P 500: Aggregate Geographic Revenue Exposure (%)
(Source: FactSet)



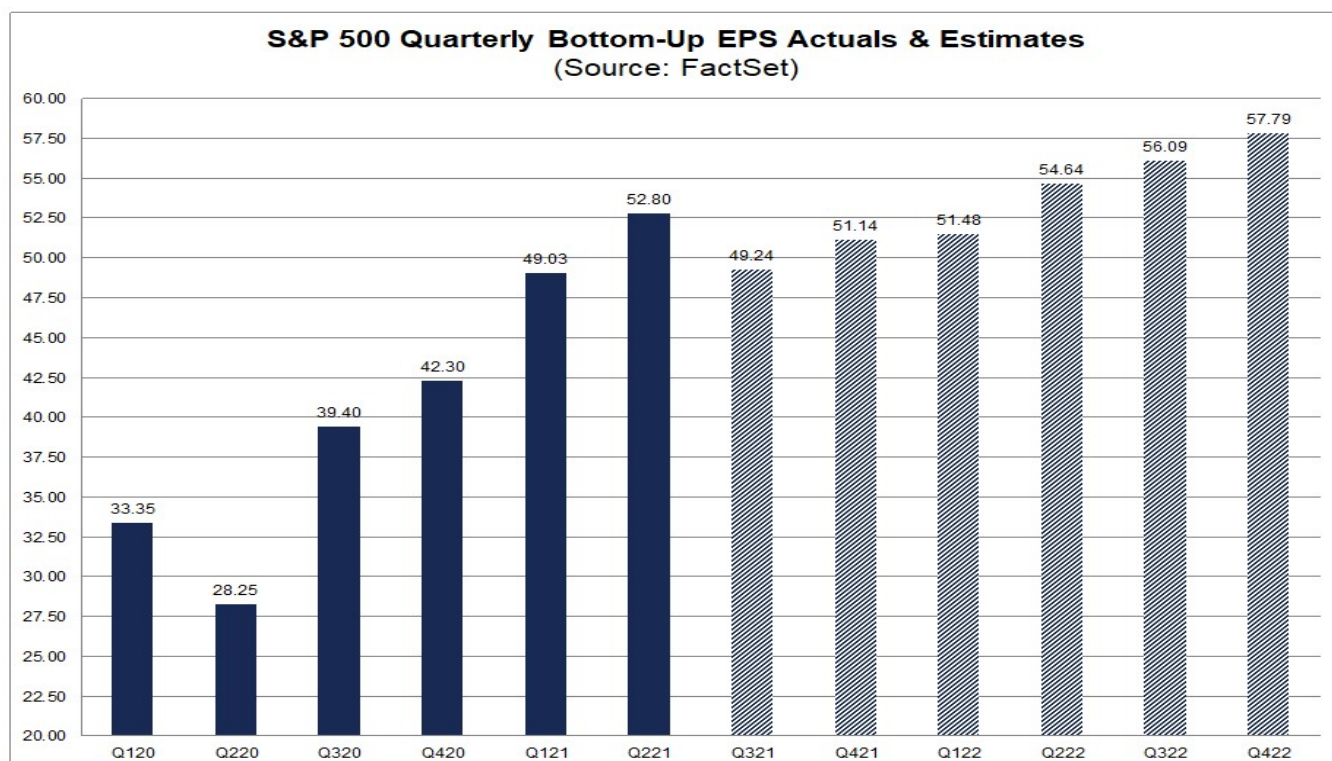
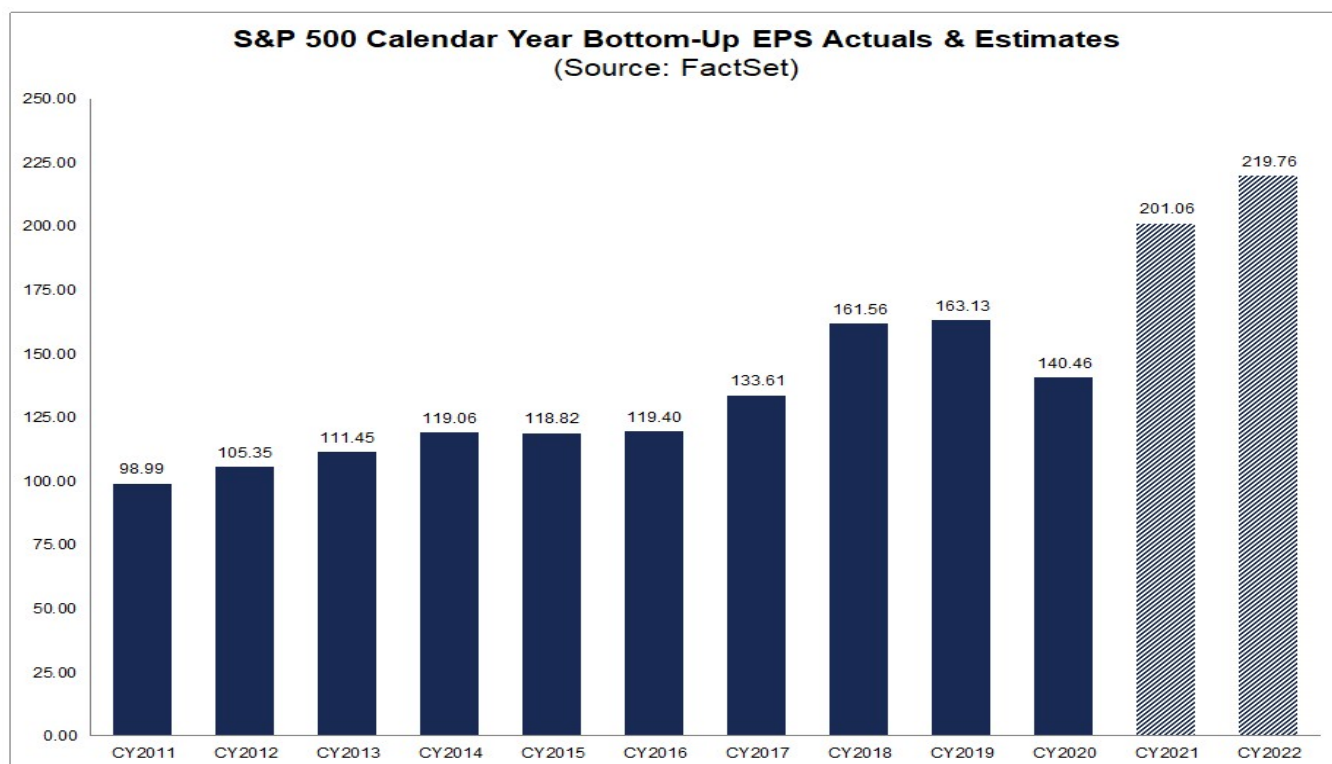
S&P 500: Aggregate Sector Geographic Revenue Exposure (%)
(Source: FactSet)



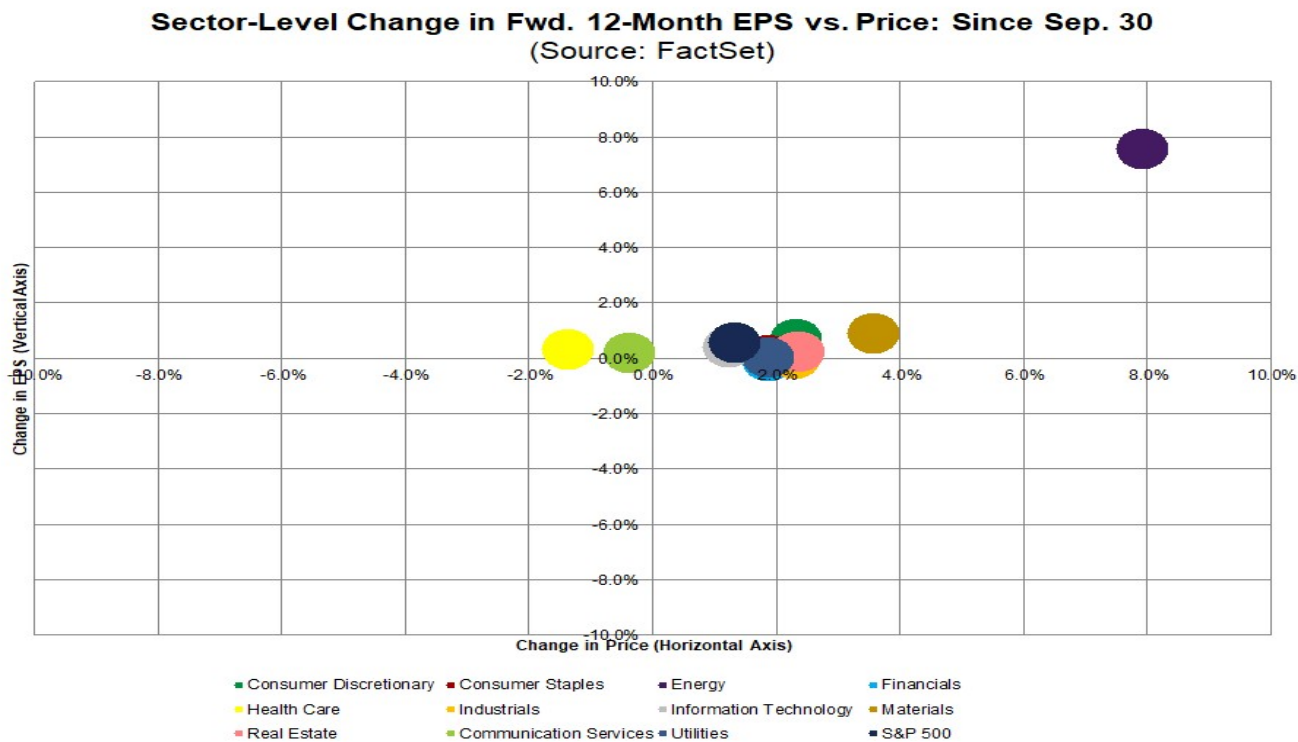
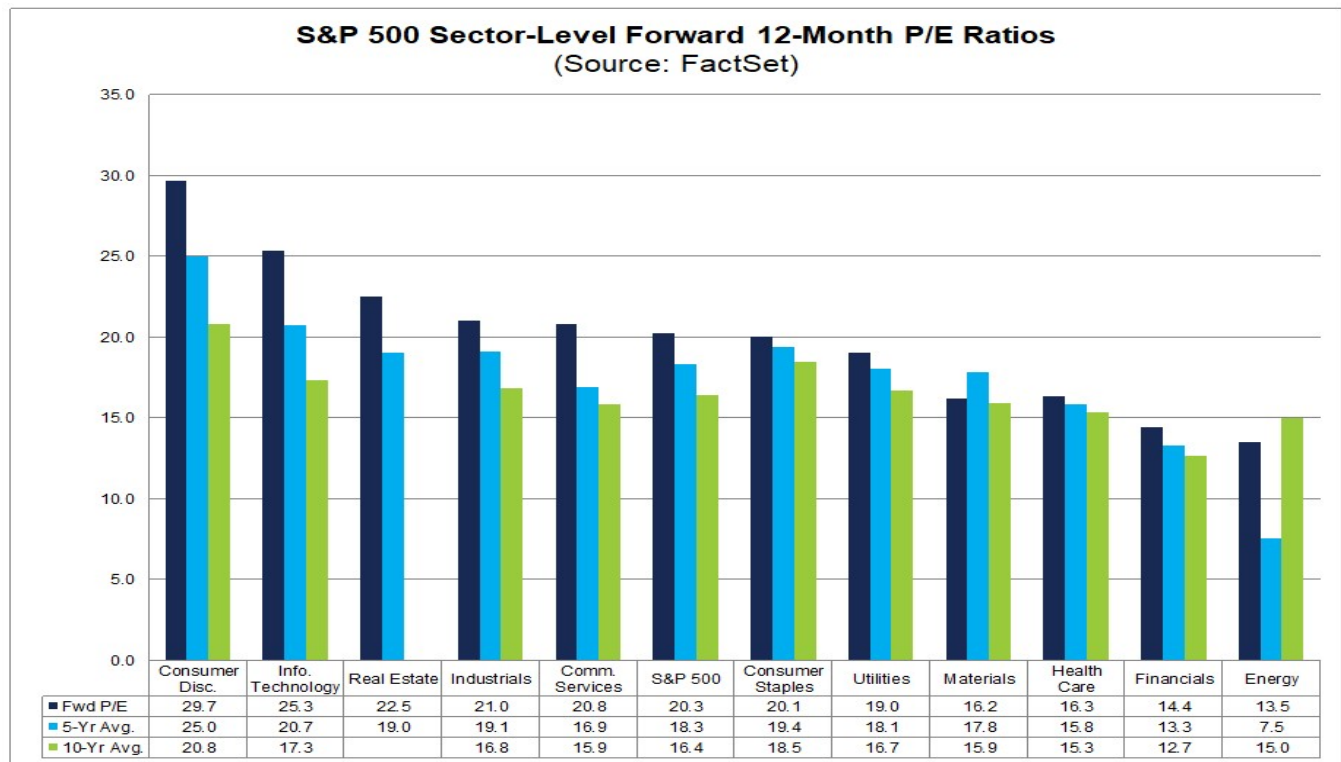
Bottom-up EPS Estimates: Revisions



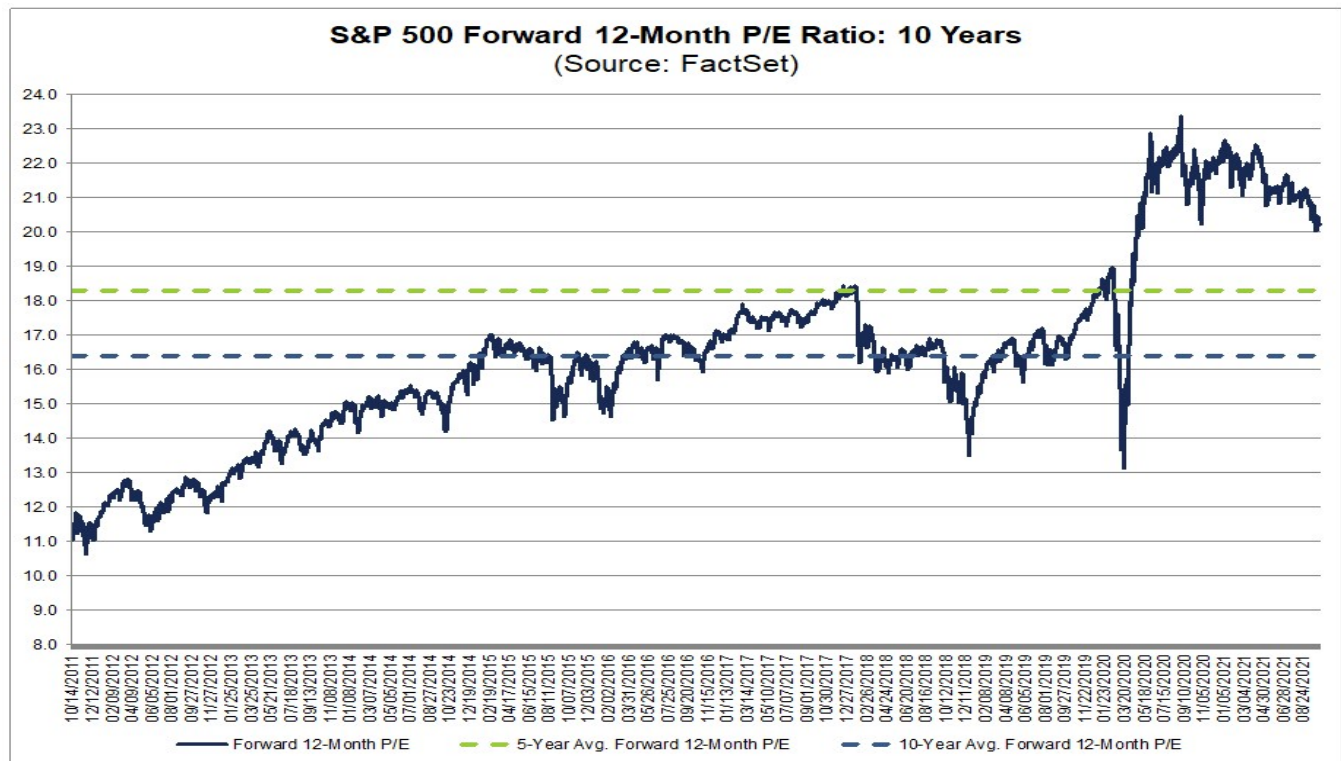
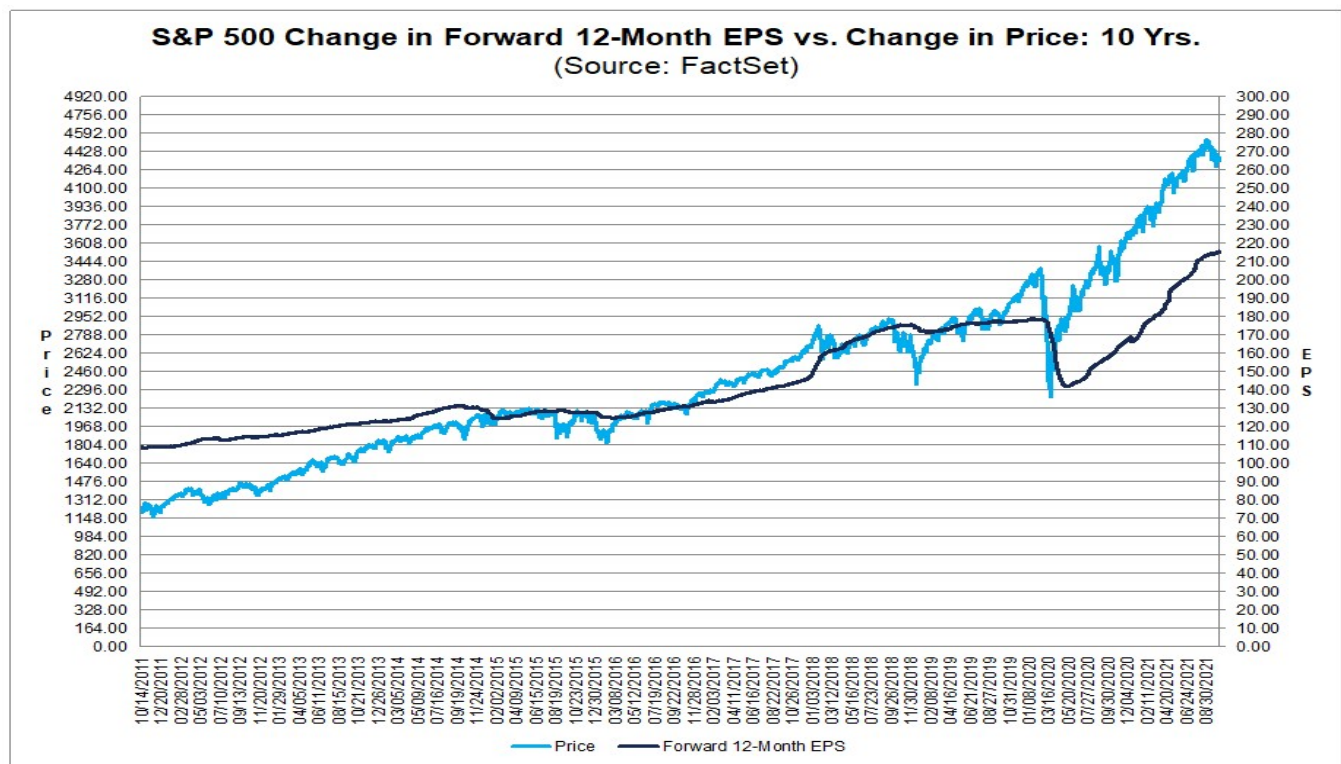
Bottom-up EPS Estimates: Current & Historical



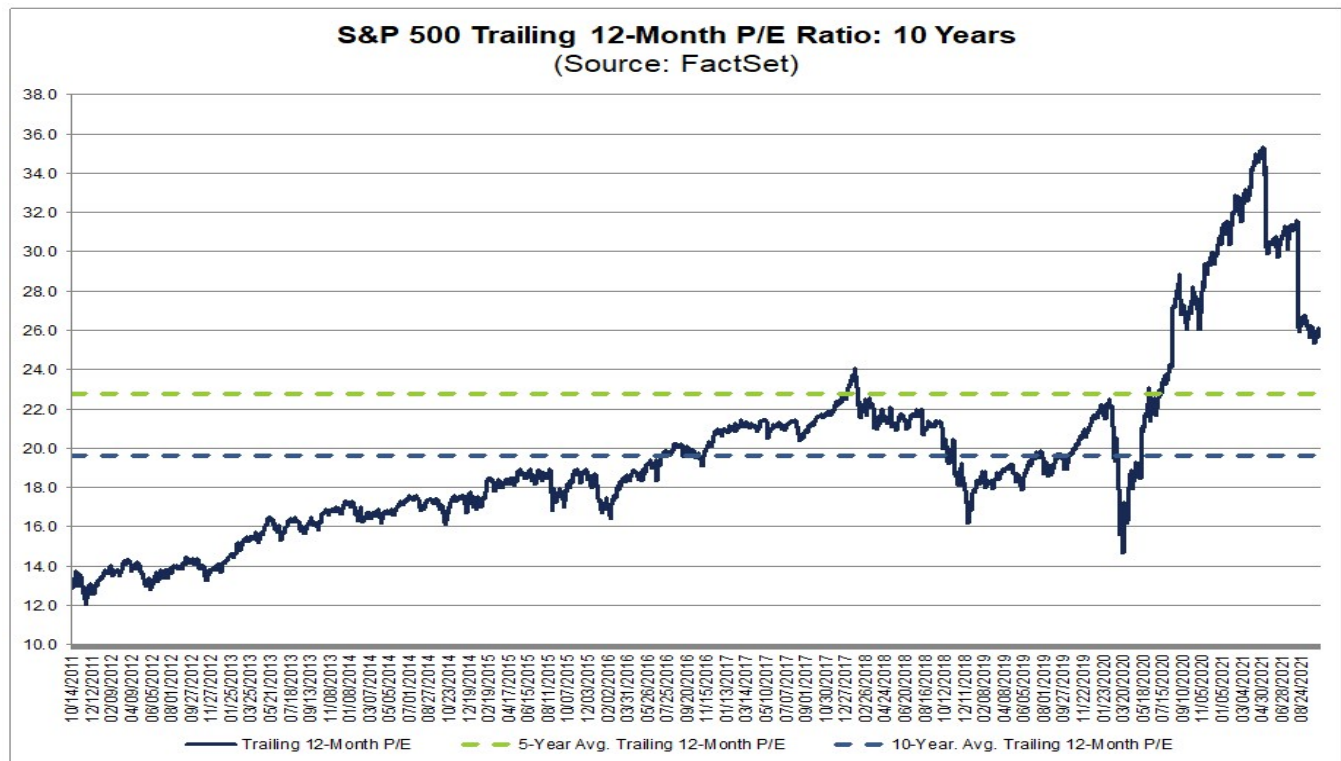
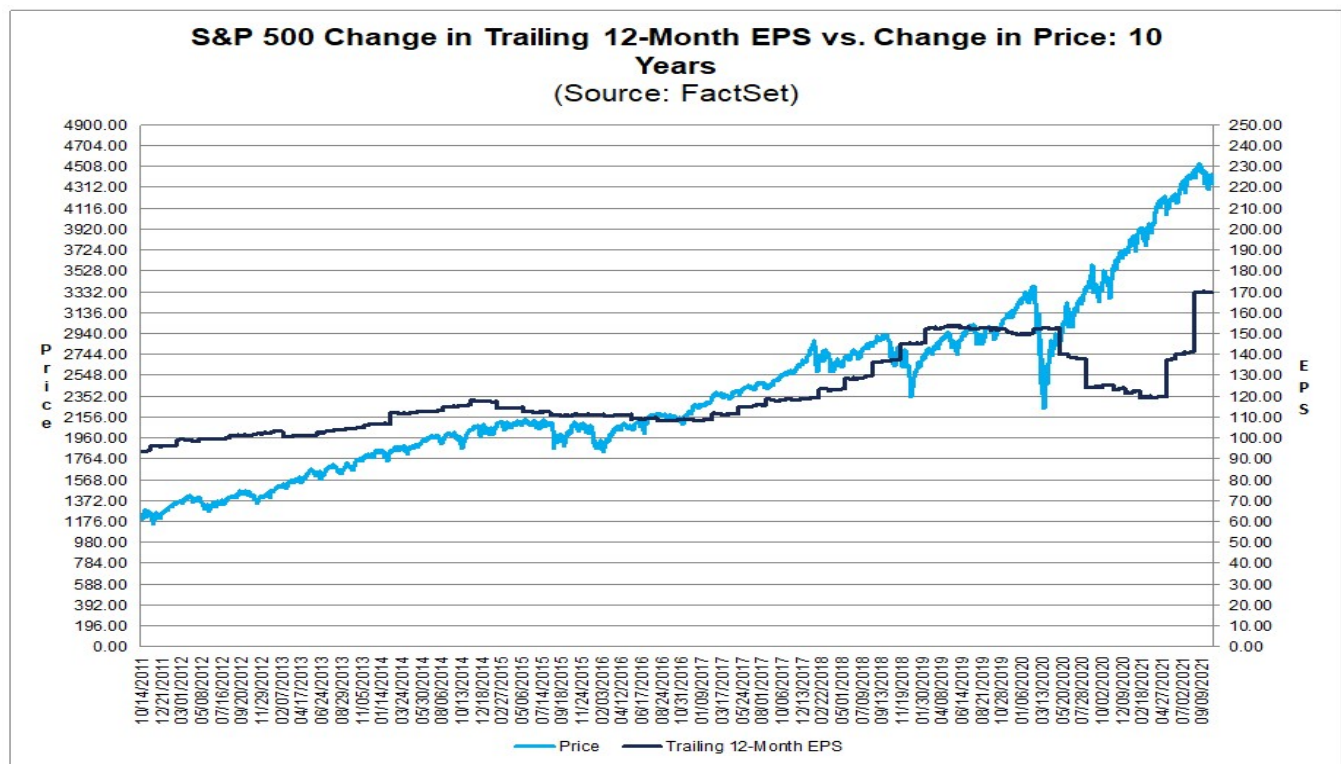
Forward 12M P/E Ratio: Sector Level



Forward 12M P/E Ratio: 10-Years



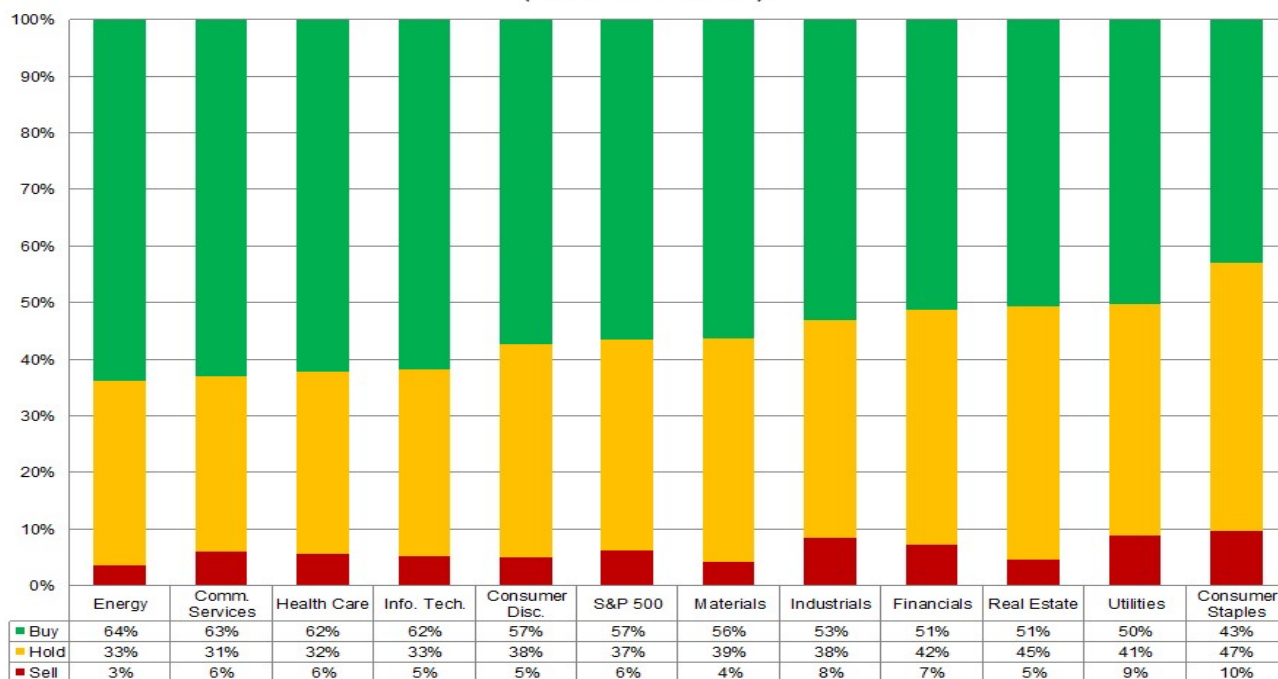
Trailing 12M P/E Ratio: 10-Years



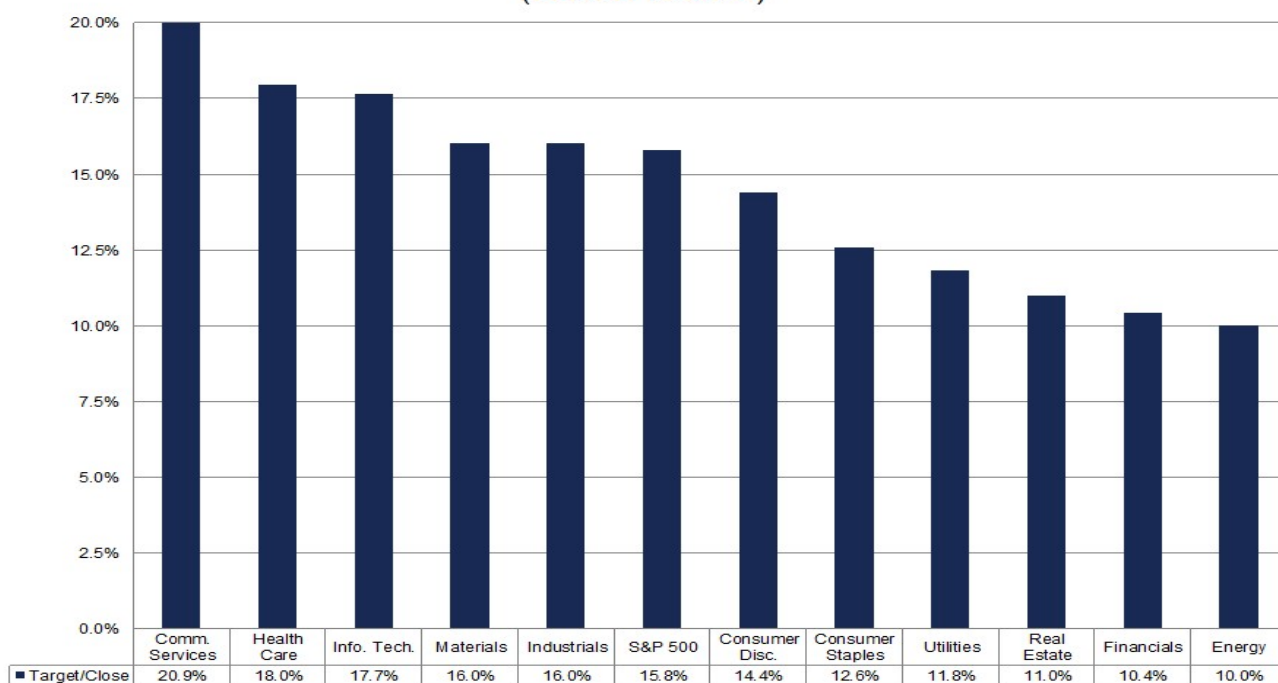
Targets & Ratings

S&P 500: Percentage of Buy, Hold, and Sell Ratings

(Source: FactSet)

**S&P 500 Sector-Level Bottom-Up Target Price vs. Closing Price**

(Source: FactSet)



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