FACTSET

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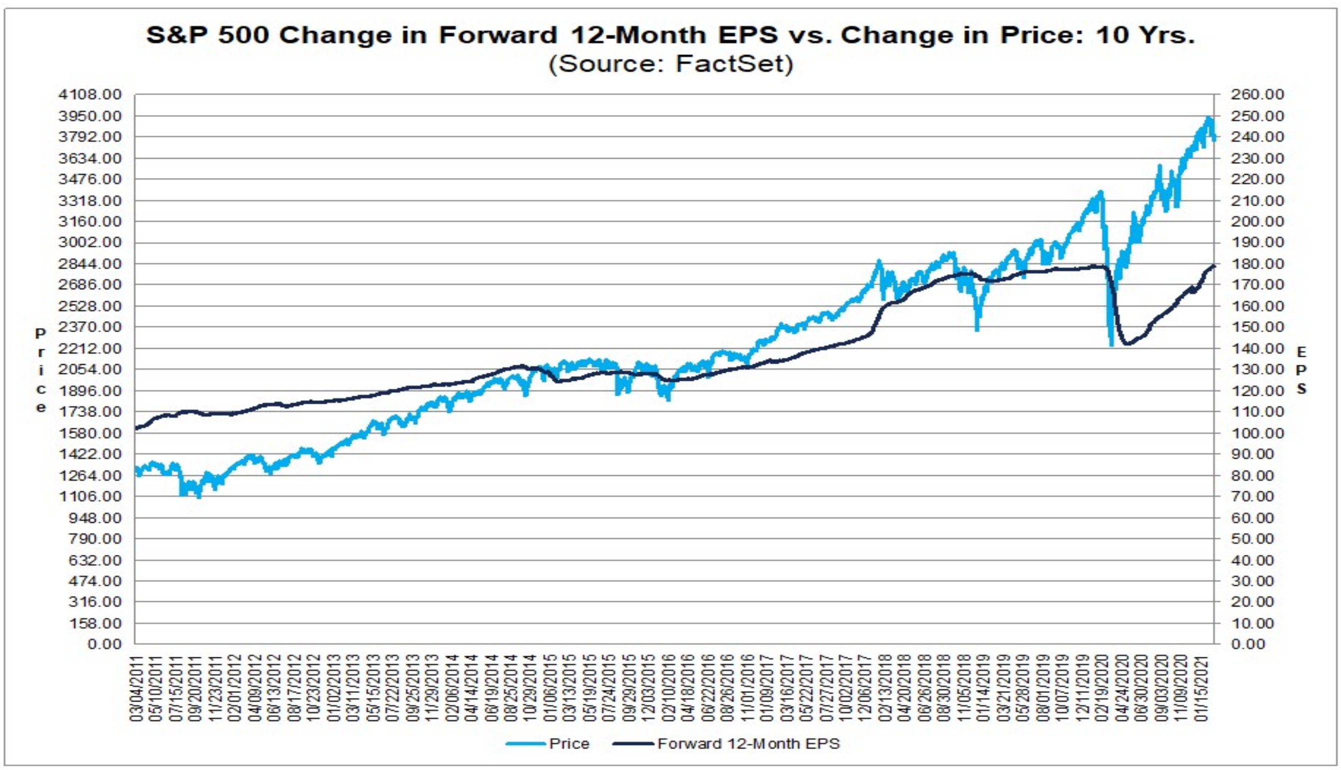
Key Metrics

- **Earnings Growth:** For Q1 2021, the estimated earnings growth rate for the S&P 500 is 21.8%. If 21.8% is the actual growth rate for the quarter, it will mark the highest year-over-year earnings growth reported by the index since Q3 2018 (26.1%).
- **Earnings Revisions:** On December 31, the estimated earnings growth rate for Q1 2021 was 15.7%. Seven sectors have higher earnings growth rates or smaller earnings declines today (compared to December 31) due to upward revisions to EPS estimates.
- **Earnings Guidance:** For Q1 2021, 34 S&P 500 companies have issued negative EPS guidance and 60 S&P 500 companies have issued positive EPS guidance.
- **Valuation:** The forward 12-month P/E ratio for the S&P 500 is 21.1. This P/E ratio is above the 5-year average (17.7) and above the 10-year average (15.8).
- **Earnings Scorecard:** For Q4 2020 (with 99% of the companies in the S&P 500 reporting actual results), 79% of S&P 500 companies have reported a positive EPS surprise. If 79% is the final percentage, it will mark the third-highest percentage of S&P 500 companies reporting a positive EPS surprise since FactSet began tracking this metric in 2008.



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Topic of the Week:

More Than 1 in 4 S&P 500 Companies Cited “ESG” on Earnings Calls for Q4

During each corporate earnings season, it is not unusual for companies to comment on their ongoing corporate goals and initiatives. Given the growing focus on environmental, social, and governance factors by investors, did companies in the S&P 500 comment on these factors during their earnings conference calls for the fourth quarter?

To answer this question, FactSet searched for the term “ESG” in the conference call transcripts of all the S&P 500 companies that conducted earnings conference calls from December 15 through March 5.

Of these companies, 129 cited the term “ESG” (in reference to environmental, social, and governance factors) during their earnings calls.

This number is the highest overall number of S&P 500 companies citing “ESG” on earnings calls going back at least ten years. The previous record was 79, which occurred in the previous quarter.

On a quarter-over-quarter basis, 50 more S&P 500 companies cited “ESG” on earnings calls in Q4 2020 relative to Q3 2020, which also reflects the highest quarterly increase in the number of S&P 500 companies citing “ESG” on earnings calls going back at least 10 years. The previous record was 40, which occurred in Q4 2019.

What drove the increase in citations for “ESG” during in earnings calls in Q4 2020 relative to Q3 2020?

At the sector level, all eleven sectors recorded an increase in the number of companies citing “ESG” on a quarter-over-quarter basis. The Industrials (+10), Health Care (+8), Financials (+7), Information Technology (+7), and Real Estate (+6) sectors witnessed the largest increases in the number of companies citing “ESG” on earnings calls in Q4 compared to Q3. These five sectors accounted for 76% (38) of the total increase (50) for the index.

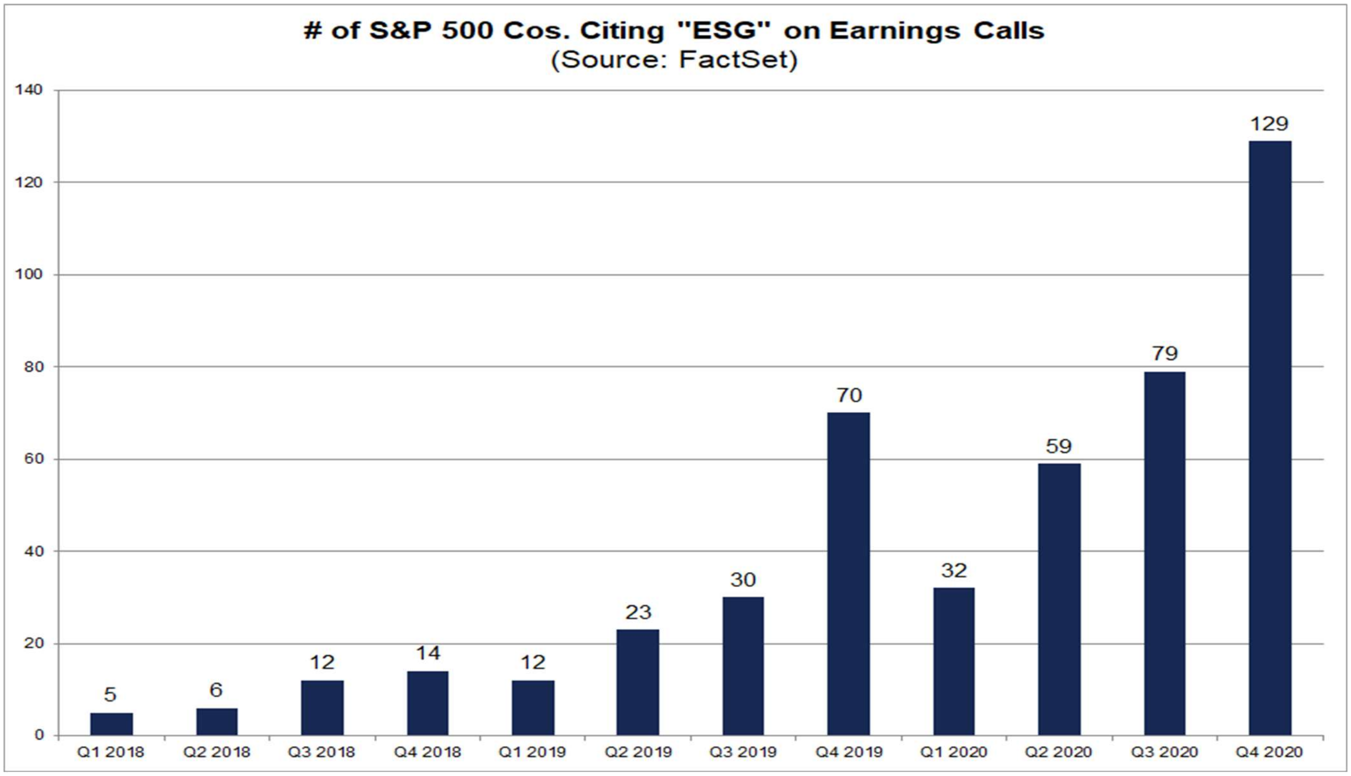
It is interesting to note that 154 S&P 500 S&P 500 companies cited “Biden” or “administration” (in reference to the Biden administration) on earnings calls for Q4 2020. For these 154 companies, the government policy that was cited or discussed by the highest number of S&P 500 companies (50) in conjunction with their comments on the Biden administration was climate change & energy policy.

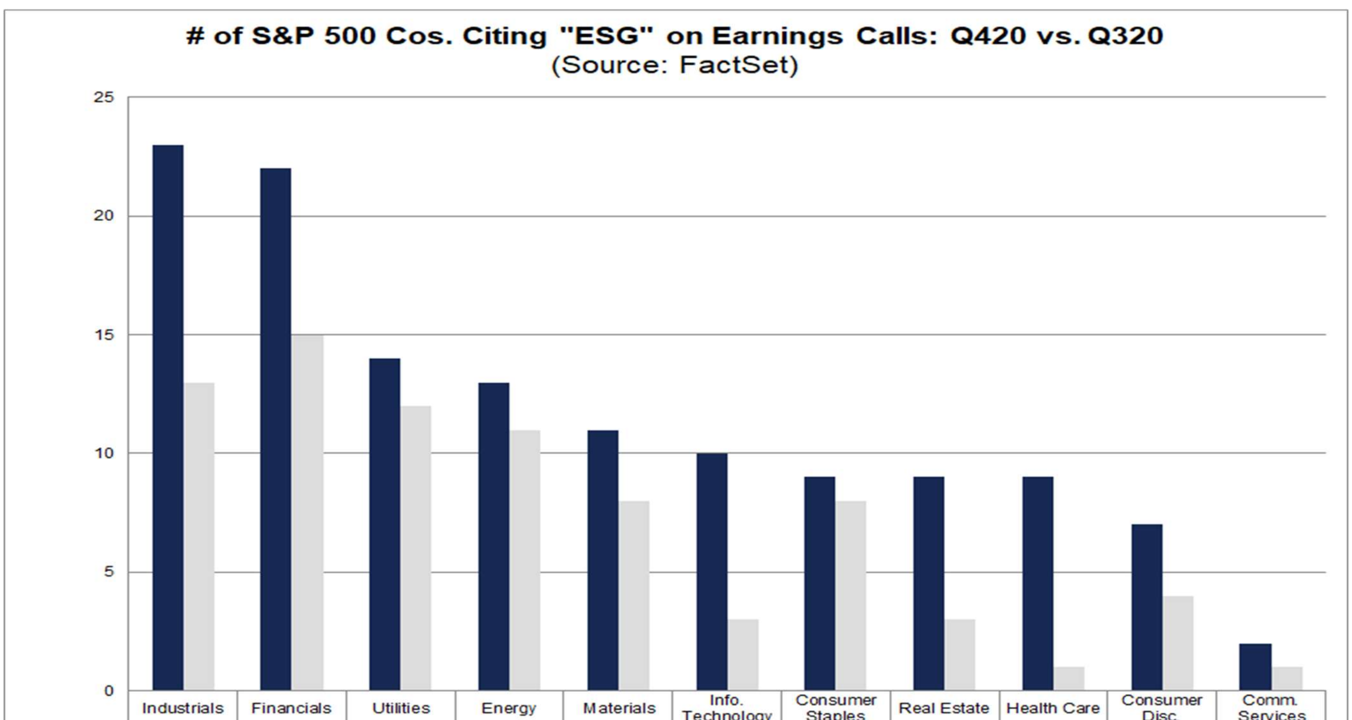
Thus, is it possible the change in presidential administration contributed to the large increase in the number of S&P 500 companies citing “ESG” on earnings calls in Q4 2020 compared to Q3 2020? Of the 129 S&P 500 companies that cited “ESG” on earnings calls for Q4 2020, 48 also cited “Biden” or “administration” on the earnings call. Of these 48 companies, 26 discussed climate change & energy policy in conjunction with their comments on the Biden administration.

“Southern has two primary goals related to our greenhouse gas emissions. The first is to achieve net zero emissions by 2050. We will work constructively with the Biden administration to accelerate this timeframe, as national policy evolves. The second one is to put in place an interim milestone to achieve a 50% reduction in greenhouse gases by 2030.” -Southern Company (Feb. 28)

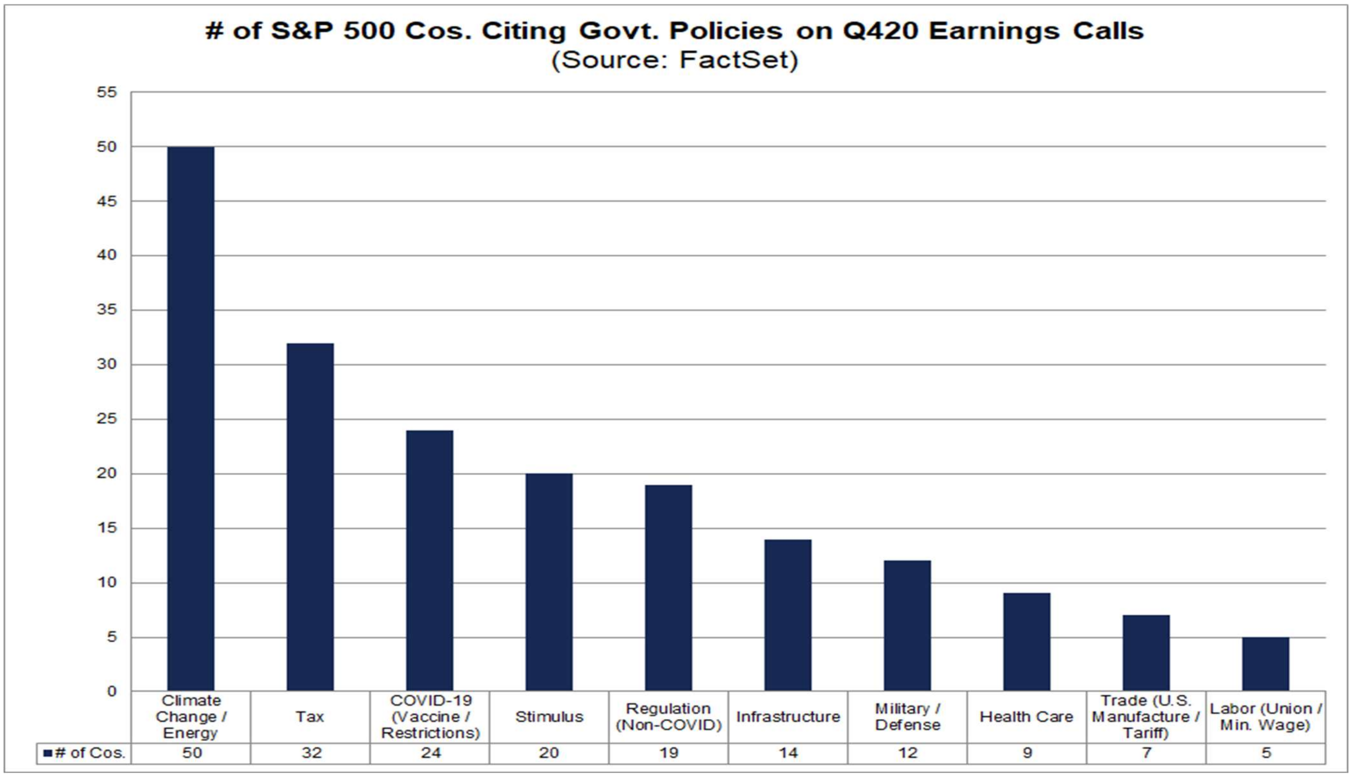
“You mentioned ESG. Certainly, the Biden administration is very focused on climate change. They've already announced their intent to rejoin the Paris agreement. It's one of their top priorities. I think what we're going to see is more ESG disclosures for one in the United States. I think there's a real desire to just get more comparability, consistency, availability, verifiability if that's even a word, and a desire to kind of harmonize around a framework. And I think, ultimately, that'll be good for the market, that will be good for us, as a provider of ESG data and analytics. So I think we're very well-positioned to capitalize on the increased focus on ESG.” -Moody’s (Feb. 12)

“On another top United policy priority, we commend President Biden for his decision to reenter the US into the Paris climate agreement. Realizing the ambition set forth under the Paris Accord is a responsibility we all own, including United Airlines. Last month, we pledged to be 100% green by 2050, which means getting to net zero carbon emissions without relying on traditional carbon offsets. We'll focus on investments in new carbon capture technology, and continue our global leadership on sustainable aviation fuel. And we're genuinely excited about the prospect of partnering with the new administration on efforts to find new long-term sustainable solutions for tackling the emissions from flying, and advancing a clean energy economy.” -United Airlines Holdings (Jan. 21)





	Industrials	Financials	Utilities	Energy	Materials	Info. Technology	Consumer Staples	Real Estate	Health Care	Consumer Disc.	Comm. Services
Q4 2020	23	22	14	13	11	10	9	9	9	7	2
Q3 2020	13	15	12	11	8	3	8	3	1	4	1


# of S&P 500 Cos. Citing Govt. Policies on Q420 Earnings Calls
(Source: FactSet)
55
50
45
40
35
30
25
20
15
10
5
0
Climate Change / Energy
Tax
COVID-19 (Vaccine / Restrictions)
Stimulus
Regulation (Non-COVID)
Infrastructure
Military / Defense
Health Care
Trade (U.S. Manufacture / Tariff)
Labor (Union / Min. Wage)
# of Cos.
50
32
24
20
19
14
12
9
7
5

Q1 Earnings Season: By The Numbers

Overview

Analysts and companies have been much more optimistic than normal in their estimate revisions and earnings outlooks for the first quarter to date. As a result, expected earnings for the S&P 500 for the first quarter are higher today compared to the start of the quarter. The index is now expected to report the highest year-over-year growth in earnings since Q3 2018 for Q1. Analysts expect double-digit earnings growth for all four quarters of 2021.

In terms of estimate revisions for companies in the S&P 500, analysts have increased earnings estimates in aggregate for Q1 2021 to date. On a per-share basis, estimated earnings for the first quarter have increased by 5.3% since December 31. In a typical quarter, analysts usually reduce earnings estimates during the quarter. Over the past five years (20 quarters), earnings estimates have fallen by 4.2% on average during a quarter. Over the past ten years, (40 quarters), earnings estimates have also fallen by 4.2% on average during a quarter. Over the past fifteen years, (60 quarters), earnings estimates have fallen by 5.1% on average during a quarter.

More S&P 500 companies have issued positive EPS guidance for Q1 2021 than average as well. At this point in time, 94 companies in the index have issued EPS guidance for Q1 2021, Of these 94 companies, 34 have issued negative EPS guidance and 60 have issued positive EPS guidance. The percentage of companies issuing positive EPS guidance is 64% (60 out of 94), which is above the 5-year average of 33%. The overall number of companies issuing EPS guidance for the first quarter of 94 is below the 5-year average of 104.

Because of the net upward revisions to earnings estimates, the estimated (year-over-year) earnings growth rate for Q1 2021 is higher now relative to the start of the first quarter. As of today, the S&P 500 is expected to report (year-over-year) earnings growth of 21.8%, compared to the estimated (year-over-year) earnings growth rate of 15.7% on December 31.

If 21.8% is the actual growth rate for the quarter, it will mark the largest year-over-year growth in earnings reported by the index since Q3 2018 (26.1%). Eight sectors are projected to report year-over-year earnings growth, led by the Consumer Discretionary, Financials, and Materials sectors. Three sectors are projected to report a year-over-year decline in earnings, led by the Energy and Industrials sectors.

Because of the net upward revisions to revenue estimates, the estimated (year-over-year) revenue growth rate for Q1 2021 is higher now relative to the start of the first quarter. As of today, the S&P 500 is expected to report (year-over-year) revenue growth of 6.1%, compared to the estimated (year-over-year) revenue growth rate of 3.8% on December 31.

If 6.1% is the actual growth rate for the quarter, it will mark the highest year-over-year revenue growth reported by the index since Q4 2018 (6.9%). Eight sectors are projected to report year-over-year growth in revenues, led by the Information Technology, Consumer Discretionary, and Communication Services sectors. Three sectors are projected to report a year-over-year decline in revenues, led by the Energy sector.

Looking at future quarters, analysts also project double-digit earnings growth for the remaining three quarters of 2021, with earnings growth peaking in Q2 2021 at 50.0%.

The forward 12-month P/E ratio is 21.1, which is above the 5-year average and above the 10-year average.

During the upcoming week, two S&P 500 companies are scheduled to report results for the fourth quarter and one S&P 500 company is schedule to report results for the first quarter.

Earnings Revisions: Energy Sector Sees Largest Estimate Increases

Small Increase in Estimated Earnings Growth Rate for Q1 This Week

During the past week, the estimated earnings growth rate for the S&P 500 for Q1 2021 increased slightly to 21.8% from 21.7%.

Since the start of the quarter, the estimated earnings growth rate for the S&P 500 for Q1 2021 has increased to 21.8% today from 15.7% on December 31. Seven sectors have recorded a decrease in their expected earnings declines or an increase in expected earnings growth due to upward revisions to earnings estimates, led by the Energy, Financials, Materials, and Information Technology sectors. On the other hand, four sectors have recorded an increase in their expected earnings declines or a decrease in expected earnings growth due to downward revisions to earnings estimates, led by the Industrials sector.

Energy: Exxon Mobil Leads Earnings Increase Since December 31

The Energy sector has recorded the largest decrease in its expected earnings decline of all eleven sectors since the start of the quarter (to -21.8% from -61.2%). This sector has also witnessed the largest increase in price (+33.4%) of all eleven sectors since December 31. Rising oil prices are contributing to increase in earnings estimates for this sector, as the price of oil today ($63.83) is 32% above the price for oil on December 31 ($48.52). Overall, 18 of the 23 companies (78%) in the Energy sector have seen an increase in their mean EPS estimate during this time. Of these 18 companies, 14 have recorded an increase in their mean EPS estimate of more than 10%, led by APA Corporation (to $0.19 from $0.01), ConocoPhillips (to $0.39 from $0.11), EOG Resources (to $1.15 from $0.45), and Devon Energy (to $0.28 from $0.13). However, Exxon Mobil (to $0.48 from $0.25) has been the largest contributor to the increase in expected earnings for this sector since December 31.

Financials: JPMorgan Chase and Citigroup Lead Earnings Increase Since December 31

The Financials sector has recorded the second-largest increase in its expected earnings growth rate of all eleven sectors since the start of the quarter (to 67.1% from 49.7%). This sector has also witnessed the second-largest increase in price (+11.8%) of all eleven sectors since December 31. Overall, 48 of the 65 companies (74%) in the Financials sector have seen an increase in their mean EPS estimate during this time. Of these 48 companies, 31 have recorded an increase in their mean EPS estimate of more than 10%, led by Charles Schwab (to $0.73 from $0.47), Capital One Financial (to $3.62 from $2.55), Discover Financial Services (to $2.56 from $1.93), and Citizens Financial Group (to $0.92 from $0.70). However, JPMorgan Chase (to $2.78 from $2.36) and Citigroup (to $1.98 from $1.66) have been the largest contributors to the increase in expected earnings for this sector since December 31.

Materials: 61% of Companies Have Seen Increase In Earnings Since December 31

The Materials sector has recorded the third-largest increase in its expected earnings growth rate of all eleven sectors since the start of the quarter (to 42.6% from 30.2%). This sector has also witnessed the fifth-largest increase in price (+1.1%) of all eleven sectors since December 31. Overall, 17 of the 28 companies (61%) in the Materials sector have seen an increase in their mean EPS estimate during this time. Of these 17 companies, 9 have recorded an increase in their mean EPS estimate of more than 10%, led by CF Industries Holdings (to $0.53 vs. $0.23), Mosaic Company (to $0.48 from $0.26), Nucor (to $2.01 from $1.24), and Dow (to $1.02 from $0.64).

Information Technology: Apple and Microsoft Lead Earnings Increase since December 31

The Information Technology sector has recorded the fourth-largest increase in its expected earnings growth rate of all eleven sectors since the start of the quarter (to 21.5% from 12.2%). Despite the increase in earnings, this sector has witnessed a decrease in price of 3.2% since December 31. Overall, 54 of the 75 companies (72%) in the Information Technology sector have seen an increase in their mean EPS estimate during this time. Of these 54 companies, 24 have recorded an increase in their mean EPS estimate of more than 10%, led by HP (to $0.87 from $0.61), Micron Technology (to $0.91 from $0.66), Skyworks Solutions (to $2.35 from $1.71), and Zebra Technologies (to $4.30 vs. $3.17). However, Apple (to $0.98 from $0.88), Microsoft (to $1.77 from $1.58), and Intel (to $1.11 from $0.93) have been the largest contributors to the increase in expected earnings for this sector since December 31.

Industrials: Airlines Industry Leads Earnings Decrease since December 31

The Industrials sector has recorded the largest increase in its expected earnings decline of all eleven sectors since the start of the quarter (to -15.7% from -3.8%). Despite the decrease in earnings, this sector has witnessed an increase in price of 2.7% since December 31. Overall, 28 of the 74 companies (38%) in the Industrials sector have seen a decrease in their mean EPS estimate during this time. Of these 28 companies, 8 have recorded a decrease in their mean EPS estimate of more than 10%, led by Southwest Airlines (to -$1.85 from -$0.81), Boeing (to -$0.90 from -$0.43), and Alaska Air Group (to -$3.73 vs. -$2.07). However, American Airlines Group (to -$3.93 from -$2.72), United Airlines Holdings (to -$6.87 from -$4.63), Delta Air Lines (to -$2.70 from -$1.60), and Southwest Airlines have been the largest contributors to the decrease in expected earnings for this sector since December 31.

Index-Level (Bottom-Up) EPS Estimate: 5.3% Increase Since December 31

The Q1 bottom-up EPS estimate (which is an aggregation of the median earnings estimates for all 500 companies in the index and can be used as a proxy for the earnings of the index) has increased by 5.3% (to $39.60 from $37.61) since December 31. In a typical quarter, analysts usually reduce earnings estimates. Over the past five years (20 quarters), earnings expectations have fallen by 4.2% on average during a quarter. Over the past ten years, (40 quarters), earnings expectations have also fallen by 4.2% on average during a quarter. Over the past fifteen years (60 quarters), earnings expectations have fallen by 5.1% on average during a quarter.

Guidance: More S&P 500 Companies Issuing Positive EPS Guidance for Q1 Than Average

At this point in time, 94 companies in the index have issued EPS guidance for Q1 2021. Of these 94 companies, 34 have issued negative EPS guidance and 60 have issued positive EPS guidance. The percentage of companies issuing positive EPS guidance is 64% (60 out of 94), which is well above the 5-year average of 33%. The overall number of companies issuing EPS guidance for the first quarter of 94 is below the 5-year average of 104.

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 Growth: 21.8%

The estimated (year-over-year) earnings growth rate for Q1 2021 is 21.8%, which is above the 5-year average earnings growth rate of 3.8%. If 21.8% is the actual growth rate for the quarter, it will mark the highest year-over-year earnings growth reported by the index since Q3 2018 (26.1%). Eight sectors are projected to report year-over-year earnings growth, led by the Consumer Discretionary, Financials, and Materials sectors. Three sectors are projected to report a year-over-year decline in earnings, led by the Energy and Industrials sectors.

Consumer Discretionary: 6 of 10 Industries Expected to Report to Year-Over-Year Growth At or Above 50%

The Consumer Discretionary sector is expected to report the highest (year-over-year) earnings growth of all eleven sectors at 85.5%. At the industry level, nine of the ten industries in this sector are expected to report double-digit earnings growth: Automobiles (1,047%), Textiles, Apparel, & Luxury Goods (414%), Specialty Retail (232%), Internet & Direct Marketing Retail (66%), Multiline Retail (55%), Household Durables (50%), Auto Components (36%), Distributors (20%), and Leisure Products (17%). The Specialty Retail industry is also projected to be the largest contributor to growth for the sector. If this industry were excluded, the estimated earnings growth rate for the Consumer Discretionary sector would fall to 47.9% from 85.5%. On the other hand, the Hotels, Restaurants, & Leisure industry (-216%) is the only industry in this sector that is projected to report a year-over-year decline in earnings and is expected to be the largest detractor to earnings growth. If this industry were excluded, the estimated earnings growth rate for the Consumer Discretionary sector would rise to 129.4% from 85.5%.

Financials: Banks Industry Expected To Be Largest Contributor to Year-Over-Year Growth

The Financials sector is expected to report the second-highest (year-over-year) earnings growth of all eleven sectors at 67.1%. At the industry level, all five industries in this sector are predicted to report year-over-year growth in earnings: Consumer Finance (N/A due to year-ago loss), Banks (129%), Capital Markets (31%), Insurance (9%), and Diversified Financial Services (3%). The Banks industry is also projected to be the largest contributor to growth for the sector. If this industry were excluded, the estimated earnings growth rate for the Financials sector would fall to 38.3% from 67.1%.

Materials: Metals & Mining Industry Expected To Be Largest Contributor to Year-Over-Year Growth

The Materials sector is expected to report the third-highest (year-over-year) earnings growth of all eleven sectors at 42.6%. At the industry level, all four industries in this sector are predicted to report year-over-year growth: Metals & Mining (417%), Chemicals (22%), Containers & Packaging (18%), and Construction Materials (7%). The Metals & Mining industry is also predicted to be 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 21.2% from 42.6%.

Energy: 3 of 5 Sub-Industries Expected to Report Year-Over-Year Decline of More Than 25%

The Energy sector is expected to report the largest (year-over-year) decline in earnings of all eleven sectors at -21.8%. Despite the projected decline in earnings, the average price of oil in Q1 2021 ($56.13) is 4% above the average price for oil in Q1 2020 ($54.21). At the sub-industry level, three of the five sub-industries in the sector are predicted to report a decline in earnings of more than 25%: Oil & Gas Refining & Marketing (-244%), Oil & Gas Equipment & Services (-44%), and Integrated Oil & Gas (-26%). On the other hand, two sub-industries are projected to report earnings growth: Oil & Gas Exploration & Production (106%) and Oil & Gas Storage & Transportation (<1%).

Industrials: Airlines Industry Expected to Be Largest Contributor To Year-Over-Year Decline

The Industrials sector is expected to report the second-largest (year-over-year) earnings decline of all eleven sectors at -15.7%. At the industry level, four of the twelve industries in this sector are projected to report a decline in earnings, led by the Airlines (N/A due to year-ago loss) industry. On the other hand, eight industries are projected to report (year-over-year) earnings growth, led by the Air Freight & Logistics (78%), Construction & Engineering (51%), and Machinery (29%) industries. The Airlines industry is also projected to be 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 9.6% from -15.7%.

Revenue Growth: 6.1%

The estimated (year-over-year) revenue growth rate for Q1 2021 is 6.1%, which is above the 5-year average revenue growth rate of 3.5%. If 6.1% is the actual growth rate for the quarter, it will mark the highest year-over-year revenue growth reported by the index since Q4 2018 (6.9%). Eight sectors are projected to report year-over-year growth in revenues, led by the Information Technology, Consumer Discretionary, and Communication Services sectors. Three sectors are projected to report a year-over-year decline in revenues, led by the Energy sector.

Information Technology: 4 of 6 Industries Expected To Report Year-Over-Year Growth Above 10%

The Information Technology sector is expected to report the highest (year-over-year) revenue growth of all eleven sectors at 14.8%. At the industry level, all six industries in this sector are projected to report year-over-year growth in revenues. Four of these six industries are predicted to report growth above 10%: Technology Hardware, Storage, & Peripherals (24%), Semiconductors & Semiconductor Equipment (19%), Software (17%), and Electronic Equipment, Instruments, & Components (13%).

Consumer Discretionary: 6 of 10 Industries Expected to Report Year-Over-Year Growth At Or Above 10%

The Consumer Discretionary sector is also expected to report the highest (year-over-year) revenue growth of all eleven sectors at 14.8%. At the industry level, eight of the ten industries in this sector are predicted to report growth in revenues. Six of these eight industries are projected to report double-digit growth: Auto Components (33%), Internet & Direct Marketing Retail (33%), Specialty Retail (25%), Household Durables (19%), Textiles, Apparel, & Luxury Goods (13%), and Automobiles (10%). On the other hand, two industries are projected to report a year-over-year decline in revenues, led by the Hotels, Restaurants, & Leisure (-30%) industry.

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

The Communication Services sector is expected to report the second-highest (year-over-year) revenue growth of all eleven sectors at 12.0%. At the industry level, four of the five industries in this sector are predicted to reporting year-over-year growth in revenues. Two of these four industries are projected to report double-digit growth: Wireless Communication Services (71%) and Interactive Media & Services (26%). On the other hand, the only industry that is projected to report a decline in revenue is the Entertainment (-5%) industry.

At the company level, Alphabet and T-Mobile are projected to be the largest contributors to revenue growth for the sector. If these two companies were excluded, the estimated revenue growth rate for the sector would drop to 3.6% from 12.0%.

Energy: 2 of 5 Sub-Industries Expected to Report Year-Over-Year Decline of More Than 15%

The Energy sector is expected to report the largest (year-over-year) decline in revenue of all eleven sectors at -6.8%. Despite the projected decline in revenue, the average price of oil in Q1 2021 ($56.13) is 4% above the average price for oil in Q1 2020 ($54.21). At the sub-industry level, three of the five sub-industries in the sector are predicted to report a year-over-year decline in revenue. Two of these three sub-industries are projected to report a double-digit decline in revenue: Oil & Gas Equipment & Services (-27%) and Oil & Gas Refining & Marketing (-17%). On the other hand, two sub-industries are projected to report a year-over-year growth in revenues, led by Oil & Gas Exploration & Production (36%) sub-industry.

Net Profit Margin: 10.7%

The estimated net profit margin for the S&P 500 for Q1 2021 is 10.7%, which is above the 5-year average of 10.5% and above the year-ago net profit margin of 9.4%. However, it is below the net profit margin of the previous quarter of 11.0%.

At the sector level, five sectors are projected to report net profit margins that are above their 5-year averages, led by the Utilities (15.0% vs. 12.5%) sector. Seven sectors are projected to report a year-over-year increase in their net profit margins in Q1 2021 compared to Q1 2020, led by the Financials (16.7% vs. 10.2%) and Materials (10.5% vs. 8.0%) sectors.

Looking Ahead: Forward Estimates and Valuation

Earnings: S&P 500 Reporting Earnings Decline of -11% for CY 2020

For the fourth quarter, S&P 500 companies are reporting growth in earnings of 4.0% and growth in revenues of 3.2%. For all of 2020, S&P 500 companies are reporting a decline in earnings of -11.2% and a decline in revenue of -0.8%.

For Q1 2021, analysts are projecting earnings growth of 21.8% and revenue growth of 6.1%.

For Q2 2021, analysts are projecting earnings growth of 50.0% and revenue growth of 16.2%.

For Q3 2021, analysts are projecting earnings growth of 17.3% and revenue growth of 9.8%.

For Q4 2021, analysts are projecting earnings growth of 13.3% and revenue growth of 7.1%.

For CY 2021, analysts are projecting earnings growth of 24.2% and revenue growth of 9.2%.

Valuation: Forward P/E Ratio is 21.1, Above the 10-Year Average (15.8)

The forward 12-month P/E ratio is 21.1. This P/E ratio is above the 5-year average of 17.7 and above the 10-year average of 15.8. However, it is below the forward 12-month P/E ratio of 22.4 recorded at the end of the fourth quarter (December 31). Since the end of the fourth quarter (December 31), the price of the index has increased by 0.3%, while the forward 12-month EPS estimate has increased by 7.0%.

At the sector level, the Consumer Discretionary (33.5) sector has the highest forward 12-month P/E ratio, while the Financials (14.9) sector has the lowest forward 12-month P/E ratio.

Targets & Ratings: Analysts Project 17% Increase in Price Over Next 12 Months

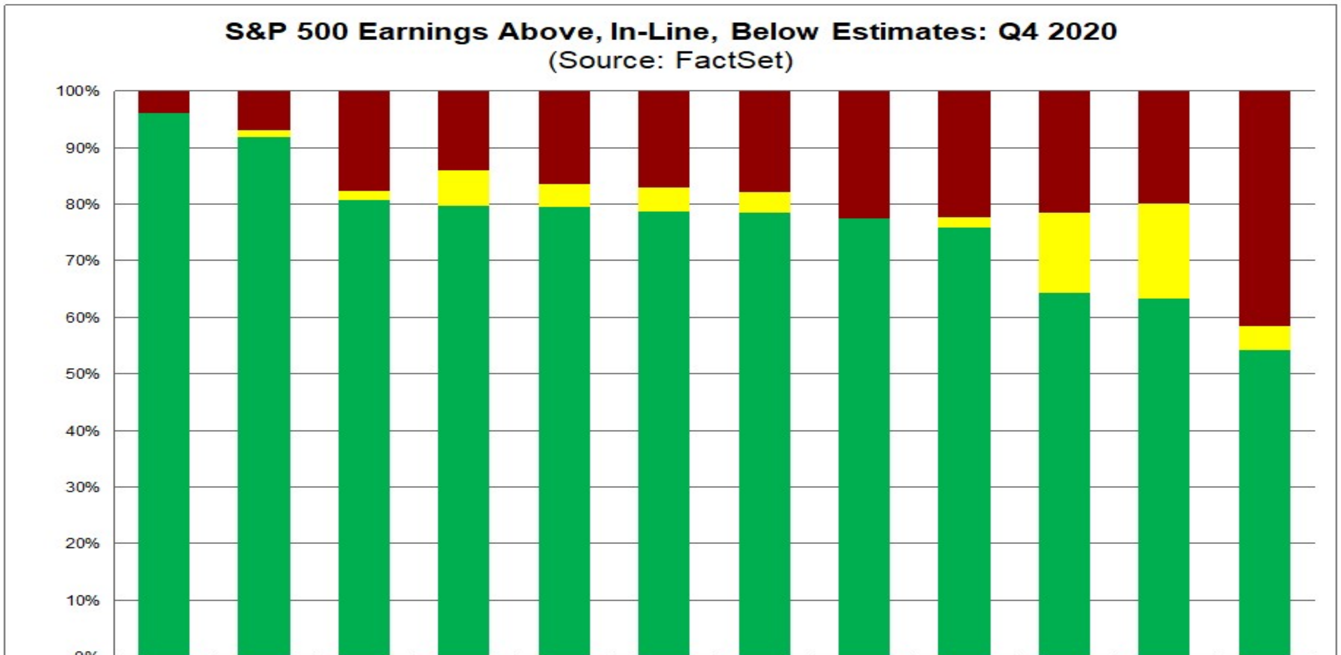
The bottom-up target price for the S&P 500 is 4426.38, which is 17.5% above the closing price of 3768.47. At the sector level, the Information Technology (+22.8%) and Consumer Discretionary (+22.5%) sectors are expected to see the largest price increases, as these sectors have the largest upside differences between the bottom-up target price and the closing price. On the other hand, the Energy (+1.3%) and Financials (+6.1%) 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 10,349 ratings on stocks in the S&P 500. Of these 10,349 ratings, 54.9% are Buy ratings, 38.3% are Hold ratings, and 6.8% are Sell ratings. At the sector level, the Energy (62%) and Health Care (61%) sectors have the highest percentages of Buy ratings, while the Consumer Staples (44%) and Real Estate (47%) sectors have the lowest percentages of Buy ratings.

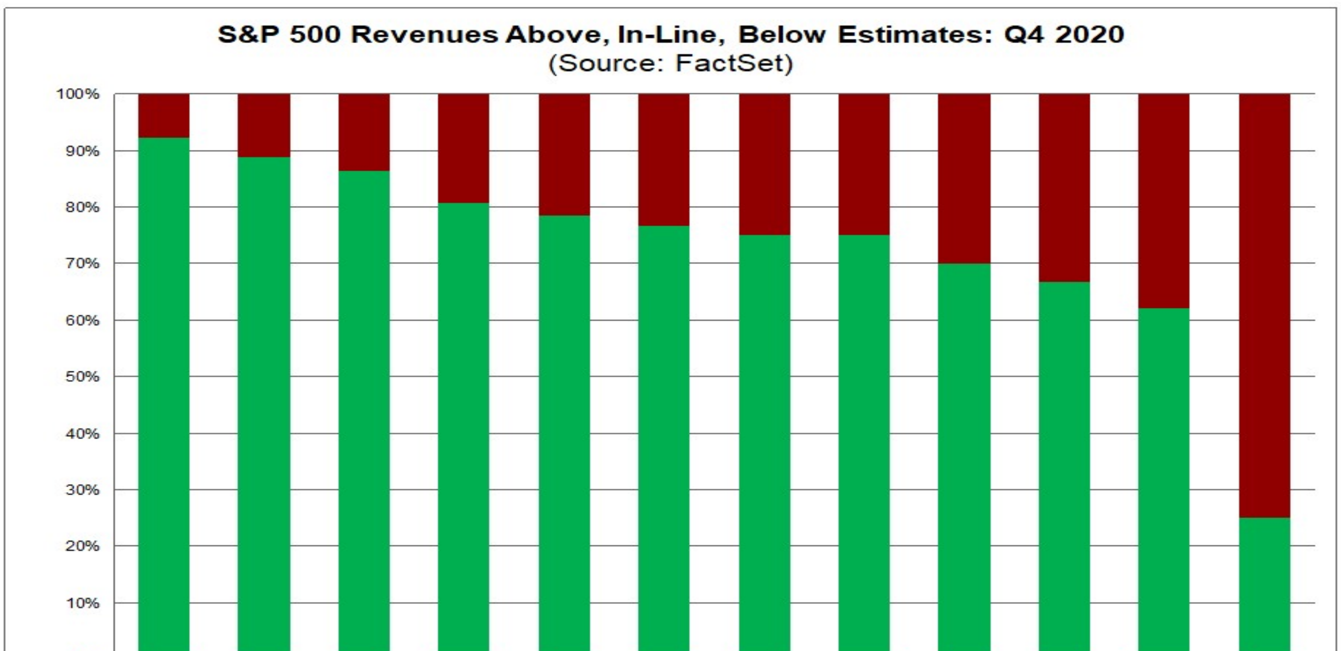
Companies Reporting Next Week: 3

During the upcoming week, two S&P 500 companies are scheduled to report results for the fourth quarter and one S&P 500 company is schedule to report results for the first quarter.

Q4 2020: Scorecard

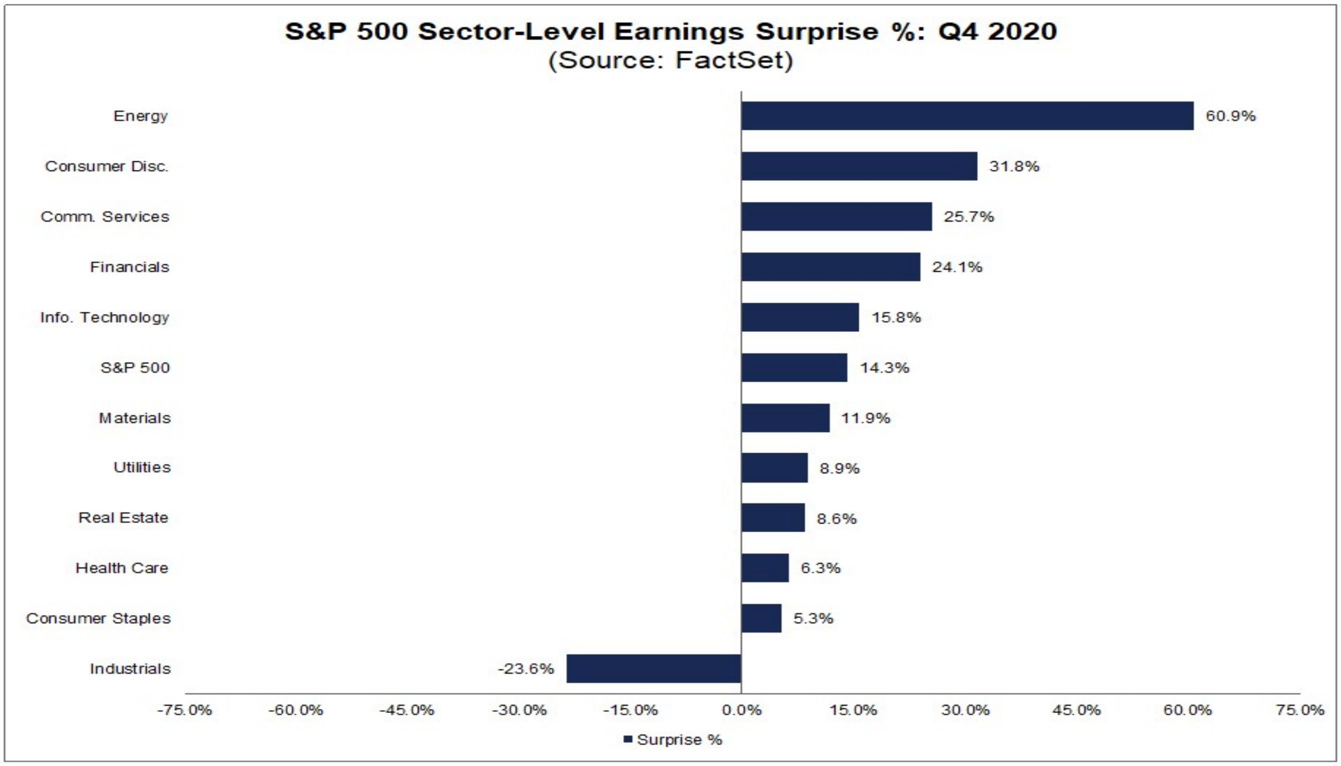


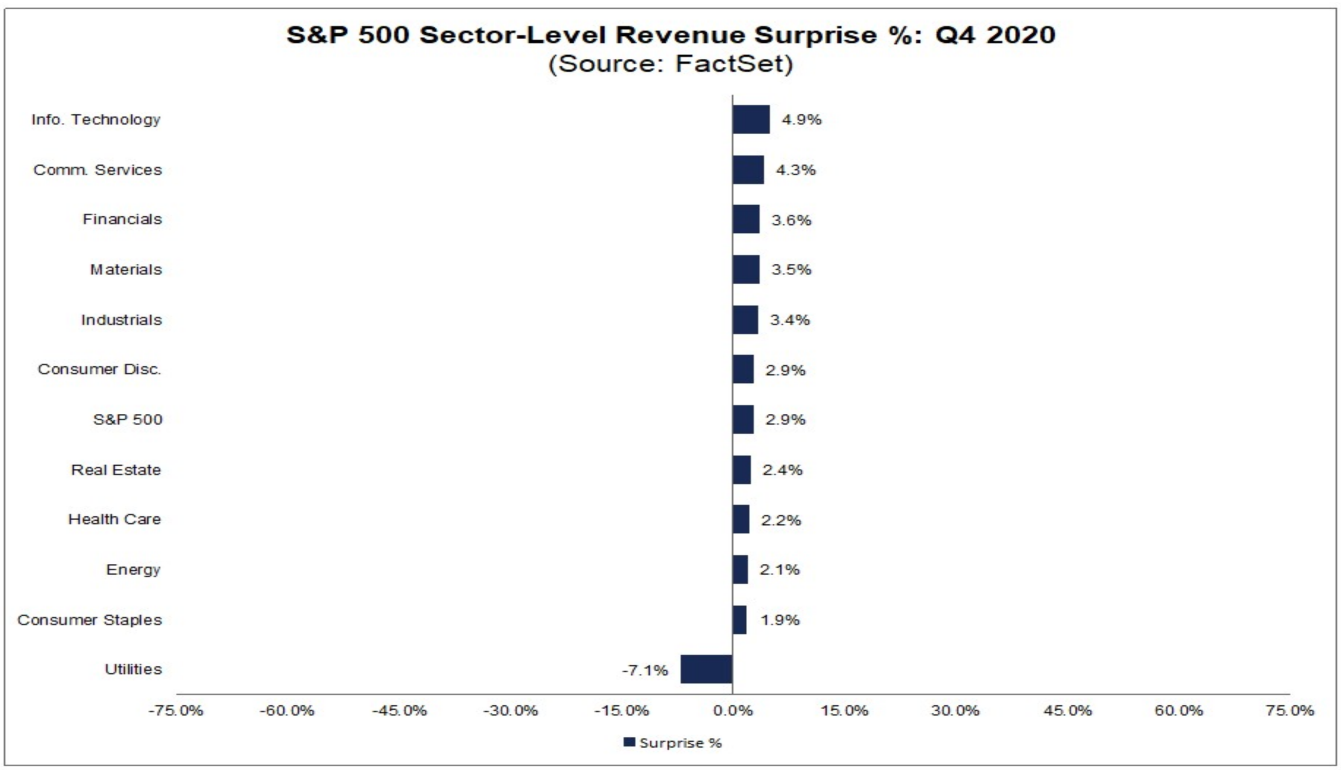
	Comm. Services	Info. Technology	Health Care	Financials	Industrials	S&P 500	Materials	Consumer Staples	Consumer Disc.	Utilities	Real Estate	Energy
Below	4%	7%	18%	14%	16%	17%	18%	23%	22%	21%	20%	42%
In-Line	0%	1%	2%	6%	4%	4%	4%	0%	2%	14%	17%	4%
Above	96%	92%	81%	80%	79%	79%	79%	77%	76%	64%	63%	54%



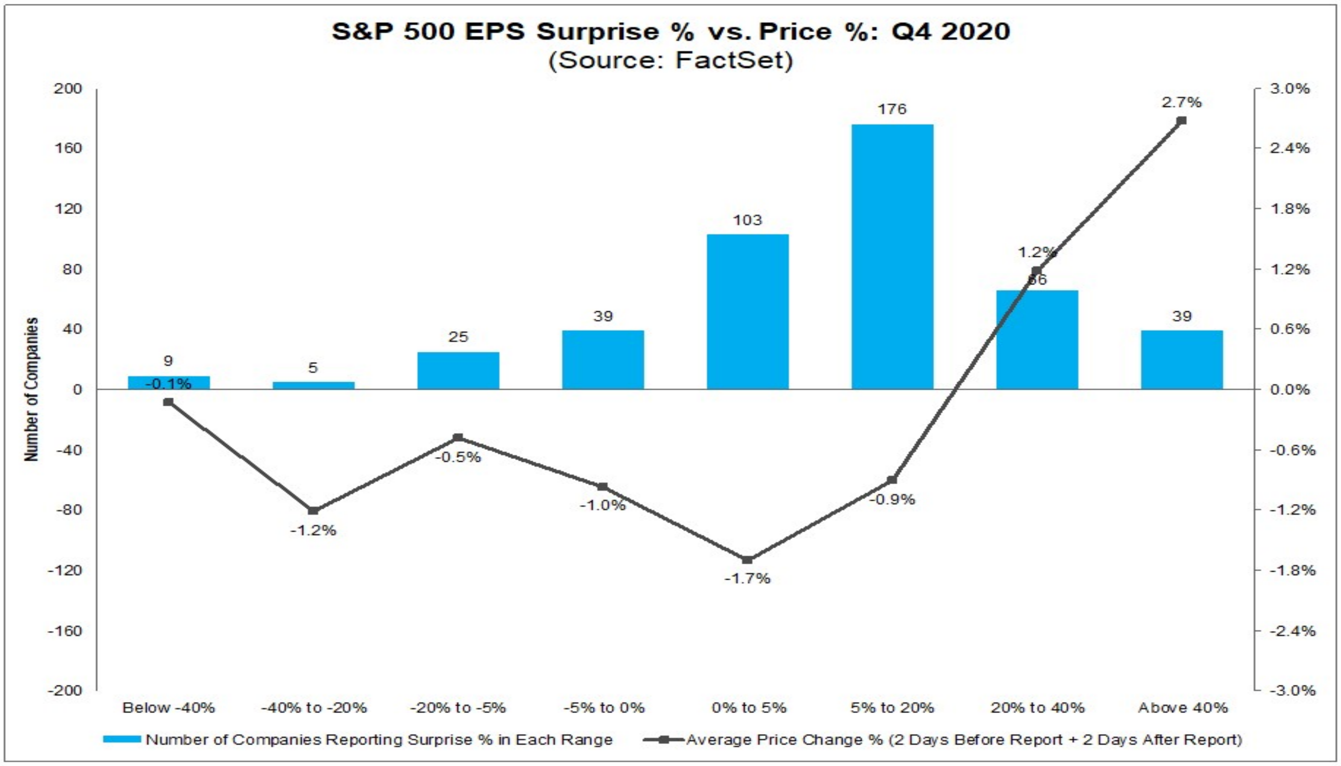
	Comm. Services	Health Care	Info. Technology	Consumer Staples	Materials	Industrials	S&P 500	Financials	Real Estate	Energy	Consumer Disc.	Utilities
Below	8%	11%	14%	19%	21%	23%	25%	25%	30%	33%	38%	75%
In-Line	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Above	92%	89%	86%	81%	79%	77%	75%	75%	70%	67%	62%	25%

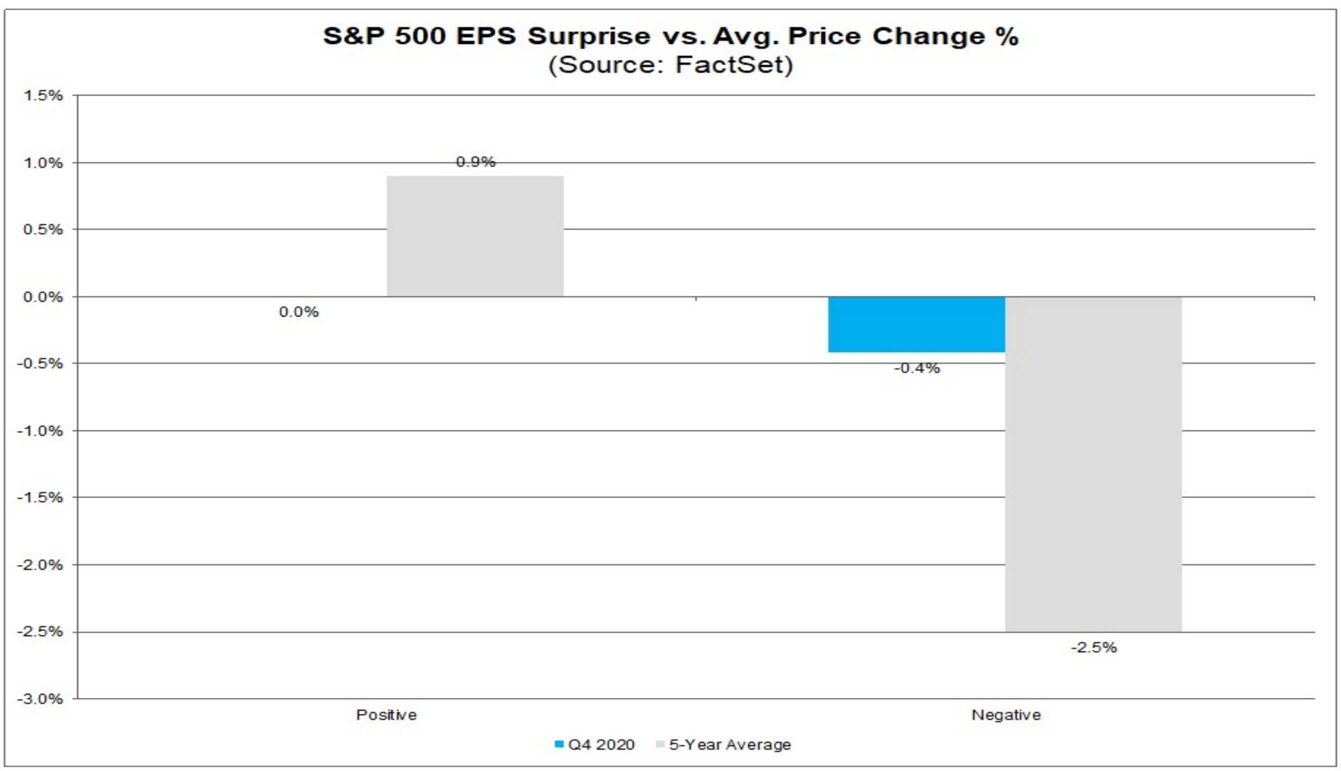
Q4 2020: Scorecard



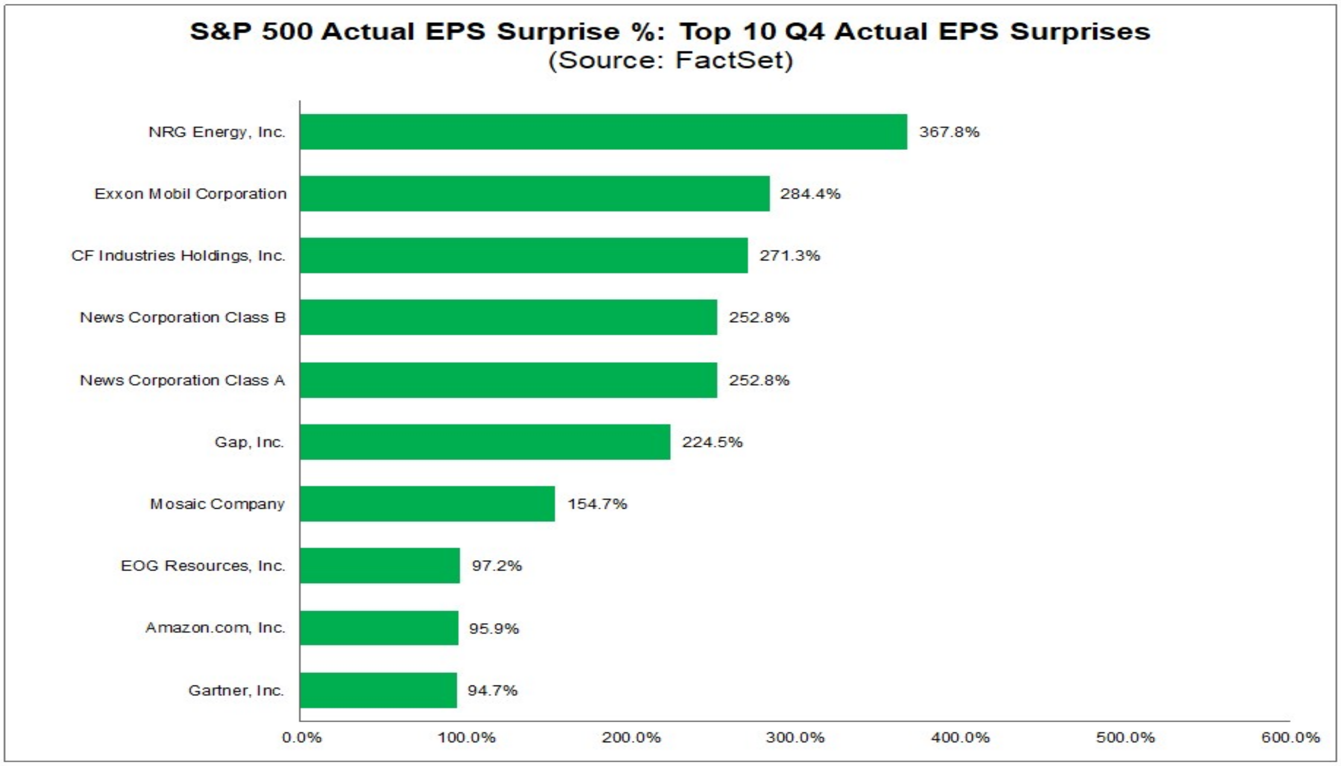


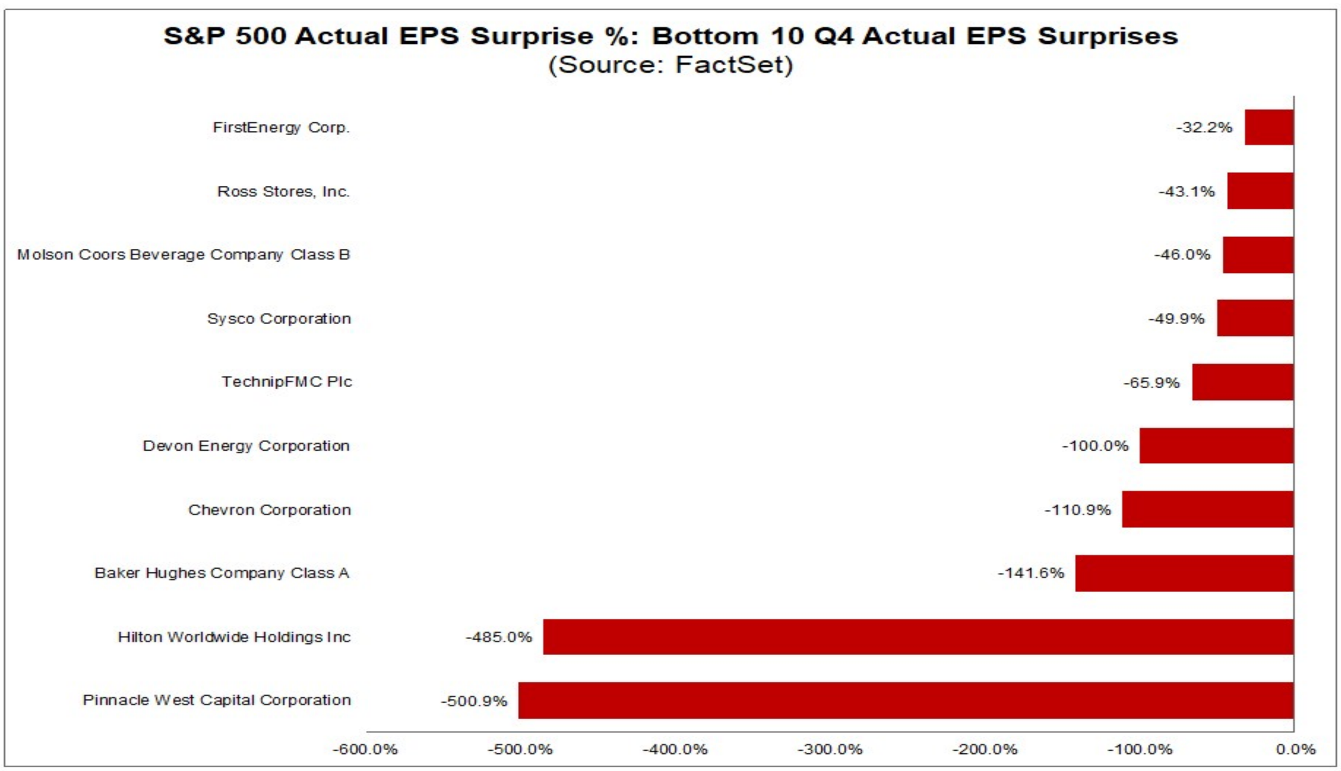
Q4 2020: Scorecard



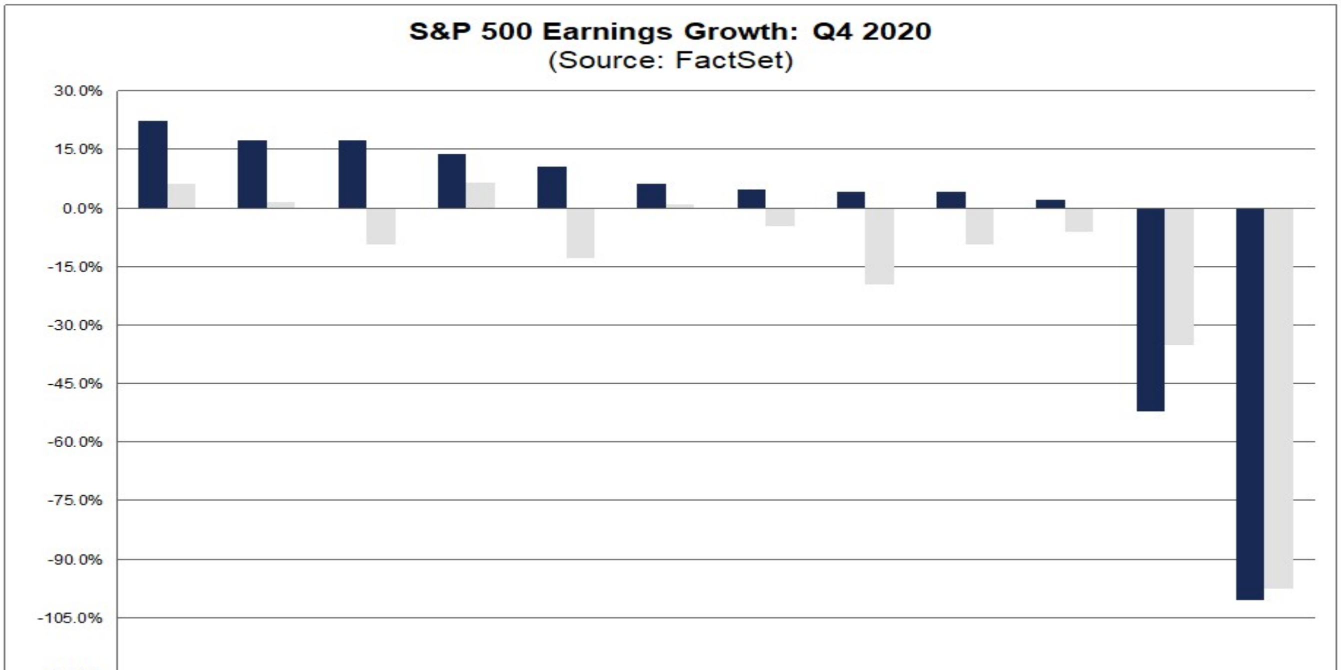


Q4 2020: Scorecard

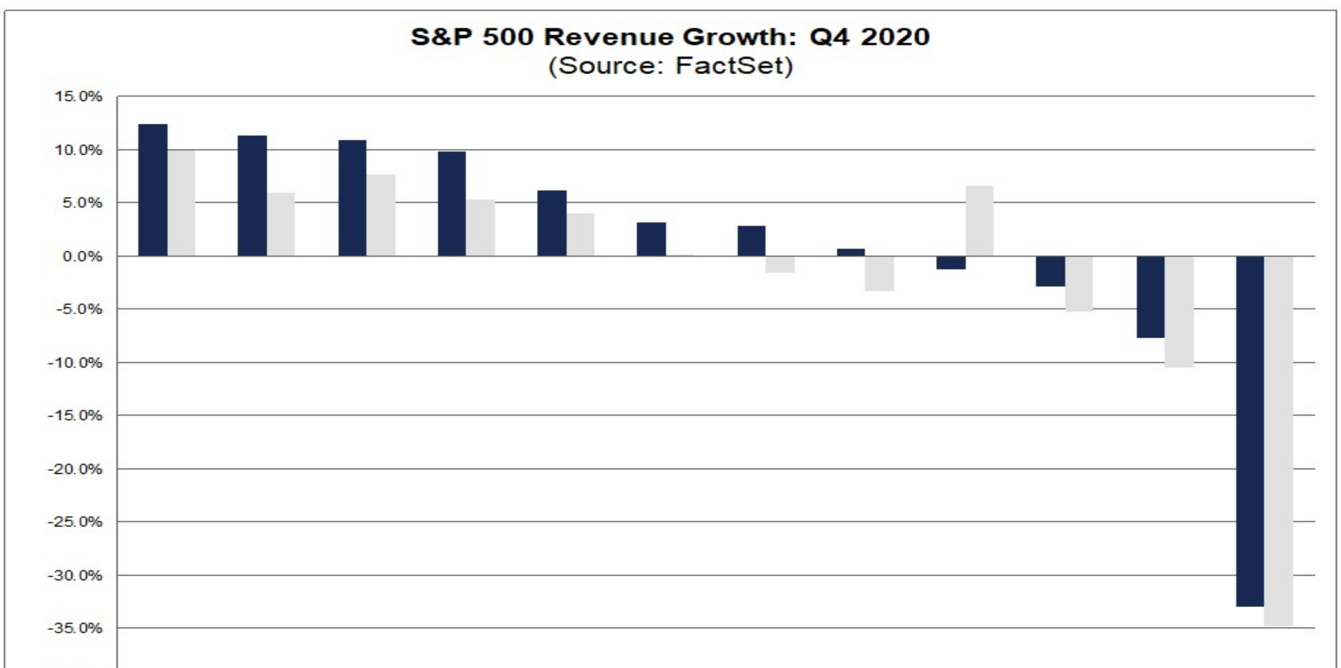




Q4 2020: Growth

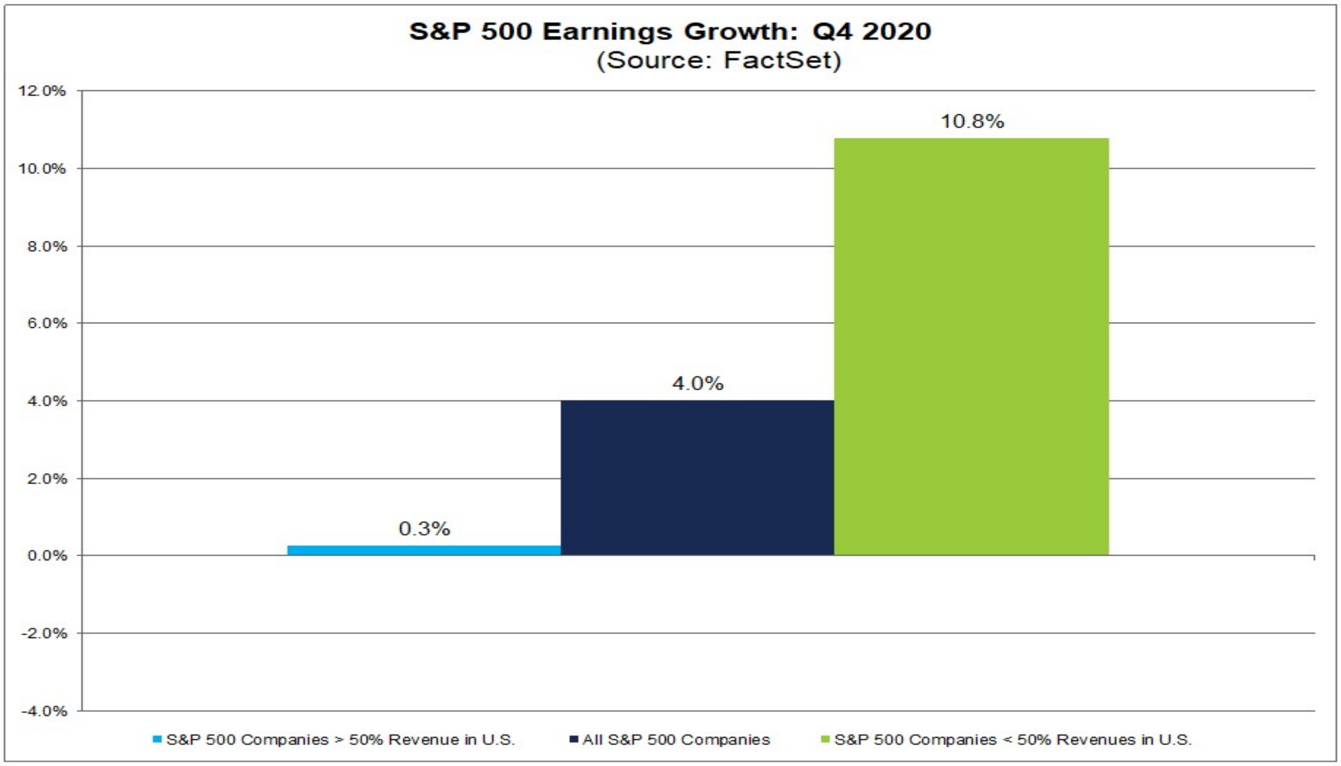


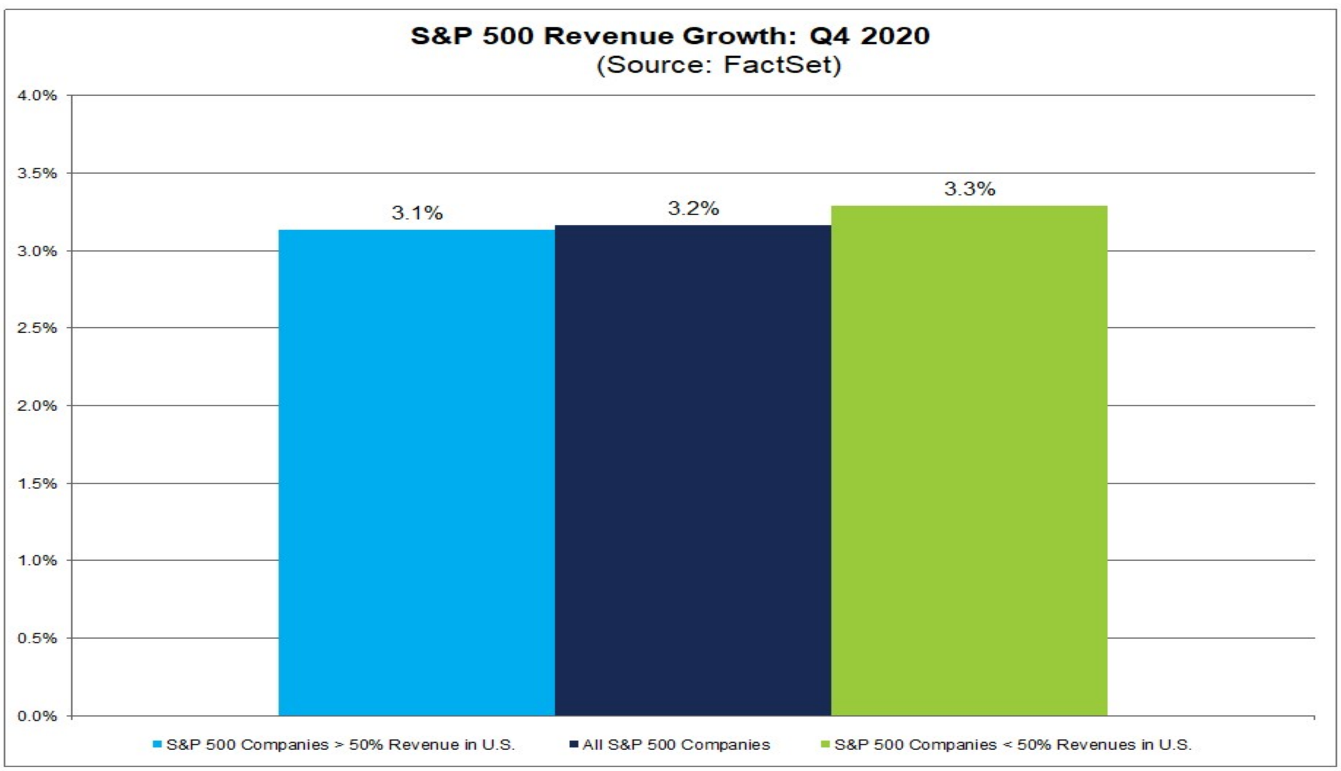
	Materials	Info. Technology	Financials	Health Care	Comm. Services	Consumer Staples	Utilities	Consumer Disc.	S&P 500	Real Estate	Industrials	Energy
Today	22.3%	17.4%	17.2%	13.7%	10.7%	6.2%	4.8%	4.2%	4.0%	2.2%	-52.1%	-100.6%
31-Dec	6.1%	1.5%	-9.4%	6.4%	-12.9%	0.9%	-4.6%	-19.7%	-9.4%	-6.1%	-35.3%	-97.5%



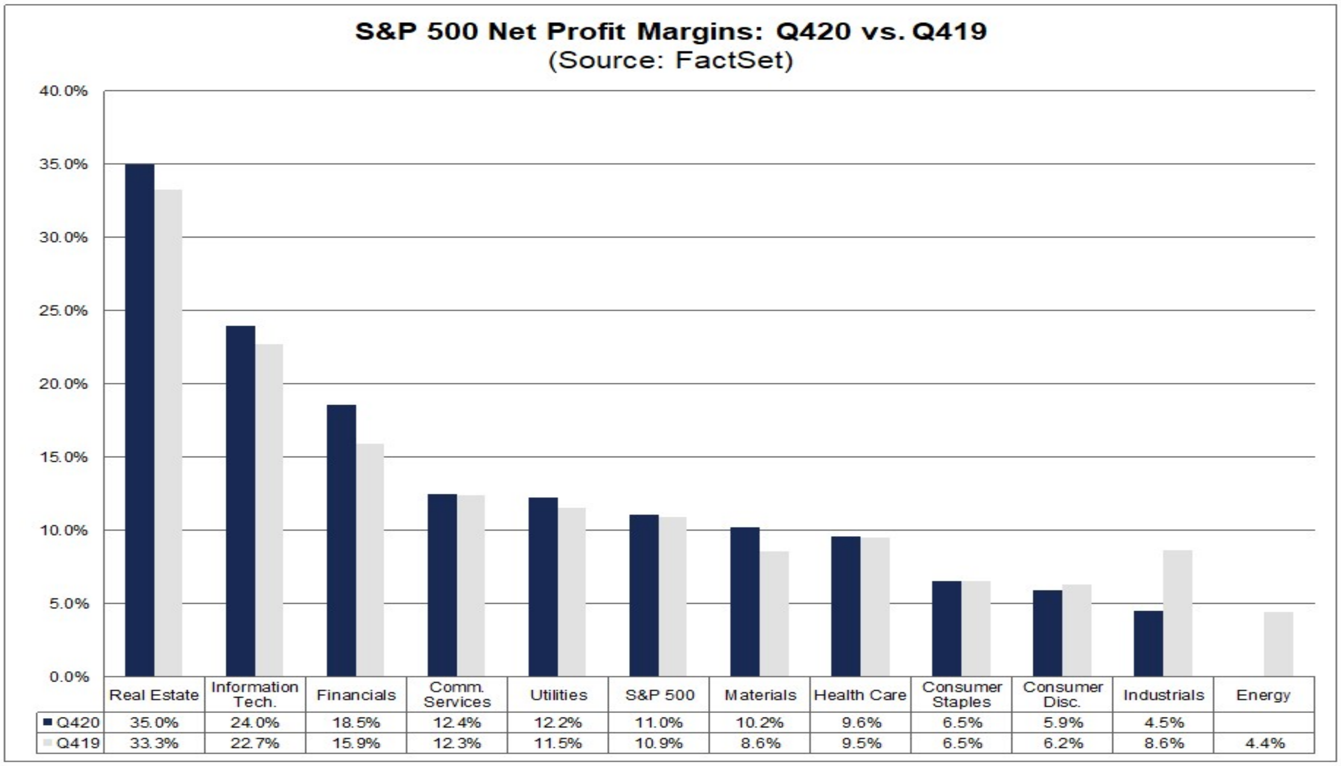
	Health Care	Info. Technology	Consumer Disc.	Comm. Services	Consumer Staples	S&P 500	Materials	Financials	Utilities	Real Estate	Industrials	Energy
Today	12.4%	11.3%	10.9%	9.8%	6.1%	3.2%	2.8%	0.6%	-1.3%	-2.9%	-7.7%	-32.9%
31-Dec	9.9%	5.9%	7.6%	5.3%	4.0%	0.1%	-1.6%	-3.3%	6.5%	-5.2%	-10.5%	-34.8%

Q4 2020: Growth

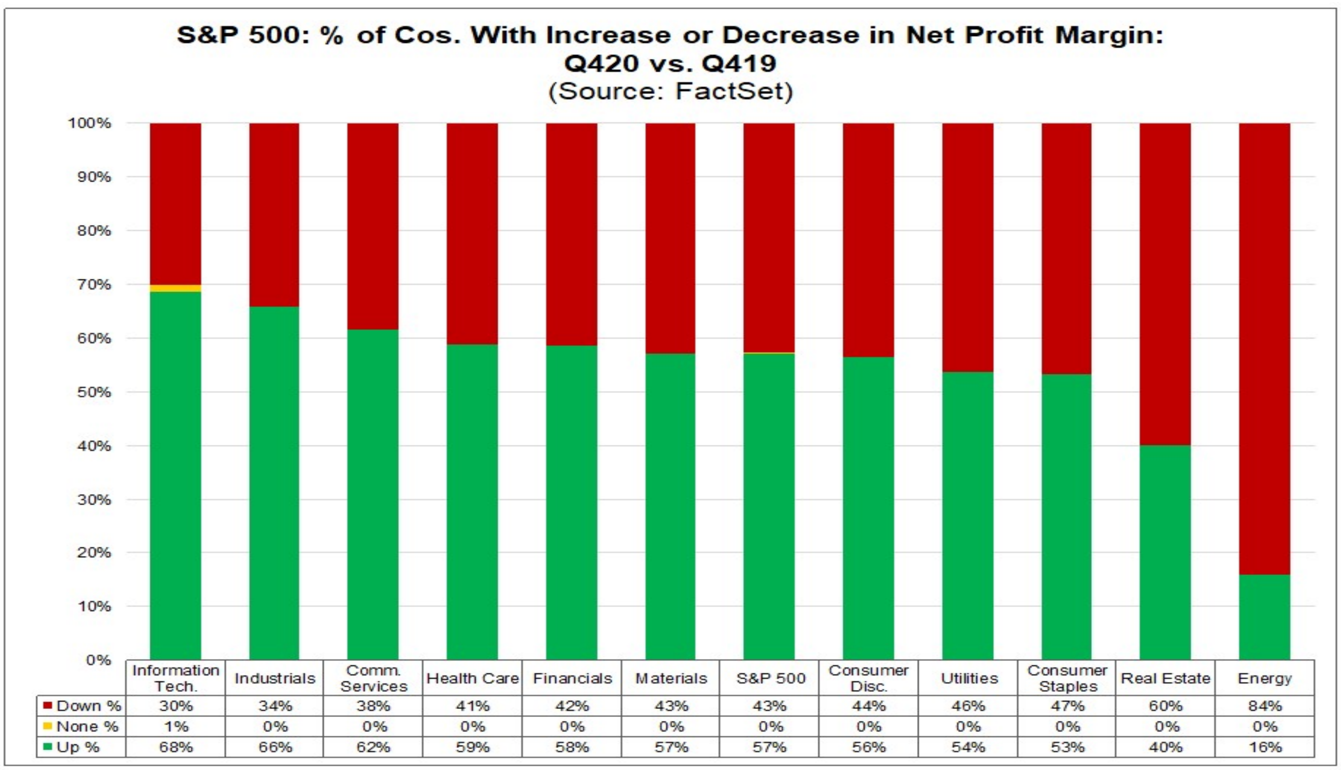




Q4 2020: Net Profit Margin

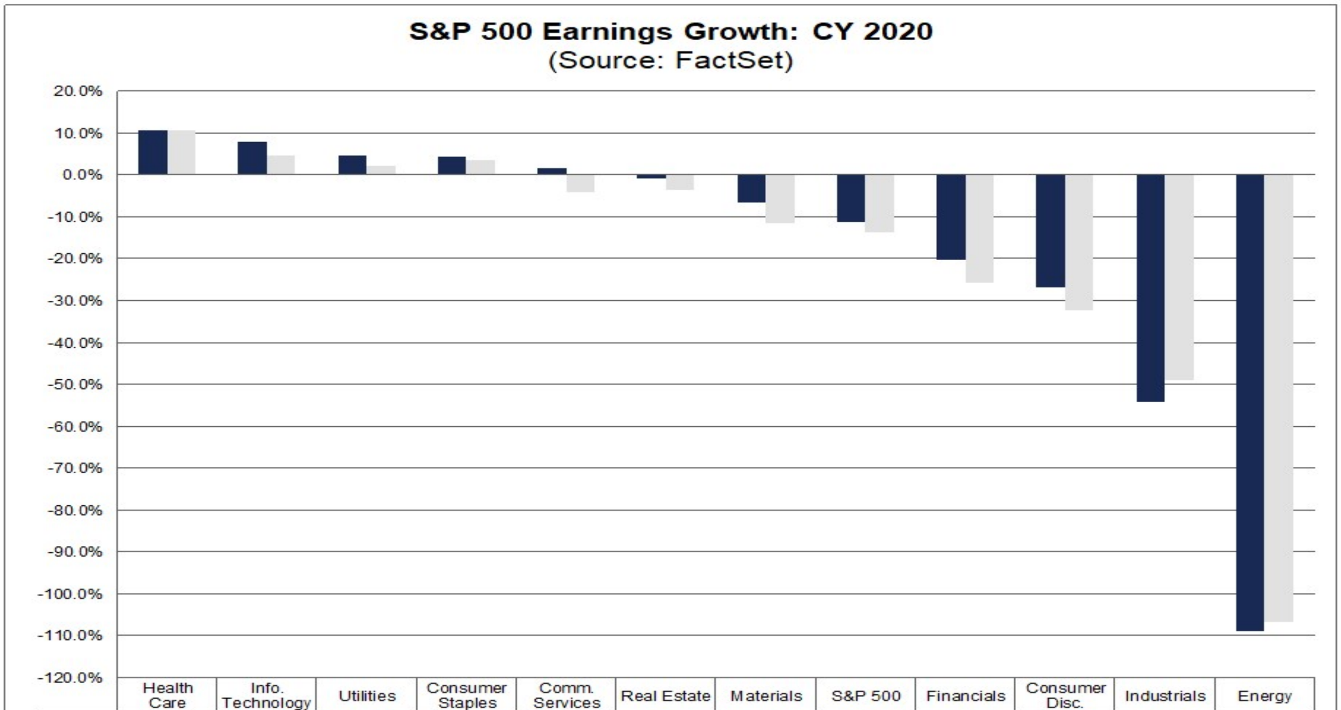


	Real Estate	Information Tech.	Financials	Comm. Services	Utilities	S&P 500	Materials	Health Care	Consumer Staples	Consumer Disc.	Industrials	Energy
Q420	35.0%	24.0%	18.5%	12.4%	12.2%	11.0%	10.2%	9.6%	6.5%	5.9%	4.5%	
Q419	33.3%	22.7%	15.9%	12.3%	11.5%	10.9%	8.6%	9.5%	6.5%	6.2%	8.6%	4.4%

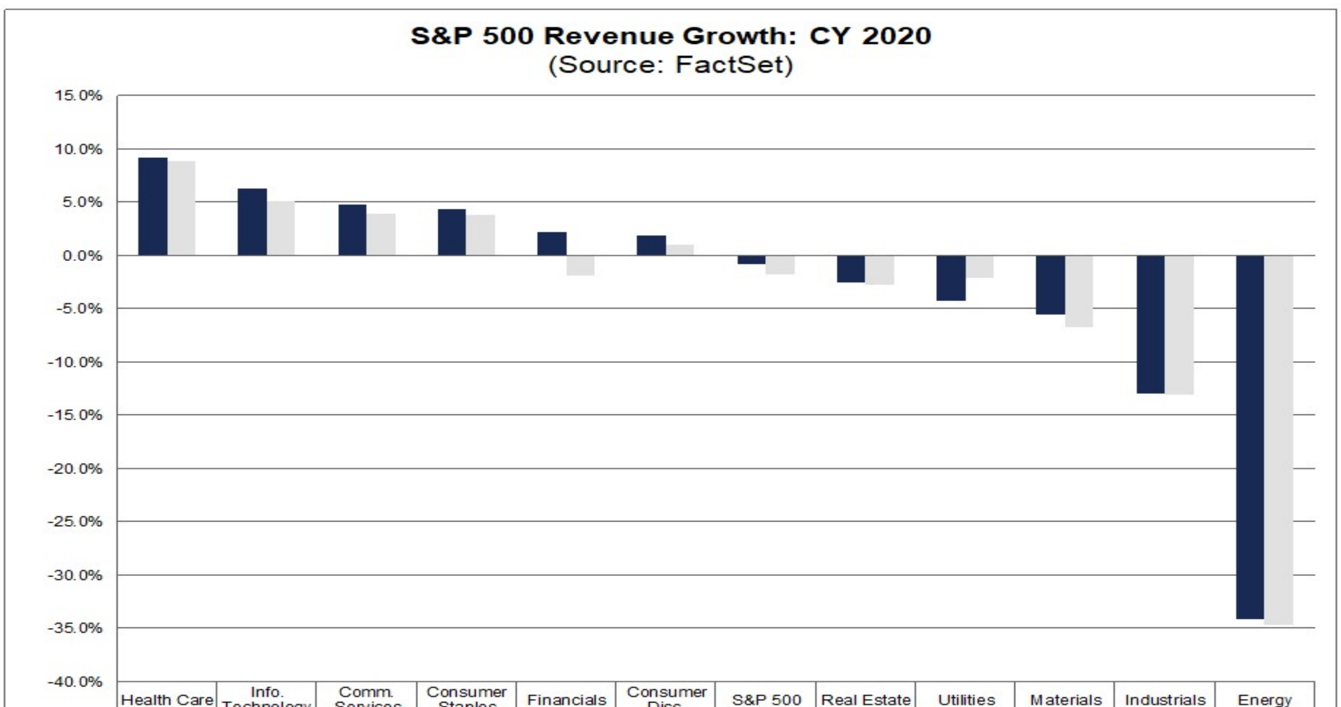


	Information Tech.	Industrials	Comm. Services	Health Care	Financials	Materials	S&P 500	Consumer Disc.	Utilities	Consumer Staples	Real Estate	Energy
Down %	30%	34%	38%	41%	42%	43%	43%	44%	46%	47%	60%	84%
None %	1%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Up %	68%	66%	62%	59%	58%	57%	57%	56%	54%	53%	40%	16%

CY 2020: Growth

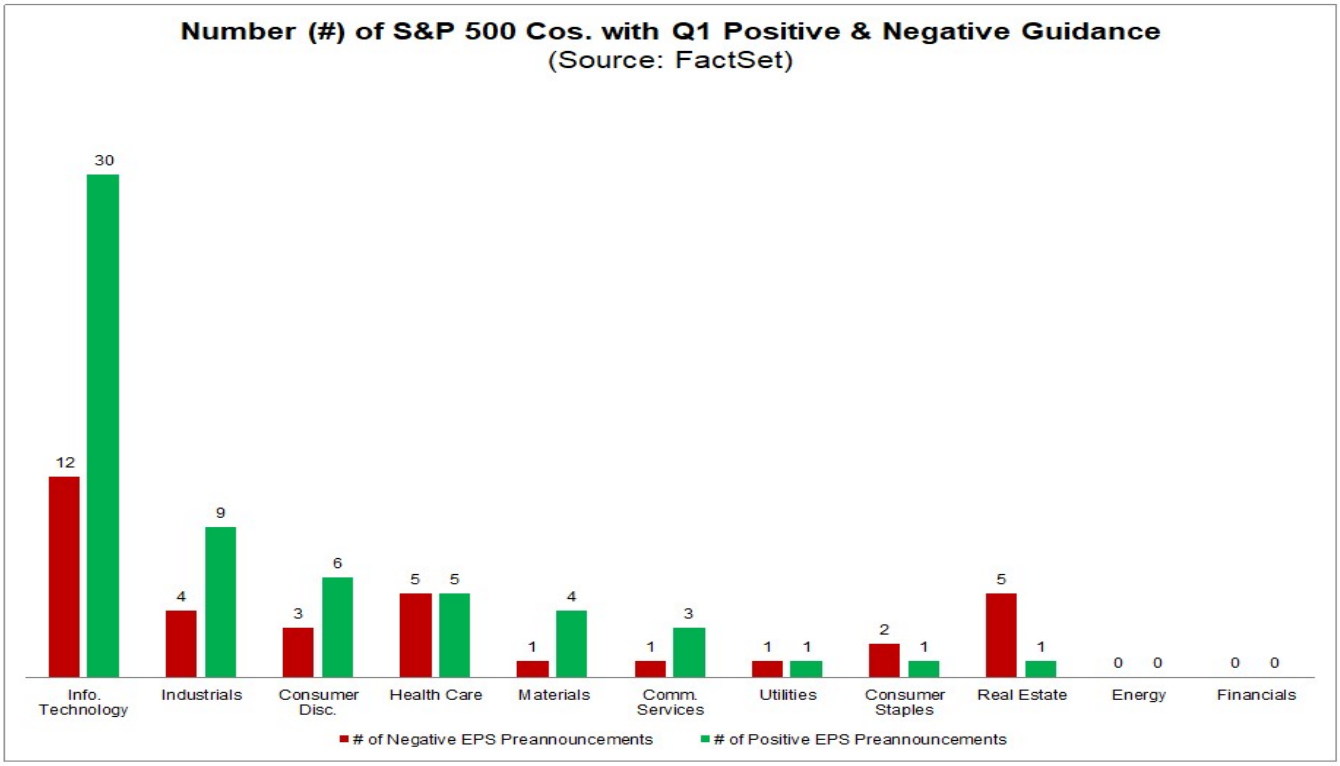


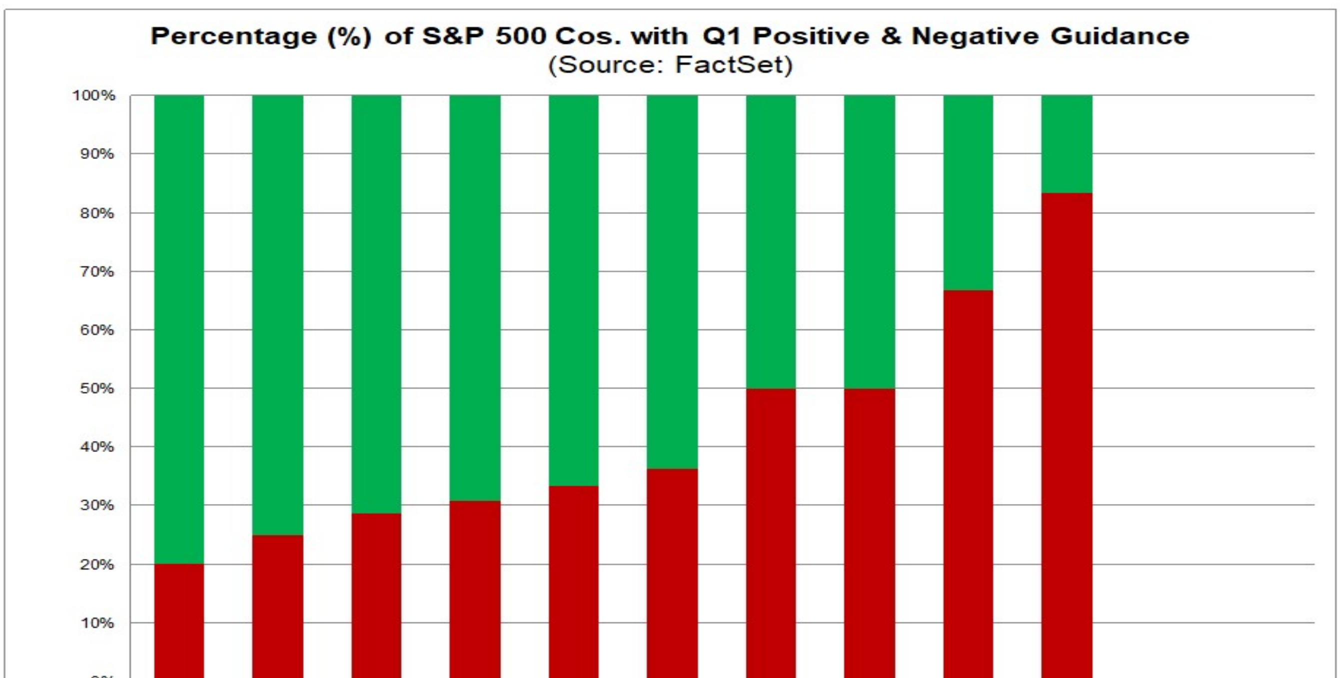
	Health Care	Info. Technology	Utilities	Consumer Staples	Comm. Services	Real Estate	Materials	S&P 500	Financials	Consumer Disc.	Industrials	Energy
Today	10.7%	8.0%	4.5%	4.3%	1.7%	-1.0%	-6.7%	-11.2%	-20.4%	-26.8%	-54.2%	-108.9%
31-Dec	10.6%	4.7%	2.3%	3.5%	-4.1%	-3.5%	-11.5%	-13.6%	-25.7%	-32.4%	-49.0%	-106.7%



	Health Care	Info. Technology	Comm. Services	Consumer Staples	Financials	Consumer Disc.	S&P 500	Real Estate	Utilities	Materials	Industrials	Energy
Today	9.2%	6.3%	4.8%	4.4%	2.2%	1.8%	-0.8%	-2.6%	-4.3%	-5.5%	-13.0%	-34.2%
31-Dec	8.9%	5.1%	3.9%	3.8%	-1.9%	1.0%	-1.8%	-2.8%	-2.1%	-6.8%	-13.1%	-34.7%

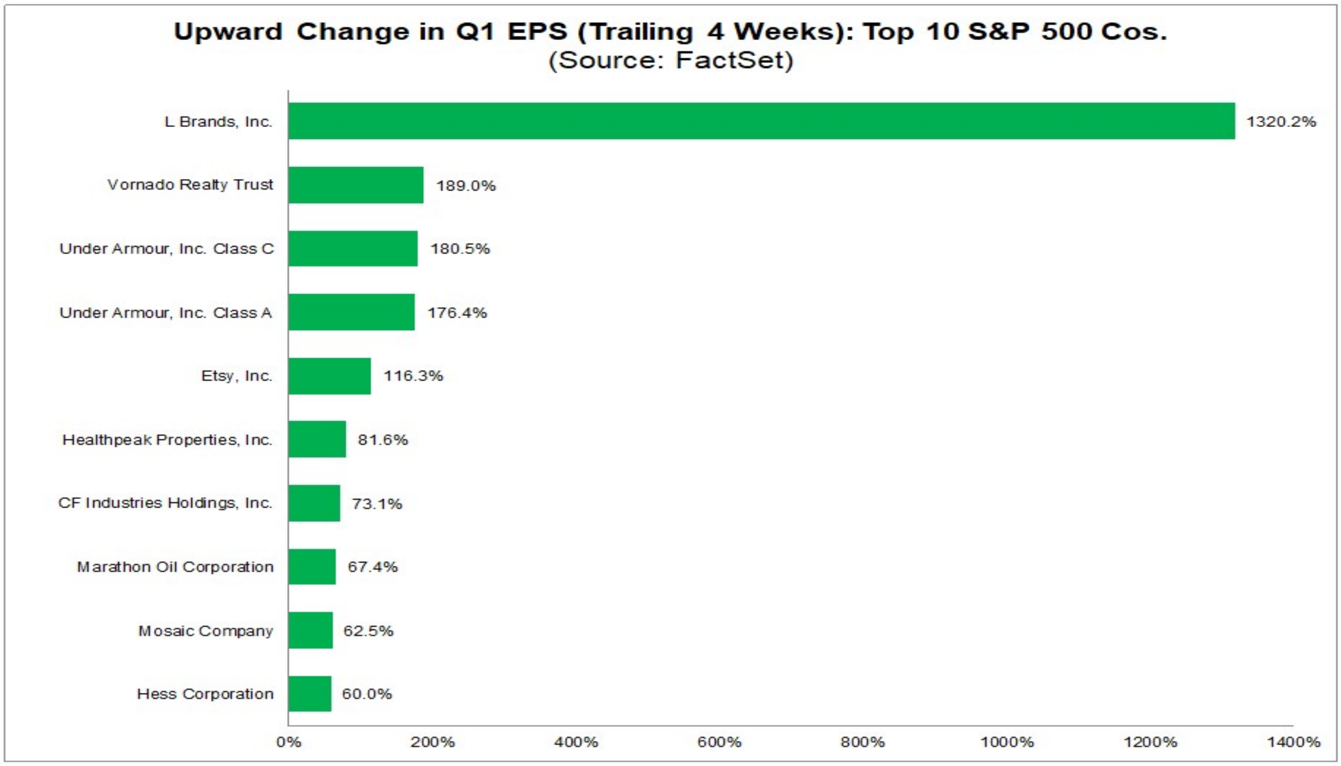
Q1 2021: EPS Guidance

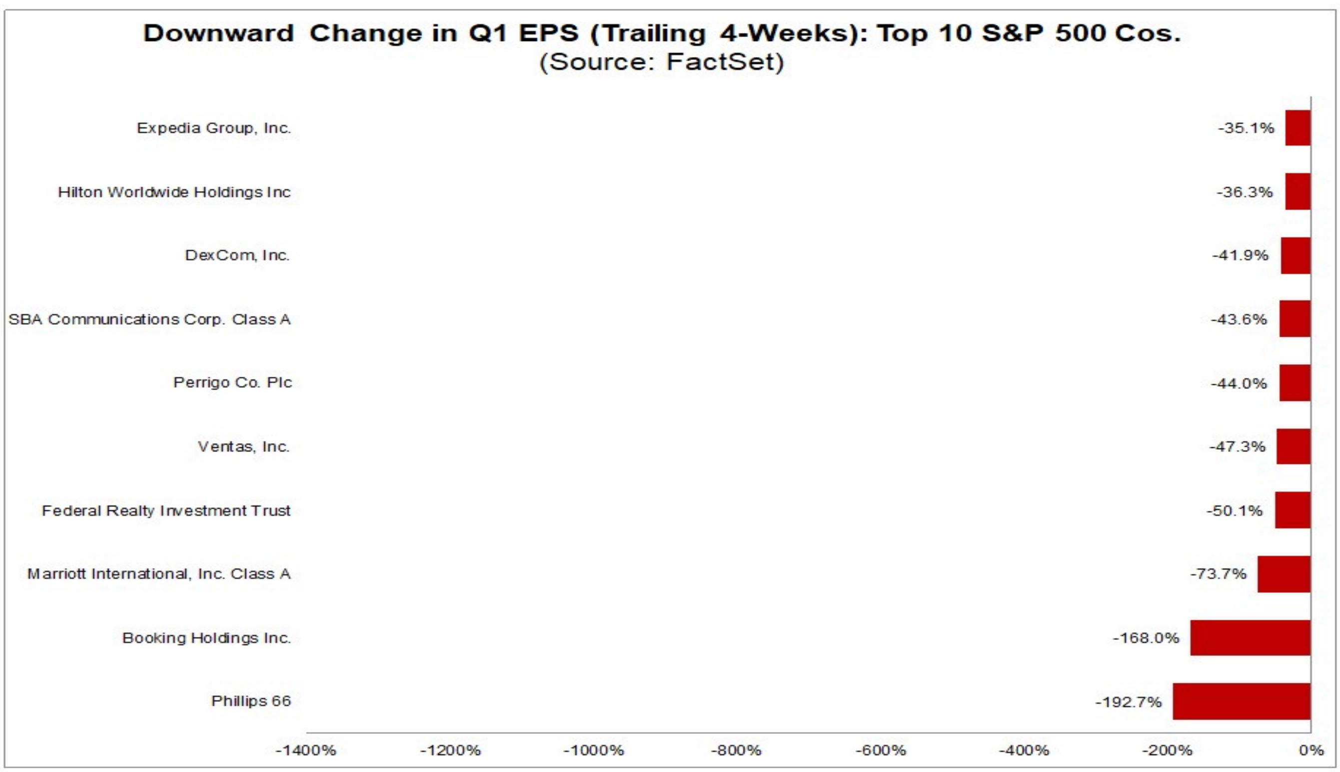




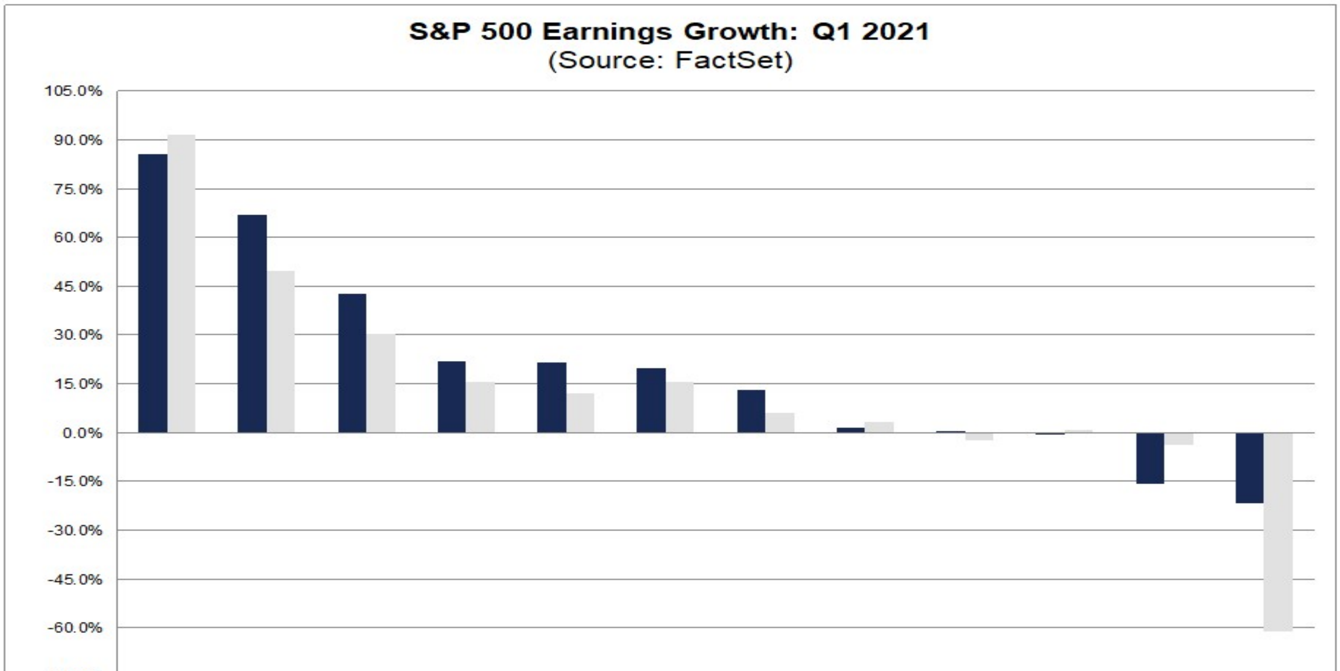
	Materials	Comm. Services	Info. Technology	Industrials	Consumer Disc.	S&P 500	Health Care	Utilities	Consumer Staples	Real Estate	Energy	Financials
Positive	80%	75%	71%	69%	67%	64%	50%	50%	33%	17%	0%	0%
Negative	20%	25%	29%	31%	33%	36%	50%	50%	67%	83%	0%	0%

Q1 2021: EPS Revisions

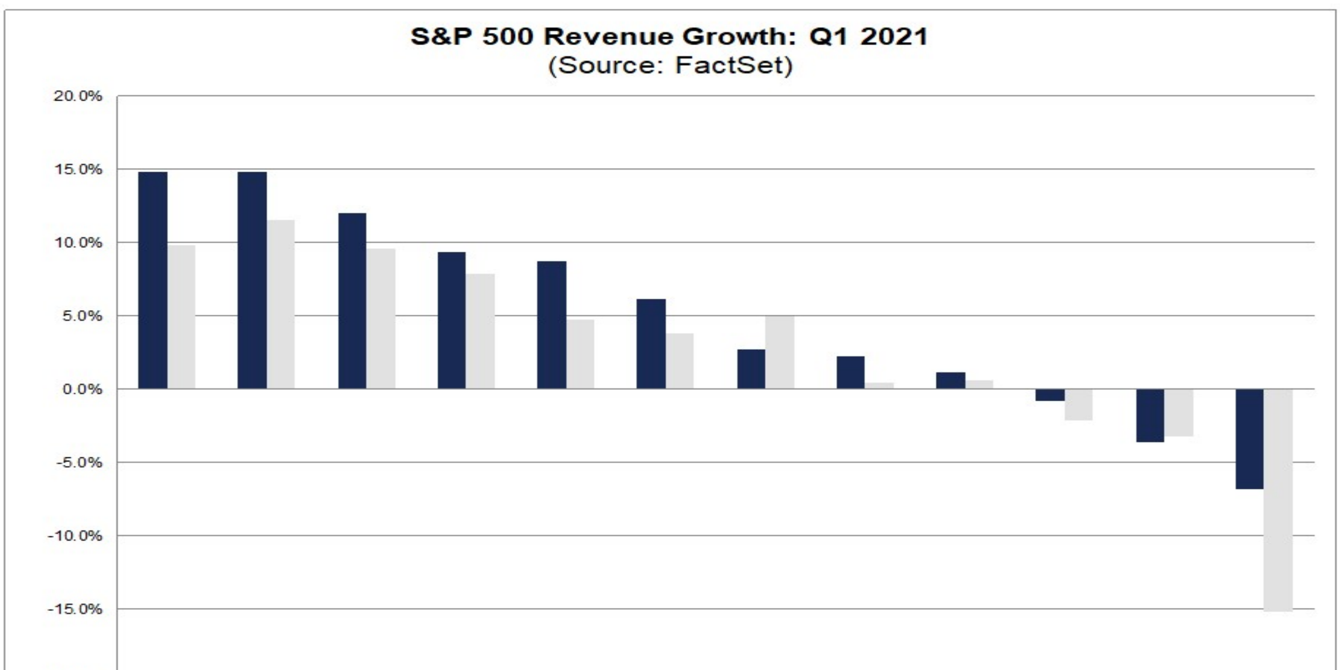




Q1 2021: Growth

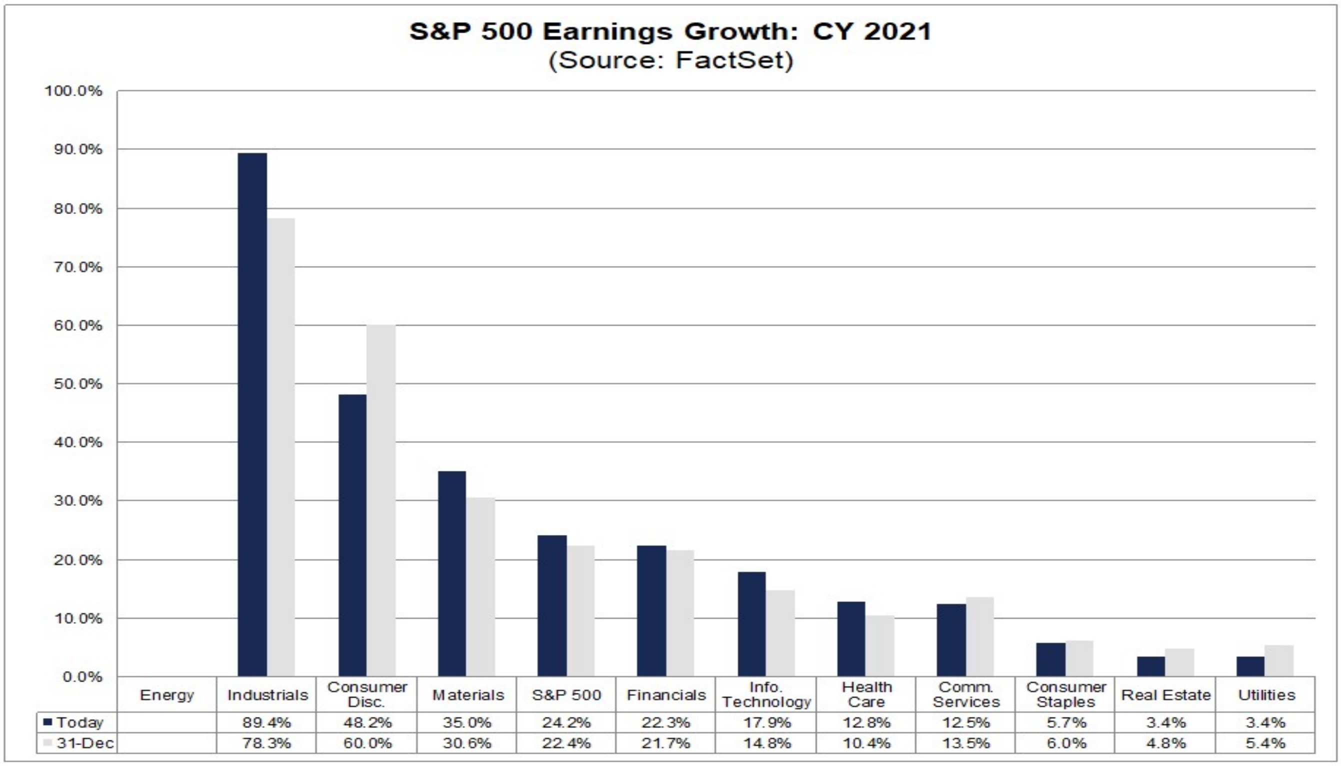


	Consumer Disc.	Financials	Materials	S&P 500	Info. Technology	Health Care	Comm. Services	Utilities	Real Estate	Consumer Staples	Industrials	Energy
Today	85.5%	67.1%	42.6%	21.8%	21.5%	19.8%	13.0%	1.5%	0.2%	-0.6%	-15.7%	-21.8%
31-Dec	91.4%	49.7%	30.2%	15.7%	12.2%	15.7%	6.1%	3.3%	-2.4%	0.9%	-3.8%	-61.2%

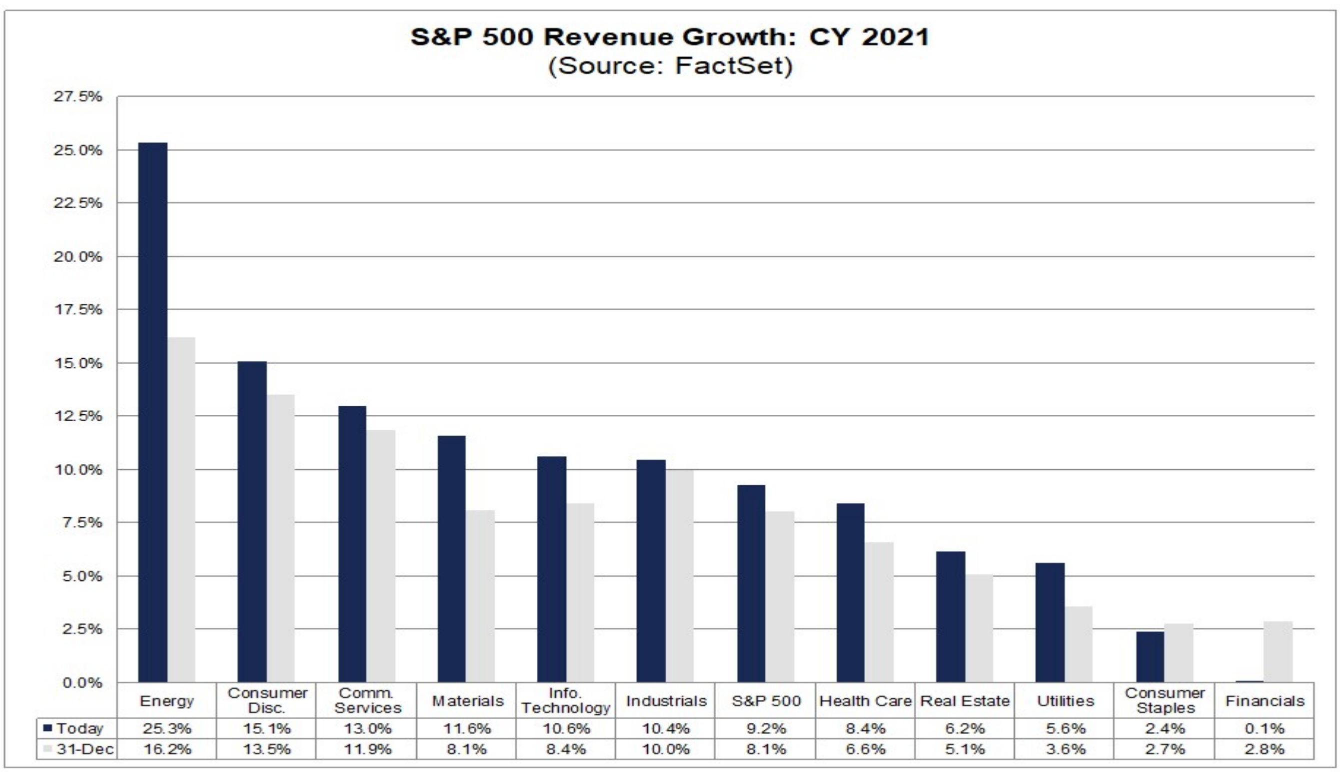


	Info. Technology	Consumer Disc.	Comm. Services	Health Care	Materials	S&P 500	Utilities	Financials	Consumer Staples	Real Estate	Industrials	Energy
Today	14.8%	14.8%	12.0%	9.3%	8.7%	6.1%	2.7%	2.3%	1.2%	-0.8%	-3.7%	-6.8%
31-Dec	9.8%	11.6%	9.6%	7.8%	4.7%	3.8%	4.9%	0.4%	0.6%	-2.2%	-3.3%	-15.2%

CY 2021: Growth



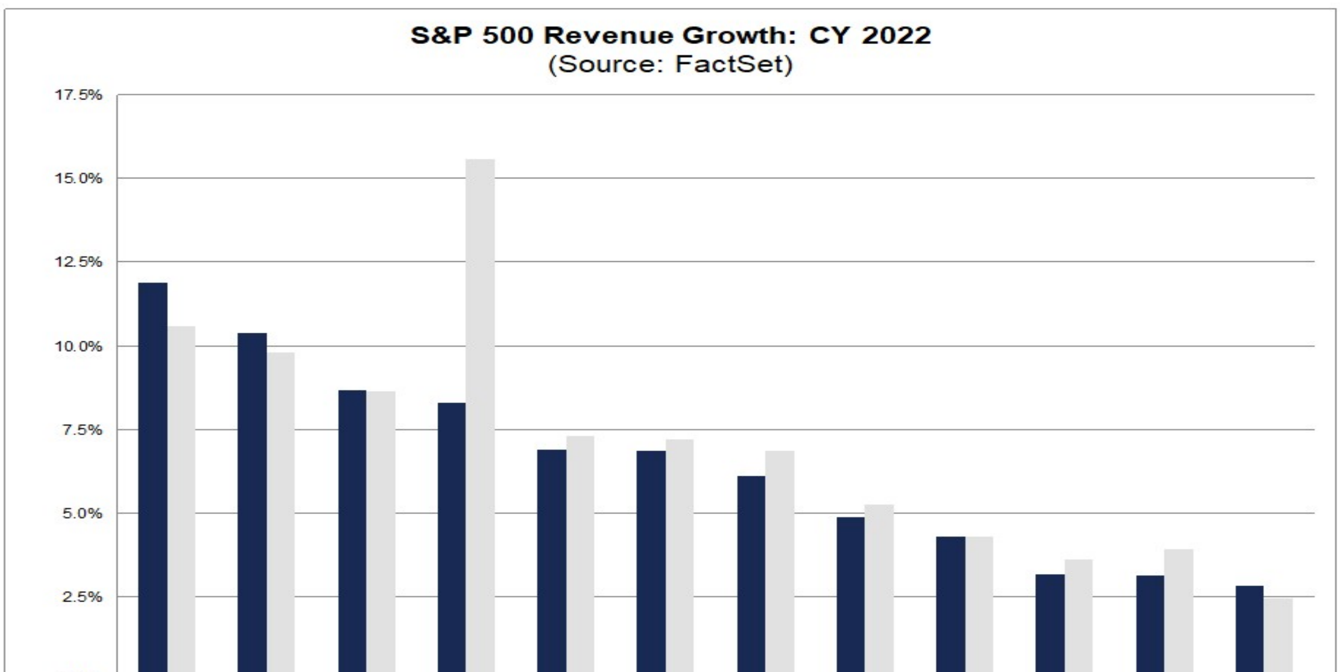
	Energy	Industrials	Consumer Disc.	Materials	S&P 500	Financials	Info. Technology	Health Care	Comm. Services	Consumer Staples	Real Estate	Utilities
Today		89.4%	48.2%	35.0%	24.2%	22.3%	17.9%	12.8%	12.5%	5.7%	3.4%	3.4%
31-Dec		78.3%	60.0%	30.6%	22.4%	21.7%	14.8%	10.4%	13.5%	6.0%	4.8%	5.4%



	Energy	Consumer Disc.	Comm. Services	Materials	Info. Technology	Industrials	S&P 500	Health Care	Real Estate	Utilities	Consumer Staples	Financials
Today	25.3%	15.1%	13.0%	11.6%	10.6%	10.4%	9.2%	8.4%	6.2%	5.6%	2.4%	0.1%
31-Dec	16.2%	13.5%	11.9%	8.1%	8.4%	10.0%	8.1%	6.6%	5.1%	3.6%	2.7%	2.8%

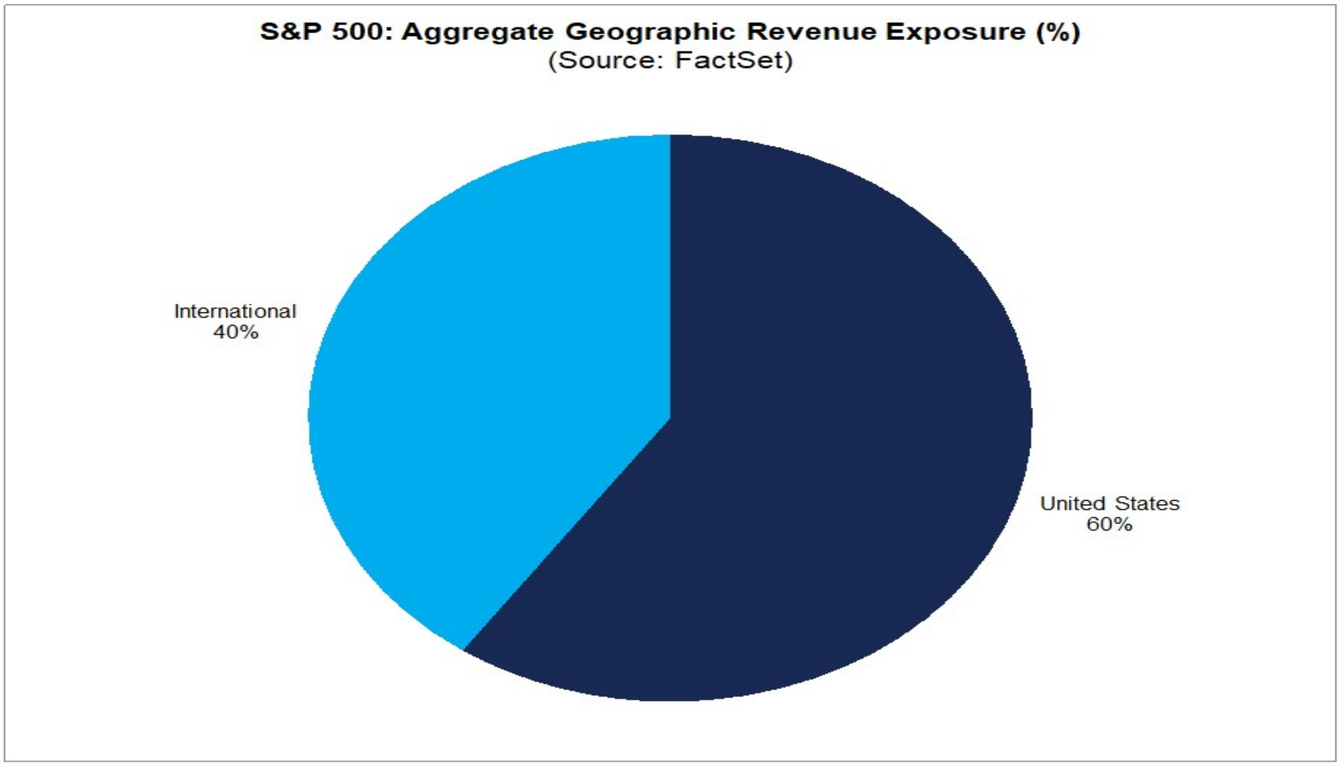
CY 2022: Growth

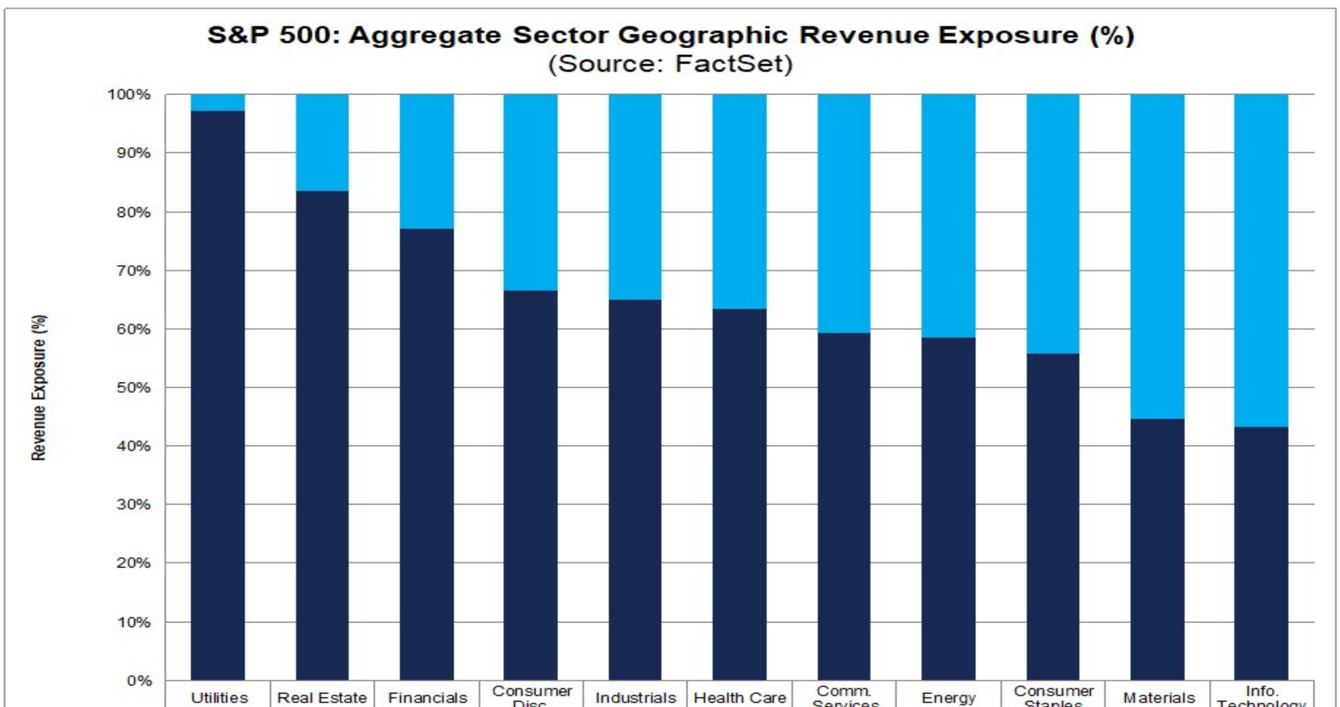
	Energy	Consumer Disc.	Industrials	Comm. Services	Utilities	S&P 500	Financials	Real Estate	Materials	Info. Technology	Consumer Staples	Health Care
Today	50.2%	35.4%	32.3%	16.9%	15.6%	15.2%	11.4%	11.0%	10.5%	10.5%	7.6%	7.6%
31-Dec	100.2%	33.5%	27.0%	17.9%	15.2%	16.8%	16.6%	12.1%	13.2%	11.7%	7.3%	8.9%



	Consumer Disc.	Comm. Services	Industrials	Energy	Info. Technology	S&P 500	Real Estate	Health Care	Financials	Consumer Staples	Materials	Utilities
Today	11.9%	10.4%	8.7%	8.3%	6.9%	6.8%	6.1%	4.9%	4.3%	3.2%	3.1%	2.8%
31-Dec	10.6%	9.8%	8.6%	15.6%	7.3%	7.2%	6.8%	5.2%	4.3%	3.6%	3.9%	2.4%

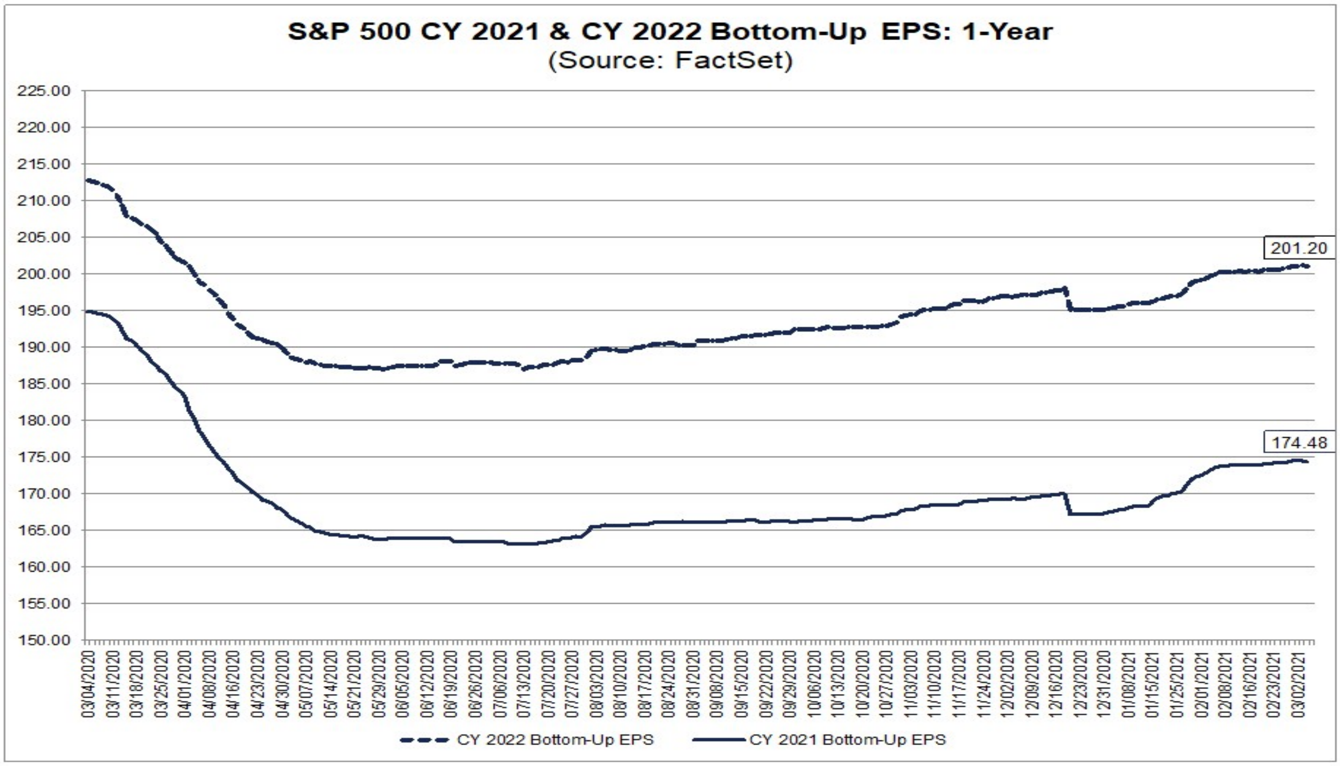
Geographic Revenue Exposure

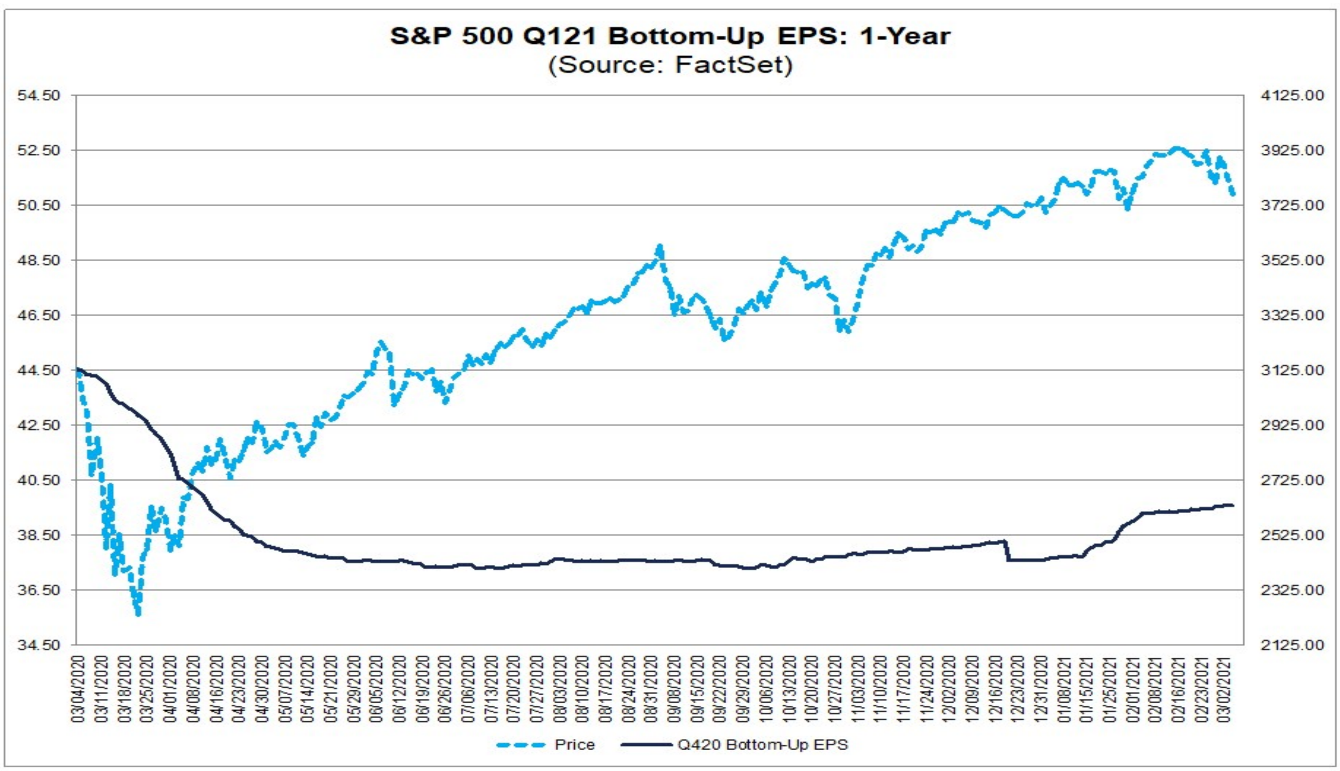




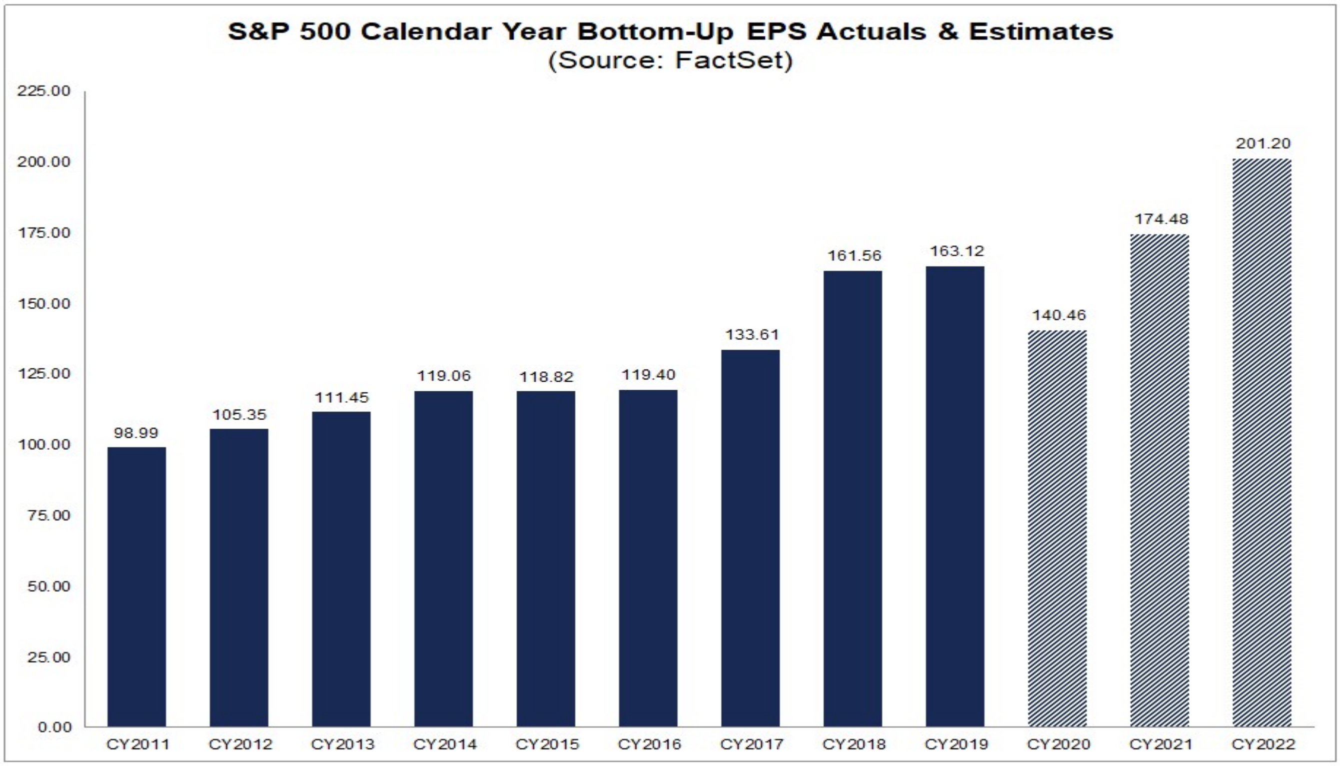
	Utilities	Real Estate	Financials	Consumer Disc.	Industrials	Health Care	Comm. Services	Energy	Consumer Staples	Materials	Info. Technology
International	3%	16%	23%	34%	35%	37%	41%	42%	44%	55%	57%
United States	97%	84%	77%	66%	65%	63%	59%	58%	56%	45%	43%

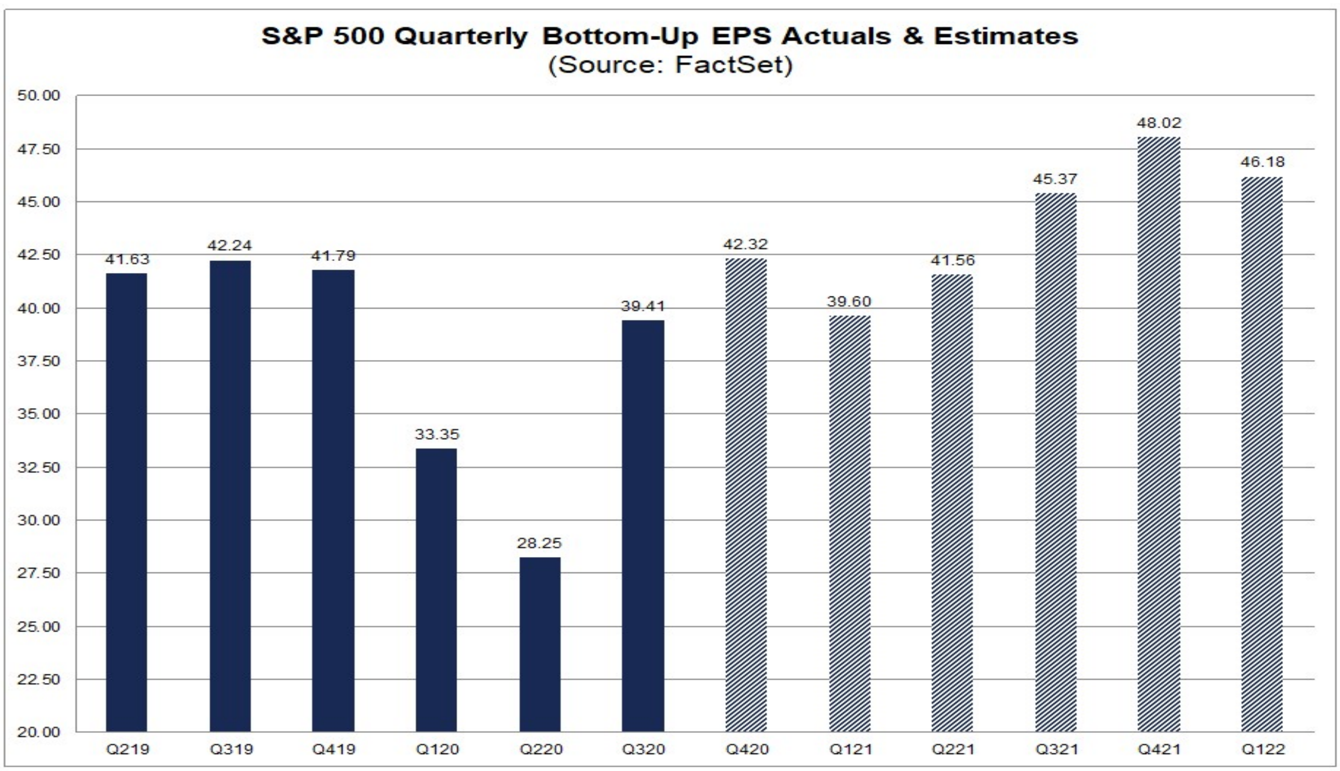
Bottom-up EPS Estimates: Revisions



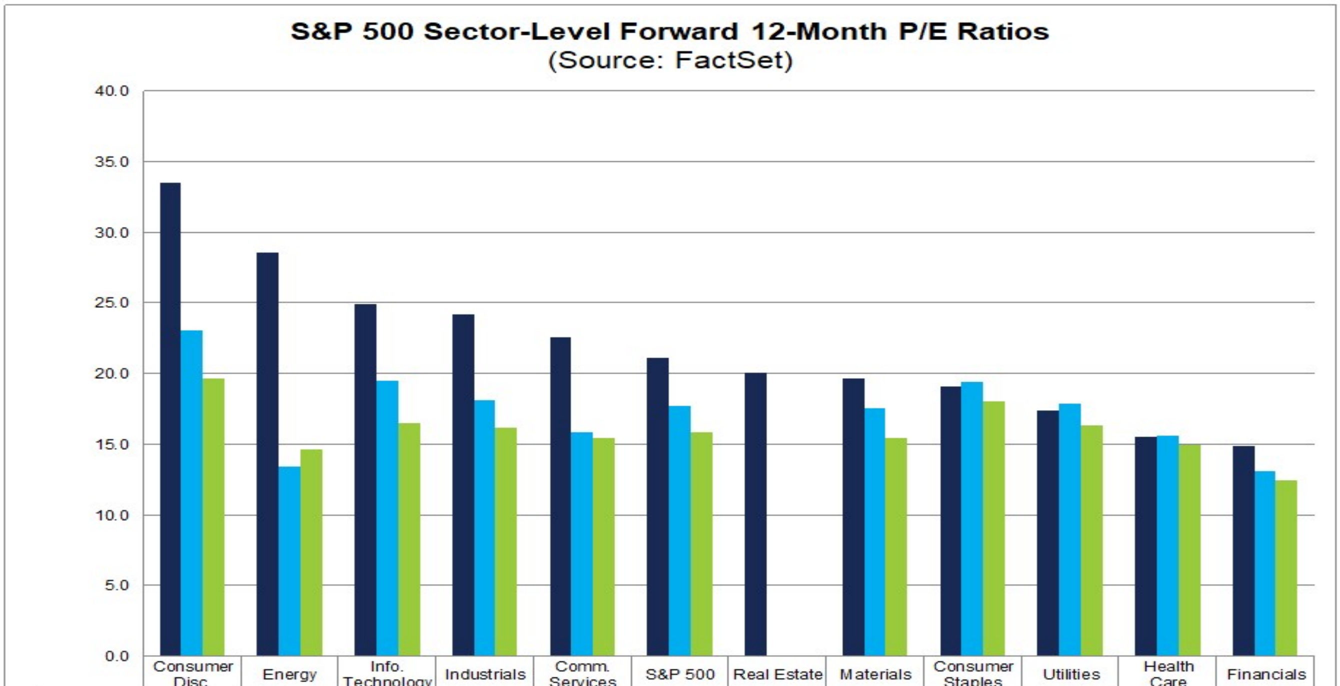


Bottom-up EPS Estimates: Current & Historical

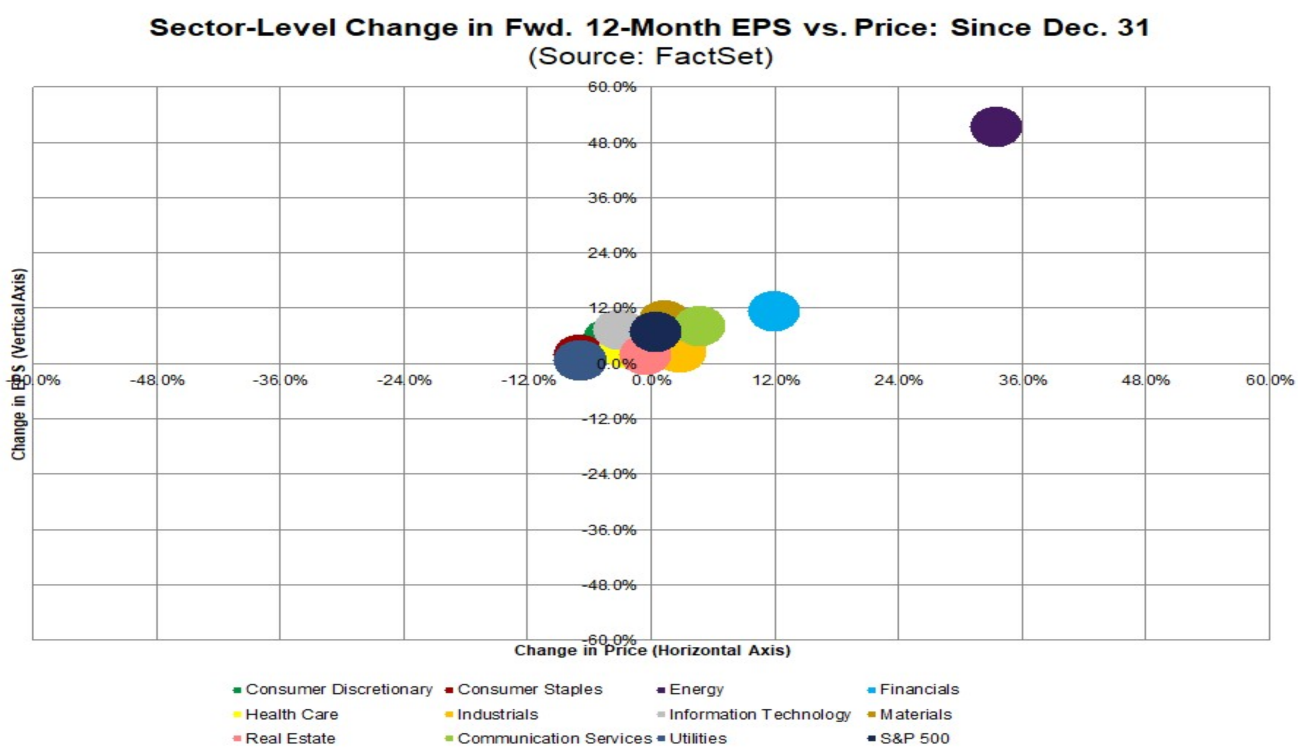




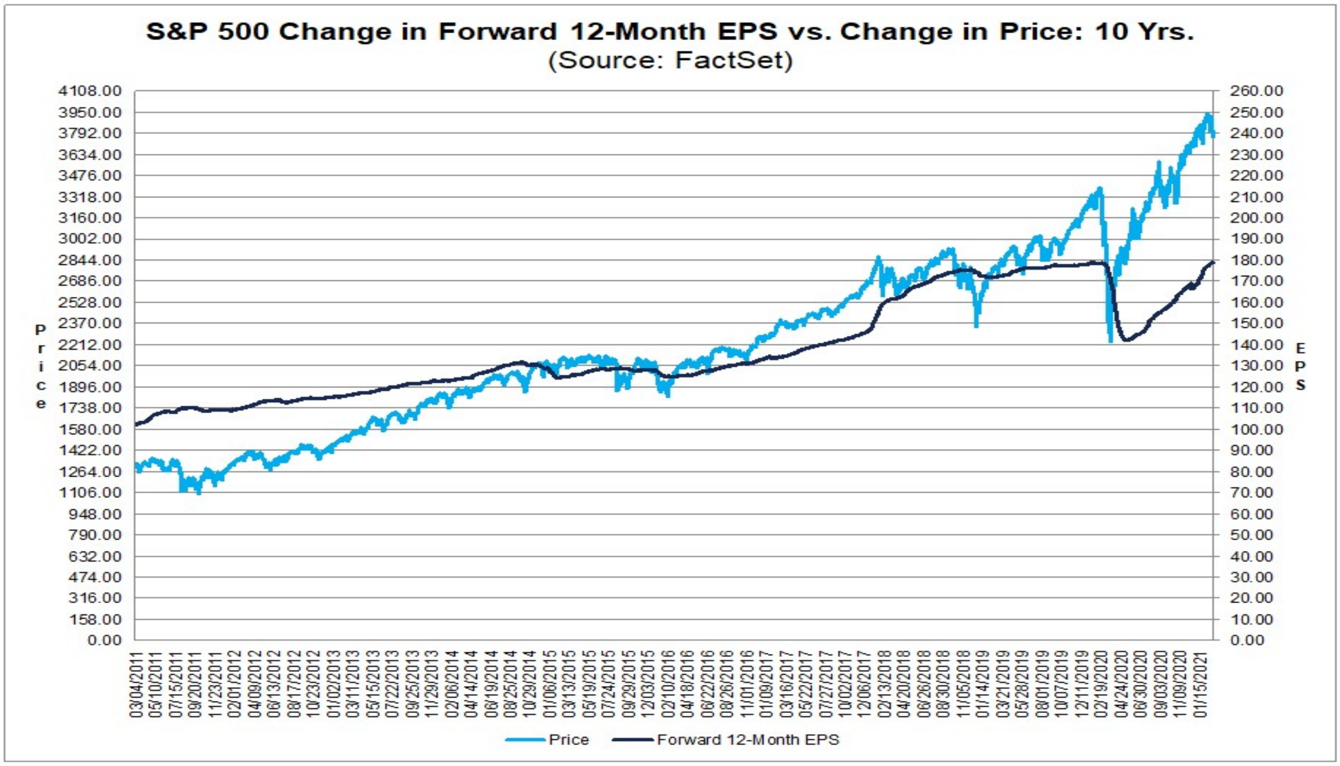
Forward 12M P/E Ratio: Sector Level

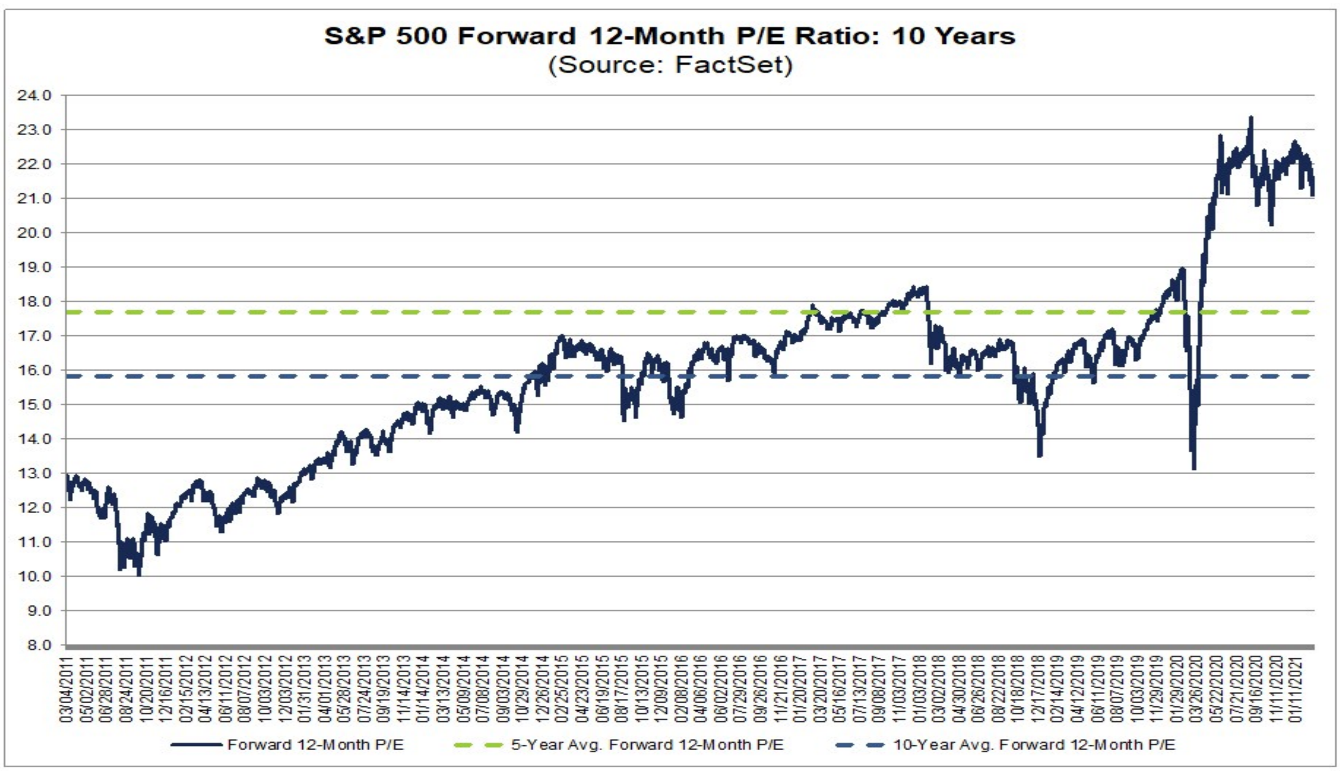


	Consumer Disc.	Energy	Info. Technology	Industrials	Comm. Services	S&P 500	Real Estate	Materials	Consumer Staples	Utilities	Health Care	Financials
Fwd P/E	33.5	28.5	24.9	24.2	22.5	21.1	20.0	19.7	19.1	17.4	15.5	14.9
5-Yr Avg.	23.1	13.4	19.5	18.1	15.8	17.7		17.5	19.4	17.8	15.6	13.1
10-Yr Avg.	19.6	14.6	16.4	16.2	15.5	15.8		15.4	18.1	16.3	15.0	12.4

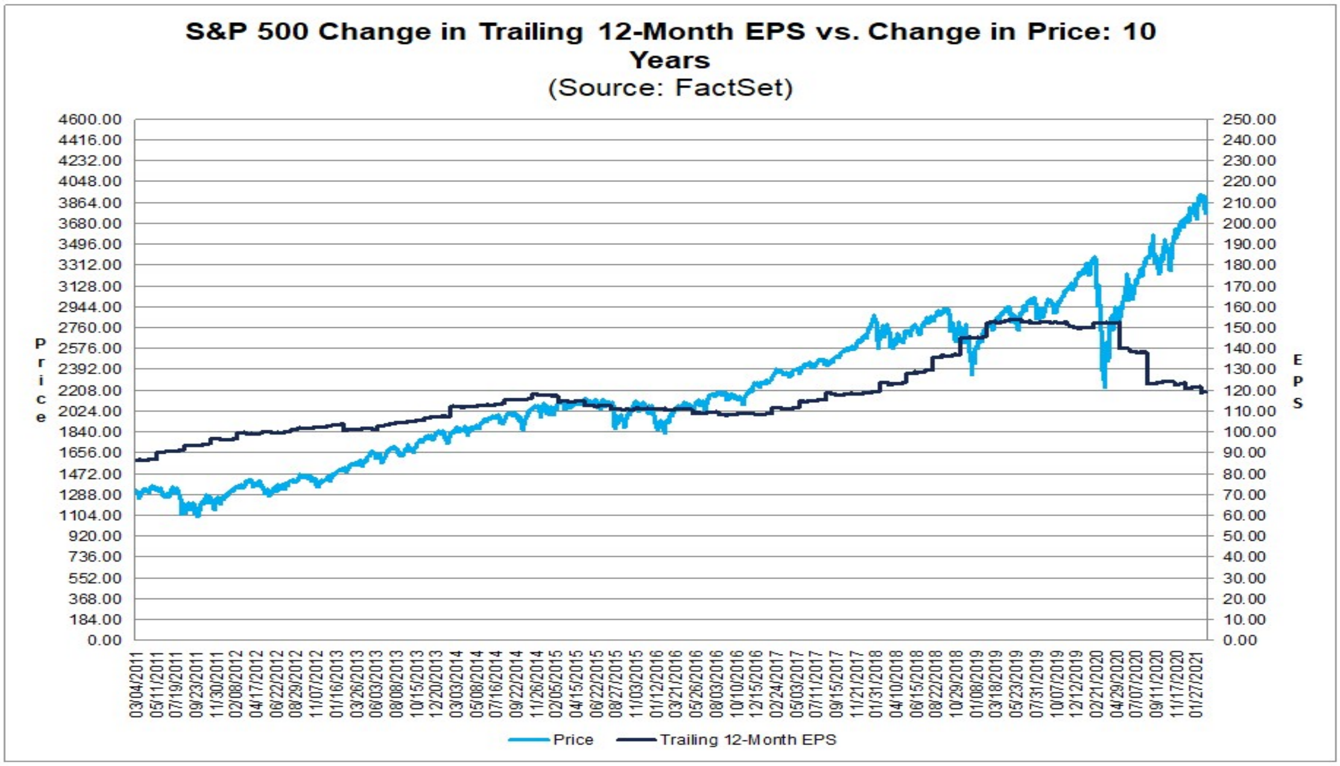


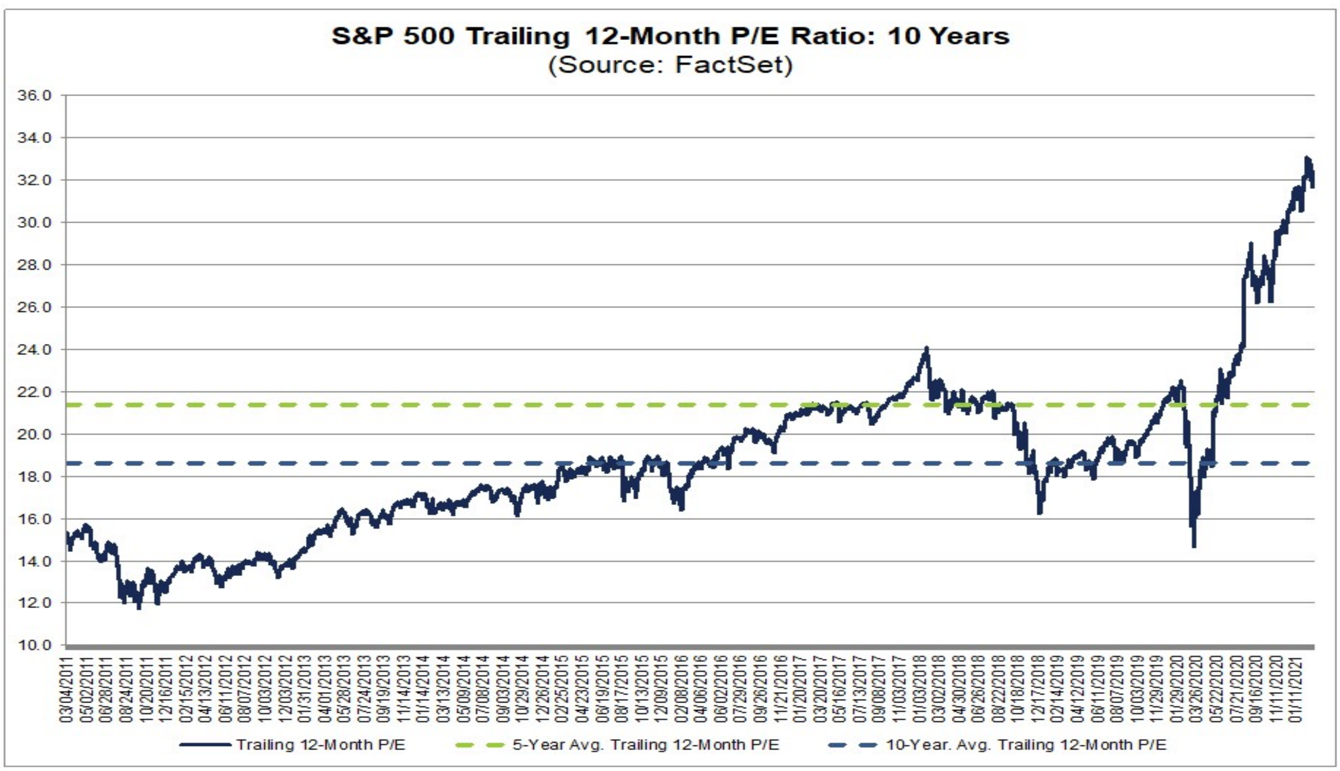
Forward 12M P/E Ratio: 10-Years



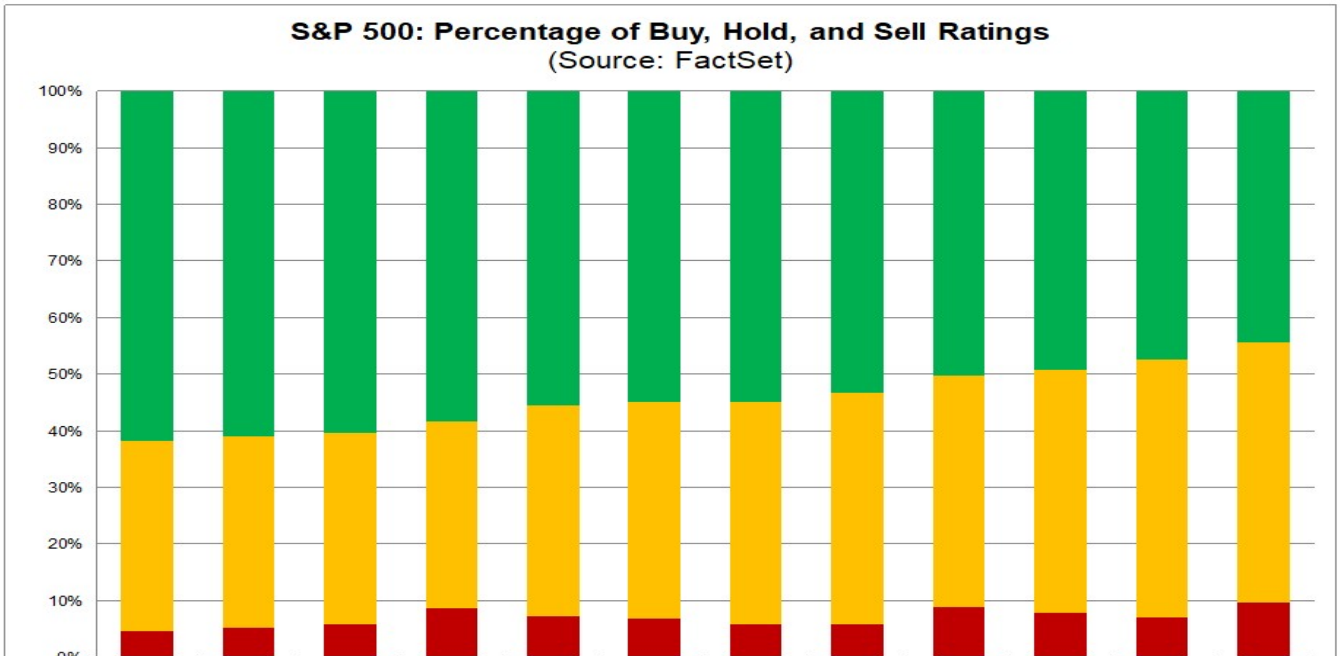


Trailing 12M P/E Ratio: 10-Years

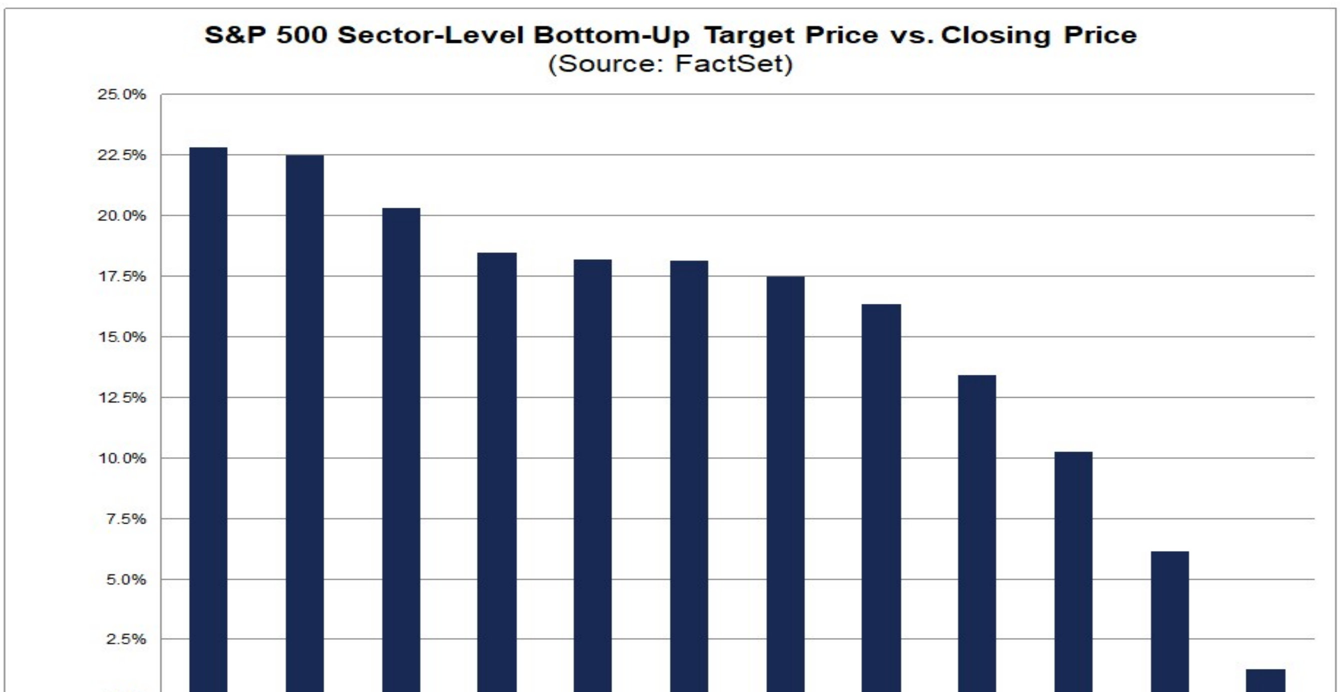




Targets & Ratings



	Energy	Health Care	Info. Tech.	Comm. Services	Utilities	S&P 500	Consumer Disc.	Materials	Industrials	Financials	Real Estate	Consumer Staples
Buy	62%	61%	60%	58%	56%	55%	55%	53%	50%	49%	47%	44%
Hold	34%	34%	34%	33%	37%	38%	39%	41%	41%	43%	46%	46%
Sell	4%	5%	6%	9%	7%	7%	6%	6%	9%	8%	7%	10%



	Info. Tech.	Consumer Disc.	Health Care	Utilities	Comm. Services	Consumer Staples	S&P 500	Real Estate	Materials	Industrials	Financials	Energy
Target/Close	22.8%	22.5%	20.3%	18.5%	18.2%	18.1%	17.5%	16.3%	13.4%	10.3%	6.1%	1.3%

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