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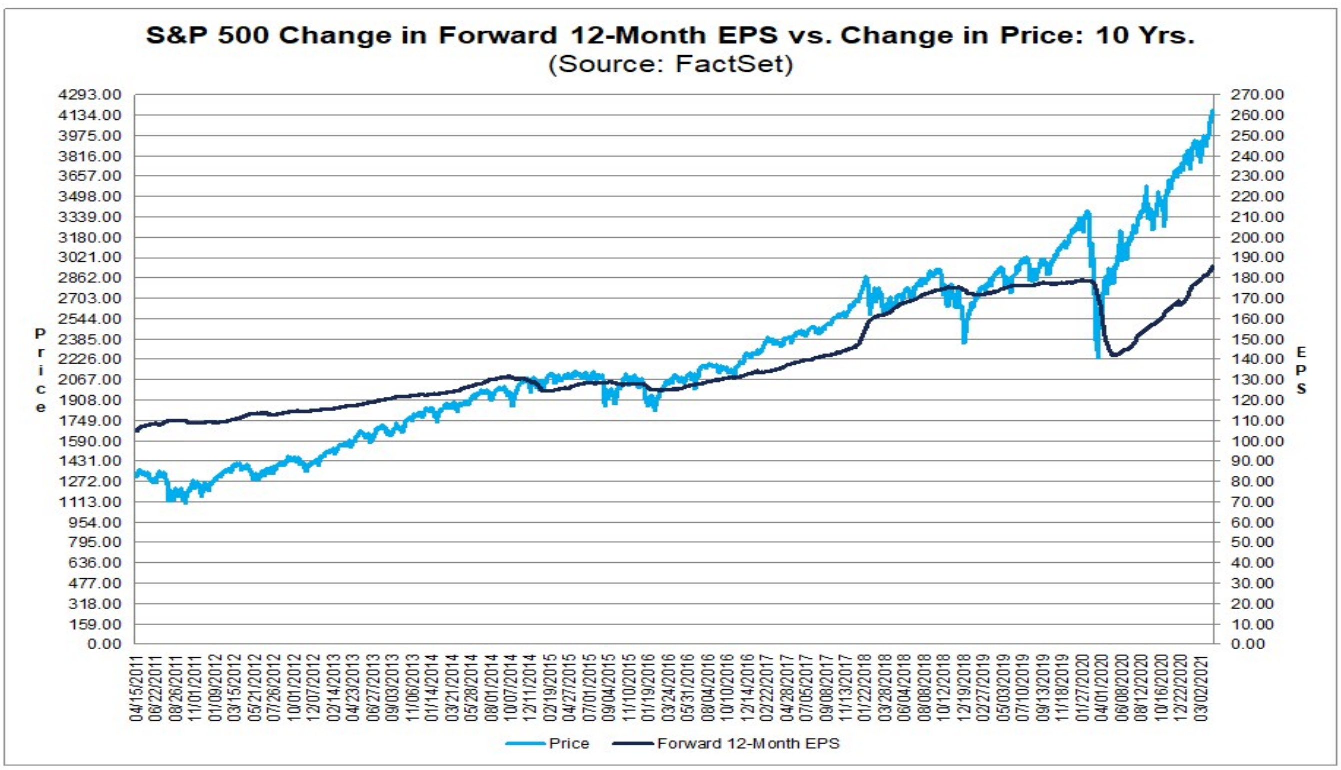
Key Metrics

- **Earnings Scorecard:** For Q1 2021 (with 9% of the companies in the S&P 500 reporting actual results), 81% of S&P 500 companies have reported a positive EPS surprise and 84% of S&P 500 companies have reported a positive revenue surprise
- **Earnings Growth:** For Q1 2021, the blended earnings growth rate for the S&P 500 is 30.2%. If 30.2% is the actual growth rate for the quarter, it will mark the highest year-over-year earnings growth rate reported by the index since Q3 2010 (34.0%).
- **Earnings Revisions:** On March 31, the estimated earnings growth rate for Q1 2021 was 23.8%. Eight sectors have higher earnings growth rates or smaller earnings declines today (compared to March 31) due to upward revisions to EPS estimates and positive EPS surprises, led by the Financials sector
- **Earnings Guidance:** For Q2 2021, 0 S&P 500 companies have issued negative EPS guidance and 5 S&P 500 companies have issued positive EPS guidance.
- **Valuation:** The forward 12-month P/E ratio for the S&P 500 is 22.5. This P/E ratio is above the 5-year average (17.8) and above the 10-year average (15.9).



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Topic of the Week:

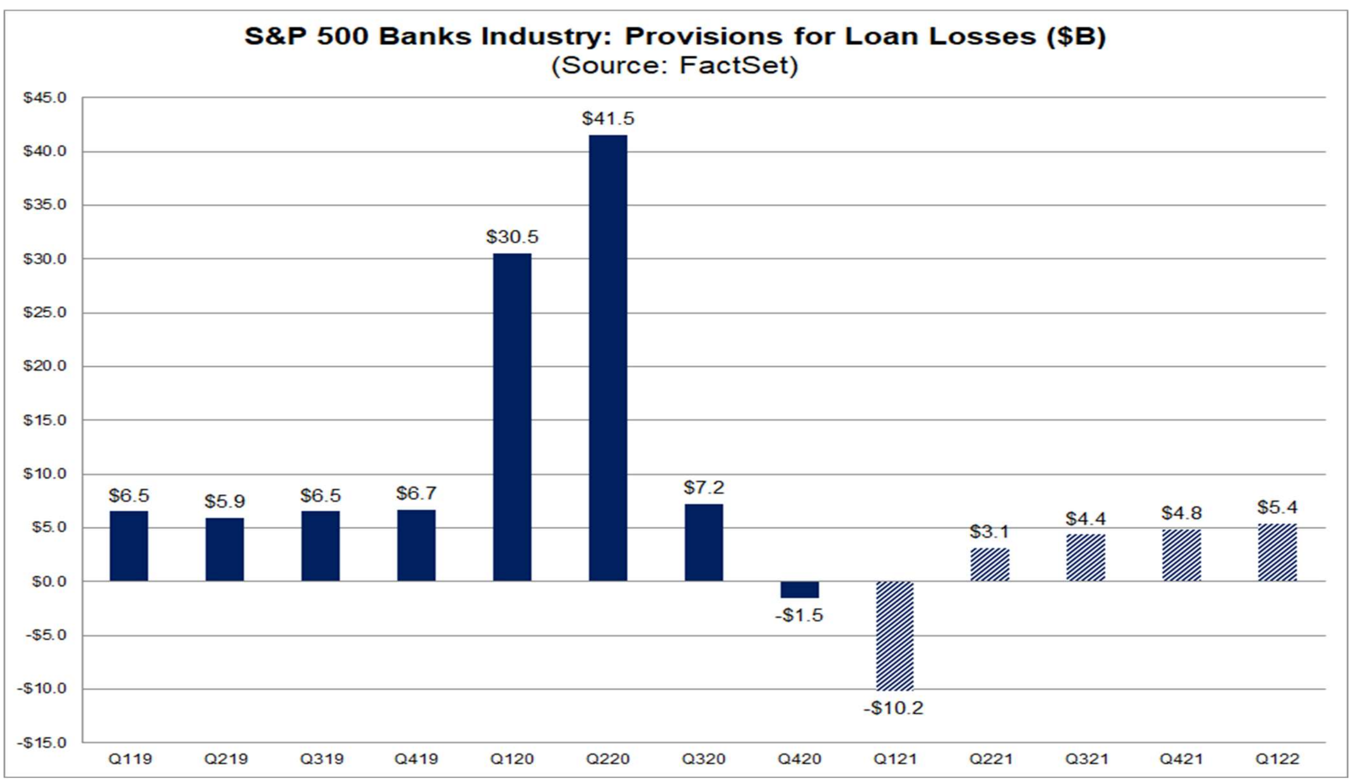
Lower Provisions for Loan Losses Are Boosting Earnings for S&P 500 Banks for Q1

The Financials sector was a focus sector for the market this past week, as 15 of the 22 companies in the S&P 500 that reported actuals earnings for Q1 during the week were in this sector. Most of these companies were in the Banks industry, including JPMorgan Chase, Wells Fargo, Bank of America, and Citigroup. This industry has the largest year-over-year earnings growth rate of all five industries in the sector at 248%. It is the largest contributor to earnings growth for the sector. If this industry were excluded, the blended (combines actual results for companies that have reported and estimated results for companies yet to report) earnings growth rate for the Financials sector would fall to 58.8% from 118.8%. However, it should be noted that the (blended) revenue growth rate for the Banks industry for Q1 is only 3%. How is it possible for an industry to report earnings growth of almost 250% and revenue growth of only 3%?

One reason is that companies in the Banks industry are reporting (or are expected to report) significantly lower provisions for loan losses in Q1 2021 relative to Q1 2020. These provisions for loan losses have no impact on top-line growth, but can have a substantial impact on bottom-line growth. Banks dramatically increased their provisions for loan losses in the first half of 2020 in conjunction with the economic lockdowns caused by COVID-19. With restrictions easing and economic conditions improving, banks are now drastically reducing these provisions.

FactSet Estimates actively tracks this metric for all 18 companies in the Banks industry in the S&P 500. All 18 of these companies have reported or are projected to report a year-over-year decline in provisions for loan losses for Q1 2021 relative to Q1 2020. The average (year-over-year) decline for these 18 companies is -109%. The (blended) year-over-year decline in provisions for loan losses for the Banks industry is -$40.7 billion (-$10.2 billion vs. $30.5 billion). At the company level, JP Morgan Chase (-$12.0 billion), Citigroup (-$9.1 billion), Bank of America (-$6.6 billion), and Wells Fargo (-$5.1 billion) have reported the largest year-over-year declines in provisions for loan losses.

Based on current estimates, the Banks industry will likely see another significant boost to earnings in Q2 2021 due to lower provisions for loan losses. In Q2 2021, the Banks industry is projected to report earnings growth 295%, but a decline in revenue of -6%. However, analysts predict provisions for loan losses will start to increase year-over-year in Q4 2021. Both the Banks industry (-5%) and the Financials sector (-6%) overall are expected to report year-over-year declines in earnings in Q4 2021.



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Q1 Earnings Season: By The Numbers

Overview

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

Overall, 9% of the companies in the S&P 500 have reported actual results for Q1 2021 to date. Of these companies, 81% have reported actual EPS above estimates, which is above the 5-year average of 74%. If 81% is the final percentage for the quarter, it will tie the mark (with Q2 2018) for the second-highest percentage of S&P 500 companies reporting a positive EPS surprise since FactSet began tracking this metric in 2008. In aggregate, companies are reporting earnings that are 30.3% above the estimates, which is also above the 5-year average of 6.9%. If 30.3% is the final percentage for the quarter, it will mark the largest earnings surprise percentage reported by the index since FactSet began tracking this metric in 2008.

Due to the number and magnitude of these positive EPS surprises, the index is reporting higher earnings for the first quarter today relative to the end of last week and relative to the end of the first quarter. The blended (combines actual results for companies that have reported and estimated results for companies that have yet to report) earnings growth rate for the first quarter is 30.2% today, compared to an earnings growth rate of 24.6% last week and an earnings growth rate of 23.8% at the end of the first quarter (March 31). Positive earnings surprises reported by companies in the Financials sector (led by JPMorgan Chase, Goldman Sachs, Citigroup, Bank of America, and Wells Fargo) 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 five companies) have also been the top contributors to the overall increase in earnings for the index since the end of the first quarter.

If 30.2% is the actual growth rate for the quarter, it will mark the highest year-over-year earnings growth reported by the index since Q3 2010 (34.0%). The unusually high growth rate is due to a combination of rising earnings in Q1 2021 and an easier comparison to weaker earnings in Q1 2020 due to the negative impact of COVID-19 on numerous industries. Nine sectors are reporting (or are expected to report) year-over-year earnings growth, led by the Financials, Consumer Discretionary, and Materials sectors. Two sectors are reporting (or are expected to report) a year-over-year decline in earnings: Industrials and Energy.

In terms of revenues, 84% of S&P 500 companies have reported actual revenues above estimates, which is above the 5-year average of 64%. If 84% is the final percentage for the quarter, it will mark the 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 3.3% above the estimates, which is above the 5-year average of 1.0%. If 3.3% is the final percentage for the quarter, it will mark the largest revenue surprise percentage reported by the index since FactSet began tracking this metric in 2008.

Due to the number and magnitude of these revenue surprises, the blended revenue growth rate for the first quarter is higher now relative to the end of last week and relative to the end of the first quarter. As of today, the S&P 500 is reporting year-over-year growth in revenues of 7.0%, compared to year-over-year growth in revenues of 6.4% last week and year-over-year growth in revenues of 6.3% at the end of the first quarter (March 31). 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 first quarter.

If 7.0% is the actual growth rate for the quarter, it will mark the highest year-over-year revenue growth reported by the index since Q3 2018 (8.6%). Eight sectors are reporting (or are expected to report) year-over-year growth in revenues, led by the Information Technology, Health Care, and Communication Services sectors. Three sectors are reporting (or are expected to report) a year-over-year decline in revenues, led by the Energy and Industrials sectors.

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Looking at future quarters, analysts project double-digit earnings growth for the remaining three quarters of 2021, with earnings growth expected to peak in Q2 2021 at 54.6%

The forward 12-month P/E ratio is 22.5, which is above the 5-year average and above the 10-year average.

During the upcoming week, 81 S&P 500 companies (including 10 Dow 30 components) are scheduled to report results for the first quarter.

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

Percentage of Companies Beating EPS Estimates (81%) is Near Record-High Level

Overall, 9% of the companies in the S&P 500 have reported earnings to date for the first quarter. Of these companies, 81% have reported actual EPS above the mean EPS estimate, 2% have reported actual EPS equal to the mean EPS estimate, and 16% have reported actual EPS below the mean EPS estimate. The percentage of companies reporting EPS above the mean EPS estimate is above the 1-year (77%) average and above the 5-year (74%) average.

If 81% is the final percentage for the quarter, it will tie the mark (with Q2 2018) for the second-highest percentage of S&P 500 companies reporting a positive EPS surprise since FactSet began tracking this metric in 2008. The current record is 84%, which occurred in both Q3 2020 and Q2 2020.

At the sector level, the Information Technology (100%), Health Care (100%), Materials (100%), and Financials (93%) sectors have the highest percentages of companies reporting earnings above estimates, while the Industrials (57%) and Consumer Staples (63%) sectors have the lowest percentages of companies reporting earnings above estimates.

Earnings Surprise Percentage (+30.3%) is at Record-High Level

In aggregate, companies are reporting earnings that are 30.3% above expectations. This surprise percentage is above the 1-year (+14.5%) average and above the 5-year (+6.9%) average.

If 30.3% is the final percentage for the quarter, it will mark the largest earnings surprise percentage reported by the index since FactSet began tracking this metric in 2008. The current record is 23.1%, which occurred in Q2 2020.

The Consumer Discretionary (+114.1%) sector is reporting the largest positive (aggregate) difference between actual earnings and estimated earnings. Within this sector, Lennar ($3.20 vs. $1.71) has reported the largest positive EPS surprise.

The Financials (+38.2%) sector is reporting the second-largest positive (aggregate) difference between actual earnings and estimated earnings. Within this sector, Goldman Sachs ($18.60 vs. $10.22), U.S. Bancorp ($1.45 vs. $0.96), PNC Financial Services Group ($4.10 vs. $2.72) and Wells Fargo ($1.05 vs. $0.70) have reported the largest positive EPS surprises.

Market Punishing Negative Earnings Surprises Less Than Average

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

Companies that have reported positive earnings surprises for Q1 2021 have seen an average price increase of +0.9% two days before the earnings release through two days after the earnings release. This percentage increase is slightly above the 5-year average price increase of +0.8% during this same window for companies reporting positive earnings surprises.

Companies that have reported negative earnings surprises for Q1 2021 have seen an average price decrease of -0.8% two days before the earnings release through two days after the earnings. This percentage decrease is smaller than the 5-year average price decrease of -2.5% during this same window for companies reporting negative earnings surprises.

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

In terms of revenues, 84% of companies have reported actual revenues above estimated revenues and 16% have reported actual revenues below estimated revenues. The percentage of companies reporting revenues above estimates is above the 1-year average (69%) and above the 5-year average (64%).

If 84% is the final percentage for the quarter, it will mark the highest percentage of S&P 500 companies reporting a positive revenue surprise since FactSet began tracking this metric in 2008. The current record is 79%, which occurred in Q3 2020.

At the sector level, the Information Technology (100%), Health Care (100%), Materials (100%), and Financials (93%) sectors have the highest percentages of companies reporting revenues above estimates, while the Consumer Discretionary (50%) sector has the lowest percentage of companies reporting revenues above estimates.

Revenue Surprise Percentage (+3.3%) is at Record-High Level

In aggregate, companies are reporting revenues that are 3.3% above expectations. This surprise percentage is above the 1-year (+2.0%) average and above the 5-year (+1.0%) average.

If 3.3% is the final percentage for the quarter, it will mark the largest revenue surprise percentage reported by the index since FactSet began tracking this metric in 2008. The current record is 2.9%, which occurred in Q4 2020.

At the sector level, the Financials (+7.9%), Industrials (+6.1%), and Materials (+5.6%) sectors are reporting the largest positive (aggregate) differences between actual revenues and estimated revenues, while the Consumer Staples (-1.6%) and Consumer Discretionary (-1.0%) sectors are reporting the largest negative (aggregate) difference 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 first quarter is 30.2%, which is larger than the earnings growth rate of 24.6% 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 ($4.50 vs $3.10), Goldman Sachs ($18.60 vs. $10.22), Citigroup ($3.62 vs. $2.60), Bank of America ($0.86 vs. $0.66), and Wells Fargo ($1.05 vs. $0.70) 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 increased to 118.8% from 79.3% over this period.

Increase in Blended Revenue Growth This Week Due to Financials Sector

The blended (year-over-year) revenue growth rate for the first quarter is 7.0%, which is larger than the revenue growth rate of 6.4% 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 March 31

The blended (year-over-year) earnings growth rate for Q1 2021 of 30.2% is larger than the estimate of 23.8% at the end of the first quarter (March 31). Eight sectors have recorded an increase in their earnings growth rate or a decrease in their earnings decline since the end of the quarter due to upward revisions to earnings estimates and positive earnings surprises, led by the Financials sector (to 118.8% from 72.6%). Three sectors have recorded a decrease in their earnings growth rate or an increase in their earnings decline due to downward revisions to earnings estimates and negative earnings surprises, led by the Energy (to -14.7% from -10.4%) and Industrials (to -19.1% from -16.2%) sectors.

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Financials Sector Has Seen Largest Increase in Revenues since March 31

The blended (year-over-year) revenue growth rate for Q1 2021 of 7.0% is larger than the estimate of 6.3% at the end of the first quarter (March 31). Eight sectors have recorded an increase in revenue growth or a decrease in their revenue decline or since the end of the quarter due to upward revisions to revenue estimates and positive revenue surprises, led by the Financials (to 7.6% from 3.0%) sector. The Industrials sector is the only sector that has recorded an increase in its revenue decline (to -3.5% from -3.3%) during this time due to downward revisions to revenue estimates and negative revenue surprises. Two sectors (Communication Services and Information Technology) have recorded no change to their revenue growth rates since March 31.

Earnings Growth: 30.2%

The blended (year-over-year) earnings growth rate for Q1 2021 is 30.2%, which is well above the 5-year average earnings growth rate of 4.1%. If 30.2% is the actual growth rate for the quarter, it will mark the highest year-over-year earnings growth reported by the index since Q3 2010 (34.0%). Nine sectors are reporting (or are projected to report) year-over-year earnings growth, led by the Financials, Consumer Discretionary, and Materials sectors. On the other hand, two sectors are reporting (or are projected to report) a year-over-year decline in earnings: Industrials and Energy.

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

The Financials sector is reporting the highest (year-over-year) earnings growth of all eleven sectors at 118.8%. At the industry level, all five industries in this sector are reporting (or are predicted to report) year-over-year growth in earnings: Consumer Finance (N/A due to year-ago loss), Banks (248%), Capital Markets (80%), Insurance (4%), and Diversified Financial Services (2%). The Banks industry is also the largest contributor to growth for the sector. If this industry were excluded, the blended earnings growth rate for the Financials sector would fall to 58.8% from 118.8%. Lower provisions for loan losses are boosting year-over-year earnings growth for companies in the Banks industry.

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

The Consumer Discretionary sector is reporting the second-highest (year-over-year) earnings growth of all eleven sectors at 106.1%. At the industry level, nine of the ten industries in this sector are reporting (or are expected to report) double-digit earnings growth: Automobiles (1,192%), Textiles, Apparel, & Luxury Goods (484%), Specialty Retail (238%), Internet & Direct Marketing Retail (80%), Household Durables (74%), Multiline Retail (56%), Auto Components (31%), Distributors (20%), and Leisure Products (19%). The Specialty Retail industry is also the largest contributor to growth for the sector. If this industry were excluded, the blended earnings growth rate for the Consumer Discretionary sector would fall to 68.8% from 106.1%. On the other hand, the Hotels, Restaurants, & Leisure industry (-645%) is the only industry in this sector that is reporting a year-over-year decline in earnings and is the largest detractor to earnings growth. If this industry were excluded, the blended earnings growth rate for the Consumer Discretionary sector would rise to 144.6% from 106.1%.

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

The Materials sector is reporting the third-highest (year-over-year) earnings growth of all eleven sectors at 48.1%. At the industry level, all four industries in this sector are reporting (or are predicted to report) year-over-year growth: Metals & Mining (495%), Chemicals (25%), Containers & Packaging (13%), and Construction Materials (5%). 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 22.6% from 48.1%.

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

The Industrials sector is reporting the largest (year-over-year) earnings decline of all eleven sectors at -19.1%. At the industry level, five of the twelve industries in this sector are reporting (or are projected to report) a decline in earnings, led by the Airlines (N/A due to year-ago loss) industry. On the other hand, seven industries are reporting (or are projected to report) earnings growth, led by the Air Freight & Logistics (79%), Construction & Engineering (52%), and Machinery (31%) industries. The Airlines industry is also the largest contributor to the year-over-year decline in earnings for the sector. If this industry were excluded, year-over-year earnings for the Industrials sector would improve to 10.0% from -19.1%.

Energy: 2 of 5 Sub-Industries Expected to Report Year-Over-Year Decline of More Than 45%

The Energy sector is expected to report the second-largest (year-over-year) decline in earnings of all eleven sectors at -14.7%. Despite the projected decline in earnings, the average price of oil in Q1 2021 ($58.14) was 7% 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: Oil & Gas Refining & Marketing (-412%), Oil & Gas Equipment & Services (-46%), and Integrated Oil & Gas (-4%). On the other hand, two sub-industries are projected to report earnings growth: Oil & Gas Exploration & Production (173%) and Oil & Gas Storage & Transportation (2%).

Revenue Growth: 7.0%

The blended (year-over-year) revenue growth rate for Q1 2021 is 7.0%, which is above the 5-year average revenue growth rate of 3.9%. If 7.0% is the actual growth rate for the quarter, it will mark the highest year-over-year revenue growth reported by the index since Q3 2018 (8.6%). Eight sectors are reporting (or are projected to report) year-over-year growth in revenues, led by the Information Technology, Consumer Discretionary, and Communication Services sectors. Three sectors are reporting (or are projected to report) a year-over-year decline in revenues, led by the Energy and Industrials sectors.

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

The Information Technology sector is reporting the highest (year-over-year) revenue growth of all eleven sectors at 15.5%. At the industry level, all six industries in this sector are reporting (or are projected to report) year-over-year growth in revenues. Four of these six industries are reporting (or are predicted to report) growth above 10%: Technology Hardware, Storage, & Peripherals (25%), Semiconductors & Semiconductor Equipment (20%), Software (17%), and Electronic Equipment, Instruments, & Components (14%).

Consumer Discretionary: 6 of 10 Industries Reporting Year-Over-Year Growth At Or Above 10%

The Consumer Discretionary sector is reporting the second-highest (year-over-year) revenue growth of all eleven sectors at 15.3%. At the industry level, eight of the ten industries in this sector are reporting (or are predicted to report) growth in revenues. Six of these eight industries are reporting (or are projected to report) double-digit growth: Internet & Direct Marketing Retail (38%), Auto Components (33%), Specialty Retail (26%), Household Durables (20%), Automobiles (10%), and Textiles, Apparel, & Luxury Goods (10%). On the other hand, two industries are reporting (or are projected to report) a year-over-year decline in revenues, led by the Hotels, Restaurants, & Leisure (-29%) industry.

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

The Communication Services sector is expected to report the third-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 report year-over-year growth in revenues. Two of these four industries are projected to report double-digit growth: Wireless Communication Services (69%) and Interactive Media & Services (26%). On the other hand, the only industry that is 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 3.7% from 12.0%.

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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 -6.1%. Despite the projected decline in revenue, the average price of oil in Q1 2021 ($58.14) was 7% 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: Oil & Gas Equipment & Services (-27%), Oil & Gas Refining & Marketing (-16%), and Integrated Oil & Gas (-3%). On the other hand, two sub-industries are projected to report year-over-year growth in revenues: Oil & Gas Exploration & Production (40%) and Oil & Gas Storage & Transportation (6%).

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

The Industrials sector is reporting the second-largest (year-over-year) decline in revenue of all eleven sectors at -3.5%. At the industry level, six of the twelve industries in this sector are reporting (or are projected to report) a decline in revenue, led by the Airlines (-54%) industry. On the other hand, six industries are reporting (or are projected to report) revenue growth, led by the Air Freight & Logistics (19%) industry. The Airlines industry is also the largest contributor to the year-over-year decline in revenue for the sector. If this industry were excluded, year-over-year revenues for the Industrials sector would improve to 1.9% from -3.5%.

Net Profit Margin: 11.4%

The blended net profit margin for the S&P 500 for Q1 2021 is 11.4%, which is above the 5-year average of 10.5%, the year-ago net profit margin of 9.4% and the previous quarter’s net profit margin of 11.0%.

At the sector level, five sectors are reporting (or are projected to report) net profit margins that are above their 5-year averages, led by the Financials (20.8% vs. 14.9%) sector. Six sectors are reporting (or 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 (20.8% vs. 10.2%), and Materials (10.8% vs. 8.0%) sectors.

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Looking Ahead: Forward Estimates and Valuation

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

At this point in time, 5 companies in the index have issued EPS guidance for Q2 2021. Of these 5 companies, 0 have issued negative EPS guidance and 5 have issued positive EPS guidance. The percentage of companies issuing positive EPS guidance is 100% (5 out of 5), which is well above the 5-year average of 35%.

The term “guidance” (or “preannouncement”) is defined as a projection or estimate for EPS provided by a company in advance of the company reporting actual results. Guidance is classified as negative if the estimate (or mid-point of a range estimates) provided by a company is lower than the mean EPS estimate the day before the guidance was issued. Guidance is classified as positive if the estimate (or mid-point of a range of estimates) provided by the company is higher than the mean EPS estimate the day before the guidance was issued.

Earnings: S&P 500 Expected to Report Earnings Growth of 28% for CY 2021

For the first quarter, S&P 500 companies are reporting growth in earnings of 30.2% and growth in revenue of 7.0%.

For Q2 2021, analysts are projecting earnings growth of 54.6% and revenue growth of 17.0%.

For Q3 2021, analysts are projecting earnings growth of 20.0% and revenue growth of 10.3%.

For Q4 2021, analysts are projecting earnings growth of 15.4% and revenue growth of 7.6%.

For CY 2021, analysts are projecting earnings growth of 27.9% and revenue growth of 10.0%.

Valuation: Forward P/E Ratio is 22.5, Above the 10-Year Average (15.9)

The forward 12-month P/E ratio is 22.5. This P/E ratio is above the 5-year average of 17.8 and above the 10-year average of 15.9. It is also above the forward 12-month P/E ratio of 21.8 recorded at the end of the first quarter (March 31). Since the end of the first quarter (March 31), the price of the index has increased by 5.0%, while the forward 12-month EPS estimate has increased by 1.8%.

At the sector level, the Consumer Discretionary (37.5) sector has the highest forward 12-month P/E ratio, while the Financials (14.5) and Health Care (16.7) sectors have the lowest forward 12-month P/E ratios.

Targets & Ratings: Analysts Project 8.5% Increase in Price Over Next 12 Months

The bottom-up target price for the S&P 500 is 4525.33, which is 8.5% above the closing price of 4170.42. At the sector level, the Energy (+15.3%) sector is expected to see the largest price increase, as this sector has the largest upside difference between the bottom-up target price and the closing price. On the other hand, the Real Estate (+3.3%) and Utilities (+3.8%) 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 10,404 ratings on stocks in the S&P 500. Of these 10,404 ratings, 55.8% are Buy ratings, 37.2% are Hold ratings, and 7.0% are Sell ratings. At the sector level, the Information Technology (62%), Health Care (62%), and Energy (61%) sectors have the highest percentages of Buy ratings, while the Consumer Staples (45%) sector has the lowest percentage of Buy ratings.

Companies Reporting Next Week: 81

During the upcoming week, 81 S&P 500 companies (including 10 Dow 30 components) are scheduled to report results for the first quarter.

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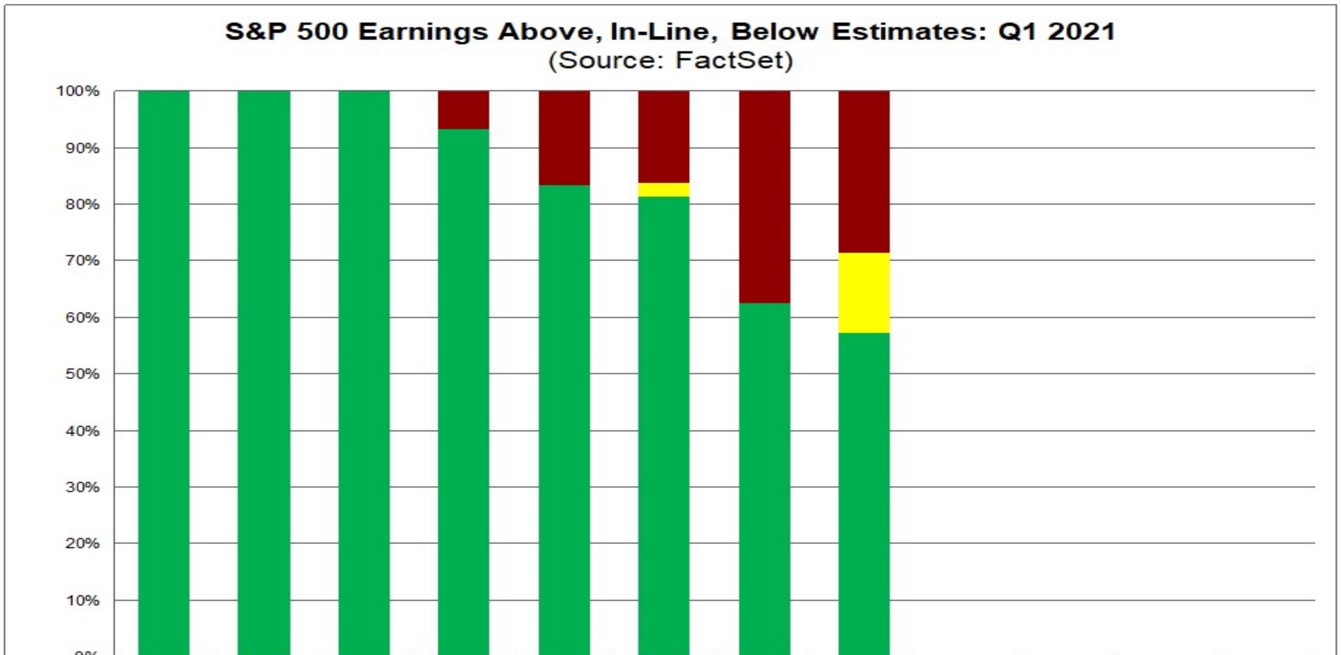
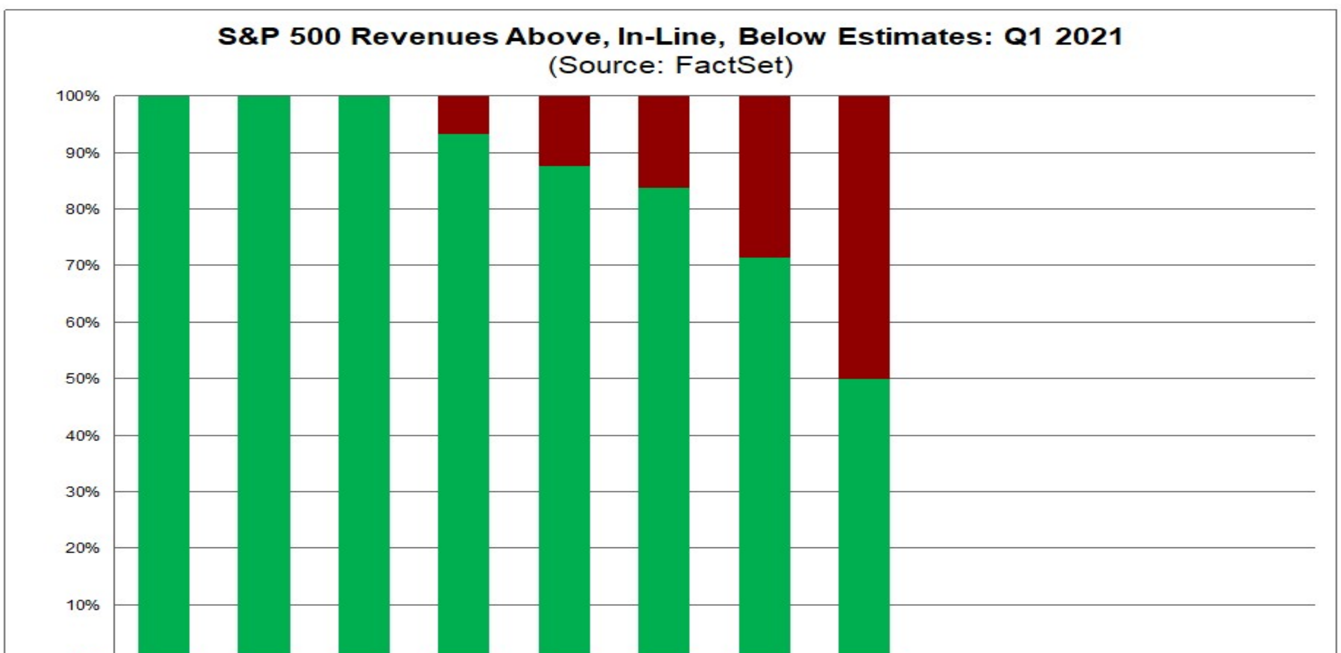
Q1 2021: Scorecard



	Info. Technology	Health Care	Materials	Financials	Consumer Disc.	S&P 500	Consumer Staples	Industrials	Comm. Services	Utilities	Real Estate	Energy
Below	0%	0%	0%	7%	17%	16%	38%	29%	0%	0%	0%	0%
In-Line	0%	0%	0%	0%	0%	2%	0%	14%	0%	0%	0%	0%
Above	100%	100%	100%	93%	83%	81%	63%	57%	0%	0%	0%	0%



	Info. Technology	Health Care	Materials	Financials	Consumer Staples	S&P 500	Industrials	Consumer Disc.	Comm. Services	Real Estate	Energy	Utilities
Below	0%	0%	0%	7%	13%	16%	29%	50%	0%	0%	0%	0%
In-Line	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Above	100%	100%	100%	93%	88%	84%	71%	50%	0%	0%	0%	0%

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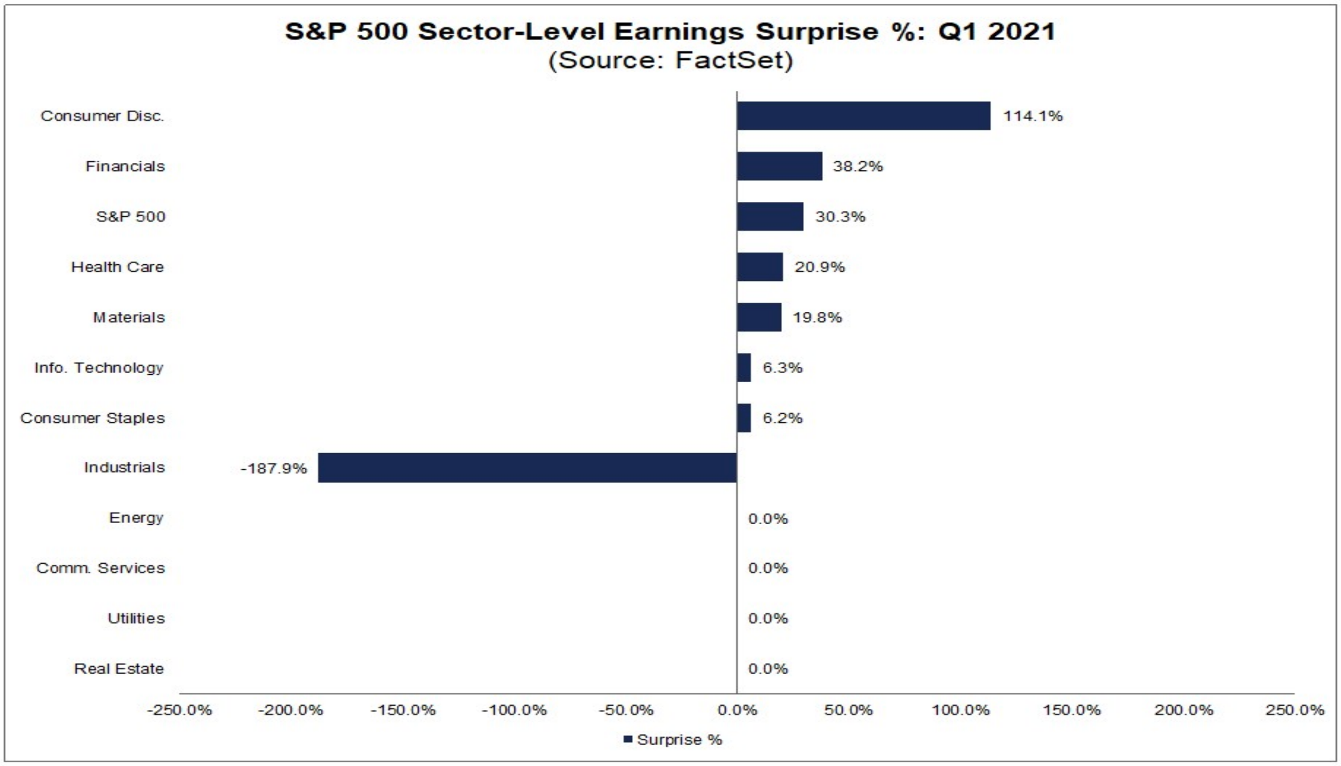
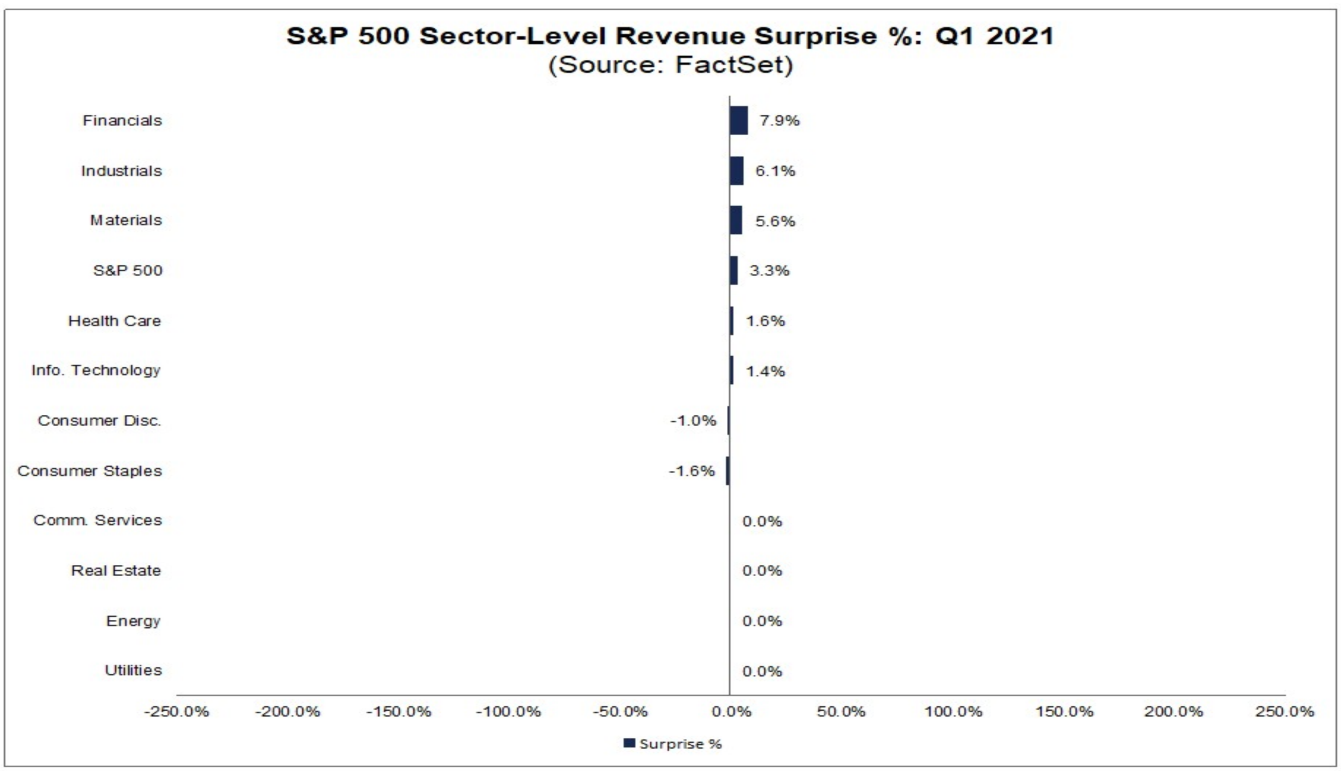
Q1 2021: Scorecard





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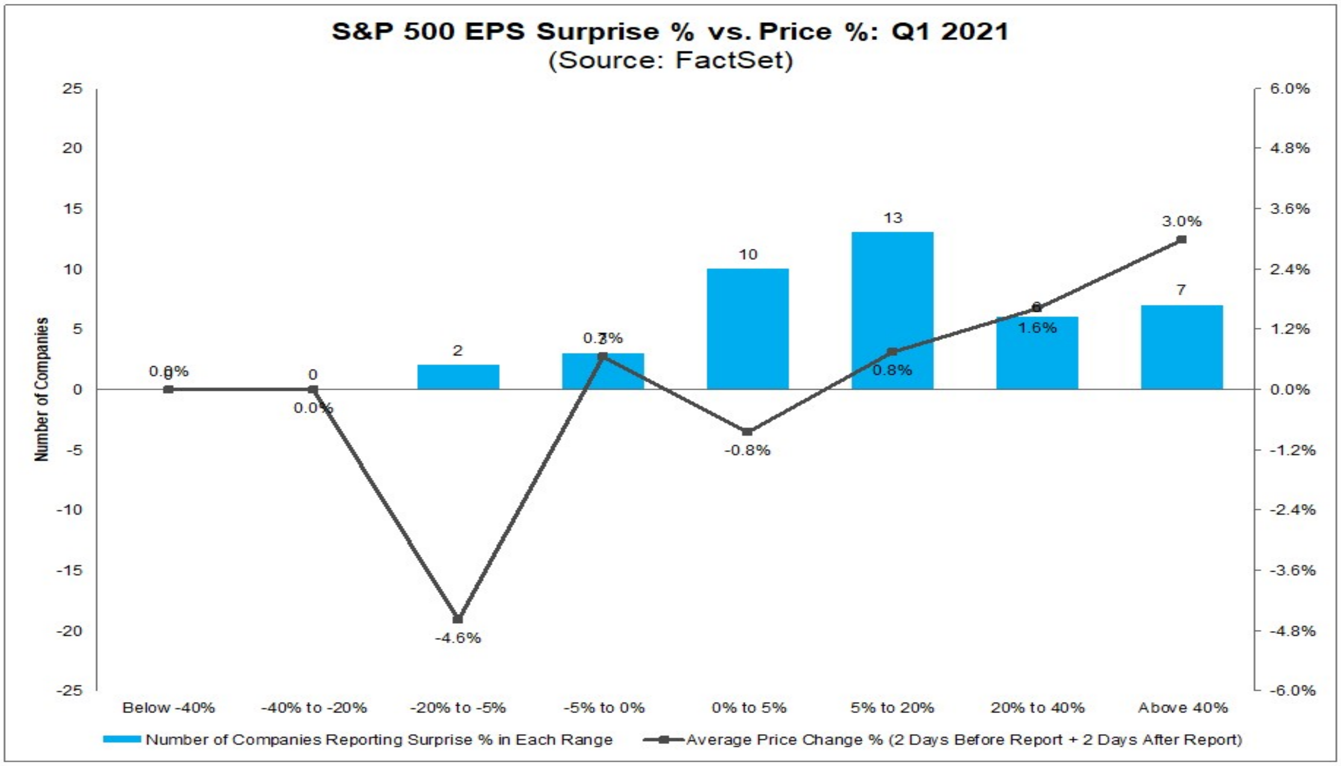
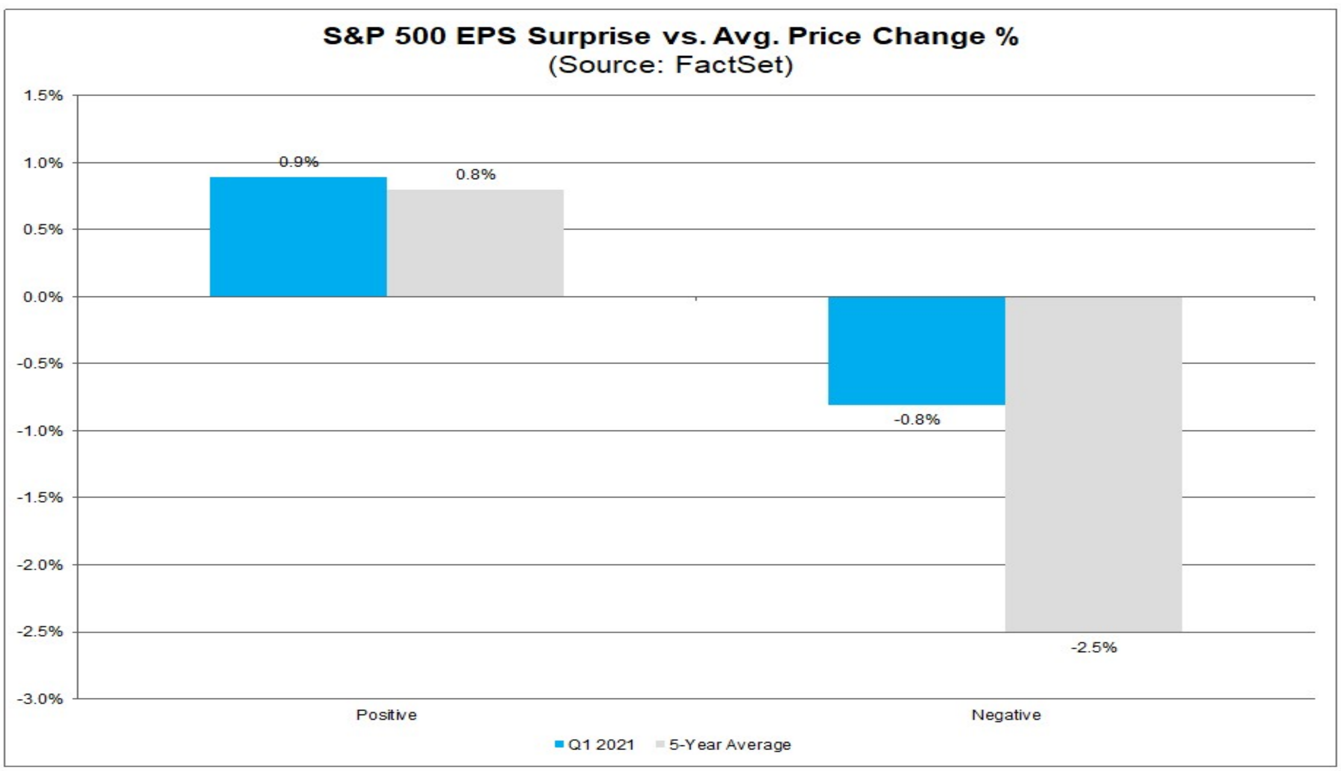
Q1 2021: Scorecard





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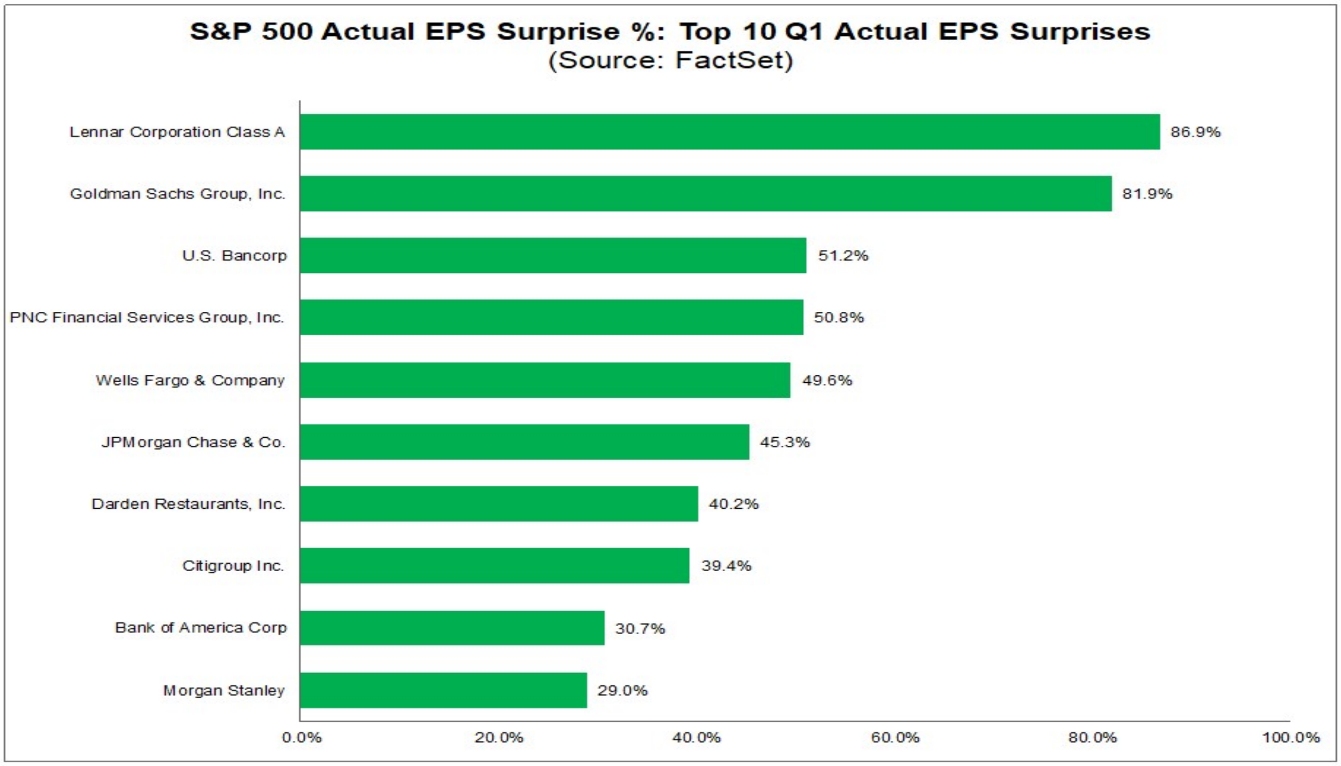
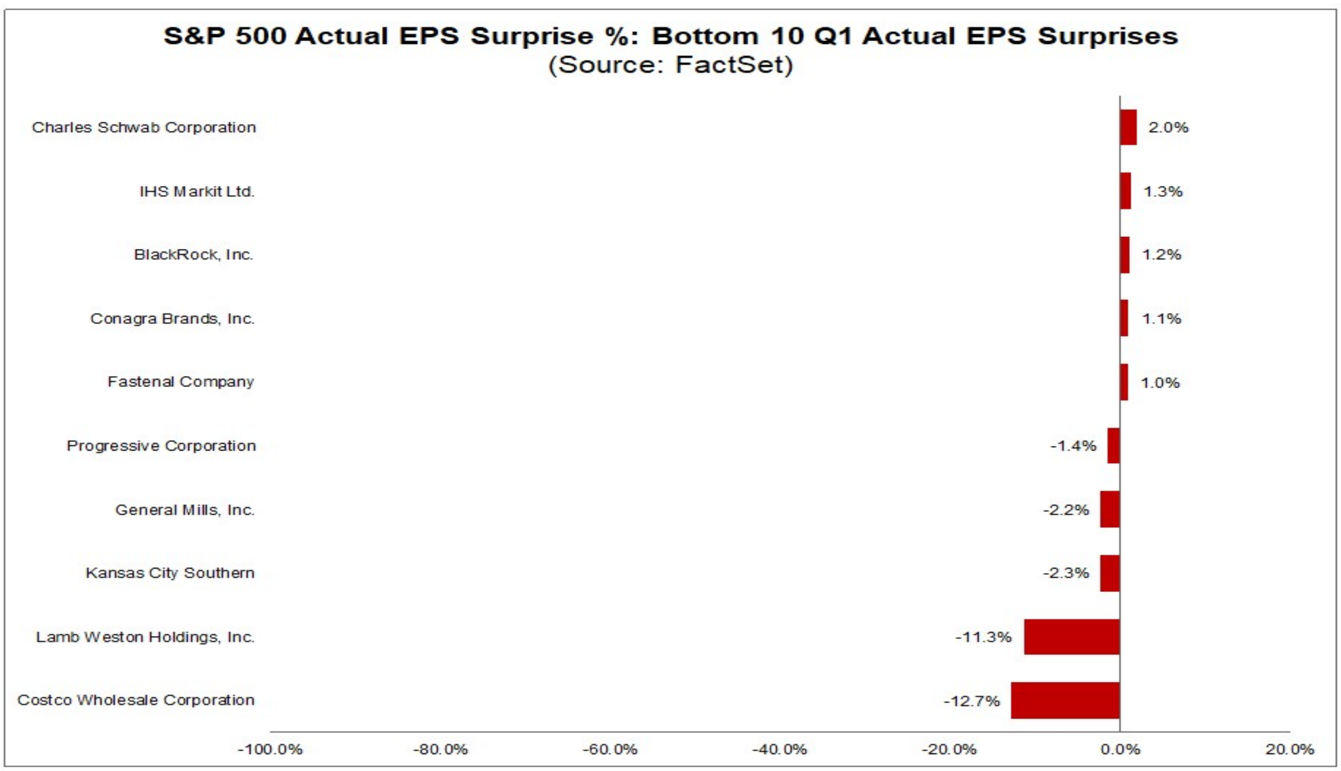
Q1 2021: Scorecard





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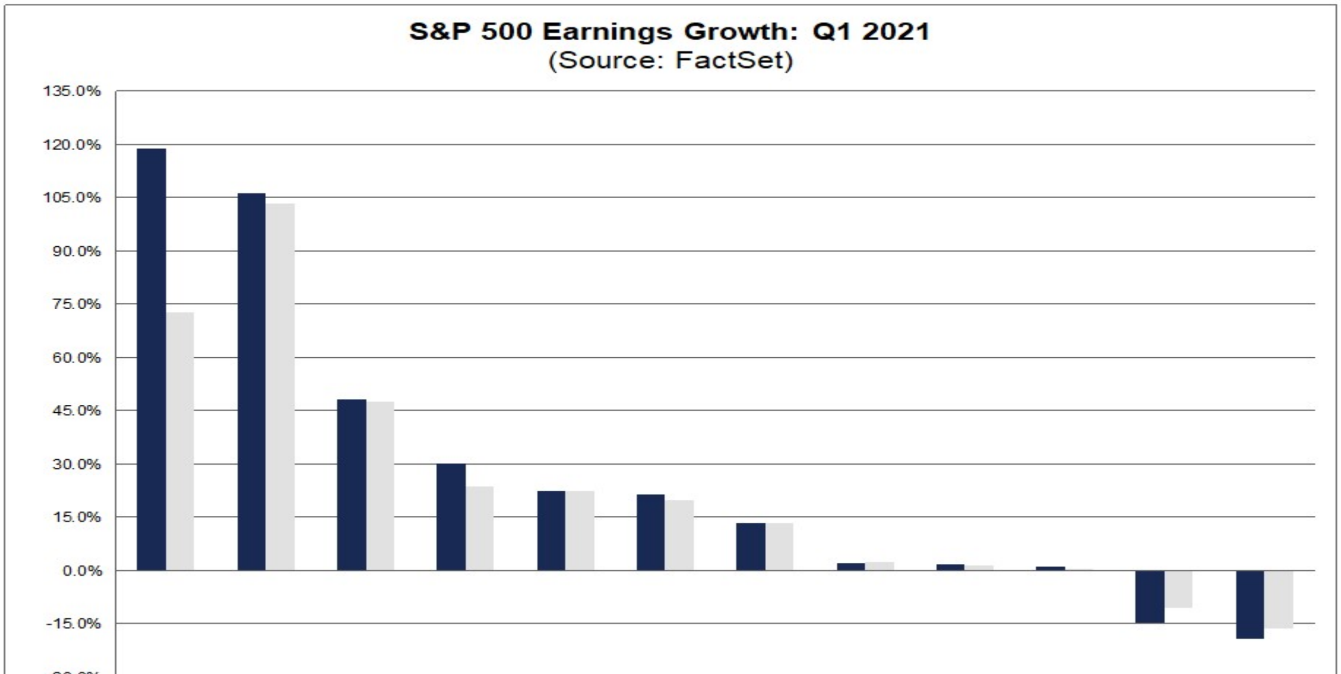
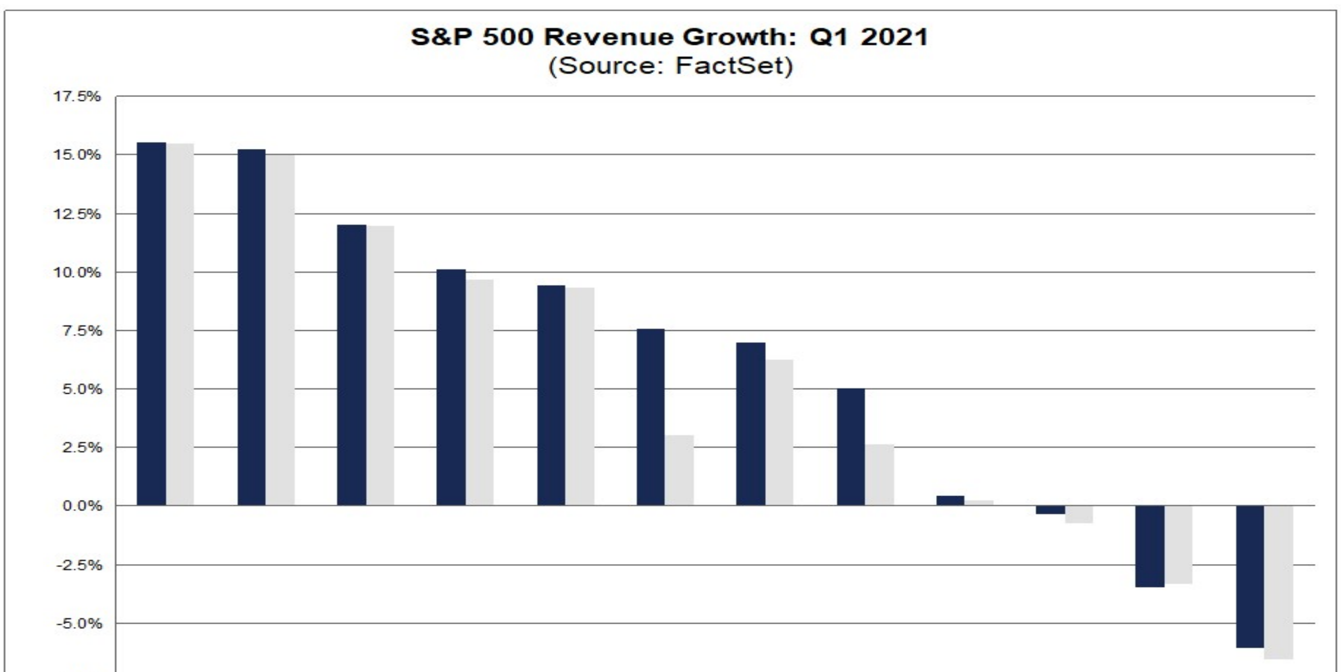
Q1 2021: Growth



	Financials	Consumer Disc.	Materials	S&P 500	Info. Technology	Health Care	Comm. Services	Utilities	Real Estate	Consumer Staples	Energy	Industrials
Today	118.8%	106.1%	48.1%	30.2%	22.5%	21.3%	13.5%	2.2%	1.7%	1.0%	-14.7%	-19.1%
31-Mar	72.6%	103.4%	47.7%	23.8%	22.3%	19.7%	13.4%	2.5%	1.5%	0.2%	-10.4%	-16.2%



	Info. Technology	Consumer Disc.	Comm. Services	Materials	Health Care	Financials	S&P 500	Utilities	Consumer Staples	Real Estate	Industrials	Energy
Today	15.5%	15.3%	12.0%	10.1%	9.4%	7.6%	7.0%	5.0%	0.4%	-0.3%	-3.5%	-6.1%
31-Mar	15.5%	15.0%	12.0%	9.7%	9.3%	3.0%	6.3%	2.6%	0.2%	-0.7%	-3.3%	-6.5%

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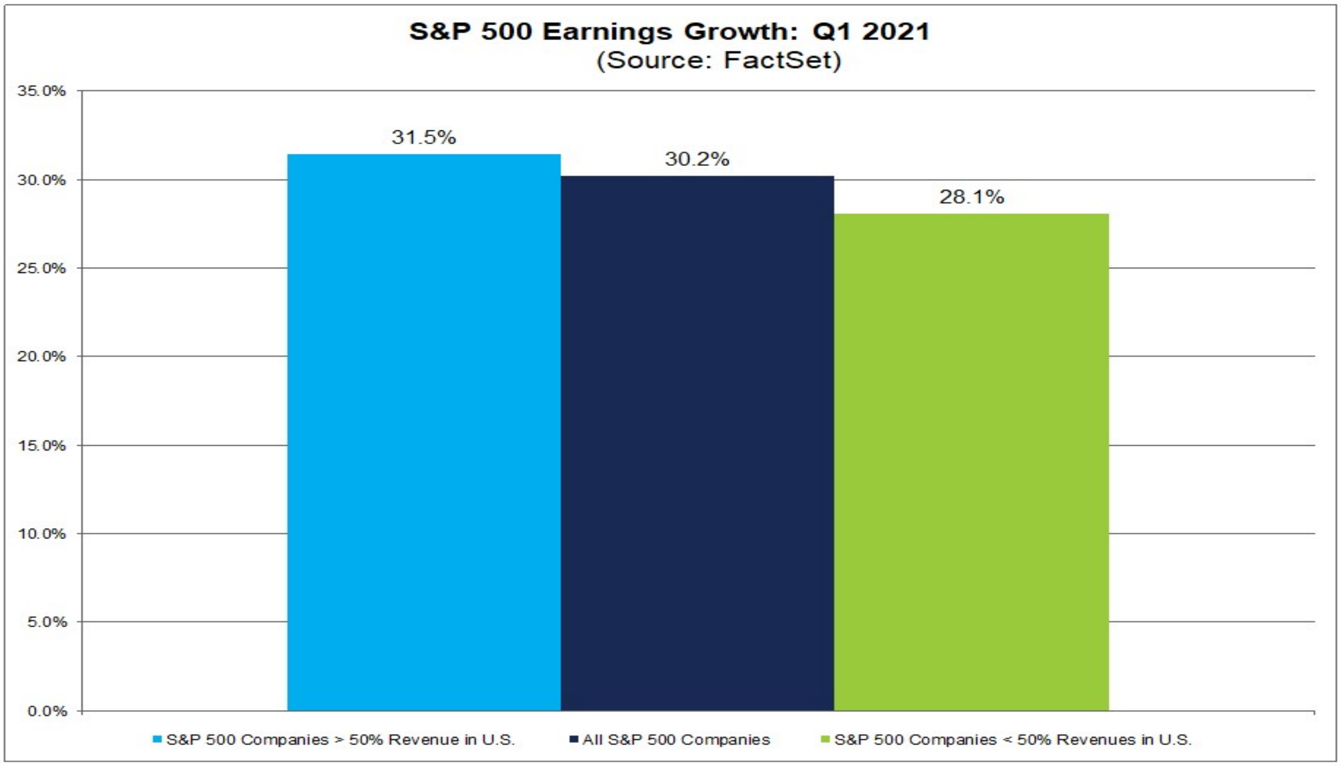
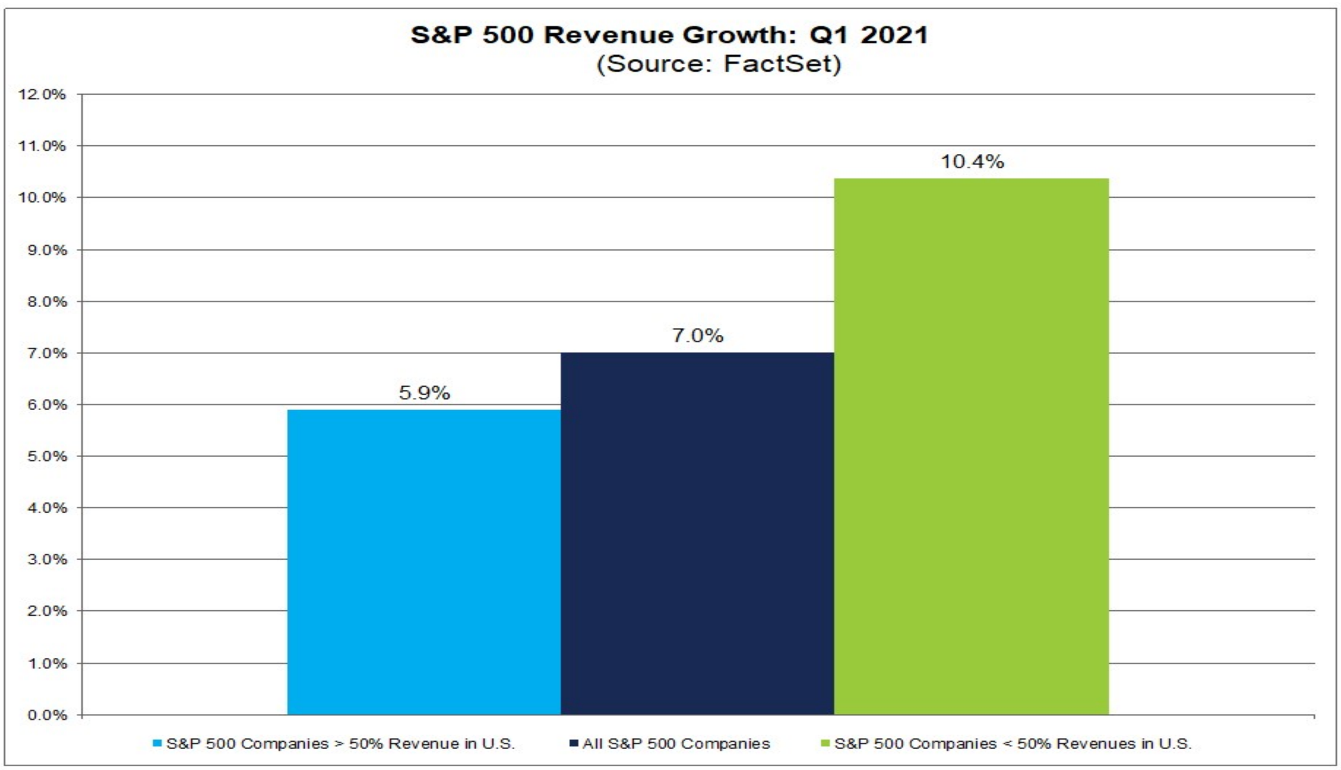
Q1 2021: Growth





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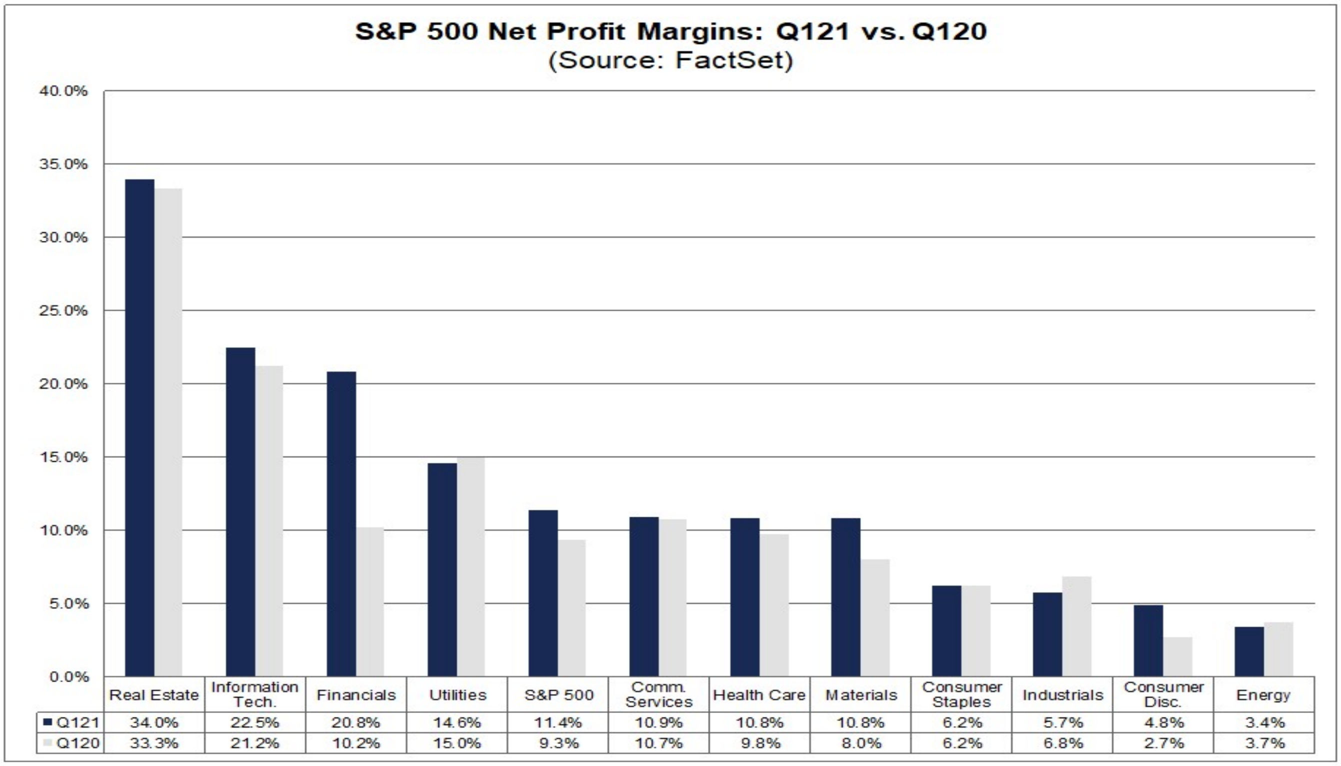
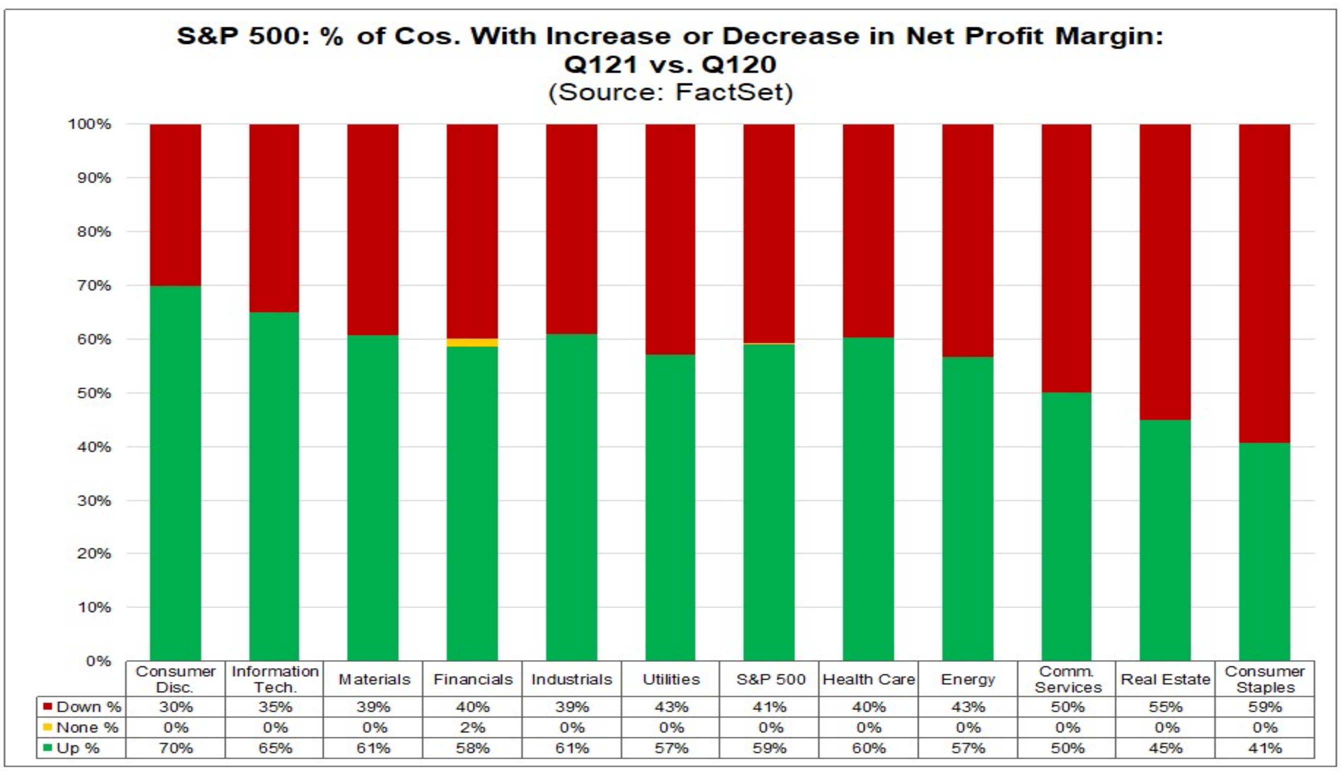
Q1 2021: Net Profit Margin



	Real Estate	Information Tech.	Financials	Utilities	S&P 500	Comm. Services	Health Care	Materials	Consumer Staples	Industrials	Consumer Disc.	Energy
Q121	34.0%	22.5%	20.8%	14.6%	11.4%	10.9%	10.8%	10.8%	6.2%	5.7%	4.8%	3.4%
Q120	33.3%	21.2%	10.2%	15.0%	9.3%	10.7%	9.8%	8.0%	6.2%	6.8%	2.7%	3.7%



	Consumer Disc.	Information Tech.	Materials	Financials	Industrials	Utilities	S&P 500	Health Care	Energy	Comm. Services	Real Estate	Consumer Staples
Down %	30%	35%	39%	40%	39%	43%	41%	40%	43%	50%	55%	59%
None %	0%	0%	0%	2%	0%	0%	0%	0%	0%	0%	0%	0%
Up %	70%	65%	61%	58%	61%	57%	59%	60%	57%	50%	45%	41%

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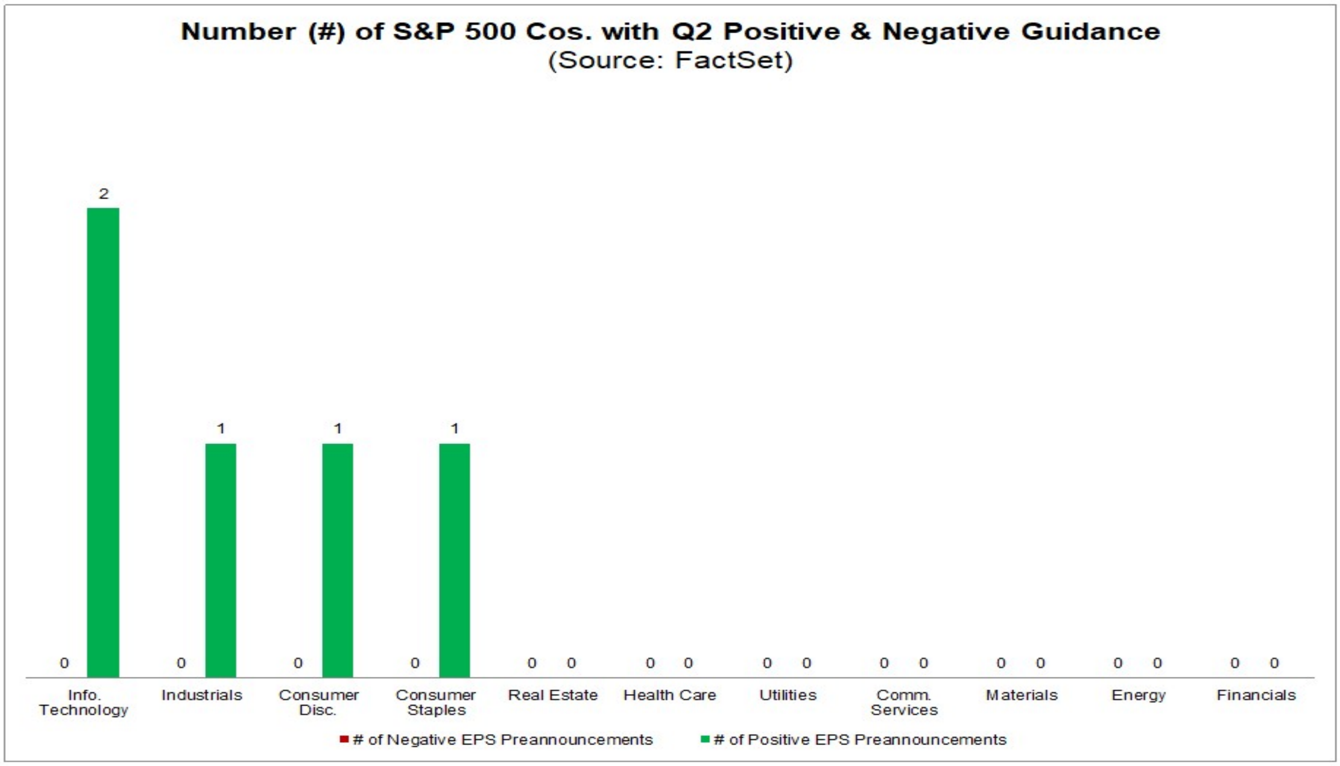
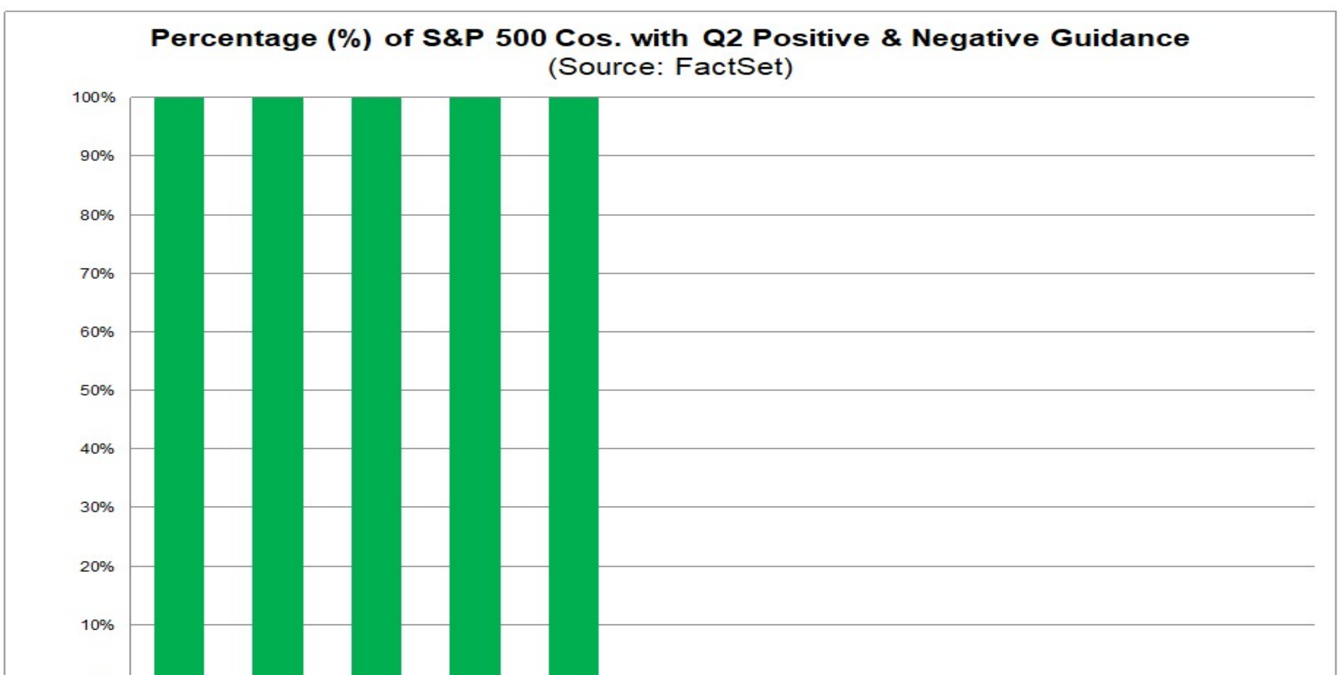
Q2 2021: EPS Guidance





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

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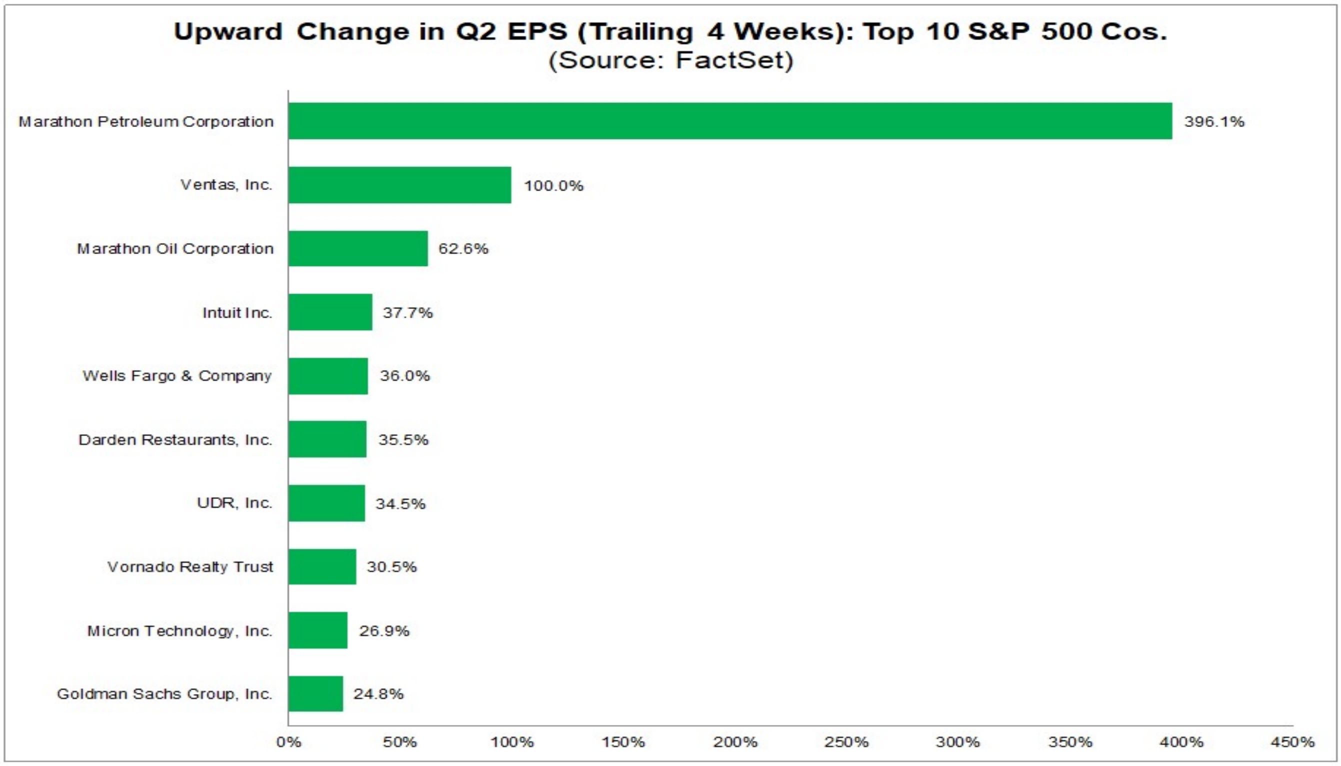
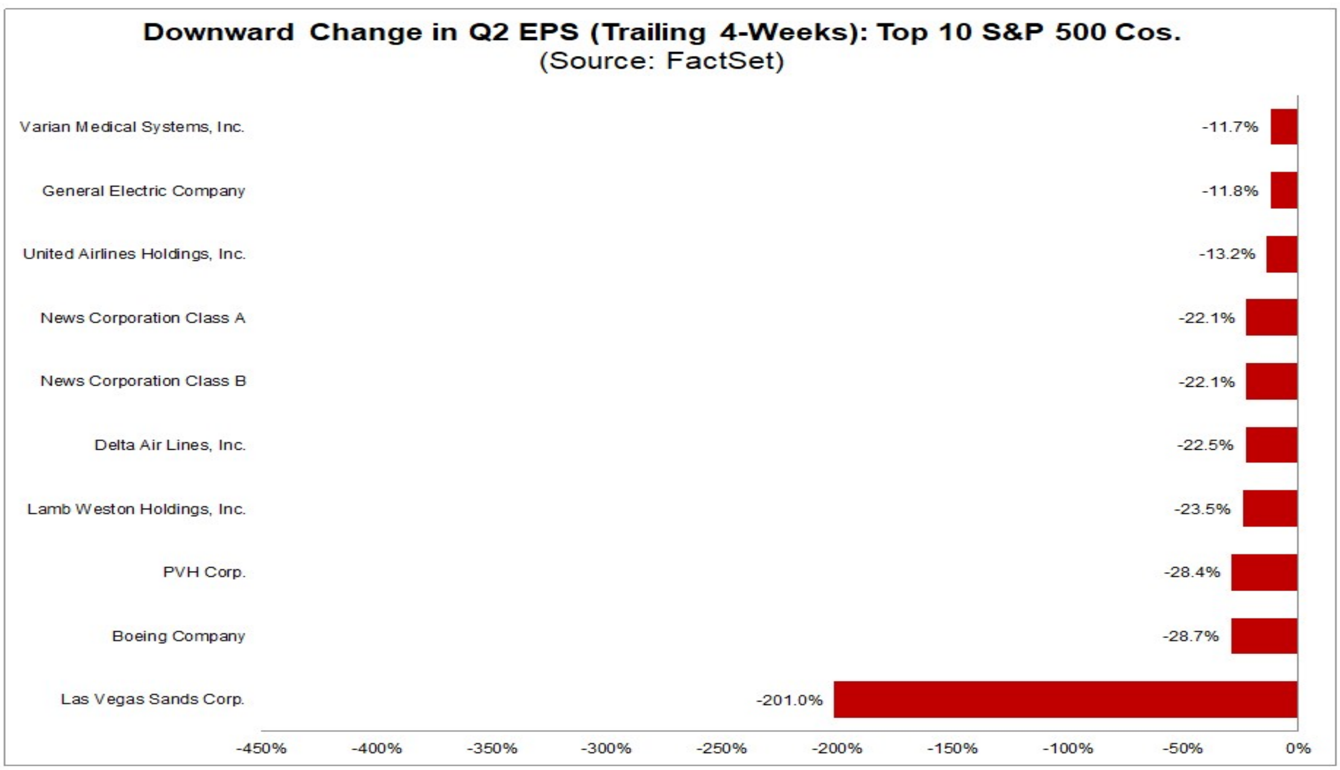
Q2 2021: EPS Revisions





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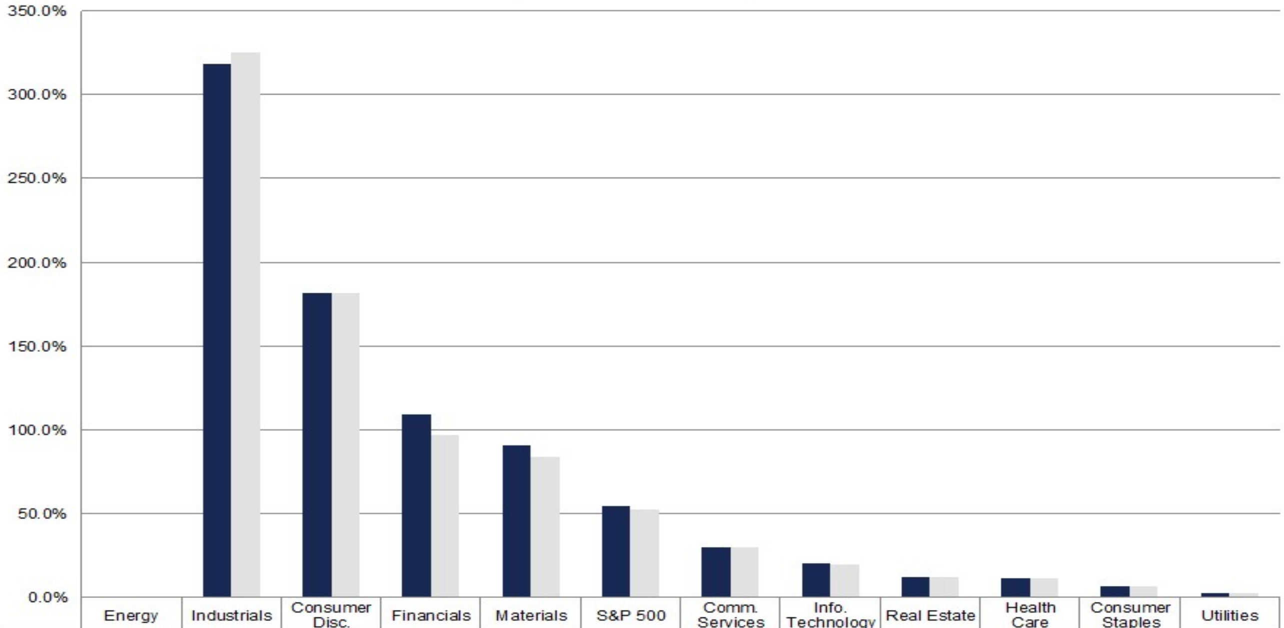
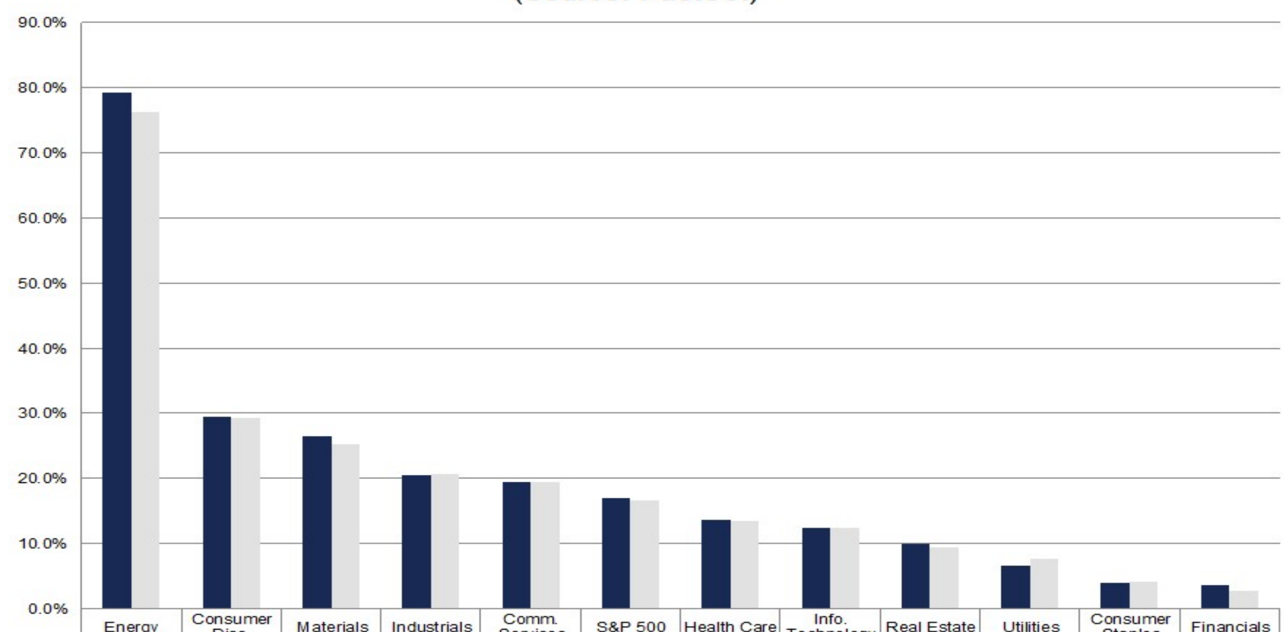
Q2 2021: Growth



	Energy	Industrials	Consumer Disc.	Financials	Materials	S&P 500	Comm. Services	Info. Technology	Real Estate	Health Care	Consumer Staples	Utilities
Today		318.4%	181.8%	109.3%	90.5%	54.6%	29.9%	20.3%	12.2%	11.4%	6.3%	2.6%
31-Mar		325.2%	181.7%	96.9%	83.5%	52.3%	30.0%	19.7%	11.9%	11.0%	6.7%	2.6%



	Energy	Consumer Disc.	Materials	Industrials	Comm. Services	S&P 500	Health Care	Info. Technology	Real Estate	Utilities	Consumer Staples	Financials
Today	79.2%	29.4%	26.4%	20.5%	19.4%	17.0%	13.6%	12.4%	9.9%	6.6%	3.9%	3.7%
31-Mar	76.3%	29.2%	25.2%	20.6%	19.4%	16.7%	13.4%	12.3%	9.5%	7.7%	4.1%	2.7%

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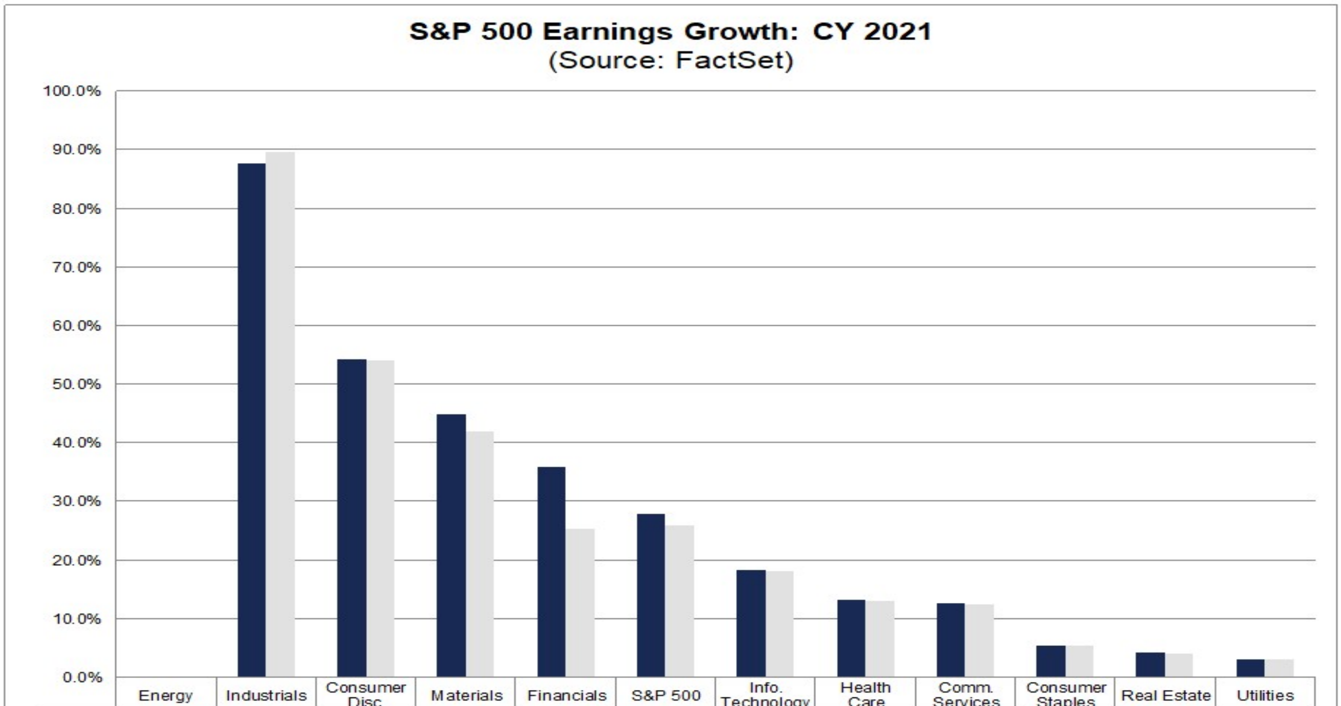
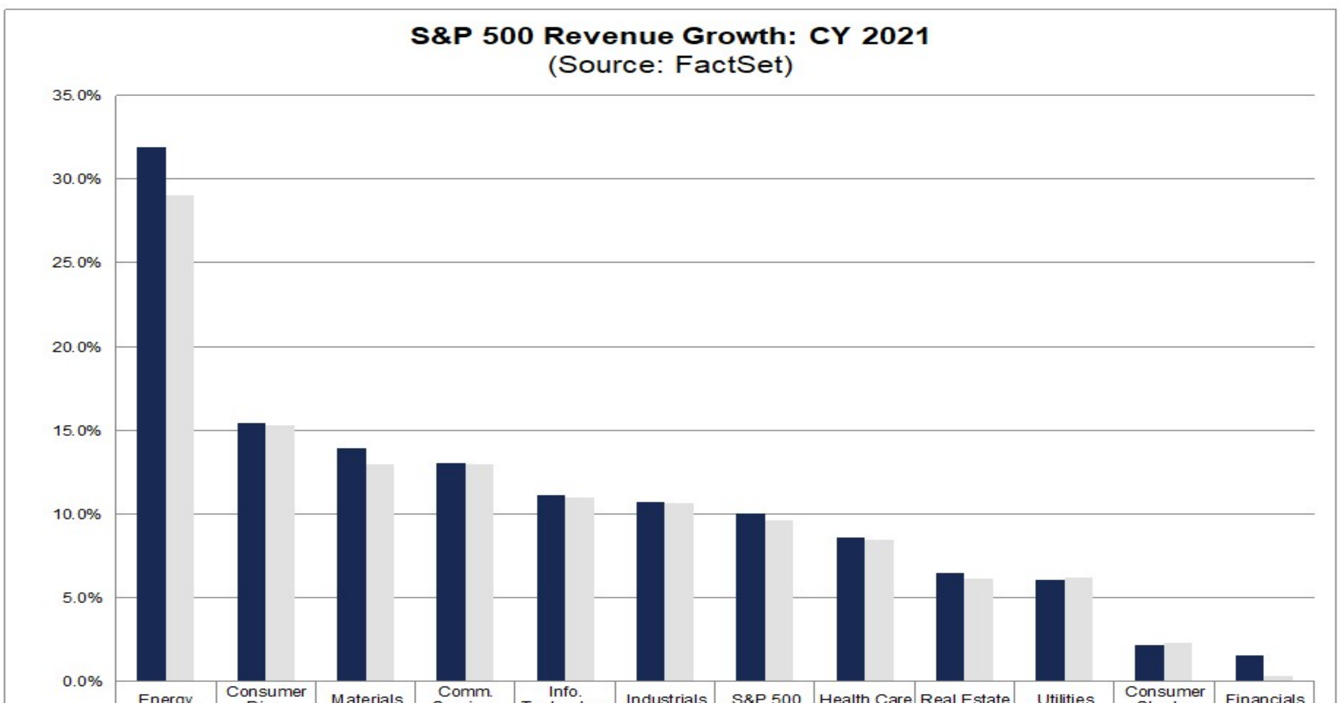
CY 2021: Growth



	Energy	Industrials	Consumer Disc.	Materials	Financials	S&P 500	Info. Technology	Health Care	Comm. Services	Consumer Staples	Real Estate	Utilities
Today		87.7%	54.3%	44.9%	35.9%	27.9%	18.3%	13.2%	12.5%	5.4%	4.1%	3.0%
31-Mar		89.7%	54.1%	42.0%	25.2%	25.8%	18.0%	13.0%	12.4%	5.5%	3.9%	3.0%



	Energy	Consumer Disc.	Materials	Comm. Services	Info. Technology	Industrials	S&P 500	Health Care	Real Estate	Utilities	Consumer Staples	Financials
Today	31.9%	15.4%	13.9%	13.0%	11.1%	10.7%	10.0%	8.6%	6.5%	6.1%	2.2%	1.6%
31-Mar	29.0%	15.3%	13.0%	12.9%	11.0%	10.6%	9.6%	8.5%	6.1%	6.2%	2.3%	0.3%

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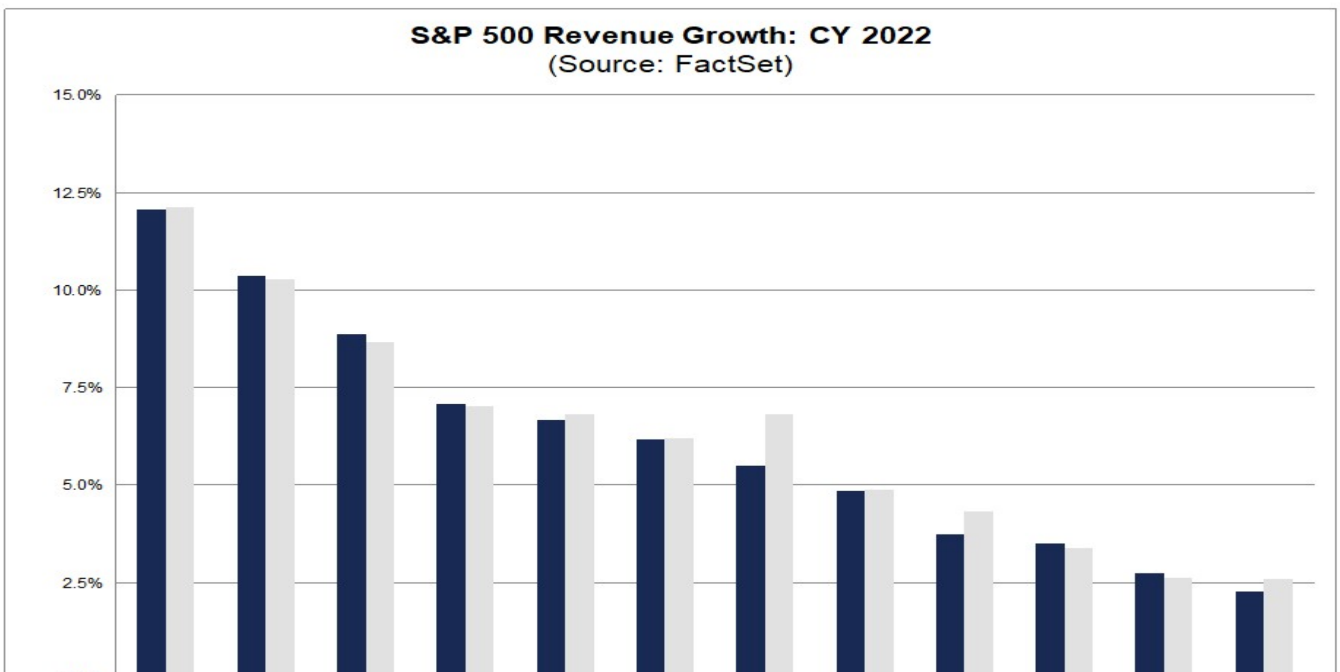
CY 2022: Growth

	Consumer Disc.	Industrials	Energy	Comm. Services	S&P 500	Info. Technology	Real Estate	Consumer Staples	Health Care	Utilities	Materials	Financials
Today	39.5%	37.1%	36.3%	17.4%	13.9%	11.7%	7.9%	7.9%	6.8%	6.4%	5.7%	4.2%
31-Mar	38.8%	35.1%	38.7%	17.6%	15.0%	11.5%	7.9%	7.8%	6.7%	6.5%	6.2%	10.6%



	Consumer Disc.	Comm. Services	Industrials	Info. Technology	S&P 500	Real Estate	Energy	Health Care	Financials	Consumer Staples	Utilities	Materials
Today	12.1%	10.4%	8.9%	7.1%	6.7%	6.2%	5.5%	4.8%	3.7%	3.5%	2.7%	2.3%
31-Mar	12.1%	10.3%	8.6%	7.0%	6.8%	6.2%	6.8%	4.9%	4.3%	3.4%	2.6%	2.6%

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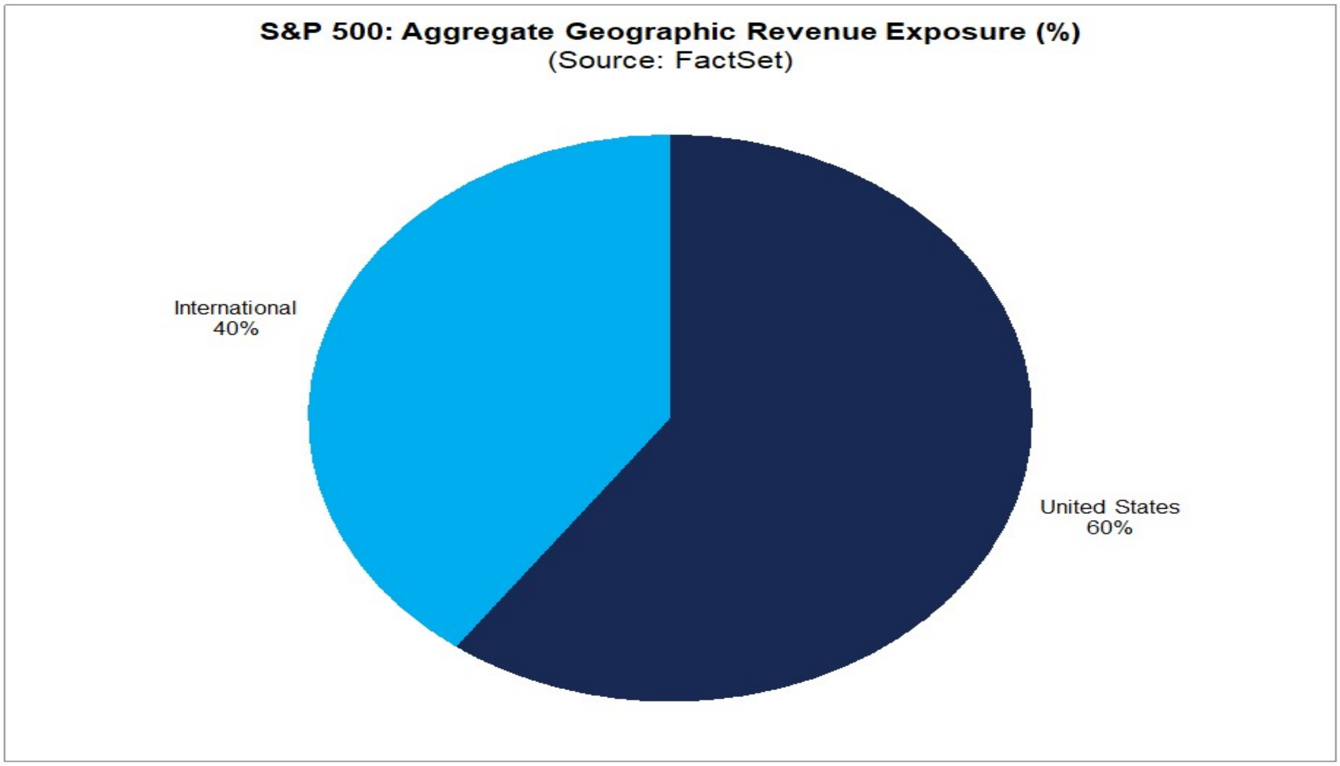
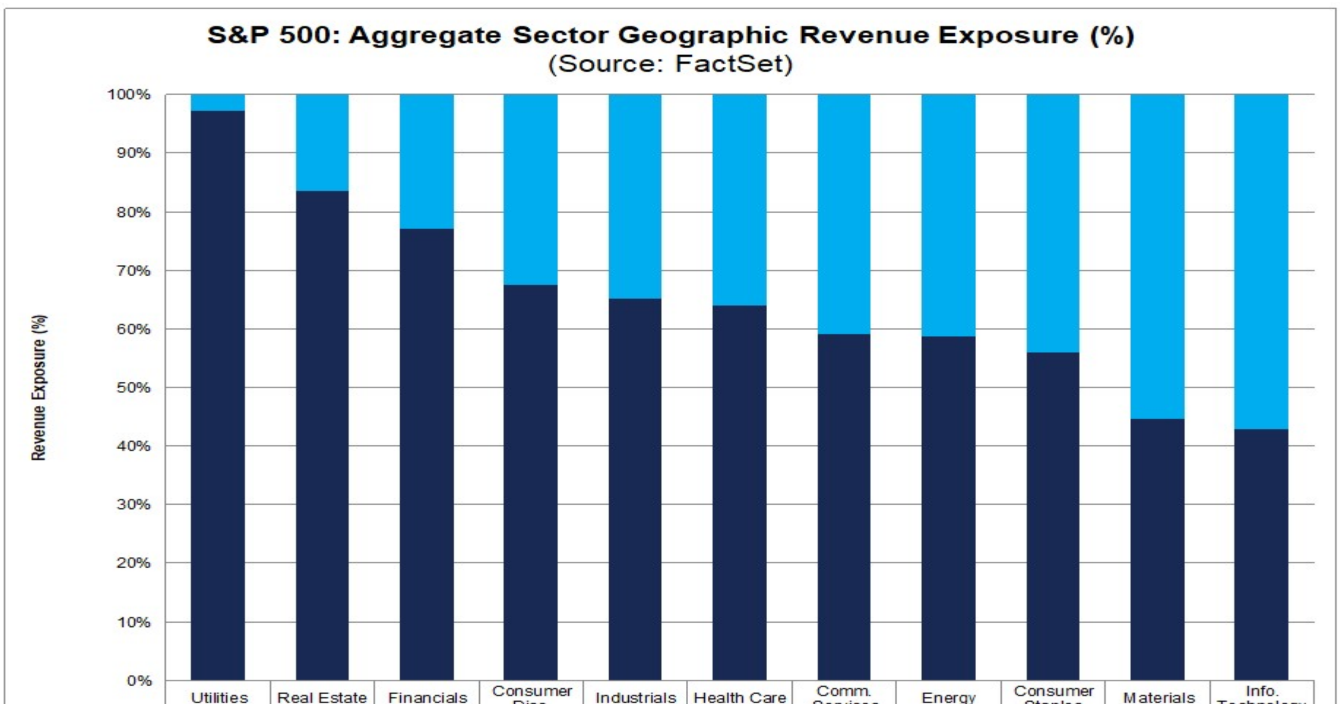
Geographic Revenue Exposure





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

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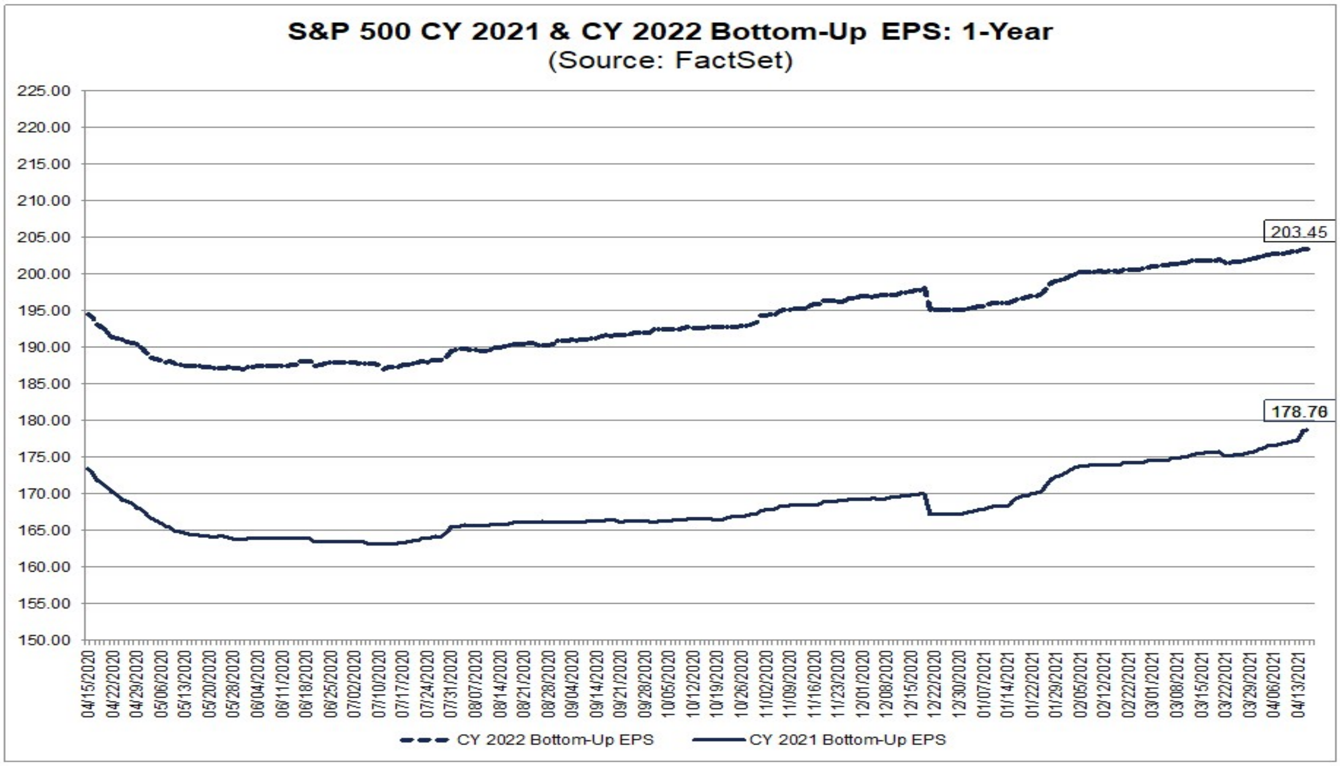
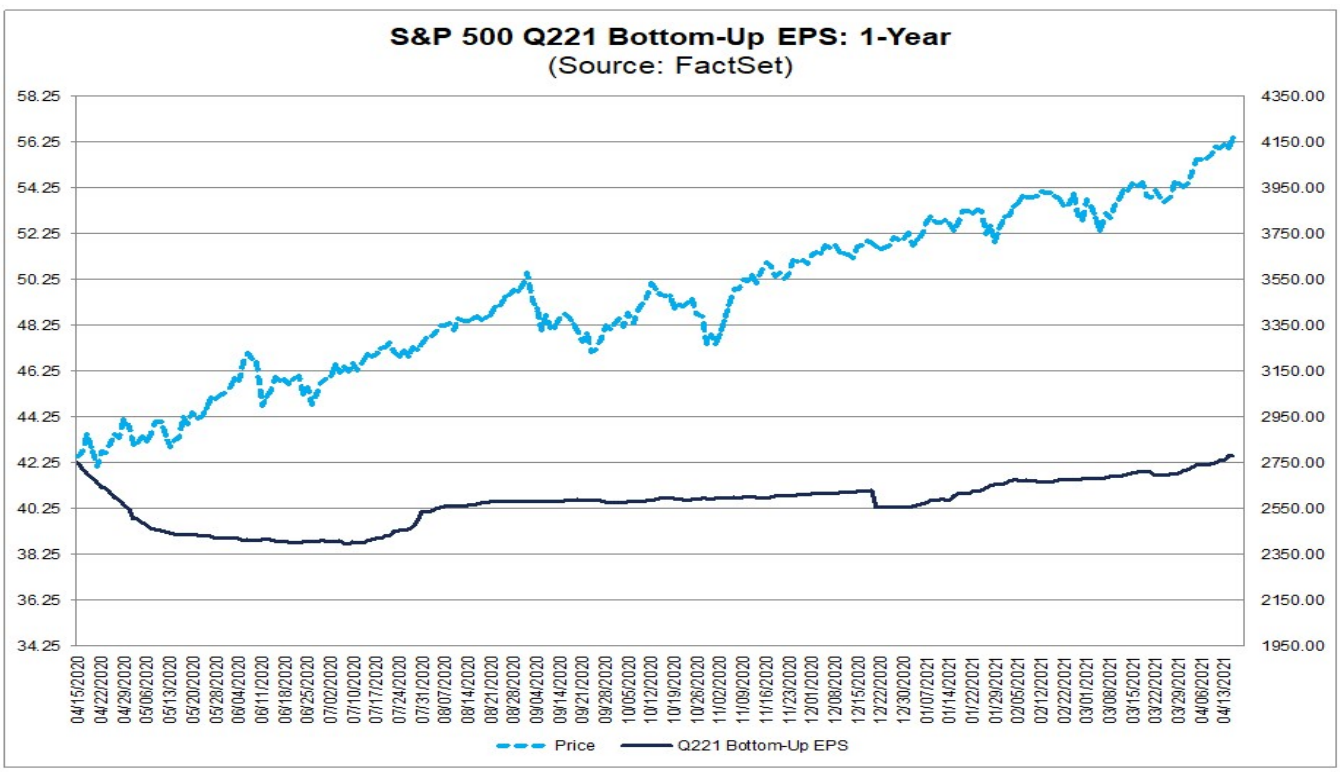
Bottom-up EPS Estimates: Revisions





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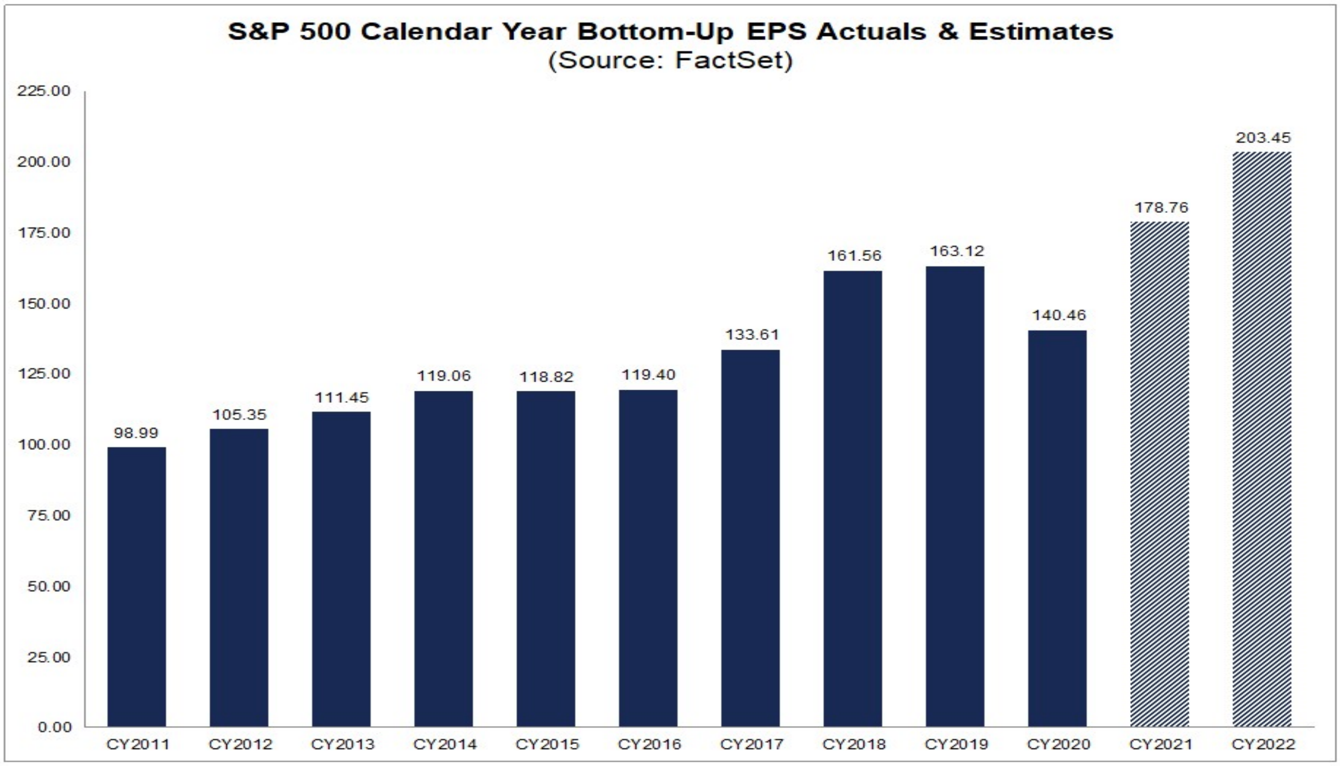
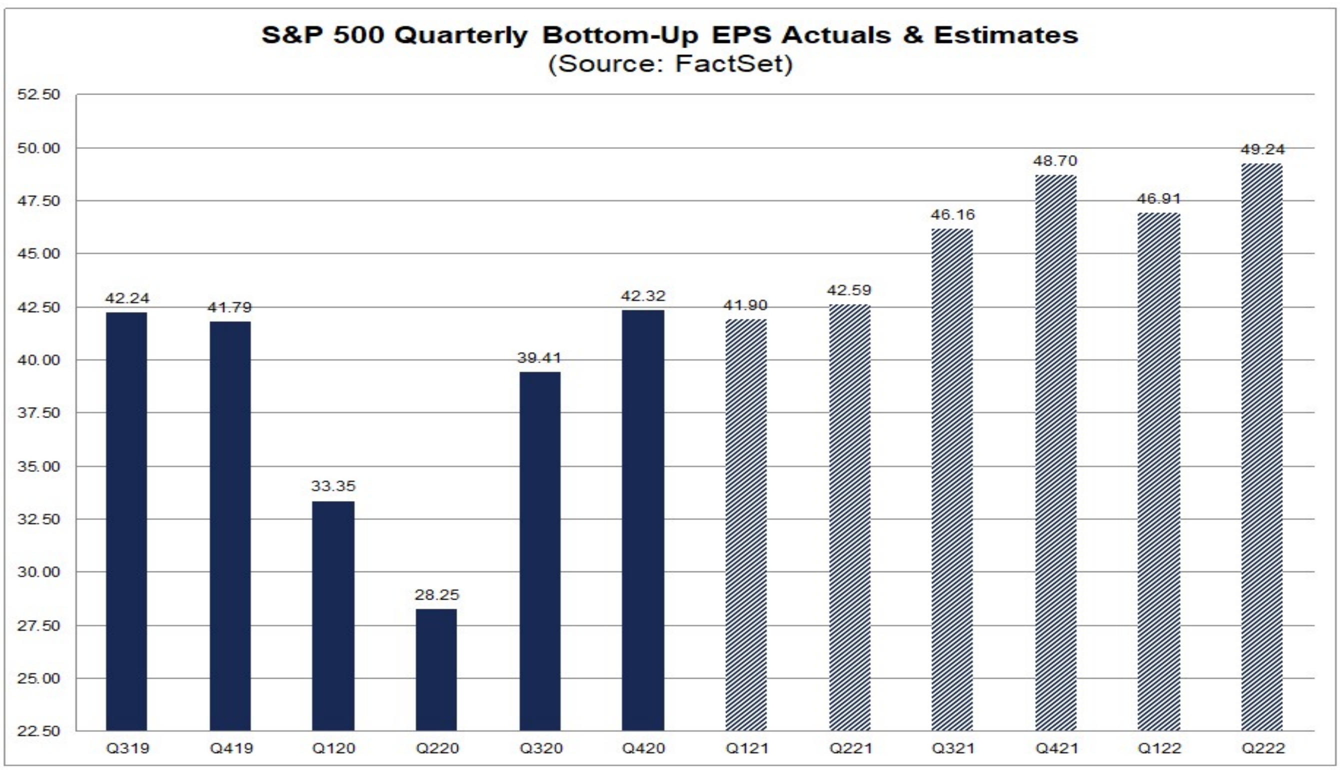
Bottom-up EPS Estimates: Current & Historical





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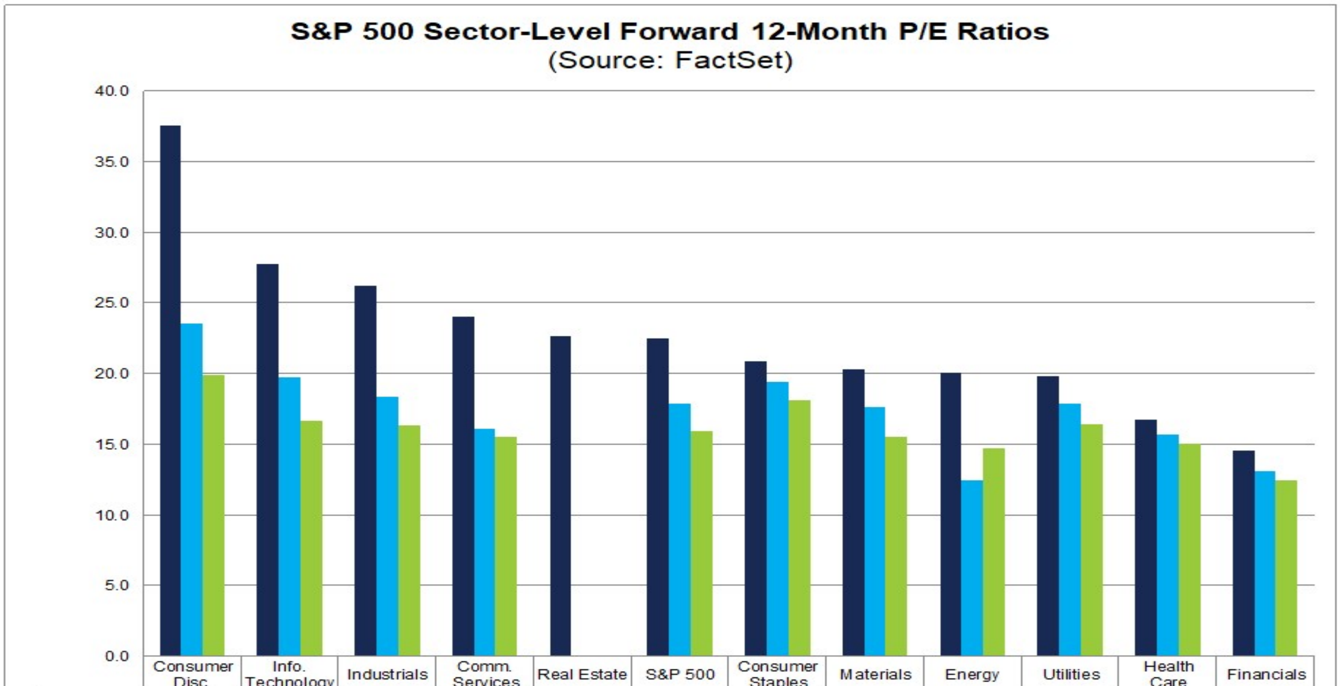
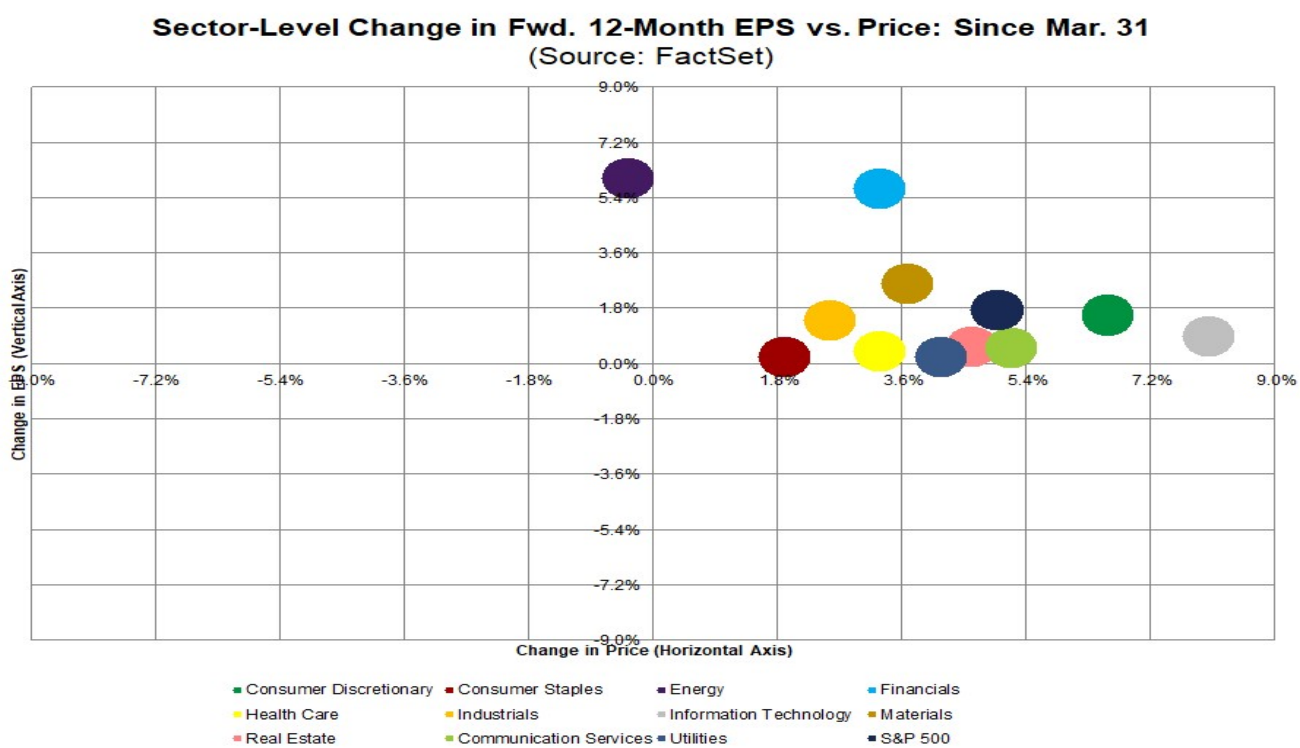
Forward 12M P/E Ratio: Sector Level



	Consumer Disc.	Info. Technology	Industrials	Comm. Services	Real Estate	S&P 500	Consumer Staples	Materials	Energy	Utilities	Health Care	Financials
Fwd P/E	37.5	27.8	26.2	24.1	22.6	22.5	20.9	20.3	20.0	19.8	16.7	14.5
5-Yr Avg.	23.5	19.7	18.4	16.1		17.8	19.4	17.6	12.4	17.9	15.6	13.1
10-Yr Avg.	19.9	16.6	16.3	15.5		15.9	18.1	15.5	14.7	16.4	15.0	12.5



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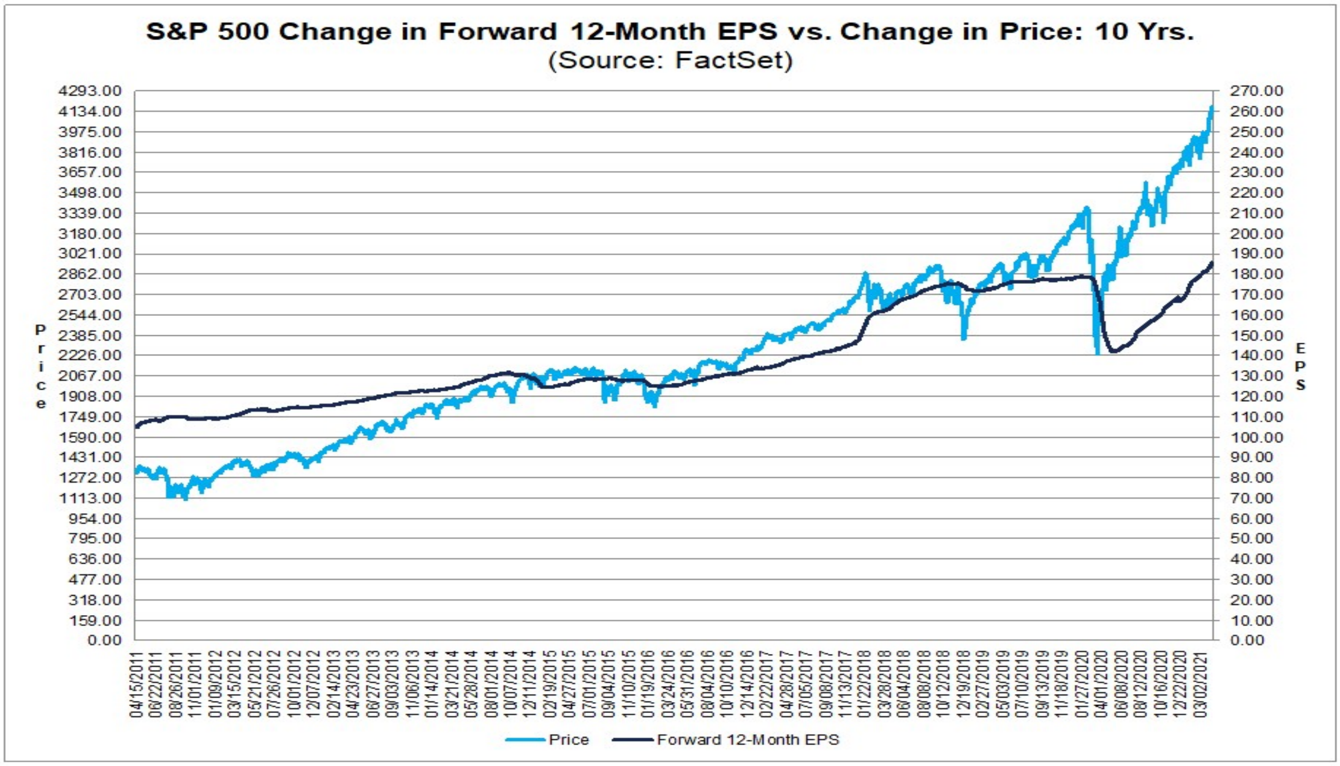
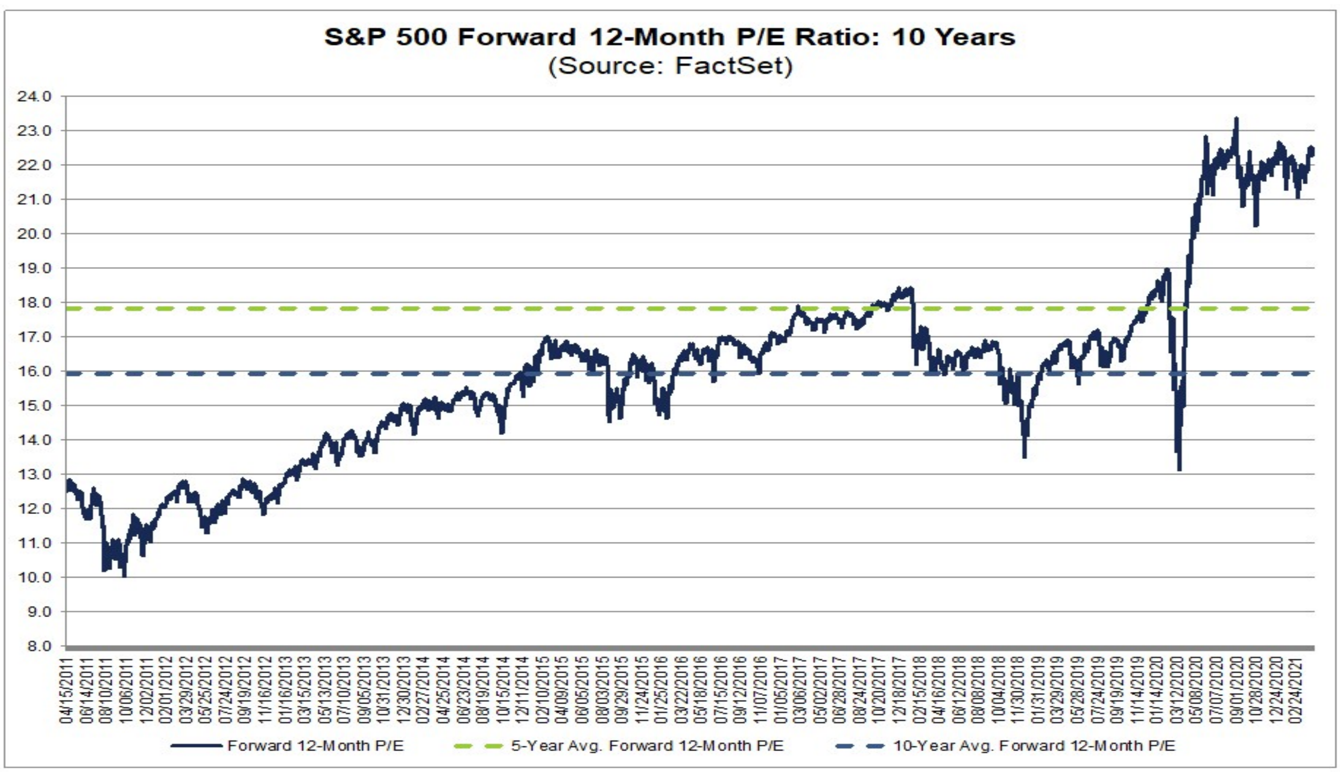
Forward 12M P/E Ratio: 10-Years





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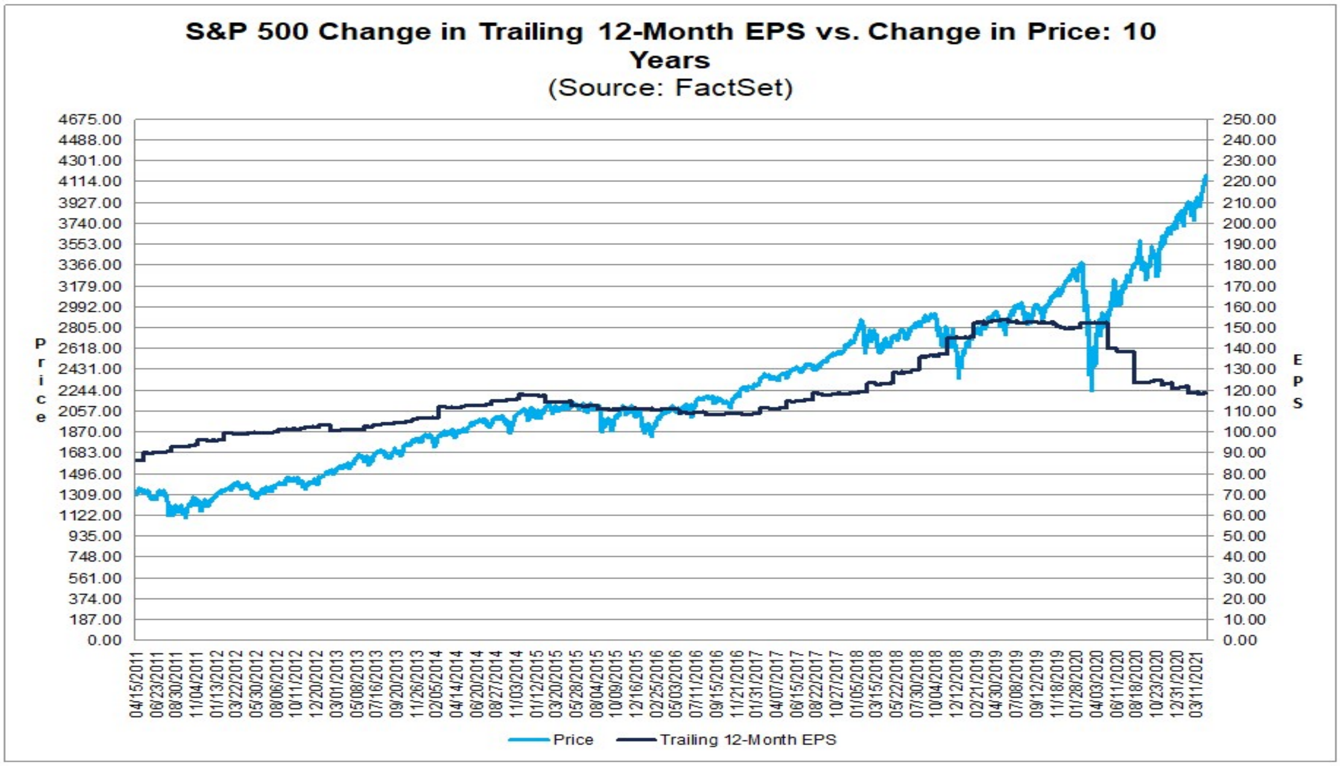
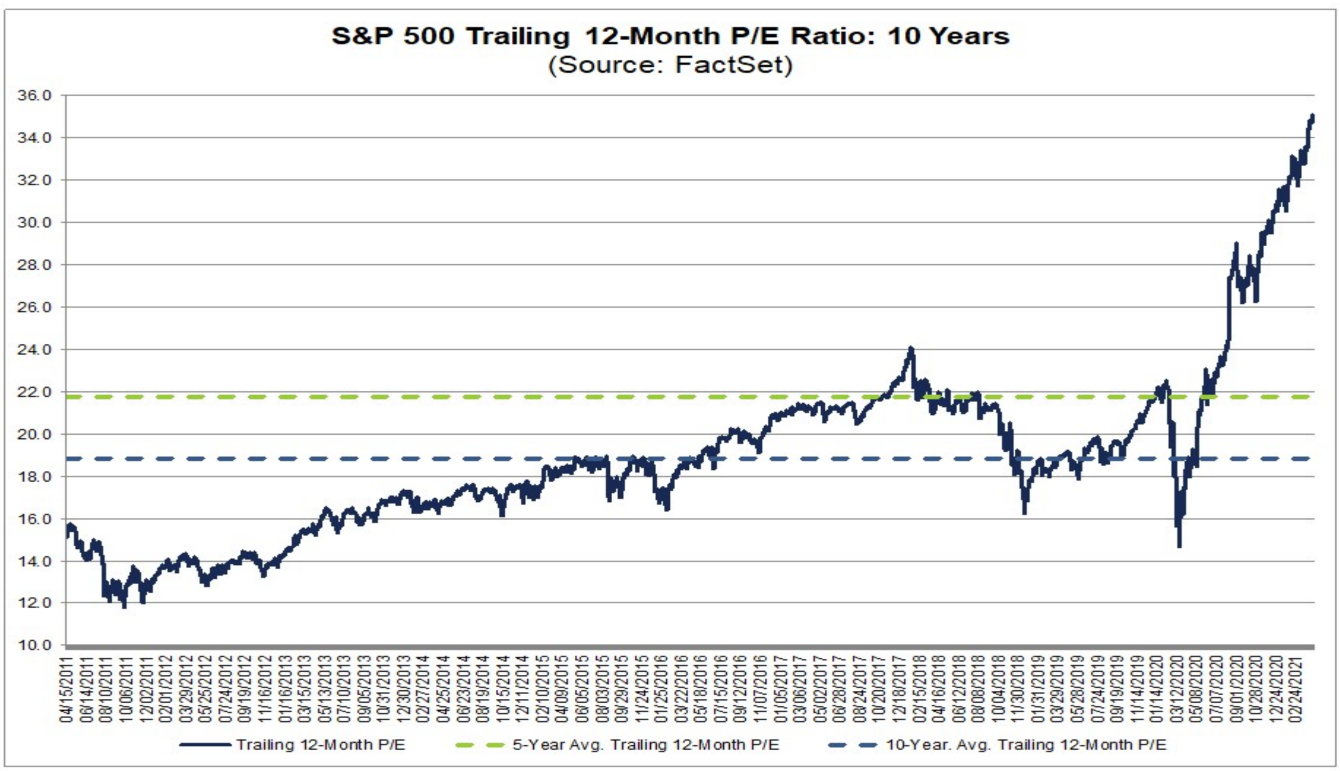
Trailing 12M P/E Ratio: 10-Years





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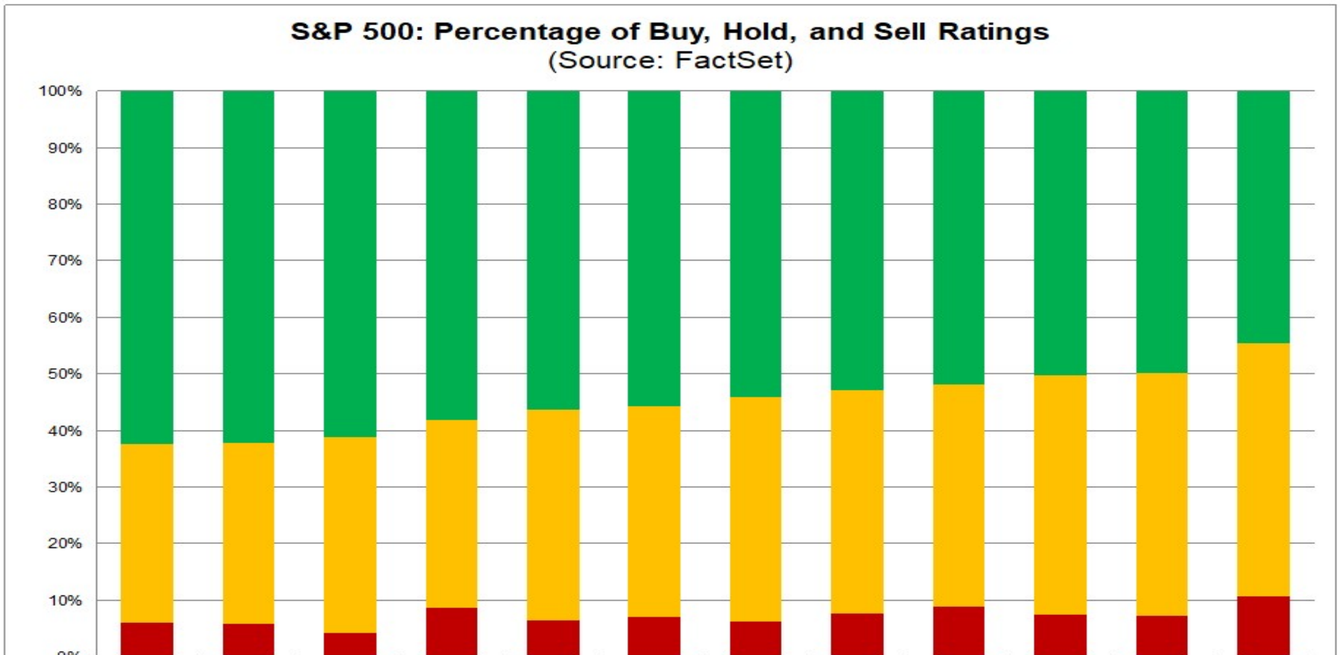
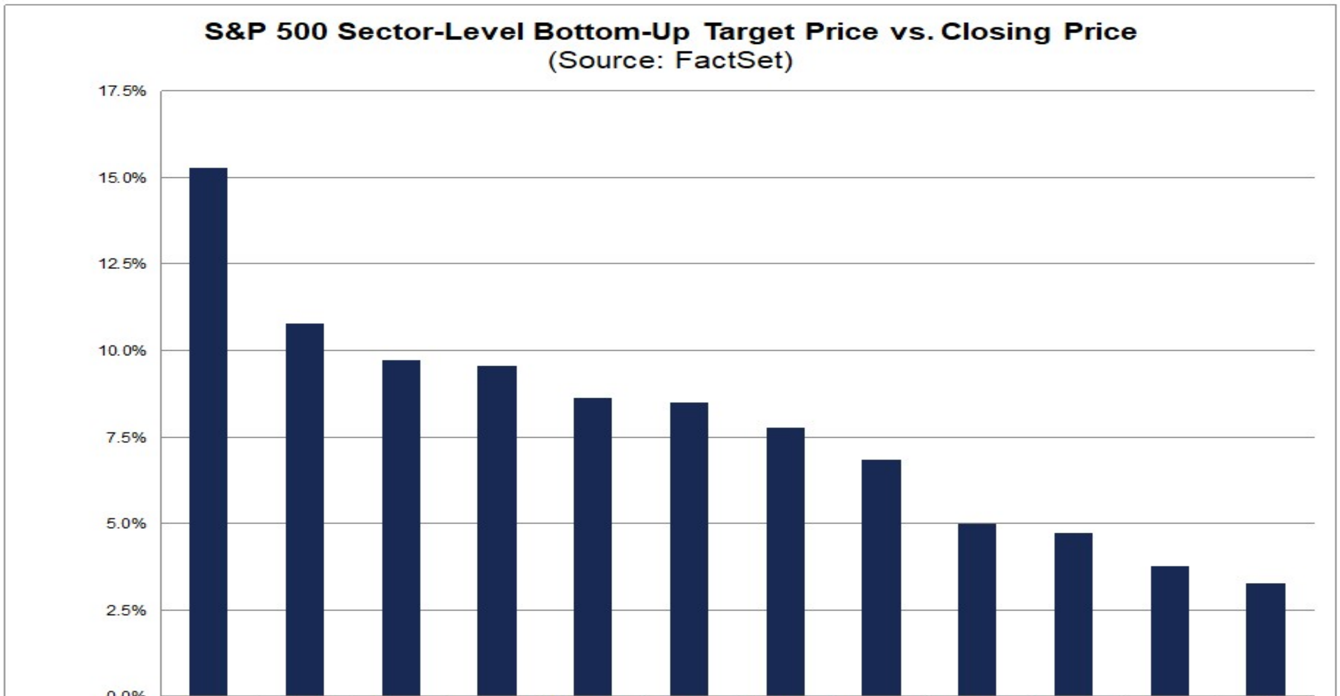
Targets & Ratings



	Info. Tech.	Health Care	Energy	Comm. Services	Consumer Disc.	S&P 500	Materials	Utilities	Industrials	Real Estate	Financials	Consumer Staples
Buy	62%	62%	61%	58%	56%	56%	54%	53%	52%	50%	50%	45%
Hold	32%	32%	35%	33%	37%	37%	40%	39%	39%	42%	43%	45%
Sell	6%	6%	4%	9%	6%	7%	6%	8%	9%	7%	7%	11%



	Energy	Health Care	Comm. Services	Info. Tech.	Consumer Disc.	S&P 500	Consumer Staples	Financials	Materials	Industrials	Utilities	Real Estate
Target/Close	15.3%	10.8%	9.7%	9.6%	8.6%	8.5%	7.8%	6.9%	5.0%	4.7%	3.8%	3.3%

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