

## Sector and Market Earnings Trends

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### Record Earnings Expected in 2026 Q1

Here are the key points:

- The Q1 earnings season continues to show strength and momentum, with companies not only comfortably beating consensus estimates but also providing a reassuring read on the economy despite elevated energy costs and other risks. The momentum is particularly notable on the revenues side, both in terms of the growth pace as well as the beats percentage.
- Total Q1 earnings for the 392 S&P 500 companies that have already reported results are up +21.7% from the same period last year on +10.5% higher revenues, with 80.1% beating EPS estimates and 77.8% beating revenue estimates. This is a better showing from these companies relative to other recent periods.
- Looking at Q1 as a whole, combining the actual results from the 392 index members that have reported with estimates for the still-to-come companies, total S&P 500 earnings are currently expected to increase by +24.2% from the same period last year on +11.0% higher revenues. This would follow the +14.0% increase in earnings on +9.1% higher revenues in the preceding period (2025 Q4).
- The Tech sector has been a critical growth pillar since 2023 Q3 and is expected to play that role in 2026 Q1 as well, with expected earnings growth of +50.1%. Excluding the Tech sector's substantial contribution, Q1 earnings growth for the rest of the S&P 500 index would be +11.1% (vs. +24.2% otherwise).
- Nvidia and Micron are material contributors to the Tech sector's growth profile in 2026 Q1 and the coming quarters. Excluding the contribution from these two semiconductor players, Q1 earnings growth for the rest of the Zacks Tech sector drops to +35.5% (from +50.1%).
- A total of 13 Zacks sectors are expected to enjoy positive earnings growth in 2026 Q1, including the Tech (+50.1%), Finance (+26.6%), Basic Materials (+37.6%), Autos (+69.6%), and Aerospace (+12.5%) sectors.
- Q1 earnings for the 'Magnificent 7' group of companies are expected to be up +45.7% from the same period last year on +24.6% higher revenues. Excluding the 'Mag 7' contribution, Q4 earnings for the rest of the index would be up only +17.1% (vs. +24.2%).
- The aggregate earnings total for Q1 is on track to be a new all-time quarterly record at \$690.4 billion, surpassing the record set in the preceding quarter at \$655.5 billion.

- For 2026 Q2, total S&P 500 earnings are expected to increase +20.8% from the same period last year on +10.1% higher revenues. Estimates for Q2 have steadily moved higher in recent weeks, with the current +20.8% growth rate up from +17.1% at the end of March. In addition to the Energy sector, estimates have risen for the Tech, Basic Materials, Utilities, and Business Services sectors.
- Excluding the significant upward revisions to the Energy sector estimates, aggregate Q2 earnings estimates for the remainder of the S&P 500 index would be modestly down since the start of April.
- Looking at the calendar year picture, total S&P 500 earnings are expected to grow by +19.3% in 2026, with the growth pace dropping to +12.4% when the Tech sector's contribution is excluded.
- All 16 Zacks Sectors are expected to have positive earnings growth in 2026. Seven sectors are expected to achieve double-digit earnings growth in 2026 - Aerospace (+37.7%), Autos (+20.2%), Basic Materials (+39.4%), Industrial Products (+10.8%), Tech (+32.7%), Finance (+10.2%), and Oil/Energy (+54.2%).
- The aggregate revisions trend for 2026 is positive, as had consistently been the case in 2025 as well. This favorable revisions trend has strengthened since the start of the Iran conflict, with full-year 2026 estimates for 9 of the 16 Zacks sectors going up since the start of March. Energy sector estimates have moved up the most since the start of March, followed by the Tech and Basic Materials sectors.
- On the negative side, full-year 2026 estimates have come under renewed pressure for 7 of the 16 Zacks sectors, including Consumer Discretionary, Construction, Finance, Transportation, and others. The revisions trend for Finance, Transportation, and Construction shifted from positive to negative since the start of the Iran war.
- For the Mag 7 group, total 2026 earnings are expected to increase by +26.0% on +18.5% higher revenues, which would follow the group's 2025 earnings growth of +24.8% on +15.5% higher revenues. Excluding the Mag 7 contribution, total earnings for the remaining S&P 500 companies are expected to grow +17.1% in 2026, which compares to +9.8% growth in 2025, +4.4% growth in 2024, and a -4.7% decline in 2023.
- The implied 'EPS' for the S&P 500 index, calculated using the current 2026 P/E of 23.0X and index close, as of May 5th, is \$315.14. The multiple has been calculated using the index's total market cap and aggregate bottom-up earnings for each year. This implied bottom-up index 'EPS' estimate for 2026 compares to the current top-down consensus estimate of \$312.67, with a range of \$285 to \$330.
- Using the same methodology of market cap and aggregate bottom-up earnings estimates, the index P/E works out to 20.8X for 2026 on an ex-Mag 7 basis. The Mag 7 companies are expected to account for 28.5% of total S&P 500 earnings in 2026 and 34.3% of the index's total market capitalization.

## The Mag 7 Group's Earnings Power

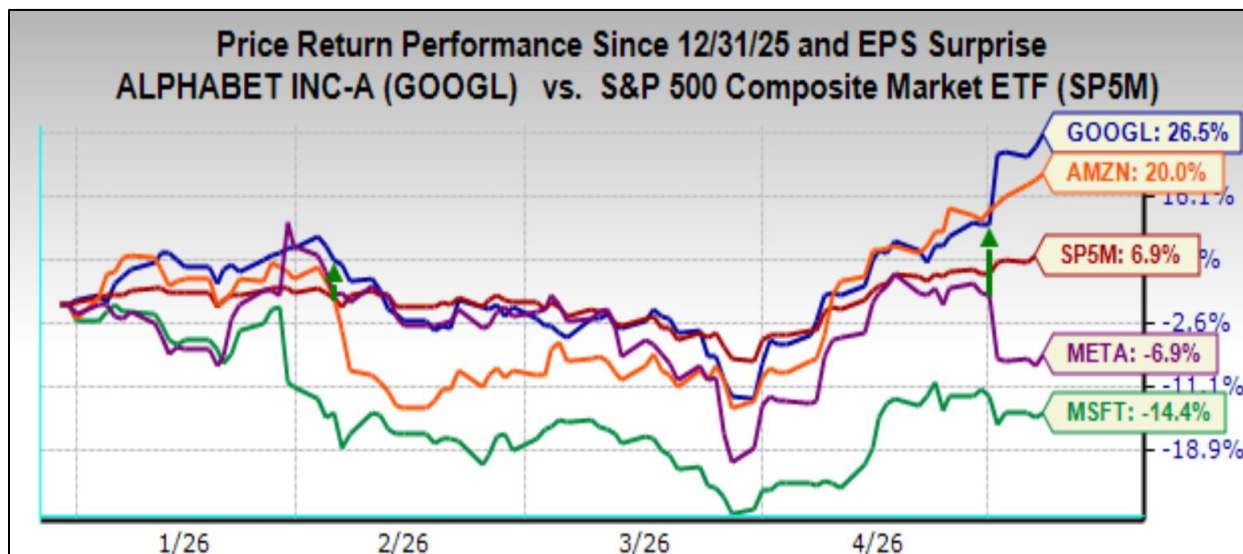
The four Mag 7 hyperscalers that reported Q1 results in recent days - Alphabet (GOOGL), Amazon (AMZN), Microsoft (MSFT), and Meta (META) – have dominated headlines for the enormous sums they are spending on datacenters and other elements of AI infrastructure.

The group spent a collective total of \$125 billion in 2026 Q1, with the currently announced capex budgets totaling \$725 billion in 2026, up +77% from last year's total and accounting for more than 2% of U.S. GDP.

The market appears to have found its peace with the ever-rising capital outlays, as the monetization question has been satisfactorily answered, particularly by Alphabet and Amazon. Alphabet is literally firing on all cylinders, but the Google parent's cloud revenue growth was in a league of its own, up +63%, which follows growth rates of +48% in 2025 Q4 and an estimated +35% to +40% in 2025 Q3.

Amazon's 2026 Q1 cloud revenue growth of +28% follows growth rates of +24% and +20% in 2025 Q4 and Q3, respectively. Unlike Alphabet and Amazon, Microsoft disappointed once again, reflecting the third quarter in a row of coming up short in its results and commentary.

Microsoft shares have been true laggards among these four hyperscalers, as the year-to-date performance chart below shows.

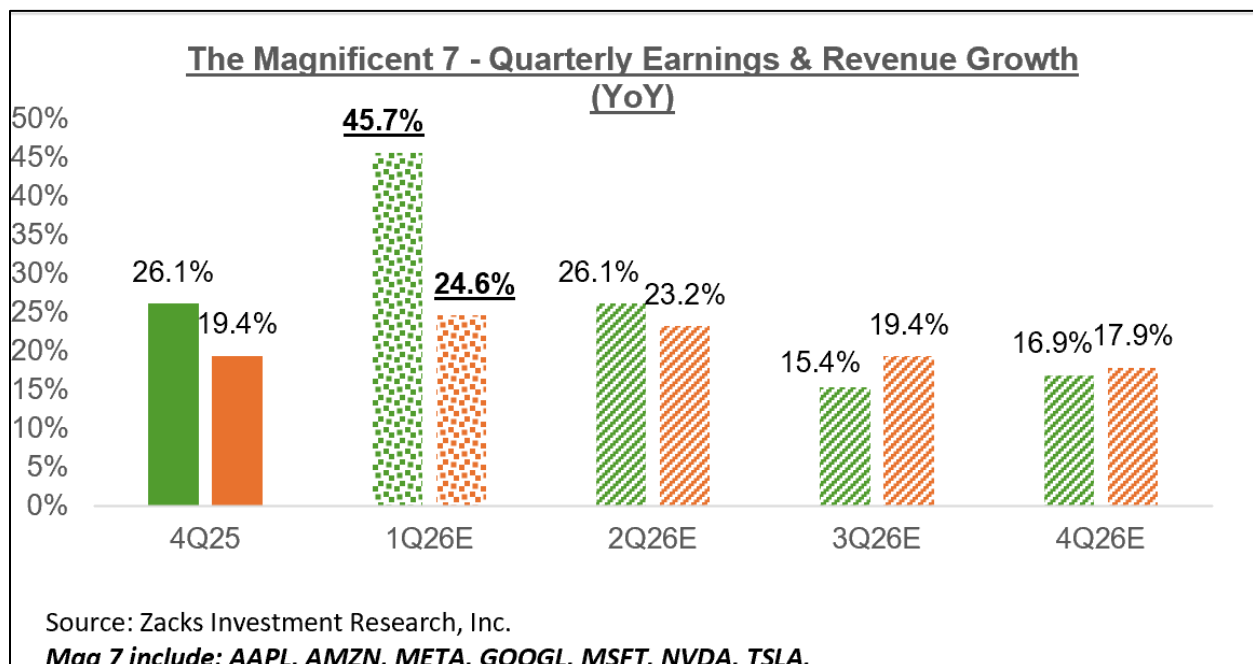


Microsoft shares have been swept up in the ongoing software turmoil, so the issue isn't solely the company's stalled cloud unit. Microsoft had also banked heavily on OpenAI for its LLM, and that relationship hasn't aged well. It is reasonable to expect that they will eventually get there, because after all, they have the resources and people. But it will likely take them a while.

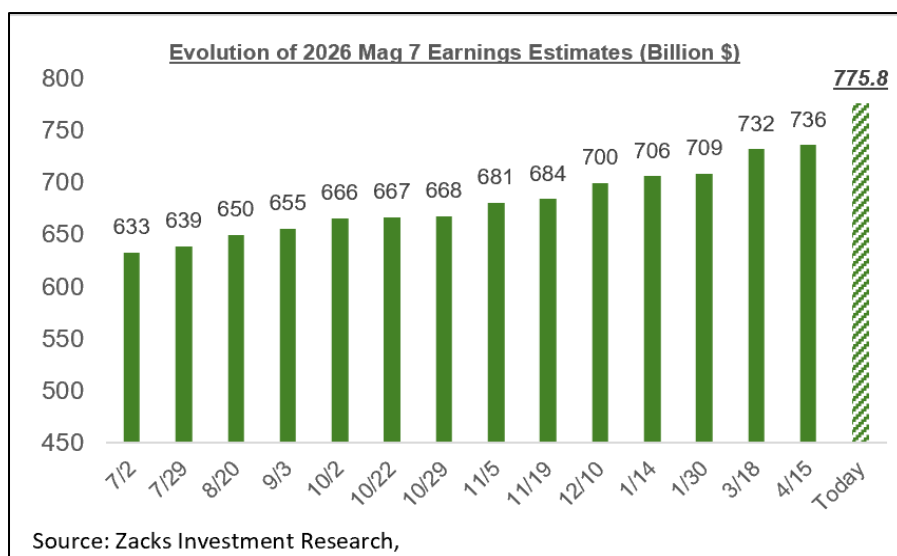
At this stage in the Q1 reporting cycle, Nvidia (NVDA) is the only Mag 7 member that has yet to report March-quarter results. Nvidia is scheduled to report Q1 results on May 20<sup>th</sup>, with EPS and revenues for the period expected to be up +118.5% and +78.7% from the same period last year, respectively.

Combining the actual results for the 6 Magnificent 7 members that have reported already with estimates for Nvidia, total Q1 earnings for the group are expected to be up +45.7% from the same period last year on +24.6% higher revenues, which would follow the group's +26.1% earnings growth on +19.4% revenue growth in 2025 Q4.

The chart below shows the group's blended Q1 earnings and revenue growth relative to what was achieved in the preceding period and what is expected in the coming three periods.



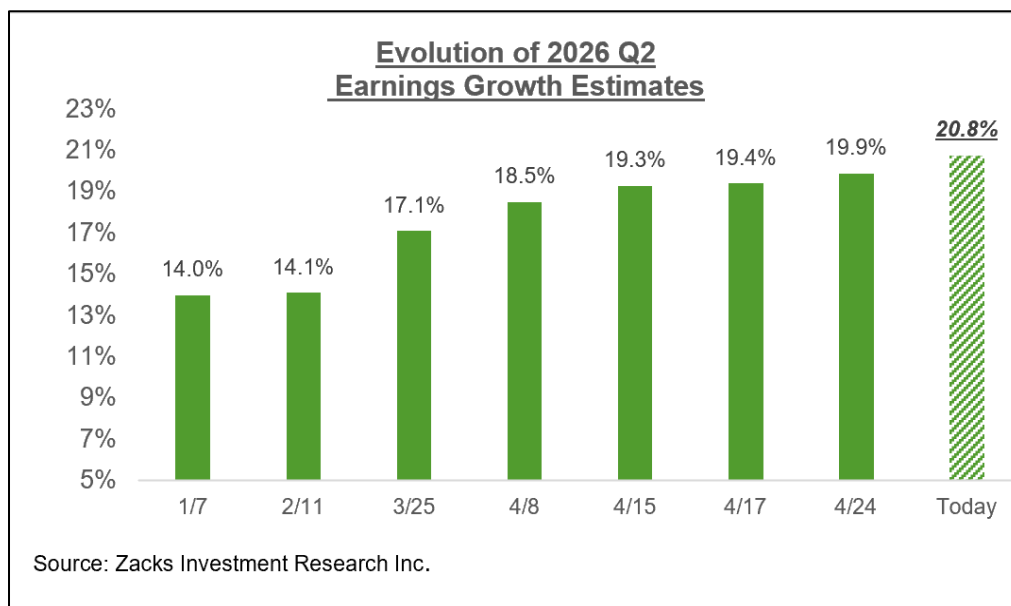
We discuss the Mag 7 group's enormous earnings power in the body of the report, but it is useful to show here how the group's earnings outlook is steadily improving, as the chart below shows.



The Mag 7 group is a big deal, as these seven mega-cap companies alone are on track to account for 27% of all S&P 500 earnings power this year. These stocks currently account for 34.3% of the index's total market capitalization.

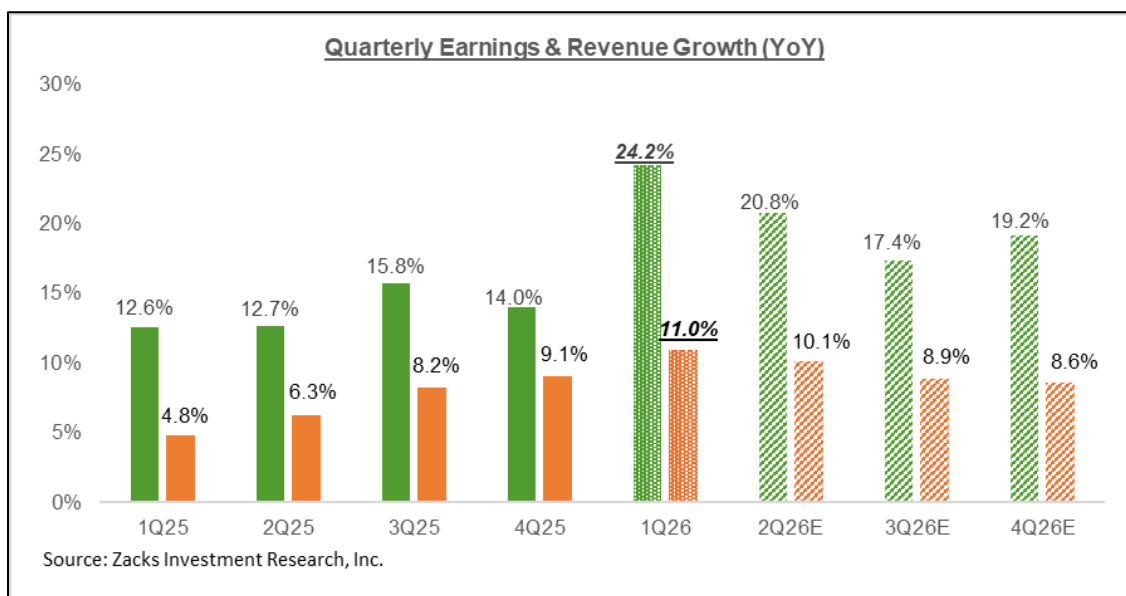
### The Earnings Big Picture

The overall earnings picture continues to be of all-around strength and a steadily improving outlook. This favorable earnings backdrop is showing up in the revisions trend, which can be seen in how expectations for 2026 Q2 have evolved in recent weeks.

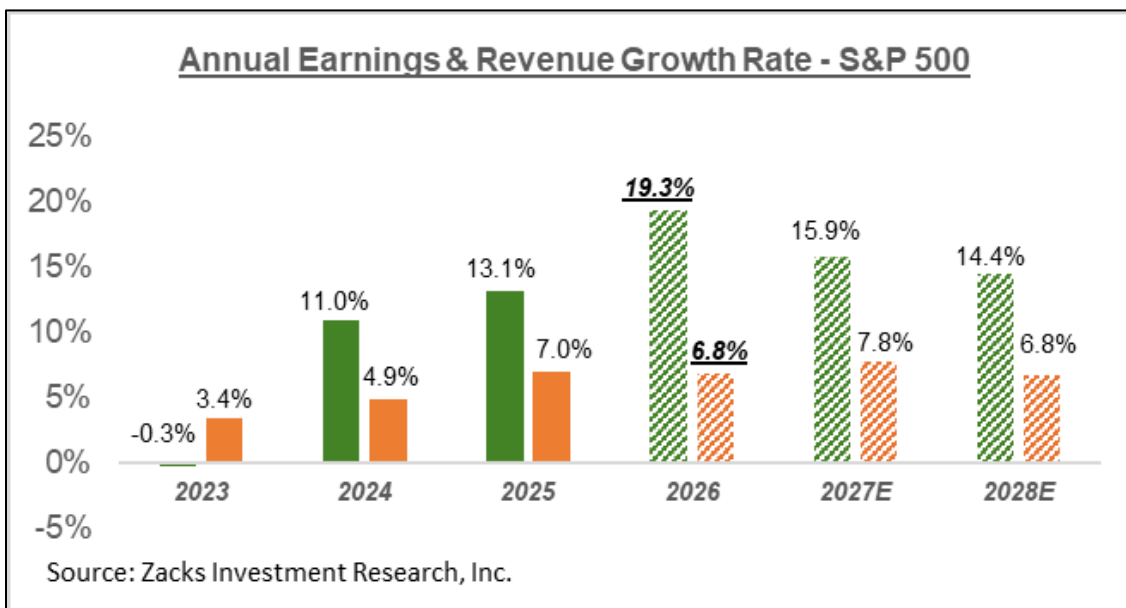


The sectors enjoying positive estimate revisions since the start of April include Energy, Tech, Basic Materials, Utilities, and Business Services. But Q2 estimates in the aggregate would be modestly down since the start of the period, had it not been for the increase in Energy and Tech sector estimates.

The chart below shows S&P 500 expectations for 2026 Q1 in terms of what was achieved in the preceding four periods and what is currently expected for the following three quarters.



The chart below shows the overall earnings picture for the S&P 500 index on an annual basis.



An interesting development on the revisions front has been the evolution of full-year 2026 estimates since the start of the Iran war. No surprises in the trend reversal in Energy sector estimates since the start of March, but estimates for 8 other sectors have also moved higher in that time period. The Tech sector's positive revisions trend has continued in this period, while the revisions trends for the Basic Materials and Consumer Staples sectors shifted from negative to positive since the start of March.

## The Report in Detail

This report has six sections:

**(1) Q1 Earnings Season Scorecard** provides a real-time update on the earnings season, places the results thus far in historical context, and highlights the major sectors.

**(2) The Blended Picture** presents the composite or blended Q4 expectations by combining the actual results that have been released with estimates for the still-to-come companies.

**(3) The Context** puts the blended Q4 expectations in the context of what was reported in the preceding quarters and what is expected in the coming quarter(s). It provides earnings and revenues on a quarterly basis, including both dollar amounts and year-over-year growth rates.

**(4) Annual Data** presents the earnings and revenues data on an annual basis.

**(5) The Small-Cap Data – S&P 600 Index** presents the earnings picture for the S&P 600 index.

**(6) Market Cap vs. Total Earnings** visually presents the market capitalization and earnings contribution of the 16 Zacks sectors.

## Section 1 – The 2026 Q1 Earnings Season Scorecard

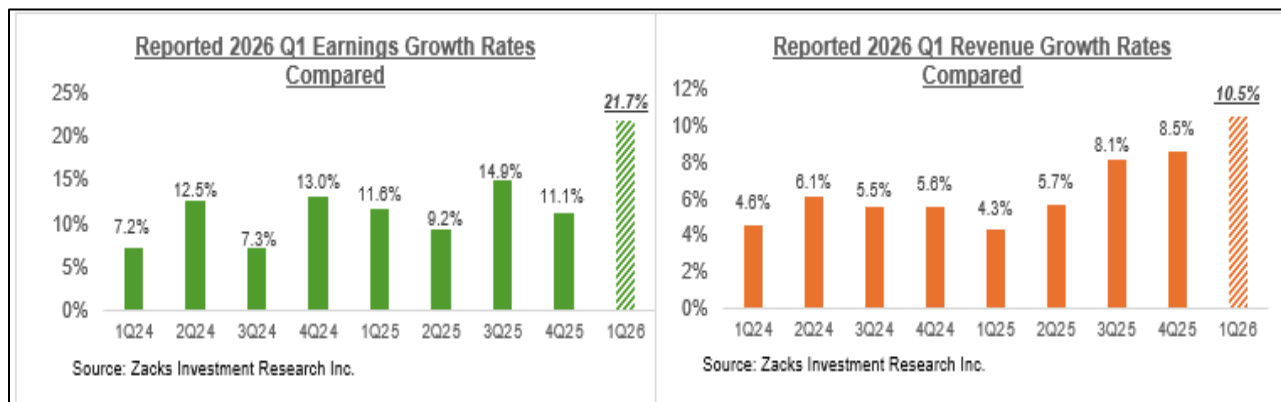
Total earnings for the 392 S&P 500 members that have reported Q1 results already are up +21.7% from the same period last year on +10.5% higher revenues, with 80.1% beating EPS estimates and 77.8% beating revenue estimates.

	2026 Q1 Scorecard						
	% Reported		Earnings		Revenue		Blended Beat %
	Total Companies	Total Market Cap	Growth YoY	Beat %	Growth YoY	Beat %	
Consumer Staples	79.3%	92.6%	5.5%	87.0%	5.1%	82.6%	78.3%
Consumer Discrt	62.1%	77.3%	-3.6%	72.2%	6.1%	83.3%	61.1%
Retail	48.4%	64.8%	1.2%	53.3%	13.9%	80.0%	46.7%
Medical	81.0%	89.5%	-3.3%	87.2%	7.3%	87.2%	83.0%
Auto/Tires/Trks	100.0%	100.0%	69.6%	80.0%	4.0%	60.0%	40.0%
Basic Materials	84.2%	94.8%	38.7%	68.8%	15.6%	75.0%	56.3%
Industrial Prod	83.3%	82.9%	13.8%	70.0%	15.7%	85.0%	65.0%
Construction	100.0%	100.0%	-4.7%	76.5%	5.8%	76.5%	64.7%
Conglomerates	100.0%	100.0%	1.4%	100.0%	-2.9%	0.0%	0.0%
Computer & Tech	65.1%	69.1%	45.1%	91.1%	21.1%	87.5%	78.6%
Aerospace	84.6%	90.2%	11.7%	90.9%	10.4%	90.9%	90.9%
Oils/Energy	76.0%	88.9%	0.8%	100.0%	4.3%	73.7%	73.7%
Finance	94.6%	96.9%	26.3%	73.9%	10.2%	62.5%	54.5%
Utilities	75.9%	83.9%	8.4%	59.1%	11.2%	77.3%	50.0%
Transportation	100.0%	100.0%	10.2%	92.3%	4.5%	84.6%	76.9%
Business Svcs	74.1%	81.9%	9.5%	90.0%	11.4%	85.0%	75.0%
<b>S&amp;P 500</b>	<b>78.4%</b>	<b>78.7%</b>	<b>21.7%</b>	<b>80.1%</b>	<b>10.5%</b>	<b>77.8%</b>	<b>66.8%</b>
Excluding Finance	74.7%	76.3%	20.5%	81.9%	10.6%	82.2%	70.4%
Excluding Oil	78.5%	78.3%	22.8%	79.1%	11.1%	78.0%	66.5%
Excluding Tech	81.2%	86.7%	11.3%	78.3%	8.4%	76.2%	64.9%

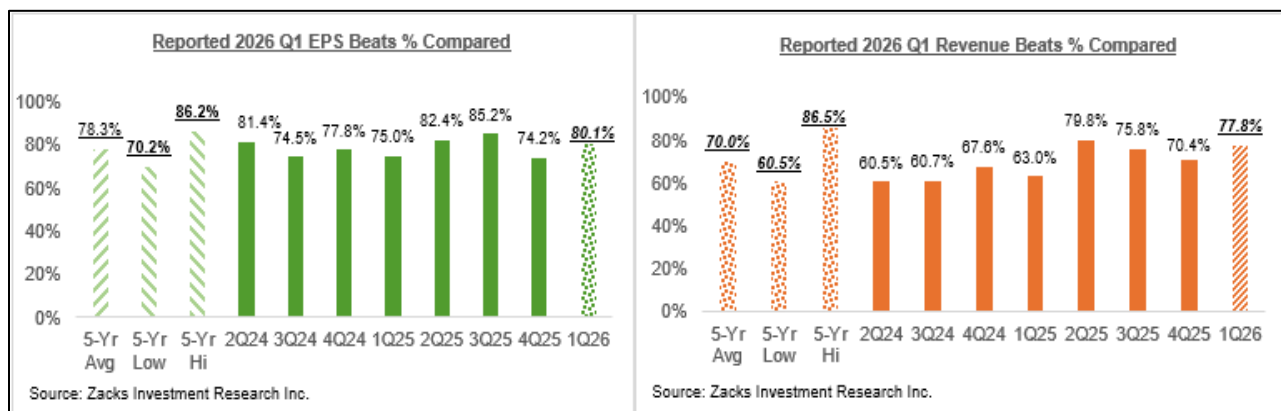
Source: Zacks Investment Research, Inc.

Data as of: May 6, 2026 [www.zacks.com](http://www.zacks.com)

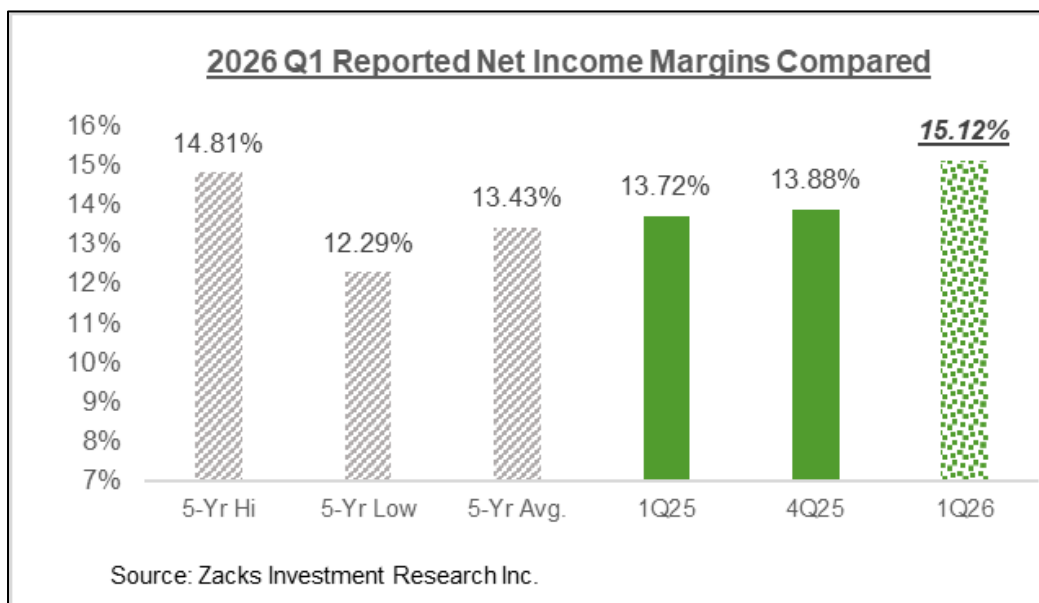
The comparison charts below put the Q1 earnings and revenue growth rates in a historical context.



The comparison charts below put the Q1 EPS and revenue beats percentages in a historical context.

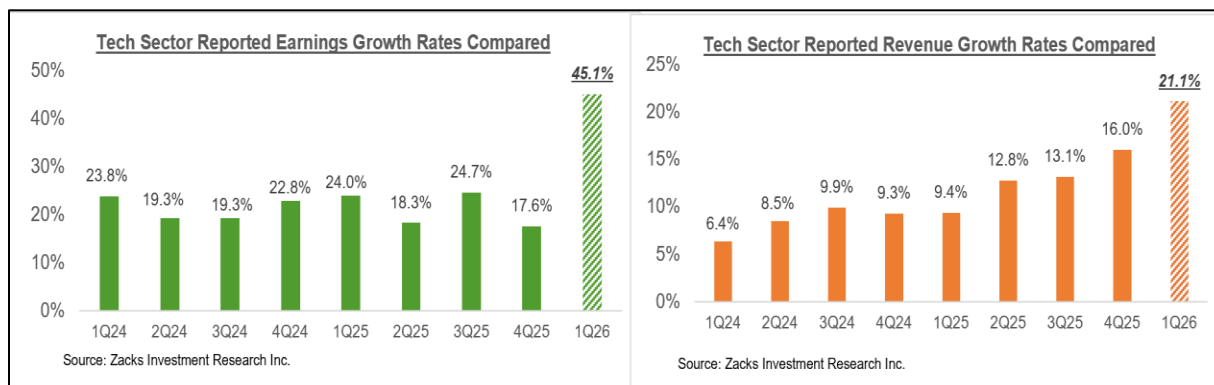


The chart below compares the Q1 net margins relative to other recent periods.

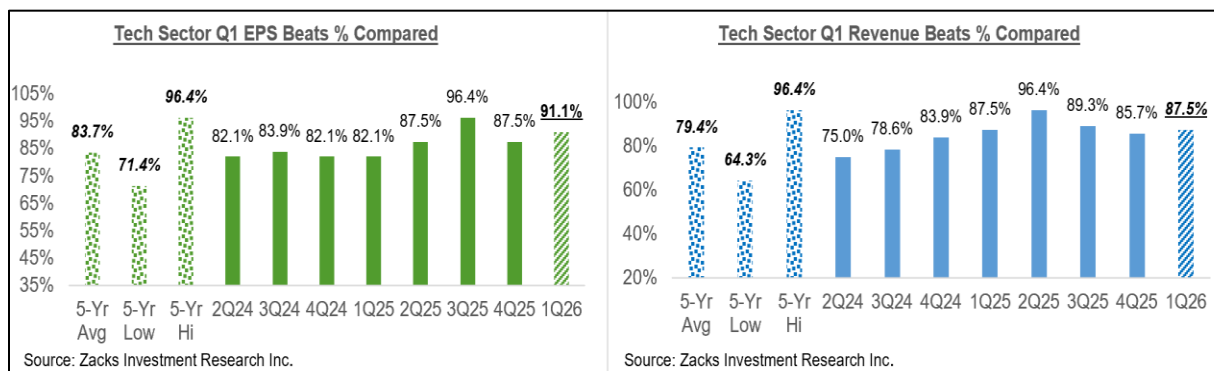


For the **Tech sector**, we now have Q1 results from 69.1% of the sector's market capitalization in the S&P 500 index. Total earnings for these companies are up +45.1% from the same period last year on +21.1% higher revenues, with 91.1% beating EPS estimates and 87.5% beating revenue estimates.

The comparison charts below put the Q1 earnings and revenue growth rates for these Tech companies in a historical context.

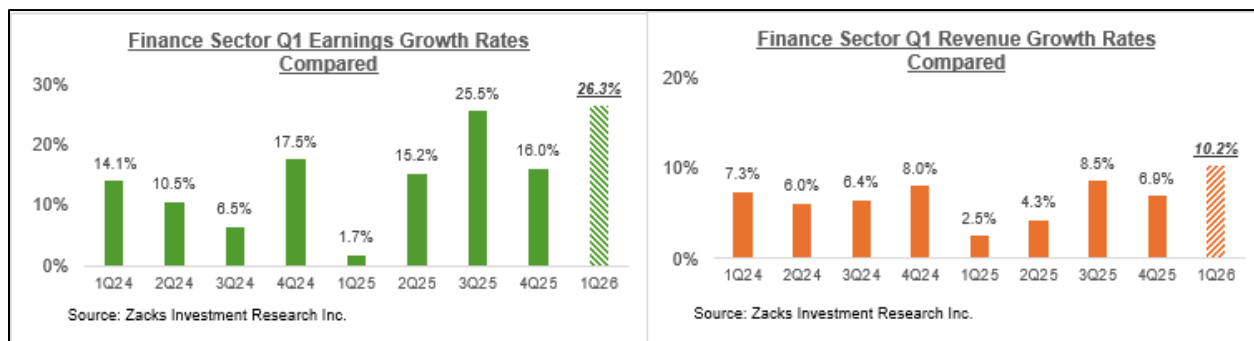


The comparison charts below put the Q1 EPS and revenue beats percentages in a historical context.

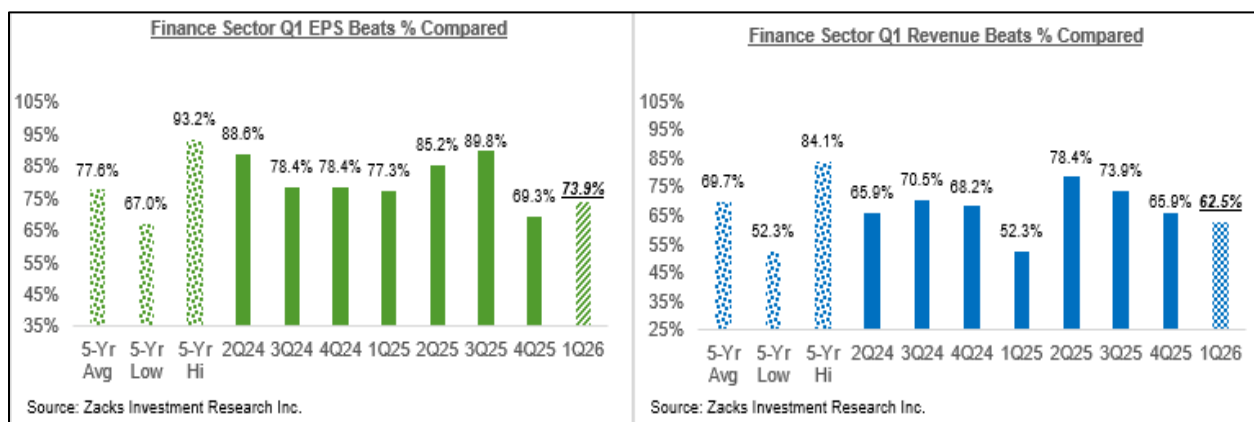


For the **Finance sector**, we now have Q1 results from 96.9% of the sector's market capitalization in the S&P 500 index. Total earnings for these companies are up +26.3% from the same period last year on +10.2% higher revenues, with 73.9% beating EPS estimates and 62.5% beating revenue estimates.

The comparison charts below put the Q1 earnings and revenue growth rates for these Finance companies in a historical context.



The comparison charts below put the Q1 EPS and revenue beats percentages in a historical context.



## Section 2 – The Blended Picture

Total Q1 earnings, or aggregate net income for the S&P 500 index, are expected to be up +24.2% from the same period last year on +11.0% higher revenues. The summary table below shows the blended (or composite) Q1 expectations and the actuals for the preceding period (2025 Q4).

S&P 500 Blended Summary Picture						
Zacks Sectors	Year-over-Year Growth					
	Earnings		Revenues		Margins	
	1Q26	4Q25	1Q26E	4Q25	1Q26E	4Q25
Cons. Staples	5.4%	0.1%	4.9%	0.9%	0.06%	-0.1%
Cons. Discretionary	-2.2%	2.0%	5.5%	5.4%	-0.74%	-0.3%
Retail/Wholesale	1.6%	6.5%	8.6%	7.0%	-0.43%	-0.03%
Medical	-2.8%	0.7%	7.7%	10.5%	-0.84%	-0.7%
Autos	69.6%	-14.9%	4.0%	-5.0%	2.65%	-0.5%
Basic Materials	37.6%	12.1%	15.2%	10.6%	1.55%	0.1%
Industrial Products	8.8%	3.3%	13.2%	12.6%	-0.54%	-1.2%
Construction	-4.7%	-16.0%	5.8%	2.4%	-0.80%	-2.0%
Conglomerates	1.4%	4.0%	-2.9%	-0.7%	0.75%	0.8%
Technology	50.1%	24.9%	25.0%	19.5%	5.03%	1.2%
Aerospace	12.5%	53.5%	10.6%	17.8%	0.14%	1.5%
Oil/Energy	2.8%	13.6%	4.6%	-0.6%	-0.14%	1.1%
Finance	26.6%	17.3%	9.7%	7.4%	2.88%	1.8%
Utilities	12.6%	8.6%	11.2%	11.8%	0.19%	-0.4%
Transportation	10.2%	-5.7%	4.5%	1.9%	0.36%	-0.7%
Business Services	11.7%	9.4%	11.8%	9.0%	-0.02%	0.1%
<b>S&amp;P 500</b>	<b>24.2%</b>	<b>14.0%</b>	<b>11.0%</b>	<b>9.1%</b>	<b>1.56%</b>	<b>0.60%</b>
ex Finance	23.7%	13.3%	11.2%	9.3%	1.4%	0.4%
ex Oil/Energy	25.3%	14.1%	11.5%	9.8%	1.67%	0.5%
ex Tech	11.1%	8.1%	13.1%	10.7%	-0.13%	-0.2%

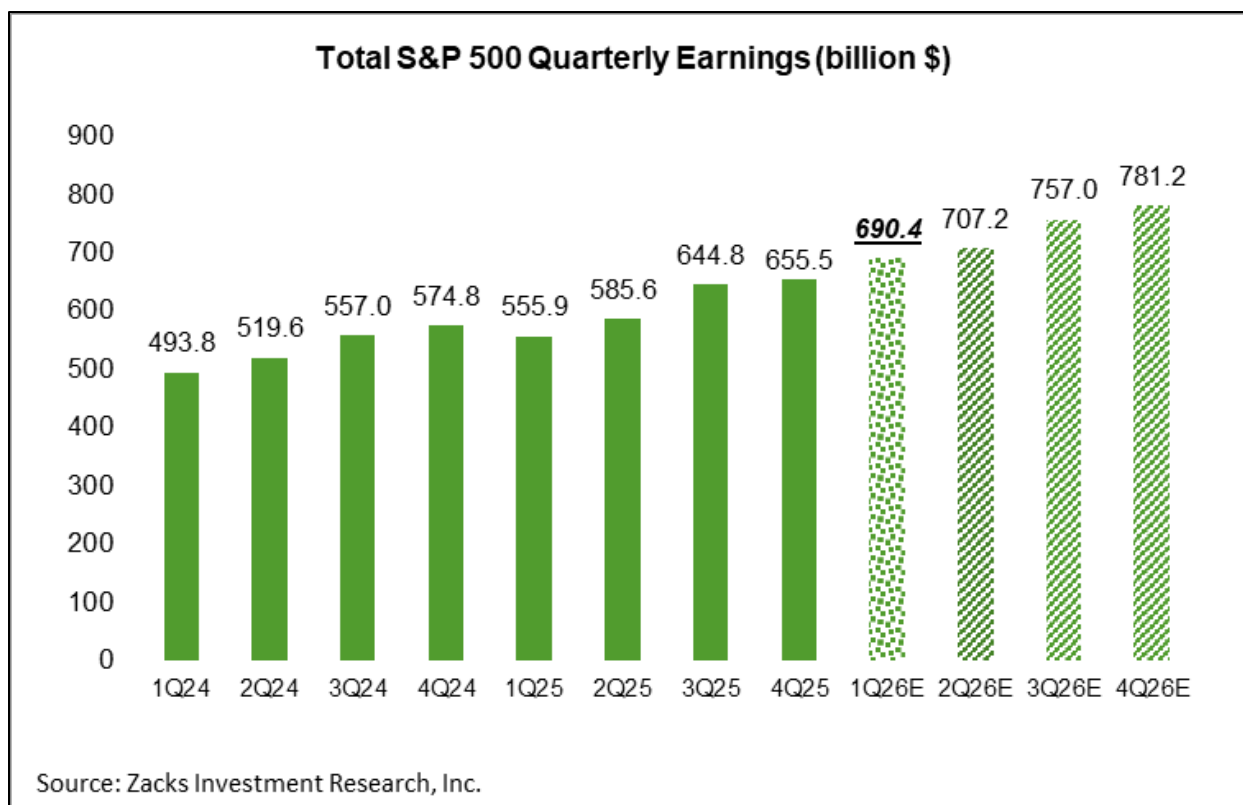
Source: Zacks Investment Research, Inc.  
4/29/2026

www.zacks.com

Three of the 16 Zacks sectors are expected to earn less in 2026 Q1 relative to the year-earlier period. These include Cons. Discretionary (-2.2%), Medical (-2.8%), Construction (-4.7%), and Oil/Energy (-8.4%).

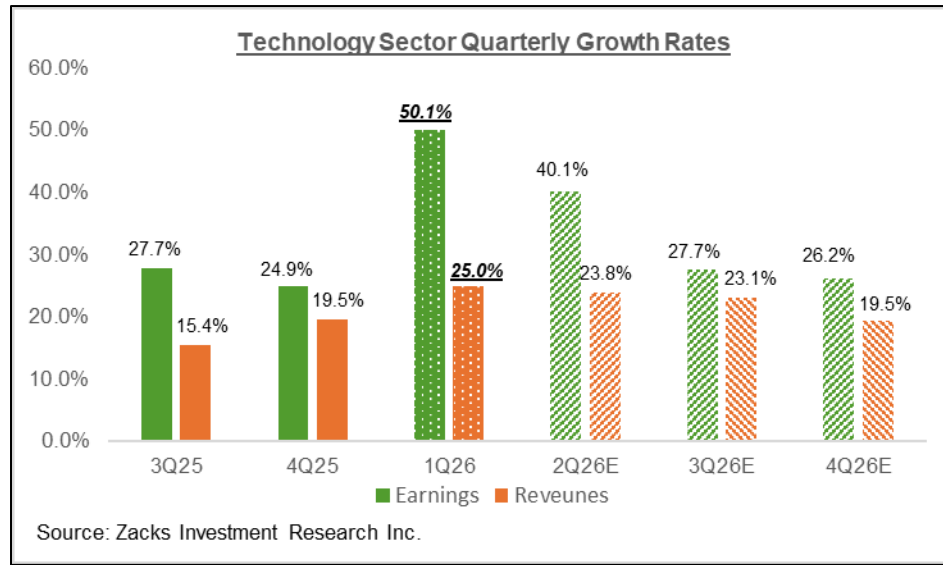
On the positive side, 13 of the 16 Zacks sectors are projected to post positive growth, including Cons. Staples (+5.4%), Retail/Wholesale (+1.6%), Autos (+69.6%), Basic Materials (+37.6%), Industrial Products (+8.8%), Conglomerates (+1.4%), Technology (+50.1%), Finance (+26.6%), Utilities (+12.6%), Transportation (+10.2%), Aerospace (+12.5%), Oil/Energy (+2.8%), and Business Services (+11.7%).

The chart below shows the absolute quarterly dollar total estimate for 2026 Q1 for the index as a whole in the context of what was actually achieved in the last eight periods and what is expected in the following three quarters.



As you can see above, the quarterly earnings tally is on track to be a new all-time quarterly record.

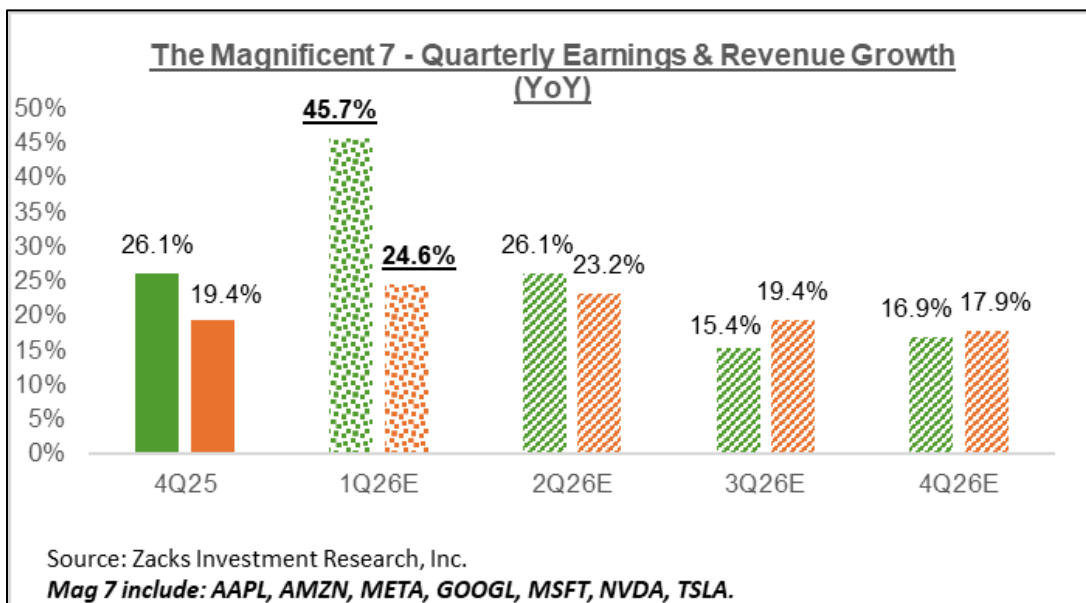
Total **Tech sector** earnings are expected to grow +50.1% in Q1 on +25.0% higher revenues, which follows earnings growth of +24.9% on +19.5% higher revenues in the preceding quarter (2025 Q4). The Tech sector's growth pace is expected to continue, as shown below.



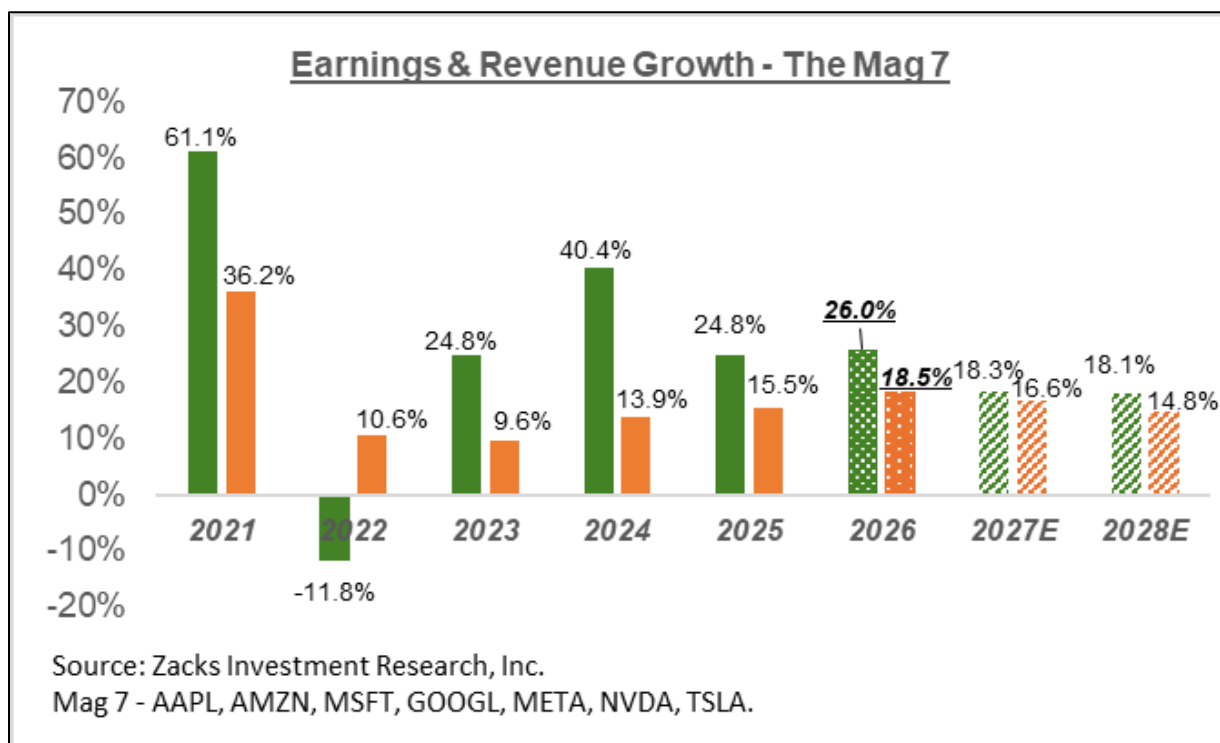
We should keep in mind that Nvidia and Micron Technologies are significant contributors to the Tech sector's growth profile. Excluding the contribution from these two semiconductor players, Q1 earnings growth for the Zacks Tech sector drops to +35.5%.

### The Magnificent 7

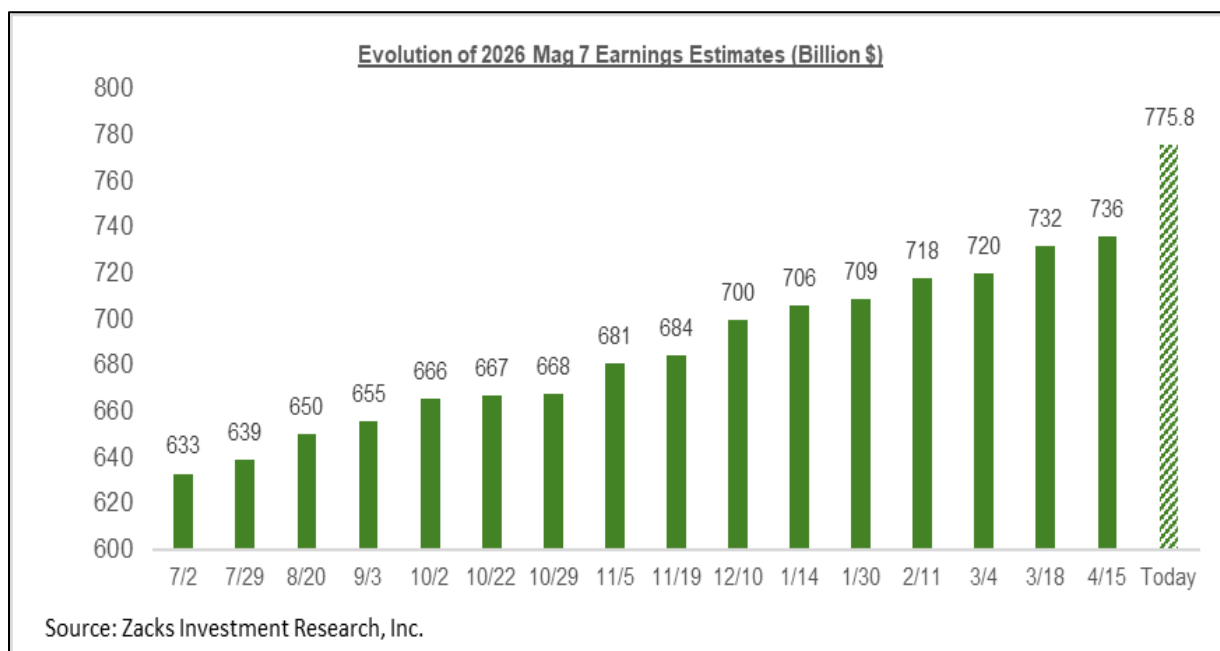
For the 'Mag 7' companies - Microsoft, Alphabet, Meta, Apple, Tesla, Nvidia, and Amazon - total Q1 earnings are expected to be up +45.7% on +24.6% higher revenues. This follows the group's +26.1% earnings growth in Q4 on +19.4% higher revenues, as the chart below shows.



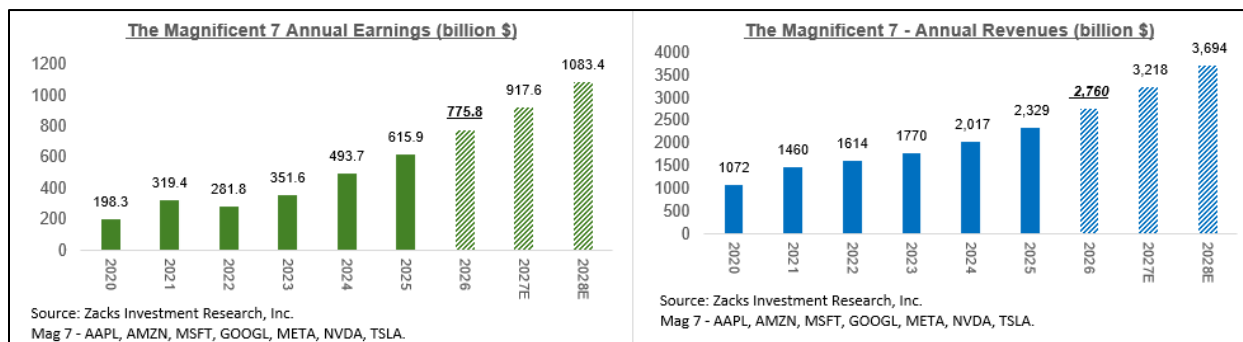
The chart below shows the group's earnings picture on an annual basis.



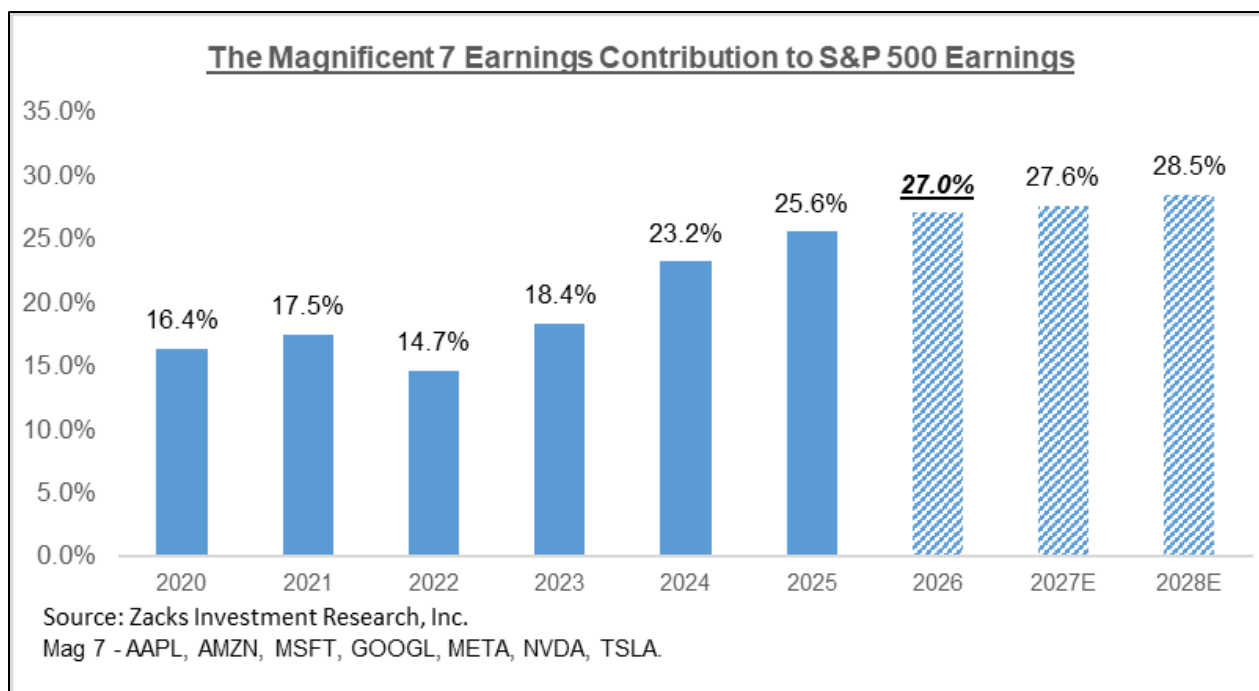
The chart below shows how aggregate 2026 Mag 7 earnings estimates have evolved since the start of last July. Please note that we have rounded up/down the numbers so that the image looks less 'busy'.



The charts below show the dollar-level Mag 7 earnings and revenues, estimates for the current year and the next two, and actuals for the preceding six years.



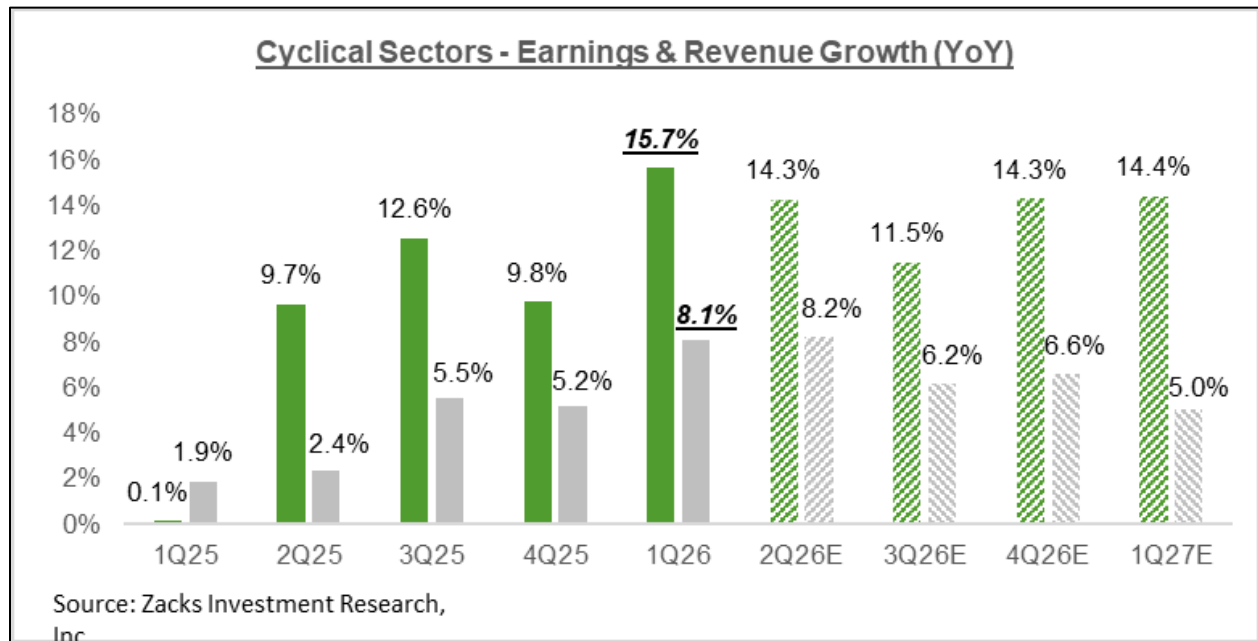
The Mag 7 stocks accounted for 29.1% of all S&P 500 earnings in 2025 Q4, with the proportion expected to increase to 29.2% in 2026 Q1. The chart below shows the group's earnings contribution on an annual basis.



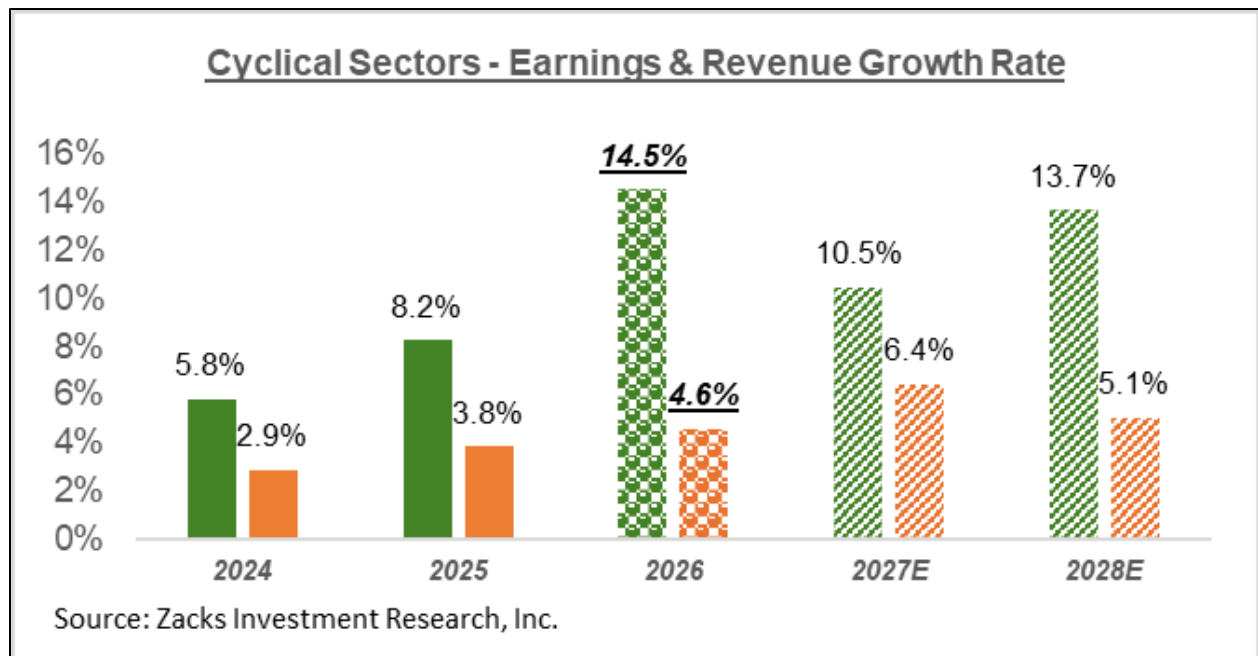
As you can see above, these 7 mega-cap companies combined accounted for 25.6% of all S&P 500 earnings in 2025, up from 23.2% in 2024 and 16.4% in 2020. The Mag 7 is expected to bring in 27.0% of total index earnings in 2026, but the rest of the 493 index members also start pitching in.

## Earnings Along Cyclical & Non-Cyclical Lines

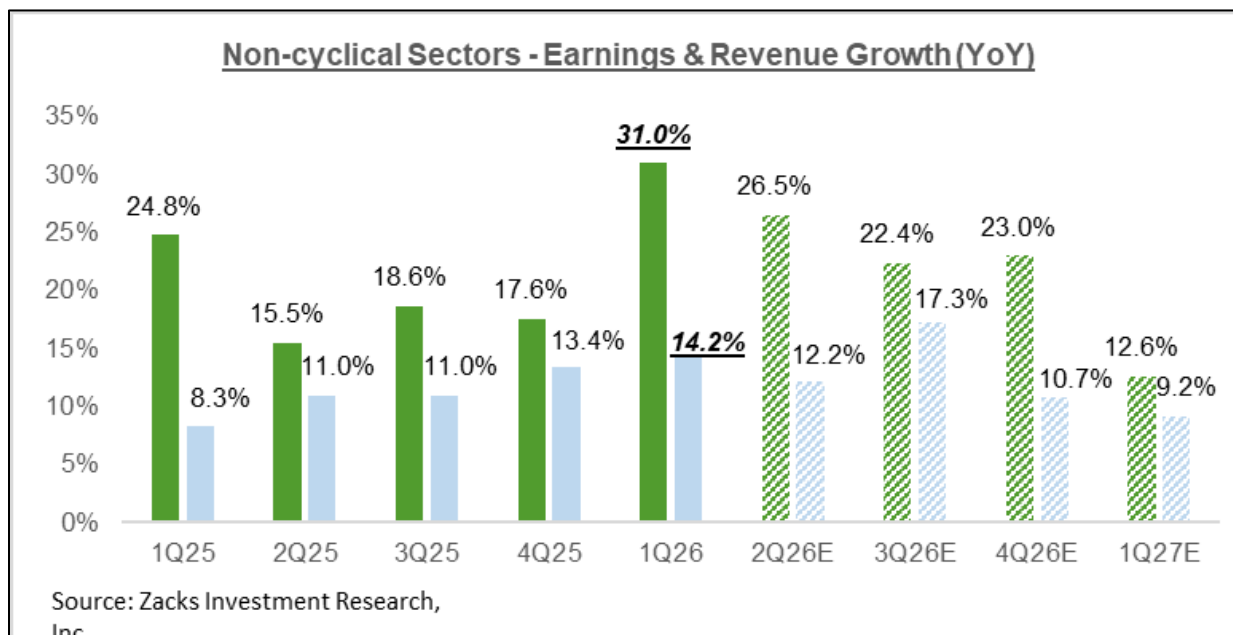
No sector is entirely non-cyclical, as even the Tech sector has plenty of cyclical exposure. But if we combine 11 of the 16 Zacks sectors with varying degrees of cyclical exposure, this is how the quarterly and annual growth picture will look.



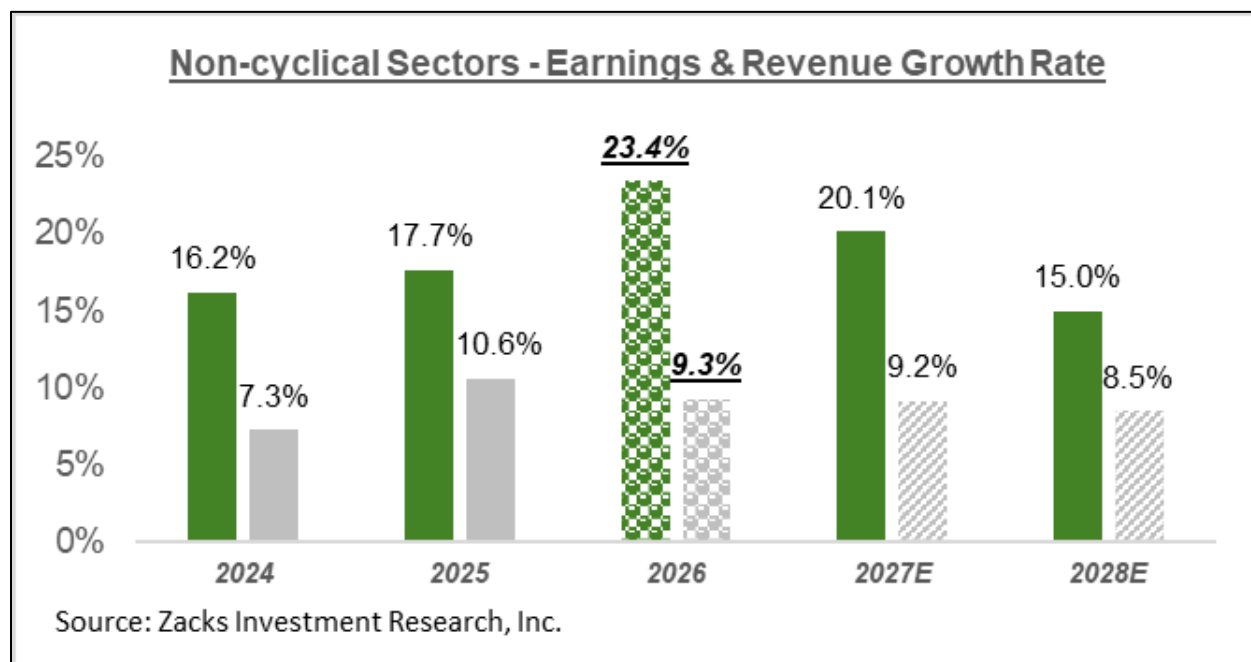
This is how the growth picture will look on an annual basis.



The chart below shows the quarterly earnings and revenue growth pace for the non-cyclical sectors.



The chart below shows the growth picture on an annual basis.



## Section Three - The Context

Let's compare earnings expectations for 2026 Q1 to what companies earned in the last few quarters and what they are expected to earn in the coming quarters.

**Table 2 – Earnings Growth Context**

Zacks Sectors	Earnings Growth (YoY)									
	4Q26E	3Q26E	2Q26E	1Q26	4Q25	3Q25	2Q25	1Q25	4Q24	
Consumer Staples	6.3%	4.5%	1.3%	<b>5.4%</b>	0.1%	-0.9%	0.6%	-5.0%	3.2%	
Consumer Discrt	13.1%	13.1%	-9.0%	<b>-2.2%</b>	2.0%	-1.2%	134.4%	5.9%	18.8%	
Retail	15.6%	6.2%	8.0%	<b>1.6%</b>	6.5%	16.4%	13.2%	12.5%	27.8%	
Medical	17.5%	10.1%	4.7%	<b>-2.8%</b>	0.7%	4.7%	7.8%	43.5%	13.5%	
Auto/Tires/Trks	41.2%	4.2%	5.9%	<b>69.6%</b>	-14.9%	-21.9%	-25.2%	-40.2%	-7.7%	
Basic Materials	34.5%	28.4%	35.3%	<b>37.6%</b>	12.1%	11.5%	-7.1%	-9.2%	-2.0%	
Industrial Prod	16.2%	13.6%	10.2%	<b>8.8%</b>	3.3%	3.0%	-5.6%	-9.2%	-3.5%	
Construction	14.0%	7.8%	-4.5%	<b>-4.7%</b>	-16.0%	-9.1%	-9.4%	-11.7%	1.1%	
Conglomerates	8.9%	-0.9%	-7.6%	<b>1.4%</b>	4.0%	6.9%	8.6%	-4.9%	-17.1%	
Computer & Tech	26.2%	27.7%	40.1%	<b>50.1%</b>	24.9%	27.7%	21.9%	24.2%	26.7%	
Aerospace	36.2%	142.3%	10.3%	<b>12.5%</b>	53.5%	79.3%	26.6%	23.2%	-38.5%	
Oils/Energy	35.3%	56.3%	82.7%	<b>2.8%</b>	13.6%	3.7%	-16.5%	N/M	N/M	
Finance	6.2%	2.4%	10.9%	<b>26.6%</b>	17.3%	25.6%	14.2%	1.6%	17.5%	
Utilities	11.9%	6.9%	14.9%	<b>12.6%</b>	8.6%	6.0%	4.5%	16.9%	7.2%	
Transportation	14.2%	7.4%	-8.2%	<b>10.2%</b>	-5.7%	0.3%	N/M	N/M	N/M	
Business Svcs	13.6%	13.1%	5.5%	<b>11.7%</b>	9.4%	7.0%	12.7%	8.6%	14.7%	
<b>S&amp;P 500</b>	<b>19.2%</b>	<b>17.4%</b>	<b>20.8%</b>	<b>24.2%</b>	<b>14.0%</b>	<b>15.8%</b>	<b>12.7%</b>	<b>12.6%</b>	<b>14.4%</b>	
Excluding Finance	22.1%	20.9%	23.1%	<b>23.7%</b>	13.3%	13.7%	12.4%	15.3%	13.7%	
Excluding Oil	18.4%	15.6%	18.0%	<b>25.3%</b>	14.1%	16.4%	14.5%	14.0%	17.1%	

Source: Zacks Investment Research, Inc.

Data as of: May 6, 2026 [www.zacks.com](http://www.zacks.com)

**Note – N/M** means 'not meaningful,' reflecting the year-over-year change from negative earnings to positive earnings.

Table 3 – Revenue Growth Context

Zacks Sectors	Revenue Growth (YoY)								
	4Q26E	3Q26E	2Q26E	1Q26E	4Q25	3Q25	2Q25	1Q25	4Q24
Cons. Staples	5.1%	5.0%	4.4%	<b>4.9%</b>	0.9%	1.9%	0.8%	-2.5%	0.9%
Cons. Discretionary	4.6%	8.6%	3.7%	<b>5.5%</b>	5.4%	-1.0%	3.6%	1.5%	3.2%
Retail/Wholesale	7.5%	7.5%	8.4%	<b>8.6%</b>	7.0%	7.0%	6.4%	4.2%	5.2%
Medical	4.6%	4.6%	5.2%	<b>7.7%</b>	10.5%	10.4%	10.7%	8.8%	9.3%
Autos	6.7%	-2.3%	-0.3%	<b>4.0%</b>	-5.0%	3.8%	-2.3%	-4.1%	4.3%
Basic Materials	6.2%	4.4%	12.8%	<b>15.2%</b>	10.6%	10.1%	4.9%	-1.2%	-0.4%
Industrial Products	5.9%	5.7%	8.0%	<b>13.2%</b>	12.6%	9.8%	2.9%	-4.3%	-4.6%
Construction	6.2%	6.4%	4.4%	<b>5.8%</b>	2.4%	2.8%	-1.7%	-2.9%	0.4%
Conglomerates	5.2%	-1.1%	-3.6%	<b>-2.9%</b>	-0.7%	4.4%	4.3%	-8.8%	-8.9%
Technology	19.5%	23.1%	23.8%	<b>25.0%</b>	19.5%	15.4%	14.6%	11.6%	11.3%
Aerospace	6.3%	6.7%	6.2%	<b>10.6%</b>	17.8%	14.6%	11.7%	-0.1%	-10.0%
Oil/Energy	8.7%	8.0%	15.2%	<b>4.6%</b>	-0.6%	1.3%	-6.7%	1.8%	2.6%
Finance	4.7%	4.6%	7.4%	<b>9.7%</b>	7.4%	8.4%	4.0%	2.8%	8.1%
Utilities	4.8%	6.8%	6.8%	<b>11.2%</b>	11.8%	6.7%	7.5%	11.8%	1.3%
Transportation	6.6%	6.4%	6.8%	<b>4.5%</b>	1.9%	0.9%	-0.4%	1.2%	2.7%
Business Services	10.1%	10.9%	9.9%	<b>11.8%</b>	9.0%	7.8%	8.1%	6.3%	7.9%
<b>S&amp;P 500</b>	<b>8.6%</b>	<b>8.9%</b>	<b>10.1%</b>	<b>11.0%</b>	<b>9.1%</b>	<b>8.2%</b>	<b>6.3%</b>	<b>4.8%</b>	<b>5.8%</b>
ex Finance	9.2%	9.5%	10.5%	<b>11.2%</b>	9.3%	8.2%	6.6%	5.1%	5.5%
ex Oil/Energy	8.6%	8.9%	9.7%	<b>11.5%</b>	9.8%	8.8%	7.4%	5.1%	6.1%

Source: Zacks Investment Research, Inc.

Data as of: May 6, 2026 www.zacks.com

The next two tables present the same data in a different format – instead of year-over-year growth rates, we have the dollar level of total earnings and revenues for each of these quarters.

Table 4 – Total Quarterly Earnings

Zacks Sectors	Quarterly Earnings (billion dollars)								
	4Q26E	3Q26E	2Q26E	1Q26	4Q25	3Q25	2Q25	1Q25	4Q24
Cons. Staples	26.7	28.2	27.3	<b>24.8</b>	25.1	26.9	27.0	23.6	25.1
Cons. Discretionary	20.5	25.1	19.6	<b>16.4</b>	18.1	22.2	21.5	16.719	17.7
Retail/Wholesale	56.8	53.1	50.6	<b>41.5</b>	49.2	50.0	46.8	40.8	46.2
Medical	78.9	80.7	75.9	<b>72.0</b>	67.1	73.3	72.5	74.1	66.7
Autos	7.6	7.5	6.9	<b>8.2</b>	5.4	7.2	6.6	4.9	6.3
Basic Materials	12.5	13.5	13.0	<b>11.2</b>	9.3	10.5	9.6	8.1	8.3
Industrial Products	13.3	13.5	12.9	<b>12.1</b>	11.4	11.9	11.7	11.2	11.1
Construction	7.5	9.1	7.9	<b>5.0</b>	6.6	8.5	8.3	5.3	7.8
Conglomerates	2.9	2.9	2.7	<b>2.7</b>	2.6	3.0	2.9	2.7	2.5
Technology	320.9	285.2	264.5	<b>280.5</b>	254.2	223.4	188.7	186.9	203.5
Aerospace	11.3	10.6	9.9	<b>9.9</b>	8.3	4.4	9.0	8.8	5.4
Oil/Energy	39.8	44.3	45.9	<b>27.3</b>	29.4	28.4	25.1	26.5	25.9
Finance	129.5	126.3	121.4	<b>128.5</b>	121.9	123.3	109.5	101.5	103.9
Utilities	14.8	21.2	14.9	<b>19.0</b>	13.2	19.9	12.9	16.9	12.2
Transportation	11.2	9.8	9.3	<b>7.6</b>	9.8	9.1	10.1	6.9	10.4
Business Services	27.2	25.9	24.5	<b>23.6</b>	23.9	22.9	23.2	21.1	21.9
<b>S&amp;P 500</b>	<b>781.2</b>	<b>757.0</b>	<b>707.2</b>	<b>690.4</b>	<b>655.5</b>	<b>644.8</b>	<b>585.6</b>	<b>555.9</b>	<b>574.8</b>
ex Finance	651.7	630.7	585.8	<b>561.9</b>	533.6	521.5	476.1	454.4	470.9
ex - Oil	741.4	712.7	661.4	<b>663.1</b>	626.0	616.4	560.5	529.4	548.9

Source: Zacks Investment Research, Inc.  
Data as of: May 6, 2026 www.zacks.com

Table 5 – Total Quarterly Revenues

Zacks Sectors	Quarterly Revenues (billion dollars)								
	4Q26E	3Q26E	2Q26E	1Q26E	4Q25	3Q25	2Q25	1Q25	4Q24
Cons. Staples	217.6	211.6	210.4	<b>195.1</b>	207.1	201.6	201.6	185.9	205.4
Cons. Discretionary	193.7	188.9	179.8	<b>173.4</b>	185.2	174.0	173.3	164.4	175.7
Retail/Wholesale	783.1	745.3	712.6	<b>678.1</b>	728.8	693.4	657.1	624.2	681.3
Medical	998.3	976.4	946.8	<b>920.0</b>	954.3	933.6	900.3	854.5	863.7
Autos	136.0	135.1	131.8	<b>120.5</b>	127.5	138.3	132.2	115.9	134.1
Basic Materials	121.6	123.7	123.5	<b>116.7</b>	114.6	118.5	109.5	101.2	103.6
Industrial Products	93.1	94.7	94.1	<b>91.2</b>	87.9	89.6	87.1	80.5	78.1
Construction	78.6	84.6	79.9	<b>69.2</b>	74.0	79.5	76.5	65.4	72.3
Conglomerates	16.6	16.5	15.9	<b>15.1</b>	15.8	16.7	16.5	15.6	15.9
Technology	1130.2	1022.9	977.8	<b>932.3</b>	946.2	830.7	789.6	745.6	791.6
Aerospace	134.6	126.1	121.8	<b>116.9</b>	126.6	118.2	114.7	105.8	107.5
Oil/Energy	355.3	362.7	365.7	<b>338.0</b>	326.9	335.7	317.6	323.1	329.0
Finance	612.5	604.4	593.6	<b>596.0</b>	585.1	577.8	552.6	543.2	545.0
Utilities	113.2	122.4	106.4	<b>125.4</b>	108.1	114.5	99.6	112.8	96.6
Transportation	121.0	116.9	116.7	<b>108.1</b>	113.5	109.8	109.2	103.4	111.4
Business Services	110.3	107.8	105.9	<b>100.9</b>	100.2	97.2	96.3	90.3	92.0
<b>S&amp;P 500</b>	<b>5215.9</b>	<b>5040.0</b>	<b>4882.7</b>	<b>4696.9</b>	<b>4801.9</b>	<b>4629.2</b>	<b>4433.6</b>	<b>4231.8</b>	<b>4403.1</b>
ex Finance	4603.4	4435.6	4289.1	<b>4100.9</b>	4216.8	4051.4	3881.0	3688.5	3858.1
ex Oil/Energy	4860.6	4677.3	4517.0	<b>4358.9</b>	4475.0	4293.5	4116.0	3908.7	4074.1

Source: Zacks Investment Research, Inc.  
Data as of: May 6, 2026 www.zacks.com

It may be obvious, but it's still useful to explain what we mean by total earnings.

This means the sum of net income for all companies in the S&P 500. For historical periods through the reported 2026 Q1 results, we have taken the total earnings (net income, not EPS) for each company in the S&P 500 and added them up to arrive at the sector and index level totals (we do adjust reported GAAP earnings for non-recurring items, but consider employee stock options as a legitimate business expense).

For the coming quarters, including the still-to-come 2026 Q1 results, we have taken the Zacks Consensus EPS for each company in the index, multiplied that by the corresponding share count (from the last reported quarter) to arrive at the total earnings for each company. And then we aggregated them to arrive at the totals for each sector and the index as a whole. The lack of accuracy in real-time share count notwithstanding, this gives us a fairly accurate view of the total earnings picture.

## Section 4 - Annual Earnings

Total earnings or aggregate net income for the S&P 500 index for 2026 are on track to be up +19.3%, with 2027 earnings expected to be up +15.9%.

**Table 6 – Summary Annual Earnings Picture**

Zacks Sectors	Annual Summary - Year-over-Year Change								
	Earnings			Revenues			Margins		
	2027E	2026	2025	2027E	2026	2025	2027E	2026	2025
Cons. Staples	6.3%	<b>2.2%</b>	0.7%	3.1%	<b>3.9%</b>	0.8%	0.40%	<b>-0.22%</b>	-0.02%
Cons. Discretionary	12.5%	<b>4.5%</b>	22.0%	4.1%	<b>4.4%</b>	2.5%	0.90%	<b>0.01%</b>	1.79%
Retail/Wholesale	17.6%	<b>8.1%</b>	12.7%	10.8%	<b>8.5%</b>	6.6%	0.44%	<b>-0.02%</b>	0.39%
Medical	14.7%	<b>6.0%</b>	12.5%	3.6%	<b>6.0%</b>	9.7%	0.84%	<b>0.00%</b>	0.19%
Autos	18.6%	<b>20.2%</b>	-25.9%	4.1%	<b>-1.2%</b>	-1.6%	0.77%	<b>0.98%</b>	-1.49%
Basic Materials	10.7%	<b>39.4%</b>	-1.7%	3.9%	<b>10.9%</b>	9.7%	0.68%	<b>2.14%</b>	-0.97%
Industrial Products	15.4%	<b>10.8%</b>	-4.3%	6.7%	<b>7.1%</b>	1.9%	1.11%	<b>0.46%</b>	-0.87%
Construction	15.2%	<b>1.8%</b>	-13.1%	6.6%	<b>5.0%</b>	2.9%	0.77%	<b>-0.29%</b>	-1.79%
Conglomerates	7.8%	<b>5.6%</b>	1.0%	4.8%	<b>3.4%</b>	5.2%	0.50%	<b>0.37%</b>	-0.71%
Technology	23.7%	<b>32.7%</b>	22.5%	16.9%	<b>14.9%</b>	14.1%	1.61%	<b>3.70%</b>	1.63%
Aerospace	19.9%	<b>37.7%</b>	35.5%	8.4%	<b>6.1%</b>	12.8%	0.89%	<b>1.91%</b>	1.08%
Oil/Energy	-5.7%	<b>54.2%</b>	N/M	-1.6%	<b>12.4%</b>	-1.1%	-0.49%	<b>3.18%</b>	-0.16%
Finance	9.8%	<b>10.2%</b>	15.3%	7.3%	<b>-4.1%</b>	5.0%	0.51%	<b>2.76%</b>	1.65%
Utilities	9.1%	<b>9.7%</b>	8.3%	1.7%	<b>6.1%</b>	9.2%	1.04%	<b>0.47%</b>	-0.12%
Transportation	19.3%	<b>5.0%</b>	-2.6%	4.3%	<b>5.9%</b>	0.3%	1.18%	<b>-0.07%</b>	-0.25%
Business Services	15.5%	<b>9.5%</b>	9.8%	12.4%	<b>5.3%</b>	6.5%	0.68%	<b>0.94%</b>	0.71%
<b>S&amp;P 500</b>	<b>15.9%</b>	<b>19.3%</b>	<b>13.1%</b>	<b>7.8%</b>	<b>6.8%</b>	<b>7.0%</b>	1.10%	<b>1.54%</b>	<b>0.72%</b>
ex Finance	17.1%	<b>21.5%</b>	12.7%	7.9%	<b>8.5%</b>	7.3%	1.19%	<b>1.47%</b>	0.58%
ex Oil/Energy	17.2%	<b>17.7%</b>	14.1%	8.5%	<b>6.4%</b>	7.6%	1.19%	<b>1.42%</b>	0.76%

Source: Zacks Investment Research, Inc.

Data as of: May 6, 2026

[www.zacks.com](http://www.zacks.com)

Table 8 – Annual Earnings Growth

	Earnings Growth (YoY)								
	2028E	2027E	2026	2025	2024	2023	2022	2021	2020
Consumer Staples	7.0%	6.3%	<b>2.2%</b>	0.7%	4.3%	2.8%	4.0%	11.9%	2.4%
Consumer Discrt	15.4%	12.5%	<b>4.5%</b>	22.0%	8.9%	24.7%	56.2%	156.9%	-79.8%
Retail	17.6%	17.6%	<b>8.1%</b>	12.7%	24.6%	24.5%	-19.4%	43.1%	9.1%
Medical	11.5%	14.7%	<b>6.0%</b>	12.5%	4.2%	-21.4%	7.7%	25.9%	10.6%
Auto/Tires/Trks	-1.5%	18.6%	<b>20.2%</b>	-25.9%	-9.1%	-4.8%	42.4%	110.0%	-20.2%
Basic Materials	9.6%	10.7%	<b>39.4%</b>	-1.7%	-11.7%	-26.0%	4.3%	109.6%	-7.7%
Industrial Prod	12.6%	15.4%	<b>10.8%</b>	-4.3%	-0.6%	16.4%	12.0%	44.6%	-10.9%
Construction	12.6%	15.2%	<b>1.8%</b>	-13.1%	6.1%	-2.0%	18.6%	52.1%	18.8%
Conglomerates	5.8%	7.8%	<b>5.6%</b>	1.0%	-6.5%	-4.1%	1.3%	14.1%	-10.1%
Computer & Tech	17.0%	23.7%	<b>32.7%</b>	22.5%	26.5%	9.3%	-5.0%	40.8%	7.2%
Aerospace	13.9%	19.9%	<b>37.7%</b>	35.5%	-21.9%	15.5%	3.0%	135.6%	-65.9%
Oils/Energy	11.3%	-5.7%	<b>54.2%</b>	-3.0%	-19.6%	-29.3%	153.1%	-5512.8%	-102.9%
Finance	14.8%	9.8%	<b>10.2%</b>	15.3%	11.8%	10.0%	-16.6%	61.5%	-18.3%
Utilities	8.5%	9.1%	<b>9.7%</b>	8.3%	11.6%	9.4%	2.9%	1.3%	1.6%
Transportation	6.0%	19.3%	<b>5.0%</b>	-2.6%	-0.1%	-9.2%	61.2%	360.3%	-84.8%
Business Svcs	13.6%	15.5%	<b>9.5%</b>	9.8%	15.6%	11.2%	15.1%	26.7%	-6.9%
<b>S&amp;P 500</b>	14.4%	15.9%	<b>19.3%</b>	13.1%	11.0%	-0.3%	5.3%	50.5%	-11.3%
Excluding Finance	14.4%	17.1%	<b>21.5%</b>	12.7%	10.8%	-2.4%	11.2%	47.8%	-9.5%
Excluding Oil	14.6%	17.2%	<b>17.7%</b>	14.1%	13.4%	3.0%	-1.3%	43.9%	-7.9%
Excluding Tech	12.7%	11.1%	<b>12.4%</b>	8.9%	5.1%	-3.6%	9.3%	54.6%	-17.4%

Source: Zacks Investment Research, Inc.  
Data as of: May 6, 2026 [www.zacks.com](http://www.zacks.com)

Table 8 (b) – Aggregate Annual Earnings Totals

<u>Zacks Sectors</u>	<u>Annual Earnings (billion dollars)</u>								
	2028E	2027E	2026	2025	2024	2023	2022	2021	2020
Cons. Staples	120.6	112.7	<b>106.0</b>	103.8	103.1	98.8	96.1	92.5	82.6
Cons. Discretionary	106.1	91.9	<b>81.7</b>	78.2	64.1	58.8	47.2	30.2	11.8
Retail/Wholesale	278.7	236.9	<b>201.5</b>	186.3	165.4	132.7	106.6	132.3	92.4
Medical	387.6	347.8	<b>303.3</b>	286.2	254.3	244.2	310.7	288.4	229.0
Autos	33.7	34.2	<b>28.9</b>	24.0	32.4	35.7	37.5	26.3	12.5
Basic Materials	61.6	56.2	<b>50.8</b>	36.4	37.0	42.0	56.7	54.4	26.0
Industrial Products	65.8	58.5	<b>50.7</b>	45.7	47.8	48.1	41.3	36.9	25.5
Construction	38.0	33.7	<b>29.3</b>	28.7	33.1	31.2	31.8	26.8	17.6
Conglomerates	12.8	12.1	<b>11.2</b>	10.6	10.5	11.2	11.7	11.6	10.1
Technology	1572.5	1344.5	<b>1087.1</b>	819.1	668.8	528.9	484.0	509.4	361.7
Aerospace	56.6	49.7	<b>41.4</b>	30.1	22.2	28.4	24.6	23.9	10.1
Oil/Energy	176.9	159.0	<b>168.6</b>	109.3	112.7	140.1	198.3	78.3	-1.4
Finance	634.7	553.0	<b>503.5</b>	456.9	396.4	354.6	322.3	386.3	239.2
Utilities	81.4	75.1	<b>68.8</b>	62.7	57.9	51.9	47.4	46.1	45.5
Transportation	47.4	44.7	<b>37.5</b>	35.7	36.6	36.7	40.4	25.1	5.4
Business Services	130.2	114.5	<b>99.1</b>	90.6	82.5	71.4	64.2	55.8	44.0
<b>S&amp;P 500</b>	3804.6	3324.5	<b>2869.3</b>	2404.3	2124.9	1914.7	1920.8	1824.2	1212.1
ex Finance	3169.9	2771.5	<b>2365.8</b>	1947.4	1728.5	1560.0	1598.5	1437.9	973.0
ex - Oil	3627.7	3165.6	<b>2700.7</b>	2295.0	2012.2	1774.6	1722.6	1745.8	1213.6
ex Tech	2232.1	1980.0	<b>1782.2</b>	1585.2	1456.0	1385.8	1436.9	1314.7	850.4

Source: Zacks Investment Research, Inc.  
Data as of: May 6, 2026

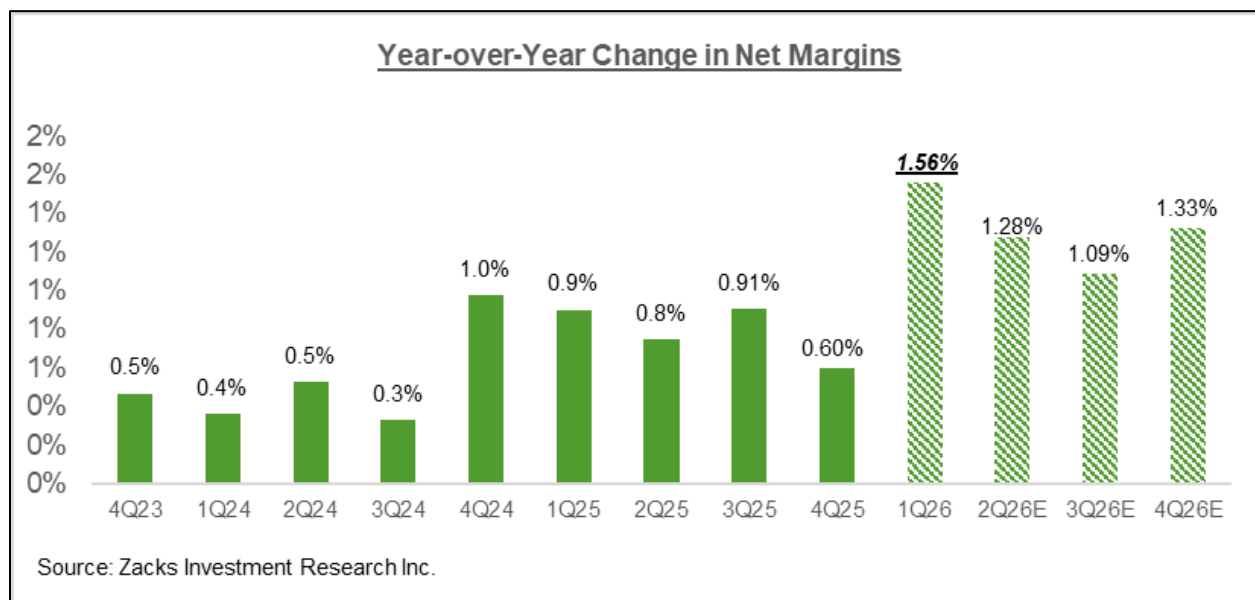
Table 9 – Annual Revenues Growth

Zacks Sectors	Revenue Growth (YoY)								
	2028E	2027E	2026	2025	2024	2023	2022	2021	2020
Cons. Staples	2.2%	3.1%	<b>3.9%</b>	0.8%	0.1%	2.8%	9.9%	9.5%	0.5%
Cons. Discretionary	4.7%	4.1%	<b>4.4%</b>	2.5%	3.8%	11.3%	23.1%	13.3%	-17.3%
Retail/Wholesale	7.5%	10.8%	<b>8.5%</b>	6.6%	1.6%	5.0%	7.0%	13.3%	12.6%
Medical	5.7%	3.6%	<b>6.0%</b>	9.7%	9.0%	5.0%	10.2%	12.5%	9.4%
Autos	6.0%	4.1%	<b>-1.2%</b>	-1.6%	4.6%	13.4%	24.2%	14.1%	-12.9%
Basic Materials	2.3%	3.9%	<b>10.9%</b>	9.7%	-0.7%	-14.3%	9.6%	37.3%	-6.2%
Industrial Products	5.8%	6.7%	<b>7.1%</b>	1.9%	-1.6%	6.9%	11.2%	14.2%	-7.0%
Construction	6.0%	6.6%	<b>5.0%</b>	2.9%	15.2%	5.5%	11.2%	5.5%	0.4%
Conglomerates	4.6%	4.8%	<b>3.4%</b>	5.2%	2.9%	-6.5%	-11.6%	7.6%	-5.8%
Technology	12.5%	16.9%	<b>14.9%</b>	14.1%	8.7%	2.2%	7.8%	19.8%	11.0%
Aerospace	6.3%	8.4%	<b>6.1%</b>	12.8%	4.9%	9.1%	-4.3%	-1.2%	-3.2%
Oil/Energy	1.3%	-1.6%	<b>12.4%</b>	-1.1%	-1.6%	-16.1%	43.6%	68.3%	-32.8%
Finance	4.2%	7.3%	<b>-4.1%</b>	5.0%	5.6%	14.8%	5.2%	13.9%	-3.5%
Utilities	7.6%	1.7%	<b>6.1%</b>	9.2%	0.9%	2.7%	16.3%	14.3%	-7.8%
Transportation	3.8%	4.3%	<b>5.9%</b>	0.3%	1.7%	-2.7%	20.7%	28.2%	-18.5%
Business Services	7.0%	12.4%	<b>5.3%</b>	6.5%	8.0%	11.4%	11.9%	11.2%	1.4%
<b>S&amp;P 500</b>	6.8%	7.8%	<b>6.8%</b>	7.0%	4.9%	3.4%	12.0%	17.5%	-0.3%
ex Finance	7.1%	7.9%	<b>8.5%</b>	7.3%	4.7%	1.8%	13.0%	18.1%	0.3%
ex Oil/Energy	7.2%	8.5%	<b>6.4%</b>	7.6%	5.4%	5.5%	9.3%	14.6%	2.6%

Source: Zacks Investment Research, Inc.  
Data as of: May 6, 2026 [www.zacks.com](http://www.zacks.com)

## The Margins Picture

Net margins (aggregate net income divided by aggregate revenues) are expected to be 14.7% in Q1, up from 13.7% in the preceding period and from 13.1% in the year-earlier period. The chart below shows the year-over-year changes in net margins.

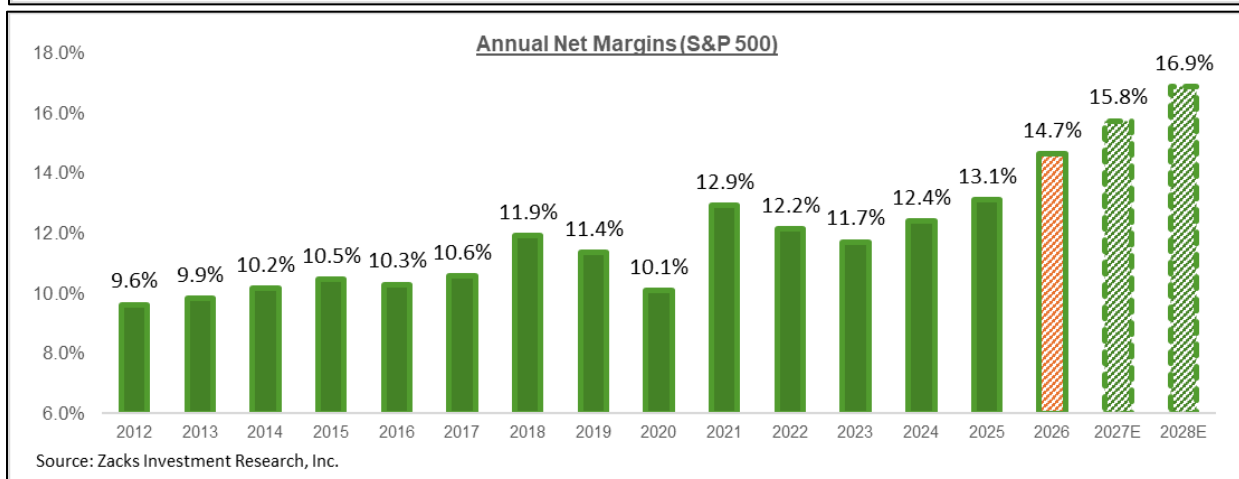


Looking at net margins on an annual basis, full-year 2026 margins are expected to reach 14.7%, up from 2025's 13.1% and 2024's 12.4%. The expectation is for margins to rise to 15.8% in 2027 and 16.9% in 2028.

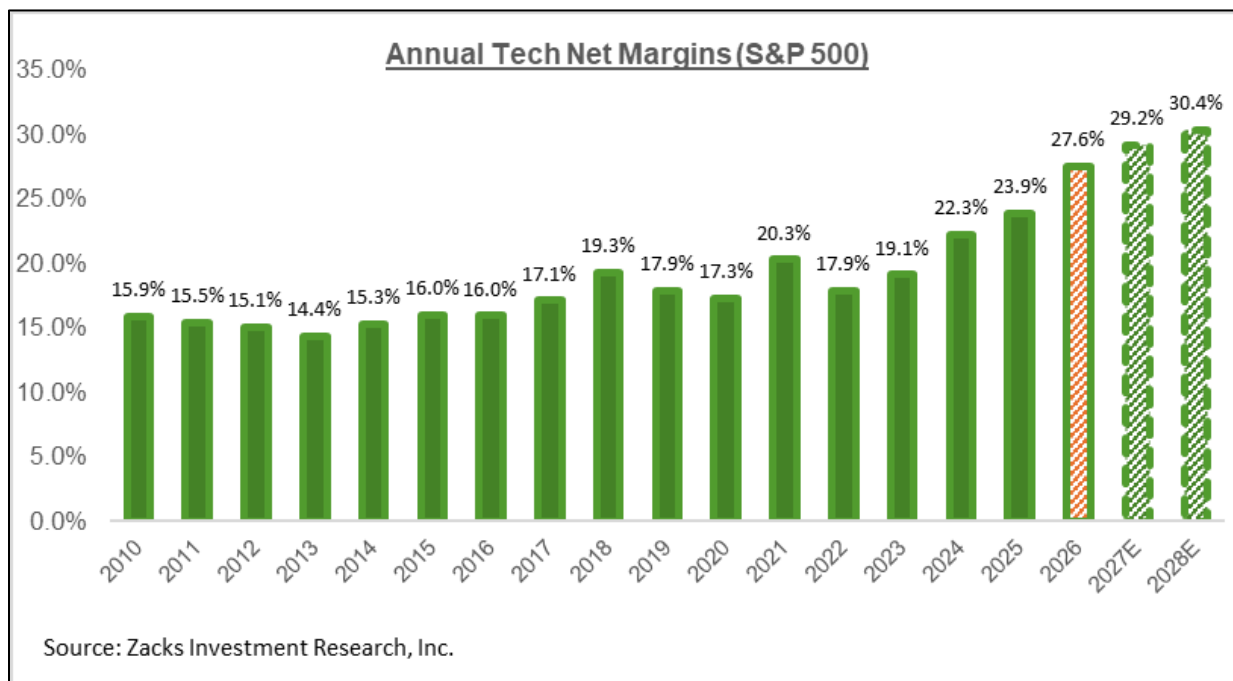
The charts below show current margins expectations in a historical context. The first chart shows margins on a quarterly basis, while the second shows annual margins since 2012.

As you can see in the annual chart, margins reached their cyclical high point in 2018 due to the tax cut legislation, but modestly contracted the following year (2019) and pulled back massively in 2020 due to the pandemic. Margins bounced back impressively in 2021, reaching a new all-time record.

The expectation is that the ongoing inflationary pressures ease over time, with margins expanding in 2026.



A significant portion of this year's margin gains is coming from the Tech sector, as the chart below illustrates.



The Tech sector's favorable margin outlook reflects the ever-rising share of space's profitability from the higher-margin software and services side. The current optimism about the coming AI boom is likely a significant contributor to expectations for next year and beyond.

The emerging tariff regime is expected to become a new headwind for the margins outlook, even if only part of the incrementally higher expense is passed on to end consumers. It is still too early to precisely model the impact of these macroeconomic developments on earnings and margins, but there is little doubt that the net effect will be negative.

## Section 5 - The Small-Cap Data – S&P 600 Index

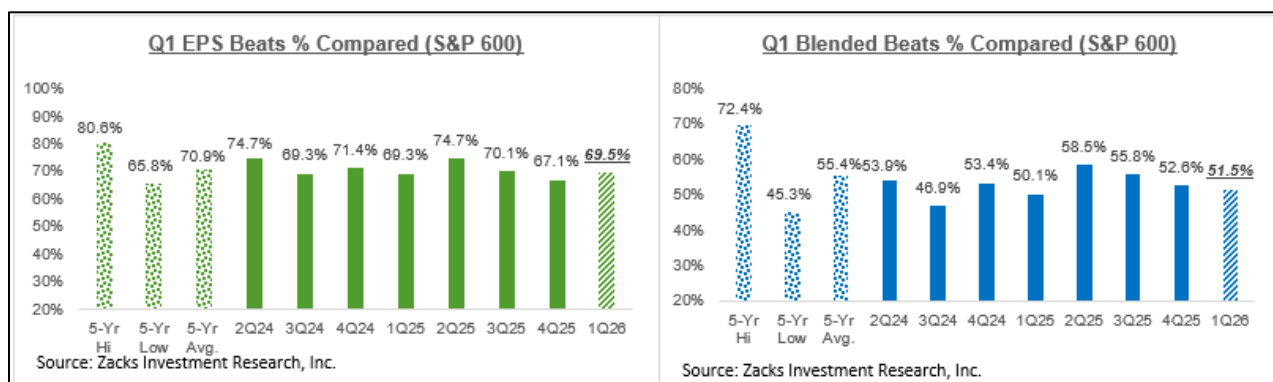
For the S&P 600 index, we now have Q4 results from 371 index members. Total earnings for these companies are up +4.2% from the same period last year on +5.3% higher revenues, with 69.5% beating EPS estimates and 66.8% beating revenue estimates.

	2026 Q1 Scorecard						
	% Reported		Earnings		Revenue		
	Total Companies	Total Market Cap	Growth YoY	Beat %	Growth YoY	Beat %	Blended Beat %
Consumer Staples	56.5%	46.3%	-27.0%	92.3%	-2.9%	53.8%	53.8%
Consumer Discretionary	42.2%	44.7%	18.0%	63.2%	5.6%	68.4%	47.4%
Retail	46.7%	50.9%	-5.5%	71.4%	-0.7%	64.3%	50.0%
Medical	51.4%	54.0%	-11.0%	64.9%	8.0%	70.3%	51.4%
Auto/Tires/Trks	75.0%	78.7%	0.5%	91.7%	5.9%	83.3%	75.0%
Basic Materials	66.7%	77.0%	-41.5%	68.8%	-1.9%	62.5%	43.8%
Industrial Products	69.0%	68.3%	0.9%	70.0%	7.5%	80.0%	65.0%
Construction	68.0%	65.1%	-28.4%	64.7%	-2.7%	58.8%	47.1%
Conglomerates	33.3%	35.1%	-109.7%	100.0%	-25.8%	0.0%	0.0%
Computer & Tech	48.6%	53.3%	40.1%	77.8%	22.5%	83.3%	72.2%
Aerospace	100.0%	100.0%	100.0%	100.0%	21.6%	100.0%	100.0%
Oils/Energy	66.7%	57.8%	-27.5%	50.0%	4.0%	72.7%	45.5%
Finance	77.5%	72.1%	35.0%	66.9%	12.3%	60.5%	45.2%
Utilities	62.5%	62.0%	-136.4%	60.0%	-1.1%	60.0%	30.0%
Transportation	68.4%	68.8%	-101.2%	69.2%	0.3%	61.5%	46.2%
Business Services	46.9%	50.1%	5.0%	86.7%	12.0%	66.7%	60.0%
<b>S&amp;P 600</b>	<b>61.5%</b>	<b>61.1%</b>	<b>4.2%</b>	<b>69.5%</b>	<b>5.3%</b>	<b>66.8%</b>	<b>51.5%</b>
Excluding Finance	55.8%	57.7%	-13.5%	70.9%	4.2%	70.0%	54.7%
Excluding Oil	61.2%	61.4%	5.7%	70.8%	5.4%	66.5%	51.9%

Source: Zacks Investment Research, Inc.

**Data as of:** **May 6, 2026** www.zacks.com

The proportion of these 371 index members beating both EPS and revenue estimates, or the so-called 'blended beats %', is 51.5%.



For the S&P 600 index as a whole, 2026 Q1 earnings are expected to be up +15.1% from the same period last year on +12.8% higher revenues, as the summary table below shows.

Zacks Sectors	Year-over-Year Growth - S&P 600					
	Earnings		Revenues		Margins	
	1Q26E	4Q25	1Q26E	4Q25	1Q26E	4Q25
Cons. Staples	12.6%	-5.6%	7.0%	-1.1%	0.1%	-0.2%
Cons. Discretionary	56.0%	-14.7%	12.6%	0.3%	0.9%	-0.7%
Retail/Wholesale	0.4%	0.6%	0.5%	0.2%	0.0%	0.0%
Medical	-17.2%	-29.9%	46.8%	5.0%	-2.9%	-2.8%
Autos	6.9%	-16.0%	9.0%	1.1%	-0.1%	-0.6%
Basic Materials	-39.7%	-26.6%	-2.3%	-5.9%	-2.7%	-1.4%
Industrial Products	10.0%	4.0%	11.0%	6.5%	-0.1%	-0.2%
Construction	-17.6%	-21.7%	1.7%	-1.9%	-1.1%	-1.5%
Conglomerates	-131.1%	-103.6%	-26.9%	-16.9%	18.2%	6.7%
Technology	44.4%	7.2%	31.8%	11.7%	0.5%	-0.3%
Aerospace	100.0%	55.6%	21.6%	13.1%	2.1%	1.1%
Oil/Energy	-14.7%	-40.8%	6.1%	3.1%	-0.7%	-2.2%
Finance	38.4%	34.3%	17.2%	13.1%	2.5%	2.7%
Utilities	-61.7%	44.6%	12.7%	-10.0%	-3.0%	3.5%
Transportation	-30.5%	108.0%	0.4%	-7.9%	0.3%	1.1%
Business Services	22.5%	19.7%	20.0%	12.2%	0.1%	0.3%
<b>S&amp;P 600</b>	<b>15.1%</b>	<b>4.0%</b>	<b>12.8%</b>	<b>3.1%</b>	<b>0.1%</b>	<b>0.1%</b>
ex Finance	2.5%	-8.9%	12.2%	1.6%	-0.3%	-0.5%
ex Oil/Energy	16.8%	7.2%	13.5%	3.1%	0.2%	0.3%
Source: Zacks Investment Research, Inc.						
Data as of:	May 6, 2026			www.zacks.com		

### The Detailed Small-Cap Earnings Picture (S&P 600)

Let's take a look at how consensus earnings expectations for 2026 Q1 compared to what companies earned in the last few quarters and what they are expected to earn in the coming quarters.

## Quarterly Earnings Growth

	Earnings Growth (YoY)								
	4Q26E	3Q26E	2Q26E	1Q26E	4Q25	3Q25	2Q25	1Q25	4Q24
Consumer Staples	20.5%	16.8%	5.2%	<b>12.6%</b>	-5.6%	9.4%	-3.1%	1.5%	10.5%
Consumer Discrt	54.9%	20.7%	28.8%	<b>56.0%</b>	-14.7%	-14%	-6.8%	-31.2%	23.6%
Retail	4.0%	3.1%	-7.6%	<b>0.4%</b>	0.6%	11.2%	10.5%	-7.8%	2.9%
Medical	50.3%	-24.3%	-4.6%	<b>-17.2%</b>	-29.9%	77.8%	38.0%	14.7%	34.3%
Auto/Tires/Trks	85.6%	25.5%	14.5%	<b>6.9%</b>	-16.0%	5.7%	0.1%	10.2%	7.2%
Basic Materials	40.3%	24.1%	7.9%	<b>-39.7%</b>	-26.6%	-14.7%	-2.9%	-1.6%	-0.5%
Industrial Prod	56.7%	34.3%	30.2%	<b>10.0%</b>	4.0%	16.1%	5.9%	12.1%	-6.8%
Construction	11.0%	5.2%	-6.4%	<b>-17.6%</b>	-21.7%	-9.7%	-1.7%	-1.3%	21.2%
Conglomerates	3242.2%	25.6%	-82.2%	<b>-131.1%</b>	-103.6%	-132.7%	319.1%	2242.9%	-800.0%
Computer & Tech	49.2%	35.3%	45.7%	<b>44.4%</b>	7.2%	33.9%	36.8%	54.8%	24.7%
Aerospace	21.4%	6.4%	5.8%	<b>100.0%</b>	55.6%	75.0%	86.1%	480.0%	-775.0%
Oils/Energy	119.0%	43.3%	42.8%	<b>-14.7%</b>	-40.8%	N/M	N/M	-16.8%	-18.7%
Finance	16.7%	23.9%	27.2%	<b>38.4%</b>	34.3%	46.9%	10.9%	17.8%	27.1%
Utilities	-24.2%	153.5%	42.7%	<b>-61.7%</b>	44.6%	-37.4%	33.3%	-27.4%	-10.0%
Transportation	123.8%	37.9%	-8.2%	<b>-30.5%</b>	108.0%	48.4%	-183.5%	218.4%	31.4%
Business Svcs	19.9%	21.9%	14.0%	<b>22.5%</b>	19.7%	4.3%	-0.3%	-2.4%	0.5%
<b>S&amp;P 600</b>	<b>30.8%</b>	<b>19.5%</b>	<b>17.2%</b>	<b>15.1%</b>	<b>4.0%</b>	<b>28.4%</b>	<b>11.4%</b>	<b>4.4%</b>	<b>12.7%</b>
Excluding Finance	39.7%	17.5%	12.6%	<b>2.5%</b>	-8.9%	21.2%	11.6%	-1.6%	7.6%
Excluding Oil	27.4%	17.7%	15.6%	<b>16.8%</b>	7.2%	22.7%	14.3%	5.9%	15.9%

Source: Zacks Investment Research, Inc.

Data as of: May 6, 2026 www.zacks.com

## Quarterly Revenue Growth

	Revenue Growth (YoY)								
	4Q26E	3Q26E	2Q26E	1Q26E	4Q25	3Q25	2Q25	1Q25	4Q24
Cons. Staples	10.2%	10.5%	8.7%	<b>7.0%</b>	-1.1%	-0.2%	-1.3%	2.3%	3.0%
Cons. Discretionary	12.7%	10.5%	10.4%	<b>12.6%</b>	0.3%	0.0%	2.8%	-2.1%	2.5%
Retail/Wholesale	2.5%	2.1%	2.5%	<b>0.5%</b>	0.2%	3.8%	3.2%	2.5%	3.0%
Medical	51.6%	46.4%	49.7%	<b>46.8%</b>	5.0%	9.3%	7.0%	7.9%	12.3%
Autos	13.5%	13.7%	10.7%	<b>9.0%</b>	1.1%	0.3%	-2.9%	-3.6%	-2.2%
Basic Materials	6.8%	6.6%	5.0%	<b>-2.3%</b>	-5.9%	-1.8%	1.8%	-1.1%	-1.8%
Industrial Products	10.1%	12.3%	11.1%	<b>11.0%</b>	6.5%	4.6%	5.2%	4.3%	4.3%
Construction	7.6%	6.3%	4.4%	<b>1.7%</b>	-1.9%	10.2%	29.1%	31.4%	27.3%
Conglomerates	-13.4%	-16.5%	-15.4%	<b>-26.9%</b>	-16.9%	-19.2%	-21.5%	-23.5%	-2.4%
Technology	23.8%	27.8%	28.6%	<b>31.8%</b>	11.7%	5.6%	1.7%	0.8%	0.5%
Aerospace	1.9%	1.9%	13.4%	<b>21.6%</b>	13.1%	11.4%	13.5%	14.7%	22.5%
Oil/Energy	10.5%	10.6%	9.8%	<b>6.1%</b>	3.1%	-1.4%	-0.7%	2.2%	-7.1%
Finance	9.3%	11.5%	12.4%	<b>17.2%</b>	13.1%	11.4%	6.1%	3.1%	18.5%
Utilities	29.2%	29.8%	14.5%	<b>12.7%</b>	-10.0%	-19.3%	-9.8%	-7.9%	-10.9%
Transportation	14.9%	7.8%	6.1%	<b>0.4%</b>	-7.9%	-1.9%	-0.6%	-1.5%	4.0%
Business Services	11.1%	13.7%	12.5%	<b>20.0%</b>	12.2%	9.0%	8.0%	1.6%	-0.2%
<b>S&amp;P 600</b>	<b>13.9%</b>	<b>13.7%</b>	<b>13.0%</b>	<b>12.8%</b>	<b>3.1%</b>	<b>3.5%</b>	<b>3.7%</b>	<b>2.6%</b>	<b>4.5%</b>
ex Finance	14.6%	14.1%	13.1%	<b>12.2%</b>	1.6%	2.3%	3.4%	2.5%	2.6%
ex Oil/Energy	14.2%	14.0%	13.3%	<b>13.5%</b>	3.1%	4.0%	4.2%	2.6%	5.7%

Source: Zacks Investment Research, Inc.

Data as of: May 6, 2026 www.zacks.com

The next two tables present the same data in a different format – instead of year-over-year growth rates, we have the dollar level of total earnings and revenues for each of these quarters.

### Total Quarterly Earnings

Zacks Sectors	Quarterly Earnings (billion dollars)								
	4Q26E	3Q26E	2Q26E	1Q26E	4Q25	3Q25	2Q25	1Q25	4Q24
Cons. Staples	0.85	0.80	0.76	0.54	0.70	0.69	0.72	0.48	0.75
Cons. Discretionary	1.96	2.07	2.18	1.09	1.27	1.72	1.69	0.70	1.49
Retail/Wholesale	2.25	1.46	1.67	1.18	2.16	1.42	1.81	1.18	2.15
Medical	2.28	2.01	1.89	1.39	1.52	2.66	1.99	1.68	2.17
Autos	0.84	0.95	0.86	0.71	0.45	0.76	0.75	0.66	0.54
Basic Materials	1.23	1.53	1.54	0.78	0.87	1.24	1.42	1.29	1.19
Industrial Products	1.55	1.55	1.43	1.10	0.99	1.15	1.10	1.00	0.95
Construction	1.36	1.63	1.51	0.95	1.23	1.55	1.61	1.15	1.57
Conglomerates	0.13	0.07	0.05	0.05	0.00	0.05	0.29	-0.16	-0.11
Technology	2.78	2.48	2.08	1.99	1.86	1.83	1.43	1.38	1.74
Aerospace	0.05	0.04	0.07	0.06	0.04	0.04	0.07	0.03	0.03
Oil/Energy	1.91	2.45	1.99	0.83	0.87	1.71	1.39	0.97	1.47
Finance	10.34	9.65	9.38	8.53	8.87	7.79	7.37	6.17	6.60
Utilities	0.57	0.40	0.41	0.16	0.76	0.16	0.28	0.42	0.52
Transportation	0.64	0.57	0.32	-0.11	0.29	0.41	0.34	-0.16	0.14
Business Services	1.35	1.38	1.14	1.04	1.12	1.13	1.00	0.85	0.94
<b>S&amp;P 600</b>	<b>30.10</b>	<b>29.06</b>	<b>27.26</b>	<b>20.29</b>	<b>23.01</b>	<b>24.31</b>	<b>23.26</b>	<b>17.63</b>	<b>22.12</b>
ex Finance	19.76	19.41	17.89	11.75	14.14	16.52	15.89	11.46	15.52
ex - Oil	28.19	26.61	25.28	19.46	22.13	22.60	21.87	16.66	20.65

Source: Zacks Investment Research, Inc.  
Data as of: May 6, 2026 [www.zacks.com](http://www.zacks.com)

### Total Quarterly Revenues

Zacks Sectors	Quarterly Revenues (billion dollars)								
	4Q26E	3Q26E	2Q26E	1Q26E	Q421	3Q25	2Q25	1Q25	4Q24
Cons. Staples	22.30	21.70	21.69	20.61	20.23	19.64	19.96	19.26	20.46
Cons. Discretionary	35.15	35.08	34.76	32.42	31.20	31.74	31.50	28.78	31.11
Retail/Wholesale	51.77	48.21	49.04	45.25	50.50	47.22	47.83	45.02	50.38
Medical	41.08	39.59	38.75	37.56	27.10	27.05	25.89	25.59	25.82
Autos	18.26	19.07	18.96	18.10	16.09	16.78	17.12	16.60	15.92
Basic Materials	18.76	19.97	20.58	17.97	17.56	18.73	19.59	18.39	18.66
Industrial Products	16.70	16.92	16.86	15.87	15.17	15.06	15.18	14.30	14.25
Construction	22.86	23.83	23.01	19.46	21.24	22.42	22.04	19.13	21.65
Conglomerates	1.26	1.14	1.12	0.94	1.46	1.37	1.32	1.29	1.76
Technology	36.11	35.10	33.86	33.64	29.17	27.47	26.34	25.53	26.12
Aerospace	1.05	0.98	1.17	1.08	1.03	0.97	1.03	0.89	0.91
Oil/Energy	32.92	33.36	32.29	31.06	29.80	30.18	29.41	29.26	28.89
Finance	55.81	54.01	52.87	52.06	51.07	48.45	47.06	44.42	45.13
Utilities	10.41	9.66	9.47	10.38	8.06	7.44	8.28	9.21	8.95
Transportation	16.93	17.41	16.99	15.15	14.74	16.15	16.01	15.08	16.01
Business Services	23.74	23.77	23.05	22.96	21.36	20.90	20.49	19.14	19.03
<b>S&amp;P 600</b>	<b>405.11</b>	<b>399.80</b>	<b>394.44</b>	<b>374.52</b>	<b>355.76</b>	<b>351.56</b>	<b>349.04</b>	<b>331.90</b>	<b>345.04</b>
ex Finance	349.30	345.79	341.57	322.46	304.69	303.11	301.98	287.48	299.91
ex Oil/Energy	372.19	366.44	362.16	343.47	325.96	321.38	319.63	302.64	316.15

Source: Zacks Investment Research, Inc.  
Data as of: May 6, 2026 [www.zacks.com](http://www.zacks.com)

Looking at the small-cap index on an annual basis, earnings growth turned positive in 2025 after two years of declines, as the following tables show.

Zacks Sectors	Annual Earnings (billion dollars)								
	2028E	2027E	2026	2025	2024	2023	2022	2021	2020
Cons. Staples	3.6	3.3	2.9	3.1	2.5	2.6	3.5	3.5	2.9
Cons. Discretionary	9.9	8.6	7.4	6.6	6.3	7.1	7.3	5.8	1.0
Retail/Wholesale	8.3	7.4	6.6	6.6	6.2	6.7	8.3	9.2	3.5
Medical	12.2	10.0	7.6	8.3	6.5	4.4	4.0	5.3	2.2
Autos	4.4	4.0	3.3	2.9	2.6	2.6	2.8	3.0	1.7
Basic Materials	7.2	6.7	5.5	4.8	5.1	6.0	7.7	6.7	3.5
Industrial Products	6.9	6.5	5.5	4.2	4.1	3.5	2.6	2.0	1.4
Construction	6.7	6.2	5.5	5.7	6.4	6.3	6.8	5.4	3.1
Conglomerates	0.4	0.4	0.3	0.2	-0.2	0.0	-0.9	0.1	-0.2
Technology	13.2	11.7	9.6	9.5	4.7	5.9	7.8	6.4	3.3
Aerospace	0.3	0.3	0.2	0.1	0.0	0.1	0.2	0.2	0.2
Oil/Energy	10.7	9.2	7.2	5.0	5.0	8.8	9.0	1.9	-0.9
Finance	43.9	42.4	38.6	31.8	23.3	21.9	24.4	30.9	16.7
Utilities	2.5	2.3	2.1	1.6	1.4	1.6	3.3	3.8	3.4
Transportation	3.8	3.0	1.3	0.9	1.0	2.4	5.1	3.6	-0.4
Business Services	6.6	5.9	5.0	4.5	3.9	4.2	4.7	4.1	3.2
<b>S&amp;P 600</b>	<b>140.8</b>	<b>127.7</b>	<b>108.5</b>	<b>95.9</b>	<b>78.8</b>	<b>84.2</b>	<b>96.8</b>	<b>91.9</b>	<b>44.6</b>
ex Finance	96.9	85.4	69.9	64.1	55.5	62.3	72.4	61.0	27.9
ex - Oil	130.1	118.5	101.3	90.9	73.8	75.4	87.8	90.0	45.5

Source: Zacks Investment Research, Inc.  
Data as of: May 6, 2026

The chart below represents the total earnings of the small-cap index, rather than the growth rates.

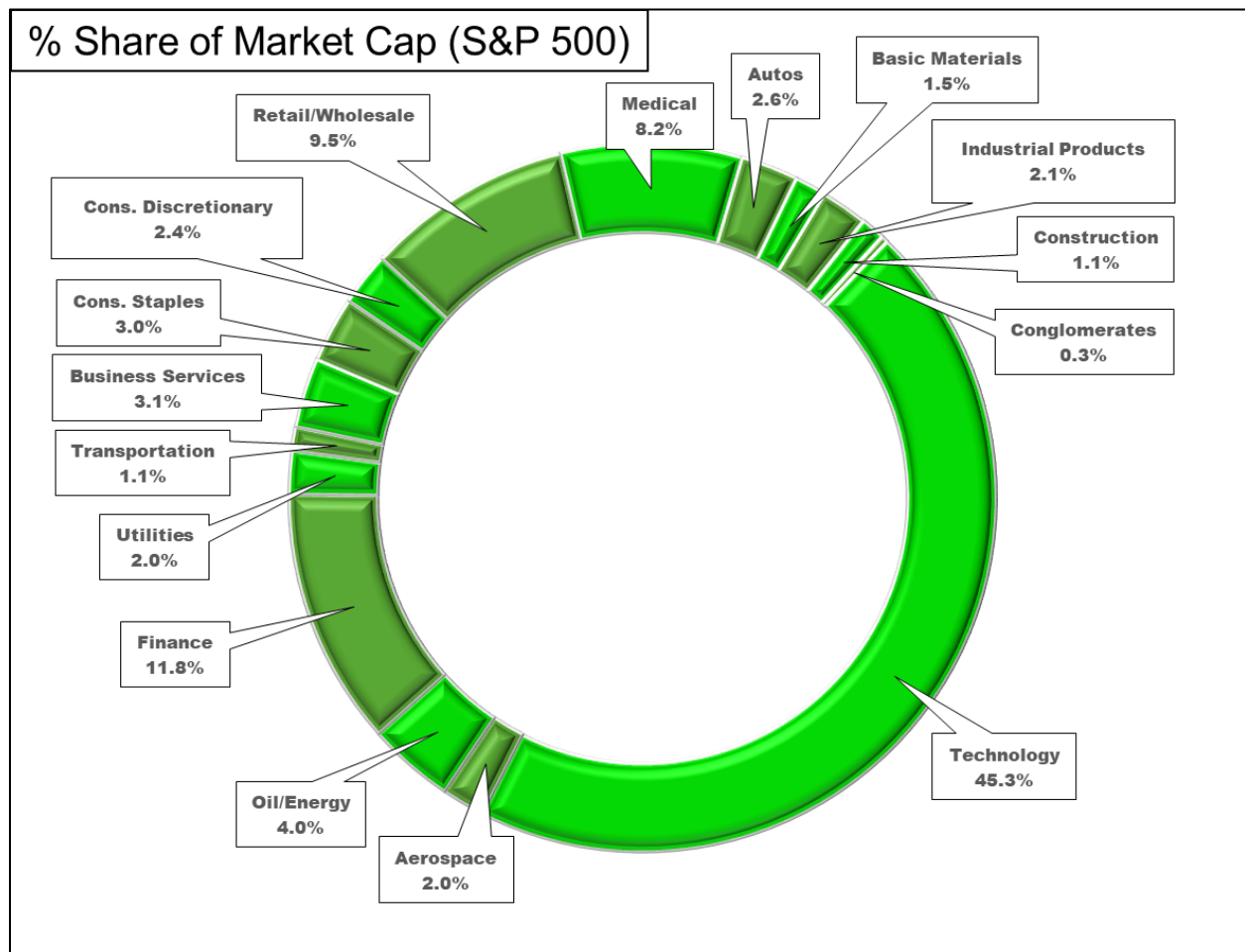


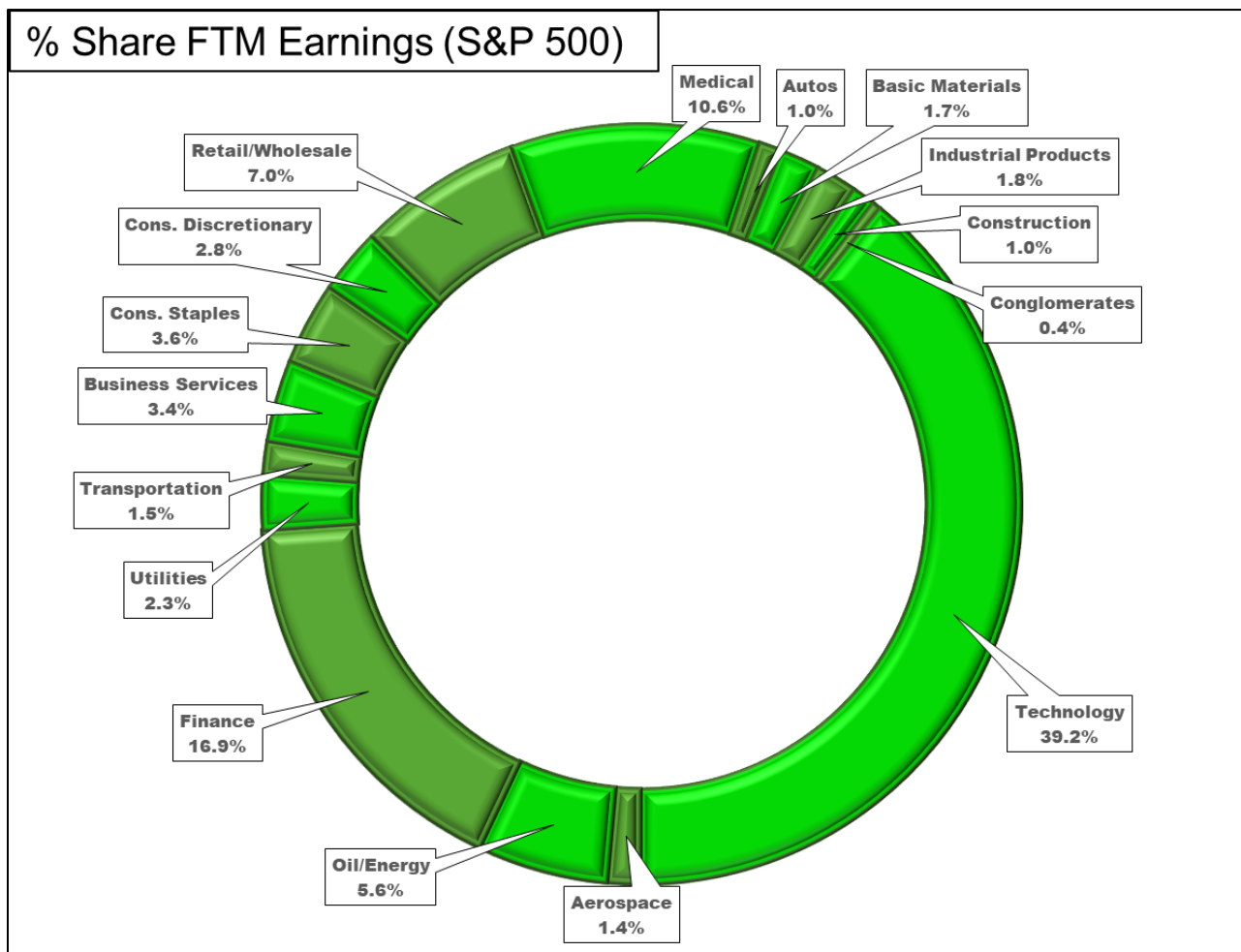
## Section 6: Market Cap vs. Total Earnings

The charts below show the share of total forward 12-month earnings (next four quarters) as well as the share of total market capitalization for each of the 16 Zacks sectors in the S&P 500 index. Since the S&P 500 is a market-cap-weighted index, each sector's market cap share is also its index weight.

The Finance and Technology sectors account for the lion's share of the index's total market capitalization and also contribute a large proportion of its total earnings. Technology is by far the biggest earnings contributor, as you can see in the charts below.

Relative market cap weights in the small-cap S&P 600 index are totally different from the large-cap index. The Finance sector is a much bigger part of the small-cap index, while the Tech sector is a significantly smaller part.





***Want more information about this report or about Zacks Investment Research?***

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