View from the Observation Deck

1. Today’s blog post provides investors with a three-year look into the expected revenue growth rates of the companies that comprise the S&P 500 Index.

2. The S&P 500 Index closed the trading session on 8/15/16 at an all-time high of 2,190.15, according to Bloomberg.

3. As indicated in the chart, as of 8/12/16, the estimated revenue growth rate for the S&P 500 Index for 2016 was 1.8%. When you exclude Energy, the rate bumps to 2.9% (not in chart), according to Bloomberg.

4. Energy, Materials, and Industrials, which had negative growth rate estimates for 2016 as of 8/12/16, are expected to rebound in 2017.

5. Estimates for the S&P 500 Index and 8 of the 10 major sectors that comprise the index reflect stronger year-over-year (y-o-y) revenue growth for 2017, and five out of the 10 sectors have higher y-o-y estimates for 2018.

6. The forecast for revenue growth is relatively optimistic, in our opinion.