

# Cash Flow and Carey



**Robert Carey, CFA**  
Chief Market Strategist



**Peter Leonteos**  
Market Strategist

5/19/26

This chart is for illustrative purposes only and not indicative of any actual investment. There can be no assurance that any of the projections cited will occur. The illustration excludes the effects of taxes and brokerage commissions or other expenses incurred when investing. Investors cannot invest directly in an index. The S&P 500 Index is an unmanaged index of 500 companies used to measure large-cap U.S. stock market performance. The respective S&P 500 Sector Indices are capitalization-weighted and comprised of S&P 500 constituents representing a specific sector.

The information presented is not intended to constitute an investment recommendation for, or advice to, any specific person. By providing this information, First Trust is not undertaking to give advice in any fiduciary capacity within the meaning of ERISA, the Internal Revenue Code or any other regulatory framework. Financial professionals are responsible for evaluating investment risks independently and for exercising independent judgment in determining whether investments are appropriate for their clients.

## S&P 500 Index Earnings & Revenue Growth Rate Estimates

S&P 500 & Sector Indices (Estimated Y-O-Y Earnings & Revenue Growth Rates as of 5/15/26)

	2026 Earnings Est.	2027 Earnings Est.	2026 Revenue Est.	2027 Revenue Est.
<b>S&amp;P 500 Index</b>	22.6%	14.7%	10.4%	7.1%
<b>Communication Services</b>	20.2%	6.2%	12.1%	8.2%
<b>Consumer Discretionary</b>	14.8%	13.8%	7.7%	8.1%
<b>Consumer Staples</b>	6.5%	8.4%	6.0%	4.7%
<b>Energy</b>	61.2%	-7.5%	16.0%	-4.8%
<b>Financials</b>	8.8%	11.1%	6.8%	5.8%
<b>Health Care</b>	6.0%	14.8%	4.9%	5.0%
<b>Industrials</b>	11.9%	17.6%	8.4%	7.3%
<b>Information Technology</b>	47.0%	25.9%	27.8%	18.5%
<b>Materials</b>	39.4%	11.4%	9.9%	3.5%
<b>Real Estate</b>	4.3%	5.6%	9.2%	7.5%
<b>Utilities</b>	11.8%	9.4%	9.5%	3.6%

Source: Bloomberg. Consensus estimates using fiscal year revenue from each company.

### View from the Observation Deck

Today's post provides an update to 2026 and 2027 earnings and revenue growth rate estimates for the S&P 500 Index ("Index") and each of its eleven sectors. The Index closed at 7,409 on 5/15/26, below its all-time high of 7,501 (5/14/26), and up a staggering 50.7% (total return) from its most recent low of 4,983 (4/8/25). For comparison, from 1928-2025 (98 years) the Index posted an average annual total return of 9.8%.

#### Calendar year 2026 earnings growth rate estimates increased since our last post on this topic.

The Index's year-over-year (y-o-y) earnings growth rate estimates were observed at 22.6% and 14.7% in 2026 and 2027, respectively, on 5/15/26. Estimates for calendar year 2026 have increased since our last post when they came in at 13.7%. [Click here](#) to view that post. Not a single sector is estimated to see earnings decline y-o-y in 2026.

#### Revenue growth rate estimates remain favorable as well. In fact, observations for 2026 also increased since our last post on this topic.

The Index's 2026 estimated y-o-y revenue growth rate totaled 10.4% on 5/15/26, up from 7.3% on 2/23/26 (the date of our last post). Each of the Index's eleven sectors reflect positive y-o-y revenue growth rate estimates in 2026, with ten of them estimated to surpass 5.0% (up from nine in February). Information Technology commands the highest estimated revenue growth rates at 27.8% and 18.5% in 2026 and 2027, respectively.

### Takeaway

Earnings and revenue growth rate estimates reflect continued strength, with ten of the Index's eleven sectors seeing increased 2026 earnings growth rate estimates since 2/23/26 (data from our last post on this topic). The Index itself saw estimated 2026 earnings growth rates increase from an already favorable 13.7% in February, to an astonishing 22.6% on 5/15/26. Unsurprisingly, increased estimates translated into higher equity prices, with the Index surging to an all-time high of 7,501 on 5/14/26. Revenue growth rates remain persistently positive as well, with 2026 and 2027 registering estimated increases of 10.4% and 7.1%, respectively. We find calendar year 2026 estimates particularly notable as they reflect difficult comparisons for most sectors (2025 earnings were also quite strong). As revealed in the table, Energy, Information Technology and Materials stand out among their peers for 2026 earnings growth rate estimates. That said, the increases in earnings growth rate estimates exhibit wide dispersion. As noted above, 2026 estimates increased for ten of the Index's eleven sectors over the past few months. Time will ultimately reveal the accuracy of these estimates, but we maintain that higher revenues could be the best catalyst for continued earnings growth.