

Cash Flow and Carey



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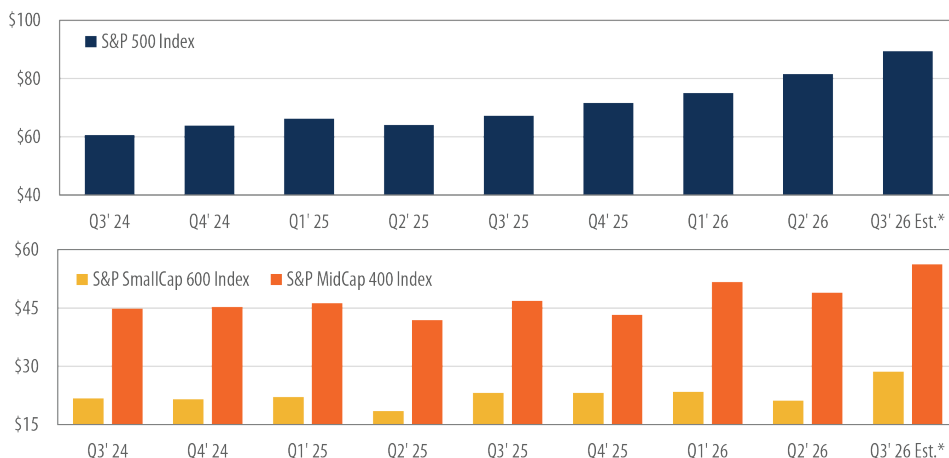
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This chart is for illustrative purposes only and not indicative of any actual investment. The illustration excludes the effects of taxes and brokerage commissions and other expenses incurred when investing. Investors cannot invest directly in an index. The S&P 500 Index is an unmanaged index of 500 companies used to measure large-cap U.S. stock market performance. The S&P MidCap 400 Index is a capitalization-weighted index that tracks the mid-range sector of the U.S. stock market. The S&P SmallCap 600 Index is a capitalization-weighted index that tracks U.S. stocks with a small market capitalization.

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Corporate Earnings Estimates Signal Strength Ahead

Major U.S. Equity Index Earnings + Estimates (Quarterly)



Source: Bloomberg. Data as of 8/3/26. *Represents consensus estimates for each index constituent.

Past performance is no guarantee of future results.

View from the Observation Deck

Today's charts are intended to give investors a visual perspective on historical and estimated earnings performance for the S&P 500 Index ("LargeCap Index"), the S&P MidCap 400 Index ("MidCap Index"), and the S&P SmallCap 600 Index ("SmallCap Index"). The charts track each Index's quarterly earnings per share (EPS) from Q3'24 through Q2'26. They also include Bloomberg's estimated EPS for Q3'26.

As the charts reveal, Q2'26 EPS have increased for each of the three indices in today's charts (data through August 3, 2026).

Year-over-year EPS increased by 27.2% (LargeCap Index) and 16.8% (MidCap Index), and 14.8% (SmallCap Index) so far in Q2'26.

Earnings growth is expected to persist in Q3'26, with earnings growth rate estimates of 20% or higher for each of the three indices.

Analysts currently estimate year-over-year earnings will increase by 32.9%, 20.0%, and 23.7% for the LargeCap, MidCap, and SmallCap Indices, respectively, in Q3'26.

Estimated 2026 calendar year EPS for each Index were as follows (not in the charts): S&P 500 Index (354.46); S&P MidCap 400 Index (219.63); S&P SmallCap 600 Index (107.53).

Year-over-year earnings growth rates implied by these estimates are as follows: S&P 500 Index (+31.9%); S&P MidCap 400 Index (+23.7%); S&P SmallCap 600 Index (+23.2%). Calendar year 2026 estimates are particularly notable for the LargeCap and SmallCap Indices given tough comparisons from the previous year. Data from Bloomberg shows that LargeCap and SmallCap earnings increased by 12.5% and 8.5%, respectively, in 2025.

Takeaway

Investors have increased their allocations to SMID cap stocks since the start of the year, sending the SmallCap and MidCap Indices surging by 23.7% and 15.8% (total return), respectively, year-to-date through August 3. For comparison, the LargeCap Index returned 11.8% over the same period. We believe that corporate earnings drive the direction of stock prices over time, especially when the major indices are trading at or near record highs. Analyst estimates have increased as the year has unfolded, with LargeCap, MidCap, and SmallCap Index EPS estimated to reach a record 354.46, 219.63, and 107.53, respectively, in 2026 (as of August 3). For comparison, analyst estimates were much lower at the start of the year, with the same indices estimated to see calendar year 2026 earnings of 310.84, 202.91, and 96.06 on 12/31/25. As always, these are estimates and are subject to change (and have changed since our last post). We will continue to report back as developments warrant.