Stock Market Briefing: S&P 500 Sectors & Industries Profit Margins

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S&P 500 Profit Margin

**Figure 1.**

S&P 500 PROFIT MARGIN
(percent, quarterly)

[Graph showing profit margin over time with lines labeled Operating (11.9) and Reported (10.2).]

Source: Standard & Poor’s Corporation (revenues and reported EPS) and Thomson Reuters I/B/E/S (operating EPS).

**Figure 2.**

S&P 500 PROFIT MARGIN
(percent, trailing four-quarter average)

[Graph showing profit margin over time with lines labeled Operating (11.1) and Reported (9.1).]

Source: Standard & Poor’s Corporation (revenues and reported EPS) and Thomson Reuters I/B/E/S (operating EPS).
Figure 3.

S&P 500 OPERATING PROFIT MARGIN
(percent)

- Quarterly (11.9)
- Trailing four-quarter average (11.1)

Source: Standard & Poor's Corporation.

Figure 4.

S&P 500 REPORTED PROFIT MARGIN
(percent)

- Quarterly (10.2)
- Trailing four-quarter average (9.1)

Source: Standard & Poor’s Corporation and Thomson Reuters I/B/E/S and Bureau of Economic Analysis.
Figure 5.

S&P 500 PROFIT MARGIN
(percentage, using analysts’ average earnings and revenues forecasts)

Consensus Forecasts
- Annual
- 52-week forward*

* Time-weighted average of the consensus estimates for current year and next year. Monthly through December 2005, then weekly.
Source: Thomson Reuters I/B/E/S.

Figure 6.

S&P 500 PROFIT MARGIN MEASURES
(percentage)

S&P 500 Operating Profit Margins
- Forward*
- Actual (trailing 4Q average)

* Forward earnings divided by forward revenues.
Source: Thomson Reuters I/B/E/S and Standard & Poor’s.
**S&P 500 Profit Margin**

*Figure 7.*

S&P 500 index (2697.8)

Operating trailing
4-quarter profit margin (11.4)

Source: Standard & Poor’s Corporation and Thomson Reuters I/B/E/S.

*Figure 8.*

S&P 500 index (2697.8)

Forward profit margin (12.2)


Source: Standard & Poor’s Corporation and Thomson Reuters I/B/E/S.
S&P 500 Sectors Operating Profit Margins

* Operating margin in percent and based on trailing 4-quarter EPS and sales.
Source: Standard & Poor’s.
Figure 10.

S&P 500 Sectors Forecasted & Actual Profit Margins

* Actual from S&P based on trailing 4-quarter EPS and sales. Forecast implied from Thomson Reuters I/B/E/S consensus forward EPS and sales, and pushed one year ahead.

Source: Standard & Poor's Corporation (trailing 4-quarter margin) and Thomson Reuters I/B/E/S (forward margin).
Figure 11.

**S&P 500 OPERATING PROFIT MARGINS: CONSUMER DISCRETIONARY**
(trailing 4-quarter EPS, percent)

Q1

Source: Standard & Poor’s, Thomson Reuters I/B/E/S, and Haver Analytics.

Figure 12.

**S&P 500 OPERATING PROFIT MARGINS: CONSUMER DISCRETIONARY**
(trailing 4-quarter EPS, percent)

Source: Standard & Poor’s, Thomson Reuters I/B/E/S, and Haver Analytics.
Figure 13.

S&P 500 OPERATING PROFIT MARGINS: CONSUMER DISCRETIONARY
(trailing 4-quarter EPS, percent)

- Consumer Discretionary Sector (7.6)
- Apparel Retail (7.5)
- Department Stores (3.7)
- Specialty Stores (5.9)

Source: Standard & Poor’s, Thomson Reuters I/B/E/S, and Haver Analytics.

Figure 14.

S&P 500 OPERATING PROFIT MARGINS: CONSUMER DISCRETIONARY
(trailing 4-quarter EPS, percent)

- Consumer Discretionary Sector (7.6)
- Household Appliances (5.3)
- Homebuilding (7.9)
- Computer & Electronics Retail (3.0)
- Home Improvement Retail (7.4)

Margins capped at -2% due to extreme values.

Source: Standard & Poor’s, Thomson Reuters I/B/E/S, and Haver Analytics.
Figure 15.

S&P 500 OPERATING PROFIT MARGINS: CONSUMER STAPLES
(trailing 4-quarter EPS, percent)

Source: Standard & Poor’s, Thomson Reuters I/B/E/S, and Haver Analytics.

Figure 16.

S&P 500 OPERATING PROFIT MARGINS: CONSUMER STAPLES
(trailing 4-quarter EPS, percent)

Source: Standard & Poor’s, Thomson Reuters I/B/E/S, and Haver Analytics.
S&P 500 OPERATING PROFIT MARGINS: ENERGY
(trailing 4-quarter EPS, percent)

- Energy Sector (4.4)
- Integrated Oil & Gas (5.4)
- Oil & Gas Refining & Marketing (2.4)

Source: Standard & Poor’s, Thomson Reuters I/B/E/S, and Haver Analytics.

S&P 500 OPERATING PROFIT MARGINS: ENERGY
(trailing 4-quarter EPS, percent)

- Energy Sector (4.4)
- Oil & Gas Drilling (2.2)
- Oil & Gas Equipment & Services (2.6)
- Oil & Gas Exploration & Production (-2.4)

Source: Standard & Poor’s, Thomson Reuters I/B/E/S, and Haver Analytics.
Health Care

Figure 19.
S&P 500 OPERATING PROFIT MARGINS: HEALTH CARE
(trailing 4-quarter EPS, percent)

- Health Care Sector (8.9)
- Biotechnology (37.3)
- Health Care Equipment (18.2)
- Managed Health Care (4.0)

Source: Standard & Poor’s, Thomson Reuters I/B/E/S, and Haver Analytics.

Figure 20.
S&P 500 OPERATING PROFIT MARGINS: HEALTH CARE
(trailing 4-quarter EPS, percent)

- Health Care Sector (6.9)
- Pharmaceuticals (25.8)
- Health Care Facilities (6.7)
- Health Care Distributors (1.4)

Source: Standard & Poor’s, Thomson Reuters I/B/E/S, and Haver Analytics.
Industrials

Figure 21.

S&P 500 OPERATING PROFIT MARGINS: INDUSTRIALS
(trailing 4-quarter EPS, percent)

Industrials Sector (9.5)
Construction Machinery & Heavy Trucks (6.8)
Industrial Conglomerates (13.2)
Industrial Machinery (10.4)

Source: Standard & Poor’s, Thomson Reuters I/B/E/S, and Haver Analytics.

Figure 22.

S&P 500 OPERATING PROFIT MARGINS: INDUSTRIALS
(trailing 4-quarter EPS, percent)

Aerospace & Defense (7.9)
Electrical Components & Equipment (11.0)

Source: Standard & Poor’s, Thomson Reuters I/B/E/S, and Haver Analytics.
Figure 23.

S&P 500 OPERATING PROFIT MARGINS: INFORMATION TECHNOLOGY
(trailing 4-quarter EPS, percent)

Source: Standard & Poor’s, Thomson Reuters I/B/E/S, and Haver Analytics.

Figure 24.

S&P 500 OPERATING PROFIT MARGINS: INFORMATION TECHNOLOGY
(trailing 4-quarter EPS, percent)

Source: Standard & Poor’s, Thomson Reuters I/B/E/S, and Haver Analytics.
Figure 25.

S&P 500 OPERATING PROFIT MARGINS: MATERIALS
(trailing 4-quarter EPS, percent)

Source: Standard & Poor’s, Thomson Reuters I/B/E/S, and Haver Analytics.

Figure 26.

S&P 500 OPERATING PROFIT MARGINS: MATERIALS
(trailing 4-quarter EPS, percent)

Source: Standard & Poor’s, Thomson Reuters I/B/E/S, and Haver Analytics.
Figure 27.

S&P 500 OPERATING PROFIT MARGINS: MATERIALS
(trailing 4-quarter EPS, percent)
- Materials Sector (9.7)
- Gold (8.4)
- Metal & Glass Containers (5.5)
- Diversified Metals & Mining (3.8)
- Paper Packaging (6.0)

Source: Standard & Poor’s, Thomson Reuters I/B/E/S, and Haver Analytics.

Figure 28.

S&P 500 OPERATING PROFIT MARGINS: TELECOMMUNICATION SERVICES
(trailing 4-quarter EPS, percent)
- Telecommunication Services Sector (10.3)
- Integrated Telecommunication (11.1)

Source: Standard & Poor’s, Thomson Reuters I/B/E/S, and Haver Analytics.