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Figure 1.

S&P 500 INFORMATION TECHNOLOGY STOCK PRICE INDEX*

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200-day moving average.
* Ratio scale.
Source: Standard & Poor’s and Haver Analytics.

Note: Shaded areas denote recessions according to the National Bureau of Economic Research. Monthly through December 1990, then weekly. Monthly data an average of Communication Equipment, Hardware, Instrumentation, Semiconductor, and Software industry ratios.
Source: Standard & Poor’s Corporation.

Figure 2.

S&P 500 INFORMATION TECHNOLOGY
(as a ratio of S&P 500)

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Note: Shaded areas denote recessions according to the National Bureau of Economic Research. Monthly through December 1990, then weekly. Monthly data an average of Communication Equipment, Hardware, Instrumentation, Semiconductor, and Software industry ratios.
Source: Standard & Poor’s Corporation.
Figure 3.

S&P 500: Information Technology

Source: Standard & Poor’s Corporation.

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200-day moving average
Figure 4.

S&P 500 IT CONSULTING & OTHER SERVICES
(ACN CTSH DXC IBM IT LDOS)

S&P 500 SYSTEMS SOFTWARE
(FTNT MSFT ORCL SYMC)

S&P 500 SEMICONDUCTORS
(ADI AMD AVGO INTC MCHP MU MXIM
NVDA QCOM QRVO SWKS TXN XLRX)

S&P 500 TECHNOLOGY HARDWARE,
STORAGE & PERIPHERALS
(AAPL HPE HPQ NTAP STX WDC XRX)

S&P 500 SEMICONDUCTOR EQUIPMENT
(AMAT KLAC LRCX)

200-day moving average
Source: Standard & Poor’s Corporation.
Earnings

Figure 7.

S&P 500 INFORMATION TECHNOLOGY OPERATING EARNINGS PER SHARE
(analysts' average forecasts, ratio scale)

Consensus Forecasts
- Annual estimates
- Forward earnings*

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

Figure 8.

S&P 500 INFORMATION TECHNOLOGY NET EARNINGS REVISIONS*

* Three-month moving average of the number of forward earnings estimates up less number of estimates down, expressed as a percentage of the total number of forward earnings estimates.
Source: I/B/E/S data by Refinitiv.
Figure 9. S&P 500 INFORMATION TECHNOLOGY REVENUES PER SHARE
(Analysts’ average forecasts, ratio scale)

Consensus Forecasts
- Annual estimates
- Forward revenues*

Figure 10. S&P 500 INFORMATION TECHNOLOGY PROJECTED PROFIT MARGIN
(Using analysts’ average earnings and revenues forecasts)

Consensus Forecasts
- Annual estimates
- Forward profit margin* (22.3)

* Time-weighted average of consensus estimates for current year and next year. Monthly through December 2005, then weekly.
Source: I/B/E/S data by Refinitiv.
Earnings Growth & Valuation

Figure 11.
S&P 500 INFORMATION TECHNOLOGY LTEG VS STEG

(percentage)

- LTEG* (14.4)
- STEG* (12.1)

* STEG: 12-month (52-week) forward consensus expected earnings growth. LTEG: 5-year forward consensus expected earnings growth. Monthly data through 2005, then weekly.
Source: I/B/E/S data by Refinitiv.

Figure 12.
S&P 500 INFORMATION TECHNOLOGY VALUATION

- Forward P/E* (20.9)
- Relative P/E** (1.2)
- PEG Ratio*** (1.5)

* Price divided by 12-month forward consensus expected operating earnings per share.
** Sector or industry forward P/E relative to S&P 500 forward P/E.
*** Sector or industry forward P/E relative to sector or industry consensus 5-year LTEG forecast.
Source: I/B/E/S data by Refinitiv.