

US Earnings Season: What are the street expectations for 1Q2025?

EQUITY STRATEGY TEAM

01 APRIL 2025

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As we approach the earnings season for the 1Q2025, the markets are keen to understand what the latest results will reveal about the health of the S&P 500 and the broader economy. This season is particularly significant due to the shifting dynamics in various sectors, especially technology, which has been a major growth driver in recent years.¹

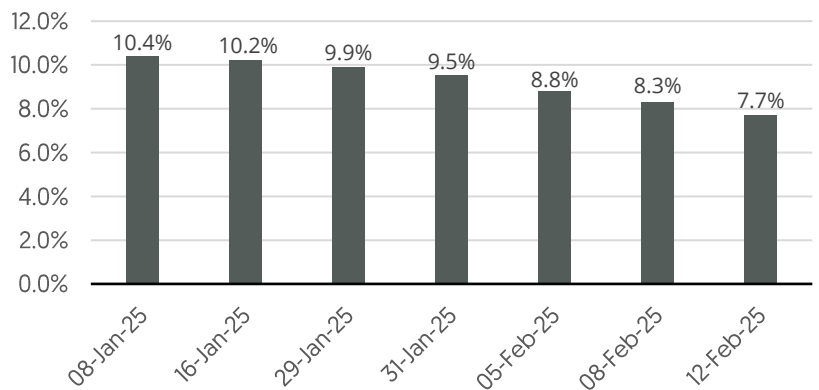
A glimpse back on the 4Q2024 Earnings Season

To set the stage, it is important to recap the previous earnings season. In 4Q2024, the S&P 500 companies delivered impressive results, exceeding expectations across the board. Notably, the percentage of companies reporting positive earnings surprises and the magnitude of those surprises both surpassed their 10-year averages.¹ This strong performance resulted in an impressive earnings growth of 17.1% for the S&P 500.¹

What to street expectations for 1Q2025?

The upcoming earnings season is set to officially kick off on 11 Apr 2025, when major banks begin to report their results.⁴ These reports are crucial as they set the tone for the entire season.² A significant focus will be on the tech sector, which has been a key contributor to market growth.³ The so-called Magnificent 7 companies, which are the leaders in technology, are projected to report a 13.9% increase in earnings, driven by an 11.9% rise in revenues.³ However, it is important to note that if these companies are excluded, the overall earnings growth for the S&P 500 would plummet to just 3.9%.³

Evolution of 1Q 2025
Earnings Growth Estimates



Source: Zacks Investment Research Inc, 13 Feb 2023

Despite these promising figures, the total S&P 500 earnings growth for 1Q2025 are expected to increase by 7.7% year-over-year, down from an initial estimate of 10.4% made in Jan 2025.^{2,3} This downward revision has led to disappointment in the markets, as 13 out of 16 sectors have experienced cuts in their earnings guidance.³ The challenges presented by leading companies could pose hurdles, especially against a backdrop of broader macroeconomic concerns, such as inflation and tariffs.² Many global analysts have significantly lowered their EPS estimates for S&P 500 companies for the first quarter, with notable reductions occurring in Jan and Feb 2025.^{2,3}

Looking ahead

Over the near term, the US markets may face volatility due to concerns over a potential trade war, particularly affecting the technology sector.³ With over 53% of the tech sector's revenue generated internationally based on 2024, it stands as the most vulnerable sector in the S&P 500 to fluctuations in global demand.³

The S&P 500 continues to trade at a multiple of 21 times forward earnings, compared to a 10-year average price-to-earnings ratio of approximately 18.^{3,4} Despite these high valuations, some traders remain optimistic that strong first-quarter earnings could serve as a catalyst for market gains, especially following the recent sharp selloff.^{2,4}

In summary, the upcoming earnings season presents a complex landscape filled with both challenges and opportunities. As large-cap companies continue to exert their influence, the uncertainty surrounding the policy direction of US President Donald Trump will play a crucial role in shaping market sentiment.² Traders will need to stay vigilant and adaptable as they navigate this evolving environment.



United States

Below are the S&P 500 index stocks based on Earning Announcement Date

Ticker	Name	Market Cap [USD]	Price [USD]	Earning Announcement Date	Analysts' Consensus 12M Target Price [USD]	Potential returns from Analyst Consensus	Dividend Yield
CAG US	CONAGRA BRANDS INC	12.10B	25.35	03/04/2025	27.36	7.93%	5.52%
LW US	LAMB WESTON HOLDINGS	7.56B	53.01	03/04/2025	66.82	26.05%	2.79%
WBA US	WALGREENS BOOTS ALLIANCE INC	9.62B	11.12	08/04/2025	11.95	7.43%	N/A
STZ US	CONSTELLATION BRANDS INC	32.24B	178.36	09/04/2025	231.48	29.78%	2.27%
DAL US	DELTA AIR LINES INC	31.44B	48.67	10/04/2025	74.02	52.09%	1.23%
KMX US	CARMAX INC	11.42B	74.26	10/04/2025	88.55	19.24%	N/A
WFC US	WELLS FARGO & CO	242.41B	74.24	11/04/2025	83.50	12.47%	2.15%
PGR US	PROGRESSIVE CORP	160.88B	274.43	11/04/2025	291.74	6.31%	0.15%
BLK US	BLACKROCK INC	151.14B	973.48	11/04/2025	1164.79	19.65%	2.14%
MS US	MORGAN STANLEY	201.93B	125.20	11/04/2025	138.19	10.38%	2.96%
BK US	BANK OF NEW YORK MELLON	61.21B	85.25	11/04/2025	93.63	9.82%	2.21%
FAST US	FASTENAL CO	44.21B	77.09	11/04/2025	75.46	-2.11%	2.23%
JPM US	JPMORGAN CHASE & CO	702.19B	251.13	11/04/2025	270.33	7.65%	2.23%
MTB US	M & T BANK CORP	30.06B	182.99	14/04/2025	217.32	18.76%	2.95%
GS US	GOLDMAN SACHS GROUP	188.87B	585.94	14/04/2025	642.76	9.70%	2.05%
C US	CITIGROUP INC	140.16B	74.47	15/04/2025	89.84	20.64%	3.01%
JNJ US	JOHNSON & JOHNSON	388.03B	161.02	15/04/2025	170.05	5.61%	3.08%
BAC US	BANK OF AMERICA CORP	329.05B	43.28	15/04/2025	52.30	20.83%	2.40%
PNC US	PNC FINANCIAL SERVICES	70.00B	176.88	15/04/2025	214.55	21.30%	3.62%
OMC US	OMNICOM GROUP	15.80B	80.39	16/04/2025	104.20	29.62%	3.48%
USB US	US BANCORP	68.09B	43.70	16/04/2025	55.36	26.69%	4.58%
TRV US	TRAVELERS COS INC/THE	58.82B	259.45	16/04/2025	272.82	5.15%	1.62%
EQT US	EQT CORP	32.41B	54.25	16/04/2025	56.44	4.05%	1.16%
JBHT US	HUNT (JB) TRANSPRT SVCS	15.00B	149.95	16/04/2025	183.12	22.12%	1.17%
UAL US	UNITED AIRLINES HOLDINGS	25.94B	78.90	16/04/2025	122.73	55.56%	N/A
PLD US	PROLOGIS INC	103.72B	109.23	16/04/2025	130.74	19.69%	3.70%
CFG US	CITIZENS FINANCIAL GROUP	18.48B	42.27	16/04/2025	51.68	22.27%	3.97%
CSX US	CSX CORP	55.66B	29.53	16/04/2025	36.36	23.12%	1.76%
SCHW US	SCHWAB (CHARLES) CORP	150.56B	80.75	17/04/2025	90.04	11.51%	1.34%
TFC US	TRUIST FINANCIAL CORP	54.83B	42.00	17/04/2025	50.38	19.95%	4.95%
SLB US	SCHLUMBERGER LTD	57.49B	42.28	17/04/2025	52.33	23.78%	2.70%
KEY US	KEYCORP	18.31B	16.57	17/04/2025	19.14	15.48%	4.95%
DHI US	DR HORTON INC	40.81B	129.51	17/04/2025	160.69	24.08%	1.24%
CCI US	CROWN CASTLE INC	43.74B	100.45	17/04/2025	109.78	9.29%	6.23%
MMC US	MARSH & MCLENNAN COS	116.21B	236.62	17/04/2025	238.65	0.86%	1.38%
STT US	STATE STREET CORP	26.69B	92.52	17/04/2025	111.47	20.48%	3.29%
NFLX US	NETFLIX INC	426.59B	997.28	18/04/2025	1090.98	9.40%	N/A
RF US	REGIONS FINANCIAL CORP	20.30B	22.42	17/04/2025	26.70	19.11%	4.46%
HBAN US	HUNTINGTON BANCSHARES	22.38B	15.32	17/04/2025	18.57	21.22%	4.05%
LVS US	LAS VEGAS SANDS CORP	28.83B	40.27	17/04/2025	57.50	42.79%	2.48%



Hong Kong

Below are the Hang Seng index stocks based on Earning Announcement Date

Ticker	Name	Market Cap [USD]	Price [USD]	Earning Announcement Date	Analysts' Consensus 12M Target Price [USD]	Potential returns from Analyst Consensus	Dividend Yield
2899 HK	ZIJIN MINING GROUP CO LTD-	511.14B	18.54	22/04/2025	22.24	19.98%	2.22%
1928 HK	SANDS CHINA LTD	136.29B	16.72	22/04/2025	23.78	42.20%	1.48%
762 HK	CHINA UNICOM HONG KONG	259.78B	8.43	22/04/2025	10.33	22.57%	5.17%
941 HK	CHINA MOBILE LTD	1.80T	81.80	22/04/2025	93.47	14.26%	6.18%
2318 HK	PING AN INSURANCE GROUP	946.95B	47.05	23/04/2025	61.74	31.22%	5.84%
9901 HK	NEW ORIENTAL EDUCATION & TEC	60.41B	36.40	24/04/2025	48.76	33.97%	N/A
386 HK	CHINA PETROLEUM & CHEMICAL	698.05B	4.09	28/04/2025	4.92	20.31%	7.57%
1088 HK	CHINA SHENHUA ENERGY	779.35B	32.10	28/04/2025	33.96	5.80%	7.56%
1099 HK	SINOPHARM GROUP CO-H	57.42B	18.36	29/04/2025	22.84	24.41%	3.95%
5 HK	HSBC HOLDINGS PLC	1.59T	88.20	29/04/2025	96.45	9.36%	5.74%
285 HK	BYD ELECTRONIC INTL CO LTD	92.83B	42.45	29/04/2025	57.01	34.29%	1.48%
2359 HK	WUXI APTEC CO LTD-H	201.87B	67.90	29/04/2025	82.95	22.17%	1.57%
1211 HK	BYD CO LTD-H	1.22T	389.20	29/04/2025	444.01	14.08%	1.07%
388 HK	HONG KONG EXCHANGES & CLEAR	448.81B	351.00	30/04/2025	412.99	17.66%	2.62%
1876 HK	BUDWEISER BREWING CO APAC	121.84B	9.58	08/05/2025	10.84	13.12%	4.78%
981 HK	SEMICONDUCTOR MANU	480.99B	47.50	09/05/2025	44.19	-6.96%	N/A
27 HK	GALAXY ENTERTAINMENT	140.22B	32.05	13/05/2025	43.59	36.00%	1.56%
700 HK	TENCENT HOLDINGS LTD	4.66T	502.00	14/05/2025	614.78	22.47%	0.89%
9988 HK	ALIBABA GROUP HOLDING	2.46T	127.70	14/05/2025	164.31	28.67%	0.75%
1810 HK	XIAOMI CORP-CLASS B	1.35T	53.40	15/05/2025	61.80	15.73%	N/A
175 HK	GEELY AUTOMOBILE	173.11B	16.68	15/05/2025	21.87	31.14%	1.92%
3690 HK	MEITUAN-CLASS B	976.93B	158.50	15/05/2025	205.26	29.50%	N/A
9618 HK	JD.COM INC-CLASS A	531.74B	161.20	16/05/2025	214.55	33.09%	2.37%
9888 HK	BAIDU INC-CLASS A	261.87B	92.10	16/05/2025	105.67	14.74%	N/A
2 HK	CLP HOLDINGS LTD	159.42B	63.30	19/05/2025	73.27	15.75%	4.99%
2015 HK	LI AUTO INC	219.87B	100.00	20/05/2025	138.95	38.95%	N/A
9961 HK	TRIP.COM GROUP LTD	317.92B	492.40	20/05/2025	579.78	17.75%	0.47%
9999 HK	NETEASE INC	504.67B	154.00	23/05/2025	191.42	24.30%	2.57%
992 HK	LENOVO GROUP LTD	142.41B	11.26	23/05/2025	14.34	27.39%	3.35%
241 HK	ALIBABA HEALTH INFO	79.66B	4.94	27/05/2025	5.37	8.64%	N/A
823 HK	LINK REIT	95.16B	37.65	29/05/2025	43.44	15.38%	7.26%
1929 HK	CHOW TAI FOOK JEWELLERY	86.49B	8.66	13/06/2025	8.91	2.90%	5.77%
101 HK	HANG LUNG PROPERTIES LTD	31.95B	6.55	30/07/2025	7.12	8.70%	7.78%
968 HK	XINYI SOLAR HOLDINGS LTD	28.87B	3.15	31/07/2025	4.11	30.40%	3.14%
11 HK	HANG SENG BANK LTD	198.77B	104.40	31/07/2025	100.78	-3.47%	6.44%
868 HK	XINYI GLASS HOLDINGS LTD	34.77B	7.97	31/07/2025	7.93	-0.49%	5.14%
669 HK	TECHTRONIC INDUSTRIES CO	176.01B	96.65	06/08/2025	129.33	33.81%	2.35%
1997 HK	WHARF REAL ESTATE INVESTMENT	58.54B	19.32	06/08/2025	24.17	25.11%	6.43%
1177 HK	SINO BIOPHARMACEUTICAL	67.57B	3.55	13/08/2025	4.53	27.71%	1.94%
1038 HK	CK INFRASTRUCTURE HOLDINGS L	119.56B	47.05	14/08/2025	59.41	26.28%	5.44%

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