



Market Perspectives

May the Stocks Be With You

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Charles Boettcher,
Southwest Divisional Managing Director & Senior Portfolio Manager

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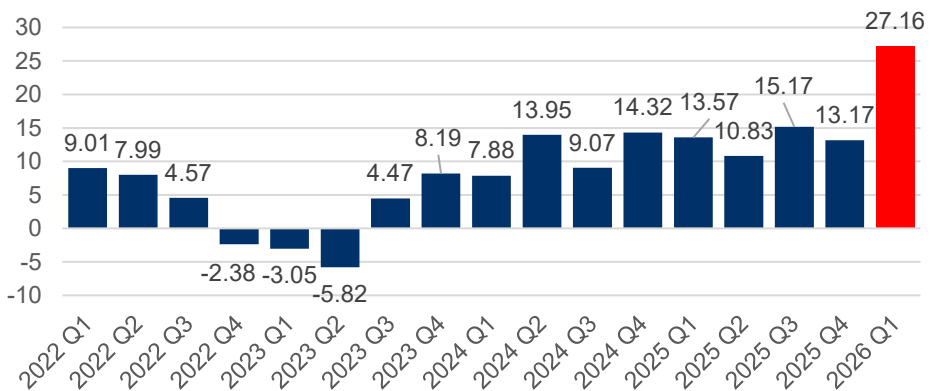


Q1-2026 Earnings Summary

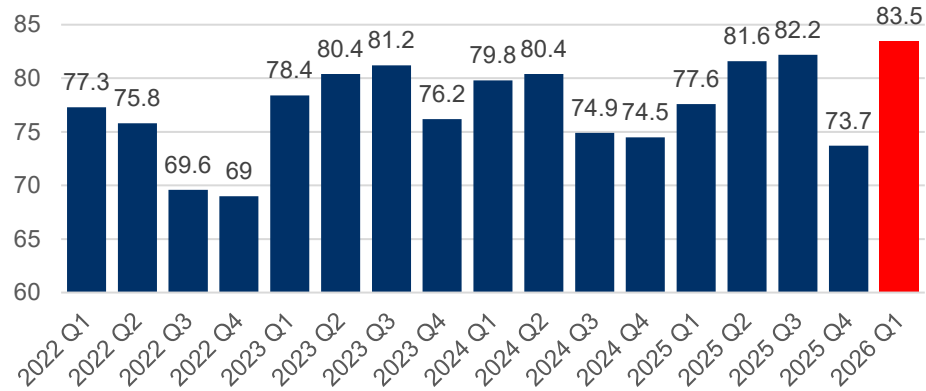
Best earnings season since post-COVID normalization

Meaningful EPS Growth Surprises in Discretionary, Communications, and Materials

S&P 500 Earnings Growth



S&P 500 Earnings Beat Rate



Earnings Per Share

	Growth Rate		
	Beating Estimates	At Start of Season	Current
S&P 500	83.3%	12.35%	27.31%
Energy	18	7.7%	3.5%
Materials	20	23.7%	43.9%
Industrials	65	1.3%	11.7%
Discretionary	27	1.4%	38.3%
Staples	23	1.9%	6.5%
Health Care	48	-9.7%	-3.4%
Financials	61	16.6%	22.5%
Technology	49	41.5%	47.1%
Communications	16	-3.6%	53.6%
Utilities	23	7.7%	12.7%
Real Estate**	23	2.1%	7.4%
ex-Energy	355	12.6%	28.34%
ex-Technology	324	3.5%	21.29%
ex-Financial	312	11.4%	28.42%
ex-Magnificent 7	373	10.3%	17.5%

Revenues

	Growth Rate		
	Beating Estimates	At Start of Season	Current
S&P 500	73.1%	9.41%	11.17%
Energy	15	12.6%	4.2%
Materials	23	7.0%	10.6%
Industrials	58	6.1%	8.7%
Discretionary	21	8.3%	9.6%
Staples	19	6.5%	7.2%
Health Care	44	6.0%	7.1%
Financials	44	8.6%	9.8%
Technology	43	27.8%	29.1%
Communications	15	11.3%	13.7%
Utilities	24	7.2%	14.1%
Real Estate**	22	7.9%	11.4%
ex-Energy	313	10.1%	11.72%
ex-Technology	285	6.9%	8.74%
ex-Financial	284	9.6%	11.39%
ex-Magnificent 7	323	7.7%	9.3%

Net Income Margin

	Growth Rates			
	Beating Estimates	1Q25	At Start of Season	Current
S&P 500	69.1%	13.5%	14.00%	15.6%
Energy	14	8.2%	8.7%	7.7%
Materials	18	9.0%	9.6%	10.8%
Industrials	57	10.6%	10.0%	10.5%
Discretionary	25	8.8%	8.4%	11.3%
Staples	21	6.0%	6.0%	6.3%
Health Care	36	8.7%	7.5%	7.9%
Financials	53	19.4%	20.7%	21.5%
Technology	41	26.7%	29.3%	30.2%
Communications	12	23.6%	20.3%	31.6%
Utilities	12	14.9%	15.0%	14.9%
Real Estate**	18	34.4%	32.6%	33.2%
ex-Energy	293	14.0%	14.4%	16.1%
ex-Technology	266	11.8%	11.5%	13.2%
ex-Financial	254	12.66%	13.0%	14.7%
ex-Magnificent 7	-	-	-	-

Source: Bloomberg, RBC Rochdale. As of 5/7/2026. Sectors and industries are S&P 1500 sub-indices.

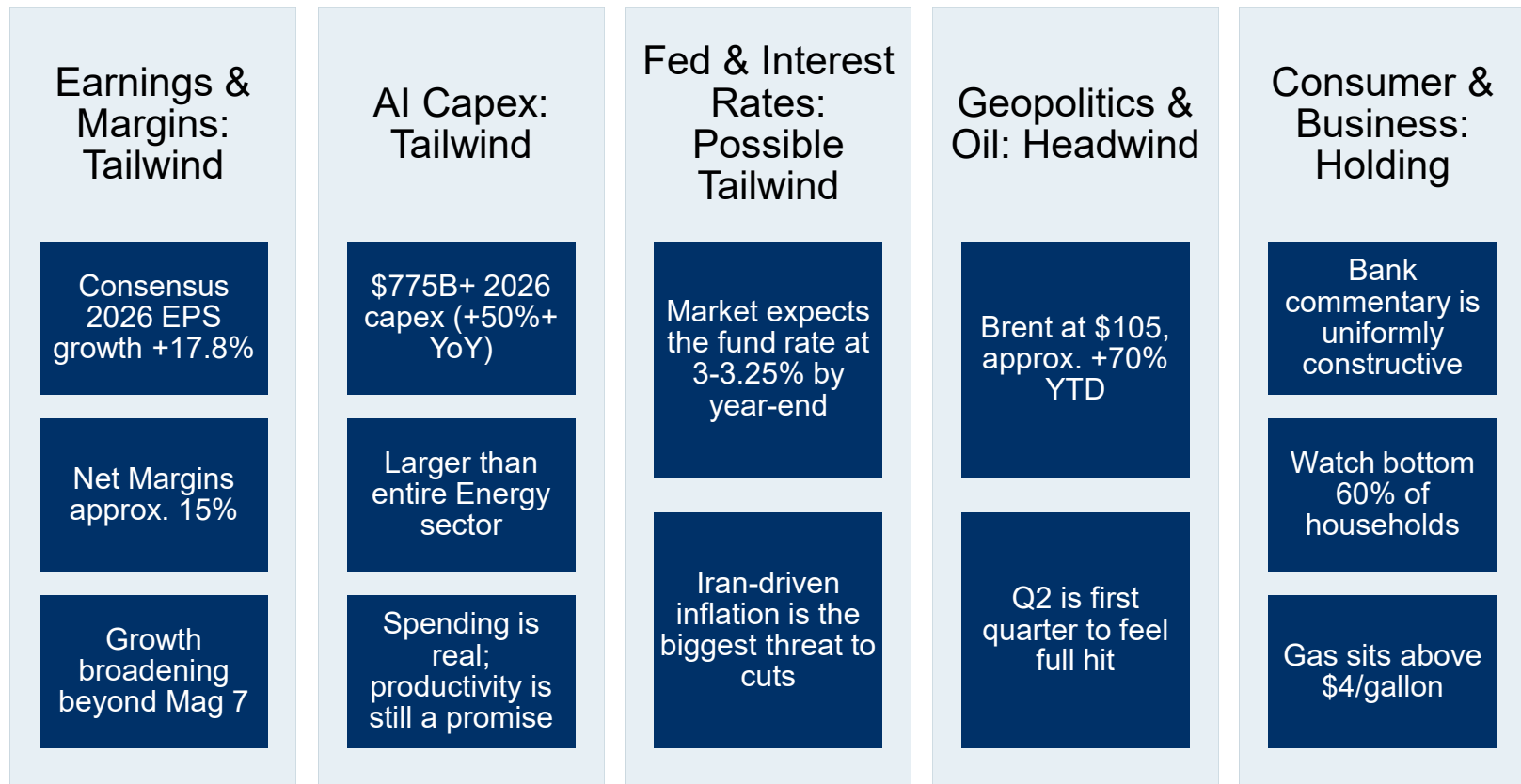
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What Drives Equity Markets From Here?

- Equity markets are responding to five key themes: Earnings are the engine, while the other four calibrate speed.
- We see three tailwinds, one headwind and one neutral theme.
- We expect the market to move higher on strong earnings and Fed cuts, but returns could stall if energy costs keep inflation sticky.



Source: Bloomberg, RBC Rochdale. As of 4/24/2026. Information is subject to change and is not a guarantee of future results.

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Index Definitions

The Standard & Poor's 500 Index (S&P 500) is a market capitalization-weighted index of 500 common stocks chosen for market size, liquidity and industry group representation to represent U.S. equity performance.

The Magnificent Seven (Mag 7) refers to a group of seven high-performing, dominant U.S. technology stocks—Alphabet, Amazon, Apple, Meta, Microsoft, Nvidia, and Tesla

EPS (Earnings Per Share) is a key financial metric representing a company's profit divided by its outstanding shares, indicating profitability per share.

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