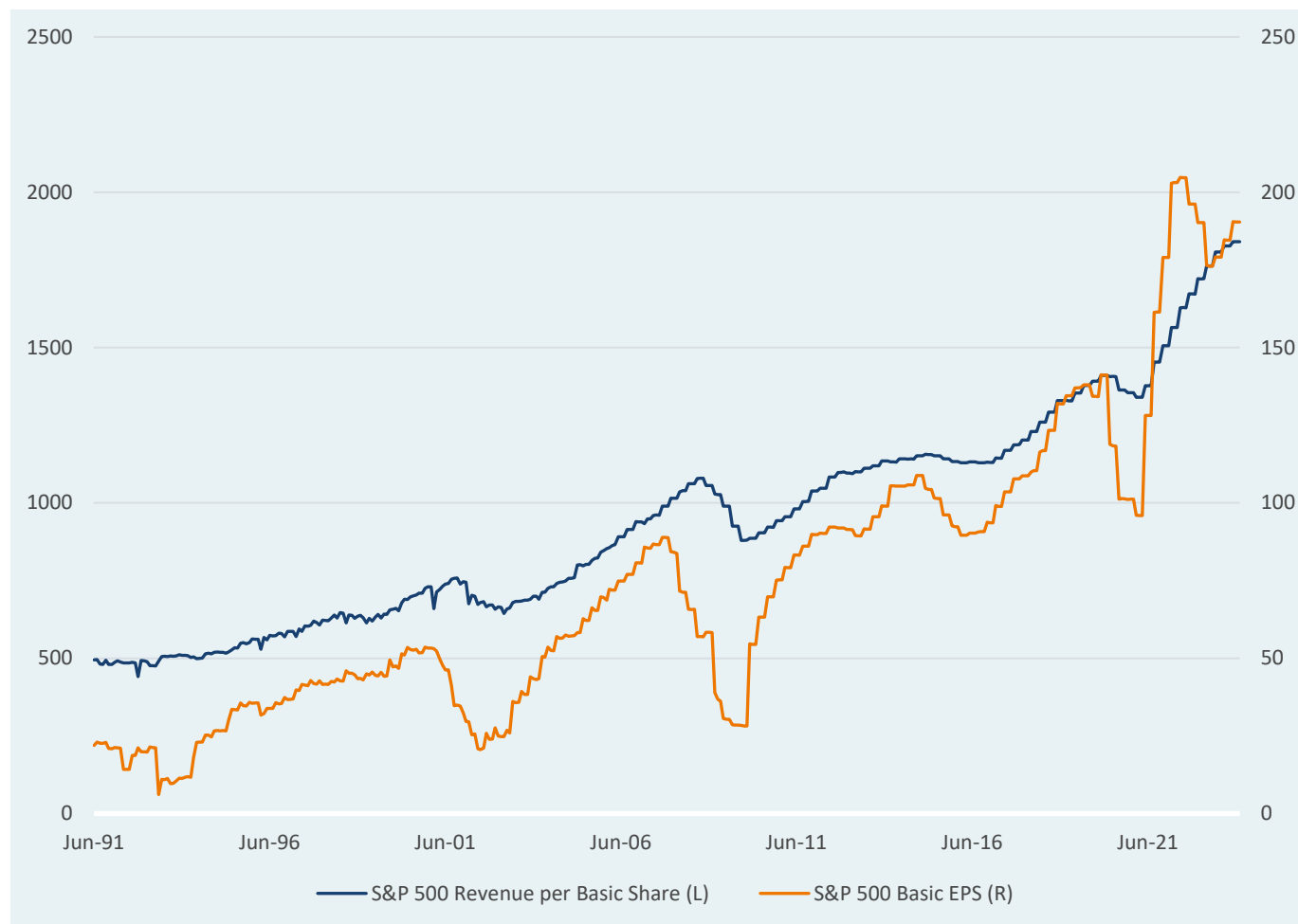


Verus Market Note

Past the halfway mark for Q4 23 earnings

With nearly half of S&P 500 companies reporting Q4 2023 earnings, a more definitive narrative is starting to form. Per FactSet, blended year-over-year earnings growth sits at **1.6%**, slightly higher than the end of December projection of 1.5%. From a sector perspective, the largest contributor to earnings growth has been Information Technology, followed by Energy, Healthcare, and Consumer Discretionary.

Earnings have recently started to increase, with the shift in directionality showing better profits, while revenue growth has slowed but remains positive. This likely reflects companies adjusting to increasing expenses (headcount reduction has been prevalent in the newswire), higher rates, and generally more uncertain business conditions.



Source: S&P, Bloomberg, as of 2/7/24.