

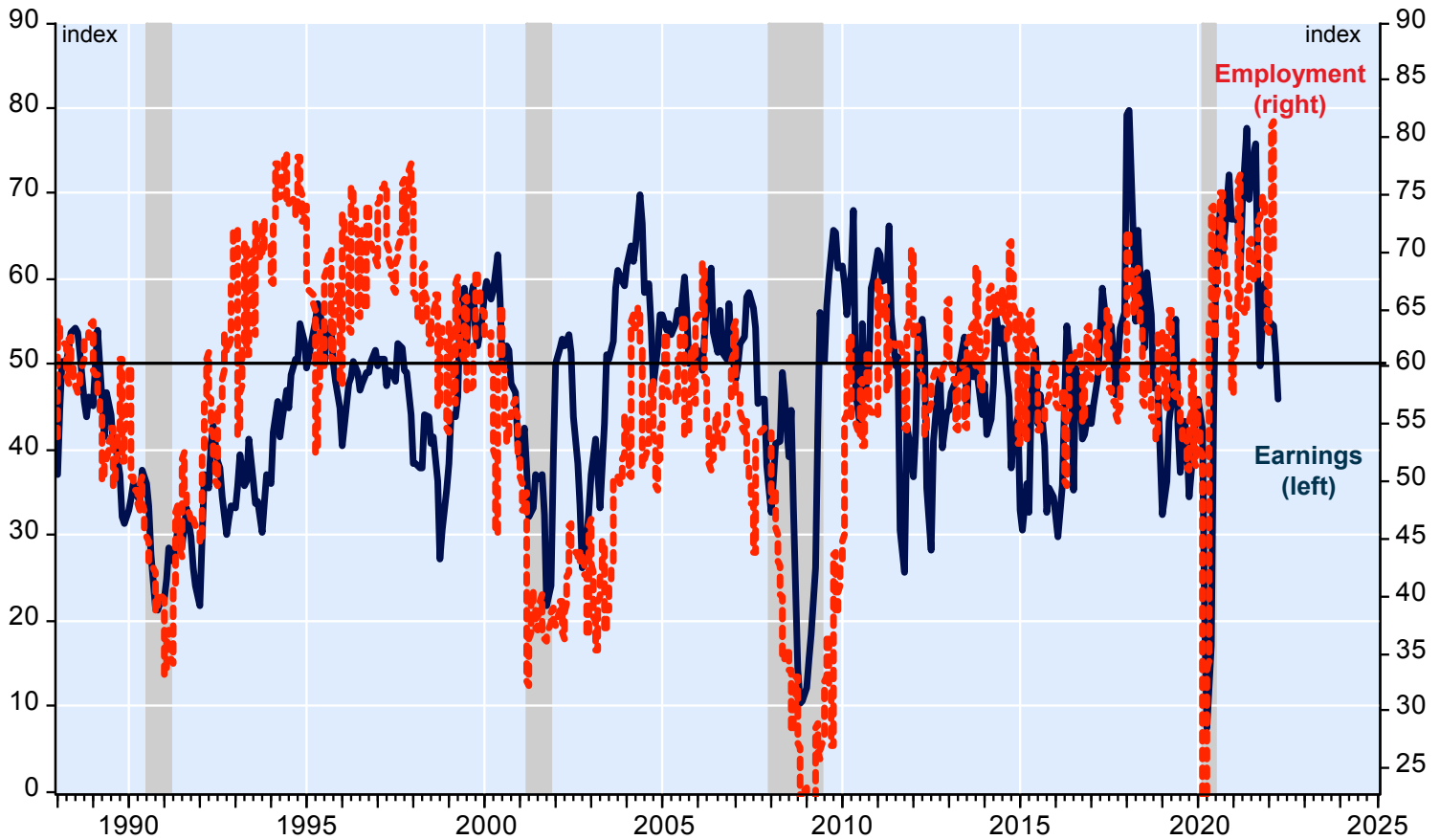
U.S. Watch

By Stefane Marion

Although overall earnings expectations for the next twelve months have been revised upward in the U.S. over the past month, this is primarily due to very large increases in certain sectors (notably Energy and Materials). Elsewhere, diffusion has eroded. The share of S&P 500 companies with rising earnings fell to 46% last week, the lowest level since the pandemic began. As today's chart shows, this suggests a tangible slowdown in payroll job creation in the coming months.

U.S.: Diffusion for earnings revisions has turned negative

Diffusion for earnings revisions vs. payroll employment diffusion index



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