



Rosso
Financial
Group

Growing Wealth Responsibly

RossoFinancialGroup.com

732-820-4690

800 The Plaza, Suite 6/7

Sea Girt, NJ 08750

Earnings Season ReCap

A Follow-up from our October Article....

Earning season is nearly complete, with 94% of the S&P 500 having reported through November 20th. A decidedly mixed quarter. On one hand, 58% of companies outperformed expectations on revenue and 73% outperformed expectations on earnings. Both are good numbers. On the other hand, revenues are only up 4.3% versus last year's third quarter while earnings are down -1.2% for the third quarter this year. Revenue growth has been decelerating since the second quarter of 2018, due to the slowing US and global economy. Earnings are up against the 20+% growth rates of 2018, which were fueled by a stronger economy and tax cuts, so it's not terribly surprising that earnings growth for 2019 is essentially nil. Expectations for the fourth quarter are for more of the same, with slow revenue growth and a slight earnings decline.

For 2020, street estimates call for revenue growth of about 4% and earnings growth of about 5%, both slightly below the long-run average of the market. Perhaps clarity on US-China trade relations will improve the outlook and lead to higher expected growth rates for the new year.

Commentary by:

Brad Daniels, CFA

Senior Portfolio Manager & Senior Investment Consultant

December 2019

Information obtained through Zacks Investment Research—www.zacks.com

Commentary reflects the opinions of the author and is not offered or endorsed by Regal Advisory Services or Regal Securities. Commentary should not be construed as a recommendation to buy or sell a particular security or engage in a particular investment strategy.

Rosso Financial Group and Regal Securities/Regal Advisory Services are unaffiliated companies.

Advisory services offered through Regal Advisory Services, Inc., a registered investment advisor. Securities offered through Regal Securities, Inc., member FINRA/SIPC, a registered broker dealer, 950 Milwaukee Avenue, Suite 101, Glenview, IL 60025.