

The setup is a rocket ship, not an alligator jaw

March 26, 2026

Mark your calendars: This Monday, March 30, 2026 at 11:00 AM ET, Yardeni Research and The Earnings Scout will present a joint market update. We will preview the 1Q 2026 earnings season and highlight key trends from early reporters. You will also hear Ed Yardeni's latest views on the economy. Three additional joint calls are planned this year ahead of each earnings season.

- A dark cloud tied to the Iran conflict and higher oil prices continues to drive volatility and uncertainty around the earnings outlook
- President Trump is signaling a deal could be close, while Iran is pushing back, the most likely outcome is somewhere in the middle, keeping uncertainty elevated.
- Despite this backdrop, earnings expectations are improving, not deteriorating.
- 62% of early 1Q 2026 reporters are seeing their 2Q 2026 EPS estimates raised after reporting, with an average increase of 6.86%.
- This marks the strongest post report upward revision trend we have measured in any quarter in over five years.

S&P 500 Quarterly EPS growth expectations have RISEN in March

Date	1Q26A/E EPS Growth	2Q26E EPS Growth	3Q26E EPS Growth	4Q26E EPS Growth
1/1/2026	8.92%	8.33%	8.02%	-
2/1/2026	9.01%	8.97%	8.44%	-
3/1/2026	8.19%	8.95%	9.04%	11.50%
3/18/2026	8.66%	9.27%	9.56%	11.93%
3/25/2026	8.99%	10.02%	10.35%	13.02%
3/26/2026	9.04%	10.01%	10.36%	13.02%

Source: The Earnings Scout

S&P 500 Annual EPS estimates

*S&P 500	FY 2026E	FY 2027E
\$6,591.90	\$318.25	\$370.34
Price to Earnings	20.71x	17.80x
P/E 1 Year Ago	21.45x	17.60x

*Closing Price on March 25, 2026

Source: The Earnings Scout

- Bottom line, the market is reacting to fear, while earnings expectations continue to move higher, and that signal remains positive for stock prices.



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