
Optimistic forecasts like this at the beginning of a new year

Every three months there is a reporting season. It always provides an opportunity for the market to reflect. The stock market is governed by expectations. This is reflected in the consensus expectations among analysts. The forecasts tend to be optimistic at a beginning of a new year.

The analysts always start high when they show forecast for the coming year. But as times catch up and results and prospects fall, forecasts are pushed down. As of 15 January, 26 of 504 S&P500 companies have reported their Q4 earnings figures (or equivalent) and 96 percent of the corporate results are better than anticipated. But in absolute terms the outcome represents a decline of 6.8 percent. Q1 2021 could be the first since more than a year when S&P500 companies could post a positive earnings change.

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About Vontobel:

As a globally operating financial expert with Swiss roots, Vontobel specializes in wealth management, active asset management and investment solutions. Digital Investing bundles different investment solutions for private investors either directly or via ecosystems. [Read more](#)

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