



AN INVESTOR'S GUIDE TO 3RD QUARTER EARNINGS

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What factors are working

US

Frequency:

MONTHLY Q1-Q5 RETURN SPREAD %

Style	Factor	MTD	Oct 23	Sep 23	Aug 23	Jul 23	Jun 23	May 23	Apr 23	Mar 23	Feb 23	Jan 23	Dec 22	Nov 22	QTD	YTD
Vol	Volatility	9.91	(7.02)	(3.38)	(0.34)	5.39	8.07	15.47	(6.75)	3.99	4.39	20.28	(9.10)	(1.04)	2.20	57.60
PM	Price Momentum	6.89	3.93	0.96	3.97	1.14	0.98	(1.00)	0.92	(1.19)	(2.31)	(4.26)	(0.34)	(1.89)	11.09	9.98
HG	Historical Growth	1.65	1.33	(1.15)	0.90	(1.58)	(0.03)	(2.35)	(4.49)	(4.29)	1.34	(2.32)	(2.63)	(1.98)	3.00	(10.68)
CE	Capital Efficiency	1.37	1.96	1.34	0.03	1.26	(1.88)	6.01	1.31	8.25	2.94	1.41	(3.88)	(1.01)	3.36	26.34
EQ	Earnings Quality	0.98	3.99	(0.55)	1.86	(1.23)	(2.09)	8.83	2.66	10.76	0.23	0.98	(3.68)	(2.34)	5.01	28.85
AE	Analyst Expectations	0.88	3.18	(0.38)	0.49	(2.57)	4.42	6.91	0.87	(0.91)	0.56	(5.88)	(0.40)	(1.10)	4.08	7.21
Sz	Size	0.24	(5.50)	(2.56)	(2.97)	(0.16)	0.32	(7.16)	(2.54)	(6.02)	(1.57)	3.74	2.11	2.13	(5.27)	(22.11)
Val	Valuation	(5.70)	(0.30)	3.24	(4.82)	2.51	(2.57)	(9.15)	(1.45)	(8.93)	(2.06)	(5.10)	2.94	4.62	(5.99)	(30.08)

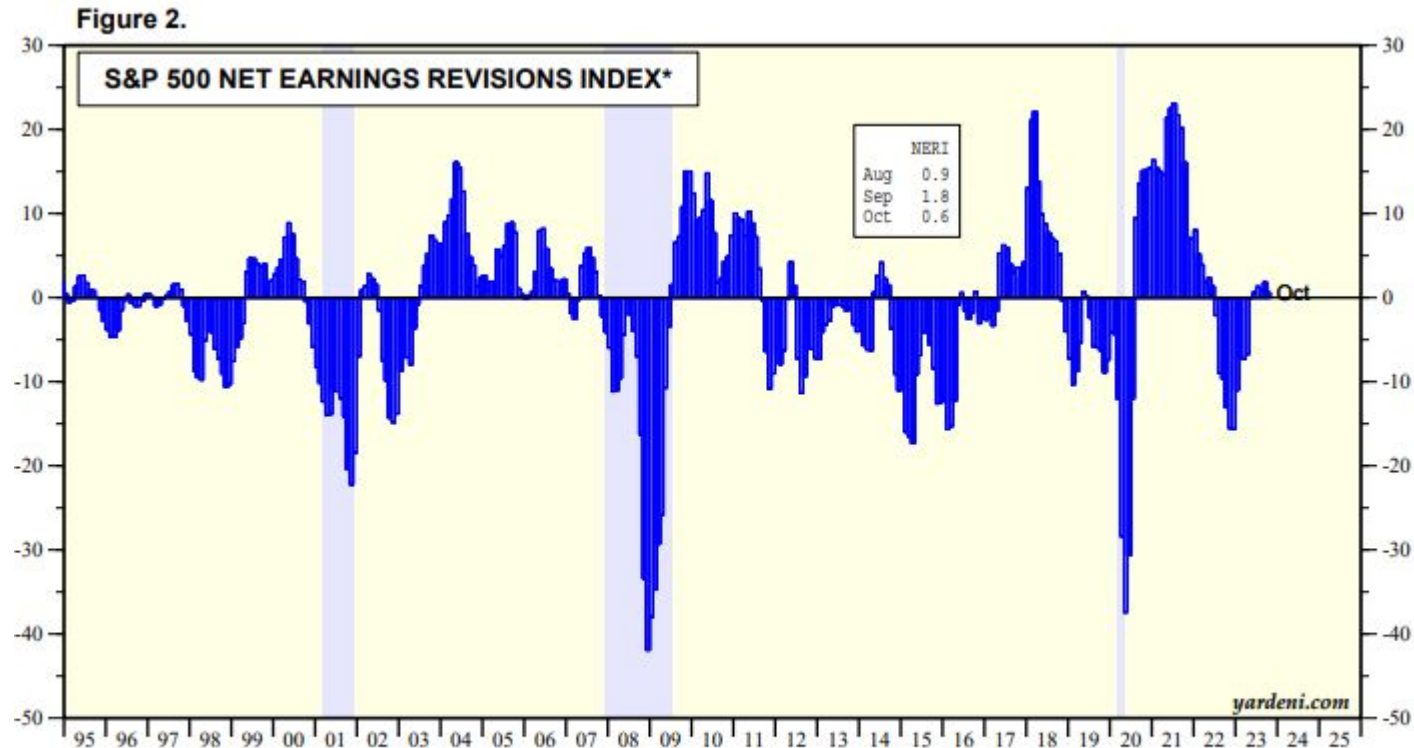
Europe

Frequency:

MONTHLY Q1-Q5 RETURN SPREAD %

Style	Factor	MTD	Oct 23	Sep 23	Aug 23	Jul 23	Jun 23	May 23	Apr 23	Mar 23	Feb 23	Jan 23	Dec 22	Nov 22	QTD	YTD
Vol	Volatility	8.73	(5.86)	(5.65)	(6.31)	7.18	(0.26)	2.13	(6.35)	(5.30)	(2.62)	10.44	(2.61)	0.83	2.36	(5.77)
Sz	Size	5.38	(2.26)	(5.20)	(0.59)	1.63	(4.47)	2.24	(0.81)	(6.17)	(1.00)	(1.89)	2.17	(2.36)	3.00	(12.90)
HG	Historical Growth	0.04	(0.44)	2.48	(0.98)	(1.37)	0.04	1.25	0.51	1.53	(0.33)	0.32	(0.08)	0.40	(0.39)	3.03
AE	Analyst Expectations	(0.60)	0.89	(2.78)	(0.22)	(2.84)	1.56	2.80	(1.99)	0.51	1.87	2.98	(1.38)	2.96	0.29	1.98
PM	Price Momentum	(1.53)	0.83	(1.34)	4.64	(1.86)	5.19	(0.07)	0.06	5.31	(1.12)	(1.84)	(0.08)	(0.26)	(0.72)	8.14
CE	Capital Efficiency	(1.56)	1.55	1.95	(0.28)	(2.79)	(0.65)	0.84	(0.78)	6.74	(1.99)	(1.49)	(2.36)	1.92	(0.03)	1.21
Val	Valuation	(1.84)	(5.17)	4.15	2.19	2.22	0.79	(0.18)	(0.29)	(3.99)	3.30	(3.28)	2.80	(1.42)	(6.91)	(2.55)
EQ	Earnings Quality	(2.65)	1.71	4.89	0.77	(2.42)	(2.46)	0.39	(0.50)	6.97	(1.01)	(2.04)	(1.42)	(0.64)	(0.98)	3.21

Upgrades - longer term perspective

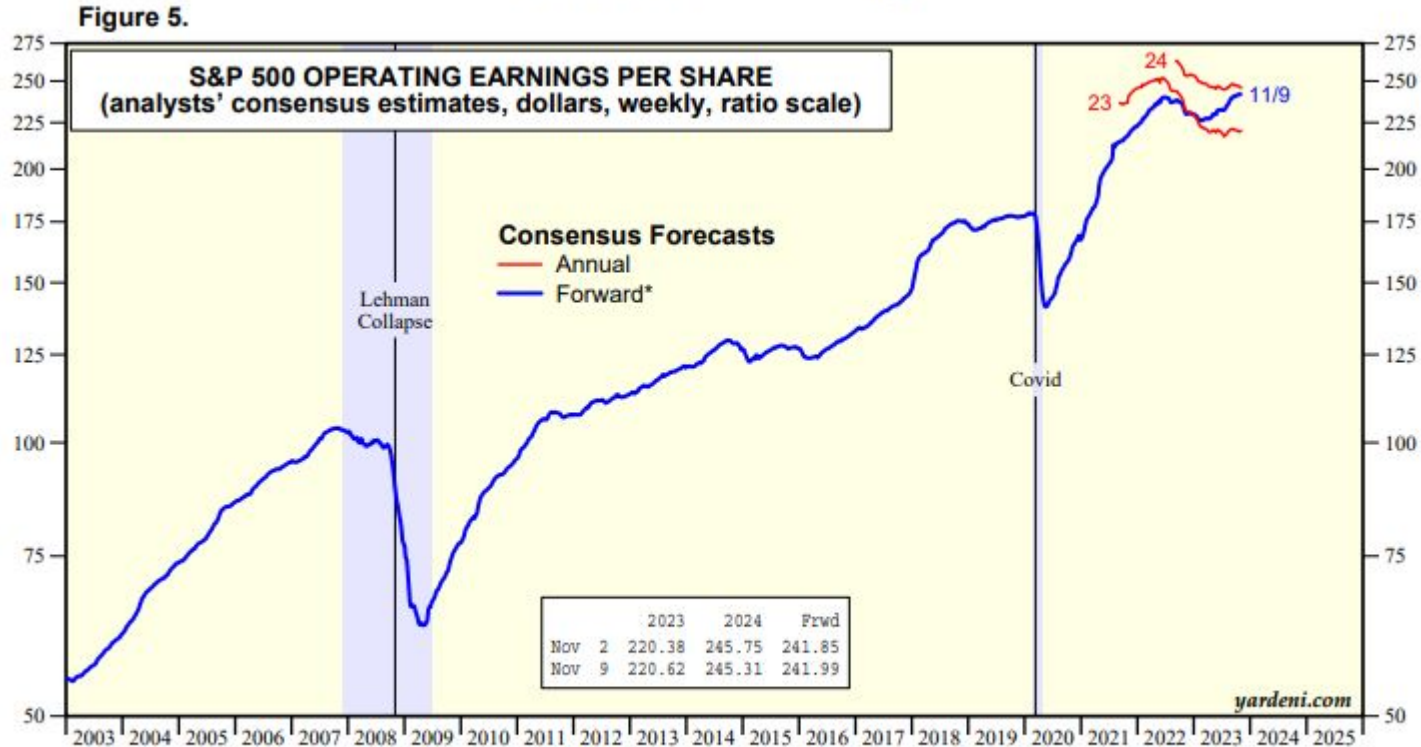


* Three-month moving average of the number of forward earnings estimates up less number of estimates down, expressed as a percentage of the total number of forward earnings estimates.

Source: I/B/E/S data by Refinitiv.

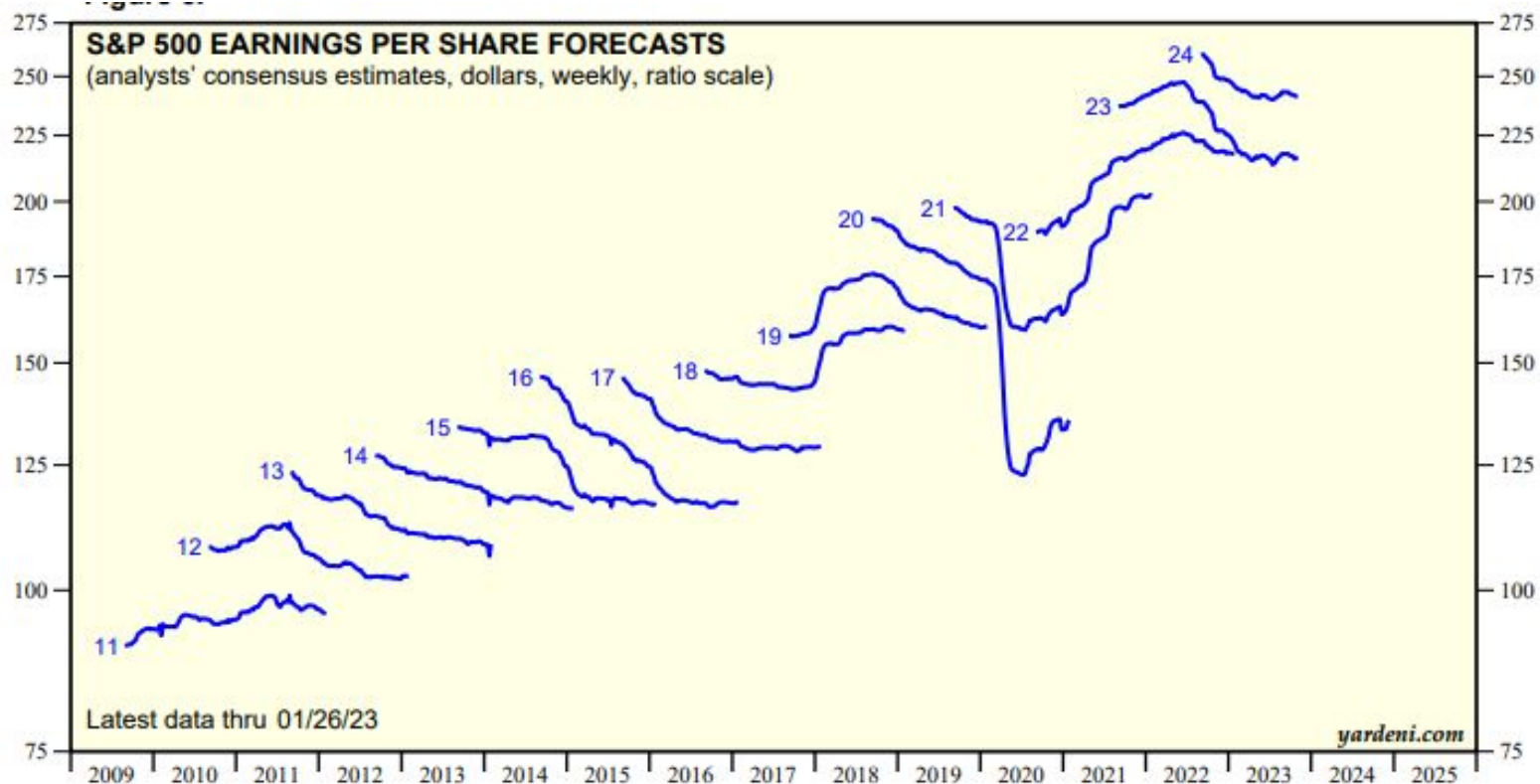
Note: Shaded areas are recessions according to the National Bureau of Economic Research.

Upgrades - passing of time > downgrades



* Time-weighted average of analysts' consensus estimates for S&P 500 operating earnings for current year and next year.
Note: Shaded areas are recessions according to the National Bureau of Economic Research.
Note: Lehman collapsed 9/15/2008. COVID-19 = WHO declares global pandemic on 3/11/2020.
Source: I/B/E/S data by Refinitiv.

Upgrades - recent



Source: I/B/E/S data by Refinitiv.

Choose themes to screen from your portfolio away from (i.e. remove stocks)

Climate Change

War

Human Rights

Health

Vices

Animal Rights

Religion

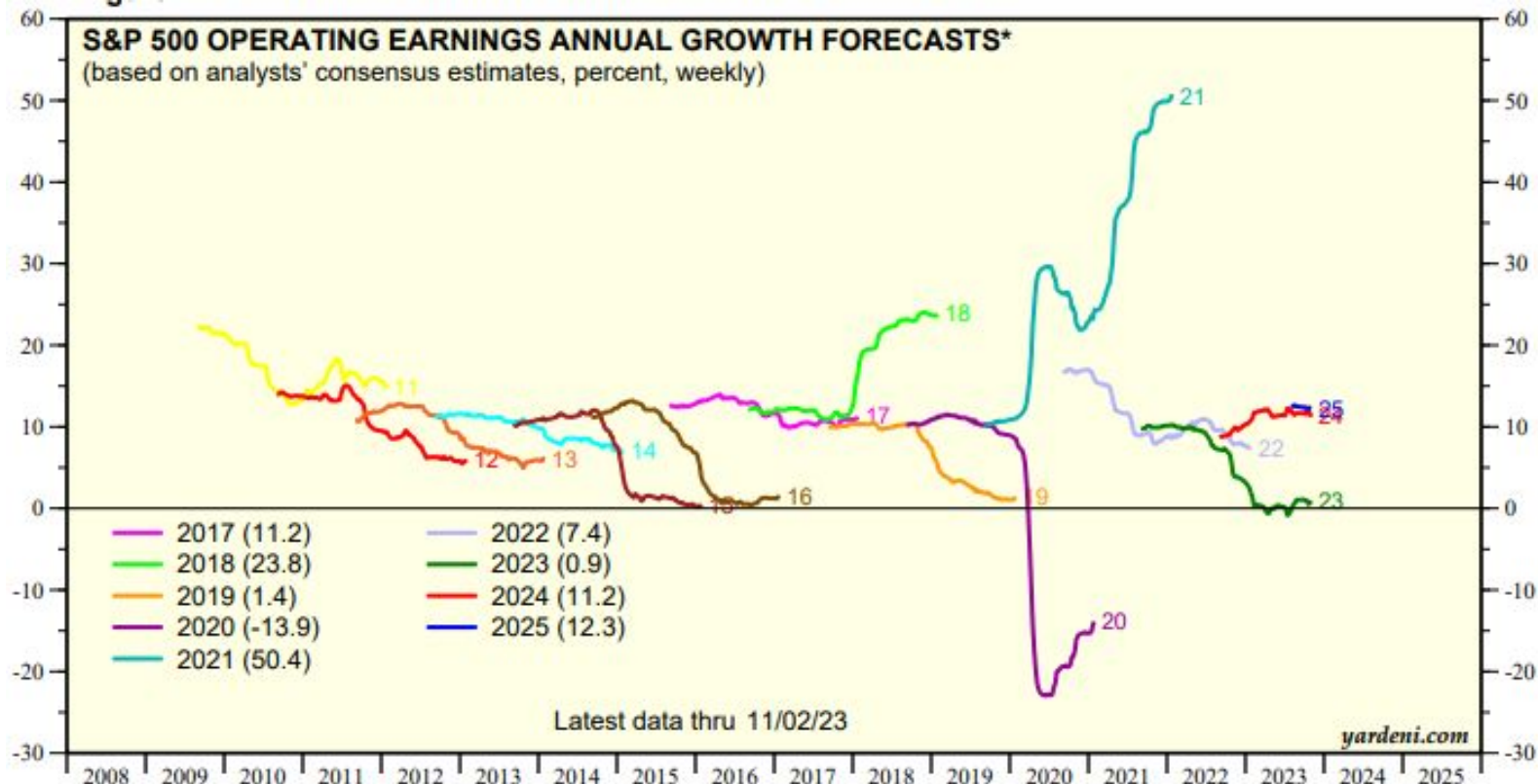
Asset Class

Thematic

Climate Change

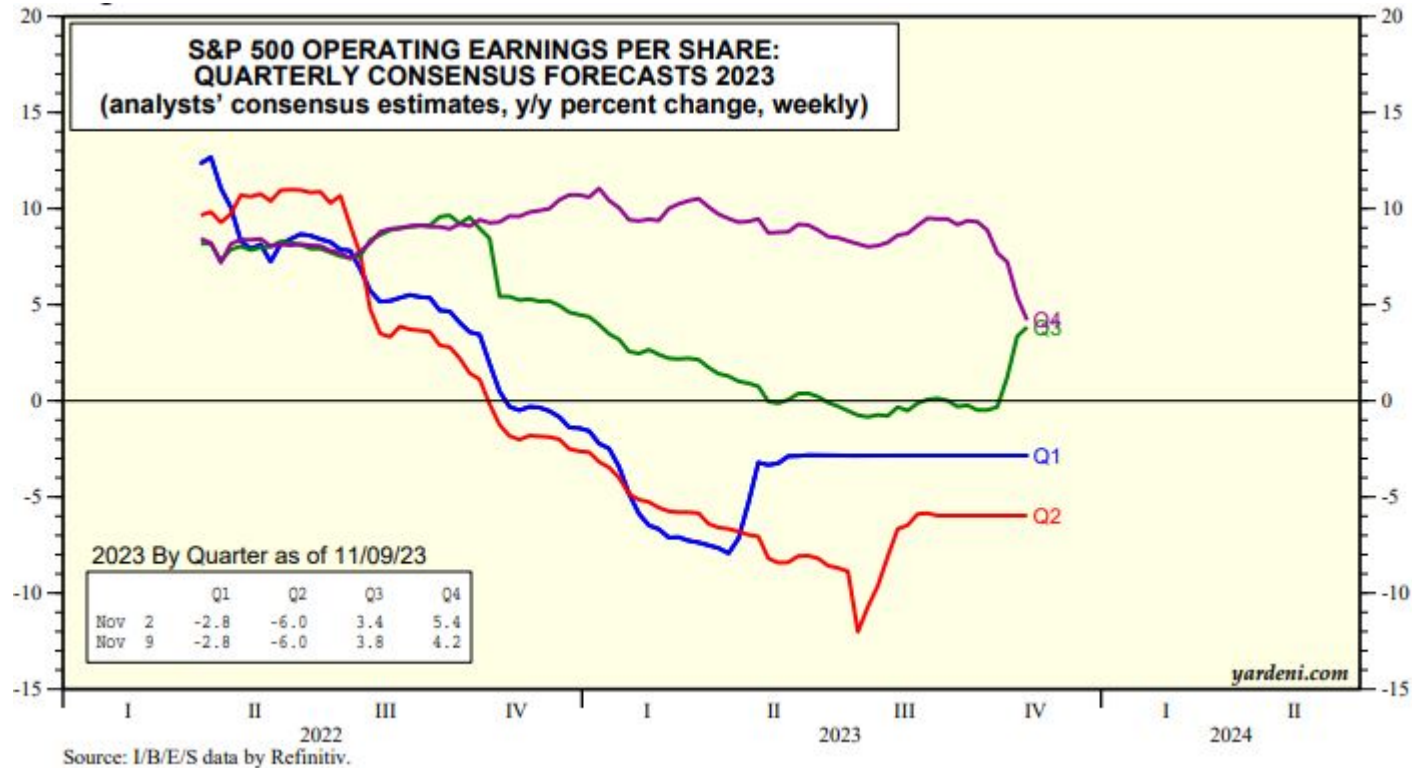
- No Fossil Fuels (Worst Offenders) 
- No Fossil Fuels (Any) 
- No Coal Seam Gas or Fracking 
- No Nuclear Power 
- No Old Growth Forest Logging 

Upgrades - 2023 stopped falling. 2024 steady



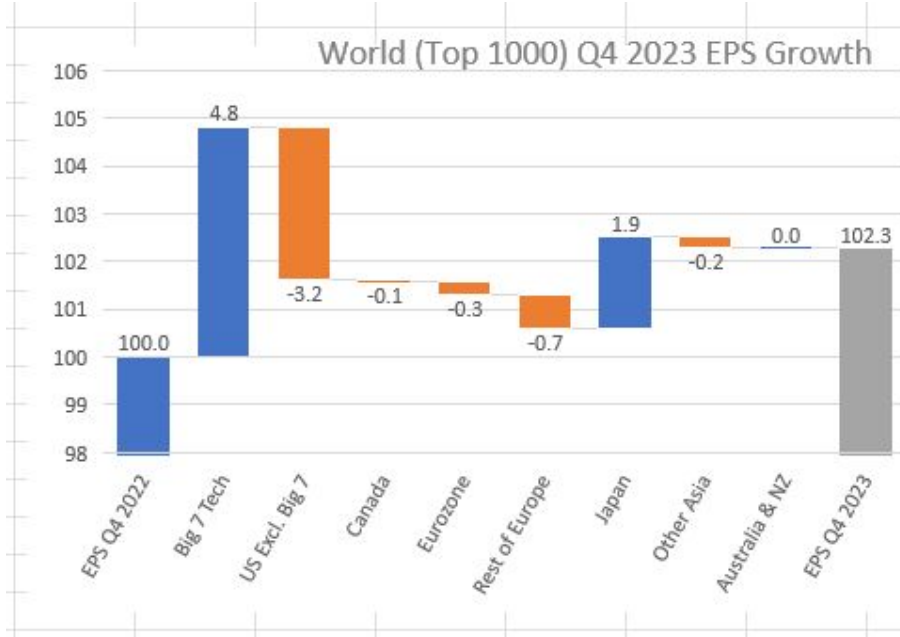
Source: I/B/E/S data by Refinitiv.

Upgrades - Q3 surprised positively. But big guidance downgrades

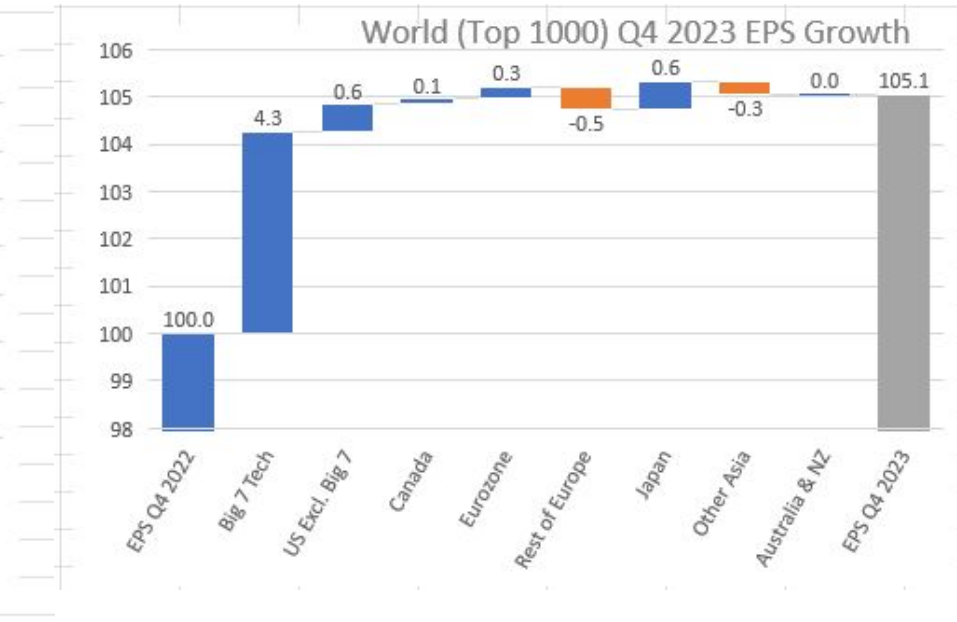


Regional Earnings: Change in Q4 forecasts

Now

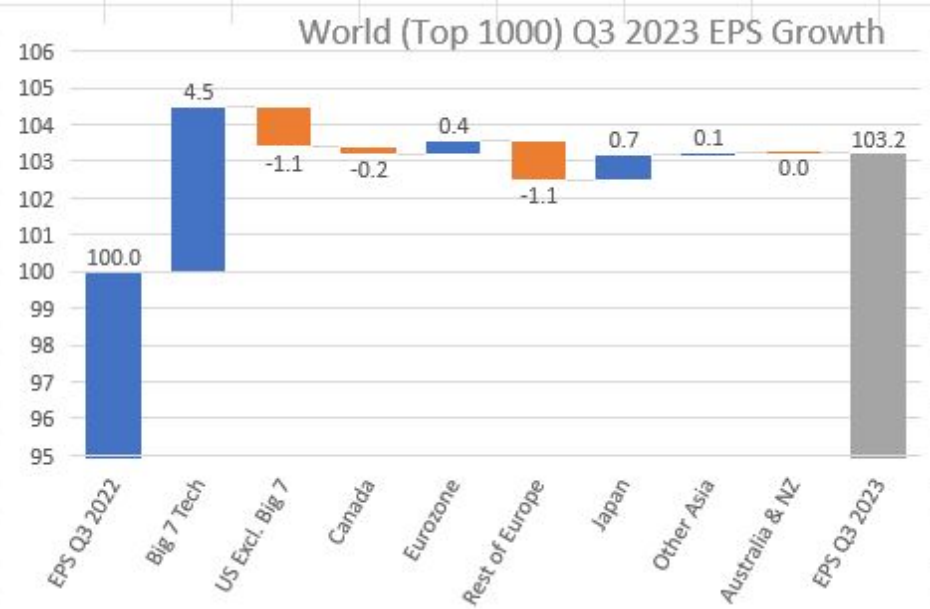


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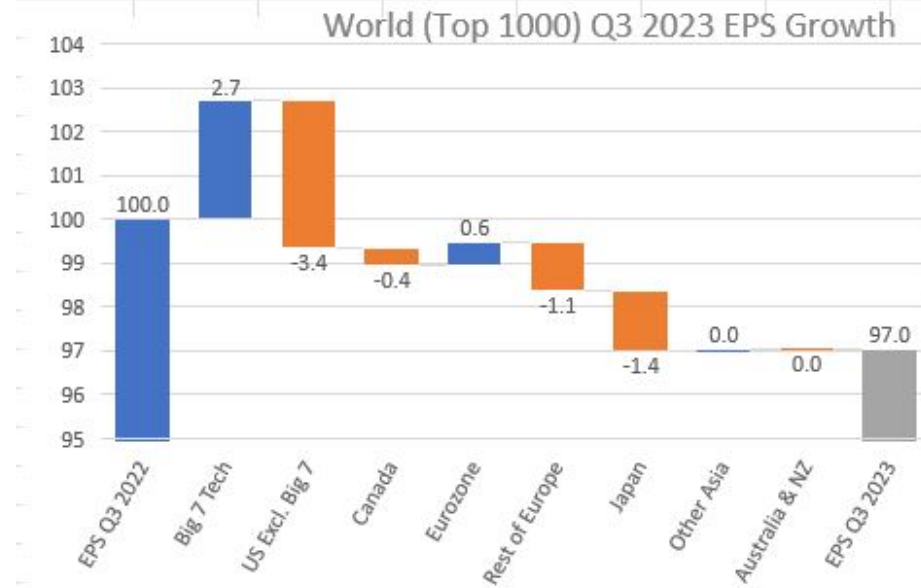


Regional Earnings: Change in Q3 earnings

Now

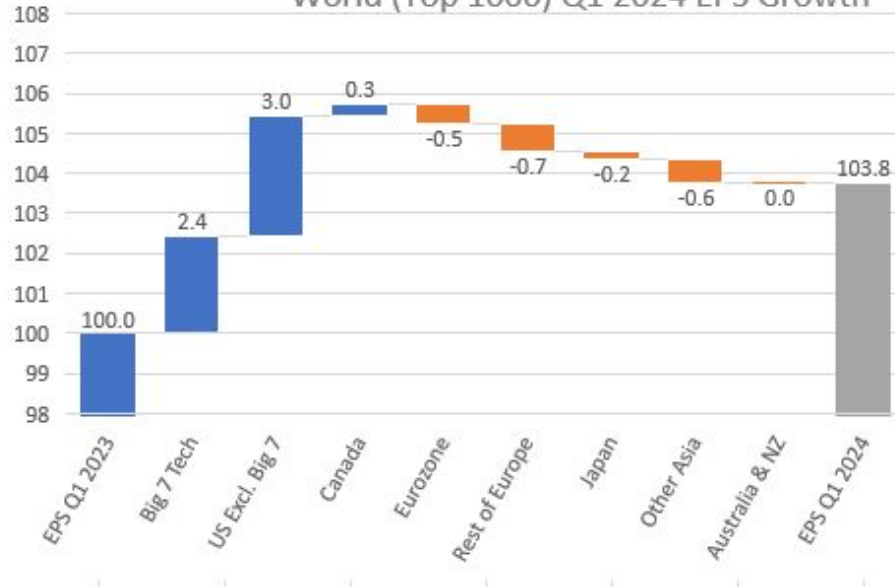


3 months ago

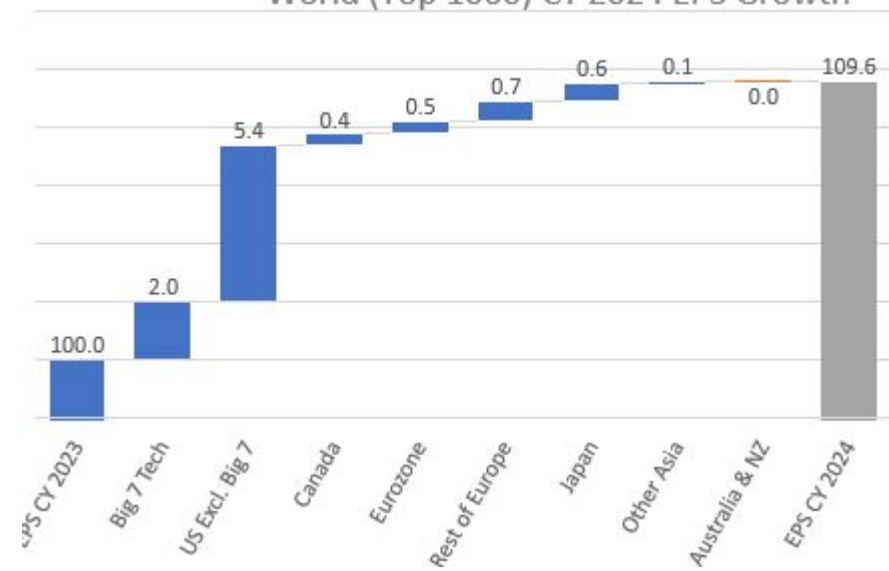


Regional Earnings

World (Top 1000) Q1 2024 EPS Growth



World (Top 1000) CY 2024 EPS Growth



Personalise Your Portfolio

Screens

You can exclude the below to customise your portfolio

Climate Change	War	Human Rights	Health	Vices
Animal Rights	Religion	Asset Class	Thematic	

- No Fossil Fuels (Worst Offenders) ?
- No Fossil Fuels (Any) ?
- No Coal Seam Gas or Fracking ?
- No Nuclear Power ?
- No Old Growth Forest Logging ?

Tilts

You can add the below to customise your portfolio

Investment Style Factors	Climate Change	Technology	
Consumption	Commodities	Military	GICS Sectors

- Quality Stocks ?
- Value Stocks ?
- Growth Stocks ?
- Defensives ?



Personalise your portfolio now >



Build Your Portfolio

Need help with this page? Video Tutorial

- Account Selection
- Investment Choice
- Risk Profile
- Build Your Portfolio**
- Ethical Overlay
- Review
- Applicants
- Bank Details
- Compliance
- Final Review

Portfolio Tilts



Quality Stocks

Value Stocks

Growth Stocks

Oil & Gas Stocks

Gold Stocks

Agribusiness

Large Technology Stocks

Cloud Computing Stocks

Robotics/AI

Video Gaming

Cybersecurity

Clean Energy

Defensives

Battery Supply Chain

Nuclear Power

Defense Contractors

Travel

Luxury Goods

Logistics

Global Communication Services

Global Consumer Discretionary

Global Consumer Staples

Global Energy

Global Financials

Global Health Care

Global Industrials

Global Information Technology

Regional Earnings

World (Top 1000) Q3 2023 EPS Growth

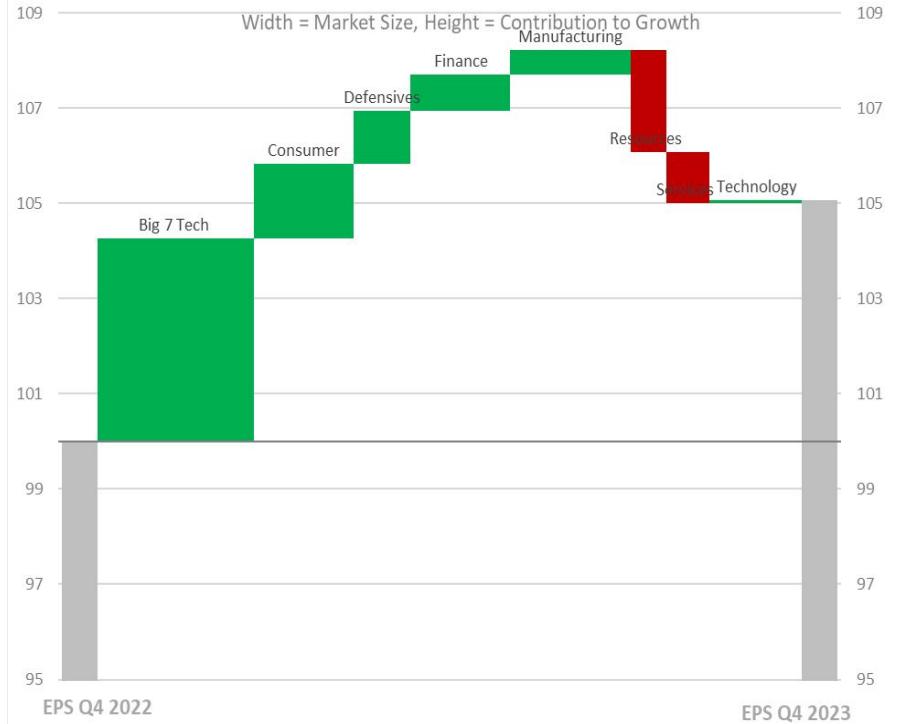
Width = Market Size, Height = Contribution to Growth



Source: S&P Capital IQ, Nucleus Wealth.

World (Top 1000) Q4 2023 EPS Growth

Width = Market Size, Height = Contribution to Growth



Source: S&P Capital IQ, Nucleus Wealth.

Big Downgrades

Downgrades to 2024

- 13% down 10%+, 18% down 3-10%
- Healthcare, Financials
- **Transport:** Maersk, Knight-Swift, CH Robinson, UPS
- **Semis:** Cisco, ON semi, ASML, AMD

Big Upgrades

- 6% up by 10%+, 13% up 3-10%
- NVIDIA
- Lots of Oil & Gas
- **Loss making / expensive tech:** DraftKings, GoDaddy, Block, Doordash, Softbank, Shopify, Splunk, Live Nation, Okta, Datadog, Crowdstrike
- **Japanese Car manufacturers:** Suzuki, Honda, Toyota

Viewer question of the week:

What sectors are the most likely to meet 2024 expectations?

Drop your answers in the comments

Investment Outlook

- **Major Themes to seek**

- Electrification
- Obesity drugs
- Onshoring / Robotics
- AI
- Cloud computing
- Gas price gap between Europe and US falling
- Quality stocks that can hold onto greedflation price rises

- **Themes to avoid companies that will lose from**

- China into terminal decline
- Driverless cars / Electric Vehicles
- Stocks that have to give back margin gains in a recession

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