

MRB Corporate Profits

May 2025

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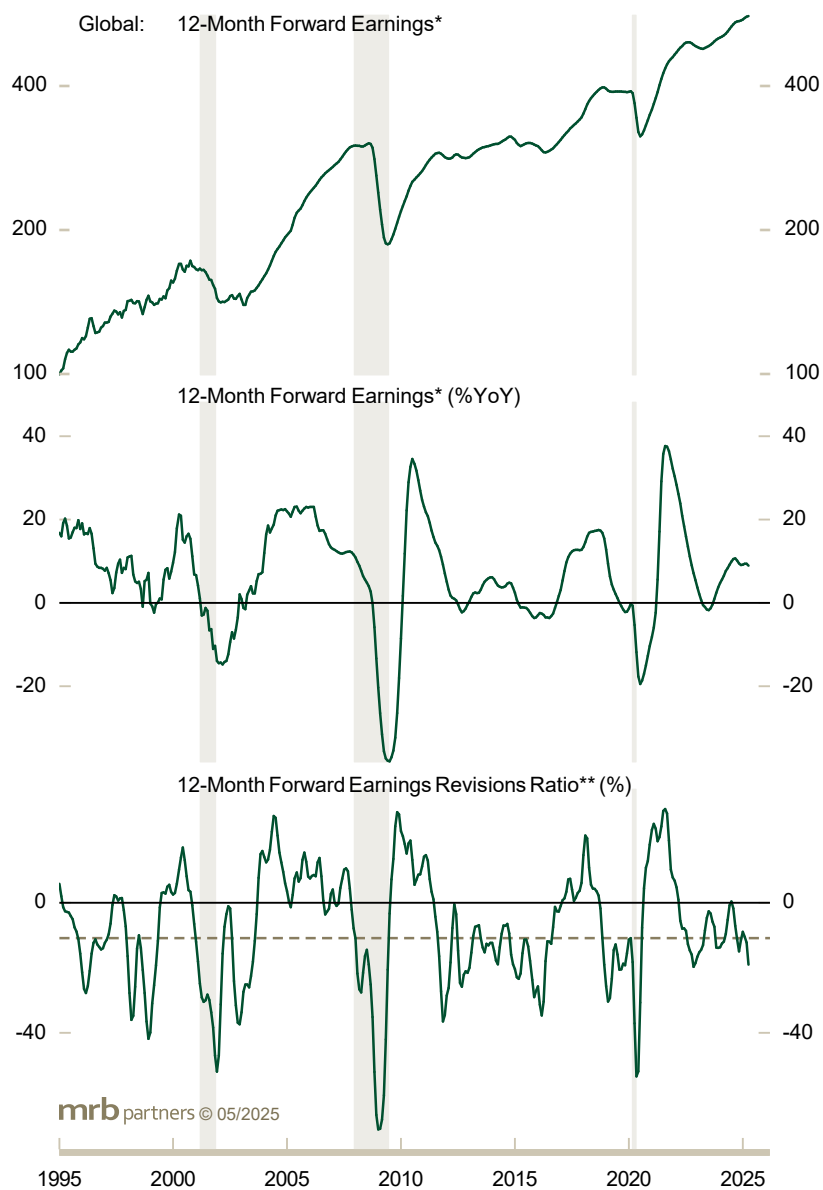
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Highlights:

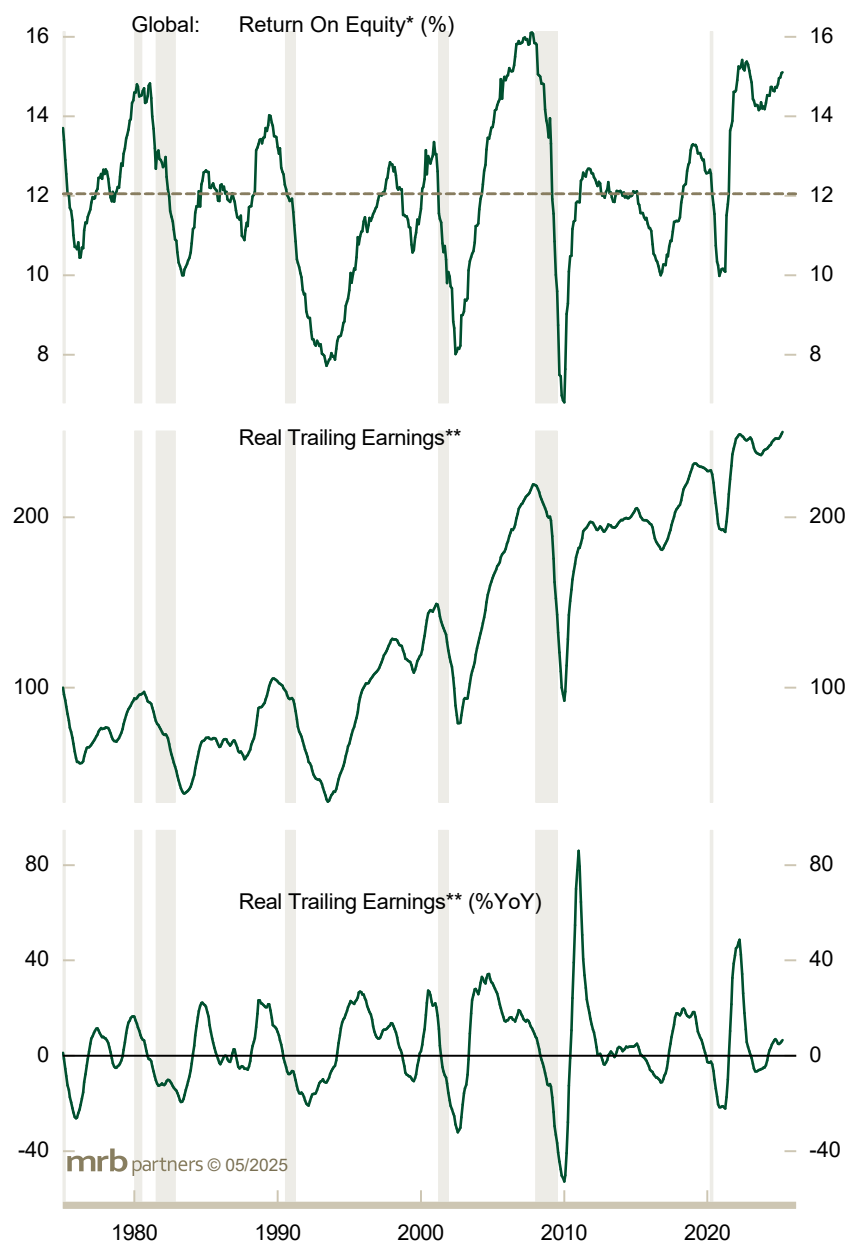
- The uptrend in global 12-month forward earnings continued in April, although growth momentum has peaked and earnings revisions were decidedly negative. We expect downgrades in the coming months in response to global growth concerns.
- There continue to be significant divergences in forward earnings trends across major markets (in local-currency terms). The uptrends are strongest in the U.S. and Japan, while earnings are trending lower in Australia and Sweden.
- Euro area earnings have flattened off after an earlier strong uptrend, while emerging market earnings (in U.S. dollars) are edging choppily higher. U.K. earnings appear to have stabilized, and a modest Canadian earnings upturn (also in local-currency terms) is solidifying.
- April earnings likely do not fully capture the anticipated impact of U.S. tariffs on global trade, although it is also unclear where the tariffs will ultimately settle. Still, the deteriorations in the earnings revisions ratios (upgrades relative to downgrades) warn that the level of earnings expectations is likely to weaken in the coming months.
- Despite the tariffs, we do not expect a U.S. or global economic recession, so an outright decline in 12-month forward earnings is not our base-case scenario. Nonetheless, the earnings outlook for the next 6-12 months is mixed, and risks are tilted to the downside.

Global



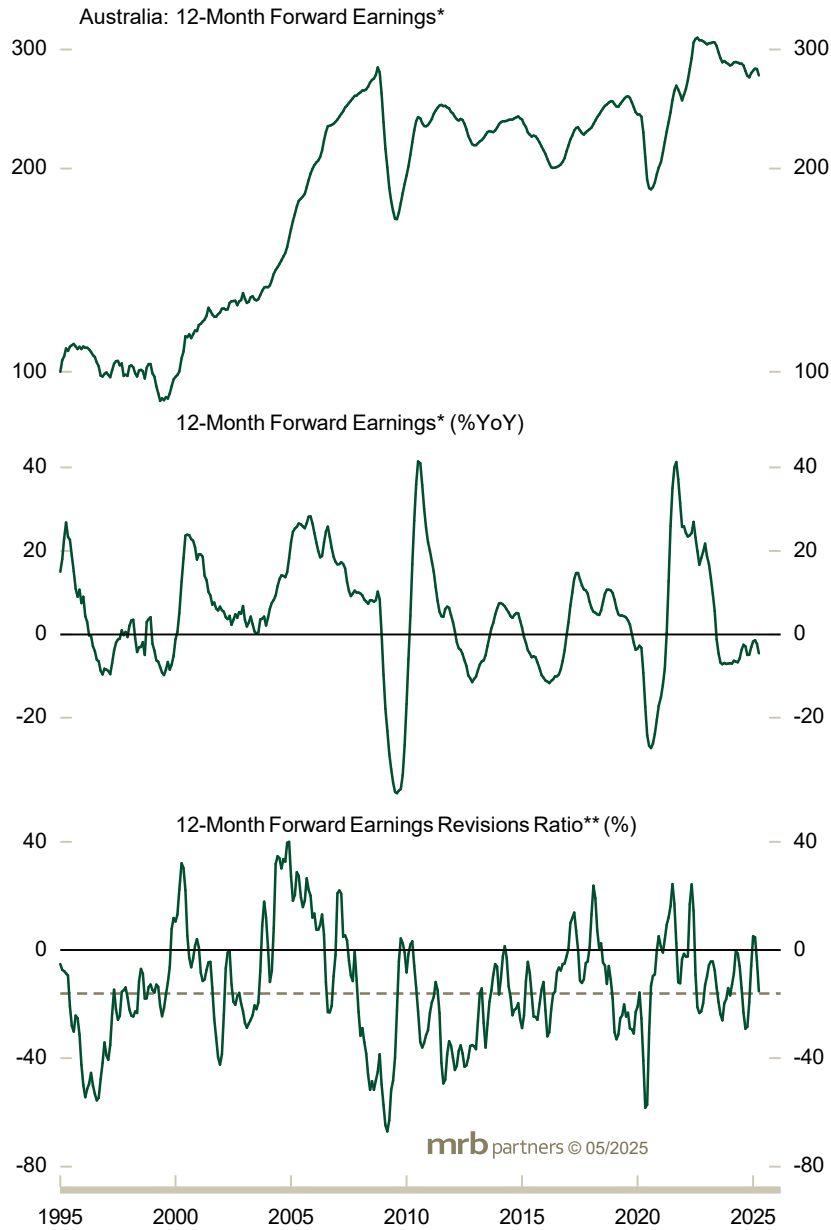
* Local currency; rebased to January 1995 = 100; source: MSCI
 ** Net Revisions to total revisions, smoothed; source: Refinitiv I/B/E/S Global Aggregates
 Note: --- in panel 3 is the period mean
 Shaded for NBER-designated U.S. recessions

Global



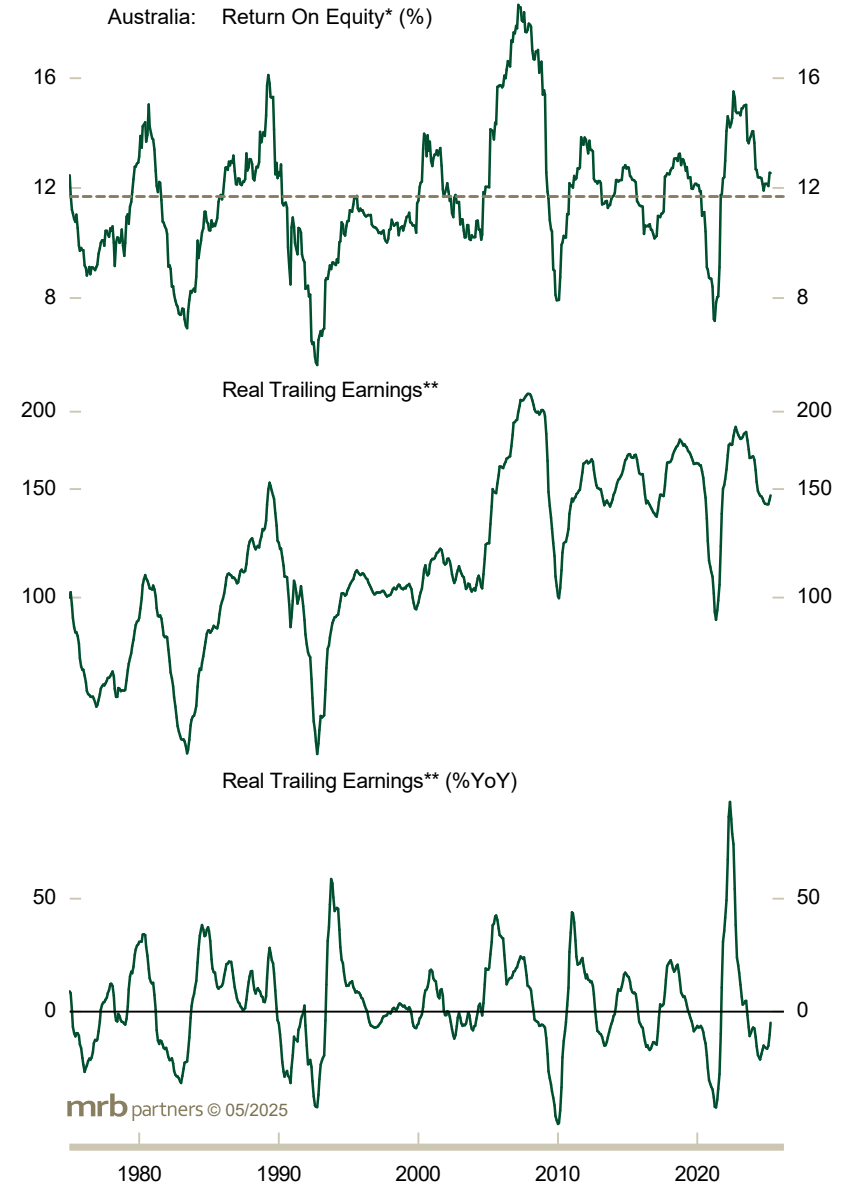
* Source: MSCI
 ** Deflated by headline CPI; rebased; local currency; smoothed; source: MSCI
 Note: Shaded for NBER-designated U.S. recessions

Australia



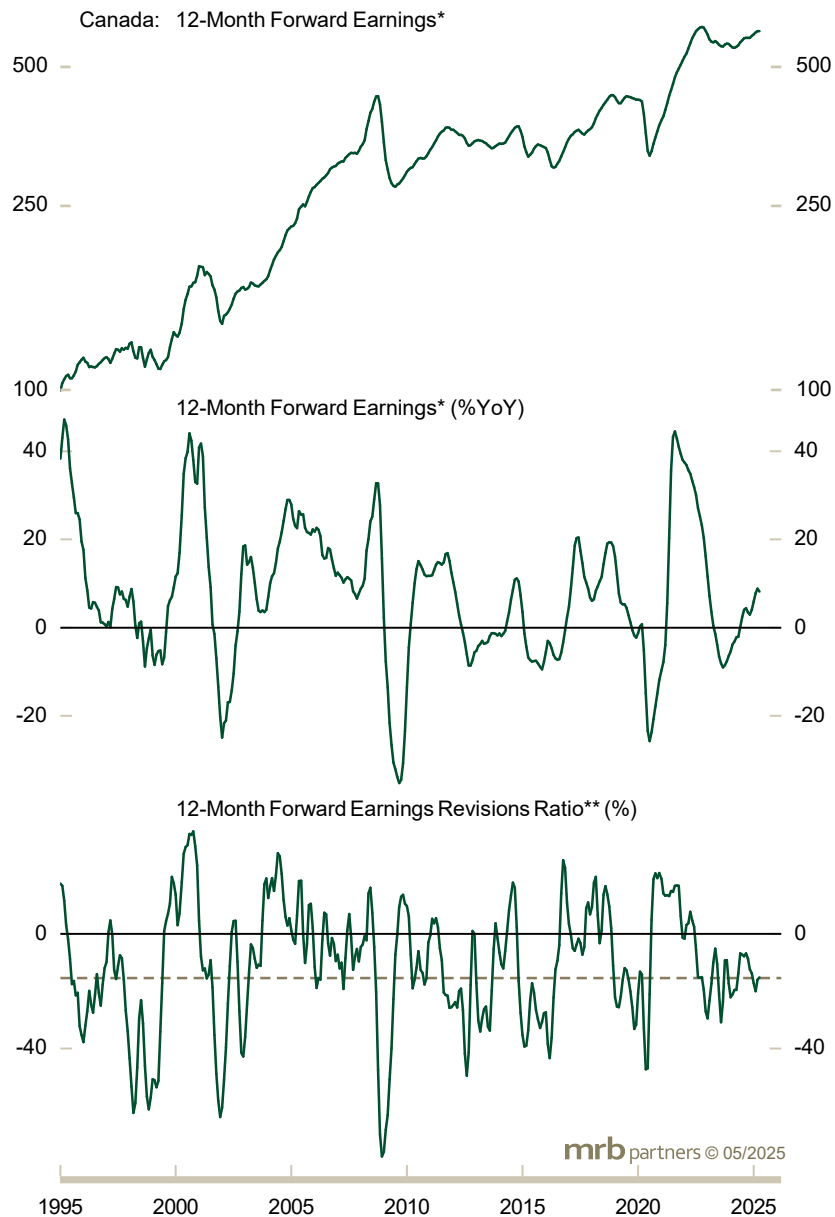
* Local currency; rebased to January 1995 = 100; source: MSCI
 ** Net Revisions to total revisions, smoothed; source: Refinitiv I/B/E/S Global Aggregates
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Australia



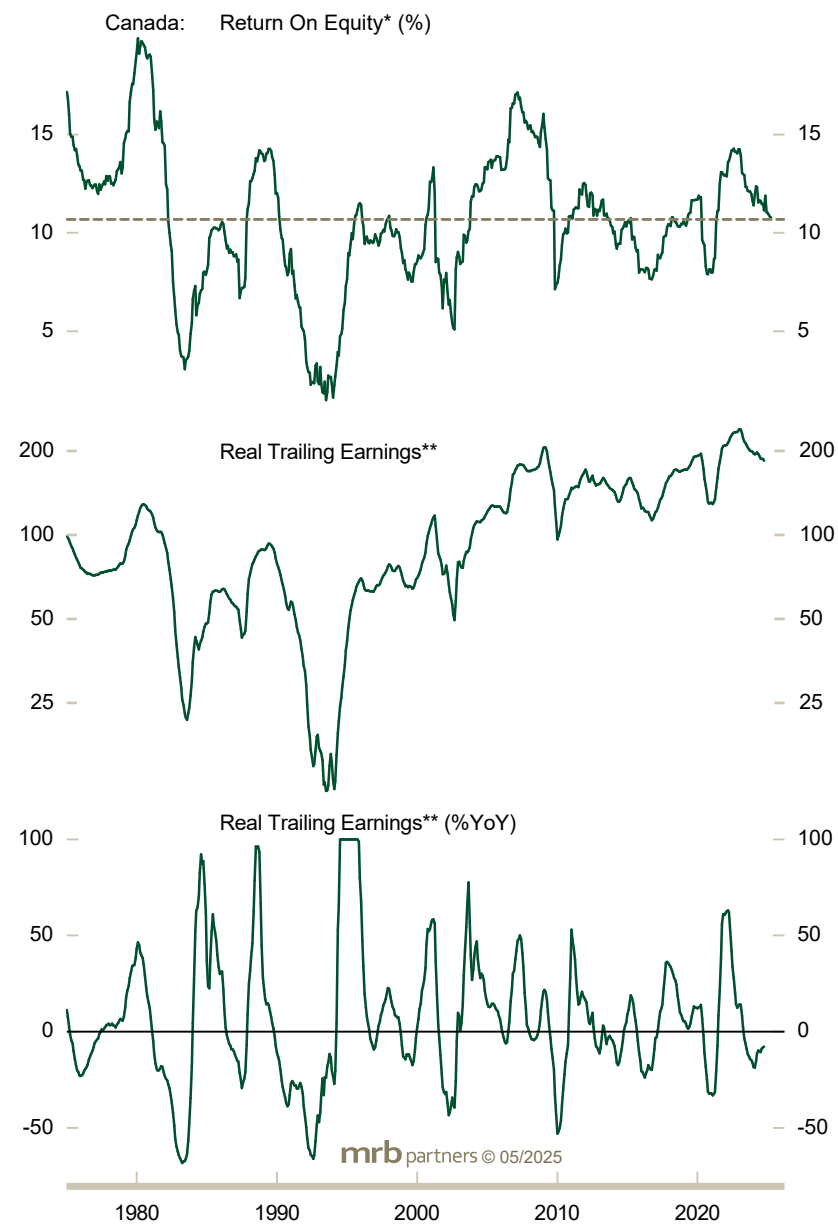
* Source: MSCI
 ** Deflated by headline CPI; rebased; local currency; smoothed; source: MSCI

Canada



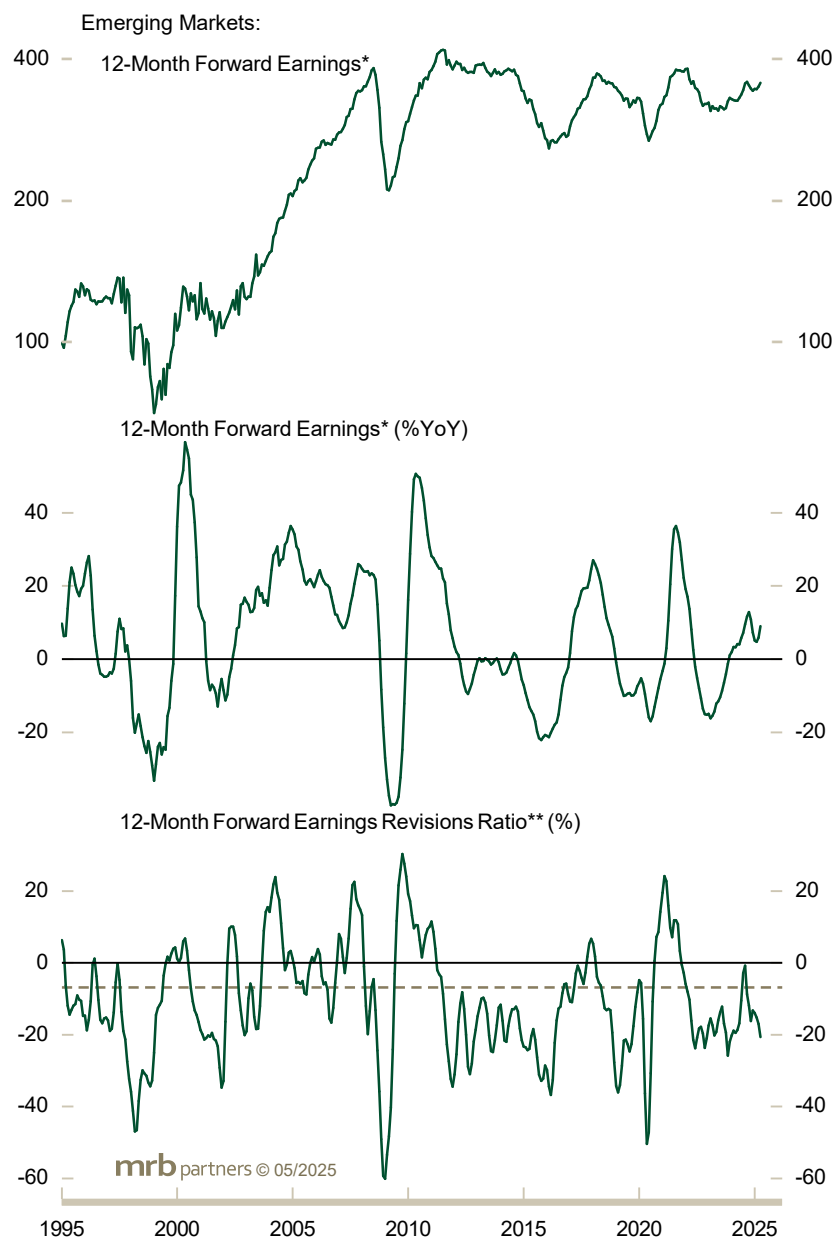
* Local currency; rebased to January 1995 = 100; source: MSCI
 ** Net Revisions to total revisions, smoothed; source: Refinitiv I/B/E/S Global Aggregates
 Note: --- in panel 3 is the period mean

Canada



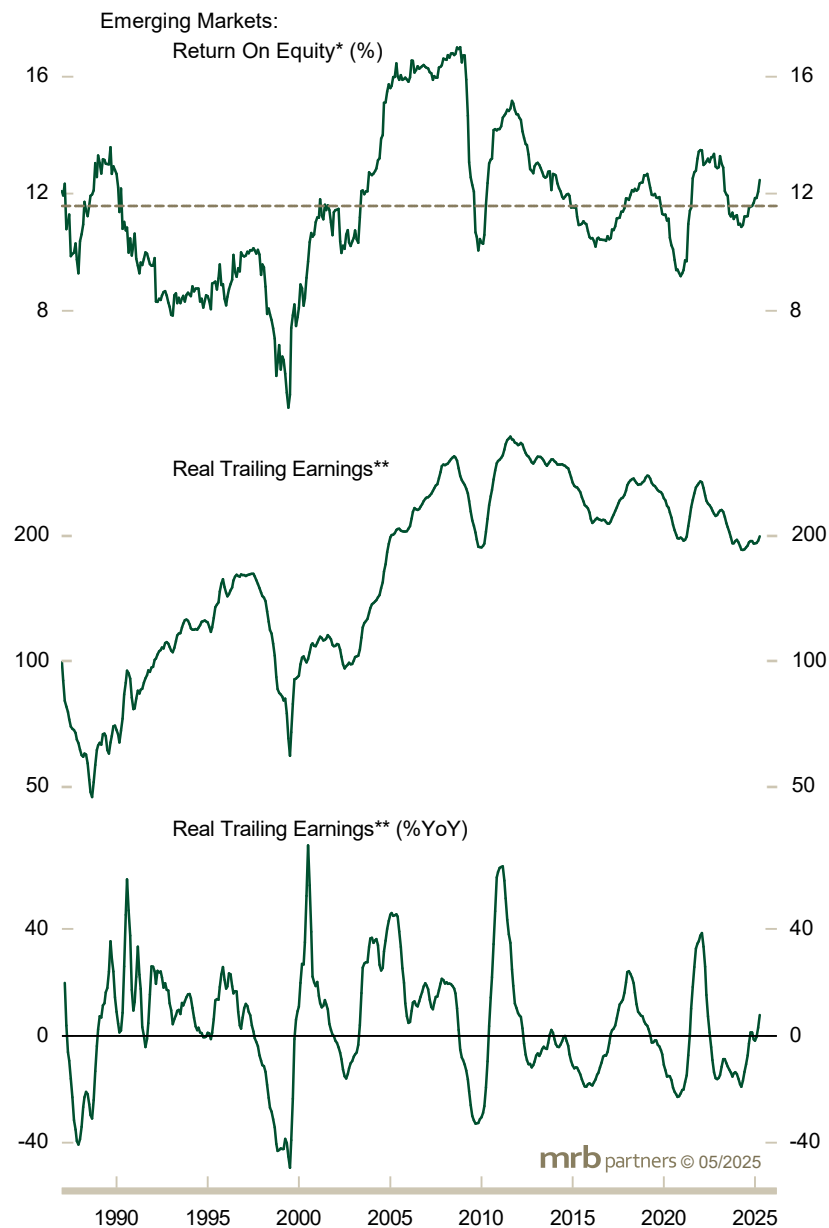
* Source: MSCI
 ** Deflated by headline CPI; rebased; local currency; smoothed;
 source: MSCI

Emerging Markets



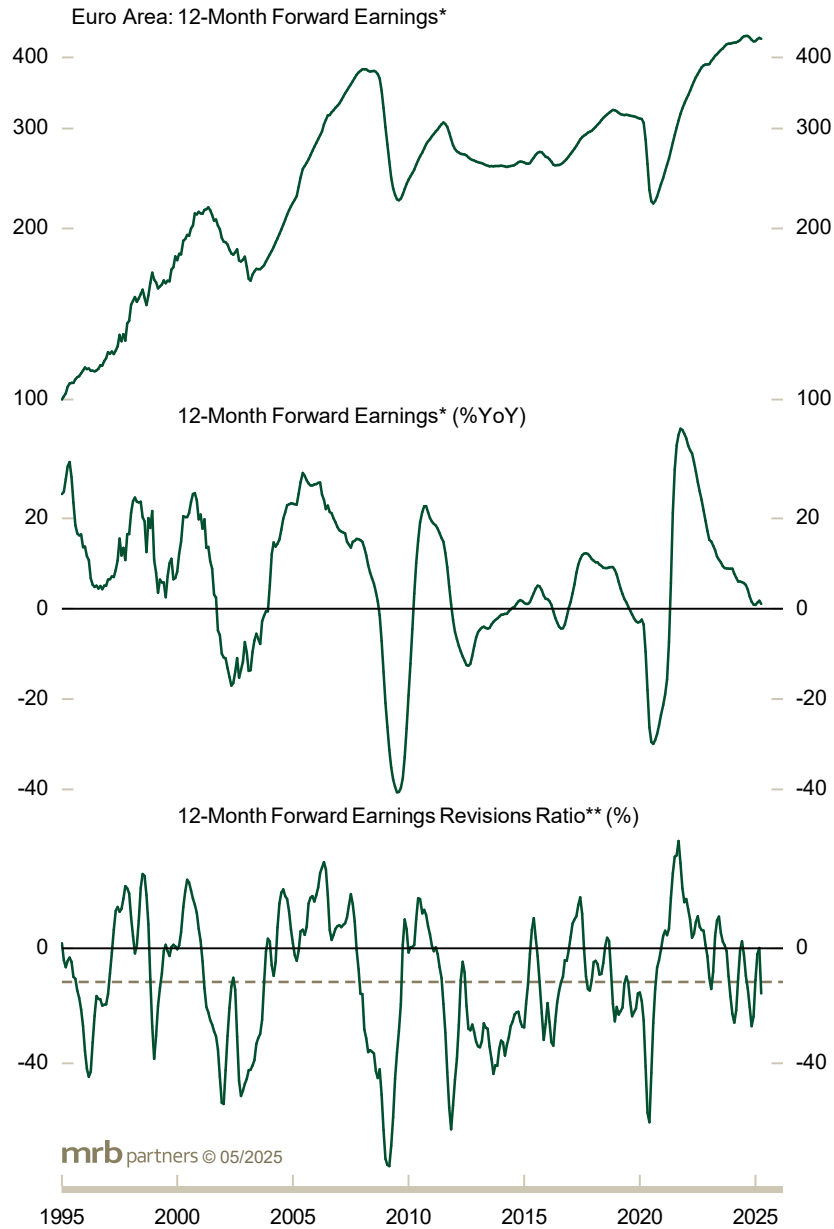
* U.S. dollars; rebased to January 1995 = 100; source: MSCI
 ** Net Revisions to total revisions, smoothed; source: Refinitiv I/B/E/S Global Aggregates
 Note: --- in panel 3 is the period mean

Emerging Markets



* Source: MSCI
 ** Deflated by headline U.S. CPI; rebased to January 1987 = 100; U.S. dollars; smoothed; source: MSCI

Euro Area



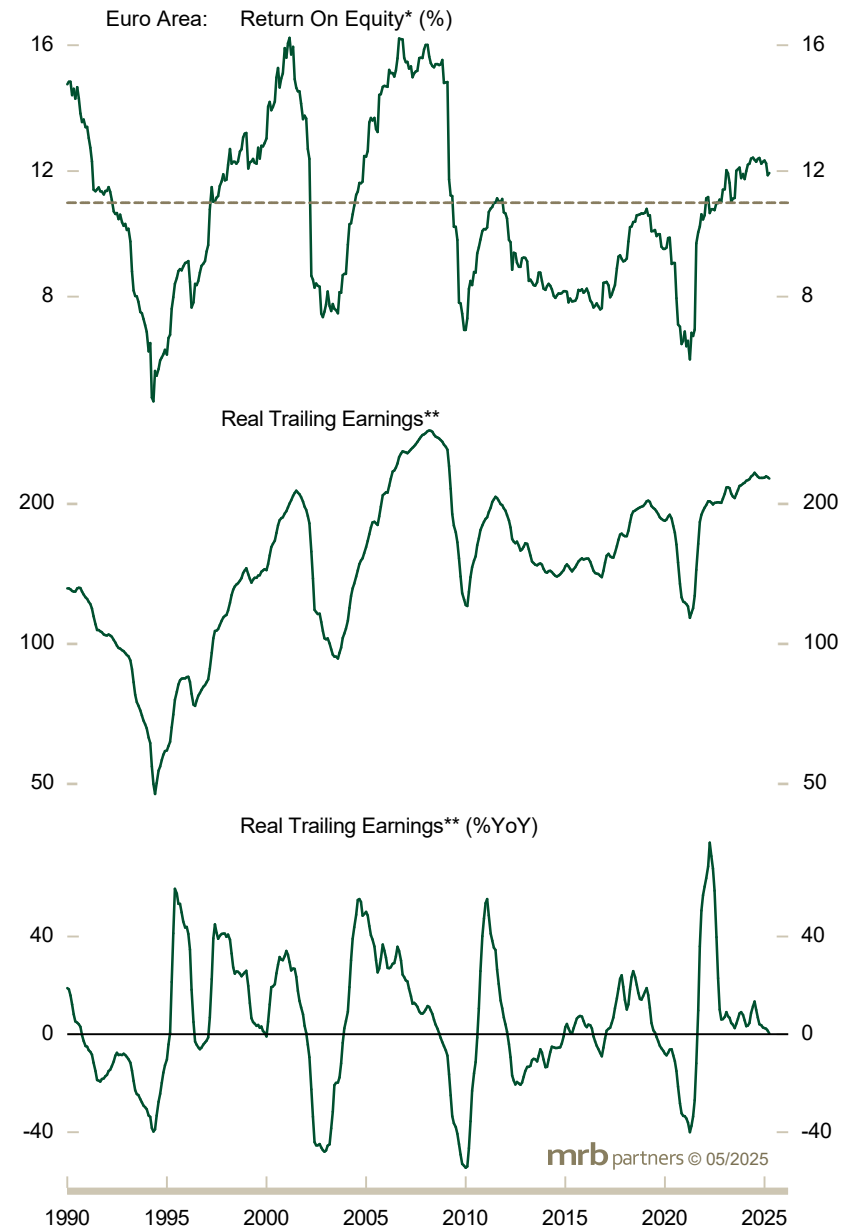
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* Local currency; rebased to January 1995 = 100; source: MSCI

** Net Revisions to total revisions, smoothed; source: Refinitiv I/B/E/S Global Aggregates

Note: --- in panel 3 is the period mean

Euro Area

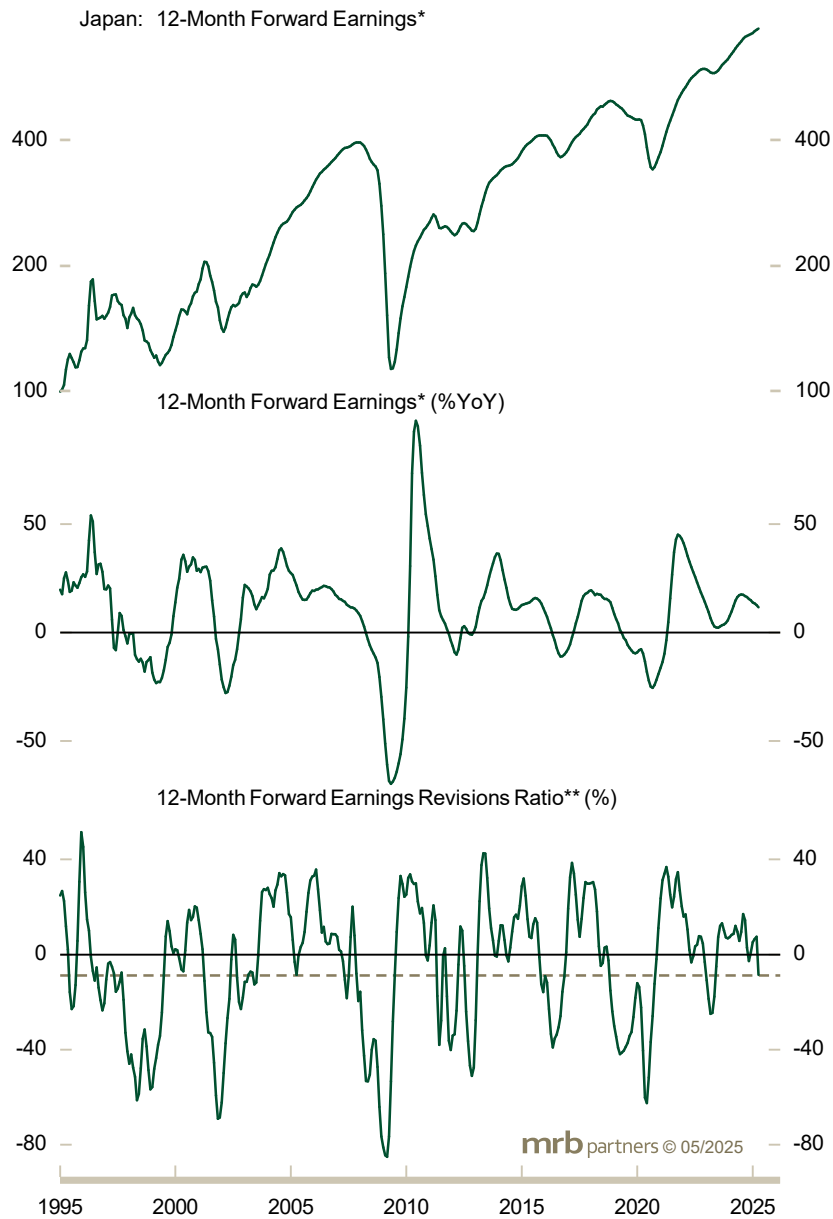


* Source: MSCI

** Deflated by headline CPI; rebased to March 1990 = 100; local currency; smoothed; source: MSCI

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Japan

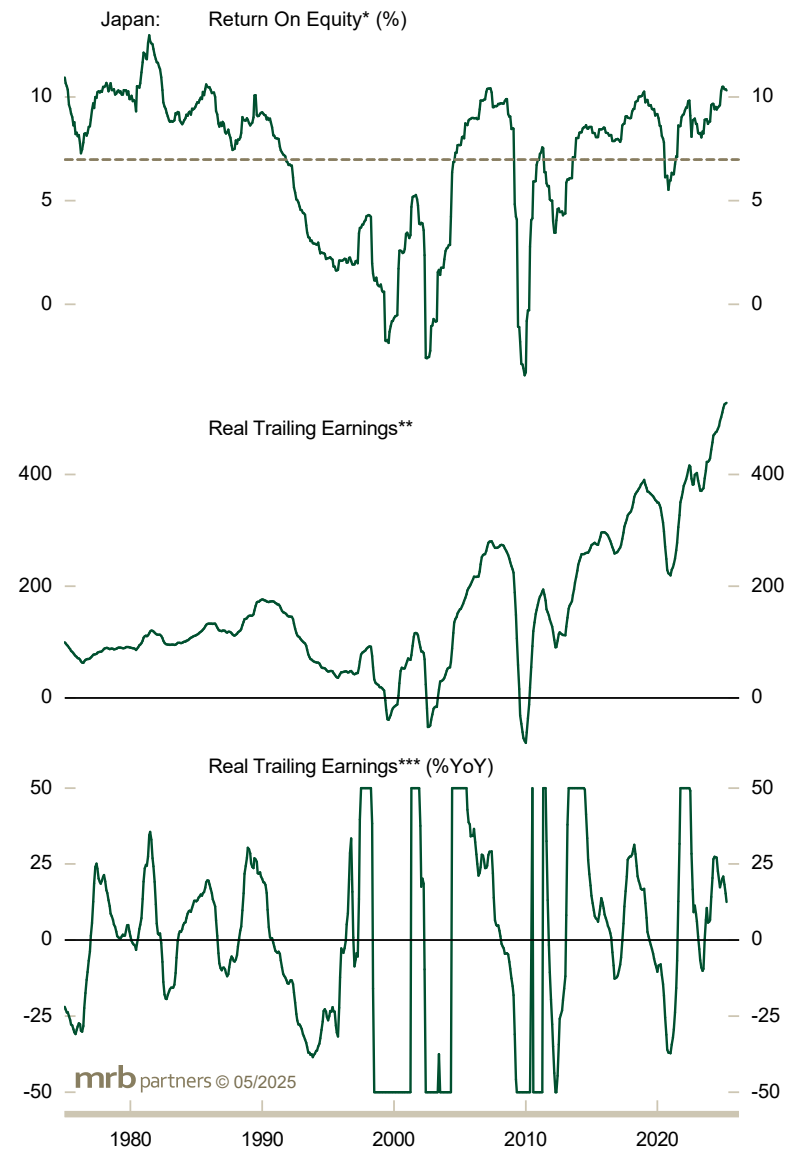


* Local currency; rebased to January 1995 = 100; source: MSCI

** Net Revisions to total revisions, smoothed; source: Refinitiv I/B/E/S Global Aggregates

Note: --- in panel 3 is the period mean

Japan

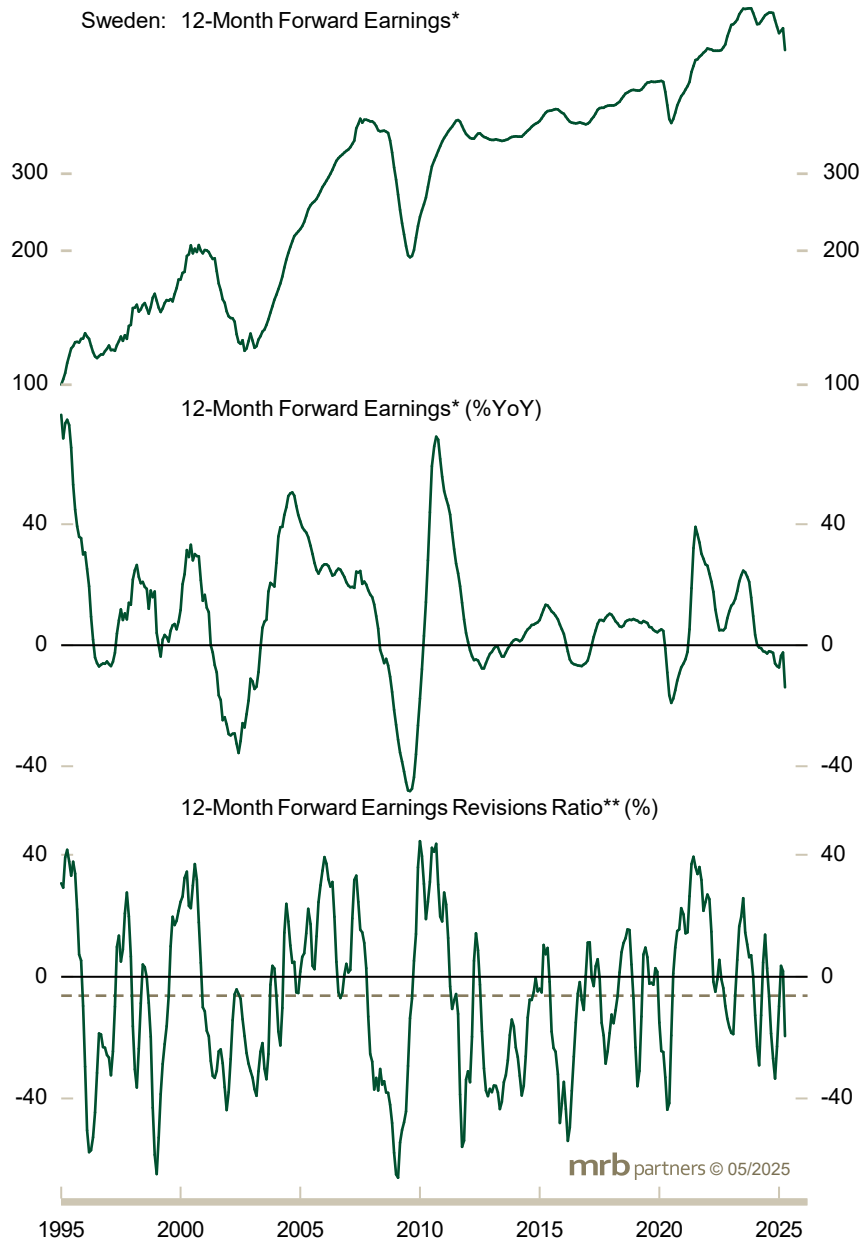


* Source: MSCI

** Deflated by headline CPI; rebased to December 1975 = 100; local currency; smoothed; source: MSCI

*** Truncated at 50 and -50; deflated by headline CPI; local currency; smoothed; source: MSCI

Sweden

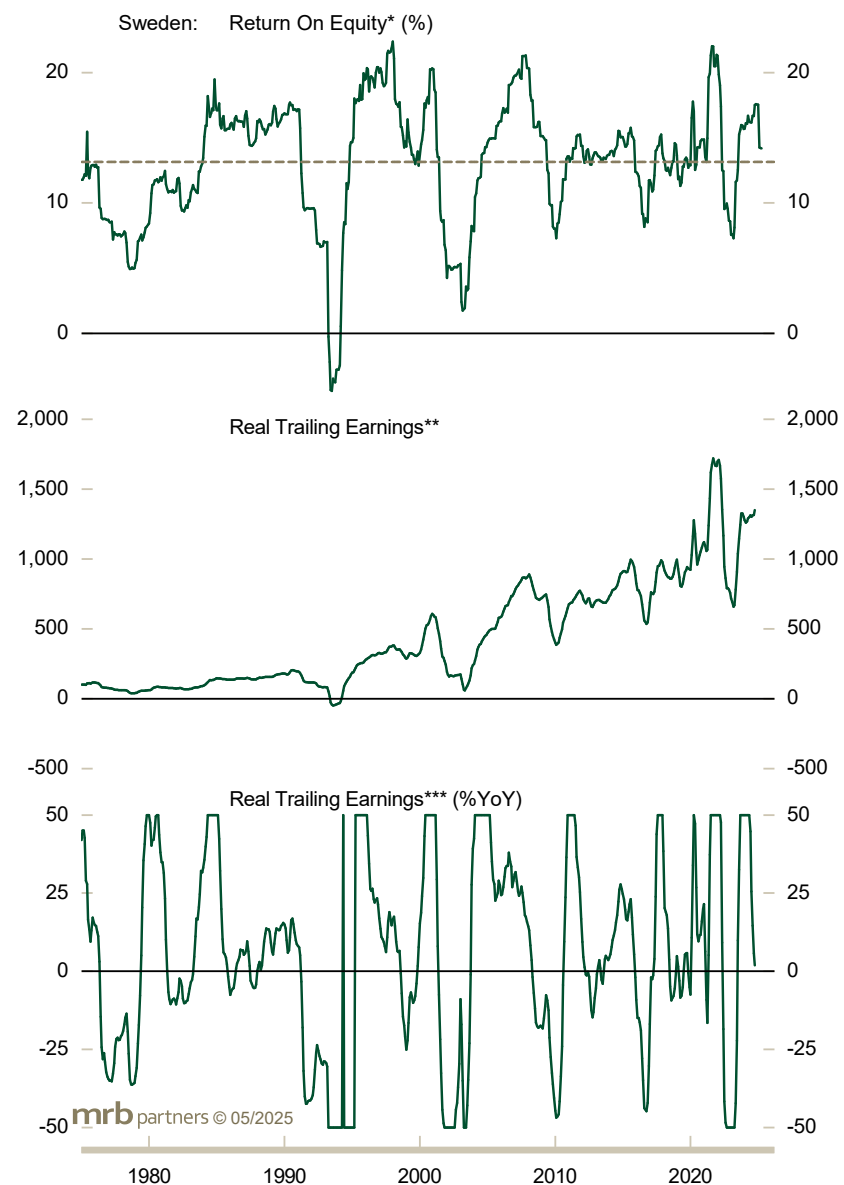


* Local currency; rebased to January 1995 = 100; source: MSCI

** Net Revisions to total revisions, smoothed; source: Refinitiv I/B/E/S Global Aggregates

Note: --- in panel 3 is the period mean

Sweden

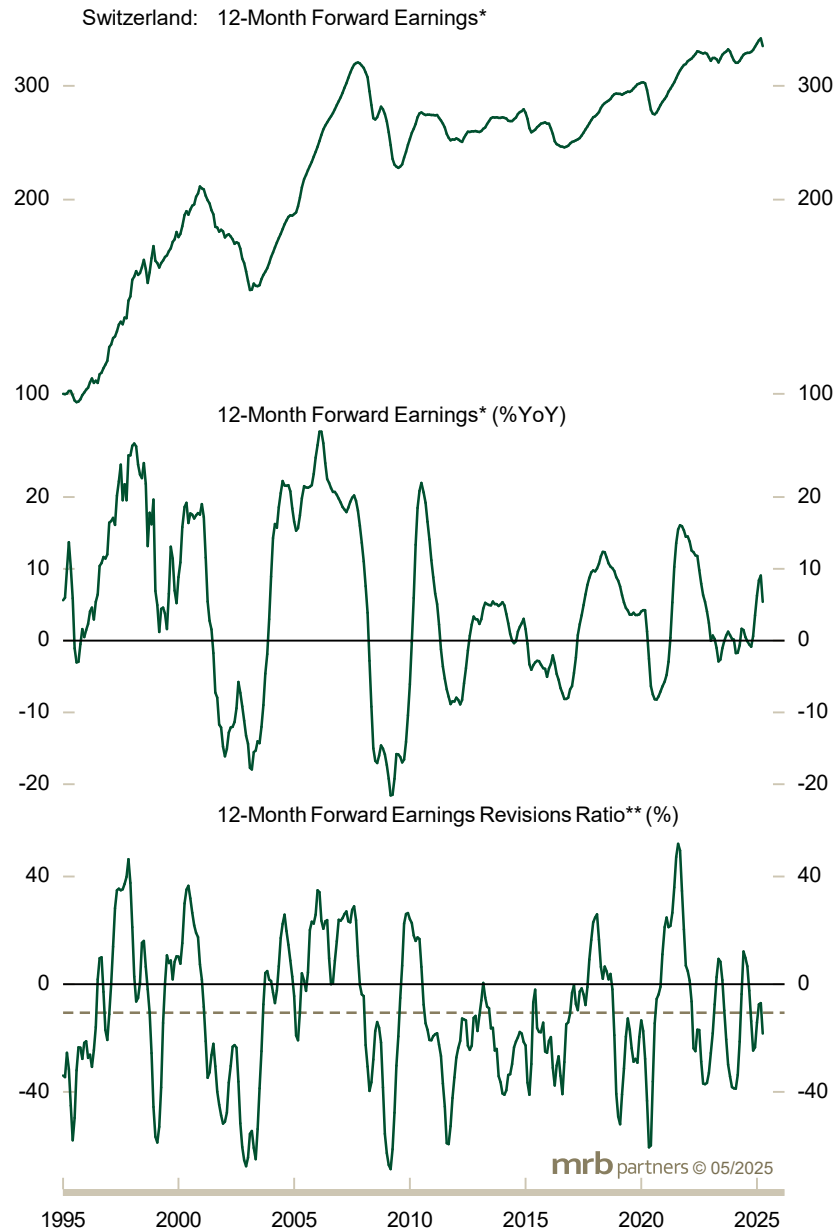


* Source: MSCI

** Deflated by headline CPI; rebased; local currency; smoothed; source: MSCI

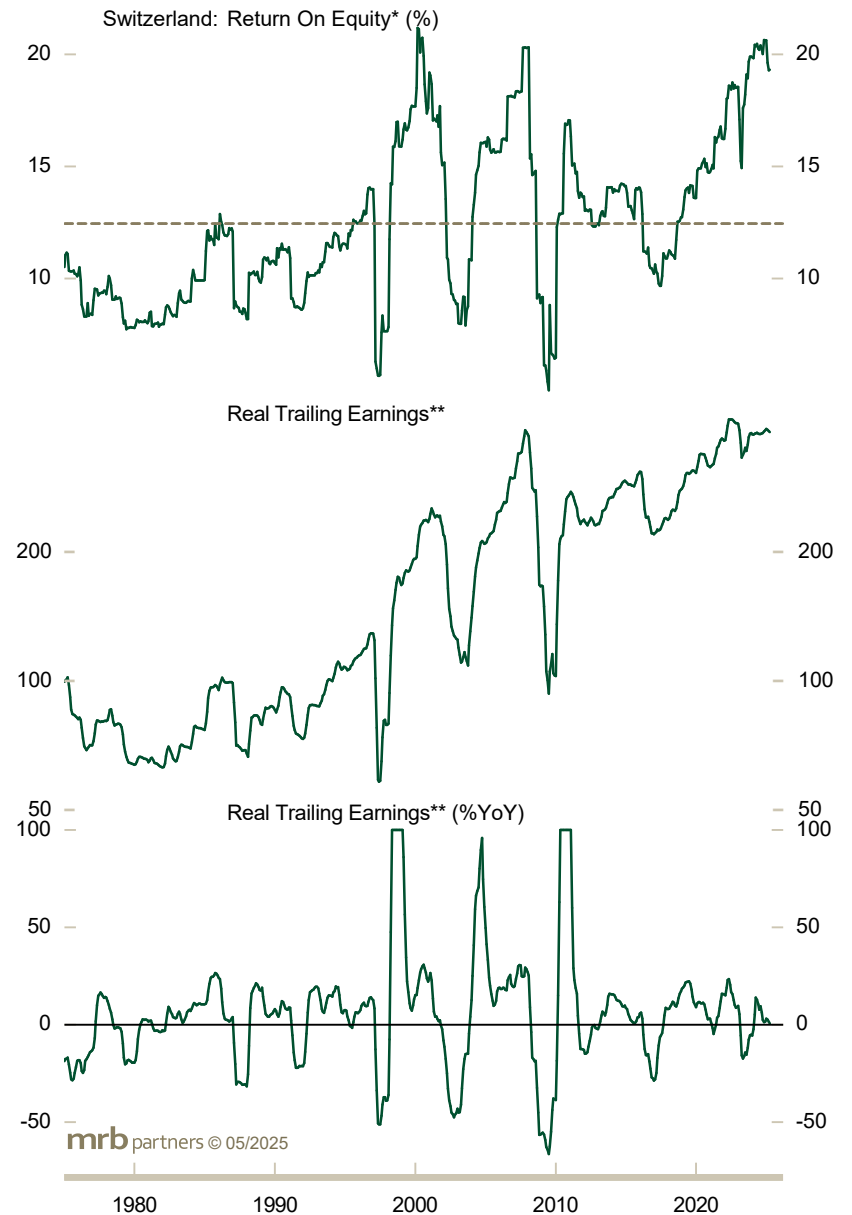
*** Truncated at 50 and -50; deflated by headline CPI; local currency; smoothed; source: MSCI

Switzerland



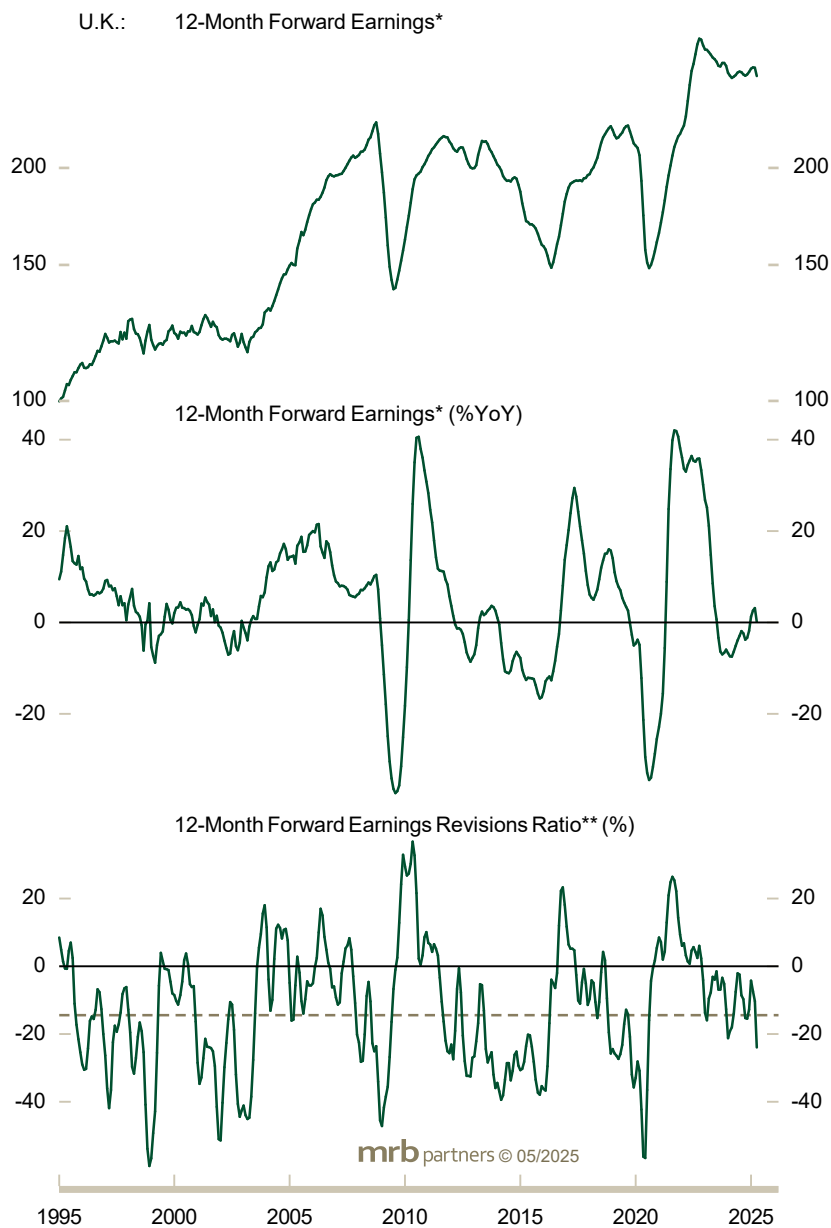
* Local currency; rebased to January 1995 = 100; source: MSCI
 ** Projected 12-Month Earnings: Forward / Trailing; truncated at 50; source: MSCI
 **Net Revisions to total revisions, smoothed; source: Refinitiv I/B/E/S Global Aggregates
 Note: --- in panel 3 is the period mean

Switzerland



* Source: MSCI
 ** Deflated by headline CPI; rebased; local currency; smoothed; source: MSCI
 Note: Panel 3 truncated above 100

U.K.

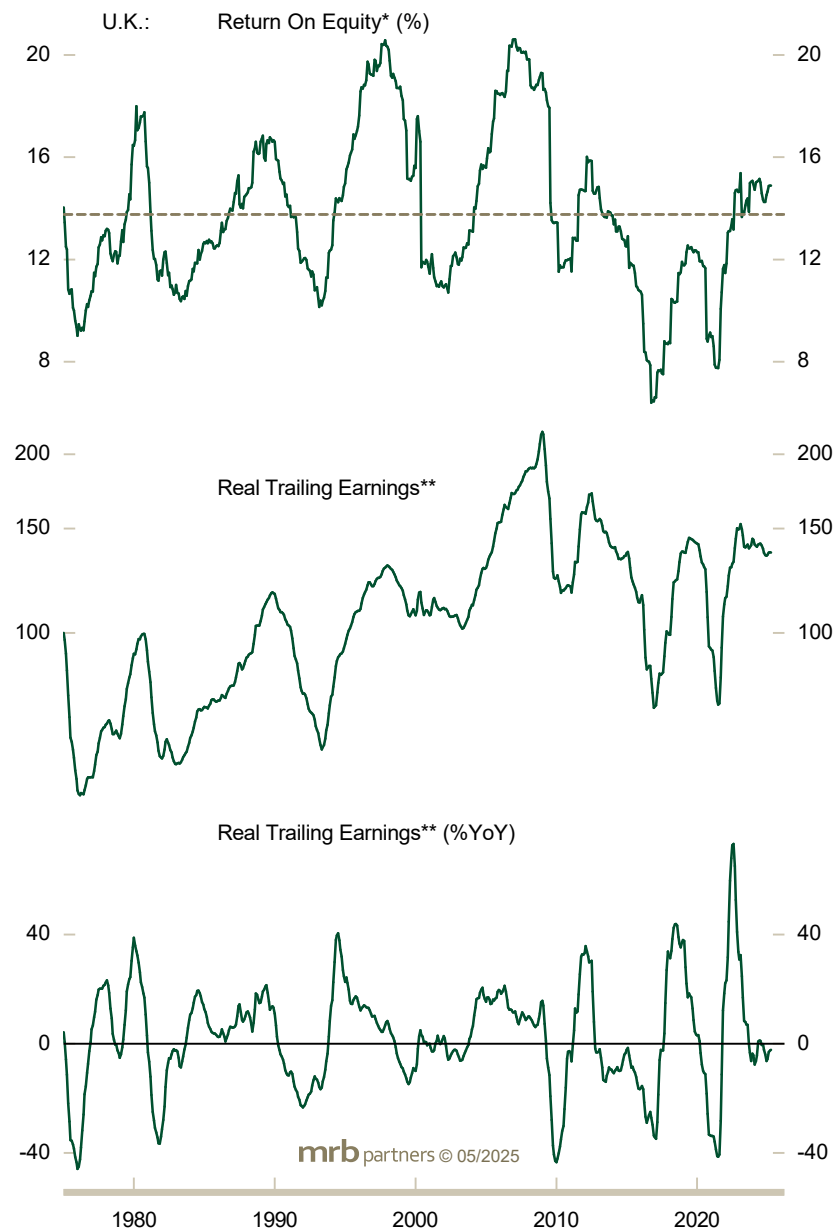


* Local currency; rebased to January 1995 = 100; source: MSCI

** Net Revisions to total revisions, smoothed; source: Refinitiv I/B/E/S Global Aggregates

Note: --- in panel 3 is the period mean

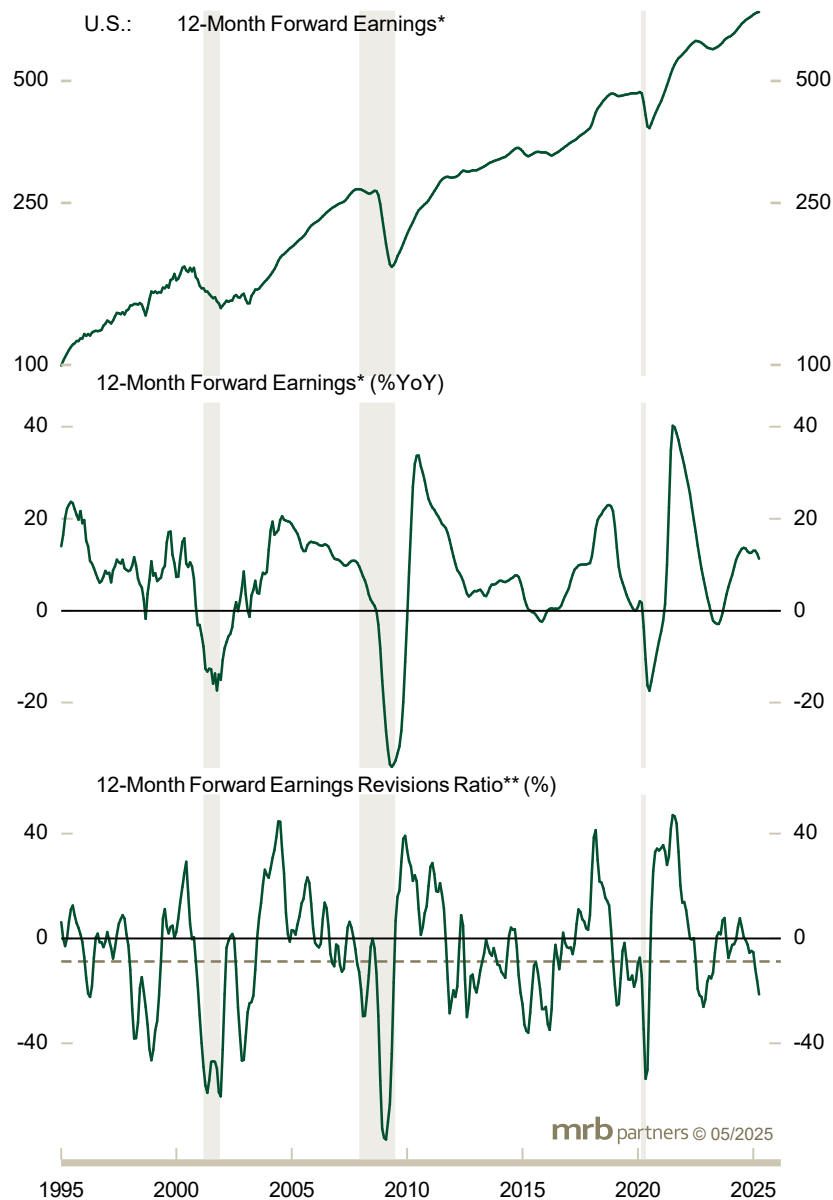
U.K.



* Source: MSCI

** Deflated by headline CPI; rebased; local currency; smoothed; source: MSCI

U.S.

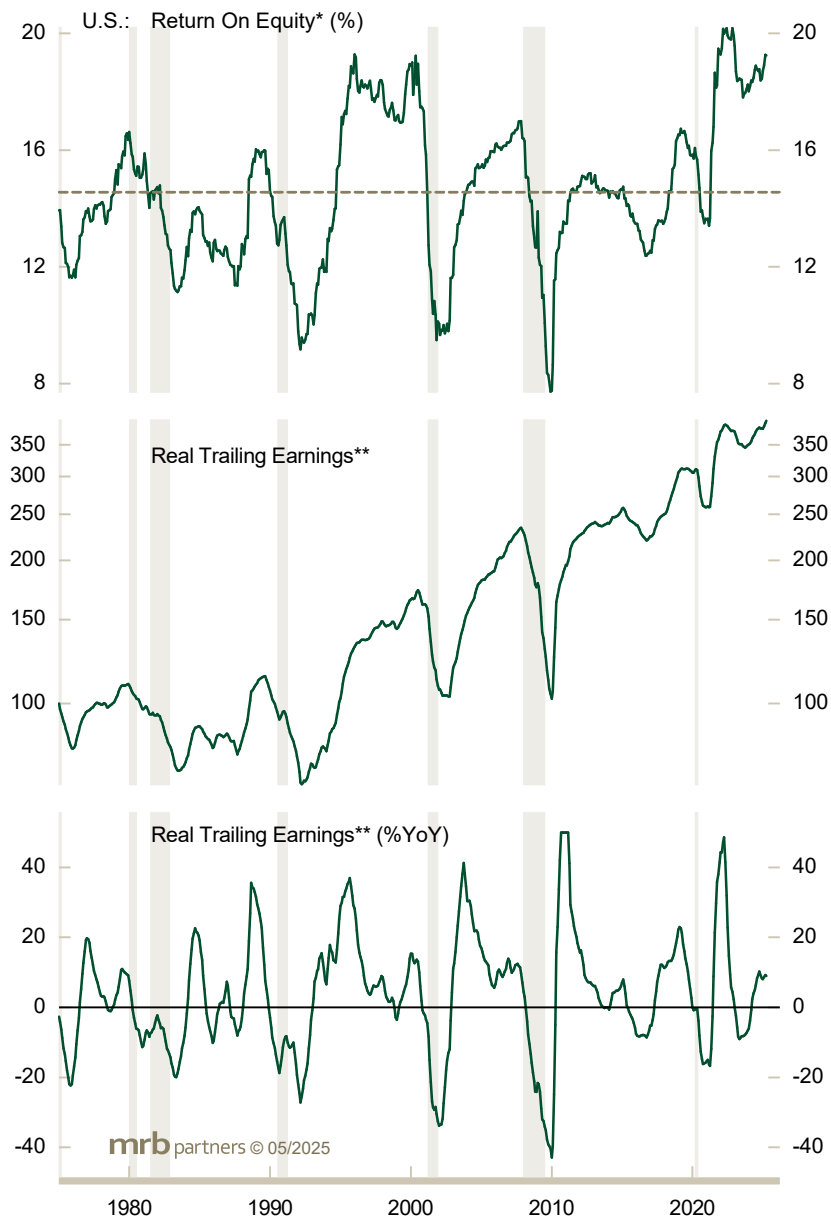


* Local currency; rebased to January 1995 = 100; source: MSCI

** Net Revisions to total revisions, smoothed; source: Refinitiv I/B/E/S Global Aggregates

Note: Shaded for NBER-designated U.S. recessions

U.S.



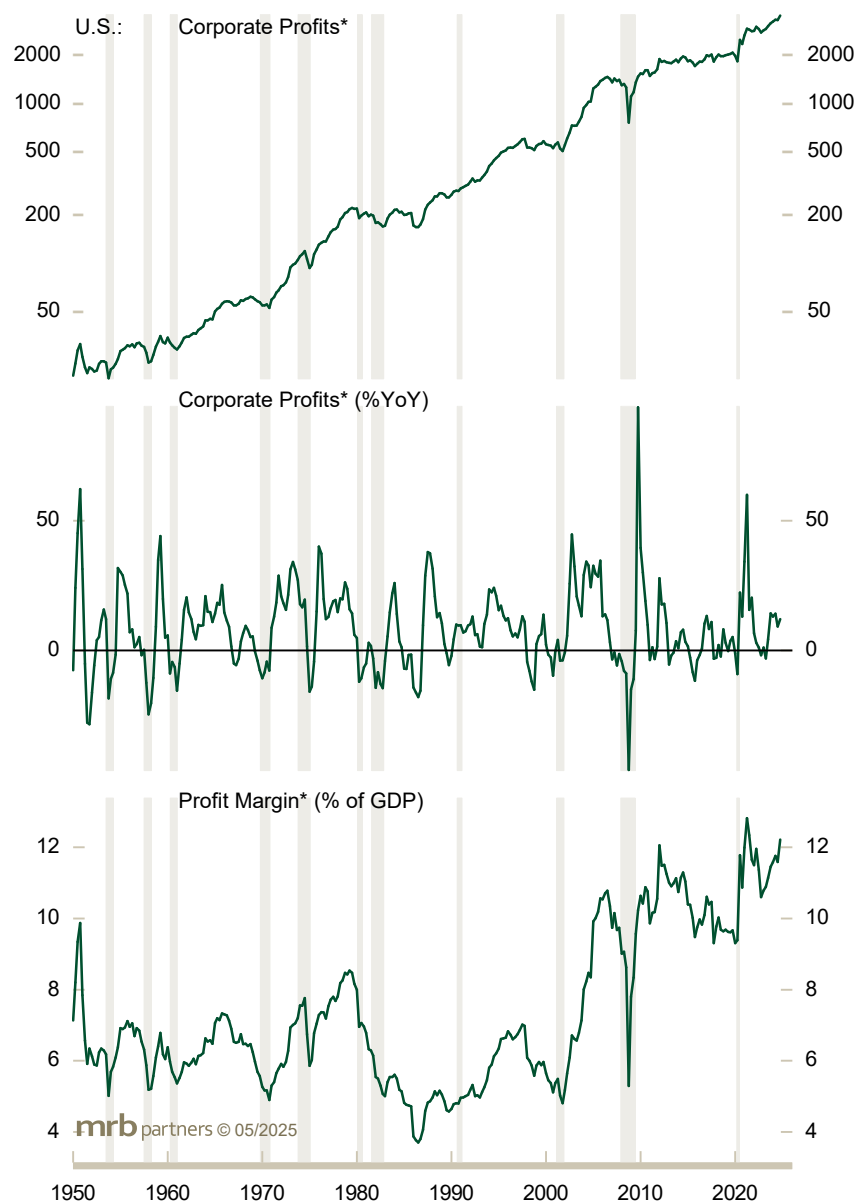
* Source: MSCI

** Deflated by headline CPI; rebased; local currency; smoothed;

source: MSCI

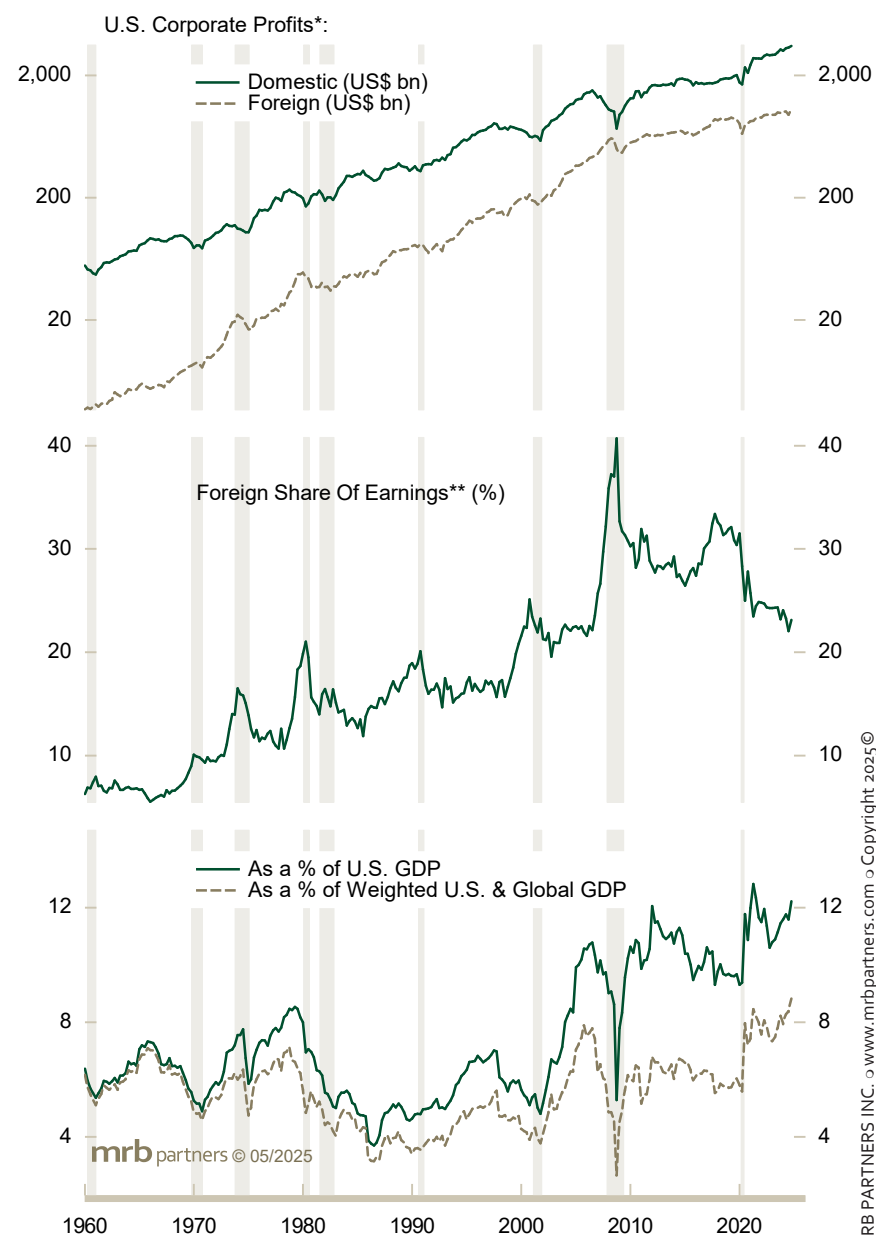
Note: Shaded for NBER-designated U.S. recessions; panel 3 truncated above 50

U.S.



* Profits after tax without inventory valuation and capital consumption; source: U.S. Bureau of Economic Analysis
Note: Shaded for NBER-designated U.S. recessions

U.S.



* After tax without inventory valuation and capital consumption adjustments; source: U.S. Bureau of Economic Analysis
** - - - 10-year moving average
Note: Shaded for NBER-designated U.S. recessions

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