Monthly Market Metrics and Trends: Equities and Options, July 2026

Analyzing Volatility, Market Performance, and Equity and Options Volumes

Theme for the Month: Is Good News Still Good Enough?

Published: August 2026

Market Theme

- The Q2 2026 earnings season is off to a robust start, with double-digit earnings growth for the S&P 500.
- Nonetheless, there has been little correlation between the magnitude of a company's earnings "beat" and its one-day return performance.
- Roughly half of the companies that have exceeded consensus expectations for both revenue and earnings experienced share price declines during the trading day following their earnings announcement, suggesting that investors are placing greater weight on forward guidance than on reported quarterly results alone.

Market Metrics

- S&P 500 (Price Index): July close 7,489.72, -0.1% M/M, +9.4% YTD, +18.1% Y/Y
- S&P 500 Sector Total Return Performance:
  - Best = Energy +12.6% M/M / Energy +34.7% YTD / Energy +41.2% Y/Y
  - Worst = Information Technology -3.4% M/M / Consumer Discretionary 0% YTD / Utilities +6.4% Y/Y
- Volatility Index (VIX): Monthly average 17.2%; -0.8 pp M/M, +0.9 pp Y/Y
- Equity Average Daily Volume (ADV): Monthly average 17.4 billion shares; -25.4% M/M, -3.3% Y/Y
- Options ADV: Monthly average 67.3 million contracts; -8.0% M/M, +23.2% Y/Y

Market Theme

Is Good News Still Good Enough?

Corporate earnings have remained remarkably resilient despite heightened macroeconomic uncertainty, with many companies continuing to report results that meet—or exceed—Wall Street expectations. Yet increasingly, strong results have failed to generate the price appreciation that investors have come to expect.

Several years of exceptional profitability combined with optimism over future artificial intelligence-enhanced productivity gains have lulled investors into thinking that markets will reward companies that exceed consensus earnings and revenue estimates with healthy returns. However, while earnings "beats" may be a necessary condition for strong equity market performance, they're no longer sufficient. Good news, it seems, is no longer good enough.

Below, we explore market performance of S&P 500 Index constituents following their recent earnings announcements. Quarterly earnings and revenue appear to have become less important determinants of market performance, with investors placing increasing weight on forward-looking guidance, including expected capital expenditures, profit margins, and forecasts by business line, geography, and major product category. The upshot is that strong results are steadily being overshadowed by future guidance, reflecting a market that has become less willing to reward companies simply for exceeding near-term expectations.

Chart 1: S&P 500 Index: Historical Sales Beat

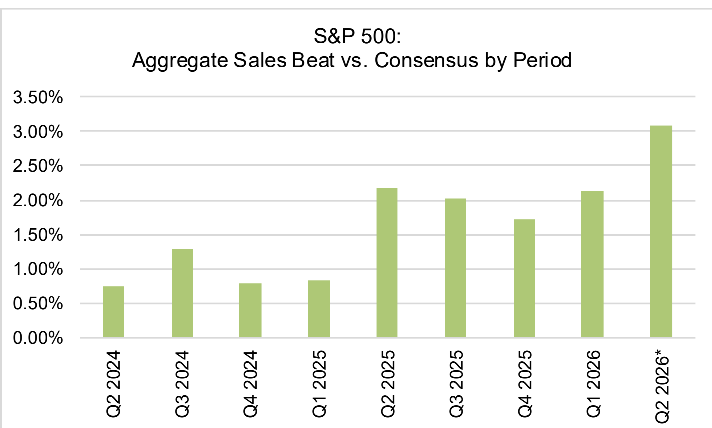
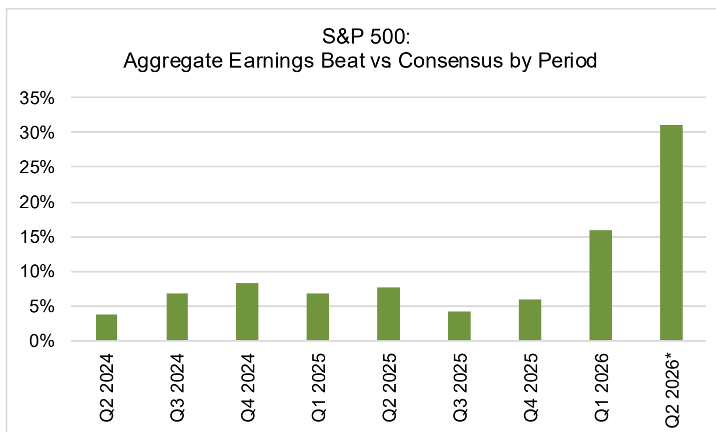


Chart 2: S&P 500 Index: Historical Earnings Beat



Source: Bloomberg L.P.
*Q2 2026 data as of 7/31/2026. Reflects 305 of 498 reporters. Earnings reflect the standard for each company, which may include GAAP earnings, adjusted earnings (either with or without stock-based compensation) and FFO for REITs. Sales generally refer to comparable sales.

With more than half the S&P 500 index constituents having reported earnings for the Q2 2026 period through the end of July, companies handily have exceeded consensus Street estimates to date.[1] *Chart 1* and *Chart 2,* which show the percentage difference in the combined sum of actual sales (and earnings) vs. consensus, highlight the extent by which Q2 2026 earnings and sales have beaten forecasts. Even though a significant portion of the current earnings beat for the S&P 500 stems from Alphabet—whose earnings beat estimates by roughly $75B—Q1 2026 results were also robust, with figures well above prior historical averages.

Table 1 below shows both the fraction of companies with positive sales or earnings surprises as well as the magnitude of the aggregate sales or earnings beat (or miss) for all companies within a sector. For example, fewer than half of companies within the Communications sector that have reported Q2 2026 results had *sales* that exceeded estimates (36%), whereas the majority (73%) of these companies had *earnings* that exceeded estimates. Importantly, even when accounting for the 27% of Communications companies whose earnings were below or in-line with estimates, the sector as a whole reported earnings that were nearly double (99.1%) what the Street had expected—all the more impressive since sales for this cohort of companies barely exceeded forecasts (a beat of just 0.8%). We note that in addition to Q2 2026 earnings for the Communications sector, earnings for Consumer Discretionary companies were similarly hardy, with sector totals that were approximately 2.2x higher than consensus. Given such outsized results, has the performance of these sectors eclipsed those of their peers?

Table 1: S&P 500 Earnings and Sales by Sector: Fraction of Companies with Positive Surprises and Magnitude of Actual vs. Expected Results

	Fraction of Companies with Positive Sales Surprises		Magnitude of Overall Sales, Actual vs. Expected		Fraction of Companies with Positive Earnings Surprises		Magnitude of Overall Earnings, Actual vs. Expected	
	Q1 2026	Q2 2026*	Q1 2026	Q2 2026*	Q1 2026	Q2 2026*	Q1 2026	Q2 2026*
ALL S&P 500	**74%**	**68%**	**2.1%**	**3.1%**	**82%**	**87%**	**16.0%**	**31.1%**
Materials	89%	68%	3.1%	1.7%	78%	84%	16.6%	6.3%
Industrials	76%	76%	2.6%	3.2%	84%	88%	8.4%	6.2%
Consumer Staples	67%	69%	1.1%	1.9%	88%	85%	5.3%	4.1%
Energy	73%	90%	2.4%	9.0%	82%	80%	21.8%	6.1%
Technology	87%	83%	3.9%	3.2%	93%	90%	9.1%	11.9%
Consumer Discretionary	66%	48%	1.5%	1.5%	74%	72%	39.1%	120.7%
Communications	65%	36%	1.6%	0.8%	73%	73%	51.7%	99.1%
Financials	61%	64%	1.3%	4.6%	84%	91%	6.6%	10.7%
Health Care	81%	87%	1.4%	3.0%	86%	97%	9.8%	12.1%
Utilities	77%	39%	7.2%	-1.5%	74%	78%	6.9%	6.7%
Real Estate	74%	70%	2.3%	1.9%	71%	91%	4.8%	1.9%

Source: Bloomberg L.P.
*Q2 2026 data as of 7/31/2026; reflects 305 of 498 reporters. Earnings reflect the standard for each company, which may include GAAP earnings, adjusted earnings (either with or without stock-based compensation) and FFO for REITs. Sales generally refer to comparable sales.

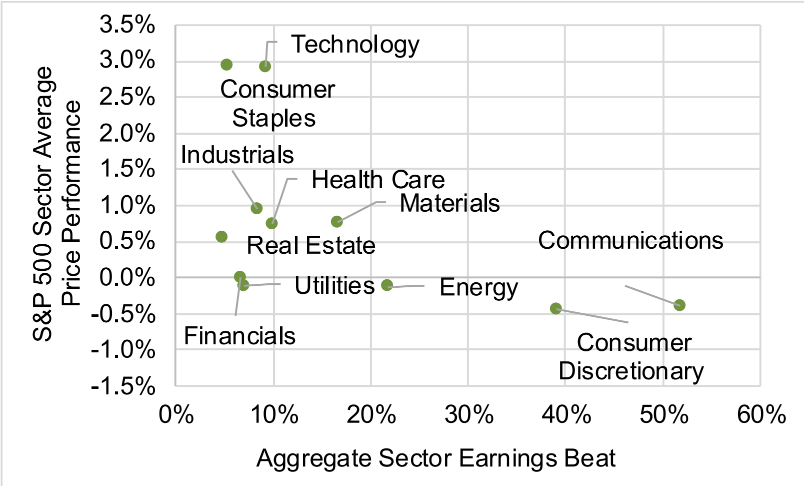
[1] Individual companies have quarterly periods that reflect the seasonal nature of their business; not all companies will have a Q2 fiscal period that ends on 6/30, for example. The quarterly figures in Charts 1 and 2 reflect periods approximately 45 days before and after the end of each calendar quarter shown. For example, the data shown for the Q2 2026 "reporting bucket" reflect earnings and revenues for companies that have a fiscal quarter end that falls between 5/16/26 and 8/15/26. In most cases, earnings covering this period will correspond to a company's fiscal Q2 2026, but this is not always the case. For example, FedEx, whose most recent fiscal quarter ended on 5/31/2026, considers this their fiscal fourth quarter (Q4 2026), but which, for purposes of the analysis, we consider as part of Q2 2026 results.

More broadly, do companies (or sectors as whole) show better performance based on the magnitude of their actual sales and earnings relative to consensus estimates? Acknowledging that the timeframe for examining performance is subjective, we fail to see a clear pattern in the data. For every S&P 500 company that has reported results during the Q1 2026 and Q2 2026 periods, we measure one-day returns around each announcement date, on both an outright basis and relative to the S&P 500 index.[2] At the sector level, we see no evidence that either the magnitude of aggregate sales or earnings (or even both metrics combined) are related to price performance, and results are similar on an individual company basis.

During both the Q1 2026 and Q2 2026 earnings' season, each of the eleven S&P 500 sectors had aggregate sales and earnings that beat expectations (with the exception of Utilities, which experienced a modest -1.5% miss in actual sales vs. consensus estimates in Q2 2026).[3] Even so, there appears to be little relationship between the magnitude of the sector's earnings or sales beat and the average one-day sector performance. (Here, sector performance is the average one-day price performance of each company in the sector.) *Chart 3* on the following page shows Q1 2026 performance vs. earnings surprises at the sector level; *Chart 4* shows the same results for Q2 2026, but plots performance vs. sales surprises. Both charts highlight little if any relationship between earnings and sales results and performance (although we caveat that sector performance—the average of each company's one-day price performance—may be an imperfect measure). Through the end of July, Q2 2026 earnings beats for the Consumer Discretionary and the Communications sectors have been an exceptional 120% and 99%, respectively. However, average one-day price performance for firms in these sectors has been disappointing: a 0.1% average one-day return for Consumer Discretionary firms and a -4.3% average one-day return for Communications companies.

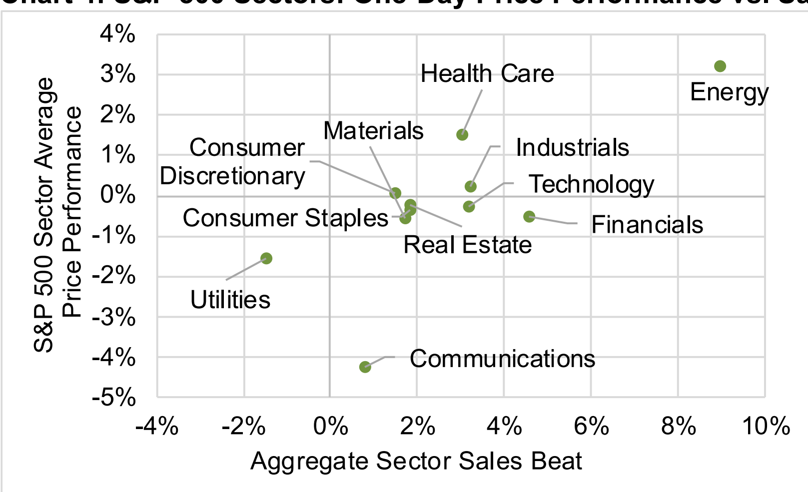
[2] Calculation details are shown in the Appendix at the end of the document.
[3] As before, we caveat that all findings for the Q2 2026 period are through July 31, 2026 only.

Chart 3: S&P 500 Sectors: One-Day Price Performance vs. Earnings Beats, Q1 2026



Source: Bloomberg L.P. and SIFMA Calculations

Chart 4: S&P 500 Sectors: One-Day Price Performance vs. Sales Beats, Q2 2026



Source: Bloomberg L.P. and SIFMA Calculations

Similarly, a look at individual company returns shows little evidence of a relationship between one-day price gains (losses) and positive (negative) sales and earnings surprises. What is notable, instead, is the asymmetry in the relationship between price changes and such surprises (*Chart 5* on the following page). In Q1 2026, 52 companies reported sales that missed consensus and fell in price; by comparison, nearly 4x as many companies (193) reported sales that *beat* consensus yet still fell in price.[4] (Results were nearly identical when relative, rather than absolute price moves, were used.)

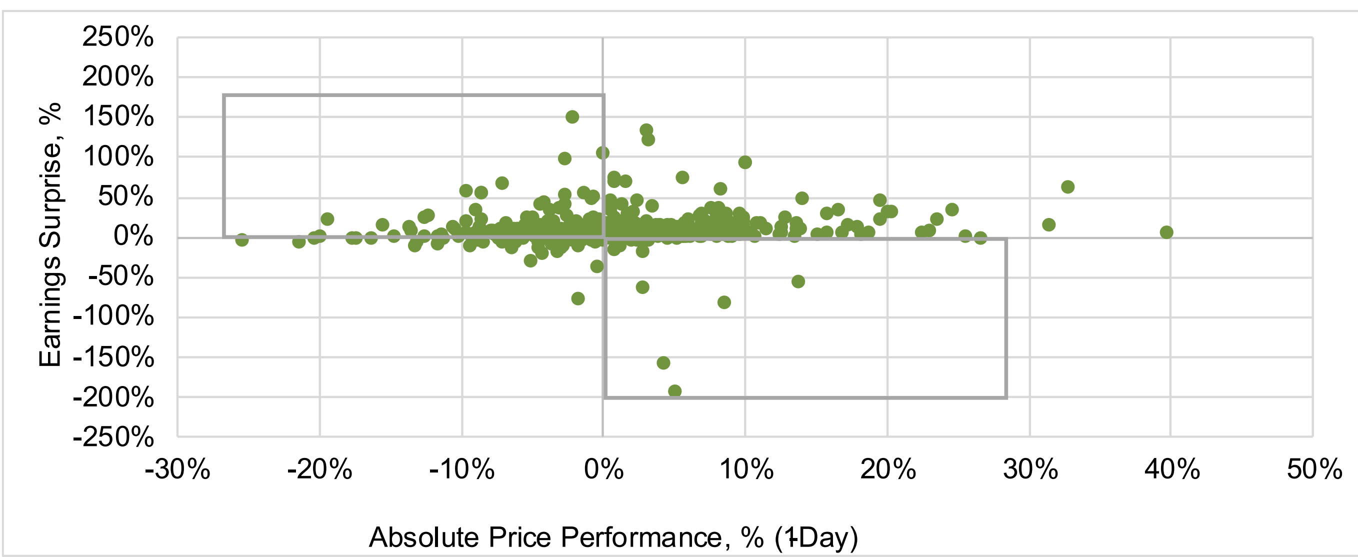
[4] Out of a total of 494 companies for which there were results. Companies whose actual figures vs, estimates were of different signs were not included (i.e., positive EPS estimate, negative actual EPS) as were companies who released earnings during the US trading day, rather than before the open or after the close.

Chart 5: One-Day Price Performance vs. Sales Beat/Miss, S&P 500 Member Companies, Q1 2026

Source: Bloomberg L.P and SIFMA calculations

Similar results were obtained when substituting earnings surprises for sales surprises as shown in *Chart 6*; 23 companies reported earnings that missed consensus and that subsequently experienced one-day price declines, whereas 198 companies reported earnings that beat consensus and fell in price.

Chart 6: One-Day Price Performance vs. Earnings Beat/Miss, S&P 500 Member Companies, Q1 2026*



Source: Bloomberg L.P and SIFMA calculations.
*Plot truncates earnings surprises at +250%/-250%

Q2 2026 market reactions have been similar to those from Q1 2026. Of the 305 companies who have reported through July, we see that even when companies beat on earnings or sales, the majority experienced a price decline, both on an outright (absolute) basis, as well as relative to the S&P 500 Index during the next trading day.

Figure 2: Q2 2026 S&P 500 Companies by Earnings and Sales Beats vs. Misses, Absolute and Relative Price Performance

		Sales	
		Beat	Miss
Absolute Price	1-Day Gain	**110**	22
	1-Day Loss	**126**	47

		Earnings	
		Beat	Miss
Absolute Price	1-Day Gain	**121**	11
	1-Day Loss	**146**	27

		Sales	
		Beat	Miss
Relative Price	1-Day Gain	**115**	27
	1-Day Loss	**122**	42

		Earnings	
		Beat	Miss
Relative Price	1-Day Gain	**130**	12
	1-Day Loss	**138**	26

Source: Bloomberg L.P and SIFMA calculations.

In Q2 2026, even when a company beat on both sales and earnings, the odds that it rose on the day were no better than 50%; 106 companies have beaten on sales and earnings in Q2 2026 and experienced a one-day price decline—almost identical to the 104 companies that similarly beat on sales and earnings in Q2 2026 and experienced a one-day price gain.

Collectively, these findings suggest that markets have become increasingly forward-looking. Exceeding consensus estimates remains important, but investors are placing greater emphasis on whether reported results strengthen confidence in a company's ability to sustain future earnings, cash flows, and long-term value creation.

Market Metrics

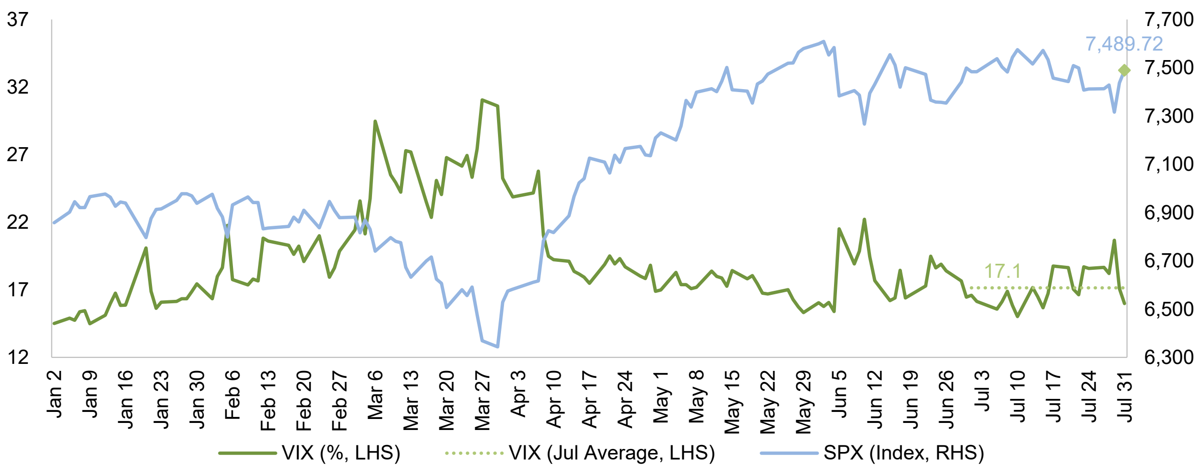
S&P 500 and Volatility Index (VIX)

Table 2: S&P 500 Index Price and Volatility Index (VIX, %), July 2026

	Value	M/M Change	YTD Change	Y/Y Change	Monthly Peak	Monthly Trough
S&P 500 (Close Price)	7,489.72	-0.1%	+9.4%	+18.1%	7,575.39	7,316.15
VIX (Monthly Average)	17.2%	-0.8 pp	-	+0.9 pp	20.7%	15.0%

Source: Bloomberg L.P., SIFMA estimates
Note: Figures shown for S&P 500 are price changes; total returns on a M/M, YTD, and Y/Y basis are -0.1%, +10.1% and +19.5%, respectively. Total returns assume dividends are reinvested into the index.

Chart 3: S&P 500 Index Price and Volatility Index (VIX, %), Year to Date 2026



Source: Bloomberg L.P., SIFMA estimates

S&P 500 Index: Sector Breakout

Looking at market performance by sector, we highlight the following:

- Best-performing sectors:
  - Month = Energy at +12.6% followed by Financials at +6.2%
  - YTD = Energy at +34.7% followed by Industrials at +16.5%
  - Y/Y = Energy at +41.2% followed by Health Care at +26.9%
- Worst performing sectors:
  - Month = Information Technology at -3.4% followed by Industrials at -3.0%
  - YTD = Consumer Discretionary at 0% followed by Consumer Services at +0.8%
  - Y/Y = Utilities at +6.4% followed by Consumer Discretionary at +7.5%

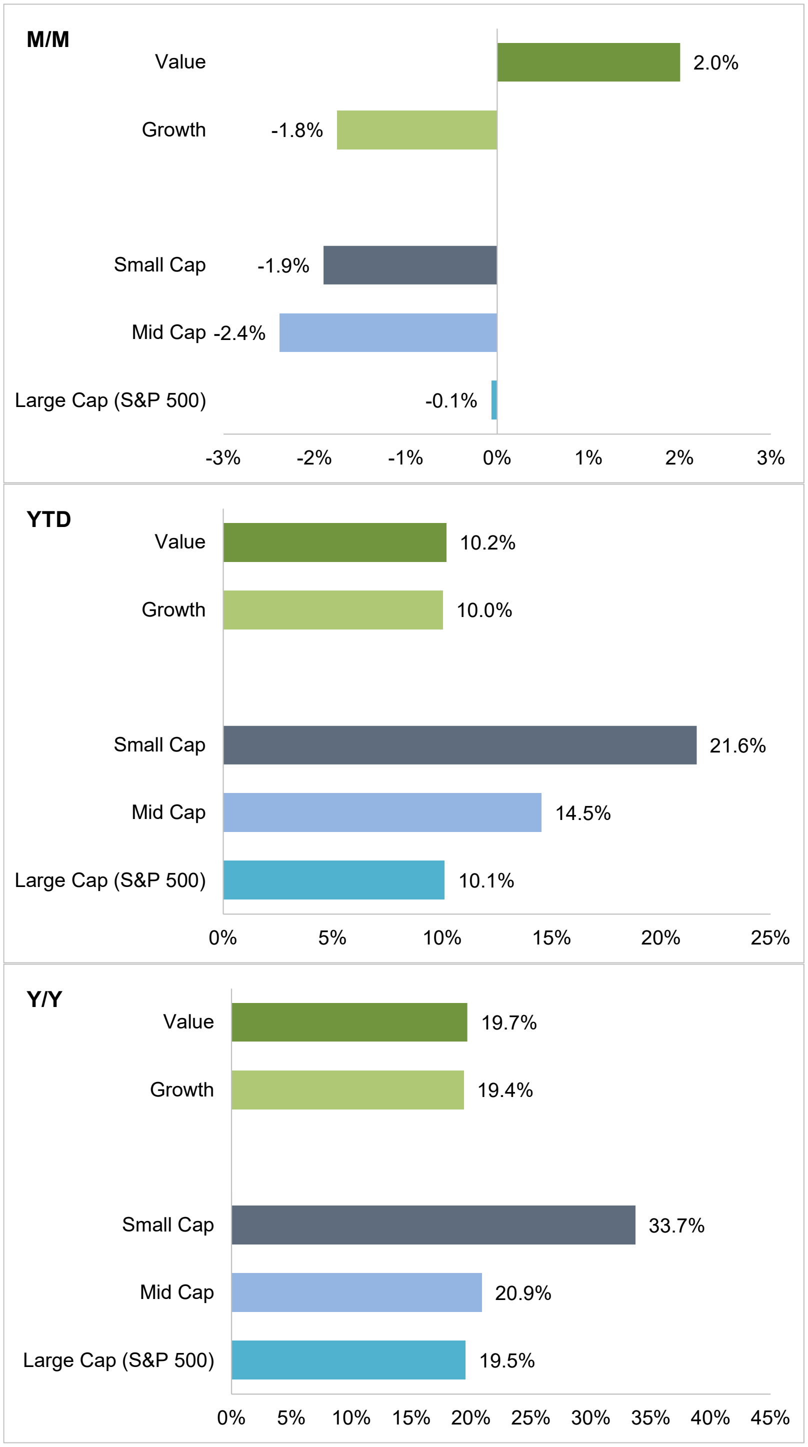
Table 3: S&P 500 Sector Indices Total Returns, July 2026

Sector (Weight)	Total Return (%)		
	M/M	YTD	Y/Y
SPX	**-0.1**	**10.1**	**19.5**
Information Technology (36.8%)	-3.4	15.7	26.2
Financials (12.5%)	6.2	4.8	10.4
Communication Services (9.7%)	0.6	1.4	19.0
Consumer Discretionary (9.4%)	0.8	0.0	7.5
Health Care (9.1%)	2.4	6.0	26.9
Industrials (8.7%)	-3.0	16.5	19.7
Consumer Staples (4.7%)	2.1	10.3	10.3
Energy (3.4%)	12.6	34.7	41.2
Utilities (2.1%)	-2.2	5.3	6.4
Real Estate (1.9%)	2.5	14.3	14.0
Materials (1.8%)	-1.7	10.1	15.3

Source: Bloomberg L.P., SIFMA estimates
Note: Sectors are ordered by their respective weights in the SPX Index at the end of the month, which are indicated in parenthesis. Total returns assume dividends are reinvested into the index.

S&P 500 Index: Strategy Breakout

Chart 4: S&P 500 Total Return Indices by Type, July 2026 (M/M, YTD, and Y/Y)



Source: Bloomberg L.P., SIFMA estimates
Note: Total returns assume dividends are reinvested into the index.

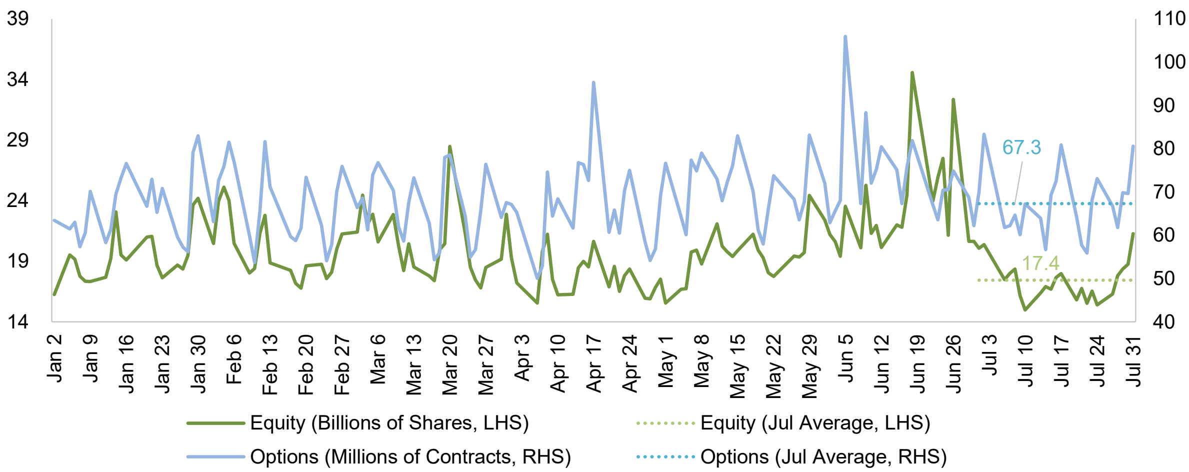
Equity and Options Volumes (ADV)

Table 4: Equities and Options Average Daily Trading Volumes, July 2026

	Monthly Average	M/M Change	Y/Y Change	Monthly Peak	Monthly Trough
Equities ADV (Bil. Shares)	17.4	-25.4%	-3.3%	21.3	15.0
Off-Exchange	50.2%	+1.3 pp	-1.7 pp	-	-
Options ADV (Mil. Contracts)	67.3	-8.0%	+23.2%	83.4	55.9
Equity Options	61.5	-8.2%	+22.7%	-	-
Index Options	5.8	-6.0%	+29.3%	-	-

Source: Cboe Global Markets, SIFMA estimates. Equity trading volumes include ETF trading volumes.

Chart 5: Equities and Options ADV, Year to Date 2026



Source: Cboe Global Markets, SIFMA estimates
Note: Equity and options values reflect average daily volumes across all US equity and options exchanges.

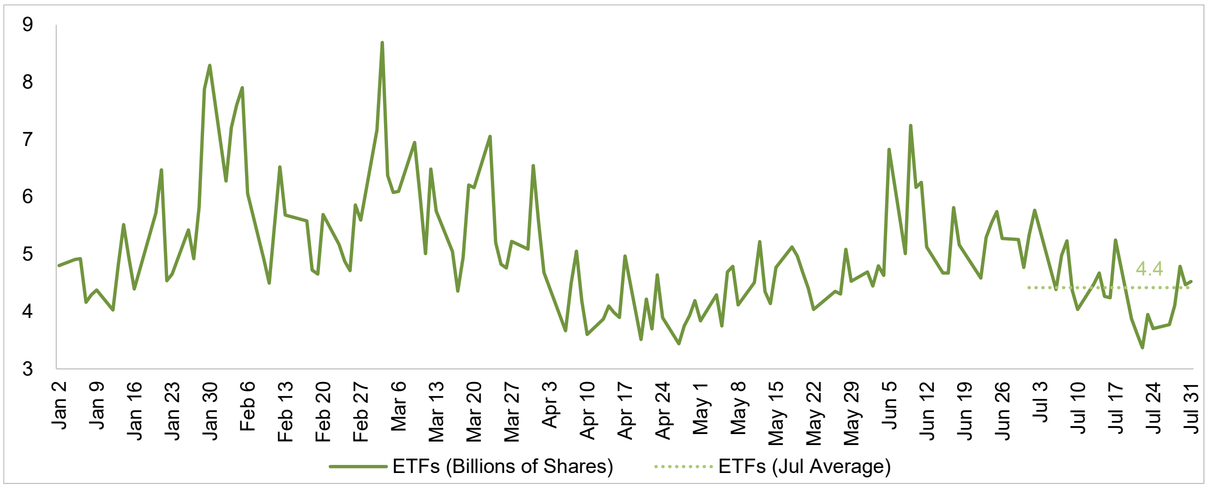
ETF Trading Volumes (ADV)

Table 5: ETF Average Daily Trading Volumes, July 2026

	Monthly Average	M/M Change	Y/Y Change	Monthly Peak	Monthly Trough
ETF Trading (Bil. Shares)	4.4	-17.2%	+36.1%	5.8	3.4
% of Equity Trading	25.3%	+2.5 pp	+7.3 pp	-	-

Source: Cboe Global Markets, SIFMA estimates

Chart 6: ETF Trading ADV (Billions of Shares), Year to Date 2026



Source: Cboe Global Markets, SIFMA estimates
Note: Equity and options values reflect average daily volumes across all US equity and options exchanges.

Methodology

Figure 1: Example performance calculations

Company ABC
2/16/2026 < Fiscal quarter end < 5/15/2026 => Q1 2026 results bucket
5/16/2026 < Fiscal quarter end < 8/15/2026 => Q2 2026 results bucket

Company ABC announces earnings on Trading Day T, before market open

Calculate:
1. Percentage price change in Company ABC: Trading Day T (close) vs. Trading Day T-1 (close)
2. Percentage price change in S&P 500 Index: Trading Day T (close) vs. Trading Day T-1 (close)

Companty ABC absolute price performance:	1
Companty ABC relative price performance:	1-2

Source: SIFMA

Authors

SIFMA Insights
Heidi Learner, CFA, Managing Director, Director of Research
Justyna Romulus, Vice President, Senior Research Associate

Website: www.sifma.org/insights