



(UBS)

# CIO maintains June 2026 S&P 500 price target of 6,500

21 July 2025, 21:27 UTC, written by UBS Editorial Team

**US equities stood at record levels as the second-quarter earnings season got off to an encouraging start. While so far companies representing only 15% of the S&P 500 market capitalization have reported their results, nearly 80% of them are beating earnings per share (EPS) estimates. Earnings guidance for the current quarter has also been better than expected.**

With valuations at an elevated level and the market having just experienced one of its strongest pre-earnings season rebounds, the current reporting season may not be enough of a catalyst to drive stocks much higher in the near term. Bouts of volatility are likely in the coming weeks as trade negotiations continue ahead of the new 1 August tariff deadline.

But we continue to expect further gains over the next year, and believe the resilient results so far are a step in the right direction.

- **A resilient US economy provides a supportive backdrop.** Despite continued uncertainty on tariffs and trade policy, US economic data have remained healthy. Retail sales in June grew more than expected, with broad-based advances. Since consumer spending accounts for around 70% of US economic activity, JPMorgan's recent comments that it is struggling to find signs of weakness in consumer spending point to a resilient economy that should continue to underpin corporate profits. Delta Airlines, in its earnings call, also described the US economy as solid and its core customer as being in good shape.
- **A weaker dollar offers a tailwind for earnings.** Historically, every 10% change in the US dollar has translated into a roughly 2.5% increase in S&P 500 profits. While we could see some near-term support for the dollar, its

structural decline remains in motion and will likely become more apparent as economic data weakens later this year. We expect a weaker greenback to continue to boost year-over-year profit growth for the balance of the year.

- **The One Big Beautiful Bill should stimulate additional capital investment.** The One Big Beautiful Bill, which was signed into law earlier this month, includes provisions that should drive a modest boost to near-term cash flows and provide incentives for capital spending. This means companies could be in a position to increase share buybacks, which would bolster earnings growth. A small step up in capital expenditures is also possible, which is usually beneficial for corporate profits as one company's investment spending is another company's revenue.

So, while stocks may be due for a breather, we believe the bull market remains intact. We maintain our June 2026 S&P 500 price target of 6,500, and recommend using volatility as an opportunity to phase into markets. Within US equities, we like information technology, communication services, financials, health care, and utilities.

Original report - [Earnings strength supports bull market, 21 July 2025.](#)

## Disclaimer

**Hong Kong / Singapore:** For Global Wealth Management clients of UBS AG Singapore / Hong Kong branch, please refer to the [HK/SG Marketing Material Disclaimer](#).

This document is prepared and published by the Global Wealth Management business of UBS Switzerland AG (regulated by FINMA in Switzerland), its subsidiaries or its affiliates ("UBS"), part of UBS Group AG ("UBS Group"). UBS Group includes former Credit Suisse AG, its subsidiaries, branches and affiliates. In the USA, UBS Financial Services Inc. is a subsidiary of UBS AG and a member of FINRA/SIPC. Additional Disclaimer relevant to Credit Suisse Wealth Management follows at the end of this section.

**This document and the information contained herein are provided solely for your information and UBS marketing purposes.** Nothing in this document constitutes investment research, investment advice, a sales prospectus, or an offer or solicitation to engage in any investment activities. This document is not a recommendation to buy or sell any security, investment instrument, or product, and does not recommend any specific investment program or service.

Information contained in this document has not been tailored to the specific investment objectives, personal and financial circumstances, or particular needs of any individual client. Certain investments referred to in this document may not be suitable or appropriate for all investors. In addition, certain services and products referred to in the document may be subject to legal restrictions and/or license or permission requirements and cannot therefore be offered worldwide on an unrestricted basis. No offer of any product will be made in any jurisdiction in which the offer, solicitation, or sale is not permitted, or to any person to whom it is unlawful to make such offer, solicitation, or sale.

Although all information and opinions expressed in this document were obtained in good faith from sources believed to be reliable, no representation or warranty, express or implied, is made as to the document's accuracy, sufficiency, completeness or reliability. All information and opinions expressed in this document are subject to change without notice and may differ from opinions expressed by other business areas or divisions of UBS Group. UBS is under no obligation to update or keep current the information contained herein. **The views and opinions expressed in this material by third parties are not those of UBS.** Accordingly, UBS does not accept any liability over the content shared by third parties or any claims, losses or damages arising from the use or reliance of all or any part thereof.

All pictures or images ("images") herein are for illustrative, informative or documentary purposes only and may depict objects or elements which are protected by third party copyright, trademarks and other intellectual property rights. Unless expressly stated, no relationship, association, sponsorship or endorsement is suggested or implied between UBS and these third parties.

Any charts and scenarios contained in the document are for illustrative purposes only. Some charts and/or performance figures may not be based on complete 12-month periods which may reduce their comparability and significance. Historical performance is no guarantee for, and is not an indication of future performance.

Nothing in this document constitutes legal or tax advice. UBS and its employees do not provide legal or tax advice. This document may not be redistributed or reproduced in whole or in part without the prior written permission of UBS. To the extent permitted by the law, neither UBS, nor any of its directors, officers, employees or agents accepts or assumes any liability, responsibility or duty of care for any consequences, including any loss or damage, of you or anyone else acting, or refraining to act, in reliance on the information contained in this document or for any decision based on it.

**Additional Disclaimer relevant to Credit Suisse Wealth Management:** Except as otherwise specified herein and/or depending on the local entity from which you are receiving this document, this document is distributed by UBS Switzerland AG, authorised and regulated by the Swiss Financial Market Supervisory Authority (FINMA). Your personal data will be processed in accordance with the Credit Suisse privacy statement accessible at your domicile through the official Credit Suisse website <https://www.credit-suisse.com>. In order to provide you with marketing materials concerning our products and services, UBS Group AG and its subsidiaries may process your basic personal data (i.e. contact details such as name, e-mail address) until you notify us that you no longer wish to receive them. You can optout from receiving these materials at any time by informing your Relationship Manager.

Please visit <https://www.ubs.com/global/en/wealth-management/insights/chief-investment-office/marketing-material-disclaimer.html> to read the full legal disclaimer applicable to this document.

© UBS 2025. The key symbol and UBS are among the registered and unregistered trademarks of UBS. All rights reserved.