



CIO recommends investors ensure sufficient exposure to its Transformational Innovation Opportunity themes—including Artificial intelligence, Power and resources, and Longevity. (UBS)

Will US earnings give additional momentum to equities?

14 July 2025, 15:55 UTC, written by UBS Editorial Team

As US stocks hit record highs last week, tech was once again in the vanguard. AI chipmaker NVIDIA became the first USD 4 trillion company.

The broader rally in tech has left the global sector trading at 27 times 12-month forward earnings—more than a quarter higher than the average over the past 10 years. After such a rise in valuations, we will be looking for second quarter earnings to provide renewed evidence of robust tech demand.

This week, the focus looks likely to be on the broader US second quarter earnings season, which kicks off as usual with top financial stocks. It could take a few weeks for a clear picture to emerge. However, we are expecting signs of continued resilience—both in terms of the quarterly results and guidance on the outlook. We expect the passage of President Trump's One Big Beautiful Bill Act to support capital spending along with research and development. Overall, we are expecting 5% earnings per share growth, down from 9% in the first quarter.

Our base case is that a solid earnings season will help keep equities supported. While we are Neutral on US stocks, we believe investors should continue to have a full allocation to position for potential gains into 2026. From a sector perspective, we will be looking for positive signals this week from the financial services sector, which we recently upgraded to Attractive, based on reduced government regulation and early signs of a pickup in capital market activity. We also recommend investors ensure sufficient exposure to our Transformational Innovation Opportunity themes—including Artificial intelligence, Power and resources, and Longevity.

Original report - [What to watch in the week ahead, 14 July 2025.](#)

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