

May 26, 2026

## Market Commentary

### Don't Worry Yet: 2026 Isn't Partying Like It's 1999

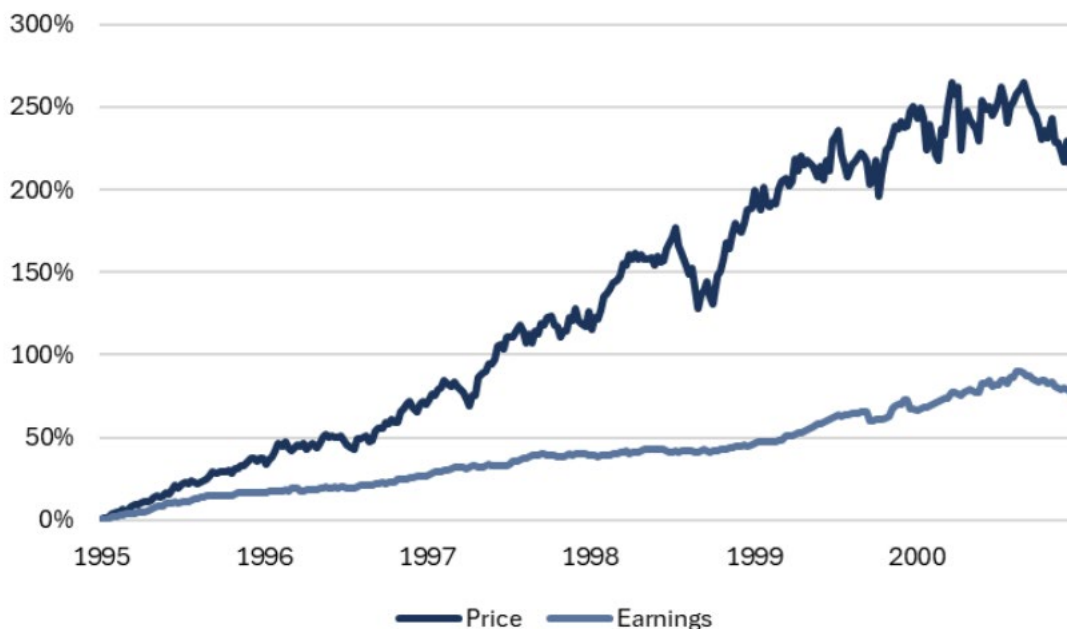
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The S&P 500 is up 28% over the last year and nearly 100% since ChatGPT was released in November 2022, resulting in a flurry of comparisons to the dot-com era. It is not a good comparison.

- Investors bid up stock prices during the 1995-2000 dot-com period well in excess of expected earnings. From the time Netscape Navigator was released in late 1994 until the bust, the S&P 500 increased 250% versus only an 80% increase in 12-month forward earnings expectations (Fig. 1).
- This time around, S&P 12-month forward earnings and the index have appreciated approximately the same (60%) since 2021, and stock prices have actually lagged earnings revisions since January of 2025 (Fig. 2).
- Excluding rebounds out of recessions, expected twelve-month forward earnings per share for the S&P 500 have risen faster over the last year (+29%) than at any point since the early 1990s (Fig. 3).

The dot-com era was a time of exuberance about potential earnings that never materialized. The current rally is exuberance about actual earnings that are accelerating faster than market participants had expected. *There's a party, but it's not 1999 redux.*

**Fig. 1: 1995-2000 S&P 500 total return and 12-month forward earnings change (%)**



Source: Bloomberg, Mill Creek. As of 5/21/2026.

**Fig. 2: 1995-2000 S&P 500 total return and 12-month forward earnings change (%)**



Source: Bloomberg, Mill Creek. As of 5/21/2026.

**Fig. 3: Estimated earnings per share growth (S&P 500, year-over-year)**



Source: Bloomberg, Mill Creek. As of 5/21/2026. Data shows 12-month forward earnings per share growth over annual periods.

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