American Express (AXP) Gains As Market Dips: What You Should Know

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American Express (AXP) closed at $165.96 in the latest trading session, marking a +1.03% move from the prior day. This change outpaced the S&P 500's 0.14% loss on the day.

Heading into today, shares of the credit card issuer and global payments company had lost 2.96% over the past month, lagging the Finance sector's gain of 3.47% and the S&P 500's gain of 3.13% in that time.

Wall Street will be looking for positivity from AXP as it approaches its next earnings report date. In that report, analysts expect AXP to post earnings of $1.79 per share. This would mark year-over-year growth of 37.69%. Meanwhile, our latest consensus estimate is calling for revenue of $10.56 billion, up 20.7% from the prior-year quarter.

For the full year, our Zacks Consensus Estimates are projecting earnings of $8.81 per share and revenue of $40.94 billion, which would represent changes of +64.98% and +13.45%, respectively, from the prior year.

Any recent changes to analyst estimates for AXP should also be noted by investors. These revisions typically reflect the

latest short-term business trends, which can change frequently. As such, positive estimate revisions reflect analyst optimism about the company’s business and profitability.

Research indicates that these estimate revisions are directly correlated with near-term share price momentum. Investors can capitalize on this by using the Zacks Rank. This model considers these estimate changes and provides a simple, actionable rating system.

Ranging from #1 (Strong Buy) to #5 (Strong Sell), the Zacks Rank system has a proven, outside-audited track record of outperformance, with #1 stocks returning an average of +25% annually since 1988. Over the past month, the Zacks Consensus EPS estimate has moved 1.42% higher. AXP is holding a Zacks Rank of #3 (Hold) right now.

Investors should also note AXP’s current valuation metrics, including its Forward P/E ratio of 18.65. This represents a premium compared to its industry’s average Forward P/E of 11.94.

It is also worth noting that AXP currently has a PEG ratio of 0.93. This popular metric is similar to the widely-known P/E ratio, with the difference being that the PEG ratio also takes into account the company’s expected earnings growth rate. The Financial – Miscellaneous Services industry currently had an average PEG ratio of 0.88 as of yesterday’s close.

The Financial – Miscellaneous Services industry is part of the Finance sector. This industry currently has a Zacks Industry Rank of 86, which puts it in the top 34% of all 250+ industries.

The Zacks Industry Rank gauges the strength of our individual industry groups by measuring the average Zacks Rank of the individual stocks within the groups. Our research shows that the top 50% rated industries outperform the bottom half by a

factor of 2 to 1.

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Zacks’ has just revealed 3 companies that can help investors capitalize on the explosive profit potential of Bitcoin and the other cryptocurrencies with significantly less volatility than buying them directly.

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American Express Company (AXP): Free Stock Analysis Report

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