

Macro Roundup Article

Headline: [40% of Companies in Russell 2000 Have Negative Earnings](#)

Article

Link: <https://apolloacademy.com/40-of-companies-in-russell-2000-have-negative-earnings-2/>

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| Publication | Apollo |
| Publication Date | November 17, 2023 |

Tweet: Citing that 40% of Russell 2000 firms have negative earnings, Torsten Sløk @apolloglobal argues that “if the economy enters a recession, a lot of middle-market companies will be vulnerable to the combination of high rates and slowing growth.”

Summary: During recessions, the share of unprofitable firms rises. This is not surprising. But even before the economy has entered a recession, the share of companies in the Russell 2000 with no earnings is at 40%. The bottom line is that if the economy enters a recession, a lot of middle-market companies will be vulnerable to the combination of high rates and slowing growth. Related: Credit Market Outlook: Default Rates Rising, But Credit Spreads Remain Tight and Where Are All the Defaults? and Can Corporate America Cope With Its Vast Debt Pile?

Primary Topic: Business Cycle

Topics: Business Cycle, Database, GDP, Op-Ed/Blog Post

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