NEW YORK

U.S. healthcare companies are winning higher profit forecasts, bucking a wider trend on Wall Street, as pricey new biotech drugs hit the market and insurance enrollment rises under the Affordable Care Act.

Analysts' profit expectations for the group have risen sharply since the start of the year, while estimates for most of the other nine Standard & Poor's 500 macro sectors have fallen, according to Thomson Reuters data.

The jump in forecasts has come in the past two months, thanks largely to rising estimates for biotechnology companies such as Gilead, and for insurers, including Aetna .

It provides some early evidence that President Barack Obama's signature healthcare overhaul could be a long-term source of profit growth for managed care providers.

"Now you're actually seeing real numbers grow and that population start to take off," said Betsy Pecor, portfolio manager at Eagle Asset Management, based in St. Petersburg, Florida. Companies "are actually seeing that growth."

About 8 million people have signed up for the plans, which are provided by commercial subscribers and come with income-based government subsidies, above the 2 million who had enrolled by January.

Aetna and other insurers have said they lost money on the plans this year, but insurers are heading into new markets for 2015 to add customers.

Many healthcare companies are better able to manage Obamacare now than they were last year, Pecor said.

EXCEEDS FORECASTS

Profit estimates for healthcare companies for 2014 have jumped from up 8.3 percent at the start of January to up 12.2 percent now, one of just a few sectors with a 2014 earnings outlook that exceeds profit-growth forecasts at the start of the year, Thomson Reuters data showed.

Earnings growth estimates for the whole S&P 500 this year have gone down slightly in that period, from 10.8 percent in January to 9.1 percent now.

The upward revision is also the most of any sector except utilities, where estimates reflect a blow-out first quarter courtesy of home heating needs during the cold winter in North America. By contrast, the revisions to the health sector earnings reflect rising expectations for the second quarter and beyond.

The question for investors is whether the improving outlook is already reflected in stock prices.

The healthcare sector jumped 39 percent in 2013, more than any other sector except consumer discretionaries . Healthcare is up 10.2 percent so far for 2014, outpacing the 6 percent rise for the wider S&P 500, but its advance has shown signs of slowing in the last month or so.

"You have more people using healthcare at these higher rates, and that's going to get you earnings, but my question is for how long," said Kim Forrest, senior equity research analyst, Fort Pitt Capital Group in Pittsburgh. "It's really unclear at this point how much money this is and how long it can be sustained."

To be sure, valuations for the healthcare sector are relatively high. The price-to-earnings multiple for the sector is at 16.9, down from 17.3 at the start of the year. That compares with the S&P 500's earnings multiple of 16.0, which is up from about 15.1 at the start of 2014, Thomson Reuters data showed.

There may still be pockets of value, especially in the health industry groups that have seen the greatest growth in earnings forecasts: biotech and insurance. Biotech's P/E ratio is 16.8 compared with 24.5 at the start of the year, while the average P/E ratio for the five managed care companies in the S&P 500