Machinery company Caterpillar said in its last earnings call that the company expects its sales in Europe to continue to rise despite the problems there.

For the stock market, it was a triumphant first quarter. But for earnings growth, the past three months were just ho-hum.

Analysts are expecting earnings for companies in the Standard & Poor's 500 index to decline 0.1 percent compared to a year ago, according to FactSet. It's a tiny number but a significant turning point. Earnings growth was on a winning streak for the previous nine quarters. Year-over-year earnings growth has been at least 10 percent for all but the most recent period, when it was 6 percent.

The reasons for the expected slowdown range from global (a weak Europe hurts everybody) to mathematical (it's hard to top double-digit quarters). Whatever the cause, the stagnation in earnings growth is a stark reminder that the economy's problems are far from solved. Just three months ago, analysts were predicting 3 percent earnings growth for the first quarter.

We'll soon see if the expectations are on target. Earnings season gets under way Tuesday when the aluminum producer Alcoa becomes the first major U.S. company to release its first-quarter results.

Should this batch of earnings contain a lot of bad surprises, it could upend a stock market rally that pushed the S&P 500 index up 12 percent in the first three months of the year.

Here's what you need to know:

-Are earnings really that bad?

It depends on how you look at it. People are blaming the slowdown on several factors including higher oil prices and Europe's debt crisis. Those are legitimate concerns. High prices for oil and gas make it more expensive for companies to ship their products and leave people with less money to spend on other things. Europe's debt crisis means that the U.S. can't sell as many products there. It also hurts fast-growing economies like China and India that export to Europe. That, in turn, affects U.S. companies that count on growth in emerging markets to boost their own sales.

Keep in mind that this deceleration follows an extended period of big gains. Earnings surged 19 percent in the first quarter of 2011, and that was on top of 53 percent growth the year before as companies bounced back from a dismal first quarter of 2009. Aggregate earnings of companies in the S&P 500 were $96 per share last year, a record, according to FactSet senior earnings analyst John Butters. Investors realize that companies can't sustain warp speed indefinitely.

"It's supposed to be a very weak quarter," says Sam Stovall, chief equity strategist at S&P Capital IQ, "but Wall Street is not freaking out because they understand why."

-Does the market care about earnings?

Sure, to an extent. More often than not, a company's stock moves in the same direction as its earnings.

Investors tend to trade on what they expect to happen in the coming months. By the time a company actually announces its quarterly results, chances are they've already been baked into the stock price and won't have much of an immediate effect unless there's a big surprise. A company's predictions about the future are what investors really listen to.

"A lot of what we're going to get now," Butters says, "is already in the rear-view mirror."

Butters also notes the outsized impact of Apple's earnings on the overall figure for the S&P 500. Strip out Apple, Butters says, and the prediction for the first quarter falls from minus 0.1 percent to minus 1.6 percent.

Besides, one quarter of earnings growth hardly means a company is solid. Earnings can be a deceptive measurement, and will rise even when revenue falls if a company slashes jobs and other expenses. Share buybacks and accounting charges can also inflate profits and mask a company's struggles.

"You can always juggle earnings," says Stovall. "It's a lot harder to fudge sales."

-What's the big picture?

Despite all the hubbub about The End of Earnings Growth, analysts are expecting only a short-term decline. Earnings growth is expected to return to 7 percent in the second quarter and 5 percent in the third quarter, according to FactSet. Bigger jumps of 16 percent, 14 percent and 13 percent are predicted for the three quarters after that, through the middle of 2013. Analysts also expect per-share earnings in the S&P to rise to more than $105 in 2012, another record, according to Butters.

That reflects investors' belief that Europe will stabilize by the end of the year. Even if it doesn't, the thinking goes, companies will have adjusted to turmoil in Europe as a new normal that they can function under, rather than something that sets off constant fears of another cataclysm.

Machinery company Caterpillar said in its last earnings call that the company expects its sales in Europe to continue to rise despite the problems there.

"It's been going on a long time and hasn't tanked the place yet," said chief financial officer Edward Rapp. "We don't think it will."