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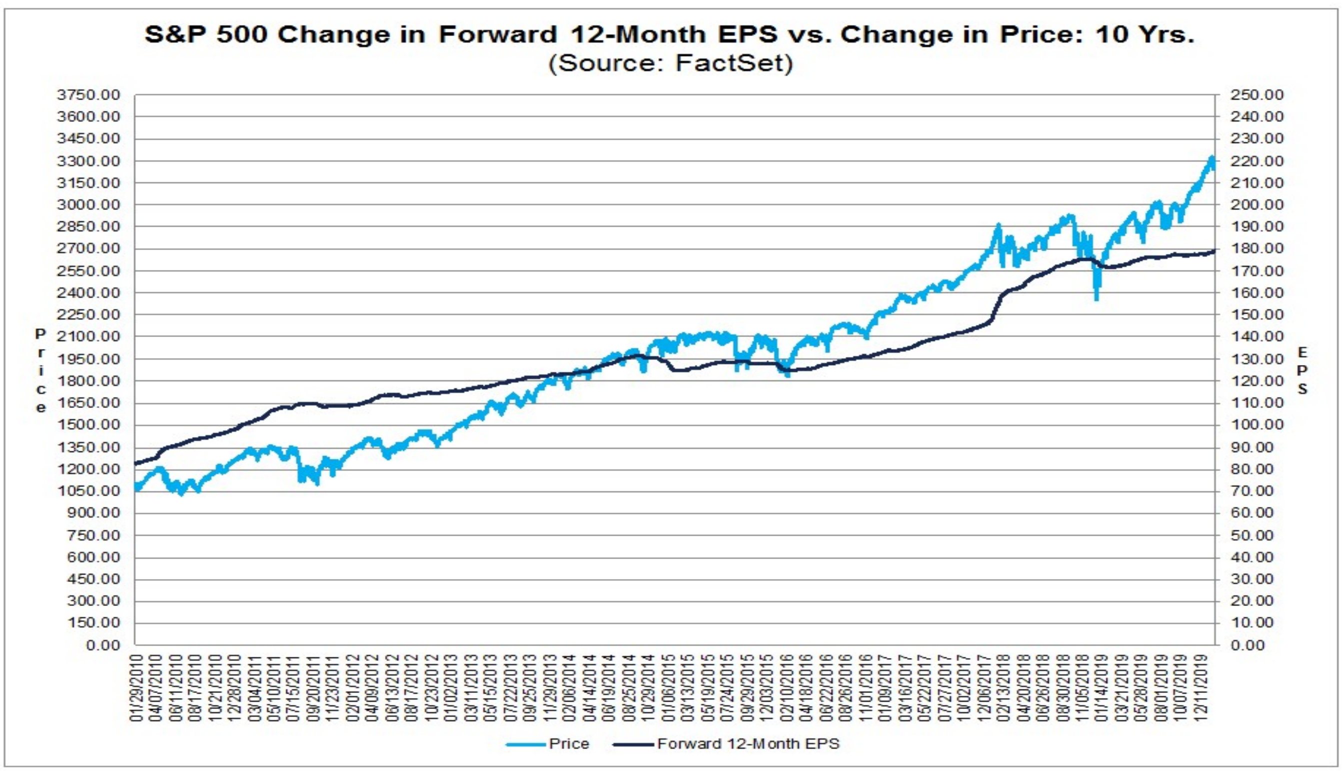
Key Metrics

- **Earnings Scorecard:** For Q4 2019 (with 45% of the companies in the S&P 500 reporting actual results), 69% of S&P 500 companies have reported a positive EPS surprise and 65% of S&P 500 companies have reported a positive revenue surprise.
- **Earnings Growth:** For Q4 2019, the blended earnings decline for the S&P 500 is -0.3%. If -0.3% is the actual decline for the quarter, it will mark the first time the index has reported four straight quarters of year-over-year earnings declines since Q3 2015 through Q2 2016.
- **Earnings Revisions:** On December 31, the estimated earnings decline for Q4 2019 was -1.6%. Six sectors have higher growth rates today (compared to December 31) due to positive EPS surprises.
- **Earnings Guidance:** For Q1 2020, 24 S&P 500 companies have issued negative EPS guidance and 13 S&P 500 companies have issued positive EPS guidance.
- **Valuation:** The forward 12-month P/E ratio for the S&P 500 is 18.4. This P/E ratio is above the 5-year average (16.7) and above the 10-year average (15.0).



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Topic of the Week:

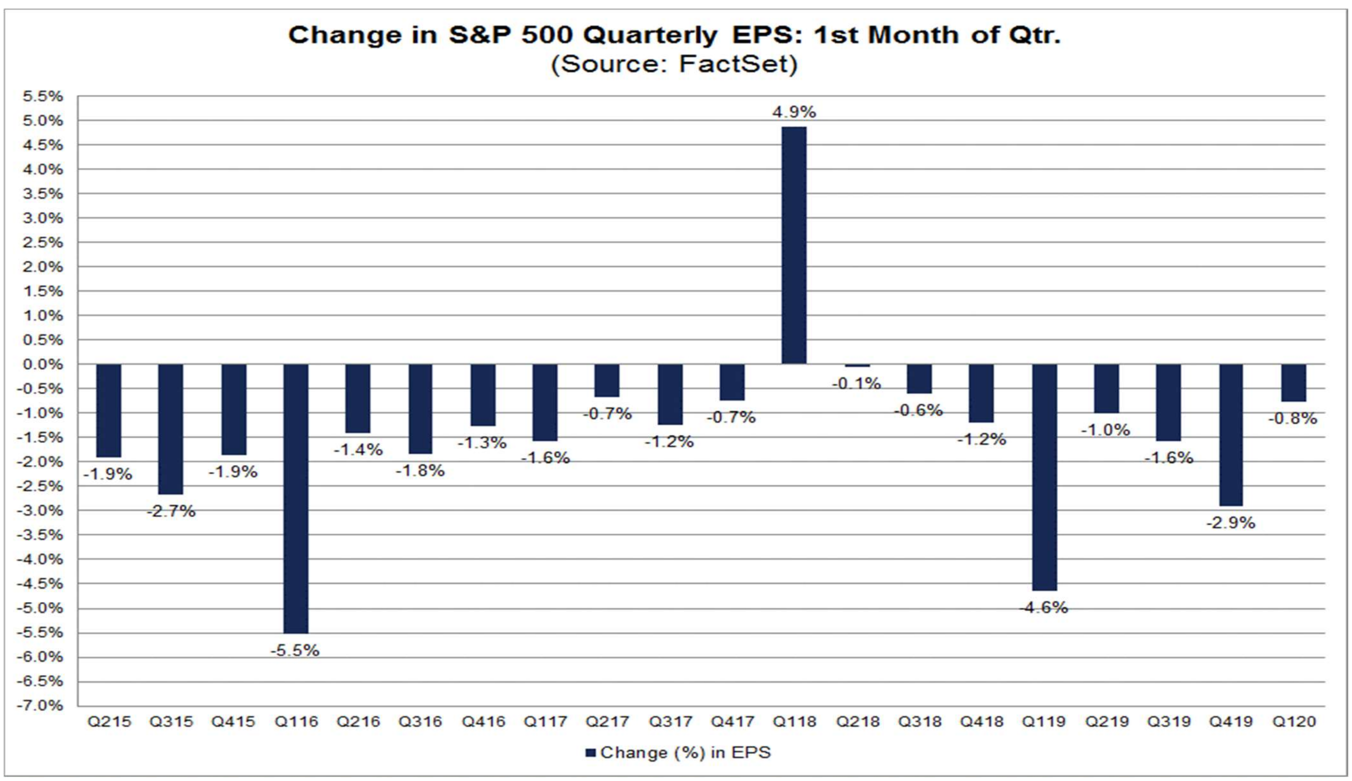
Despite Coronavirus Concerns, Analysts Making Smaller Cuts to S&P 500 EPS Estimates to Date

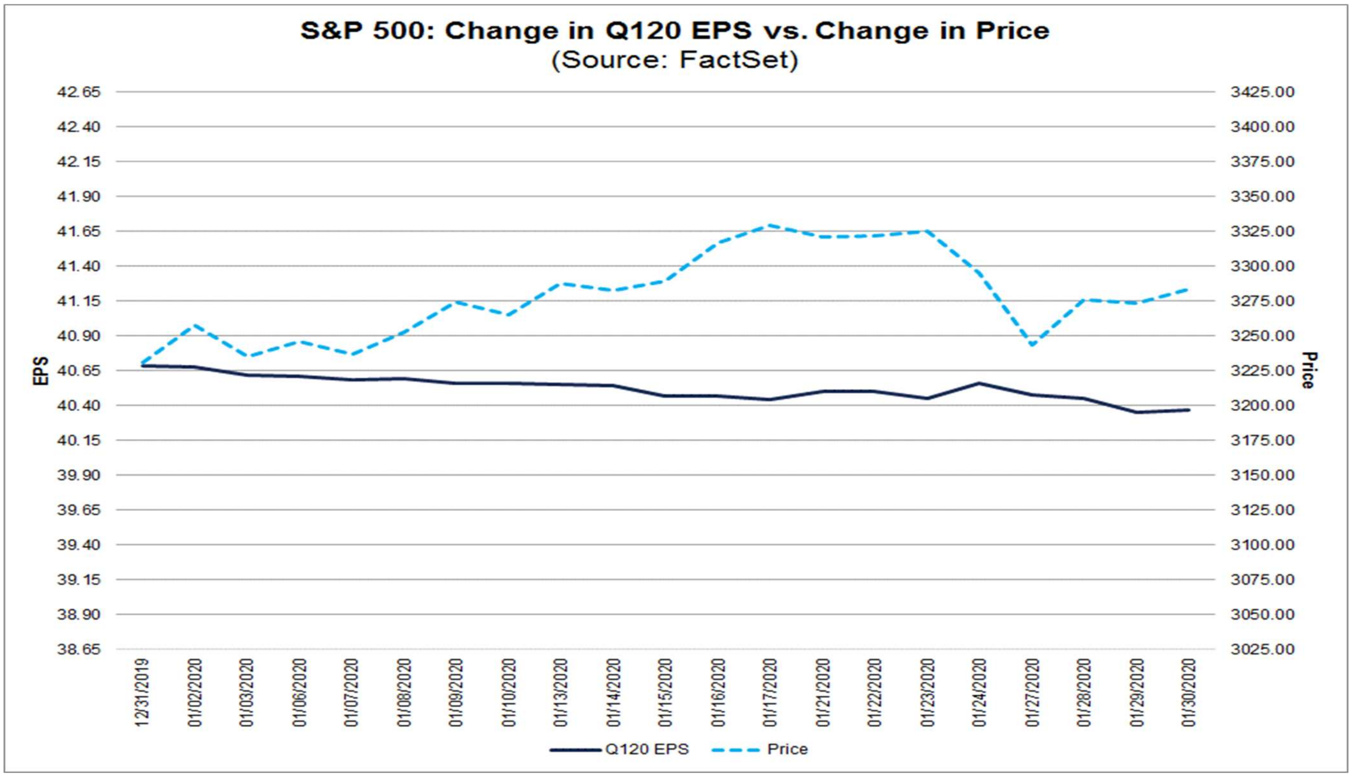
During the month of January, analysts lowered earnings estimates for companies in the S&P 500 for the first quarter. The Q1 bottom-up EPS estimate (which is an aggregation of the median EPS estimates for all the companies in the index) has declined by 0.8% (to $40.37 from $40.68) during this period. How significant is a 0.8% decline in the bottom-up EPS estimate during the first month of a quarter? How does this decrease compare to recent quarters?

During the past five years (20 quarters), the average decline in the bottom-up EPS estimate during the first month of a quarter has been 1.7%. During the past ten years, (40 quarters), the average decline in the bottom-up EPS estimate during the first month of a quarter has been 1.4%. During the past fifteen years, (60 quarters), the average decline in the bottom-up EPS estimate during the first month of a quarter has been 1.9%. Thus, the decline in the bottom-up EPS estimate recorded during the first month of the first quarter was smaller than the 5-year average, the 10-year average, and the 15-year average.

At the sector level, seven sectors recorded a decline in their bottom-up EPS estimate during the first month of the quarter, led by the Industrials (-6.5%) and Materials (-5.3%) sectors. On the other hand, three sectors recorded an increase in their bottom-up EPS estimate during the first month of the quarter, led by the Information Technology (+3.4%) sector. Overall, four sectors recorded a larger decrease in their bottom-up EPS estimate relative to their 5-year average, four sectors recorded a larger decrease in their bottom-up EPS estimate relative to their 10-year average, and four sectors recorded a larger decrease in their bottom-up EPS estimate relative to their 15-year average.

As the bottom-up EPS estimate for the index declined during the first month of the quarter, the value of the S&P 500 increased during this same period. From December 31 through January 30, the value of the index increased by 1.6% (to 3283.66 from 3230.78). Assuming the index does not close below 3230.78 today, the first quarter will mark the 16th time in the past 20 quarters in which the bottom-up EPS estimate decreased during the first month of the quarter while the value of the index increased over this same period.




S&P 500: Change in Q120 EPS vs. Change in Price
(Source: FactSet)
EPS
Price
42.65
42.40
42.15
41.90
41.65
41.40
41.15
40.90
40.65
40.40
40.15
39.90
39.65
39.40
39.15
38.90
38.65
3425.00
3400.00
3375.00
3350.00
3325.00
3300.00
3275.00
3250.00
3225.00
3200.00
3175.00
3150.00
3125.00
3100.00
3075.00
3050.00
3025.00
12/31/2019
01/02/2020
01/03/2020
01/06/2020
01/07/2020
01/08/2020
01/09/2020
01/10/2020
01/13/2020
01/14/2020
01/15/2020
01/16/2020
01/17/2020
01/21/2020
01/22/2020
01/23/2020
01/24/2020
01/27/2020
01/28/2020
01/29/2020
01/30/2020
Q120 EPS
Price

Q4 Earnings Season: By The Numbers

Overview

To date, 45% of the companies in the S&P 500 have reported actual results for Q4 2019. In terms of earnings, the percentage of companies reporting actual EPS above estimates (69%) is below the 5-year average. In aggregate, companies are reporting earnings that are 4.1% above the estimates, which is also below the 5-year average. In terms of sales, the percentage of companies (65%) reporting actual sales above estimates is above the 5-year average. In aggregate, companies are reporting sales that are 0.6% above estimates, which is below the 5-year average.

The blended (combines actual results for companies that have reported and estimated results for companies that have yet to report) earnings decline for the fourth quarter is -0.3%, which is smaller than the earnings decline of -1.8% last week. Positive earnings surprises recorded by companies in the Information Technology and Consumer Discretionary sectors, partially offset by negative earnings surprises reported by companies in the Industrials sector, were mainly responsible for the decrease in the overall earnings decline during the week. If -0.3% is the actual decline for the quarter, it will mark the first time the index has reported four straight quarters of year-over-year declines in earnings since Q3 2015 through Q2 2016. Seven sectors are reporting year-over-year growth in earnings, led by the Utilities sector. Four sectors are reporting a year-over-year decline in earnings: Energy, Industrials, Materials, and Consumer Discretionary.

The blended revenue growth rate for the third quarter is 3.1%, which is slightly above the revenue growth rate of 3.0% last week. Positive revenue surprises reported by companies in multiple sectors (led by the Information Technology sector) were responsible for the small increase in the overall revenue growth rate during the week. Eight sectors are reporting year-over-year growth in revenues, led by the Health Care and Communications Services sectors. Three sectors are reporting a year-over-year decline in revenues, led by the Materials sector.

Looking ahead, analysts see earnings growth of 3% to 6% for Q1 2020 and Q2 2020.

The forward 12-month P/E ratio is 18.4, which is above the 5-year average and above the 10-year average.

During the upcoming week, 94 S&P 500 companies (including two Dow 30 components) are scheduled to report results for the fourth quarter.

Scorecard: Fewer Companies Beating EPS Estimates Than Average

Percentage of Companies Beating EPS Estimates (69%) is Below 5-Year Average

Overall, 45% of the companies in the S&P 500 have reported earnings to date for the fourth quarter. Of these companies, 69% have reported actual EPS above the mean EPS estimate, 10% have reported actual EPS equal to the mean EPS estimate, and 21% have reported actual EPS below the mean EPS estimate. The percentage of companies reporting EPS above the mean EPS estimate is below the 1-year (74%) average and below the 5-year (72%) average.

At the sector level, the Information Technology (90%), Communication Services (86%), and Consumer Discretionary (84%) sectors have the highest percentages of companies reporting earnings above estimates, while the Real Estate (40%), Energy (40%), and Utilities (50%) sectors have the lowest percentages of companies reporting earnings above estimates.

Earnings Surprise Percentage (4.1%) is Below 5-Year Average

In aggregate, companies are reporting earnings that are 4.1% above expectations. This surprise percentage is below the 1-year (+4.5%) average and below the 5-year (+4.9%) average.

The Consumer Discretionary sector (+19.0%) sector is reporting the largest positive (aggregate) difference between actual earnings and estimated earnings. Within this sector, Amazon.com ($6.47 vs. $4.04), D.R. Horton ($1.16 vs. $0.92), Carnival ($0.62 vs. $0.50), and NIKE ($0.70 vs. $0.58) have reported the largest positive EPS surprises.

The Information Technology sector (+9.4%) sector is reporting the second largest positive (aggregate) difference between actual earnings and estimated earnings. Within this sector, Intel ($1.52 vs. $1.25), Xerox ($1.33 vs. $1.11), and Microsoft ($1.53 vs. $1.32) have reported the largest positive EPS surprises.

The Industrials sector (-3.7%) is reporting the largest negative (aggregate) difference between actual earnings and estimated earnings. Within this sector, Boeing (-$2.33 vs. $1.32) has reported the largest negative EPS surprise.

Market Not Rewarding Earnings Beats

To date, the market is rewarding positive earnings surprises less than average while also punishing negative earnings surprises less than average.

Companies that have reported positive earnings surprises for Q4 2019 have seen an average price increase of +0.5% two days before the earnings release through two days after the earnings. This percentage increase is below the 5-year average price increase of +1.0% during this same window for companies reporting positive earnings surprises.

Companies that have reported negative earnings surprises for Q4 2019 have seen an average price decrease of -1.8% two days before the earnings release through two days after the earnings. This percentage decrease is smaller than the 5-year average price decrease of -2.6% during this same window for companies reporting negative earnings surprises.

Percentage of Companies Beating Revenue Estimates (65%) is Above 5-Year Average

In terms of revenues, 65% of companies have reported actual sales above estimated sales and 35% have reported actual sales below estimated sales. The percentage of companies reporting sales above estimates is above the 1-year average (59%) and above the 5-year average (59%).

At the sector level, the Health Care (88%) and Communication Services (86%) sectors have the highest percentages of companies reporting revenues above estimates, while the Utilities (0%) and Industrials (44%) sectors have the lowest percentages of companies reporting revenues above estimates.

Revenue Surprise Percentage (+0.6%) is Below 5-Year Average

In aggregate, companies are reporting revenues that are 0.6% above expectations. This surprise percentage is below the 1-year (+0.9%) average and below the 5-year (+0.8%) average.

At the sector level, the Information Technology (+2.7%) and Financials (+2.6%) sectors are reporting the largest positive (aggregate) differences between actual revenues and estimated revenues, while the Utilities (-6.0%) sector is reporting the largest negative (aggregate) difference between actual revenues and estimated revenues.

Decrease in Blended Earnings Decline This Week

Decrease in Blended Earnings Decline This Week

The blended (year-over-year) earnings decline for the fourth quarter is -0.3%, which is smaller than the earnings decline of -1.8% last week. Positive earnings surprises recorded by companies in the Information Technology and Consumer Discretionary sectors, partially offset by negative earnings surprises reported by companies in the Industrials sector, were mainly responsible for the decrease in the overall earnings decline during the week.

In the Information Technology sector, the positive EPS surprises reported by Apple ($4.99 vs. $4.55) and Microsoft ($1.53 vs. $1.32) were the largest contributors to the decrease in the earnings decline for the index during the week. As a result, the blended earnings growth rate for the Information Technology sector improved to 4.6% from -0.2% over this period.

In the Consumer Discretionary sector, the positive EPS surprise reported by Amazon.com ($6.47 vs. $4.04) was a substantial contributor to the decrease in the earnings decline for the index during the week. As a result, the blended earnings decline for the Consumer Discretionary sector decreased to -9.2% from -14.1% over this period.

In the Industrials sector, the negative EPS surprise reported by Boeing (-$2.33 vs. $1.32) was the largest detractor to the decrease in the earnings decline for the index during the week. As a result, the blended earnings decline for the Industrials sector increased to -10.6% from -7.5% over this period.

Slight Increase in Blended Revenue Growth This Week

The blended (year-over-year) revenue growth rate for the fourth quarter is 3.1%, which is slightly larger than the revenue growth rate of 3.0% last week. Positive revenue surprises reported by companies in multiple sectors (led by the Information Technology sector) were responsible for the slight increase in the overall revenue growth rate during the week.

Information Technology Sector Has Seen Largest Increase in Earnings since December 31

The blended (year-over-year) earnings decline for Q4 2019 of -0.3% is smaller than the estimate of -1.6% at the end of the fourth quarter (December 31). Six sectors have recorded an improvement in earnings growth since the end of the quarter due to upward revisions to earnings estimates and positive earnings surprises, led by Information Technology (to 4.6% from -1.9%) sector. Five sectors have recorded a decrease in earnings growth during this time due to downward revisions to earnings estimates and negative earnings surprises, led by the Energy (to -42.5% from -32.0%) sector.

Information Technology Sector Has Seen Largest Increase in Revenues since December 31

The blended (year-over-year) revenue growth rate for Q4 2019 of 3.1% is larger than the estimate of 2.7% at the end of the third quarter (September 30). Seven sectors have recorded an improvement in revenue growth since the end of the quarter due to upward revisions to revenue estimates and positive revenue surprises, led by the Information Technology (to 6.0% from 4.0%) and Financials (to 2.7% from 1.0%) sectors. Three sectors have recorded a decrease in revenue growth during this time due to downward revisions to revenue estimates and negative revenue surprises, led by the Utilities (to 8.3% from 9.7%) sector. One sector (Consumer Staples) has recorded no change in revenue growth (3.3%) since December 31.

Earnings Decline: -0.3%

The blended (year-over-year) earnings decline for Q4 2019 is -0.3%, which is below the 5-year average earnings growth rate of 6.4%. If. If -0.3% is the actual decline for the quarter, it will mark the first time the index has reported four straight quarters of year-over-year declines in earnings since Q3 2015 through Q2 2016.

S&P 500 companies with more international revenue exposure are reporting a larger decline in earnings relative to S&P 500 companies with less international revenue exposure. For S&P 500 companies that generate more than 50% of revenue outside the U.S., the blended earnings decline is -3.4%. For S&P 500 companies that generate more than 50% of revenue inside the U.S., the blended earnings growth rate is 1.5%.

Seven sectors are reporting year-over-year growth in earnings, led by the Utilities sector. Four sectors are reporting a year-over-year decline in earnings: Energy, Industrials, Materials, and Consumer Discretionary.

Utilities: 4 Industries Reporting Year-Over-Year Growth Above 10%

The Utilities sector is reporting the highest (year-over-year) earnings growth of all eleven sectors at 18.8%. At the industry level, all five industries in this sector are reporting (or are expected to report) growth in earnings. Four of these five industries are reporting (or are expected to report) double-digit earnings growth: Independent Power and Renewable Electricity Producers (139%), Multi-Utilities (26%), Gas Utilities (13%), and Electric Utilities (11%).

Energy: 4 of 6 Sub-Industries Reporting Year-Over-Year Decline of 20% or More

The Energy sector is reporting the largest (year-over-year) earnings decline of all eleven sectors at -42.5%. At the sub-industry level, four of the six sub-industries in the sector are reporting (or are predicted to report) a decline in earnings of 20% or more: Oil & Gas Drilling (-74%), Integrated Oil & Gas (-59%), Oil & Gas Refining & Marketing (-49%), and Oil & Gas Exploration & Production (-21%). On the other hand, the other two sub-industries in the sector are reporting earnings growth of more than 10%: Oil & Gas Equipment & Services (28%) and Oil & Gas Storage & Transportation (13%).

Industrials: Boeing Leads Year-Over-Year Decline

The Industrials sector is reporting the second largest (year-over-year) earnings decline of all eleven sectors at -10.6%. At the industry level, six of the twelve industries in this sector are reporting a decline in earnings. Two of these six industries are reporting a double-digit decline in earnings: Aerospace & Defense (-37%) and Air Freight & Logistics (-14%).

At the company level, Boeing is the largest contributor to the year-over-year decline in earnings for the sector. The company reported actual EPS of -$2.33 for Q4, compared to year-ago EPS of $5.48. If Boeing were excluded, the blended growth rate for the sector would improve to 2.4% from -10.6%.

Materials: Metals & Mining Industry Leads Year-Over-Year Decline

The Materials sector is reporting the third largest (year-over-year) earnings decline of all eleven sectors at -10.2%. At the industry level, three of the four industries in this sector are reporting (or are predicted to report) a decline in earnings: Metals & Mining (-45%), Containers & Packaging (-20%), and Chemicals (-3%). On the other hand, the Construction Materials (30%) industry is the only industry projected to report earnings growth in the sector.

At the company level, Nucor is the largest contributor to the year-over-year decline in earnings for the sector. The company reported actual EPS of $0.52 for Q4, compared to year-ago EPS of $2.07. If this company were excluded, the blended decline for the sector would improve to -4.8% from -10.2%

Consumer Discretionary: Automobiles Industry Leads Year-Over-Year Decline

The Consumer Discretionary sector is reporting the second largest (year-over-year) earnings decline of all eleven sectors at -9.2%. At the industry level, seven of the eleven industries in this sector are reporting (or are predicted to report) a decline in earnings. Three of these seven industries are reporting (or are expected to report) a decline in earnings or more than 15%: Automobiles (-78%), Leisure Products (-25%), and Auto Components (-17%).

At the company level, General Motors and Ford Motor are the largest contributors to the year-over-year decline in earnings for the sector. The mean EPS estimate for GM for Q4 is $0.01, compared to year-ago EPS of $1.43. The mean EPS estimate for Ford Motor for Q4 is $0.17, compared to year-ago EPS of $0.30. If these two companies were excluded, the blended decline for the sector would improve to -0.8% from -9.2%.

Revenue Growth: 3.1%

The blended (year-over-year) revenue growth rate for Q4 2019 is 3.1%, which is below the 5-year average revenue growth rate of 3.5%.

S&P 500 companies with more international revenue exposure are reporting weaker revenue growth relative to S&P 500 companies with less international revenue exposure. For S&P 500 companies that generate more than 50% of revenue outside the U.S., the blended revenue growth rate is 0.0%. For S&P 500 companies that generate more than 50% of revenue inside the U.S., the blended revenue growth rate is 4.3%.

Eight sectors are reporting year-over-year growth in revenues, led by the Health Care and Communication Services sectors. Three sectors are reporting a year-over-year decline in revenues, led by the Materials sector.

Health Care: Cigna and CVS Lead Growth on Easy Comparisons to Year-Ago Pre-Merger Revenues

The Health Care sector is reporting the highest (year-over-year) revenue growth of all eleven sectors at 10.9%. At the industry level, all six industries in this sector are reporting (or are predicted to report) revenue growth for the quarter. However, the Health Care Providers & Services industry is the only industry reporting double-digit revenue growth (14%).

At the company level, Cigna and CVS Health are the largest contributors to (year-over-year) revenue growth for the sector. However, the revenue growth rates for both companies are being boosted by apples-to-oranges comparisons of post-merger revenues to pre-merger revenues. The revenue estimate for Cigna for Q4 2019 ($35.20 billion) reflects the combined revenues of Cigna and Express Scripts, while the actual revenue for Q4 2018 ($14.3 billion) reflects the standalone revenue for Cigna. The revenue estimate for CVS Health for Q4 2019 ($63.93 billion) reflects the combined revenues of CVS Health and Aetna, while the actual revenue for Q4 2018 ($54.42 billion) reflects mainly the standalone revenue for CVS Health. These apples-to-oranges comparisons are the main reason Cigna and CVS Health are the largest contributors to revenue growth for the sector. If these companies were excluded, the blended revenue growth rate for the sector would fall to 5.6% from 10.9%.

Communication Services: Entertainment & Interactive Media Lead Year-Over-Year Growth

The Communication Services sector is reporting the second highest (year-over-year) revenue growth of all eleven sectors at 10.0%. At the industry level, four of the five industries in this sector are reporting growth in revenues. Two of these four industries are reporting double-digit revenue growth: Entertainment (23%) and Interactive Media & services (20%).

Materials: DuPont Leads Decline on Hard Comparison to Year-Ago Pre-Split Revenues

The Materials sector is reporting the highest (year-over-year) decline in revenue of all eleven sectors at -16.1%. At the industry level, three of the four industries in this sector are reporting (or are predicted to report) a decline in revenue for the quarter: Chemicals (-23%), Containers & Packaging (-2%), and Metals & Mining (<-1%).

At the company level, DuPont is the largest contributor to the (year-over-year) decline in revenue for the sector. However, the revenue decline is being boosted by an apples-to-oranges comparison of post-split revenues to pre-split revenues. The actual revenue for DuPont for Q4 2019 ($5.20 billion) reflects the standalone revenue for DuPont, while the actual revenue for Q4 2018 ($20.1 billion) reflects the combined revenue for DowDuPont (DuPont, Dow, and Corteva). This apples-to-oranges comparison is the main reason DuPont is projected to be the largest contributor to the revenue decline for the sector. If this company were excluded, the blended revenue decline for the sector would improve to -2.6% from -16.1%.

Looking Ahead: Forward Estimates and Valuation

Guidance: Negative Guidance for Q1 is Below Average to Date

The term “guidance” (or “preannouncement”) is defined as a projection or estimate for EPS provided by a company in advance of the company reporting actual results. Guidance is classified as negative if the estimate (or mid-point of a range estimates) provided by a company is lower than the mean EPS estimate the day before the guidance was issued. Guidance is classified as positive if the estimate (or mid-point of a range of estimates) provided by the company is higher than the mean EPS estimate the day before the guidance was issued.

At this point in time, 37 companies in the index have issued EPS guidance for Q1 2020. Of these 37 companies, 24 have issued negative EPS guidance and 13 have issued positive EPS guidance. The percentage of companies issuing negative EPS guidance is 65% (24 out of 37), which is below the 5-year average of 70%.

Earnings: Near Flat Earnings Being Reported for 2019

For the fourth quarter, S&P 500 companies are reporting a decline in earnings of -0.3% and growth in revenues of 3.1%. For CY 2019, S&P 500 companies are reporting nearly flat earnings of 0.3% and revenue growth of 4.1%. Analysts see earnings growth between 3% and 6% in Q1 2020 and Q2 2020.

For Q1 2020, analysts are projecting earnings growth of 3.7% and revenue growth of 4.3%.

For Q2 2020, analysts are projecting earnings growth of 6.1% and revenue growth of 4.8%.

For Q3 2020, analysts are projecting earnings growth of 10.1% and revenue growth of 5.8%.

For Q4 2020, analysts are projecting earnings growth of 13.2% and revenue growth of 6.1%.

For CY 2020, analysts are projecting earnings growth of 9.1% and revenue growth of 5.2%.

Valuation: Forward P/E Ratio is 18.4, Above the 10-Year Average (15.0)

The forward 12-month P/E ratio is 18.4. This P/E ratio is above the 5-year average of 16.7 and above the 10-year average of 15.0. It is also above the forward 12-month P/E ratio of 18.2 recorded at the end of the fourth quarter (December 31). Since the end of the fourth quarter (December 31), the price of the index has increased by 1.6%, while the forward 12-month EPS estimate has increased by 0.7%.

At the sector level, the Information Technology (22.5) and Consumer Discretionary (22.0) sectors have the highest forward 12-month P/E ratios, while the Financials (13.2) sector has the lowest forward 12-month P/E ratio.

Targets & Ratings: Analysts Project 10% Increase in Price Over Next 12 Months

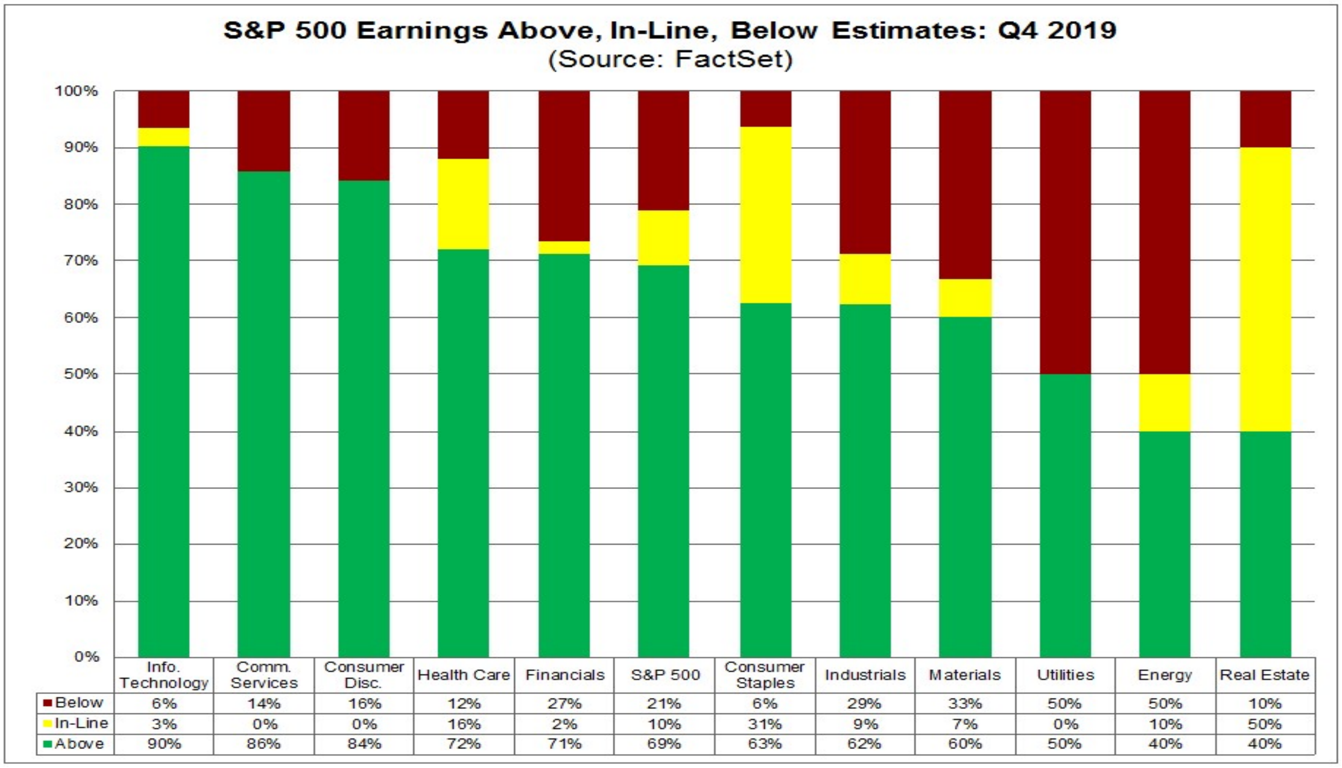
The bottom-up target price for the S&P 500 is 3602.30, which is 9.7% above the closing price of 3283.66. At the sector level, the Energy (+23.0%) sector is expected to see the largest price increase, as this sector has the largest upside difference between the bottom-up target price and the closing price. On the other hand, the Utilities (+0.3%) and Real Estate (+3.8%) sectors are expected to see the smallest price increases, as these sectors have the smallest upside differences between the bottom-up target price and the closing price.

Overall, there are 10,368 ratings on stocks in the S&P 500. Of these 10,368 ratings, 50.3% are Buy ratings, 42.4% are Hold ratings, and 7.3% are Sell ratings. At the sector level, the Energy (65%) sector has the highest percentage of Buy ratings, while the Consumer Staples (38%) sector has the lowest percentage of Buy ratings.

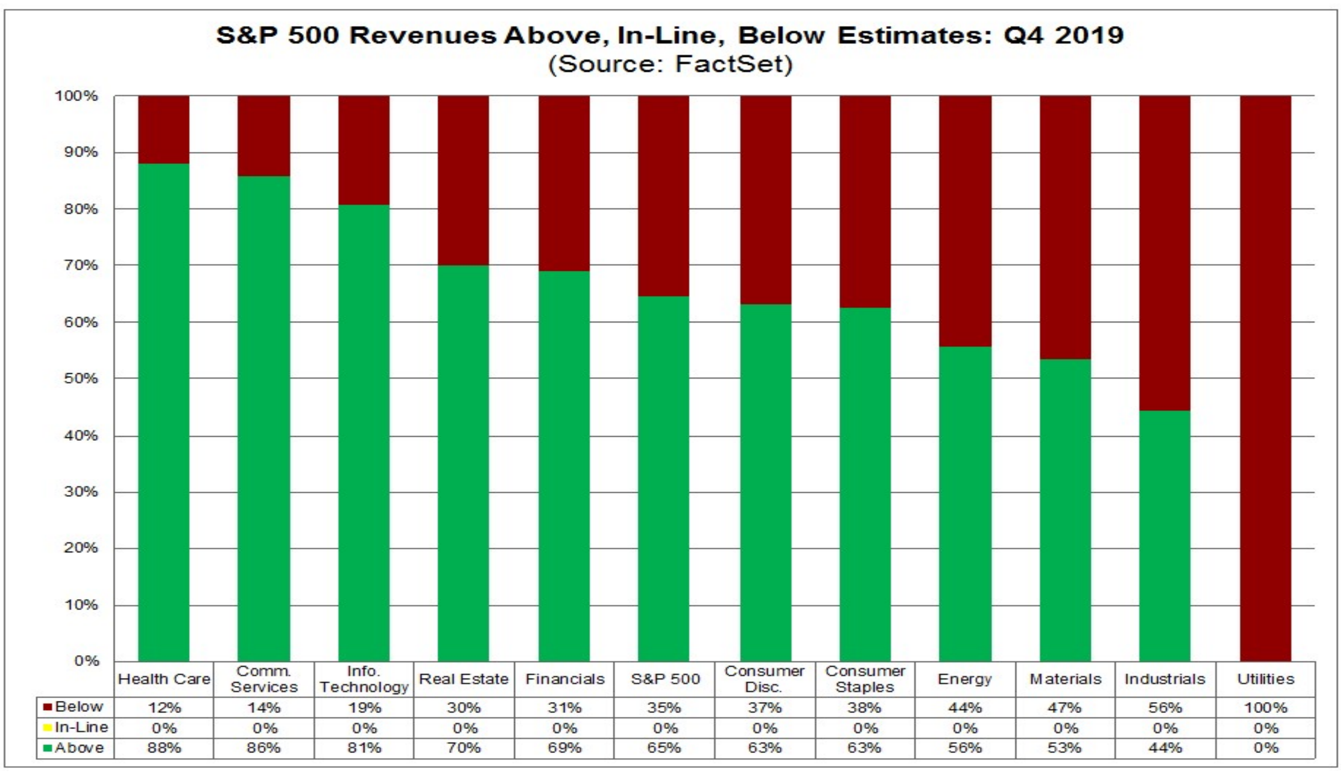
Companies Reporting Next Week: 94

During the upcoming week, 94 S&P 500 companies (including two Dow 30 components) are scheduled to report results for the fourth quarter.

Q4 2019: Scorecard

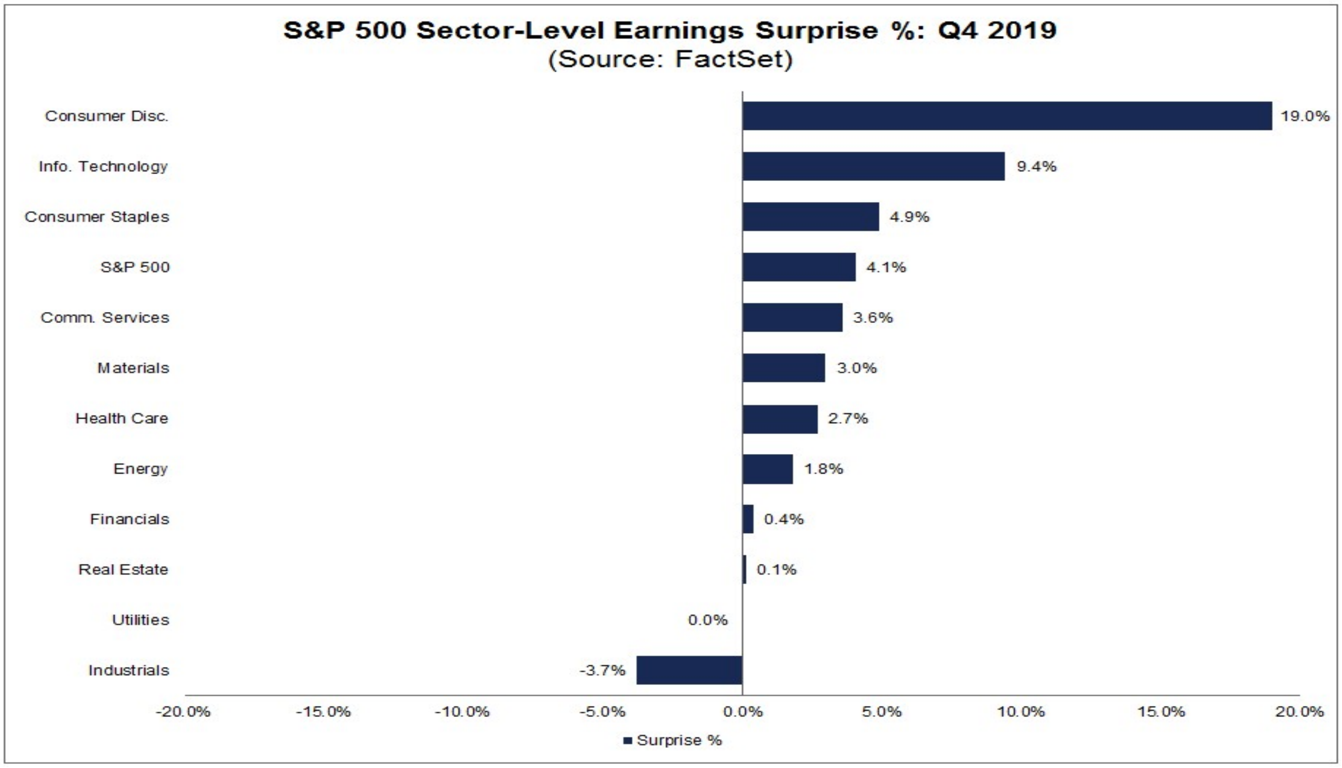


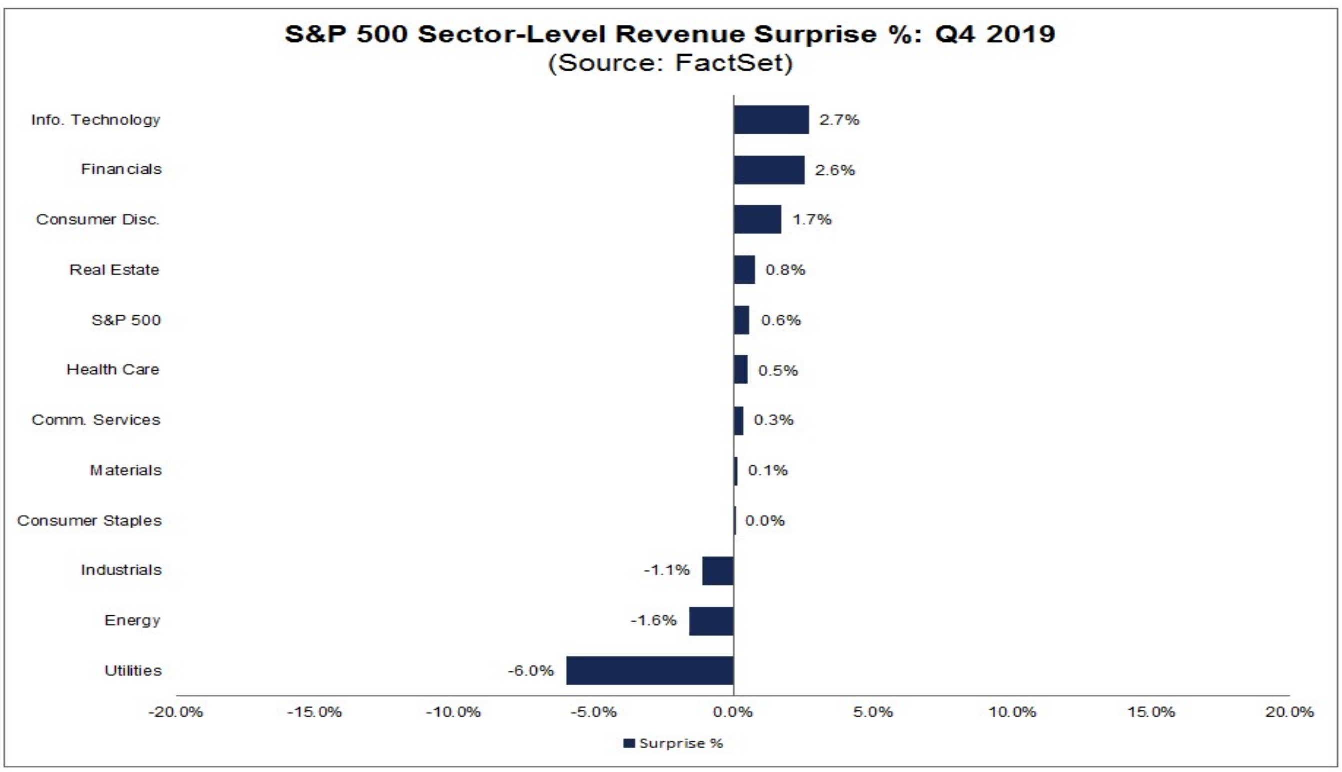
	Info. Technology	Comm. Services	Consumer Disc.	Health Care	Financials	S&P 500	Consumer Staples	Industrials	Materials	Utilities	Energy	Real Estate
Below	6%	14%	16%	12%	27%	21%	6%	29%	33%	50%	50%	10%
In-Line	3%	0%	0%	16%	2%	10%	31%	9%	7%	0%	10%	50%
Above	90%	86%	84%	72%	71%	69%	63%	62%	60%	50%	40%	40%



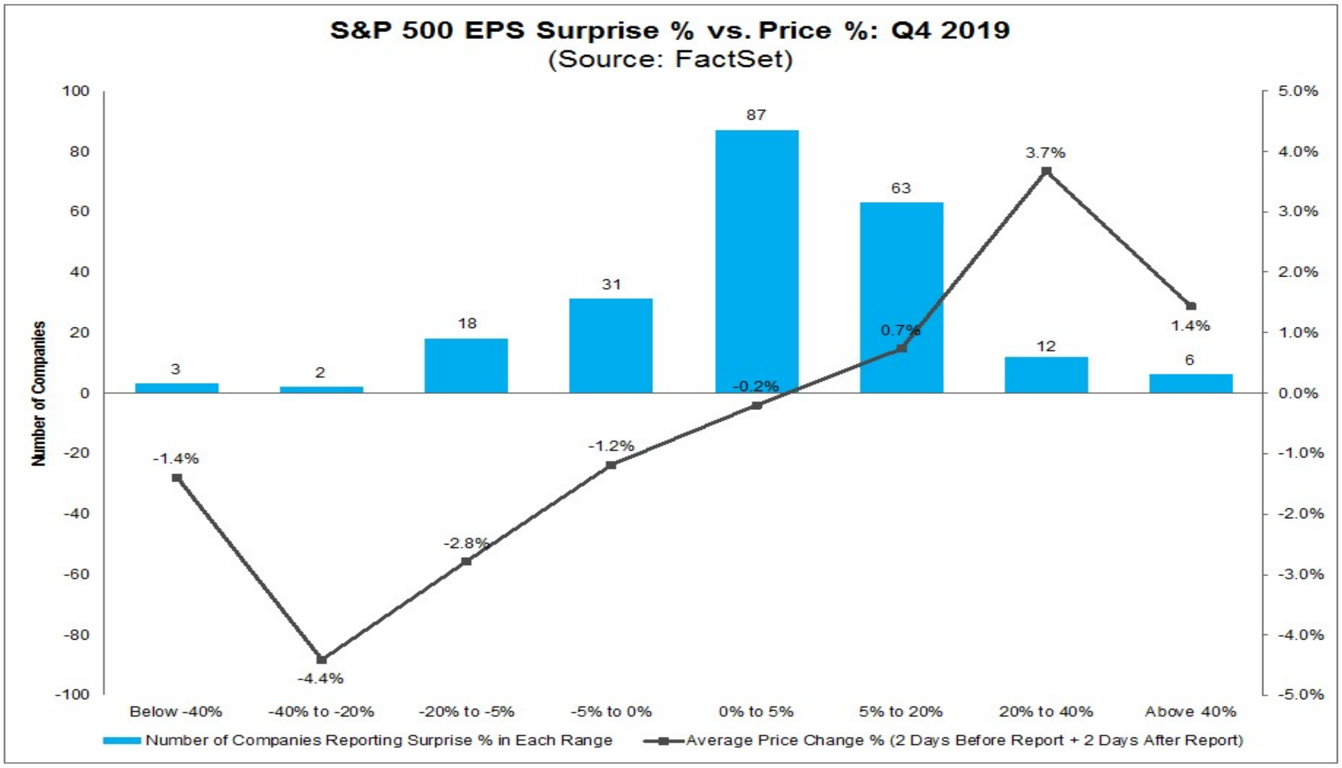
	Health Care	Comm. Services	Info. Technology	Real Estate	Financials	S&P 500	Consumer Disc.	Consumer Staples	Energy	Materials	Industrials	Utilities
Below	12%	14%	19%	30%	31%	35%	37%	38%	44%	47%	56%	100%
In-Line	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Above	88%	86%	81%	70%	69%	65%	63%	63%	56%	53%	44%	0%

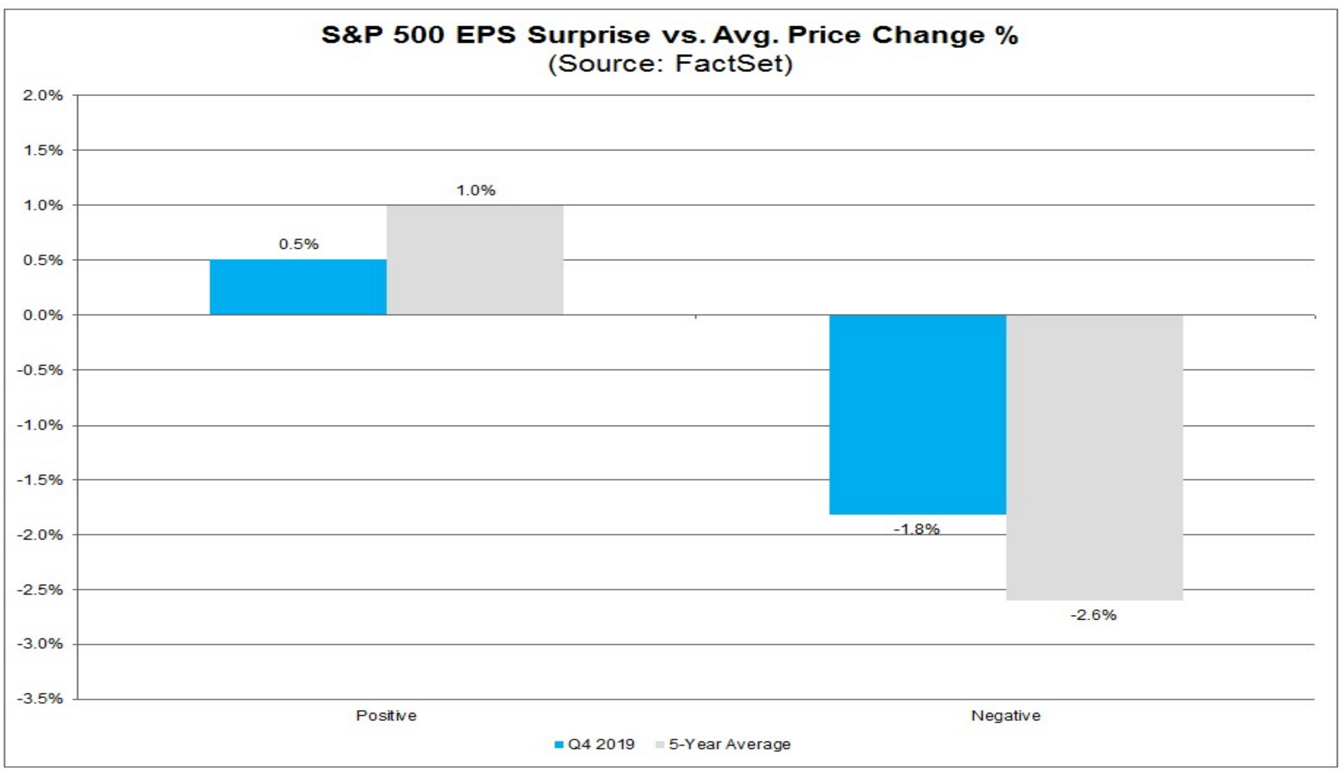
Q4 2019: Scorecard



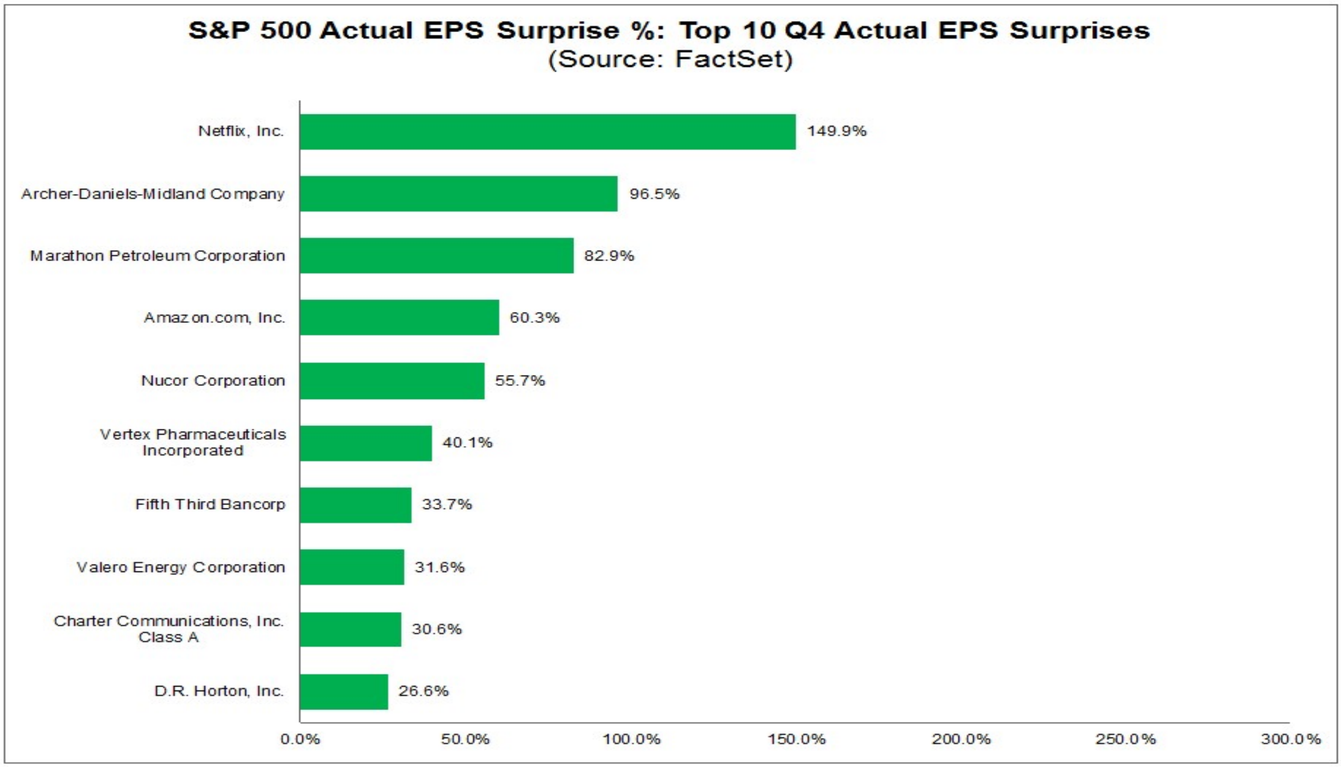


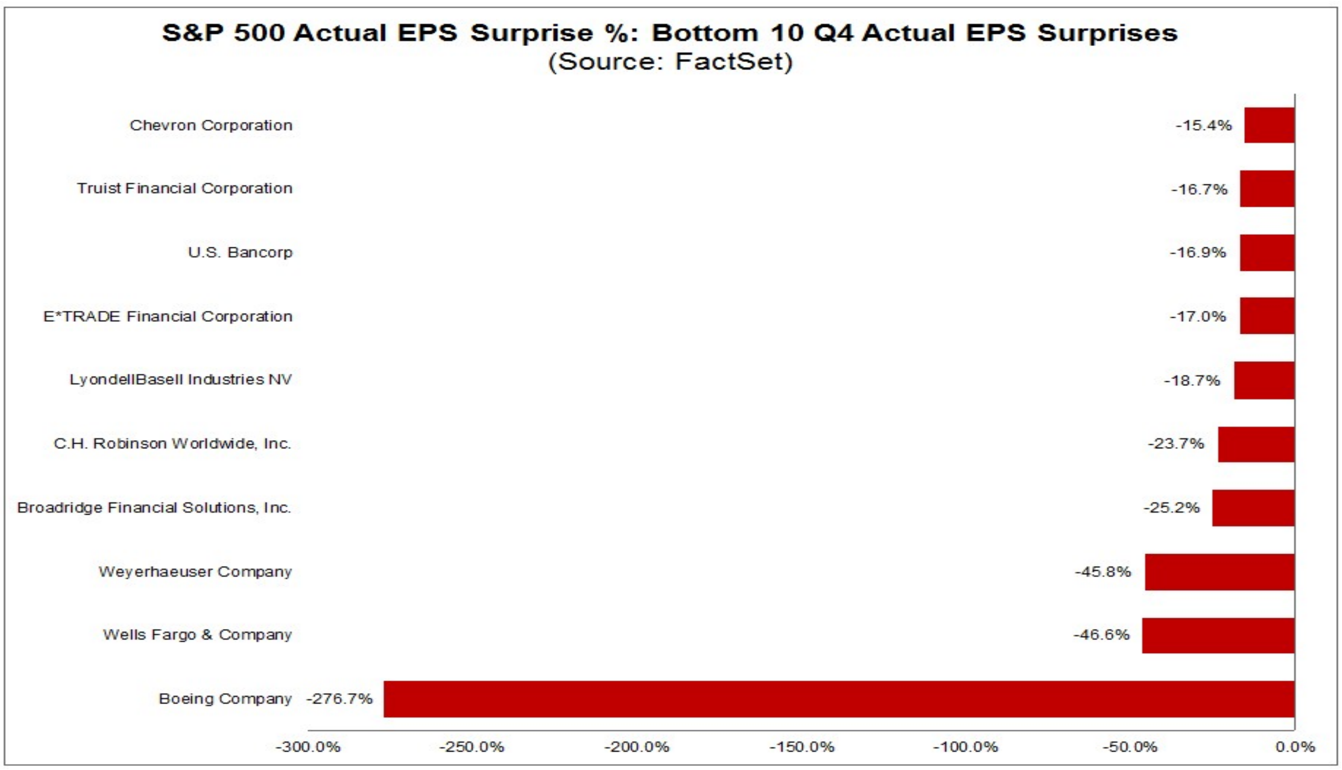
Q4 2019: Scorecard



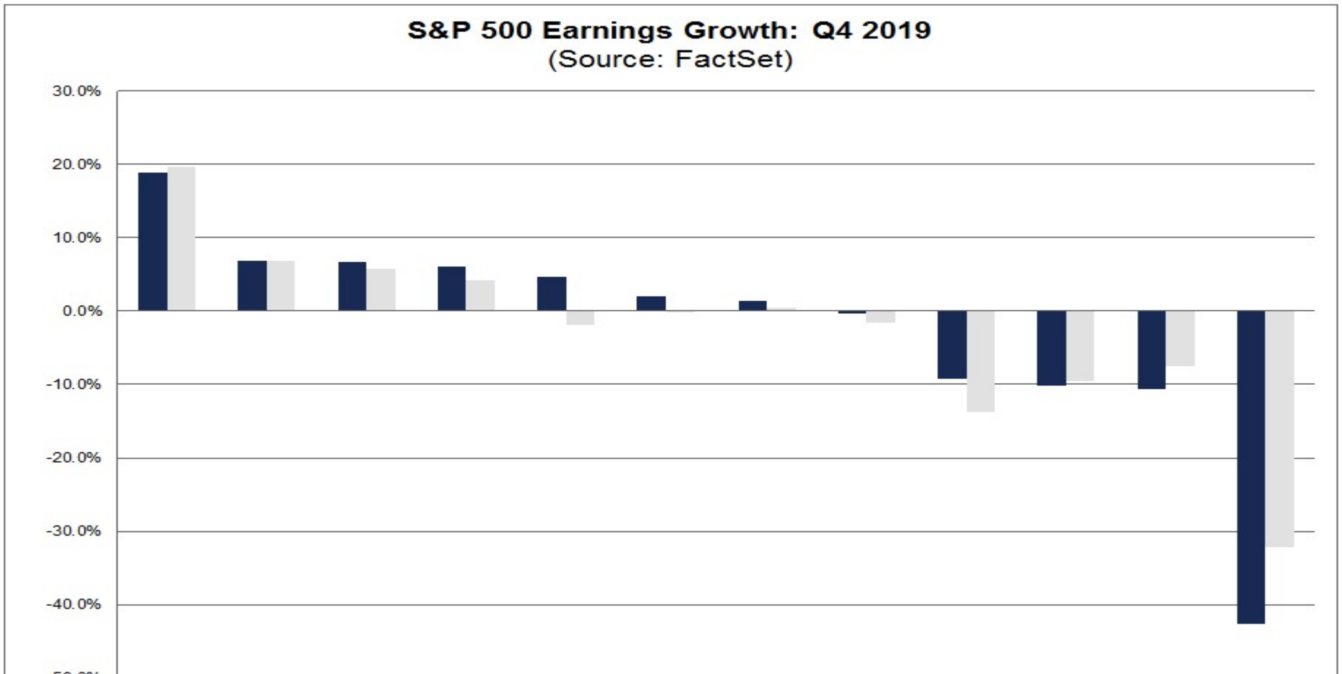


Q4 2019: Scorecard

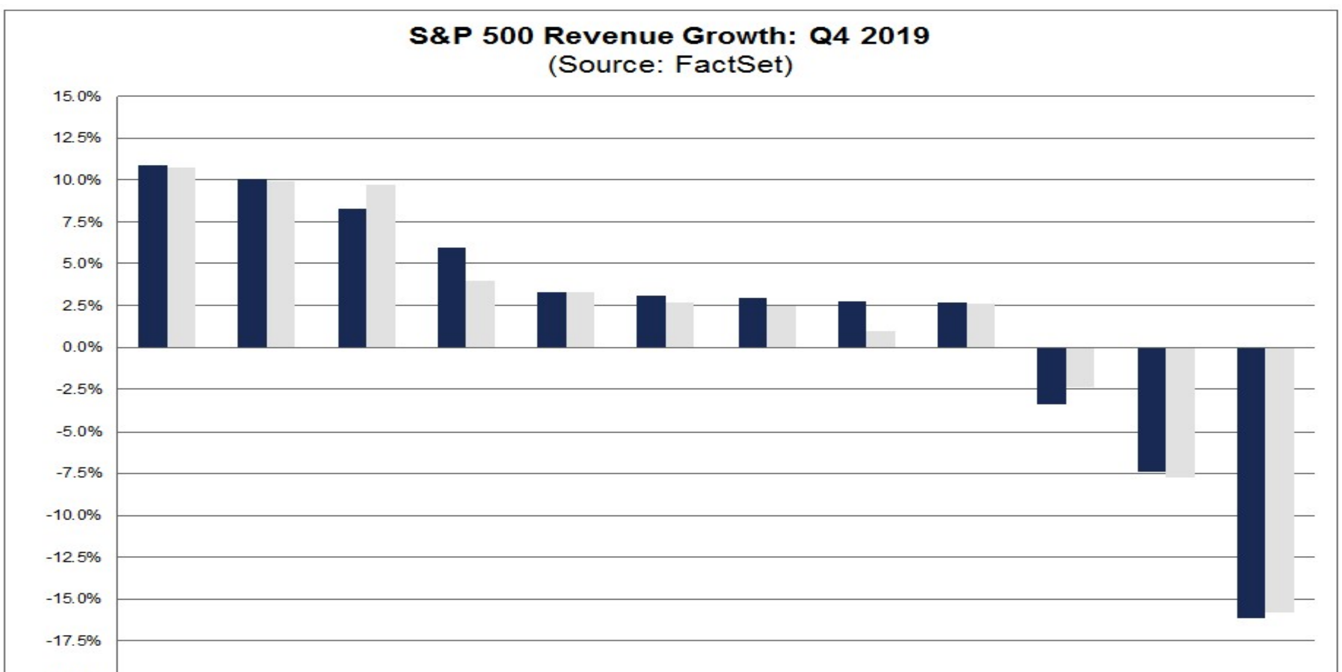




Q4 2019: Growth

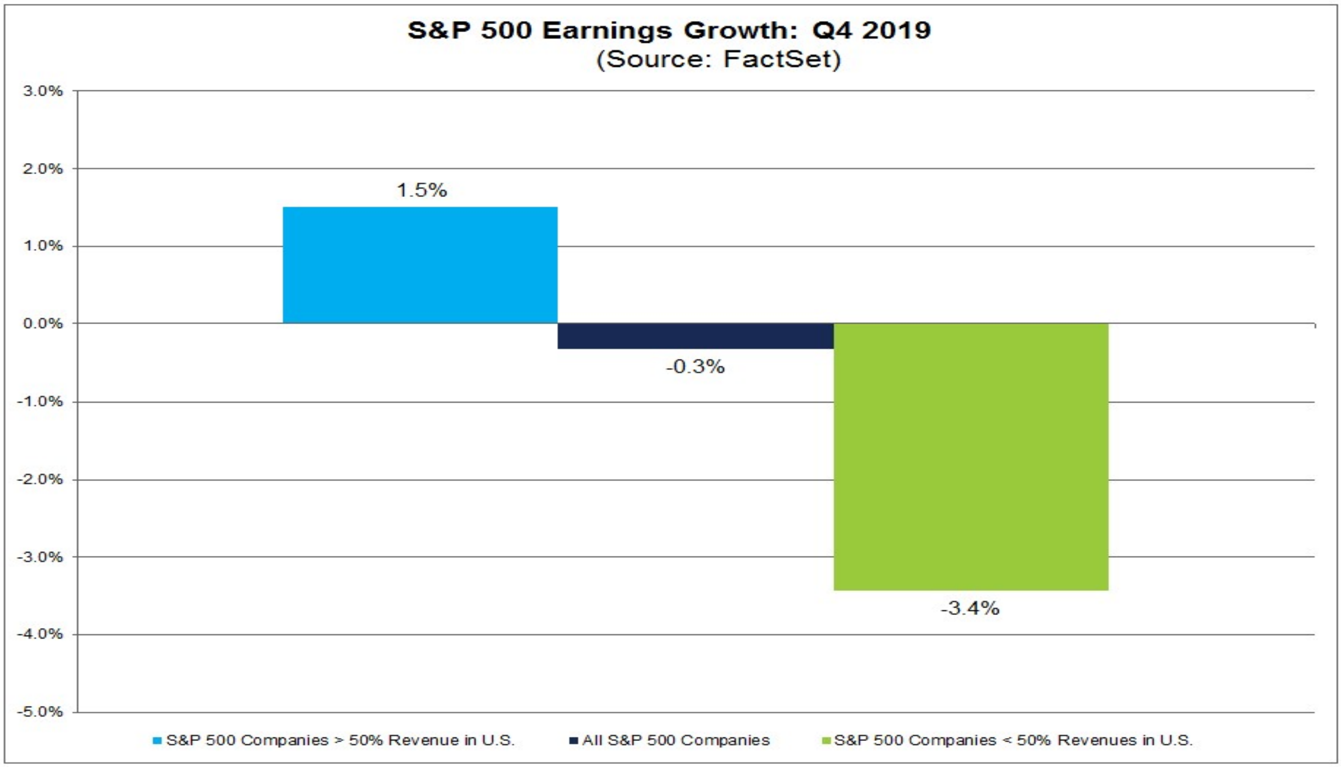


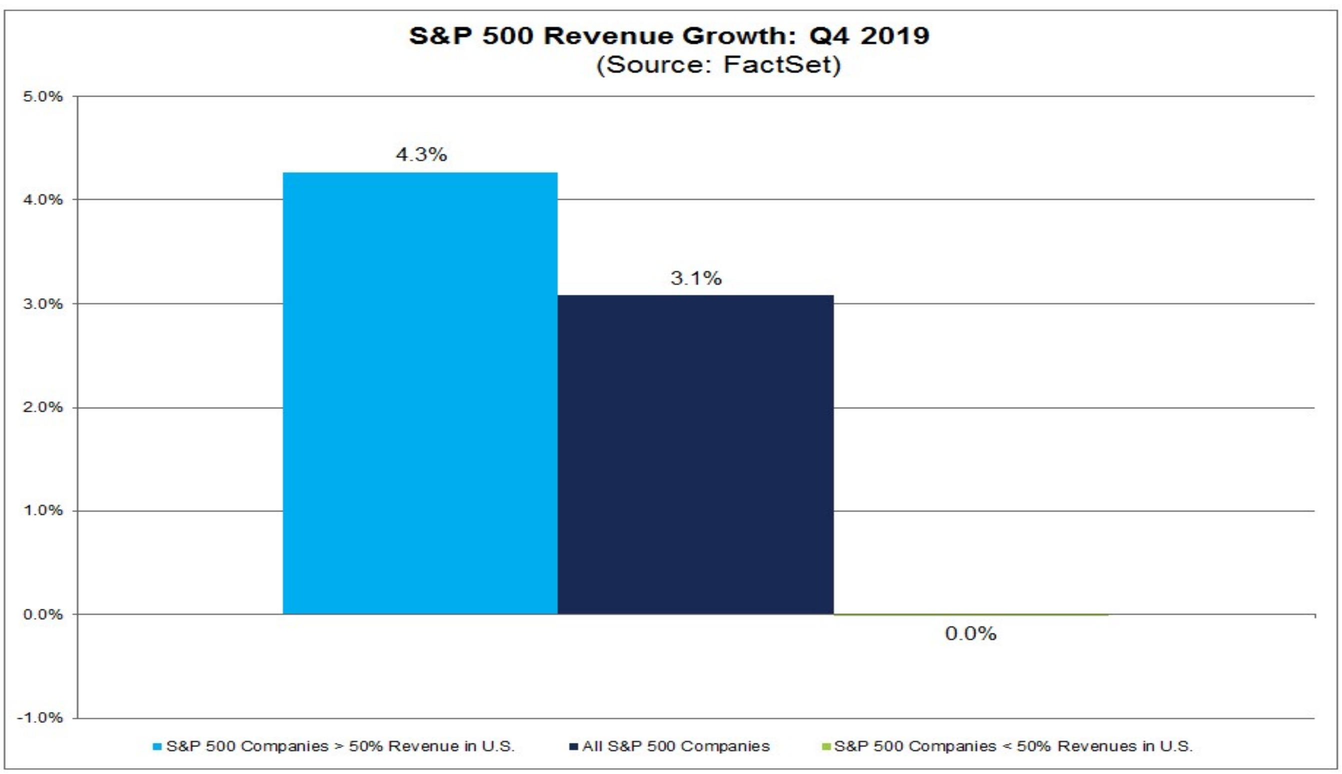
	Utilities	Financials	Health Care	Comm. Services	Info. Technology	Consumer Staples	Real Estate	S&P 500	Consumer Disc.	Materials	Industrials	Energy
Today	18.8%	6.7%	6.6%	6.1%	4.6%	1.9%	1.4%	-0.3%	-9.2%	-10.2%	-10.6%	-42.5%
31-Dec	19.6%	6.8%	5.8%	4.2%	-1.9%	-0.2%	0.4%	-1.6%	-13.6%	-9.5%	-7.6%	-32.0%



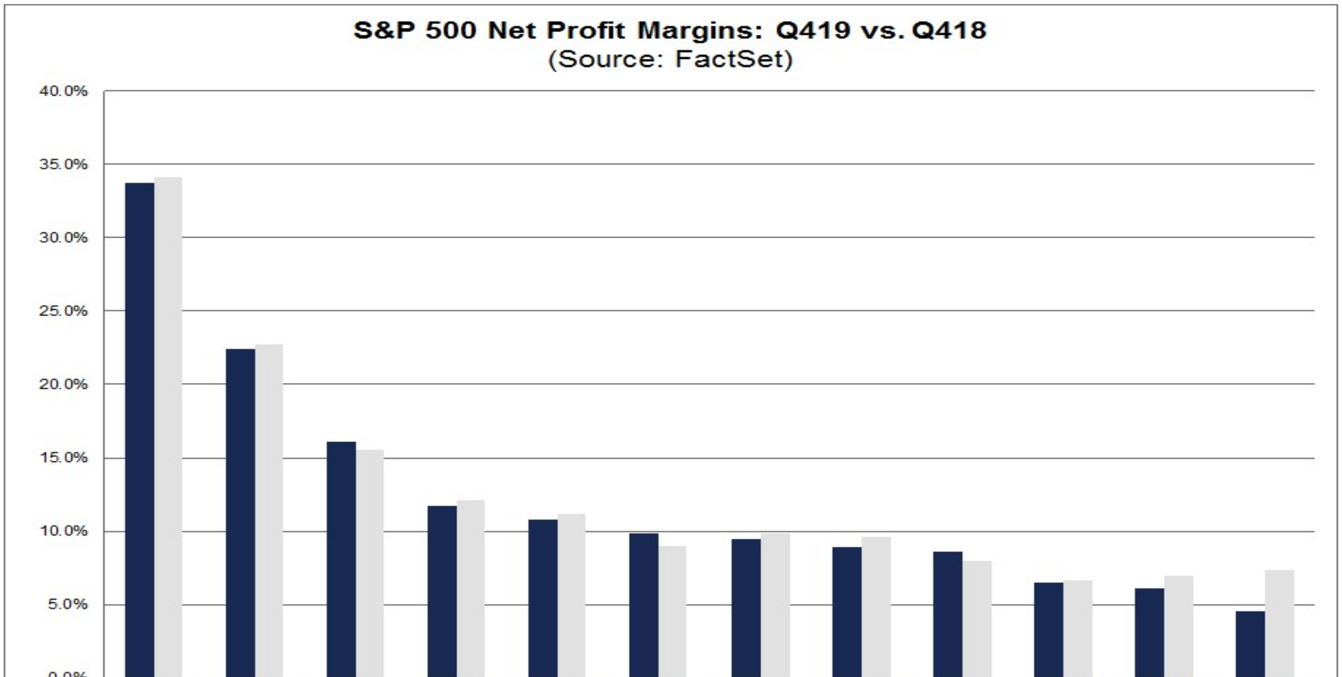
	Health Care	Comm. Services	Utilities	Info. Technology	Consumer Staples	S&P 500	Consumer Disc.	Financials	Real Estate	Industrials	Energy	Materials
Today	10.9%	10.0%	8.3%	6.0%	3.3%	3.1%	2.9%	2.7%	2.7%	-3.4%	-7.4%	-16.1%
31-Dec	10.7%	9.9%	9.7%	4.0%	3.3%	2.7%	2.4%	1.0%	2.6%	-2.4%	-7.7%	-15.8%

Q4 2019: Growth

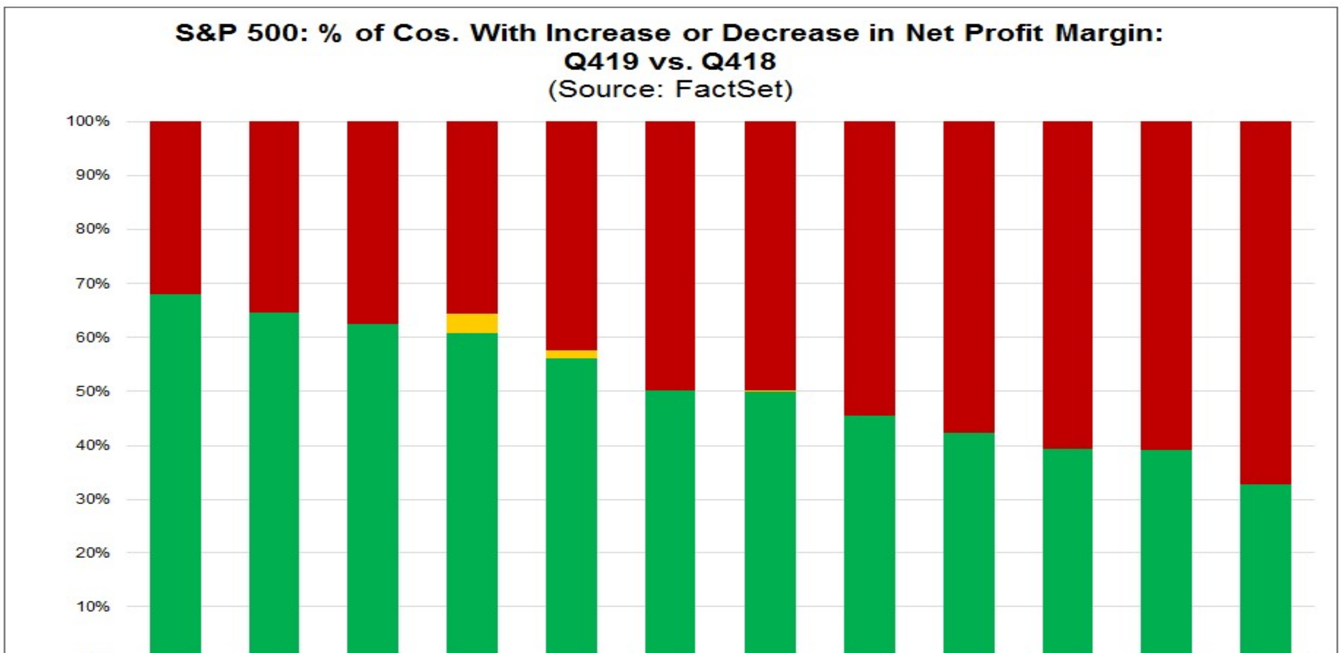




Q4 2019: Net Profit Margin

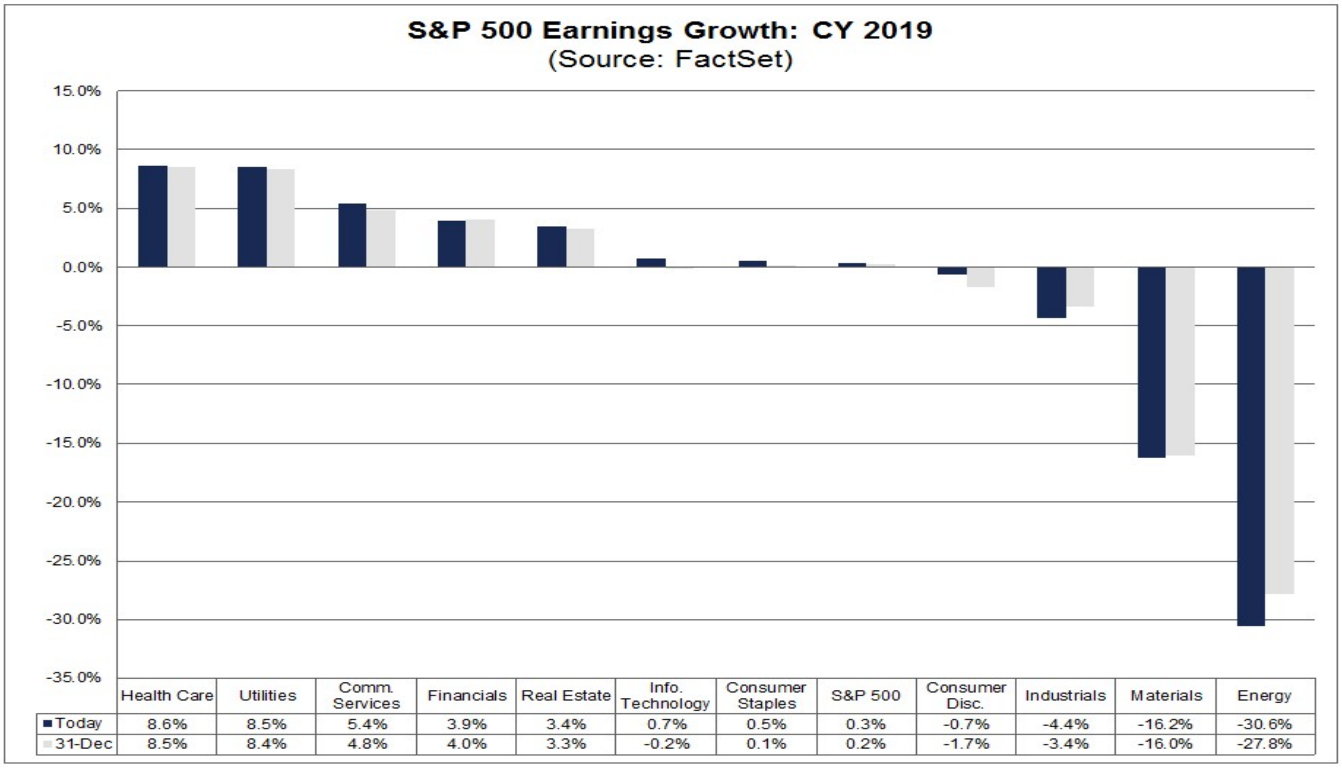


	Real Estate	Information Tech.	Financials	TComm. Services	S&P 500	Utilities	Health Care	Industrials	Materials	Consumer Staples	Consumer Disc.	Energy
Q419	33.7%	22.4%	16.1%	11.7%	10.8%	9.9%	9.5%	8.9%	8.6%	6.6%	6.2%	4.6%
Q418	34.2%	22.7%	15.6%	12.2%	11.2%	9.0%	9.9%	9.6%	8.0%	6.6%	7.0%	7.4%

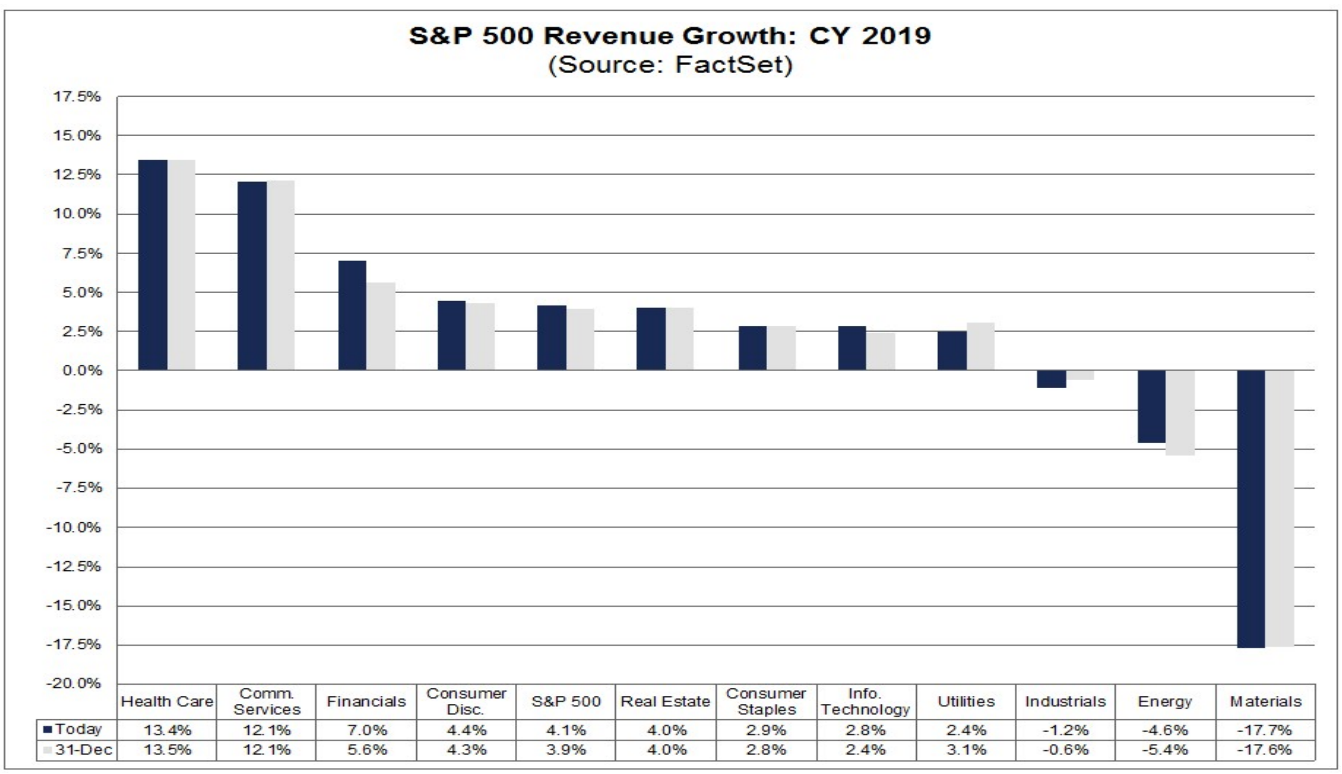


	Utilities	Real Estate	Health Care	Materials	Financials	Industrials	S&P 500	Consumer Staples	Comm. Services	Energy	Consumer Disc.	Information Tech.
Down %	32%	35%	38%	36%	42%	50%	50%	55%	58%	61%	61%	67%
None %	0%	0%	0%	4%	2%	0%	0%	0%	0%	0%	0%	0%
Up %	68%	65%	62%	61%	56%	50%	50%	45%	42%	39%	39%	33%

CY 2019: Growth

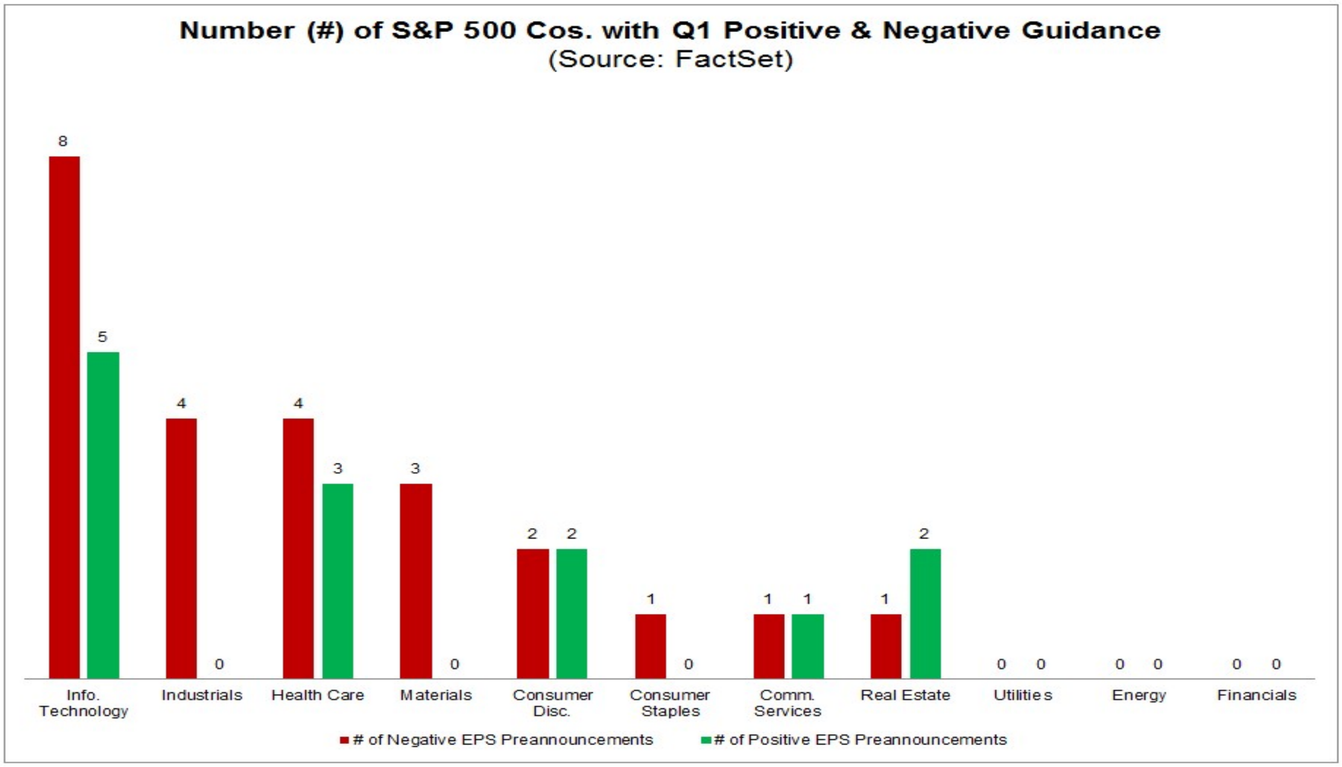


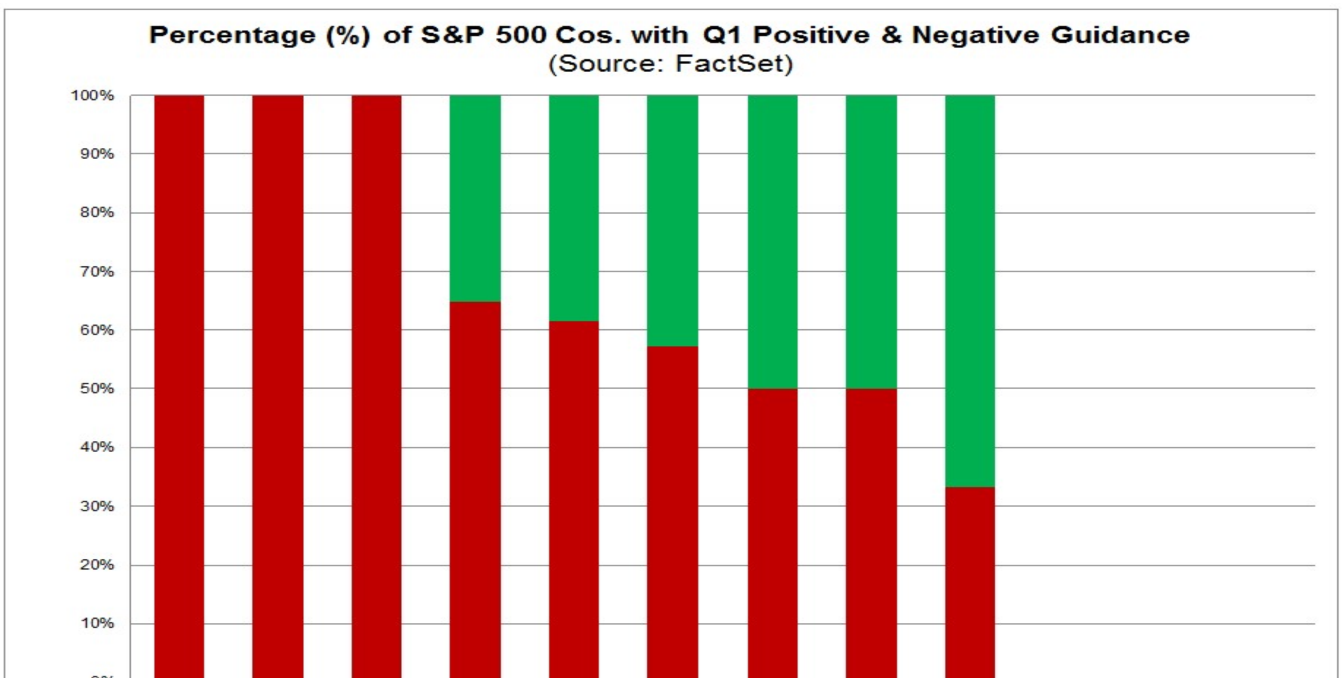
	Health Care	Utilities	Comm. Services	Financials	Real Estate	Info. Technology	Consumer Staples	S&P 500	Consumer Disc.	Industrials	Materials	Energy
Today	8.6%	8.5%	5.4%	3.9%	3.4%	0.7%	0.5%	0.3%	-0.7%	-4.4%	-16.2%	-30.6%
31-Dec	8.5%	8.4%	4.8%	4.0%	3.3%	-0.2%	0.1%	0.2%	-1.7%	-3.4%	-16.0%	-27.8%



	Health Care	Comm. Services	Financials	Consumer Disc.	S&P 500	Real Estate	Consumer Staples	Info. Technology	Utilities	Industrials	Energy	Materials
Today	13.4%	12.1%	7.0%	4.4%	4.1%	4.0%	2.9%	2.8%	2.4%	-1.2%	-4.6%	-17.7%
31-Dec	13.5%	12.1%	5.6%	4.3%	3.9%	4.0%	2.8%	2.4%	3.1%	-0.6%	-5.4%	-17.6%

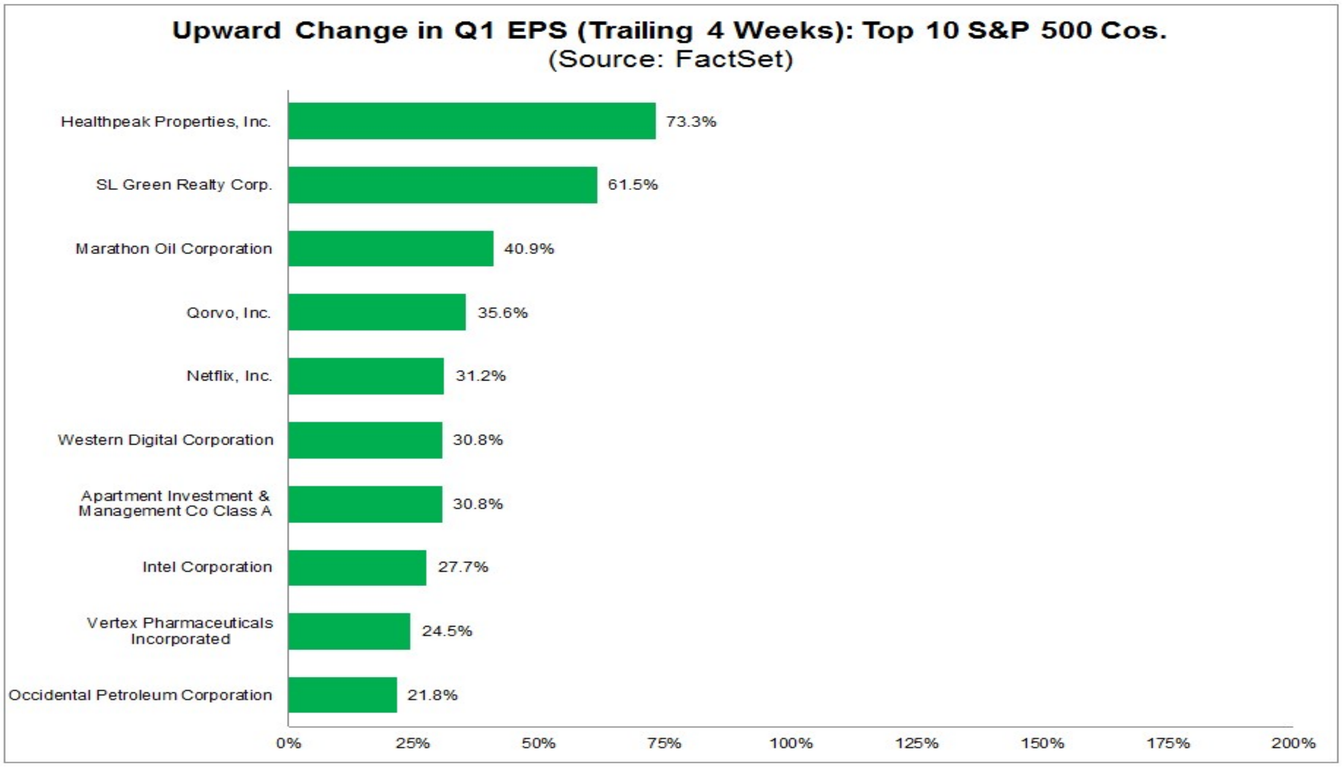
Q1 2020: EPS Guidance

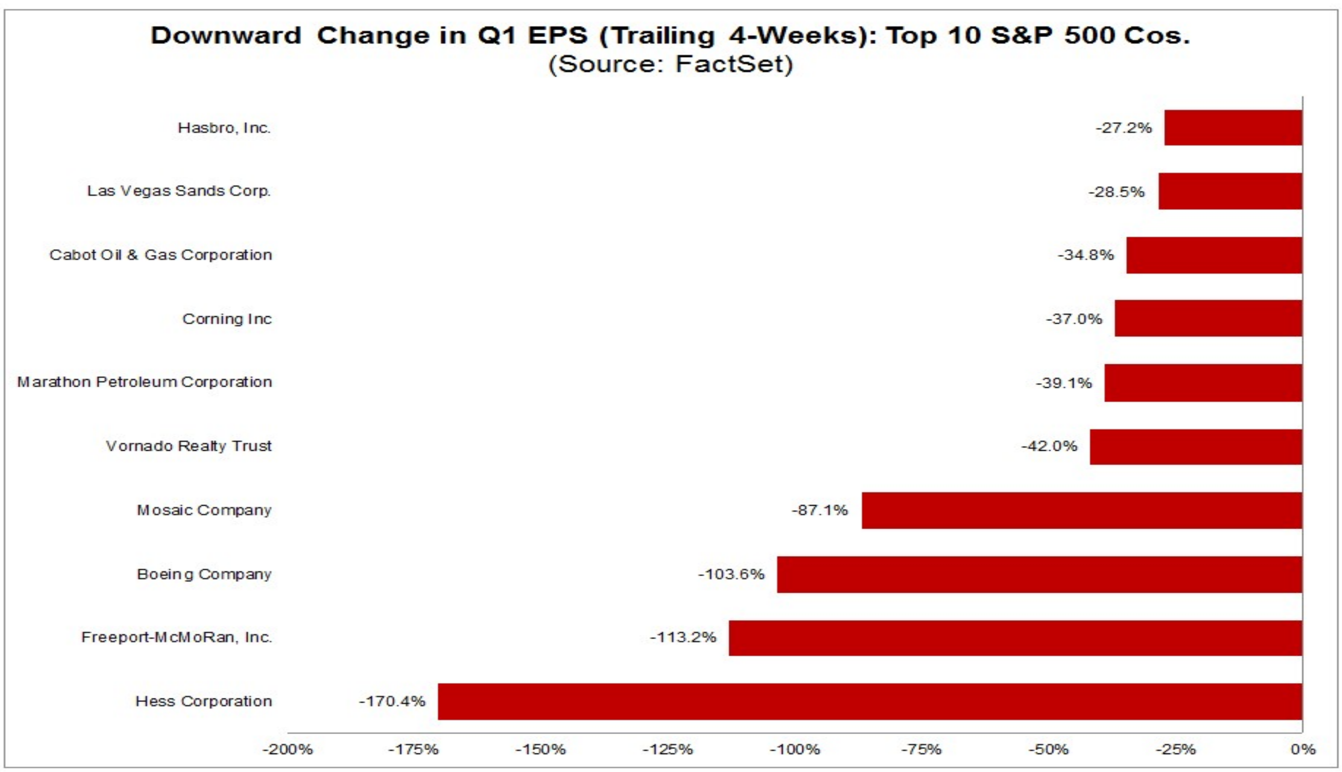




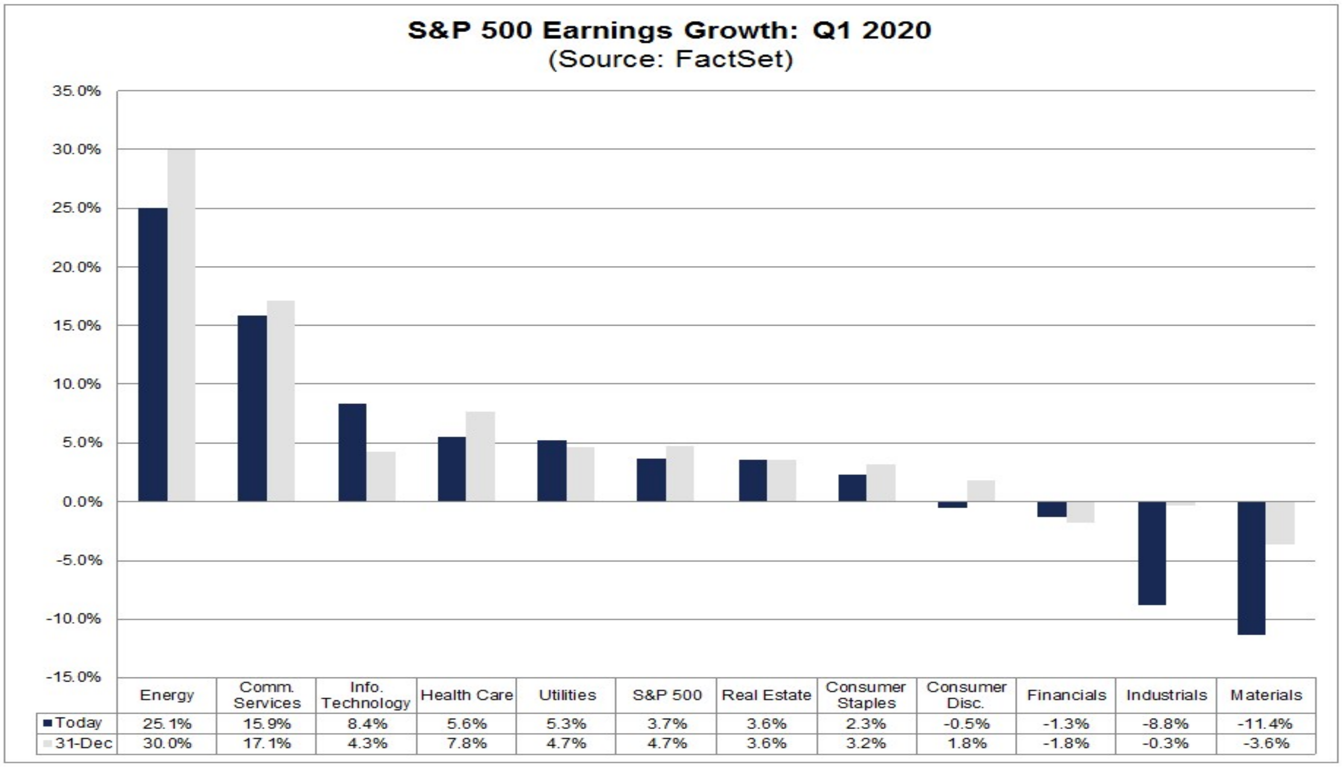
	Industrials	Materials	Consumer Staples	S&P 500	Info. Technology	Health Care	Consumer Disc.	Comm. Services	Real Estate	Utilities	Energy	Financials
Positive	0%	0%	0%	35%	38%	43%	50%	50%	67%	0%	0%	0%
Negative	100%	100%	100%	65%	62%	57%	50%	50%	33%	0%	0%	0%

Q1 2020: EPS Revisions

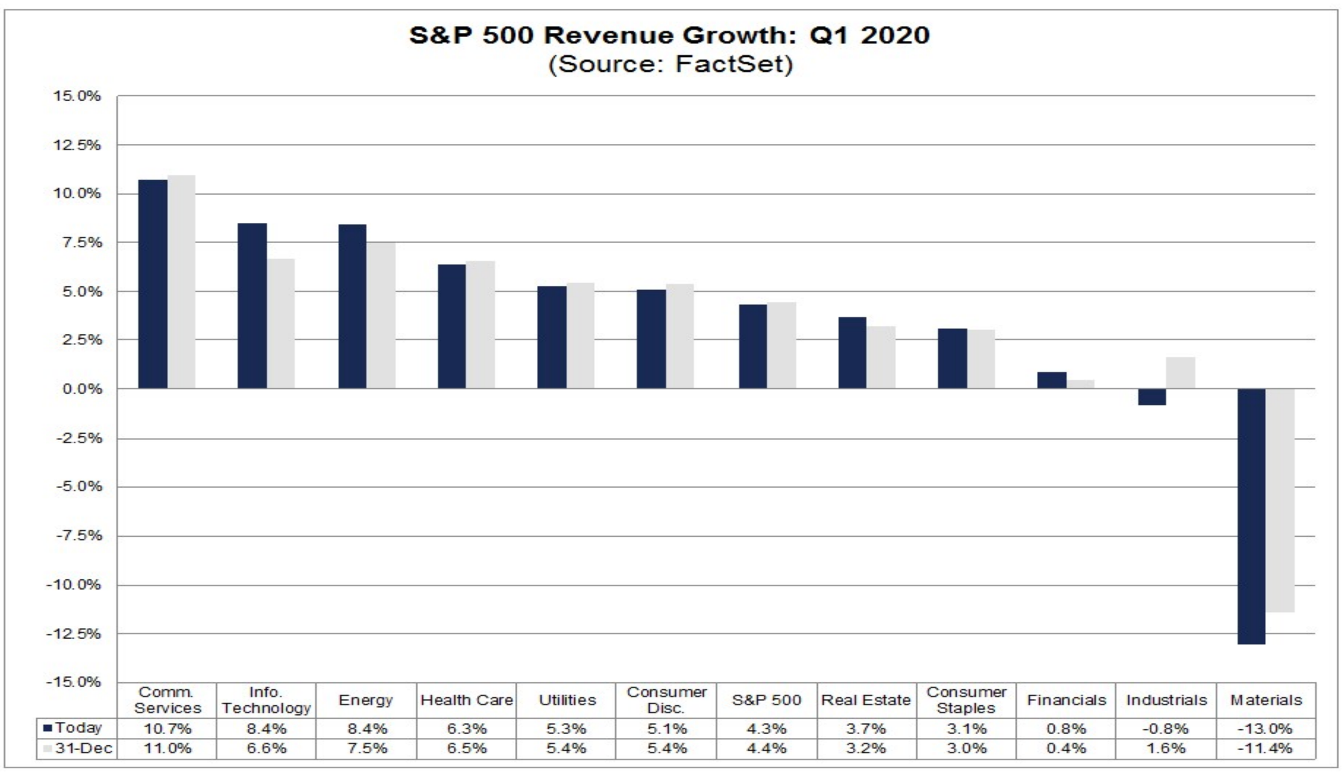




Q1 2020: Growth

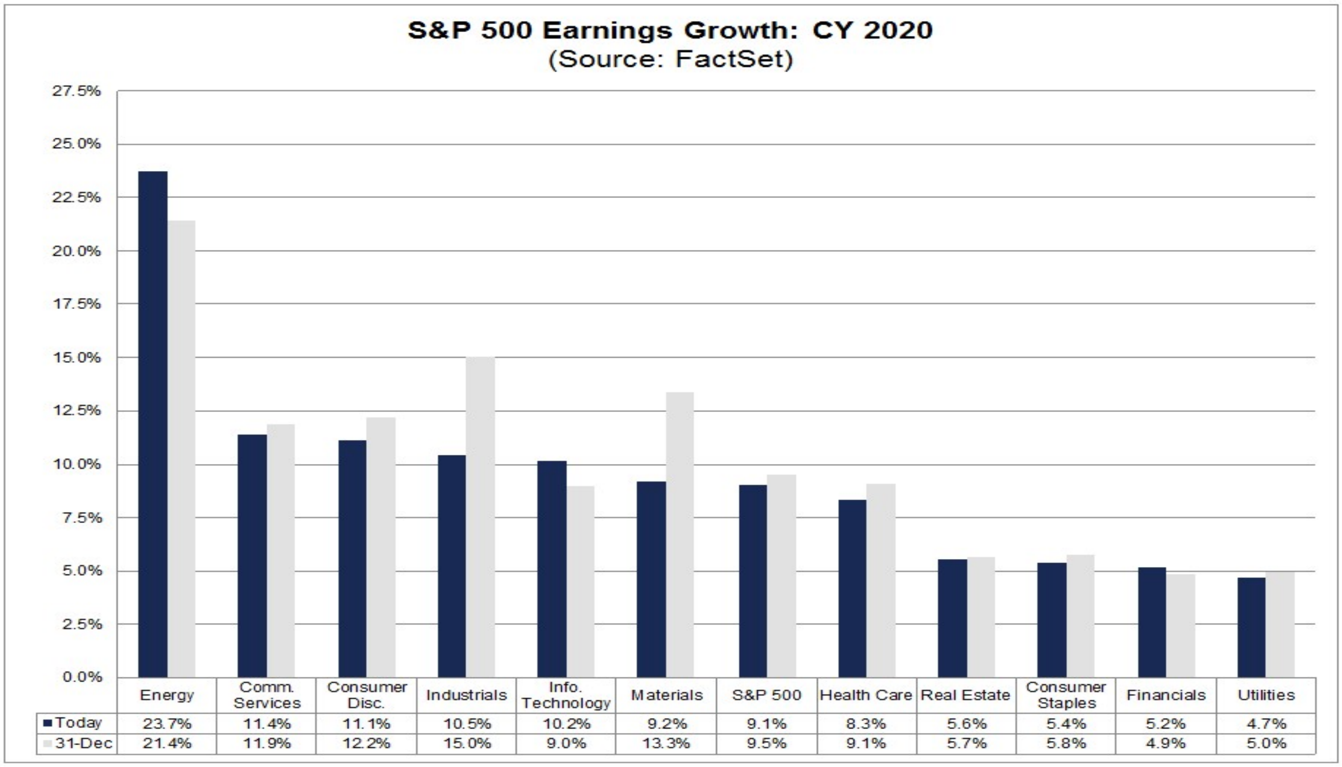


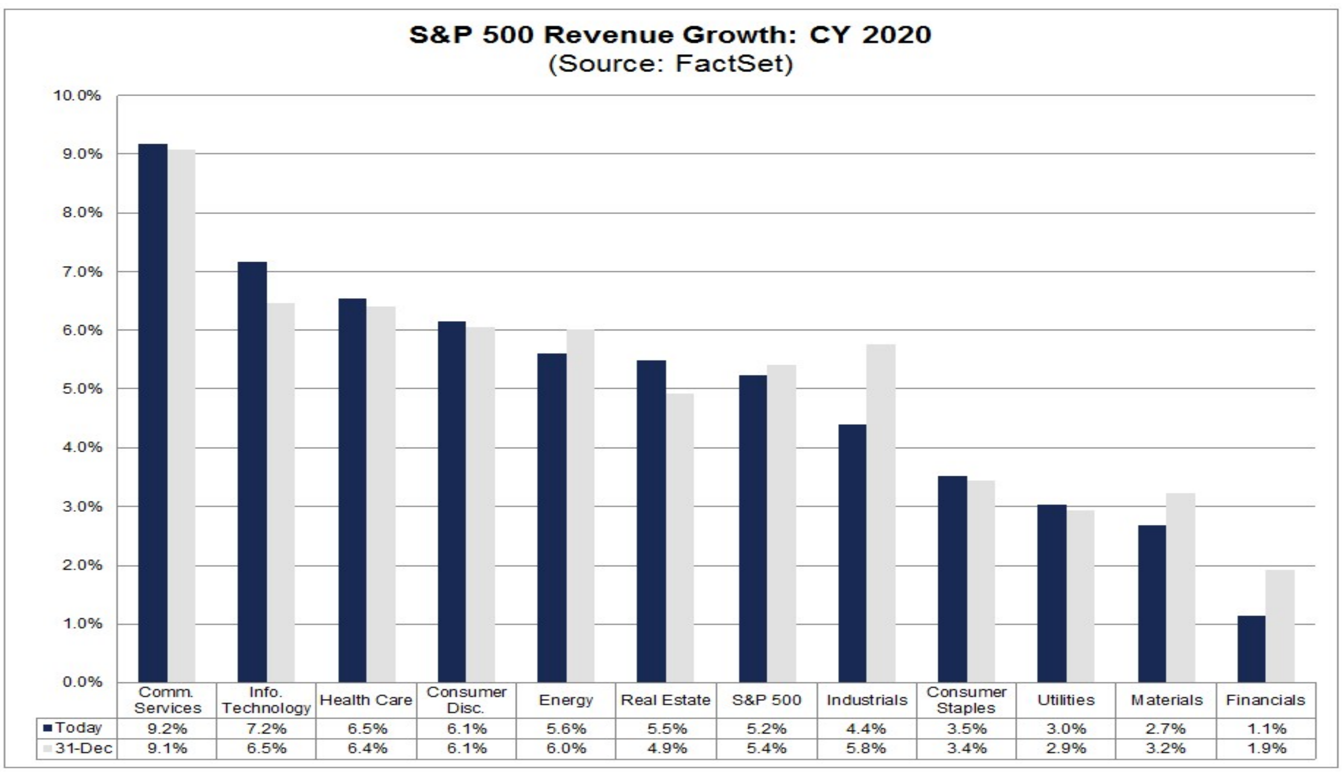
	Energy	Comm. Services	Info. Technology	Health Care	Utilities	S&P 500	Real Estate	Consumer Staples	Consumer Disc.	Financials	Industrials	Materials
Today	25.1%	15.9%	8.4%	5.6%	5.3%	3.7%	3.6%	2.3%	-0.5%	-1.3%	-8.8%	-11.4%
31-Dec	30.0%	17.1%	4.3%	7.8%	4.7%	4.7%	3.6%	3.2%	1.8%	-1.8%	-0.3%	-3.6%



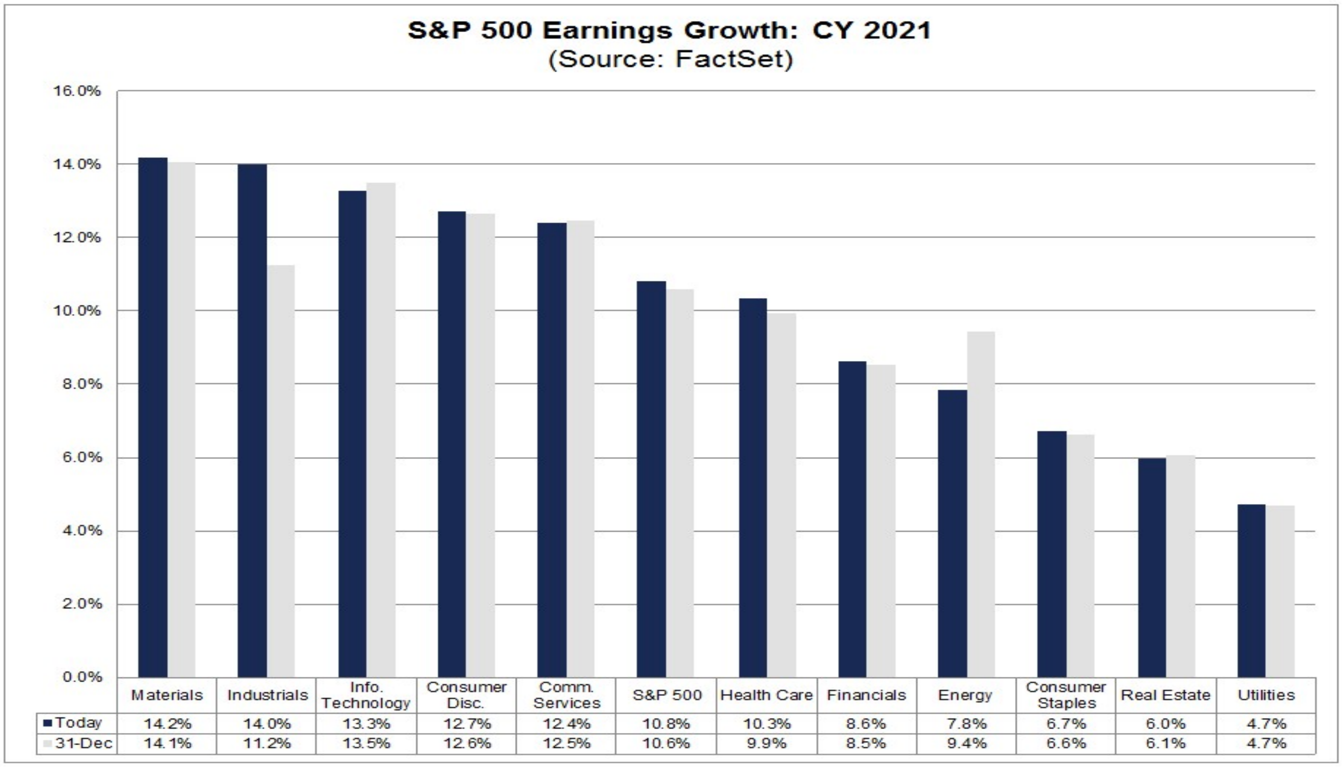
	Comm. Services	Info. Technology	Energy	Health Care	Utilities	Consumer Disc.	S&P 500	Real Estate	Consumer Staples	Financials	Industrials	Materials
Today	10.7%	8.4%	8.4%	6.3%	5.3%	5.1%	4.3%	3.7%	3.1%	0.8%	-0.8%	-13.0%
31-Dec	11.0%	6.6%	7.5%	6.5%	5.4%	5.4%	4.4%	3.2%	3.0%	0.4%	1.6%	-11.4%

CY 2020: Growth

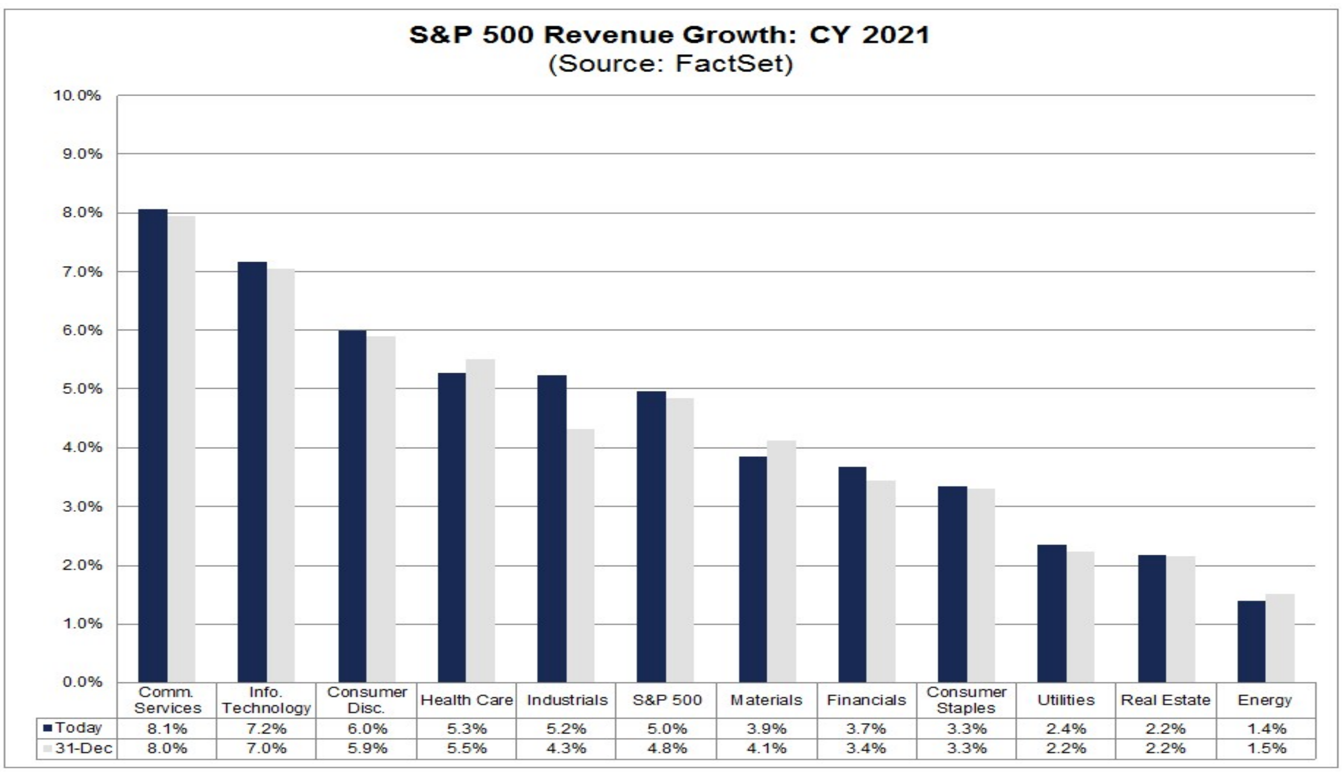




CY 2021: Growth

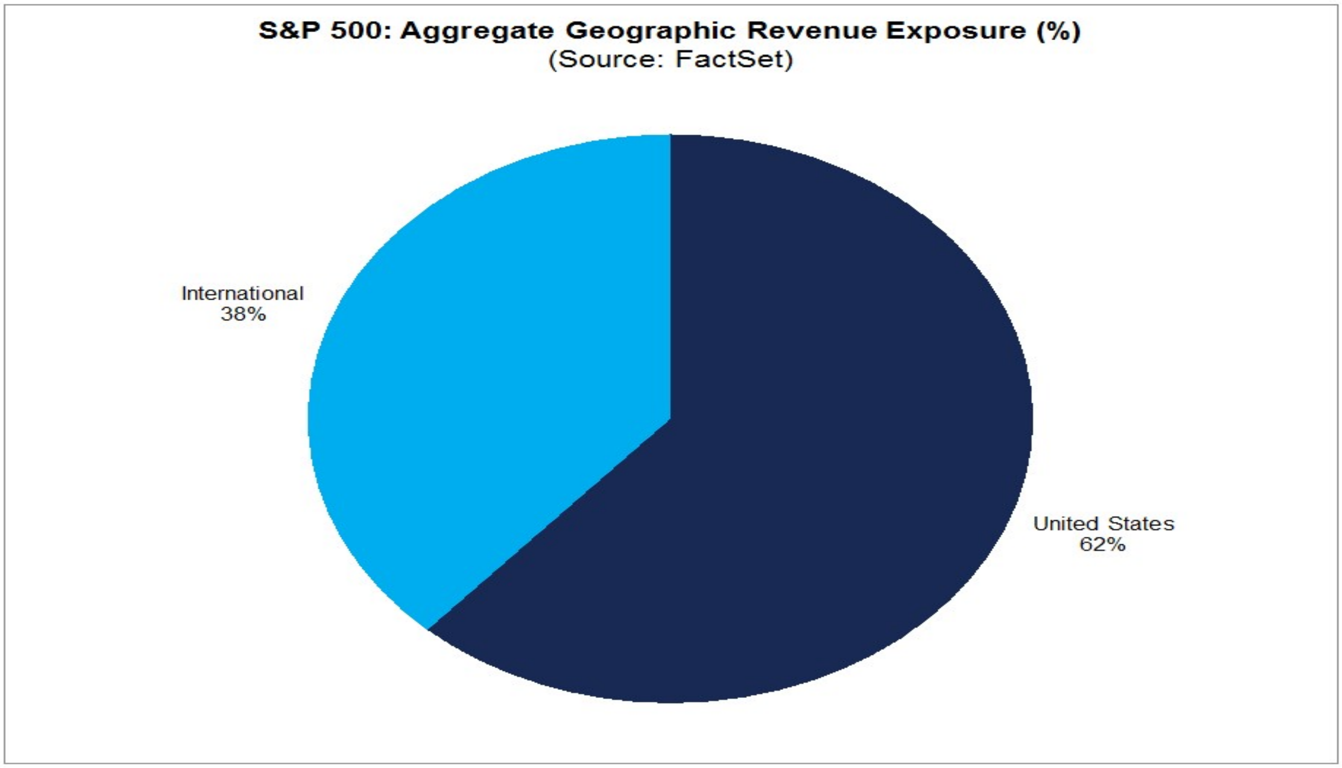


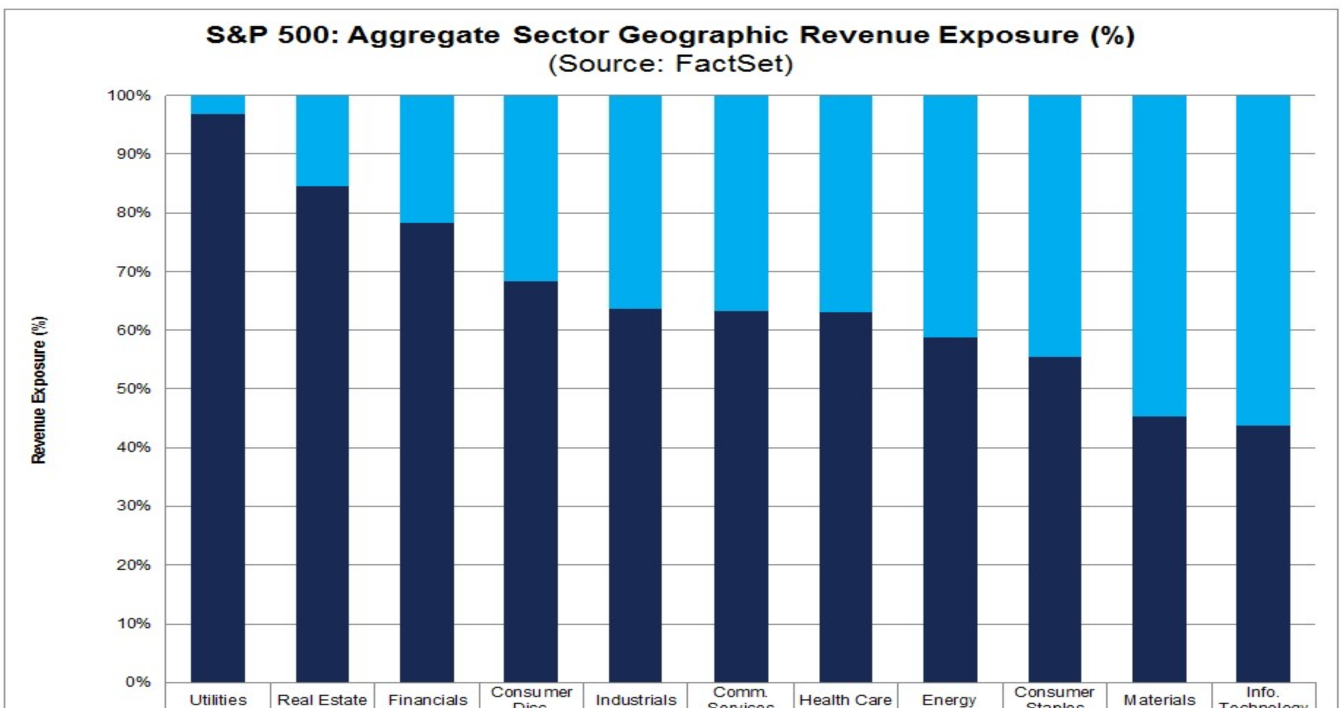
	Materials	Industrials	Info. Technology	Consumer Disc.	Comm. Services	S&P 500	Health Care	Financials	Energy	Consumer Staples	Real Estate	Utilities
Today	14.2%	14.0%	13.3%	12.7%	12.4%	10.8%	10.3%	8.6%	7.8%	6.7%	6.0%	4.7%
31-Dec	14.1%	11.2%	13.5%	12.6%	12.5%	10.6%	9.9%	8.5%	9.4%	6.6%	6.1%	4.7%



	Comm. Services	Info. Technology	Consumer Disc.	Health Care	Industrials	S&P 500	Materials	Financials	Consumer Staples	Utilities	Real Estate	Energy
Today	8.1%	7.2%	6.0%	5.3%	5.2%	5.0%	3.9%	3.7%	3.3%	2.4%	2.2%	1.4%
31-Dec	8.0%	7.0%	5.9%	5.5%	4.3%	4.8%	4.1%	3.4%	3.3%	2.2%	2.2%	1.5%

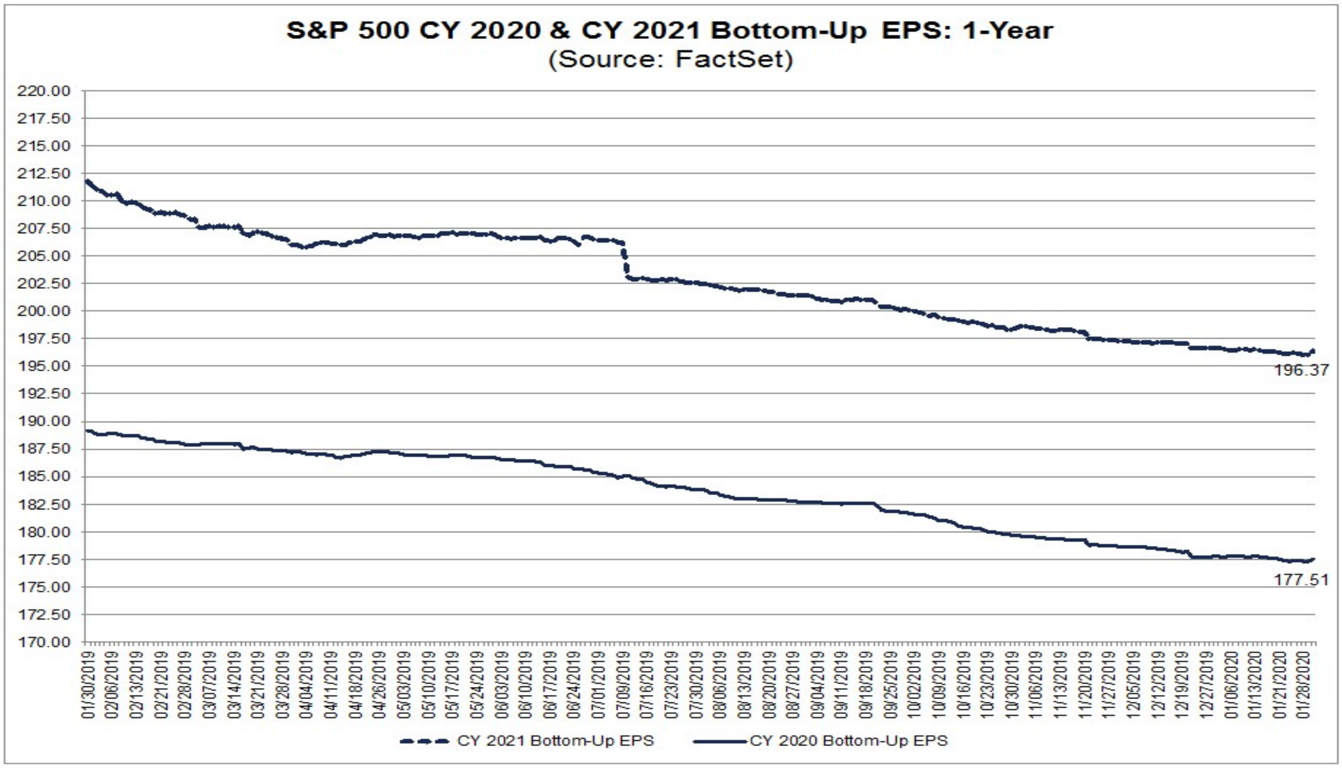
Geographic Revenue Exposure

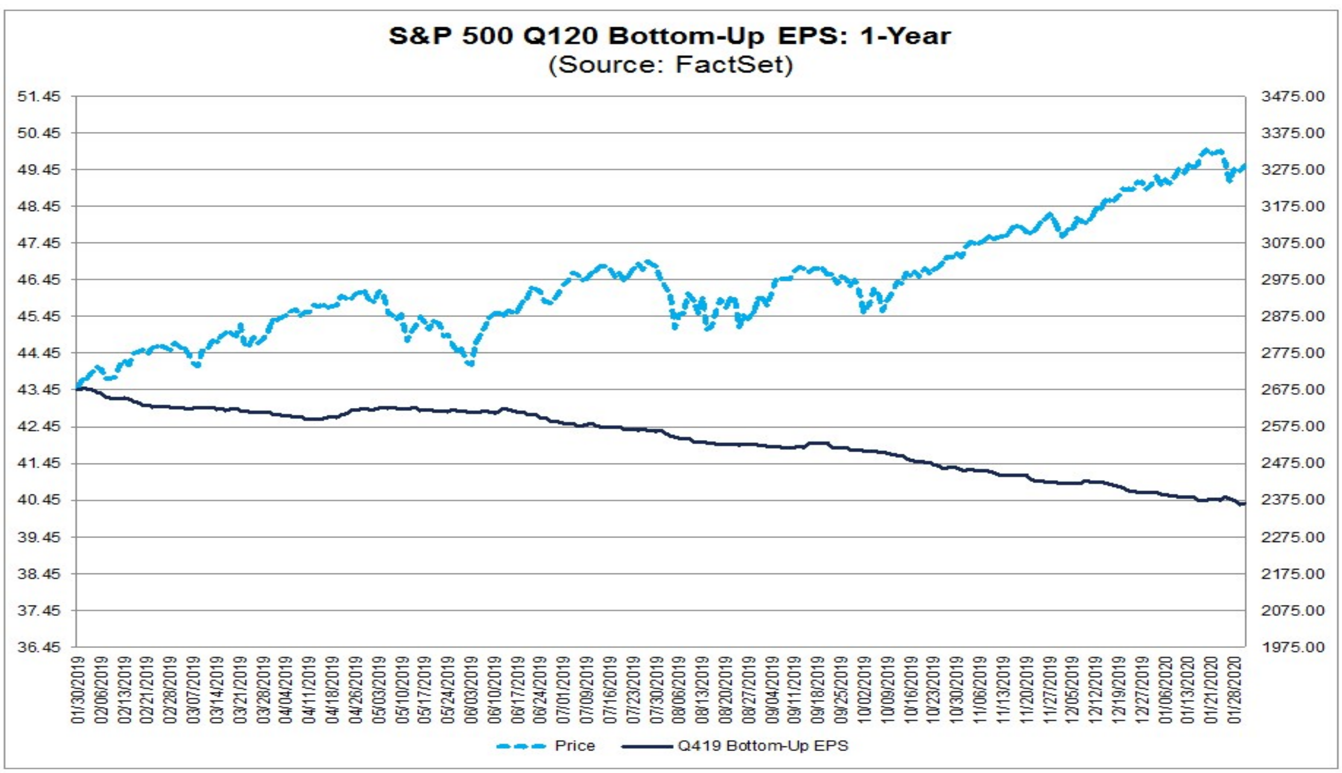




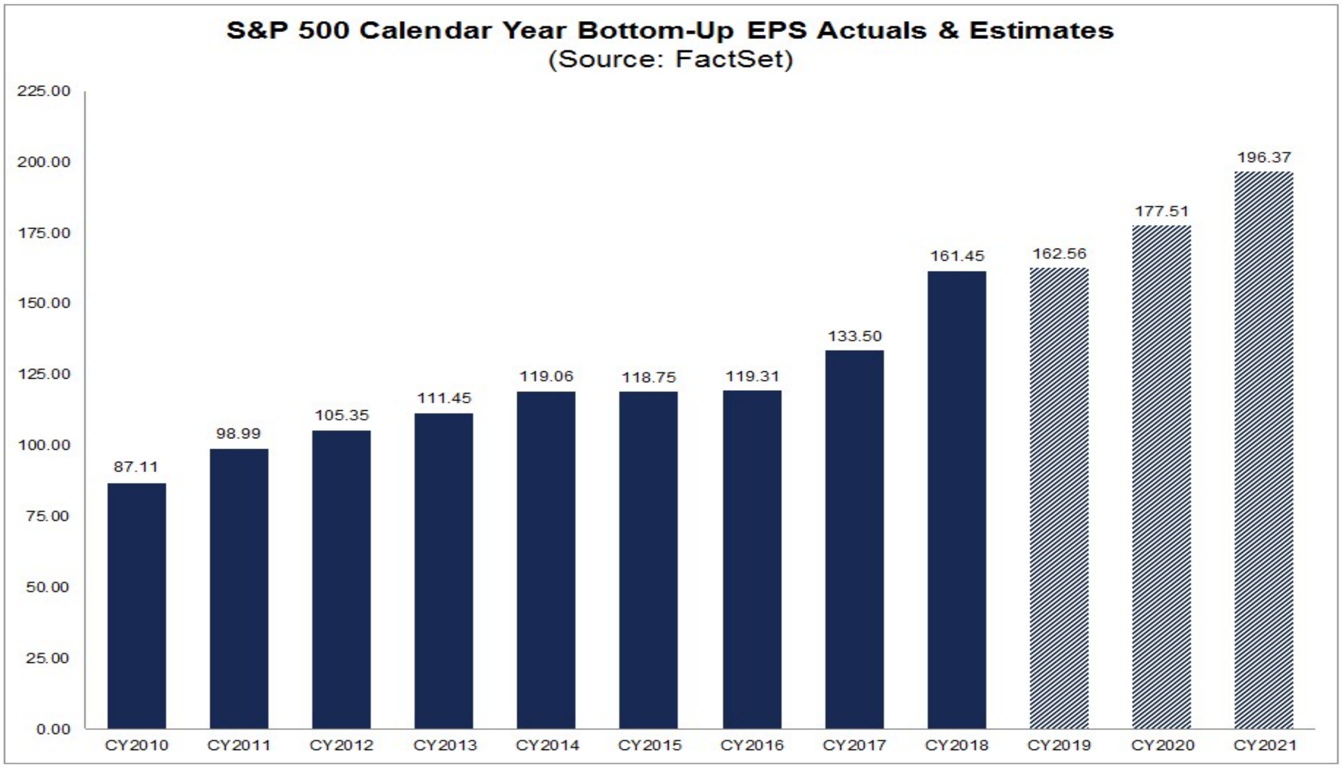
	Utilities	Real Estate	Financials	Consumer Disc.	Industrials	Comm. Services	Health Care	Energy	Consumer Staples	Materials	Info. Technology
International	3%	15%	22%	32%	36%	37%	37%	41%	45%	55%	56%
United States	97%	85%	78%	68%	64%	63%	63%	59%	55%	45%	44%

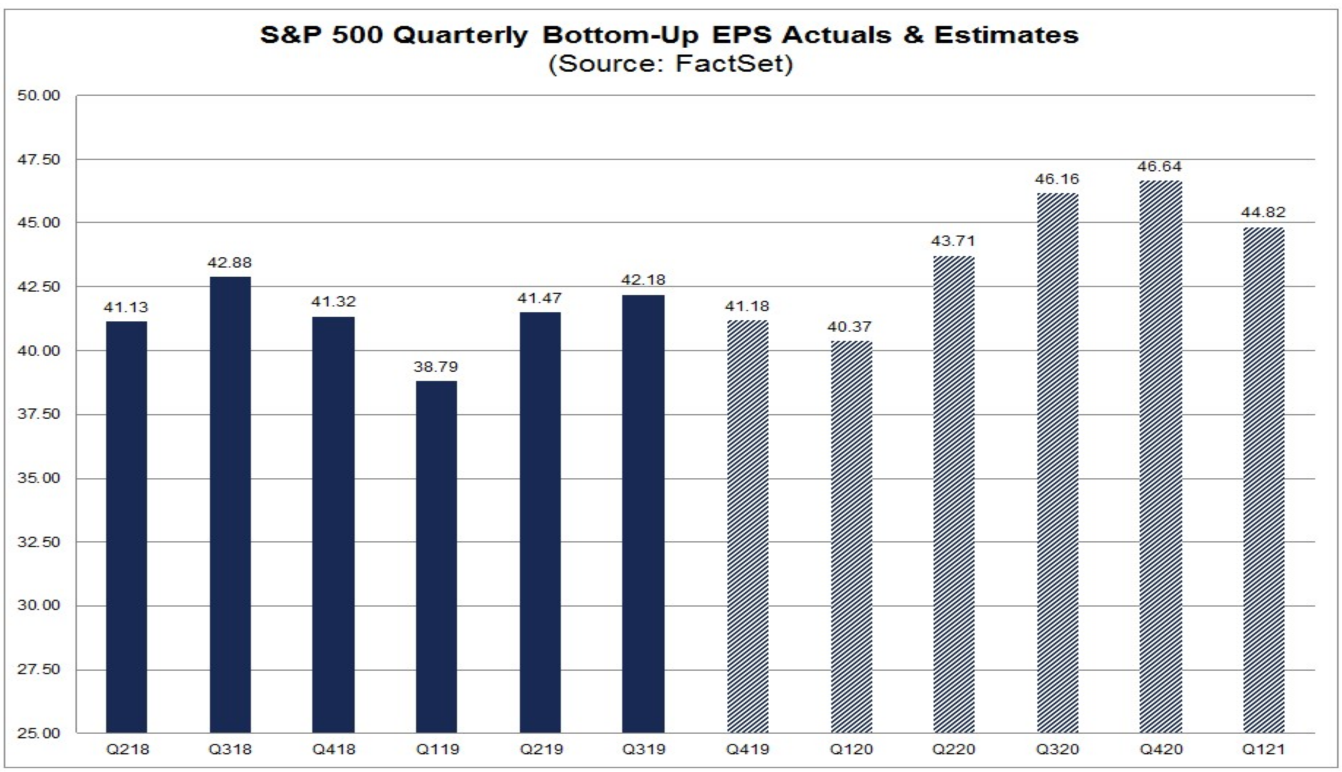
Bottom-up EPS Estimates: Revisions



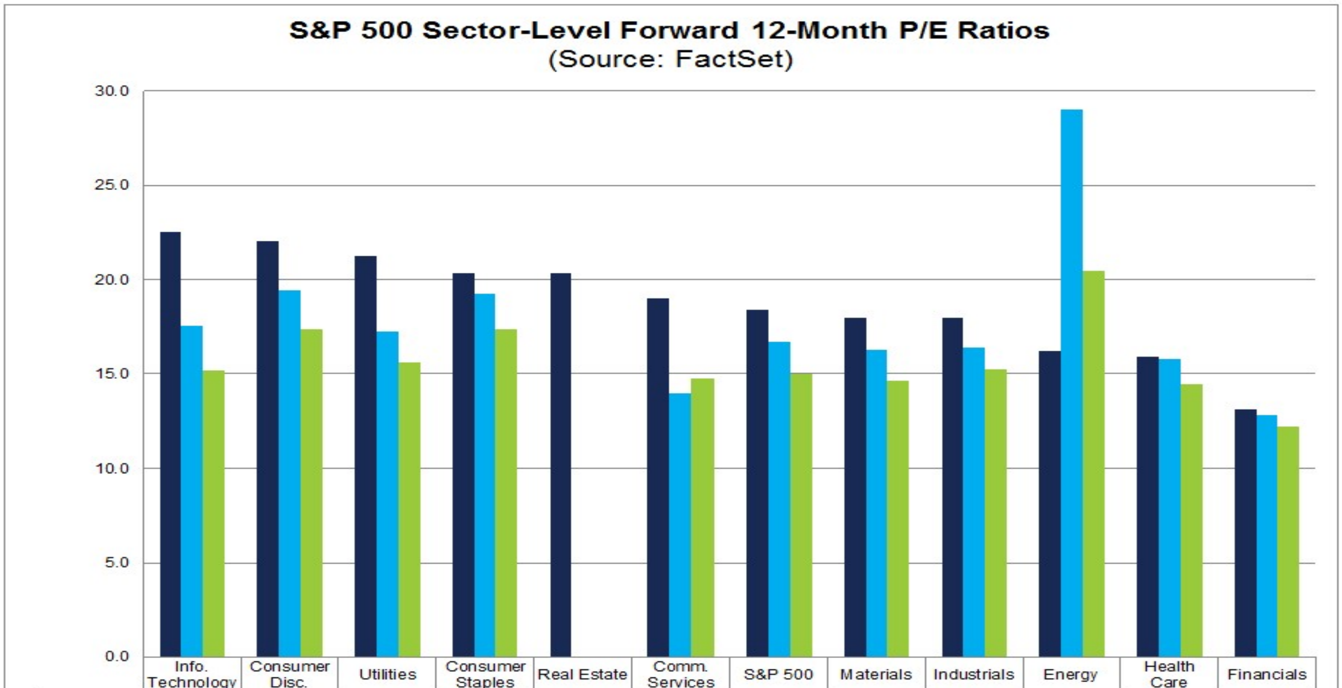


Bottom-up EPS Estimates: Current & Historical

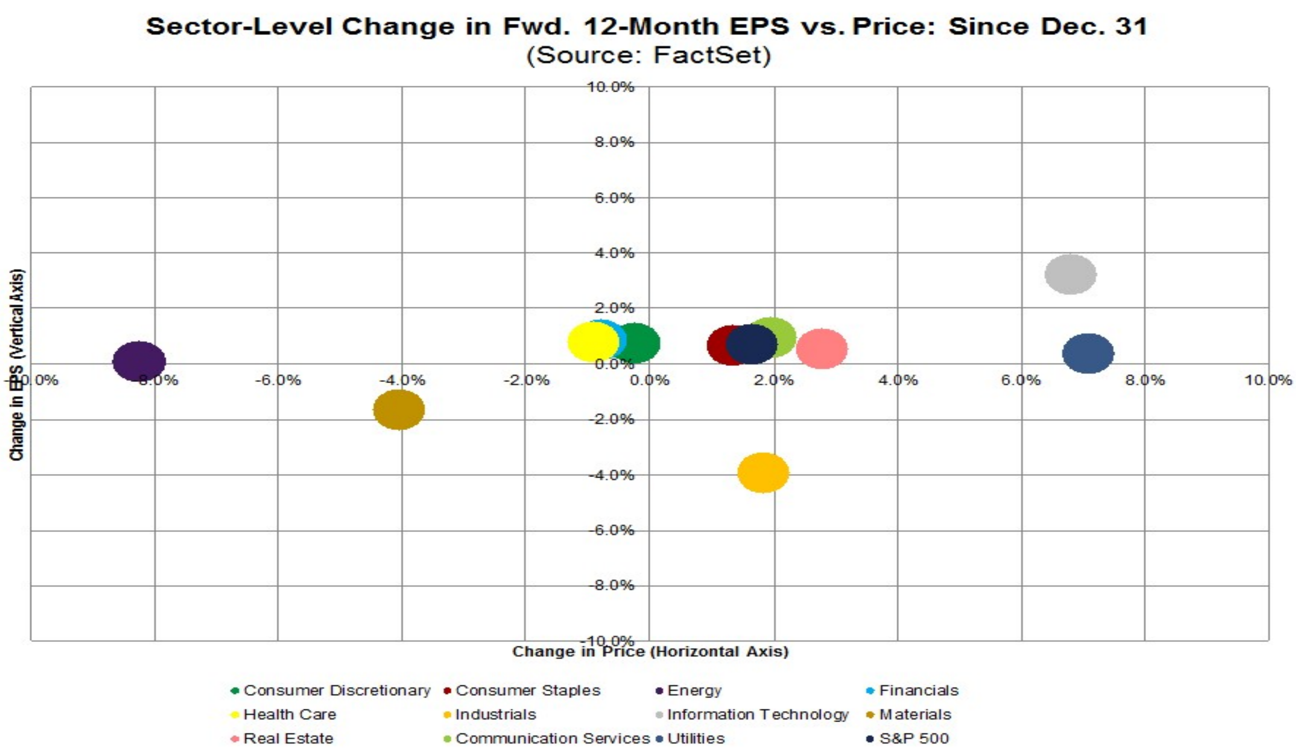




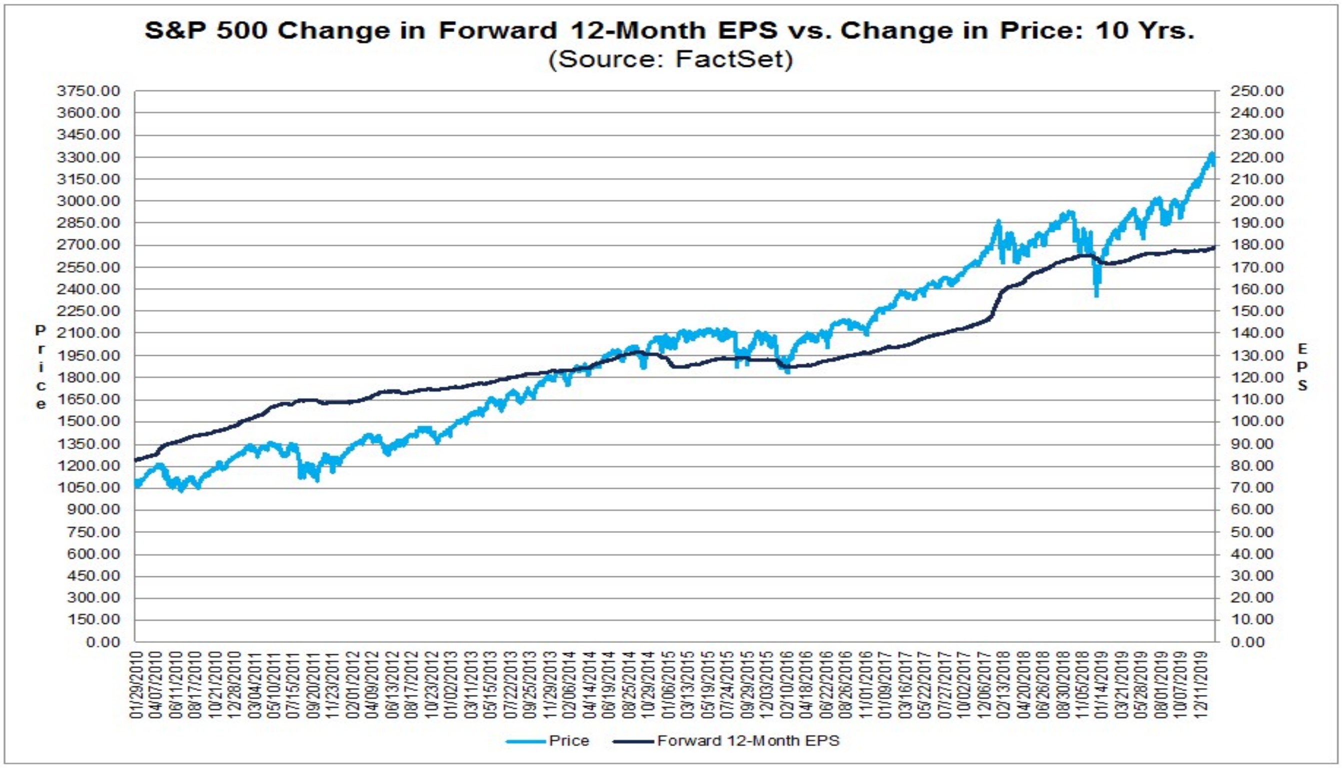
Forward 12M P/E Ratio: Sector Level

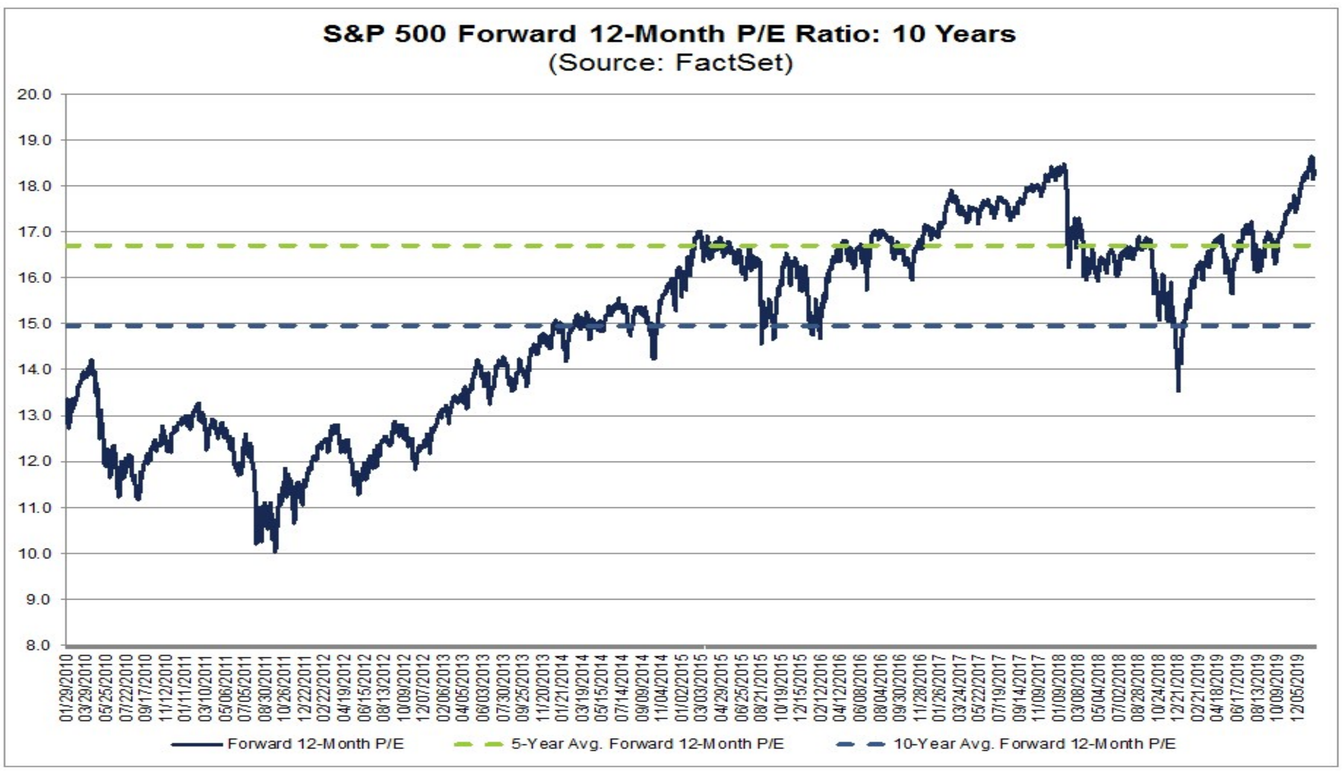


	Info. Technology	Consumer Disc.	Utilities	Consumer Staples	Real Estate	Comm. Services	S&P 500	Materials	Industrials	Energy	Health Care	Financials
Fwd P/E	22.5	22.0	21.2	20.3	20.3	19.0	18.4	17.9	17.9	16.2	15.9	13.2
5-Yr Avg.	17.5	19.4	17.2	19.3		14.0	16.7	16.2	16.4	29.0	15.8	12.9
10-Yr Avg.	15.2	17.4	15.6	17.3		14.7	15.0	14.6	15.2	20.4	14.4	12.3

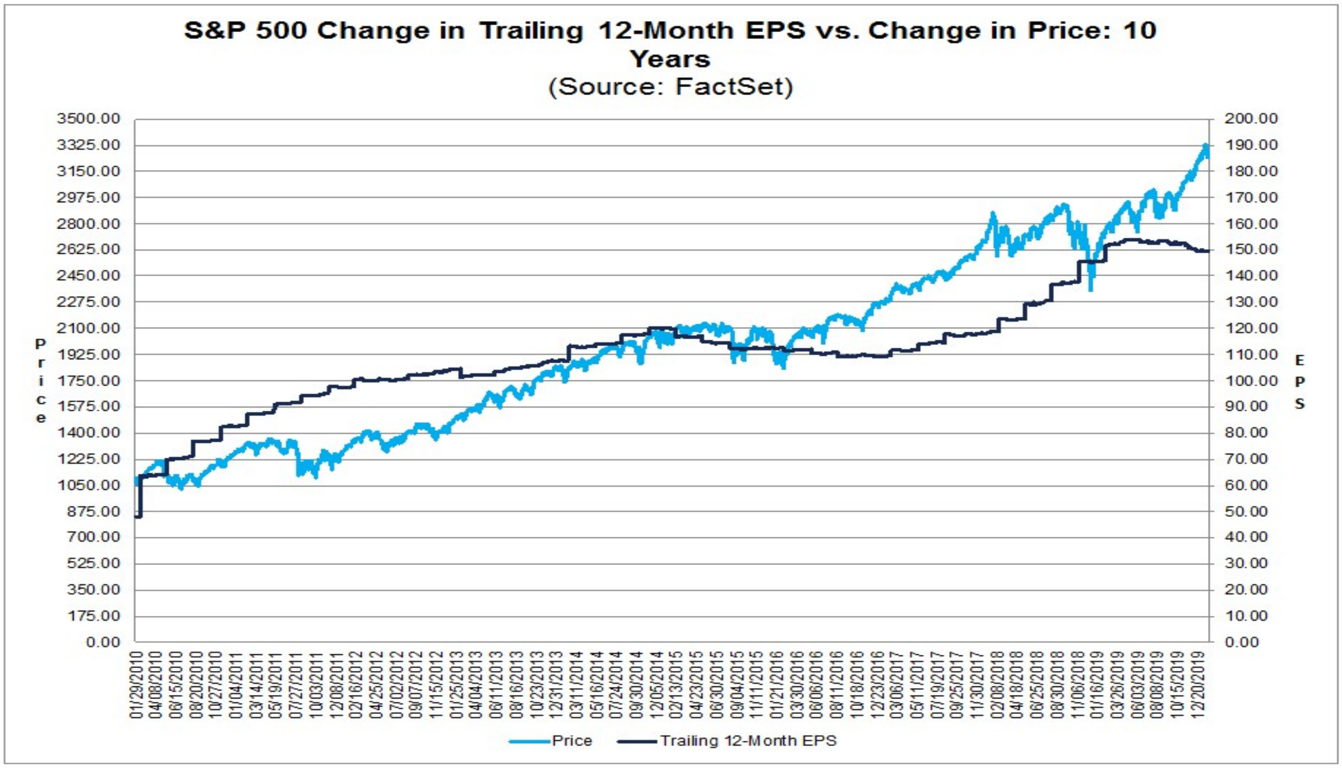


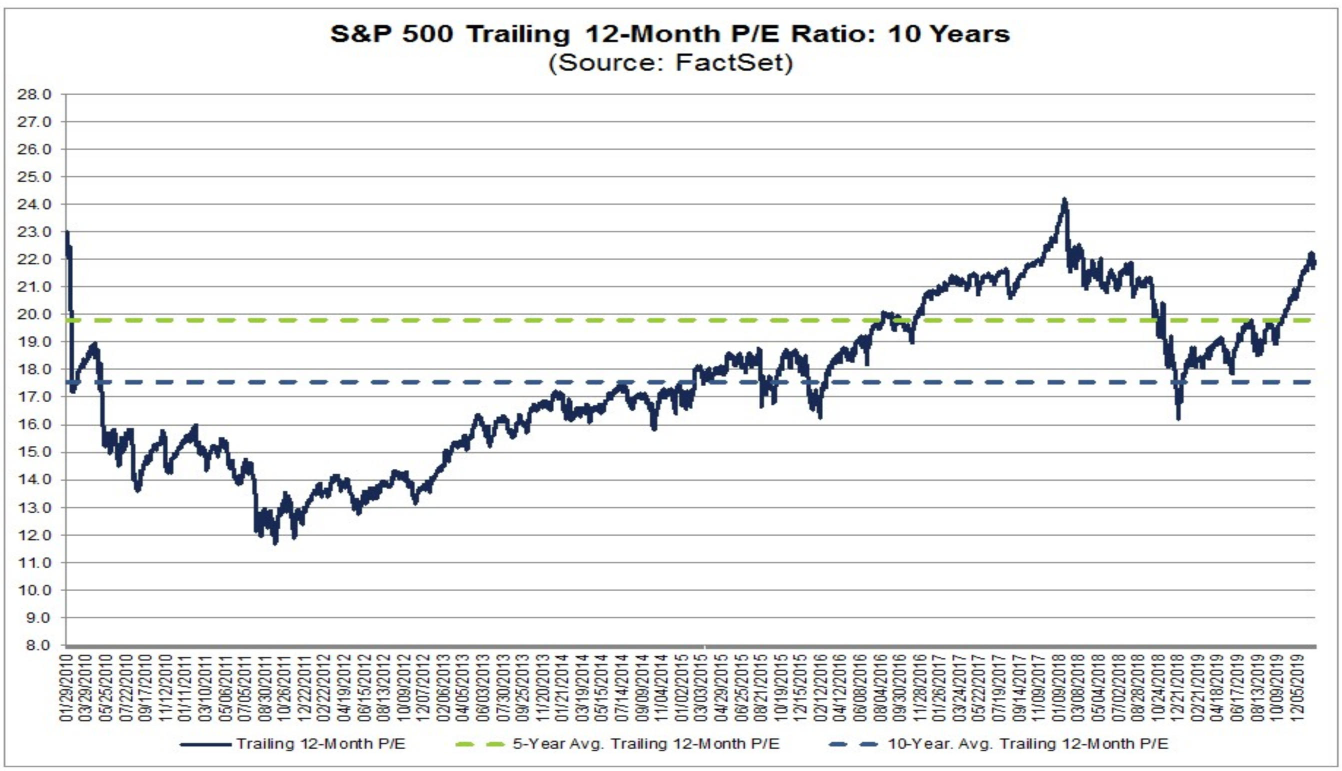
Forward 12M P/E Ratio: 10-Years



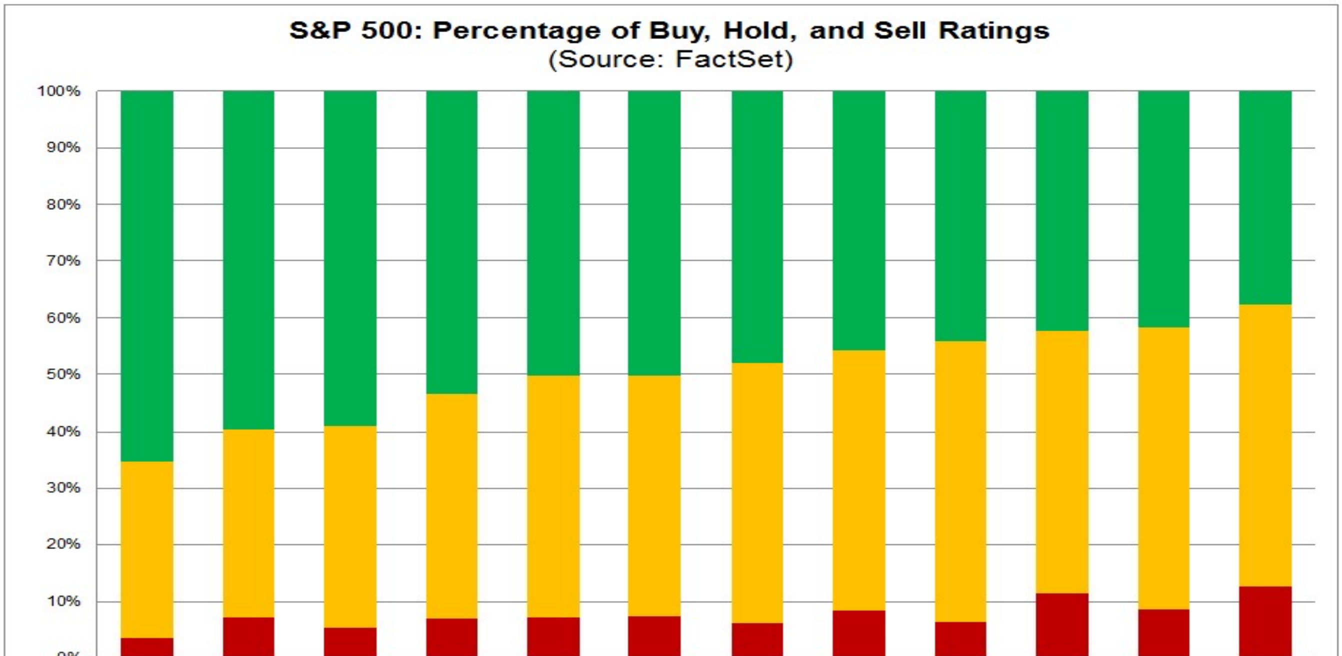


Trailing 12M P/E Ratio: 10-Years

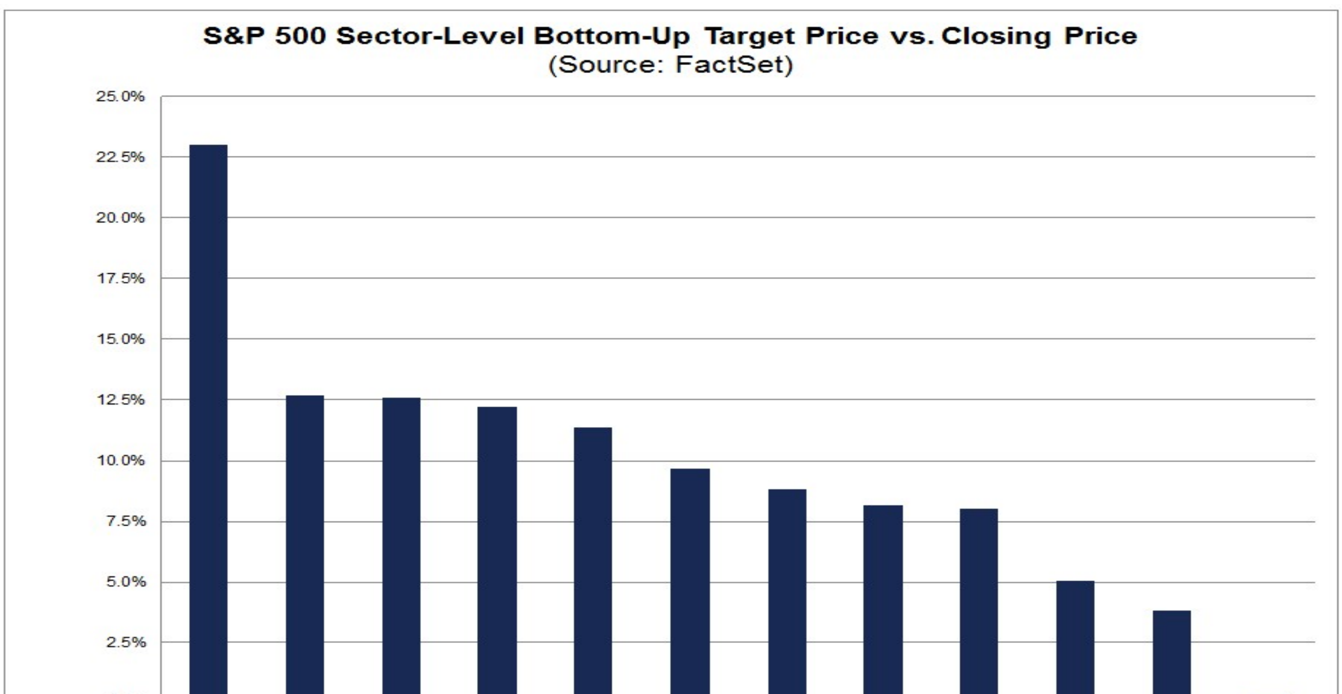




Targets & Ratings



	Energy	Comm. Services	Health Care	Info. Tech.	Materials	S&P 500	Consumer Disc.	Industrials	Real Estate	Utilities	Financials	Consumer Staples
Buy	65%	60%	59%	54%	50%	50%	48%	46%	44%	42%	42%	38%
Hold	31%	33%	36%	39%	42%	42%	46%	46%	50%	46%	50%	50%
Sell	4%	7%	5%	7%	7%	7%	6%	8%	6%	11%	9%	13%



	Energy	Materials	Consumer Disc.	Health Care	Comm. Services	S&P 500	Info. Tech.	Financials	Industrials	Consumer Staples	Real Estate	Utilities
Target/Close	23.0%	12.7%	12.5%	12.3%	11.4%	9.7%	8.8%	8.2%	8.0%	5.1%	3.8%	0.3%

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