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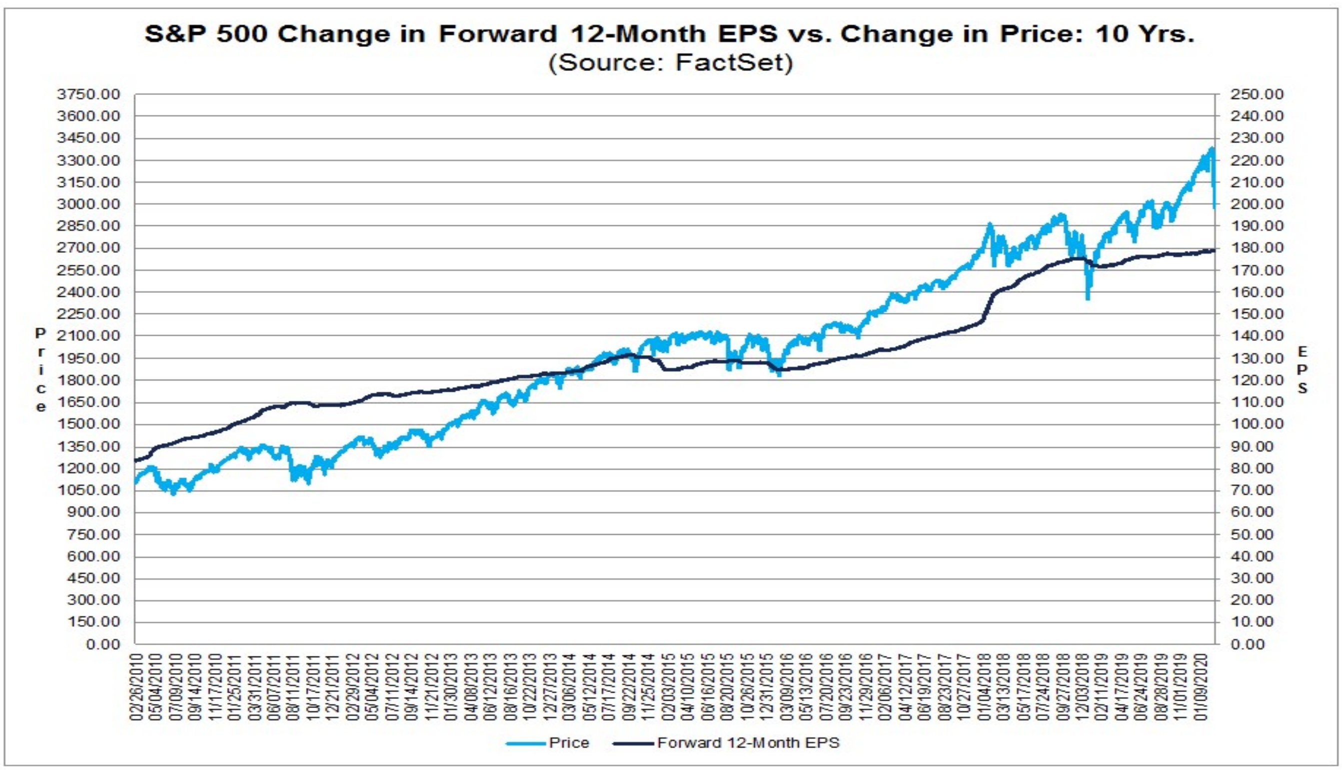
Key Metrics

- **Earnings Scorecard:** For Q4 2019 (with 95% of the companies in the S&P 500 reporting actual results), 71% 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 growth rate for the S&P 500 is 0.9%. If 0.9% is the actual growth rate for the quarter, it will mark the first time the index has reported year-over-year growth in earnings since Q4 2018 (13.3%).
- **Earnings Revisions:** On December 31, the estimated earnings decline for Q4 2019 was -1.7%. Seven sectors have higher growth rates today (compared to December 31) due to positive EPS surprises.
- **Earnings Guidance:** For Q1 2020, 68 S&P 500 companies have issued negative EPS guidance and 32 S&P 500 companies have issued positive EPS guidance.
- **Valuation:** The forward 12-month P/E ratio for the S&P 500 is 16.7. This P/E ratio is equal to the 5-year average (16.7) but above the 10-year average (15.0).



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Topic of the Week:

Are Analysts Slashing S&P 500 EPS Estimates for Q1 Due To The Coronavirus?

Since the start of the first quarter, the value of the S&P 500 has fallen by 7.8% (to 2978.76 from 3230.78). Much of this decrease has been attributed to fear and uncertainty about the impact of the coronavirus on the global economy. Given these concerns, analysts also have lowered earnings estimates during the first two months of the quarter for companies in the S&P 500. The Q1 bottom-up EPS estimate (which is an aggregation of the median EPS estimates for all the companies in the index) has dropped by 3.3% (to $39.33 from $40.68) during this period. How significant is a 3.3% decline in the bottom-up EPS estimate during the first two months 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 two months of a quarter has been 2.6%. During the past ten years, (40 quarters), the average decline in the bottom-up EPS estimate during the first two months of a quarter has been 2.3%. During the past fifteen years, (60 quarters), the average decline in the bottom-up EPS estimate during the first two months of a quarter has been 3.3%. Thus, the decline in the bottom-up EPS estimate recorded during the first two months of the first quarter was larger than the 5-year average and the 10-year average, but equal to the 15-year average.

It is important to note that while this 3.3% decline is above the 5-year average and the 10-year average, it is not an unusually high number. It is smaller than the decline recorded in the previous quarter (-4.2%) over the same time frame. It does not rank as one of the ten largest declines in the bottom-up EPS estimate (over the first two months of the quarter) in the past ten years. It is also much smaller than the declines of -23.6% and -27.8% recorded during the first two months of Q4 2008 and Q1 2009.

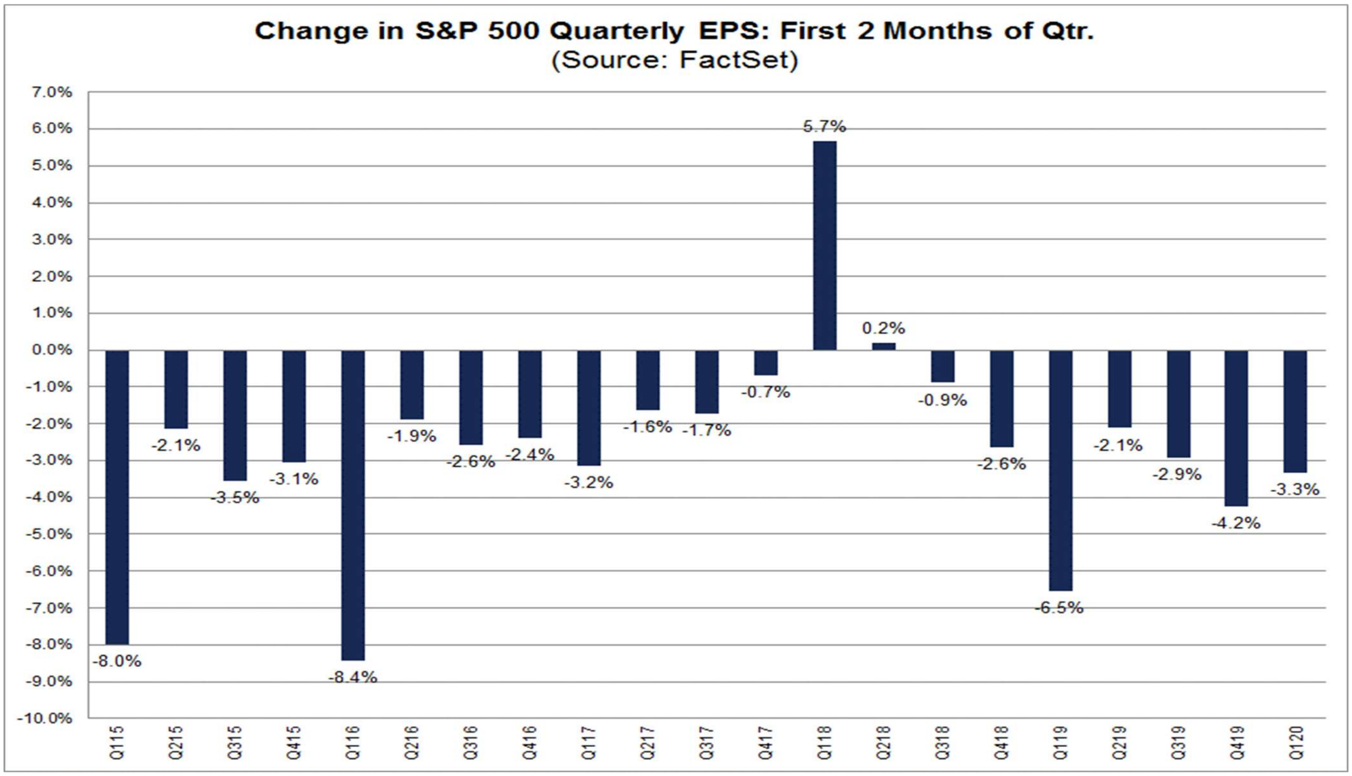
Given these numbers, have analysts been slow to react to the impact of the coronavirus and reduce EPS estimates even more for Q1?

Analysts may be waiting for more guidance from companies before revising estimates even lower for Q1. As of today, 68 S&P 500 companies have issued EPS guidance below the expectations of analysts (e.g. issued negative EPS guidance) for the first quarter. This number is below the 5-year average of 75. However, early in the quarter, a number of S&P 500 companies stated they were unable to quantify an impact from the coronavirus or did not include the impact from the coronavirus in their guidance. Thus, there may be an increase in the number companies issuing negative guidance later in the first quarter as these companies gain clarity on the impact of the coronavirus on their businesses. This potential increase would also likely lead to more downward revisions to EPS estimates. Please see this article for more details: https://insight.factset.com/are-sp-500-companies-lowering-guidance-due-to-the-coronavirus

On the other hand, is it possible analysts are not as pessimistic as the market (at this point in time) on the impact of the coronavirus on S&P 500 earnings for Q1?

The estimate revisions to date for companies in the Information Technology sector may support this view. First, the Information Technology sector has the highest revenue exposure to China of all eleven sectors at 13.4%. Second, 23 companies in the Information Technology sector have issued negative EPS guidance for Q1, which is above the 5-year average of 20 for this sector. However, despite high exposure to China and more negative guidance than average, analysts have actually increased their earnings estimates (in aggregate) for this sector since the start of the quarter. The bottom-up EPS estimate for the Information Technology sector for Q1 has risen by 1.6% (to $16.56 from $16.30) since December 31. As a result, the estimated earnings growth rate for the Information Technology sector (based on mean EPS estimates) for Q1 has increased to 6.1% today compared to 4.2% on December 31. Companies that have been significant contributors to the increase in expected earnings for this sector include Intel ($1.31 mean EPS today vs. $1.03 mean EPS on December 31) and Microsoft ($1.32 mean EPS today vs. $1.24 mean EPS on December 31). The revenue exposure of Intel to China is 27%, while the revenue exposure of Microsoft to China is 11%.

Either way, the market will definitely keep a close eye on both guidance from S&P 500 companies and EPS estimate revisions by analysts for S&P 500 companies over the next several weeks.


Change in S&P 500 Quarterly EPS: First 2 Months of Qtr.
(Source: FactSet)
-8.0%
-2.1%
-3.5%
-3.1%
-8.4%
-1.9%
-2.6%
-2.4%
-3.2%
-1.6%
-1.7%
-0.7%
5.7%
0.2%
-0.9%
-2.6%
-6.5%
-2.1%
-2.9%
-4.2%
-3.3%
Q115
Q215
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Q415
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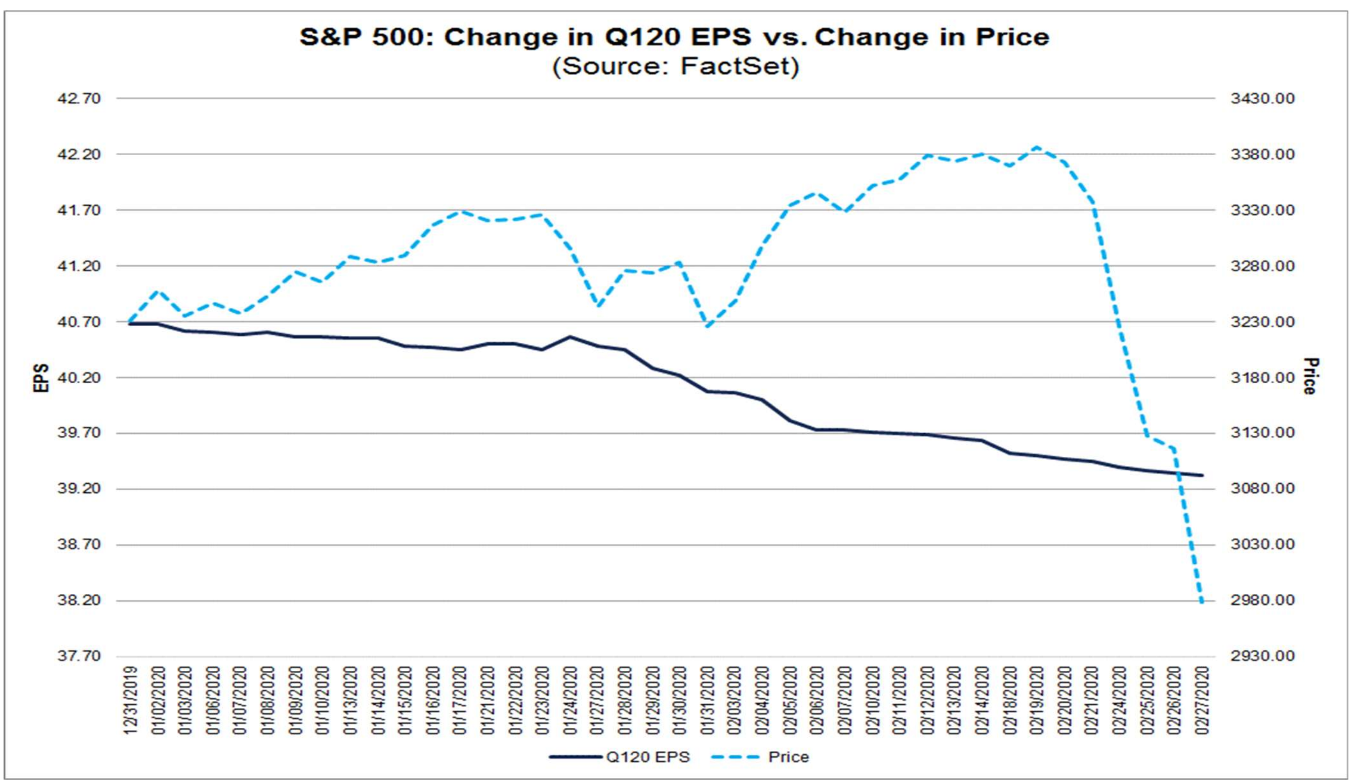

S&P 500: Change in Q120 EPS vs. Change in Price
(Source: FactSet)
EPS
Price
Q120 EPS
Price

Q4 Earnings Season: By The Numbers

Overview

To date, 95% 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 (71%) 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 1.0% above estimates, which is also above 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 growth rate for the fourth quarter is 0.9%, which is equal to the earnings growth rate of 0.9% last week. If 0.9% is the actual growth rate for the quarter, it will mark the first time the index has reported year-over-year growth in earnings since Q4 2018 (13.3%). Seven sectors are reporting (or have reported) year-over-year growth in earnings, led by the Utilities and Communication Services sectors. Four sectors are reporting (or have reported) a year-over-year decline in earnings, led by the Energy sector.

The blended revenue growth rate for the fourth quarter is 4.0%, which is above the revenue growth rate of 3.6% last week. Seven sectors are reporting (or have reported) year-over-year growth in revenues, led by the Health Care sector. Four sectors are reporting (or have reported) a year-over-year decline in revenues, led by the Materials sector.

Looking ahead, analysts see earnings growth of 0.7% and 4.1% for Q1 2020 and Q2 2020.

The forward 12-month P/E ratio is 16.7, which is equal to the 5-year average but above the 10-year average.

During the upcoming week, 13 S&P 500 companies are scheduled to report results for the fourth quarter.

Scorecard: More Companies Beating Revenue Estimates Than Average

Percentage of Companies Beating EPS Estimates (71%) is Below 5-Year Average

Overall, 95% of the companies in the S&P 500 have reported earnings to date for the fourth quarter. Of these companies, 71% have reported actual EPS above the mean EPS estimate, 9% 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 (85%) and Health Care (81%) sectors have the highest percentages of companies reporting earnings above estimates, while the Energy (50%) and Materials (54%) 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 (+9.9%) sector is reporting the largest positive (aggregate) difference between actual earnings and estimated earnings. Within this sector, General Motors ($0.05 vs. $0.01), Amazon.com ($6.47 vs. $4.04) and Hasbro ($1.24 vs. $0.93) have reported the largest positive EPS surprises.

The Information Technology sector (+8.8%) sector is reporting the second largest positive (aggregate) difference between actual earnings and estimated earnings. Within this sector, NortonLifeLock ($0.25 vs. $0.08), Gartner ($1.18 vs. $0.82), Intel ($1.52 vs. $1.25) and HP ($0.65 vs. $0.54) have reported the largest positive EPS surprises.

The Industrials sector (-2.4%) is reporting the largest negative (aggregate) difference between actual earnings and estimated earnings. Within this sector, Boeing (-$2.33 vs. $1.32) and C.H. Robinson Worldwide ($0.73 vs. $0.96) have reported the largest negative EPS surprises.

Market Rewarding Earnings Beats Below Average

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

Companies that have reported positive earnings surprises for Q4 2019 have seen an average price increase of +0.1% two days before the earnings release through two days after the earnings. This percentage increase is well 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 -3.4% two days before the earnings release through two days after the earnings. This percentage decrease larger 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 Communication Services (81%) and Health Care (81%) sectors have the highest percentages of companies reporting revenues above estimates, while the Utilities (11%), Industrials (49%), and Materials (50%) sectors have the lowest percentages of companies reporting revenues above estimates.

Revenue Surprise Percentage (+1.0%) is Above 5-Year Average

In aggregate, companies are reporting revenues that are 1.0% above expectations. This surprise percentage is above the 1-year (+0.9%) average and above the 5-year (+0.8%) average.

Earnings Growth: 0.9%

The blended (year-over-year) earnings growth rate for Q4 2019 is 0.9%, which is below the 5-year average earnings growth rate of 6.4%. If. If 0.9% is the actual growth rate for the quarter, it will mark the first time the index has reported year-over-year growth in earnings since Q4 2018 (13.3%).

Seven sectors are reporting (or have reported) year-over-year growth in earnings, led by the Utilities and Communication Services sectors. Four sectors are reporting (or have reported) a year-over-year decline in earnings, led by the Energy sector.

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 26.7%. At the industry level, all five industries in this sector are reporting (or have reported) growth in earnings. Four of these five industries are reporting (or have reported) double-digit growth in earnings: Independent Power and Renewable Electricity Producers (261%), Multi-Utilities (33%), Electric Utilities (15%), and Gas Utilities (11%).

Communication 3 Industries Reported Year-Over-Year Growth Above 10%

The Communication Services sector reported the second largest (year-over-year) earnings growth of all eleven sectors at 11.1%. At the industry level, all five industries in this sector reported growth in earnings. Three of these five industries reported double-digit growth in earnings: Media (27%), Wireless Telecommunication Services (17%), and Interactive Media & Services (14%).

Energy: 4 of 6 Sub-Industries Reported Year-Over-Year Decline of More Than 15%

The Energy sector reported the largest (year-over-year) earnings decline of all eleven sectors at -44.0%. At the sub-industry level, four of the six sub-industries in the sector reported a decline in earnings of more than 15%: Integrated Oil & Gas (-62%), Oil & Gas Drilling (-59%), Oil & Gas Refining & Marketing (-49%), and Oil & Gas Exploration & Production (-16%). On the other hand, the other two sub-industries in the sector reported earnings growth of more than 10%: Oil & Gas Equipment & Services (14%) and Oil & Gas Storage & Transportation (12%).

Revenue Growth: 4.0%

The blended (year-over-year) revenue growth rate for Q4 2019 is 4.0%, which is above the 5-year average revenue growth rate of 3.5%.

Seven sectors are reporting (or have reported) year-over-year growth in revenues, led by the Health Care sector. Four sectors are reporting (or have reported) 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 12.0%. At the industry level, all six industries in this sector are reporting (or have reported) revenue growth for the quarter. However, the Health Care Providers & Services industry is the only industry reporting double-digit revenue growth (15%).

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 actual revenue for Cigna for Q4 2019 ($36.54 billion) reflects the combined revenues of Cigna and Express Scripts, while the actual revenue for Q4 2018 ($14.30 billion) reflects the standalone revenue for Cigna. The actual revenue for CVS Health for Q4 2019 ($66.89 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 6.0% from 12.0%.

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

The Materials sector reported 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 reported a decline in revenue for the quarter: Chemicals (-23%), Containers & Packaging (-2%), and Metals & Mining (<-1%).

At the company level, DuPont was the largest contributor to the (year-over-year) decline in revenue for the sector. However, the revenue decline was 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 was 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, 100 companies in the index have issued EPS guidance for Q1 2020. Of these 100 companies, 68 have issued negative EPS guidance and 32 have issued positive EPS guidance. The percentage of companies issuing negative EPS guidance is 68% (68 out of 100), which is below the 5-year average of 70%.

Earnings: Less Than 1% Growth for CY 2019

For the fourth quarter, S&P 500 companies are reporting growth in earnings of 0.9% and growth in revenues of 4.0%. For CY 2019, S&P 500 companies are reporting growth in earnings of 0.6% and growth in revenues of 4.2%. Analysts see earnings growth of 0.7% and 4.1% in Q1 2020 and Q2 2020.

For Q1 2020, analysts are projecting earnings growth of 0.7% and revenue growth of 4.2%.

For Q2 2020, analysts are projecting earnings growth of 4.1% and revenue growth of 4.6%.

For Q3 2020, analysts are projecting earnings growth of 9.1% and revenue growth of 6.0%.

For Q4 2020, analysts are projecting earnings growth of 11.4% and revenue growth of 5.5%.

For CY 2020, analysts are projecting earnings growth of 7.4% and revenue growth of 5.0%.

Valuation: Forward P/E Ratio is 16.7, Above the 10-Year Average (15.0)

The forward 12-month P/E ratio is 16.7. This P/E ratio is equal to the 5-year average of 16.7 but above the 10-year average of 15.0. It is below 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 decreased by 7.8%, while the forward 12-month EPS estimate has increased by 0.6%.

At the sector level, the Consumer Discretionary (21.0) sector has the highest forward 12-month P/E ratio, while the Financials (11.7) sector has the lowest forward 12-month P/E ratio.

Targets & Ratings: Analysts Project 23% Increase in Price Over Next 12 Months

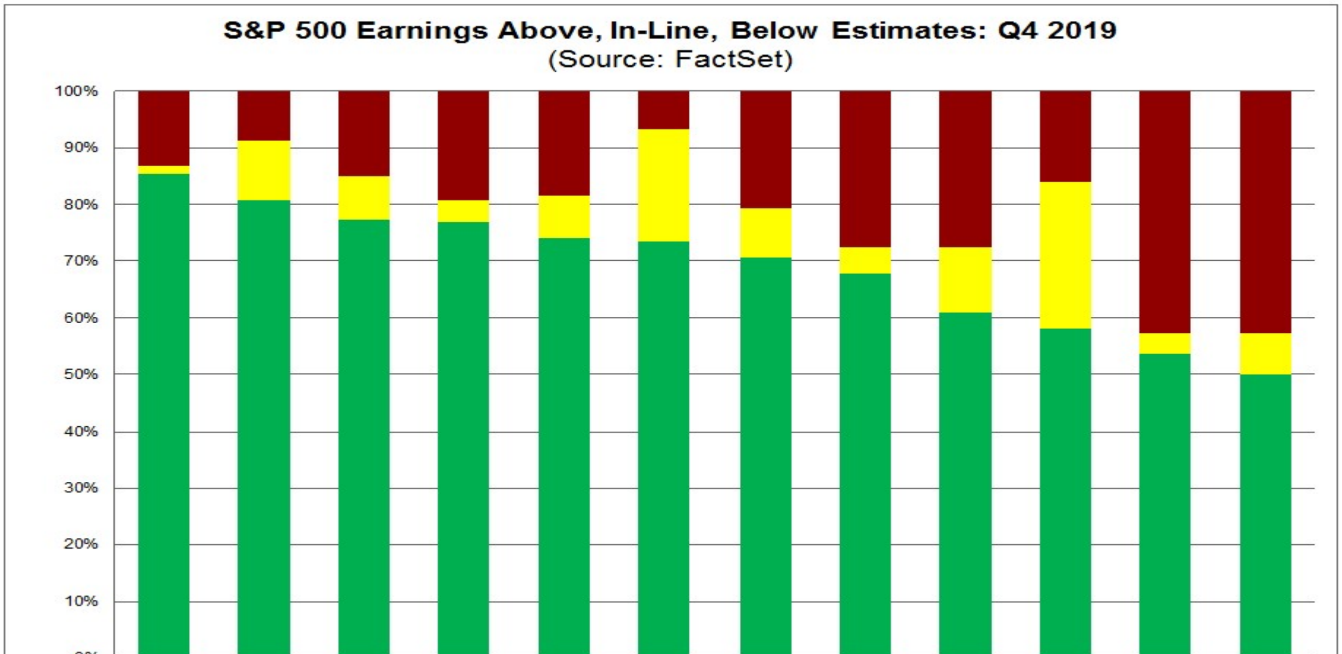
The bottom-up target price for the S&P 500 is 3654.58, which is 22.7% above the closing price of 2978.76. At the sector level, the Energy (+48.0%) sector is expected to see the largest price increase, as this sector has the largest upside difference between the bottom-up target price and the closing price. On the other hand, the Utilities (+10.7%) and Real Estate (+12.6%) sectors are expected to see the smallest price increases, as these sectors have the smallest upside difference between the bottom-up target price and the closing price.

Overall, there are 10,269 ratings on stocks in the S&P 500. Of these 10,269 ratings, 50.4% are Buy ratings, 42.6% are Hold ratings, and 7.0% are Sell ratings. At the sector level, the Energy (66%) sector has the highest percentage of Buy ratings, while the Consumer Staples (38%) sector has the lowest percentage of Buy ratings.

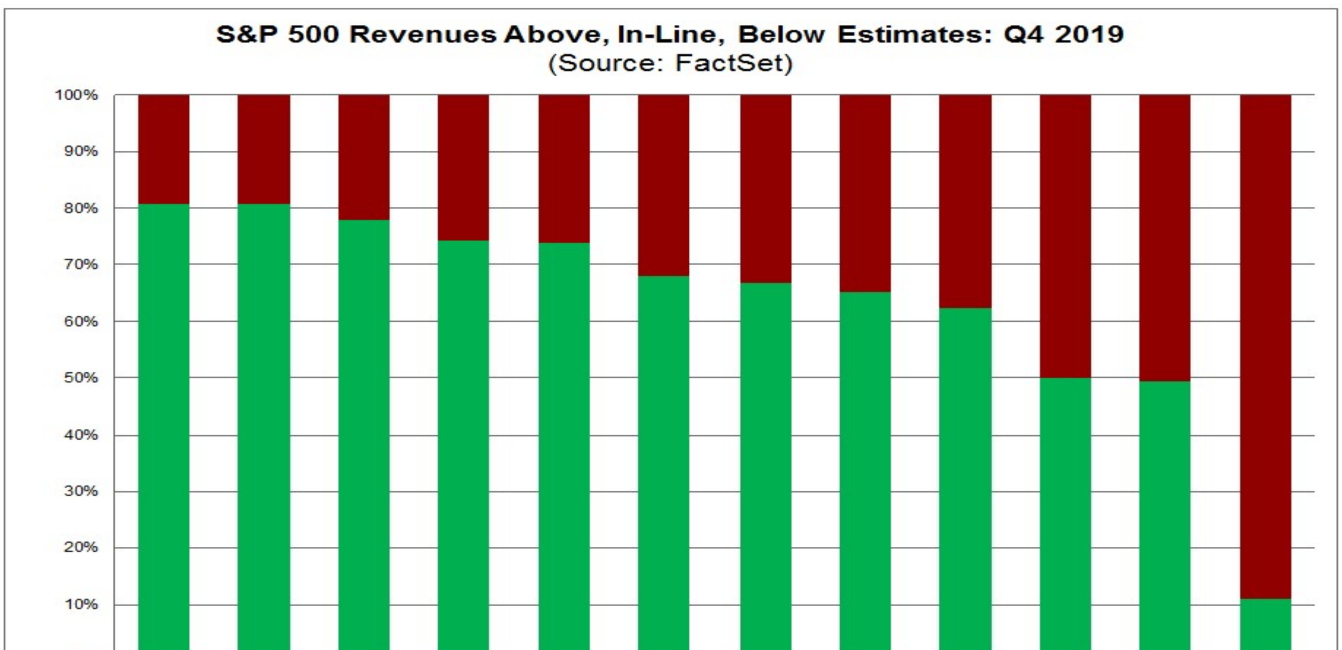
Companies Reporting Next Week: 13

During the upcoming week, 13 S&P 500 companies are scheduled to report results for the fourth quarter.

Q4 2019: Scorecard

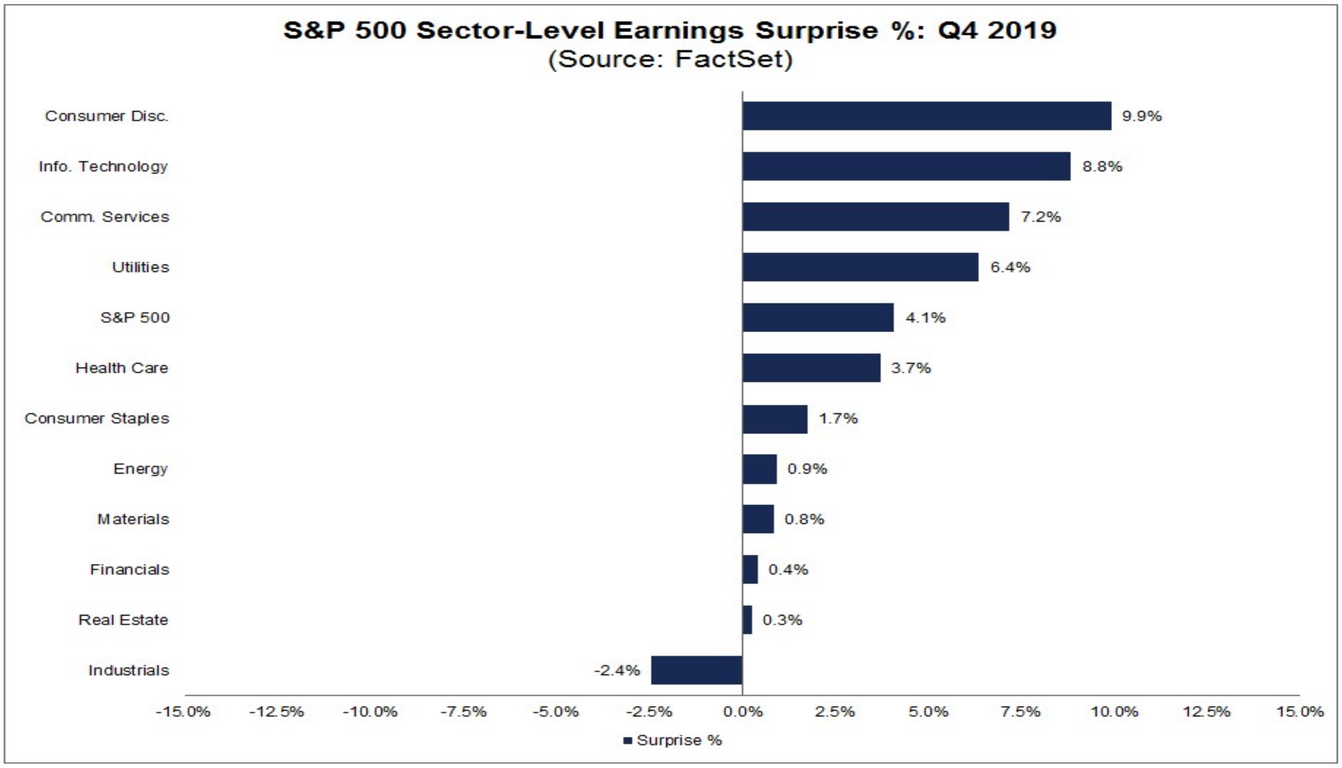


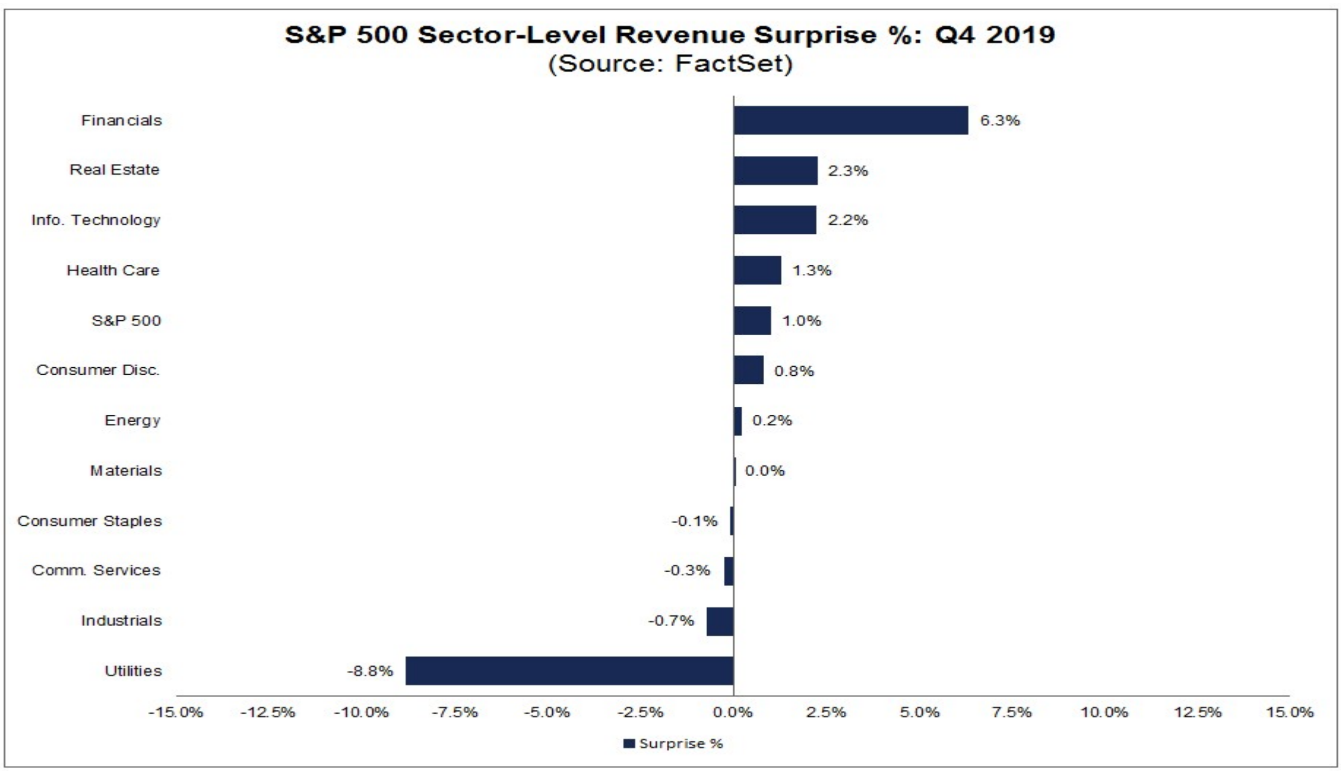
	Info. Technology	Health Care	Consumer Disc.	Comm. Services	Utilities	Consumer Staples	S&P 500	Financials	Industrials	Real Estate	Materials	Energy
Below	13%	9%	15%	19%	19%	7%	21%	28%	28%	16%	43%	43%
In-Line	1%	11%	8%	4%	7%	20%	9%	5%	12%	26%	4%	7%
Above	85%	81%	77%	77%	74%	73%	71%	68%	61%	58%	54%	50%



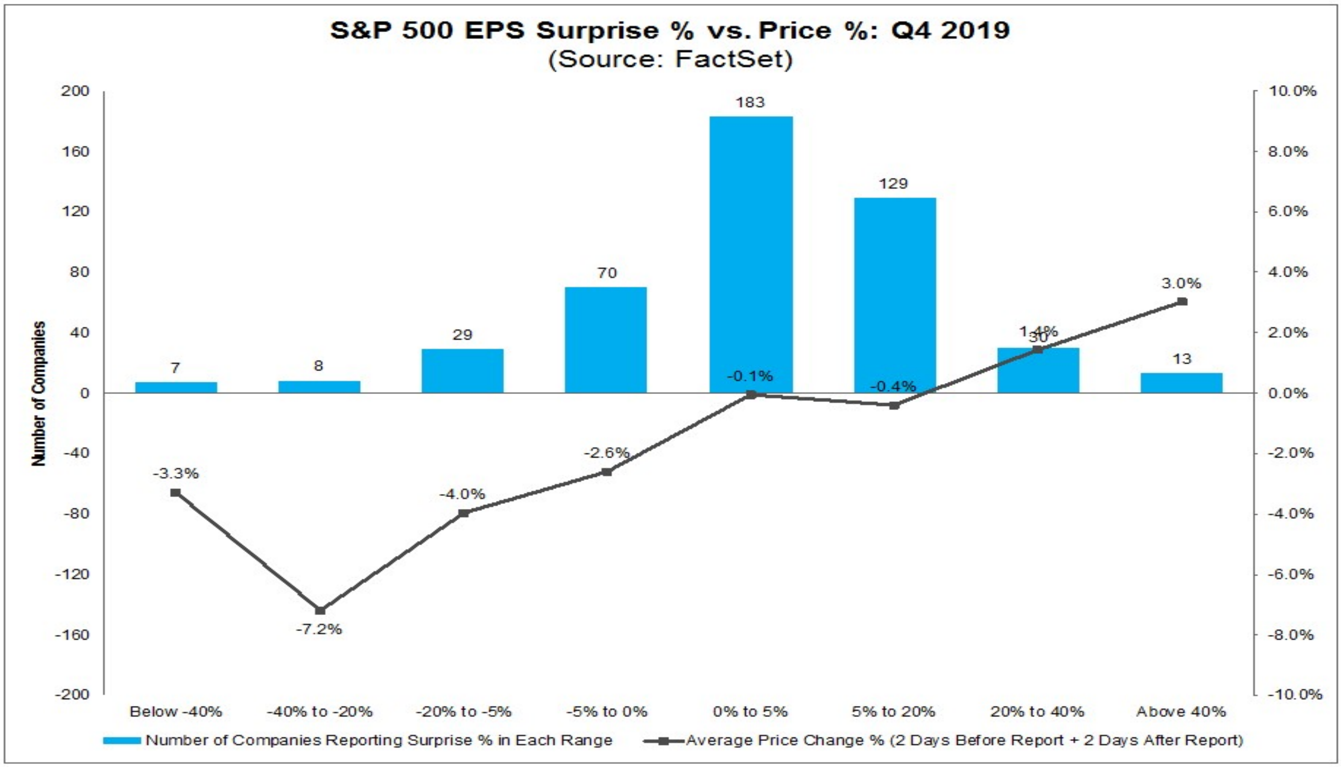
	Comm. Services	Health Care	Info. Technology	Real Estate	Financials	Energy	Consumer Staples	S&P 500	Consumer Disc.	Materials	Industrials	Utilities
Below	19%	19%	22%	26%	26%	32%	33%	35%	38%	50%	51%	89%
In-Line	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Above	81%	81%	78%	74%	74%	68%	67%	65%	62%	50%	49%	11%

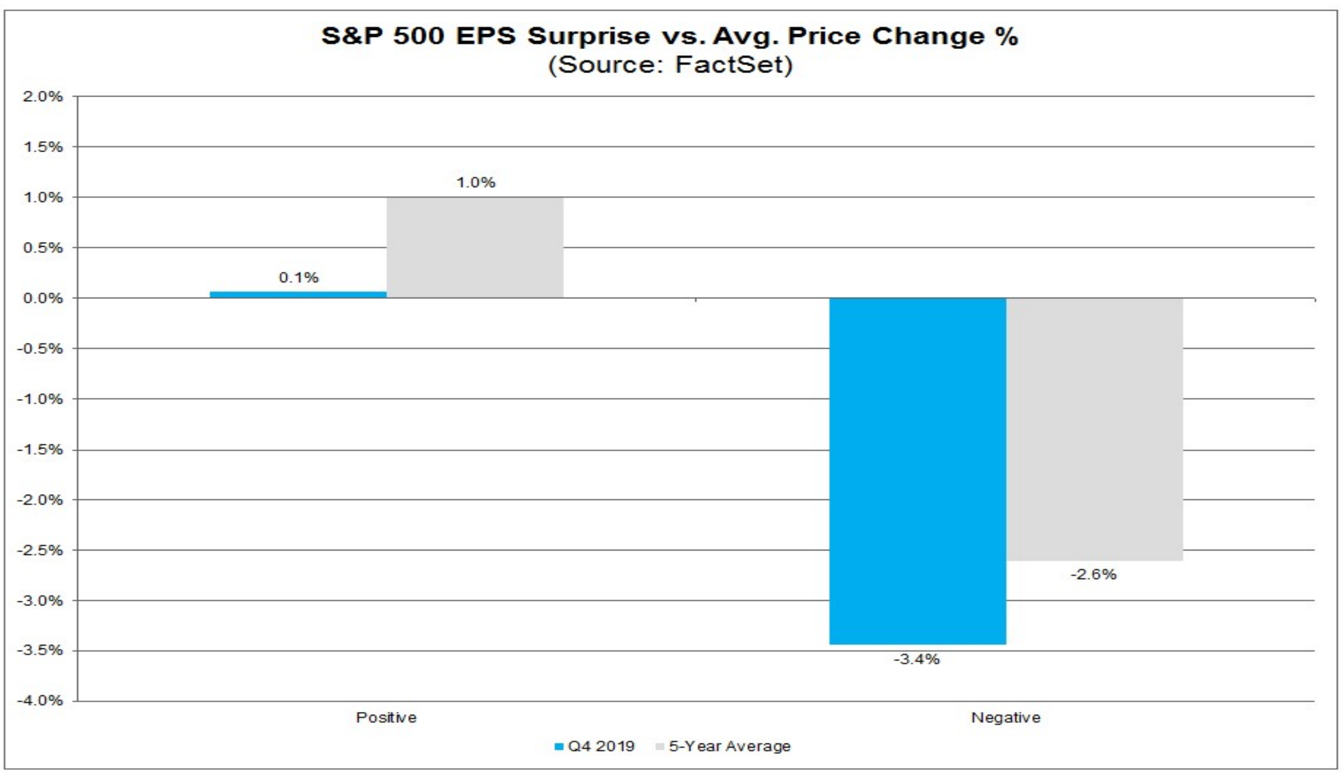
Q4 2019: Scorecard



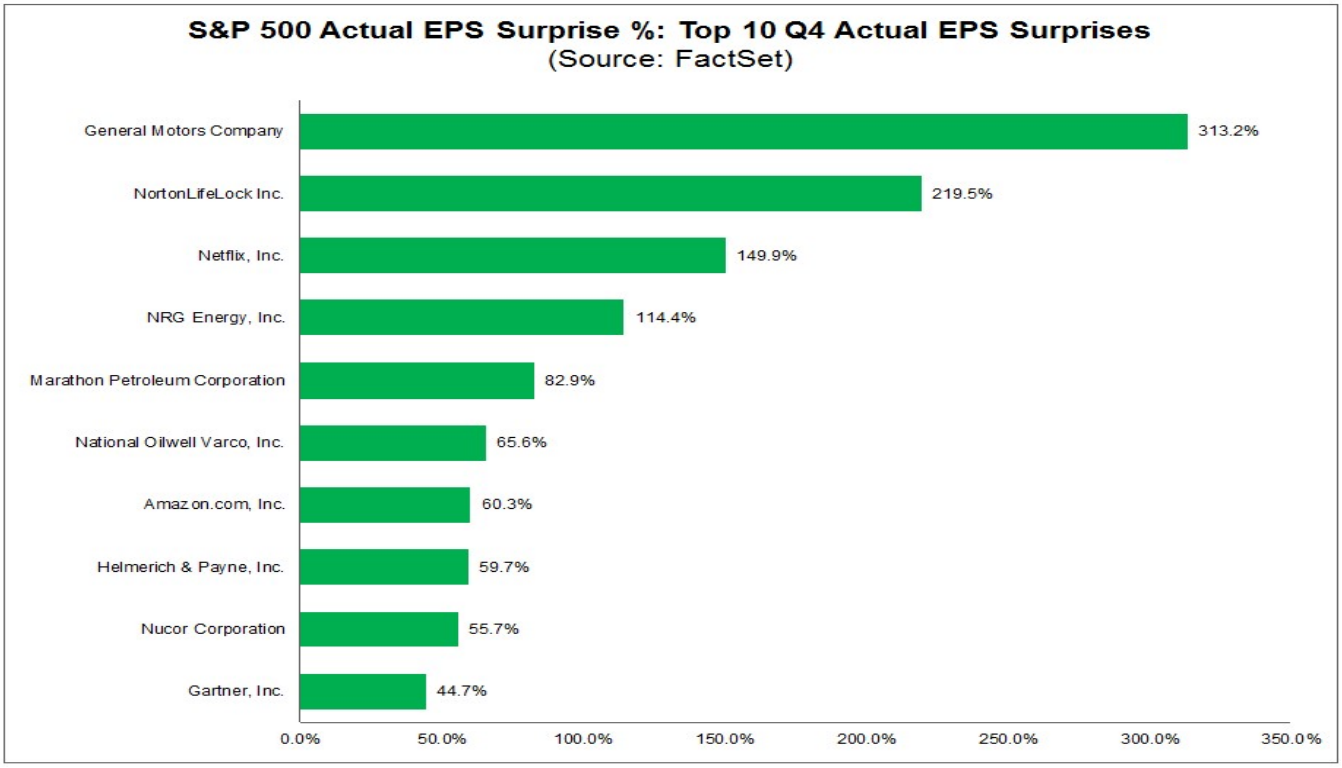


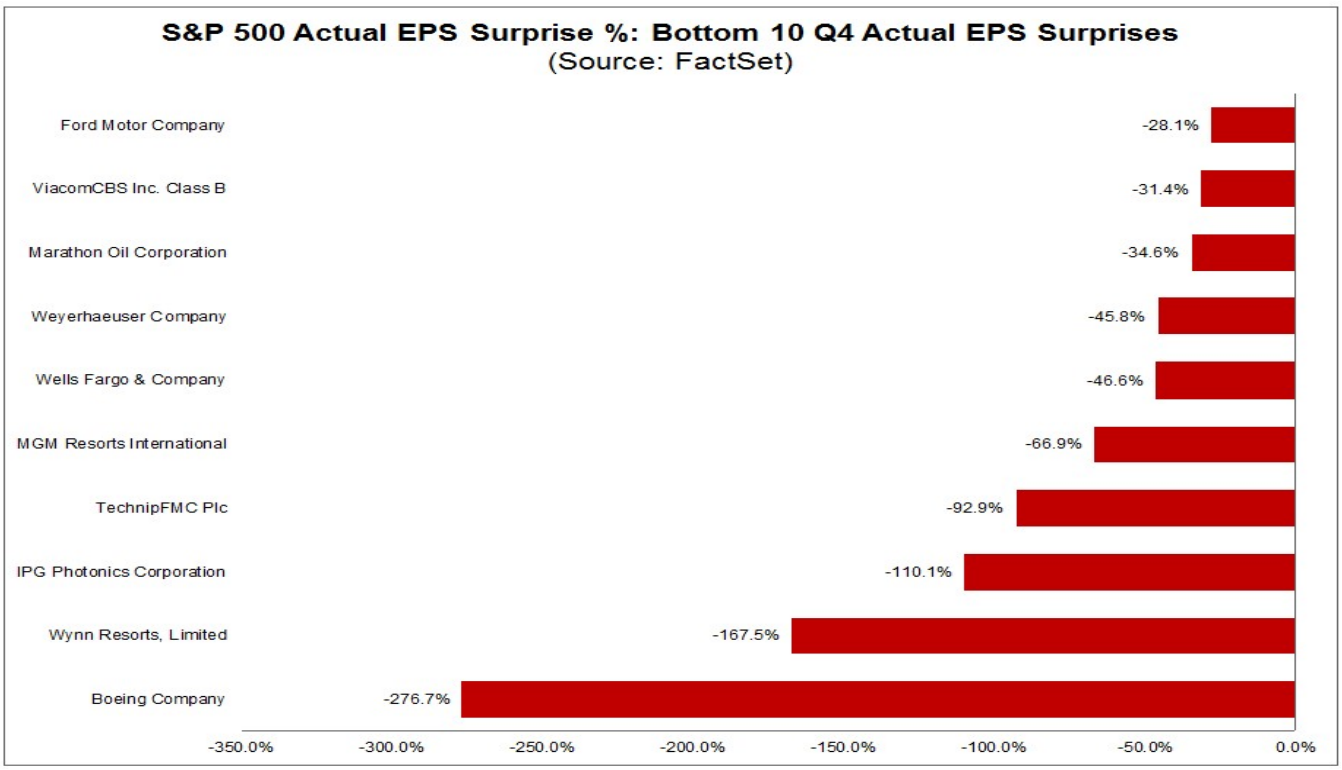
Q4 2019: Scorecard



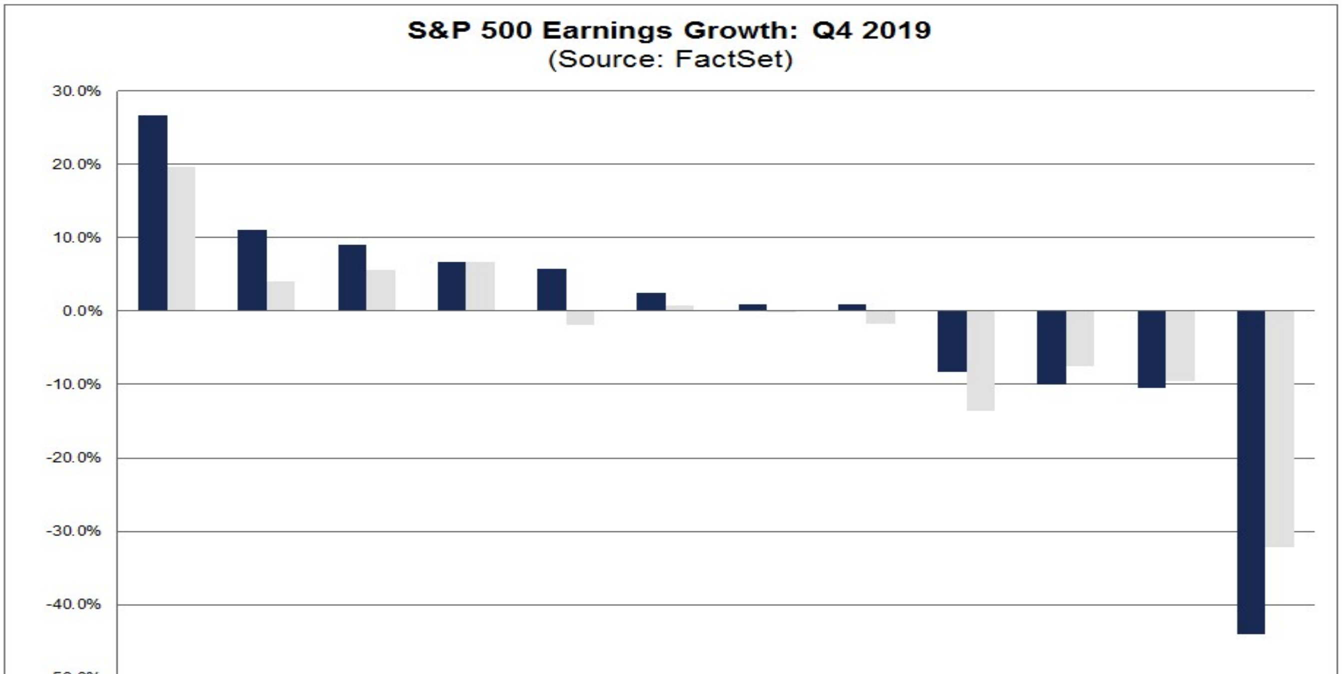


Q4 2019: Scorecard

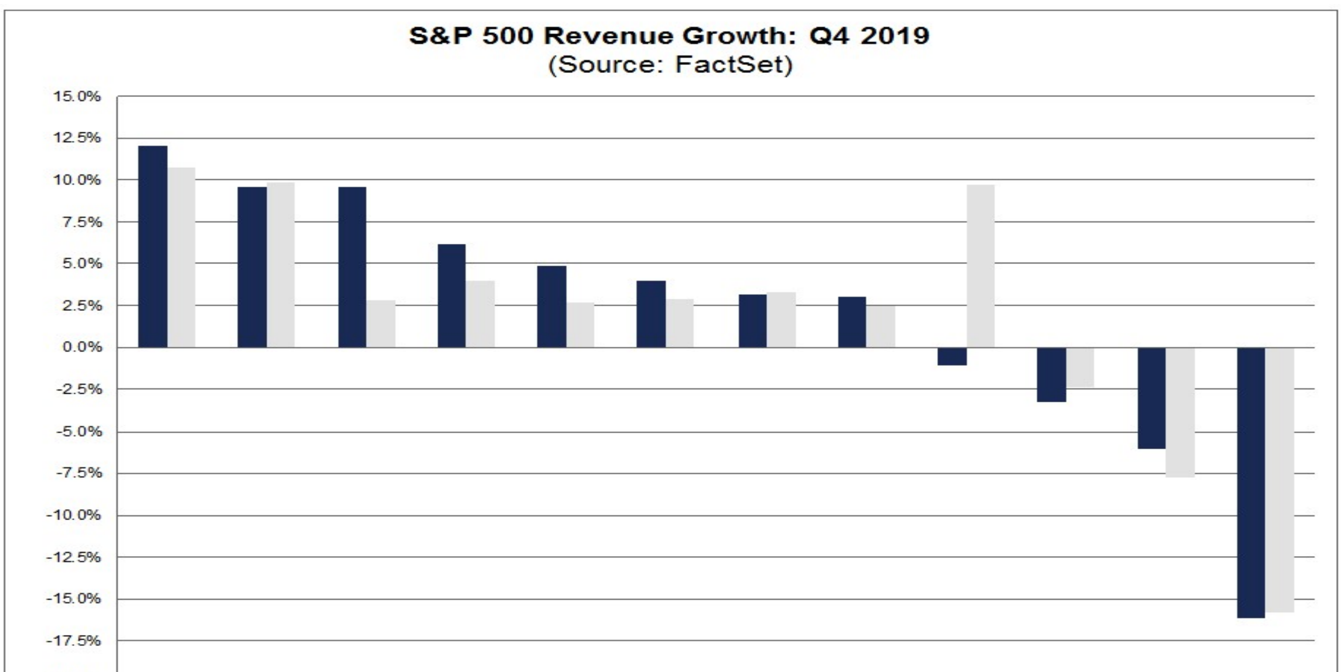




Q4 2019: Growth

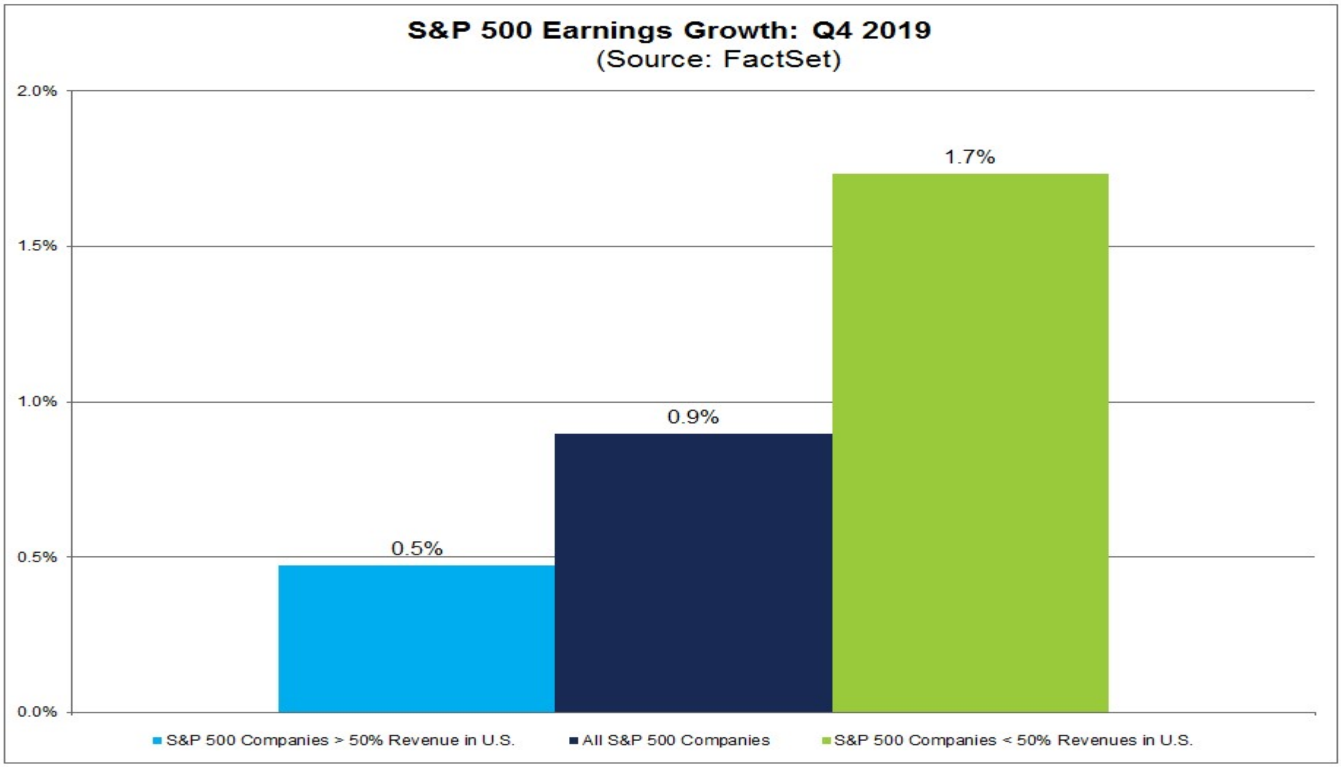


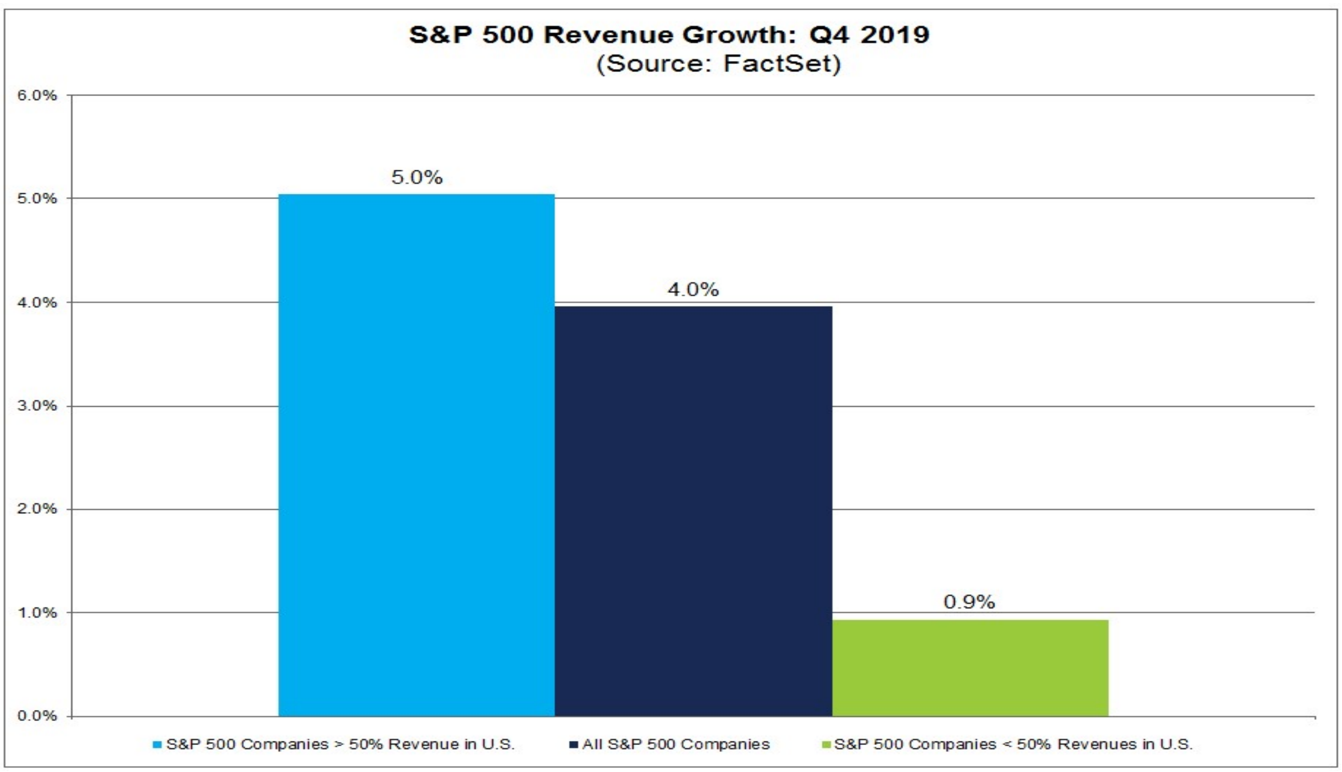
	Utilities	Comm. Services	Health Care	Financials	Info. Technology	Real Estate	Consumer Staples	S&P 500	Consumer Disc.	Industrials	Materials	Energy
Today	26.7%	11.1%	9.0%	6.7%	5.7%	2.5%	0.9%	0.9%	-8.3%	-10.1%	-10.6%	-44.0%
31-Dec	19.6%	4.0%	5.6%	6.7%	-2.0%	0.6%	-0.2%	-1.7%	-13.6%	-7.6%	-9.5%	-32.2%



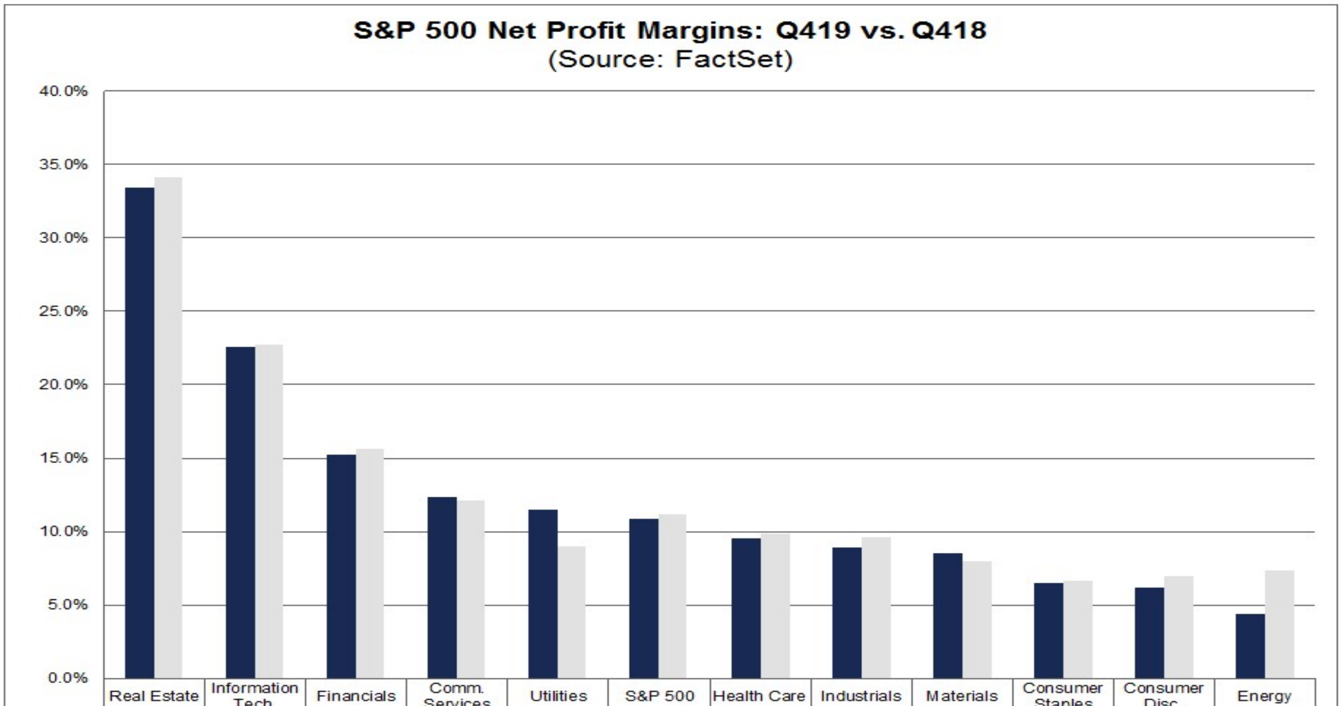
	Health Care	Comm. Services	Financials	Info. Technology	Real Estate	S&P 500	Consumer Staples	Consumer Disc.	Utilities	Industrials	Energy	Materials
Today	12.0%	9.6%	9.6%	6.2%	4.9%	4.0%	3.1%	3.0%	-1.1%	-3.2%	-6.0%	-16.1%
31-Dec	10.7%	9.8%	2.8%	4.0%	2.7%	2.9%	3.3%	2.4%	9.7%	-2.4%	-7.7%	-15.8%

Q4 2019: Growth

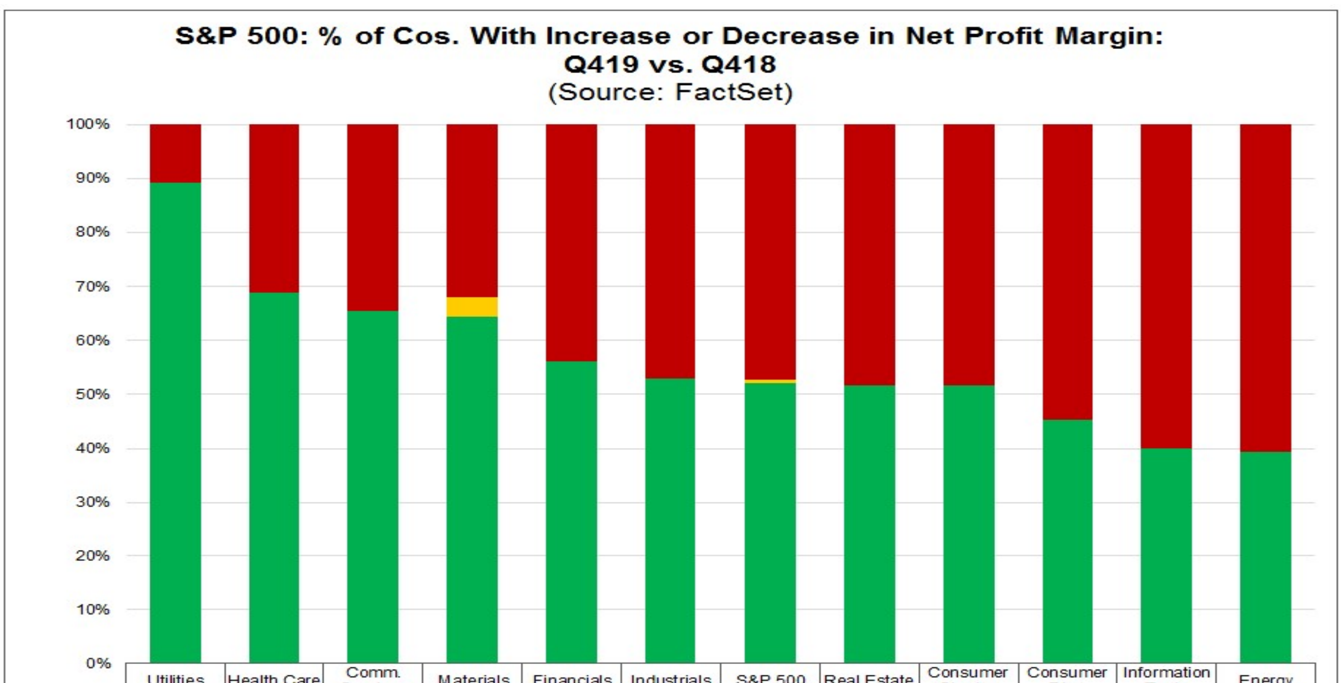




Q4 2019: Net Profit Margin

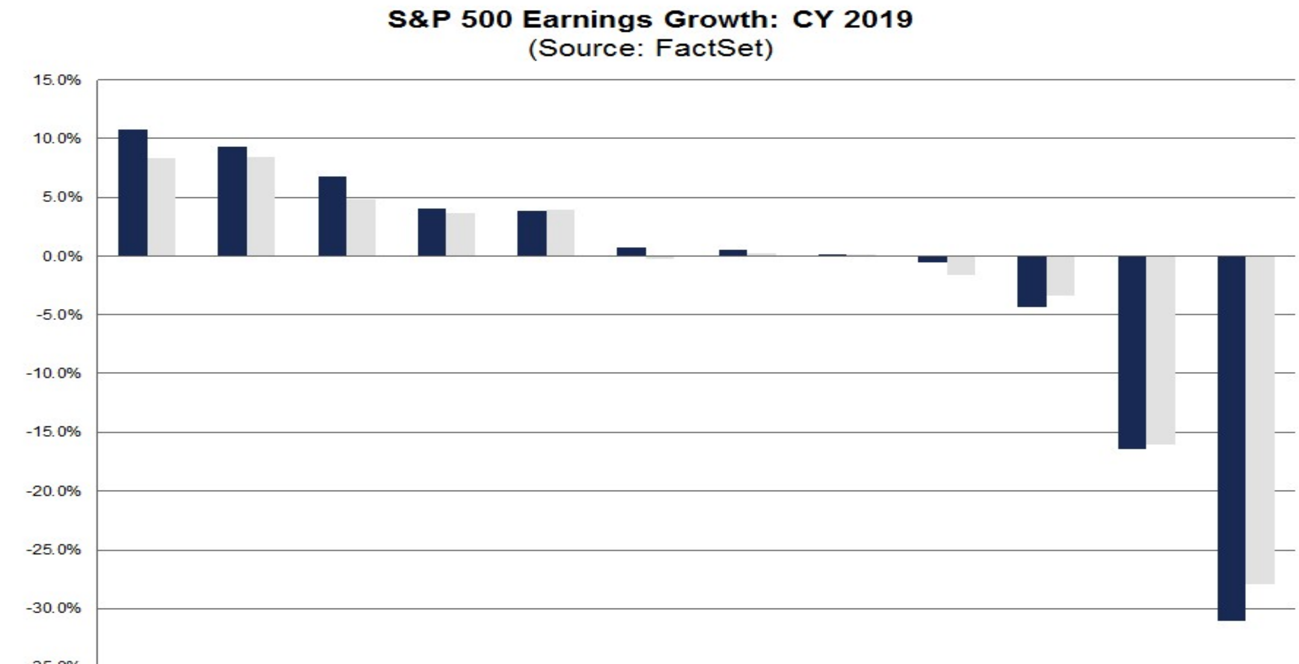


	Real Estate	Information Tech.	Financials	Comm. Services	Utilities	S&P 500	Health Care	Industrials	Materials	Consumer Staples	Consumer Disc.	Energy
Q419	33.4%	22.6%	15.3%	12.4%	11.6%	10.9%	9.6%	9.0%	8.6%	6.5%	6.2%	4.4%
Q418	34.2%	22.7%	15.7%	12.2%	9.0%	11.2%	9.9%	9.6%	8.0%	6.6%	7.0%	7.4%

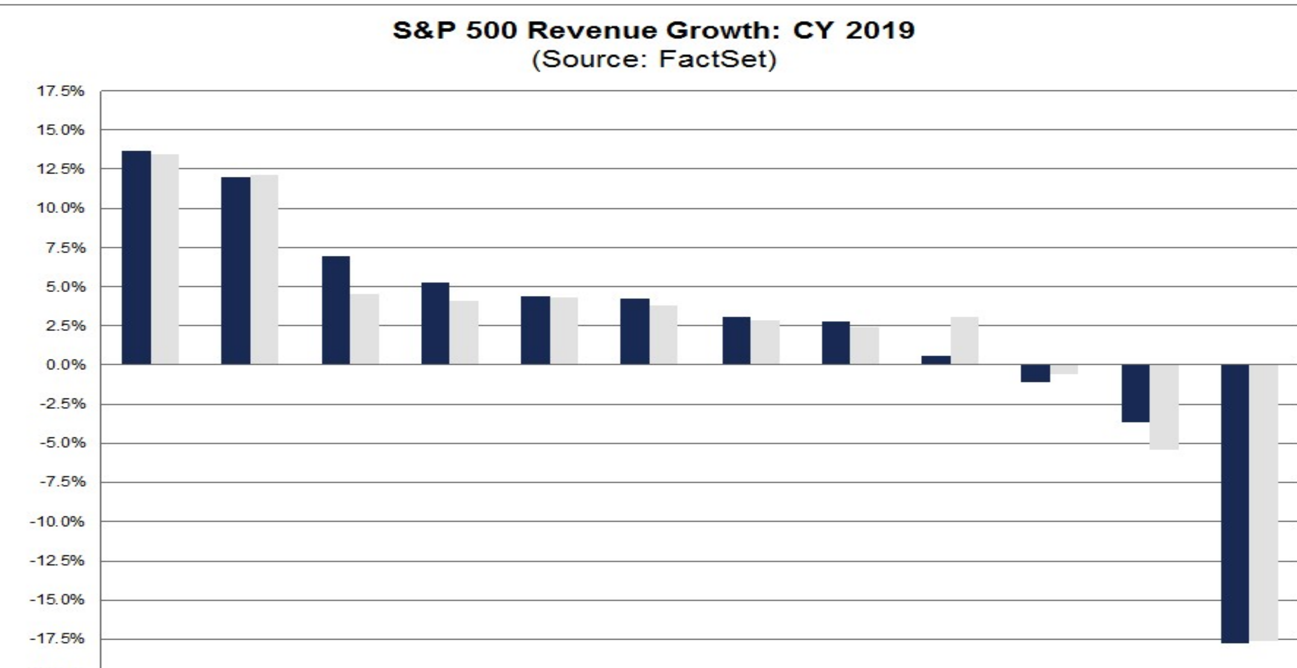


	Utilities	Health Care	Comm. Services	Materials	Financials	Industrials	S&P 500	Real Estate	Consumer Staples	Consumer Disc.	Information Tech.	Energy
Down %	11%	31%	35%	32%	44%	47%	47%	48%	48%	55%	60%	61%
None %	0%	0%	0%	4%	0%	0%	1%	0%	0%	0%	0%	0%
Up %	89%	69%	65%	64%	56%	53%	52%	52%	52%	45%	40%	39%

CY 2019: Growth

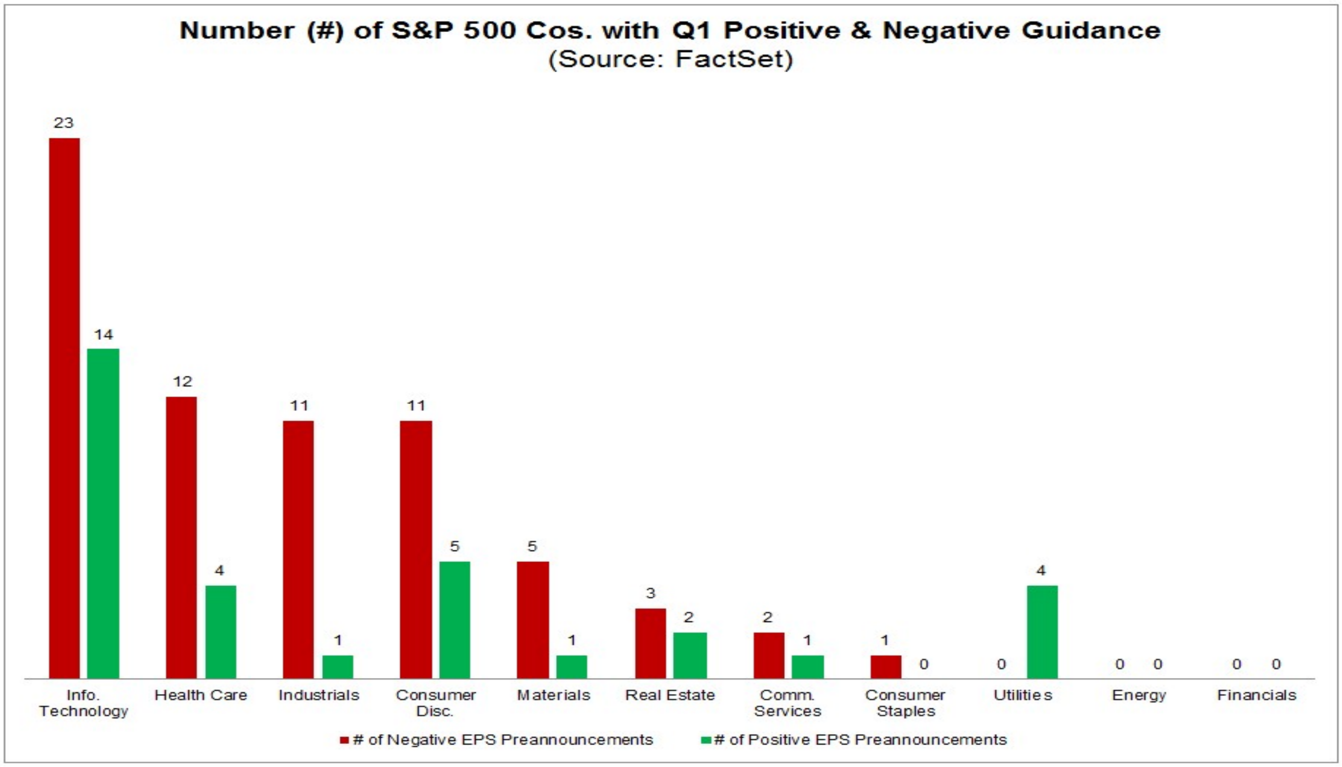


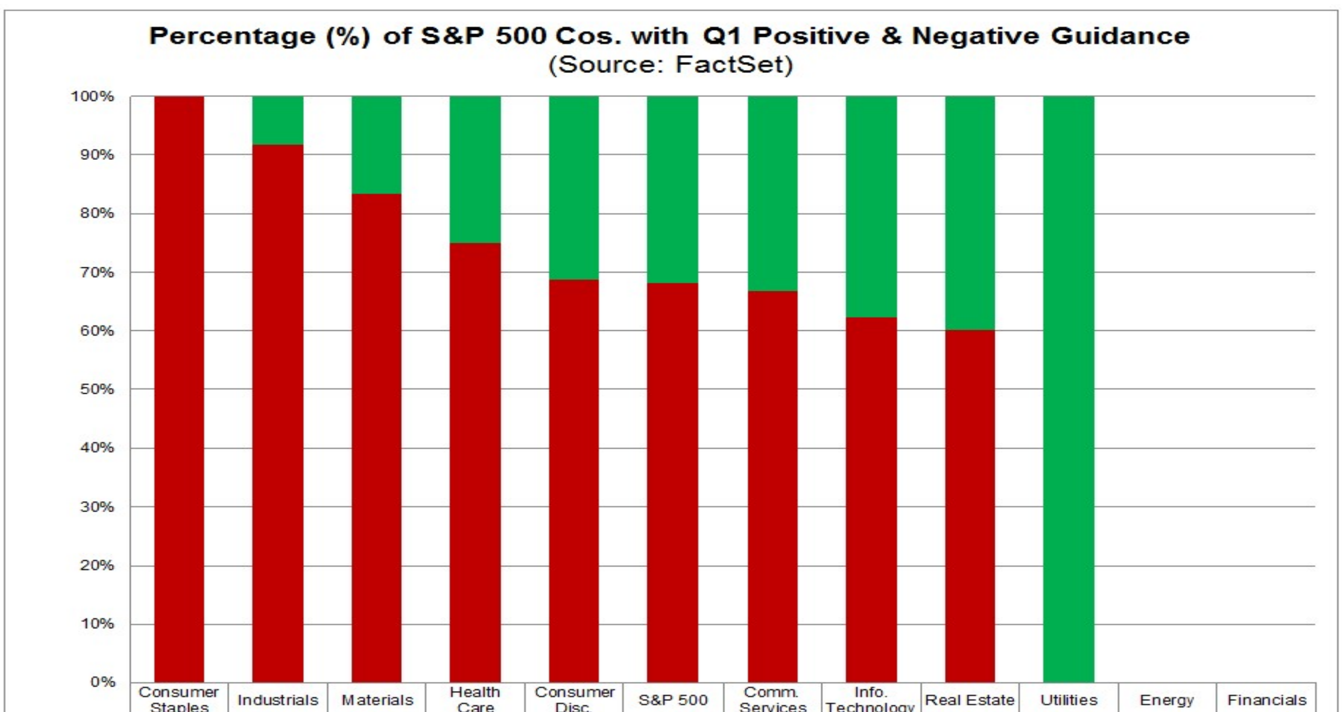
	Utilities	Health Care	Comm. Services	Real Estate	Financials	Info. Technology	S&P 500	Consumer Staples	Consumer Disc.	Industrials	Materials	Energy
Today	10.8%	9.3%	6.8%	4.0%	3.8%	0.7%	0.6%	0.1%	-0.5%	-4.4%	-16.3%	-31.0%
31-Dec	8.4%	8.5%	4.8%	3.6%	3.9%	-0.3%	0.2%	0.1%	-1.7%	-3.3%	-16.0%	-27.9%



	Health Care	Comm. Services	Financials	Real Estate	Consumer Disc.	S&P 500	Consumer Staples	Info. Technology	Utilities	Industrials	Energy	Materials
Today	13.7%	12.0%	6.9%	5.2%	4.4%	4.2%	3.0%	2.7%	0.6%	-1.2%	-3.6%	-17.8%
31-Dec	13.5%	12.1%	4.5%	4.1%	4.3%	3.8%	2.8%	2.4%	3.1%	-0.6%	-5.4%	-17.6%

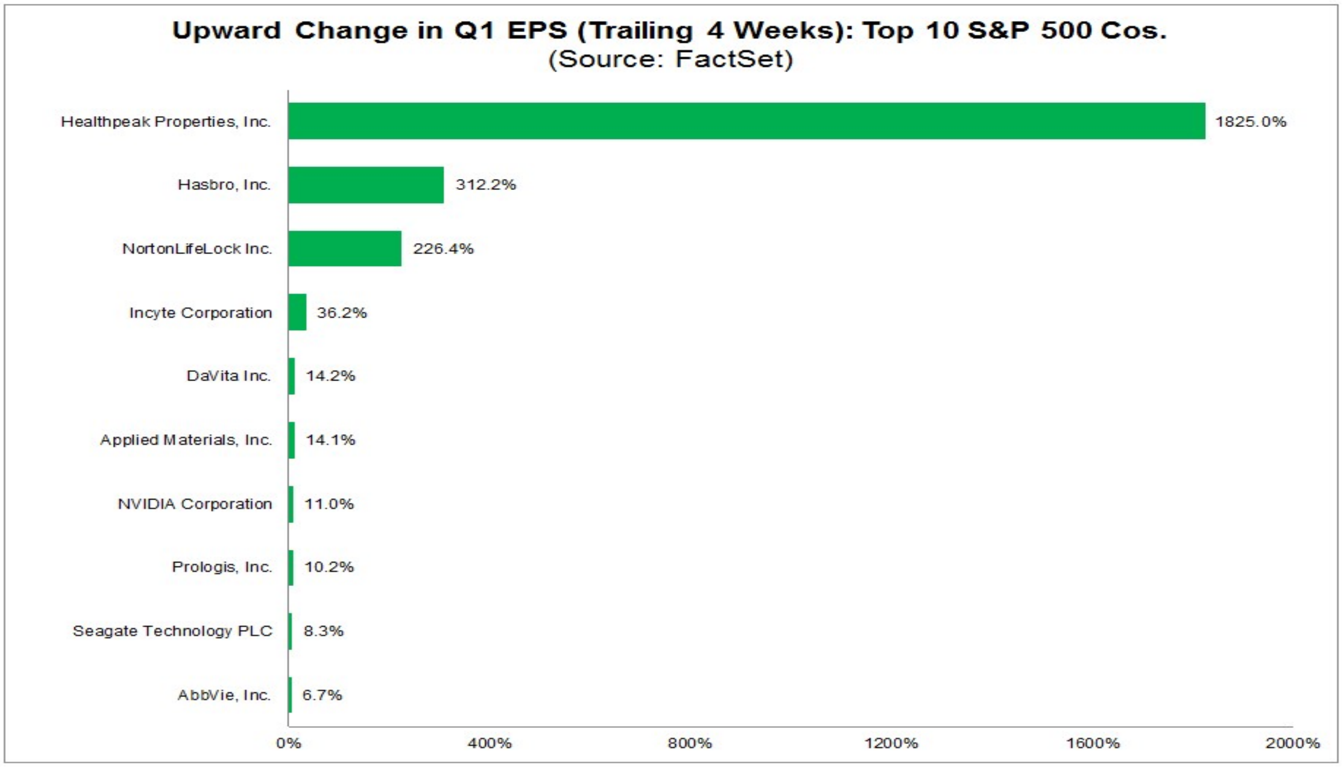
Q1 2020: EPS Guidance

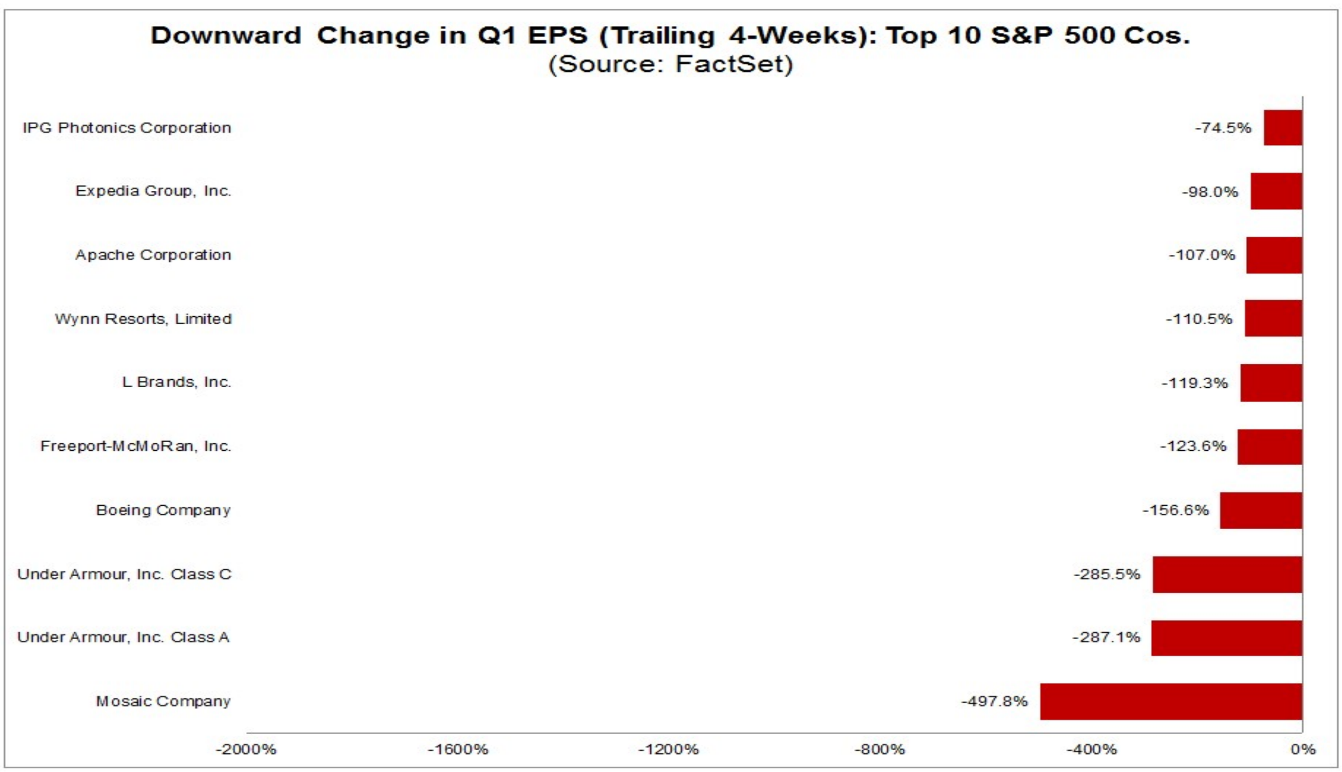




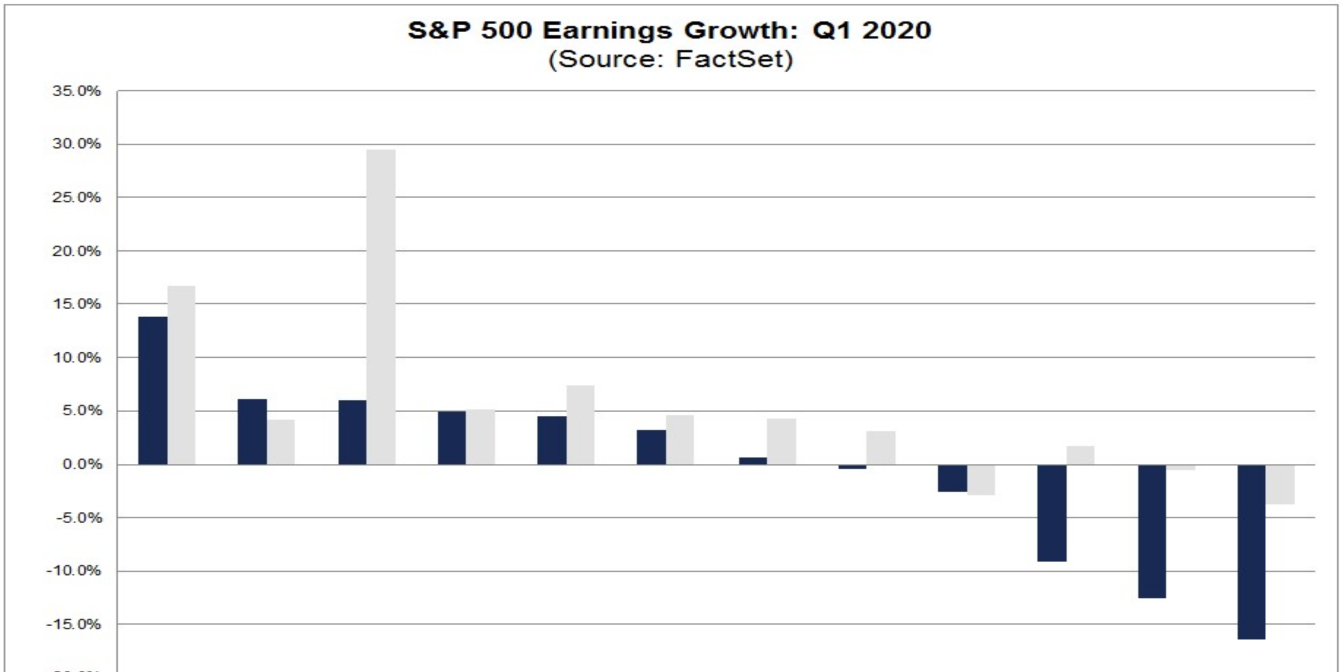
	Consumer Staples	Industrials	Materials	Health Care	Consumer Disc.	S&P 500	Comm. Services	Info. Technology	Real Estate	Utilities	Energy	Financials
Positive	0%	8%	17%	25%	31%	32%	33%	38%	40%	100%	0%	0%
Negative	100%	92%	83%	75%	69%	68%	67%	62%	60%	0%	0%	0%

Q1 2020: EPS Revisions

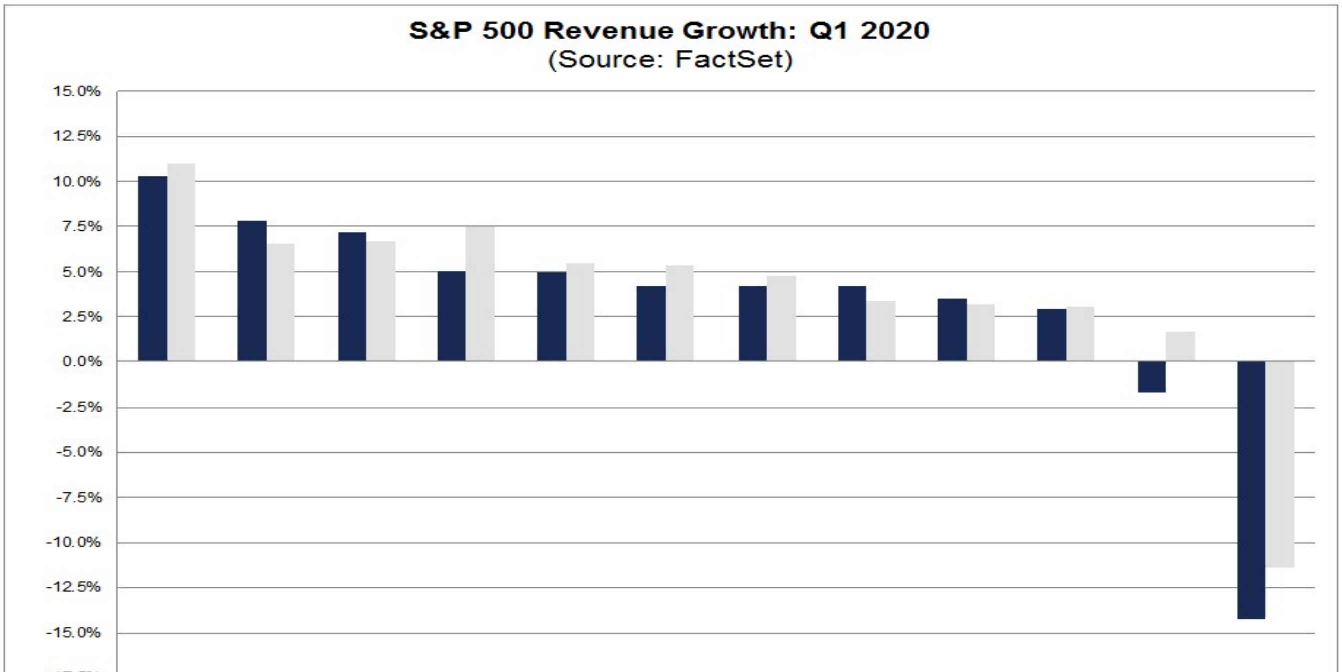




Q1 2020: Growth

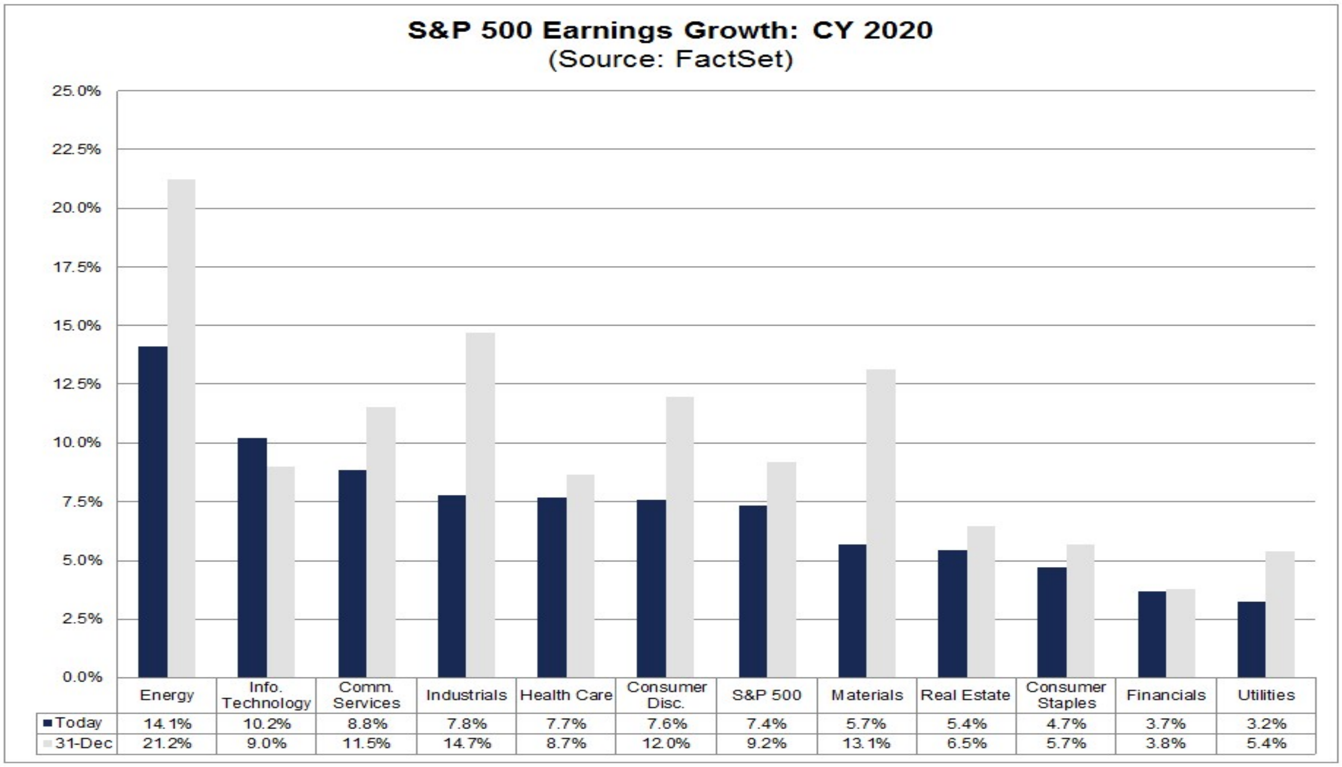


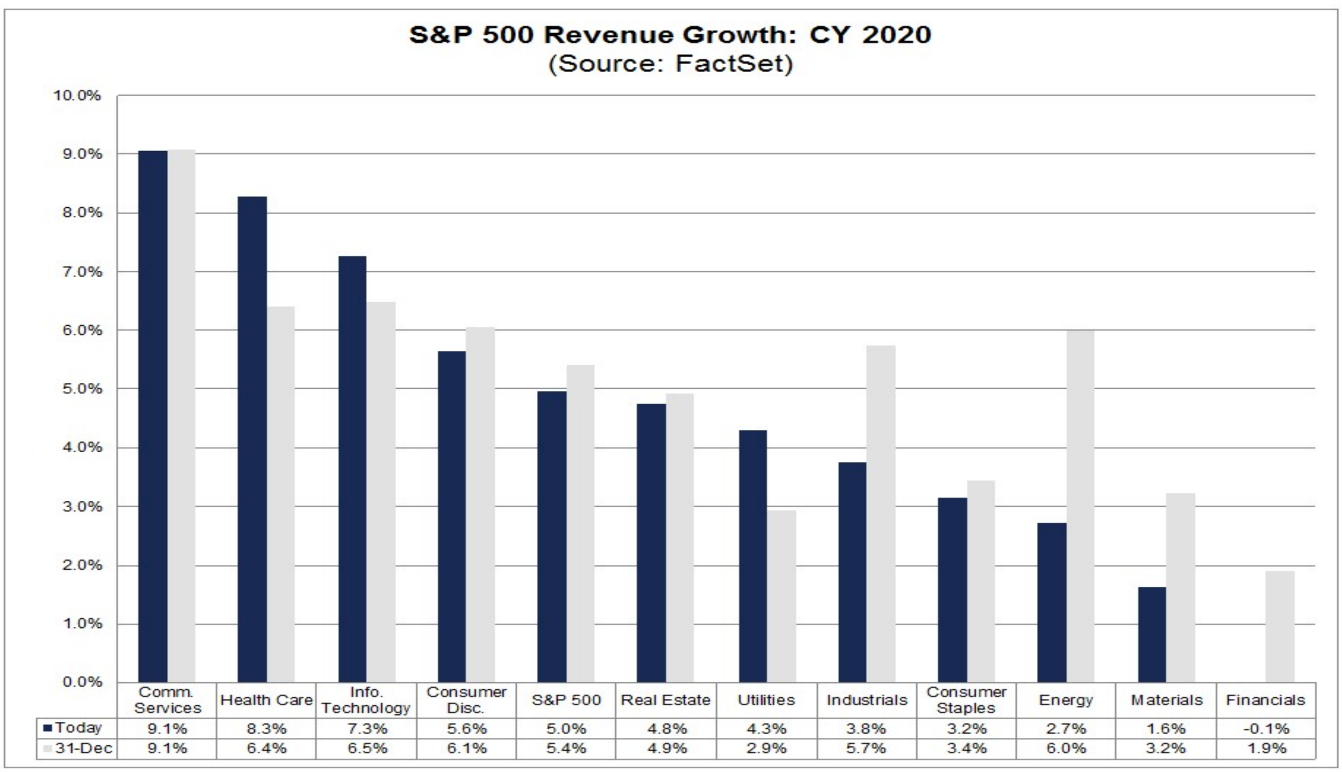
	Comm. Services	Info. Technology	Energy	Utilities	Health Care	Real Estate	S&P 500	Consumer Staples	Financials	Consumer Disc.	Industrials	Materials
Today	13.8%	6.1%	6.1%	5.0%	4.5%	3.3%	0.7%	-0.4%	-2.5%	-9.1%	-12.6%	-16.4%
31-Dec	16.7%	4.2%	29.5%	5.2%	7.3%	4.6%	4.4%	3.1%	-2.9%	1.7%	-0.5%	-3.8%



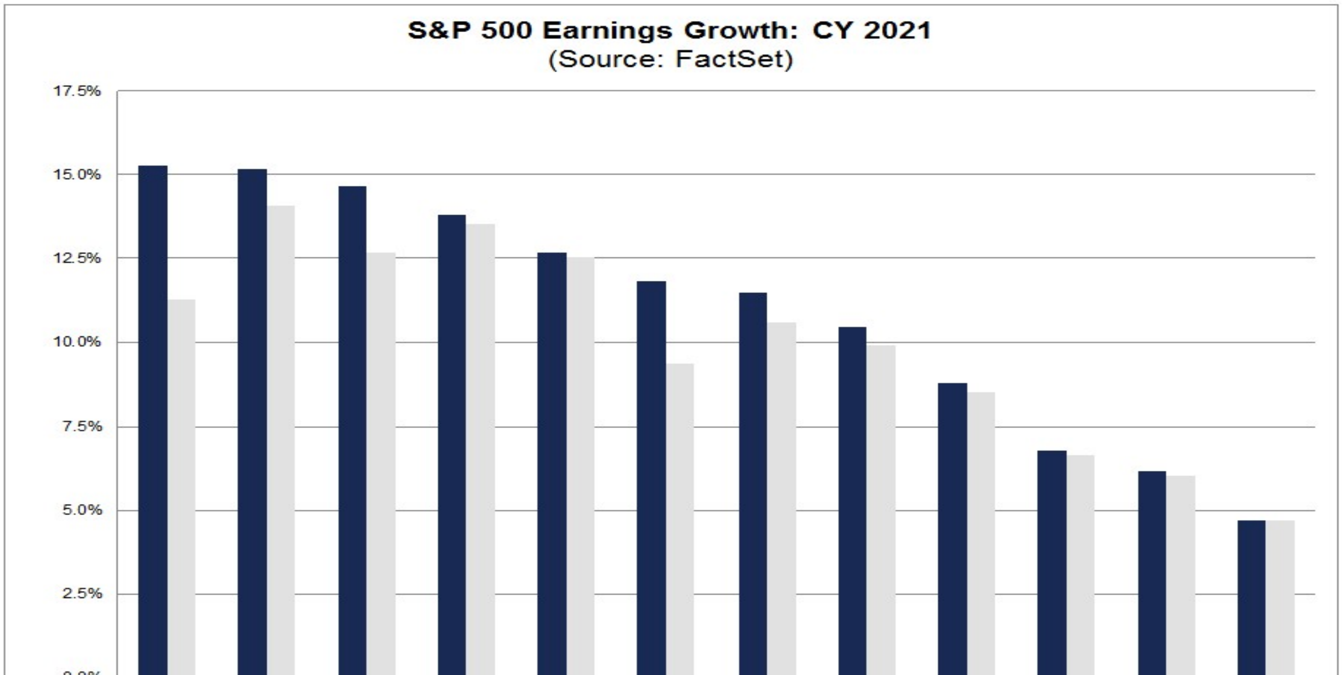
	Comm. Services	Health Care	Info. Technology	Energy	Utilities	Consumer Disc.	S&P 500	Real Estate	Financials	Consumer Staples	Industrials	Materials
Today	10.3%	7.8%	7.1%	5.0%	4.9%	4.2%	4.2%	4.2%	3.5%	2.9%	-1.7%	-14.2%
31-Dec	11.0%	6.5%	6.6%	7.5%	5.4%	5.4%	4.8%	3.3%	3.2%	3.0%	1.6%	-11.4%

CY 2020: Growth

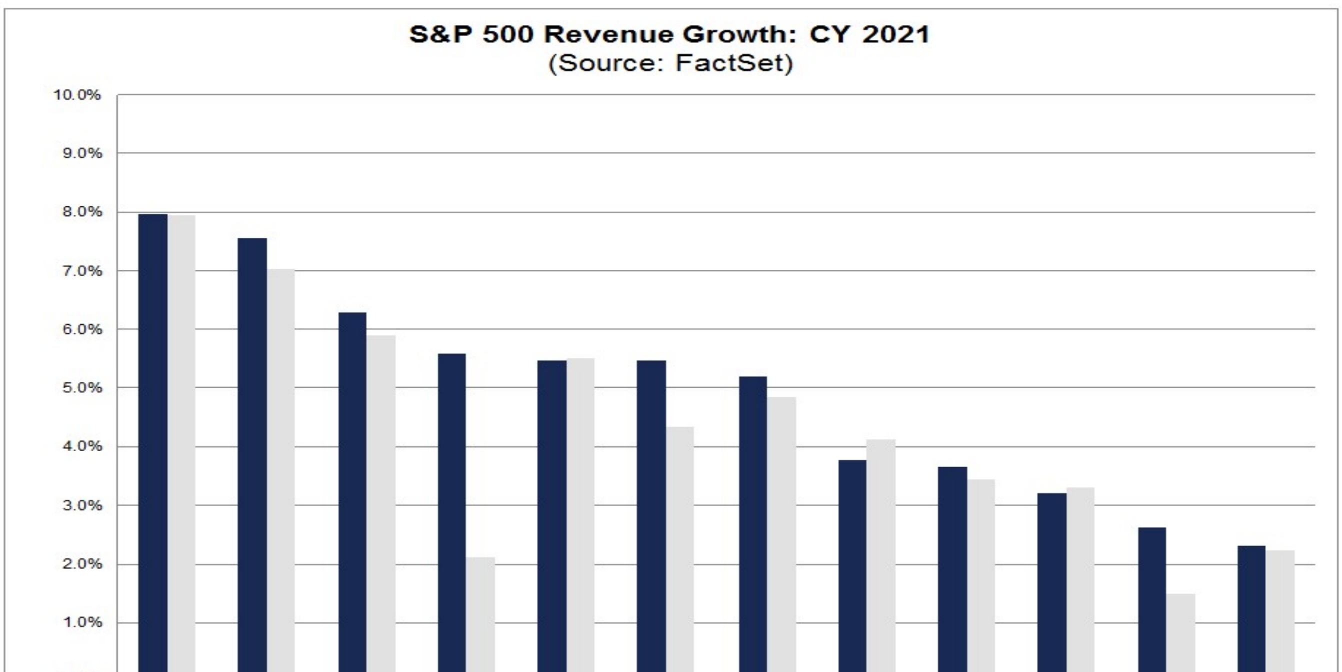




CY 2021: Growth

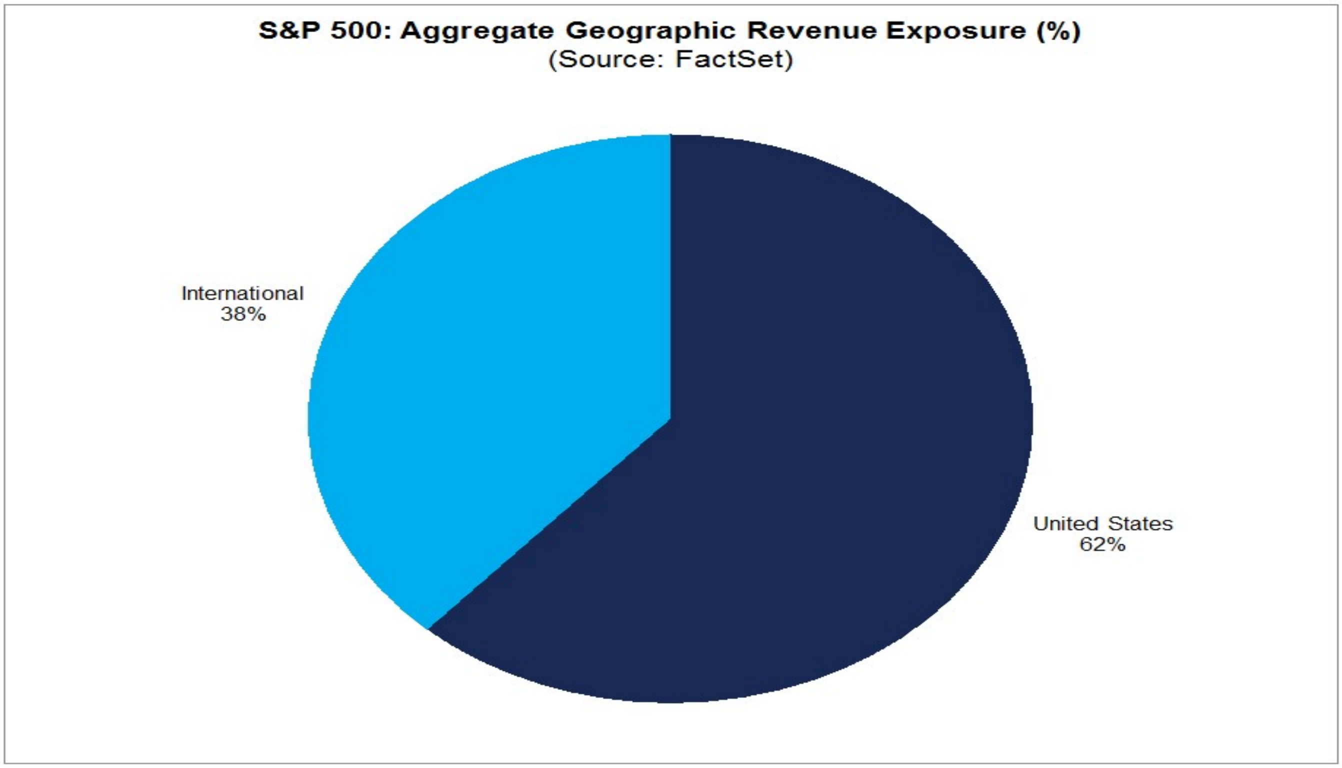


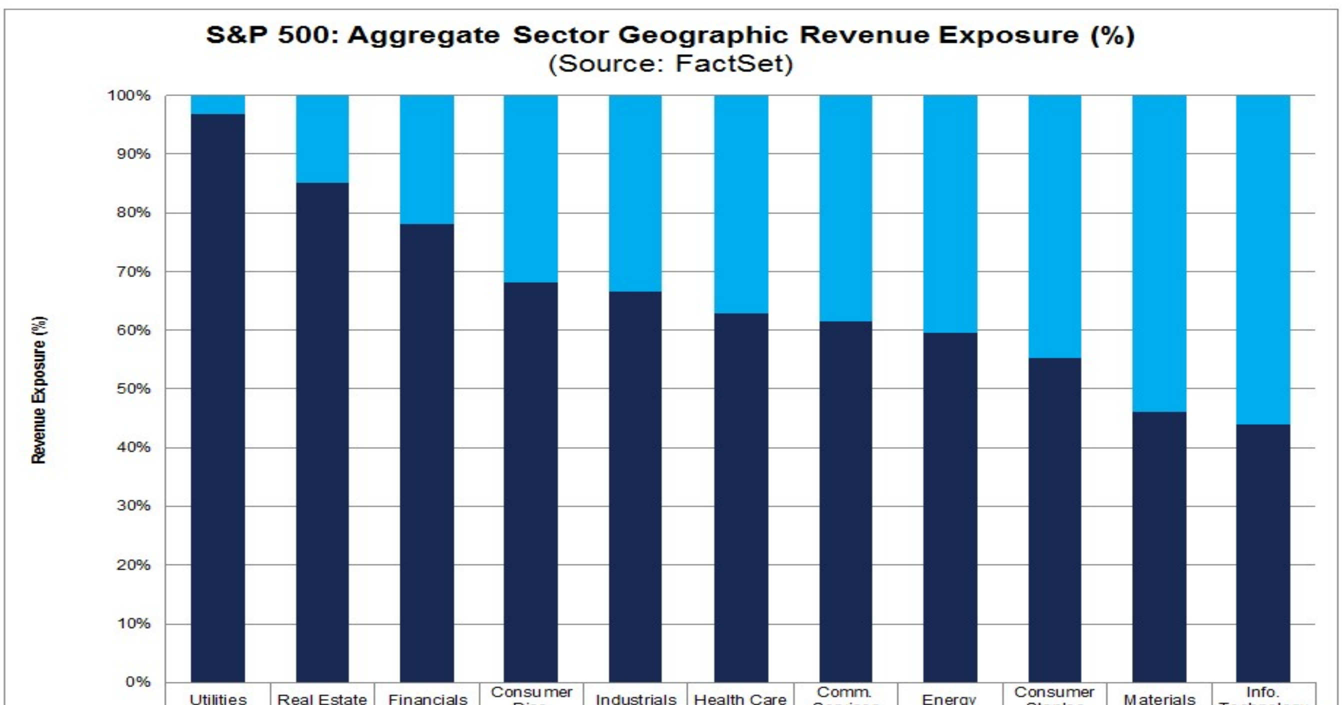
	Industrials	Materials	Consumer Disc.	Info. Technology	Comm. Services	Energy	S&P 500	Health Care	Financials	Consumer Staples	Real Estate	Utilities
Today	15.3%	15.2%	14.6%	13.8%	12.7%	11.8%	11.5%	10.4%	8.8%	6.8%	6.2%	4.7%
31-Dec	11.3%	14.1%	12.7%	13.5%	12.5%	9.4%	10.6%	9.9%	8.5%	6.6%	6.0%	4.7%



	Comm. Services	Info. Technology	Consumer Disc.	Real Estate	Health Care	Industrials	S&P 500	Materials	Financials	Consumer Staples	Energy	Utilities
Today	8.0%	7.6%	6.3%	5.6%	5.5%	5.5%	5.2%	3.8%	3.7%	3.2%	2.6%	2.3%
31-Dec	8.0%	7.0%	5.9%	2.1%	5.5%	4.3%	4.8%	4.1%	3.4%	3.3%	1.5%	2.2%

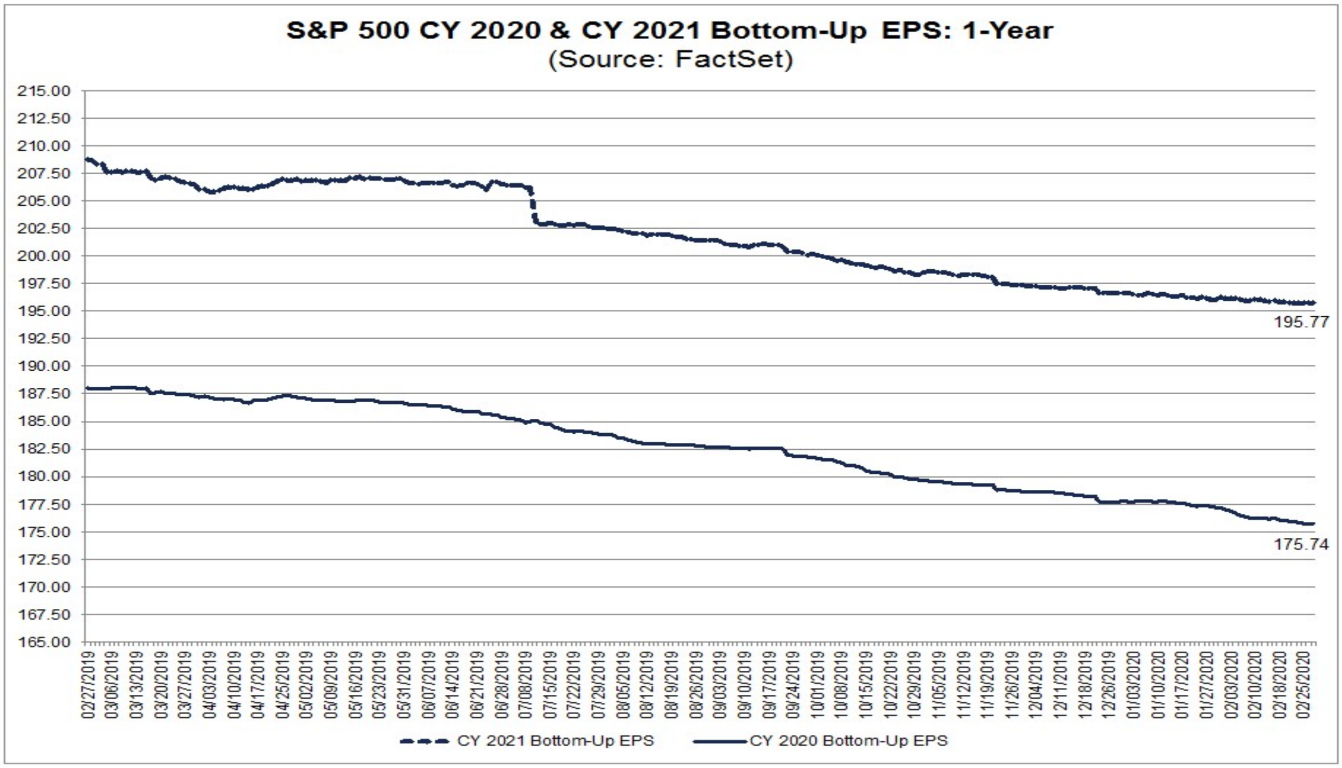
Geographic Revenue Exposure

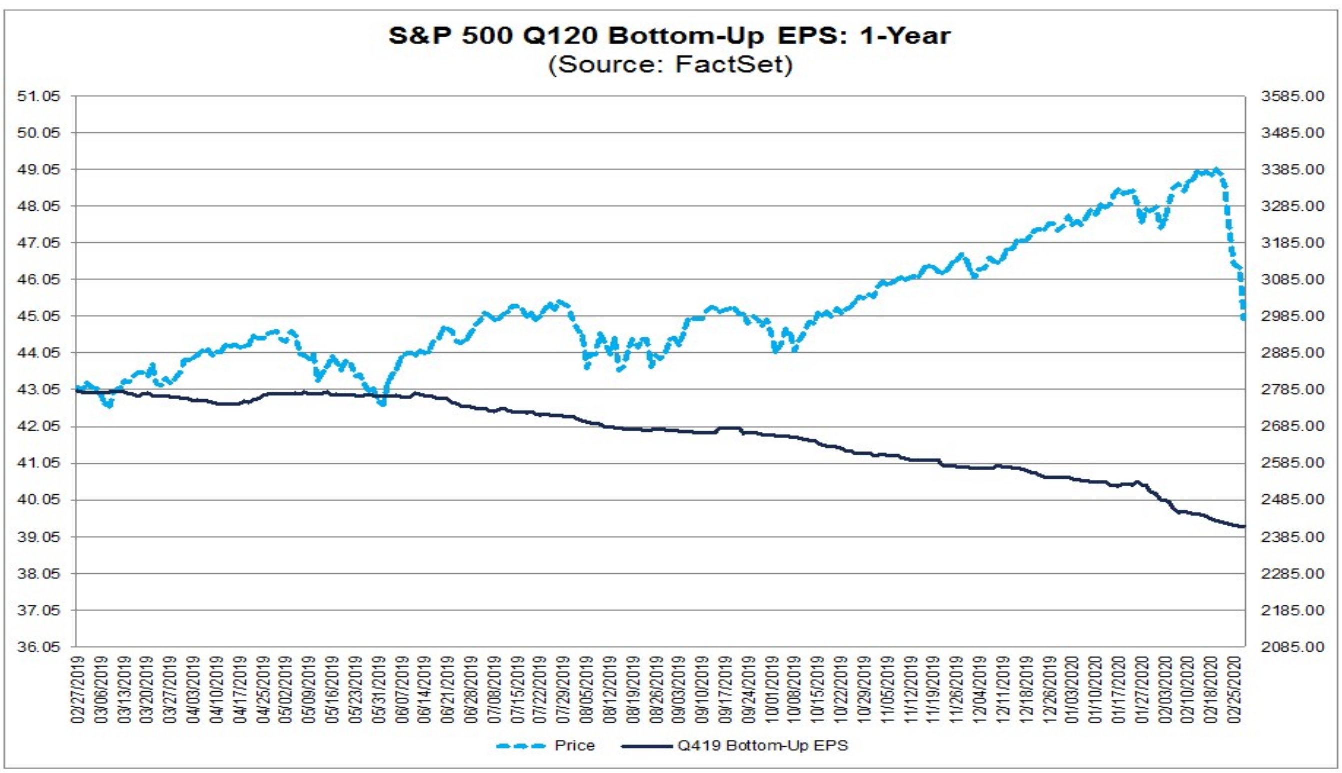




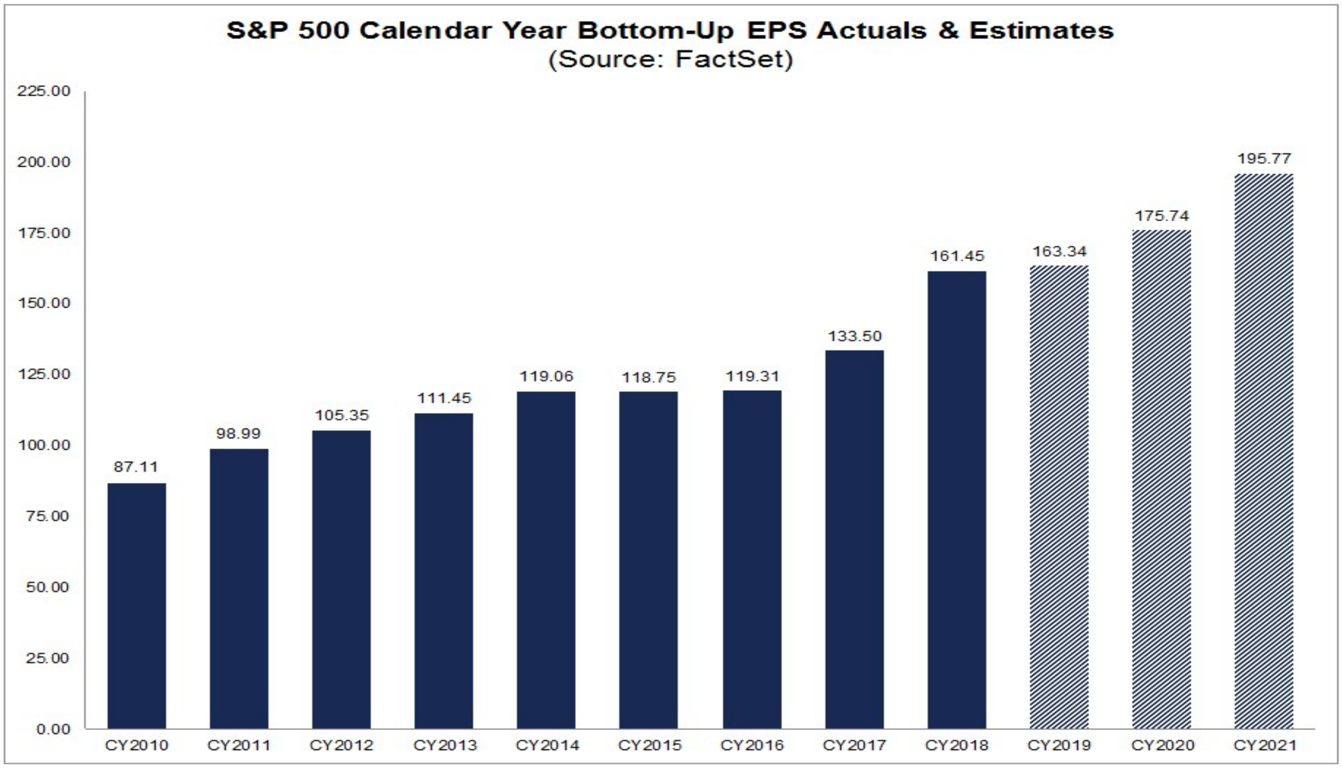
	Utilities	Real Estate	Financials	Consumer Disc.	Industrials	Health Care	Comm. Services	Energy	Consumer Staples	Materials	Info. Technology
International	3%	15%	22%	32%	33%	37%	39%	40%	45%	54%	56%
United States	97%	85%	78%	68%	67%	63%	61%	60%	55%	46%	44%

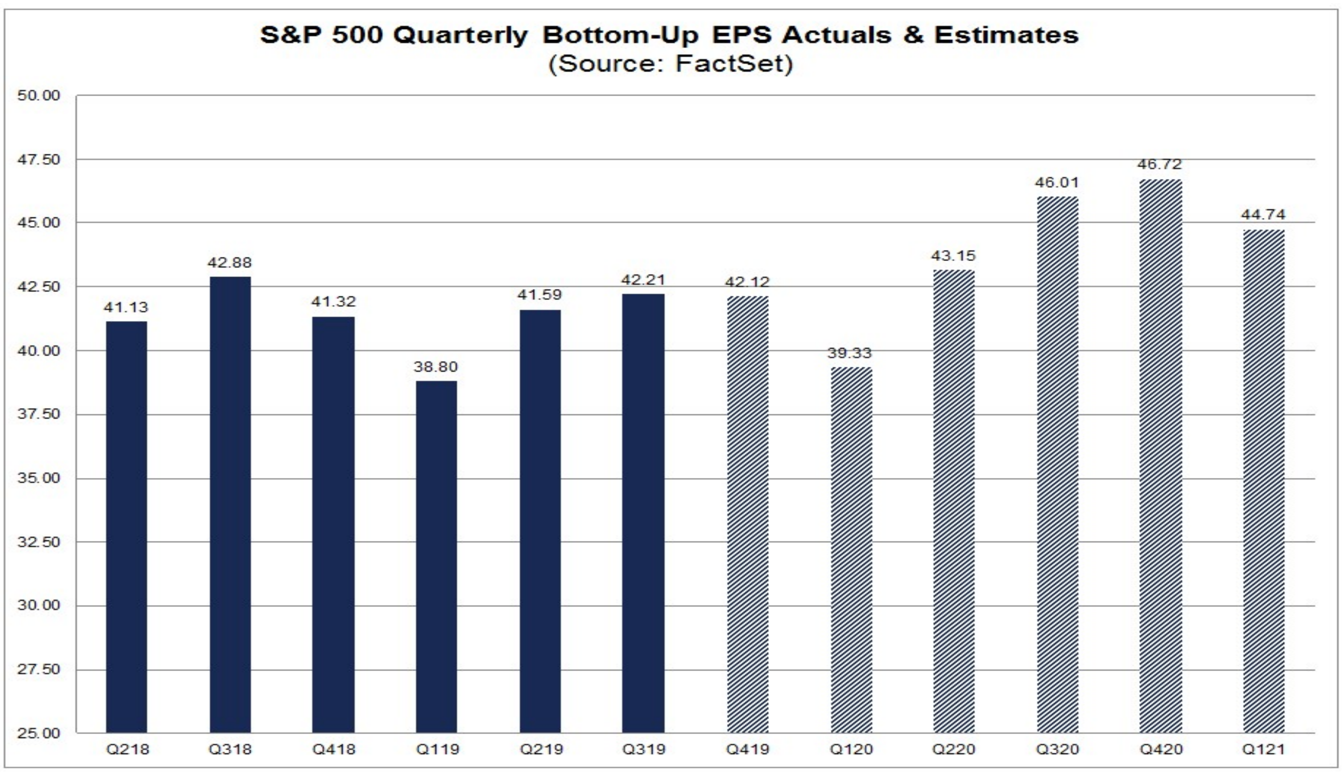
Bottom-up EPS Estimates: Revisions



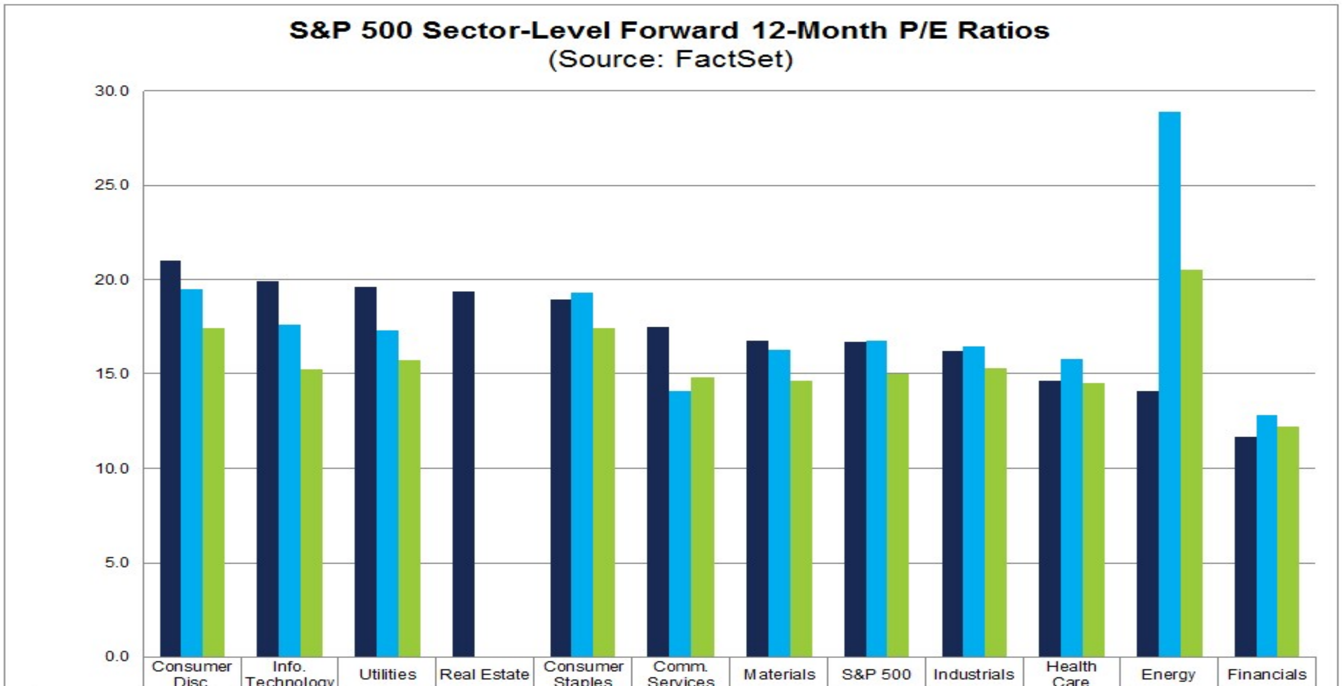


Bottom-up EPS Estimates: Current & Historical

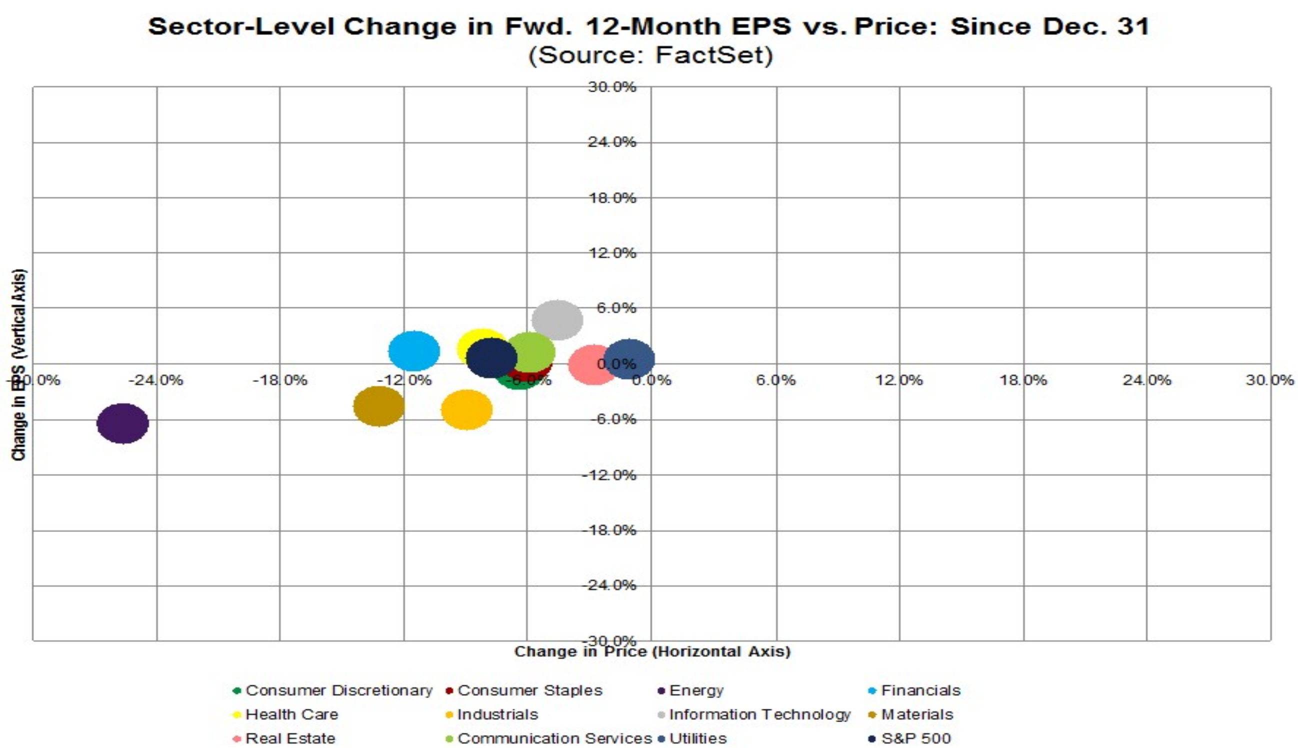




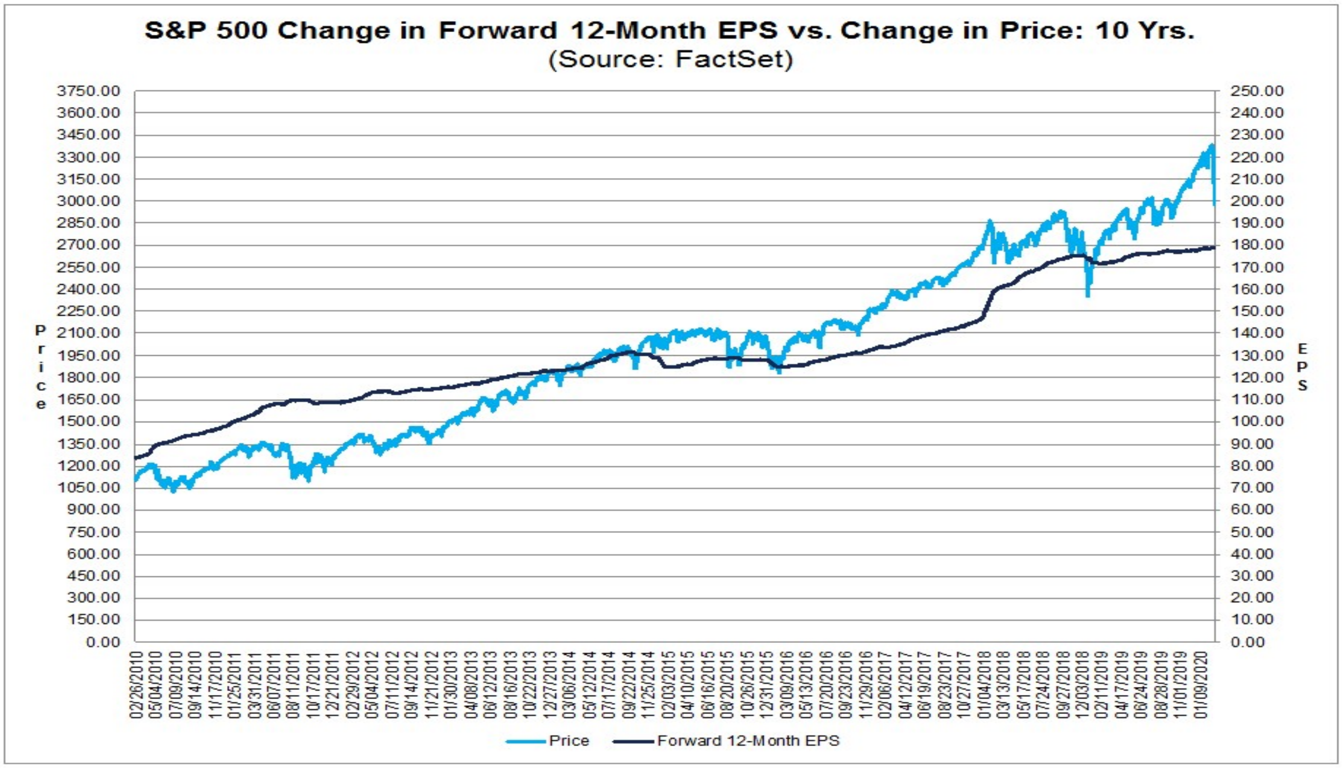
Forward 12M P/E Ratio: Sector Level

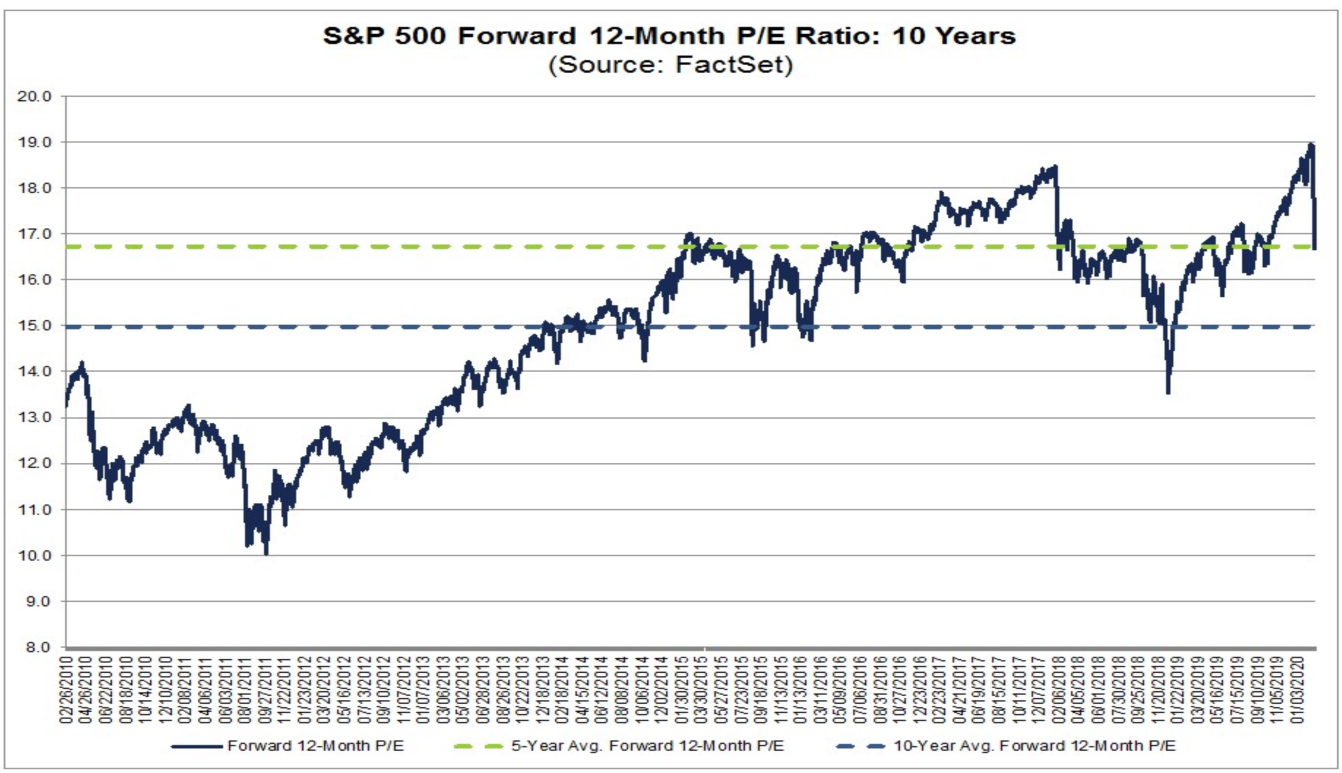


	Consumer Disc.	Info. Technology	Utilities	Real Estate	Consumer Staples	Comm. Services	Materials	S&P 500	Industrials	Health Care	Energy	Financials
Fwd P/E	21.0	19.9	19.6	19.4	18.9	17.5	16.7	16.7	16.2	14.6	14.1	11.7
5-Yr Avg.	19.5	17.6	17.3		19.3	14.0	16.3	16.7	16.4	15.7	28.9	12.9
10-Yr Avg.	17.4	15.2	15.7		17.4	14.8	14.6	15.0	15.3	14.5	20.5	12.2

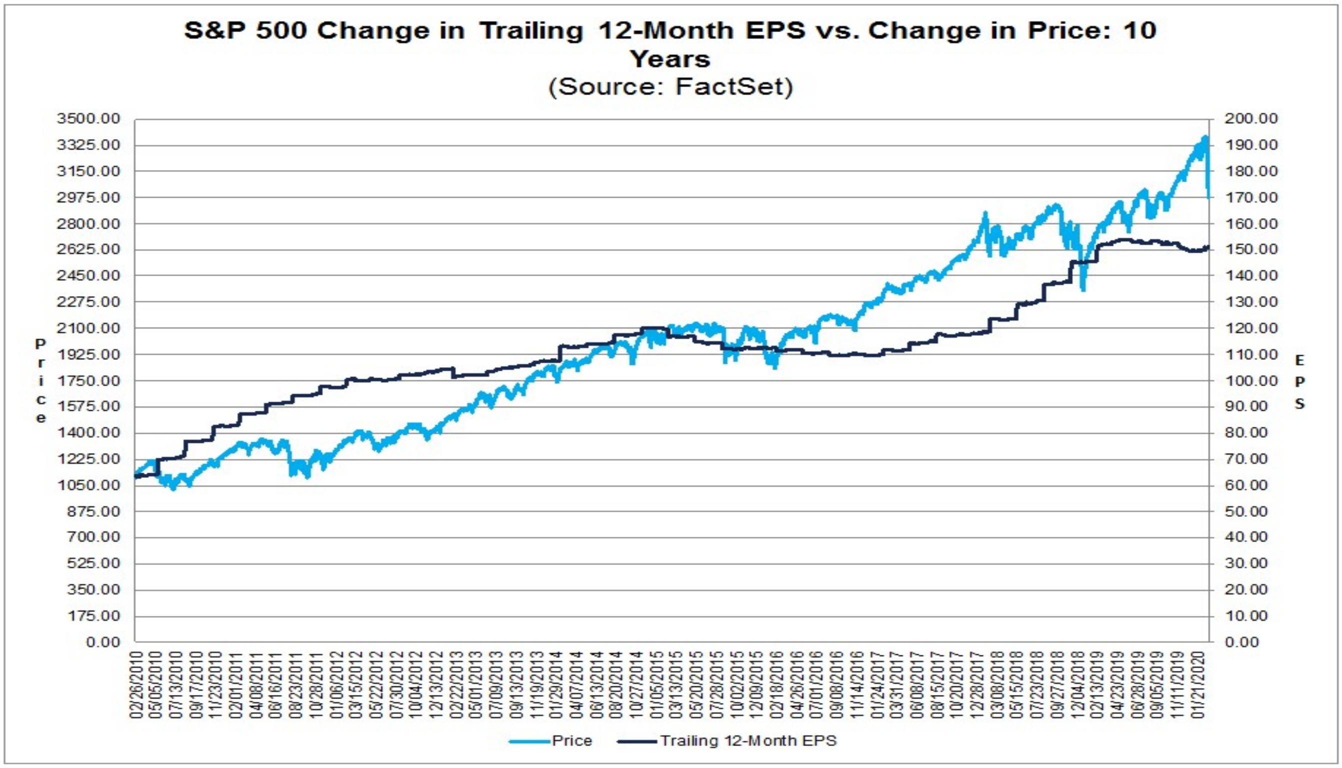


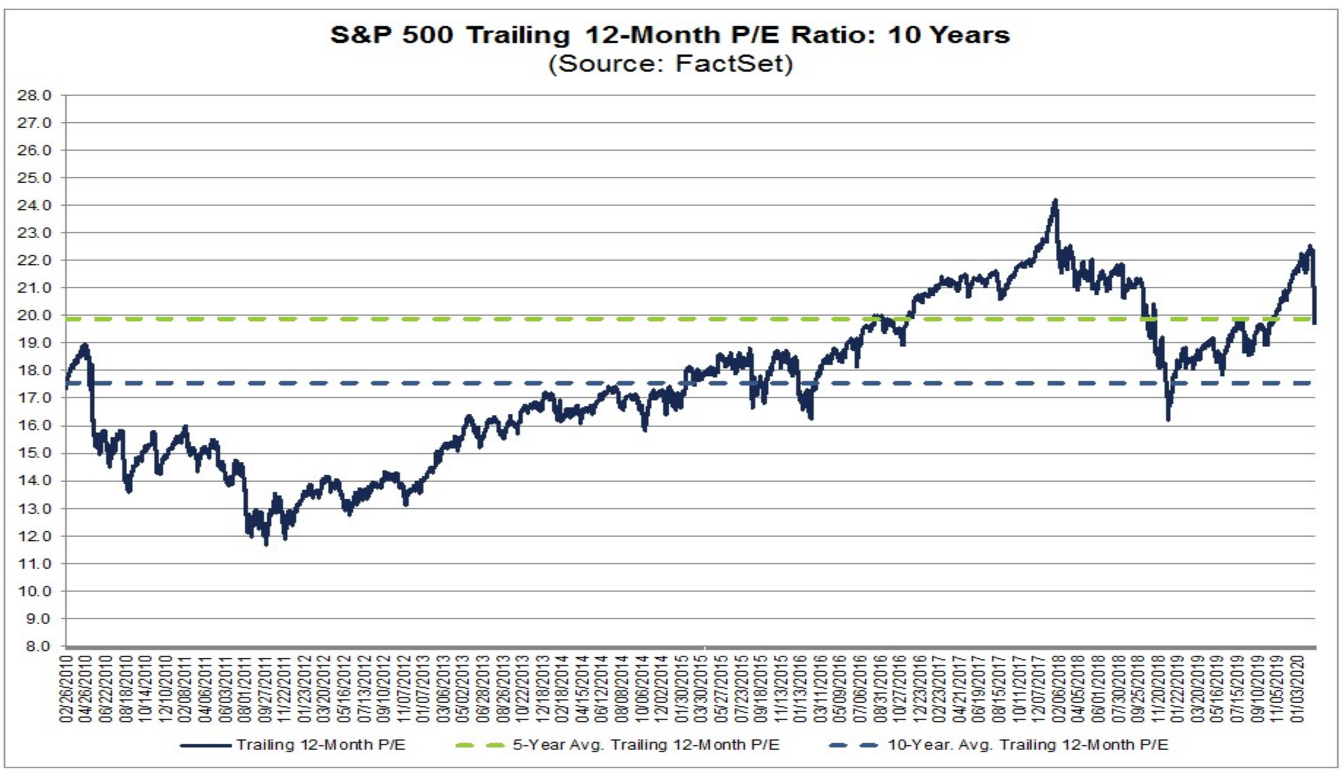
Forward 12M P/E Ratio: 10-Years



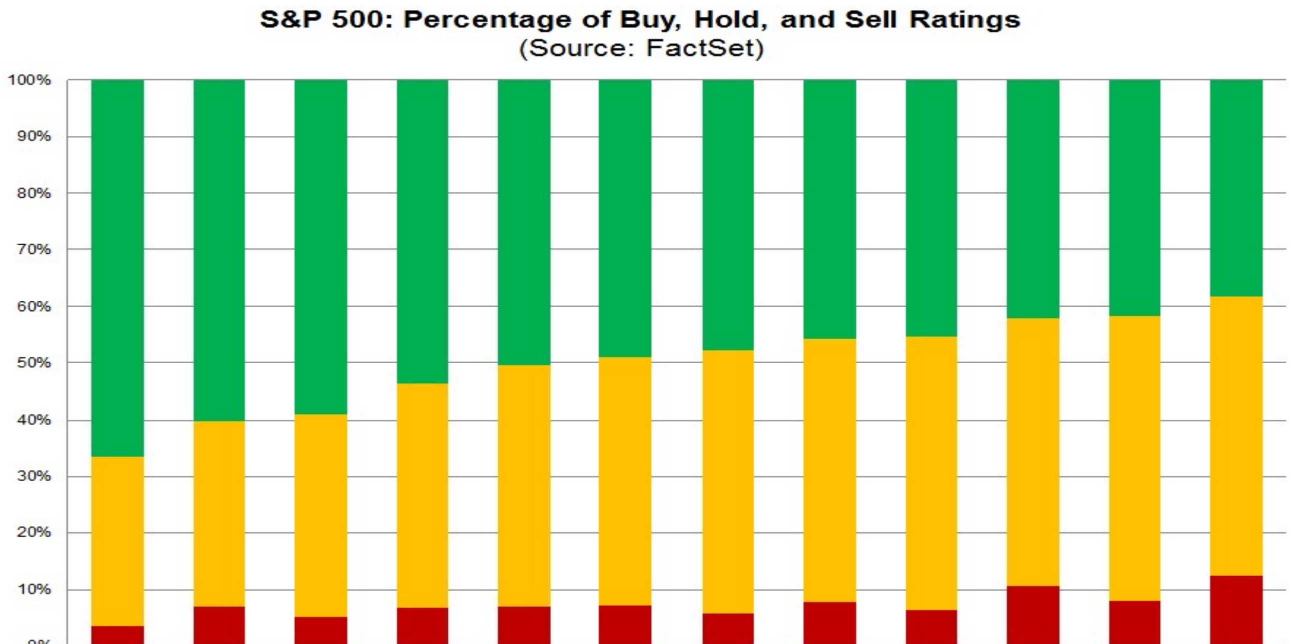


Trailing 12M P/E Ratio: 10-Years

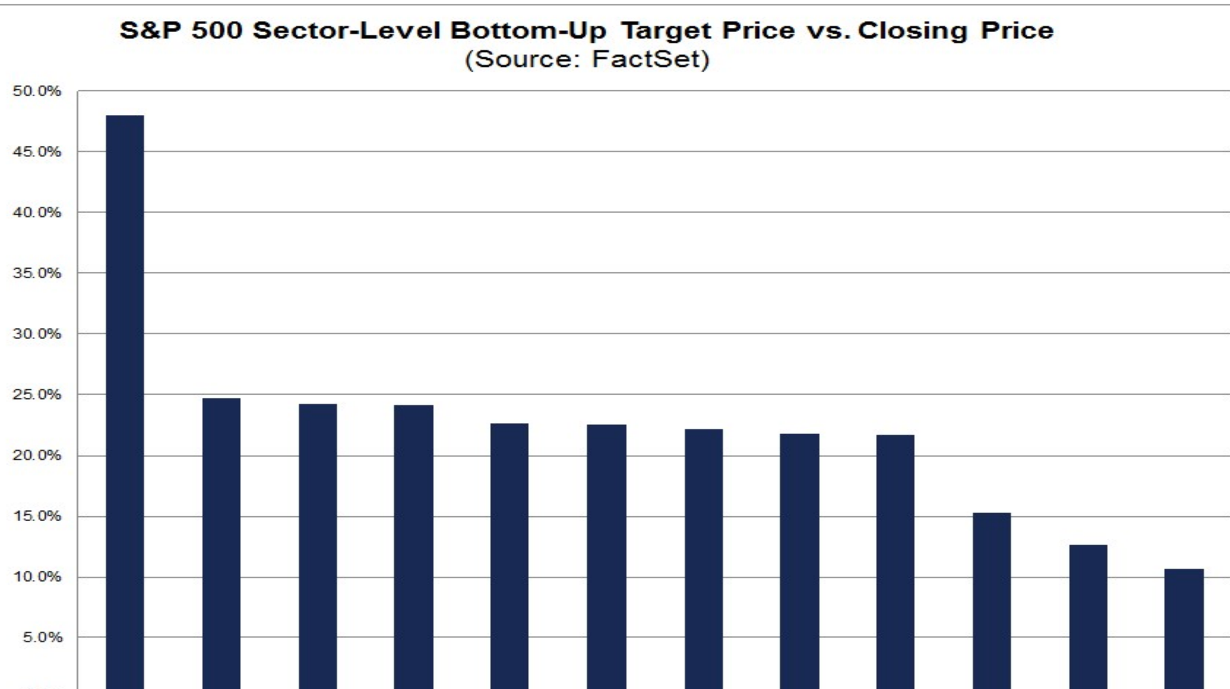




Targets & Ratings



	Energy	Comm. Services	Health Care	Info. Tech.	S&P 500	Materials	Consumer Disc.	Industrials	Real Estate	Utilities	Financials	Consumer Staples
Buy	66%	60%	59%	54%	50%	49%	48%	46%	45%	42%	42%	38%
Hold	30%	33%	36%	39%	43%	44%	47%	46%	48%	47%	50%	49%
Sell	3%	7%	5%	7%	7%	7%	6%	8%	6%	11%	8%	12%



	Energy	Info. Tech.	Materials	Consumer Disc.	S&P 500	Comm. Services	Health Care	Financials	Industrials	Consumer Staples	Real Estate	Utilities
Target/Close	48.0%	24.7%	24.3%	24.1%	22.7%	22.5%	22.2%	21.8%	21.8%	15.3%	12.6%	10.7%

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