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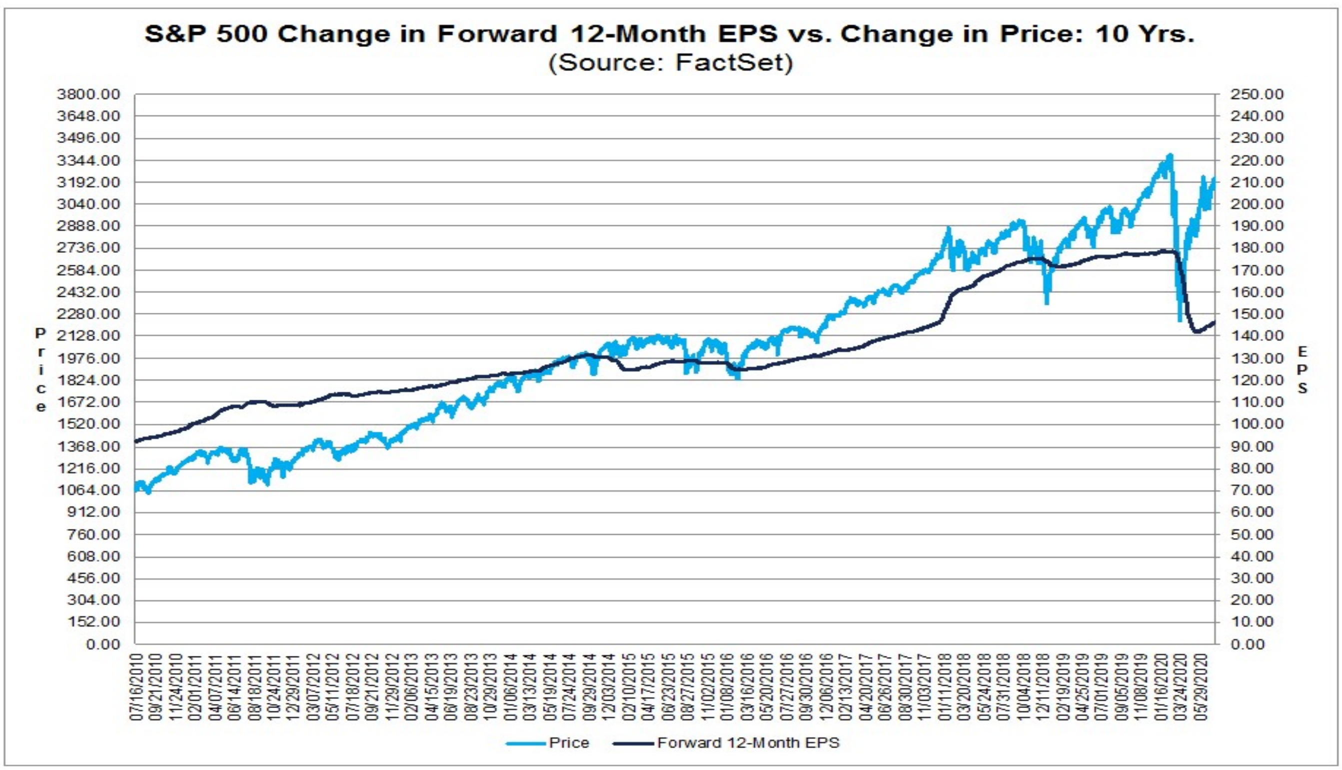
Key Metrics

- **Earnings Scorecard:** For Q2 2020 (with 9% of the companies in the S&P 500 reporting actual results), 73% of S&P 500 companies have reported a positive EPS surprise and 78% have reported a positive revenue surprise.
- **Earnings Growth:** For Q2 2020, the blended earnings decline for the S&P 500 is -44.0%. If -44.0% is the actual decline for the quarter, it will mark the largest year-over-year decline in earnings reported by the index since Q4 2008 (-69.1%).
- **Earnings Revisions:** On June 30, the estimated earnings decline for Q2 2020 was -44.1%. Four sectors have smaller earnings declines today (compared to June 30) due to upward revisions to EPS estimates and positive EPS surprises.
- **Earnings Guidance:** For Q3 2020, 1 S&P 500 company has issued negative EPS guidance and 4 S&P 500 companies have issued positive EPS guidance.
- **Valuation:** The forward 12-month P/E ratio for the S&P 500 is 22.3. This P/E ratio is above the 5-year average (16.9) and above the 10-year average (15.2).



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Topic of the Week:

S&P 500 Reporting Lowest Net Profit Margin Since 2009

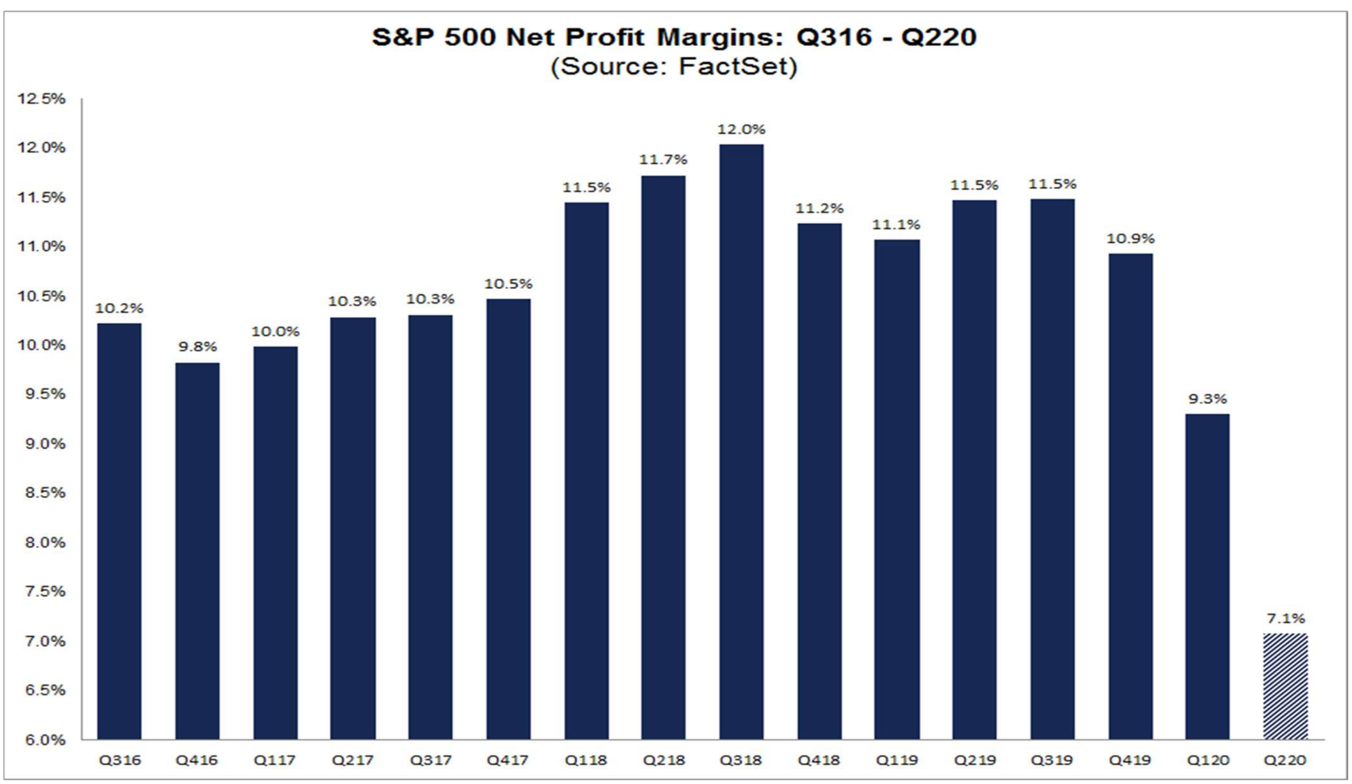
For the second quarter, the S&P 500 is reporting a year-over-year decline in earnings of -44.0% and a year-over-year decline in revenues of -10.5%. Given the substantial decrease in earnings, what is the S&P 500 reporting for a net profit margin in the second quarter?

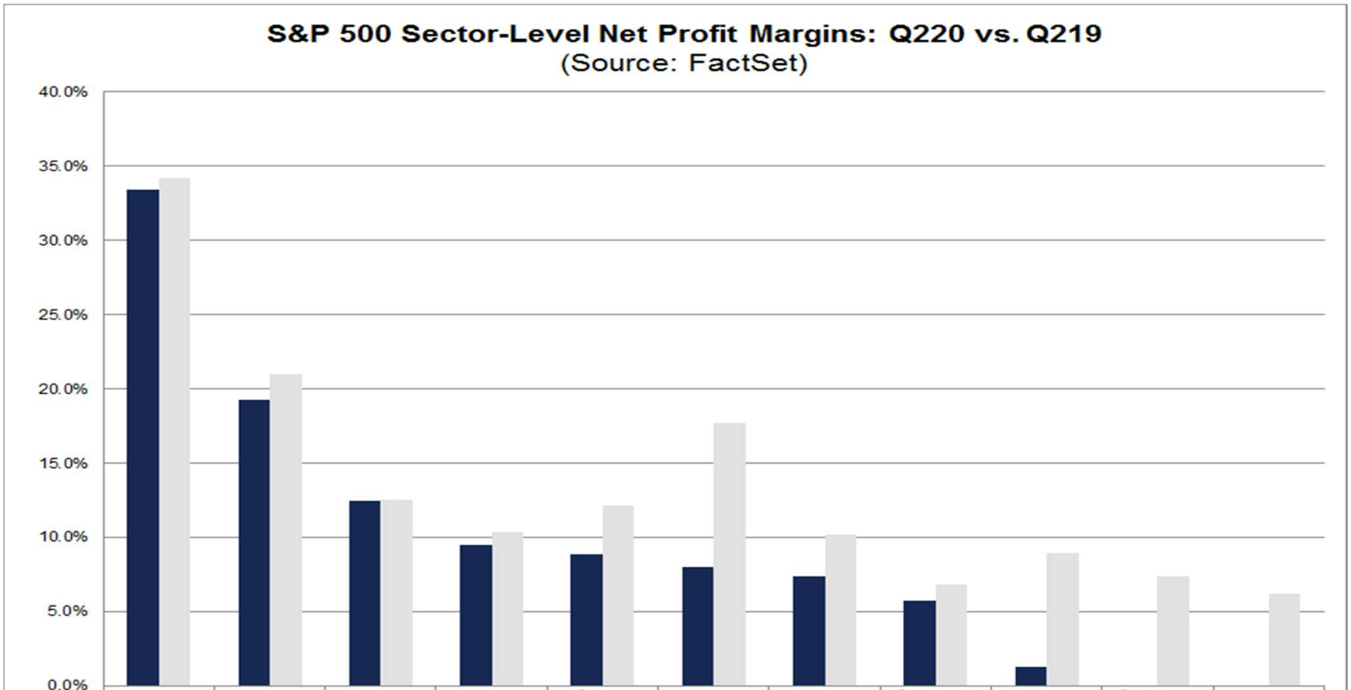
The blended (combines actual results for companies that have reported and estimated results for companies that have yet to report) net profit margin for the S&P 500 for Q1 2020 is 7.1%, which is below the 5-year average of 10.6%. If 7.1% is the actual net profit margin for the quarter, it will mark the lowest net profit margin reported by the index since Q4 2009 (6.8%).

At the sector level, all eleven sectors are reporting (or are projected to report) a year-over-year decline in their net profit margins in Q2 2020, led by the Financials (8.0% vs. 17.7%) and Industrials (1.3% vs. 9.0%) sectors. Nine sectors are reporting (or are projected to report) net profit margins that are below their 5-year averages, led by the Industrials (1.4% vs. 9.0%) and Financials (8.0% vs. 15.3%) sectors. It should be noted that both the Energy and Consumer Discretionary sectors are predicted to report losses for the quarter, so a net profit margin can't be calculated for these two sectors (due to negative earnings). For this analysis, the two sectors are counted as reporting (or projected to report) net profit margins below both their year-ago and 5-year average net profit margins due to the expected losses.

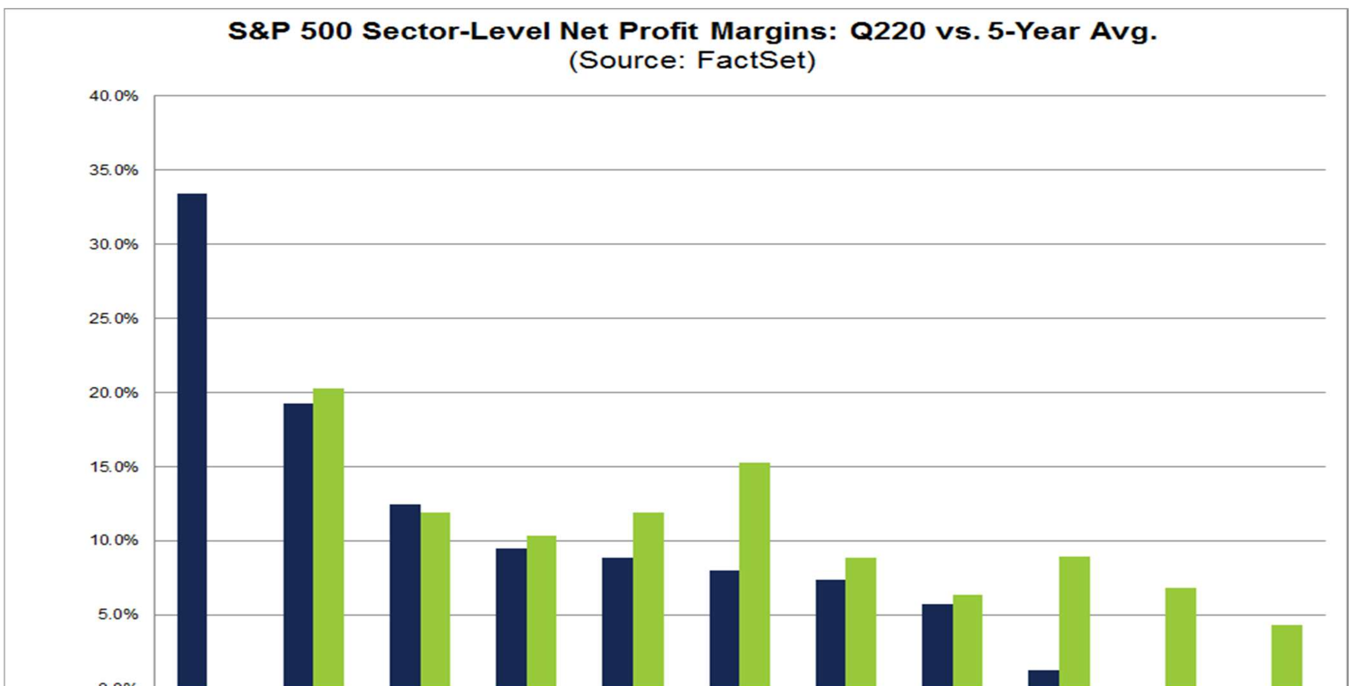
Analysts do believe net profit margins will improve on a sequential basis after the second quarter. Based on current estimates, the estimated net profit margins for Q3 2020, Q4 2020, and Q1 2021 are 9.1%, 9.7%, and 10.2%. However, analysts are not projecting year-over-year improvement in net profit margins until Q1 2021.

To maintain consistency, the earnings and revenue numbers used to calculate the earnings and revenue growth rates published in this report were also used to calculate the index-level and sector-level net profit margins for this analysis. In addition, all year-over-year comparisons for Q2 2020 to Q2 2019 (and all other year-over-year comparisons for historical quarters) reflect an apples-to-apples comparison of data at the company level.





	Real Estate	Info. Tech	Utilities	Health Care	Comm. Services	Financials	Materials	Consumer Staples	Industrials	Consumer Disc.	Energy
Q220	33.4%	19.2%	12.5%	9.5%	8.9%	8.0%	7.4%	5.7%	1.3%		
Q219	34.2%	21.0%	12.6%	10.4%	12.2%	17.7%	10.2%	6.8%	9.0%	7.4%	6.2%



	Real Estate	Info. Tech	Utilities	Health Care	Comm. Services	Financials	Materials	Consumer Staples	Industrials	Consumer Disc.	Energy
Q220	33.4%	19.2%	12.5%	9.5%	8.9%	8.0%	7.4%	5.7%	1.3%		
5-Year Avg.		20.2%	11.9%	10.3%	11.9%	15.3%	8.9%	6.3%	9.0%	6.8%	4.3%

Q2 Earnings Season: By The Numbers

Overview

To date, 9% of the companies in the S&P 500 have reported actual results for Q2 2020. In terms of earnings, the percentage of companies reporting actual EPS above estimates (73%) is above the 5-year average. In aggregate, companies are reporting earnings that are 6.3% above the estimates, which is also above the 5-year average. In terms of sales, the percentage of companies (78%) reporting actual sales above estimates is above the 5-year average. In aggregate, companies are reporting sales that are 3.5% 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 decline for the second quarter is -44.0%, which is smaller than the earnings decline of -44.7% last week. Positive earnings surprises reported by companies in the Health Care sector were mainly responsible for the decrease in the overall earnings decline during the week. If -44.0% is the actual decline for the quarter, it will mark the largest year-over-year decline in earnings reported by the index since Q4 2008 (-69.1%). It will also mark the fifth time in the past six quarters in which the index has reported a year-over-year decline in earnings. All eleven sectors are reporting (or are predicted to report) a year-over-year decline in earnings, led by the Energy, Consumer Discretionary, Industrials, and Financials sectors.

The blended revenue decline for the second quarter is -10.5%, which is smaller than the revenue decline of -10.8% last week. Positive revenue surprises reported by companies in the Financials sector were mainly responsible for the decrease in the overall revenue decline during the week. If -10.5% is the actual decline for the quarter, it will mark the largest year-over-year decline in revenue reported by the index since Q3 2009 (-11.5%). One sector (Health Care) is reporting year-over-year growth in revenues. One sector (Utilities) is expected to report flat (0.0%) year-over-year revenues. The other nine sectors are reporting (or are predicted to report) a year-over-year decline in revenues, led by the Energy, Industrials, and Consumer Discretionary sectors.

Looking ahead, analysts predict a (year-over-year) decline in earnings in the third quarter (-24.4%) and the fourth quarter (-12.4%) of 2020. However, they also project a return to earnings growth in Q1 2021 (12.1%).

The forward 12-month P/E ratio is 22.3, which is above the 5-year average and above the 10-year average.

During the upcoming week, 92 S&P 500 companies (including 8 Dow 30 components) are scheduled to report results for the second quarter.

Scorecard: More Companies Beating EPS Estimates and Sales Estimates Than Average

Percentage of Companies Beating EPS Estimates (73%) is Above 5-Year Average

Overall, 9% of the companies in the S&P 500 have reported earnings to date for the second quarter. Of these companies, 73% have reported actual EPS above the mean EPS estimate, 2% have reported actual EPS equal to the mean EPS estimate, and 24% have reported actual EPS below the mean EPS estimate. The percentage of companies reporting EPS above the mean EPS estimate is above the 1-year (71%) average and above the 5-year (72%) average.

At the sector level, the Information Technology (100%), Health Care (100%), and Materials (100%) sectors have the highest percentages of companies reporting earnings above estimates, while the Communication Services (0%) sector has the lowest percentage of companies reporting earnings above estimates.

Earnings Surprise Percentage (+6.3%) is Above 5-Year Average

In aggregate, companies are reporting earnings that are 6.3% above expectations. This surprise percentage is above the 1-year (+3.7%) average and above the 5-year (+4.7%) average.

The Materials sector (+41.8%) sector is reporting the largest positive (aggregate) difference between actual earnings and estimated earnings. Within this sector, PPG Industries ($0.99 vs. $0.70) has reported the largest positive EPS surprise.

The Health Care sector (+25.6%) sector is reporting the second largest positive (aggregate) difference between actual earnings and estimated earnings. Within this sector, Abbott Laboratories ($0.57 vs. $0.42) and UnitedHealth Group ($7.12 vs. $5.28) have reported the largest positive EPS surprises.

The Consumer Discretionary sector (-526.1%) sector is reporting the largest negative (aggregate) difference between actual earnings and estimated earnings. Within this sector, NIKE (-$0.51 vs. $0.09) and Carnival (-$3.30 vs. -$1.59) have reported the largest negative EPS surprises.

The Communication Services sector (-12.3%) sector is reporting the second largest negative (aggregate) difference between actual earnings and estimated earnings. Within this sector, Netflix ($1.59 vs. $1.82) has reported the largest negative EPS surprise.

Market Rewarding Positive Earnings Surprises More Than Average

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

Companies that have reported positive earnings surprises for Q2 2020 have seen an average price increase of +3.0% two days before the earnings release through two days after the earnings. This percentage increase is above the 5-year average price increase of +0.9% during this same window for companies reporting positive earnings surprises.

Companies that have reported negative earnings surprises for Q2 2020 have seen an average price decrease of -2.0% 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 (78%) is Above 5-Year Average

In terms of revenues, 78% of companies have reported actual sales above estimated sales and 22% 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 (60%).

At the sector level, the Communication Services (100%), Consumer Staples (100%), and Materials (100%) sectors have the highest percentages of companies reporting revenues above estimates, while the Information Technology (60%) has the lowest percentage of companies reporting revenues above estimates.

Revenue Surprise Percentage (+3.5%) is Above 5-Year Average

In aggregate, companies are reporting revenues that are 3.5% above expectations. This surprise percentage is above the 1-year (+0.7%) average and above the 5-year (+0.7%) average.

At the sector level, the Financials (+8.2%) and Materials (+7.2%) sectors are reporting the largest positive (aggregate) differences between actual revenues and estimated revenues, while the Consumer Discretionary (-1.7%) sector is reporting the largest negative (aggregate) difference between actual revenues and estimated revenues.

Revisions: Decrease in Blended Earnings Decline this Week Due to Health Care

Decrease in Blended Earnings Decline This Week Due to Health Care

The blended (year-over-year) earnings decline for the second quarter is -44.0%, which is smaller than the earnings decline of -44.7% last week. Positive earnings surprises reported by companies in the Health Care sector were mainly responsible for the decrease in the overall earnings decline during the week.

In the Health Care sector, the positive EPS surprises reported by UnitedHealth Group ($7.12 and $5.28), Johnson & Johnson ($1.67 vs. $1.49), and Abbott Laboratories ($0.57 vs. $0.42) were substantial contributors to the decrease in the earnings decline for the index during the week. As a result, the blended earnings decline for the Health Care sector decreased to -8.0% from -12.8%.over this period.

In the Financials sector, positive EPS surprises (including Morgan Stanley, Goldman Sachs, JPMorgan Chase, Bank of America, and Citigroup) were mainly offset by negative EPS surprises (including Wells Fargo and PNC Financial Services) and negative EPS revisions (Chubb), resulting in little impact to the overall growth rate for the index during the week. As a result, the blended earnings decline for the Financials sector decreased slightly to -55.0% from -55.4%.over this period.

Decrease in Blended Revenue Decline This Week Due to Financials

The blended (year-over-year) revenue decline for the second quarter is -10.5%, which is smaller than the revenue decline of -10.8% last week. Positive revenue surprises reported by companies in the Financials sector were mainly responsible for the decrease in the overall revenue decline during the week.

Health Care Sector Has Seen Largest Increase in Earnings since June 30

The blended (year-over-year) earnings decline for Q2 2020 of -44.0% is slightly smaller than the estimate of -44.1% at the end of the second quarter (June 30). Four sectors have recorded a decrease in their earnings decline since the end of the quarter due to upward revisions to earnings estimates and positive earnings surprises, led by the Health Care sector (to -8.0% from -14.0%). Two sectors (Materials and Real Estate) have recorded no change in their earnings declines since the end of the quarter. Five sectors have recorded an increase in their earnings decline during this time due to downward revisions to earnings estimates and negative earnings surprises, led by the Energy (to -154.7% from -149.0%) and Financials (to -55.0% from -51.7%) sectors.

Financials Sector Has Seen Largest Increase in Revenues since June 30

The blended (year-over-year) revenue decline for Q2 2020 of -10.5% is smaller than the estimate of -11.0% at the end of the second quarter (June 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 Financials (to -0.3% from -4.6%) sector. Four 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 Energy (to -42.9% from -41.6%) sector.

Earnings Decline: -44.0%

The blended (year-over-year) earnings decline for Q2 2020 is -44.0%, which is below the 5-year average earnings growth rate of 5.5%. If -44.0% is the actual decline for the quarter, it will mark the largest year-over-year decline in earnings for the index since Q4 2008 (-69.1%). It will also mark the fifth time in the past six quarters in which the index has reported a year-over-year decline in earnings. All eleven sectors are reporting (or are projected to report) a year-over-year decline in earnings, led by the Energy, Consumer Discretionary, Industrials, and Financials sectors.

Energy: 4 of 5 Sub-Industries Expected to Report Year-Over-Year Decline of More Than 100%

The Energy sector is expected to report the largest (year-over-year) decline in earnings of all eleven sectors at -154.7%. If -154.7% is the actual decline for the quarter, it will mark the largest year-over-year decline in earnings for the Energy sector since FactSet began tracking this data in Q3 2008. The current record is -107.2%, which occurred in Q1 2016. At the sub-industry level, all five sub-industries in the sector are projected to report a decline in earnings. Four of these five sub-industries are predicted to report a decline in earnings of more than 100%: Integrated Oil & Gas (-176%), Oil & Gas Exploration & Production (-164%), Oil & Gas Refining & Marketing (-159%), and Oil & Gas Equipment & Services (-113%).

Consumer Discretionary: 4 of 11 Industries Reporting Year-Over-Year Decline of More Than 185%

The Consumer Discretionary sector is reporting the second largest (year-over-year) earnings decline of all eleven sectors at -118.4%. If -118.4% is the actual decline for the quarter, it will mark the largest year-over-year decline in earnings for the Consumer Discretionary sector since FactSet began tracking this data in Q3 2008. The current record is -95.1%, which occurred in Q4 2008. At the industry level, ten of the eleven industries in this sector are reporting (or are expected to report) a decline in earnings. Four of these ten industries are reporting (or are projected to report) a decline in earnings of more than 185%: Automobiles (-315%), Textiles, Apparel, & Luxury Goods (-202%), Hotels, Restaurants, & Leisure (-194%), and Auto Components (-186%). On the other hand, the only industry expected to report earnings growth in this sector is the Diversified Consumer Services industry.

Industrials: Airlines Industry Leads Year-Over-Year Decline

The Industrials sector is reporting the third largest (year-over-year) earnings decline of all eleven sectors at -89.9%. If -89.9% is the actual decline for the quarter, it will mark the largest year-over-year decline in earnings for the Industrials sector since FactSet began tracking this data in Q3 2008. The current record is -41.3%, which occurred in Q3 2009. At the industry level, eleven of the twelve industries in this sector are reporting (or are predicted to report) a decline in earnings. Four of these eleven industries are reporting (or are projected to report) a decline in earnings of more than 50%: Airlines (-355%), Industrial Conglomerates (-72%), Machinery (-64%), and Electrical Equipment (-51%). On the other hand, the only industry expected to report earnings growth in this sector is the Aerospace & Defense (35%) industry.

The Airlines industry is the largest contributor to the year-over-year decline in earnings for the sector. If the five companies in this industry were excluded, the blended earnings decline for the sector would improve to -45.3% from -89.9%.

Financials: 3 of 5 Industries Reporting Year-Over-Year Decline of More Than 40%

The Financials sector is reporting the fourth largest (year-over-year) earnings decline of all eleven sectors at -55.0%. If -55.0% is the actual decline for the quarter, it will mark the largest year-over-year decline in earnings for the Industrials sector since Q4 2008. At the industry level, all five industries in this sector are reporting (or are predicted to report) a decline in earnings. Three of these five industries are reporting (or are projected to report) a decline in earnings of more than 40%: Consumer Finance (-116%), Banks (-78%), and Insurance (-41%).

Revenue Decline: -10.5%

The blended (year-over-year) revenue decline for Q2 2020 is -10.5%, which is below the 5-year average revenue growth rate of 3.7%. If -10.5% is the actual decline for the quarter, it will mark the largest year-over-year decline in revenue for the index since Q3 2009 (-11.5%). One sector (Health Care) is reporting year-over-year growth in revenues. One sector (Utilities) is expected to report flat year-over-year revenues. The other nine sectors are reporting (or are predicted to report) a year-over-year decline in revenues, led by the Energy, Industrials, and Consumer Discretionary sectors.

Health Care: 2 of 6 Industries Reporting Year-Over-Year Growth

The Health Care sector is the only sector reporting (year-over-year) revenue growth of all eleven sectors at 0.9%. At the industry level, two of the six industries in this sector are reporting (or are predicted to report) year-over-year growth in revenues: Biotechnology (7%) and Health Care Providers & Services (4%). On the other hand, four industries are reporting (or are expected to report) a decline in revenue, led by the Health Care Equipment & Supplies (-19%) and the Life Sciences Tools & Services (-8%) industries.

Energy: 3 of 5 Sub-Industries Expected to Report Year-Over-Year Decline of More Than 40%

The Energy sector is expected to report the largest (year-over-year) decline in revenue of all eleven sectors at -42.9%. If -42.9% is the actual decline for the quarter, it will mark the largest year-over-year decline in revenue for the Energy sector since Q2 2009 (-45.3%). At the sub-industry level, all five sub-industries in the sector are predicted to report a year-over-year decline in revenue. Three of these five sub-industries are projected to report a decline in revenue of more than 40%: Oil & Gas Refining & Marketing (-47%), Oil & Gas Exploration & Production (-46%), and Integrated Oil & Gas (-44%).

Industrials: 6 of 12 Industries Reporting Year-Over-Year Decline of More Than 20%

The Industrials sector is reporting the second largest (year-over-year) revenue decline of all eleven sectors at -27.6%. If -27.6% is the actual decline for the quarter, it will mark the largest year-over-year decline in revenue for the Industrials sector since FactSet began tracking this data in Q3 2008. The current record is -15.6%, which occurred in Q2 2009. At the industry level, all twelve industries in this sector are reporting (or are predicted to report) a decline in revenues. Six of these twelve industries are reporting (or are projected to report) a decline in revenues of more than 20%: Airlines (-88%), Industrial Conglomerates (-31%), Machinery (-31%), Building Products (-25%), Electrical Equipment (-25%), and Road & Rail (-21%).

Consumer Discretionary: 4 of 11 Industries Reporting Year-Over-Year Decline of 45% or More

The Consumer Discretionary sector is reporting the third largest (year-over-year) revenue decline of all eleven sectors at -19.6%. If -19.6% is the actual decline for the quarter, it will mark the largest year-over-year decline in revenue for the Consumer Discretionary sector since FactSet began tracking this data in Q3 2008. The current record is -18.4%, which occurred in Q1 2009. At the industry level, seven of the eleven industries in this sector are reporting (or are expected to report) a decline in revenues. Four of these seven industries are reporting (or are projected to report) a decline in revenues of 45% or more: Hotels, Restaurants, & Leisure (-61%), Automobiles (-53%), Auto Components (-50%), and Textiles, Apparel, & Luxury Goods (-45%).

Looking Ahead: Forward Estimates and Valuation

Guidance: Small Number of S&P 500 Companies Issuing Q3 EPS Guidance 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, 5 companies in the index have issued EPS guidance for Q3 2020. Of these 5 companies, 1 has issued negative EPS guidance and 4 have issued positive EPS guidance. The percentage of companies issuing negative EPS guidance is 20% (1 out of 5), which is below the 5-year average of 69%.

Earnings: Analysts Expect Earnings Decline of -21.1% for CY 2020

For the second quarter, S&P 500 companies are reporting a decline in earnings of -44.0% and a decline in revenues of -10.5%. Analysts expect an earnings decline of -21.1% and a revenue decline of -3.7% for CY 2020.

For Q3 2020, analysts are projecting an earnings decline of -24.4% and a revenue decline of -5.4%.

For Q4 2020, analysts are projecting an earnings decline of -12.4% and a revenue decline of -1.8%.

For CY 2020, analysts are projecting an earnings decline of -21.1% and a revenue decline of -3.7%.

For Q1 2021, analysts are projecting earnings growth of 12.1% and revenue growth of 2.8%.

For CY 2021, analysts are projecting earnings growth of 28.0% and revenue growth of 8.4%.

Valuation: Forward P/E Ratio is 22.3, Above the 10-Year Average (15.2)

The forward 12-month P/E ratio is 22.3. This P/E ratio is above the 5-year average of 16.9 and above the 10-year average of 15.2. It is also above the forward 12-month P/E ratio of 21.7 recorded at the end of the second quarter (June 30). Since the end of the second quarter (June 30), the price of the index has increased by 3.7%, while the forward 12-month EPS estimate has increased by 1.0%.

At the sector level, the Consumer Discretionary (46.6) sector has the highest forward 12-month P/E ratio, while the Financials (14.7) sector has the lowest forward 12-month P/E ratio.

Targets & Ratings: Analysts Project 6% Increase in Price Over Next 12 Months

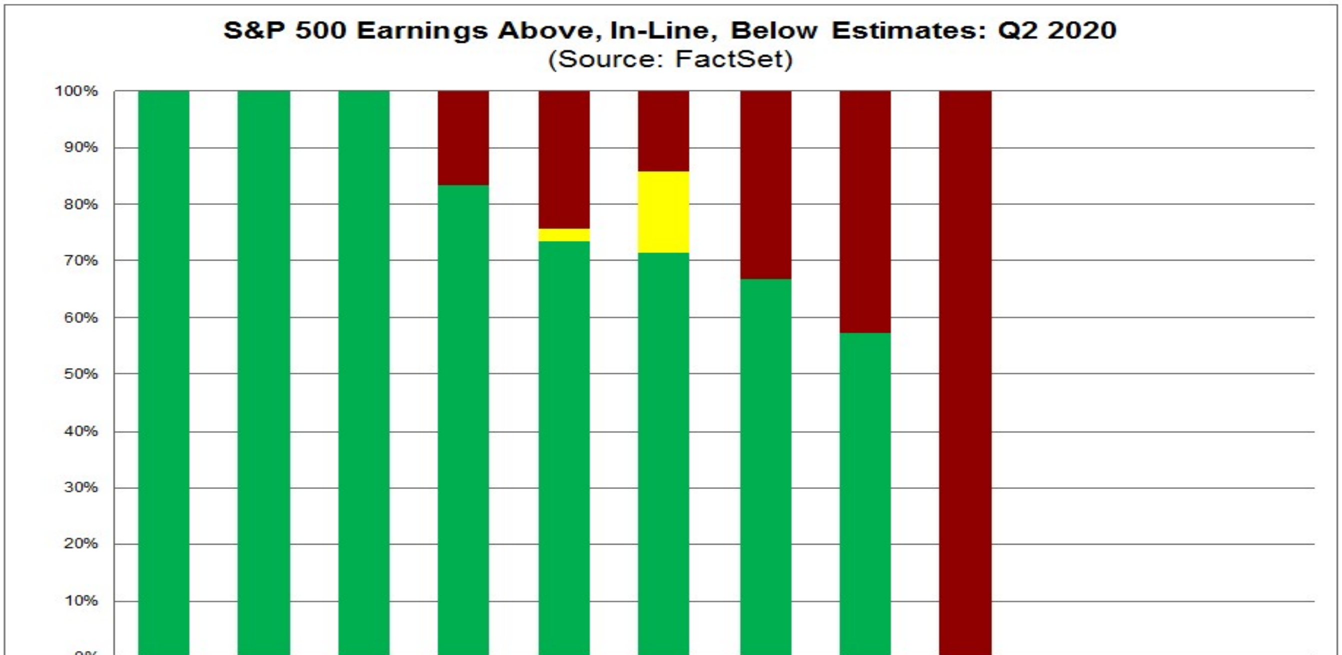
The bottom-up target price for the S&P 500 is 3404.37, which is 5.9% above the closing price of 3215.57. At the sector level, the Energy (+14.3%) and Financials (+10.6%) sectors are expected to see the largest price increases, as these sectors have the largest upside differences between the bottom-up target price and the closing price. On the other hand, the Materials (+0.7%) and Consumer Discretionary (+1.1%) 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 10,254 ratings on stocks in the S&P 500. Of these 10,254 ratings, 52.6% are Buy ratings, 40.8% are Hold ratings, and 6.5% are Sell ratings. At the sector level, the Energy (62%) and Health Care (61%) sectors have the highest percentages of Buy ratings, while the Consumer Staples (45%) and Financials (46%) sectors have the lowest percentages of Buy ratings.

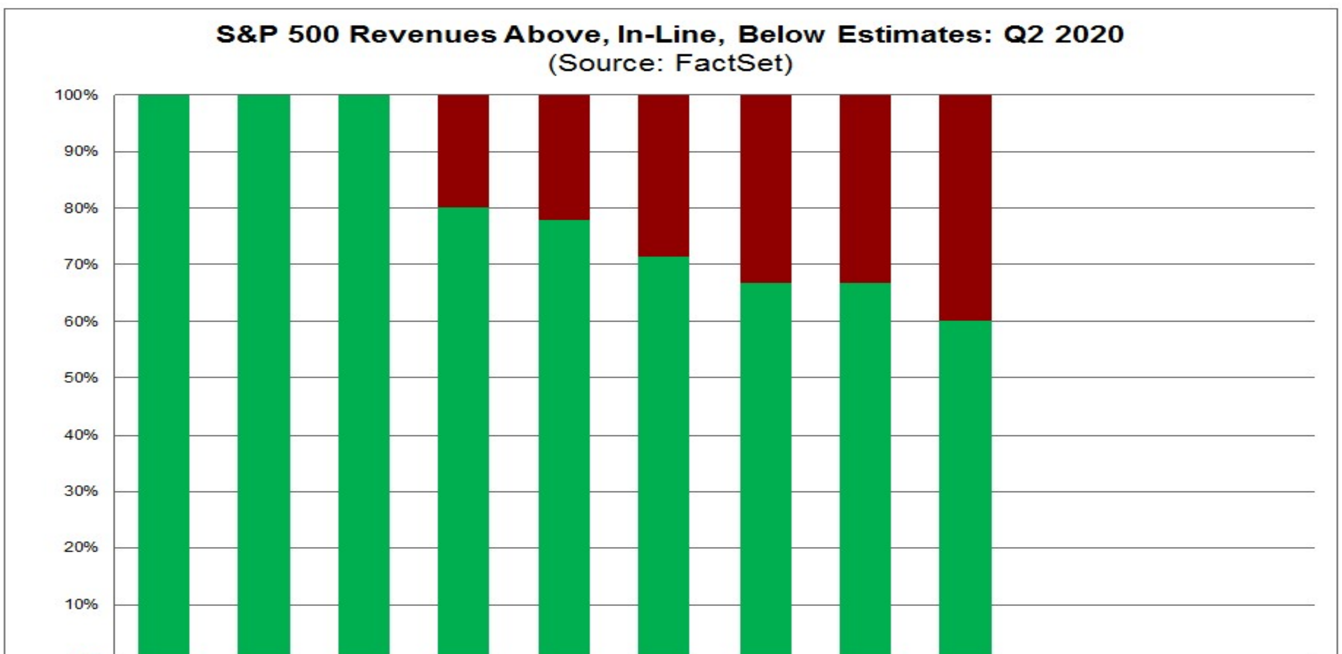
Companies Reporting Next Week: 92

During the upcoming week, 92 S&P 500 companies (including 8 Dow 30 components) are scheduled to report results for the second quarter.

Q2 2020: Scorecard

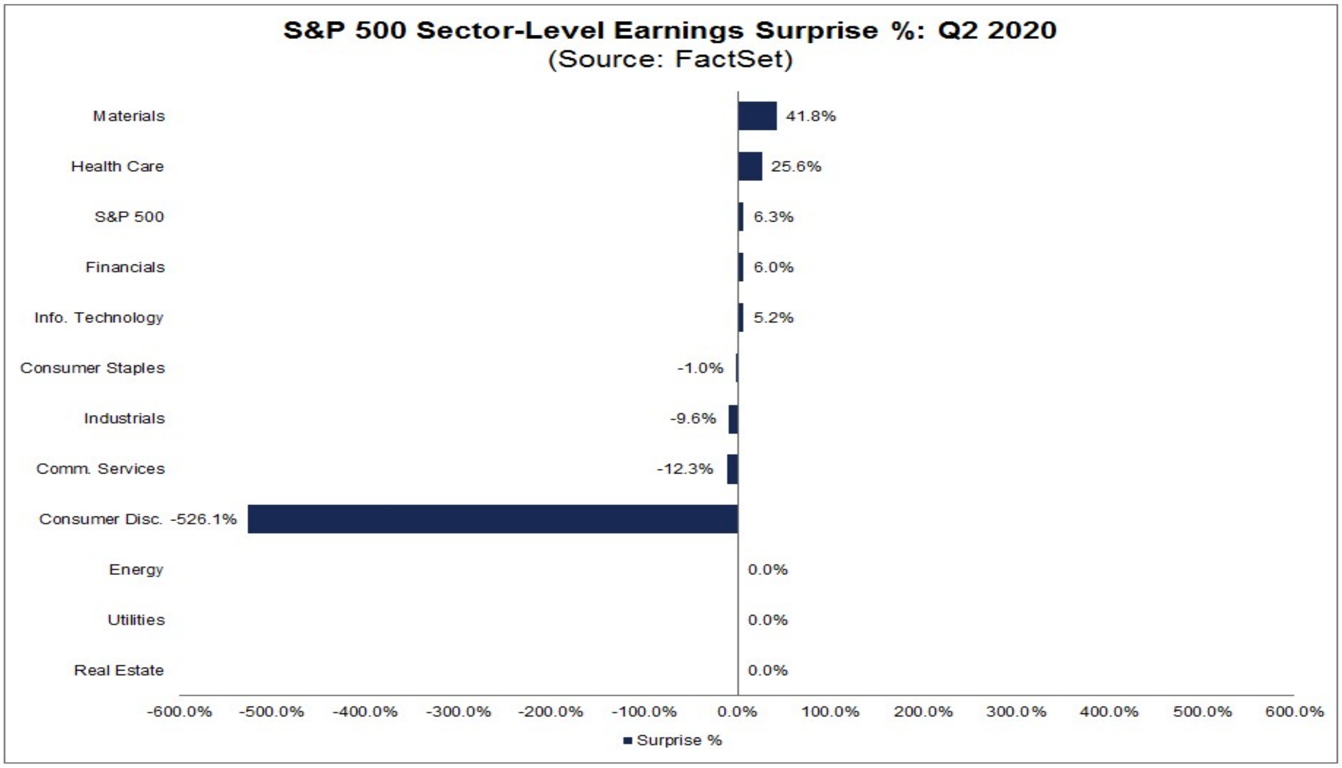


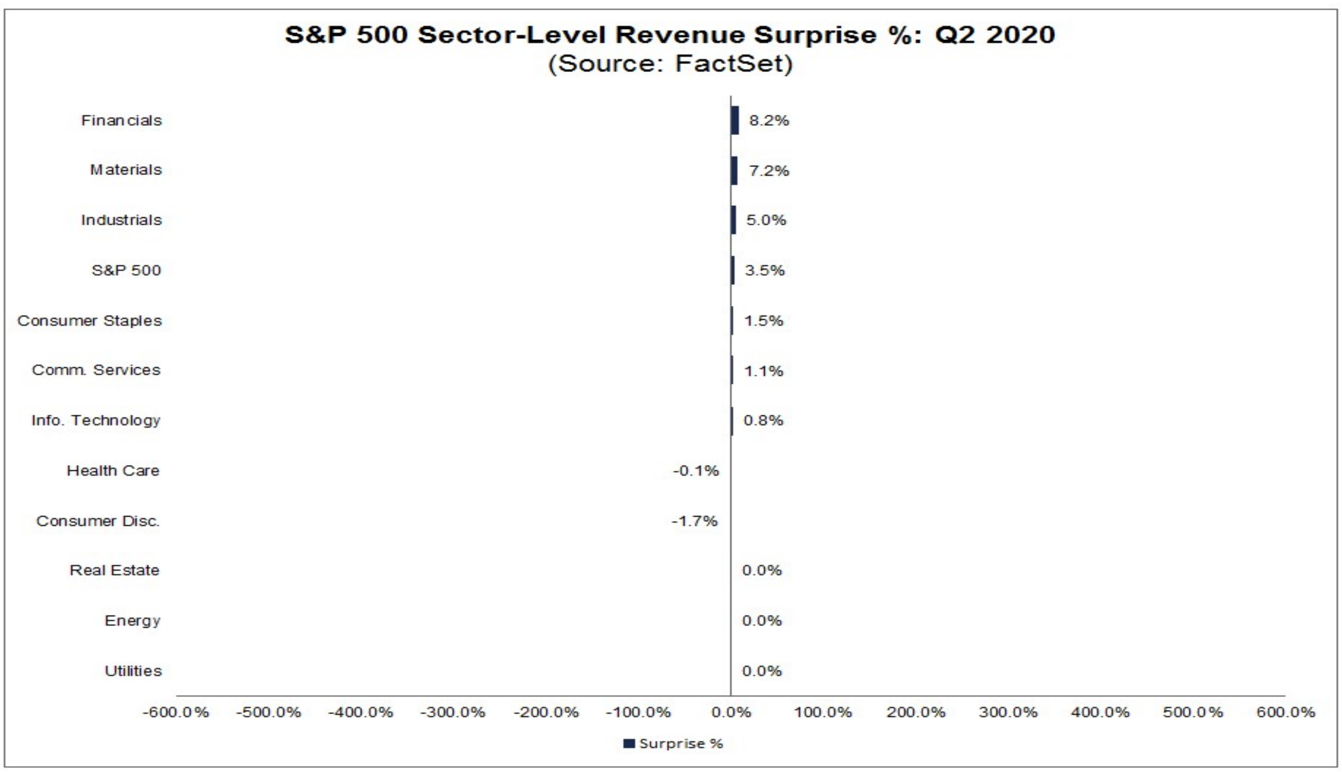
	Info. Technology	Health Care	Materials	Industrials	S&P 500	Consumer Staples	Financials	Consumer Disc.	Comm. Services	Energy	Utilities	Real Estate
Below	0%	0%	0%	17%	24%	14%	33%	43%	100%	0%	0%	0%
In-Line	0%	0%	0%	0%	2%	14%	0%	0%	0%	0%	0%	0%
Above	100%	100%	100%	83%	73%	71%	67%	57%	0%	0%	0%	0%



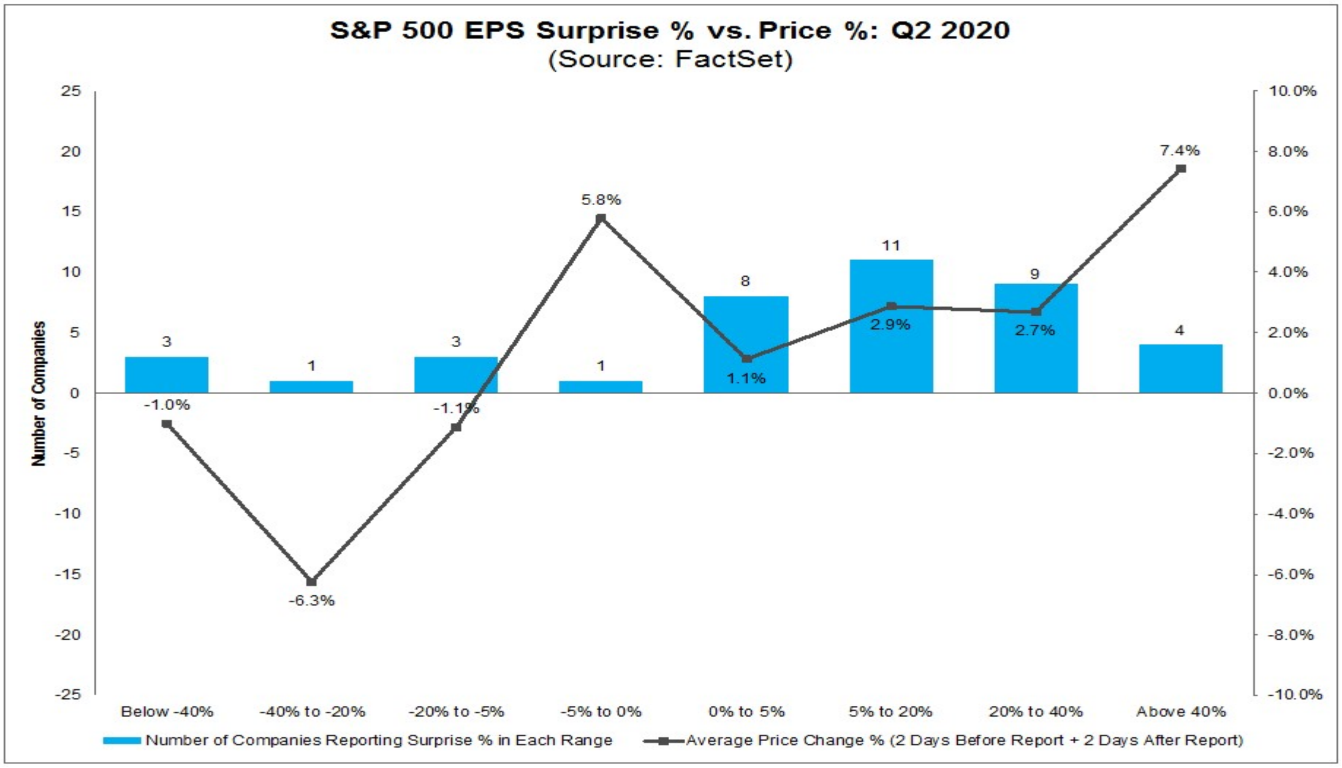
	Consumer Staples	Materials	Comm. Services	Financials	S&P 500	Consumer Disc.	Industrials	Health Care	Info. Technology	Real Estate	Energy	Utilities
Below	0%	0%	0%	20%	22%	29%	33%	33%	40%	0%	0%	0%
In-Line	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Above	100%	100%	100%	80%	78%	71%	67%	67%	60%	0%	0%	0%

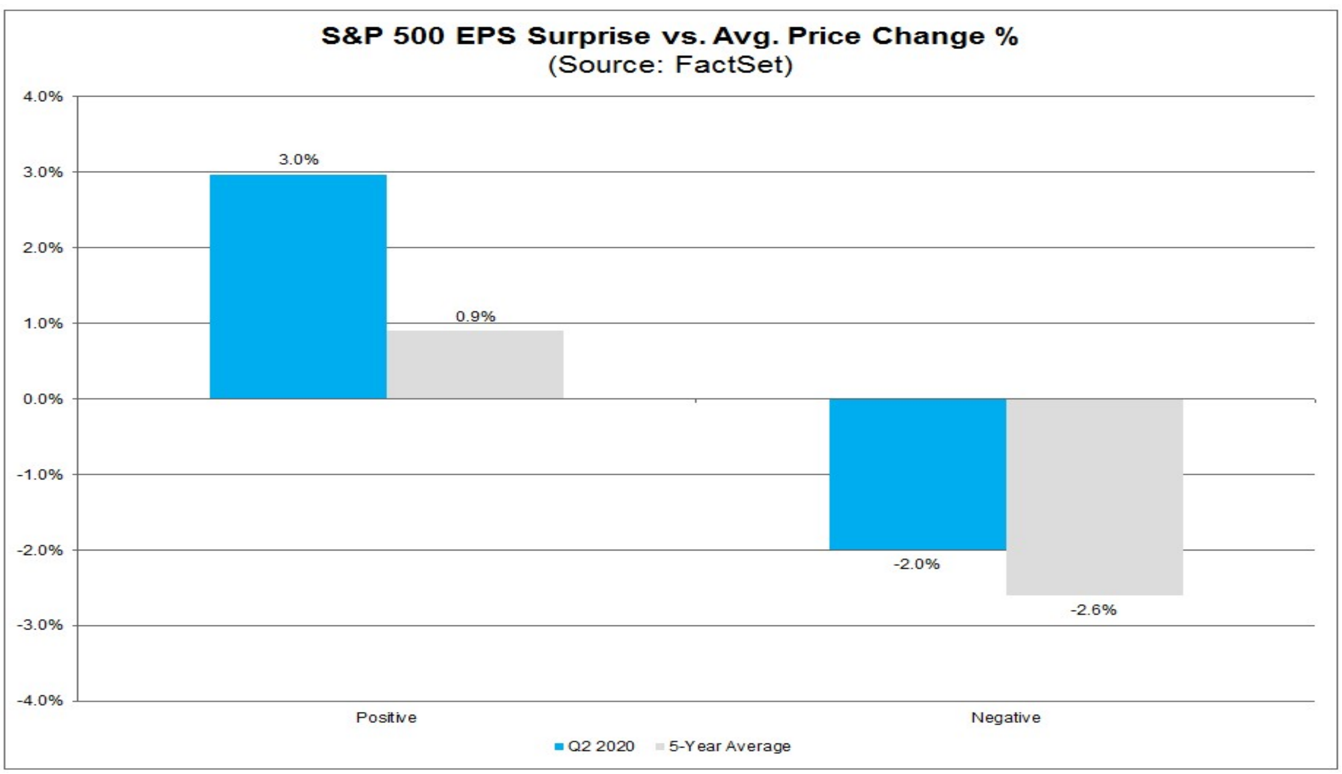
Q2 2020: Scorecard



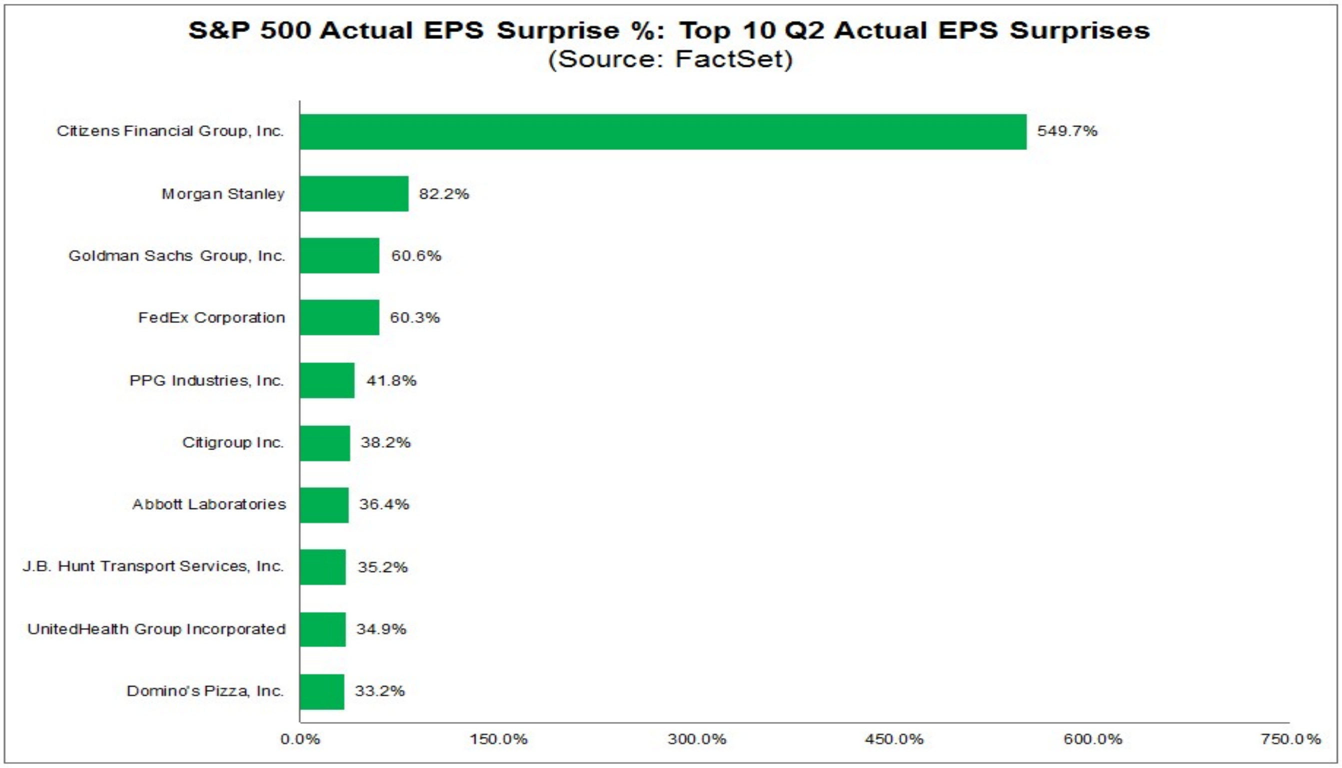


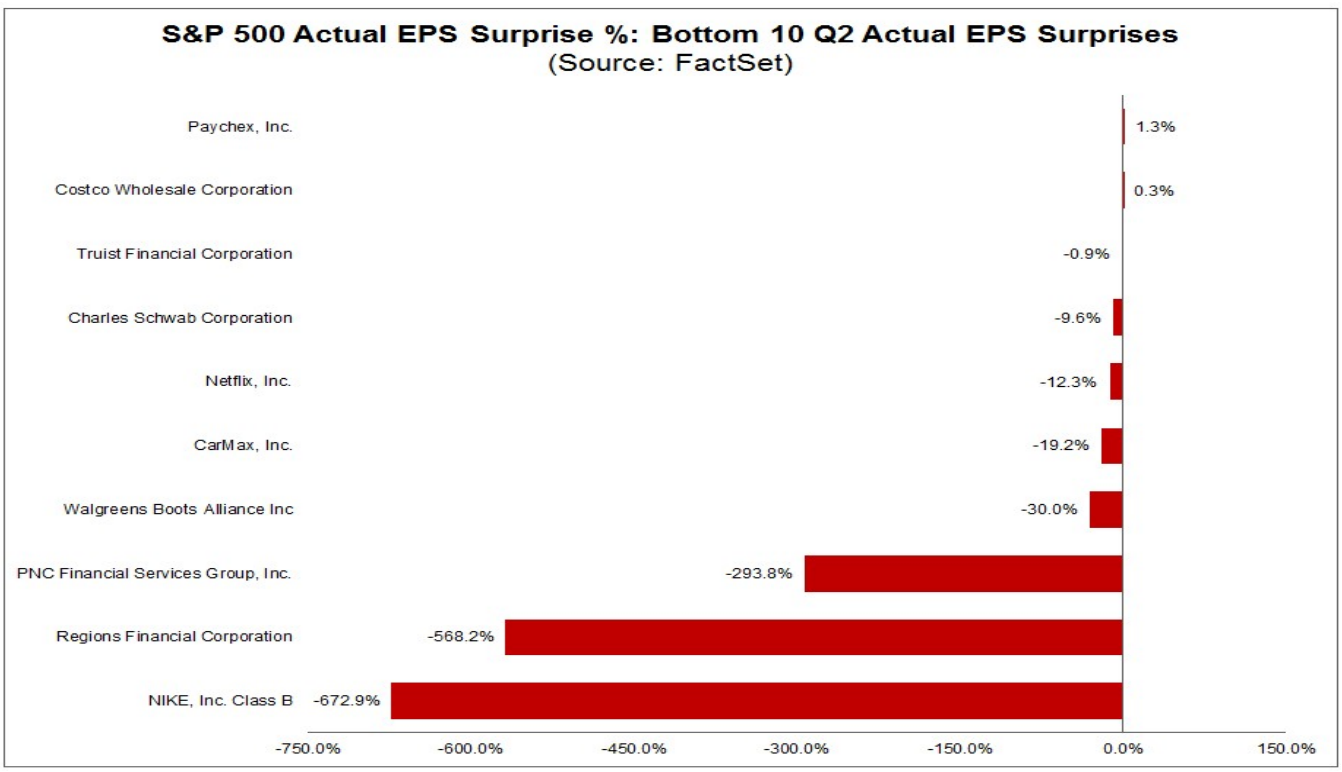
Q2 2020: Scorecard



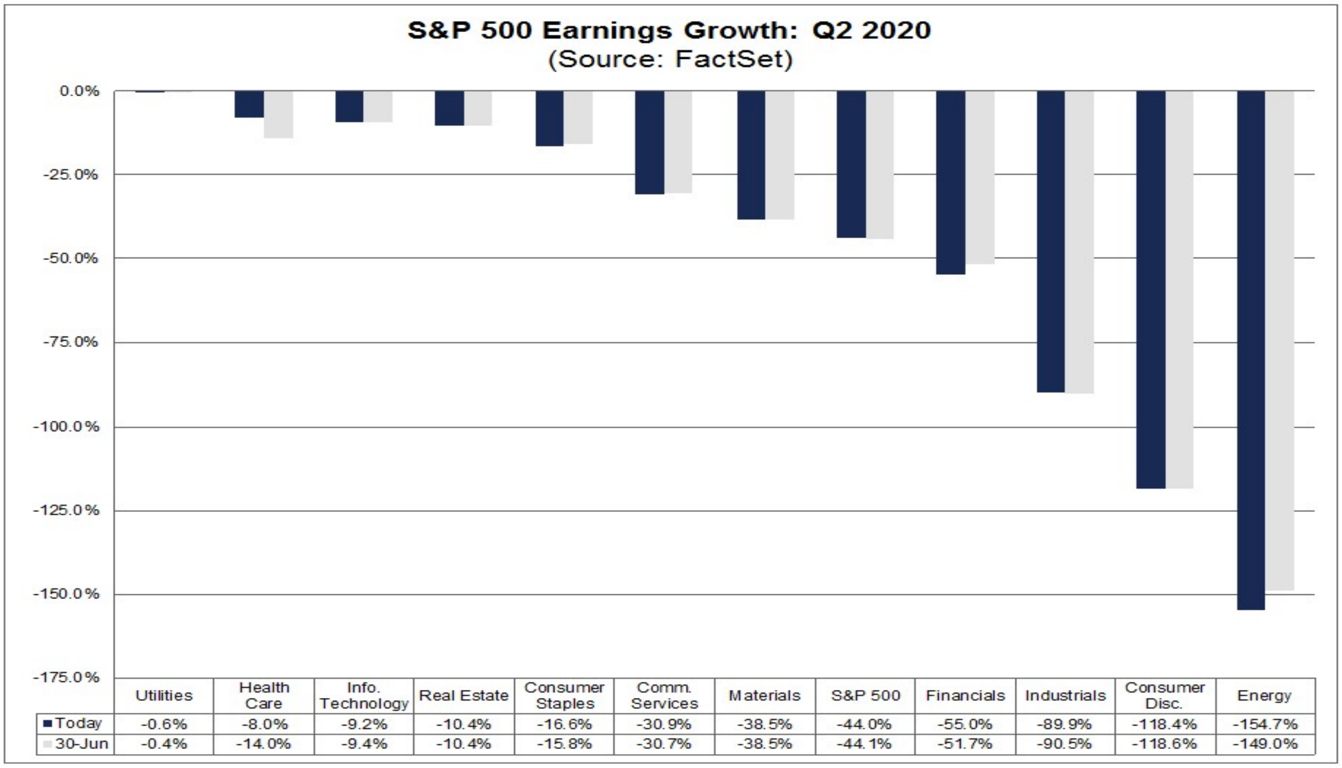


Q2 2020: Scorecard

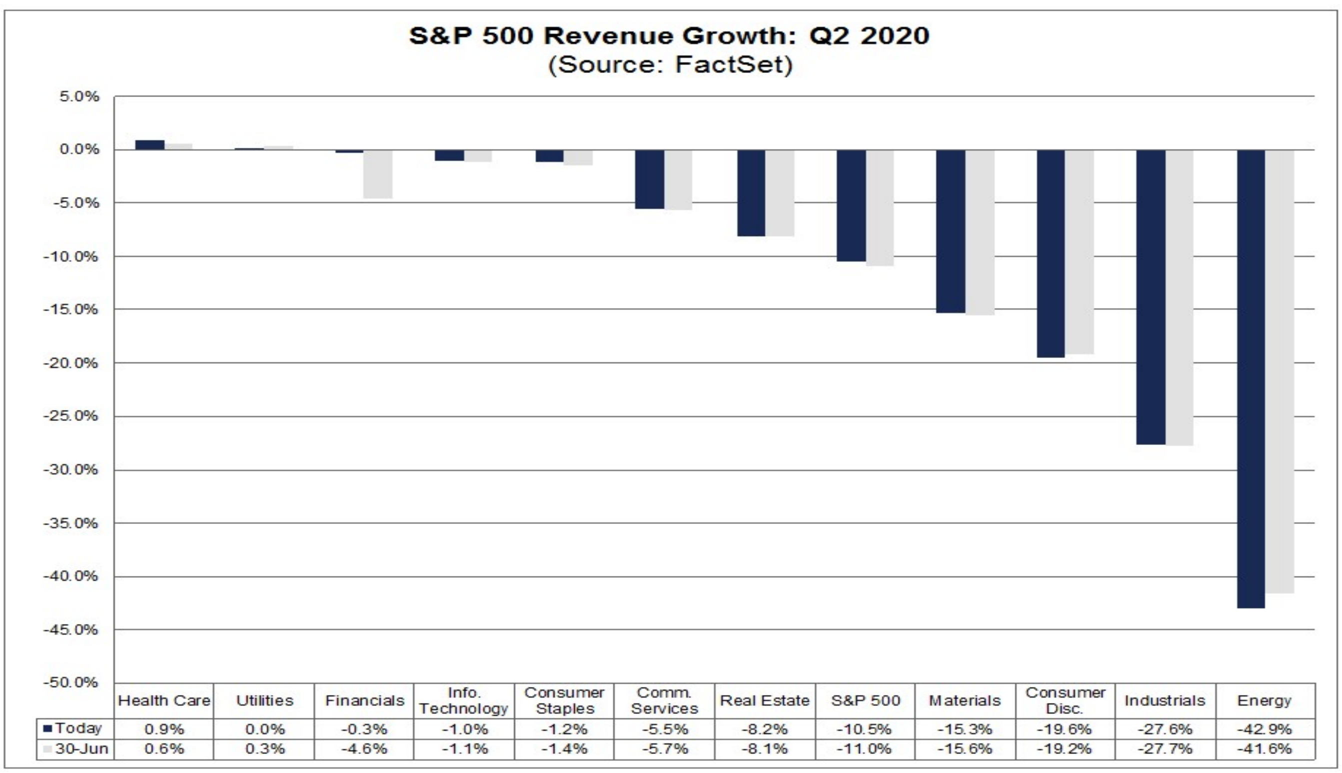




Q2 2020: Growth

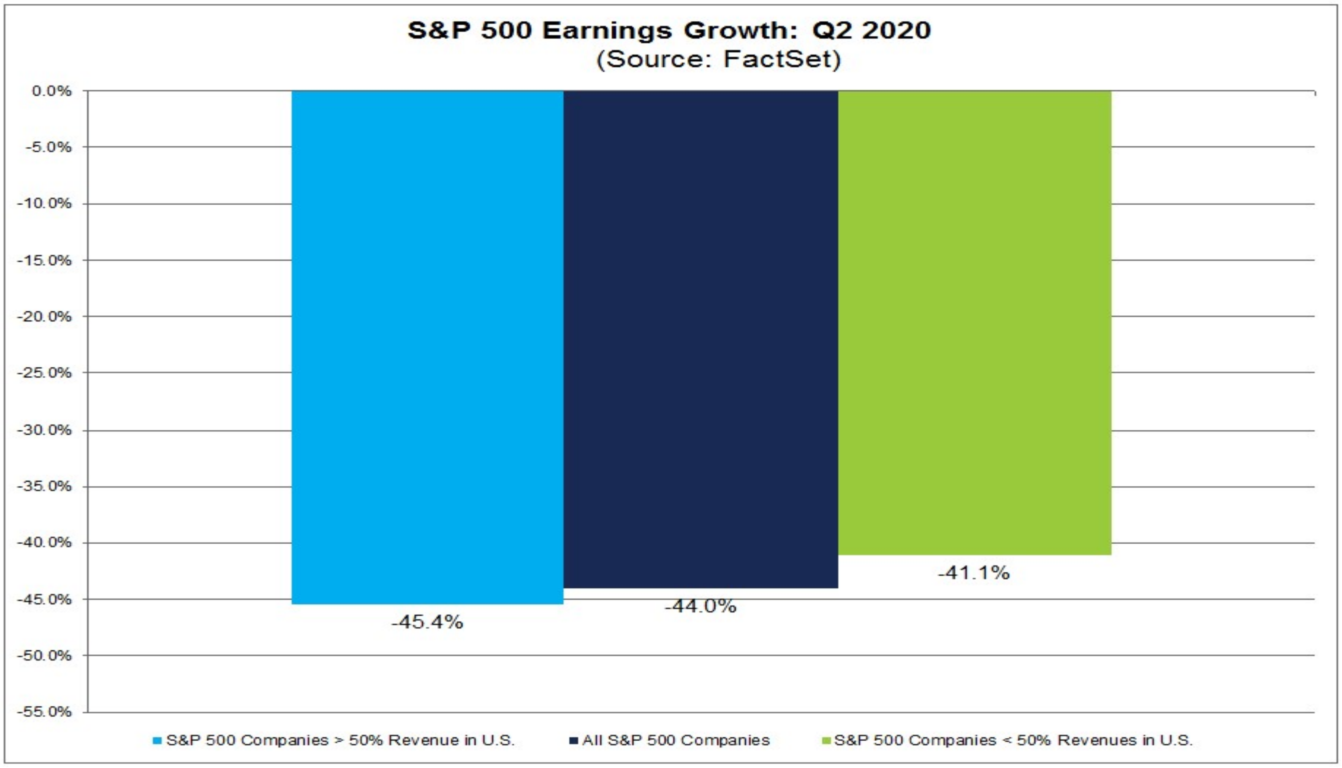


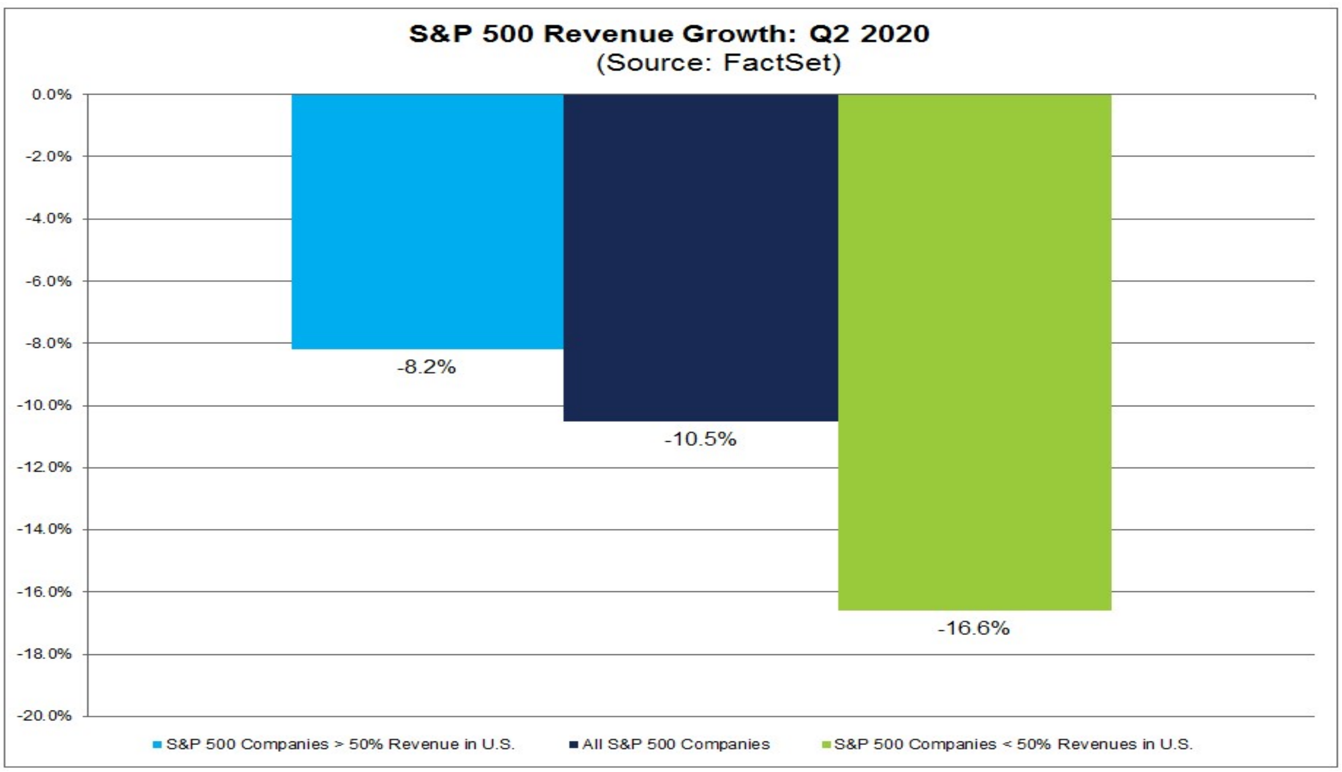
	Utilities	Health Care	Info. Technology	Real Estate	Consumer Staples	Comm. Services	Materials	S&P 500	Financials	Industrials	Consumer Disc.	Energy
Today	-0.6%	-8.0%	-9.2%	-10.4%	-16.6%	-30.9%	-38.5%	-44.0%	-55.0%	-89.9%	-118.4%	-154.7%
30-Jun	-0.4%	-14.0%	-9.4%	-10.4%	-15.8%	-30.7%	-38.5%	-44.1%	-51.7%	-90.5%	-118.6%	-149.0%



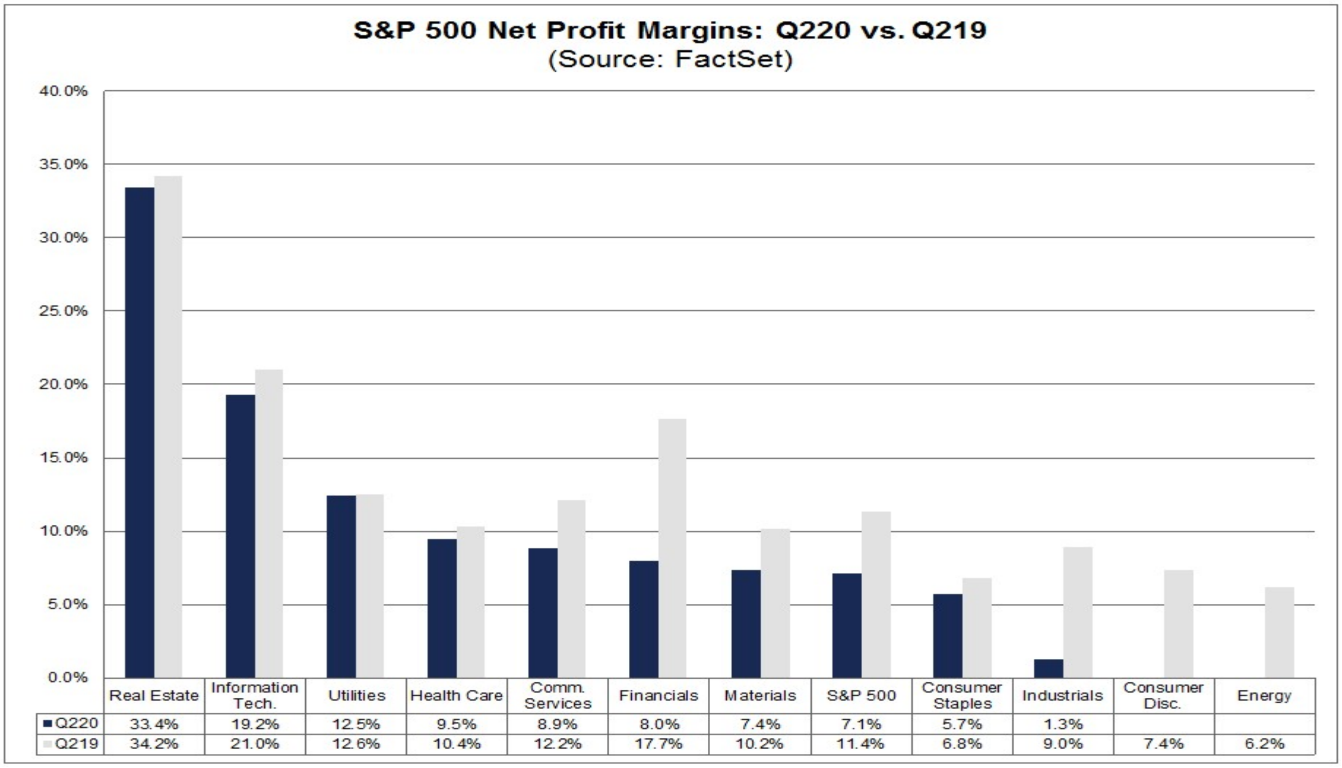
	Health Care	Utilities	Financials	Info. Technology	Consumer Staples	Comm. Services	Real Estate	S&P 500	Materials	Consumer Disc.	Industrials	Energy
Today	0.9%	0.0%	-0.3%	-1.0%	-1.2%	-5.5%	-8.2%	-10.5%	-15.3%	-19.6%	-27.6%	-42.9%
30-Jun	0.6%	0.3%	-4.6%	-1.1%	-1.4%	-5.7%	-8.1%	-11.0%	-15.6%	-19.2%	-27.7%	-41.6%

Q2 2020: Growth

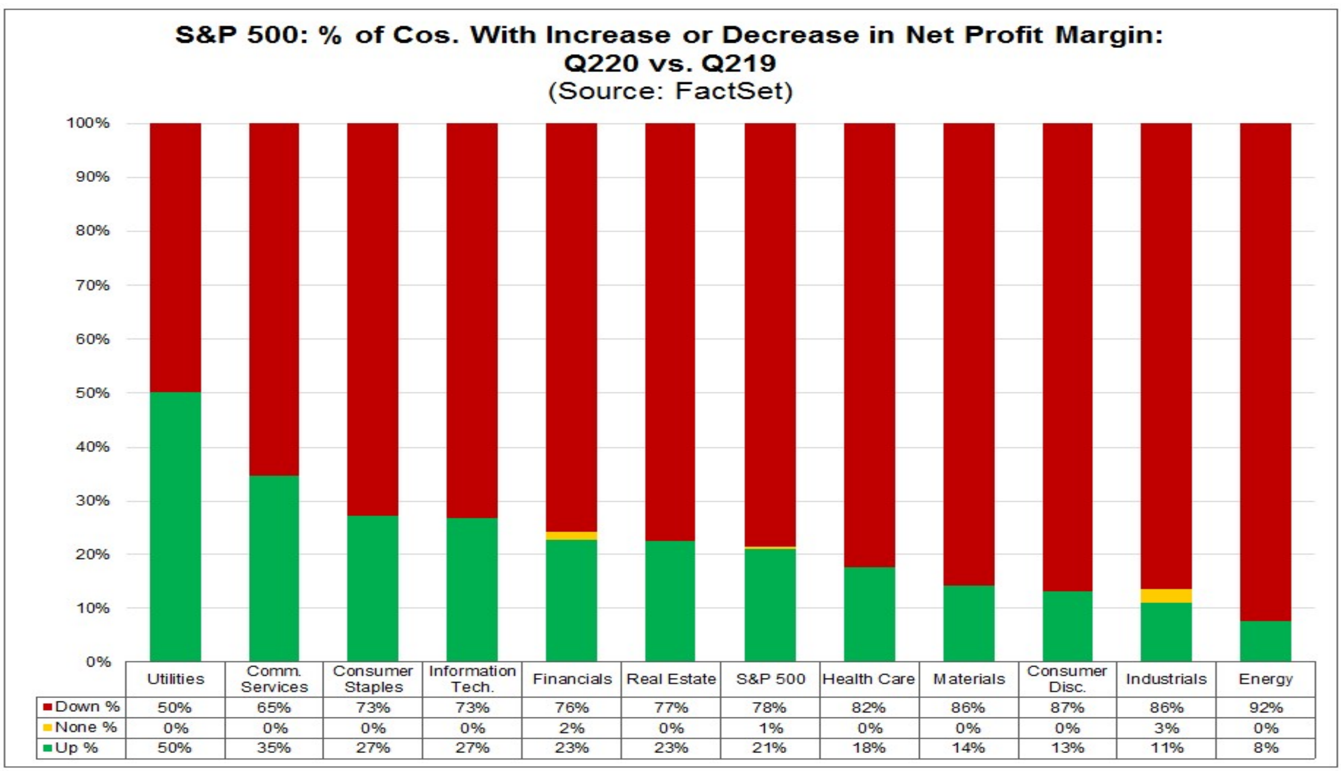




Q2 2020: Net Profit Margin

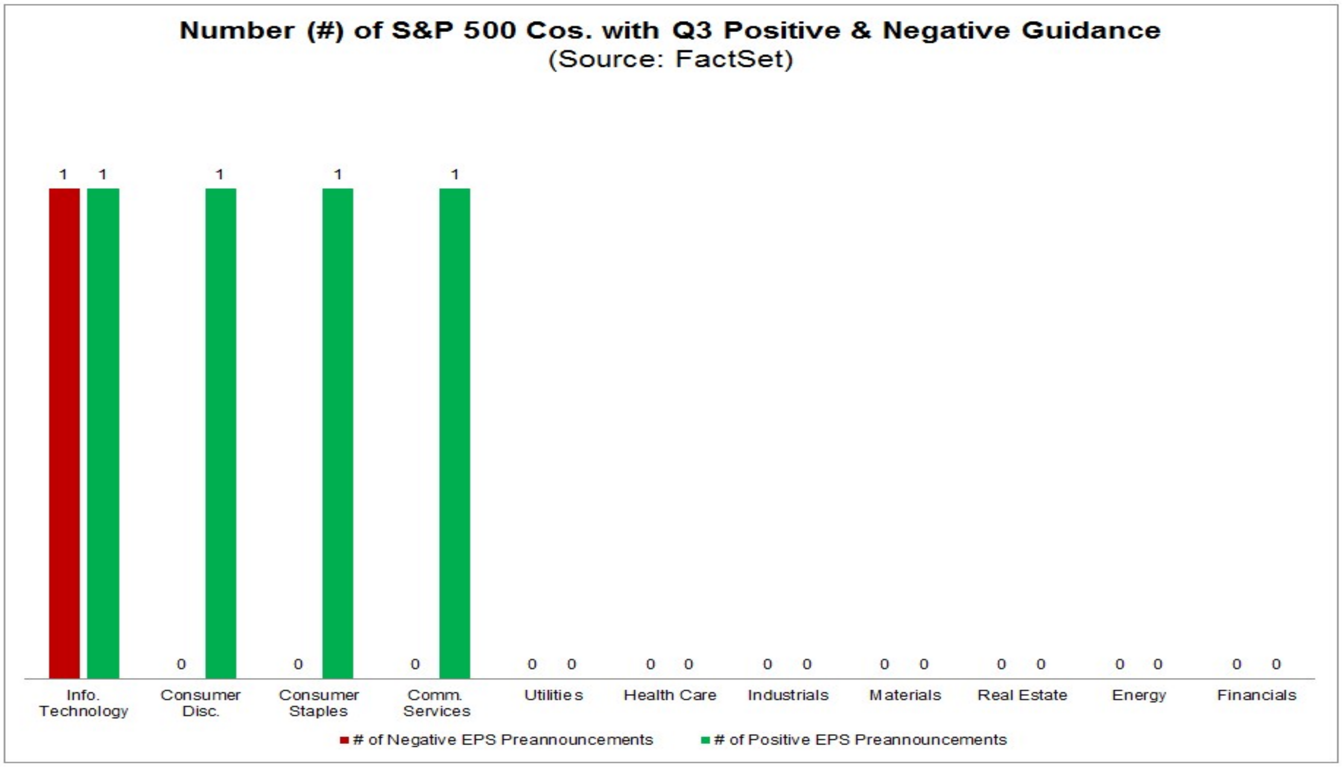


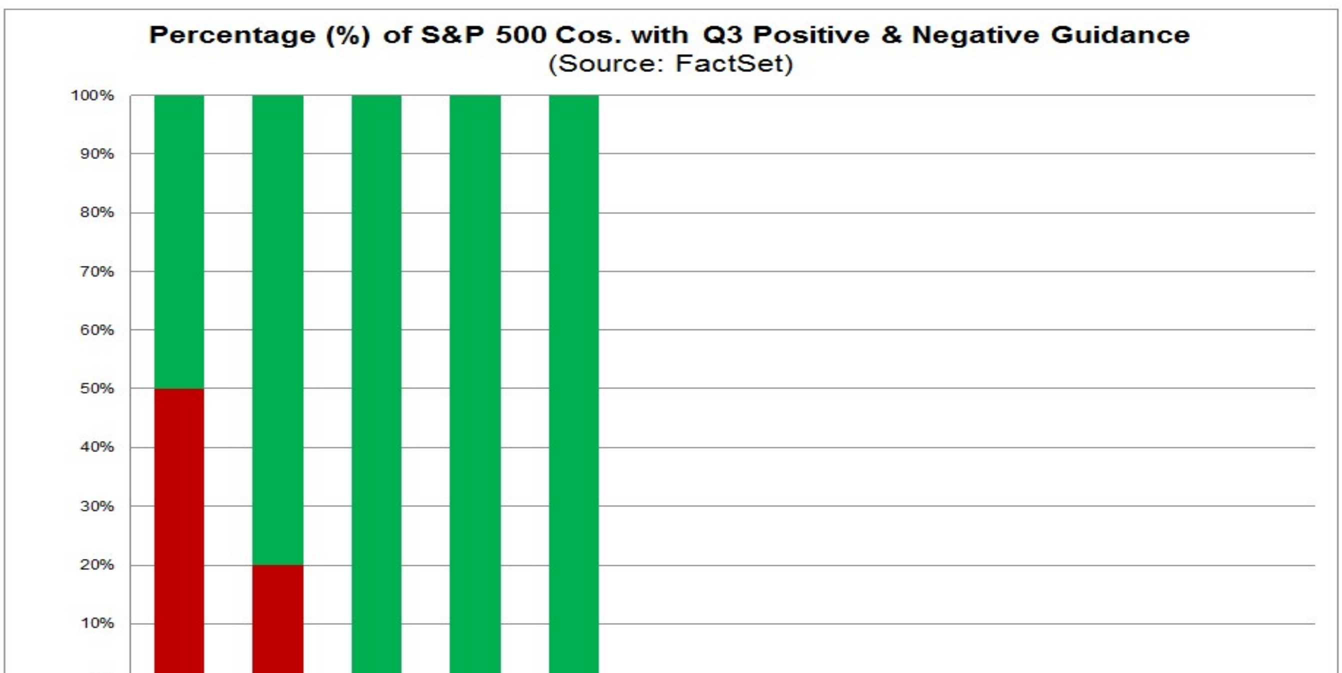
	Real Estate	Information Tech.	Utilities	Health Care	Comm. Services	Financials	Materials	S&P 500	Consumer Staples	Industrials	Consumer Disc.	Energy
Q220	33.4%	19.2%	12.5%	9.5%	8.9%	8.0%	7.4%	7.1%	5.7%	1.3%		
Q219	34.2%	21.0%	12.6%	10.4%	12.2%	17.7%	10.2%	11.4%	6.8%	9.0%	7.4%	6.2%



	Utilities	Comm. Services	Consumer Staples	Information Tech.	Financials	Real Estate	S&P 500	Health Care	Materials	Consumer Disc.	Industrials	Energy
Down %	50%	65%	73%	73%	76%	77%	78%	82%	86%	87%	86%	92%
None %	0%	0%	0%	0%	2%	0%	1%	0%	0%	0%	3%	0%
Up %	50%	35%	27%	27%	23%	23%	21%	18%	14%	13%	11%	8%

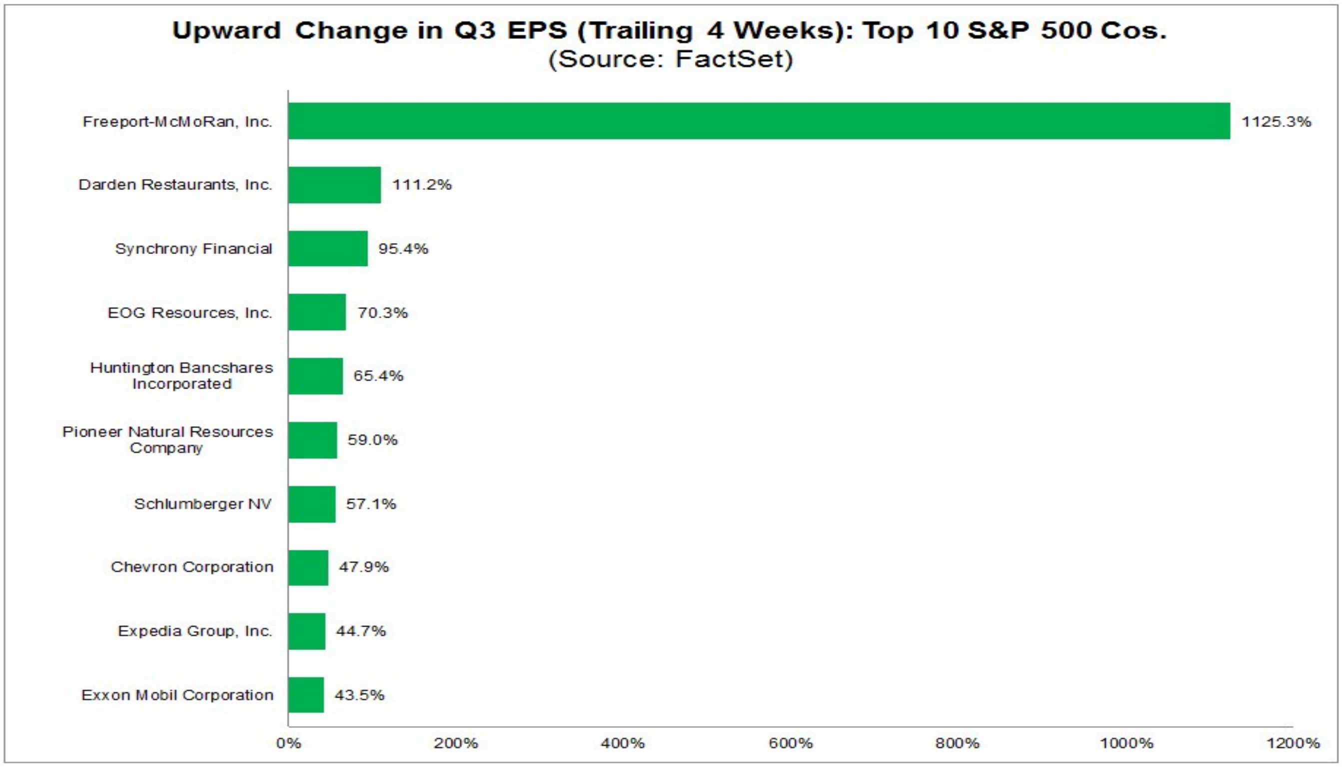
Q3 2020: EPS Guidance

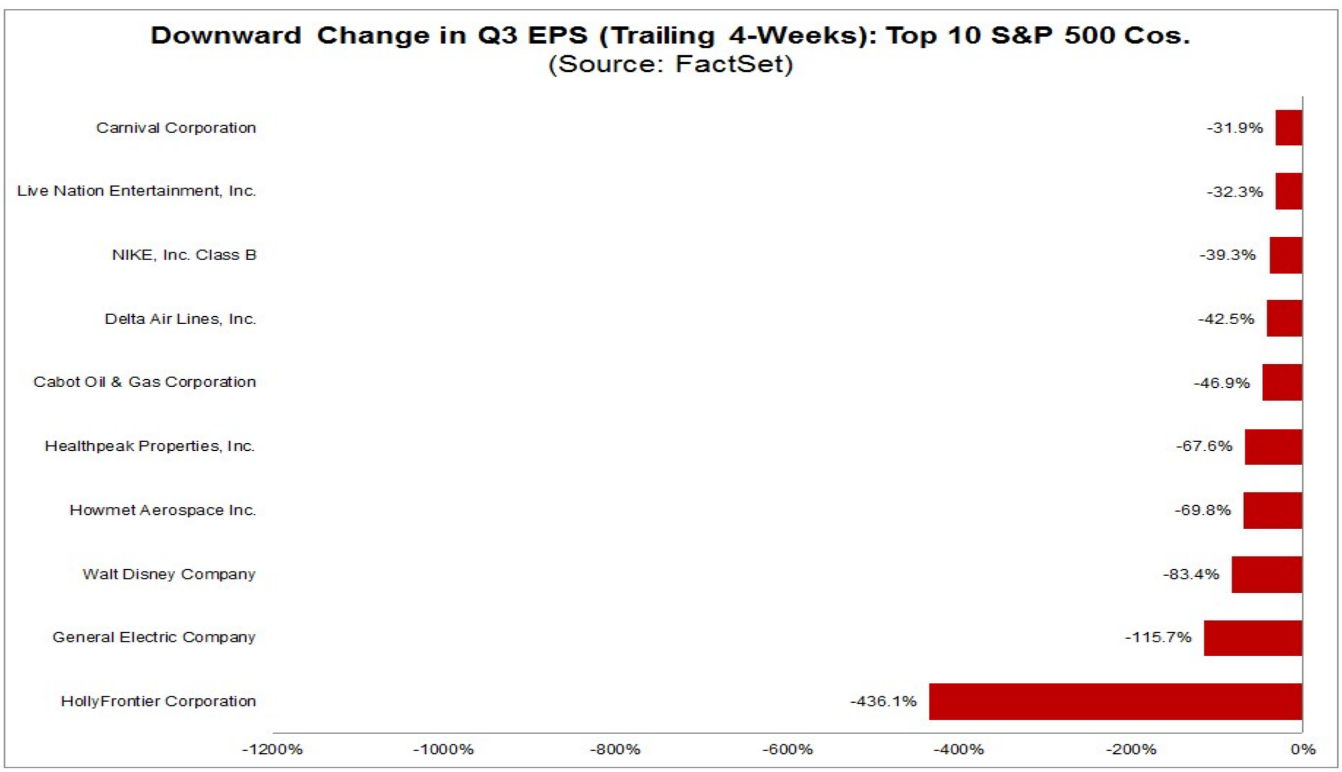




	Info. Technology	S&P 500	Consumer Disc.	Consumer Staples	Comm. Services	Utilities	Industrials	Health Care	Materials	Real Estate	Energy	Financials
Positive	50%	80%	100%	100%	100%	0%	0%	0%	0%	0%	0%	0%
Negative	50%	20%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%

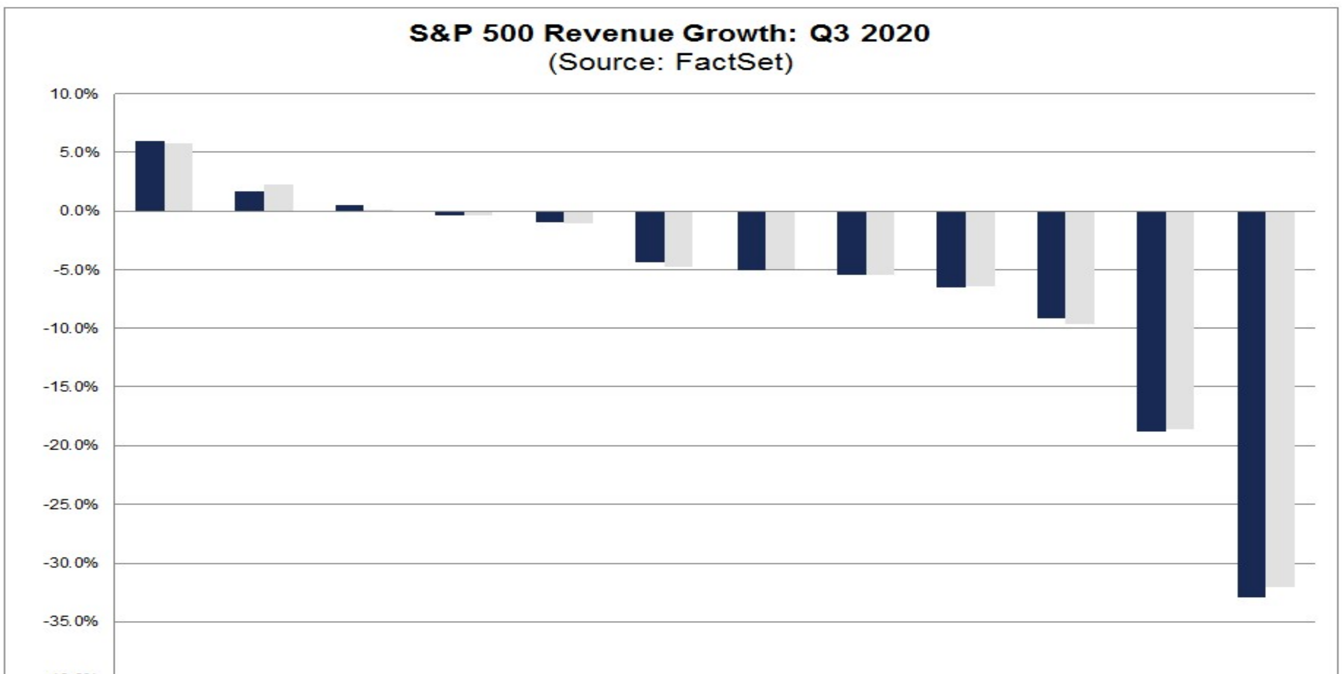
Q3 2020: EPS Revisions





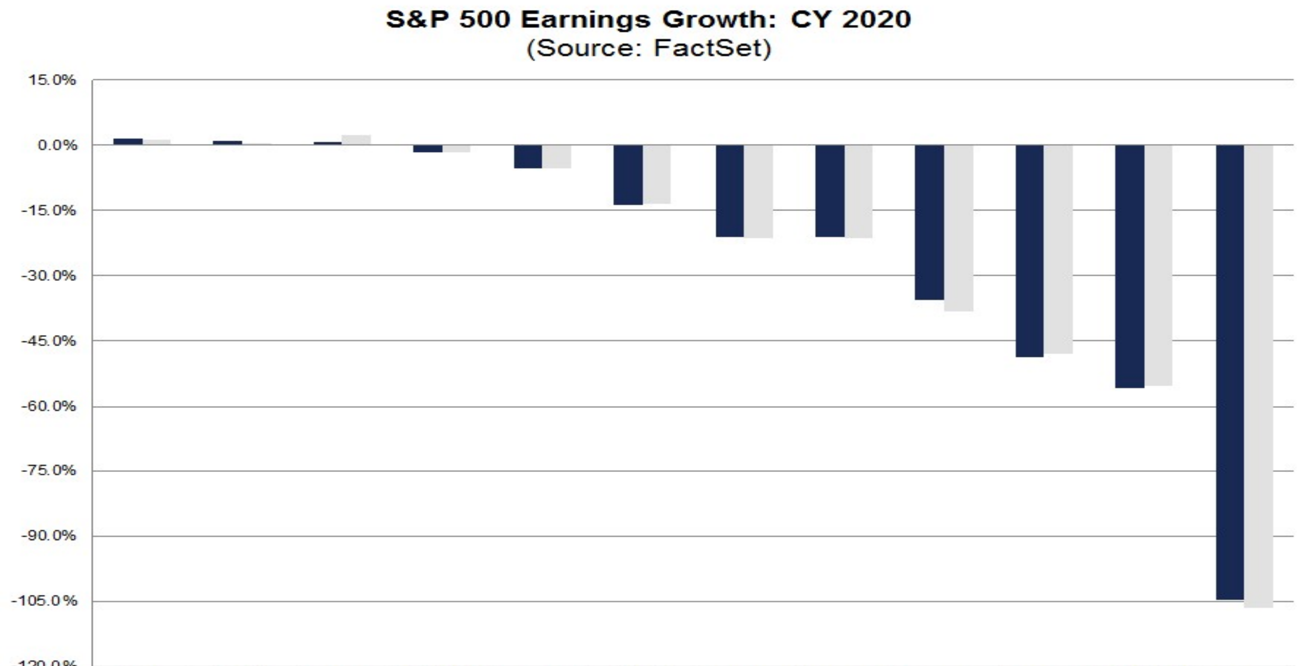
Q3 2020: Growth

	Utilities	Health Care	Info. Technology	Consumer Staples	Real Estate	Comm. Services	Materials	S&P 500	Financials	Consumer Disc.	Industrials	Energy
Today	-0.1%	-2.7%	-5.4%	-6.3%	-8.8%	-20.9%	-24.2%	-24.4%	-28.4%	-53.3%	-60.0%	-112.2%
30-Jun	1.2%	-2.1%	-5.5%	-5.2%	-8.6%	-20.6%	-25.2%	-25.3%	-34.4%	-52.6%	-59.2%	-119.6%

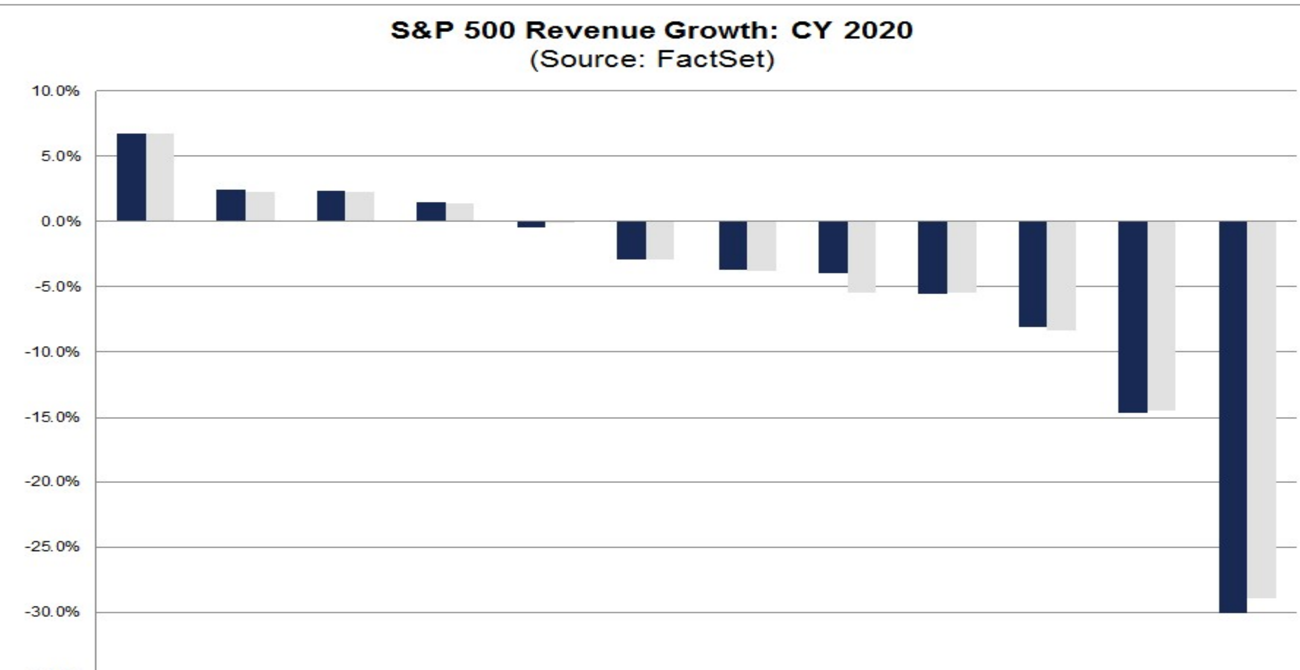


	Health Care	Utilities	Consumer Staples	Comm. Services	Info. Technology	Financials	Real Estate	S&P 500	Consumer Disc.	Materials	Industrials	Energy
Today	6.0%	1.7%	0.5%	-0.4%	-0.9%	-4.4%	-5.0%	-5.4%	-6.5%	-9.2%	-18.8%	-32.9%
30-Jun	5.7%	2.2%	0.1%	-0.3%	-1.1%	-4.8%	-5.0%	-5.5%	-6.4%	-9.6%	-18.6%	-32.1%

CY 2020: Growth

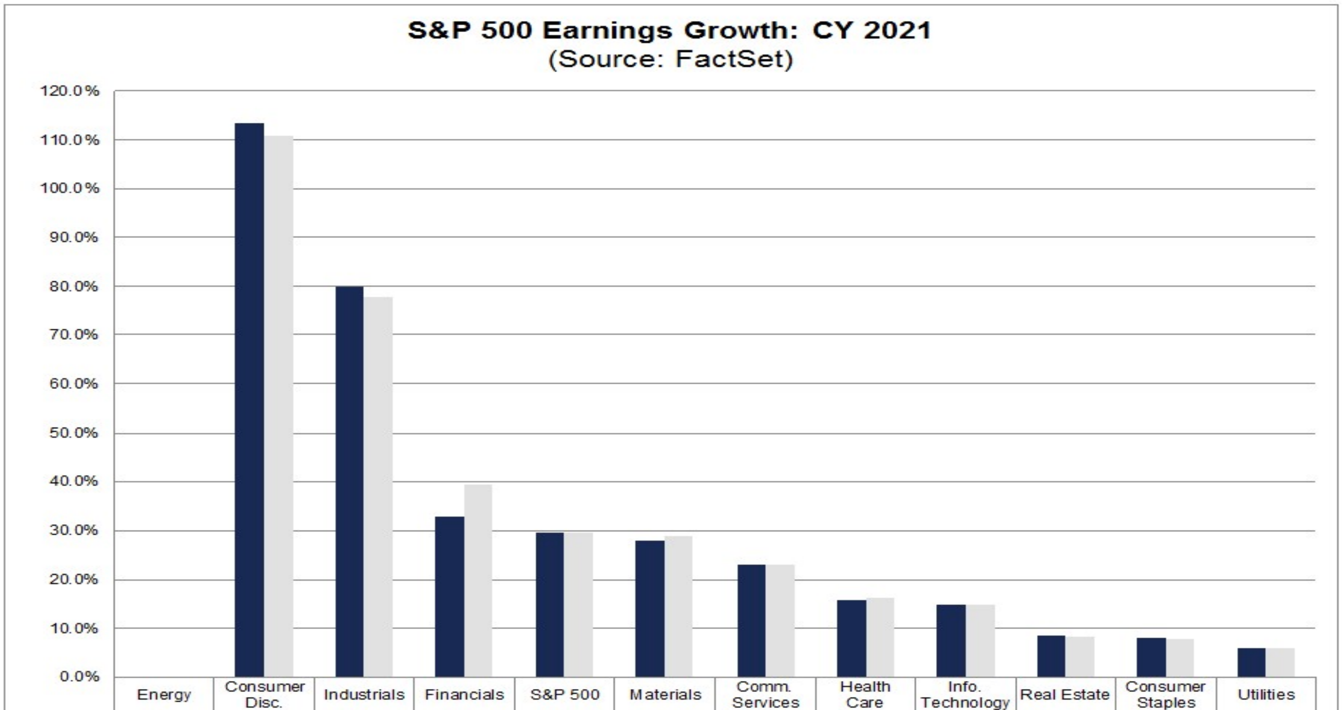


	Info. Technology	Health Care	Utilities	Consumer Staples	Real Estate	Comm. Services	S&P 500	Materials	Financials	Industrials	Consumer Disc.	Energy
Today	1.4%	1.1%	0.7%	-1.7%	-5.4%	-13.8%	-21.1%	-21.3%	-35.9%	-49.0%	-56.2%	-104.5%
30-Jun	1.2%	0.4%	2.4%	-1.6%	-5.3%	-13.7%	-21.6%	-21.6%	-38.4%	-48.2%	-55.6%	-106.4%

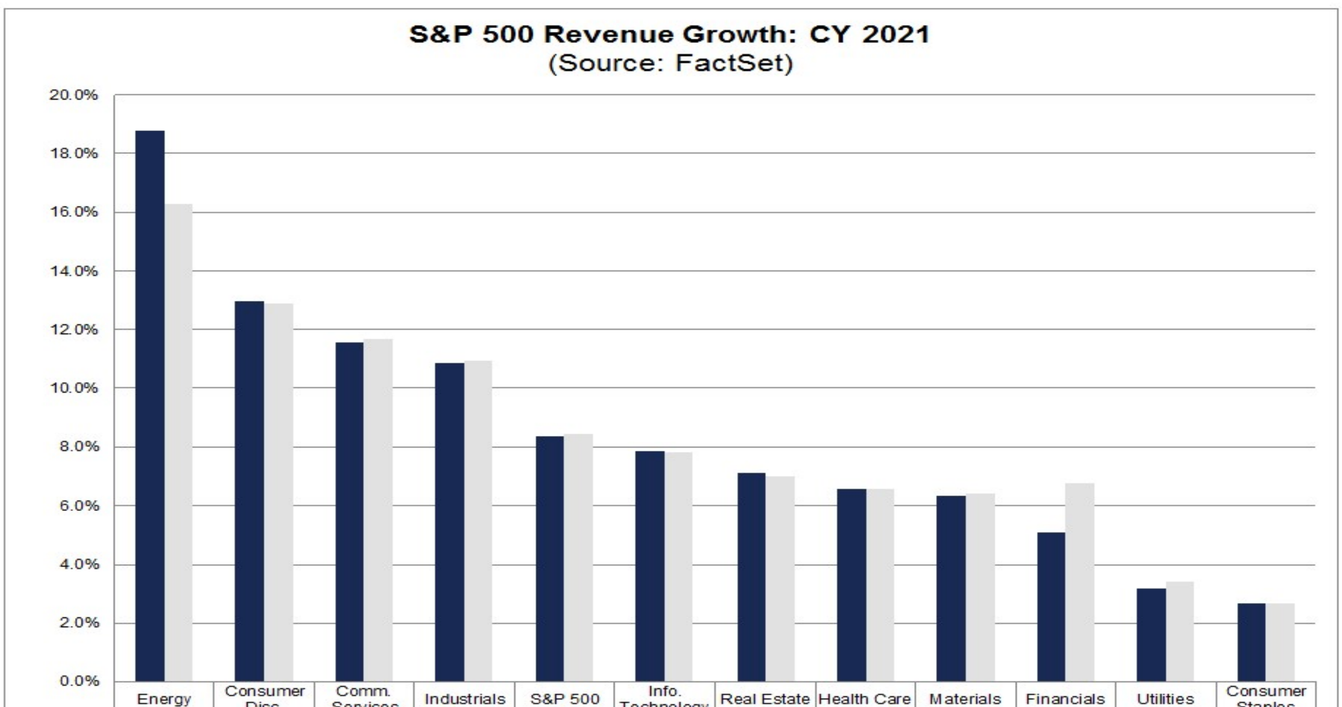


	Health Care	Consumer Staples	Info. Technology	Comm. Services	Utilities	Real Estate	S&P 500	Financials	Consumer Disc.	Materials	Industrials	Energy
Today	6.7%	2.4%	2.4%	1.4%	-0.5%	-2.9%	-3.7%	-4.0%	-5.6%	-8.1%	-14.7%	-30.0%
30-Jun	6.7%	2.2%	2.3%	1.3%	-0.2%	-2.9%	-3.8%	-5.5%	-5.5%	-8.4%	-14.5%	-28.9%

CY 2021: Growth

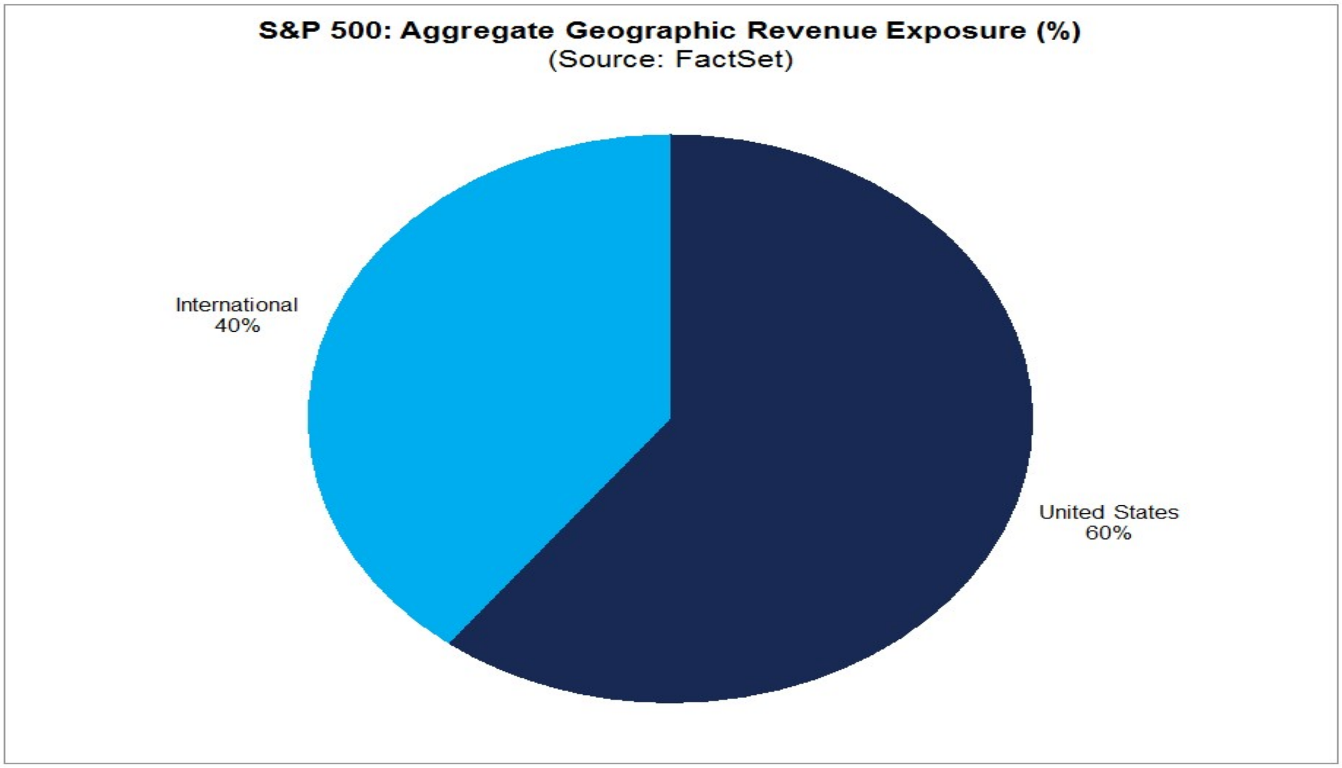


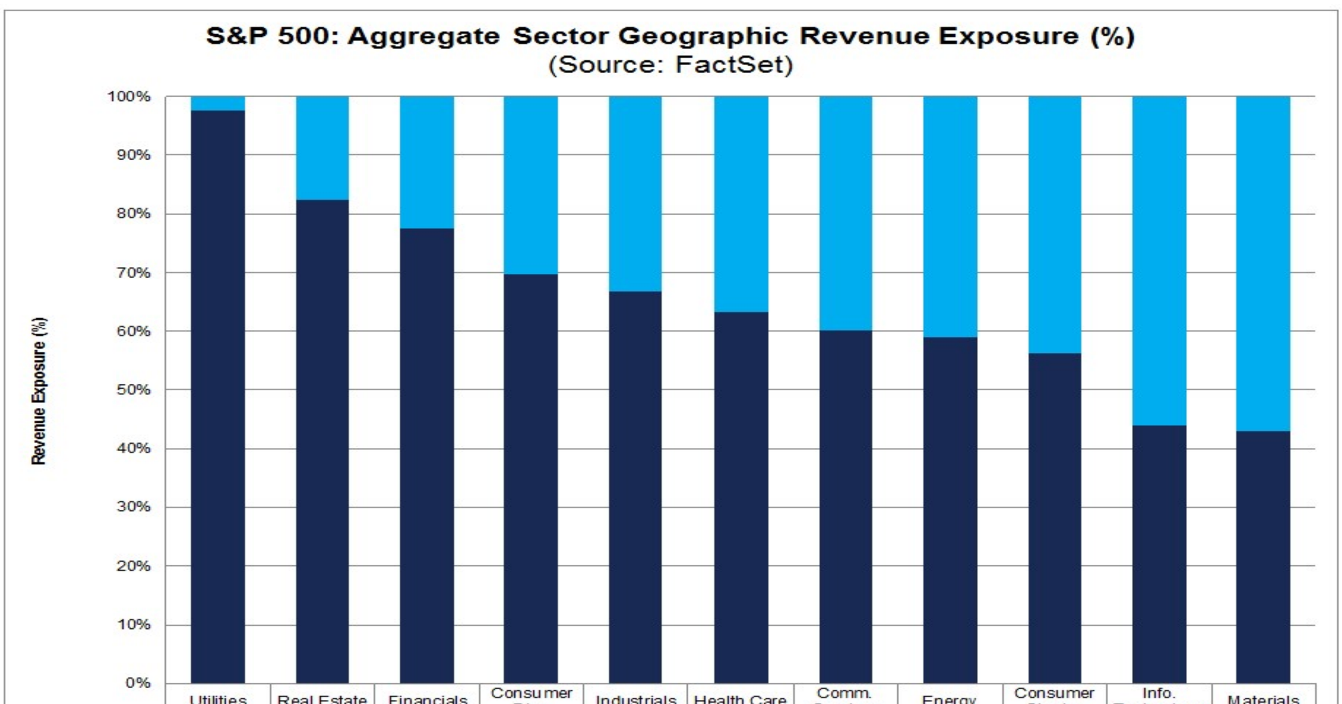
	Energy	Consumer Disc.	Industrials	Financials	S&P 500	Materials	Comm. Services	Health Care	Info. Technology	Real Estate	Consumer Staples	Utilities
Today		113.3%	79.9%	32.9%	29.5%	28.0%	23.1%	15.7%	15.0%	8.4%	8.0%	6.0%
30-Jun		110.7%	77.8%	39.6%	29.6%	28.9%	23.0%	16.4%	14.9%	8.4%	7.9%	6.0%



	Energy	Consumer Disc.	Comm. Services	Industrials	S&P 500	Info. Technology	Real Estate	Health Care	Materials	Financials	Utilities	Consumer Staples
Today	18.8%	13.0%	11.6%	10.8%	8.4%	7.9%	7.1%	6.6%	6.3%	5.1%	3.2%	2.7%
30-Jun	16.3%	12.9%	11.7%	10.9%	8.4%	7.8%	7.0%	6.6%	6.4%	6.8%	3.4%	2.7%

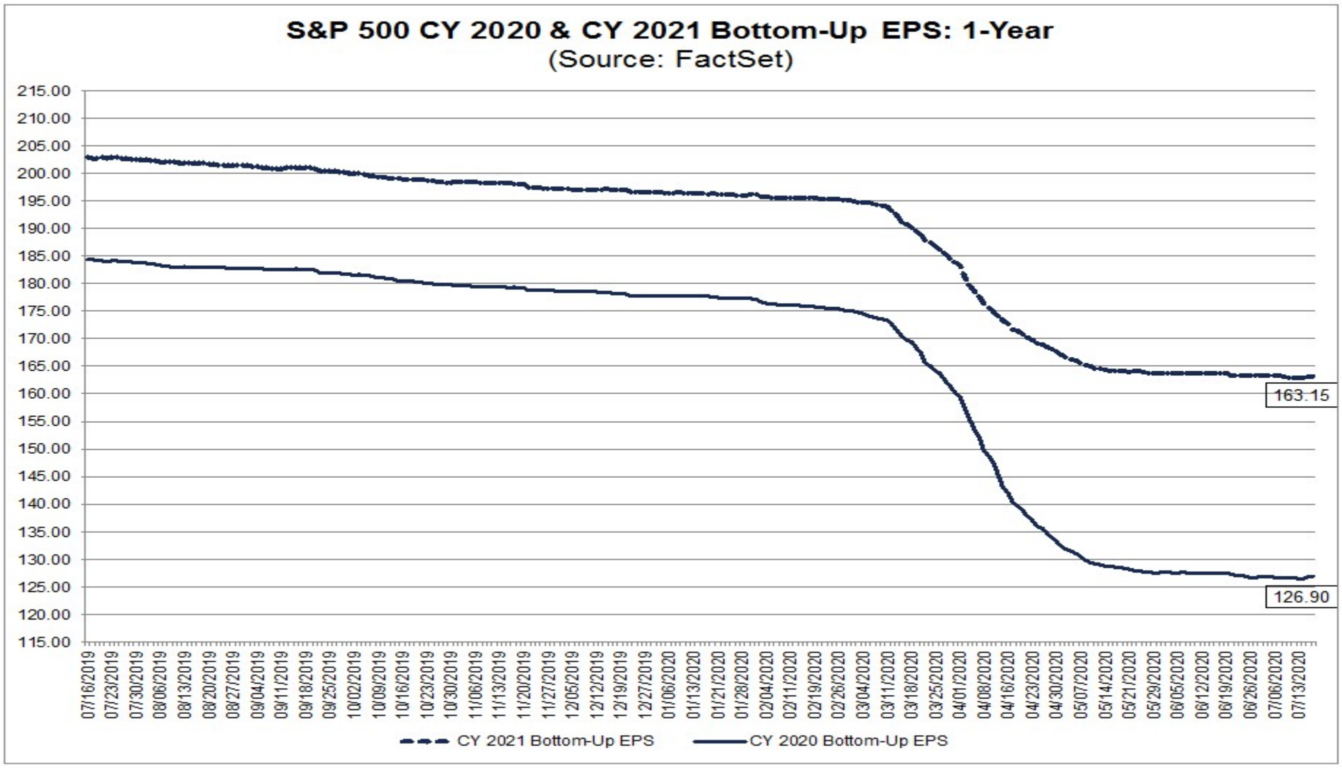
Geographic Revenue Exposure

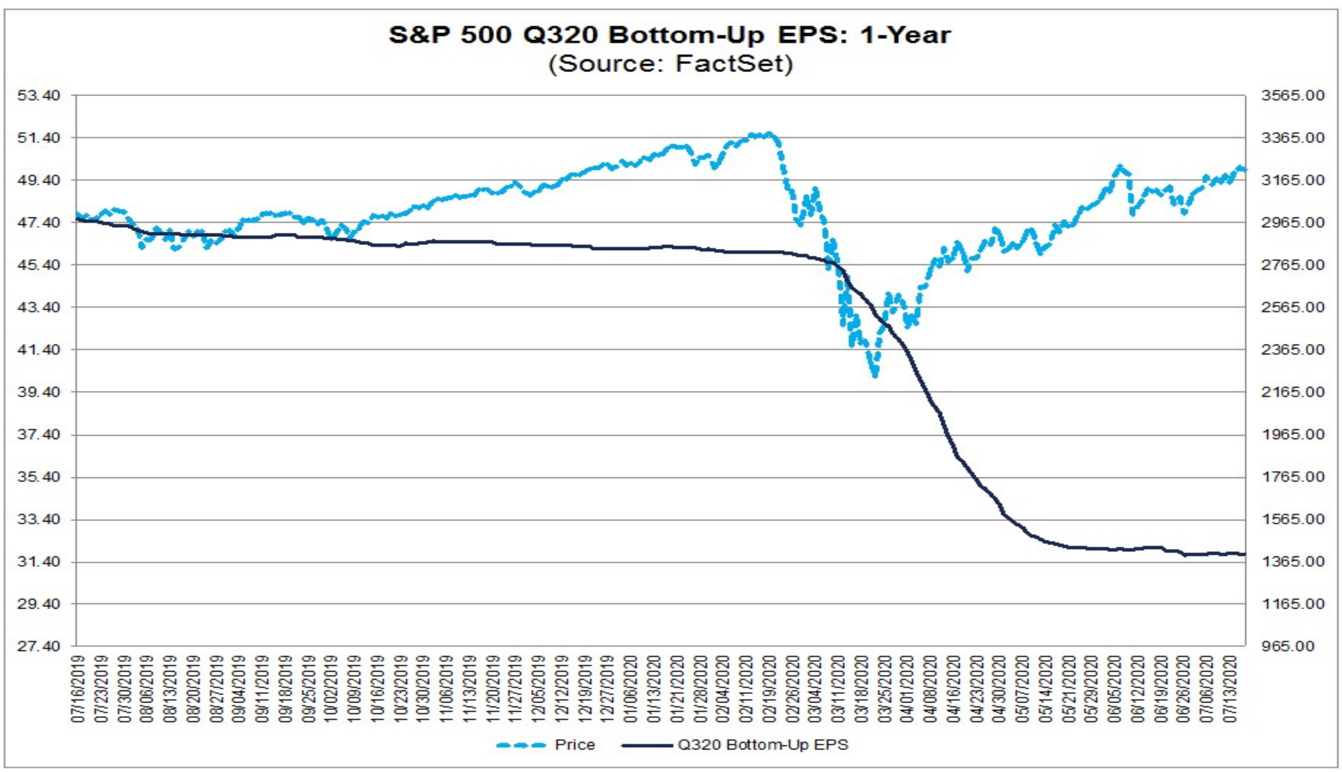




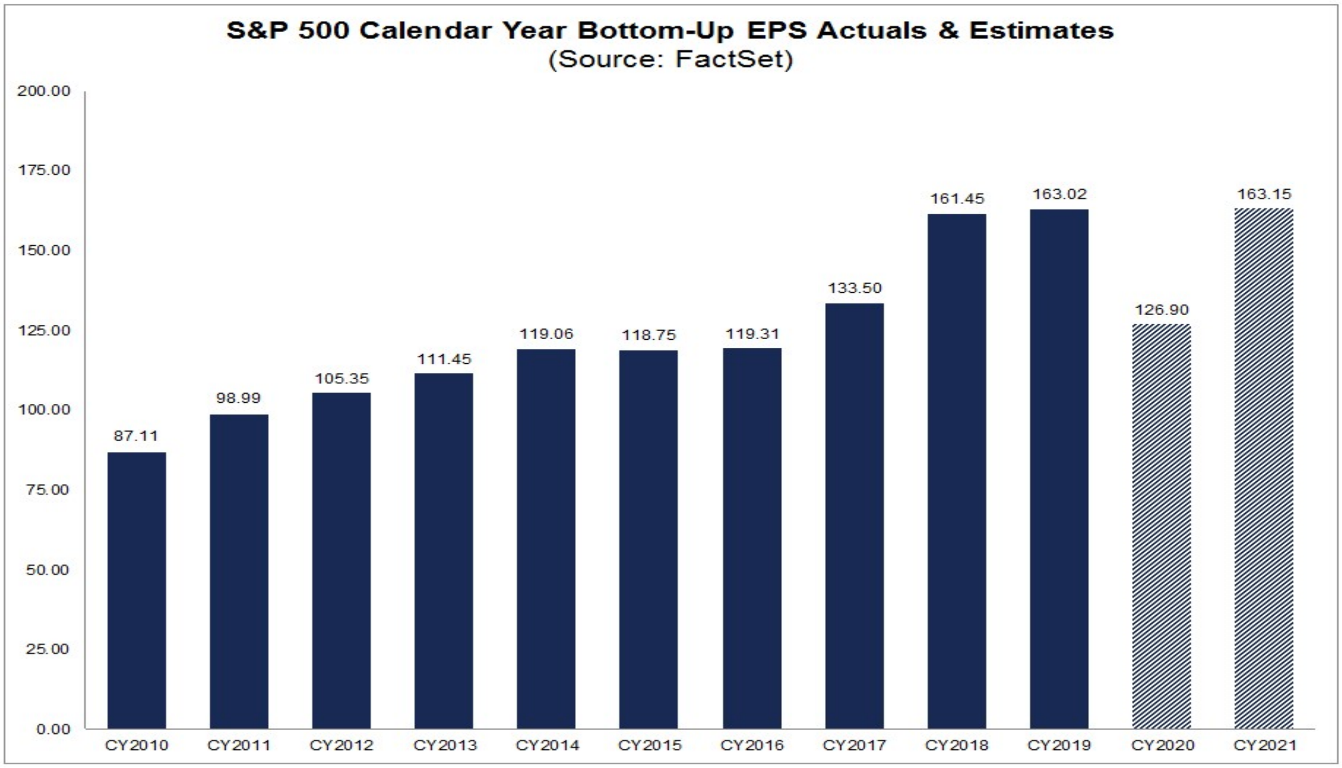
	Utilities	Real Estate	Financials	Consumer Disc.	Industrials	Health Care	Comm. Services	Energy	Consumer Staples	Info. Technology	Materials
International	2%	18%	22%	30%	33%	37%	40%	41%	44%	56%	57%
United States	98%	82%	78%	70%	67%	63%	60%	59%	56%	44%	43%

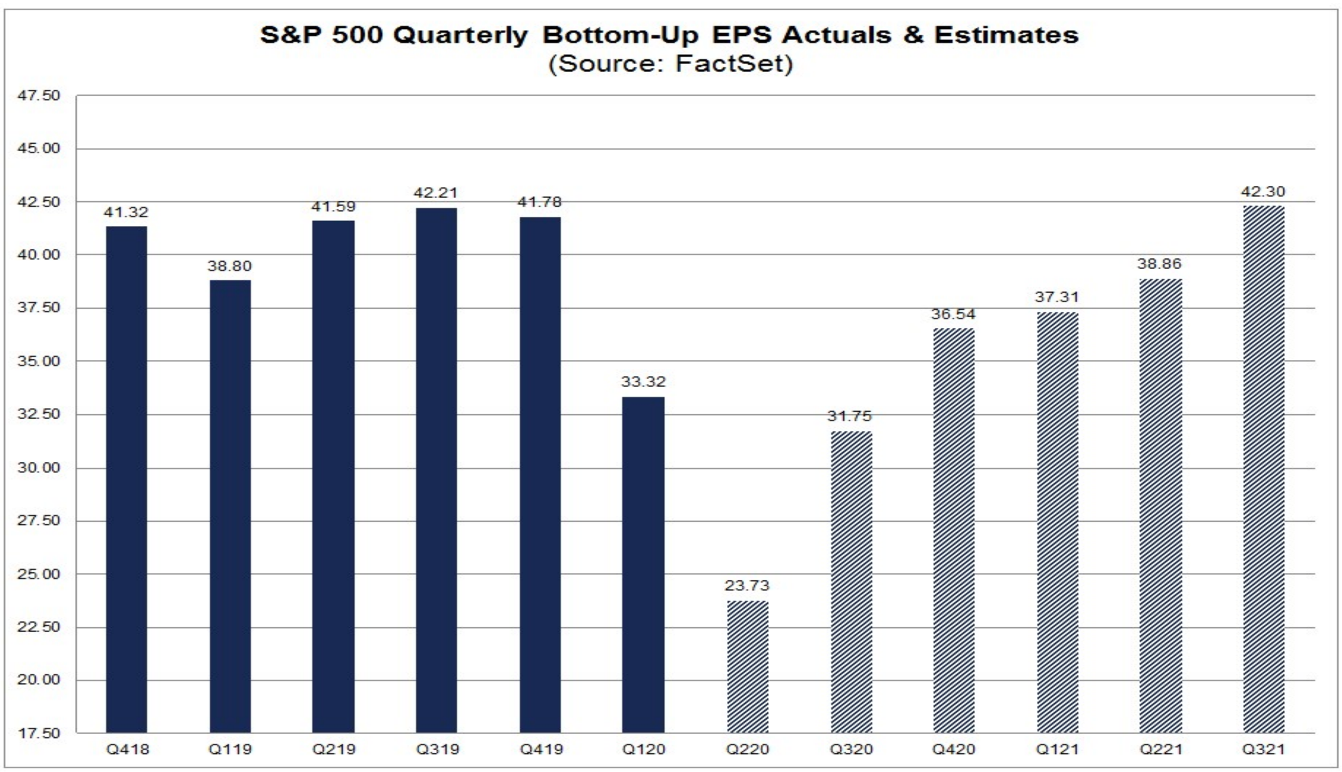
Bottom-up EPS Estimates: Revisions



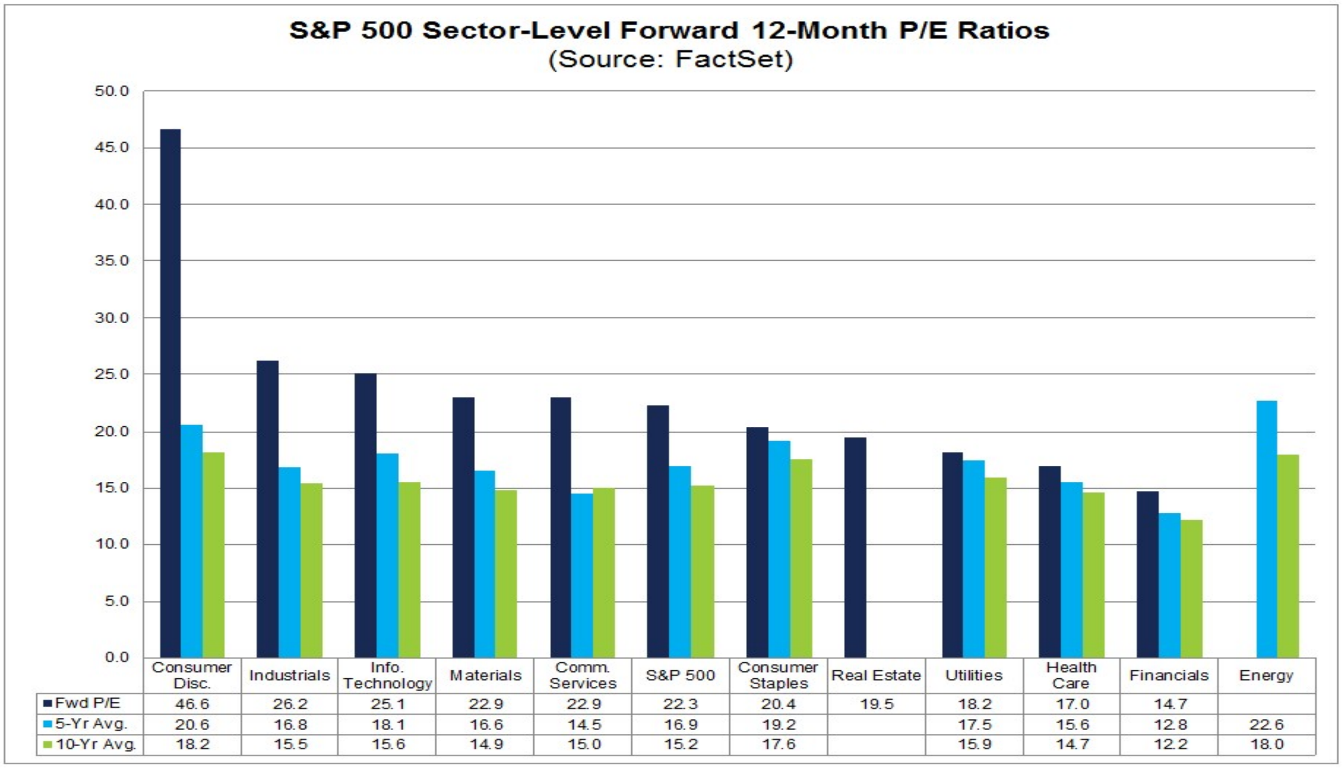


Bottom-up EPS Estimates: Current & Historical

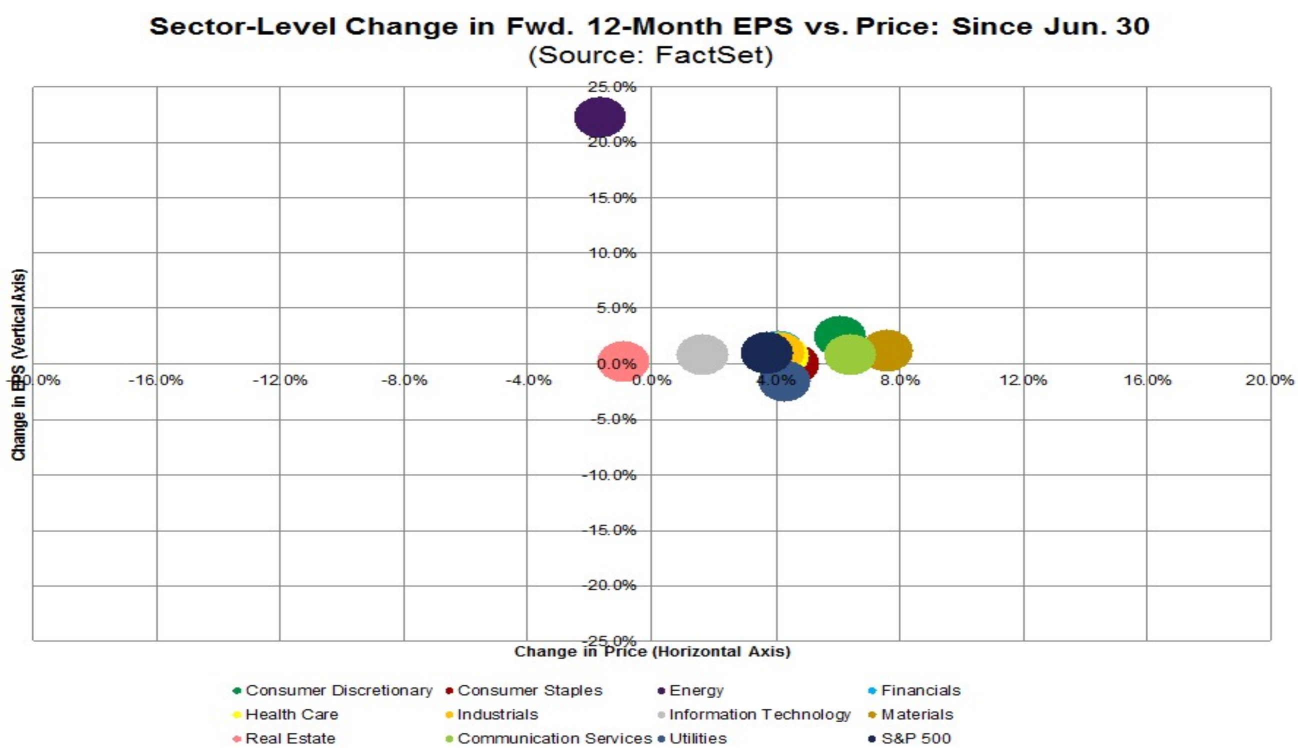




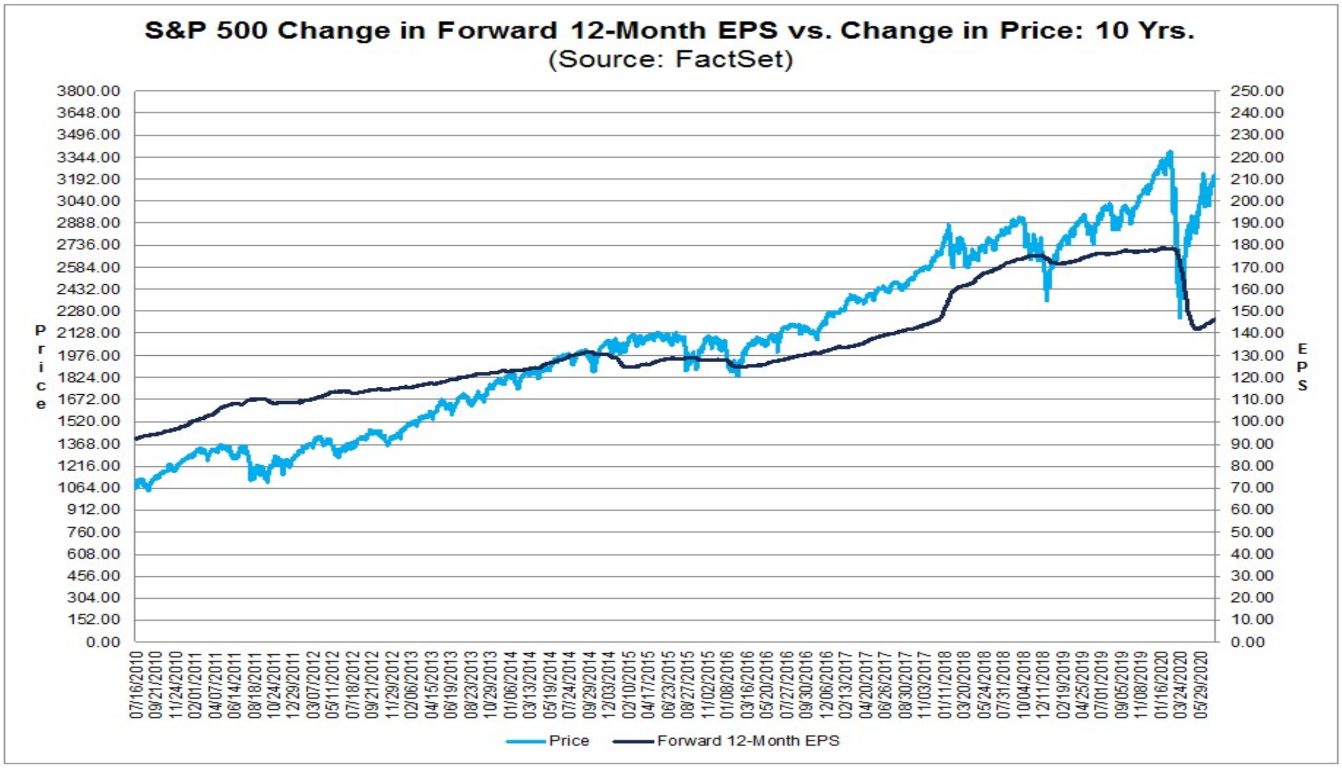
Forward 12M P/E Ratio: Sector Level

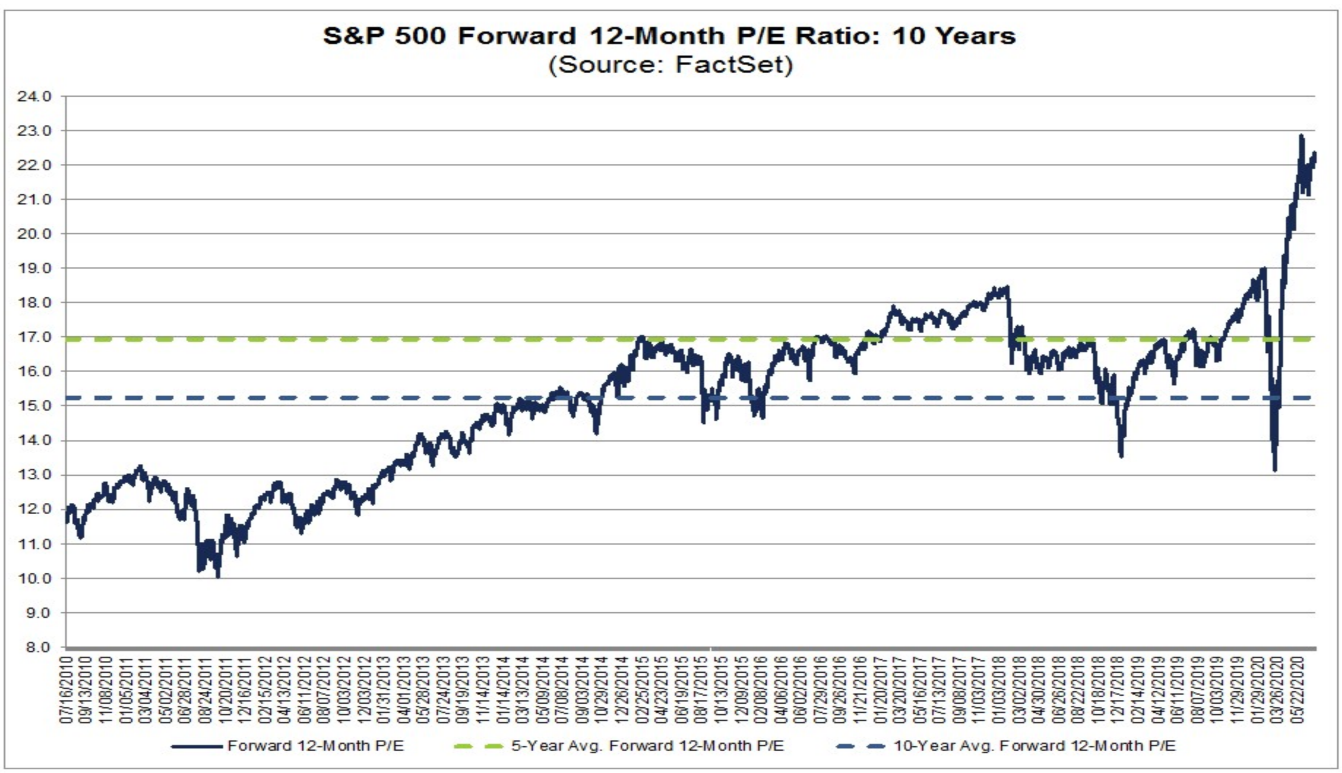


	Consumer Disc.	Industrials	Info. Technology	Materials	Comm. Services	S&P 500	Consumer Staples	Real Estate	Utilities	Health Care	Financials	Energy
Fwd P/E	46.6	26.2	25.1	22.9	22.9	22.3	20.4	19.5	18.2	17.0	14.7	
5-Yr Avg.	20.6	16.8	18.1	16.6	14.5	16.9	19.2		17.5	15.6	12.8	22.6
10-Yr Avg.	18.2	15.5	15.6	14.9	15.0	15.2	17.6		15.9	14.7	12.2	18.0

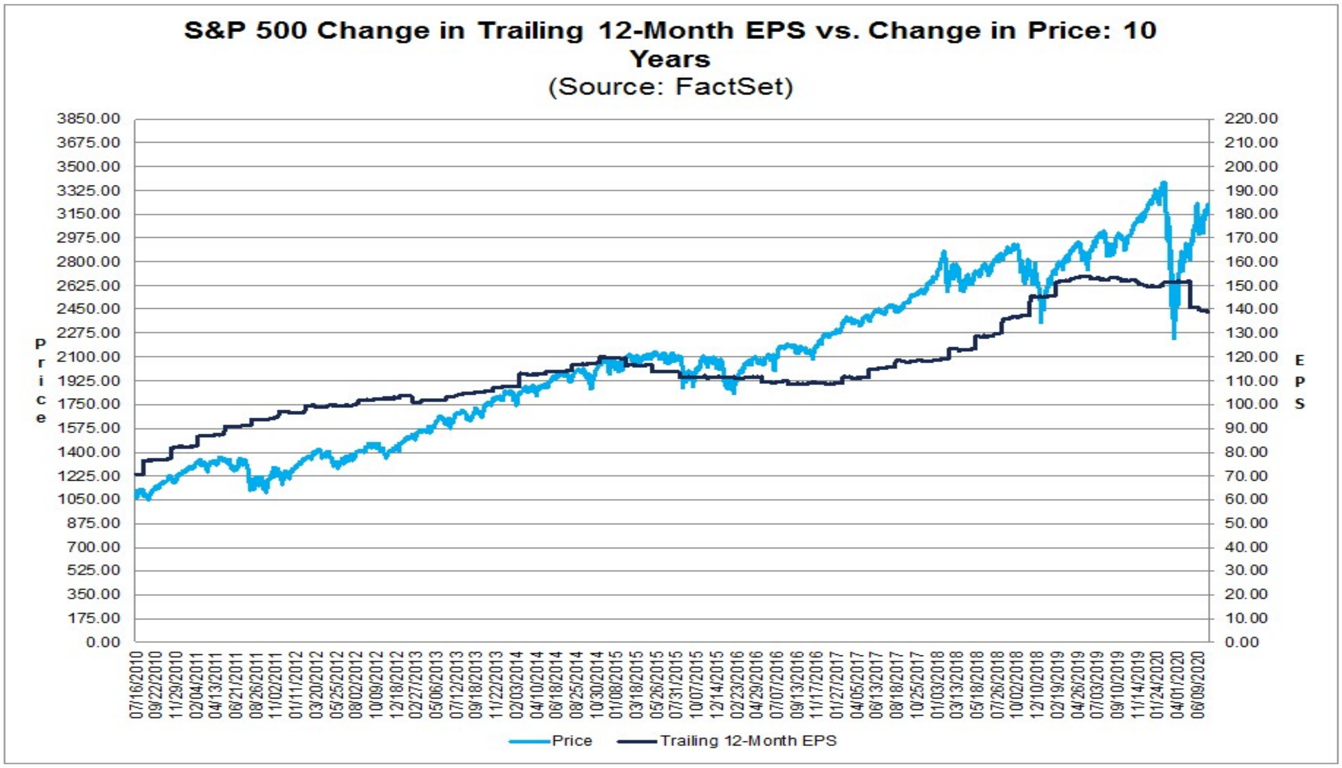


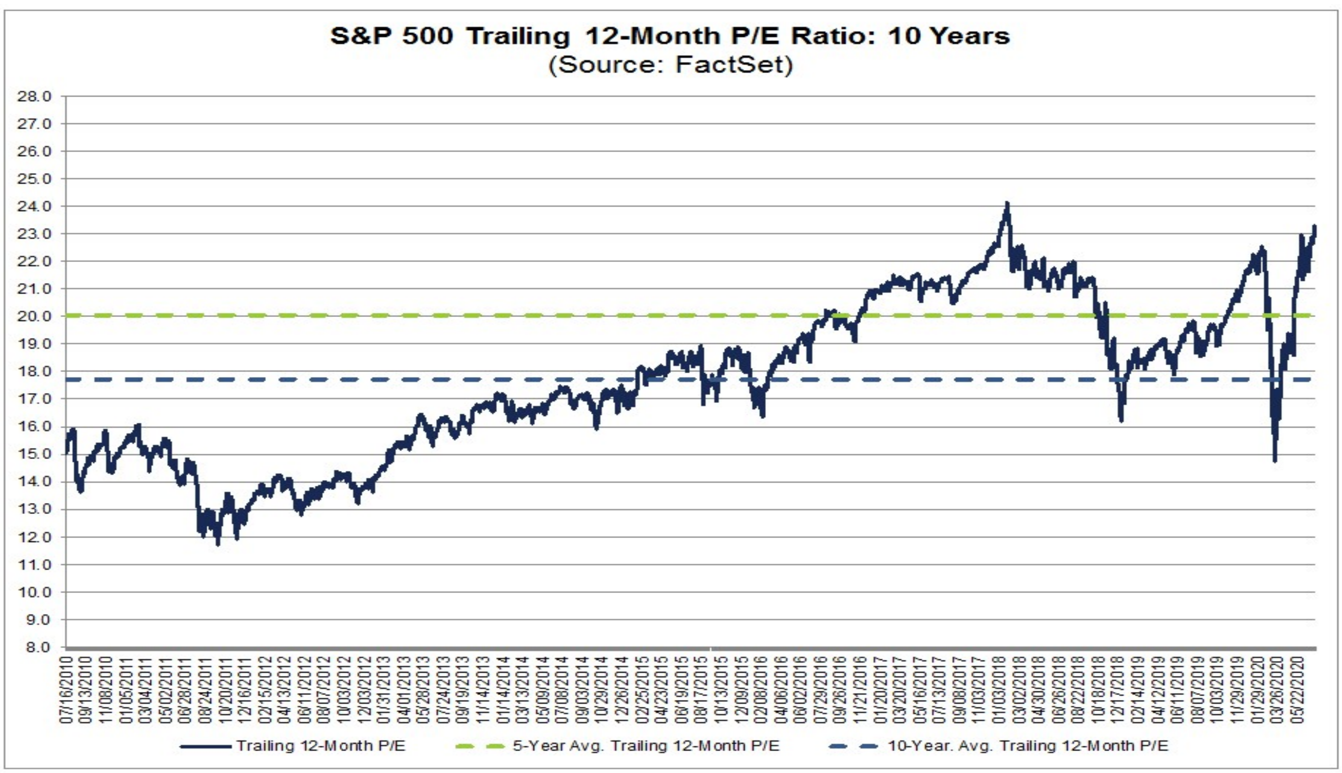
Forward 12M P/E Ratio: 10-Years





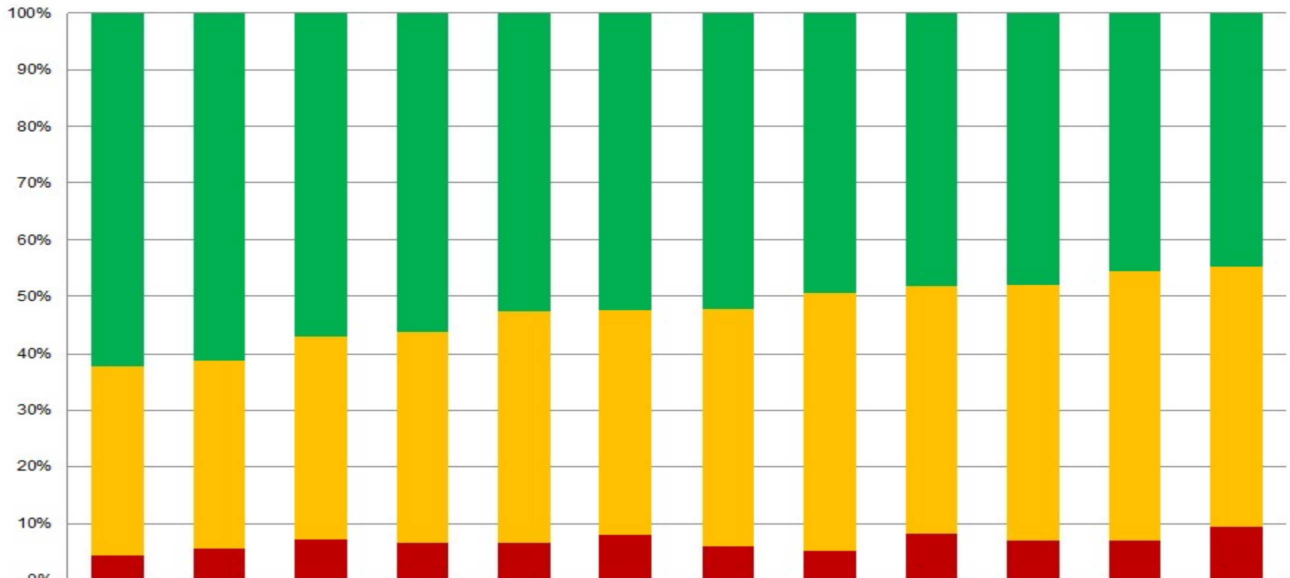
Trailing 12M P/E Ratio: 10-Years





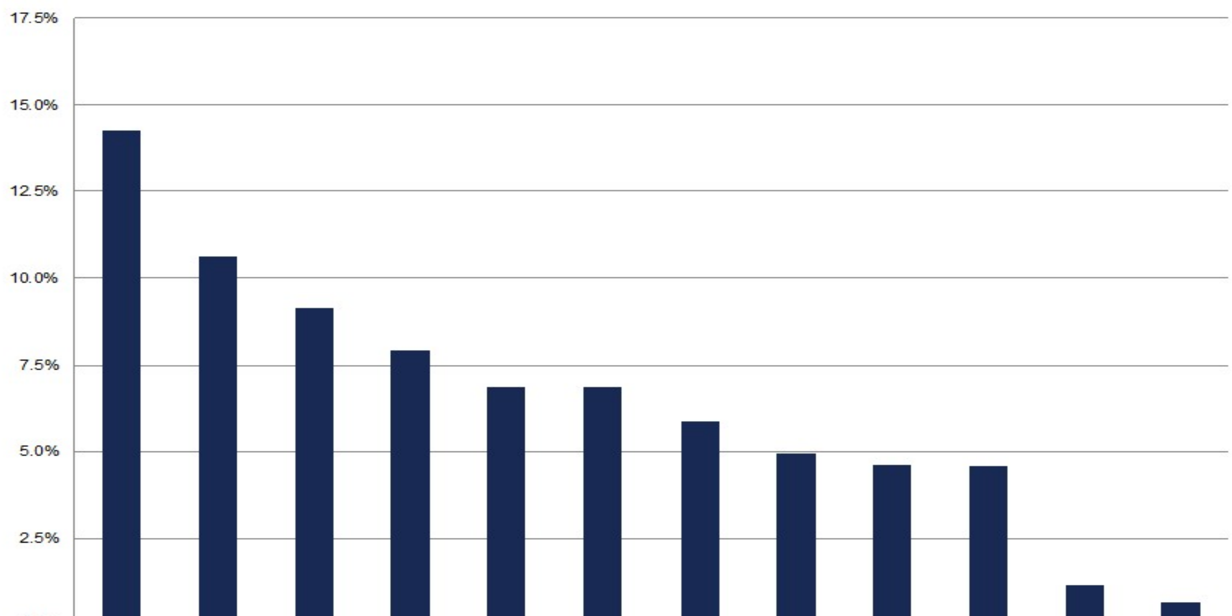
Targets & Ratings

S&P 500: Percentage of Buy, Hold, and Sell Ratings
(Source: FactSet)



	Energy	Health Care	Comm. Services	Info. Tech.	S&P 500	Utilities	Materials	Consumer Disc.	Real Estate	Industrials	Financials	Consumer Staples
Buy	62%	61%	57%	56%	53%	53%	52%	49%	48%	48%	46%	45%
Hold	33%	33%	36%	37%	41%	39%	42%	45%	44%	45%	47%	46%
Sell	4%	6%	7%	7%	7%	8%	6%	5%	8%	7%	7%	9%

S&P 500 Sector-Level Bottom-Up Target Price vs. Closing Price
(Source: FactSet)



	Energy	Financials	Real Estate	Health Care	Consumer Staples	Utilities	S&P 500	Comm. Services	Info. Tech.	Industrials	Consumer Disc.	Materials
Target/Close	14.3%	10.6%	9.1%	7.9%	6.9%	6.9%	5.9%	5.0%	4.6%	4.6%	1.1%	0.7%

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