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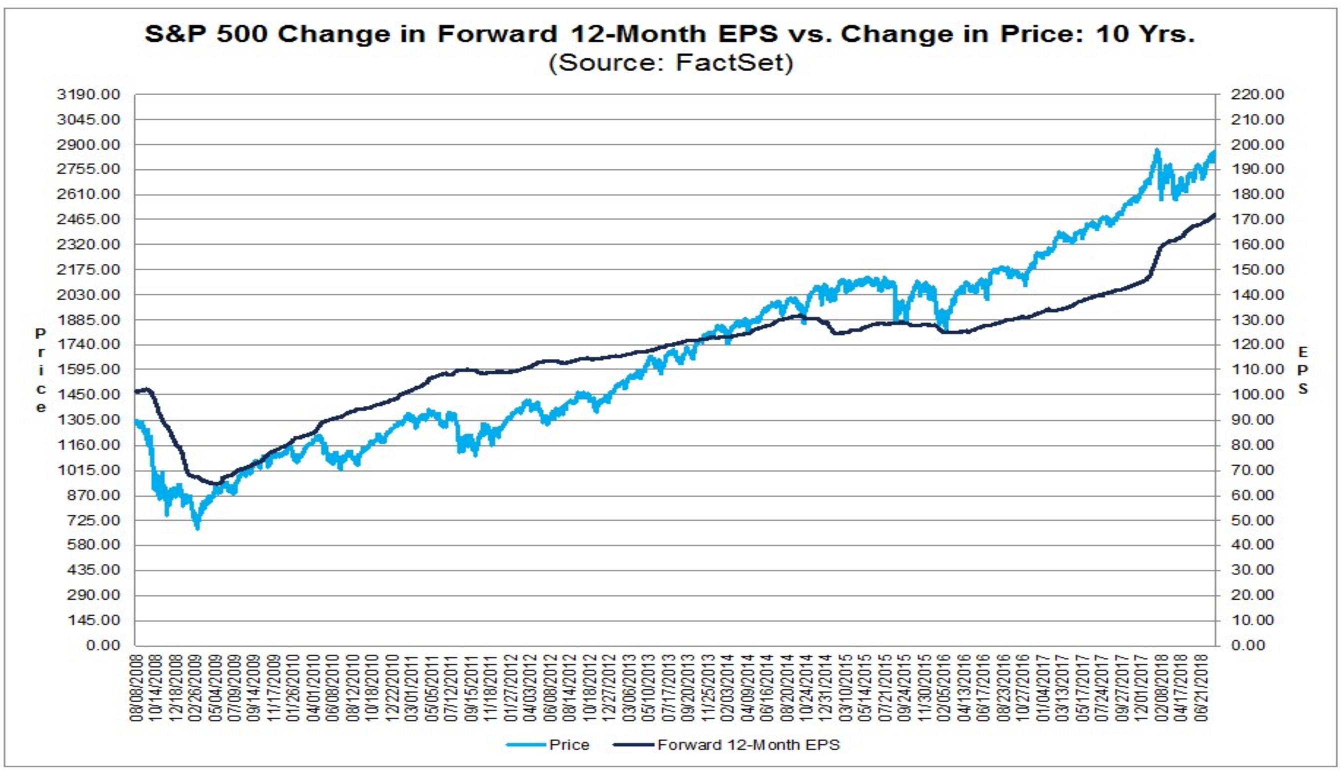
Author's Note: ***The FactSet Earnings Insight report will not be published on August 17 or August 24. The next edition of the report will be published on August 31.***

Key Metrics

- **Earnings Scorecard:** For Q2 2018 (with 91% of the companies in the S&P 500 reporting actual results for the quarter), 79% of S&P 500 companies have reported a positive EPS surprise and 72% have reported a positive sales surprise.
- **Earnings Growth:** For Q2 2018, the blended earnings growth rate for the S&P 500 is 24.6%. If 24.6% is the actual growth rate for the quarter, it will mark the second highest earnings growth since Q3 2010 (34.1%).
- **Earnings Guidance:** For Q3 2018, 55 S&P 500 companies have issued negative EPS guidance and 19 S&P 500 companies have issued positive EPS guidance.
- **Valuation:** The forward 12-month P/E ratio for the S&P 500 is 16.6. This P/E ratio is above the 5-year average (16.2) and above the 10-year average (14.4).



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Topic of the Week: 1

S&P 500 Companies with More Global Exposure Reported Higher Earnings & Sales Growth in Q2

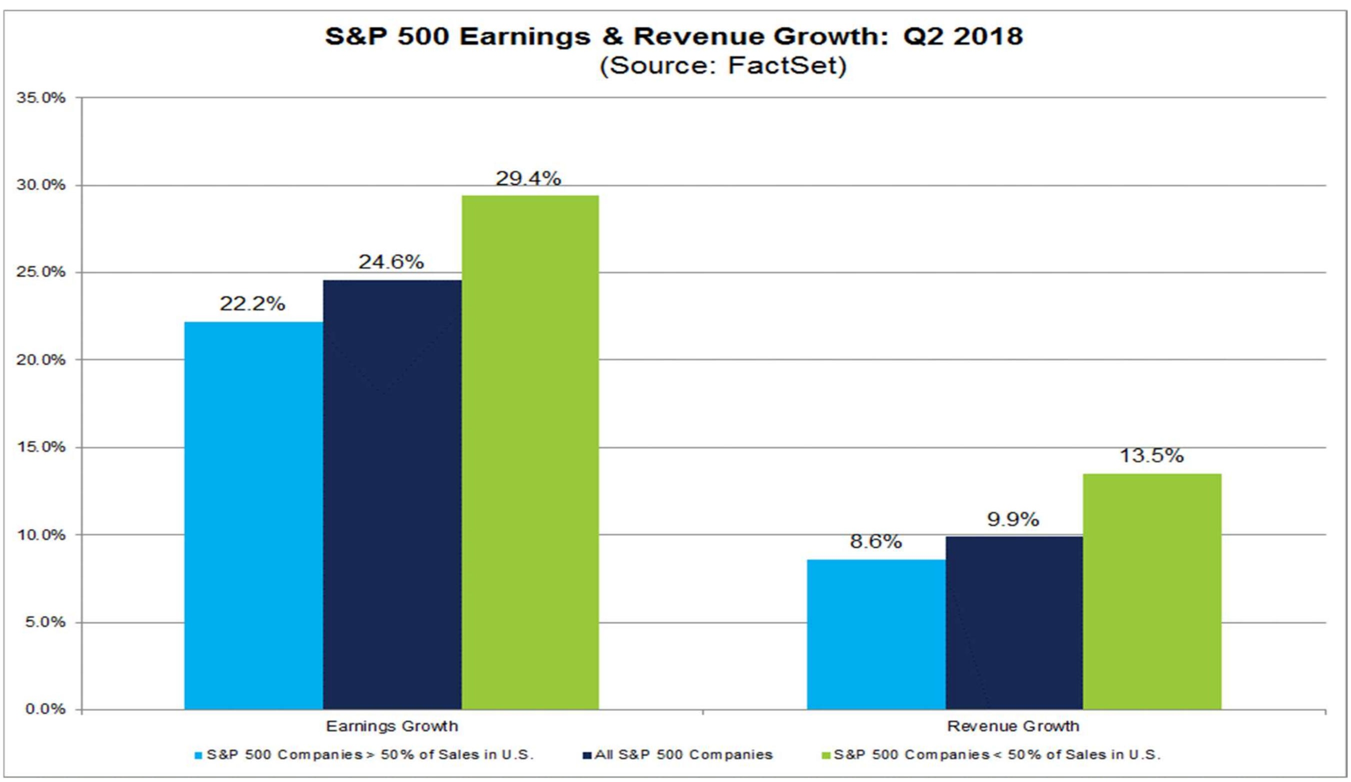
Coming into the Q2 earnings season, there were concerns in the market about the impact of a rising U.S. dollar and slower global economic growth on companies in the S&P 500 with higher international revenue exposure. Now that more than 90% of the companies in the index have reported results for Q2, did S&P 500 companies with higher global revenue exposure underperform S&P 500 companies with lower global revenue exposure in terms of earnings growth and sales growth for Q2 2018?

The answer is no. FactSet Geographic Revenue Exposure data (based on the most recently reported fiscal year data for each company in the index) can be used to answer this question. For this analysis, the index was divided into two groups: companies that generate more than 50% of sales inside the U.S. (less global exposure) and companies that generate less than 50% of sales inside the U.S. (more global exposure). Aggregate earnings and revenue growth rates were then calculated based on these two groups.

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 S&P 500 for Q2 2018 is 24.6%. For companies that generate more than 50% of sales inside the U.S., the earnings growth rate is 22.2%. For companies that generate less than 50% of sales inside the U.S., the earnings growth rate is 29.4%.

The blended sales growth rate for the S&P 500 for Q2 2018 is 9.9%. For companies that generate more than 50% of sales inside the U.S., the sales growth rate is 8.6%. For companies that generate less than 50% of sales inside the U.S., the sales growth rate is 13.5%.

What drove the outperformance of S&P 500 companies with higher global revenue exposure? At the sector level, the Information Technology, Energy, and Materials sectors were the largest contributors to earnings and revenue growth in Q2 for S&P 500 companies with more global exposure. Overall, these three sectors reported the highest earnings and revenue growth rates of all eleven sectors in Q2. These three sectors also rank first (Information Technology), second (Materials), and fourth (Energy) for highest international revenue exposures of all eleven sectors in the index.



Topic of the Week: 2

Market Rewarded S&P 500 Companies Reporting Positive EPS Surprises in Q2

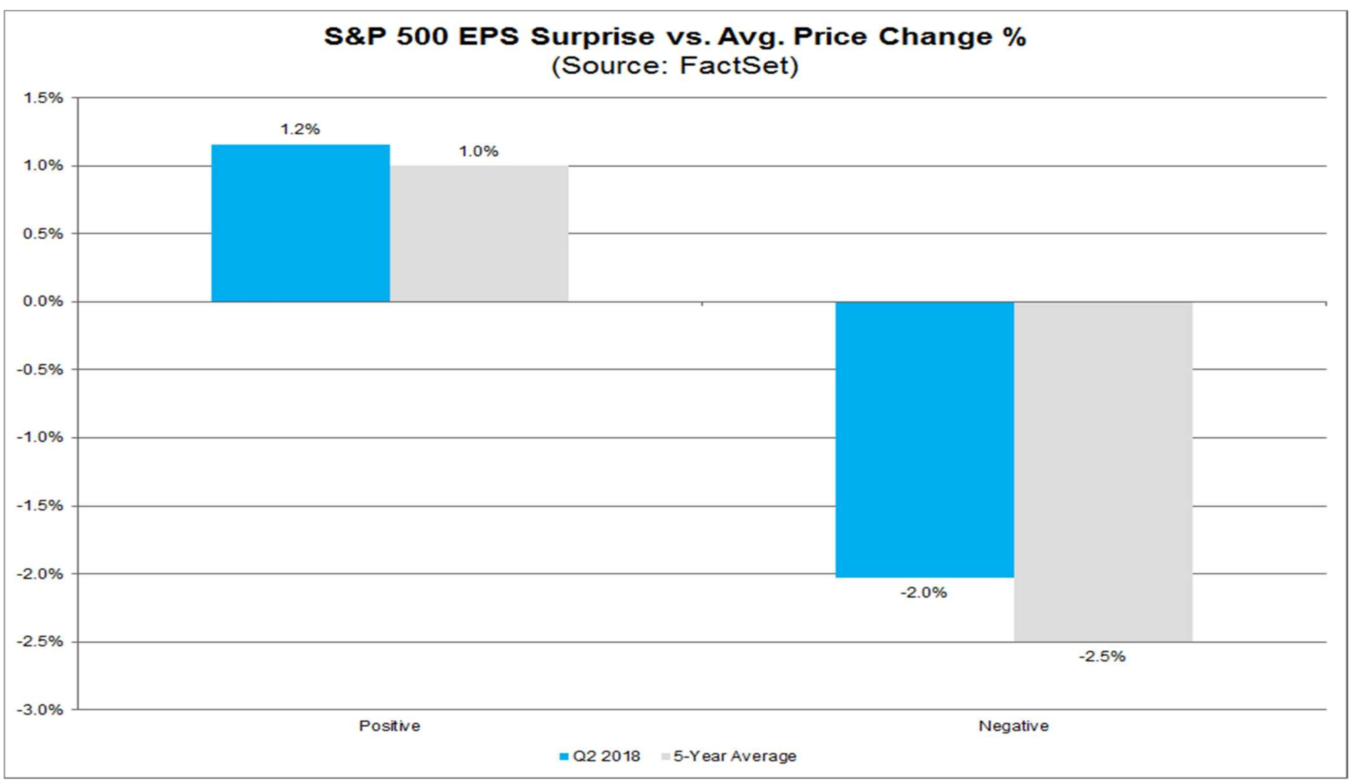
To date, 91% of the companies in the S&P 500 have reported earnings for the second quarter. Of these companies, 79% have reported actual EPS above the mean EPS estimate, which is the highest percentage since FactSet began tracking this data in Q3 2008. In aggregate, earnings have exceeded expectations by 5.0%, which is above the 5-year average of 4.4%. Due to the number and magnitude of these positive EPS surprises, the earnings growth rate for the S&P 500 for the second quarter has improved to 24.6% today from 20.0% on June 30.

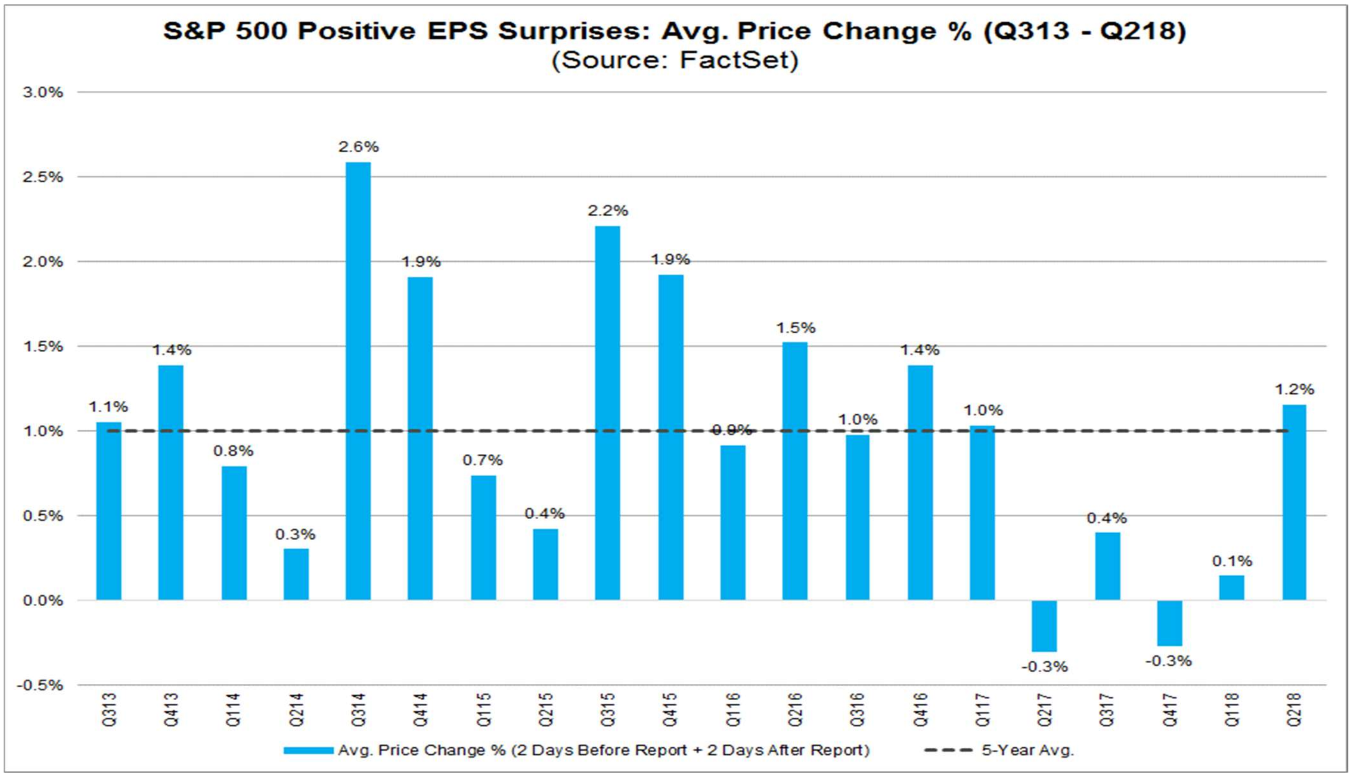
Given the stronger performance of companies relative to analyst EPS estimates and the improvement in the growth rate over the past several weeks, how has the market responded to upside EPS surprises during the Q2 earnings season?

Companies in the S&P 500 that reported positive earnings surprises for Q2 have seen an increase in price of 1.2% on average from two days before the company reported actual results through two days after the company reported actual results. Over the past five years, companies in the S&P 500 that have reported positive earnings surprises have witnessed a 1.0% increase in price on average during this 4-day window.

If 1.2% is the final number for the quarter, it will mark the first time since Q1 2017 in which S&P 500 companies that reported positive EPS surprises recorded a price reaction on average that was equal to or above the 5-year average. In both Q2 2017 and Q4 2017, the price reaction to positive EPS surprises was negative on average.

In light of the positive reaction by the market to positive EPS surprises for the second quarter, it is interesting to note that companies and analysts have sent mixed signals to date on earnings expectations for the third quarter. In terms of earnings guidance from corporations, a higher percentage of S&P 500 companies have issued negative EPS guidance for Q3 2018 (74%) to date compared to the 5-year average (72%). In terms of revisions to EPS estimates by industry analysts, the aggregate decline in earnings estimates over the first month of the third quarter (-0.6%) was smaller than the 5-year (-1.6%), 10-year (2.2%), and 15-year (-1.6%) average for the first month of a quarter. Thus, while more S&P 500 companies have issued negative EPS guidance for the third quarter than average, industry analysts made smaller cuts than average to Q3 EPS estimates for S&P 500 companies during the month of July.




S&P 500 Positive EPS Surprises: Avg. Price Change % (Q313 - Q218)
(Source: FactSet)
3.0%
2.5%
2.0%
1.5%
1.0%
0.5%
0.0%
-0.5%
1.1%
1.4%
0.8%
0.3%
2.6%
1.9%
0.7%
0.4%
2.2%
1.9%
0.9%
1.5%
1.0%
1.4%
1.0%
-0.3%
0.4%
-0.3%
0.1%
1.2%
Q313
Q413
Q114
Q214
Q314
Q414
Q115
Q215
Q315
Q415
Q116
Q216
Q316
Q416
Q117
Q217
Q317
Q417
Q118
Q218
Avg. Price Change % (2 Days Before Report + 2 Days After Report)
5-Year Avg.

Q2 Earnings Season: By The Numbers

Overview

To date, 91% of the companies in the S&P 500 have reported actual results for Q2 2018. In terms of earnings, more companies are reporting actual EPS above estimates (79%) compared to the 5-year average. If 79% is the final number, it will mark the highest percentage of S&P 500 companies reporting a positive EPS surprise for a quarter since FactSet began tracking this metric in Q3 2008. In aggregate, companies are reporting earnings that are 5.0% above the estimates, which is also above the 5-year average. In terms of sales, more companies (72%) are reporting actual sales above estimates compared to the 5-year average. In aggregate, companies are reporting sales that are 1.3% 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), year-over-year earnings growth rate for the second quarter is 24.6% today, which is slightly above the earnings growth rate of 24.0% last week. Positive EPS surprises reported by companies in multiple sectors were the main contributors to the increase in the earnings growth rate over the past week. All eleven sectors are reporting year-over-year earnings growth. Ten sectors are reporting double-digit earnings growth, led by the Energy, Materials, and Information Technology sectors.

The blended, year-over-year sales growth rate for the second quarter is 9.9% today, which is equal to the revenue growth rate of 9.9% last week. Ten sectors are reporting year-over-year growth in revenues. Four sectors are reporting double-digit growth in revenues: Energy, Materials, Information Technology, and Real Estate.

Looking at future quarters, analysts currently project earnings growth to continue at about 20% through the remainder 2018. However, they predict lower growth in the first half of 2019.

The forward 12-month P/E ratio is 16.6, which is above the 5-year average and above the 10-year average.

During the upcoming week, 13 S&P 500 companies (including the last 3 Dow 30 components) are scheduled to report results for the second quarter.

Scorecard: More Companies Beating Earnings & Revenue Estimates than Average

Record-High Percentage of Companies Beating EPS Estimates (79%)

Overall, 91% of the companies in the S&P 500 have reported earnings to date for the second quarter. Of these companies, 79% have reported actual EPS above the mean EPS estimate, 5% have reported actual EPS equal to the mean EPS estimate, and 16% 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 (75%) average and above the 5-year (70%) average.

If 79% is the final percentage for the quarter, it will mark the highest percentage of S&P 500 companies reporting actual EPS above estimates for a quarter since FactSet began tracking this metric in Q3 2008. The current record is 78%, which occurred in Q1 2018.

At the sector level, the Telecom Services (100%), Health Care (95%), and Information Technology (90%) sectors have the highest percentages of companies reporting earnings above estimates, while the Energy (45%) sector had the lowest percentage of companies reporting earnings above estimates.

Earnings Surprise Percentage (+5.0%) is Above 5-Year Average

In aggregate, companies are reporting earnings that are 5.0% above expectations. This surprise percentage is below the 1-year (+5.6%) average but above the 5-year (+4.4%) average.

The Consumer Discretionary (+9.0%) sector is reporting the largest upside aggregate differences between actual earnings and estimated earnings. In this sector, Lennar ($0.94 vs. $0.43) and Amazon.com ($5.07 vs. $2.48) have reported the largest upside differences between actual EPS and estimated EPS.

On the other hand, the Energy (-8.5%) sector reported the largest downside aggregate difference between actual earnings and estimated earnings. Within this sector, Helmerich & Payne (-$0.01 vs. $0.03) and Cabot Oil & Gas ($0.13 vs. $0.20) have reported the largest downside differences between actual EPS and estimated EPS.

Market Rewarding Positive EPS Surprises

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 2018 have seen an average price increase of +1.2% two days before the earnings release through two days after the earnings. This percentage increase is above 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 Q2 2018 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 -2.5% during this same window for companies reporting negative earnings surprises.

Percentage of Companies Beating Revenue Estimates (72%) is Above 5-Year Average

In terms of revenues, 72% of companies have reported actual sales above estimated sales and 28% have reported actual sales below estimated sales. The percentage of companies reporting sales above estimates is below the 1- year average (73%) but well above the 5-year average (58%).

At the sector level, the Health Care (83%) and Information Technology (82%) sectors have the highest percentages of companies reporting revenues above estimates, while the Consumer Staples (58%) and Energy (60%) sectors have the lowest percentages of companies reporting revenues above estimates.

Revenue Surprise Percentage (+1.3%) is Above 5-Year Average

In aggregate, companies are reporting sales that are 1.3% above expectations. This surprise percentage is above the 1-year (+1.2%) average and above the 5-year (+0.7%) average.

The Financials (+3.0%) sector is reporting the largest upside aggregate difference between actual sales and estimated sales, while the Consumer Discretionary (-1.0%) sector is reporting the largest aggregate downside difference between actual sales and estimated sales.

Slight Increase in Blended Earnings Growth This Week

Slight Increase in Blended Earnings Growth This Week

The blended, year-over-year earnings growth rate for the second quarter is 24.6% today, which is slightly above the earnings growth rate of 24.0% last week. Positive EPS surprises reported by companies in multiple sectors were the main contributors to the increase in the earnings growth rate over the past week.

No Change in Blended Revenue Growth This Week

The blended, year-over-year sales growth rate for the second quarter is 9.9% today, which is equal to the sales growth rate of 9.9% last week.

Utilities Sector Has Seen Largest Increase in Earnings Growth since June 30

The blended, year-over-year earnings growth rate for Q2 2018 of 24.6% is above the estimate of 20.0% at the end of the second quarter (June 30). Ten sectors have recorded an increase in earnings growth since the end of the quarter due to upward revisions to earnings estimates and positive earnings surprises, led by the Utilities (to 12.5% from 2.0%) sector. The only sector that has recorded a decrease in earnings growth during this time due to downward revisions to earnings estimates and negative earnings surprises is the Energy (to 125.1% from 141.7%) sector.

Nine Sectors Have Seen Increase in Revenue Growth since June 30

The blended, year-over-year sales growth rate for Q2 2018 of 9.9% is above the estimate of 8.7% at the end of the second quarter (June 30). Nine sectors have recorded an increase in sales growth since the end of the quarter due to upward revisions to revenue estimates and positive revenue surprises, led by the Real Estate (to 13.7% from 10.8%), Financials (to 6.7% from 3.9%), and Materials (to 26.5% from 23.8%) sectors. Two sectors have recorded a decrease in revenue growth during this time due to downward revisions to revenue estimates and negative revenue surprises: Utilities (to 0.0% from 0.6%) and Consumer Discretionary (to 9.1% from 9.5%) sector.

Second-Highest Earnings Growth (24.6%) Since Q3 2010

The blended (year-over-year) earnings growth rate for Q2 2018 is 24.6%. If 24.6% is the final growth rate for the quarter, it will mark the second highest earnings growth reported by the index since Q3 2010 (34.1%), trailing only the previous quarter (24.8%). It will also mark the third straight quarter in which the index has reported double-digit earnings growth. All eleven sectors are reporting year-over-year growth in earnings. Ten sectors are reporting double-digit earnings growth, led by the Energy, Materials, and Information Technology sectors.

Energy: Highest Earnings Growth On Easy Comparison to Low Year-Ago Earnings

The Energy sector reported the highest (year-over-year) earnings growth of all eleven sectors at 125.1%. At the sub-industry level, all six sub-industries in the sector reported earnings growth for the quarter: Oil & Gas Exploration & Production (N/A due to year-ago loss), Oil & Gas Drilling (N/A due to year-ago loss), Oil & Gas Refining & Marketing (101%), Oil & Gas Storage & Transportation (81%), Oil & Gas Equipment & Services (63%), and Integrated Oil & Gas (58%).

The unusually high growth rate for the sector was due to a combination of a year-over-year increase in oil prices and a comparison to unusually low earnings in the year-ago quarter. The average price of oil in Q2 2018 ($67.91) was 41% higher than the average price of oil in Q2 2017 ($48.15). On a dollar-level basis, the Energy sector reported earnings of $18.2 billion in Q2 2018, compared to earnings of $8.1 billion in Q2 2017. The Energy sector had the lowest dollar-level earnings in the year-ago quarter of all eleven sectors.

Materials: DowDuPont Led Growth On Easy Comparison to Standalone EPS for Dow Chemical

The Materials sector reported the second highest (year-over-year) earnings growth of all eleven sectors at 56.0%. At the industry level, all four industries in the sector reported double-digit earnings growth: Metals & Mining (102%), Chemicals (51%), Containers & Packaging (46%), and Construction Materials (41%). At the company level, DowDuPont was the largest contributor to earnings growth for the sector. However, the actual (dollar-level) earnings for Q2 2018 ($3.2 billion) reflect the combined DowDuPont company, while the actual earnings for Q2 2017 ($1.3 billion) reflect the standalone Dow Chemical company. This apple-to-orange comparison is the main reason DowDuPont was the largest contributor to earnings growth for the sector. If this company were excluded, the blended earnings growth rate for the sector would fall to 37.0% from 56.0%.

Information Technology: 5 of 7 Industries Reporting Double-Digit Earnings Growth

The Information Technology sector is reporting the third highest (year-over-year) earnings growth of all eleven sectors at 31.8%. At the industry level, all seven industries in this sector are reporting earnings growth. Five of these seven industries are reporting double-digit earnings growth: Internet Software & Services (79%), Semiconductor & Semiconductor Equipment (46%), Technology Hardware, Storage, & Peripherals (29%), IT Services (21%), and Software (14%).

Highest Revenue Growth (9.9%) Since Q3 2011

The blended (year-over-year) revenue growth rate for Q2 2018 is 9.9%. If 9.9% is the final growth rate for the quarter, it will mark the highest revenue growth reported by the index since Q3 2011 (12.5%). Ten sectors are reporting year-over-year growth in revenues. Four sectors are reporting double-digit growth in revenues: Materials, Energy, Information Technology, and Real Estate sectors.

Materials: DowDuPont Led Growth On Easy Comparison to Standalone Revenue for Dow Chemical

The Materials sector reported the highest (year-over-year) revenue growth of all eleven sectors at 26.5%. At the industry level, all four industries in this sector reported revenue growth, led by the Chemicals (35%) and Metals & Mining (24%) industries. At the company level, DowDuPont was the largest contributor to revenue growth for the sector. However, the actual revenues for Q2 2018 ($24.2 billion) reflect the combined DowDuPont company, while the actual revenues for Q2 2017 ($13.8 billion) reflect the standalone Dow Chemical company. This apple-to-orange comparison is the main reason DowDuPont was the largest contributor to revenue growth for the sector. If this company were excluded, the blended revenue growth rate for the sector would fall to 15.4% from 26.5%.

Energy: 5 of 6 Sub-Industries Reported Double-Digit Growth

The Energy sector reported the second highest (year-over-year) revenue growth of all eleven sectors at 23.2%. At the sub-industry level, five of the six sub-industries in the sector reported double-digit revenue growth: Oil & Gas Refining & Marketing (31%), Oil & Gas Drilling (30%), Oil & Gas Equipment & Services (23%), Oil & Gas Exploration & Production (21%), and Integrated Oil & Gas (19%).

Information Technology: 5 of 7 Industries Reporting Double-Digit Growth

The Information Technology sector is reporting the third highest (year-over-year) revenue growth of all eleven sectors at 14.7%. At the industry level, all seven industries in this sector are reporting revenue growth. Five of these seven industries are reporting double-digit revenue growth: Internet Software & Services (27%), Semiconductor & Semiconductor Equipment (19%), Software (14%), Technology Hardware, Storage, & Peripherals (12%), and Electronic Equipment, Instruments, & Components (11%).

Real Estate: CBRE Group Led Growth

The Real Estate sector reported the fourth highest (year-over-year) revenue growth of all eleven sectors at 13.7%. At the company level, CBRE Group was the largest contributor to revenue growth for the sector. The company reported actual revenues of $5.1 billion in Q2 2018, compared to year-ago revenues of $3.3 billion. If this company were excluded, the blended revenue growth rate for the sector would fall to 7.3% from 13.7%.

Looking Ahead: Forward Estimates and Valuation

Earnings Guidance: Negative EPS Guidance For Q3 2018 is Above Average

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, 74 companies in the index have issued EPS guidance for Q3 2018. Of these 74 companies, 55 have issued negative EPS guidance and 19 have issued positive EPS guidance. The percentage of companies issuing negative EPS guidance is 74% (55 out of 74), which is above the 5-year average of 72%.

Near 20% Earnings Growth Expected For 2018, But Lower Growth Projected for Early 2019

For the second quarter, companies are reporting earnings growth of 24.6% and revenue growth of 9.9%. Analysts currently expect earnings to grow near 20% for the rest of 2018, but also expect more moderate growth in early 2019.

For Q3 2018, analysts are projecting earnings growth of 20.3% and revenue growth of 7.7%.

For Q4 2018, analysts are projecting earnings growth of 17.6% and revenue growth of 5.9%.

For Q1 2019, analysts are projecting earnings growth of 7.3% and revenue growth of 6.2%.

For Q2 2019, analysts are projecting earnings growth of 7.8% and revenue growth of 4.6%.

Valuation: Forward P/E Ratio is 16.6, above the 10-Year Average (14.4)

The forward 12-month P/E ratio is 16.6. This P/E ratio is above the 5-year average of 16.2, and above the 10-year average of 14.4. It is also above the forward 12-month P/E ratio of 16.1 recorded at the start of the third quarter (June 30). Since the start of the third quarter, the price of the index has increased by 5.0%, while the forward 12-month EPS estimate has increased by 1.8%.

At the sector level, the Consumer Discretionary (21.2) and Information Technology (18.9) sectors have the highest forward 12-month P/E ratios, while the Telecom Services (10.2) and Financials (12.7) sectors have the lowest forward 12-month P/E ratios. Eight sectors have forward 12-month P/E ratios that are above their 10-year averages, led by the Information Technology (18.9 vs. 14.5) and Consumer Discretionary (21.2 vs. 17.0) sectors. Two sectors have forward 12-month P/E ratios that are below their 10-year averages, led by the Telecom Services (10.2 vs. 14.0) sector.

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

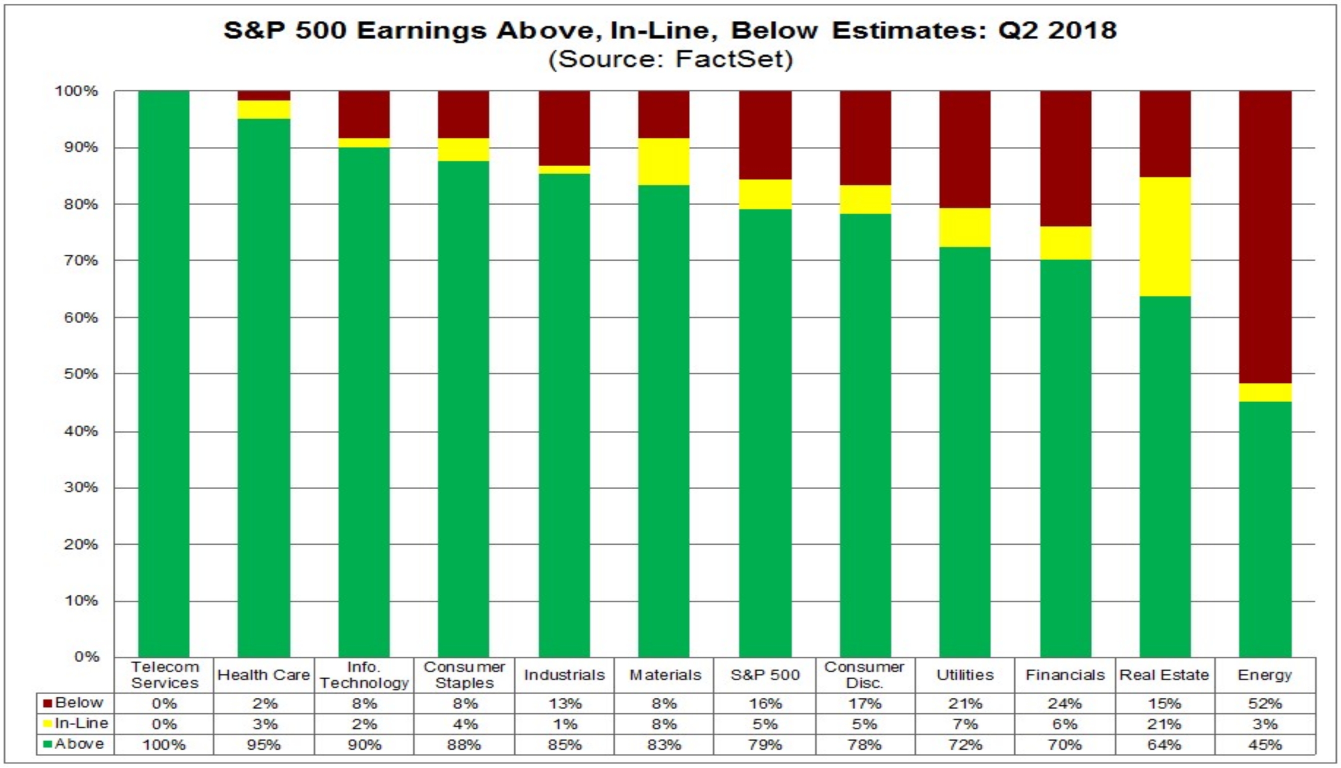
The bottom-up target price for the S&P 500 is 3148.14, which is 10.3% above the closing price of 2853.58. At the sector level, the Energy (+15.2%) and Materials (+14.5%) sectors are expected to see the largest price increases, as these sectors have the largest upside differences between the bottom-up target price and the closing price. On the other hand, the Utilities (+3.2%) sector is expected to see the smallest price increase, as this sector has the smallest upside difference between the bottom-up target price and the closing price.

Overall, there are 10,866 ratings on stocks in the S&P 500. Of these 10,866 ratings, 52.8% are Buy ratings, 41.7% are Hold ratings, and 5.5% are Sell ratings. At the sector level, the Information Technology (60%), Materials (59%), Energy (59%), and Health Care (58%) sectors have the highest percentages of Buy ratings, while the Utilities (43%), Consumer Staples (43%), Telecom Services (44%), and Real Estate (44%) sectors have the lowest percentages of Buy ratings.

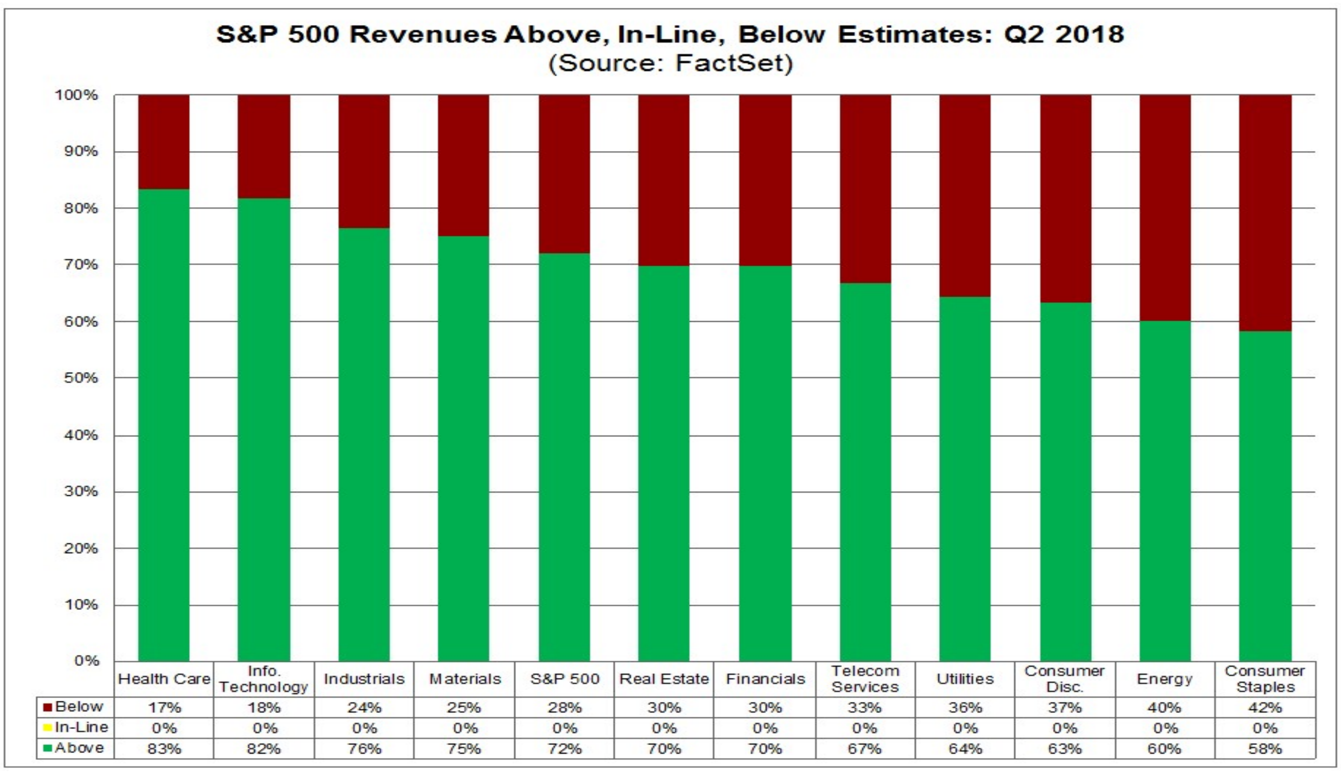
Companies Reporting Next Week: 13

During the upcoming week, 13 S&P 500 companies (including the last 3 Dow 30 component) are scheduled to report results for the second quarter.

Q2 2018: Scorecard

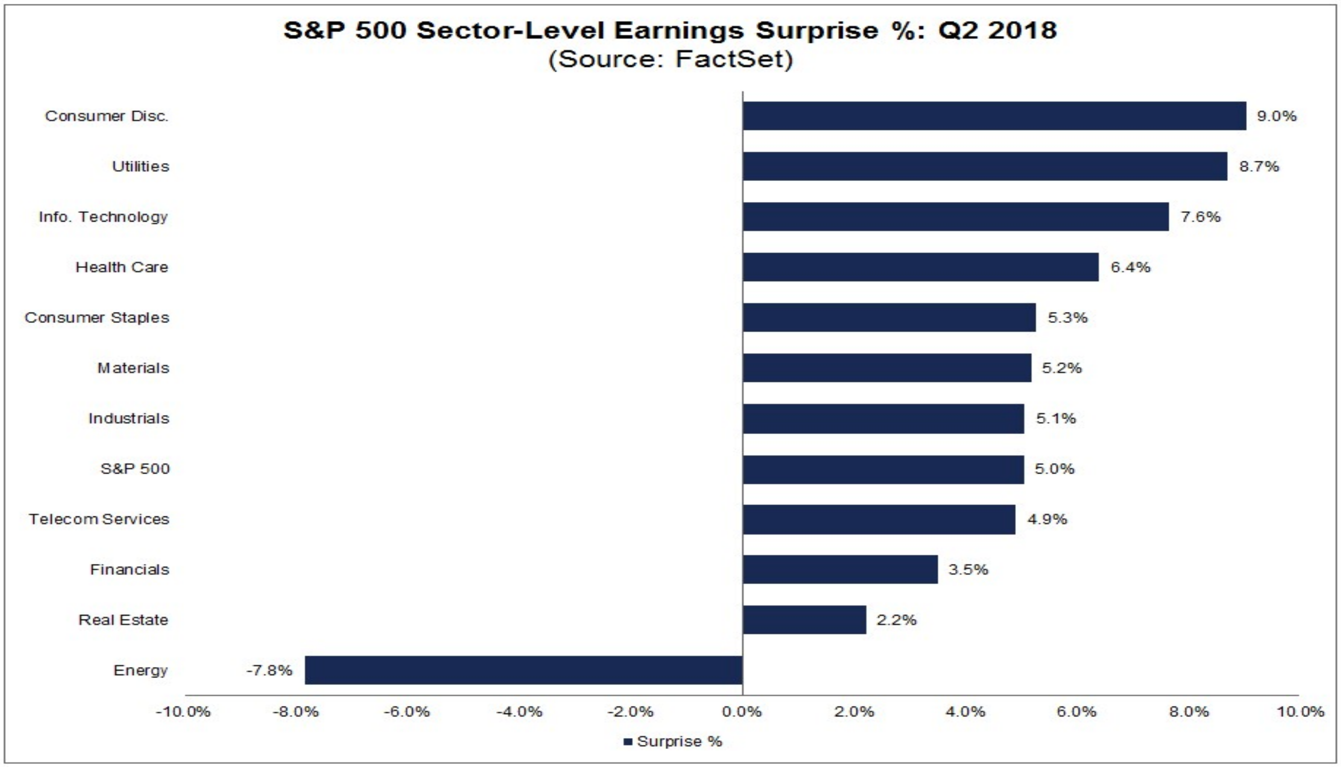


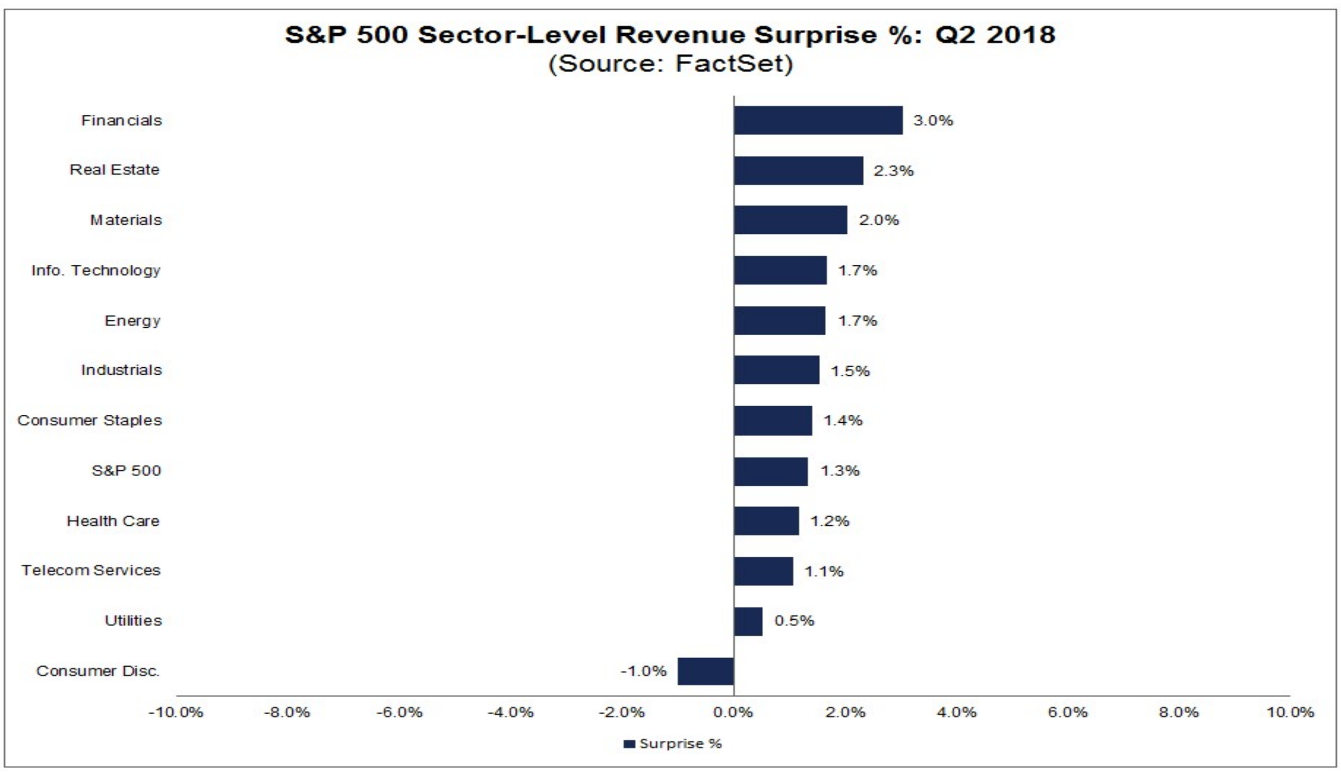
	Telecom Services	Health Care	Info. Technology	Consumer Staples	Industrials	Materials	S&P 500	Consumer Disc.	Utilities	Financials	Real Estate	Energy
Below	0%	2%	8%	8%	13%	8%	16%	17%	21%	24%	15%	52%
In-Line	0%	3%	2%	4%	1%	8%	5%	5%	7%	6%	21%	3%
Above	100%	95%	90%	88%	85%	83%	79%	78%	72%	70%	64%	45%



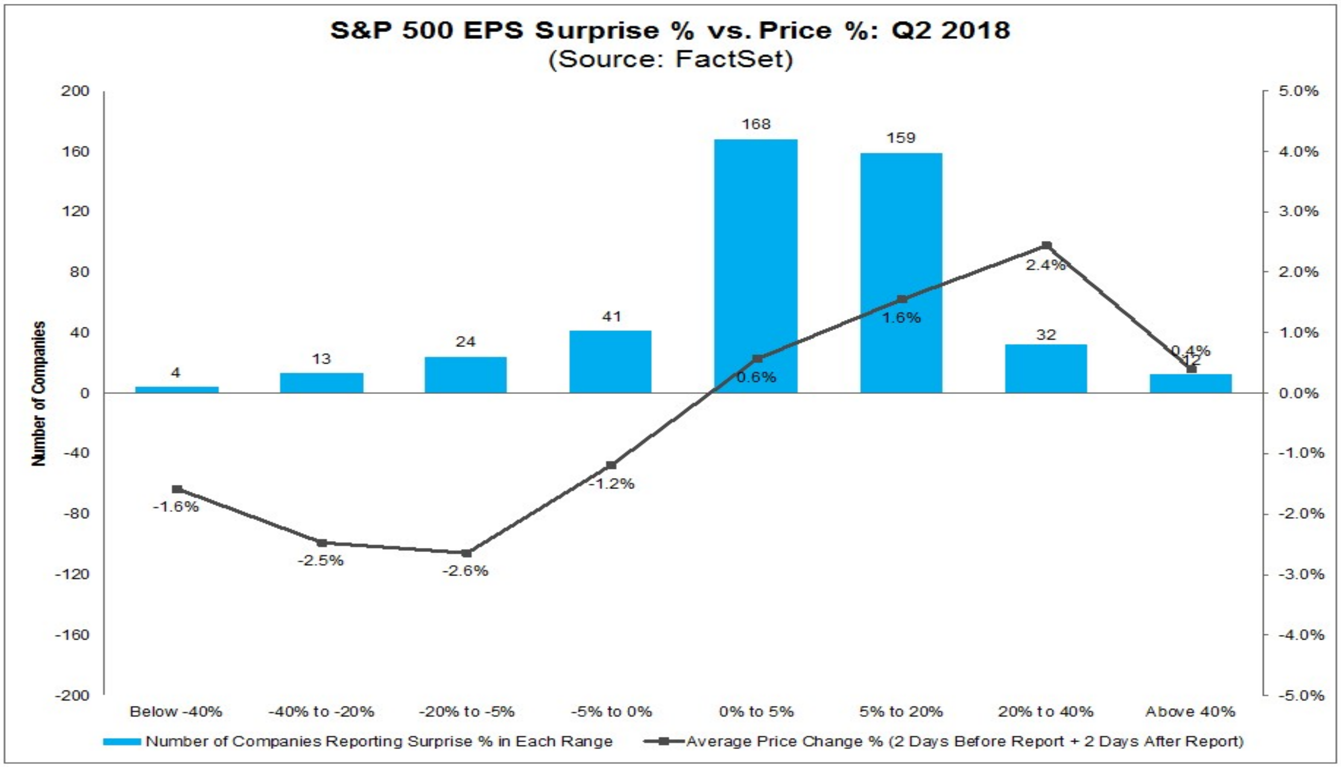
	Health Care	Info. Technology	Industrials	Materials	S&P 500	Real Estate	Financials	Telecom Services	Utilities	Consumer Disc.	Energy	Consumer Staples
Below	17%	18%	24%	25%	28%	30%	30%	33%	36%	37%	40%	42%
In-Line	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Above	83%	82%	76%	75%	72%	70%	70%	67%	64%	63%	60%	58%

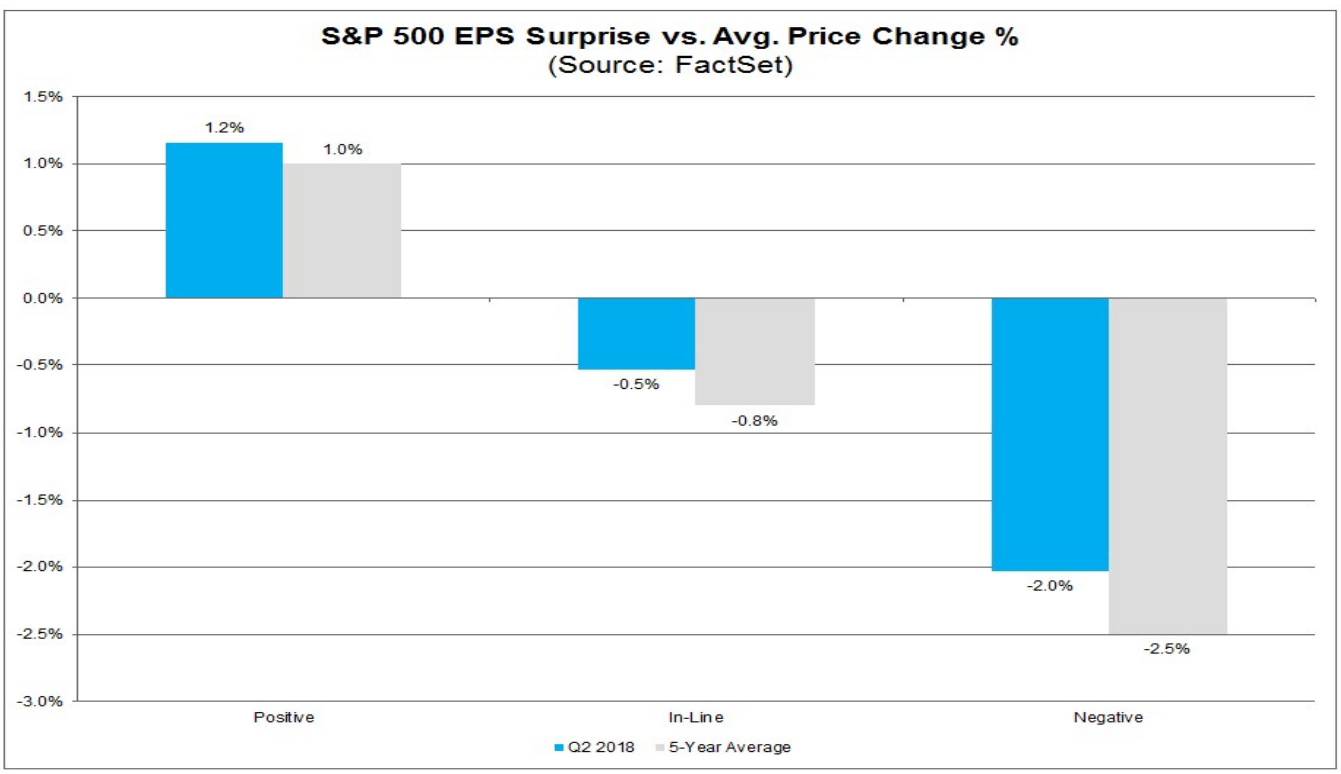
Q2 2018: Scorecard



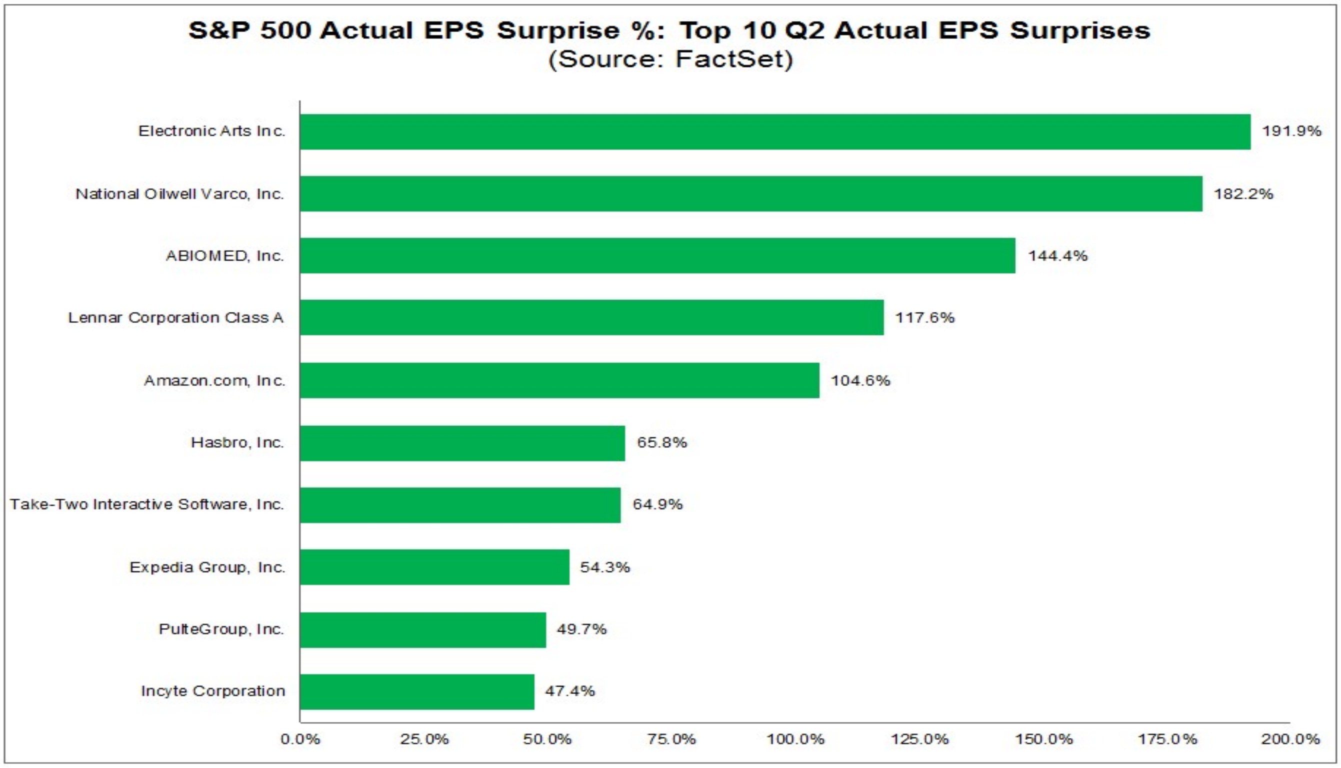


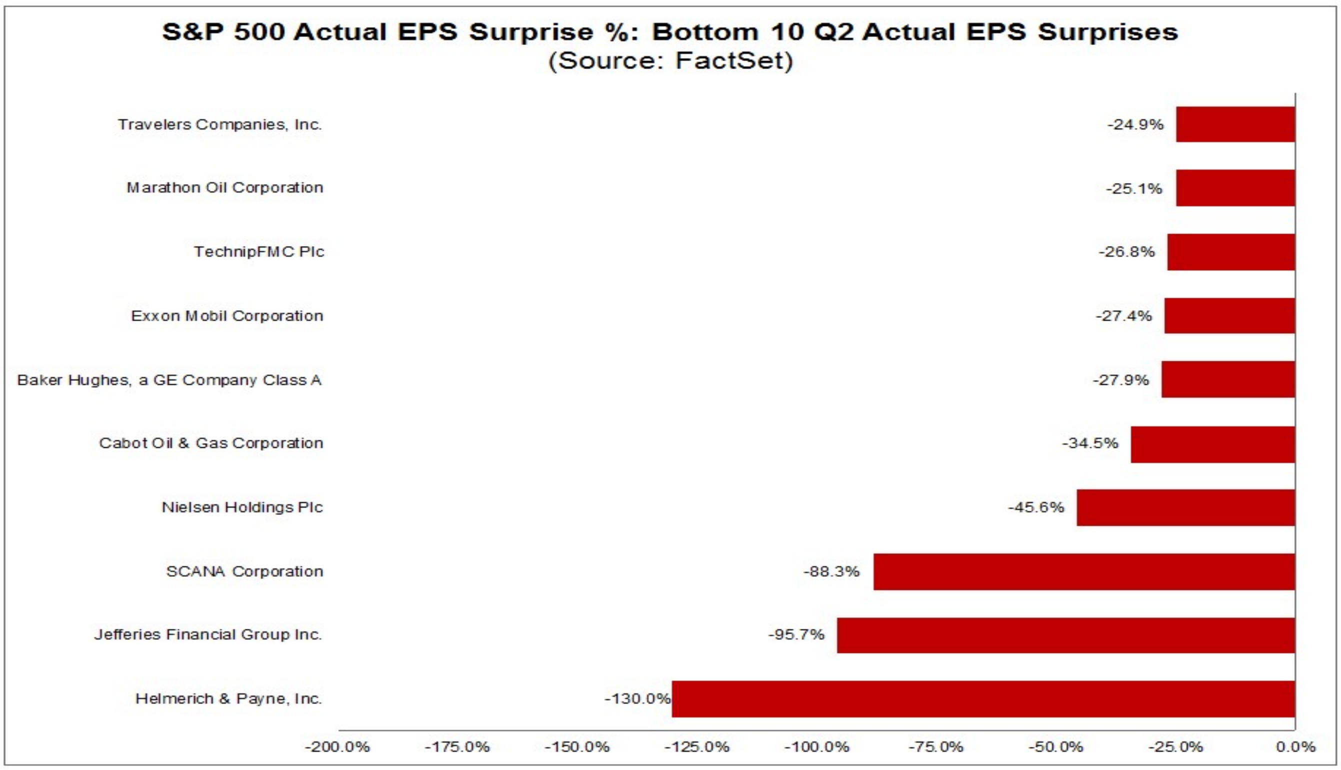
Q2 2018: Scorecard



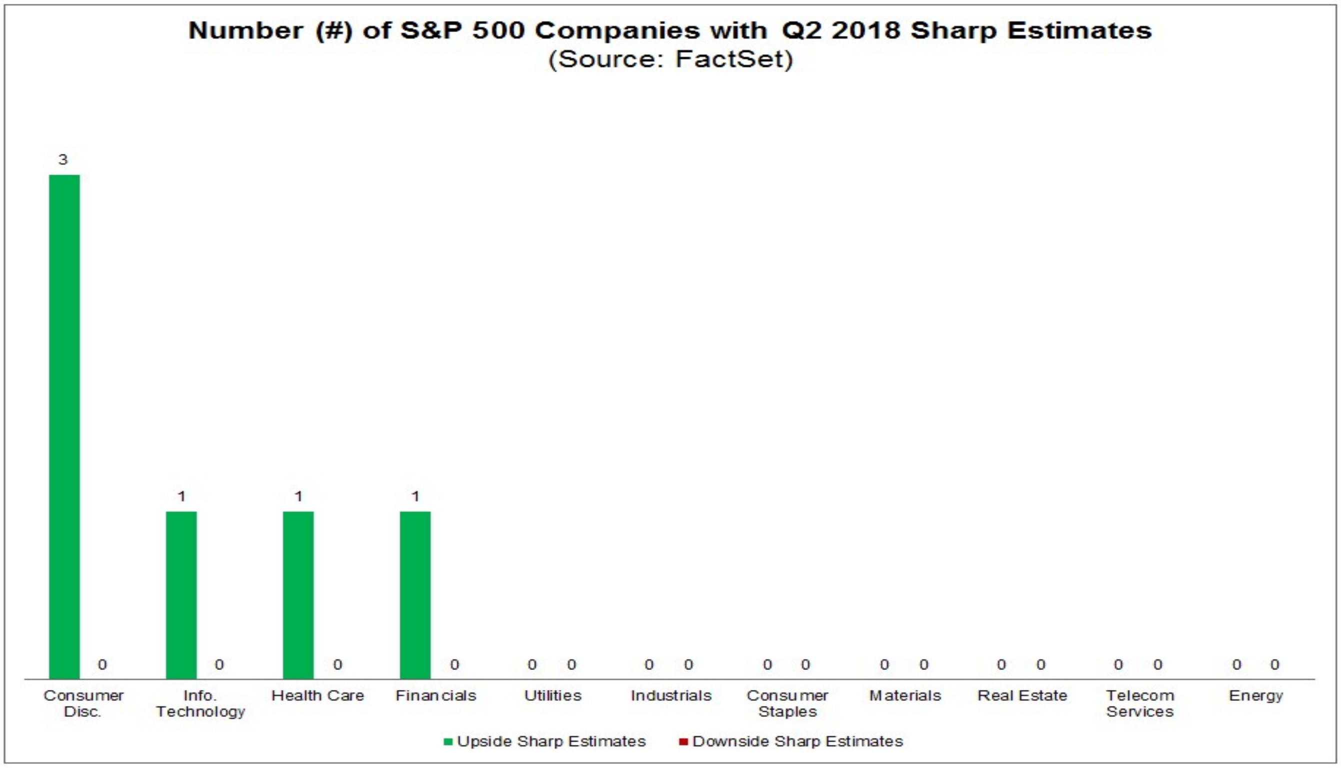


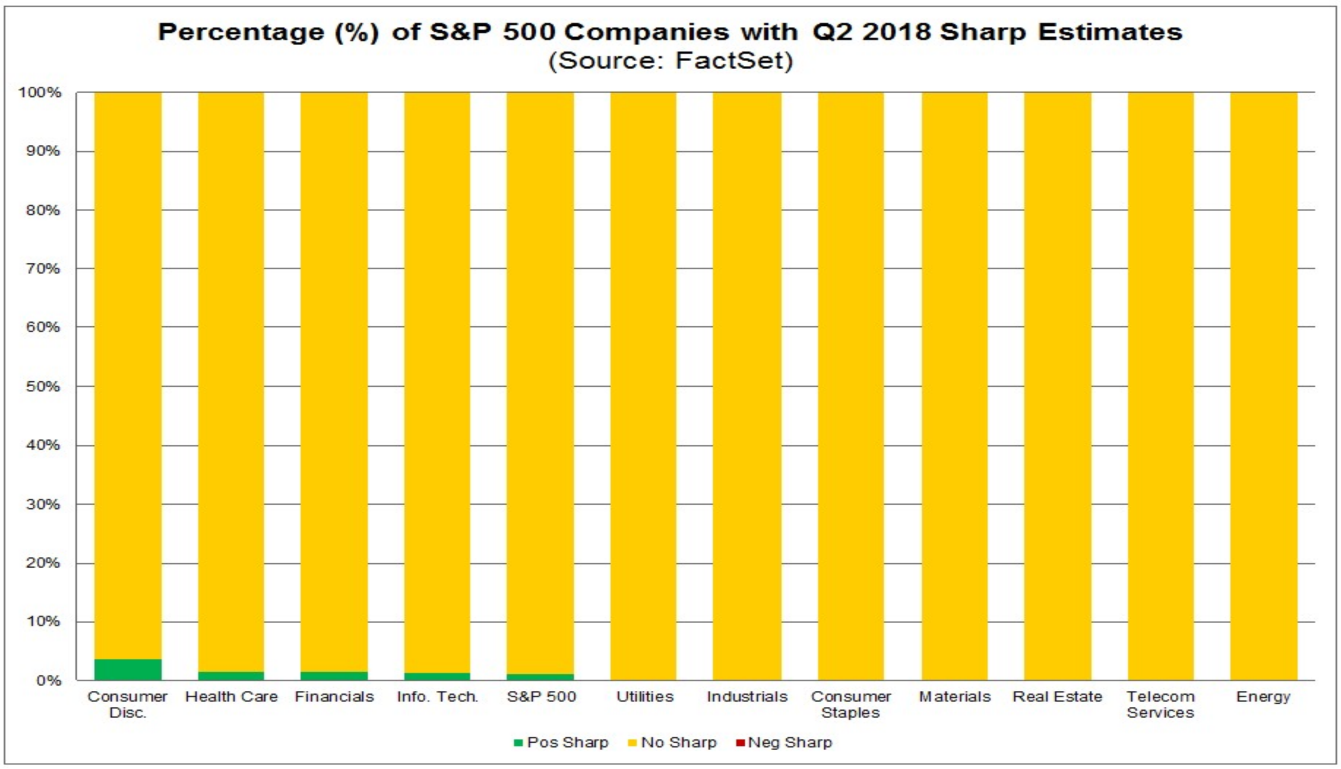
Q2 2018: Scorecard



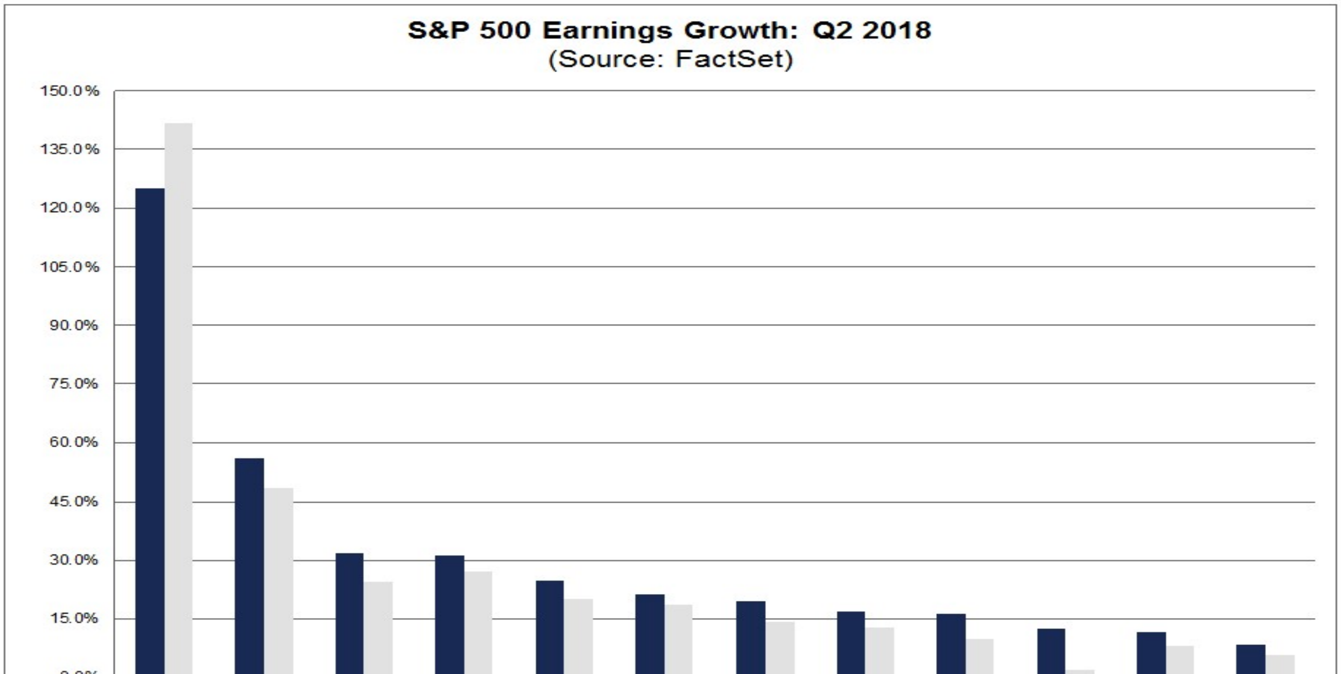


Q2 2018: Projected EPS Surprises (Sharp Estimates)

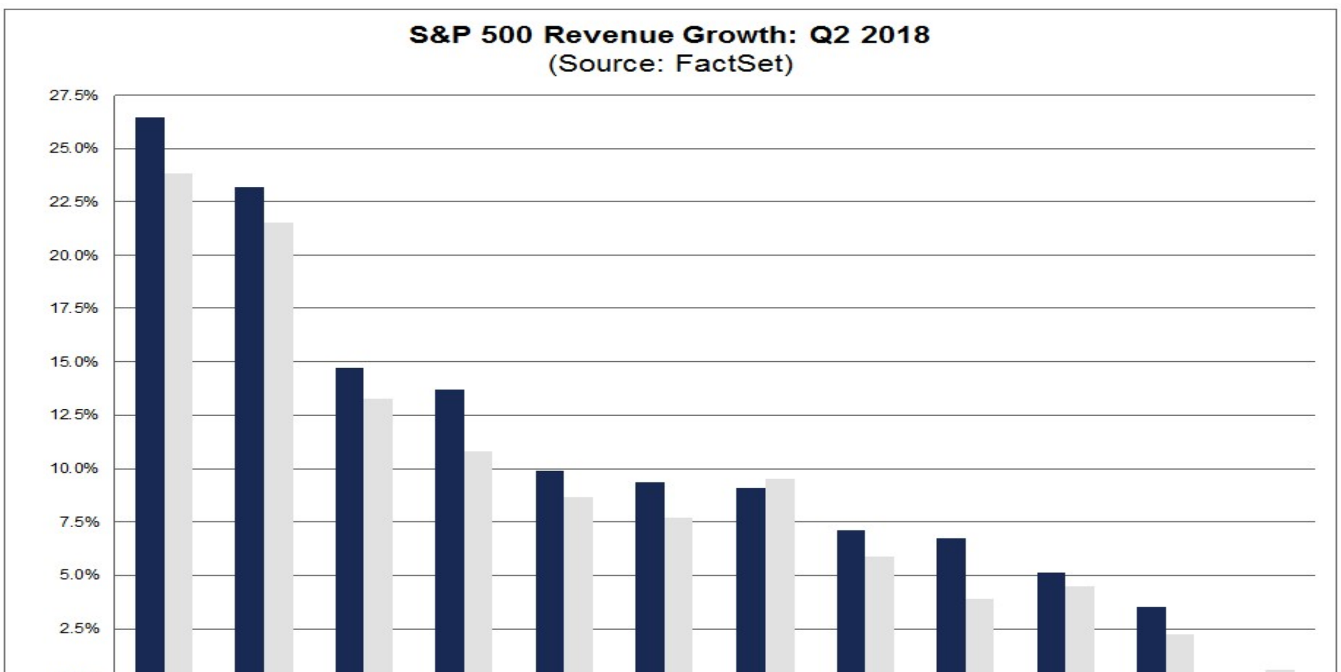




Q2 2018: Growth

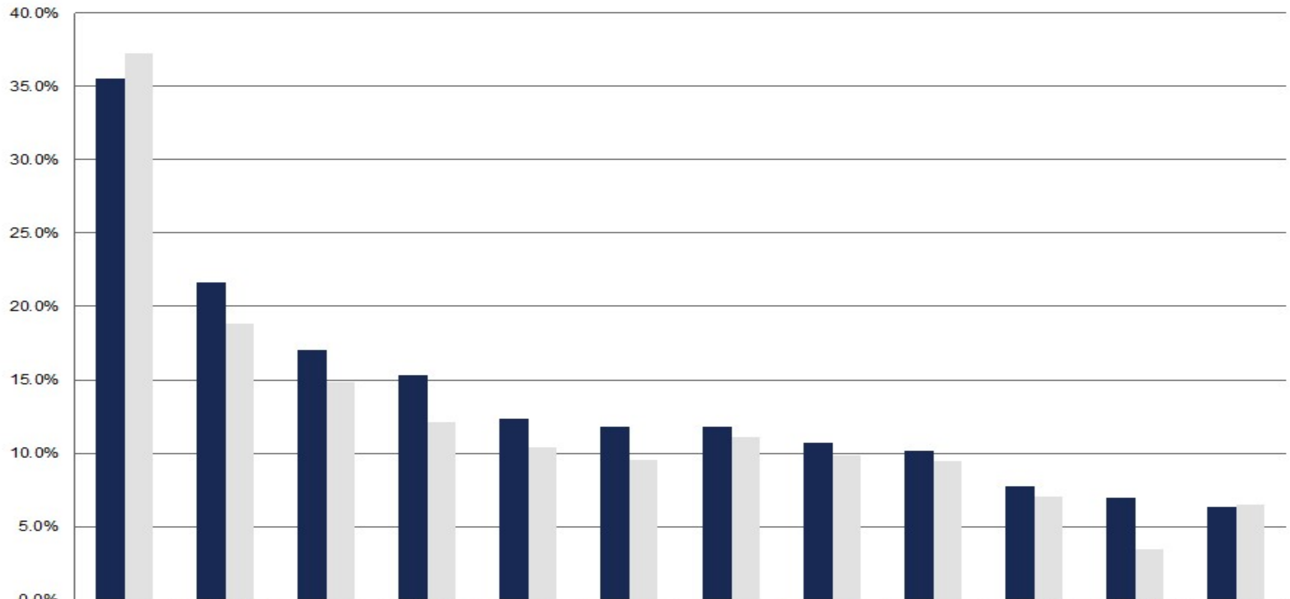


	Energy	Materials	Info. Technology	Telecom Services	S&P 500	Financials	Consumer Disc.	Industrials	Health Care	Utilities	Consumer Staples	Real Estate
Today	125.1%	56.0%	31.8%	31.3%	24.6%	21.2%	19.6%	17.0%	16.4%	12.5%	11.6%	8.4%
30-Jun	141.7%	48.6%	24.5%	27.3%	20.0%	18.5%	14.3%	12.7%	9.8%	2.0%	8.0%	5.7%

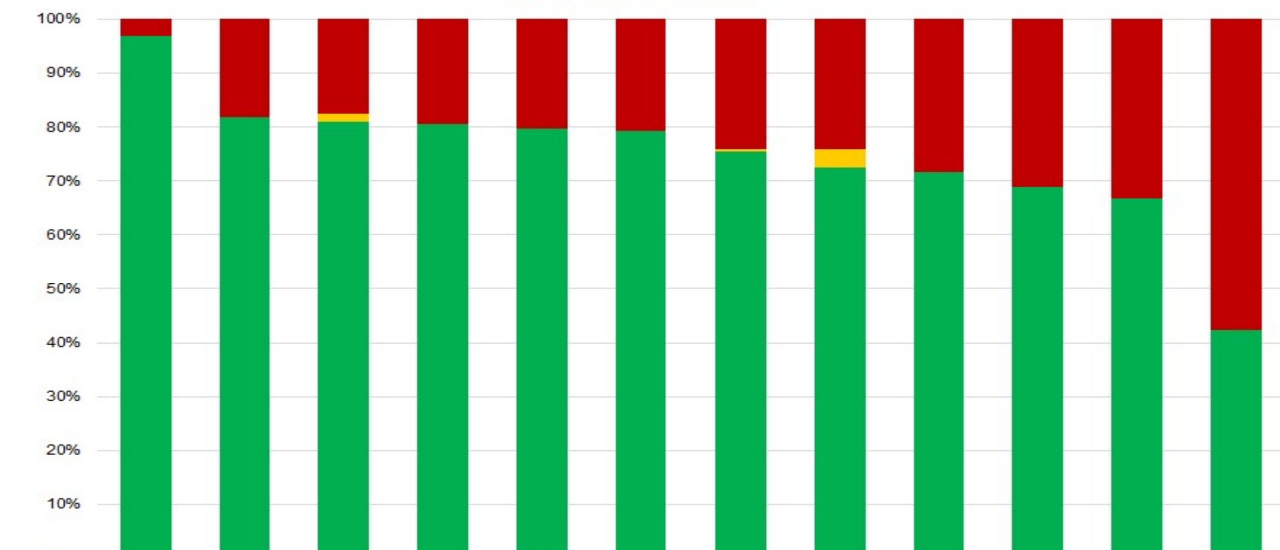


	Materials	Energy	Info. Technology	Real Estate	S&P 500	Industrials	Consumer Disc.	Health Care	Financials	Consumer Staples	Telecom Services	Utilities
Today	26.5%	23.2%	14.7%	13.7%	9.9%	9.4%	9.1%	7.1%	6.7%	5.2%	3.5%	0.0%
30-Jun	23.8%	21.5%	13.2%	10.8%	8.7%	7.7%	9.5%	5.9%	3.9%	4.5%	2.2%	0.6%

Q2 2018: Net Profit Margin

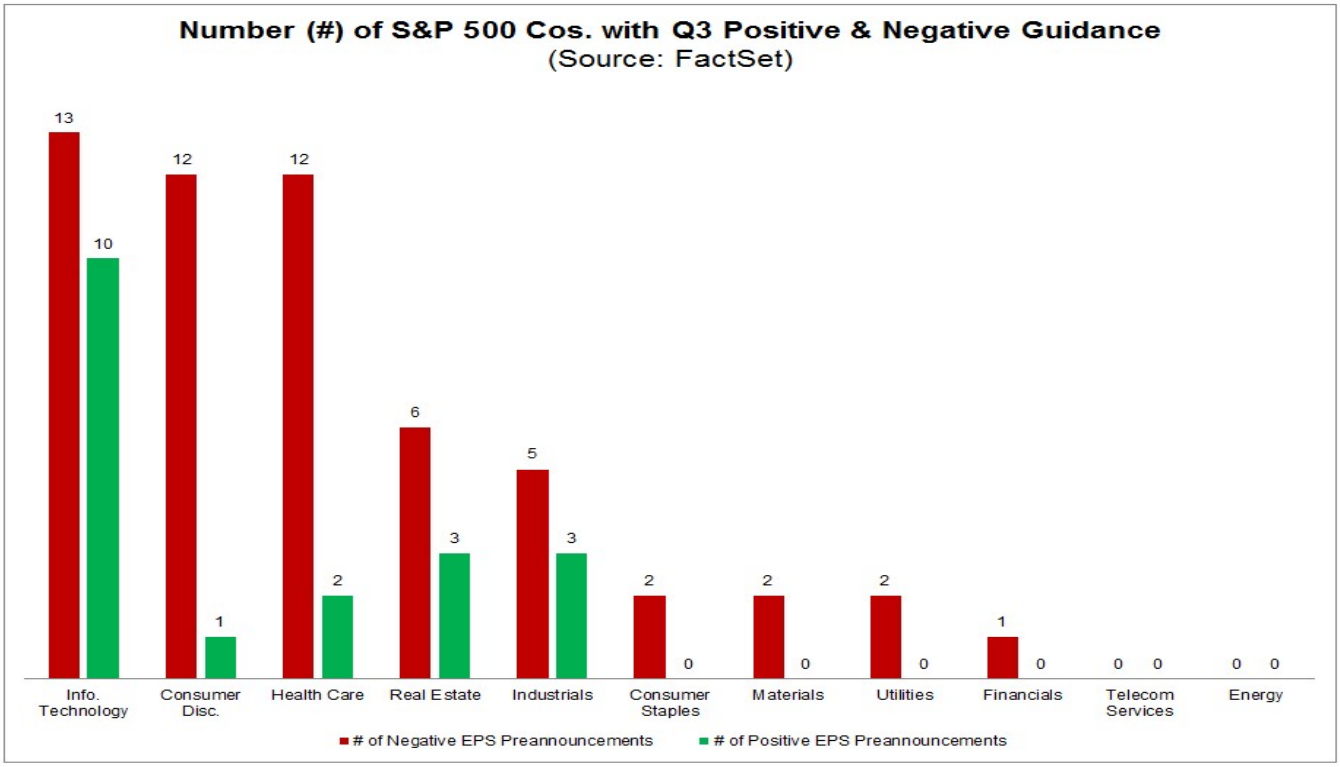


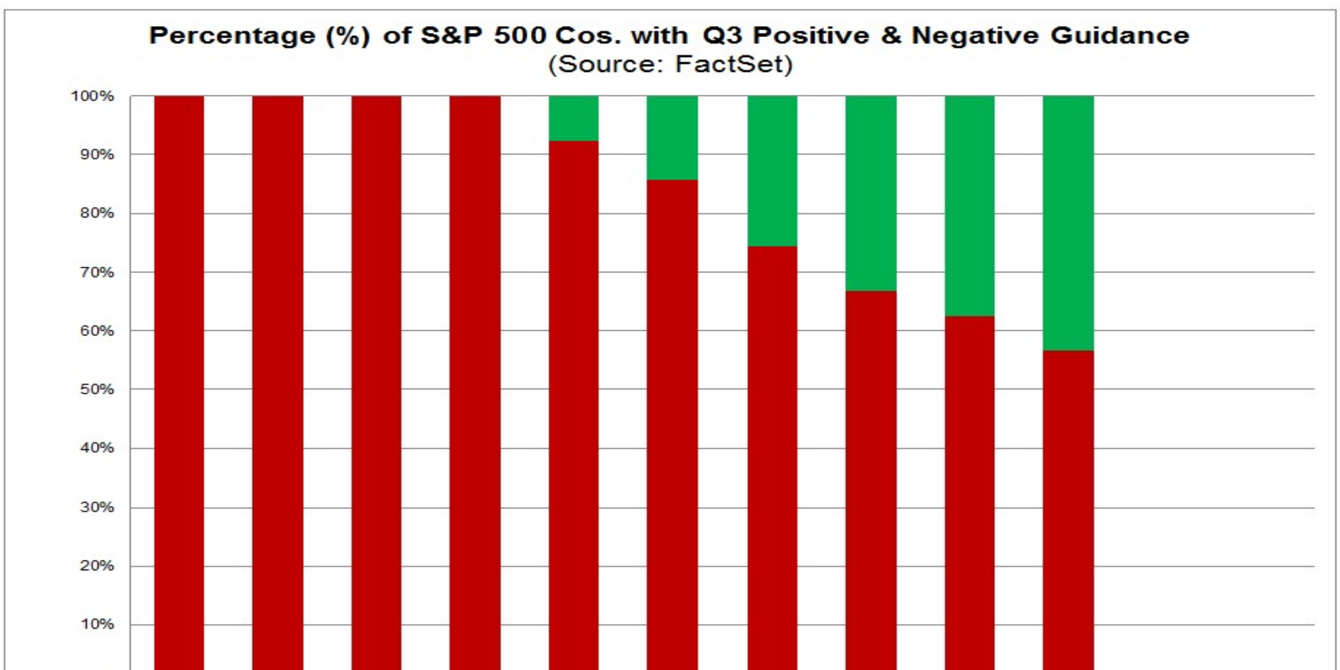
	Real Estate	Information Tech	Financials	Telecom Services	Utilities	Materials	S&P 500	Health Care	Industrials	Consumer Disc.	Consumer Staples	Energy
Q218	35.5%	21.6%	17.1%	15.4%	12.4%	11.8%	11.8%	10.7%	10.2%	7.8%	7.0%	6.4%
Q217	37.2%	18.8%	14.9%	12.1%	10.4%	9.6%	11.1%	9.9%	9.5%	7.1%	3.5%	6.6%



	Energy	Consumer Staples	Financials	Information Tech.	Industrials	Materials	S&P 500	Utilities	Health Care	Consumer Disc.	Telecom Services	Real Estate
Down %	3%	18%	18%	19%	20%	21%	24%	24%	29%	31%	33%	58%
None %	0%	0%	1%	0%	0%	0%	0%	3%	0%	0%	0%	0%
Up %	97%	82%	81%	81%	80%	79%	75%	72%	71%	69%	67%	42%

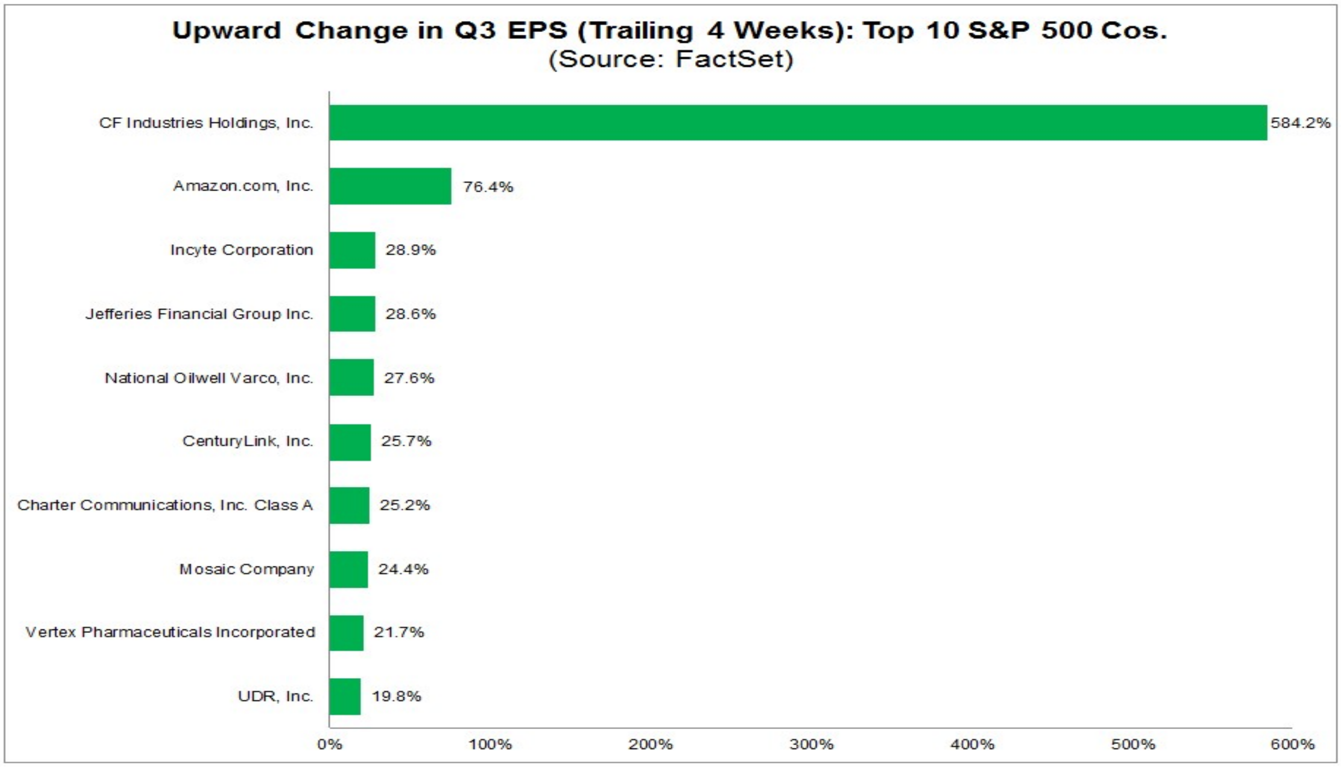
Q3 2018: EPS Guidance

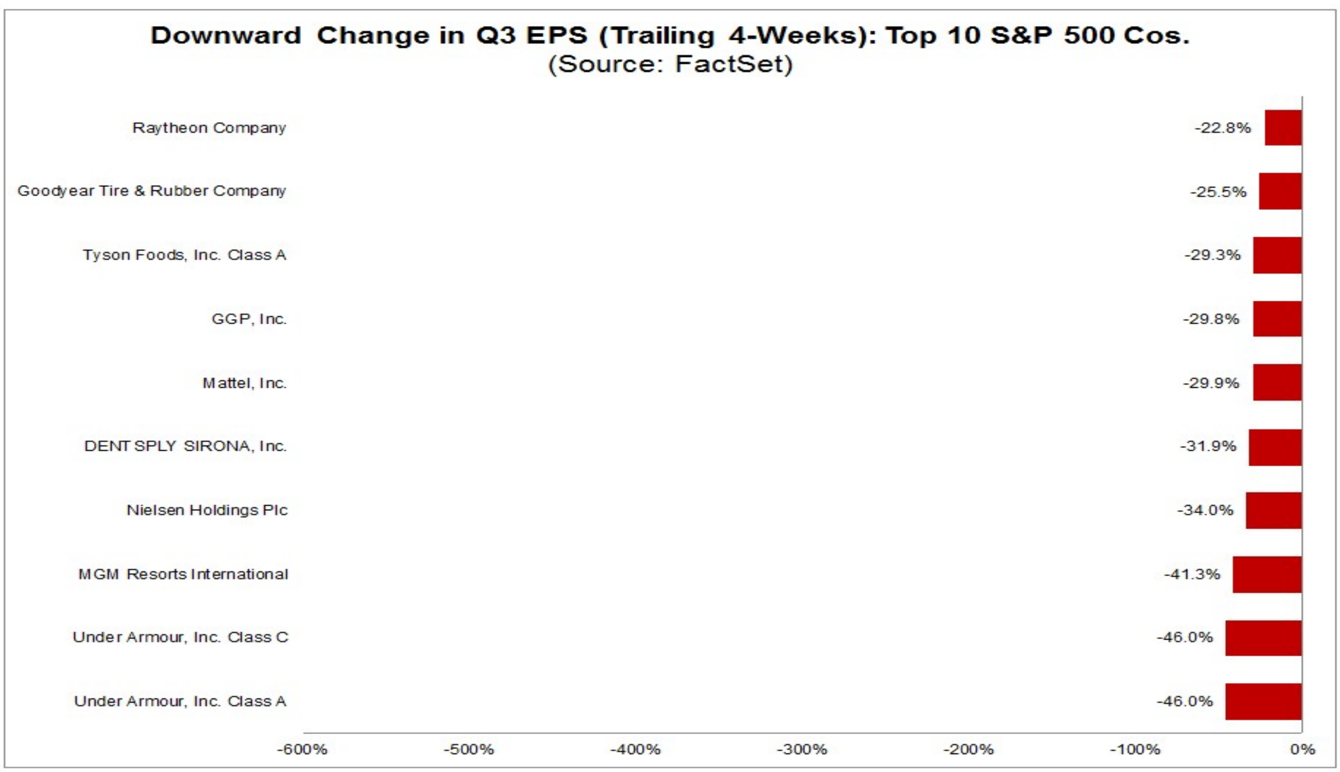




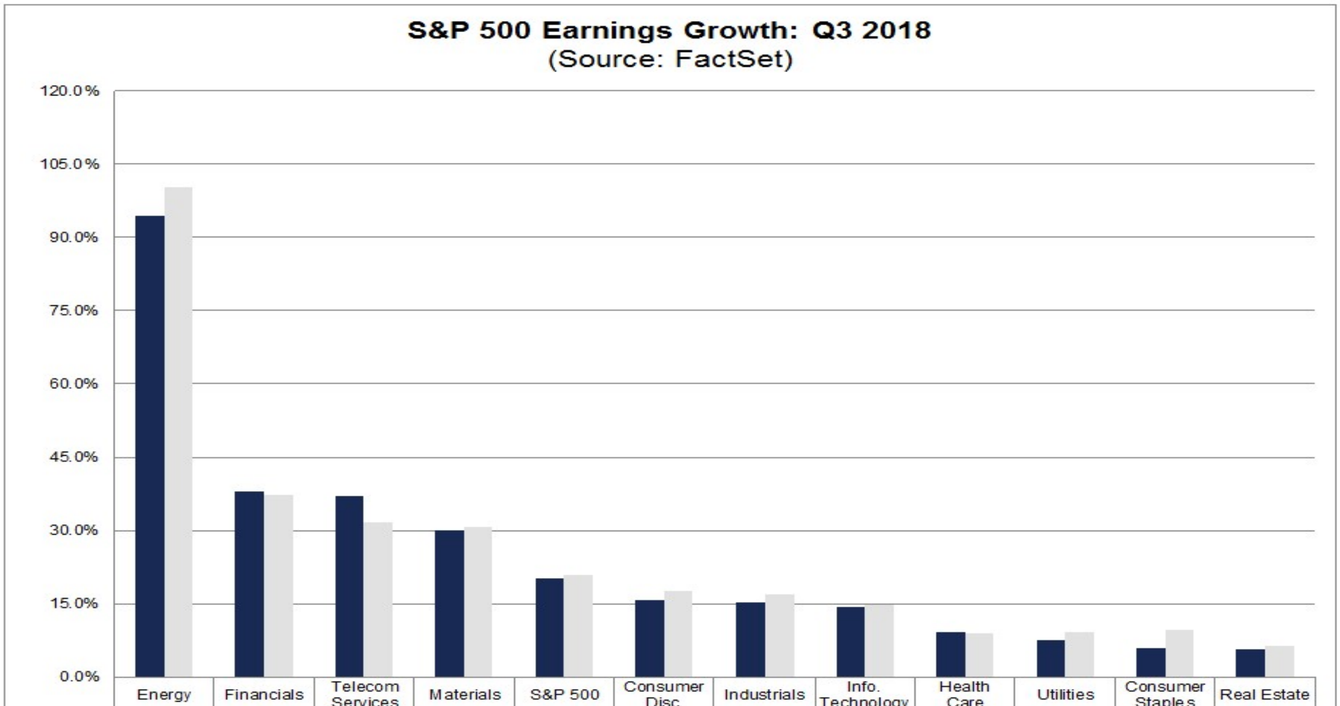
	Consumer Staples	Materials	Utilities	Financials	Consumer Disc.	Health Care	S&P 500	Real Estate	Industrials	Info. Technology	Telecom Services	Energy
Positive	0%	0%	0%	0%	8%	14%	26%	33%	38%	43%	0%	0%
Negative	100%	100%	100%	100%	92%	86%	74%	67%	63%	57%	0%	0%

Q3 2018: EPS Revisions

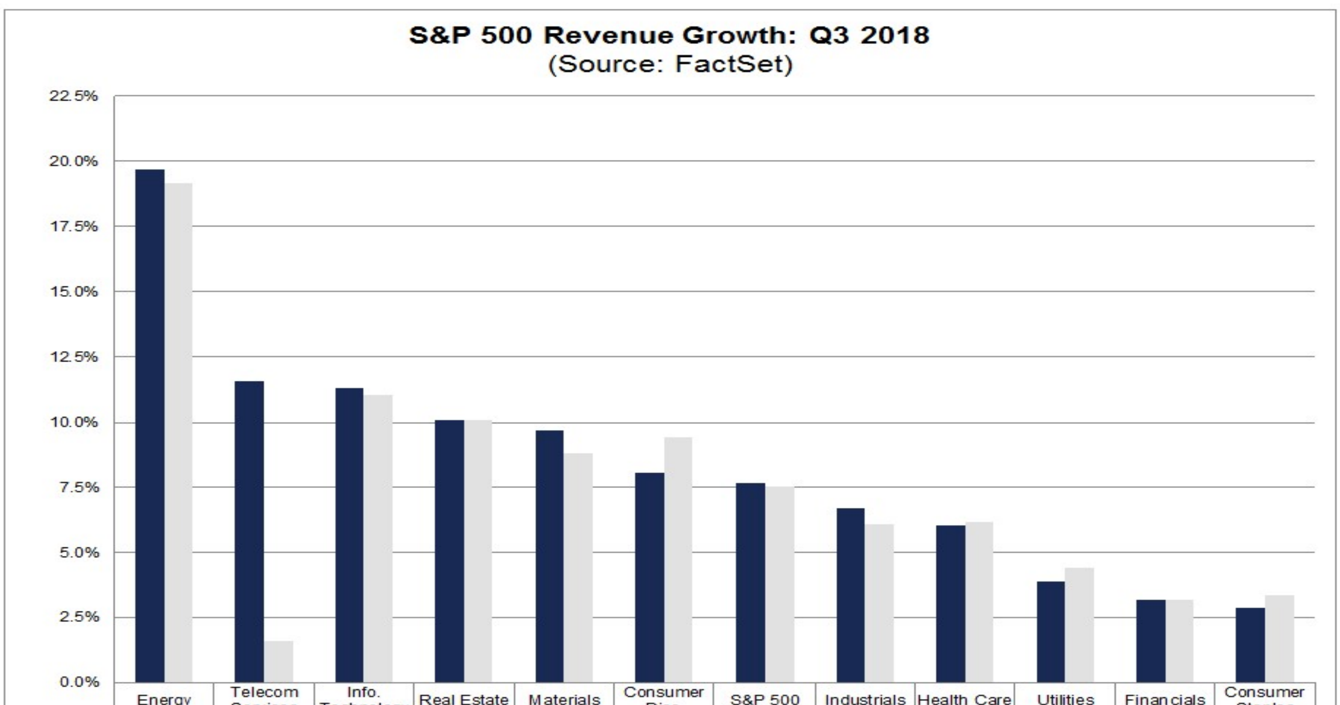




Q3 2018: Growth

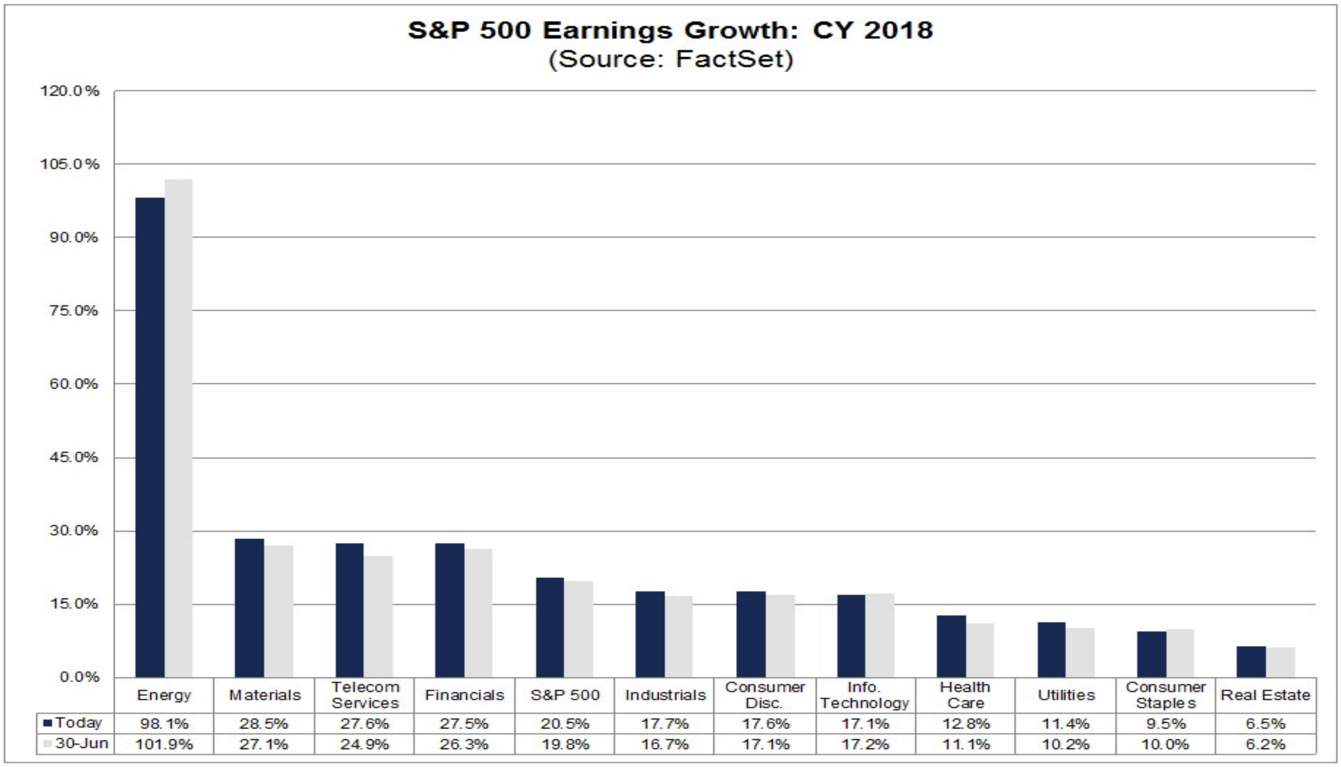


	Energy	Financials	Telecom Services	Materials	S&P 500	Consumer Disc.	Industrials	Info. Technology	Health Care	Utilities	Consumer Staples	Real Estate
Today	94.3%	38.1%	37.1%	30.1%	20.3%	15.8%	15.5%	14.5%	9.2%	7.6%	6.0%	5.8%
30-Jun	100.3%	37.5%	31.8%	30.9%	21.1%	17.6%	17.1%	14.8%	9.0%	9.4%	9.8%	6.5%

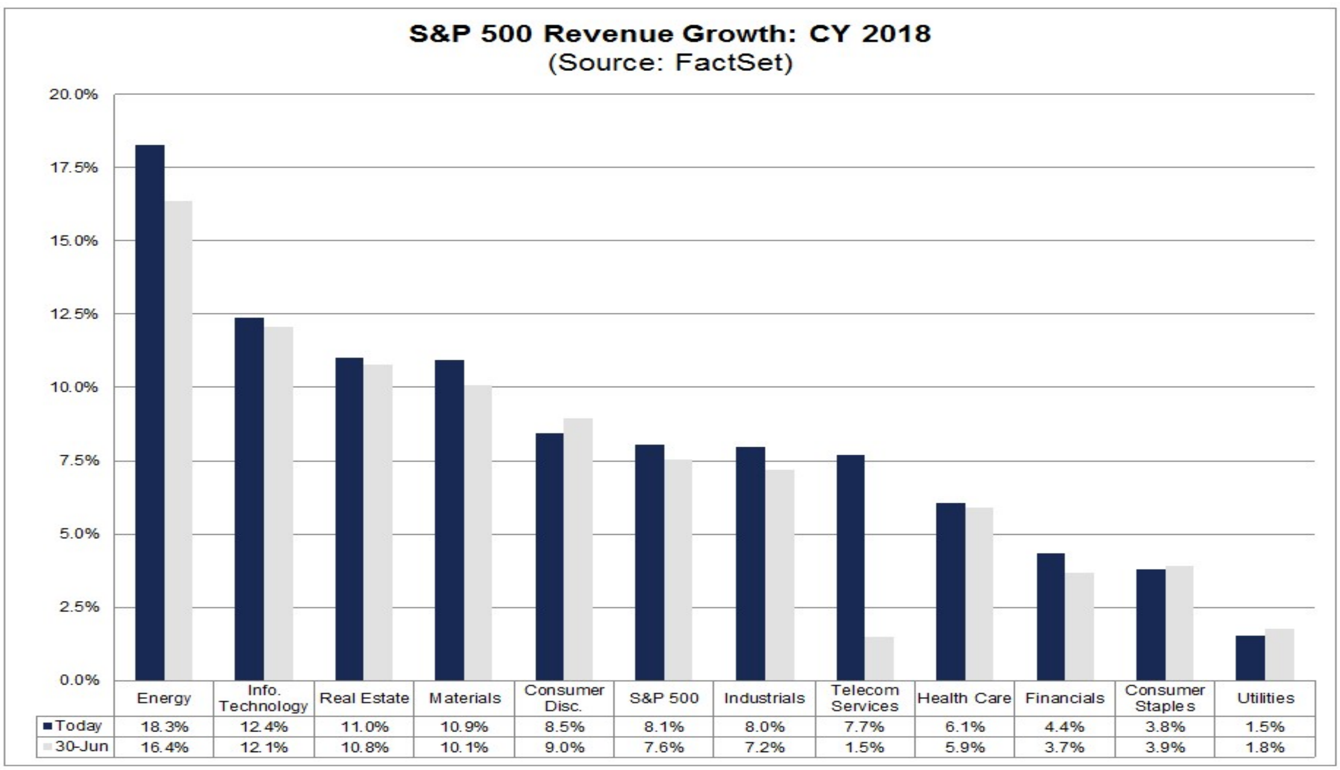


	Energy	Telecom Services	Info. Technology	Real Estate	Materials	Consumer Disc.	S&P 500	Industrials	Health Care	Utilities	Financials	Consumer Staples
Today	19.7%	11.5%	11.3%	10.1%	9.7%	8.1%	7.7%	6.7%	6.0%	3.9%	3.2%	2.9%
30-Jun	19.1%	1.6%	11.0%	10.1%	8.8%	9.4%	7.6%	6.1%	6.2%	4.4%	3.2%	3.3%

CY 2018: Growth

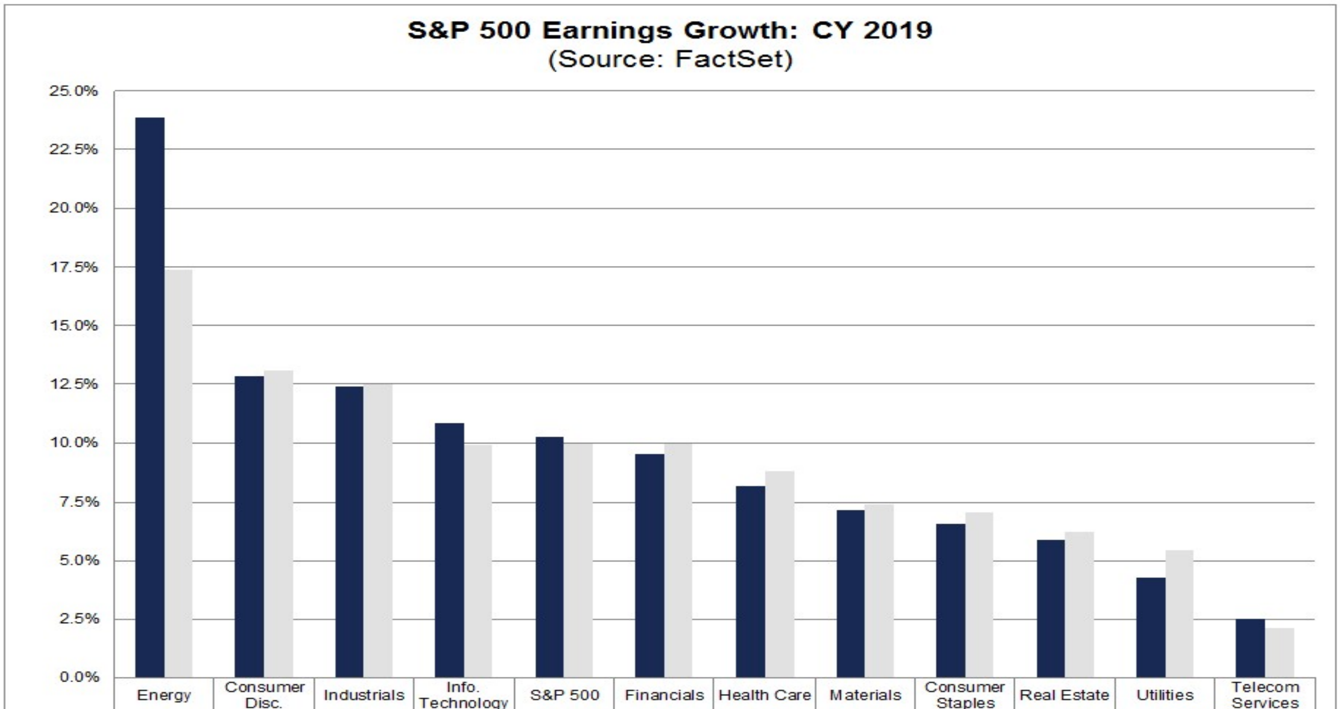


	Energy	Materials	Telecom Services	Financials	S&P 500	Industrials	Consumer Disc.	Info. Technology	Health Care	Utilities	Consumer Staples	Real Estate
Today	98.1%	28.5%	27.6%	27.5%	20.5%	17.7%	17.6%	17.1%	12.8%	11.4%	9.5%	6.5%
30-Jun	101.9%	27.1%	24.9%	26.3%	19.8%	16.7%	17.1%	17.2%	11.1%	10.2%	10.0%	6.2%

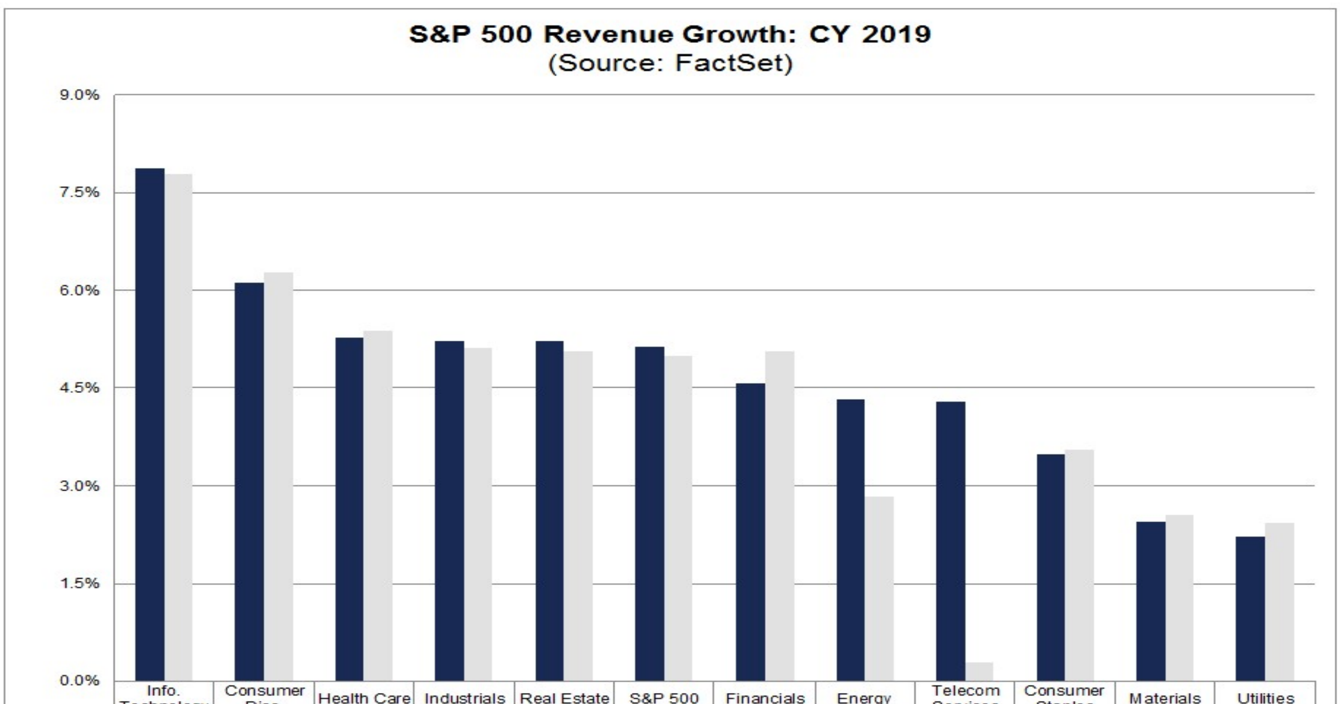


	Energy	Info. Technology	Real Estate	Materials	Consumer Disc.	S&P 500	Industrials	Telecom Services	Health Care	Financials	Consumer Staples	Utilities
Today	18.3%	12.4%	11.0%	10.9%	8.5%	8.1%	8.0%	7.7%	6.1%	4.4%	3.8%	1.5%
30-Jun	16.4%	12.1%	10.8%	10.1%	9.0%	7.6%	7.2%	1.5%	5.9%	3.7%	3.9%	1.8%

CY 2019: Growth

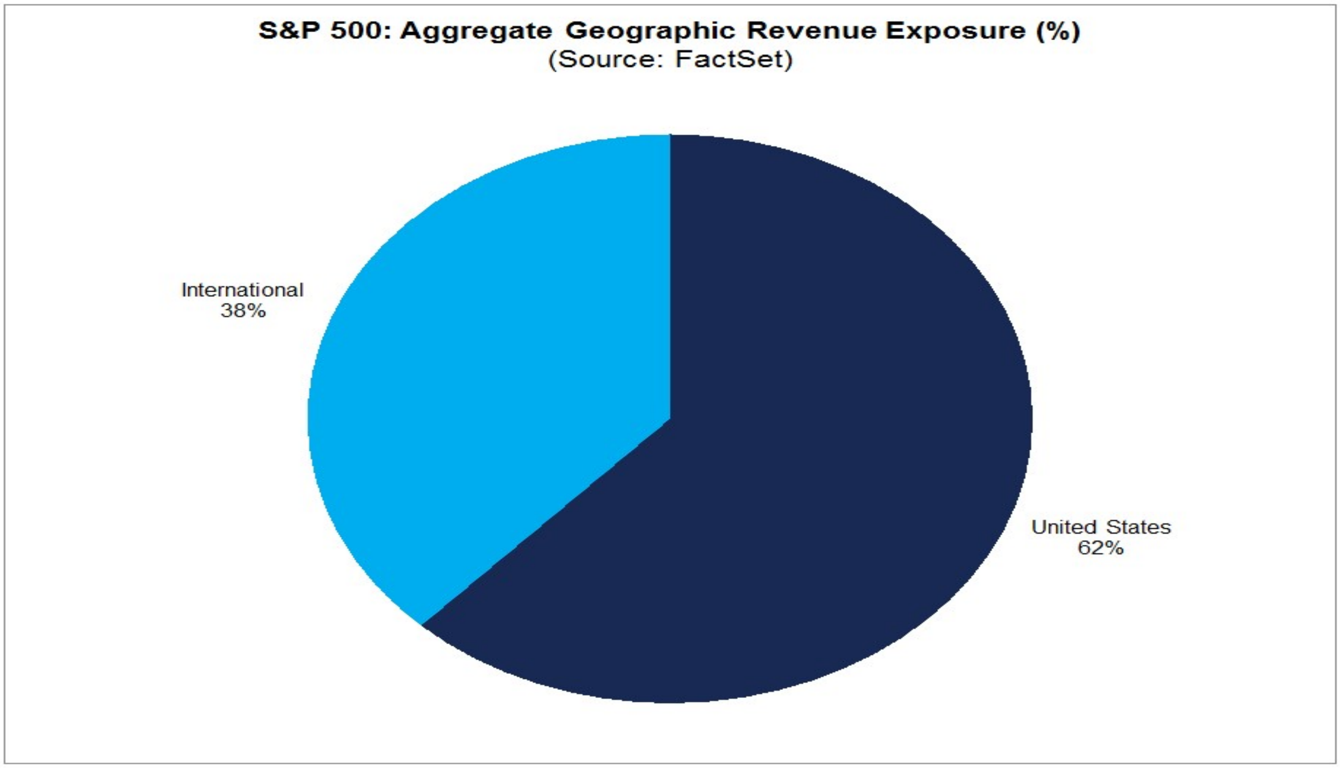


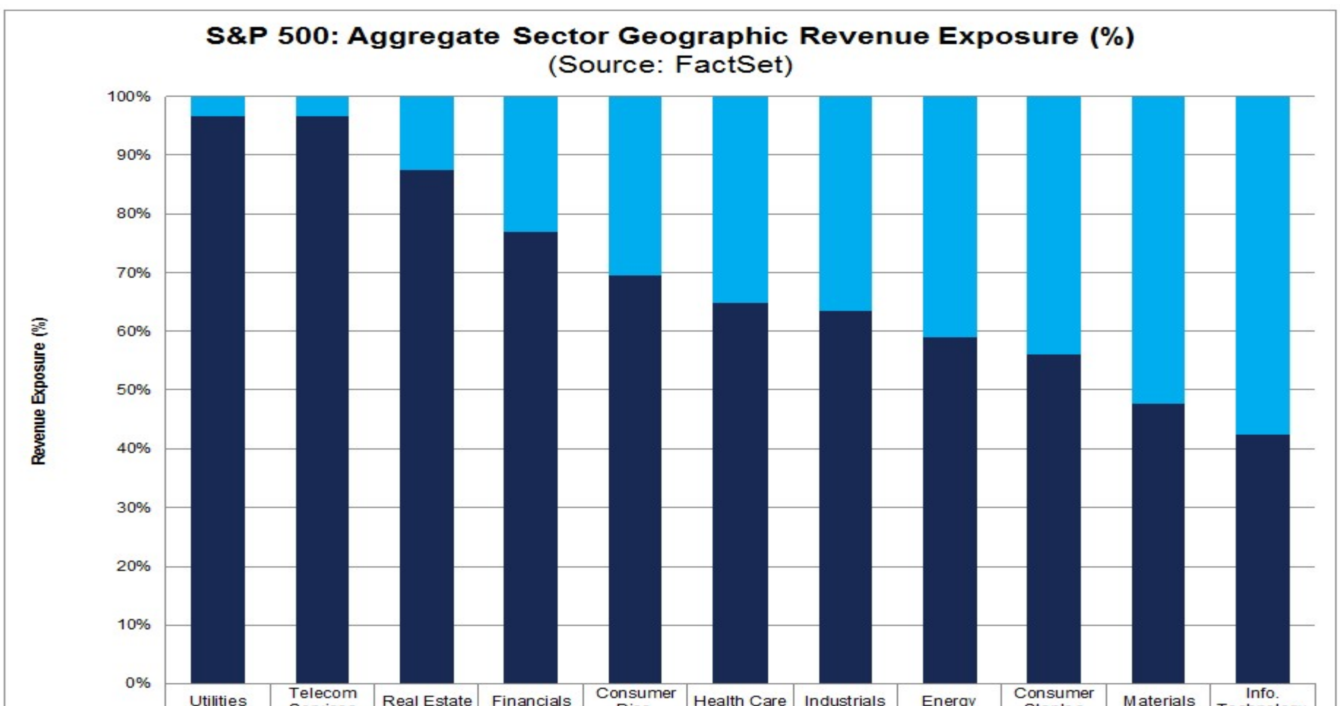
	Energy	Consumer Disc.	Industrials	Info. Technology	S&P 500	Financials	Health Care	Materials	Consumer Staples	Real Estate	Utilities	Telecom Services
Today	23.9%	12.8%	12.4%	10.9%	10.3%	9.6%	8.2%	7.1%	6.6%	5.9%	4.3%	2.5%
30-Jun	17.4%	13.1%	12.5%	9.9%	10.0%	10.0%	8.8%	7.4%	7.1%	6.2%	5.5%	2.1%



	Info. Technology	Consumer Disc.	Health Care	Industrials	Real Estate	S&P 500	Financials	Energy	Telecom Services	Consumer Staples	Materials	Utilities
Today	7.9%	6.1%	5.3%	5.2%	5.2%	5.1%	4.6%	4.3%	4.3%	3.5%	2.5%	2.2%
30-Jun	7.8%	6.3%	5.4%	5.1%	5.0%	5.0%	5.1%	2.8%	0.3%	3.6%	2.6%	2.4%

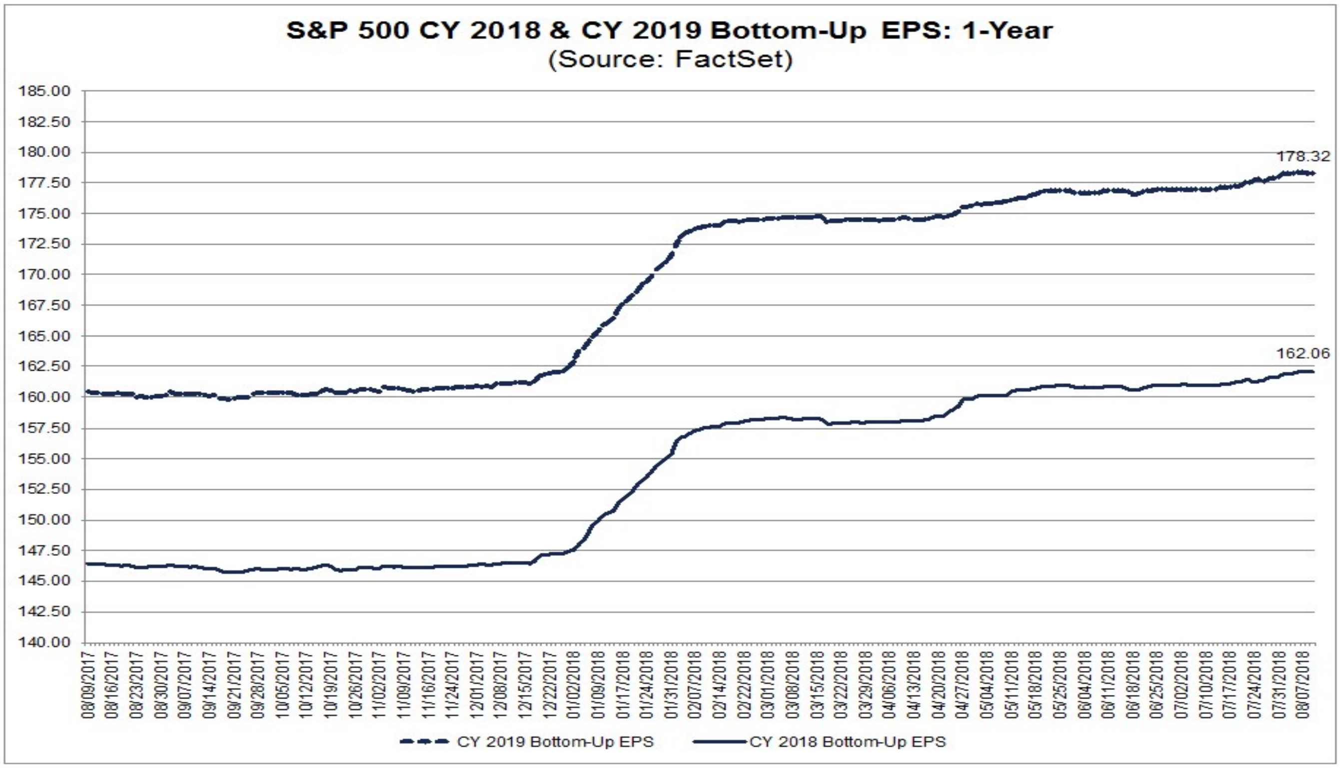
Geographic Revenue Exposure

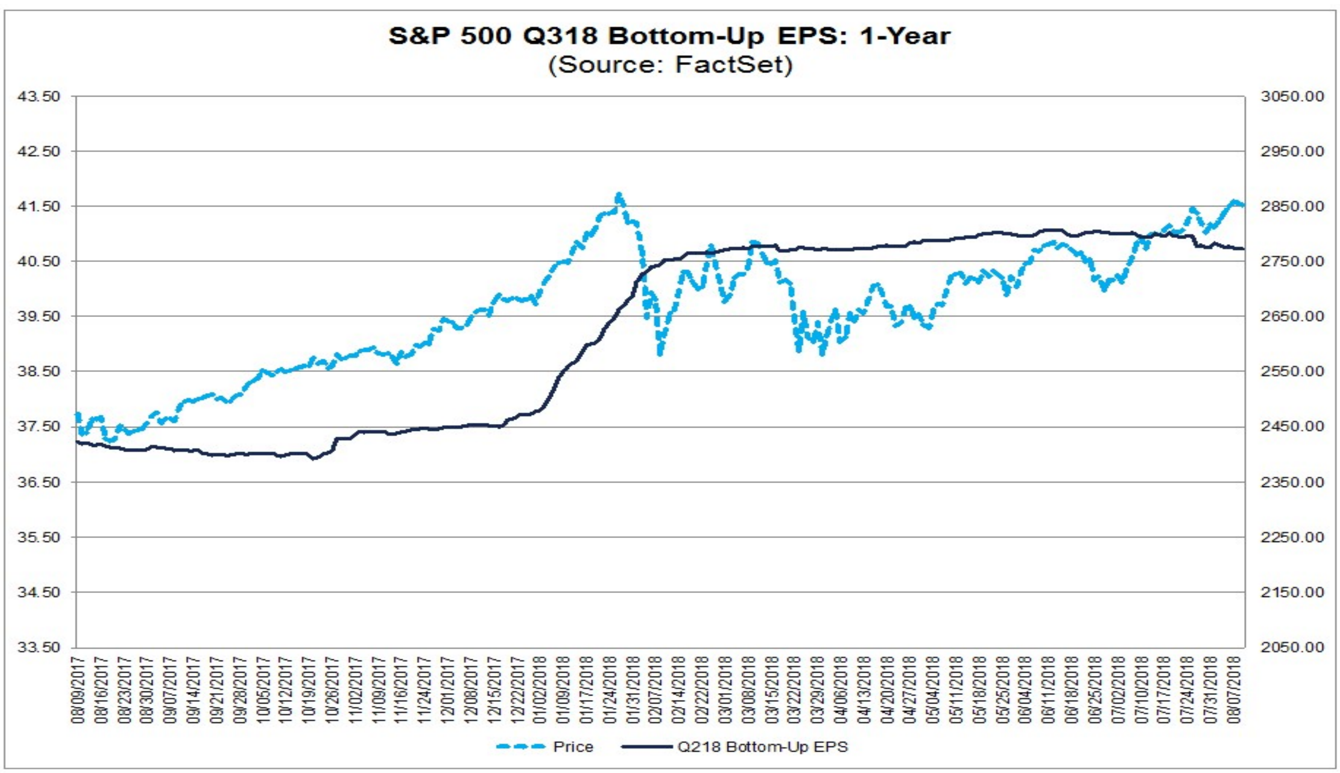




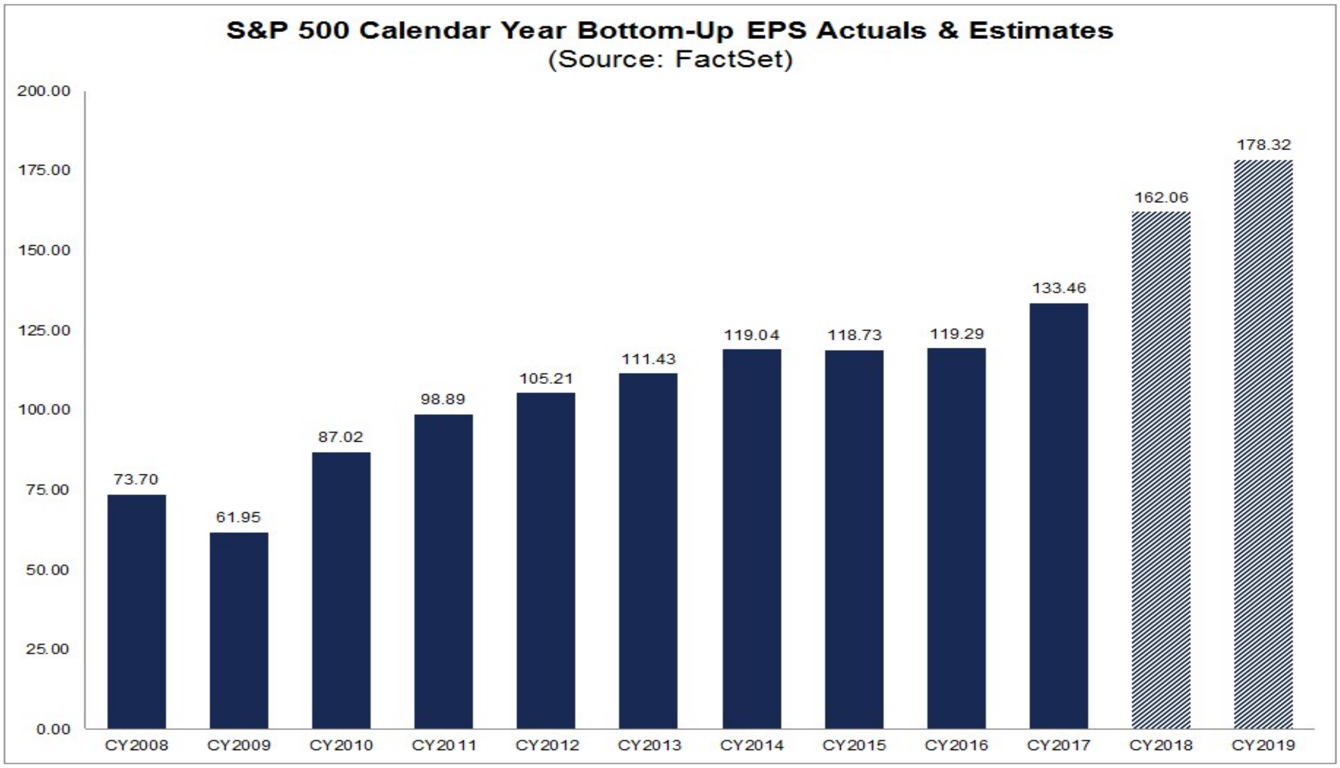
	Utilities	Telecom Services	Real Estate	Financials	Consumer Disc.	Health Care	Industrials	Energy	Consumer Staples	Materials	Info. Technology
International	3%	3%	13%	23%	31%	35%	37%	41%	44%	52%	57%
United States	97%	97%	87%	77%	69%	65%	63%	59%	56%	48%	43%

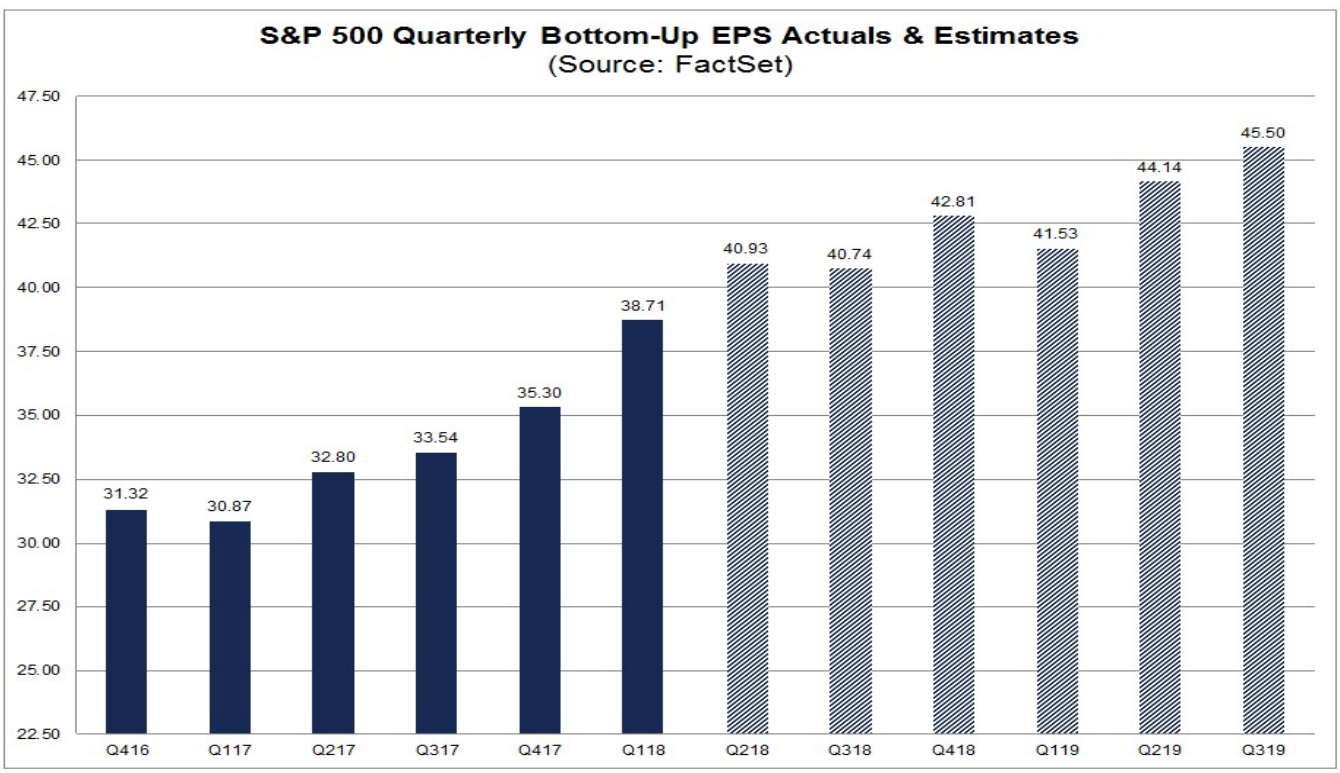
Bottom-up EPS Estimates: Revisions



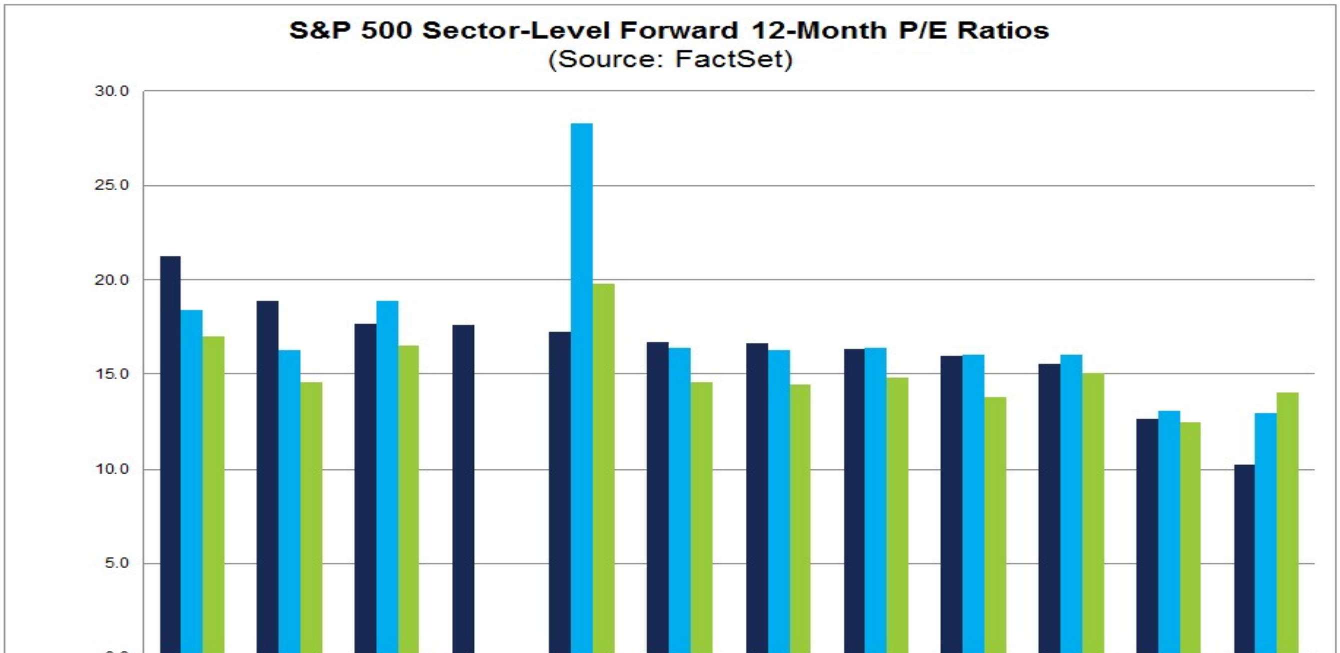


Bottom-up EPS Estimates: Current & Historical

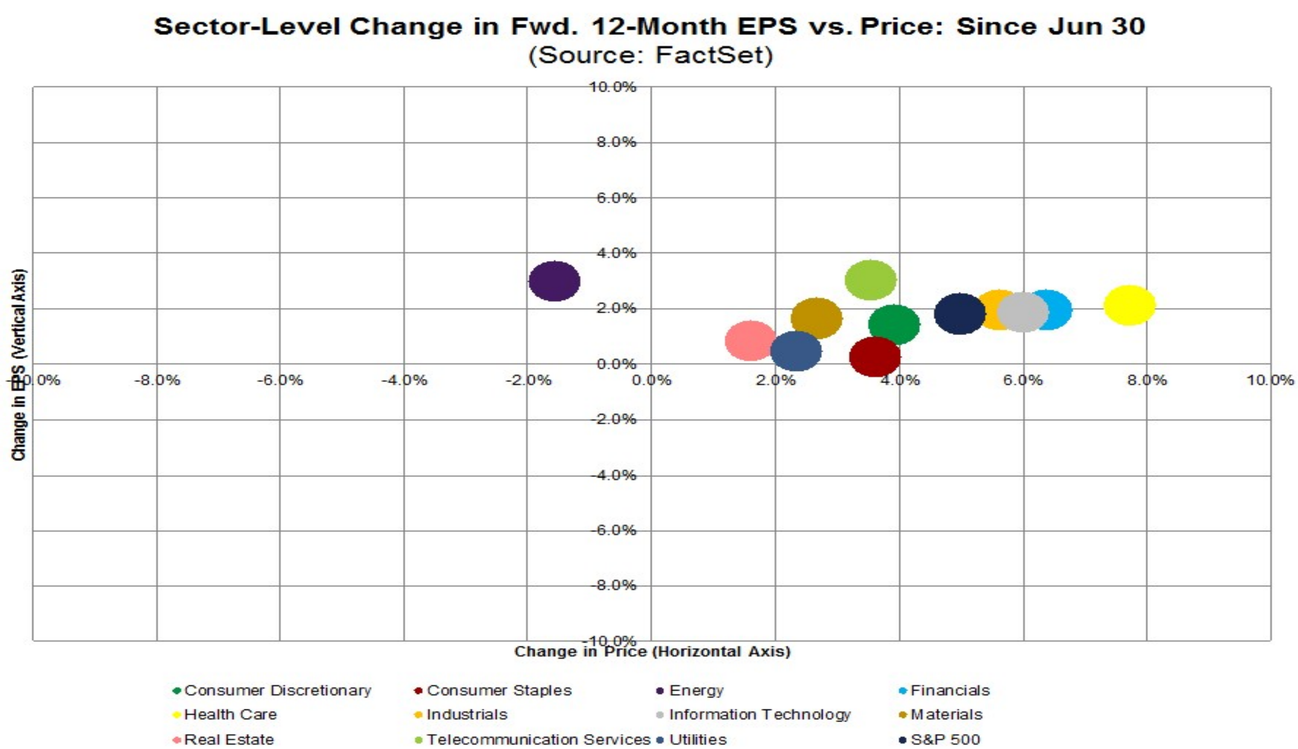




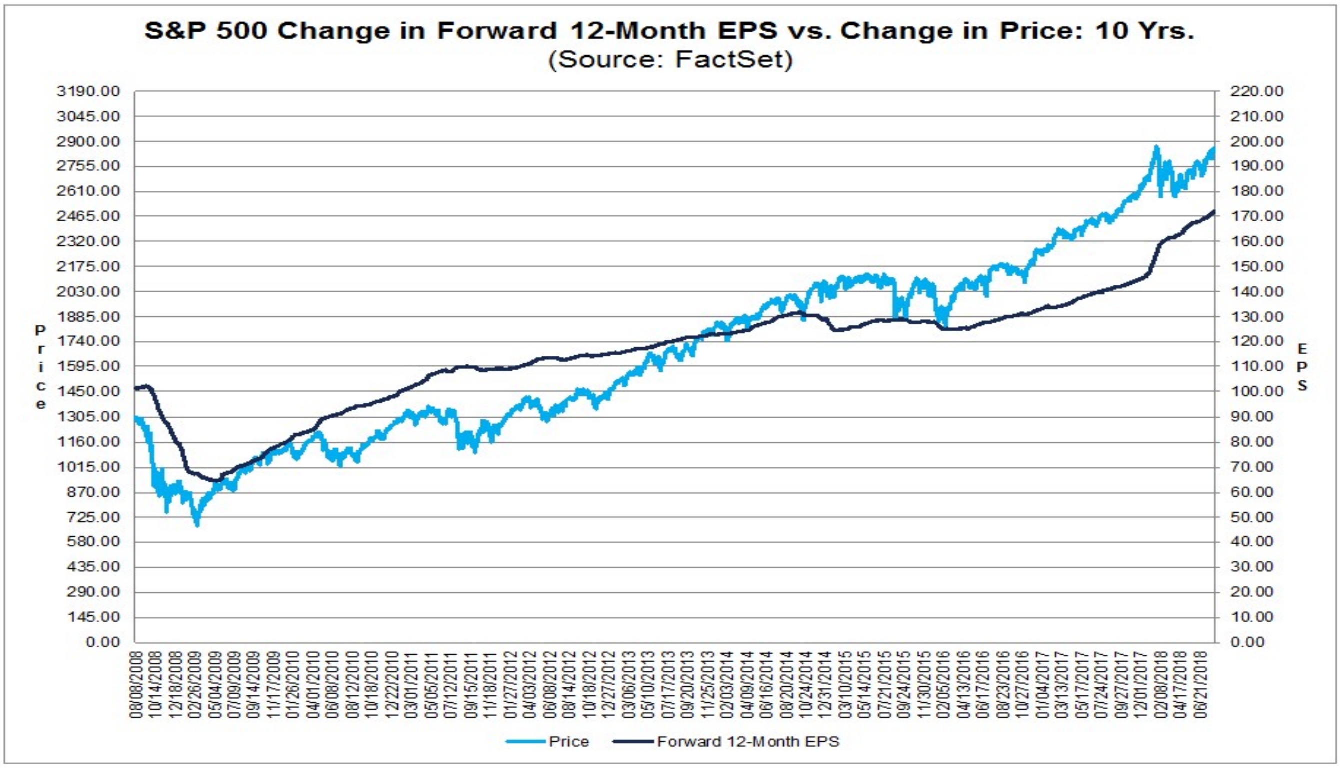
Forward 12M P/E Ratio: Sector Level

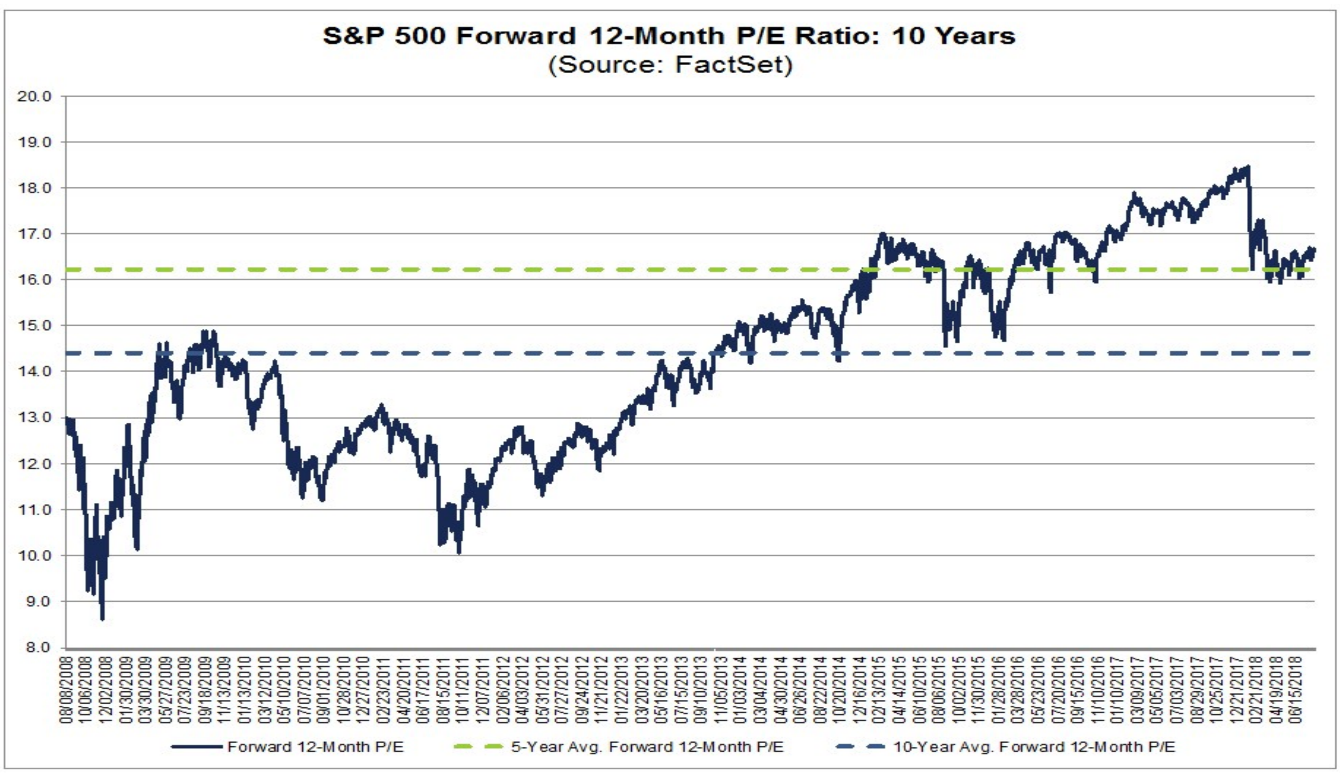


	Consumer Disc.	Info. Technology	Consumer Staples	Real Estate	Energy	Utilities	S&P 500	Industrials	Health Care	Materials	Financials	Telecom Services
Fwd P/E	21.2	18.9	17.7	17.6	17.2	16.7	16.6	16.3	15.9	15.5	12.7	10.2
5-Yr Avg.	18.4	16.3	18.9		28.3	16.4	16.2	16.4	16.0	16.0	13.1	13.0
10-Yr Avg.	17.0	14.5	16.5		19.8	14.6	14.4	14.8	13.8	15.1	12.5	14.0

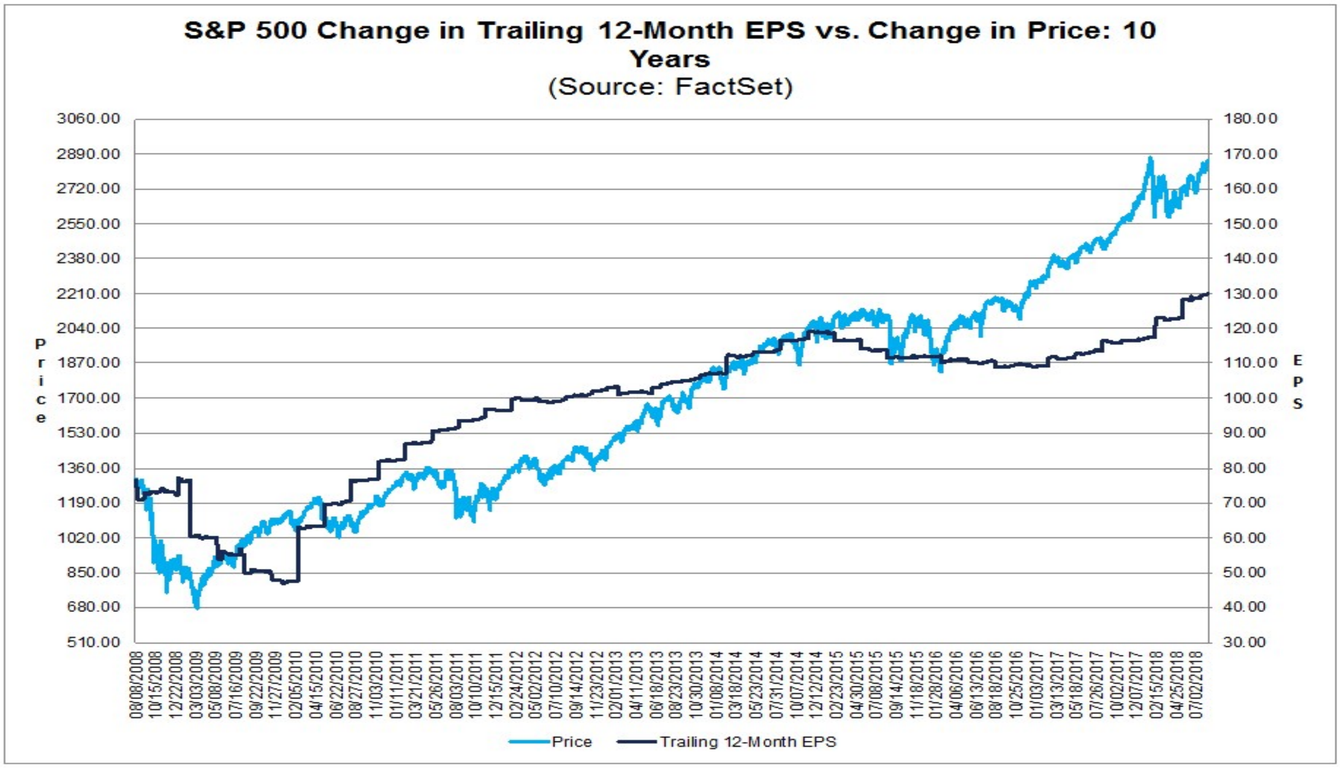


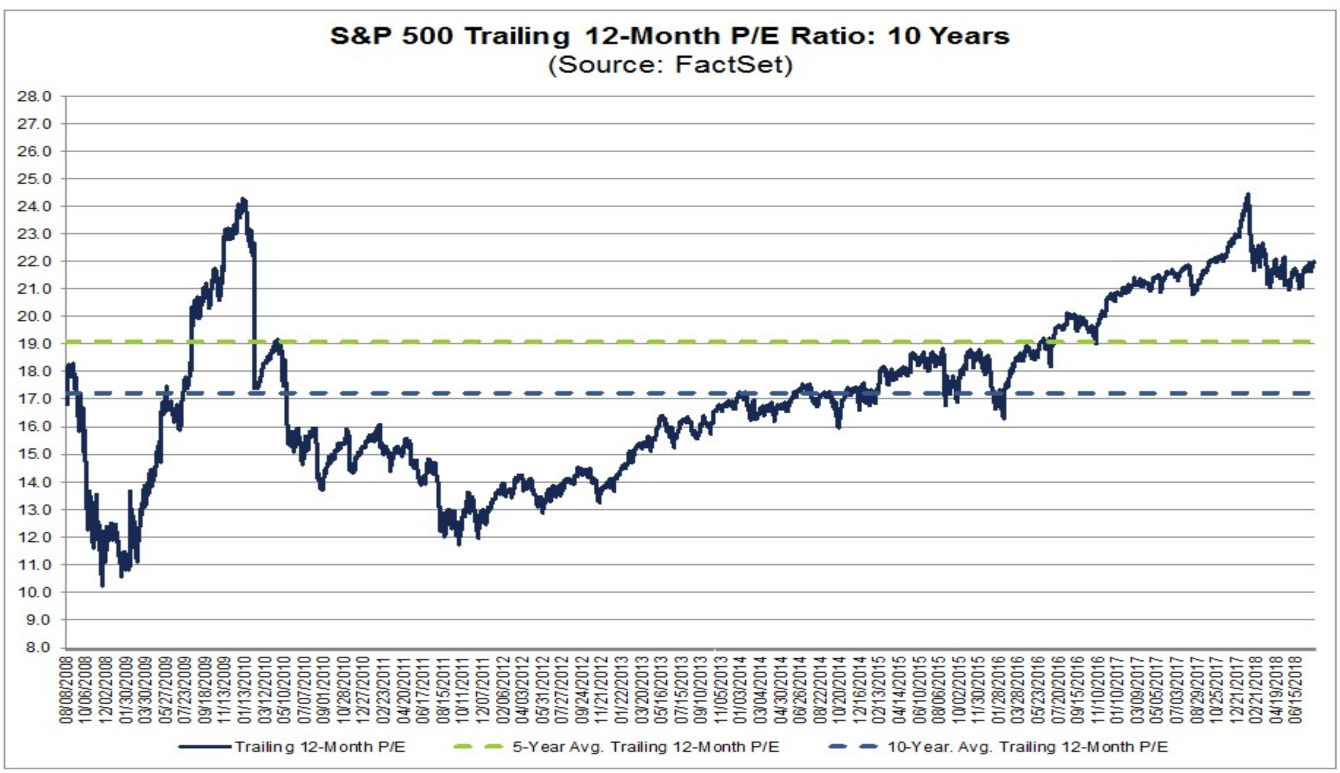
Forward 12M P/E Ratio: Long-Term Averages



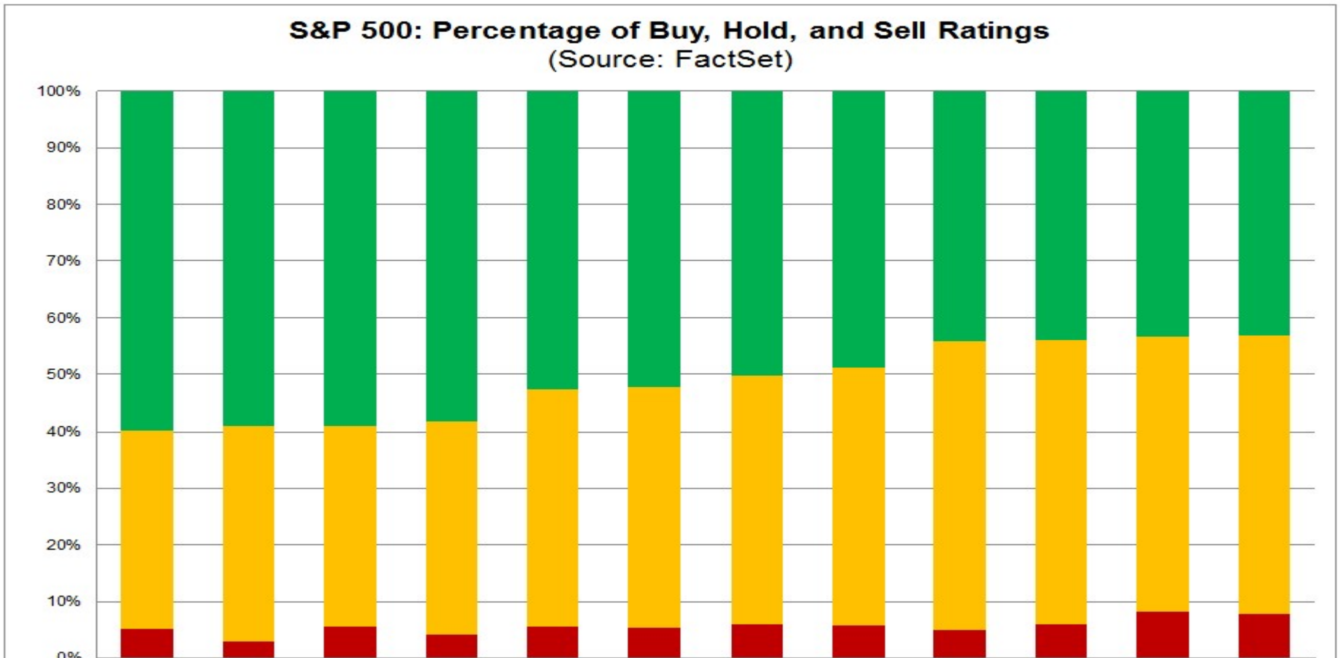


Trailing 12M P/E Ratio: Long-Term Averages

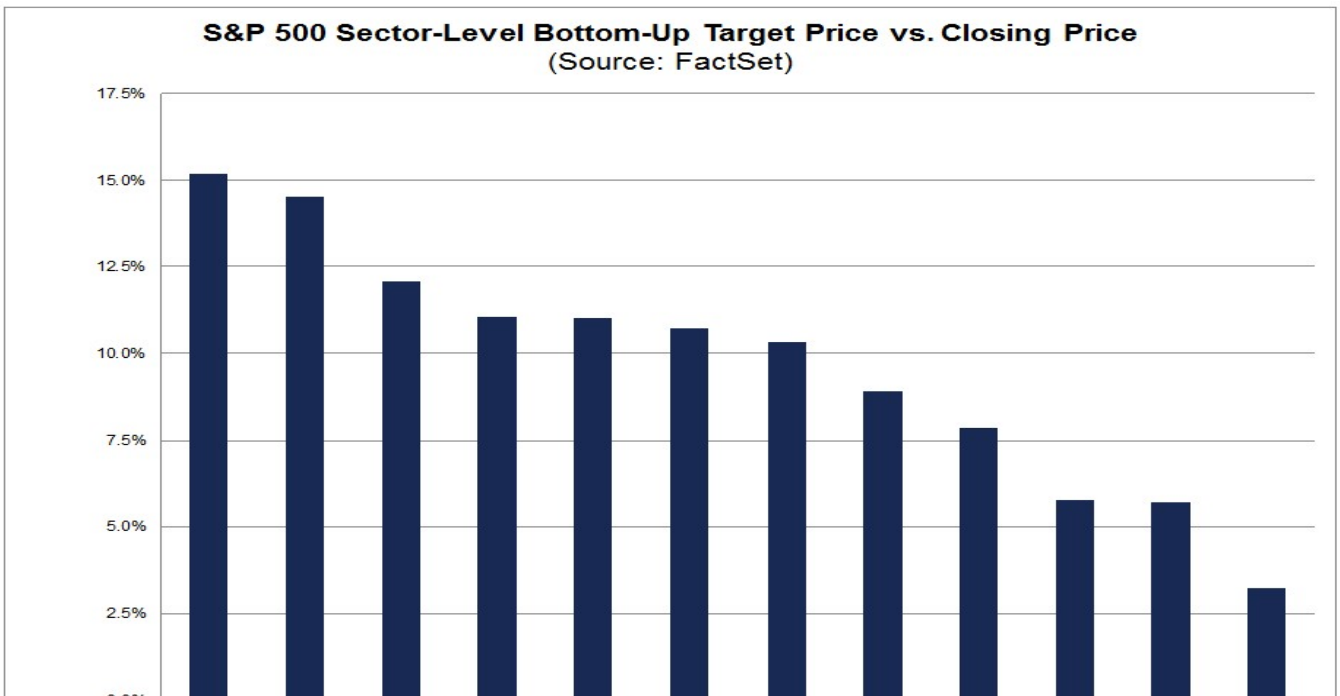




Targets & Ratings



	Info. Tech.	Materials	Energy	Health Care	S&P 500	Industrials	Consumer Disc.	Financials	Real Estate	Telecom Services	Consumer Staples	Utilities
Buy	60%	59%	59%	58%	53%	52%	50%	49%	44%	44%	43%	43%
Hold	35%	38%	35%	38%	42%	42%	44%	45%	51%	50%	48%	49%
Sell	5%	3%	6%	4%	6%	5%	6%	6%	5%	6%	8%	8%



	Energy	Materials	Industrials	Info. Tech.	Consumer Disc.	Financials	S&P 500	Health Care	Telecom Services	Real Estate	Consumer Staples	Utilities
Target/Close	15.2%	14.5%	12.1%	11.0%	11.0%	10.7%	10.3%	8.9%	7.9%	5.8%	5.7%	3.2%

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