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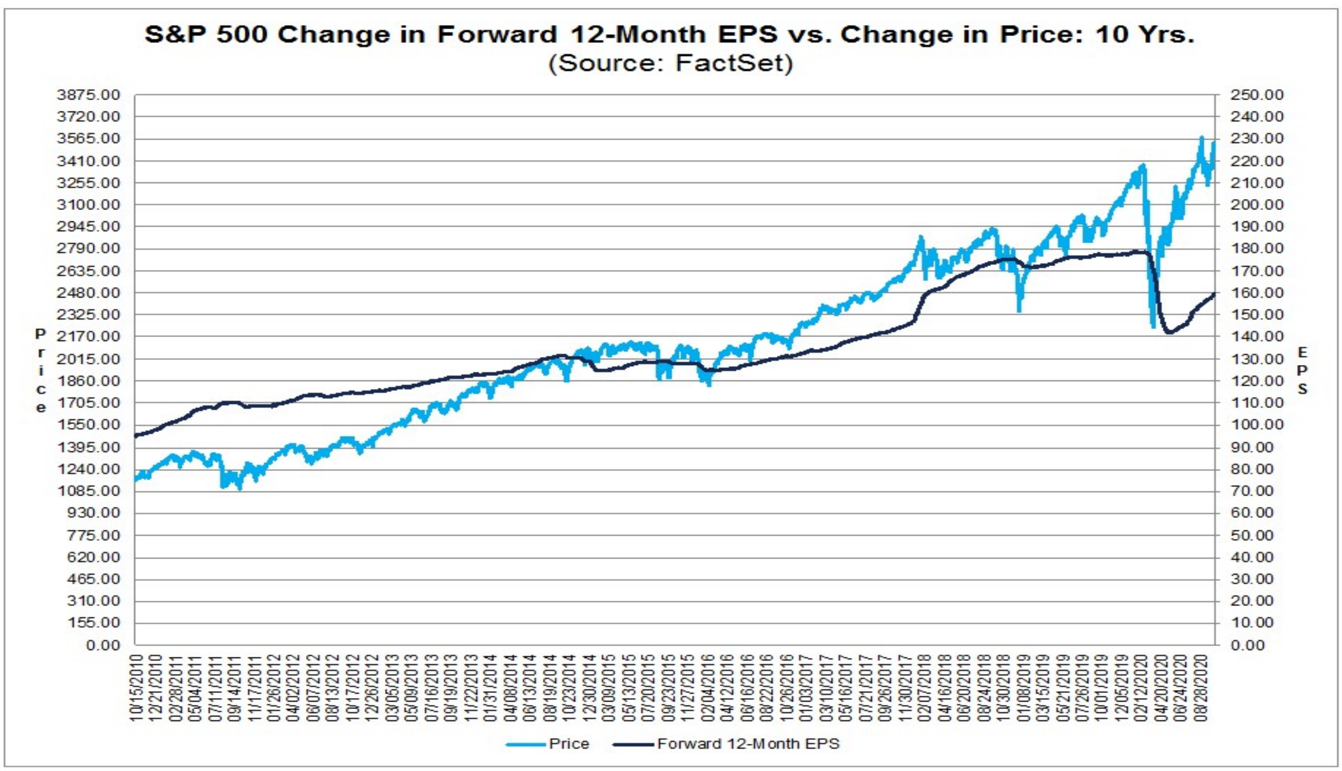
Key Metrics

- **Earnings Scorecard:** For Q3 2020 (with 10% of the companies in the S&P 500 reporting actual results), 86% of S&P 500 companies have reported a positive EPS surprise and 82% have reported a positive revenue surprise.
- **Earnings Growth:** For Q3 2020, the blended earnings decline for the S&P 500 is -18.4%. If -18.4% is the actual decline for the quarter, it will mark the second largest year-over-year decline in earnings reported by the index since Q2 2009 (-26.9%).
- **Earnings Revisions:** On September 30, the estimated earnings decline for Q3 2020 was -21.0%. Eight sectors have smaller earnings declines or higher earnings growth rates today (compared to September 30) due to positive EPS surprises.
- **Earnings Guidance:** For Q4 2020, 2 S&P 500 companies have issued negative EPS guidance and 6 S&P 500 companies have issued positive EPS guidance.
- **Valuation:** The forward 12-month P/E ratio for the S&P 500 is 22.0. This P/E ratio is above the 5-year average (17.3) and above the 10-year average (15.5).



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Topic of the Week:

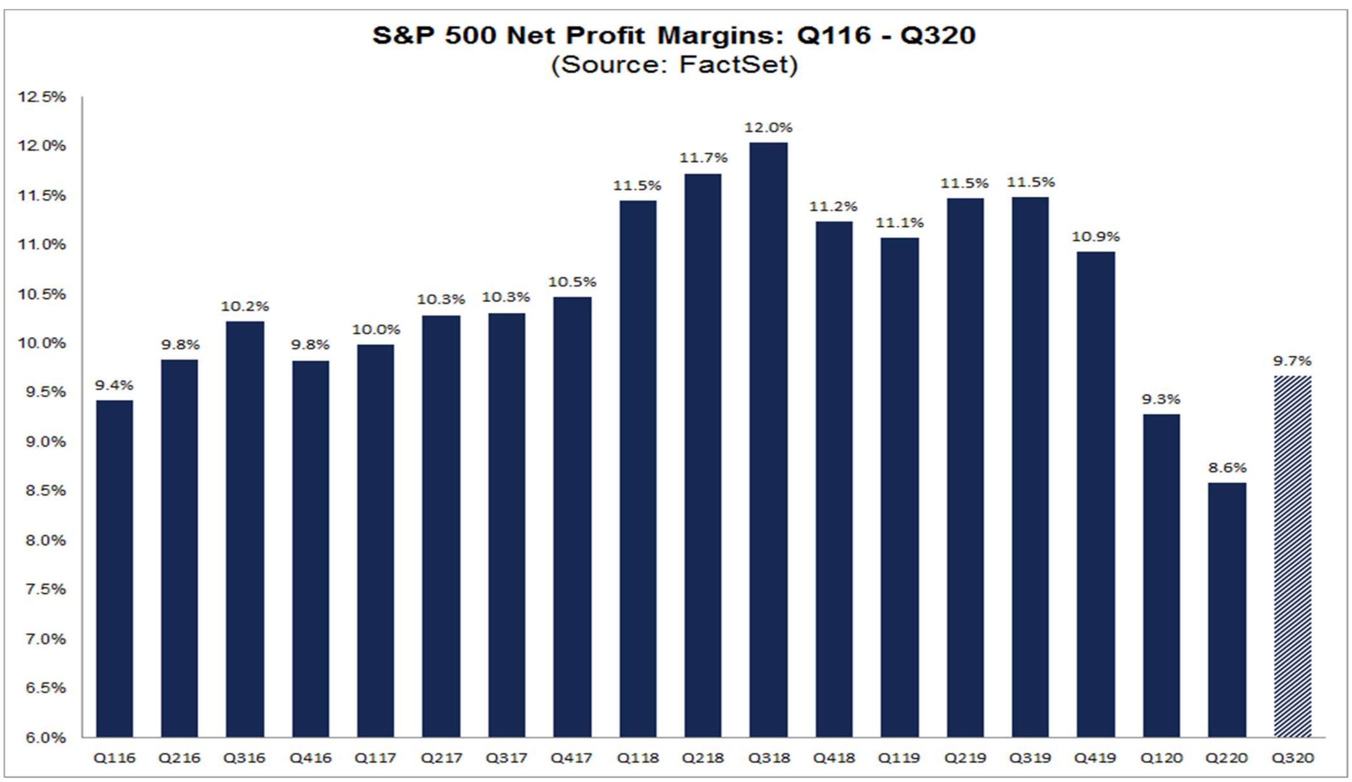
S&P 500 Reporting First Sequential Improvement in Net Profit Margin Since Q2 2019

For the third quarter, the S&P 500 is reporting a year-over-year decline in earnings of -18.4% and a year-over-year decline in revenues of -3.3%. Given the substantial decrease in earnings, what is the S&P 500 reporting for a net profit margin in the third 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 Q3 2020 is 9.7%, which is below the 5-year average of 10.5%. If 9.7% is the actual net profit margin for the quarter, it will mark the first sequential improvement in the net profit margin since Q2 2019. However, it will also mark the 3rd lowest net profit margin reported by the index since Q1 2016 (9.4%), trailing only Q1 2020 (9.3%) and Q2 2020 (8.6%).

At the sector level, six sectors are reporting (or are projected to report) net profit margins that are below their 5-year averages, led by the Industrials (4.7% vs. 8.6%) sector. However, five sectors are reporting (or are projected to report) a sequential improvement in their net profit margins in Q3 2020 compared to Q2 2020, led by the Financials (15.2% vs. 8.6%), Industrials (4.7% vs. 2.1%), and Consumer Discretionary (5.0% vs, 2.7%) sectors. It should be noted that the Energy sector is predicted to report a loss for the quarter (and reported a loss in the previous quarter), so a net profit margin can't be calculated for this sector (due to negative earnings). For this analysis, the Energy sector is counted as reporting a net profit margin below its 5-year average net profit margin due to the expected loss.

Analysts do believe net profit margins will continue to improve on a sequential basis after the third quarter. Based on current estimates, the estimated net profit margins for Q4 2020, Q1 2021, and Q2 2021 are 9.8%, 10.4%, and 11.0%. However, analysts are not projecting year-over-year improvement in net profit margins until Q1 2021.



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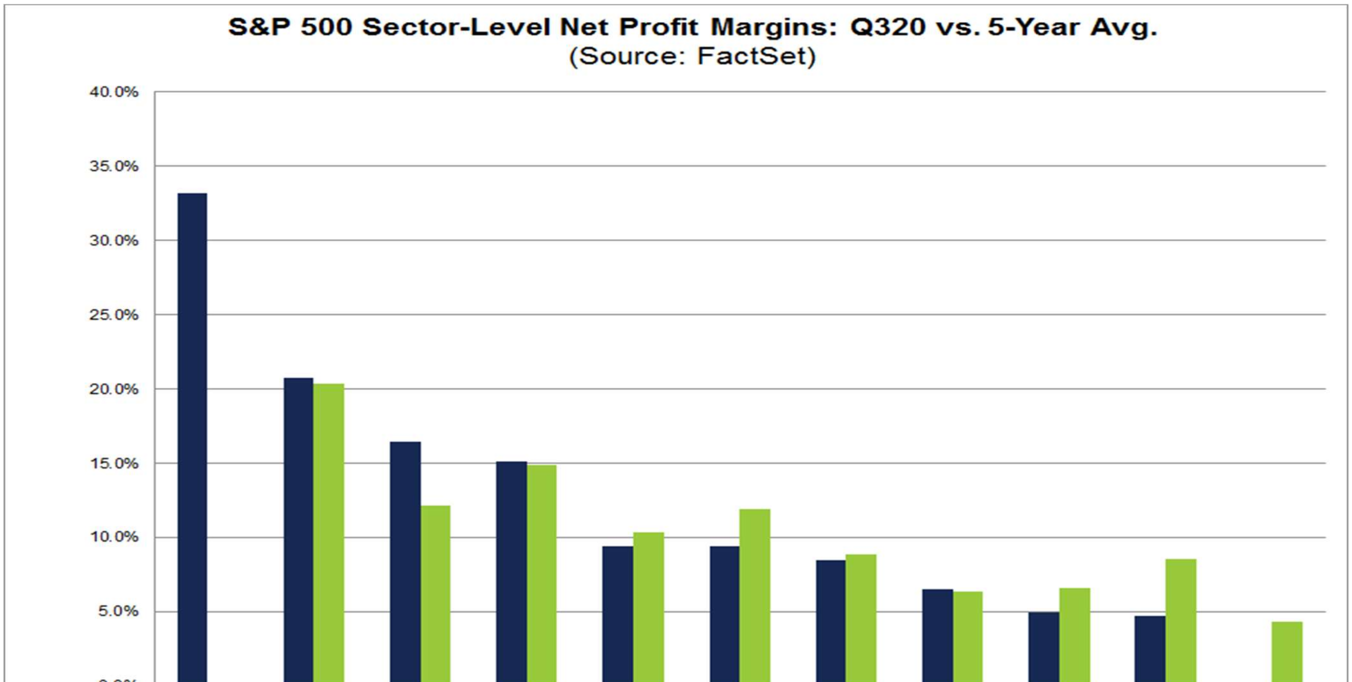
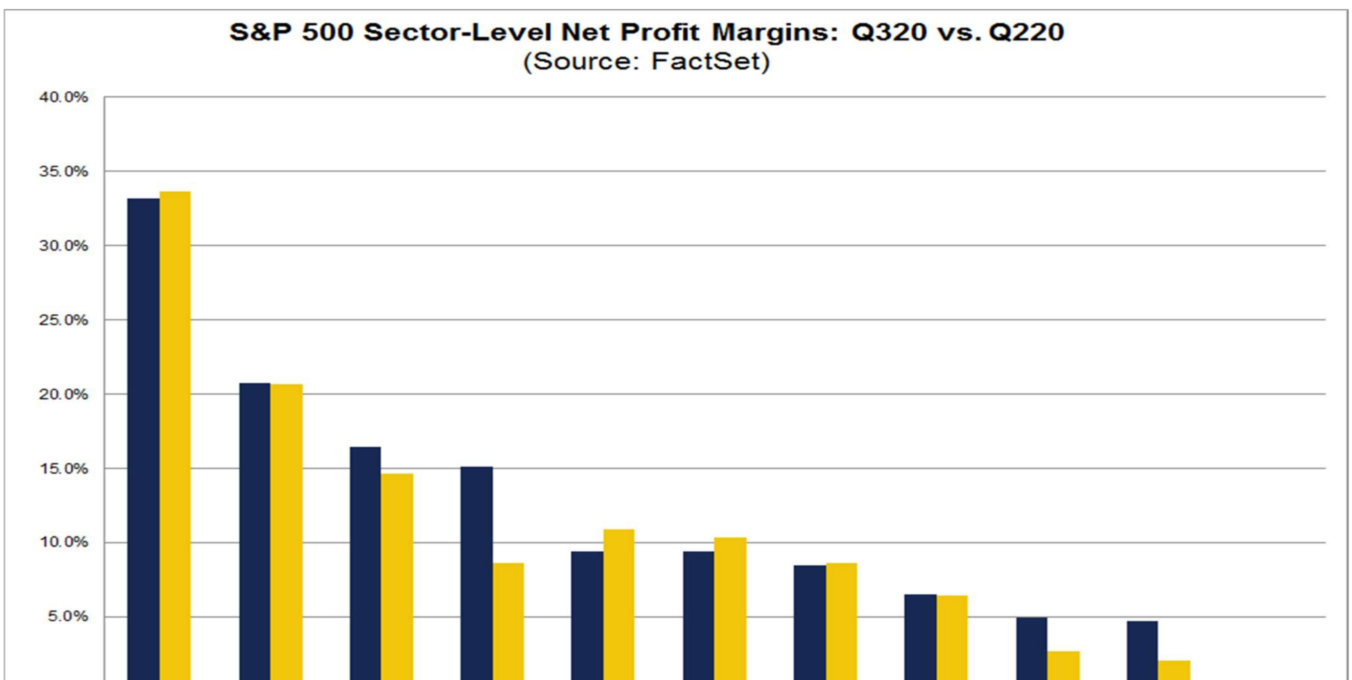


	Real Estate	Info. Tech	Utilities	Financials	Health Care	Comm. Services	Materials	Consumer Staples	Consumer Disc.	Industrials	Energy
Q320	33.2%	20.7%	16.5%	15.2%	9.4%	9.4%	8.4%	6.5%	5.0%	4.7%	
5-Year Avg.		20.4%	12.2%	14.9%	10.3%	11.9%	8.8%	6.3%	6.6%	8.6%	4.3%



	Real Estate	Info. Tech	Utilities	Financials	Health Care	Comm. Services	Materials	Consumer Staples	Consumer Disc.	Industrials	Energy
Q320	33.2%	20.7%	16.5%	15.2%	9.4%	9.4%	8.4%	6.5%	5.0%	4.7%	
Q220	33.6%	20.7%	14.7%	8.6%	10.9%	10.3%	8.7%	6.4%	2.7%	2.1%	

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Q3 Earnings Season: By The Numbers

Overview

At this point in time, more S&P 500 companies are beating EPS estimates for the third quarter than average, and beating EPS estimates by a wider margin than average. As a result, the index is reporting higher earnings for the third quarter today relative to the end of last week and relative to the end of the quarter. Despite the increase in earnings, the index is still reporting the second largest year-over-year decline in earnings since Q2 2009, mainly due to the negative impact of COVID-19 on numerous industries within the index. However, the S&P 500 is projected to report year-over-year earnings growth starting in Q1 2021.

Overall, 10% of the companies in the S&P 500 have reported actual results for Q3 2020 to date. Of these companies, 86% have reported actual EPS above estimates, which is above the 5-year average of 73%. In aggregate, these companies are reporting earnings that are 21.7% above the estimates, which is also above the 5-year average of 5.6%.

Due to the number and magnitude of these positive EPS surprises, the blended (combines actual results for companies that have reported and estimated results for companies that have yet to report) earnings decline for the third quarter is smaller now relative to the end of last week and relative to the end of the quarter. As of today, the S&P 500 is reporting a year-over-year decline in earnings of -18.4%, compared to a year-over-year decline in earnings of -20.4% last week and a year-over-year decline in earnings of -21.0% at the end of the third quarter. Positive earnings surprises reported by companies in the Financials sector were mainly responsible for the decrease in the overall earnings decline during the past week.

If -18.4% is the actual decline for the quarter, it will mark the second largest year-over-year decline in earnings reported by the index since Q2 2009 (-26.9%), trailing only the previous quarter. It will also mark the sixth time in the past seven quarters in which the index has reported a year-over-year decline in earnings. One sector (Health Care) is reporting year-over-year earnings growth. The other ten sectors are reporting (or are predicted to report) a year-over-year decline in earnings, led by the Energy, Industrials, and Consumer Discretionary sectors.

In terms of revenues, 82% of S&P 500 companies have reported actual revenues above estimates, which is above the 5-year average of 61%. In aggregate, companies are reporting revenues that are 3.6% above the estimates, which is also above the 5-year average of 0.7%.

Due to the number and magnitude of these revenue surprises, the blended revenue decline for the third quarter is smaller now relative to the end of last week and relative to the end of the third quarter. As of today, the S&P 500 is reporting a year-over-year decline in revenues of -3.3%, compared to a year-over-year decline in revenues of -3.5% last week and a year-over-year decline in earnings of -3.6% at the end of the third quarter. Positive revenue surprises reported by companies in the Financials and Health Care sectors, partially offset by downward revisions to revenue estimates for companies in the Energy sector, were mainly responsible for the small decrease in the overall revenue decline during the past week.

If -3.3% is the actual decline for the quarter, it will mark the first time the index has reported two consecutive quarters of year-over-year revenue declines since Q1 2016 and Q2 2016. Six sectors are reporting (or are projected to report) year-over-year growth in revenues, led by the Health Care sector. Five sectors are reporting (or are predicted to report) a year-over-year decline in revenues, led by the Energy and Industrials sectors.

Looking at future quarters, analysts predict a (year-over-year) decline in earnings in the fourth quarter (-11.8%) of 2020. However, they are also project a return to earnings growth starting in Q1 2021 (14.1%).

The forward 12-month P/E ratio is 22.0, which is above the 5-year average and above the 10-year average.

During the upcoming week, 96 S&P 500 companies (including eight Dow 30 components) are scheduled to report results for the third quarter.

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

Percentage of Companies Beating EPS Estimates (86%) is Above 5-Year Average

Overall, 10% of the companies in the S&P 500 have reported earnings to date for the third quarter. Of these companies, 86% have reported actual EPS above the mean EPS estimate, 0% have reported actual EPS equal to the mean EPS estimate, and 14% 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 (73%) average and above the 5-year (73%) average.

At the sector level, the Consumer Staples (100%), Energy (100%), and Health Care (100%) sectors have the highest percentages of companies reporting earnings above estimates, while the Industrials (75%) sector has the lowest percentage of companies reporting earnings above estimates.

Earnings Surprise Percentage (+21.7%) is Above 5-Year Average

In aggregate, companies are reporting earnings that are 21.7% above expectations. This surprise percentage is above the 1-year (+8.0%) average and above the 5-year (+5.6%) average.

The Consumer Discretionary sector (+226.1%) sector is reporting the largest positive (aggregate) difference between actual earnings and estimated earnings. Within this sector, Darden Restaurants ($0.56 vs. $0.05) and NIKE ($0.95 vs. $0.47) have reported the largest positive EPS surprises.

The Energy sector (+27.5%) sector is reporting the second largest positive (aggregate) difference between actual earnings and estimated earnings. Within this sector, Schlumberger ($0.16 vs. $0.13) has reported the largest positive EPS surprise.

The Financials sector (+22.5%) sector is reporting the third largest positive (aggregate) difference between actual earnings and estimated earnings. Within this sector, Goldman Sachs ($9.68 vs. $5.54), PNC Financial Services Group ($3.39 vs. $2.12), Citigroup ($1.40 vs. $0.91), and JPMorgan Chase ($2.92 vs. $2.23) have reported the largest positive EPS surprises.

Market Punishing Negative Earnings Surprises More Than Average

To date, the market is rewarding positive earnings surprises near average levels but punishing negative earnings surprises more than average.

Companies that have reported positive earnings surprises for Q3 2020 have seen an average price increase of +0.8% two days before the earnings release through two days after the earnings release. This percentage increase is slightly below 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 Q3 2020 have seen an average price decrease of -5.0% two days before the earnings release through two days after the earnings. This percentage decrease is much 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 (82%) is Above 5-Year Average

In terms of revenues, 82% of companies have reported actual revenues above estimated revenues and 18% have reported actual revenues below estimated revenues. The percentage of companies reporting revenues above estimates is above the 1-year average (61%) and above the 5-year average (61%).

At the sector level, the Consumer Staples (100%) and Health Care (100%) sectors have the highest percentages of companies reporting revenues above estimates, while the Energy (0%) and Industrials (50%) sectors have the lowest percentages of companies reporting revenues above estimates.

Revenue Surprise Percentage (+3.6%) is Above 5-Year Average

In aggregate, companies are reporting revenues that are 3.6% above expectations. This surprise percentage is above the 1-year (+0.9%) average and above the 5-year (+0.7%) average.

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At the sector level, the Consumer Discretionary (+8.9%) and Industrials (+6.0%) sectors are reporting the largest positive (aggregate) differences between actual revenues and estimated revenues, while the Energy (-2.6%) sector is reporting the largest negative (aggregate) difference between actual revenues and estimated revenues.

Revisions: Decrease in Blended Earnings Decline this Week Due to Financials

Decrease in Blended Earnings Decline This Week Due to Financials

The blended (year-over-year) earnings decline for the third quarter is -18.4%, which is smaller than the earnings decline of -20.4% last week. Positive surprises reported by companies in the Financials sector were mainly responsible for the decrease in the overall earnings decline for the index during the week.

In the Financials sector, the positive EPS surprises reported by JPMorgan Chase ($2.92 and $2.23), Goldman Sachs ($9.68 vs. $5.54), Citigroup ($1.40 vs. $0.91), Morgan Stanley ($1.59 vs. $1.28), PNC Financial Services Group ($3.39 vs. $2.12), and Bank of America ($0.51 vs. $0.49) 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 Financials sector decreased to -8.9% from -19.3%.over this period.

Decrease in Blended Revenue Decline This Week Due to Financials and Health Care

The blended (year-over-year) revenue decline for the third quarter is -3.3%, which is smaller than the revenue decline of -3.5% last week. Positive revenue surprises reported by companies in the Financials and Health Care sectors, partially offset by downward revisions to revenue estimates for companies in the Energy sector, were mainly responsible for the small decrease in the overall revenue decline during the past week.

Financials Sector Has Seen Largest Increase in Earnings since September 30

The blended (year-over-year) earnings decline for Q3 2020 of -18.4% is smaller than the estimate of -21.0% at the end of the third quarter (September 30). Eight sectors have recorded a decrease in their earnings decline or 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 Financials sector (to -8.9% from -22.8%). One sector (Industrials) has witnessed no change in its earnings decline since September 30. Two 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 -120.9% from -111.9%) sector.

Financials Sector Has Seen Largest Increase in Revenues since September 30

The blended (year-over-year) revenue decline for Q3 2020 of -3.3% is smaller than the estimate of -3.6% at the end of the third quarter (September 30). Seven sectors have recorded a decrease in their revenue decline or an increase 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 -2.9% from -4.9%) sector. Two sectors have witnessed no change in their revenue declines or growth rates since September 30. Two sectors have recorded an increase in their revenue decline or a decrease in revenue growth during this time due to downward revisions to revenue estimates and negative revenue surprises, led by the Energy (to -33.4% from -31.0%) sector.

Earnings Decline: -18.4%

The blended (year-over-year) earnings decline for Q3 2020 is -18.4%, which is below the 5-year average earnings growth rate of 4.0%. If -18.4% is the actual decline for the quarter, it will mark the second largest year-over-year decline in earnings for the index since Q2 2009 (-26.9%), trailing only the previous quarter (-31.6%). It will also mark the sixth time in the past seven quarters in which the index has reported a year-over-year decline in earnings. One sector (Health Care) is reporting year-over-year earnings growth. The other ten sectors are reporting (or are predicted to report) a year-over-year decline in earnings, led by the Energy, Industrials, and Consumer Discretionary sectors.

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Health Care: 4 of 6 Industries Reporting Year-Over-Year Growth

The Health Care sector is the only sector reporting (year-over-year) revenue growth at 1.6%. At the industry level, four of the six industries in this sector are reporting (or are predicted to report) year-over-year growth in earnings: Life Sciences, Tools, & Services (16%), Biotechnology (13%), Pharmaceuticals (7%), and Health Care Technology (4%). On the other hand, two industries are reporting (or are expected to report) a decline in earnings: Health Care Equipment & Supplies (-14%) and Health Care Providers & Services (-8%).

Energy: 3 of 5 Sub-Industries Reporting Year-Over-Year Decline of More Than 120%

The Energy sector is reporting the largest (year-over-year) decline in earnings of all eleven sectors at -120.9%. Lower year-over-year oil prices are contributing to the earnings decline for this sector, as the average price of oil for Q3 2020 ($40.92) was 27% below the average price for oil in Q3 2019 ($56.44). At the sub-industry level, four of the five sub-industries in the sector are reporting (or are projected to report) a decline in earnings. Three of these four sub-industries are predicted to report a decline in earnings of more than 120%: Oil & Gas Refining & Marketing (-152%), Integrated Oil & Gas (-134%), and Oil & Gas Exploration & Production (-122%). The only sub-industry in the sector projected to report year-over-year growth in earnings is the Oil & Gas Storage & Transportation (3%) sub-industry.

Industrials: Airlines Industry Leads Year-Over-Year Decline

The Industrials sector is reporting the second largest (year-over-year) earnings decline of all eleven sectors at -61.5%. 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 30%: Airlines (-321%), Industrial Conglomerates (-51%), Aerospace & Defense (-42%), and Machinery (-32%). On the other hand, the only industry reporting earnings growth in this sector is the Air Freight & Logistics (14%) industry.

The Airlines industry is also 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 -25.9% from -61.5%.

Consumer Discretionary: 4 of 11 Industries Reporting Year-Over-Year Decline of More Than 25%

The Consumer Discretionary sector is reporting the third largest (year-over-year) earnings decline of all eleven sectors at -36.3%. At the industry level, eight of the eleven industries in this sector are reporting (or are expected to report) a decline in earnings. Four these eight industries are reporting (or are projected) to report a decline in earnings of more than 25%: Hotels, Restaurants, & Leisure (-133%), Auto Components (-32%), Automobiles (-31%), and Textiles, Apparel, & Luxury Goods (-28%). On the other hand, three industries in this sector are reporting (or are expected to report) earnings growth: Multiline Retail (15%), Specialty Retail (8%), and Household Durables (3%).

Revenue Decline: -3.3%

The blended (year-over-year) revenue decline for Q3 2020 is -3.3%, which is below the 5-year average revenue growth rate of 3.4%. If -3.3% is the actual decline for the quarter, it will mark the first time the index has reported two consecutive quarters of year-over-year revenue declines since Q1 2016 and Q2 2016. Six sectors are reporting (or are expected to report) year-over-year growth in revenues, led by Health Care sector. Five sectors are reporting (or are expected to report) a year-over-year decline in revenues, led by the Energy and Industrials sectors.

Health Care: 4 of 6 Industries Reporting Year-Over-Year Growth

The Health Care sector is reporting the highest (year-over-year) revenue growth of all eleven sectors at 8.0%. At the industry level, four of the six industries in this sector are reporting (or are predicted to report) year-over-year growth in revenues: Biotechnology (22%), Life Sciences, Tools, & Services (9%), Health Care Providers & Services (8%), and Pharmaceuticals (7%). On the other hand, two industries are reporting (or are expected to report) a decline in revenue: Health Care Technology (-4%) and the Health Care Equipment & Supplies (-1%).

It should be noted that the revenue growth rates for some of the larger contributors to revenue growth for this sector are being boosted by apples-to-oranges comparisons of post-merger revenues in Q3 2020 to pre-merger revenues in Q3 2019, including Centene, Bristol Myers Squibb, and AbbVie.

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Energy: 4 of 5 Sub-Industries Reporting Year-Over-Year Decline of More Than 25%

The Energy sector is expected to report the largest (year-over-year) decline in revenue of all eleven sectors at -33.4%. Lower year-over-year oil prices are contributing to the revenue decline for this sector. As the average price of oil for Q3 2020 ($40.92) was 27% below the average price for oil in Q3 2019 ($56.44). At the sub-industry level, all five sub-industries in the sector are reporting (or are predicted to report) a year-over-year decline in revenue. Four sub-industries are reporting (or are projected to report) a decline in revenue of more than 25%: Oil & Gas Refining & Marketing (-39%), Oil & Gas Exploration & Production (-39%), Oil & Gas Equipment & Services (-30%), and Integrated Oil & Gas (-30%).

Industrials: Airlines Industry Leads Year-Over-Year Decline

The Industrials sector is reporting the second largest (year-over-year) revenue decline of all eleven sectors at -17.1%. At the industry level, eleven of the twelve industries in this sector are reporting (or are predicted) to report a decline in revenues. Six of these eleven industries are reporting (or are projected to report) a double-digit decline in revenues, led by the Airlines (-76%) industry. On the other hand, the Air Freight & Logistics (11%) industry is the only industry in the sector expected reporting year-over-year earnings growth for the quarter.

The Airlines industry is also the largest contributor to the year-over-year decline in revenue for the sector. If the five companies in this industry were excluded, the blended revenue decline for the sector would improve to -8.4% from -17.1%.

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Looking Ahead: Forward Estimates and Valuation

Guidance: More S&P 500 Companies Issuing Positive EPS Guidance for Q4 to Date

To date, more S&P 500 companies are issuing positive earnings guidance than average. At this point in time, 8 companies in the index have issued EPS guidance for Q4 2020. Of these 8 companies, 2 have issued negative EPS guidance and 6 have issued positive EPS guidance. The percentage of companies issuing positive EPS guidance is 75% (6 out of 8), which is well above the 5-year average of 32%.

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.

Earnings: Analysts Expect Earnings Decline of -17.1% for CY 2020

For the third quarter, S&P 500 companies are reporting a decline in earnings of -18.4% and a decline in revenues of -3.3%. Analysts expect an earnings decline of -17.1% and a revenue decline of -2.7% for CY 2020.

For Q4 2020, analysts are projecting an earnings decline of -11.8% and a revenue decline of -1.1%.

For CY 2020, analysts are projecting an earnings decline of -17.1% and a revenue decline of -2.7%.

For Q1 2021, analysts are projecting earnings growth of 14.1% and revenue growth of 3.1%.

For Q2 2021, analysts are projecting earnings growth of 44.6% and revenue growth of 13.3%.

For CY 2021, analysts are projecting earnings growth of 24.6% and revenue growth of 8.0%.

Valuation: Forward P/E Ratio is 22.0, Above the 10-Year Average (15.5)

The forward 12-month P/E ratio is 22.0. This P/E ratio is above the 5-year average of 17.3 and above the 10-year average of 15.5. It is also above the forward 12-month P/E ratio of 21.5 recorded at the end of the third quarter (September 30). Since the end of the third quarter (September 30), the price of the index has increased by 3.6%, while the forward 12-month EPS estimate has increased by 1.3%.

At the sector level, the Consumer Discretionary (37.3) sector has the highest forward 12-month P/E ratio, while the Financials (13.5) sector has the lowest forward 12-month P/E ratio.

Targets & Ratings: Analysts Project 9% Increase in Price Over Next 12 Months

The bottom-up target price for the S&P 500 is 3807.43, which is 9.3% above the closing price of 3483.34. At the sector level, the Energy (+35.3%) 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 (+3.3%) 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 10,340 ratings on stocks in the S&P 500. Of these 10,340 ratings, 53.4% are Buy ratings, 40.0% are Hold ratings, and 6.6% are Sell ratings. At the sector level, the Energy (62%), Health Care (61%), and Communication Services (60%) sectors have the highest percentages of Buy ratings, while the Financials (47%), Consumer Staples (47%), and Real Estate (47%) sectors have the lowest percentages of Buy ratings.

Companies Reporting Next Week: 96

During the upcoming week, 96 S&P 500 companies (including 8 Dow 30 components) are scheduled to report results for the third quarter.

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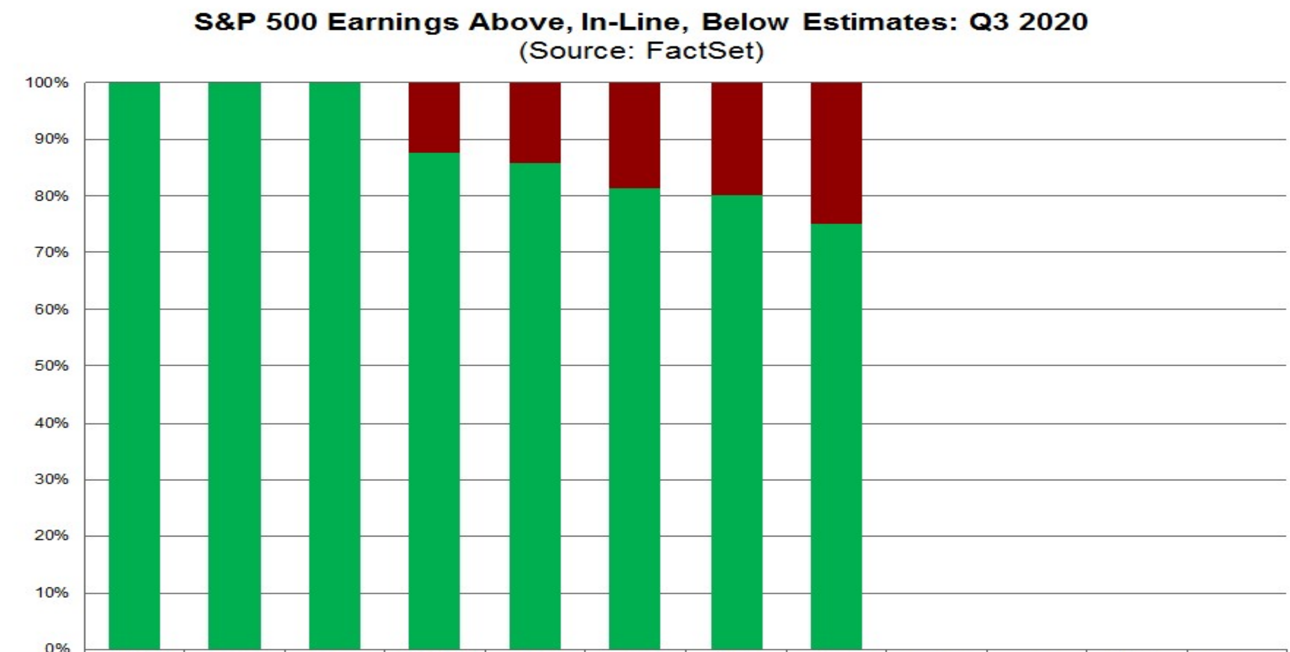
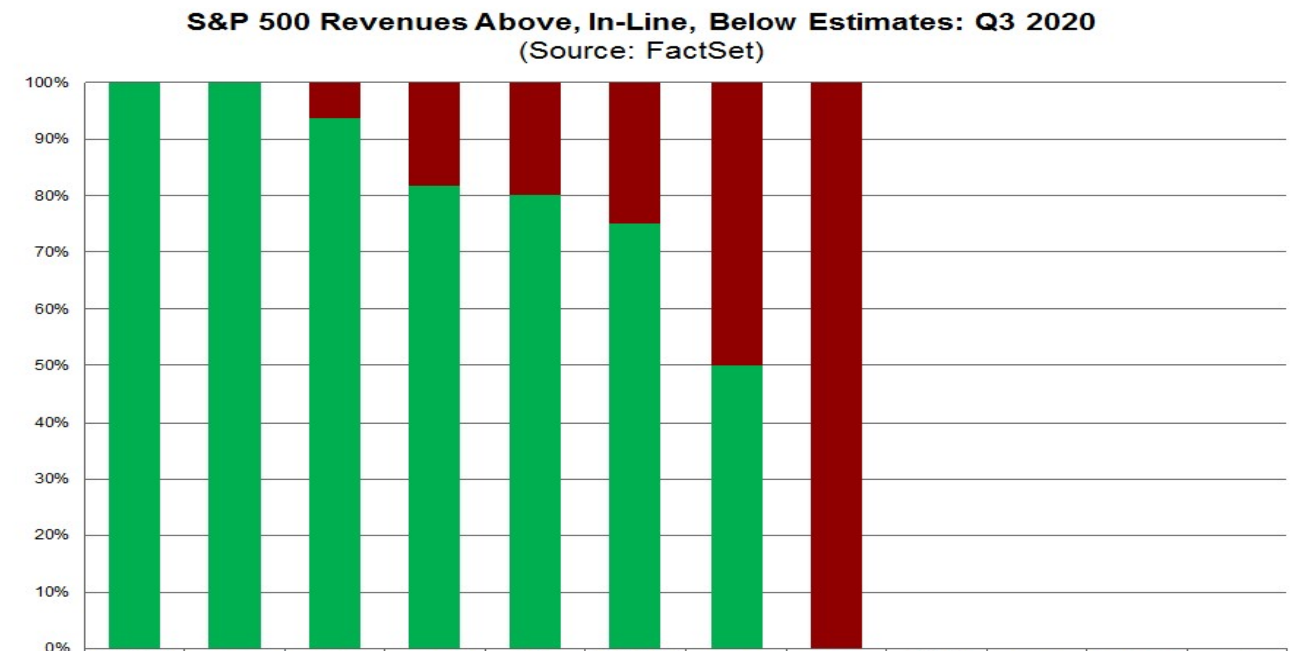
Q3 2020: Scorecard



	Consumer Staples	Energy	Health Care	Consumer Disc.	S&P 500	Financials	Info. Technology	Industrials	Materials	Utilities	Comm. Services	Real Estate
Below	0%	0%	0%	13%	14%	19%	20%	25%	0%	0%	0%	0%
In-Line	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Above	100%	100%	100%	88%	86%	81%	80%	75%	0%	0%	0%	0%



	Consumer Staples	Health Care	Financials	S&P 500	Info. Technology	Consumer Disc.	Industrials	Energy	Comm. Services	Materials	Real Estate	Utilities
Below	0%	0%	6%	18%	20%	25%	50%	100%	0%	0%	0%	0%
In-Line	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Above	100%	100%	94%	82%	80%	75%	50%	0%	0%	0%	0%	0%

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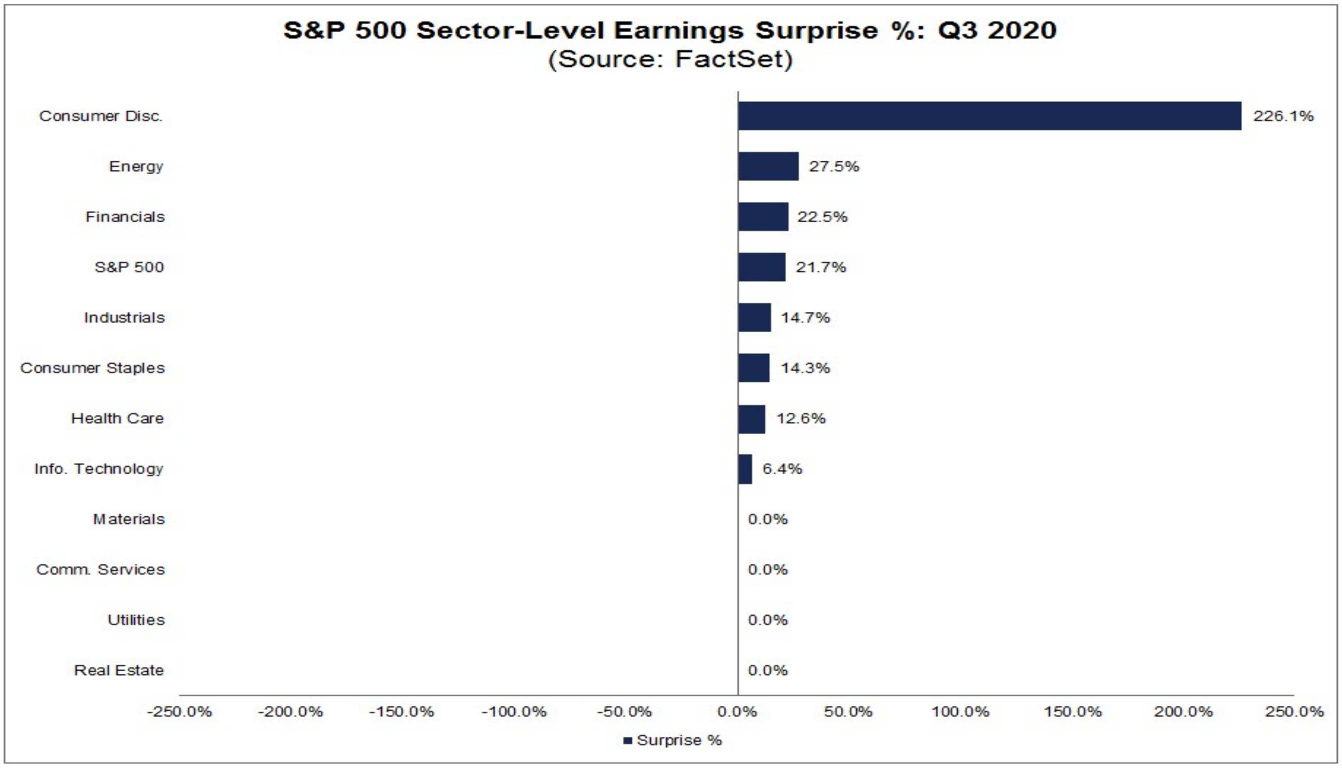
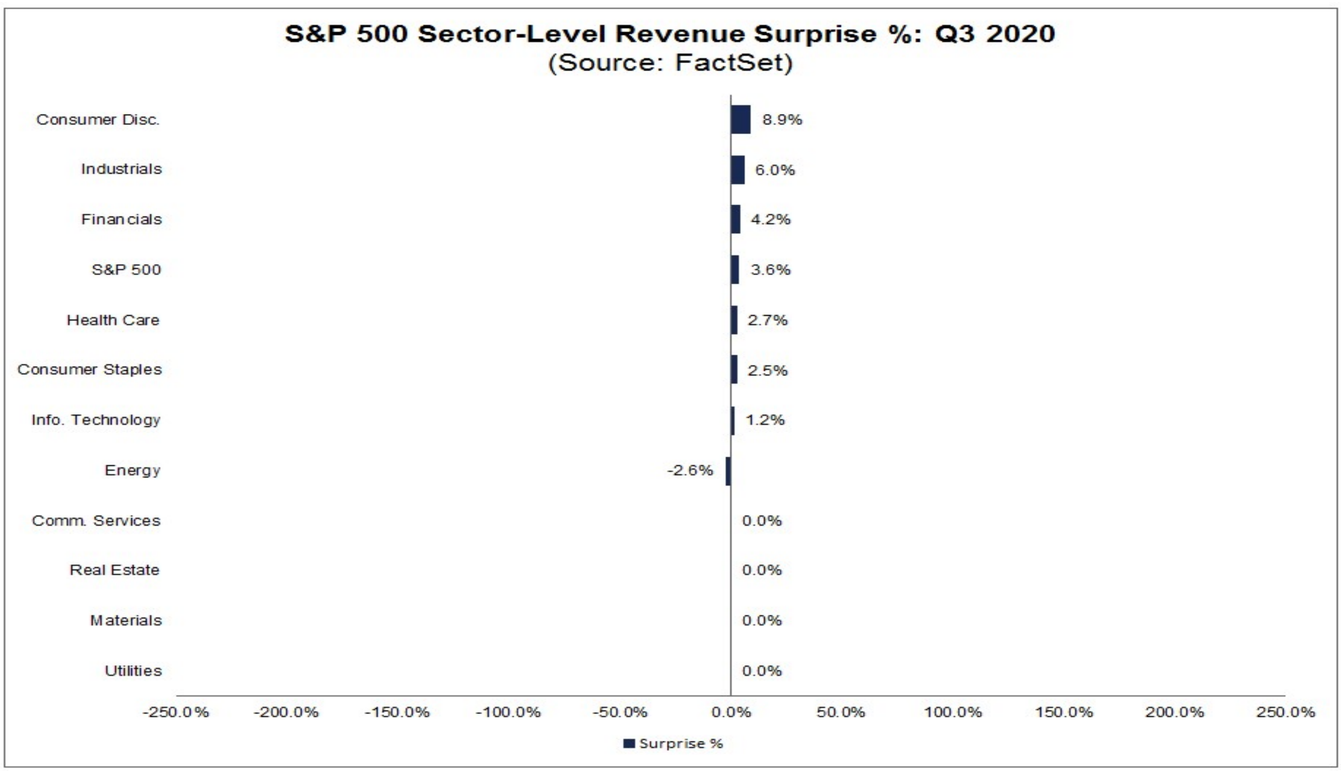
Q3 2020: Scorecard





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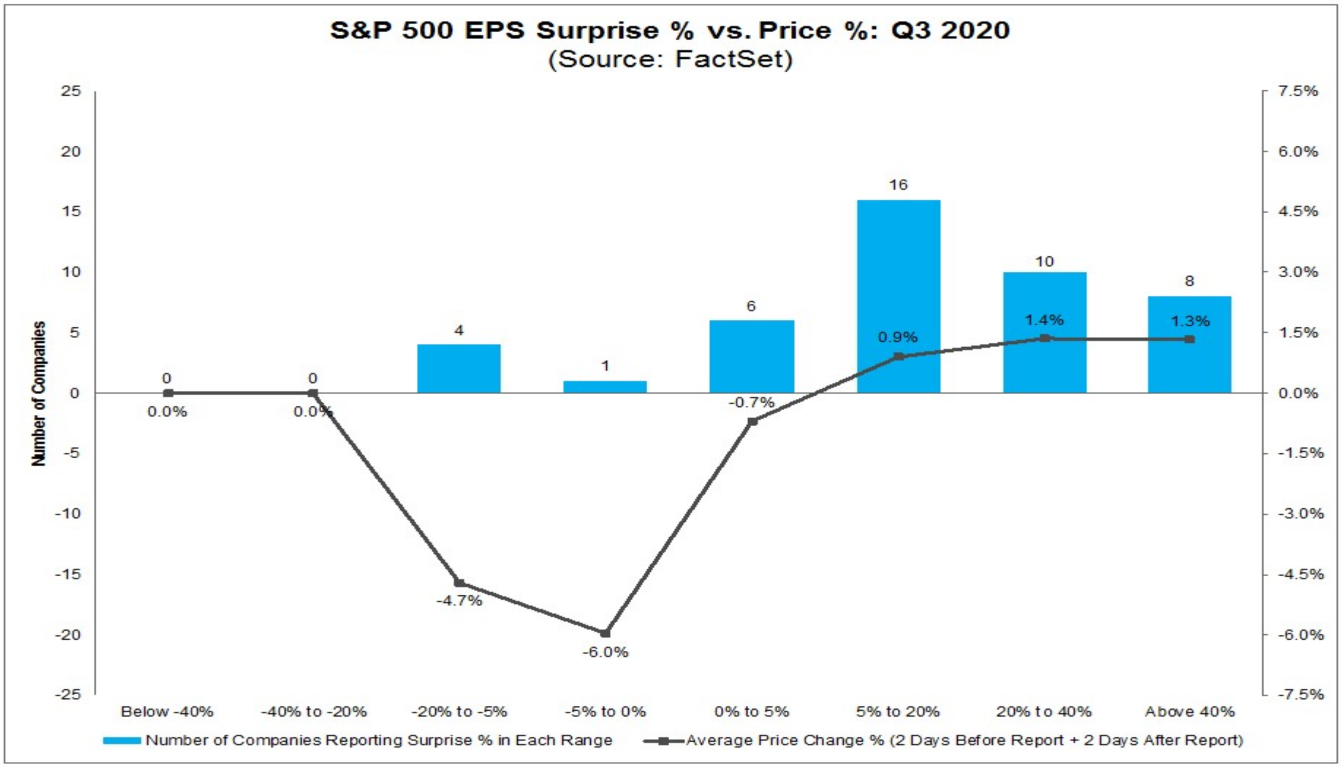
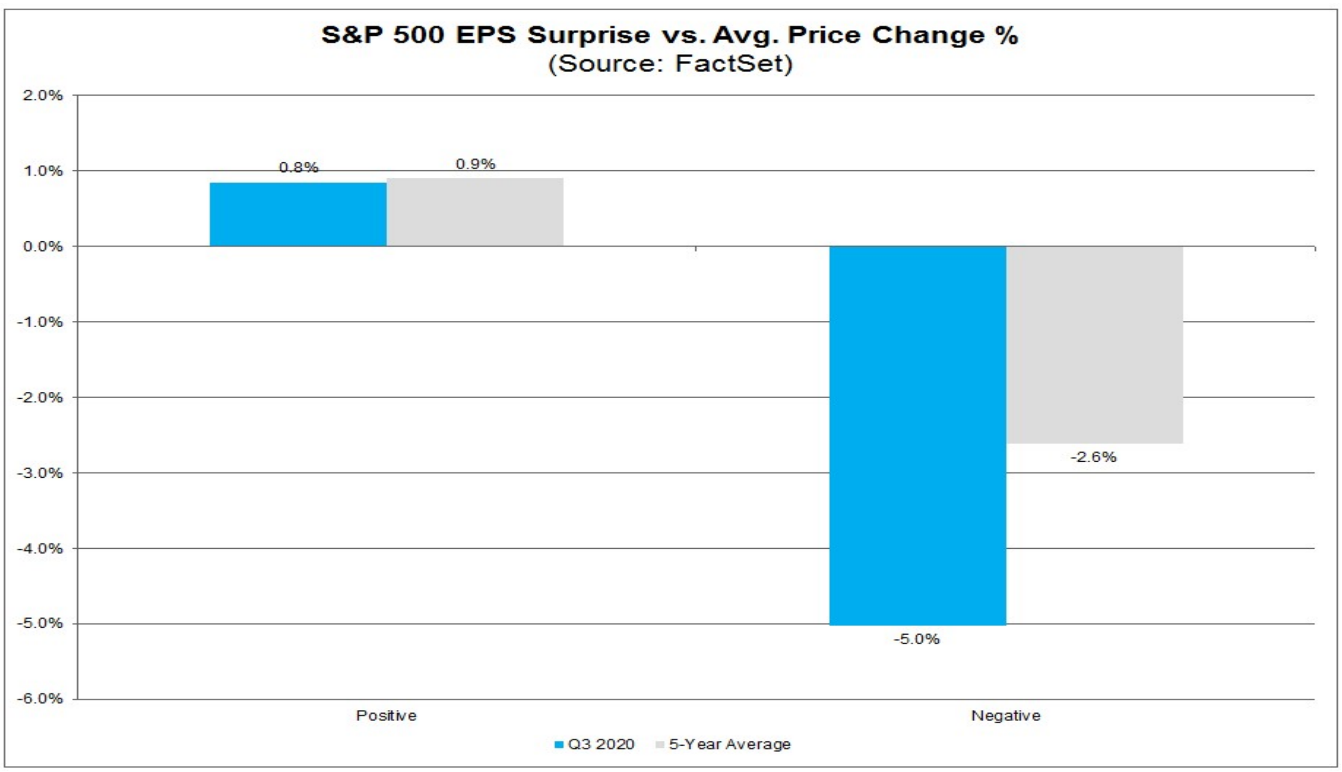
Q3 2020: Scorecard





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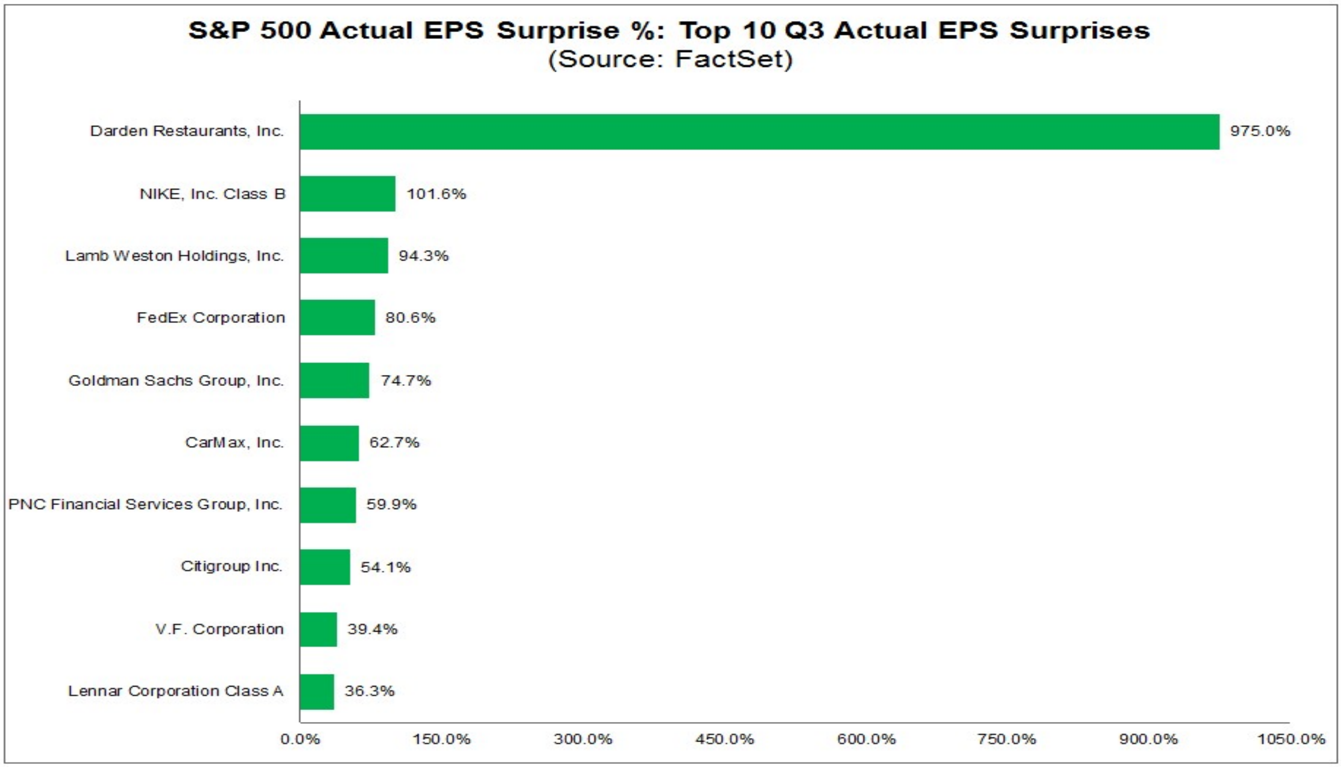
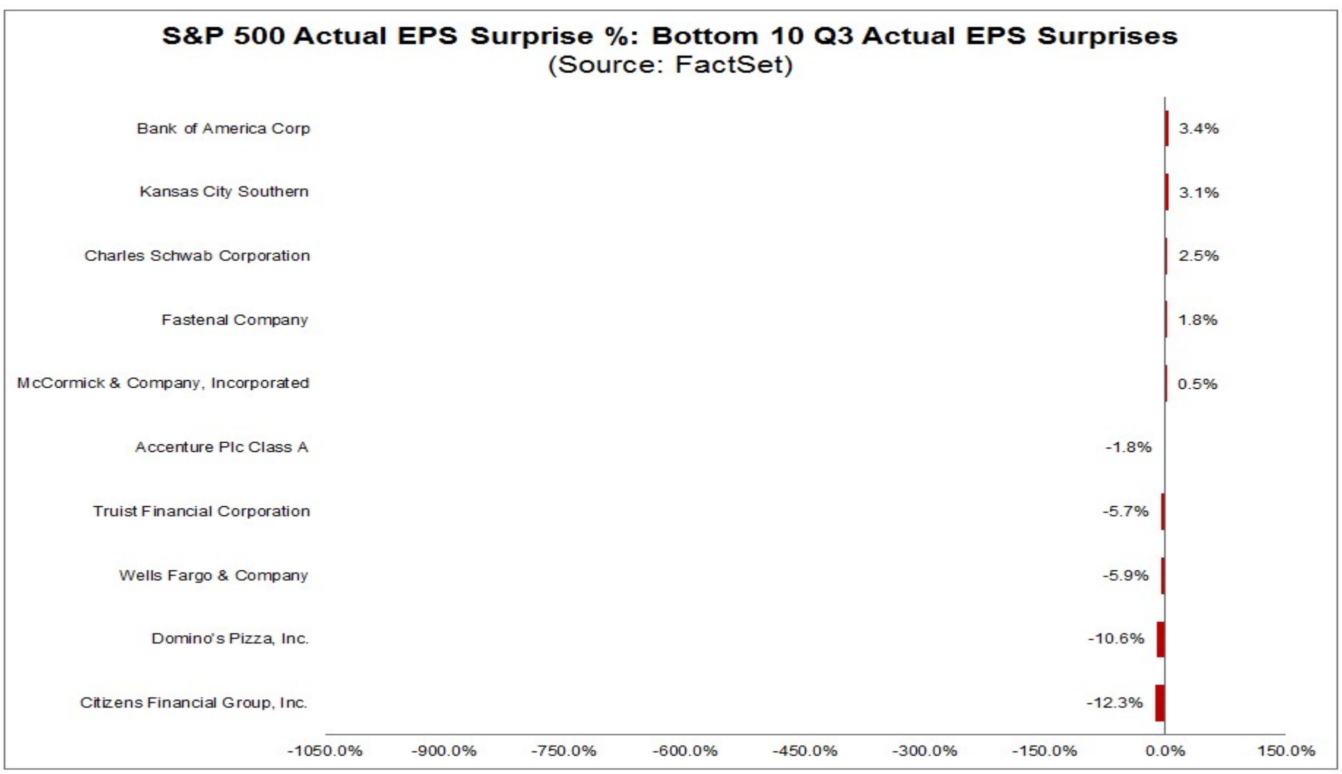
Q3 2020: Scorecard





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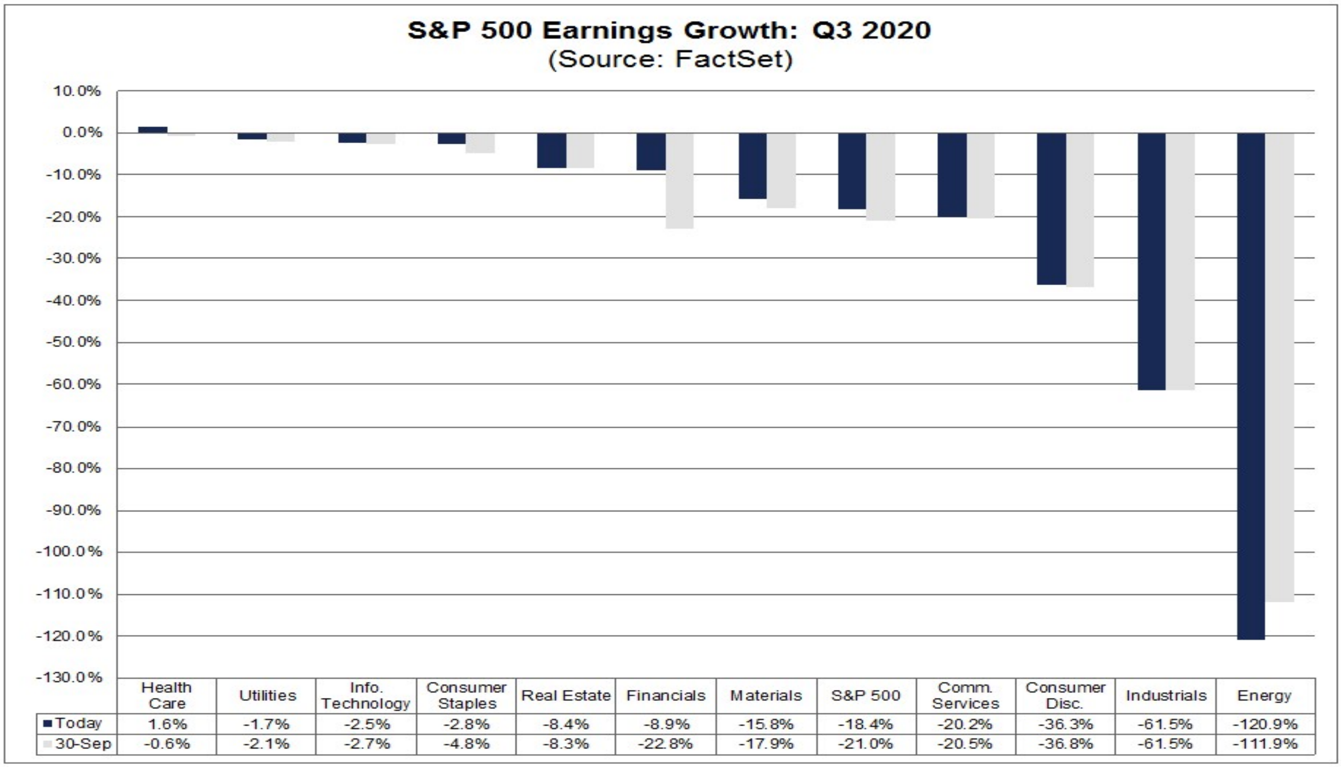
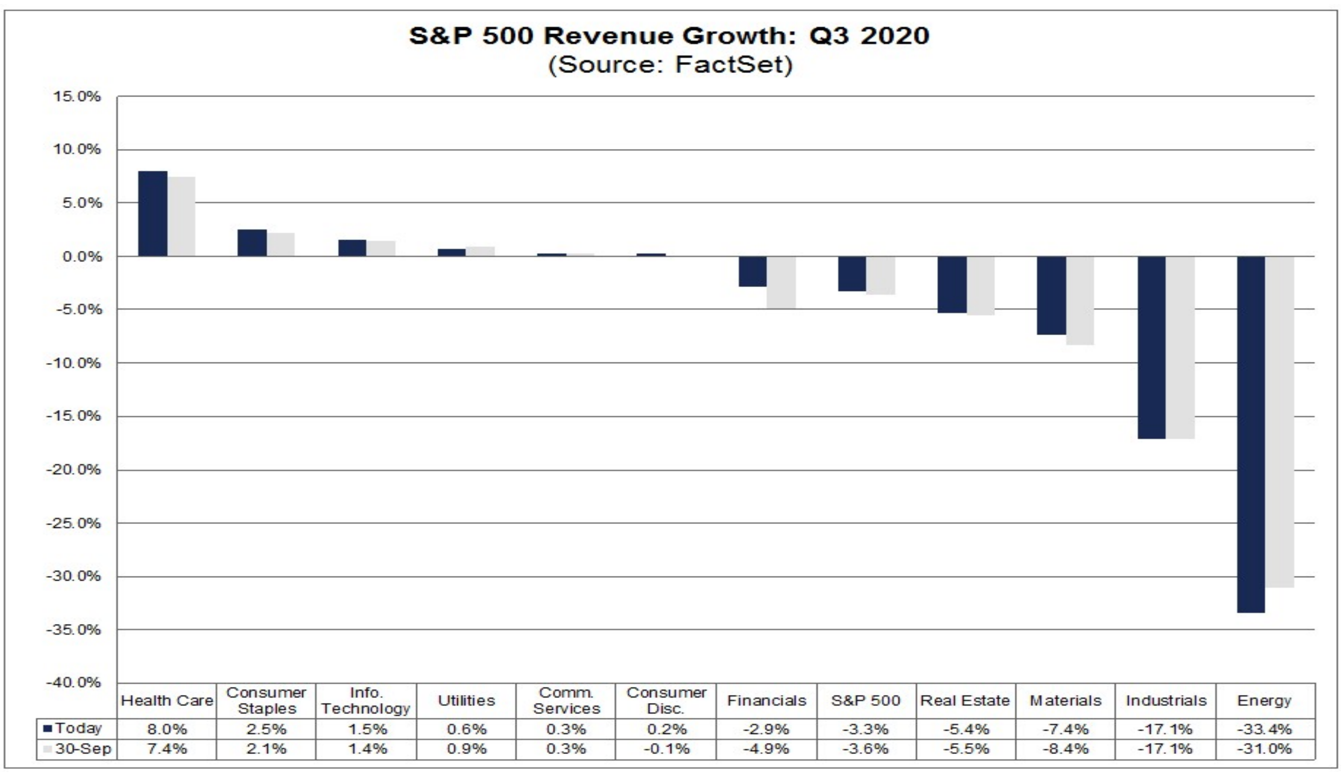
Q3 2020: Growth



	Health Care	Utilities	Info. Technology	Consumer Staples	Real Estate	Financials	Materials	S&P 500	Comm. Services	Consumer Disc.	Industrials	Energy
Today	1.6%	-1.7%	-2.5%	-2.8%	-8.4%	-8.9%	-15.8%	-18.4%	-20.2%	-36.3%	-61.5%	-120.9%
30-Sep	-0.6%	-2.1%	-2.7%	-4.8%	-8.3%	-22.8%	-17.9%	-21.0%	-20.5%	-36.8%	-61.5%	-111.9%



	Health Care	Consumer Staples	Info. Technology	Utilities	Comm. Services	Consumer Disc.	Financials	S&P 500	Real Estate	Materials	Industrials	Energy
Today	8.0%	2.5%	1.5%	0.6%	0.3%	0.2%	-2.9%	-3.3%	-5.4%	-7.4%	-17.1%	-33.4%
30-Sep	7.4%	2.1%	1.4%	0.9%	0.3%	-0.1%	-4.9%	-3.6%	-5.5%	-8.4%	-17.1%	-31.0%

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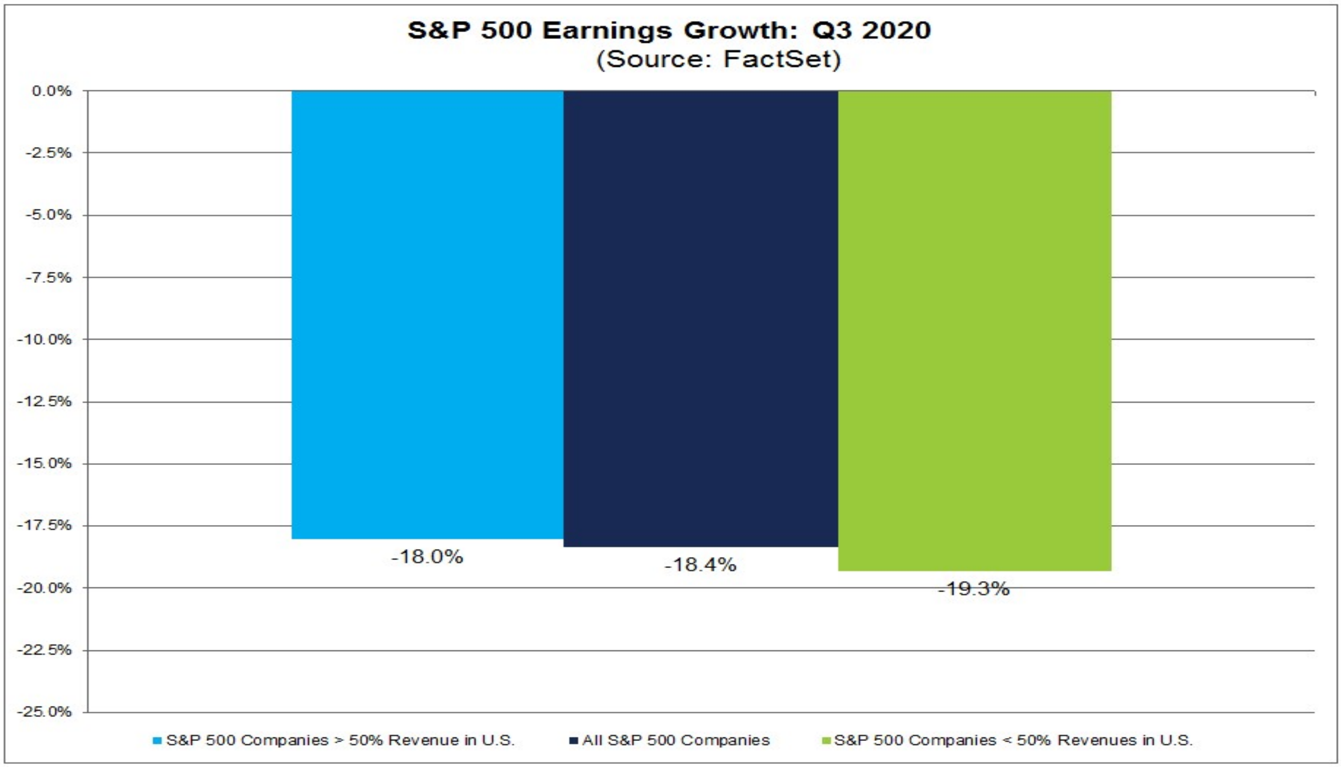
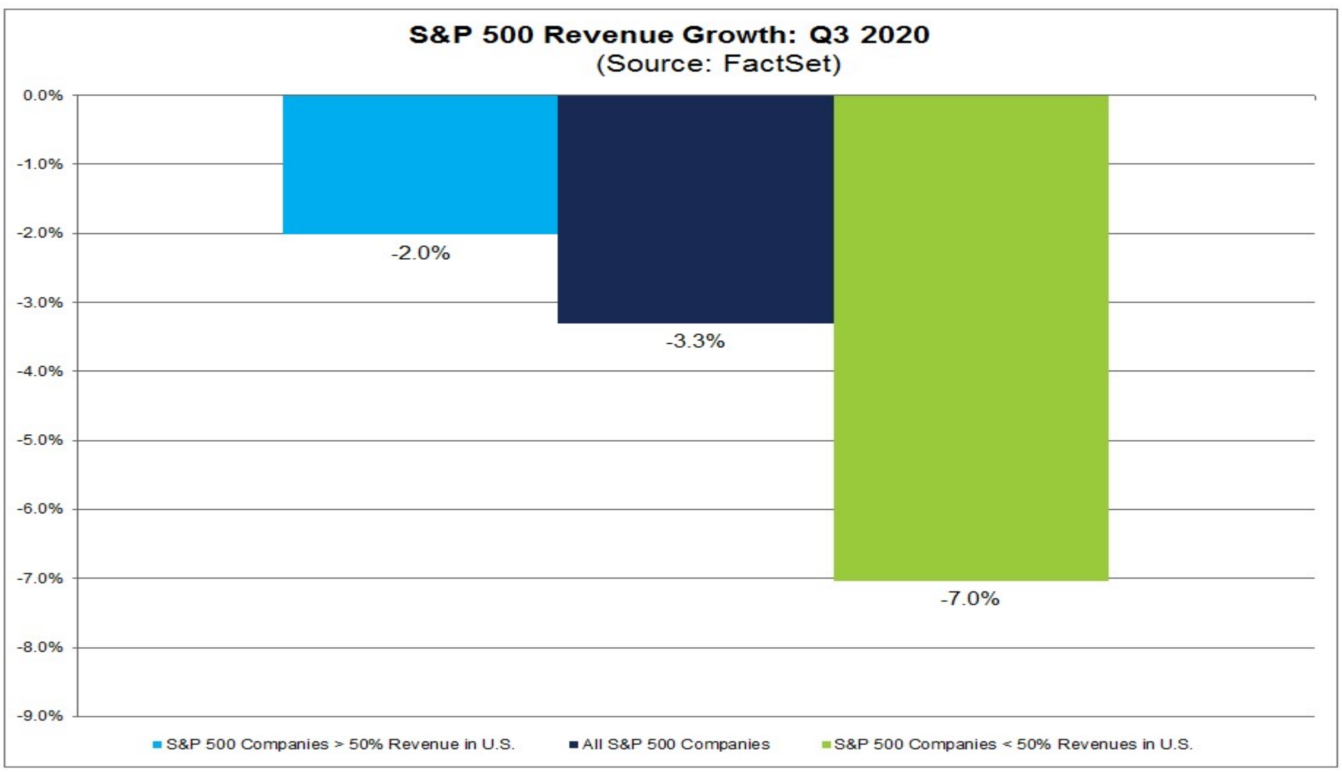
Q3 2020: Growth





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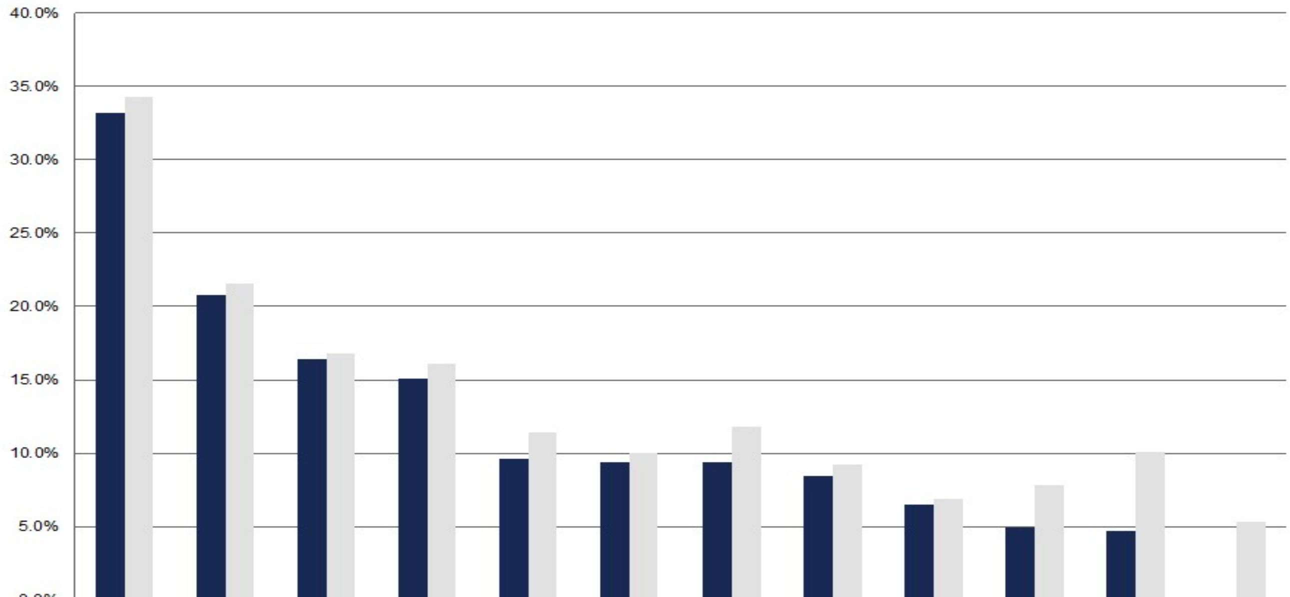
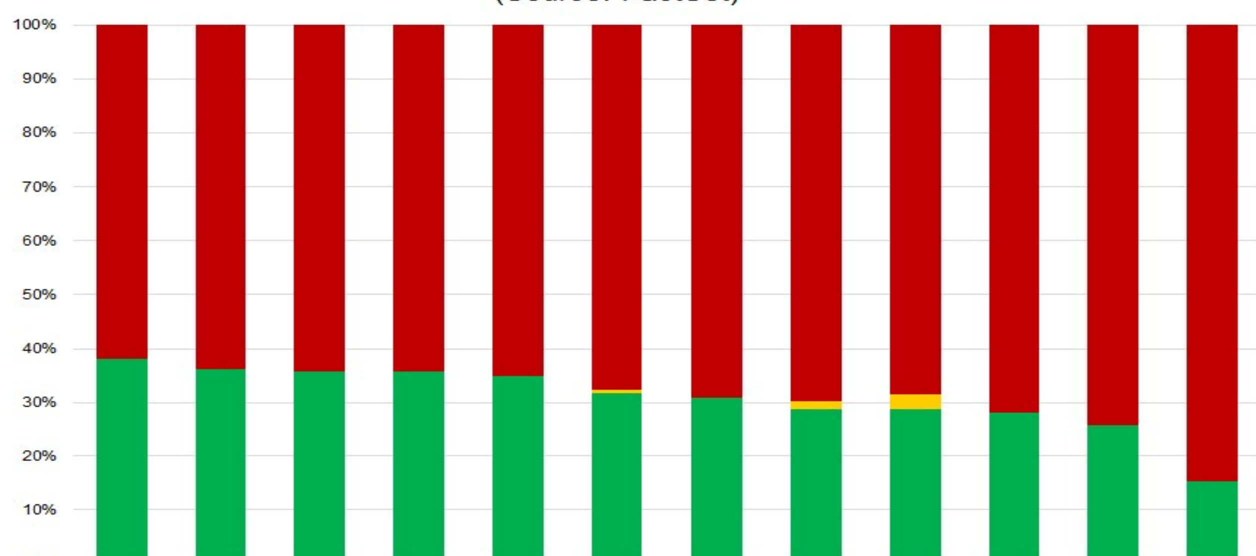
Q3 2020: Net Profit Margin

S&P 500 Net Profit Margins: Q320 vs. Q319
(Source: FactSet)



	Real Estate	Information Tech.	Utilities	Financials	S&P 500	Health Care	Comm. Services	Materials	Consumer Staples	Consumer Disc.	Industrials	Energy
Q320	33.2%	20.7%	16.5%	15.2%	9.7%	9.4%	9.4%	8.4%	6.5%	5.0%	4.7%	
Q319	34.3%	21.6%	16.8%	16.2%	11.5%	10.0%	11.8%	9.3%	6.9%	7.8%	10.1%	5.4%

S&P 500: % of Cos. With Increase or Decrease in Net Profit Margin: Q320 vs. Q319
(Source: FactSet)



	Health Care	Information Tech.	Utilities	Materials	Consumer Disc.	S&P 500	Comm. Services	Financials	Industrials	Consumer Staples	Real Estate	Energy
Down %	62%	64%	64%	64%	65%	68%	69%	70%	68%	72%	74%	85%
None %	0%	0%	0%	0%	0%	1%	0%	2%	3%	0%	0%	0%
Up %	38%	36%	36%	36%	35%	32%	31%	29%	29%	28%	26%	15%

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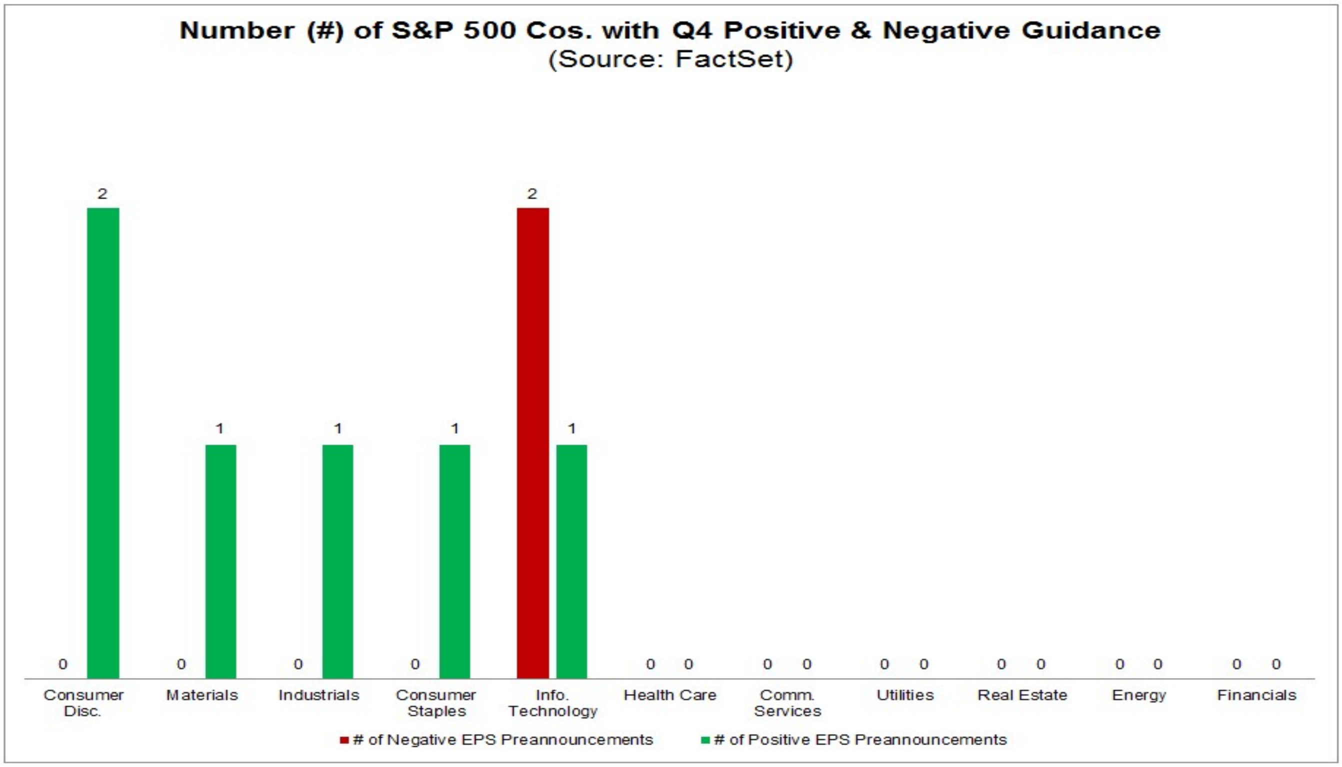
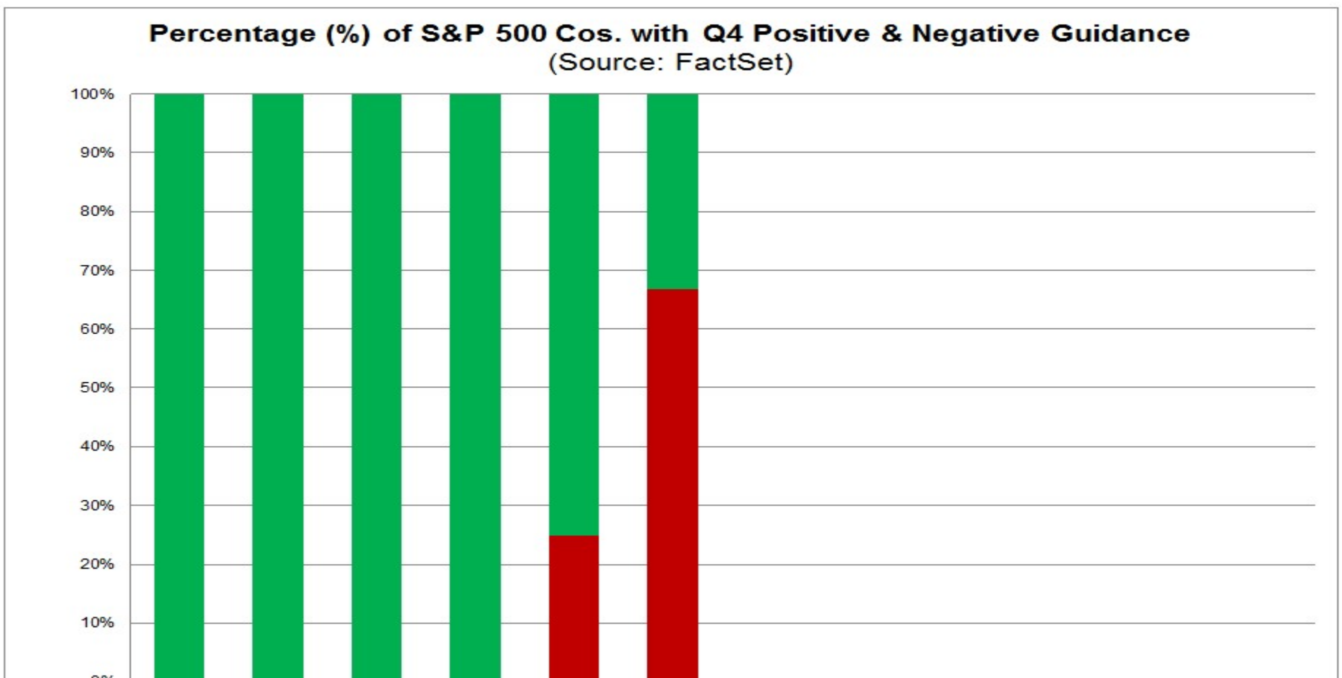
Q4 2020: EPS Guidance





	Consumer Disc.	Materials	Industrials	Consumer Staples	S&P 500	Info. Technology	Comm. Services	Health Care	Utilities	Real Estate	Energy	Financials
Positive	100%	100%	100%	100%	75%	33%	0%	0%	0%	0%	0%	0%
Negative	0%	0%	0%	0%	25%	67%	0%	0%	0%	0%	0%	0%

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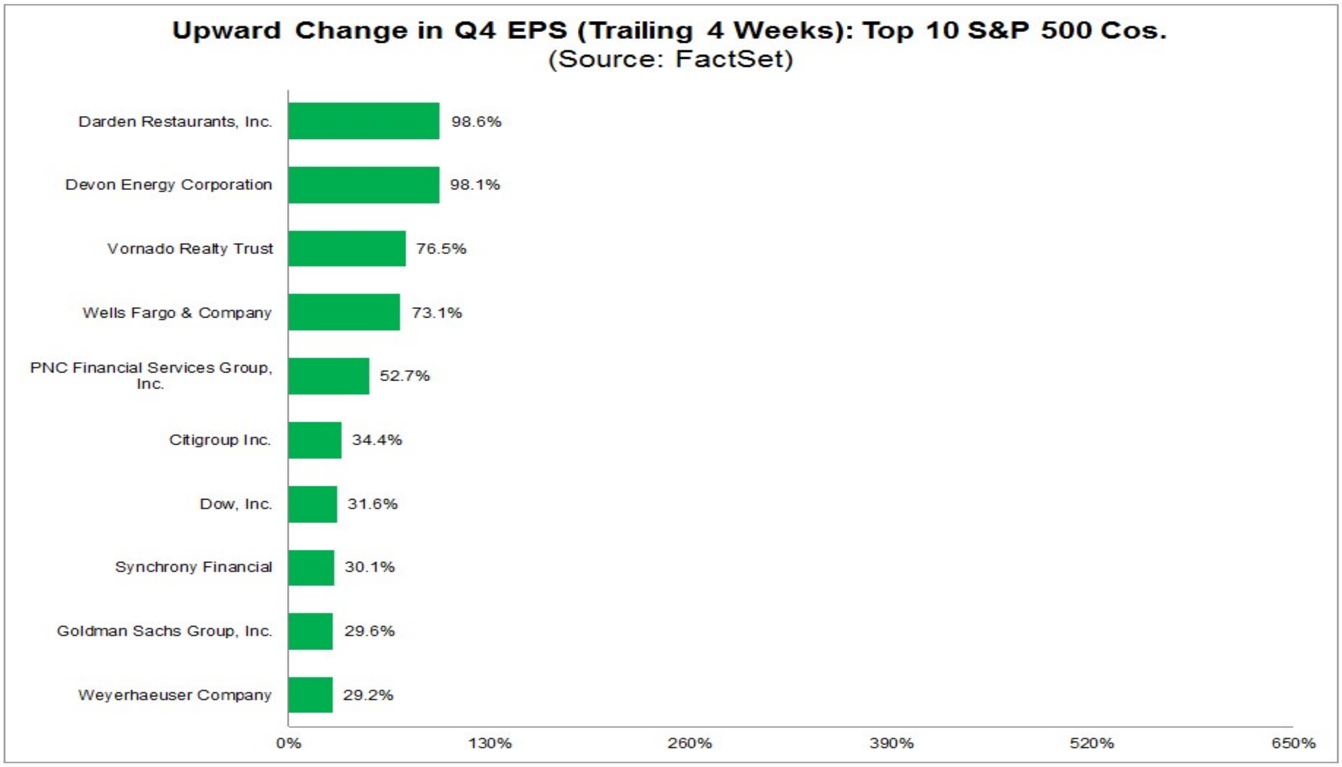
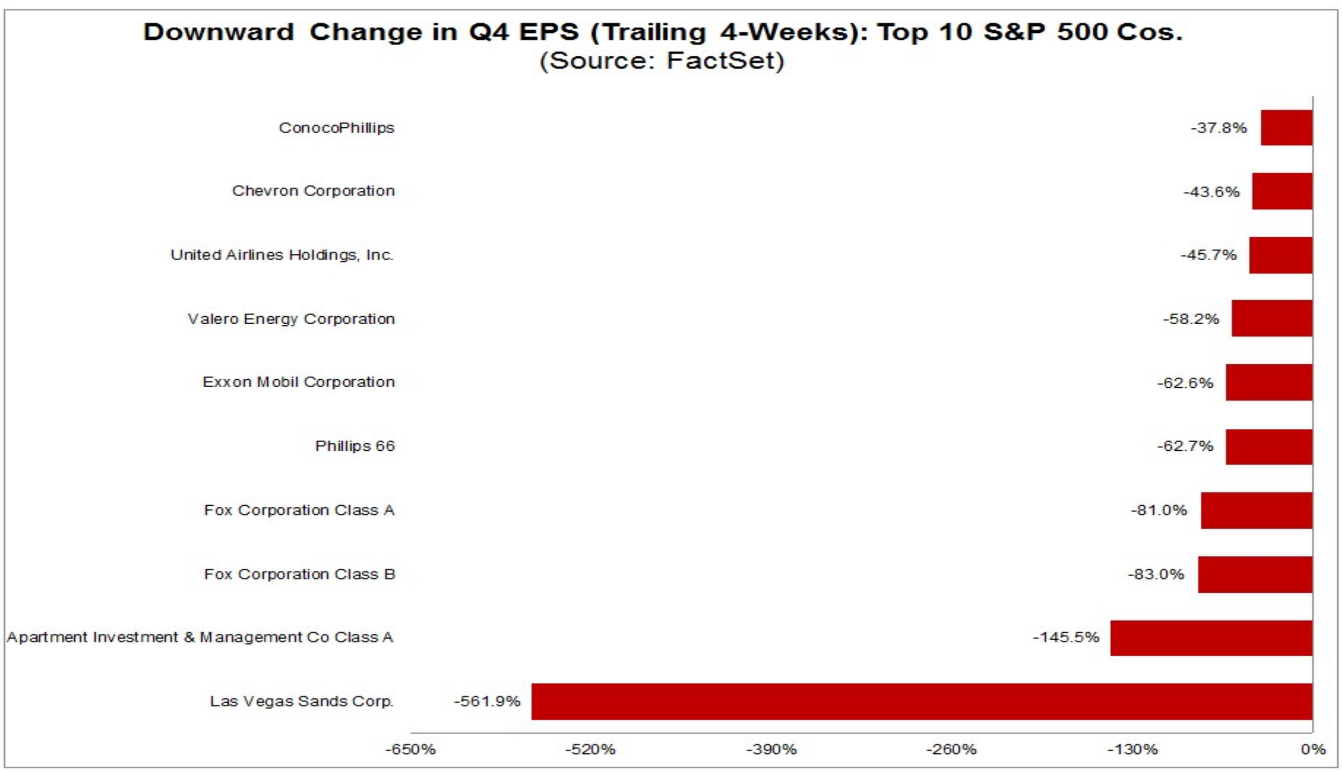
Q4 2020: EPS Revisions





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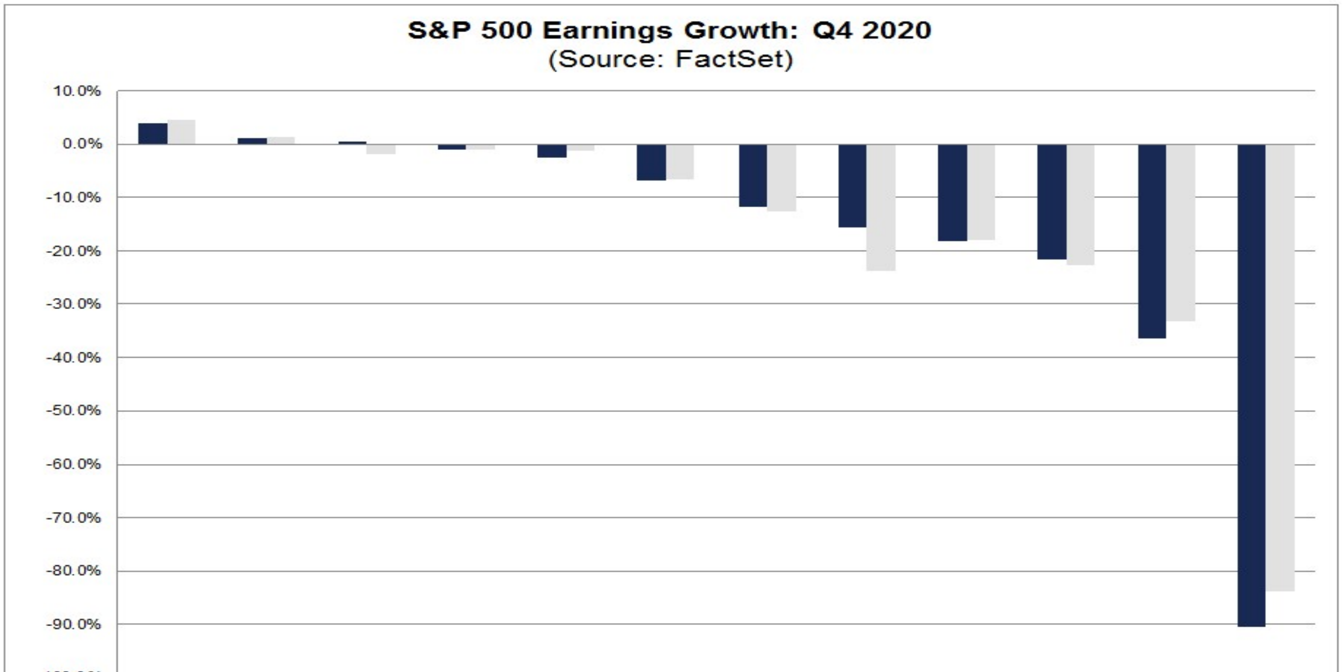
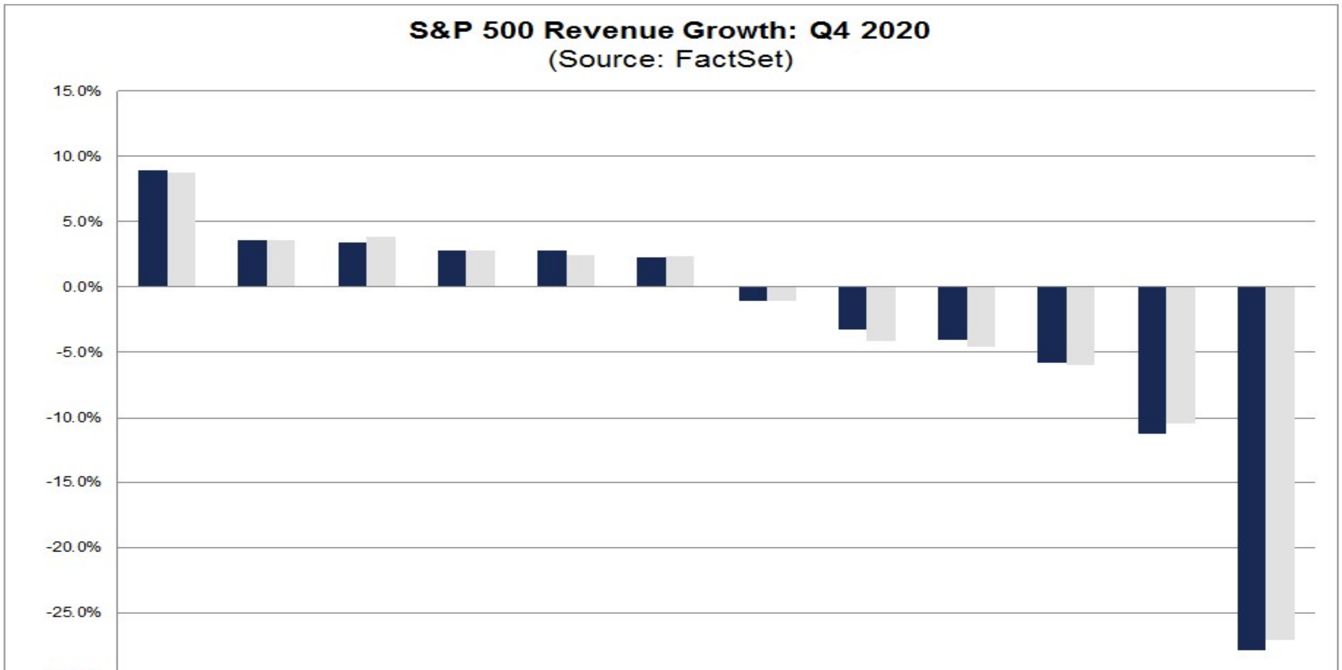
Q4 2020: Growth



	Health Care	Info. Technology	Materials	Consumer Staples	Utilities	Real Estate	S&P 500	Financials	Comm. Services	Consumer Disc.	Industrials	Energy
Today	3.9%	1.1%	0.5%	-1.0%	-2.4%	-6.9%	-11.8%	-15.6%	-18.3%	-21.7%	-36.4%	-90.4%
30-Sep	4.6%	1.4%	-2.0%	-0.9%	-1.3%	-6.7%	-12.6%	-23.9%	-18.1%	-22.7%	-33.3%	-83.7%



	Health Care	Info. Technology	Utilities	Consumer Disc.	Consumer Staples	Comm. Services	S&P 500	Materials	Financials	Real Estate	Industrials	Energy
Today	8.9%	3.6%	3.4%	2.8%	2.8%	2.3%	-1.1%	-3.3%	-4.1%	-5.9%	-11.2%	-27.9%
30-Sep	8.7%	3.6%	3.8%	2.8%	2.4%	2.3%	-1.1%	-4.2%	-4.6%	-6.0%	-10.4%	-27.0%

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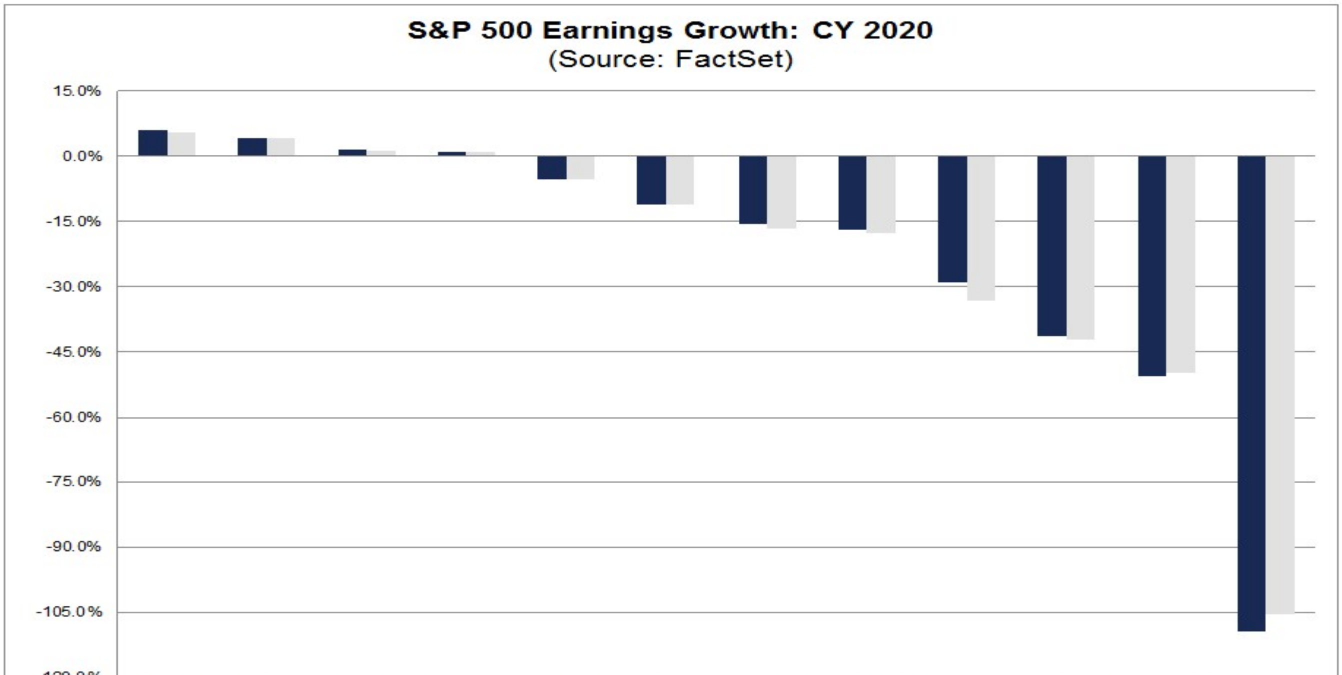
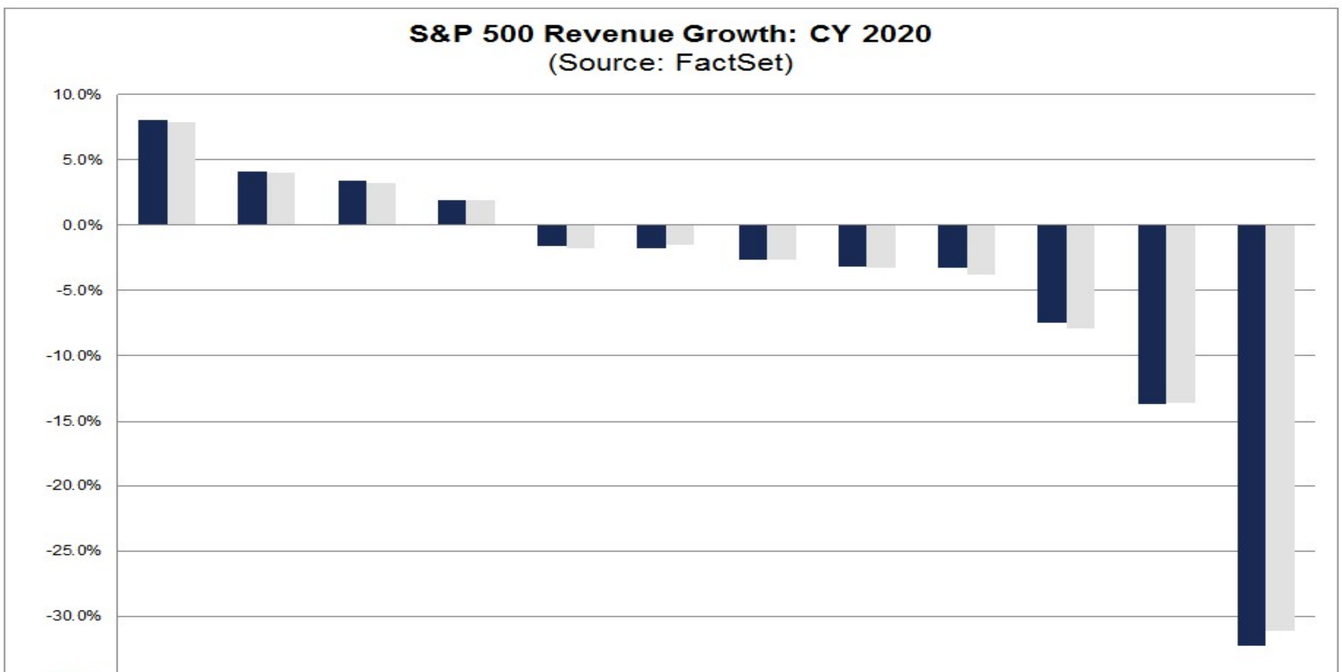
CY 2020: Growth



	Health Care	Info. Technology	Consumer Staples	Utilities	Real Estate	Comm. Services	Materials	S&P 500	Financials	Consumer Disc.	Industrials	Energy
Today	5.9%	4.0%	1.5%	1.1%	-5.3%	-11.2%	-15.7%	-17.1%	-29.1%	-41.6%	-50.7%	-109.2%
30-Sep	5.4%	4.0%	1.2%	1.0%	-5.4%	-11.2%	-16.8%	-17.9%	-33.4%	-42.4%	-49.9%	-105.5%



	Health Care	Info. Technology	Consumer Staples	Comm. Services	Consumer Disc.	Utilities	S&P 500	Real Estate	Financials	Materials	Industrials	Energy
Today	8.0%	4.1%	3.4%	1.9%	-1.7%	-1.8%	-2.7%	-3.2%	-3.3%	-7.5%	-13.8%	-32.3%
30-Sep	7.9%	4.0%	3.2%	1.9%	-1.8%	-1.5%	-2.7%	-3.3%	-3.8%	-7.9%	-13.7%	-31.1%

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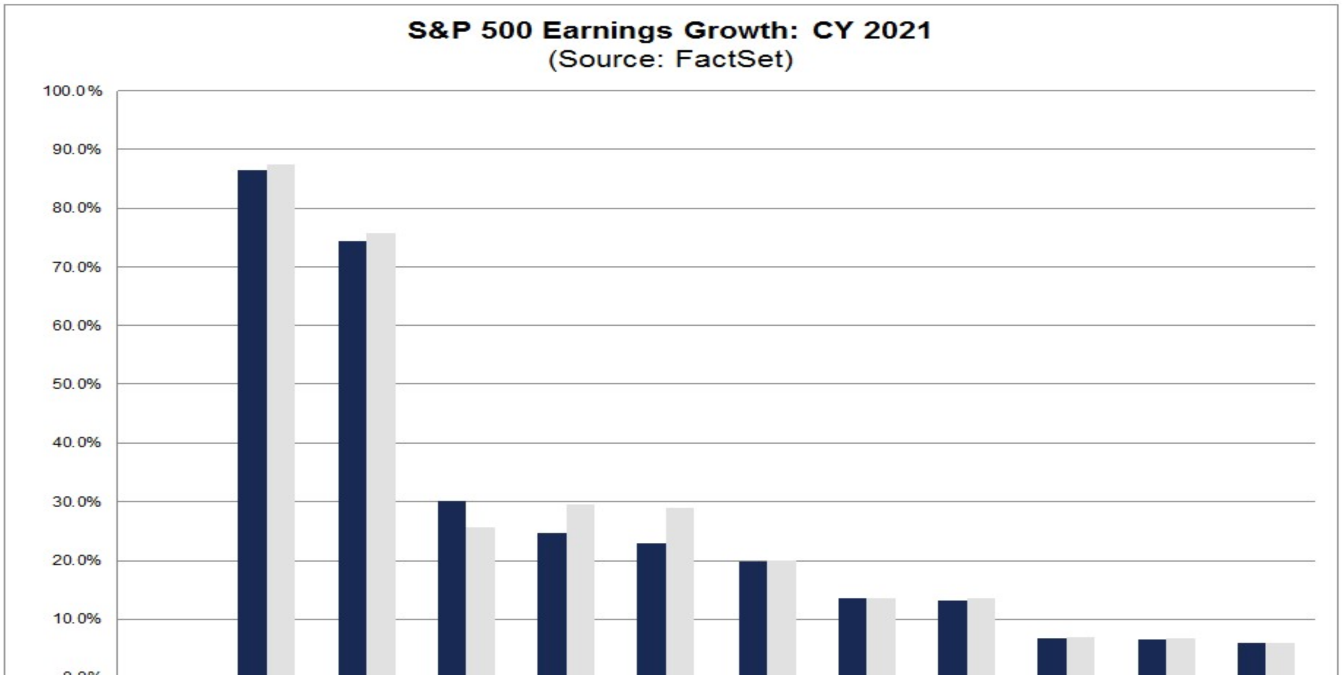
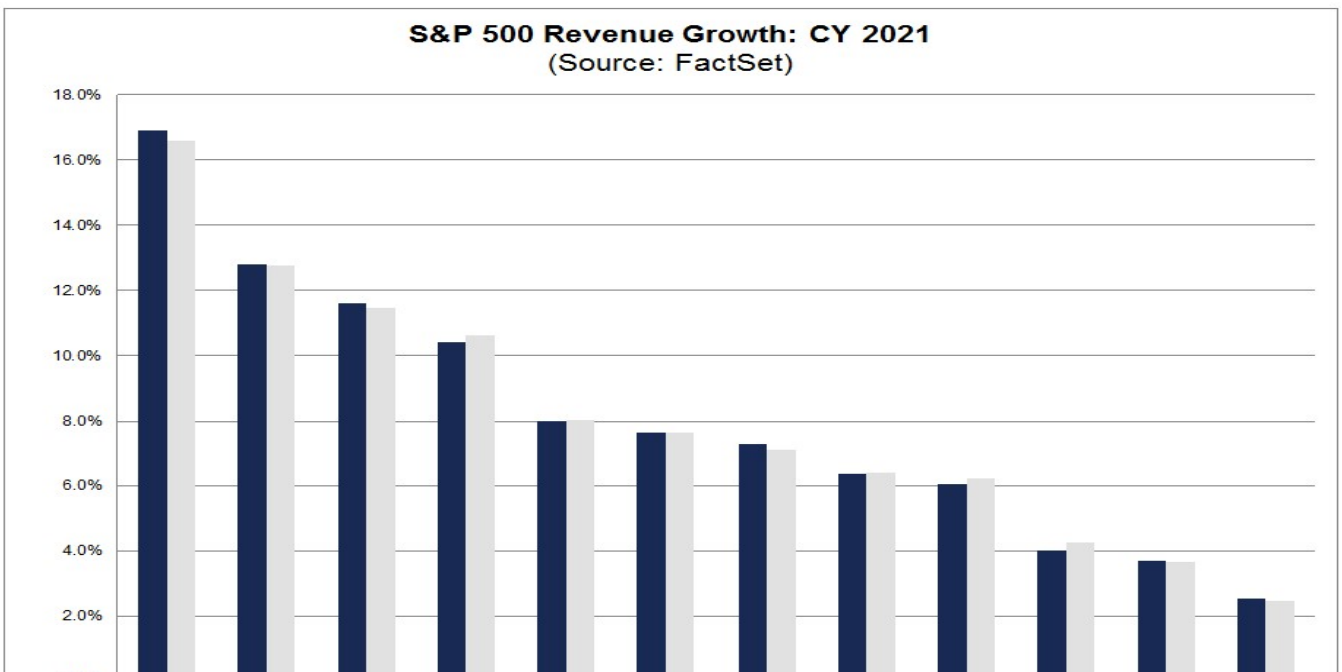
CY 2021: Growth



	Energy	Industrials	Consumer Disc.	Materials	S&P 500	Financials	Comm. Services	Info. Technology	Health Care	Real Estate	Consumer Staples	Utilities
Today		86.4%	74.4%	30.2%	24.6%	23.0%	19.9%	13.6%	13.1%	6.8%	6.6%	5.9%
30-Sep		87.4%	75.7%	25.7%	29.6%	29.1%	19.9%	13.5%	13.6%	7.0%	6.8%	5.9%



	Energy	Consumer Disc.	Comm. Services	Industrials	S&P 500	Info. Technology	Materials	Health Care	Real Estate	Financials	Utilities	Consumer Staples
Today	16.9%	12.8%	11.6%	10.4%	8.0%	7.7%	7.3%	6.4%	6.1%	4.0%	3.7%	2.5%
30-Sep	16.6%	12.8%	11.5%	10.6%	8.0%	7.6%	7.1%	6.4%	6.2%	4.3%	3.7%	2.5%

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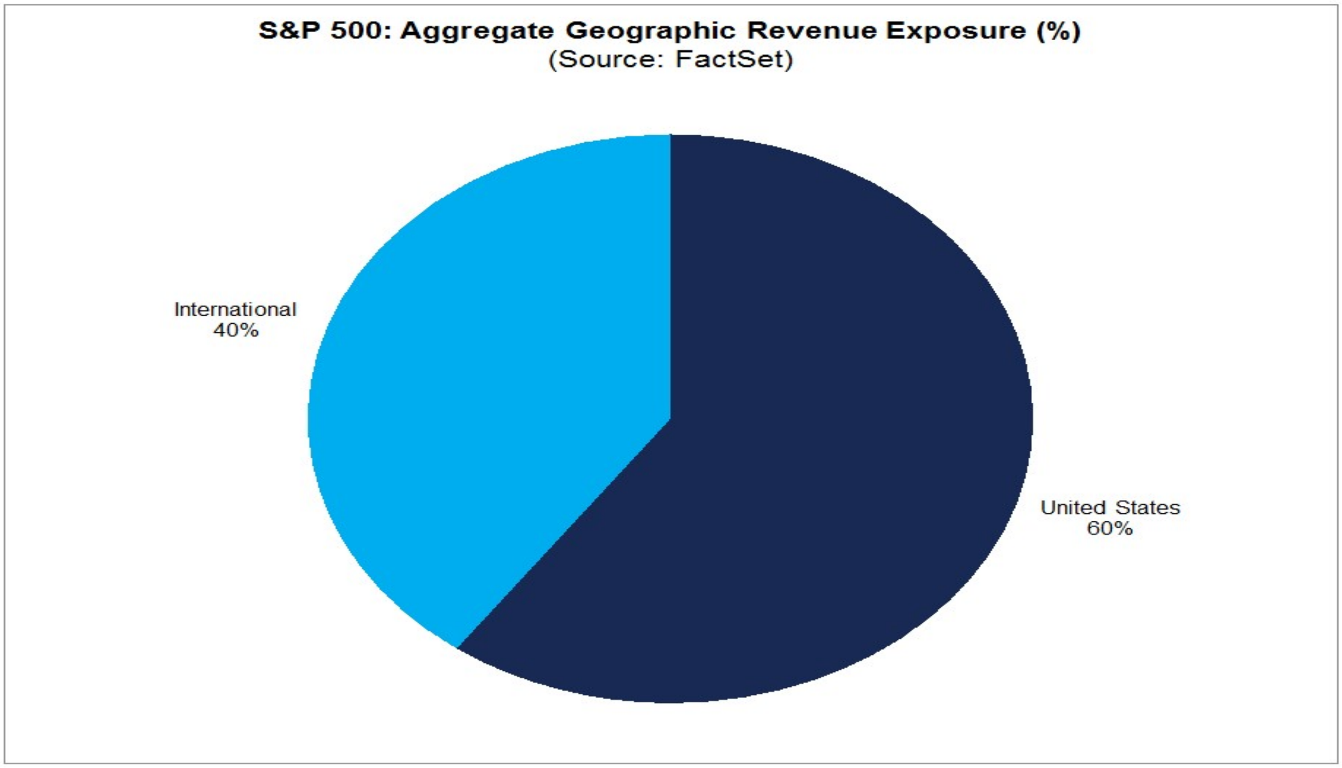
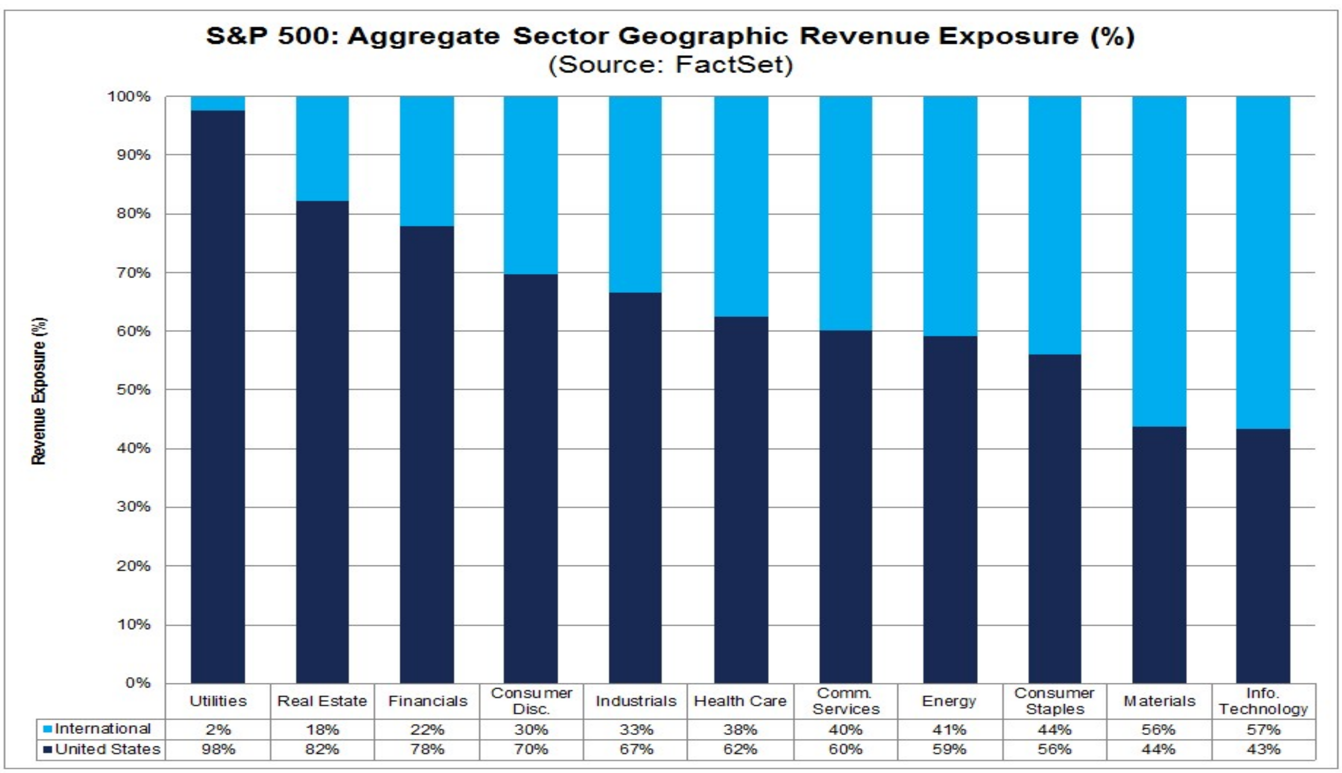
Geographic Revenue Exposure





	Utilities	Real Estate	Financials	Consumer Disc.	Industrials	Health Care	Comm. Services	Energy	Consumer Staples	Materials	Info. Technology
International	2%	18%	22%	30%	33%	38%	40%	41%	44%	56%	57%
United States	98%	82%	78%	70%	67%	62%	60%	59%	56%	44%	43%

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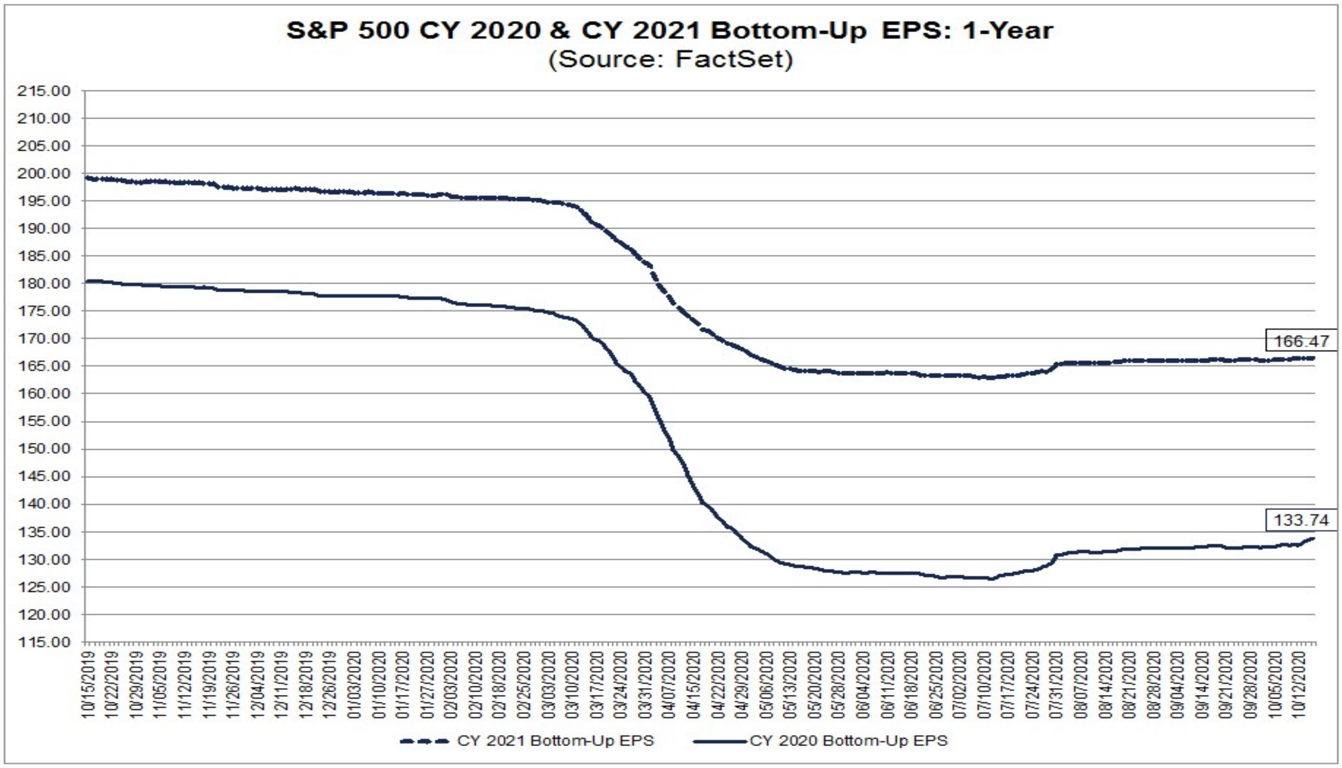
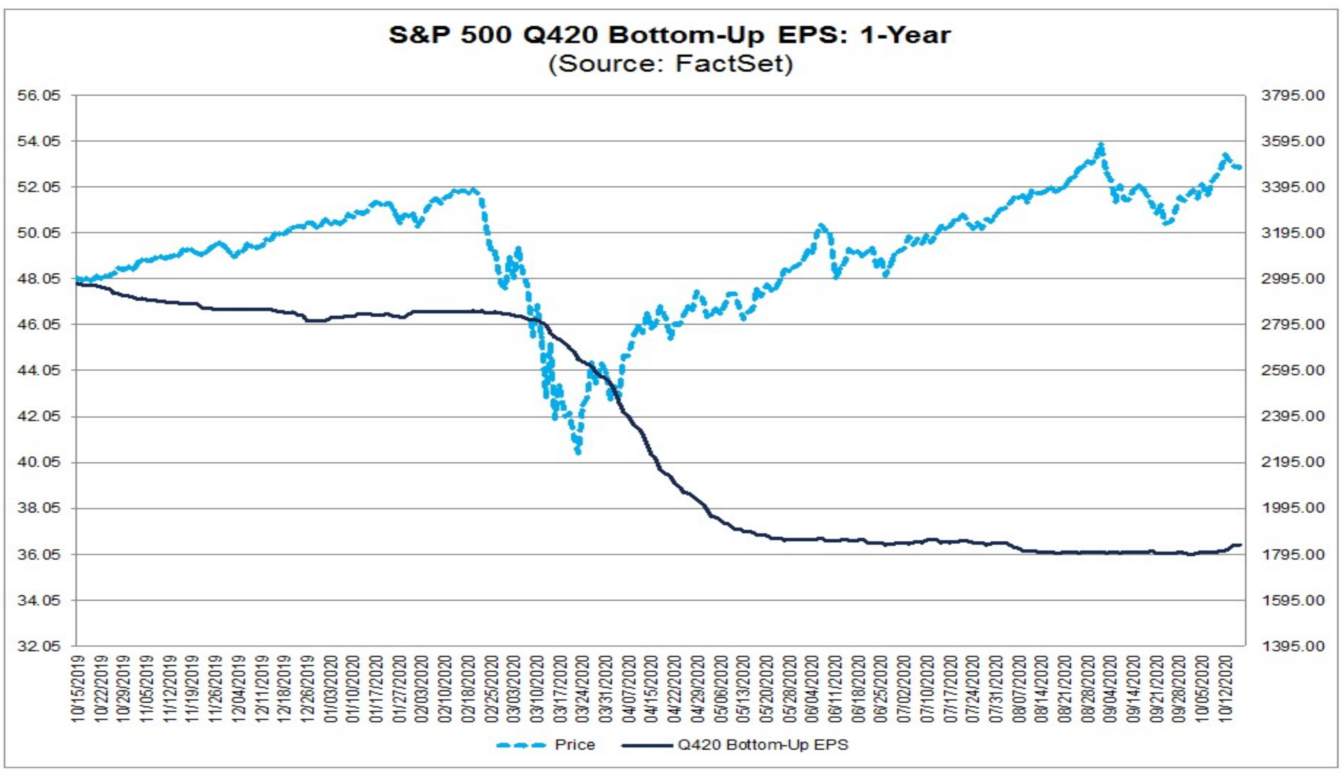
Bottom-up EPS Estimates: Revisions





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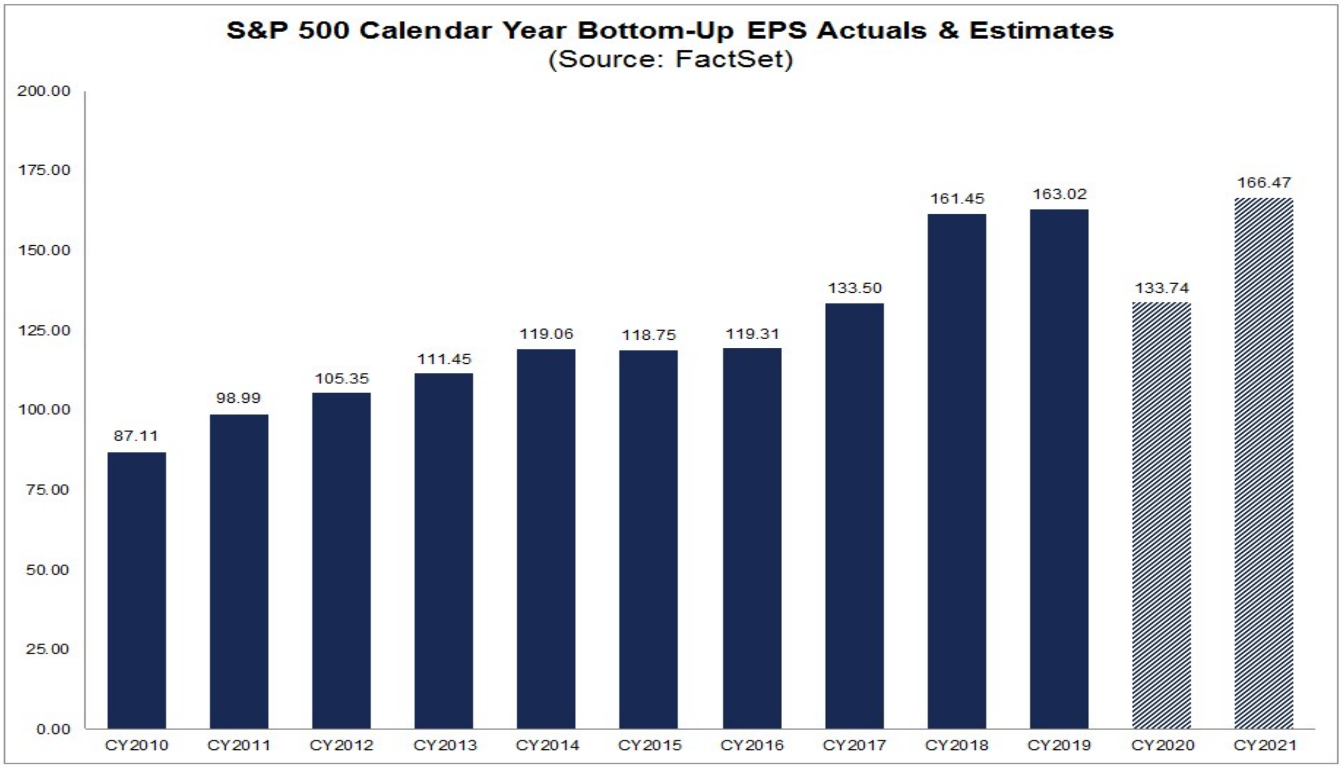
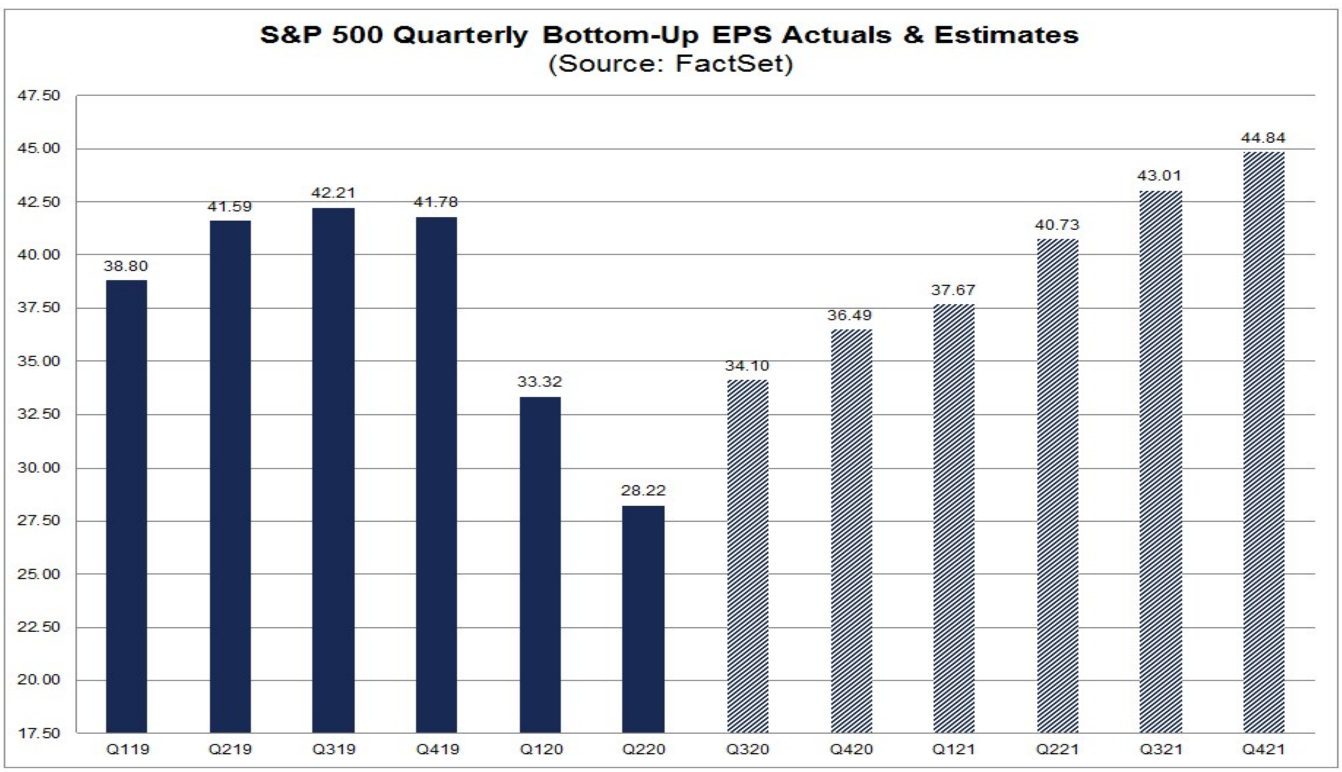
Bottom-up EPS Estimates: Current & Historical





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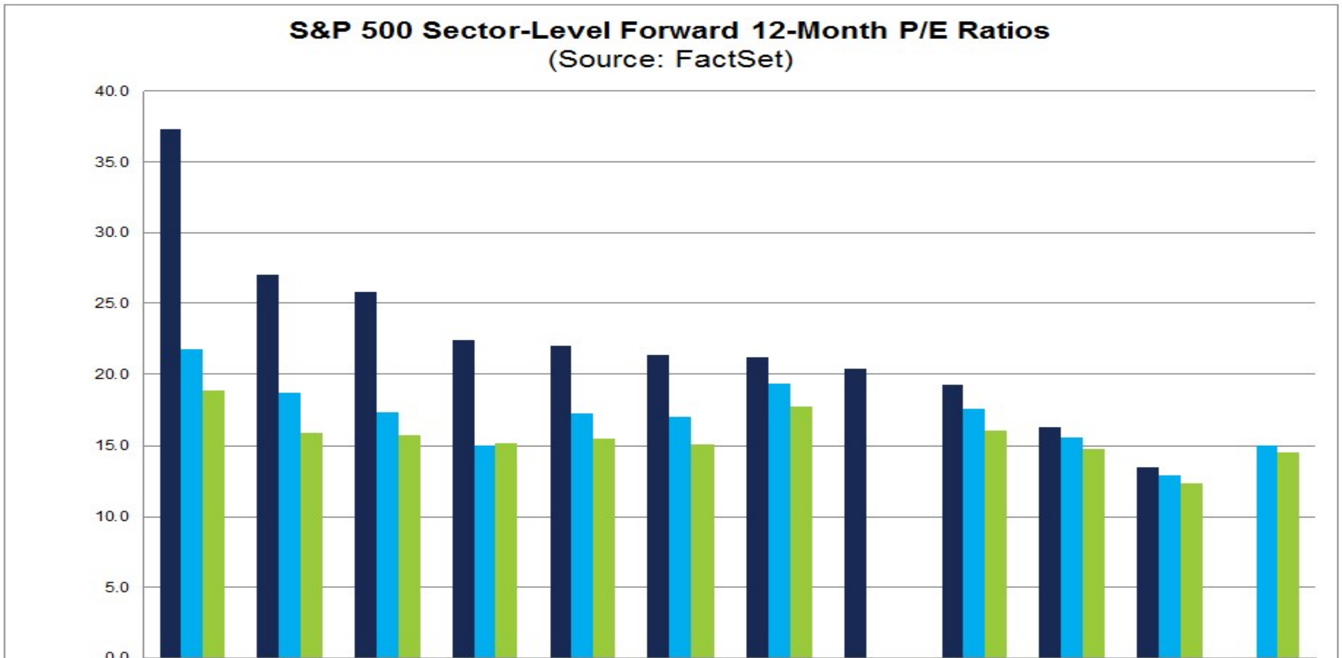
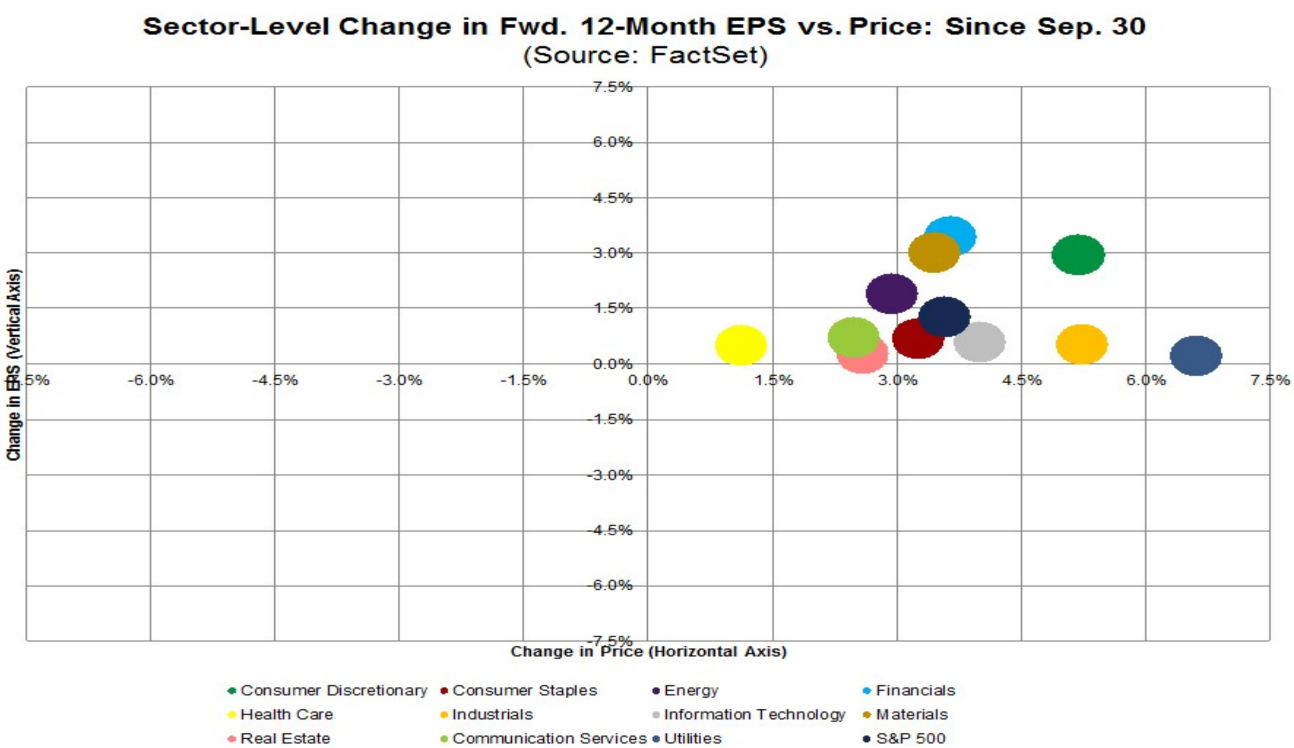
Forward 12M P/E Ratio: Sector Level



	Consumer Disc.	Info. Technology	Industrials	Comm. Services	S&P 500	Materials	Consumer Staples	Real Estate	Utilities	Health Care	Financials	Energy
Fwd P/E	37.3	27.0	25.8	22.4	22.0	21.3	21.2	20.4	19.3	16.3	13.5	
5-Yr Avg.	21.7	18.7	17.4	15.1	17.3	17.0	19.3		17.6	15.6	12.9	15.0
10-Yr Avg.	18.8	15.9	15.8	15.2	15.5	15.1	17.8		16.1	14.8	12.3	14.5



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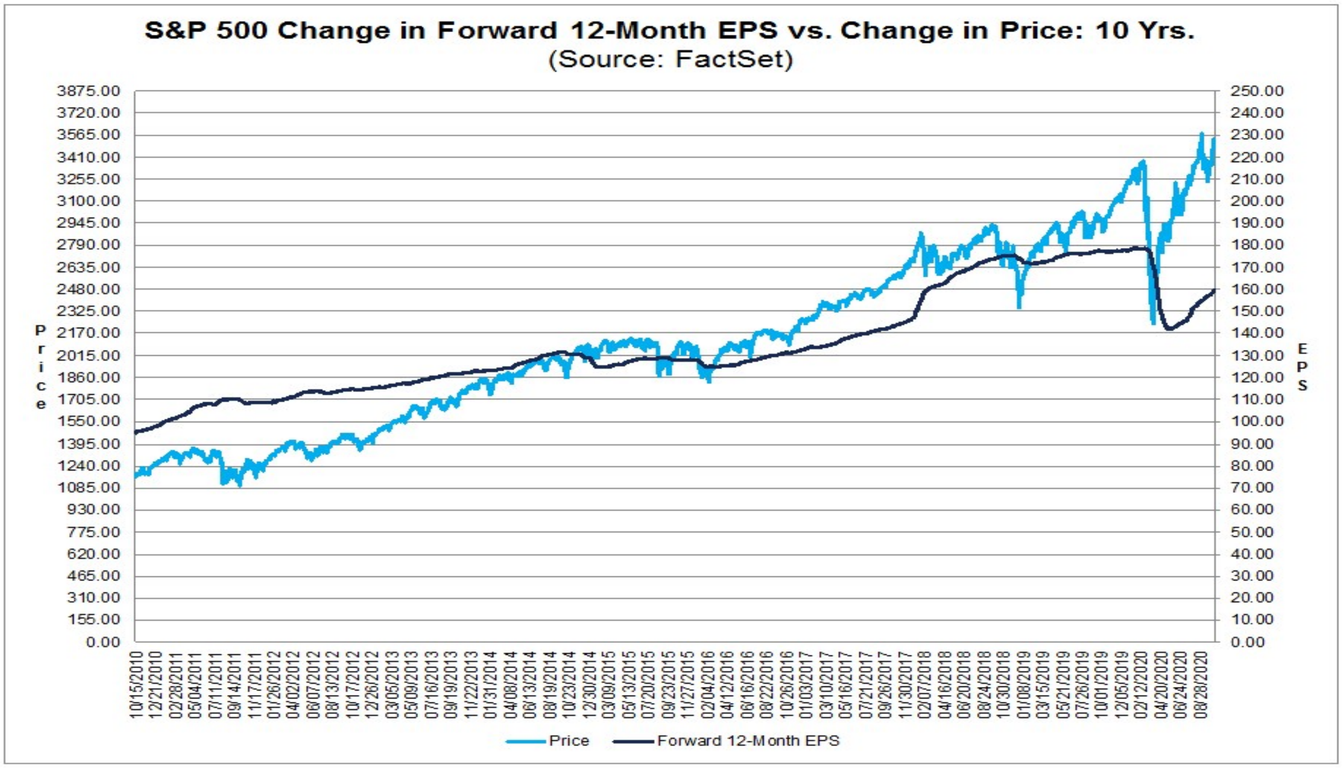
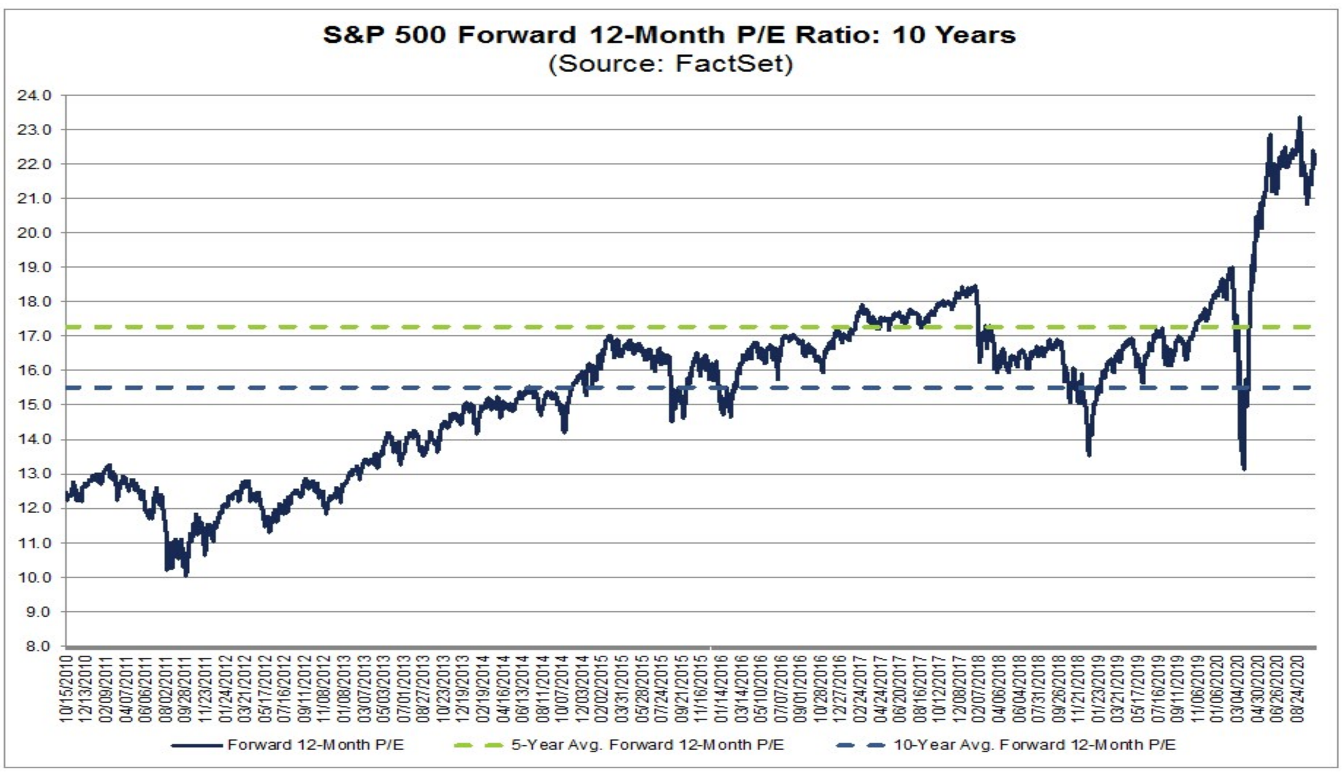
Forward 12M P/E Ratio: 10-Years





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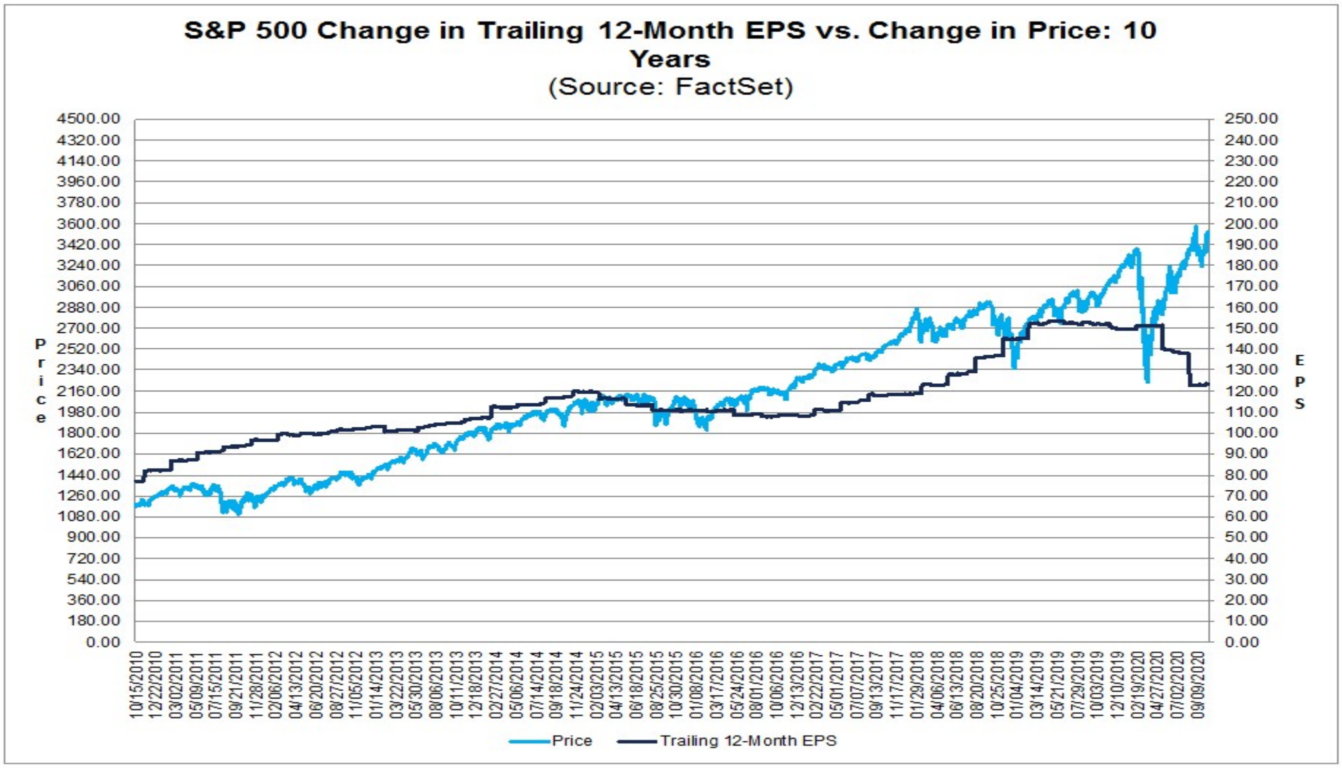
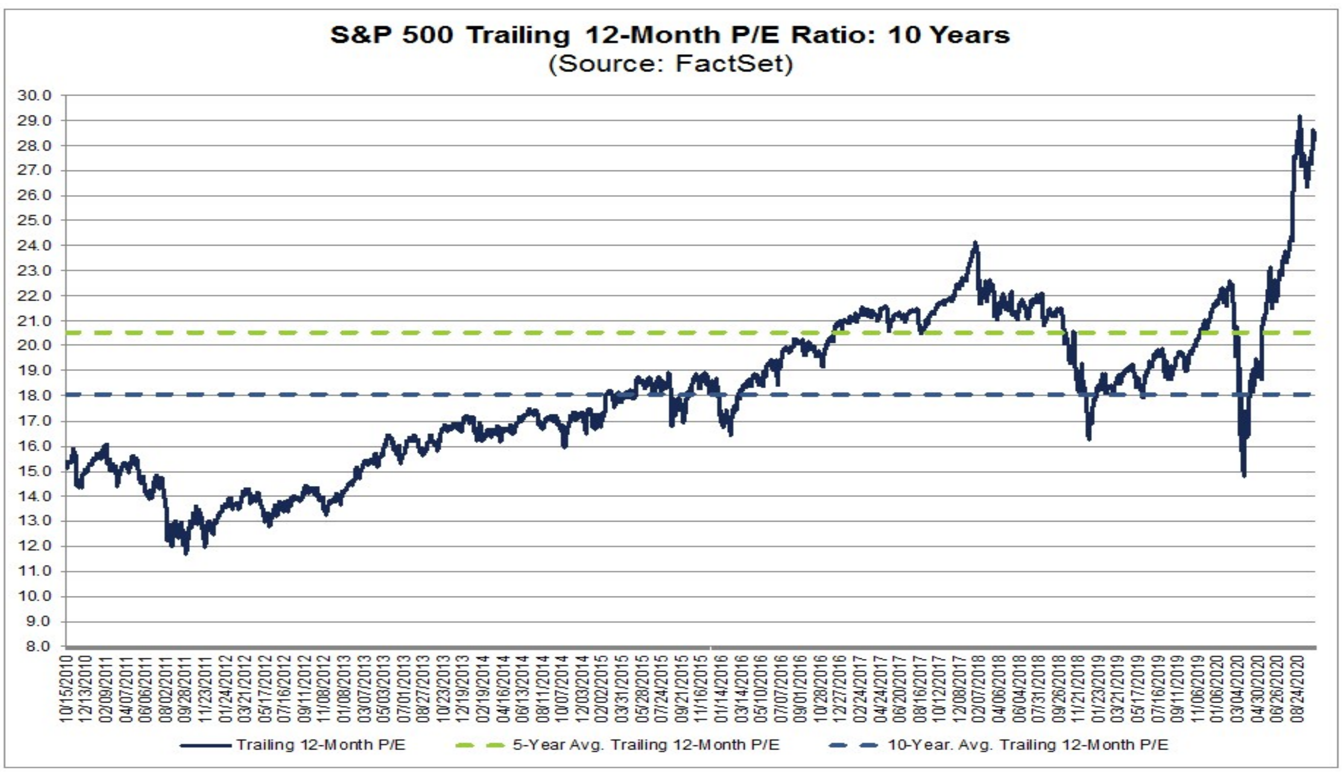
Trailing 12M P/E Ratio: 10-Years





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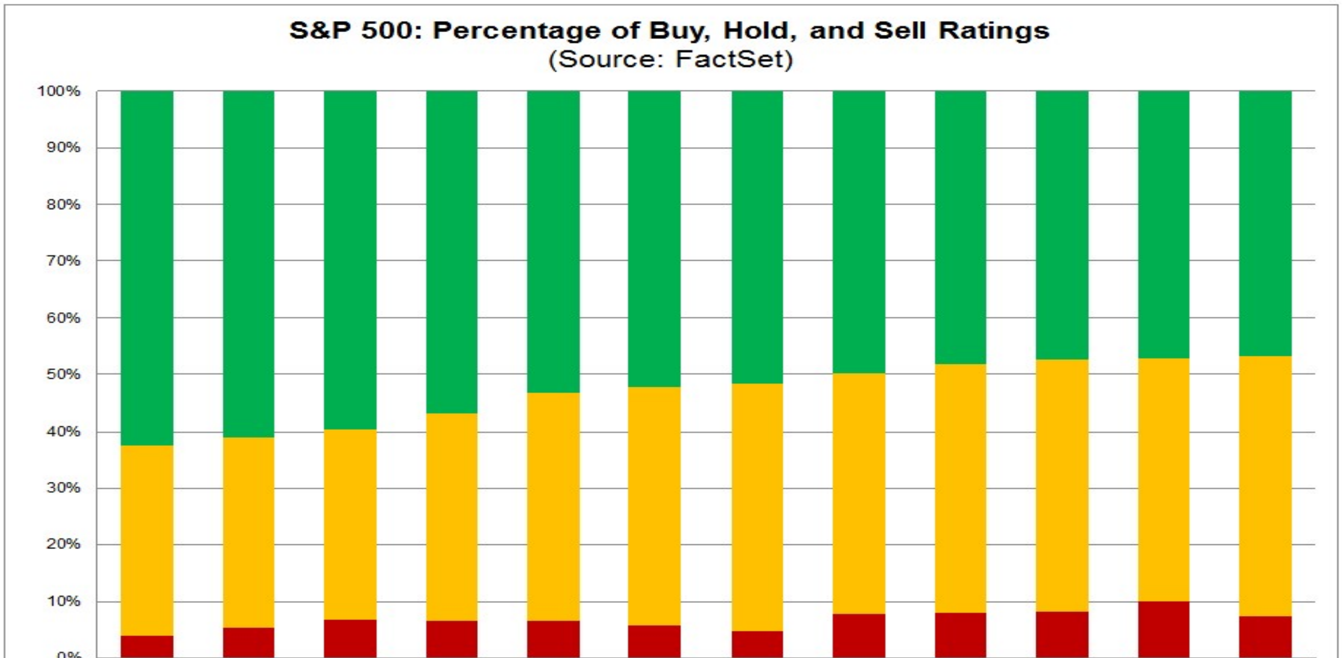
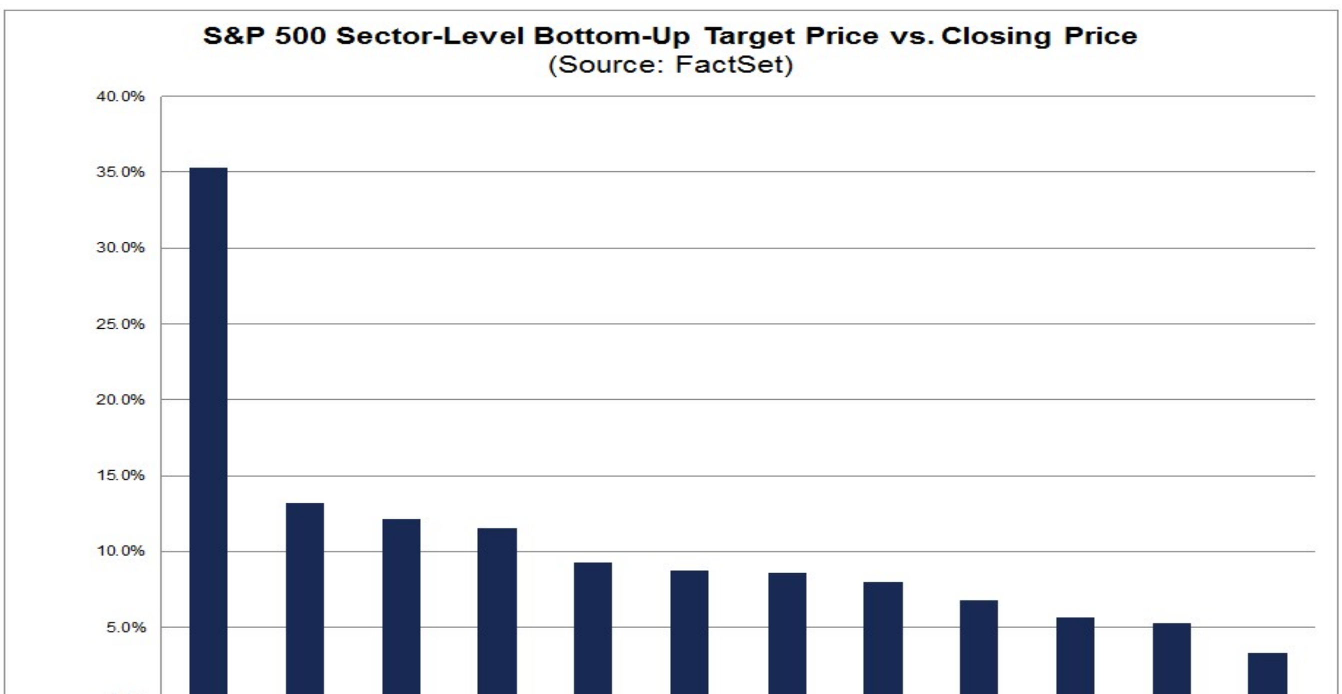
Targets & Ratings



	Energy	Health Care	Comm. Services	Info. Tech.	S&P 500	Materials	Consumer Disc.	Industrials	Utilities	Real Estate	Consumer Staples	Financials
Buy	62%	61%	60%	57%	53%	52%	52%	50%	48%	47%	47%	47%
Hold	34%	34%	34%	37%	40%	42%	44%	42%	44%	44%	43%	46%
Sell	4%	5%	7%	7%	7%	6%	5%	8%	8%	8%	10%	7%



	Energy	Health Care	Comm. Services	Financials	S&P 500	Real Estate	Consumer Disc.	Materials	Info. Tech.	Industrials	Consumer Staples	Utilities
Target/Close	35.3%	13.2%	12.2%	11.5%	9.3%	8.8%	8.6%	8.0%	6.8%	5.7%	5.3%	3.3%

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