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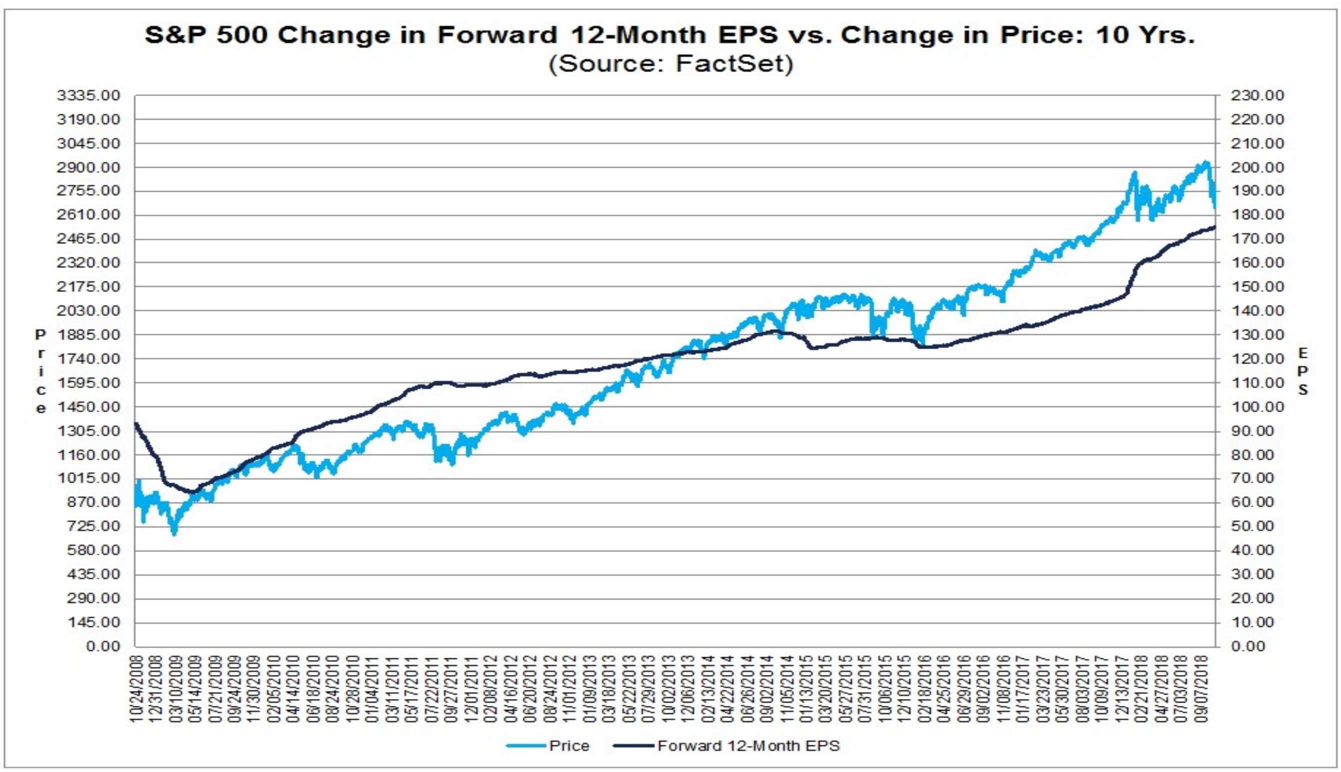
Key Metrics

- **Earnings Scorecard:** For Q3 2018 (with 48% of the companies in the S&P 500 reporting actual results for the quarter), 77% of S&P 500 companies have reported a positive EPS surprise and 59% have reported a positive sales surprise.
- **Earnings Growth:** For Q3 2018, the blended earnings growth rate for the S&P 500 is 22.5%. If 22.5% is the actual growth rate for the quarter, it will mark the third highest earnings growth since Q3 2010.
- **Earnings Revisions:** On September 30, the estimated earnings growth rate for Q3 2018 was 19.3%. Nine sectors have higher growth rates today (compared to September 30) due to positive EPS surprises and upward revisions to EPS estimates.
- **Earnings Guidance:** For Q4 2018, 26 S&P 500 companies have issued negative EPS guidance and 15 S&P 500 companies have issued positive EPS guidance.
- **Valuation:** The forward 12-month P/E ratio for the S&P 500 is 15.5. This P/E ratio is below the 5-year average (16.4) but above the 10-year average (14.5).



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Topic of the Week:

S&P 500 Companies See Worst Price Reaction to Positive EPS Surprises since Q2 2011

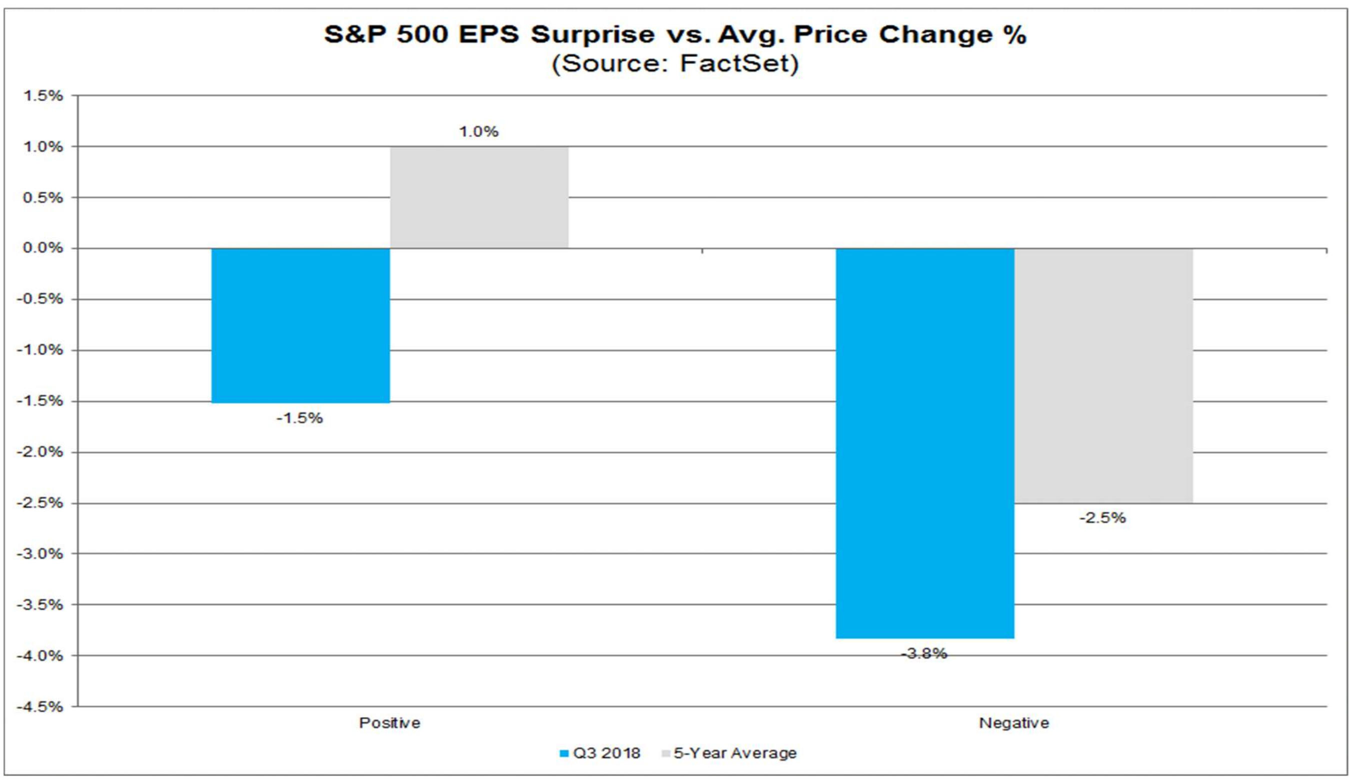
To date, almost half (48%) of the companies in the S&P 500 have reported earnings for the third quarter. Of these companies, 77% have reported actual EPS above the mean EPS estimate, which is above the 5-year average of 71%. In aggregate, earnings have exceeded expectations by 6.5%, which is above the 5-year average of 4.6%. Due to these positive EPS surprises, the earnings growth rate for the S&P 500 has improved to 22.5% today from 19.3% on September 30.

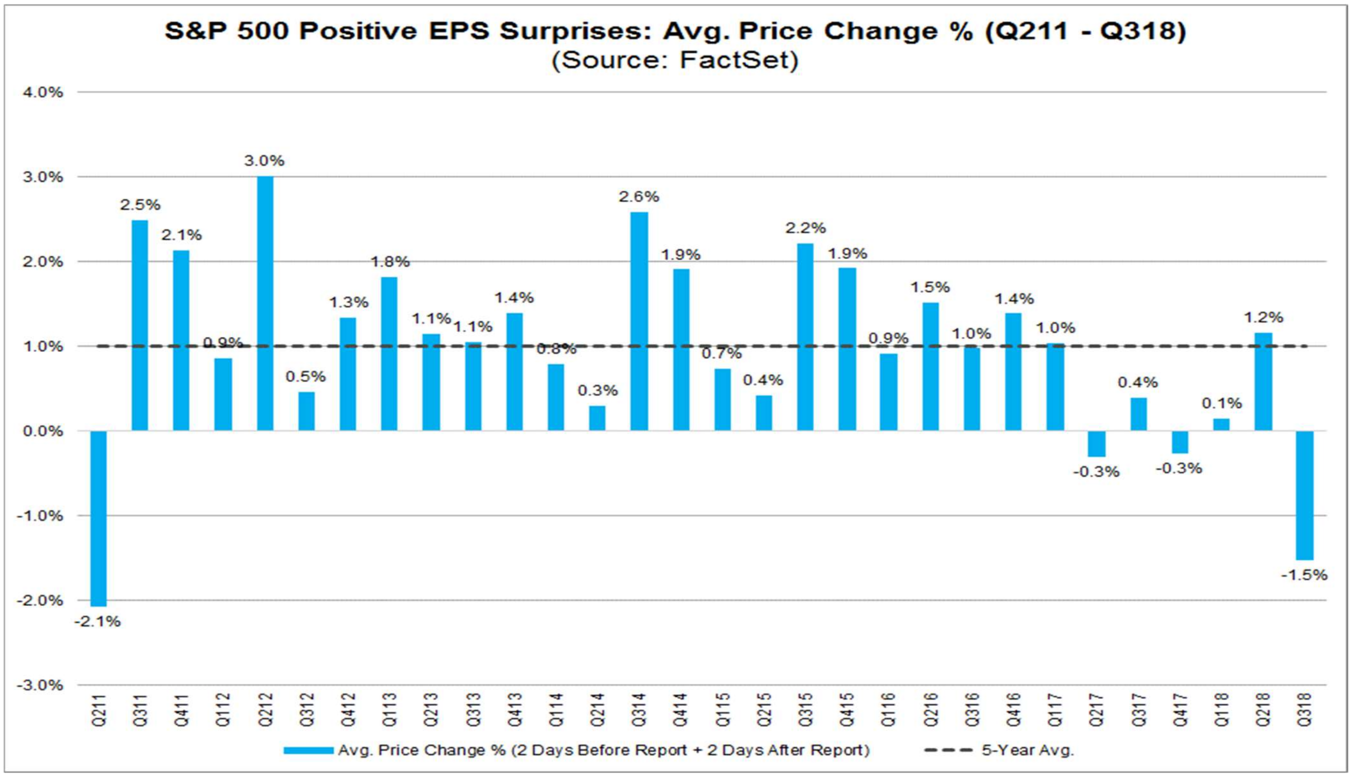
Given the strong performance of actual earnings relative to analyst estimates and the improvement in the earnings growth rate over the past few weeks, how has the market responded to positive EPS surprises during the Q3 earnings season?

Companies in the S&P 500 that reported positive earnings surprises for Q3 have seen a decrease in price of 1.5% 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 the final percentage for the quarter is -1.5%, it will mark the largest average price decline over this 4-day window for S&P 500 companies reporting positive EPS surprises since Q2 2011 (-2.1%).

Why is the market punishing companies (on average) that have reported positive earnings surprises? It is likely not due to EPS guidance or analyst revisions to EPS estimates for the fourth quarter. To date, 63% (26 of 41) of the companies that have issued EPS guidance for Q4 have issued negative guidance. This percentage is below the 5-year average of 70%. In aggregate, analysts have made smaller cuts than average to fourth quarter EPS estimates during the month of October (with five days remaining in the month).




S&P 500 Positive EPS Surprises: Avg. Price Change % (Q211 - Q318)
(Source: FactSet)
4.0%
3.0%
2.0%
1.0%
0.0%
-1.0%
-2.0%
-3.0%
-2.1%
2.5%
2.1%
0.9%
3.0%
0.5%
1.3%
1.8%
1.1%
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%
-1.5%
Q211
Q311
Q411
Q112
Q212
Q312
Q412
Q113
Q213
Q313
Q413
Q114
Q214
Q314
Q414
Q115
Q215
Q315
Q415
Q116
Q216
Q316
Q416
Q117
Q217
Q317
Q417
Q118
Q218
Q318
Avg. Price Change % (2 Days Before Report + 2 Days After Report)
5-Year Avg.

Q3 Earnings Season: By The Numbers

Overview

To date, 48% of the companies in the S&P 500 have reported actual results for Q3. Companies are outperforming recent averages on the earnings side and performing in line with recent averages on the revenue side. In terms of earnings, the percentage of companies reporting actual EPS above estimates (77%) is above the 5-year average. In aggregate, companies are reporting earnings that are 6.5% above the estimates, which is also above the 5-year average. In terms of sales, the percentage of companies reporting sales above estimates (59%) is equal to the 5-year average. In aggregate, companies are reporting sales that are 0.8% above estimates, which is slightly 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 third quarter is 22.5% today, which is above the earnings growth rate of 19.4% last week. Positive earnings surprises reported by companies in multiple sectors (led by the Information Technology, Communication Services, and Consumer Discretionary sectors) were responsible for the increase in the overall earnings growth rate during the week. If 22.5% is the actual growth rate for the quarter, it will mark the third highest earnings growth since Q3 2010. All eleven sectors are reporting year-over-year earnings growth. Eight sectors are reporting double-digit earnings growth, led by the Energy, Financials, Communication Services, and Materials sectors.

The blended, year-over-year sales growth rate for the third quarter is 7.6% today, which is above the sales growth rate of 7.4% last week. Positive revenue surprises reported by companies in multiple sectors were responsible for the slight increase in the overall revenue growth rate during the week. All eleven sectors are reporting year-over-year growth in revenues. Three sectors are reporting double-digit growth in revenues: Energy, Communication Services, and Real Estate.

Looking at future quarters, analysts see double-digit earnings growth for the fourth quarter, but also see single-digit earnings growth for the first half of 2019.

The forward 12-month P/E ratio is 15.5, which is below the 5-year average but above the 10-year average.

During the upcoming week, 139 S&P 500 companies (including 6 Dow 30 components) are scheduled to report results for the third quarter.

Scorecard: More Companies Beating EPS Estimates Than Average

Percentage of Companies Beating EPS Estimates (77%) is Above 5-Year Average

Overall, 48% of the companies in the S&P 500 have reported earnings to date for the third quarter. Of these companies, 77% have reported actual EPS above the mean EPS estimate, 8% have reported actual EPS equal to the mean EPS estimate, and 15% have reported actual EPS below the mean EPS estimate. The percentage of companies reporting EPS above the mean EPS estimate is equal to the 1-year (77%) average but above the 5-year (71%) average.

At the sector level, the Information Technology (96%) and Communication Services (90%) sectors have the highest percentages of companies reporting earnings above estimates, while the Energy (50%) sector has the lowest percentage of companies reporting earnings above estimates.

Earnings Surprise Percentage (+6.5%) is Above 5-Year Average

In aggregate, companies are reporting earnings that are 6.5% above expectations. This surprise percentage is above the 1-year (+5.4%) average and above the 5-year (+4.6%) average.

The Consumer Discretionary (+14.5%) sector is reporting the largest upside aggregate difference between actual earnings and estimated earnings. Within this sector, Amazon.com ($5.75 vs. $3.08) has reported the largest upside difference between actual EPS and estimated EPS.

The Information Technology (+10.0%) sector is reporting the second largest upside aggregate difference between actual earnings and estimated earnings. Within this sector, Intel ($1.40 vs. $1.15) and Juniper Networks ($0.54 vs. $0.44) have reported the largest positive EPS surprises.

Market Punishing Earnings Beats and Earnings Misses

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

Companies that have reported positive earnings surprises for Q3 2018 have seen an average price decrease of -1.5% two days before the earnings release through two days after the earnings. This percentage decrease is well below the 5-year average price increase of +1.0% during this same window for companies reporting upside earnings surprises.

Companies that have reported negative earnings surprises for Q3 2018 have seen an average price decrease of -3.8% two days before the earnings release through two days after the earnings. This percentage decrease is larger than the 5-year average price decrease of -2.5% during this same window for companies reporting downside earnings surprises.

Percentage of Companies Beating Revenue Estimates (59%) is Equal to 5-Year Average

In terms of revenues, 59% of companies have reported actual sales above estimated sales and 41% have reported actual sales below estimated sales. The percentage of companies reporting sales above estimates is below the 1- year average (73%) but equal to the 5-year average (59%).

At the sector level, the Real Estate (75%) and Communication Services (70%) sectors have the highest percentages of companies reporting revenues above estimates, while the Consumer Discretionary (48%) sector has the lowest percentage of companies reporting revenues above estimates.

Revenue Surprise Percentage (+0.8%) is Above 5-Year Average

In aggregate, companies are reporting sales that are 0.8% above expectations. This surprise percentage is below the 1-year (+1.3%) average but above the 5-year (+0.7%) average.

The Energy (+2.2%) sector is reporting the largest upside aggregate difference between actual sales and estimated sales, while the Utilities (-2.2%) sector is reporting the largest downside aggregate difference between actual sales and estimated sales.

Revisions: Increase in Blended Earnings Growth Rate this Week

Increase in Blended Earnings Growth Rate This Week

The blended, year-over-year earnings growth rate for the third quarter is 22.5% today, which is above the earnings growth rate of 19.4% last week. Positive earnings surprises reported by companies in multiple sectors (led by the Information Technology, Communication Services, and Consumer Discretionary sectors) were responsible for the increase in the overall earnings growth rate during the week.

In the Information Technology sector, the positive earnings surprises reported by Microsoft ($1.14 vs. $0.96) and Intel ($1.40 vs. $1.15) were substantial contributors to the increase in the overall earnings growth rate for the index during the past week. As a result, the blended earnings growth rate for the Information Technology sector increased to 21.9% from 17.0% during this period.

In the Communication Services sector, the positive earnings surprise reported by Alphabet ($13.06 vs. $10.41) was a significant contributor to the increase in the overall earnings growth rate for the index during the past week. As a result, the blended earnings growth rate for the Communication Services sector increased to 27.2% from 19.4% during this time.

In the Consumer Discretionary sector, the positive earnings surprise reported by Amazon.com ($5.75 vs. $3.08) was a substantial contributor to the increase in the overall earnings growth rate for the index during the past week. As a result, the blended earnings growth rate for the Consumer Discretionary sector increased to 16.3% from 10.3% during this period.

Slight Increase in Blended Revenue Growth Rate This Week

The blended, year-over-year sales growth rate for the third quarter is 7.6% today, which is slightly above the sales growth rate of 7.4% last week. Positive revenue surprises reported by companies in multiple sectors were responsible for the slight increase in the overall revenue growth rate during the week.

Communication Services Sector Has Seen Largest Increase in Earnings Growth since September 30

The blended, year-over-year earnings growth rate for Q3 2018 of 22.5% is above the estimate of 19.3% at the end of the third quarter (September 30). Nine 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 Communication Services (to 27.2% from 19.3%) sector. Two sectors have recorded a decrease in earnings growth during this time due to downward revisions to earnings estimates and negative earnings surprises, led by the Materials (to 25.7% from 27.6%) sector.

Energy Sector Has Seen Largest Increase in Revenue Growth since September 30

The blended, year-over-year sales growth rate for Q3 2018 of 7.6% is slightly below the estimate of 7.5% at the end of the third quarter (September 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 Energy (to 19.9% from 18.5%) sector. Two sectors have recorded a decrease in sales growth during this time due to downward revisions to revenue estimates and negative revenue surprises: Consumer Discretionary (to 6.2% from 8.0%) and Utilities (to 1.3% from 2.9%).

Earnings Growth: 22.5%

The blended (year-over-year) earnings growth rate for Q3 2018 is 22.5%. If 22.5% is the final growth rate for the quarter, it will mark the third highest earnings growth reported by the index since Q3 2010 (also 19.5%), trailing only the previous two quarters. It will also mark the third straight quarter of earnings growth above 20%. All eleven sectors are reporting year-over-year growth in earnings. Eight sectors are reporting double-digit earnings growth for the quarter, led by the Energy, Financials, Communication Services, and Materials sectors.

Energy: Higher Year-Over-Year Oil Prices Driving Broad-Based Growth

The Energy sector is reporting the highest (year-over-year) earnings growth of all eleven sectors at 95.3%. Higher oil prices are helping to drive the unusually high growth rate for the sector, as the average price of oil in Q3 2018 ($69.43) was 44% higher than the average price of oil in Q3 2017 ($48.20). At the sub-industry level, all six sub-industries in the sector are reporting earnings growth for the quarter: Oil & Gas Drilling (N/A due to year-ago loss), Oil & Gas Exploration & Production (3,651%), Integrated Oil & Gas (83%), Oil & Gas Storage & Transportation (60%), Oil & Gas Refining & Marketing (17%), and Oil & Gas Equipment & Services (16%).

Financials: All 5 Industries Reporting Double-Digit Growth, Led by Insurance Industry

The Financials sector is reporting the second highest (year-over-year) earnings growth of all eleven sectors at 35.5%. At the industry level, all five industries in this sector are reporting double-digit growth in earnings: Insurance (144%), Diversified Financial Services (87%), Consumer Finance (27%), Banks (22%), and Capital Markets (19%). The unusually high growth rate for the Insurance industry can be attributed in part to an easy comparison to weak year-ago earnings due to catastrophic losses from Hurricanes Harvey and Irma. If the Insurance industry were excluded, the blended earnings growth rate for the Financials sector would fall to 24.6% from 35.5%.

Communication Services: All 4 Industries Reporting Double-Digit Earnings Growth

The Communication Service sector is reporting the third highest (year-over-year) earnings growth of all eleven sectors at 27.2%. At the industry level, all four industries in the sector are reporting double-digit earnings growth: Diversified Telecommunication Services (36%), Media (28%), Interactive Media & Service (21%), and Entertainment (17%).

Materials: All 4 Industries Reporting Double-Digit Earnings Growth

The Materials sector is reporting the fourth highest (year-over-year) earnings growth of all eleven sectors at 25.7%. At the industry level, all four industries in the sector are reporting double-digit earnings growth: Metals & Mining (53%), Containers & Packaging (32%), Construction Materials (24%), and Chemicals (19%).

Revenue Growth: 7.6%

The blended (year-over-year) revenue growth rate for Q3 2018 is 7.6%. All eleven sectors are reporting year-over-year growth in revenue. Three sectors are reporting double-digit growth in revenue: Energy, Communication Services, and Real Estate.

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

The Energy sector is reporting the highest (year-over-year) revenue growth of all eleven sectors at 19.9%. At the sub-industry level, all six sub-industries are reporting revenue growth. Five of the six sub-industries in the sector are reporting double-digit revenue growth: Oil & Gas Drilling (28%), Oil & Gas Exploration & Production (23%), Oil & Gas Refining & Marketing (23%), Integrated Oil & Gas (20%), and Oil & Gas Storage & Transportation (15%).

Communication Services: Interactive Media & Services Industry Leads Growth

The Communication Services sector is reporting the second highest (year-over-year) revenue growth of all eleven sectors at 13.1%. At the industry level, all four industries in this sector are reporting revenue growth. Two of these four industries are reporting double-digit revenue growth: Interactive Media & Services (24%) and Diversified Telecommunication Services (12%).

Real Estate: CBRE Group Leads Growth

The Real Estate sector is reporting the third highest (year-over-year) revenue growth of all eleven sectors at 12.0%. At the company level, CBRE Group is predicted to be the largest contributor to revenue growth for the sector. The revenue estimate for Q3 2018 is $5.2 billion, compared to year-ago revenues of $3.5 billion. If this company were excluded, the estimated revenue growth rate for the sector would fall to 6.1% from 12.0%.

Looking Ahead: Forward Estimates and Valuation

Guidance: Lower % of S&P 500 Companies Issuing Negative EPS Guidance for Q4 than 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, 41 companies in the index have issued EPS guidance for Q4 2018. Of these 41 companies, 26 have issued negative EPS guidance and 15 have issued positive EPS guidance. The percentage of companies issuing negative EPS guidance is 63% (26 out of 41), which is below the 5-year average of 70%.

2018 Earnings Growth Estimate is 20%, But 2019 Earnings Growth Estimate is 10%

For the third quarter, companies are reporting earnings growth of 22.5% and revenue growth of 7.6%. While analysts currently expect earnings to grow at double-digit levels for Q4, they also expect more moderate growth in early 2019.

For Q4 2018, analysts are projecting earnings growth of 16.1% and revenue growth of 6.3%.

For CY 2018, analysts are projecting earnings growth of 20.5% and revenue growth of 8.2%.

For Q1 2019, analysts are projecting earnings growth of 6.5% and revenue growth of 6.6%.

For Q2 2019, analysts are projecting earnings growth of 6.8% and revenue growth of 5.1%.

For CY 2019, analysts are projecting earnings growth of 10.0% and revenue growth of 5.4%.

Valuation: Forward P/E Ratio is 15.5, above the 10-Year Average (14.5)

The forward 12-month P/E ratio is 15.5. This P/E ratio is below the 5-year average of 16.4, but above the 10-year average of 14.5. It is also below the forward 12-month P/E ratio of 16.8 recorded at the start of the fourth quarter (September 30). Since the start of the fourth quarter, the price of the index has decreased by 7.2%, while the forward 12-month EPS estimate has increased by 0.8%.

At the sector level, the Consumer Discretionary (20.3) sector has the highest forward 12-month P/E ratio, while the Financials (11.3) sector has the lowest forward 12-month P/E ratio.

Targets & Ratings: Analysts Project 18% Increase in Price Over Next 12 Months

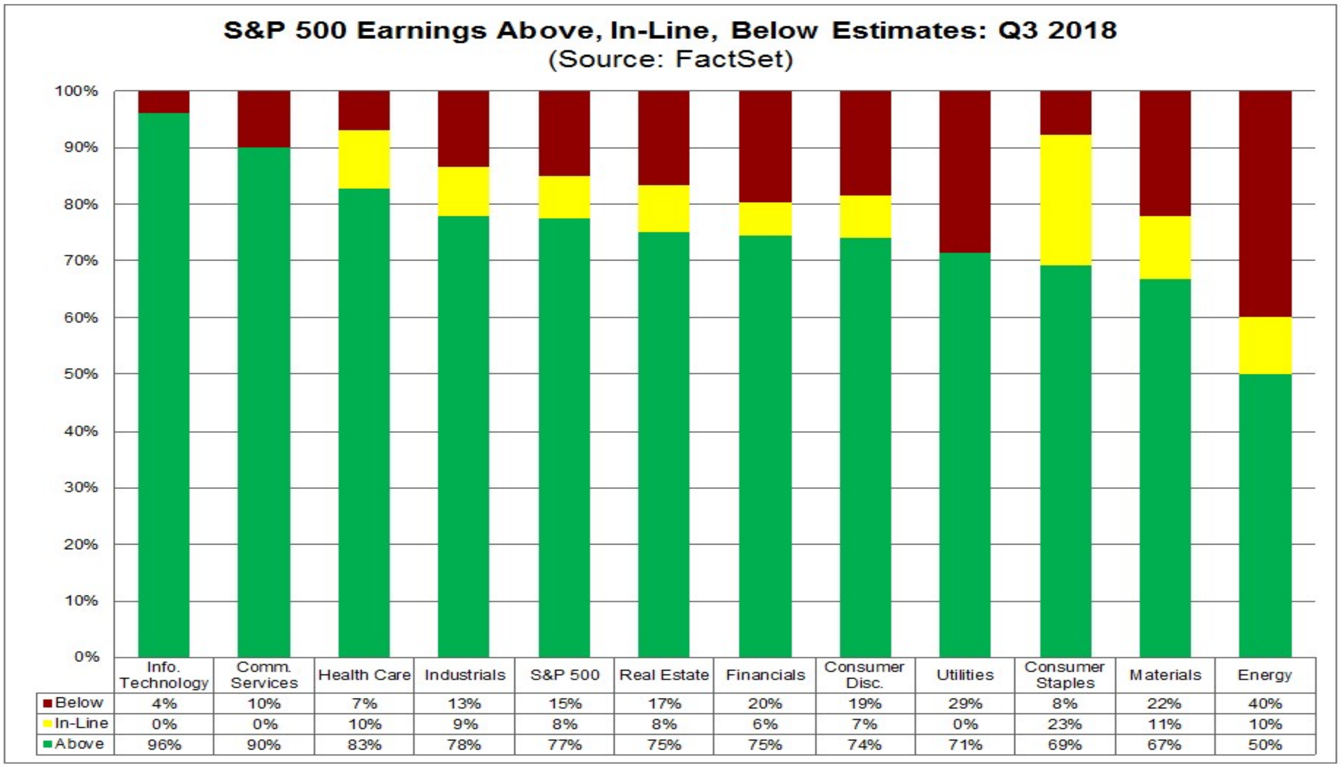
The bottom-up target price for the S&P 500 is 3205.55, which is 18.5% above the closing price of 2705.57. At the sector level, the Energy (+28.7%) and Materials (+27.9%) sectors are expected to see the largest price increases, as these sectors have the largest upside differences between the bottom-up target price and the closing price. On the other hand, the Utilities (+2.9%) 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 11,104 ratings on stocks in the S&P 500. Of these 11,104 ratings, 53.3% are Buy ratings, 41.2% are Hold ratings, and 5.5% are Sell ratings. At the sector level, the Energy (61%) sector has the highest percentage of Buy ratings, while the Consumer Staples (41%) sector has the lowest percentage of Buy ratings.

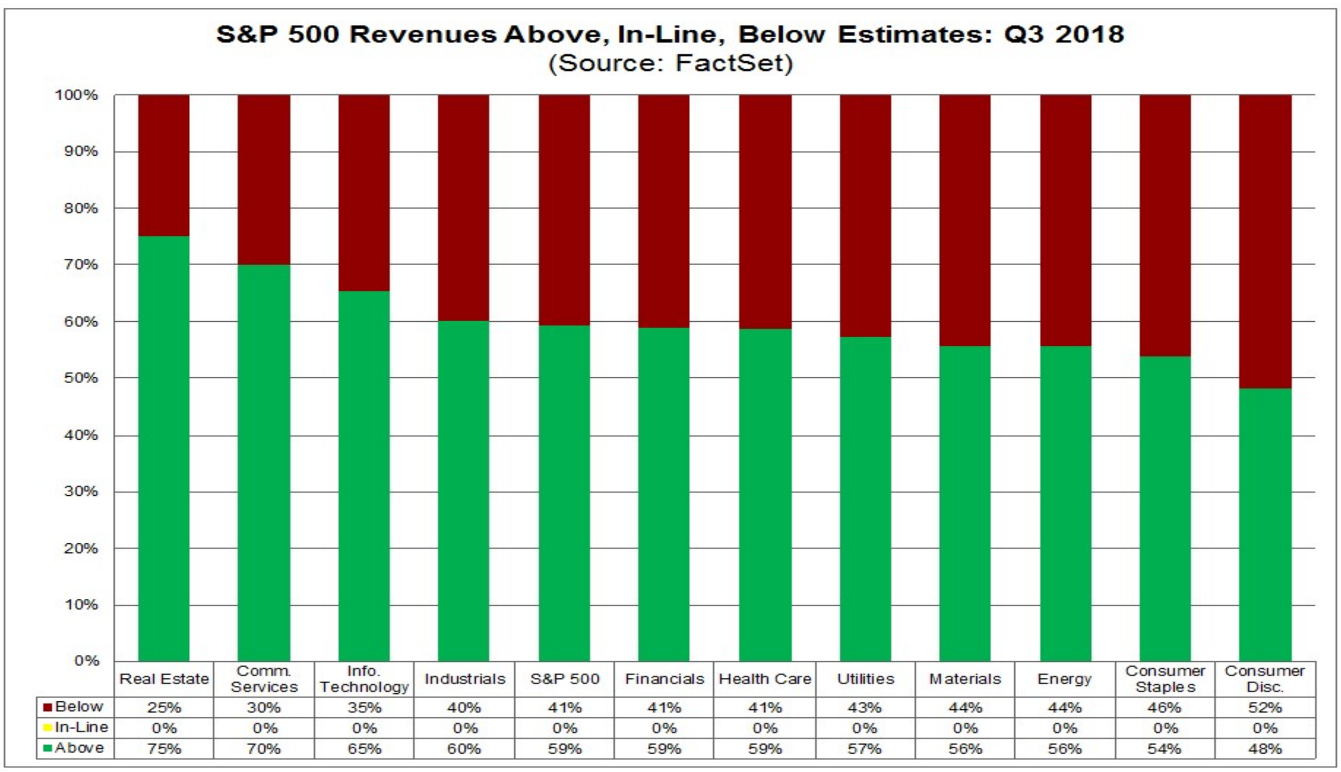
Companies Reporting Next Week: 139

During the upcoming week, 139 S&P 500 companies (including 6 Dow 30 components) are scheduled to report results for the third quarter.

Q3 2018: Scorecard

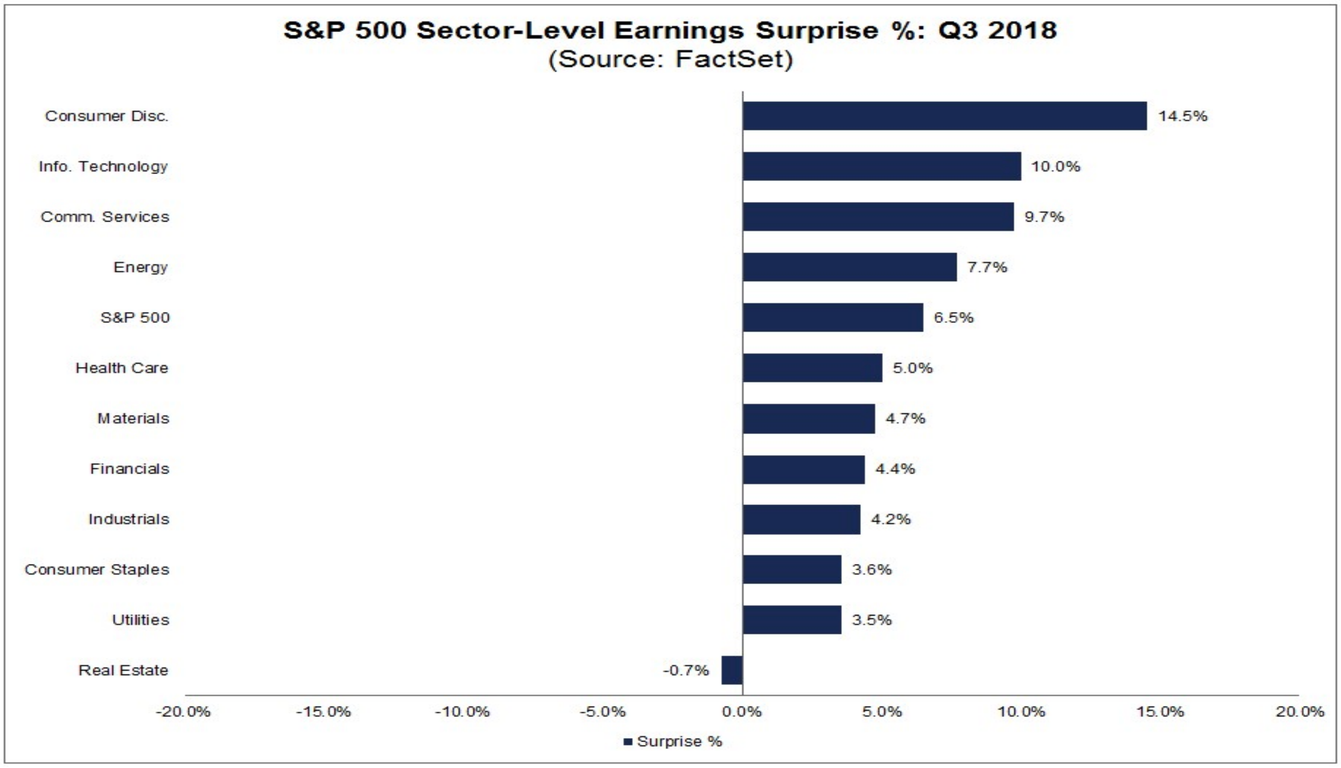


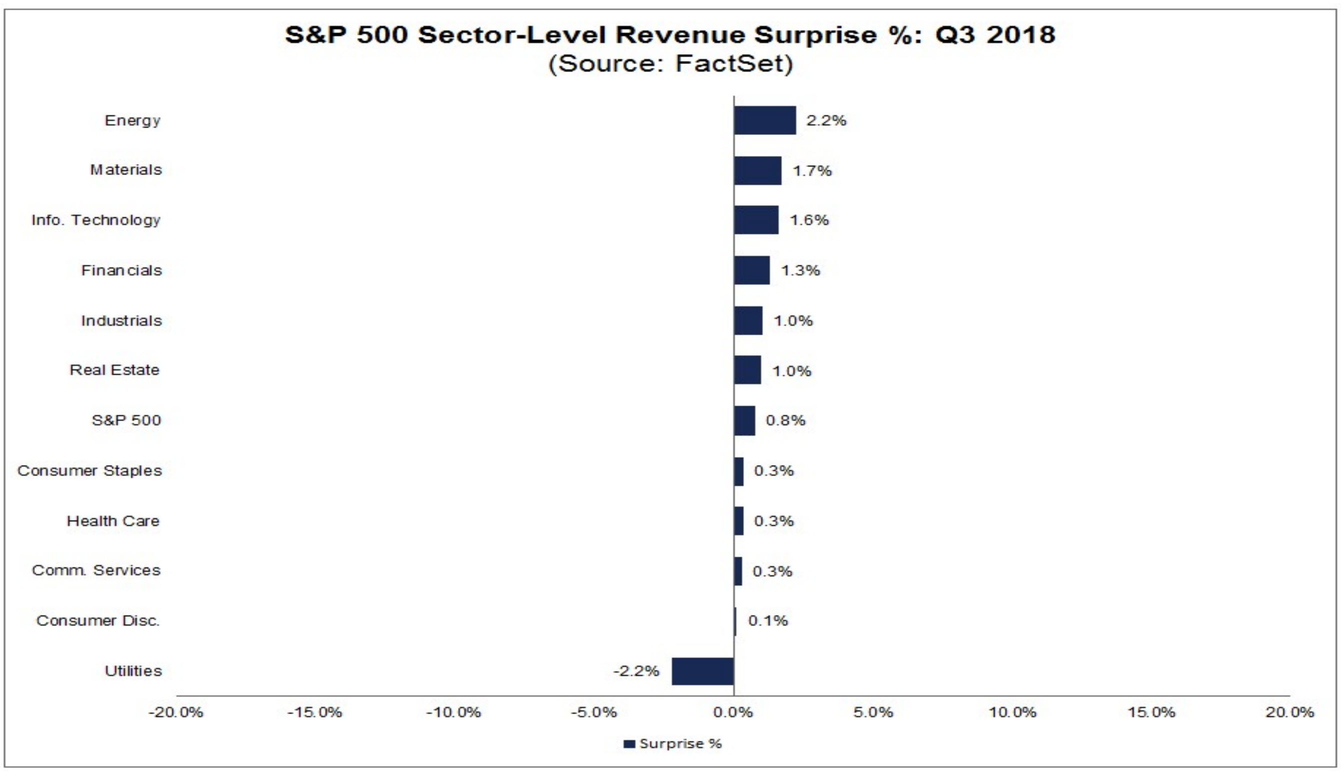
	Info. Technology	Comm. Services	Health Care	Industrials	S&P 500	Real Estate	Financials	Consumer Disc.	Utilities	Consumer Staples	Materials	Energy
Below	4%	10%	7%	13%	15%	17%	20%	19%	29%	8%	22%	40%
In-Line	0%	0%	10%	9%	8%	8%	6%	7%	0%	23%	11%	10%
Above	96%	90%	83%	78%	77%	75%	75%	74%	71%	69%	67%	50%



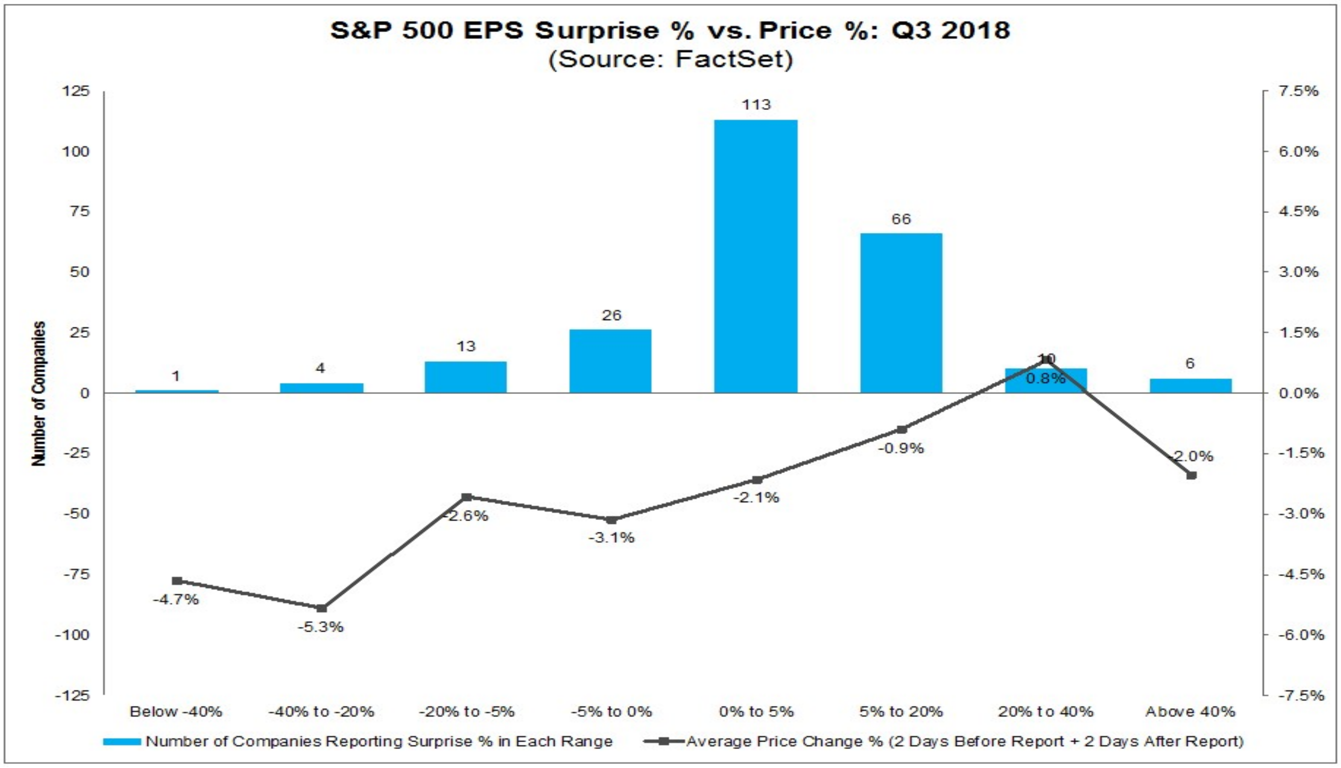
	Real Estate	Comm. Services	Info. Technology	Industrials	S&P 500	Financials	Health Care	Utilities	Materials	Energy	Consumer Staples	Consumer Disc.
Below	25%	30%	35%	40%	41%	41%	41%	43%	44%	44%	46%	52%
In-Line	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Above	75%	70%	65%	60%	59%	59%	59%	57%	56%	56%	54%	48%

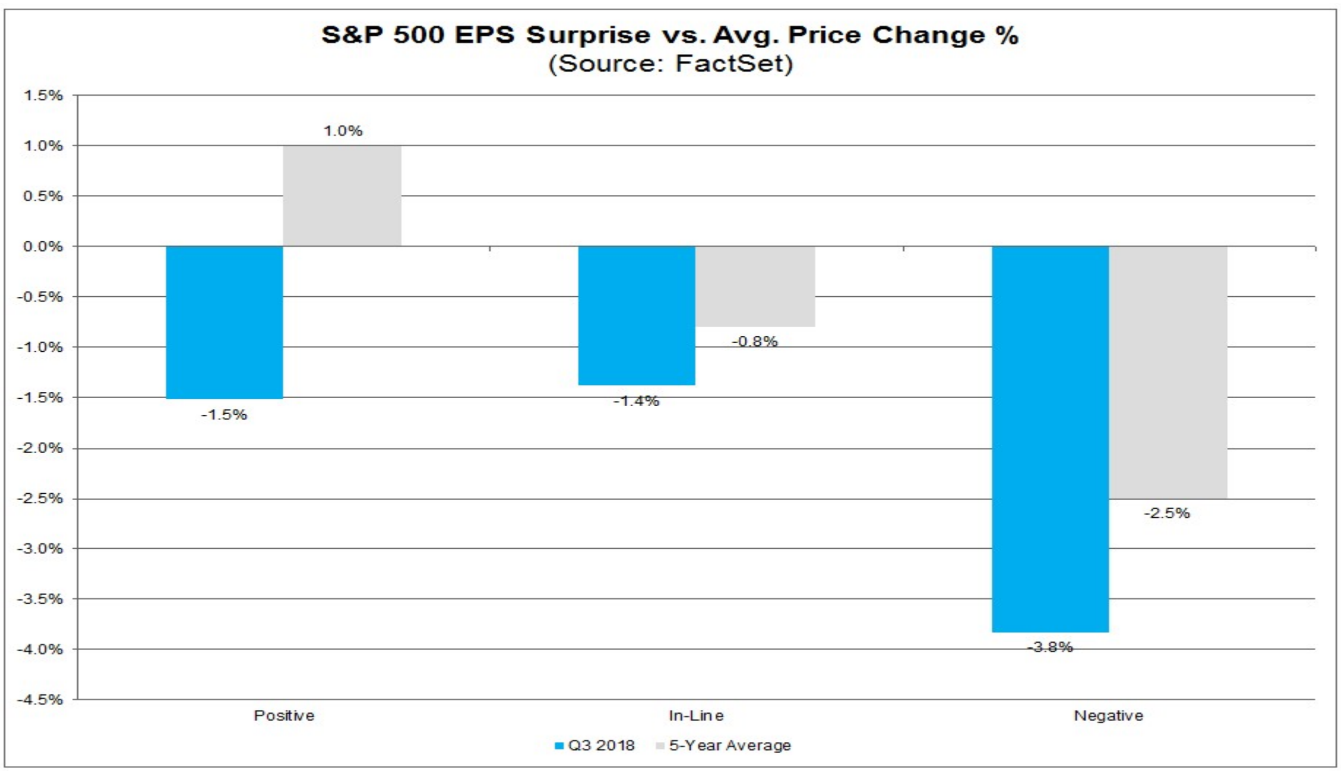
Q3 2018: Scorecard



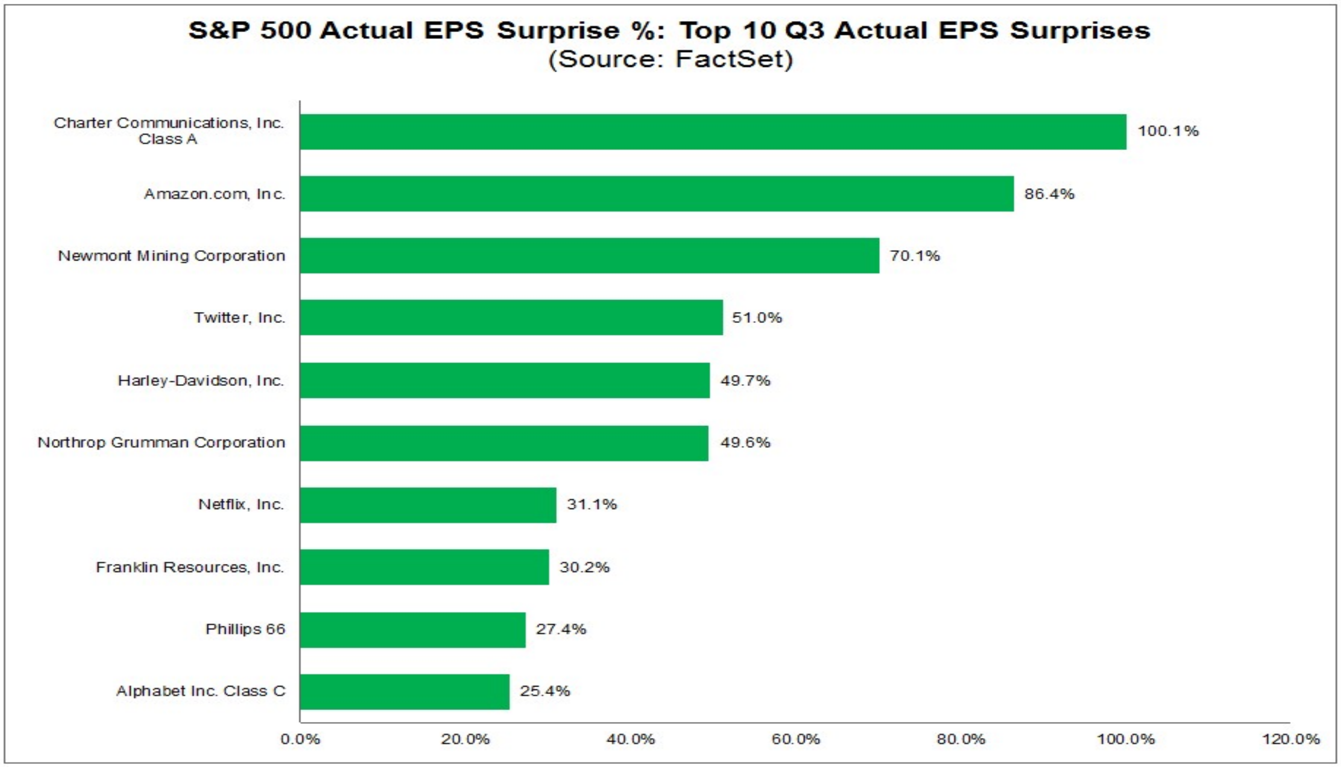


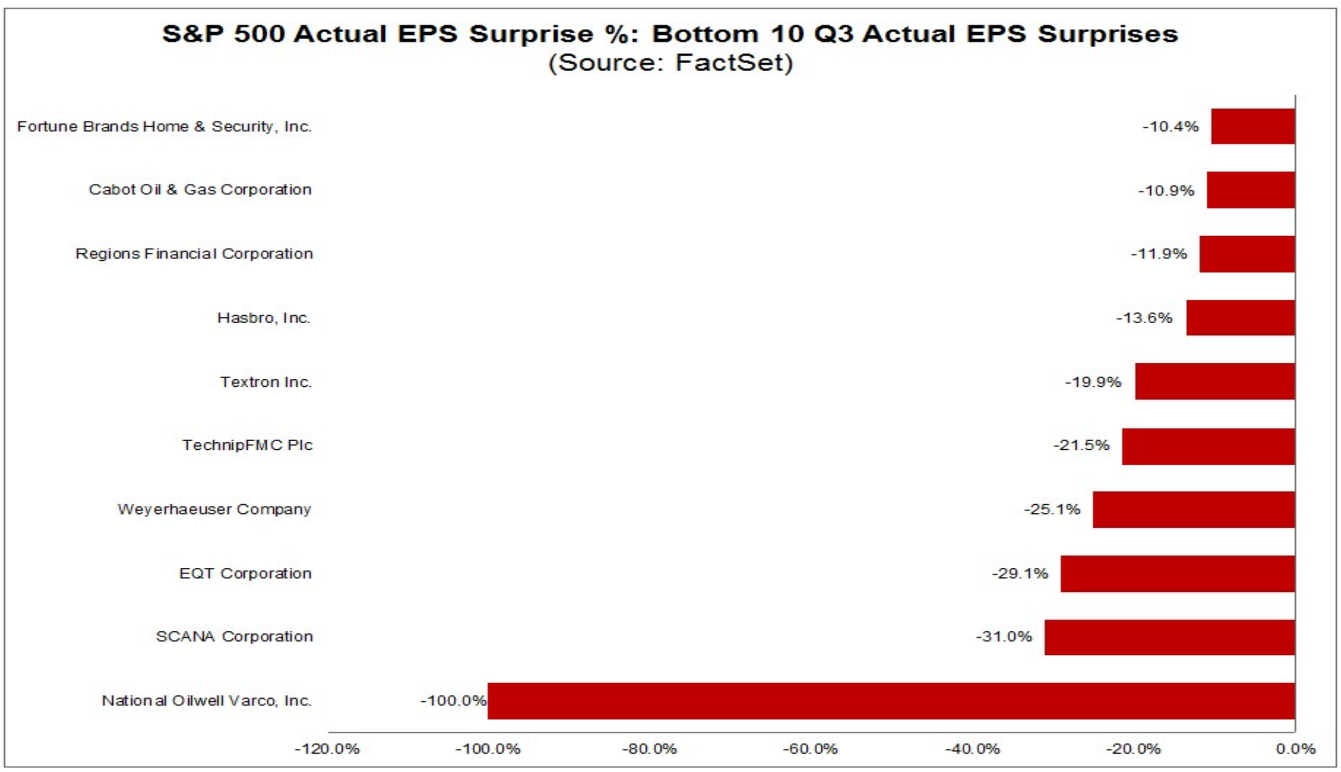
Q3 2018: Scorecard



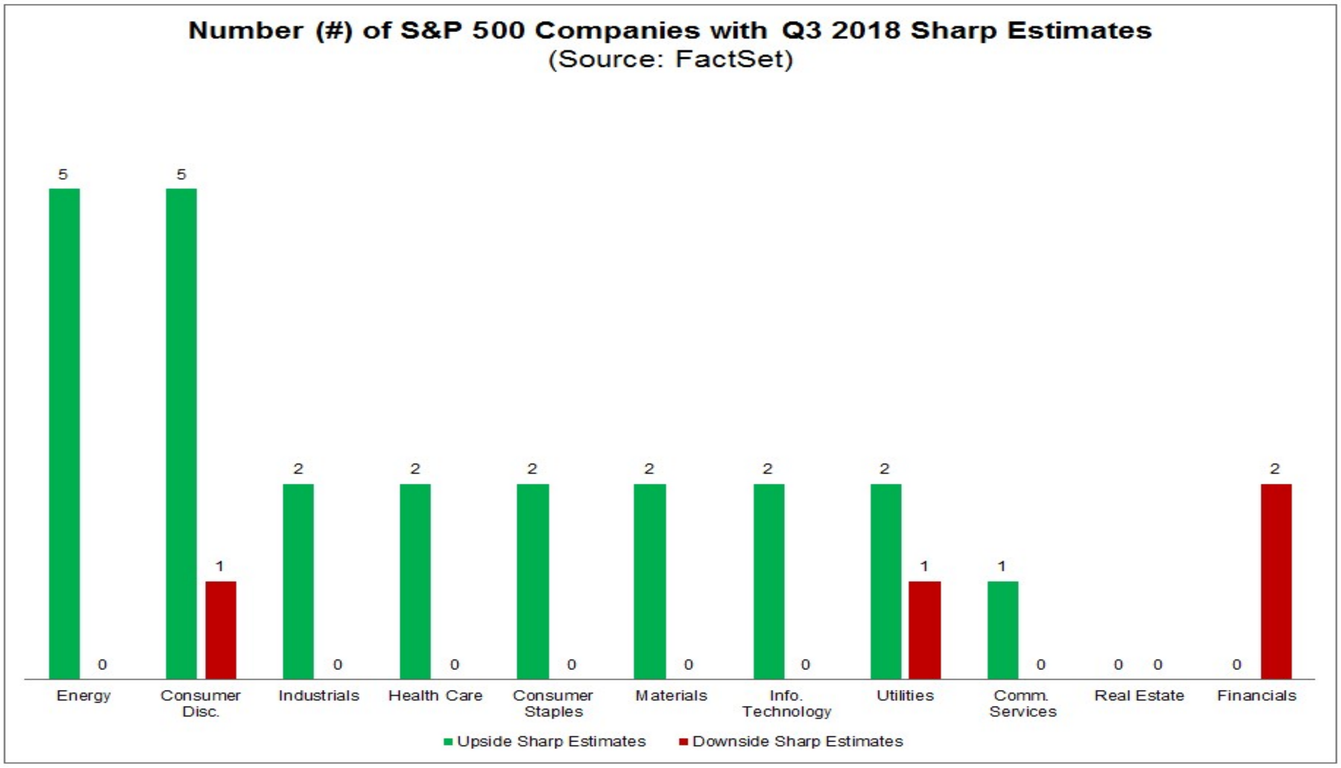


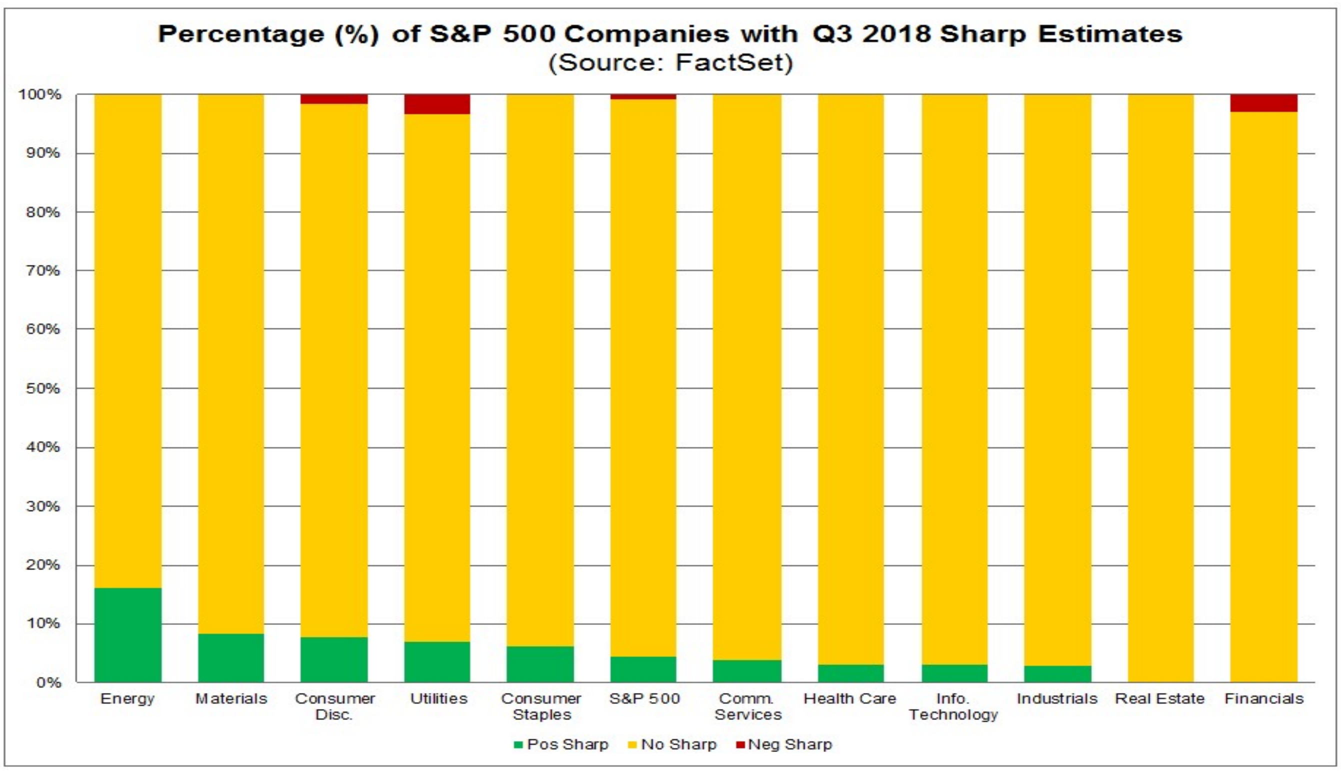
Q3 2018: Scorecard



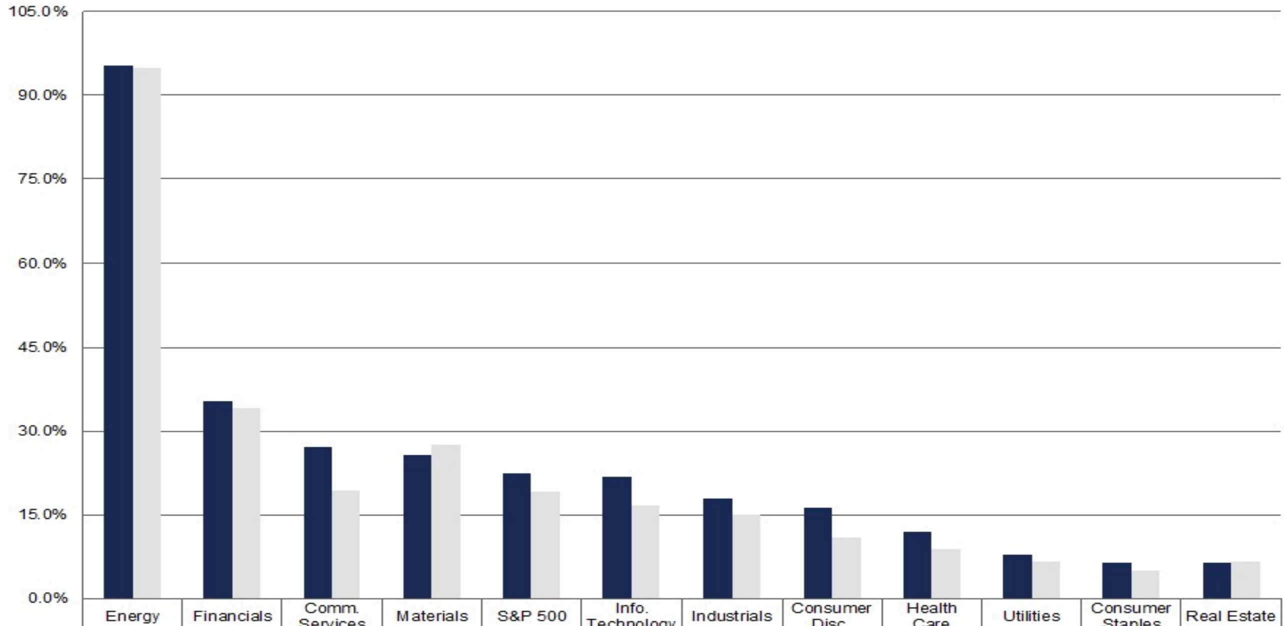


Q3 2018: Projected EPS Surprises (Sharp Estimates)

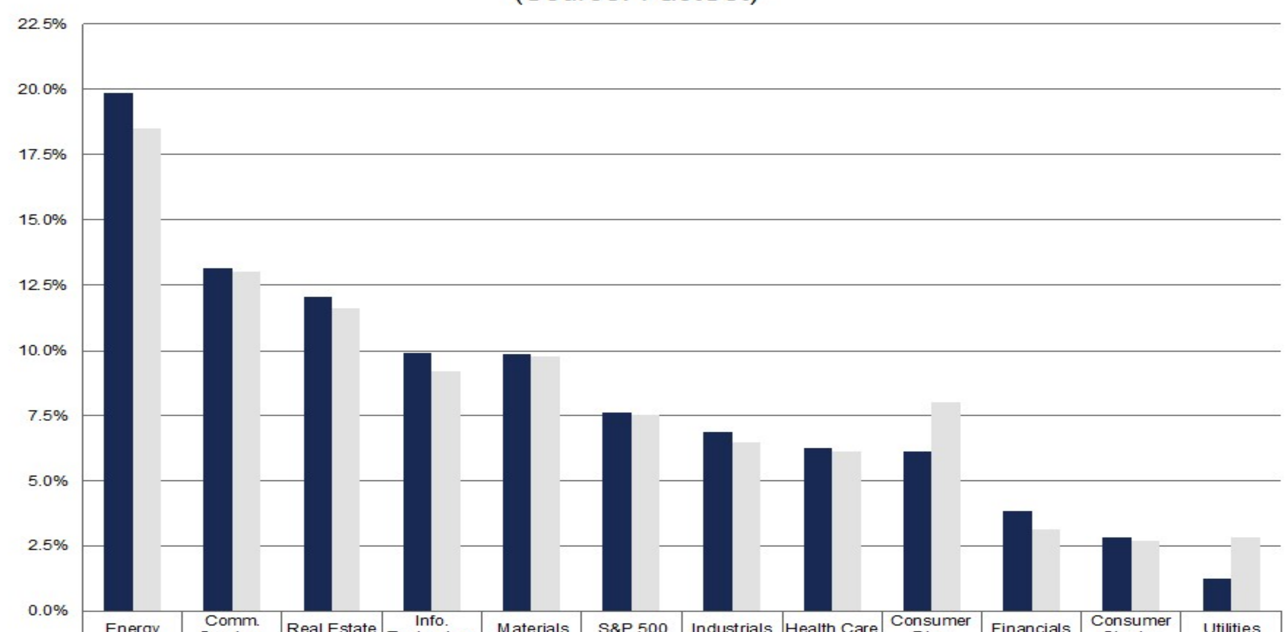




Q3 2018: Growth

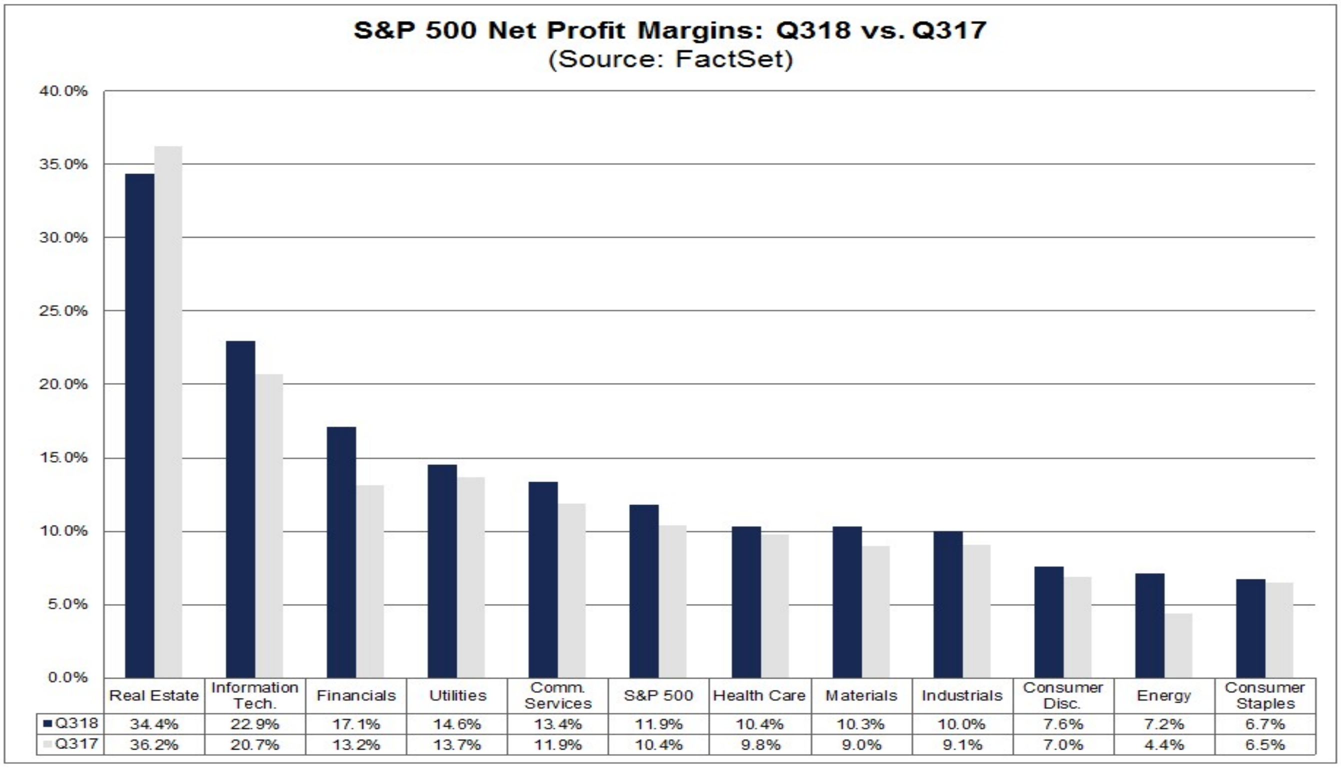


	Energy	Financials	Comm. Services	Materials	S&P 500	Info. Technology	Industrials	Consumer Disc.	Health Care	Utilities	Consumer Staples	Real Estate
Today	95.3%	35.5%	27.2%	25.7%	22.5%	21.9%	18.0%	16.3%	12.0%	7.9%	6.6%	6.4%
30-Sep	95.0%	34.2%	19.3%	27.6%	19.3%	16.8%	15.1%	10.9%	8.9%	6.6%	5.1%	6.6%

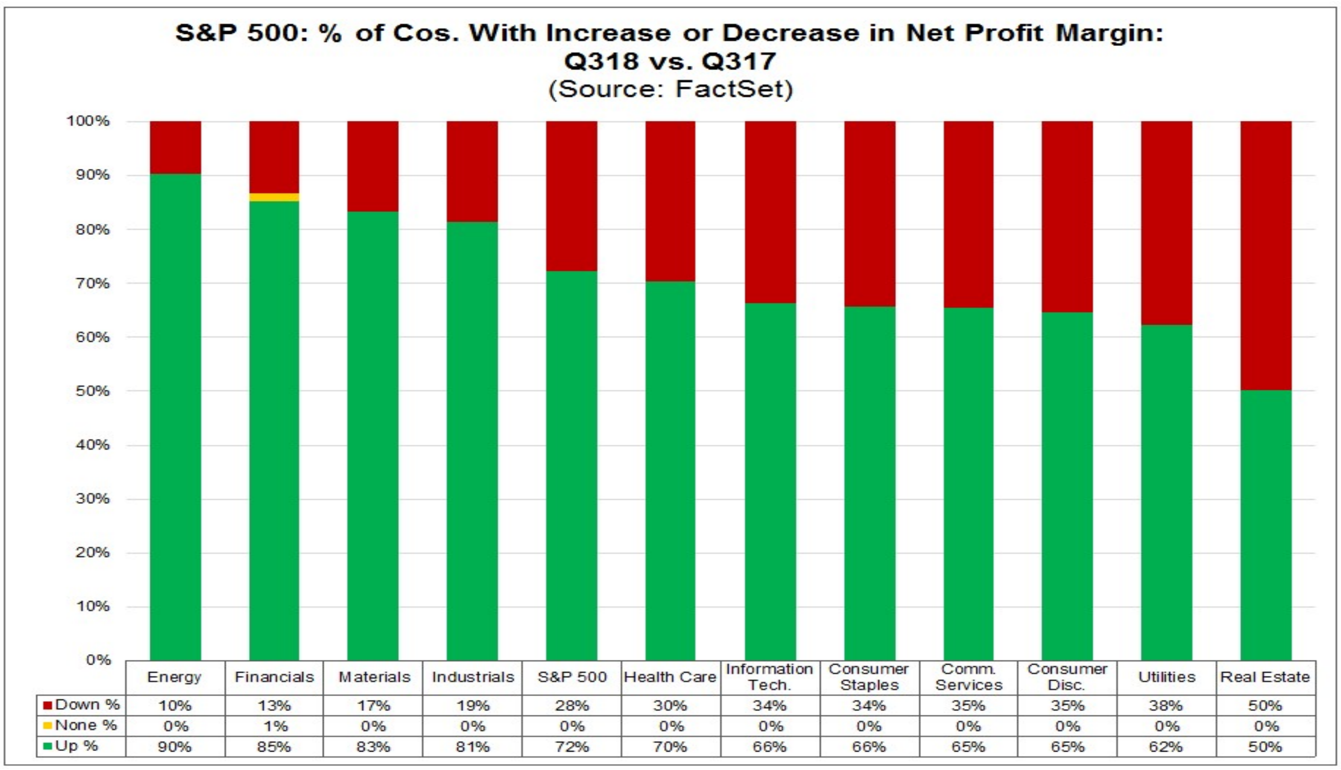


	Energy	Comm. Services	Real Estate	Info. Technology	Materials	S&P 500	Industrials	Health Care	Consumer Disc.	Financials	Consumer Staples	Utilities
Today	19.9%	13.1%	12.0%	9.9%	9.9%	7.6%	6.9%	6.3%	6.2%	3.8%	2.8%	1.3%
30-Sep	18.5%	13.0%	11.6%	9.2%	9.8%	7.5%	6.5%	6.1%	8.0%	3.1%	2.7%	2.9%

Q3 2018: Net Profit Margin

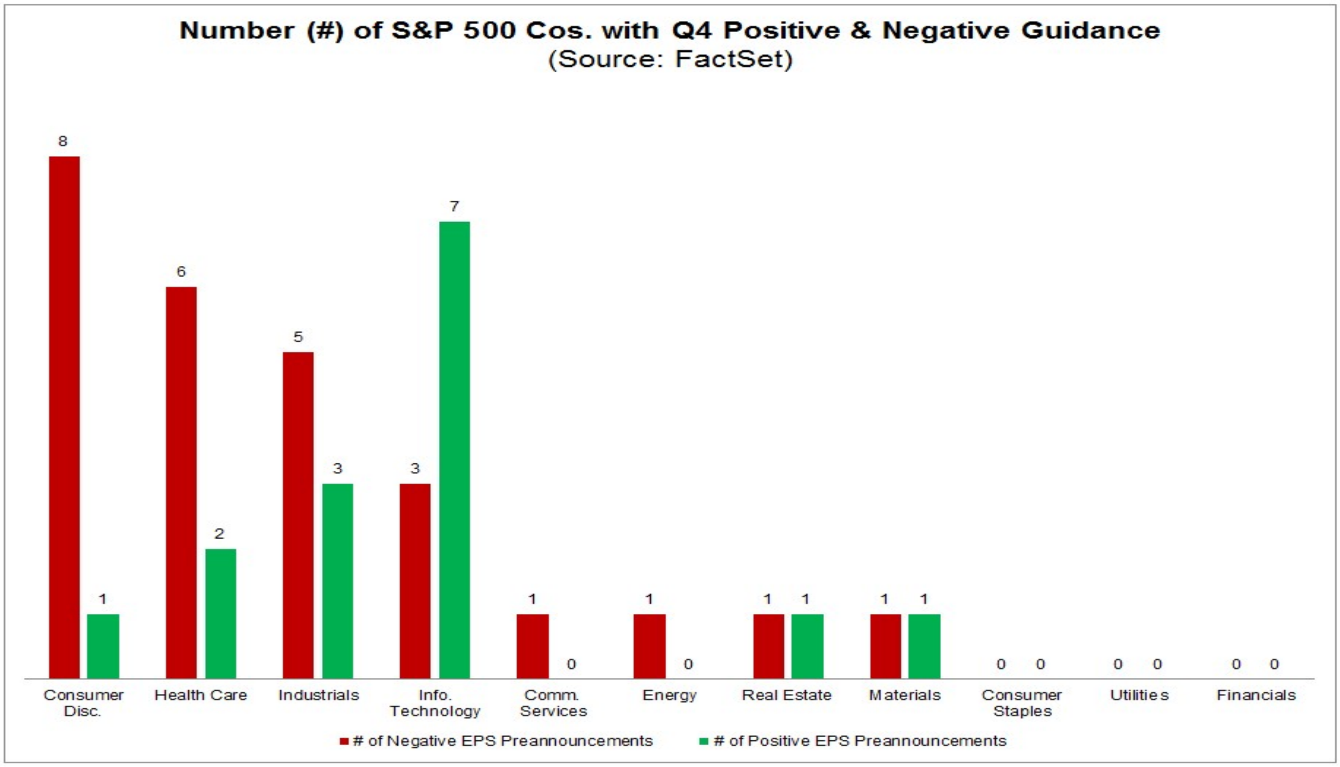


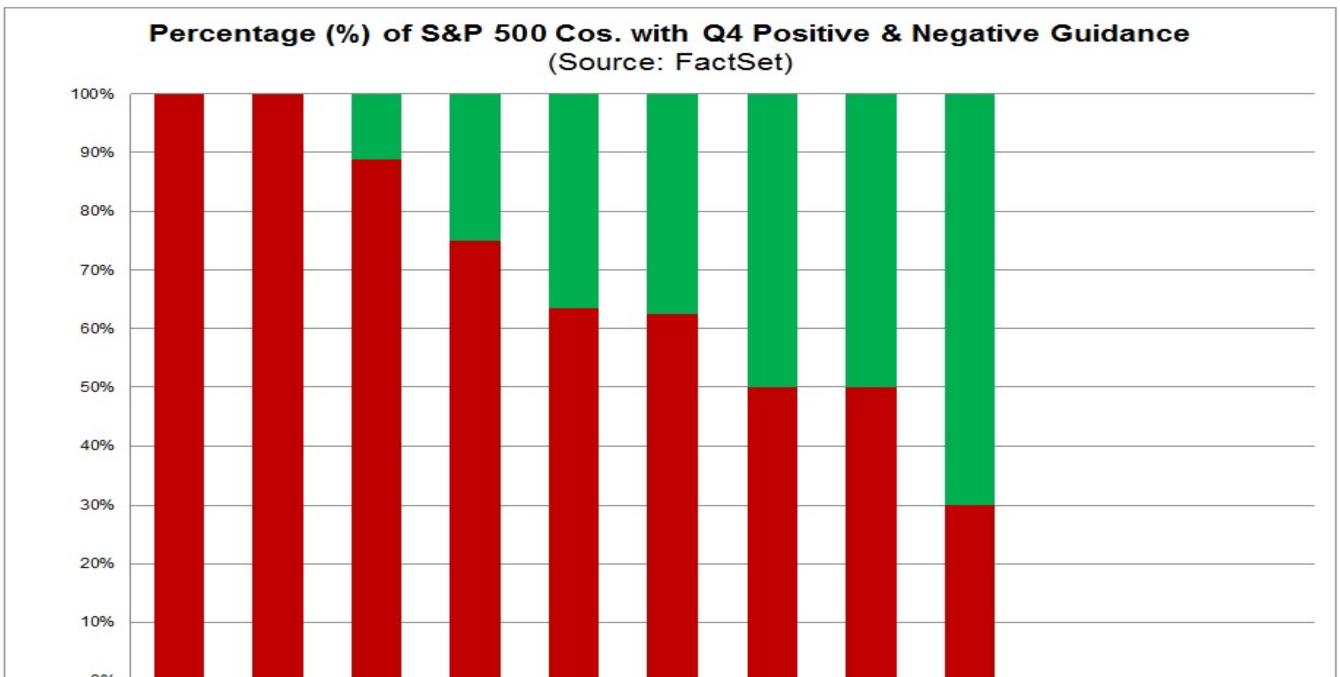
	Real Estate	Information Tech.	Financials	Utilities	Comm. Services	S&P 500	Health Care	Materials	Industrials	Consumer Disc.	Energy	Consumer Staples
Q318	34.4%	22.9%	17.1%	14.6%	13.4%	11.9%	10.4%	10.3%	10.0%	7.6%	7.2%	6.7%
Q317	36.2%	20.7%	13.2%	13.7%	11.9%	10.4%	9.8%	9.0%	9.1%	7.0%	4.4%	6.5%



	Energy	Financials	Materials	Industrials	S&P 500	Health Care	Information Tech.	Consumer Staples	Comm. Services	Consumer Disc.	Utilities	Real Estate
Down %	10%	13%	17%	19%	28%	30%	34%	34%	35%	35%	38%	50%
None %	0%	1%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Up %	90%	85%	83%	81%	72%	70%	66%	66%	65%	65%	62%	50%

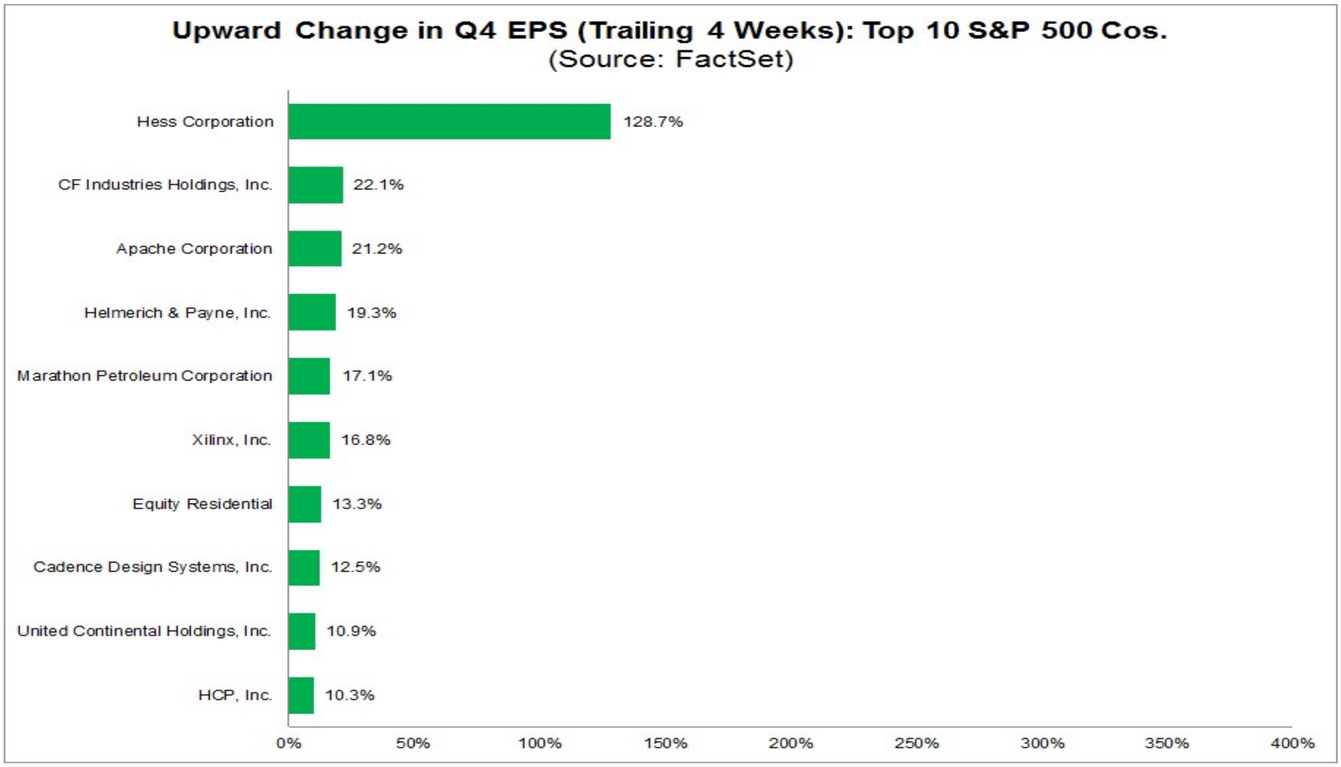
Q4 2018: EPS Guidance

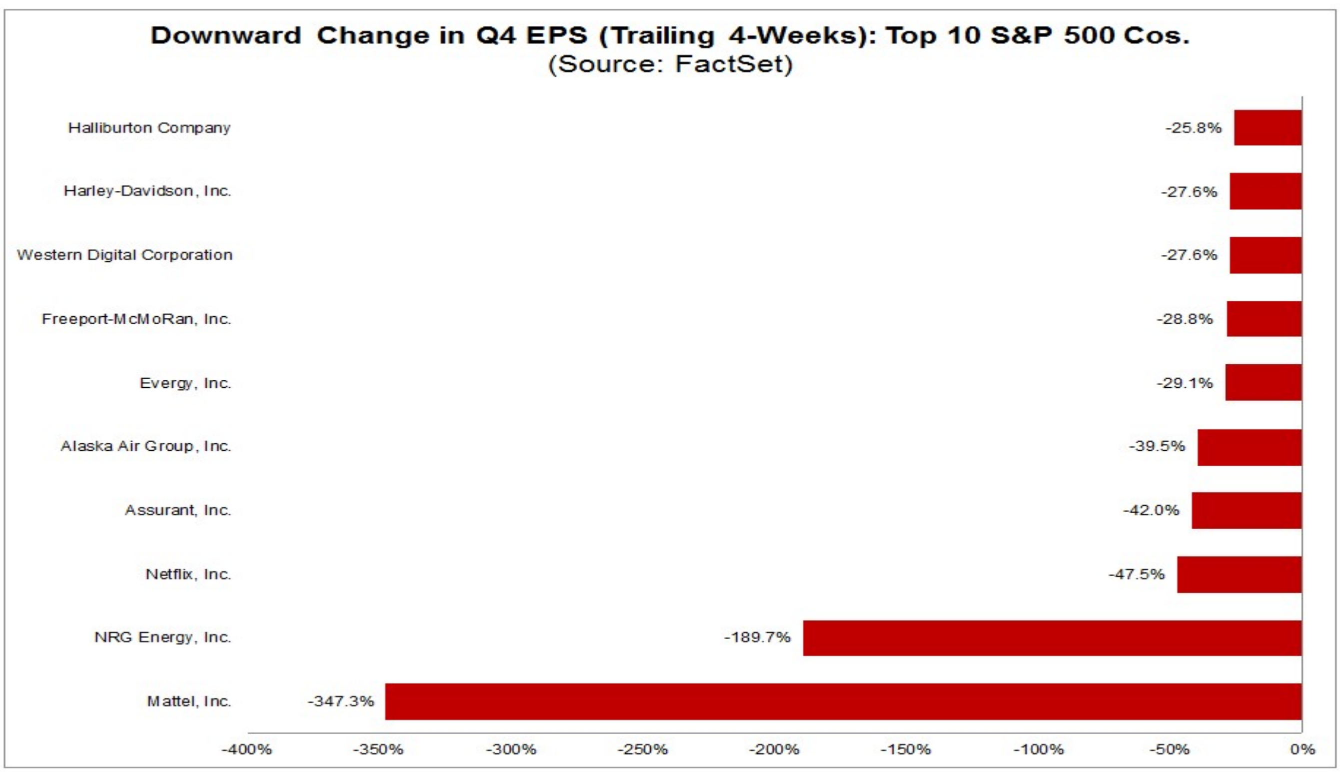




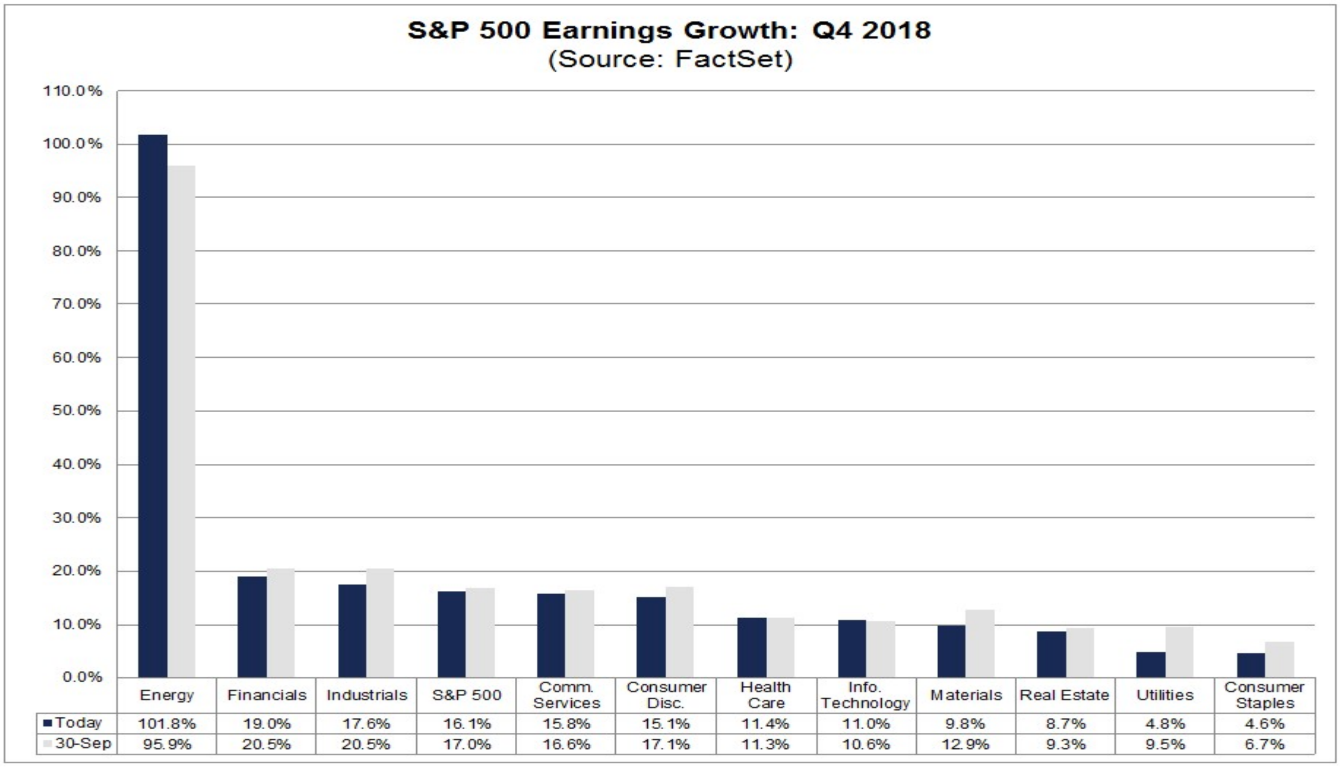
	Comm. Services	Energy	Consumer Disc.	Health Care	S&P 500	Industrials	Real Estate	Materials	Info. Technology	Consumer Staples	Utilities	Financials
Positive	0%	0%	11%	25%	37%	38%	50%	50%	70%	0%	0%	0%
Negative	100%	100%	89%	75%	63%	63%	50%	50%	30%	0%	0%	0%

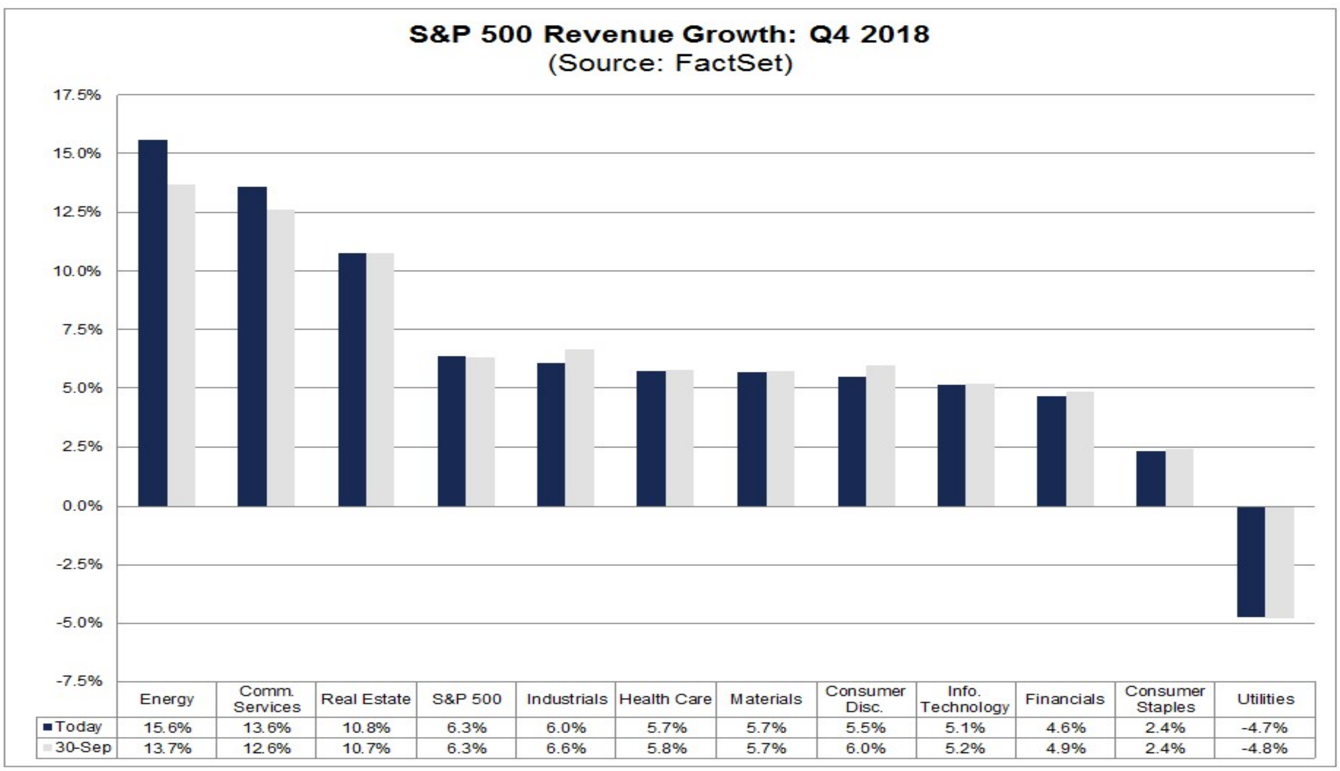
Q4 2018: EPS Revisions





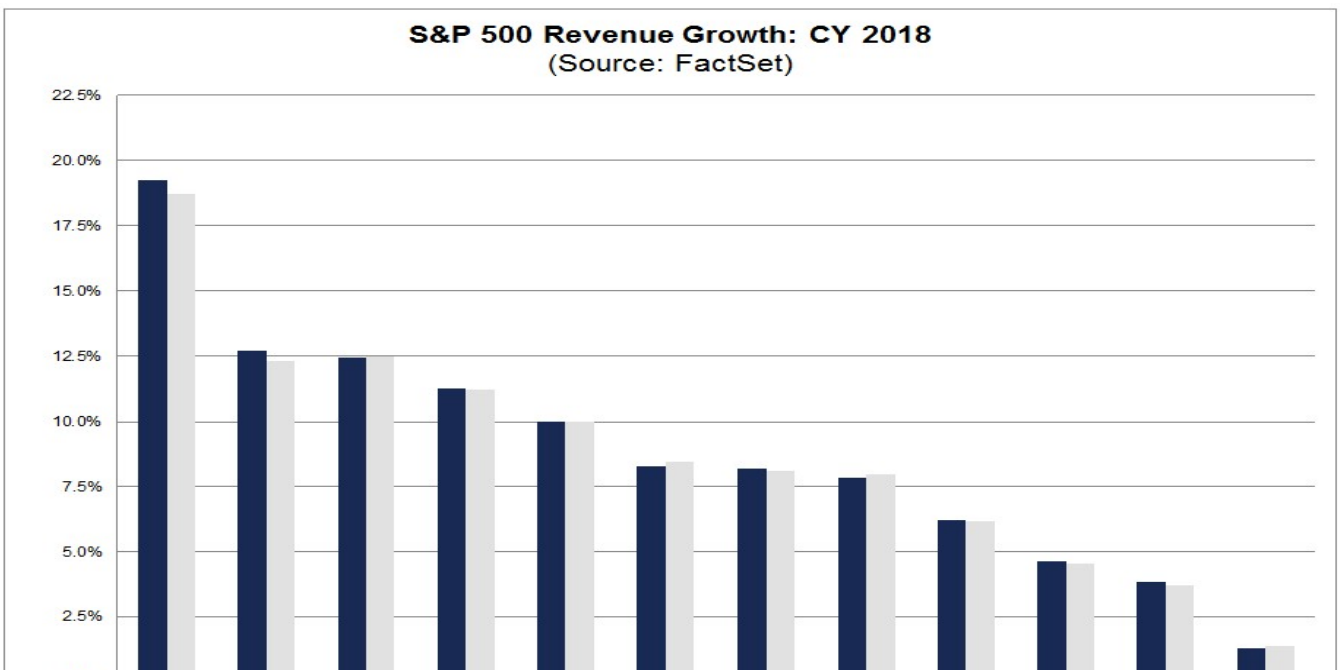
Q4 2018: Growth





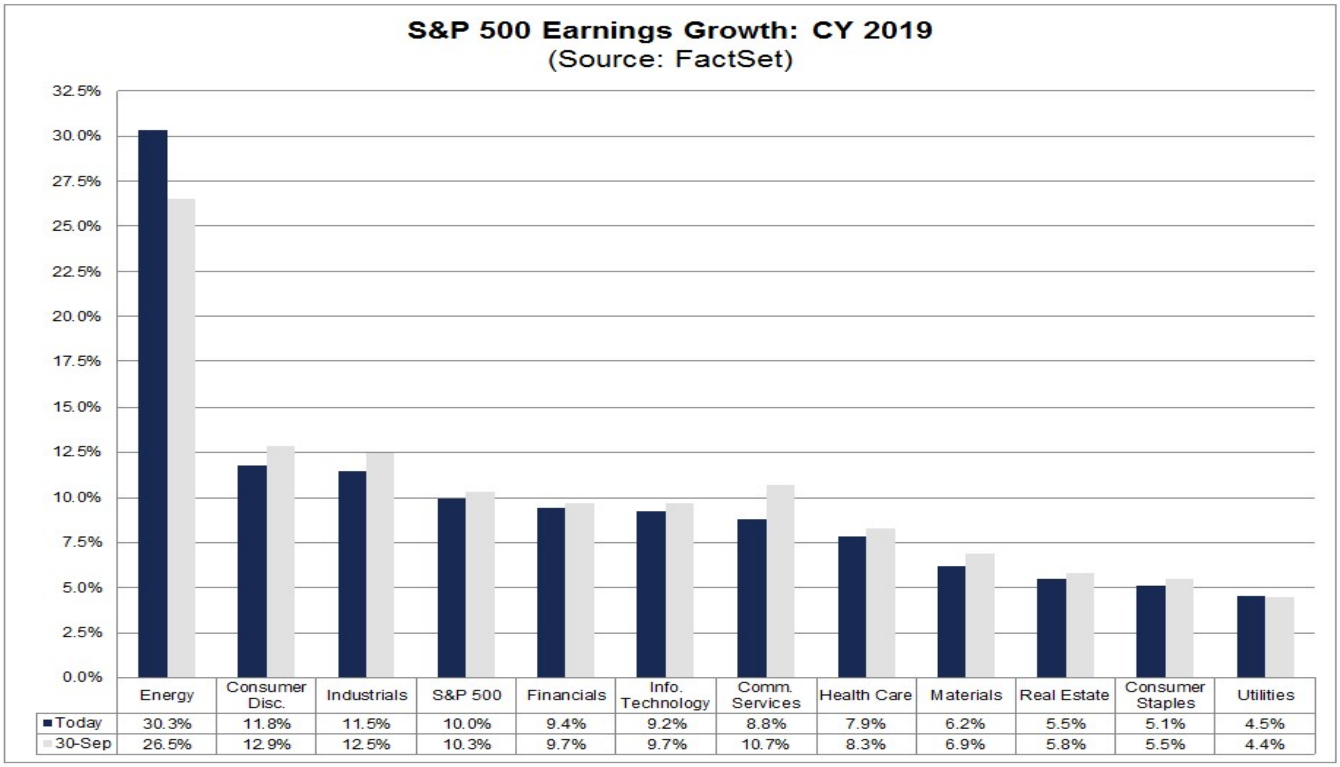
CY 2018: Growth

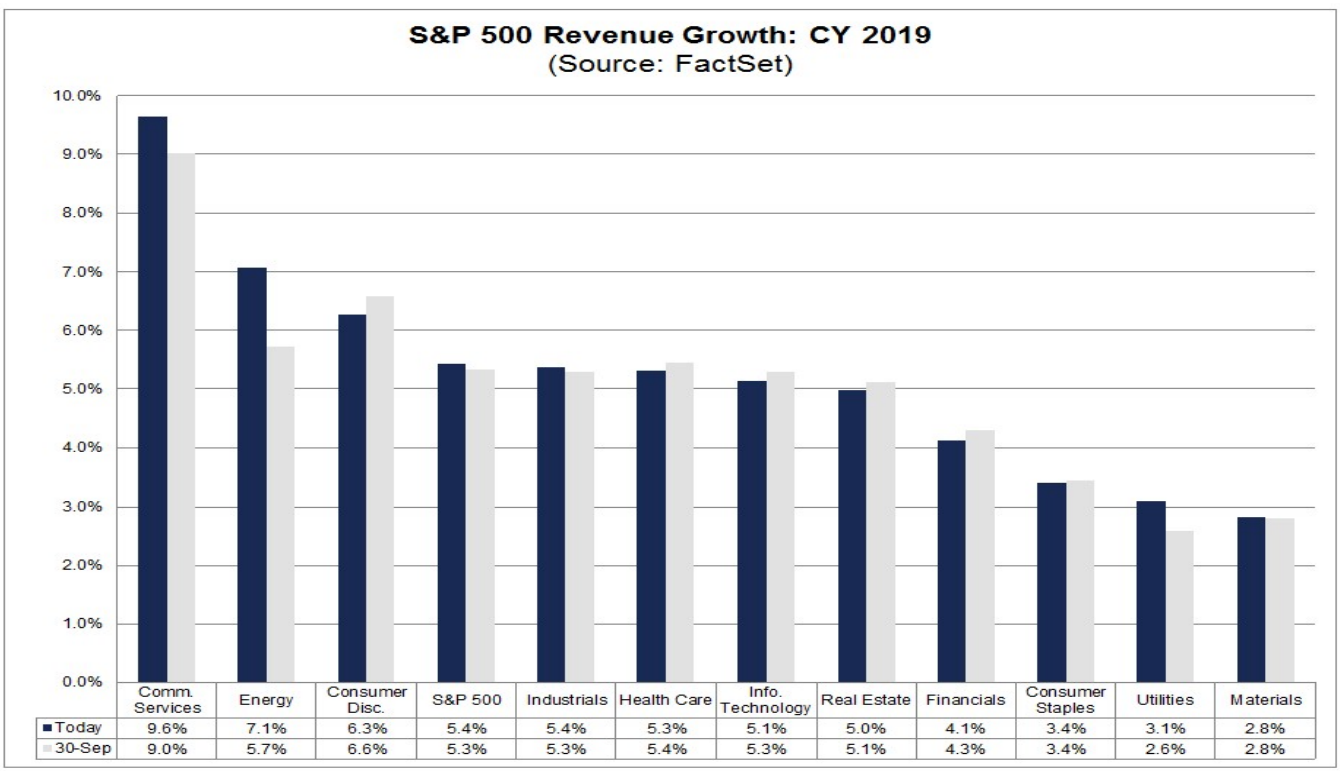
	Energy	Materials	Financials	Comm. Services	S&P 500	Info. Technology	Industrials	Consumer Disc.	Health Care	Utilities	Consumer Staples	Real Estate
Today	106.2%	27.1%	26.1%	21.5%	20.5%	17.6%	17.5%	16.6%	13.5%	11.2%	8.7%	8.1%
30-Sep	104.7%	28.4%	25.9%	20.7%	20.2%	16.9%	17.6%	16.2%	12.9%	11.2%	8.9%	8.3%



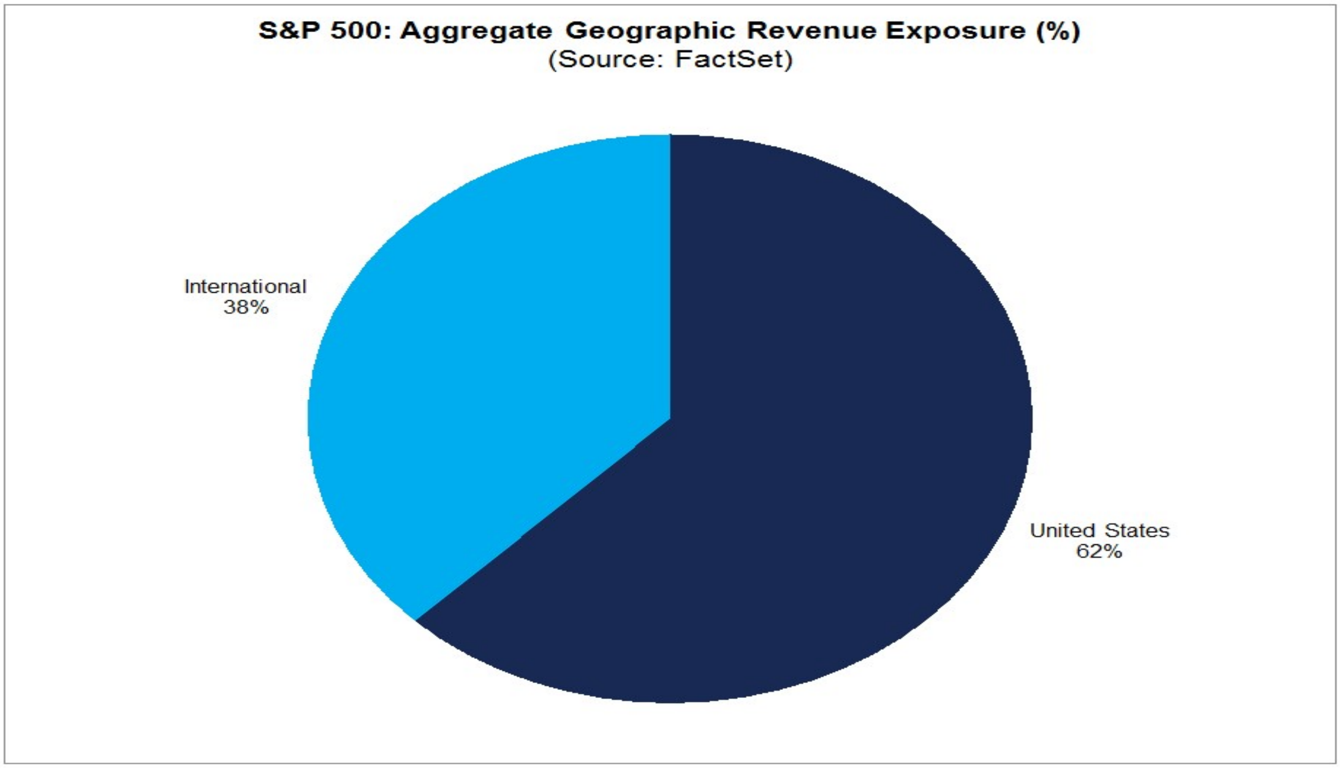
	Financials	Consumer Disc.	Comm. Services	Real Estate	Materials	Consumer Staples	S&P 500	Info. Technology	Industrials	Health Care	Energy	Utilities
Today	19.2%	12.7%	12.4%	11.3%	10.0%	8.3%	8.2%	7.8%	6.2%	4.7%	3.9%	1.3%
30-Sep	18.7%	12.3%	12.5%	11.2%	10.0%	8.5%	8.1%	8.0%	6.2%	4.6%	3.7%	1.4%

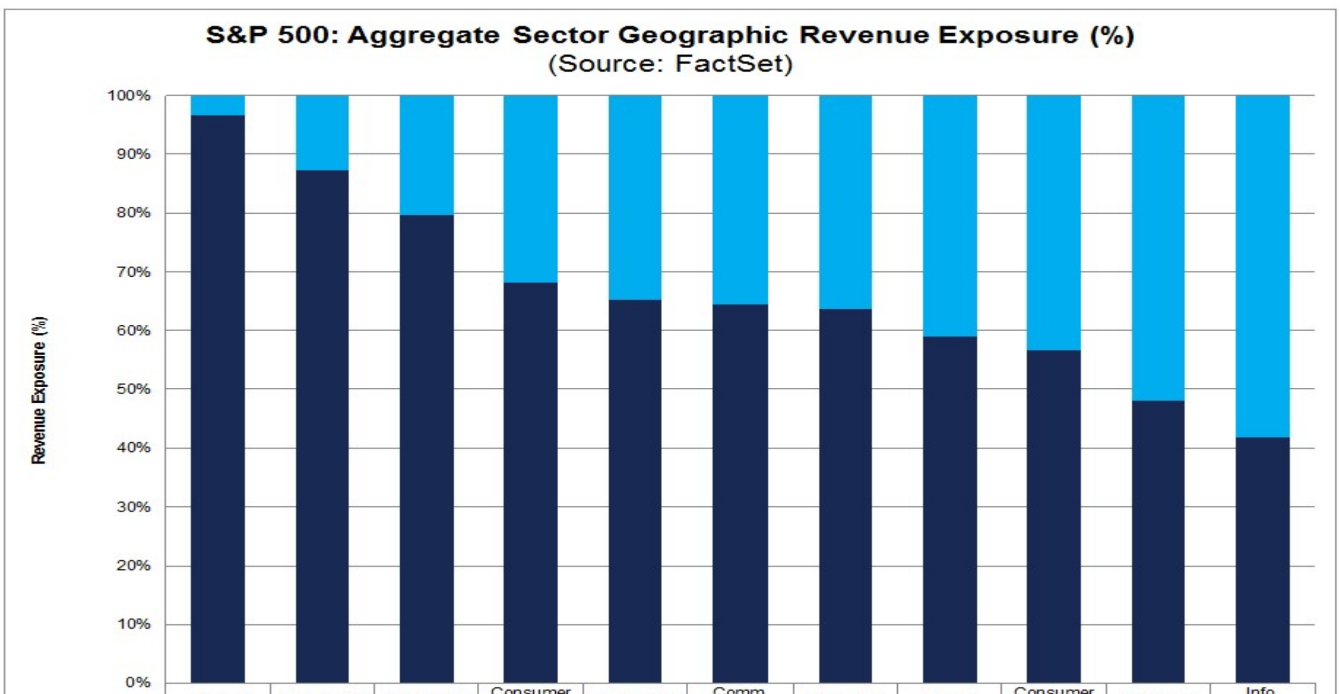
CY 2019: Growth





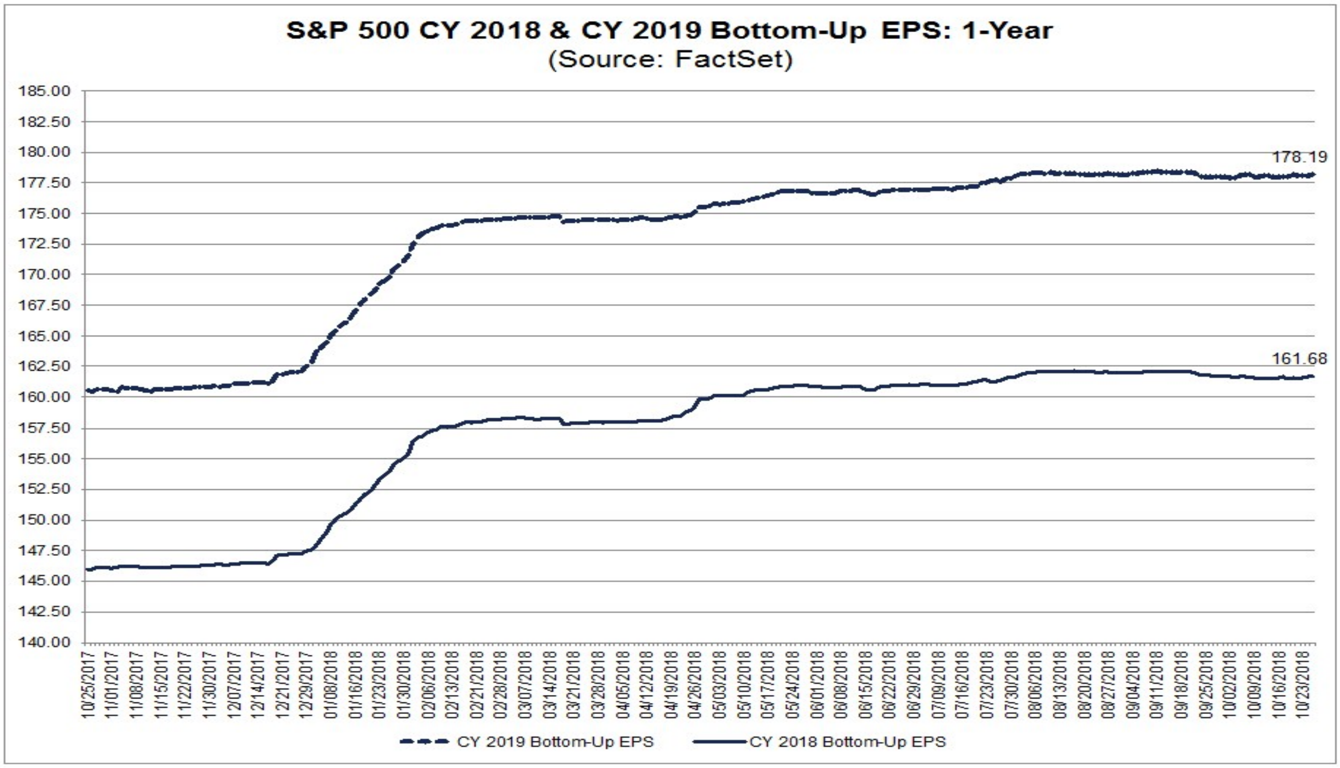
Geographic Revenue Exposure

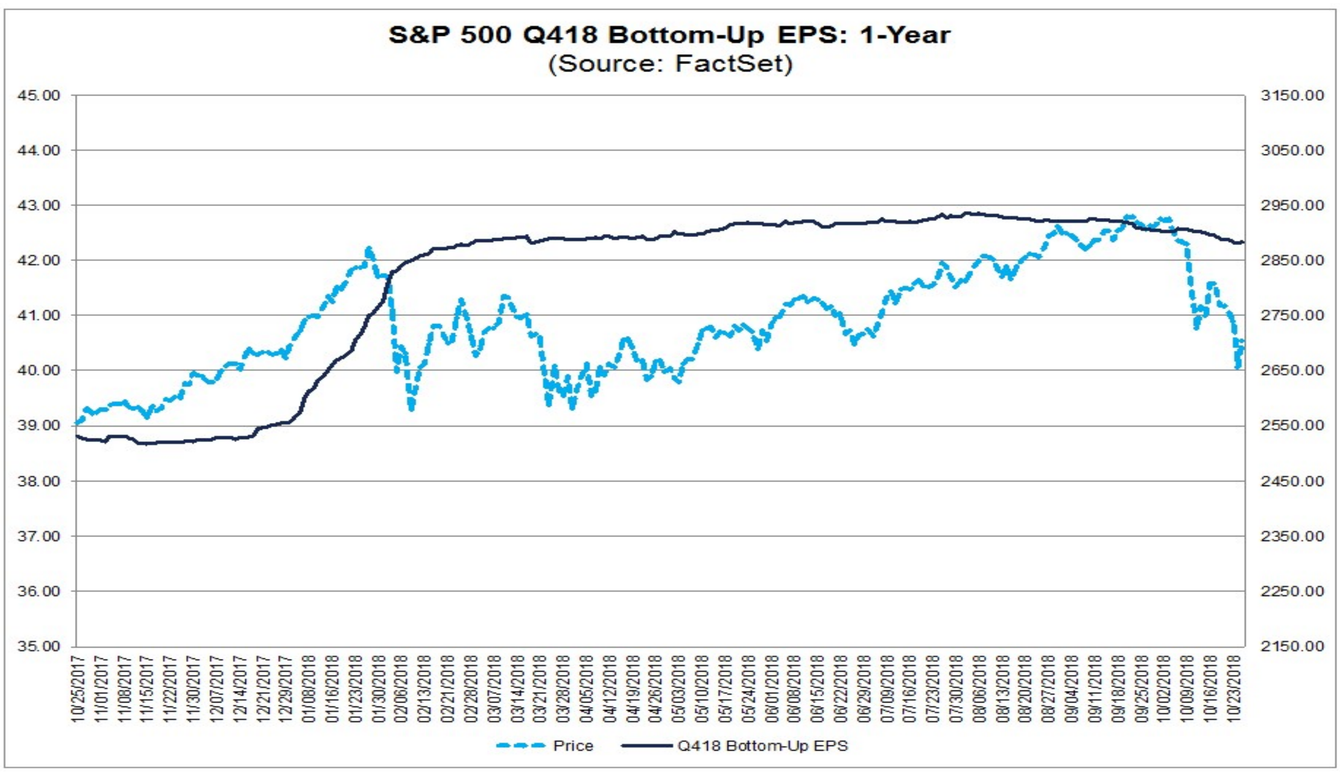




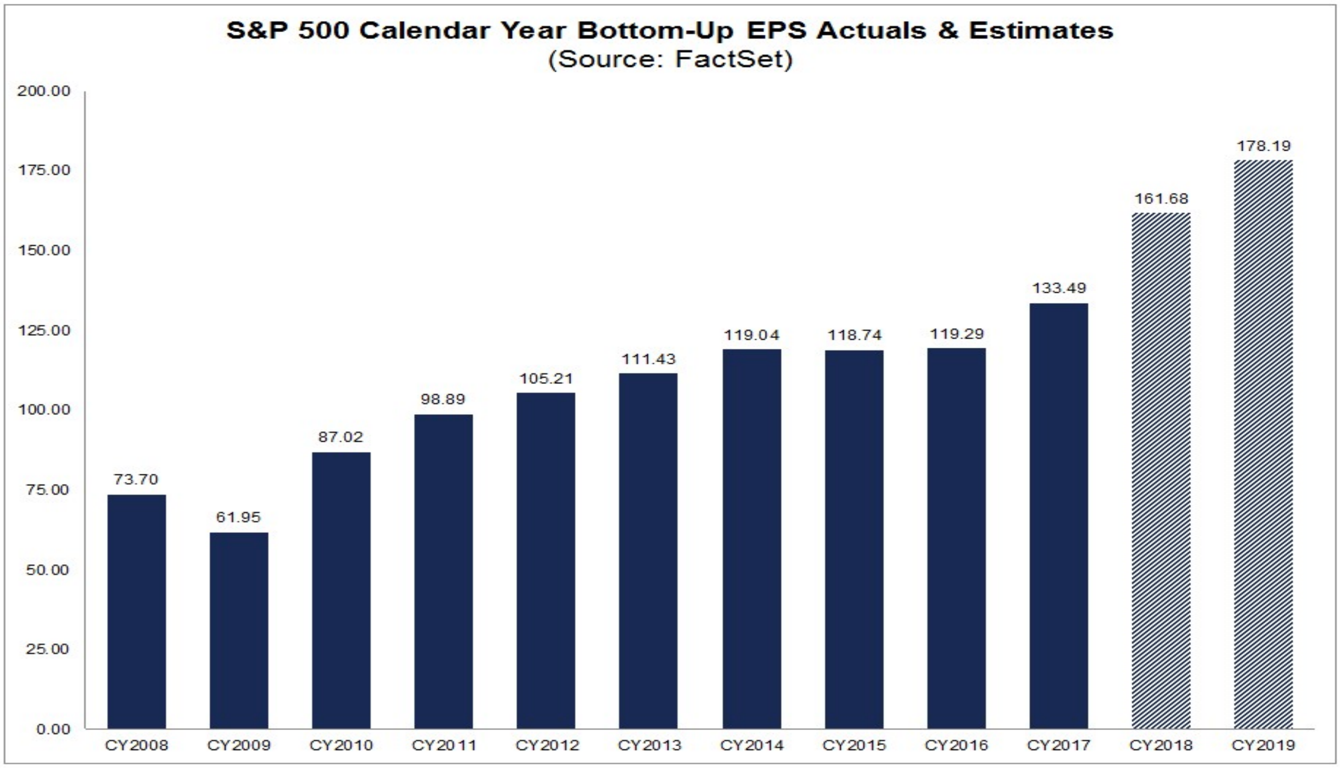
	Utilities	Real Estate	Financials	Consumer Disc.	Health Care	Comm. Services	Industrials	Energy	Consumer Staples	Materials	Info. Technology
International	3%	13%	20%	32%	35%	36%	36%	41%	43%	52%	58%
United States	97%	87%	80%	68%	65%	64%	64%	59%	57%	48%	42%

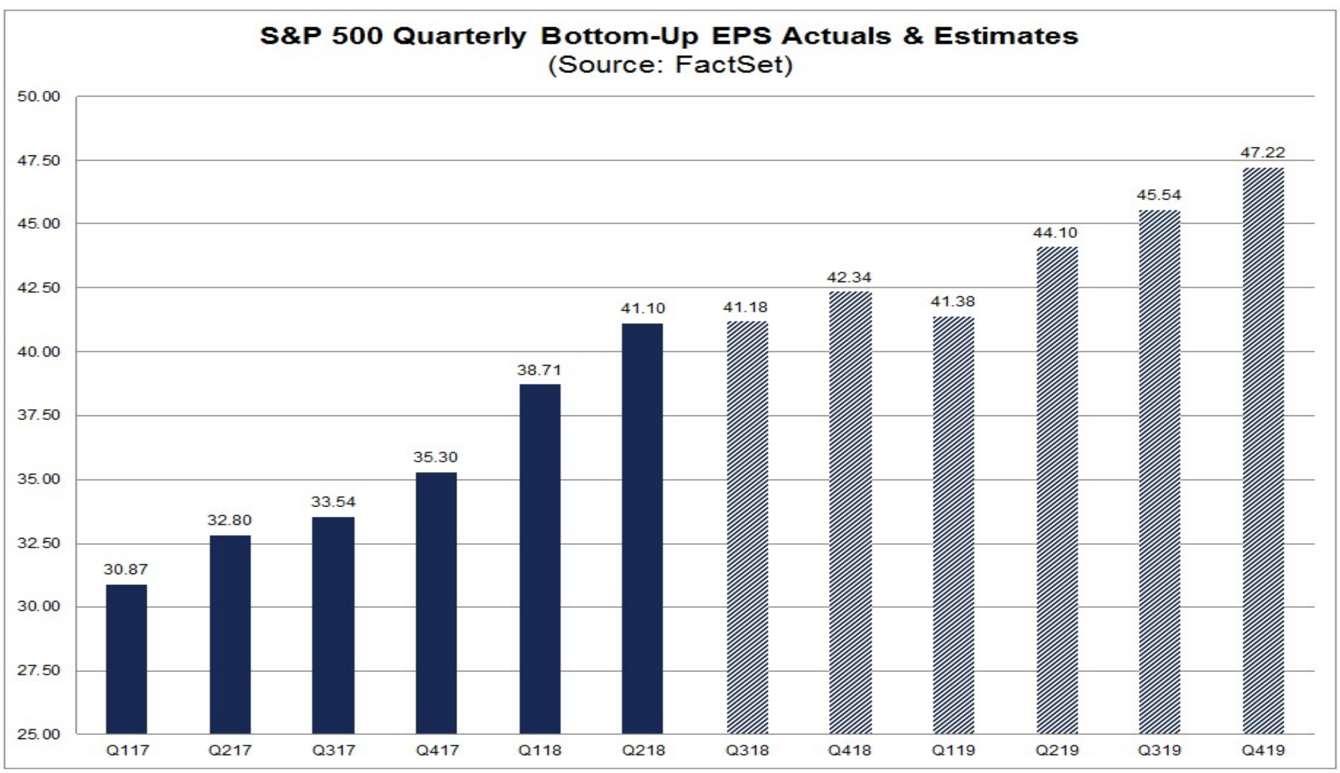
Bottom-up EPS Estimates: Revisions



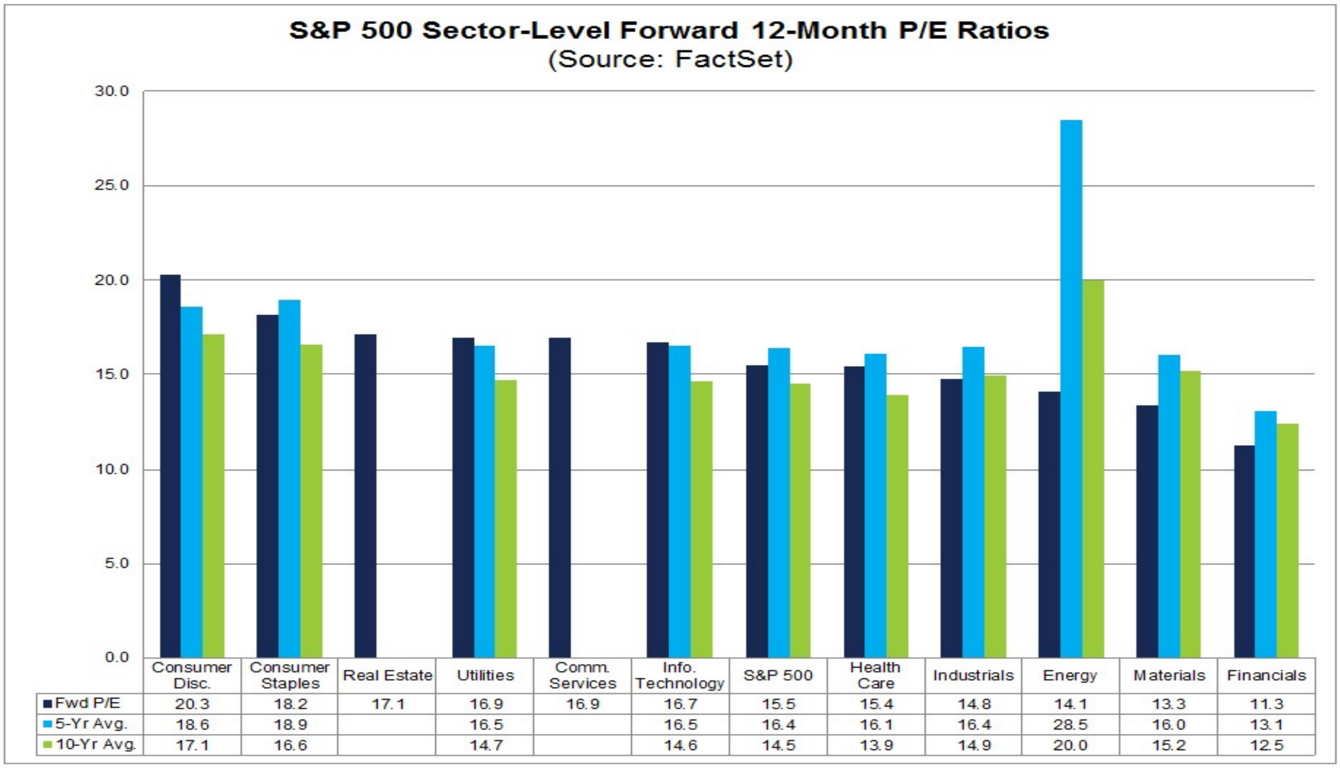


Bottom-up EPS Estimates: Current & Historical

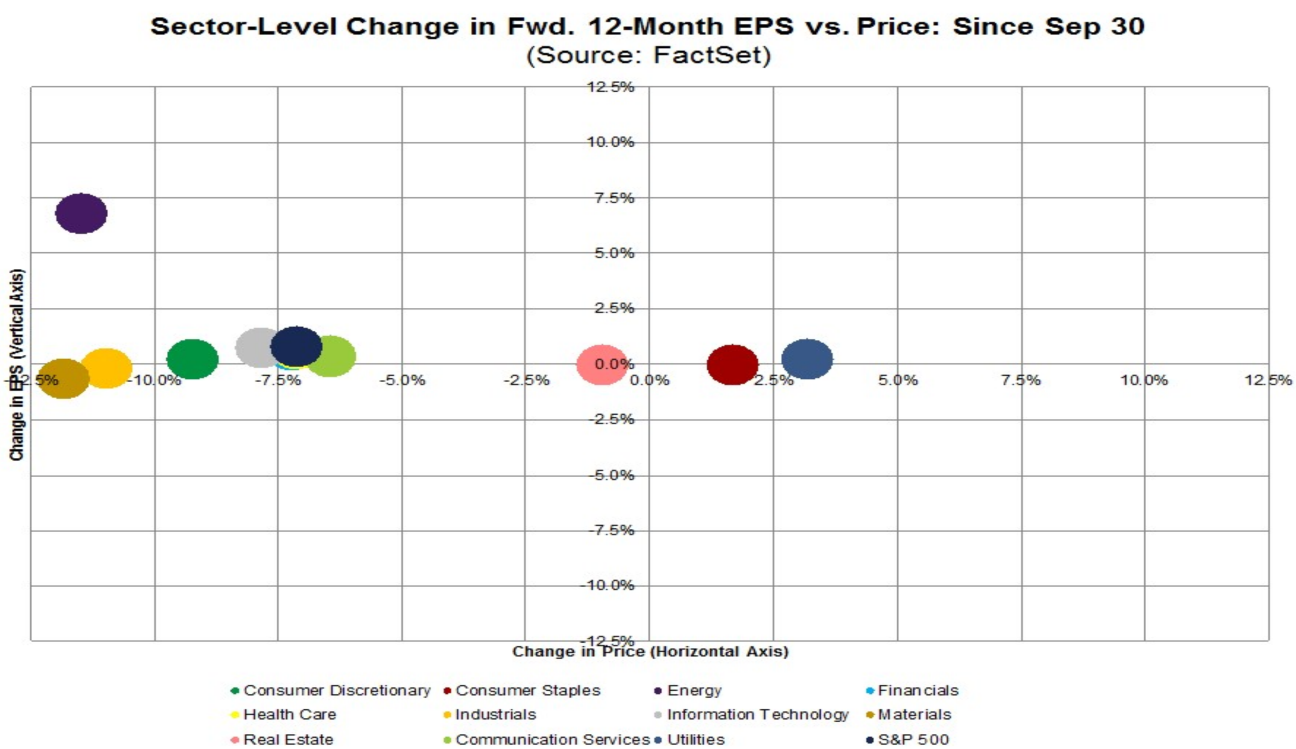




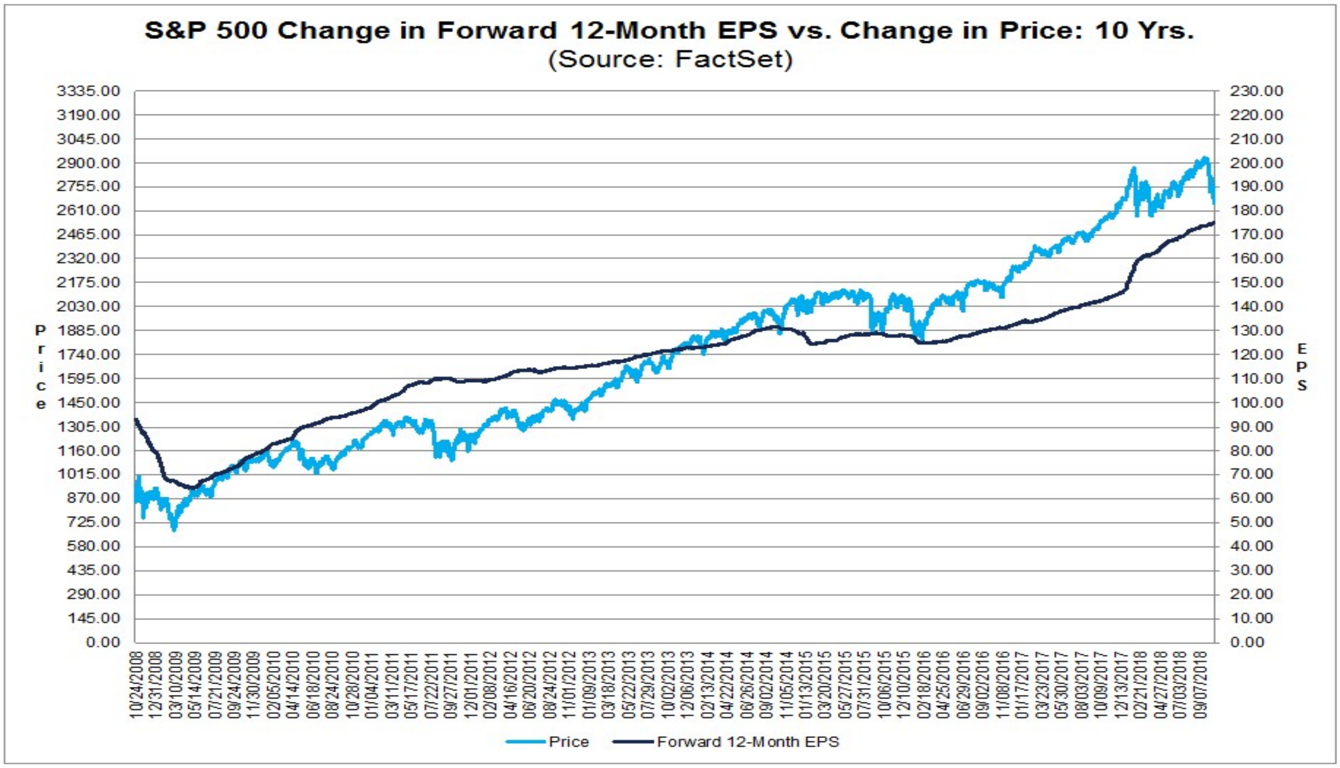
Forward 12M P/E Ratio: Sector Level

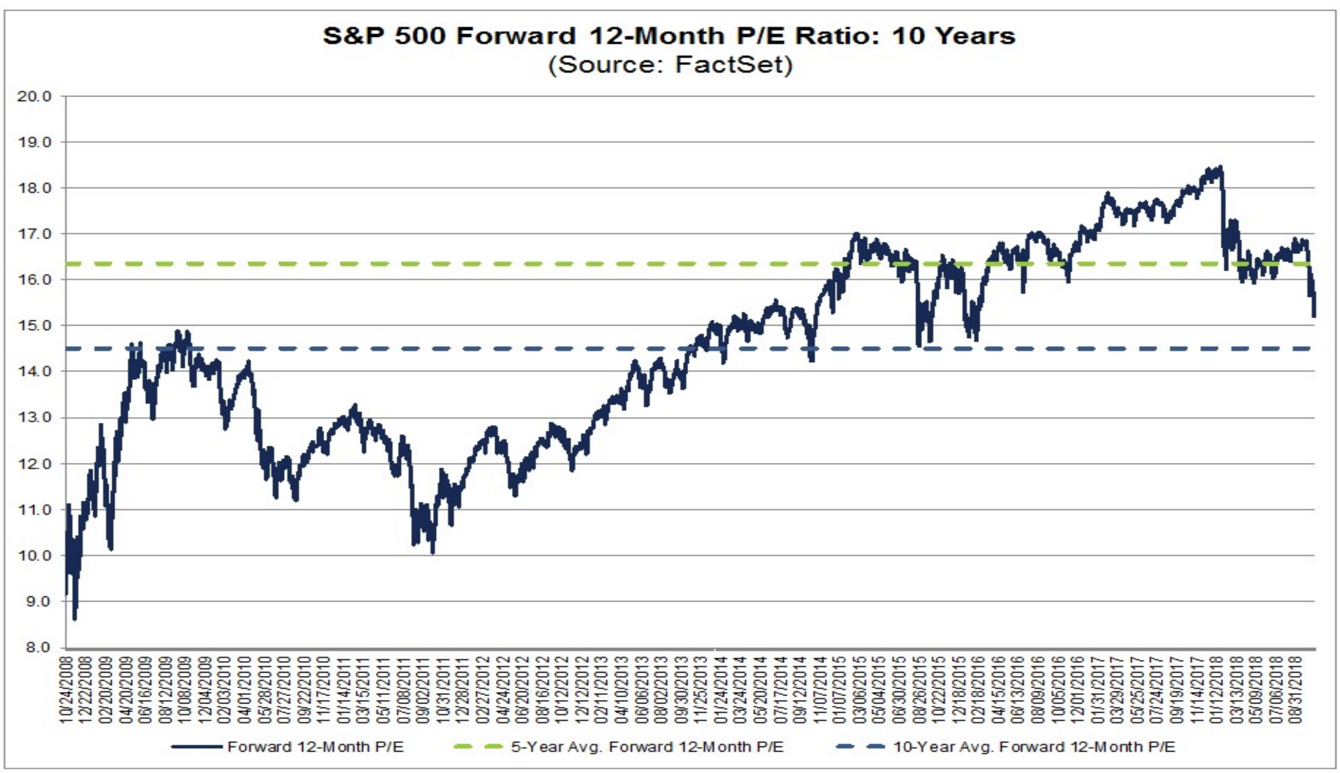


	Consumer Disc.	Consumer Staples	Real Estate	Utilities	Comm. Services	Info. Technology	S&P 500	Health Care	Industrials	Energy	Materials	Financials
Fwd P/E	20.3	18.2	17.1	16.9	16.9	16.7	15.5	15.4	14.8	14.1	13.3	11.3
5-Yr Avg.	18.6	18.9		16.5		16.5	16.4	16.1	16.4	28.5	16.0	13.1
10-Yr Avg.	17.1	16.6		14.7		14.6	14.5	13.9	14.9	20.0	15.2	12.5

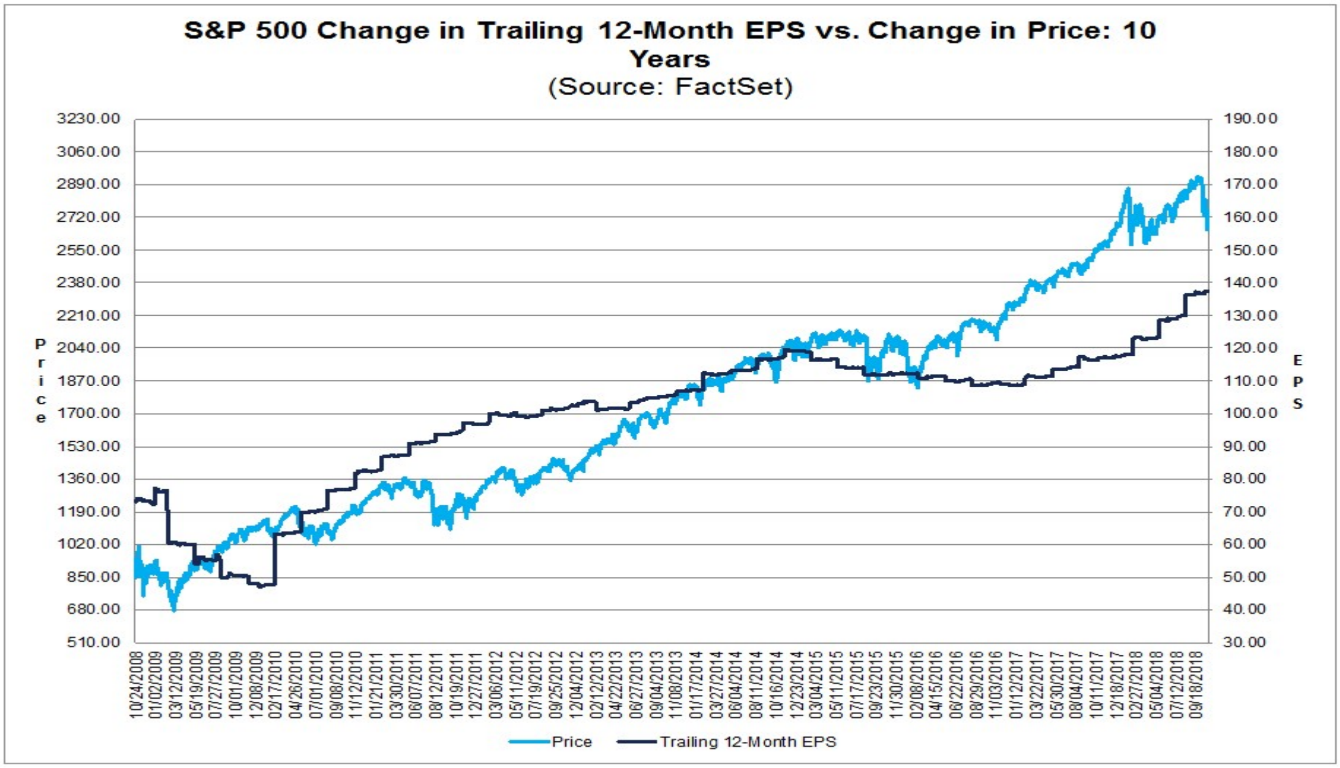


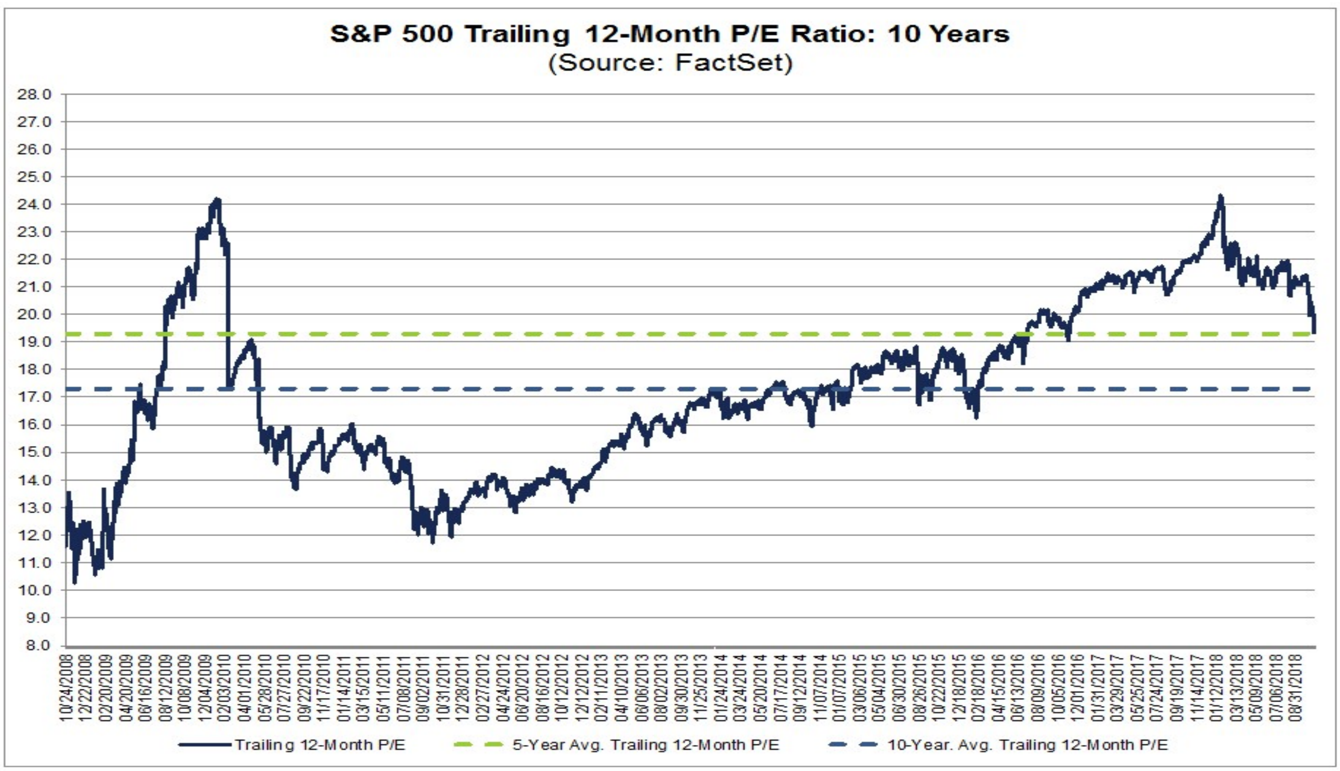
Forward 12M P/E Ratio: Long-Term Averages



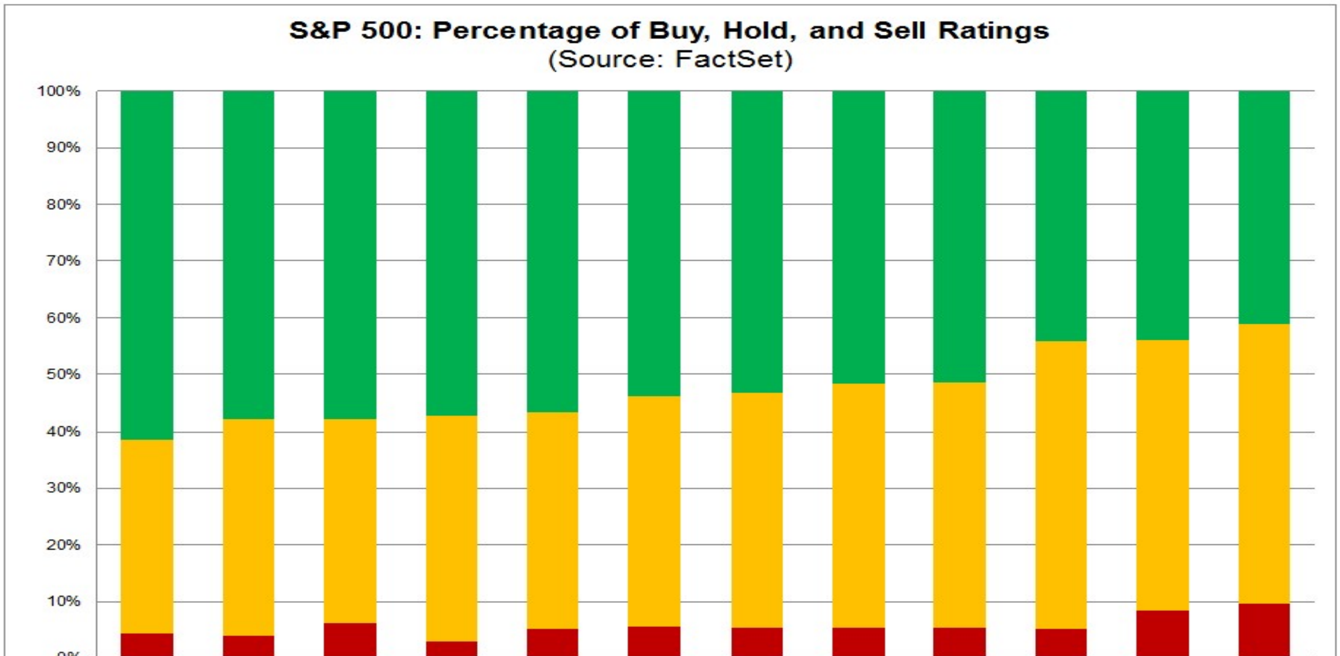


Trailing 12M P/E Ratio: Long-Term Averages

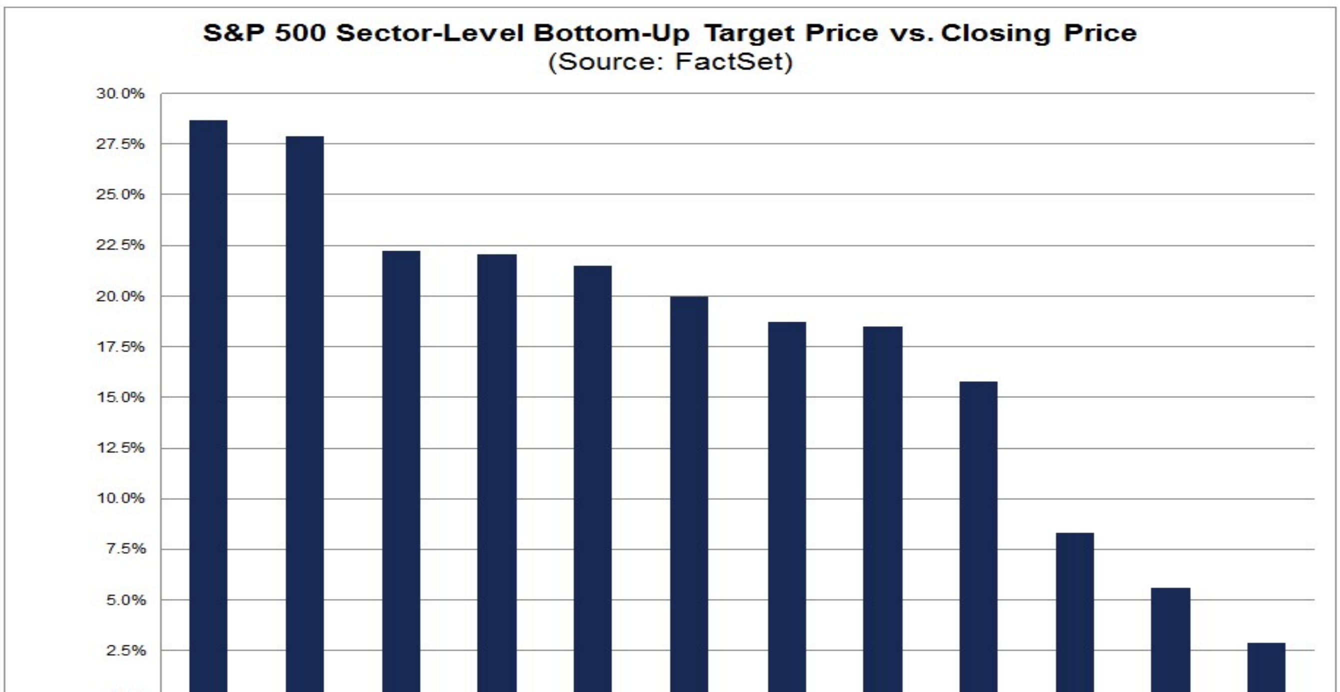




Targets & Ratings



	Energy	Health Care	Comm. Services	Materials	Info. Tech.	Industrials	S&P 500	Consumer Disc.	Financials	Real Estate	Utilities	Consumer Staples
Buy	61%	58%	58%	57%	56%	54%	53%	52%	51%	44%	44%	41%
Hold	34%	38%	36%	40%	38%	40%	41%	43%	43%	51%	48%	49%
Sell	4%	4%	6%	3%	5%	6%	5%	5%	5%	5%	8%	10%



	Energy	Materials	Financials	Industrials	Comm. Services	Consumer Disc.	Info. Tech.	S&P 500	Health Care	Real Estate	Consumer Staples	Utilities
Target/Close	28.7%	27.9%	22.2%	22.1%	21.5%	20.0%	18.7%	18.5%	15.7%	8.3%	5.6%	2.9%

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