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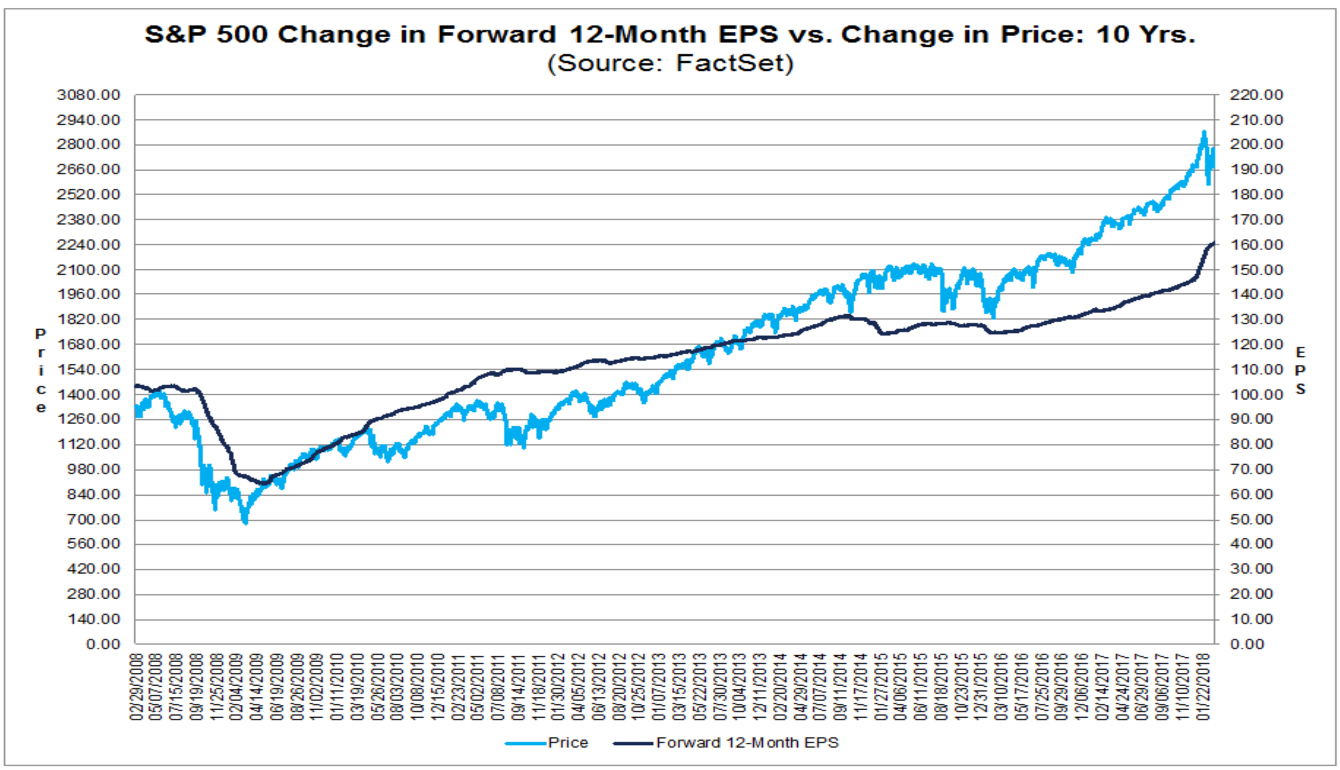
Key Metrics

- **Earnings Scorecard:** For Q4 2017 (with 97% of the companies in the S&P 500 reporting actual results for the quarter), 74% of S&P 500 companies have reported positive EPS surprises and 77% have reported positive sales surprises. If 77% is the final number for the quarter, it will mark the highest percentage since FactSet began tracking this metric in Q3 2008.
- **Earnings Growth:** For Q4 2017, the blended earnings growth rate for the S&P 500 is 14.8%. If 14.8% is the final number for the quarter, it will mark the highest earnings growth since Q3 2011 (16.8%).
- **Earnings Revisions:** On December 31, the estimated earnings growth rate for Q4 2017 was 11.0%. Nine sectors have higher growth rates today (compared to December 31) due to upward revisions to estimates and positive earnings surprises.
- **Earnings Guidance:** For Q1 2018, 45 S&P 500 companies have issued negative EPS guidance and 50 S&P 500 companies have issued positive EPS guidance.
- **Valuation:** The forward 12-month P/E ratio for the S&P 500 is 16.7. This P/E ratio is above the 5-year average (16.0) and above the 10-year average (14.3).



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Topic of the Week:

Record-High Increase in S&P 500 EPS Estimates for Q1 2018 and CY 2018 To Date

During the first two months of the first quarter, analysts increased earnings estimates for companies in the S&P 500 for the quarter. The Q1 bottom-up EPS estimate (which is an aggregation of the median EPS estimates for all the companies in the index) rose by 5.7% (to $36.32 from $34.37) during this period. How significant is a 5.7% increase in the bottom-up EPS estimate during the first two months of a quarter? How does this decrease compare to recent quarters?

On average, the bottom-up EPS estimate usually decreases during the first two months of a quarter. During the past year (4 quarters), the bottom-up EPS estimate has recorded an average decline of 1.8% during the first two months of a quarter. During the past five years (20 quarters), the bottom-up EPS estimate has recorded an average decline of 3.1% during the first two months of a quarter. During the past ten years, (40 quarters), the bottom-up EPS estimate has recorded an average decline of 4.0% during the first two months of a quarter.

In fact, the first quarter of 2018 marked the largest increase in the bottom-up EPS estimate over the first two months of a quarter since FactSet began tracking the quarterly bottom-up EPS estimate in Q2 2002. The previous record for the largest increase in the bottom-up EPS estimate was 4.4%, which occurred during the first two months (October through November) of Q4 2009.

At the sector level, nine of the eleven sectors recorded an increase in their bottom-up EPS estimates during the first two months of the quarter, led by the Energy (+18.9%), Telecom Services (+14.8%), and Financials (+11.5%) sectors.

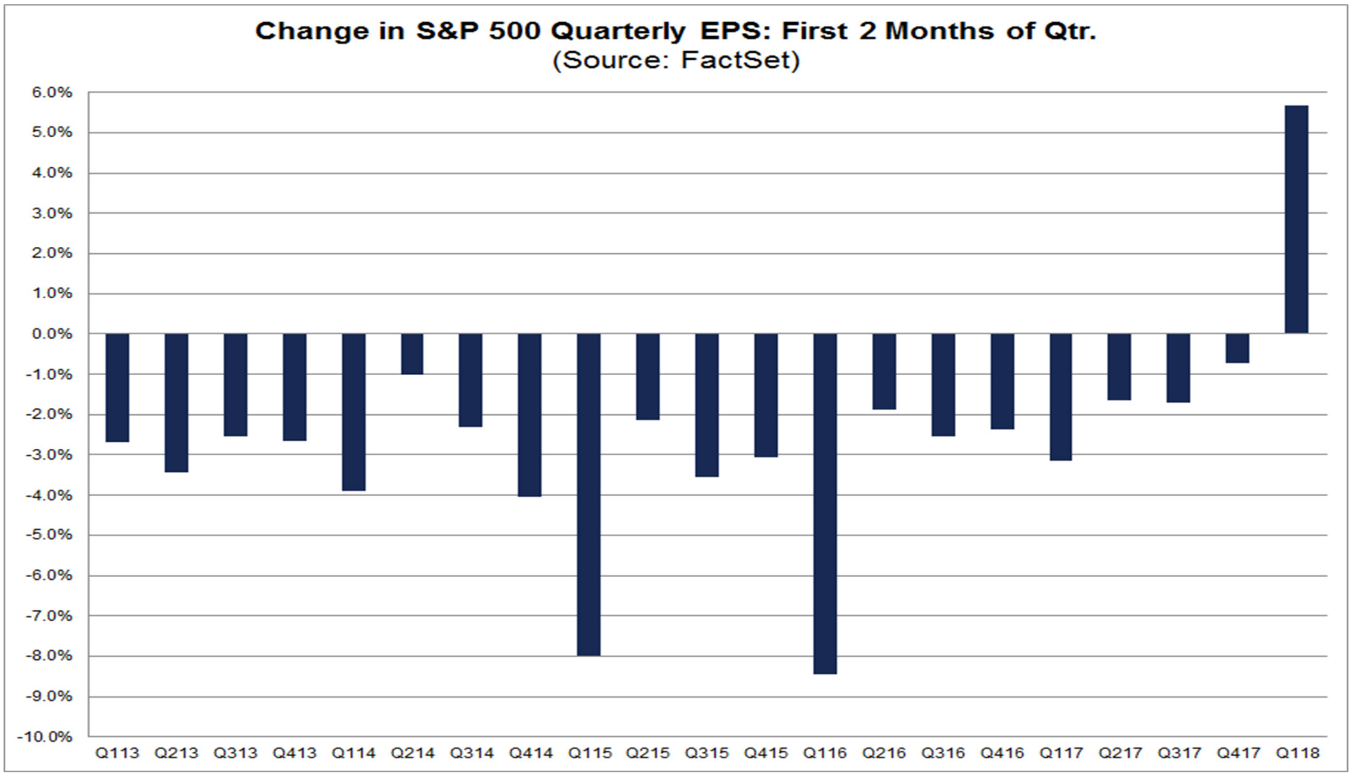
Analysts have not only increased EPS estimates for the first quarter, but also for the full year. The CY 2018 bottom-up EPS estimate (which is an aggregation of the median 2018 EPS estimates for all of the companies in the index and can be used as a proxy for earnings) increased by 7.3% (to $157.97 from $147.24) from December 31 through February 28.

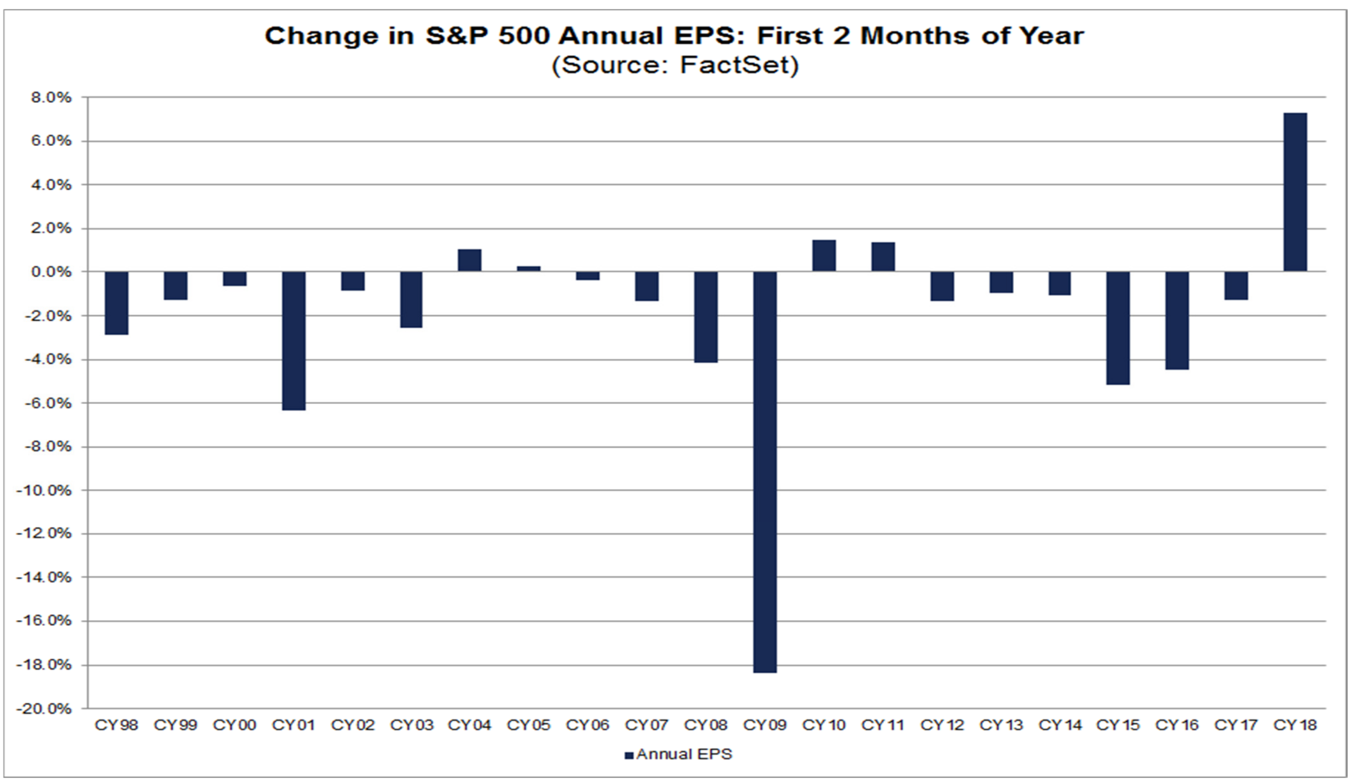
This is the largest increase in the annual EPS estimate for the index over the first two months of the year since FactSet began tracking the annual bottom-up EPS estimate in 1996.

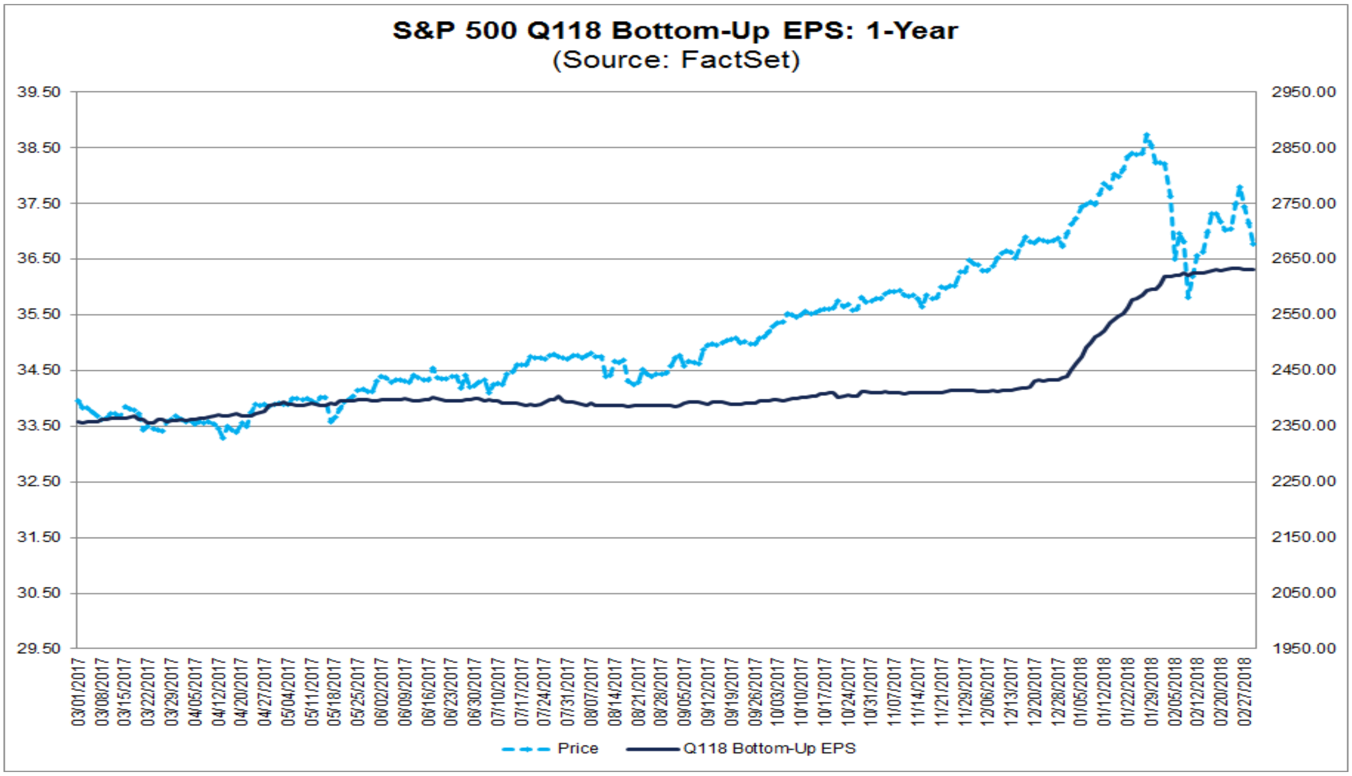
At the sector level, ten of the eleven sectors have recorded an increase in their bottom-up EPS estimates for 2018 during this window, led by the Energy sector (+19.6%), Telecom Services (+15.7%), and Financials (+10.2%) sectors.

What is driving the increase in the bottom-up EPS estimate for Q1 2018 and CY 2018? The decrease in the corporate tax rate for 2018 due to the new tax law is clearly a significant factor in the upward revisions to EPS estimates. The rapid increase in earnings expectations for Q1 2018 and CY 2018 occurred just after the tax bill was signed into law. However, it is difficult to quantify the exact impact of the changes in the tax rate on the upward revisions. Other factors also have fueled the increase in earnings estimates as well. For example, rising oil prices through the month of January contributed to the large increase in earnings estimates for companies in the Energy sector. Expectations for higher interest rates in 2018 have also likely contributed to the significant increase in earnings estimates for companies in the Financials sector.

As the bottom-up EPS estimate for the first quarter rose during the first two months of the quarter, the value of the S&P 500 also increased during this same period. From December 31 through February 28, the value of the index increased by 1.5% (to 2713.83 from 2673.61). The first quarter marked the first time since Q2 2011 in which both the bottom-up EPS estimate for the quarter and the value of the index increased during the first two months of the quarter.


Change in S&P 500 Quarterly EPS: First 2 Months of Qtr.
(Source: FactSet)
6.0%
5.0%
4.0%
3.0%
2.0%
1.0%
0.0%
-1.0%
-2.0%
-3.0%
-4.0%
-5.0%
-6.0%
-7.0%
-8.0%
-9.0%
-10.0%
Q113 Q213 Q313 Q413 Q114 Q214 Q314 Q414 Q115 Q215 Q315 Q415 Q116 Q216 Q316 Q416 Q117 Q217 Q317 Q417 Q118


Change in S&P 500 Annual EPS: First 2 Months of Year
(Source: FactSet)
8.0%
6.0%
4.0%
2.0%
0.0%
-2.0%
-4.0%
-6.0%
-8.0%
-10.0%
-12.0%
-14.0%
-16.0%
-18.0%
-20.0%
CY98 CY99 CY00 CY01 CY02 CY03 CY04 CY05 CY06 CY07 CY08 CY09 CY10 CY11 CY12 CY13 CY14 CY15 CY16 CY17 CY18
Annual EPS


S&P 500 Q118 Bottom-Up EPS: 1-Year
(Source: FactSet)
39.50
38.50
37.50
36.50
35.50
34.50
33.50
32.50
31.50
30.50
29.50
2950.00
2850.00
2750.00
2650.00
2550.00
2450.00
2350.00
2250.00
2150.00
2050.00
1950.00
03/01/2017
03/08/2017
03/15/2017
03/22/2017
03/29/2017
04/05/2017
04/12/2017
04/20/2017
04/27/2017
05/04/2017
05/11/2017
05/18/2017
05/25/2017
06/02/2017
06/09/2017
06/16/2017
06/23/2017
06/30/2017
07/10/2017
07/17/2017
07/24/2017
07/31/2017
08/07/2017
08/14/2017
08/21/2017
08/28/2017
09/05/2017
09/12/2017
09/19/2017
09/26/2017
10/03/2017
10/10/2017
10/17/2017
10/24/2017
10/31/2017
11/07/2017
11/14/2017
11/21/2017
11/29/2017
12/06/2017
12/13/2017
12/20/2017
12/28/2017
01/05/2018
01/12/2018
01/22/2018
01/29/2018
02/05/2018
02/12/2018
02/20/2018
02/27/2018
Price
Q118 Bottom-Up EPS

Q4 2017 Earnings Season: By the Numbers

Overview:

To date, 97% of the companies in the S&P 500 have reported actual results for Q4 2017. In terms of earnings, more companies are reporting actual EPS above estimates (74%) compared to the 5-year average. In aggregate, companies are reporting earnings that are 4.4% above the estimates, which is also above the 5-year average. In terms of sales, more companies (77%) are reporting actual sales above estimates compared to the 5-year average. If 77% is the final number for the quarter, it will mark the highest percentage of S&P 500 companies reporting positive sales surprises since FactSet began tracking this metric in Q3 2008. In aggregate, companies are reporting sales that are 1.5% above estimates, which is also above the 5-year average.

The blended (combines actual results for companies that have reported and estimated results for companies that have yet to report) earnings growth rate for the fourth quarter is 14.8% today, which is slightly below the earnings growth rate of 14.9% last week. If 14.8% is the final growth rate for the quarter, it will mark the highest earnings growth reported by the index since Q3 2011 (16.8%). All eleven sectors are reporting year-over-year earnings growth. Four sectors are reporting double-digit earnings growth: Energy, Materials, Information Technology, and Financials.

The blended sales growth rate for the fourth quarter is 8.2% today, which is equal to growth rate of 8.2% last week. If 8.2% is the final growth rate for the quarter, it will mark the highest revenue growth reported by the index since Q3 2011 (12.5%). All eleven sectors are reporting year-over-year growth in revenues. Three sectors are reporting double-digit growth in revenues: Energy, Materials, and Information Technology.

All eleven sectors are reporting both earnings and revenue growth for the fourth quarter. The last time all of the sectors in the index reported both earnings and revenue growth for a quarter was Q3 2011.

Looking at future quarters, analysts currently project earnings to grow at double-digit levels through 2018.

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

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

Scorecard: Record-High Percentage of Companies Beating Revenue Estimates

Percentage of Companies Beating EPS Estimates (74%) is Above 5-Year Average

Overall, 97% of the companies in the S&P 500 have reported earnings to date for the fourth quarter. Of these companies, 74% have reported actual EPS above the mean EPS estimate, 8% have reported actual EPS equal to the mean EPS estimate, and 18% 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 (72%) average and above the 5-year (69%) average.

At the sector level, the Materials (88%), Health Care (83%), and Information Technology (82%) sectors have the highest percentages of companies reporting earnings above estimates, while the Telecom Services (33%) and Real Estate (48%) sectors have the lowest percentages of companies reporting earnings (or FFO for Real Estate) above estimates.

Earnings Surprise Percentage (+4.4%) is Above 5-Year Average

In aggregate, companies are reporting earnings that are 4.4% above expectations. This surprise percentage is below the 1-year (+4.6%) average but above the 5-year (+4.3%) average.

The Materials (+11.1%) sector reported the largest upside aggregate difference between actual earnings and estimated earnings. On the other hand, the Energy (-12.2%) sector reported the largest downside aggregate difference between actual earnings and estimated earnings.

Market is Not Rewarding Earnings Beats

The market rewarded positive earnings surprises less than average and punished negative earnings surprises less than average during the fourth quarter earnings season.

Companies that have reported positive earnings surprises for Q4 2017 have seen an average price decrease of -0.4% two days before the earnings release through two days after the earnings. This percentage change is well below the 5-year average increase of 1.2% during this same window for companies reporting upside earnings surprises.

Companies that have reported negative earnings surprises for Q4 2017 have seen an average price decrease of -2.3% two days before the earnings release through two days after the earnings. This percentage decrease is slightly smaller than the 5-year average decrease of -2.4% during this same window for companies reporting downside earnings surprises.

Percentage of Companies Beating Revenue Estimates (77%) is at Record-High Level

In terms of revenues, 77% of companies have reported actual sales above estimated sales and 23% have reported actual sales below estimated sales. The percentage of companies reporting sales above estimates is well above the 1-year average (64%) and well above the 5-year average (56%).

If 77% is the final number for the quarter, it will mark the highest percentage of S&P 500 companies reporting positive sales surprises since FactSet began tracking this metric in Q3 2008.

At the sector level, the Information Technology (89%) and Health Care (87%) sectors have the highest percentages of companies reporting revenues above estimates, while the Utilities (43%) and Consumer Staples (59%) sectors have the lowest percentages of companies reporting revenues above estimates.

Revenue Surprise Percentage (+1.5%) is Above 5-Year Average

In aggregate, companies are reporting sales that are 1.5% above expectations. This surprise percentage is above the 1-year (+0.8%) average and above the 5-year (+0.6%) average.

The Energy (+3.7%) and Materials (+2.5%) sectors reported the largest upside aggregate differences between actual sales and estimated sales, while the Utilities (-1.3%) sector reported the largest downside aggregate difference between actual sales and estimated sales.

Materials Sector Has Seen Largest Increase in Earnings Since December 31

Materials Sector Has Seen Largest Increase in Earnings Growth since December 31

The blended earnings growth rate for Q4 2017 of 14.8% is above the estimate of 11.0% at the end of the fourth quarter (December 31). 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 Materials (to 44.1% from 28.5%) sector. Two sectors have recorded a decrease in earnings growth since the end of the quarter due to downside earnings surprises, led by the Energy (to 105.1% from 132.1%) sector.

Energy Sector Has Seen Largest Increase in Revenue Growth since December 31

The blended sales growth rate for Q4 2017 of 8.2% is larger than the estimate of 6.7% at the end of the fourth quarter (December 31). Ten sectors have recorded an increase in sales growth since the end of the quarter due to upward revisions to revenue estimates and upside revenue surprises, led by the Energy (to 21.3% from 17.3%) and Materials (to 20.2% from 16.7%) sectors. The Utilities (to 3.0% from 6.4%) sector is the only sector that has recorded a decrease in sales growth during this time due to downward revisions to estimates and downside revenue surprises.

Highest Earnings Growth (14.8%) Since Q3 2011

The blended (year-over-year) earnings growth rate for Q4 2017 is 14.8%. If 14.8% is the final growth rate for the quarter, it will mark the highest earnings growth reported by the index since Q3 2011 (16.8%). It will also mark the third time in the past four quarters that the index has reported double-digit earnings growth. All eleven sectors are reporting year-over-year growth in earnings. Four sectors are reporting double-digit earnings growth: Energy, Materials, Information Technology, and Financials.

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 105.1%. 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 Equipment & Services (227%), Oil & Gas Refining & Marketing (144%), Integrated Oil & Gas (35%), and Oil & Gas Storage & Transportation (12%).

The unusually high growth rate for the sector was due to both higher oil prices and a comparison to unusually low earnings in the year-ago quarter. During the fourth quarter, the price of oil increased by 16.9% (to $60.42 from $51.67). On a dollar-level basis, the Energy sector reported earnings of $10.9 billion in Q4 2017, compared to earnings of $5.3 billion in Q4 2016. If the Energy sector were excluded, the blended earnings growth rate for the remaining ten sectors would decrease to 13.1% from 14.8%.

Materials: All 4 Industries Reported Double-Digit Growth

The Materials sector reported the second highest (year-over-year) earnings growth of all eleven sectors at 44.1%. At the industry level, all four industries reported double-digit earnings growth. Metals & Mining (99%), Containers & Packaging (48%), Chemicals (37%), and Construction Materials (14%).

Information Technology: Semiconductor Industry Leads Growth

The Information Technology sector is reporting the third highest (year-over-year) earnings growth of all eleven sectors at 22.5%. At the industry level, all seven industries in this sector are reporting earnings growth. Five industries are reporting double-digit earnings growth: Semiconductor & Semiconductor Equipment (49%), Internet Software & Services (38%), Software (15%), IT Services (14%), and Technology Hardware, Storage, & Peripherals (14%).

Financials: AIG Led Growth on Easy Comparison to Year-Ago Loss

The Financials sector reported the fourth highest (year-over-year) earnings growth of all eleven sectors at 13.4%. At the industry level, all five industries in this sector reported earnings growth. Three industries reported double-digit earnings growth: Insurance (32%), Consumer Finance (19%), and Banks (12%).

At the company level, AIG was the largest contributor to earnings growth for the sector, mainly due to an easy comparison to a substantial loss in the year-ago quarter. AIG reported actual EPS of $0.57 for Q4 2017, compared to actual EPS of -$2.72 for Q4 2016. In the company's earnings release for Q4 2016, AIG noted, *"The fourth quarter included a $5.6 billion or ($3.56) per share impact from prior year adverse reserve development."* If AIG were excluded, the blended earnings growth rate for the Financials sector would decline to 5.9% from 13.4%.

Highest Revenue Growth (8.2%) Since Q3 2011

The blended (year-over-year) revenue growth rate for Q4 2017 is 8.2%. If 8.2% is the final growth rate for the quarter, it will mark the highest revenue growth reported by the index since Q3 2011 (12.5%). All eleven sectors are reporting year-over-year growth in revenues. Three sectors are reporting double-digit growth in revenues: Energy, Materials, and Information Technology.

Energy: All 6 Sub-Industries Reported Double-Digit Growth

The Energy sector reported the highest (year-over-year) revenue growth of all eleven sectors at 21.3%. At the sub-industry level, all six sub-industries in the sector reported double-digit revenue growth: Oil & Gas Drilling (53%), Oil & Gas Equipment & Services (34%), Oil & Gas Refining & Marketing (31%), Oil & Gas Exploration & Production (18%), Oil & Gas Storage & Transportation (17%), and Integrated Oil & Gas (13%).

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

The Materials sector reported the second highest (year-over-year) revenue growth of all eleven sectors at 20.2%. At the industry level, all four industries in this sector reported revenue growth, led by the Chemicals (26%) and Metals & Mining (19%) industries.

At the company level, DowDuPont was the largest contributor to revenue growth for the sector. However, the actual revenues for Q4 2017 ($20.1 billion) reflected the combined DowDuPont company, while the actual revenues for Q4 2016 ($13.0 billion) reflected the standalone Dow Chemical company. This apple-to-orange comparison was 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 12.8% from 20.2%.

Information Technology: Internet Software Leads Growth

The Information Technology sector is reporting the third highest (year-over-year) revenue growth of all eleven sectors at 13.4%. 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 (25%), Semiconductor & Semiconductor Equipment (18%), IT Services (16%), Electronic Equipment, Instruments, and Components (12%), and Software (10%).

Looking Ahead: Forward Estimates and Valuation

Earnings Guidance: Negative EPS Guidance Well Below Average For Q1

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, 95 companies in the index have issued EPS guidance for Q1 2018. Of these 95 companies, 45 have issued negative EPS guidance and 50 have issued positive EPS guidance. The percentage of companies issuing negative EPS guidance is 47% (45 out of 95), which is well below the 5-year average of 74%.

Double-Digit Earnings Growth Expected to Continue in 2018

For the fourth quarter, companies are reporting earnings growth of 14.8% and revenue growth of 8.2%. Analysts currently expect earnings to grow at double-digit levels in 2018.

For Q1 2018, analysts are projecting earnings growth of 17.0% and revenue growth of 7.5%.

For Q2 2018, analysts are projecting earnings growth of 18.9% and revenue growth of 7.8%.

For Q3 2018, analysts are projecting earnings growth of 20.6% and revenue growth of 6.5%.

For Q4 2018, analysts are projecting earnings growth of 16.7% and revenue growth of 5.1%.

For all of 2018, analysts are projecting earnings growth of 18.3% and revenue growth of 6.7%.

Valuation: Forward P/E Ratio is 16.7, above the 10-Year Average (14.3)

The forward 12-month P/E ratio is 16.7. This P/E ratio is above the 5-year average of 16.0 and above the 10-year average of 14.3. However, it is below the forward 12-month P/E ratio of 18.2 recorded at the start of the first quarter (December 31). Since the start of the first quarter, the price of the index has increased by 0.2%, while the forward 12-month EPS estimate has increased by 9.2%.

At the sector level, the Consumer Discretionary (20.1) and Energy (19.3) sectors have the highest forward 12-month P/E ratios, while the Telecom Services (10.5) and Financials (13.4) sectors have the lowest forward 12-month P/E ratios. Nine sectors have forward 12-month P/E ratios that are above their 10-year averages, led by the Information Technology (18.5 vs. 14.4) sector. One sector (Telecom Services) has a forward 12-month P/E ratio that is below the 10-year average (10.5 vs. 14.1). Historical averages are not available for the Real Estate sector.

Targets & Ratings: Analysts Project 16% Increase in Price Over Next 12 Months

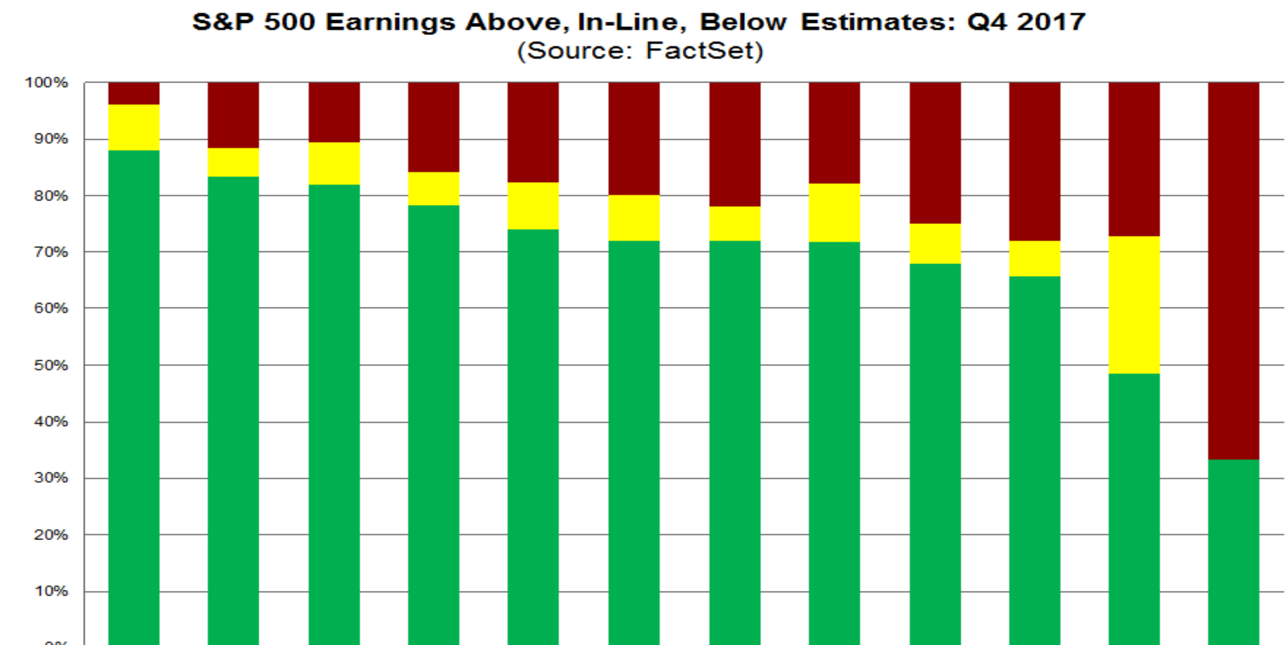
The bottom-up target price for the S&P 500 is 3098.80, which is 15.7% above the closing price of 2677.67. At the sector level, the Energy (+22.4%) sector is expected to see the largest price increase, as this sector has the largest upside difference between the bottom-up target price and the closing price. On the other hand, the Utilities (+9.8%) 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 11,093 ratings on stocks in the S&P 500. Of these 11,093 ratings, 51.4% are Buy ratings, 43.6% are Hold ratings, and 5.0% are Sell ratings. At the sector level, the Information Technology (60%), Health Care (59%), and Energy (57%) sectors have the highest percentages of Buy ratings, while the Telecom Services (30%) and Utilities (39%) sectors have the lowest percentages of Buy ratings.

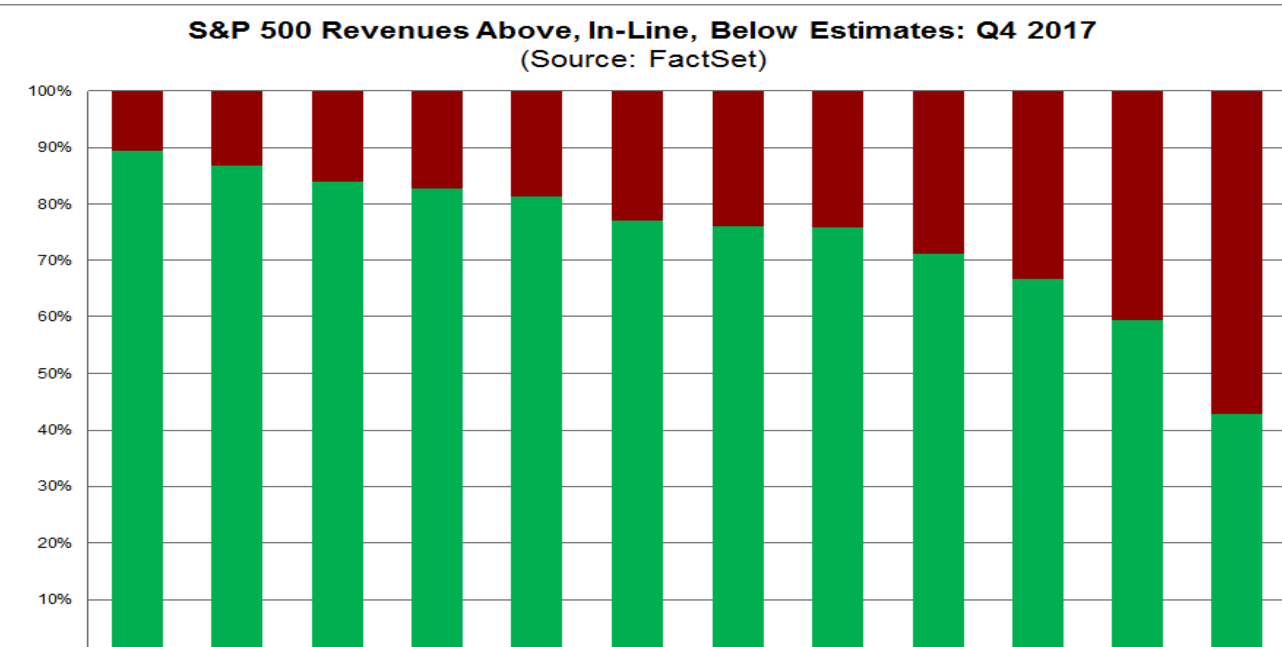
Companies Reporting Next Week: 8

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

Q4 2017: Scorecard

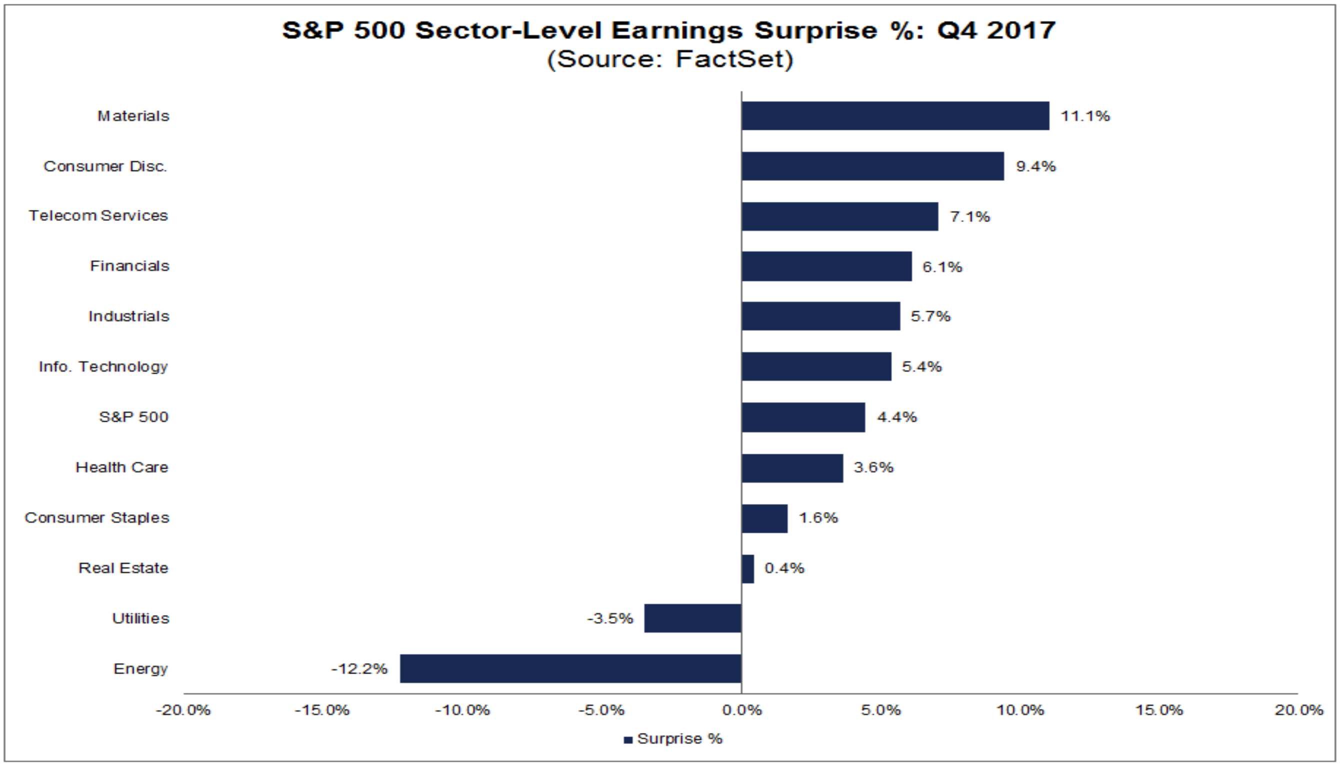


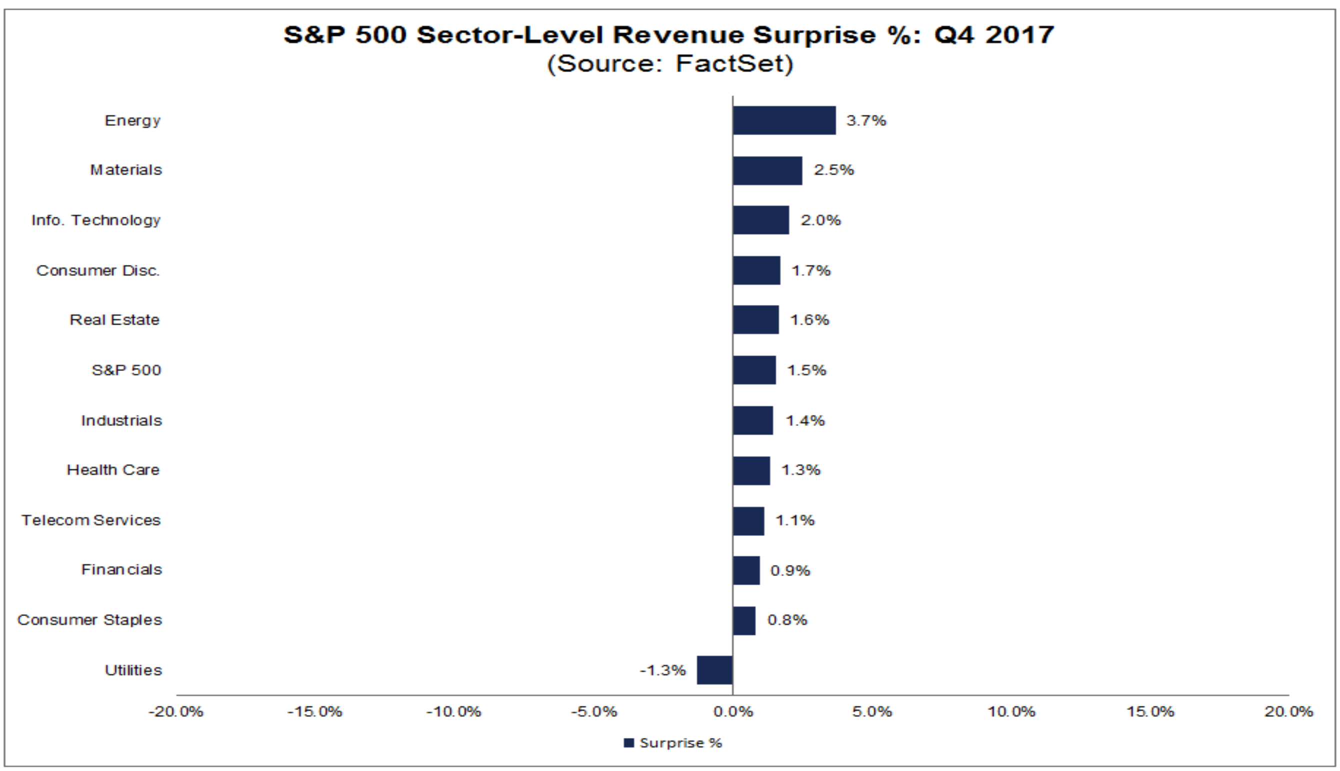
	Materials	Health Care	Info. Technology	Industrials	S&P 500	Consumer Disc.	Consumer Staples	Financials	Utilities	Energy	Real Estate	Telecom Services
Below	4%	12%	11%	16%	18%	20%	22%	18%	25%	28%	27%	67%
In-Line	8%	5%	8%	6%	8%	8%	6%	10%	7%	6%	24%	0%
Above	88%	83%	82%	78%	74%	72%	72%	72%	68%	66%	48%	33%



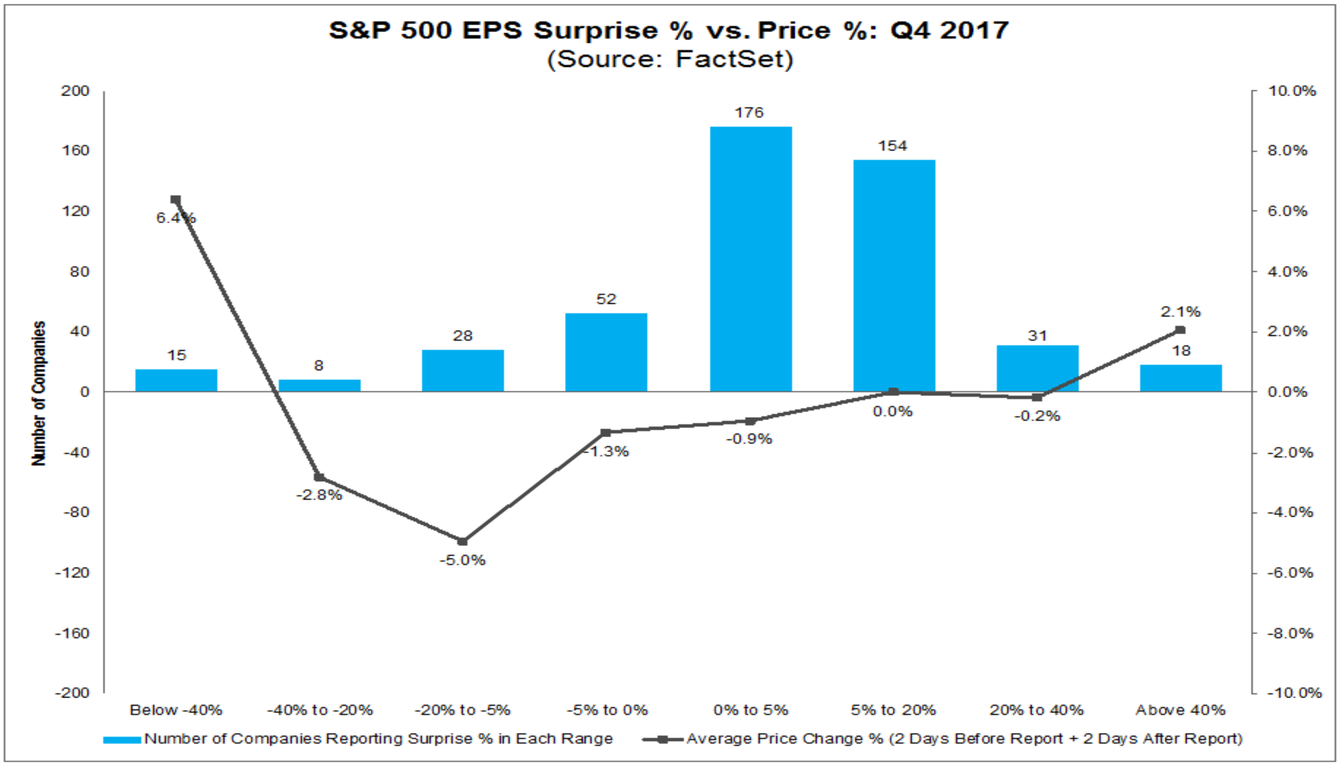
	Info. Technology	Health Care	Materials	Industrials	Energy	S&P 500	Consumer Disc.	Real Estate	Financials	Telecom Services	Consumer Staples	Utilities
Below	11%	13%	16%	17%	19%	23%	24%	24%	29%	33%	41%	57%
In-Line	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Above	89%	87%	84%	83%	81%	77%	76%	76%	71%	67%	59%	43%

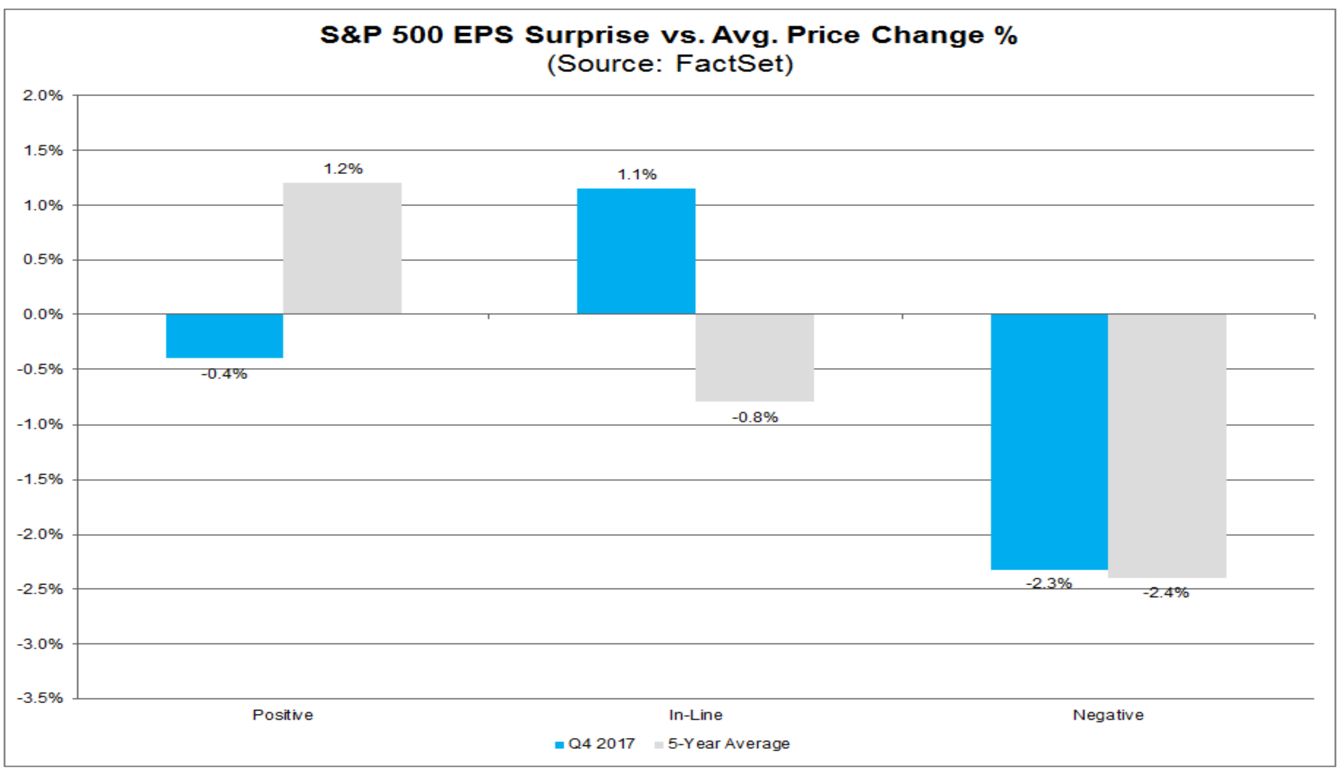
Q4 2017: Scorecard



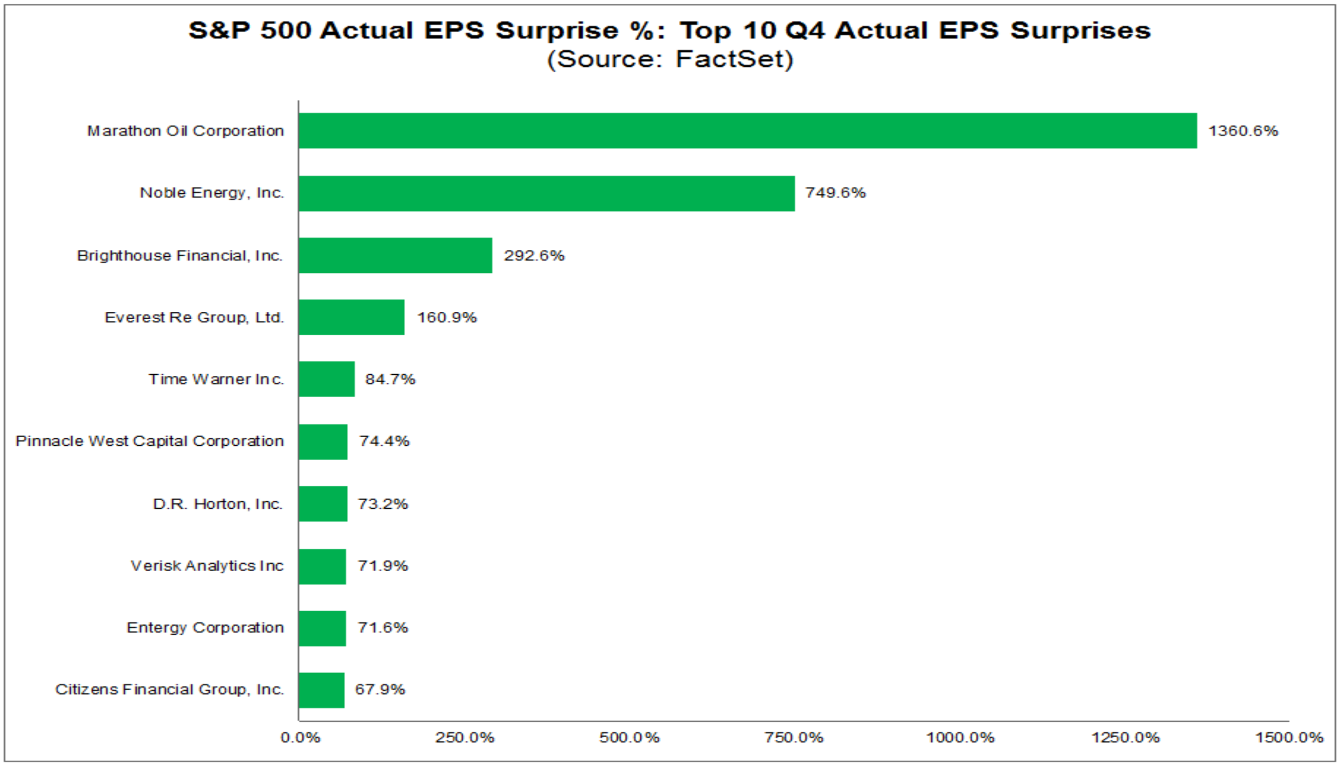


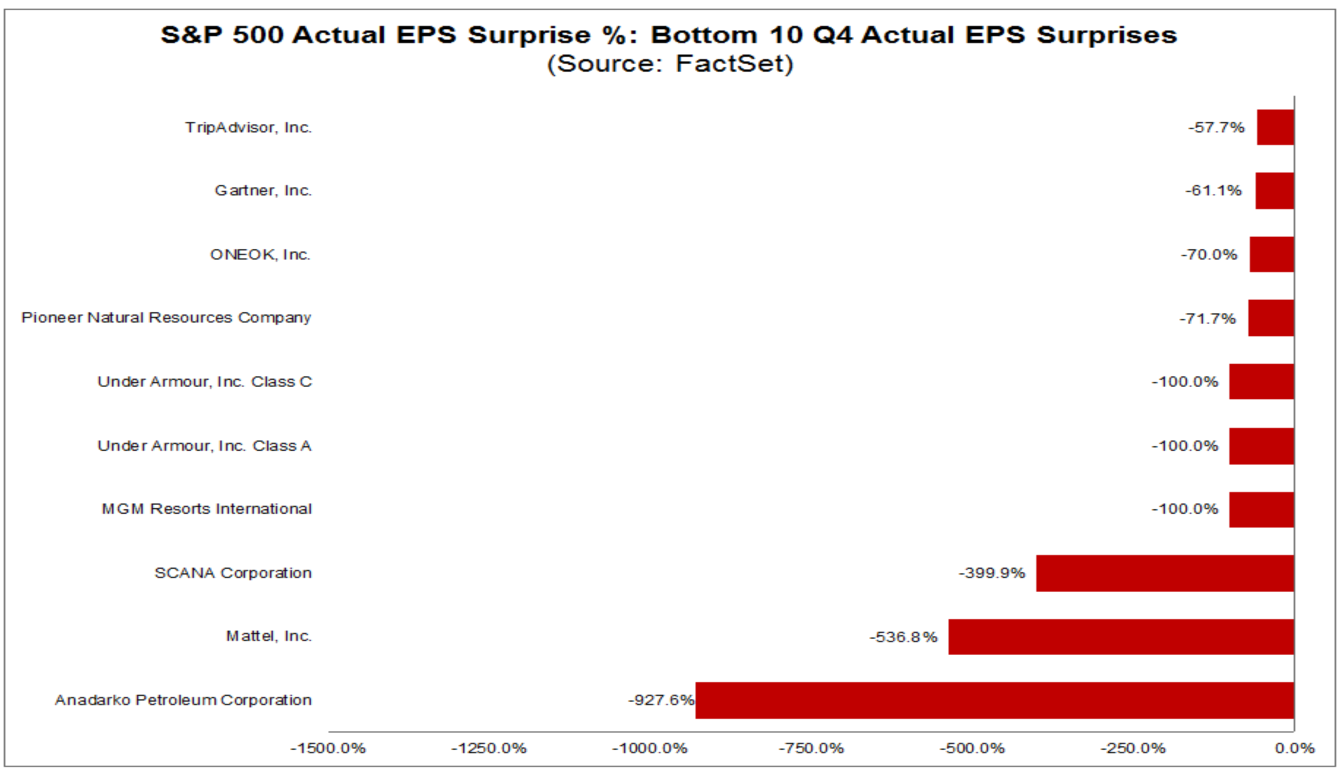
Q4 2017: Scorecard



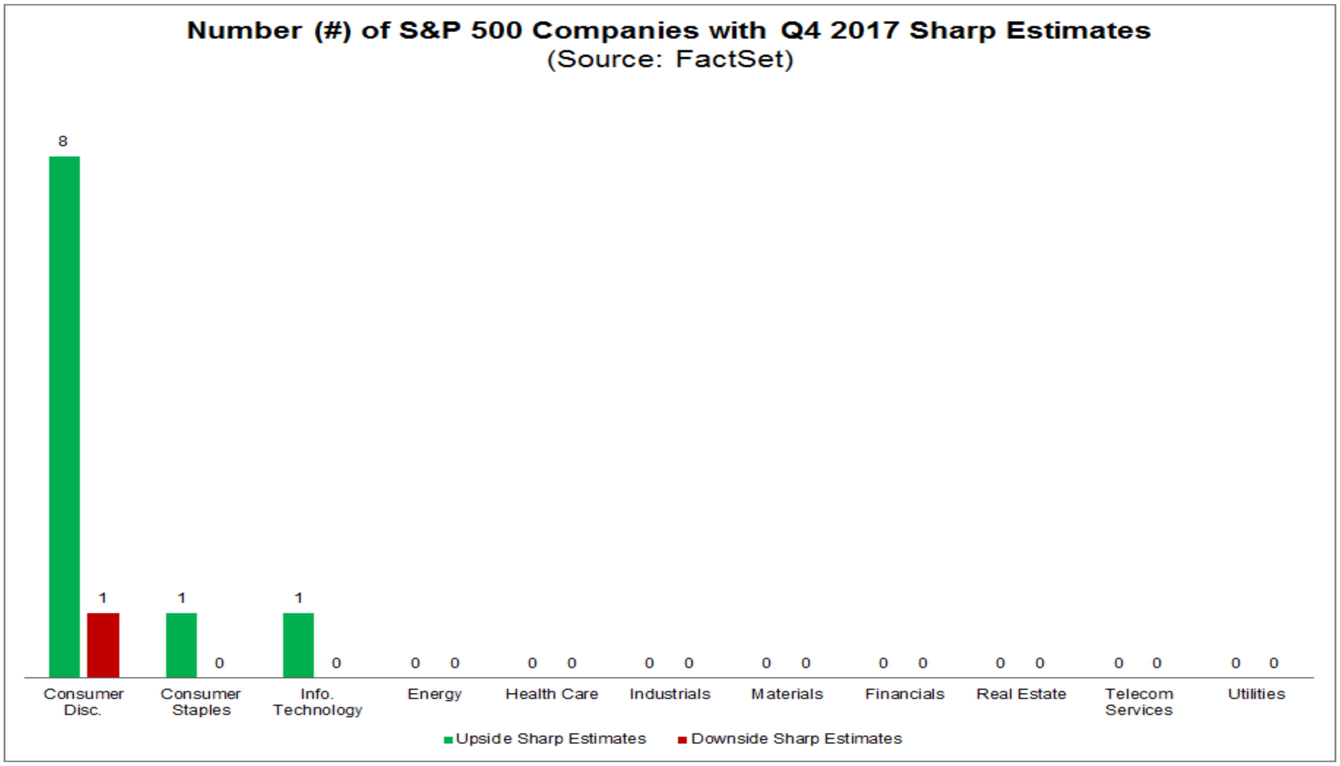


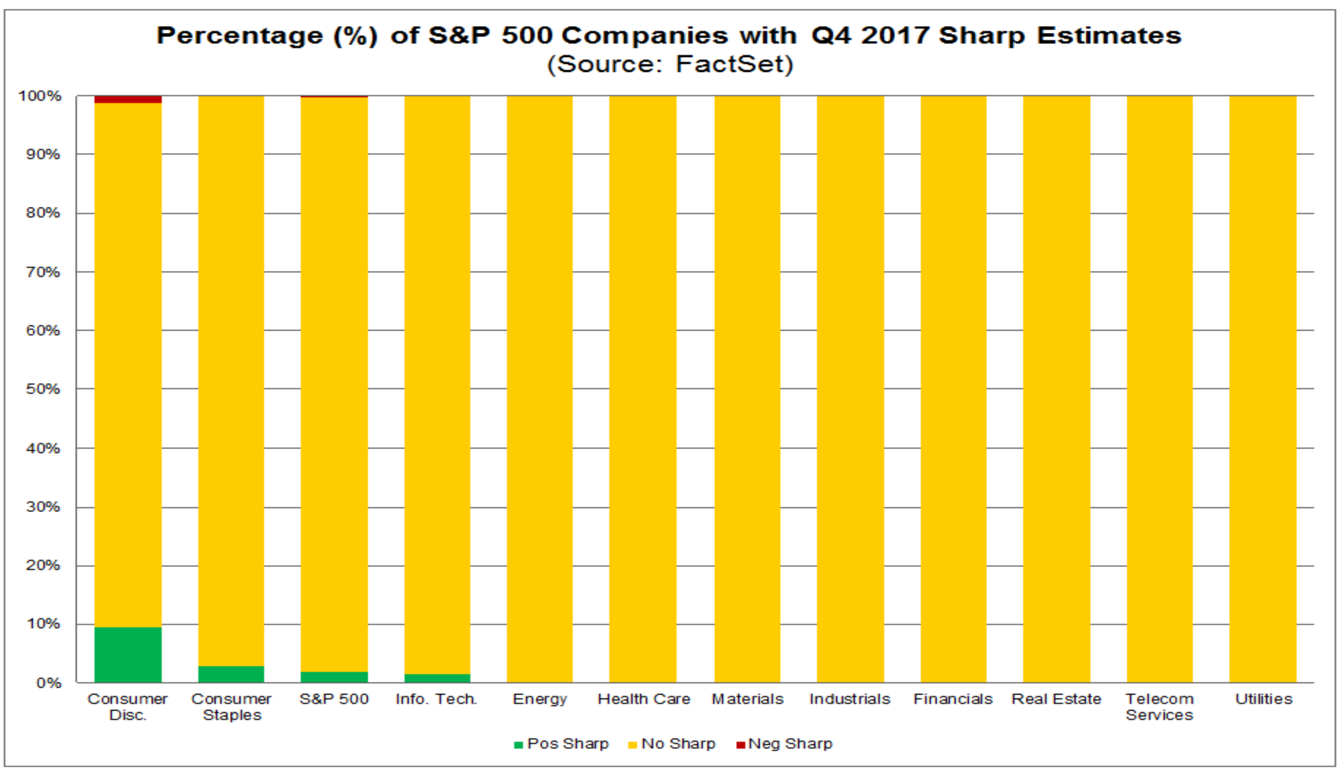
Q4 2017: Scorecard





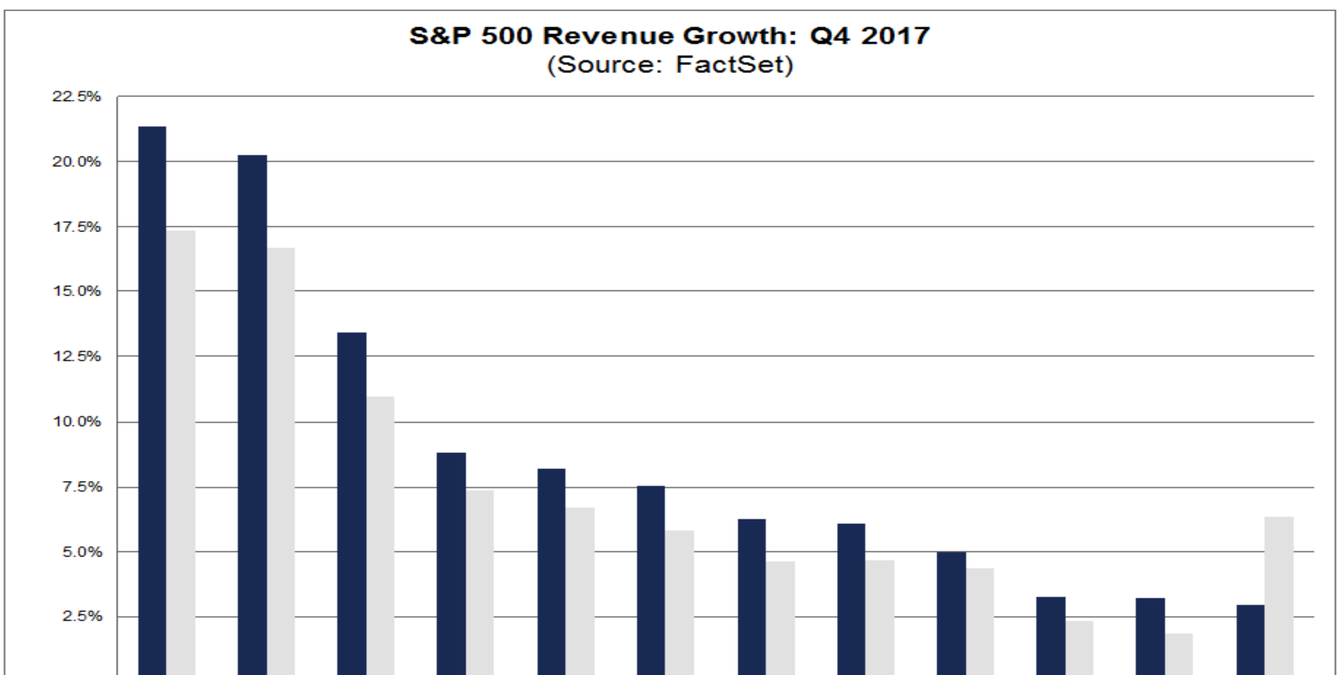
Q4 2017: Projected EPS Surprises (Sharp Estimates)





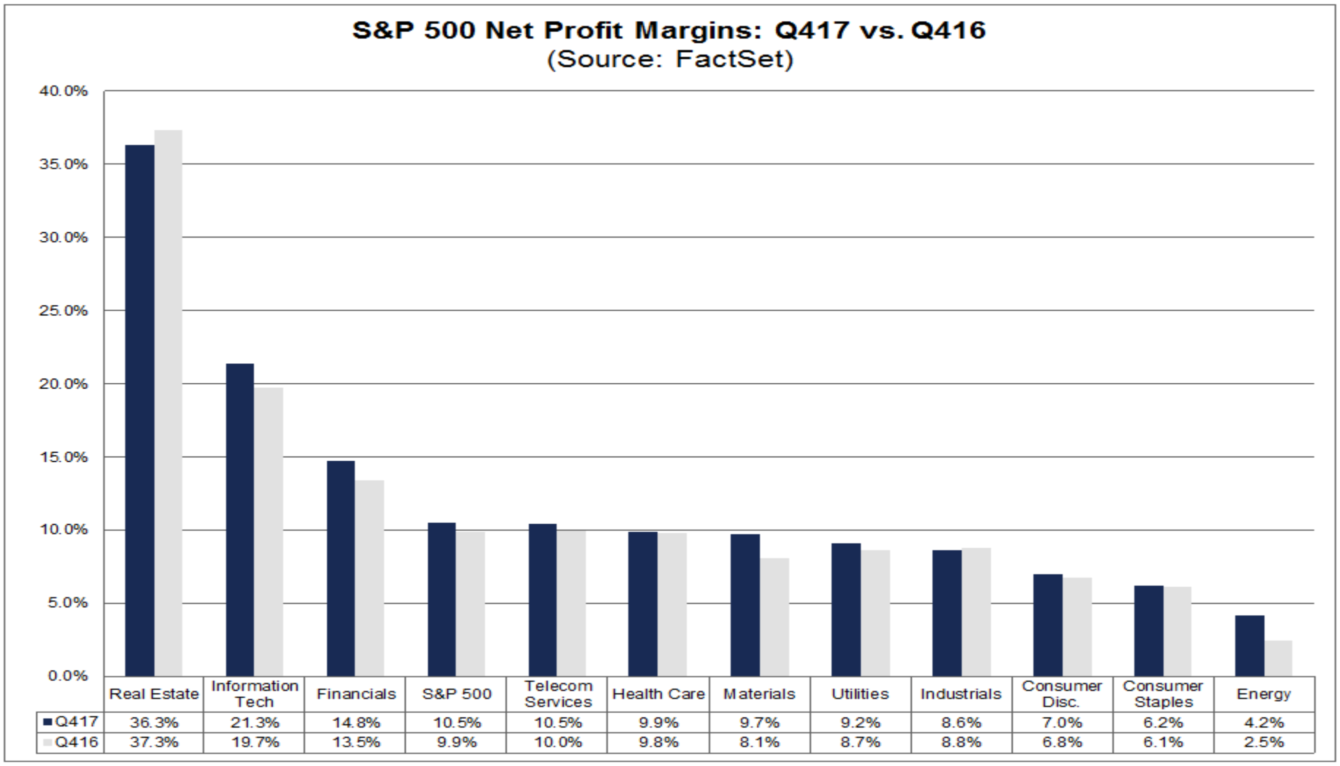
Q4 2017: Growth

	Energy	Materials	Info. Technology	S&P 500	Financials	Consumer Disc.	Utilities	Telecom Services	Health Care	Industrials	Consumer Staples	Real Estate
Today	105.1%	44.1%	22.5%	14.8%	13.4%	9.1%	8.9%	8.1%	7.4%	6.8%	6.6%	4.7%
31-Dec	132.1%	28.5%	16.4%	11.0%	11.9%	2.0%	11.8%	1.1%	3.3%	1.7%	4.9%	4.3%

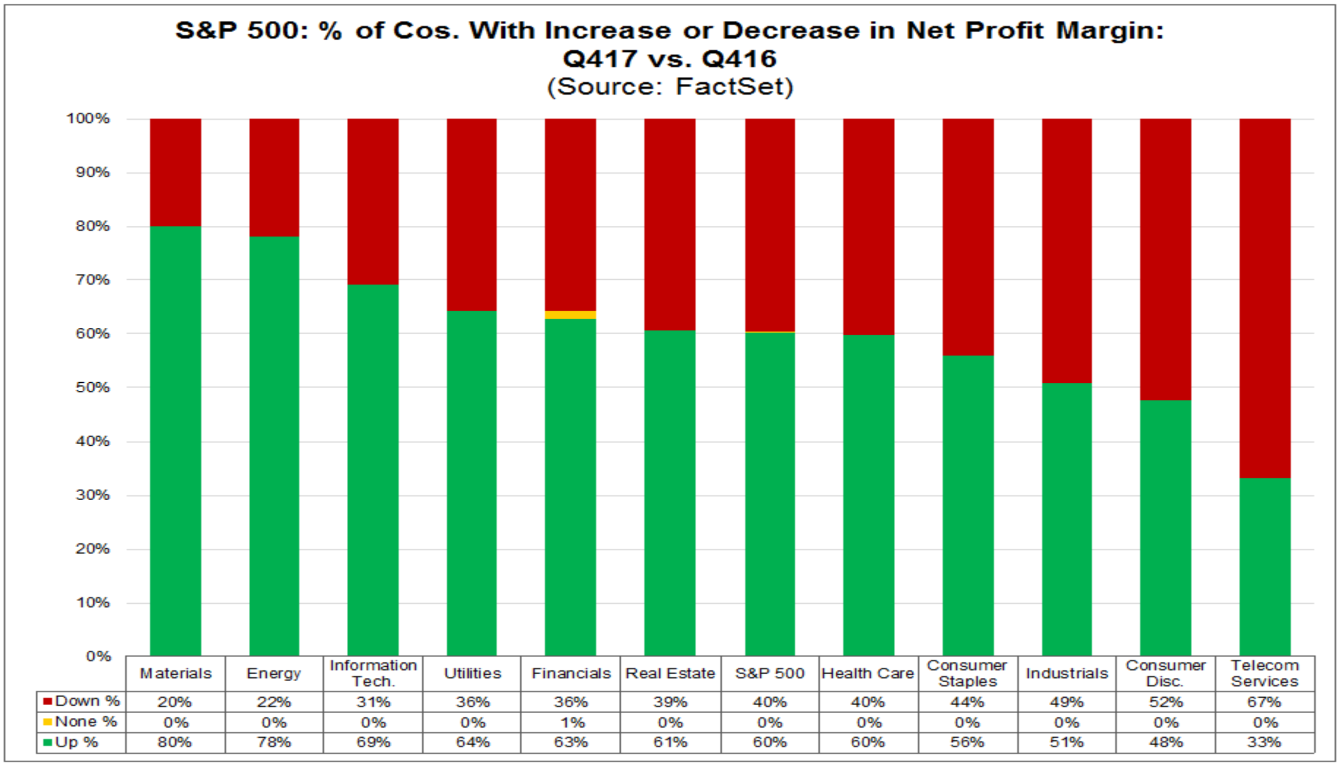


	Energy	Materials	Info. Technology	Industrials	S&P 500	Real Estate	Consumer Disc.	Health Care	Consumer Staples	Financials	Telecom Services	Utilities
Today	21.3%	20.2%	13.4%	8.8%	8.2%	7.5%	6.3%	6.1%	5.0%	3.3%	3.3%	3.0%
31-Dec	17.3%	16.7%	11.0%	7.4%	6.7%	5.8%	4.7%	4.7%	4.4%	2.4%	1.9%	6.4%

Q4 2017: Net Profit Margin

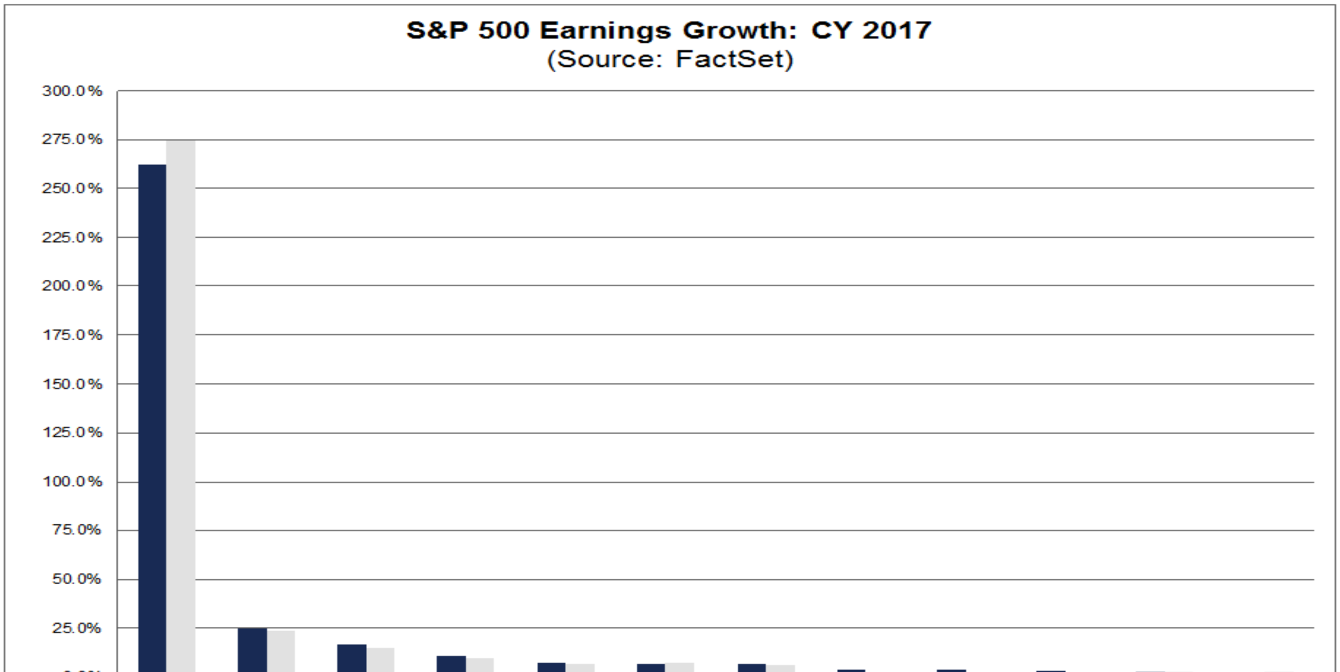


	Real Estate	Information Tech	Financials	S&P 500	Telecom Services	Health Care	Materials	Utilities	Industrials	Consumer Disc.	Consumer Staples	Energy
Q417	36.3%	21.3%	14.8%	10.5%	10.5%	9.9%	9.7%	9.2%	8.6%	7.0%	6.2%	4.2%
Q416	37.3%	19.7%	13.5%	9.9%	10.0%	9.8%	8.1%	8.7%	8.8%	6.8%	6.1%	2.5%

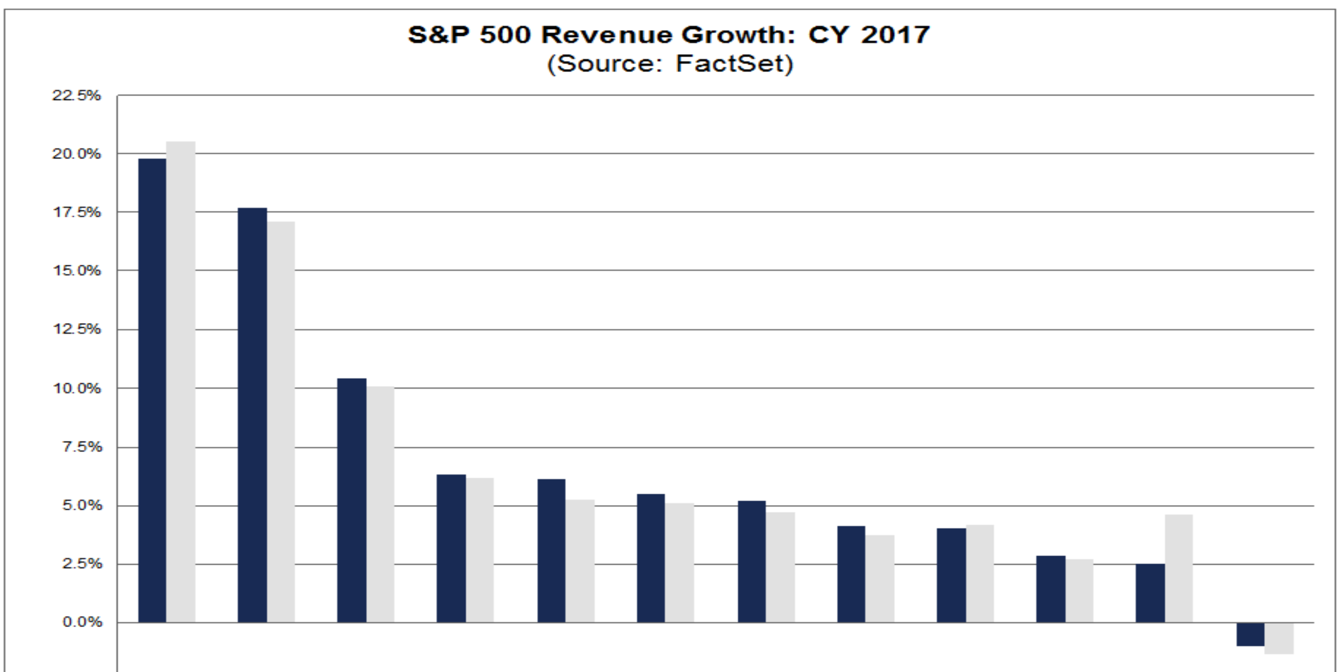


	Materials	Energy	Information Tech.	Utilities	Financials	Real Estate	S&P 500	Health Care	Consumer Staples	Industrials	Consumer Disc.	Telecom Services
Down %	20%	22%	31%	36%	36%	39%	40%	40%	44%	49%	52%	67%
None %	0%	0%	0%	0%	1%	0%	0%	0%	0%	0%	0%	0%
Up %	80%	78%	69%	64%	63%	61%	60%	60%	56%	51%	48%	33%

CY 2017: Growth

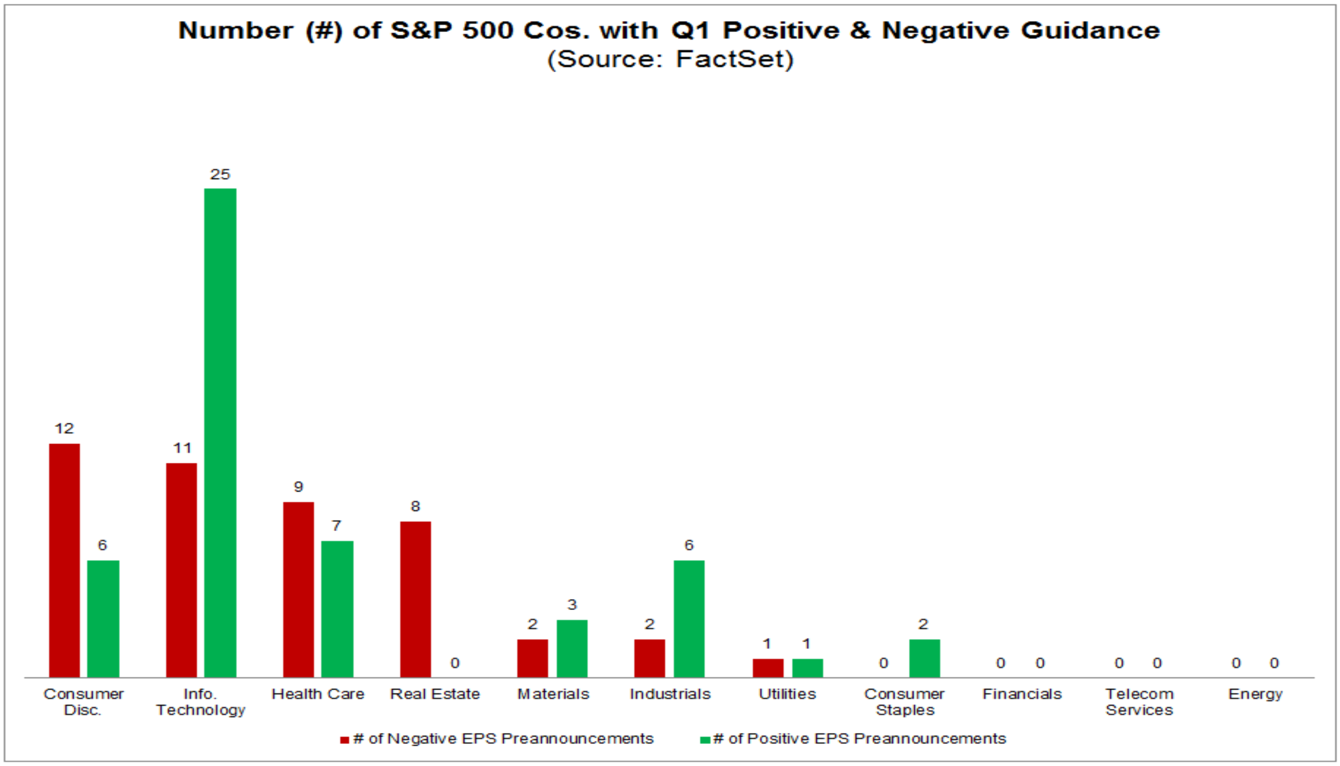


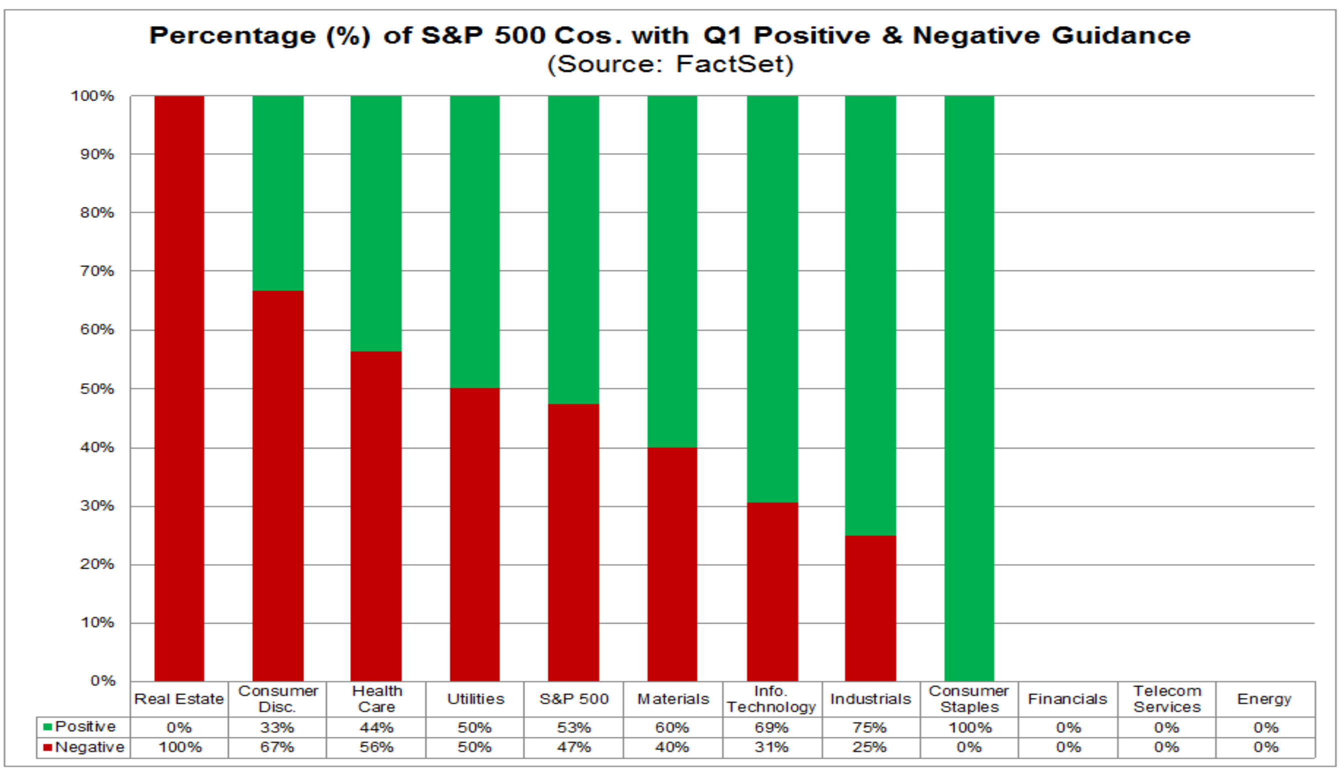
	Energy	Materials	Info. Technology	S&P 500	Real Estate	Financials	Health Care	Consumer Disc.	Industrials	Telecom Services	Consumer Staples	Utilities
Today	262.0%	25.2%	16.9%	10.8%	7.2%	6.9%	6.9%	3.8%	3.8%	3.1%	2.8%	2.2%
31-Dec	274.6%	23.5%	15.0%	9.8%	6.8%	7.1%	5.9%	2.1%	1.9%	1.3%	2.4%	2.4%



	Energy	Materials	Info. Technology	S&P 500	Real Estate	Health Care	Industrials	Consumer Disc.	Financials	Consumer Staples	Utilities	Telecom Services
Today	19.8%	17.7%	10.4%	6.3%	6.2%	5.5%	5.2%	4.1%	4.0%	2.9%	2.5%	-1.0%
31-Dec	20.5%	17.1%	10.1%	6.2%	5.3%	5.1%	4.7%	3.8%	4.2%	2.7%	4.6%	-1.4%

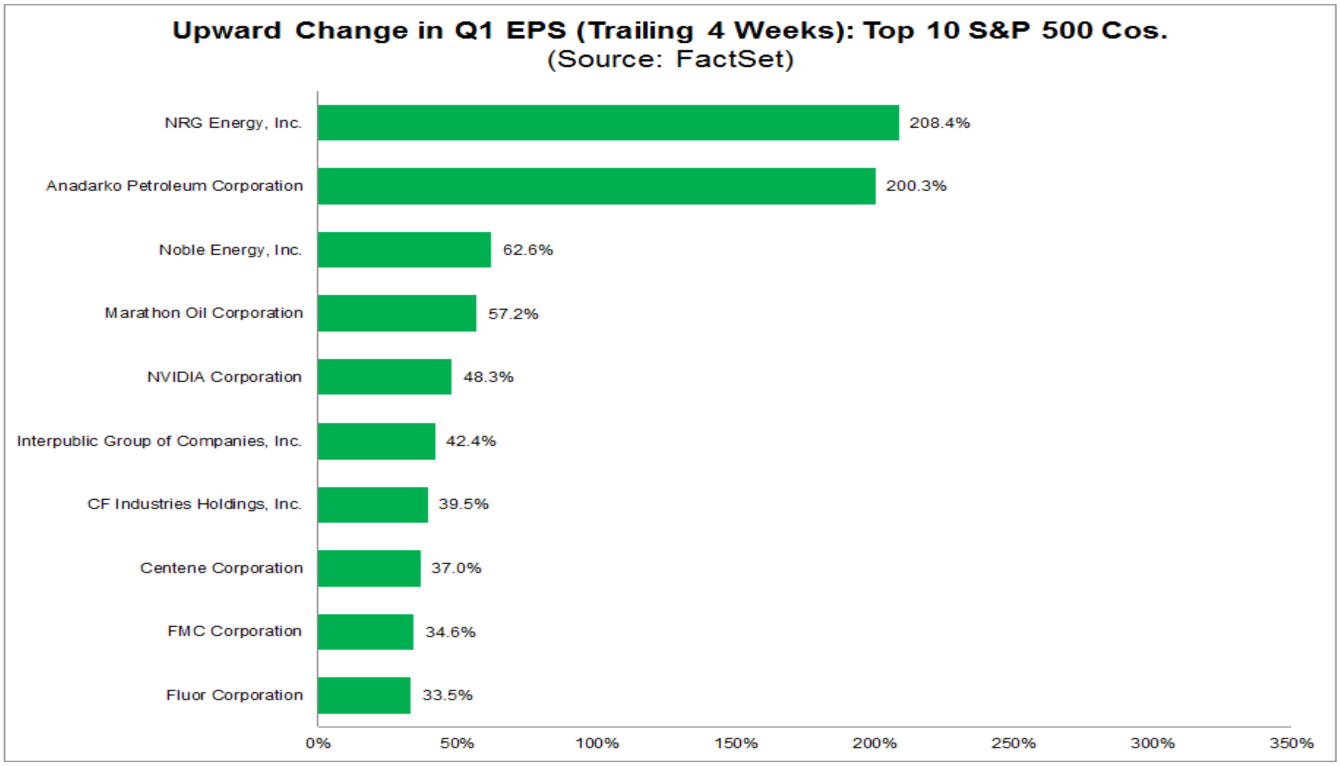
Q1 2018: Guidance

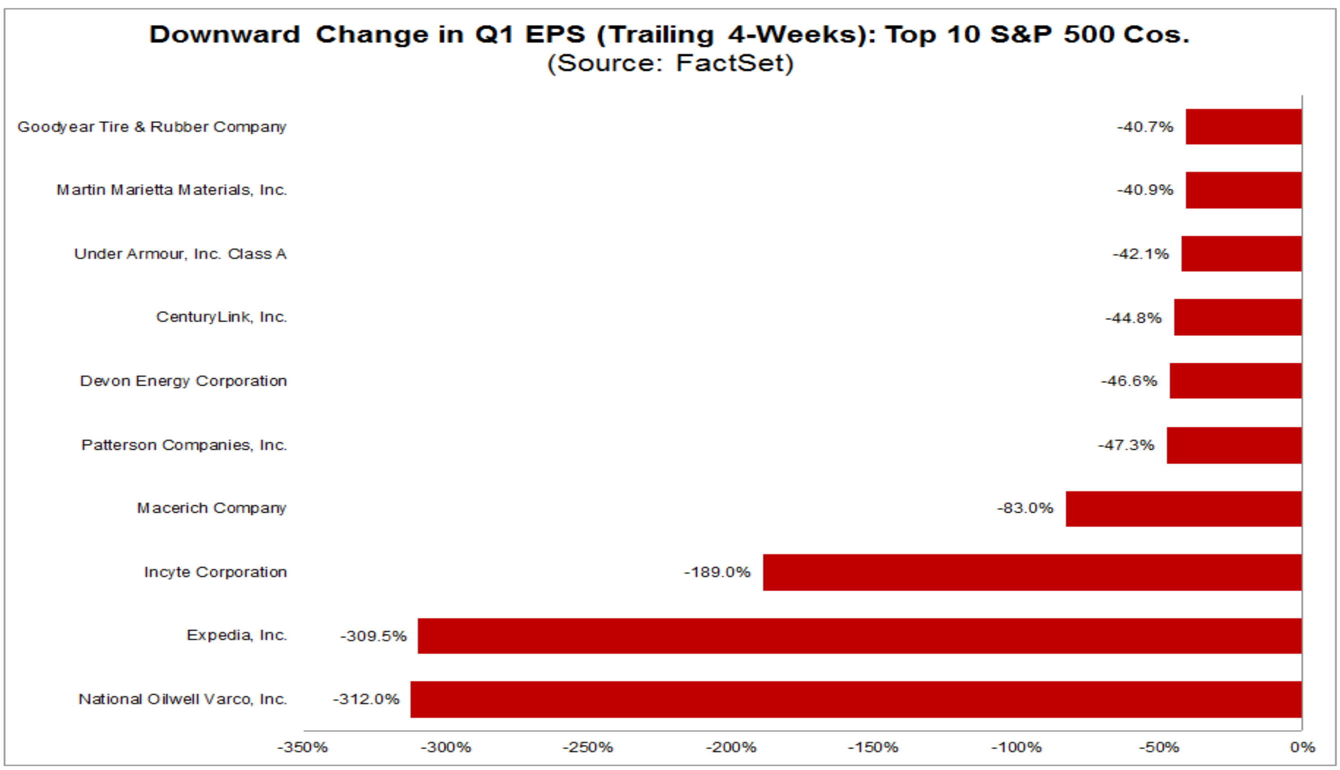




	Real Estate	Consumer Disc.	Health Care	Utilities	S&P 500	Materials	Info. Technology	Industrials	Consumer Staples	Financials	Telecom Services	Energy
Positive	0%	33%	44%	50%	53%	60%	69%	75%	100%	0%	0%	0%
Negative	100%	67%	56%	50%	47%	40%	31%	25%	0%	0%	0%	0%

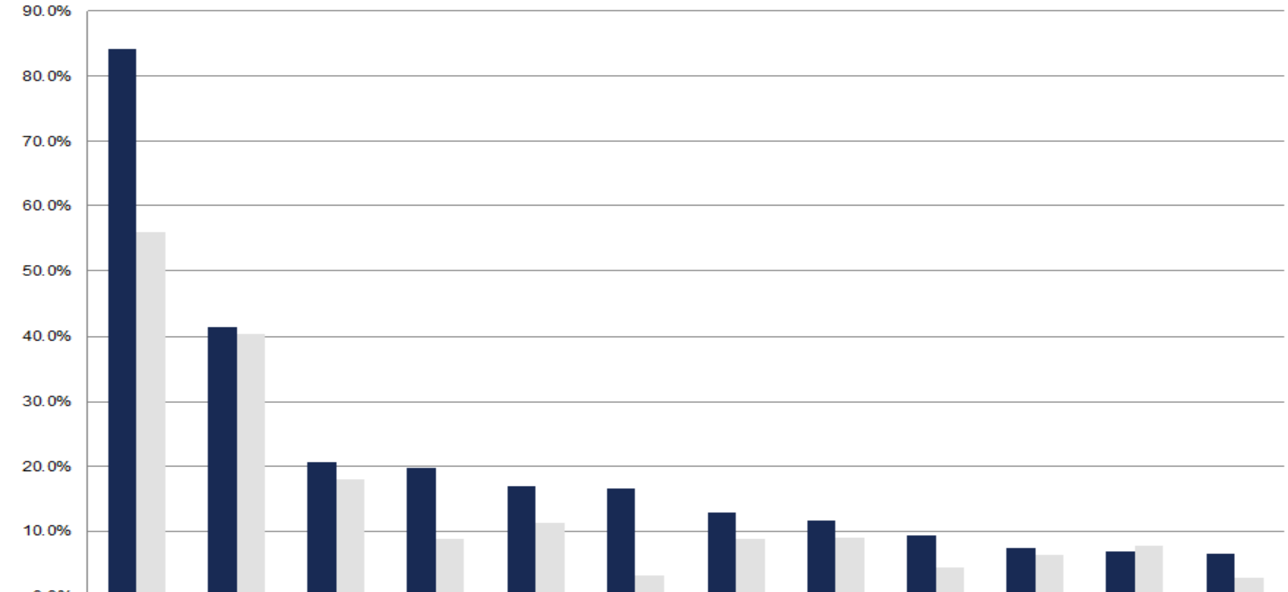
Q1 2018: EPS Revisions





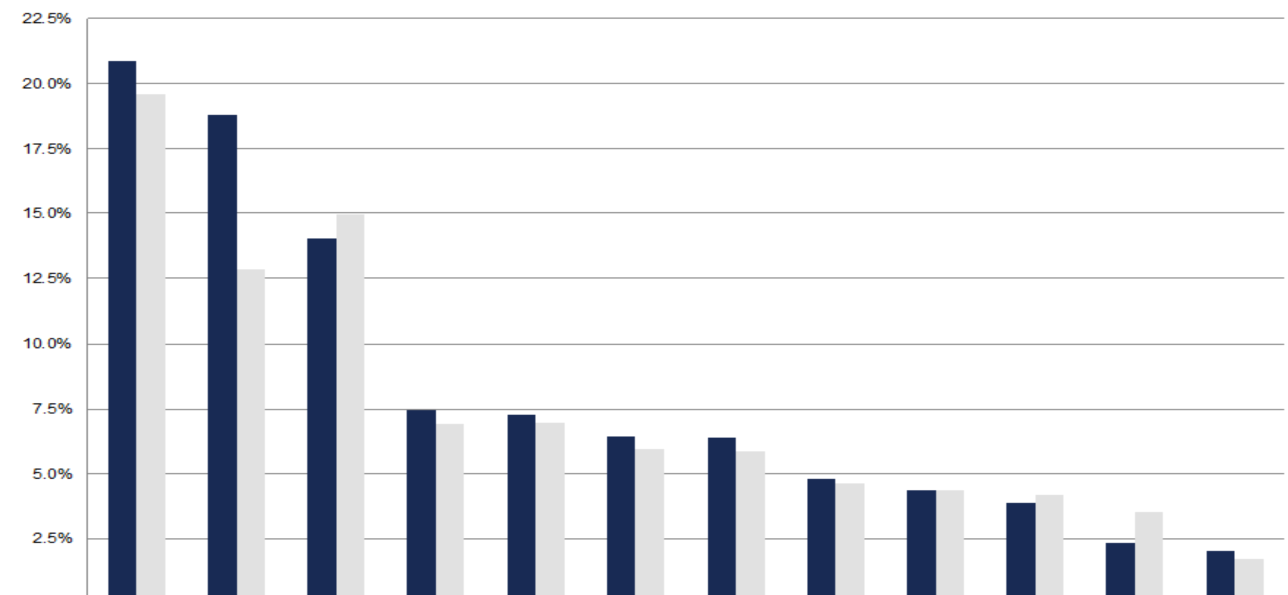
Q1 2018: Growth

S&P 500 Earnings Growth: Q1 2018
(Source: FactSet)



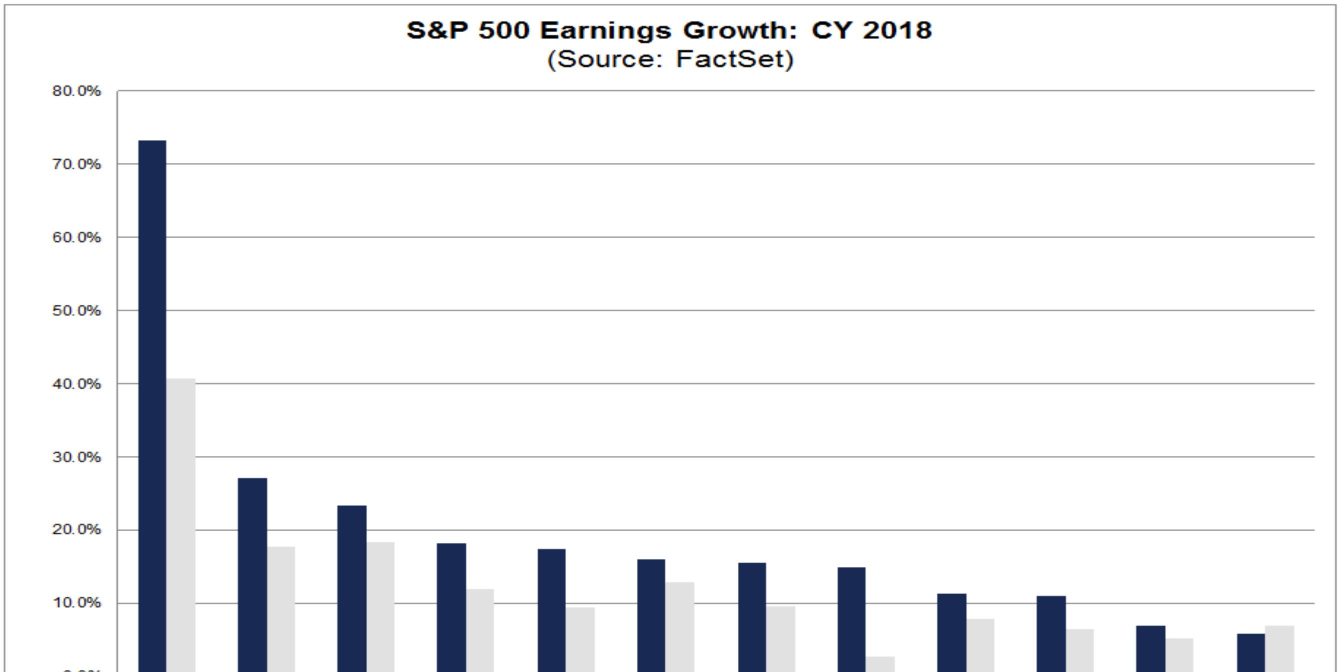
	Energy	Materials	Info. Technology	Financials	S&P 500	Telecom Services	Industrials	Utilities	Health Care	Consumer Staples	Real Estate	Consumer Disc.
Today	84.1%	41.4%	20.7%	19.9%	17.0%	16.6%	12.9%	11.8%	9.5%	7.5%	6.9%	6.6%
31-Dec	55.9%	40.5%	18.0%	8.9%	11.3%	3.2%	8.9%	9.2%	4.6%	6.5%	7.8%	2.9%

S&P 500 Revenue Growth: Q1 2018
(Source: FactSet)

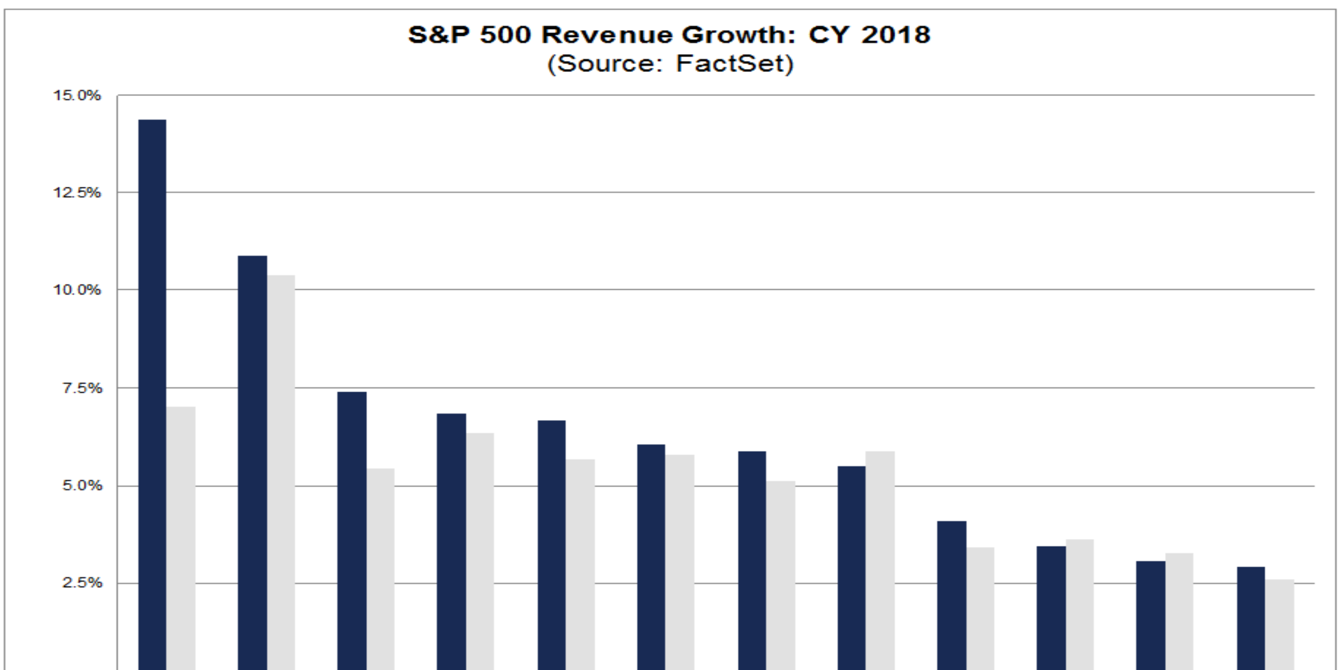


	Materials	Energy	Info. Technology	S&P 500	Industrials	Health Care	Real Estate	Consumer Disc.	Telecom Services	Consumer Staples	Utilities	Financials
Today	20.9%	18.8%	14.0%	7.5%	7.3%	6.5%	6.4%	4.8%	4.4%	3.9%	2.3%	2.0%
31-Dec	19.6%	12.8%	15.0%	6.9%	7.0%	6.0%	5.9%	4.6%	4.4%	4.2%	3.5%	1.7%

CY 2018: Growth

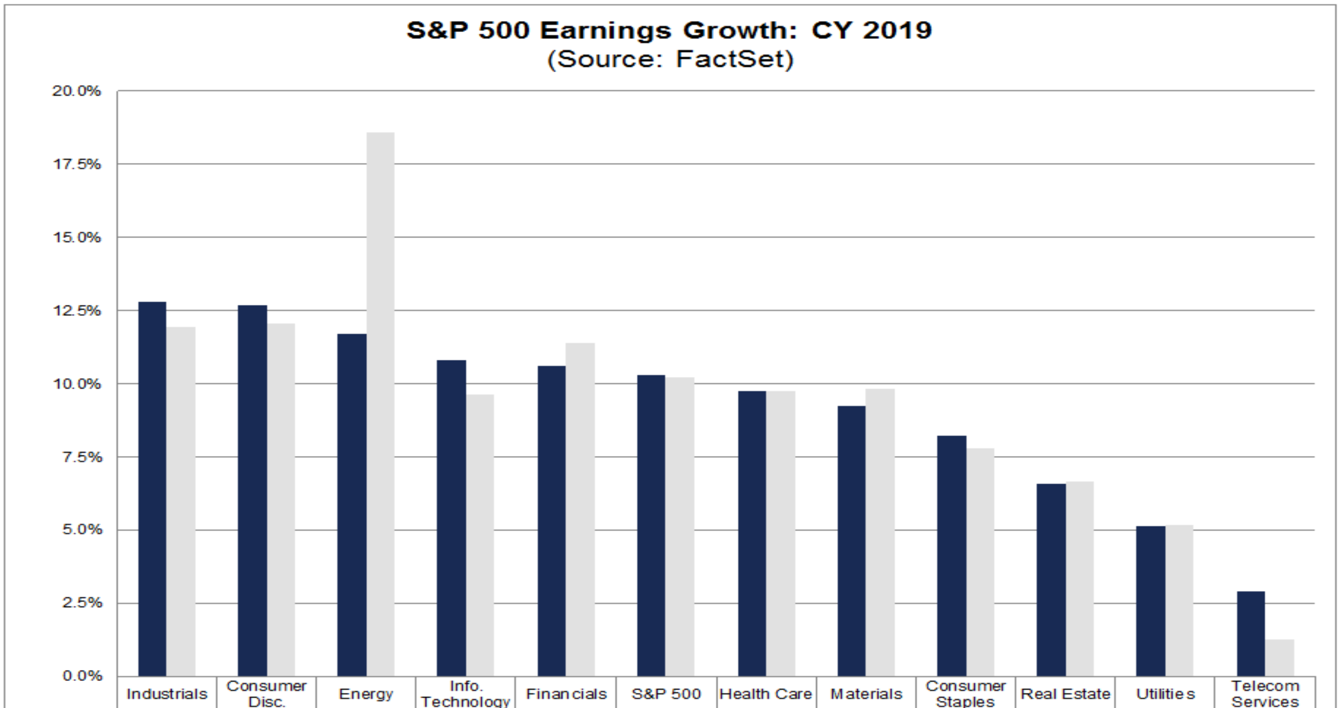


	Energy	Financials	Materials	S&P 500	Industrials	Info. Technology	Consumer Disc.	Telecom Services	Consumer Staples	Health Care	Utilities	Real Estate
Today	73.3%	27.2%	23.4%	18.3%	17.4%	16.1%	15.5%	14.9%	11.4%	11.0%	7.0%	5.9%
31-Dec	40.7%	17.7%	18.4%	12.0%	9.4%	12.8%	9.6%	2.7%	7.9%	6.5%	5.3%	7.0%

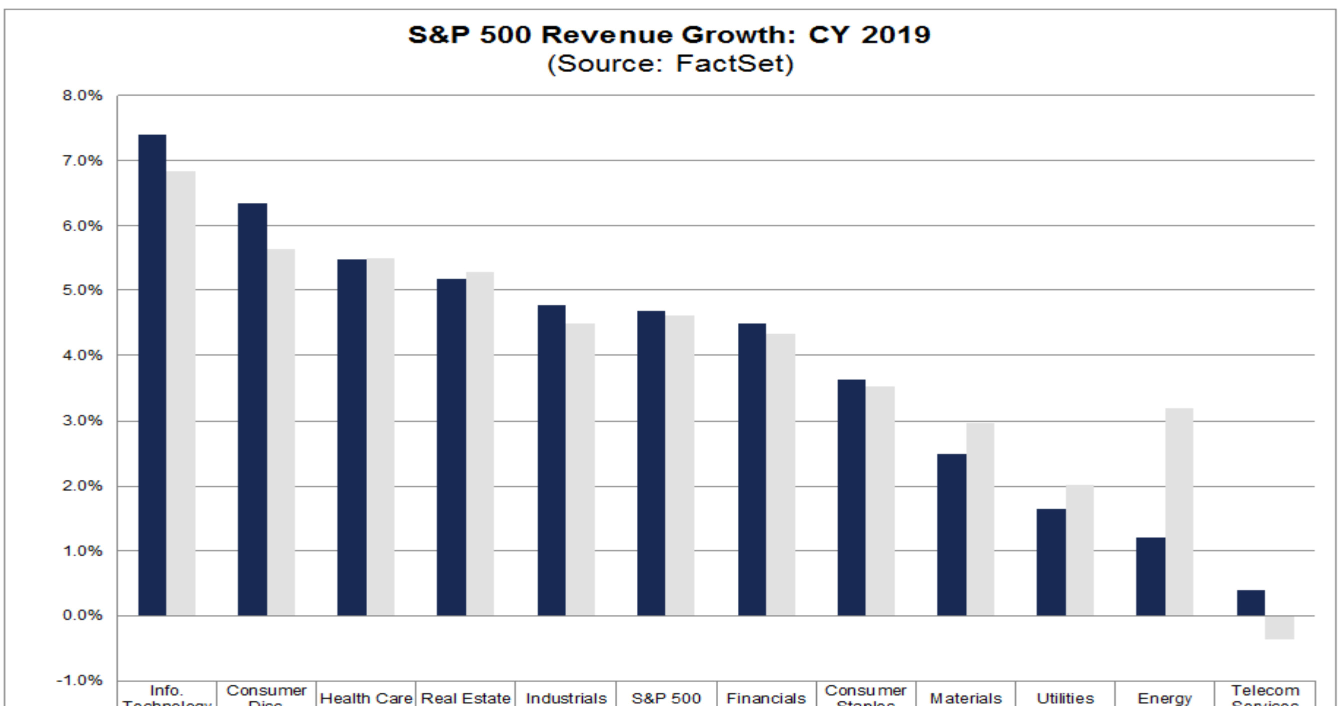


	Energy	Info. Technology	Materials	Consumer Disc.	S&P 500	Health Care	Industrials	Real Estate	Financials	Consumer Staples	Utilities	Telecom Services
Today	14.4%	10.9%	7.4%	6.8%	6.7%	6.1%	5.9%	5.5%	4.1%	3.5%	3.1%	2.9%
31-Dec	7.0%	10.4%	5.5%	6.3%	5.7%	5.8%	5.1%	5.9%	3.4%	3.6%	3.3%	2.6%

CY 2019: Growth

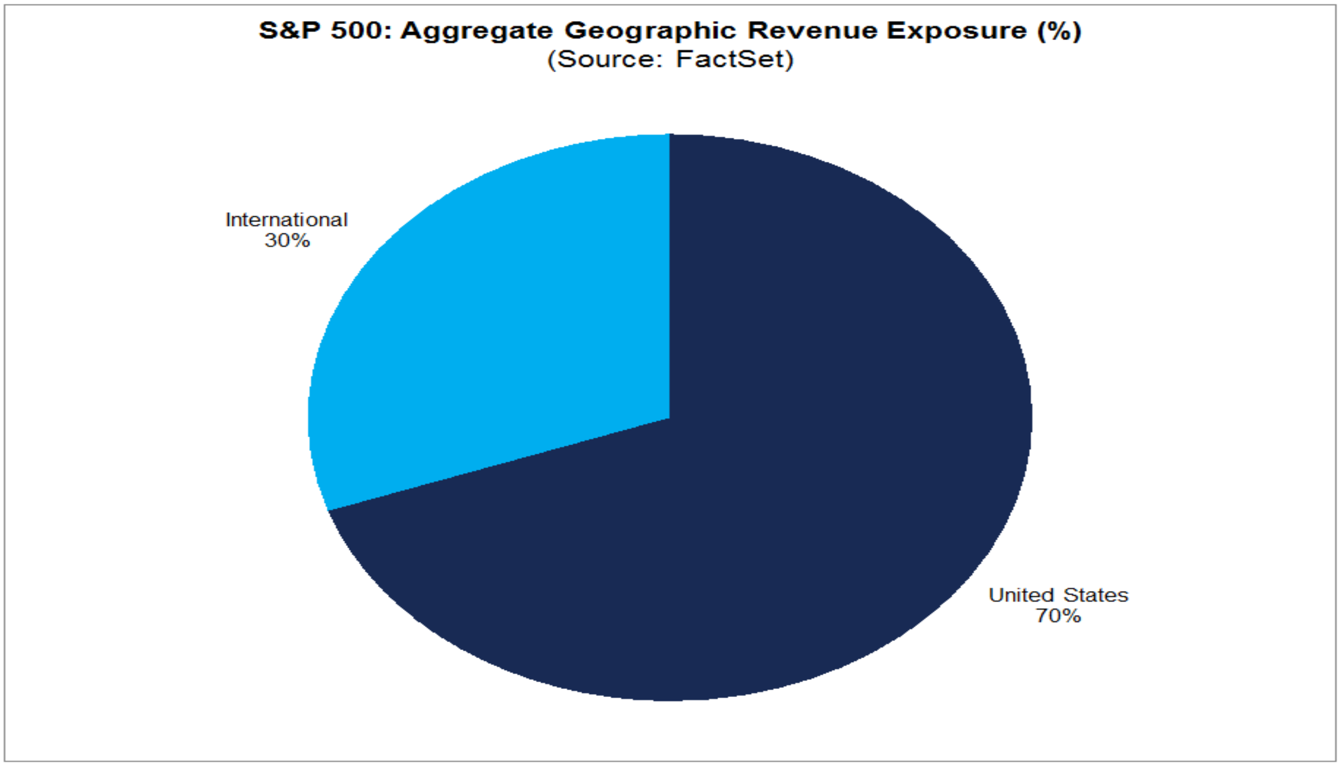


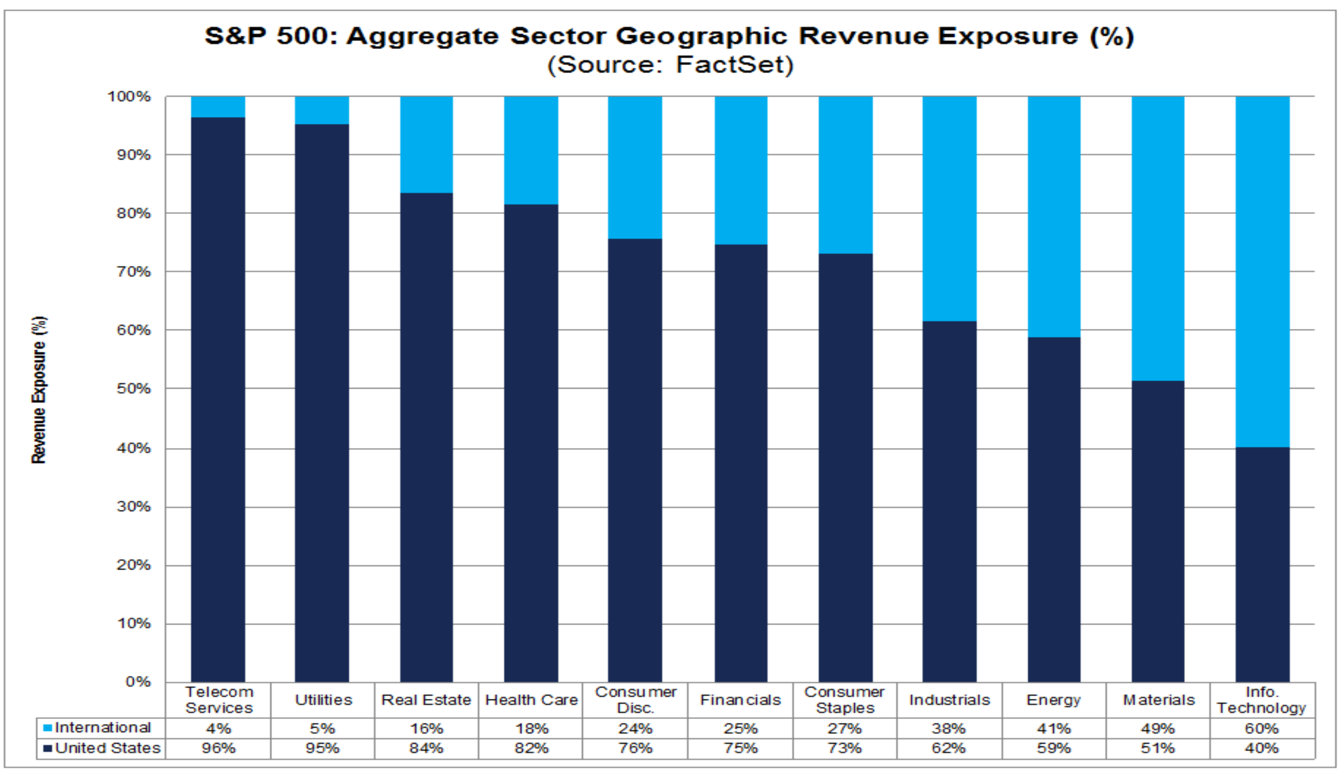
	Industrials	Consumer Disc.	Energy	Info. Technology	Financials	S&P 500	Health Care	Materials	Consumer Staples	Real Estate	Utilities	Telecom Services
Today	12.8%	12.7%	11.7%	10.8%	10.6%	10.3%	9.7%	9.2%	8.2%	6.6%	5.1%	2.9%
31-Dec	11.9%	12.0%	18.6%	9.6%	11.4%	10.2%	9.7%	9.8%	7.8%	6.7%	5.2%	1.3%



	Info. Technology	Consumer Disc.	Health Care	Real Estate	Industrials	S&P 500	Financials	Consumer Staples	Materials	Utilities	Energy	Telecom Services
Today	7.4%	6.3%	5.5%	5.2%	4.8%	4.7%	4.5%	3.6%	2.5%	1.6%	1.2%	0.4%
31-Dec	6.8%	5.6%	5.5%	5.3%	4.5%	4.6%	4.3%	3.5%	3.0%	2.0%	3.2%	-0.4%

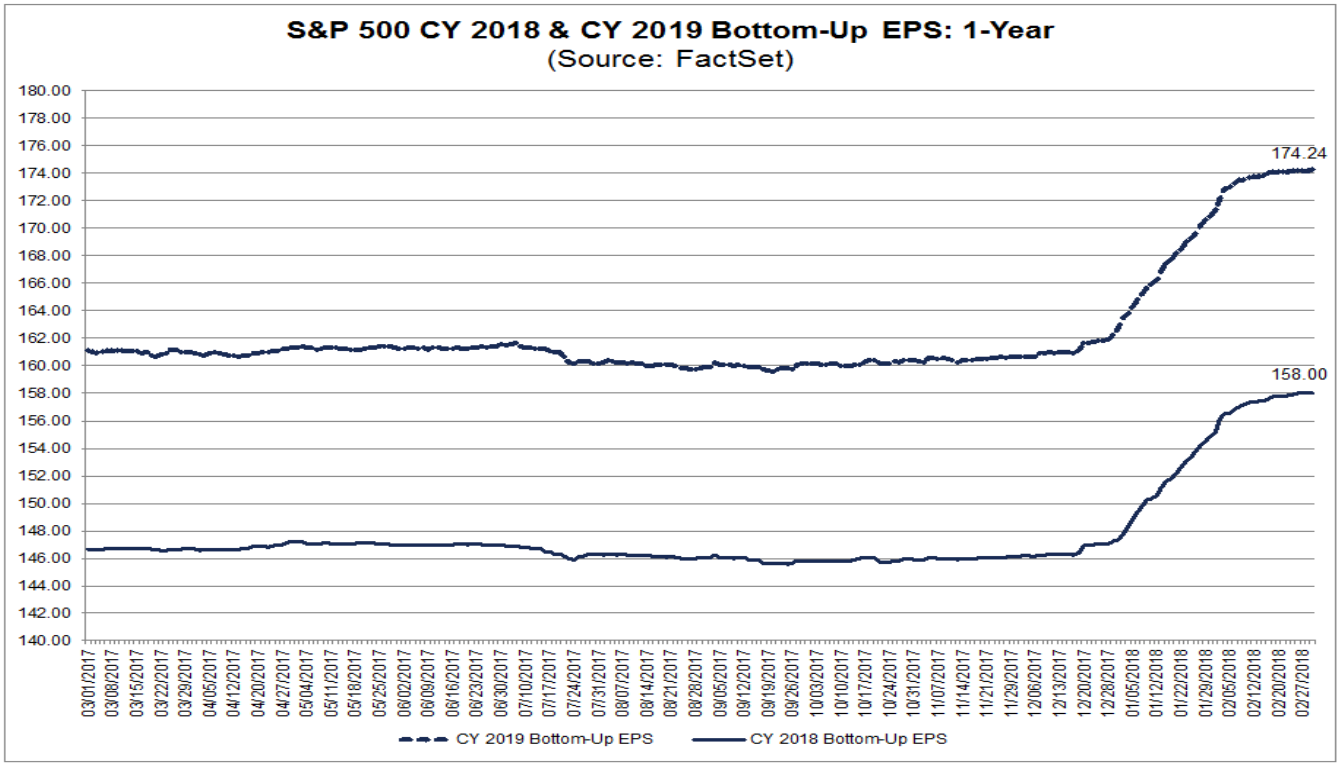
Geographic Revenue Exposure

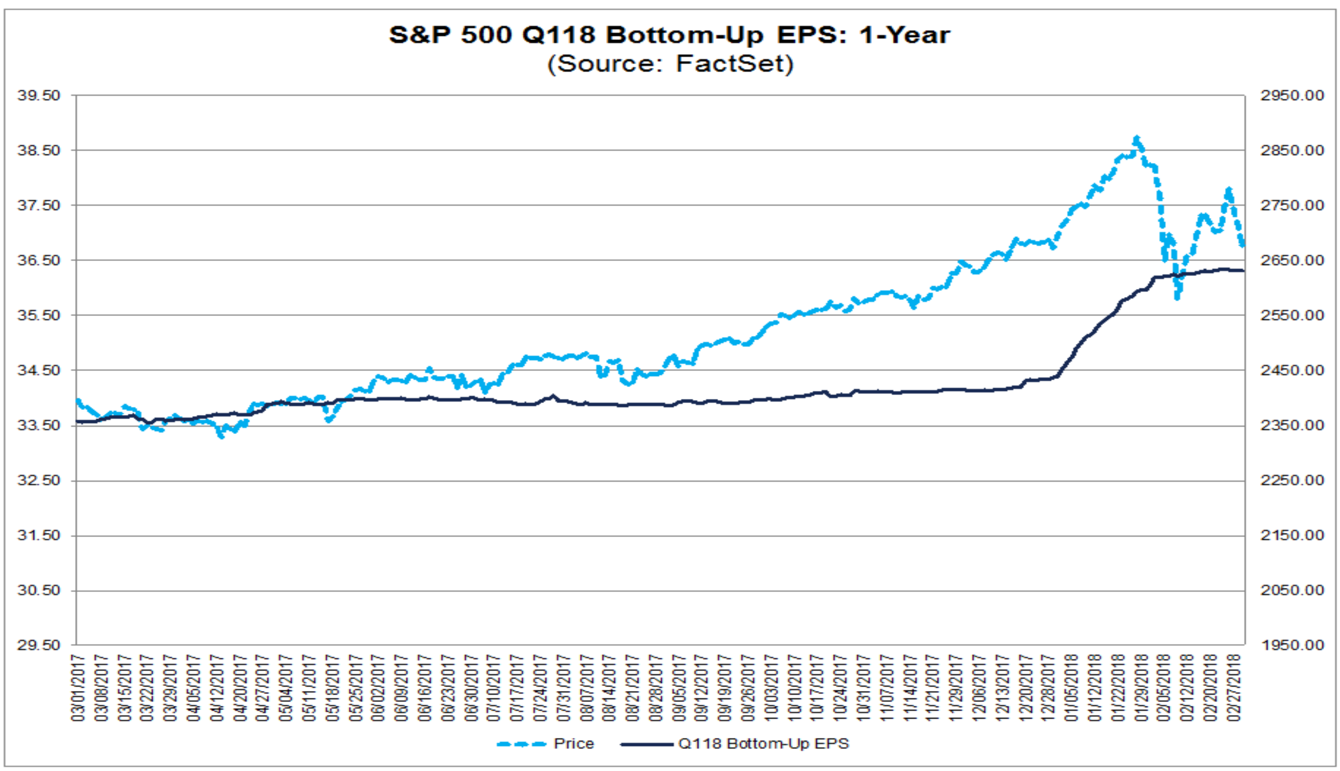




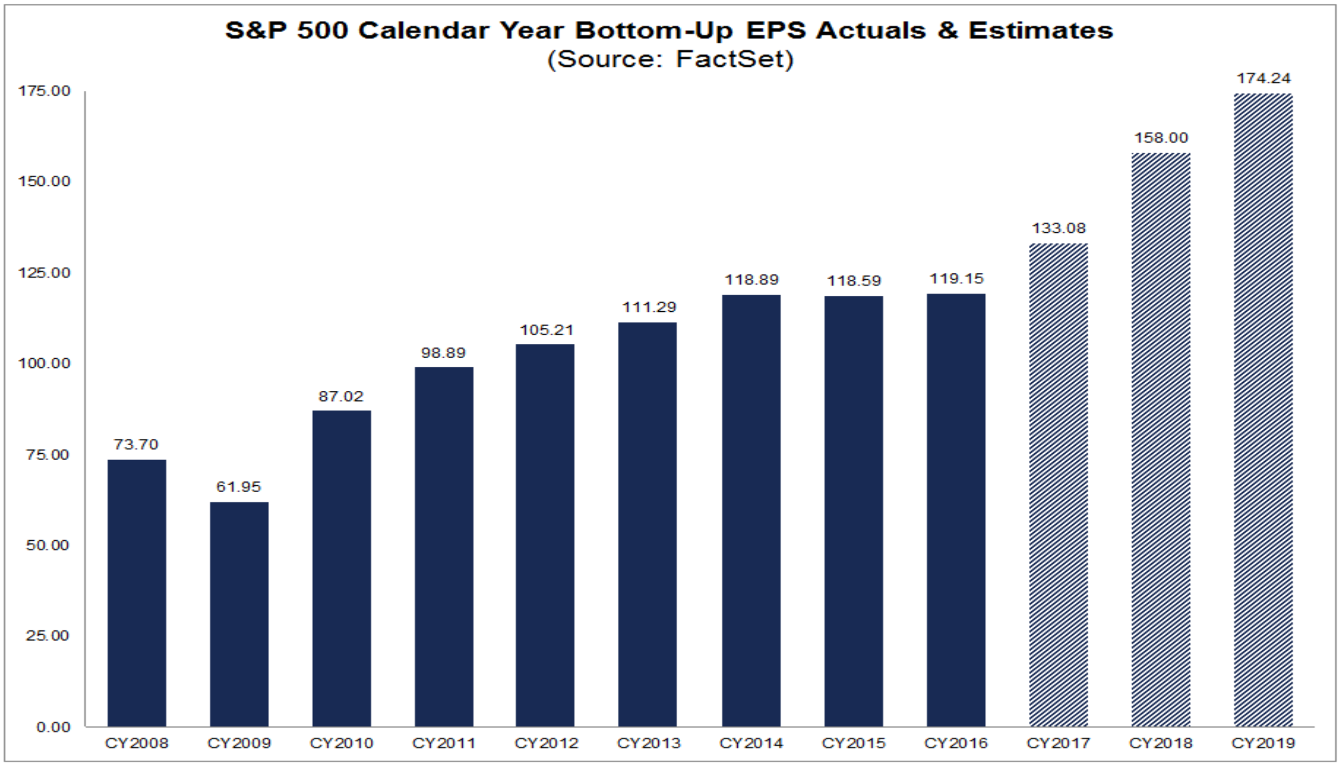
	Telecom Services	Utilities	Real Estate	Health Care	Consumer Disc.	Financials	Consumer Staples	Industrials	Energy	Materials	Info. Technology
International	4%	5%	16%	18%	24%	25%	27%	38%	41%	49%	60%
United States	96%	95%	84%	82%	76%	75%	73%	62%	59%	51%	40%

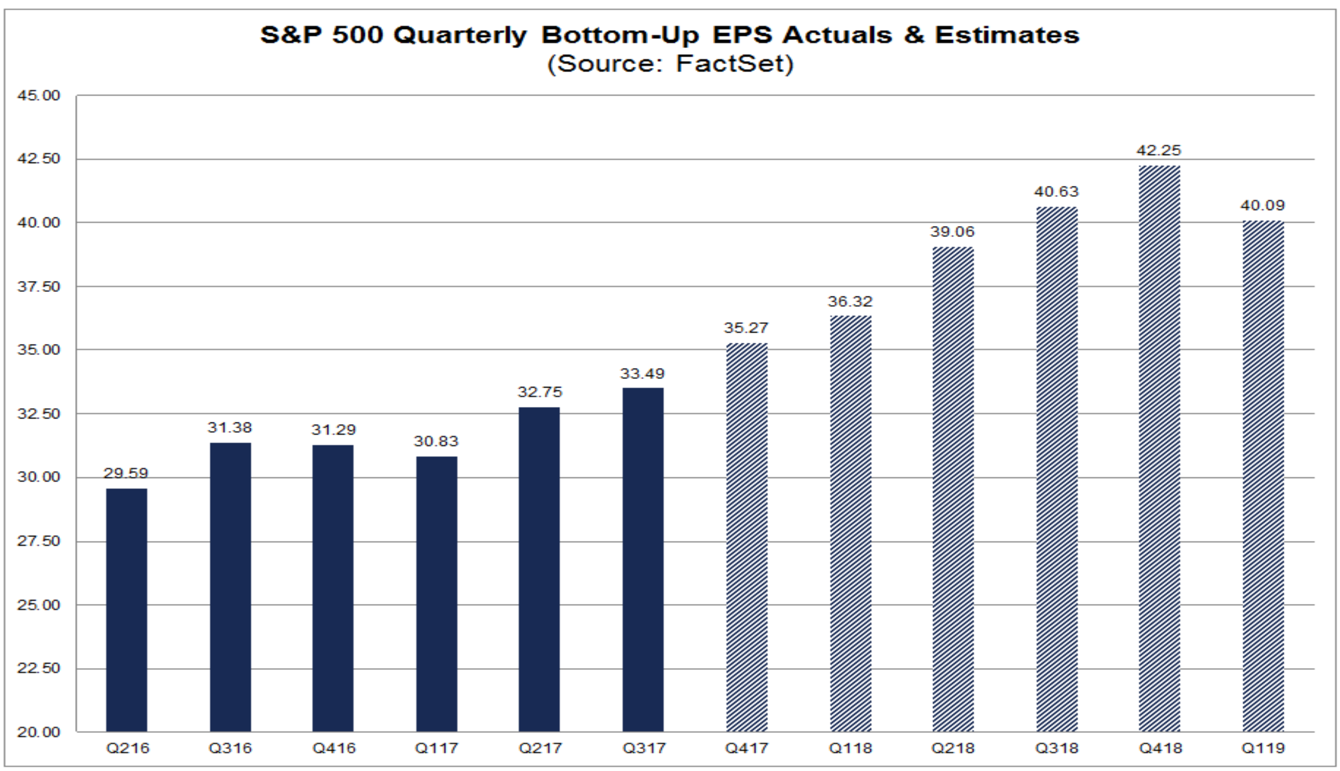
Bottom-up EPS Estimates: Revisions



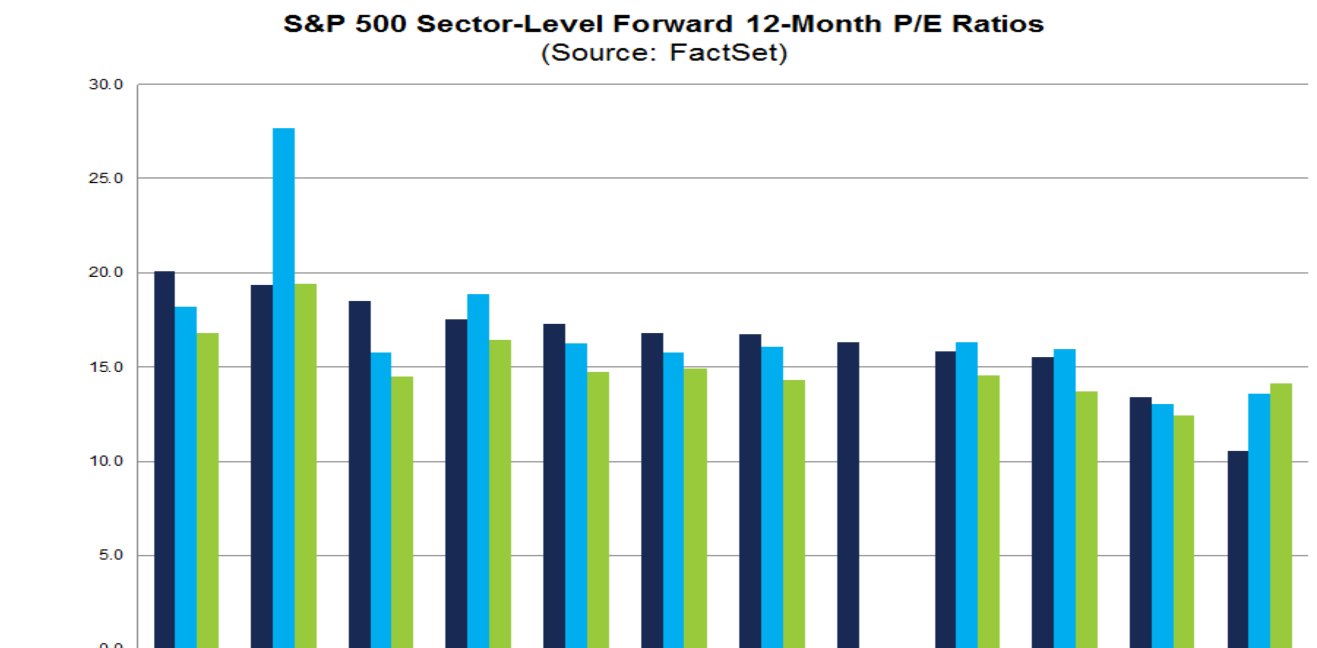


Bottom-up EPS Estimates: Current & Historical

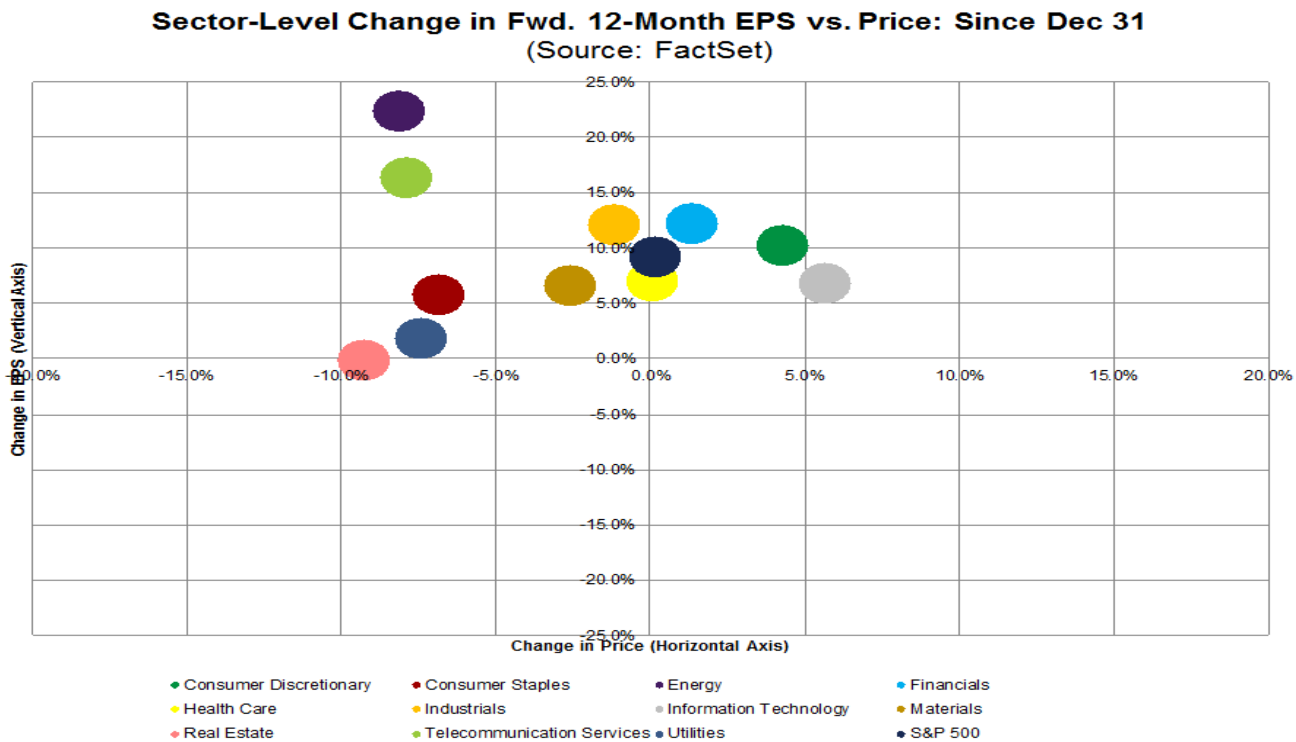




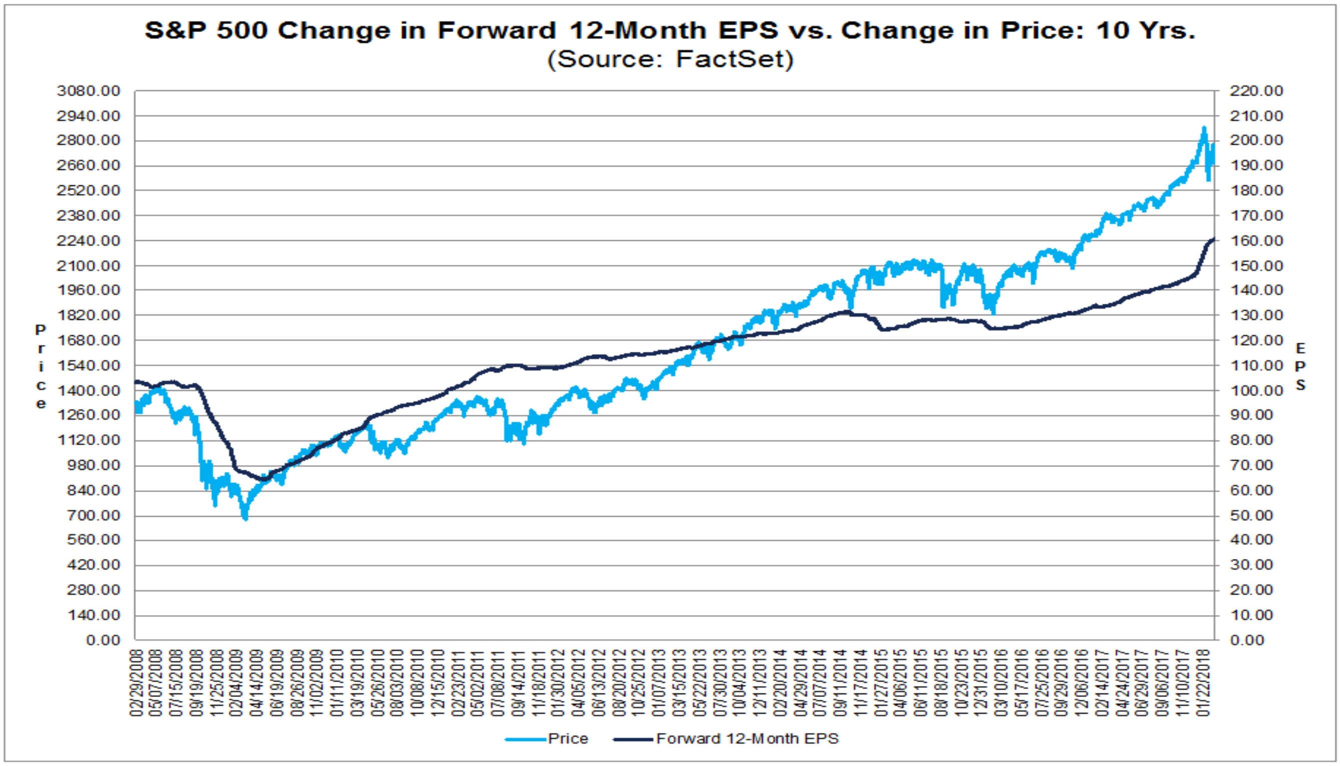
Forward 12M P/E Ratio: Sector Level

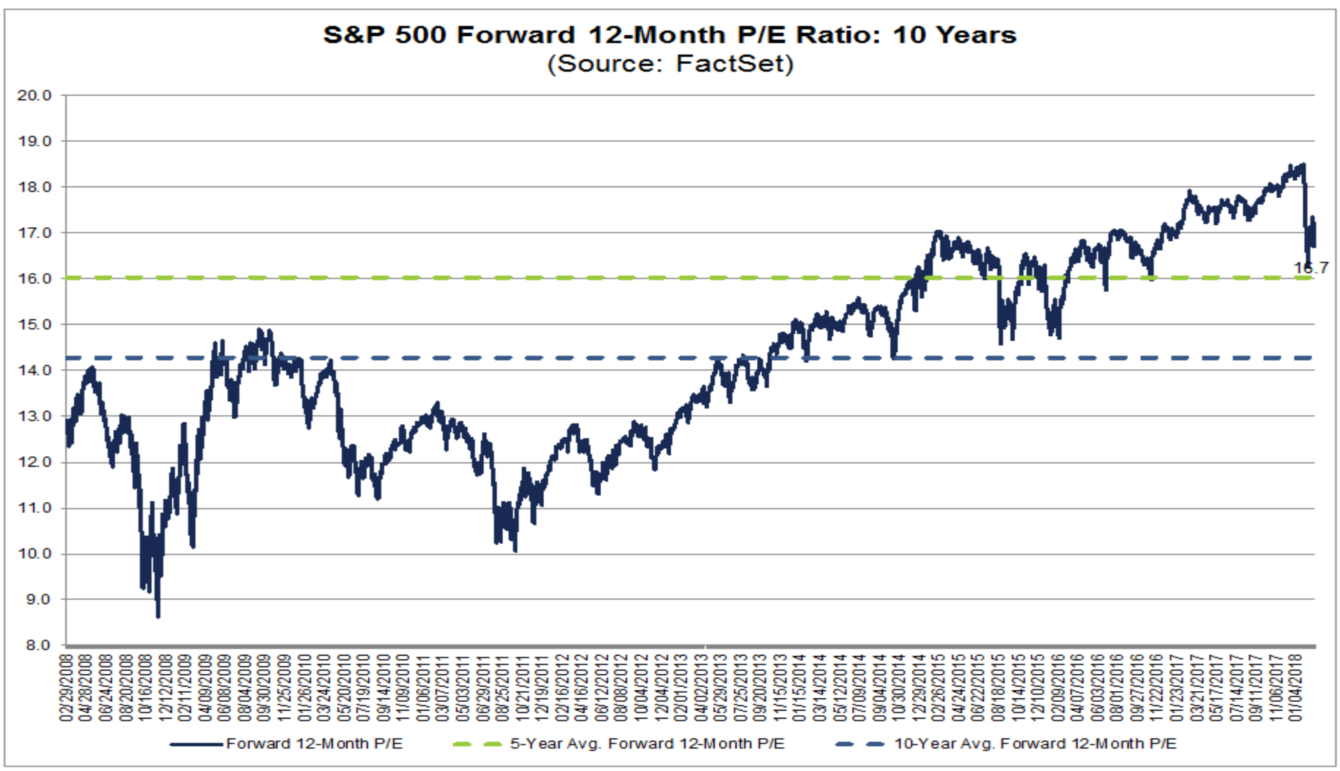


	Consumer Disc.	Energy	Info. Technology	Consumer Staples	Industrials	Materials	S&P 500	Real Estate	Utilities	Health Care	Financials	Telecom Services
Fwd P/E	20.1	19.3	18.5	17.5	17.3	16.8	16.7	16.3	15.8	15.5	13.4	10.5
5-Yr Avg.	18.2	27.7	15.7	18.8	16.2	15.8	16.0		16.3	15.9	13.0	13.6
10-Yr Avg.	16.8	19.4	14.4	16.4	14.7	14.9	14.3		14.5	13.7	12.4	14.1

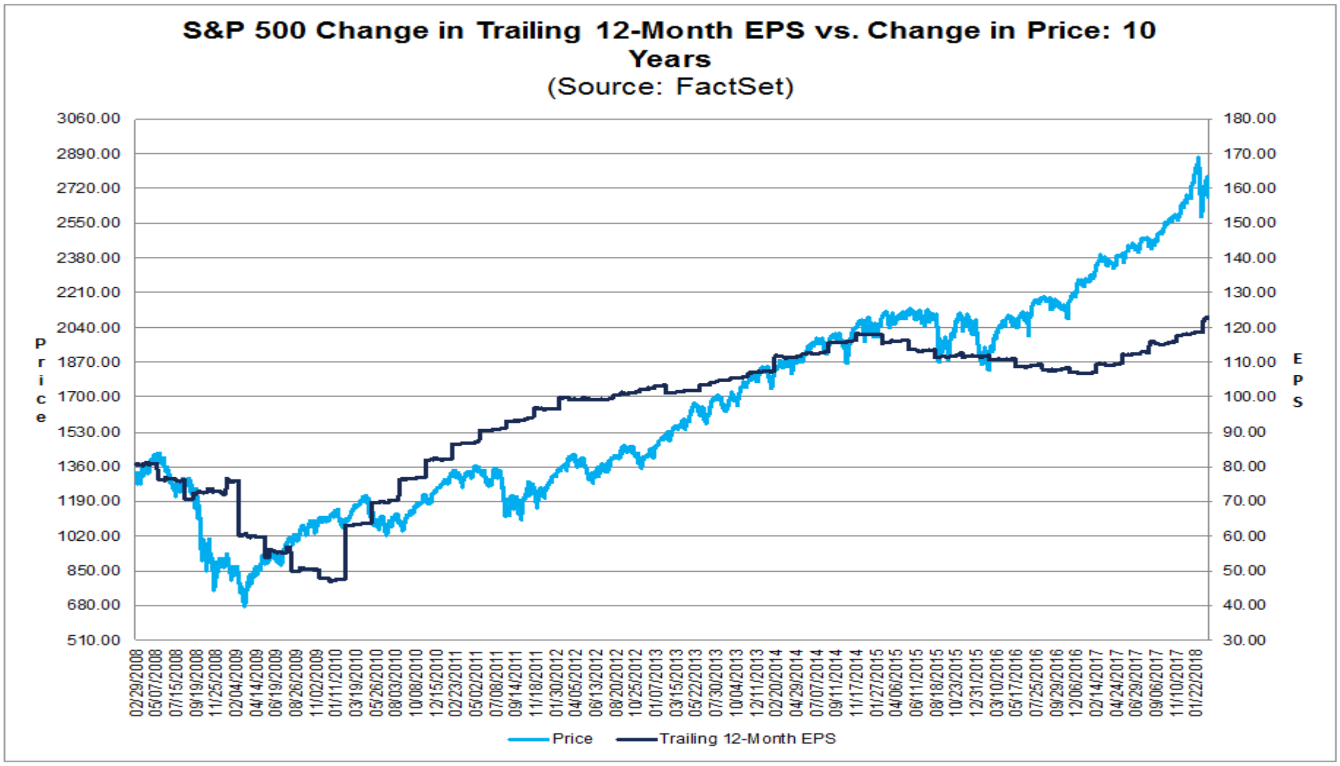


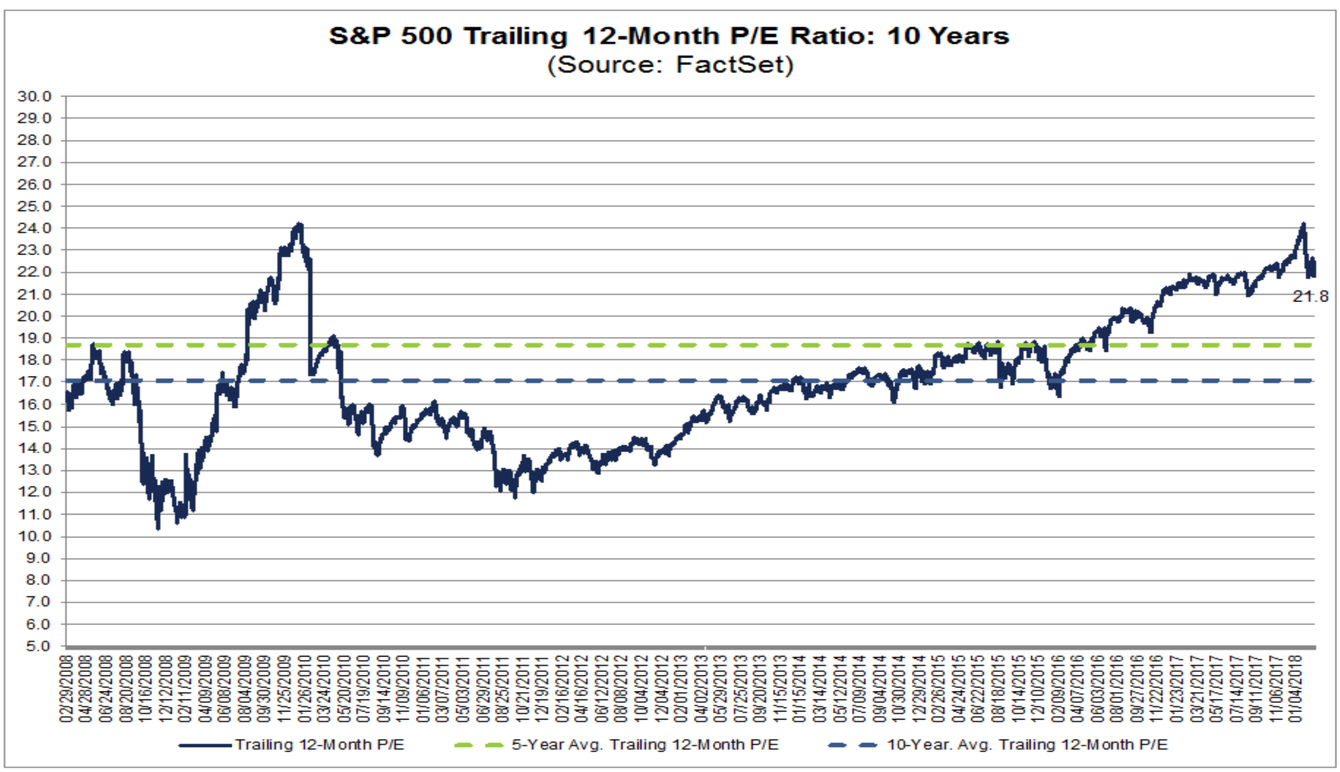
Forward 12M P/E Ratio: Long-Term Averages





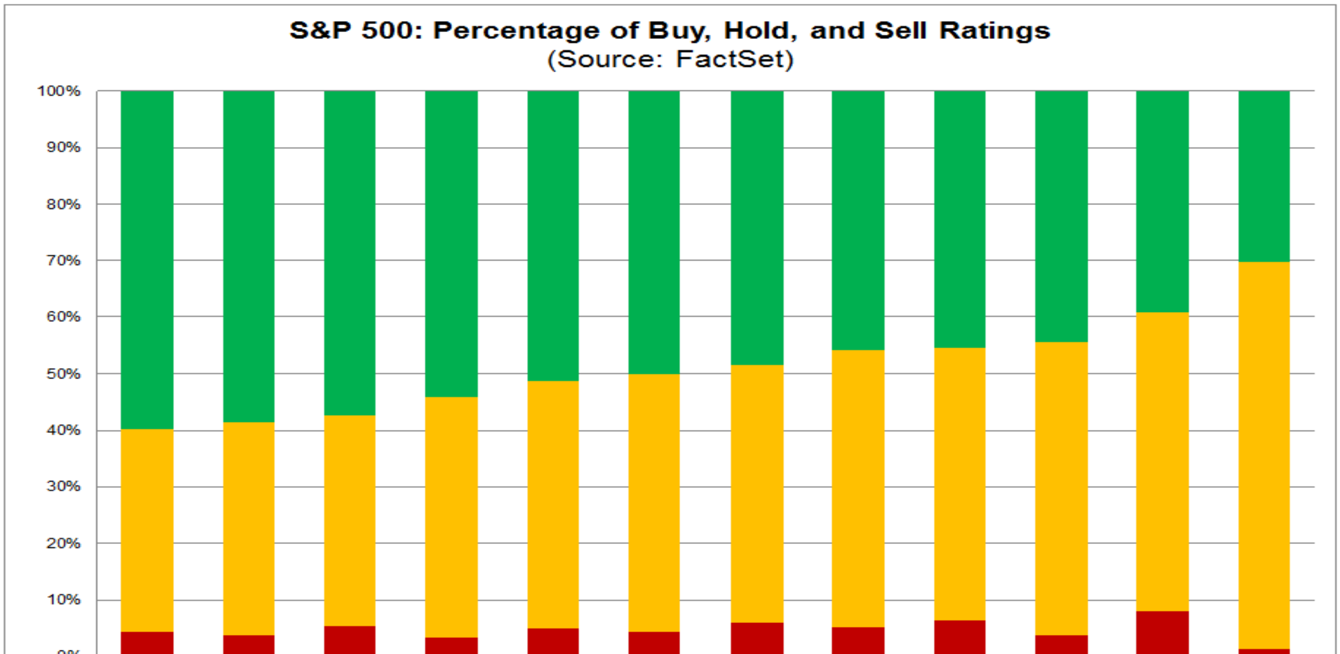
Trailing 12M P/E Ratio: Long-Term Averages



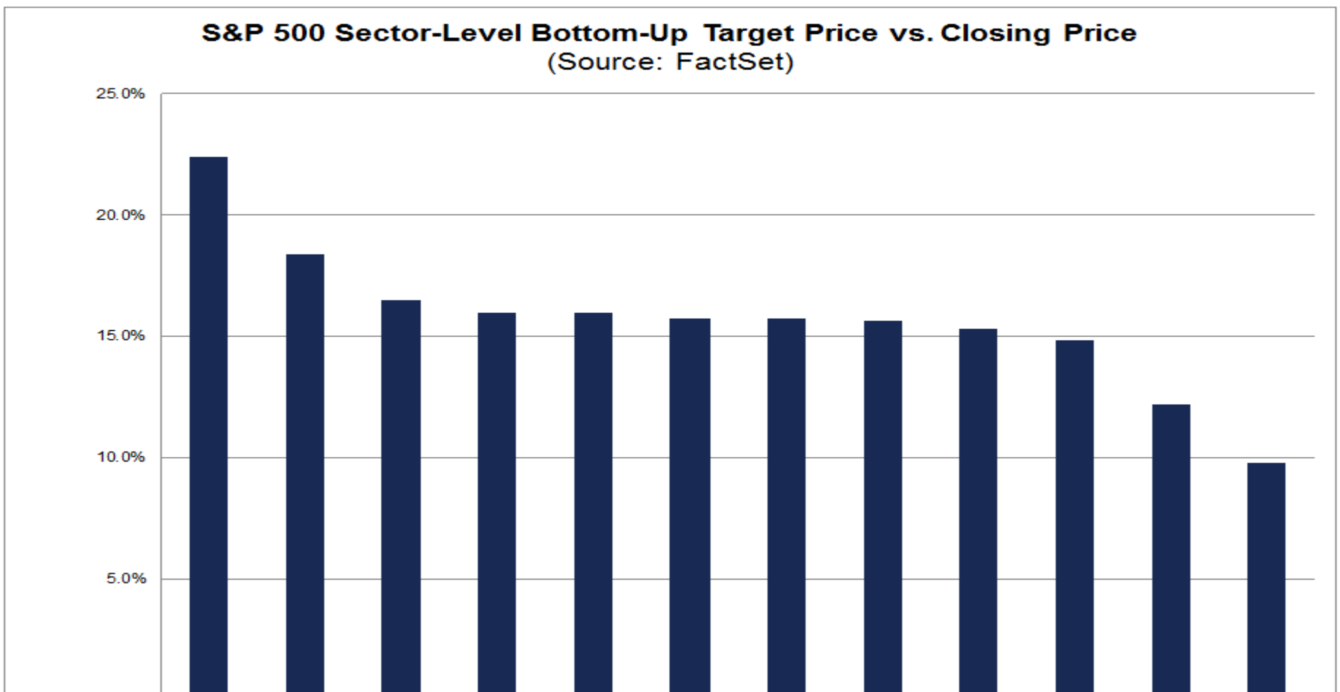


FACTSET

Targets & Ratings



	Info. Tech.	Health Care	Energy	Materials	S&P 500	Industrials	Consumer Disc.	Consumer Staples	Financials	Real Estate	Utilities	Telecom Services
Buy	60%	59%	57%	54%	51%	50%	49%	46%	46%	44%	39%	30%
Hold	36%	38%	38%	43%	44%	46%	45%	49%	48%	52%	53%	68%
Sell	4%	4%	5%	3%	5%	4%	6%	5%	6%	4%	8%	1%



	Energy	Health Care	Consumer Staples	Real Estate	Consumer Disc.	S&P 500	Materials	Industrials	Info. Tech.	Telecom Services	Financials	Utilities
Target/Close	22.4%	18.3%	16.5%	16.0%	16.0%	15.7%	15.7%	15.6%	15.3%	14.8%	12.2%	9.8%

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