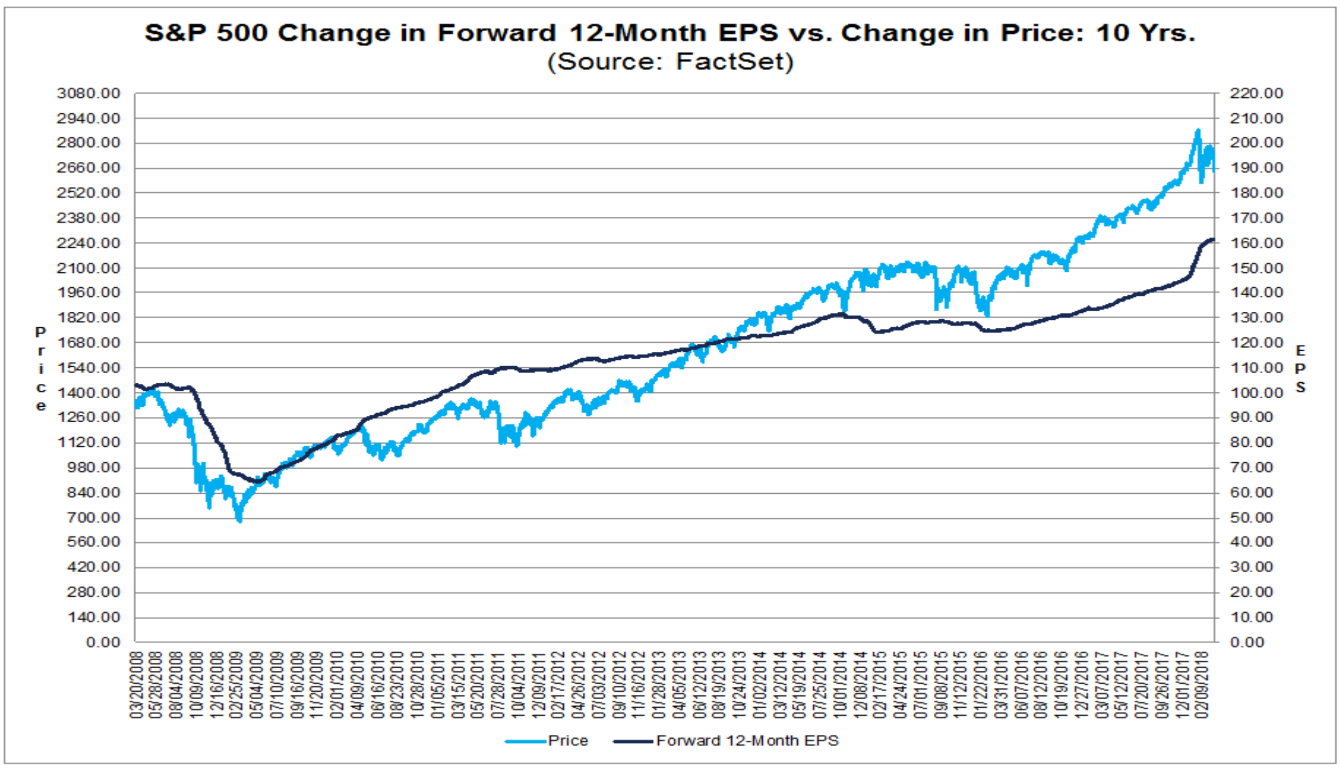
John Butters, Senior Earnings Analyst
jbutters@factset.com

Media Questions/Requests
media_request@factset.com

March 23, 2018

Key Metrics

- **Earnings Growth:** For Q1 2018, the estimated earnings growth rate for the S&P 500 is 17.2%. If 17.2% is the actual growth rate for the quarter, it will mark the highest earnings growth since Q1 2011 (19.5%).
- **Earnings Revisions:** On December 31, the estimated earnings growth rate for Q1 2018 was 11.3%. Ten sectors have higher growth rates today (compared to December 31) due to upward revisions to estimates, led by the Energy sector.
- **Earnings Guidance:** For Q1 2018, 52 S&P 500 companies have issued negative EPS guidance and 52 S&P 500 companies have issued positive EPS guidance.
- **Valuation:** The forward 12-month P/E ratio for the S&P 500 is 16.4. This P/E ratio is above the 5-year average (16.1) and above the 10-year average (14.3).
- **Earnings Scorecard:** For Q1 2018 (with 13 companies in the S&P 500 reporting actual results for the quarter), 11 S&P 500 companies have reported a positive EPS surprise and 10 have reported a positive sales surprise.



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Topic of the Week: 1

Technology, Health Care, and Energy Sectors Have Highest % of Buy Ratings in S&P 500

With the end of the first quarter approaching, where are analysts most optimistic and pessimistic in terms of their ratings on stocks in the S&P 500? How have their views changed during the quarter?

Overall, there are 11,094 ratings on stocks in the S&P 500. Of these 11,094 ratings, 52.2% are Buy ratings, 42.9% are Hold ratings, and 4.9% are Sell ratings.

At the sector level, analysts are most optimistic on the Information Technology (60%), Health Care (59%), and Energy (59%) sectors, as these three sectors have highest percentages of Buy ratings.

On the other hand, analysts are most pessimistic on the Telecom Services (33%) and Utilities (39%) sectors, as these two sectors have the lowest percentages of Buy ratings. The Telecom Services sector also has the highest percentage of Hold ratings (66%), while the Utilities sector also has the highest percentage of Sell ratings (9%).

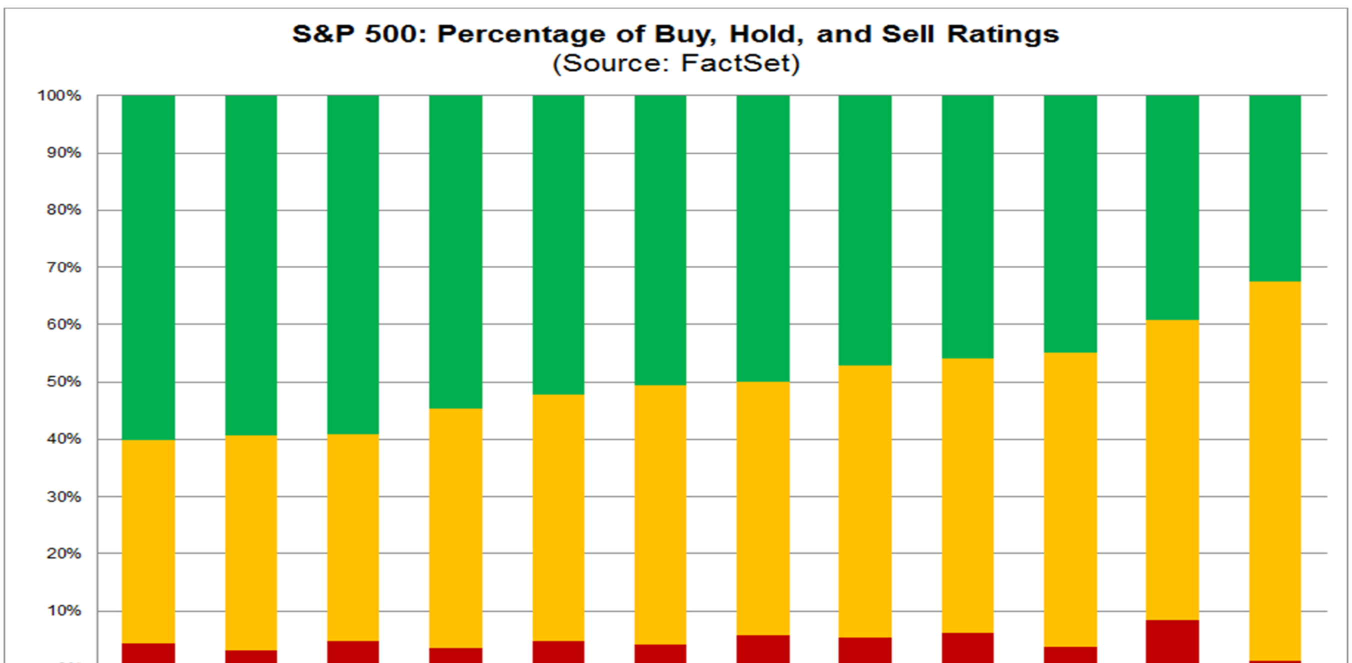
At the company level, the ten stocks in the S&P 500 with the highest percentages of Buy ratings and the highest percentages of Sell ratings are listed on the next page.

Since December 31, the total number of ratings on S&P 500 companies has decreased by 0.5% (to 11,094 from 11,148).

The number of Buy ratings has increased by 5.0% (to 5791 from 5516) since December 31. All eleven sectors have witnessed an increase in Buy ratings, led by the Telecom Services (+18%), Utilities (+13%), and Consumer Staples (+11%) sectors.

The number of Hold ratings has decreased by 5.7% (to 4763 from 5049) during this period. Ten of the eleven sectors have recorded a decrease in Hold ratings, led by the Energy (-10%) and Consumer Discretionary (-9%) sectors.

The number of Sell ratings has decreased by 7.4% (to 540 from 583) since the start of the quarter. Eight of the eleven sectors have recorded a decrease in Sell ratings, led by the Telecom Services (-67%), Real Estate (-24%), and Energy (-21%) sectors.



	Info. Tech.	Health Care	Energy	Materials	S&P 500	Industrials	Consumer Disc.	Consumer Staples	Financials	Real Estate	Utilities	Telecom Services
Buy	60%	59%	59%	55%	52%	51%	50%	47%	46%	45%	39%	33%
Hold	36%	38%	36%	42%	43%	45%	44%	48%	48%	51%	52%	66%
Sell	4%	3%	5%	4%	5%	4%	6%	5%	6%	4%	9%	1%

Highest % of Buy Ratings in S&P 500: Top 10 (Source: FactSet)

Company	**Buy**	Hold	Sell	Total
Delta Air Lines, Inc.	**100%**	0%	0%	100%
UnitedHealth Group Incorporated	**96%**	0%	4%	100%
Amazon.com, Inc.	**96%**	4%	0%	100%
Microchip Technology Inc.	**95%**	5%	0%	100%
Broadcom Limited	**94%**	6%	0%	100%
Visa Inc. Class A	**92%**	8%	0%	100%
Mastercard Incorporated Class A	**92%**	8%	0%	100%
Equinix, Inc.	**92%**	8%	0%	100%
Applied Materials, Inc.	**92%**	8%	0%	100%
American Tower Corporation	**92%**	8%	0%	100%

Highest % of Sell Ratings in S&P 500: Top 10 (Source: FactSet)

Company	Buy	Hold	**Sell**	Total
News Corporation Class B	0%	50%	**50%**	100%
Torchmark Corporation	0%	55%	**45%**	100%
Consolidated Edison, Inc.	6%	50%	**44%**	100%
Under Armour, Inc. Class C	21%	44%	**35%**	100%
Under Armour, Inc. Class A	20%	46%	**34%**	100%
VeriSign, Inc.	0%	67%	**33%**	100%
Helmerich & Payne, Inc.	16%	53%	**31%**	100%
Public Storage	6%	63%	**31%**	100%
Campbell Soup Company	29%	41%	**29%**	100%
Southern Company	29%	43%	**29%**	100%

Topic of the Week: 2

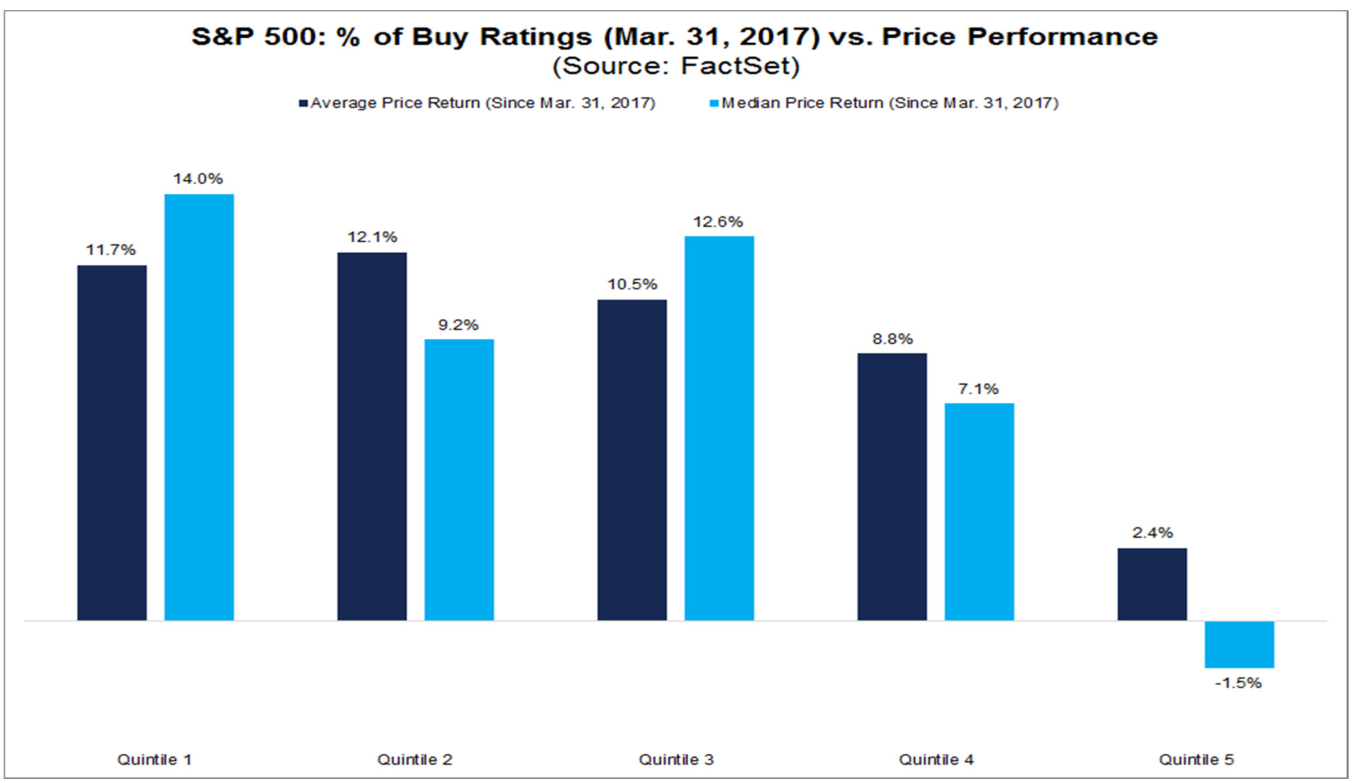
S&P 500 Companies With Lowest % Of Buy Ratings Have Underperformed Over Last 12 Months

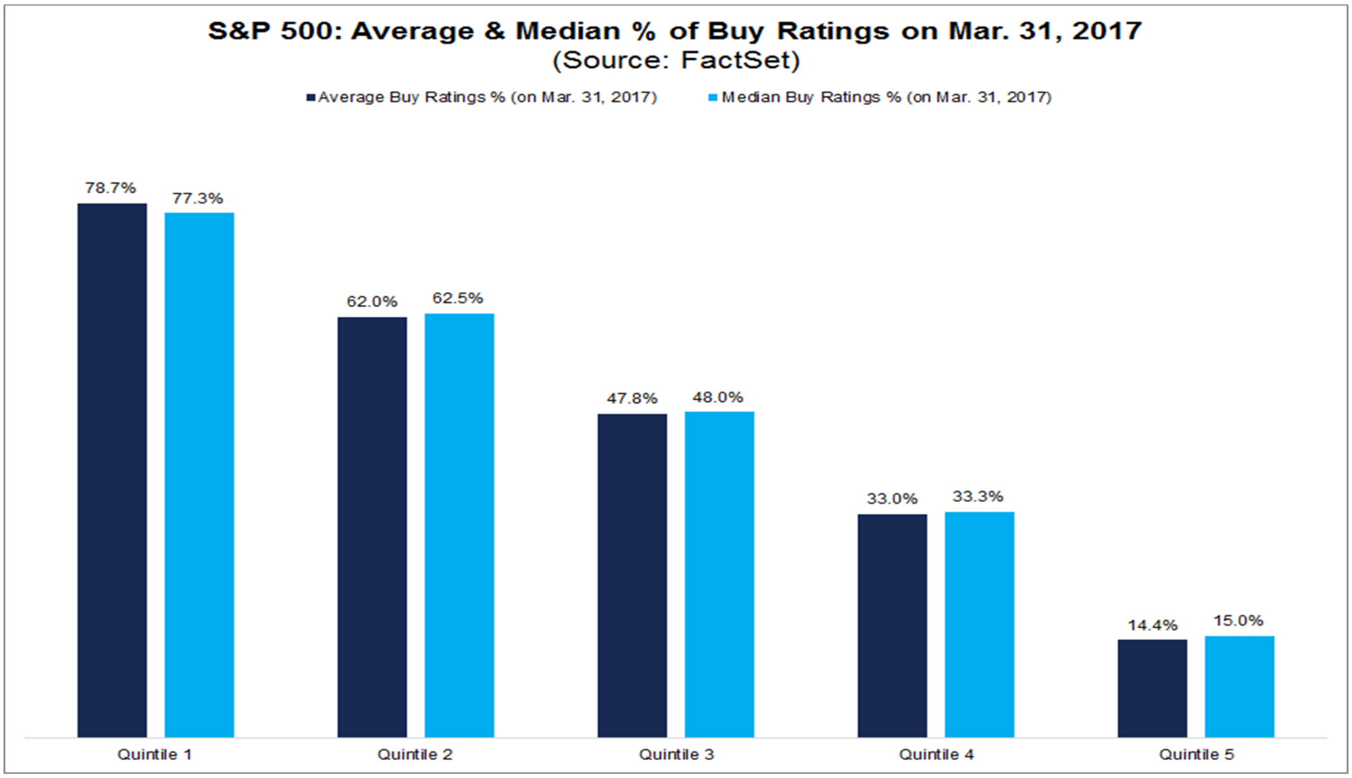
How have analysts performed in terms of their ratings over the past year?

To analyze the performance, FactSet divided the stocks that were in the S&P 500 on March 31, 2017 into five equal-sized groups (quintiles) based on the percentage of Buy ratings on that date. The 20% of S&P 500 companies with the highest percentage of Buy ratings were placed in the first group (Quintile 1). The 20% of S&P 500 companies with next highest percentage of Buy ratings were placed in the second group (Quintile 2). The 20% of S&P 500 companies with the lowest percentage of Buy ratings were placed in the last group (Quintile 5). FactSet then looked at the average price return and median price return for each group from March 31, 2017 through March 22, 2018 to measure performance. For companies that no longer were traded publicly as of yesterday's close, the last available trading price was used in the analysis when available.

Among the top three quintiles (with the 60% of S&P 500 companies with the highest percentage of Buy ratings on March 31, 2017), it is difficult to point to one quintile as a clear outperformer. The first quintile has recorded the second highest average price return (+11.7%) and the highest median price return (+14.0%) of the five quintiles during this time. The second quintile has recorded the highest average price return (+12.1%) and the third highest median price return (+9.2%) of the five quintiles during this time. The third quintile has recorded the third highest average price return (+10.5%) and the second highest median price return (+12.6%) of the five quintiles during this time.

On the other hand, the fifth quintile (with the 20% of S&P 500 stocks with the lowest percentage of Buy ratings on March 31, 2017) has been the clear underperformer during this period. This quintile recorded the lowest average price return (+2.4%) and the lowest median price return (-1.5%) of the five quintiles during this time. The average percentage of Buy ratings for a stock in this quintile was 14.4%, while the median percentage of Buy ratings for a stock in this quintile was 15.0%. Of the stocks in this group, Chesapeake Energy has been the weakest performer. From March 31, 2017 through yesterday, the stock price for Chesapeake Energy has decreased by 47.6% (to $3.11 from $5.94). On March 31, 2017, 7 of the 36 ratings (19%) on Chesapeake Energy were Buy ratings.




S&P 500: Average & Median % of Buy Ratings on Mar. 31, 2017
(Source: FactSet)
Average Buy Ratings % (on Mar. 31, 2017)
Median Buy Ratings % (on Mar. 31, 2017)
78.7%
77.3%
62.0%
62.5%
47.8%
48.0%
33.0%
33.3%
14.4%
15.0%
Quintile 1
Quintile 2
Quintile 3
Quintile 4
Quintile 5

Q1 2018 Earnings Season: By the Numbers

Overview

In terms of estimate revisions, analysts have increased earnings estimates for companies in the S&P 500 for Q1 2018 to date. On a per-share basis, estimated earnings for the first quarter have risen by 5.3% since December 31. In a typical quarter, analysts usually reduce earnings estimates. Over the past five years (20 quarters), earnings expectations have fallen by 3.9% on average during a quarter. Over the past ten years, (40 quarters), earnings expectations have fallen by 5.5% on average during a quarter.

If 5.3% is the final percentage at the end of the first quarter (March 31), it will the mark the largest percentage increase in the bottom-up EPS estimate during a quarter since FactSet began tracking the quarterly bottom-up EPS estimate in Q2 2002.

In addition, a larger percentage of S&P 500 companies have raised the bar for earnings for Q1 2018 relative to recent averages. Of the 104 companies that have issued EPS guidance for the first quarter, 52 have issued negative EPS guidance and 52 have issued positive EPS guidance. The percentage of companies issuing negative EPS guidance is 50% (52 out of 104), which is well below the 5-year average of 74%.

If 52 is the final number of companies issuing positive EPS guidance for the first quarter, it will mark the highest number of S&P 500 companies issuing positive EPS guidance for a quarter since FactSet began tracking EPS guidance in Q2 2006.

Because of the upward revisions to earnings estimates, the estimated year-over-year earnings growth rate for Q1 2018 has risen from 11.3% on December 31 to 17.2% today. All eleven sectors are predicted to report year-over-year earnings growth. Seven sectors are projected to report double-digit earnings growth for the quarter, led by the Energy, Materials, Information Technology, and Financials sectors.

Because of upward revisions to sales estimates, the estimated year-over-year sales growth rate for Q1 2018 has increased from 7.0% on December 31 to 7.2% today. All eleven sectors are projected to report year-over-year growth in revenues. Three sectors are predicted to report double-digit growth in revenues: Energy, Materials, and Information Technology.

Looking at future quarters, analysts currently project earnings growth to continue at double-digit levels through the remainder 2018.

The forward 12-month P/E ratio is 16.4, which is above the 5-year average and the 10-year average.

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

Earnings Revisions: Energy, Telecom Services, and Financials Lead Increase In EPS Estimates

Slight Increase in Earnings Growth Rate for Q1 This Week

The earnings growth rate for the first quarter is 17.2% this week, which is slightly above the earnings growth rate of 16.9% last week. Positive earnings surprises reported by companies in the Information Technology and Consumer Discretionary sectors were mainly responsible for the small increase in the earnings growth rate for the index during the past week.

Overall, the earnings growth rate for Q1 2018 of 17.2% today is above the estimated earnings growth rate of 11.3% at the start of the quarter (December 31). Ten sectors have recorded an increase in expected earnings growth since the beginning of the quarter due to upward revisions to earnings estimates and upside earnings surprises, led by the Energy, Telecom Services, and Financials sectors. On the other hand, the Real Estate sector is the only sector that has recorded a decrease in expected earnings (FFO) growth since the start of the quarter due to downward revisions to earnings (FFO) estimates.

Energy: Exxon Mobil Leads Increase in Expected Earnings

The Energy sector has recorded the largest increase in expected earnings growth since the start of the quarter (to 81.3% from 57.1%). Despite the increase in expected earnings, this sector has witnessed a decrease in price of 7.0% during this same period. Overall, 21 of the 31 companies (68%) in the Energy sector have seen an increase in their mean EPS estimate during this time. Of these 21 companies, 20 have recorded an increase in their mean EPS estimate of more than 10%, led by Marathon Oil (to $0.13 from $0.01), Noble Energy (to $0.23 from $0.04), and Anadarko Petroleum (to $0.31 from -$0.09). However, the increase in the mean EPS estimate for Exxon Mobil (to $1.14 from $1.02) has been the largest contributor to the increase in expected earnings for this sector since December 31. The stock price for Exxon Mobil has fallen by 11.6% (to $73.91 from $83.64) during this period.

Telecom Services: AT&T and Verizon Lead Increase in Estimated Earnings

The Telecom Services sector has recorded the second largest increase in expected earnings growth since the start of the quarter (to 16.8% from 3.2%). Despite the increase in expected earnings, this sector has witnessed a decrease in price of 10.0% during this same period. Overall, 2 of the 3 companies (67%) in the Telecom Services sector have seen an increase in their mean EPS estimate during this time: AT&T (to $0.87 from $0.75) and Verizon (to $1.11 from $0.97). These two companies have also been the largest contributors to the increase in expected earnings for this sector since December 31. The stock price for AT&T has fallen by 8.9% (to $35.42 from $38.88) during this period, while the stock price for Verizon has fallen by 10.9% (to $47.18 from $52.93) during this period.

Financials: JPMorgan Chase and Bank of America Lead Increase in Projected Earnings

The Financials sector has recorded the third largest increase in expected earnings growth since the start of the quarter (to 19.7% from 8.7%). Despite the increase in expected earnings, this sector has witnessed a decrease in price of 1.0% during this same period. Overall, 63 of the 68 companies (93%) in the Financials sector have seen an increase in their mean EPS estimate during this time. Of these 63 companies, 31 have recorded an increase in their mean EPS estimate of more than 10%, led by Aon (to $2.73 from $1.78) and Progressive (to $1.13 from $0.77). However, the increase in the mean EPS estimates for JPMorgan Chase (to $2.25 from $1.95) and Bank of America (to $0.59 from $0.51) have been the largest contributors to the increase in expected earnings for this sector since December 31. The stock price for JPMorgan Chase has risen by 3.3% (to $110.50 from $106.94) during this period, while the stock price for Bank of America has risen by 3.5% (to $30.57 from $29.52) during this period.

Index-Level (Bottom-Up) EPS Estimate: Record-High Increase

The Q1 bottom-up EPS estimate (which is an aggregation of the median earnings estimates for all 500 companies in the index and can be used as a proxy for the earnings for the index) has increased by 5.3% (to $36.19 from $34.37) since December 31. In a typical quarter, analysts usually reduce earnings estimates. Over the past five years (20 quarters), earnings expectations have fallen by 3.9% on average during a quarter. Over the past ten years, (40 quarters), earnings expectations have fallen by 5.5% on average during a quarter. Over the past fifteen years (60 quarters), earnings expectations have fallen by 4.1% on average during a quarter.

If 5.3% is the final percentage at the end of the first quarter (March 31), it will the mark the largest percentage increase in the bottom-up EPS estimate during a quarter since FactSet began tracking the quarterly bottom-up EPS estimate in Q2 2002.

Earnings Guidance: Record-High Number of Companies Issuing Positive EPS Guidance

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, 104 companies in the index have issued EPS guidance for Q1 2018. Of these 104 companies, 52 have issued negative EPS guidance and 52 have issued positive EPS guidance. The percentage of companies issuing negative EPS guidance is 50% (52 out of 104), which is well below the 5-year average of 74%.

If 52 is the final number of companies issuing positive EPS guidance for the first quarter, it will mark the highest number of S&P 500 companies issuing positive EPS guidance for a quarter since FactSet began tracking EPS guidance in Q2 2006.

Highest Earnings Growth (17.2%) Since Q1 2011

The estimated (year-over-year) earnings growth rate for Q1 2018 is 17.2%. If 17.2% is the final growth rate for the quarter, it will mark the highest earnings growth reported by the index since Q1 2011 (19.5%). It will also mark the fourth time in the past five quarters that the index has reported double-digit earnings growth. All eleven sectors are expected to report year-over-year growth in earnings. Seven sectors are expected to report double-digit earnings growth, led by the Energy, Materials, Information Technology, and Financials sectors.

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

The Energy sector is expected to report the highest (year-over-year) earnings growth of all eleven sectors at 81.3%. At the sub-industry level, all six sub-industries in the sector are predicted to report earnings growth for the quarter: Oil & Gas Drilling (N/A due to year-ago loss), Oil & Gas Exploration & Production (2,728%), Oil & Gas Refining & Marketing (102%), Oil & Gas Equipment & Services (100%), Oil & Gas Storage & Transportation (48%), and Integrated Oil & Gas (33%).

The unusually high growth rate for the sector is due to both a year-over-year increase in oil prices and a comparison to unusually low earnings in the year-ago quarter. The average price of oil in Q1 2018 ($62.69) is 21% higher than the average price of oil in Q1 2017 ($51.78). On a dollar-level basis, the Energy sector is projected to report earnings of $14.5 billion in Q1 2018, compared to earnings of $8.0 billion in Q1 2017. The only sector with lower dollar-level earnings in the year-ago quarter is the Materials sector ($7.3 billion).

Materials: DowDuPont Leads Growth on Easy Comparison to Standalone EPS for Dow Chemical

The Materials sector is expected to report the second highest (year-over-year) earnings growth of all eleven sectors at 41.1%. At the industry level, three of the four industries in the sector are predicted to report earnings growth: Metals & Mining (88%), Chemicals (37%), and Containers & Packaging (35%).

At the company level, DowDuPont is predicted to be the largest contributor to earnings growth for the sector. However, the estimated earnings for Q1 2018 ($2.5 billion) reflect the combined DowDuPont company, while the actual earnings for Q1 2017 ($1.3 billion) reflect the standalone Dow Chemical company. This apple-to-orange comparison is the main reason DowDuPont is projected to be the largest contributor to earnings growth for the sector. If this company were excluded, the estimated earnings growth rate for the sector would fall to 28.5% from 41.1%.

Information Technology: 5 of 7 Industries Expected to Report Double-Digit Earnings Growth

The Information Technology sector is expected to report the third highest (year-over-year) earnings growth of all eleven sectors at 21.9%. At the industry level, all seven of the industries in this sector are predicted to report earnings growth. Five of these seven industries are predicted to report double-digit earnings growth: Semiconductor & Semiconductor Equipment (31%), Technology Hardware, Storage, & Peripherals (24%), Internet Software & Services (23%), Software (21%), and IT Services (18%).

Financials: All 5 Industries Expected to Report Double-Digit Earnings Growth

The Financials sector is expected to report the fourth highest (year-over-year) earnings growth of all eleven sectors at 19.7%. At the industry level, all five industries in this sector are predicted to report double-digit growth in earnings: Diversified Financial Services (37%), Consumer Finance (26%), Banks (24%), Capital Markets (16%), and Insurance (10%).

Revenue Growth: 7.2%

The estimated (year-over-year) revenue growth rate for Q1 2018 is 7.2%. All eleven sectors are expected to report year-over-year growth in revenues. Three sectors are predicted to report double-digit growth in revenues: Materials, Energy, and Information Technology.

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

The Materials sector is expected to report the highest (year-over-year) revenue growth of all eleven sectors at 20.9%. At the industry level, all four industries in this sector are expected to report revenue growth, led by the Chemicals (26%) and Metals & Mining (25%) industries.

At the company level, DowDuPont is predicted to be the largest contributor to revenue growth for the sector. However, the estimated revenues for Q1 2018 ($21.3 billion) reflect the combined DowDuPont company, while the actual revenues for Q1 2017 ($13.2 billion) reflect the standalone Dow Chemical company. This apple-to-orange comparison is the main reason DowDuPont is projected to be the largest contributor to revenue growth for the sector. If this company were excluded, the estimated revenue growth rate for the sector would fall to 12.2% from 20.9%.

Energy: 5 of 6 Sub-Industries Expected to Report Double-Digit Growth

The Energy sector is expected to report the second highest (year-over-year) revenue growth of all eleven sectors at 15.5%. At the sub-industry level, all six sub-industries in the sector are predicted to reported revenue growth: Oil & Gas Drilling (39%), Oil & Gas Equipment & Services (30%), Oil & Gas Refining & Marketing (22%), Oil & Gas Storage & Transportation (16%), Integrated Oil & Gas (12%), and Oil & Gas Exploration & Production (6%).

Information Technology: 5 of 7 Industries Expected to Report Double-Digit Growth

The Information Technology sector is expected to report the third highest (year-over-year) revenue growth of all eleven sectors at 14.2%. At the industry level, all seven industries in this sector are predicted to report revenue growth. Five of these seven industries are projected to report double-digit revenue growth: Internet Software & Services (24%), IT Services (16%), Semiconductor & Semiconductor Equipment (15%), Technology Hardware, Storage, & Peripherals (12%), and Software (10%).

Looking Ahead: Forward Estimates and Valuation

Double-Digit Earnings Growth Expected For All of 2018

For the first quarter, analysts are expecting companies to report earnings growth of 17.2% and revenue growth of 7.2%. Analysts currently expect earnings to grow at double-digit levels for the remainder 2018.

For Q2 2018, analysts are projecting earnings growth of 19.1% and revenue growth of 7.6%.

For Q3 2018, analysts are projecting earnings growth of 20.8% and revenue growth of 6.3%.

For Q4 2018, analysts are projecting earnings growth of 17.0% and revenue growth of 5.5%.

For all of 2018, analysts are projecting earnings growth of 18.4% and revenue growth of 6.6%.

Valuation: Forward P/E Ratio is 16.4, above the 10-Year Average (14.3)

The forward 12-month P/E ratio is 16.4. This P/E ratio is above the 5-year average of 16.1 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 decreased by 1.1%, while the forward 12-month EPS estimate has increased by 9.7%.

At the sector level, the Consumer Discretionary (19.9) and Energy (19.6) sectors have the highest forward 12-month P/E ratios, while the Telecom Services (10.3) and Financials (13.0) 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 (18.1 vs. 14.5) sector. The Telecom Services (10.3 vs. 14.1) sector is the only sector with a forward 12-month P/E ratio that is below the 10-year average for the sector.

Targets & Ratings: Analysts Project 17% Increase in Price Over Next 12 Months

The bottom-up target price for the S&P 500 is 3099.16, which is 17.2% above the closing price of 2643.69. At the sector level, the Energy (+20.5%) and Health Care (+20.0%) 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 (+7.1%) 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.

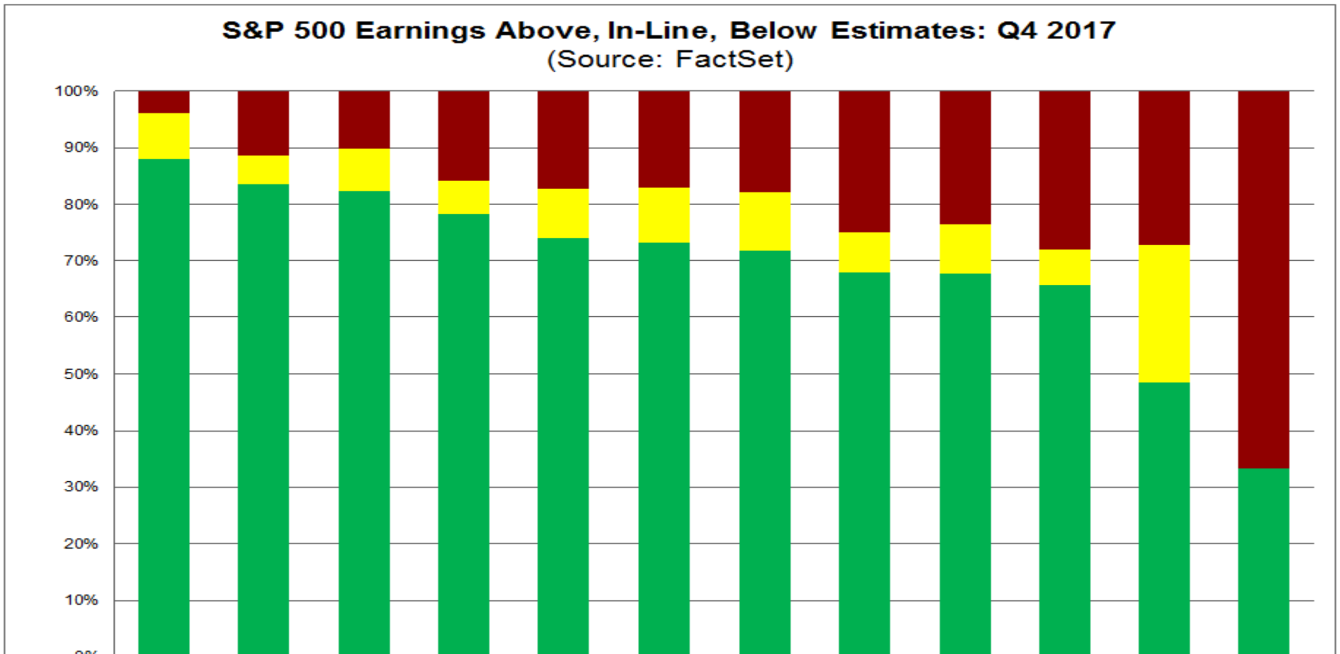
Overall, there are 11,094 ratings on stocks in the S&P 500. Of these 11,094 ratings, 52.2% are Buy ratings, 42.9% are Hold ratings, and 4.9% are Sell ratings. At the sector level, the Information Technology (60%), Health Care (59%), and Energy (59%) sectors have the highest percentages of Buy ratings, while the Telecom Services (33%) and Utilities (39%) sectors have the lowest percentages of Buy ratings.

For more details, please see pages 2 -5.

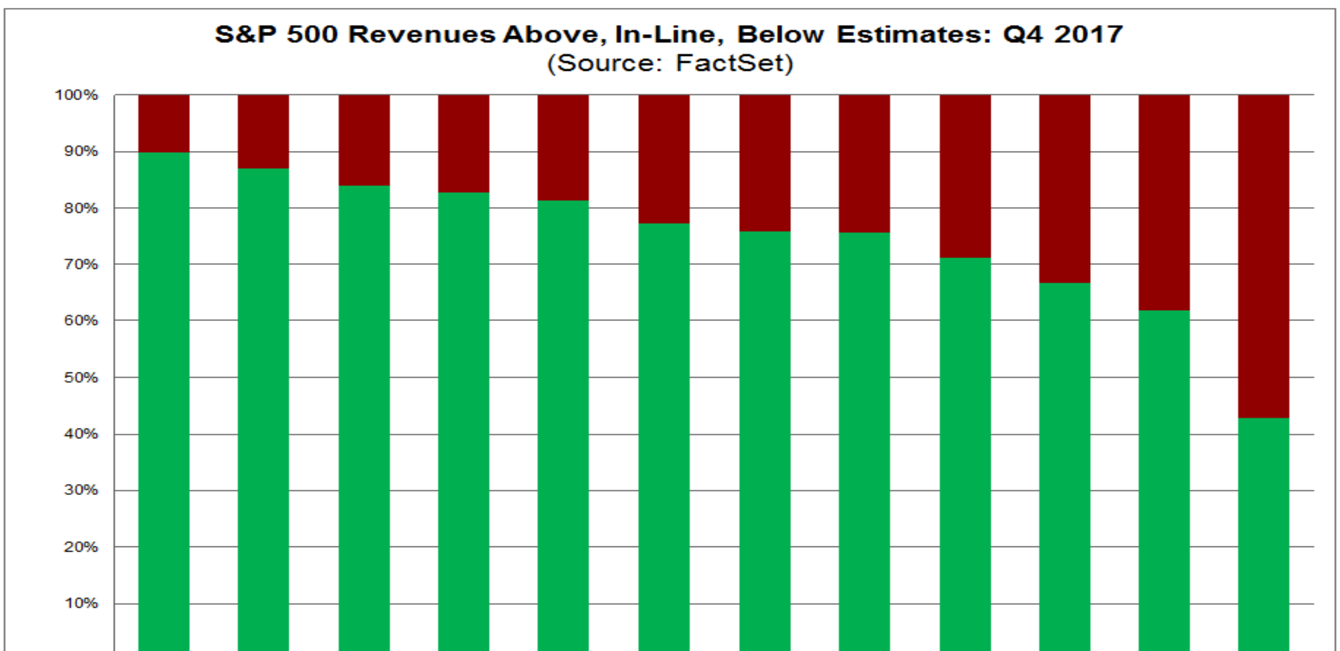
Companies Reporting Next Week: 6

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

Q4 2017: Scorecard

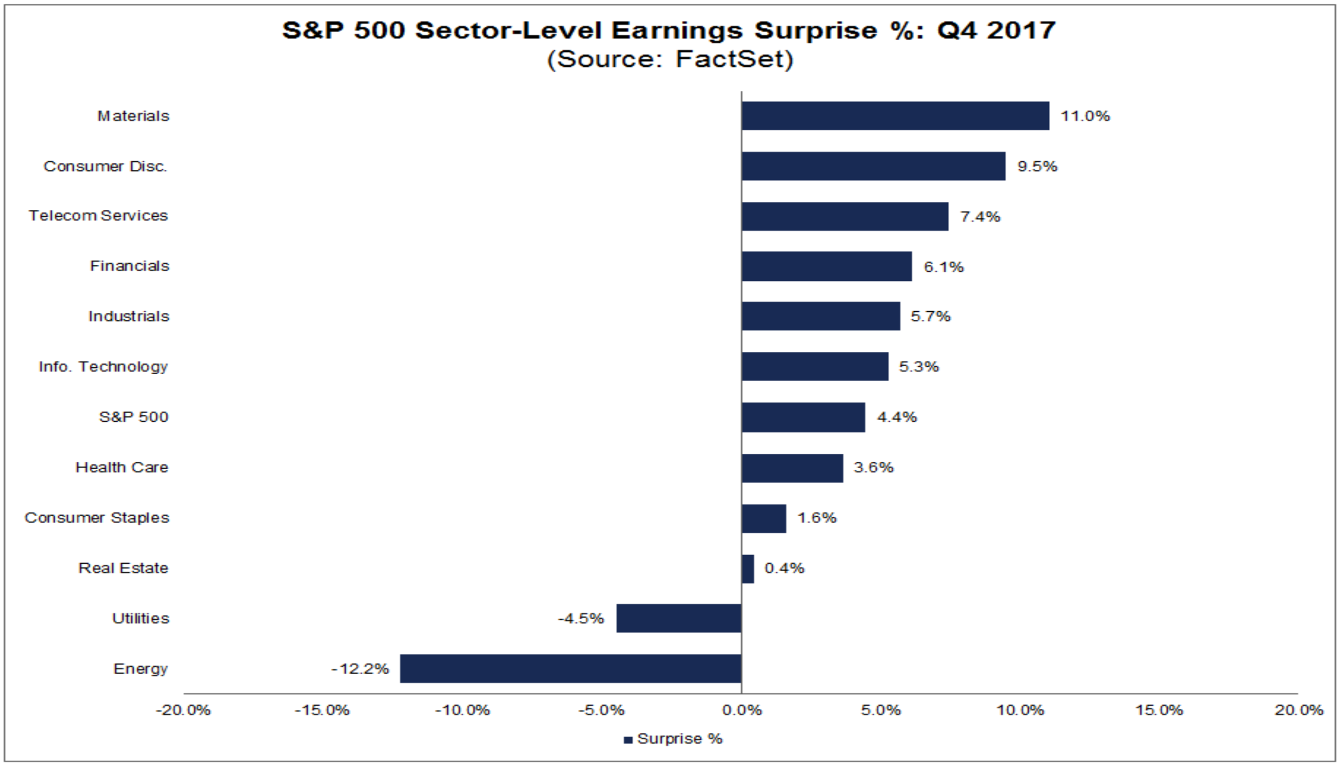


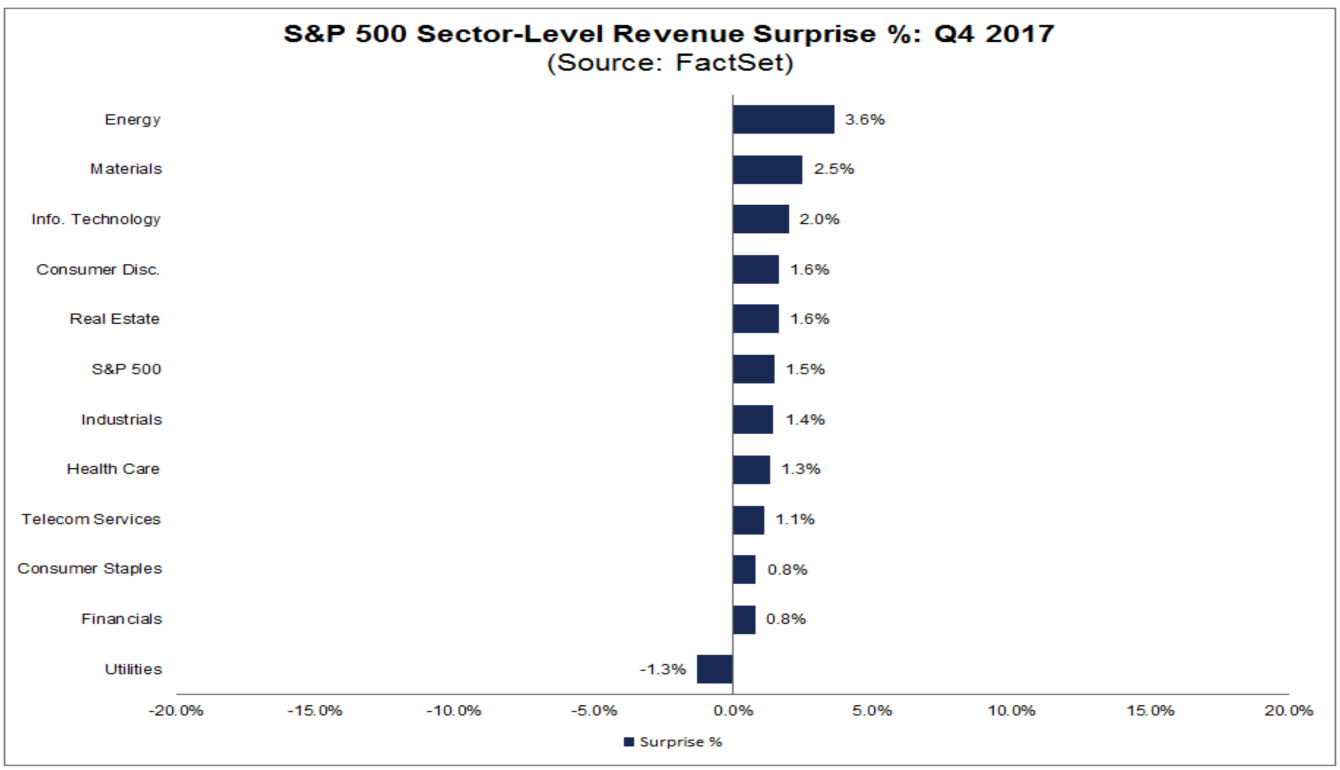
	Materials	Health Care	Info. Technology	Industrials	S&P 500	Consumer Disc.	Financials	Utilities	Consumer Staples	Energy	Real Estate	Telecom Services
Below	4%	11%	10%	16%	17%	17%	18%	25%	24%	28%	27%	67%
In-Line	8%	5%	7%	6%	9%	10%	10%	7%	9%	6%	24%	0%
Above	88%	84%	82%	78%	74%	73%	72%	68%	68%	66%	48%	33%



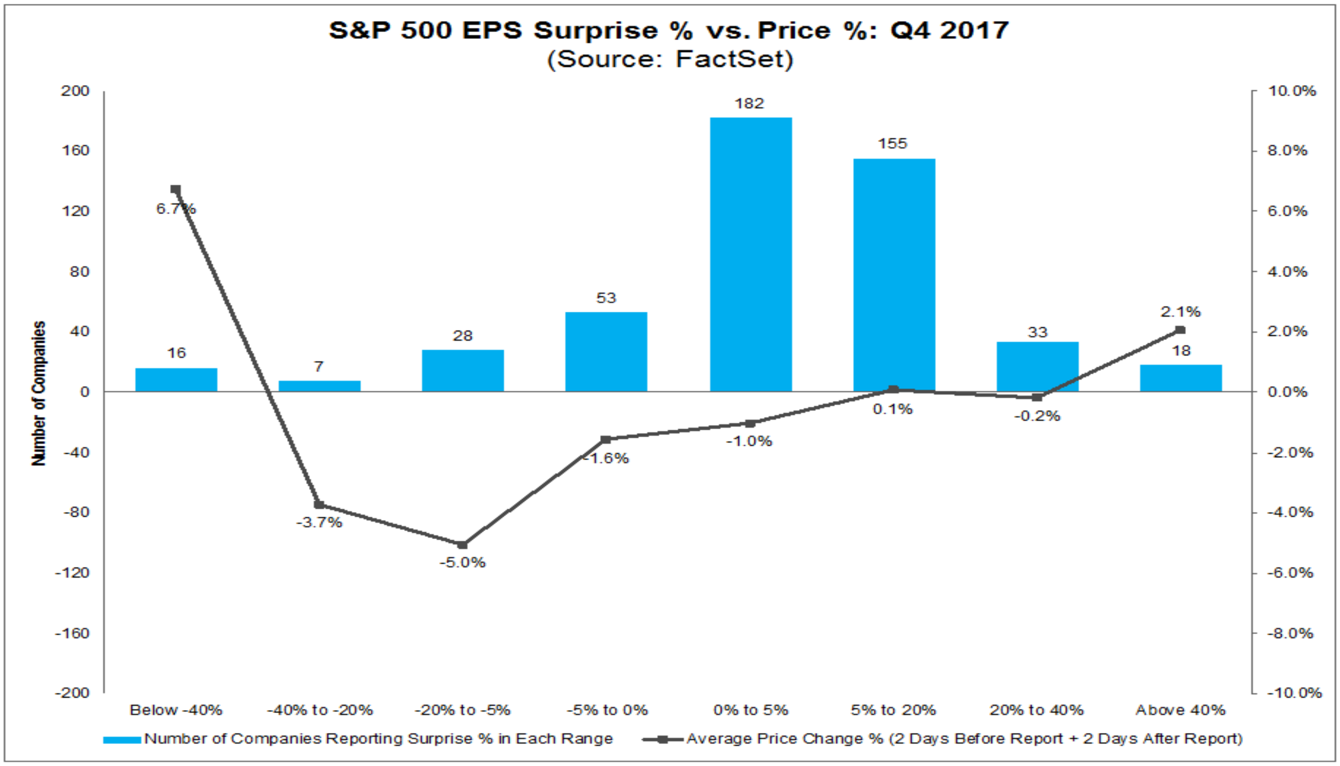
	Info. Technology	Health Care	Materials	Industrials	Energy	S&P 500	Real Estate	Consumer Disc.	Financials	Telecom Services	Consumer Staples	Utilities
Below	10%	13%	16%	17%	19%	23%	24%	24%	29%	33%	38%	57%
In-Line	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Above	90%	87%	84%	83%	81%	77%	76%	76%	71%	67%	62%	43%

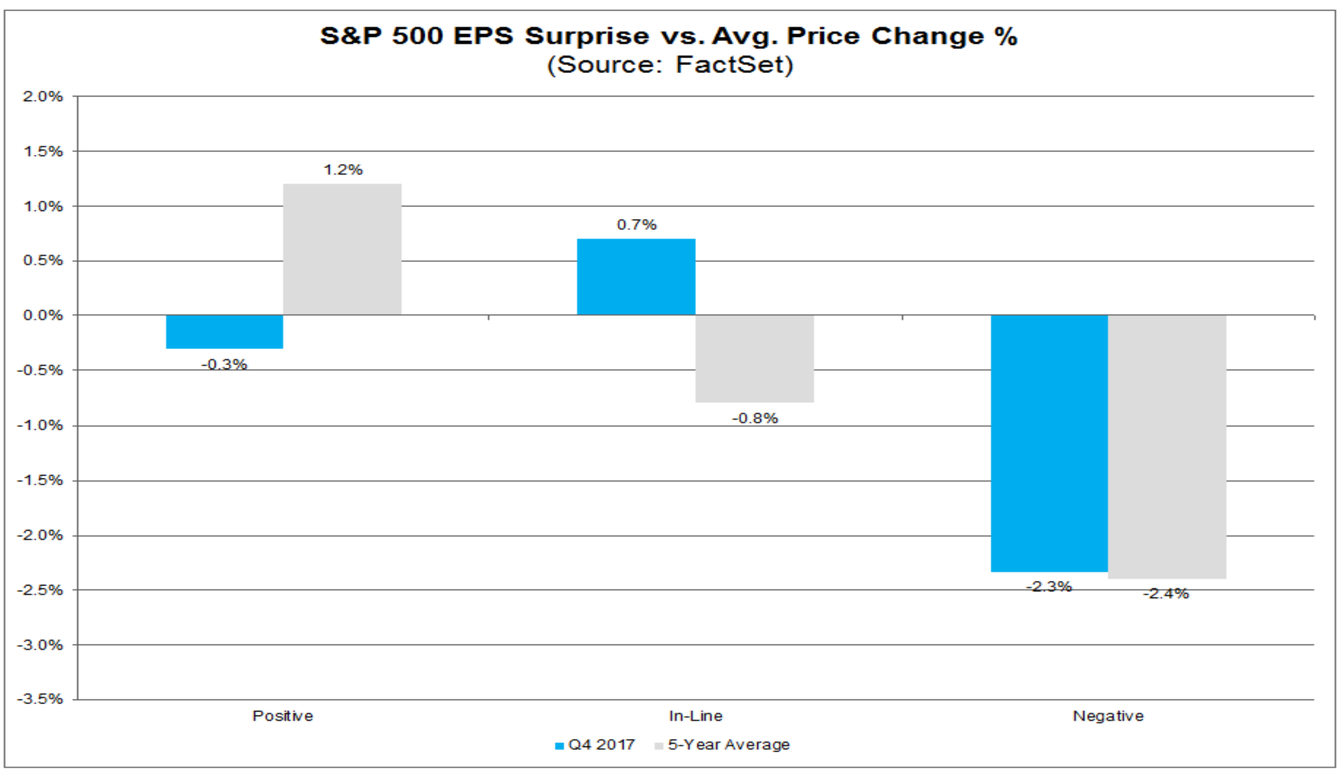
Q4 2017: Scorecard



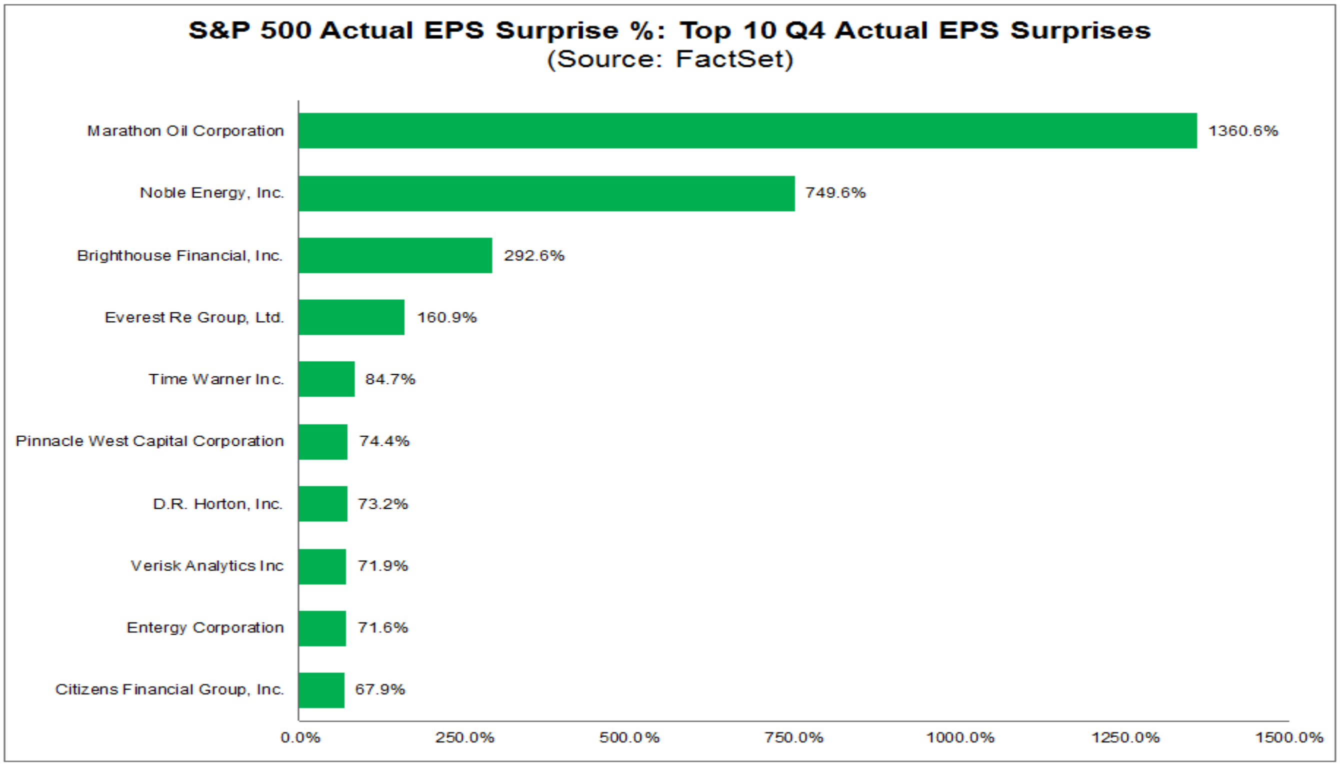


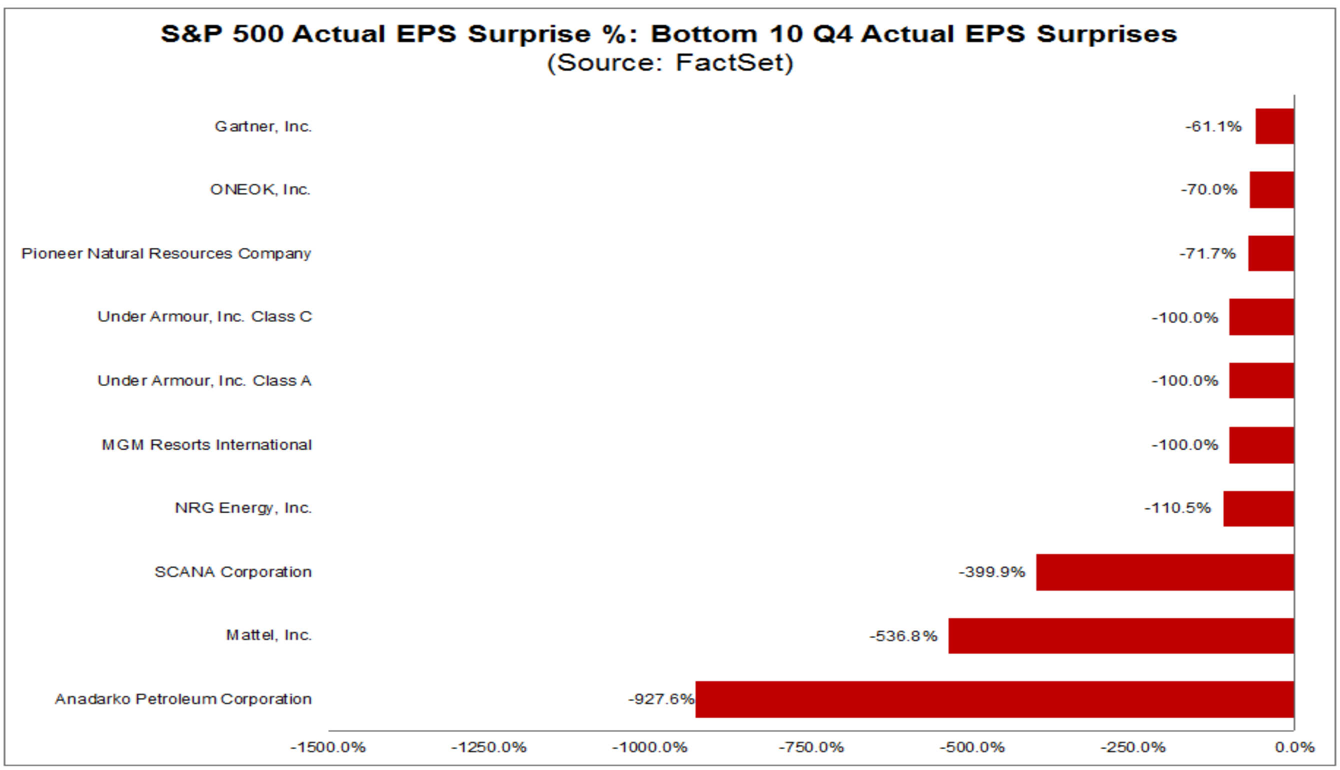
Q4 2017: Scorecard



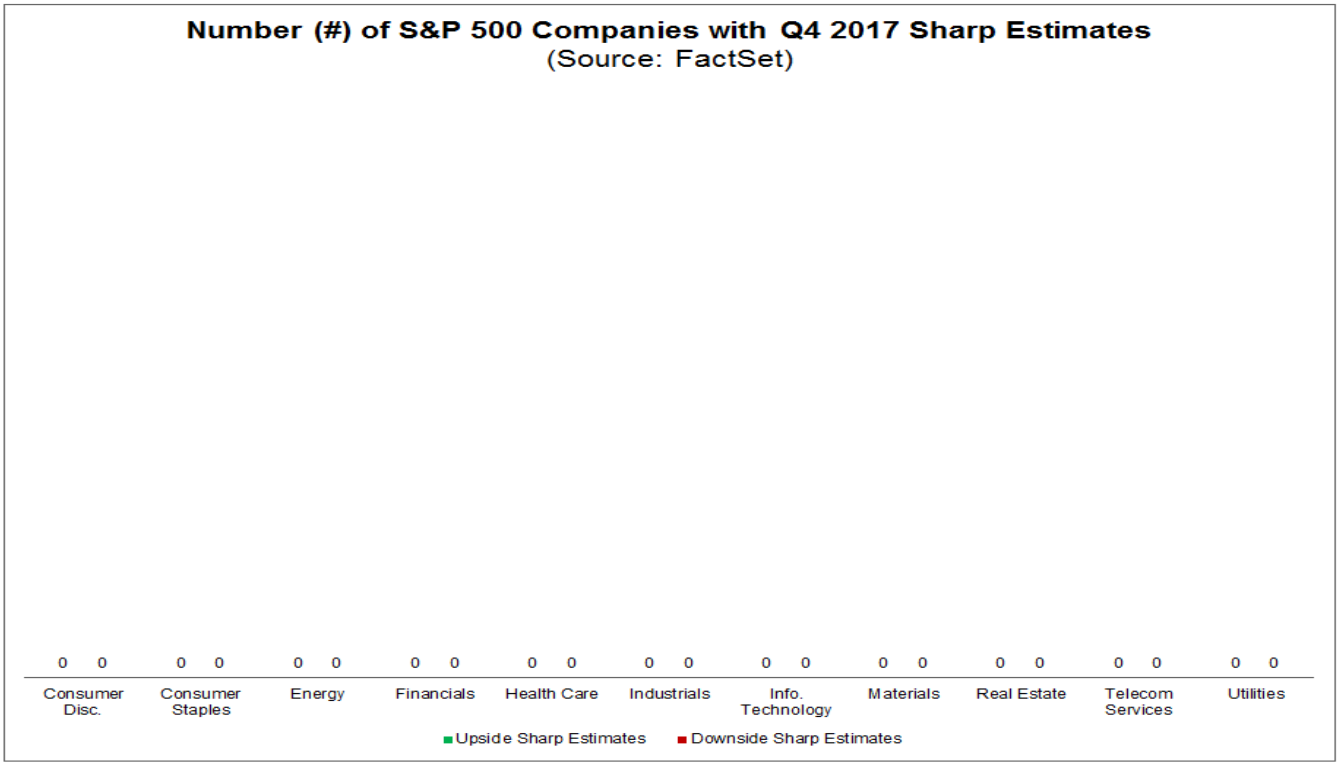


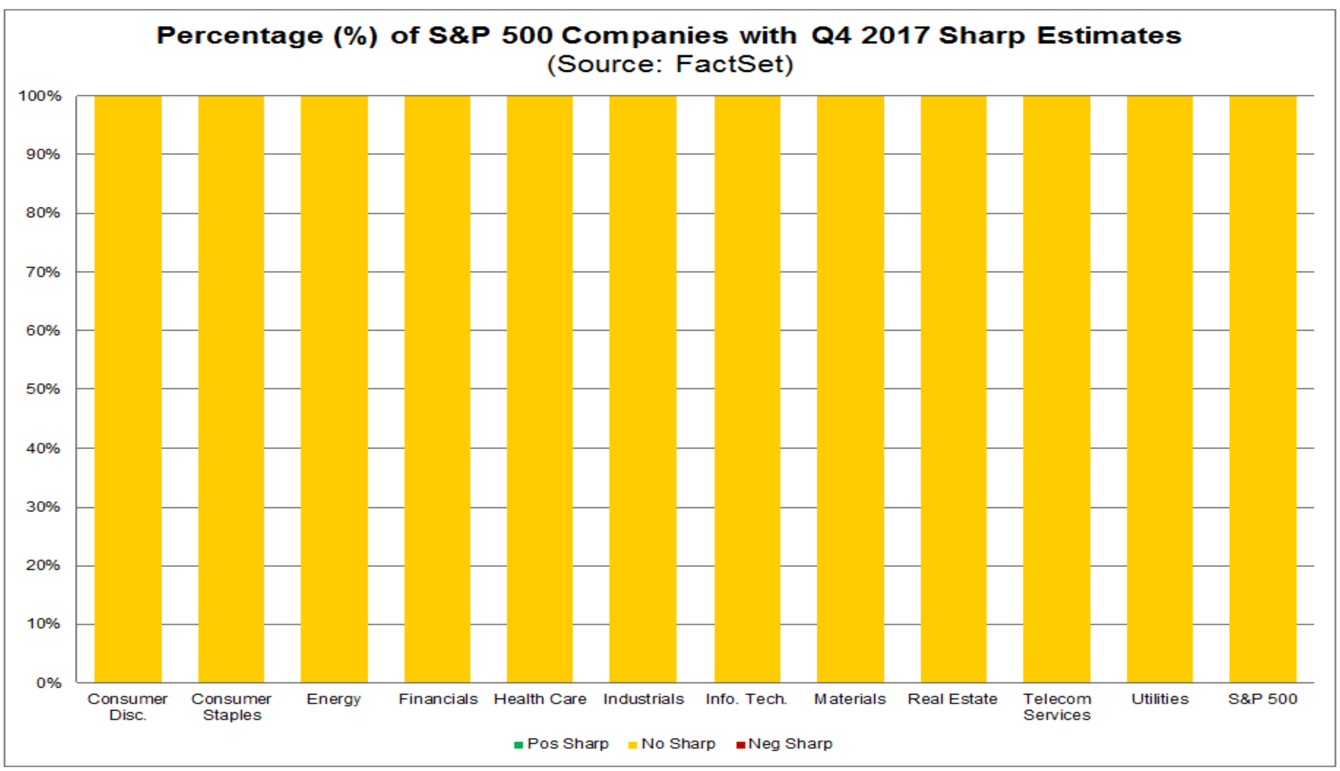
Q4 2017: Scorecard





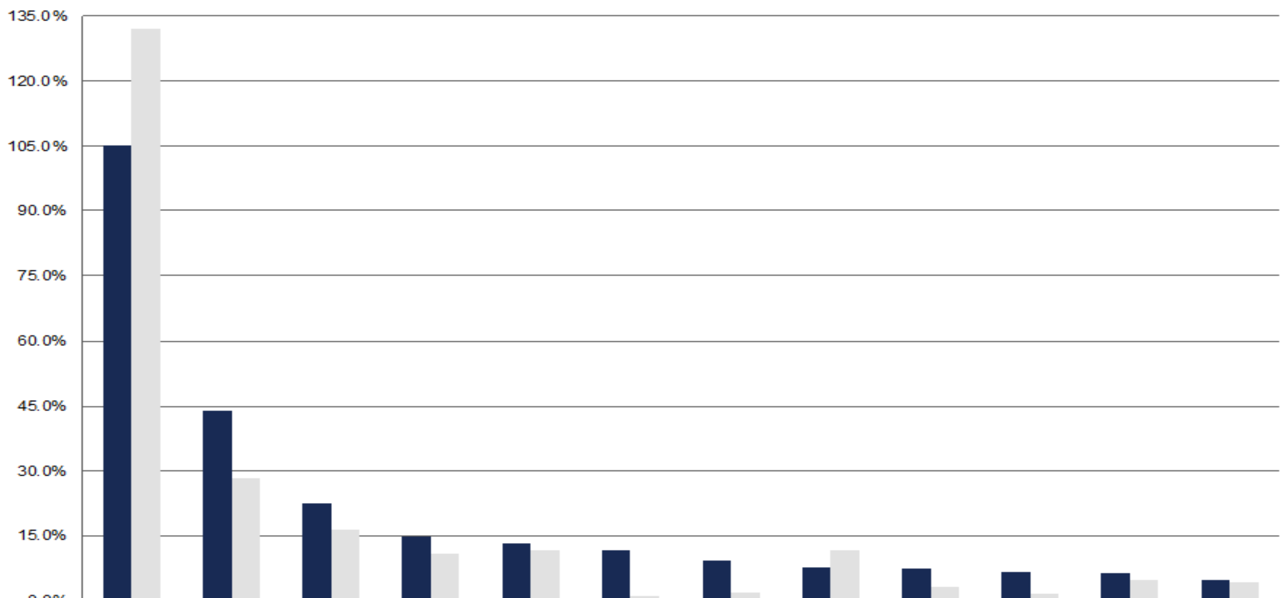
Q4 2017: Projected EPS Surprises (Sharp Estimates)





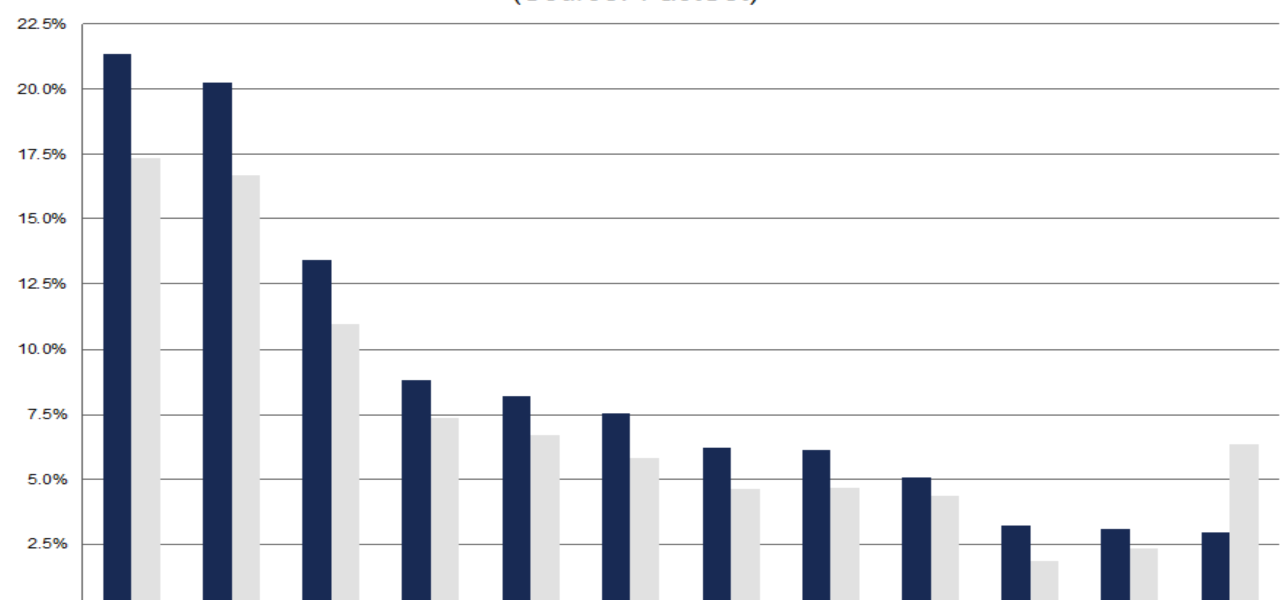
Q4 2017: Growth

S&P 500 Earnings Growth: Q4 2017
(Source: FactSet)



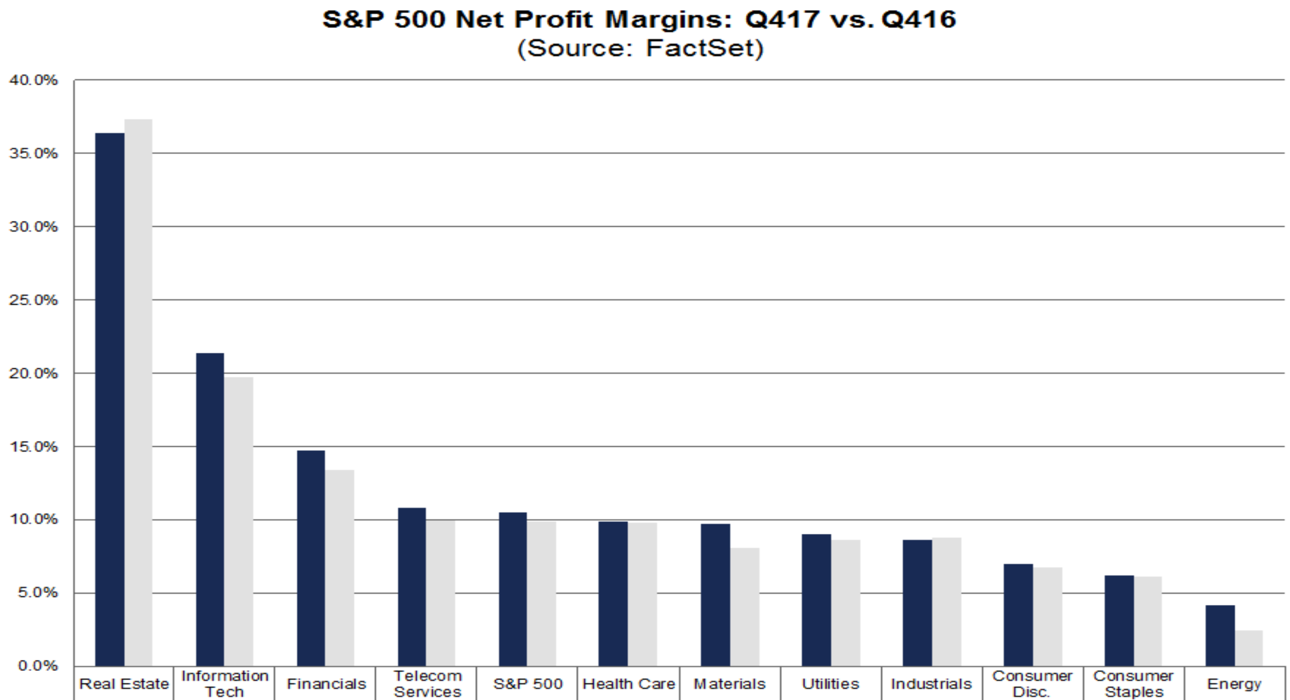
	Energy	Materials	Info. Technology	S&P 500	Financials	Telecom Services	Consumer Disc.	Utilities	Health Care	Industrials	Consumer Staples	Real Estate
Today	105.1%	43.9%	22.6%	15.0%	13.3%	11.6%	9.4%	7.7%	7.4%	6.8%	6.5%	4.8%
31-Dec	132.1%	28.5%	16.4%	11.0%	11.9%	1.1%	2.0%	11.8%	3.3%	1.7%	4.9%	4.3%

S&P 500 Revenue Growth: Q4 2017
(Source: FactSet)

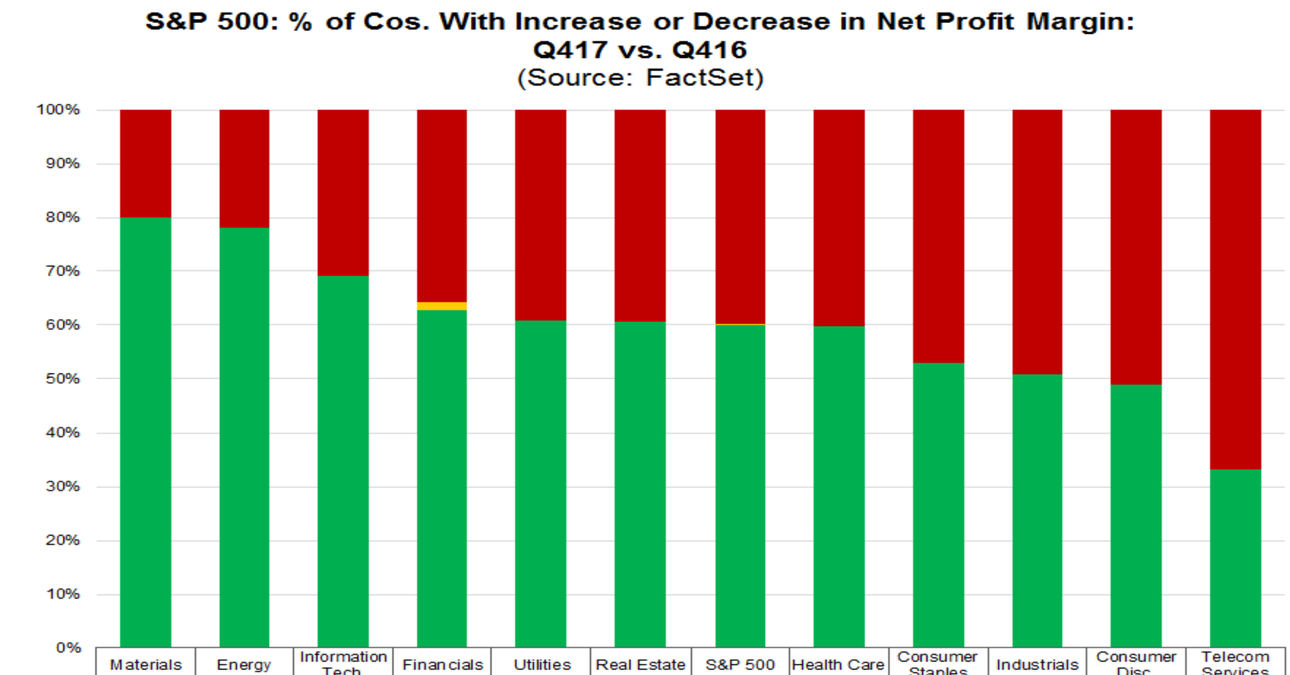


	Energy	Materials	Info. Technology	Industrials	S&P 500	Real Estate	Consumer Disc.	Health Care	Consumer Staples	Telecom Services	Financials	Utilities
Today	21.3%	20.2%	13.4%	8.8%	8.2%	7.5%	6.2%	6.1%	5.1%	3.3%	3.1%	3.0%
31-Dec	17.3%	16.7%	11.0%	7.4%	6.7%	5.8%	4.7%	4.7%	4.4%	1.9%	2.4%	6.4%

Q4 2017: Net Profit Margin



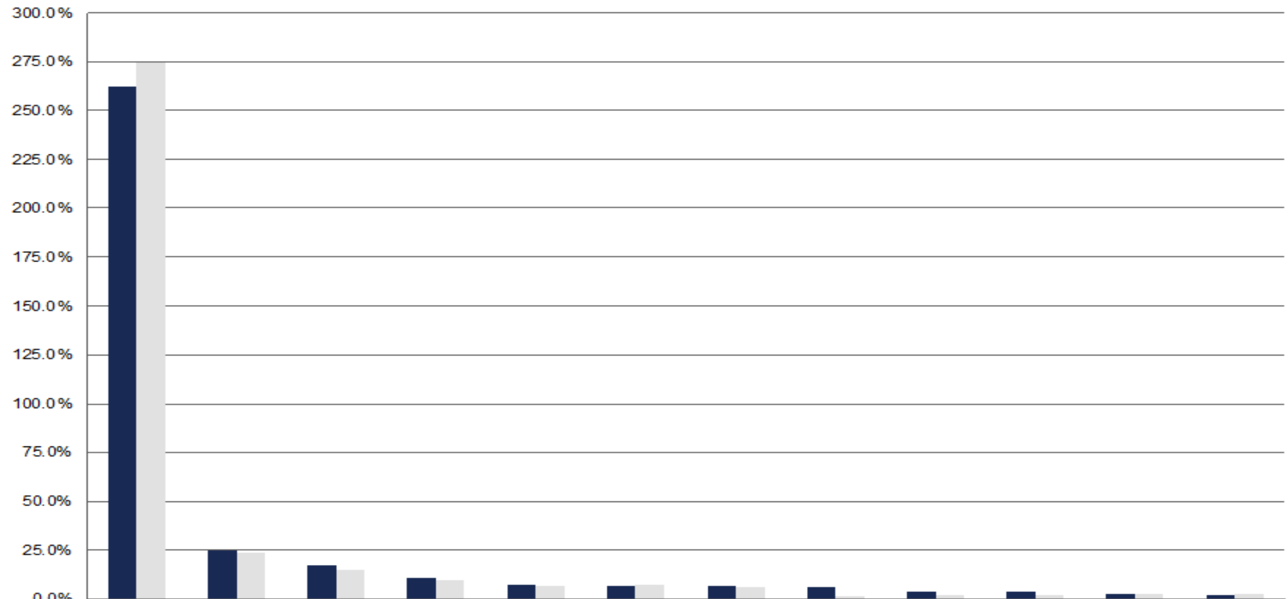
	Real Estate	Information Tech	Financials	Telecom Services	S&P 500	Health Care	Materials	Utilities	Industrials	Consumer Disc.	Consumer Staples	Energy
Q417	36.3%	21.3%	14.8%	10.8%	10.5%	9.9%	9.7%	9.1%	8.6%	7.0%	6.2%	4.2%
Q416	37.3%	19.7%	13.5%	10.0%	9.9%	9.8%	8.1%	8.7%	8.8%	6.8%	6.1%	2.5%



	Materials	Energy	Information Tech.	Financials	Utilities	Real Estate	S&P 500	Health Care	Consumer Staples	Industrials	Consumer Disc.	Telecom Services
Down %	20%	22%	31%	36%	39%	39%	40%	40%	47%	49%	51%	67%
None %	0%	0%	0%	1%	0%	0%	0%	0%	0%	0%	0%	0%
Up %	80%	78%	69%	63%	61%	61%	60%	60%	53%	51%	49%	33%

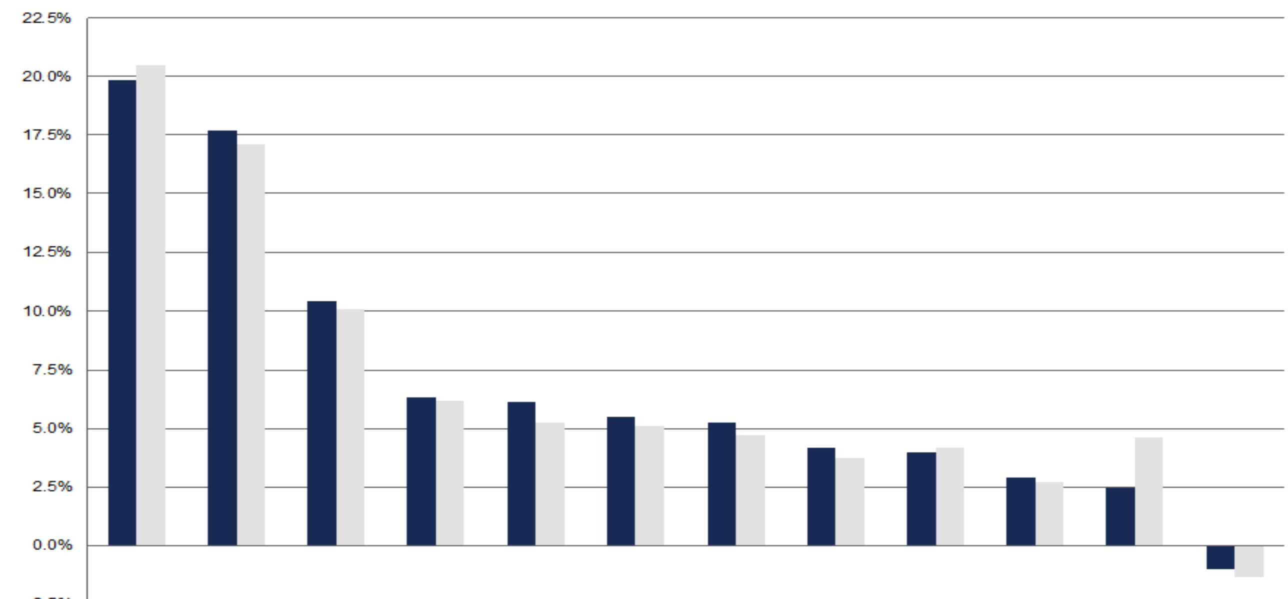
CY 2017: Growth

S&P 500 Earnings Growth: CY 2017
(Source: FactSet)



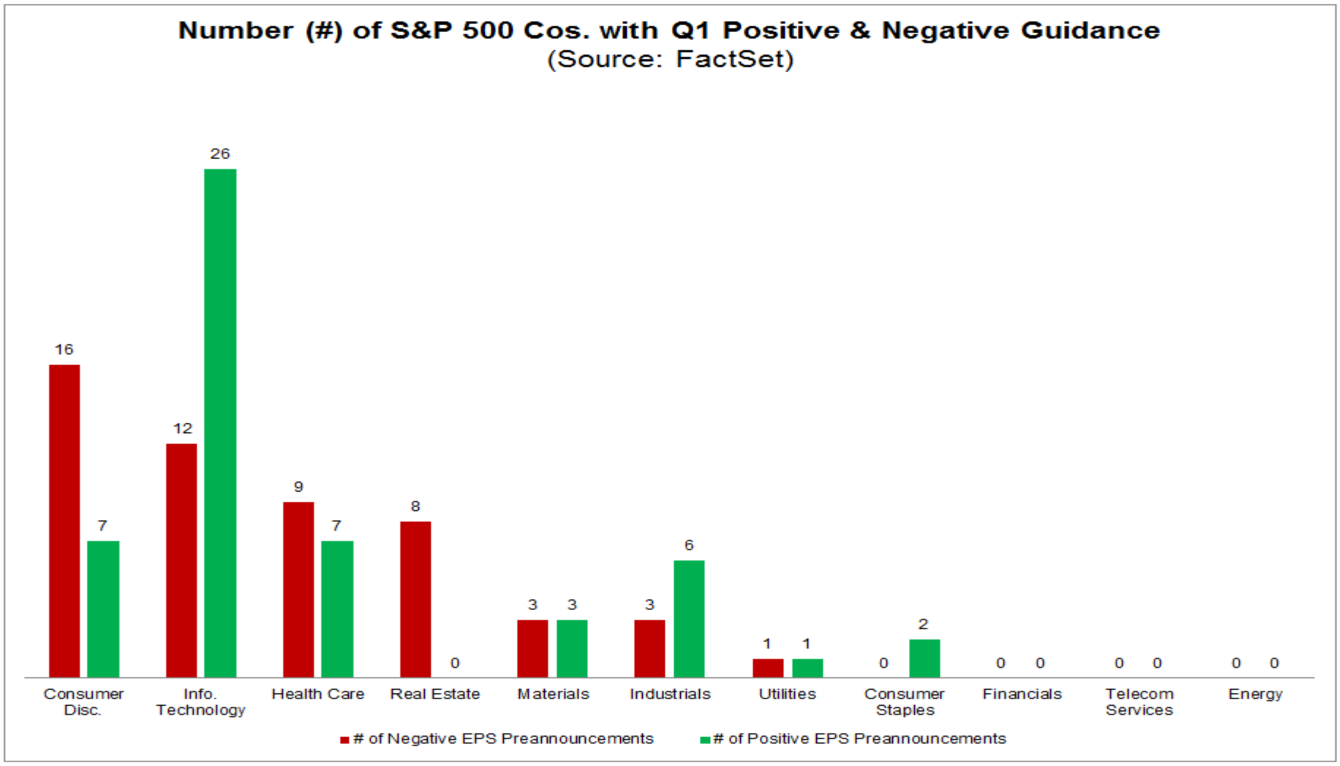
	Energy	Materials	Info. Technology	S&P 500	Real Estate	Financials	Health Care	Telecom Services	Industrials	Consumer Disc.	Consumer Staples	Utilities
Today	262.0%	25.0%	17.2%	11.0%	7.2%	6.9%	6.9%	6.3%	4.0%	4.0%	2.8%	2.2%
31-Dec	274.6%	23.5%	15.0%	9.8%	6.8%	7.1%	5.9%	1.3%	2.1%	1.9%	2.4%	2.4%

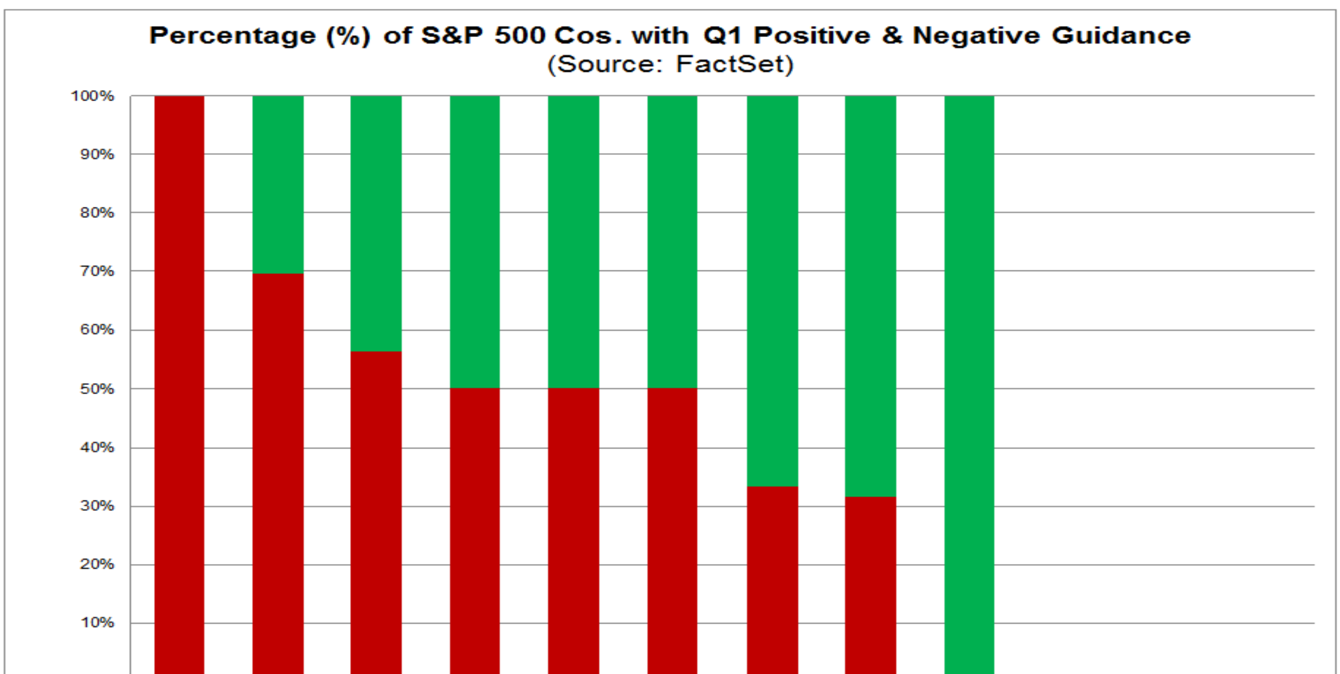
S&P 500 Revenue Growth: CY 2017
(Source: FactSet)



	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%	6.4%	6.2%	5.5%	5.3%	4.2%	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%

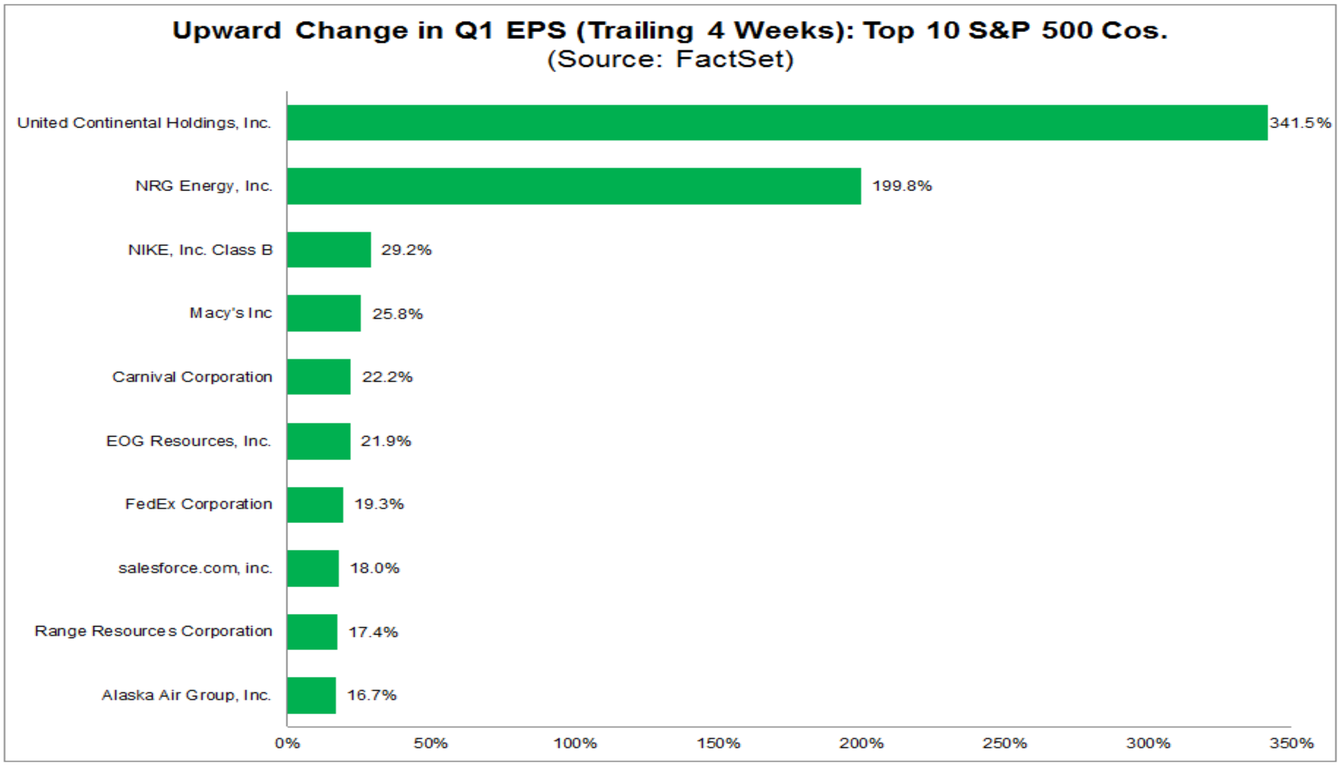
Q1 2018: Guidance

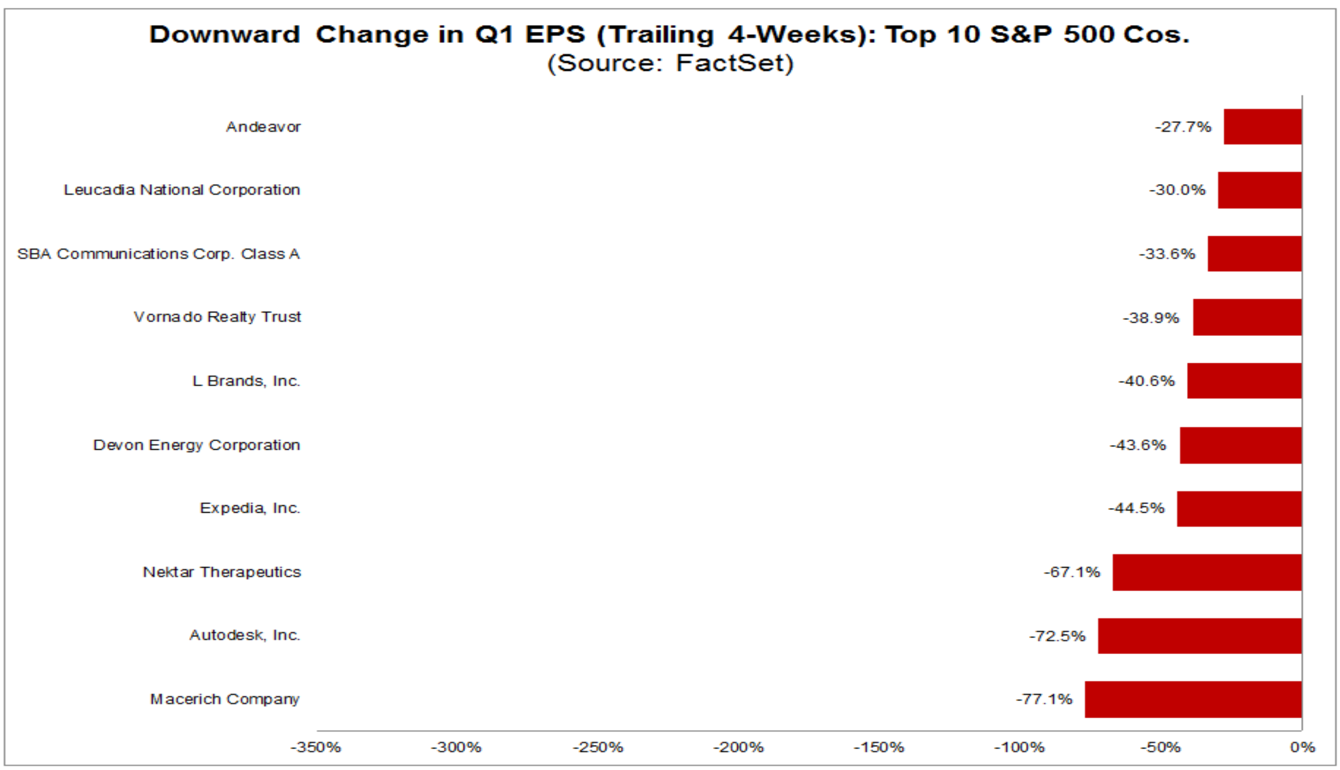




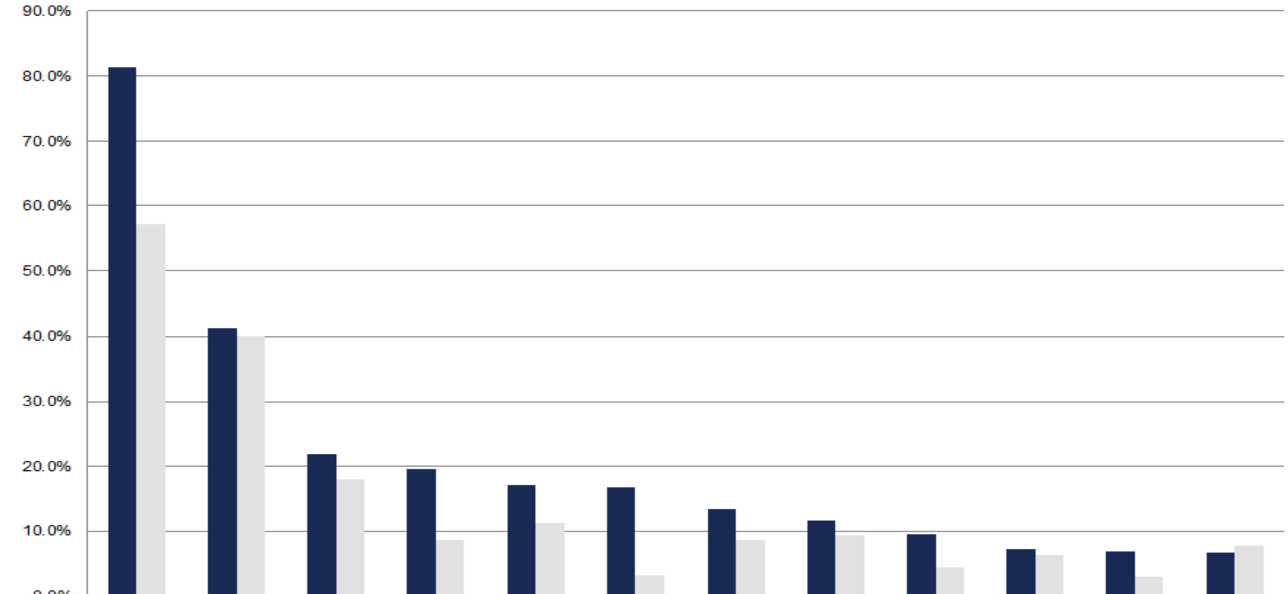
	Real Estate	Consumer Disc.	Health Care	S&P 500	Materials	Utilities	Industrials	Info. Technology	Consumer Staples	Financials	Telecom Services	Energy
Positive	0%	30%	44%	50%	50%	50%	67%	68%	100%	0%	0%	0%
Negative	100%	70%	56%	50%	50%	50%	33%	32%	0%	0%	0%	0%

Q1 2018: EPS Revisions

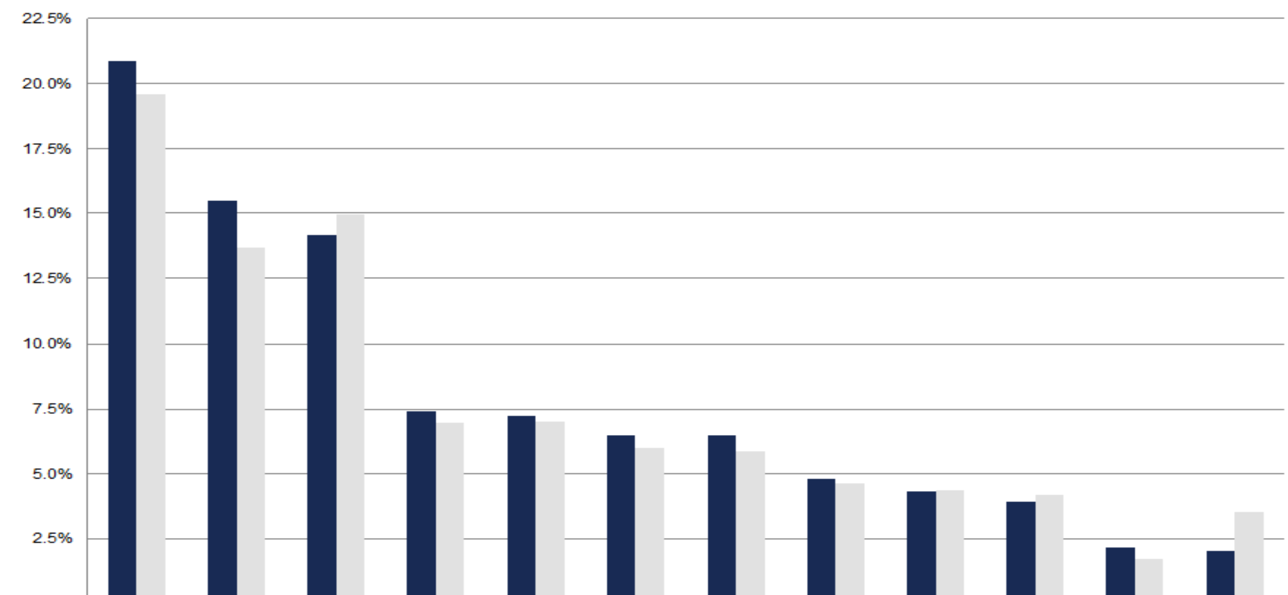




Q1 2018: Growth



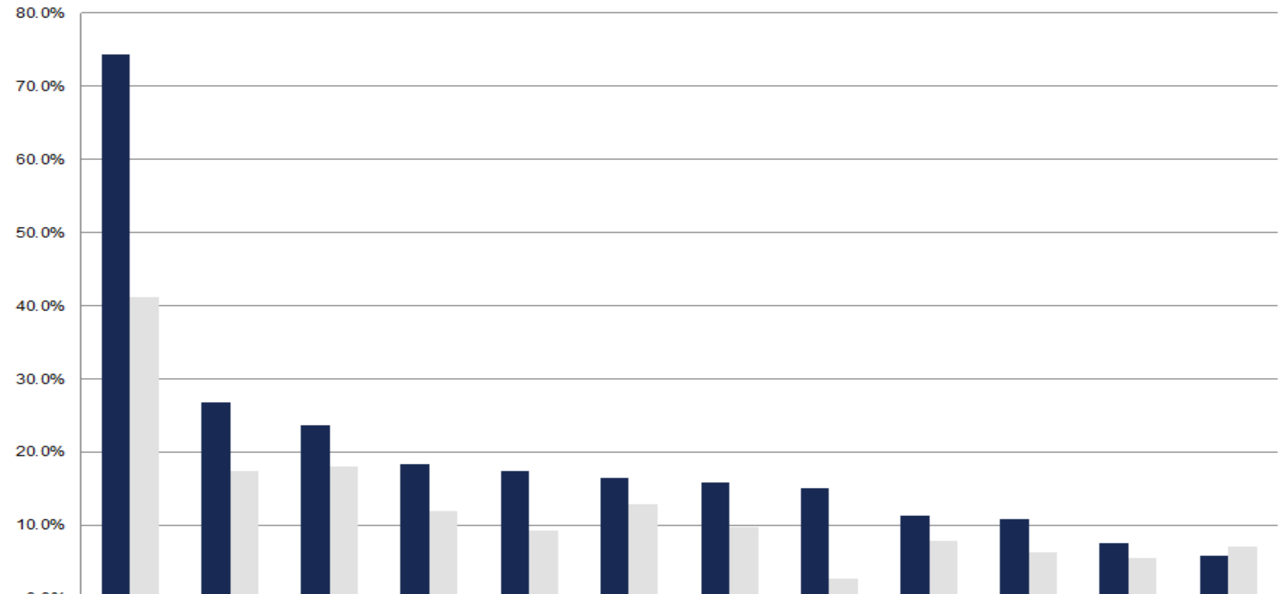
	Energy	Materials	Info. Technology	Financials	S&P 500	Telecom Services	Industrials	Utilities	Health Care	Consumer Staples	Consumer Disc.	Real Estate
Today	81.3%	41.1%	21.9%	19.7%	17.2%	16.8%	13.4%	11.6%	9.6%	7.3%	7.0%	6.8%
31-Dec	57.1%	40.1%	18.0%	8.7%	11.3%	3.2%	8.8%	9.4%	4.5%	6.5%	3.1%	7.9%



	Materials	Energy	Info. Technology	Industrials	S&P 500	Health Care	Real Estate	Consumer Disc.	Telecom Services	Consumer Staples	Financials	Utilities
Today	20.9%	15.5%	14.2%	7.4%	7.2%	6.5%	6.5%	4.8%	4.4%	3.9%	2.2%	2.0%
31-Dec	19.6%	13.7%	15.0%	7.0%	7.0%	6.0%	5.9%	4.6%	4.4%	4.2%	1.8%	3.5%

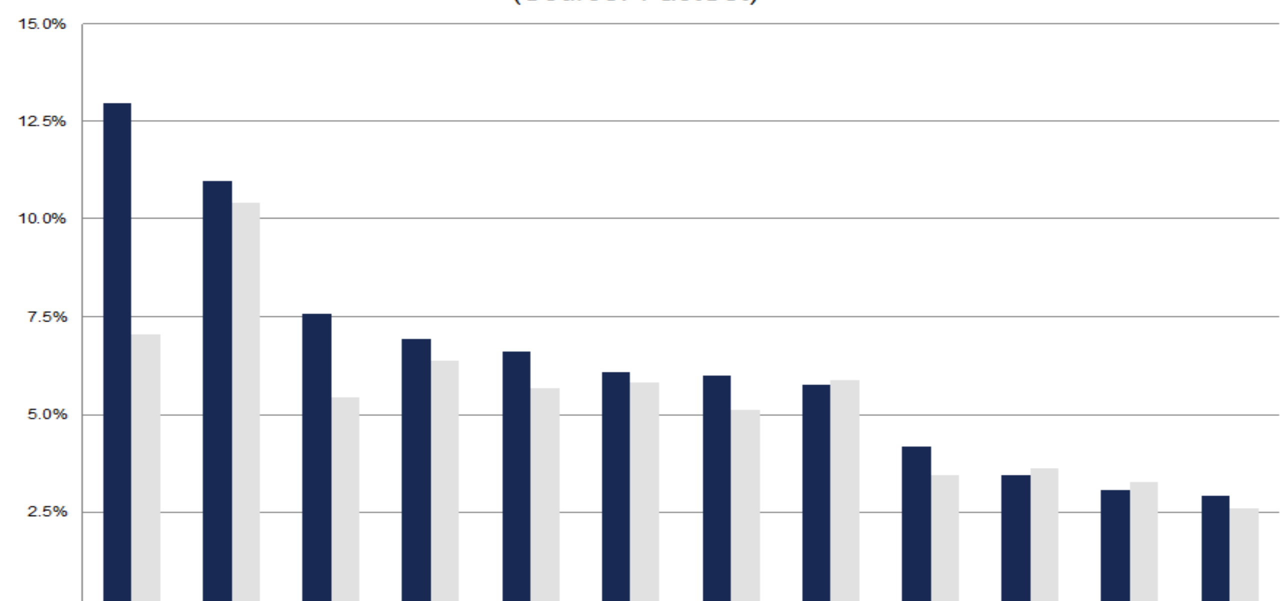
CY 2018: Growth

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



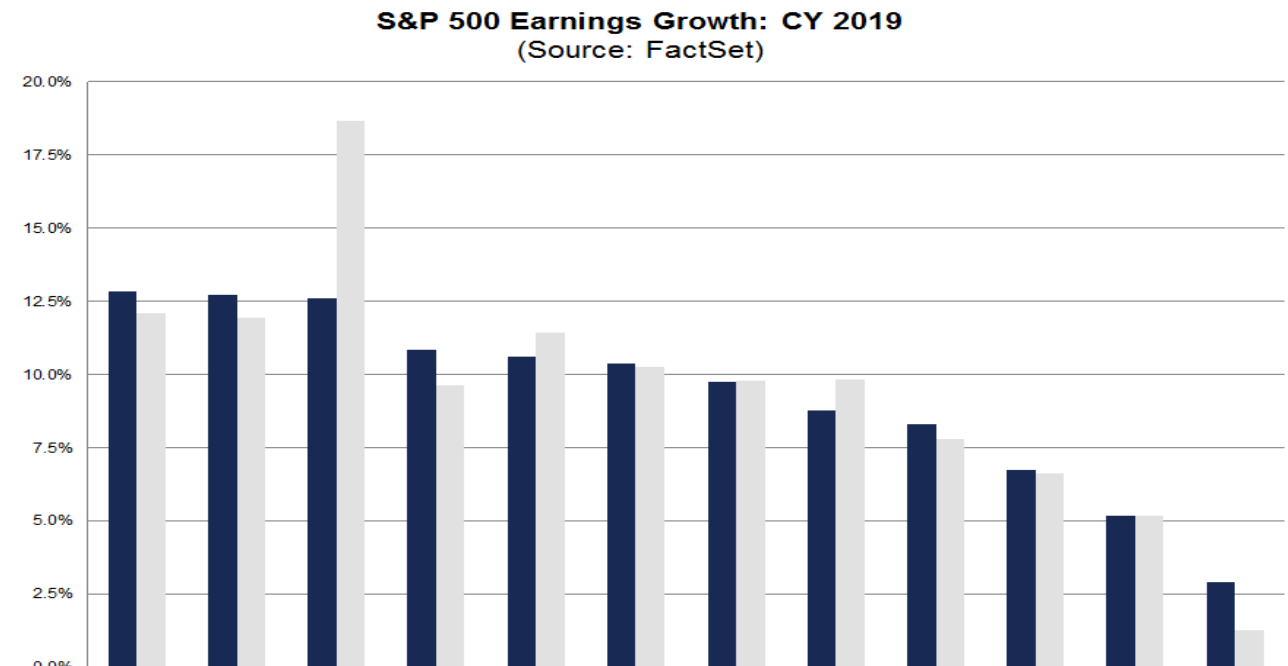
	Energy	Financials	Materials	S&P 500	Industrials	Info. Technology	Consumer Disc.	Telecom Services	Consumer Staples	Health Care	Utilities	Real Estate
Today	74.4%	26.9%	23.8%	18.4%	17.5%	16.5%	15.8%	15.1%	11.4%	11.0%	7.7%	5.8%
31-Dec	41.2%	17.4%	18.1%	11.9%	9.4%	12.9%	9.8%	2.7%	7.9%	6.4%	5.6%	7.1%

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

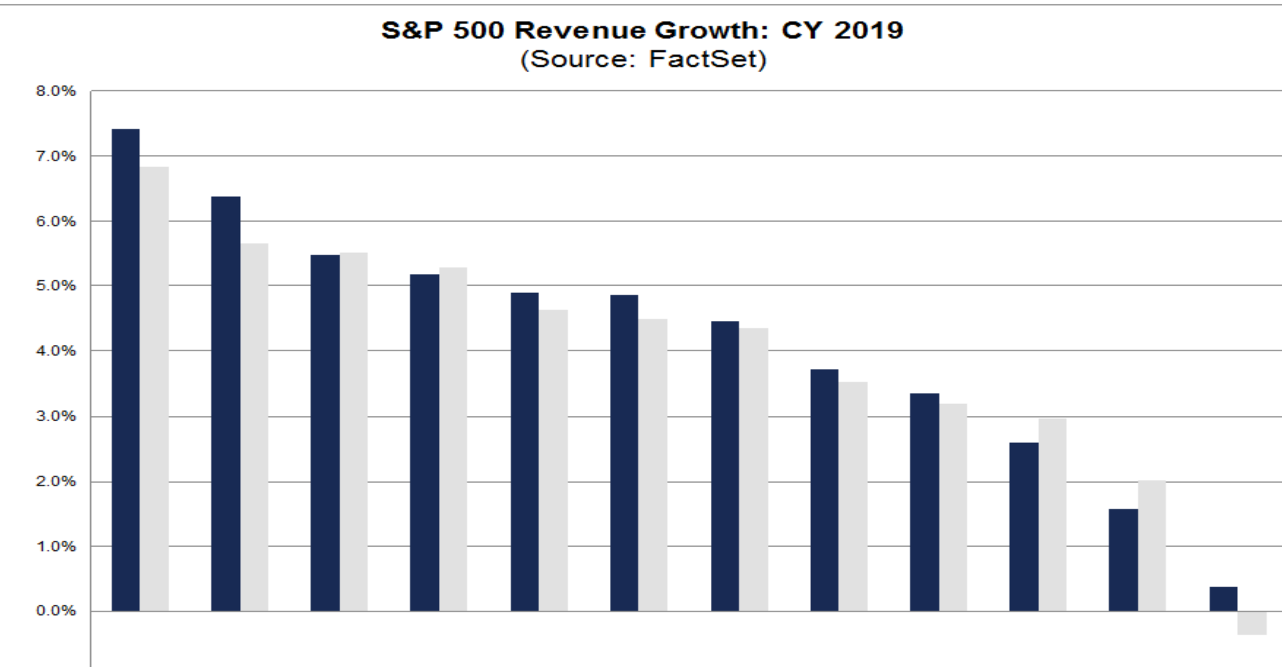


	Energy	Info. Technology	Materials	Consumer Disc.	S&P 500	Health Care	Industrials	Real Estate	Financials	Consumer Staples	Utilities	Telecom Services
Today	13.0%	11.0%	7.6%	6.9%	6.6%	6.1%	6.0%	5.8%	4.2%	3.5%	3.1%	2.9%
31-Dec	7.0%	10.4%	5.5%	6.4%	5.7%	5.8%	5.1%	5.9%	3.4%	3.6%	3.3%	2.6%

CY 2019: Growth

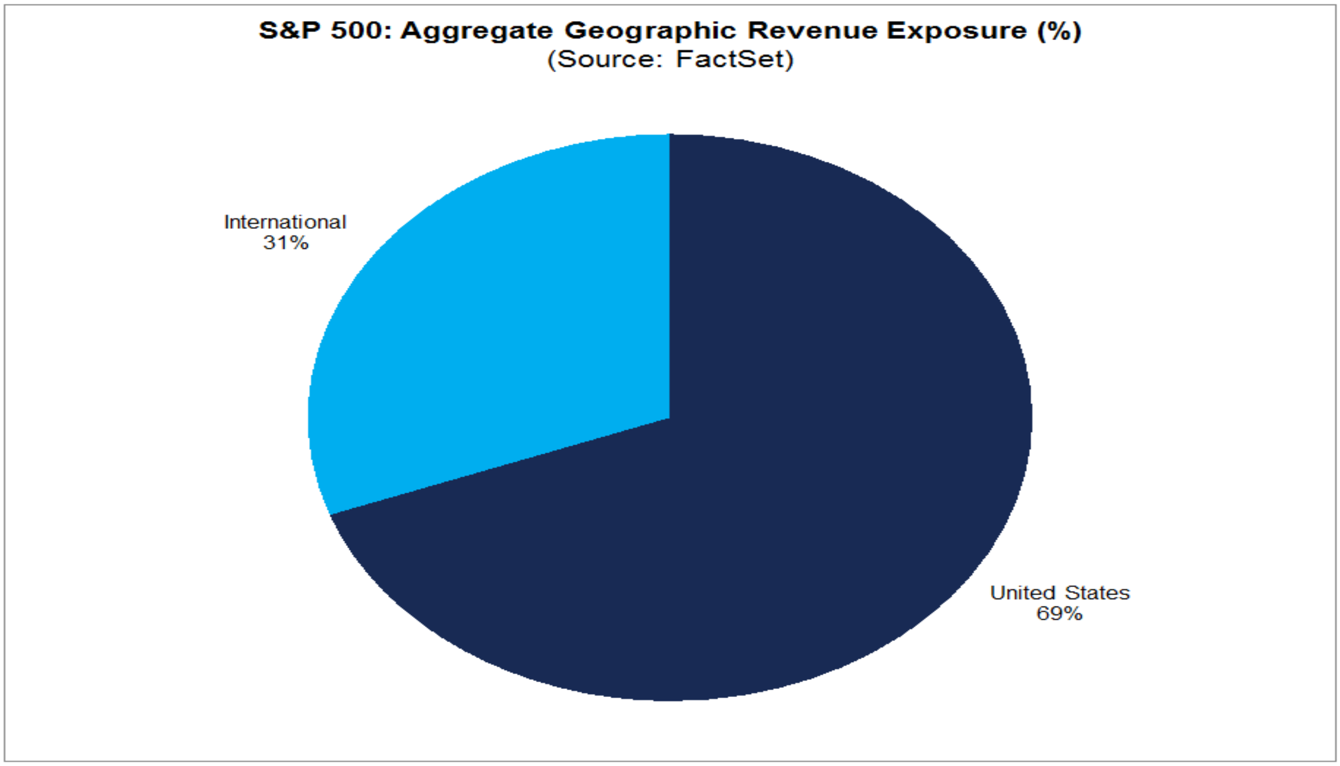


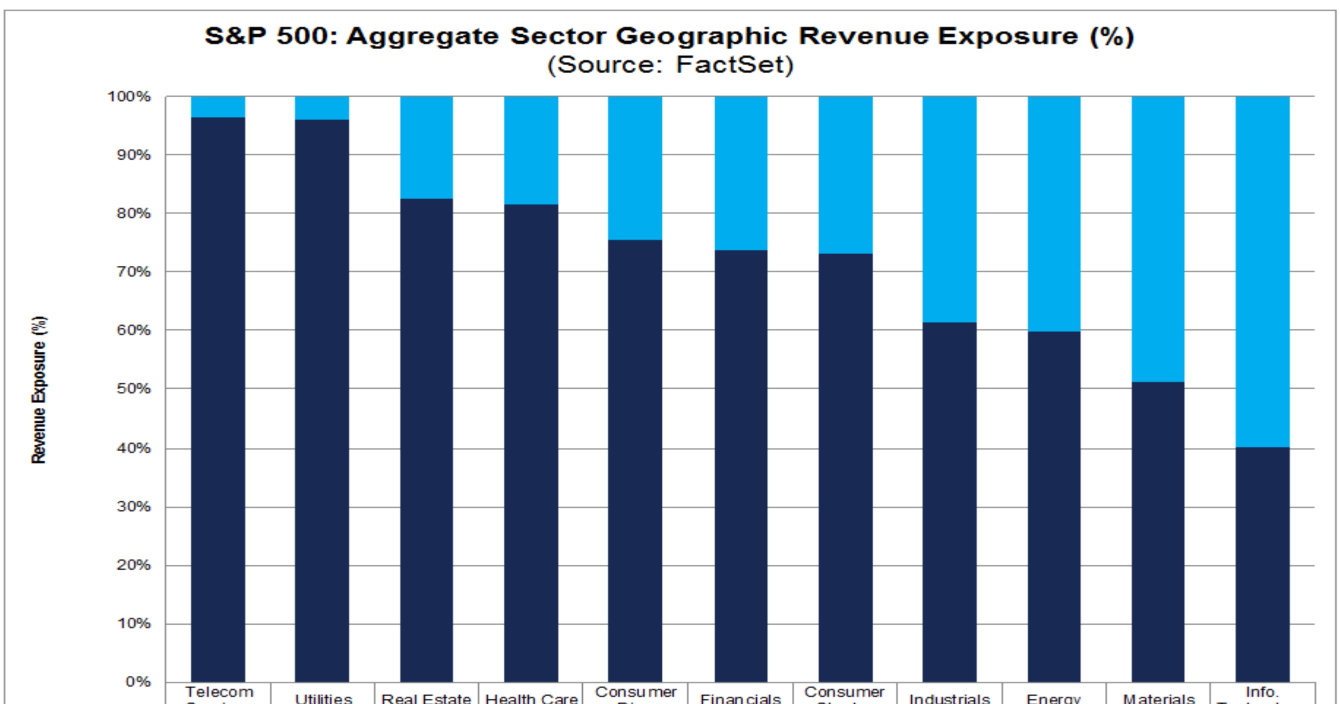
	Consumer Disc.	Industrials	Energy	Info. Technology	Financials	S&P 500	Health Care	Materials	Consumer Staples	Real Estate	Utilities	Telecom Services
Today	12.8%	12.7%	12.6%	10.8%	10.6%	10.3%	9.7%	8.8%	8.3%	6.8%	5.2%	2.9%
31-Dec	12.1%	11.9%	18.6%	9.6%	11.4%	10.2%	9.8%	9.8%	7.8%	6.7%	5.2%	1.3%



	Info. Technology	Consumer Disc.	Health Care	Real Estate	S&P 500	Industrials	Financials	Consumer Staples	Energy	Materials	Utilities	Telecom Services
Today	7.4%	6.4%	5.5%	5.2%	4.9%	4.9%	4.5%	3.7%	3.3%	2.6%	1.6%	0.4%
31-Dec	6.8%	5.6%	5.5%	5.3%	4.6%	4.5%	4.3%	3.5%	3.2%	3.0%	2.0%	-0.4%

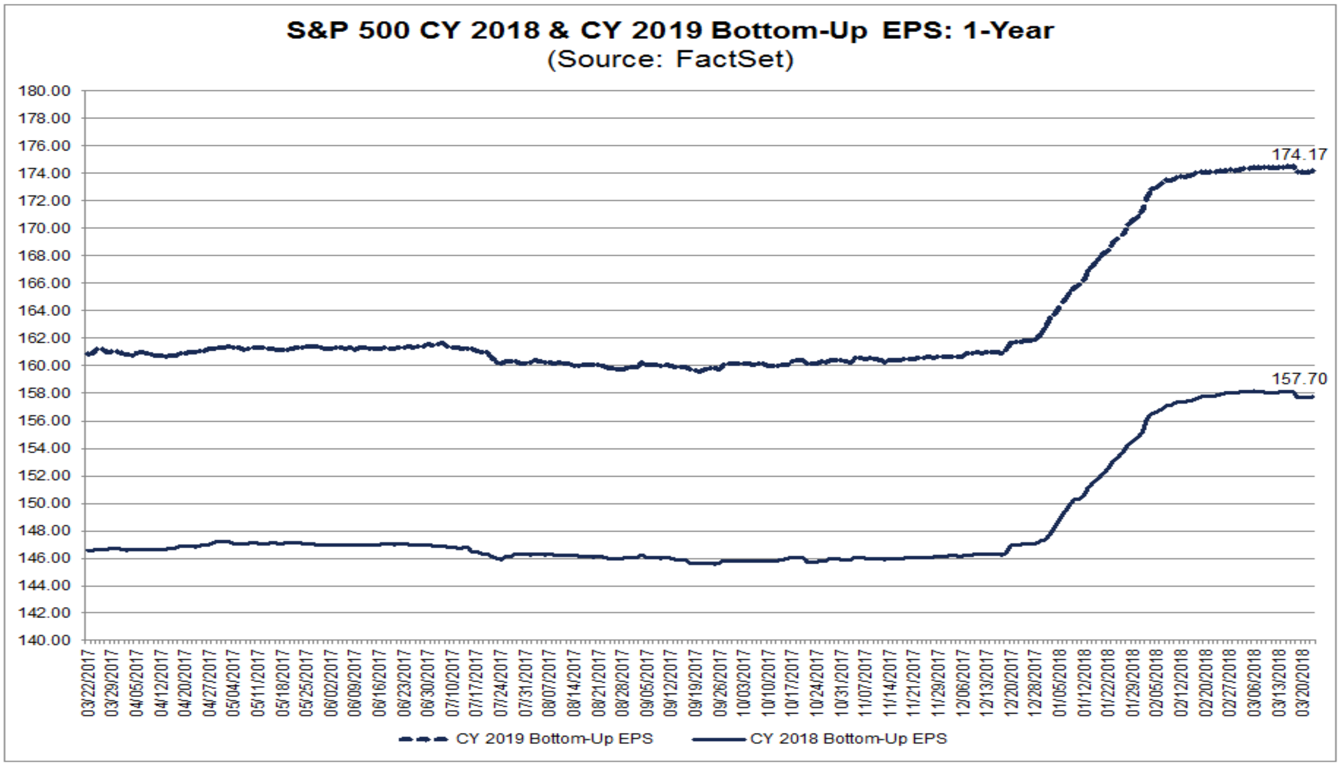
Geographic Revenue Exposure

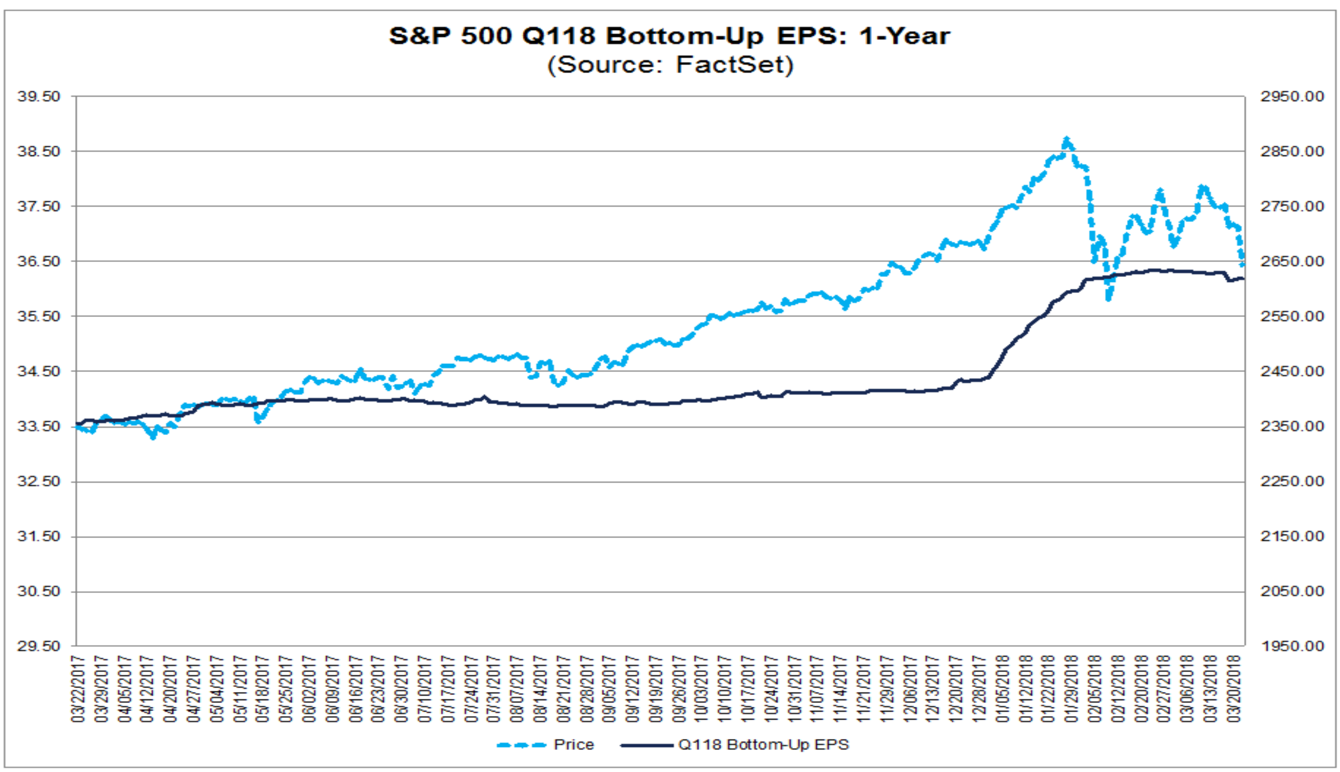




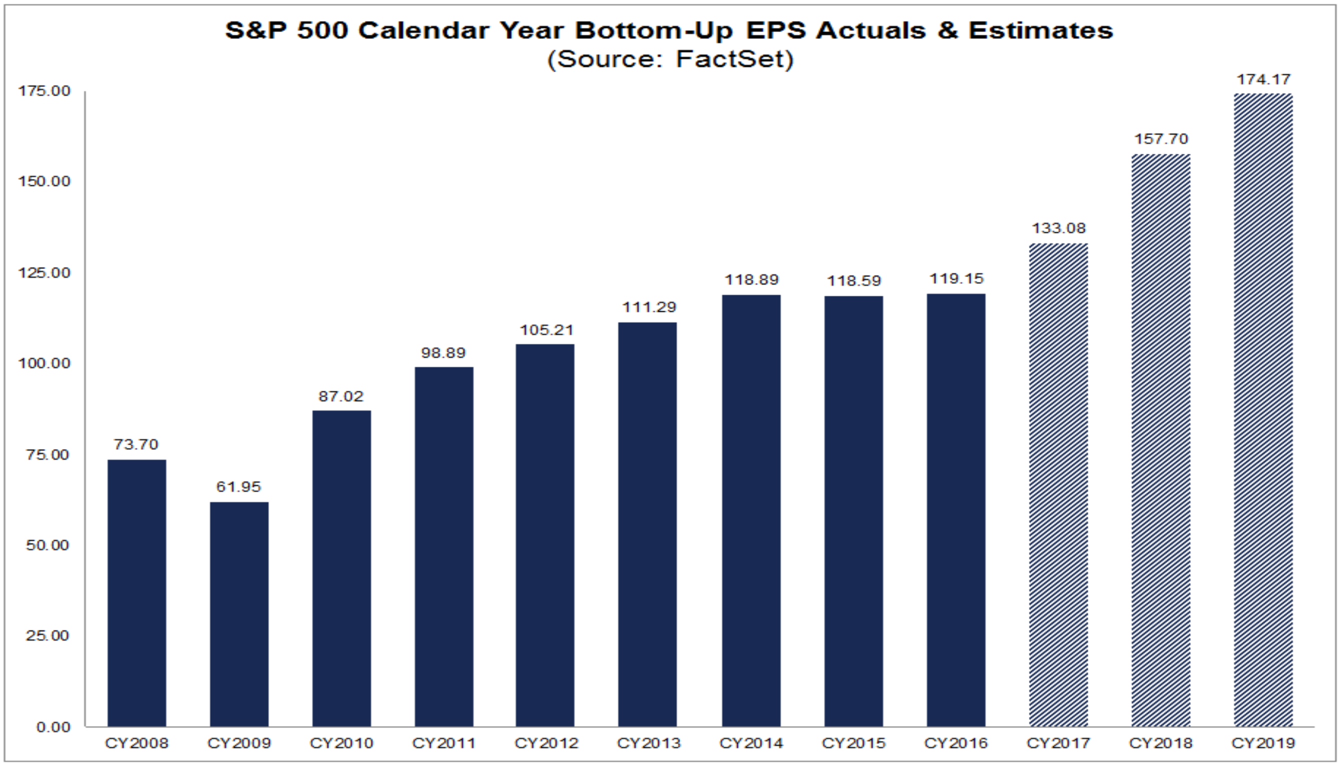
	Telecom Services	Utilities	Real Estate	Health Care	Consumer Disc.	Financials	Consumer Staples	Industrials	Energy	Materials	Info. Technology
International	4%	4%	17%	18%	25%	26%	27%	39%	40%	49%	60%
United States	96%	96%	83%	82%	75%	74%	73%	61%	60%	51%	40%

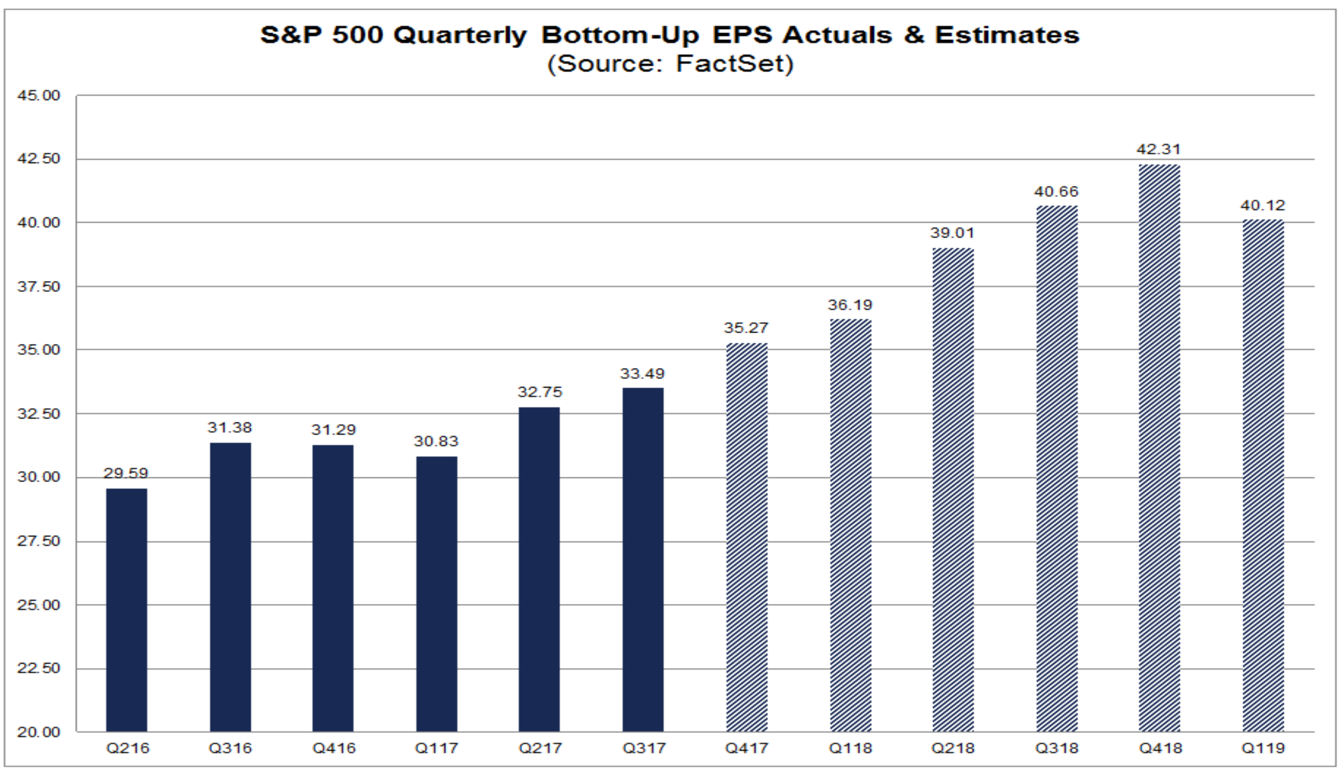
Bottom-up EPS Estimates: Revisions





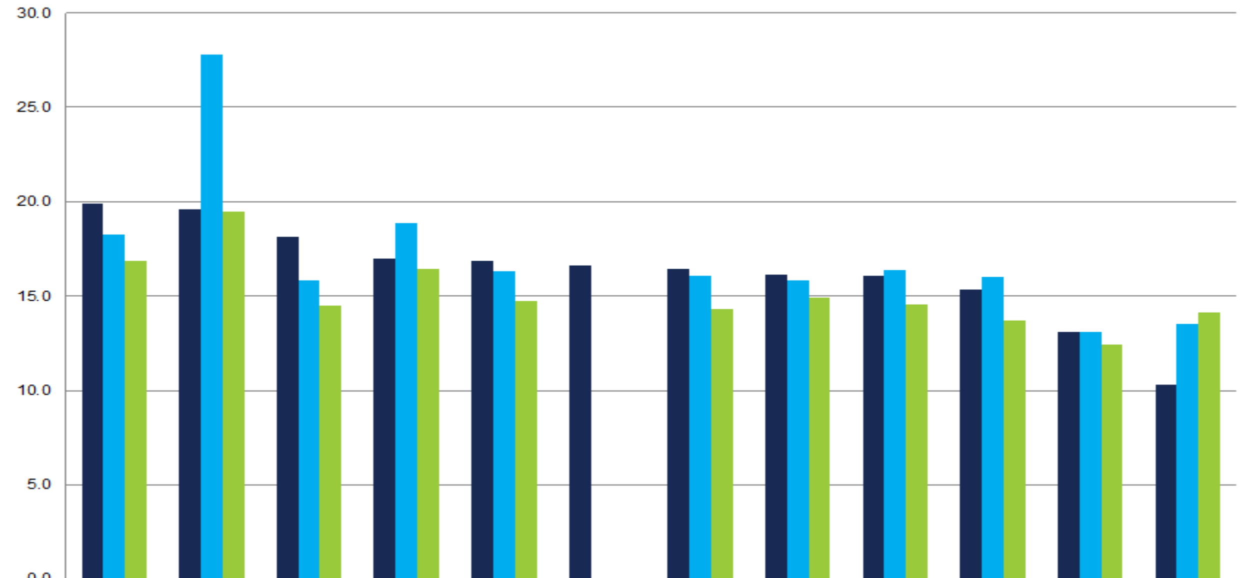
Bottom-up EPS Estimates: Current & Historical





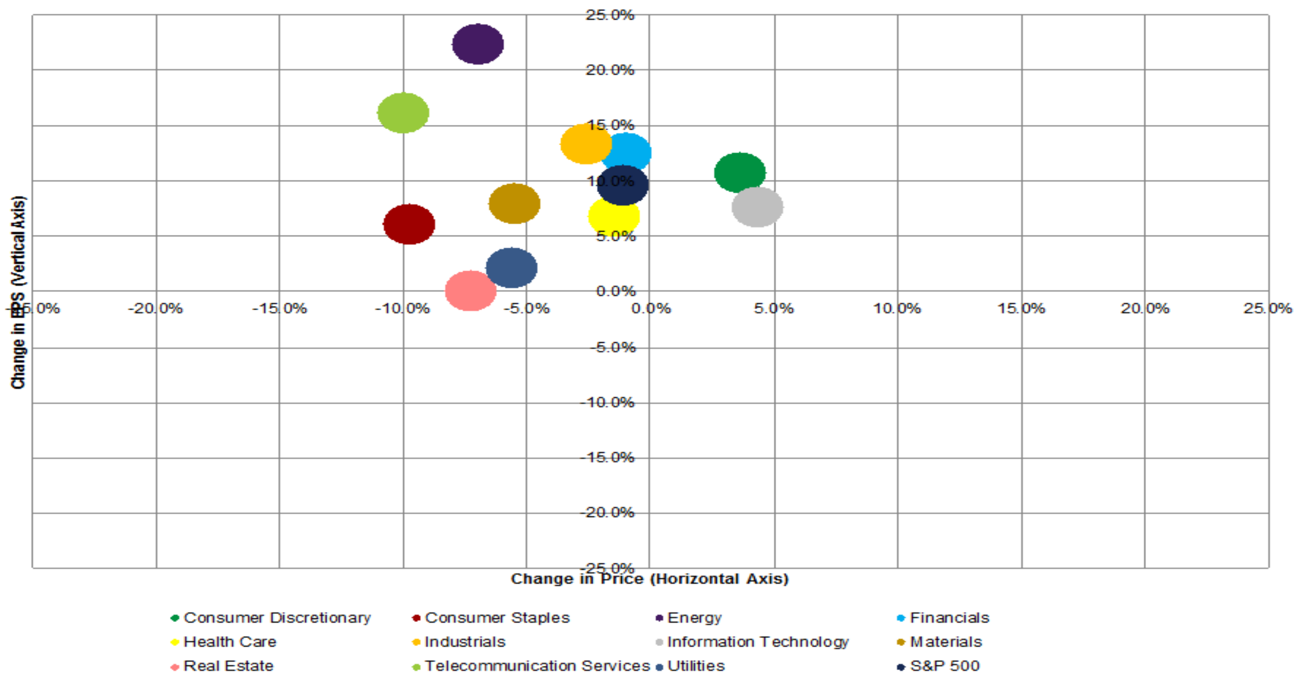
Forward 12M P/E Ratio: Sector Level

S&P 500 Sector-Level Forward 12-Month P/E Ratios
(Source: FactSet)

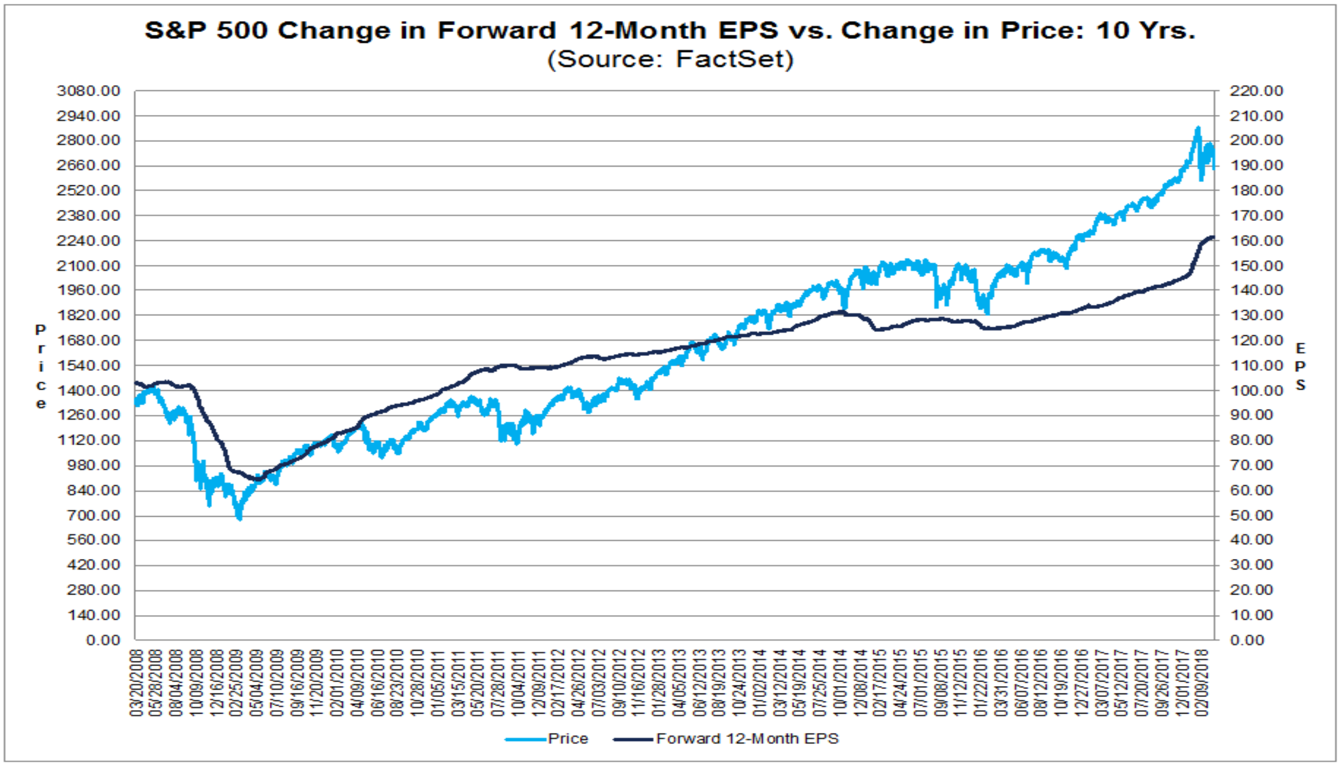


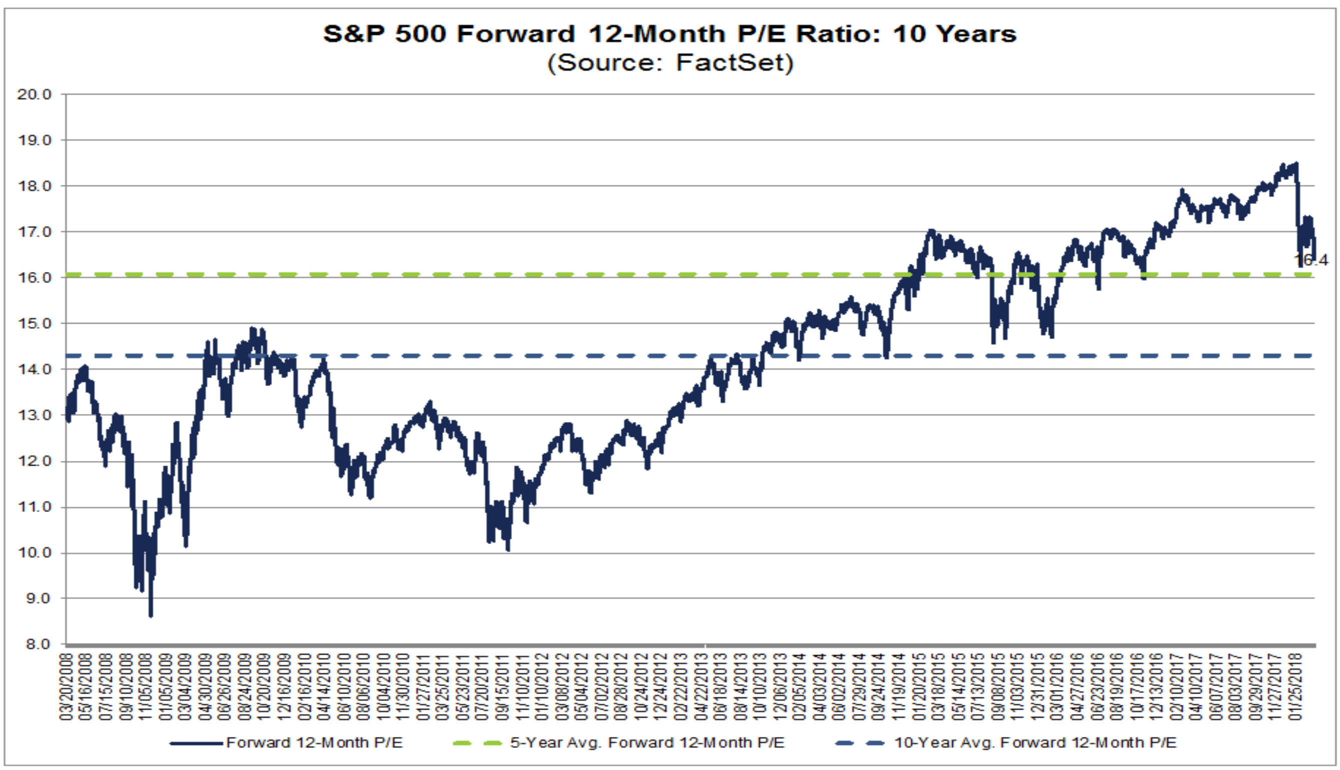
	Consumer Disc.	Energy	Info. Technology	Consumer Staples	Industrials	Real Estate	S&P 500	Materials	Utilities	Health Care	Financials	Telecom Services
Fwd P/E	19.9	19.6	18.1	16.9	16.9	16.6	16.4	16.1	16.1	15.3	13.0	10.3
5-Yr Avg.	18.2	27.8	15.8	18.8	16.3		16.1	15.8	16.3	16.0	13.0	13.5
10-Yr Avg.	16.8	19.5	14.5	16.4	14.7		14.3	14.9	14.5	13.7	12.5	14.1

Sector-Level Change in Fwd. 12-Month EPS vs. Price: Since Dec 31
(Source: FactSet)

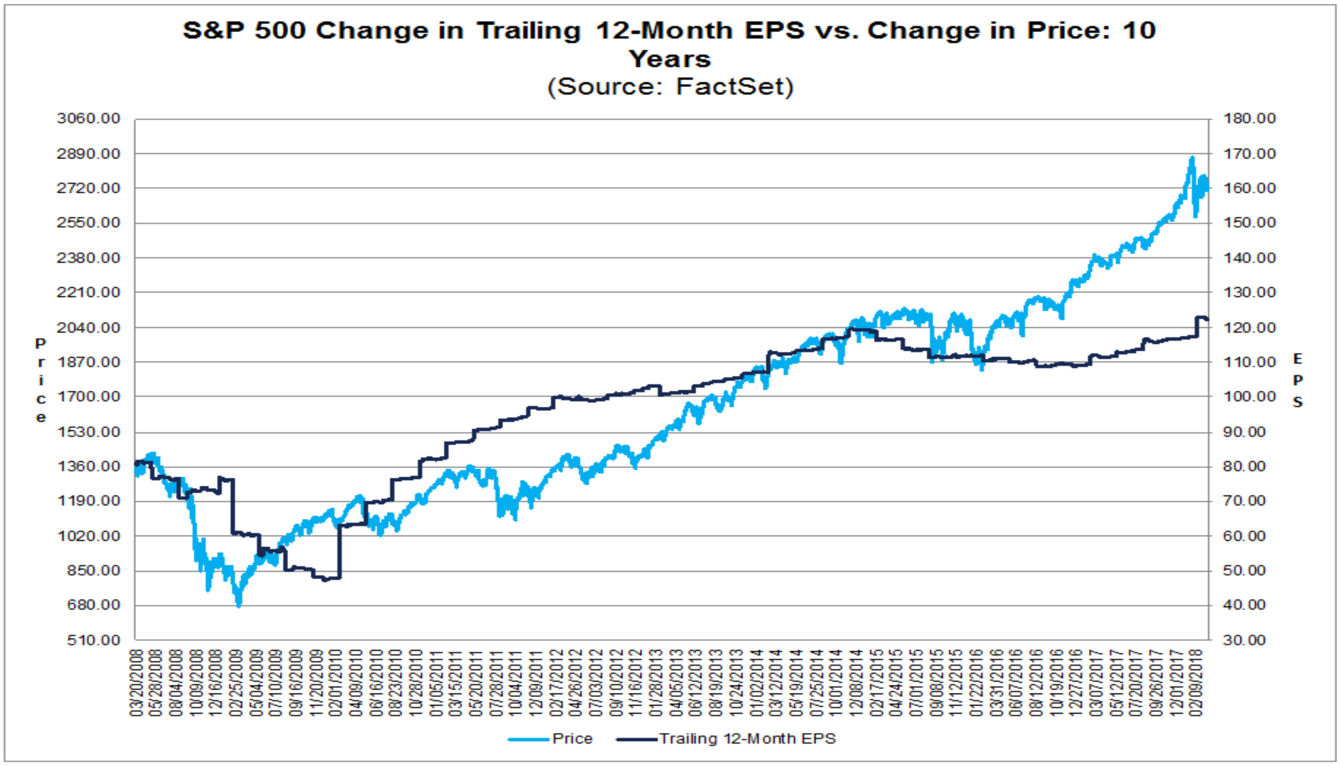


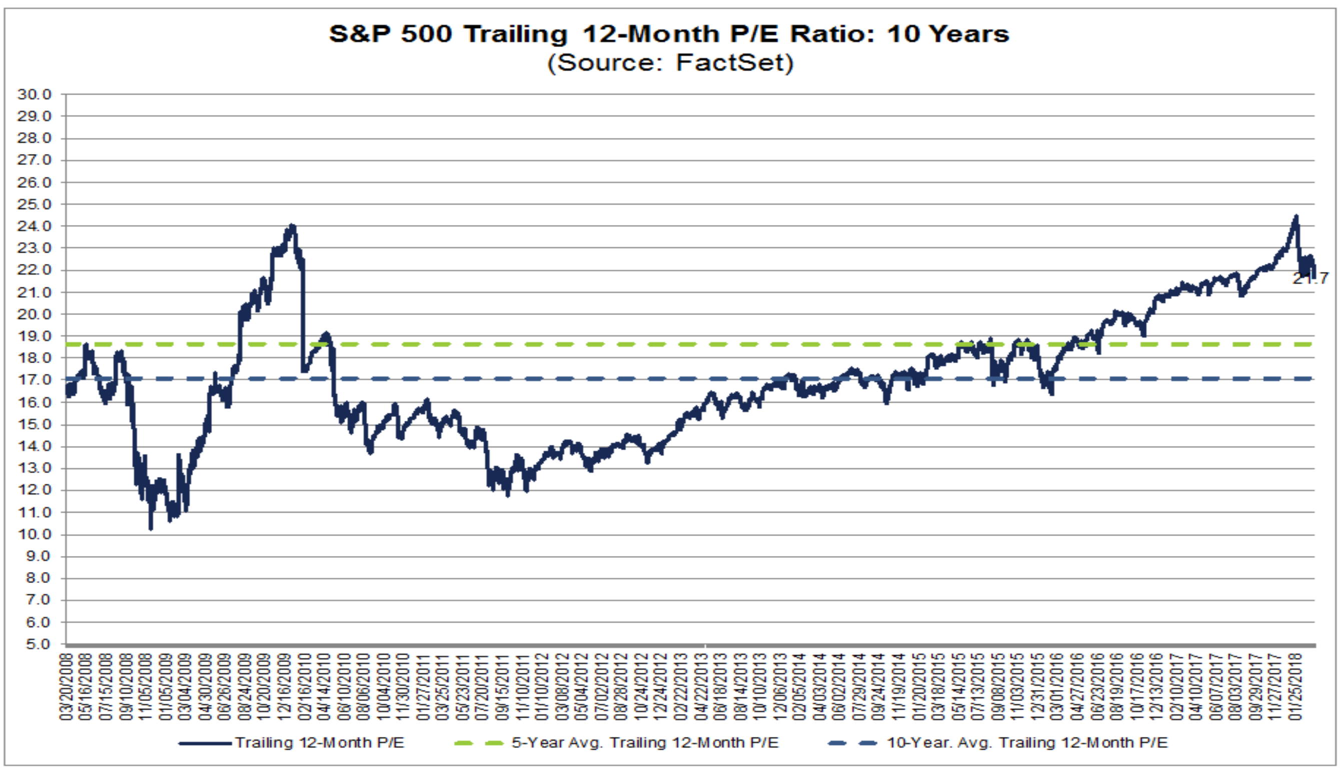
Forward 12M P/E Ratio: Long-Term Averages





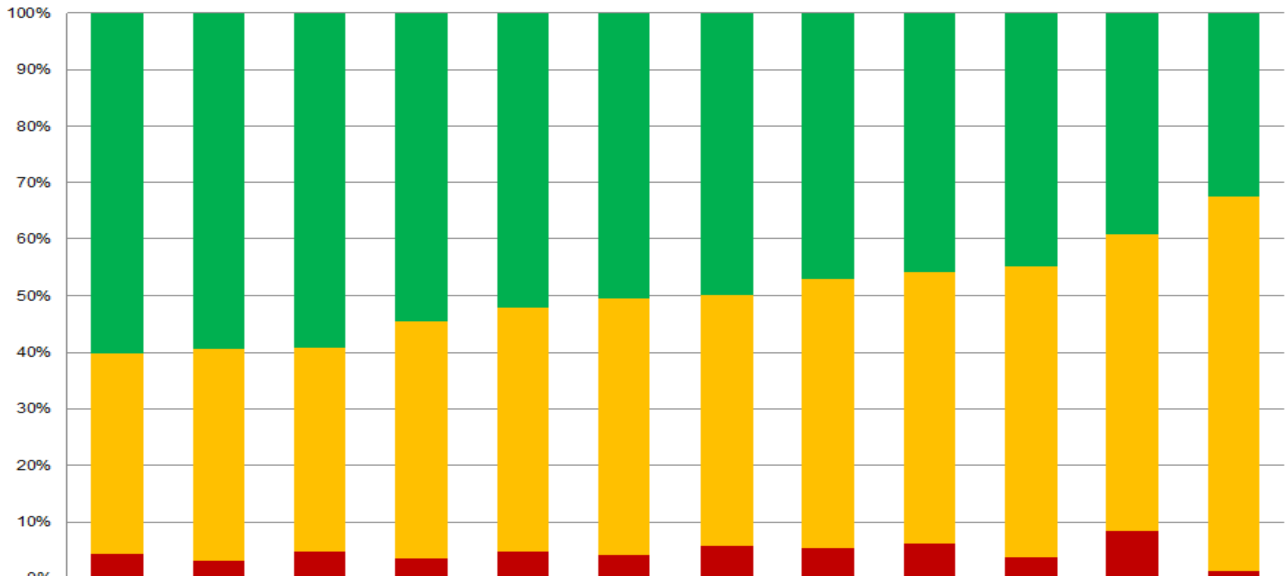
Trailing 12M P/E Ratio: Long-Term Averages





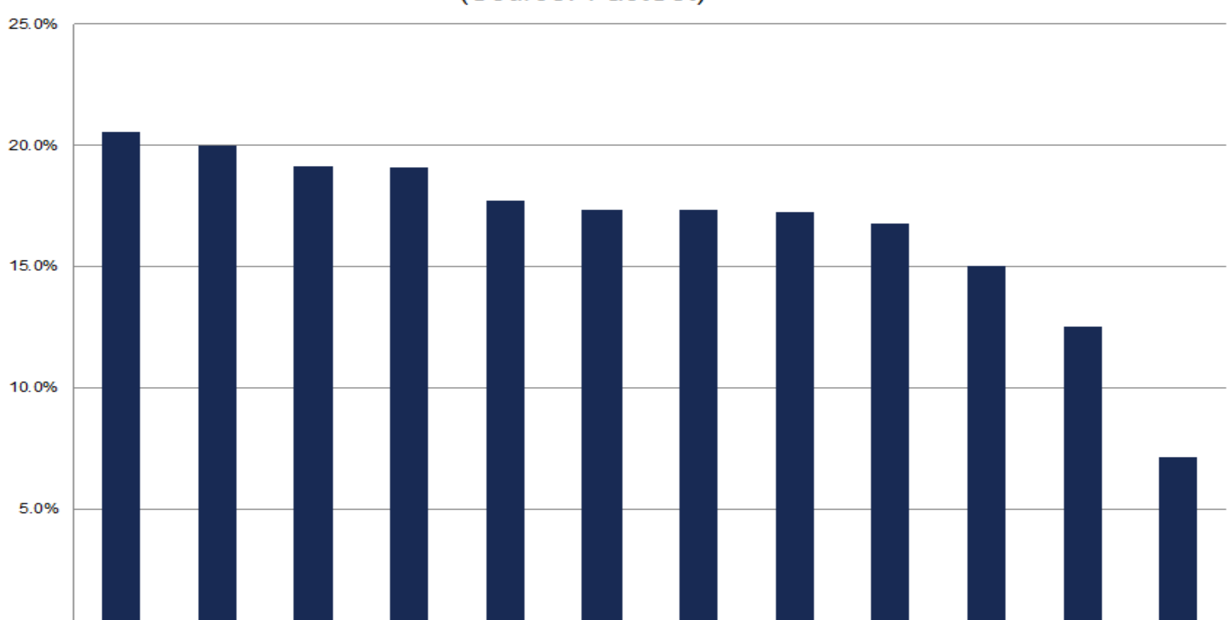
Targets & Ratings

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



	Info. Tech.	Health Care	Energy	Materials	S&P 500	Industrials	Consumer Disc.	Consumer Staples	Financials	Real Estate	Utilities	Telecom Services
Buy	60%	59%	59%	55%	52%	51%	50%	47%	46%	45%	39%	33%
Hold	36%	38%	36%	42%	43%	45%	44%	48%	48%	51%	52%	66%
Sell	4%	3%	5%	4%	5%	4%	6%	5%	6%	4%	9%	1%

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



	Energy	Health Care	Consumer Staples	Materials	Telecom Services	Industrials	Info. Tech.	S&P 500	Consumer Disc.	Financials	Real Estate	Utilities
Target/Close	20.5%	20.0%	19.1%	19.1%	17.7%	17.3%	17.3%	17.2%	16.8%	15.0%	12.5%	7.1%

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