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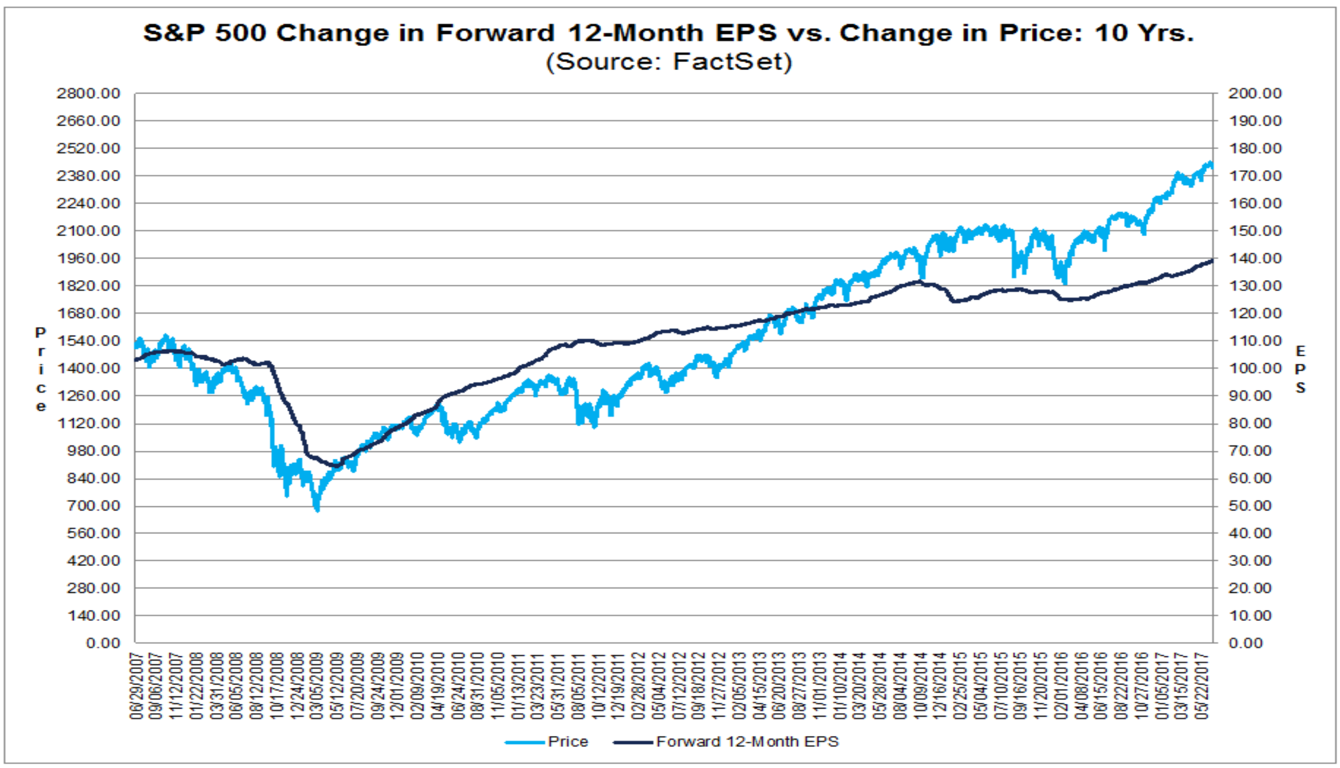
Key Metrics

- **Earnings Growth:** For Q2 2017, the estimated earnings growth rate for the S&P 500 is 6.6%. Nine sectors are expected to report earnings growth for the quarter, led by the Energy sector
- **Earnings Revisions:** On March 31, the estimated earnings growth rate for Q2 2017 was 8.7%. Ten sectors have lower growth rates today (compared to March 31) due to downward revisions to earnings estimates, led by the Energy sector.
- **Earnings Guidance:** For Q2 2017, 76 S&P 500 companies have issued negative EPS guidance and 38 S&P 500 companies has issued positive EPS guidance.
- **Valuation:** The forward 12-month P/E ratio for the S&P 500 is 17.4. This P/E ratio is above the 5-year average (15.3) and the 10-year average (14.0).
- **Earnings Scorecard:** As of today (with 23 companies in the S&P 500 reporting actual results for Q2 2017), 18 S&P 500 companies have beat the mean EPS estimate and 20 S&P 500 companies have beat the mean sales estimate.



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Topic of the Week: 1

Smallest Cuts to EPS Estimates for Q2 Since Q2 2014

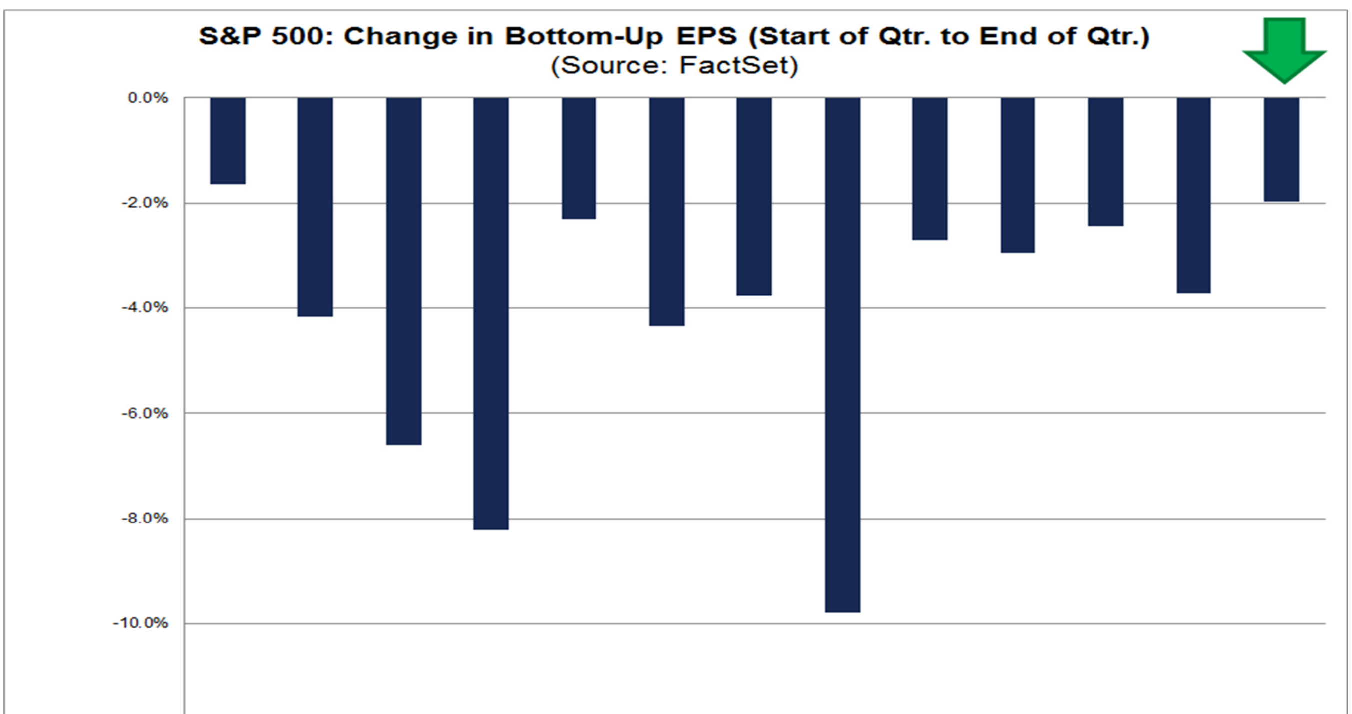
For the second quarter to date, analysts have lowered earnings estimates for companies in the S&P 500 for the quarter. The Q2 bottom-up EPS estimate (which is an aggregation of the EPS estimates for all the companies in the index) has dropped by 2.0% (to $31.50 from $32.13) during this period. How significant is a 2.0% decline in the bottom-up EPS estimate during a quarter? How does this decrease compare to recent quarters?

During the past year (4 quarters), the average decline in the bottom-up EPS estimate during a quarter has been 3.0%. During the past five years (20 quarters), the average decline in the bottom-up EPS estimate during a quarter has been 4.3%. During the past ten years, (40 quarters), the average decline in the bottom-up EPS estimate during a quarter has been 5.9%. Thus, the decline in the bottom-up EPS estimate for the second quarter to date is smaller than the 1-year, 5-year, and 10-year averages.

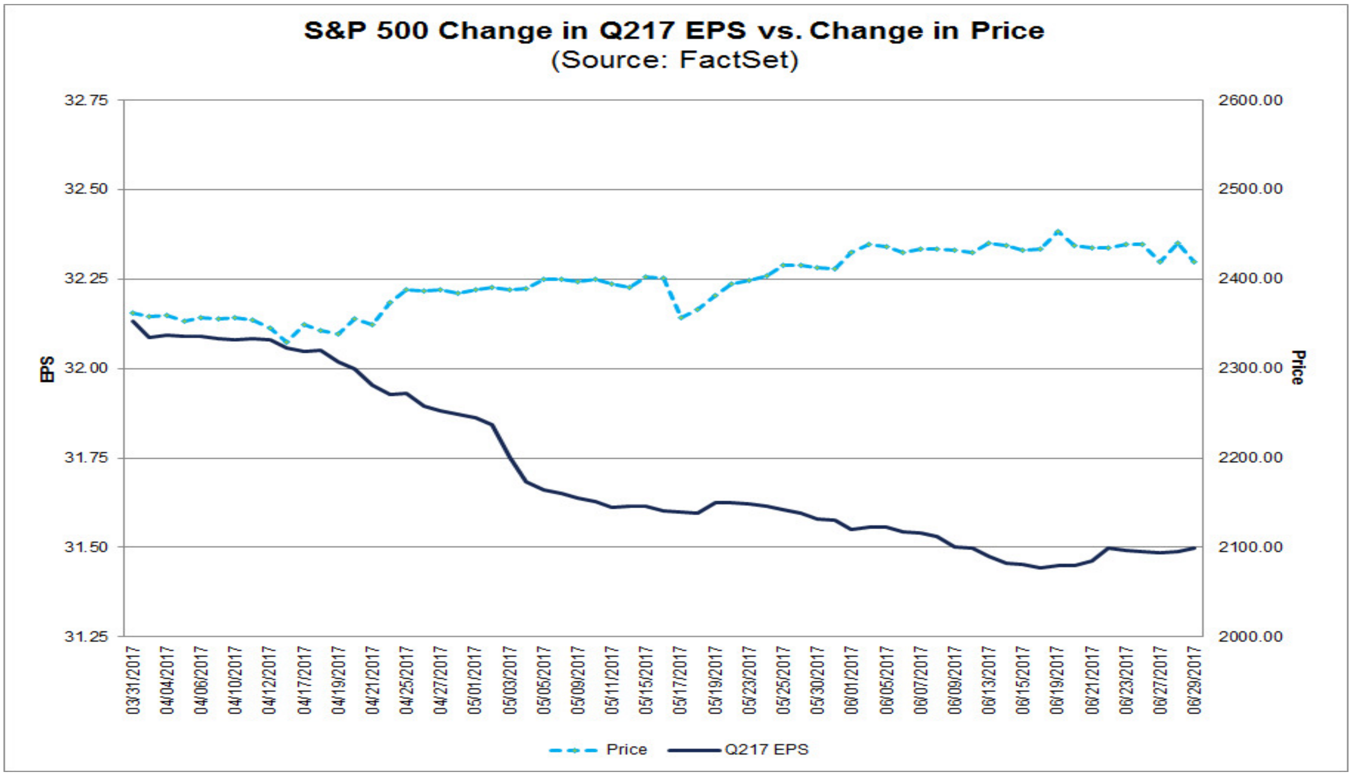
Assuming there is little change in the bottom-up EPS estimate today, this quarter will mark the smallest decline in the bottom-up EPS estimate for the index for a quarter since Q2 2014 (-1.7%).

Seven sectors have recorded a decline in their bottom-up EPS estimate to date for the quarter that is smaller than the 5-year average for the sector. One sector that stands out from the pack in terms of below-average cuts to estimates is the Industrials sector. This sector has recorded an increase in the bottom-up EPS estimate of 1.1% (to $7.79 from $7.71) for the second quarter to date. This 1.1% increase is an improvement relative to the average decline of 3.9% over the past five years and the average decline of 4.3% over the past ten years in the bottom-up EPS estimate for this sector during a quarter.

As the bottom-up EPS estimate for the index declined during the quarter, the value of the S&P 500 increased during this same period. From March 31 through June 29, the value of the index increased by 2.4% (to 2419.70 from 2362.72). Assuming the market does not close below 2362.72 today, this quarter will mark the 17th time in the past 20 quarters in which the bottom-up EPS estimate decreased during the quarter while the value of the index increased over this same period.



	Q214	Q314	Q414	Q115	Q215	Q315	Q415	Q116	Q216	Q316	Q416	Q117	Q217
EPS Change %	-1.7%	-4.2%	-6.6%	-8.2%	-2.3%	-4.3%	-3.8%	-9.8%	-2.7%	-2.9%	-2.4%	-3.7%	-2.0%


S&P 500 Change in Q217 EPS vs. Change in Price
(Source: FactSet)
EPS
Price
32.75
32.50
32.25
32.00
31.75
31.50
31.25
2600.00
2500.00
2400.00
2300.00
2200.00
2100.00
2000.00
03/31/2017
04/04/2017
04/06/2017
04/10/2017
04/12/2017
04/17/2017
04/19/2017
04/21/2017
04/25/2017
04/27/2017
05/01/2017
05/03/2017
05/05/2017
05/09/2017
05/11/2017
05/15/2017
05/17/2017
05/19/2017
05/23/2017
05/25/2017
05/30/2017
06/01/2017
06/05/2017
06/07/2017
06/09/2017
06/13/2017
06/15/2017
06/19/2017
06/21/2017
06/23/2017
06/27/2017
06/29/2017
Price
Q217 EPS

Topic of the Week: 2

Industry Analysts Project 9% Price Increase for S&P 500 over Next 12 Months

For the second quarter to date, the S&P 500 index has recorded an increase in value of 2.4% (to 2419.70 from 2362.72). Over the past year (since June 30, 2016), the S&P 500 index has witnessed an increase in value of 15.3% (to 2419.70 from 2098.86). Where do industry analysts believe the price of the index will go from here?

Industry analysts in aggregate predict the S&P 500 will see a 9.3% increase in price over the next twelve months. This percentage is based on the difference between the bottom-up target price and the closing price for the index. The bottom-up target price is calculated by aggregating the median target price estimates (based on company-level estimates submitted by industry analysts) for all the companies in the index. On June 29, the bottom-up target price for the S&P 500 was 2645.58, which was 9.3% above the closing price of 2419.38.

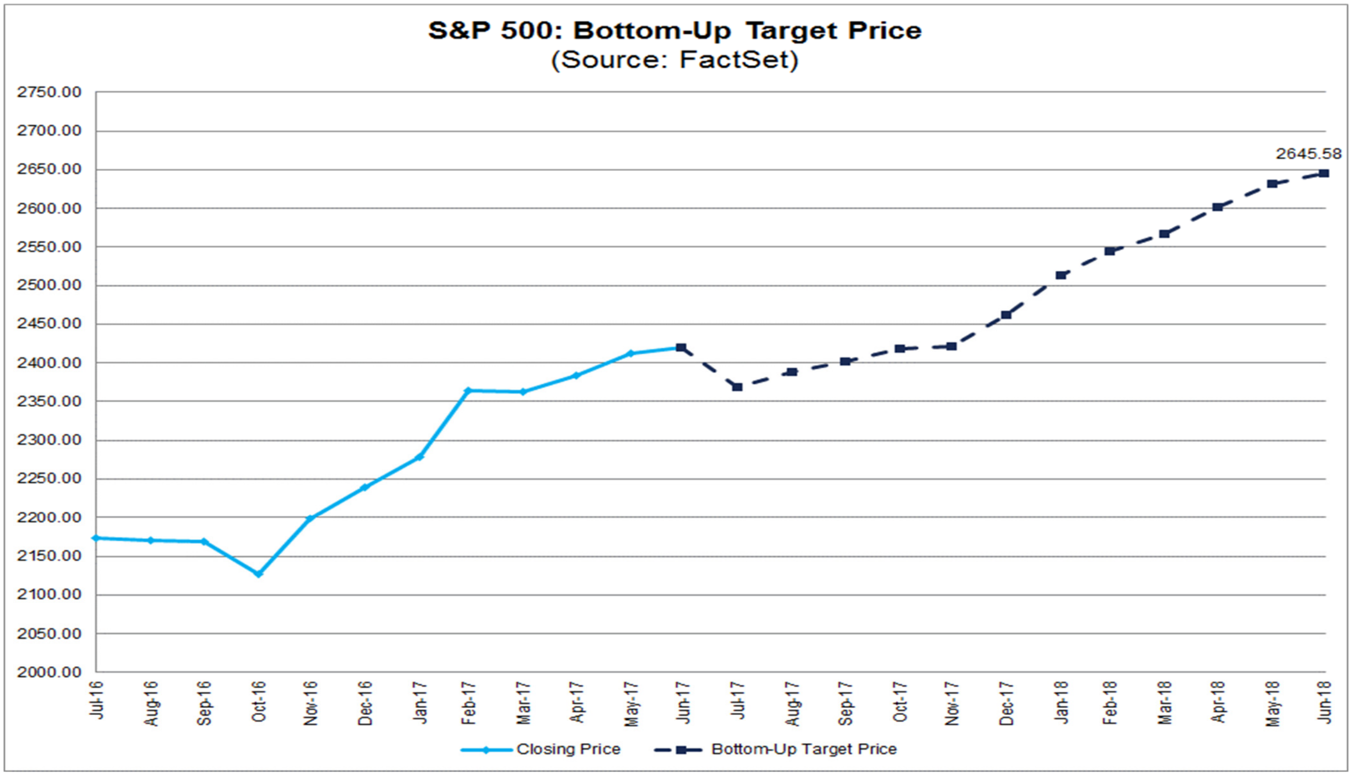
At the sector-level, the Energy sector has the largest upside difference between the bottom-up target price and the closing price (+21.1%), while the Utilities sector has the smallest upside difference between the bottom-up target price and the closing price (+3.7%). For the companies with the largest upside and downside differences between the median target price and the closing price, please page 7.

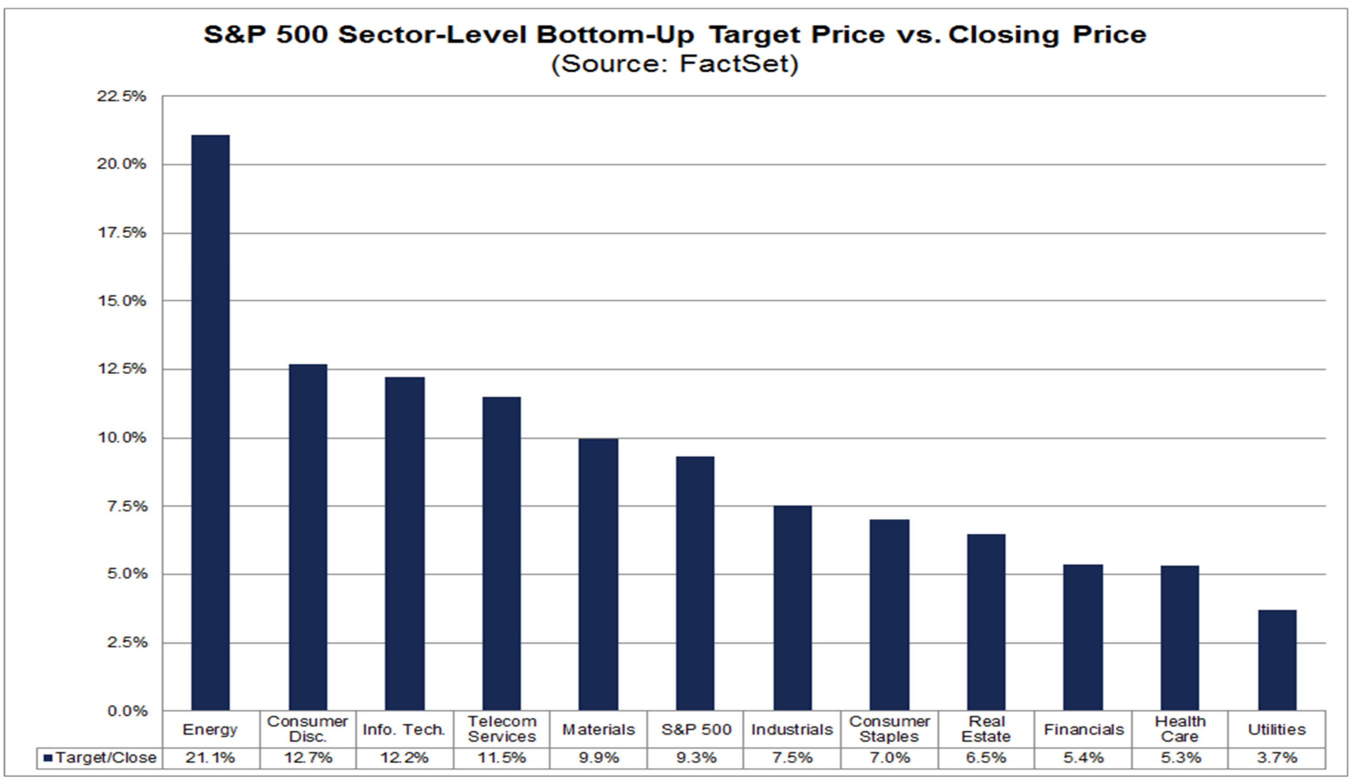
How accurate have the industry analysts been in predicting the future value of the S&P 500?

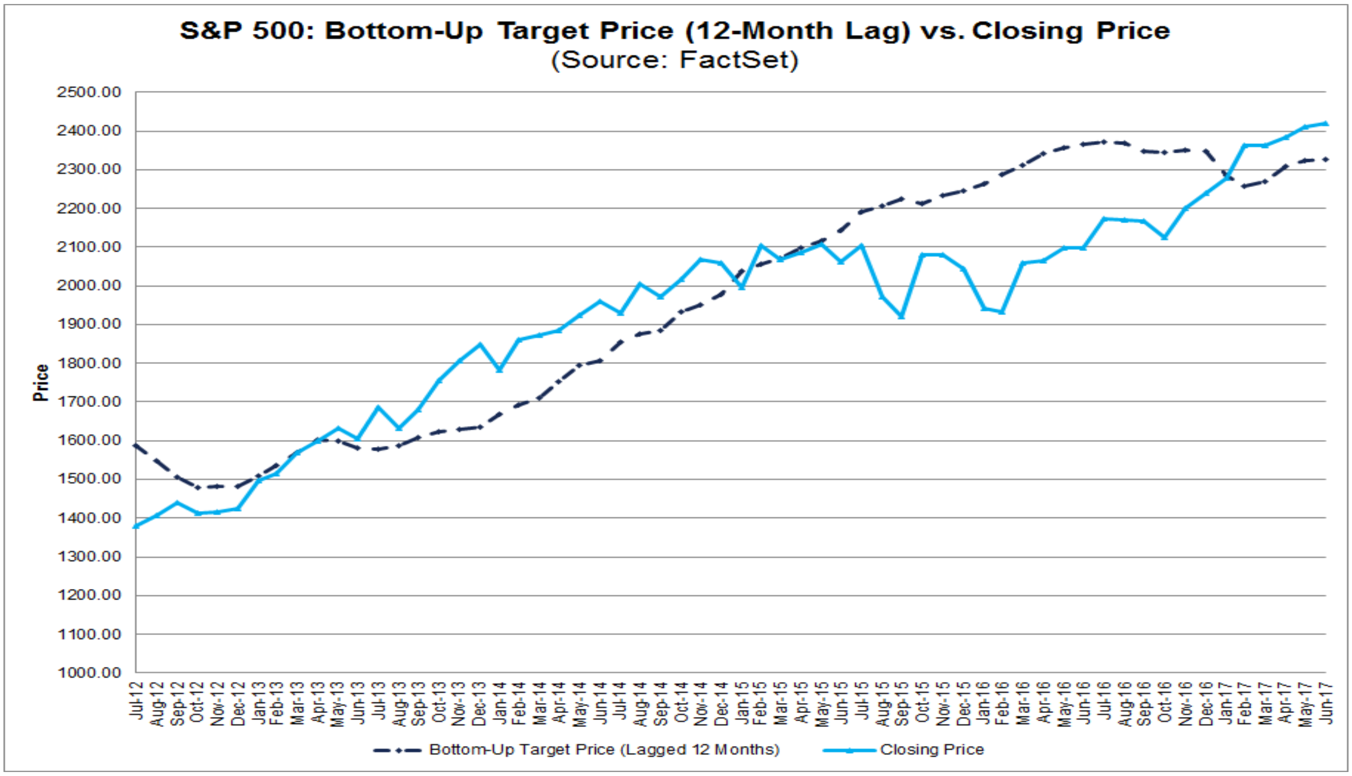
At the index level one year ago (June 30, 2016), the bottom-up target price was 2327.66. Compared to the most recent closing price of 2419.70 on June 29, 2017, industry analysts underestimated the price of the index by about 3.8% one year ago. The final percentage will depend on today's closing price. Over the past 12 months (June 2016 to May 2017), industry analysts on average have overestimated the final price of the index at the end of each month by 3.8%. Over the prior 60 months (June 2012 to May 2017), industry analysts on average have overestimated the final price of the index at the end of each month by 2.0%.

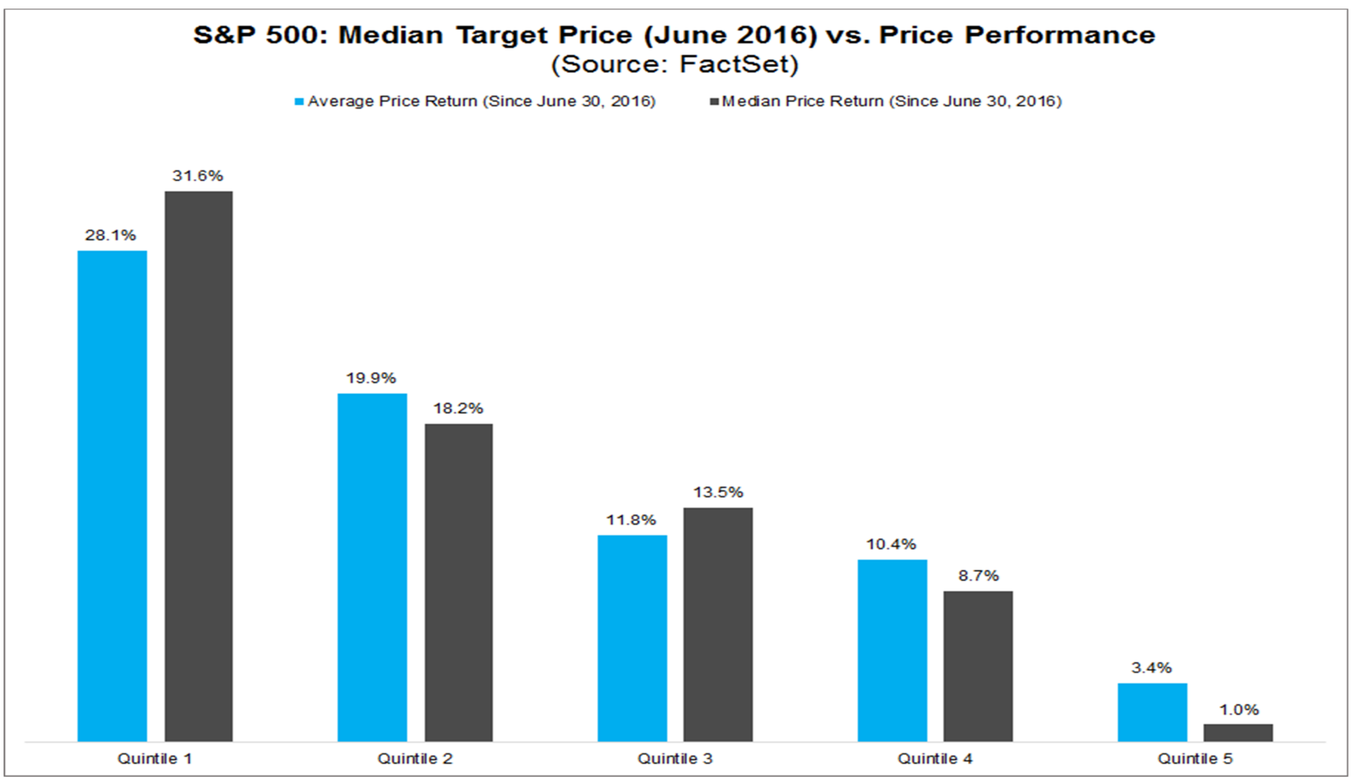
At the sector level one year-ago (June 30, 2016), the Materials (+18.9%), Information Technology (+16.6%), and Consumer Discretionary (+15.0%) sectors had the largest upside percentage differences between the bottom-up target price and the closing price in the index. Since June 30, 2016, the Financials (+32.9%), Information Technology (+32.0%), and Industrials (+18.7%) sectors have recorded the highest price returns in the index. On the other hand, the Telecom Services (-3.9%), Utilities (-3.5%), and Energy (+3.0%) sectors had the largest downside (or smallest upside) percentage differences between the bottom-up price target and closing price in the index one year ago. Since June 30, 2016, the Telecom Services (-15.9%), Energy (-7.1%), and Real Estate (-3.7%) sectors have recorded the lowest price returns in the index.

At the company level, the S&P 500 can be divided into five quintiles based on the percentage difference between the median target price and the closing price on June 30, 2016 to analyze price performance. The quintile with the highest positive percentage difference between the median target price and the closing price on June 30, 2016 (Quintile 1) has seen the highest average (+28.1%) and median (+31.6%) price increase of all five quintiles since June 30, 2016. The quintile with the highest negative percentage difference between the median target price and the closing price on June 30, 2016 has seen the lowest average (+3.4%) and median (+1.0%) price increase of all five quintiles since June 30, 2016. Price returns for companies in the index that were acquired or no longer traded publicly after June 30, 2016 (i.e. do not have a current trading price) were excluded from the price analysis for the quintiles.


S&P 500: Bottom-Up Target Price
(Source: FactSet)
2750.00
2700.00
2650.00
2600.00
2550.00
2500.00
2450.00
2400.00
2350.00
2300.00
2250.00
2200.00
2150.00
2100.00
2050.00
2000.00
2645.58
Jul-16
Aug-16
Sep-16
Oct-16
Nov-16
Dec-16
Jan-17
Feb-17
Mar-17
Apr-17
May-17
Jun-17
Jul-17
Aug-17
Sep-17
Oct-17
Nov-17
Dec-17
Jan-18
Feb-18
Mar-18
Apr-18
May-18
Jun-18
Closing Price
Bottom-Up Target Price


S&P 500 Sector-Level Bottom-Up Target Price vs. Closing Price
(Source: FactSet)
22.5%
20.0%
17.5%
15.0%
12.5%
10.0%
7.5%
5.0%
2.5%
0.0%
Energy
Consumer Disc.
Info. Tech.
Telecom Services
Materials
S&P 500
Industrials
Consumer Staples
Real Estate
Financials
Health Care
Utilities
Target/Close
21.1%
12.7%
12.2%
11.5%
9.9%
9.3%
7.5%
7.0%
6.5%
5.4%
5.3%
3.7%


S&P 500: Bottom-Up Target Price (12-Month Lag) vs. Closing Price
(Source: FactSet)
Price
2500.00
2400.00
2300.00
2200.00
2100.00
2000.00
1900.00
1800.00
1700.00
1600.00
1500.00
1400.00
1300.00
1200.00
1100.00
1000.00
Jul-12
Jun-17
Bottom-Up Target Price (Lagged 12 Months)
Closing Price


S&P 500: Median Target Price (June 2016) vs. Price Performance
(Source: FactSet)
Average Price Return (Since June 30, 2016)
Median Price Return (Since June 30, 2016)
28.1%
31.6%
19.9%
18.2%
11.8%
13.5%
10.4%
8.7%
3.4%
1.0%
Quintile 1
Quintile 2
Quintile 3
Quintile 4
Quintile 5

S&P 500: Difference Between Median Target Price & Closing Price: Top 10 (Source: FactSet)

Company	Target	Closing	Diff ($)	**Diff (%)**
Anadarko Petroleum Corporation	77.00	45.25	31.75	**70.2%**
Range Resources Corporation	38.00	23.59	14.41	**61.1%**
Marathon Oil Corporation	18.50	11.71	6.79	**58.0%**
Mallinckrodt Plc	70.00	44.41	25.59	**57.6%**
Newfield Exploration Company	45.00	28.60	16.40	**57.3%**
Devon Energy Corporation	49.00	31.81	17.19	**54.0%**
Cimarex Energy Co.	142.00	94.25	47.75	**50.7%**
Foot Locker, Inc.	71.00	48.70	22.30	**45.8%**
Transocean Ltd.	12.00	8.31	3.69	**44.4%**
Halliburton Company	61.00	42.42	18.58	**43.8%**

S&P 500: Difference Between Median Target Price & Closing Price: Bottom 10 (Source: FactSet)

Company	Target	Closing	Diff ($)	**Diff (%)**
NVIDIA Corporation	127.50	146.68	-19.18	**-13.1%**
Varian Medical Systems, Inc.	91.50	102.68	-11.18	**-10.9%**
Mettler-Toledo International Inc.	527.00	583.87	-56.87	**-9.7%**
Patterson Companies, Inc.	43.25	47.59	-4.34	**-9.1%**
Advanced Micro Devices, Inc.	11.50	12.60	-1.10	**-8.7%**
Ventas, Inc.	64.00	69.21	-5.21	**-7.5%**
Hasbro, Inc.	102.00	110.06	-8.06	**-7.3%**
3M Company	193.00	207.85	-14.85	**-7.1%**
Intuitive Surgical, Inc.	870.00	930.50	-60.50	**-6.5%**
Assurant, Inc.	97.50	104.20	-6.70	**-6.4%**

Q2 2017 Earnings Season: By the Numbers

Overview

In terms of estimate revisions for companies in the S&P 500, analysts have made smaller cuts than average to earnings estimates for Q2 2017 to date. On a per-share basis, estimated earnings for the second quarter have fallen by 2.0% since March 31. This percentage decline is smaller than the trailing 5-year average (-4.3%) and the trailing 10-year average (-5.9%) for a quarter.

In addition, a smaller percentage of S&P 500 companies have lowered the bar for earnings for Q2 2017 relative to recent averages. Of the 114 companies that have issued EPS guidance for the second quarter, 76 have issued negative EPS guidance and 38 have issued positive EPS guidance. The percentage of companies issuing negative EPS guidance is 67% (76 out of 114), which is below the 5-year average of 75%.

Because of the downward revisions to earnings estimates, the estimated year-over-year earnings growth rate for Q2 2017 is 6.6% today. On March 31, the expected earnings growth rate was 8.7%. Nine sectors are predicted to report year-over-year earnings growth, led by the Energy, Information Technology, and Financials sectors. Two sectors are projected to report a year-over-year decline in earnings, led by the Consumer Discretionary sector.

Because of downward revisions to sales estimates, the estimated year-over-year sales growth rate for Q2 2017 is 4.9%. On March 31, the expected revenue growth rate was 5.4%. Ten sectors are projected to report year-over-year growth in revenues, led by the Energy sector. The only sector predicted to report a year-over-year decline in revenues is the Telecom Services sector.

Looking at future quarters, analysts currently project earnings growth to continue for the rest of 2017.

The forward 12-month P/E ratio is 17.4, which is above the 5-year average and the 10-year average.

During the upcoming week, no S&P 500 companies are scheduled to report results for the second quarter.

Earnings Revisions: Energy Sector Has Recorded Largest Drop in Expected Earnings Growth

No Change in Estimated Earnings Growth Rate for Q2 This Week

The estimated earnings growth rate for the second quarter is 6.6% this week, which is equal to the estimated earnings growth rate of 6.6% last week.

Overall, the estimated earnings growth rate for Q2 2017 of 6.6% today is below the estimated earnings growth rate of 8.7% at the start of the quarter (March 31). Ten sectors have recorded a decline in expected earnings growth since the beginning of the quarter due to downward revisions to earnings estimates, led by the Energy and Materials sectors. The only sector that has recorded an increase in expected earnings growth during this time is the Industrials sector.

Energy: Largest Decline in Expected Earnings Growth since March 31, led by Exxon Mobil and Chevron

The Energy sector has recorded the largest decrease in expected earnings growth since the start of the quarter (to 392.2% from 474.0%). This sector has also witnessed the second largest decrease in price (-7.4%) of all eleven sectors during this same period. Overall, 25 of the 34 companies (74%) in the Energy sector have seen a decline in their mean EPS estimate during this time. Of these 25 companies, 19 have recorded a decrease in their mean EPS estimate of more than 10%, led by Anadarko Petroleum (to -$0.22 from -$0.03), Baker Hughes (to -$0.11 from $0.03), and Murphy Oil (to -$0.09 from $0.05). However, Exxon Mobil (to $0.90 from $0.99) and Chevron (to $0.98 from $1.13) have been the largest contributors to the decrease in earnings growth for this sector since March 31.

Materials: 2nd Largest Decrease in Expected Earnings Growth

The Materials sector has recorded the second largest decrease in expected earnings growth since the start of the quarter (to 4.9% from 10.1%). Despite the decrease in estimated earnings, this sector has witnessed an increase in price of 2.2% since the start of the quarter. Overall, 18 of the 25 companies (72%) in this sector have seen a decline in their mean EPS estimate during this time. Of these 18 companies, 7 have recorded a drop in their mean EPS estimate of more than 10%, led by CF Industries Holdings (to $0.06 from $0.30), Sealed Air (to $0.36 from $0.72), and FMC Corporation (to $0.48 from $0.85).

Industrials: Increase in Expected Earnings Growth Since March 31

The Industrials sector is the only sector that has recorded an increase in expected earnings growth since the start of the quarter (to 1.6% from 0.6%). This sector has witnessed an increase in price of 3.4% since the start of the quarter. Overall, 37 of the 67 companies (55%) in the Industrials sector have seen an increase in their mean EPS estimate during this time. Of these 37 companies, 6 have recorded an increase in their mean EPS estimate of more than 10%, led by Caterpillar (to $1.17 from $0.90), Deere & Company (to $1.88 from $1.46), Cummins (to $2.55 from $2.19), and 3M (to $2.53 from $2.23). 3M, Caterpillar, and Deere & Company have also been the largest contributors to the increase in earnings growth for this sector since March 31.

Index-Level (Bottom-Up) EPS Estimate: Below Average Decline to Date

Downward revisions to earnings estimates in aggregate for the second quarter to date have been below recent averages. The Q2 bottom-up EPS estimate (which is an aggregation of the earnings estimates for all 500 companies in the index and can be used as a proxy for the earnings for the index) has fallen by 2.0% (to $31.50 from $32.13) since March 31. This decline in the EPS estimate for Q2 2017 is below the trailing 1-year (-3.0%) average, the trailing 5-year (-4.3%), and the trailing 10- year average (-5.9%) for the bottom-up EPS estimate for a quarter.

Earnings Guidance: High Positive EPS Guidance from Technology and Health Care Sectors

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, 114 companies in the index have issued EPS guidance for Q2 2017. Of these 114 companies, 76 have issued negative EPS guidance and 38 have issued positive EPS guidance. The percentage of companies issuing negative EPS guidance is 67% (76 out of 114), which is below the 5-year average of 75%.

While the number of companies issuing negative EPS is slightly below the 5-year average (79), the number of companies issuing positive EPS guidance is well above the 5-year average (27). If 38 is the final number for the quarter, it will mark the highest number of S&P 500 companies issuing positive EPS guidance for a quarter since Q4 2010 (43).

At the sector level, the Information Technology and Health Care sectors have the highest number of companies issuing positive EPS guidance for the quarter.

In the Information Technology sector, 17 companies have issued positive EPS guidance for the second quarter. This number is well above the 5-year average for the sector (9). If 17 is the final number for the quarter, it will mark the third highest number of companies issuing positive EPS guidance for this sector since FactSet began tracking EPS guidance in 2006. Nine of these 17 companies are in the Semiconductor & Semiconductor Equipment industry. This industry is projected to report the highest earnings growth (41%) of the seven industries in this sector.

In the Health Care sector, 11 companies have issued positive EPS guidance for the second quarter. This number is well above the 5-year average for the sector (3). If 11 is the final number for the quarter, it will mark the highest number of companies issuing positive EPS guidance for this sector since FactSet began tracking EPS guidance in 2006. Six of these 11 companies are in the Health Care Equipment & Supplies industry. This industry is projected to report the highest earnings growth (9%) of the six industries in this sector.

Earnings Growth: 6.6%

The estimated earnings growth rate for Q2 2017 is 6.6%. Nine sectors are projected to report year-over-year growth in earnings, led by the Energy, Information Technology, and Financials sectors. Two sectors are projected to report a year-over-year decline in earnings, led by the Consumer Discretionary sector.

Energy: Largest Contributor to Earnings Growth for Q2

The Energy sector is expected to report the highest (year-over-year) earnings growth of all eleven sectors at 392.2%. The unusually high growth rate for the sector is mainly due to unusually low earnings in the year-ago quarter. On a dollar-level basis, the Energy sector is projected to report earnings of $9.4 billion in Q2 2017, compared to earnings of 1.9 billion in Q2 2016. Due to this projected $7.5 billion year-over-year increase in earnings, the Energy sector is expected to be the largest contributor to earnings growth for the S&P 500 as a whole. If this sector is excluded, the estimated earnings growth rate for the remaining ten sectors would fall to 3.8% from 6.6%

At the sub-industry level, five of the six sub-industries in the sector are projected to report earnings growth: Oil & Gas Exploration & Production (N/A due to year-ago loss), Oil & Gas Equipment & Services (N/A due to year-ago loss), Integrated Oil & Gas (163%), Oil & Gas Refining & Marketing (23%), and Oil & Gas Storage & Transportation (7%). On the other hand, the Oil & Gas Drilling (-698%) sub-industry is the only sub-industry predicted to report a year-over-year decline in earnings.

Information Technology: Semiconductor Industry Leads Growth

The Information Technology sector is expected to report the second highest (year-over-year) earnings growth of all eleven sectors at 10.5%. At the industry level, six of the seven industries in this sector are predicted to report earnings growth. However, only one of these six industries is expected to report double-digit earnings growth: Semiconductor & Semiconductor Equipment (41%). This industry is also projected to be the largest contributor to earnings growth for the sector. If the Semiconductor & Semiconductor Equipment industry is excluded, the estimated earnings growth rate for the Information Technology sector would fall to 4.3% from 10.5%. At the company level, Micron Technology is the largest contributor to earnings growth for the sector. The company reported actual EPS of $1.62 for Q2 2017, compared to year-ago EPS of -$0.08. If this company alone is excluded, the estimated earnings growth rate for the Information Technology sector would fall to 6.9% from 10.5%.

Financials: Insurance Industry Leads Growth

The Financials sector is expected to report the third highest (year-over-year) earnings growth of all eleven sectors at 6.3%. At the industry level, four of the five industries in this sector are predicted to report earnings growth. However, only one of these four industries is expected to report double-digit earnings growth: Insurance (20%). This industry is also projected to be the largest contributor to earnings growth for the sector. If the Insurance industry is excluded, the estimated earnings growth rate for the Financials sector would fall to 3.2% from 6.3%. At the company level, Bank of America is predicted to be the largest contributor to earnings growth for this sector. The mean EPS estimate for Bank of America for Q2 2017 is $0.45, compared to year-ago EPS of $0.36.

Consumer Discretionary: Automobiles Industry Leads Decline

The Consumer Discretionary sector is expected to report the largest (year-over-year) earnings decline of all eleven sectors at -2.0%. At the industry level, eight of the twelve industries in this sector are predicted to report an earnings decline, led by the Leisure Products (-34%) and Automobiles (-13%) industries. The Automobiles industry is also projected to be the largest contributor to the year-over-year decline in earnings for this sector. If this industry is excluded, the estimated earnings growth rate for the Consumer Discretionary sector would improve to +0.1% from -2.0%. At the company level, Ford Motor and General Motors are predicted to be the largest contributors to the earnings decline for this sector. The mean EPS estimate for Ford Motor for Q2 2017 is $0.44, compared to year-ago EPS of $0.52. The mean EPS estimate for General Motors for Q2 2017 is $1.68, compared to year-ago EPS of $1.86.

Revenue Growth: 4.9%

The estimated revenue growth rate for Q2 2017 is 4.9%. Ten sectors are projected to report year-over-year growth in revenues, led by the Energy sector. The only sector projected to report a decline in revenues is the Telecom Services sector.

Energy: Largest Contributor to Revenue Growth for Q2

The Energy sector is expected to report the highest (year-over-year) revenue growth of all eleven sectors at 17.5%. At the sub-industry level, five of the six sub-industries in the sector are projected to report revenue growth: Oil & Gas Refining & Marketing (24%), Oil & Gas Equipment & Services (23%), Oil & Gas Exploration & Production (16%), Integrated Oil & Gas (13%), and Oil & Gas Storage & Transportation (12%). On the other hand, the Oil & Gas Drilling (-11%) sub-industry is the only sub-industry predicted to report a year-over-year decline in earnings.

This sector is also predicted to be the largest contributor to revenue growth for the S&P 500. If the Energy sector is excluded, the estimated revenue growth rate for the index would fall to 3.8% from 4.9%.

Telecom Services: 3 of 4 Companies To Report Decline

The Telecom Services sector is the only sector expected to report a (year-over-year) decline in revenues at -2.1%. Overall, three of the four companies in the sector are projected to report a decline in sales for the quarter, led by CenturyLink (-7%).

Looking Ahead: Forward Estimates and Valuation

Growth Expected to Continue for Remainder of 2017

For the second quarter, analysts are predicting earnings growth of 6.6% and revenue growth rate of 4.9%. Analysts currently expect earnings and revenue growth to continue in 2017.

For Q3 2017, analysts are projecting earnings growth of 7.4% and revenue growth of 5.1%.

For Q4 2017, analysts are projecting earnings growth of 12.4% and revenue growth of 5.1%.

For all of 2017, analysts are projecting earnings growth of 9.8% and revenue growth of 5.4%.

Valuation: Forward P/E Ratio is 17.4, above the 10-Year Average (14.0)

The forward 12-month P/E ratio is 17.4. This P/E ratio is above the 5-year average of 15.3, and above the 10-year average of 14.0. However, it is below the forward 12-month P/E ratio of 17.5 recorded at the start of the second quarter (March 31). Since the start of the second quarter, the price of the index has increased by 2.4%, while the forward 12-month EPS estimate has increased by 3.0%.

At the sector level, the Energy (26.2) sector has the highest forward 12-month P/E ratio, while the Telecom Services (12.6) sector has the lowest forward 12-month P/E ratio. Nine sectors have forward 12-month P/E ratios that are above their 10-year averages, led by the Energy (26.2 vs. 18.4) sector. One sector (Telecom Services) has a forward 12-month P/E ratio that is below the 10-year average (12.6 vs. 14.2). Historical averages are not available for the Real Estate sector.

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

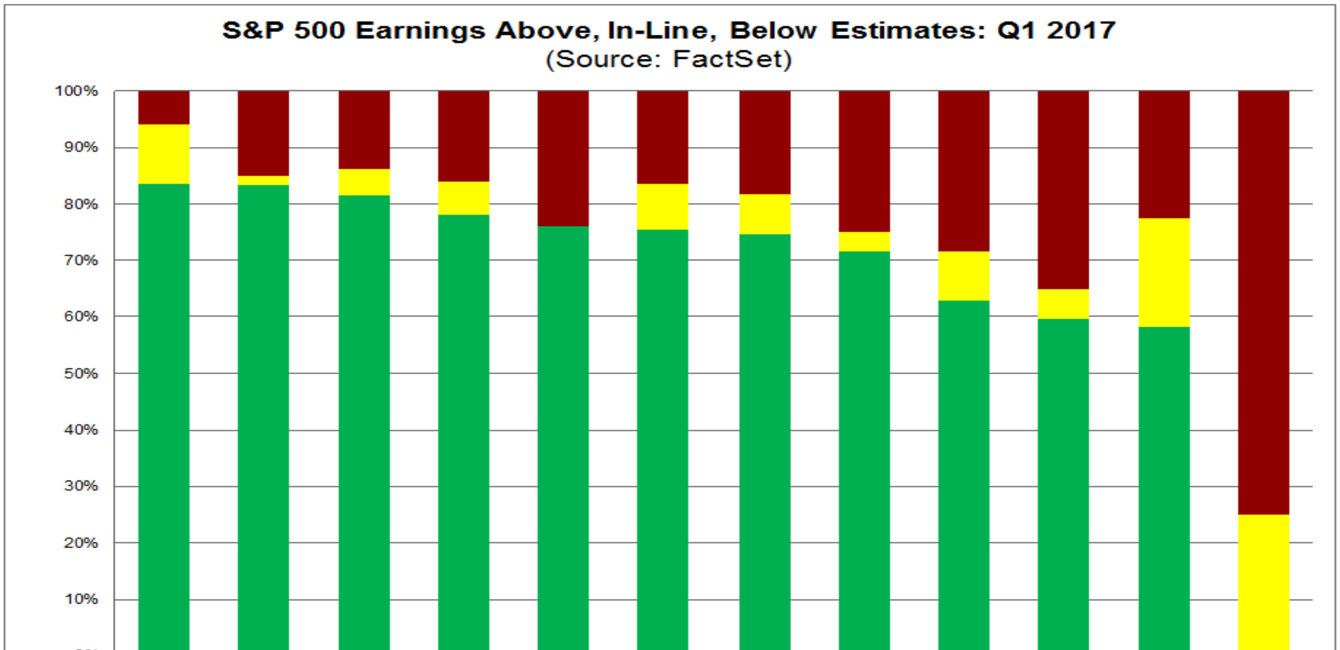
Overall, there are 11,271 ratings on stocks in the S&P 500. Of these 11,271 ratings, 49.0% are Buy ratings, 45.5% are Hold ratings, and 5.5% are Sell ratings. At the sector level, the Health Care sector has the highest percentages of Buy ratings at 57%, while the Utilities and Consumer Staples sectors have the highest percentages of Sell ratings at 7%.

The bottom-up target price for the S&P 500 is 2645.58, which is 9.3% above the closing price of 2419.70. At the sector level, the Energy sector has the largest upside difference between the bottom-up target price and the closing price (+21.1%), while the Utilities sector had the smallest upside difference between the bottom-up target price and the closing price (+3.7%).

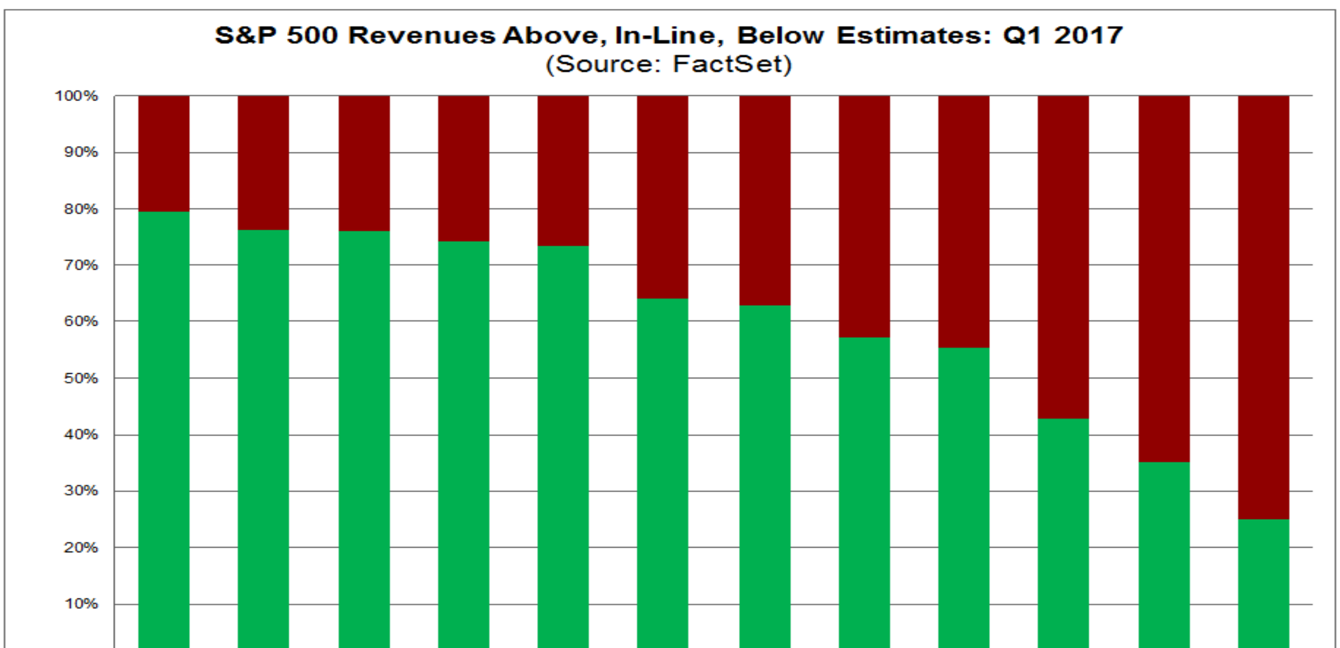
Companies Reporting Next Week: 0

During the upcoming week, no 500 companies are scheduled to report results for the second quarter.

Q1 2017: Scorecard

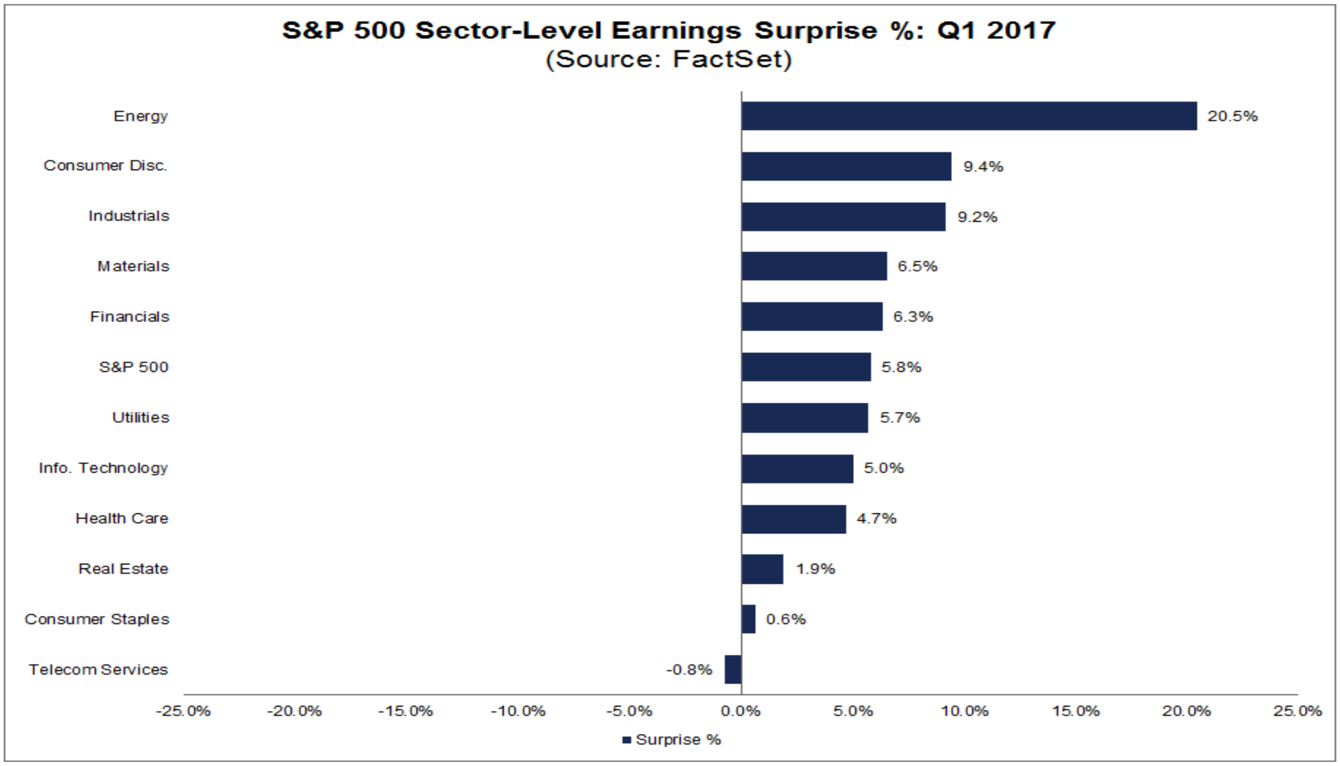


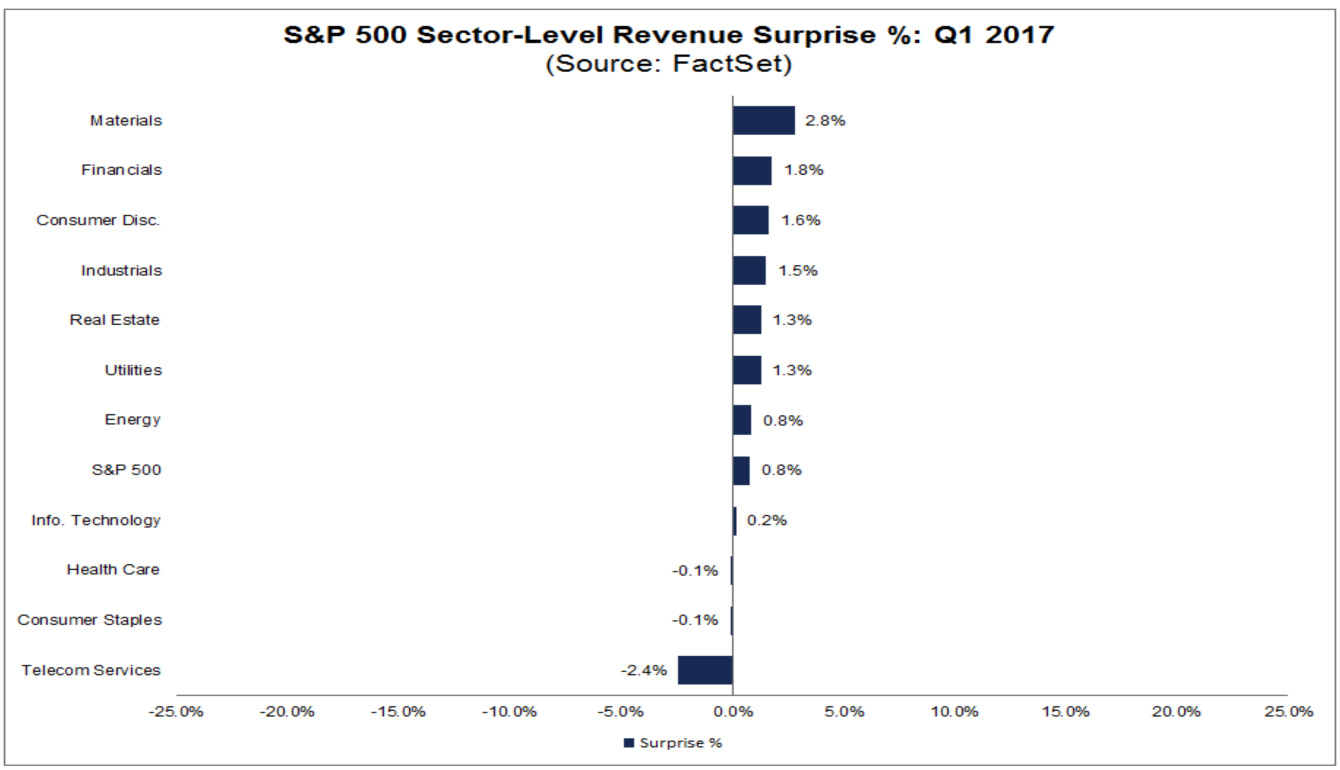
	Info. Technology	Health Care	Financials	Industrials	Materials	Consumer Disc.	S&P 500	Utilities	Energy	Consumer Staples	Real Estate	Telecom Services
Below	6%	15%	14%	16%	24%	16%	18%	25%	29%	35%	23%	75%
In-Line	10%	2%	5%	6%	0%	8%	7%	4%	9%	5%	19%	25%
Above	84%	83%	82%	78%	76%	75%	75%	71%	63%	59%	58%	0%



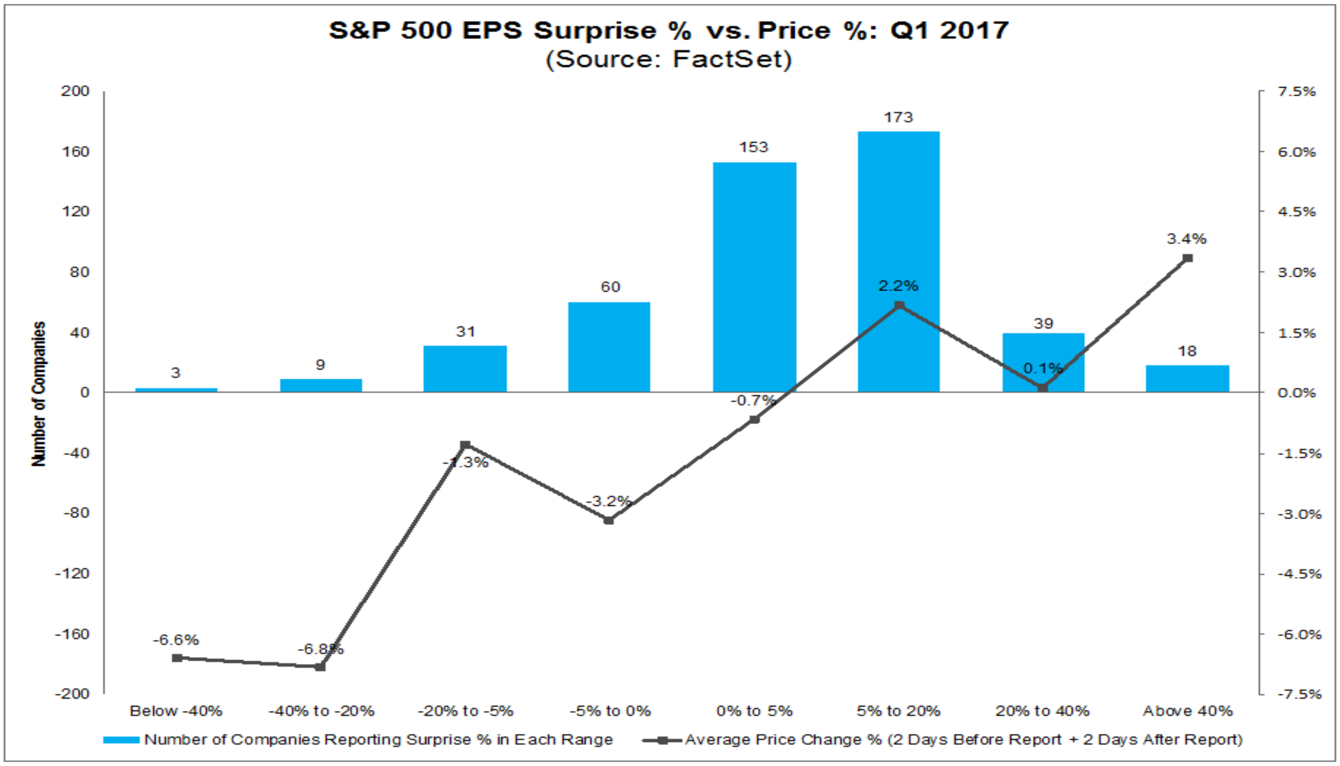
	Industrials	Info. Technology	Materials	Real Estate	Health Care	S&P 500	Energy	Financials	Consumer Disc.	Utilities	Consumer Staples	Telecom Services
Below	21%	24%	24%	26%	27%	36%	37%	43%	45%	57%	65%	75%
In-Line	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Above	79%	76%	76%	74%	73%	64%	63%	57%	55%	43%	35%	25%

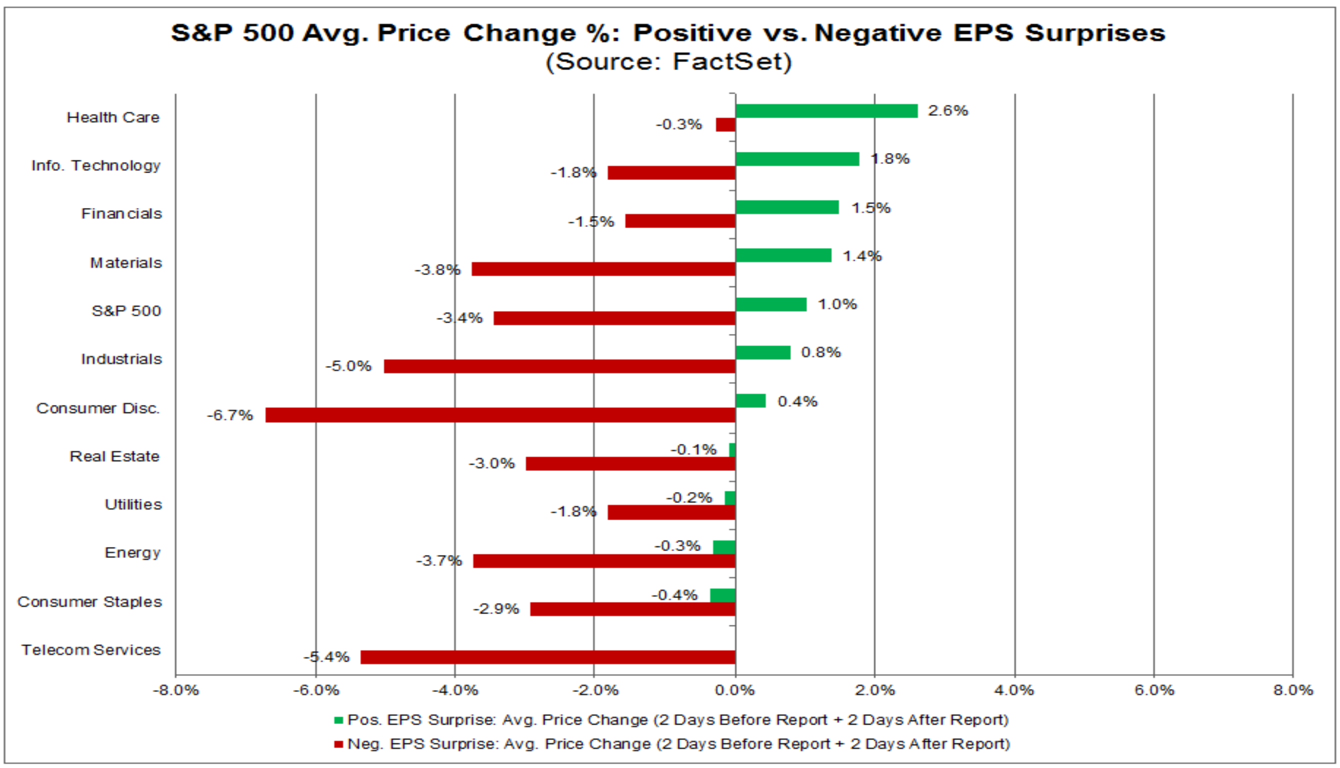
Q1 2017: Scorecard



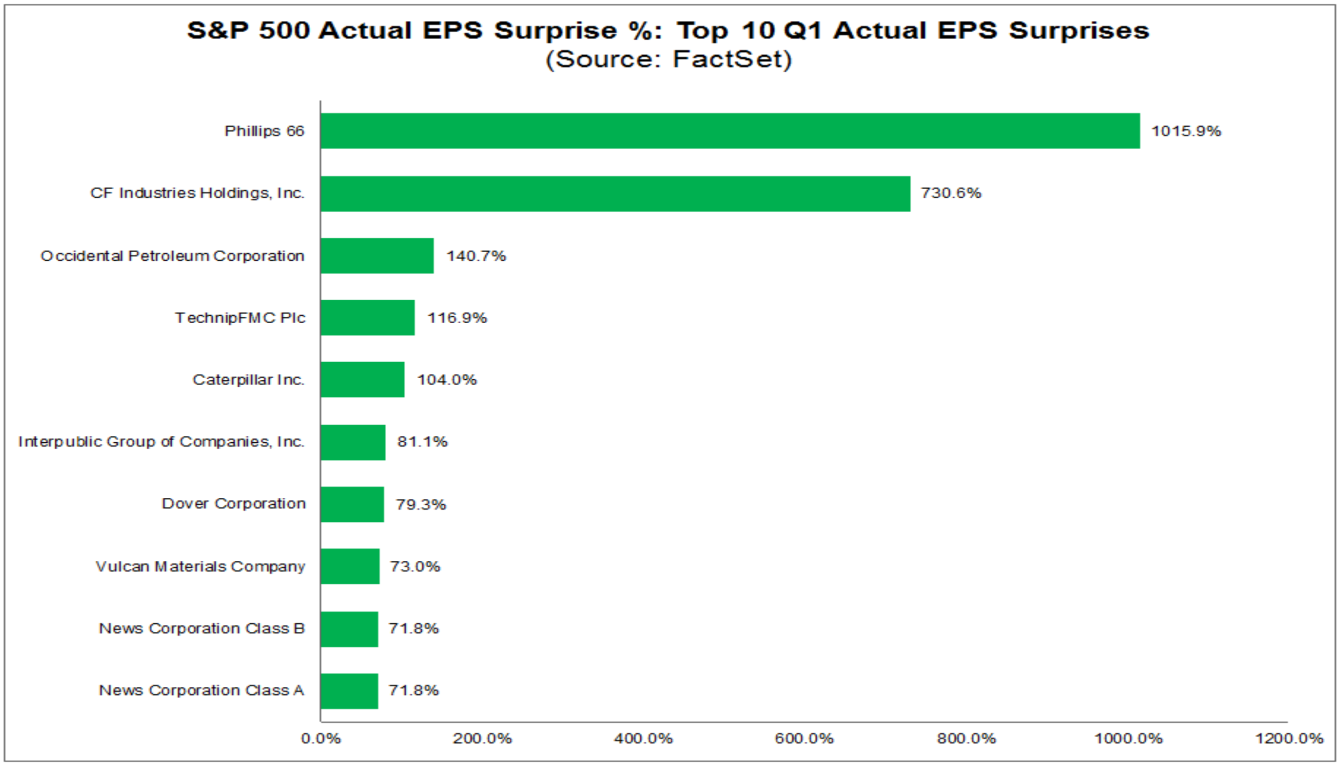


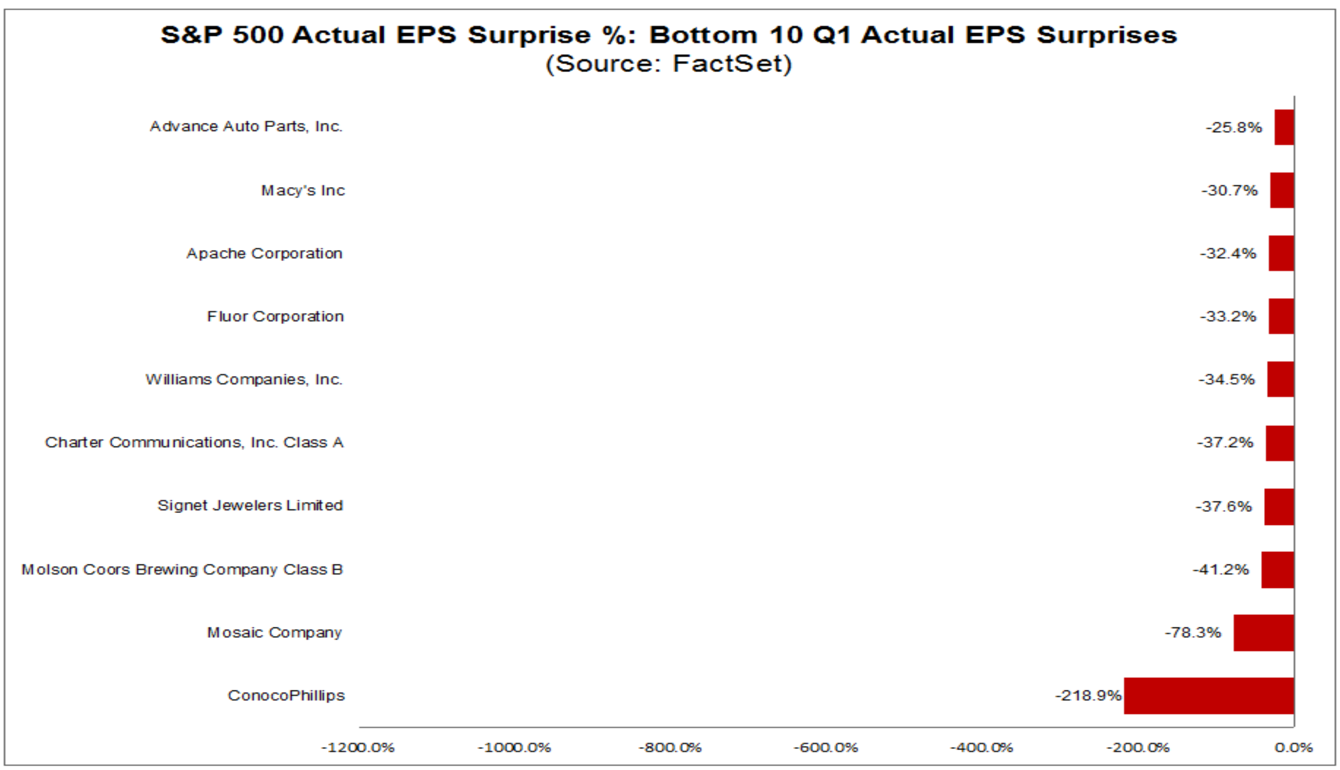
Q1 2017: Scorecard



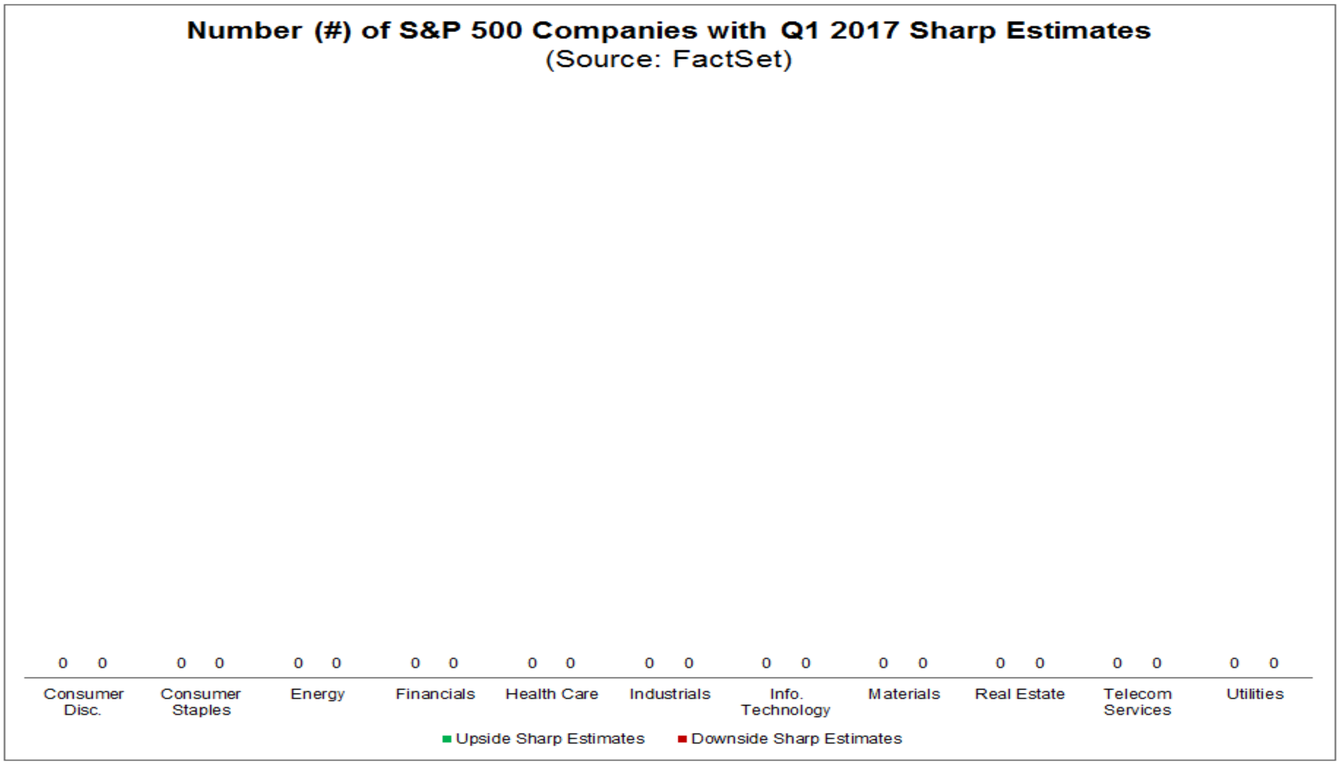


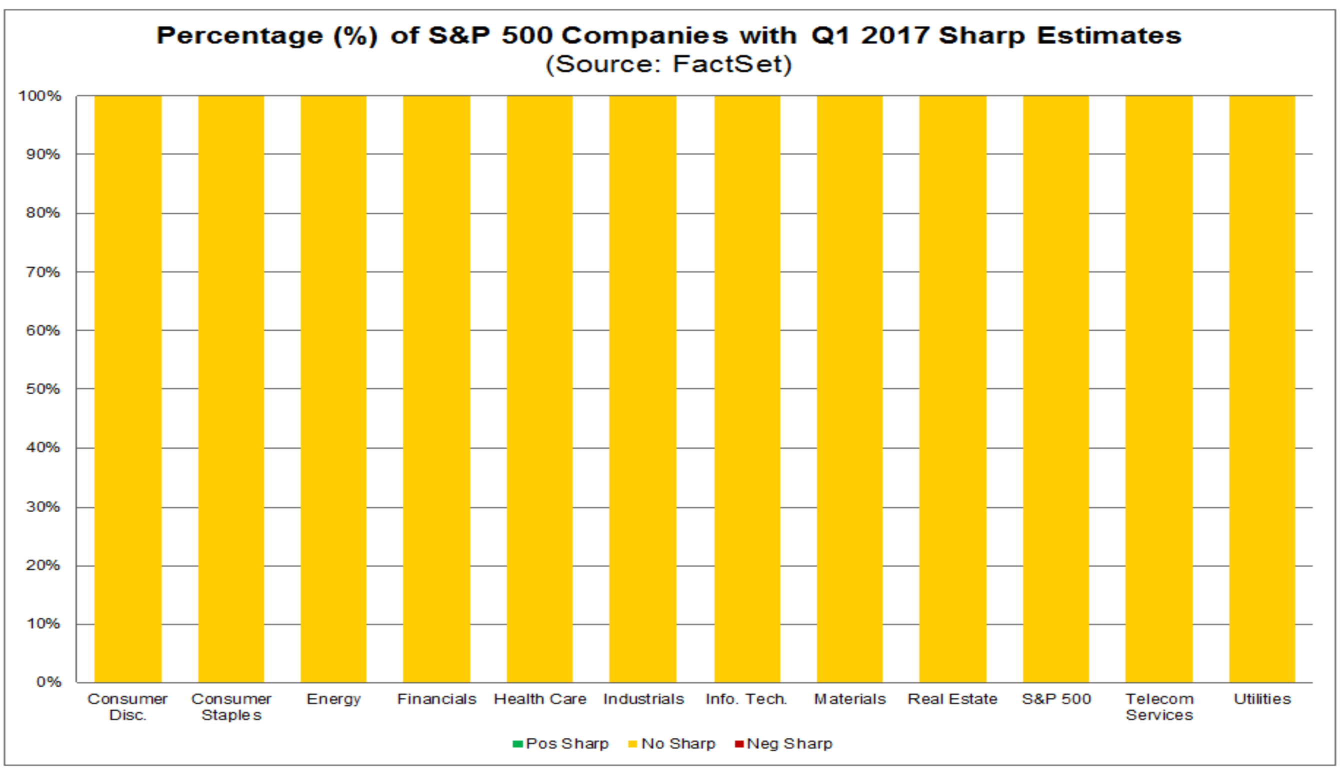
Q1 2017: Scorecard



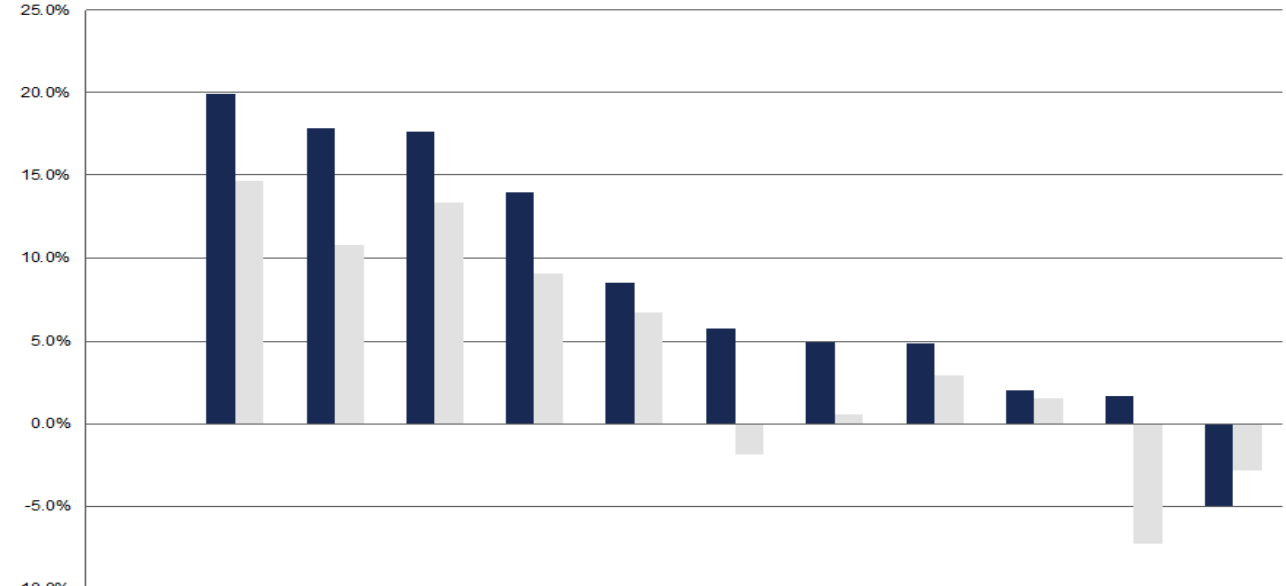


Q1 2017: Projected EPS Surprises (Sharp Estimates)

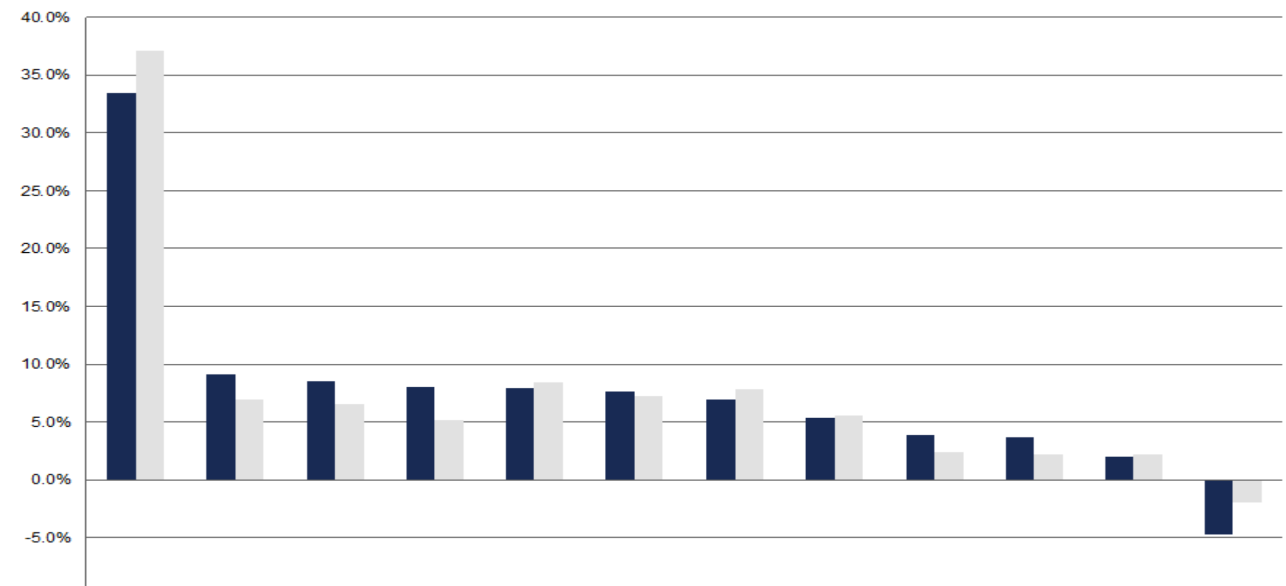




Q1 2017: Growth

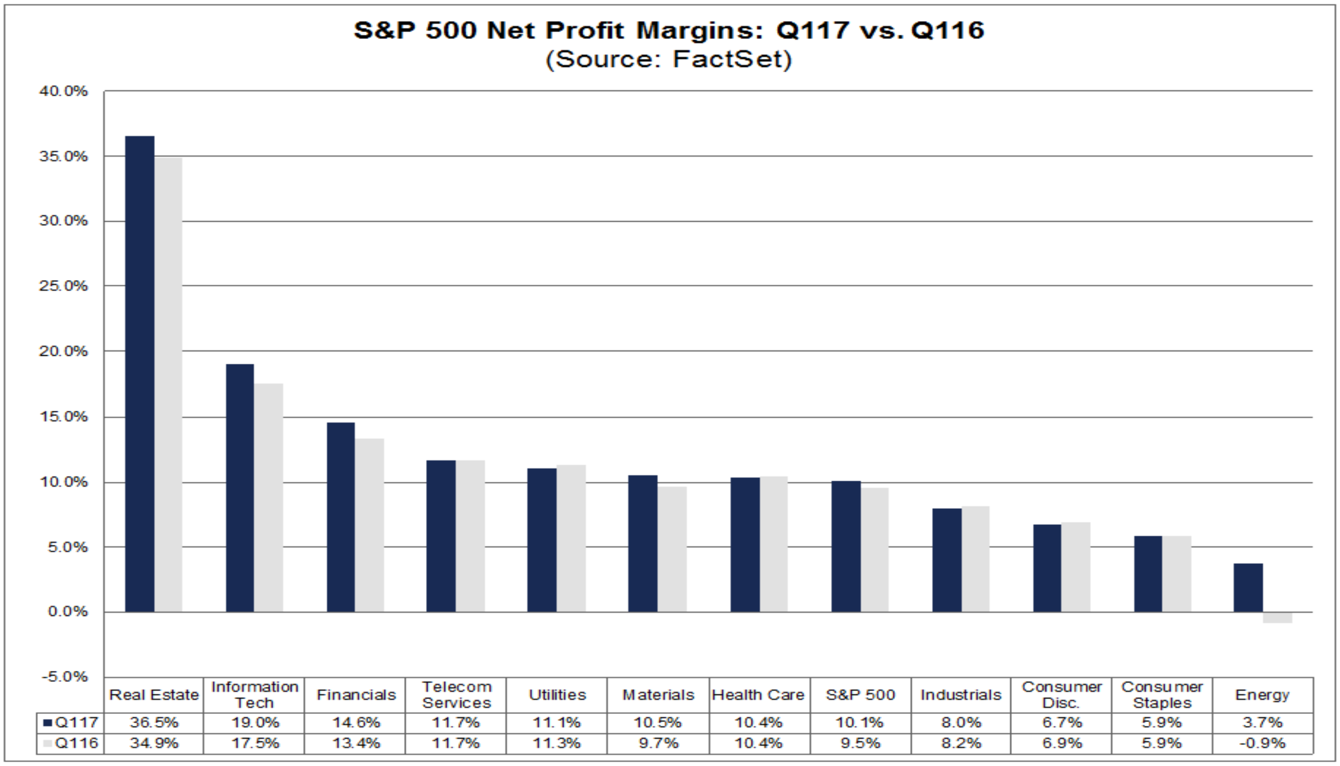


	Energy	Financials	Materials	Info. Technology	S&P 500	Real Estate	Consumer Disc.	Health Care	Utilities	Consumer Staples	Industrials	Telecom Services
Today		19.9%	17.8%	17.6%	13.9%	8.5%	5.7%	4.9%	4.9%	2.0%	1.7%	-5.0%
31-Mar		14.6%	10.7%	13.3%	9.0%	6.7%	-1.9%	0.6%	2.9%	1.6%	-7.3%	-2.8%

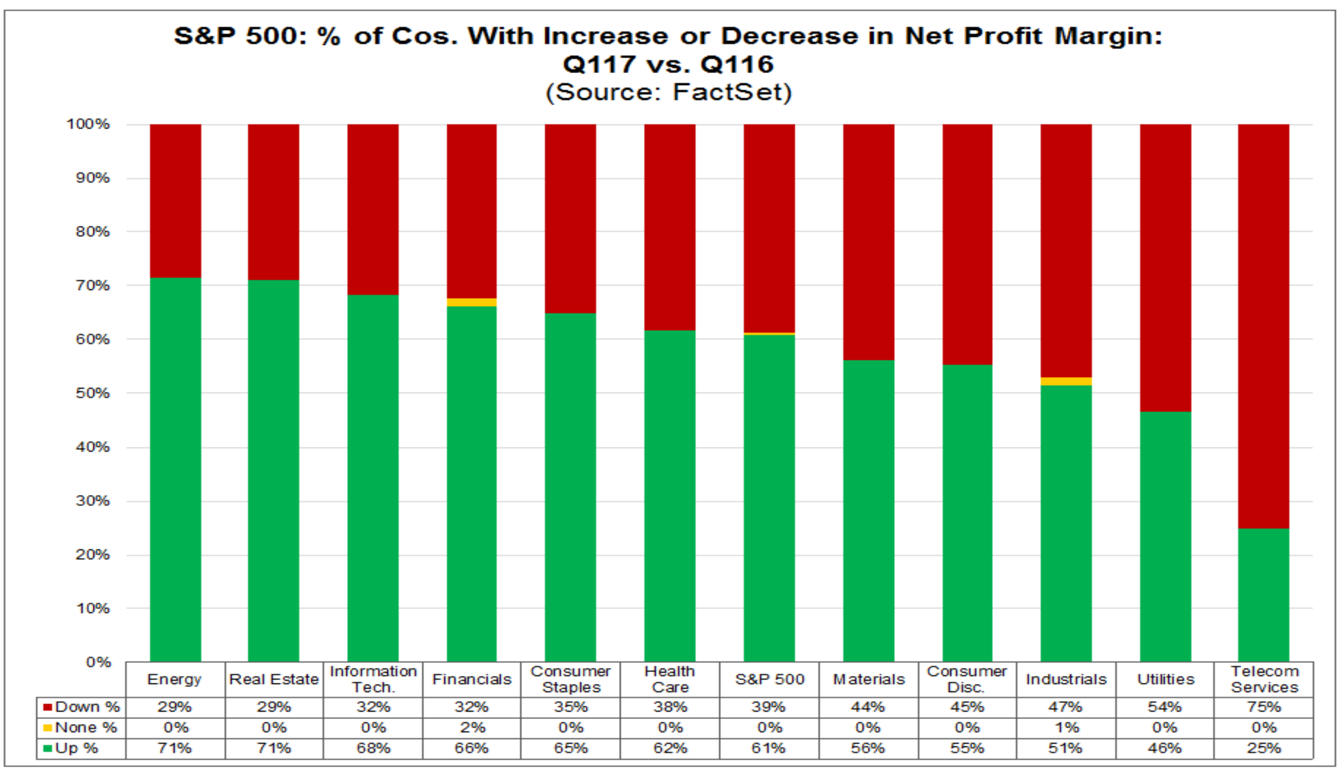


	Energy	Financials	Consumer Disc.	Materials	Info. Technology	S&P 500	Utilities	Health Care	Industrials	Real Estate	Consumer Staples	Telecom Services
Today	33.5%	9.1%	8.5%	8.1%	8.0%	7.7%	7.0%	5.4%	3.9%	3.7%	2.0%	-4.7%
31-Mar	37.1%	7.0%	6.6%	5.2%	8.4%	7.3%	7.9%	5.6%	2.4%	2.2%	2.2%	-2.0%

Q1 2017: Net Profit Margin

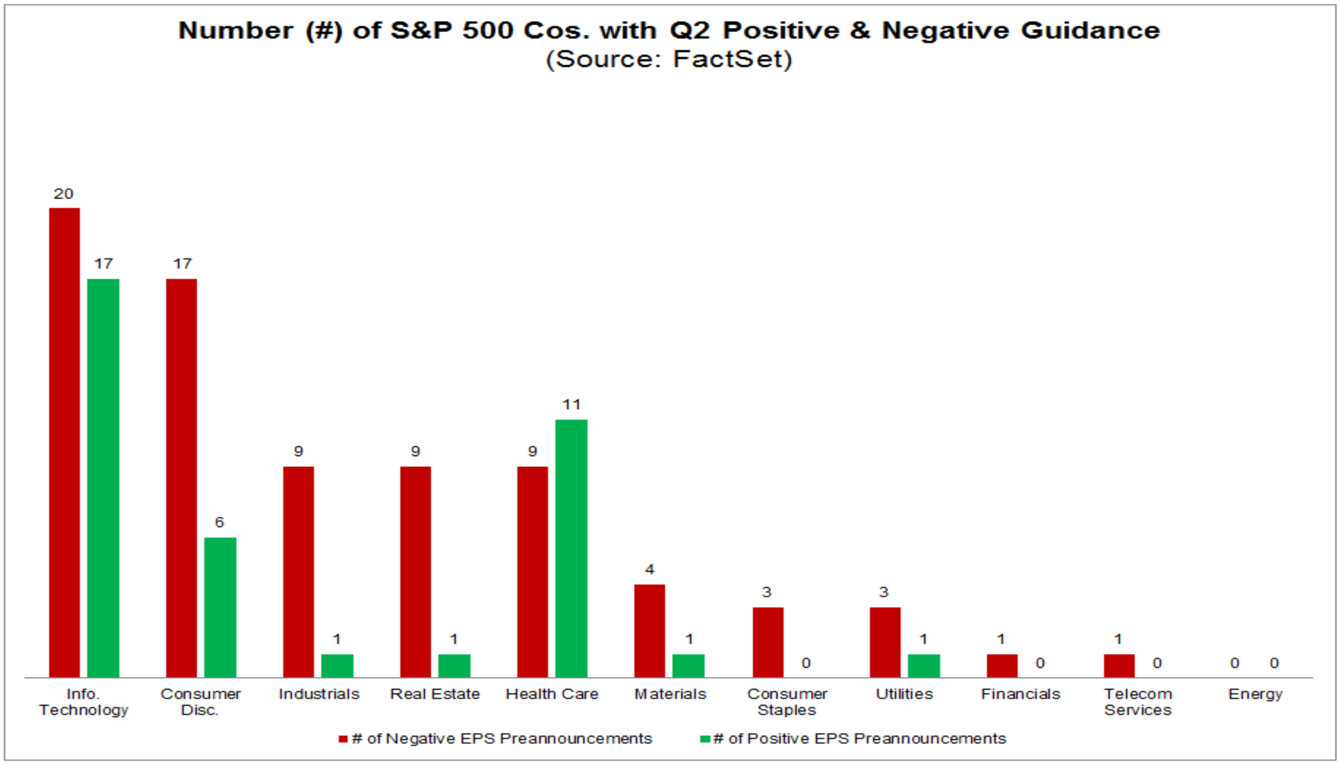


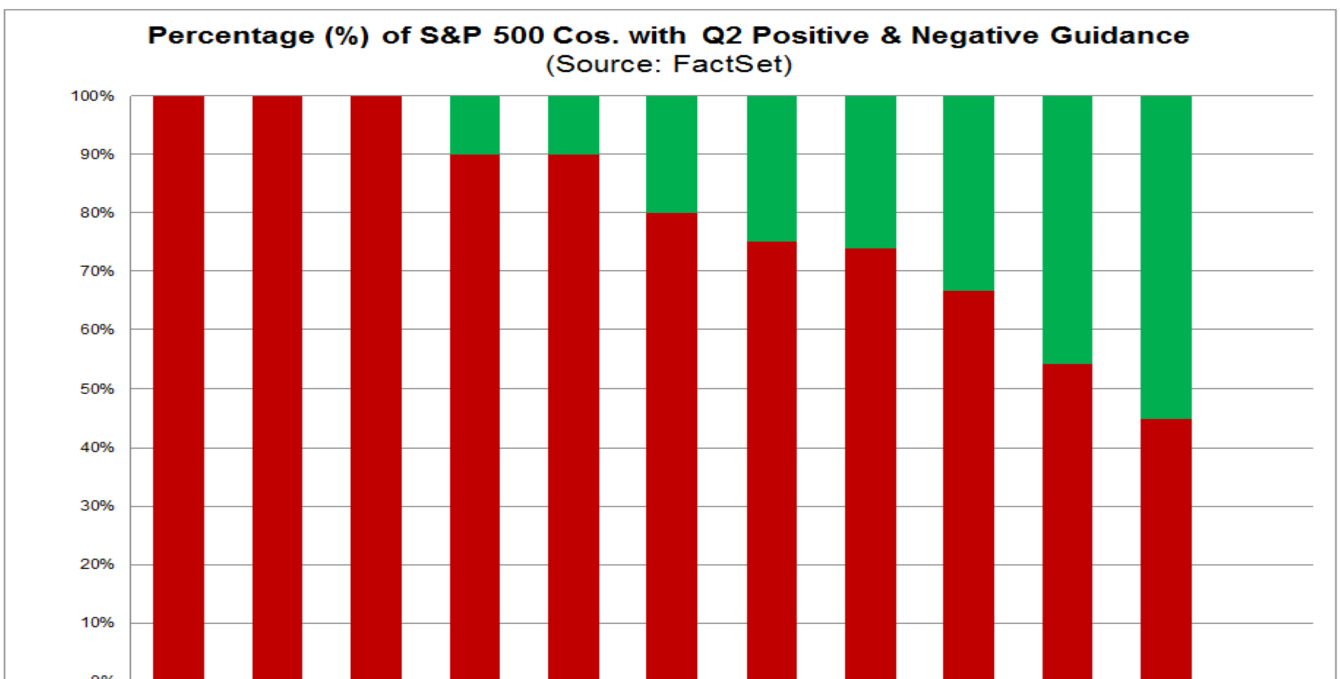
	Real Estate	Information Tech	Financials	Telecom Services	Utilities	Materials	Health Care	S&P 500	Industrials	Consumer Disc.	Consumer Staples	Energy
Q117	36.5%	19.0%	14.6%	11.7%	11.1%	10.5%	10.4%	10.1%	8.0%	6.7%	5.9%	3.7%
Q116	34.9%	17.5%	13.4%	11.7%	11.3%	9.7%	10.4%	9.5%	8.2%	6.9%	5.9%	-0.9%



	Energy	Real Estate	Information Tech.	Financials	Consumer Staples	Health Care	S&P 500	Materials	Consumer Disc.	Industrials	Utilities	Telecom Services
Down %	29%	29%	32%	32%	35%	38%	39%	44%	45%	47%	54%	75%
None %	0%	0%	0%	2%	0%	0%	0%	0%	0%	1%	0%	0%
Up %	71%	71%	68%	66%	65%	62%	61%	56%	55%	51%	46%	25%

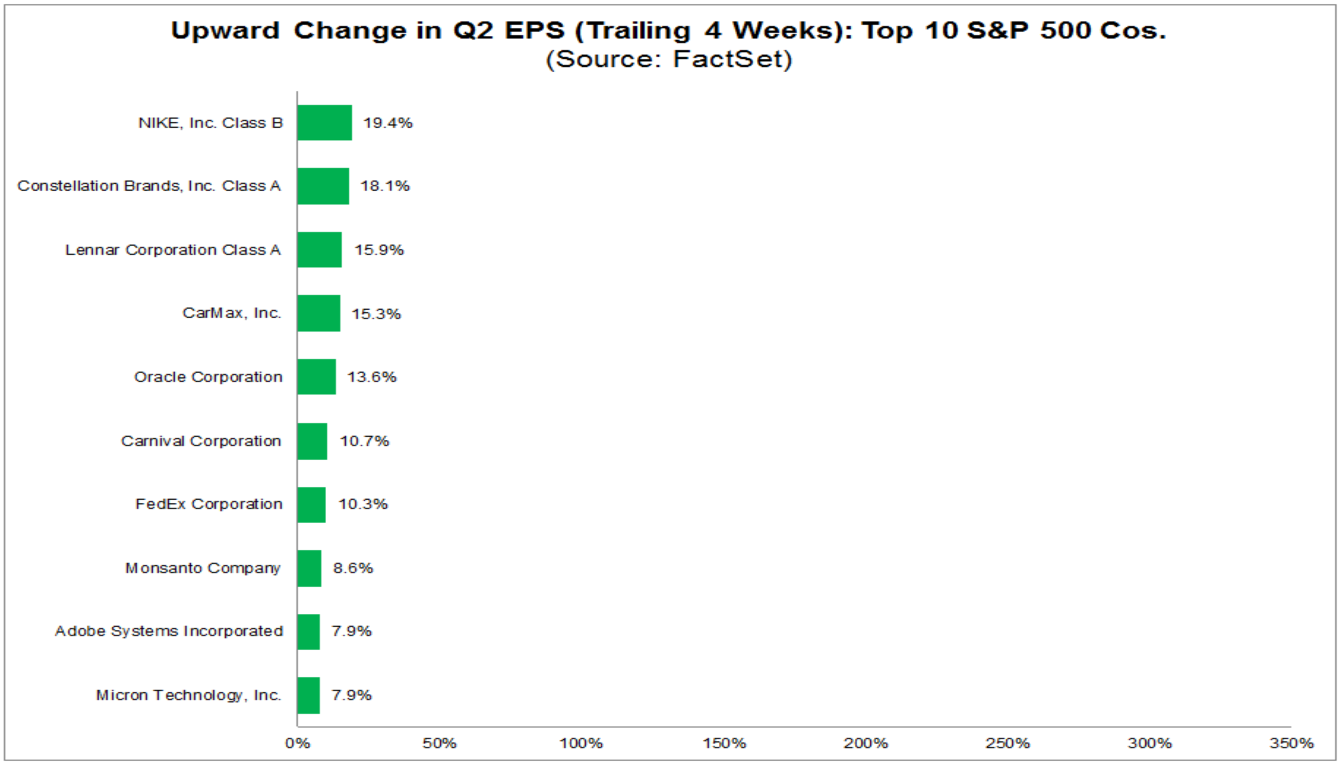
Q2 2017: Guidance

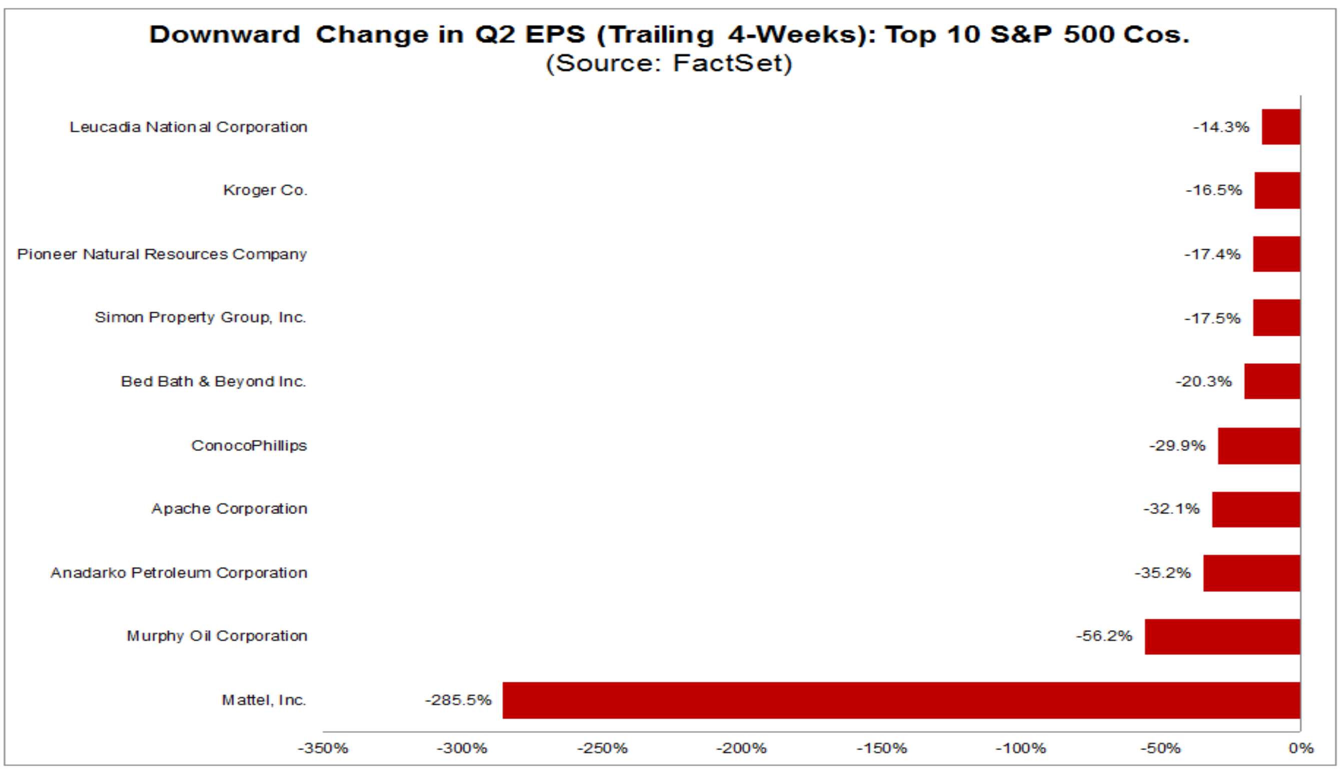




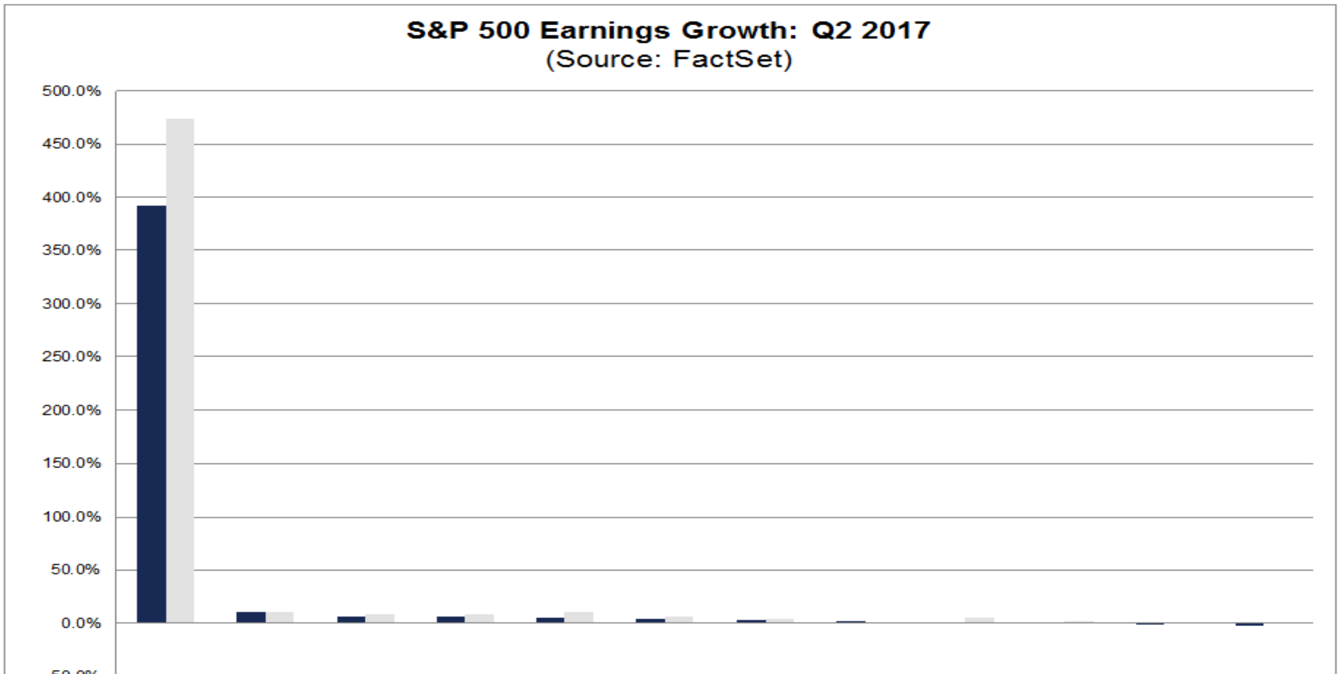
	Consumer Staples	Financials	Telecom Services	Industrials	Real Estate	Materials	Utilities	Consumer Disc.	S&P 500	Info. Technology	Health Care	Energy
Positive	0%	0%	0%	10%	10%	20%	25%	26%	33%	46%	55%	0%
Negative	100%	100%	100%	90%	90%	80%	75%	74%	67%	54%	45%	0%

Q2 2017: EPS Revisions

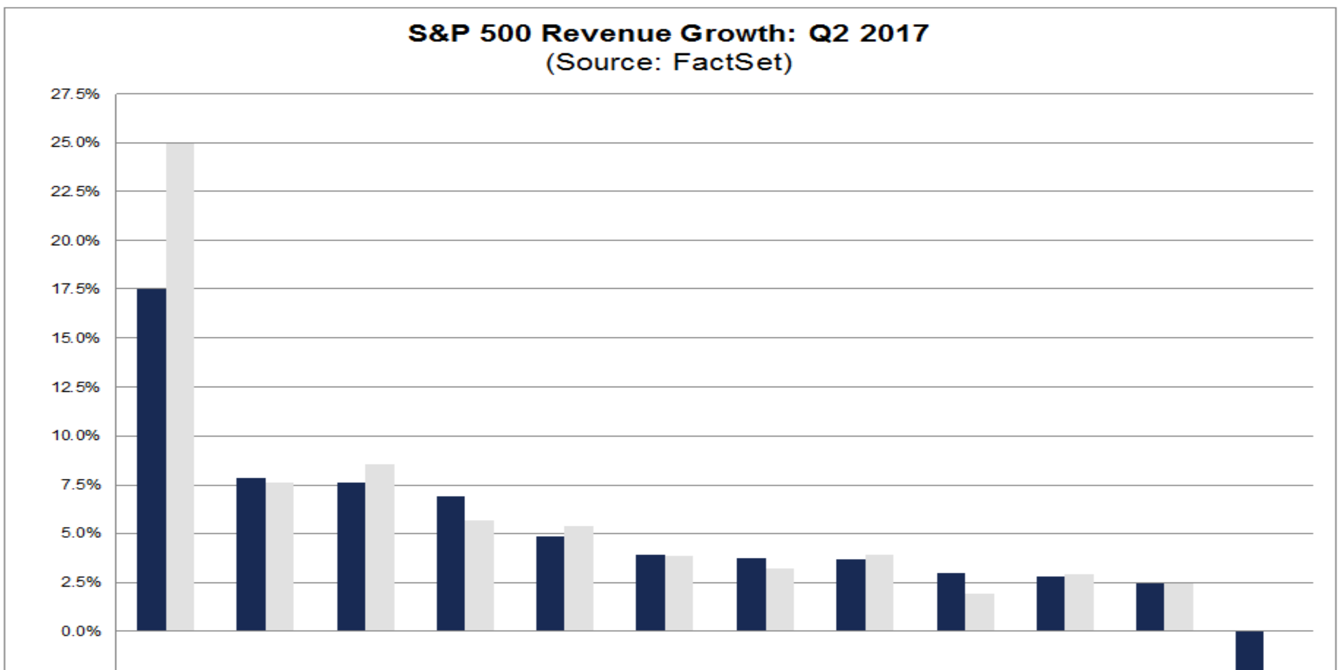




Q2 2017: Growth

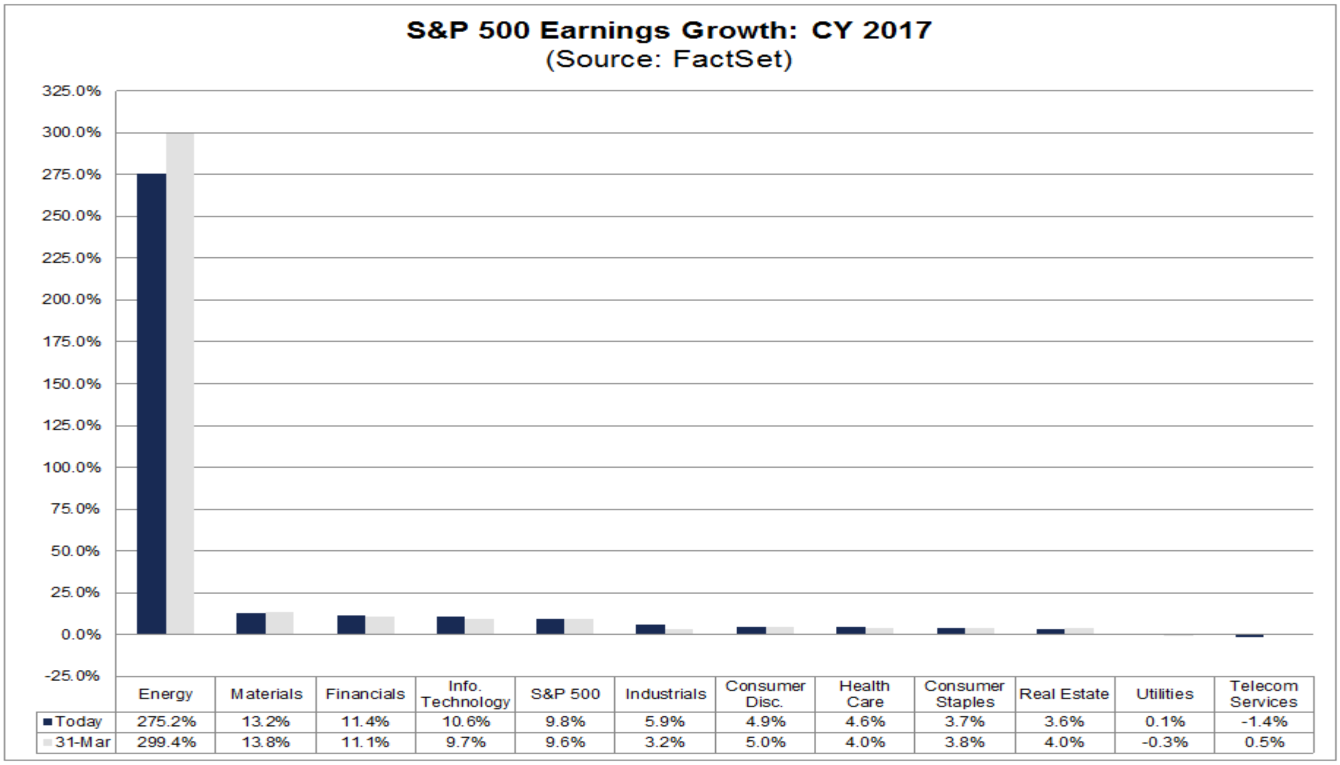


	Energy	Info. Technology	S&P 500	Financials	Materials	Real Estate	Consumer Staples	Industrials	Telecom Services	Health Care	Utilities	Consumer Disc.
Today	392.2%	10.5%	6.6%	6.3%	4.9%	3.8%	2.8%	1.6%	1.1%	0.4%	-0.1%	-2.0%
31-Mar	474.0%	10.6%	8.7%	8.6%	10.1%	5.8%	4.2%	0.6%	5.1%	2.0%	1.1%	1.2%

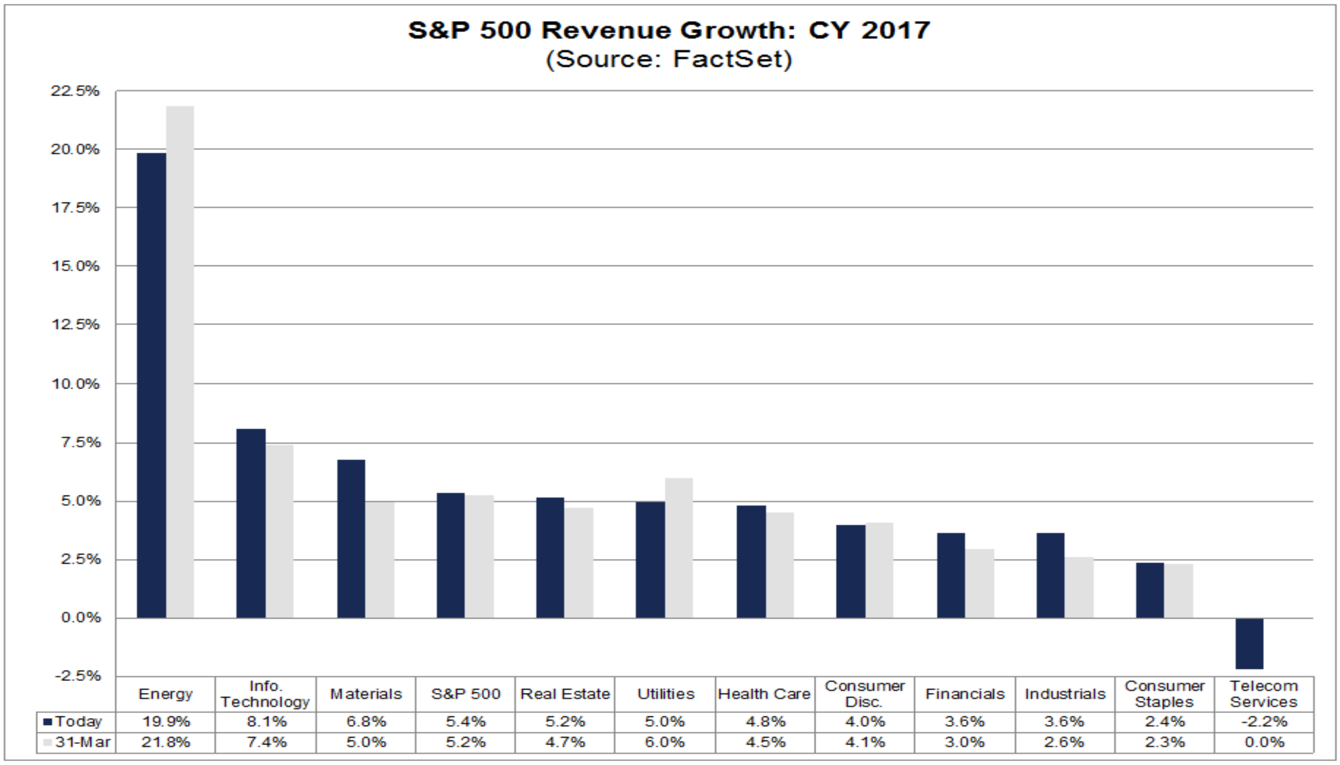


	Energy	Info. Technology	Utilities	Materials	S&P 500	Consumer Disc.	Real Estate	Health Care	Industrials	Financials	Consumer Staples	Telecom Services
Today	17.5%	7.9%	7.6%	6.9%	4.9%	3.9%	3.8%	3.7%	3.0%	2.8%	2.5%	-2.1%
31-Mar	24.9%	7.6%	8.6%	5.7%	5.4%	3.9%	3.2%	3.9%	1.9%	2.9%	2.4%	0.0%

CY 2017: Growth

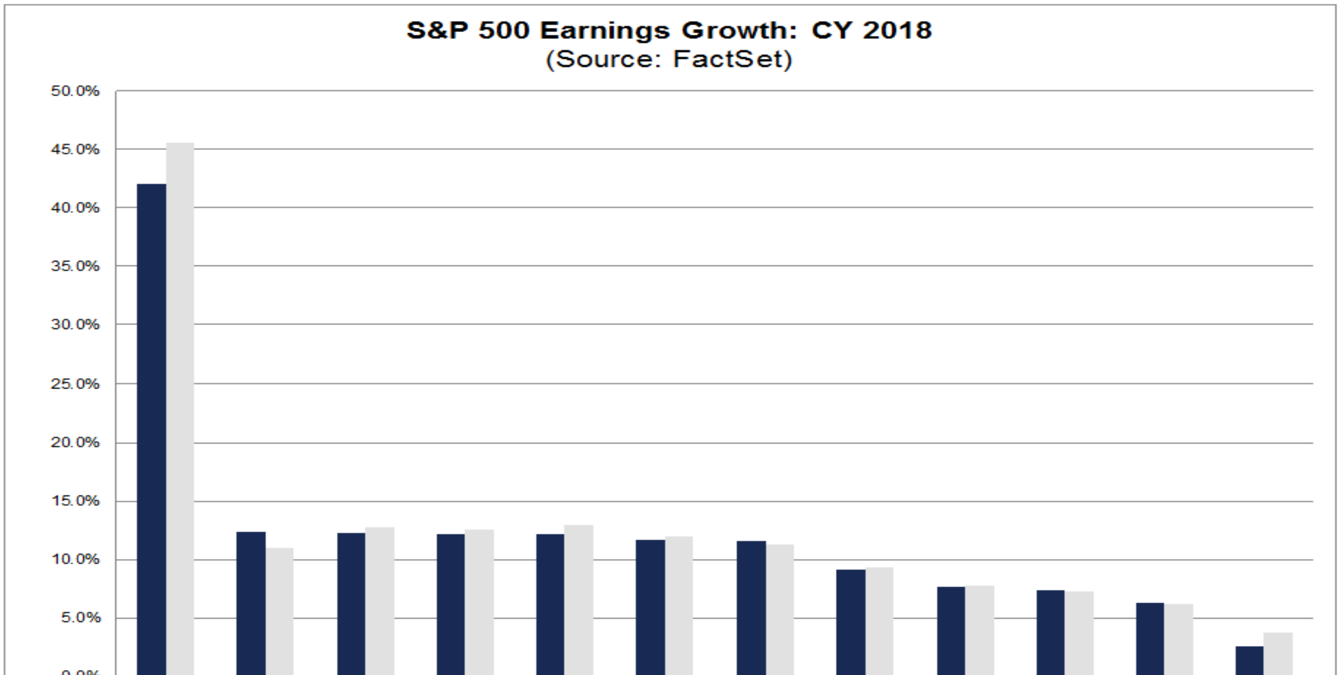


	Energy	Materials	Financials	Info. Technology	S&P 500	Industrials	Consumer Disc.	Health Care	Consumer Staples	Real Estate	Utilities	Telecom Services
Today	275.2%	13.2%	11.4%	10.6%	9.8%	5.9%	4.9%	4.6%	3.7%	3.6%	0.1%	-1.4%
31-Mar	299.4%	13.8%	11.1%	9.7%	9.6%	3.2%	5.0%	4.0%	3.8%	4.0%	-0.3%	0.5%

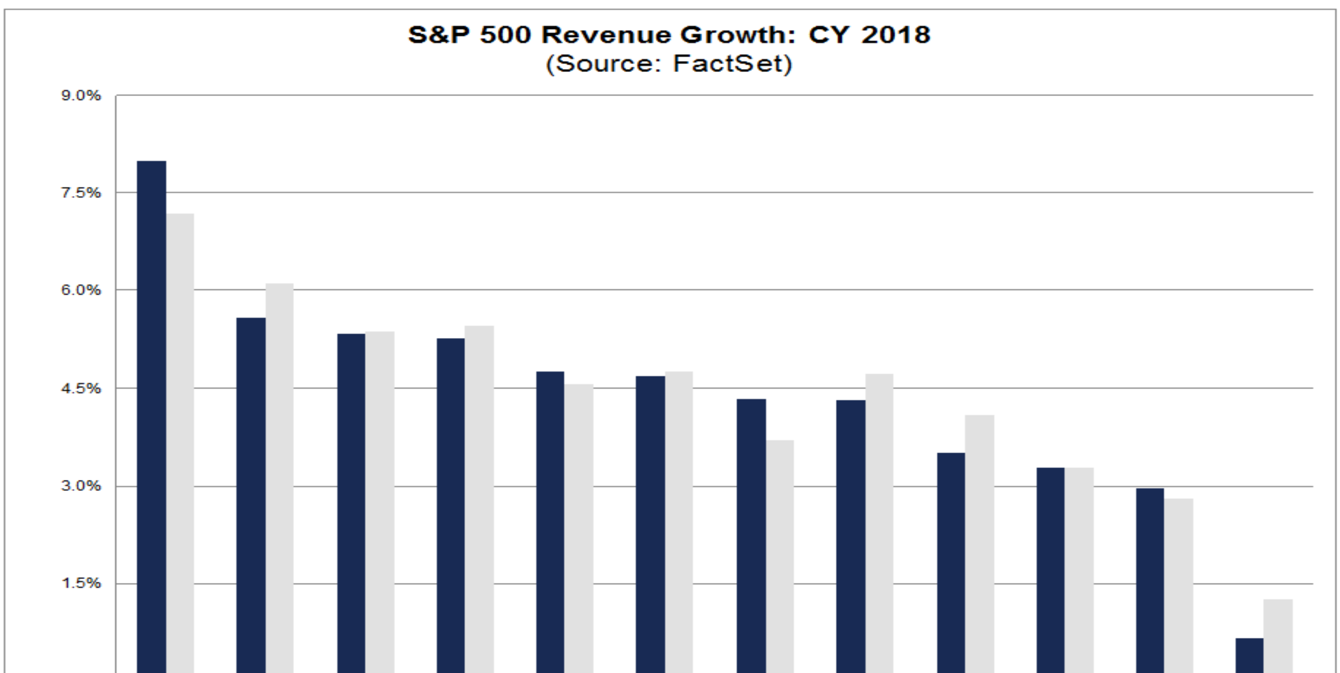


	Energy	Info. Technology	Materials	S&P 500	Real Estate	Utilities	Health Care	Consumer Disc.	Financials	Industrials	Consumer Staples	Telecom Services
Today	19.9%	8.1%	6.8%	5.4%	5.2%	5.0%	4.8%	4.0%	3.6%	3.6%	2.4%	-2.2%
31-Mar	21.8%	7.4%	5.0%	5.2%	4.7%	6.0%	4.5%	4.1%	3.0%	2.6%	2.3%	0.0%

CY 2018: Growth



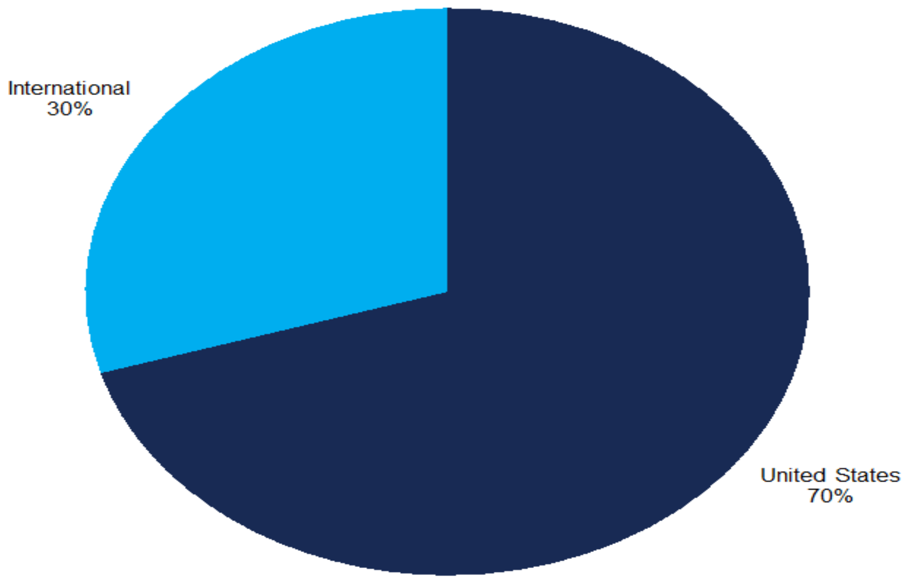
	Energy	Materials	Industrials	Financials	Consumer Disc.	S&P 500	Info. Technology	Health Care	Consumer Staples	Real Estate	Utilities	Telecom Services
Today	42.0%	12.3%	12.3%	12.2%	12.1%	11.7%	11.6%	9.2%	7.7%	7.4%	6.3%	2.6%
31-Mar	45.6%	11.0%	12.8%	12.6%	12.9%	12.0%	11.3%	9.3%	7.8%	7.2%	6.2%	3.7%



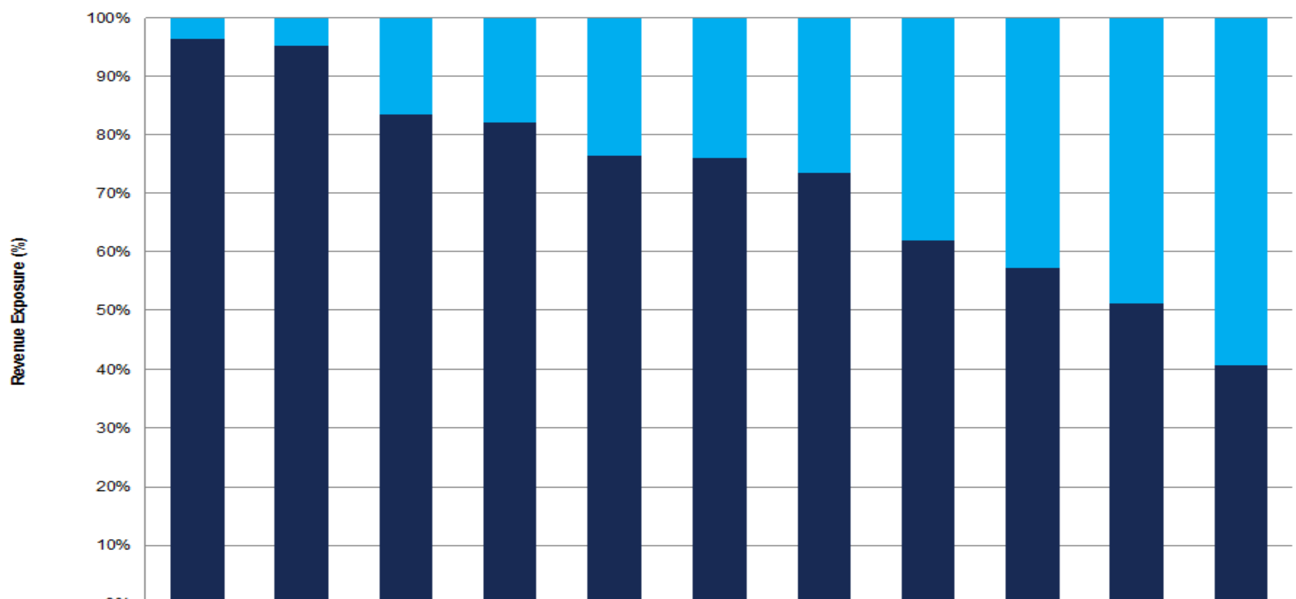
	Info. Technology	Energy	Health Care	Real Estate	Industrials	S&P 500	Materials	Consumer Disc.	Financials	Consumer Staples	Utilities	Telecom Services
Today	8.0%	5.6%	5.3%	5.3%	4.8%	4.7%	4.3%	4.3%	3.5%	3.3%	3.0%	0.7%
31-Mar	7.2%	6.1%	5.4%	5.4%	4.5%	4.7%	3.7%	4.7%	4.1%	3.3%	2.8%	1.3%

Geographic Revenue Exposure

S&P 500: Aggregate Geographic Revenue Exposure (%)
(Source: FactSet)

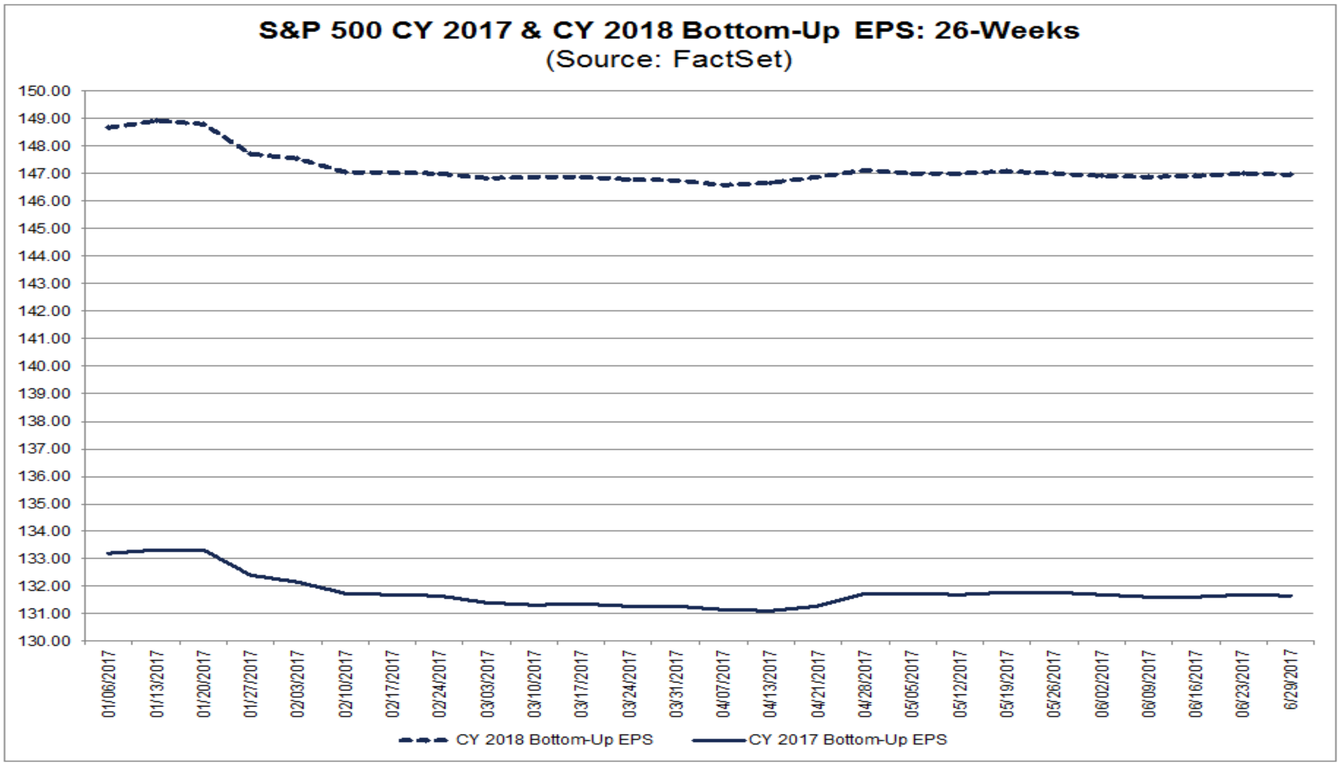


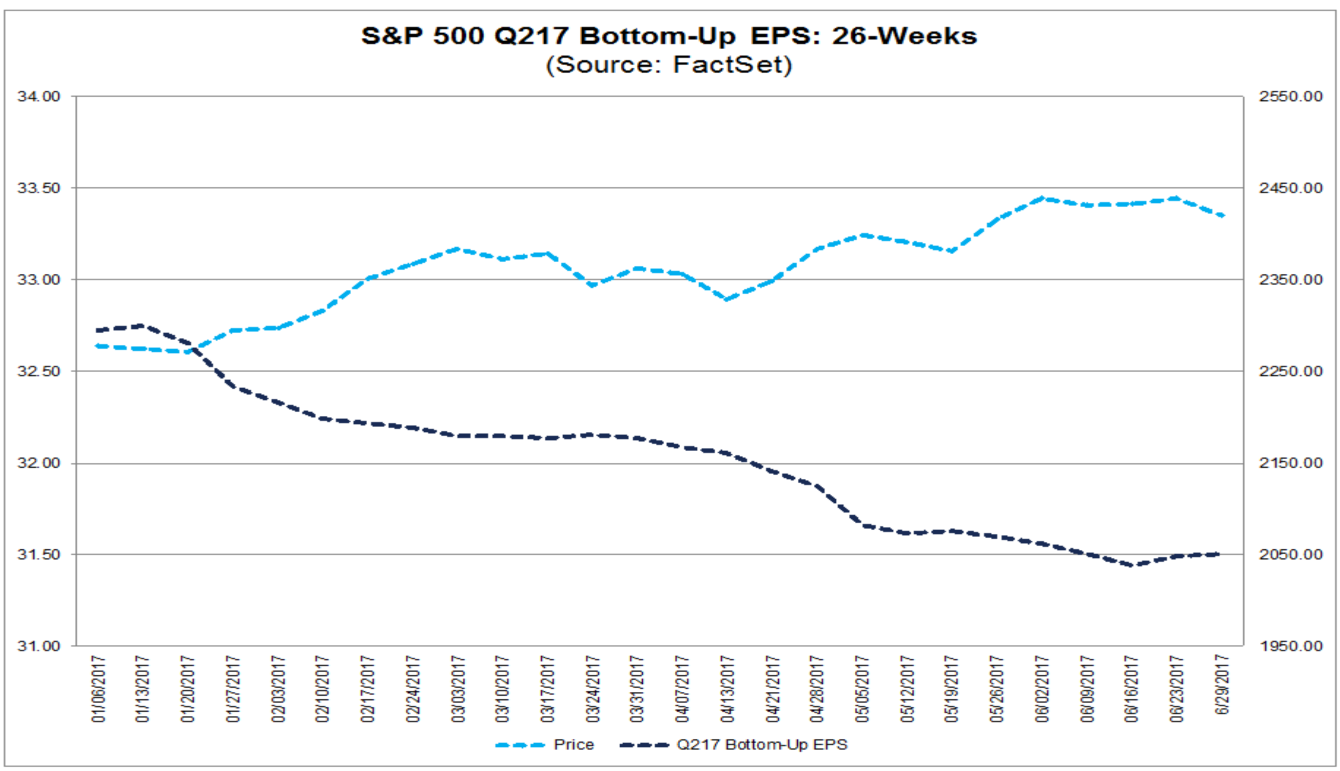
S&P 500: Aggregate Sector Geographic Revenue Exposure (%)
(Source: FactSet)



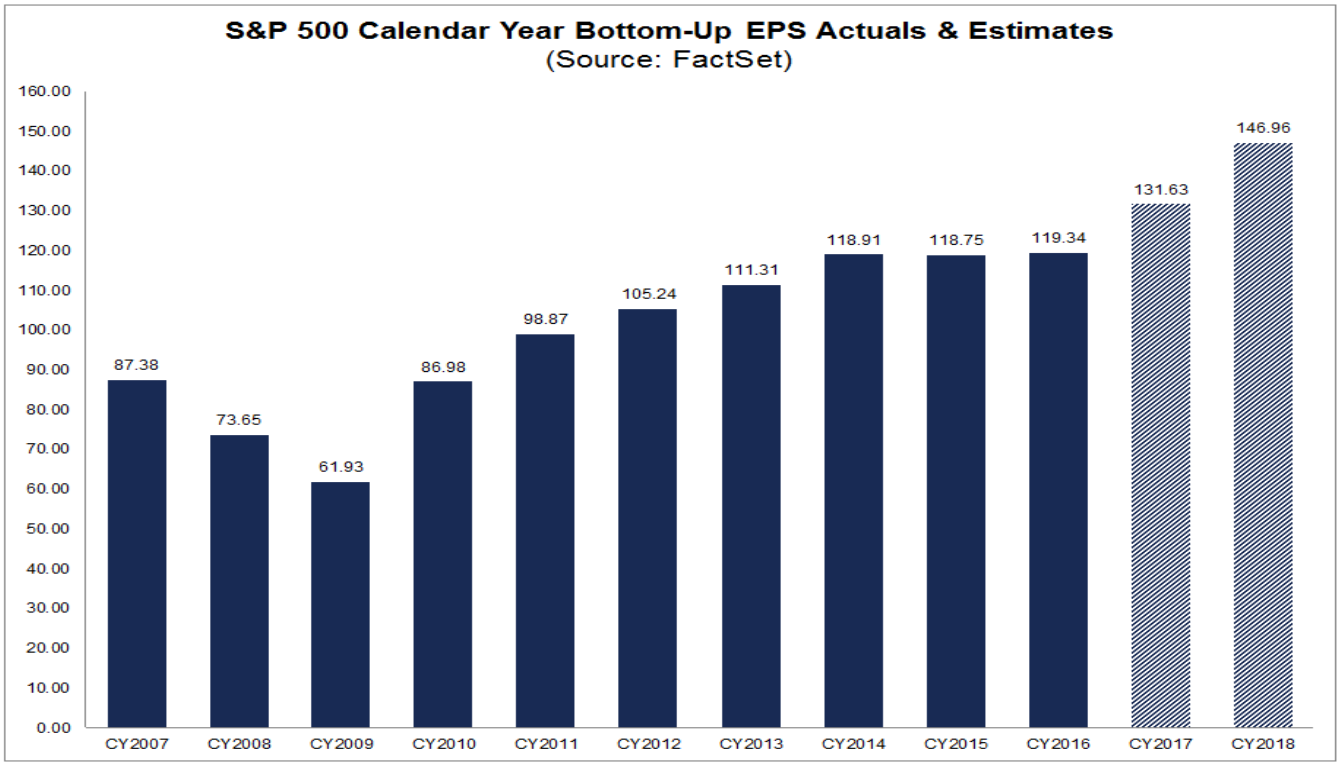
	Telecom Services	Utilities	Real Estate	Health Care	Financials	Consumer Disc.	Consumer Staples	Industrials	Energy	Materials	Info. Technology
International	4%	5%	17%	18%	24%	24%	26%	38%	43%	49%	59%
United States	96%	95%	83%	82%	76%	76%	74%	62%	57%	51%	41%

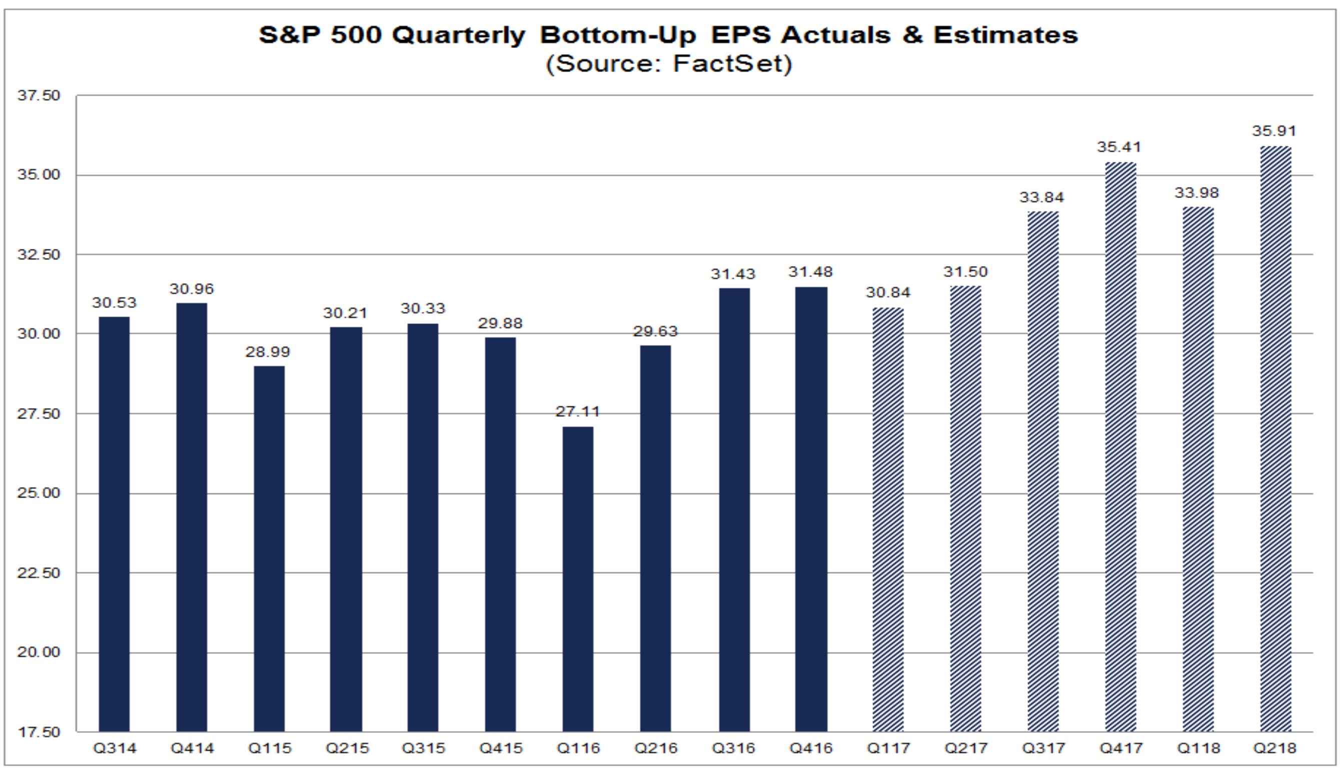
Bottom-up EPS Estimates: Revisions



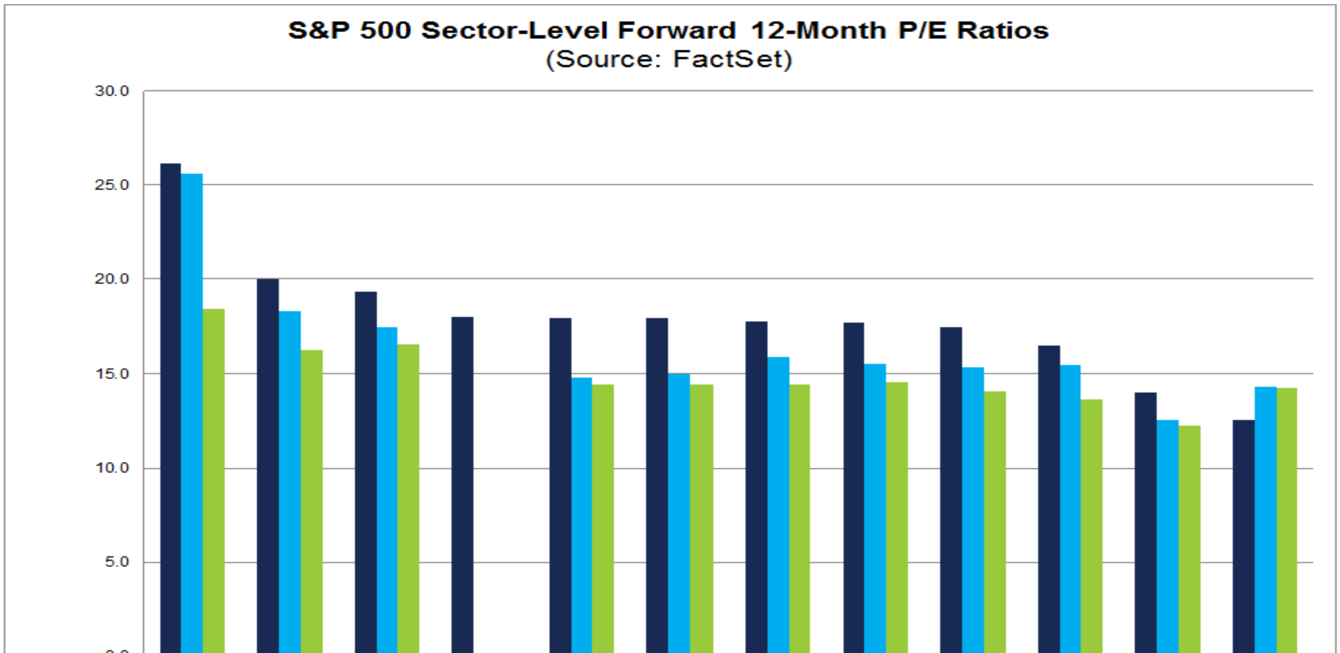


Bottom-up EPS Estimates: Current & Historical

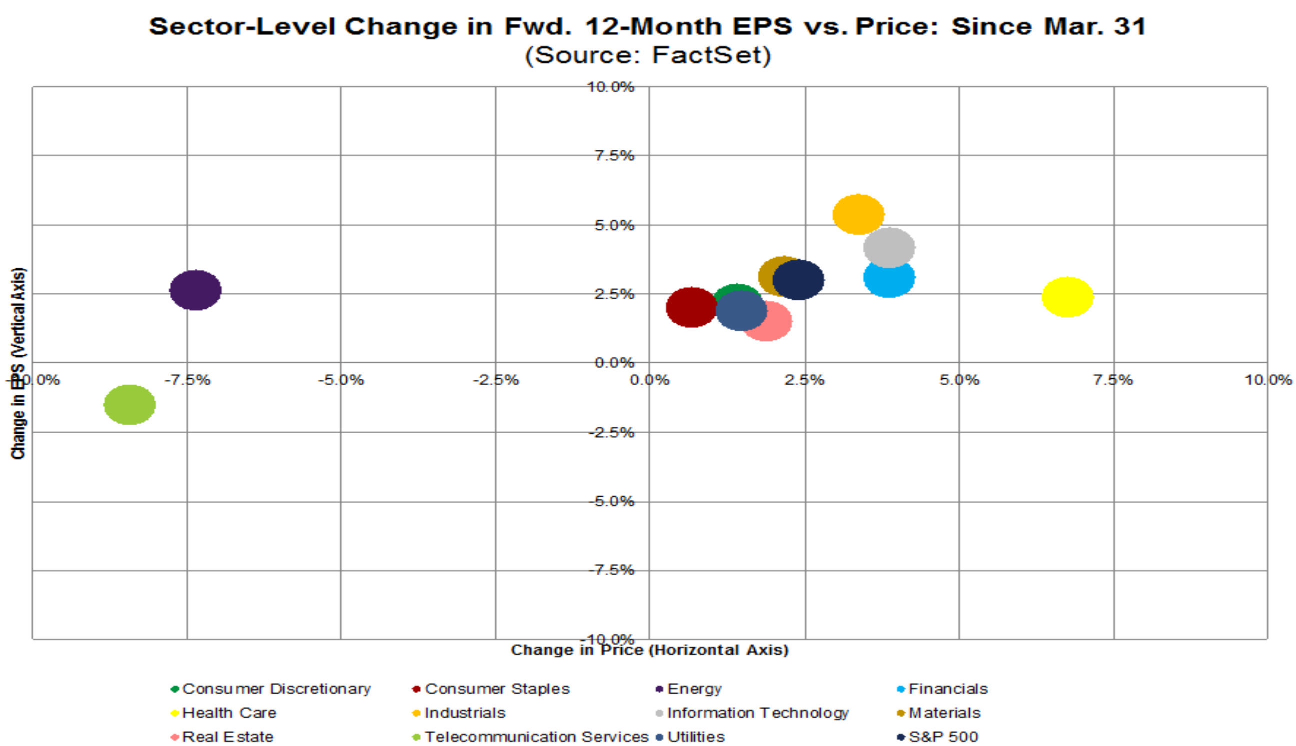




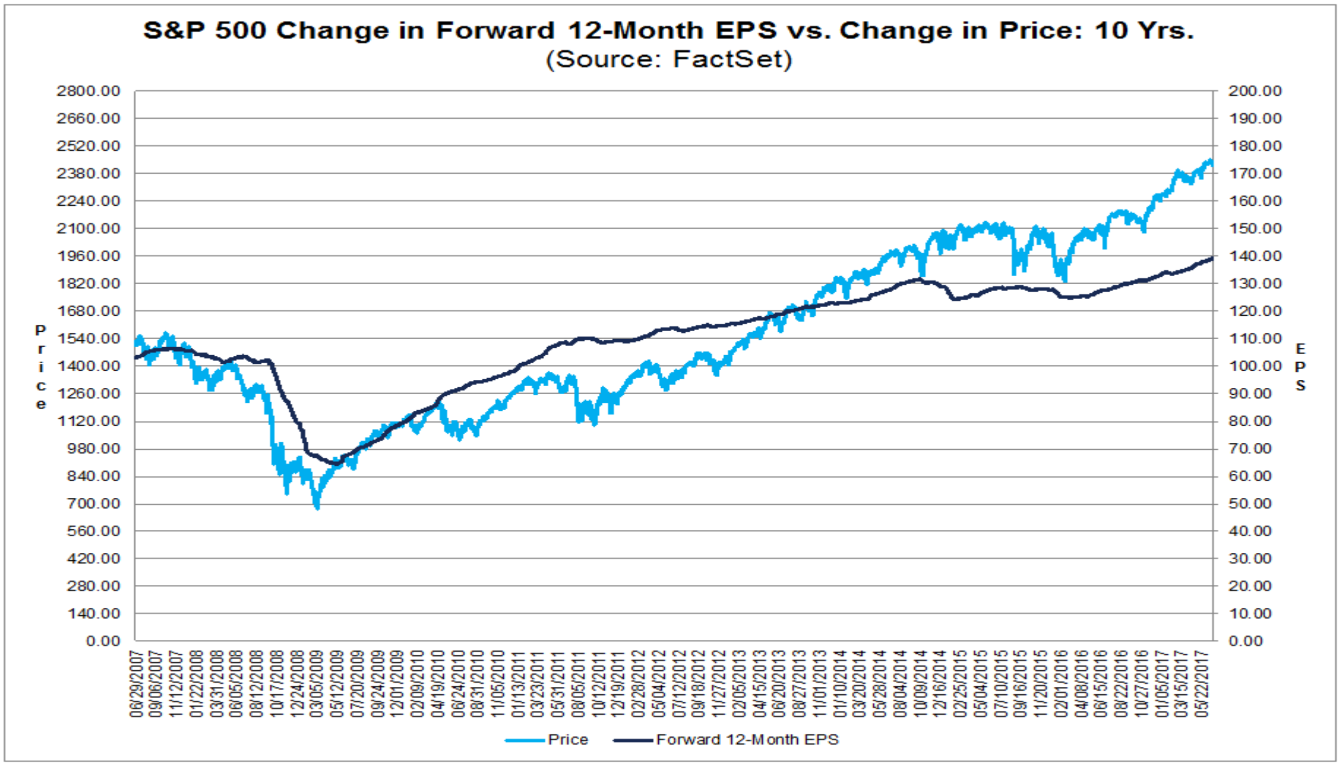
Forward 12M P/E Ratio: Sector Level

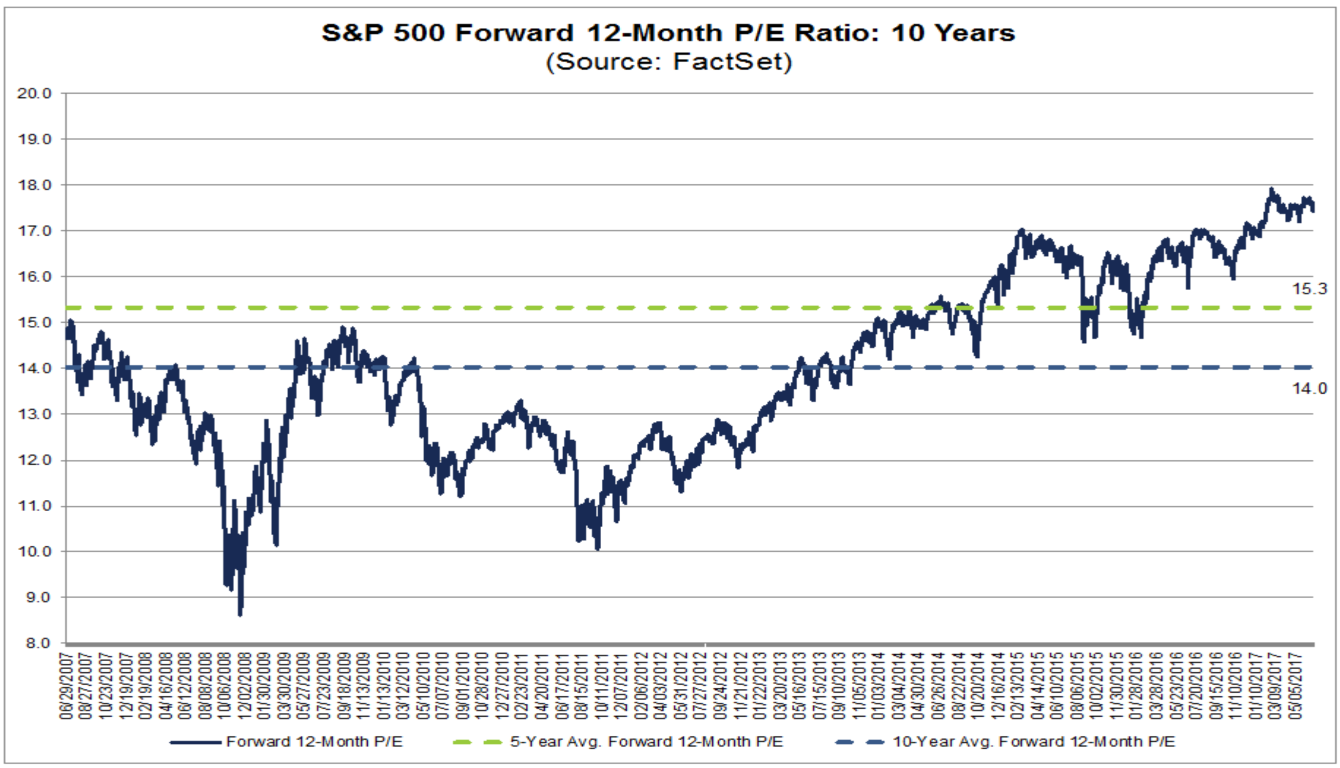


	Energy	Consumer Staples	Consumer Disc.	Real Estate	Info. Technology	Materials	Utilities	Industrials	S&P 500	Health Care	Financials	Telecom Services
Fwd P/E	26.2	20.0	19.3	18.0	17.9	17.9	17.7	17.7	17.4	16.5	14.0	12.6
5-Yr Avg.	25.6	18.3	17.4		14.8	14.9	15.9	15.5	15.3	15.4	12.6	14.3
10-Yr Avg.	18.4	16.2	16.5		14.4	14.4	14.4	14.5	14.0	13.6	12.2	14.2

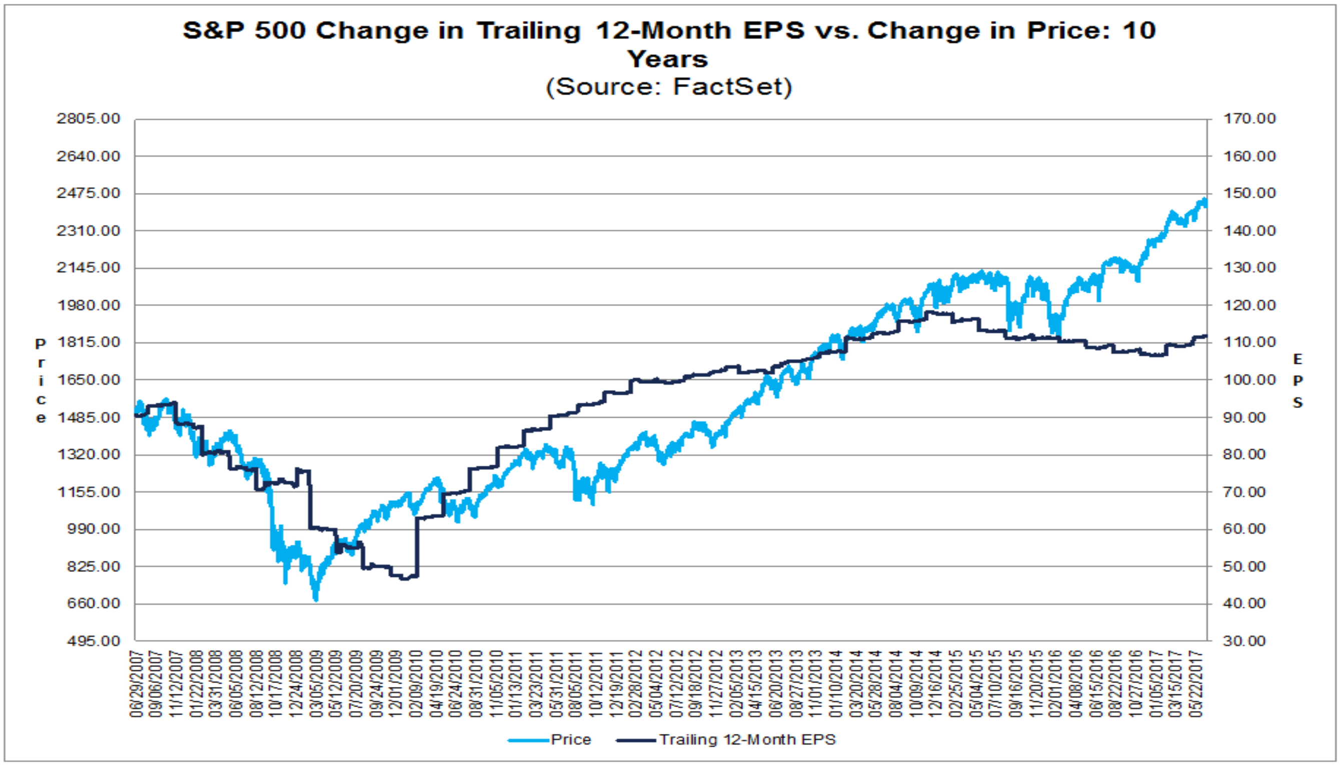


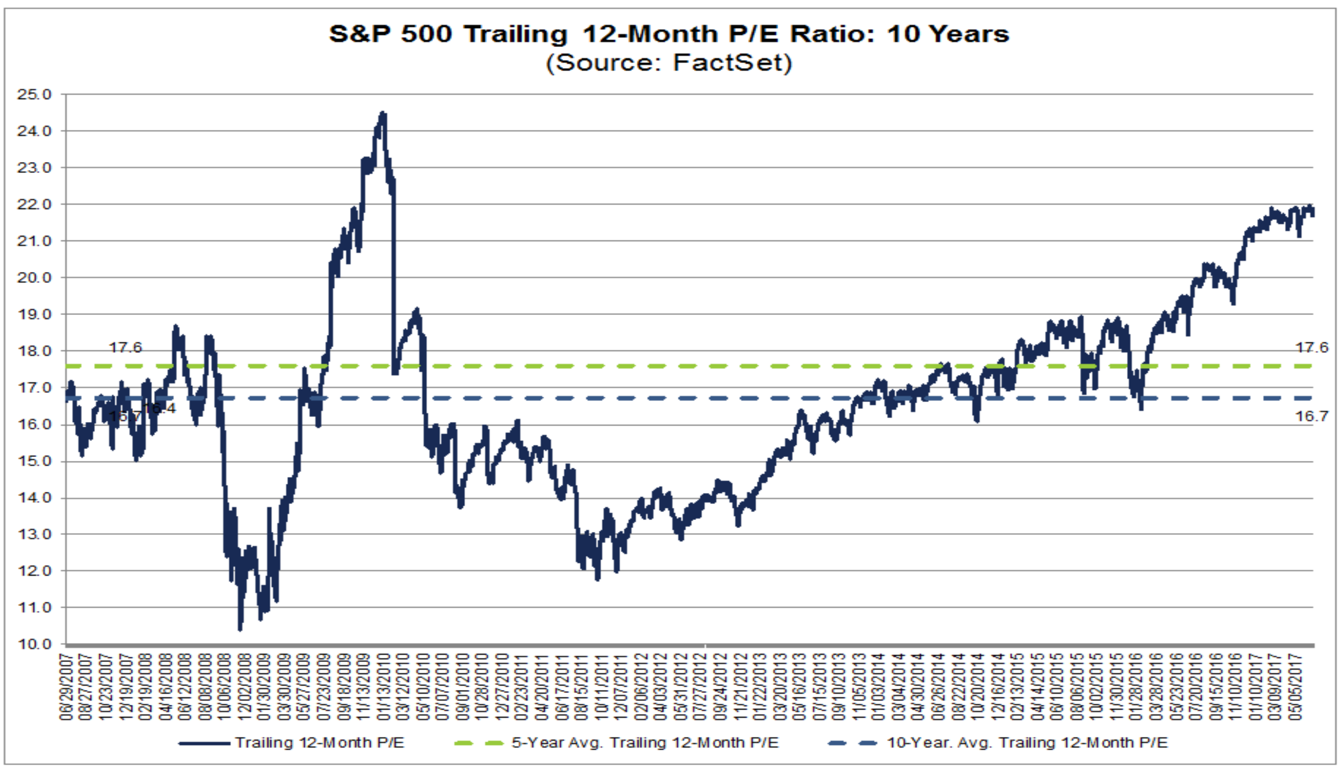
Forward 12M P/E Ratio: Long-Term Averages





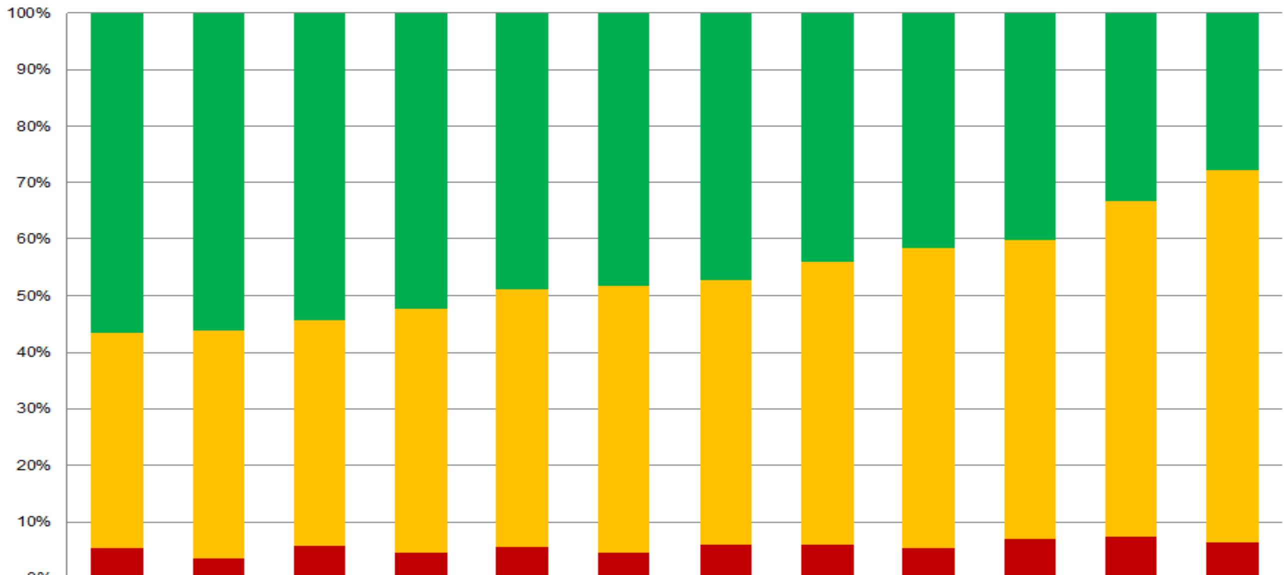
Trailing 12M P/E Ratio: Long-Term Averages





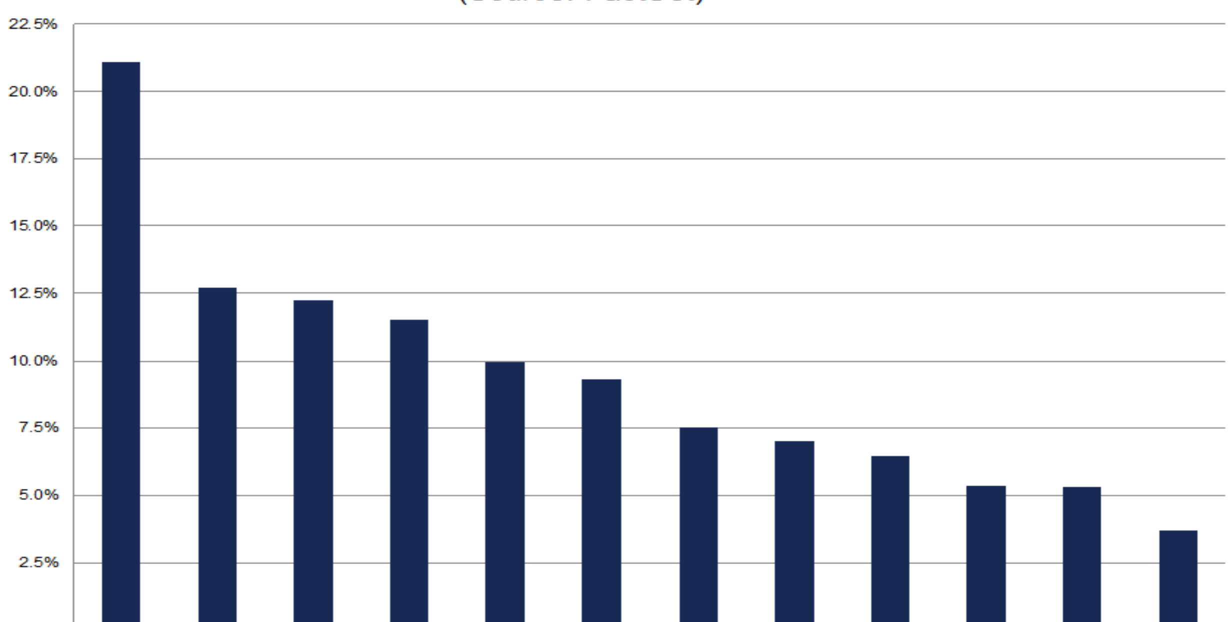
Targets & Ratings

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



	Info. Tech.	Health Care	Energy	Materials	S&P 500	Industrials	Consumer Disc.	Financials	Real Estate	Consumer Staples	Utilities	Telecom Services
Buy	57%	56%	54%	52%	49%	48%	47%	44%	42%	40%	33%	28%
Hold	38%	40%	40%	43%	45%	47%	47%	50%	53%	53%	59%	66%
Sell	5%	4%	6%	4%	5%	5%	6%	6%	5%	7%	7%	6%

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



	Energy	Consumer Disc.	Info. Tech.	Telecom Services	Materials	S&P 500	Industrials	Consumer Staples	Real Estate	Financials	Health Care	Utilities
Target/Close	21.1%	12.7%	12.2%	11.5%	9.9%	9.3%	7.5%	7.0%	6.5%	5.4%	5.3%	3.7%

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