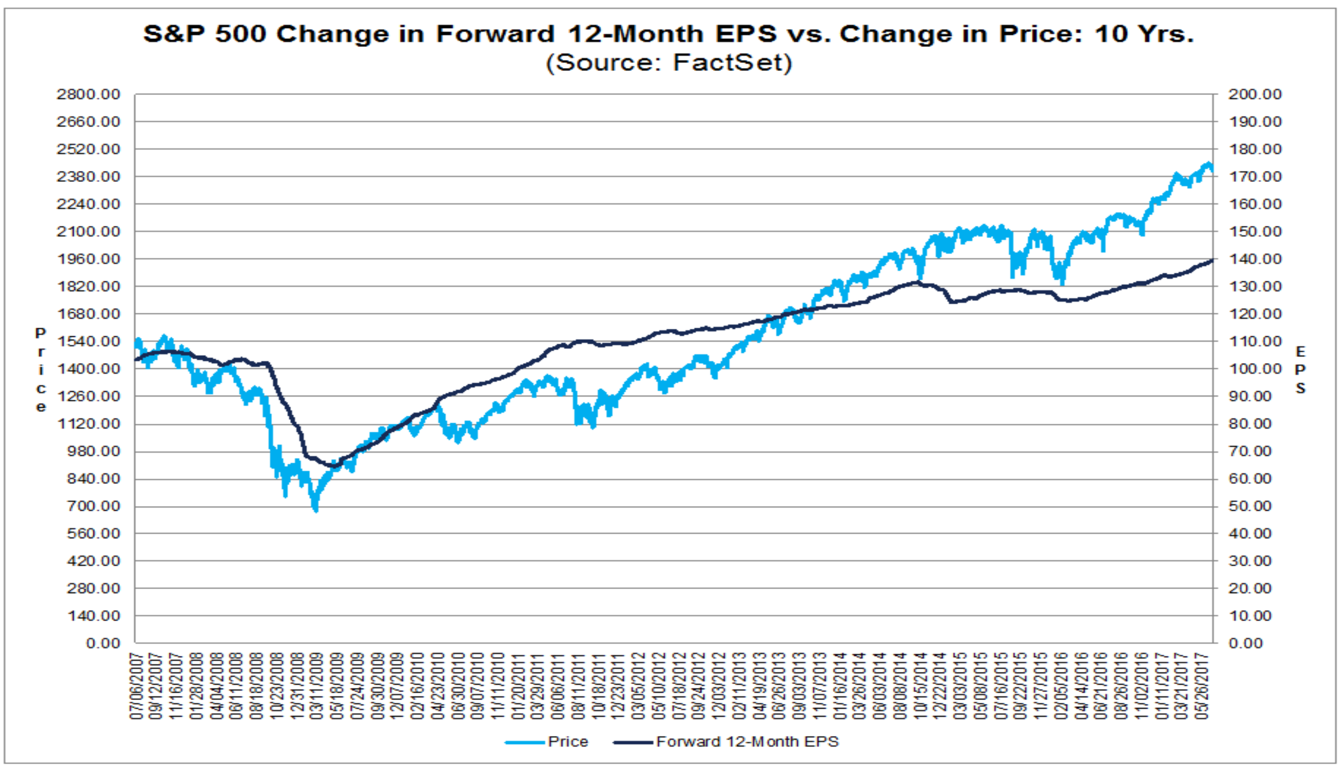
John Butters, Senior Earnings Analyst
jbutters@factset.com

Media Questions/Requests
media_request@factset.com

July 7, 2017

Key Metrics

- **Earnings Scorecard:** As of today (with 5% of the companies in the S&P 500 reporting actual results for Q2 2017), 78% of S&P 500 companies have beat the mean EPS estimate and 87% of S&P 500 companies have beat the mean sales estimate.
- **Earnings Growth:** For Q2 2017, the blended earnings growth rate for the S&P 500 is 6.5%. Nine sectors are expected to report earnings growth for the quarter, led by the Energy sector
- **Earnings Revisions:** On June 30, the estimated earnings growth rate for Q2 2017 was 6.6%. Four sectors have lower growth rates today (compared to June 30) due to downward revisions to earnings estimates, led by the Energy sector.
- **Earnings Guidance:** For Q3 2017, one S&P 500 company has issued negative EPS guidance and five S&P 500 companies have issued positive EPS guidance.
- **Valuation:** The forward 12-month P/E ratio for the S&P 500 is 17.3. This P/E ratio is above the 5-year average (15.3) and the 10-year average (14.0).



To receive this report via e-mail, please go to www.factset.com/data/news_research/researchdesk

To view other market stories with FactSet content, please go to www.factset.com/insight

All data published in this report is available on FactSet. Please contact media_request@factset.com or 1-877-FACTSET for more information.

Topic of the Week: 1

S&P 500 Likely To Report Near Double-Digit Earnings Growth for Q2 2017

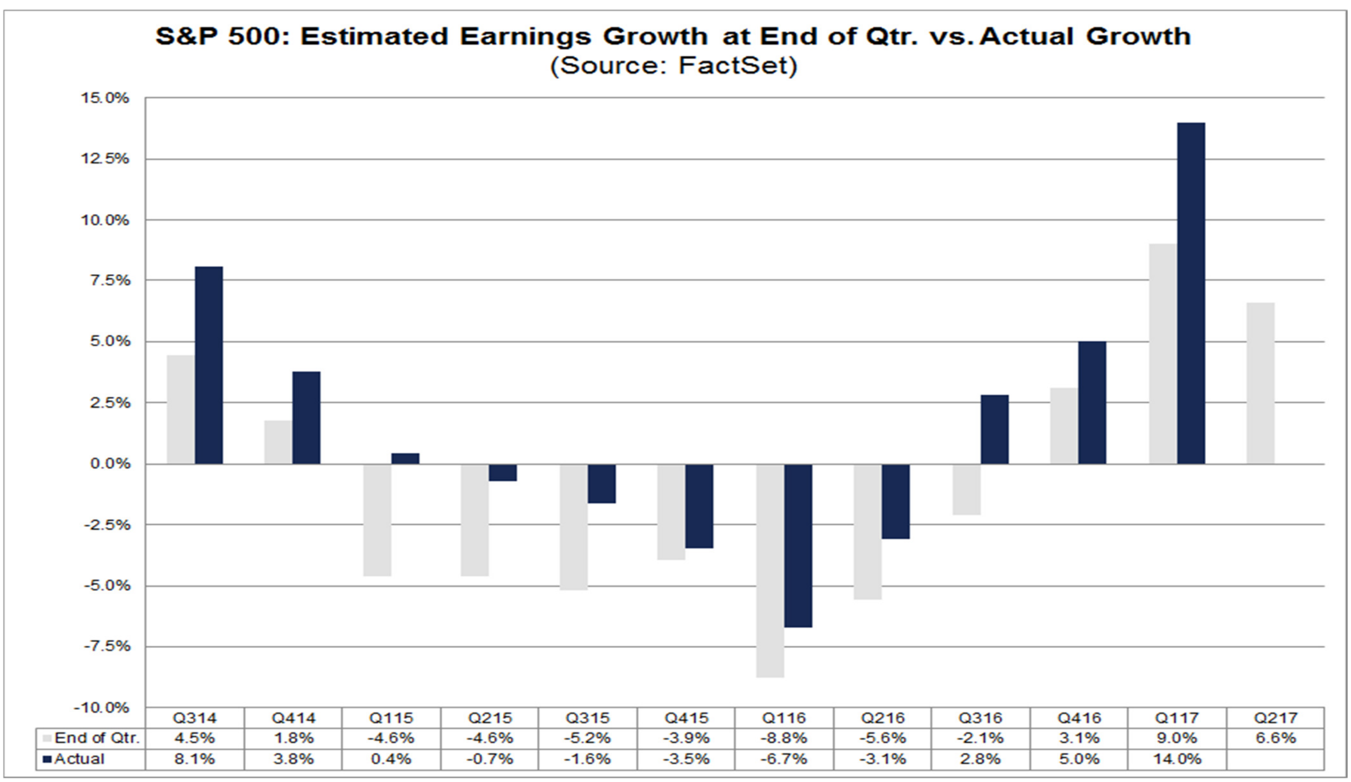
As of today, the S&P 500 is expected to report earnings growth of 6.5% for the second quarter. What is the likelihood the index will report an actual earnings increase of 6.5% for the quarter?

Based on the average change in earnings growth due to companies reporting actual earnings above estimated earnings, it is likely the index will report near double-digit earnings growth for the second quarter.

When companies in the S&P 500 report actual earnings above estimates during an earnings season, the overall earnings growth rate for the index increases because the higher actual EPS numbers replace the lower estimated EPS numbers in the calculation of the growth rate. For example, if a company is projected to report EPS of $1.05 compared to year-ago EPS of $1.00, the company is projected to report earnings growth of 5%. If the company reports actual EPS of $1.10 (a $0.05 upside earnings surprise compared to the estimate), the actual earnings growth for the company for the quarter is now 10%, five percentage points above the estimated growth rate (10% - 5% = 5%).

Over the past five years on average, actual earnings reported by S&P 500 companies have exceeded estimated earnings by 4.2%. During this same period, 68% of companies in the S&P 500 have reported actual EPS above the mean EPS estimate on average. As a result, from the end of the quarter through the end of the earnings season, the earnings growth rate has typically increased by 2.9 percentage points on average (over the past 5 years) due to the number and magnitude of upside earnings surprises.

If this average increase is applied to the estimated earnings growth rate at the end of Q2 (June 30) of 6.6%, the actual earnings growth rate for the quarter would be 9.5% (6.6% + 2.9% = 9.5%). If the index does report growth of 9.5% in earnings for Q2 2017, it will mark the second highest earnings growth reported by the S&P 500 since Q4 2011 (11.6%).



	Q314	Q414	Q115	Q215	Q315	Q415	Q116	Q216	Q316	Q416	Q117	Q217
End of Qtr.	4.5%	1.8%	-4.6%	-4.6%	-5.2%	-3.9%	-8.8%	-5.6%	-2.1%	3.1%	9.0%	6.6%
Actual	8.1%	3.8%	0.4%	-0.7%	-1.6%	-3.5%	-6.7%	-3.1%	2.8%	5.0%	14.0%	

Topic of the Week: 2

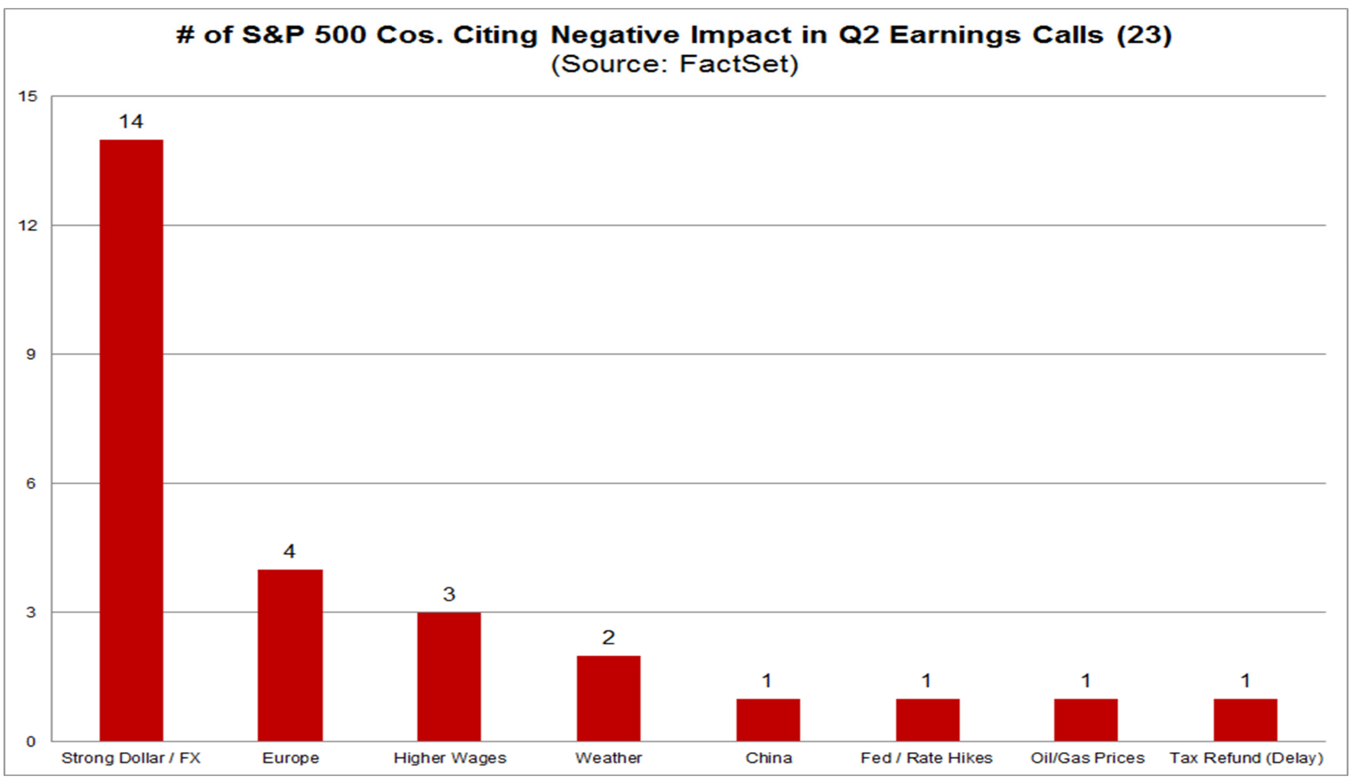
Strong U.S. Dollar Still a Concern for S&P 500 Companies in Q2

While the majority of S&P 500 companies will report earnings results for Q2 2017 over the next few weeks, 5% of the companies in the index (23 companies) have already reported earnings results for the second quarter. Given the number of concerns in the market, have these companies discussed specific factors that had a negative impact on earnings or revenues for the second quarter during their earnings conference calls?

To answer this question, FactSet searched for specific terms related to a number of factors (i.e. "currency," "China," etc.) in the conference call transcripts of the 23 S&P 500 companies that have conducted second quarter earnings conference calls through July 7 to see how many companies discussed these factors. FactSet then looked to see if the company cited a negative impact, expressed a negative sentiment (i.e. "volatility," "uncertainty," "pressure," "headwind," etc.), or discussed clear underperformance in relation to the factor for either the quarter just reported or in guidance for future quarters. The results are shown below.

Similar to previous quarters, the strong U.S. dollar has been cited by the most companies (14) in the index to date as a factor that either had a negative impact on earnings or revenues in Q2, or is expected to have a negative impact on earnings and revenues in future quarters. Most companies did not cite a specific currency when discussing the negative impact of the strong U.S. dollar. For the companies that did mention a specific currency, the highest number of companies cited the peso (4) and the pound (3). Comments from these seven companies are published on the next page.

It is interesting to note that while only three S&P 500 companies discussed a specific negative impact from "wages," five other S&P 500 companies discussed the subject during their earnings calls. However, since these five companies did not highlight a specific negative impact from wages, they were not included in the chart below. Comments from all eight of these companies are published on the next two pages.



Mexican Peso: Negative Impact

"So, now, for the remainder of the year, Judy, I think the biggest headwind that we see is really coming from FX in the business. On a year-over-year basis, in Q1, we actually had a bit of a tailwind from FX. But we know that right now, the peso is sitting below MXN 18 to the $1. And we disclosed in the beginning of the year that our guidance was based around MXN 20 to the $1 that presents a pretty significant headwind for us." –Constellation Brands (June 29)

"I mean our guidance range is $4.05 and $4.13, so it's a rather large range and, as I said before, I mean the A&P spend is broadening out. It might be a couple of million dollars, so it may be up $0.01 a share. So, I don't think we've really moved. FX though, we did move on the top line from 2% to 1%. But at the operating profit line and at the EPS line, we still kept to our last guidance. It's about a 2% impact bottom line. Remember, we have an unconsolidated operation in Mexico, which is driving that with the peso devaluation." –McCormick & Co. (June 29)

"Number six, FX. The two FX items, as compared to a year ago during the third quarter, foreign currencies where we operate were mixed relative to the U.S. dollar, from an aggregate weakened versus the U.S. dollar, most notably in Canada, the UK and Mexico, and this resulted in foreign earnings in Q3, when we convert back into U.S. dollars for reporting purposes, being slightly lower by about $5 million, or about $0.01 a share, than if the exchange rates had been flat." –Costco (May 25)

"As Bill said earlier, we were challenged by difficult foreign exchange rate in regard to the peso. While sales in base currency were above plan this quarter, the devaluation in the peso was much greater than we assumed at the start of the year. This has created a headwind, and our EPS was significantly impacted." –AutoZone (May 23)

British Pound: Negative Impact

"So now, let's look at the financial highlights for the quarter. As we expected, currency, again, had a negative impact. The U.S. dollar being 12.5% stronger versus sterling than in the comparable quarter last year. Sales for the quarter were $30.1 billion, up 2.1% versus the comparable quarter. On a constant currency basis, sales were up 5%." – Walgreens Boots Alliance (June 29)

"But underlying transactional, the first half of the year, post-Brexit, you saw what the pound, the euro did that really makes it hard on a year-on-year comparison that first half of the year as our foreign units are buying in U.S. dollars these spices and herbs." –McCormick & Co. (June 29)

"Number six, FX. The two FX items, as compared to a year ago during the third quarter, foreign currencies where we operate were mixed relative to the U.S. dollar, from an aggregate weakened versus the U.S. dollar, most notably in Canada, the UK and Mexico, and this resulted in foreign earnings in Q3, when we convert back into U.S. dollars for reporting purposes, being slightly lower by about $5 million, or about $0.01 a share, than if the exchange rates had been flat." –Costco (May 25)

Higher Wages: Negative Impact

"Looking at the P&L. Food and beverage was favorable 10 basis points with commodities inflation essentially flat this quarter. Restaurant labor was unfavorable 10 basis points as continued wage pressures slightly offset productivity gains." –Darden Restaurants (June 27)

"Freight Q4 results saw revenue quality improving. Year-over-year, Freight's yield growth has improved sequentially as Freight continues to work toward a better balance of volume, pricing, and capacity. Operating results were slightly lower due to higher salaries and wages and increased information technology expenses that offset the benefit from the higher base rates." –FedEx (June 20)

"This quarter, we reported our second consecutive quarter of challenged sales and profitability performance following 41 quarters of double-digit growth in EPS. Clearly, some of our recent challenges have been macro, like timing of IRS refunds, rising wages and interest rates and peso weakness. But macro challenges and benefits come and go." – AutoZone (May 23)

Higher Wages: Other Comments

“Next, we expect the price of certain LED components to continue to decline, though at a decelerating pace, while certain other costs, including certain components and commodity costs as well as certain employee-related costs, primarily due to further investments in associate head count, wage inflation and healthcare costs will increase somewhat. We expect to mitigate some of the impact of these rising costs through certain pricing initiatives, productivity improvements, and product cost reductions, though the timing of these initiatives might lag the timing of these increased costs.” –Acuity Brands (June 29)

“Expenses increased 5% for the fourth quarter and 6% for the fiscal year. The expense growth in both periods was impacted by higher wages and related expenses due to growth in head count, primarily in our operations areas. Expense growth was moderated by lower variable selling costs.” –Paychex (June 28)

“Okay, so first of all, Sue is saying that payroll was slightly above where we had planned…Yeah, not materially…And again, a lot of it is chasing wage rates.” –Bed, Bath, & Beyond (June 22)

“Generally speaking, in spite of the often noisy political environment, there continues to be a general sense of optimism in the market. There continues to be a perception that jobs are being created across the country and that wages are generally moving positively. The often discussed labor shortage in many sectors of the economy is translating into a sense that many job sectors' compensation is moving up. And while much of the data collected by the government doesn't seem to reflect significant wage growth, the customers visiting our Welcome Home Centers are reflecting an optimistic sentiment.” –Lennar (June 20)

“But I think we do pretty well in trying to drive the things in the right direction, but not touching certain things. We're not going to tweak wages a little bit less or have an increase that's a little bit less.” –Costco (May 25)

Q2 2017 Earnings Season: By the Numbers

Overview

To date, 5% of the companies in the S&P 500 have reported actual results for Q2 2017. In terms of earnings, more companies (78%) are reporting actual EPS above estimates compared to the 5-year average. In aggregate, companies are reporting earnings that are 8.2% above the estimates, which is also above the 5-year average. In terms of sales, more companies (87%) are reporting actual sales above estimates compared to the 5-year average. In aggregate, companies are reporting sales that are 1.6% 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) year-over-year earnings growth rate for Q2 2017 is 6.5% today. On June 30, the estimated earnings growth rate was 6.6%. Nine sectors are reporting or are predicted to report year-over-year earnings growth, led by the Energy, Information Technology, and Financials sectors. Two sectors are reporting or are projected to report a year-over-year decline in earnings, led by the Consumer Discretionary sector.

The blended sales growth rate for Q2 2017 is 4.8%. On June 30, the estimated sales growth rate was also 4.8%. Ten sectors are reporting or 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.

For Q3 2017, one S&P 500 company has issued negative EPS guidance and five S&P 500 companies have issued positive EPS guidance.

The forward 12-month P/E ratio is 17.3, which is above the 5-year average and the 10-year average.

During the upcoming week, six S&P 500 companies (including one Dow 30 component) are scheduled to report results for the second quarter.

Scorecard: More Companies Beating EPS and Revenue Estimates than Average

Percentage of Companies Beating EPS Estimates (78%) is Above 5-Year Average

Overall, 5% of the companies in the S&P 500 have reported earnings to date for the second quarter. Of these companies, 78% have reported actual EPS above the mean EPS estimate, 13% have reported actual EPS equal to the mean EPS estimate, and 9% 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 (70%) average and above the 5-year (68%) average.

At the sector level, the Materials (100%), Information Technology (83%), and Consumer Staples (83%) sectors have the highest percentages of companies reporting earnings above estimates, while the Industrials (67%) sector has the lowest percentage of companies reporting earnings above estimates.

Earnings Surprise Percentage (+8.2%) is Above 5-Year Average

In aggregate, companies are reporting earnings that are 8.2% above expectations. This surprise percentage is above the 1-year (+4.7%) average and above the 5-year (+4.2%) average.

The Materials (+9.8%), Consumer Discretionary (+9.5%), and Information Technology (+9.0%) sectors are reporting the largest upside aggregate differences between actual earnings and estimated earnings. On the other hand, the Consumer Staples (+5.2%) sector is reporting the smallest upside aggregate difference between actual earnings and estimated earnings.

Percentage of Companies Beating Revenue Estimates (87%) is Above 5-Year Average

In terms of revenues, 87% of companies have reported actual sales above estimated sales and 13% have reported actual sales below estimated sales. The percentage of companies reporting sales above estimates is well above the 1-year average (56%) and well above the 5-year average (53%).

At the sector level, the Industrials (100%), Information Technology (100%), and Materials (100%) sectors have the highest percentages of companies reporting revenues above estimates, while the Consumer Discretionary (71%) sector has the lowest percentage of companies reporting revenues above estimates.

Revenue Surprise Percentage (+1.6%) is Above 5-Year Average

In aggregate, companies are reporting sales that are 1.6% above expectations. This surprise percentage is above the 1-year (+0.5%) average and above the 5-year (+0.5%) average.

The Information Technology (+2.7%) and Consumer Discretionary (+2.1%) sectors are reporting the largest upside aggregate differences between actual sales and estimated sales, while the Industrials (+0.9%) and Consumer Staples (+1.1%) sectors are reporting the smallest upside aggregate differences between actual earnings and estimated earnings.

Slight Decrease in Blended Earnings Growth This Week

Slight Decrease in Blended Earnings Growth This Week

The blended earnings growth rate for the second quarter is 6.5% this week, which is slightly lower than the earnings growth rate of 6.6% last week. Downward revisions to estimates for companies in the Energy sector were mainly responsible for the small drop in the earnings growth rate for the index during the week.

Energy Sector Has Seen Largest Decreases in Earnings since June 30

The blended earnings growth rate for Q2 2017 of 6.5% is slightly lower than the estimate of 6.6% at the end of the second quarter (June 30). The Materials (to 5.0% from 4.9%) and Health Care (to 0.5% from 0.4%) sectors are the only two sectors that have recorded an increase in earnings growth since the end of the quarter due to upward revisions to earnings estimates and upside earnings surprises. Four sectors have seen no change in earnings growth since June 30. Five sectors have recorded a decrease in earnings growth during this time due to downward revisions to estimates and downside earnings surprises, led by the Energy (to 387.5% from 392.3%) sector.

Earnings Growth: 6.5%

The blended earnings growth rate for Q2 2017 is 6.5%. Nine sectors are reporting or are projected to report year-over-year growth in earnings, led by the Energy, Information Technology, and Financials sectors. Two sectors are reporting or 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 387.5%. 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 $9.3 billion in Q2 2017, compared to earnings of 1.9 billion in Q2 2016. Due to this projected $7.4 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 blended earnings growth rate for the remaining ten sectors would fall to 3.7% from 6.5%

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 (159%), Oil & Gas Refining & Marketing (22%), and Oil & Gas Storage & Transportation (7%). On the other hand, the Oil & Gas Drilling (-691%) 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 reporting 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 reporting or are predicted to report earnings growth. However, only one of these six industries is reporting double-digit earnings growth: Semiconductor & Semiconductor Equipment (41%). This industry is also the largest contributor to earnings growth for the sector. If the Semiconductor & Semiconductor Equipment industry is excluded, the blended 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 6.0%. 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 2.8% from 6.0%.

Consumer Discretionary: Automobiles Industry Leads Decline

The Consumer Discretionary sector is reporting the largest (year-over-year) earnings decline of all eleven sectors at -2.2%. At the industry level, eight of the twelve industries in this sector are reporting or are predicted to report an earnings decline, led by the Leisure Products (-40%) and Automobiles (-13%) industries. The Automobiles industry is also the largest contributor to the year-over-year decline in earnings for this sector. If this industry is excluded, the blended earnings growth rate for the Consumer Discretionary sector would improve to 0.0% from -2.2%. 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 $1.67, compared to year-ago EPS of $1.86.

Revenue Growth: 4.8%

The blended revenue growth rate for Q2 2017 is 4.8%. Ten sectors are reporting or 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 17.0%. 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 (12%), and Oil & Gas Storage & Transportation (11%). 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 blended revenue growth rate for the index would fall to 3.8% from 4.8%.

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

Earnings Guidance: Fewer Companies Issuing Negative EPS Guidance for Q3 than Average

The term "guidance" (or "preannouncement") is defined as a projection or estimate for EPS provided by a company in advance of the company reporting actual results. Guidance is classified as negative if the estimate (or mid-point of a range estimates) provided by a company is lower than the mean EPS estimate the day before the guidance was issued. Guidance is classified as positive if the estimate (or mid-point of a range of estimates) provided by the company is higher than the mean EPS estimate the day before the guidance was issued.

At this point in time, 6 companies in the index have issued EPS guidance for Q3 2017. Of these 6 companies, 1 has issued negative EPS guidance and 5 have issued positive EPS guidance. The percentage of companies issuing negative EPS guidance is 17% (1 out of 6), which is below the 5-year average of 75%.

Growth Expected to Continue for Remainder of 2017

For the second quarter, companies are reporting earnings growth of 6.5% and revenue growth rate of 4.8%. Analysts currently expect earnings and revenue growth to continue in 2017.

For Q3 2017, analysts are projecting earnings growth of 7.3% 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 5.3%.

Valuation: Forward P/E Ratio is 17.3, above the 10-Year Average (14.0)

The forward 12-month P/E ratio is 17.3. 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 third quarter (June 30). Since the start of the third quarter, the price of the index has decreased by 0.6%, while the forward 12-month EPS estimate has increased by 0.1%.

At the sector level, the Energy (26.0) sector has the highest forward 12-month P/E ratio, while the Telecom Services (12.4) 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 (26.0 vs. 18.4) sector. One sector (Telecom Services) has a forward 12-month P/E ratio that is below the 10-year average (12.4 vs. 14.2). Historical averages are not available for the Real Estate sector.

Targets & Ratings: Analysts Project 10% Increase in Price Over Next 12 Months

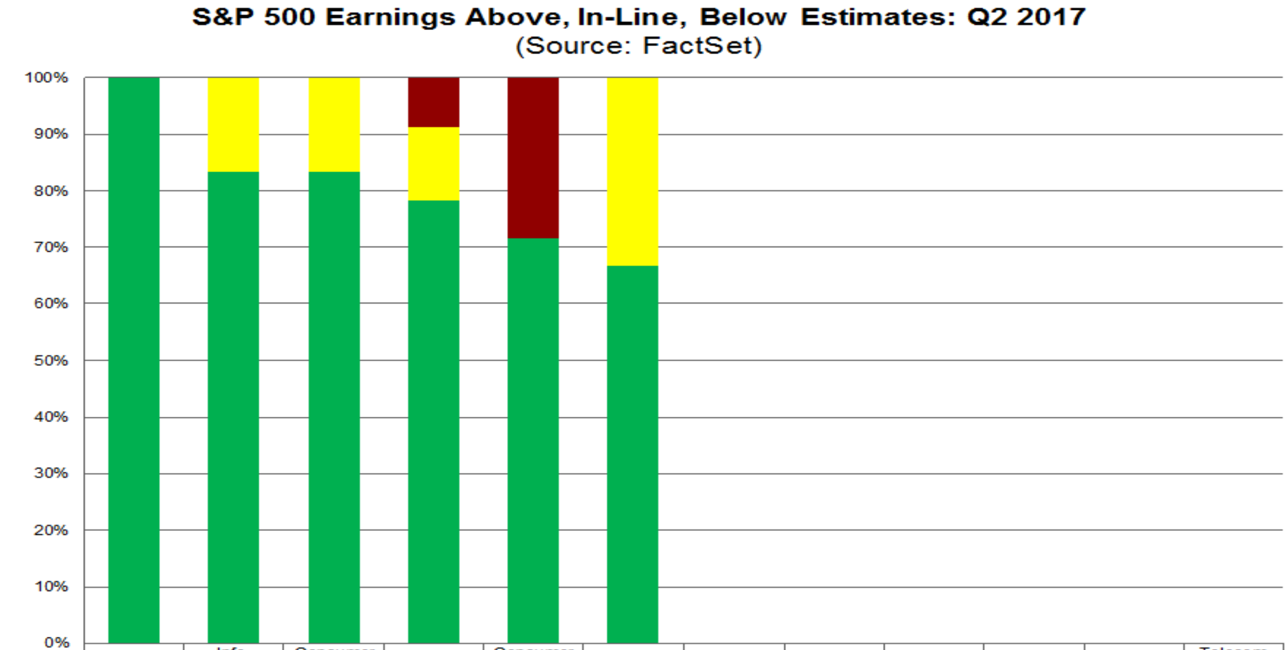
The bottom-up target price for the S&P 500 is 2648.23, which is 9.9% above the closing price of 2409.75. At the sector level, the Energy sector has the largest upside difference between the bottom-up target price and the closing price (+21.3%), while the Utilities and Financials sectors have the smallest upside difference between the bottom-up target price and the closing price (+5.0%).

Overall, there are 11,195 ratings on stocks in the S&P 500. Of these 11,195 ratings, 48.9% are Buy ratings, 45.6% 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%.

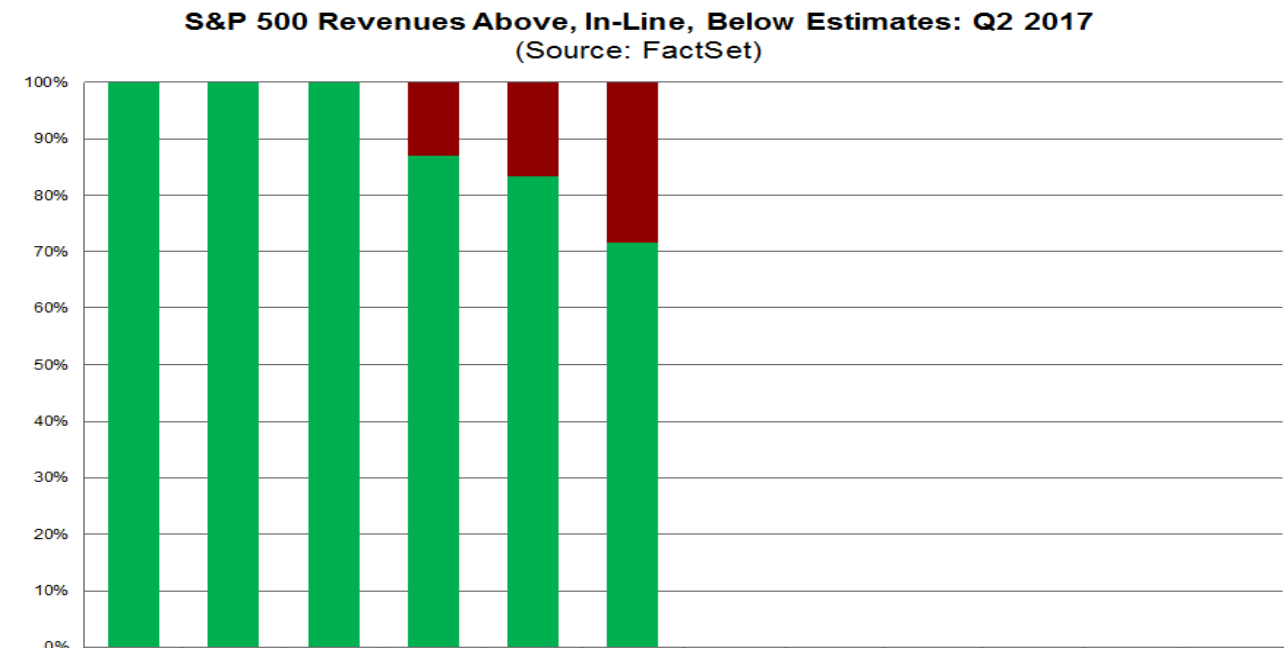
Companies Reporting Next Week: 6

During the upcoming week, six S&P 500 companies (including one Dow 30 component) are scheduled to report results for the second quarter.

Q2 2017: Scorecard

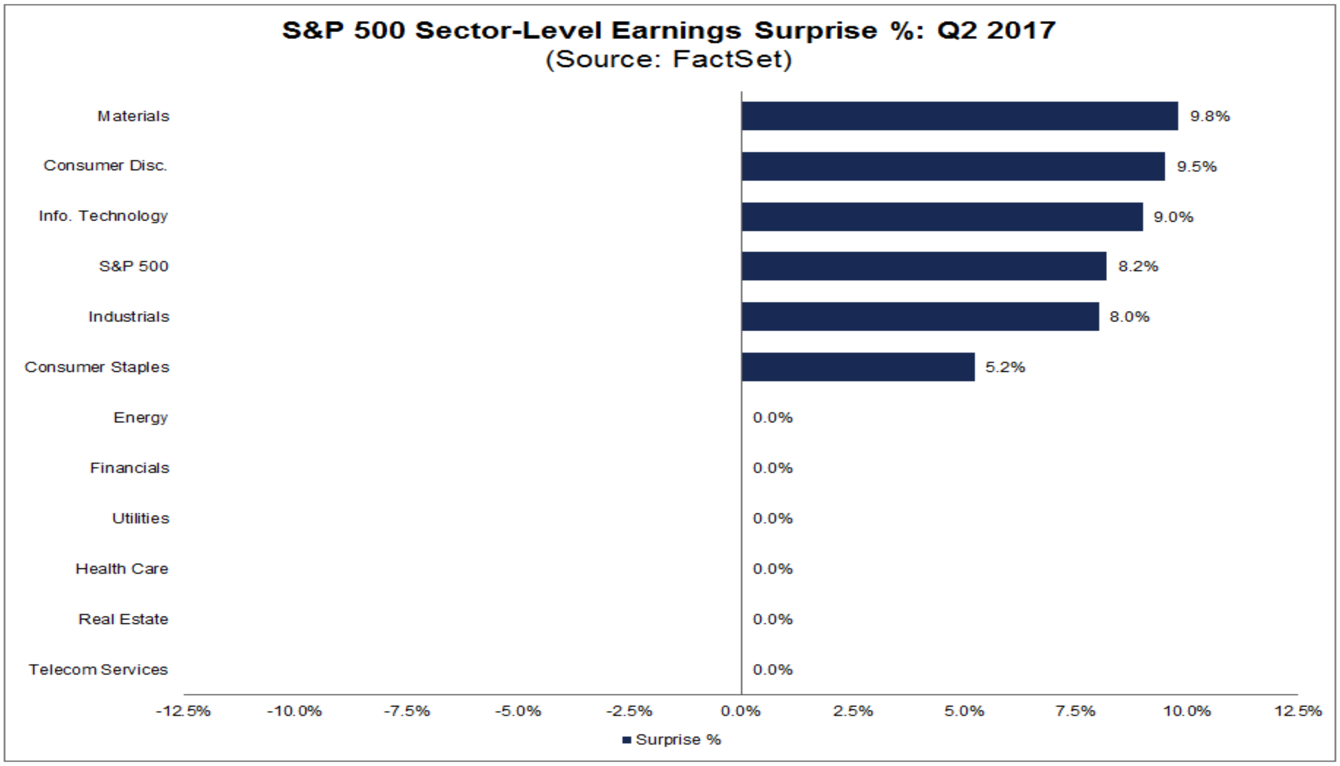


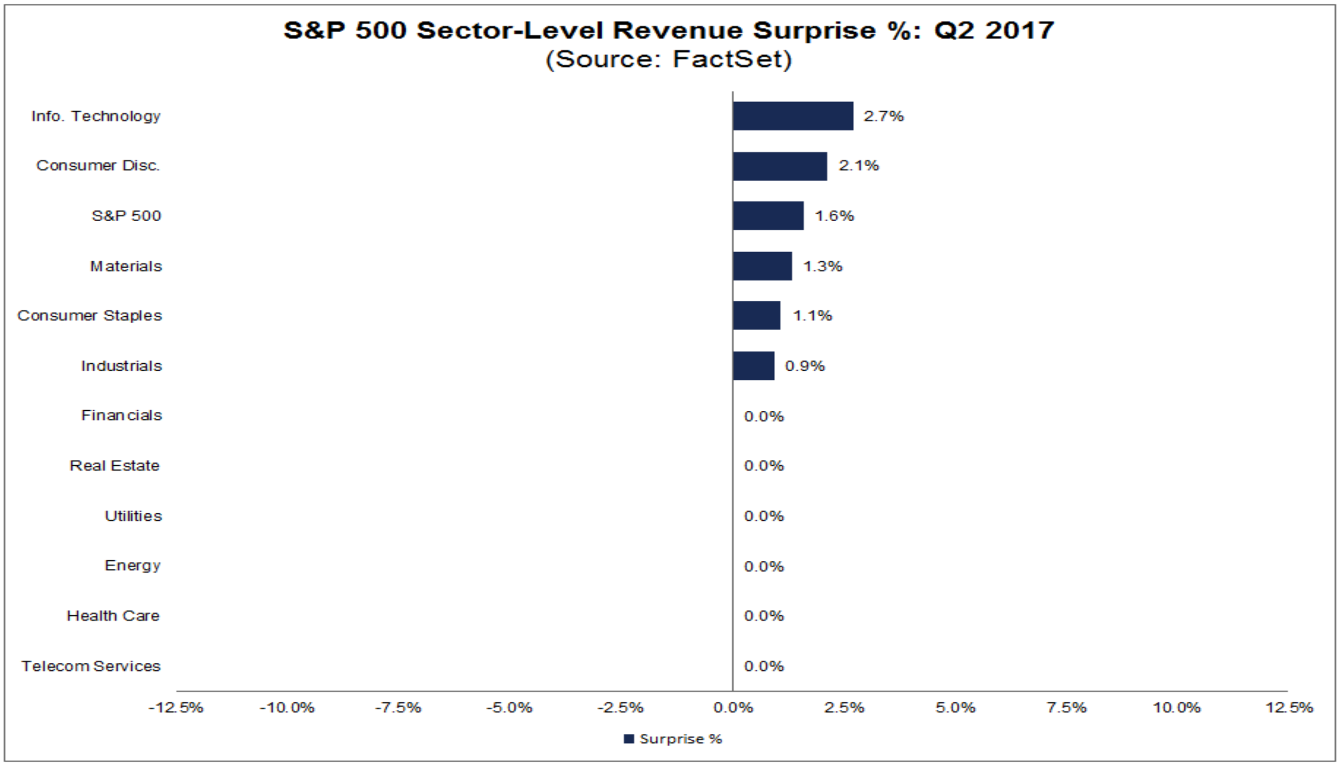
	Materials	Info. Technology	Consumer Staples	S&P 500	Consumer Disc.	Industrials	Health Care	Financials	Utilities	Energy	Real Estate	Telecom Services
Below	0%	0%	0%	9%	29%	0%	0%	0%	0%	0%	0%	0%
In-Line	0%	17%	17%	13%	0%	33%	0%	0%	0%	0%	0%	0%
Above	100%	83%	83%	78%	71%	67%	0%	0%	0%	0%	0%	0%



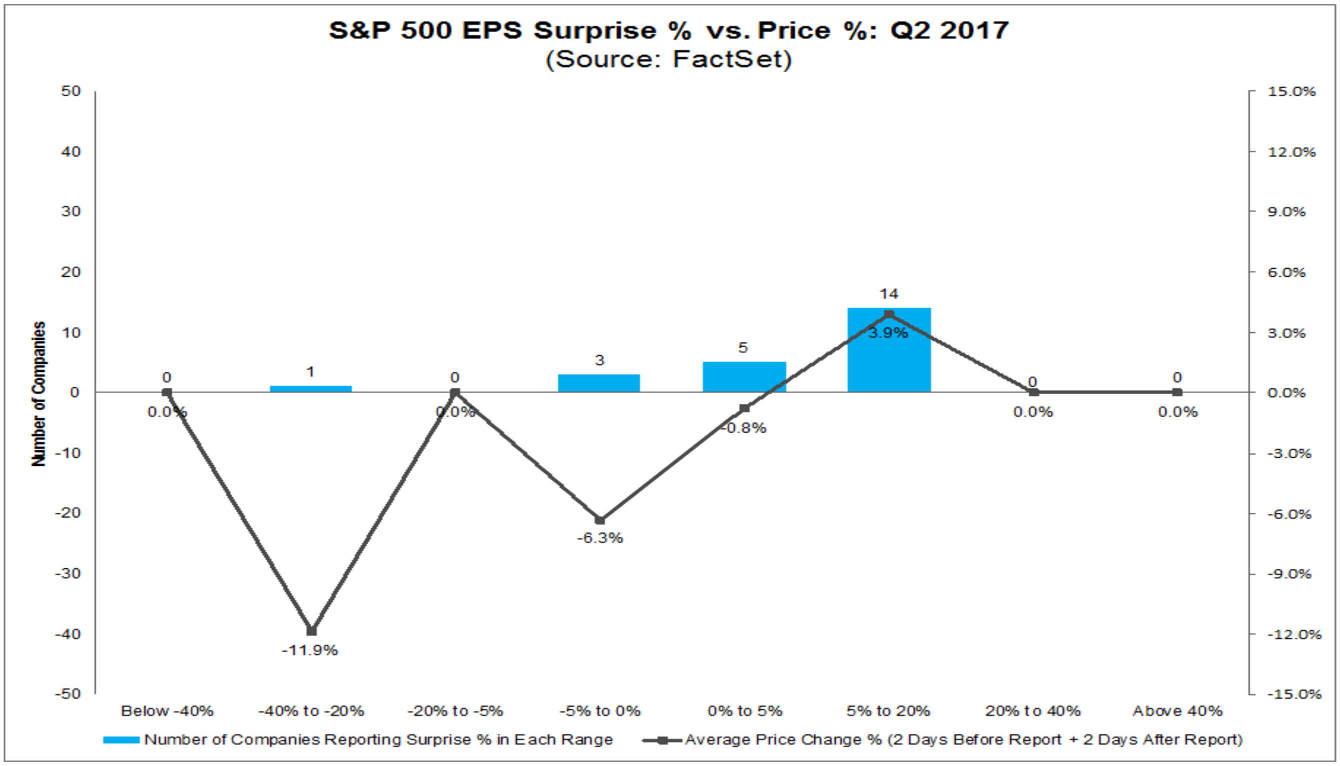
	Industrials	Info. Technology	Materials	S&P 500	Consumer Staples	Consumer Disc.	Real Estate	Health Care	Energy	Financials	Utilities	Telecom Services
Below	0%	0%	0%	13%	17%	29%	0%	0%	0%	0%	0%	0%
In-Line	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Above	100%	100%	100%	87%	83%	71%	0%	0%	0%	0%	0%	0%

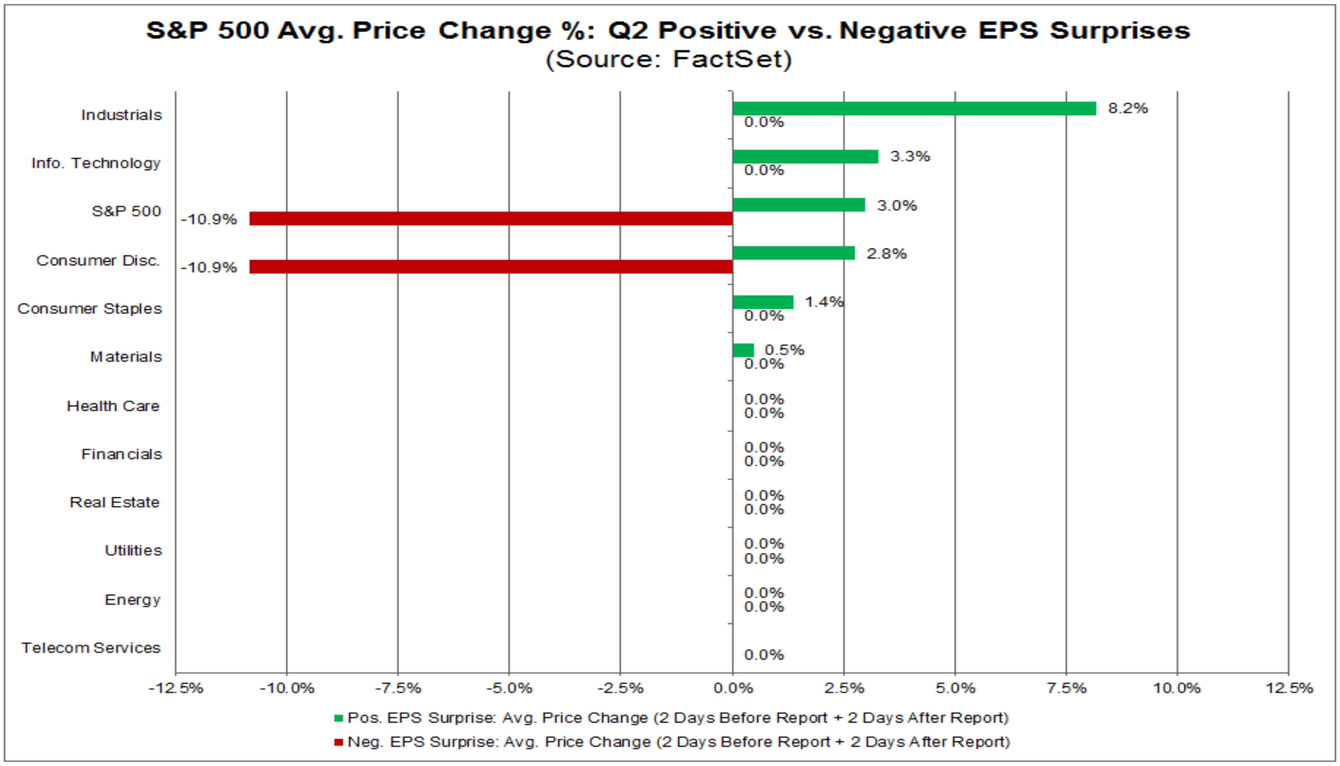
Q2 2017: Scorecard



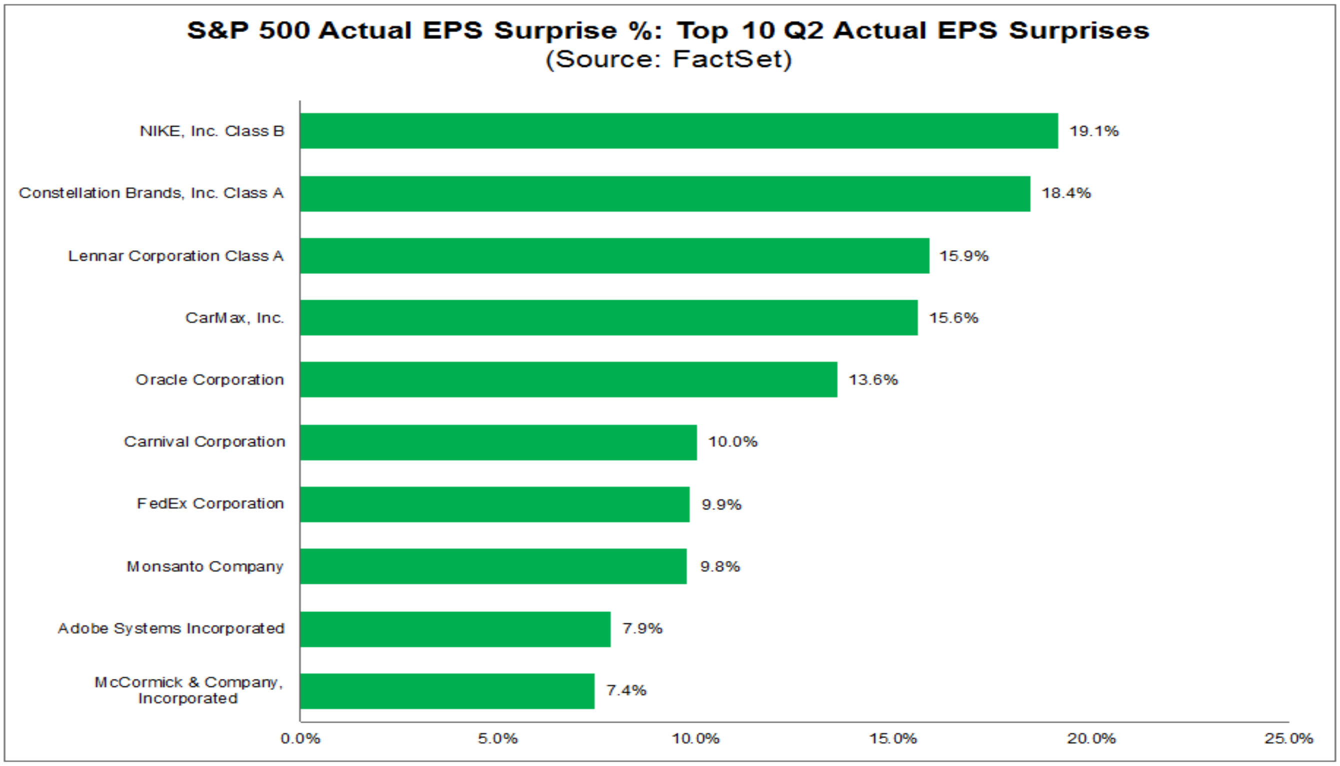


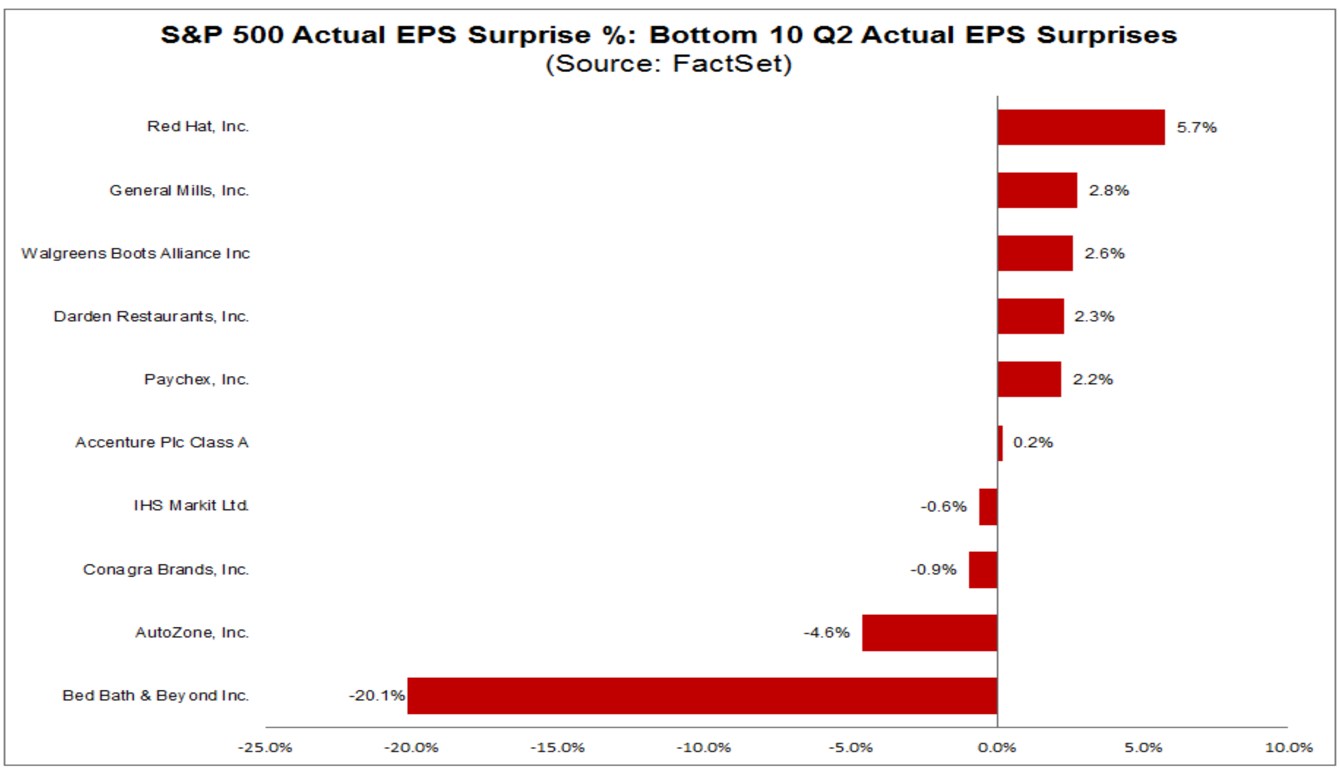
Q2 2017: Scorecard



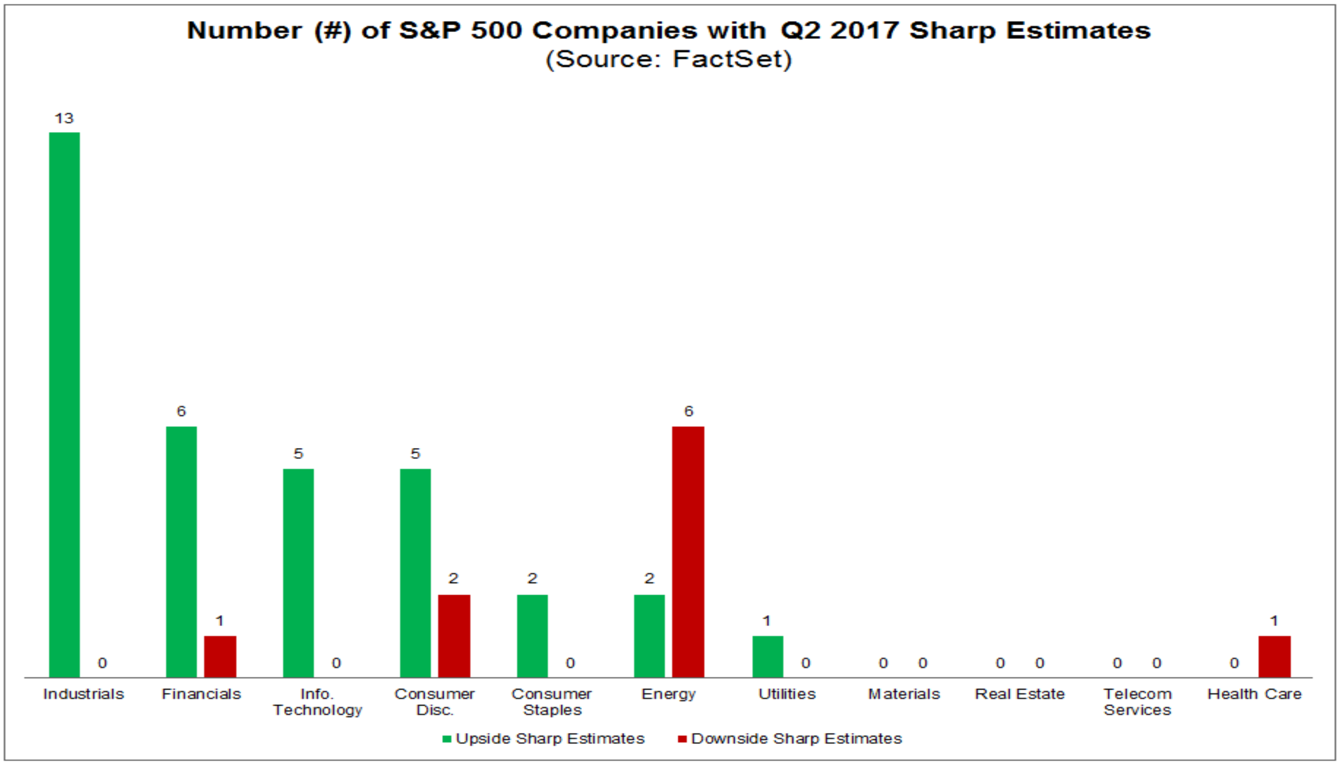


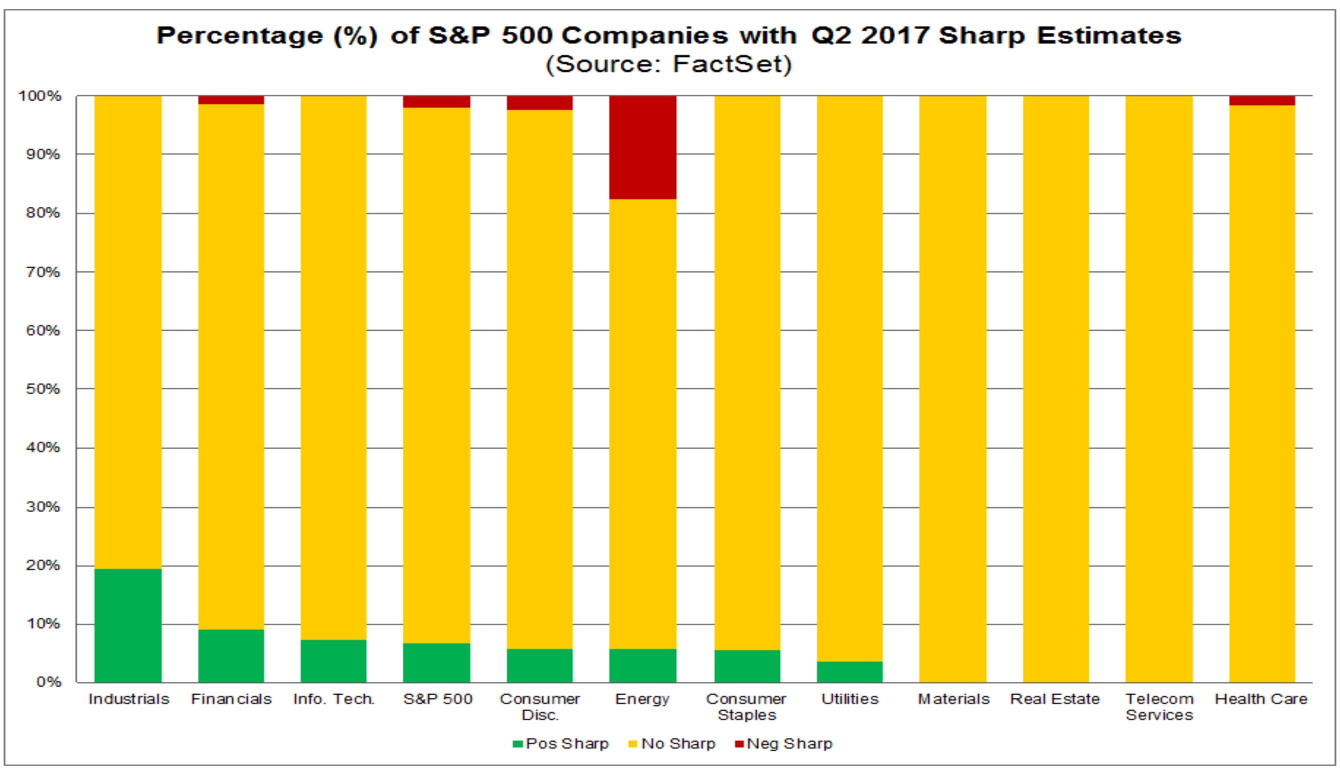
Q2 2017: Scorecard





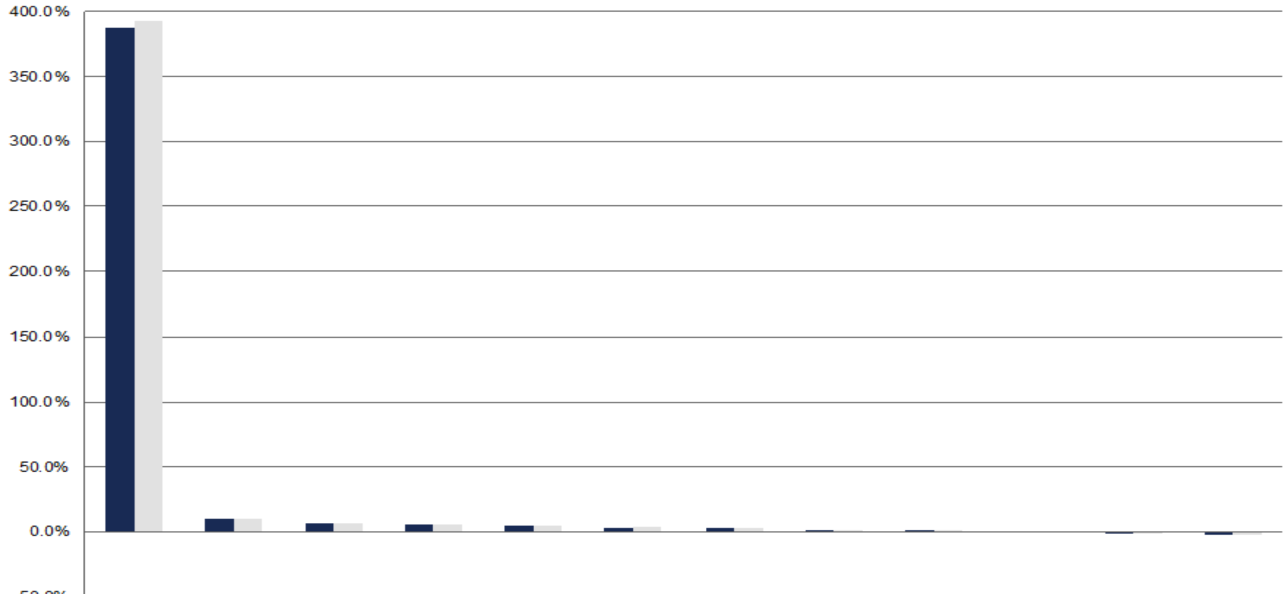
Q2 2017: Projected EPS Surprises (Sharp Estimates)





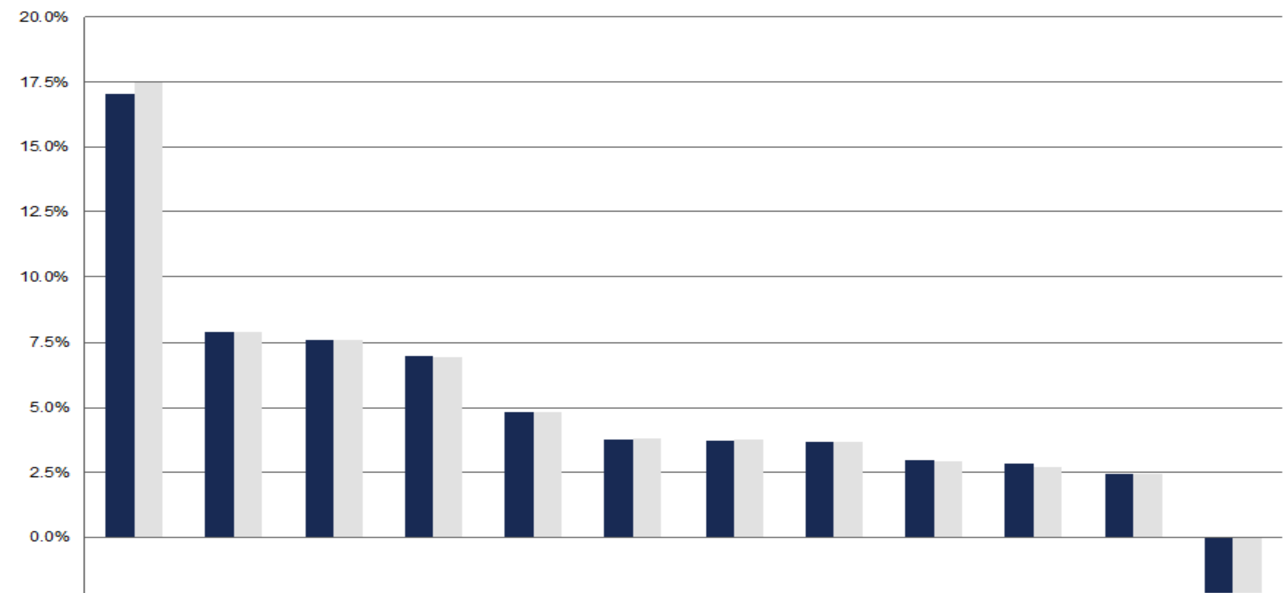
Q2 2017: Growth

S&P 500 Earnings Growth: Q2 2017
(Source: FactSet)



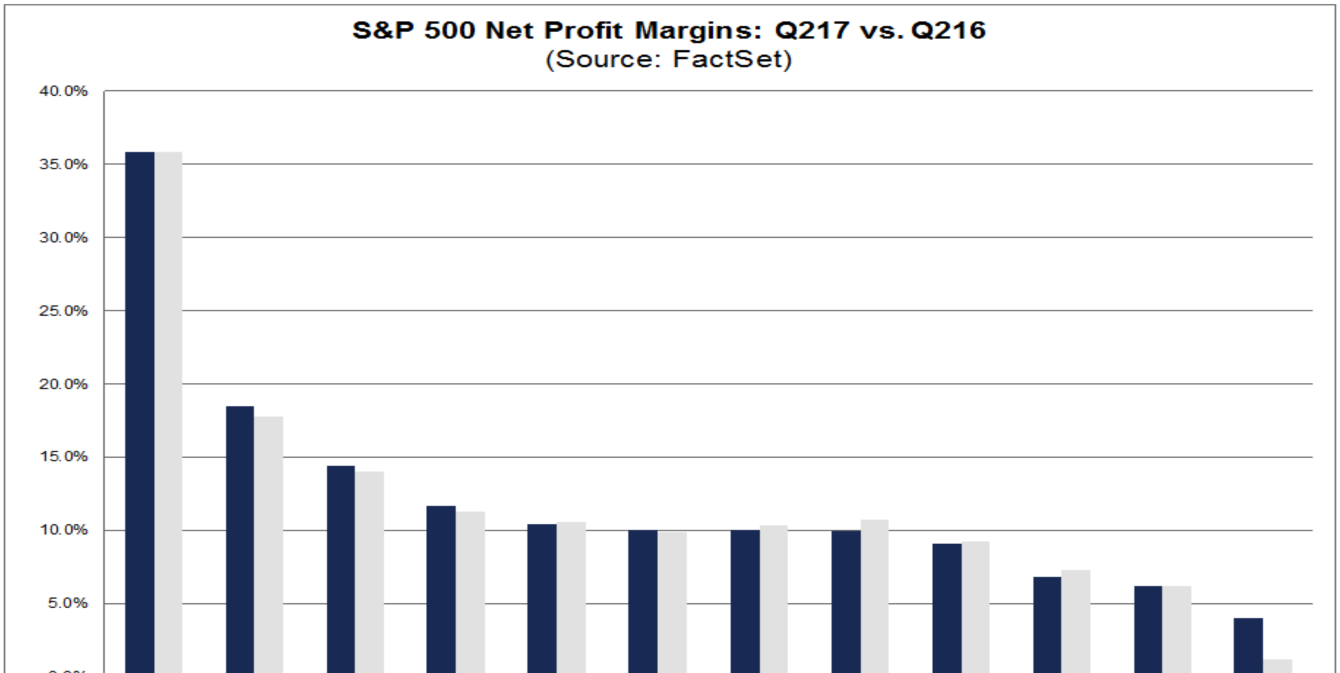
	Energy	Info. Technology	S&P 500	Financials	Materials	Real Estate	Consumer Staples	Industrials	Telecom Services	Health Care	Utilities	Consumer Disc.
Today	387.5%	10.5%	6.5%	6.0%	5.0%	3.6%	2.7%	1.6%	1.1%	0.5%	-0.1%	-2.2%
30-Jun	392.3%	10.5%	6.6%	6.2%	4.9%	3.8%	2.8%	1.6%	1.1%	0.4%	-0.1%	-2.0%

S&P 500 Revenue Growth: Q2 2017
(Source: FactSet)

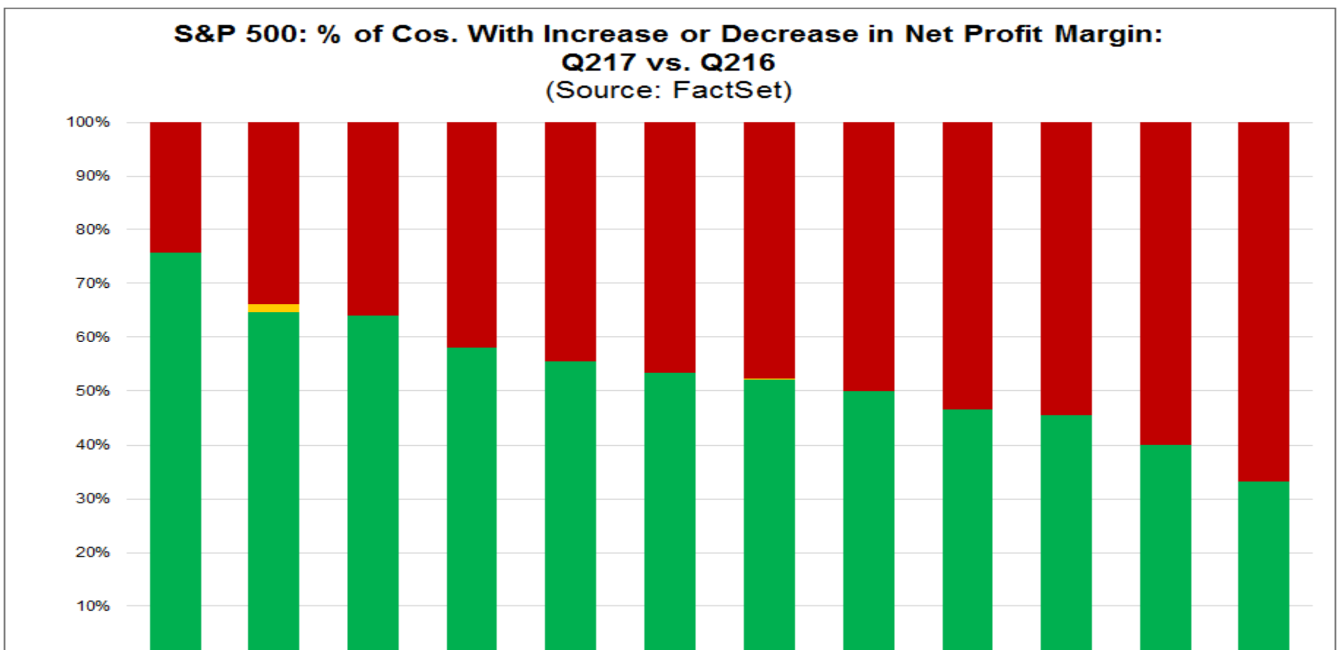


	Energy	Info. Technology	Utilities	Materials	S&P 500	Consumer Disc.	Real Estate	Health Care	Industrials	Financials	Consumer Staples	Telecom Services
Today	17.0%	7.9%	7.6%	7.0%	4.8%	3.8%	3.7%	3.7%	3.0%	2.8%	2.4%	-2.1%
30-Jun	17.5%	7.9%	7.6%	6.9%	4.8%	3.8%	3.8%	3.7%	2.9%	2.7%	2.5%	-2.1%

Q2 2017: Net Profit Margin

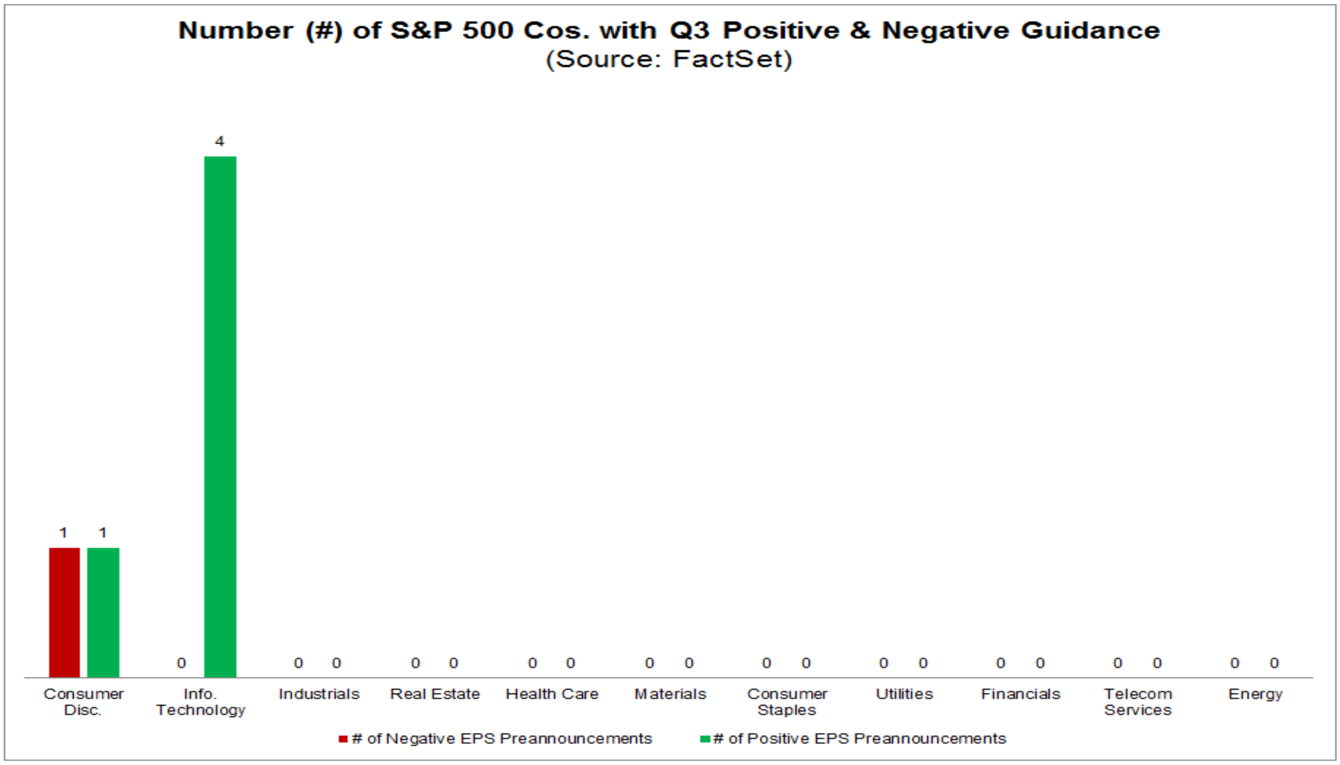


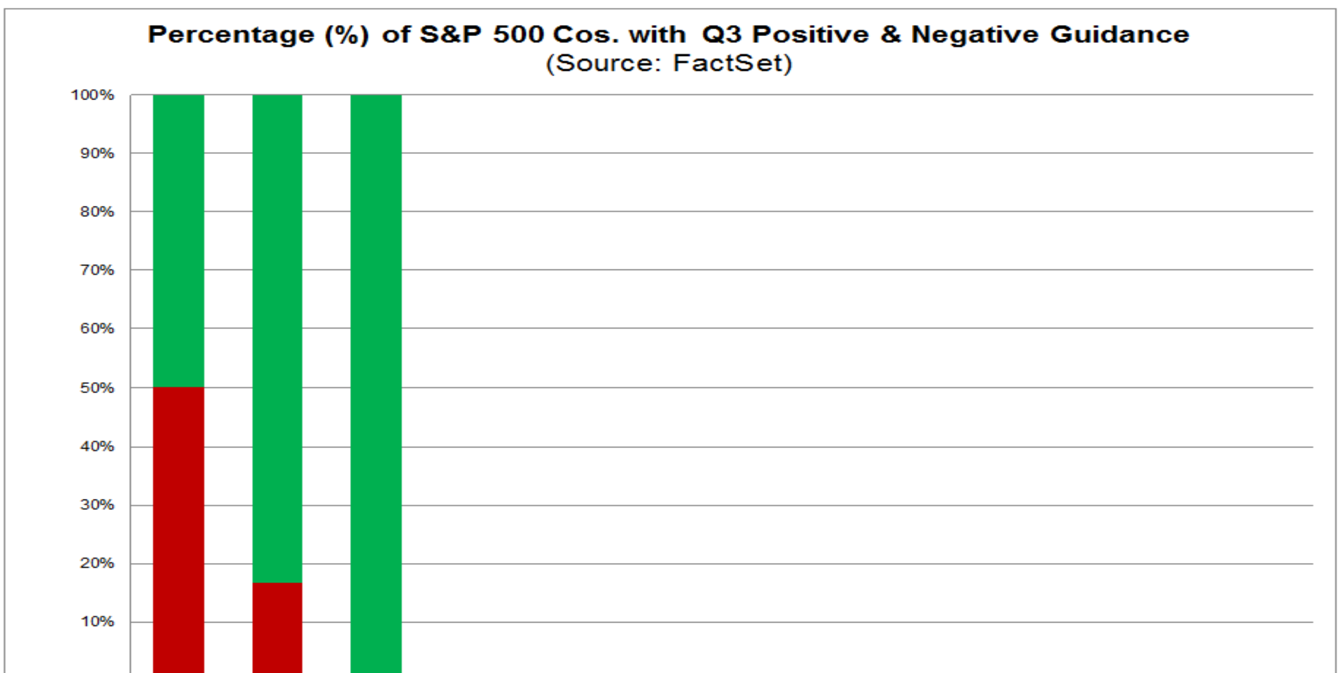
	Real Estate	Information Tech	Financials	Telecom Services	Materials	S&P 500	Health Care	Utilities	Industrials	Consumer Disc.	Consumer Staples	Energy
Q217	35.8%	18.4%	14.5%	11.7%	10.4%	10.1%	10.0%	10.0%	9.1%	6.9%	6.2%	4.0%
Q216	35.9%	17.8%	14.1%	11.3%	10.6%	9.9%	10.3%	10.7%	9.3%	7.3%	6.2%	1.2%



	Energy	Financials	Consumer Staples	Real Estate	Information Tech.	Health Care	S&P 500	Telecom Services	Utilities	Industrials	Materials	Consumer Disc.
Down %	24%	34%	36%	42%	45%	47%	48%	50%	54%	55%	60%	67%
None %	0%	2%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Up %	76%	65%	64%	58%	55%	53%	52%	50%	46%	45%	40%	33%

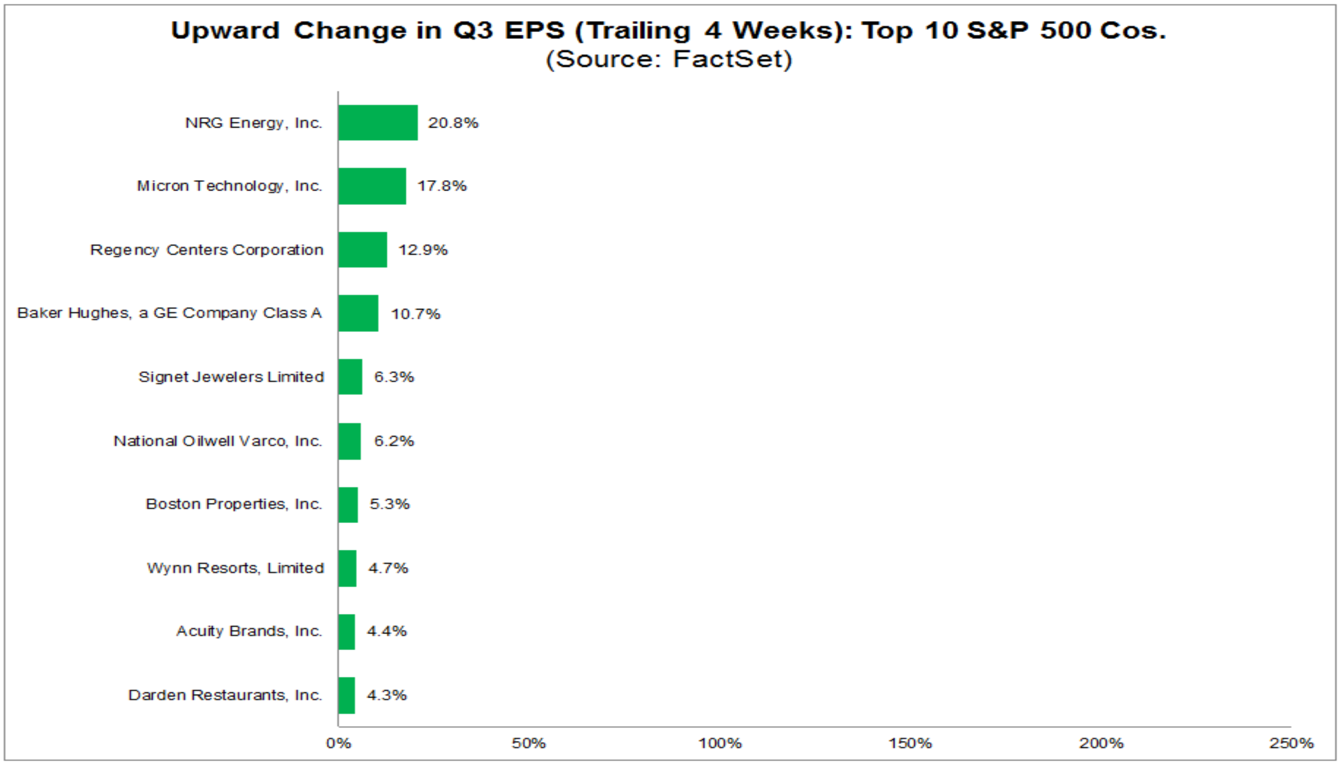
Q3 2017: Guidance

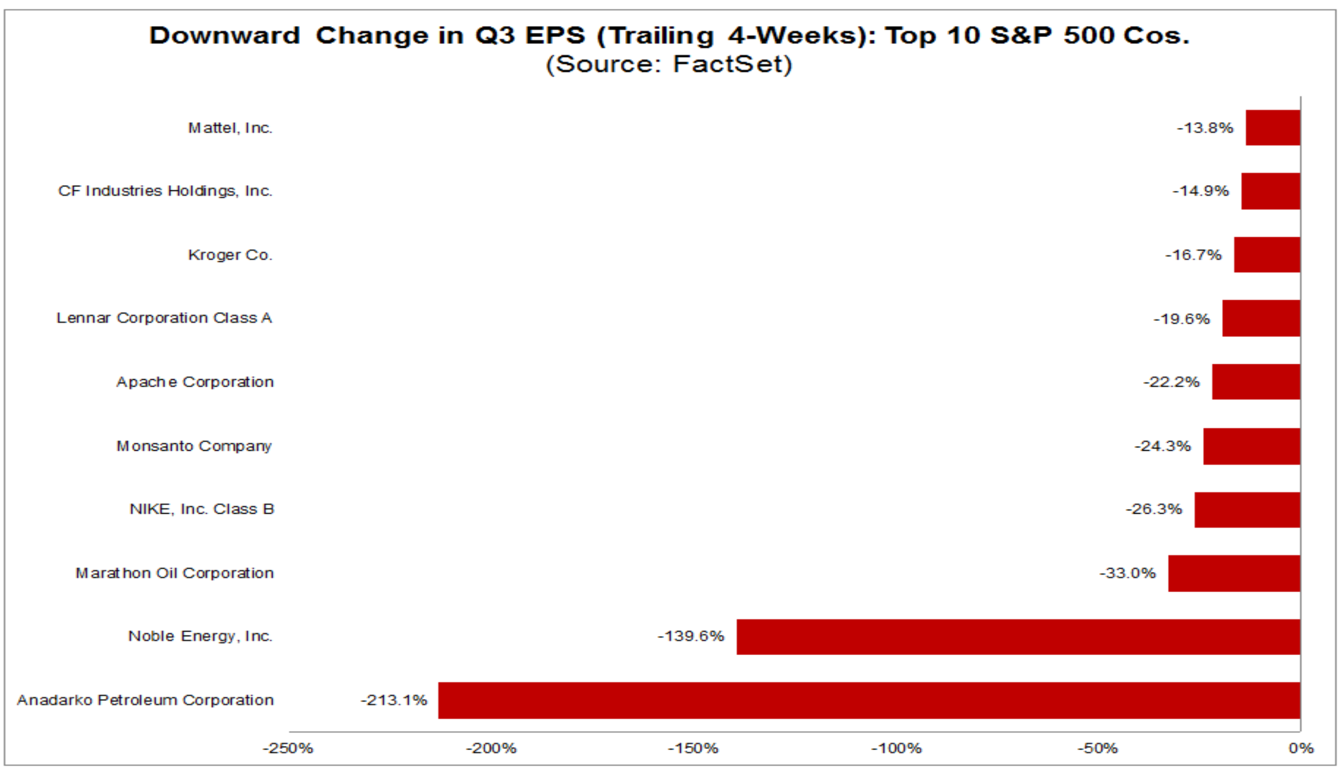




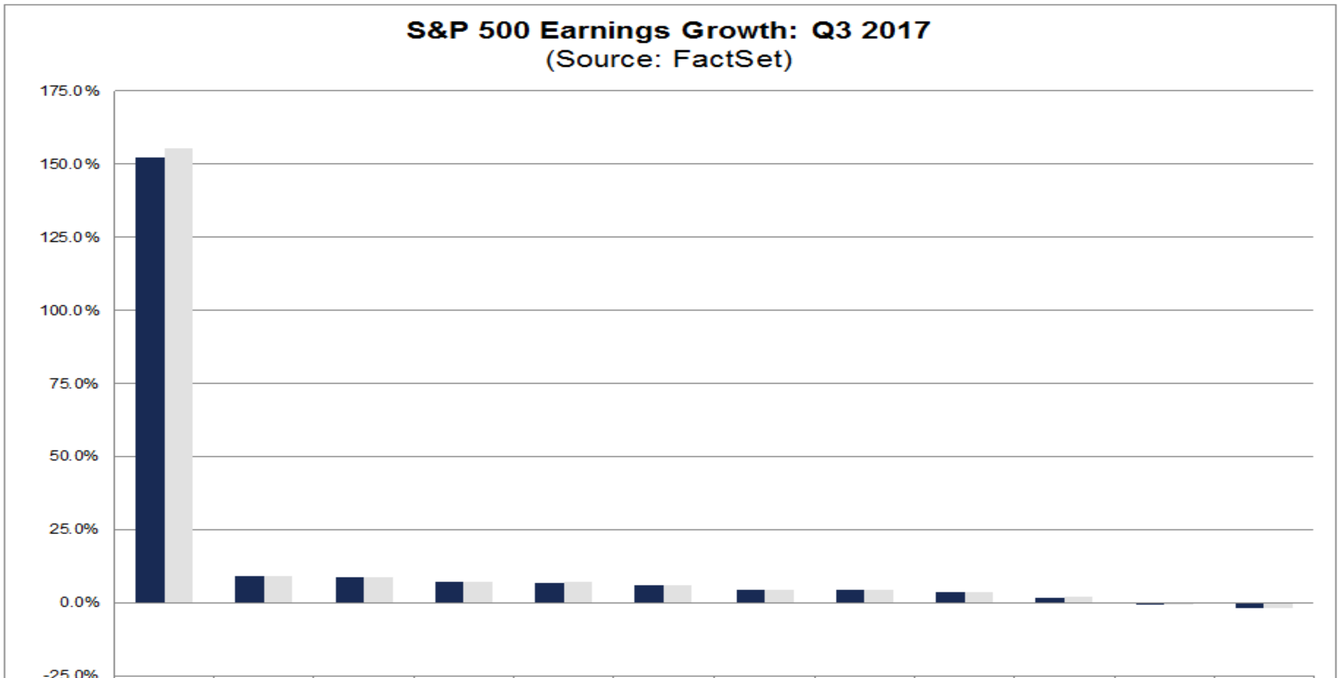
	Consumer Disc.	S&P 500	Info. Technology	Consumer Staples	Financials	Telecom Services	Industrials	Real Estate	Materials	Utilities	Health Care	Energy
Positive	50%	83%	100%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Negative	50%	17%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%

Q3 2017: EPS Revisions

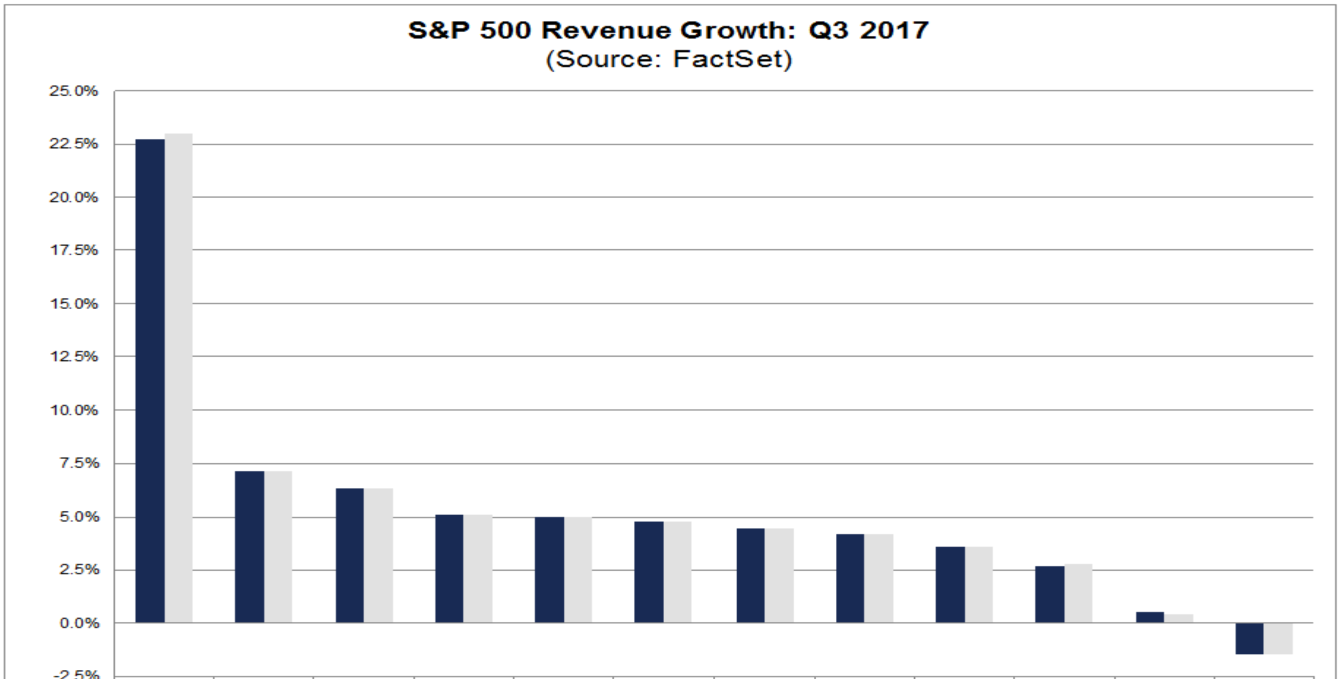




Q3 2017: Growth



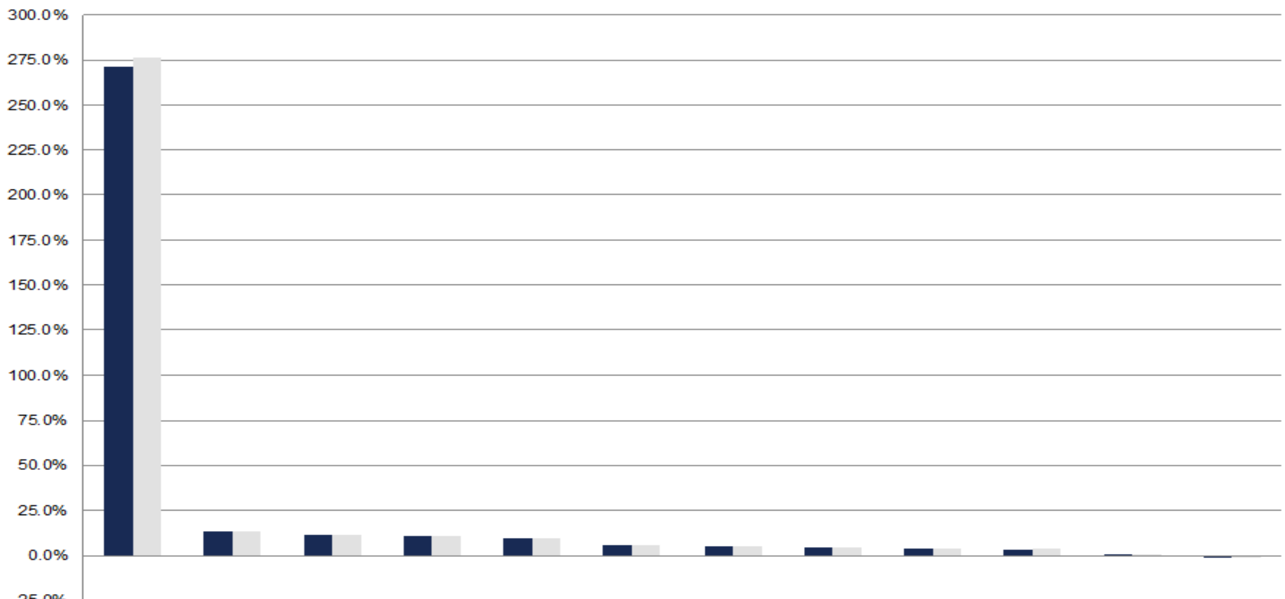
	Energy	Materials	Info. Technology	S&P 500	Real Estate	Industrials	Financials	Consumer Staples	Health Care	Consumer Disc.	Utilities	Telecom Services
Today	152.3%	9.2%	8.9%	7.3%	6.9%	6.1%	4.6%	4.5%	3.6%	1.9%	-0.7%	-1.6%
30-Jun	155.2%	9.3%	9.0%	7.4%	7.2%	6.1%	4.5%	4.5%	3.6%	2.0%	-0.7%	-1.6%



	Energy	Info. Technology	Materials	S&P 500	Utilities	Real Estate	Health Care	Industrials	Consumer Staples	Consumer Disc.	Financials	Telecom Services
Today	22.7%	7.2%	6.3%	5.1%	5.0%	4.8%	4.5%	4.2%	3.6%	2.7%	0.5%	-1.5%
30-Jun	23.0%	7.1%	6.3%	5.1%	5.0%	4.8%	4.5%	4.2%	3.6%	2.8%	0.4%	-1.5%

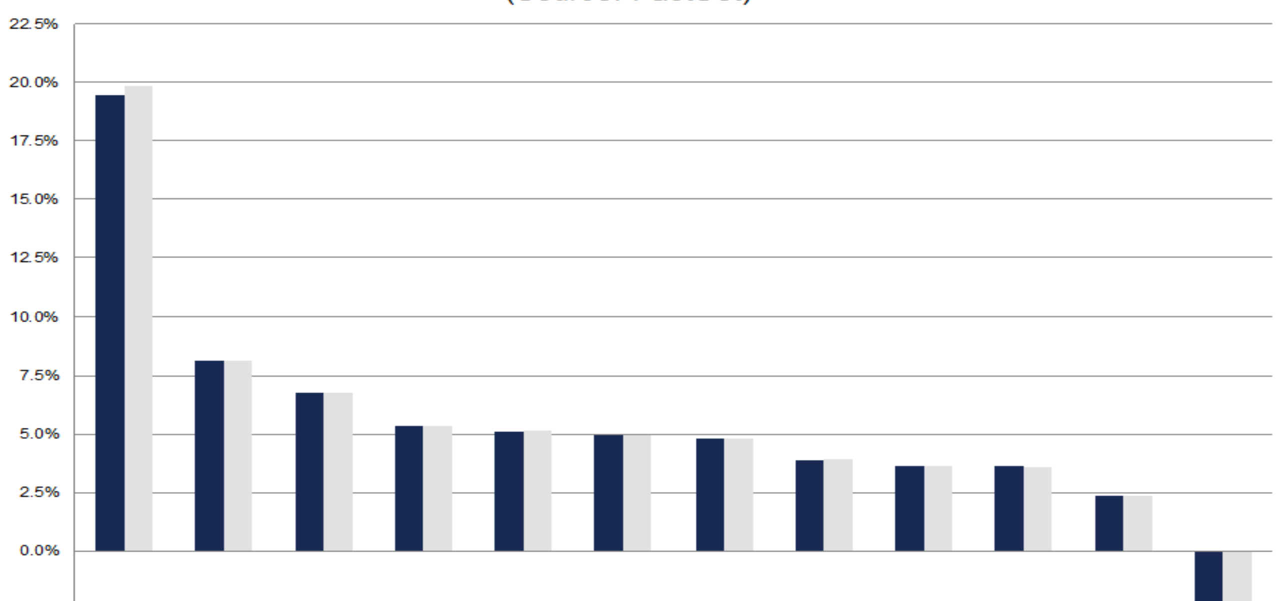
CY 2017: Growth

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



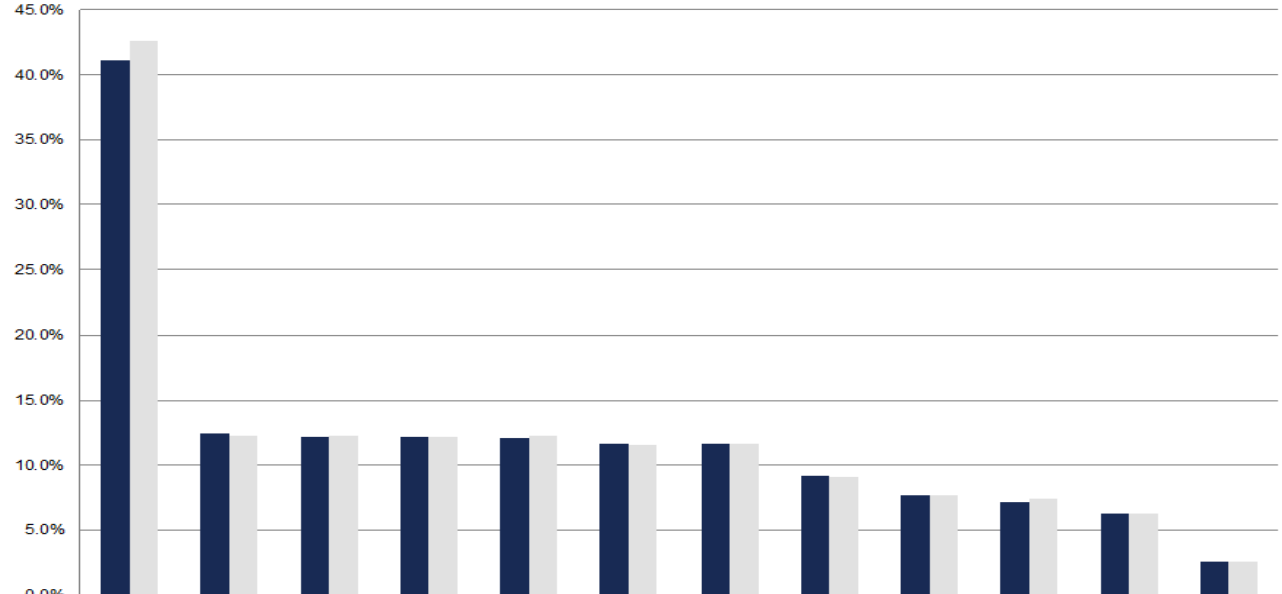
	Energy	Materials	Financials	Info. Technology	S&P 500	Industrials	Consumer Disc.	Health Care	Consumer Staples	Real Estate	Utilities	Telecom Services
Today	271.5%	13.3%	11.3%	10.7%	9.8%	5.9%	4.8%	4.6%	3.6%	3.4%	0.1%	-1.4%
30-Jun	276.3%	13.3%	11.3%	10.7%	9.8%	5.9%	4.9%	4.6%	3.6%	3.6%	0.1%	-1.4%

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

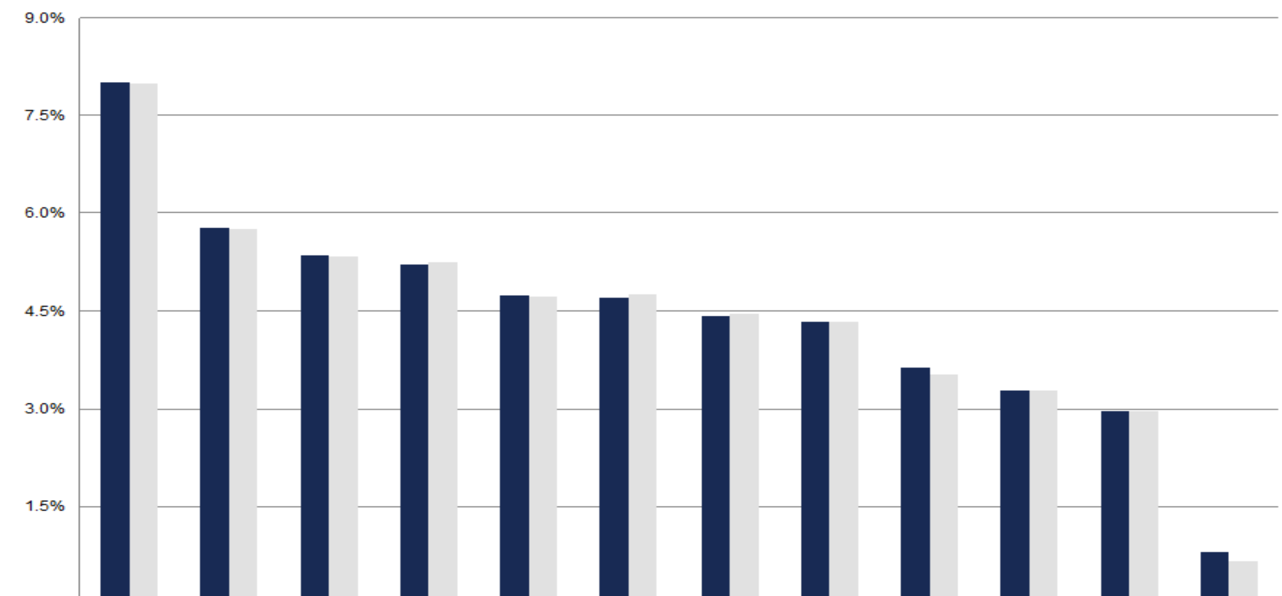


	Energy	Info. Technology	Materials	S&P 500	Real Estate	Utilities	Health Care	Consumer Disc.	Industrials	Financials	Consumer Staples	Telecom Services
Today	19.4%	8.1%	6.8%	5.3%	5.1%	5.0%	4.8%	3.9%	3.6%	3.6%	2.4%	-2.2%
30-Jun	19.8%	8.1%	6.8%	5.4%	5.2%	5.0%	4.8%	3.9%	3.6%	3.6%	2.4%	-2.2%

CY 2018: Growth

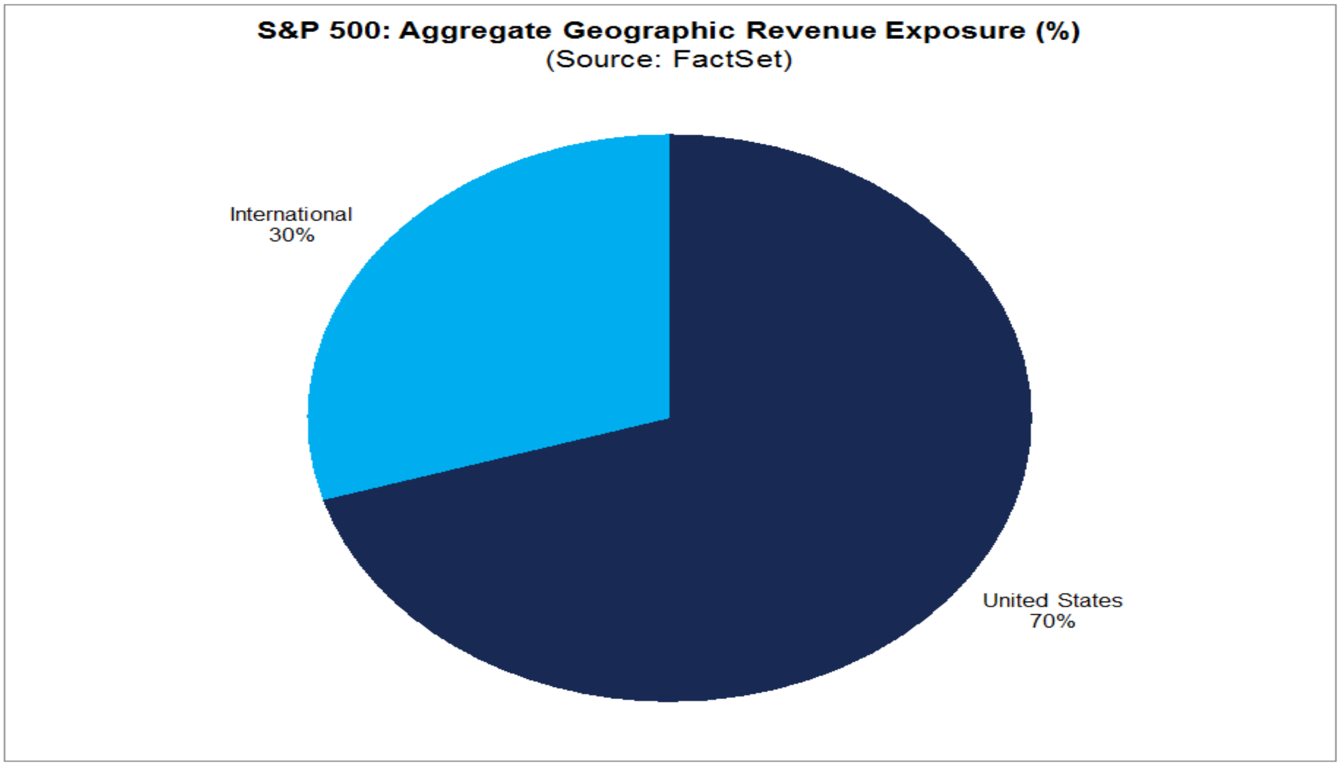


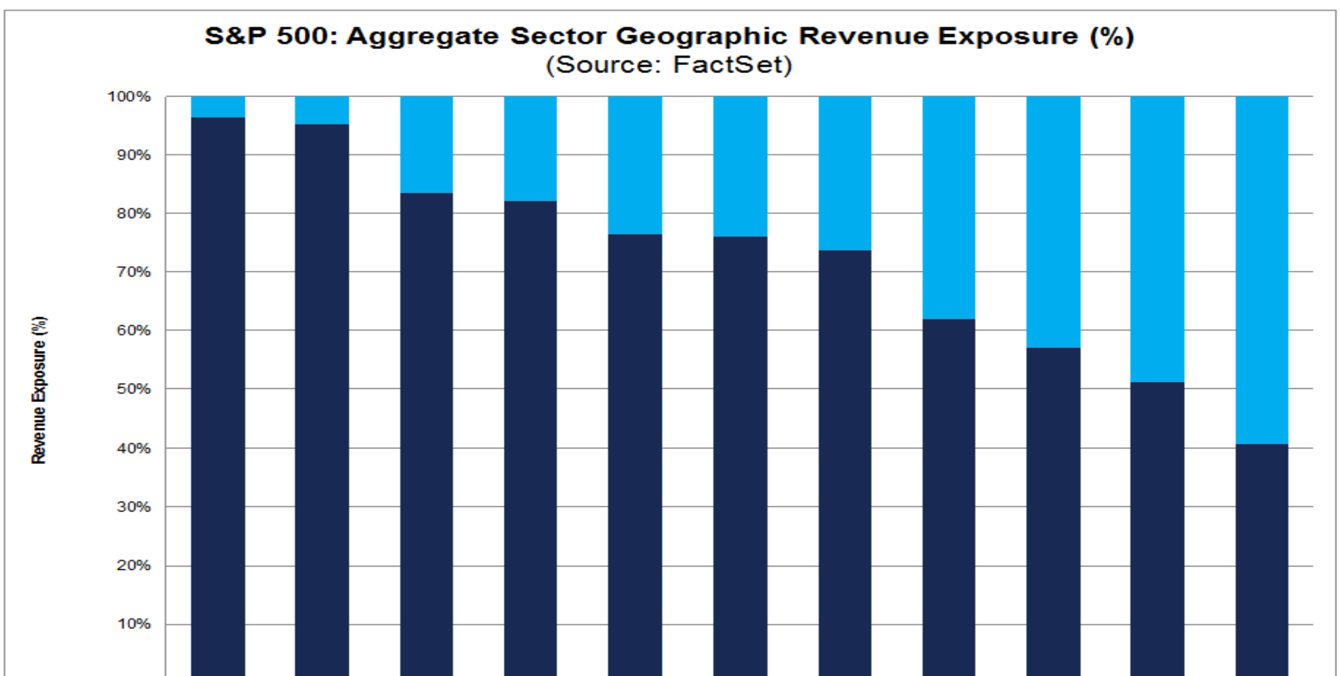
	Energy	Financials	Materials	Consumer Disc.	Industrials	Info. Technology	S&P 500	Health Care	Consumer Staples	Real Estate	Utilities	Telecom Services
Today	41.1%	12.4%	12.2%	12.2%	12.1%	11.6%	11.6%	9.2%	7.7%	7.1%	6.3%	2.6%
30-Jun	42.6%	12.3%	12.3%	12.2%	12.3%	11.6%	11.7%	9.1%	7.7%	7.4%	6.3%	2.6%



	Info. Technology	Energy	Health Care	Real Estate	S&P 500	Industrials	Consumer Disc.	Materials	Financials	Consumer Staples	Utilities	Telecom Services
Today	8.0%	5.8%	5.3%	5.2%	4.7%	4.7%	4.4%	4.3%	3.6%	3.3%	3.0%	0.8%
30-Jun	8.0%	5.8%	5.3%	5.2%	4.7%	4.8%	4.4%	4.3%	3.5%	3.3%	3.0%	0.7%

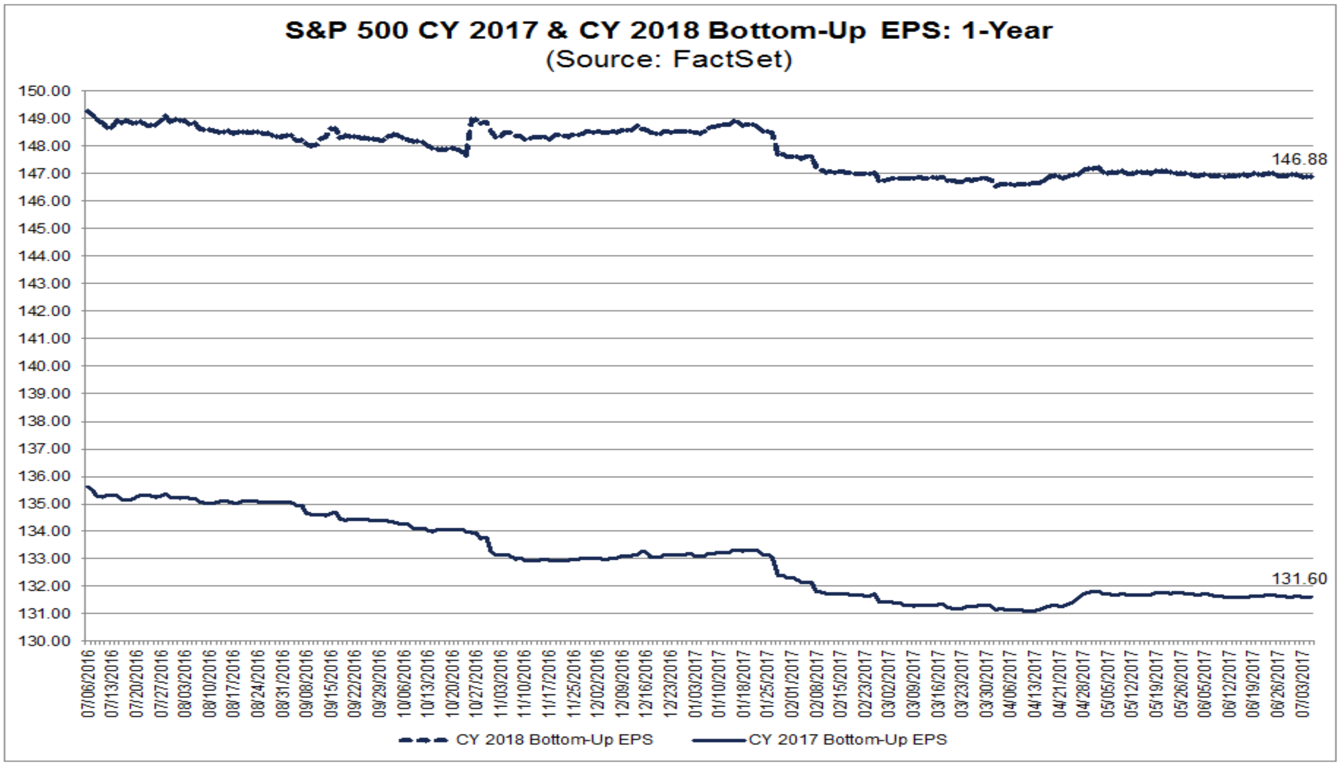
Geographic Revenue Exposure

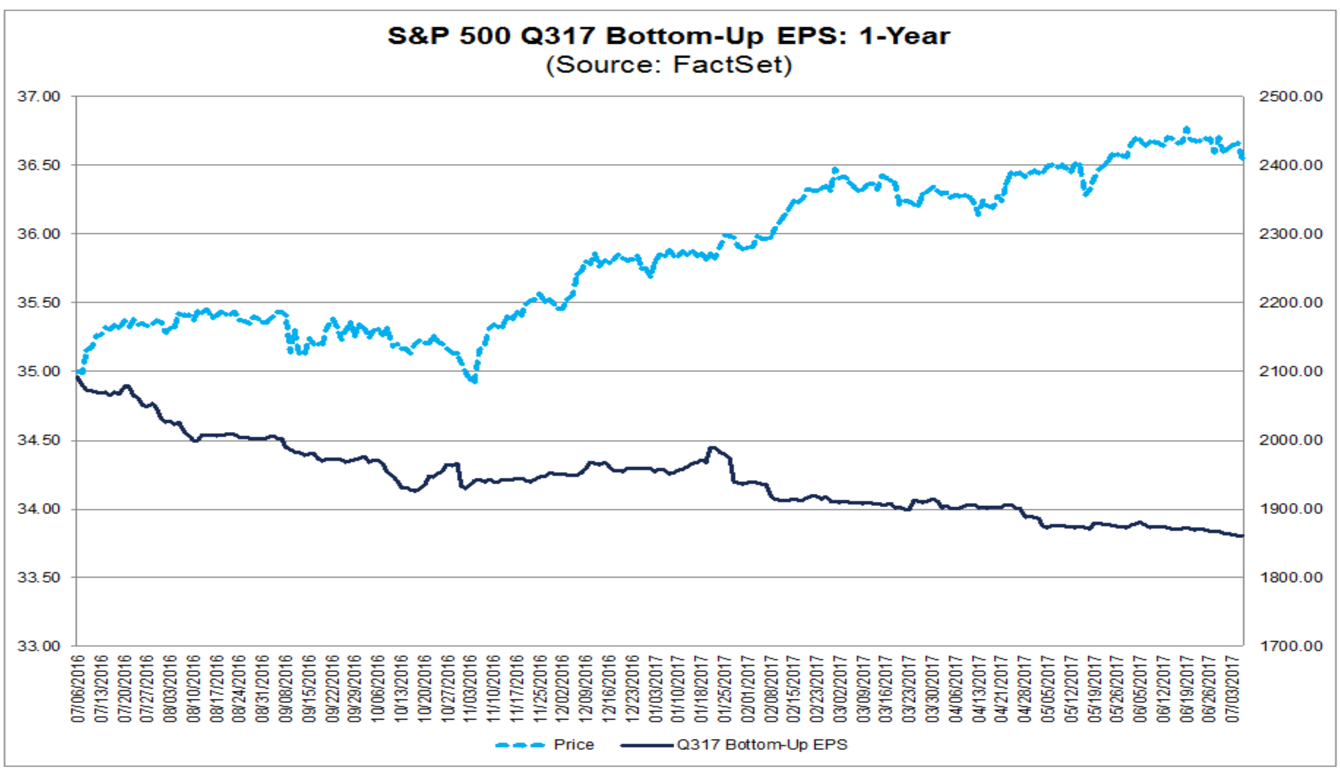




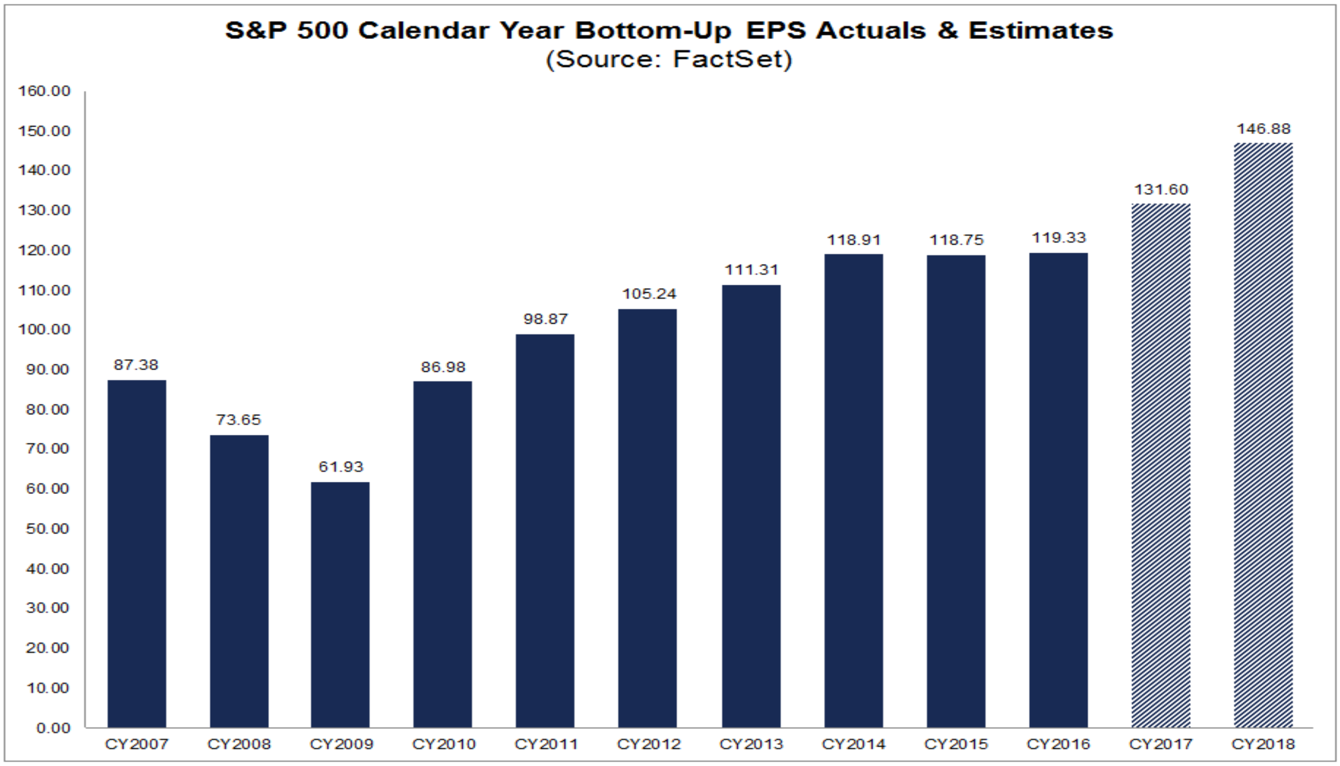
	Telecom Services	Utilities	Real Estate	Health Care	Financials	Consumer Disc.	Consumer Staples	Industrials	Energy	Materials	Info. Technology
International	4%	5%	17%	18%	24%	24%	26%	38%	43%	49%	59%
United States	96%	95%	83%	82%	76%	76%	74%	62%	57%	51%	41%

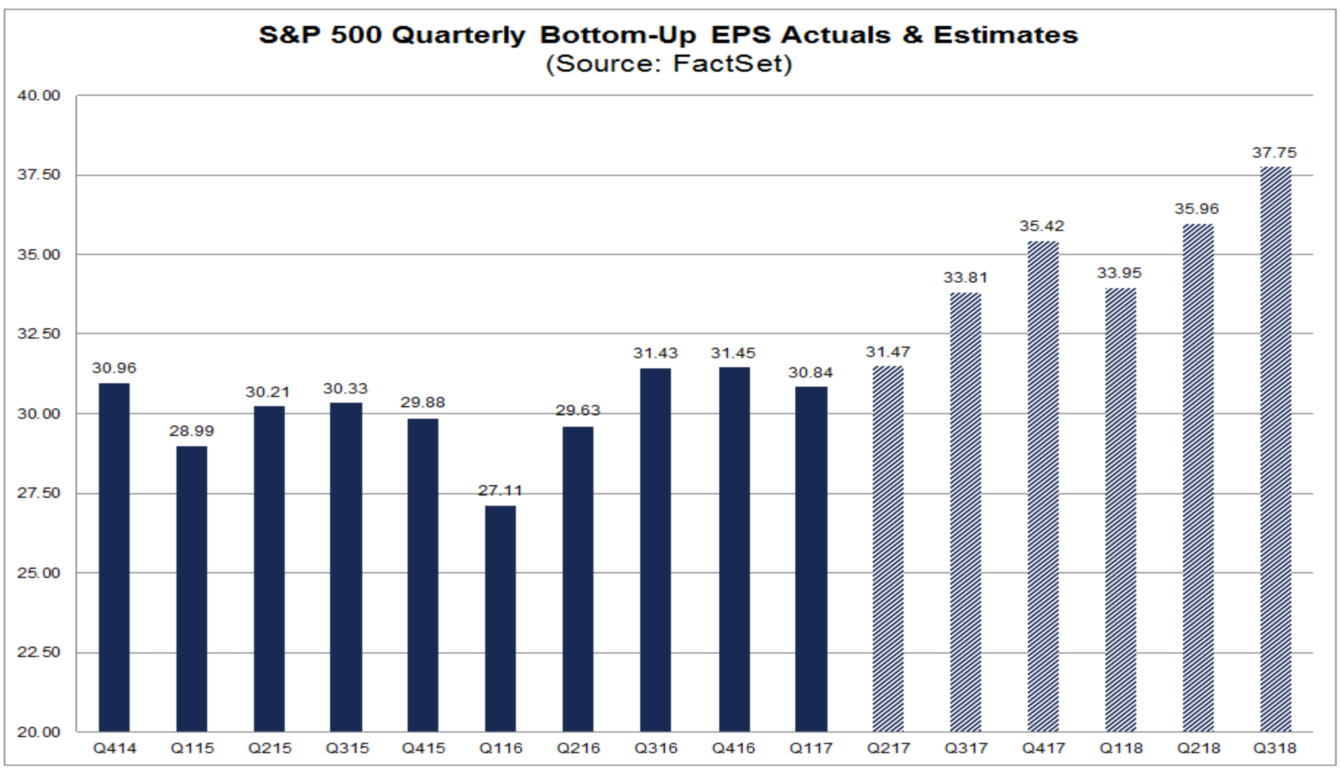
Bottom-up EPS Estimates: Revisions



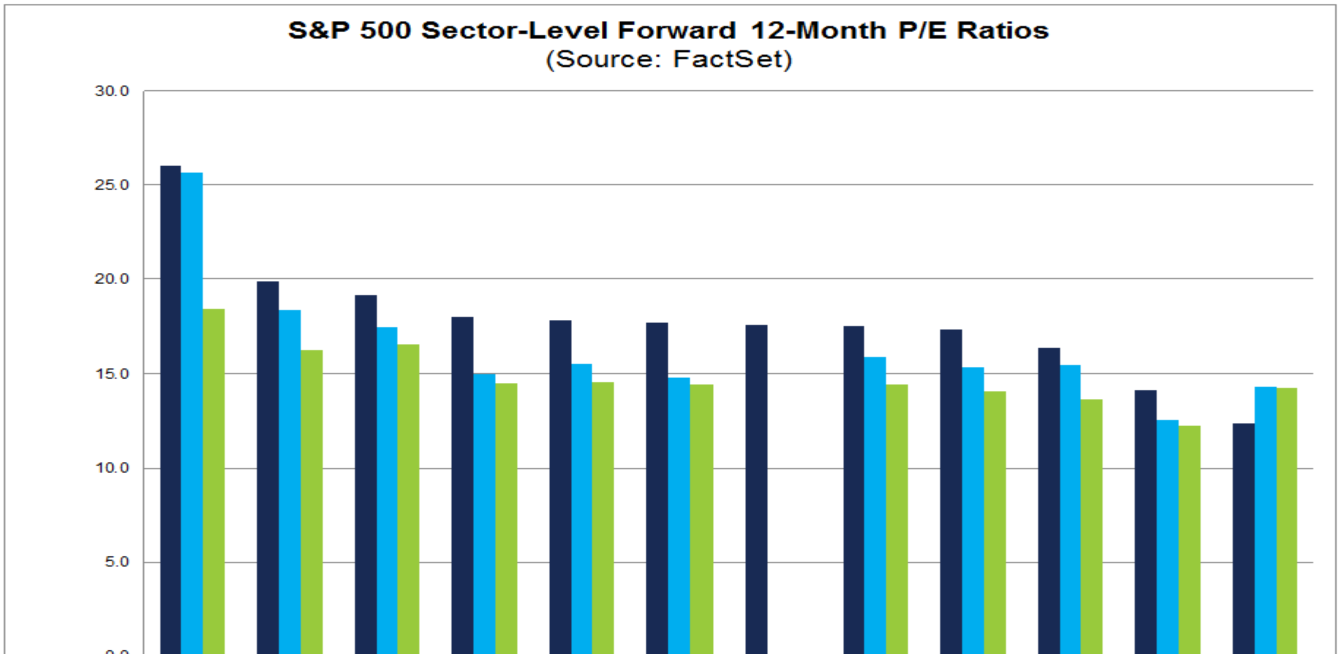


Bottom-up EPS Estimates: Current & Historical

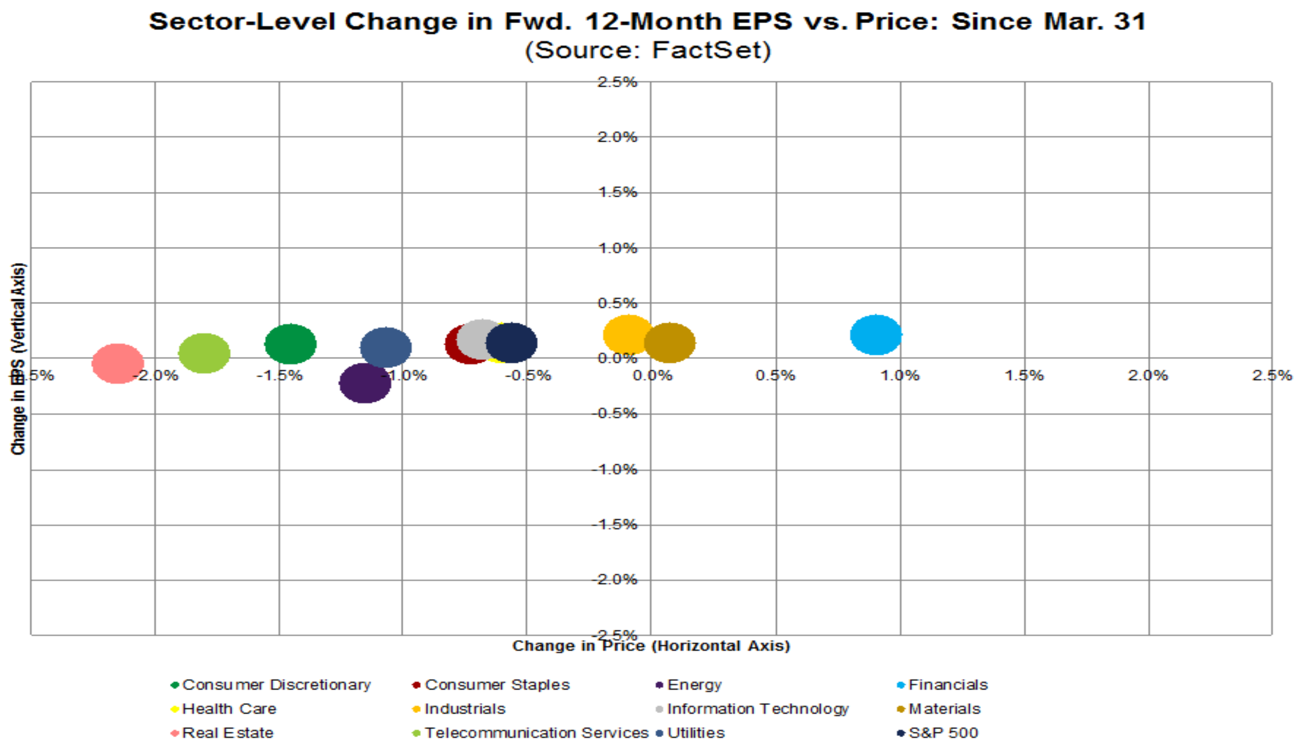




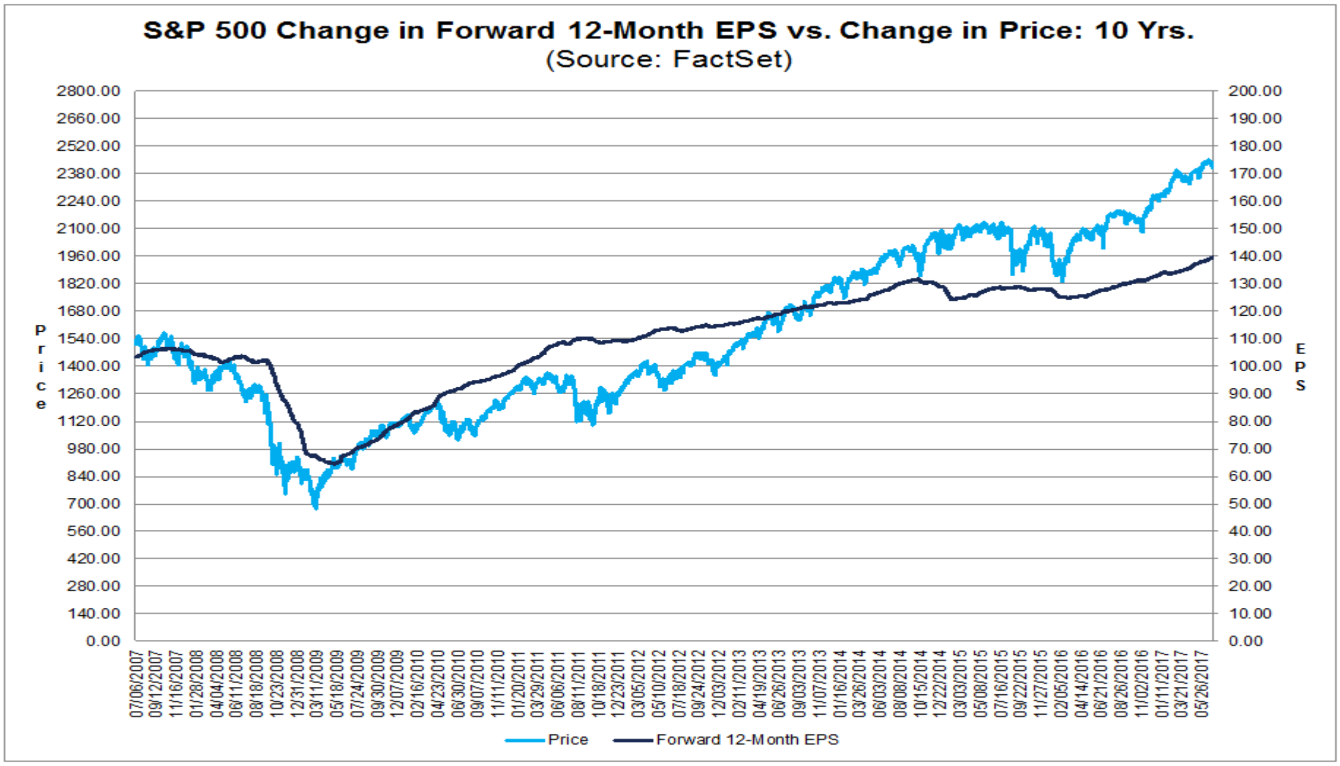
Forward 12M P/E Ratio: Sector Level

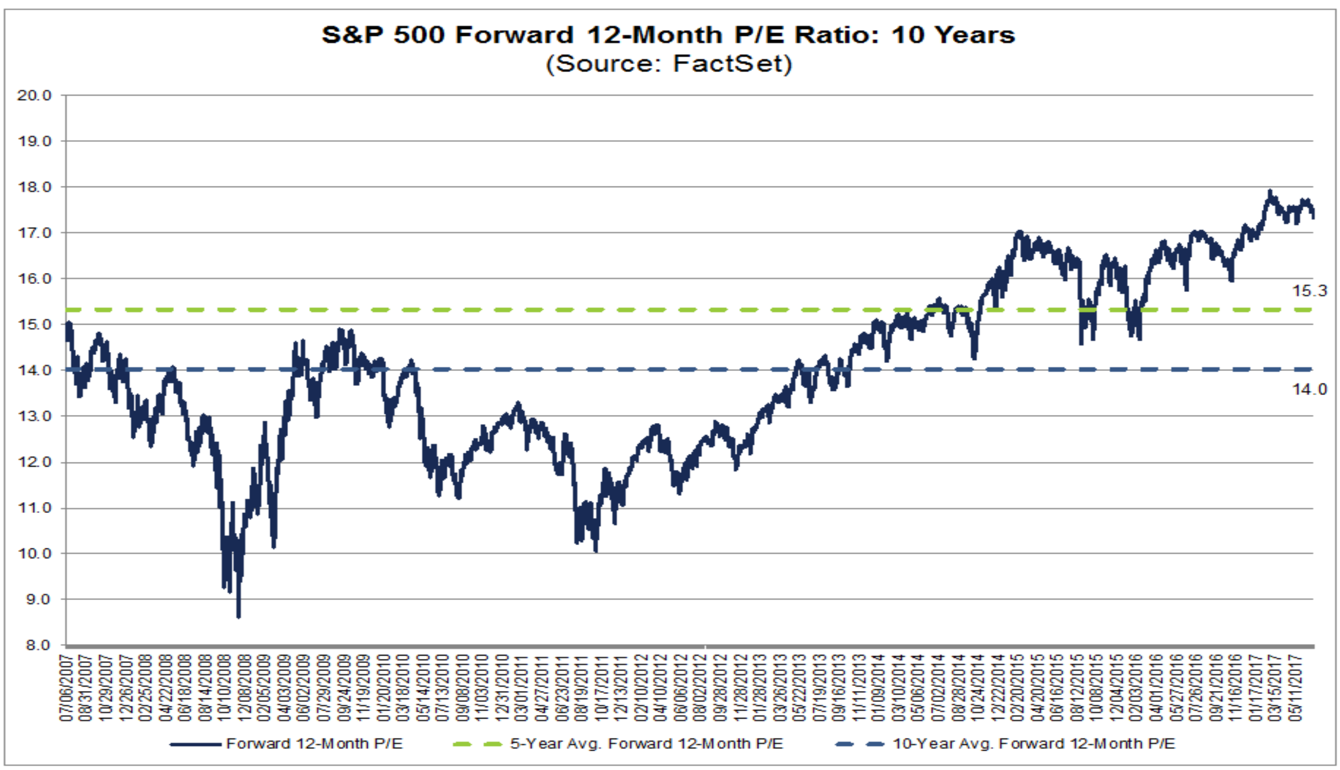


	Energy	Consumer Staples	Consumer Disc.	Materials	Industrials	Info. Technology	Real Estate	Utilities	S&P 500	Health Care	Financials	Telecom Services
Fwd P/E	26.0	19.9	19.1	18.0	17.8	17.7	17.6	17.5	17.3	16.3	14.1	12.4
5-Yr Avg.	25.7	18.3	17.5	15.0	15.5	14.8		15.9	15.3	15.4	12.6	14.3
10-Yr Avg.	18.4	16.2	16.5	14.4	14.5	14.4		14.4	14.0	13.6	12.2	14.2

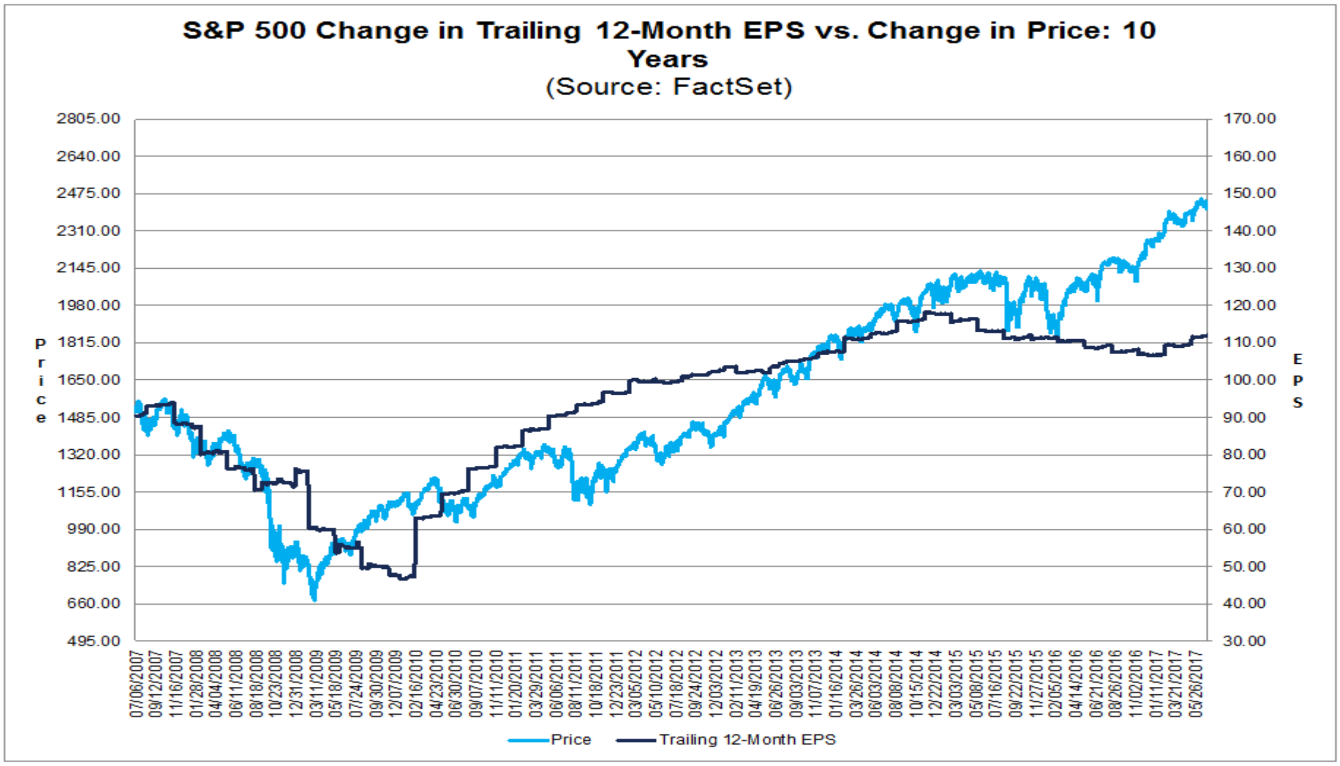


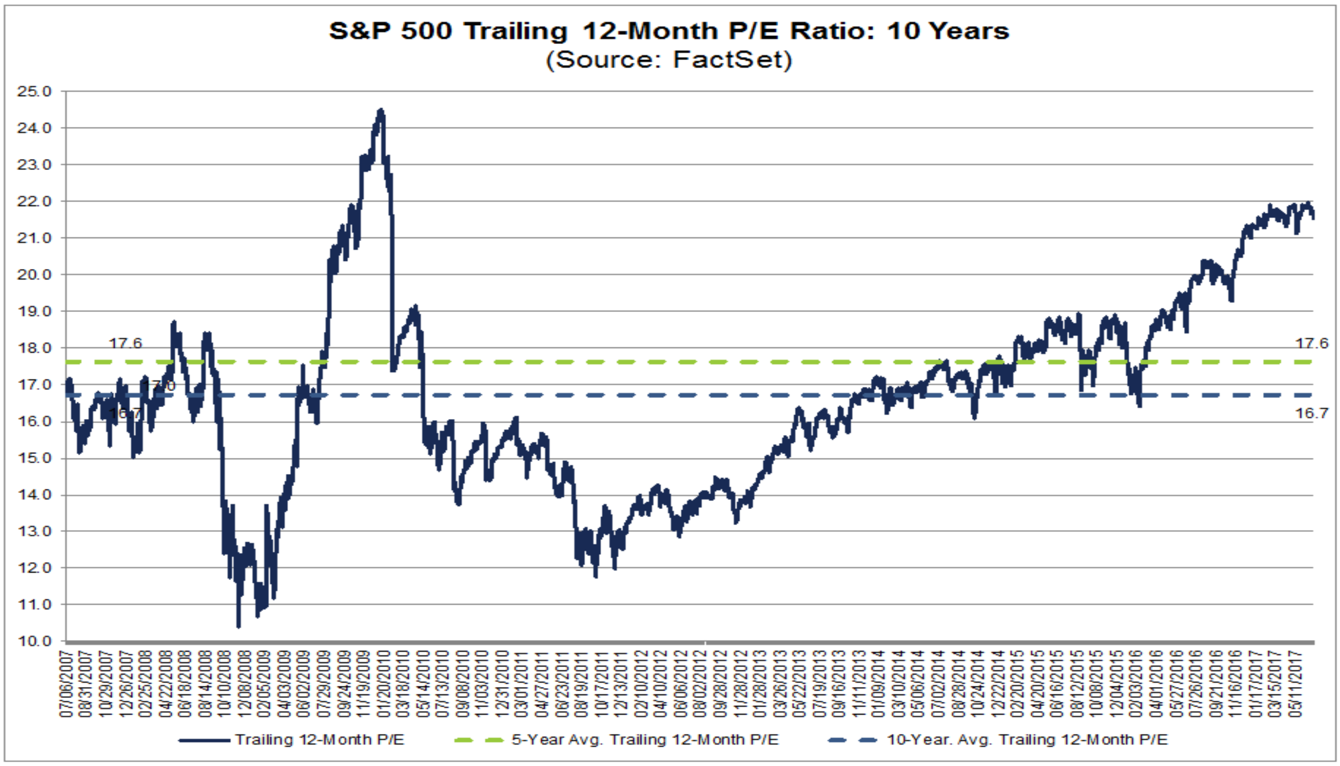
Forward 12M P/E Ratio: Long-Term Averages



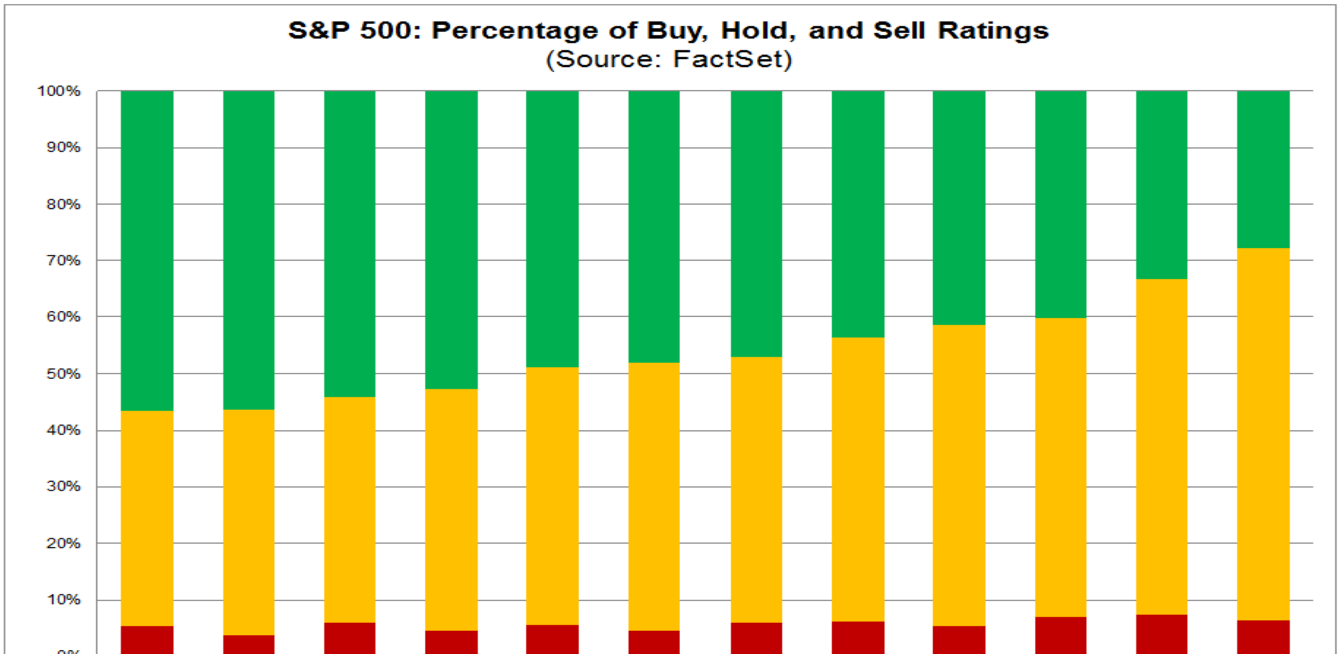


Trailing 12M P/E Ratio: Long-Term Averages

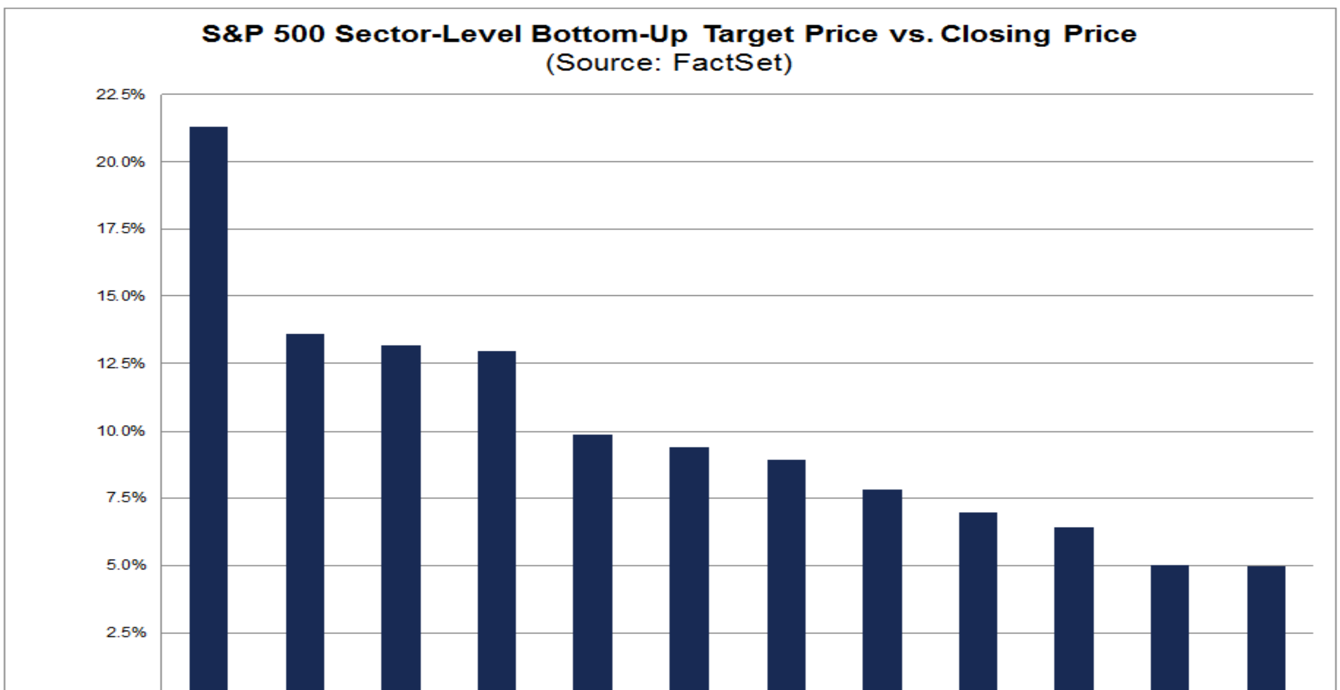




Targets & Ratings



	Info. Tech.	Health Care	Energy	Materials	S&P 500	Industrials	Consumer Disc.	Financials	Real Estate	Consumer Staples	Utilities	Telecom Services
Buy	57%	56%	54%	53%	49%	48%	47%	44%	41%	40%	33%	28%
Hold	38%	40%	40%	43%	46%	47%	47%	50%	53%	53%	59%	66%
Sell	5%	4%	6%	4%	6%	4%	6%	6%	5%	7%	7%	6%



	Energy	Consumer Disc.	Info. Tech.	Telecom Services	S&P 500	Materials	Real Estate	Consumer Staples	Industrials	Health Care	Utilities	Financials
Target/Close	21.3%	13.6%	13.1%	12.9%	9.9%	9.4%	8.9%	7.8%	7.0%	6.4%	5.0%	5.0%

Important Notice

The information contained in this report is provided "as is" and all representations, warranties, terms and conditions, oral or written, express or implied (by common law, statute or otherwise), in relation to the information are hereby excluded and disclaimed to the fullest extent permitted by law. In particular, FactSet, its affiliates and its suppliers disclaim implied warranties of merchantability and fitness for a particular purpose and make no warranty of accuracy, completeness or reliability of the information. This report is for informational purposes and does not constitute a solicitation or an offer to buy or sell any securities mentioned within it. The information in this report is not investment advice. FactSet, its affiliates and its suppliers assume no liability for any consequence relating directly or indirectly to any action or inaction taken based on the information contained in this report.

About FactSet

FactSet (NYSE:FDS | NASDAQ:FDS) delivers superior analytics, service, content, and technology to help more than 66,000 users see and seize opportunity sooner. We are committed to giving investment professionals the edge to outperform, with fresh perspectives, informed insights, and the industry-leading support of our dedicated specialists. We're proud to have been recognized with multiple awards for our analytical and data-driven solutions and repeatedly ranked as one of Fortune's 100 Best Companies to Work For and a Best Workplace in the United Kingdom and France. Subscribe to our thought leadership blog to get fresh insight delivered daily at insight.factset.com. Learn more at www.factset.com and follow on Twitter: www.twitter.com/factset.