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Key Metrics

Earnings Scorecard: Of the 478 companies that have reported earnings to date for Q4 2012, 71% have reported earnings above the mean estimate and 65% have reported revenues above the mean estimate.

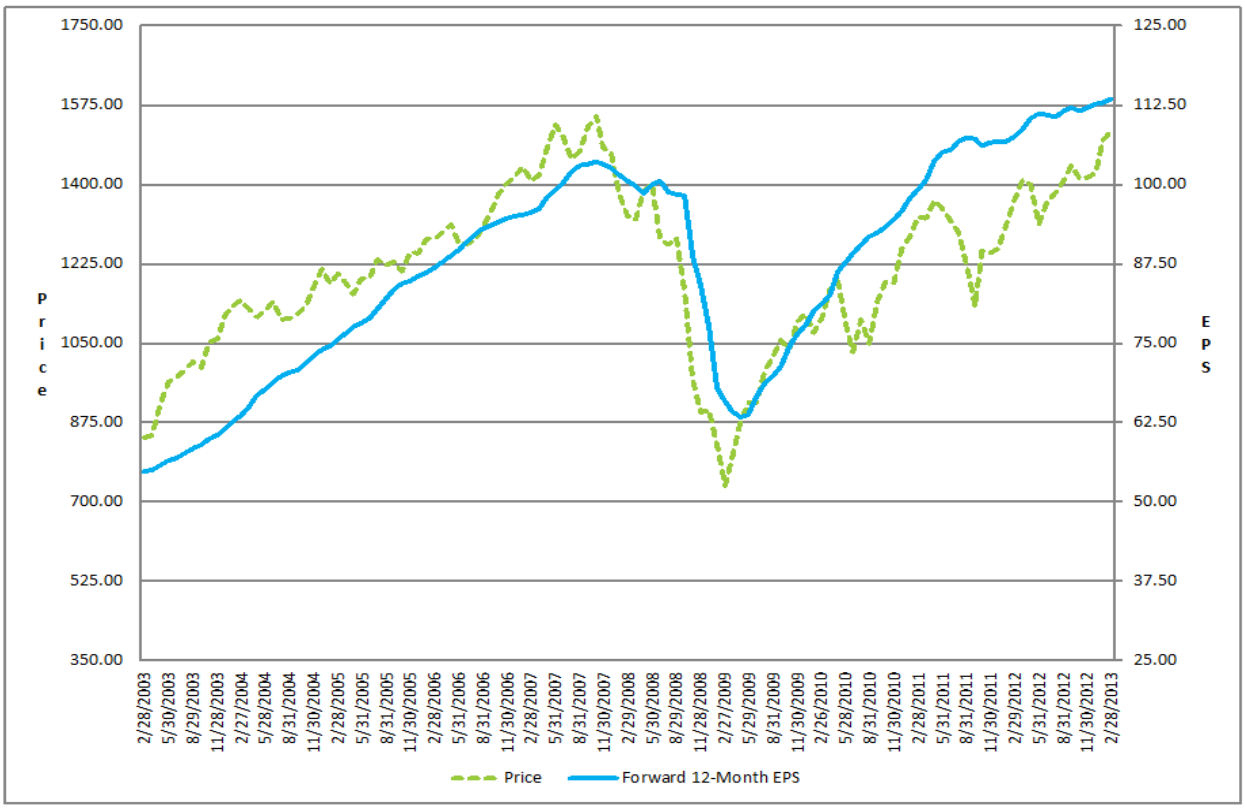
Earnings Growth: The blended earnings growth rate for Q4 2012 is 4.2%. The Utilities, Financials, and Materials sectors have the highest earnings growth rates for the quarter, while the Industrials and Telecom Services sectors have the lowest earnings growth rates for the quarter.

Earnings Revisions: On December 31, the earnings growth rate for Q4 2012 was 2.5%. The Utilities sector has recorded the largest increase in earnings growth since the end of the fourth quarter, while the Telecom Services sector has recorded the largest drop in earnings growth during this time.

Earnings Guidance: For Q1 2013, 82 companies have issued negative EPS guidance and 24 companies have issued positive EPS guidance.

Valuation: The current 12-month forward P/E ratio is 13.4. This P/E ratio is based on Thursday's closing price of 1514.68 and forward 12-month EPS estimate of $113.30.

S&P 500 Forward 12-Month EPS vs. Price: 10-Year



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Topic of the Week:

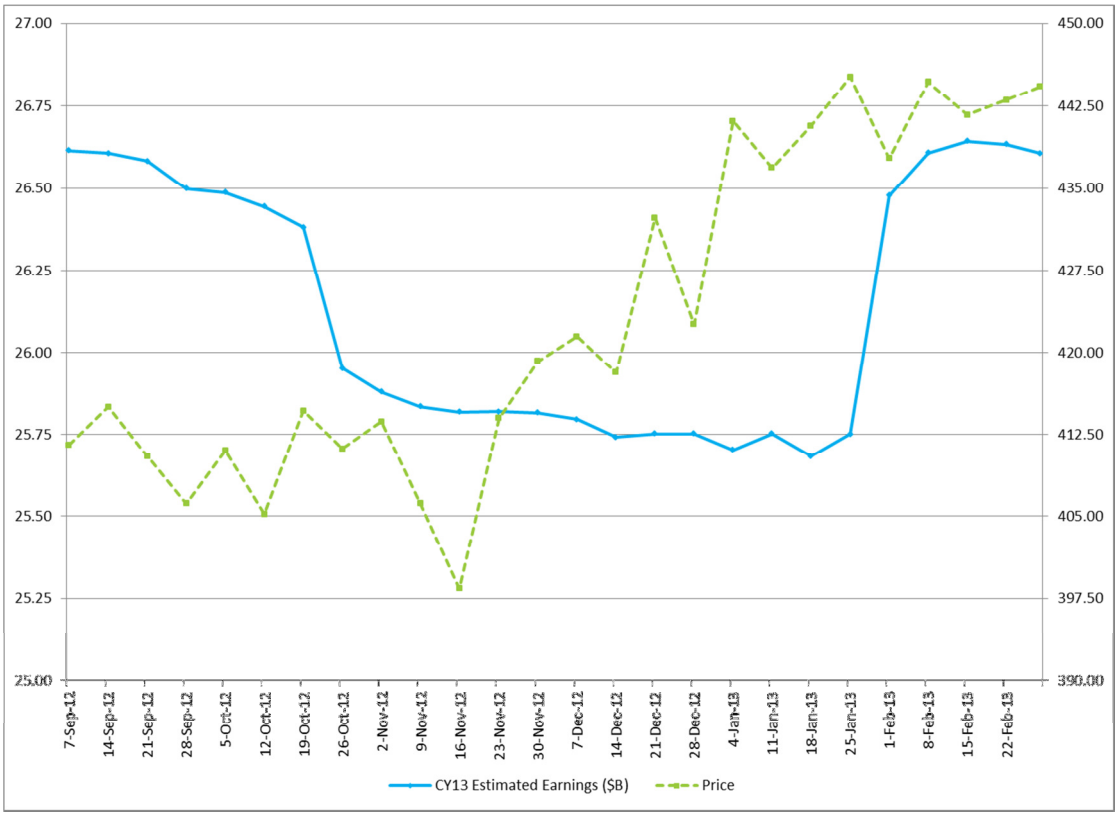
Despite Sequestration, Boeing Boosts Earnings Estimate for Aerospace & Defense Industry

With sequestration scheduled to begin today, automatic cuts to the budget for the U.S. Department of Defense will be triggered. Given the potential negative impact of these budget cuts to the revenues and earnings for companies in the Aerospace & Defense industry in the S&P 500, are earnings expectations for CY 2013 lower today for companies in this industry compared to six months ago?

Taking a quick glance at the numbers, the answer is no. The aggregate earnings estimate for the Aerospace & Defense industry for CY 2013 stands at $26.61 billion today, unchanged from the aggregate earnings estimate for the industry six months ago. However, analysts had been steadily lowering their estimates for companies in this industry until the end of January. From September 7 through January 25, the dollar-level estimate declined by 3.2% (to $25.75 billion from $26.61 billion. Then, during the week of January 25 through February 1, the dollar-level estimate jumped 2.8%, nearly erasing the decrease of the previous five months. What caused analysts to increase their earnings projections for this industry?

On January 30, Boeing reported EPS for Q4 2012 and provided guidance for EPS for 2013. The company provided EPS guidance for 2013 on both a GAAP basis (including pension expense) and a non-GAAP basis (excluding pension expense). Prior to Q4 2012, Boeing had only reported EPS and provided EPS guidance on a GAAP basis. On a GAAP basis, the company stated that EPS for 2013 would be between $5.00 and $5.20 per share, which was in-line with the mean EPS estimate at the time ($5.17). On a non-GAAP basis, the company stated that EPS for 2013 would be between $6.10 and $6.30, excluding $1.10 of pension expense. The majority of analysts covering Boeing elected to switch the basis of their 2013 EPS estimates for Boeing to non-GAAP (excluding pension expense). As a result, the mean EPS estimate for Boeing for 2013 jumped 18% on February 1 (to $6.11 from $5.17), which drove the increase in the overall earnings expectation for the entire Aerospace & Defense industry.

S&P 500 Aerospace & Defense Industry: CY 2013 Dollar-Level Earnings Estimate vs. Price



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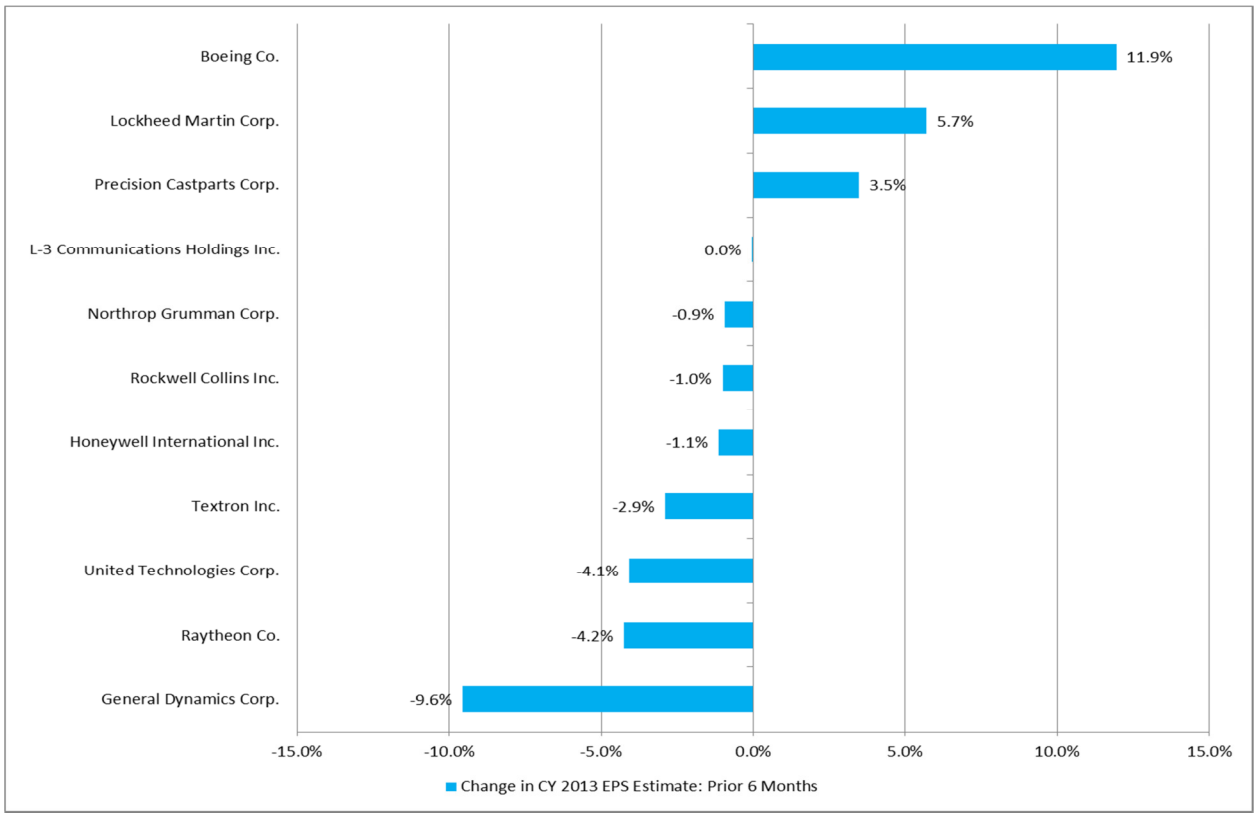
However, it is interesting to note that the market became optimistic on the S&P 500 Aerospace & Defense industry well before the increase in earnings expectations (due to the conversion of estimates for Boeing from GAAP to non-GAAP) for this industry in late January. From September 7 through November 16, the price of the S&P 500 Aerospace & Defense industry dropped 3.2% (to $398.40 from $411.52). Since November 16, the price of the industry has jumped nearly 12% (to $448.28 from $398.40). In fact, Thursday's closing price of $445.59 for the industry was the highest closing price since December 26 of 2007 ($450.71).

Based on these high price levels, it appears the market does not believe that sequestration will have a significant long-term impact on the companies in this industry.

S&P 500 Aerospace & Defense Industry Change in CY 2013 EPS Estimates: Sep 7 – Feb 28



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Q4 2012 Earnings Season: Overview

Companies Continue to Beat EPS and Revenue Estimates

With just over 95% of the companies in the S&P 500 reporting actual results, the number of companies reporting earnings above estimates is slightly above recent averages, while the number of companies reporting revenues above estimates is well above recent averages.

Large Upside Earnings Surprises Reported by Companies in Multiple Sectors

Overall, 478 companies have reported earnings to date for the fourth quarter. Of these 478 companies, 71% have reported actual EPS above the mean EPS estimate and 28% have reported actual EPS below the mean EPS estimate. Over the past four quarters on average, 69% of companies have reported actual EPS above the mean EPS estimate.

At the sector level, the Information Technology (87%) and Consumer Staples (79%) sectors have the highest percentages of companies reporting earnings above estimates, while the Telecom Services (25%) sector has the lowest percentage of companies reporting earnings above estimates.

In aggregate, companies are reporting earnings that are 3.5% above expectations. Over the last four quarters on average, actual earnings have surpassed estimates by 4.2%. Companies in the Utilities (+11.5%), Financials (+8.0%), Materials (+7.4%), and Energy (+7.2%) sectors are reporting the largest upside aggregate differences between actual earnings and estimated earnings. In the Utilities sector, companies that have reported large upside earnings surprises include NRG Energy (+176%), Edison International (+75%), and Entergy (+66%). In the Financials sector, companies that have reported EPS well above estimates include Travelers (+266%), Morgan Stanley (+67%), and Goldman Sachs (+51%). In the Materials sector, companies that have reported significant upside earnings surprises include Monsanto (+73%), DuPont (+52%), and Nucor (+47%). In the Energy sector, companies that have reported earnings substantially above estimates include Chesapeake Energy (+83%) and Consol Energy (+80%).

On the other hand, companies in the Industrials (-12.4%) and Telecom Services (-7.4%) sectors are reporting the largest downside aggregate differences between actual earnings and estimated earnings. In the Industrials sector, most of the negative surprise percentage can be attributed to General Dynamics, which reported a GAAP loss per share that was 421% below the mean EPS estimate. In the Telecom Services sector, companies that reported earnings below expectations include Crown Castle International (-151%) and Verizon Communications (-10%).

More Companies Beating Revenue Estimates (65%) Relative to Q3 (41%) and Q2 (41%)

In terms of revenues, 65% of companies have reported actual sales above estimated sales and 35% have reported actual sales below estimated sales. The percentage of companies beating sales estimates reflects an improvement relative to recent quarters. Over the previous two quarters on average, just 41% of companies have reported sales above estimates. Over the past four quarters on average, 50% of companies have reported actual sales above the mean sales estimate.

At the sector level, companies in the Energy (81%) and Health Care (75%) sectors have the highest percentages of companies reporting revenue above estimates, while companies in the Utilities (38%) sector have the lowest percentage of companies reporting revenue above estimates.

In aggregate, companies are reporting sales that are 1.1% above expectations. Over the previous four quarters on average, actual sales have exceeded estimates by 0.4%. However, an unusually large upside revenue surprise reported by Prudential (+155%) accounts for much of the high surprise percentage being reported for the quarter.

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Earnings Growth Rate Improves Slightly to 4.2% from 4.1% This Week

The blended earnings growth rate for Q4 2012 is 4.2% this week, slightly above last week's growth rate of 4.1%. The increase in the growth rate can be attributed to upside earnings surprises reported by companies in the Utilities sector, including NRG Energy (+176%) and Edison International (+75%). The blended earnings growth rate for the Utilities sector improved to 18.6% from 11.6% during this time.

The blended earnings growth rate of 4.2% today for the index as a whole is above the estimate of 2.5% at the end of the quarter (December 31). Eight of the ten sectors have witnessed a net increase in earnings growth over this time frame, led by the Utilities (to 18.6% from 7.9%), Energy (to 9.9% from 3.0%), and Materials (to 12.1% from 5.9%) sectors. On the other hand, the Telecom Services (to -10.4% from 9.0%) and Industrials (to -16.9% from -4.7%) sectors have recorded the largest decreases in earnings growth since the end of the quarter.

Utilities, Financials, and Materials Reporting Highest Earnings Growth

After reporting a small year-over-year decline in earnings growth in Q3 2012 (-1%), the index is reporting earnings growth for Q4 2012. The blended earnings growth rate stands at 4.2%. Eight of the ten sectors are reporting a year-over-year increase in earnings for the quarter, led by the Utilities, Financials, and Materials sectors.

Utilities: Independent Power Producers and Electric Utilities Drive Growth

The Utilities sector has the highest earnings growth of any sector at 18.6%. Within this sector, the Independent Power Producers & Energy Traders (419.1%) and Electric Utilities (26.2%) industries are reporting the highest earnings growth for the quarter.

Financials Sector: Ex-Insurance Industry, Earnings Growth Rises to 38%

The Financials sector has the second highest earnings growth of any sector at 16.9%. The sector is the largest contributor to earnings growth for the entire index. If the Financials sector is excluded, the growth rate for the index falls to 2.0% from 4.2%. Earnings growth has been broad-based across the sector. Seven of the eight industries are reporting earnings growth. Six of these seven industries are reporting double-digit earnings growth, led by the Capital Markets (73%) and Commercial Banks (41%) industries. On the other hand, the Insurance (-28%) industry is the only industry reporting a year-over-year decline in earnings in the sector. The earnings weakness in this industry can be attributed to losses related to Hurricane Sandy. This industry is also the largest detractor to earnings growth for the sector. If the Insurance industry is excluded, the earnings growth rate for the sector would improve to 38%.

Materials: Chemicals Industry Leads Growth

The Materials sector has the third highest earnings growth of any sector at 12.1%. Within this sector, the Chemicals (16.6%) industry is the key driver of earnings growth. If this industry is excluded, the earnings growth for the sector would fall to 4.3%.

Industrials and Telecom Services Reporting Earnings Declines

On the other hand, two sectors are reporting earnings declines for the quarter: Industrials and Telecom Services.

The Industrials sector has the lowest earnings growth rate (-16.9%) of all ten sectors. Six of the twelve industries are reporting a decrease in earnings for the quarter, led by the Aerospace & Defense (-53%) industry. At the company level, General Dynamics and Caterpillar are the largest detractor to earnings growth. If these two companies are excluded, the growth rate for the sector jumps to -2.0%.

The Telecom Services sector has the second lowest earnings growth rate (-10.4%) of all ten sectors. The weakness in earnings is spread throughout the sector, as six of the eight companies that comprise the sector have reported or are predicted to report a year-over-year decline in EPS for the quarter.

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Revenue Growth Improves to 4.0%

The blended revenue growth rate for Q4 2012 is 4.0%, well above an expectation of 2.3% on December 31. The improvement in the growth rate since the end of the quarter can mainly be attributed to an unusually large upside revenue surprise reported by Prudential. If Prudential is excluded, the blended revenue growth rate for the index falls to 2.6%. Nine of the ten sectors are reporting revenue growth for the quarter, led by the Financials sector. On the other hand, the Energy sector is the only sector reporting a year-over-year decrease in revenue for the quarter.

The Financials sector has the highest revenue growth at 19.7%. Six of the eight industries in this sector are reporting growth, led by the Insurance (36%) industry. Within the Insurance industry, Prudential is the largest contributor to revenue growth for the sector. If this company is removed, the revenue growth rate for the Financials sector drops to 7.8%.

The Energy sector has the lowest revenue growth rate of all ten sectors at -8.9%. At the company level, Conoco Phillips is the largest detractor to growth in the sector. The company's revenues for Q4 2012 are stand alone for Conoco Phillips, while the year-ago revenues include Phillips 66. Excluding Conoco Phillips, the revenue growth rate for the Energy sector improves to 0.6%.

Global Concerns: Europe, F/X Rates, & China

Many companies in the index are reporting lower revenue growth outside of the U.S. for Q4 2012 due to weak economic growth in Europe and less favorable foreign exchange rates. In terms of emerging markets (China), a number of companies appear to be seeing improving conditions, and believe this trend will continue in 2013.

Europe: Still weak

Europe is reporting a decline in economic growth relative to last year. According to FactSet Economics, the European Union recorded a decrease in GDP of 0.4% in Q3 2012, compared to growth of 1.4% in Q3 2011. A number of companies have stated they saw weakness in Europe (overall or in specific segments) in the fourth quarter, or expect weakness to continue in 2013, including Illinois Tool Works, Harley-Davidson, Ford Motor, Honeywell, IBM, Google, Johnson & Johnson, Parker-Hannifin, Johnson Controls, Alcoa, and Carnival.

"The decline in Ford Europe's fourth quarter pre-tax results was more than explained by unfavorable volume and mix. The industry for the 19 markets Ford tracks in Europe was 13.5 million units, the lowest quarterly SAAR since 1995." – Ford Motor (Jan. 29)

F/X Rates: Negative Impact on Revenue

The continuing weakness in Europe contributed to another factor that had a negative impact on revenue and earnings growth in Q4 2012: less favorable foreign exchange rates. In 2011, many companies recorded a boost to revenues due to the weakness of the U.S. dollar relative to the Euro and other currencies. However, the ongoing weakness in Europe has led to the dollar gaining strength relative to the Euro over the past year. In Q4 2011, one Euro was equal to about $1.35 U.S. dollars on average. For Q4 2012, one Euro was equal to about $1.30 U.S. dollars on average. A number of companies have commented on the negative impact of F/X rates on Q4 revenues, or the expected negative impact in future quarters, including Pfizer, Illinois Tool Works, Caterpillar, Procter & Gamble, Honeywell, Microsoft, Stanley Black & Decker, 3M, United Technologies, Google, Johnson & Johnson, and DuPont.

"Fourth-quarter 2012 revenues were $15.1 billion, a decrease of 7% compared with $16.1 billion in the year-ago quarter, which reflects an operational decline of $802 million, or 5%, and the unfavorable impact of foreign exchange of $271 million, or 2%." –Pfizer (Jan. 29)

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China and Emerging Markets: Signs of Optimism

Economic growth in countries in emerging markets has also been decreasing over the past year. According to FactSet Economics, three of the four "BRIC" countries recorded slower GDP growth during this time. For Q3 2011, China, India, and Brazil recorded GDP growth of 9.1%, 6.9% and 2.1%, respectively. By Q3 2012, GDP growth rates for China, India, and Brazil had fallen to 7.4%, 2.8% and 0.9%.

However, China did report GDP growth of 7.9% for Q4 2012, which reflected a sequential improvement relative to the GDP growth reported for Q3 2012 (7.4%). A number of companies have stated that they saw strength in emerging markets in the fourth quarter, or that they expect stronger economic growth and demand for goods in emerging markets (particularly China) in 2013, including Pfizer, Illinois Tool Works, Ford Motor, Starbucks, Apple, United Technologies, IBM, DuPont, General Electric, and Alcoa.

"Growth in China is showing signs of picking up with positive implications for the rest of Asia. The general consensus of our business leaders on China is the economy is improving and this will continue through 2013." –DuPont (Jan. 22)

"So, Steve, I'd say – we definitely saw the China strengthen again at the end of the year. The big drivers of China continue to be Healthcare and Aviation, and we believe that the China momentum will likely continue into 2013." –General Electric (Jan. 18)

"This year, we believe the [aluminum] demand is going to grow by 7%. This is 1% up from what we saw last year and when you go through this slide you see that, which is a breakdown on regions, you see that this is pretty much supported by all regions. I mean, obviously China sticks out. China, we believe, will rebound to 11% growth. We also see good growth in places like Russia, Brazil, India, Middle East." -Alcoa (Jan. 8)

Domestic Concerns: Impact of Hurricane Sandy and Fiscal Policy Uncertainty

Companies have also commented on the impact on Q4 earnings of the damage caused by Hurricane Sandy and fiscal policy issues coming from Washington D.C.

"There are two overarching issues which impacted results. First was the muted consumer environment in the U.S. with a fiscal cliff uncertainty weighing on shoppers and a slow recovery from Hurricane Sandy in the Tri-State area." – Coach (Jan. 23)

Hurricane Sandy

A number of companies have commented on the negative impact of Hurricane Sandy on fourth quarter results, including Travelers, ACE, Coach, Verizon, American Express, Paychex, Bed Bath & Beyond, and FedEx.

"Catastrophe losses in the current quarter were $689 million after-tax ($1.054 billion pre-tax), including losses resulting from Storm Sandy of $669 million after-tax ($1.024 billion pre-tax), compared to $68 million after-tax ($102 million pre-tax) in the prior year quarter." –Travelers (Jan. 22)

"In terms of profitability, we did not see the margin improvement we were expecting in the second half of 2012, due primarily to the length of the time it took to reach an agreement with our unions and also to the significant business disruption caused by the challenges of Sandy." – Verizon (Jan. 22)

Fiscal Policy Uncertainty

Some companies have also cited the uncertainty of the resolution to the "fiscal cliff" through the month of December as an impediment to earnings growth for the fourth quarter. Others have expressed concern about the ongoing uncertainty surrounding the current budget, particularly companies in the defense industry. Companies that have commented on fiscal policy include Wal-Mart, Boeing, Raytheon, Lockheed Martin, Coach, Verizon, Parker-Hannifin, and Constellation Brands.

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"The first three weeks of December were soft, given our Black Friday success and the additional shopping days this year, but we rebounded with double-digit positive comps the week of Christmas and continued with strength into the first part of January. In the last couple of weeks of the quarter, we began to see an impact from the increase in payroll taxes and the delay in the income tax refunds." –Wal-Mart (Feb. 21)

"The IS&GS business segment has been impacted by the continuing downturn in the federal information technology budgets and the impact of the continuing resolution that was effective on Oct. 1, 2012, the start of the U.S. Government's fiscal year." –Lockheed Martin (Jan. 24)

Guidance: High Percentage (77%) Issued for Q1 to date

Of the 106 companies that have issued EPS guidance for the first quarter, 84 have issued projections below the mean EPS estimate and 24 have issued a projection above the mean EPS estimate. Thus, 77% of the companies that have issued EPS guidance to date for Q1 2013 have issued negative guidance. This percentage is well above the five-year average of 61%. At the sector level, the Materials (100%), Health Care (88%), and Consumer Discretionary (83%) sectors have the highest percentages of companies issuing negative guidance. For more details on guidance, please see our "Guidance Monthly" report published yesterday.

Analysts Cutting Estimates for 1st Half of 2013

Since the end of the fourth quarter (December 31), analysts have also reduced earnings growth expectations for Q1 2013 (to -0.4% from 2.2%) and Q2 2013 (to 4.9% from 6.3%).

For Q1 2013, all ten sectors have witnessed a decline in estimated earnings growth, led by the Materials (to 1.3% from 7.2%) sector.

Valuation: Forward P/E at 13.4, Between 5-Year Average and 10-Year Average

The current forward 12-month P/E ratio for the index is 13.4. The P/E ratio is based on Thursday's closing price of 1514.68 and forward 12-month EPS estimate of 113.30.

This 13.4 P/E ratio is above the prior 5-year average forward 12-month P/E ratio of 12.8, but below the prior 10-year average forward 12-month P/E ratio of 14.2. It is also slightly above the P/E ratio of 13.3 recorded one month ago. Over the past month, the price of the index has increased 1.0% (to 1514.68 from 1500.18), while the forward 12-month EPS estimate rose 0.5% (to $113.30 from $112.69).

At the sector level, the Telecom Services sector has the highest forward 12-month P/E ratio at 17.1, while the Financials (11.5) and Energy (11.9) sectors have the lowest forward 12-month P/E ratios.

Over the past month, the Telecom Services (to 17.1 from 16.4) sector has seen the largest increase in forward 12-month P/E ratios of all ten sectors, while the Materials sector (to 13.3 from 13.6) has witnessed the largest decline in the forward 12-month P/E ratio of all ten sectors.

Companies Reporting Next Week: 8

During the upcoming week, seven S&P 500 companies are scheduled to report earnings for Q4 2012 and one S&P 500 company is scheduled to report earnings for Q1 2013.

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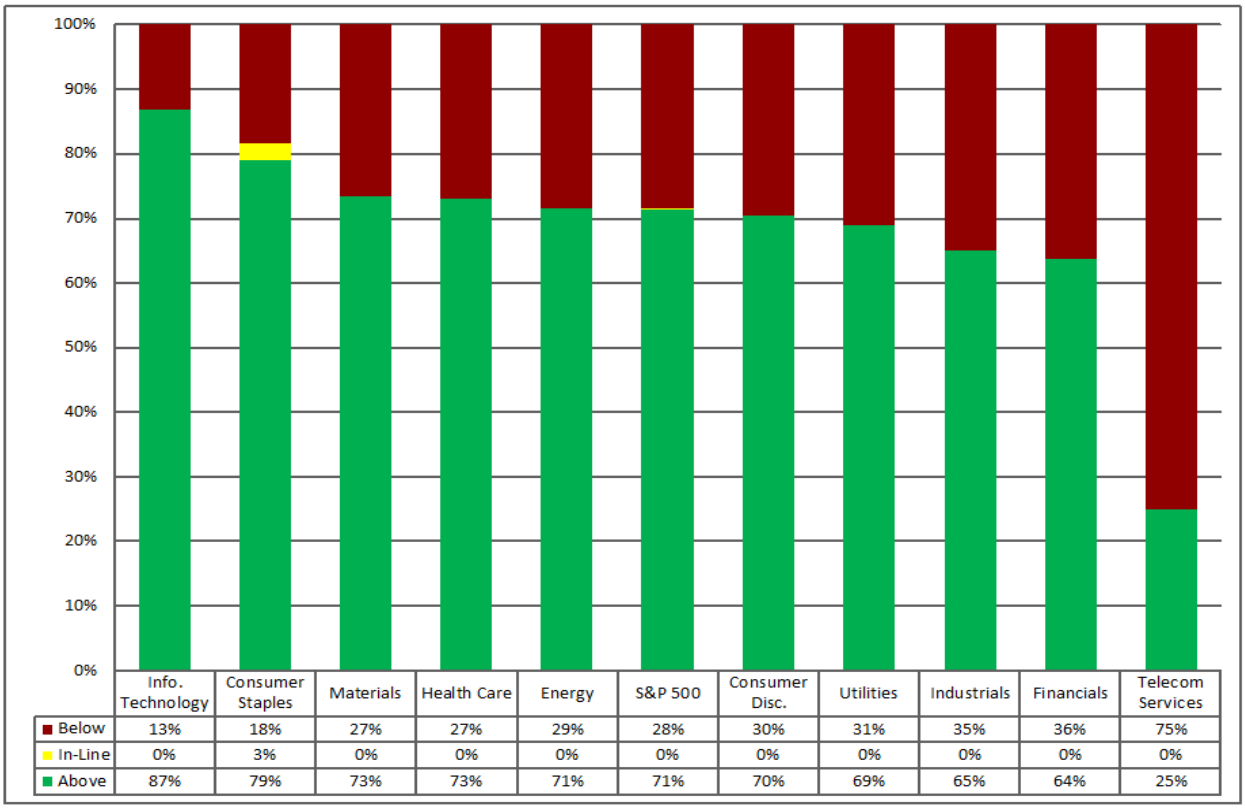
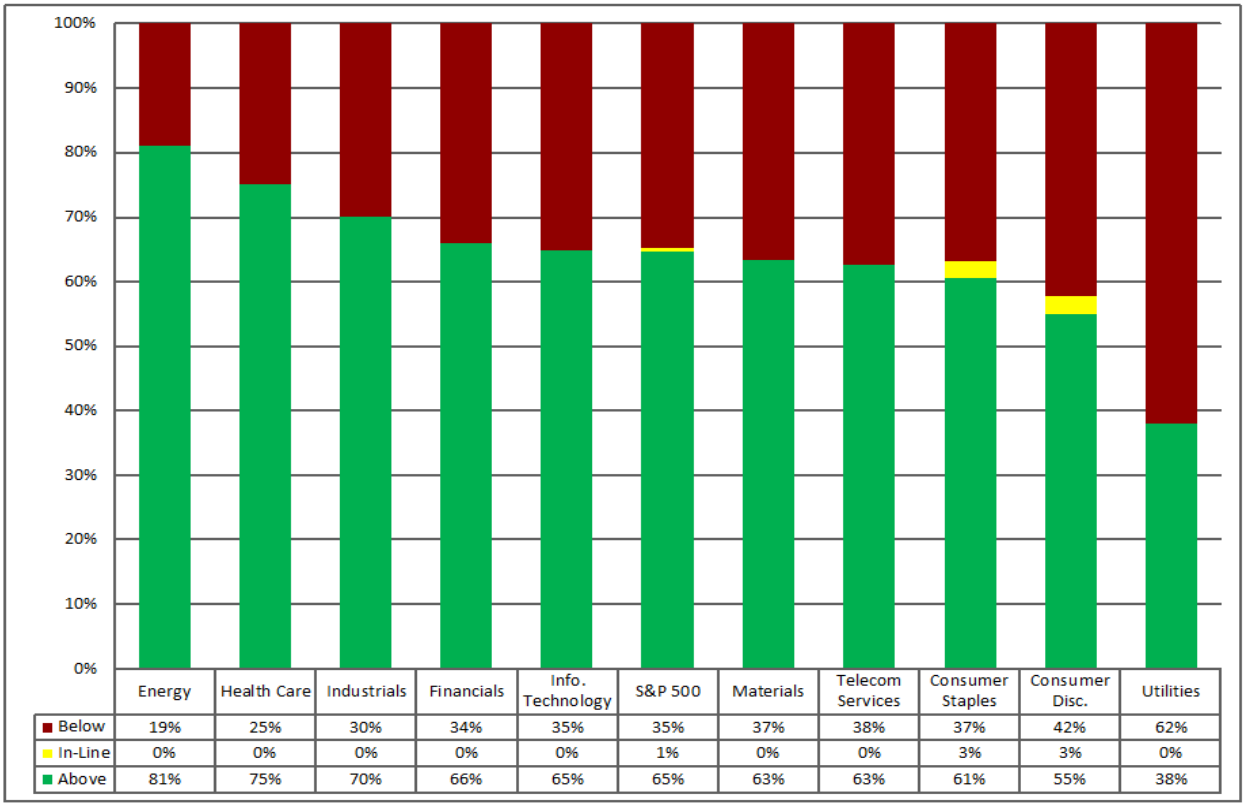
Q4 2012: Scorecard

Q4 2012 Earnings: Above, In-Line, Below Estimates



	Info. Technology	Consumer Staples	Materials	Health Care	Energy	S&P 500	Consumer Disc.	Utilities	Industrials	Financials	Telecom Services
Below	13%	18%	27%	27%	29%	28%	30%	31%	35%	36%	75%
In-Line	0%	3%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Above	87%	79%	73%	73%	71%	71%	70%	69%	65%	64%	25%

Q4 2012 Revenues: Above, In-Line, Below Estimates



	Energy	Health Care	Industrials	Financials	Info. Technology	S&P 500	Materials	Telecom Services	Consumer Staples	Consumer Disc.	Utilities
Below	19%	25%	30%	34%	35%	35%	37%	38%	37%	42%	62%
In-Line	0%	0%	0%	0%	0%	1%	0%	0%	3%	3%	0%
Above	81%	75%	70%	66%	65%	65%	63%	63%	61%	55%	38%

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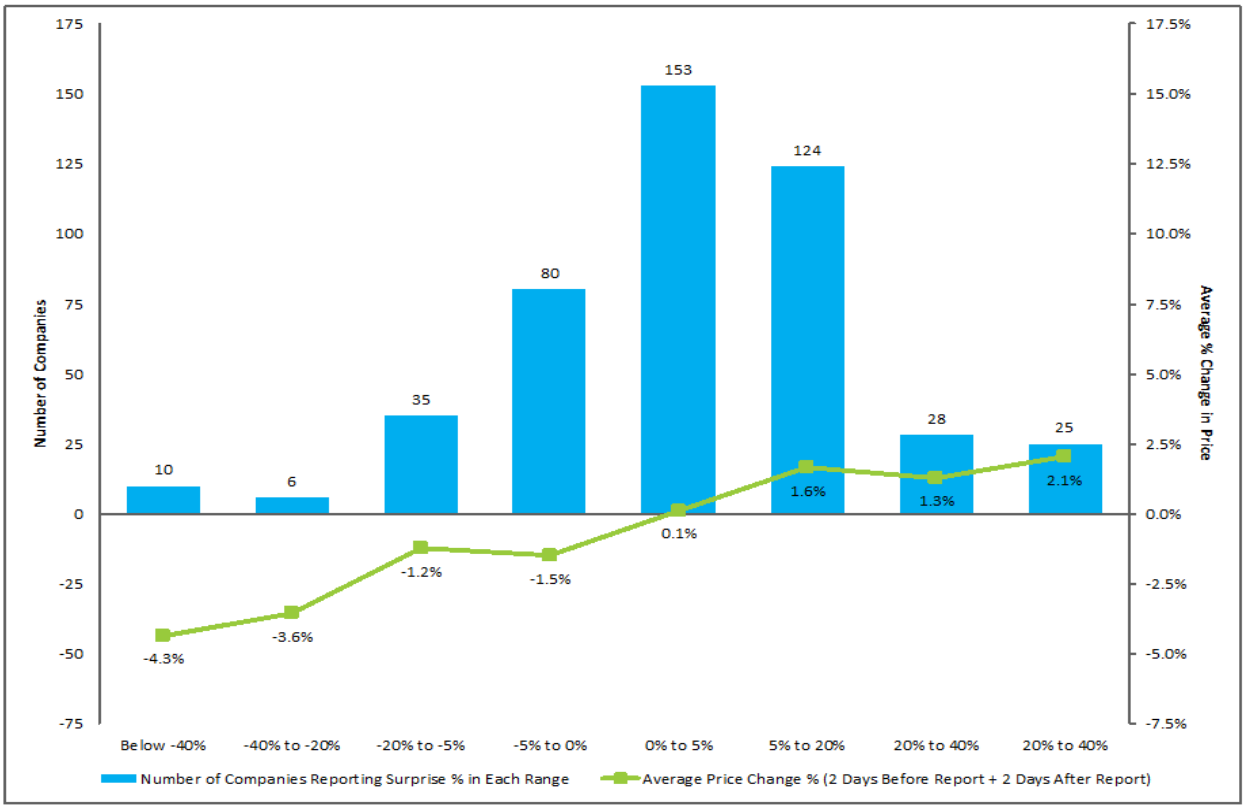
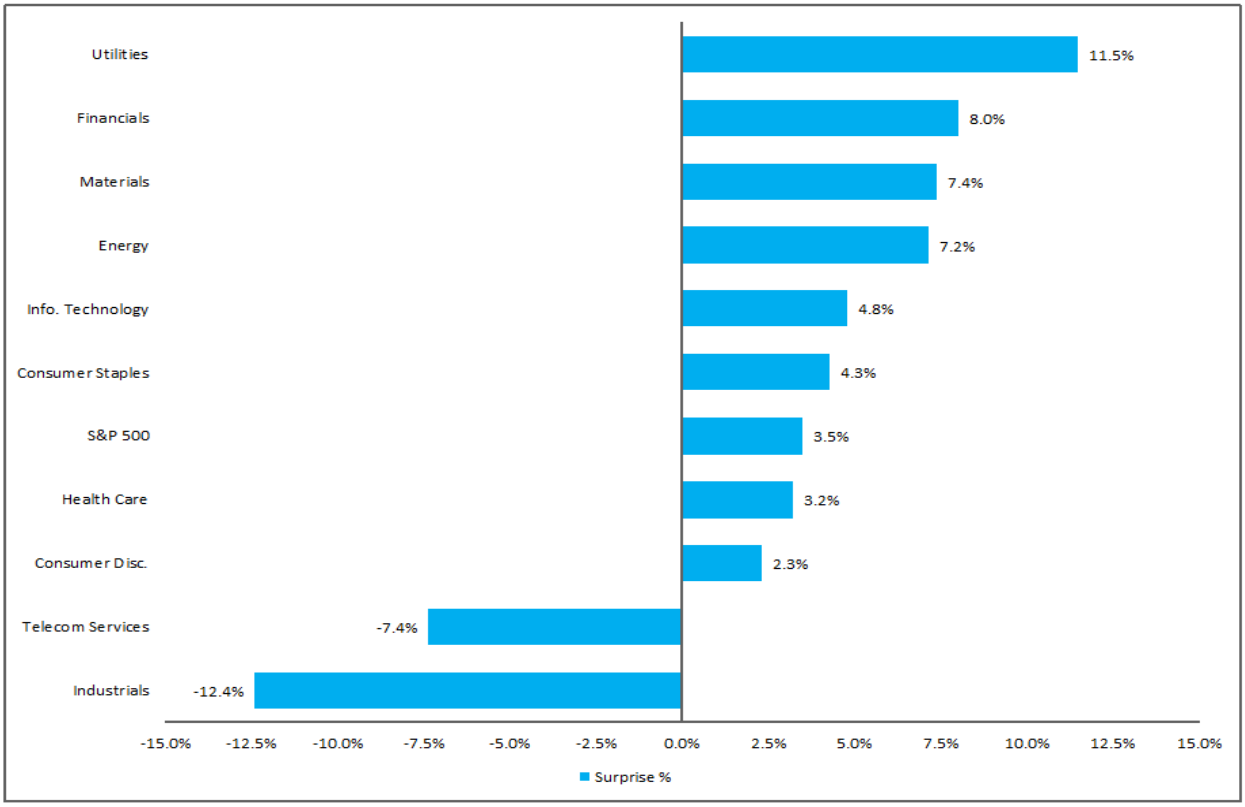
Q4 2012: Scorecard

Q4 2012: Surprise % vs. Average Price Change %



Q4 2012: Sector Level Surprise %



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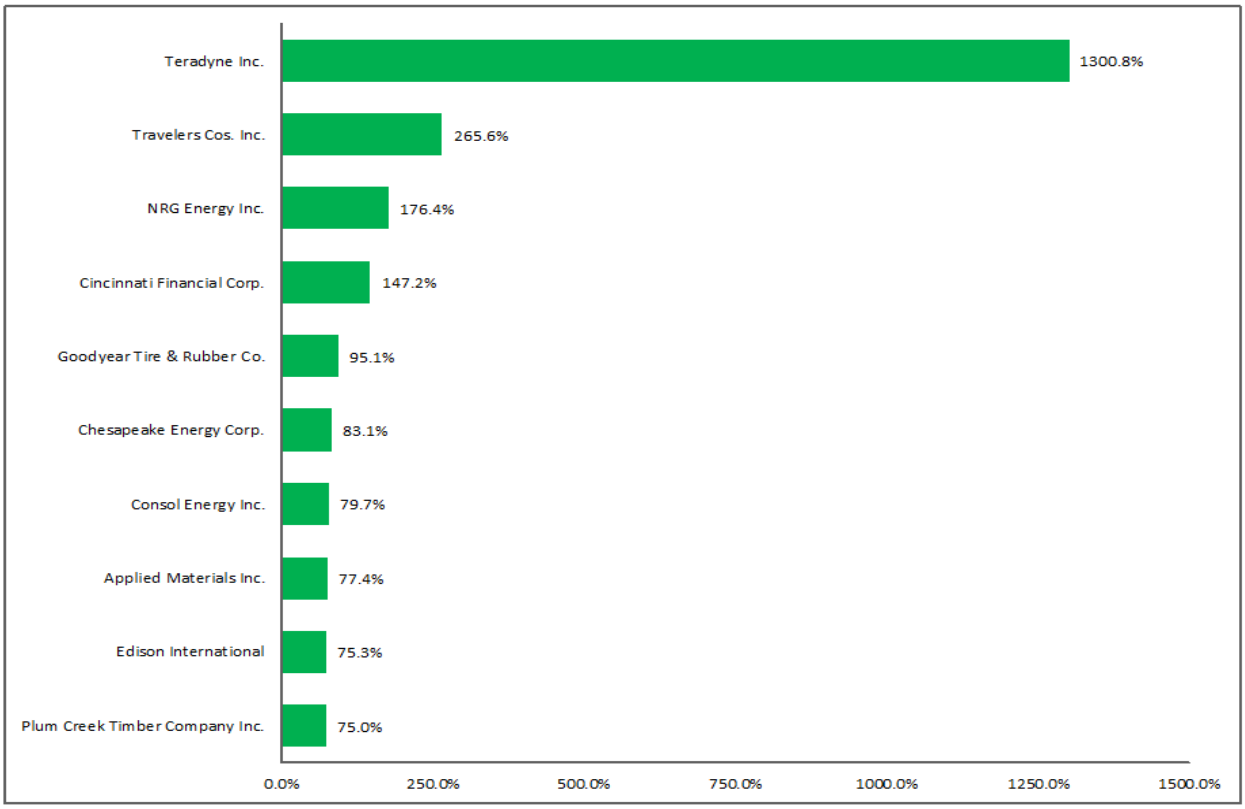
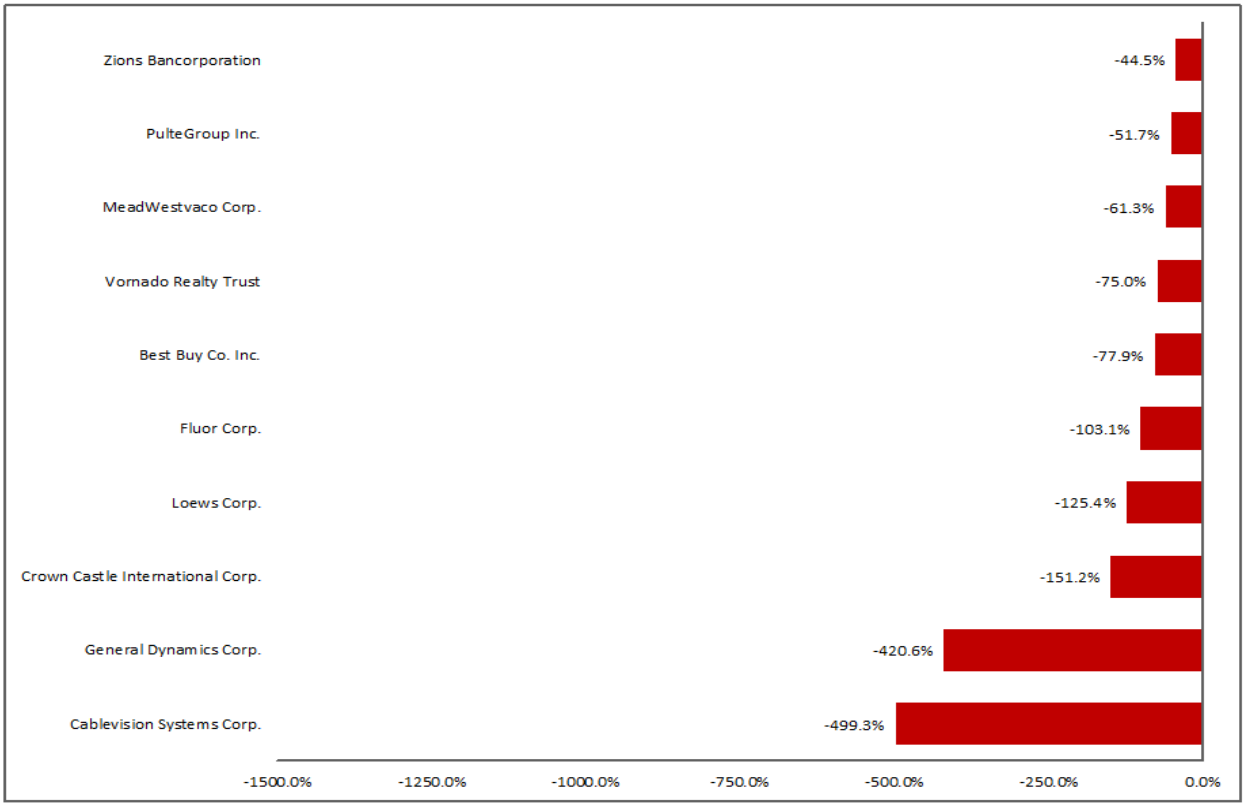
Q4 2012: Scorecard

EPS Surprise %: Top 10 Companies



EPS Surprise %: Bottom 10 Companies



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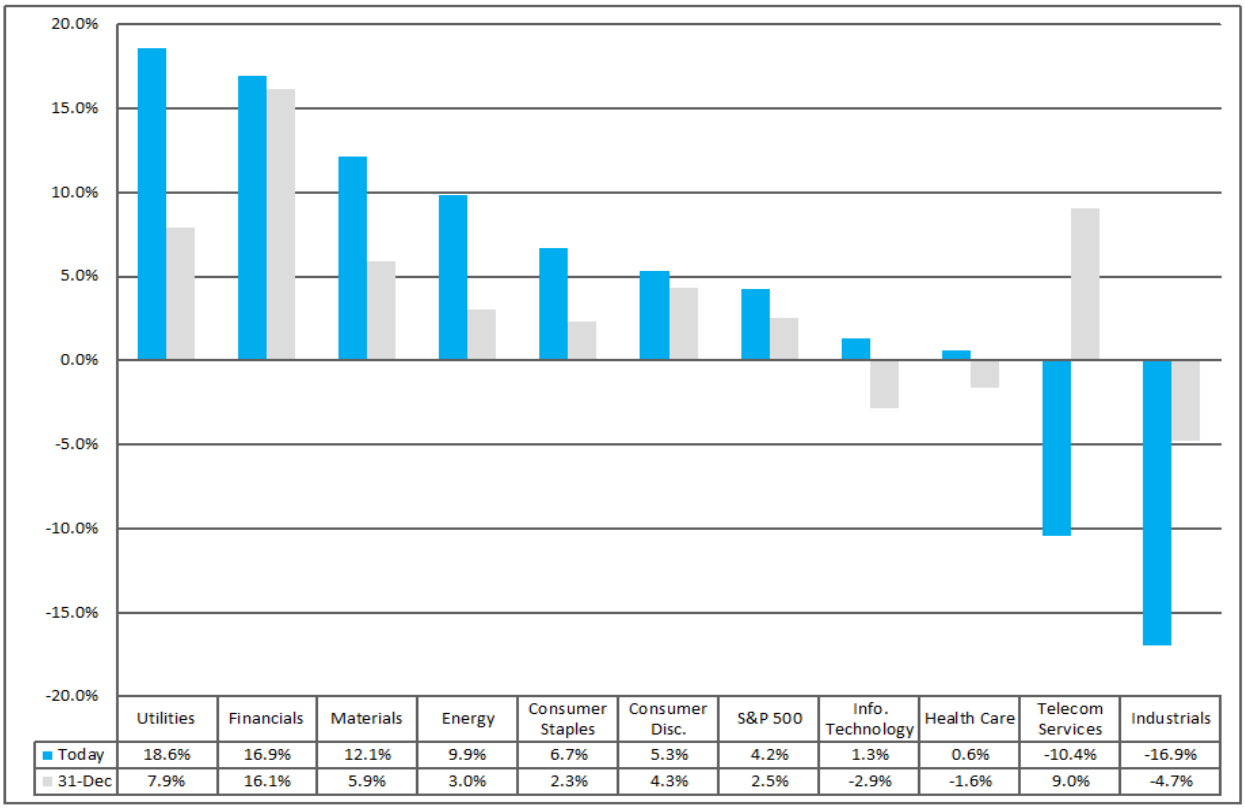
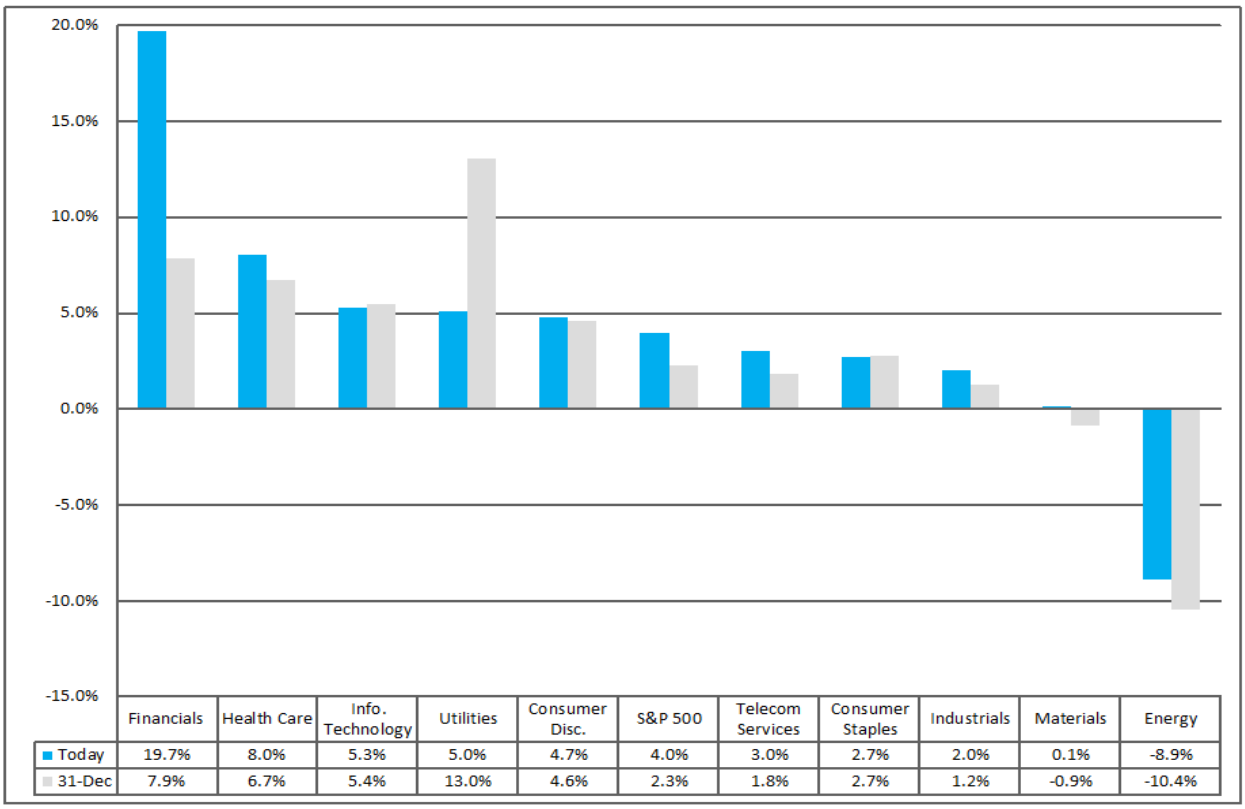
Q4 2012: Growth

Q4 2012 Earnings Growth



	Utilities	Financials	Materials	Energy	Consumer Staples	Consumer Disc.	S&P 500	Info. Technology	Health Care	Telecom Services	Industrials
Today	18.6%	16.9%	12.1%	9.9%	6.7%	5.3%	4.2%	1.3%	0.6%	-10.4%	-16.9%
31-Dec	7.9%	16.1%	5.9%	3.0%	2.3%	4.3%	2.5%	-2.9%	-1.6%	9.0%	-4.7%

Q4 2012 Revenue Growth



	Financials	Health Care	Info. Technology	Utilities	Consumer Disc.	S&P 500	Telecom Services	Consumer Staples	Industrials	Materials	Energy
Today	19.7%	8.0%	5.3%	5.0%	4.7%	4.0%	3.0%	2.7%	2.0%	0.1%	-8.9%
31-Dec	7.9%	6.7%	5.4%	13.0%	4.6%	2.3%	1.8%	2.7%	1.2%	-0.9%	-10.4%

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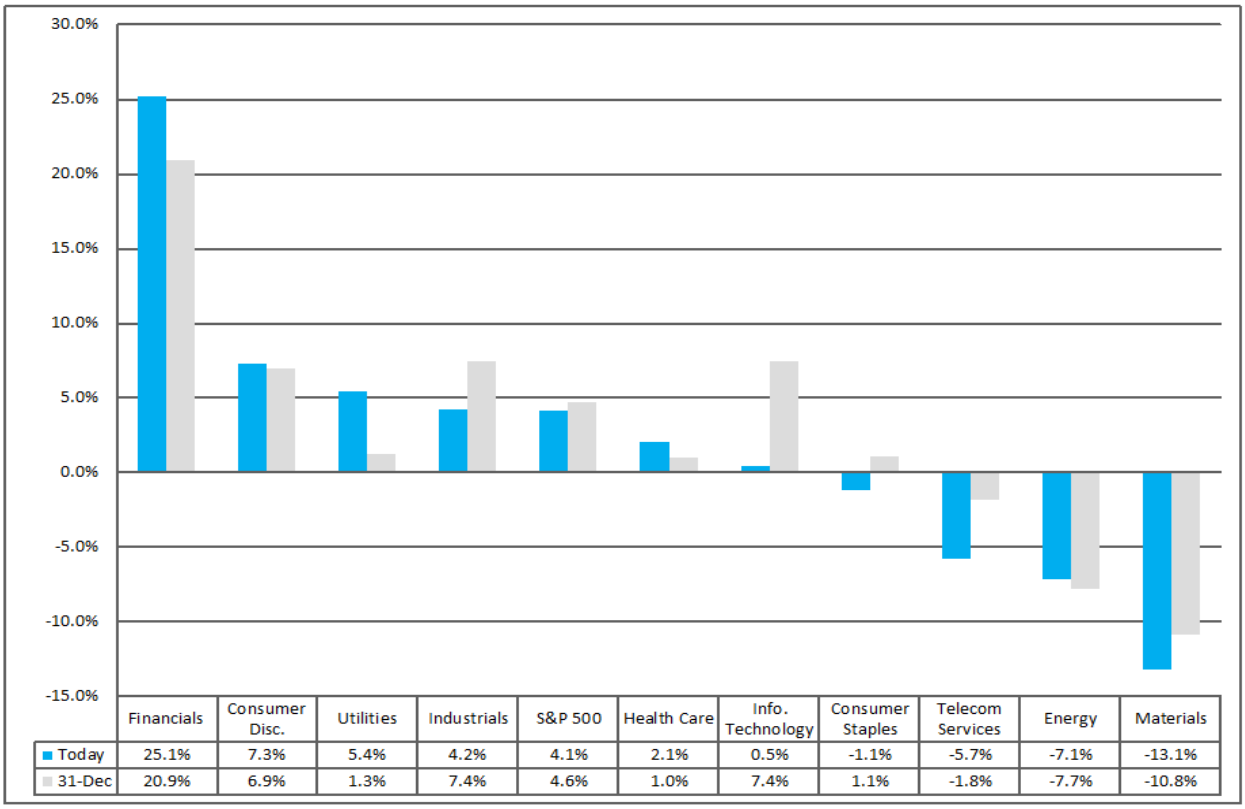
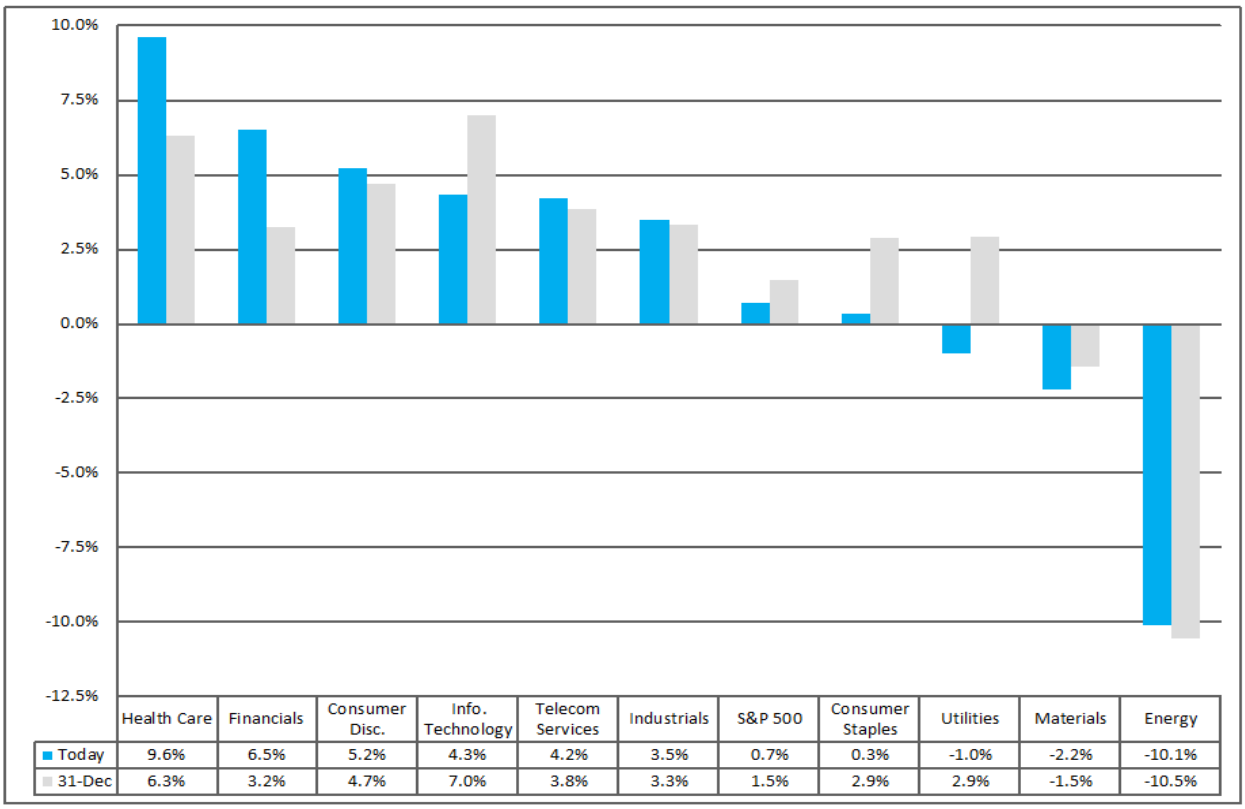
CY 2012: Growth

CY 2012 Earnings Growth



	Financials	Consumer Disc.	Utilities	Industrials	S&P 500	Health Care	Info. Technology	Consumer Staples	Telecom Services	Energy	Materials
Today	25.1%	7.3%	5.4%	4.2%	4.1%	2.1%	0.5%	-1.1%	-5.7%	-7.1%	-13.1%
31-Dec	20.9%	6.9%	1.3%	7.4%	4.6%	1.0%	7.4%	1.1%	-1.8%	-7.7%	-10.8%

CY 2012 Revenue Growth



	Health Care	Financials	Consumer Disc.	Info. Technology	Telecom Services	Industrials	S&P 500	Consumer Staples	Utilities	Materials	Energy
Today	9.6%	6.5%	5.2%	4.3%	4.2%	3.5%	0.7%	0.3%	-1.0%	-2.2%	-10.1%
31-Dec	6.3%	3.2%	4.7%	7.0%	3.8%	3.3%	1.5%	2.9%	2.9%	-1.5%	-10.5%

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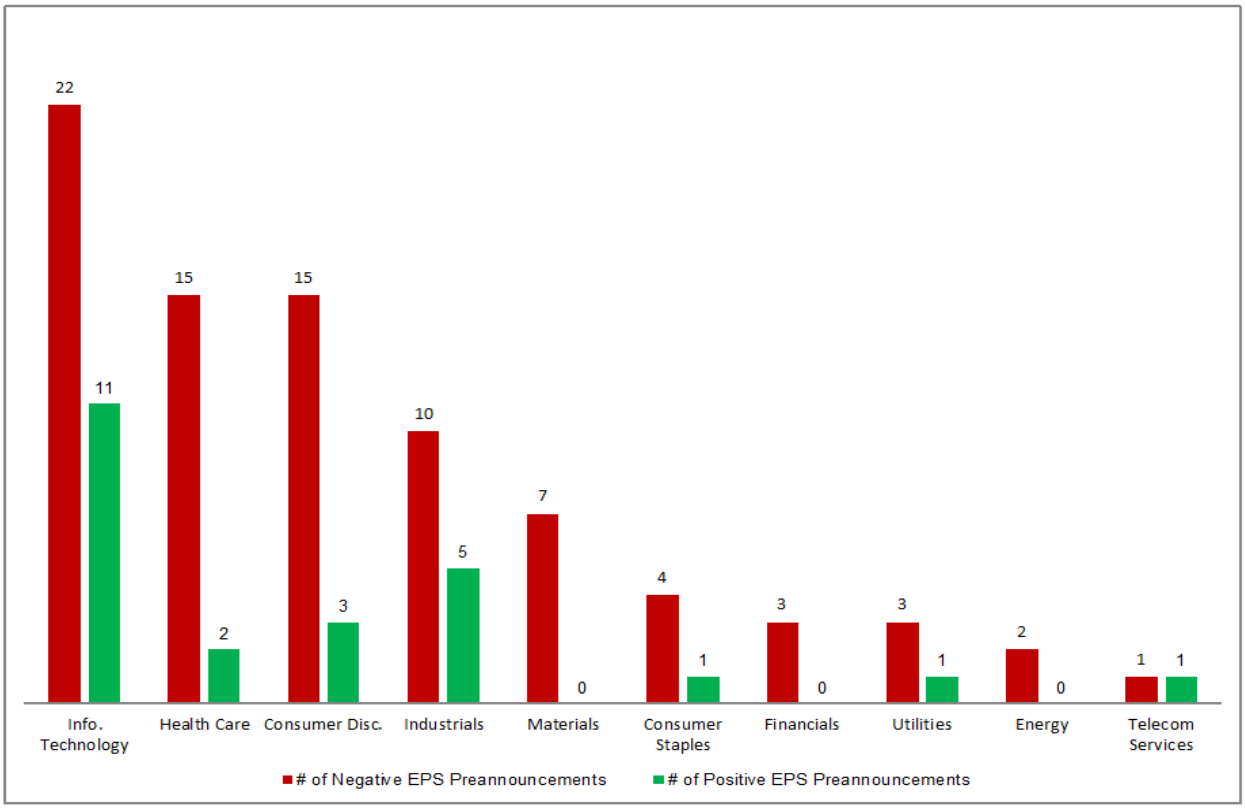
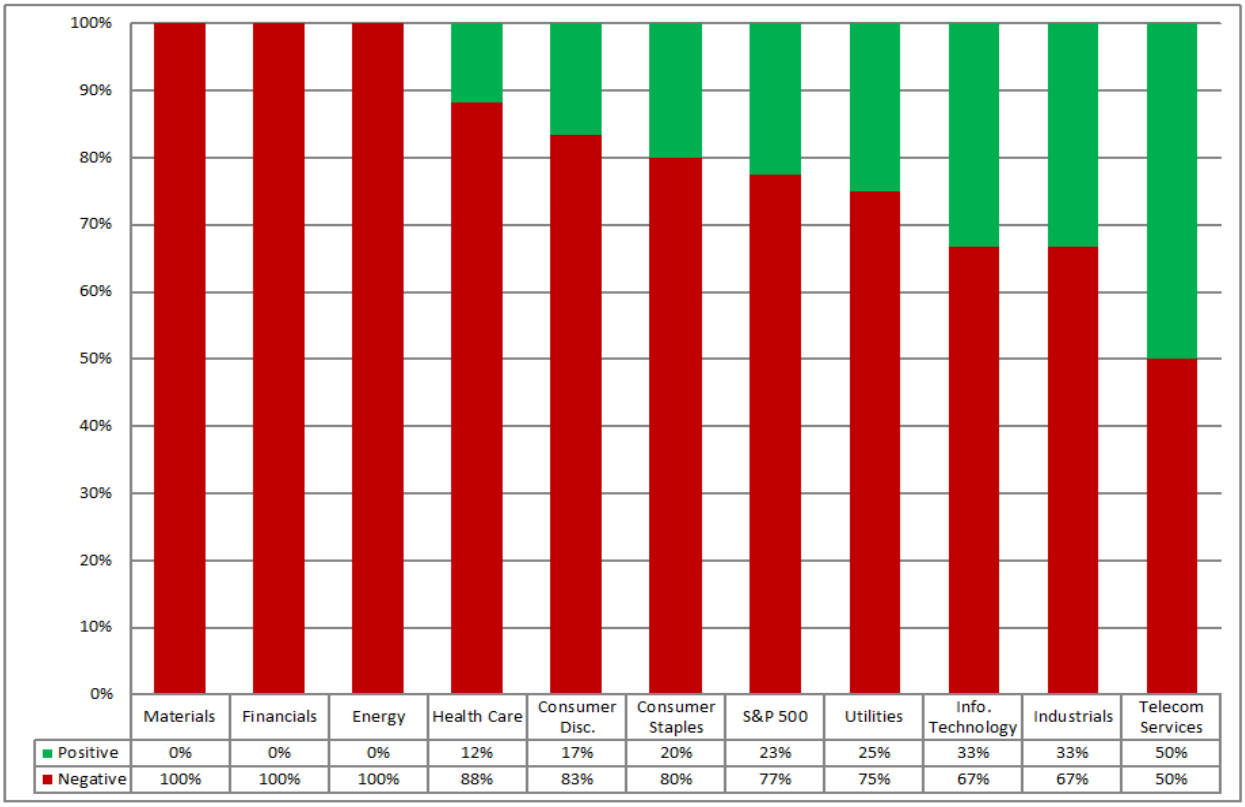
Q1 2013: Guidance

Number of Positive & Negative EPS Preannouncements: Q1 2013



Percentage of Positive & Negative EPS Preannouncements: Q1 2013



	Materials	Financials	Energy	Health Care	Consumer Disc.	Consumer Staples	S&P 500	Utilities	Info. Technology	Industrials	Telecom Services
Positive	0%	0%	0%	12%	17%	20%	23%	25%	33%	33%	50%
Negative	100%	100%	100%	88%	83%	80%	77%	75%	67%	67%	50%

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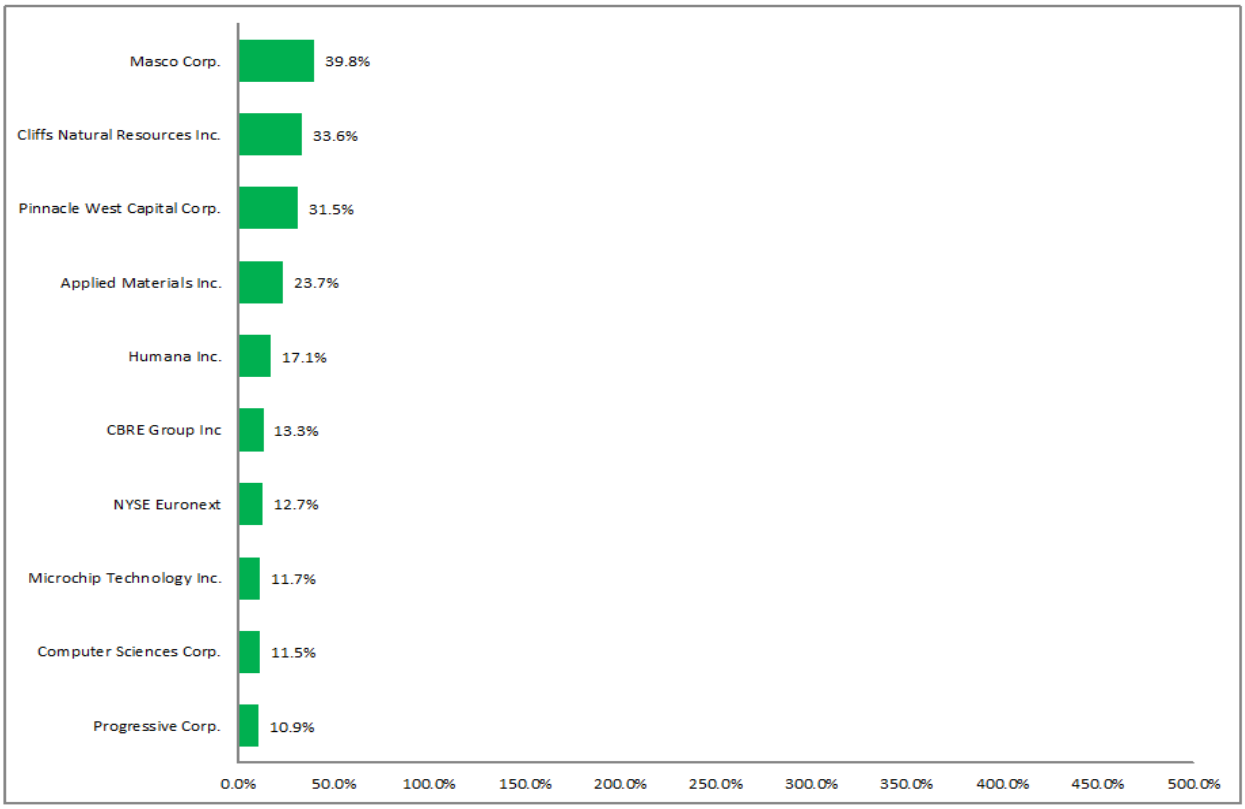
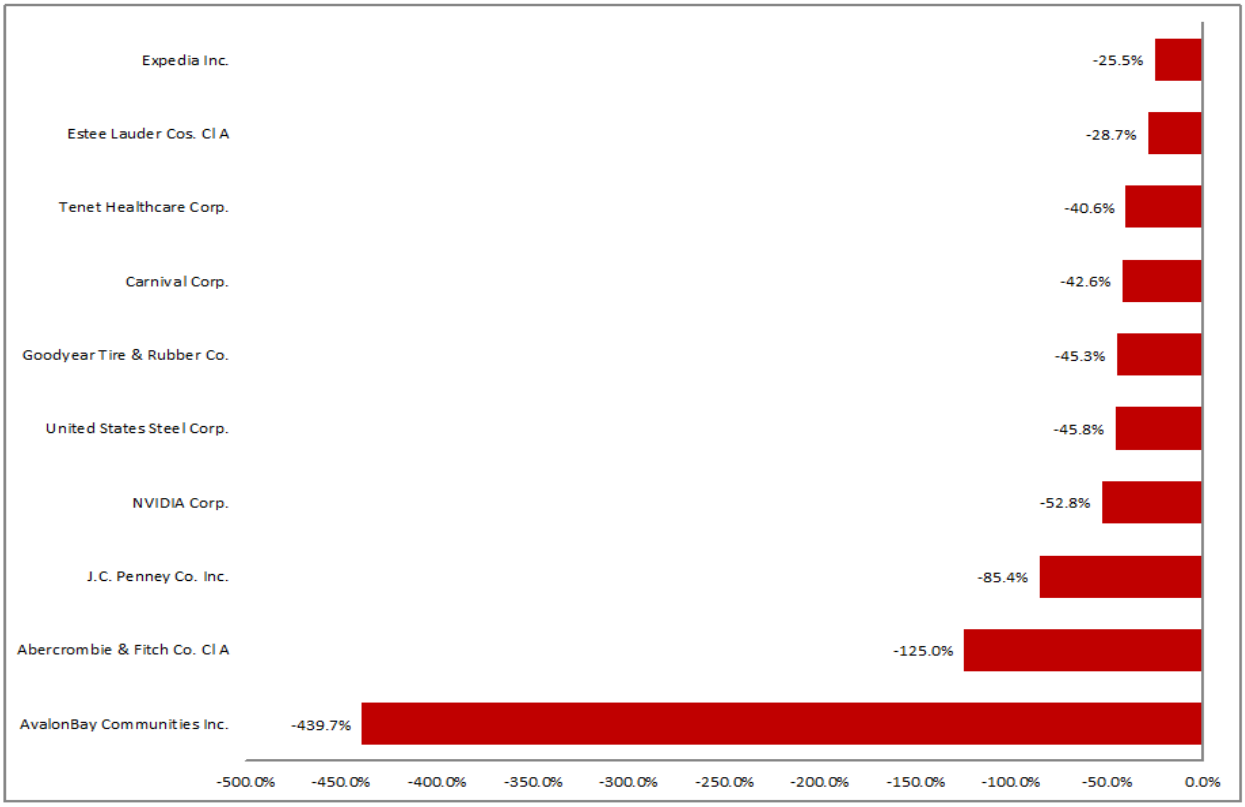
Q1 2013: EPS Revisions

Highest Upward Change (Trailing 4-Weeks) in Mean EPS Estimate: Top 10 Companies



Highest Downward Change (Trailing 4-Weeks) in Mean EPS Estimate: Top 10 Companies



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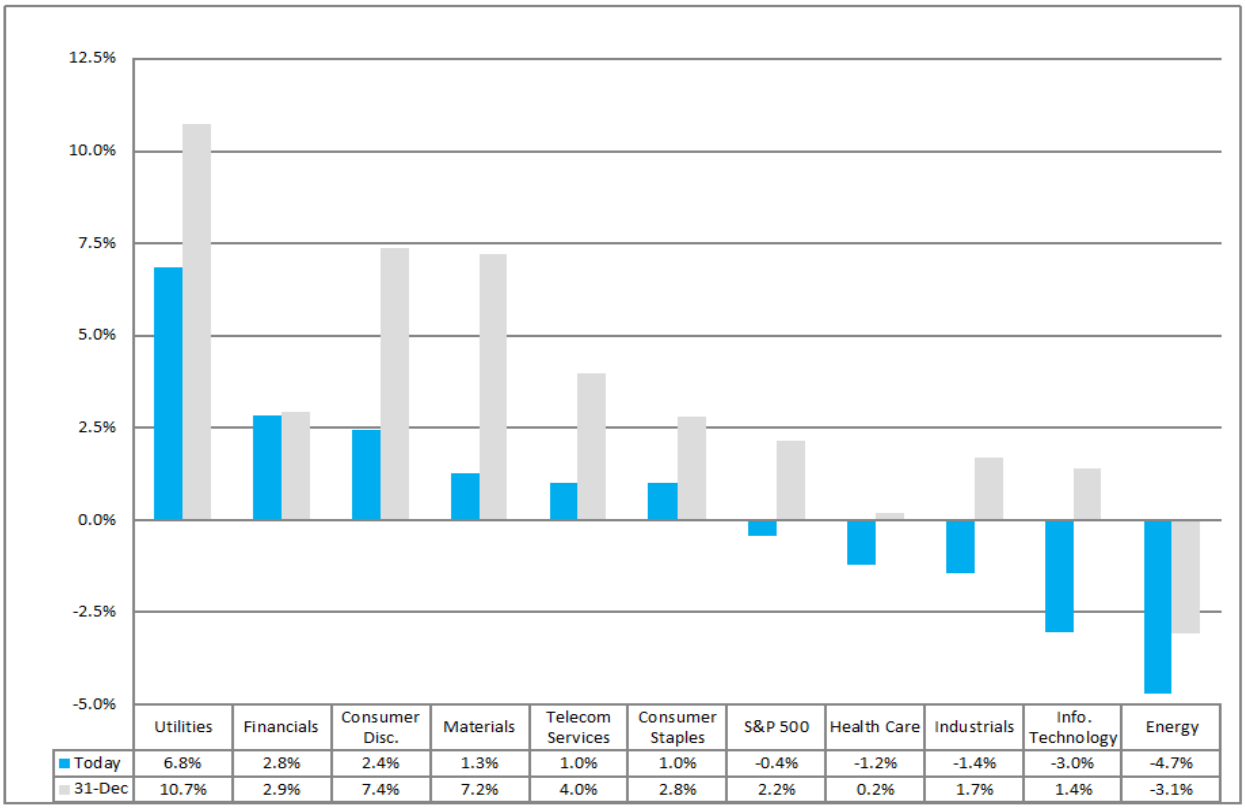
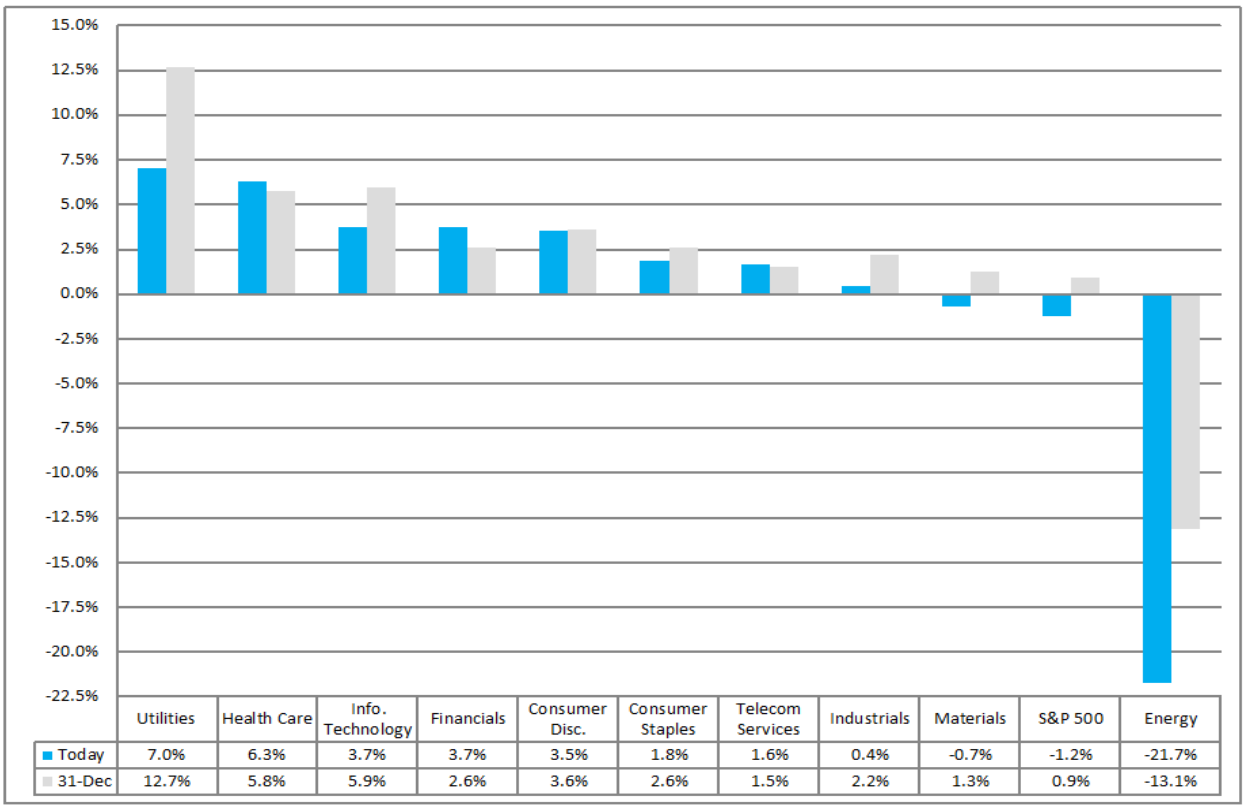
Q1 2013: Growth

Q1 2013 Earnings Growth



	Utilities	Financials	Consumer Disc.	Materials	Telecom Services	Consumer Staples	S&P 500	Health Care	Industrials	Info. Technology	Energy
Today	6.8%	2.8%	2.4%	1.3%	1.0%	1.0%	-0.4%	-1.2%	-1.4%	-3.0%	-4.7%
31-Dec	10.7%	2.9%	7.4%	7.2%	4.0%	2.8%	2.2%	0.2%	1.7%	1.4%	-3.1%

Q1 2013 Revenue Growth



	Utilities	Health Care	Info. Technology	Financials	Consumer Disc.	Consumer Staples	Telecom Services	Industrials	Materials	S&P 500	Energy
Today	7.0%	6.3%	3.7%	3.7%	3.5%	1.8%	1.6%	0.4%	-0.7%	-1.2%	-21.7%
31-Dec	12.7%	5.8%	5.9%	2.6%	3.6%	2.6%	1.5%	2.2%	1.3%	0.9%	-13.1%

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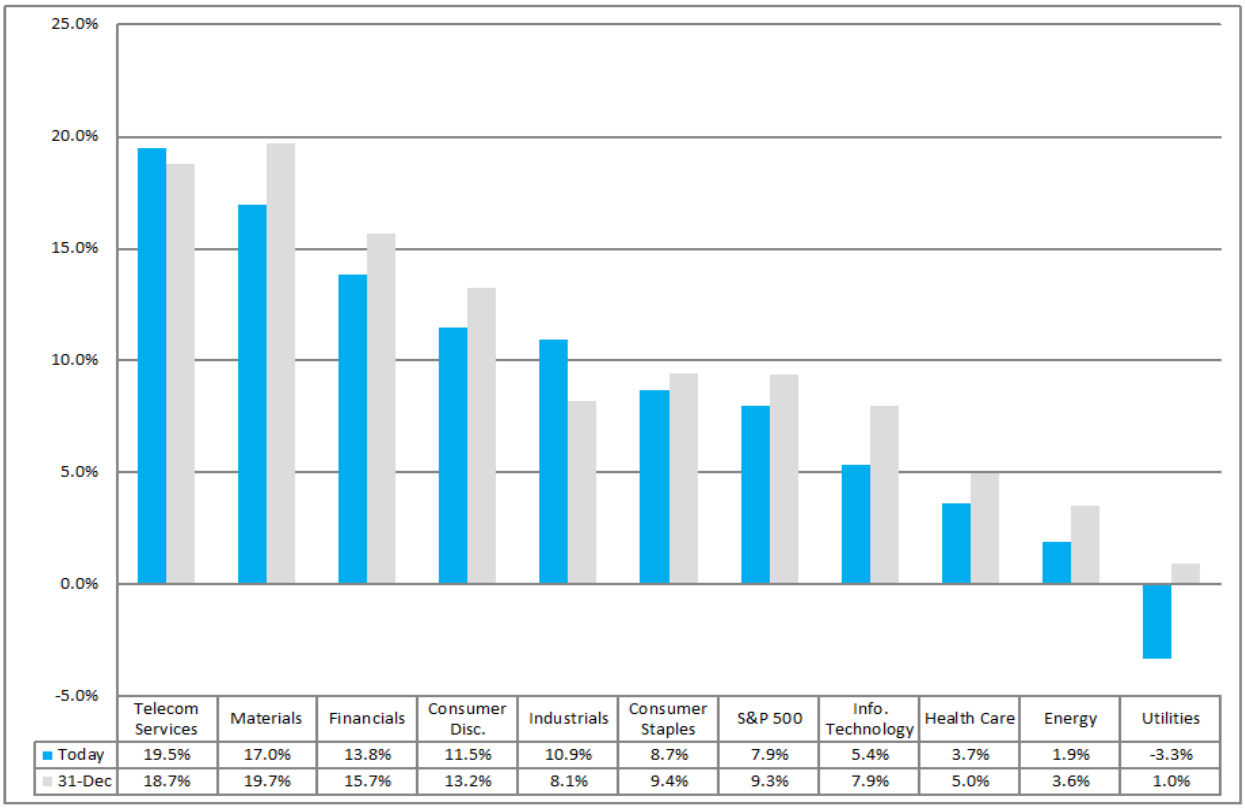
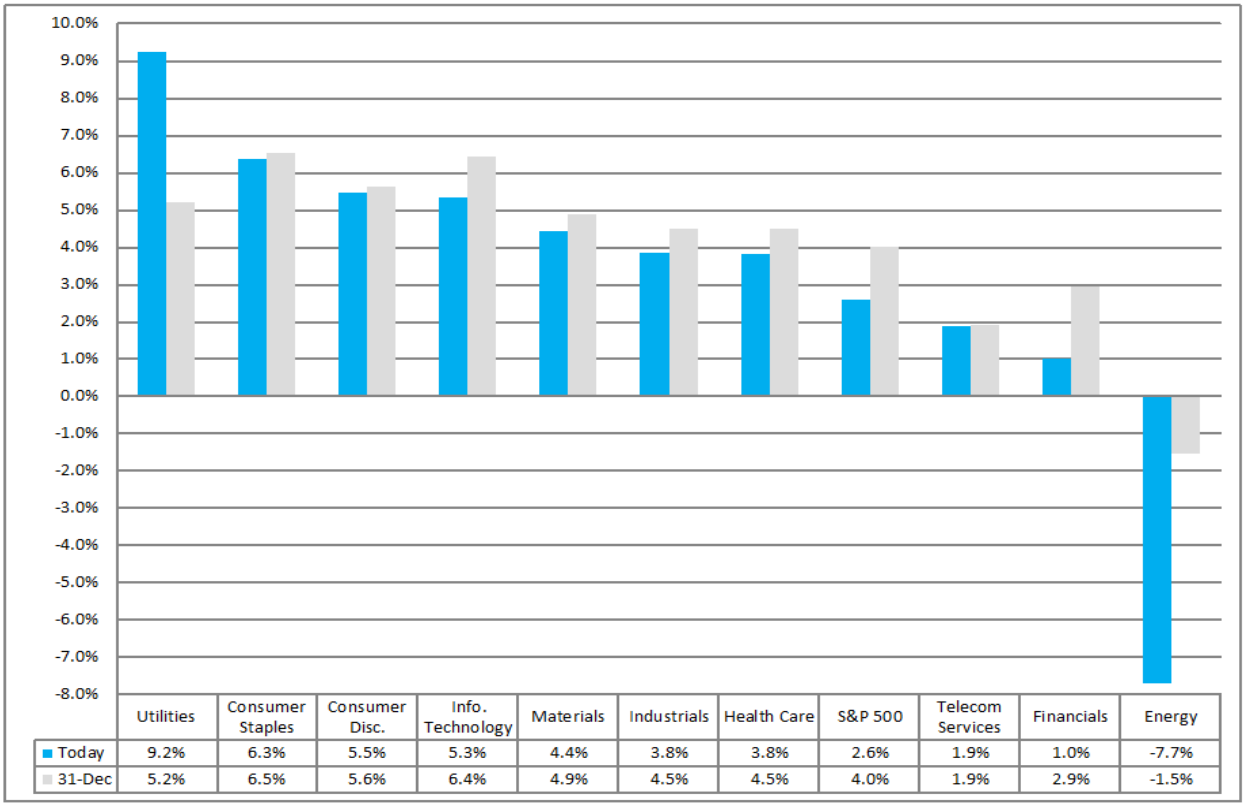
CY 2013: Growth

CY 2013 Earnings Growth



	Telecom Services	Materials	Financials	Consumer Disc.	Industrials	Consumer Staples	S&P 500	Info. Technology	Health Care	Energy	Utilities
Today	19.5%	17.0%	13.8%	11.5%	10.9%	8.7%	7.9%	5.4%	3.7%	1.9%	-3.3%
31-Dec	18.7%	19.7%	15.7%	13.2%	8.1%	9.4%	9.3%	7.9%	5.0%	3.6%	1.0%

CY 2013 Revenue Growth



	Utilities	Consumer Staples	Consumer Disc.	Info. Technology	Materials	Industrials	Health Care	S&P 500	Telecom Services	Financials	Energy
Today	9.2%	6.3%	5.5%	5.3%	4.4%	3.8%	3.8%	2.6%	1.9%	1.0%	-7.7%
31-Dec	5.2%	6.5%	5.6%	6.4%	4.9%	4.5%	4.5%	4.0%	1.9%	2.9%	-1.5%

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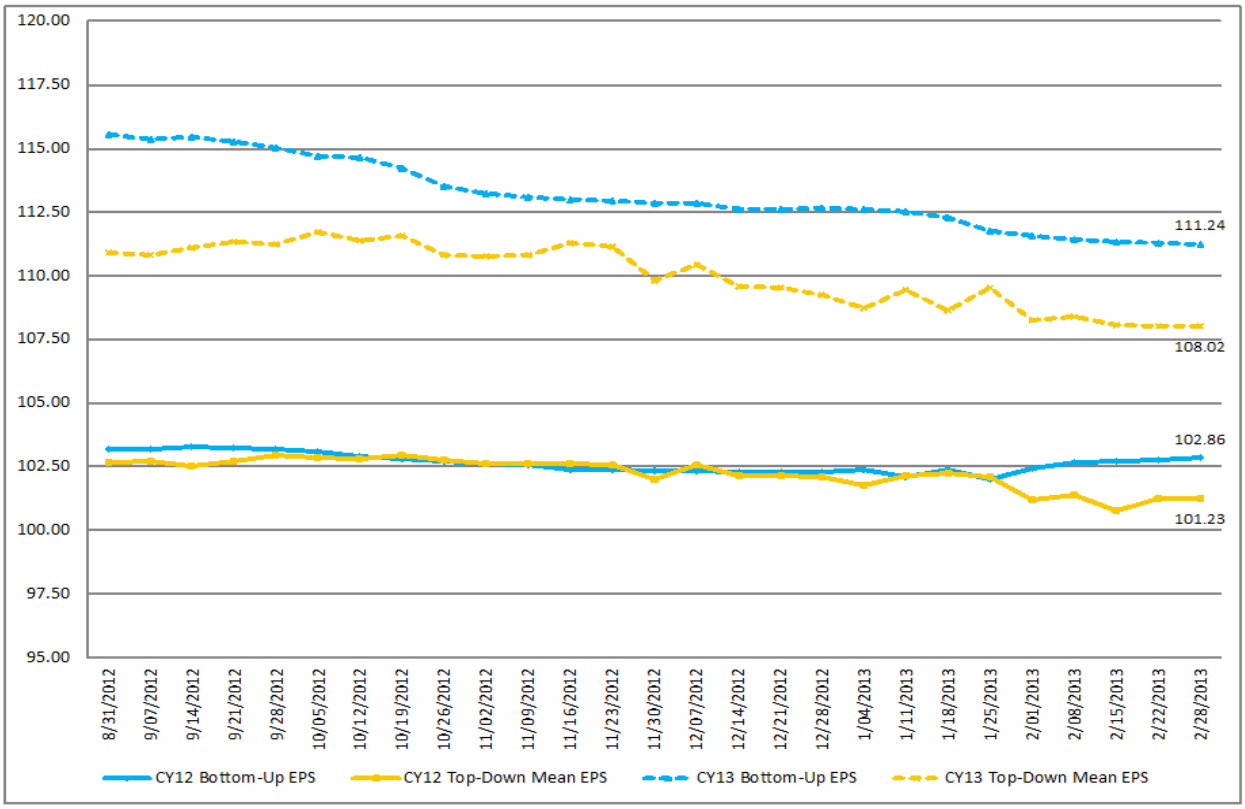
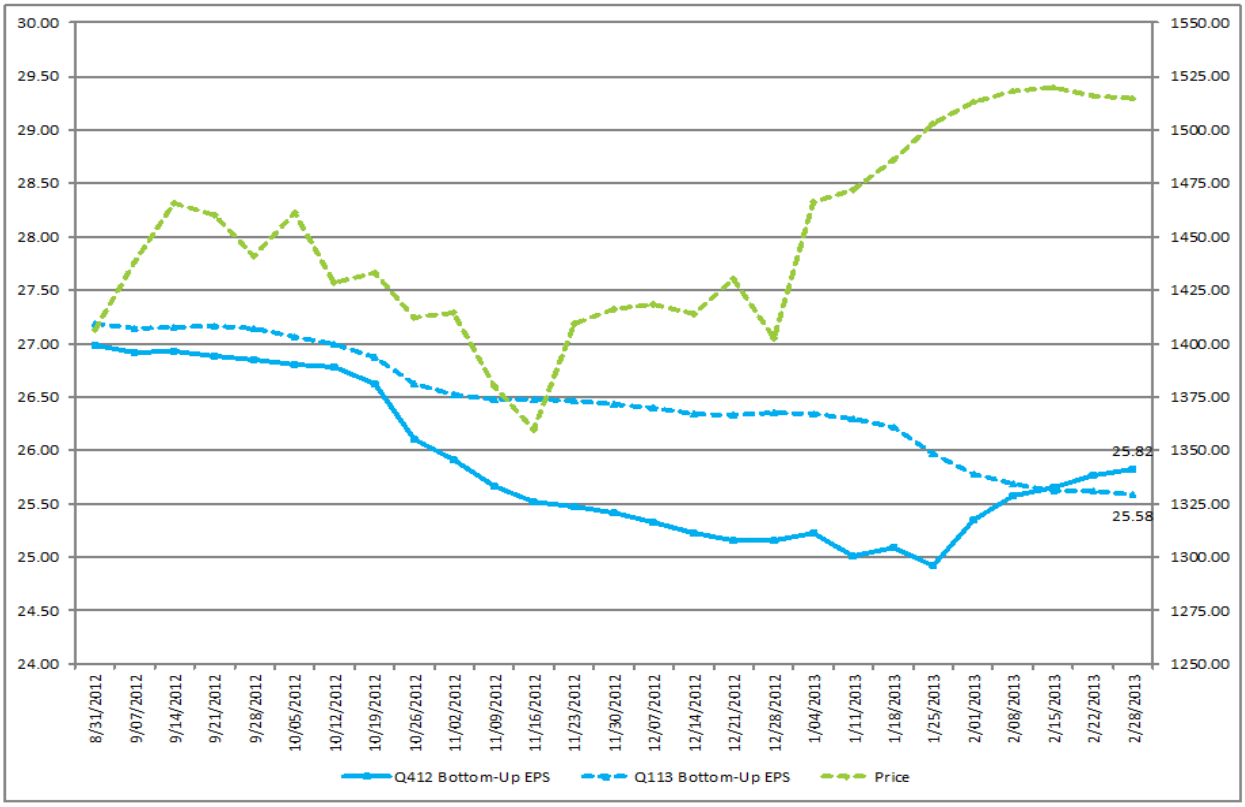
Bottom-up Estimates: Revisions

CY Bottom-Up EPS vs. Top-Down Mean EPS (Trailing 26-Weeks)



Change in Q412 and Q113 Bottom-Up EPS vs. Price (Trailing 26-Weeks)



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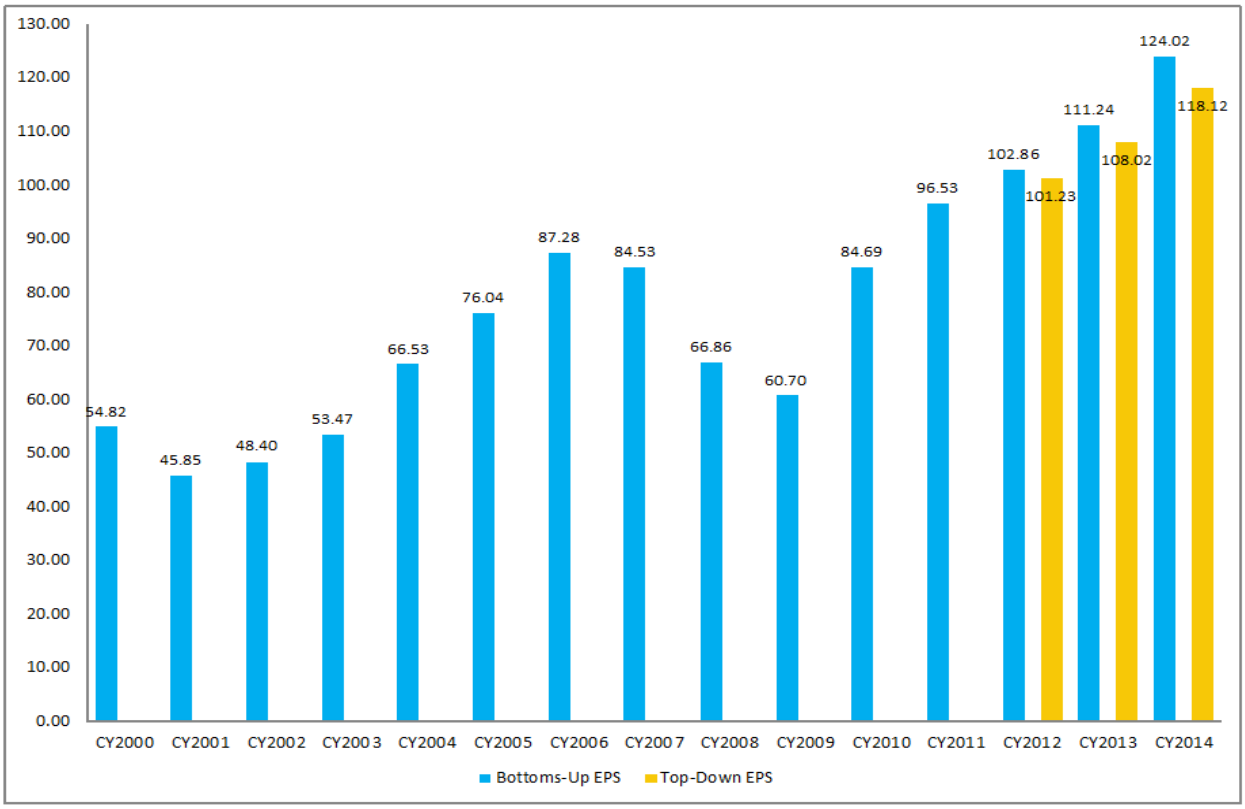
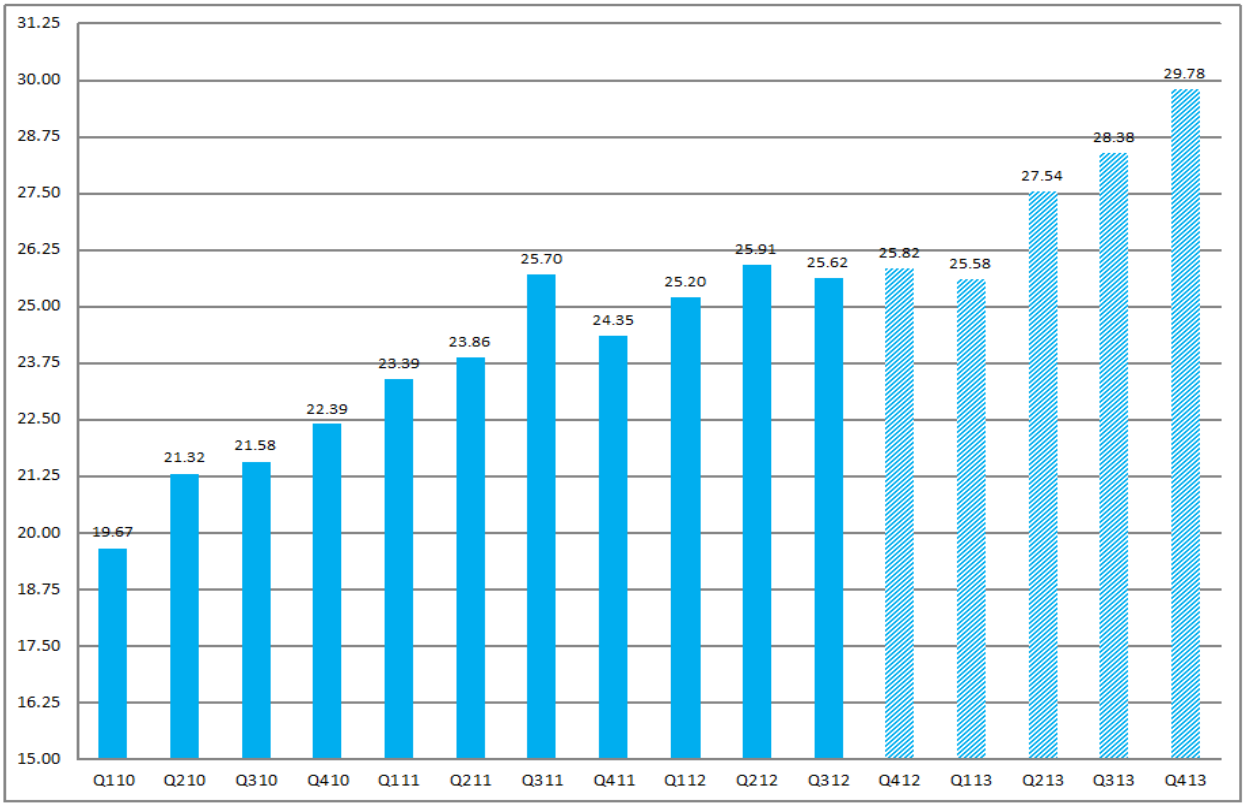
Bottom-up Estimates: Current & Historical

Calendar Year Bottom-Up EPS Actuals & Estimates



Calendar Year Bottom-Up EPS Actuals & Estimates



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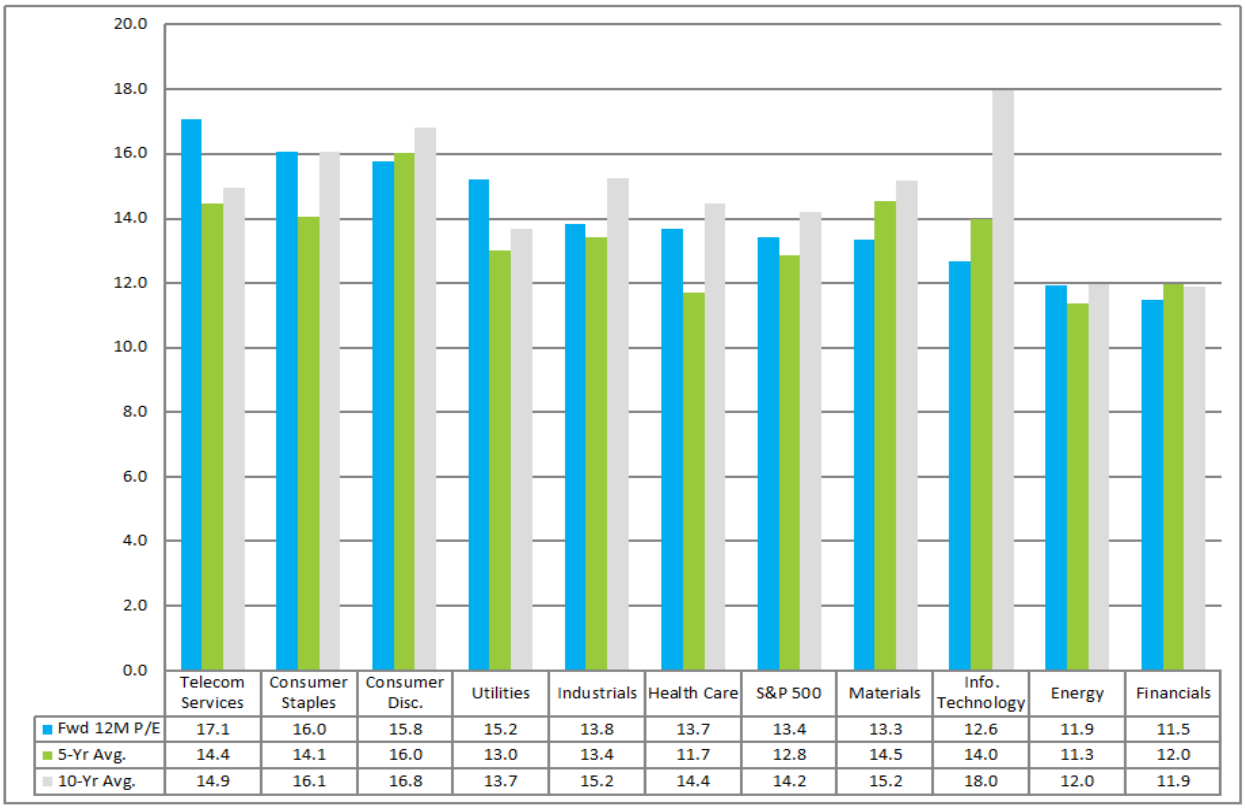
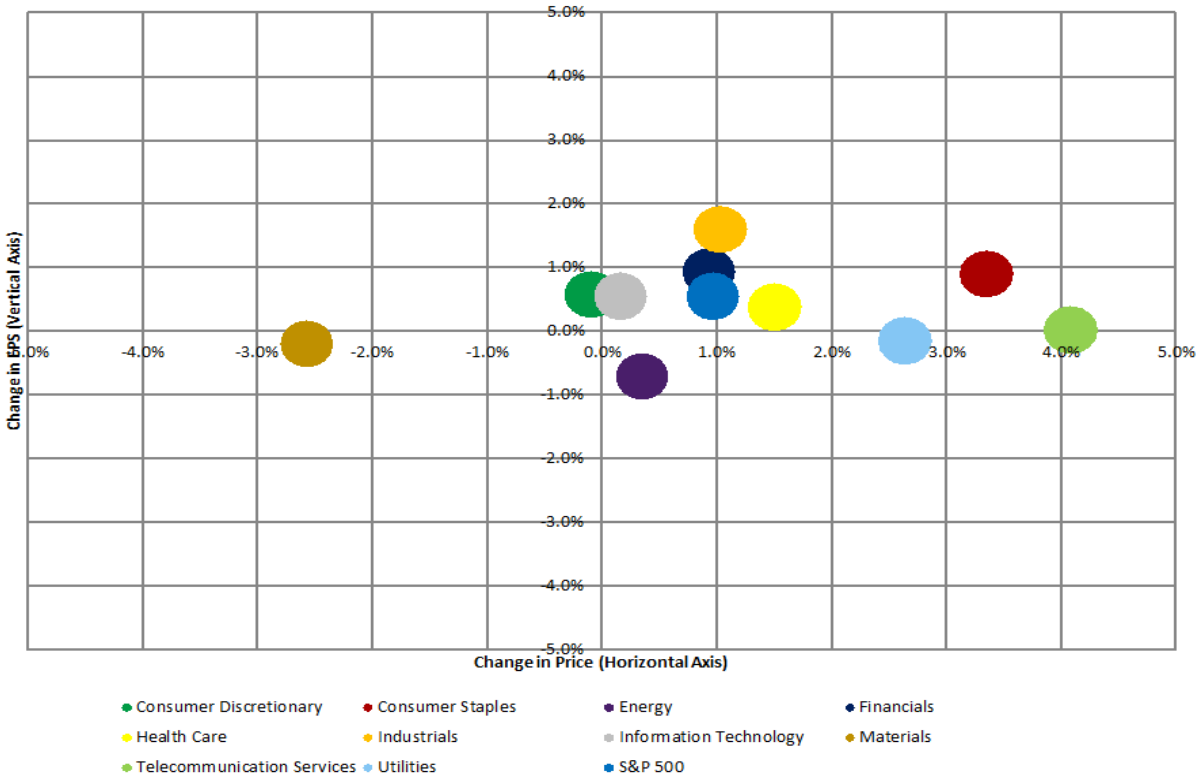
Price / Earnings Ratio: Sector Level

Sector-Level Forward 12-Month P/E Ratios



	Telecom Services	Consumer Staples	Consumer Disc.	Utilities	Industrials	Health Care	S&P 500	Materials	Info. Technology	Energy	Financials
Fwd 12M P/E	17.1	16.0	15.8	15.2	13.8	13.7	13.4	13.3	12.6	11.9	11.5
5-Yr Avg.	14.4	14.1	16.0	13.0	13.4	11.7	12.8	14.5	14.0	11.3	12.0
10-Yr Avg.	14.9	16.1	16.8	13.7	15.2	14.4	14.2	15.2	18.0	12.0	11.9

Sector-Level Change in Price vs. Change Forward 12M EPS: 1-Month



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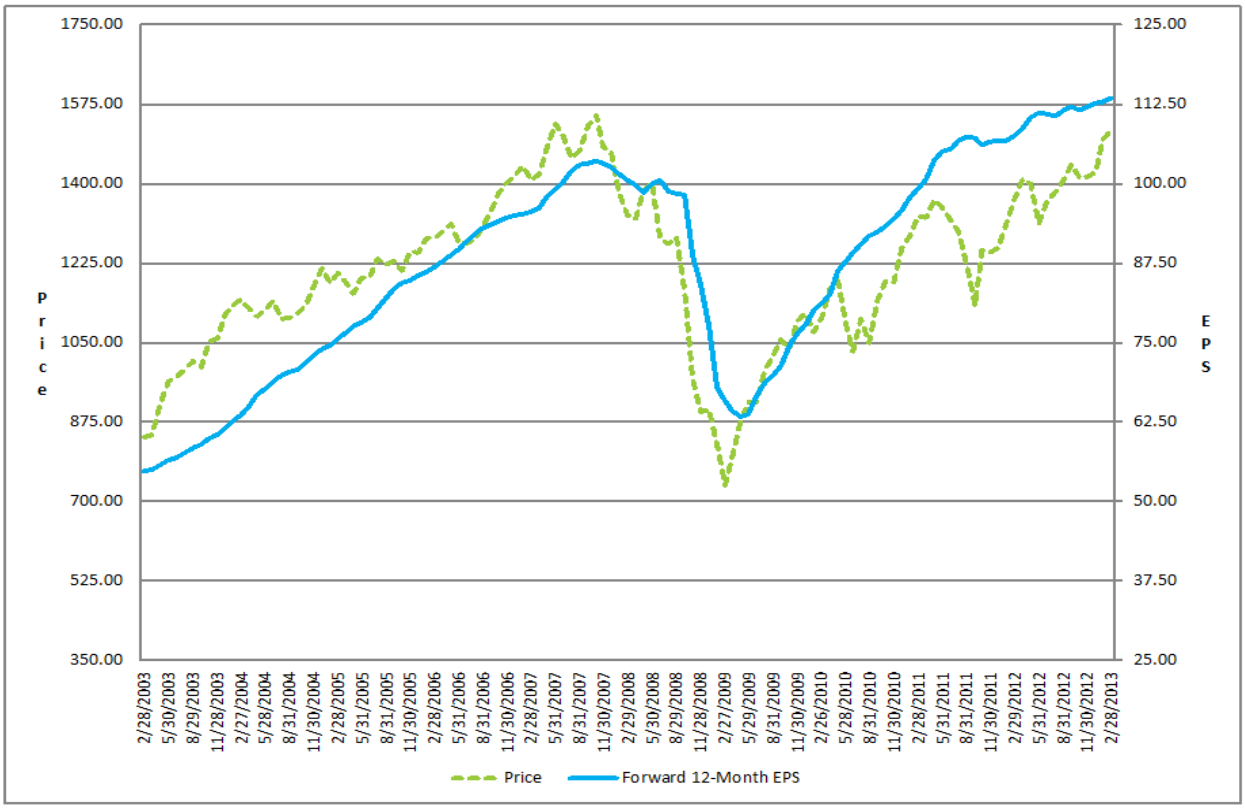
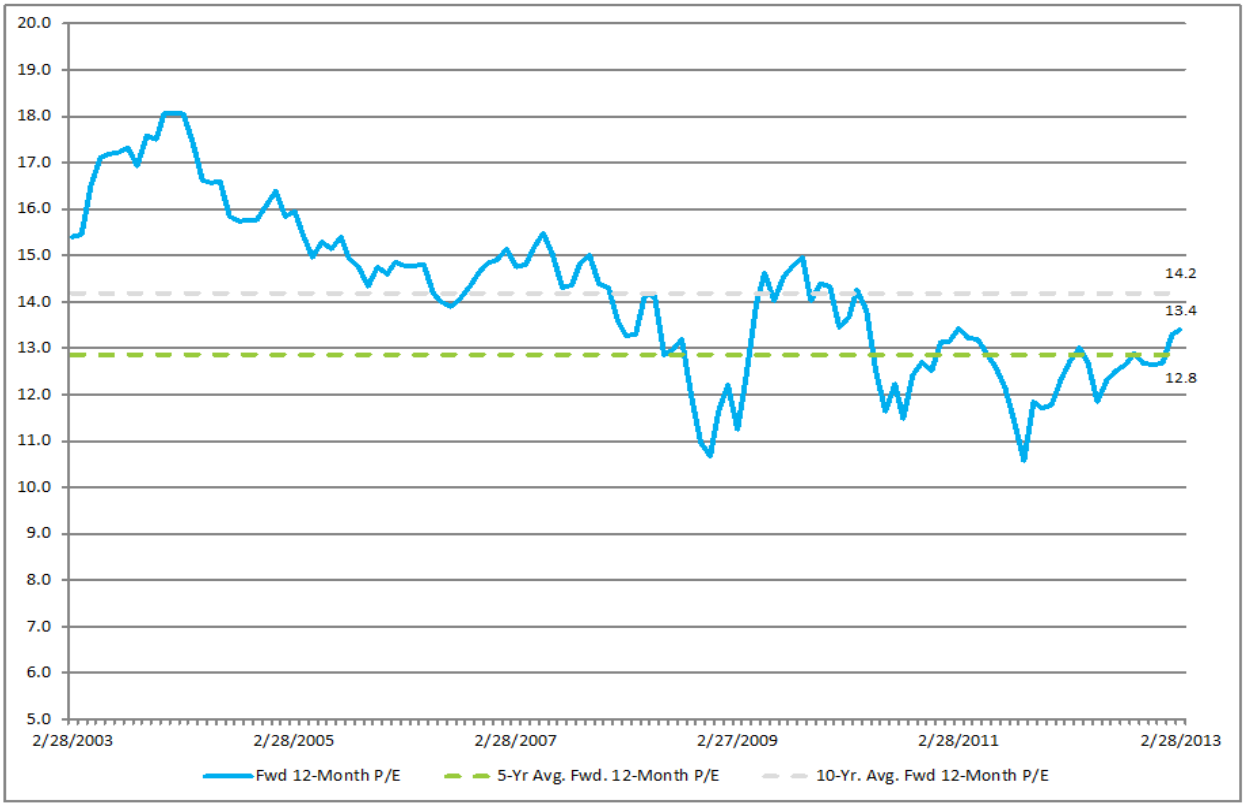
Price / Earnings Ratio: Long-Term Averages

Change in Price vs. Change in Forward 12M EPS: 10-Year



Forward 12M P/E Ratio: 10-Years



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