John Butters, Senior Earnings Analyst
jbutters@factset.com

Media Questions/Requests
media_request@factset.com

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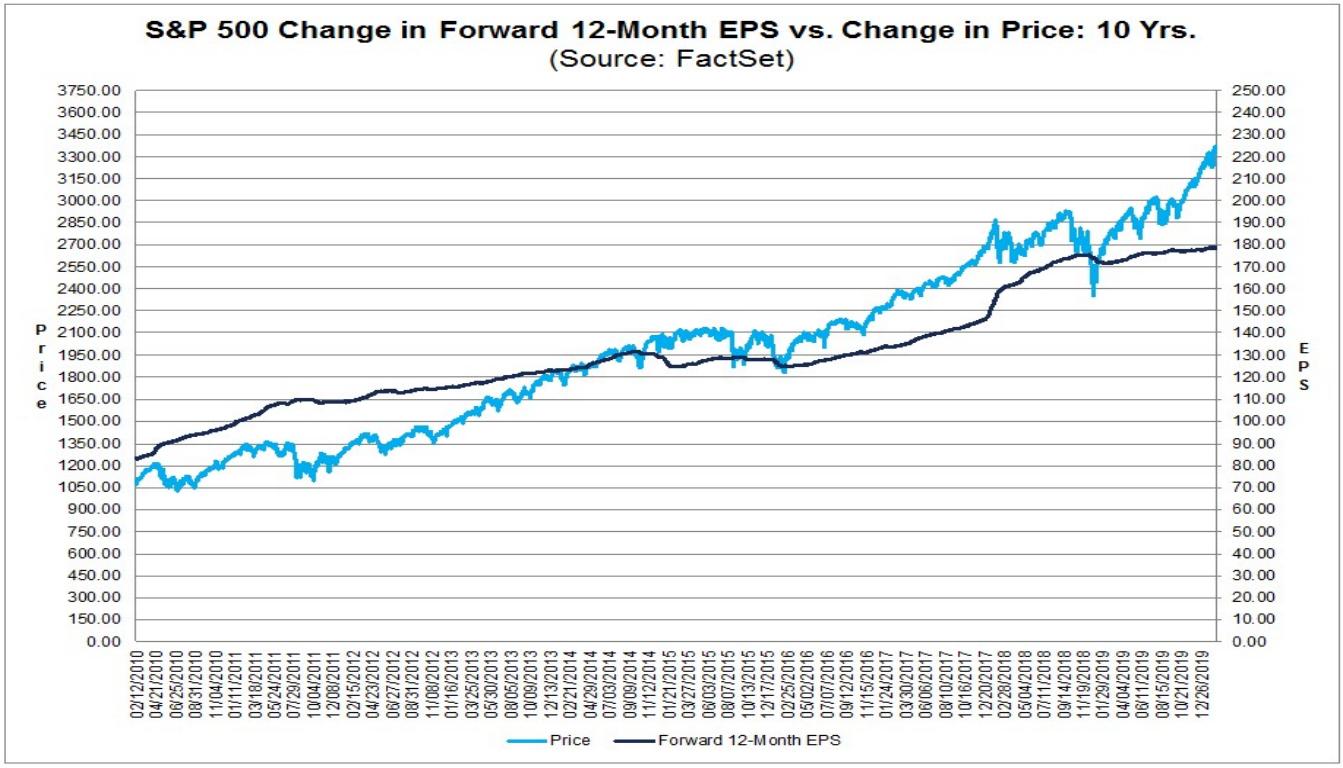
Key Metrics

- **Earnings Scorecard:** For Q4 2019 (with 77% of the companies in the S&P 500 reporting actual results), 71% of S&P 500 companies have reported a positive EPS surprise and 67% of S&P 500 companies have reported a positive revenue surprise.
- **Earnings Growth:** For Q4 2019, the blended earnings growth rate for the S&P 500 is 0.9%. If 0.9% is the actual growth rate for the quarter, it will mark the first time the index has reported year-over-year growth in earnings since Q4 2018 (13.3%).
- **Earnings Revisions:** On December 31, the estimated earnings decline for Q4 2019 was -1.7%. Nine sectors have higher growth rates today (compared to December 31) due to positive EPS surprises.
- **Earnings Guidance:** For Q1 2020, 51 S&P 500 companies have issued negative EPS guidance and 25 S&P 500 companies have issued positive EPS guidance.
- **Valuation:** The forward 12-month P/E ratio for the S&P 500 is 18.9. This P/E ratio is above the 5-year average (16.7) and above the 10-year average (15.0).



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Topic of the Week:

Are S&P 500 Companies Lowering Guidance Due to the Coronavirus on Q4 Earnings Calls?

During each corporate earnings season, it is not unusual for companies to comment on subjects that had an impact on their earnings and revenues in a given quarter or may have an impact on earnings and revenues in future quarters. Given the concerns in the financial markets about the impact of the coronavirus, have companies in the S&P 500 commented on the coronavirus during their earnings conference calls for the fourth quarter?

To answer this question, FactSet searched for the term “coronavirus” in the conference call transcripts of the 364 S&P 500 companies that conducted fourth quarter earnings conference calls from January 1 through February 13. Of these 364 companies, 138 (or 38%) cited the term “coronavirus” during the call. At the sector level, the Industrials (26), Information Technology (26), and Health Care (24) sectors have seen the highest number of companies discussing “coronavirus” on earnings calls of all eleven sectors.

For the 138 companies that discussed the coronavirus on their earnings calls for Q4, the average revenue exposure to China is 7.2%. For all S&P 500 companies, the average revenue exposure to China is 4.8%.

While many of these 138 companies discussed the current negative impact or the potential future negative impact of the coronavirus on their businesses, 47 companies (or 34%) stated during their earnings call that it was too early (or difficult) to quantify the financial impact or were not including any impact from the coronavirus in their guidance. On the other hand, 34 companies (or 25%) included some impact from the coronavirus in their guidance or modified guidance in some capacity due to the virus.

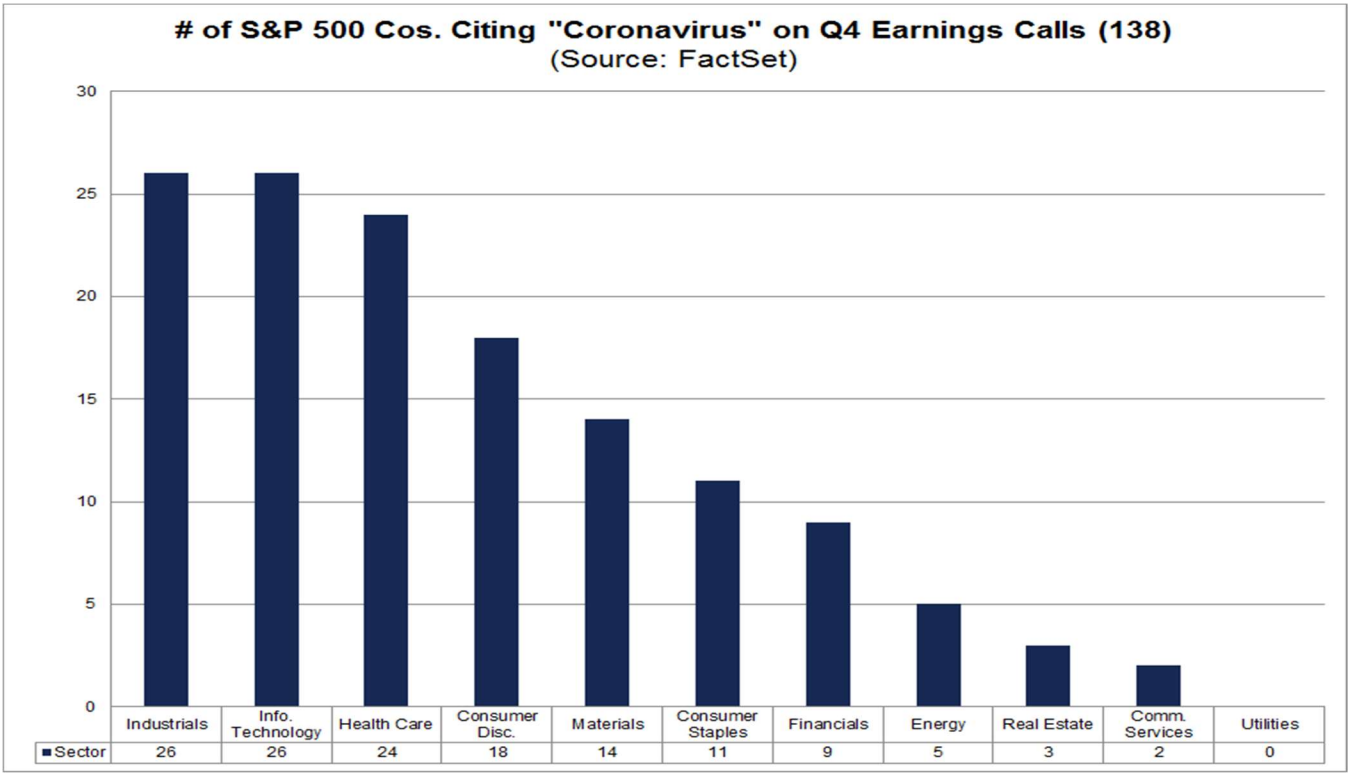
Given the large number of companies that did not update or modify guidance due to the impact of coronavirus, it is possible that there will be an increase in the number companies issuing negative guidance later in the first quarter as these companies gain clarity on the impact of the coronavirus on their businesses.

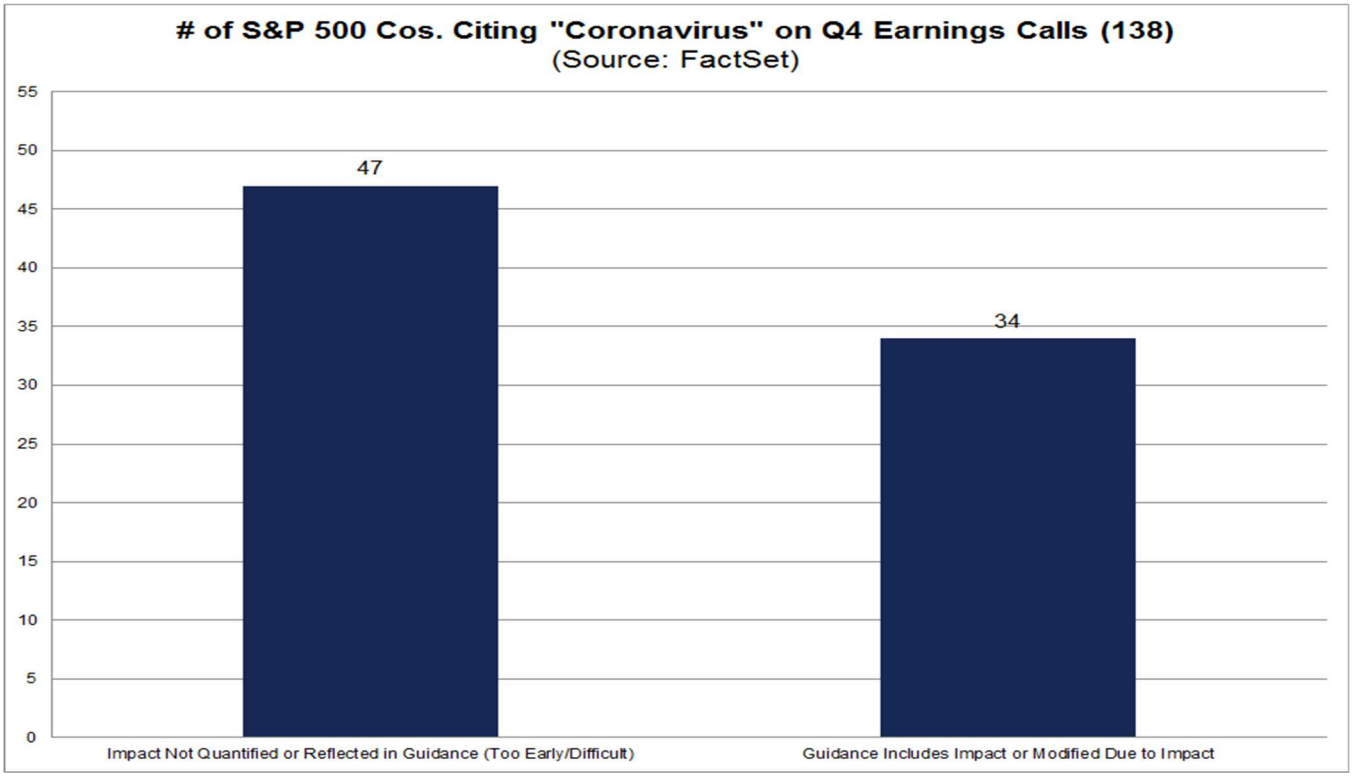
For example, Ralph Lauren stated on February 4 during the company’s earnings call, “At this early stage, our guidance does not include potential impact from the coronavirus outbreak, given the dynamic nature of the situation.” Thus, the company is included in the count of 47 companies that did not include any impact from coronavirus in their guidance issued during their Q4 earnings call. However, the company later stated in a press release on February 13 regarding the impact of the coronavirus, “The Company’s fourth quarter Fiscal 2020 guidance is now estimated to be negatively impacted by $55 million to $70 million in sales and $35 million to $45 million in operating income in Asia, driven by current trends in China, Japan, and Korea.”

A number of the companies that did include some impact of the coronavirus in their guidance also stated that there was uncertainty about the overall or long-term impact on their businesses. For example, Under Armour stated in their earnings call on February 11, “As Patrik detailed, this outlook includes an anticipated first quarter negative impact in the APAC region stemming from the very unfortunate coronavirus situation, which we currently estimate challenging global revenue growth by little more than a 1 point in 2020. To reiterate, this outlook does not contemplate any additional impact beyond the first quarter, and these impacts could be material depending on how the situation develops.” Thus, some of these 34 companies may also revise guidance for future quarters or the full year at a later time when they have more insight on the potential long-term impact of the virus on their businesses.

To date, guidance issued by S&P 500 companies for Q1 2019 has been less negative than average. In terms of EPS guidance for Q1 2019, 51 S&P 500 companies have issued negative EPS guidance and 25 have issued positive EPS guidance. The percentage of companies issuing negative EPS guidance is 67% (51 out of 76), which is below the 5-year average of 70%. In terms of revenue guidance for Q1 2019, 33 S&P 500 companies have issued negative revenue guidance and 27 have issued positive revenue guidance. The percentage of companies issuing negative revenue guidance is 55% (33 out of 60), which is below the 5-year average of 57%.

Two charts and comments from the earnings calls of 47 companies that stated it was too early (or difficult) to quantify the impact of coronavirus or were not including any impact from the virus in their guidance and comments from the 34 companies that included the impact of coronavirus in their guidance or modified guidance in some way due to the impact of the virus can be found on the next several pages.





Too Early or Difficult to Quantify Impact or Impact Not Reflected in Guidance (47)

"So first off, we haven't – it's too soon to see any impact." -American Airlines Group (Jan. 22)

"Before I hand it back to the operator, the growing coronavirus outbreak is a concern on multiple fronts. First, our thoughts and prayers go out to those impacted…That said, we have not embedded any financial impact in our first quarter or full year guidance." -PerkinElmer (Jan. 27)

"I think it's too early to really know what the impact is going to be on it… Certainly, the reduction in people traveling, being able to go out to eat, being able to shop at the grocery stores is not a positive for business. We can't really quantify it right now. We certainly think that more facts will come out over the coming days really and we'll see – we'll have – we'll be better able to understand what the real business impact is." -McCormick & Co. (Jan. 28)

"We introduced our 2020 EPS guidance this morning with the range of between $2.40 and $2.50 per share, a 10% increase at the midpoint compared with last year. Our 2020 EPS guidance excludes any potential impact to our businesses from the developing coronavirus originating in China."-A. O. Smith Corporation (Jan. 28)

"Really too early to get into details about coronavirus." -Stryker (Jan. 28)

"Now before I close, I know there are a lot of questions on the impact of the coronavirus on Corning. The safety and well-being of our people is our number one priority…At the same time, we have not factored any meaningful operational or financial impact in our guidance. The situation remains fluid and as more information becomes available, we will update you accordingly." -Corning (Jan. 29)

"With respect to the coronavirus, it doesn't help. There's no doubt about that. We've talked to our customers about that and the level of impact that they're anticipating is unknown at this point." -Norfolk Southern (Jan. 29)

"To your specific question around the impact of the coronavirus, here's what I'd tell you. It's early days. Fortunately, a decent portion of our inbound and outbound cross-border from China is e-comm-related so it provides some level of a hedge and we will continue to monitor the environment. It's too early to tell at this point in time how this thing plays out." -Mastercard (Jan. 29)

"Now let me turn to our view for the full year 2020. As I just described, the situation in China surrounding the novel coronavirus is very fluid. While our Q1 outlook includes our best view of how the coronavirus will impact our business in the first quarter, it is very difficult to predict and forecast the longer term impact. Therefore, we are providing you with our best view of 2020 prior to the novel coronavirus outbreak so that you can use it as a baseline from which to build your models for the year." -Align Technology (Jan. 29)

"As it relates to the virus, we're not seeing anything yet. Good news is our priority is to make sure we're doing everything to protect and support our employees and customers during this time….I think from a business perspective, it's too early to call." -Varian Medical Systems (Jan. 29)

"Was that – because I largely talked about the economies that we see around the world, but maybe it's also good that I comment a little bit on China and the coronavirus situation for us…We do believe there will be an impact on our Q1 revenue, but it's really too early to quantify for us at this point. We are monitoring the situation closely and we'll update you if in case there is something that we need to report." -Mondelez International (Jan. 29)

"For calendar 2020, assuming no material impact from coronavirus on our full year outlook, our view calls for WFE spend in the mid to high $50 billion range supported by sustained strong spending in foundry and logic, and significantly for Lam, improved spending in memory led first by NAND." -Lam Research (Jan. 29)

"In terms of the coronavirus, I'll say first and foremost our thoughts are with the families and communities that are impacted by the virus….In terms of the financial impact of that, it's too early to call the financial impact either in Q1 or for the year. And as we get more clarity as this plays out, we'll certainly communicate transparently with investors." -Illumina (Jan. 29)

"Specific to the coronavirus situation, obviously, it's a very challenging situation to get a clear handle on in terms of what its overall impact is. We have not seen any specific impact to this point on our business, but that was before everyone left for the New Year. And as you know, certain provinces are extending the Chinese New Year at this point, and that's obviously a little bit of a wild card here in the first quarter. So, losing potentially an extra week could have an impact on both sales in the supply chain. But, given that it's early in the quarter, we'll be working to offset that, certainly, here in the first quarter and see some impact moving to the second that we'd continue to work to offset. So, we haven't incorporated any of that into any guidance, but it's just too early to tell. We're hoping for the best." -Danaher (Jan. 30)

"So, it's way too early to tell what the impact in the short term is. And I think ultimately, in the long run, it will rebalance." -Coca-Cola (Jan. 30)

"It's also worth noting that our guidance does not include any potential impact from the coronavirus outbreak. It is too early to gauge the impact." -Thermo Fisher Scientific (Jan. 30)

"But it's just too early to see that as to whether there's going to be any impact on our business, Asia or otherwise. We'll just have to see how this plays out in the coming weeks." -Marsh & McLennan (Jan. 30)

"Clearly, the coronavirus would be the one unknown that really, we didn't have visibility to at the time and we are tracking that carefully. We do anticipate that will have an impact on our business in China, but as you know we are a predominantly North American based company. So, not as big an impact as we may see from some others. And we are carefully tracking and always do kind of what happens with Snap. At this point in time, we have not built in nor anticipate something significant there. But we'll keep a close eye on that." -Hershey (Jan. 30)

"At this point in time, the impact to us in ADM is very difficult to assess so early on." -Archer-Daniels-Midland (Jan. 30)

"I think ex the coronavirus we see what you just mentioned, improving conditions both on demand and on the economics. The virus issue is obviously a fluid situation and it's kind of early to tell." -International Paper (Jan. 30)

"Our customers, our suppliers, haven't seen to this point any negative impact. And we'll continue to monitor that closely. I think it's just too early to see." -Sherwin Williams (Jan. 30)

"Helped by the extra day in a leap year, second quarter net revenue growth rates are expected to be in the low double digits and modestly better than the first quarter. Our second quarter revenue outlook does not reflect the potential effects of the recent coronavirus outbreak in China. It is too early to assess this impact." -Visa (Jan. 30)

"And so, we are also assessing the supply side to have a pulse on what's happening with our supply. There could be some supply chain disruptions. To-date, it's been minimal. What I would say, it is a fluid situation and that we're monitoring it very closely. At this stage, Deane, it's hard to assess, difficult to assess." -Johnson Controls (Jan. 31)

"So, as I said in our outlook statement, our outlook statement does not include the impact of the coronavirus. I think we can all agree it's a little too early to call what those impacts are going to be." -Eastman Chemical (Jan. 31)

"But in terms of the coronavirus, as context, China for IDEXX is a little less than 2.5% of our overall revenues, all of our revenues in China, so we have a relatively smaller exposure to that market…We have seen limited impact to-date. We are monitoring it, of course, but have not factored a specific kind of impact into our outlook at this point." -IDEXX Laboratories (Jan. 31)

"We have not estimated a material impact if the coronavirus becomes more significant which is already impacting aviation, in particular flight hours, and could also have a broader negative impact on supply chains in the economy as was experienced with the SARS outbreak." -Honeywell (Jan. 31)

"Just a quick word as it relates to the coronavirus situation in China, we're obviously in the same position as everyone else. At this point, we've baked into our guidance a last week of production assuming that we all return to work in China on February 10. But obviously it's too early to tell and we'll continue to monitor the situation closely." -Illinois Tool Works (Jan. 31)

"We don't know how long this is going to last or what the impact is…But quite frankly, it's just too early to call until we see how this further develops." -Celanese (Jan. 31)

"At this point, it seems certain that there will be a negative impact from the coronavirus on our businesses in China and the total company for at least the first quarter. While we expect it to be temporary, it is still too early to quantify the impact. And therefore, this has not been included in our guidance." -Colgate-Palmolive (Jan. 31)

"I think it's still early. I mean, we are seeing I think some impact on diesel demand, diesel cracks, jet cracks. I think we are starting to see some impact on freight rates. It's really early. It's a little bit speculative to say that, but I think we are getting some indication of impact already. It's really hard to measure and I think it's going to be difficult to determine the depth and the duration of this event. So, I think there's still a huge amount of uncertainty out there... But I think, Paul, we're still dealing with a lot of uncertainty as to the impact on the coronavirus." -Phillips 66 (Jan. 31)

"In 2020, our initial view on China coming into the year is to expect stable end-market conditions relative to 2019, driven by cautious but steady pharma and industrial spending, moderate academic spending, and stabilization in the food market. That said, we are closely monitoring the coronavirus outbreak and it's too early to understand what impact this rapidly-evolving situation will have on our business. Therefore, no impact is included in our 2020 guidance." -Water Corporation (Feb. 4)

"Finally, we know impacts from the coronavirus, are top-of-mind for many of you, and we're closely monitoring global developments. Our current 2020 guidance does not include possible impacts from the virus. It's still too early to develop reasonable quantitative data related to the impact." -Leggett & Platt (Feb. 4)

"At this early stage, our guidance does not include potential impact from the coronavirus outbreak, given the dynamic nature of the situation. However, we are monitoring developments closely and will be transparent about the expected impact, providing updates if needed." -Ralph Lauren (Feb. 4)

"Taking all this into account, if you turn to slide 5 you will see our guidance for 2020. As a reminder, and as Richard mentioned, there remains too many variables and uncertainties to reasonably estimate the overall financial impact relating to the Wuhan Coronavirus outbreak. As such, our guidance and key metrics for the full year and the first quarter do not include any financial impact that relates to this very fluid situation…We have included $744 million of fuel expense for the year and we are 54% hedged. Based on current fuel prices, currency exchange, and interest rates, and excluding the impact from the Coronavirus, we expect another record-breaking year with earnings per share between $10.40 and $10.70…All these issues make for a tough first quarter in terms of revenue growth. Net cruise costs, excluding fuel, are expected to be up approximately 3% for the quarter. Taking all this into account and excluding any impacts from Coronavirus, we expect adjusted earnings to be in the range of $0.80 to $0.85 per share." -Royal Caribbean Cruises (Feb. 4)

"This slide lays out our second quarter 2020 guidance. The underlying sales outlook for the quarter is flat, reflecting continued headwinds in North American upstream and global discrete markets. Note that this outlook does not include any potential impact of the coronavirus." -Emerson Electric (Feb. 4)

"Now, let me briefly talk about what we are seeing and doing relative to the coronavirus…Thus, my strong instinct is to want to tell you what the impact of this virus may be on our business and our guidance for this year. However, it's simply too early. China is only now starting to come back from an extended New Year holiday. Many companies, including Ford, are currently hoping to resume large parts of their industrial operations next week. The net is most experts are already saying, and we agree, that it will take weeks to begin to understand the implications of the outbreak. In the meantime, we will describe our expectations for the business excluding the possible effects of the coronavirus." -Ford Motor (Feb. 4)

"And from a business perspective, as you know, the situation is very fluid and difficult to quantify." -AMETEK (Feb. 5)

"Right now, you look at coronavirus, for example, and it's too early to tell how that's going to impact, but that could impact supply chain and add to some delays." -CDW (Feb. 6)

"And just something that is in the air just now, I mean, this whole issue around the coronavirus. We have no problem today, but clearly if that continues there may be some impact on travel and the duty free. And in terms of supply chain, I think we're in pretty good shape for a few weeks. But if that persists for a very long period of time, like everybody else, we may have some issues with device supplies. Now that's not – a continuation of this, like in any company – is not baked into our guidance." -Philip Morris International (Feb. 6)

"We're closely monitoring news of the coronavirus. We're actively assessing what this outbreak may mean for us, for our global business, and preparing for the possibility of any impact. In China, we've been working with the government and have successfully restarted some of our operations. The financial impact is unknown at this time. I would like to remind you that Q2 is normally a weaker quarter for us and we have seen a slower-than-expected start in January. For Q2 fiscal year 2020, we are expecting lower earnings than Q1 driven by continued weak market conditions in Chicken, higher raw material costs, and some residual ERP impacts in Prepared Foods and normal seasonal cyclicality in Beef and Pork. When combined with the overall availability of protein, a continuation of these factors will likely result in our earnings being lower than the same quarter last year. This is before any potential impacts to our business from coronavirus." -Tyson Foods (Feb. 6)

"The impact to our business to-date is small, but it's challenging to quantify the potential magnitude at this time, as it will depend on how long it takes to contain the outbreak." -Hasbro (Feb. 11)

"For full year 2020, unaffected by the coronavirus, our RevPAR growth expectations for the Asia Pacific region would be in line with our system-wide guidance, with the benefit from the Summer Olympics in Tokyo offsetting continued weakness in China. As the coronavirus situation continues to play out, we will try to give you more specific details of its effect on regional performance. But for now, we'll stick to giving you our preliminary enterprise-wide thoughts based on the assumptions that Chris laid out earlier. Moving to guidance for full year 2020 on an unaffected basis, we expect RevPAR growth of 0% to 1% and adjusted EBITDA of $2.42 billion to $2.47 billion. We forecast diluted EPS, adjusted for special items, of $4.08 to $4.21. For the first quarter, on an unaffected basis, we expect system-wide RevPAR growth to be roughly flat. We expect adjusted EBITDA of $520 million to $540 million and diluted EPS, adjusted for special items, of $0.85 to $0.91." -Hilton Worldwide Holdings (Feb. 11)

"And of course, Asia is a little bit of a wildcard. I would note that Greater China is less than 2% of our combined revenues as a company. There will be some impact on the business from the coronavirus outbreak across the region. A little early to tell how much of an impact that will be, but given the relatively small size of that, given Global Payments as a whole, we certainly think we'll be able to absorb that and move through." -Global Payments (Feb. 12)

"Our guidance does not reflect any potential disruptions in our global supply chain that could result from the coronavirus. We will continue to monitor the situation closely." -Cisco Systems (Feb. 12)

"Listen, our Q4 revenue guide does not include any disruption to our supply chain from the coronavirus." -NetApp (Feb. 12)

"As everyone is watching, the coronavirus is obviously emerging very quickly in the sense of certainly the news overnight. As we look at our business right now, it's probably too early to tell exactly what the impact will be, but let me talk a little bit about some of the risks that we're watching." -Zoetis (Feb. 13)

"Finally, our guidance for Q1 does not reflect any impact from the ongoing coronavirus outbreak in China. While we do not have a significant direct manufacturing footprint in China, there may be some indirect supply chain impacts. We will look to monitor and attempt to mitigate these as the situation unfolds." -Arista Networks (Feb. 13)

Guidance Includes Impact or Guidance Modified Due to Impact (34)

"In terms of the Coronavirus, as I mentioned earlier, first and foremost, our thoughts are with all of those that are affected across the region, and as I mentioned, we're donating to groups that are working to contain the outbreak…As Luca had mentioned, we have a wider than usual revenue range for the second quarter due to the greater uncertainty." -Apple (Jan. 28)

"Given the strength of our Q1 results, we had intended to raise certain aspects of our full year financial outlook for fiscal 2020. However, due to the dynamic situation unfolding with the coronavirus, we are not revising guidance at this time and as we get more clarity on the situation, we will transparently communicate with investors." -Starbucks (Jan. 28)

"Finally, while the coronavirus situation in China is very fluid and it's early days to assess its full impact, we've factored in up to a $0.05 headwind to our EPS guidance, reflecting the mandated delays and starting back up following Lunar New Year that impacting many regions in China in which we operate." -Avery Dennison (Jan. 29)

"Given the increased uncertainty and disruption to our employees, doctors' practices, their patients and consumers, we believe it is prudent to reduce our outlook for Q1 to reflect the increased risk. Therefore, for Q1 our outlook reflects approximately 20,000 to 25,000 less Invisalign cases and $30 million to $35 million less revenues for Invisalign and iTero products sold in China. In addition, we are also absorbing $3 million to $4 million in idle China manufacturing plant and treatment planning capacity, which results in approximately 0.5% gross margin impact." -Align Technology (Jan. 29)

"This coronavirus concerns and first, our thoughts are with those affected in the region but we've been revisiting our outlook based on those concerns. We're comfortable with our forecast and feel that we've adjusted for what we perceive now as some risk. But we've been keeping a close eye on the situation, including extensive checks on the supply chain. To date, we've seen no material impact to our supply chain or with demand signals. However, the situation is evolving so we've reflected some added risk, as I mentioned, to our March guide including, as you'll notice, a wider range of outcomes. So, to your question, likewise, we're thinking about potential effects into the June quarter and even though our channels are lean, we are concerned about how this plays out because we just don't know. As it stands now, we would estimate the June quarter to be between $750 million to $800 million of revenue but, again, it's early." -Qorvo (Jan. 29)

"And then, given the uncertainties of the coronavirus and the fact the Chinese government has extended Chinese New Year by one week, we actually had our Asia team just within the last 48 hours redo the second half forecast on what they thought. And their latest thinking which is obviously very fluid given what's going on there is now reflected in this new guide. And ironically, it came in about the same as what we had before. We were minus 11.5 before we were minus 12." -Parker-Hannifin (Jan. 30)

"However, the recent closure of our parks in both Shanghai and Hong Kong, due to the ongoing coronavirus situation, will negatively impact second quarter and full year results. The current closure is taking place during the quarter in which we typically see strong attendance and occupancy levels due to the timing of the Chinese New Year holiday. The precise magnitude of the financial impact is highly dependent on the duration of the closures and how quickly we can resume normal operations. At Shanghai Disney Resort, we currently estimate the closure of the park could have an adverse impact to second quarter operating income of approximately $135 million, assuming the park is closed for two months during Q2. At Hong Kong Disneyland, we currently estimate the closure of the park could have an additional adverse impact to operating income of about $40 million for the second quarter. As I discussed last quarter, we were already seeing a significant decrease in visitation to Hong Kong Disneyland from China and other parts of Asia. So, in aggregate, we estimate these two factors could result in a decline in Hong Kong Disneyland's operating income of about $145 million for the second quarter. Again, this assumes the resort is closed for two months." -Walt Disney (Feb. 4)

"As Rick mentioned, the range of guidance has been widened to reflect this quarter's uncertainty in our current estimate of potential disruption. We expect total revenue to be in the range of $1.325 billion to $1.525 billion in the March quarter. This revenue guidance would have approximately been 3% to 5% higher at the midpoint without the adjustments for the coronavirus impact." -KLA Corporation (Feb. 4)

"Now, I turn to guidance for March quarter, the backlog from March quarter that started out quite strong continued to fill in during the month of January. Taking all these factors into consideration and after rolling up revenue expectations from sales regions as well as business units, we expect GAAP net sales based on sell-in revenue recognition for our products to be up between 2% to 9% sequentially in the March 2020 quarter. The midpoint of our guidance for the March 2020 quarter reflects what we believe our business can deliver assuming no extraordinary events. However, the wider-than-normal guidance range is to help account for the uncertainty associated with the evolving coronavirus situation. We are still in the early days of how this situation is playing out. We have no way to model how the rest of the quarter will play out for the coronavirus situation and what the consequent business impact may be. But we believe that our guidance range incorporates our best judgment for the possible scenarios." -Microchip Technology (Feb. 4)

"Looking ahead to our outlook for the March quarter. As the coronavirus outbreak continues, we have made our first priority the health and well-being of our employees and partners. We are also working with our suppliers to meet customer demand and mitigate risk to production, while we currently do not expect any material financial impact in the March quarter, there is still a lot of uncertainty, and therefore, we are widening our revenue and EPS guidance ranges." -Seagate Technology (Feb. 4)

"But in first quarter, the combination of some of those pricing pressures we're seeing in DES combined with the coronavirus issue that Dan outlined and really moving through that BTG integration, that was the guidance of the 6% to 7.5% pre-coronavirus and we estimate the impact, as mentioned, $10 million to $40 million from China, which brings our first quarter guidance down to 5% to 7%." -Boston Scientific (Feb. 5)

"Before reviewing brand highlights for the third quarter, I would like to share some of our thoughts on the coronavirus global health emergency and its impact on our outlook for the fourth quarter…Given the extraordinary and appropriate efforts taken to contain the virus, our trading results in Greater China and certain other parts of the Asia region have been materially impacted. Currently, approximately 150 of our 225 stores in Mainland China are closed. Additionally, for those stores remaining open, both traffic and sales have been severely reduced. Based on our current visibility into the situation in China, we are reducing revenue by approximately $100 million and earnings per share by $0.40 to $0.45 for the fourth quarter and full year… Now, I would like to summarize our outlook for the year. Prior to the situation in China, our earnings per share expectations were largely on track with our initial guidance for fiscal 2020. We now anticipate fiscal 2020 revenue of approximately $5.64 billion and earnings per share of approximately $4.45 to $4.50." -Capri Holdings (Feb. 5)

"As Akash will share with you, we have considered the impact of the coronavirus in our forward guidance based on the limited information we have at this time…Now, let me walk you through our financial guidance. For our second fiscal quarter guidance, we are estimating revenues to be in the range of $4.9 billion to $5.7 billion, and non-GAAP earnings per share of $0.80 to $0.95. There is significant uncertainty around the impact from the coronavirus on handset demand and supply chain. Based on the information we have at this time, we are widening and reducing the low end of our guidance range. We remain in active contact with our employees, customers and suppliers as we continue to monitor the situation." -QUALCOMM (Feb. 5)

"Based on our new guidance for FY 2020, we now expect revenue growth in the second quarter to be approximately 2% and EPS to be between $2.40 and $2.50. This includes an approximately $20 million to $30 million headwind from coronavirus within the quarter. This impact is contemplated within our full year guidance range." -Becton, Dickinson, and Company (Feb. 6)

"However, as it pertains to 2020, first, that the lap of the 53rd week represents a $24 million headwind, or just over 1%. Additionally, there are a few matters adding uncertainty to the outlook for the full year, most importantly, the impact of the coronavirus in China and the potential for it to impact surrounding areas in Asia and other parts of the world. Given the fluid nature of these issues, specific forecasts for impacts are challenging at the moment. However, we believe it prudent to plan our business to account for these risks. As such, we are currently basing our 2020 plan on the assumption that we will likely be below our long-term algorithm on a 52-week equivalent basis. We will update you as the year progresses and we have more information." -Yum! Brands (Feb. 6)

"However, the escalating coronavirus outbreak in China is now impacting our business, resulting in both significant traffic declines and the closure of the majority of our stores on the Mainland. As a result, we now expect that the second half of our fiscal year could be impacted by approximately $200 million to $250 million in sales and $0.35 to $0.45 in earnings per diluted share, given the current trends in China. If the situation further deteriorates or the outbreak further affects demand outside of the country, this impact could be worse." -Tapestry (Feb. 6)

"Although we anticipated this continued softness as we exited the year, since then events in China have further tempered our short-term outlook. The impact of the coronavirus has, for the time being, essentially halted deliveries within China, which is our second largest and fastest-growing market and it's slowing trade in Asia, more generally. As of today, our best view is that the first quarter impact of the coronavirus to the company is likely to be approximately 1 to 2 points of revenue in the quarter and $0.03 to $0.04 of EPS. It's obviously a dynamic situation and we are monitoring it very closely." -Xylem (Feb. 6)

"For the second half, net sales are expected to increase approximately 1% to 2% in constant currency. Currency translation is expected to negatively impact growth by 1 percentage point and the inclusion of Have & Be is expected to add 2 percentage points. In terms of cadence throughout the second half, we have anticipated the greatest negative sales impact from the coronavirus to be in the third quarter followed by a gradual recovery in the fourth quarter…EPS is forecast between $1.86 and $1.91 [$1.82 and $1.91] before restructuring charges. This includes approximately $0.03 dilution from currency and $0.17 dilution from Have & Be, which includes some impact from the coronavirus outbreak, purchase accounting and interest expense on the debt issuance as I mentioned previously." -Estee Lauder Companies (Feb. 6)

"Now let me make some comments on Q1. Based on market conditions today, we expect local currency sales growth to be approximately 0% to 1%. We recognize this is not a level you were expecting, so let me walk you through a few factors that are impacting our Q1 sales growth. First, Q1 will be our toughest sales growth comparison for the year as we had 7% growth in the first quarter of last year. Second, we expect Food Retail to be down double-digits in the quarter, which impacts sales growth by approximately 1%. And third, as Olivier mentioned earlier, we expect the coronavirus to have an impact on our sales in the quarter, but not for the full year. In Q1, we would expect sales in China to be down mid- to high-single-digits, which impacts our sales growth in the quarter by approximately 2%." -Mettler-Toledo International (Feb. 6)

"We are also initiating our first quarter adjusted diluted net EPS guidance of $0.70 to $0.74, representing year-over-year growth of 1% to 7%. This includes assumptions of low-single-digit core revenue decline and an effective tax rate of approximately 15%. Our first quarter guidance also anticipates a $0.02 headwind from the disruption we have seen so far associated with the coronavirus outbreak in China. This is a very fluid situation and we are monitoring it very closely." -Fortive (Feb. 6)

"Yeah. And I'd also add, you look at the – the guidance across the board related to the sequential decline from Q4 to Q1. We do look back the last couple of years in terms of the fall off that we've had from Q4 to Q1. Feels like that the E&P budgeting process both within North America and the international markets is getting a little bit more prolonged and certainly gets amplified when you add in a pullback in commodity prices and the fears related to the coronavirus. So, that is certainly factored into an extent into the Q1 guidance." -National Oilwell Varco (Feb. 7)

"Turning back to the year at hand and our outlook for 2020, I'd first like to take a minute to provide our thoughts on the rapidly evolving situation related to the coronavirus outbreak in China…With respect to what we have factored into today's initial 2020 outlook, with almost 600 monobranded Under Armour doors in China currently closed, we're estimating a first quarter revenue impact to the APAC region of about $50 million to $60 million, which is a little more than a 1 point of growth for Under Armour globally this year. Given the ongoing uncertainty, it is possible that this situation could have a significant material impact both financially and operationally on our full year, including the potential for additional top-line contraction for total UA. But to reiterate, at this point, we're only contemplating a first quarter APAC revenue impact. As we gain better clarity and additional events unfold, we will provide updates as appropriate. Turning to our full year 2020 outlook, including a little more than a 1 point due to the coronavirus, we are expecting global revenue to be down at a low single-digit rate." -Under Armour (Feb. 11)

"In addition, our financial guidance includes our best assessment of potential coronavirus impacts which our guidance assumes will primarily affect our R&D Solutions segment. You can appreciate that this is evolving in real-time, but we can already see disruptions to our sites which are mostly hospitals in China. We are currently assuming and hoping for a short-term resolution to this outbreak and have therefore assumed an impact to first quarter of $25 million with heavy drop-through and have carried these impacts to our full year guidance." -IQVIA Holdings (Feb. 12)

"So display we still see as a very attractive adjacent market for the company. If you look at the growth that we've seen over the last few years, it's up significantly. I think we were around $0.5 billion. The business was up over $2 billion, down a little bit this year, but still a very, very attractive market. And certainly, our near-term guidance is impacted also because of the coronavirus. Some of our customers are in areas that are impacted, and so that reduced our guidance in terms of Q2." -Applied Materials (Feb. 12)

"Any impact of the coronavirus that we could quantify at this time is in our guidance." -Cadence Design Systems (Feb. 12)

"As we look into calendar year 2020, we expect certain headwinds which we believe are unpredictable within a reasonable range of accuracy. We're currently navigating an extremely fluid environment with the coronavirus, which we are taking very seriously. The safety of our employees and guests is our top priority and we continue to work closely with the local authorities to ensure that we're doing what's right for the wellbeing of everyone there. As such our Macau casinos and gaming areas are currently closed, but we are maintaining some non-gaming facilities to support our hotel guests. During this time with our casinos closed, we are actively managing our costs and are incurring approximately $1.5 million of operating expenses per day across both properties, the majority of which is payroll. While the current situation creates volatility in our business near term, we are confident that it does not reflect the medium to long-term earnings potential of these assets or the marketplace. In fact, while short lived, we have been seeing signs of an improving marketplace during the first couple of weeks in January with our businesses averaging just under $2.5 million of property EBITDAR a day. In addition to Far East, baccarat market here in Las Vegas had a difficult year in 2019. And as such, we are cautiously not expecting a material recovery in the near term. And so given the current environment, we have decided to remove our 2020 financial target." -MGM Resorts (Feb. 12)

"For the first quarter, we are estimating EPS in the range of $1.86 to $1.94, or an increase of 11% to 16%, excluding a 1% currency headwind. This range assumes normal seasonality in addition to headwinds in our Chinese merchant and package volumes due to the coronavirus outbreak. While it's still too early to assess the overall effect of the virus, this range incorporates the most recent estimate of our customers' impact." -Linde (Feb. 13)

"We enter 2020 with a higher-than-expected order backlog and solid pipeline of opportunities. Our contract manufacturers and other areas of our supply chain in China have experienced delays as worker returned from the new year later than usual due to the coronavirus outbreak. Our outlook incorporates our best view of the coronavirus impact." -Zebra Technologies (Feb. 13)

"But based upon everything that we know today and based upon the guidance that we've provided, we believe that it covers what we foresee could happen based upon today's knowledge of the coronavirus." -Laboratory Corporation of America (Feb. 13)

"And just so you understand what's in our guidance, I mean, our guidance effectively reflects the production disruptions we've seen to-date, both through end of January and into the first couple weeks of February." -Borg-Warner (Feb. 13)

"For the first quarter of 2020, IPG expects revenue of $220 million to $250 million. Company expects the first quarter tax rate to be approximately 26%. IPG anticipates delivering earnings per diluted share in the range of $0.00 to $0.30, with 52.9 million basic common shares outstanding and 53.6 million diluted common shares outstanding. This guidance assumes approximately $45 million in reduced revenue and $0.45 lower EPS from business disruption related to the novel coronavirus outbreak. This estimate is based upon the facts and understandings we have at this time." -IPG Photonics (Feb. 13)

"Very little to add there except specifically we didn't quantify on the coronavirus because it's too early. It's just too early to tell and understand it. But what we did do was widen the ranges and we can come back at some point subsequent in the year as we know more." -International Flavors & Fragrances (Feb. 13)

"In addition, the coronavirus outbreak is adding further pressure on the top and bottom line in Q1. Based on the current trends, we expect approximately $30 million to $40 million impact to adjusted EBITDA in Q1, and we expect some impact beyond Q1 in 2020 as well. But the exact amount will depend on how long it takes for travel trends to normalize." -Expedia (Feb. 13)

"Before we get to the numbers, let me comment on the impact of the coronavirus. While it is still early and the ultimate effect is difficult to estimate, we have reduced our Q1 revenue outlook by $100 million to account for the potential impact." -NVIDIA (Feb. 13)

Q4 Earnings Season: By The Numbers

Overview

To date, 77% of the companies in the S&P 500 have reported actual results for Q4 2019. In terms of earnings, the percentage of companies reporting actual EPS above estimates (71%) is below the 5-year average. In aggregate, companies are reporting earnings that are 4.5% above the estimates, which is also below the 5-year average. In terms of sales, the percentage of companies (67%) reporting actual sales above estimates is above the 5-year average. In aggregate, companies are reporting sales that are 0.8% above estimates, which is equal to the 5-year average.

The blended (combines actual results for companies that have reported and estimated results for companies that have yet to report) earnings growth rate for the fourth quarter is 0.9%, which is above the earnings growth rate of 0.6% last week. Positive earnings surprises recorded by companies in multiple sectors were responsible for the increase in the overall earnings growth rate during the week. If 0.9% is the actual growth rate for the quarter, it will mark the first time the index has reported year-over-year growth in earnings since Q4 2018 (13.3%). Seven sectors are reporting year-over-year growth in earnings, led by the Utilities and Communication Services sectors. Four sectors are reporting a year-over-year decline in earnings, led by the Energy sector.

The blended revenue growth rate for the fourth quarter is 3.6%, which is slightly above the revenue growth rate of 3.5% last week. Positive revenue surprises reported by companies in the multiple sectors were responsible for the slight increase in the overall revenue growth rate during the week. Eight sectors are reporting year-over-year growth in revenues, led by the Health Care sector. Three sectors are reporting a year-over-year decline in revenues, led by the Materials sector.

Looking ahead, analysts see earnings growth of 2% and 5% for Q1 2020 and Q2 2020.

The forward 12-month P/E ratio is 18.9, which is above the 5-year average and above the 10-year average.

During the upcoming week, 51 S&P 500 companies (including one Dow 30 component) are scheduled to report results for the fourth quarter.

Scorecard: More Companies Beating Revenue Estimates Than Average

Percentage of Companies Beating EPS Estimates (71%) is Below 5-Year Average

Overall, 77% of the companies in the S&P 500 have reported earnings to date for the fourth quarter. Of these companies, 71% have reported actual EPS above the mean EPS estimate, 9% have reported actual EPS equal to the mean EPS estimate, and 20% have reported actual EPS below the mean EPS estimate. The percentage of companies reporting EPS above the mean EPS estimate is below the 1-year (74%) average and below the 5-year (72%) average.

At the sector level, the Information Technology (84%), Health Care (82%), and Communication Services (81%) sectors have the highest percentages of companies reporting earnings above estimates, while the Energy (47%) and Real Estate (52%) sectors have the lowest percentages of companies reporting earnings above estimates.

Earnings Surprise Percentage (4.5%) is Below 5-Year Average

In aggregate, companies are reporting earnings that are 4.5% above expectations. This surprise percentage is equal to the 1-year (+4.5%) average but below the 5-year (+4.9%) average.

The Consumer Discretionary sector (+11.8%) sector is reporting the largest positive (aggregate) difference between actual earnings and estimated earnings. Within this sector, General Motors ($0.05 vs. $0.01), Amazon.com ($6.47 vs. $4.04), Hasbro ($1.24 vs. $0.93), D.R. Horton ($1.16 vs. $0.92), Carnival ($0.62 vs. $0.50), and NIKE ($0.70 vs. $0.58) have reported the largest positive EPS surprises.

The Information Technology sector (+8.6%) sector is reporting the second largest positive (aggregate) difference between actual earnings and estimated earnings. Within this sector, NortonLifeLock ($0.25 vs. $0.08), Gartner ($1.18 vs. $0.82), Intel ($1.52 vs. $1.25), Xerox ($1.33 vs. $1.11), and Microsoft ($1.53 vs. $1.32) have reported the largest positive EPS surprises.

The Industrials sector (-2.9%) is reporting the largest negative (aggregate) difference between actual earnings and estimated earnings. Within this sector, Boeing (-$2.33 vs. $1.32) and C.H. Robinson Worldwide ($0.73 vs. $0.96) have reported the largest negative EPS surprises.

Market Rewarding Earnings Beats Slightly Below Average

To date, the market is rewarding positive earnings surprises less than average while punishing negative earnings surprises more than average.

Companies that have reported positive earnings surprises for Q4 2019 have seen an average price increase of +0.9% two days before the earnings release through two days after the earnings. This percentage increase is slightly below the 5-year average price increase of +1.0% during this same window for companies reporting positive earnings surprises.

Companies that have reported negative earnings surprises for Q4 2019 have seen an average price decrease of -2.7% two days before the earnings release through two days after the earnings. This percentage decrease is slightly larger than the 5-year average price decrease of -2.6% during this same window for companies reporting negative earnings surprises.

Percentage of Companies Beating Revenue Estimates (67%) is Above 5-Year Average

In terms of revenues, 67% of companies have reported actual sales above estimated sales and 33% have reported actual sales below estimated sales. The percentage of companies reporting sales above estimates is above the 1-year average (59%) and above the 5-year average (59%).

At the sector level, the Health Care (84%), Communication Services (81%), and Information Technology (79%) sectors have the highest percentages of companies reporting revenues above estimates, while the Utilities (9%), Industrials (47%), and Materials (52%) sectors have the lowest percentages of companies reporting revenues above estimates.

Revenue Surprise Percentage (+0.8%) is Equal to 5-Year Average

In aggregate, companies are reporting revenues that are 0.8% above expectations. This surprise percentage is below the 1-year (+0.9%) average but equal to the 5-year (+0.8%) average.

At the sector level, the Financials (+3.0%), Real Estate (2.4%), and Information Technology (+2.4%) sectors are reporting the largest positive (aggregate) differences between actual revenues and estimated revenues, while the Utilities (-3.4%) and Industrials (-0.9%) sectors are reporting the largest negative (aggregate) differences between actual revenues and estimated revenues.

Increase in Blended Earnings Growth This Week

Increase in Blended Earnings Growth This Week

The blended (year-over-year) earnings growth rate for the fourth quarter is 0.9%, which is above the earnings growth rate of 0.6% last week. Positive earnings surprises recorded by companies in multiple sectors were responsible for the increase in the overall earnings growth rate during the week.

Increase in Blended Revenue Growth This Week

The blended (year-over-year) revenue growth rate for the fourth quarter is 3.6%, which is slightly larger than the revenue growth rate of 3.5% last week. Positive revenue surprises reported by companies in multiple sectors were responsible for the small increase in the overall revenue growth rate during the week.

Communication Services Sector Has Seen Largest Increase in Earnings since December 31

The blended (year-over-year) earnings growth rate for Q4 2019 of 0.9% is larger than the estimate of -1.7% at the end of the fourth quarter (December 31). Nine sectors have recorded an improvement in earnings growth since the end of the quarter due to upward revisions to earnings estimates and positive earnings surprises, led by Communication Services (to 11.8% from 4.1%) and Information Technology (to 5.3% from -1.9%) sector. Two sectors have recorded a decrease in earnings growth during this time due to downward revisions to earnings estimates and negative earnings surprises, led by the Energy (to -43.5% from -32.1%) sector.

Financials Sector Has Seen Largest Increase in Revenues since December 31

The blended (year-over-year) revenue growth rate for Q4 2019 of 3.6% is larger than the estimate of 2.8% at the end of the fourth quarter (September 30). Six sectors have recorded an improvement in revenue growth since the end of the quarter due to upward revisions to revenue estimates and positive revenue surprises, led by the Financials (to 5.6% from 2.8%) and Information Technology (to 6.1% from 4.0%) sectors. Four sectors have recorded a decrease in revenue growth during this time due to downward revisions to revenue estimates and negative revenue surprises, led by the Utilities (to 7.5% from 9.7%) sector. One sector (Consumer Staples) has recorded no change in revenue growth (3.3%) since December 31.

Earnings Growth: 0.9%

The blended (year-over-year) earnings growth rate for Q4 2019 is 0.9%, which is below the 5-year average earnings growth rate of 6.4%. If. If 0.9% is the actual growth rate for the quarter, it will mark the first time the index has reported year-over-year growth in earnings since Q4 2018 (13.3%).

Seven sectors are reporting year-over-year growth in earnings, led by the Utilities and Communication Services sectors. Four sectors are reporting a year-over-year decline in earnings, led by the Energy sector.

Utilities: 4 Industries Reporting Year-Over-Year Growth Above 10%

The Utilities sector is reporting the highest (year-over-year) earnings growth of all eleven sectors at 21.6%. At the industry level, all five industries in this sector are reporting (or are expected to report) growth in earnings. Four of these five industries are reporting (or are expected to report) double-digit growth in earnings: Independent Power and Renewable Electricity Producers (140%), Multi-Utilities (28%), Electric Utilities (15%), and Gas Utilities (11%).

Communication 3 Industries Reporting Year-Over-Year Growth Above 10%

The Communication Services sector is reporting the second largest (year-over-year) earnings growth of all eleven sectors at 11.8%. At the industry level, all five industries in this sector are reporting growth in earnings. Three of these five industries are reporting double-digit growth in earnings: Media (31%), Wireless Telecommunication Services (17%), and Interactive Media & Services (14%).

Energy: 4 of 6 Sub-Industries Reporting Year-Over-Year Decline of More Than 20%

The Energy sector is reporting the largest (year-over-year) earnings decline of all eleven sectors at -43.5%. At the sub-industry level, four of the six sub-industries in the sector are reporting a decline in earnings of more than 20%: Integrated Oil & Gas (-61%), Oil & Gas Drilling (-59%), Oil & Gas Refining & Marketing (-49%), and Oil & Gas Exploration & Production (-23%). On the other hand, the other two sub-industries in the sector are reporting earnings growth of more than 10%: Oil & Gas Equipment & Services (31%) and Oil & Gas Storage & Transportation (13%).

Revenue Growth: 3.6%

The blended (year-over-year) revenue growth rate for Q4 2019 is 3.6%, which is slightly above the 5-year average revenue growth rate of 3.5%.

Eight sectors are reporting year-over-year growth in revenues, led by the Health Care sector. Three sectors are reporting a year-over-year decline in revenues, led by the Materials sector.

Health Care: Cigna and CVS Lead Growth on Easy Comparisons to Year-Ago Pre-Merger Revenues

The Health Care sector is reporting the highest (year-over-year) revenue growth of all eleven sectors at 12.1%. At the industry level, all six industries in this sector are reporting revenue growth for the quarter. However, the Health Care Providers & Services industry is the only industry reporting double-digit revenue growth (15%).

At the company level, Cigna and CVS Health are the largest contributors to (year-over-year) revenue growth for the sector. However, the revenue growth rates for both companies are being boosted by apples-to-oranges comparisons of post-merger revenues to pre-merger revenues. The actual revenue for Cigna for Q4 2019 ($36.54 billion) reflects the combined revenues of Cigna and Express Scripts, while the actual revenue for Q4 2018 ($14.3 billion) reflects the standalone revenue for Cigna. The actual revenue for CVS Health for Q4 2019 ($66.89 billion) reflects the combined revenues of CVS Health and Aetna, while the actual revenue for Q4 2018 ($54.42 billion) reflects mainly the standalone revenue for CVS Health. These apples-to-oranges comparisons are the main reason Cigna and CVS Health are the largest contributors to revenue growth for the sector. If these companies were excluded, the blended revenue growth rate for the sector would fall to 6.0% from 12.1%.

Materials: DuPont Leads Decline on Hard Comparison to Year-Ago Pre-Split Revenues

The Materials sector is reporting the highest (year-over-year) decline in revenue of all eleven sectors at -16.2%. At the industry level, three of the four industries in this sector are reporting a decline in revenue for the quarter: Chemicals (-23%), Containers & Packaging (-2%), and Metals & Mining (<-1%).

At the company level, DuPont is the largest contributor to the (year-over-year) decline in revenue for the sector. However, the revenue decline is being boosted by an apples-to-oranges comparison of post-split revenues to pre-split revenues. The actual revenue for DuPont for Q4 2019 ($5.20 billion) reflects the standalone revenue for DuPont, while the actual revenue for Q4 2018 ($20.1 billion) reflects the combined revenue for DowDuPont (DuPont, Dow, and Corteva). This apples-to-oranges comparison is the main reason DuPont is projected to be the largest contributor to the revenue decline for the sector. If this company were excluded, the blended revenue decline for the sector would improve to -2.8% from -16.2%.

Looking Ahead: Forward Estimates and Valuation

Guidance: Negative Guidance for Q1 is Below Average to Date

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, 76 companies in the index have issued EPS guidance for Q1 2020. Of these 76 companies, 51 have issued negative EPS guidance and 25 have issued positive EPS guidance. The percentage of companies issuing negative EPS guidance is 67% (51 out of 76), which is below the 5-year average of 70%.

Earnings: Less Than 1% Growth for CY 2019

For the fourth quarter, S&P 500 companies are reporting growth in earnings of 0.9% and growth in revenues of 3.6%. For CY 2019, S&P 500 companies are reporting growth in earnings of 0.7% and growth in revenues of 4.2%. Analysts see earnings growth of 2% and 5% in Q1 2020 and Q2 2020.

For Q1 2020, analysts are projecting earnings growth of 2.1% and revenue growth of 4.6%.

For Q2 2020, analysts are projecting earnings growth of 4.9% and revenue growth of 4.8%.

For Q3 2020, analysts are projecting earnings growth of 9.7% and revenue growth of 6.1%.

For Q4 2020, analysts are projecting earnings growth of 11.6% and revenue growth of 6.1%.

For CY 2020, analysts are projecting earnings growth of 8.0% and revenue growth of 5.2%.

Valuation: Forward P/E Ratio is 18.9, Above the 10-Year Average (15.0)

The forward 12-month P/E ratio is 18.9. This P/E ratio is above the 5-year average of 16.7 and above the 10-year average of 15.0. It is also above the forward 12-month P/E ratio of 18.2 recorded at the end of the fourth quarter (December 31). Since the end of the fourth quarter (December 31), the price of the index has increased by 4.4%, while the forward 12-month EPS estimate has increased by 0.5%.

At the sector level, the Consumer Discretionary (23.7) and Information Technology (23.1) sectors have the highest forward 12-month P/E ratios, while the Financials (13.3) sector has the lowest forward 12-month P/E ratio.

Targets & Ratings: Analysts Project 8% Increase in Price Over Next 12 Months

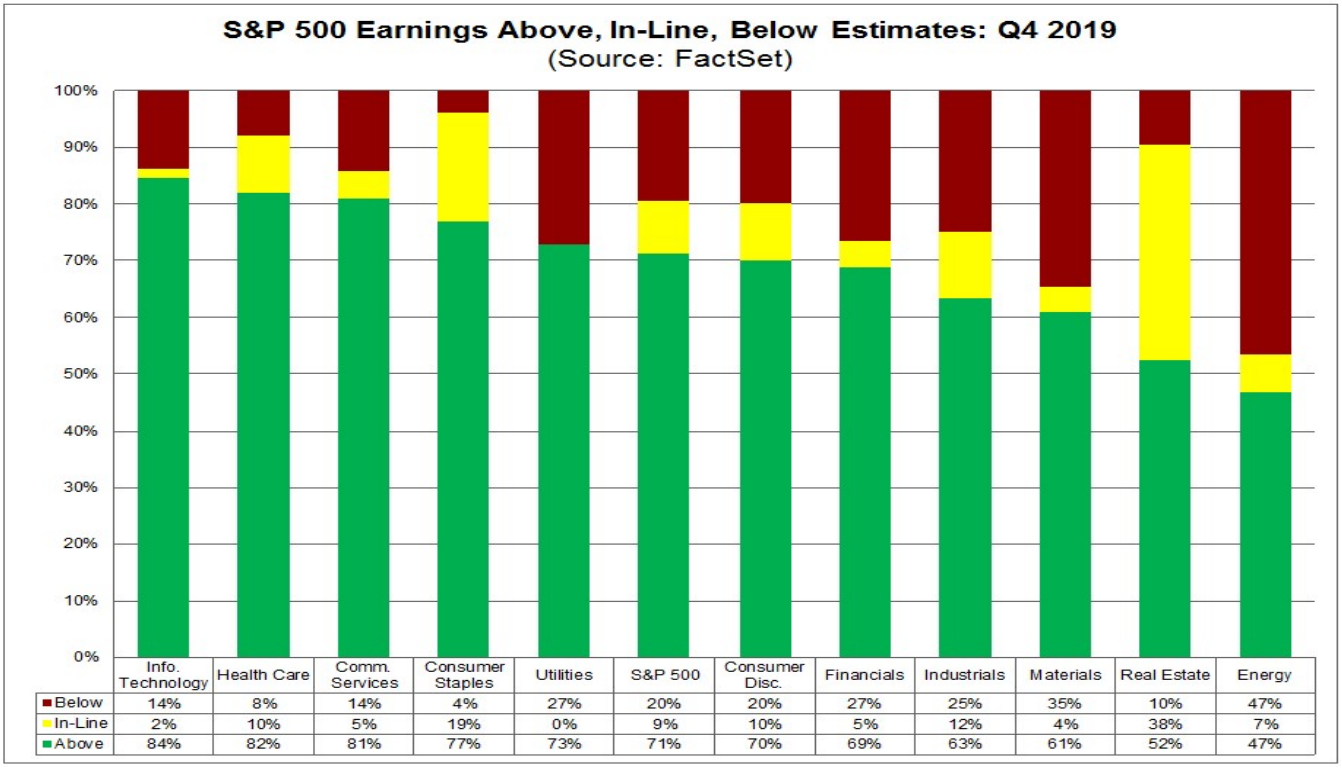
The bottom-up target price for the S&P 500 is 3637.77, which is 7.8% above the closing price of 3373.94. At the sector level, the Energy (+21.6%) sector is expected to see the largest price increase, as this sector has the largest upside difference between the bottom-up target price and the closing price. On the other hand, the Utilities (0.0%) and Real Estate (+0.1%) sectors are expected to see the smallest price increases, as these sectors have the smallest differences between the bottom-up target price and the closing price.

Overall, there are 10,329 ratings on stocks in the S&P 500. Of these 10,329 ratings, 50.3% are Buy ratings, 42.3% are Hold ratings, and 7.4% are Sell ratings. At the sector level, the Energy (66%) sector has the highest percentage of Buy ratings, while the Consumer Staples (38%) sector has the lowest percentage of Buy ratings.

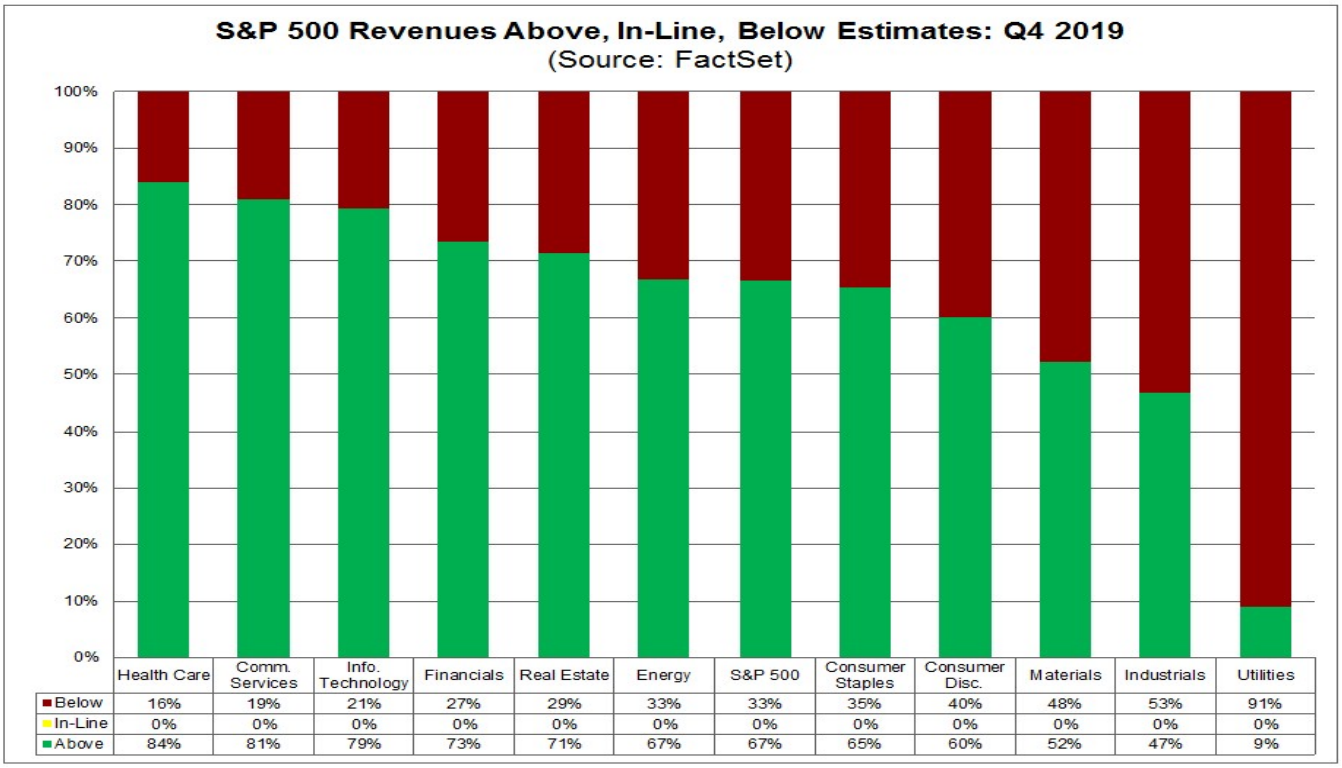
Companies Reporting Next Week: 51

During the upcoming week, 51 S&P 500 companies (including one Dow 30 component) are scheduled to report results for the fourth quarter.

Q4 2019: Scorecard

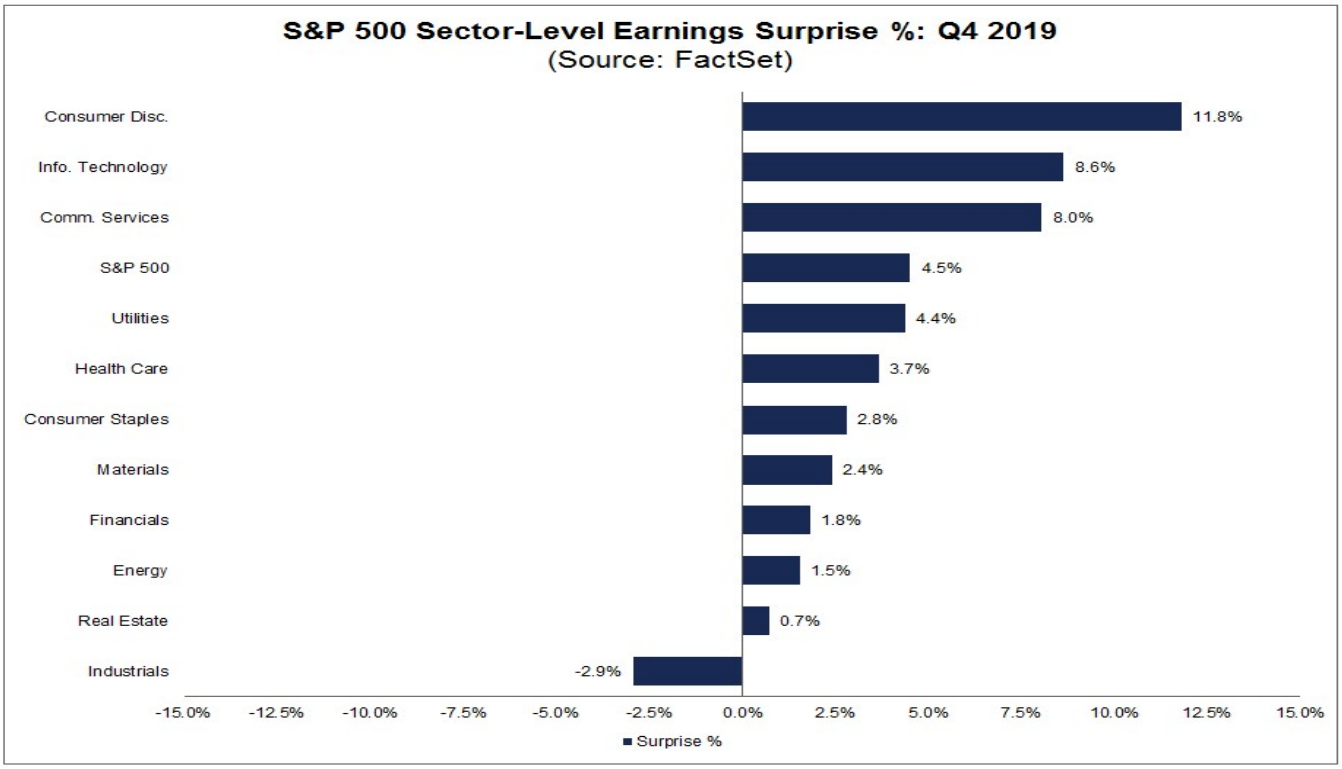


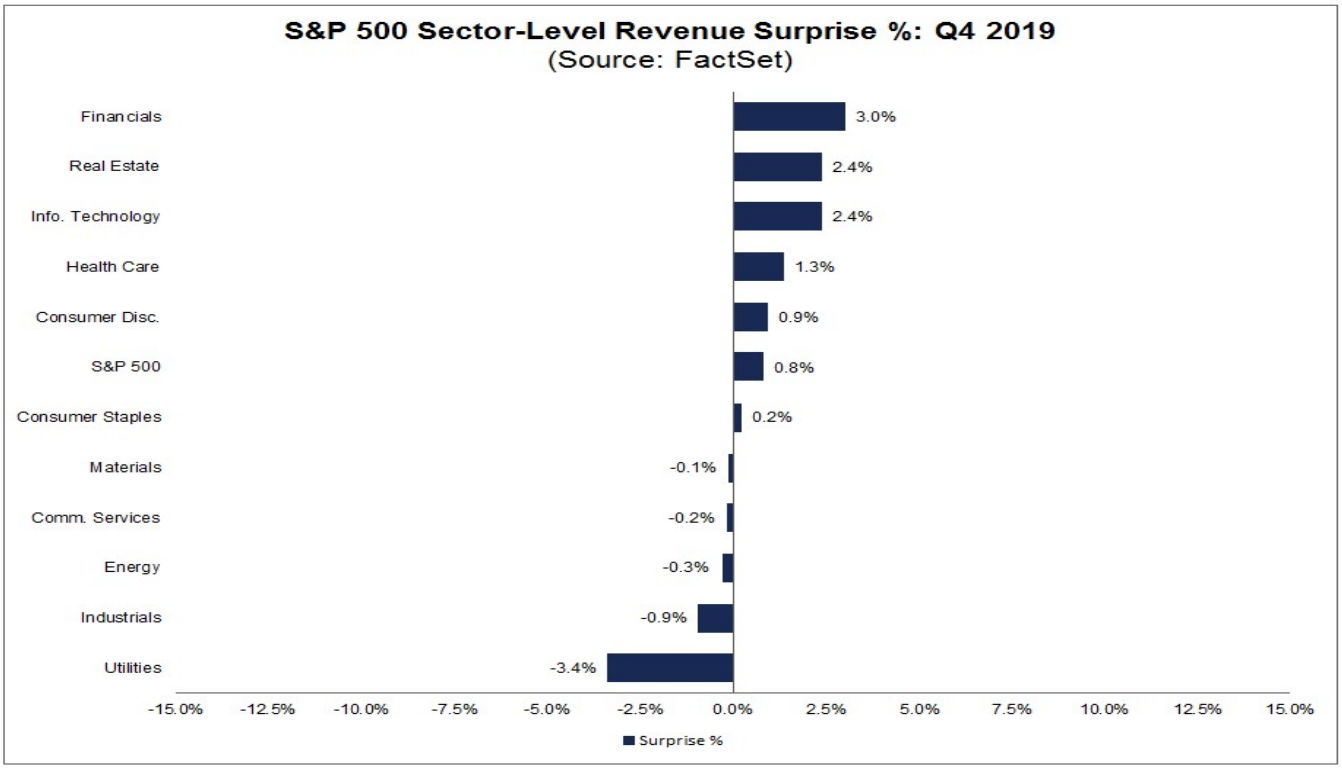
	Info. Technology	Health Care	Comm. Services	Consumer Staples	Utilities	S&P 500	Consumer Disc.	Financials	Industrials	Materials	Real Estate	Energy
Below	14%	8%	14%	4%	27%	20%	20%	27%	25%	35%	10%	47%
In-Line	2%	10%	5%	19%	0%	9%	10%	5%	12%	4%	38%	7%
Above	84%	82%	81%	77%	73%	71%	70%	69%	63%	61%	52%	47%



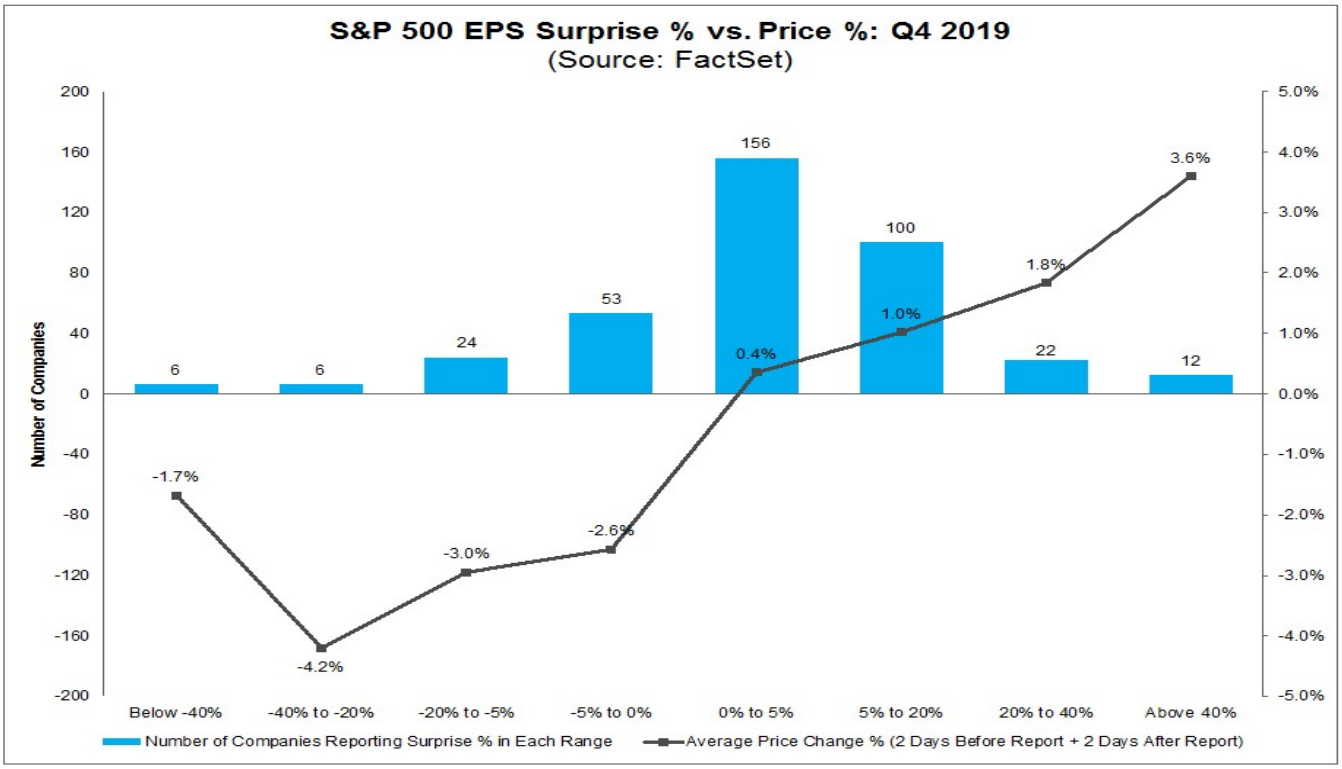
	Health Care	Comm. Services	Info. Technology	Financials	Real Estate	Energy	S&P 500	Consumer Staples	Consumer Disc.	Materials	Industrials	Utilities
Below	16%	19%	21%	27%	29%	33%	33%	35%	40%	48%	53%	91%
In-Line	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Above	84%	81%	79%	73%	71%	67%	67%	65%	60%	52%	47%	9%

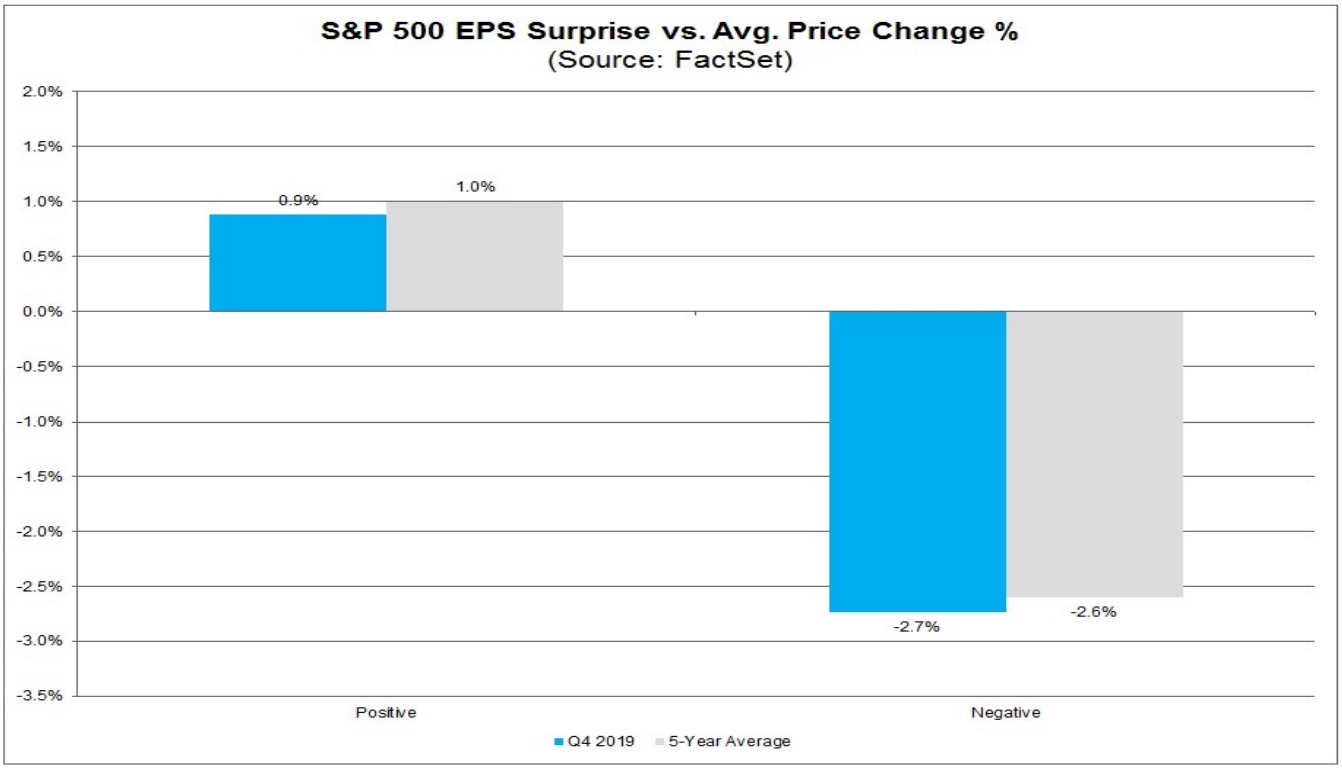
Q4 2019: Scorecard



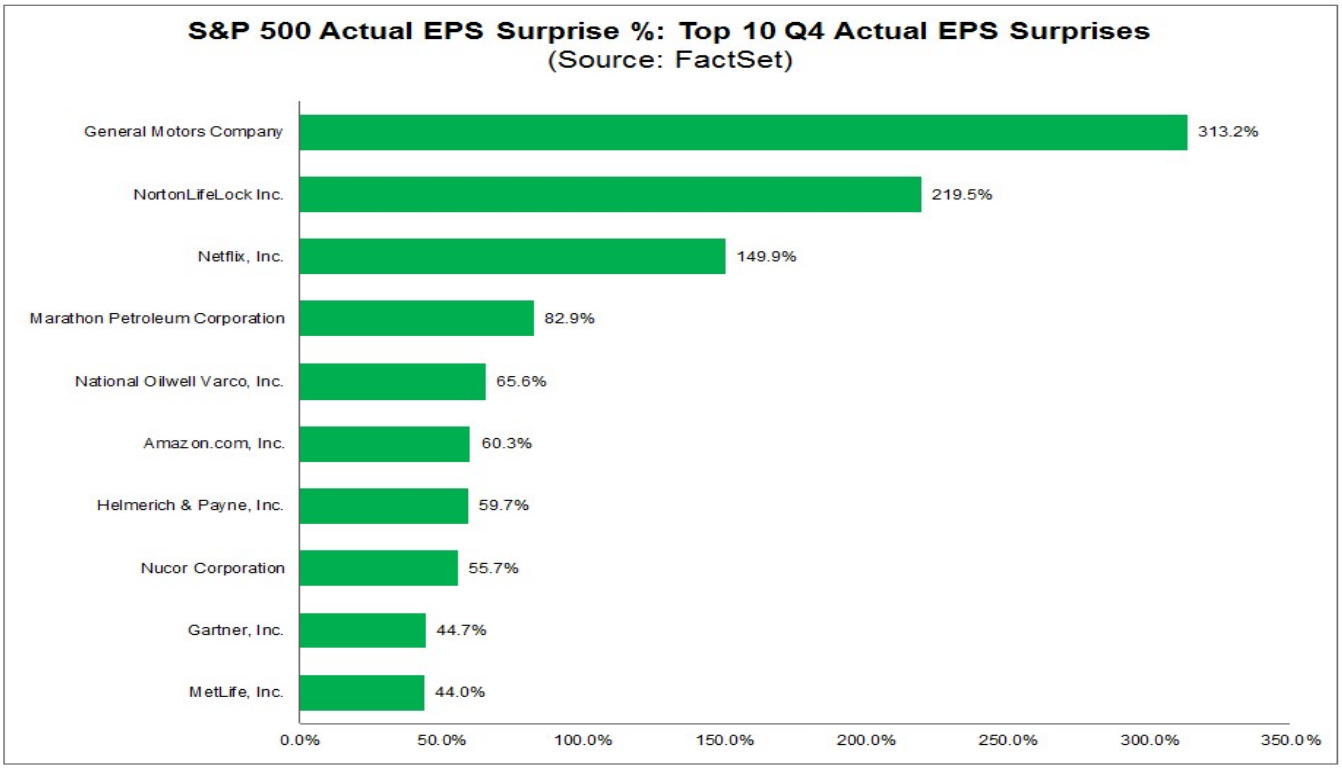


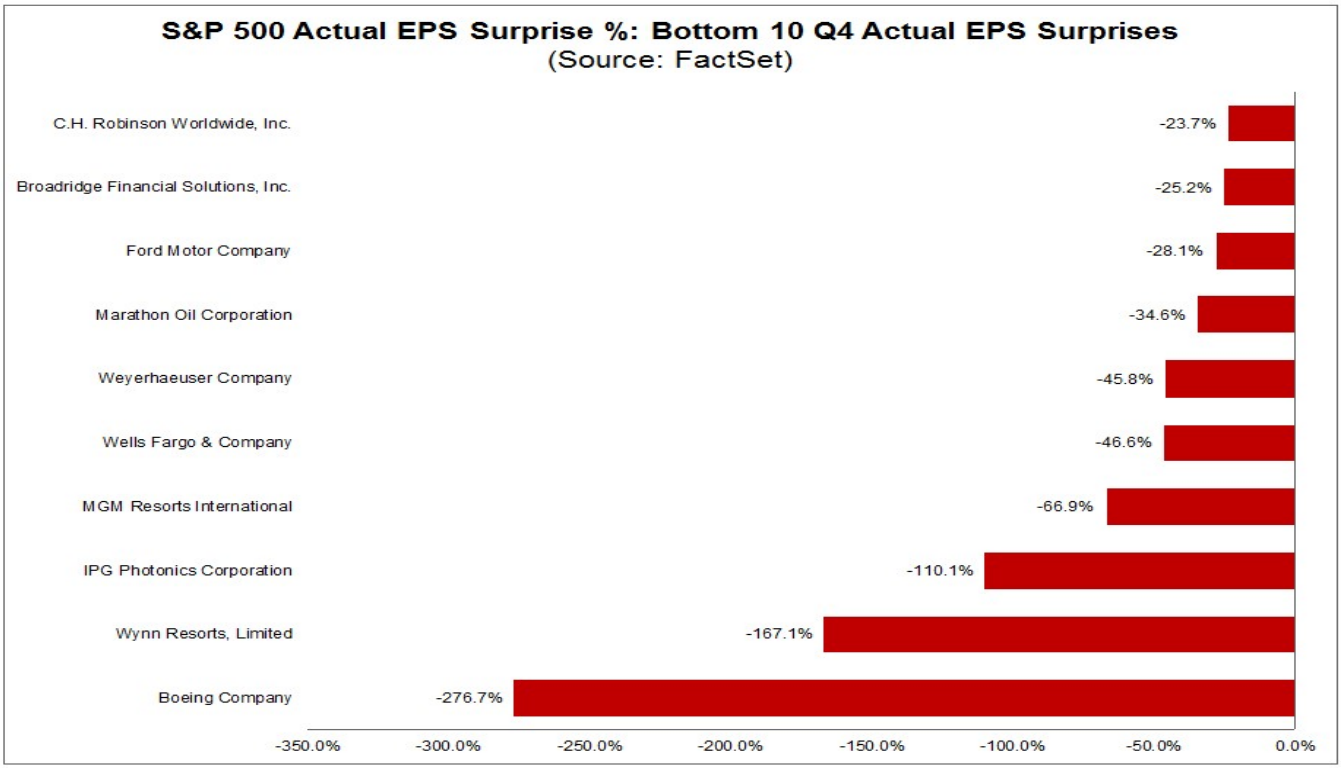
Q4 2019: Scorecard



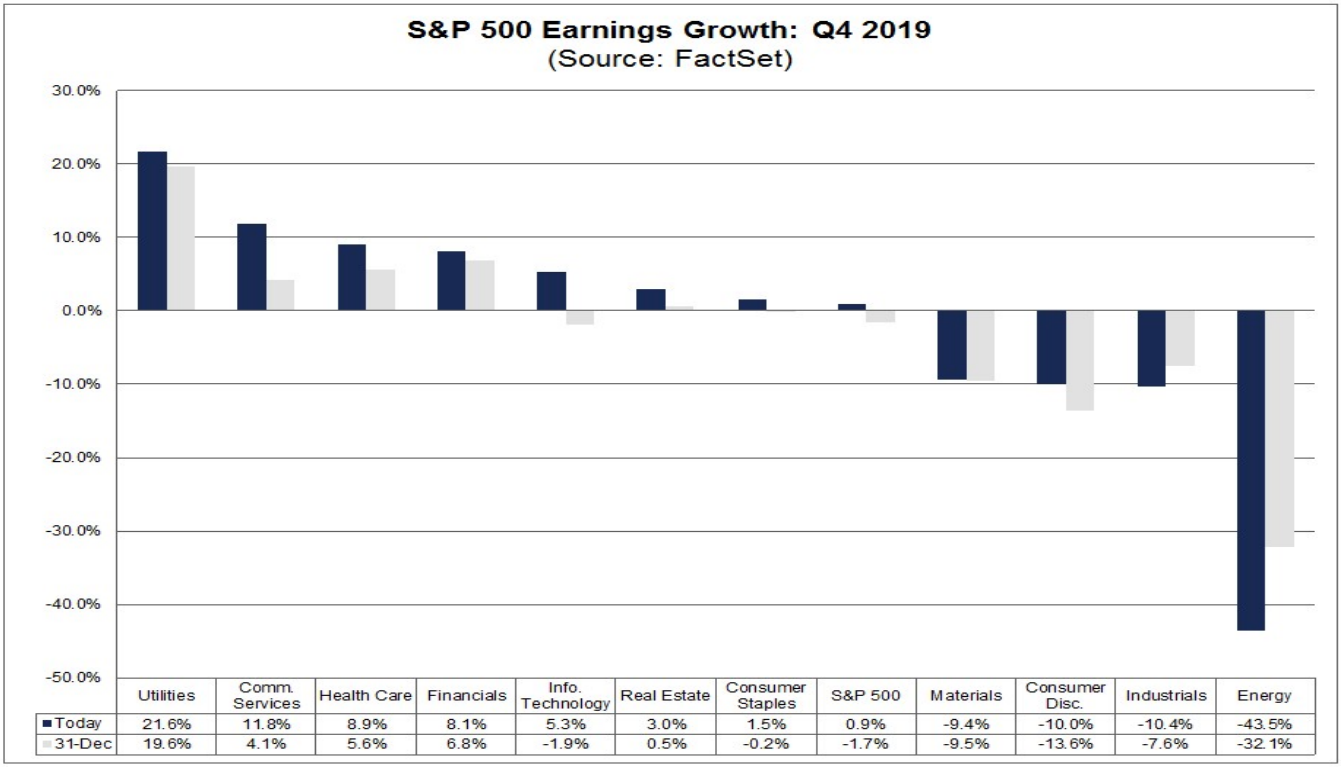


Q4 2019: Scorecard

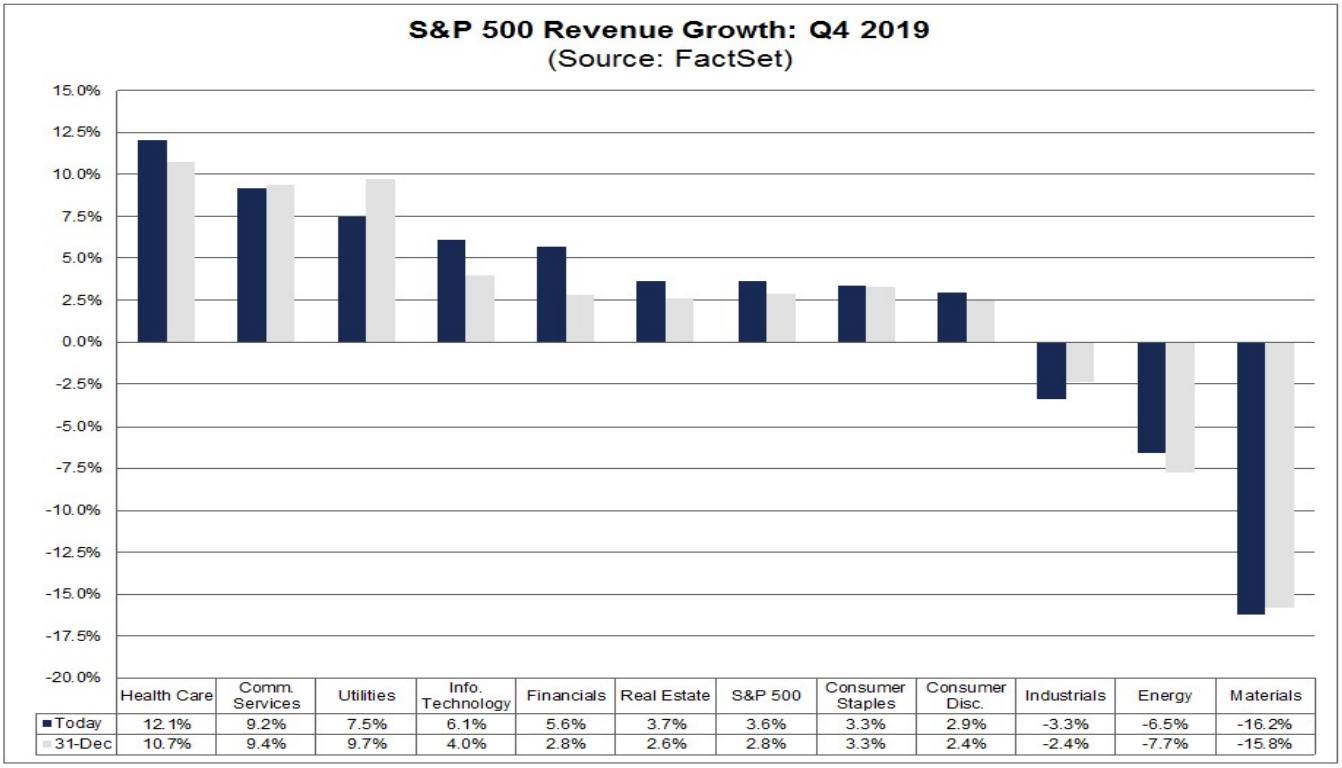




Q4 2019: Growth

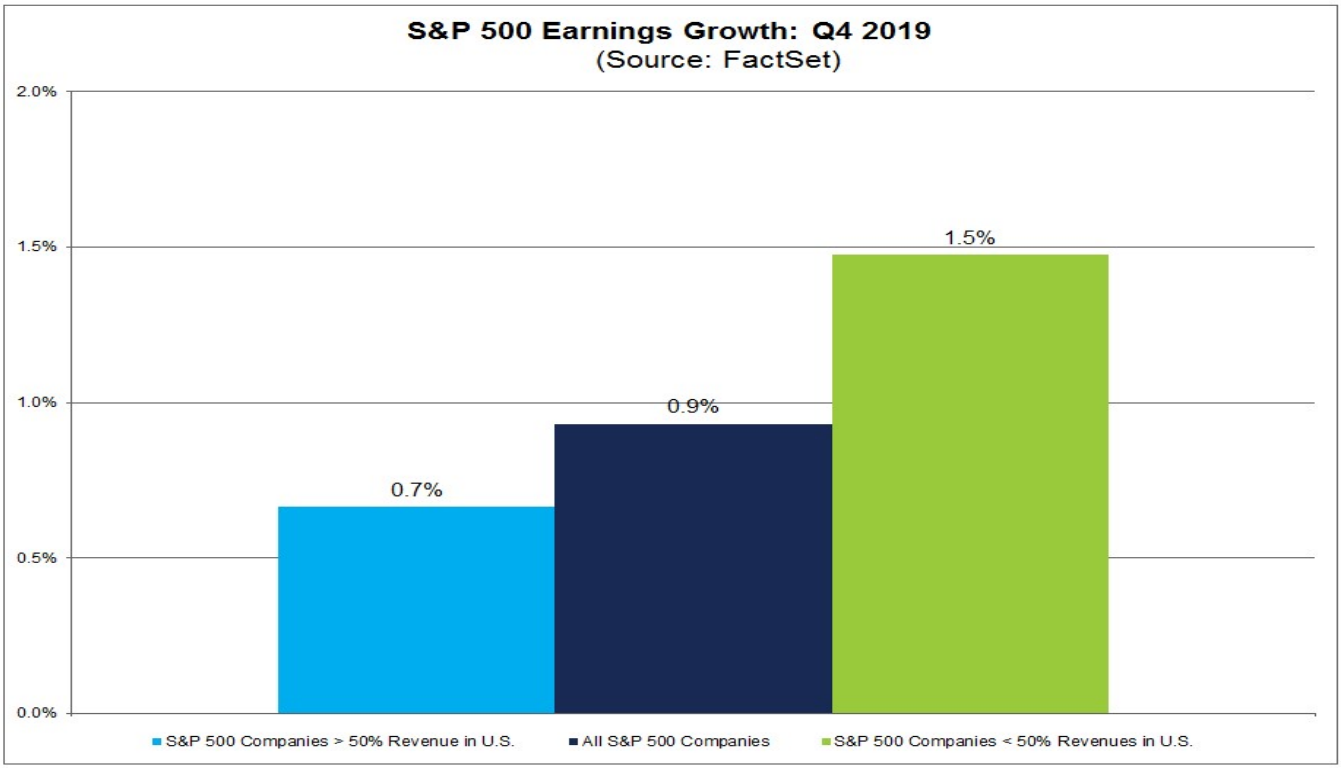


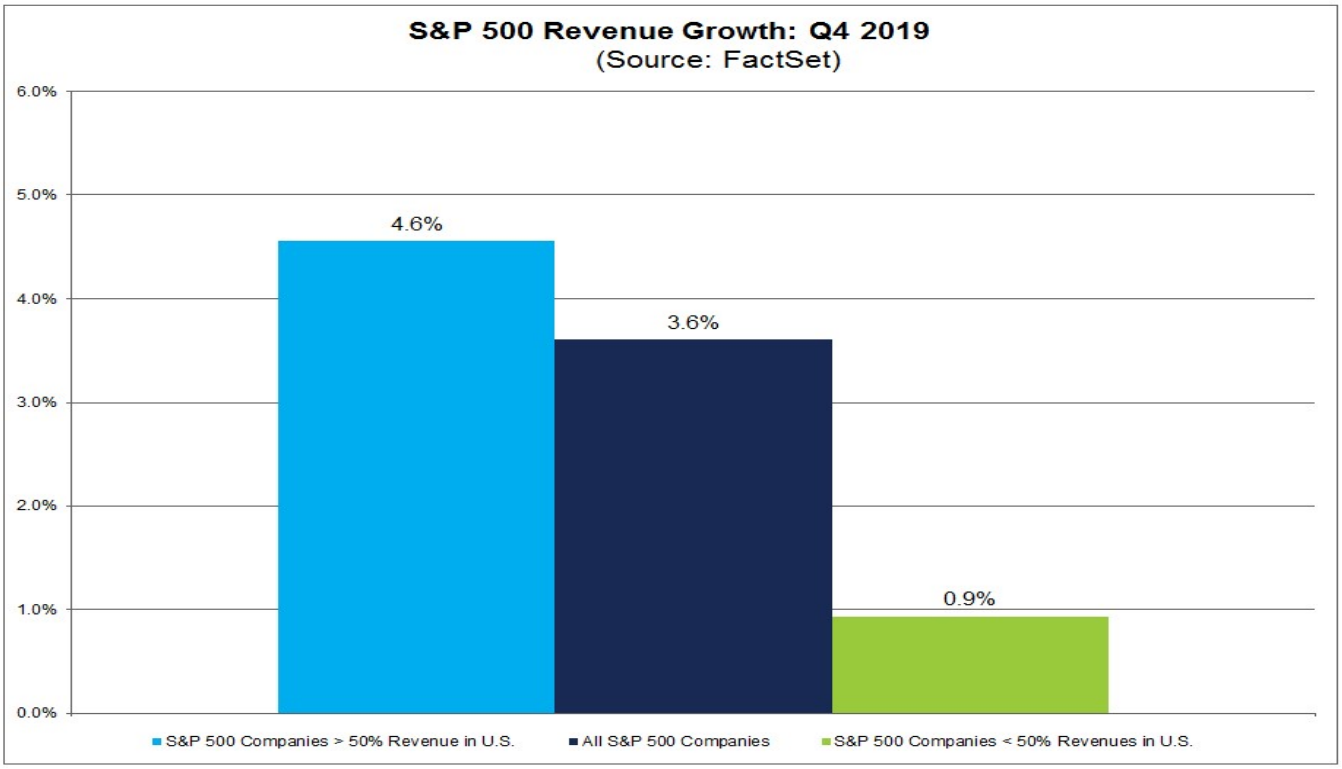
	Utilities	Comm. Services	Health Care	Financials	Info. Technology	Real Estate	Consumer Staples	S&P 500	Materials	Consumer Disc.	Industrials	Energy
Today	21.6%	11.8%	8.9%	8.1%	5.3%	3.0%	1.5%	0.9%	-9.4%	-10.0%	-10.4%	-43.5%
31-Dec	19.6%	4.1%	5.6%	6.8%	-1.9%	0.5%	-0.2%	-1.7%	-9.5%	-13.6%	-7.6%	-32.1%



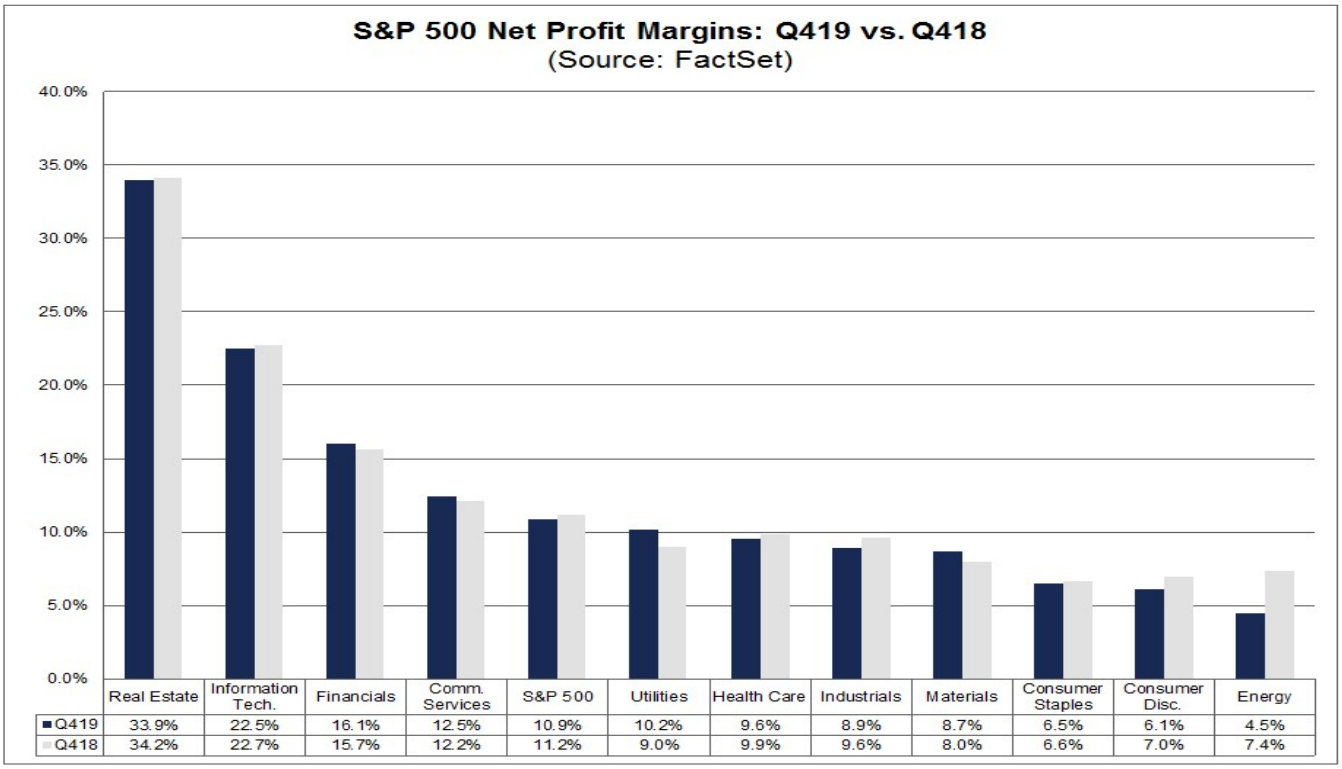
	Health Care	Comm. Services	Utilities	Info. Technology	Financials	Real Estate	S&P 500	Consumer Staples	Consumer Disc.	Industrials	Energy	Materials
Today	12.1%	9.2%	7.5%	6.1%	5.6%	3.7%	3.6%	3.3%	2.9%	-3.3%	-6.5%	-16.2%
31-Dec	10.7%	9.4%	9.7%	4.0%	2.8%	2.6%	2.8%	3.3%	2.4%	-2.4%	-7.7%	-15.8%

Q4 2019: Growth

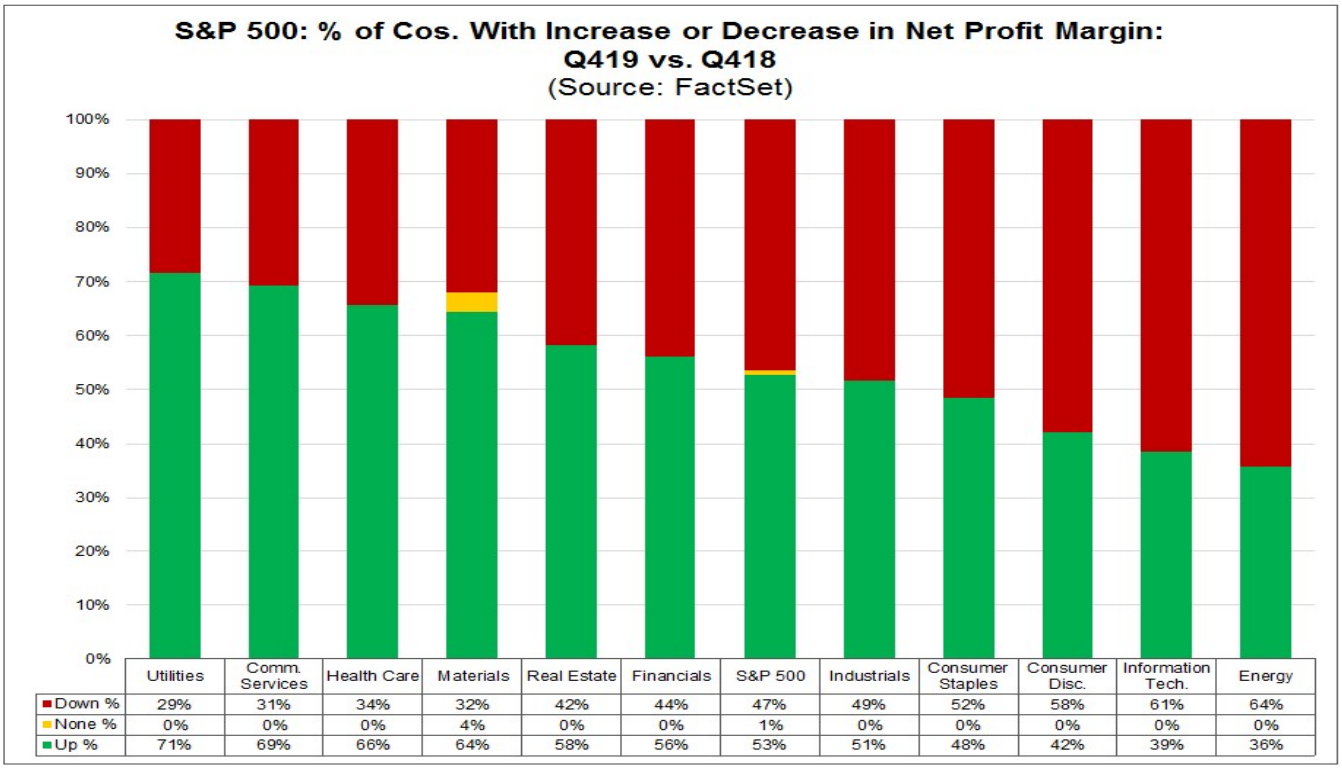




Q4 2019: Net Profit Margin

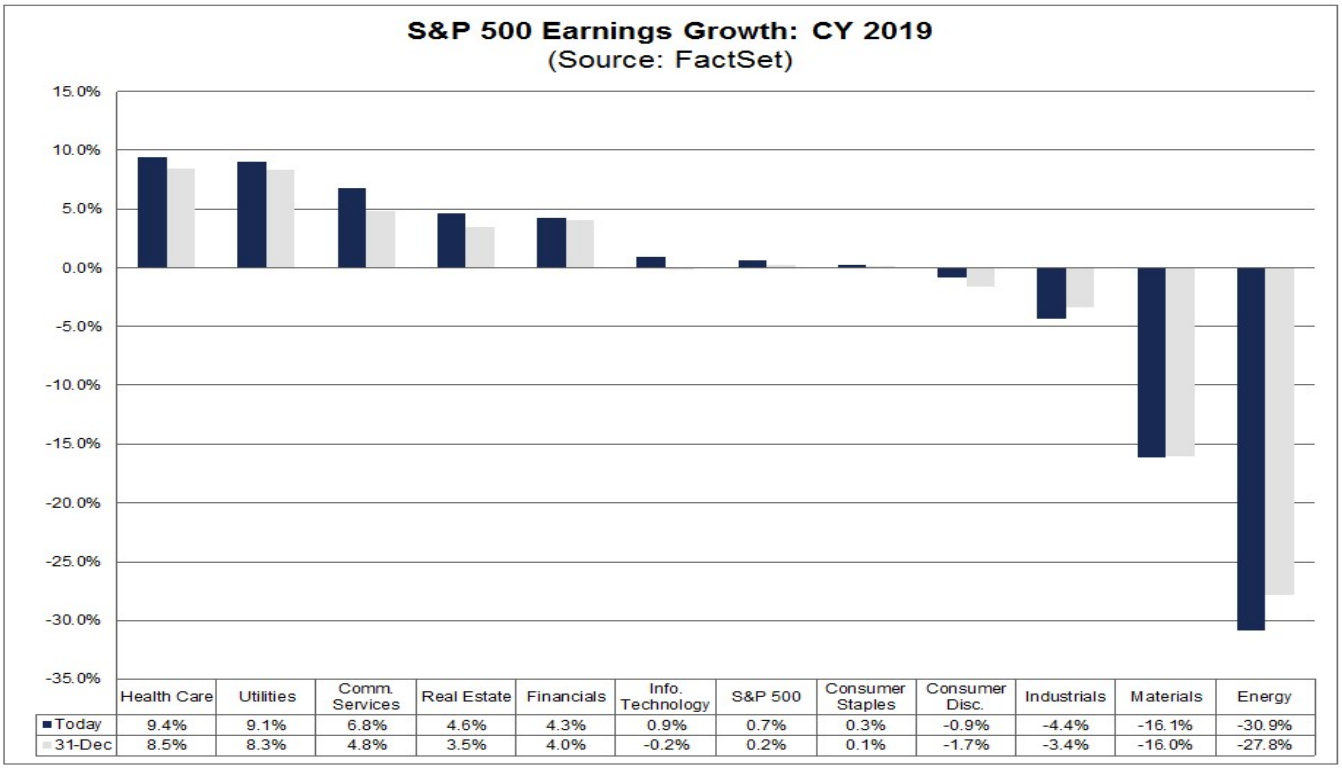


	Real Estate	Information Tech.	Financials	Comm. Services	S&P 500	Utilities	Health Care	Industrials	Materials	Consumer Staples	Consumer Disc.	Energy
Q419	33.9%	22.5%	16.1%	12.5%	10.9%	10.2%	9.6%	8.9%	8.7%	6.5%	6.1%	4.5%
Q418	34.2%	22.7%	15.7%	12.2%	11.2%	9.0%	9.9%	9.6%	8.0%	6.6%	7.0%	7.4%

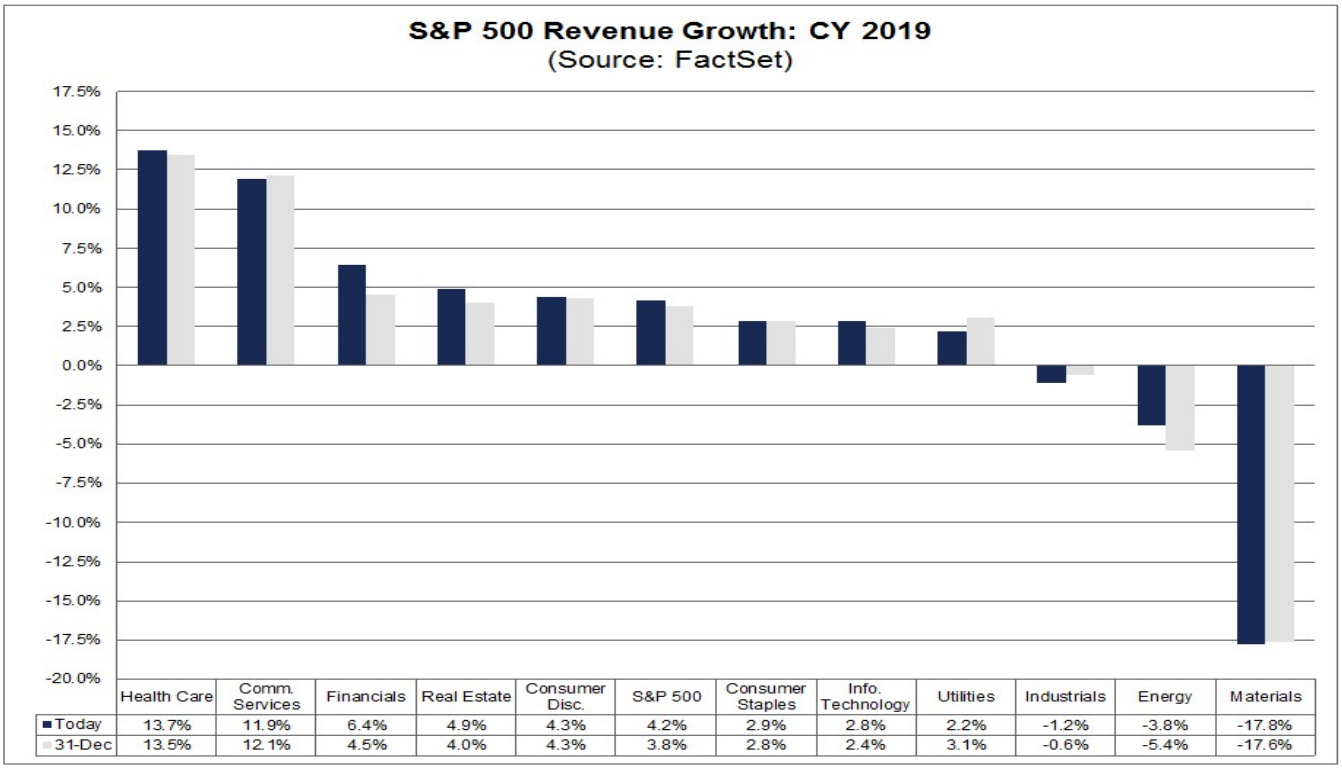


	Utilities	Comm. Services	Health Care	Materials	Real Estate	Financials	S&P 500	Industrials	Consumer Staples	Consumer Disc.	Information Tech.	Energy
Down %	29%	31%	34%	32%	42%	44%	47%	49%	52%	58%	61%	64%
None %	0%	0%	0%	4%	0%	0%	1%	0%	0%	0%	0%	0%
Up %	71%	69%	66%	64%	58%	56%	53%	51%	48%	42%	39%	36%

CY 2019: Growth

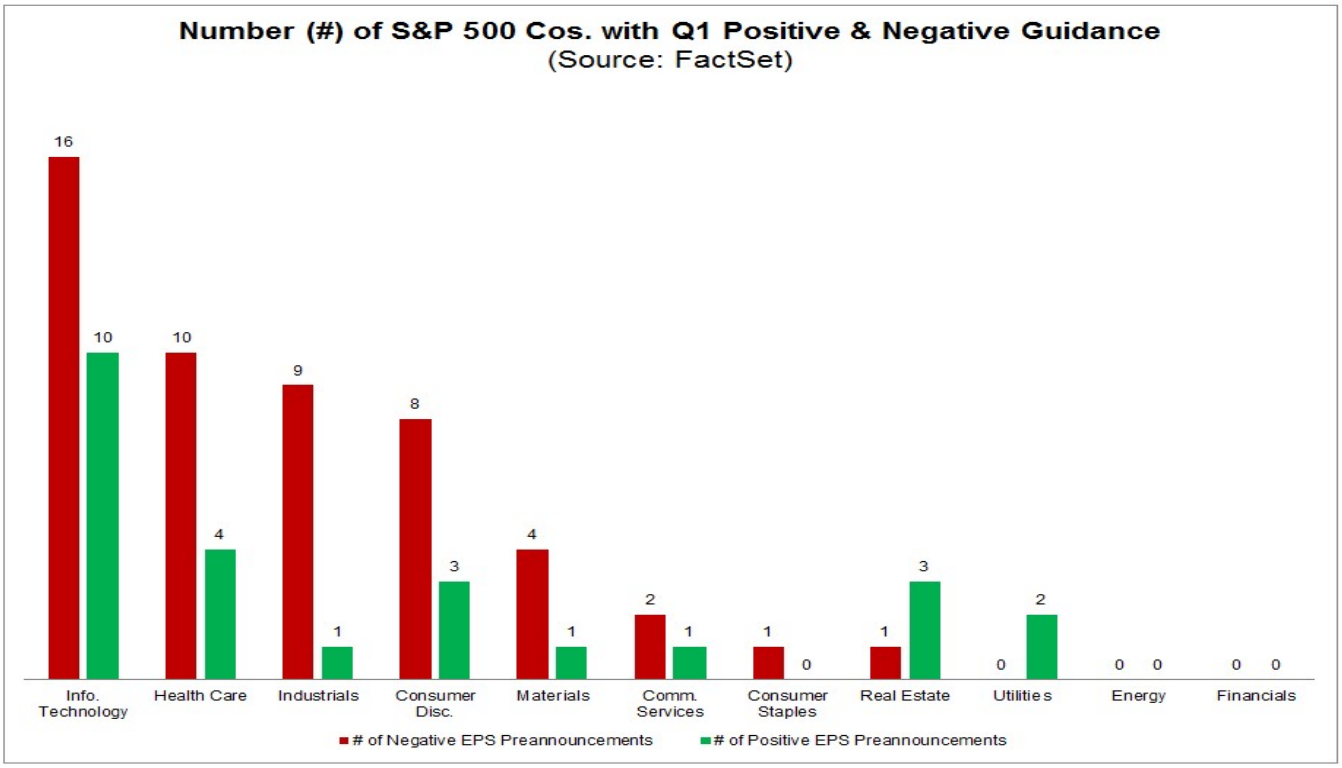


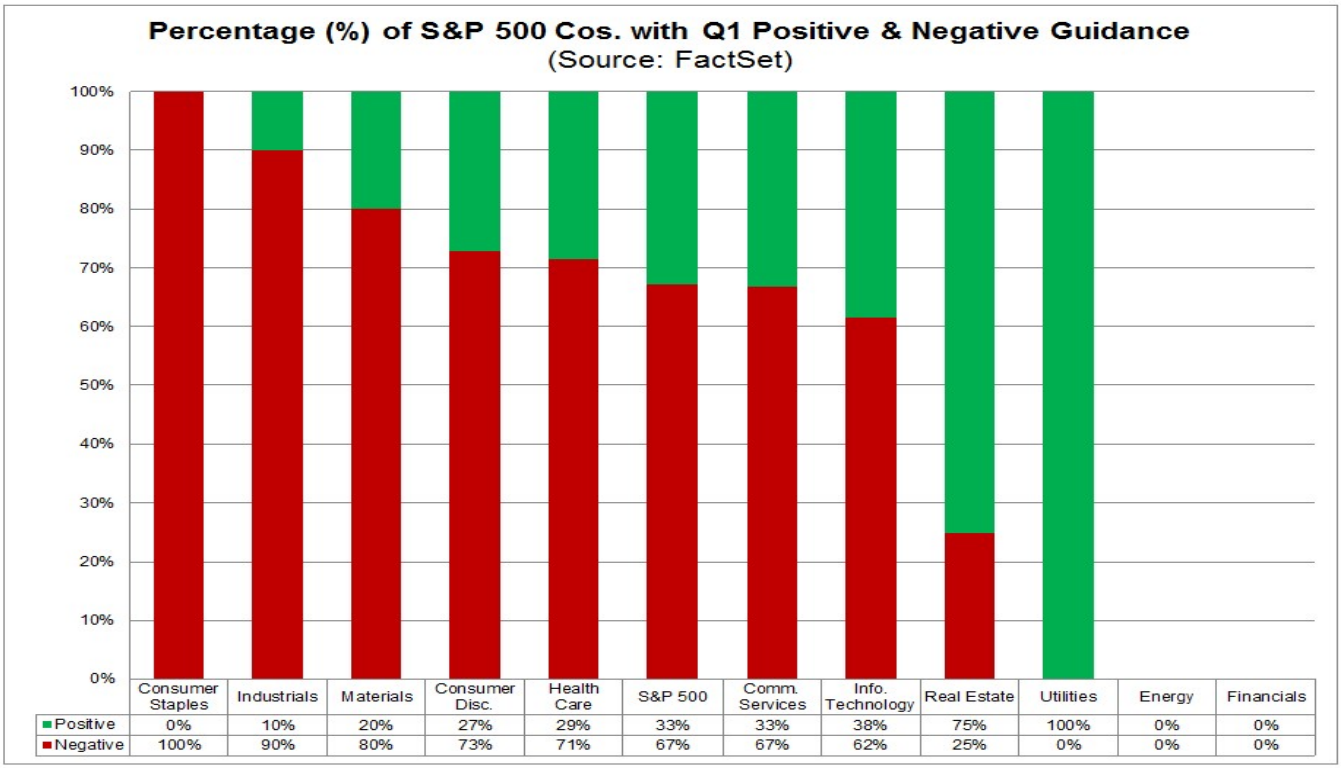
	Health Care	Utilities	Comm. Services	Real Estate	Financials	Info. Technology	S&P 500	Consumer Staples	Consumer Disc.	Industrials	Materials	Energy
Today	9.4%	9.1%	6.8%	4.6%	4.3%	0.9%	0.7%	0.3%	-0.9%	-4.4%	-16.1%	-30.9%
31-Dec	8.5%	8.3%	4.8%	3.5%	4.0%	-0.2%	0.2%	0.1%	-1.7%	-3.4%	-16.0%	-27.8%



	Health Care	Comm. Services	Financials	Real Estate	Consumer Disc.	S&P 500	Consumer Staples	Info. Technology	Utilities	Industrials	Energy	Materials
Today	13.7%	11.9%	6.4%	4.9%	4.3%	4.2%	2.9%	2.8%	2.2%	-1.2%	-3.8%	-17.8%
31-Dec	13.5%	12.1%	4.5%	4.0%	4.3%	3.8%	2.8%	2.4%	3.1%	-0.6%	-5.4%	-17.6%

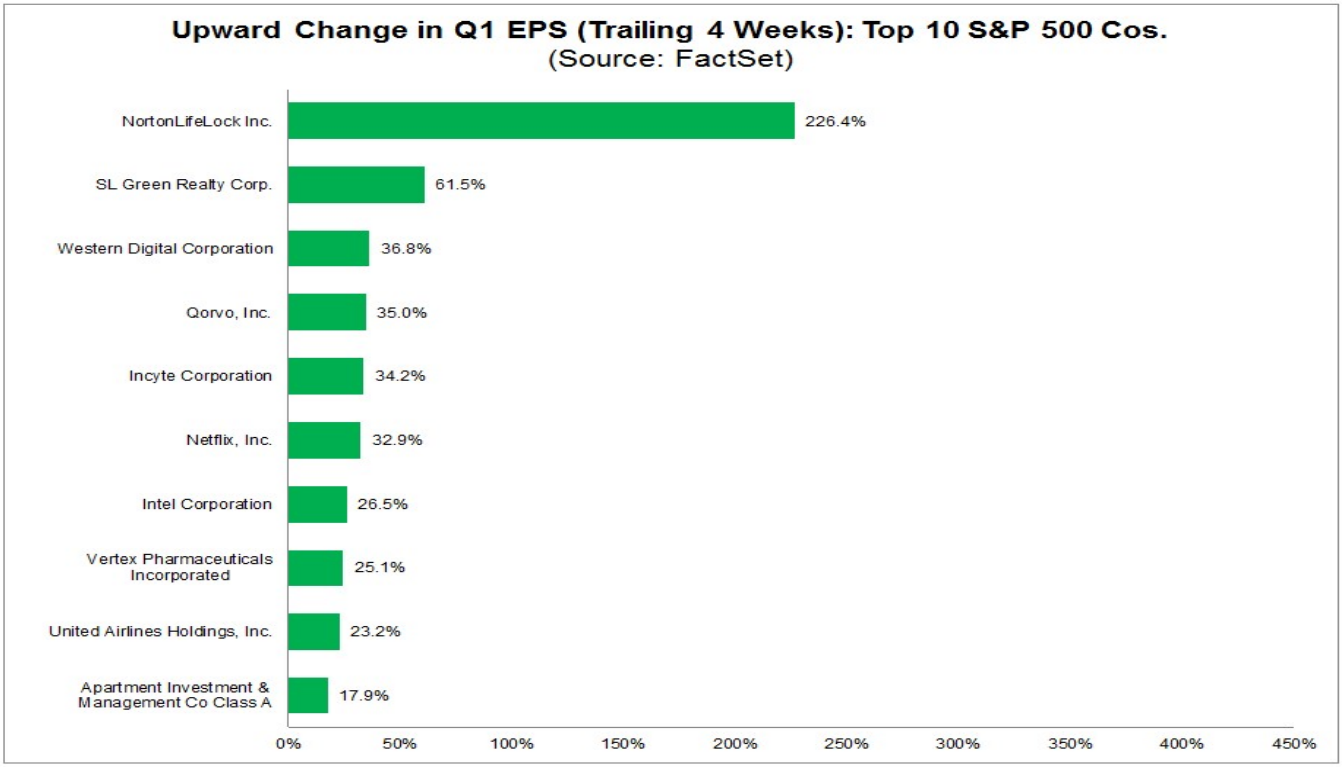
Q1 2020: EPS Guidance

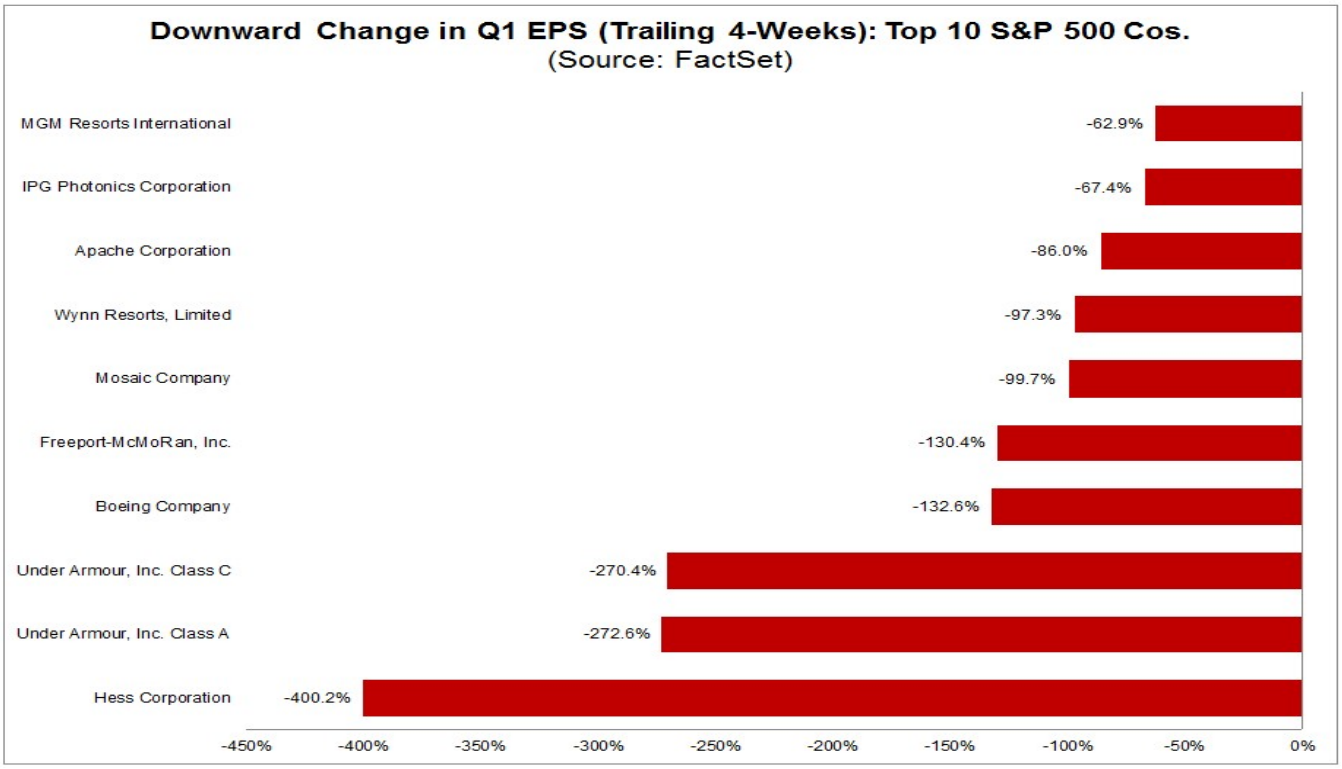




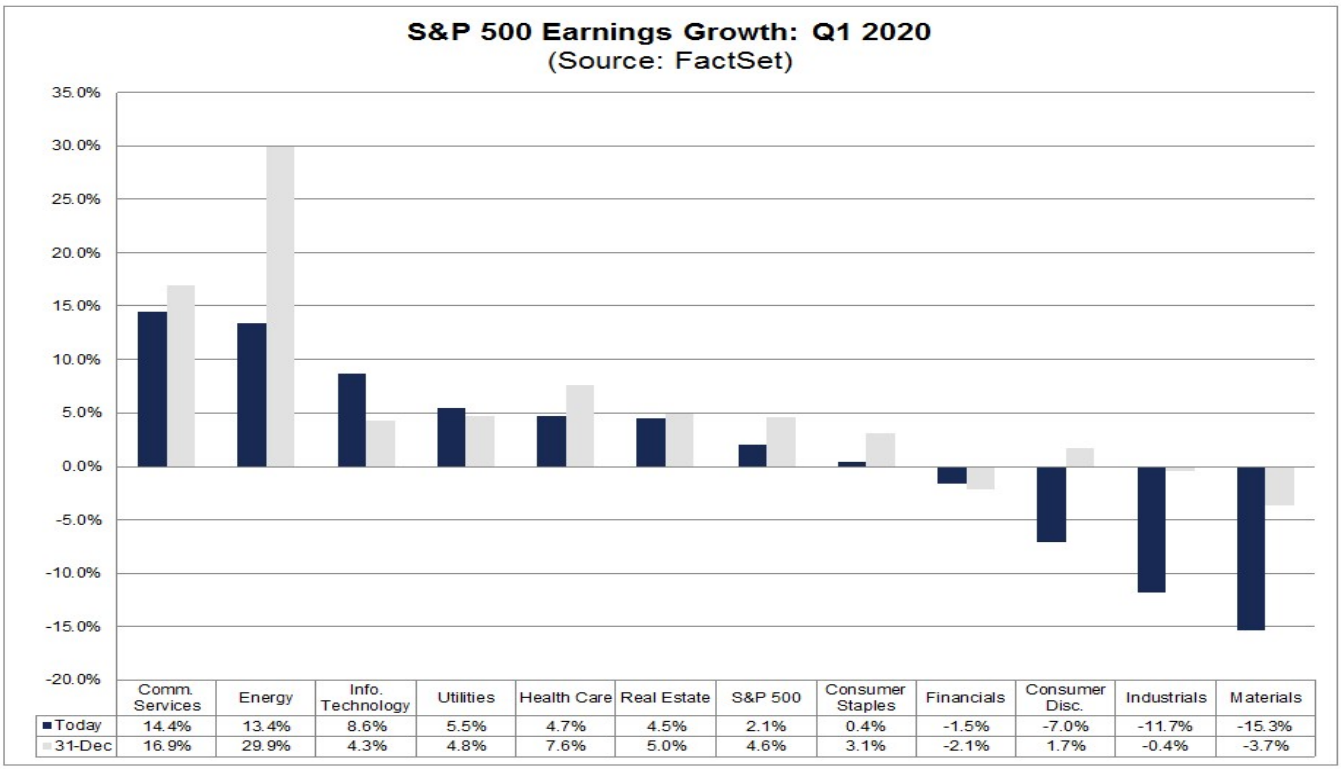
	Consumer Staples	Industrials	Materials	Consumer Disc.	Health Care	S&P 500	Comm. Services	Info. Technology	Real Estate	Utilities	Energy	Financials
Positive	0%	10%	20%	27%	29%	33%	33%	38%	75%	100%	0%	0%
Negative	100%	90%	80%	73%	71%	67%	67%	62%	25%	0%	0%	0%

Q1 2020: EPS Revisions

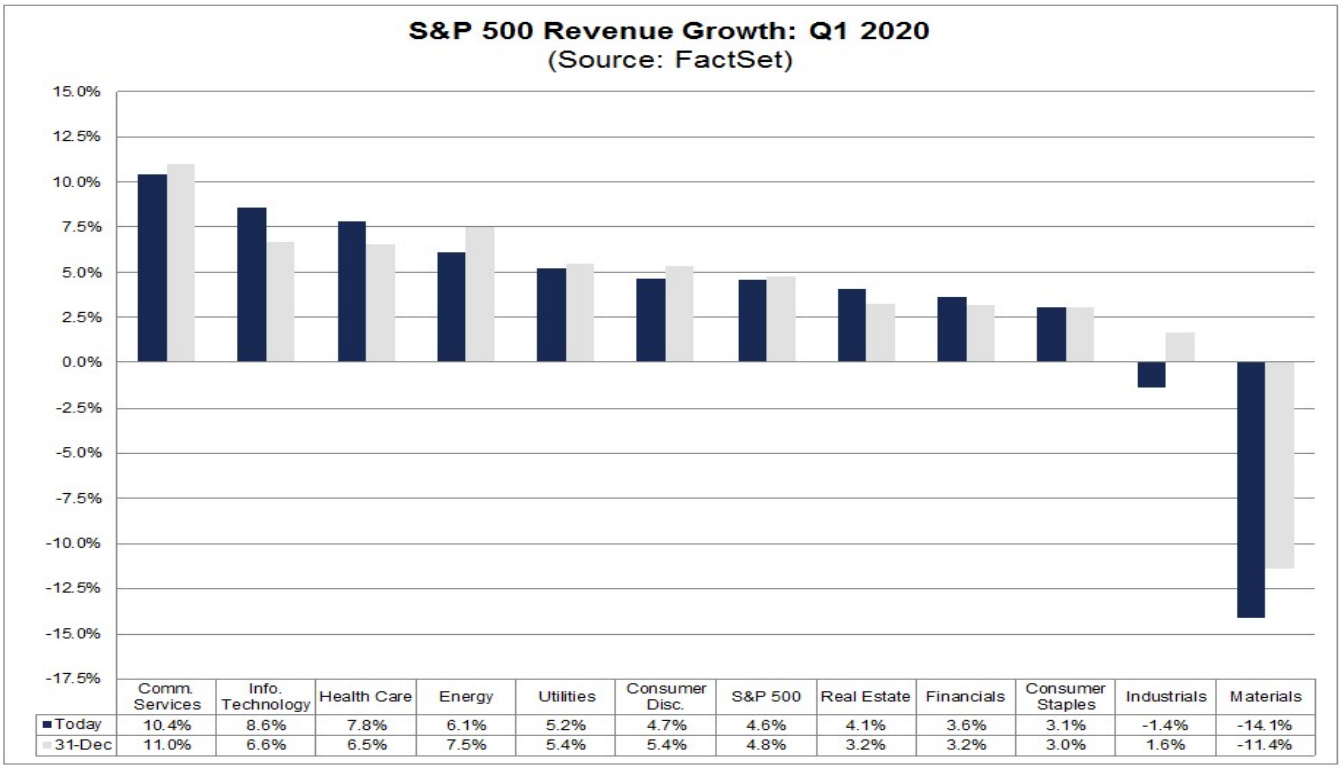




Q1 2020: Growth

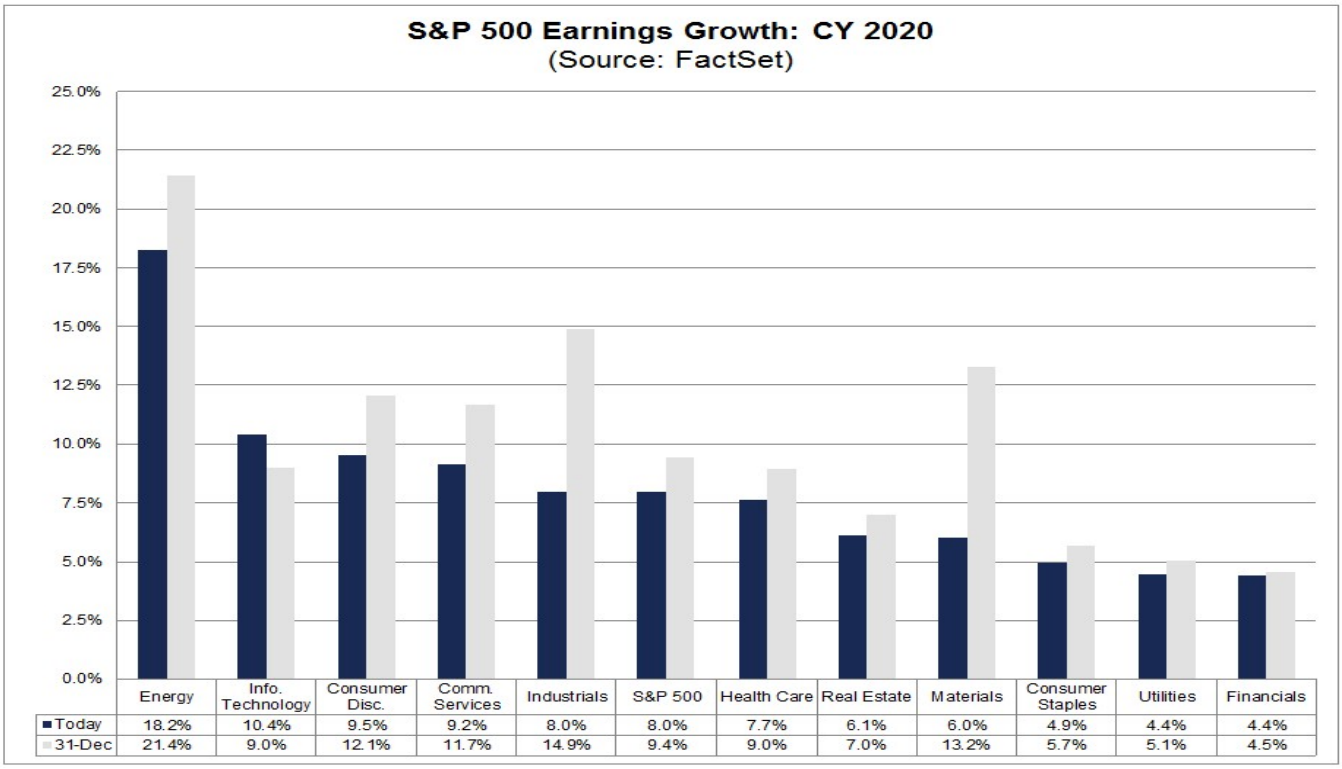


	Comm. Services	Energy	Info. Technology	Utilities	Health Care	Real Estate	S&P 500	Consumer Staples	Financials	Consumer Disc.	Industrials	Materials
Today	14.4%	13.4%	8.6%	5.5%	4.7%	4.5%	2.1%	0.4%	-1.5%	-7.0%	-11.7%	-15.3%
31-Dec	16.9%	29.9%	4.3%	4.8%	7.6%	5.0%	4.6%	3.1%	-2.1%	1.7%	-0.4%	-3.7%

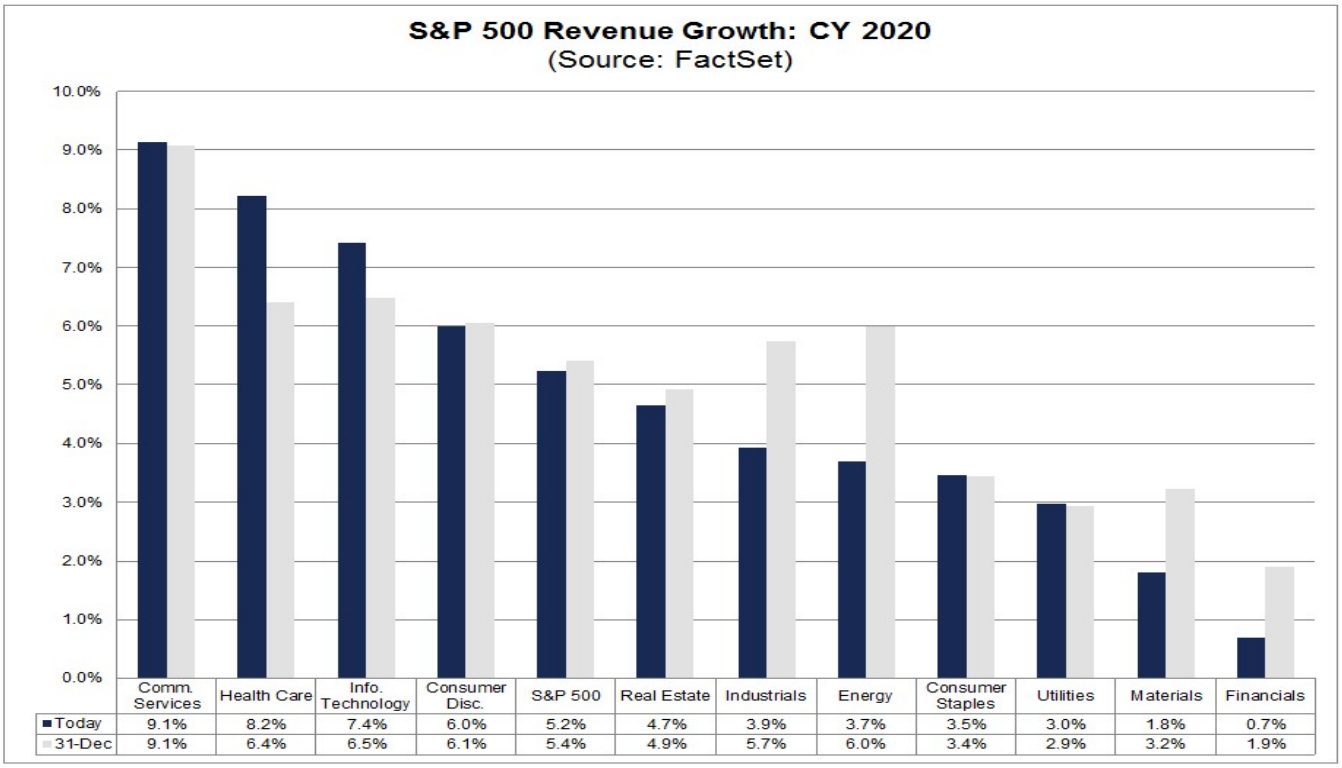


	Comm. Services	Info. Technology	Health Care	Energy	Utilities	Consumer Disc.	S&P 500	Real Estate	Financials	Consumer Staples	Industrials	Materials
Today	10.4%	8.6%	7.8%	6.1%	5.2%	4.7%	4.6%	4.1%	3.6%	3.1%	-1.4%	-14.1%
31-Dec	11.0%	6.6%	6.5%	7.5%	5.4%	5.4%	4.8%	3.2%	3.2%	3.0%	1.6%	-11.4%

CY 2020: Growth

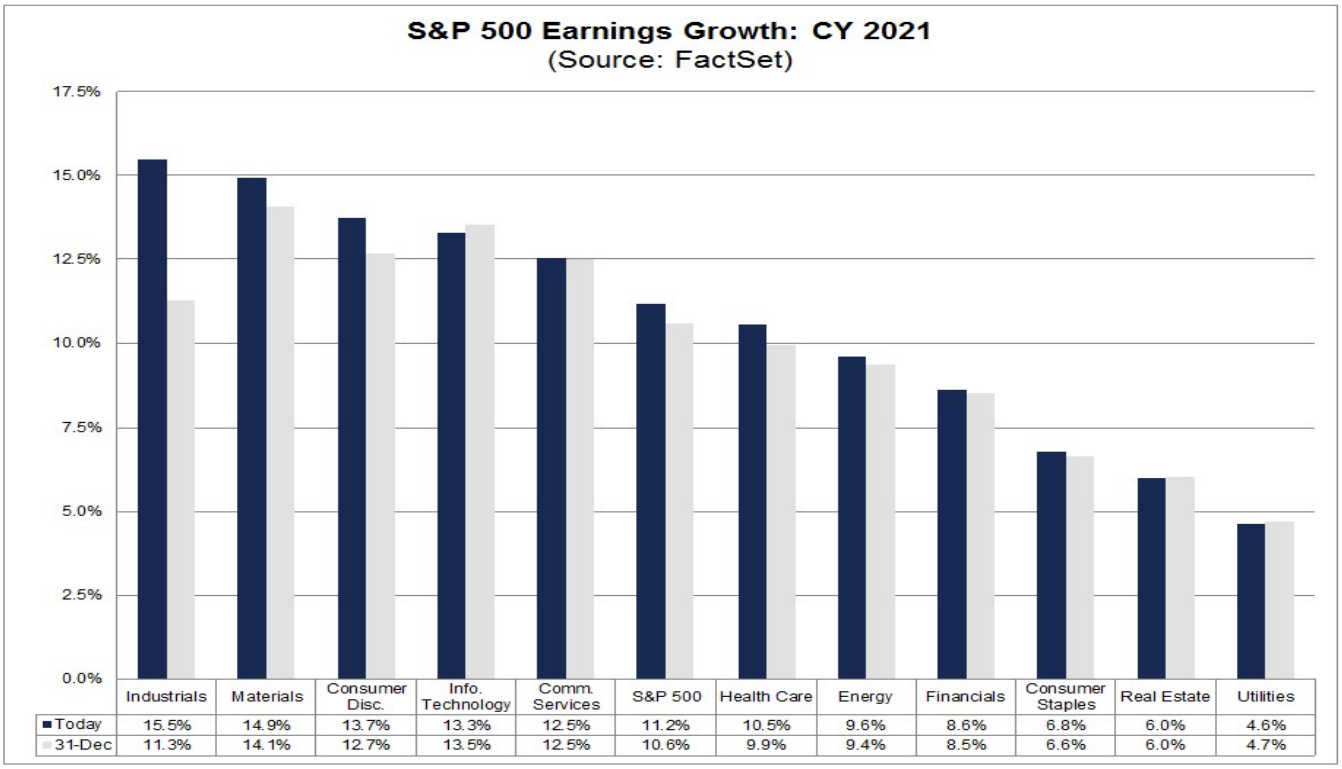


	Energy	Info. Technology	Consumer Disc.	Comm. Services	Industrials	S&P 500	Health Care	Real Estate	Materials	Consumer Staples	Utilities	Financials
Today	18.2%	10.4%	9.5%	9.2%	8.0%	8.0%	7.7%	6.1%	6.0%	4.9%	4.4%	4.4%
31-Dec	21.4%	9.0%	12.1%	11.7%	14.9%	9.4%	9.0%	7.0%	13.2%	5.7%	5.1%	4.5%

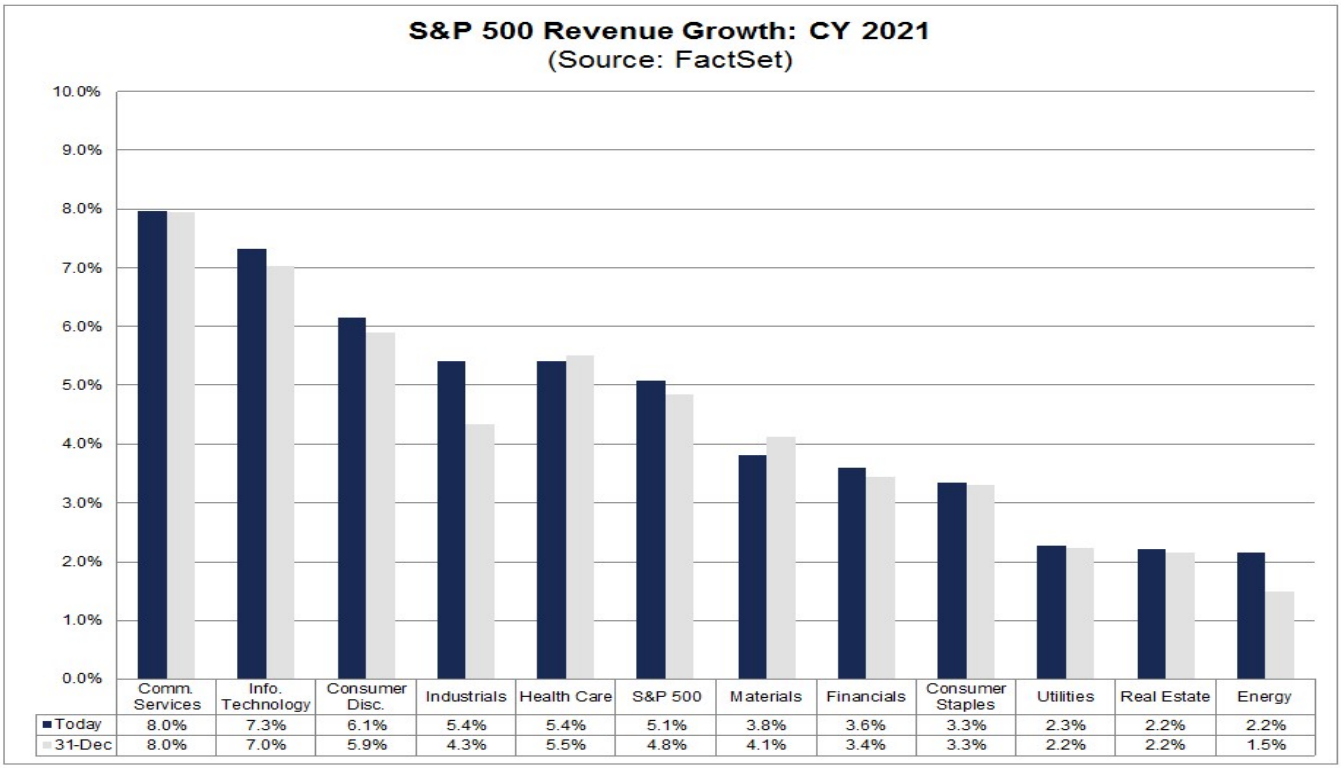


	Comm. Services	Health Care	Info. Technology	Consumer Disc.	S&P 500	Real Estate	Industrials	Energy	Consumer Staples	Utilities	Materials	Financials
Today	9.1%	8.2%	7.4%	6.0%	5.2%	4.7%	3.9%	3.7%	3.5%	3.0%	1.8%	0.7%
31-Dec	9.1%	6.4%	6.5%	6.1%	5.4%	4.9%	5.7%	6.0%	3.4%	2.9%	3.2%	1.9%

CY 2021: Growth

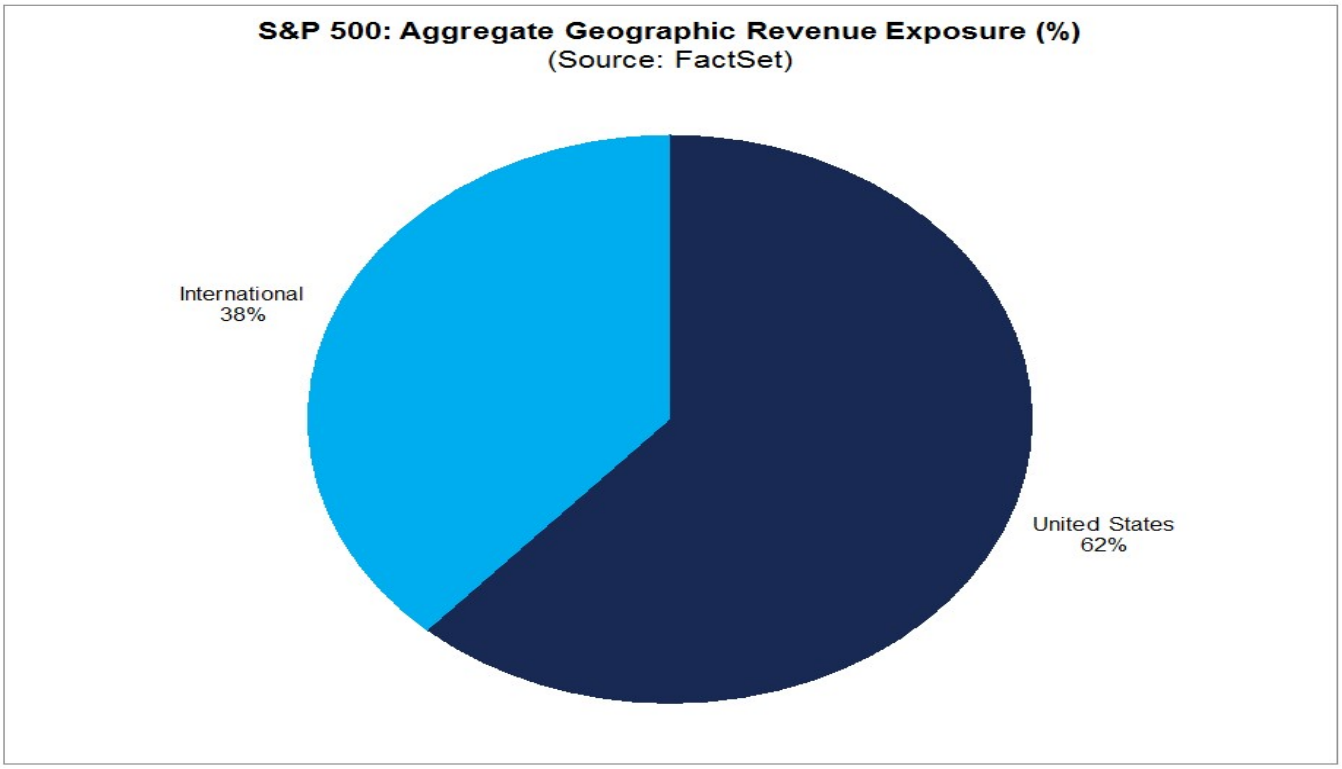


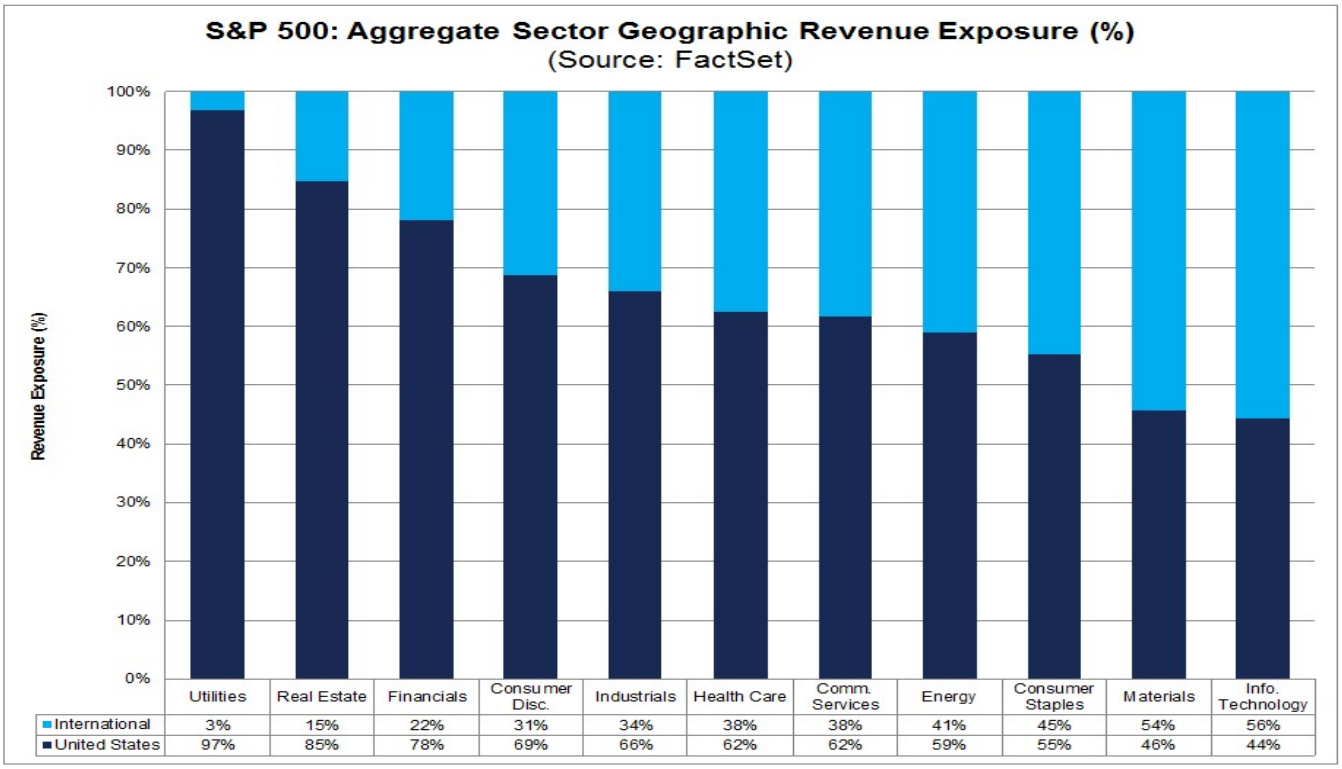
	Industrials	Materials	Consumer Disc.	Info. Technology	Comm. Services	S&P 500	Health Care	Energy	Financials	Consumer Staples	Real Estate	Utilities
Today	15.5%	14.9%	13.7%	13.3%	12.5%	11.2%	10.5%	9.6%	8.6%	6.8%	6.0%	4.6%
31-Dec	11.3%	14.1%	12.7%	13.5%	12.5%	10.6%	9.9%	9.4%	8.5%	6.6%	6.0%	4.7%



	Comm. Services	Info. Technology	Consumer Disc.	Industrials	Health Care	S&P 500	Materials	Financials	Consumer Staples	Utilities	Real Estate	Energy
Today	8.0%	7.3%	6.1%	5.4%	5.4%	5.1%	3.8%	3.6%	3.3%	2.3%	2.2%	2.2%
31-Dec	8.0%	7.0%	5.9%	4.3%	5.5%	4.8%	4.1%	3.4%	3.3%	2.2%	2.2%	1.5%

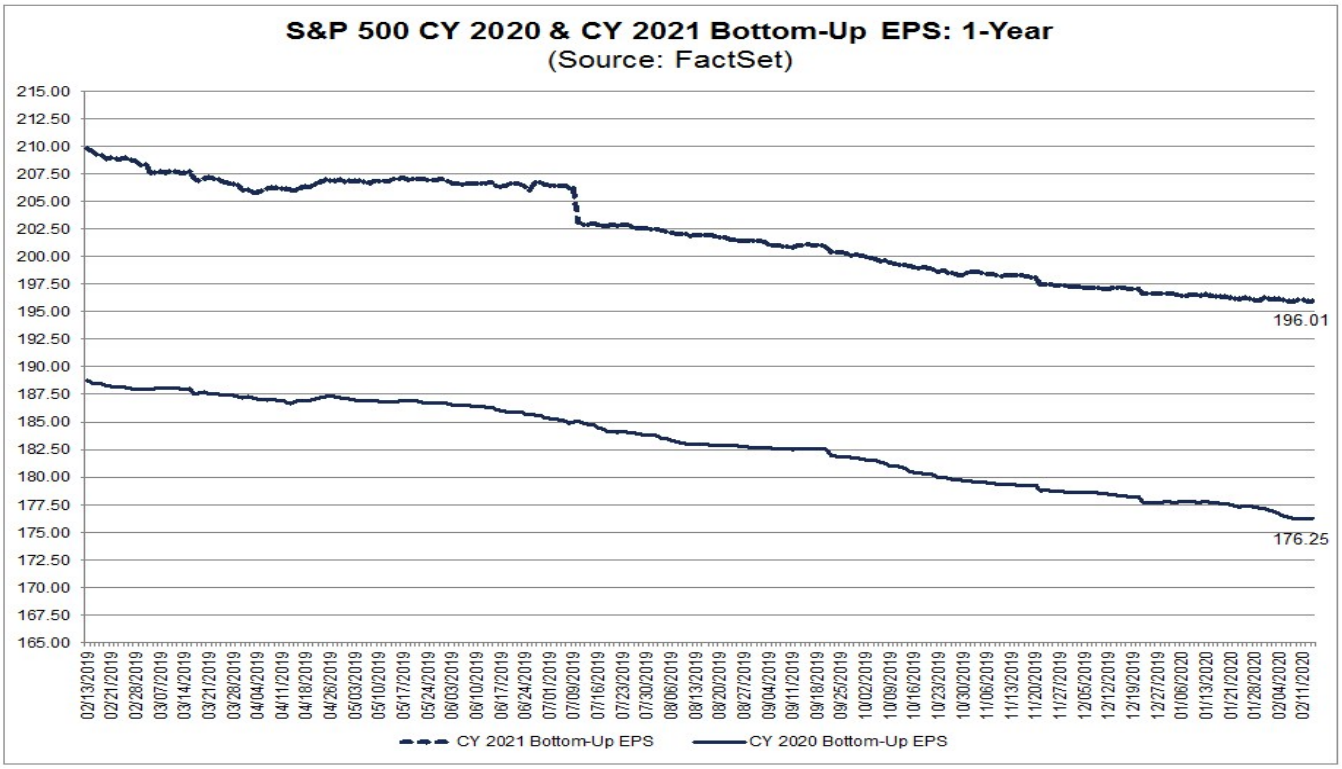
Geographic Revenue Exposure

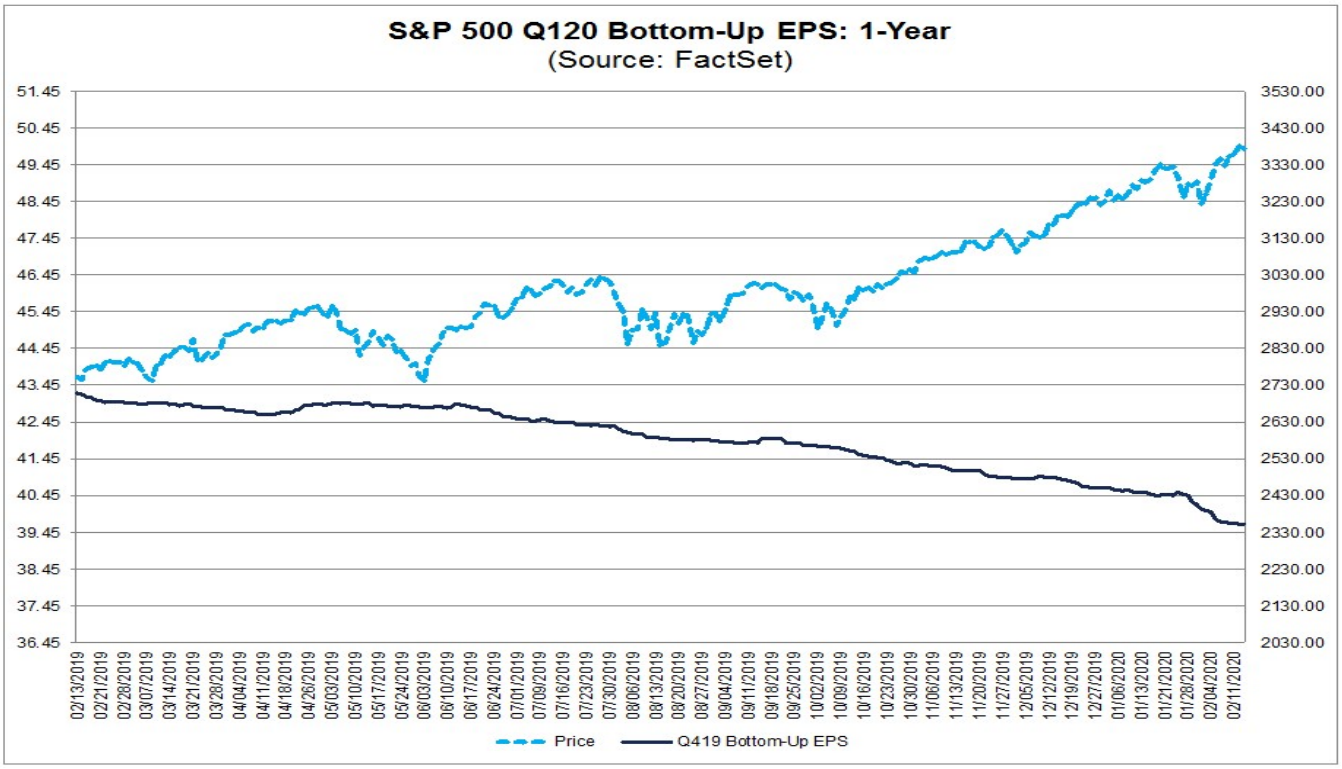




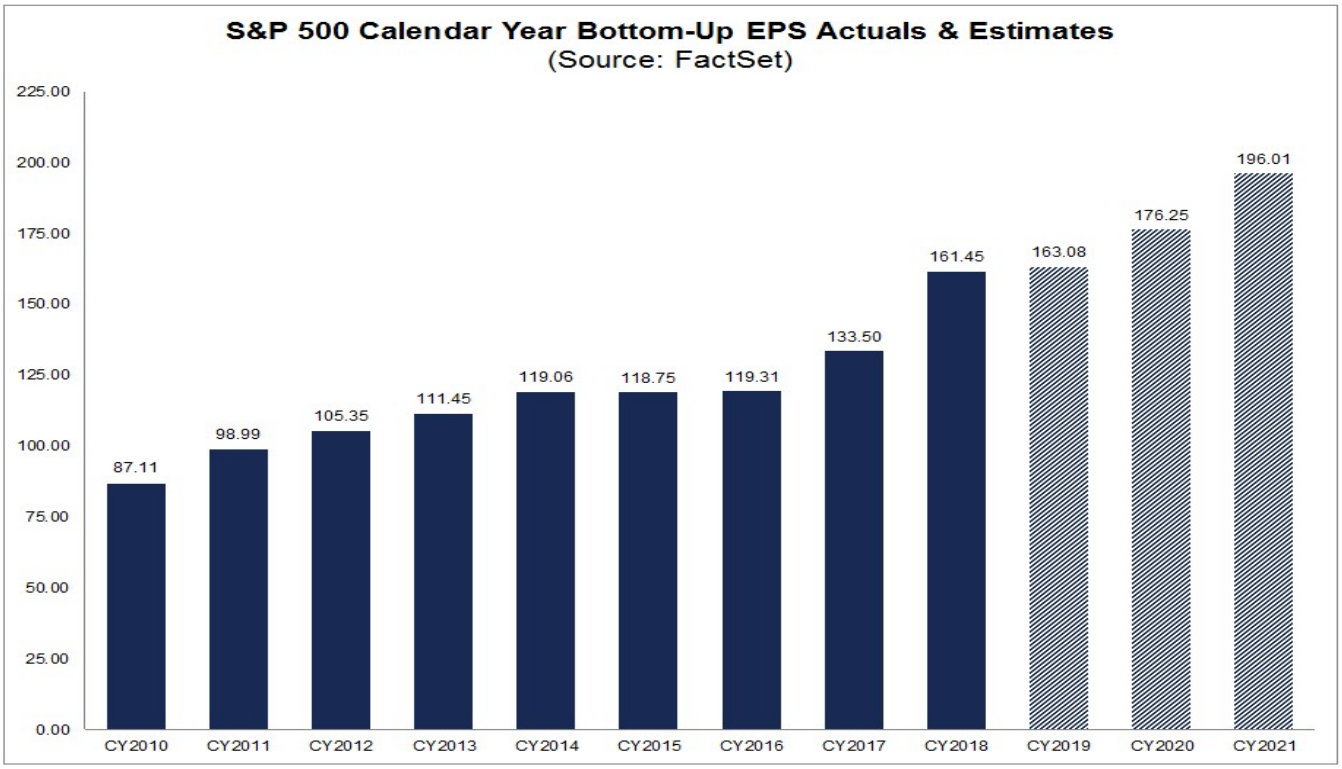
	Utilities	Real Estate	Financials	Consumer Disc.	Industrials	Health Care	Comm. Services	Energy	Consumer Staples	Materials	Info. Technology
International	3%	15%	22%	31%	34%	38%	38%	41%	45%	54%	56%
United States	97%	85%	78%	69%	66%	62%	62%	59%	55%	46%	44%

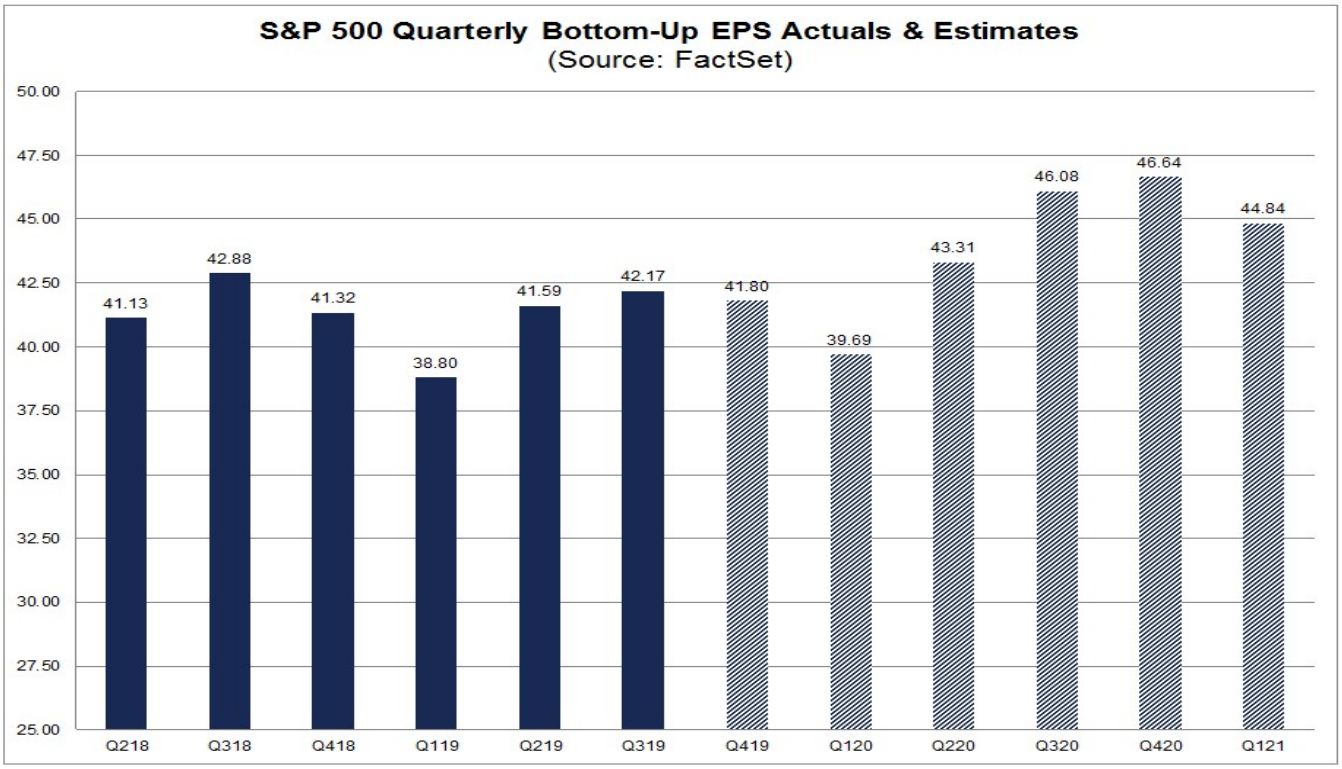
Bottom-up EPS Estimates: Revisions



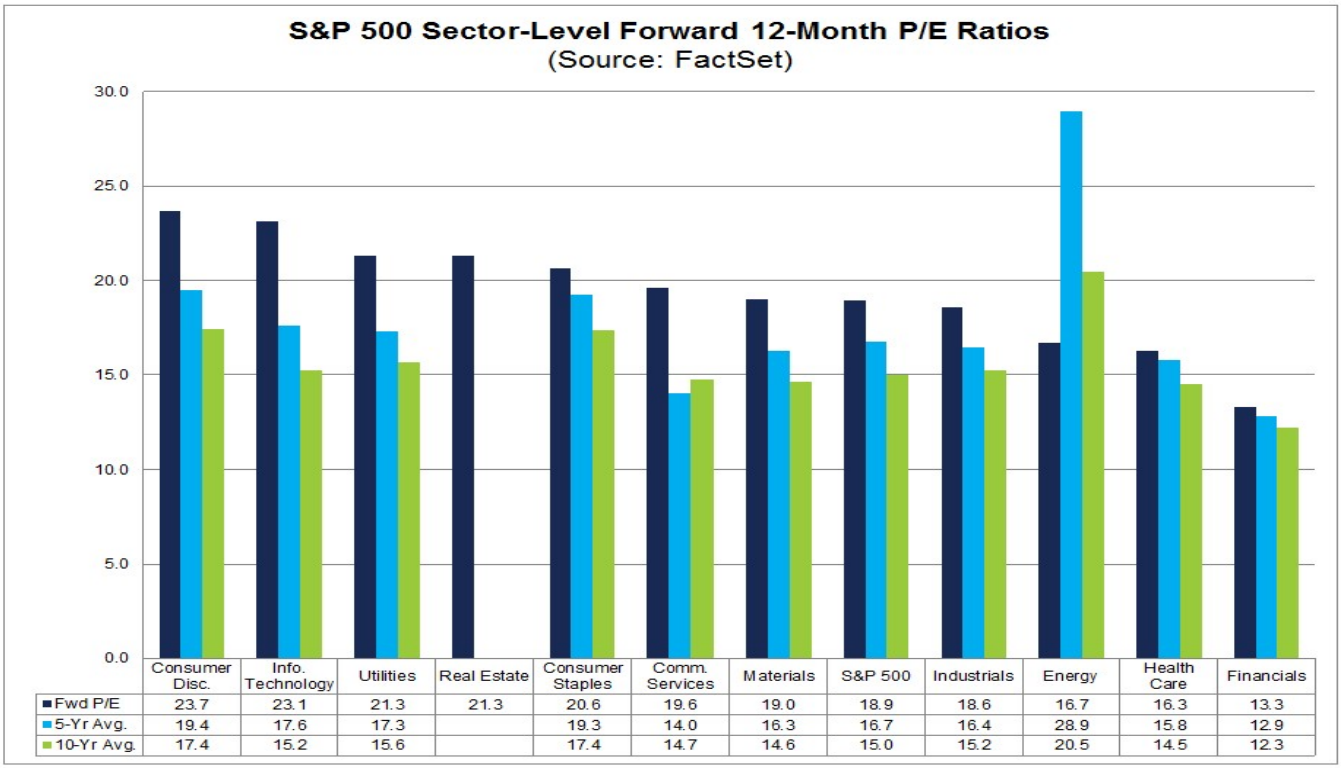


Bottom-up EPS Estimates: Current & Historical

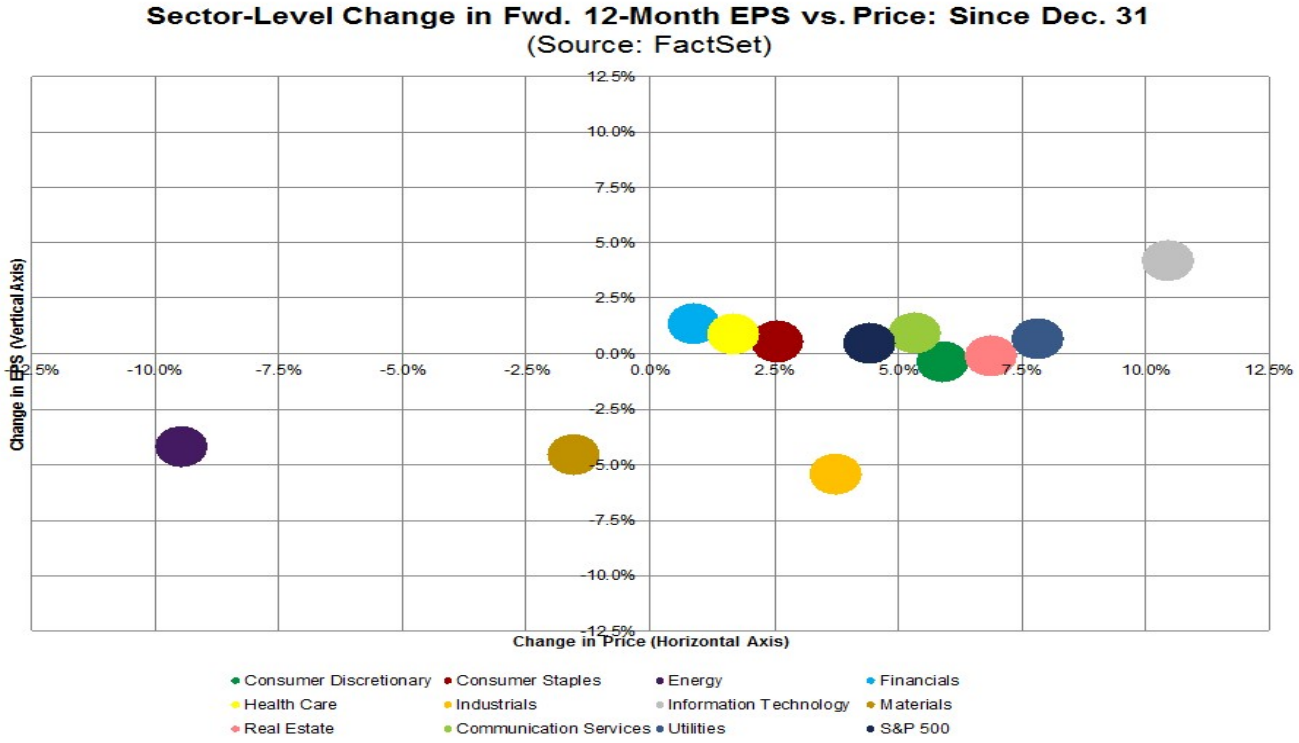




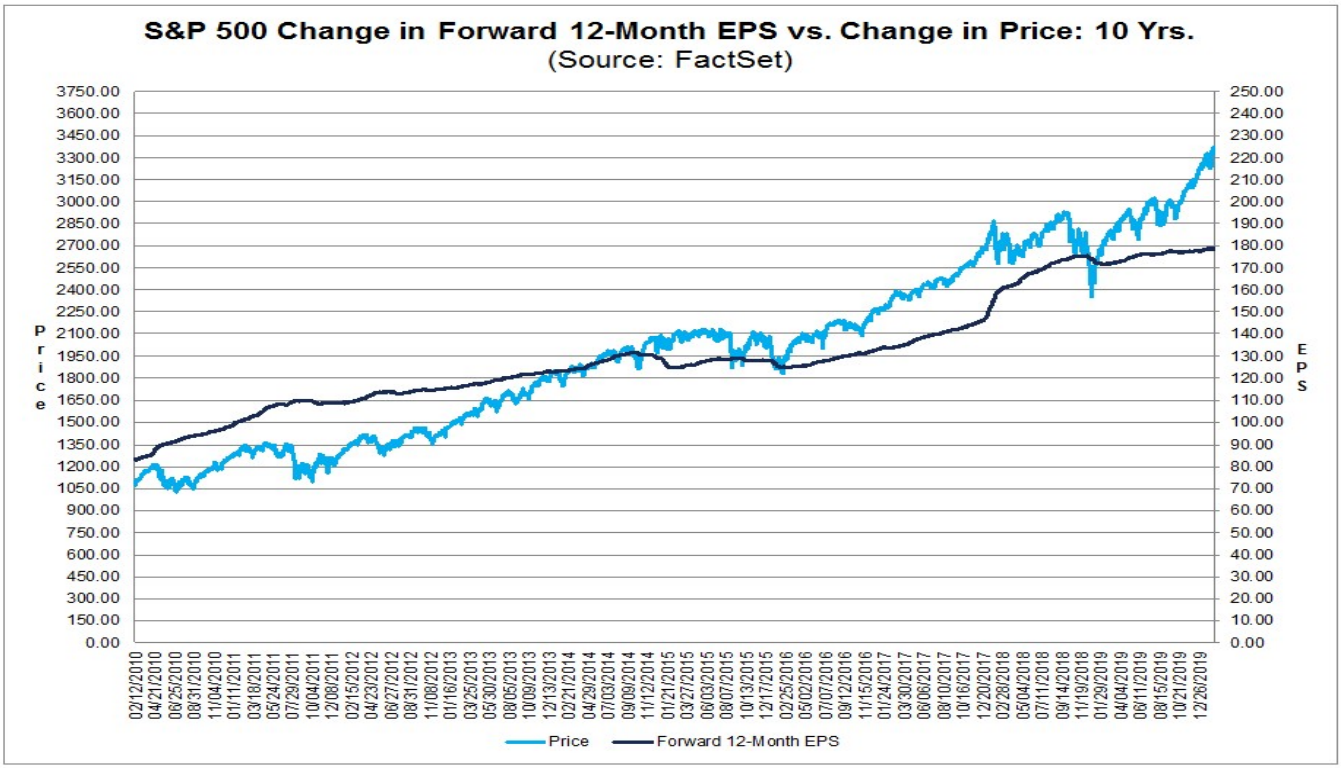
Forward 12M P/E Ratio: Sector Level

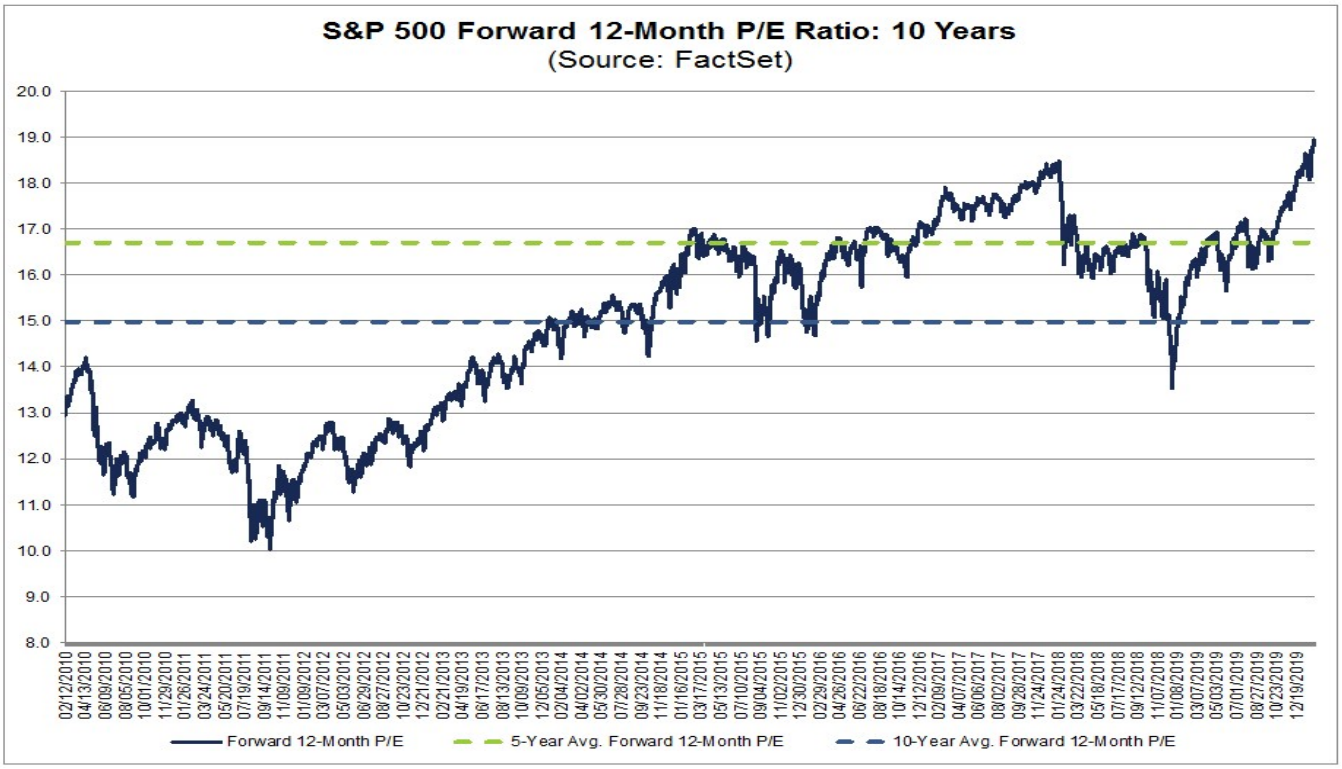


	Consumer Disc.	Info. Technology	Utilities	Real Estate	Consumer Staples	Comm. Services	Materials	S&P 500	Industrials	Energy	Health Care	Financials
Fwd P/E	23.7	23.1	21.3	21.3	20.6	19.6	19.0	18.9	18.6	16.7	16.3	13.3
5-Yr Avg.	19.4	17.6	17.3		19.3	14.0	16.3	16.7	16.4	28.9	15.8	12.9
10-Yr Avg.	17.4	15.2	15.6		17.4	14.7	14.6	15.0	15.2	20.5	14.5	12.3

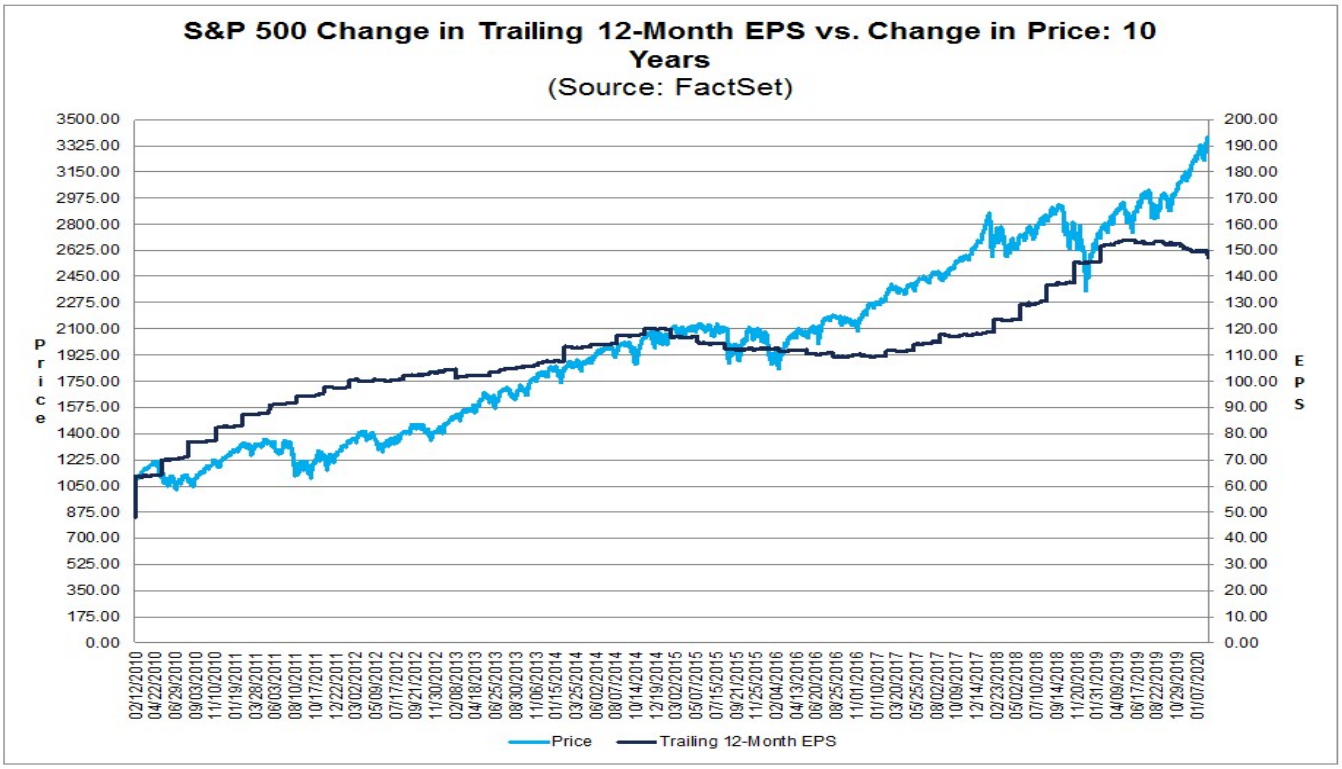


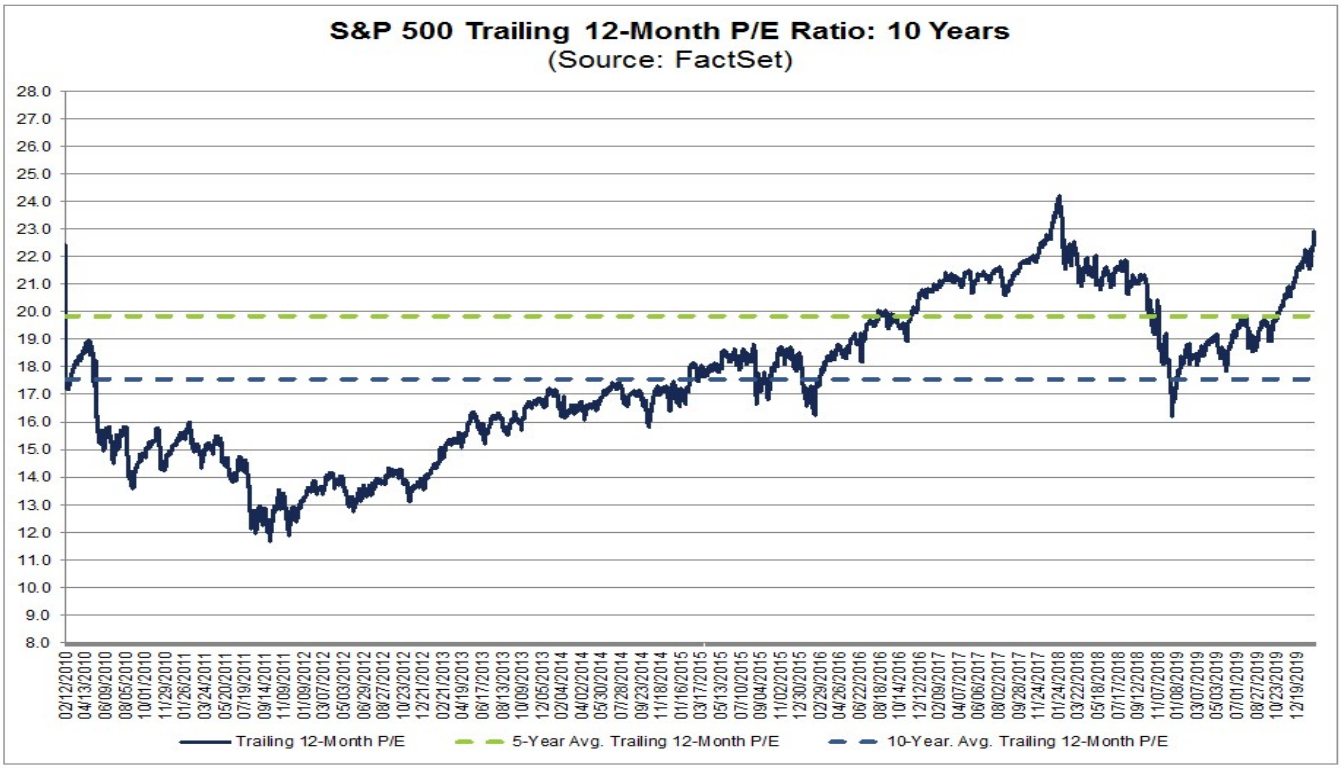
Forward 12M P/E Ratio: 10-Years



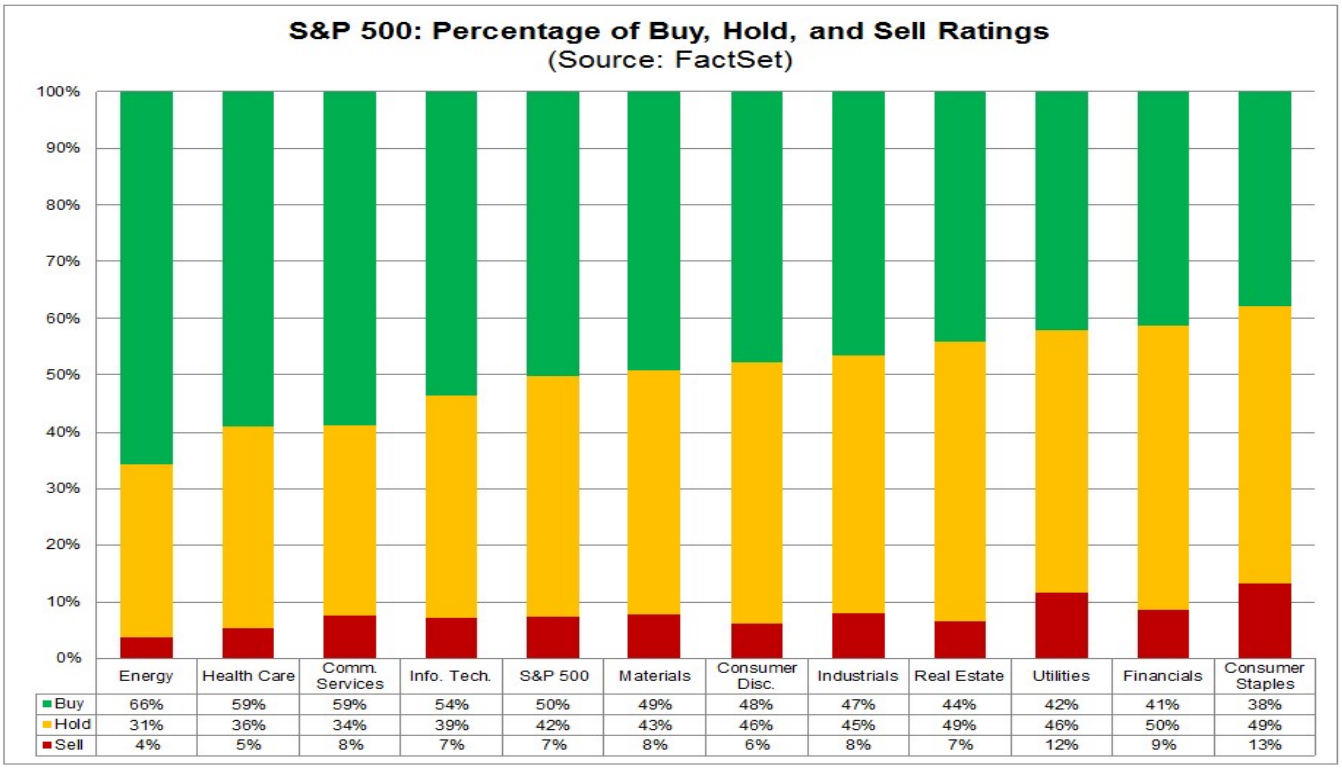


Trailing 12M P/E Ratio: 10-Years

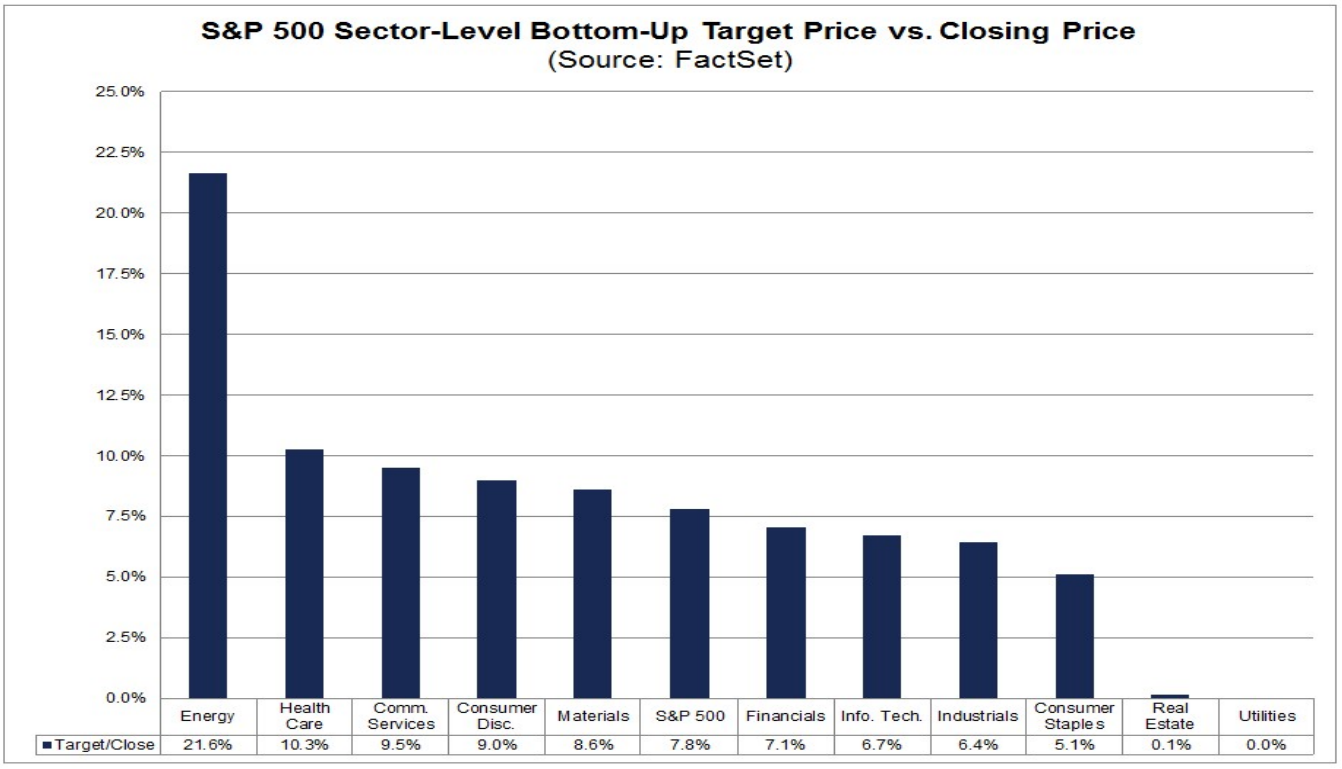




Targets & Ratings



	Energy	Health Care	Comm. Services	Info. Tech.	S&P 500	Materials	Consumer Disc.	Industrials	Real Estate	Utilities	Financials	Consumer Staples
Buy	66%	59%	59%	54%	50%	49%	48%	47%	44%	42%	41%	38%
Hold	31%	36%	34%	39%	42%	43%	46%	45%	49%	46%	50%	49%
Sell	4%	5%	8%	7%	7%	8%	6%	8%	7%	12%	9%	13%



	Energy	Health Care	Comm. Services	Consumer Disc.	Materials	S&P 500	Financials	Info. Tech.	Industrials	Consumer Staples	Real Estate	Utilities
Target/Close	21.6%	10.3%	9.5%	9.0%	8.6%	7.8%	7.1%	6.7%	6.4%	5.1%	0.1%	0.0%

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