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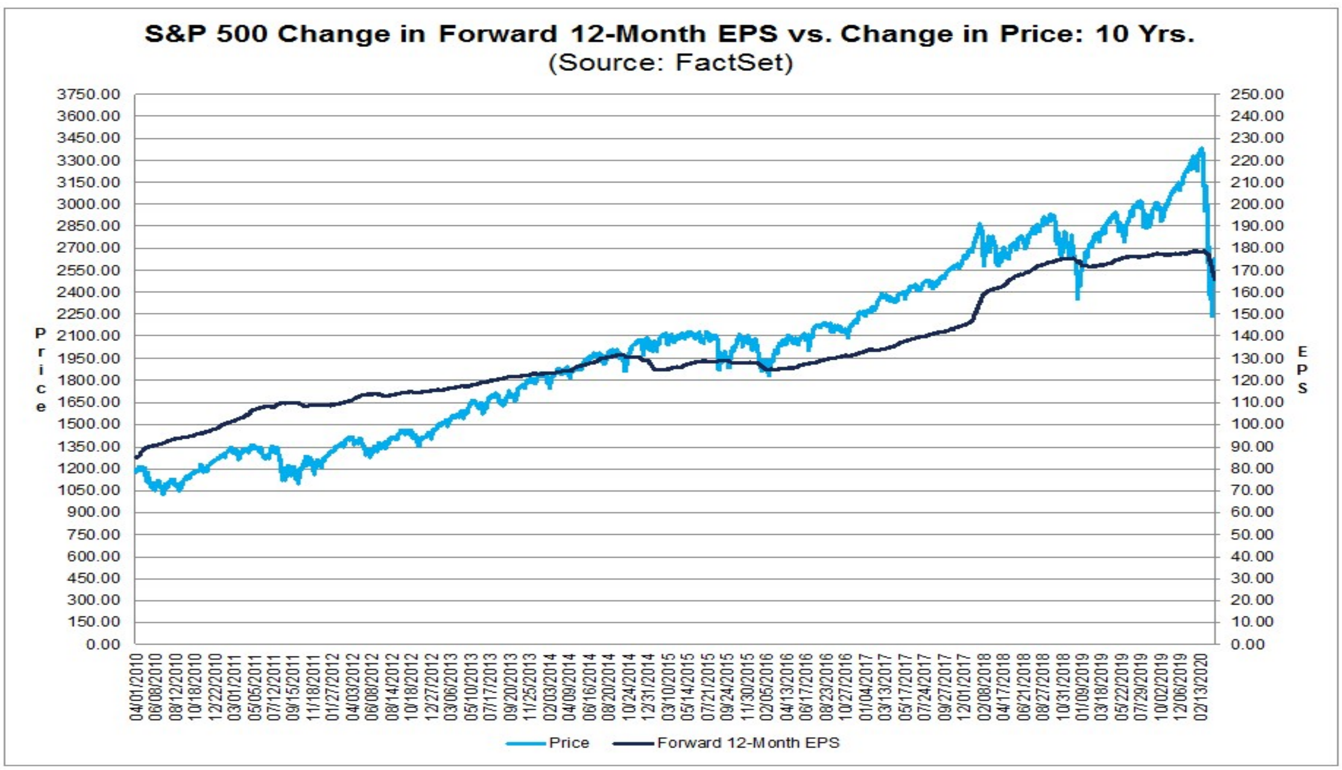
Key Metrics

- **Earnings Growth:** For Q1 2020, the estimated earnings decline for the S&P 500 is -7.3%. If -7.3% is the actual decline for the quarter, it will mark the largest year-over-year decline in earnings reported by the index since Q3 2009 (-15.7%).
- **Earnings Revisions:** On December 31, the estimated earnings growth rate for Q1 2020 was 4.3%. All eleven sectors have lower growth rates today (compared to December 31) due to downward revisions to EPS estimates.
- **Earnings Guidance:** For Q1 2020, 72 S&P 500 companies have issued negative EPS guidance and 32 S&P 500 companies have issued positive EPS guidance.
- **Valuation:** The forward 12-month P/E ratio for the S&P 500 is 15.3. This P/E ratio is below the 5-year average (16.7) but above the 10-year average (15.0).
- **Earnings Scorecard:** For Q1 2020 (with 20 companies in the S&P 500 reporting actual results), 15 S&P 500 companies have reported a positive EPS surprise and 14 S&P 500 companies have reported a positive revenue surprise.



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Topic of the Week: 1

S&P 500 Records 8th Largest Quarterly Decline in EPS Estimate Since 2002 for Q1

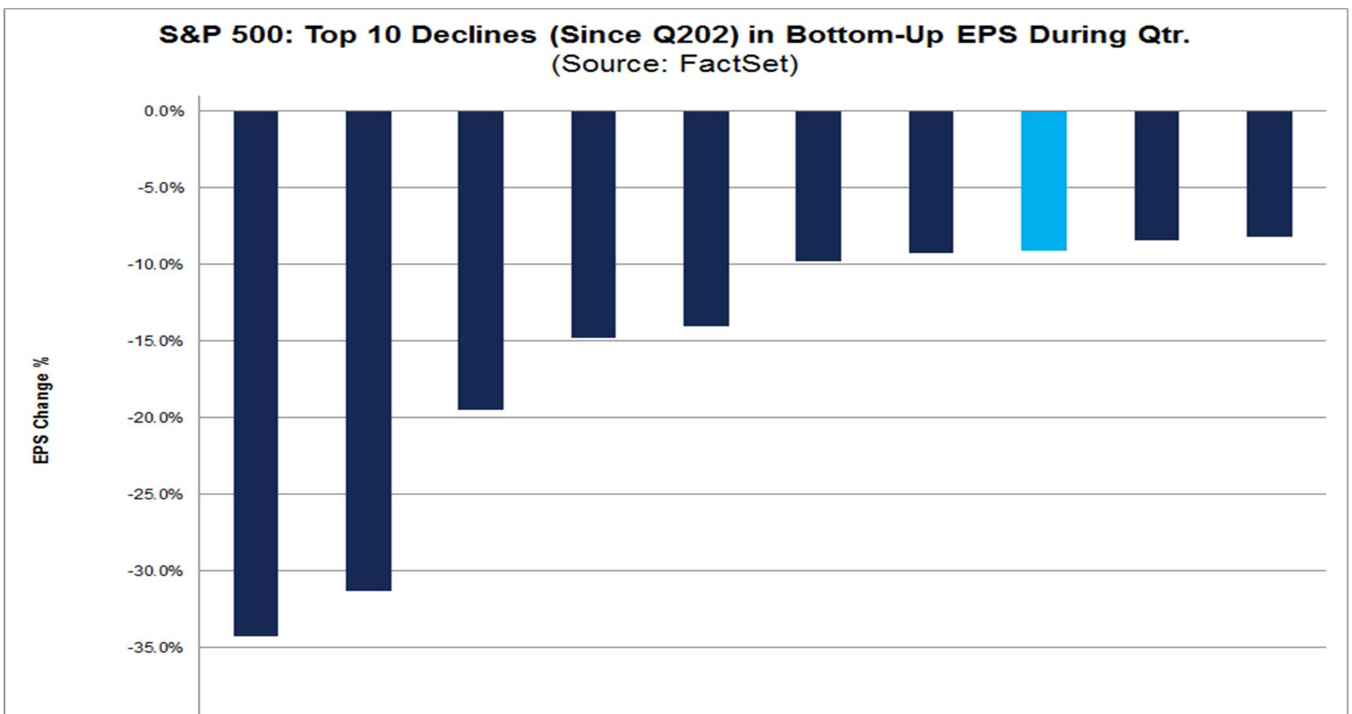
With numerous industries in the U.S. forced to reduce capacity or close all together due to social distance policies implemented to help reduce the spread of the coronavirus, analysts made substantial cuts to earnings estimates for companies in the S&P 500 during the first quarter, particularly during the month of March. The Q1 bottom-up EPS estimate (which is an aggregation of the median EPS estimates for Q1 for all the companies in the index) declined by 9.1% (to $36.97 from $40.68) from December 31 to March 31. How significant is an 9.1% decline in the bottom-up EPS estimate during a quarter? How does this decrease compare to recent quarters?

During the past five years (20 quarters), the average decline in the bottom-up EPS estimate during a quarter has been 3.2%. During the past ten years, (40 quarters), the average decline in the bottom-up EPS estimate during a quarter has also been 3.2%. During the past fifteen years, (60 quarters), the average decline in the bottom-up EPS estimate during a quarter has been 4.5%. Thus, the decline in the bottom-up EPS estimate recorded during the first quarter was larger than the 5-year average, the 10-year average, and the 15-year average.

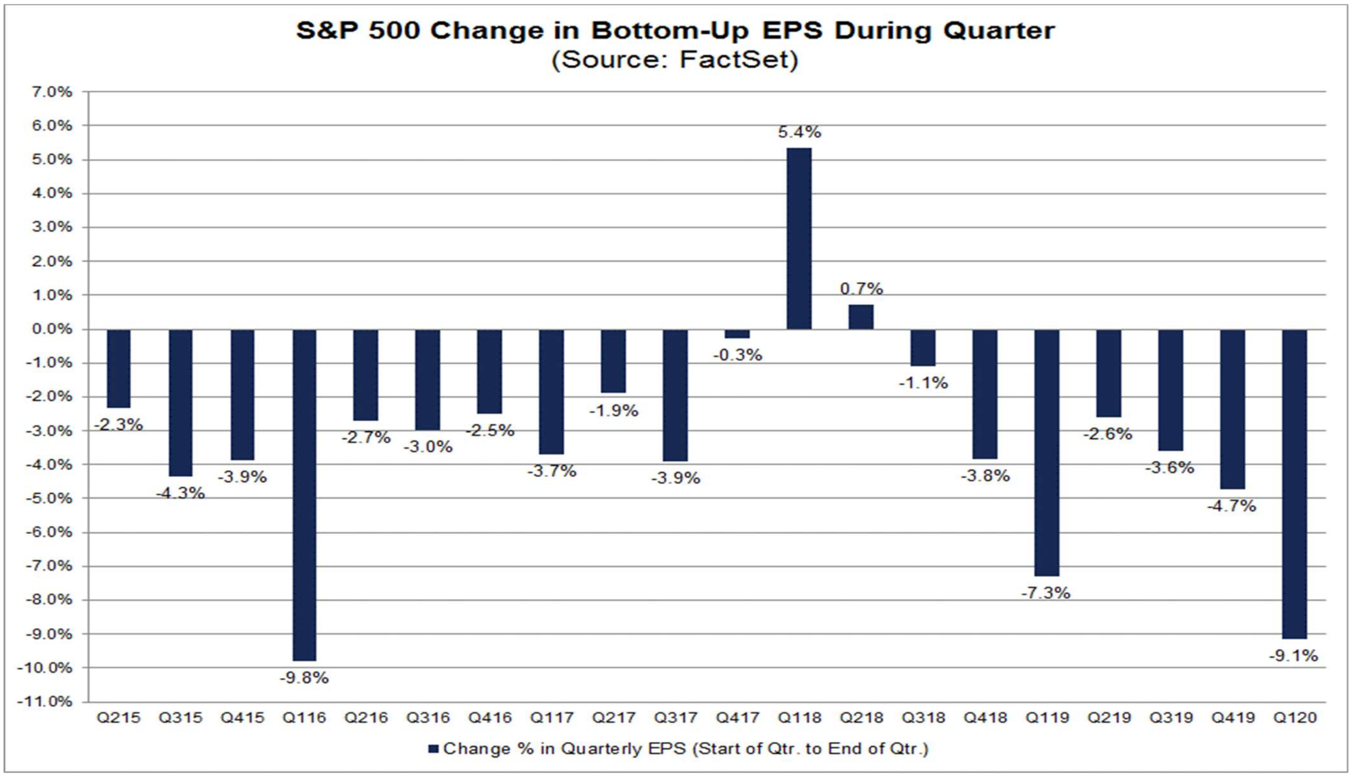
In fact, the bottom-up EPS estimate for Q1 witnessed the largest quarterly decline since Q1 2016 (-9.8%) and the 8th largest quarterly decline since FactSet began tracking this data in Q2 2002. However, it should be noted the decrease in Q1 2020 was much smaller than the declines of -34.3% and -31.3% recorded for Q4 2008 and Q1 2009.

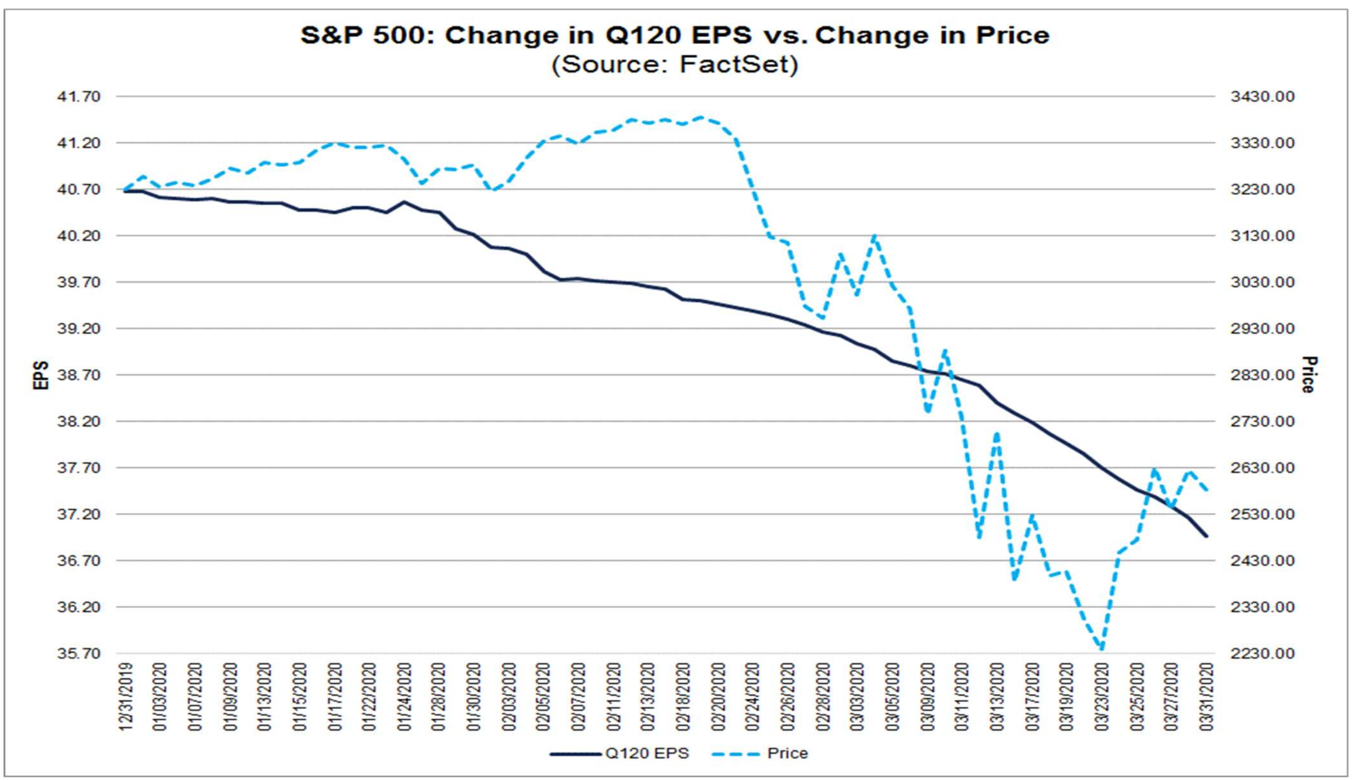
At the sector level, ten sectors recorded a decline in their bottom-up EPS estimate during the quarter, led by the Energy (-54.8%), Consumer Discretionary (-26.0%), Industrials (-25.3%), and Materials (-18.0%) sectors. Overall, seven sectors recorded a larger decrease in their bottom-up EPS estimate relative to their 5-year average, seven sectors recorded a larger decrease in their bottom-up EPS estimate relative to their 10-year average, and seven sectors recorded a larger decrease in their bottom-up EPS estimate relative to their 15-year average.

As the bottom-up EPS estimate for the index declined during the quarter, the value of the S&P 500 also decreased during this same period. From December 31 through March 31, the value of the index decreased by 20.0% (to 2584.59 from 3230.78). The first quarter marked just the fourth time in the past 20 quarters in which both the bottom-up EPS estimate and the value of the index decreased the quarter.



	Q408	Q109	Q407	Q108	Q308	Q116	Q302	Q120	Q208	Q115
EPS Change %	-34.3%	-31.3%	-19.5%	-14.8%	-14.1%	-9.8%	-9.3%	-9.1%	-8.4%	-8.2%


S&P 500 Change in Bottom-Up EPS During Quarter
(Source: FactSet)
7.0%
6.0%
5.0%
4.0%
3.0%
2.0%
1.0%
0.0%
-1.0%
-2.0%
-3.0%
-4.0%
-5.0%
-6.0%
-7.0%
-8.0%
-9.0%
-10.0%
-11.0%
-2.3%
-4.3%
-3.9%
-9.8%
-2.7%
-3.0%
-2.5%
-3.7%
-1.9%
-3.9%
-0.3%
5.4%
0.7%
-1.1%
-3.8%
-7.3%
-2.6%
-3.6%
-4.7%
-9.1%
Q215
Q315
Q415
Q116
Q216
Q316
Q416
Q117
Q217
Q317
Q417
Q118
Q218
Q318
Q418
Q119
Q219
Q319
Q419
Q120
Change % in Quarterly EPS (Start of Qtr. to End of Qtr.)


S&P 500: Change in Q120 EPS vs. Change in Price
(Source: FactSet)
EPS
41.70
41.20
40.70
40.20
39.70
39.20
38.70
38.20
37.70
37.20
36.70
36.20
35.70
Price
3430.00
3330.00
3230.00
3130.00
3030.00
2930.00
2830.00
2730.00
2630.00
2530.00
2430.00
2330.00
2230.00
12/31/2019
01/03/2020
01/07/2020
01/09/2020
01/13/2020
01/15/2020
01/17/2020
01/22/2020
01/24/2020
01/28/2020
01/30/2020
02/03/2020
02/05/2020
02/07/2020
02/11/2020
02/13/2020
02/18/2020
02/20/2020
02/24/2020
02/26/2020
02/28/2020
03/03/2020
03/05/2020
03/09/2020
03/11/2020
03/13/2020
03/17/2020
03/19/2020
03/23/2020
03/25/2020
03/27/2020
03/31/2020
Q120 EPS
Price

Topic of the Week: 2

S&P 500 Likely to Report Year-Over-Year Earnings Decline for Q1

As of today, the S&P 500 is expected to report a decline in earnings of -7.3% for the first quarter. What is the likelihood the index will report an actual decline in earnings of -7.3% for the quarter?

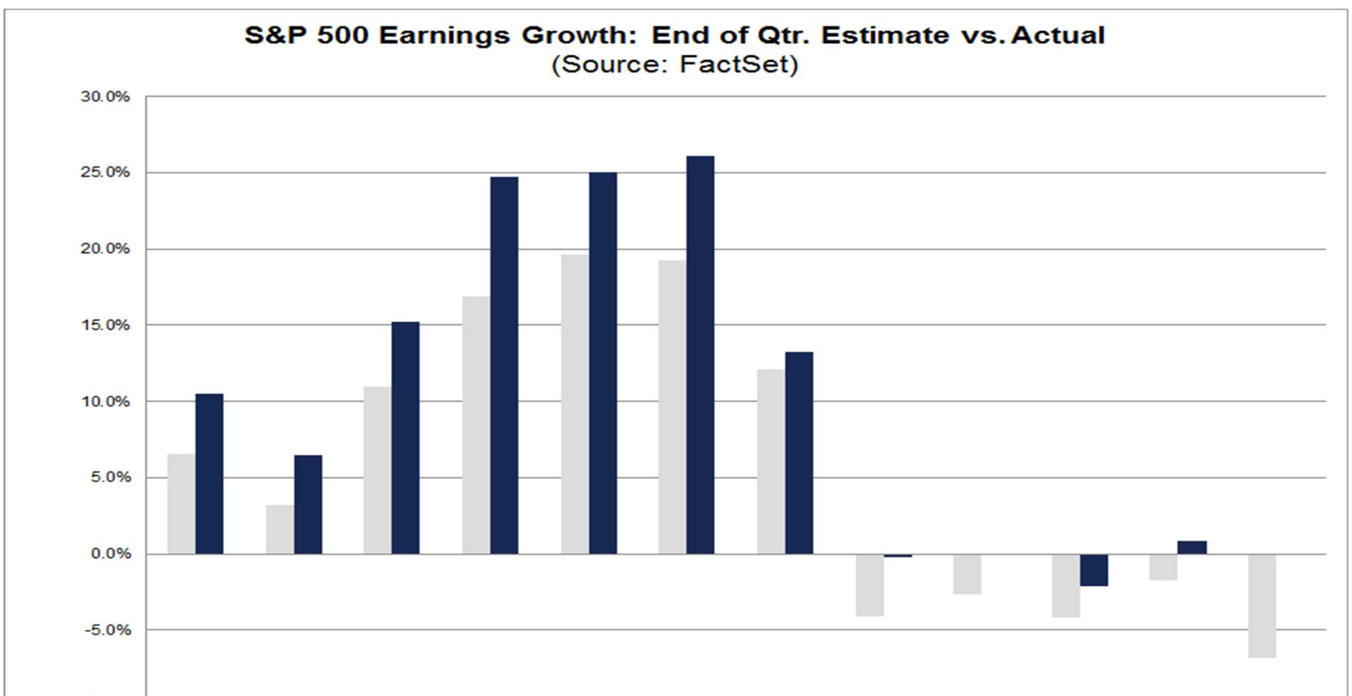
Based on the average change in earnings growth due to companies reporting positive earnings surprises, it is likely the index will still report a decline in earnings for Q1.

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

Over the past five years on average, actual earnings reported by S&P 500 companies have exceeded estimated earnings by 4.9%. During this same period, 73% of companies in the S&P 500 have reported actual EPS above the mean EPS estimate on average. As a result, from the end of the quarter through the end of the earnings season, the earnings growth rate has typically increased by 3.7 percentage points on average (over the past 5 years) due to the number and magnitude of positive earnings surprises.

If this average increase is applied to the estimated earnings decline at the end of Q1 (March 31) of -6.8%, the actual earnings decline for the quarter would be -3.1% (-6.8% + 3.7% = -3.1%).

However, it should be noted that there is likely a higher risk than normal in Q1 2020 that the earnings decline may be larger than -3.1%. Given the numerous industries in the U.S. forced to reduce capacity or close all together in March due to social distance policies implemented because of the coronavirus, analysts may continue making substantial cuts to earnings estimates in early April. In addition, given the number of companies that have not updated or have withdrawn EPS guidance in recent weeks, there may be more risk of fewer companies reporting positive surprises than average or reporting positive surprises by smaller margins than average.



	Q217	Q317	Q417	Q118	Q218	Q318	Q418	Q119	Q219	Q319	Q419	Q120
End of Qtr.	6.5%	3.2%	11.0%	16.9%	19.7%	19.2%	12.1%	-4.1%	-2.7%	-4.1%	-1.7%	-6.8%
Actual	10.5%	6.5%	15.2%	24.7%	25.0%	26.1%	13.3%	-0.3%	-0.1%	-2.1%	0.9%	

Q1 Earnings Season: By The Numbers

Overview

In terms of estimate revisions for companies in the S&P 500, analysts made larger cuts than average to earnings estimates for Q1 2020. On a per-share basis, estimated earnings for the first quarter decreased by 9.1% from December 31 to March 31. This percentage decline is larger than the 5-year average (-3.2%), the 10-year average (-3.2%), and the 15-year average (-4.5%) for a quarter.

However, a slightly smaller percentage of S&P 500 companies have lowered the bar for earnings for Q1 2020 relative to recent averages. Of the 104 companies that have issued EPS guidance for the first quarter, 72 have issued negative EPS guidance and 32 have issued positive EPS guidance. The percentage of companies issuing negative EPS guidance is 69% (72 out of 104), which is slightly below the 5-year average of 70%.

Because of the net downward revisions to earnings estimates, the estimated (year-over-year) earnings decline for Q1 2020 is -7.3% today compared to the estimated (year-over-year) earnings growth rate of 4.3% on December 31. If -7.3% is the actual decline for the quarter, it will mark the largest year-over-year decline in earnings for the index since Q3 2009 (-15.7%). It will also mark the fourth time in the past five quarters in which the index has reported a year-over-year decline in earnings. Five sectors are predicted to report year-over-year growth in earnings, led by the Communication Services sectors. Six sectors are projected to report a year-over-year decline in earnings, led by the Energy, Consumer Discretionary, Industrials, and Materials sectors.

Because of the net downward revisions to revenue estimates, the estimated (year-over-year) revenue growth rate for Q1 2020 is 1.5% today compared to the estimated (year-over-year) revenue growth rate of 4.8% on December 31. If 1.5% is the actual growth rate for the quarter, it will mark the lowest year-over-year growth in revenue for the index since Q2 2016 (-0.2%). Seven sectors are projected to report year-over-year growth in revenues, led by the Communication Services sector. One sector (Consumer Discretionary) is projected to report no growth (0.0%) in revenues. Three sectors are predicted to report a year-over-year decline in revenues, led by the Materials sector.

Looking at future quarters, analysts predict a decline in earnings of -15.1% in the second quarter and a decline in earnings of -4.8% in the third quarter, but see earnings growth of 1.7% in the fourth quarter.

The forward 12-month P/E ratio is 15.3, which is below the 5-year average but above the 10-year average.

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

Earnings Revisions: Largest Estimate Cuts in Energy Sector

Increase in Estimated Earnings Decline for Q1 This Week

The estimated earnings decline for the first quarter is -7.3% this week, which is larger than the estimated earnings decline of -5.8% last week. Downward revisions to EPS estimates in multiple sectors (led by the Financials sector) were responsible for the increase in the earnings decline during the week.

Overall, the estimated earnings decline for Q1 2020 of -7.3% today is below the estimated earnings growth rate of 4.3% at the start of the quarter (December 31). All eleven sectors have a recorded a decrease in expected earnings growth since the start of the quarter due to downward revisions to earnings estimates, led by the Energy, Consumer Discretionary, Industrials, and Materials sectors.

Energy: Exxon Mobil and Chevron Lead Earnings Decrease Since Dec. 31

The Energy sector has recorded the largest decrease in expected earnings growth since the start of the quarter (to -41.1% from 29.6%). This sector has also witnessed the largest decline in price (-49.1%) of all eleven sectors since December 31, as the price of oil fell by 66% (to $20.48 from $61.06) during the first quarter. Overall, 25 of the 27 companies (93%) in the Energy sector have seen a decrease in their mean EPS estimate during this time. Of these 25 companies, 23 have recorded a decrease in their mean EPS estimate of more than 10%, led by Apache Corporation (to -$0.16 from -$0.01), Hess Corporation (to -$0.47 from -$0.09), Occidental Petroleum (to -$0.50 from $0.20), Marathon Oil (to -$0.10 from $0.10), and Devon Energy (to -$0.19 from $0.37). However, Exxon Mobil (to $0.29 from $0.81) and Chevron (to $0.88 from $1.60) have been the largest contributors to the decrease in expected earnings for this sector since December 31.

Consumer Discretionary: Ford & GM Lead Earnings Decrease since Dec. 31

The Consumer Discretionary sector has recorded the second largest decrease in expected earnings growth since the start of the quarter (to -30.0% from 1.3%). This sector has also witnessed a decrease in price of -22.5% since December 31. Overall, 52 of the 63 companies (83%) in the Consumer Discretionary sector have seen a decrease in their mean EPS estimate during this time. Of these 52 companies, 43 have recorded a decrease in their mean EPS estimate of more than 10%, led by Nordstrom (to -$0.68 from $0.27), L Brands (to -$0.31 from $0.12), Macy's (to -$0.70 from $0.29), Under Armour (to -$0.13 from $0.06), Kohl's (to $-0.82 from $0.50), Expedia Group (to -$0.91 from -$0.29), and Gap (to -$0.21 from $0.19). However, Ford Motor (to $0.08 from $0.41) and General Motors (to $0.64 from $1.52) have been the largest contributors to the decrease in expected earnings for this sector since December 31.

Industrials: Boeing Leads Earnings Decrease Since Dec. 31

The Industrials sector has recorded the third largest decrease in expected earnings growth since the start of the quarter (to -27.4% from -0.4%). This sector has also witnessed the third largest decline in price (-29.7%) of all eleven sectors since December 31. Overall, 65 of the 71 companies (92%) in the Industrials sector have seen a decrease in their mean EPS estimate during this time. Of these 65 companies, 30 have recorded a decrease in their mean EPS estimate of more than 10%, led by American Airlines Group (to -$1.58 from $0.48), United Airlines Holdings (to -$2.18 from $0.88), Alaska Air Group (to -$0.72 from $0.40), Boeing (to -$1.25 from $3.08), Delta Air Lines (to -$0.32 from $1.00), and Southwest Airlines (to $0.00 from $0.65). Boeing, American Airlines Group, Delta Air Lines, and United Airlines Holdings have also been the largest contributors to the decrease in expected earnings for this sector since December 31.

Materials: 89% of Companies Have Seen Decline in Earnings Expectations Since Dec. 31

The Materials sector has recorded the fourth largest decrease in expected earnings growth since the start of the quarter (to -21.4% from -3.8%). This sector has also witnessed the fourth largest decline in price (-28.9%) of all eleven sectors since December 31. Overall, 25 of the 28 companies (89%) in the Materials sector have seen a decrease in their mean EPS estimate during this time. Of these 25 companies, 15 have recorded a decrease in their mean EPS estimate of more than 10%, led by Freeport-McMoRan (to -$0.06 from $0.08) and Mosaic (to -$0.06 from $0.13). However, DuPont (to $0.70 from $1.04), LyondellBasell Industries (to $1.75 from $2.49), and Dow (to $0.59 from $0.91) have been the largest contributors to the decrease in expected earnings for this sector since December 31.

Index-Level (Bottom-Up) EPS Estimate: 8th Largest Decline Since 2002

The Q1 bottom-up EPS estimate (which is an aggregation of the median earnings estimates for all the companies in the index and can be used as a proxy for the earnings for the index) decreased by 9.1% (to $36.97 from $40.68) from December 31 to March 31. This percentage decline is larger than the 5-year average (-3.2%), the 10-year average (-3.2%), and the 15-year average (-4.5%) for a quarter.

In fact, the bottom-up EPS estimate for Q1 witnessed the largest quarterly decline since Q1 2016 (-9.8%) and the 8th largest quarterly decline since FactSet began tracking this data in Q2 2002.

For more details, please see pages 2 and 3.

Guidance: Negative Guidance for Q1 is Slightly 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, 104 companies in the index have issued EPS guidance for Q1 2020. Of these 104 companies, 72 have issued negative EPS guidance and 32 have issued positive EPS guidance. The percentage of companies issuing negative EPS guidance is 69% (72 out of 104), which is slightly below the 5-year average of 70%.

Earnings Decline: -7.3%

The estimated (year-over-year) earnings decline for Q1 2020 is -7.3%, which is below the 5-year average earnings growth rate of 6.3%. If -7.3% is the actual decline for the quarter, it will mark the largest year-over-year decline in earnings for the index since Q3 2009 (-15.7%). It will also mark the fourth time in the past five quarters in which the index has reported a year-over-year decline in earnings.

Five sectors are predicted to report year-over-year growth in earnings, led by the Communication Services sectors. Six sectors are predicted to report a year-over-year decline in earnings, led by the Energy, Consumer Discretionary, Industrials, and Materials sectors.

Communication Services: Facebook & Alphabet Lead Year-Over-Year Growth

The Communication Services sector is expected to report the highest (year-over-year) earnings growth of all eleven sectors at 8.8%. At the industry level, two of the five industries in this sector are projected to report growth in earnings: Interactive Media & Services (39%) and Media (4%). On the other hand, the other three industries in the sector are projected to report a decline in earnings: Entertainment (-21%), Wireless Telecommunication Services (-3%), and Diversified Telecommunication Services (less than -1%).

At the company level, Facebook and Alphabet are projected to be the largest contributors to year-over-year growth in earnings for the sector. The mean EPS estimate for Facebook for Q1 is $1.86, compared to year-ago EPS of $0.85. The mean EPS estimate for Alphabet for Q1 is $11.29, compared to year-ago EPS of $9.50. If these two companies were excluded, the estimated growth rate for the sector would fall to -3.6% from 8.8%.

Energy: 3 of 6 Sub-Industries Expected to Report Year-Over-Year Decline of More Than 50%

The Energy sector is expected to report the largest (year-over-year) decline in earnings of all eleven sectors at -41.1%. Lower oil prices are contributing to the earnings decline for this sector, as the average price of oil in Q1 2019 ($45.78) was 17% below the average price in Q1 2019 ($54.90). At the sub-industry level, three of the six sub-industries in the sector are expected to report a decline in earnings for the quarter of more than 50%: Oil & Gas Drilling (-91%), Oil & Gas Exploration & Production (-66%), and Integrated Oil & Gas (-55%). On the other hand, the other three sub-industries in the sector are expected to report double-digit growth in earnings for the quarter: Oil & Gas Refining & Marketing (127%), Oil & Gas Equipment & Services (27%), and Oil & Gas Storage & Transportation (12%).

Consumer Discretionary: 8 of 11 Industries To Report Year-Over-Year Double-Digit Decline

The Consumer Discretionary sector is expected to report the second largest (year-over-year) earnings decline of all eleven sectors at -30.0%. At the industry level, nine of the eleven industries in this sector are projected to report a decline in earnings. Eight of these nine industries are expected to report a double-digit decline: Automobiles (-65%), Textiles, Apparel, & Luxury Goods (-47%), Auto Components (-41%), Multiline Retail (-41%), Hotels, Restaurants, & Leisure (-38%), Diversified Consumer Services (-25%), Specialty Retail (-18%), and Internet & Direct Marketing Retail (-15%).

Industrials: Boeing and Airlines Industry Lead Year-Over-Year Decline

The Industrials sector is expected to report the third largest (year-over-year) earnings decline of all eleven sectors at -27.4%. At the industry level, ten of the twelve industries in this sector are projected to report a decline in earnings. Five of these ten industries are expected to report a double-digit decline: Airlines (-195%), Aerospace & Defense (-29%), Air Freight & Logistics (-27%), Machinery (-26%), and Construction & Engineering (-20%).

At the company level, Boeing and the five companies in the Airlines industry are projected to be the largest contributors to the year-over-year decline in earnings for the sector. The mean EPS estimate for Boeing for Q1 is -$1.25, compared to year-ago EPS of $3.16. If these six companies were excluded, the estimated earnings decline for the sector would improve to -10.3% from -27.4%.

Materials: 3 of 4 Industries to Report Year-Over-Year Decline of More Than 20%

The Materials sector is expected to report the fourth largest (year-over-year) earnings decline of all eleven sectors at -21.4%. At the industry level, all four industries in this sector are projected to report a decline in earnings: Containers & Packaging (-23%), Metals & Mining (-23%), Chemicals (-21%), and Construction Materials (-2%).

Revenue Growth: 1.5%

The estimated (year-over-year) revenue growth rate for Q1 2020 is 1.5%, which is below the 5-year average revenue growth rate of 3.5%. If 1.5% is the actual growth rate for the quarter, it will mark the lowest year-over-year growth in revenue for the index since Q2 2016 (-0.2%).

Seven sectors are expected to report year-over-year growth in revenues, led by Communication Services sector. One sector (Consumer Discretionary) is projected to report no growth (0.0%) in revenues. Three sectors are expected to report a year-over-year decline in revenues, led by the Materials sector.

Communication Services: Entertainment & Interactive Media Lead Year-Over-Year Growth

The Communication Services sector is expected to report the highest (year-over-year) revenue growth of all eleven sectors at 8.6%. At the industry level, four of the five industries in this sector are expected to report growth in revenues. Two of these four industries are expected to report double-digit revenue growth: Entertainment (19%) and Interactive Media & Services (16%).

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

The Materials sector is expected to report the largest (year-over-year) decline in revenue of all eleven sectors at -15.9%. At the industry level, two of the four industries in this sector are predicted to report a decline in revenue for the quarter: Chemicals (-23%) and Metals & Mining (-4%).

At the company level, DuPont is expected to be the largest contributor to the (year-over-year) decline in revenue for the sector. However, the revenue decline is boosted by an apples-to-oranges comparison of post-split revenues to pre-split revenues. The estimated revenue for DuPont for Q1 2020 ($5.06 billion) reflects the standalone revenue for DuPont, while the actual revenue for Q1 2019 ($19.65 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 estimated revenue decline for the sector would improve to -2.8% from -15.9%.

Looking Ahead: Forward Estimates and Valuation

Earnings: Analysts Expect Earnings Decline of -4.5% for CY 2020

For the first quarter, analysts expect S&P 500 companies to report a decline in earnings of -7.3% and growth in revenues of 1.5%. Analysts expect an earnings decline of -4.5% and revenue growth of 0.8% for CY 2020

For Q2 2020, analysts are projecting an earnings decline of -15.1% and a revenue decline of -2.1%.

For Q3 2020, analysts are projecting an earnings decline of -4.8% and revenue growth of 0.9%.

For Q4 2020, analysts are projecting earnings growth of 1.7% and revenue growth of 2.8%.

For CY 2020, analysts are projecting an earnings decline of -4.5% and revenue growth of 0.8%.

Valuation: Forward P/E Ratio is 15.3, Above the 10-Year Average (15.0)

The forward 12-month P/E ratio is 15.3. This P/E ratio is below the 5-year average of 16.7 but above the 10-year average of 15.0. It is also below 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 decreased by 21.8%, while the forward 12-month EPS estimate has decreased by 6.8%.

At the sector level, the Energy (55.3) sector has the highest forward 12-month P/E ratio, while the Financials (9.1) sector has the lowest forward 12-month P/E ratio.

Targets & Ratings: Analysts Project 31% Increase in Price Over Next 12 Months

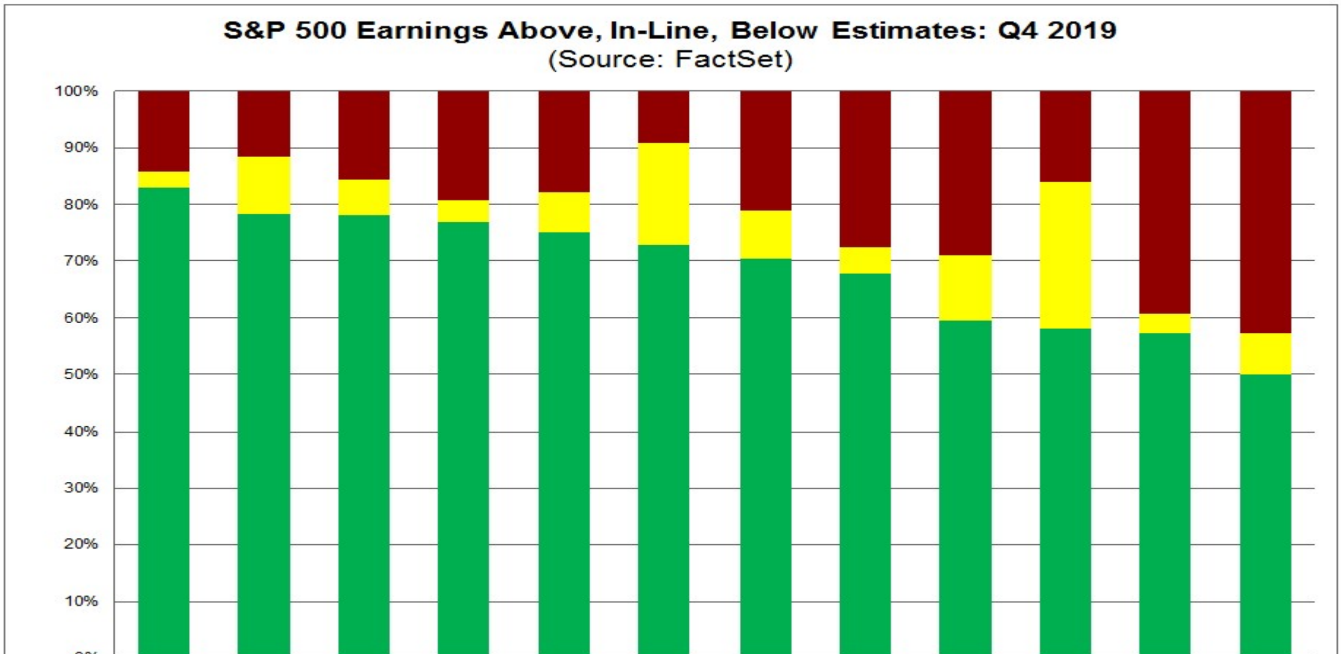
The bottom-up target price for the S&P 500 is 3318.80, which is 31.3% above the closing price of 2526.90. At the sector level, the Financials (+46.7%) sector is expected to see the largest price increase, as this sector has the largest upside difference between the bottom-up target price and the closing price. On the other hand, the Consumer Staples (+18.1%) sector is expected to see the smallest price increase, as this sector has the smallest upside difference between the bottom-up target price and the closing price.

Overall, there are 10,199 ratings on stocks in the S&P 500. Of these 10,199 ratings, 54.3% are Buy ratings, 40.1% are Hold ratings, and 5.5% are Sell ratings. At the sector level, the Energy (65%) sector has the highest percentage of Buy ratings, while the Consumer Staples (45%) sector has the lowest percentage of Buy ratings.

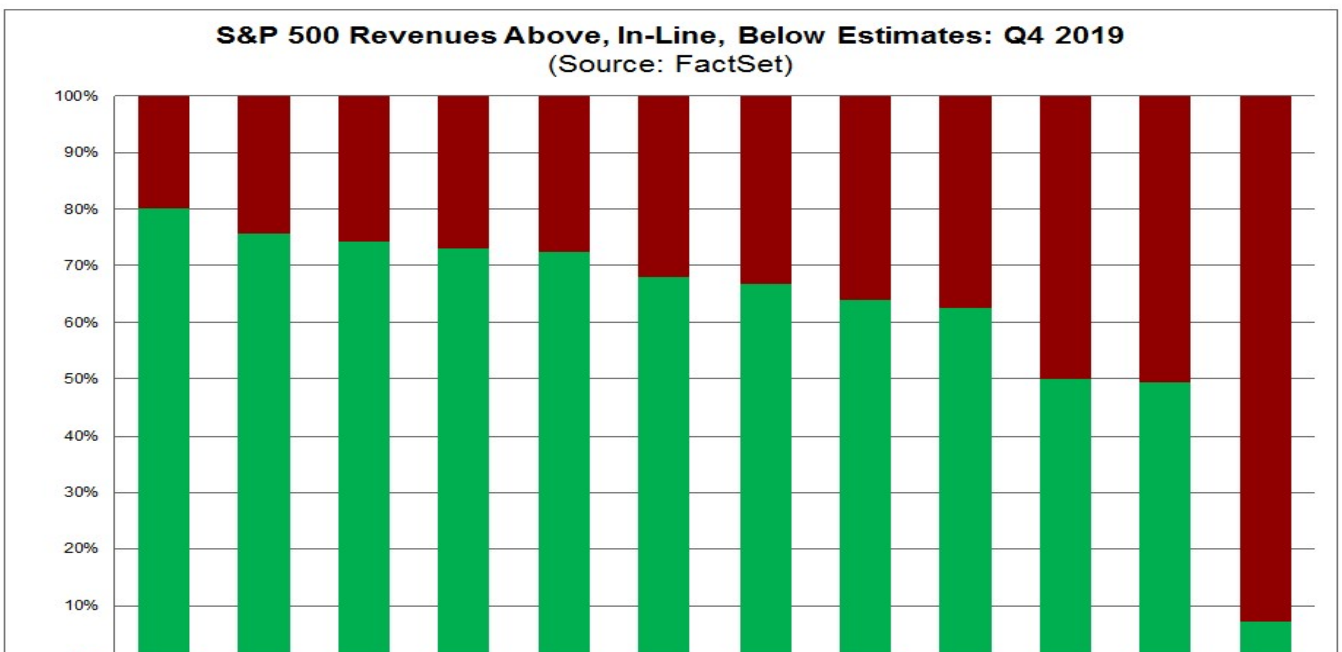
Companies Reporting Next Week: 2

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

Q4 2019: Scorecard

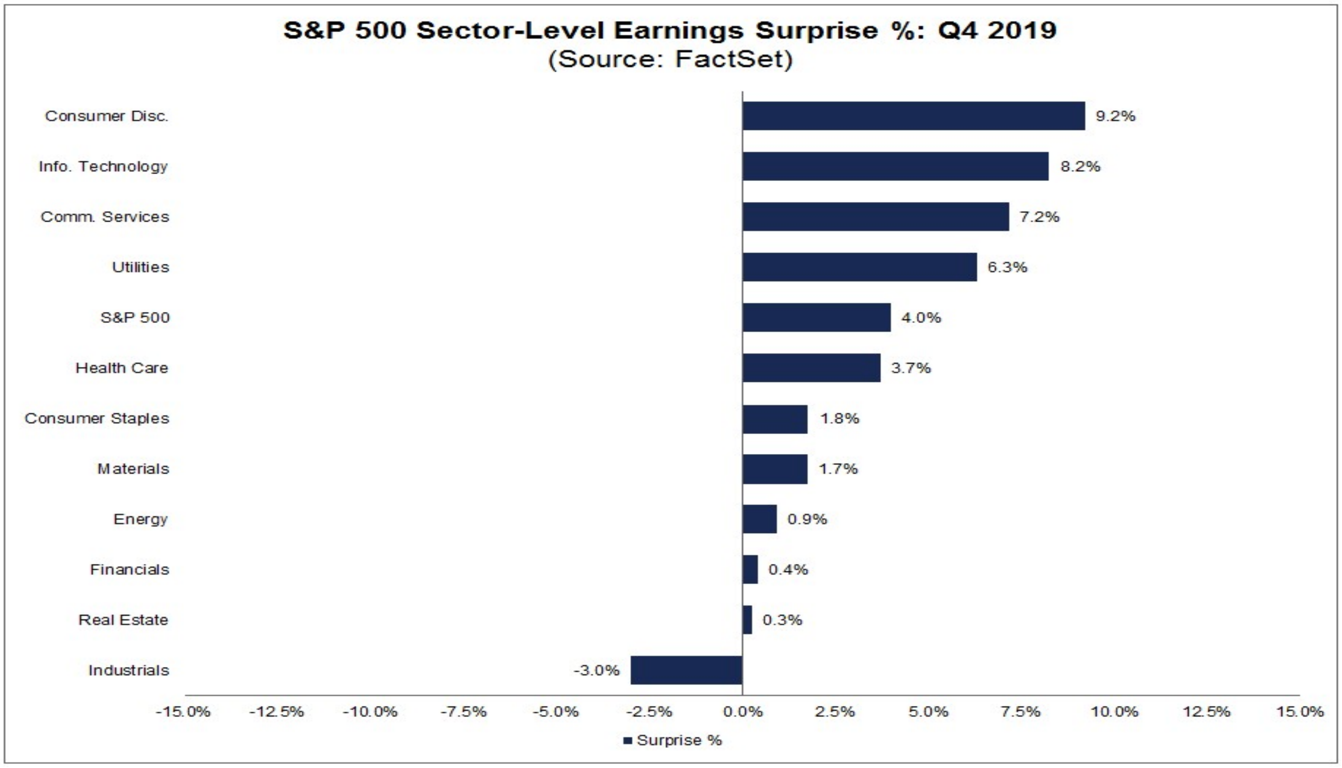


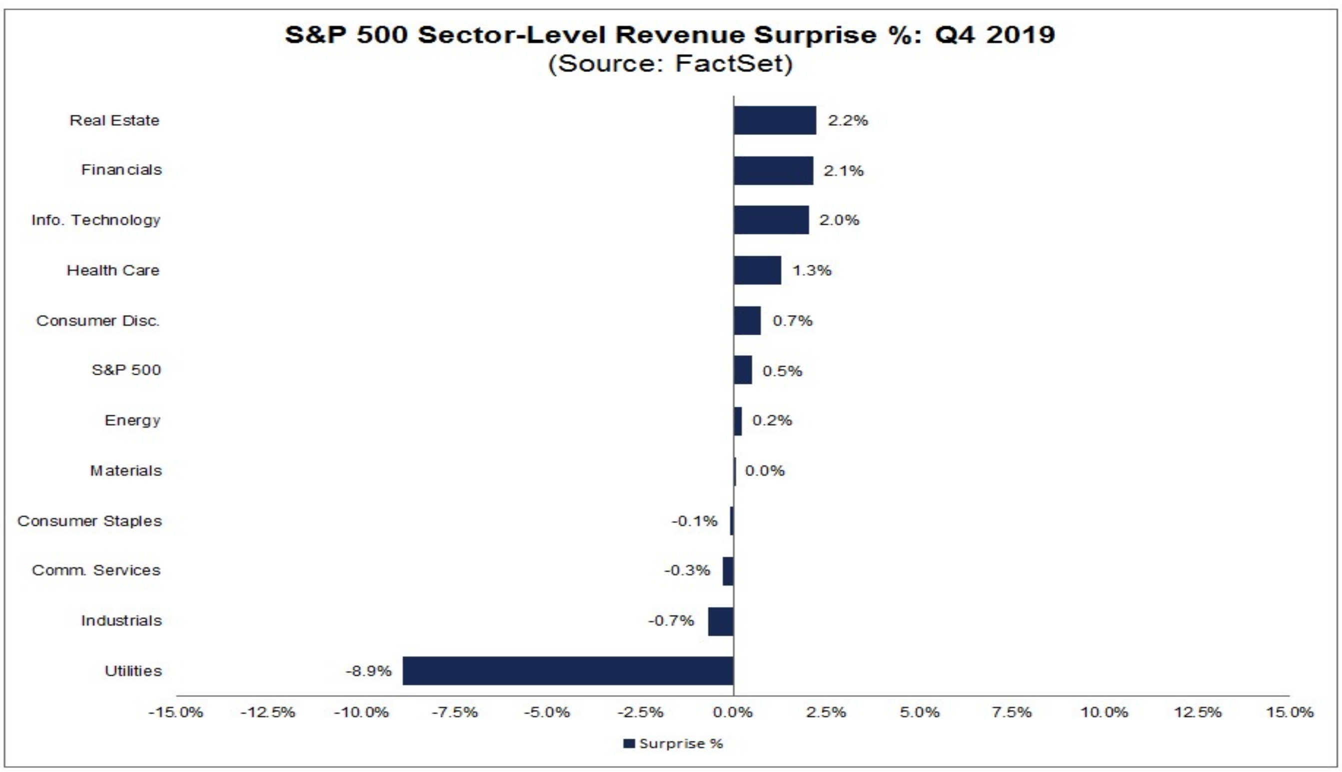
	Info. Technology	Health Care	Consumer Disc.	Comm. Services	Utilities	Consumer Staples	S&P 500	Financials	Industrials	Real Estate	Materials	Energy
Below	14%	12%	16%	19%	18%	9%	21%	28%	29%	16%	39%	43%
In-Line	3%	10%	6%	4%	7%	18%	9%	5%	12%	26%	4%	7%
Above	83%	78%	78%	77%	75%	73%	70%	68%	59%	58%	57%	50%



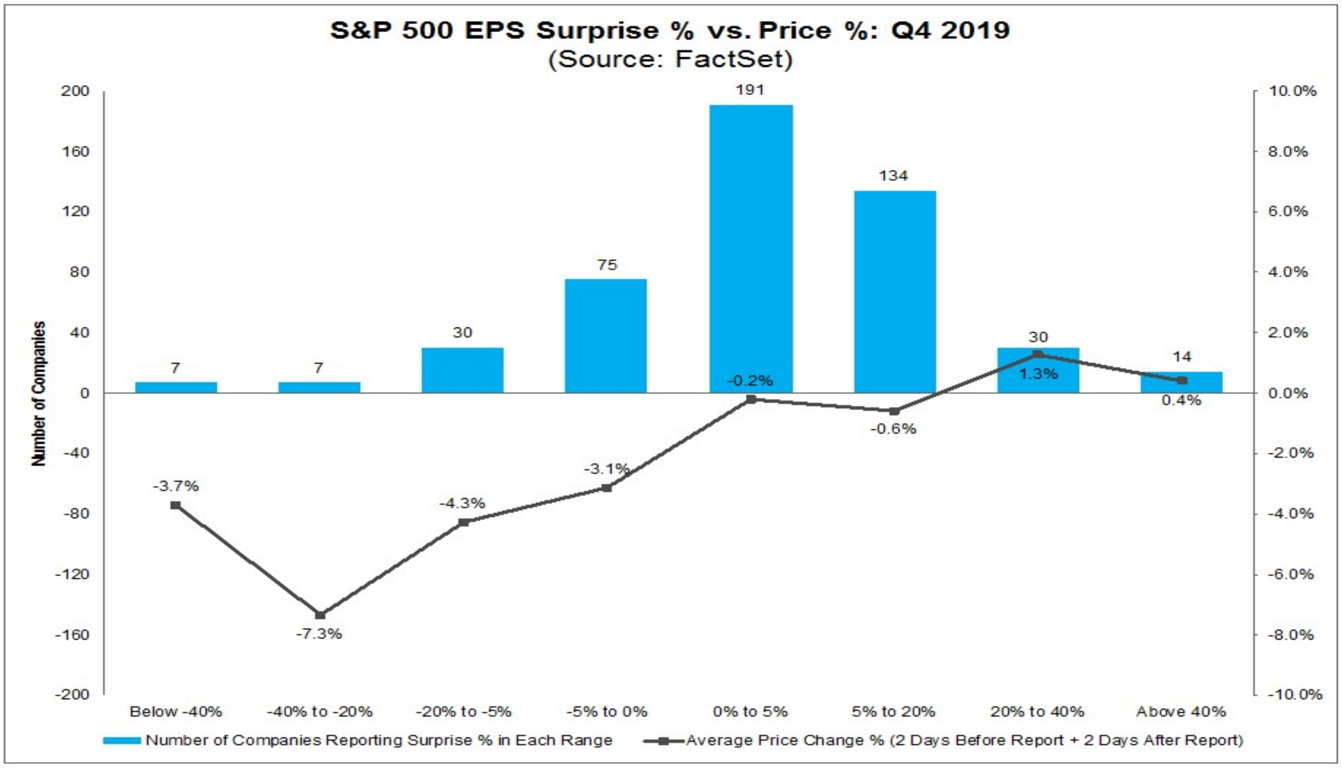
	Health Care	Info. Technology	Real Estate	Comm. Services	Financials	Energy	Consumer Staples	S&P 500	Consumer Disc.	Materials	Industrials	Utilities
Below	20%	24%	26%	27%	28%	32%	33%	36%	38%	50%	51%	93%
In-Line	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Above	80%	76%	74%	73%	72%	68%	67%	64%	63%	50%	49%	7%

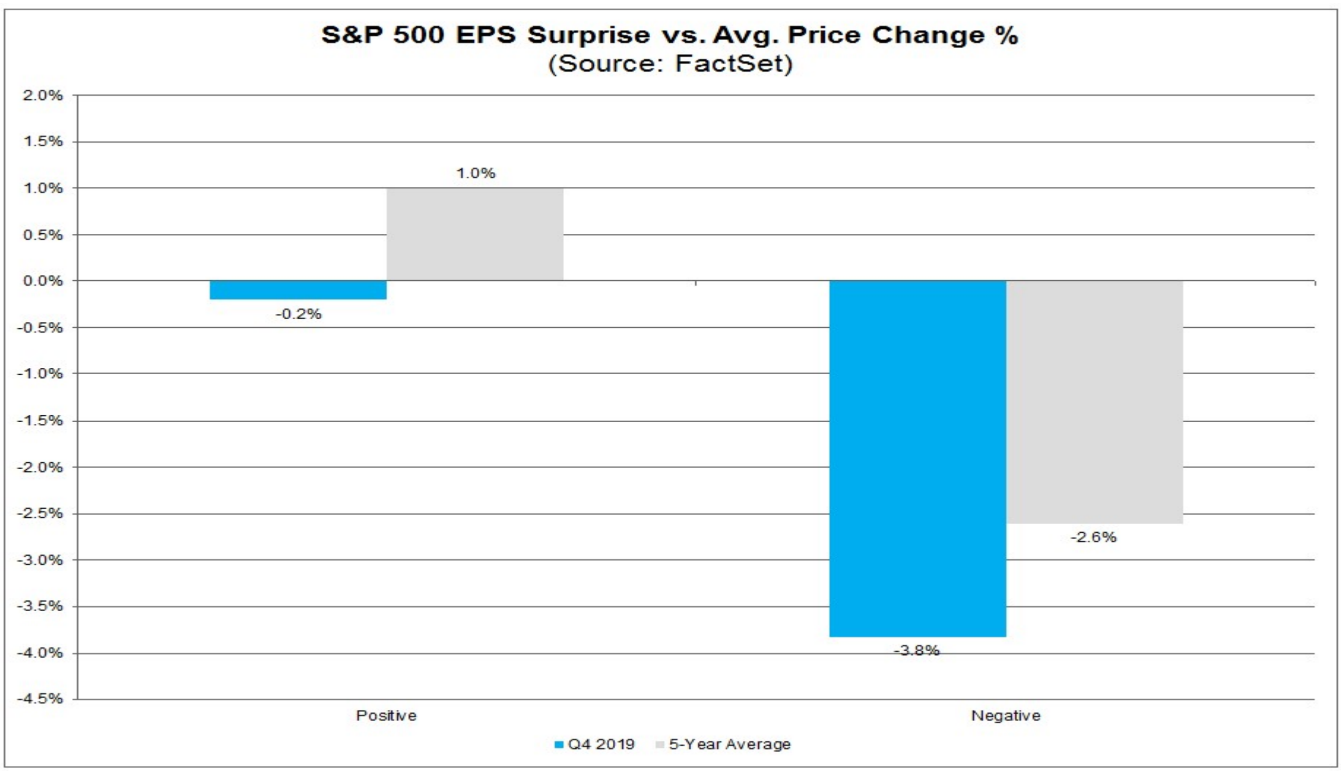
Q4 2019: Scorecard



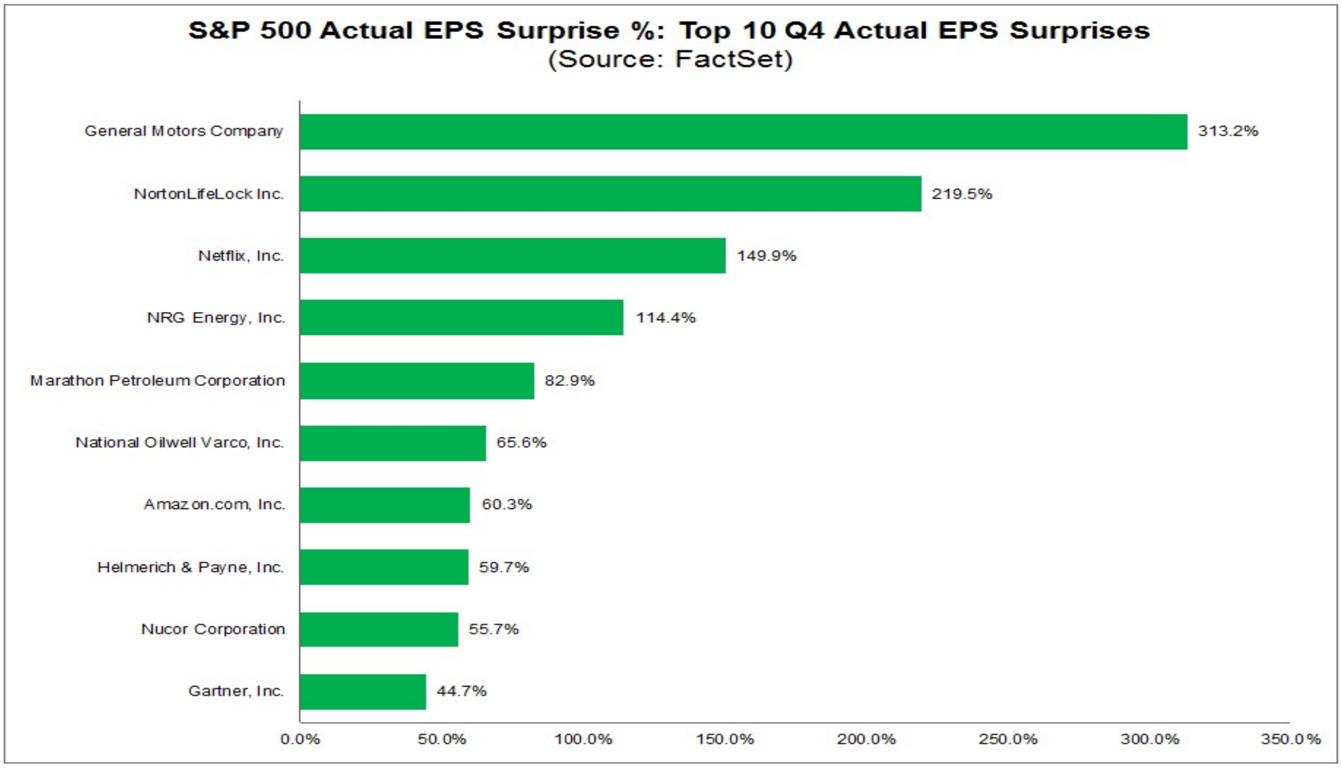


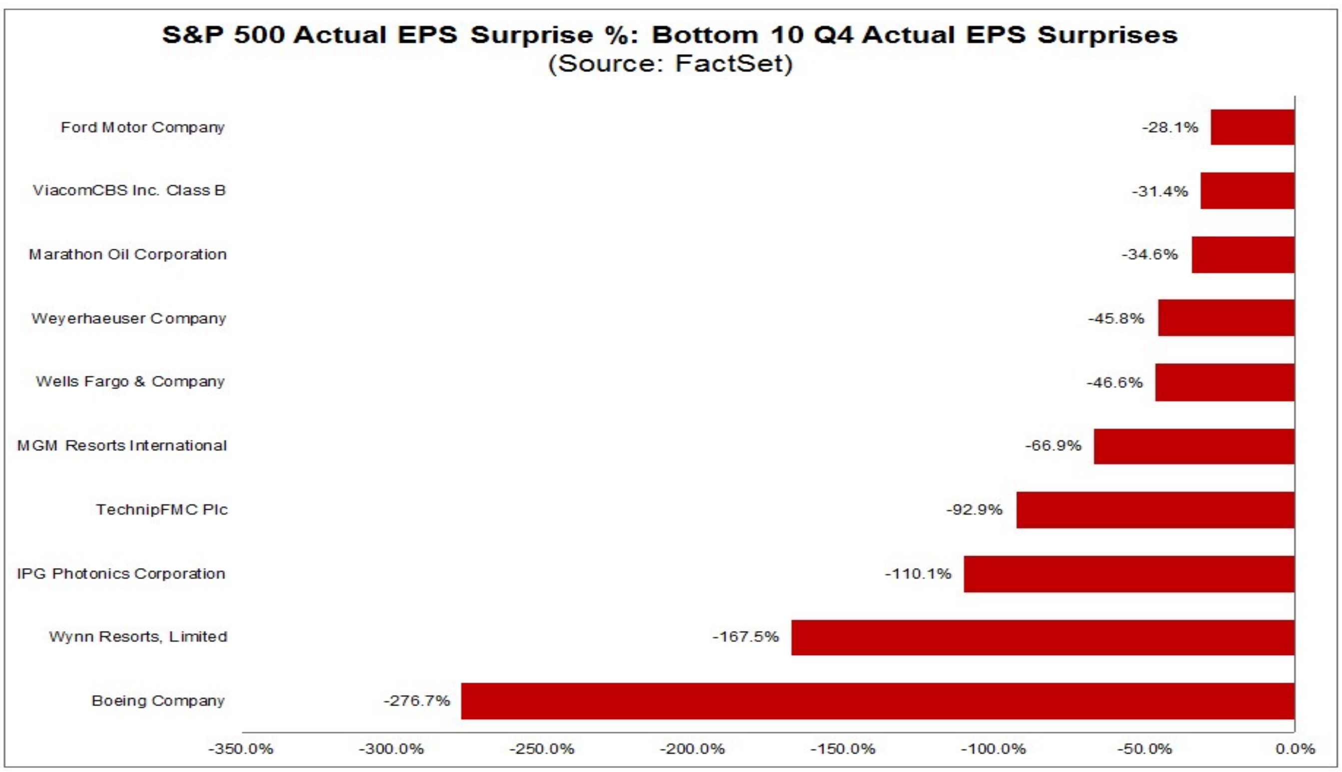
Q4 2019: Scorecard



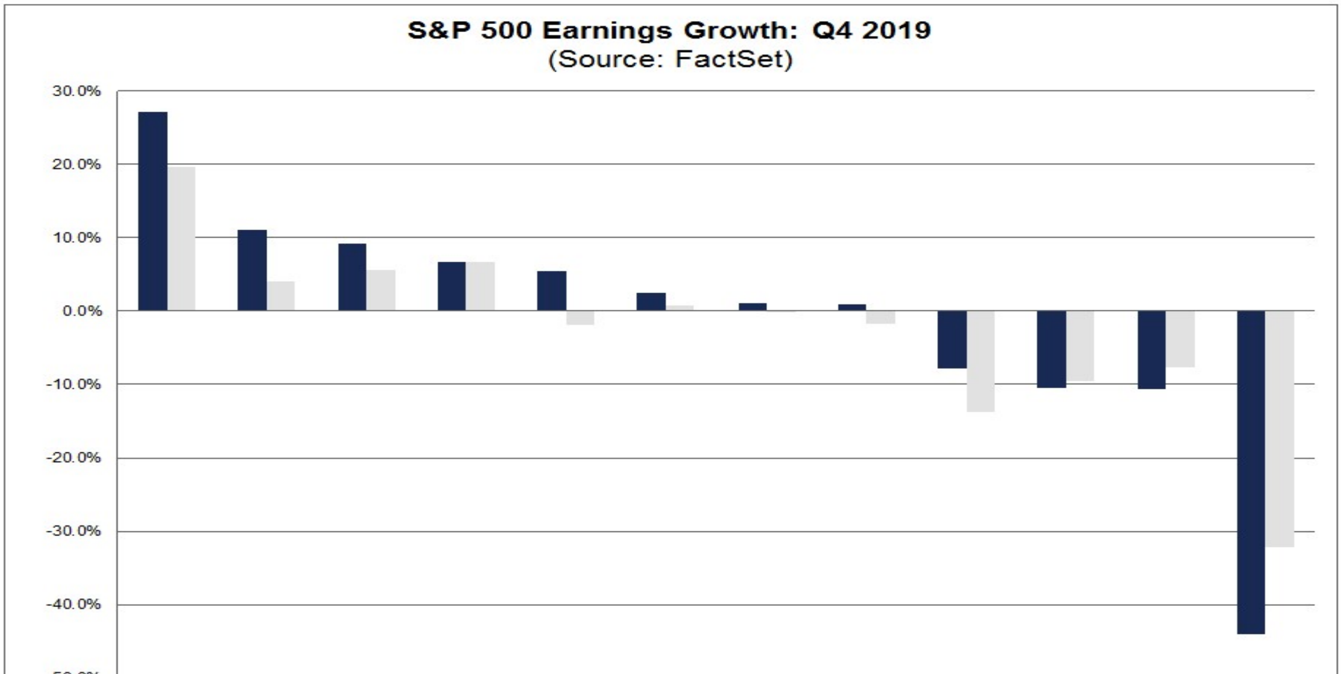


Q4 2019: Scorecard

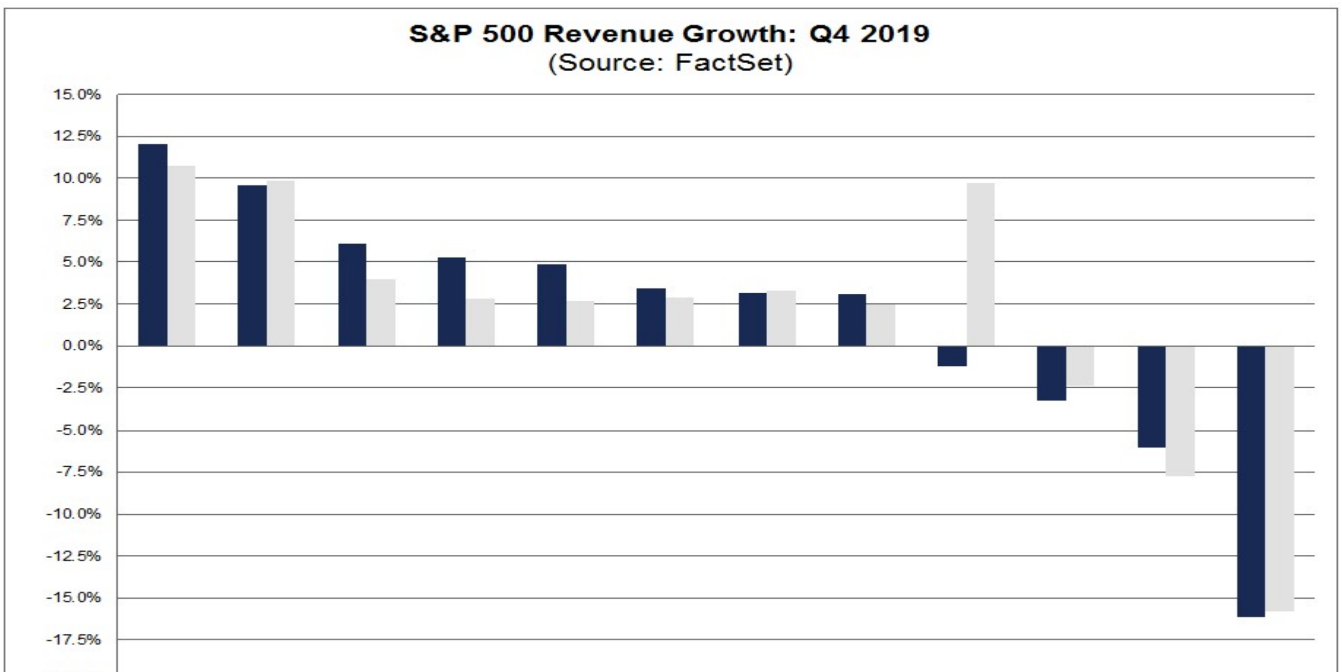




Q4 2019: Growth

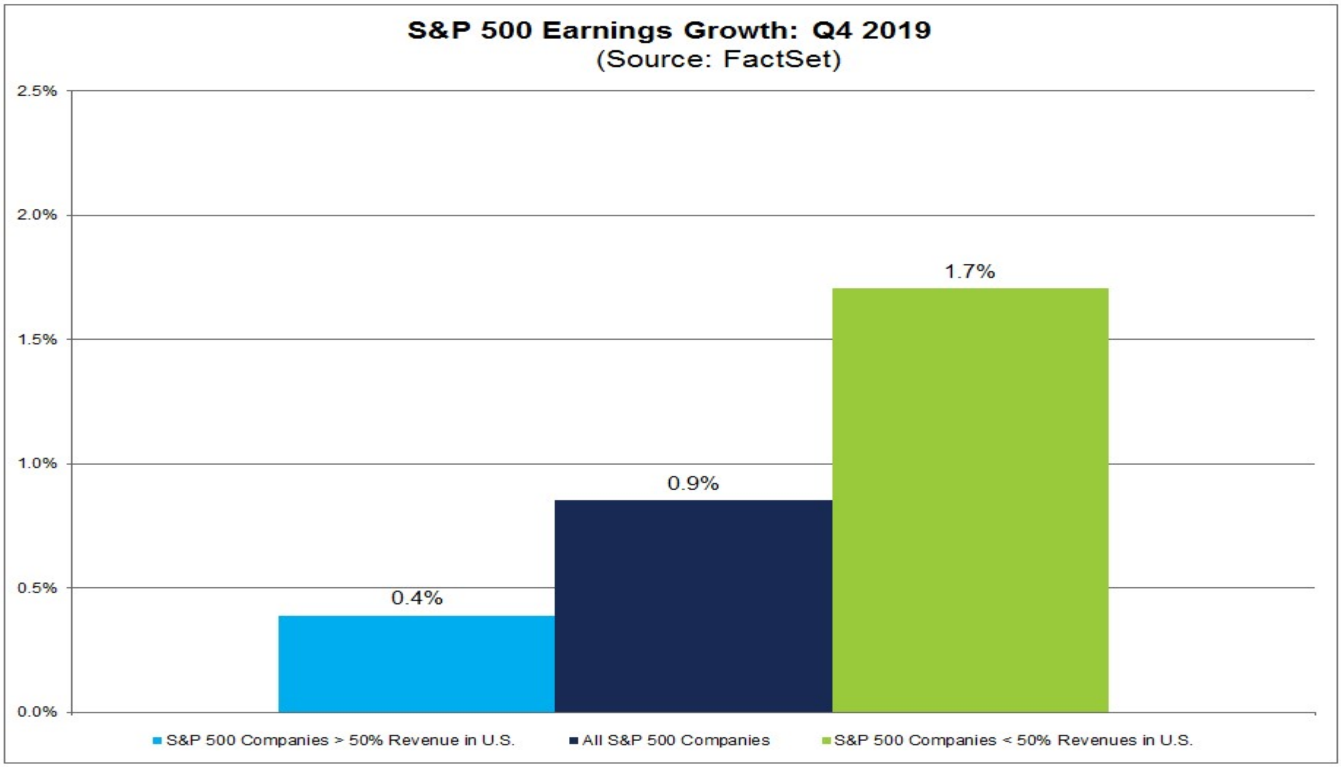


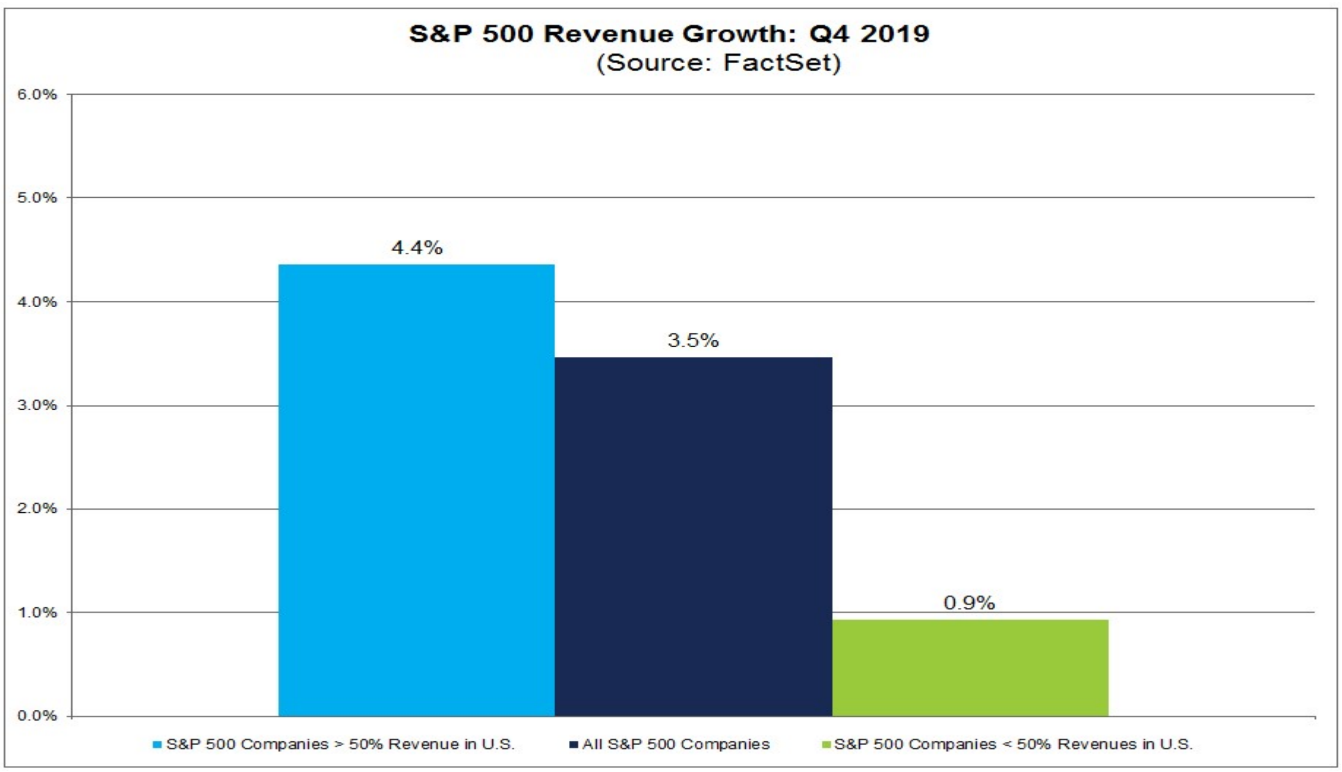
	Utilities	Comm. Services	Health Care	Financials	Info. Technology	Real Estate	Consumer Staples	S&P 500	Consumer Disc.	Materials	Industrials	Energy
Today	27.1%	11.0%	9.1%	6.6%	5.5%	2.5%	1.0%	0.9%	-7.9%	-10.6%	-10.7%	-44.0%
31-Dec	19.6%	3.9%	5.6%	6.7%	-2.0%	0.6%	-0.2%	-1.7%	-13.6%	-9.5%	-7.7%	-32.2%



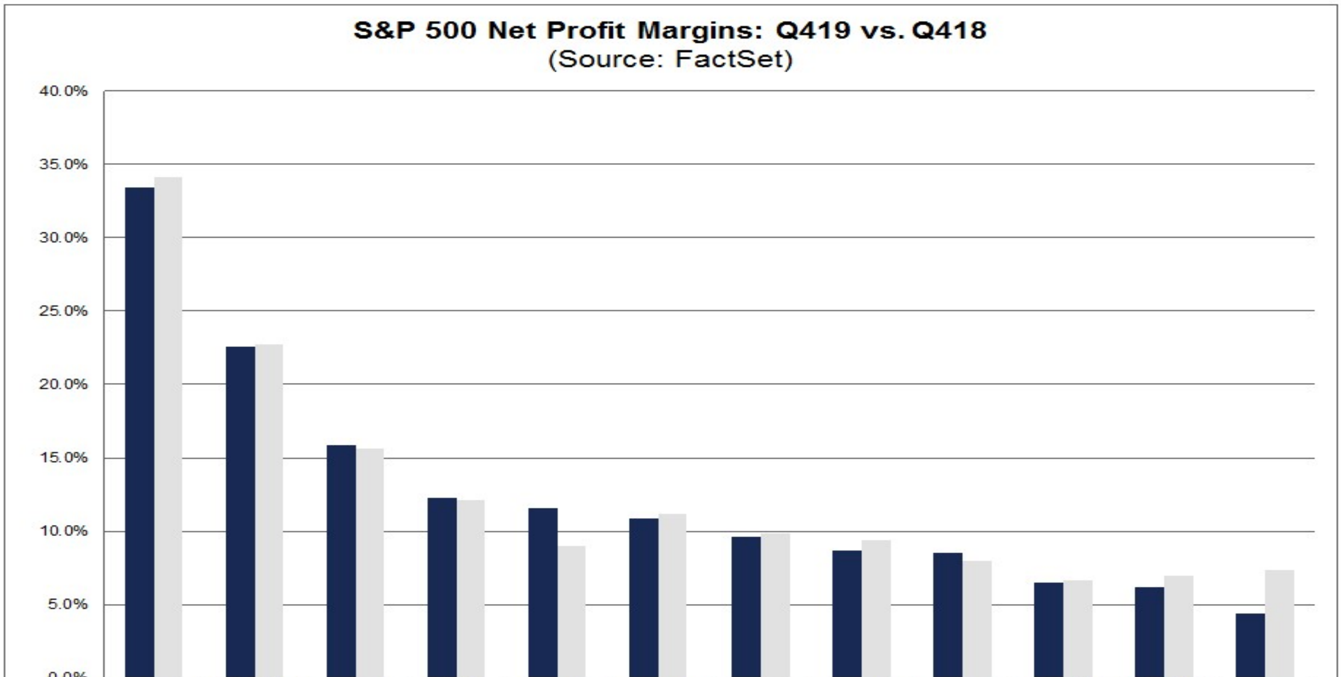
	Health Care	Comm. Services	Info. Technology	Financials	Real Estate	S&P 500	Consumer Staples	Consumer Disc.	Utilities	Industrials	Energy	Materials
Today	12.0%	9.6%	6.1%	5.3%	4.9%	3.5%	3.1%	3.1%	-1.2%	-3.2%	-6.0%	-16.1%
31-Dec	10.7%	9.8%	4.0%	2.8%	2.7%	2.9%	3.3%	2.4%	9.7%	-2.4%	-7.7%	-15.8%

Q4 2019: Growth

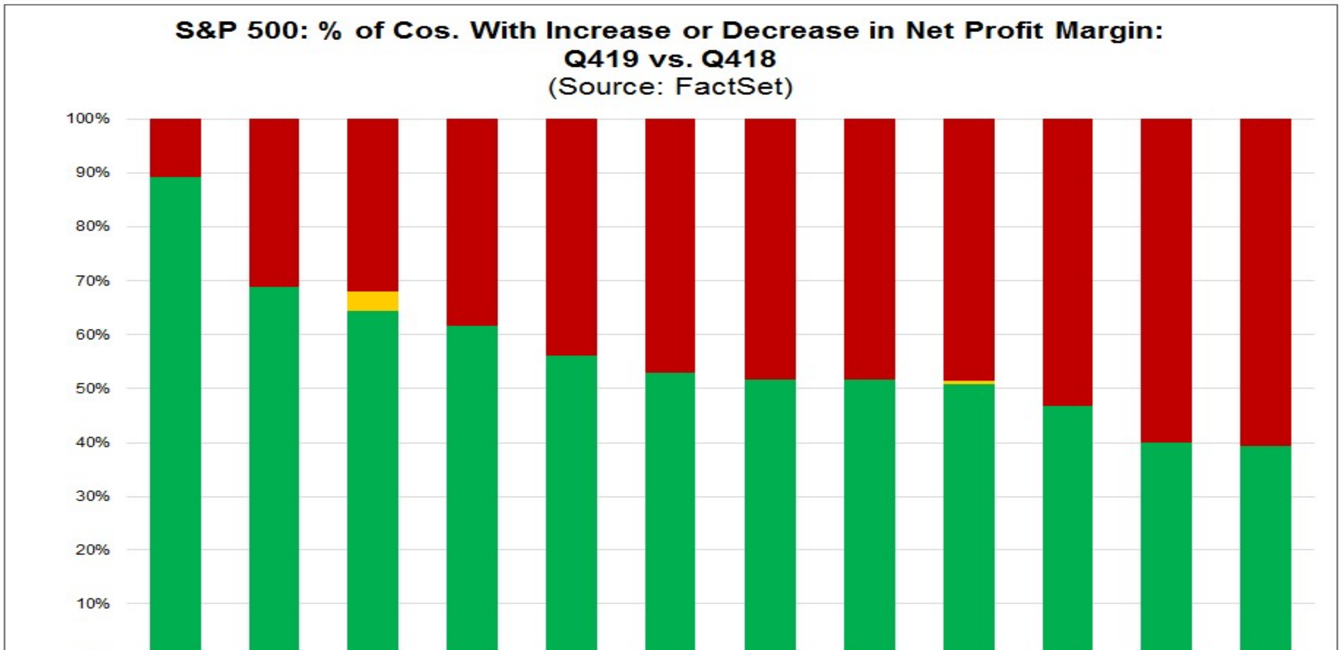




Q4 2019: Net Profit Margin

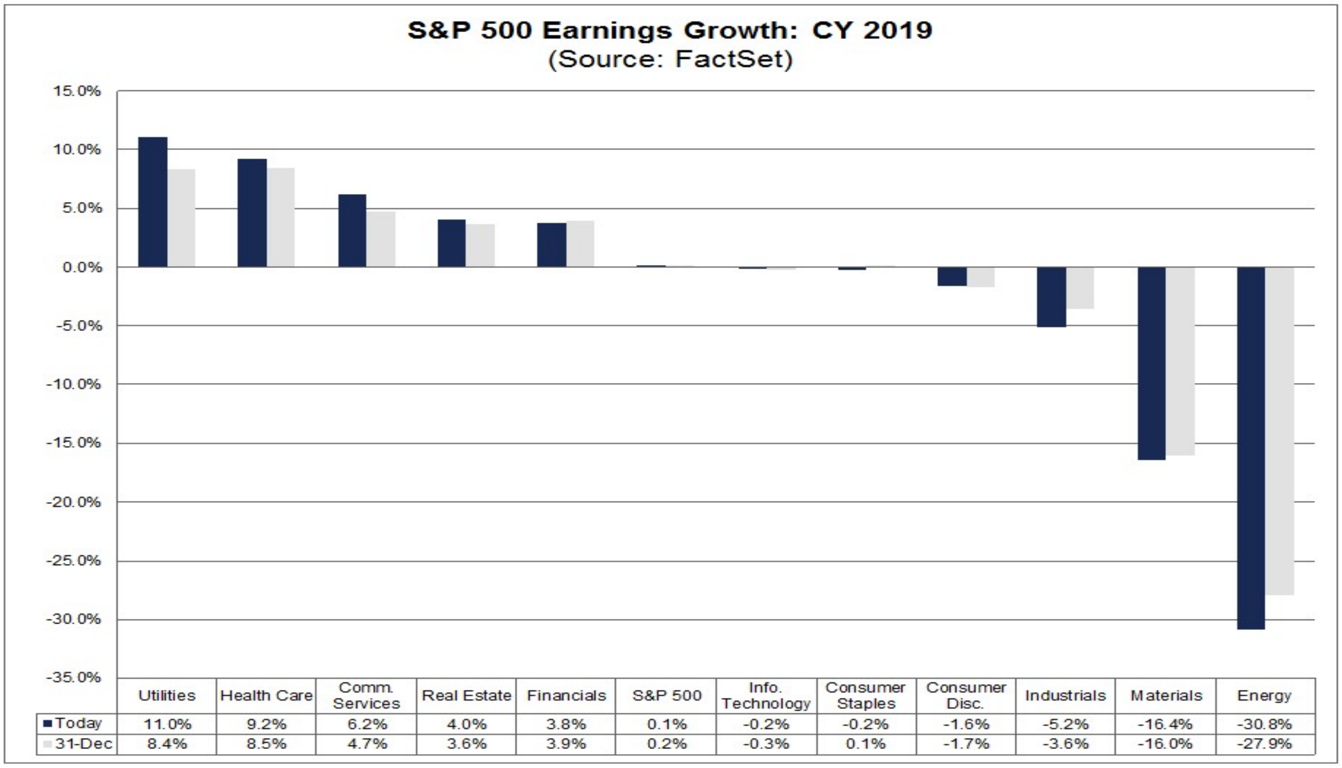


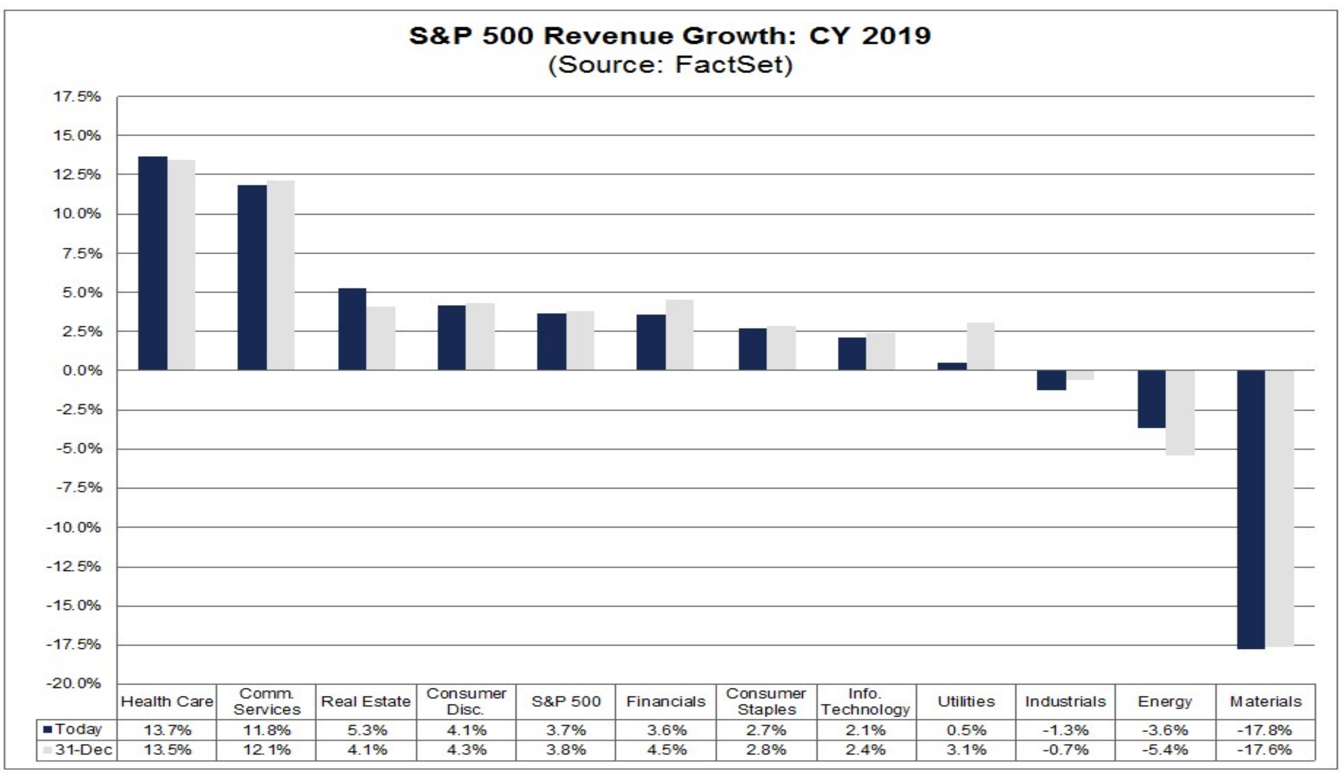
	Real Estate	Information Tech.	Financials	Comm. Services	Utilities	S&P 500	Health Care	Industrials	Materials	Consumer Staples	Consumer Disc.	Energy
Q419	33.4%	22.5%	15.9%	12.3%	11.6%	10.9%	9.6%	8.7%	8.6%	6.5%	6.2%	4.4%
Q418	34.2%	22.7%	15.7%	12.2%	9.0%	11.2%	9.9%	9.4%	8.0%	6.6%	7.0%	7.4%



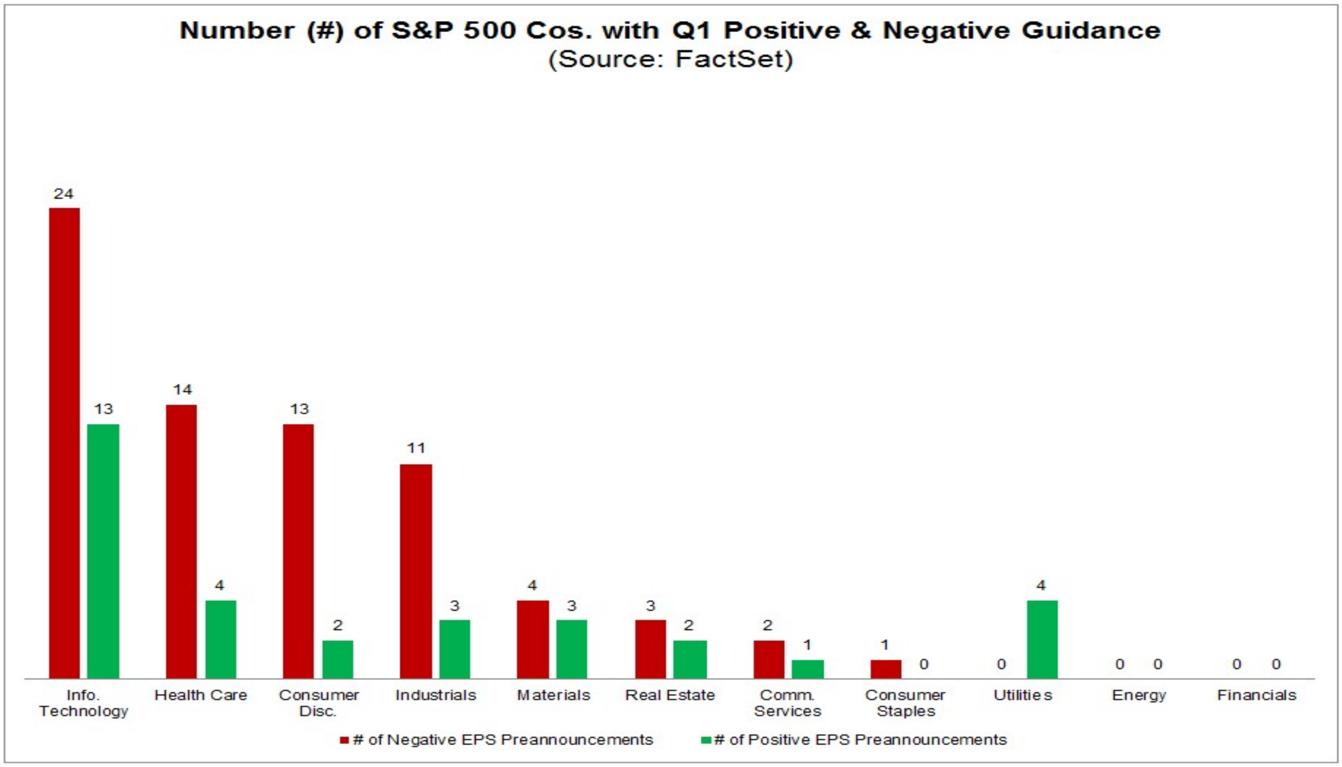
	Utilities	Health Care	Materials	Comm. Services	Financials	Industrials	Real Estate	Consumer Staples	S&P 500	Consumer Disc.	Information Tech.	Energy
Down %	11%	31%	32%	38%	44%	47%	48%	48%	49%	53%	60%	61%
None %	0%	0%	4%	0%	0%	0%	0%	0%	1%	0%	0%	0%
Up %	89%	69%	64%	62%	56%	53%	52%	52%	51%	47%	40%	39%

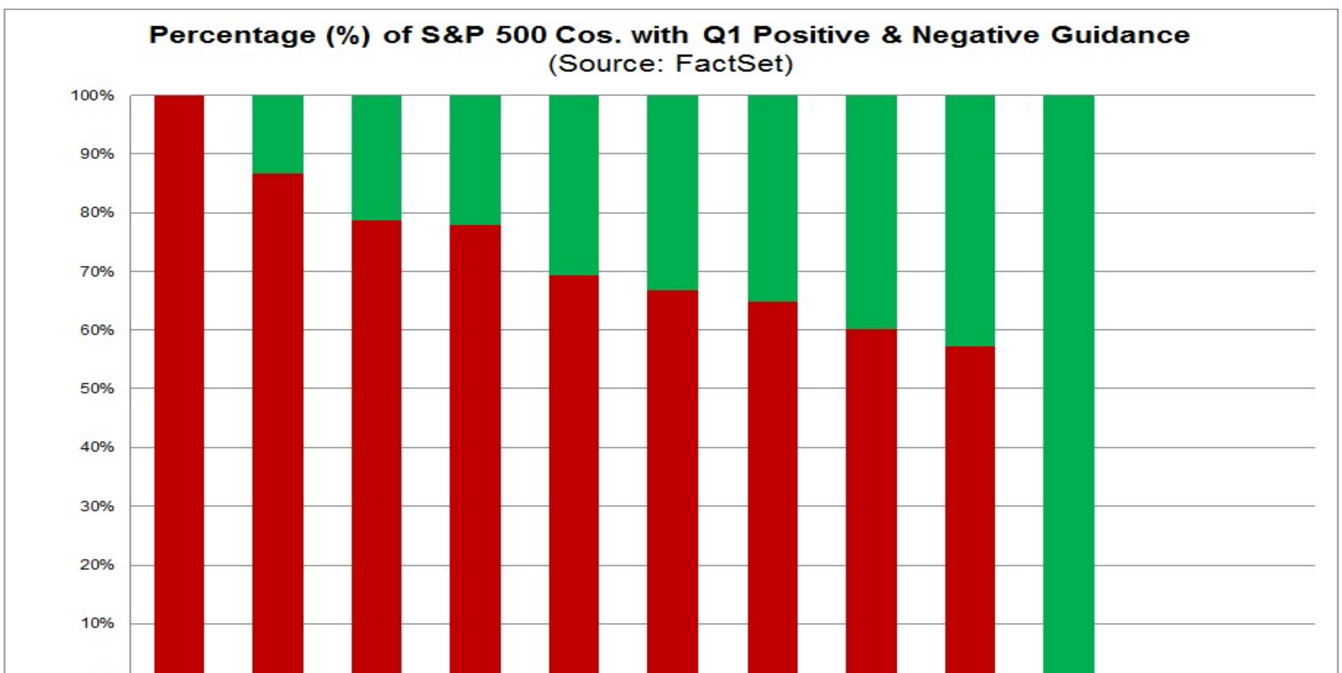
CY 2019: Growth





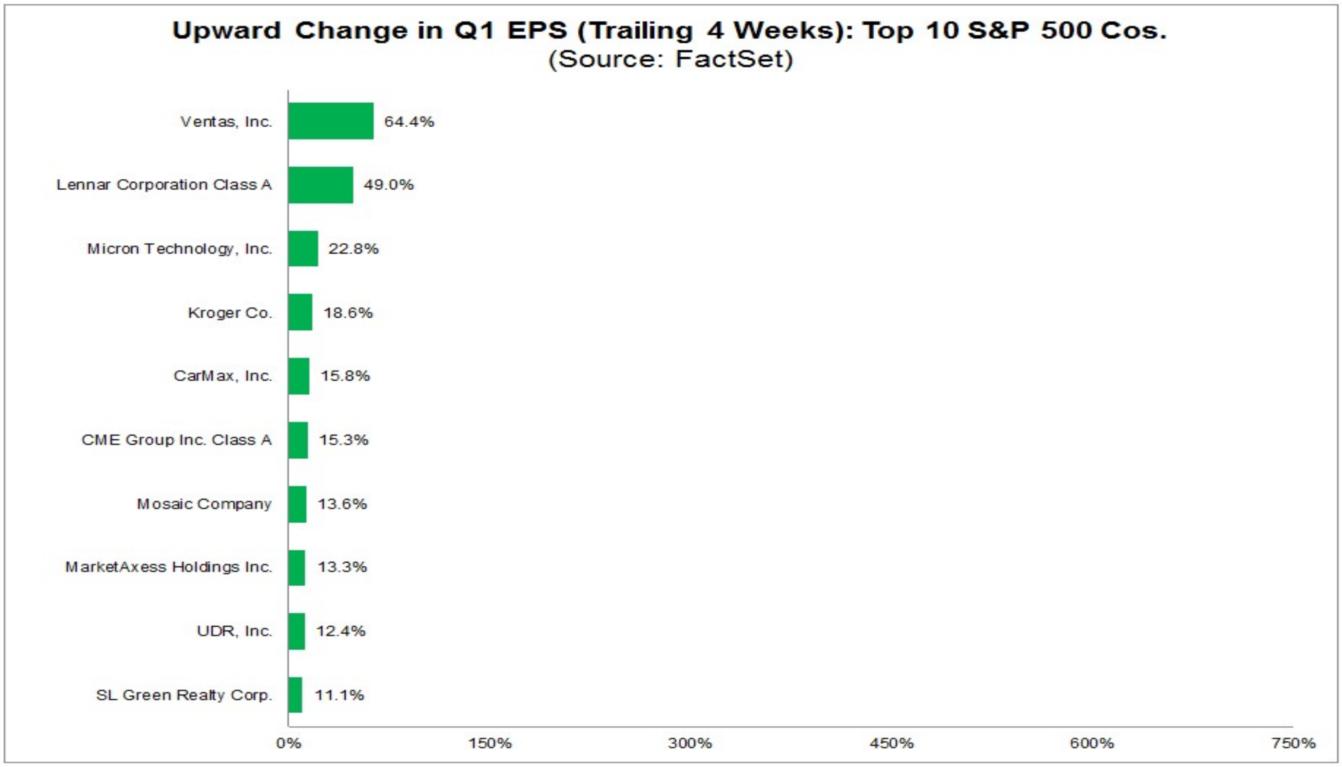
Q1 2020: EPS Guidance

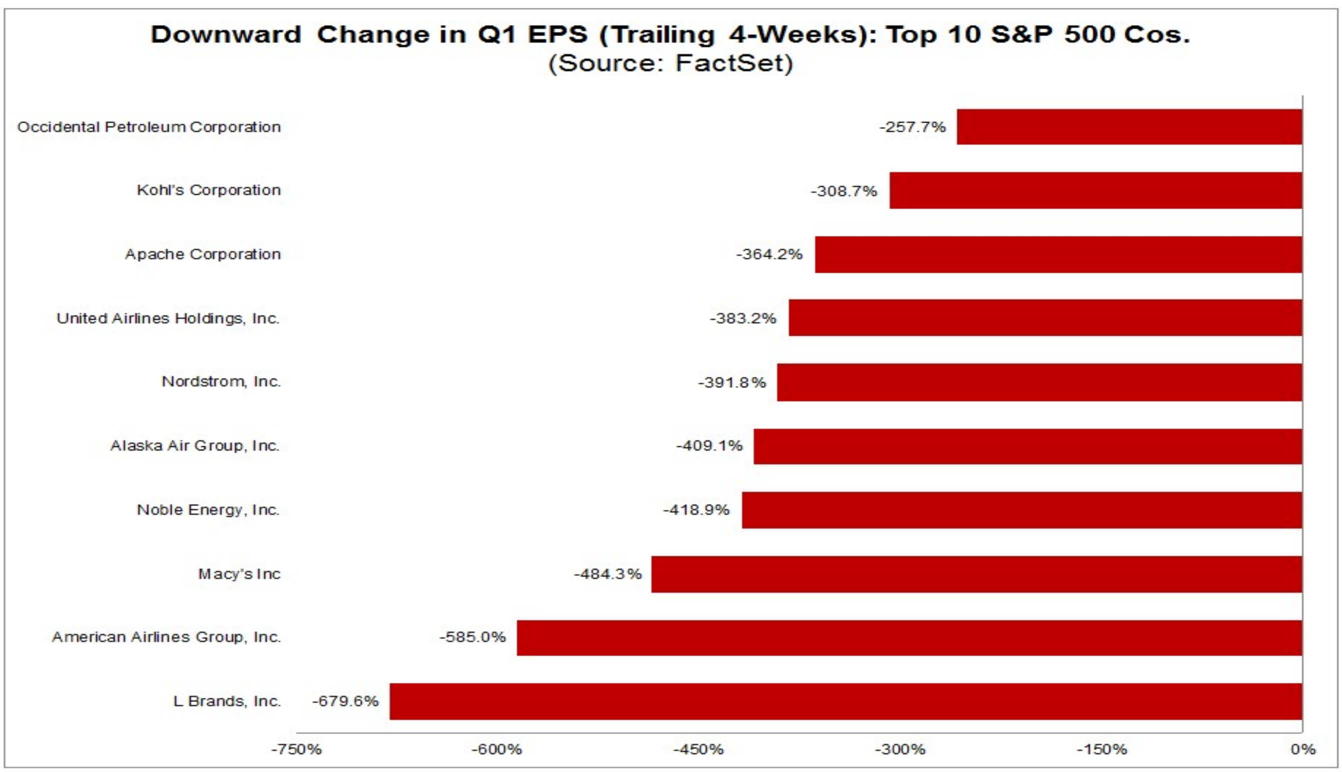




	Consumer Staples	Consumer Disc.	Industrials	Health Care	S&P 500	Comm. Services	Info. Technology	Real Estate	Materials	Utilities	Energy	Financials
Positive	0%	13%	21%	22%	31%	33%	35%	40%	43%	100%	0%	0%
Negative	100%	87%	79%	78%	69%	67%	65%	60%	57%	0%	0%	0%

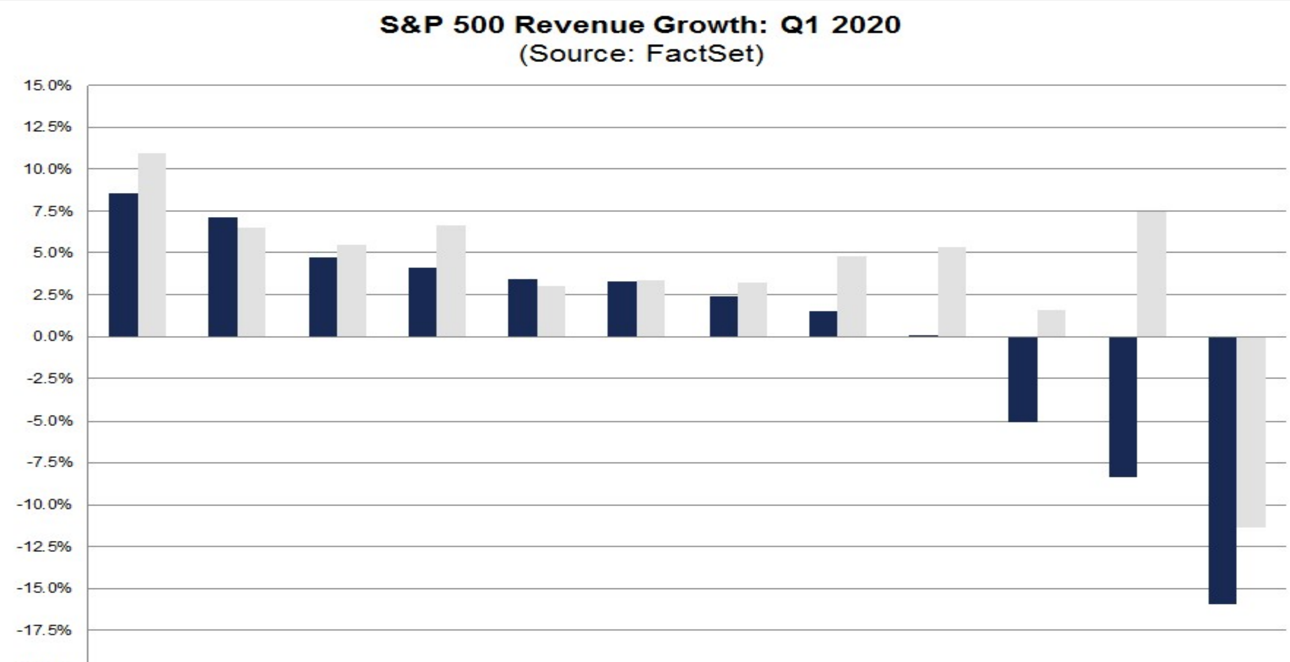
Q1 2020: EPS Revisions





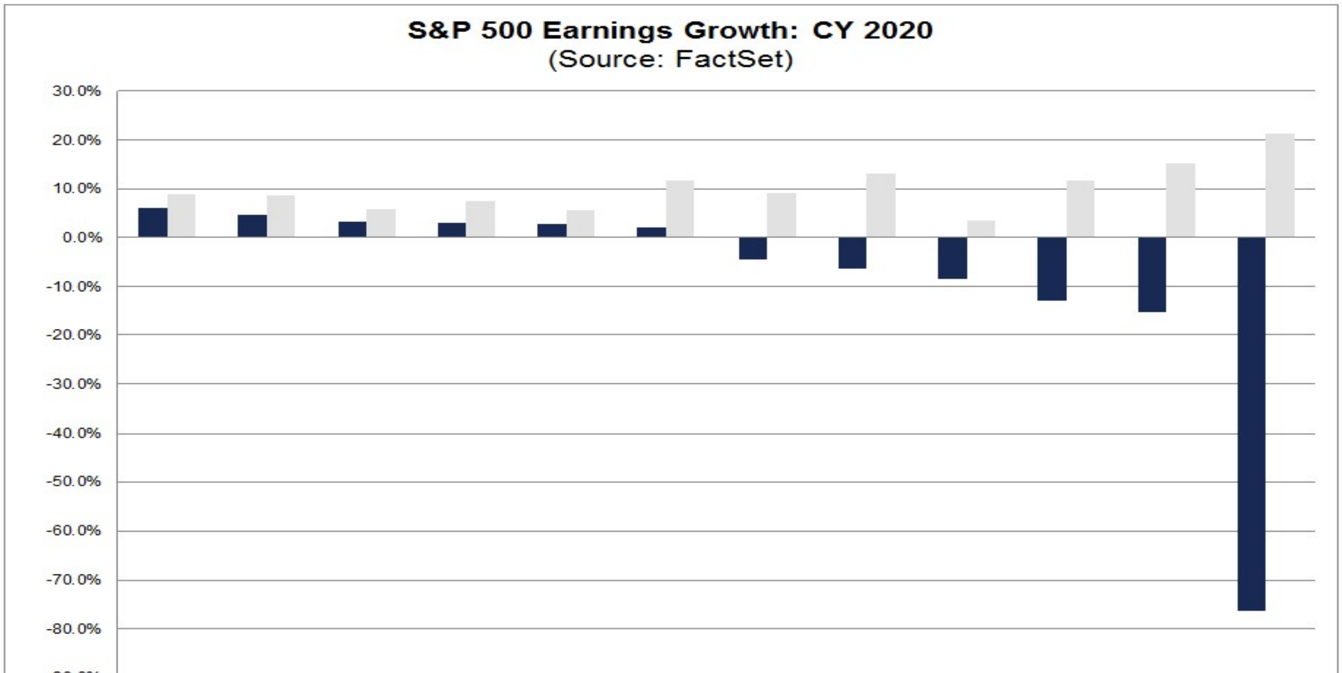
Q1 2020: Growth

	Comm. Services	Utilities	Real Estate	Health Care	Info. Technology	Consumer Staples	S&P 500	Financials	Materials	Industrials	Consumer Disc.	Energy
Today	8.8%	4.8%	2.9%	2.2%	1.3%	-0.8%	-7.3%	-10.2%	-21.4%	-27.4%	-30.0%	-41.1%
31-Dec	16.7%	5.6%	5.6%	7.3%	4.1%	3.0%	4.3%	-3.1%	-3.8%	-0.4%	1.3%	29.6%

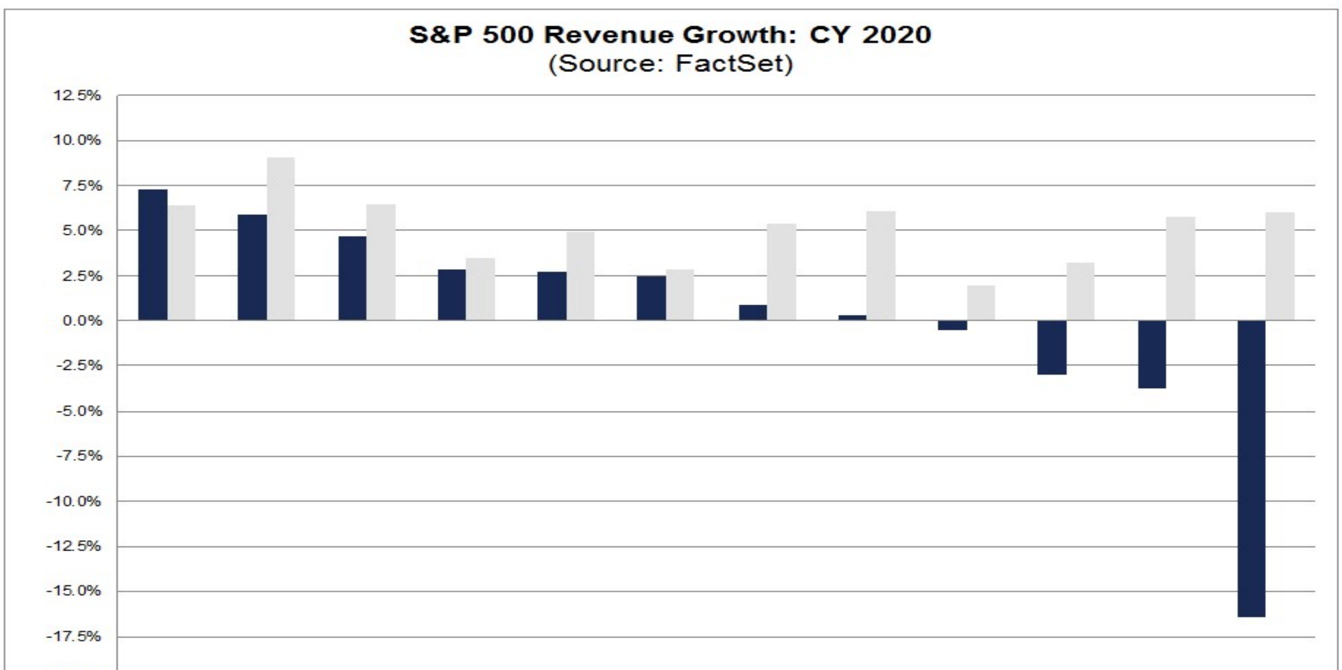


	Comm. Services	Health Care	Utilities	Info. Technology	Consumer Staples	Real Estate	Financials	S&P 500	Consumer Disc.	Industrials	Energy	Materials
Today	8.6%	7.1%	4.8%	4.1%	3.5%	3.3%	2.4%	1.5%	0.0%	-5.0%	-8.3%	-15.9%
31-Dec	11.0%	6.5%	5.4%	6.6%	3.0%	3.3%	3.2%	4.8%	5.4%	1.6%	7.5%	-11.4%

CY 2020: Growth



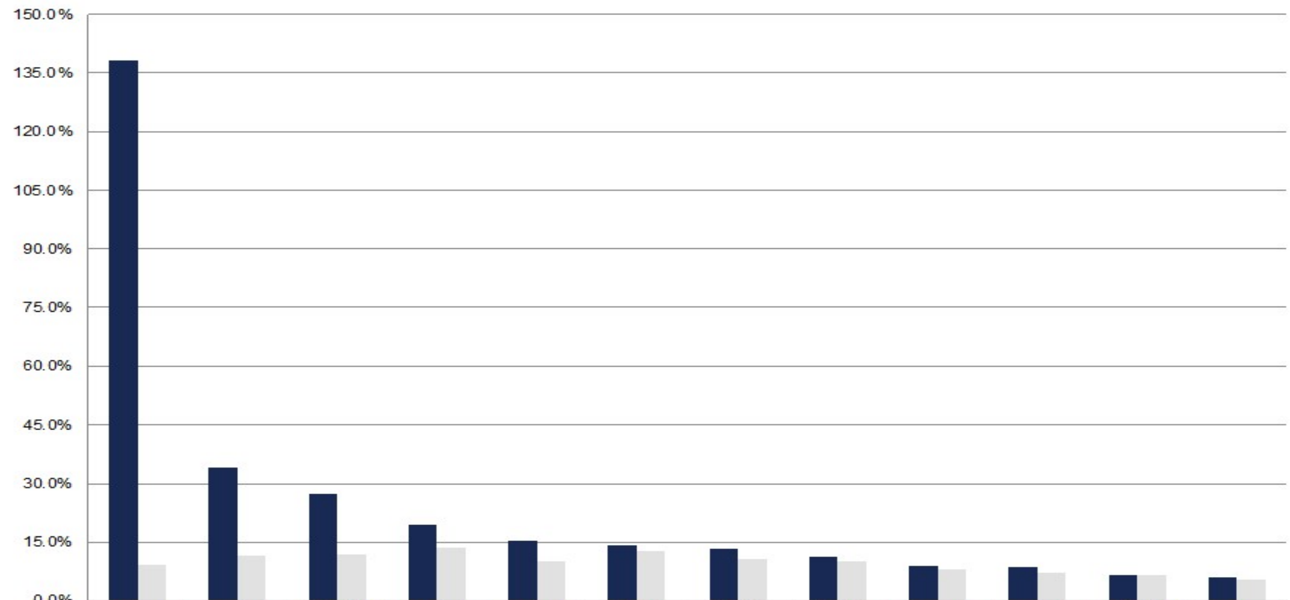
	Info. Technology	Health Care	Utilities	Real Estate	Consumer Staples	Comm. Services	S&P 500	Materials	Financials	Consumer Disc.	Industrials	Energy
Today	6.0%	4.7%	3.1%	3.0%	2.7%	2.0%	-4.5%	-6.3%	-8.5%	-13.1%	-15.4%	-76.3%
31-Dec	8.9%	8.7%	5.8%	7.4%	5.6%	11.6%	9.2%	13.0%	3.5%	11.6%	15.1%	21.2%



	Health Care	Comm. Services	Info. Technology	Consumer Staples	Real Estate	Utilities	S&P 500	Consumer Disc.	Financials	Materials	Industrials	Energy
Today	7.3%	5.9%	4.7%	2.8%	2.7%	2.4%	0.8%	0.3%	-0.5%	-3.0%	-3.8%	-16.4%
31-Dec	6.4%	9.1%	6.5%	3.4%	4.9%	2.8%	5.4%	6.1%	1.9%	3.2%	5.7%	6.0%

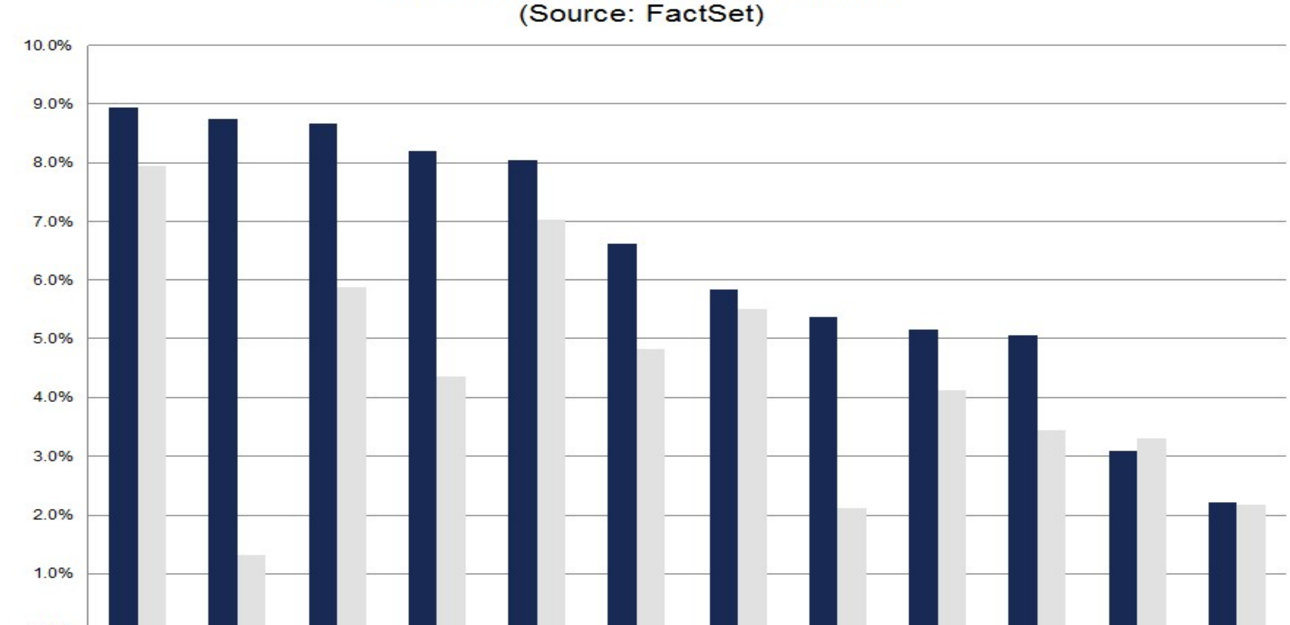
CY 2021: Growth

S&P 500 Earnings Growth: CY 2021
(Source: FactSet)



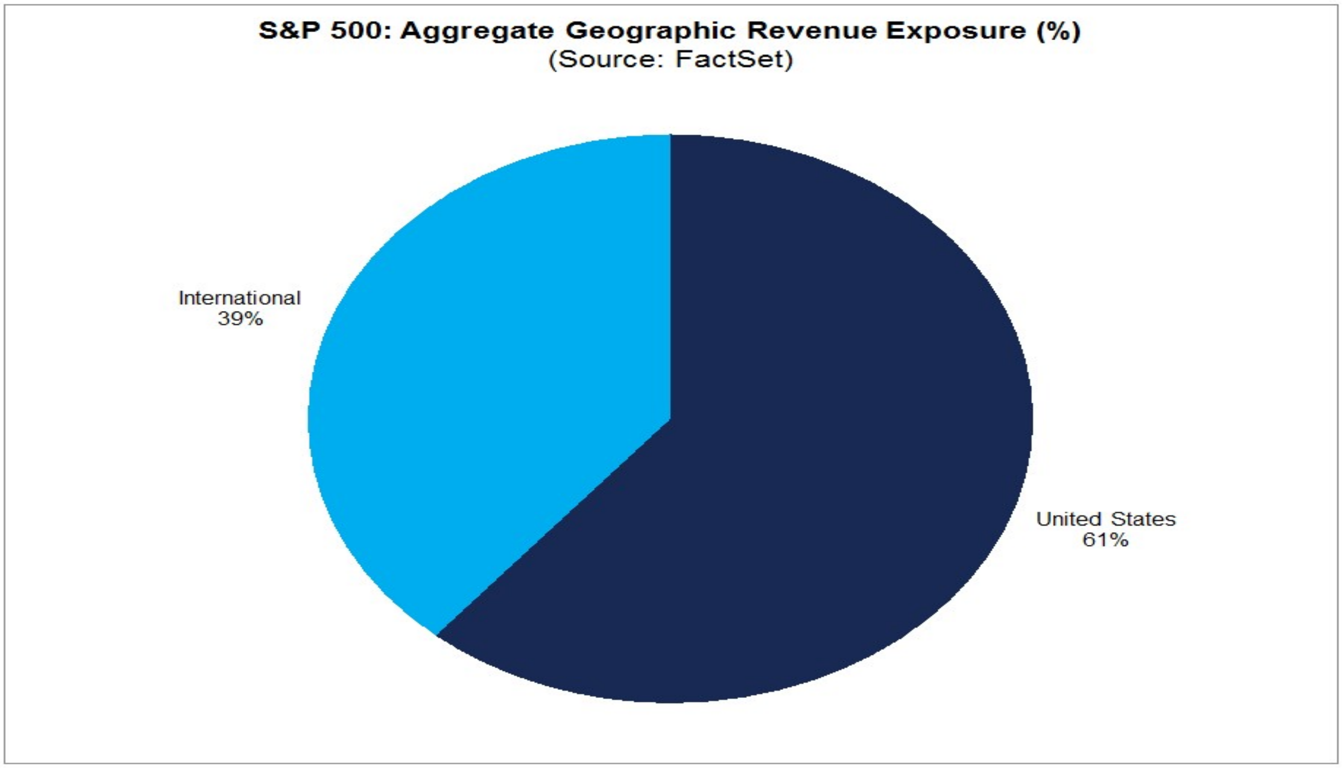
	Energy	Industrials	Consumer Disc.	Materials	S&P 500	Info. Technology	Comm. Services	Health Care	Real Estate	Financials	Consumer Staples	Utilities
Today	138.3%	34.0%	27.4%	19.3%	15.4%	14.1%	13.3%	11.2%	9.0%	8.6%	6.6%	6.0%
31-Dec	9.1%	11.5%	12.0%	13.7%	10.1%	12.8%	10.7%	10.0%	8.2%	7.2%	6.5%	5.5%

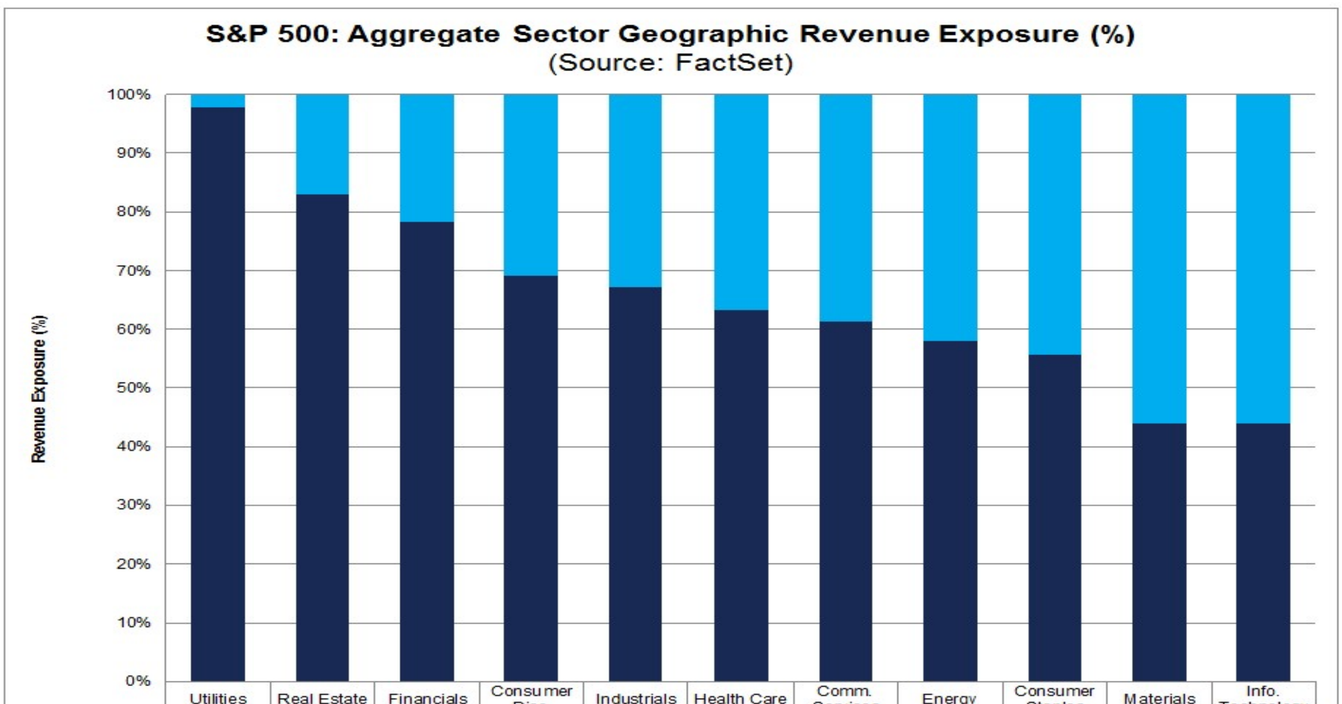
S&P 500 Revenue Growth: CY 2021
(Source: FactSet)



	Comm. Services	Energy	Consumer Disc.	Industrials	Info. Technology	S&P 500	Health Care	Real Estate	Materials	Financials	Consumer Staples	Utilities
Today	8.9%	8.7%	8.7%	8.2%	8.0%	6.6%	5.8%	5.4%	5.2%	5.0%	3.1%	2.2%
31-Dec	8.0%	1.3%	5.9%	4.4%	7.0%	4.8%	5.5%	2.1%	4.1%	3.4%	3.3%	2.2%

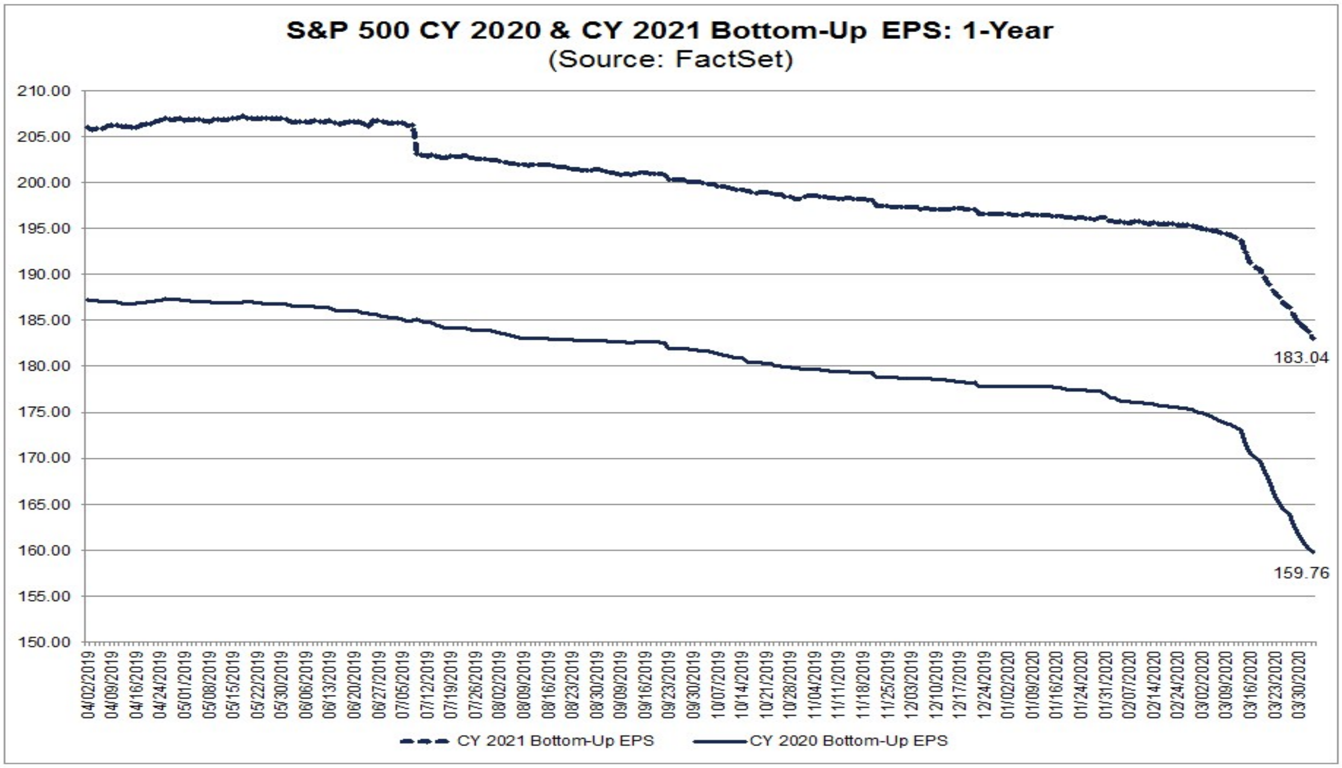
Geographic Revenue Exposure

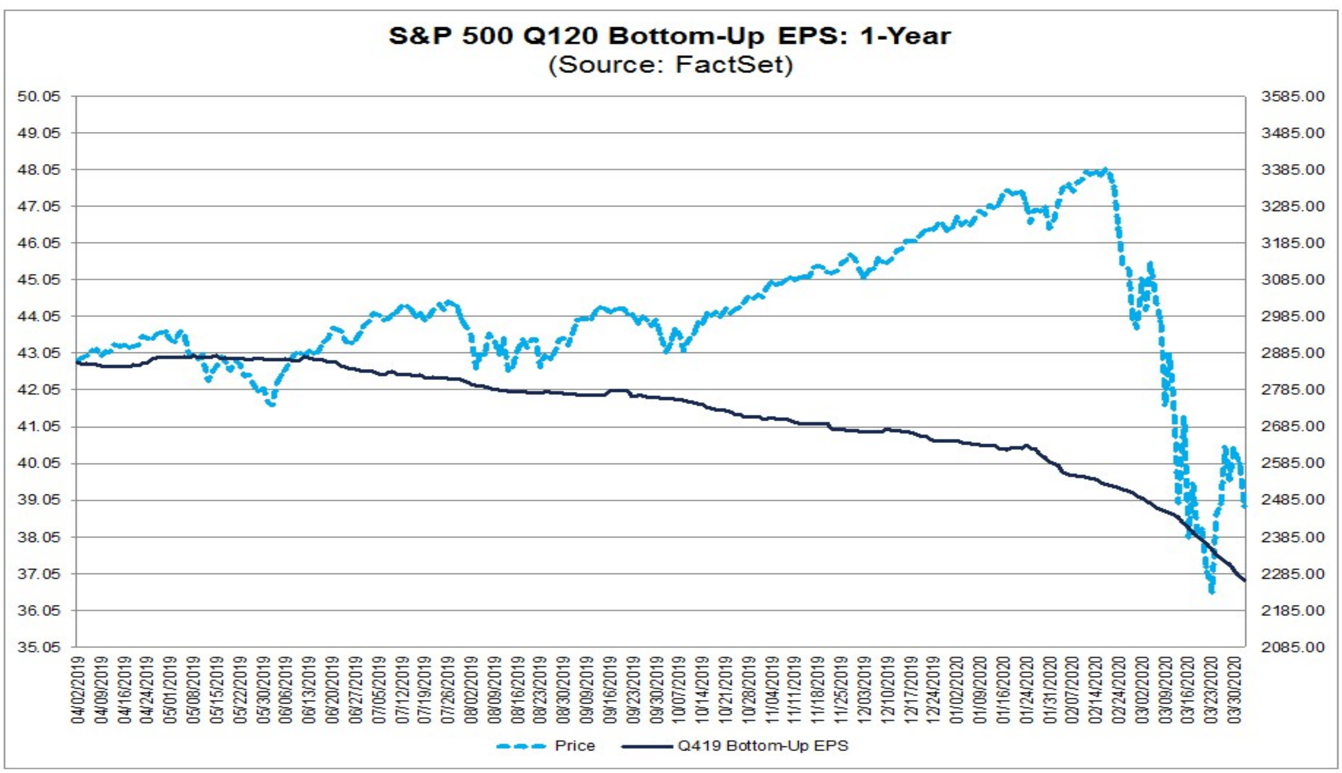




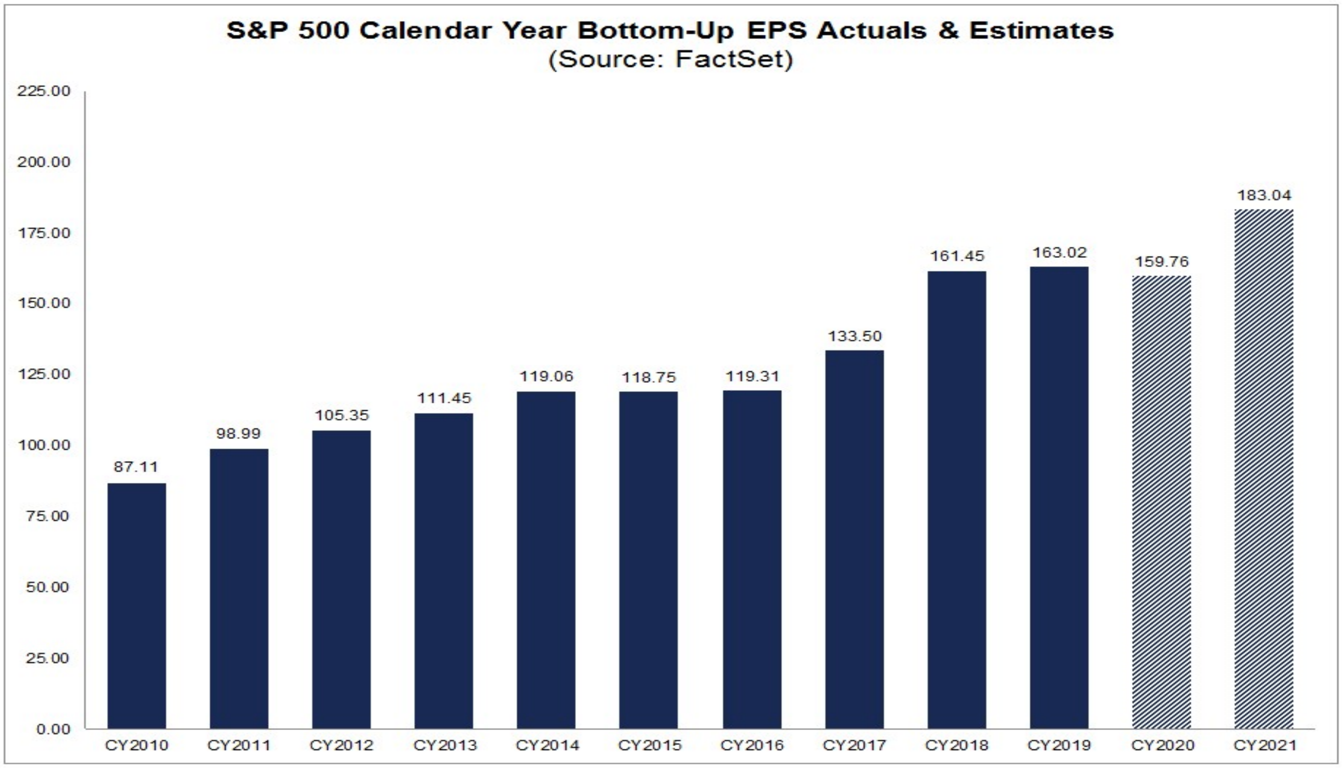
	Utilities	Real Estate	Financials	Consumer Disc.	Industrials	Health Care	Comm. Services	Energy	Consumer Staples	Materials	Info. Technology
International	2%	17%	22%	31%	33%	37%	39%	42%	44%	56%	56%
United States	98%	83%	78%	69%	67%	63%	61%	58%	56%	44%	44%

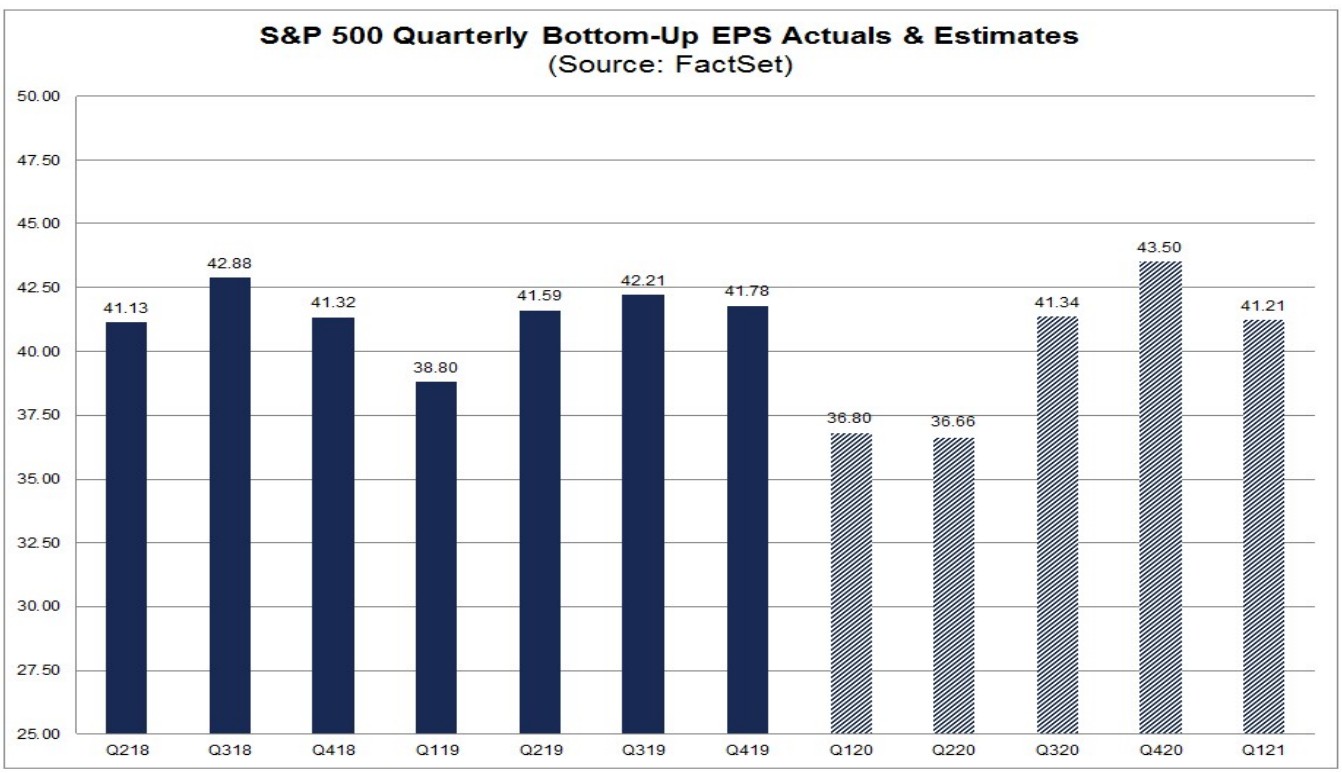
Bottom-up EPS Estimates: Revisions



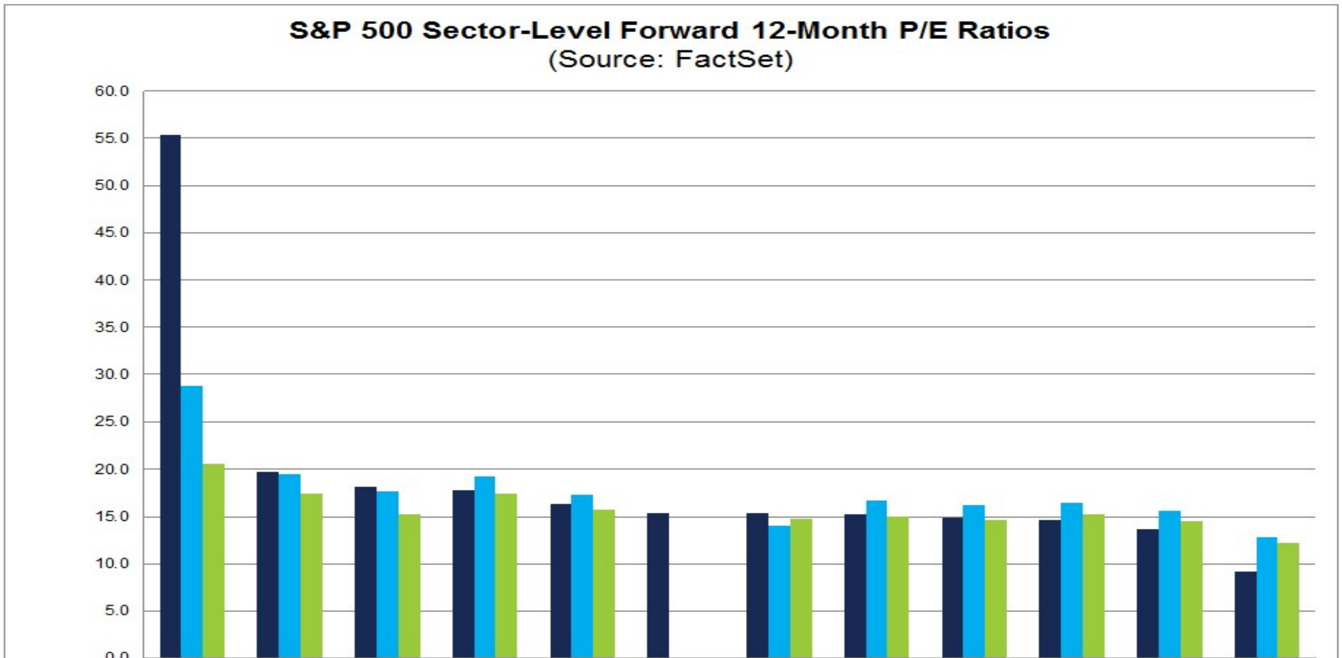


Bottom-up EPS Estimates: Current & Historical

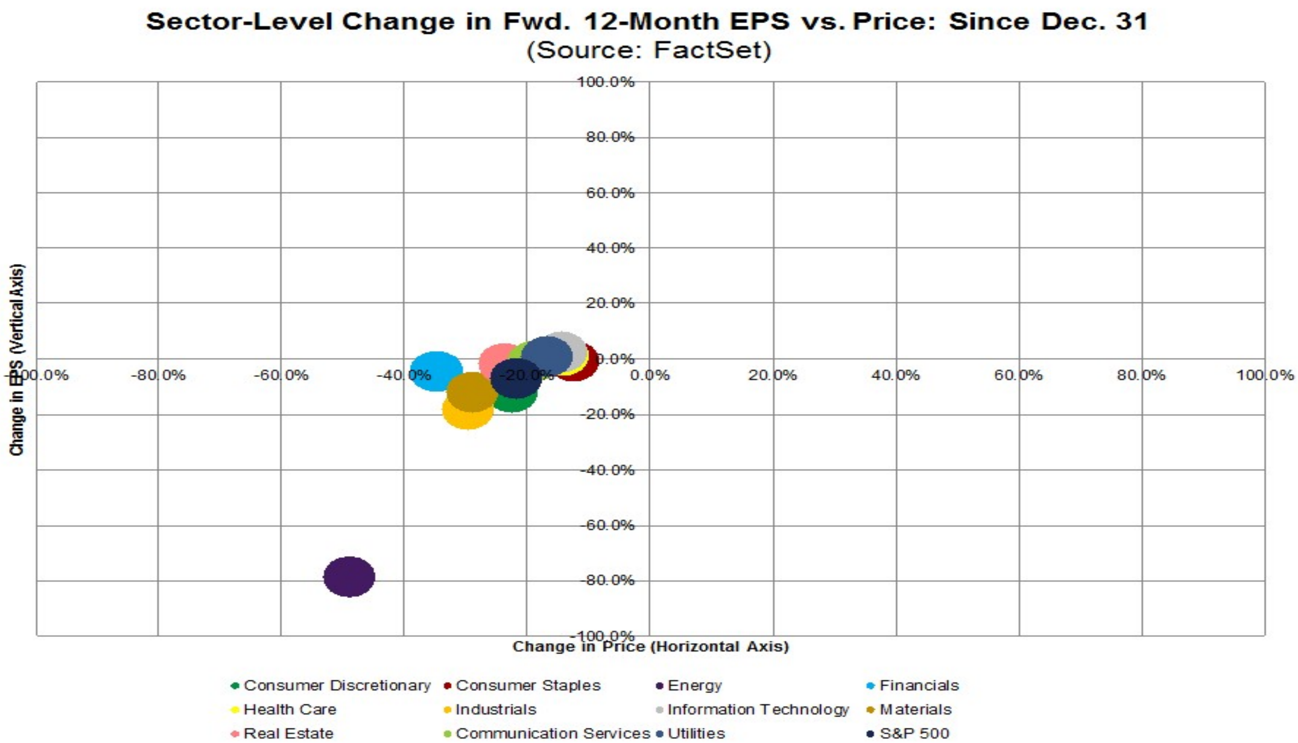




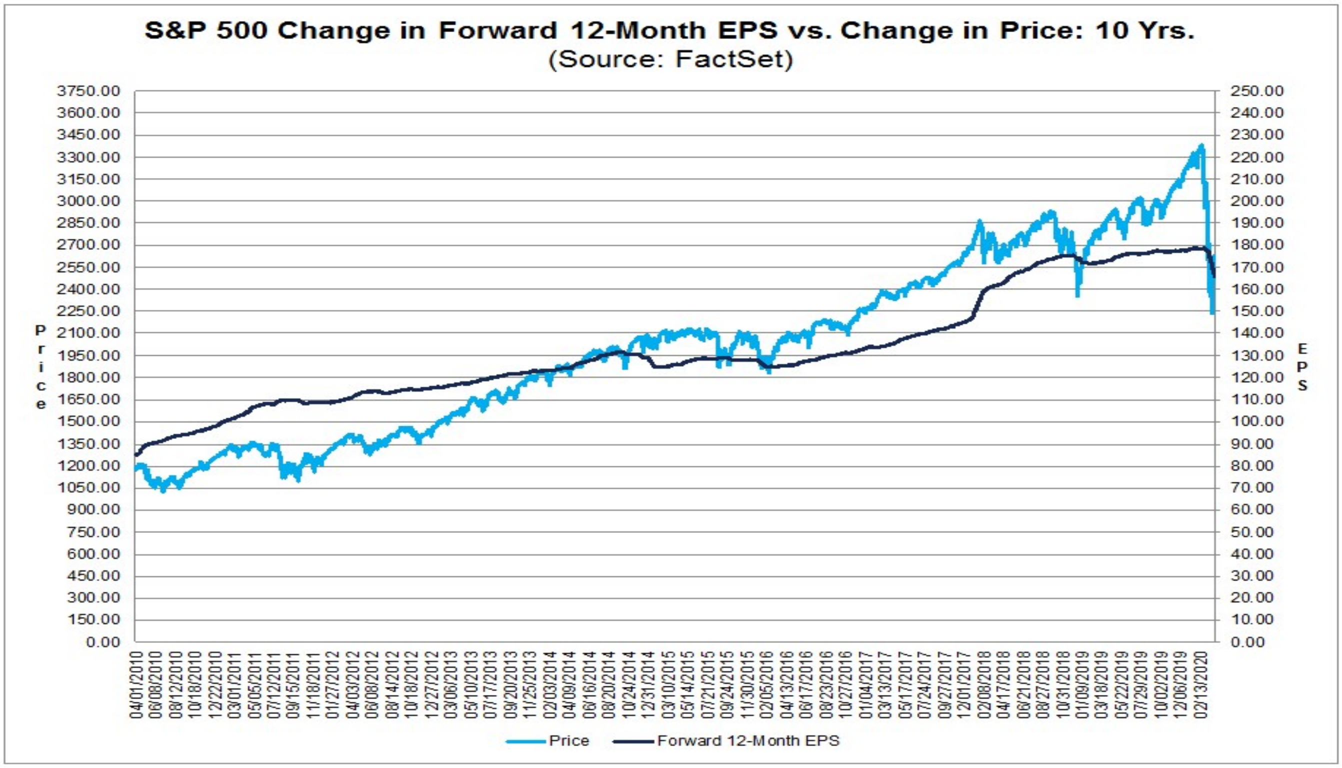
Forward 12M P/E Ratio: Sector Level

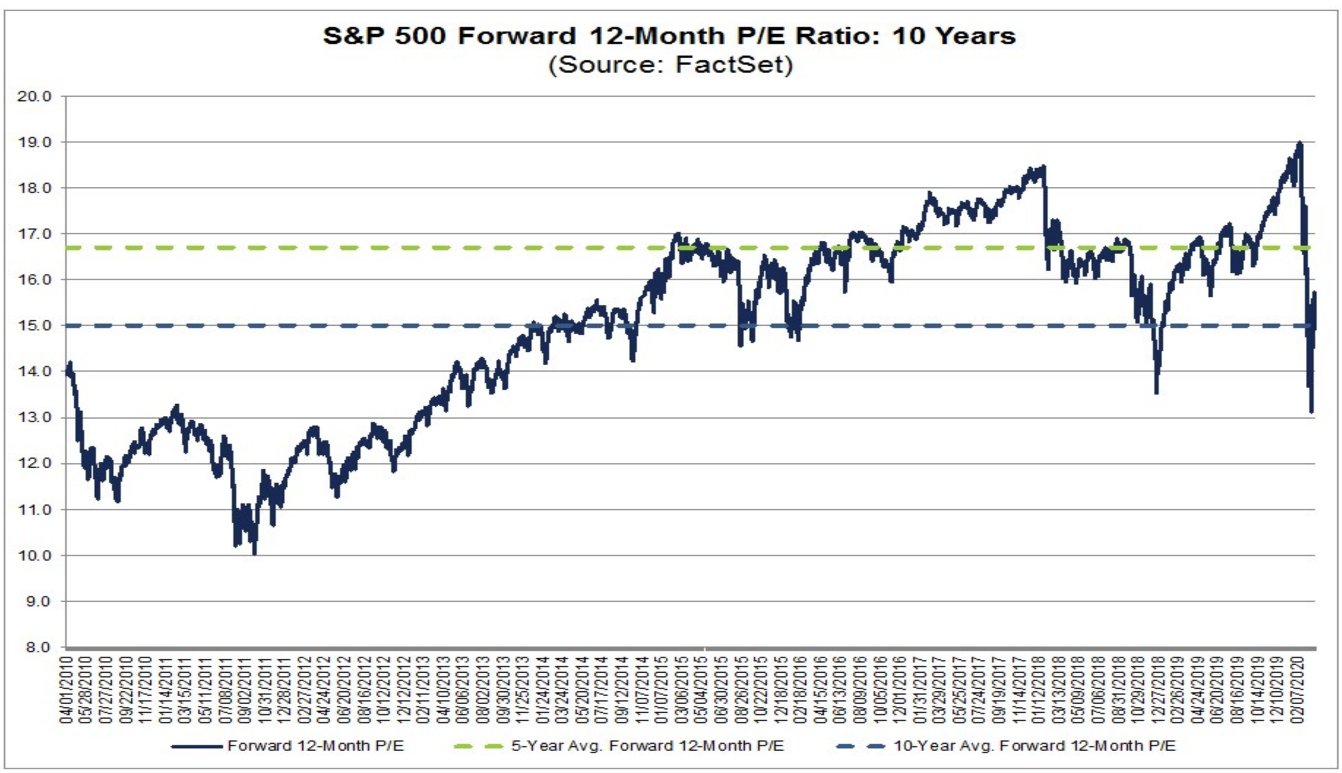


	Energy	Consumer Disc.	Info. Technology	Consumer Staples	Utilities	Real Estate	Comm. Services	S&P 500	Materials	Industrials	Health Care	Financials
Fwd P/E	55.3	19.8	18.2	17.8	16.4	15.4	15.4	15.3	14.9	14.7	13.7	9.1
5-Yr Avg.	28.7	19.5	17.7	19.2	17.3		14.1	16.7	16.3	16.4	15.7	12.8
10-Yr Avg.	20.6	17.5	15.3	17.4	15.7		14.8	15.0	14.6	15.2	14.5	12.2

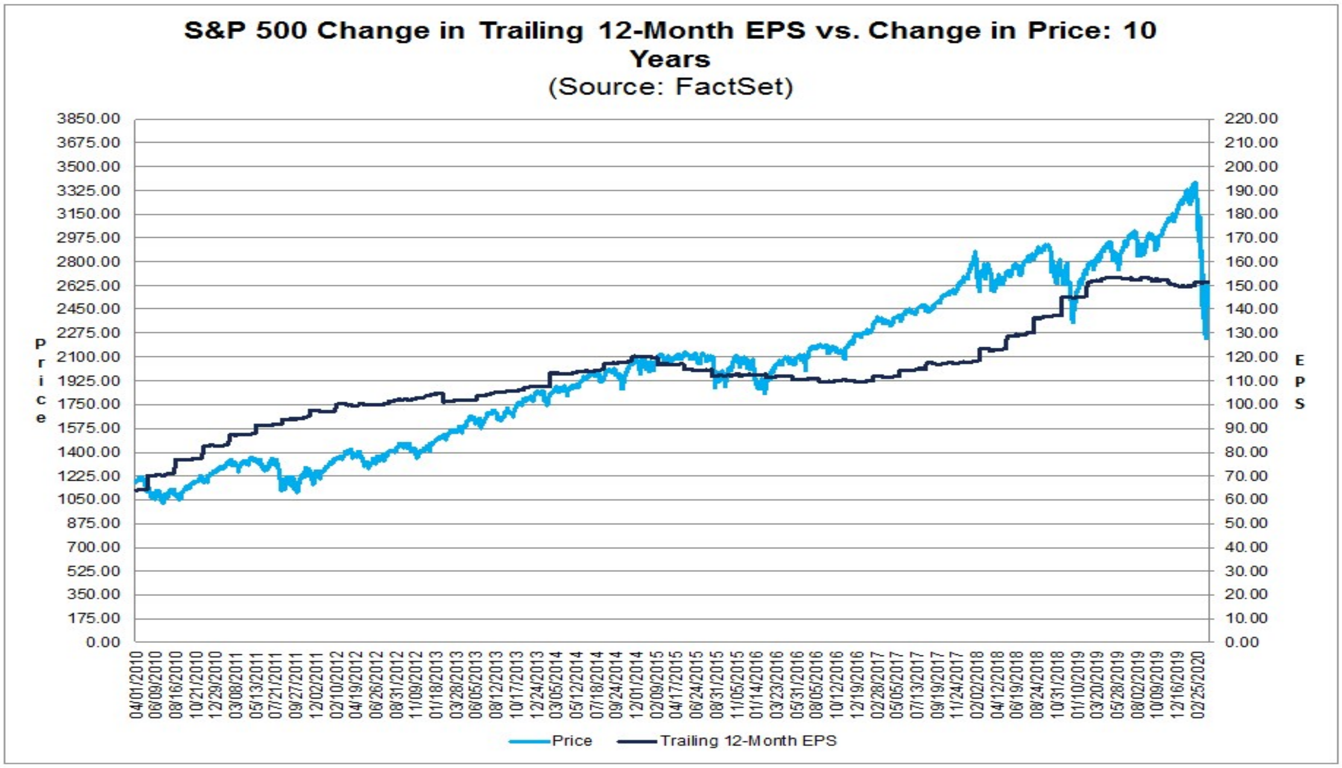


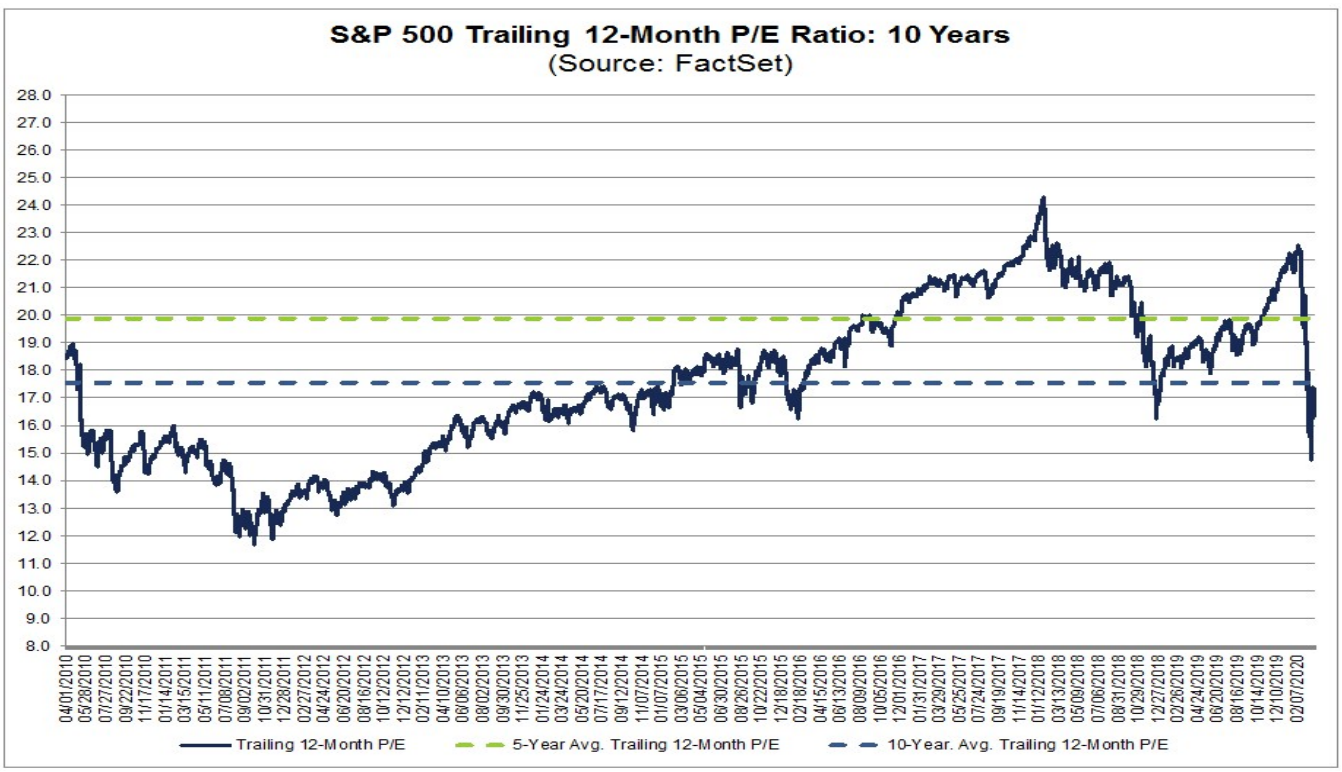
Forward 12M P/E Ratio: 10-Years



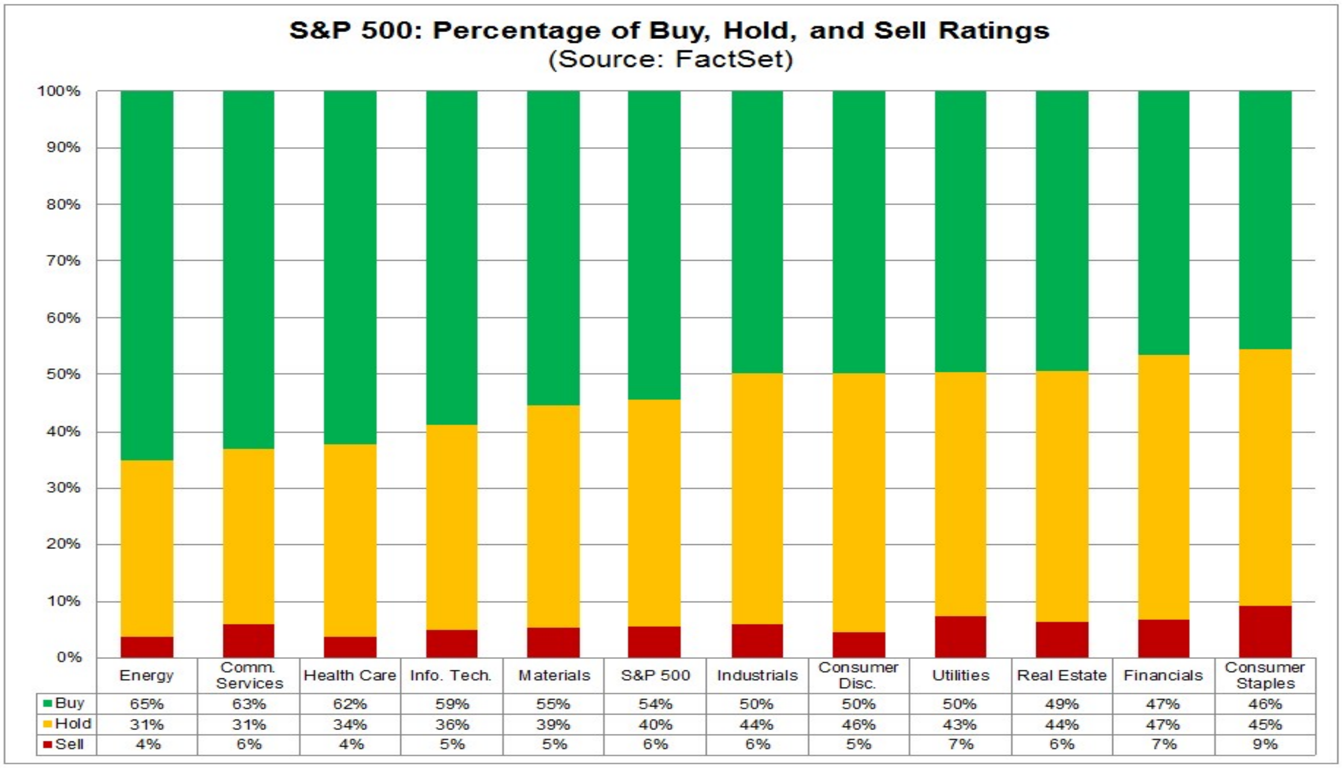


Trailing 12M P/E Ratio: 10-Years

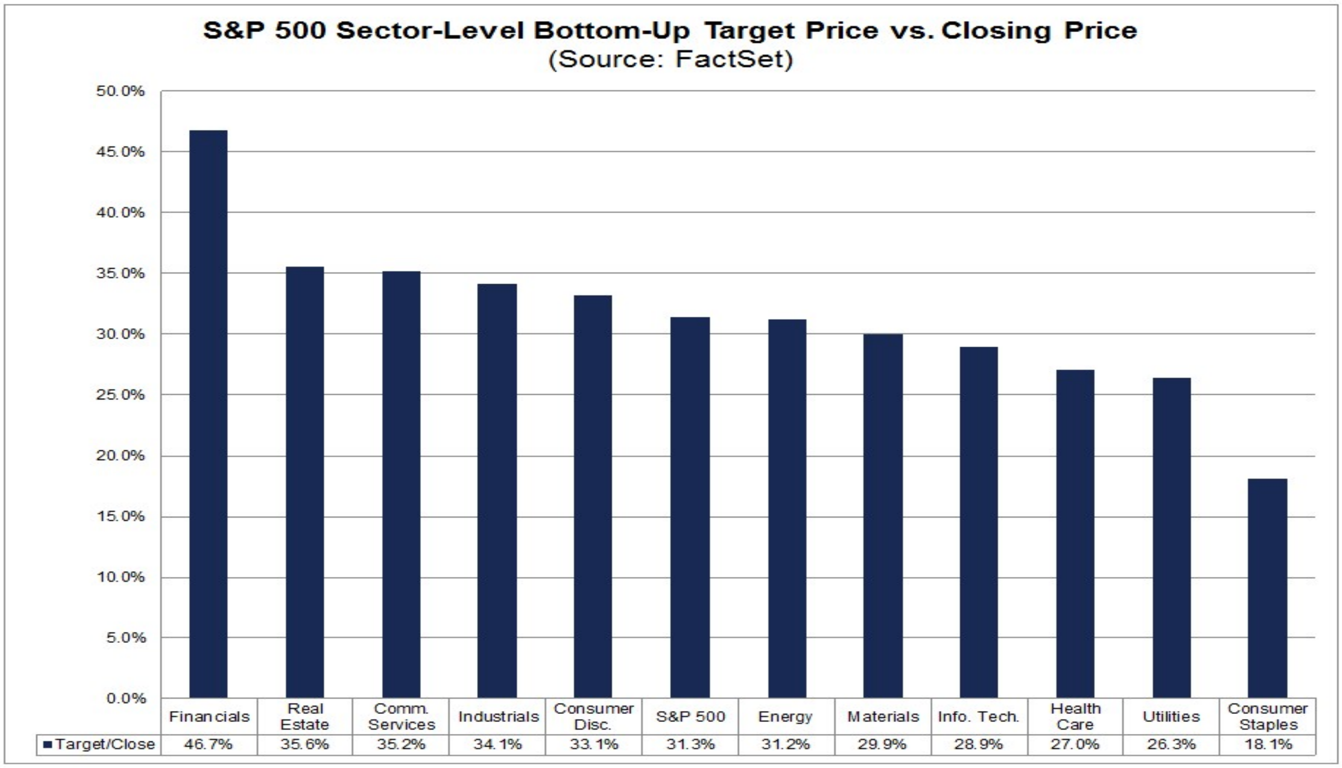




Targets & Ratings



	Energy	Comm. Services	Health Care	Info. Tech.	Materials	S&P 500	Industrials	Consumer Disc.	Utilities	Real Estate	Financials	Consumer Staples
Buy	65%	63%	62%	59%	55%	54%	50%	50%	50%	49%	47%	46%
Hold	31%	31%	34%	36%	39%	40%	44%	46%	43%	44%	47%	45%
Sell	4%	6%	4%	5%	5%	6%	6%	5%	7%	6%	7%	9%



	Financials	Real Estate	Comm. Services	Industrials	Consumer Disc.	S&P 500	Energy	Materials	Info. Tech.	Health Care	Utilities	Consumer Staples
Target/Close	46.7%	35.6%	35.2%	34.1%	33.1%	31.3%	31.2%	29.9%	28.9%	27.0%	26.3%	18.1%

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