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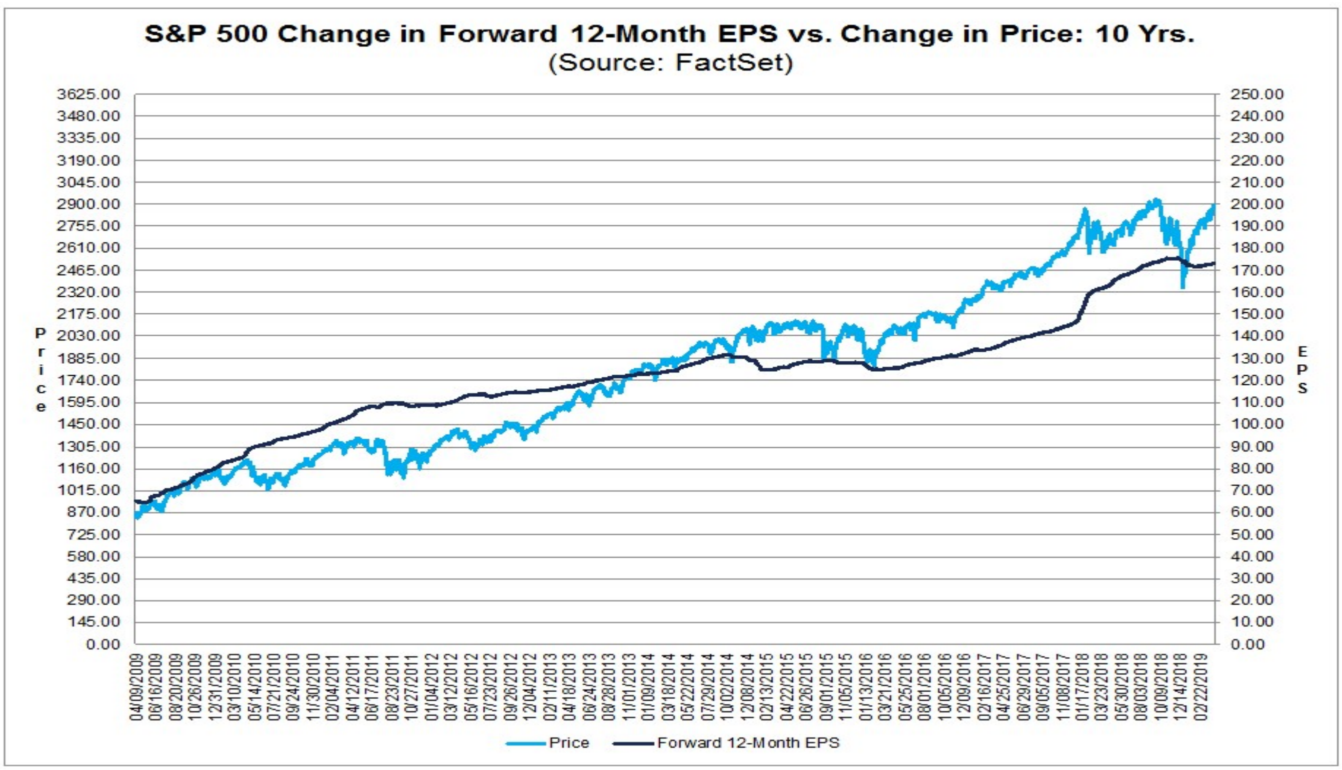
Key Metrics

- **Earnings Scorecard:** For Q1 2019 (with 6% of the companies in the S&P 500 reporting actual results for the quarter), 83% of S&P 500 companies have reported a positive EPS surprise and 59% have reported a positive revenue surprise.
- **Earnings Growth:** For Q1 2019, the blended earnings decline for the S&P 500 is -4.3%. If -4.3% is the actual decline for the quarter, it will mark the first year-over-year decline in earnings for the index since Q2 2016 (-3.2%).
- **Earnings Revisions:** On March 31, the estimated earnings decline for Q1 2019 was -4.1%. Five sectors have lower growth rates today (compared to March 31) due to downward revisions to EPS estimates and negative EPS surprises.
- **Earnings Guidance:** For Q2 2019, 4 S&P 500 companies have issued negative EPS guidance and 1 S&P 500 company has issued positive EPS guidance.
- **Valuation:** The forward 12-month P/E ratio for the S&P 500 is 16.7. This P/E ratio is above the 5-year average (16.4) and above the 10-year average (14.7).



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Topic of the Week:

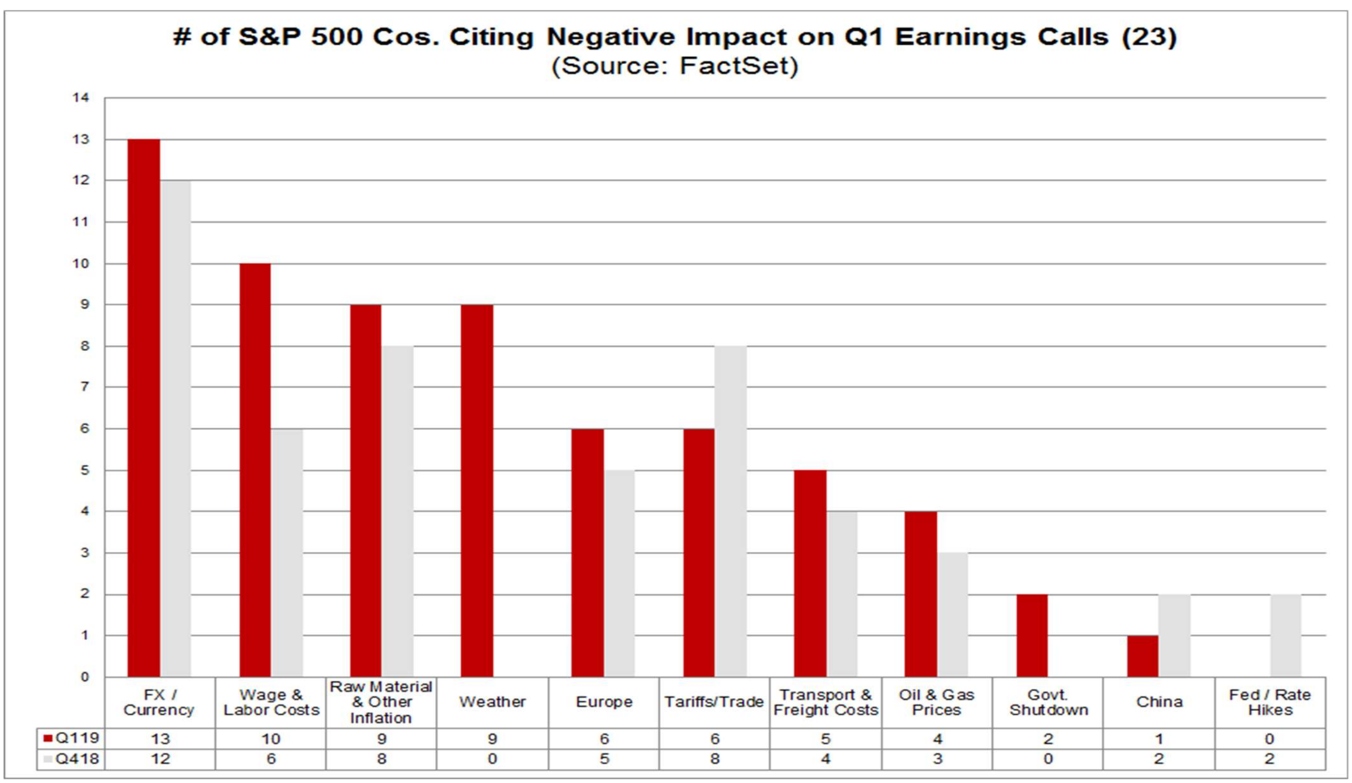
FX and Wages Cited as Top Negative Impacts by S&P 500 Companies on Q1 Earnings Calls

While most S&P 500 companies will report earnings results for Q1 2019 over the next few weeks, about 5% of the companies in the index (25 companies) had reported earnings results for the first quarter through yesterday. Given the expectations for a year-over-year decline in earnings for Q1 (and for Q2), have these companies discussed specific factors that had a negative impact on earnings or revenues in the first quarter (or are expected to have a negative impact in future quarters) during their earnings conference calls?

To answer this question, FactSet searched for specific terms related to several factors (i.e. “currency,” “China,” etc.) in the conference call transcripts of the 23 S&P 500 companies that had conducted first quarter earnings conference calls through yesterday (April 11) to see how many companies discussed these factors. FactSet then looked to see if the company cited a negative impact, expressed a negative sentiment (i.e. “volatility,” “uncertainty,” “pressure,” “headwind,” etc.), or discussed clear underperformance in relation to the factor for either the quarter just reported or in guidance for future quarters. FactSet also compared the number of companies citing these factors in the first quarter to the number of companies that cited these same factors in the fourth quarter through approximately the same point in time (through January 11). The results are shown below.

Foreign exchange has been cited on the most earnings calls to date (13) as a factor that either had a negative impact on earnings or revenues in Q1 or is expected to have a negative impact on earnings and revenues in future quarters. However, few of these companies discussed specific currencies that had weakened or were expected to weaken against the U.S. dollar. The number of companies citing a negative impact from FX in Q1 is roughly the same as the number of companies that cited a negative impact from this factor in Q2 (12) at about the same point in time.

Higher wages and labor costs were cited on the second highest number of earnings calls (10) as factor that either had a negative impact on earnings in Q1 or are expected to have a negative impact on earnings in future quarters. This factor also witnessed the second largest increase (+4) in the number of companies citing the negative impact of this factor relative to Q4, trailing only weather (+9). A list of the companies citing negative impacts from higher wages and labor costs (and their specific comments) can be found on the next two pages.



	FX / Currency	Wage & Labor Costs	Raw Material & Other Inflation	Weather	Europe	Tariffs/Trade	Transport & Freight Costs	Oil & Gas Prices	Govt. Shutdown	China	Fed / Rate Hikes
Q119	13	10	9	9	6	6	5	4	2	1	0
Q418	12	6	8	0	5	8	4	3	0	2	2

Higher Wages & Labor Costs (10):

"Well, we've been talking about higher wages and higher wage growth at AutoZone for over a couple of years now. We did take that significant step as Bill mentioned in the latter part of the first quarter and we significantly increased the compensation of our most tenured and talented and knowledgeable AutoZoners at the hourly level, the ones that are closest to the customer. That will anniversary itself as he mentioned in the latter part of this first quarter. That said, I do think that you have two parts of the wage story that have been going on. One is the regulatory fees, where in places like California, they're on a path to $15 an hour and that's going to happen every year or every six months depending on if you're in a municipality or at the state level. So, those increases are going to continue. It still feels like to us that there is even outside the regulated areas that there is more wage pressure than there has historically been." -AutoZone (Feb. 26)

"Moving to SG&A. Our SG&A percentage Q2-over-Q2 was lower or better by 2 basis points both with and without the adjustments coming in at 10.0% of sales this year compared to 10.02% last year…In terms of that 2 basis points better, we feel it's a pretty good result given that we're still facing the headwinds from the U.S. wage increases to our hourly employees that went into effect last June 11, 2018. As mentioned in the past couple of fiscal quarters, those wage increases negatively impacted SG&A by about 7 to 8 basis points during Q2 year over year. And it'll continue to impact SG&A comparisons through Q3, which ends May 12, and into the first month of our 16-week fiscal fourth quarter to anniversary on that June 11. Additionally, this past Monday we began our new three-year employee agreement. With the new agreement, we announced that we're taking our starting wages from $14 and $14.50, up to $15 and $15.50 per hour in both the U.S. and Canada. In addition, we're also increasing wages for supervisors and also introduced paid bonding leave for all hourly employees. These items are incremental to the usual annual top-of-scale wage increases that are typically done each March." -Costco (Mar. 7)

"FedEx Ground operating results were negatively impacted by the inflationary impact of the tight labor market on our purchase transportation rates and employee wages." -FedEx (Mar. 19)

"We are pleased with the gross margin expansion and our ability to overcome the weather and holiday challenges, as well as continued wage pressures, increased commodity costs such as for hangers, which are sourced mostly from China and the inefficiencies that are customary with an acquisition, integration and an ERP system implementation." -Cintas (Mar. 21)

"First of all, we talked about overall labor inflation of about 3.5% to 4.5% in general. We're seeing hourly wage inflation higher than that, so above 4%, somewhere between 4.5% – around 4.5%. So others are talking about inflation, but they're probably focusing more on the hourly inflation and we're seeing that. That said, we're being more productive with our team because our turnover is so much lower." -Darden Restaurants (Mar. 21)

"For gross margin in Q4, we expect expansion of roughly 75 basis points, ending the fiscal year with gross margin expansion that will have exceeded our long-term financial model. While we expect continued strong full-price sell-through and strong growth through our higher-margin NIKE Direct businesses, that is partially offset in Q4 by higher input costs, specifically cotton, chemicals and labor, FX sourcing headwinds, and the shift of supply chain investments from Q3 into Q4." -NIKE (Mar. 21)

"Sequentially for the first quarter over the fourth quarter, we had a very small increase of just 0.6% in our average construction cost per square foot. This is meaningful as the industry still faces the headwinds of the ongoing labor crisis, which puts pressure on labor costs along with material cost pressures that come from tariffs, factory labor shortages, stricter energy codes and all without the benefit of the lower lumber cost, which will materialize later in the year." -Lennar (Mar. 27)

"Adjusted operating income declined 11.9% in the quarter. Continued SG&A savings, procurement savings, and pharmacy volume growth were not sufficient to offset the unusually high year-on-year impact from reimbursement and underperformance in the front-of-store. This result included store and labor investments of $40 million in the quarter, equivalent to approximately 240 basis points of adjusted operating income." -Walgreens Boots Alliance (Apr. 2)

"We expect gross margin to be flattish as cost inflation headwinds primarily related to glass, raw materials, transportation, and labor cost in Mexico are expected to be mostly offset from product pricing and productivity initiatives." -Constellation Brands (Apr. 4)

“And so I gave them a caution for Q2. But in answer to your question are we seeing underlying inflation in labor rates, if I think of people that are working in our distribution centers throughout the organization, yes, we're seeing inflation rates of the economy. One of the things that's masking it a bit right now is the fact that our incentive comp isn't expanding at the pace it was the last couple years, and that's why our incremental margin is shining through, things we talked about in the past.” -Fastenal (Apr. 11)

Q1 Earnings Season: By The Numbers

Overview

To date, 6% of the companies in the S&P 500 have reported actual results for Q1 2019. In terms of earnings, the percentage of companies reporting actual EPS above estimates (83%) is above the 5-year average. In aggregate, companies are reporting earnings that are 7.5% above the estimates, which is also above the 5-year average. In terms of sales, the percentage of companies (59%) reporting actual sales above estimates is equal to the 5-year average. In aggregate, companies are reporting sales that are 0.7% above estimates, which is below 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 decline for the first quarter is -4.3% today, which is slightly smaller than the earnings decline of -4.5% last week. Positive earnings surprises reported by companies in the Financials sector were mainly responsible for the slight decrease in the overall earnings decline during the week. If -4.3% is the actual decline for the quarter, it will mark the first time the index has reported a year-over-year decline in earnings since Q2 2016 (-3.2%) and it will mark the largest year-over-year decline in earnings since Q1 2016 (-6.9%). Three of the eleven sectors are reporting (or are expected to report) year-over-year growth in earnings, led by the Utilities sector. Eight sectors are reporting (or are expected to report) a year-over-year decline in earnings. Three of these eight sectors are reporting (or are projected to report) a double-digit decline in earnings: Energy, Materials, and Information Technology.

The blended revenue growth rate for Q1 2019 is 4.8% today, which is slightly above the revenue growth rate of 4.6% last week. Positive revenue surprises reported by companies in the Financials sector and upward revisions to revenue estimates for companies in the Energy sector were mainly responsible for the small increase in the overall revenue growth rate during the week. If 4.8% is the final growth rate for the quarter, it will mark the lowest revenue growth rate for the index since Q3 3016 (2.7%). Nine of the eleven sectors are reporting (or are projected to report) year-over-year growth in revenues, led by the Communication Services and Health Care sectors. Two sectors are reporting (or are predicted to report) a year-over-year decline in revenues: Energy and Information Technology.

Looking at future quarters, analysts expect a slight decline in earnings in the second quarter, low single-digit earnings growth in the third quarter, and high single-digit earnings growth in the fourth quarter.

The forward 12-month P/E ratio is 16.7, which is above the 5-year average and above the 10-year average.

During the upcoming week, 49 S&P 500 companies (including 6 Dow 30 components) are scheduled to report results for the first quarter.

Scorecard: More Companies Beating EPS Estimates than Average

Percentage of Companies Beating EPS Estimates (83%) is Above 5-Year Average

Overall, 6% of the companies in the S&P 500 have reported earnings to date for the first quarter. Of these companies, 83% have reported actual EPS above the mean EPS estimate, 3% have reported actual EPS equal to the mean EPS estimate, and 14% have reported actual EPS below the mean EPS estimate. The percentage of companies reporting EPS above the mean EPS estimate is above the 1-year (76%) average and above the 5-year (72%) average.

At the sector level, the Information Technology (100%) sector has the highest percentage of companies reporting earnings above estimates, while the Financials (60%) sector has the lowest percentage of companies reporting earnings above estimates.

Earnings Surprise Percentage (+7.5%) is Above 5-Year Average

In aggregate, companies are reporting earnings that are 7.5% above expectations. This surprise percentage is above the 1-year (+5.7%) average and above the 5-year (+4.8%) average.

The Financials (+9.5%) sector is reporting the largest positive (aggregate) difference between actual earnings and estimated earnings. Within this sector, JPMorgan Chase ($2.65 vs. $2.35) and Wells Fargo ($1.20 vs, $1.11) have reported the largest positive EPS surprises.

Market Rewarding Earnings Beats and Punishing Earnings Misses

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

Companies that have reported positive earnings surprises for Q1 2019 have seen an average price increase of +2.2% two days before the earnings release through two days after the earnings. This percentage increase is well above 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 Q1 2019 have seen an average price decrease of -3.0% two days before the earnings release through two days after the earnings. This percentage decrease is larger than the 5-year average price decrease of -2.5% during this same window for companies reporting negative earnings surprises.

Percentage of Companies Beating Revenue Estimates (59%) is Equal to 5-Year Average

In terms of revenues, 59% of companies have reported actual sales above estimated sales and 41% have reported actual sales below estimated sales. The percentage of companies reporting sales above estimates is below the 1-year average (67%) but equal to the 5-year average (59%).

At the sector level, the Information Technology (100%) sector has the highest percentage of companies reporting revenues above estimates, while the Industrials (20%) sector has the lowest percentage of companies reporting revenues above estimates.

Revenue Surprise Percentage (+0.7%) is Below 5-Year Average

In aggregate, companies are reporting revenues that are 0.7% above expectations. This surprise percentage is below the 1-year (+1.4%) average and below the 5-year (+0.8%) average.

The Financials (+3.4%) sector is reporting the largest positive (aggregate) difference between actual revenues and estimated revenues. Within this sector, JPMorgan Chase ($29.85 billion vs. $28.44 billion) and Wells Fargo ($21.61 billion vs, $20.99 billion) have reported the largest positive revenue surprises.

The Industrials (-1.9%) sector is reporting the largest negative (aggregate) difference between actual revenues and estimated revenues. Within this sector, FedEx ($17.00 billion vs. $17.58 billion) has reported the largest negative revenue surprise.

Revisions: Decrease in Blended Earnings Decline this Week Due to Financials Sector

Decrease in Blended Earnings Decline This Week Due to Financials

The blended (year-over-year) earnings decline for the first quarter is -4.3% today, which is smaller than the earnings decline of -4.5% last week. Positive earnings surprises reported by companies in the Financials sector were mainly responsible for the slight decrease in the overall earnings decline during the week.

In the Financials sector, the positive EPS surprises reported by JPMorgan Chase ($2.65 vs. $2.35) and Wells Fargo ($1.20 vs, $1.11) were the largest contributors to the overall decrease in the earnings decline for the index during the week. As a result, the blended earnings decline for the Financials sector fell to -2.1% from -4.2% over this period.

Increase in Blended Revenue Growth This Week Due to Financials and Energy

The blended (year-over-year) revenue growth rate for the first quarter is 4.8% today, which is slightly above the revenue growth rate of 4.6% last week. Positive revenue surprises reported by companies in the Financials sector and upward revisions to revenue estimates for companies in the Energy sector were mainly responsible for the small increase in the overall revenue growth rate during the week.

In the Financials sector, the positive revenue surprises reported by JPMorgan Chase ($29.85 billion vs. $28.44 billion) and Wells Fargo ($21.61 billion vs, $20.99 billion) were significant contributors to the overall increase in the revenue growth rate for the index during the week. As a result, the blended revenue growth rate for the Financials sector improved to 5.4% from 4.8% over this period.

In the Energy sector, the upward revisions to revenue estimates for Exxon Mobil (to $62.47 billion from $61.15 billion) and Chevron (to $34.87 billion from $34.57 billion) were substantial contributors to the overall increase in the revenue growth rate for the index during the week. As a result, the estimated revenue decline for the Energy sector fell to -2.5% from -3.1% over this period.

Energy Sector Has Seen Largest Decrease in Earnings since March 31

The blended (year-over-year) earnings decline for Q1 2019 of -4.3% is larger than the estimate of -4.1% at the end of the first quarter (March 31). Four 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 Financials (to -2.1% from -3.5%) sector. Five 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 -22.9% from -18.8%) sector. Two sectors have recorded no change in earnings growth since March 31.

Energy Sector Has Seen Largest Increase in Revenues since March 31

The blended (year-over-year) revenue growth rate for Q1 2019 of 4.8% is equal to the estimate of 4.8% at the end of the first quarter (March 31). Two 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 Energy (to -2.5% from -3.5%) sector. Three 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 Industrials (to 2.5% from 3.2%) sector. Six sectors have recorded no change in revenue growth since March 31.

Earnings Decline: -4.3%

The blended (combines actual results for companies that have reported and estimated results for companies that have yet to report) earnings decline for Q1 2019 is -4.3%. If -4.3% is the final decline for the quarter, it will mark the first time the index has reported a year-over-year decline in earnings since Q2 2016 (-3.2%) and the largest year-over-year decline in earnings since Q1 2016 (-6.9%). Three of the eleven sectors are reporting (or are expected to report) year-over-year growth in earnings, led by the Utilities sector. Eight sectors are reporting (or are expected to report) a year-over-year decline in earnings. Three of these eight sectors are reporting (or are projected to report) a double-digit decline in earnings: Energy, Materials, and Information Technology.

Utilities: 3 of 5 Industries to Report Double-Digit Growth

The Utilities sector is expected to report the highest (year-over-year) earnings growth of all eleven sectors at 4.7%. At the industry level, four of the five industries in this sector are predicted to report earnings growth for the quarter. Three of these five industries are projected to report double-digit growth in earnings: Multi-Utilities (12%), Gas Utilities (12%), and Independent Power and Renewable Electricity Producers (11%).

Energy: 4 of 6 Sub-Industries to Report Double-Digit Decline

The Energy sector is expected to report the largest (year-over-year) earnings decline of all eleven sectors at -22.9%. Lower oil prices are helping to drive the expected decline in earnings for the sector. Despite an increase in price during the quarter, the average price of oil in Q1 2019 ($54.90) was 13% lower than the average price of oil in Q1 2018 ($62.89). At the sub-industry level, four of the six sub-industries in the sector are projected to report a decline in earnings for the quarter: Oil & Gas Refining & Marketing (-45%), Integrated Oil & Gas (-27%), Oil & Gas Exploration & Production (-20%), and Oil & Gas Equipment & Services (-17%). On the other hand, the other two sub-industries in the sector are projected to report earnings growth for the quarter: Oil & Gas Drilling (N/A due to year-ago loss) and Oil & Gas Storage & Transportation (24%).

Materials: Freeport-McMoRan Leads Decline

The Materials sector is expected to report the second largest (year-over-year) earnings decline of all eleven sectors at -11.7%. At the industry level, three of the four industries in this sector are predicted to report a decline in earnings for the quarter. One of these thee industries is expected to report a double-digit decline: Metals & Mining (-41%).

At the company level, Freeport-McMoRan is expected to be the largest contributor to the decline in earnings for the sector. The mean EPS estimate for Freeport-McMoRan for Q1 2019 is $0.08, compared to year-ago EPS of $0.46. If this company were excluded, the estimated earnings decline for the sector would improve to -5.6% from -11.7%.

Information Technology: Apple and Micron Technology Lead Decline

The Information Technology sector is reporting the third highest (year-over-year) earnings decline of all eleven sectors at -10.6%. At the industry level, three of the six industries in this sector are reporting (or are predicted to report) a decline in earnings for the quarter. Two of these three industries are reporting (or are projected to report) a double-digit decline in earnings: Semiconductors & Semiconductor Equipment (-23%) and Technology Hardware, Storage, & Peripherals (-22%).

At the company level, Apple and Micron Technology are expected to be the largest contributors to the decline in earnings for the sector. The mean EPS estimate for Apple for Q1 2019 is $2.37, compared to year-ago EPS of $2.73. Micron Technology reported actual EPS of for Q1 2019 is $1.71, compared to year-ago EPS of $2.82. If these two companies were excluded, the blended earnings decline for the sector would improve to -6.0% from -10.6%.

Revenue Growth: 4.8%

The blended (year-over-year) revenue growth rate for Q1 2019 is 4.8%. If 4.8% is the final growth rate for the quarter, it will mark the lowest revenue growth rate for the index since Q3 2016 (2.7%). Nine of the eleven sectors are reporting (or are expected to report) year-over-year growth in revenues. Two of these nine sectors are projected to report double-digit growth in revenues: Communication Services and Health Care. On the other hand, the Energy and Information Technology sectors are the only two sectors that are reporting (or are predicted to report) a year-over-year decline in revenues.

Communication Services: 3 of 4 Industries to Report Double-Digit Growth

The Communication Services sector is expected to report the highest (year-over-year) revenue growth of all eleven sectors at 13.1%. At the industry level, all four industries in this sector are projected to report revenue growth. Three of these four industries are predicted to report double-digit revenue growth: Interactive Media & Services (20%), Media (13%), and Diversified Telecommunication Services (10%).

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

The Health Care sector is expected to report the second highest (year-over-year) revenue growth of all eleven sectors at 12.7%. At the industry level, all six industries in this sector are predicted to report revenue growth for the quarter. One of these six industries is projected to report double-digit growth in revenues: Health Care Providers & Services (18%).

At the company level, Cigna and CVS Health are expected to be the largest contributors to 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 mean revenue estimate for Cigna for Q1 2019 ($32.68 billion) reflects the combined revenues of Cigna and Express Scripts, while the actual revenue for Q1 2018 ($11.38 billion) reflects the standalone revenue for Cigna. The mean revenue estimate for CVS Health for Q1 2019 ($60.39 billion) reflects the combined revenues of CVS Health and Aetna, while the actual revenue for Q1 2018 ($45.69 billion) reflects the standalone revenue for CVS Health. These apples-to-oranges comparisons are the main reason Cigna and CVS Health are projected to be the largest contributors to revenue growth for the sector. If these companies were excluded, the estimated revenue growth rate for the sector would fall to 5.7% from 12.7%.

Energy: 2 of 6 Sub-Industries to Report Decline

The Energy sector is expected to report the highest (year-over-year) decline in revenue of all eleven sectors at -2.5%. At the sub-industry level, only two of the six sub-industries in the sector are projected to report a decline in revenues: Oil & Gas Exploration & Production (-9%) and Integrated Oil & Gas (-8%). On the other hand, four sub-industries are projected to report revenue growth, led by the Oil & Gas Drilling (23%) sub-industry.

Information Technology: 2 of 6 Industries Reporting Decline

The Information Technology sector is reporting the second largest (year-over-year) decline in revenue at -1.0%. At the industry level, only two of the six industries are reporting (or are projected to report) a decline in revenue: Semiconductors & Semiconductor Equipment (-8%) and Technology Hardware, Storage, & Peripherals (-6%). On the other hand, four industries are reporting (or are projected) to report revenue growth, led by the Software (10%) industry.

Looking Ahead: Forward Estimates and Valuation

Guidance: Above-Average Percentage of S&P 500 Companies Issuing Negative Guidance for Q2

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 an estimate range) 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 an estimate range) provided by the company is higher than the mean EPS estimate the day before the guidance was issued.

At this point in time, 5 companies in the index have issued EPS guidance for Q2 2019. Of these 5 companies, 4 have issued negative EPS guidance and 1 has issued positive EPS guidance. The percentage of companies issuing negative EPS guidance is 80% (4 out of 5), which is above the 5-year average of 70%.

Earnings: Single-Digit Earnings Growth Projected for 2019

For the first quarter, S&P 500 companies are reporting a decline in earnings of -4.3% and growth in revenues of 4.8%. For the remainder of 2019, analysts see no earnings growth in the second quarter, low single-digit earnings growth in the third quarter, and high single-digit earnings growth in the fourth quarter.

For Q2 2019, analysts are projecting a decline in earnings of -0.4% and revenue growth of 4.2%.

For Q3 2019, analysts are projecting earnings growth of 1.4% and revenue growth of 4.1%.

For Q4 2019, analysts are projecting earnings growth of 8.3% and revenue growth of 4.7%.

For CY 2019, analysts are projecting earnings growth of 3.4% and revenue growth of 4.6%.

Valuation: Forward P/E Ratio is 16.7, Above the 10-Year Average (14.7)

The forward 12-month P/E ratio is 16.7. This P/E ratio is above the 5-year average of 16.4 and above the 10-year average of 14.7. It is also above the forward 12-month P/E ratio of 16.4 recorded at the end of the first quarter (March 31). Since the end of the first quarter (March 31), the price of the index has increased by 1.9%, while the forward 12-month EPS estimate has increased by 0.3%.

At the sector level, the Consumer Discretionary (21.4) sector has the highest forward 12-month P/E ratio, while the Financials (11.7) sector has the lowest forward 12-month P/E ratio.

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

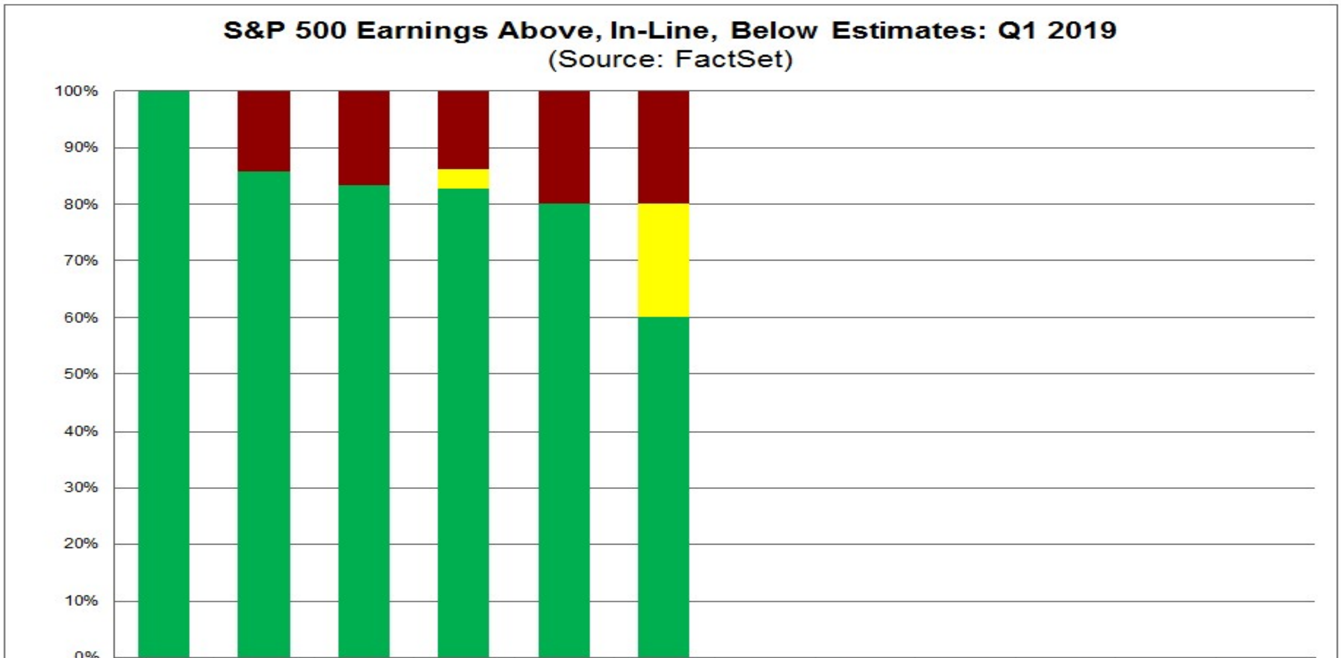
The bottom-up target price for the S&P 500 is 3104.47, which is 7.5% above the closing price of 2888.32. At the sector level, the Health Care (+12.7%) and Energy (+12.2%) sectors are expected to see the largest price increases, as these sectors have the largest upside differences between the bottom-up target price and the closing price. On the other hand, the Real Estate (+1.0%) and Utilities (+1.9%) sectors are expected to see the smallest price increases, as these sectors have the smallest upside differences between the bottom-up target price and the closing price.

Overall, there are 11,056 ratings on stocks in the S&P 500. Of these 11,056 ratings, 52.8% are Buy ratings, 41.0% are Hold ratings, and 6.2% 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.

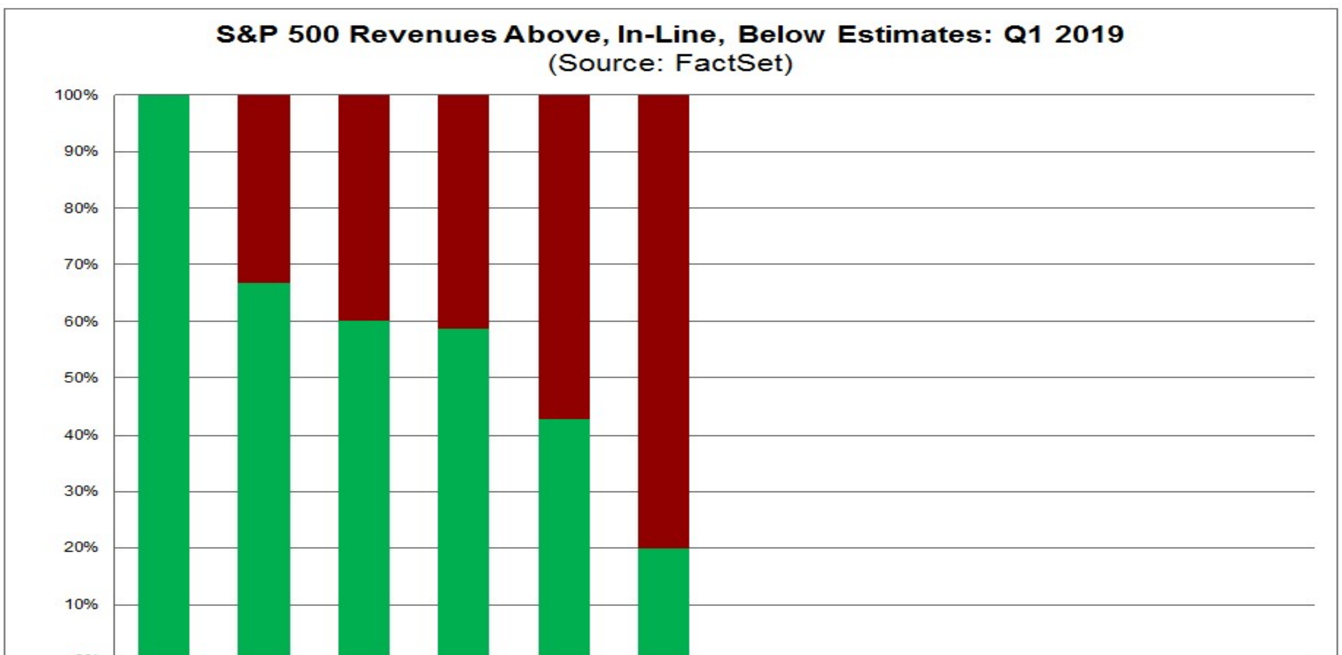
Companies Reporting Next Week: 49

During the upcoming week, 49 S&P 500 companies (including 6 Dow components) are scheduled to report results for the first quarter.

Q1 2019: Scorecard

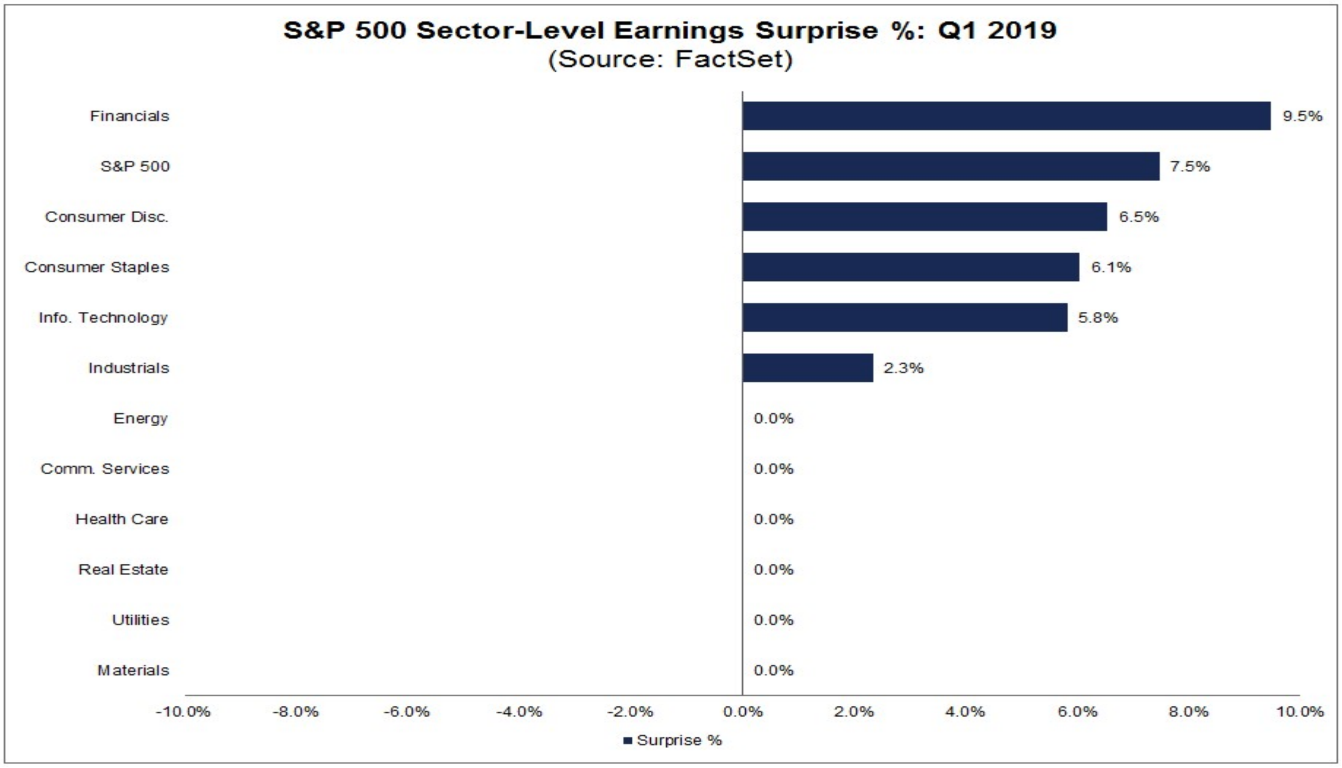


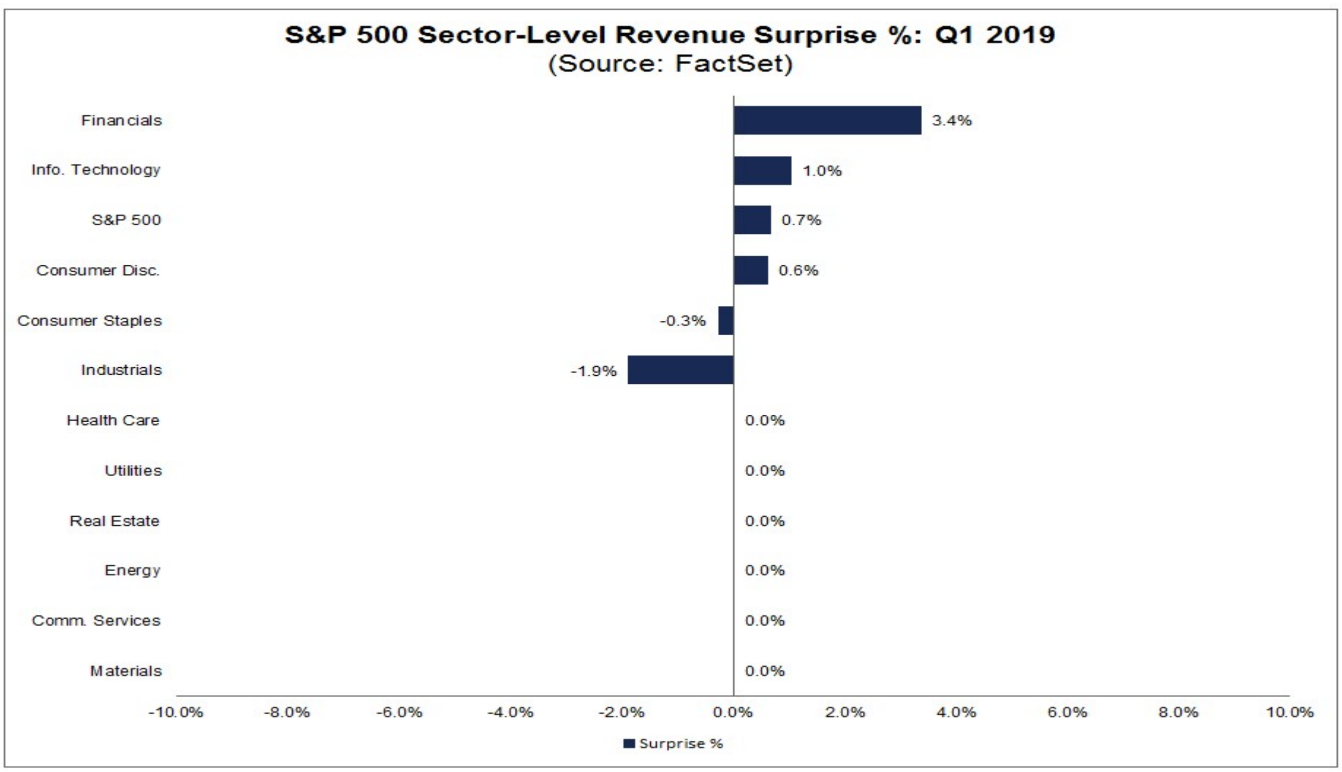
	Info. Technology	Consumer Staples	Consumer Disc.	S&P 500	Industrials	Financials	Health Care	Comm. Services	Utilities	Materials	Energy	Real Estate
Below	0%	14%	17%	14%	20%	20%	0%	0%	0%	0%	0%	0%
In-Line	0%	0%	0%	3%	0%	20%	0%	0%	0%	0%	0%	0%
Above	100%	86%	83%	83%	80%	60%	0%	0%	0%	0%	0%	0%



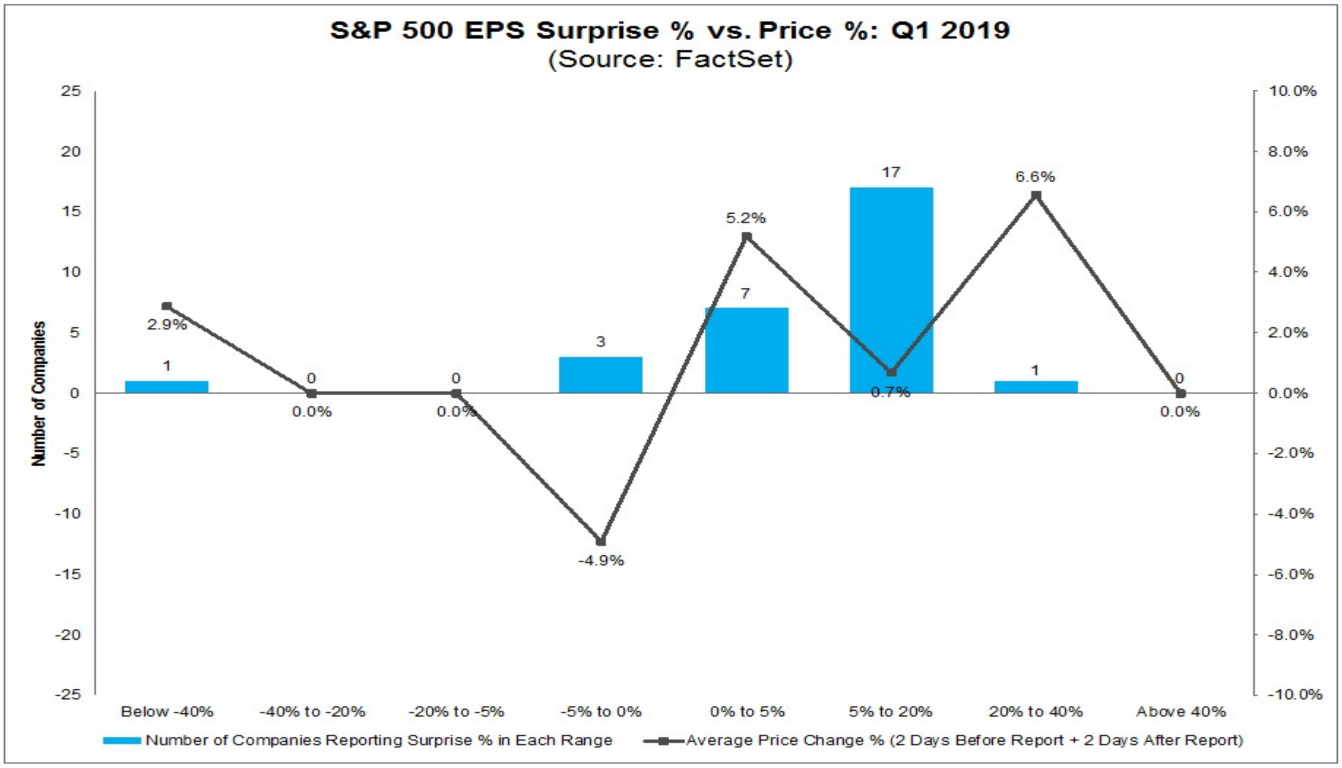
	Info. Technology	Consumer Disc.	Financials	S&P 500	Consumer Staples	Industrials	Health Care	Energy	Utilities	Real Estate	Comm. Services	Materials
Below	0%	33%	40%	41%	57%	80%	0%	0%	0%	0%	0%	0%
In-Line	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Above	100%	67%	60%	59%	43%	20%	0%	0%	0%	0%	0%	0%

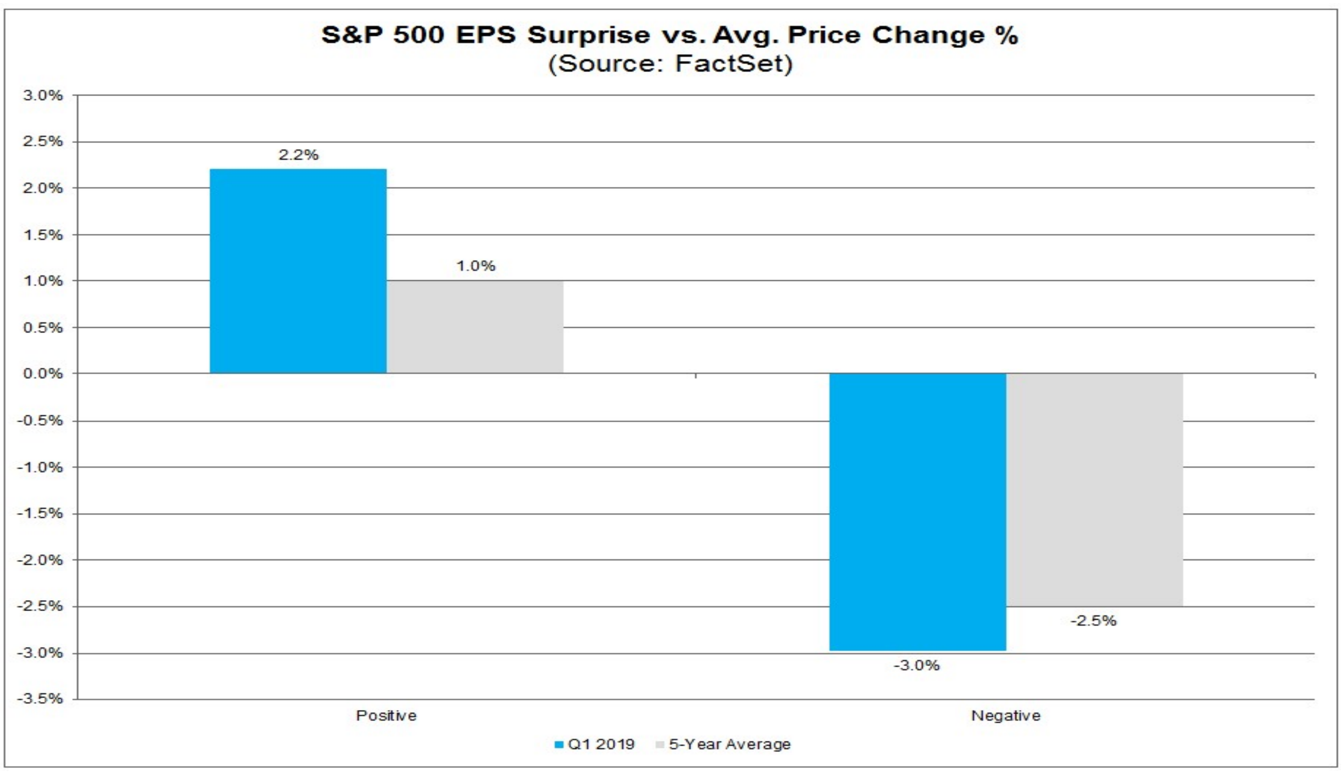
Q1 2019: Scorecard



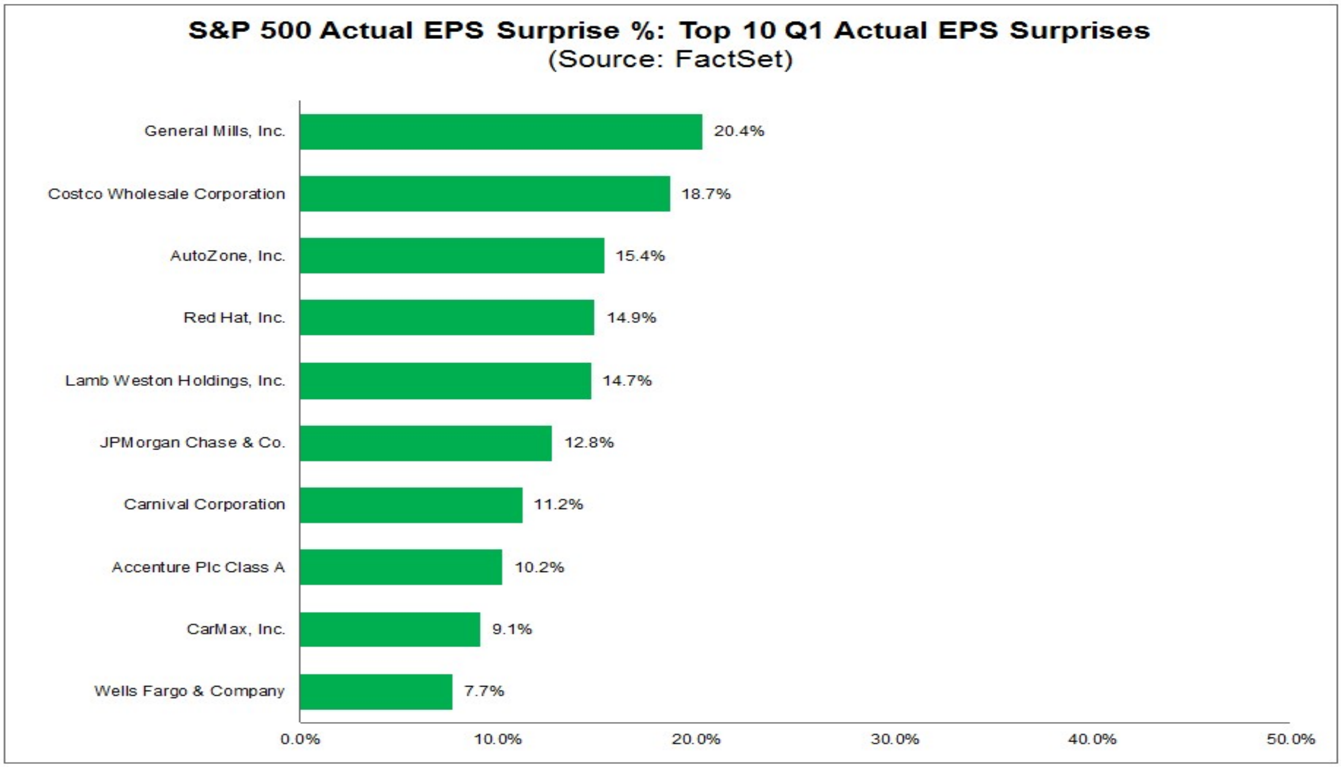


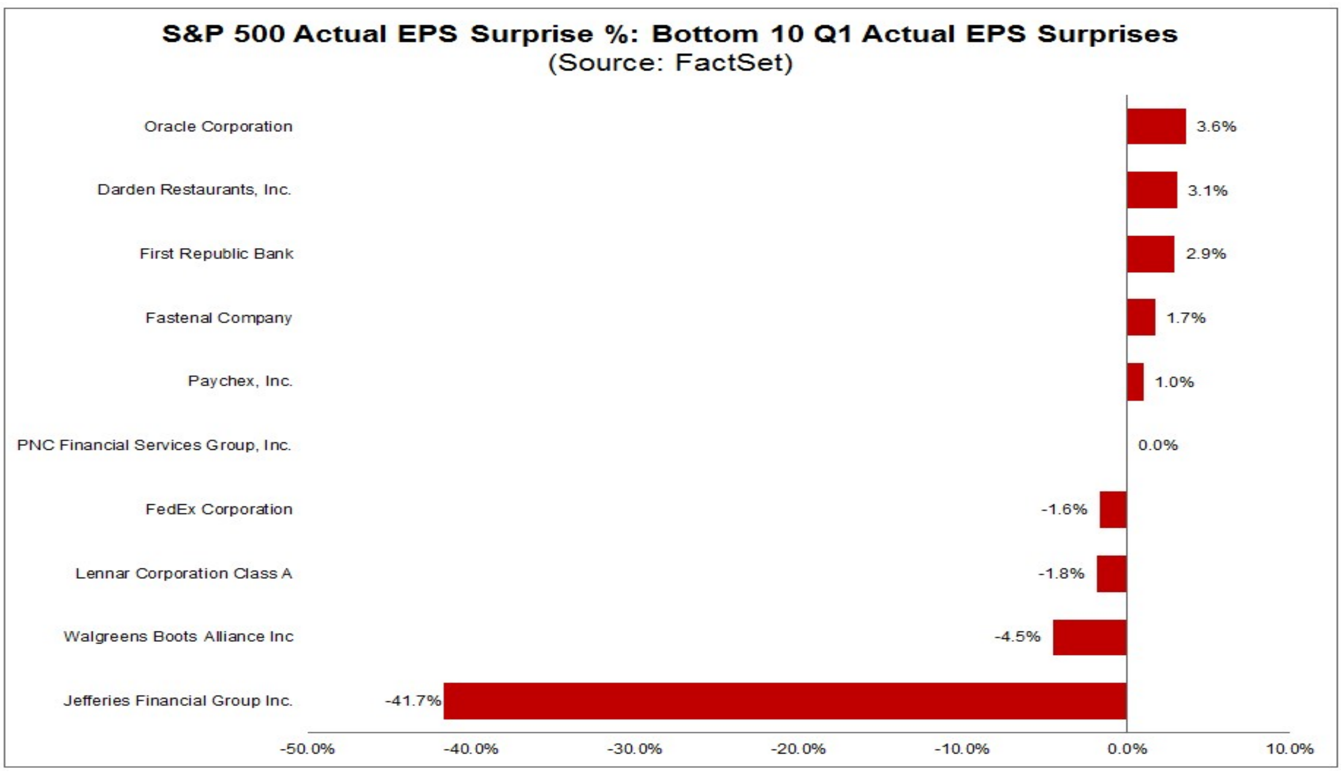
Q1 2019: Scorecard



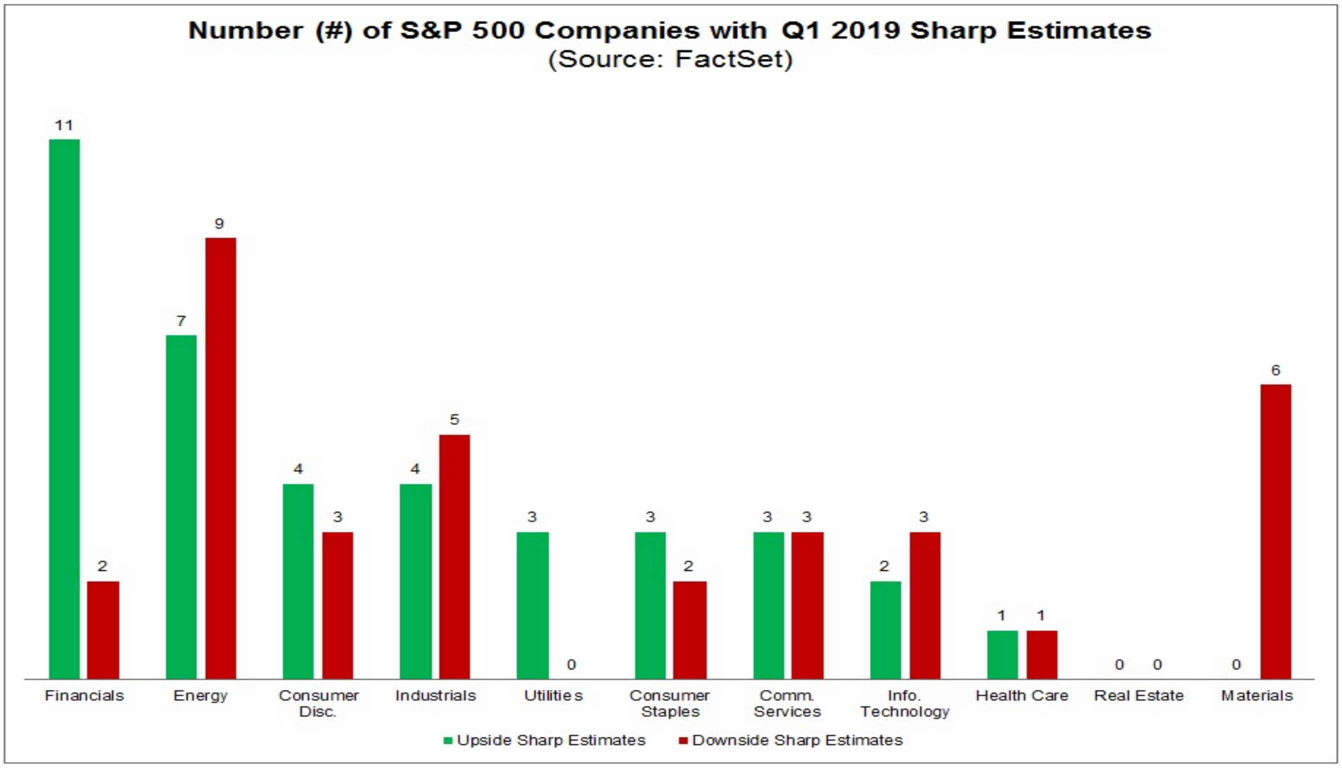


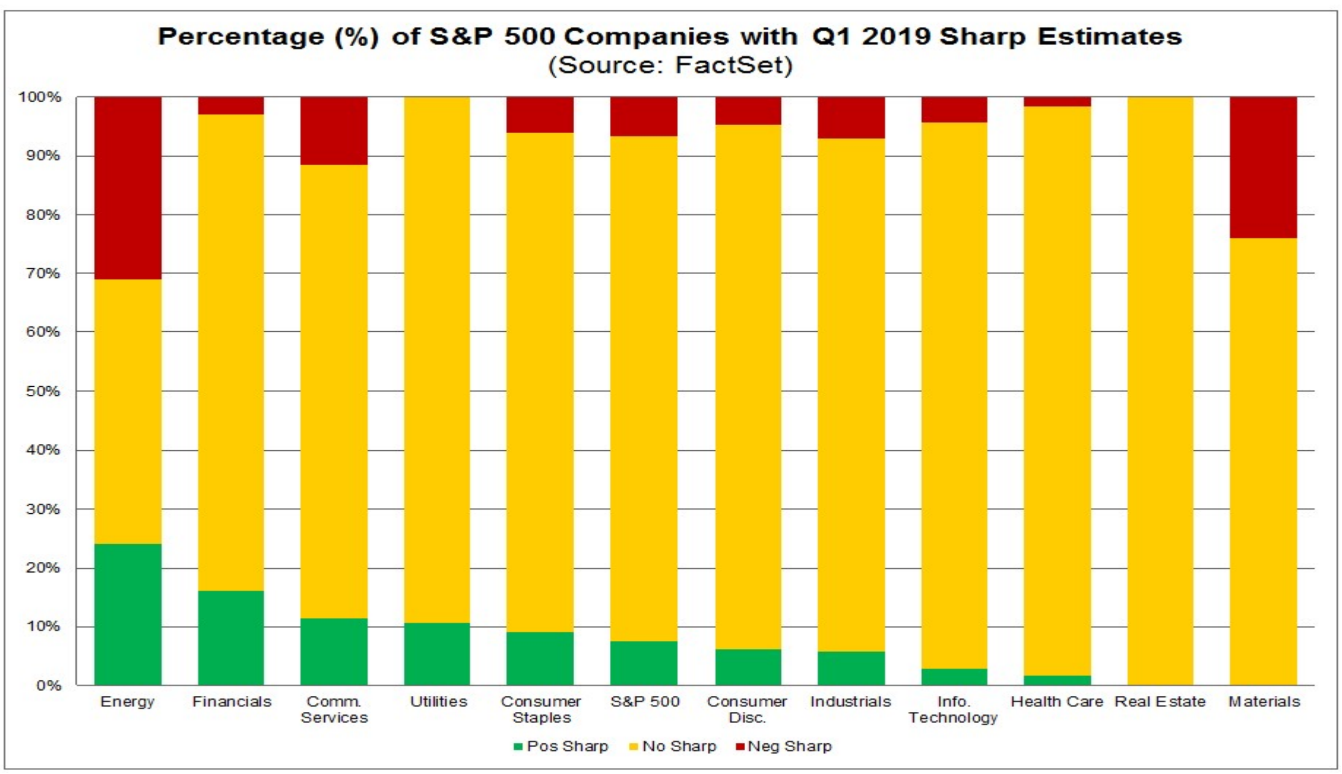
Q1 2019: Scorecard



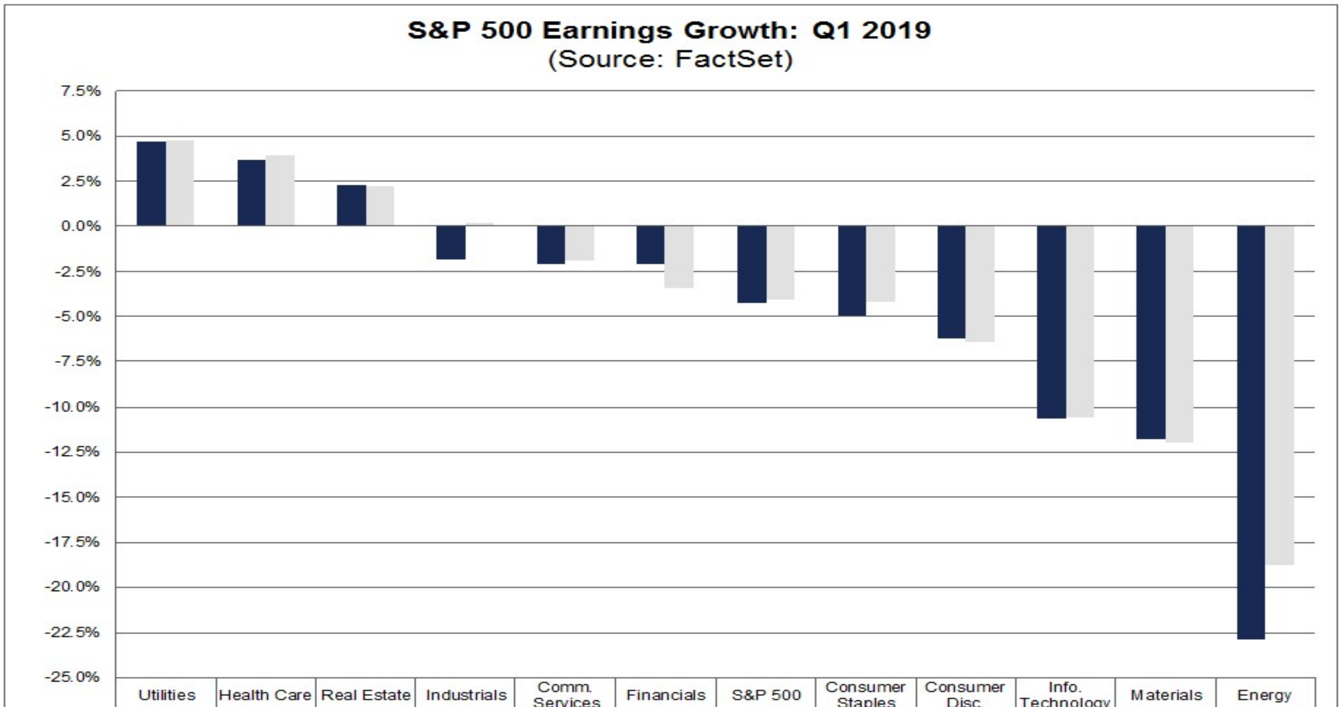


Q1 2019: Projected EPS Surprises (Sharp Estimates)

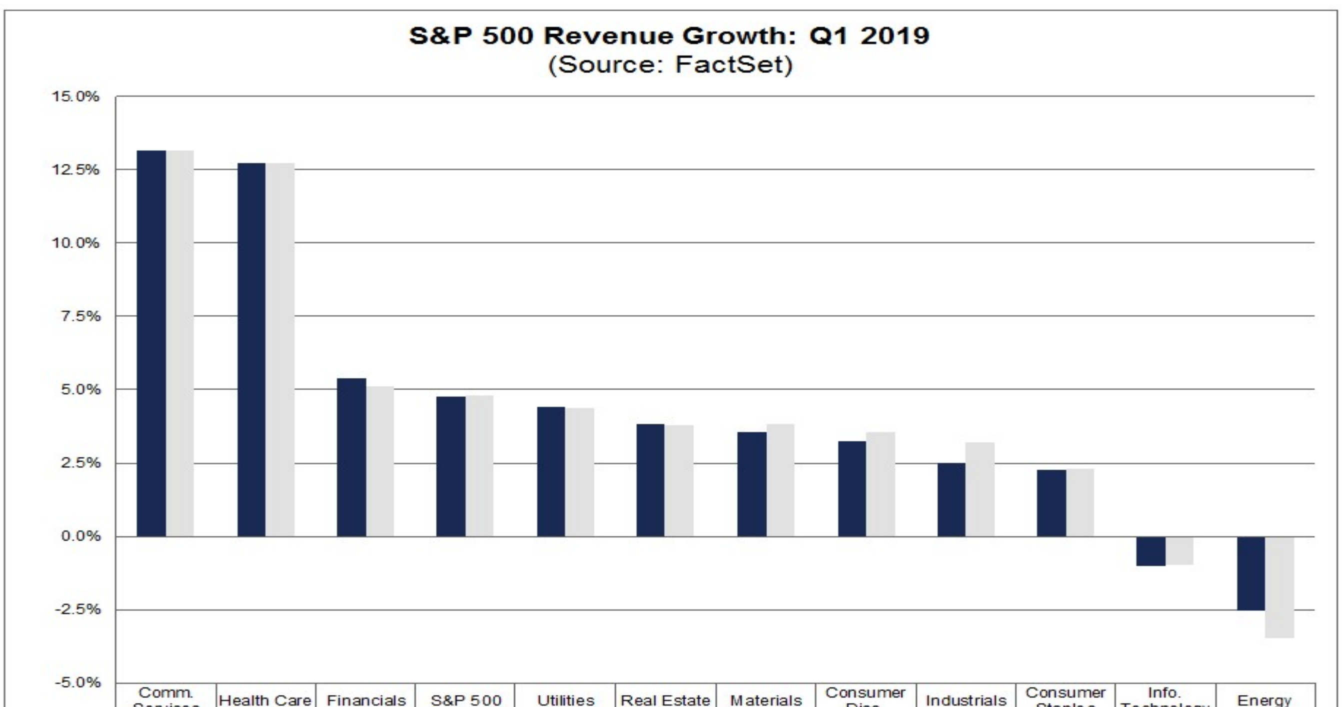




Q1 2019: Growth

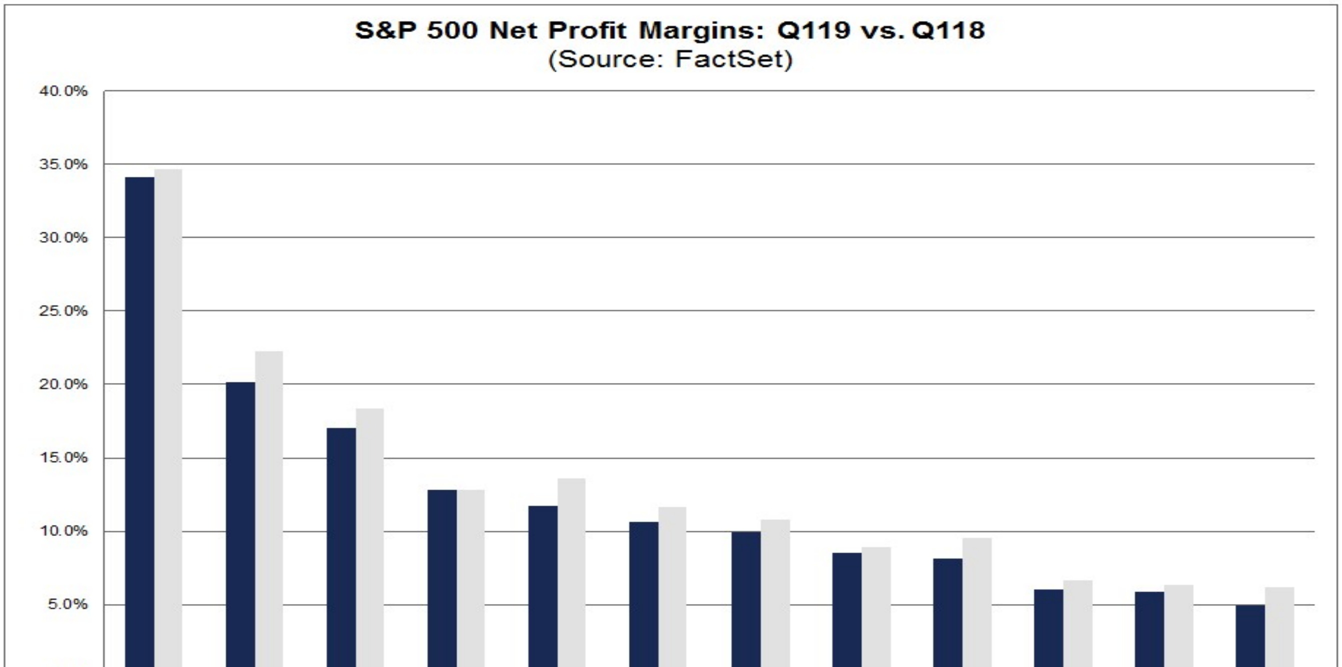


	Utilities	Health Care	Real Estate	Industrials	Comm. Services	Financials	S&P 500	Consumer Staples	Consumer Disc.	Info. Technology	Materials	Energy
Today	4.7%	3.7%	2.3%	-1.8%	-2.1%	-2.1%	-4.3%	-5.0%	-6.3%	-10.6%	-11.7%	-22.9%
31-Mar	4.7%	3.9%	2.2%	0.2%	-1.9%	-3.5%	-4.1%	-4.2%	-6.4%	-10.6%	-12.0%	-18.8%

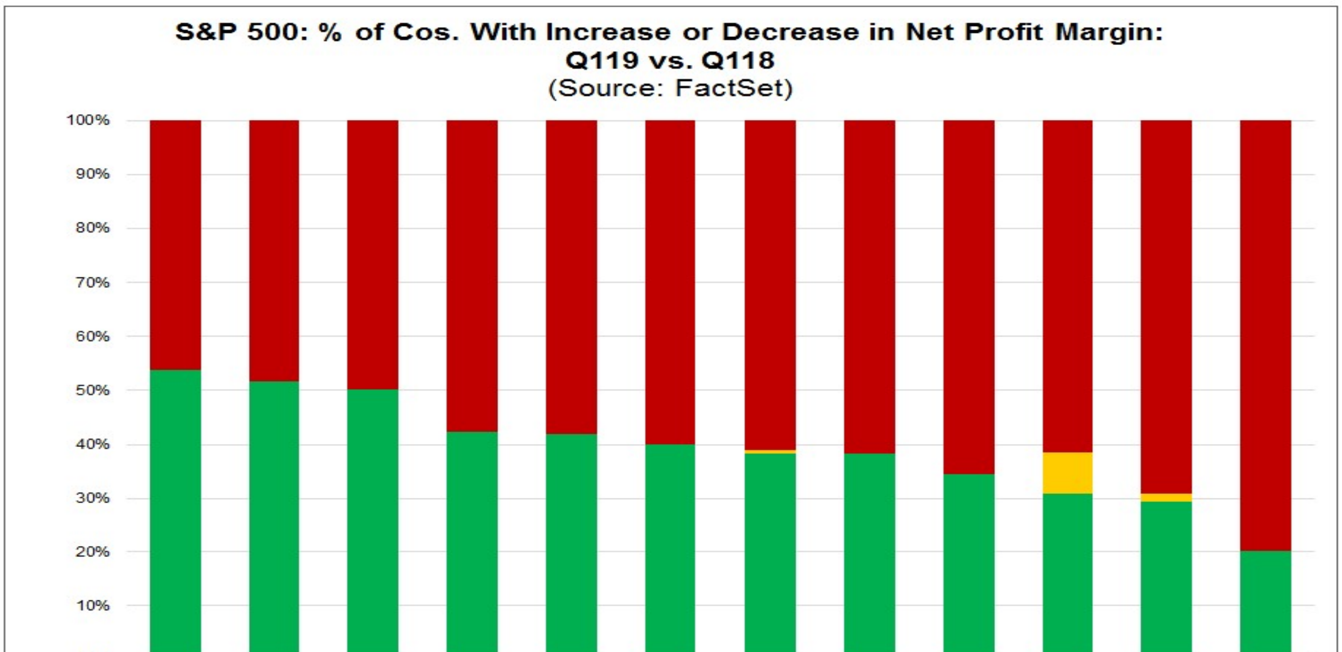


	Comm. Services	Health Care	Financials	S&P 500	Utilities	Real Estate	Materials	Consumer Disc.	Industrials	Consumer Staples	Info. Technology	Energy
Today	13.1%	12.7%	5.4%	4.8%	4.4%	3.8%	3.6%	3.3%	2.5%	2.3%	-1.0%	-2.5%
31-Mar	13.1%	12.7%	5.1%	4.8%	4.4%	3.8%	3.8%	3.6%	3.2%	2.3%	-1.0%	-3.5%

Q1 2019: Net Profit Margin

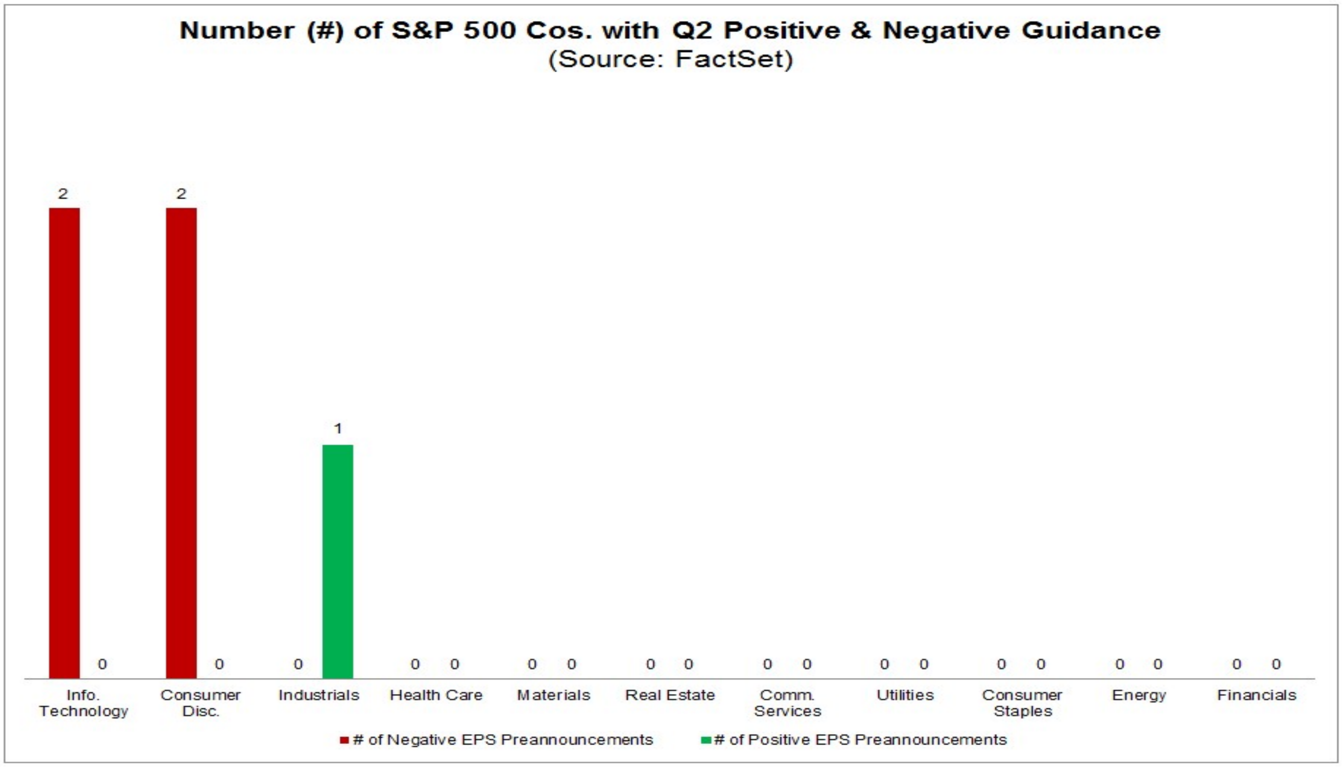


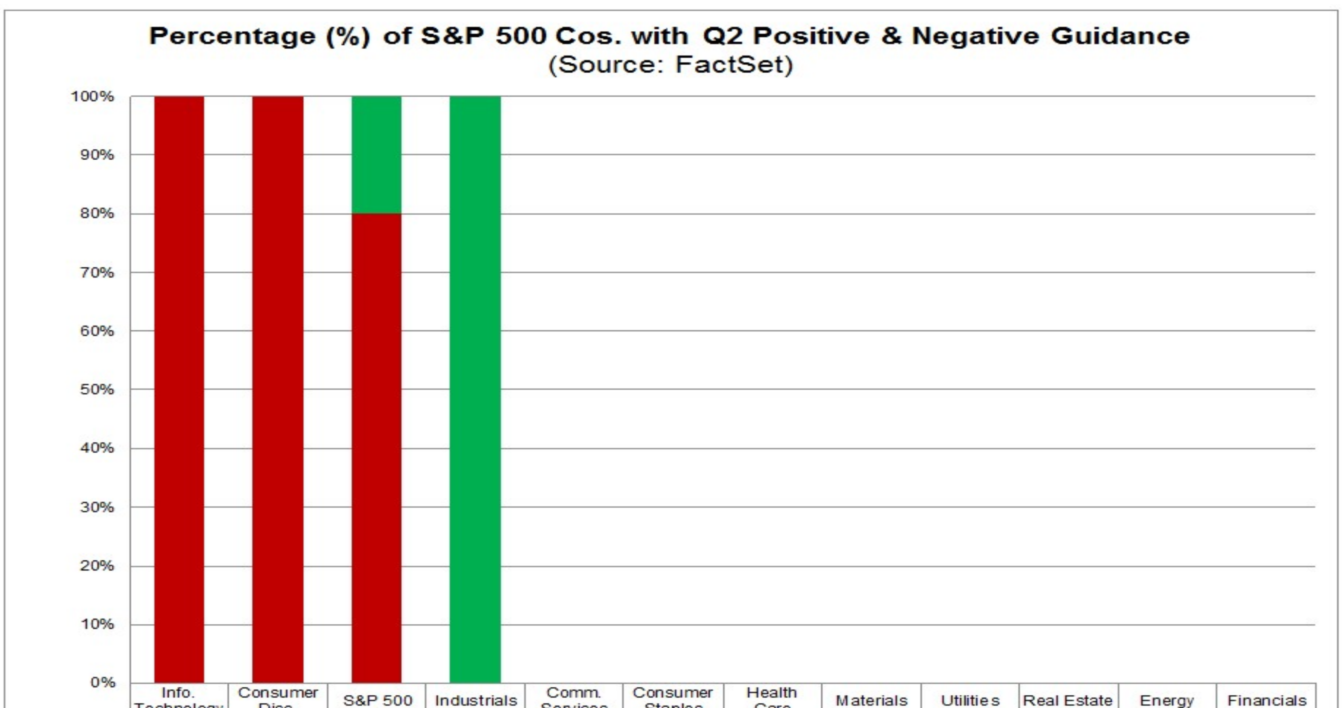
	Real Estate	Information Tech.	Financials	Utilities	Comm. Services	S&P 500	Health Care	Industrials	Materials	Consumer Disc.	Consumer Staples	Energy
Q119	34.1%	20.1%	17.1%	12.9%	11.8%	10.7%	9.9%	8.6%	8.2%	6.0%	5.9%	4.9%
Q118	34.7%	22.3%	18.4%	12.8%	13.6%	11.7%	10.8%	9.0%	9.6%	6.7%	6.4%	6.2%



	Utilities	Industrials	Real Estate	Consumer Staples	Health Care	Materials	S&P 500	Information Tech.	Energy	Comm. Services	Financials	Consumer Disc.
Down %	46%	49%	50%	58%	58%	60%	61%	62%	66%	62%	69%	80%
None %	0%	0%	0%	0%	0%	0%	1%	0%	0%	8%	1%	0%
Up %	54%	51%	50%	42%	42%	40%	38%	38%	34%	31%	29%	20%

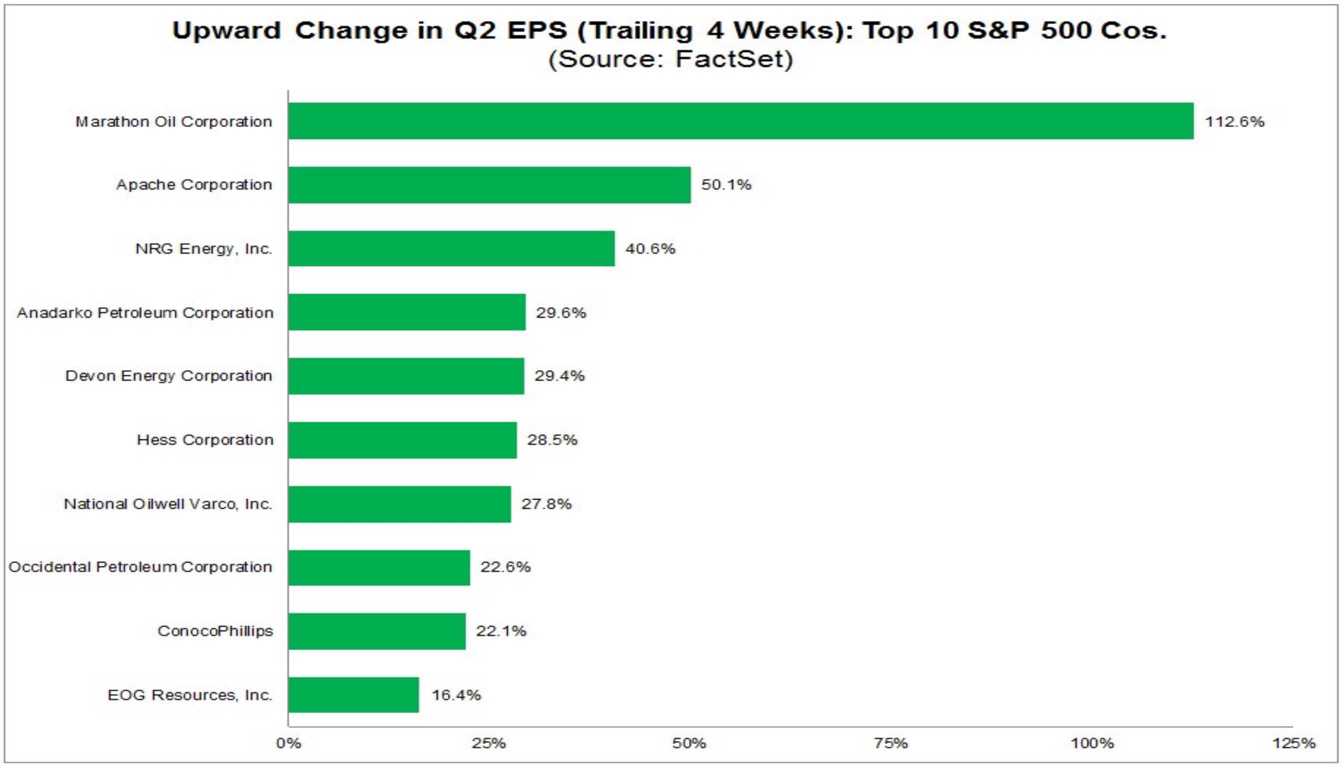
Q2 2019: EPS Guidance

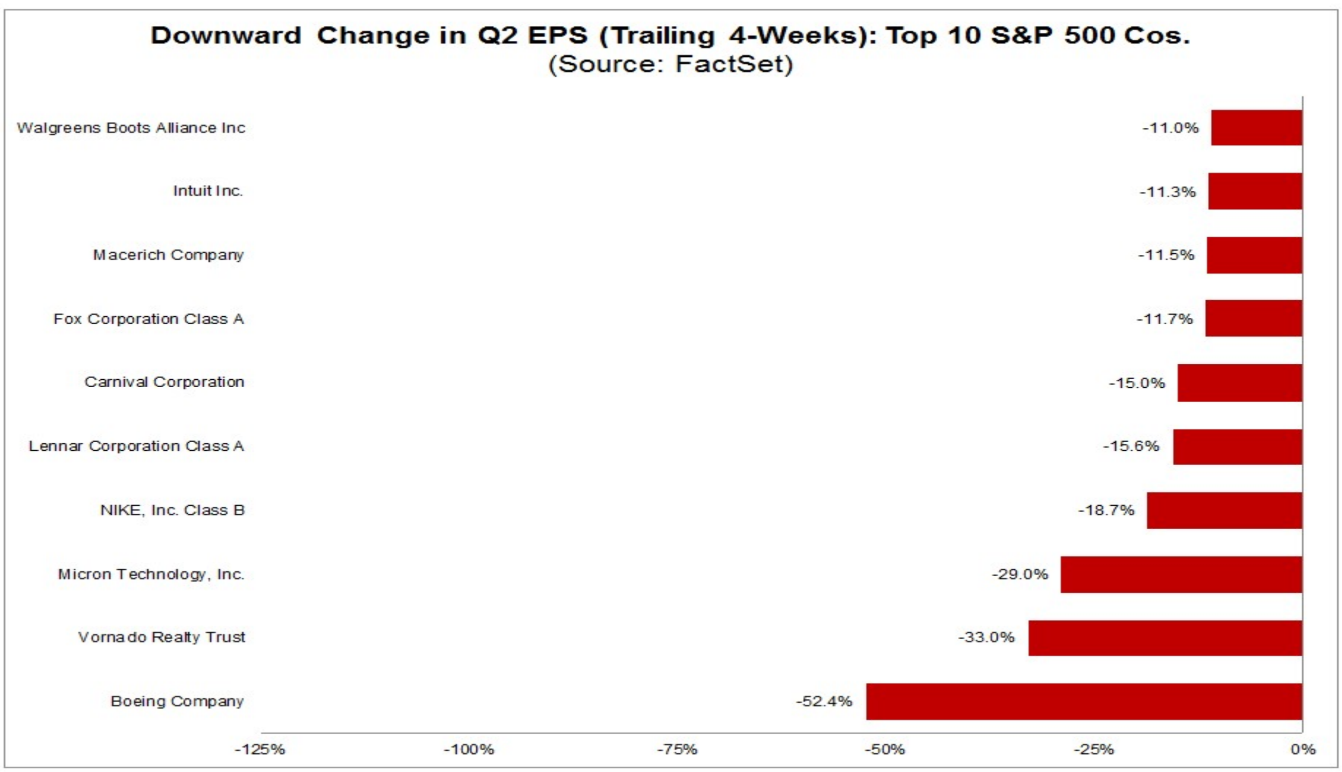




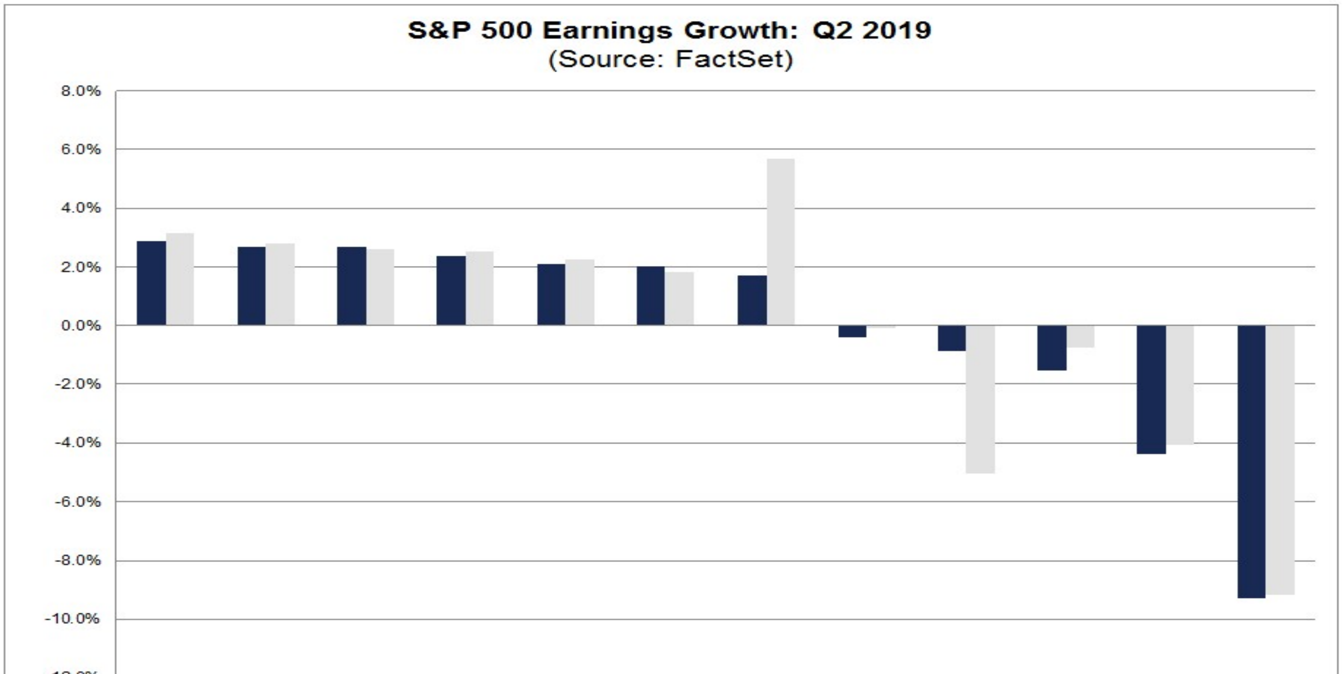
	Info. Technology	Consumer Disc.	S&P 500	Industrials	Comm. Services	Consumer Staples	Health Care	Materials	Utilities	Real Estate	Energy	Financials
Positive	0%	0%	20%	100%	0%	0%	0%	0%	0%	0%	0%	0%
Negative	100%	100%	80%	0%	0%	0%	0%	0%	0%	0%	0%	0%

Q2 2019: EPS Revisions

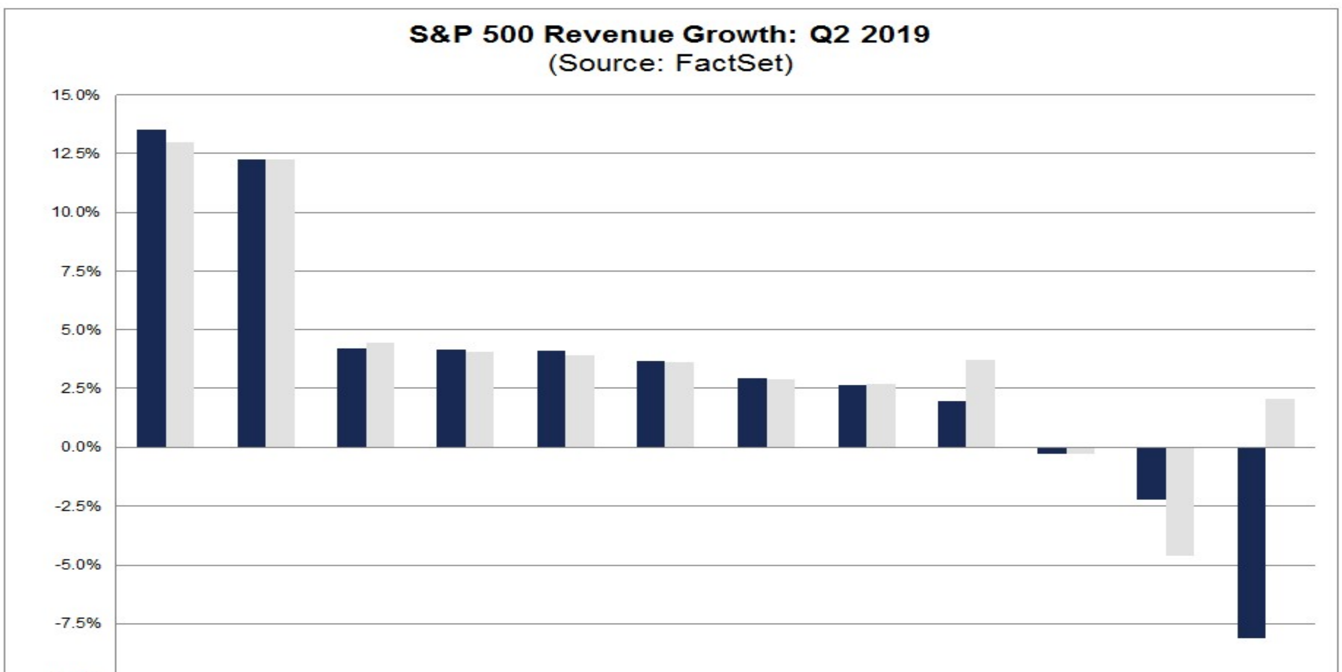




Q2 2019: Growth

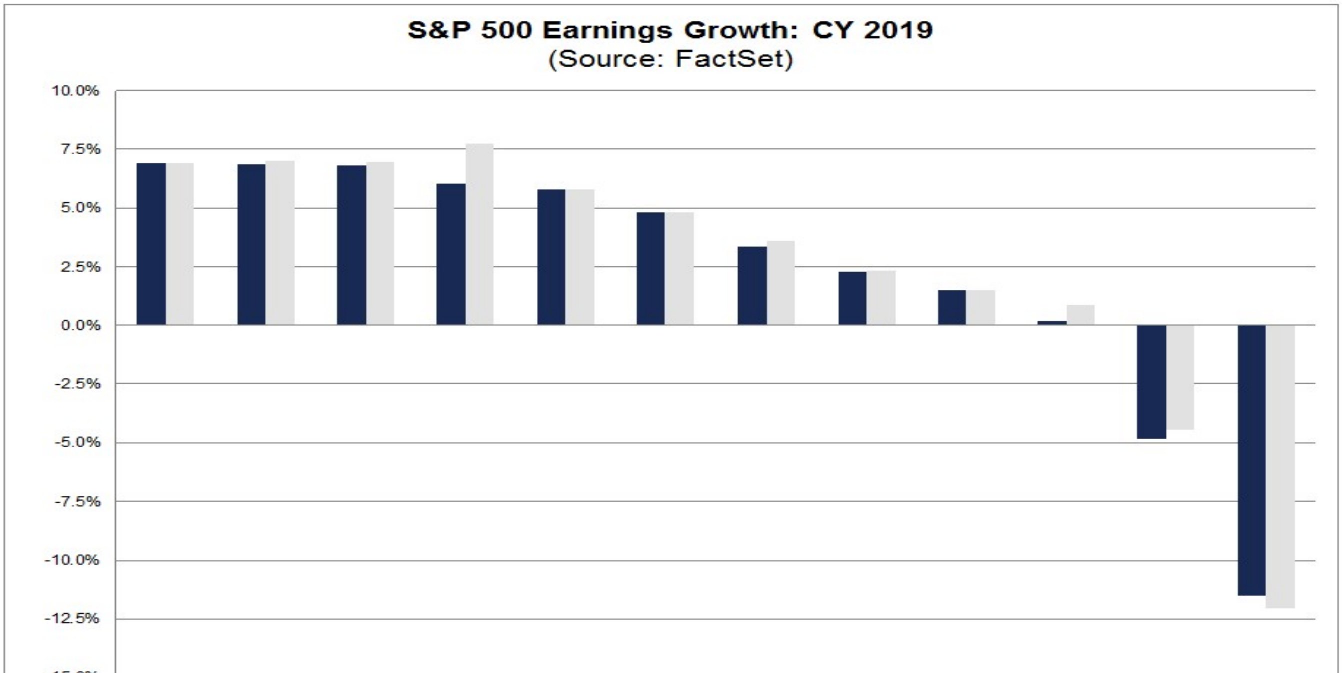


	Comm. Services	Financials	Health Care	Consumer Disc.	Real Estate	Utilities	Industrials	S&P 500	Energy	Consumer Staples	Materials	Info. Technology
Today	2.9%	2.7%	2.7%	2.3%	2.1%	2.0%	1.7%	-0.4%	-0.9%	-1.6%	-4.3%	-9.3%
31-Mar	3.1%	2.8%	2.6%	2.5%	2.3%	1.8%	5.7%	-0.1%	-5.0%	-0.8%	-4.0%	-9.2%

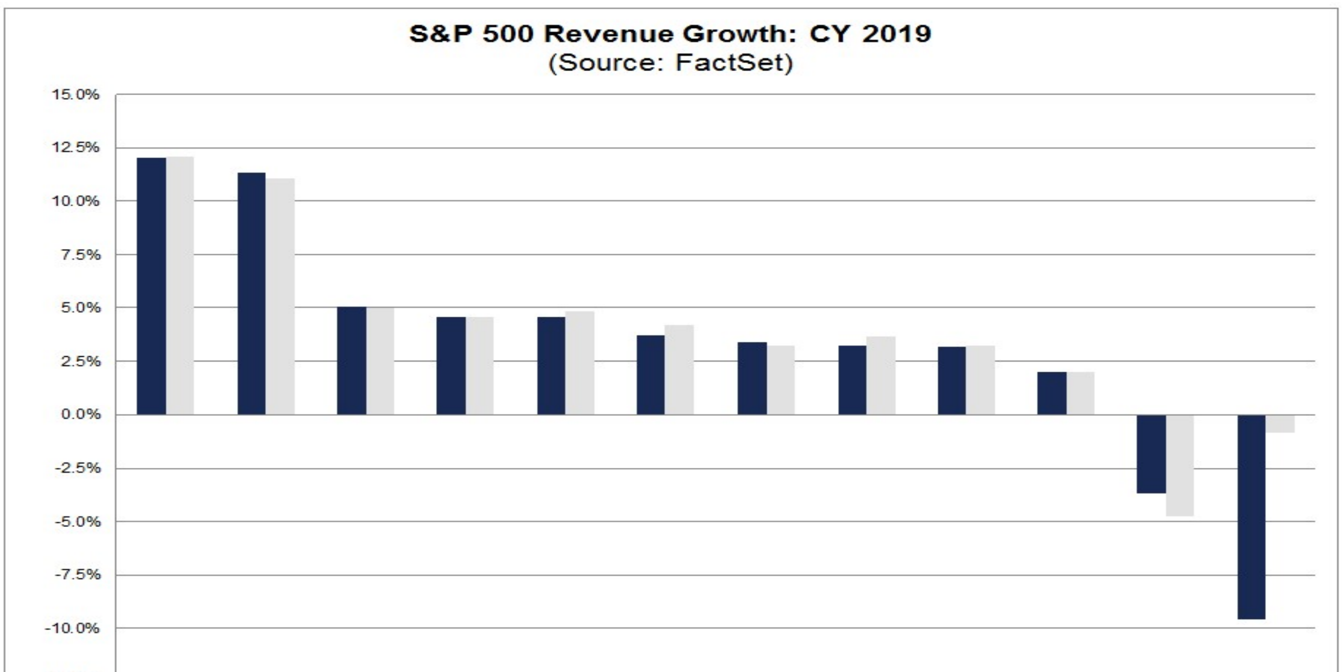


	Comm. Services	Health Care	S&P 500	Utilities	Consumer Disc.	Real Estate	Financials	Consumer Staples	Industrials	Info. Technology	Energy	Materials
Today	13.5%	12.2%	4.2%	4.1%	4.1%	3.6%	2.9%	2.6%	2.0%	-0.3%	-2.2%	-8.1%
31-Mar	13.0%	12.3%	4.4%	4.0%	3.9%	3.6%	2.9%	2.7%	3.7%	-0.2%	-4.6%	2.0%

CY 2019: Growth

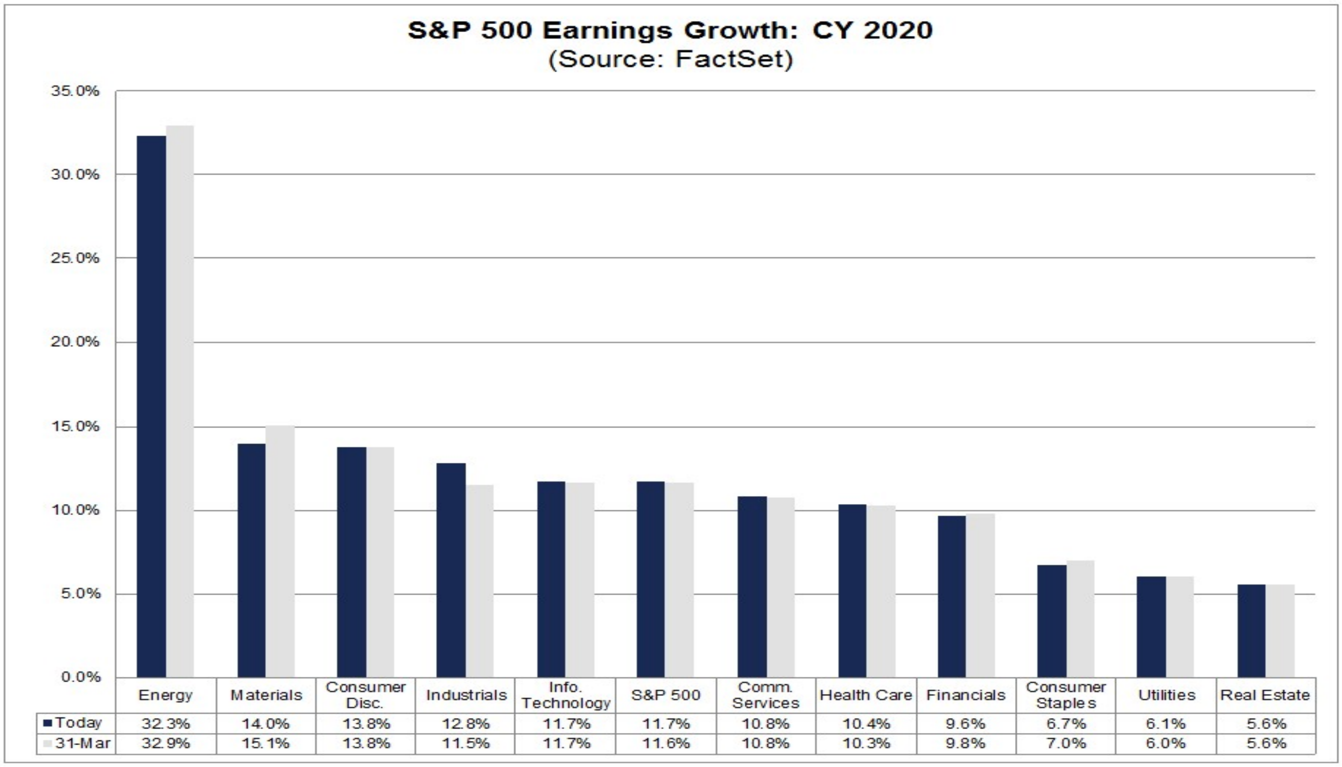


	Consumer Disc.	Financials	Utilities	Industrials	Comm. Services	Health Care	S&P 500	Real Estate	Info. Technology	Consumer Staples	Materials	Energy
Today	6.9%	6.8%	6.8%	6.0%	5.8%	4.8%	3.4%	2.3%	1.5%	0.2%	-4.8%	-11.5%
31-Mar	6.9%	7.0%	6.9%	7.7%	5.8%	4.8%	3.6%	2.3%	1.5%	0.8%	-4.4%	-12.0%

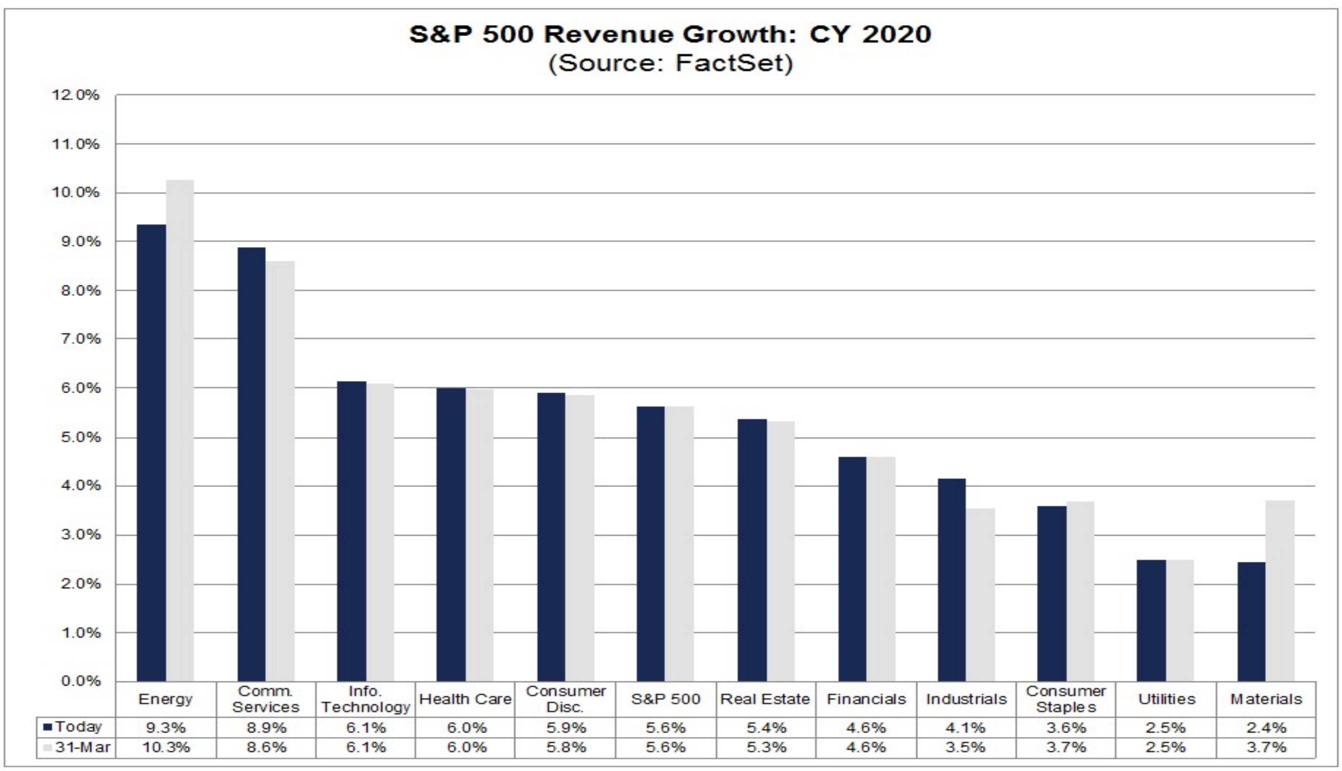


	Health Care	Comm. Services	Consumer Disc.	Financials	S&P 500	Industrials	Utilities	Real Estate	Consumer Staples	Info. Technology	Energy	Materials
Today	12.0%	11.3%	5.0%	4.6%	4.6%	3.7%	3.4%	3.2%	3.1%	2.0%	-3.7%	-9.6%
31-Mar	12.1%	11.0%	5.0%	4.6%	4.8%	4.2%	3.2%	3.6%	3.2%	2.0%	-4.7%	-0.8%

CY 2020: Growth

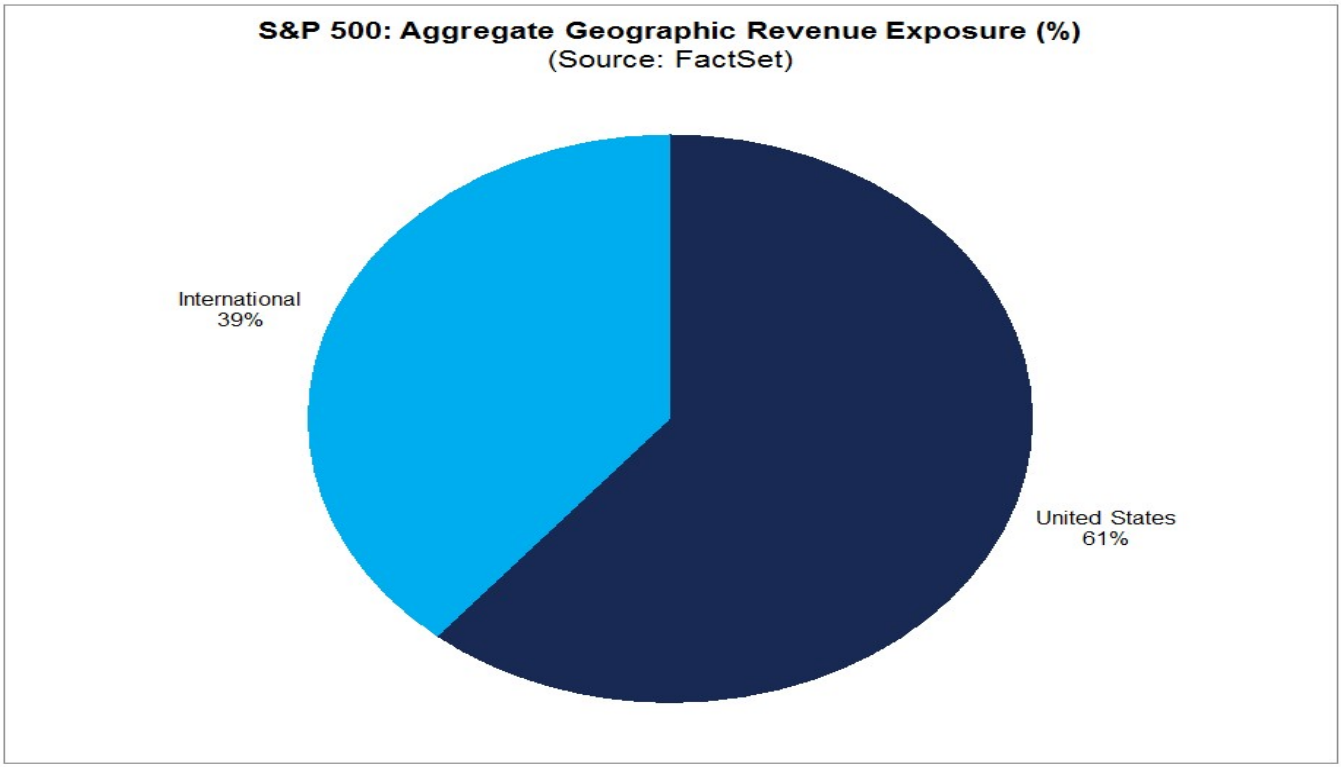


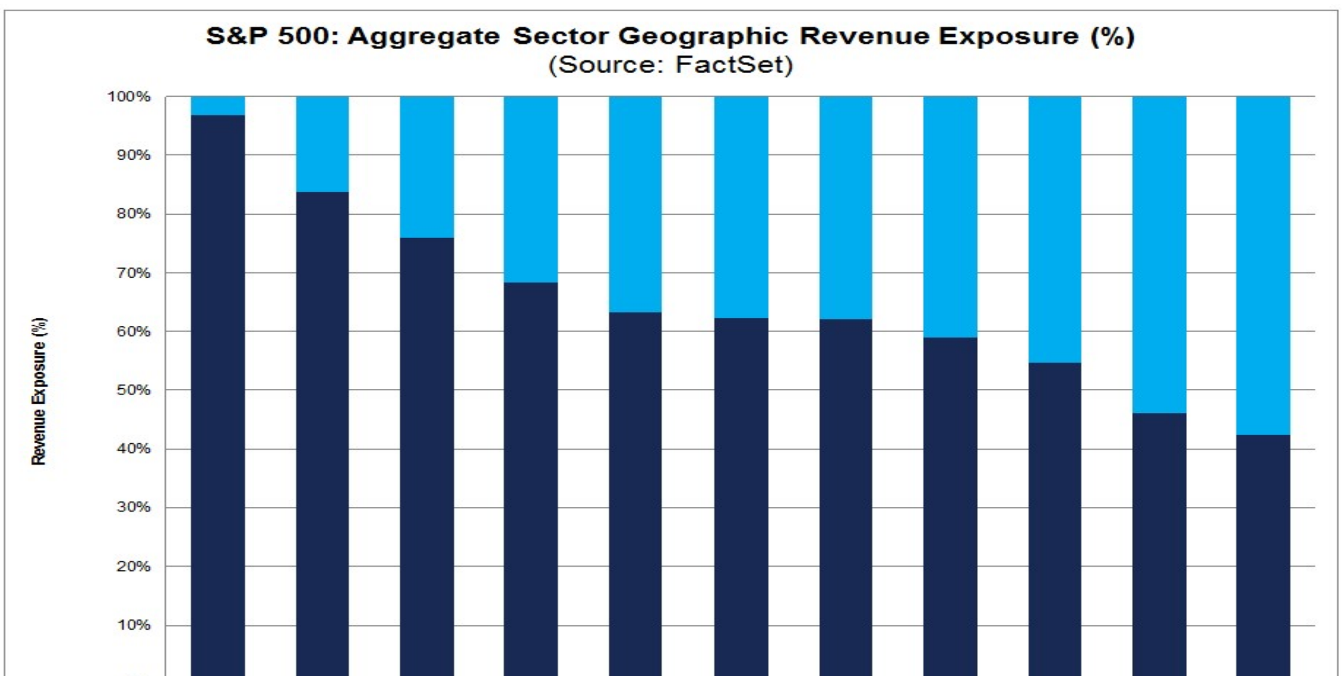
	Energy	Materials	Consumer Disc.	Industrials	Info. Technology	S&P 500	Comm. Services	Health Care	Financials	Consumer Staples	Utilities	Real Estate
Today	32.3%	14.0%	13.8%	12.8%	11.7%	11.7%	10.8%	10.4%	9.6%	6.7%	6.1%	5.6%
31-Mar	32.9%	15.1%	13.8%	11.5%	11.7%	11.6%	10.8%	10.3%	9.8%	7.0%	6.0%	5.6%



	Energy	Comm. Services	Info. Technology	Health Care	Consumer Disc.	S&P 500	Real Estate	Financials	Industrials	Consumer Staples	Utilities	Materials
Today	9.3%	8.9%	6.1%	6.0%	5.9%	5.6%	5.4%	4.6%	4.1%	3.6%	2.5%	2.4%
31-Mar	10.3%	8.6%	6.1%	6.0%	5.8%	5.6%	5.3%	4.6%	3.5%	3.7%	2.5%	3.7%

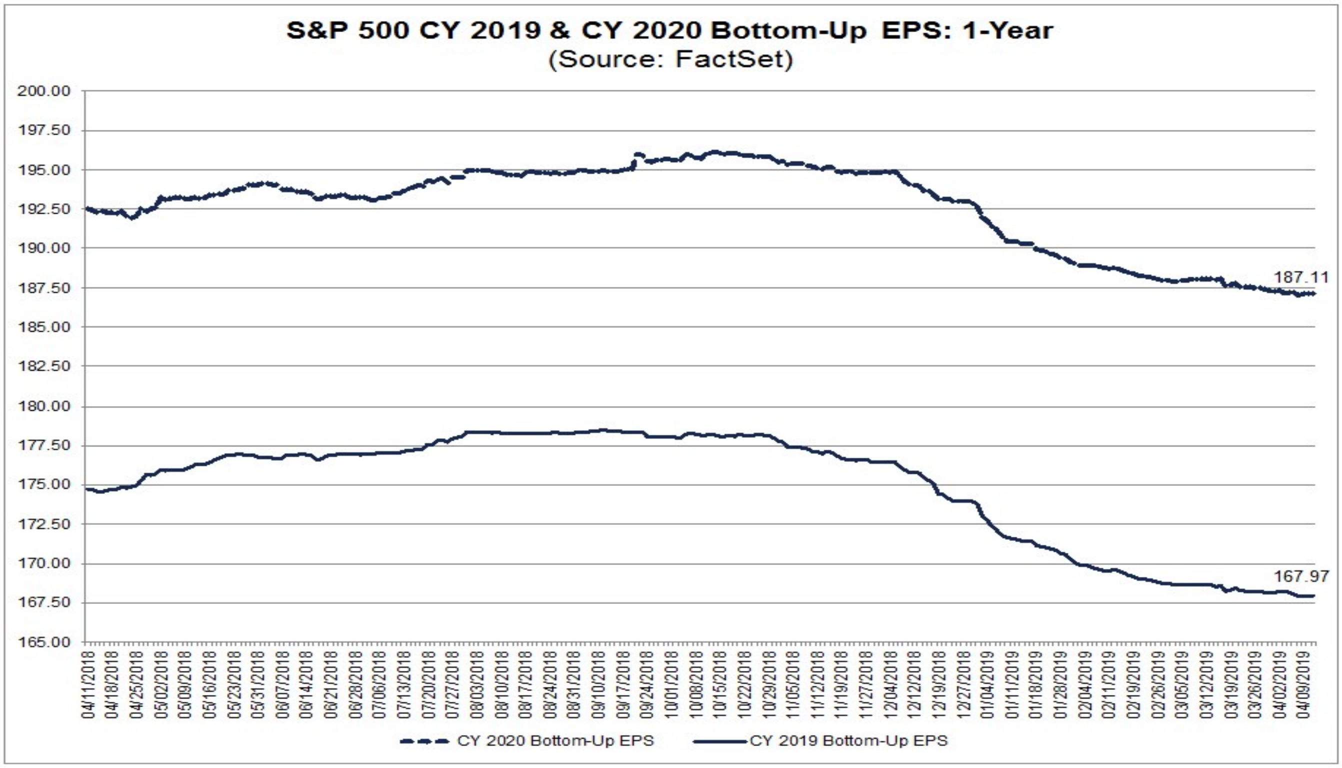
Geographic Revenue Exposure

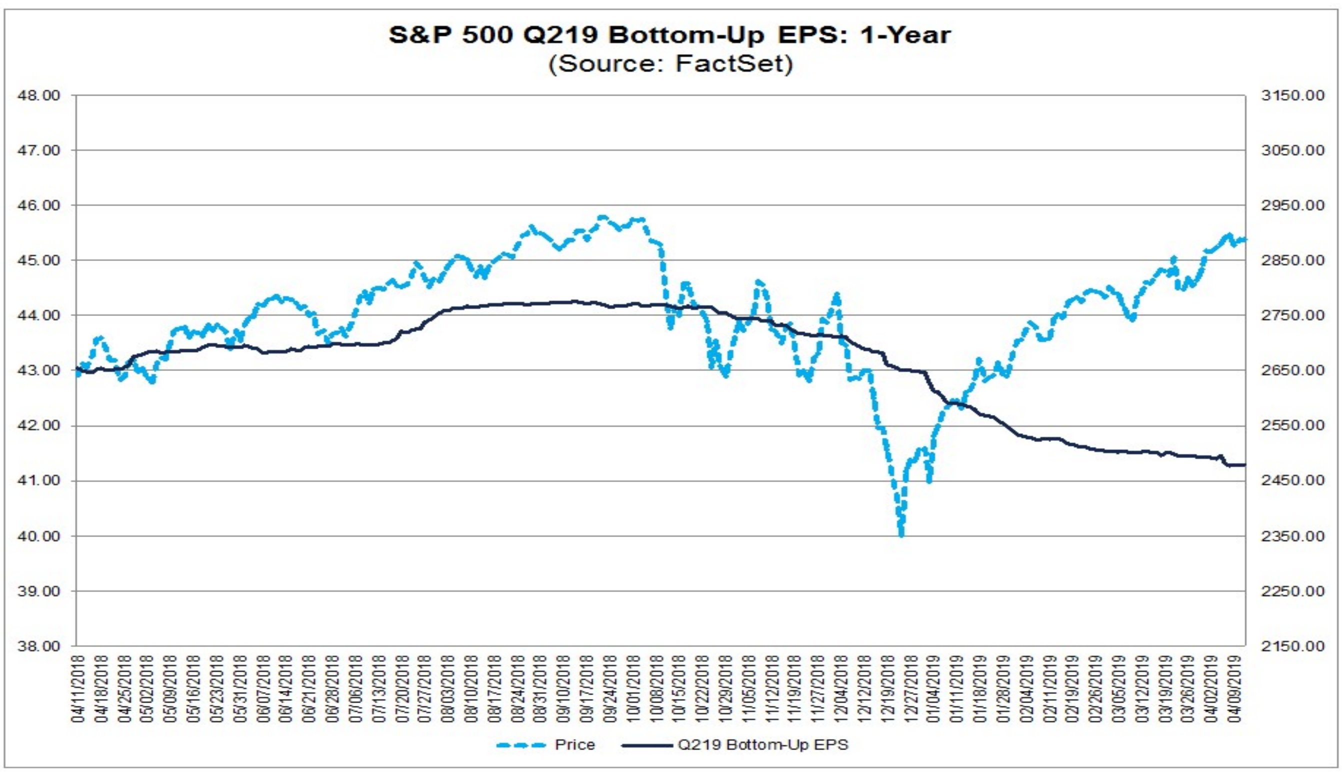




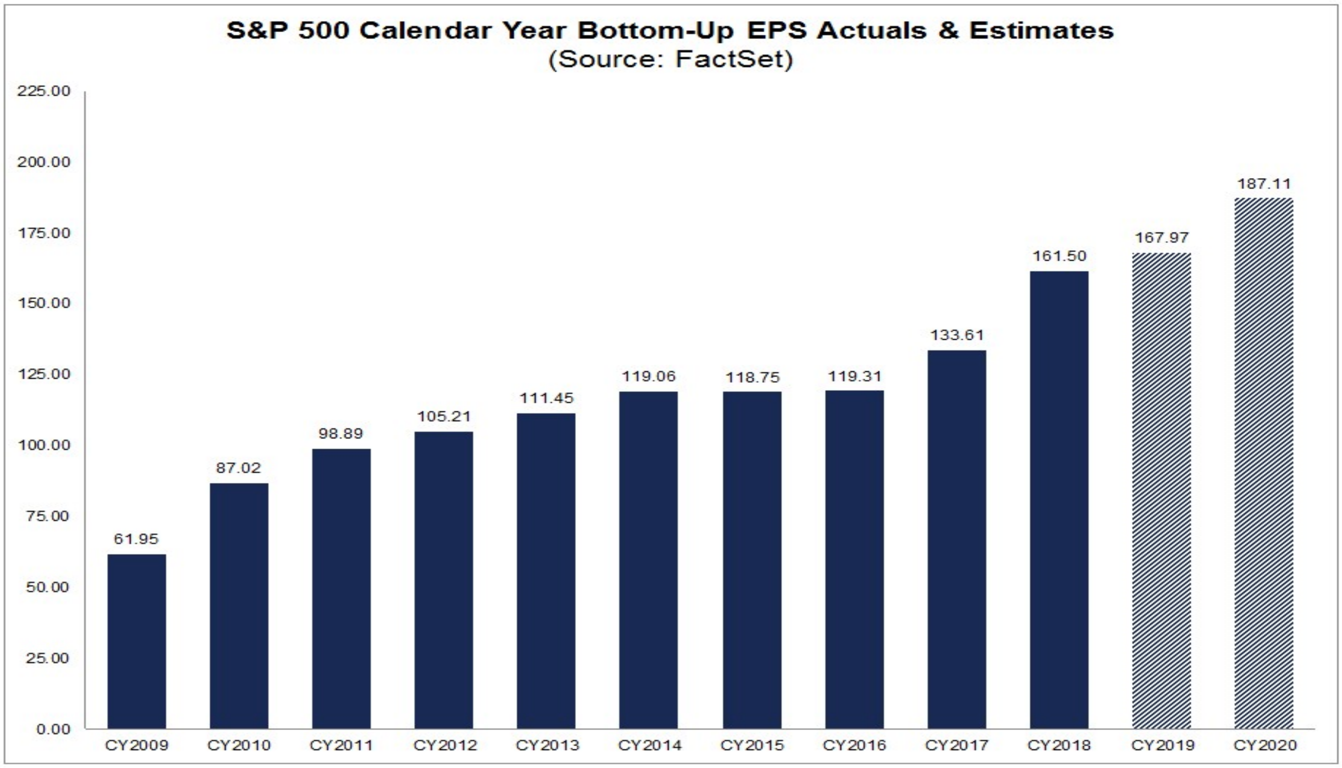
	Utilities	Real Estate	Financials	Consumer Disc.	Comm. Services	Industrials	Health Care	Energy	Consumer Staples	Materials	Info. Technology
International	3%	16%	24%	32%	37%	38%	38%	41%	45%	54%	58%
United States	97%	84%	76%	68%	63%	62%	62%	59%	55%	46%	42%

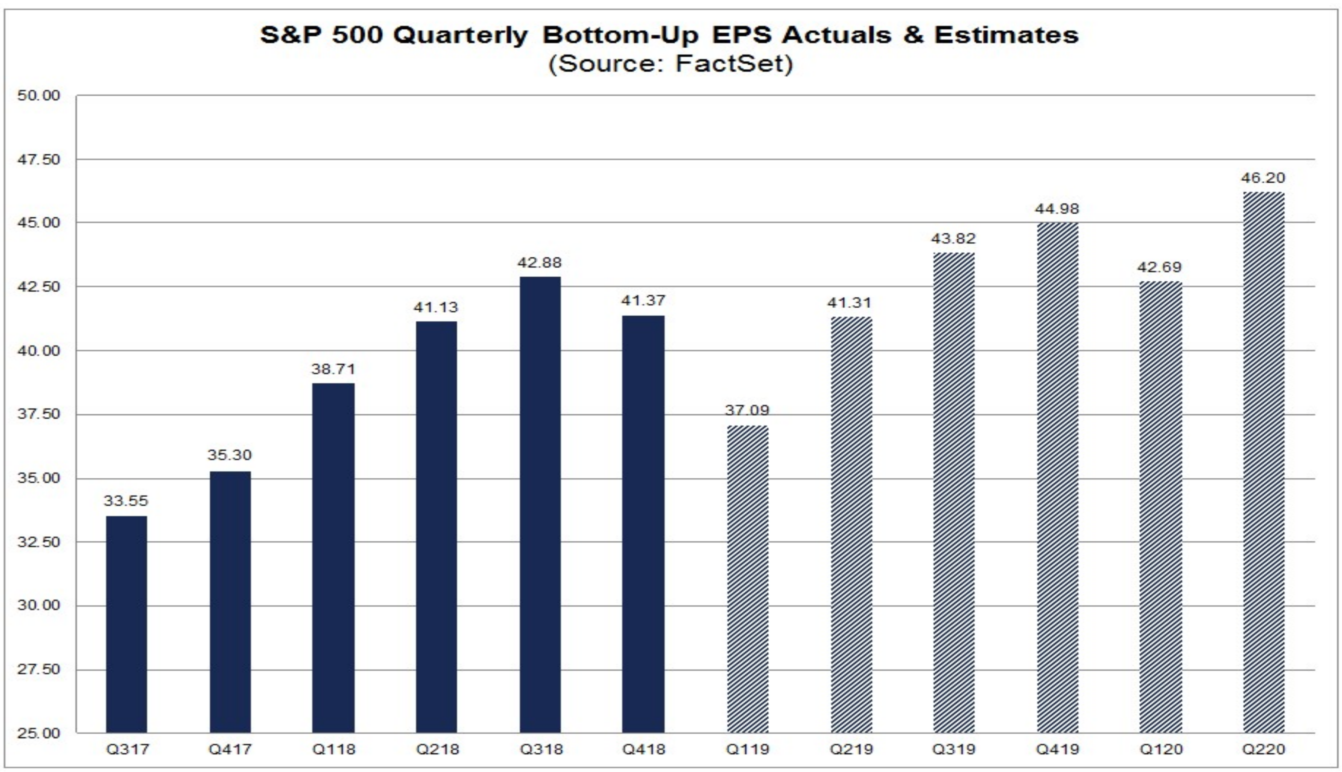
Bottom-up EPS Estimates: Revisions



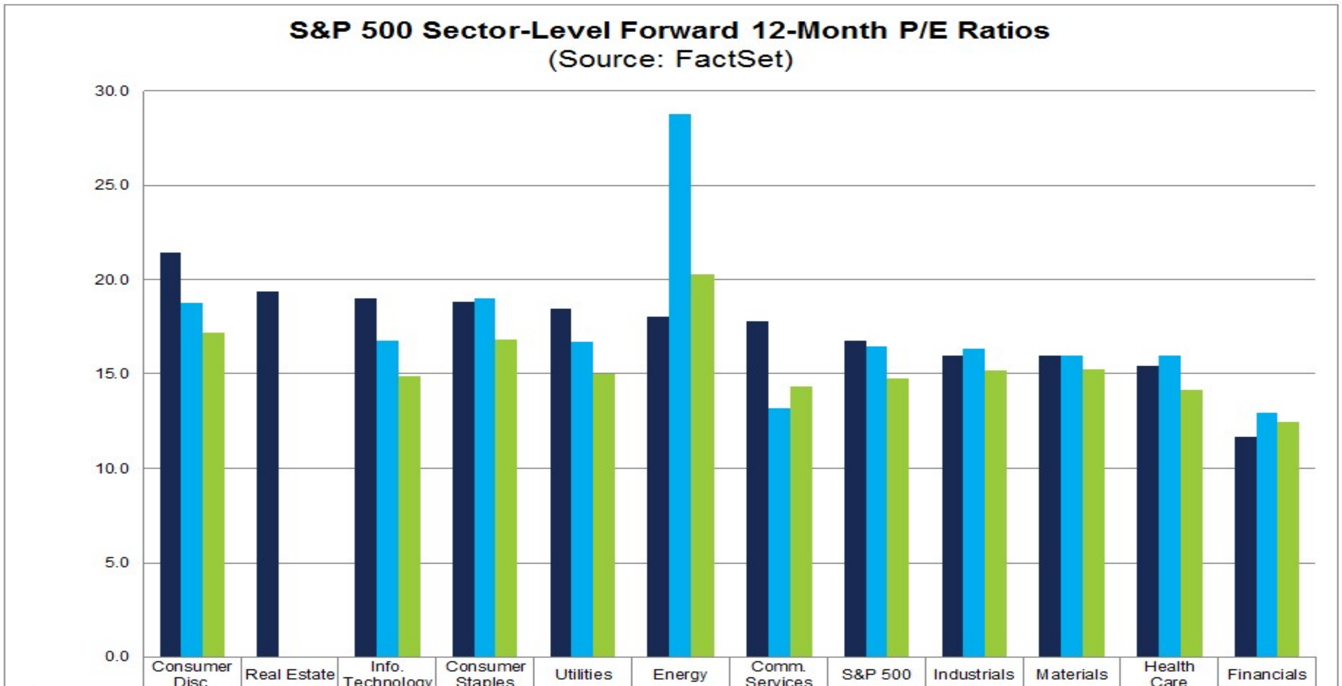


Bottom-up EPS Estimates: Current & Historical

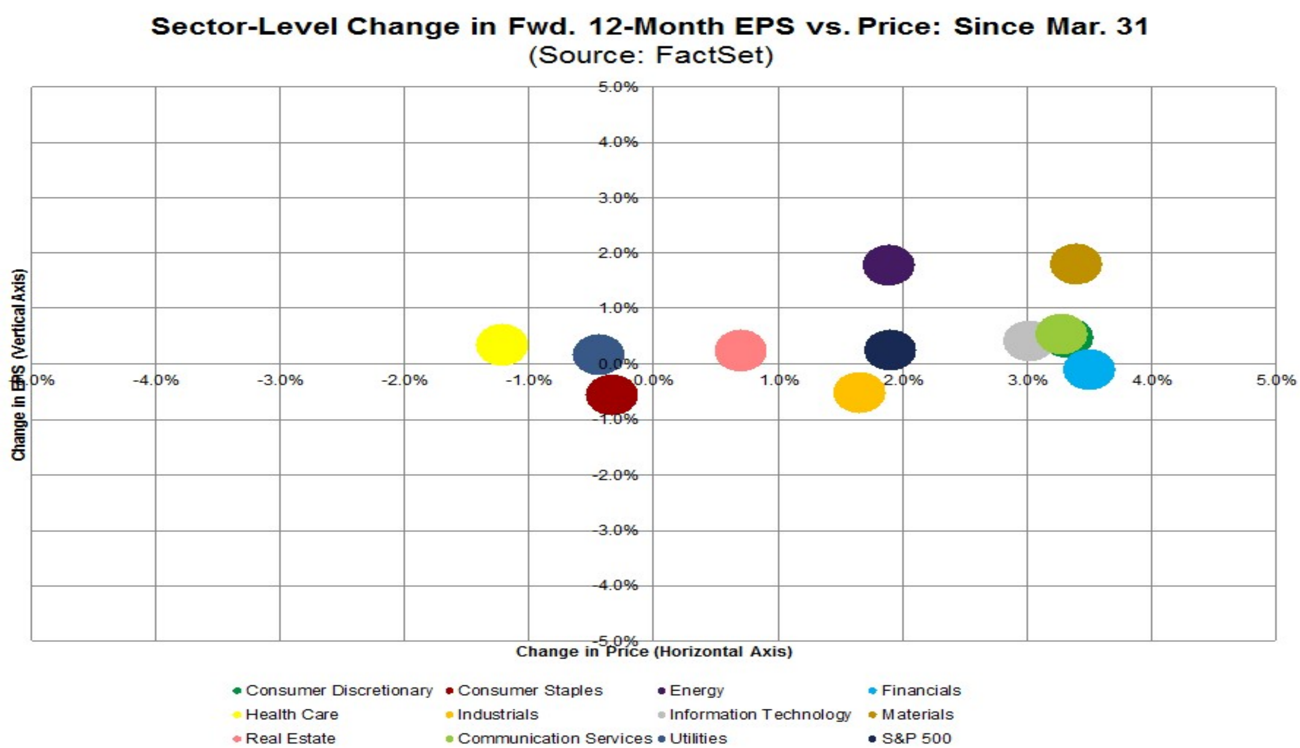




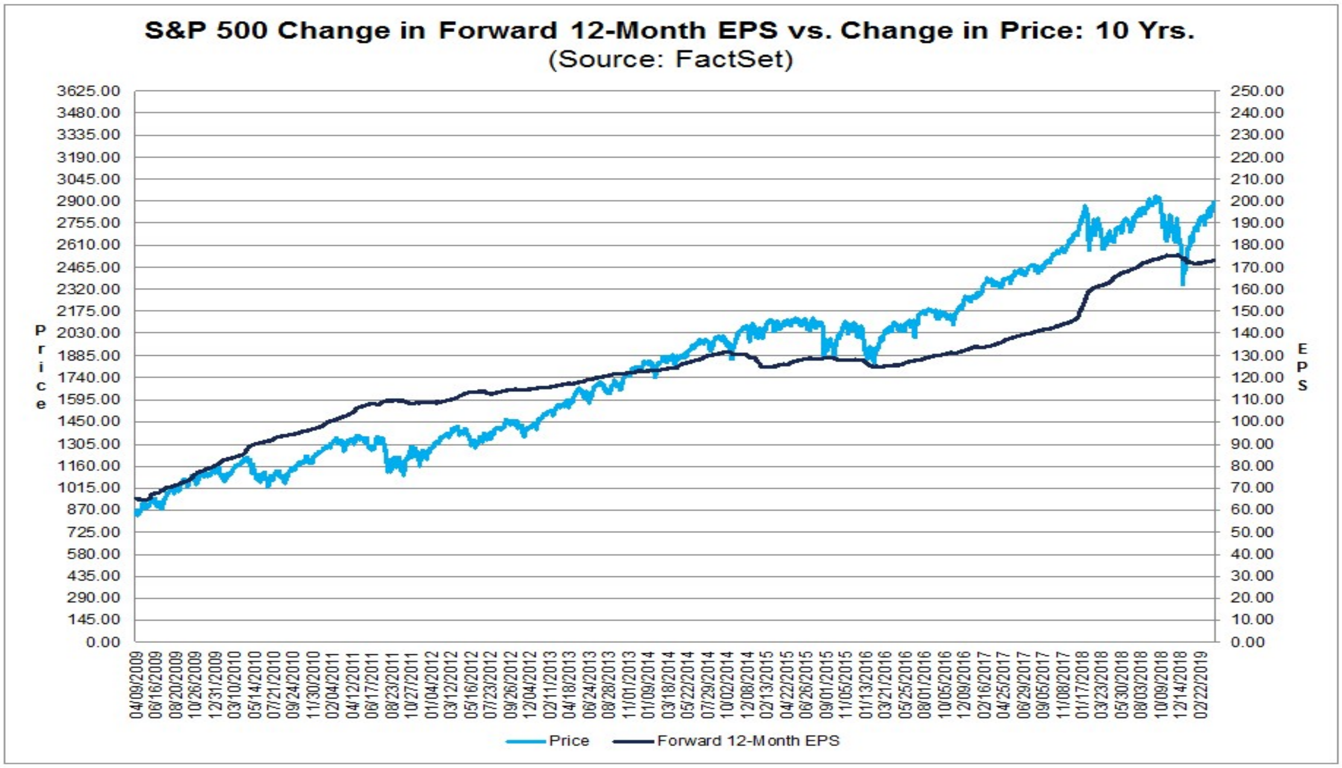
Forward 12M P/E Ratio: Sector Level

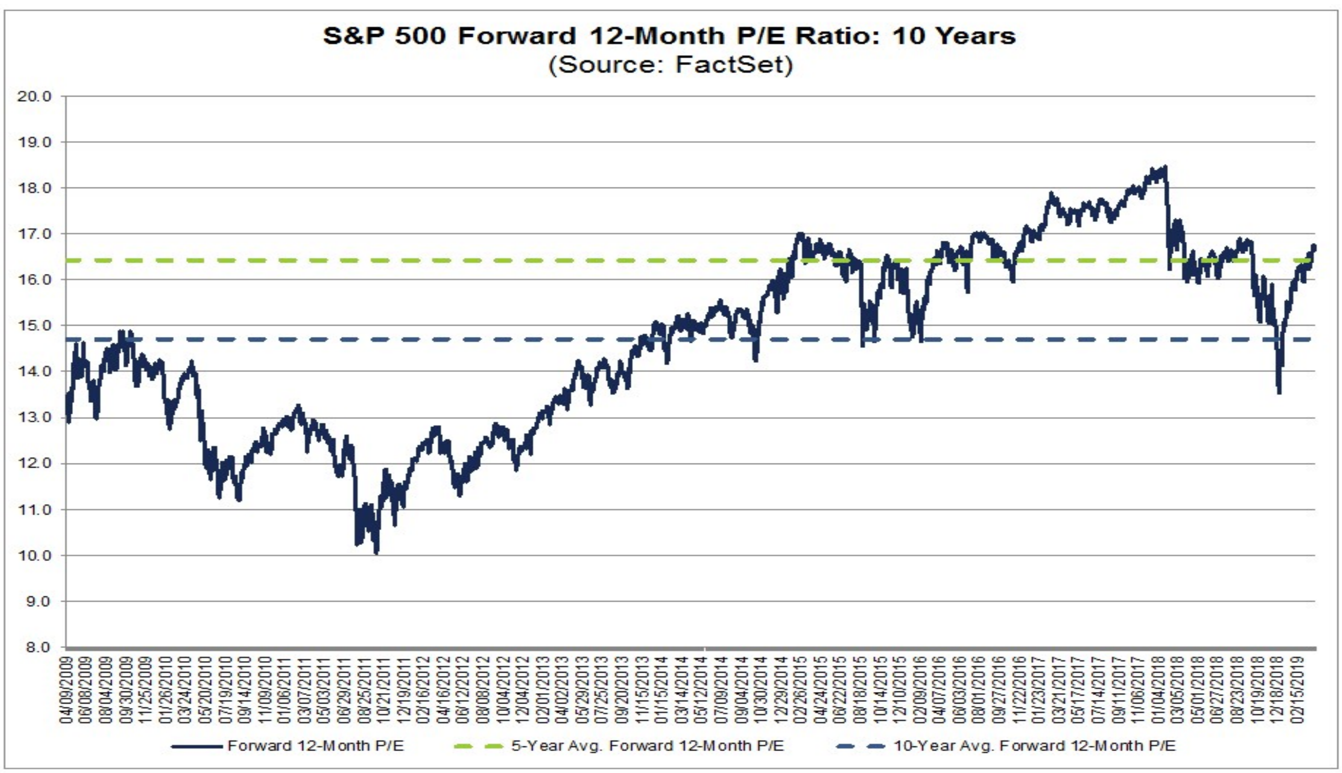


	Consumer Disc.	Real Estate	Info. Technology	Consumer Staples	Utilities	Energy	Comm. Services	S&P 500	Industrials	Materials	Health Care	Financials
Fwd P/E	21.4	19.4	19.0	18.8	18.4	18.0	17.8	16.7	15.9	15.9	15.4	11.7
5-Yr Avg.	18.8		16.7	19.0	16.7	28.8	13.2	16.4	16.3	15.9	16.0	13.0
10-Yr Avg.	17.1		14.8	16.8	15.0	20.2	14.3	14.7	15.1	15.2	14.1	12.5

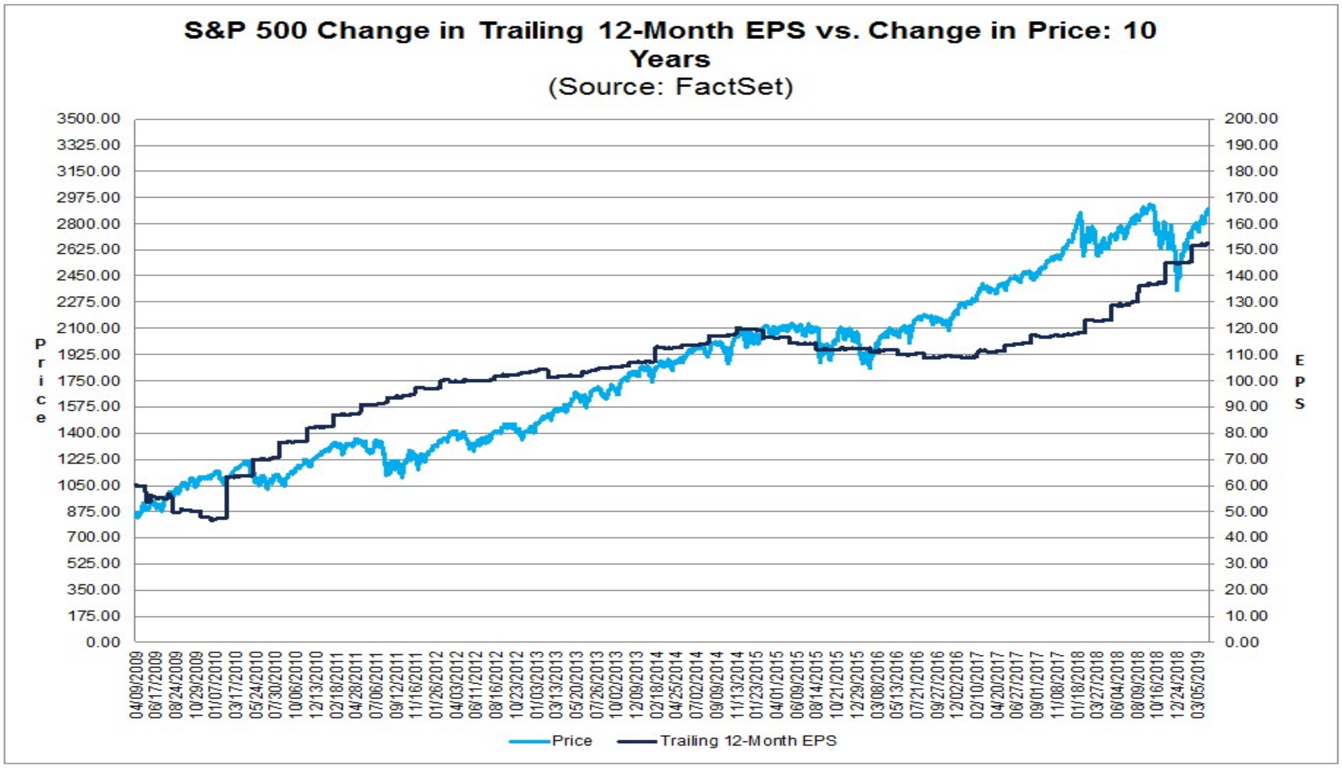


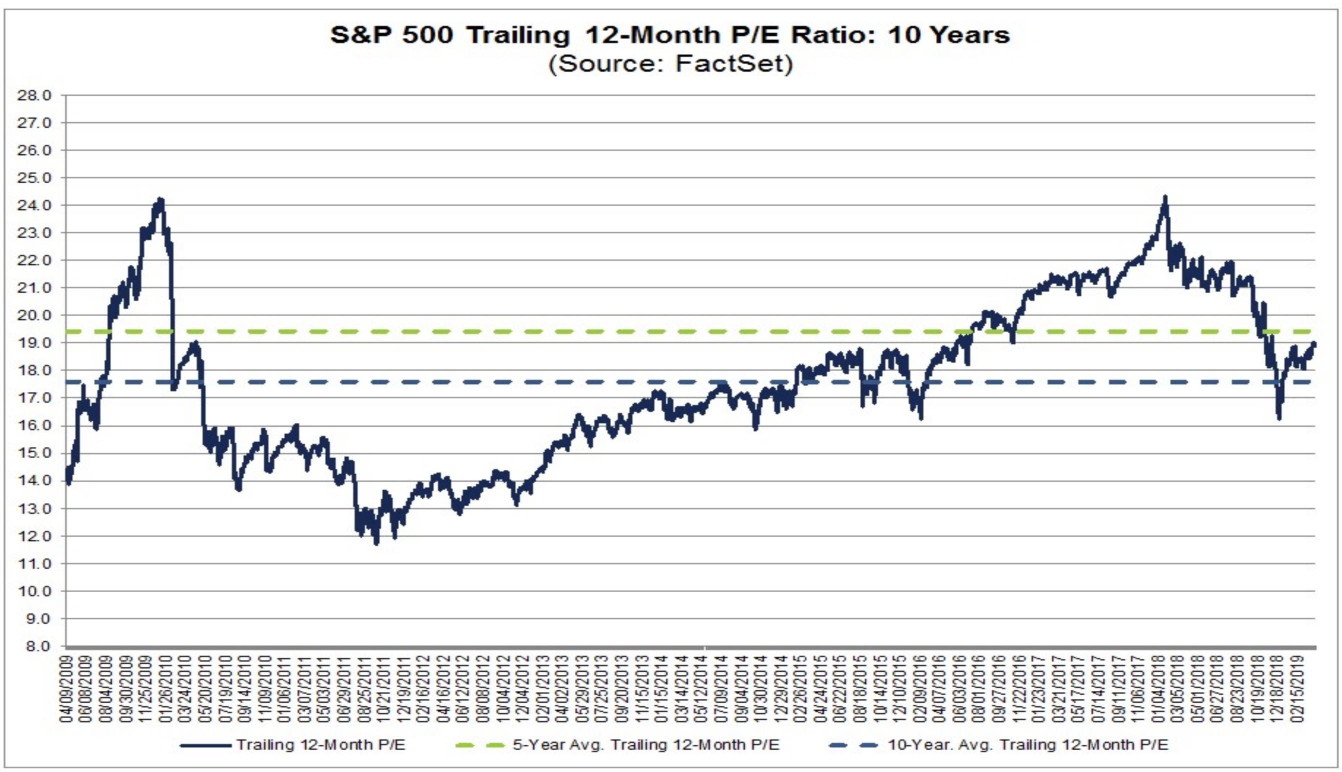
Forward 12M P/E Ratio: 10-Years



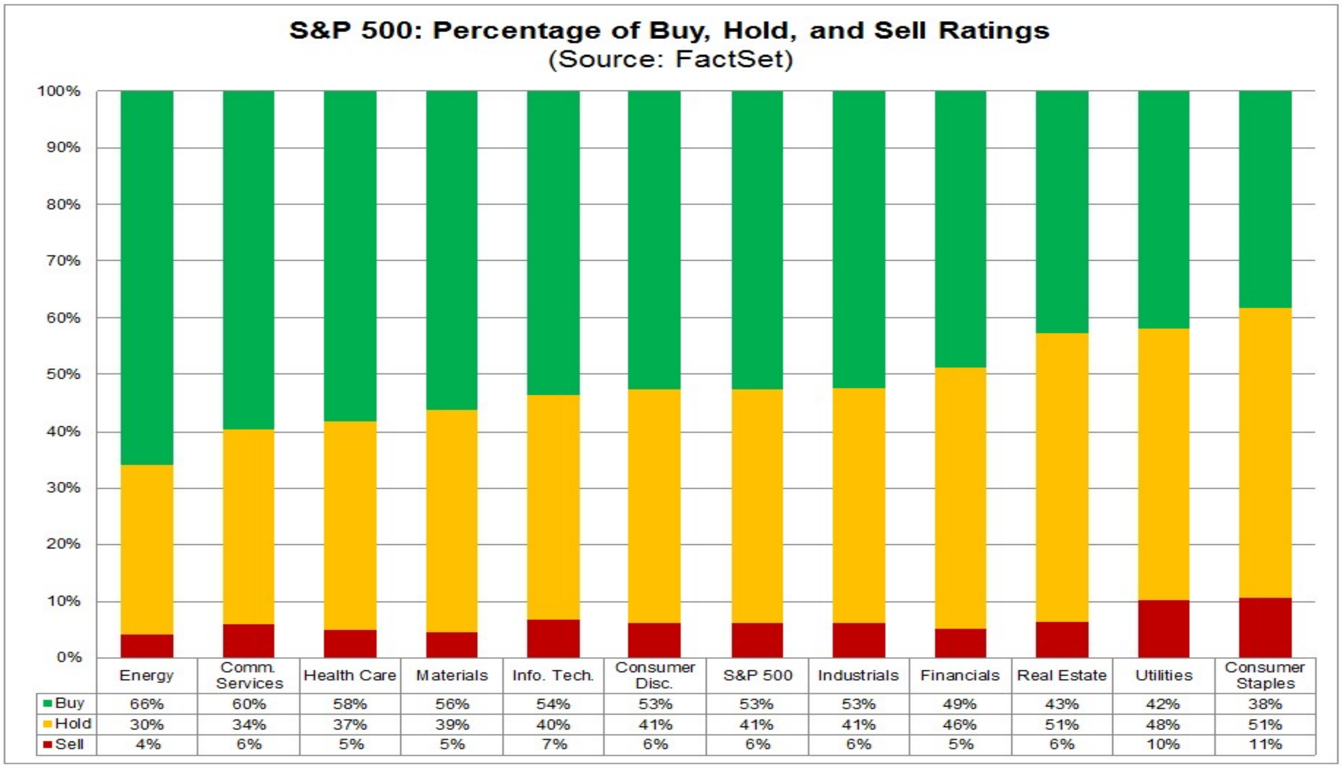


Trailing 12M P/E Ratio: 10-Years

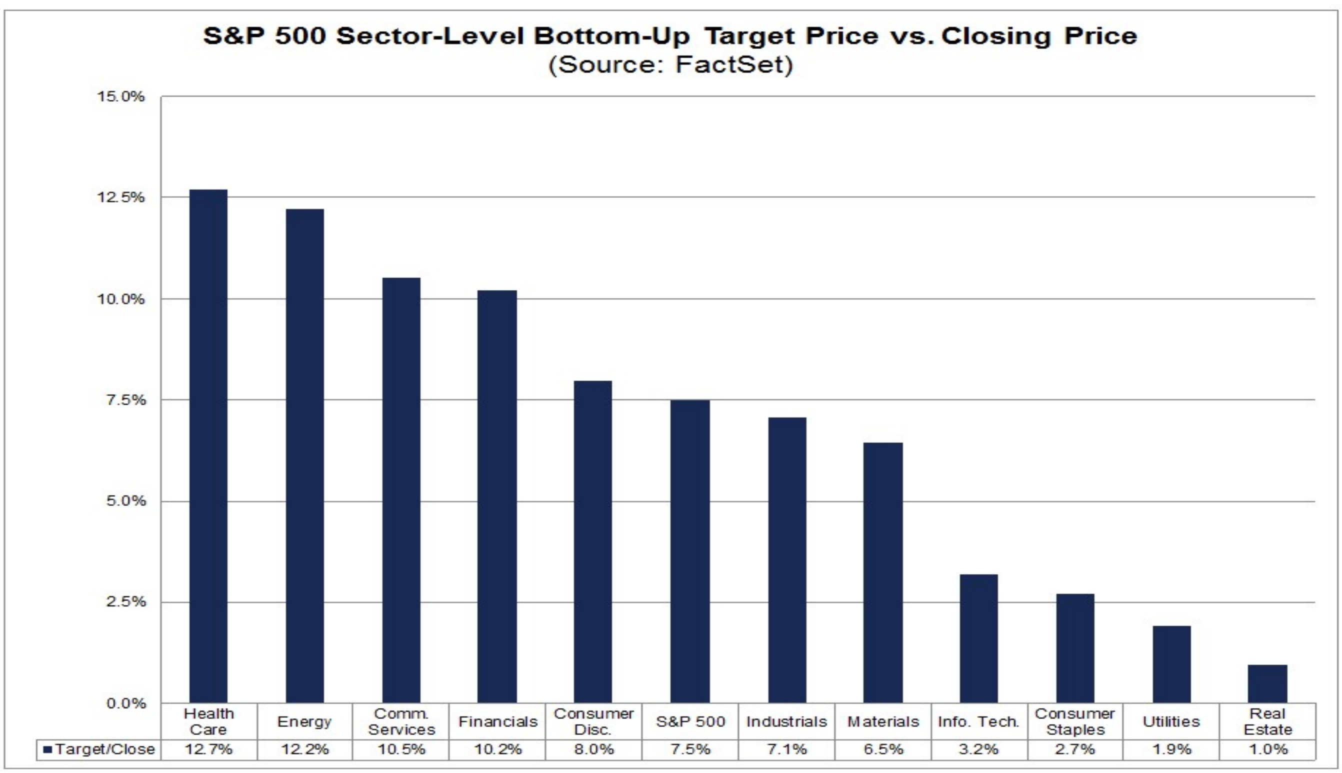




Targets & Ratings



	Energy	Comm. Services	Health Care	Materials	Info. Tech.	Consumer Disc.	S&P 500	Industrials	Financials	Real Estate	Utilities	Consumer Staples
Buy	66%	60%	58%	56%	54%	53%	53%	53%	49%	43%	42%	38%
Hold	30%	34%	37%	39%	40%	41%	41%	41%	46%	51%	48%	51%
Sell	4%	6%	5%	5%	7%	6%	6%	6%	5%	6%	10%	11%



	Health Care	Energy	Comm. Services	Financials	Consumer Disc.	S&P 500	Industrials	Materials	Info. Tech.	Consumer Staples	Utilities	Real Estate
Target/Close	12.7%	12.2%	10.5%	10.2%	8.0%	7.5%	7.1%	6.5%	3.2%	2.7%	1.9%	1.0%

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