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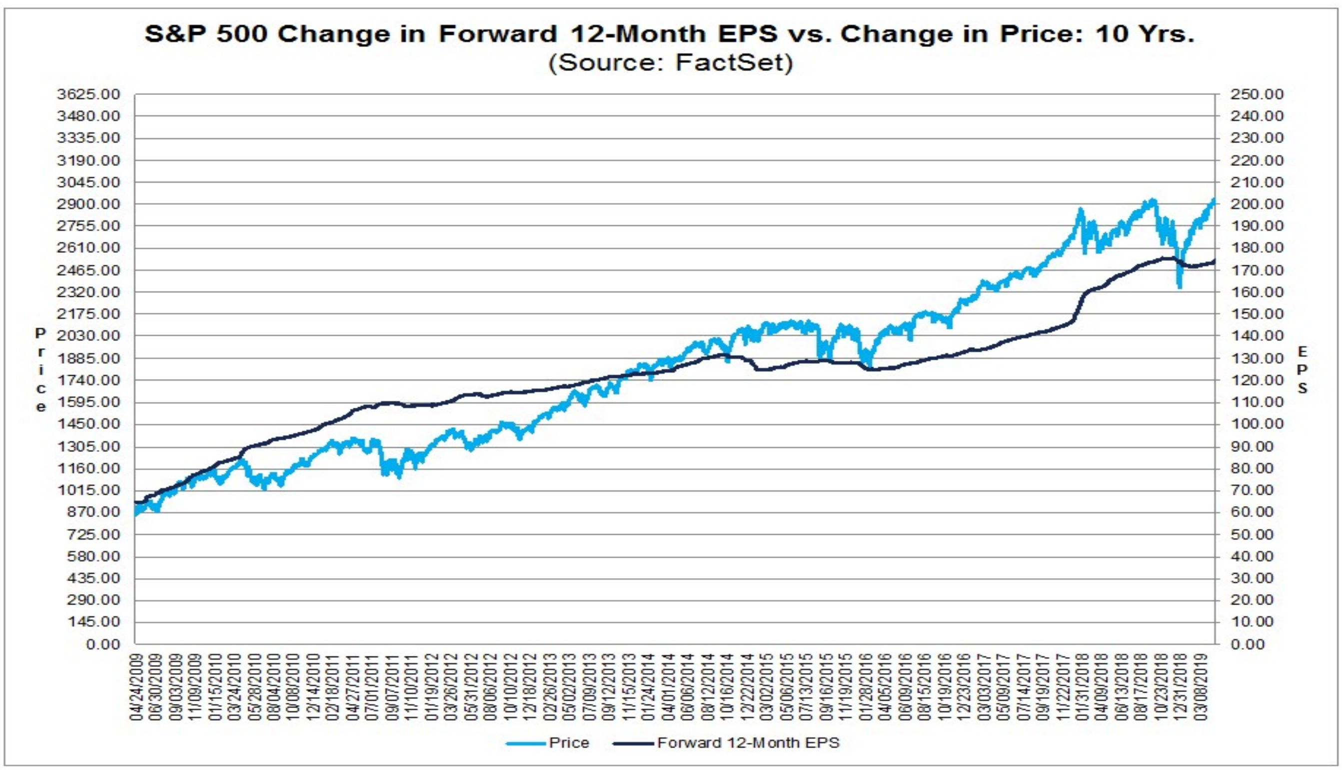
Key Metrics

- **Earnings Scorecard:** For Q1 2019 (with 46% of the companies in the S&P 500 reporting actual results for the quarter), 77% 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 -2.3%. If -2.3% 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 -4.0%. Eight sectors have higher growth rates today (compared to March 31) due to upward revisions to EPS estimates and positive EPS surprises.
- **Earnings Guidance:** For Q2 2019, 32 S&P 500 companies have issued negative EPS guidance and 6 S&P 500 companies have issued positive EPS guidance.
- **Valuation:** The forward 12-month P/E ratio for the S&P 500 is 16.8. 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:

S&P 500 Reporting First Year-Over-Year Decline in Net Profit Margin Since 2016

For the first quarter, the S&P 500 is reporting a year-over-year decline in earnings of 2.3%, but year-over-year growth in revenues of 5.1%. Given the dichotomy in growth between earnings and revenues, there are concerns in the market about net profit margins for S&P 500 companies in the first quarter. Given this concern, what is the S&P 500 reporting for a net profit margin in the first quarter?

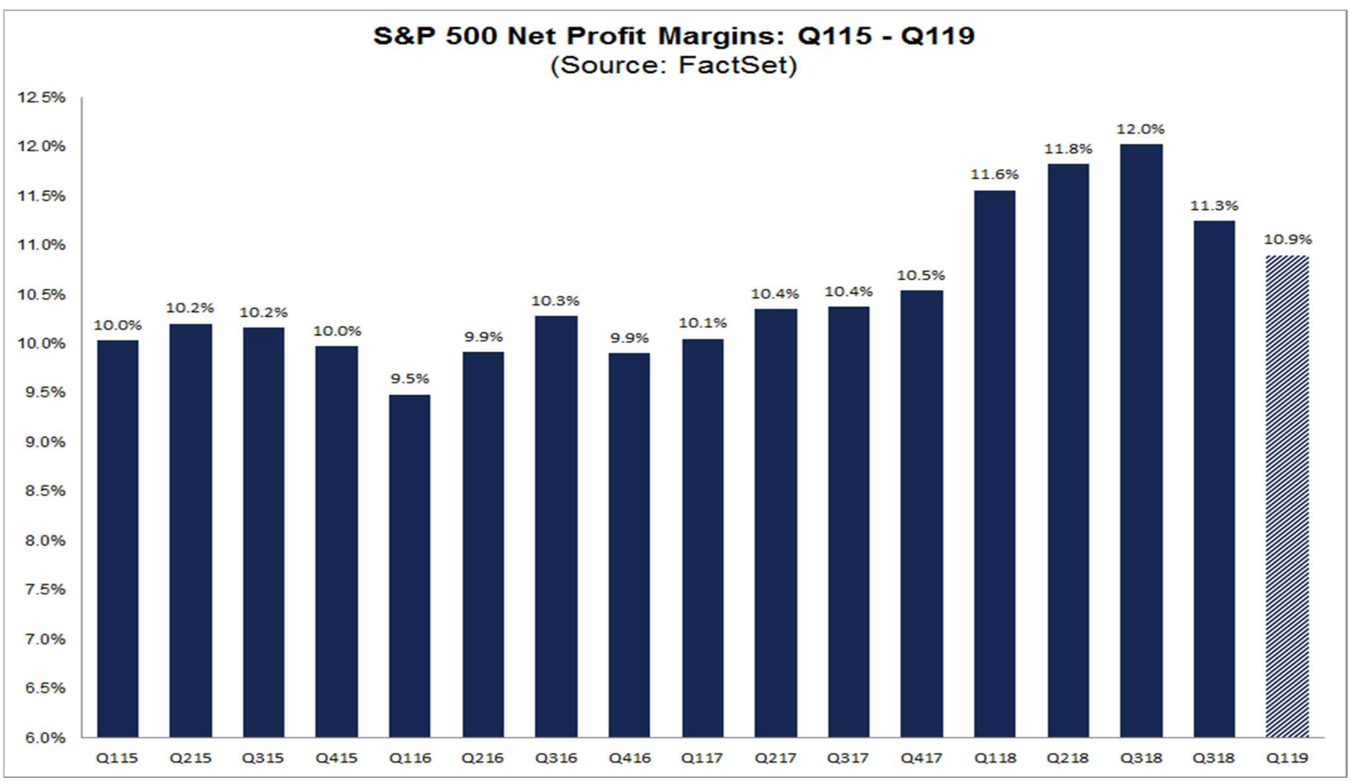
The blended net profit margin for the S&P 500 for Q1 2019 is 10.9%. If 10.9% is the actual net profit margin for the quarter, it will mark the first year-over-year decline in the net profit margin for the index since Q4 2016. It will also mark the lowest net profit margin reported by the index since Q4 2017.

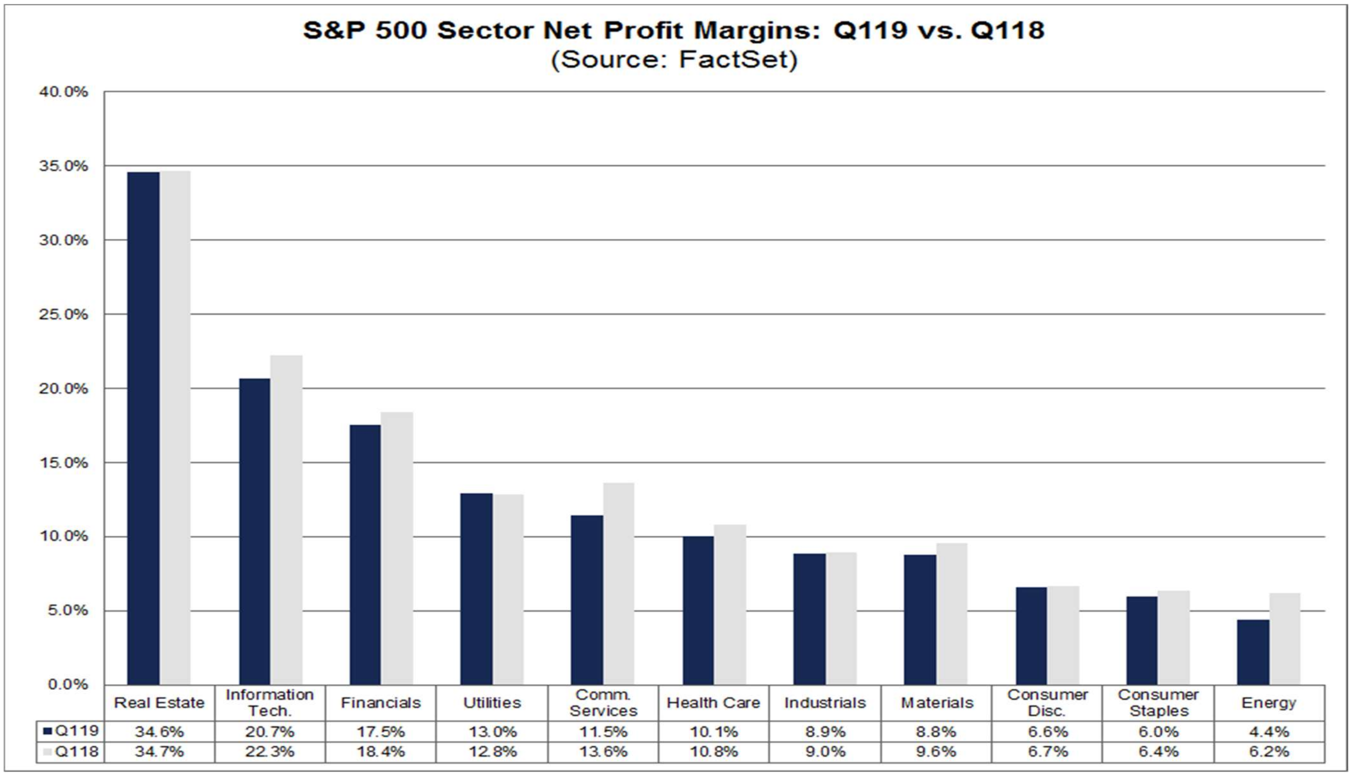
Ten of the eleven sectors are reporting a year-over-year decline in their net profit margins in Q1 2019, led by the Communication Services (11.5% vs. 13.6%), Energy (4.4% vs. 6.2%), and Information Technology (20.7% vs. 22.3%) sectors. The Utilities sector (13.0% vs. 12.8%) is the only sector reporting a year-over year increase in its net profit margin.

What is driving the decrease in net profit margins? Higher costs are likely one of the main factors. Of the first 23 S&P 500 companies to conduct earnings calls for Q1, 10 (or 43%) discussed higher wages and labor costs and 9 (39% discussed higher raw material or other input costs. Please see our previous article on this topic for more details at this link: https://insight.factset.com/fx-and-wages-cited-as-top-negative-impacts-by-sp-500-companies-on-q1-earnings-calls

It is interesting to note that analysts expect the index to report higher net profit margins over the next few quarters. Based on current earnings and revenues estimates, the estimated net profit margins for the next three quarters (Q2 2019 through Q4 2019) are 11.4%, 11.8%, and 11.6%, respectively. However, net profit margins are not expected to increase on a year-over-year basis until Q4 2019.

To maintain consistency, the earnings and revenue numbers used to calculate the earnings and revenue growth rates published in this report were also used to calculate the index-level and sector-level net profit margins for this analysis. In addition, all year-over-year comparisons for Q1 2019 to Q1 2018 reflect an apples-to-apples comparison of data at the company level.




S&P 500 Sector Net Profit Margins: Q119 vs. Q118
(Source: FactSet)
40.0%
35.0%
30.0%
25.0%
20.0%
15.0%
10.0%
5.0%
0.0%
Real Estate
Information Tech.
Financials
Utilities
Comm. Services
Health Care
Industrials
Materials
Consumer Disc.
Consumer Staples
Energy
Q119 34.6% 20.7% 17.5% 13.0% 11.5% 10.1% 8.9% 8.8% 6.6% 6.0% 4.4%
Q118 34.7% 22.3% 18.4% 12.8% 13.6% 10.8% 9.0% 9.6% 6.7% 6.4% 6.2%

Q1 Earnings Season: By The Numbers

Overview

To date, 46% 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 (77%) is above the 5-year average. In aggregate, companies are reporting earnings that are 5.3% 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 0.3% 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 -2.3% today, which is smaller than the earnings decline of -3.9% last week. Positive earnings surprises reported by companies in the Consumer Discretionary and Information Technology sectors were mainly responsible for the decrease in the overall earnings decline during the week. If -2.3% 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%). Six of the eleven sectors are reporting year-over-year growth in earnings, led by the Health Care and Utilities sectors. Five sectors are reporting a year-over-year decline in earnings, led by the Energy and Information Technology sectors.

The blended revenue growth rate for Q1 2019 is 5.1% today, which is slightly above the revenue growth rate of 5.0% last week. Positive revenue surprises reported by companies in multiple sectors were responsible for the slight increase in the overall revenue growth rate during the week. If 5.1% is the final growth rate for the quarter, it will mark the lowest revenue growth rate for the index since Q2 2017 (5.3%). Nine of the eleven sectors are reporting year-over-year growth in revenues, led by the Health Care and Communication Services sectors. Two sectors are reporting a year-over-year decline in revenues, led by the Information Technology sector.

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 16.8, which is above the 5-year average and above the 10-year average.

During the upcoming week, 164 S&P 500 companies (including 5 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 (77%) is Above 5-Year Average

Overall, 46% of the companies in the S&P 500 have reported earnings to date for the first quarter. Of these companies, 77% have reported actual EPS above the mean EPS estimate, 6% have reported actual EPS equal to the mean EPS estimate, and 17% 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 (96%) has the highest percentage of companies reporting earnings above estimates, while the Utilities (57%) sector has the lowest percentage of companies reporting earnings above estimates.

Earnings Surprise Percentage (+5.3%) is Above 5-Year Average

In aggregate, companies are reporting earnings that are 5.3% above expectations. This surprise percentage is below the 1-year (+5.7%) average but above the 5-year (+4.8%) average.

The Consumer Discretionary (+28.3%) sector is reporting the largest positive (aggregate) difference between actual earnings and estimated earnings. Within this sector, Ford Motor ($0.44 vs. $0.25) and Amazon.com ($7.09 vs. $4.71) have reported the largest positive EPS surprise.

Market Rewarding Positive Earnings Surprises & Punishing Negative Earnings Surprises

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 +1.2% two days before the earnings release through two days after the earnings release. This percentage increase is 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 -3.2% two days before the earnings release through two days after the earnings release. 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 Health Care (81%) and Information Technology (80%) sectors have the highest percentages of companies reporting revenues above estimates, while the Materials (8%) sector has the lowest percentage of companies reporting revenues above estimates.

Revenue Surprise Percentage (+0.3%) is Below 5-Year Average

In aggregate, companies are reporting revenues that are 0.3% above expectations. This surprise percentage is below the 1-year (+1.4%) average and below the 5-year (+0.8%) average.

Revisions: Decrease in Blended Earnings Decline this Week

Decrease in Blended Earnings Decline This Week

The blended (year-over-year) earnings decline for the first quarter is -2.3% today, which is smaller than the earnings decline of -3.9% last week. Positive earnings surprises reported by companies in the Consumer Discretionary and Information Technology sectors were mainly responsible for the decrease in the overall earnings decline during the week.

In the Consumer Discretionary sector, the positive EPS surprises reported by Amazon.com ($7.09 vs. $4.71) and Ford Motor ($0.44 vs, $0.25) were significant contributors to the overall decrease in the earnings decline for the index during the week. As a result, the blended earnings growth rate for the Consumer Discretionary sector improved to 2.5% from -6.4% over this period.

In the Information Technology sector, the positive EPS surprise reported by Microsoft ($1.14 vs. $1.00) was a substantial contributor to the overall decrease in the earnings decline for the index during the week. As a result, the blended earnings decline for the Information Technology sector improved to -8.0% from -10.6% over this period.

Slight Increase in Blended Revenue Growth This Week

The blended (year-over-year) revenue growth rate for the first quarter is 5.1% today, which is slightly above the revenue growth rate of 5.0% last week. Positive revenue surprises reported by companies in multiple sectors were responsible for the slight increase in the overall revenue growth rate during the week.

Consumer Discretionary Sector Has Seen Largest Increase in Earnings since March 31

The blended (year-over-year) earnings decline for Q1 2019 of -2.3% is smaller than the estimate of -4.0% at the end of the first quarter (March 31). Eight 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 the Consumer Discretionary (to 2.5% from -6.4%) sector. Three 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 -29.6% from -18.8%) sector.

Energy Sector Has Seen Largest Increase in Revenues since March 31

The blended (year-over-year) revenue growth rate for Q1 2019 of 5.1% is above the estimate of 4.9% at the end of the first quarter (March 31). Four 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 -0.1% from -2.3%) sector. Five 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 Materials (to 1.9% from 3.8%) sector. Two sectors have recorded no change in their revenue growth rates since March 31

Earnings Decline: -2.3%

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 -2.3%. If -2.3% 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%). Six of the eleven sectors are reporting year-over-year growth in earnings, led by the Health Care and Utilities sectors. Five sectors are reporting a year-over-year decline in earnings, led by Energy and Information Technology sectors.

Health Care: Health Care Providers & Services Industry Leads Growth

The Health Care sector is reporting the highest (year-over-year) earnings growth of all eleven sectors at 5.4%. At the industry level, five of the six industries in this sector are reporting earnings growth for the quarter. One of these five industries is reporting double-digit earnings growth: Health Care Providers & Services (17%). The Pharmaceuticals (-3%) industry is the only industry reporting a year-over-year decline in earnings for the quarter.

Utilities: 2 of 5 Industries Reporting Double-Digit Growth

The Utilities sector is reporting the second highest (year-over-year) earnings growth of all eleven sectors at 4.5%. At the industry level, four of the five industries in this sector are reporting (or are expected to report) earnings growth for the quarter. Two of these four industries are reporting (or are projected) to report double-digit growth in earnings: Gas Utilities (12%) and Multi-Utilities (10%).

Energy: 3 of 6 Sub-Industries Reporting Double-Digit Decline

The Energy sector is reporting the largest (year-over-year) earnings decline of all eleven sectors at -29.6%. Lower oil prices are helping to drive the 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 reporting a decline in earnings for the quarter: Oil & Gas Refining & Marketing (-63%), Integrated Oil & Gas (-40%), Oil & Gas Equipment & Services (-34%), and Oil & Gas Exploration & Production (-8%). On the other hand, the other two sub-industries in the sector are reporting earnings growth for the quarter: Oil & Gas Drilling (N/A due to year-ago loss) and Oil & Gas Storage & Transportation (26%).

Information Technology: Apple and Micron Technology Lead Decline

The Information Technology sector is reporting the second highest (year-over-year) earnings decline of all eleven sectors at -8.0%. At the industry level, three of the six industries in this sector are reporting a decline in earnings for the quarter. Two of these three industries are reporting a double-digit decline in earnings: Technology Hardware, Storage, & Peripherals (-22%) and Semiconductors & Semiconductor Equipment (-22%).

At the company level, Apple and Micron Technology are 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 -2.4% from -8.0%.

Revenue Growth: 5.1%

The blended (year-over-year) revenue growth rate for Q1 2019 is 5.1%. If 5.1% is the final growth rate for the quarter, it will mark the lowest revenue growth rate for the index since Q2 2017 (5.3%). Nine of the eleven sectors are reporting year-over-year growth in revenues, led by the Health Care and Communication Services sectors. Two sectors are reporting a year-over-year decline in revenues, led by the Information Technology 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 13.2%. At the industry level, all six industries in this sector are reporting revenue growth for the quarter. One of these six industries is reporting double-digit growth in revenues: Health Care Providers & Services (18%).

At the company level, Cigna and CVS Health are 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 ($32.60 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 ($60.36 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 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 6.3% from 13.2%.

Communication Services: 2 of 4 Industries Reporting Double-Digit Growth

The Communication Services sector is reporting the highest (year-over-year) revenue growth of all eleven sectors at 12.8%. At the industry level, all four industries in this sector are reporting revenue growth. Two of these four industries are reporting double-digit revenue growth: Interactive Media & Services (21%) and Media (12%).

Information Technology: 2 of 6 Industries Reporting Decline

The Information Technology sector is the only sector reporting a (year-over-year) decline in revenue at -1.0%. At the industry level, only two of the six industries are reporting a decline in revenue: Semiconductors & Semiconductor Equipment (-7%) and Technology Hardware, Storage, & Peripherals (-6%). On the other hand, four industries are reporting revenue growth, led by the Software (11%) 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, 38 companies in the index have issued EPS guidance for Q2 2019. Of these 38 companies, 32 have issued negative EPS guidance and 6 have issued positive EPS guidance. The percentage of companies issuing negative EPS guidance is 84% (32 out of 36), 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 -2.3% and growth in revenues of 5.1%. For the remainder of 2019, analysts see a decline in earnings in the second quarter, low single-digit growth in earnings in the third quarter, and high single-digit growth in earnings in the fourth quarter.

For Q2 2019, analysts are projecting a decline in earnings of -0.6% and revenue growth of 4.3%.

For Q3 2019, analysts are projecting earnings growth of 1.3% and revenue growth of 4.4%.

For Q4 2019, analysts are projecting earnings growth of 8.1% and revenue growth of 4.8%.

For CY 2019, analysts are projecting earnings growth of 3.6% and revenue growth of 4.7%.

Valuation: Forward P/E Ratio is 16.8, Above the 10-Year Average (14.7)

The forward 12-month P/E ratio is 16.8. 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 3.2%, while the forward 12-month EPS estimate has increased by 0.9%.

At the sector level, the Consumer Discretionary (21.7) sector has the highest forward 12-month P/E ratio, while the Financials (12.0) 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 3161.89, which is 8.1% above the closing price of 2926.17. At the sector level, the Health Care (+15.6%) and Energy (+14.2%) 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 Utilities (+2.7%) 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.

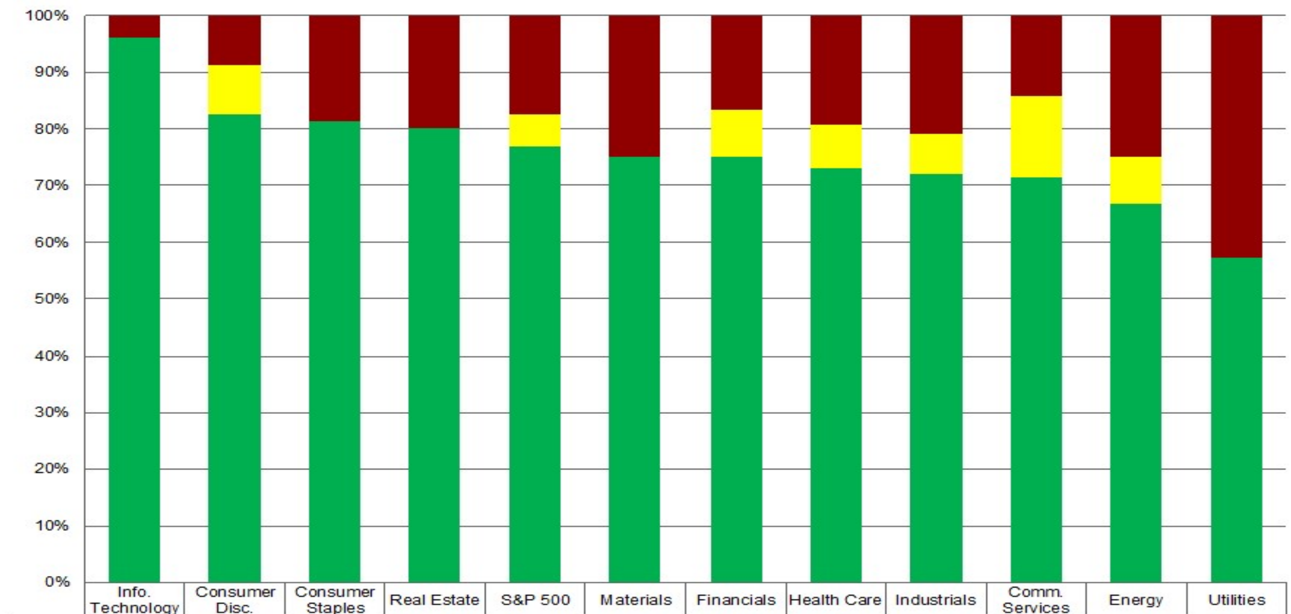
Overall, there are 11,057 ratings on stocks in the S&P 500. Of these 11,057 ratings, 52.0% are Buy ratings, 41.6% are Hold ratings, and 6.3% are Sell ratings. At the sector level, the Energy (62%) sector has the highest percentage of Buy ratings, while the Consumer Staples (39%) sector has the lowest percentage of Buy ratings.

Companies Reporting Next Week: 164

During the upcoming week, 164 S&P 500 companies (including 5 Dow 30 components) are scheduled to report results for the first quarter.

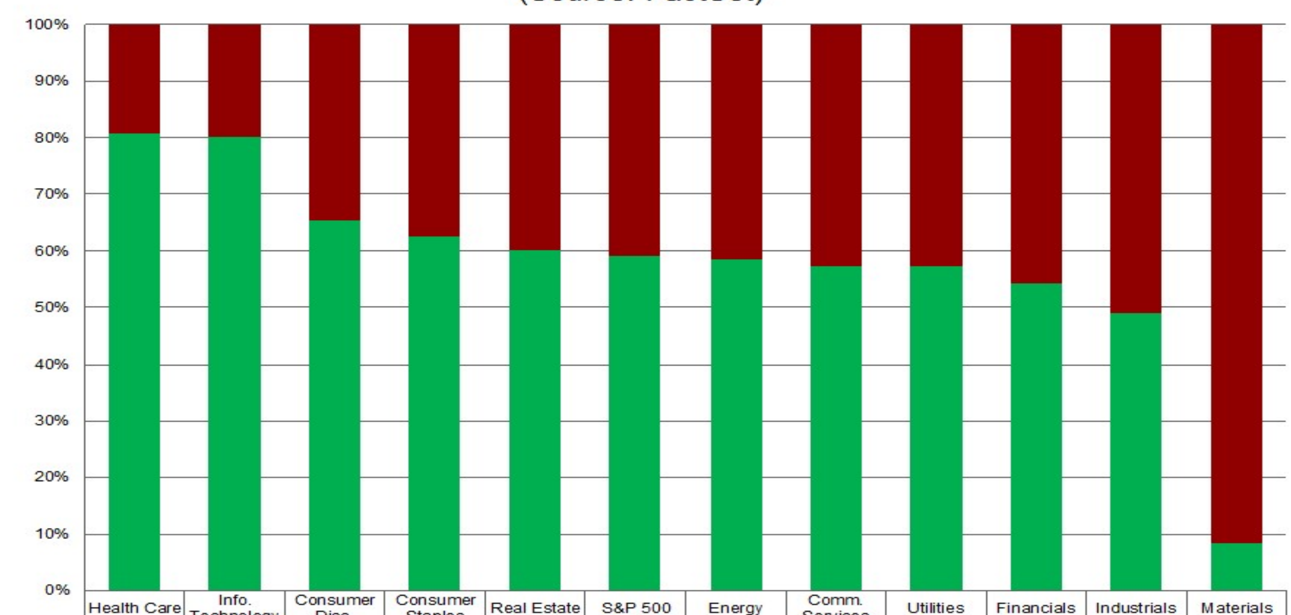
Q1 2019: Scorecard

S&P 500 Earnings Above, In-Line, Below Estimates: Q1 2019
(Source: FactSet)



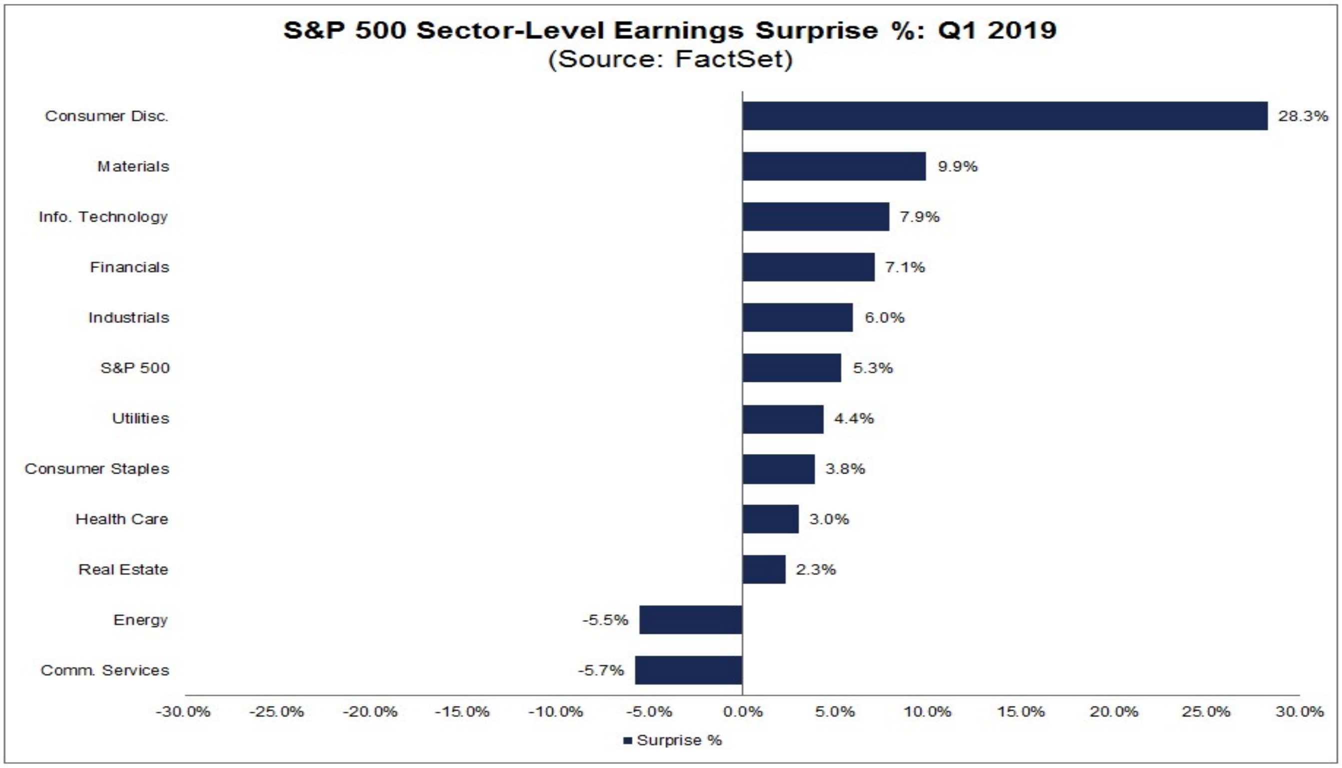
	Info. Technology	Consumer Disc.	Consumer Staples	Real Estate	S&P 500	Materials	Financials	Health Care	Industrials	Comm. Services	Energy	Utilities
Below	4%	9%	19%	20%	17%	25%	17%	19%	21%	14%	25%	43%
In-Line	0%	9%	0%	0%	6%	0%	8%	8%	7%	14%	8%	0%
Above	96%	83%	81%	80%	77%	75%	75%	73%	72%	71%	67%	57%

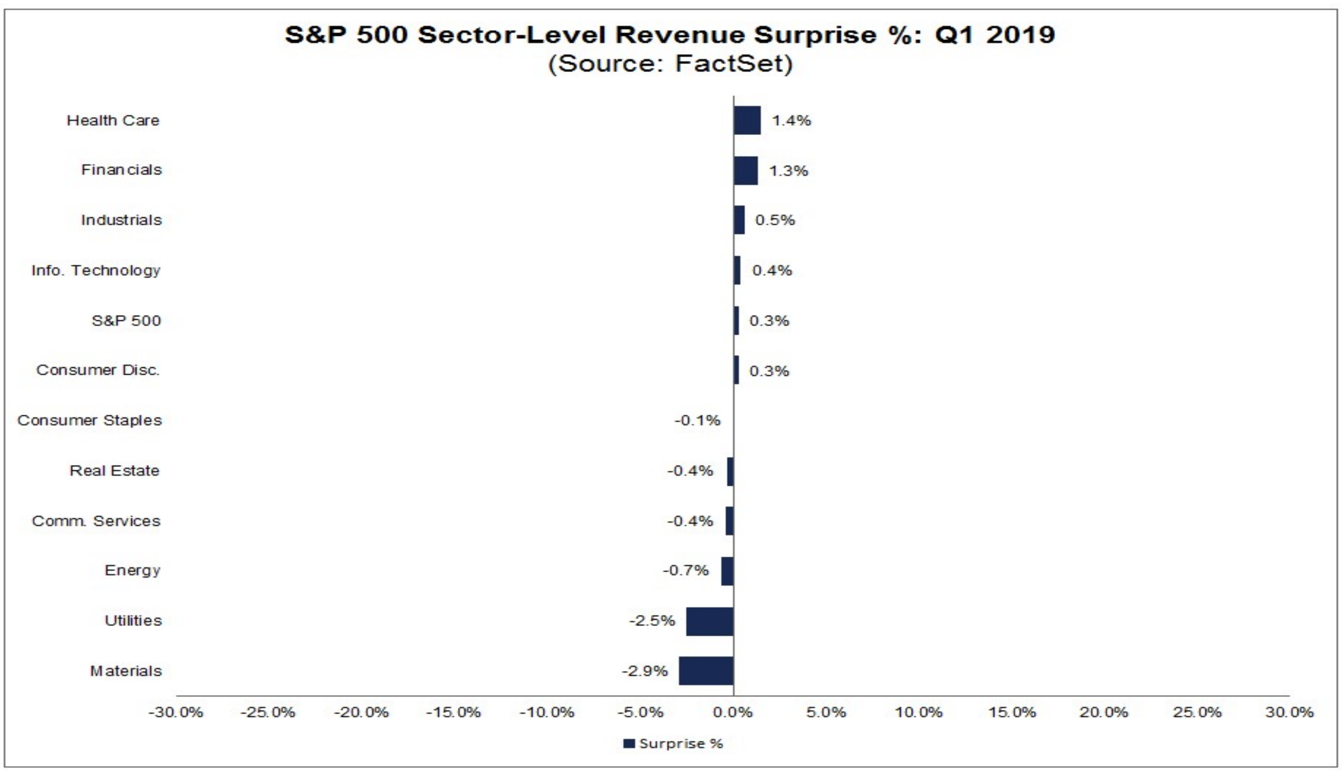
S&P 500 Revenues Above, In-Line, Below Estimates: Q1 2019
(Source: FactSet)



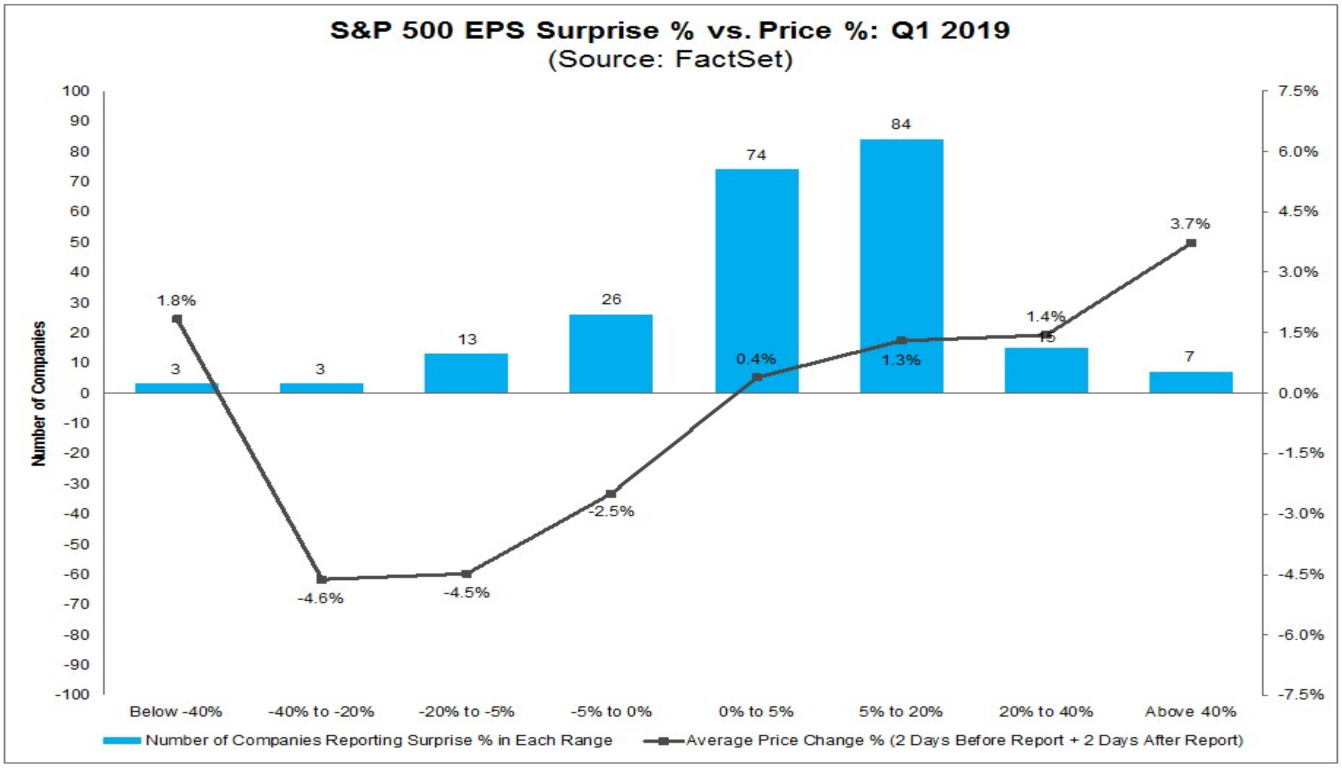
	Health Care	Info. Technology	Consumer Disc.	Consumer Staples	Real Estate	S&P 500	Energy	Comm. Services	Utilities	Financials	Industrials	Materials
Below	19%	20%	35%	38%	40%	41%	42%	43%	43%	46%	51%	92%
In-Line	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Above	81%	80%	65%	63%	60%	59%	58%	57%	57%	54%	49%	8%

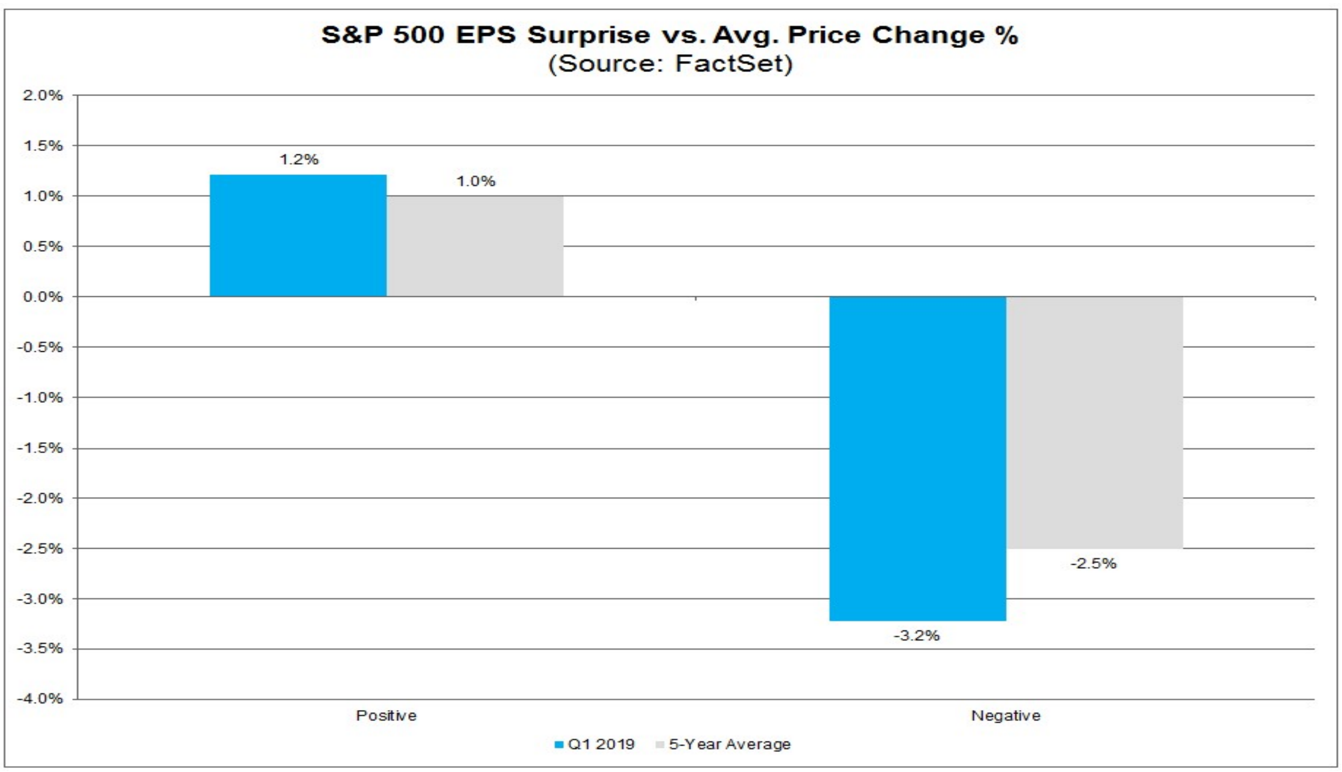
Q1 2019: Scorecard



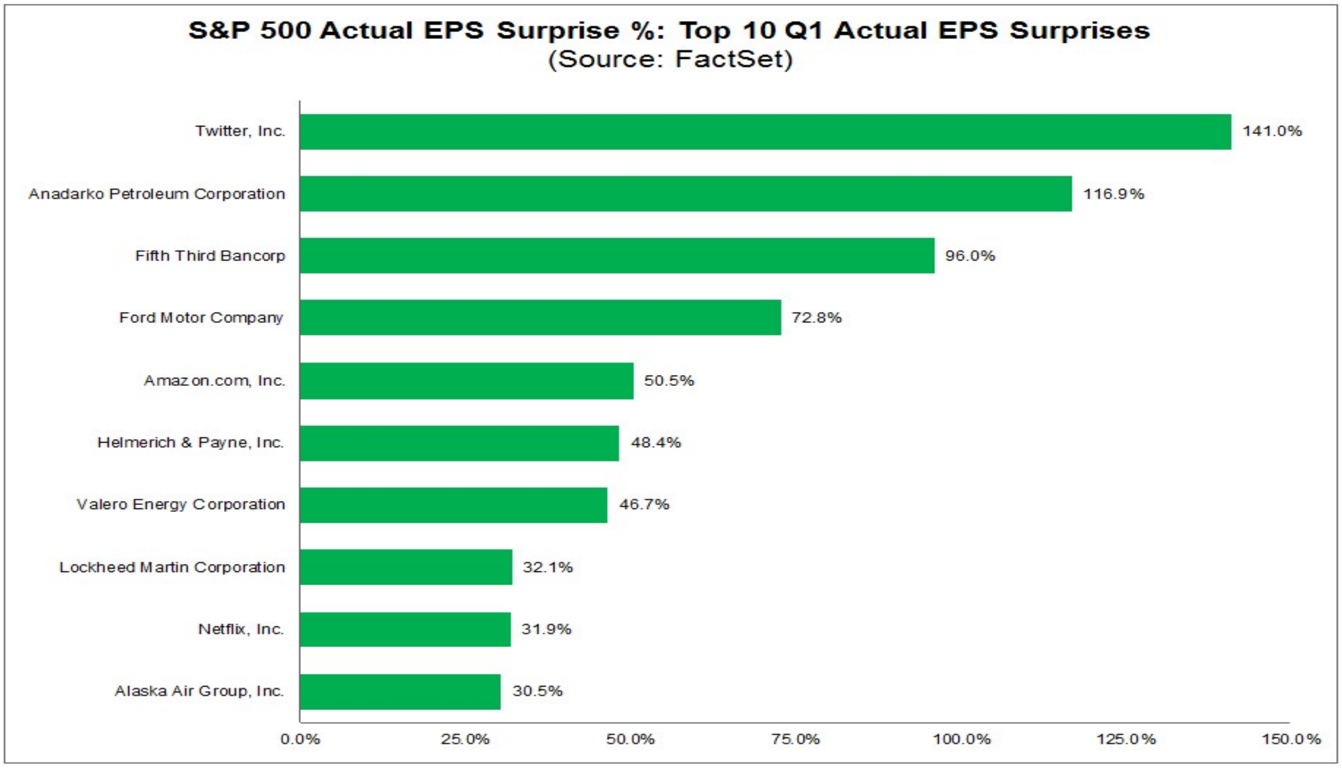


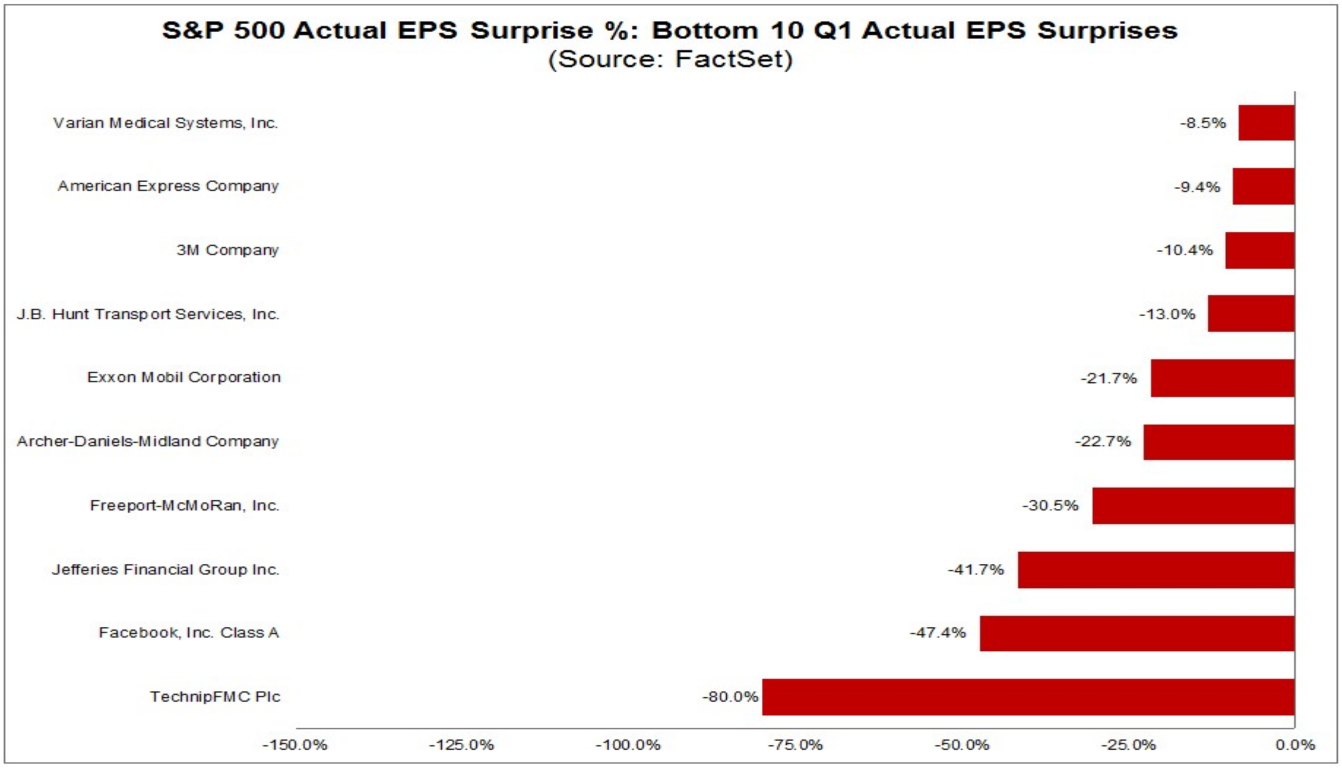
Q1 2019: Scorecard



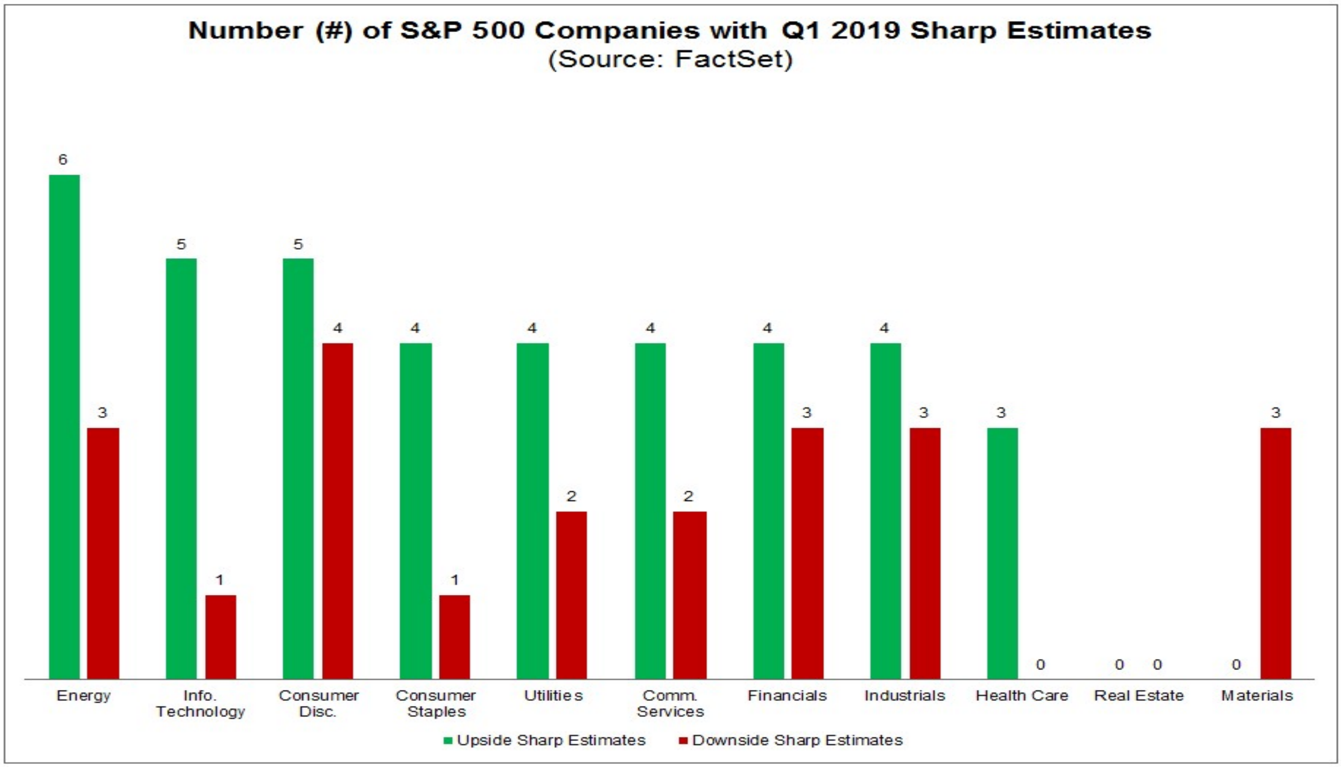


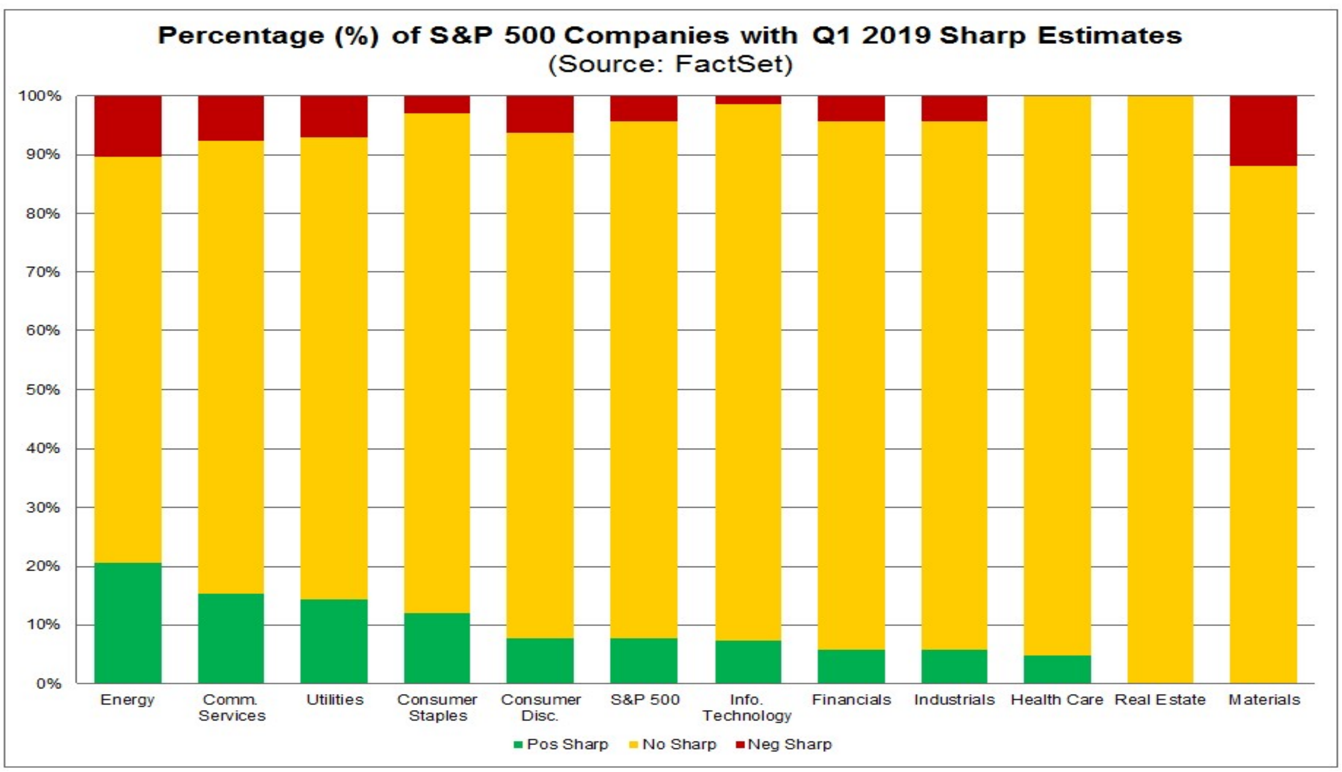
Q1 2019: Scorecard



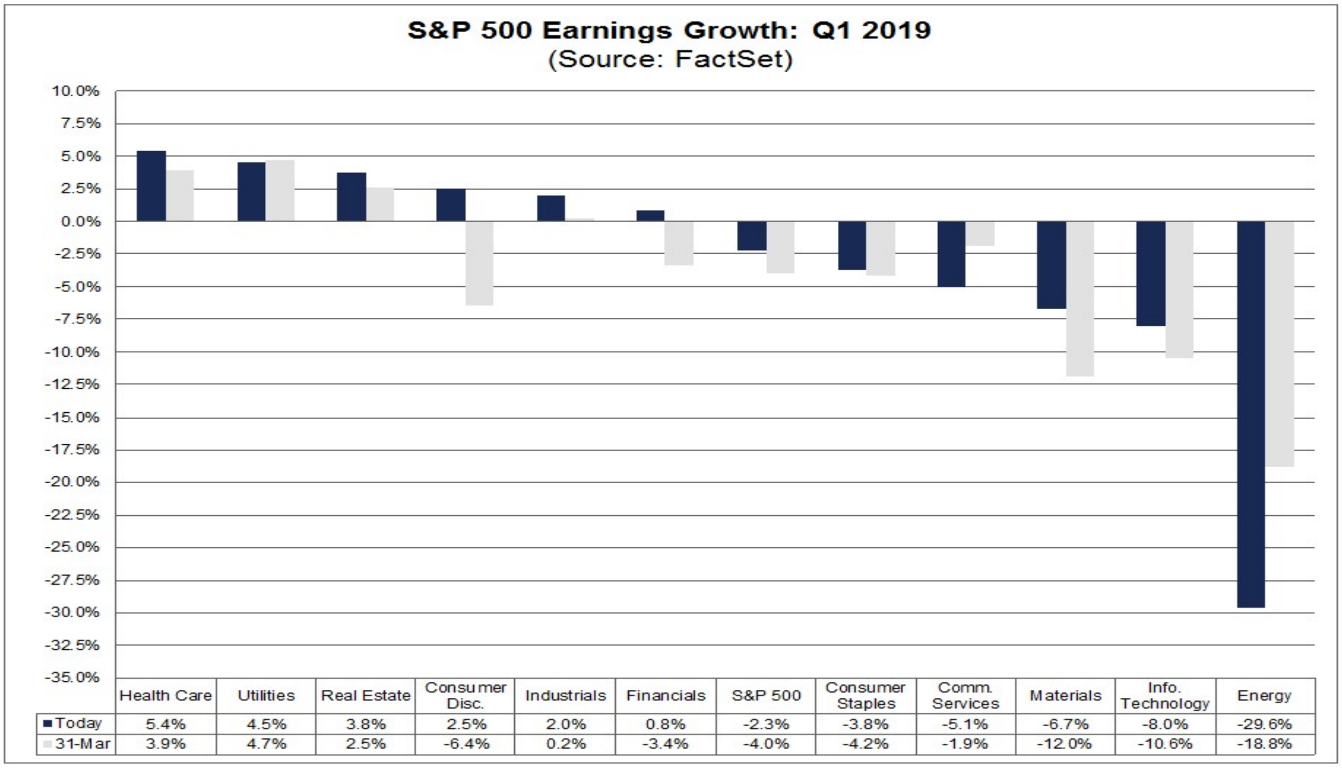


Q1 2019: Projected EPS Surprises (Sharp Estimates)

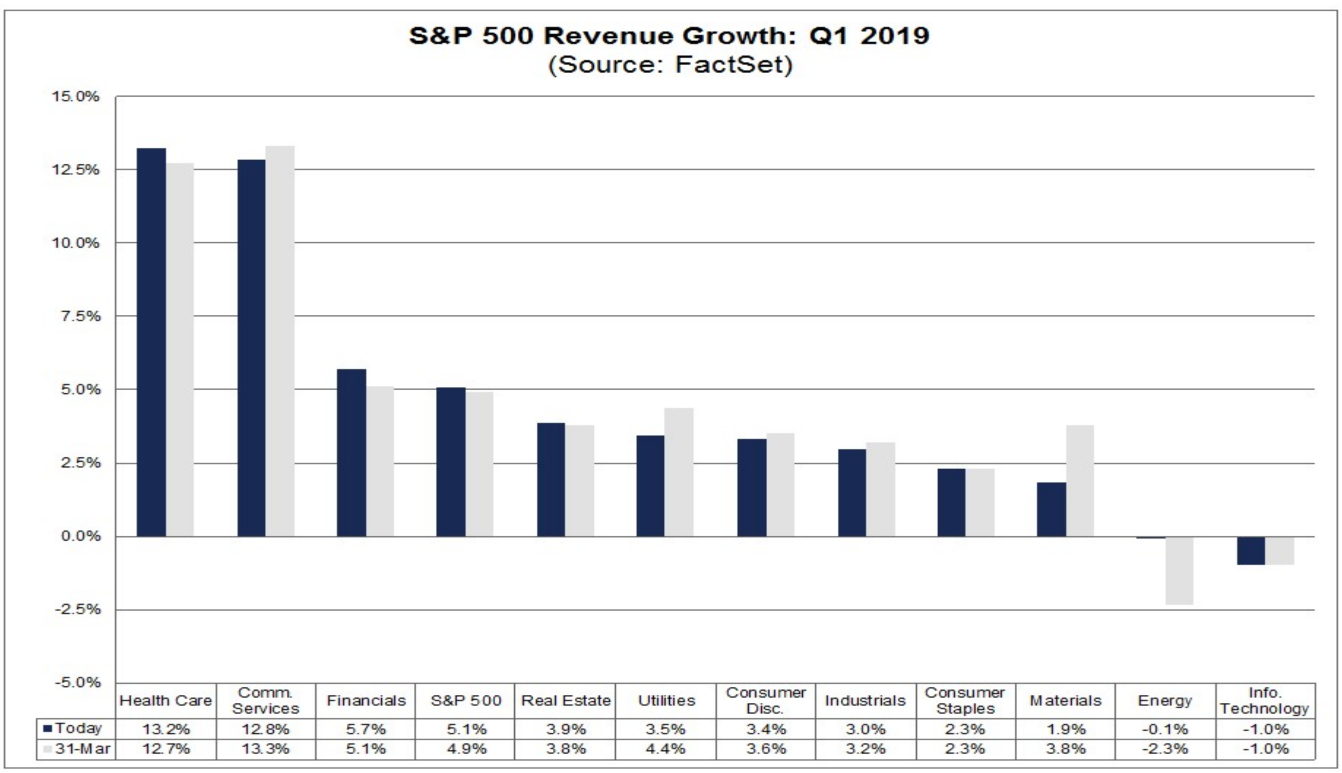




Q1 2019: Growth

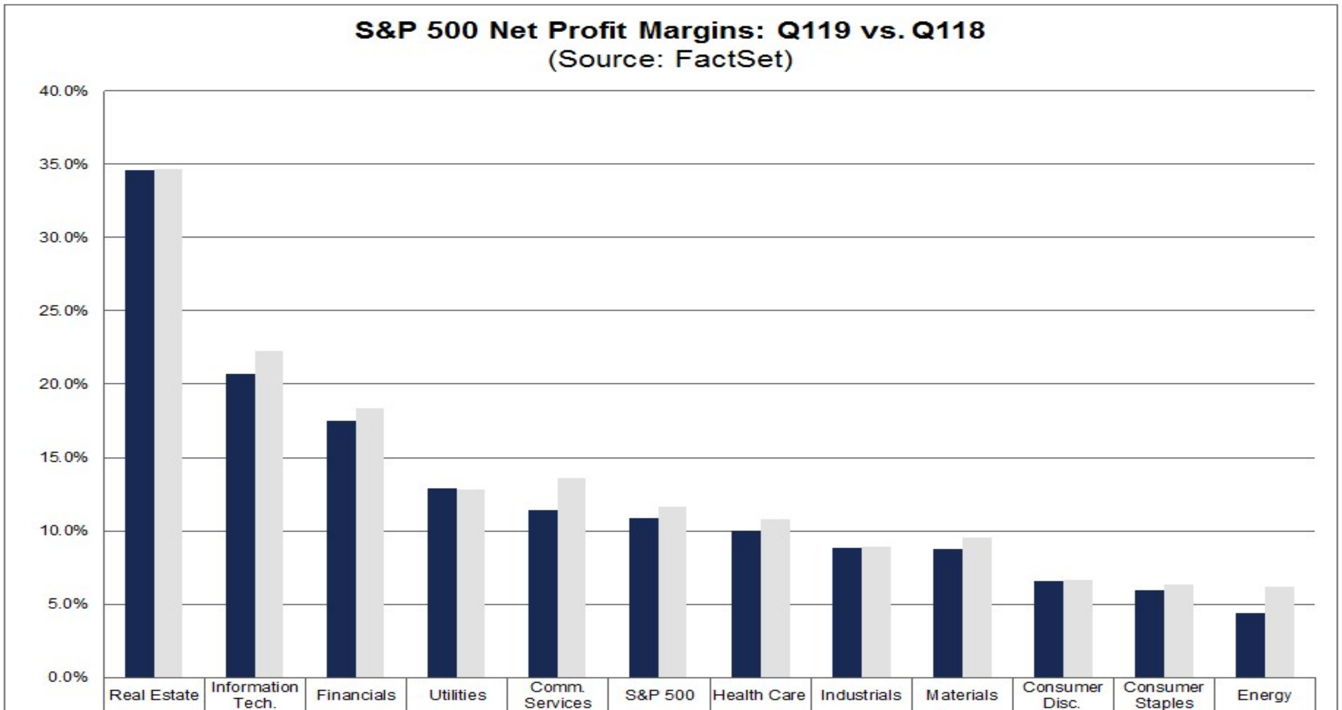


	Health Care	Utilities	Real Estate	Consumer Disc.	Industrials	Financials	S&P 500	Consumer Staples	Comm. Services	Materials	Info. Technology	Energy
Today	5.4%	4.5%	3.8%	2.5%	2.0%	0.8%	-2.3%	-3.8%	-5.1%	-6.7%	-8.0%	-29.6%
31-Mar	3.9%	4.7%	2.5%	-6.4%	0.2%	-3.4%	-4.0%	-4.2%	-1.9%	-12.0%	-10.6%	-18.8%

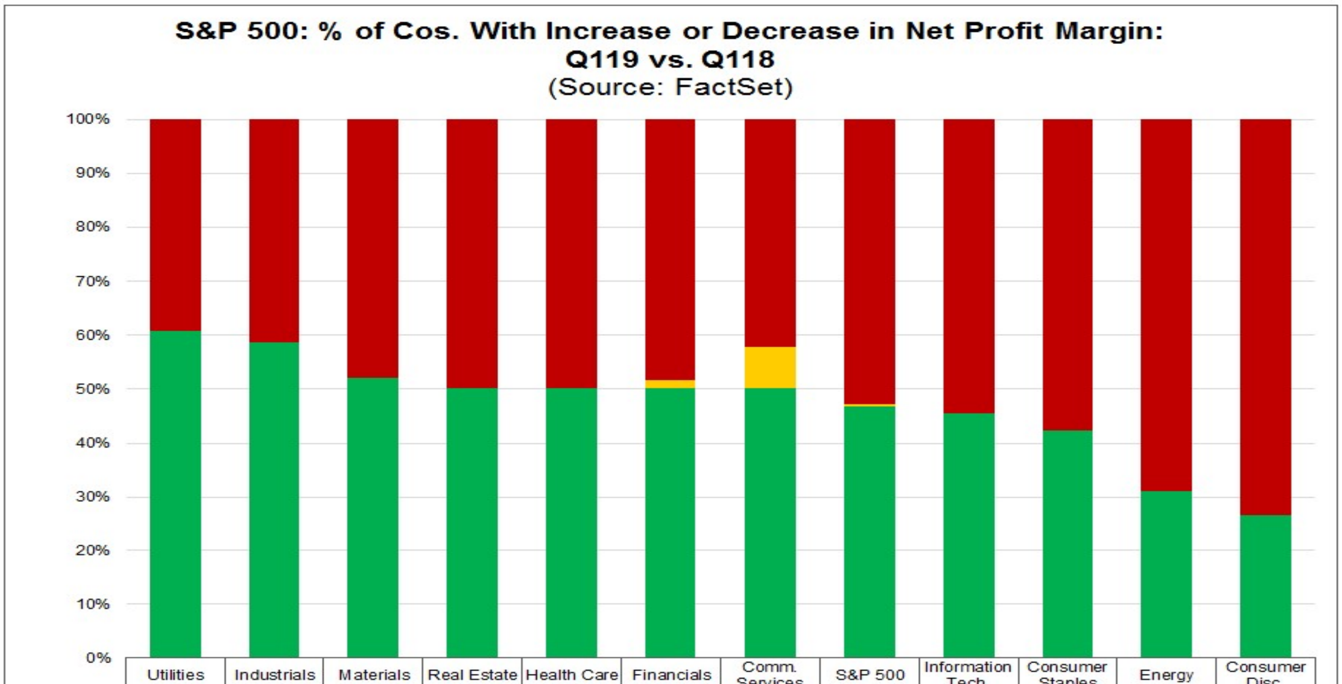


	Health Care	Comm. Services	Financials	S&P 500	Real Estate	Utilities	Consumer Disc.	Industrials	Consumer Staples	Materials	Energy	Info. Technology
Today	13.2%	12.8%	5.7%	5.1%	3.9%	3.5%	3.4%	3.0%	2.3%	1.9%	-0.1%	-1.0%
31-Mar	12.7%	13.3%	5.1%	4.9%	3.8%	4.4%	3.6%	3.2%	2.3%	3.8%	-2.3%	-1.0%

Q1 2019: Net Profit Margin

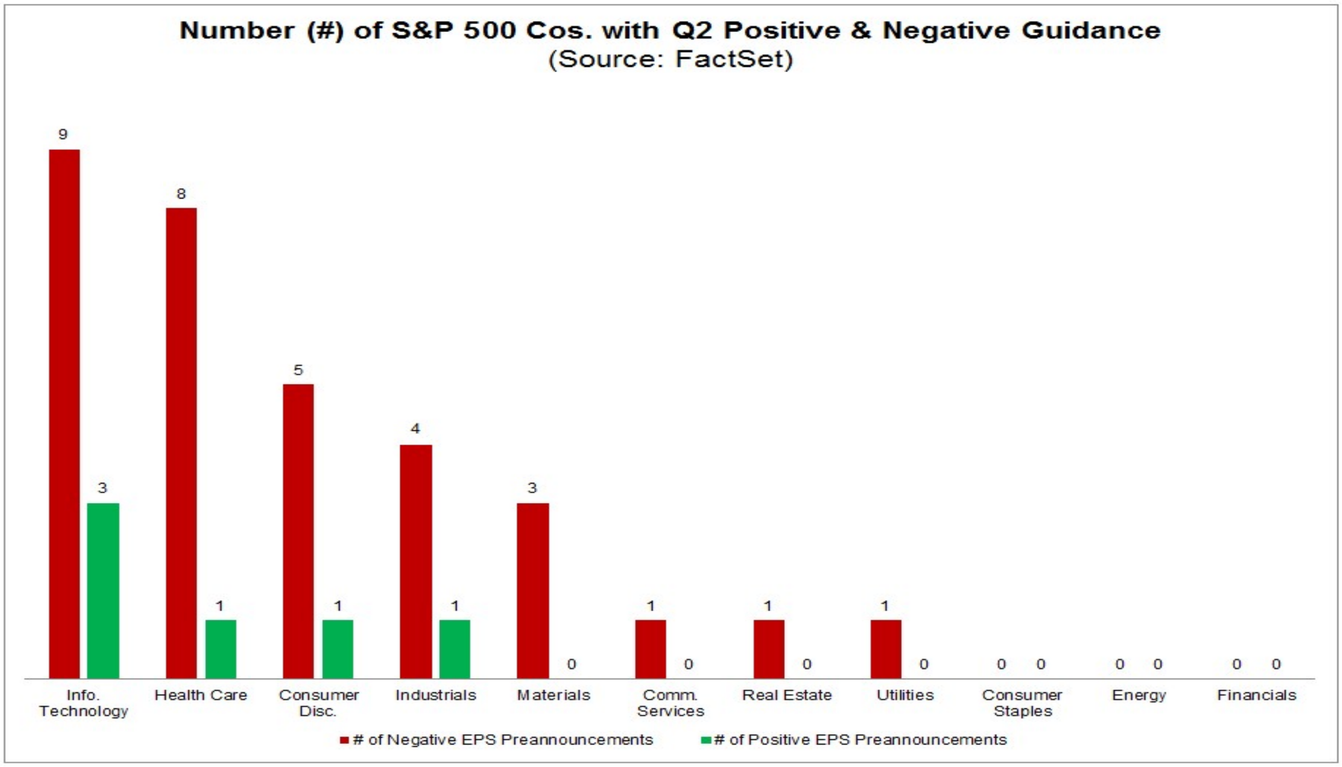


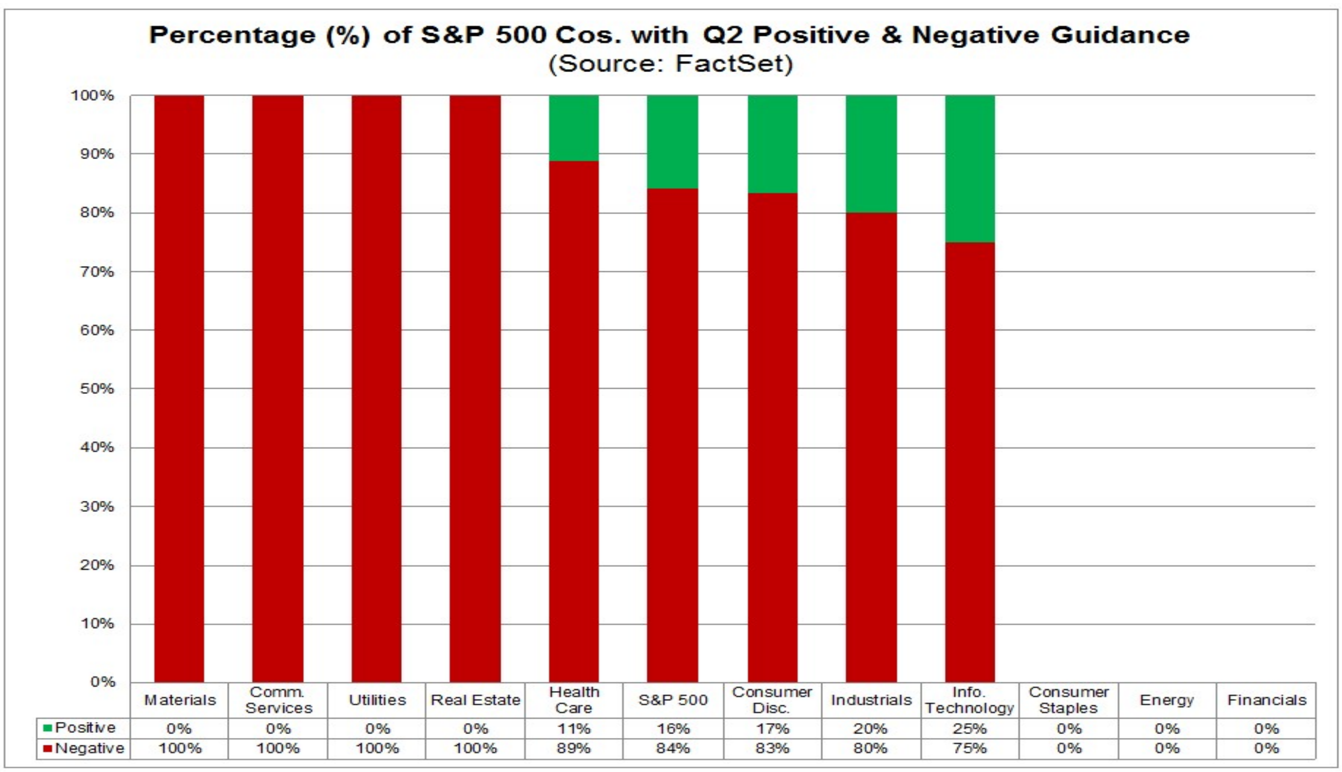
	Real Estate	Information Tech.	Financials	Utilities	Comm. Services	S&P 500	Health Care	Industrials	Materials	Consumer Disc.	Consumer Staples	Energy
Q119	34.6%	20.7%	17.5%	13.0%	11.5%	10.9%	10.1%	8.9%	8.8%	6.6%	6.0%	4.4%
Q118	34.7%	22.3%	18.4%	12.8%	13.6%	11.7%	10.8%	9.0%	9.6%	6.7%	6.4%	6.2%



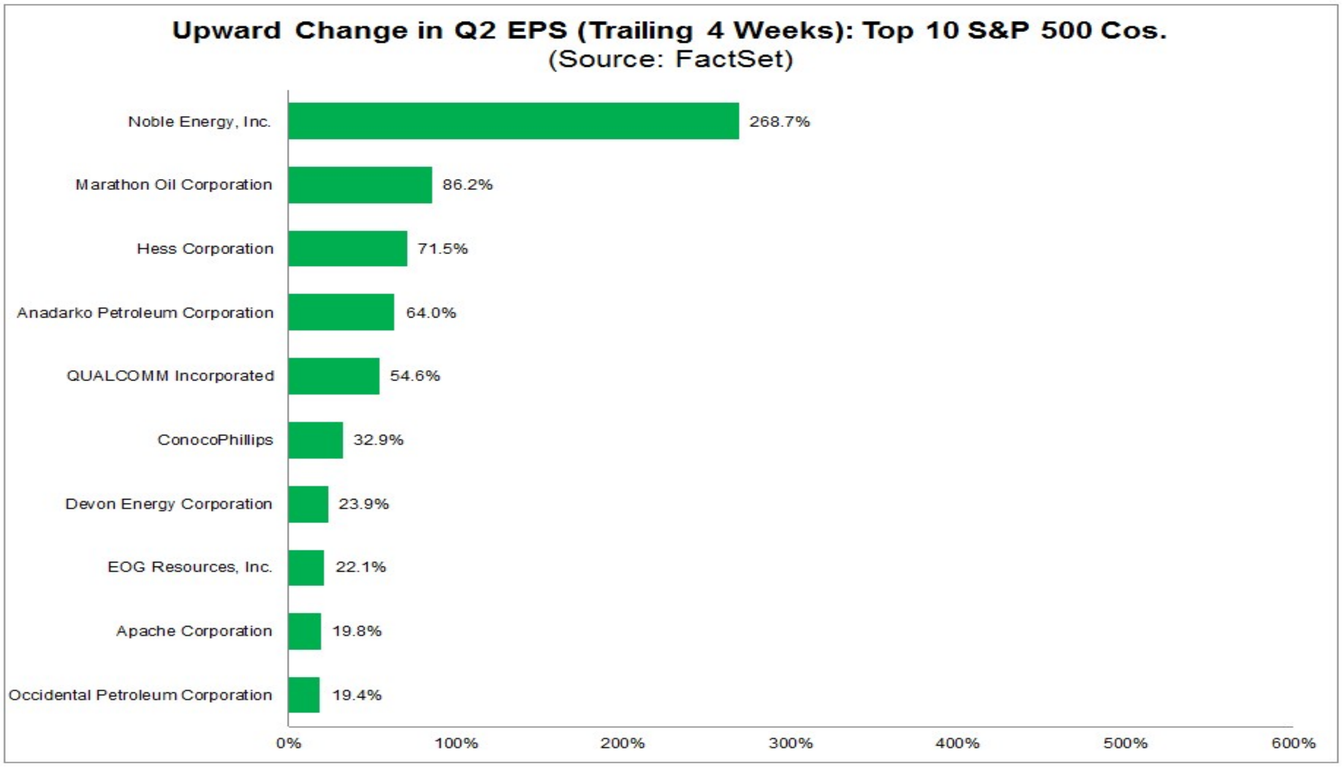
	Utilities	Industrials	Materials	Real Estate	Health Care	Financials	Comm. Services	S&P 500	Information Tech.	Consumer Staples	Energy	Consumer Disc.
Down %	39%	41%	48%	50%	50%	49%	42%	53%	54%	58%	69%	73%
None %	0%	0%	0%	0%	0%	1%	8%	1%	0%	0%	0%	0%
Up %	61%	59%	52%	50%	50%	50%	50%	47%	46%	42%	31%	27%

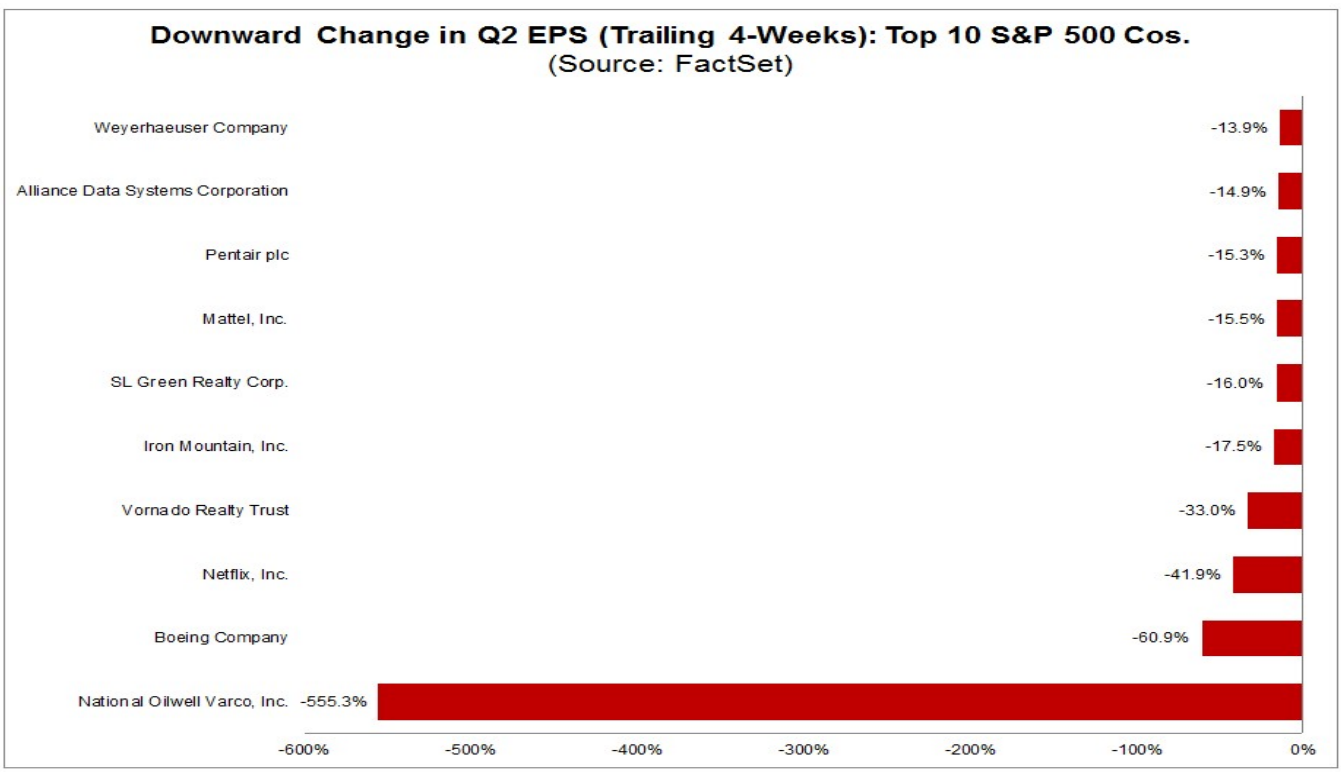
Q2 2019: EPS Guidance



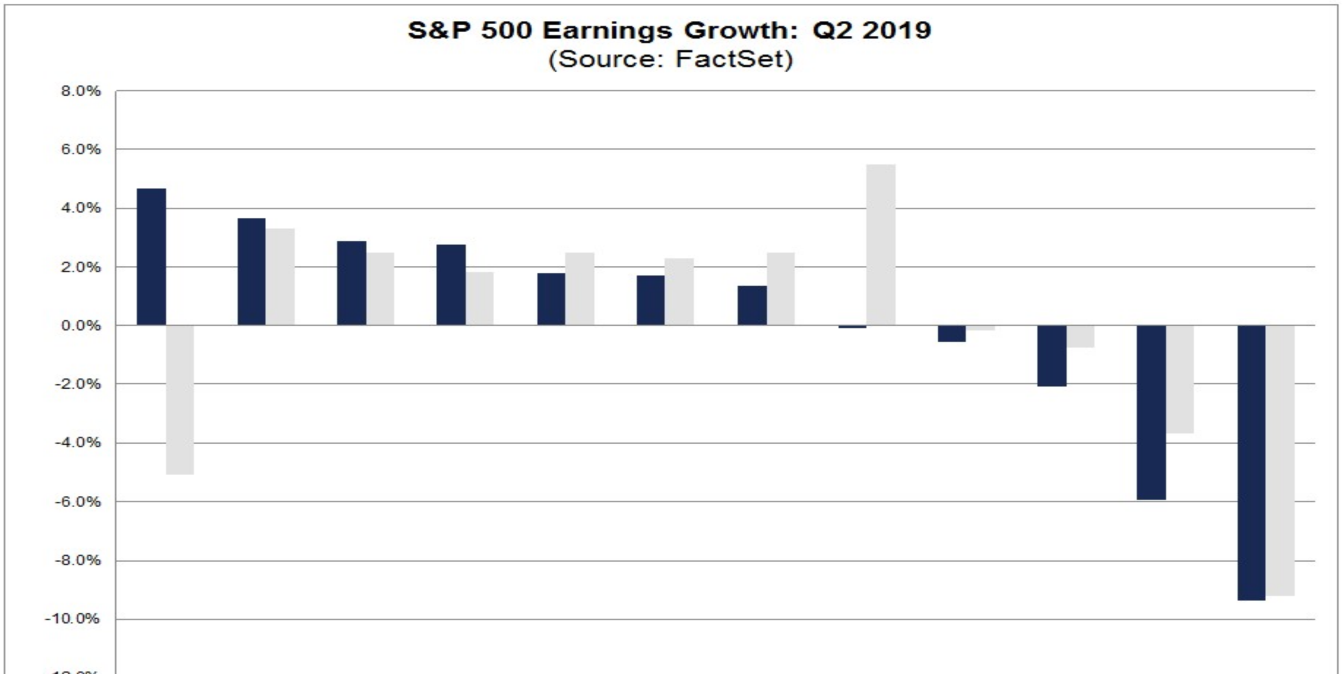


Q2 2019: EPS Revisions

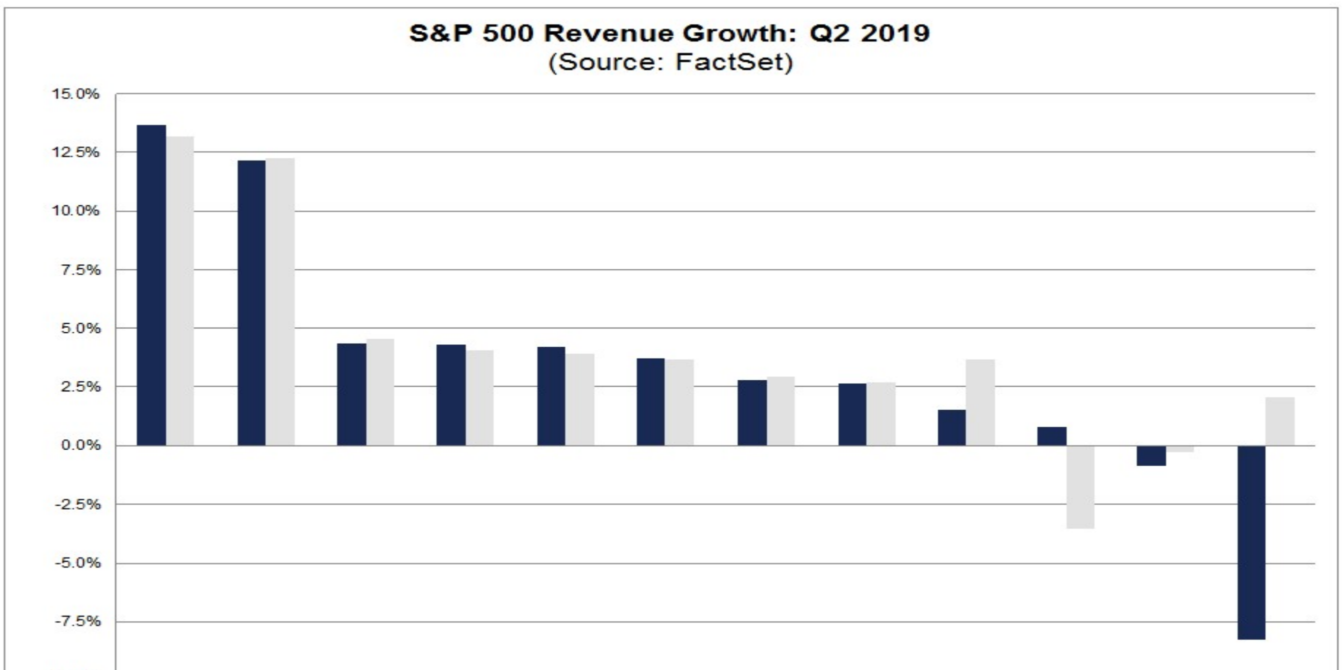




Q2 2019: Growth

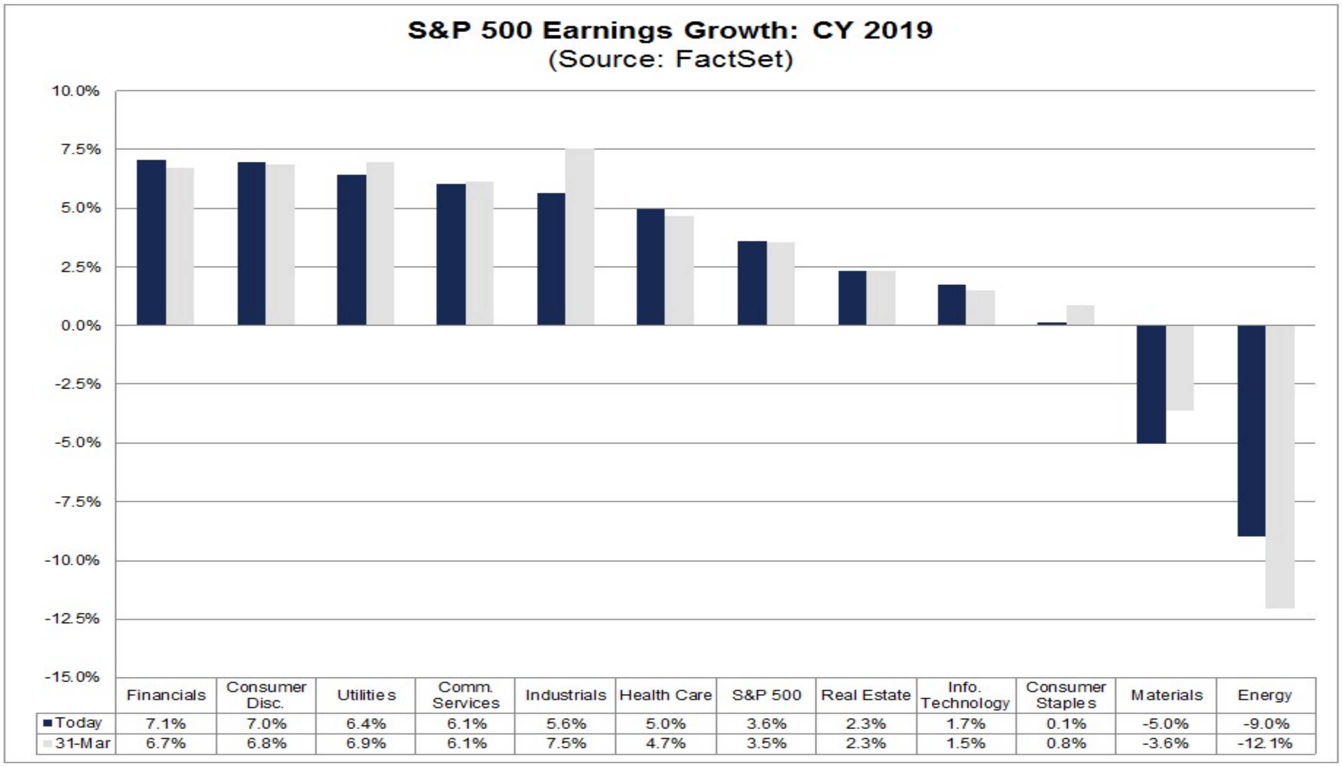


	Energy	Comm. Services	Health Care	Utilities	Financials	Real Estate	Consumer Disc.	Industrials	S&P 500	Consumer Staples	Materials	Info. Technology
Today	4.7%	3.7%	2.9%	2.8%	1.8%	1.7%	1.3%	-0.1%	-0.6%	-2.1%	-5.9%	-9.3%
31-Mar	-5.1%	3.3%	2.5%	1.8%	2.5%	2.3%	2.5%	5.5%	-0.2%	-0.8%	-3.7%	-9.2%

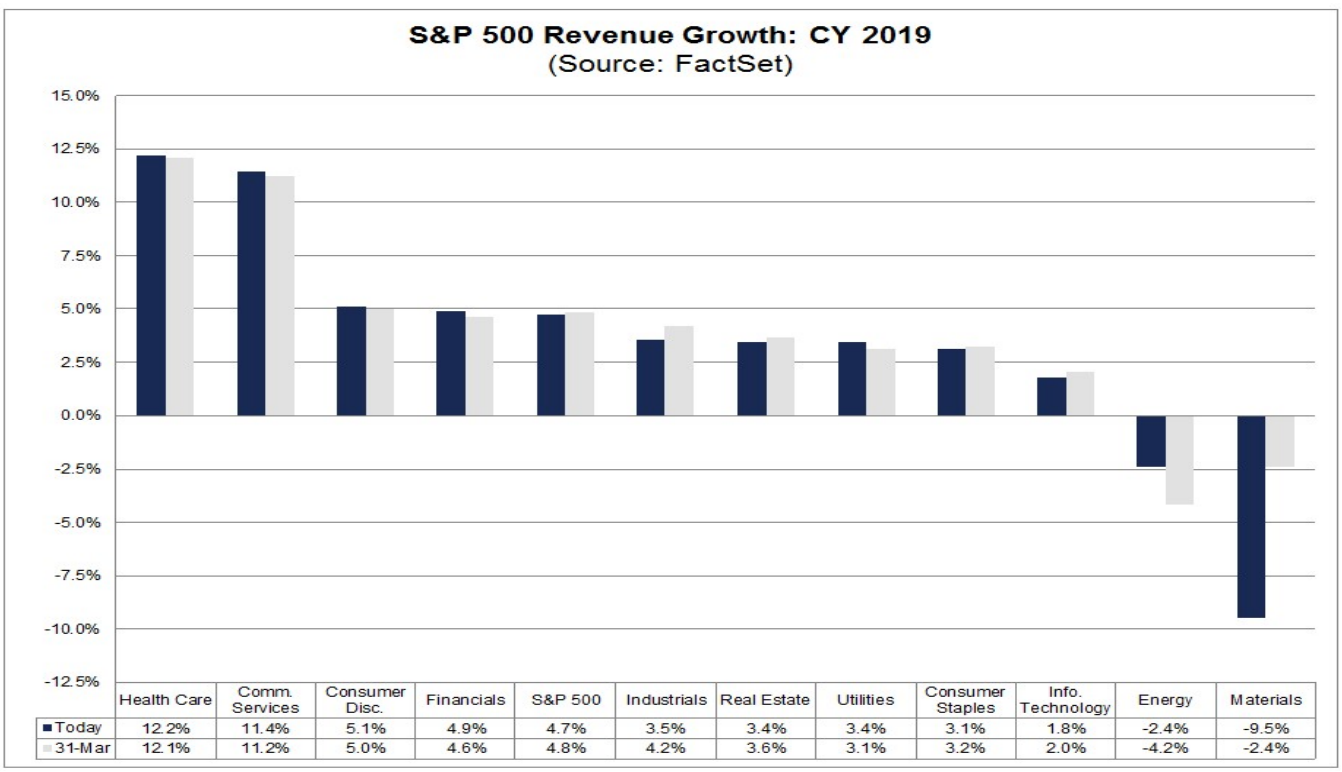


	Comm. Services	Health Care	S&P 500	Utilities	Consumer Disc.	Real Estate	Financials	Consumer Staples	Industrials	Energy	Info. Technology	Materials
Today	13.7%	12.2%	4.3%	4.3%	4.2%	3.7%	2.8%	2.6%	1.5%	0.8%	-0.9%	-8.3%
31-Mar	13.2%	12.3%	4.5%	4.0%	3.9%	3.6%	2.9%	2.7%	3.7%	-3.5%	-0.2%	2.0%

CY 2019: Growth

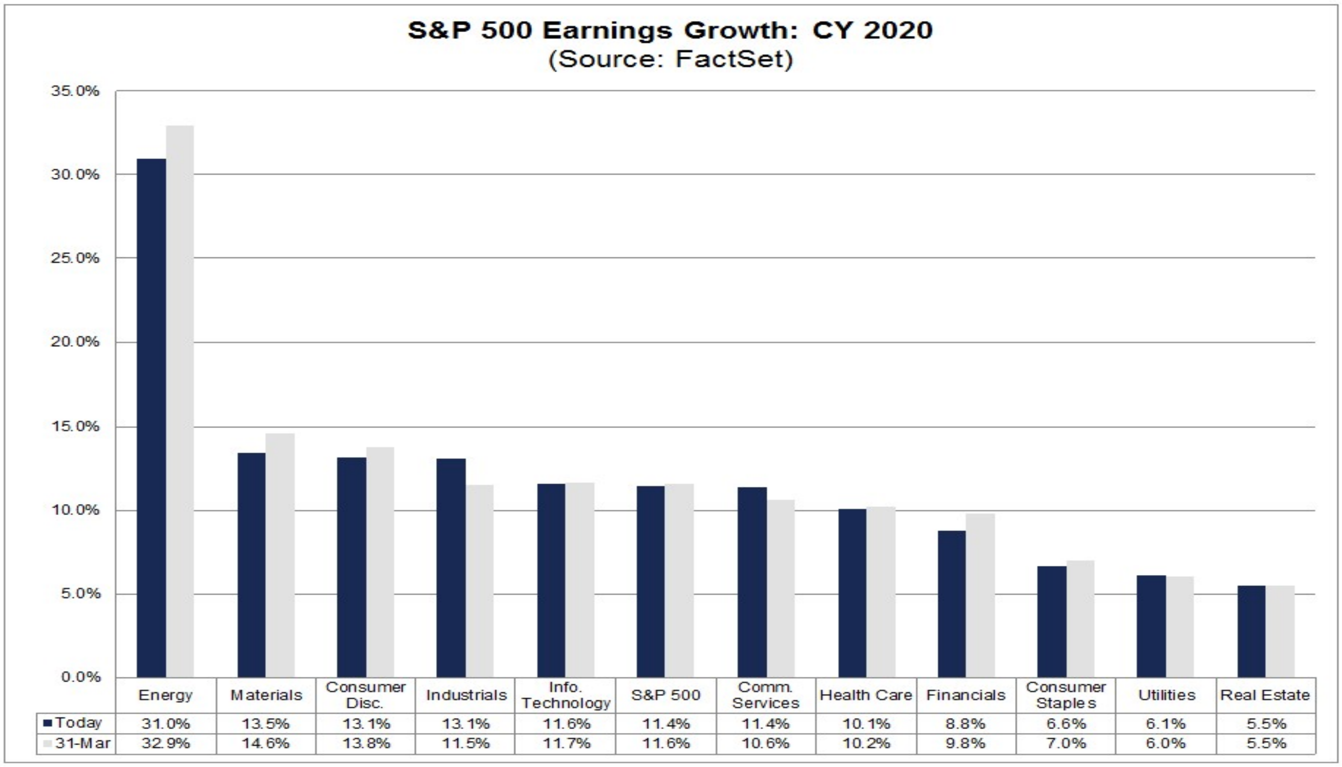


	Financials	Consumer Disc.	Utilities	Comm. Services	Industrials	Health Care	S&P 500	Real Estate	Info. Technology	Consumer Staples	Materials	Energy
Today	7.1%	7.0%	6.4%	6.1%	5.6%	5.0%	3.6%	2.3%	1.7%	0.1%	-5.0%	-9.0%
31-Mar	6.7%	6.8%	6.9%	6.1%	7.5%	4.7%	3.5%	2.3%	1.5%	0.8%	-3.6%	-12.1%

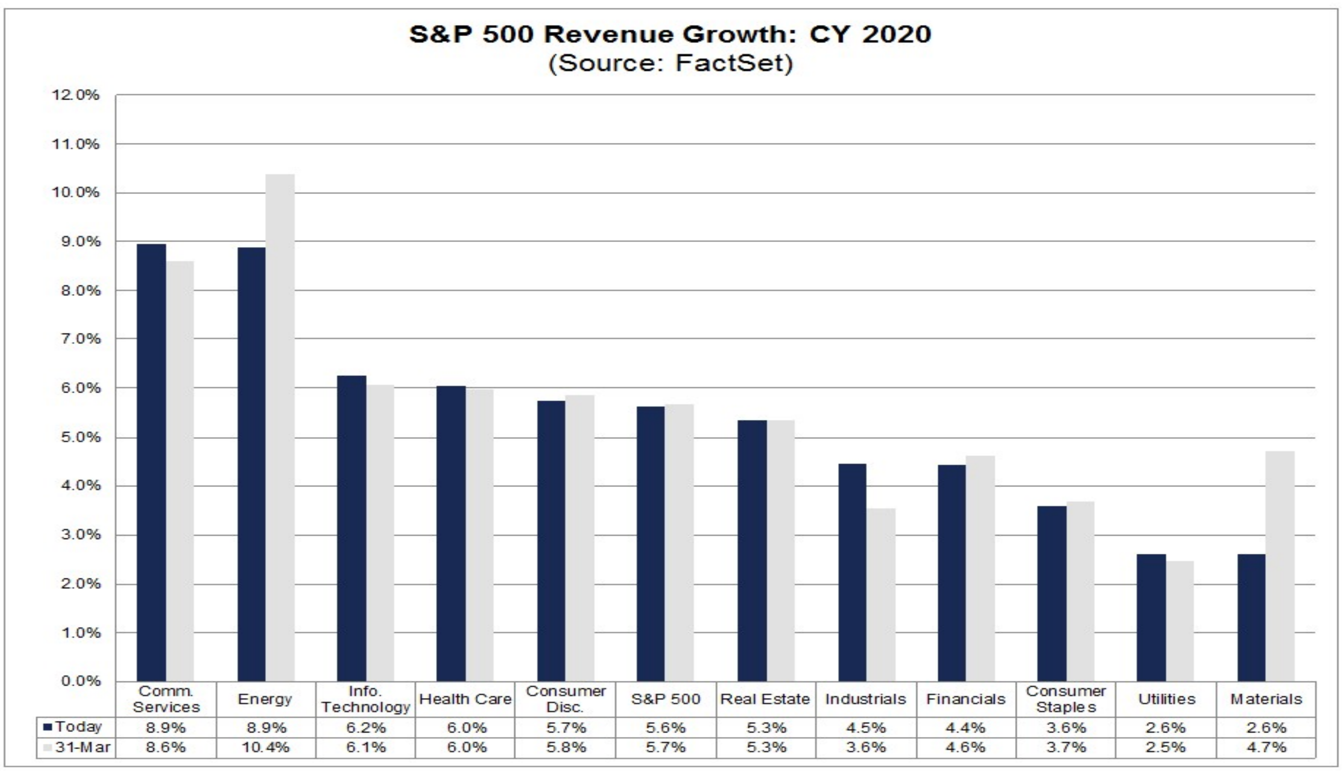


	Health Care	Comm. Services	Consumer Disc.	Financials	S&P 500	Industrials	Real Estate	Utilities	Consumer Staples	Info. Technology	Energy	Materials
Today	12.2%	11.4%	5.1%	4.9%	4.7%	3.5%	3.4%	3.4%	3.1%	1.8%	-2.4%	-9.5%
31-Mar	12.1%	11.2%	5.0%	4.6%	4.8%	4.2%	3.6%	3.1%	3.2%	2.0%	-4.2%	-2.4%

CY 2020: Growth

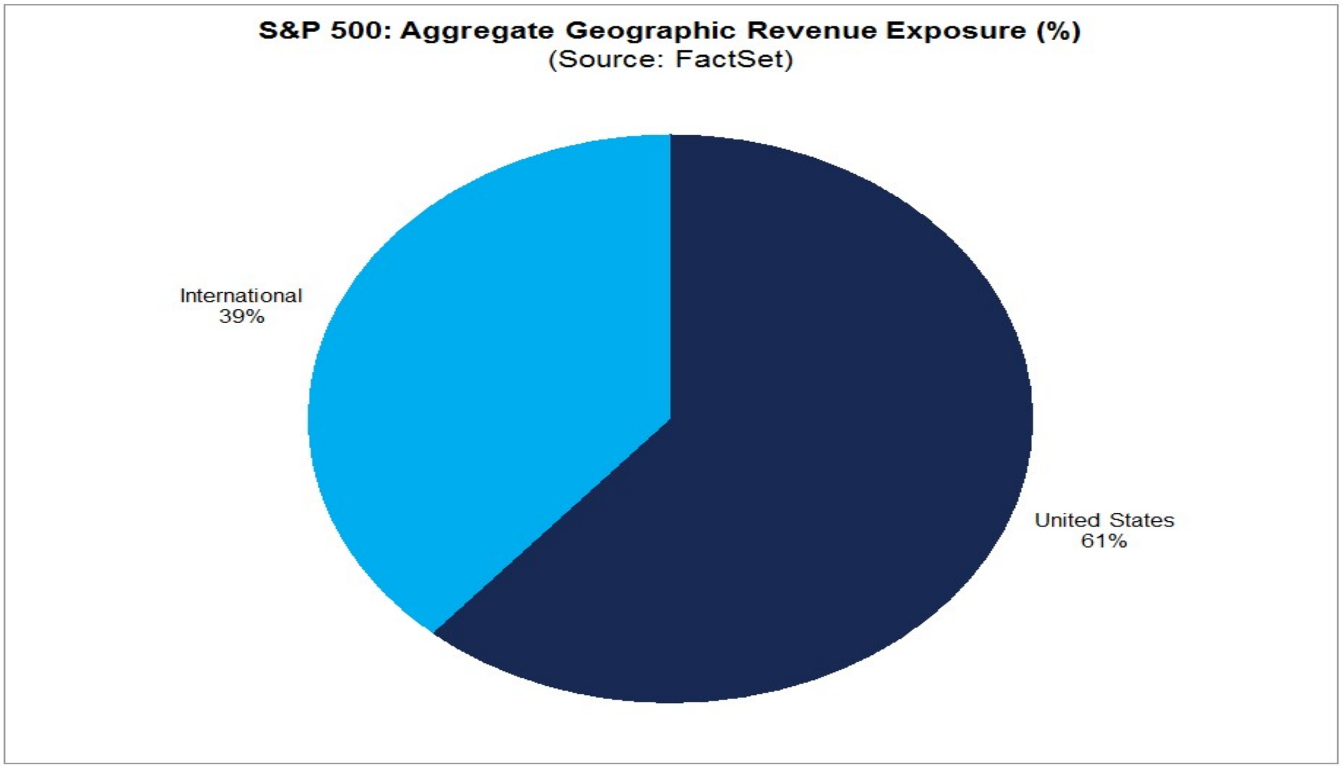


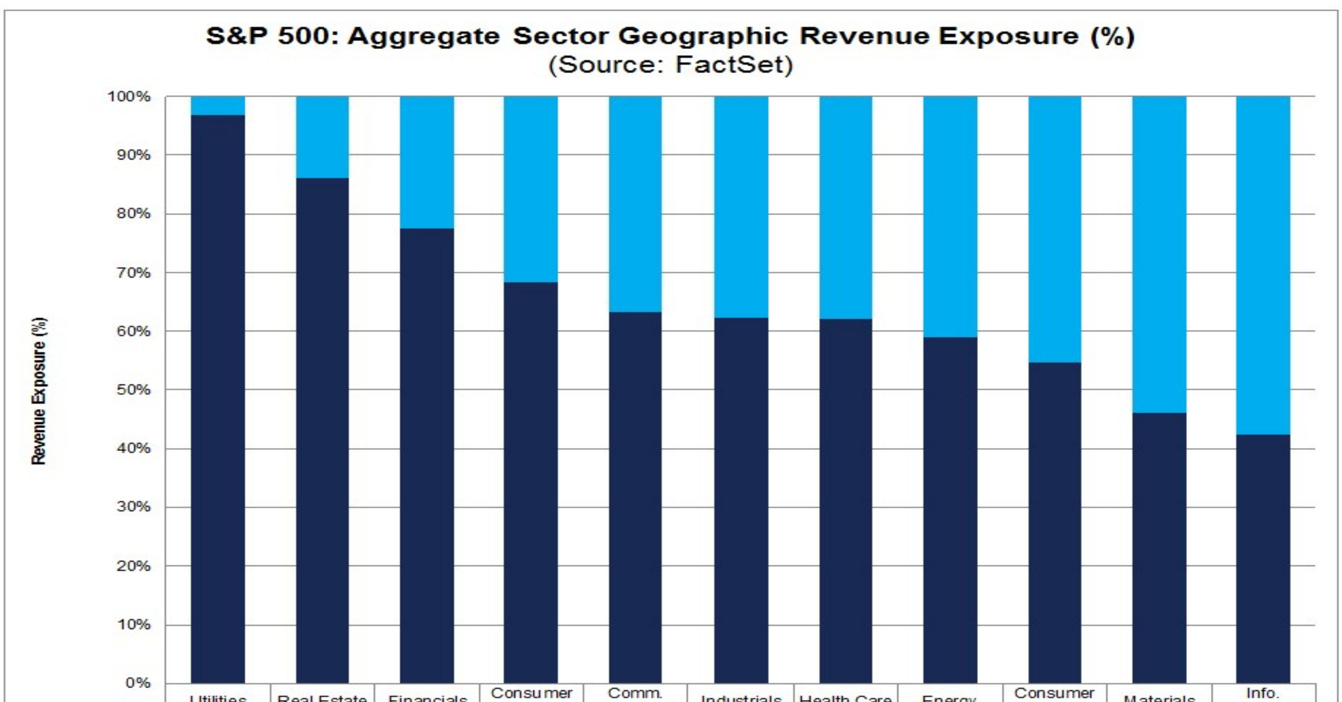
	Energy	Materials	Consumer Disc.	Industrials	Info. Technology	S&P 500	Comm. Services	Health Care	Financials	Consumer Staples	Utilities	Real Estate
Today	31.0%	13.5%	13.1%	13.1%	11.6%	11.4%	11.4%	10.1%	8.8%	6.6%	6.1%	5.5%
31-Mar	32.9%	14.6%	13.8%	11.5%	11.7%	11.6%	10.6%	10.2%	9.8%	7.0%	6.0%	5.5%



	Comm. Services	Energy	Info. Technology	Health Care	Consumer Disc.	S&P 500	Real Estate	Industrials	Financials	Consumer Staples	Utilities	Materials
Today	8.9%	8.9%	6.2%	6.0%	5.7%	5.6%	5.3%	4.5%	4.4%	3.6%	2.6%	2.6%
31-Mar	8.6%	10.4%	6.1%	6.0%	5.8%	5.7%	5.3%	3.6%	4.6%	3.7%	2.5%	4.7%

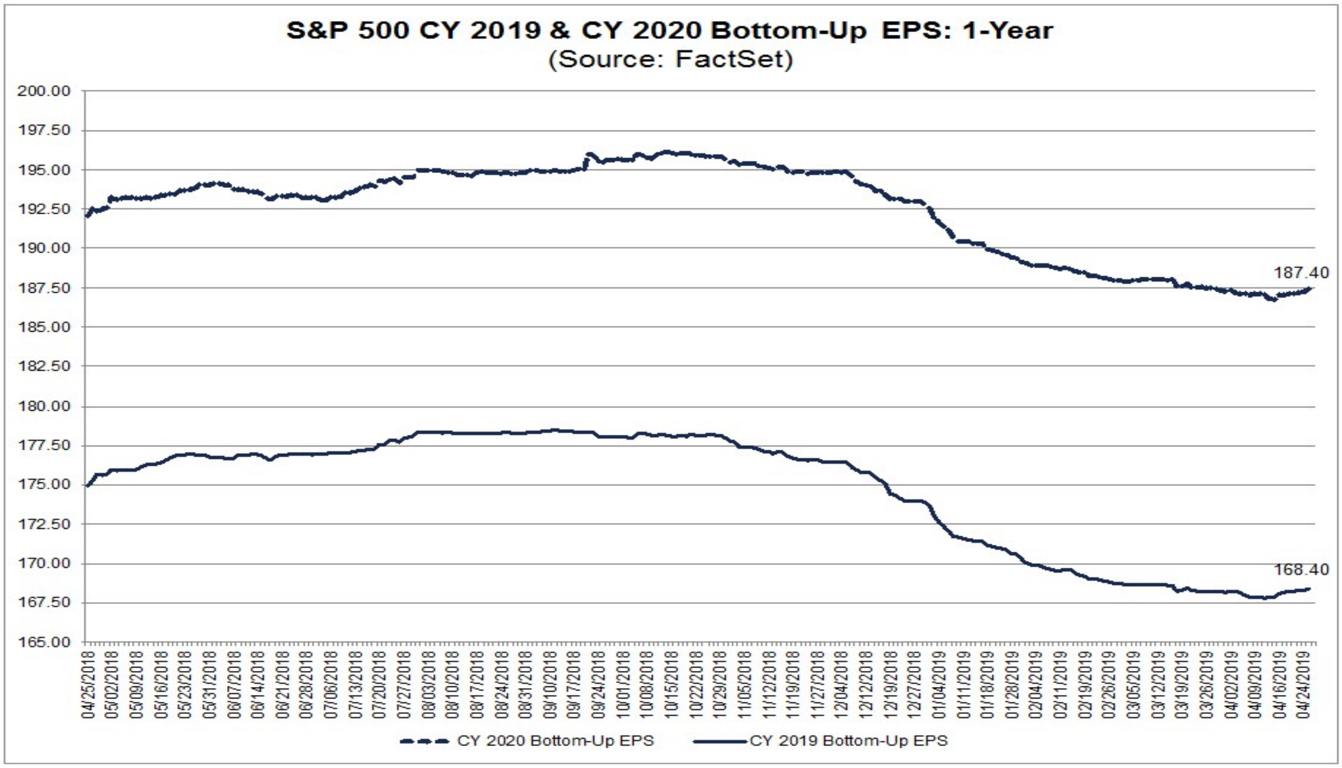
Geographic Revenue Exposure

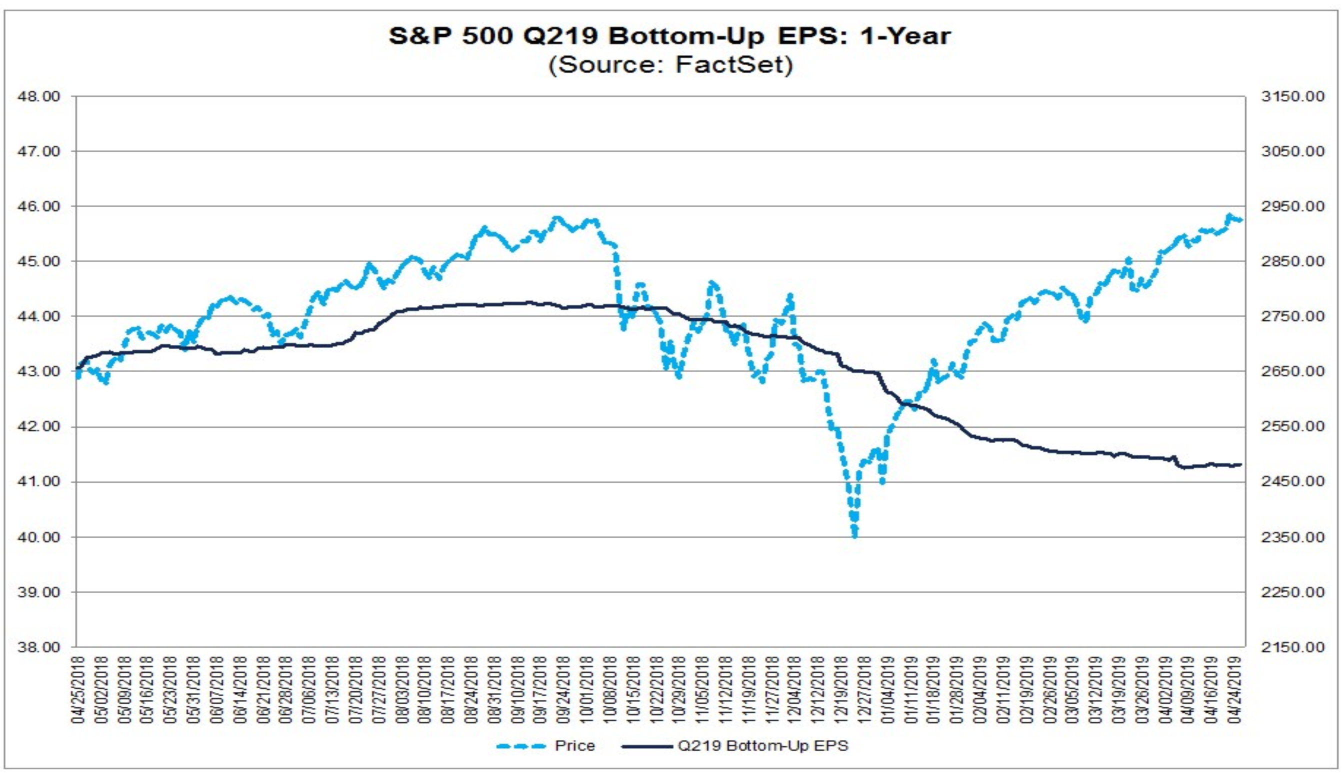




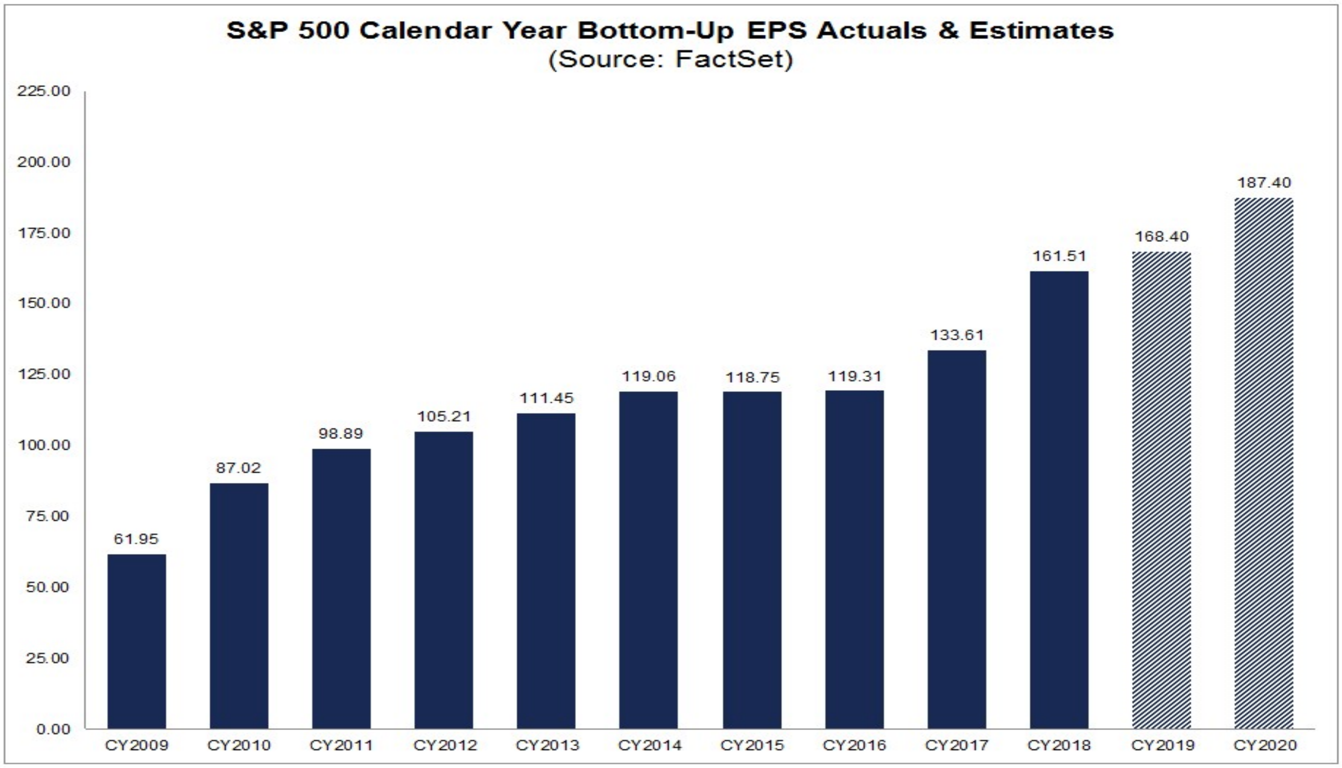
	Utilities	Real Estate	Financials	Consumer Disc.	Comm. Services	Industrials	Health Care	Energy	Consumer Staples	Materials	Info. Technology
International	3%	14%	22%	32%	37%	38%	38%	41%	45%	54%	58%
United States	97%	86%	78%	68%	63%	62%	62%	59%	55%	46%	42%

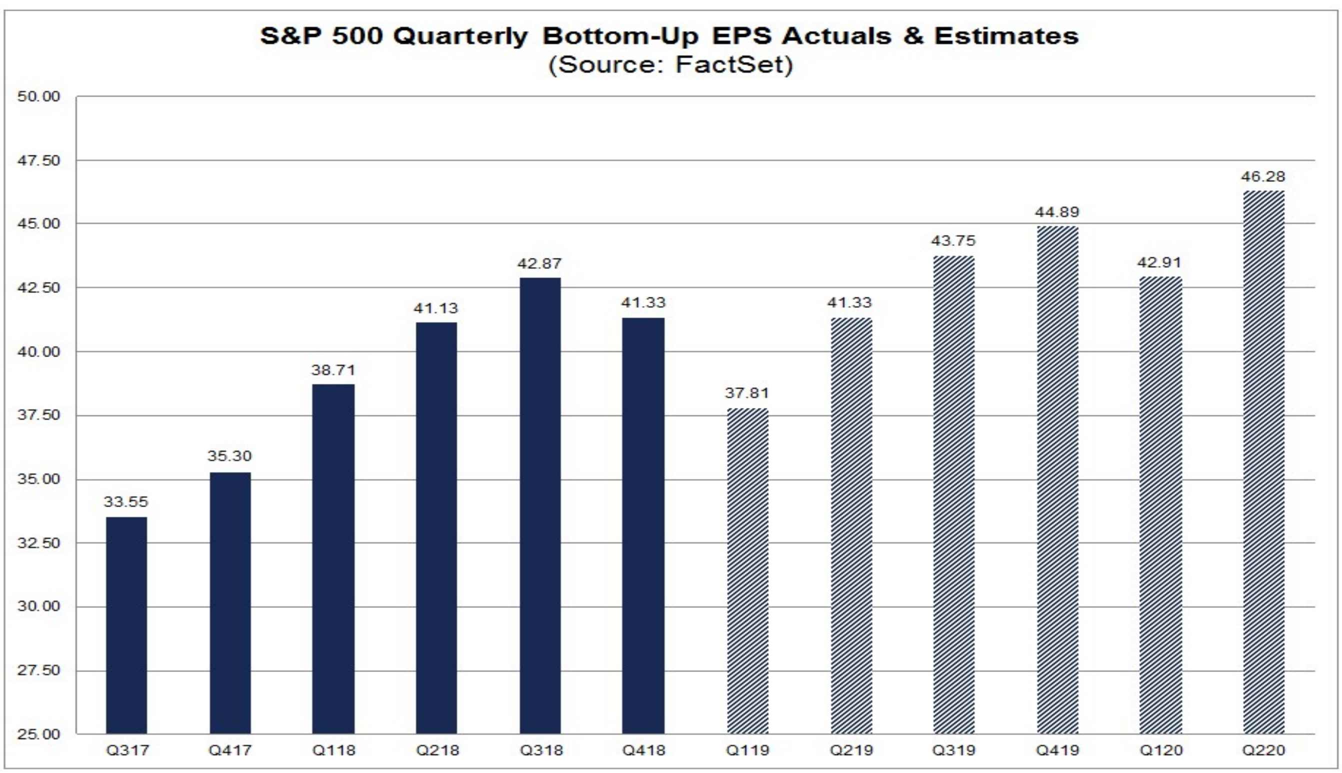
Bottom-up EPS Estimates: Revisions



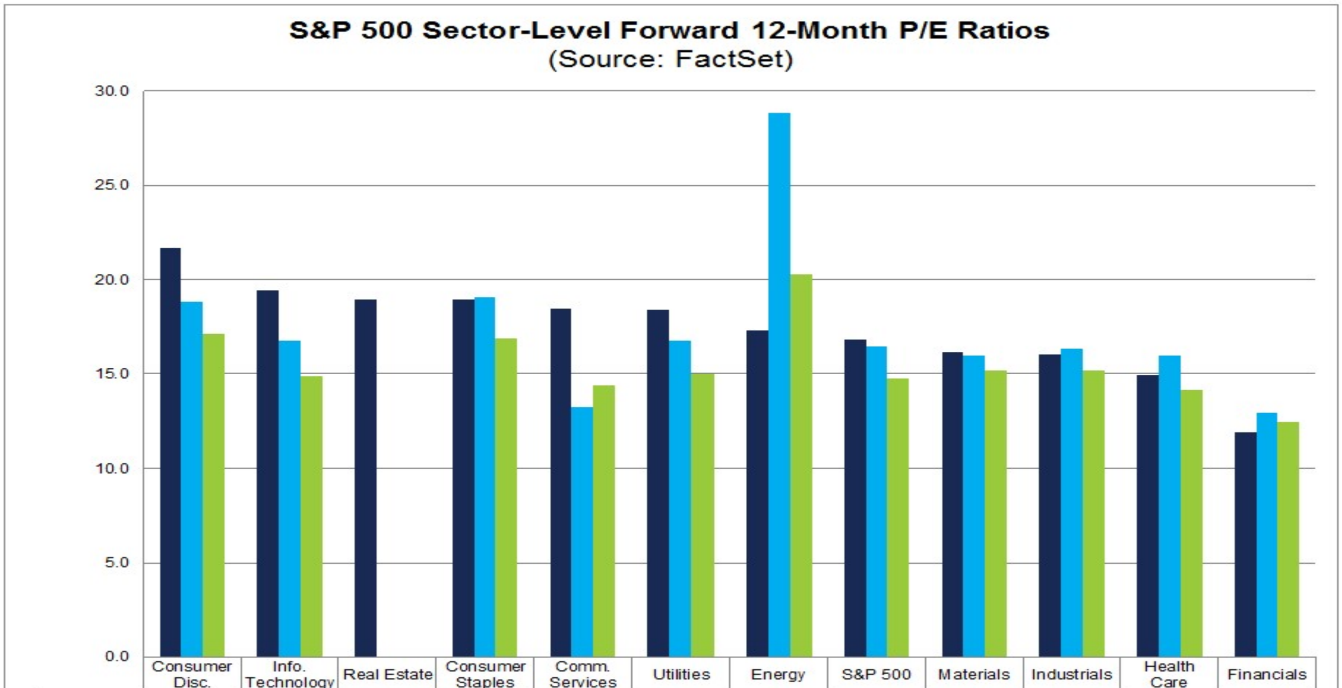


Bottom-up EPS Estimates: Current & Historical

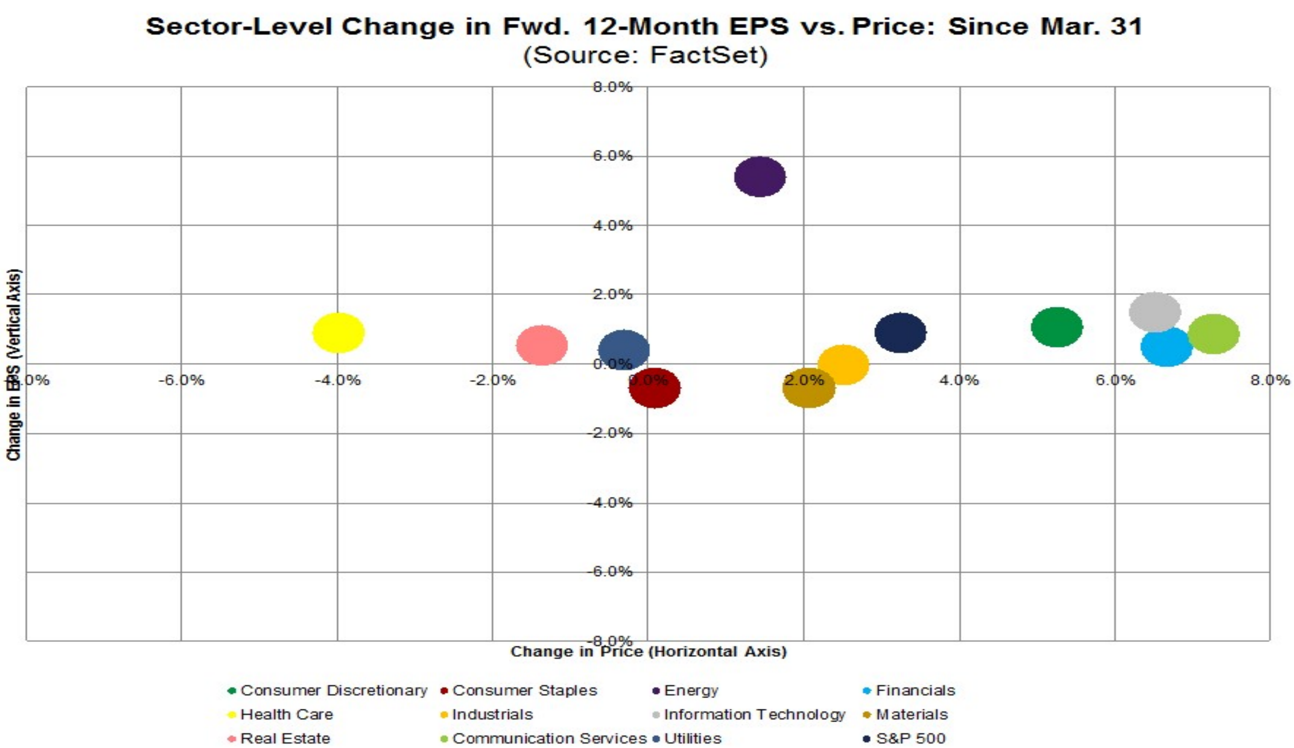




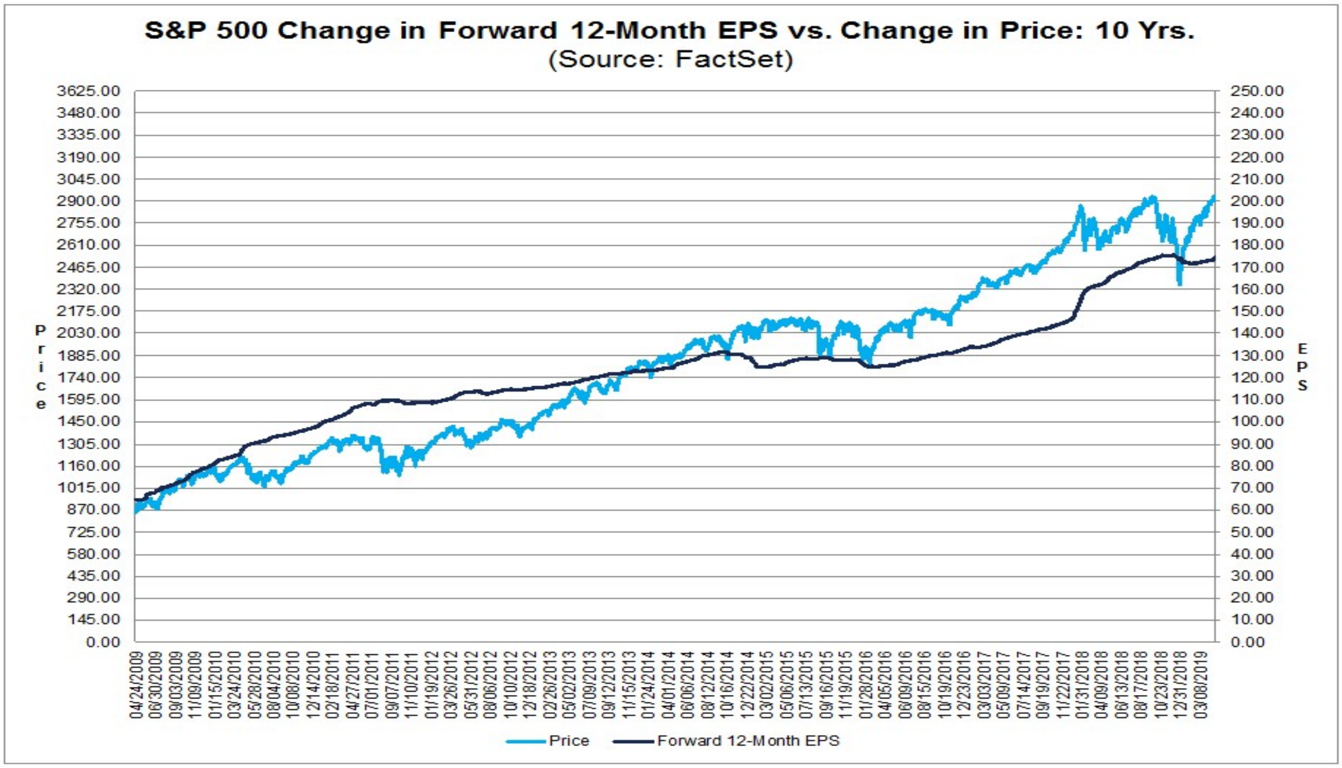
Forward 12M P/E Ratio: Sector Level

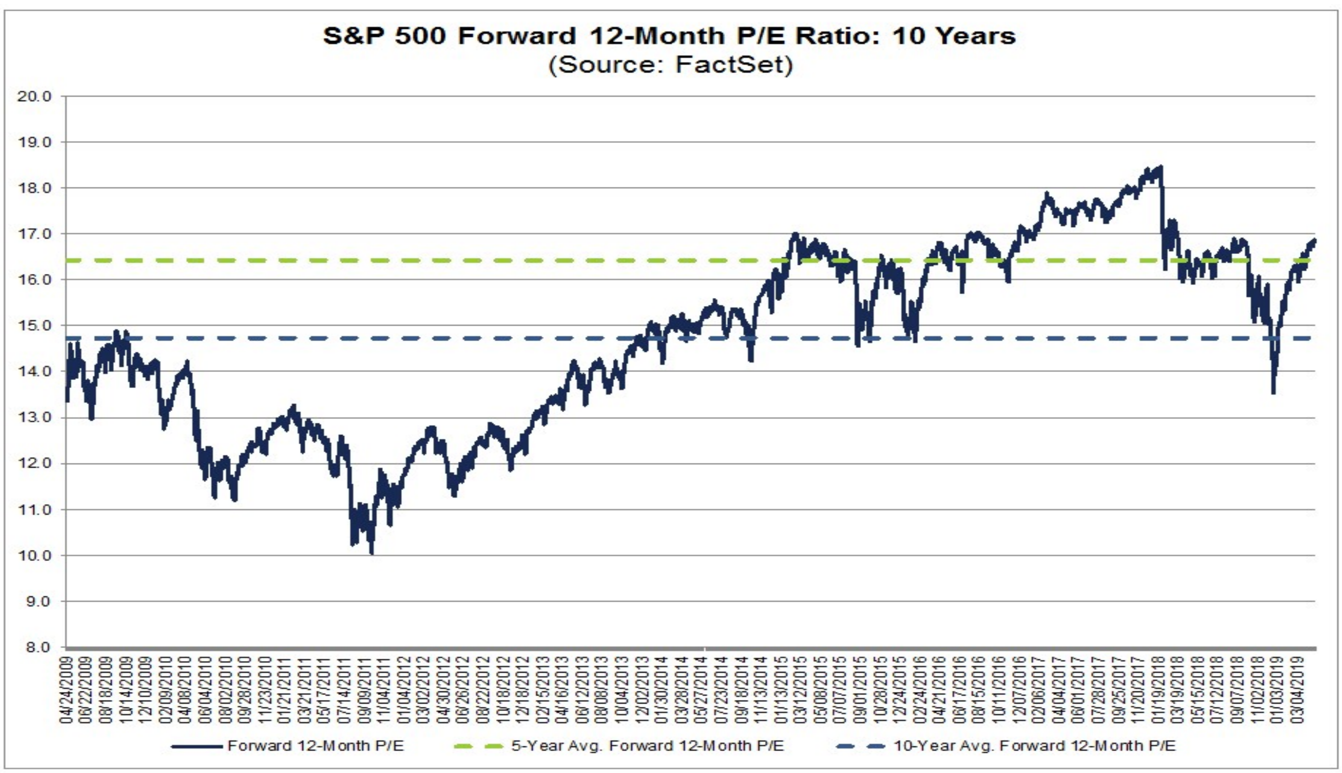


	Consumer Disc.	Info. Technology	Real Estate	Consumer Staples	Comm. Services	Utilities	Energy	S&P 500	Materials	Industrials	Health Care	Financials
Fwd P/E	21.7	19.4	18.9	18.9	18.4	18.4	17.3	16.8	16.1	16.0	14.9	12.0
5-Yr Avg.	18.8	16.8		19.0	13.3	16.7	28.8	16.4	15.9	16.3	16.0	13.0
10-Yr Avg.	17.1	14.9		16.8	14.4	15.0	20.3	14.7	15.2	15.2	14.1	12.5

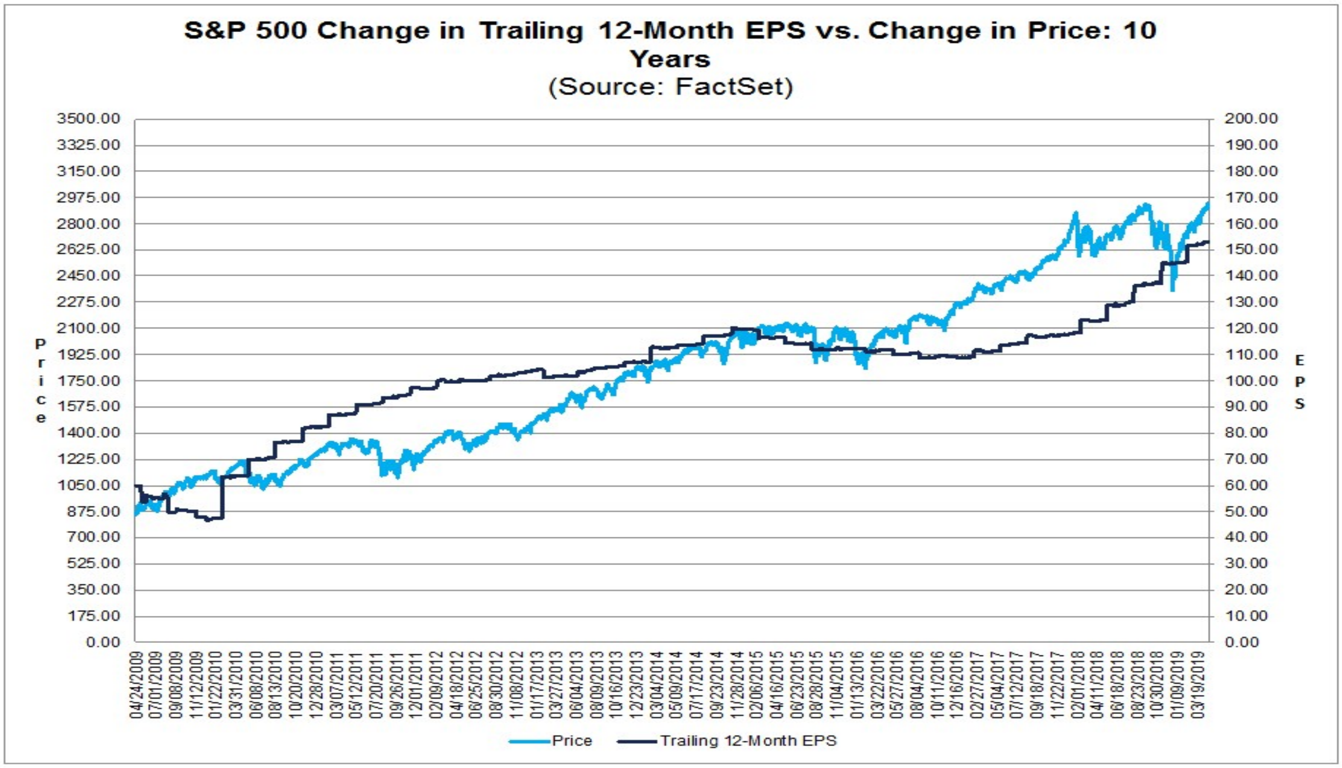


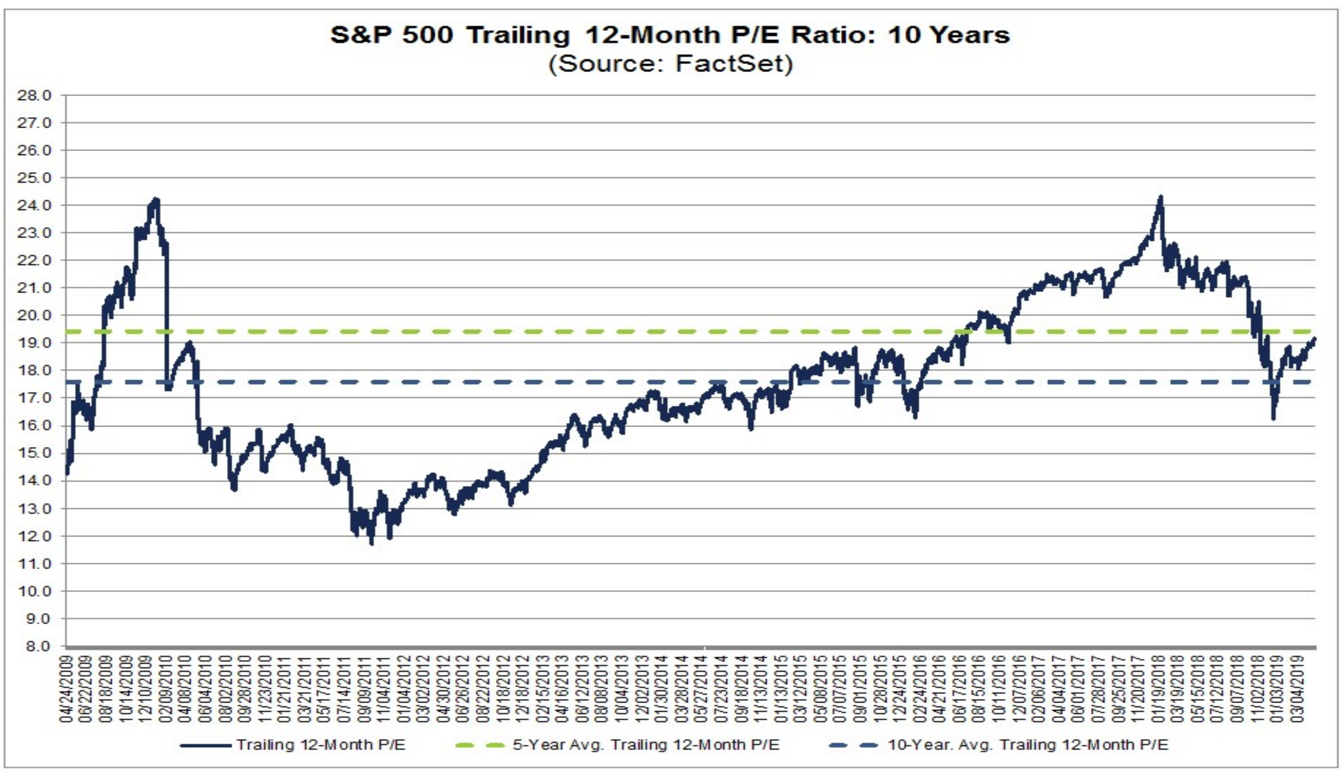
Forward 12M P/E Ratio: 10-Years



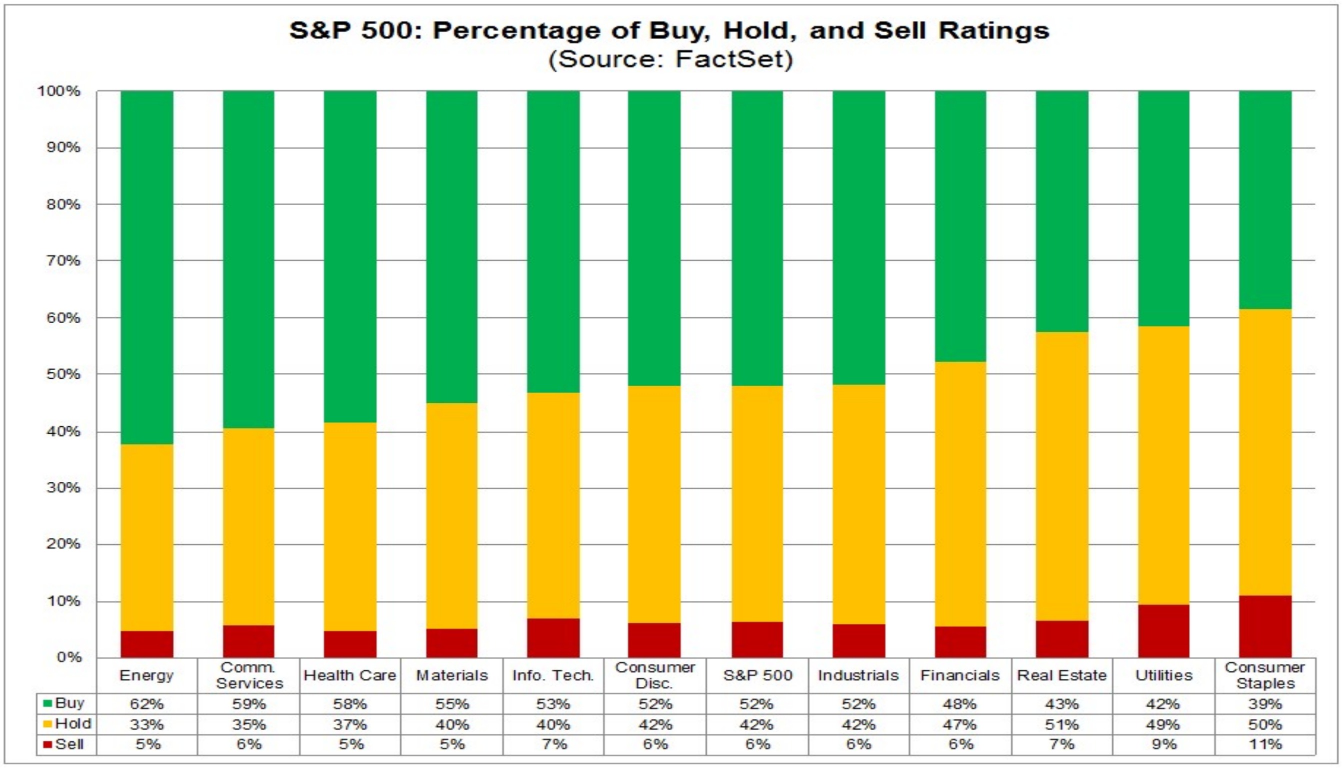


Trailing 12M P/E Ratio: 10-Years

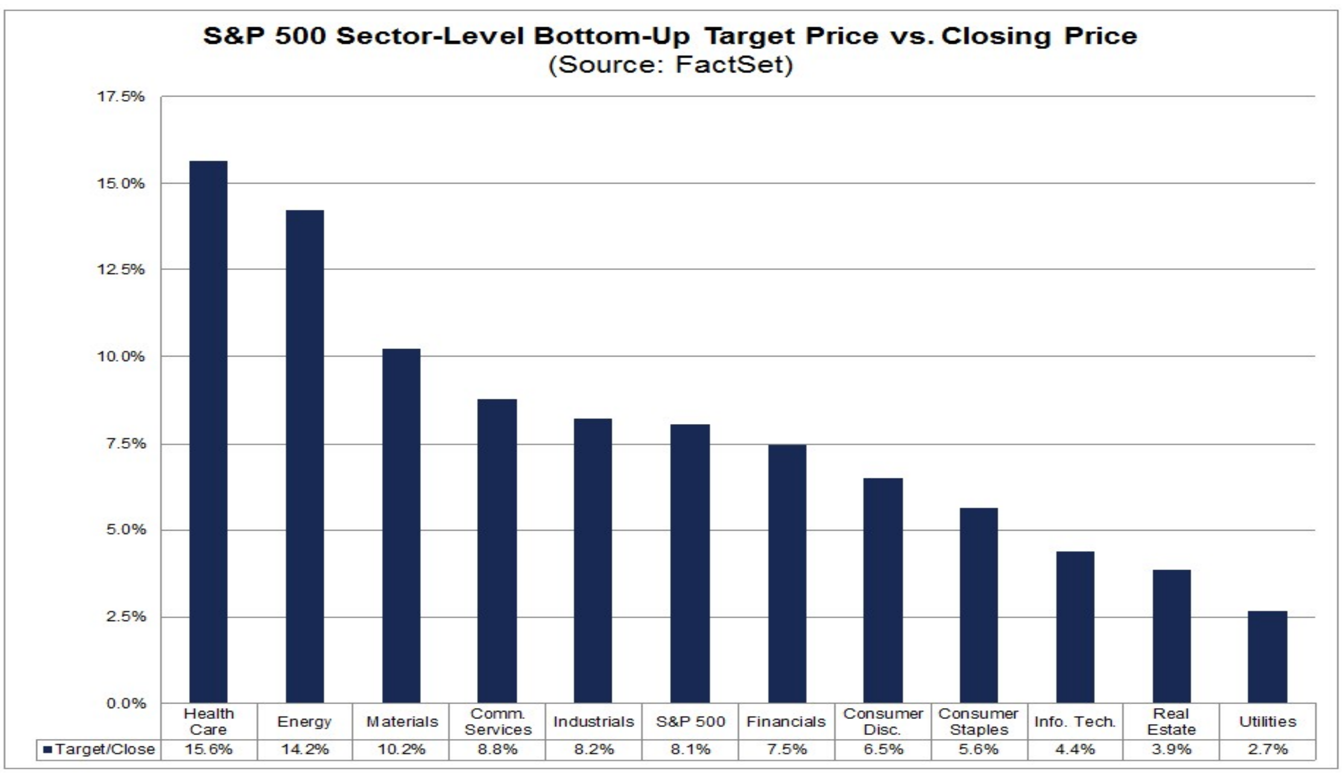




Targets & Ratings



	Energy	Comm. Services	Health Care	Materials	Info. Tech.	Consumer Disc.	S&P 500	Industrials	Financials	Real Estate	Utilities	Consumer Staples
Buy	62%	59%	58%	55%	53%	52%	52%	52%	48%	43%	42%	39%
Hold	33%	35%	37%	40%	40%	42%	42%	42%	47%	51%	49%	50%
Sell	5%	6%	5%	5%	7%	6%	6%	6%	6%	7%	9%	11%



	Health Care	Energy	Materials	Comm. Services	Industrials	S&P 500	Financials	Consumer Disc.	Consumer Staples	Info. Tech.	Real Estate	Utilities
Target/Close	15.6%	14.2%	10.2%	8.8%	8.2%	8.1%	7.5%	6.5%	5.6%	4.4%	3.9%	2.7%

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