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S&P 500

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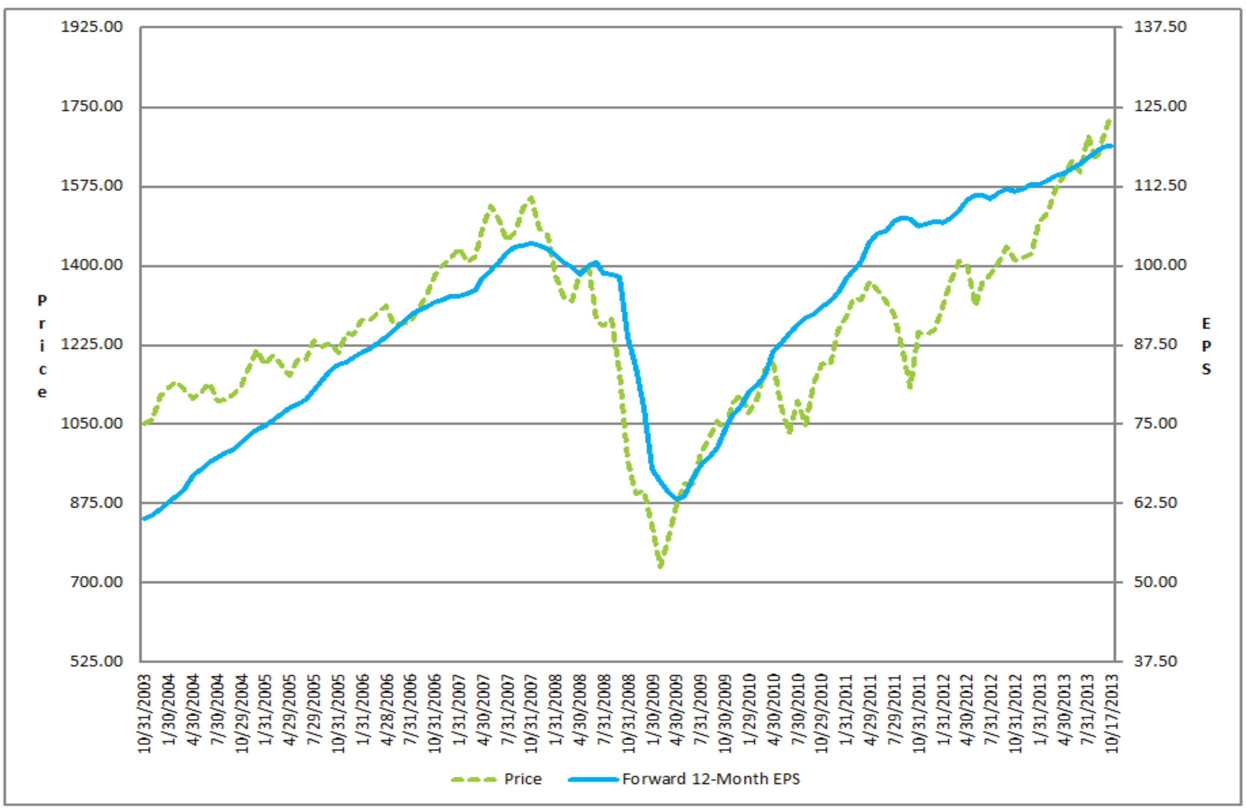
Key Metrics

- **Earnings Scorecard:** Of the 97 companies that have reported earnings to date for Q3 2013, 69% have reported earnings above the mean estimate and 53% have reported sales above the mean estimate.
- **Earnings Growth:** The blended earnings growth rate for Q3 2013 is 1.3%. The Consumer Discretionary has the highest earnings growth for the quarter, while the Energy sector has the lowest earnings growth for the quarter.
- **Earnings Revisions:** On September 30, the earnings growth rate for Q3 2013 was 3.1%. Only three of the ten sectors have recorded a decline in expected earnings growth over this time frame, led by the Financials sector.
- **Earnings Guidance:** For Q4 2013, 14 companies have issued negative EPS guidance and 4 companies have issued positive EPS guidance.
- **Valuation:** The current 12-month forward P/E ratio is 14.6. This P/E ratio is based on Thursday's closing price of 1733.15 and forward 12-month EPS estimate of $118.84.

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



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Topic of the Week

Analysts Are Not Slashing Q4 Earnings Estimates Due to Government Shutdown…Yet.

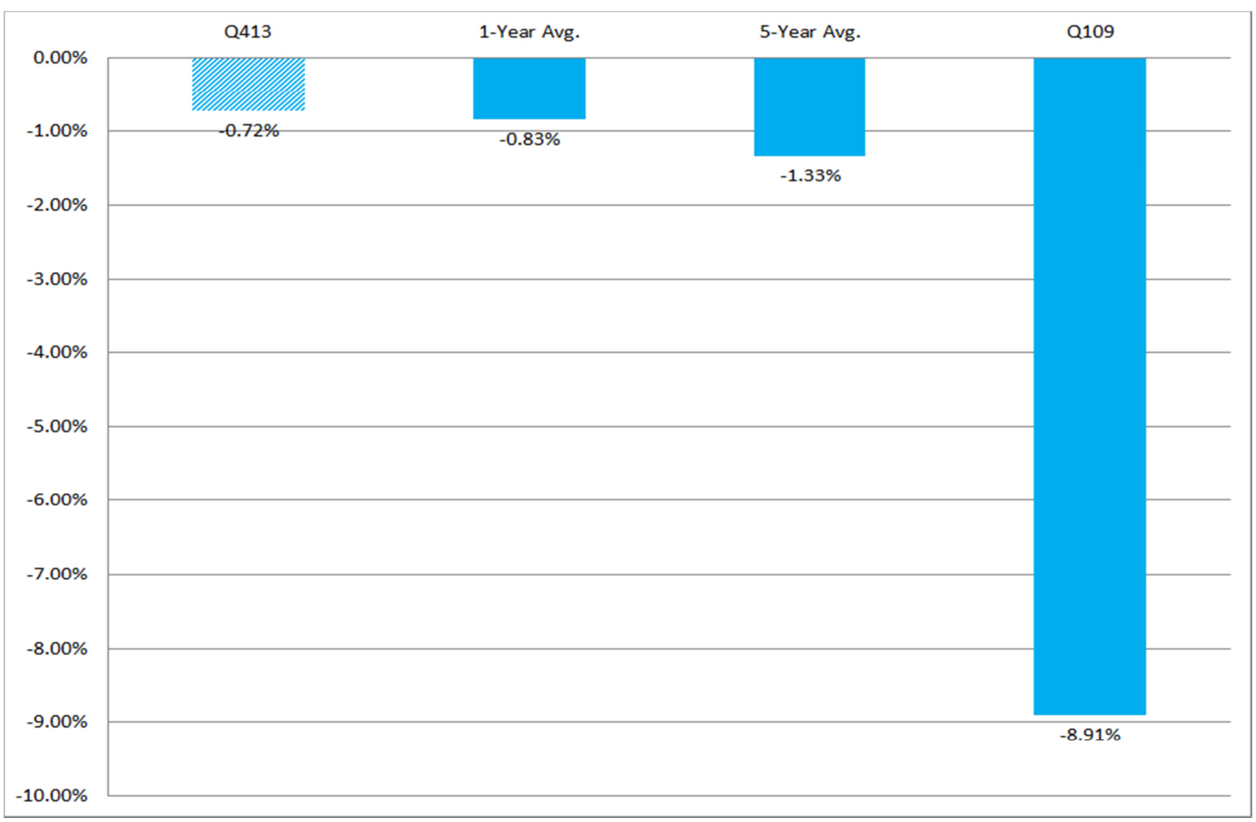
Late Wednesday, Congress reached an agreement to end the partial shutdown of the U.S. government that began on October 1st. During the past few weeks, some companies in the index (including Citigroup, Linear Technology, and Stanley Black & Decker) have cited the negative impact of the shutdown on actual earnings for the third quarter or on projected earnings for the fourth quarter during their earnings conference calls for the third quarter. As a result, have analysts been reducing earnings estimates for the fourth quarter at a faster pace than normal due to the shutdown?

Over the first 20 days of the fourth quarter (since September 30), the aggregate dollar-level earnings estimate for Q4 has dropped 0.72% (to $266.1 billion from $268.1 billion). How does this decrease compare to recent averages?

During the past year (4 quarters), the average decline in the aggregate dollar-level earnings estimate during the first 20 days of quarter has been 0.83%. During the past five years (20 quarters), the average decline in the aggregate dollar-level earnings estimate during the first 20 days of quarter has been 1.33%. Thus, the decline in expected (aggregate) earnings for the fourth quarter during the first 20 days of the quarter has been lower than the trailing 1-year and 5-year averages. This decline is also well below the largest declines during this 20-day window over the past five years, recorded in Q1 2009 (-8.91%) and Q4 2008 (-7.56%). Clearly, analysts are not slashing estimates at a more rapid pace than normal at this point in time.

However, it is still early in the earnings season, as only about 20% of the companies in the index have reported actual results to date. More companies may comment on the negative impact of the shutdown on fourth quarter earnings during their conference calls over the next few weeks. The market will likely keep a close eye on the number and nature of these comments during the rest of the earnings season.

S&P 500: Change in Dollar-Level Earnings Over First 20 Days of a Quarter



Q3 2013 Earnings Season: Overview

Fewer Companies Beating EPS and Revenue Estimates than Average to Date

With 19% of the companies in the S&P 500 reporting actual results, the percentage of companies reporting earnings above estimates is below the four-year average, and the percentage of companies reporting revenue above estimates is also below the four-year average.

Percentage of Companies Beating EPS Estimates (69%) Below 4-Year Average

Overall, 97 companies have reported earnings to date for the third quarter. Of these 97 companies, 69% have reported actual EPS above the mean EPS estimate and 31% have reported actual EPS below the mean EPS estimate. Over the past four quarters on average, 70% of companies have reported actual EPS above the mean EPS estimate. Over the past four years on average, 73% of companies have reported actual EPS above the mean EPS estimate.

At the sector level, the Telecom Services (100%), Information Technology (81%), and Energy (80%) sectors have the highest percentages of companies reporting earnings above estimates, while the Consumer Staples (40%) sector has the lowest percentage of companies reporting earnings above estimates.

Low Surprise Percentage (-2.3%) due to Substantial Miss by JPMorgan Chase

In aggregate, companies are reporting earnings that are 2.3% below expectations. Over the last four quarters on average, actual earnings have surpassed estimates by 3.7%. Over the past four years on average, actual earnings have surpassed estimates by 6.5%.

Companies in the Financials (-18.6%) sector are reporting the largest downside aggregate differences between actual earnings and estimated earnings. However, one company is mainly responsible for the unusually large negative surprise percentage for the sector: JPMorgan Chase. The company reported a loss of $0.17 for the third quarter, which was significantly below the mean EPS estimate of $1.19. A legal expense (including reserves for litigation and regulatory proceedings) of $1.85 per share was the main contributor to the downside surprise. In addition to JPMorgan Chase, SunTrust Banks (-52%) and BB&T Corporation (-47%) have also reported actual EPS well below the expectations of analysts.

On the other hand, companies in the Materials (+26.8%) and Information Technology (+12.3%) sectors are reporting the largest upside aggregate differences between actual earnings and estimated earnings. In the Materials sector, one company is the key contributor to the abnormally high surprise percentage for the sector: Alcoa. The company reported actual EPS of $0.11 for the third quarter, which was well above the mean EPS estimate of $0.05. In the Information Technology sector, one company also accounts for the unusually high positive surprise percentage for this sector: Micron Technology. The company reported EPS of $1.51 for the third quarter, which was substantially above the mean EPS estimate of $0.23. The upside surprise was aided by "purchase accounting gains relating to the acquisition and the results of operations of Elpida for the month of August," which totaled $1.31 per share.

Percentage of Companies Beating Revenue Estimates (53%) Below 4-Year Average

In terms of revenues, 53% of companies have reported actual sales above estimated sales and 47% have reported actual sales below estimated sales. The percentage of companies beating sales estimates is above the percentage recorded over the last four quarters (48%), but below the average over the previous four years (59%).

At the sector level, companies in the Energy (100%) and Telecom Services (100%) sectors have the highest percentages of companies reporting revenue above estimates, while companies in the Consumer Staples (30%) and Industrials (31%) sectors have the lowest percentages of companies reporting revenue above estimates.

In aggregate, companies are reporting sales that are 0.6% below expectations. Over the previous four quarters on average, actual sales have exceeded estimates by 0.4%. Over the previous four years on average, actual sales have exceeded estimates by 0.7%

Small Increase in Earnings Growth Rate This Week Due to Upside Surprises in 3 Sectors

Upside Surprises in Industrials, Information Technology, and Financials Sectors This Week

The blended earnings growth rate for the third quarter is 1.3% this week, up from the growth rate of 0.8% last week. The small rise in the earnings growth rate this week can mainly be attributed to large upside earnings surprises reported by companies in the Industrials, Information Technology, and Financials sectors, partially offset by downward revisions to estimates for companies in the Energy sector.

In the Industrials sector, the upside surprise reported by General Electric (+13%) was the largest contributor to the increase in earnings growth for the index during the week. As a result, the blended earnings growth rate for the sector witnessed the largest increase in earnings growth of all ten sectors (to 5.7% from 3.6%) over this time frame.

In the Information Technology sector, companies that reported upside earnings surprises during the week that aided the growth of the index included Intel (+9%), Google (+4%), and SanDisk (+21%). As a result, the blended earnings growth rate for the sector improved to 5.1% from 4.1% over this period.

In the Financials sector, companies that reported actual earnings above estimates during the week to help boost the growth rate of the index included Morgan Stanley (+26%) and Goldman Sachs (+18%). As a result, the blended earnings growth rate for the sector jumped to -2.1% from -3.0% over this time frame.

In the Energy sector, analysts continued to revise estimates lower for a number of companies this week, including Exxon Mobil (to $1.79 from $1.87), Chevron (to $2.72 from $2.78), and Phillips 66 (to $0.97 from $1.12). As a result, the blended earnings growth rate for the sector dropped to -7.8% from -5.8% over this period.

Financials Sector Has Seen Largest Drop in Earnings Growth since September 30

Despite the small increase over the past week, the blended earnings growth rate for Q3 2013 of 1.3% is still below the estimate of 3.1% at the end of the quarter (September 30). However, only three of the ten sectors have recorded a decline in earnings growth during this time frame, led by the Financials (to -2.1% from 9.0%) and Energy (to -7.8% from -0.8%) sectors. Six of the ten sectors have seen an increase in earnings growth over this period, led by the Information Technology (to 5.1% from 1.2%) and Industrials (to 5.7% from 4.1%) sectors. The earnings growth rate for the Consumer Discretionary (6.6%) sector is unchanged from the estimate on September 30.

Blended Earnings Growth: 1.3%

The blended earnings growth rate for Q3 2013 is 1.3%. Seven of the ten sectors are reporting or are expected to report higher earnings relative to a year ago, led by the Consumer Discretionary and Industrials sectors. On the other hand, the Energy and Financials sectors are reporting the largest year-over-year decreases in earnings for the quarter.

Consumer Discretionary: Broad-Based Growth across Sector

The Consumer Discretionary sector has the highest earnings growth rate of all ten sectors at 6.6%. Growth is broad-based across the sector. Eight of the twelve industries in the sector are reporting or are expected to report earnings growth. Six of these industries have double-digit growth rates, led by the Internet & Catalog Retail (82%), Household Durables (17%), and Auto Components (16%) industries. At the other end of the spectrum, the Multiline Retail (-22%) and Automobiles (-6%) industries have the lowest earnings growth rates for the quarter.

Industrials: Airlines vs. Machinery Industries

The Industrials sector has the second highest earnings growth rate of all ten sectors at 5.7%. Growth is broad-based across this sector as well. Eleven of the twelve industries in the sector are reporting or are expected to report earnings growth, led by the Building Products (93%) and Airlines (63%) industries. The Machinery (-9%) industry is the only sector reporting a decrease in earnings for the quarter.

At the company level, Delta Air Lines is projected to be the largest contributor to earnings growth for the sector, while Caterpillar is projected to the largest detractor to earnings growth. The mean EPS estimate for Delta Air Lines is $1.36, compared to year-ago EPS of $0.90. If this company is excluded from the sector, the blended earnings growth rate falls to 4.3%. The mean EPS estimate for Caterpillar is $1.69, relative to year-ago EPS of $2.54. if this company is excluded from the sector, the blended earnings growth rate rises to 8.6%

Energy: Chevron vs. Exxon Mobil & Phillips 66

The Energy sector has the lowest earnings growth of any sector at -7.8%. Three of the seven sub-industries in this sector are reporting or are expected to report a decline in earnings: Coal & Consumable Fuels (-84%), Oil & Gas Refining & Marketing (-72%), and Integrated Oil & Gas (-6%). On the other end of the spectrum, the Oil & Gas Storage & Transportation (36%) and Oil & Gas Exploration & Production (23%) sub-industries have the highest earnings growth rates.

At the company level, Chevron is the largest contributor to earnings growth for the sector, while Exxon Mobil and Phillips 66 are the largest detractors to earnings growth. The mean EPS estimate for Chevron is $2.72, relative to year-ago actual EPS of $2.38. If Chevron is excluded, the growth rate for the sector would drop to -11.4%. The mean EPS estimate for Exxon Mobil is $1.79, compared to year-ago EPS of $2.09, while the mean EPS estimate for Phillips 66 is $0.97, relative to year-ago EPS of $2.97. If Exxon Mobil and Phillips 66 are excluded, the growth rate for the Energy sector would improve to 3.5%.

Financials: Bank of America & Morgan Stanley vs. JPMorgan Chase

The Financials sector has the second lowest earnings growth rate (-2.1%) of any sector. Four of the eight industries in the sector are reporting or are expected to report a decline in earnings for the quarter, led by the Diversified Financial Services (-32%) industry. Three of the eight industries are reporting or are expected to report year-over-year growth in earnings, led by the Capital Markets (67%) industry.

At the company level, Bank of America and Morgan Stanley are the not only the largest contributors to growth for the sector, but for the entire S&P 500 as well. Bank of America reported actual EPS of $0.20, relative to year-ago actual EPS of $0.00. Morgan Stanley reported actual EPS of $0.50, compared to year-ago actual EPS of -$0.55. If both of these companies are excluded from the index, the growth rate for the Financials sector would fall to -11.9%, while the growth rate for the S&P 500 would be -0.5%.

On the other hand, JPMorgan Chase is not only the largest detractor to growth for the sector, but for the entire S&P 500 as well. The company reported actual EPS of -$0.17, compared to year-ago actual EPS of $1.40. If this company is excluded from the index, the growth rate for the Financials sector would improve to 14.0%, while the growth rate for the S&P 500 would rise to 3.8%.

Blended Revenue Growth: 1.9%

The blended revenue growth rate for Q3 2013 is 1.9%, which is below the growth rate of 2.5% at the end of the third quarter (September 30). Nine of the ten sectors are reporting or are predicted to report revenue growth for the quarter, led by the Utilities and Consumer Discretionary sectors. The Energy sector is the only sector reporting a year-over-year decline in sales for the quarter.

The Utilities sector is expected to report the highest revenue growth at 5.4%. While all four industries are predicted to report growth, the Independent Power Producers & Energy Traders (17%) and Gas Utilities (17%) industries have the highest expected sales growth rates in the sector.

The Consumer Discretionary sector has the second highest revenue growth rate at 5.3%. Growth is broad-based across the sector. At the industry level, eleven of the twelve industries in the sector are reporting or are expected to report earnings growth, led by the Internet & Catalog Retail (22%), Household Durables (12%), and Distributors (11%) industries.

The Energy sector has the lowest revenue growth rate of all ten sectors at -4.3%. At the sub-industry level, the Oil & Gas Refining & Marketing (-12%), Integrated Oil & Gas (-6%), and Coal & Consumable Fuels (-6%) have the lowest growth rates. At the company level, Phillips 66 and Hess Corporation are the largest detractors to growth in the sector. The mean sales estimate for Phillips 66 is $35.7 billion, compared to sales of $43.9 billion in the year-ago quarter. The mean sales estimate for Hess Corporation is $2.4 billion, compared to sales of $9.6 billion in the year-ago quarter. If these two companies are excluded, the revenue growth rate for the sector improves to -0.5%. Other companies that are significant contributors to the year-over-year decline in revenue for the sector include Valero Energy and Exxon Mobil.

Domestic Concerns: Government Shutdown

Government Shutdown

During the past few weeks, a number of companies have commented on the impact of the government shutdown on the overall economy. While most companies stated that the shutdown has added to "uncertainty" in the economy, some companies were more specific in their comments, citing the negative impact of the shutdown as one factor impacting actual earnings for the third quarter or projected earnings for the fourth quarter during their conference calls regarding the third quarter.

"And then, so far this quarter, I think we'll have a potentially stronger quarter in international and the U.S. we think we'll struggle a little bit. Struggle may be too harsh a word, but we'll have some impact from the budgetary stalemate. Probably if the U.S. government, if we didn't have this issue on the macro side, given that we had a slight positive book-to-bill, given that the Japan economy in particular was doing well and Europe had a better summer than normal, we probably would not have guided down. We probably would've guided somewhere in the flat range had we not had these macroeconomic events." – Linear Technology (Oct. 16)

"And we believe the strategy and the programs that are in place to deliver the long-term financial objectives will get where they need to be. But we are revising our full-year 2013 guidance – EPS guidance to a range of $4.90 to $5 as a result – primarily as a result of the slower margin recovery within Security, weakening in emerging markets, and the impact of the U.S. government shutdown on near-term organic growth." –Stanley Black & Decker (Oct. 16)

"Our results reflect the challenging operating environment, including a slowdown in client activity based on uncertainty regarding Fed tapering, concerns about the effect of the U.S. government shutdown and forecast for slowing economic growth, particularly in the emerging markets." –Citigroup (Oct. 15)

Global Concerns: F/X Rates, Europe and Emerging Markets

Less Favorable F/X Rates

The U.S. dollar has strengthened relative to the Japanese yen and other foreign currencies over the past year. In the year-ago quarter (Q3 2012), one dollar was equal to about $78.62 yen on average. For Q3 2013 on average, one dollar was equal to about $98.90 yen on average. A number of companies commented on the negative impact of F/X rates on revenues and earnings for the third quarter.

"For example, the year-over-year exchange rates for the yen for both the spot rate and the average rate have weakened 20% against the dollar. Other major FX moves occurred in India, Australia, Argentina and Brazil. These were somewhat offset by a slight strengthening of the euro. Overall, FX rates had a negative impact on our revenue and billings growth for the quarter although the impact on profitability was less pronounced." –Red Hat (Sep. 23)

"I want to start by letting you know that currency in Q1 gave us a 2% headwind for new software license and total revenue which was more than my guidance last quarter." –Oracle (Sep. 18)

"Year-over-year, FX rate changes had an $18 million negative impact on reported revenue." –Adobe Systems (Sep. 17)

Europe

Europe has been reporting a decline in economic growth relative to last year. According to FactSet Economics, the European Union recorded a decrease in GDP of 0.2% in Q2 2013, which marked the sixth consecutive quarter of year-over-year declines in GDP. A number of companies stated that economic conditions were still weak in Europe in the third quarter. However, some companies stated that conditions may have reached a bottom or improved slightly.

"I think so from a macroeconomic situation, the one area that I called out was in particular the EMEA region had its lowest percentage of total bookings or total company bookings that they've had in some time. Having said that, I think their Q3 and Q4 is shaping up better and I'm hopeful that we're going to see some improvement there." –Red Hat (Sep. 23)

"In Europe, first quarter sales in constant currency declined 3%, reflecting the tough operating environment in the region." –General Mills (Sep. 18)

Emerging Markets

Economic growth for some countries in emerging markets regions has also been decreasing over the past year. According to FactSet Economics, two of the four "BRIC" countries recorded slower GDP growth in the most recent quarter. For Q2 2012, China and India recorded GDP growth of 7.6% and 3.4%, respectively. By Q2 2013, GDP growth rates for China and India had fallen to 7.5% and 2.4%.

On the other hand, Brazil has recorded an increase in GDP growth over the past year. For Q2 2013, Brazil reported GDP growth of 3.3%, above the 0.5% recorded in Q1 2012.

As a result, comments on business conditions in China and emerging markets continued to be mixed for Q3. Some companies reported weak conditions, while others saw strength.

"For the third quarter, we reported a 15% decline in EPS before special items, which is obviously disappointing. This decline was led by sales and profit declines in our China Division as well as a higher tax rate." –YUM! Brands (Oct. 9)

"Revenues for the NIKE Brand were $6.5 billion, up 7 percent on a currency neutral basis, with growth in every product type and every geography except Greater China." –NIKE (Sep. 26)

"And by the way, while many of you have commented on the softening in emerging market economies overall, I mean, I do want to point out that our business continues to be very strong in emerging markets. We had a very strong quarter in China and we're seeing terrific growth in Brazil." –General Mills (Sep.18)

High Percentage of Companies Have Issued Negative EPS Guidance (78%) for Q4

At this early stage of Q3 2013 earnings season, 18 companies in the index have issued EPS guidance for the fourth quarter. Of these 18 companies, 14 have issued negative EPS guidance and 4 have issued positive EPS guidance. Thus, the percentage of companies issuing negative EPS guidance to date for the fourth quarter is 78% (14 out of 18). This percentage is well above the 5-year average of 63%.

Earnings Growth Rebound Still Projected for Q413, But Little Revenue Growth

Since the start of the fourth quarter (September 30), analysts have only slightly reduced earnings growth expectations for Q4 2013 (to 9.2% from 10.0%). Please see page 2 for more details. As a result, they still expect a significant improvement in earnings growth in the fourth quarter of 2013 relative to recent quarters. For Q4 2013, five of the ten sectors are predicted to see double-digit earnings growth: Financials (25.6%), Industrials (17.6%), Materials (13.7%), Telecom Services (13.3%), and Consumer Discretionary (11.2%).

The estimated revenue growth rate for Q4 2013 of 0.6% is expected to be well the below estimated earnings growth rate. The Financials sector accounts for much of this gap between expected earnings and revenue growth for the index, as the sector is projected to report the highest earnings growth of all ten sectors at 25.6%, but also the lowest revenue growth of all ten sectors at -10.0%. For more details on this dichotomy, please see our most recent *Market Insight* report titled, “Growth Divide in EPS & Sales in Q4,” which was published on September 25.

Valuation: Forward P/E Ratio is 14.6, above the 10-Year Average (14.0)

The current 12-month forward P/E ratio is 14.6. This P/E ratio is based on Thursday’s closing price of 1733.15 and forward 12-month EPS estimate of $118.84.

At the sector level, the Consumer Discretionary (17.5) and Consumer Staples (16.7) sectors have the highest forward 12-month P/E ratios, while the Financials (12.4) and Energy (12.8) sectors have the lowest forward 12-month P/E ratios.

The P/E ratio of 14.6 for the index as a whole is above the prior 5-year average forward 12-month P/E ratio of 12.9, and above the prior 10-year average forward 12-month P/E ratio of 14.0.

It is also above the forward 12-month P/E ratio of 14.4 recorded one month ago. During the past month, the price of the index rose by 1.7%, while the forward 12-month EPS estimate increased by 0.2%.

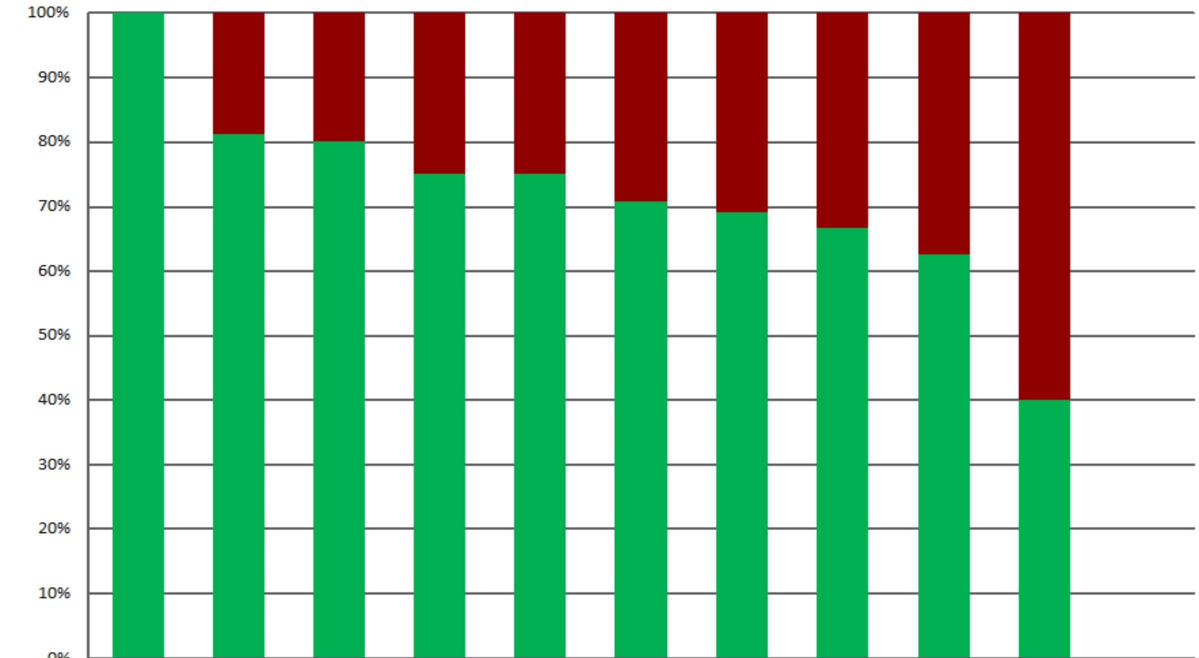
At the sector level, the Health Care (to 16.2 from 15.8), Utilities (to 15.3 from 14.9), and Energy (to 12.8 from 12.4) sectors witnessed the largest increases in the forward 12-month P/E ratio over the past month. On the other hand, the Telecom Services sector (to 14.1 from 14.2) was the only sector that recorded a decrease in the forward 12-month P/E ratio during this time frame.

Companies Reporting Next Week: 144

The upcoming week marks the second “peak” week of the third quarter earnings season, as ten Dow 30 components and 144 S&P 500 companies are scheduled to report earnings for the third quarter.

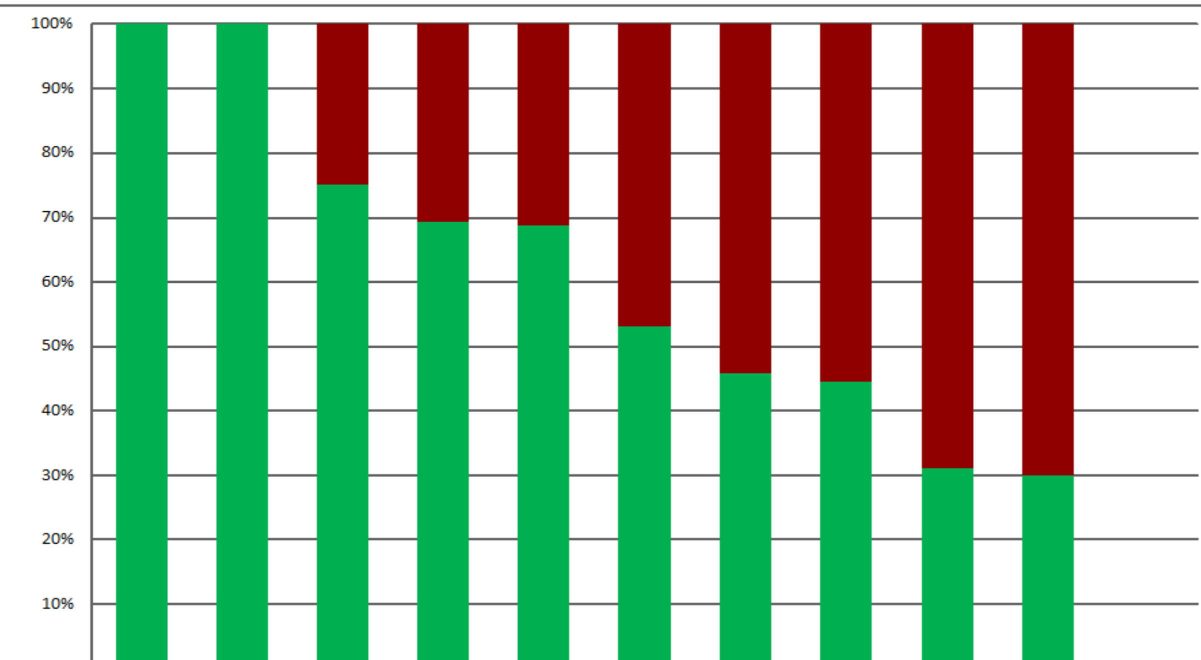
Q3 2013: Scorecard

Q3 2013 Earnings: Above, In-Line, Below Estimates



	Telecom Services	Info. Technology	Energy	Consumer Disc.	Materials	Financials	S&P 500	Health Care	Industrials	Consumer Staples	Utilities
Below	0%	19%	20%	25%	25%	29%	31%	33%	38%	60%	0%
In-Line	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Above	100%	81%	80%	75%	75%	71%	69%	67%	63%	40%	0%

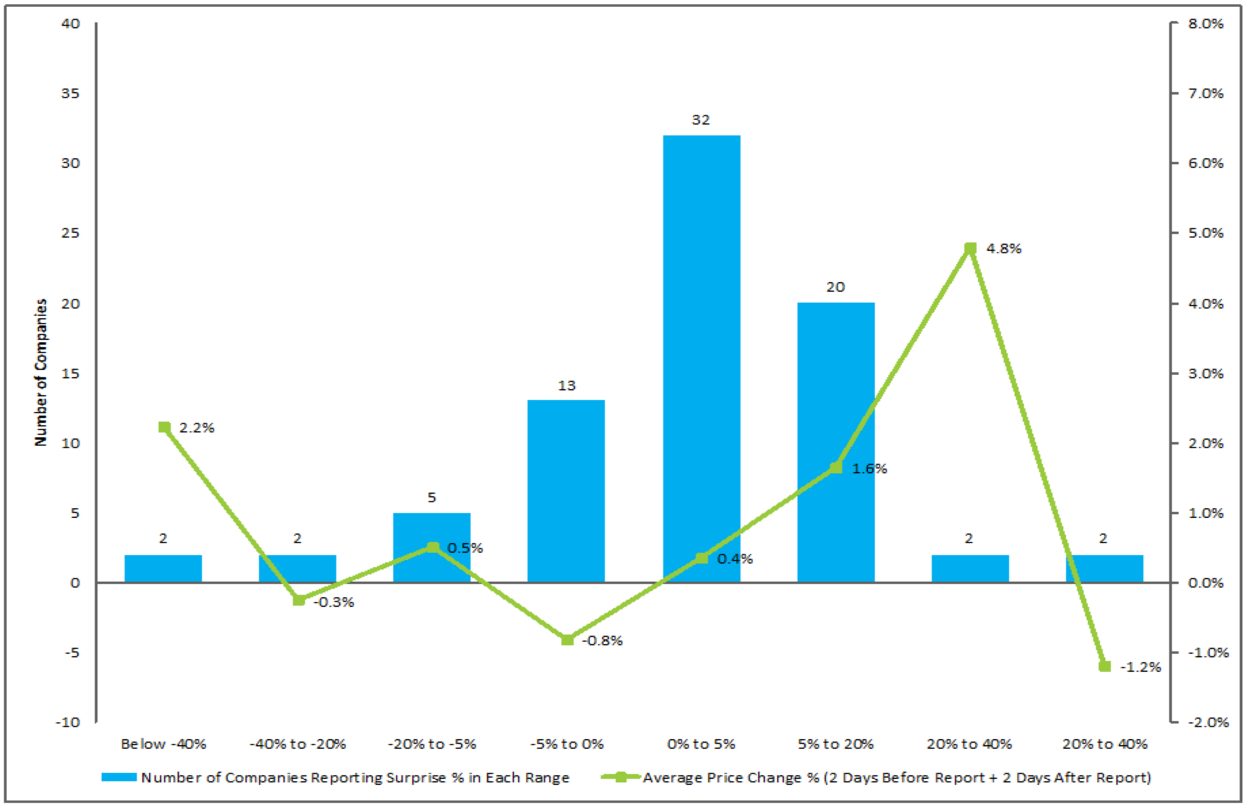
Q3 2013 Revenues: Above, In-Line, Below Estimates



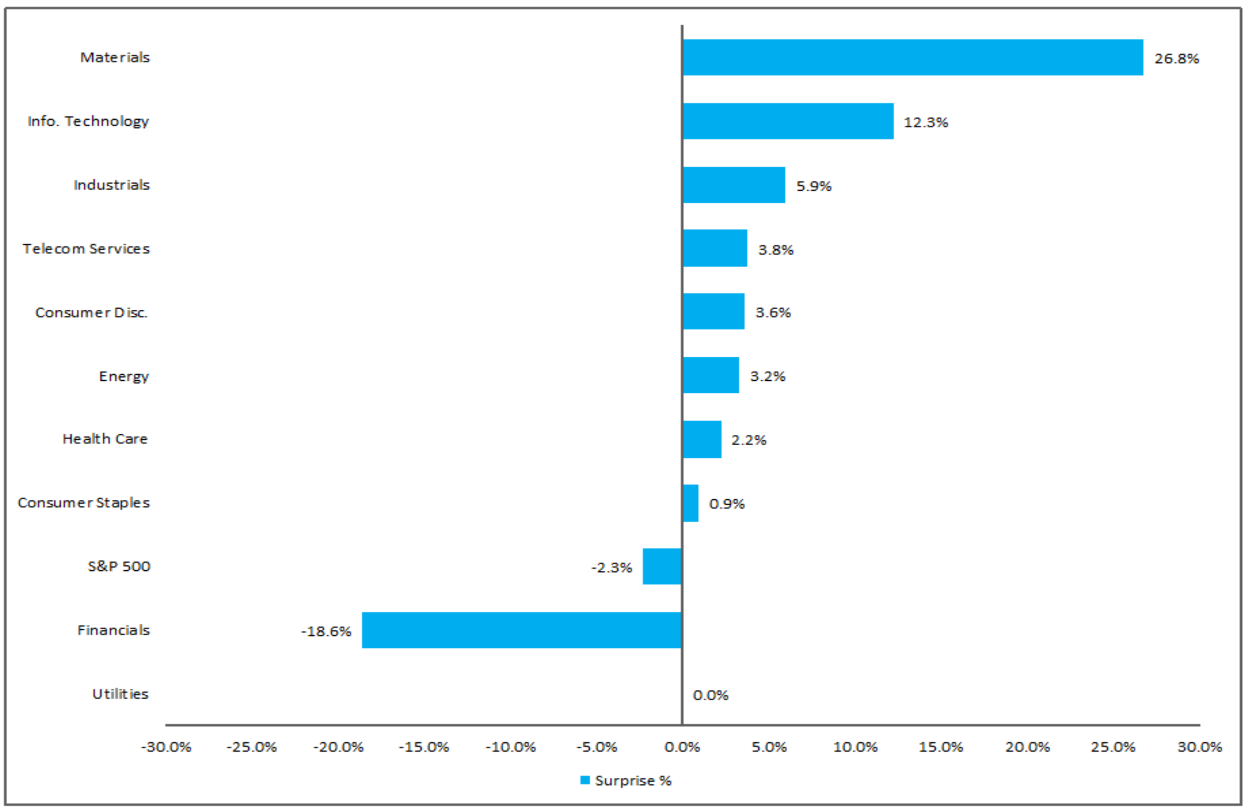
	Energy	Telecom Services	Materials	Consumer Disc.	Info. Technology	S&P 500	Financials	Health Care	Industrials	Consumer Staples	Utilities
Below	0%	0%	25%	31%	31%	47%	54%	56%	69%	70%	0%
In-Line	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Above	100%	100%	75%	69%	69%	53%	46%	44%	31%	30%	0%

Q3 2013: Scorecard

Q3 2013: Surprise % Numbers

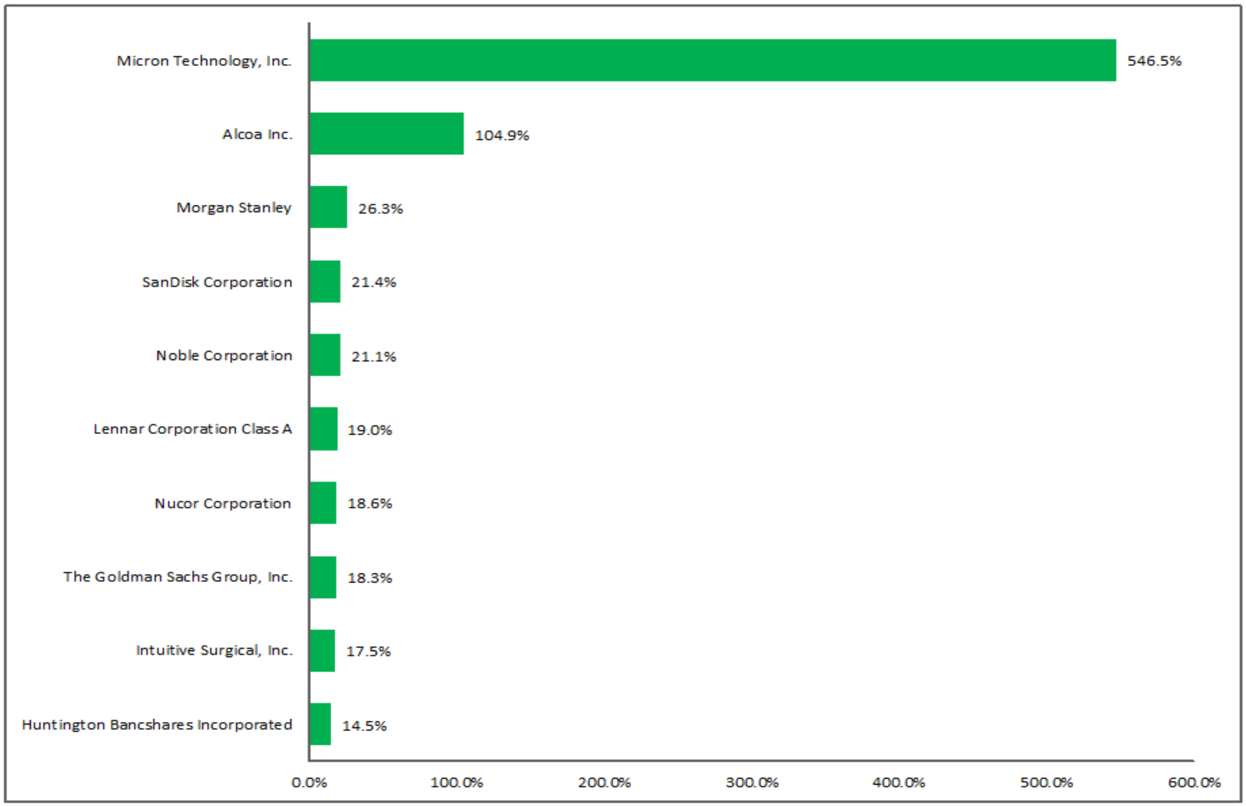


Q3 2013: Sector Level Surprise %

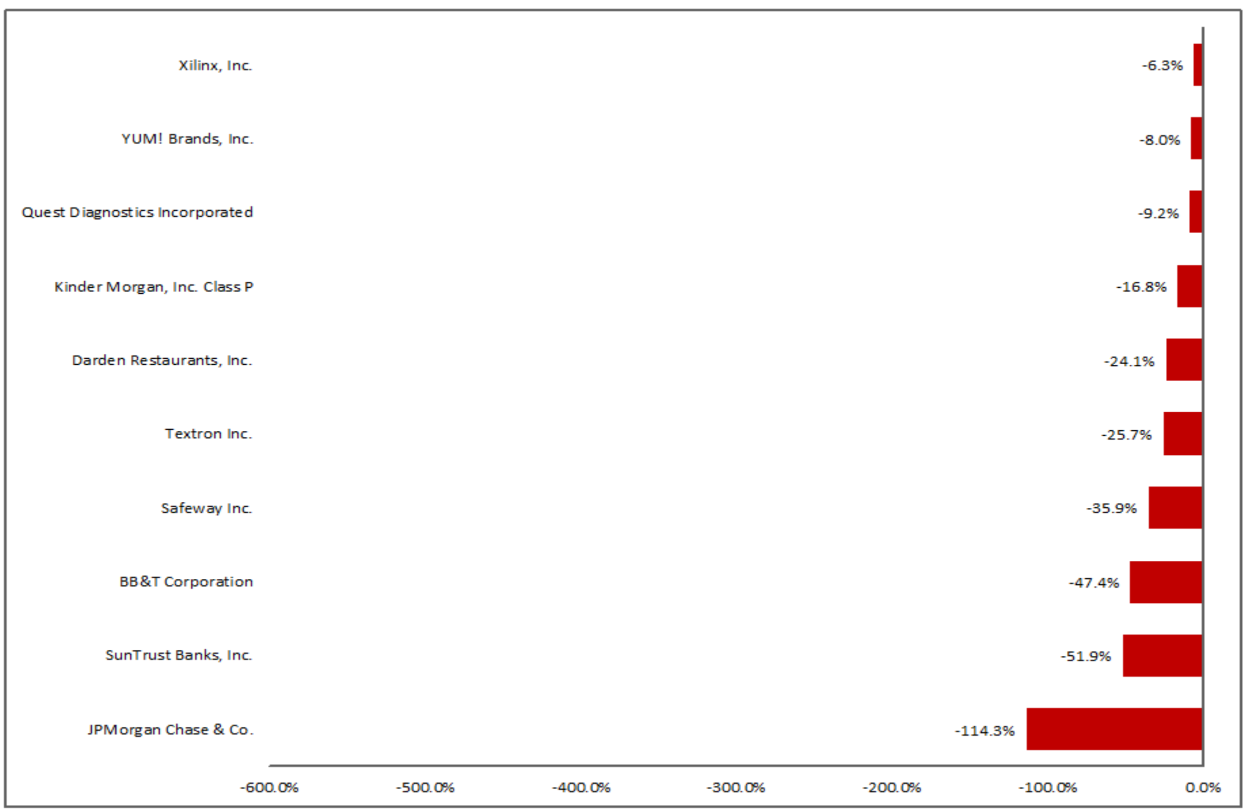


Q3 2013: Scorecard

EPS Surprise %: Top 10 Companies

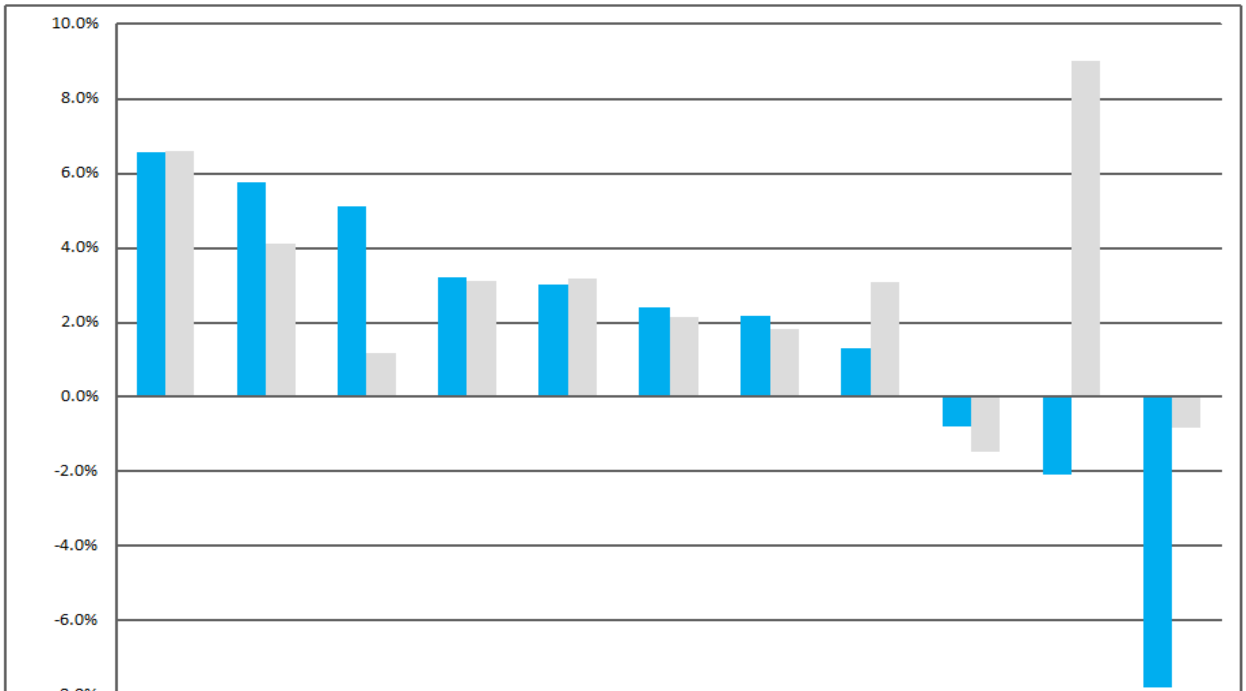


EPS Surprise %: Bottom 10 Companies



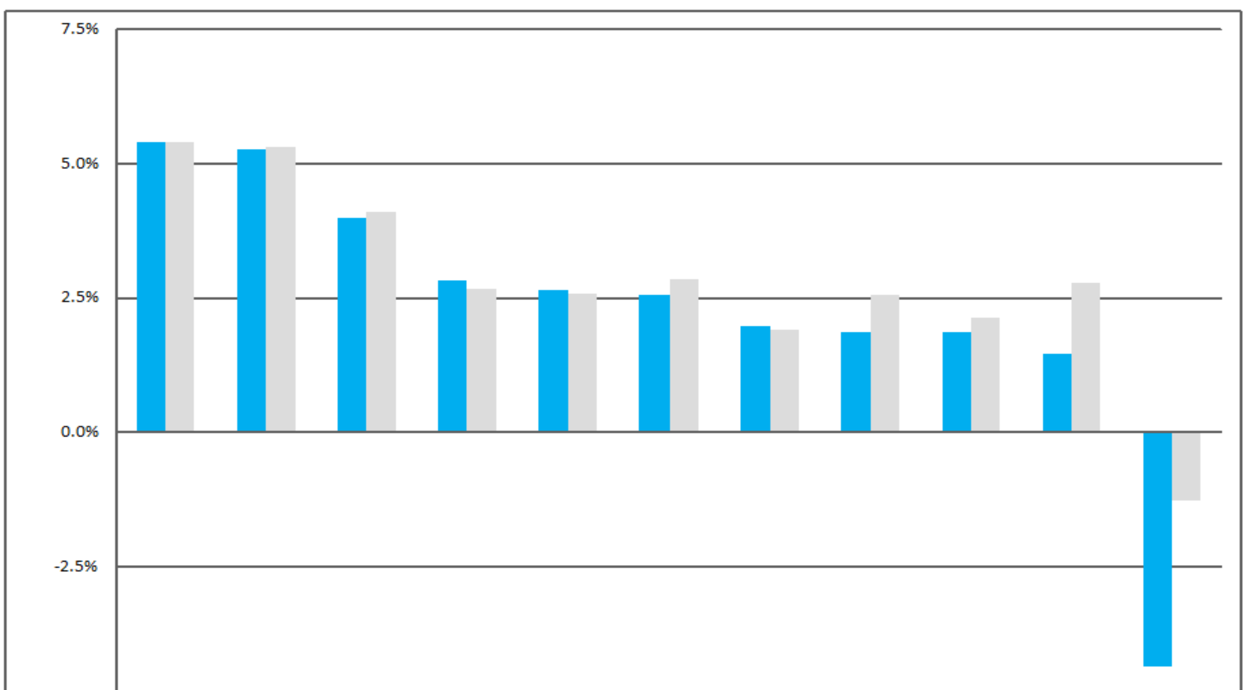
Q3 2013: Growth

Q3 2013 Earnings Growth



	Consumer Disc.	Industrials	Info. Technology	Consumer Staples	Utilities	Telecom Services	Materials	S&P 500	Health Care	Financials	Energy
Today	6.6%	5.7%	5.1%	3.2%	3.0%	2.4%	2.2%	1.3%	-0.8%	-2.1%	-7.8%
30-Sep	6.6%	4.1%	1.2%	3.1%	3.2%	2.1%	1.8%	3.1%	-1.5%	9.0%	-0.8%

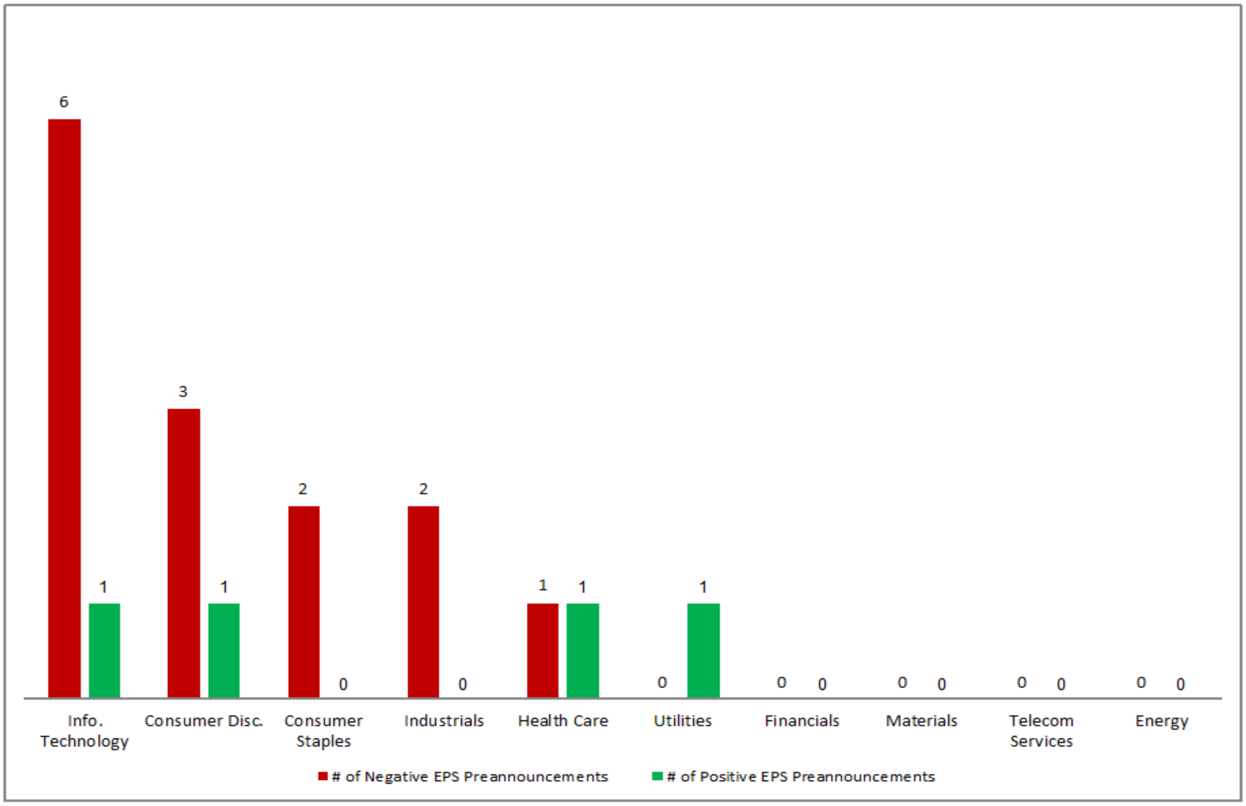
Q3 2013 Revenue Growth



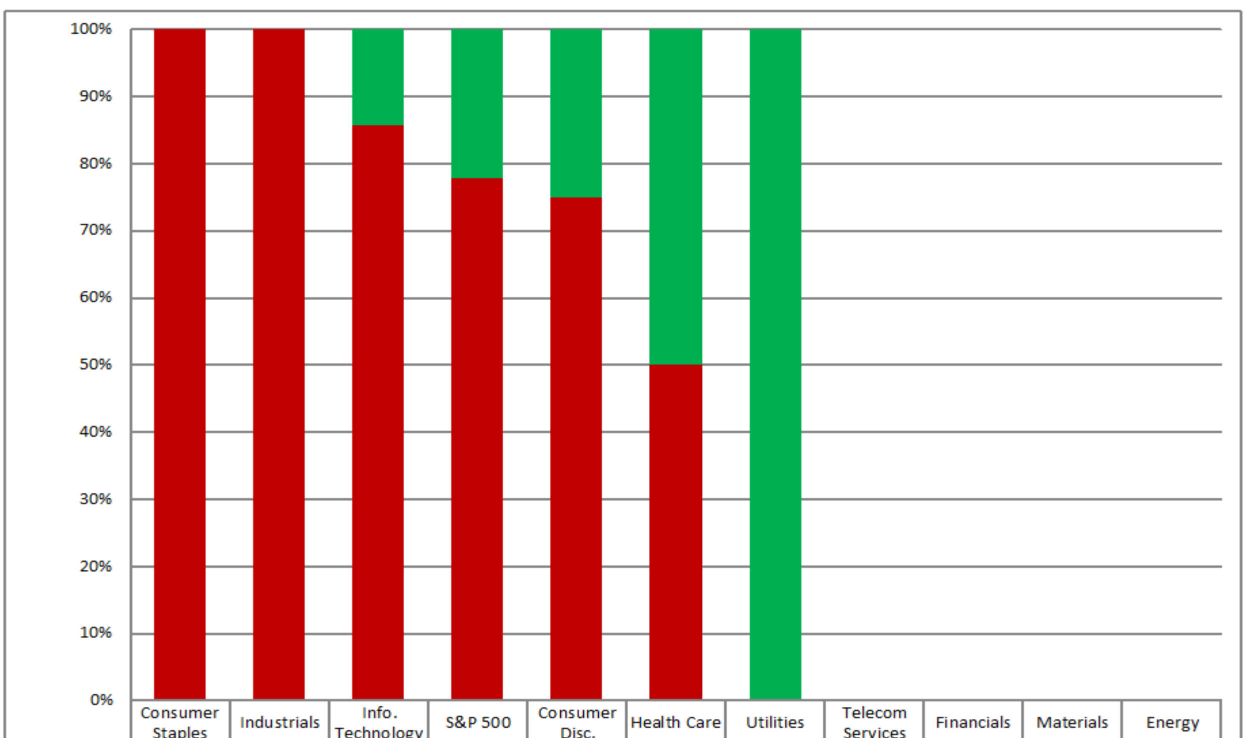
	Utilities	Consumer Disc.	Health Care	Telecom Services	Materials	Info. Technology	Consumer Staples	S&P 500	Industrials	Financials	Energy
Today	5.4%	5.3%	4.0%	2.8%	2.6%	2.6%	2.0%	1.9%	1.8%	1.4%	-4.3%
30-Sep	5.4%	5.3%	4.1%	2.7%	2.6%	2.8%	1.9%	2.5%	2.1%	2.8%	-1.3%

Q4 2013: Guidance

Number of Positive & Negative EPS Preannouncements: Q4 2013



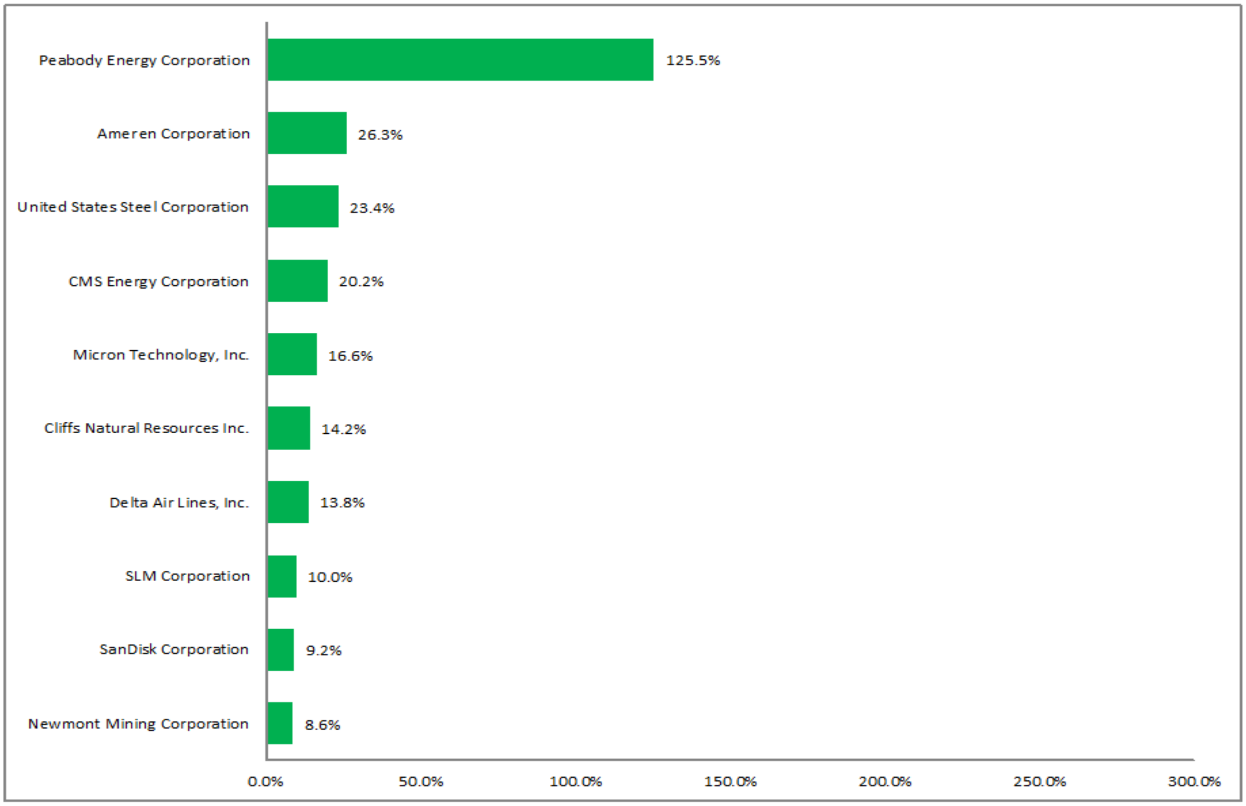
Percentage of Positive & Negative EPS Preannouncements: Q4 2013



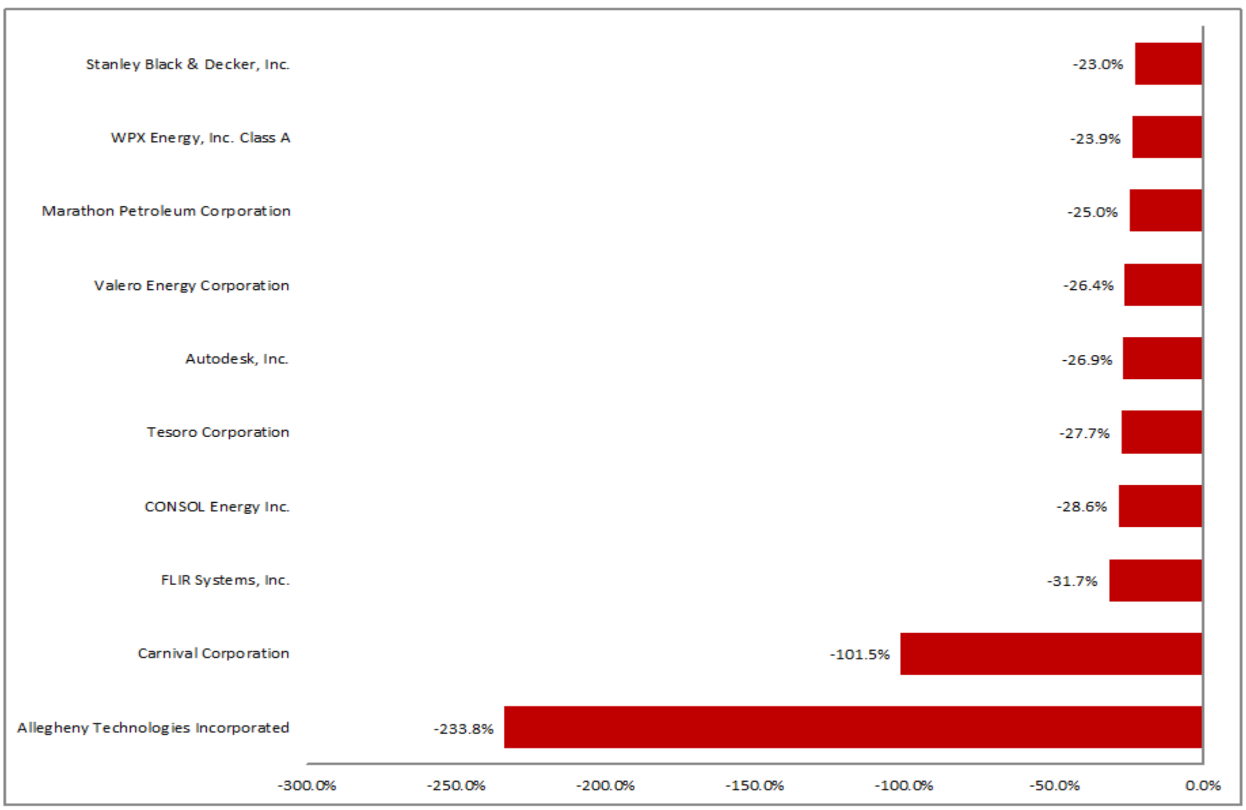
	Consumer Staples	Industrials	Info. Technology	S&P 500	Consumer Disc.	Health Care	Utilities	Telecom Services	Financials	Materials	Energy
Positive	0%	0%	14%	22%	25%	50%	100%	0%	0%	0%	0%
Negative	100%	100%	86%	78%	75%	50%	0%	0%	0%	0%	0%

Q4 2013: EPS Revisions

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

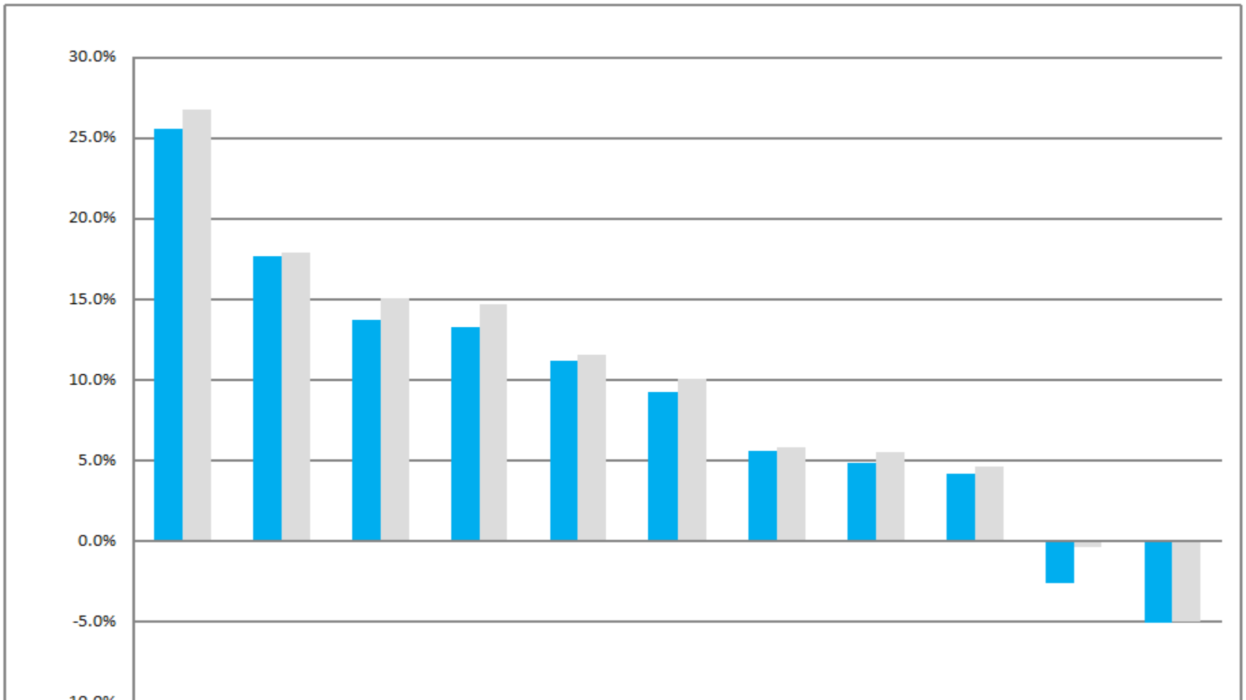


Highest Downward Change (Trailing 4-Weeks) in Mean EPS Estimate: Top 10 Companies



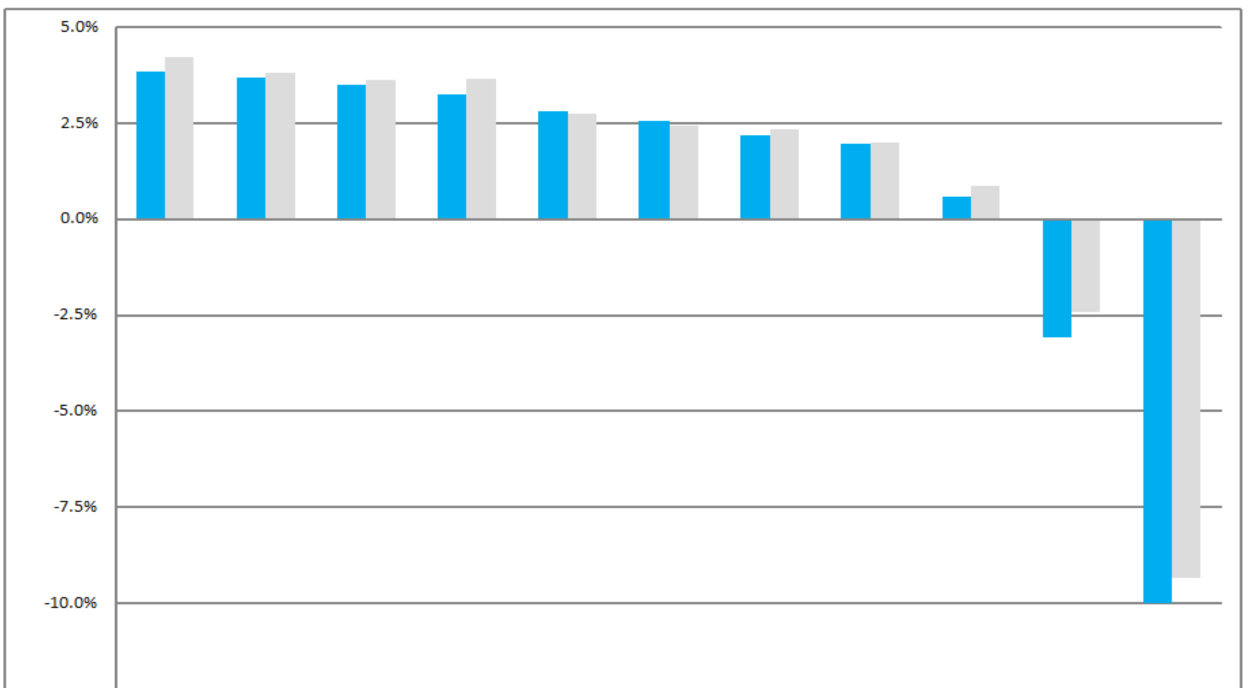
Q4 2013: Growth

Q4 2013 Earnings Growth



	Financials	Industrials	Materials	Telecom Services	Consumer Disc.	S&P 500	Info. Technology	Consumer Staples	Health Care	Energy	Utilities
Today	25.6%	17.6%	13.7%	13.3%	11.2%	9.2%	5.6%	4.9%	4.2%	-2.6%	-5.0%
30-Sep	26.8%	17.9%	15.1%	14.7%	11.6%	10.0%	5.9%	5.6%	4.7%	-0.3%	-5.0%

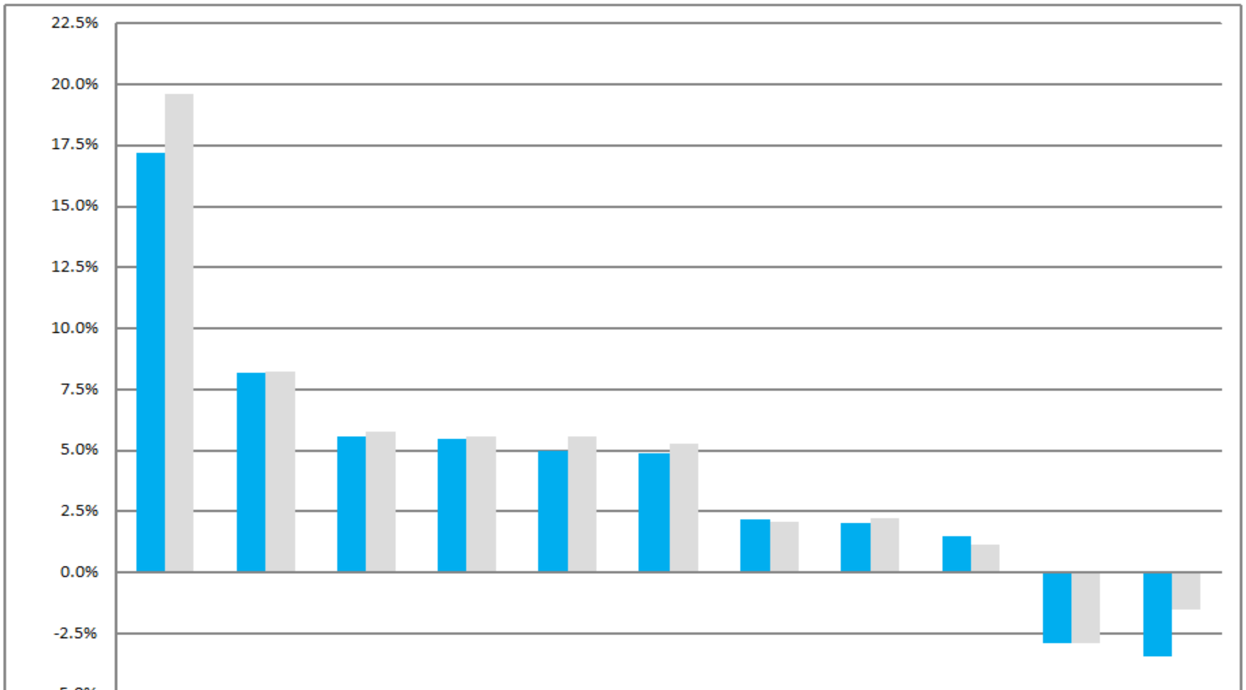
Q4 2013 Revenue Growth



	Info. Technology	Consumer Disc.	Consumer Staples	Materials	Health Care	Utilities	Industrials	Telecom Services	S&P 500	Energy	Financials
Today	3.8%	3.7%	3.5%	3.2%	2.8%	2.6%	2.2%	2.0%	0.6%	-3.1%	-10.0%
30-Sep	4.2%	3.8%	3.6%	3.7%	2.7%	2.4%	2.3%	2.0%	0.9%	-2.4%	-9.3%

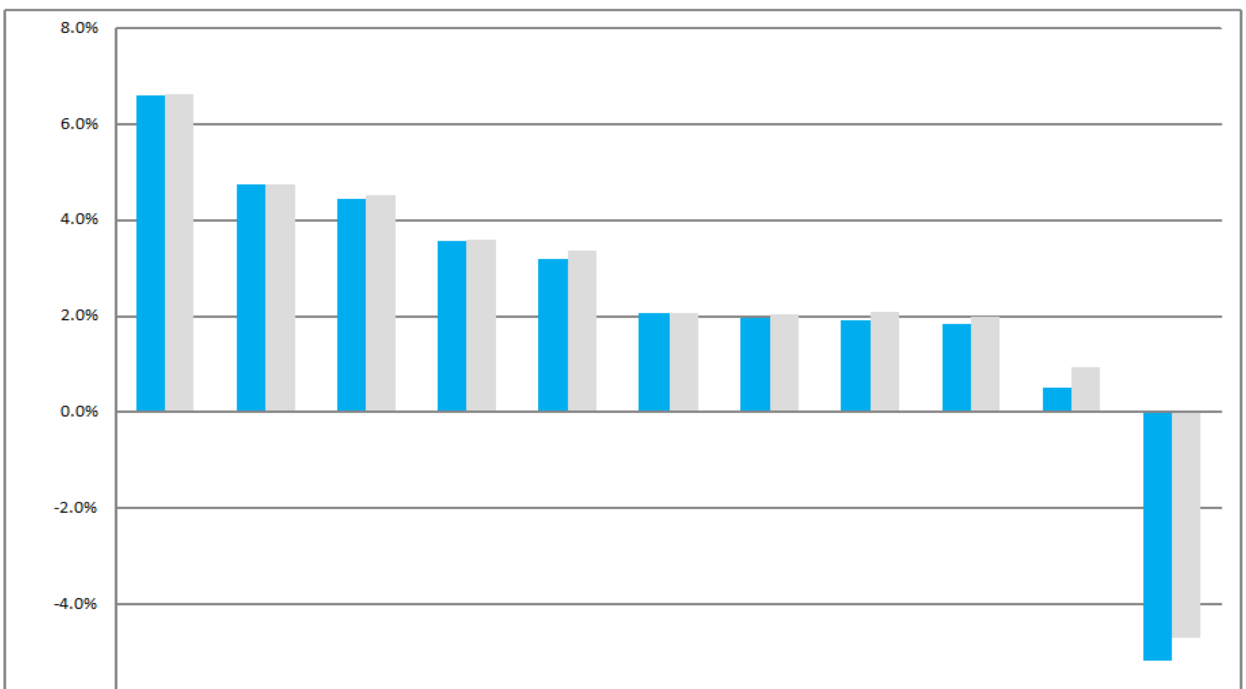
CY 2013: Growth

CY 2013 Earnings Growth



	Financials	Consumer Disc.	Consumer Staples	Industrials	S&P 500	Telecom Services	Health Care	Materials	Info. Technology	Utilities	Energy
Today	17.2%	8.2%	5.6%	5.5%	5.0%	4.9%	2.2%	2.1%	1.5%	-2.9%	-3.4%
30-Sep	19.6%	8.2%	5.8%	5.6%	5.6%	5.3%	2.1%	2.2%	1.2%	-2.9%	-1.5%

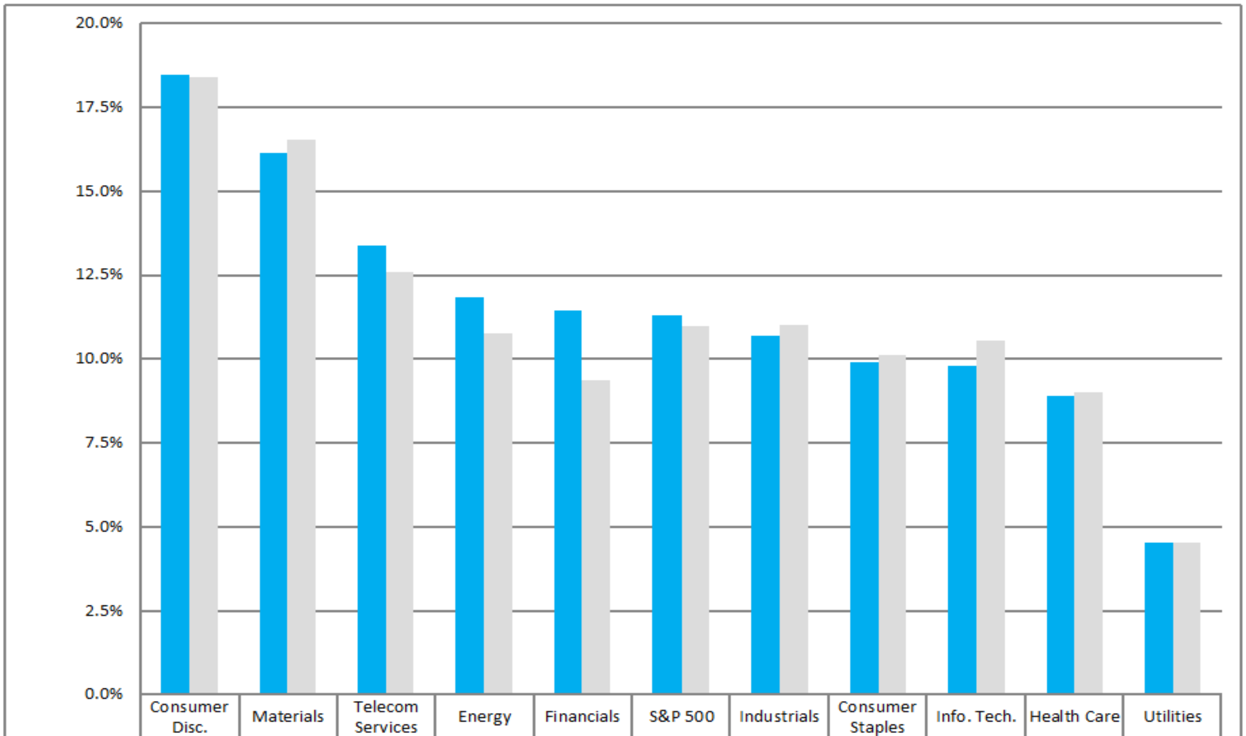
CY 2013 Revenue Growth



	Utilities	Consumer Disc.	Consumer Staples	Health Care	Info. Technology	Telecom Services	Industrials	S&P 500	Materials	Financials	Energy
Today	6.6%	4.7%	4.4%	3.6%	3.2%	2.1%	2.0%	1.9%	1.8%	0.5%	-5.2%
30-Sep	6.6%	4.7%	4.5%	3.6%	3.4%	2.0%	2.0%	2.1%	2.0%	0.9%	-4.7%

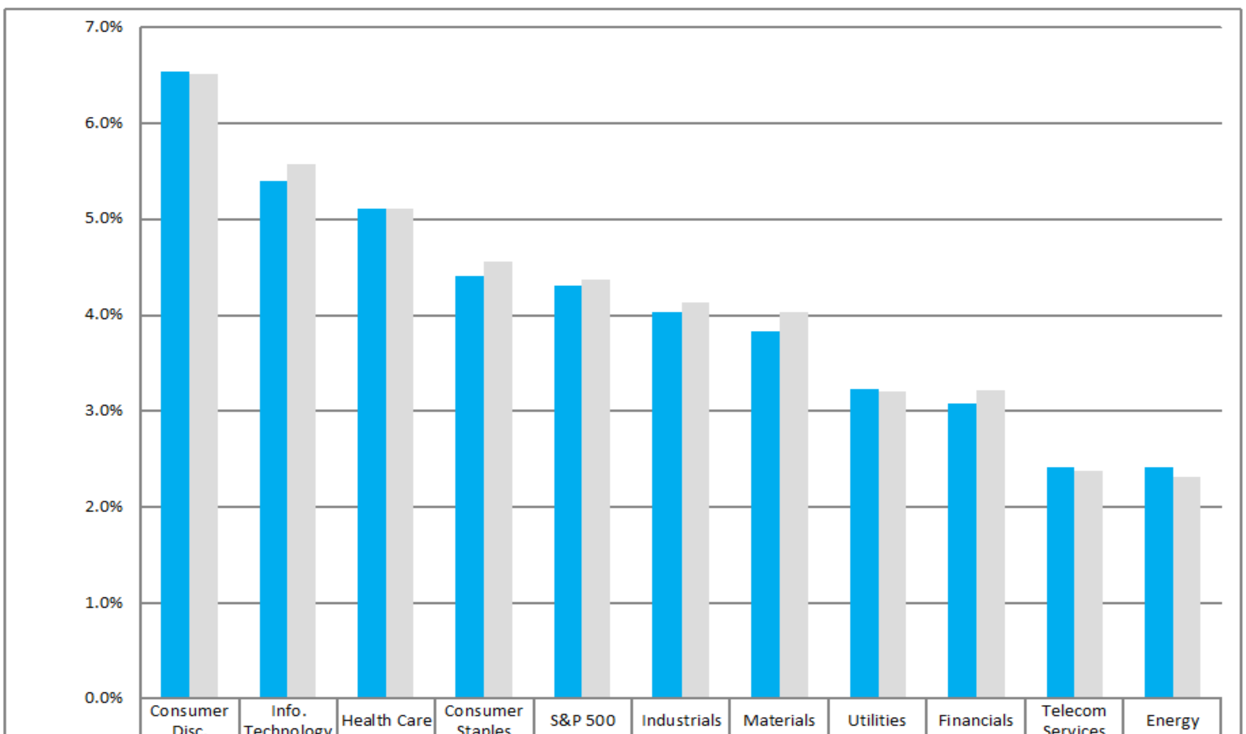
CY 2014: Growth

CY 2014 Earnings Growth



	Consumer Disc.	Materials	Telecom Services	Energy	Financials	S&P 500	Industrials	Consumer Staples	Info. Tech.	Health Care	Utilities
Today	18.5%	16.1%	13.4%	11.8%	11.4%	11.3%	10.7%	9.9%	9.8%	8.9%	4.6%
30-Sep-13	18.4%	16.5%	12.6%	10.7%	9.3%	11.0%	11.0%	10.1%	10.5%	9.0%	4.6%

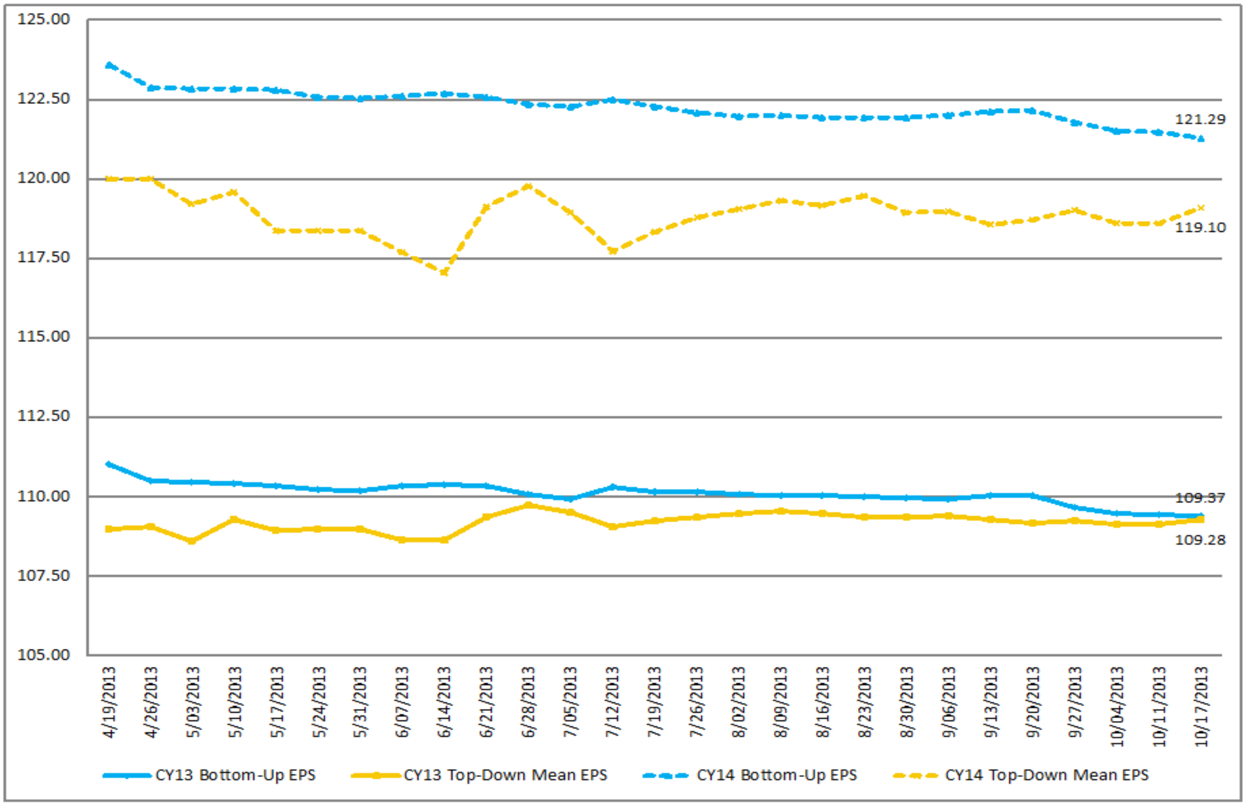
CY 2014 Revenue Growth



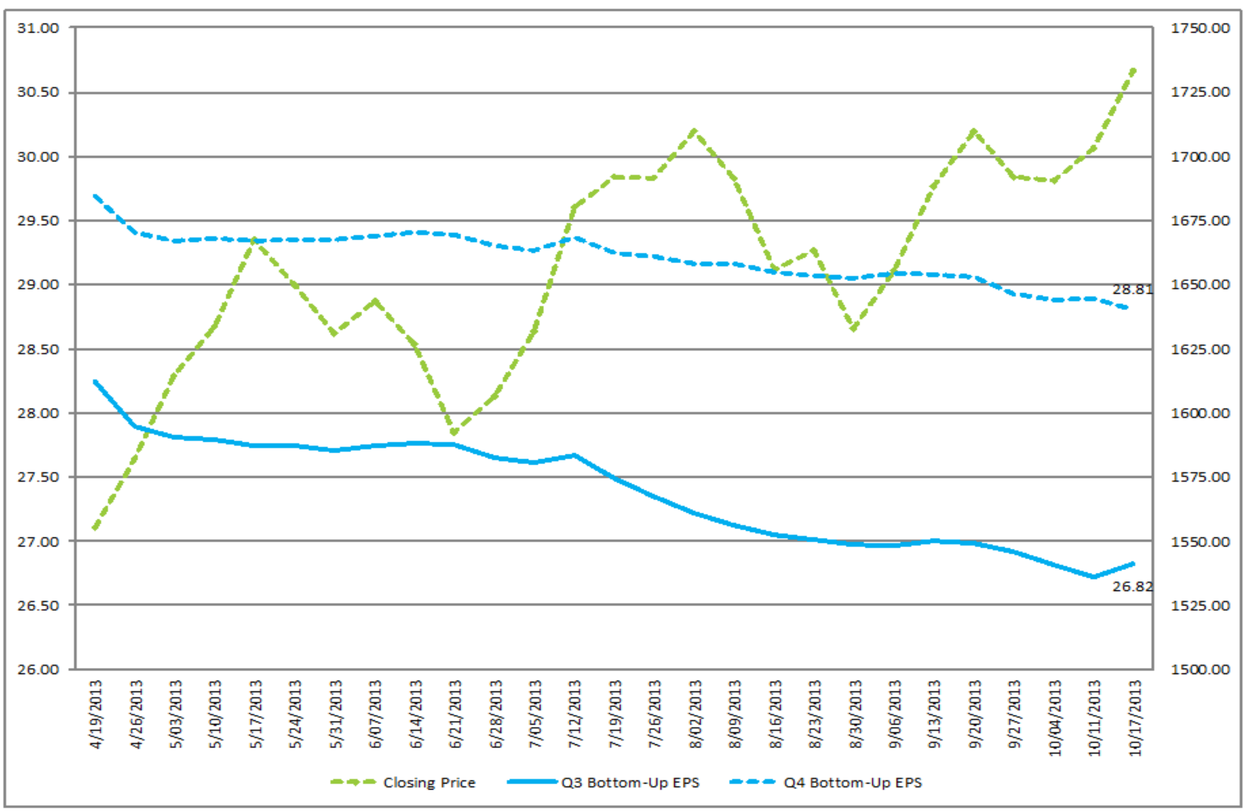
	Consumer Disc.	Info. Technology	Health Care	Consumer Staples	S&P 500	Industrials	Materials	Utilities	Financials	Telecom Services	Energy
Today	6.5%	5.4%	5.1%	4.4%	4.3%	4.0%	3.8%	3.2%	3.1%	2.4%	2.4%
30-Sep-13	6.5%	5.6%	5.1%	4.5%	4.4%	4.1%	4.0%	3.2%	3.2%	2.4%	2.3%

Bottom-up EPS Estimates: Revisions

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

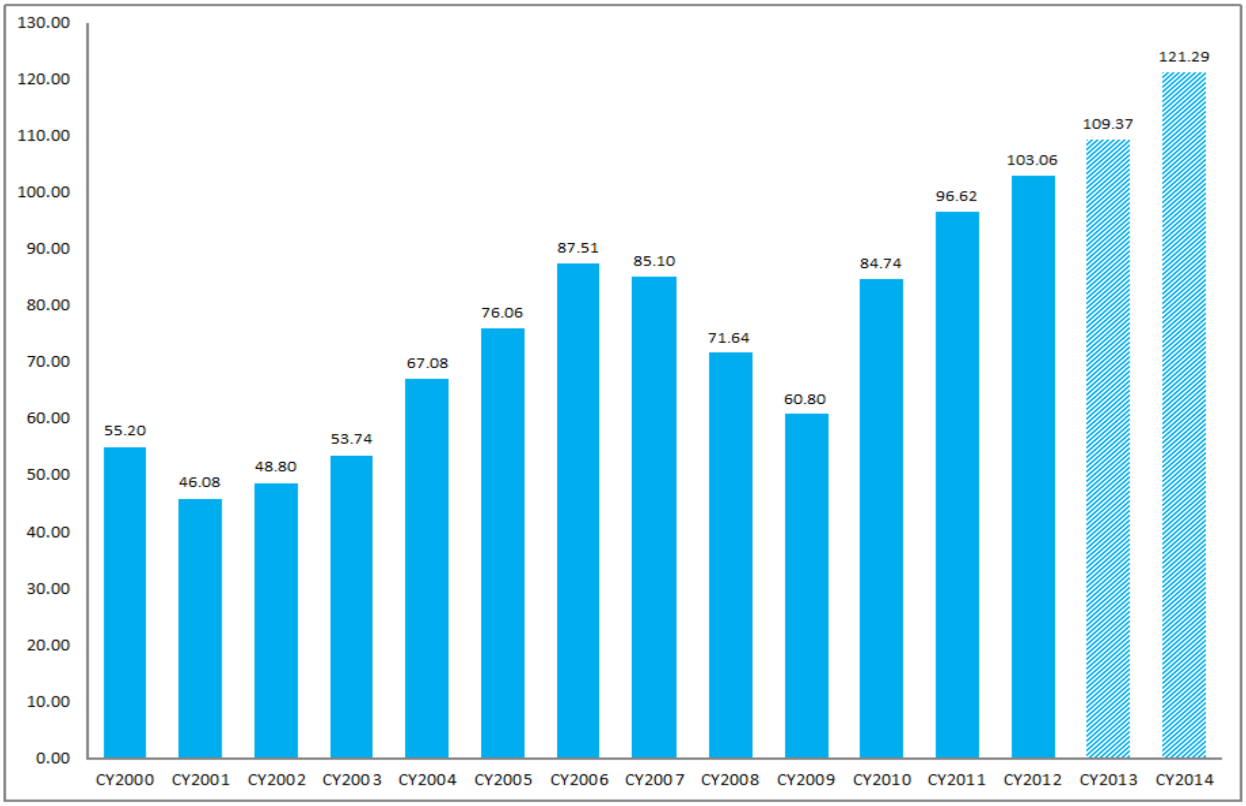


Change in Q213 Bottom-Up EPS vs. Price (Trailing 26-Weeks)

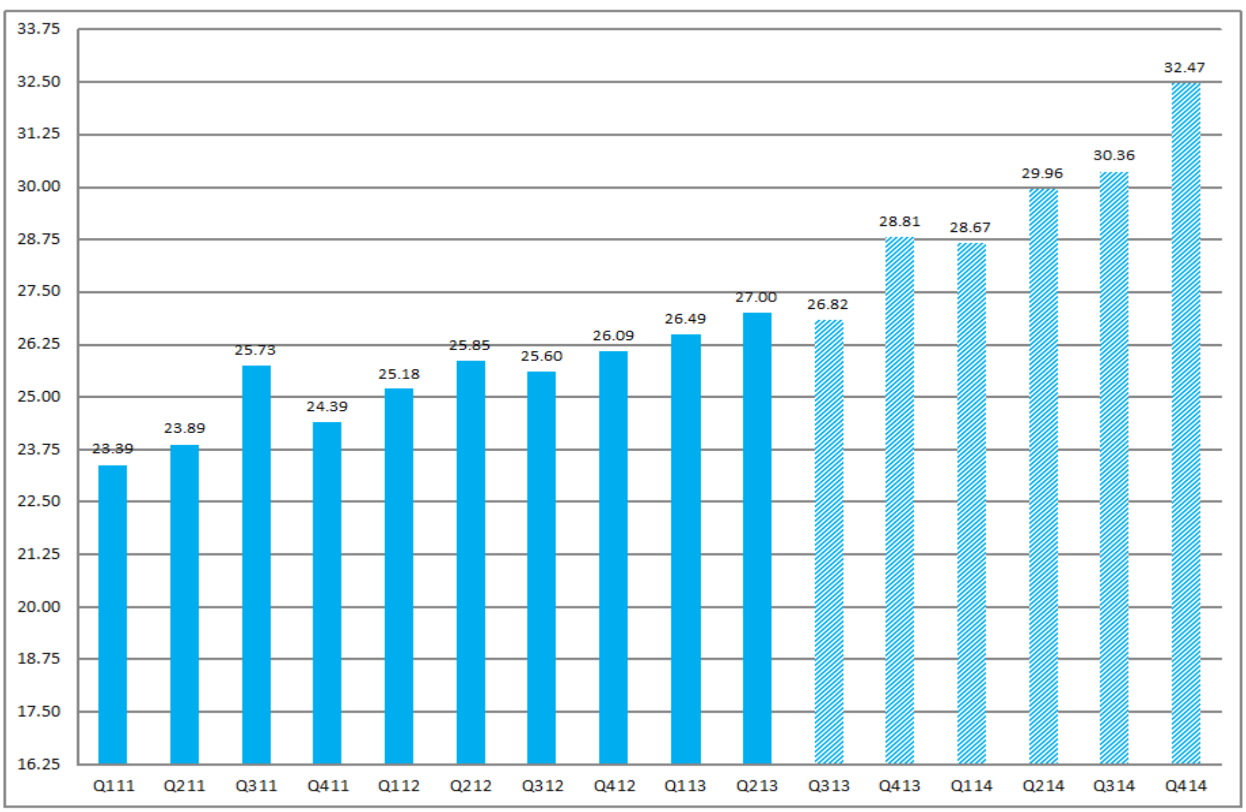


Bottom-up EPS Estimates: Current & Historical

Calendar Year Bottom-Up EPS Actuals & Estimates

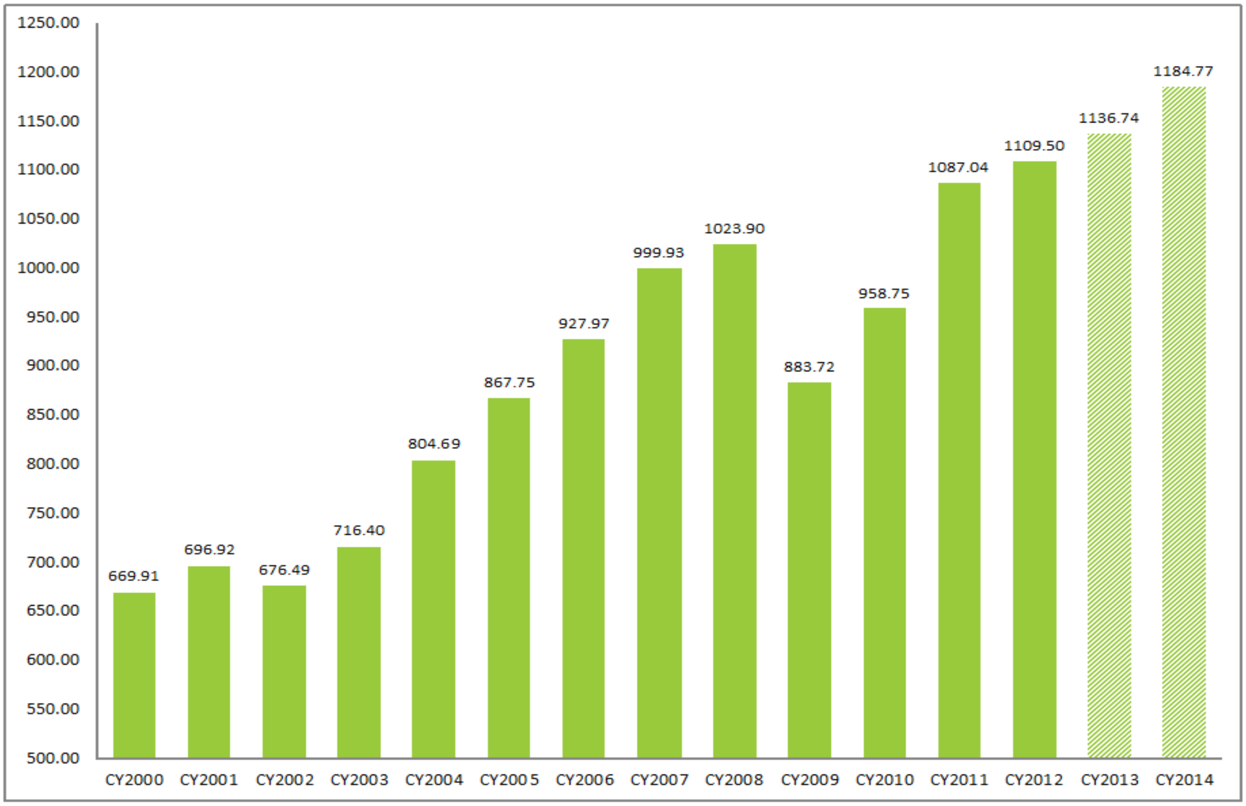


Quarterly Bottom-Up EPS Actuals & Estimates

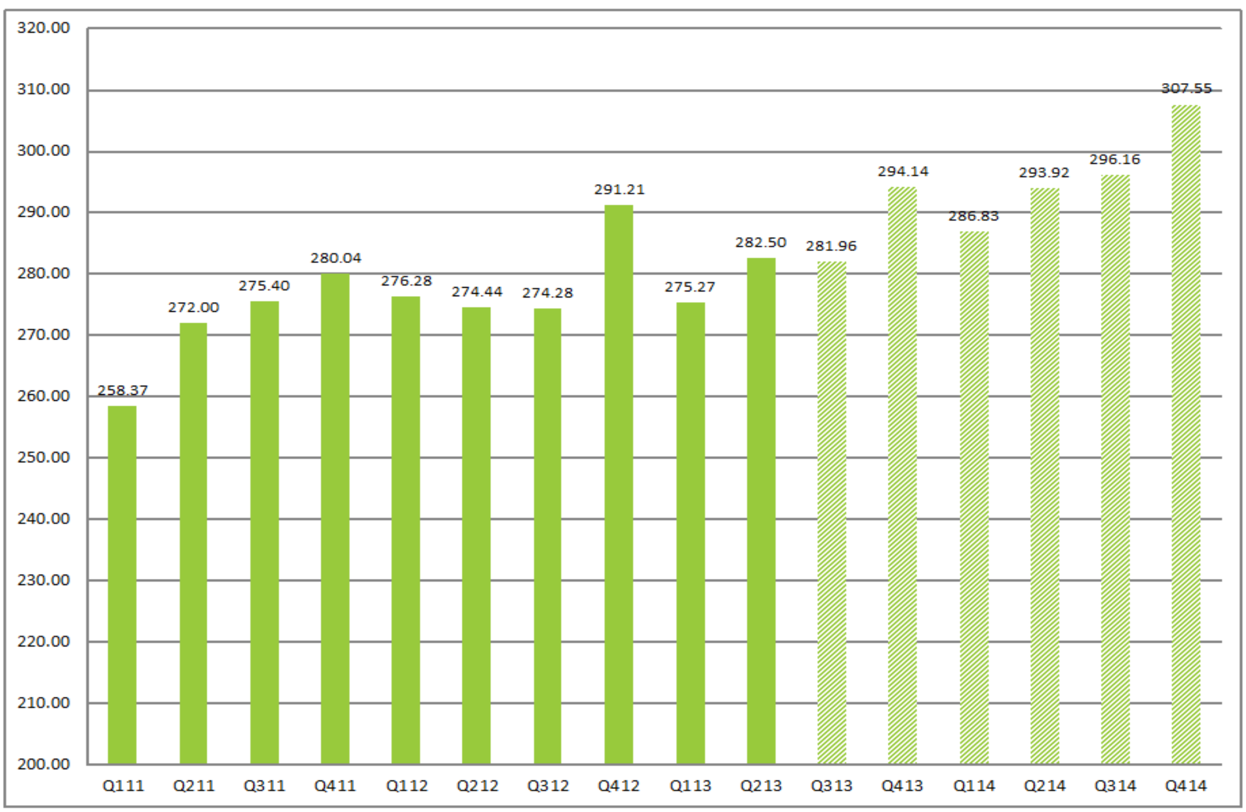


Bottom-up SPS Estimates: Current & Historical

Calendar Year Bottom-Up SPS Actuals & Estimates

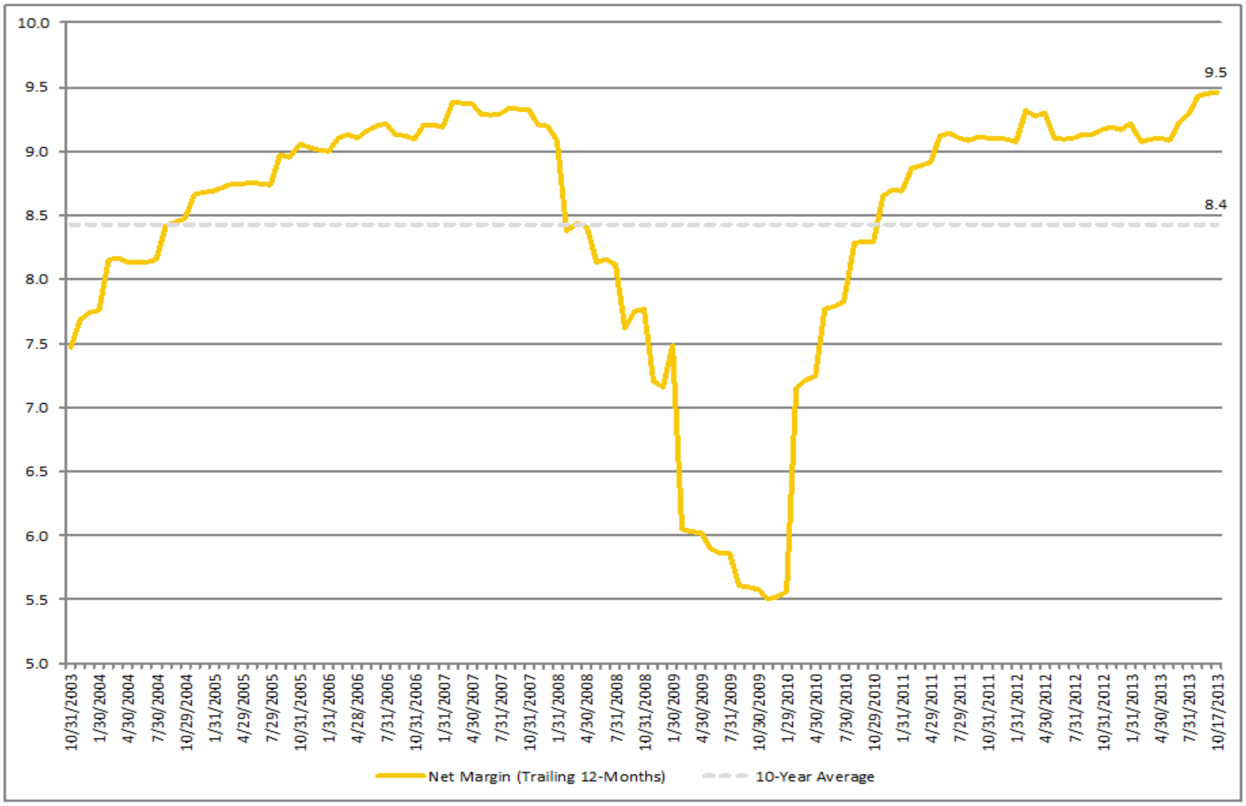


Quarterly Bottom-Up SPS Actuals & Estimates

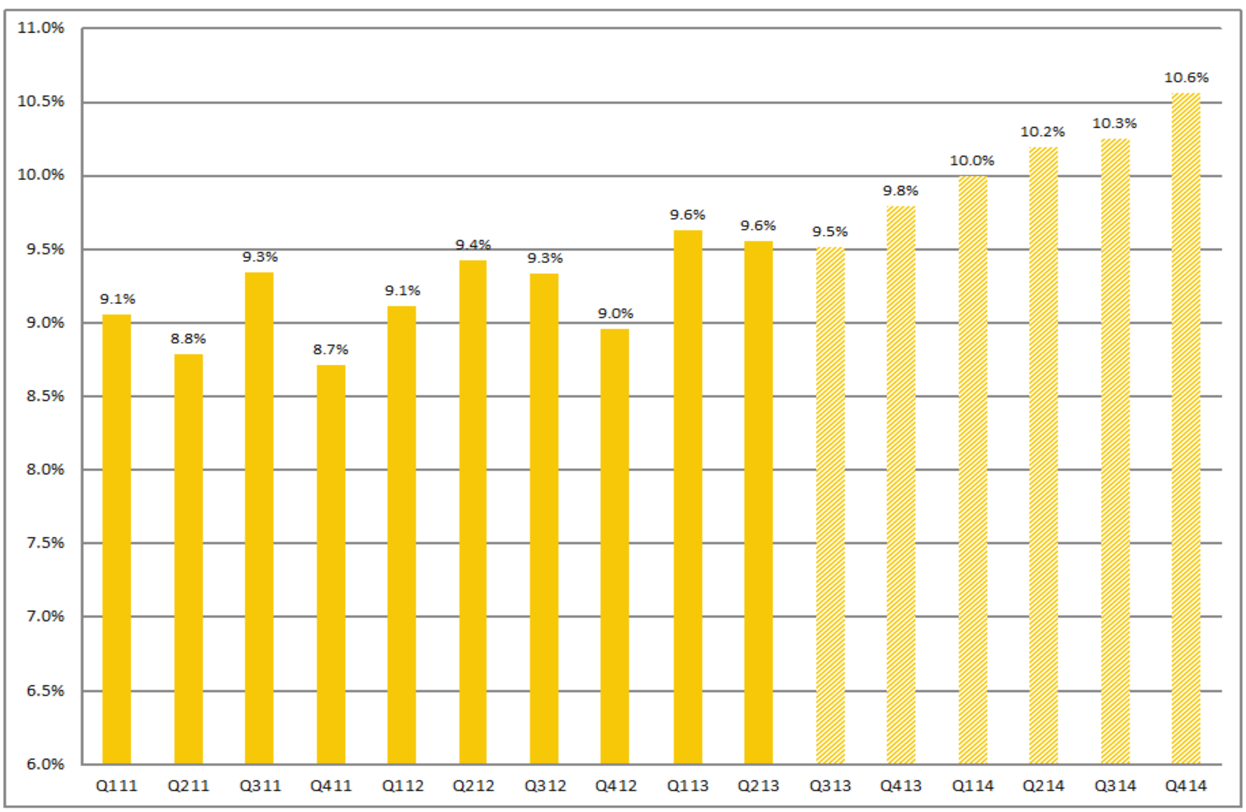


Net Margins: Current & Historical

Trailing 12M Net Margin: 10 Years

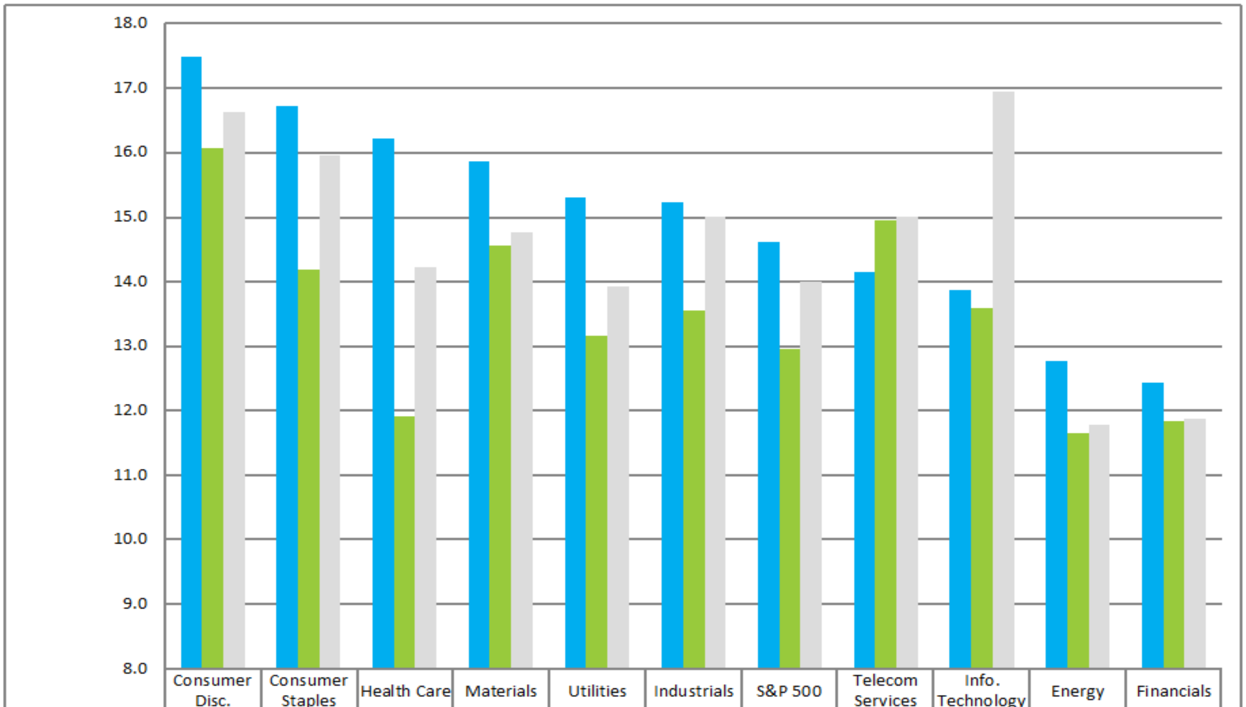


Quarterly Net Margins (Bottom-Up EPS / Bottom-Up SPS)



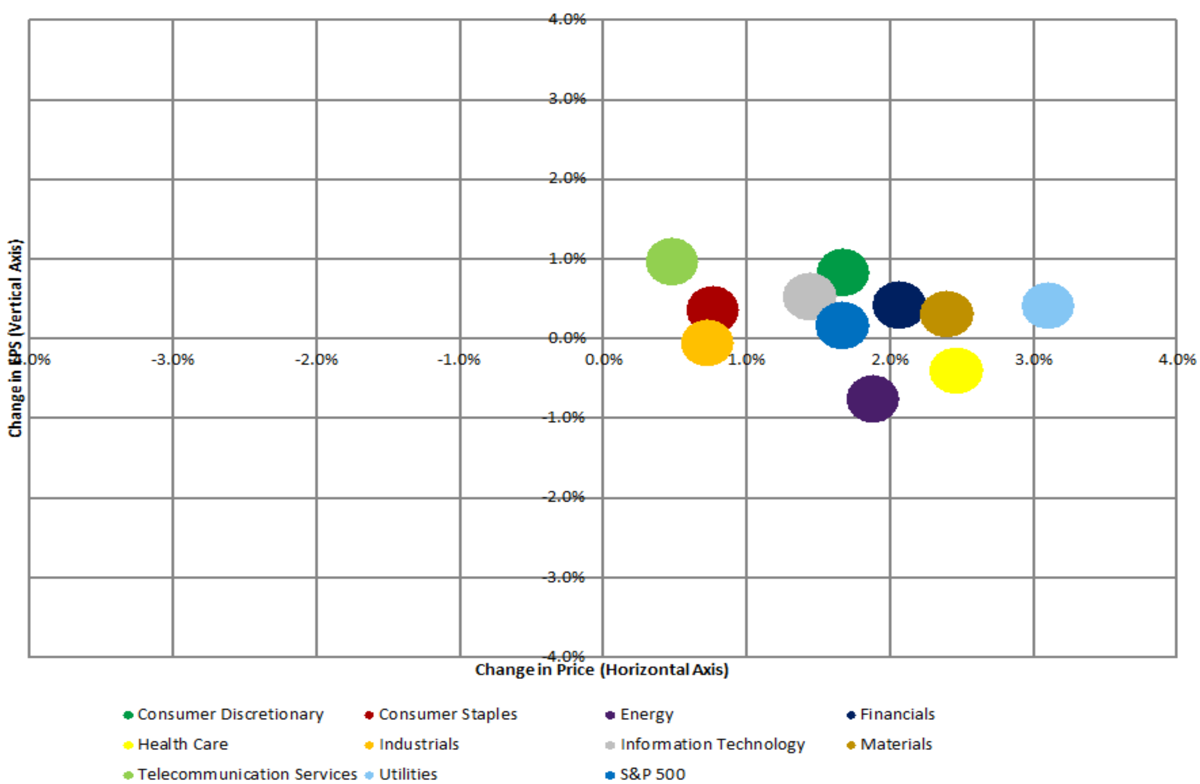
Forward 12M Price / Earnings Ratio: Sector Level

Sector-Level Forward 12-Month P/E Ratios



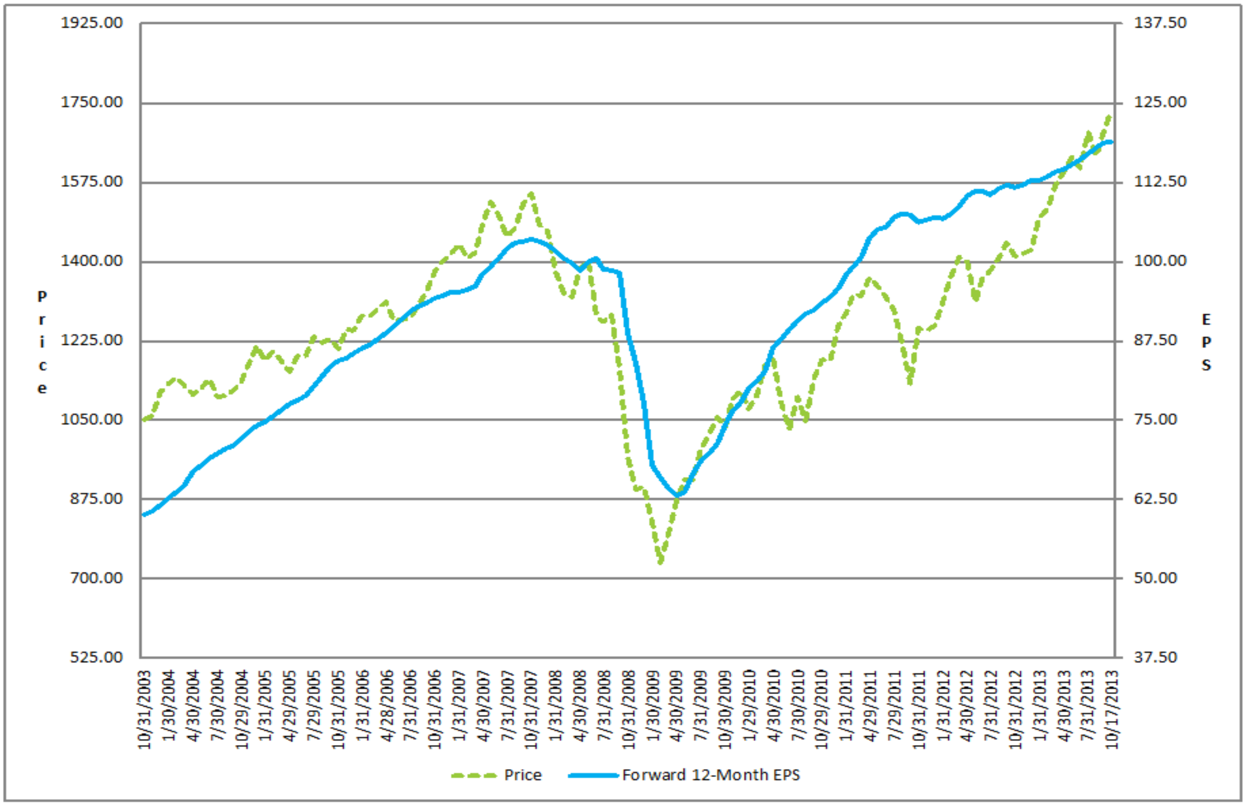
	Consumer Disc.	Consumer Staples	Health Care	Materials	Utilities	Industrials	S&P 500	Telecom Services	Info. Technology	Energy	Financials
Fwd 12M P/E	17.5	16.7	16.2	15.9	15.3	15.2	14.6	14.1	13.9	12.8	12.4
5-Yr Avg.	16.1	14.2	11.9	14.6	13.1	13.5	12.9	14.9	13.6	11.6	11.8
10-Yr Avg.	16.6	16.0	14.2	14.8	13.9	15.0	14.0	15.0	16.9	11.8	11.9

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

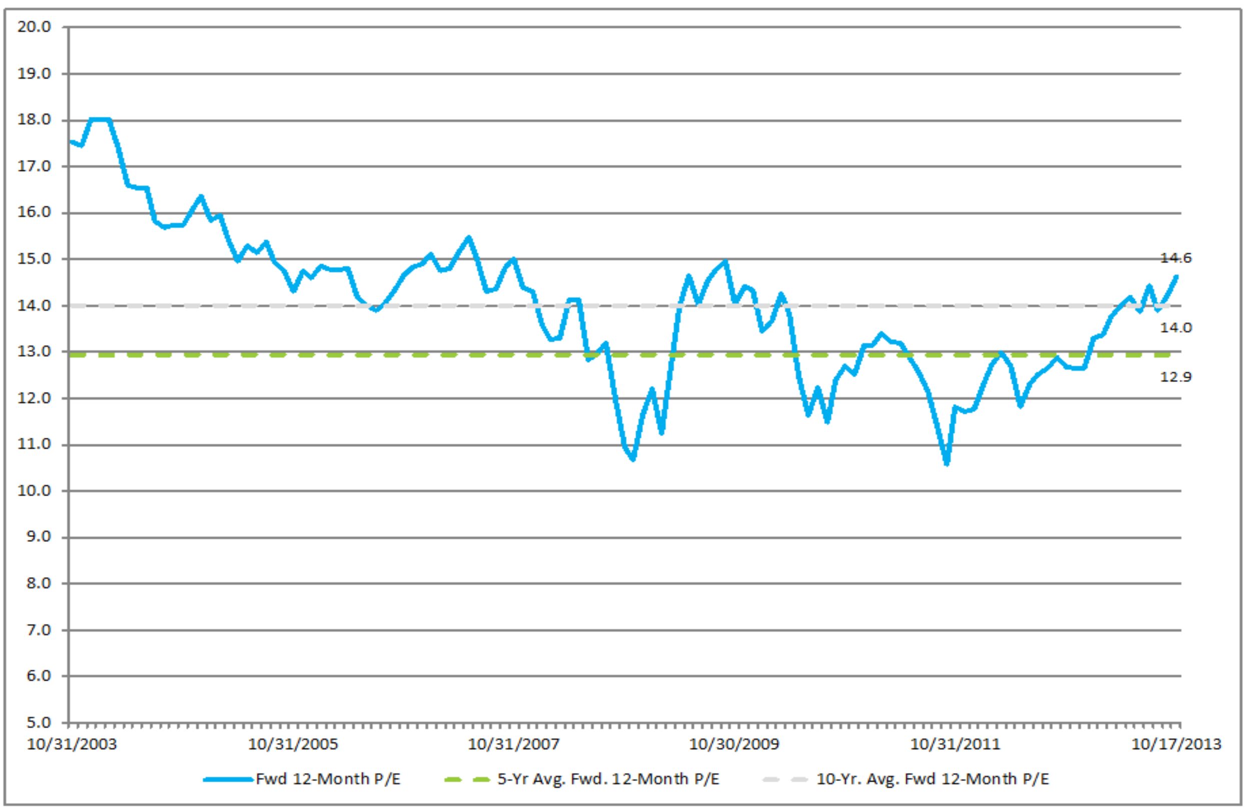


Forward 12M Price / Earnings Ratio: Long-Term Averages

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

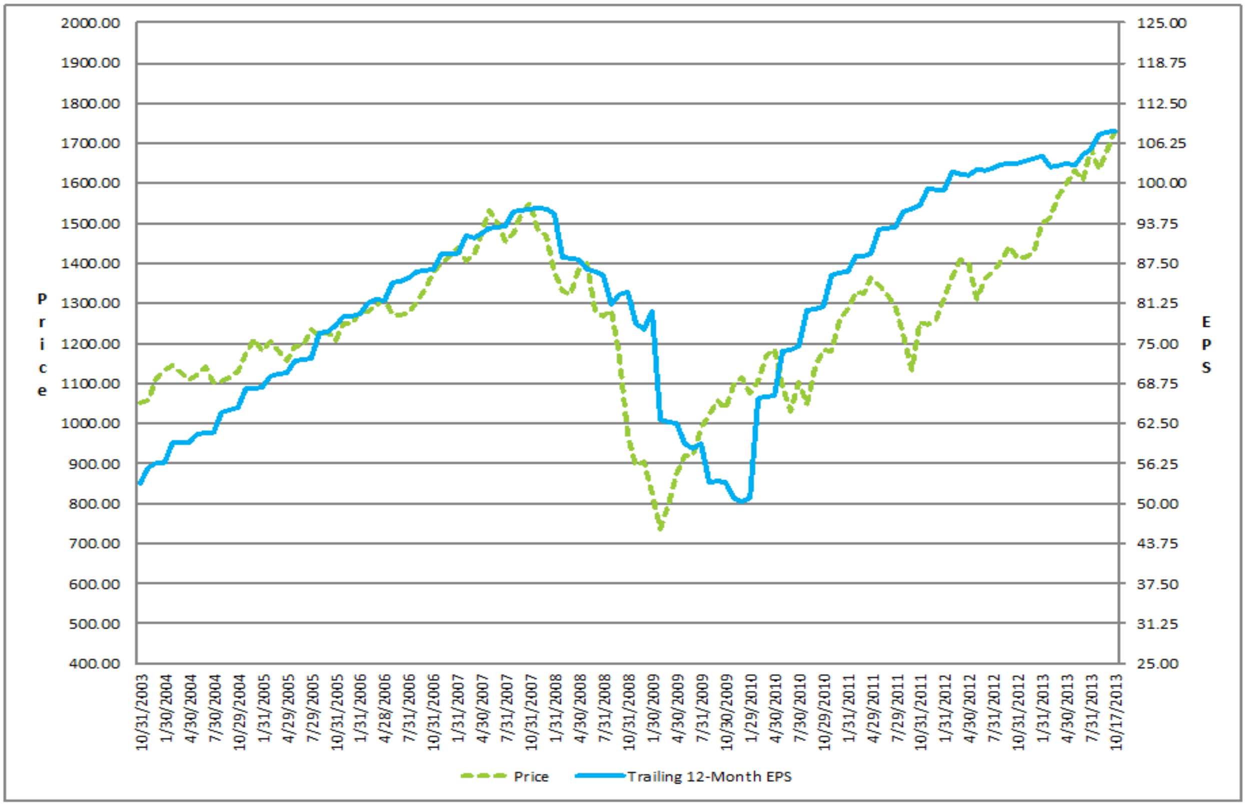


Forward 12M P/E Ratio: 10-Year

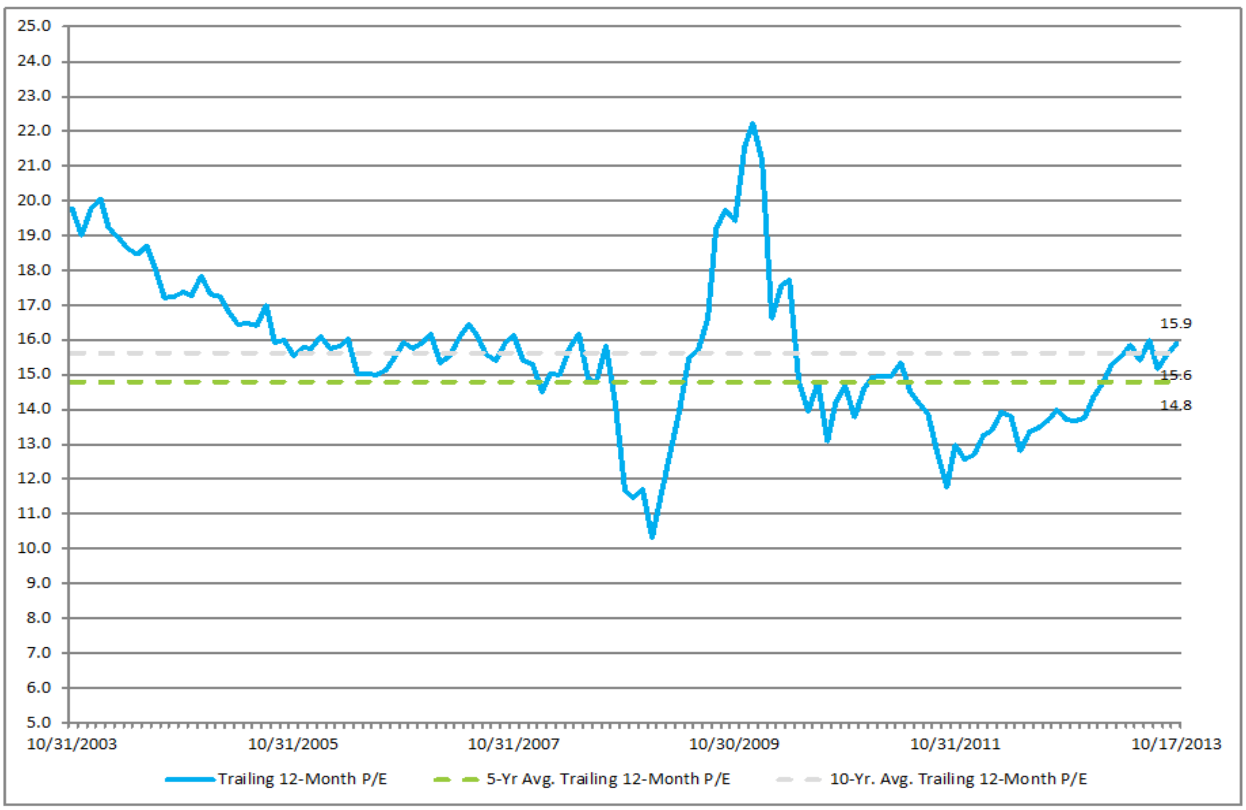


Trailing 12M Price / Earnings Ratio: Long-Term Averages

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



Trailing 12M P/E Ratio: 10-Year



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