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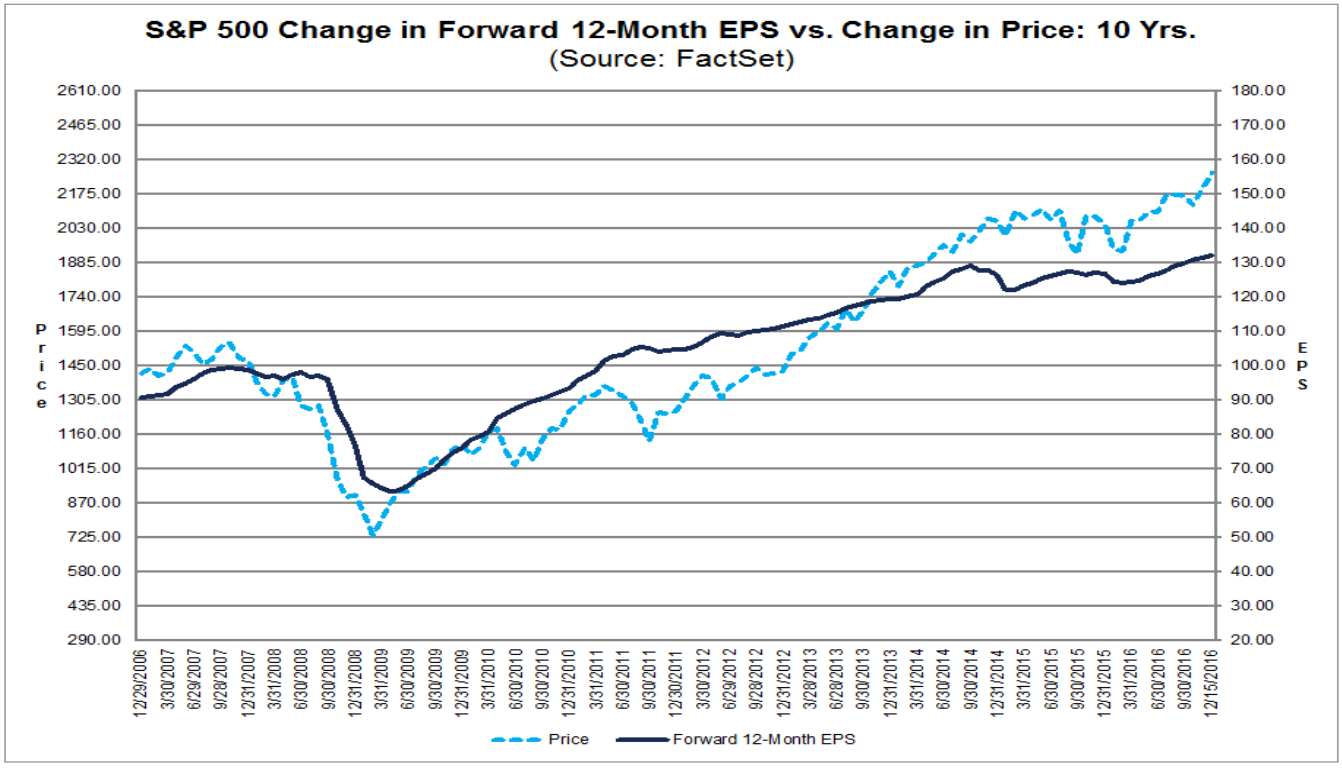
December 16, 2016

Key Metrics

- **Earnings Growth:** For Q4 2016, the estimated earnings growth rate for the S&P 500 is 3.2%. If the index reports earnings growth for Q4, it will mark the first time the index has seen year-over-year growth in earnings for two consecutive quarters since Q4 2014 and Q1 2015.
- **Earnings Revisions:** On September 30, the estimated earnings growth rate for Q4 2016 was 5.2%. Eight of the eleven sectors have lower growth rates today (compared to September 30) due to downward revisions to earnings estimates, led by the Materials sector.
- **Earnings Guidance:** For Q4 2016, 77 S&P 500 companies have issued negative EPS guidance and 34 S&P 500 companies have issued positive EPS guidance.
- **Valuation:** The forward 12-month P/E ratio for the S&P 500 is 17.1. This P/E ratio is based on Thursday's closing price (2262.03) and forward 12-month EPS ($132.17).
- **Earnings Scorecard:** As of today (with 5 of the companies in the S&P 500 reporting earnings for Q4 2016), 4 S&P 500 companies have beat the mean EPS estimate and 2 S&P 500 companies have beat the mean sales estimate.



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Topic of the Week:

Did Analysts Raise EPS Estimates for Banks in Advance of the Fed Rate Hike?

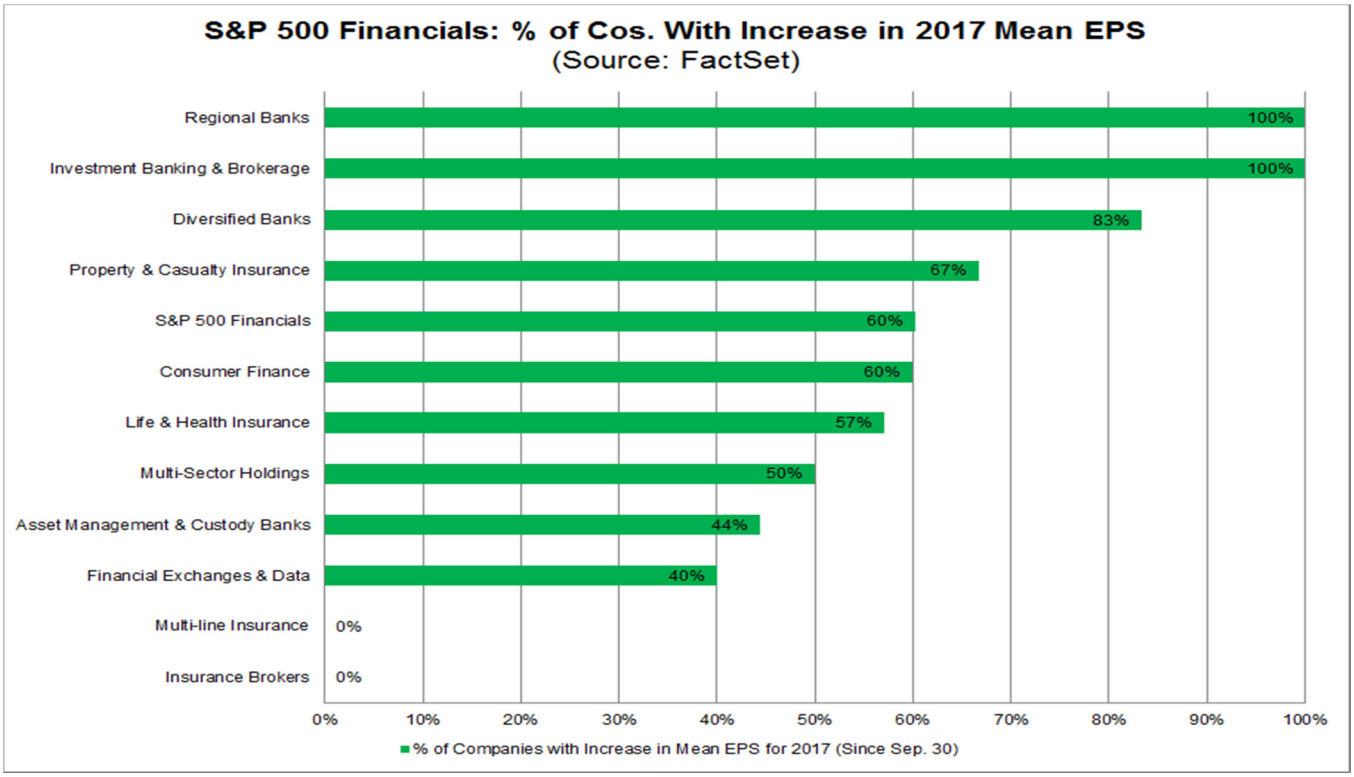
The S&P 500 Financials sector has been a focus sector for the markets in recent weeks. This past week, the Federal Reserve Board increased the target range for the federal funds rate. Earnings for banks and other companies in the Financials sector are particularly sensitive to higher interest rates. In addition, this sector has recorded the largest increase in value (+22.2%) of all eleven sectors in the S&P 500 since the start of the fourth quarter (September 30). Given these developments, have analysts been increasing their EPS estimates for 2017 for banks and other companies in the S&P 500 Financials sector over the past few months?

The answer is yes. In terms of EPS estimate revisions, 38 of the 63 companies (60%) in the S&P 500 Financials sector have seen an increase in their mean EPS estimate for 2017 since September 30. At the sub-industry level, the three sub-industries that have the largest percentages of companies that have recorded an increase in their mean EPS estimate for 2017 (since September 30) are all bank-related sub-industries: Regional Banks, Investment Banking & Brokerage, and Diversified Banks.

In the Regional Banks sub-industry, 11 of the 11 companies (100%) in this sub-industry have seen an increase in their mean EPS estimate for 2017 since September 30, led by Huntington Bancshares (to 0.94 from 0.88), Citizens Financial Group (to $2.18 from $2.06), and Regions Financial (to $0.95 from $0.90).

In the Investment Banking & Brokerage sub-industry, 4 of the 4 companies (100%) in this sub-industry have seen an increase in their mean EPS estimate for 2017 since September 30, led by Morgan Stanley (to $3.18 from $2.97) and Goldman Sachs (to 18.02 from 16.88).

In the Diversified Banks sub-industry, 5 of the 6 companies (83%) in this sub-industry have seen an increase in their mean EPS estimate for 2017 since September 30, led by Comerica (to 3.84 from 3.37) and Bank of America (to 1.64 from $1.54).



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Q4 2016 Earnings Season: By The Numbers

Overview

In terms of estimate revisions for companies in the S&P 500, analysts have made smaller cuts than average to earnings estimates for Q4 2016 to date. On a per-share basis, estimated earnings for the fourth quarter have fallen by 2.1% since September 30. This percentage decline is smaller than the trailing 5-year average (-3.8%) and the trailing 10-year average (-4.6%) for the first two-and-a-half months of a quarter.

In addition, a smaller percentage of S&P 500 companies have lowered the bar for earnings for Q4 2016 relative to recent averages. Of the 111 companies that have issued EPS guidance for the fourth quarter, 77 have issued negative EPS guidance and 34 have issued positive EPS guidance. The percentage of companies issuing negative EPS guidance is 69% (77 out of 111), which is below the 5-year average of 74%.

As a result of the downward revisions to earnings estimates, the estimated year-over-year earnings growth rate for Q4 2016 is 3.2% today. On September 30, the expected earnings growth rate was 5.2%. Eight sectors are predicted to report year-over-year earnings growth, led by the Utilities and Financials sectors. Three sectors are projected to report a year-over-year decline in earnings, led by the Telecom Services and Industrials sectors.

As a result of downward revisions to sales estimates, the estimated sales growth rate for Q4 2016 is 5.1%. On September 30, the expected revenue growth rate was 5.3%. Ten sectors are projected to report year-over-year growth in revenues, led by the Utilities sector. The only sector predicted to report a year-over-year decline in revenues is the Telecom Services sector.

Looking at future quarters, analysts currently project earnings growth to continue through 2017.

The forward 12-month P/E ratio is now 17.1, which is above the 5-year average and the 10-year average.

During the upcoming week, 13 S&P 500 companies (including 1 Dow 30 component) are scheduled to report results for the fourth quarter.

Earnings Revisions: Materials Sector Has Recorded Largest Drop in Expected Earnings Growth

Small Increase in Estimated Earnings Growth Rate for Q4 This Week

The estimated earnings growth rate for the fourth quarter is 3.2% this week, which is slightly above the estimated earnings growth rate of 3.1% last week. Small upward revisions to earnings estimates for companies in the Energy and Financials sectors and small upside earnings surprises reported by companies in the Information Technology sector were mainly responsible for the slight increase in the overall earnings growth rate for the index during the week.

Overall, the estimated earnings growth rate for Q4 2016 of 3.2% today is below the estimated earnings growth rate of 5.2% at the start of the quarter (September 30). Eight sectors have recorded a decline in expected earnings growth since the beginning of the quarter due to downward revisions to earnings estimates, led by the Materials, Utilities, Real Estate, Consumer Discretionary, and Industrials sectors. Three sectors have recorded an increase in expected earnings growth since the start of the quarter due to upward revisions to earnings estimates, led by the Information Technology and Energy sectors.

Materials: Largest Decline in Expected Earnings Growth since September 30

The Materials sector has recorded the largest decrease in expected earnings growth since the start of the quarter (to 4.0% from 19.4%). Overall, 22 of the 25 companies (88%) in this sector have seen a decline in their mean EPS estimate during this time. Of these 22 companies, 11 have recorded a decrease in their mean EPS estimate of more than 10%, led by CF Industries Holdings (to -$0.07 from $0.27) and Monsanto (to -$0.01 from $0.18). However, Freeport-McMoRan (to $0.30 from $0.46) is the largest contributor to the decrease in earnings growth for this sector since September 30. Despite the decline in estimated earnings, the Materials sector has witnessed an increase in price of 6.2% since the start of the quarter.

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Utilities: 2nd Largest Decrease in Expected Earnings Growth

The Utilities sector has recorded the second largest decrease in expected earnings growth since the start of the quarter (to 20.1% from 25.9%). Overall, 19 of the 28 companies (68%) in this sector have seen a decline in their mean EPS estimate during this time. Of these 19 companies, 8 have recorded a drop in their mean EPS estimate of more than 10%, led by Entergy (to $0.13 from $0.58), CMS Energy (to $0.29 from $0.43), and DTE Energy (to $0.86 from $1.23). The Utilities sector has witnessed a decrease in price of 2.2% since the start of the quarter.

Real Estate: 3rd Largest Decrease in Expected Earnings Growth

The Real Estate sector has recorded the third largest decrease in expected earnings growth since the start of the quarter (to 0.6% from 6.2%). Overall, 22 of the 29 companies (76%) in this sector have seen a decrease in their mean EPS estimate during this time. Of these 22 companies, 10 have recorded a decrease in their mean EPS estimate of more than 10%, led by SL Green Realty (to 0.09 from $0.33) and HCP (to $0.20 from $0.39). The Real Estate sector has witnessed a decrease in price of 7.2% since the start of the quarter.

Consumer Discretionary: 4th Largest Decrease in Expected Earnings Growth, Led by Amazon

The Consumer Discretionary sector has recorded the fourth largest decrease in expected earnings growth since the start of the quarter (to 0.5% from 6.1%). Overall, 66 of the 82 companies (80%) in this sector have witnessed a decline in their mean EPS estimate during this time. Of these 66 companies, 14 have recorded a decrease in their mean EPS estimate of more than 10%, led by Chipotle Mexican Grill (to $0.98 from $2.08), Amazon.com (to $1.40 from $2.13), and Viacom (to $0.83 from $1.19). Amazon.com is also the largest contributor to the decrease in the expected earnings growth rate for this sector since September 30. Other significant contributors to the drop in earnings growth are Ford Motor (to $0.36 from $0.40) and Walt Disney (to $1.50 from $1.60). Despite the overall decrease in estimated earnings, the Consumer Discretionary sector has witnessed an increase in price of 4.1% since the start of the quarter.

Industrials: 5th Largest Decrease in Expected Earnings Growth, Led by Delta Air Lines and Caterpillar

The Industrials sector has recorded the fifth largest decrease in expected earnings growth since the start of the quarter (to -8.4% from -2.9%). Overall, 54 of the 69 companies (78%) in this sector have seen a decline in their mean EPS estimate during this time. Of these 54 companies, 12 have recorded a drop in their mean EPS estimate of more than 10%, led by Delta Air Lines (to $0.78 from $1.27) and Caterpillar (to $0.66 from $1.02). Delta Air Lines and Caterpillar are also the largest contributors to the decrease in the expected earnings growth rate for this sector since September 30. Despite the overall decrease in estimated earnings, the Industrials sector has witnessed an increase in price of 7.4% since the start of the quarter.

Information Technology: Largest Increase in Expected Earnings Growth

The Information Technology sector has recorded the largest increase in expected earnings growth since the start of the quarter (to 5.8% from 4.3%). Overall, 35 of the 66 companies (53%) in this sector have seen an increase in their mean EPS estimate during this time. Of these 35 companies, 9 have recorded an increase in their mean EPS estimate of 10% or more, led by Micron Technology (to 0.24 from $0.09), Western Digital (to $2.10 from $1.25), and NVIDIA (to $0.83 from $0.56). These three companies, along with Apple (to $3.24 from $3.18) and Facebook (to $1.30 from $1.24), are the largest contributors to the increase in the projected earnings growth rate for this sector since September 30. The Information Technology sector has witnessed an increase in price of 2.5% since the start of the quarter.

Energy: 2nd Largest Increase in Expected Earnings Growth

The Energy sector has recorded the second largest increase in expected earnings growth since the start of the quarter (to -0.1% from -1.3%). Overall, 19 of the 36 companies (53%) in this sector have seen an increase in their mean EPS estimate during this time. Of these 19 companies, 13 have recorded an increase in their mean EPS estimate of 10% or more, led by Apache (to 0.09 from $0.03), Halliburton (to $0.01 from -$0.04), and Devon Energy (to $0.18 from $0.10). However, Baker Hughes (to -$0.10 from -$0.35) is the largest contributor to the decrease in the projected earnings decline for this sector since September 30. The Energy sector has witnessed an increase in price of 7.6% since the start of the quarter.

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Index-Level (Bottom-Up) EPS Estimate: Below Average Decline to Date

Downward revisions to earnings estimates in aggregate for the fourth quarter to date have been below recent averages. The Q4 bottom-up EPS estimate (which is an aggregation of the earnings estimates for all 500 companies in the index and can be used as a proxy for the earnings for the index) has fallen by 2.1% (to $30.88 from $31.55) since September 30. This decline in the EPS estimate for Q4 2016 is below the trailing 1-year (-4.2%) average, the trailing 5-year (-3.8%), and the trailing 10- year average (-4.6%) for the bottom-up EPS estimate through approximately the first two-and-a-half months of a quarter.

Guidance: Negative EPS Guidance (69%) for Q4 Below Average

At this point in time, 111 companies in the index have issued EPS guidance for Q4 2016. Of these 111 companies, 77 have issued negative EPS guidance and 34 have issued positive EPS guidance. The percentage of companies issuing negative EPS guidance is 69% (77 out of 111), which is below the 5-year average of 74%.

In the Information Technology sector, more companies have issued positive EPS guidance (17) than negative EPS guidance (15).

Earnings Growth: Second Straight Quarter of Year-Over-Year Earnings Growth (3.2%)

The estimated earnings growth rate for Q4 2016 is 3.2%. If the index reports earnings growth for Q4, it will mark the first time the index has seen year-over-year growth in earnings for two consecutive quarters since Q4 2014 (4.6%) and Q1 2015 (0.5%). Eight sectors are projected to report year-over-year growth in earnings, led by the Utilities and Financials sectors. Three sectors are projected to report a year-over-year decline in earnings, led by the Telecom Services and Industrials sectors.

Utilities: NRG Energy, PG&E, & Dominion Lead Growth

The Utilities sector is expected to report the highest (year-over-year) earnings growth of all eleven sectors at 20.1%. Overall, 21 of the 28 companies (75%) in the sector are projected to report EPS growth for the quarter. However, three companies are driving the earnings growth for this sector: NRG Energy, PG&E, and Dominion. The mean EPS estimate for NRG Energy for Q4 2016 is -$0.27, compared to year-ago EPS of -$1.35. The mean EPS estimate for PG&E for Q4 2016 is $1.33, compared to year-ago EPS of $0.50. The mean EPS estimate for Dominion for Q4 2016 is $1.01, compared to year-ago EPS of $0.70. If these three companies are excluded, the estimated earnings growth rate for the Utilities sector would drop to 0.4% from 20.1%.

Financials: AIG and Goldman Sachs Lead Growth on Comparisons to Low Year-Ago EPS

The Financials sector is expected to report the second highest (year-over-year) earnings growth of all eleven sectors at 14.5%. At the industry level, four of the five industries in this sector are predicted to report earnings growth, led by the Insurance (45%) and Capital Markets (28%) industries. At the company level, AIG and Goldman Sachs are the largest contributors to earnings growth for this sector. However, the EPS growth for both companies is benefitting from comparisons to unusually low earnings in Q4 2015. The mean EPS estimate for AIG for Q4 2016 is $1.18, compared to year-ago EPS of -$1.10. In the company's earnings release for Q4 2015, AIG noted, "The fourth quarter operating loss was primarily due to adverse prior year loss reserve development, and lower returns on alternative investments." The mean EPS estimate for Goldman Sachs for Q4 2016 is $4.67, compared to year-ago EPS of $1.27. In the company's earnings release from Q4 2015, Goldman Sachs noted, "During the fourth quarter of 2015, the firm recorded provisions for the settlement with the RMBS Working Group of $1.80 billion ($1.54 billion after-tax), which reduced diluted earnings per common share by $3.41 and annualized ROE by 8.1 percentage points." If these two companies are excluded, the estimated earnings growth rate for the Financials sector would drop to 5.1% from 14.5%.

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Telecom Services: Level 3 Communications Leads Decline on Comparison to High Year-Ago EPS

The Telecom Services sector is expected to report the largest (year-over-year) earnings decline of all eleven sectors at -28.1%. Overall, 3 of the 5 companies (60%) in the sector are projected to report a decrease in EPS for the quarter. The one company that is driving the earnings decline for this sector is Level 3 Communications. However, the EPS decrease for this company is exacerbated by a comparison to unusually high earnings in Q4 2015. The mean EPS estimate for Level 3 Communications for Q4 2016 is $0.44, compared to year-ago EPS of $9.24. In the company's earnings release from Q4 2015, Level 3 Communications stated (regarding EPS for the quarter), "This includes a non-cash benefit to the fourth quarter Income Tax Expense of approximately $3.3 billion related to the release of the company's valuation allowance against U.S. federal and state deferred tax assets…" If this company is excluded, the estimated earnings decline for the Telecom Services sector would drop to -0.5% from -28.1%.

Industrials: Airlines Industry Leads Decline

The Industrials sector is expected to report the second largest (year-over-year) earnings decline of all eleven sectors at -8.4%. At the industry level, six of the twelve industries in this sector are predicted to report an earnings decline, led by the Airlines (-51%), Industrial Conglomerates (-12%), and Electrical Equipment (-11%) industries. The Airlines industry is also the largest contributor to the projected year-over-year decline in earnings for this sector. If this industry is excluded, the estimated earnings decline for the Industrials sector would drop to -1.9% from -8.4%.

Revenues: Highest Estimated Revenue Growth (5.1%) Since Q1 2012

The estimated revenue growth rate for Q4 2016 is 5.1%. If the index reports revenue growth for Q4, it will mark the first time the index has seen year-over-year growth in sales for two consecutive quarters since Q3 2014 (4.6%) and Q4 2014 (0.5%). If 5.1% is the actual revenue growth rate for the quarter, it will mark the highest year-over-year revenue growth reported by the index since Q1 2012 (5.3%) Ten sectors are projected to report year-over-year growth in revenues, led by the Utilities sector. The only sector projected to report a decline in revenues is the Telecom Services sector.

Utilities: Broad-Based Growth

The Utilities sector is expected to report the highest (year-over-year) revenue growth of all eleven sectors at 19.4%. At the industry level, all four industries in the sector are predicted to report sales growth. Three of these four industries are expected to report double-digit sales growth: Independent Power & Renewable Energy Producers (55%), Multi-Utilities (21%), and Electric Utilities (13%). At the company level, 25 of the 28 companies (89%) in the sector are projected to report sales growth for the quarter. NRG Energy is expected to report the highest growth on a dollar-basis (+1.8 billion) and on a percentage-basis (+61%) in the sector.

Telecom Services: Verizon Leads Decline

The Telecom Services sector is expected to report the largest (year-over-year) sales decline of all eleven sectors at -1.3%. Overall, 2 of the 5 companies in the sector (40%) are projected to report a decline in sales for the quarter. Verizon is expected to report the largest decline on a dollar basis (-2.1 billion) and on a percentage basis (-6%) in the sector.

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Looking Ahead: Forward Estimates and Valuation

Growth Expected to Continue in 2017

For the fourth quarter, analysts are projecting earnings growth of 3.2% and revenue growth of 5.1%. For all of 2016, analysts are projecting earnings growth of 0.1% and revenue growth of 2.2%.

Analysts currently expect earnings and revenue growth to continue in 2017.

For Q1 2017, analysts are projecting earnings growth of 11.2% and revenue growth of 8.5%.

For Q2 2017, analysts are projecting earnings growth of 10.6% and revenue growth of 6.2%.

For all of 2017, analysts are projecting earnings growth of 11.5% and revenue growth of 5.9%.

Valuation: Forward P/E Ratio is 17.1, above the 10-Year Average (14.4)

The forward 12-month P/E ratio is 17.1. This P/E ratio is based on Thursday's closing price (2262.03) and forward 12-month EPS estimate ($132.17). It is above the 5-year average of 15.0, and above the 10-year average of 14.4. It is also above the forward 12-month P/E ratio of 16.8 recorded at the start of the fourth quarter (September 30). Since the start of the fourth quarter, the price of the index has increased by 4.3%, while the forward 12-month EPS estimate has increased by 1.9%.

At the sector level, the Energy (39.1) sector has the highest forward 12-month P/E ratio, while the Telecom Services (13.6) sector has the lowest forward 12-month P/E ratio. Nine sectors have forward 12-month P/E ratios that are above their 10-year averages, led by the Energy (39.1 vs. 17.7) sector. One sector (Telecom Services) has a forward 12-month P/E ratio that is below the 10-year average (13.6 vs. 14.6). Historical averages are not available for the Real Estate sector.

Companies Reporting Next Week: 13

During the upcoming week, 13 S&P 500 companies (including 1 Dow 30 component) are scheduled to report results for the fourth quarter.

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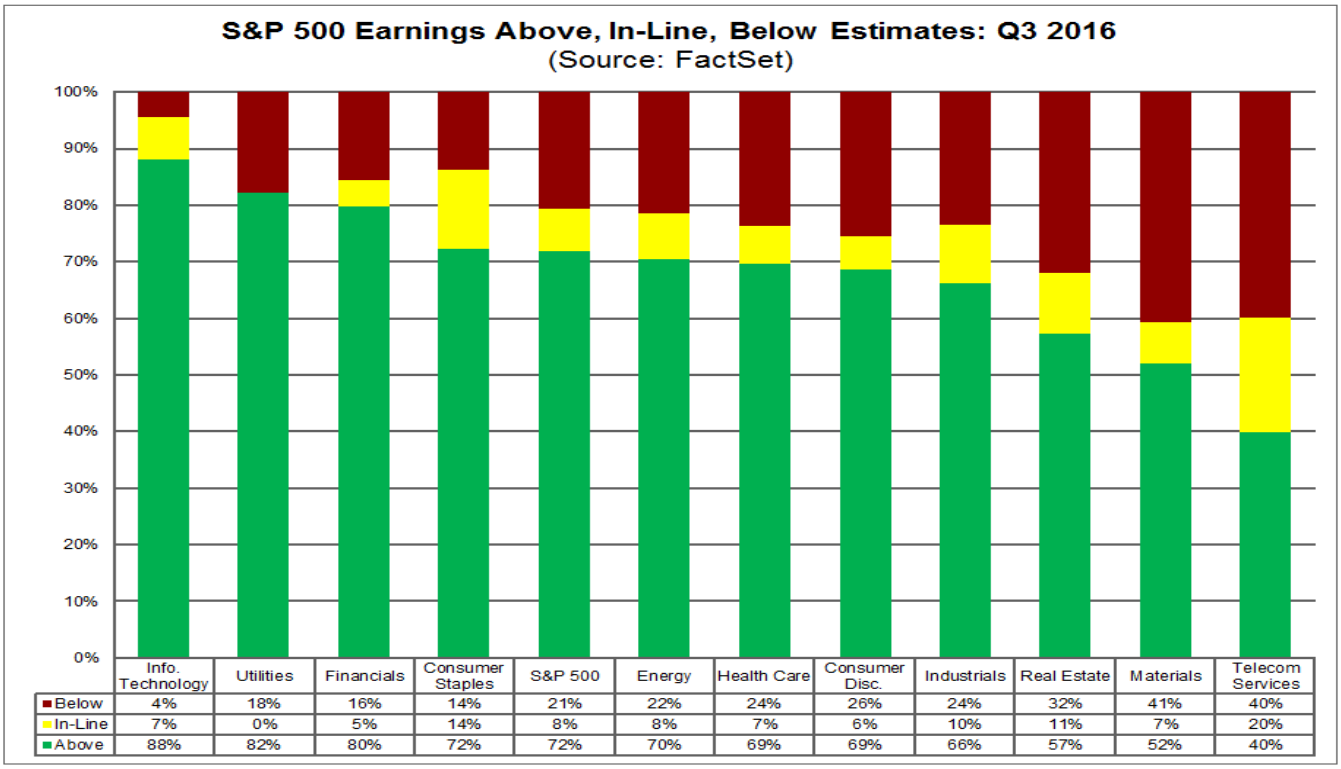
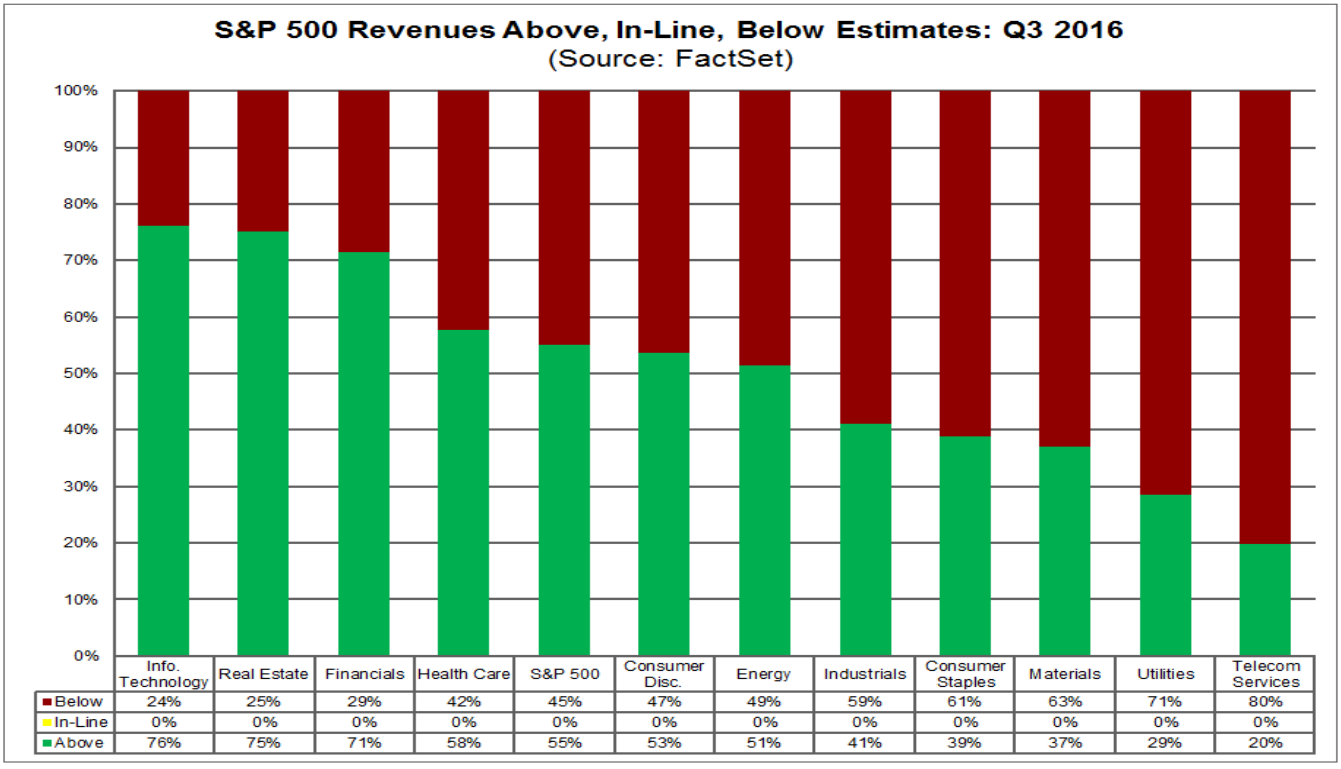
Q3 2016: Scorecard



	Info. Technology	Utilities	Financials	Consumer Staples	S&P 500	Energy	Health Care	Consumer Disc.	Industrials	Real Estate	Materials	Telecom Services
Below	4%	18%	16%	14%	21%	22%	24%	26%	24%	32%	41%	40%
In-Line	7%	0%	5%	14%	8%	8%	7%	6%	10%	11%	7%	20%
Above	88%	82%	80%	72%	72%	70%	69%	69%	66%	57%	52%	40%



	Info. Technology	Real Estate	Financials	Health Care	S&P 500	Consumer Disc.	Energy	Industrials	Consumer Staples	Materials	Utilities	Telecom Services
Below	24%	25%	29%	42%	45%	47%	49%	59%	61%	63%	71%	80%
In-Line	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Above	76%	75%	71%	58%	55%	53%	51%	41%	39%	37%	29%	20%

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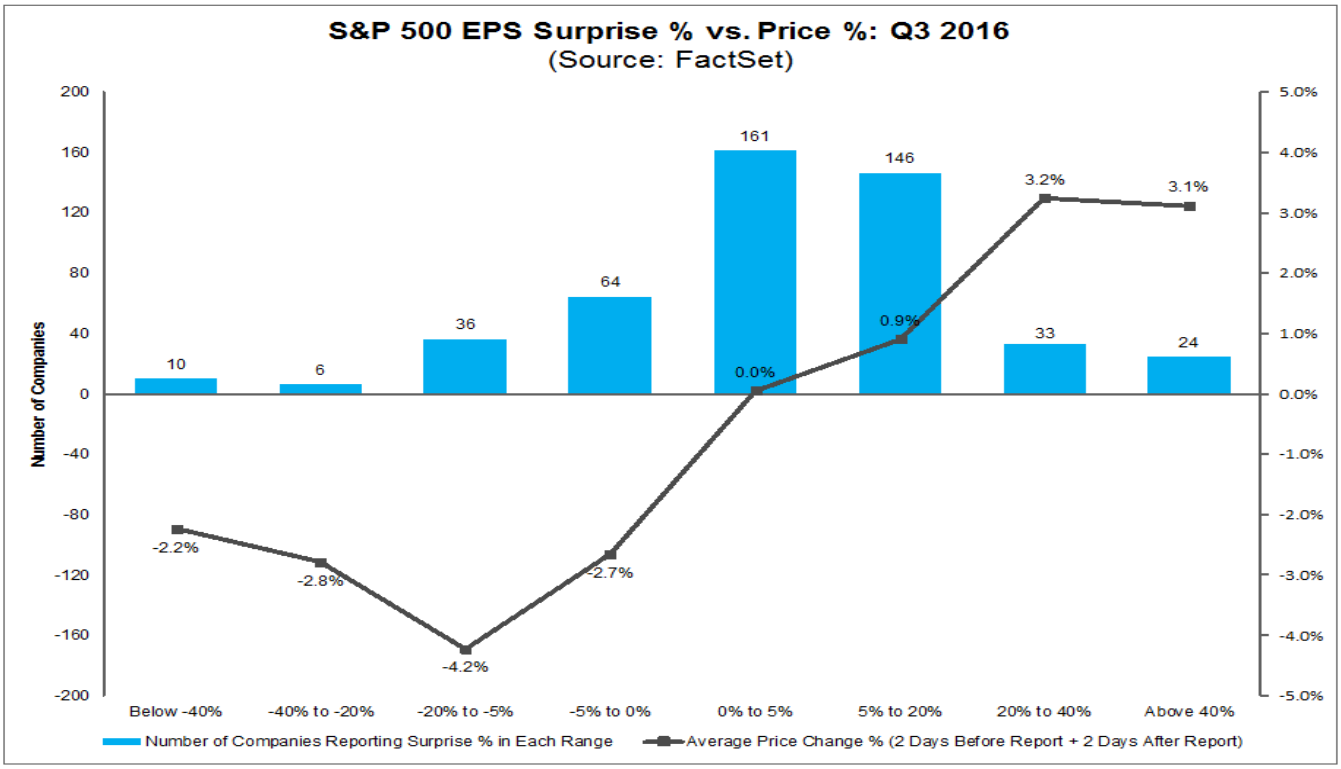
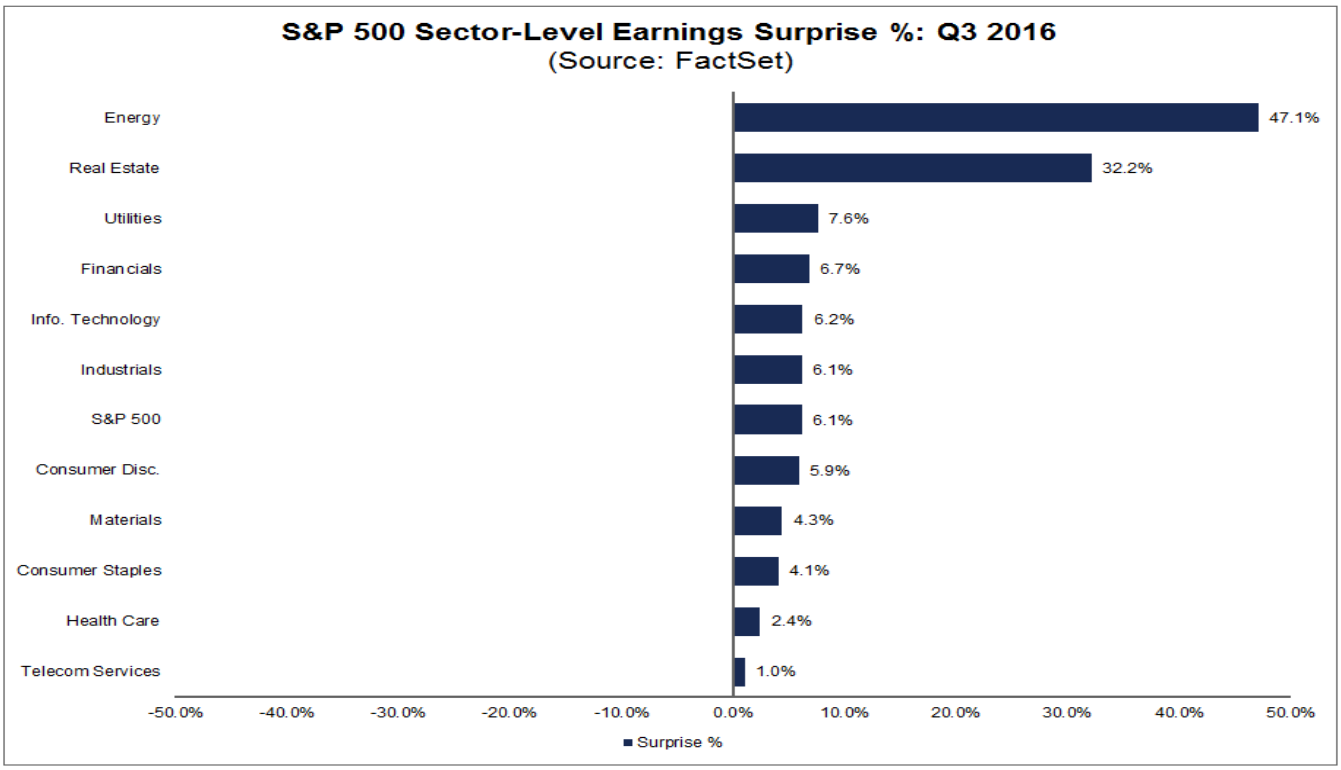
Q3 2016: Scorecard





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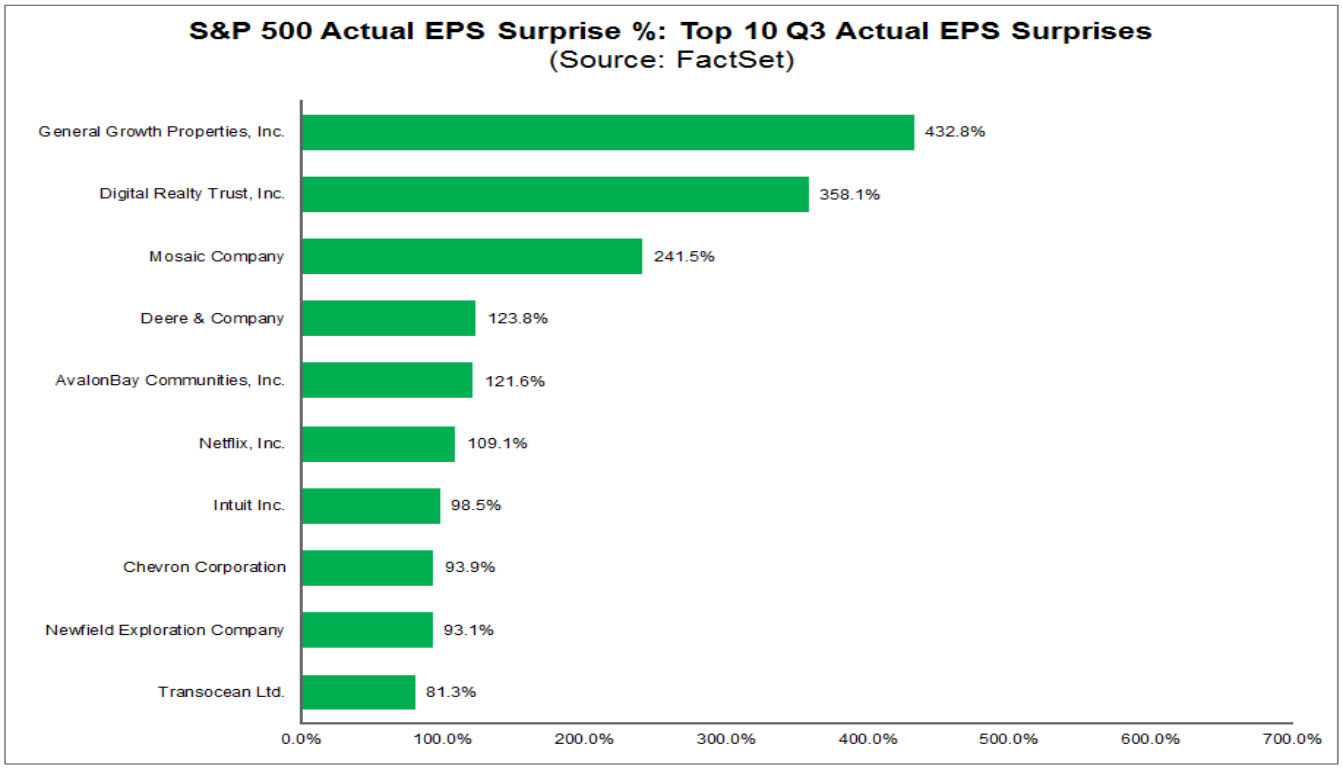
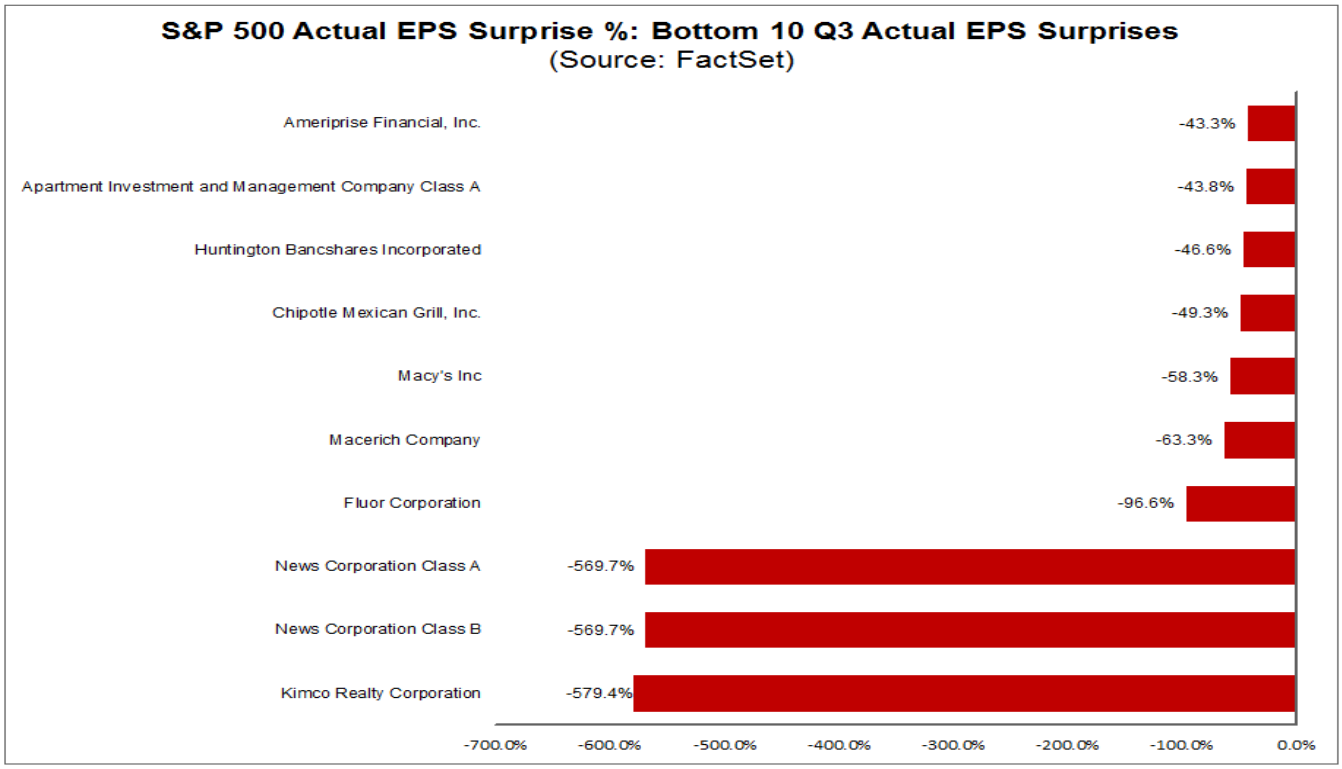
Q3 2016: Scorecard





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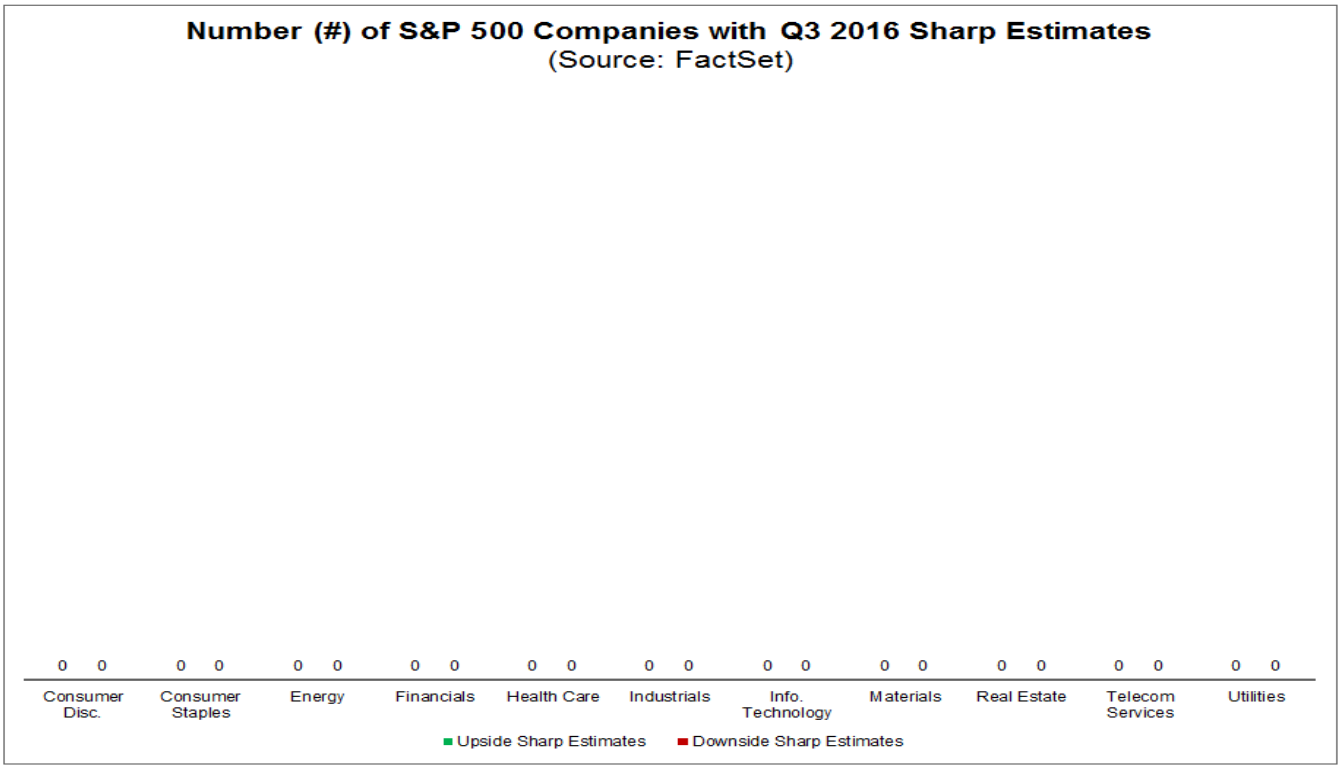
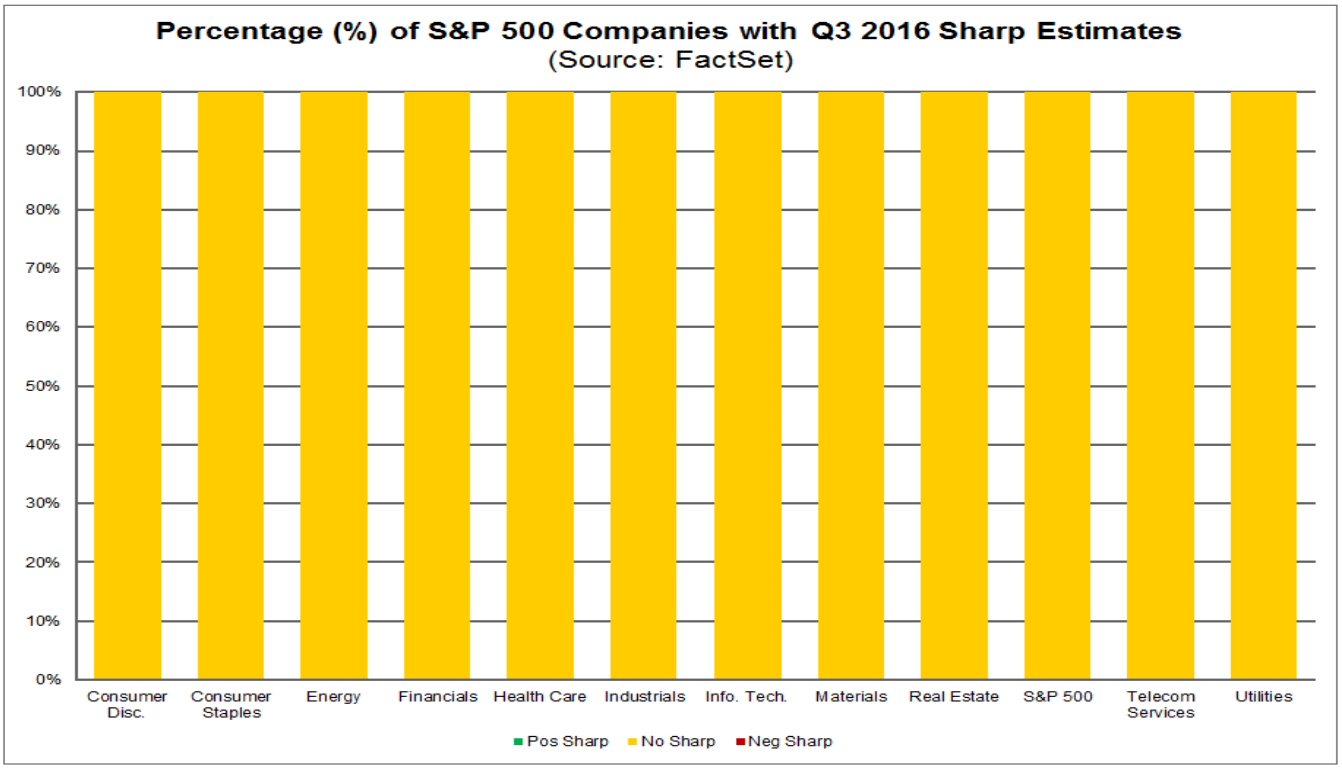
Q3 2016: Projected EPS Surprises (Sharp Estimates)





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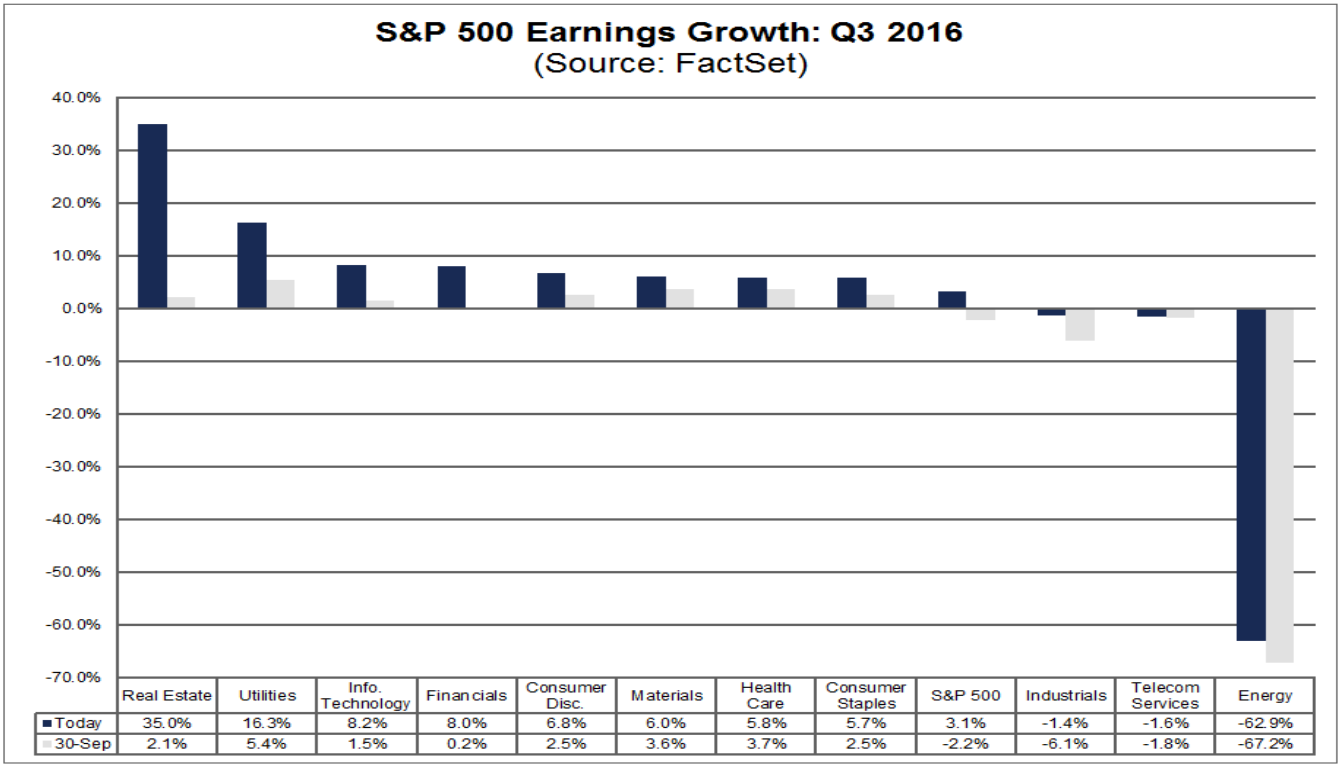
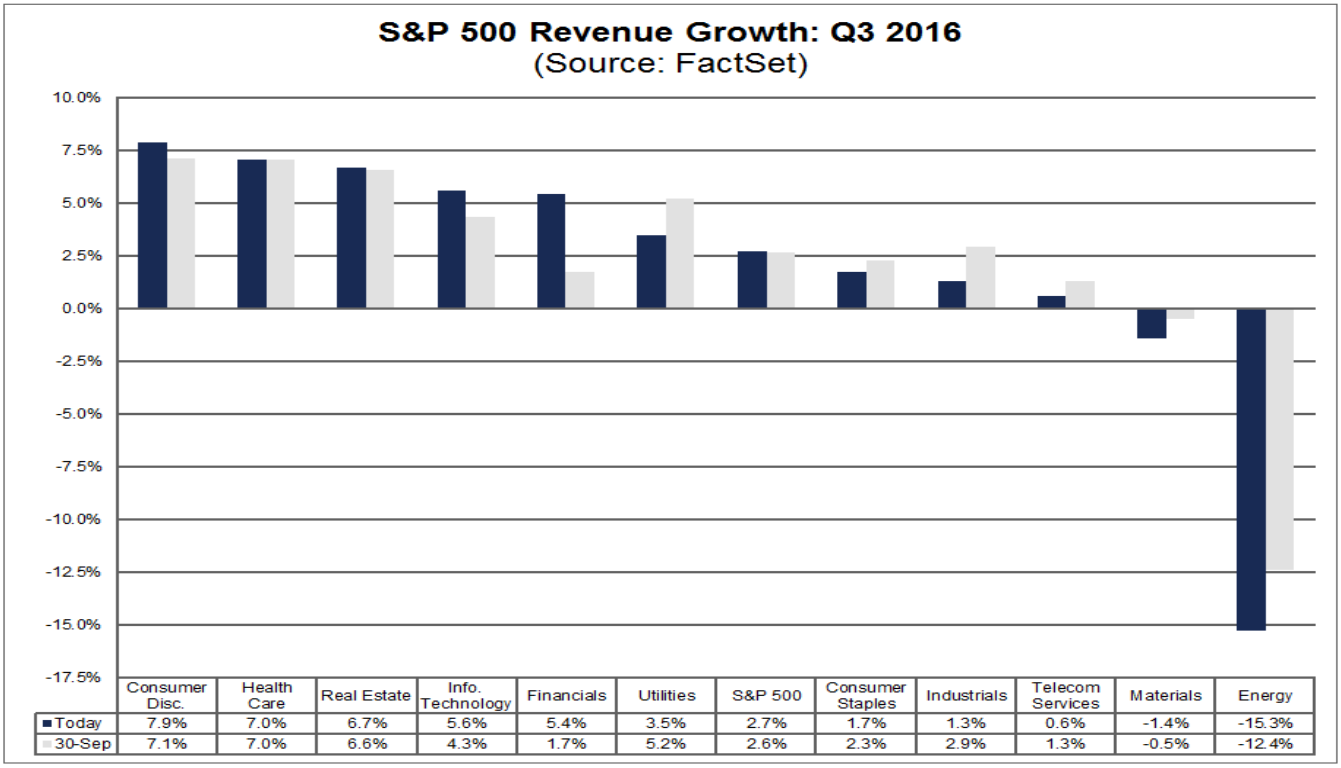
Q3 2016: Growth



	Real Estate	Utilities	Info. Technology	Financials	Consumer Disc.	Materials	Health Care	Consumer Staples	S&P 500	Industrials	Telecom Services	Energy
Today	35.0%	16.3%	8.2%	8.0%	6.8%	6.0%	5.8%	5.7%	3.1%	-1.4%	-1.6%	-62.9%
30-Sep	2.1%	5.4%	1.5%	0.2%	2.5%	3.6%	3.7%	2.5%	-2.2%	-6.1%	-1.8%	-67.2%



	Consumer Disc.	Health Care	Real Estate	Info. Technology	Financials	Utilities	S&P 500	Consumer Staples	Industrials	Telecom Services	Materials	Energy
Today	7.9%	7.0%	6.7%	5.6%	5.4%	3.5%	2.7%	1.7%	1.3%	0.6%	-1.4%	-15.3%
30-Sep	7.1%	7.0%	6.6%	4.3%	1.7%	5.2%	2.6%	2.3%	2.9%	1.3%	-0.5%	-12.4%

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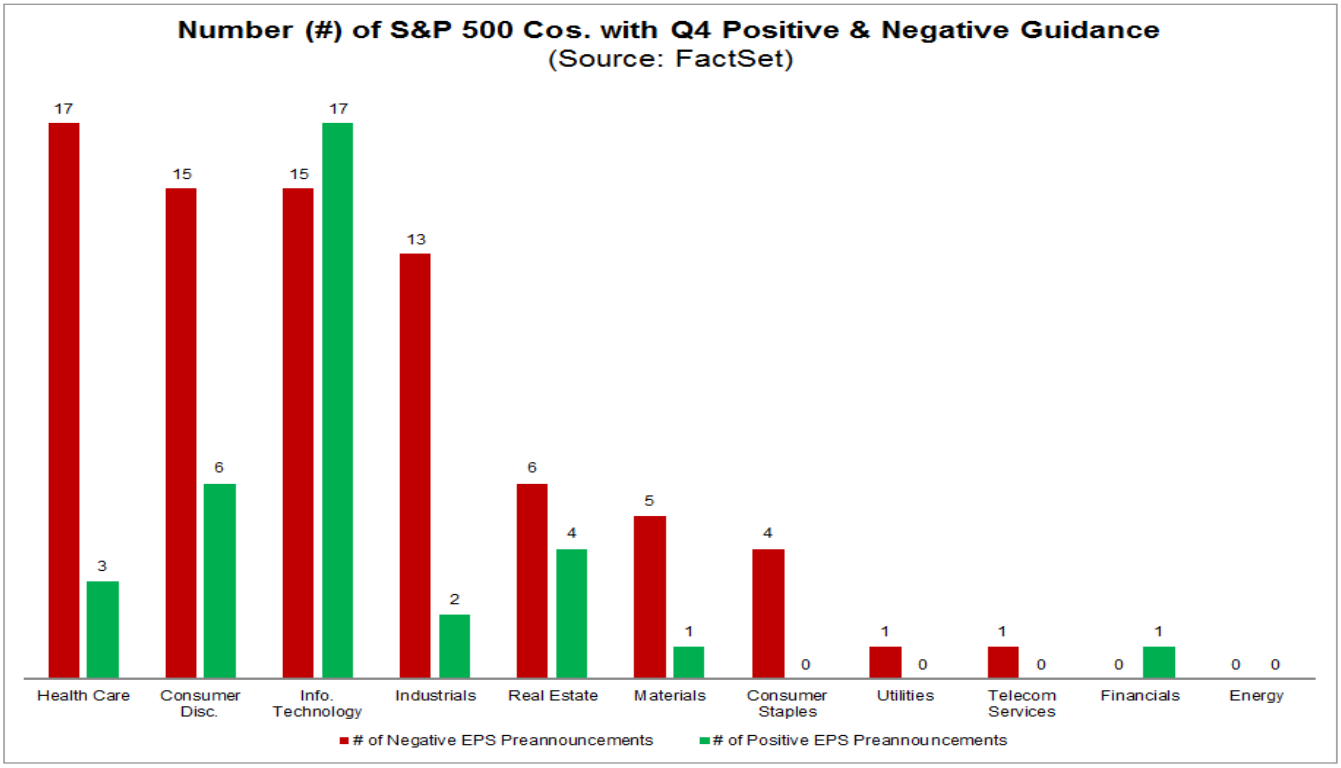
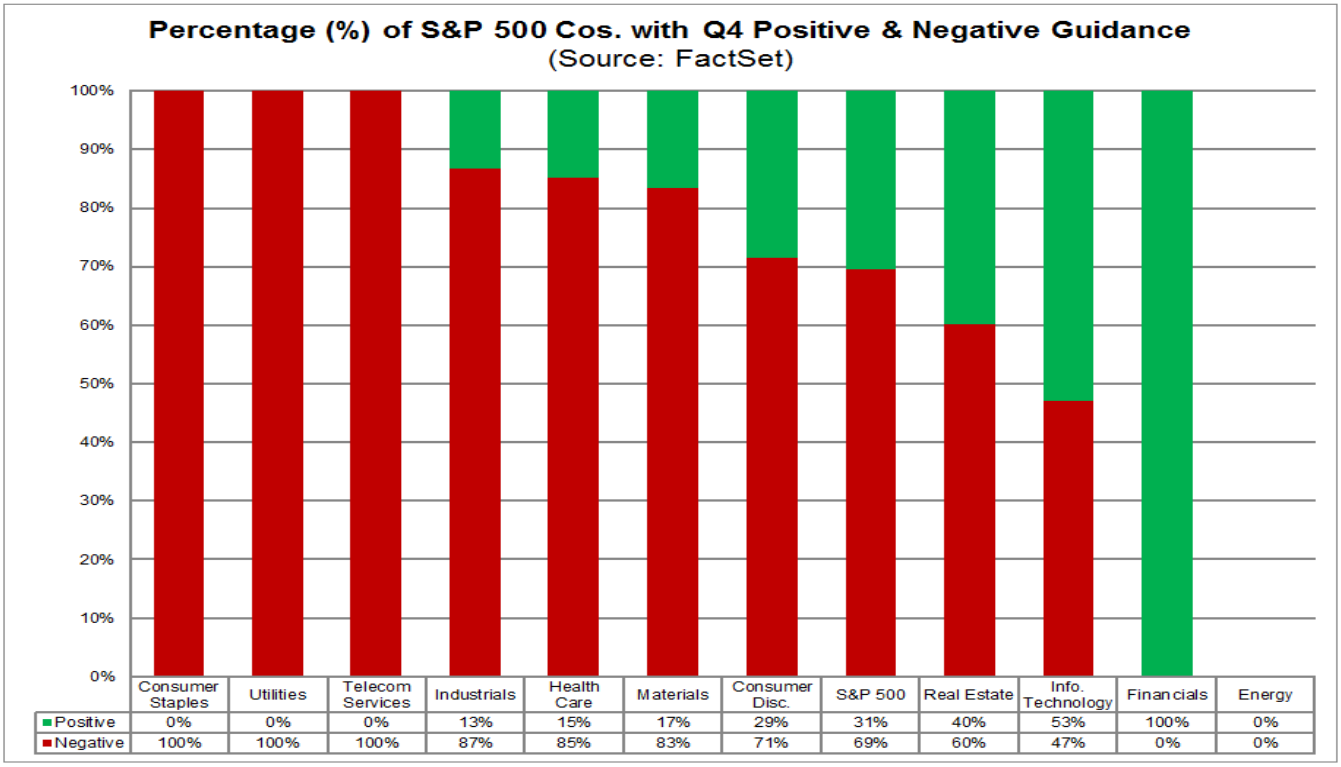
Q4 2016: Guidance





	Consumer Staples	Utilities	Telecom Services	Industrials	Health Care	Materials	Consumer Disc.	S&P 500	Real Estate	Info. Technology	Financials	Energy
Positive	0%	0%	0%	13%	15%	17%	29%	31%	40%	53%	100%	0%
Negative	100%	100%	100%	87%	85%	83%	71%	69%	60%	47%	0%	0%

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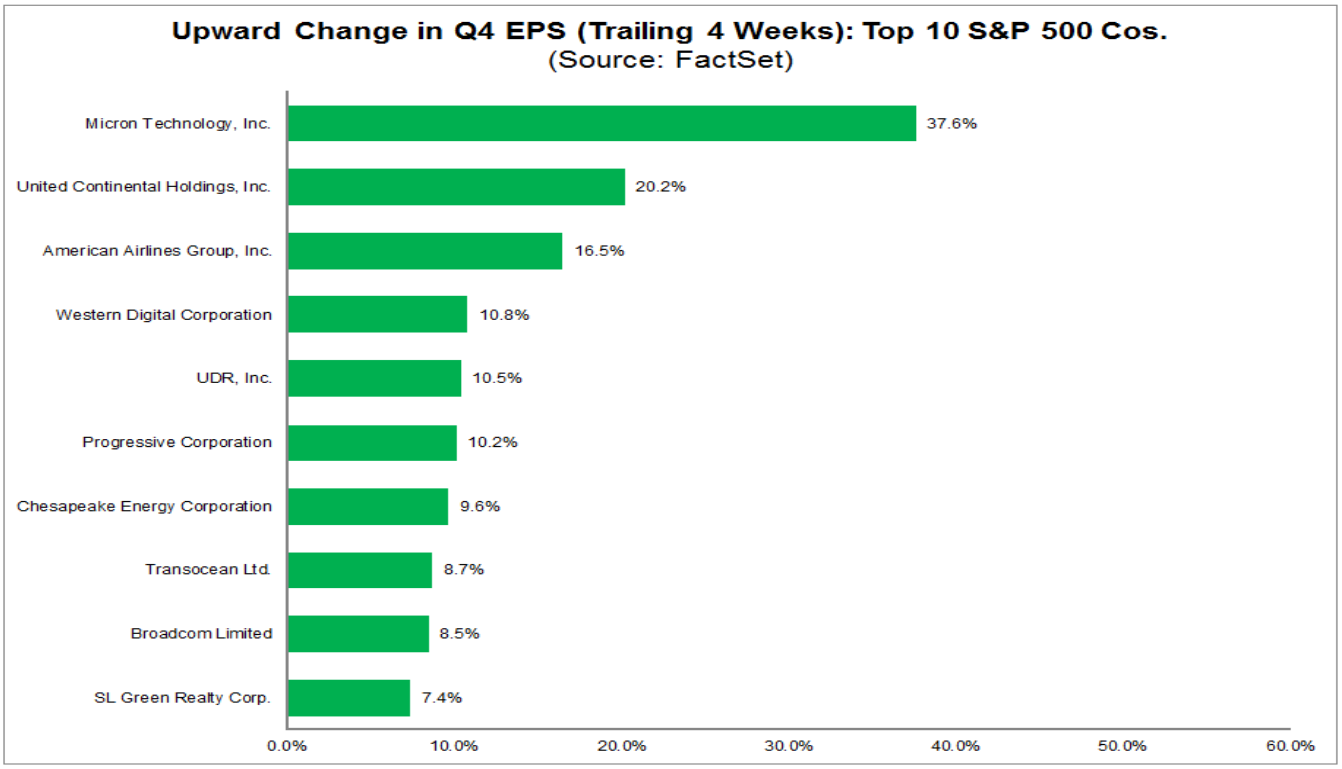
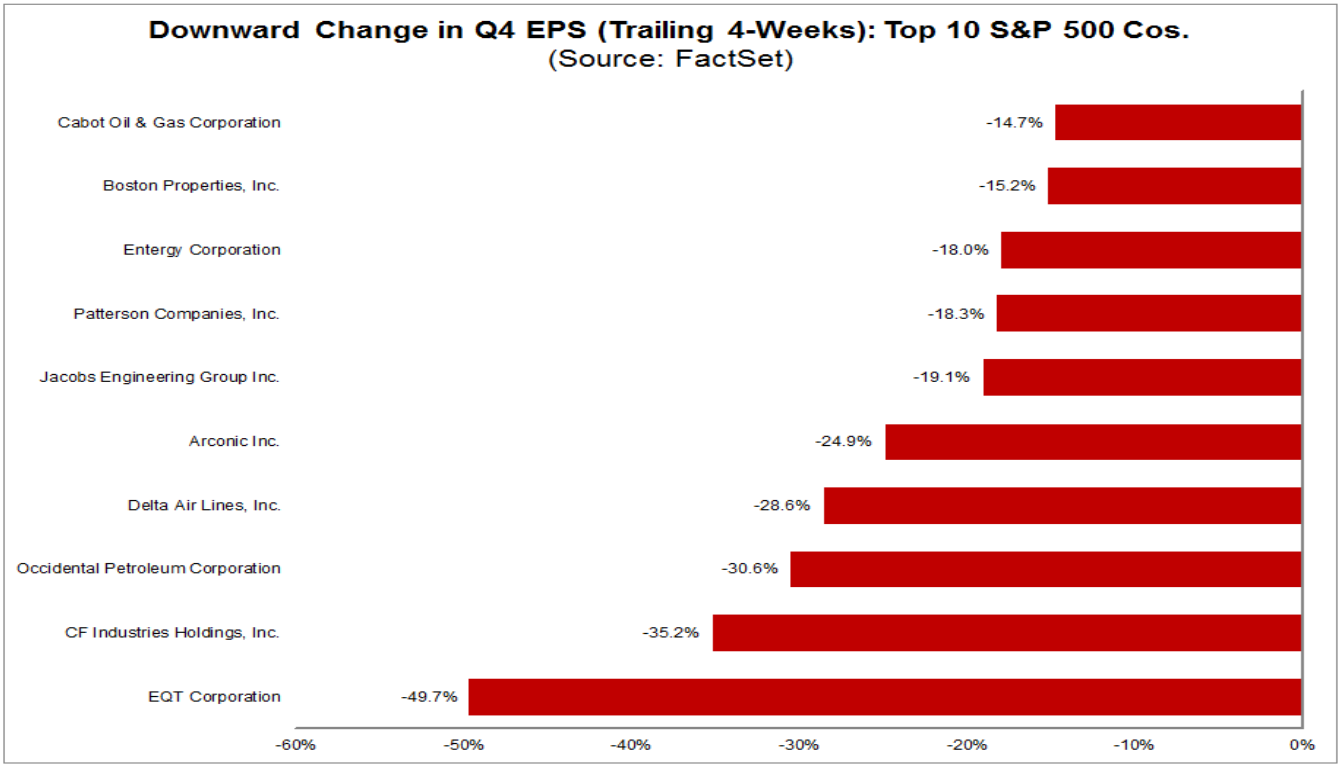
Q4 2016: EPS Revisions





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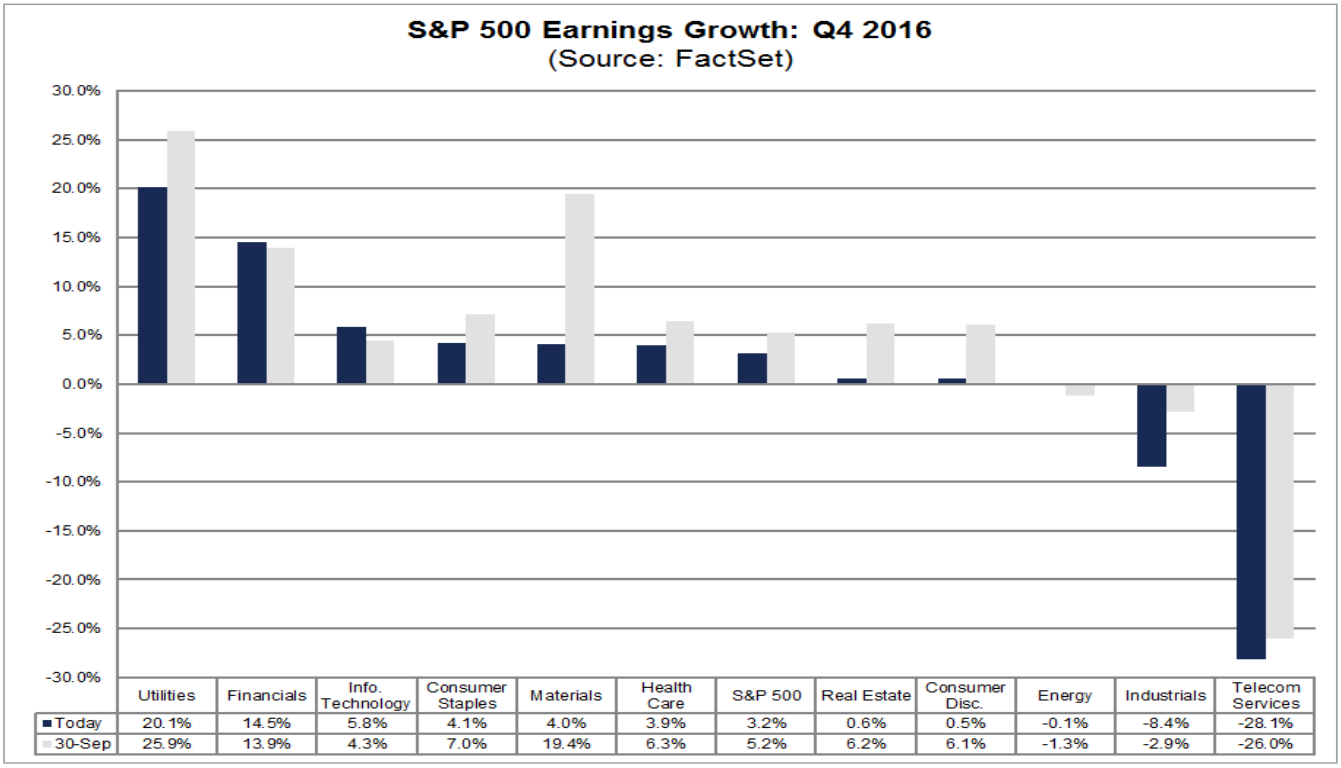
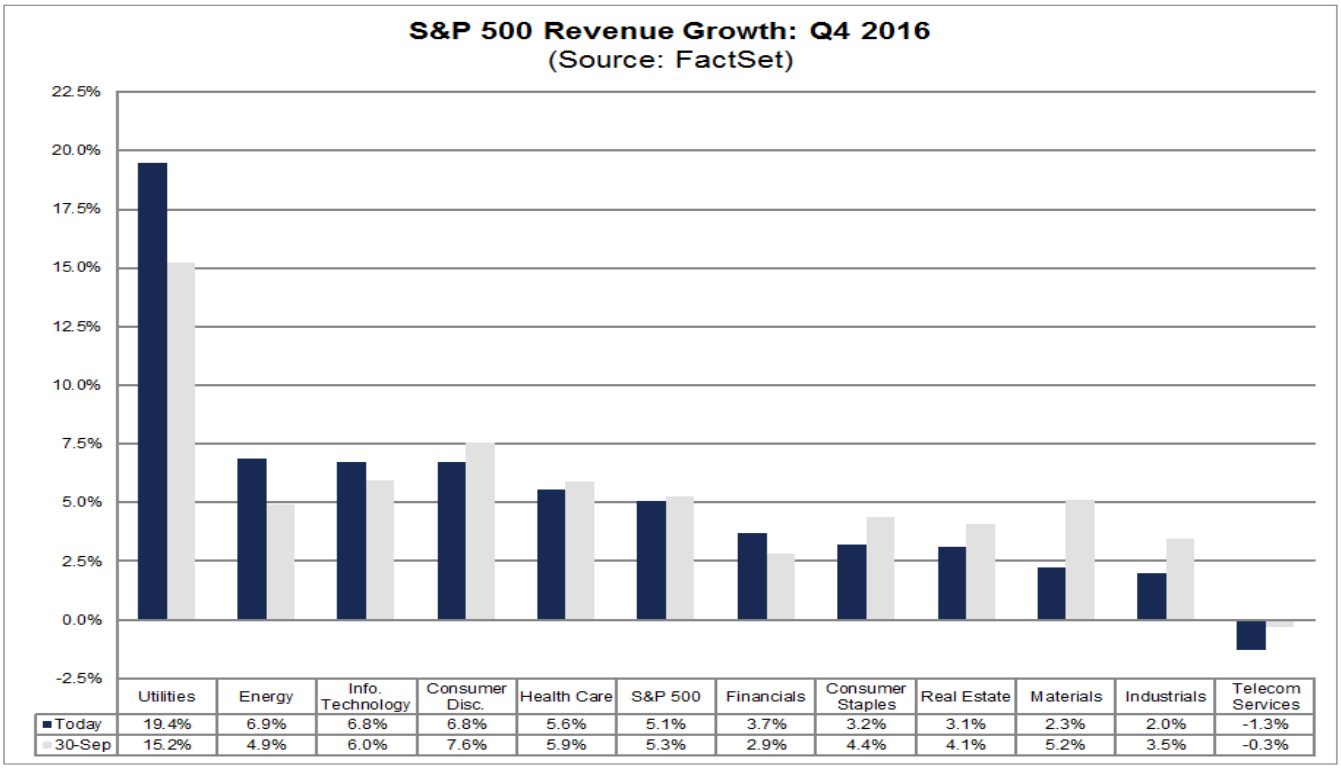
Q4 2016: Growth



	Utilities	Financials	Info. Technology	Consumer Staples	Materials	Health Care	S&P 500	Real Estate	Consumer Disc.	Energy	Industrials	Telecom Services
Today	20.1%	14.5%	5.8%	4.1%	4.0%	3.9%	3.2%	0.6%	0.5%	-0.1%	-8.4%	-28.1%
30-Sep	25.9%	13.9%	4.3%	7.0%	19.4%	6.3%	5.2%	6.2%	6.1%	-1.3%	-2.9%	-26.0%



	Utilities	Energy	Info. Technology	Consumer Disc.	Health Care	S&P 500	Financials	Consumer Staples	Real Estate	Materials	Industrials	Telecom Services
Today	19.4%	6.9%	6.8%	6.8%	5.6%	5.1%	3.7%	3.2%	3.1%	2.3%	2.0%	-1.3%
30-Sep	15.2%	4.9%	6.0%	7.6%	5.9%	5.3%	2.9%	4.4%	4.1%	5.2%	3.5%	-0.3%

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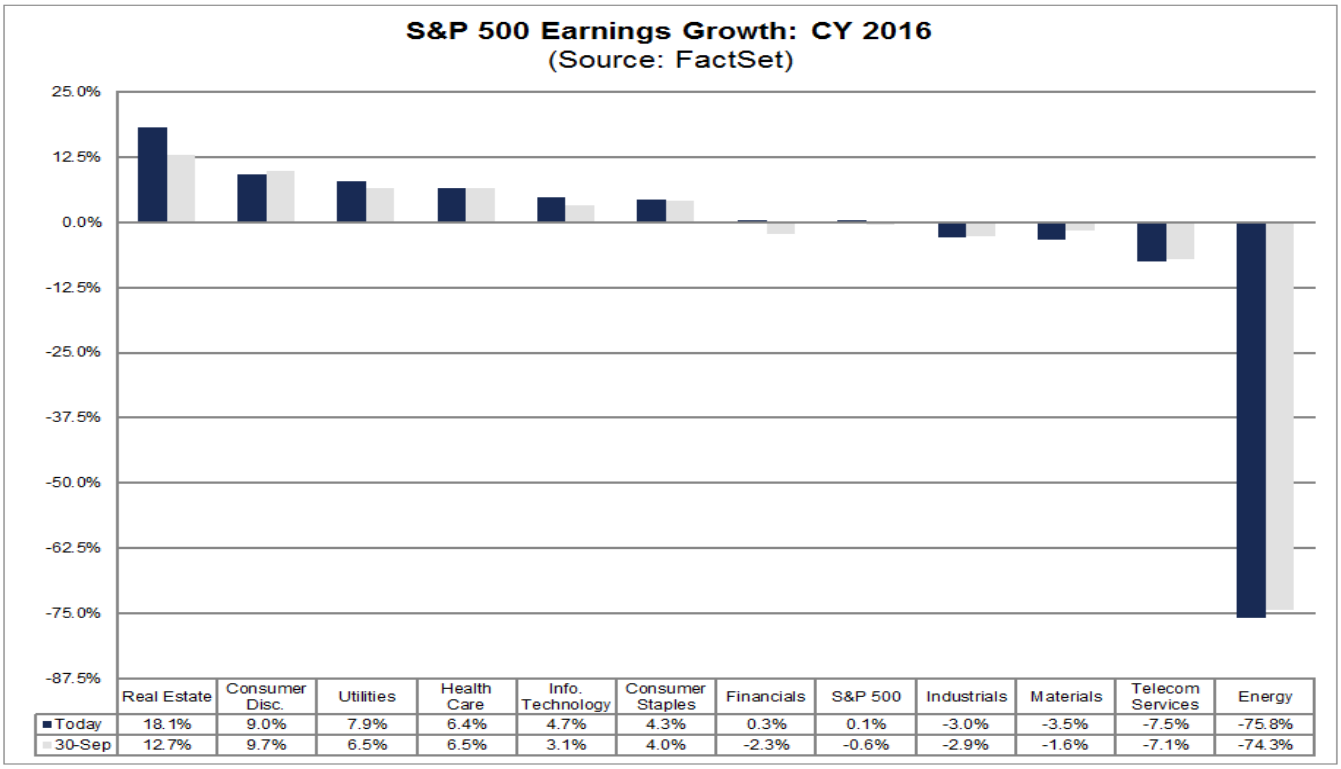
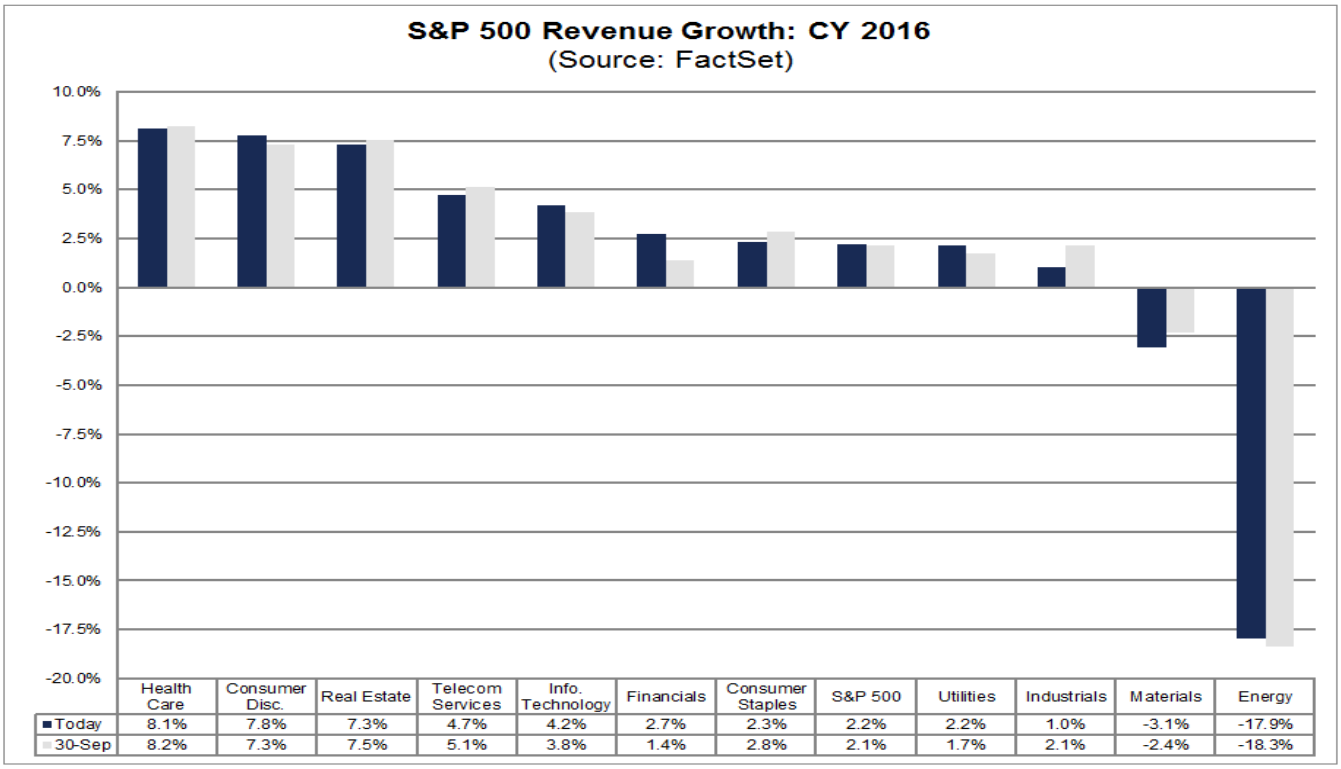
CY 2016: Growth



	Real Estate	Consumer Disc.	Utilities	Health Care	Info. Technology	Consumer Staples	Financials	S&P 500	Industrials	Materials	Telecom Services	Energy
Today	18.1%	9.0%	7.9%	6.4%	4.7%	4.3%	0.3%	0.1%	-3.0%	-3.5%	-7.5%	-75.8%
30-Sep	12.7%	9.7%	6.5%	6.5%	3.1%	4.0%	-2.3%	-0.6%	-2.9%	-1.6%	-7.1%	-74.3%



	Health Care	Consumer Disc.	Real Estate	Telecom Services	Info. Technology	Financials	Consumer Staples	S&P 500	Utilities	Industrials	Materials	Energy
Today	8.1%	7.8%	7.3%	4.7%	4.2%	2.7%	2.3%	2.2%	2.2%	1.0%	-3.1%	-17.9%
30-Sep	8.2%	7.3%	7.5%	5.1%	3.8%	1.4%	2.8%	2.1%	1.7%	2.1%	-2.4%	-18.3%

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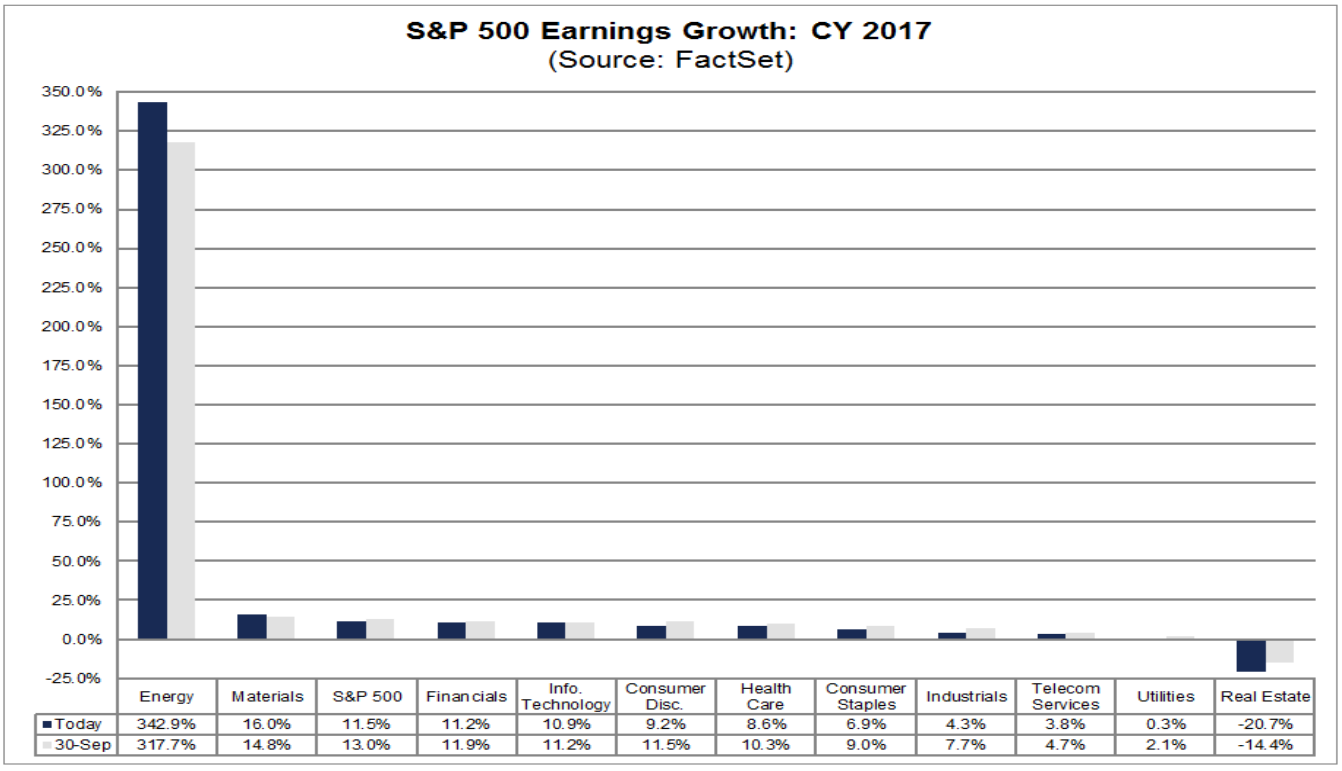
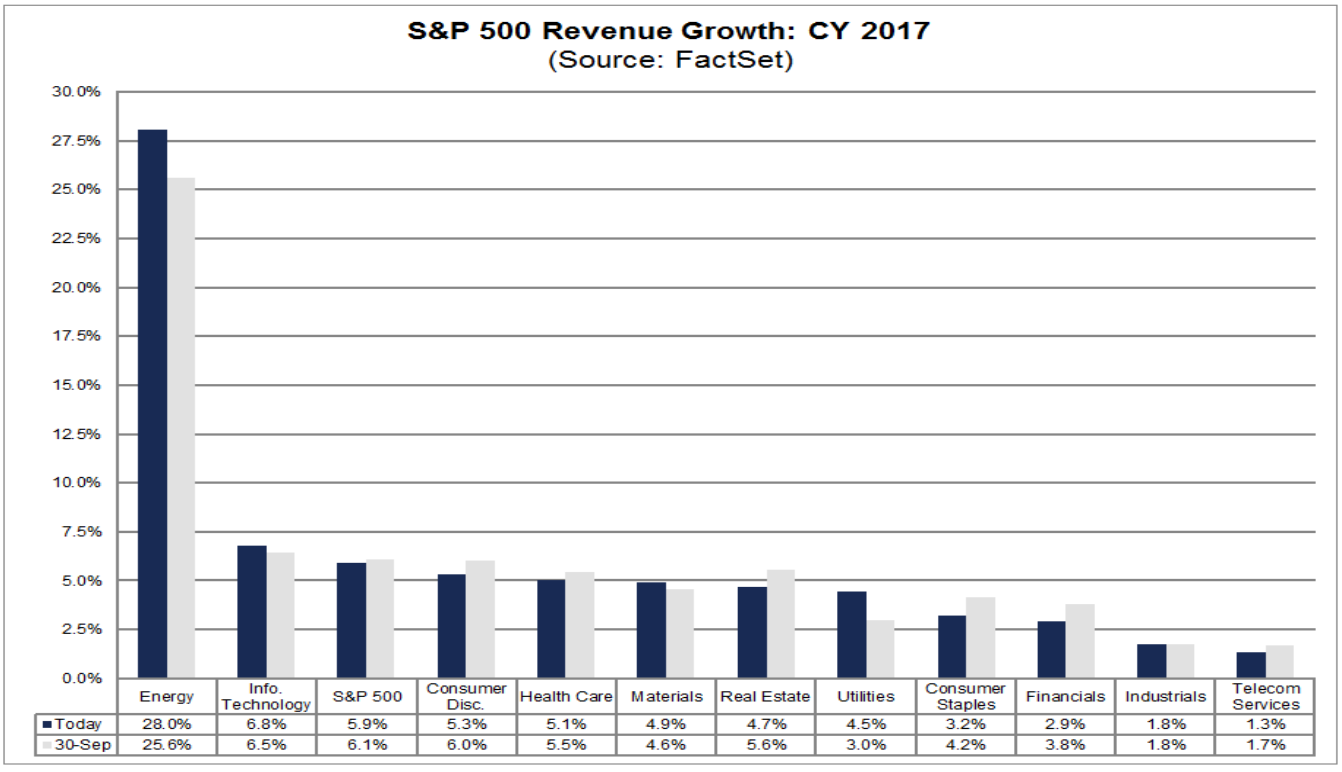
CY 2017: Growth



	Energy	Materials	S&P 500	Financials	Info. Technology	Consumer Disc.	Health Care	Consumer Staples	Industrials	Telecom Services	Utilities	Real Estate
Today	342.9%	16.0%	11.5%	11.2%	10.9%	9.2%	8.6%	6.9%	4.3%	3.8%	0.3%	-20.7%
30-Sep	317.7%	14.8%	13.0%	11.9%	11.2%	11.5%	10.3%	9.0%	7.7%	4.7%	2.1%	-14.4%



	Energy	Info. Technology	S&P 500	Consumer Disc.	Health Care	Materials	Real Estate	Utilities	Consumer Staples	Financials	Industrials	Telecom Services
Today	28.0%	6.8%	5.9%	5.3%	5.1%	4.9%	4.7%	4.5%	3.2%	2.9%	1.8%	1.3%
30-Sep	25.6%	6.5%	6.1%	6.0%	5.5%	4.6%	5.6%	3.0%	4.2%	3.8%	1.8%	1.7%

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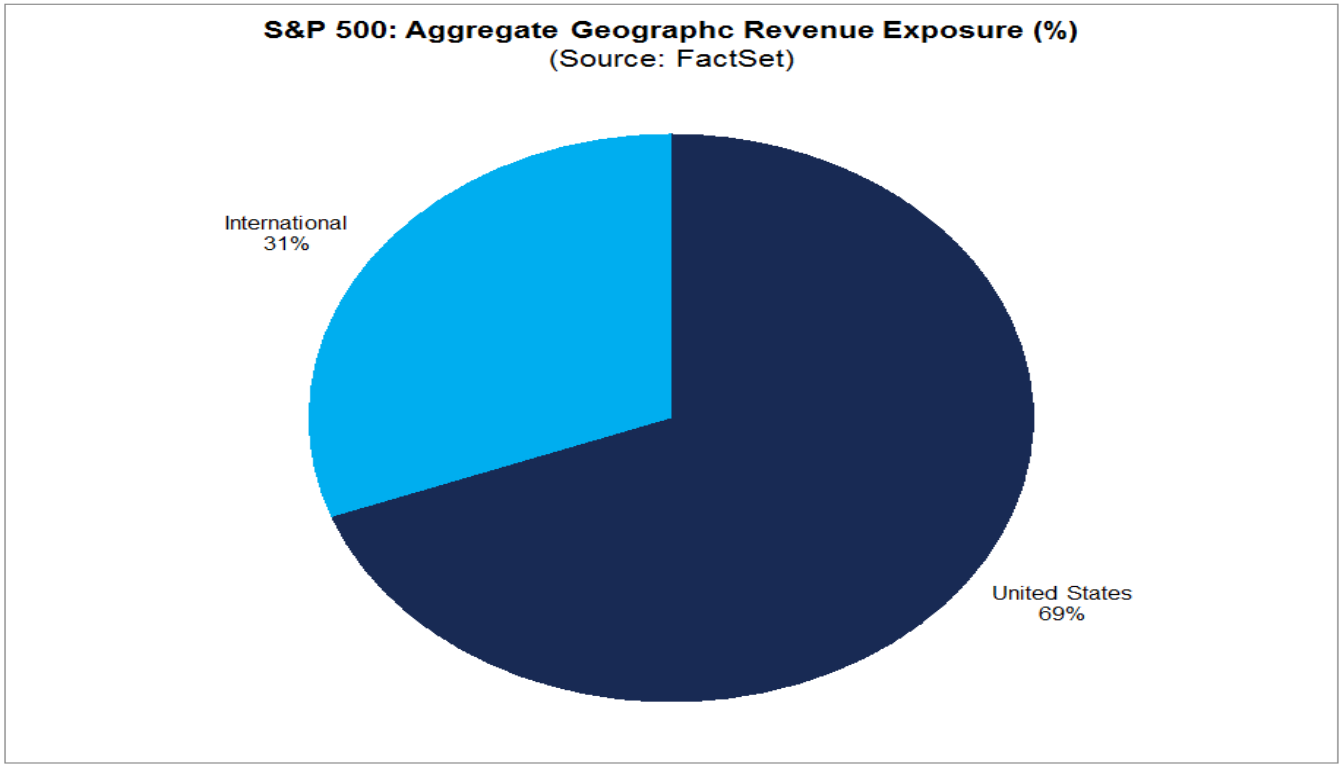
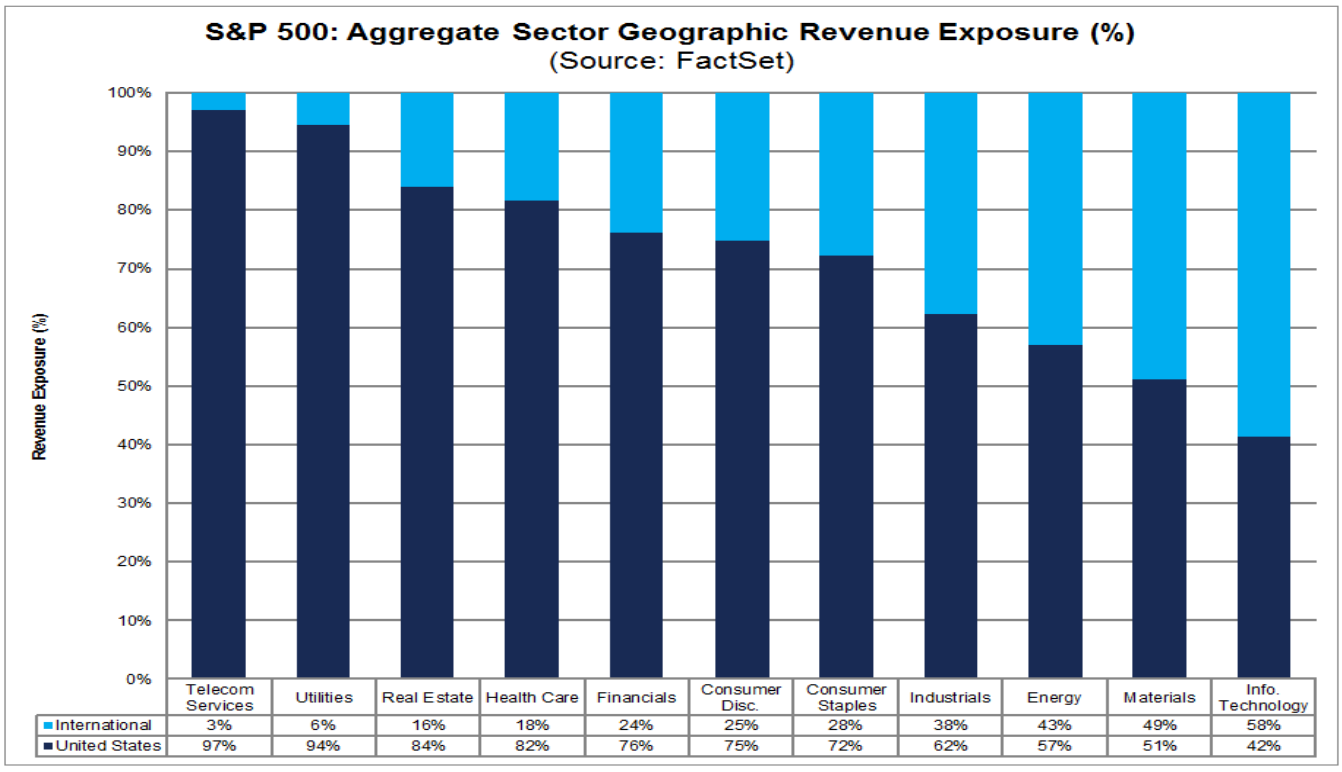
Geographic Revenue Exposure





	Telecom Services	Utilities	Real Estate	Health Care	Financials	Consumer Disc.	Consumer Staples	Industrials	Energy	Materials	Info. Technology
International	3%	6%	16%	18%	24%	25%	28%	38%	43%	49%	58%
United States	97%	94%	84%	82%	76%	75%	72%	62%	57%	51%	42%

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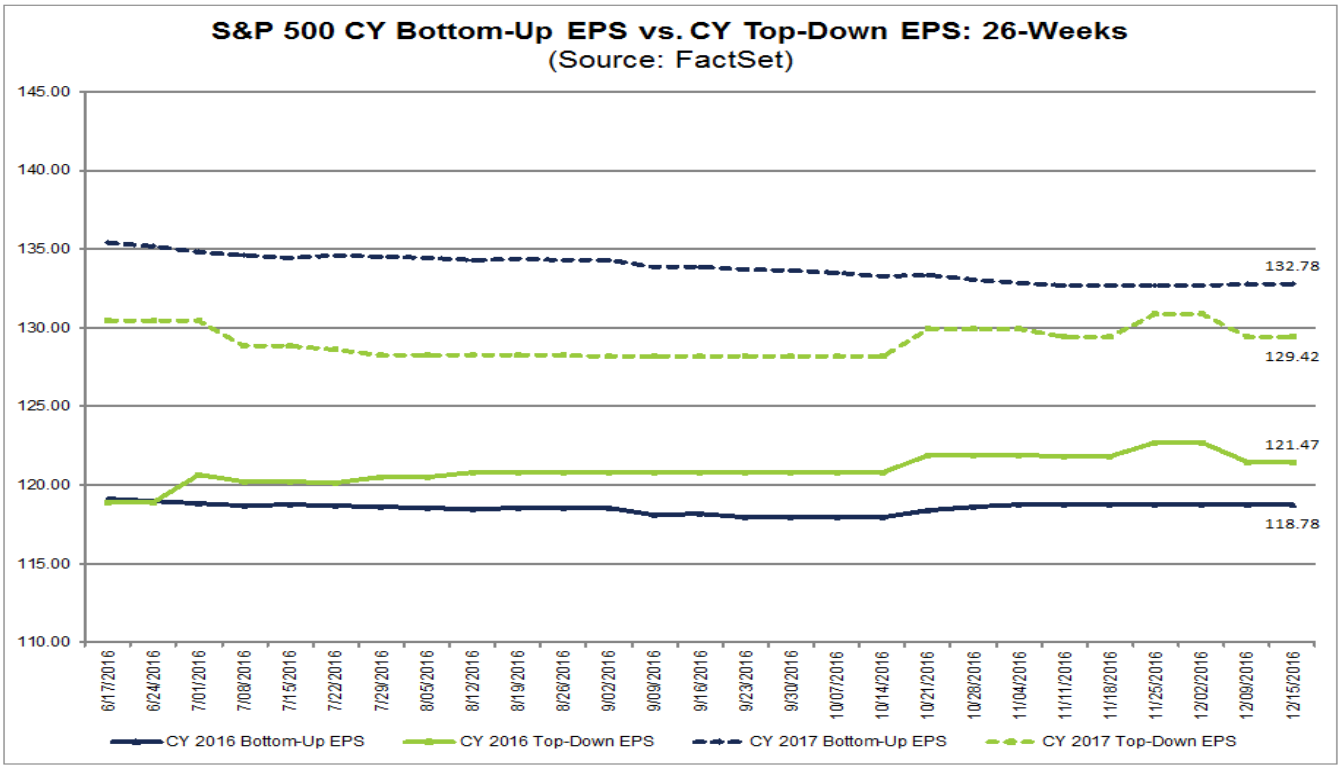
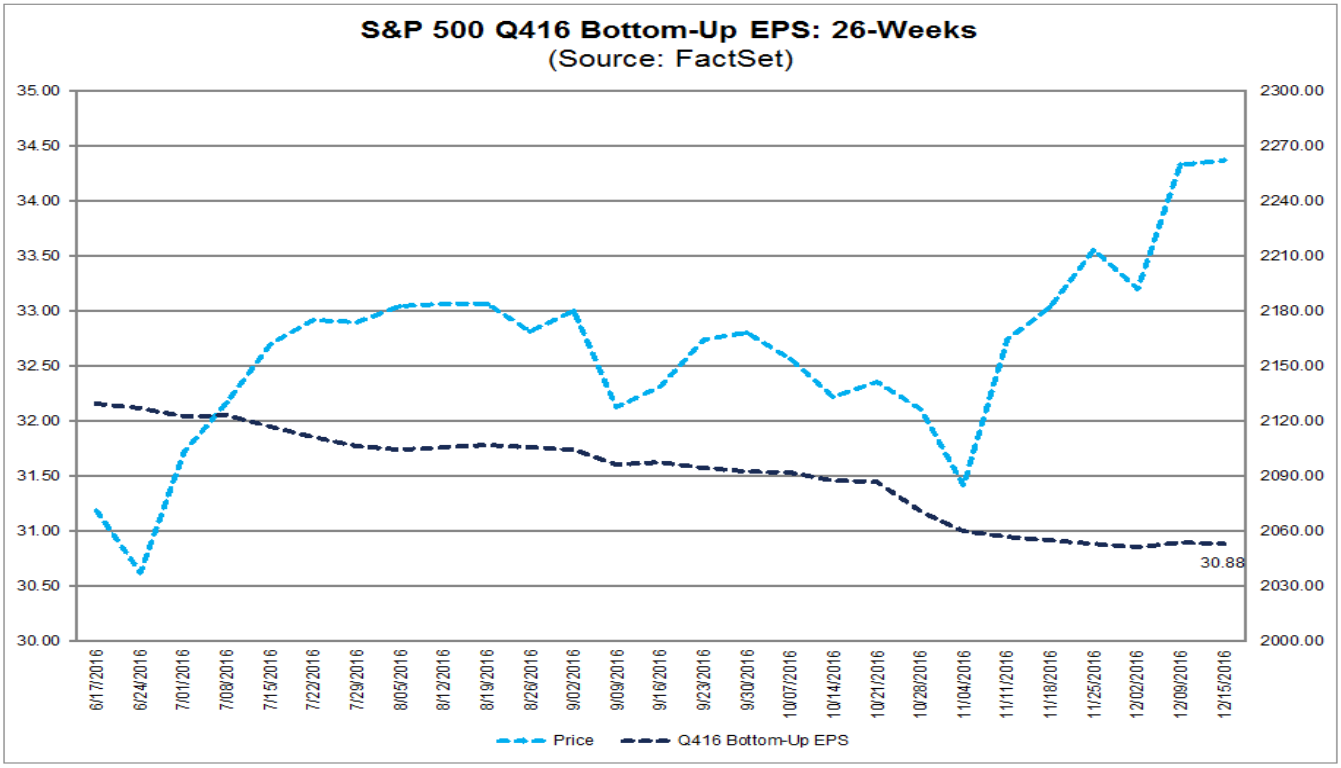
Bottom-up EPS Estimates: Revisions





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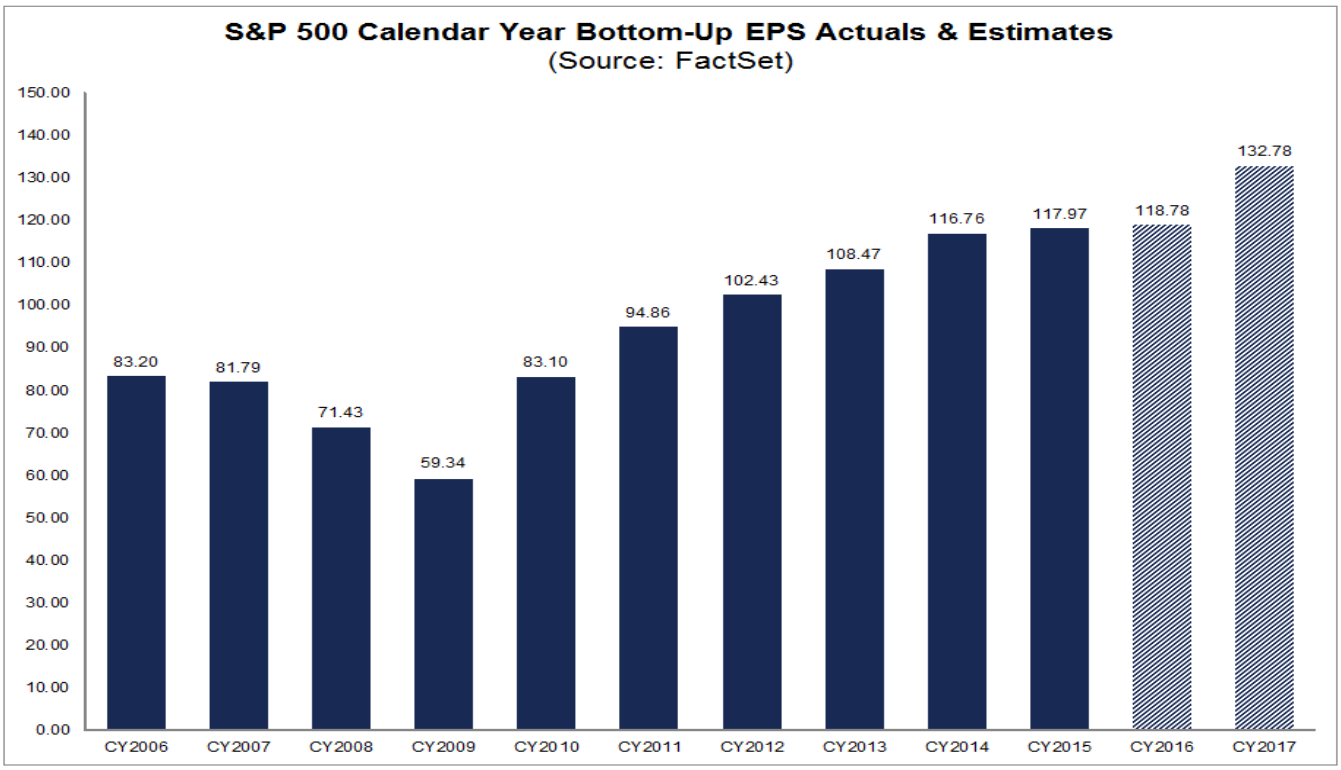
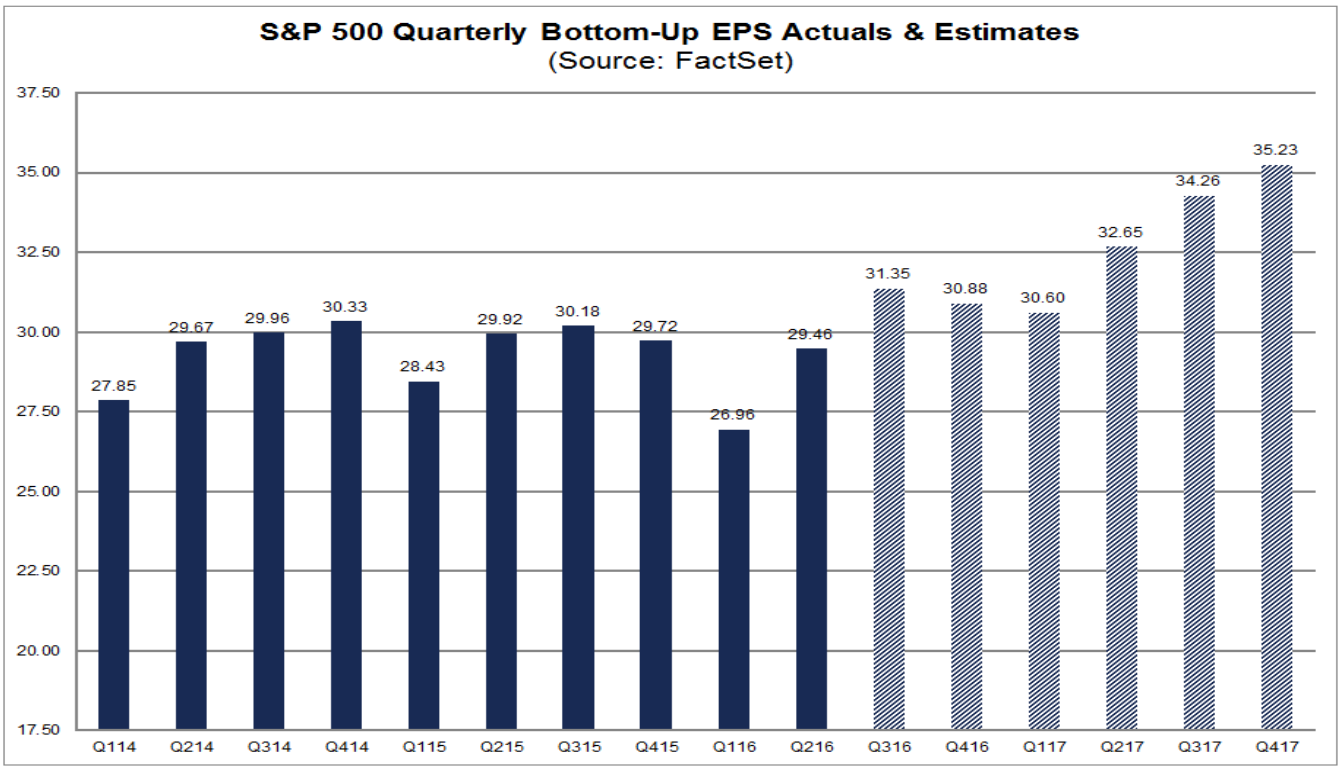
Bottom-up EPS Estimates: Current & Historical





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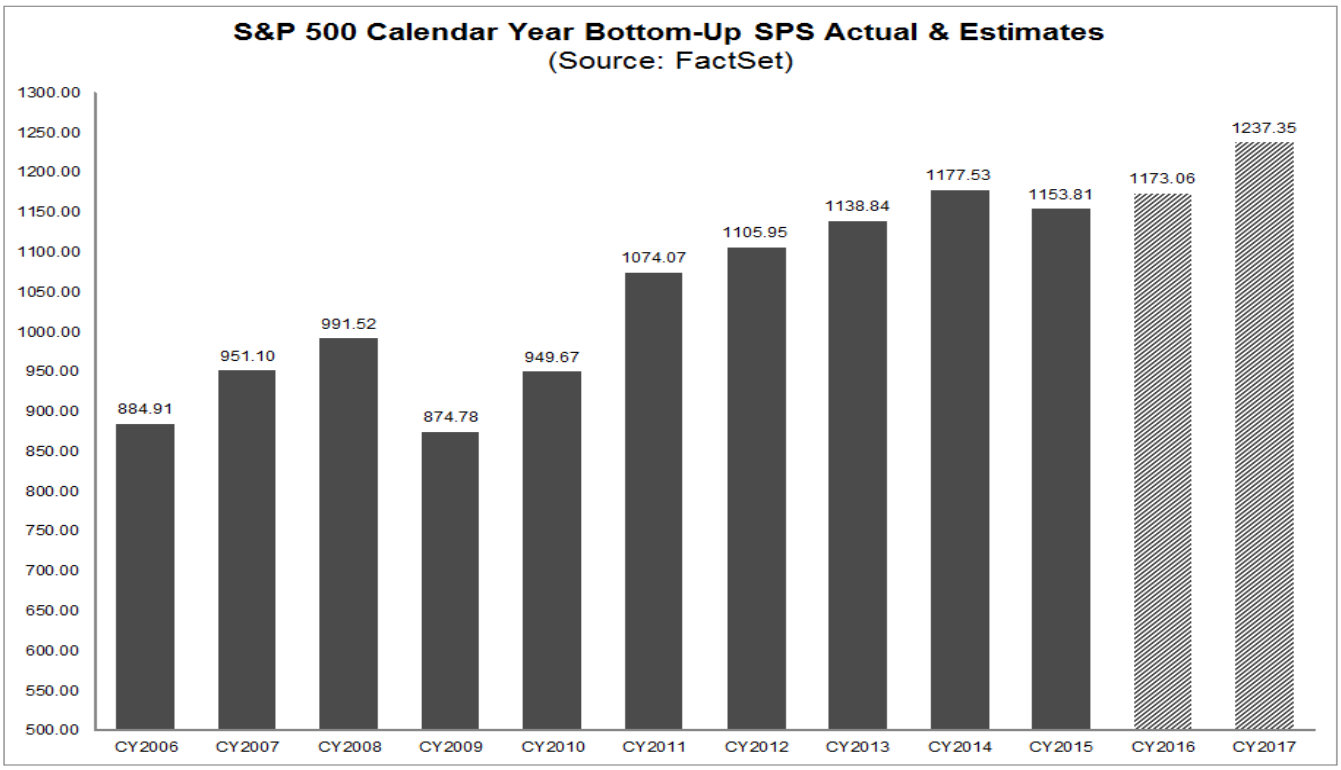
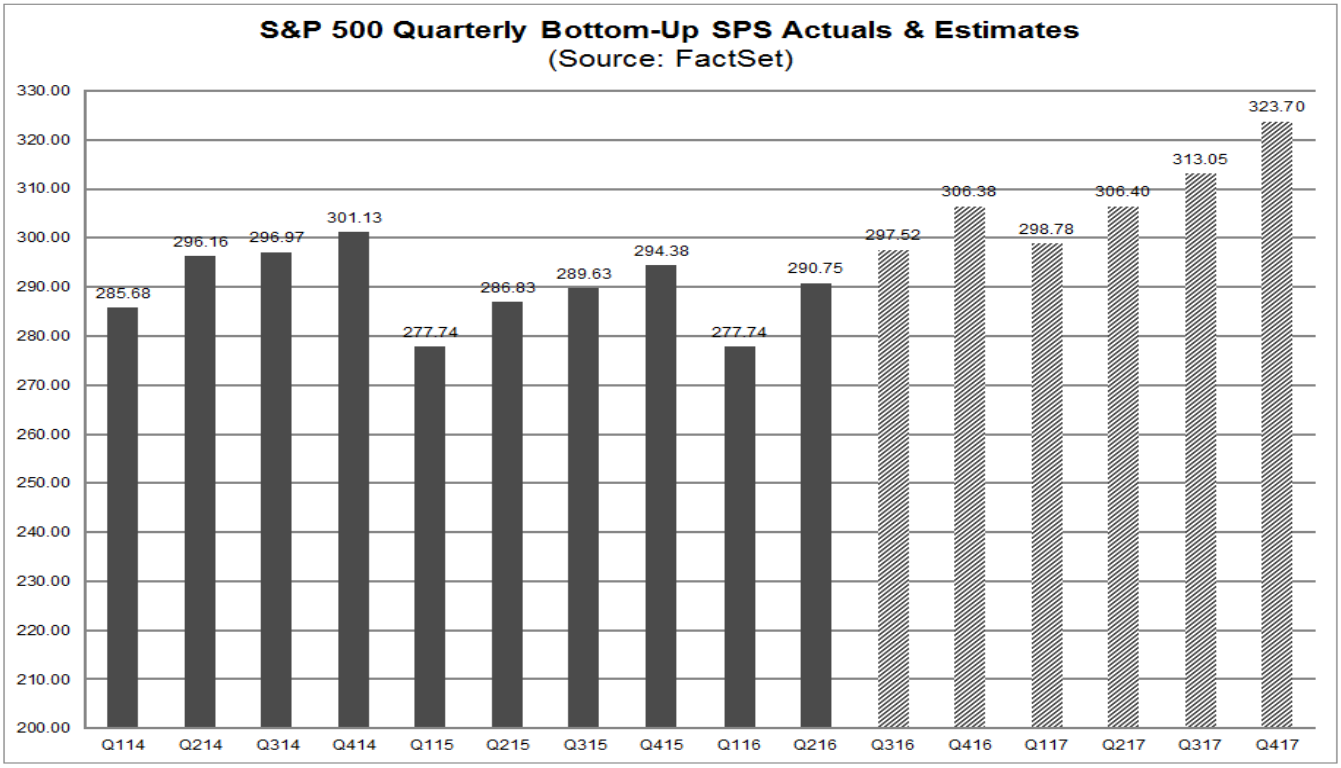
Bottom-up SPS Estimates: Current & Historical





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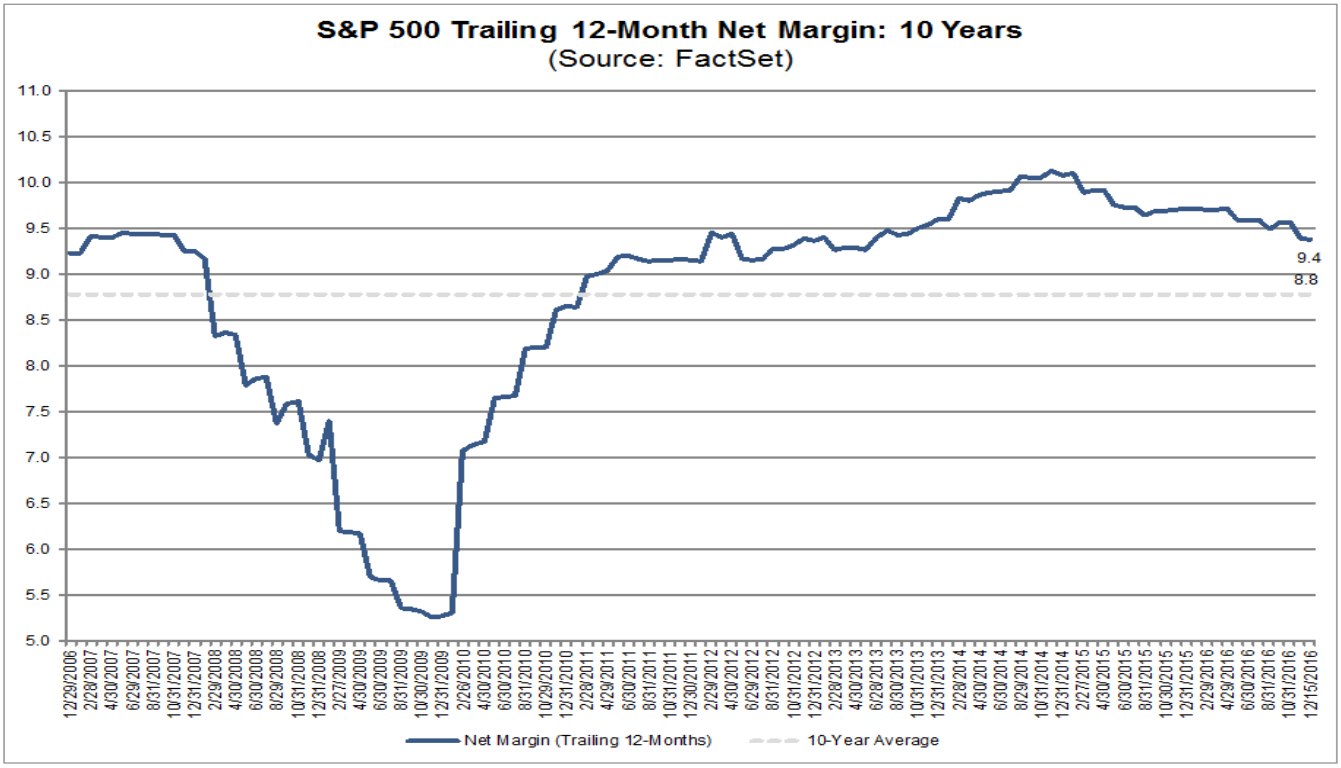
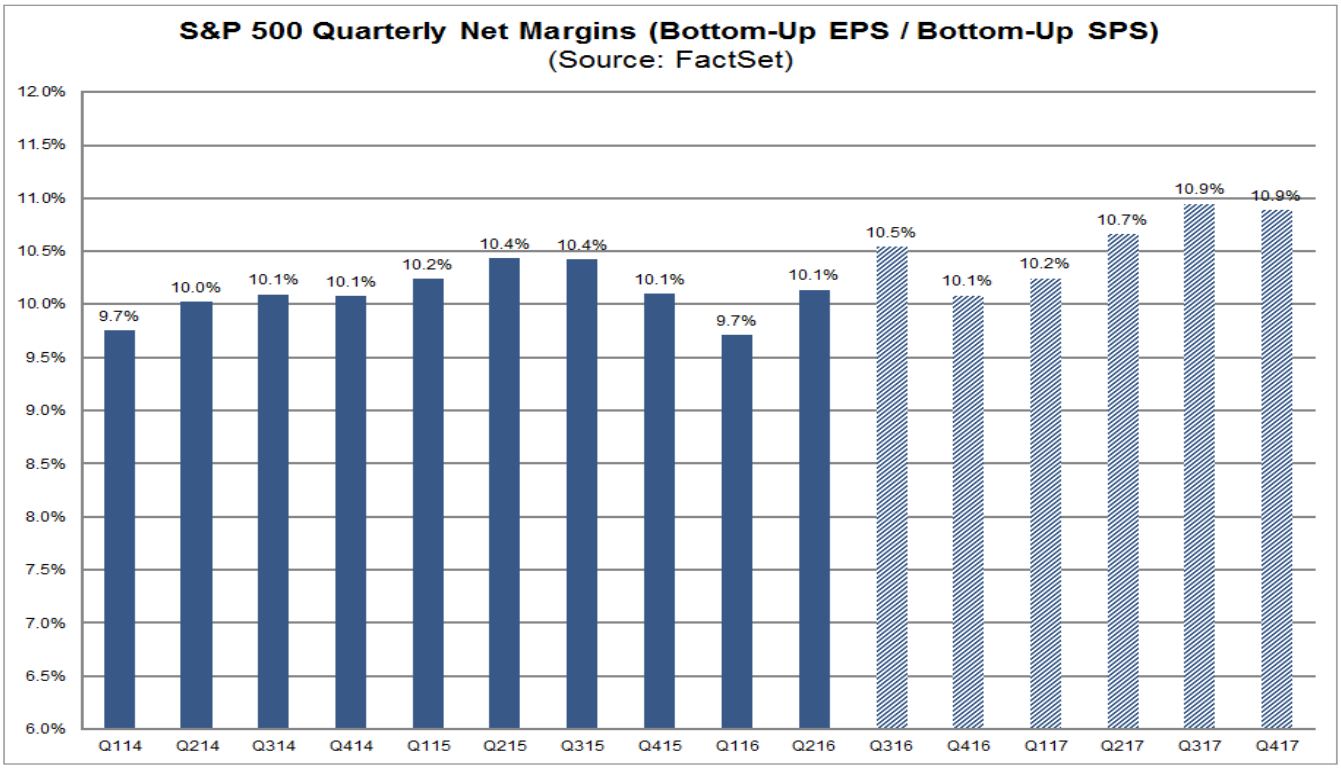
Net Margins: Current & Historical





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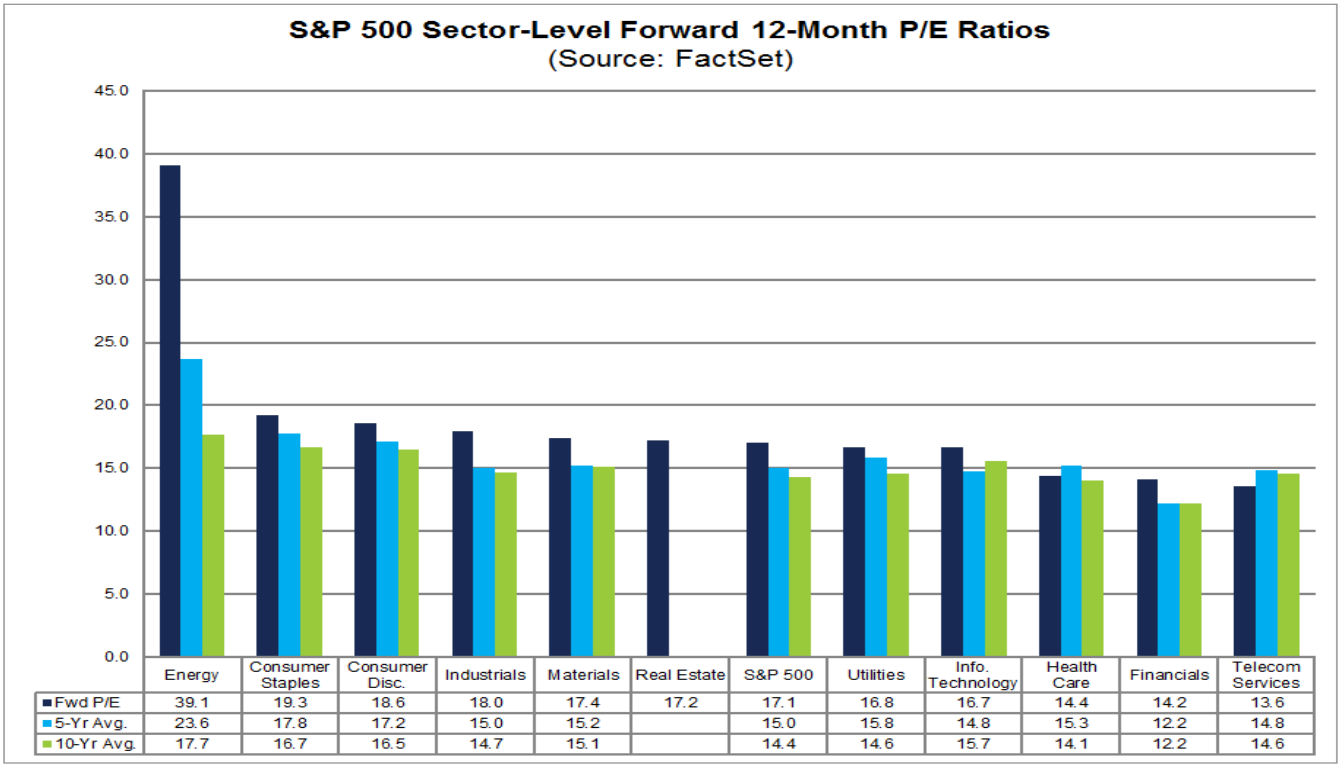
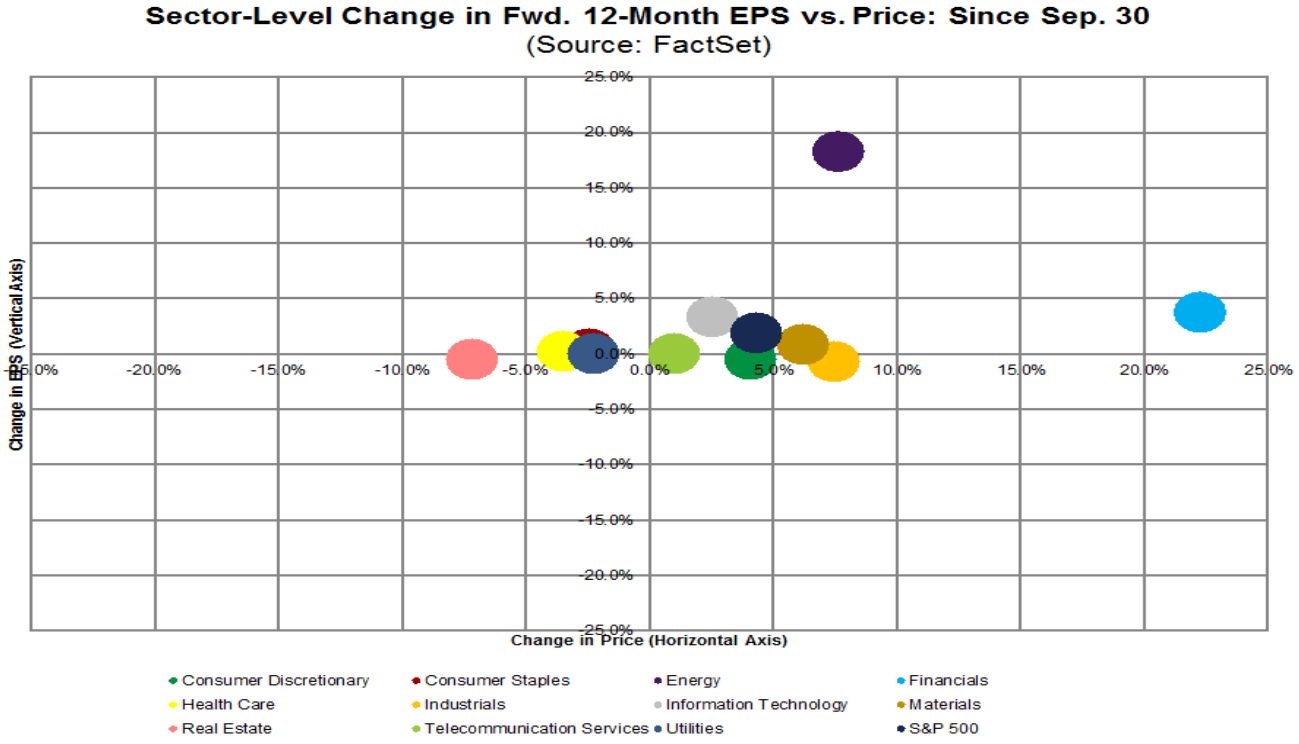
Forward 12M P/E Ratio: Sector Level



	Energy	Consumer Staples	Consumer Disc.	Industrials	Materials	Real Estate	S&P 500	Utilities	Info. Technology	Health Care	Financials	Telecom Services
Fwd P/E	39.1	19.3	18.6	18.0	17.4	17.2	17.1	16.8	16.7	14.4	14.2	13.6
5-Yr Avg.	23.6	17.8	17.2	15.0	15.2		15.0	15.8	14.8	15.3	12.2	14.8
10-Yr Avg.	17.7	16.7	16.5	14.7	15.1		14.4	14.6	15.7	14.1	12.2	14.6



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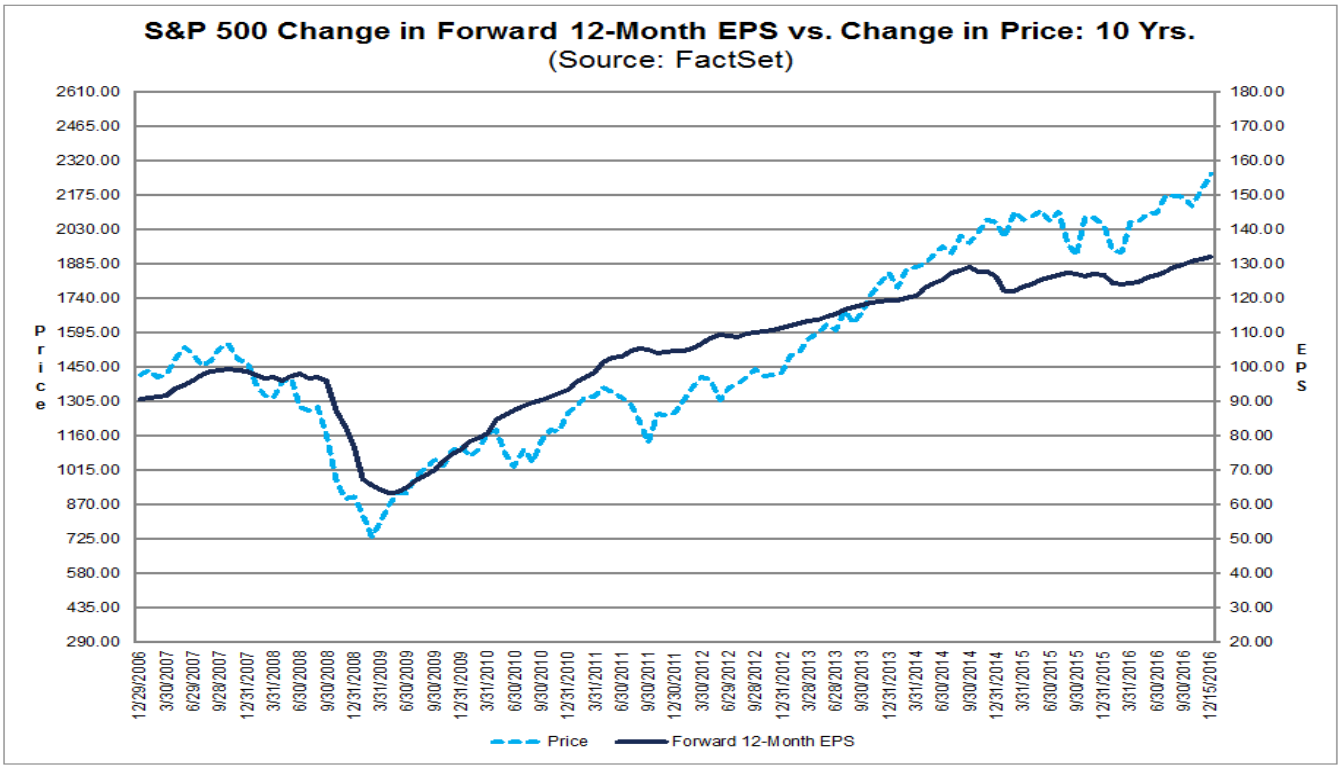
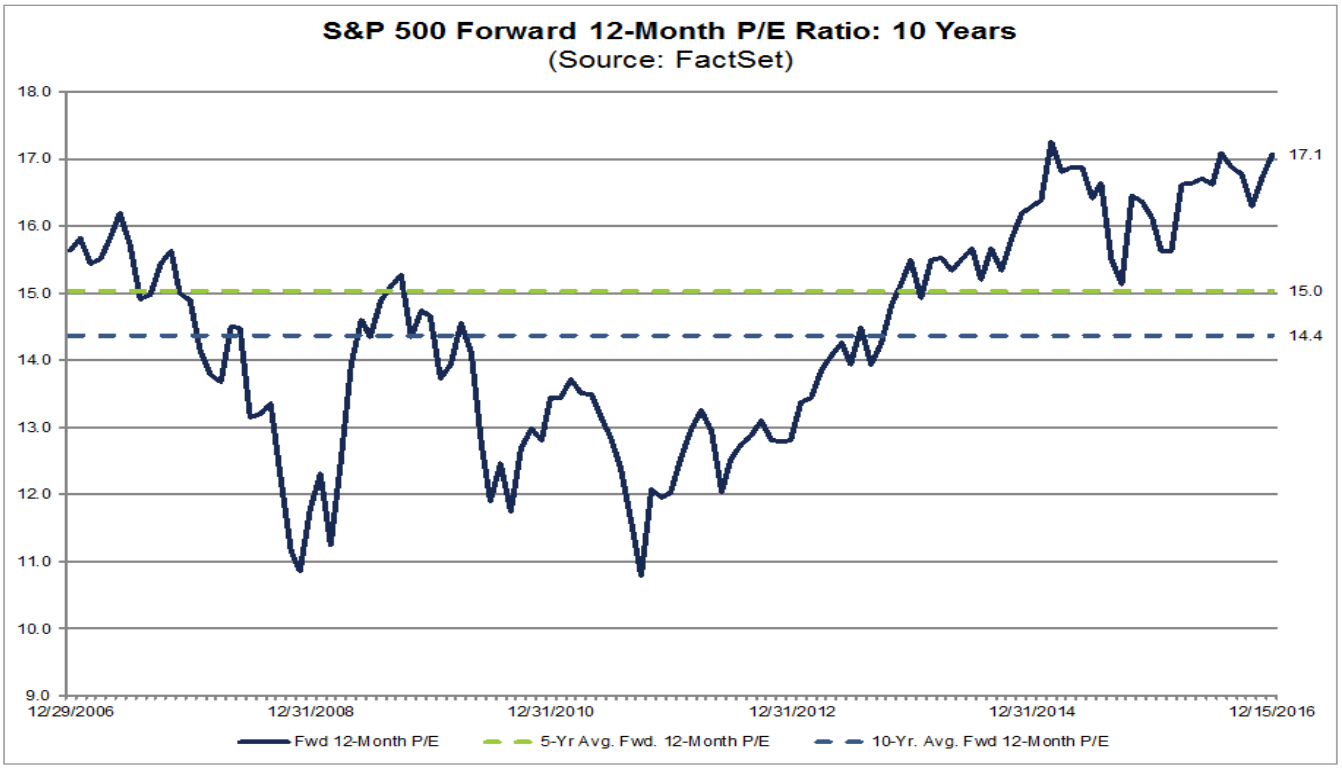
Forward 12M P/E Ratio: Long-Term Averages





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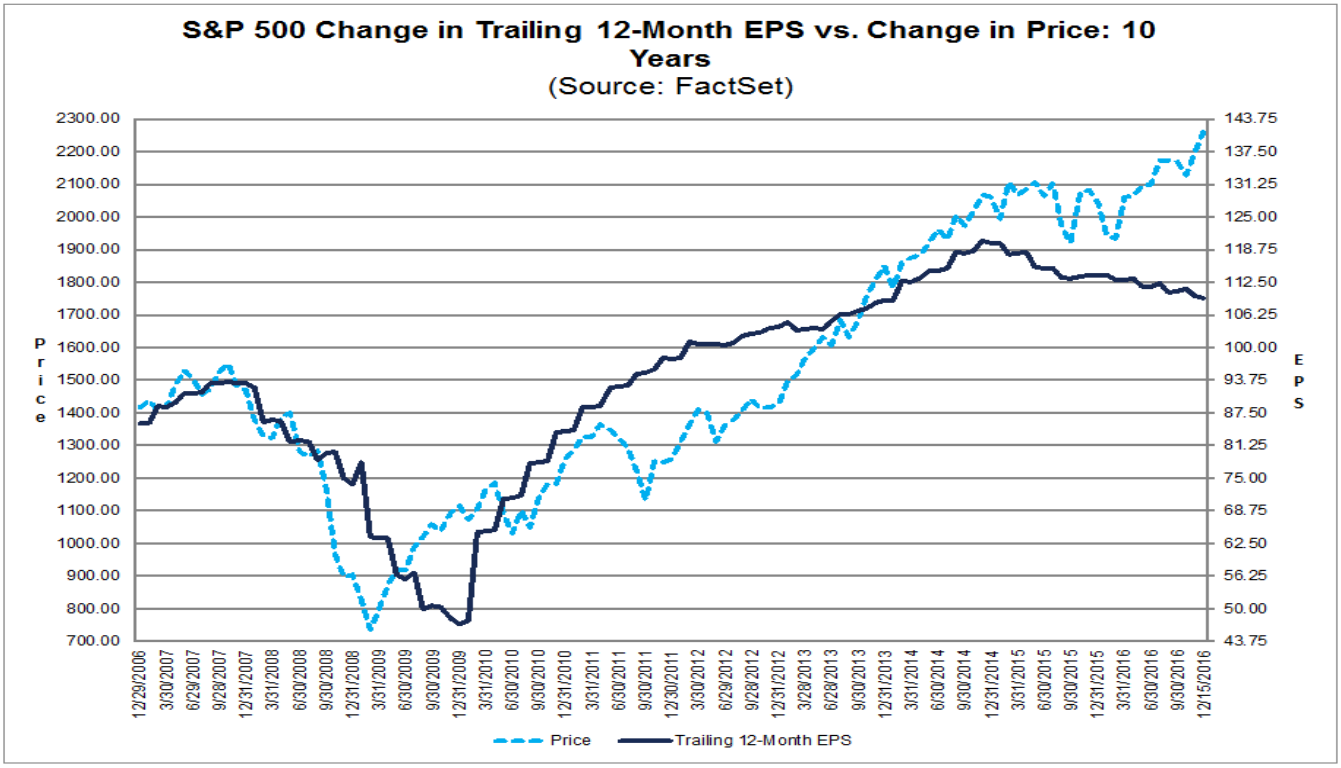
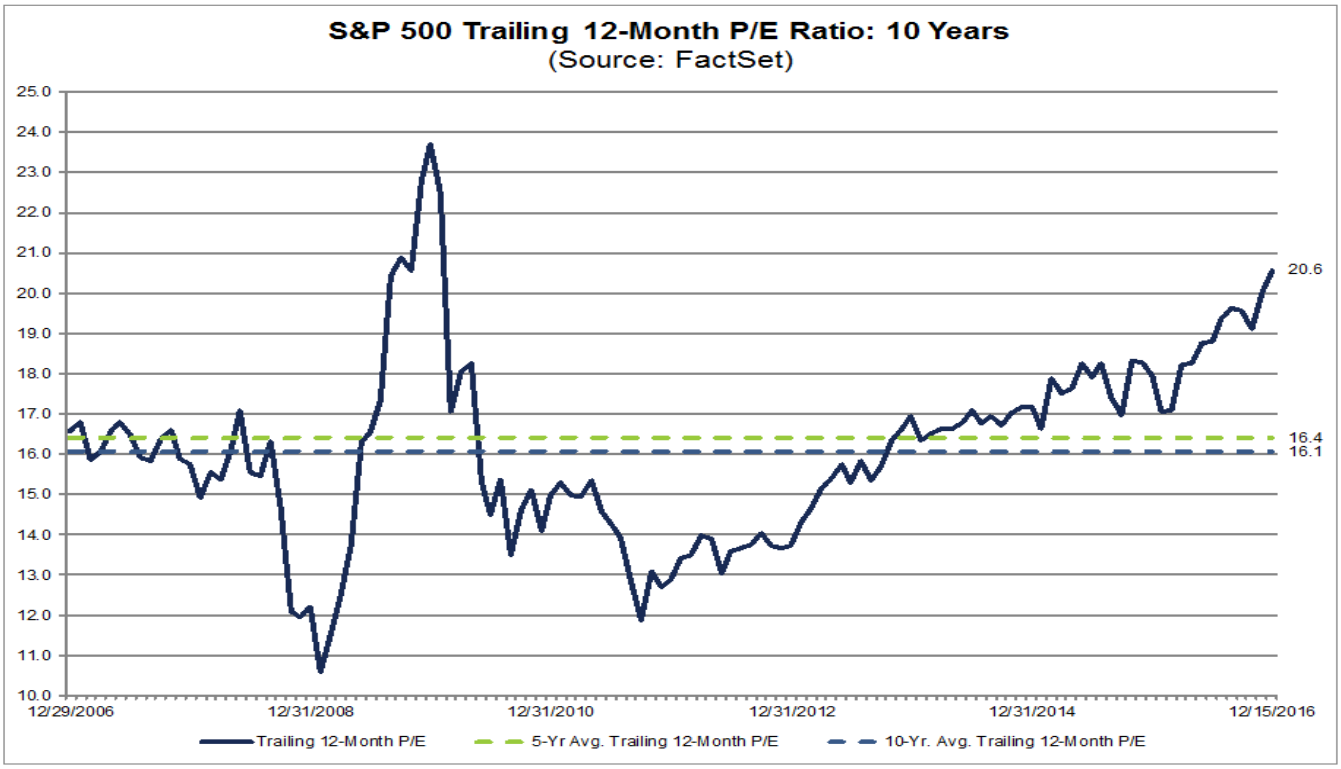
Trailing 12M P/E Ratio: Long-Term Averages





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