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## THIS WEEK IN EARNINGS

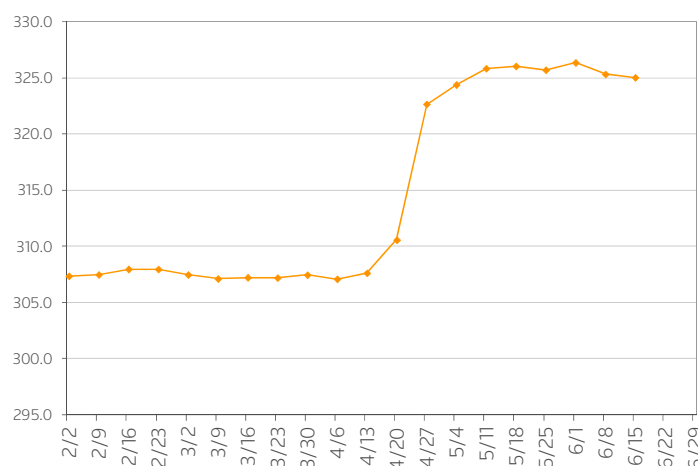
### AGGREGATE ESTIMATES AND REVISIONS

- ▶ **First quarter** earnings are expected to increase **26.6%** from Q1 2017. Excluding the energy sector, the earnings growth estimate declines to 24.6%.
- ▶ Of the **499** companies in the S&P 500 that have reported **earnings** to date for **Q1 2018**, **78.0%** have reported earnings above analyst expectations. This is **above** the long-term average of 64% and **above** the average over the past four quarters of 75%.
- ▶ First quarter **revenue** is expected to increase **8.3%** from Q4 2016. Excluding the energy sector, the revenue growth estimate declines to 7.9%.
- ▶ **75.9%** of companies have reported Q1 2018 **revenue** above analyst expectations. This is **above** the long-term average of 60% and **above** the average over the past four quarters of 69%.
- ▶ For **Q2 2018**, there have been **71** negative EPS preannouncements issued by S&P 500 corporations compared to **52** positive, which results in an N/P ratio of **1.4** for the S&P 500 Index.
- ▶ The forward four-quarter (2Q18 – 1Q19) P/E ratio for the S&P 500 is **17.0**.
- ▶ During the week of Jun. 18, **nine** S&P 500 companies are expected to report quarterly earnings.
- ▶ You can find additional commentary and insight on [Lipper Alpha Insight](#)

### SECTION A: EARNINGS OUTLOOK

#### Q1 2018: EARNINGS REVISIONS

#### EXHIBIT 1A. S&P 500: Q1 2018 SHARE-WEIGHTED EARNINGS (\$B)



Source: Thomson Reuters I/B/E/S

This Week in Earnings provides analysis and commentary on aggregate earnings estimate revisions, growth rates and valuations. [View all Thomson Reuters Proprietary Research subscription channels.](#)

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There has been a **increase** in the share-weighted earnings for the S&P 500 since the start of the quarter (to \$322.0B from \$303.0B). **Two** of the eleven sectors have experienced downward revisions to estimates.

Since Feb. 1, the materials (-16.7%) and consumer staples (-5.8%) sectors have recorded the highest percentage decreases in earnings, while the industrials (15.4%) sector has recorded the highest percentage increase in earnings. Overall, share-weighted earnings expectations for the S&P 500 are expected have **increased** 6.3% from the start of the quarter.

Since Feb. 1, the consumer staples (-\$1.3B) and materials (-\$1.2B) sectors have recorded the highest dollar-level decreases in earnings, while the information technology (\$7.9B) sector has recorded the highest dollar-level increase in earnings. Overall, expected share-weighted earnings for the S&P 500 have **increased** by \$19.0B since the start of the quarter.

## Q1 2018: EARNINGS SCORECARD

### EXHIBIT 2A. S&P 500: Q1 2018 EARNINGS VS. EXPECTATIONS

Sector	Above %	Match %	Below %	Surprise Factor %	Reported Total #	Index Total #
Consumer Discretionary	71%	6%	22%	8.4%	77	77
Consumer Staples	78%	3%	19%	4.0%	32	33
Energy	74%	10%	16%	10.8%	31	31
Financials	81%	9%	10%	4.9%	68	68
Health Care	86%	5%	10%	4.7%	63	63
Industrials	79%	9%	13%	10.5%	70	70
Materials	75%	4%	21%	3.0%	24	24
Real Estate	61%	15%	24%	0.9%	33	33
Technology	91%	7%	1%	8.6%	69	69
Telecom Services	67%	-	33%	2.1%	3	3
Utilities	66%	7%	28%	5.7%	29	29
<b>S&amp;P 500</b>	<b>78.0%</b>	<b>7.4%</b>	<b>14.6%</b>	<b>6.5%</b>	<b>499</b>	<b>500</b>

Source: Thomson Reuters I/B/E/S

Through **Jun. 15** **499** companies in the S&P 500 Index have reported earnings for Q1 2018. Of these companies, **78.0%** reported earnings above analyst expectations and **14.6%** reported earnings below analyst expectations. In a typical quarter (since 1994), 64% of companies beat estimates and 21% miss estimates. Over the past four quarters, 75% of companies beat the estimates and 18% missed estimates.

In aggregate, companies are reporting earnings that are **6.5% above** estimates, which is **above** the 3.1% long-term (since 1994) average surprise factor, and **above** the 5.2% surprise factor recorded over the past four quarters.

**Q1 2018: REVENUE SCORECARD**

**EXHIBIT 3A. S&P 500: Q1 2018 REVENUE VS. EXPECTATIONS**

Sector	Above %	Match %	Below %	Surprise Factor %	Reported Total #	Index Total #
Consumer Discretionary	78%	-	22%	2.0%	77	77
Consumer Staples	66%	-	34%	1.3%	32	33
Energy	68%	-	32%	-0.2%	31	31
Financials	61%	-	39%	-1.2%	67	68
Health Care	76%	-	24%	0.7%	63	63
Industrials	87%	-	13%	2.8%	70	70
Materials	75%	-	25%	1.4%	24	24
Real Estate	82%	-	18%	6.1%	33	33
Technology	93%	-	7%	2.3%	69	69
Telecom Services	33%	-	67%	-1.0%	3	3
Utilities	55%	-	45%	2.2%	29	29
<b>S&amp;P 500</b>	<b>75.9%</b>	<b>-</b>	<b>24.1%</b>	<b>1.2%</b>	<b>498</b>	<b>500</b>

Source: Thomson Reuters I/B/E/S

Through **Jun. 15**, **498** companies in the S&P 500 Index have reported revenues for Q1 2018. Of these companies, **75.9%** reported revenues above analyst expectations and **24.1%** reported revenues below analyst expectations. In aggregate, companies are reporting revenues that are **1.2% above** estimates.

Q1 2018: EARNINGS GROWTH RATES

EXHIBIT 4A. S&P 500: Q1 2018 EARNINGS GROWTH

Sector	Earnings \$B 18Q1	Earnings \$B 17Q1	Growth \$B 18Q1	Growth % 18Q1
Consumer Discretionary	32.2	27.0	5.3	19.6%
Consumer Staples	20.5	18.2	2.3	12.7%
Energy	15.5	8.3	7.2	86.4%
Financials	62.9	48.1	14.8	30.7%
Health Care	51.1	43.9	7.1	16.3%
Industrials	29.0	23.3	5.8	24.7%
Materials	6.1	4.4	1.7	39.4%
Real Estate	7.3	7.0	0.2	3.1%
Technology	76.1	55.8	20.3	36.5%
Telecom Services	10.3	9.0	1.3	14.7%
Utilities	11.0	9.4	1.6	16.5%
<b>S&amp;P 500</b>	<b>322.0</b>	<b>254.4</b>	<b>67.6</b>	<b>26.6%</b>

Source: Thomson Reuters I/B/E/S

The estimated earnings growth rate for the S&P 500 for Q1 2017 is **26.6%**. If the energy sector is excluded, the growth rate **declines** to 24.6%. The S&P 500 expects to see share-weighted earnings of \$322.3B in Q1 2018, compared to share-weighted earnings of \$254.6B (based on the year-ago earnings of the current 505 constituents) in Q1 2017.

All 11 sectors in the index expect to see an improvement in earnings relative to Q1 2017. The **energy** and **materials** sectors have the highest earnings growth rates for the quarter, while the **real estate** sector has the weakest anticipated growth compared to Q4 2016.

The energy sector has the highest earnings growth rate (86.4%) of any sector. It is expected to earn \$15.5B in Q1 2018, compared to earnings of \$8.3B in Q1 2017. Five of the six sub-industries in the sector are anticipated to see higher earnings than a year ago. The oil & gas exploration & production (5,657.2%) and oil & gas equipment & services (189.6%) sub-industries have the highest EPS growth in the sector. If these sub-industries are removed, the growth rate declines to 35.6%.

The materials sector has the second highest earnings growth rate (39.4%) of any sector. It is expected to earn \$6.1B in Q1 2018, compared to earnings of \$4.4B in Q1 2017. Ten of the 11 sub-industries in the sector are anticipated to see higher earnings than a year ago. The fertilizers & agricultural chemicals (355.7%) and copper (206.7%) sub-industries have the highest EPS growth in the sector. If these sub-industries are removed, the growth rate declines to 24.6%.

The real estate sector has the lowest growth rate (3.1%) of any sector. It is expected to earn \$7.3B in Q1 2018, relative to earnings of \$7.0B in Q1 2017. Three of the eight sub-industries in the sector are anticipated to see earnings decreases compared to Q1 2017, led by the office REITs (-9.9%) and health care REITs (-2.9%) sub-industries. If these sub-industries are removed, the growth rate improves to 6.0%.

Q2 2018: EARNINGS GROWTH RATES

EXHIBIT 5A. S&P 500: Q2 2018 EARNINGS GROWTH

Sector	Earnings \$B 18Q2	Earnings \$B 17Q2	Growth \$B 18Q2	Growth % 18Q2
Consumer Discretionary	34.5	29.9	4.6	15.5%
Consumer Staples	22.0	20.1	2.0	9.7%
Energy	19.1	7.9	11.2	141.0%
Financials	60.5	50.0	10.5	21.0%
Health Care	51.6	46.4	5.2	11.2%
Industrials	33.9	29.5	4.4	14.8%
Materials	7.3	5.5	1.8	32.5%
Real Estate	7.6	7.5	0.2	2.3%
Technology	71.1	57.2	13.9	24.3%
Telecom Services	10.5	9.3	1.2	13.0%
Utilities	8.6	8.5	0.1	1.1%
<b>S&amp;P 500</b>	<b>326.9</b>	<b>271.8</b>	<b>55.0</b>	<b>20.2%</b>

Source: Thomson Reuters I/B/E/S

The estimated earnings growth rate for the S&P 500 for Q2 2018 is **20.2%**. If the energy sector is excluded, the growth rate **declines** to 16.6%. The S&P 500 expects to see share-weighted earnings of \$326.9B in Q2 2018, compared to share-weighted earnings of \$271.8B (based on the year-ago earnings of the current 505 constituents) in Q2 2017.

All of the 11 sectors in the index expect to see an improvement in earnings relative to Q2 2017. The **energy** and **materials** sectors have the highest earnings growth rates for the quarter, while the **utilities** sector has the weakest anticipated growth compared to Q2 2017.

The energy sector has the highest earnings growth rate (141.0%) of any sector. It is expected to earn \$19.1B in Q2 2018, compared to earnings of \$7.9B in Q2 2017. All six sub-industries in the sector are anticipated to see higher earnings than a year ago. The oil & gas exploration & production (1,815.1%) and oil & gas drilling (113.2%) sub-industries have the highest EPS growth in the sector. If these sub-industries are removed, the growth rate declines to 90.2%.

The materials sector has the second highest earnings growth rate (32.5%) of any sector. It is expected to earn \$7.3B in Q2 2018, compared to earnings of \$5.5B in Q2 2017. Ten of 11 sub-industries in the sector are anticipated to see higher earnings than a year ago. The copper (216.6%) and fertilizers & agricultural chemicals (148.7%) sub-industries have the highest EPS growth in the sector. If these sub-industries are removed, the growth rate declines to 20.2%.

The utilities sector has the lowest growth rate (1.1%) of any sector. It is expected to earn \$8.6B in Q2 2018, relative to earnings of \$8.5B in Q2 2017. One of the four sub-industries in the sector is anticipated to see earnings decreases compared to Q2 2017, led by the electric utilities (-1.6%) and multi utilities (2.6%) sub-industries. If these sub-industries are removed, the growth rate improves to 34.1%.

## REVENUE GROWTH RATES

### EXHIBIT 6A. S&P 500: Q1 2018 REVENUE GROWTH

Sector	Revenue \$B 18Q1	Revenue \$B 17Q1	Growth \$B 18Q1	Growth % 18Q1
Consumer Discretionary	412.4	380.6	31.7	8.3%
Consumer Staples	288.7	273.8	14.9	5.4%
Energy	246.8	219.0	27.8	12.7%
Financials	334.0	326.8	7.2	2.2%
Health Care	484.7	453.5	31.2	6.9%
Industrials	318.5	288.2	30.3	10.5%
Materials	62.4	54.3	8.1	14.9%
Real Estate	25.0	22.0	3.0	13.5%
Technology	326.6	280.8	45.7	16.3%
Telecom Services	75.1	72.9	2.2	3.0%
Utilities	85.5	83.0	2.5	3.0%
<b>S&amp;P 500</b>	<b>2,659.6</b>	<b>2,455.0</b>	<b>204.6</b>	<b>8.3%</b>

Source: Thomson Reuters I/B/E/S

The estimated revenue growth rate for the S&P 500 for Q1 2018 is **8.3%**. If the energy sector is excluded, the growth rate **declines** to 7.9%. The S&P 500 is expected to earn revenues of \$2,659.6B in Q1 2018 compared to \$2,455.0B in Q1 2017.

All 11 sectors anticipate revenue growth for the quarter. The **information technology** sector is expected to have the highest revenue growth rates for the quarter, while the **financials** sector is anticipated to have the weakest growth compared to Q1 2017.

The information technology sector expects the highest revenue growth rate (16.3%) for the quarter. It is expected to generate sales of \$326.6B in Q1 2018, compared to sales of \$280.8B in Q1 2017. All thirteen sub-industries in the sector are expected to see sales growth, led by the internet software & services (29.2%) and semiconductor equipment (28.2%) sub-industries. If these sub-industries are removed, the growth rate declines to 14.3%.

The financials sector has the lowest revenue growth rate at 2.2%. The sector is expected to post sales of \$334.0B in Q1 2018, relative to sales of \$326.8B in Q1 2017. Two of the 12 sub-industries in the sector are expected to see revenue decreases for the quarter, led by multi-sector holdings (-21.8%) & multi-line insurance (-4.9%) sub-industries. If these they are removed, the growth rate declines to a gain of 7.8%.

### EXHIBIT 7A. S&P 500: Q2 2018 REVENUE GROWTH

Sector	Revenue \$B 18Q2	Revenue \$B 17Q2	Growth \$B 18Q2	Growth % 18Q2
Consumer Discretionary	429.7	398.0	31.6	7.9%
Consumer Staples	289.5	276.1	13.3	4.8%
Energy	269.5	225.5	44.0	19.5%
Financials	342.0	327.4	14.6	4.5%
Health Care	495.6	468.6	27.0	5.8%
Industrials	336.2	312.1	24.1	7.7%
Materials	66.3	58.6	7.8	13.2%
Real Estate	25.2	22.8	2.4	10.4%
Technology	323.8	288.6	35.2	12.2%
Telecom Services	75.4	74.0	1.3	1.8%
Utilities	76.4	76.3	0.1	0.1%
<b>S&amp;P 500</b>	<b>2,729.5</b>	<b>2,528.1</b>	<b>201.4</b>	<b>8.0%</b>

Source: Thomson Reuters I/B/E/S

## AGGREGATE ESTIMATES AND REVISIONS

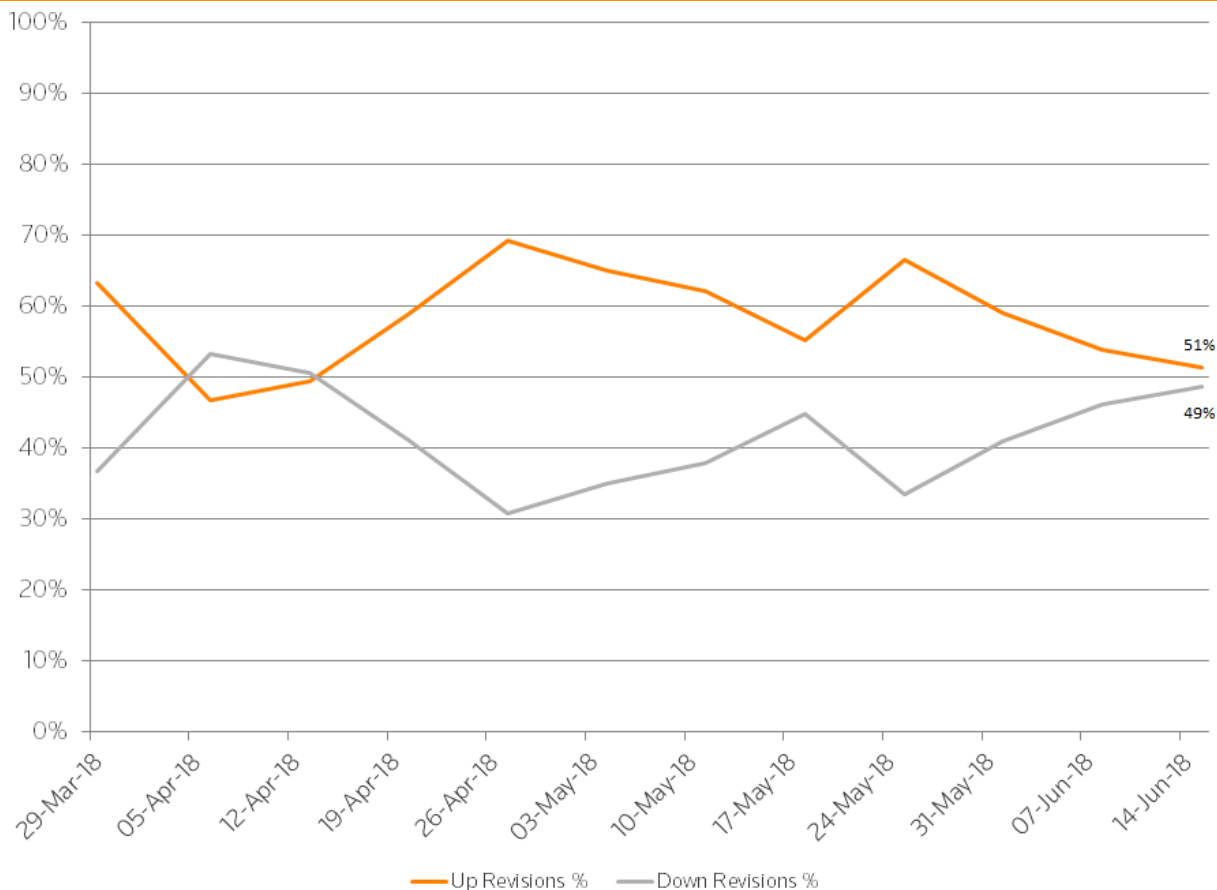
*Note: The estimate revision numbers below are an aggregate of the total number of earnings estimate revisions for the Fiscal Year 1 period for all companies in the United States over the previous seven days. Up revisions represent the total number of estimates for Fiscal Year 1 submitted in the past seven days that are higher than the previous estimates for Fiscal Year 1. Down revisions represent the total number of estimates for Fiscal Year 1 submitted in the past seven days of that are lower than the previous estimates for Fiscal Year 1.*

### EXHIBIT 8A. ESTIMATE REVISIONS – S&P 500

Week Ending	Total Revisions	Up Revisions	%	Down Revisions	%
25-May-18	761	507	67%	254	33%
01-Jun-18	524	309	59%	215	41%
08-Jun-18	468	252	54%	216	46%
15-Jun-18	439	225	51%	214	49%

Source: Thomson Reuters I/B/E/S

### EXHIBIT 9A. S&P 500: EARNINGS ESTIMATE REVISION TREND



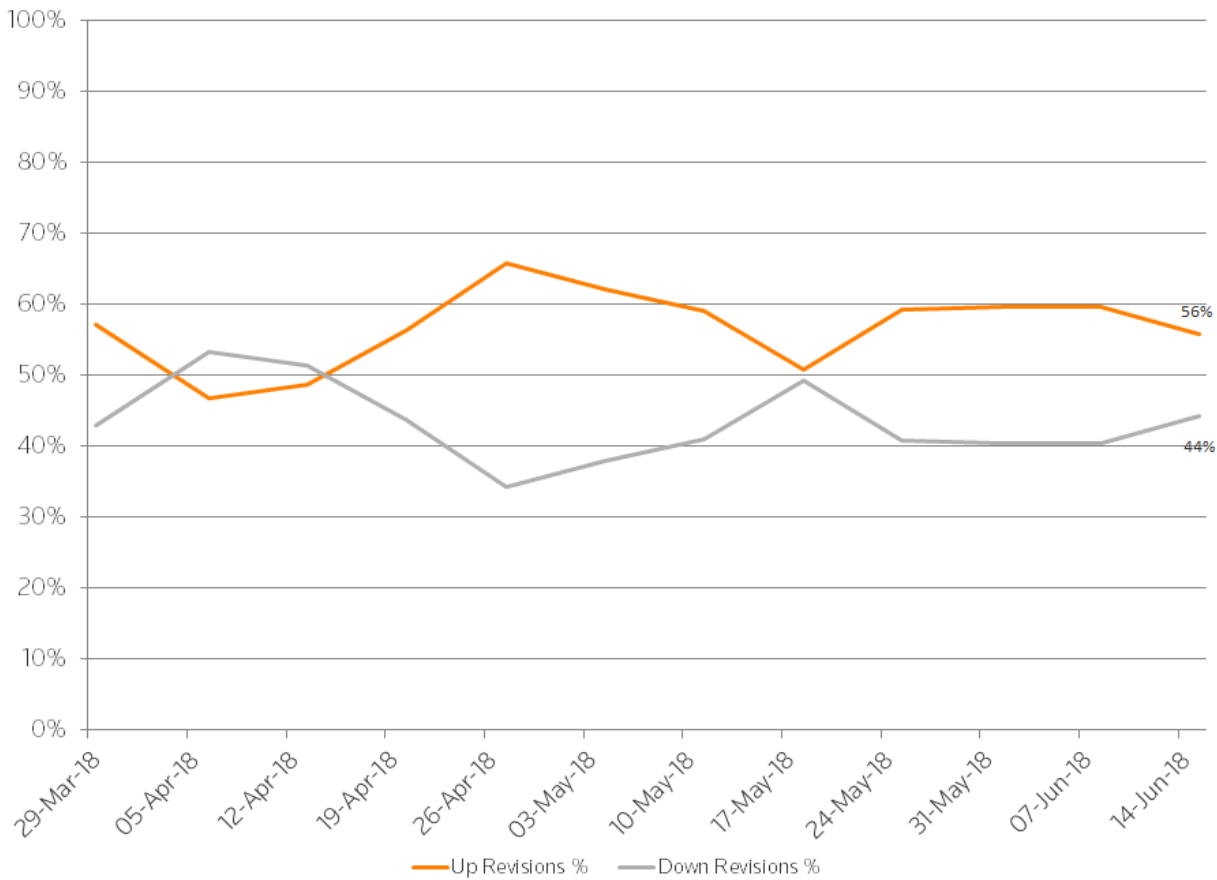
Source: Thomson Reuters I/B/E/S

**EXHIBIT 10A. ESTIMATE REVISIONS – ALL U.S. COMPANIES**

Week Ending	Total Revisions	Up Revisions	%	Down Revisions	%
25-May-18	1,645	975	59%	670	41%
01-Jun-18	1,189	708	60%	481	40%
08-Jun-18	1,317	784	60%	533	40%
15-Jun-18	1,092	609	56%	483	44%

Source: Thomson Reuters I/B/E/S

**EXHIBIT 11A. ALL U.S. COMPANIES: EARNINGS ESTIMATE REVISION TREND**



Source: Thomson Reuters I/B/E/S

## Q4 2017: EARNINGS GUIDANCE

### EXHIBIT 12A. S&P 500: Q2 2018 PREANNOUNCEMENTS

Type	Q2 2018		Q2 2017		Q1 2018	
	Total (#)	Total (%)	Total (#)	Total (%)	Total (#)	Total (%)
Positive	52	39%	45	34%	56	43%
In-Line	12	9%	10	8%	5	4%
Negative	71	53%	78	59%	69	53%
Total	135		133		130	
N/P Ratio	1.4		1.7		1.2	

Source: Thomson Reuters I/B/E/S

In the S&P 500, there have been 71 negative EPS preannouncements issued by corporations for Q2 2018 compared to 52 positive EPS preannouncements. By dividing 71 by 52 one arrives at an N/P ratio of 1.4 for the S&P 500 Index. This 1.4 ratio is **below** the N/P ratio at the same point in time in Q2 2017 (1.7), and **below** the long-term aggregate (since 1995) N/P ratio for the S&P 500 (2.8).

## Q2 2018 – Q1 2019: FORWARD FOUR-QUARTER P/E RATIO

### EXHIBIT 13A. S&P 500: FORWARD FOUR-QUARTER (Q2 2018 – Q1 2019) P/E RATIO

	Price	EPS	P/E Ratio
CY 2017	2,782.49	132.00	21.1
<b>Forward 4 Quarter</b>	<b>2,782.49</b>	<b>163.97</b>	<b>17.0</b>
CY 2018	2,782.49	161.08	17.3

Source: Thomson Reuters I/B/E/S

The forward four-quarter (Q2 2018 – Q1 2019) P/E ratio for the S&P 500 is **17.0**.

## Q1 2018 – Q1 2019: EARNINGS GROWTH

The estimated earnings growth rates for the S&P 500 for Q1 2018 through Q1 2019 are 26.6%, 20.2%, 23.1%, 20.1%, and 7.1% respectively. For sector-level growth rates for Q1 2018 through Q1 2019, see Exhibits 2C-6C in this report.

## EARNINGS CALENDAR

There are nine companies scheduled to report quarterly earnings during the week of June. 18, 2018.

### EXHIBIT 14A. NUMBER OF COMPANIES REPORTING Q1 2018 EARNINGS

Q1 2018	Reported To Date	Report This Week	Report Next Week	Report Remaining
Dow 30	30	0	0	0
S&P 500	499	1	0	0

Source: Thomson Reuters Eikon

## STARMINE EARNINGS SURPRISE FORECAST

Looking forward at quarterly performance, we use StarMine's **SmartEstimate**<sup>®</sup> to determine which companies in the S&P 500 are better poised to beat earnings estimates. The SmartEstimate<sup>®</sup> is a weighted average of analyst estimates, with more weight given to more recent estimates and more accurate analysts. Our studies have shown that when the SmartEstimate<sup>®</sup> differs significantly from the consensus (IBES Mean), the Predicted Surprise accurately predicts the direction of earnings surprises or further revisions 70% of the time. When significant Predicted Surprise for revenue is also present for the period, the accuracy improves to 78%.

**StarMine ARM** is an analyst revisions stock ranking model, designed to predict future changes in analyst sentiment. Incorporates more accurate earnings estimates through the SmartEstimate prediction service. ARM region rankings scores companies by region on a scale of 1 to 100 where 100 represents the most bullish sentiment.

Over the next two weeks, **9** S&P 500 companies are expected to report earnings. Of these companies, **0** positive surprise and **0** negative surprises are expected from S&P 500 companies reporting quarterly results.

### Exhibit 15A. S&P 500: Positive Predicted Surprises for Jun. 18 through Jun. 29, 2018

Company	Ticker	Sector	Report Date	Smart Estimate	Mean	Predicted Surprise %	ARM Region Rank

Sources: Thomson Reuters StarMine, Thomson Reuters Eikon

### Exhibit 16A. S&P 500: Negative Predicted Surprises for Jun. 18 through Jun. 29, 2018

Company	Ticker	Sector	Report Date	Smart Estimate	Mean	Predicted Surprise %	ARM Region Rank

Sources: Thomson Reuters StarMine, Thomson Reuters Eikon

## SECTION B: EARNINGS CALENDAR

### EARNINGS CALENDAR BY SECTOR

#### EXHIBIT 1B. NUMBER OF S&P 500 COMPANIES EXPECTED TO REPORT NEXT WEEK BY SECTOR

Sector	18-Jun	19-Jun	20-Jun	21-Jun	22-Jun	Total	# Reported	# of Cos
Consumer Discretionary	1	-	-	1	2	4	77	77
Consumer Staples	-	-	-	1	-	1	32	33
Energy	-	-	-	-	-	-	31	31
Financials	-	-	-	-	-	-	68	68
Health Care	-	-	-	-	-	-	63	63
Industrials	-	1	-	-	-	1	70	70
Materials	-	-	-	-	-	-	24	24
Real Estate	-	-	-	-	-	-	33	33
Technology	-	1	1	1	-	3	69	69
Telecom	-	-	-	-	-	-	3	3
Utilities	-	-	-	-	-	-	29	29
S&P 500	1	2	1	3	2	9	499	500

Source: Thomson Reuters Eikon

MONDAY: JUNE 18

EXHIBIT 2B. MONDAY EARNINGS CALENDAR

Date	Ticker	Company	Qtr	Est		Yr Ago	% Dif	Time
18-Jun-18	LEN.N	LENNAR CORP	Q2-May.18	0.44		0.91	-51.1	8:30 AM

Source: Thomson Reuters Eikon, Thomson Reuters I/B/E/S

**TUESDAY: JUNE 19**

**EXHIBIT 3B. TUESDAY EARNINGS CALENDAR**

Date	Ticker	Company	Qtr	Est		Yr Ago	% Dif	Time
19-Jun-18	FDX.N	FEDEX CORP	Q4-May.18	5.68		4.25	33.7	4:00 PM
19-Jun-18	ORCL.N	ORACLE CORP	Q4-May.18	0.94		0.89	5.5	4:00 PM

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WEDNESDAY: JUNE 20

EXHIBIT 4B. WEDNESDAY EARNINGS CALENDAR

Date	Ticker	Company	Qtr	Est		Yr Ago	% Dif	Time
20-Jun-18	MU.OQ	MICRON TECHNOLOGY INC	Q3-May.18	3.12		1.62	92.7	4:00 PM

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THURSDAY: JUNE 21

EXHIBIT 5B. THURSDAY EARNINGS CALENDAR

Date	Ticker	Company	Qtr	Est		Yr Ago	% Dif	Time
21-Jun-18	DRI.N	DARDEN RESTAURANTS INC	Q4-May.18	1.35		1.18	14.3	8:30 AM
21-Jun-18	KR.N	KROGER CO	Q1-Apr.18	0.63		0.58	9.3	8:30 AM
21-Jun-18	RHT.N	RED HAT INC	Q1-May.18	0.69		0.56	22.4	4:00 PM

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FRIDAY: JUNE 22

EXHIBIT 6B. FRIDAY EARNINGS CALENDAR

Date	Ticker	Company	Qtr	Est		Yr Ago	% Dif	Time
22-Jun-18	CCL.N	CARNIVAL CORP	Q2-May.18	0.59		0.52	13.7	8:30 AM
22-Jun-18	KMX.N	CARMAX INC	Q1-May.18	1.24		1.13	9.6	8:30 AM

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## SECTION C: EARNINGS DATA TABLES

### EXHIBIT 1C. S&P 500: Q1 2018 EARNINGS SCORECARD

Sector	Above	Match	Below	Surprise	Reported	Index
Consumer Discretionary	71%	6%	22%	8.4%	77	77
Consumer Staples	78%	3%	19%	4.0%	32	33
Energy	74%	10%	16%	10.8%	31	31
Financials	81%	9%	10%	4.9%	68	68
Health Care	86%	5%	10%	4.7%	63	63
Industrials	79%	9%	13%	10.5%	70	70
Materials	75%	4%	21%	3.0%	24	24
<i>Real Estate</i>	61%	15%	24%	0.9%	33	33
Technology	91%	7%	1%	8.6%	69	69
Telecom	67%	-	33%	2.1%	3	3
Utilities	66%	7%	28%	5.7%	29	29
S&P 500	78.0%	7.4%	14.6%	6.5%	499	500

Source: Thomson Reuters I/B/E/S

### EXHIBIT 2C. S&P 500: Q1 2018 EARNINGS GROWTH

Sector	Today	1 Apr	1 Jan	1 Oct	1 Jul
Consumer Discretionary	19.6%	9.4%	4.8%	7.9%	9.2%
Consumer Staples	12.7%	10.9%	9.0%	8.9%	7.7%
Energy*	86.4%	71.3%	50.3%	27.9%	49.6%
Financials	30.7%	24.4%	12.3%	10.0%	10.8%
Health Care	16.3%	10.7%	5.6%	6.2%	5.0%
Industrials	24.7%	14.6%	9.8%	13.7%	15.6%
Materials	39.4%	27.6%	21.6%	18.7%	12.5%
<i>Real Estate</i>	3.1%	3.0%	4.8%	6.1%	8.0%
Technology	36.5%	23.4%	19.7%	14.4%	10.7%
Telecom	14.7%	12.9%	-1.1%	2.1%	1.7%
Utilities	16.5%	10.0%	8.1%	5.3%	2.3%
S&P 500	26.6%	18.5%	12.2%	10.6%	10.5%

Source: Thomson Reuters I/B/E/S

### EXHIBIT 3C. S&P 500: Q2 2018 EARNINGS GROWTH

Sector	Today	1 Apr	1 Jan	1 Oct	1 Jul
Consumer Discretionary	15.5%	17.4%	8.7%	9.9%	14.6%
Consumer Staples	9.7%	12.3%	8.4%	7.7%	8.4%
Energy	141.0%	114.8%	78.6%	51.8%	56.8%
Financials	21.0%	22.9%	11.7%	9.7%	15.5%
Health Care	11.2%	10.5%	4.2%	5.0%	10.0%
Industrials	14.8%	17.3%	6.0%	9.8%	15.1%
Materials	32.5%	27.8%	18.0%	16.1%	16.8%
<i>Real Estate</i>	2.3%	2.0%	4.0%	4.9%	8.9%
Technology	24.3%	22.0%	16.4%	11.9%	13.6%
Telecom	13.0%	14.5%	-1.9%	1.0%	2.6%
Utilities	1.1%	-0.6%	-0.5%	-0.5%	9.0%
S&P 500	20.2%	19.8%	11.4%	9.9%	14.2%

Source: Thomson Reuters I/B/E/S

**EXHIBIT 4C. S&P 500: Q3 2018 EARNINGS GROWTH**

Sector	Today	1 Apr	1 Jan	1 Oct	
Consumer Discretionary	20.5%	19.8%	10.9%	15.4%	
Consumer Staples	12.4%	12.8%	7.6%	8.8%	
Energy	103.4%	74.1%	44.4%	37.2%	
Financials	44.1%	45.3%	32.0%	18.0%	
Health Care	11.0%	11.1%	5.8%	10.7%	
Industrials	19.5%	20.3%	8.7%	8.7%	
Materials	32.5%	29.0%	18.9%	28.8%	
<i>Real Estate</i>	4.9%	5.0%	7.2%	8.5%	
Technology	16.6%	15.4%	8.8%	12.4%	
Telecom	16.4%	17.9%	0.9%	1.8%	
Utilities	6.6%	8.3%	3.9%	4.9%	
S&P 500	23.1%	22.1%	13.2%	13.2%	

Source: Thomson Reuters I/B/E/S

**EXHIBIT 5C. S&P 500: Q4 2018 EARNINGS GROWTH**

Sector	Today	1 Apr	1 Jan		
Consumer Discretionary	20.5%	18.9%	11.9%		
Consumer Staples	10.1%	10.3%	8.2%		
Energy	76.1%	49.4%	17.5%		
Financials	27.8%	28.1%	17.1%		
Health Care	12.9%	13.7%	11.7%		
Industrials	29.4%	31.1%	13.4%		
Materials	17.6%	17.2%	14.7%		
<i>Real Estate</i>	9.0%	8.6%	7.3%		
Technology	15.0%	13.9%	9.1%		
Telecom	11.6%	14.0%	4.6%		
Utilities	0.4%	2.6%	3.5%		
S&P 500	20.1%	19.0%	11.7%		

Source: Thomson Reuters I/B/E/S

**EXHIBIT 6C. S&P 500: Q1 2019 EARNINGS GROWTH**

Sector	Today	1 Apr			
Consumer Discretionary	6.4%	13.3%			
Consumer Staples	5.6%	7.5%			
Energy	33.3%	12.3%			
Financials	6.9%	11.7%			
Health Care	7.2%	10.7%			
Industrials	9.8%	16.6%			
Materials	9.3%	11.3%			
<i>Real Estate</i>	6.5%	5.9%			
Technology	2.8%	9.7%			
Telecom	2.5%	2.4%			
Utilities	-0.3%	0.7%			
S&P 500	7.1%	10.6%			

Source: Thomson Reuters I/B/E/S

**EXHIBIT 7C. S&P 500: CY 2018 EARNINGS GROWTH**

Sector	Today	1 Apr	1 Jan	1 Oct	1 Jul
Consumer Discretionary	19.3%	17.1%	9.2%	10.2%	11.9%
Consumer Staples	11.1%	11.6%	8.3%	8.3%	8.0%
Energy	95.8%	70.3%	40.8%	35.5%	43.1%
Financials	30.4%	29.5%	17.5%	12.2%	12.5%
Health Care	12.8%	11.5%	6.9%	8.5%	9.0%
Industrials	22.0%	21.4%	9.7%	10.7%	12.2%
Materials	27.5%	23.2%	17.7%	18.0%	12.7%
<i>Real Estate</i>	4.8%	4.7%	6.0%	7.3%	7.9%
Technology	22.0%	18.1%	13.1%	12.0%	11.5%
Telecom	14.0%	14.5%	1.2%	1.6%	2.0%
Utilities	5.9%	5.2%	4.6%	5.0%	6.3%
S&P 500	22.3%	19.8%	12.0%	11.1%	11.8%

Source: Thomson Reuters I/B/E/S

**EXHIBIT 8C. S&P 500: CY 2019 EARNINGS GROWTH**

Sector	Today	1 Apr			
Consumer Discretionary	11.9%	12.4%			
Consumer Staples	7.5%	8.4%			
Energy	16.3%	12.2%			
Financials	10.0%	10.6%			
Health Care	8.8%	9.6%			
Industrials	12.4%	12.4%			
Materials	8.0%	9.6%			
<i>Real Estate</i>	6.9%	7.1%			
Technology	8.9%	9.9%			
Telecom	1.7%	1.7%			
Utilities	5.5%	5.6%			
S&P 500	9.7%	10.0%			

Source: Thomson Reuters I/B/E/S

**EXHIBIT 9C. S&P 500: BOTTOMS-UP EPS ACTUALS AND ESTIMATES**

Year	Q1	Q2	Q3	Q4	CY
2004	15.87	16.74	16.59	17.83	67.10
2005	17.95	19.11	18.86	20.19	76.28
2006	20.73	22.31	22.60	22.44	88.18
2007	22.71	24.40	21.31	16.14	85.12
2008	18.96	19.78	17.49	5.62	65.47
2009	12.83	16.03	16.36	16.80	60.80
2010	19.71	21.48	21.75	22.55	85.28
2011	23.50	24.14	25.65	24.55	97.82
2012	25.60	25.84	26.00	26.32	103.80
2013	26.74	27.40	27.63	28.62	109.68
2014	28.18	30.07	30.04	30.54	118.78
2015	28.60	30.09	29.99	29.52	117.46
2016	26.96	29.61	31.21	31.30	118.10
2017	30.90	32.58	33.45	36.02	132.00
2018	38.09	39.03	41.03	42.74	161.08
2019	41.17	43.25	45.26	47.31	176.94
2020					193.27

Source: Thomson Reuters I/B/E/S

**EXHIBIT 10C. S&P 500: ACTUAL EARNINGS GROWTH RATES**

Sector	17Q4	17Q3	17Q2	17Q1	16Q4
Consumer Discretionary	10.7%	3.9%	4.1%	6.0%	5.3%
Consumer Staples	12.1%	4.7%	4.5%	3.7%	7.2%
Energy	120.4%	162.6%	563.9%	683.0%	5.5%
Financials	14.6%	-7.3%	12.2%	19.9%	11.6%
Health Care	9.1%	8.3%	8.7%	7.3%	7.2%
Industrials	1.8%	3.1%	5.5%	4.1%	-0.9%
Materials	35.9%	7.0%	6.1%	19.3%	7.1%
<i>Real Estate</i>	-4.1%	3.8%	4.7%	2.8%	8.7%
Technology	20.1%	24.2%	18.3%	19.8%	12.7%
Telecom	4.8%	-2.8%	4.8%	-4.9%	-0.2%
Utilities	13.0%	-4.6%	5.9%	2.7%	10.1%
S&P 500	14.8%	8.5%	12.3%	15.3%	8.0%

Source: Thomson Reuters I/B/E/S

**EXHIBIT 11C. S&P 500: ACTUAL VS. ESTIMATE (ABOVE/MATCH/BELOW)**

	17Q4	17Q3	17Q2	17Q1	16Q4
Above	76.2%	72.8%	73.3%	75.6%	68.0%
Match	8.4%	8.4%	8.8%	6.6%	10.7%
Below	15.4%	18.8%	17.8%	17.8%	21.3%

Source: Thomson Reuters I/B/E/S

**EXHIBIT 12C. S&P 500: ACTUAL VS. ESTIMATE (AGGREGATE DIFFERENCE)**

	17Q4	17Q3	17Q2	17Q1	16Q4
Surprise Factor	4.4%	4.8%	5.5%	6.1%	2.3%

Source: Thomson Reuters I/B/E/S

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