S&P 500 Industry Briefing: Integrated Oil & Gas

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thinking outside the box
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Figure 1.

*S&P 500 INTEGRATED OIL & GAS STOCK PRICE INDEX*†
(CVX OXY XOM)

- 200-day moving average.
- Ratio scale.
- Source: Standard & Poor’s and Haver Analytics.

Figure 2.

*S&P 500 INTEGRATED OIL & GAS INDEX, FORWARD EARNINGS, & VALUATION*

- Integrated Oil & Gas Index
  03/12/20
- Blue Angels Implied Price Index*†
  03/05/20

* Implied price index calculated using forward earnings times forward P/Es.
* Source: Standard & Poor’s and I/B/E/S data by Refinitiv.
Forward Revenues & Earnings with Annual Squiggles

Figure 3.

S&P 500 INTEGRATED OIL & GAS REVENUES PER SHARE
(analysts' average forecasts, ratio scale)

Consensus Forecasts
- Annual estimates
- Forward revenues*

*yardeni.com

* Time-weighted average of consensus estimates for current year and next year. Monthly through December 2005, then weekly.
Source: I/B/E/S data by Refinitiv.

Figure 4.

S&P 500 INTEGRATED OIL & GAS OPERATING EARNINGS PER SHARE
(analysts' average forecasts, ratio scale)

Consensus Forecasts
- Annual estimates
- Forward earnings*

*yardeni.com

* Time-weighted average of consensus estimates for current year and next year. Monthly through December 2005, then weekly.
Source: I/B/E/S data by Refinitiv.
Annual Growth Squiggles

**Figure 5.**

S&P 500 INTEGRATED OIL & GAS ANNUAL REVENUE GROWTH FORECASTS*
(based on analysts' consensus estimates, percent, weekly)

<table>
<thead>
<tr>
<th>Year</th>
<th>Forecast</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>25.8</td>
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<tr>
<td>2012</td>
<td>-4.0</td>
</tr>
<tr>
<td>2013</td>
<td>-9.3</td>
</tr>
<tr>
<td>2014</td>
<td>-7.0</td>
</tr>
<tr>
<td>2015</td>
<td>-37.9</td>
</tr>
<tr>
<td>2016</td>
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<td>2017</td>
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<td>2018</td>
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<tr>
<td>2019</td>
<td>-8.2</td>
</tr>
<tr>
<td>2020</td>
<td>-0.9</td>
</tr>
</tbody>
</table>

Latest data thru 03/05/20

Source: I/B/E/S data by Refinitiv.

**Figure 6.**

S&P 500 INTEGRATED OIL & GAS ANNUAL EARNINGS GROWTH FORECASTS*
(based on analysts' consensus estimates, percent, weekly)

<table>
<thead>
<tr>
<th>Year</th>
<th>Forecast</th>
</tr>
</thead>
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<tr>
<td>2013</td>
<td>-8.8</td>
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<tr>
<td>2014</td>
<td>-7.2</td>
</tr>
<tr>
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<tr>
<td>2016</td>
<td>-51.1</td>
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<tr>
<td>2020</td>
<td>9.0</td>
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<tr>
<td>2021</td>
<td>16.8</td>
</tr>
</tbody>
</table>

Latest data thru 03/05/20

Source: I/B/E/S data by Refinitiv.
Figure 7.

S&P 500 INTEGRATED OIL & GAS PROJECTED PROFIT MARGIN
(using analysts’ average earnings and revenues forecasts)

Consensus Forecasts
- Annual estimates
- Forward profit margin* (6.0)

* Time-weighted average of the consensus estimates for current year and next year. Monthly through December 2005, weekly thereafter.
Source: I/B/E/S data by Refinitiv.

Figure 8.

S&P 500 INTEGRATED OIL & GAS NET EARNINGS REVISIONS*

* Three-month moving average of the number of forward earnings estimates up less number of estimates down, expressed as a percentage of the total number of forward earnings estimates.
Source: I/B/E/S data by Refinitiv.
**Forward Growth & Valuation**

- **Figure 9.**
  
  **S&P 500 INTEGRATED OIL & GAS STRG, STEG, & LTEG (percent)**

  - LTEG* (4.7)
  - STEG* (11.1)
  - STRG* (-0.3)

  STEG capped at 50%

- **Figure 10.**
  
  **S&P 500 INTEGRATED OIL & GAS VALUATION**

  - Forward P/E* (17.0)
  - Relative P/E** (1.0)
  - PEG Ratio*** (3.0)

  Relative P/E and PEG capped at 3.0

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* STEG is year-ahead forward consensus expected short-term earnings growth. STRG is year-ahead forward consensus expected short-term revenue growth. LTEG is five-year consensus expected long-term earnings growth.

 Monthly data through 2005, weekly thereafter.

 Source: I/B/E/S data by Refinitiv.

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* Price divided by 12-month forward consensus expected operating earnings per share.

 ** Sector or industry forward P/E relative to S&P 500 forward P/E.

 *** Sector or industry forward P/E relative to sector or industry consensus 5-year LTEG forecast.

 Source: I/B/E/S data by Refinitiv.