S&P 500 Industry Briefing: Semiconductors

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thinking outside the box
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Figure 1.

S&P 500 SEMICONDUCTORS STOCK PRICE INDEX*
(ADI AMD AVGO INTC MCHP MU MXIM NVDA QCOM QRVO SWKS TXN XLNX)

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

Figure 2.

S&P 500 SEMICONDUCTORS INDEX, FORWARD EARNINGS, & VALUATION

- Semiconductors Index
  09/20/19
- Blue Angels Implied Price Index*
  09/12/19

* Implied price index calculated using forward earnings times forward P/Es.
Source: Standard & Poor’s and I/B/E/S data by Refinitiv.
**S&P 500 SEMICONDUCTORS REVENUES PER SHARE**
(analysts' average forecasts, ratio scale)

*Consensus Forecasts*
- **Annual estimates**
- **Forward revenues**

* 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.

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**S&P 500 SEMICONDUCTORS OPERATING EARNINGS PER SHARE**
(analysts' average forecasts, ratio scale)

*Consensus Forecasts*
- **Annual estimates**
- **Forward earnings**

* 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 5.

S&P 500 SEMICONDUCTORS ANNUAL REVENUE GROWTH FORECASTS
(based on analysts’ consensus estimates, percent, weekly)

Figure 6.

S&P 500 SEMICONDUCTORS ANNUAL EARNINGS GROWTH FORECASTS
(based on analysts’ consensus estimates, percent, weekly)

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

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

Consensus Forecasts
- Annual estimates
- Forward profit margin* (28.0)

* 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 SEMICONDUCTORS 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.
Figure 9.
S&P 500 SEMICONDUCTORS STRG, STEG, & LTEG
(percent)

-60 -40 -20 0 20 40 60

LTEG* (9.2)
STEG* (-0.9)
STRG* (2.7)

* 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.

Figure 10.
S&P 500 SEMICONDUCTORS VALUATION

-60 -40 -20 0 20 40 60 70

Forward P/E* (16.5)
Relative P/E** (1.0)
PEG Ratio*** (1.8)

* 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.
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