

Quant Briefing: Revenues, Earnings, & Margins

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thinking outside the box

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S&P 500 Sectors' Revenues, Earnings, & Margins

Figure A: S&P 500 Projected Sales, Earnings, & Profit Margin (as of July 13, 2017)

	Y/Y Sales Growth (%)					1-month % change in Sales Forecast			
	2016A	2017E	2018E	2019E	12-Month	2017E	2018E	2019E	FW
S&P 500	1.7	5.7	4.6	4.8	5.2	0.0	-0.1	-0.1	0.0
Consumer Discretionary	6.6	4.7	4.3	5.1	4.5	-0.1	-0.2	-0.3	-0.1
Consumer Staples	1.8	2.7	3.2	3.9	3.0	0.1	0.1	0.1	0.1
Energy	-17.4	22.6	5.1	8.2	11.5	0.1	-1.2	-0.8	-0.7
Financials	2.9	3.6	3.8	4.1	3.7	-0.2	0.1	-0.1	0.0
Health Care	8.2	4.8	5.3	5.3	5.2	0.0	0.0	0.0	0.0
Industrials	1.5	2.7	4.6	4.2	4.2	0.1	0.0	-0.3	0.0
Information Technology	2.0	7.8	7.6	5.9	8.4	0.1	0.3	0.3	0.2
Materials	-3.1	6.7	4.6	3.0	5.6	0.3	0.6	0.5	0.5
Real Estate	6.7	6.1	5.2	5.2	5.6	0.0	0.0	0.2	0.0
Telecommunication Services	3.6	-2.2	0.4	0.2	-0.7	-0.1	-0.2	-0.3	-0.2
Utilities	-0.4	4.8	3.1	2.4	3.8	-0.3	-0.1	-0.1	-0.2
S&P 500 ex-Energy	3.7	4.3	4.6	4.2	4.6	0.0	0.0	0.0	0.0
S&P 500 ex-Financials	1.5	6.0	4.7	4.7	5.4	0.0	-0.1	-0.1	0.0

	Y/Y Earnings Growth (%)					1-month % change in EPS Forecast			
	2016A	2017E	2018E	2019E	12-Month	2017E	2018E	2019E	FW
S&P 500	1.7	10.2	11.9	10.2	11.2	-0.2	-0.3	-0.5	-0.3
Consumer Discretionary	11.9	6.2	12.1	11.8	9.6	-0.3	-0.3	-0.4	-0.3
Consumer Staples	4.4	5.6	7.9	8.2	7.2	-0.2	-0.2	-0.2	-0.2
Energy	-79.3	329.2	41.0	27.4	82.8	-6.9	-9.0	-8.2	-8.3
Financials	0.9	12.0	12.5	9.9	12.3	-0.3	0.2	0.6	0.0
Health Care	8.8	5.6	9.0	9.6	7.6	0.1	0.1	-0.1	0.1
Industrials	2.0	6.5	11.8	10.4	10.1	0.5	0.1	-0.4	0.3
Information Technology	5.9	11.9	12.6	9.6	11.9	0.4	0.6	0.0	0.6
Materials	-3.3	11.9	13.2	7.0	13.4	-0.5	-0.2	0.0	-0.3
Real Estate	25.6	-28.8	8.8	8.4	-10.0	-1.0	0.8	0.6	0.1
Telecommunication Services	1.4	-1.5	2.0	1.0	0.5	-0.2	-0.4	-0.3	-0.3
Utilities	5.9	0.3	6.1	5.4	3.7	0.1	0.0	0.4	0.0
S&P 500 ex-Energy	5.4	7.3	10.8	9.2	9.4	0.0	0.1	0.0	0.1
S&P 500 ex-Financials	1.9	9.8	11.8	10.1	11.0	-0.2	-0.4	-0.7	-0.3

	Operating Profit Margin (%)				
	2016A	2017E	2018E	2019E	12-Month
S&P 500	10.1	10.5	11.3	11.9	11.0
Consumer Discretionary	7.2	7.3	7.8	8.3	7.6
Consumer Staples	6.5	6.7	7.0	7.3	6.9
Energy	1.2	4.1	5.5	6.5	5.0
Financials	14.3	15.5	16.8	17.8	16.3
Health Care	10.3	10.4	10.8	11.2	10.6
Industrials	8.9	9.2	9.8	10.4	9.6
Information Technology	19.2	19.9	20.8	21.6	20.6
Materials	9.4	9.9	10.7	11.0	10.4
Real Estate	25.2	16.9	17.5	18.2	17.2
Telecommunication Services	11.2	11.3	11.5	11.5	11.4
Utilities	11.4	10.9	11.3	11.6	11.1
S&P 500 ex-Energy	10.9	11.2	11.8	12.4	11.6
S&P 500 ex-Financials	9.5	9.8	10.5	11.0	10.3

Source: Thomson Reuters I/B/E/S.

S&P 500 Sectors' Contribution to S&P 500

Figure B: S&P 500 Sectors % Contribution to Sales & Earnings (as of July 13, 2017)

	% of S&P 500 Sales				
	2016A	2017E	2018E	2019E	12-Month
S&P 500	100.0	100.0	100.0	100.0	100.0
Consumer Discretionary	16.3	16.2	16.1	16.2	16.1
Consumer Staples	13.2	12.8	12.7	12.6	12.8
Energy	7.8	9.0	9.0	9.3	9.0
Financials	12.8	12.6	12.5	12.3	12.5
Health Care	16.3	16.1	16.3	16.4	16.2
Industrials	12.1	11.8	11.8	11.7	11.8
Information Technology	11.3	11.6	11.9	12.0	11.9
Materials	3.0	3.0	3.0	2.9	3.0
Real Estate	5.2	5.3	5.3	5.0	5.3
Telecommunication Services	3.2	2.9	2.8	2.7	2.9
Utilities	3.2	3.1	3.1	3.0	3.1

	% of S&P 500 Earnings				
	2016A	2017E	2018E	2019E	12-Month
S&P 500	100.0	100.0	100.0	100.0	100.0
Consumer Discretionary	11.6	11.2	11.2	11.4	11.2
Consumer Staples	8.5	8.1	7.8	7.7	8.0
Energy	0.9	3.5	4.4	5.1	4.1
Financials	18.2	18.5	18.6	18.5	18.5
Health Care	16.6	15.9	15.5	15.4	15.6
Industrials	10.7	10.3	10.3	10.3	10.3
Information Technology	21.6	21.9	22.0	21.9	22.2
Materials	2.8	2.8	2.8	2.7	2.8
Real Estate	18.2	12.2	11.9	11.3	12.0
Telecommunication Services	3.5	3.1	2.9	2.6	3.0
Utilities	3.6	3.3	3.1	3.0	3.1

Source: Thomson Reuters I/B/E/S.

Figure C: S&P 500 Sectors \$ Contribution to Sales & Earnings (as of July 13, 2017)

	\$ Contribution to S&P 500 Sales				
	2016A	2017E	2018E	2019E	12-Month
S&P 500	1156.06	1221.10	1277.31	1339.20	1257.06
Consumer Discretionary	188.69	197.46	205.93	217.00	202.48
Consumer Staples	152.62	156.64	161.72	168.44	160.33
Energy	89.64	109.85	115.42	125.21	113.11
Financials	148.13	153.33	159.17	164.92	156.75
Health Care	188.37	197.20	207.61	219.30	203.89
Industrials	140.20	143.88	150.44	156.52	147.82
Information Technology	131.03	141.60	152.31	161.15	149.38
Materials	34.23	36.48	38.18	38.92	37.53
Real Estate	9.83	10.43	10.97	10.93	10.74
Telecommunication Services	36.64	35.80	35.95	36.13	35.89
Utilities	36.69	38.43	39.62	40.69	39.12

	\$ Contribution to S&P 500 Earnings				
	2016A	2017E	2018E	2019E	12-Month
S&P 500	116.84	128.72	144.05	158.74	138.31
Consumer Discretionary	13.57	14.40	16.14	18.07	15.45
Consumer Staples	9.91	10.46	11.29	12.23	11.02
Energy	1.04	4.54	6.40	8.17	5.63
Financials	21.25	23.79	26.76	29.39	25.52
Health Care	19.42	20.49	22.34	24.52	21.56
Industrials	12.45	13.25	14.82	16.30	14.18
Information Technology	25.21	28.18	31.74	34.79	30.77
Materials	3.21	3.59	4.07	4.36	3.89
Real Estate	2.47	1.76	1.91	2.04	1.85
Telecommunication Services	4.10	4.04	4.12	4.17	4.09
Utilities	4.19	4.20	4.46	4.71	4.35

Source: Thomson Reuters I/B/E/S.

S&P 500 Sectors' & Industries Annual Revenue Growth

Figure D: Consensus Expected Revenue Growth (pct. change, as of July 13, 2017)

Sector/Industry Group	2016A	2017E	2018E	2019E	Forward	Sector/Industry Group	2016A	2017E	2018E	2019E	Forward
S&P 500	1.7	5.7	4.6	4.8	5.2	Consumer Staples	1.8	2.7	3.2	3.9	3.0
Consumer Discretionary	6.6	4.7	4.3	5.1	4.5	Agricultural Products	-7.9	3.1	2.3	1.2	2.6
Advertising	2.3	-0.3	3.9	4.8	2.1	Brewers	207.9	1.3	1.0	0.5	1.1
Apparel & Accessories	0.7	-0.2	6.5	4.6	4.4	Distillers & Vintners	-0.5	4.1	6.5	5.4	5.1
Apparel Retail	5.4	4.9	4.2	6.2	4.5	Drug Retail	15.0	2.6	5.4	5.1	4.9
Auto Parts & Equipment	10.9	1.0	4.8	6.4	3.2	Food Distributors	3.5	9.8	3.1	3.9	3.2
Automobile Manufacturers	4.9	-1.7	-3.3	-0.1	-2.6	Food Retail	4.7	5.0	2.1	4.1	3.6
Automotive Retail	3.7	3.4	4.1	3.9	3.9	Household Products	-10.0	0.6	2.9	3.4	2.7
Broadcasting	4.3	-1.8	5.4	5.0	2.4	Hypermarkets & Super Centers	1.2	3.9	3.5	3.9	3.4
Cable & Satellite	21.9	11.7	5.3	4.0	7.8	Packaged Foods	-8.7	-0.2	1.7	2.1	0.9
Casinos & Gaming	9.6	30.9	4.9	9.6	14.1	Personal Products	3.4	18.2	9.4	4.3	8.9
Computer & Electronics Retail	-0.3	2.8	-1.2	0.7	0.8	Soft Drinks	-1.8	-4.2	-1.0	3.1	-2.4
Consumer Electronics	7.0	-0.2	1.1	2.9	0.6	Tobacco	2.8	4.7	5.6	6.2	5.3
Department Stores	-2.9	-1.8	-1.4	-0.3	-1.6	Energy	-17.4	22.6	5.1	8.2	11.5
Distributors	6.5	5.8	3.9	2.2	4.7	Integrated Oil & Gas	-16.4	19.6	5.2	4.5	10.6
Footwear	6.1	5.0	7.9	9.4	5.5	Oil & Gas Drilling	-45.0	-19.1	4.7	6.7	-5.7
General Merchandise Stores	2.2	2.7	2.1	3.2	2.4	Oil & Gas Equipment & Services	-32.2	52.7	13.8	10.0	26.2
Home Furnishing Retail	0.9	2.2	-1.1	1.3	0.8	Oil & Gas Exploration & Production	-20.1	27.9	10.6	14.1	16.8
Home Furnishings	5.4	5.5	5.5	4.8	5.5	Oil & Gas Refining & Marketing	-13.9	19.6	-0.3	11.0	7.2
Home Improvement Retail	8.1	5.0	4.7	3.2	4.8	Oil & Gas Storage & Transportation	0.5	12.2	5.4	5.0	8.1
Homebuilding	18.6	15.5	10.8	8.4	12.1	Financials	2.9	3.6	3.8	4.1	3.7
Hotels	7.2	7.6	5.1	4.9	6.1	Asset Management & Custody Banks	-2.3	4.6	5.0	5.2	4.9
Household Appliances	-0.8	3.8	4.1	4.5	4.0	Consumer Finance	3.7	4.9	5.7	4.8	5.4
Housewares & Specialties	124.2	11.5	1.2	3.8	5.2	Diversified Banks	-0.1	2.8	4.9	4.5	4.0
Internet & Direct Marketing Retail	26.3	21.5	19.9	18.1	20.5	Financial Exchanges & Data	11.9	5.4	5.9	5.7	5.7
Leisure Products	2.8	5.0	2.5	3.8	3.5	Insurance Brokers	12.9	-1.1	4.6	5.7	2.2
Motorcycle Manufacturers	-0.7	-0.7	2.7	4.5	1.3	Investment Banking & Brokerage	-1.7	6.6	6.2	4.3	6.2
Movies & Entertainment	1.7	3.6	5.0	4.1	4.8	Life & Health Insurance	2.6	-0.9	2.8	2.3	1.3
Publishing & Printing	-4.0	-1.9	-0.4	-1.6	-0.5	Multi-Line Insurance	-4.5	-5.6	0.3	1.2	-2.2
Restaurants	-7.9	0.5	-0.7	4.5	0.5	Multi-Sector Holdings	5.3	7.2	0.7	4.4	3.3
Specialty Stores	-4.0	0.1	2.5	4.4	1.3	Property & Casualty Insurance	15.9	9.4	4.6	4.3	6.5
Specialized Consumer Services	-0.1	0.8	1.2	0.9	0.9	Regional Banks	5.9	8.0	5.2	4.4	6.3
Tires & Rubber	-7.8	3.8	4.8	3.7	4.4	Reinsurance	-2.9	5.4	3.4	8.5	4.2
Health Care	8.2	4.8	5.3	5.3	5.2	Real Estate	6.7	6.1	5.2	5.2	5.6
Biotechnology	6.2	-0.2	4.2	5.5	2.4	Health Care REIT's	1.7	-0.7	3.6	4.7	1.8
Health Care Distributors	8.8	5.0	5.1	5.2	5.3	Hotel & Resort REIT's	0.8	-0.2	0.9	0.1	0.4
Health Care Equipment	4.6	7.6	5.2	5.4	6.5	Industrial REITs	12.5	4.0	4.5	10.1	4.3
Health Care Facilities	5.3	5.7	5.3	6.5	5.5	Office REITs	-0.4	0.3	4.3	6.5	2.6
Health Care Services	1.1	4.9	3.6	3.2	4.2	Real Estate Services	20.4	6.6	5.5	2.9	5.9
Health Care Supplies	27.5	10.6	8.0	7.3	9.0	Residential REITs	1.8	7.1	4.2	5.0	5.4
Health Care Technology	8.4	8.7	7.8	8.6	8.2	Retail REITs	1.0	3.8	5.0	4.8	4.5
Life Sciences Tools & Services	5.8	6.9	5.7	6.3	6.2	Specialized REITs	10.3	11.8	7.0	6.7	8.8
Managed Health Care	13.8	5.3	6.9	6.7	6.3	Information Technology	2.0	7.8	7.6	5.9	8.4
Pharmaceuticals	4.8	3.3	3.7	3.4	3.5	Application Software	13.1	12.2	14.8	14.7	13.5
Industrials	1.5	2.7	4.6	4.2	4.2	Communications Equipment	4.5	-3.5	1.5	2.7	1.6
Aerospace & Defense	-2.3	2.2	4.4	5.1	3.5	Data Processing & Outsourced Services	12.0	9.8	8.7	9.3	10.4
Agricultural & Farm Machinery	-9.3	8.8	5.6	6.9	6.4	Electronic Components	4.1	4.5	3.1	4.8	3.7
Air Freight & Couriers	8.7	5.7	5.0	4.7	5.4	Electronic Equipment & Instruments	6.8	7.9	5.3	5.3	6.3
Airlines	-1.4	5.4	4.0	3.0	4.5	Electronic Manufacturing Services	0.0	4.4	3.7	3.7	3.8
Building Products	120.6	-12.9	3.8	4.1	0.7	Home Entertainment Software	24.9	1.4	9.3	6.2	5.6
Construction & Engineering	-0.4	1.7	5.1	5.1	4.8	Internet Software & Services	24.8	22.6	18.7	17.3	20.1
Construction Machinery & Heavy Trucks	-14.6	5.0	5.4	4.2	5.2	IT Consulting & Other Services	1.4	14.4	2.8	2.8	10.5
Diversified Support Services	10.0	19.5	4.9	na	16.7	Semiconductor Equipment	11.1	30.3	6.6	8.3	9.7
Electrical Components & Equipment	-5.7	-7.3	5.4	3.3	3.0	Semiconductors	6.9	11.4	5.0	4.3	6.0
Environmental & Facilities Services	6.4	4.5	3.6	3.5	4.0	Systems Software	-0.1	5.3	6.9	7.1	7.3
Human Resource & Employment Services	3.1	0.0	4.1	5.3	2.4	Technology Hardware, Storage & Peripherals	-8.6	0.3	7.0	0.8	5.3
Industrial Conglomerates	3.9	1.9	3.8	2.9	3.0	Materials	-3.1	6.7	4.6	3.0	5.6
Industrial Machinery	-3.7	5.5	5.5	4.0	5.8	Commodity Chemicals	-10.9	14.8	-0.9	3.8	5.1
Railroads	-7.1	5.5	4.7	4.4	5.0	Construction Materials	7.2	11.5	11.2	8.9	11.3
Research & Consulting Services	5.2	9.5	5.0	5.8	6.5	Copper	-6.6	2.1	5.6	-6.4	4.2
Trading Companies & Distributors	1.0	5.6	5.6	3.7	5.6	Diversified Chemicals	-1.9	7.5	3.9	3.4	5.3
Trucking	5.9	8.2	9.5	7.0	8.9	Fertilizers & Agricultural Chemicals	-12.2	2.7	10.1	4.5	6.6
Telecommunications Services	3.6	-2.2	0.4	0.2	-0.7	Gold	-13.2	5.7	1.4	-0.3	3.1
Alternative Carriers	-0.7	1.2	2.8	3.5	2.1	Industrial Gasses	-3.0	-5.1	4.6	4.2	2.9
Integrated Telecommunication Services	3.7	-2.3	0.4	0.1	-0.8	Metal & Glass Containers	14.0	18.0	3.1	4.3	8.8
Utilities	-0.4	4.8	3.1	2.4	3.8	Paper Packaging	2.9	0.7	4.1	1.7	2.8
Electric Utilities	1.4	3.8	2.8	2.1	3.2	Specialty Chemicals	-3.1	8.6	7.7	4.4	8.1
Independent Power Producers & Energy Traders	-12.5	4.0	3.4	2.0	3.6	Steel	-1.4	20.2	0.5	2.2	7.9
Multi-Utilities	-0.3	7.2	3.5	3.2	5.0						
Water Utilities	4.5	4.9	5.1	5.3	5.0						

na = not available.

Source: Thomson Reuters I/B/E/S.

S&P 500 Sectors' & Industries Annual Earnings Growth

Figure E: Consensus Expected Earnings Growth (pct. change, as of July 13, 2017)

Sector/Industry Group	2016A	2017E	2018E	2019E	Forward
S&P 500	1.7	10.2	11.9	10.2	11.2
Consumer Discretionary	11.9	6.2	12.1	11.8	9.6
Advertising	9.9	6.3	8.5	9.0	7.6
Apparel & Accessories	-0.5	-2.1	9.6	9.7	3.9
Apparel Retail	3.3	5.1	7.6	9.8	6.3
Auto Parts & Equipment	16.7	6.5	8.5	8.8	7.7
Automobile Manufacturers	5.9	-6.7	1.0	-2.7	-2.4
Automotive Retail	8.0	6.3	10.5	12.0	9.0
Broadcasting	20.6	9.2	13.4	13.4	11.7
Cable & Satellite	27.7	11.5	17.5	16.5	15.1
Casinos & Gaming	-1.5	40.4	23.5	21.7	29.2
Computer & Electronics Retail	28.1	9.4	5.4	6.9	7.3
Consumer Electronics	13.7	-5.2	2.1	4.2	-1.1
Department Stores	-12.5	2.2	-8.3	-1.2	-3.1
Distributors	9.9	4.1	10.9	5.1	8.1
Footwear	16.2	-3.4	15.7	17.7	-0.3
General Merchandise Stores	12.2	-4.2	4.7	5.4	0.2
Home Furnishing Retail	-10.2	-11.8	-2.7	3.4	-8.3
Home Furnishings	18.0	5.9	8.6	11.9	7.5
Home Improvement Retail	20.0	13.3	13.4	10.0	13.4
Homebuilding	16.2	15.6	16.8	6.9	16.4
Hotels	17.7	8.9	15.8	15.1	13.3
Household Appliances	13.6	7.4	15.2	10.9	12.1
Housewares & Specialties	32.6	7.9	13.1	13.1	11.1
Internet & Direct Marketing Retail	46.0	24.0	40.6	39.1	34.5
Leisure Products	4.6	2.6	11.8	8.8	8.0
Motorcycle Manufacturers	3.8	-2.3	10.6	5.5	5.1
Movies & Entertainment	4.8	6.9	10.4	9.9	9.8
Publishing & Printing	-14.9	-8.2	35.6	11.7	33.0
Restaurants	5.8	13.9	11.3	12.1	12.7
Specialty Stores	7.6	3.6	7.5	9.1	5.7
Specialized Consumer Services	23.3	1.4	5.0	3.6	2.3
Tires & Rubber	20.5	-4.3	29.7	16.6	15.2
Health Care	8.8	5.6	9.0	9.6	7.6
Biotechnology	6.2	-2.6	8.3	10.5	3.7
Health Care Distributors	7.9	-0.4	5.2	8.9	1.3
Health Care Equipment	8.0	9.6	10.5	10.7	10.2
Health Care Facilities	18.8	7.6	8.9	9.6	8.4
Health Care Services	12.5	4.9	9.8	9.9	7.8
Health Care Supplies	12.2	11.0	13.2	12.5	12.1
Health Care Technology	9.0	9.1	10.9	11.9	10.2
Life Sciences Tools & Services	10.6	11.6	11.6	10.8	11.7
Managed Health Care	15.0	16.2	10.7	11.5	12.8
Pharmaceuticals	8.4	6.5	8.3	7.7	7.6
Industrials	2.0	6.5	11.8	10.4	10.1
Aerospace & Defense	4.6	6.5	10.5	12.4	9.0
Agricultural & Farm Machinery	-16.6	30.8	11.5	24.2	15.4
Air Freight & Couriers	8.1	5.8	10.9	11.1	8.2
Airlines	-12.9	-2.1	14.8	5.6	7.7
Building Products	55.5	-20.8	14.8	13.5	8.0
Construction & Engineering	-18.3	9.8	16.7	13.0	14.8
Construction Machinery & Heavy Trucks	-18.6	13.1	19.0	17.9	16.7
Diversified Support Services	10.1	7.5	13.0	17.8	8.5
Electrical Components & Equipment	-3.1	2.0	10.4	9.6	9.0
Environmental & Facilities Services	8.8	7.4	8.6	8.1	8.1
Human Resource & Employment Services	-0.7	-0.3	9.1	7.5	5.2
Industrial Conglomerates	10.7	9.9	10.3	7.2	10.1
Industrial Machinery	0.3	12.9	11.6	11.0	11.7
Railroads	-4.4	16.4	13.4	11.7	14.5
Research & Consulting Services	5.7	6.9	11.4	10.1	9.7
Trading Companies & Distributors	1.2	3.6	9.2	7.3	6.9
Trucking	1.9	5.5	14.3	12.6	10.8
Telecommunications Services	1.4	-1.5	2.0	1.0	0.5
Alternative Carriers	135.8	-25.9	26.8	22.4	0.9
Integrated Telecommunication Services	0.5	-1.1	1.7	0.7	0.5
Utilities	5.9	0.3	6.1	5.4	3.7
Electric Utilities	6.2	-0.9	4.7	4.1	2.4
Independent Power Producers & Energy Traders	14.0	17.5	26.3	19.7	23.0
Multi-Utilities	4.7	1.6	7.0	6.7	4.8
Water Utilities	7.6	6.5	8.8	6.9	7.9

Sector/Industry Group	2016A	2017E	2018E	2019E	Forward
Consumer Staples	4.4	5.6	7.9	8.2	7.2
Agricultural Products	-16.9	22.2	11.1	6.2	15.2
Brewers	15.2	49.8	2.5	5.9	17.8
Distillers & Vintners	17.6	18.3	9.9	11.3	14.4
Drug Retail	15.2	3.9	9.4	9.5	7.4
Food Distributors	14.1	17.6	11.1	7.6	10.8
Food Retail	1.5	-8.5	3.3	8.5	-1.4
Household Products	-4.6	4.8	7.2	7.3	6.8
Hypermarkets & Super Centers	-4.1	2.9	7.1	8.2	5.4
Packaged Foods	16.6	7.3	7.0	6.1	6.6
Personal Products	24.1	-18.1	14.2	16.6	14.5
Soft Drinks	1.6	3.1	6.7	7.8	5.2
Tobacco	5.8	9.0	10.0	9.7	9.6
Energy	-79.3	329.2	41.0	27.4	82.8
Integrated Oil & Gas	-51.6	116.4	20.1	14.4	44.0
Oil & Gas Drilling	-68.1	+/	-/	neg	-917.4
Oil & Gas Equipment & Services	-100.2	+/	100.3	43.3	172.4
Oil & Gas Exploration & Production	neg	-/	185.3	80.4	+/
Oil & Gas Refining & Marketing	-63.1	28.3	36.1	10.9	33.3
Oil & Gas Storage & Transportation	-40.7	99.7	7.3	11.4	31.6
Financials	0.9	12.0	12.5	9.9	12.3
Asset Management & Custody Banks	1.4	13.5	10.2	8.9	11.5
Consumer Finance	3.4	2.5	13.9	10.5	9.2
Diversified Banks	-0.1	8.4	14.6	11.2	12.2
Financial Exchanges & Data	13.5	11.5	11.2	9.8	11.3
Insurance Brokers	26.0	6.2	15.4	12.1	11.7
Investment Banking & Brokerage	11.0	15.3	14.1	11.4	14.4
Life & Health Insurance	-1.0	12.4	5.9	6.7	8.4
Multi-Line Insurance	-39.6	180.9	10.9	10.6	45.4
Multi-Sector Holdings	-0.3	6.9	9.1	8.7	8.2
Property & Casualty Insurance	-5.9	9.8	9.5	7.5	9.6
Regional Banks	5.1	13.9	14.5	8.2	14.3
Reinsurance	-5.7	-11.6	-1.0	3.9	-5.8
Real Estate	25.6	-28.8	8.8	8.4	-10.0
Health Care REIT's	219.7	-14.9	-11.1	1.9	-12.8
Hotel & Resort REIT's	37.8	-23.5	-13.5	-3.0	-18.3
Industrial REITs	38.4	-42.3	2.4	24.2	-22.4
Office REITs	-16.3	-23.6	27.1	11.2	2.6
Real Estate Services	12.2	5.3	6.2	5.0	5.9
Residential REITs	129.4	-71.5	-4.6	8.8	-52.4
Retail REITs	-9.5	-20.5	10.8	3.9	-4.0
Specialized REITs	-20.6	23.0	21.3	12.3	21.9
Information Technology	5.9	11.9	12.6	9.6	11.9
Application Software	23.0	17.9	26.3	23.5	22.1
Communications Equipment	8.5	1.7	3.8	5.1	3.8
Data Processing & Outsourced Services	10.9	14.7	14.5	14.1	14.2
Electronic Components	11.2	10.7	8.2	5.9	9.2
Electronic Equipment & Instruments	-3.8	22.4	10.5	6.7	14.9
Electronic Manufacturing Services	13.3	13.8	6.1	7.1	7.2
Home Entertainment Software	45.3	-1.8	20.2	11.8	9.7
Internet Software & Services	29.6	4.4	19.9	20.0	13.6
IT Consulting & Other Services	-2.2	9.1	7.1	7.0	8.7
Semiconductor Equipment	42.1	60.7	7.4	12.6	14.0
Semiconductors	6.4	27.3	6.9	5.0	9.9
Systems Software	10.9	9.3	9.3	10.1	9.8
Technology Hardware, Storage & Peripherals	-10.6	8.1	17.2	4.5	15.1
Materials	-3.3	11.9	13.2	7.0	13.4
Commodity Chemicals	-10.5	5.4	-7.3	0.3	-2.2
Construction Materials	38.9	33.2	32.1	23.9	32.5
Copper	0.0	332.1	29.0	-22.0	72.0
Diversified Chemicals	9.6	11.0	7.8	4.5	9.1
Fertilizers & Agricultural Chemicals	-42.1	-1.8	33.3	14.5	19.1
Gold	19.4	-3.6	4.0	16.0	0.7
Industrial Gases	3.9	-7.4	10.0	7.2	6.2
Metal & Glass Containers	0.3	23.0	19.1	16.7	20.6
Paper Packaging	-12.1	-0.1	25.4	8.1	17.1
Specialty Chemicals	2.7	11.0	13.2	11.0	12.3
Steel	27.7	87.3	9.3	8.2	30.8

+/- = a loss is expected, -/ = forecasted loss is larger, neg = forecasted loss is smaller, -/+ = forecasted earnings are now positive, na = not available.

Source: Thomson Reuters I/B/E/S.

S&P 500 Sectors' & Industries Annual Profit Margin

Figure F: Consensus Expected Profit Margin (percent, as of July 13, 2017)

Sector/Industry Group	2016A	2017E	2018E	2019E	Forward
S&P 500	10.1	10.5	11.3	11.9	11.0
Consumer Discretionary	7.2	7.3	7.8	8.3	7.6
Advertising	7.1	7.6	7.9	8.2	7.8
Apparel & Accessories	8.9	8.7	9.0	9.4	8.8
Apparel Retail	7.3	7.4	7.6	7.9	7.5
Auto Parts & Equipment	9.3	9.8	10.1	10.3	10.0
Automobile Manufacturers	5.2	5.0	5.2	5.0	5.1
Automotive Retail	6.0	6.2	6.5	7.0	6.4
Broadcasting	11.4	12.6	13.6	14.7	13.2
Cable & Satellite	8.3	8.3	9.2	10.3	8.8
Casinos & Gaming	7.8	8.3	9.8	10.9	9.2
Computer & Electronics Retail	2.8	2.9	3.1	3.3	3.0
Consumer Electronics	17.6	16.8	16.9	17.1	16.8
Department Stores	3.5	3.7	3.4	3.4	3.6
Distributors	5.1	5.1	5.4	5.6	5.3
Footwear	9.7	8.9	9.6	10.3	9.0
General Merchandise Stores	4.3	4.0	4.1	4.2	4.1
Home Furnishing Retail	5.4	4.7	4.6	4.7	4.7
Home Furnishings	9.9	9.9	10.2	10.9	10.1
Home Improvement Retail	7.0	7.5	8.2	8.7	7.9
Homebuilding	7.1	7.1	7.5	7.4	7.4
Hotels	10.0	10.1	11.2	12.2	10.8
Household Appliances	5.0	5.2	5.7	6.1	5.5
Housewares & Specialties	10.5	10.2	11.4	12.4	10.9
Internet & Direct Marketing Retail	4.3	4.4	5.1	6.0	4.8
Leisure Products	8.7	8.5	9.2	9.7	8.9
Motorcycle Manufacturers	12.7	12.5	13.5	13.6	13.1
Movies & Entertainment	14.3	14.7	15.5	16.3	15.3
Publishing & Printing	1.8	1.7	2.3	2.7	2.4
Restaurants	13.9	15.7	17.6	18.9	16.9
Specialty Stores	5.8	6.0	6.3	6.6	6.2
Specialized Consumer Services	13.4	13.4	14.0	14.3	13.6
Tires & Rubber	6.6	6.1	7.6	8.5	7.0
Health Care	10.3	10.4	10.8	11.2	10.6
Biotechnology	38.4	37.4	38.9	40.7	38.3
Health Care Distributors	1.3	1.3	1.3	1.3	1.3
Health Care Equipment	18.1	18.5	19.4	20.4	19.0
Health Care Facilities	6.2	6.3	6.5	6.7	6.5
Health Care Services	4.9	4.9	5.2	5.5	5.1
Health Care Supplies	18.3	18.4	19.3	20.2	19.0
Health Care Technology	15.8	15.9	16.4	16.9	16.2
Life Sciences Tools & Services	17.6	18.3	19.4	20.2	19.0
Managed Health Care	3.8	4.2	4.3	4.5	4.3
Pharmaceuticals	25.0	25.8	27.0	28.1	26.5
Industrials	8.9	9.2	9.8	10.4	9.6
Aerospace & Defense	7.3	7.7	8.1	8.7	7.9
Agricultural & Farm Machinery	6.6	7.9	8.4	9.7	8.2
Air Freight & Couriers	5.8	5.8	6.2	6.5	5.9
Airlines	8.8	8.2	9.1	9.3	8.7
Building Products	9.5	8.6	9.5	10.4	9.3
Construction & Engineering	2.4	2.6	2.9	3.1	2.8
Construction Machinery & Heavy Trucks	6.6	7.1	8.0	9.0	7.6
Diversified Support Services	8.8	7.9	8.5	na	8.0
Electrical Components & Equipment	10.3	11.3	11.9	12.6	11.7
Environmental & Facilities Services	9.3	9.5	10.0	10.4	9.8
Human Resource & Employment Services	6.5	6.4	6.8	6.9	6.6
Industrial Conglomerates	12.0	12.9	13.7	14.3	13.4
Industrial Machinery	10.0	10.7	11.3	11.8	11.0
Railroads	18.2	20.1	21.7	23.3	21.1
Research & Consulting Services	19.7	19.3	20.5	21.3	20.0
Trading Companies & Distributors	9.7	9.5	9.9	10.2	9.7
Trucking	6.3	6.1	6.4	6.7	6.3
Telecommunications Services	11.2	11.3	11.5	11.5	11.4
Alternative Carriers	8.4	6.2	7.6	9.0	7.0
Integrated Telecommunication Services	11.3	11.4	11.5	11.6	11.5
Utilities	11.4	10.9	11.3	11.6	11.1
Electric Utilities	12.2	11.6	11.8	12.1	11.7
Independent Power Producers & Energy Traders	3.1	3.5	4.2	5.0	3.9
Multi-Utilities	12.1	11.5	11.9	12.3	11.7
Water Utilities	15.3	15.6	16.1	16.4	15.9

Sector/Industry Group	2016A	2017E	2018E	2019E
Consumer Staples	6.5	6.7	7.0	7.3
Agricultural Products	2.0	2.3	2.5	2.7
Brewers	8.3	12.2	12.4	13.1
Distillers & Vintners	14.9	17.0	17.5	18.5
Drug Retail	3.7	3.7	3.8	4.0
Food Distributors	2.2	2.4	2.6	2.7
Food Retail	1.9	1.6	1.6	1.7
Household Products	14.0	14.6	15.2	15.7
Hypermarkets & Super Centers	2.4	2.4	2.5	2.6
Packaged Foods	9.2	9.9	10.4	10.8
Personal Products	9.7	6.7	7.0	7.9
Soft Drinks	14.3	15.4	16.6	17.4
Tobacco	27.6	28.8	30.0	31.0
Energy	1.2	4.1	5.5	6.5
Integrated Oil & Gas	3.1	5.7	6.5	7.1
Oil & Gas Drilling	10.2	-7.1	-9.5	-8.3
Oil & Gas Equipment & Services	0.0	4.0	7.1	9.2
Oil & Gas Exploration & Production	-10.0	2.5	6.4	10.1
Oil & Gas Refining & Marketing	2.0	2.1	2.9	2.9
Oil & Gas Storage & Transportation	5.2	9.2	9.3	9.9
Financials	14.3	15.5	16.8	17.8
Asset Management & Custody Banks	21.1	22.9	24.0	24.8
Consumer Finance	16.2	15.9	17.1	18.0
Diversified Banks	20.8	21.9	24.0	25.5
Financial Exchanges & Data	31.6	33.4	35.1	36.5
Insurance Brokers	13.2	14.1	15.6	16.6
Investment Banking & Brokerage	18.5	20.0	21.5	23.0
Life & Health Insurance	8.5	9.6	9.9	10.3
Multi-Line Insurance	2.9	8.6	9.5	10.4
Multi-Sector Holdings	7.5	7.5	8.1	8.6
Property & Casualty Insurance	9.2	9.3	9.7	10.0
Regional Banks	21.4	22.5	24.5	25.4
Reinsurance	18.2	15.3	14.6	14.0
Real Estate	25.2	16.9	17.5	18.2
Health Care REITs	23.8	20.4	17.5	17.0
Hotel & Resort REITs	13.9	10.6	9.1	8.9
Industrial REITs	54.2	30.0	29.4	33.2
Office REITs	19.1	14.5	17.7	18.5
Real Estate Services	5.9	5.9	5.9	6.0
Residential REITs	76.7	20.4	18.7	19.4
Retail REITs	37.3	28.5	30.1	30.0
Specialized REITs	13.9	15.3	17.3	19.3
Information Technology	19.2	19.9	20.8	21.6
Application Software	16.9	17.8	19.5	21.0
Communications Equipment	20.9	22.0	22.5	23.0
Data Processing & Outsourced Services	21.5	22.2	23.3	24.4
Electronic Components	14.1	14.9	15.7	15.9
Electronic Equipment & Instruments	12.4	14.1	14.8	15.0
Electronic Manufacturing Services	11.8	12.9	13.2	13.6
Home Entertainment Software	24.9	24.1	26.5	27.9
Internet Software & Services	27.0	23.0	23.2	23.8
IT Consulting & Other Services	13.7	13.1	13.7	14.4
Semiconductor Equipment	18.5	22.8	23.0	23.9
Semiconductors	22.4	25.6	26.0	26.2
Systems Software	24.5	25.4	26.0	26.7
Technology Hardware, Storage & Peripherals	15.0	16.1	17.7	18.3
Materials	9.4	9.9	10.7	11.0
Commodity Chemicals	12.8	11.7	11.0	10.6
Construction Materials	11.1	13.2	15.7	18.7
Copper	2.2	9.5	11.6	9.7
Diversified Chemicals	10.4	10.7	11.1	11.2
Fertilizers & Agricultural Chemicals	10.0	9.6	11.6	12.7
Gold	9.3	8.5	8.7	10.1
Industrial Gases	16.0	15.6	16.4	16.9
Metal & Glass Containers	6.7	7.0	8.1	9.0
Paper Packaging	6.0	6.0	7.2	7.6
Specialty Chemicals	10.5	10.7	11.2	12.0
Steel	4.4	6.9	7.5	8.0

na = not available.

Source: Thomson Reuters I/B/E/S.

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