

S&P 500 Index Top-Line Growth Estimates

S&P 500 & S&P 500 Sectors (Estimated Annual Y-O-Y Revenue Growth Rates)

	As of 2/6/15		As of 11/6/15		As of 1/8/16	
	2015	2016	2015	2016	2016	2017
S&P 500 Index	2.1%	5.5%	-0.4%	4.8%	4.2%	5.8%
Consumer Discretionary	5.0%	5.8%	2.9%	5.9%	5.7%	5.6%
Consumer Staples	4.6%	4.6%	2.3%	2.9%	2.7%	4.4%
Energy	-25.0%	9.7%	-32.9%	4.0%	-0.4%	13.3%
Financials	2.7%	4.7%	1.6%	3.5%	3.1%	4.6%
Health Care	8.8%	6.5%	9.7%	8.8%	8.5%	6.2%
Industrials	2.3%	2.9%	-4.5%	2.1%	2.0%	3.5%
Information Technology	7.2%	5.6%	5.3%	3.9%	3.2%	5.7%
Materials	-1.0%	6.3%	-8.7%	3.1%	2.5%	5.4%
Telecomm. Services	6.4%	5.6%	5.9%	5.7%	5.2%	6.0%
Utilities	1.2%	3.2%	-1.5%	3.4%	2.9%	2.8%

Source: Bloomberg. Consensus estimates using fiscal year revenue from each company.

View from the Observation Deck

1. Today's blog post is one we do ongoing so that investors can monitor changes in the expected revenue growth of the companies that comprise the S&P 500 Index. It includes estimates for 2017.
2. The S&P 500 closed the trading session on 1/11/16 at 1923.67. It stood 9.72% below its all-time high of 2130.82 (5/21/15), according to Bloomberg.
3. While all sectors show a downward adjustment to 2016 revenue projections since 11/6/15, the projections for 2017 indicate that a rebound in revenue growth is anticipated for several sectors.
4. As indicated in the chart, the estimated revenue growth rate for the S&P 500 Index for 2016 was 4.2%, as of 1/8/16. When you exclude Energy, the rate only adjusts to 4.3%, according to Bloomberg.
5. The estimated revenue growth rate for the S&P 500 Index for 2015 was -0.6%, as of 1/8/16. When you exclude Energy, however, the rate jumps to 3.2%, according to Bloomberg.
6. This suggests that the hit to the S&P 500 Index's revenue growth rate from plunging energy prices has largely been realized, in our opinion.

This chart is for illustrative purposes only and not indicative of any actual investment. There can be no assurance that any of the projections cited will occur. The illustration excludes the effects of taxes and brokerage commissions or other expenses incurred when investing. Investors cannot invest directly in an index. The S&P 500 Index is a capitalization-weighted index comprised of 500 stocks used to measure large-cap U.S. stock market performance, while the 10 major S&P 500 Sector Indices are capitalization-weighted and comprised of S&P 500 constituents representing a specific sector.