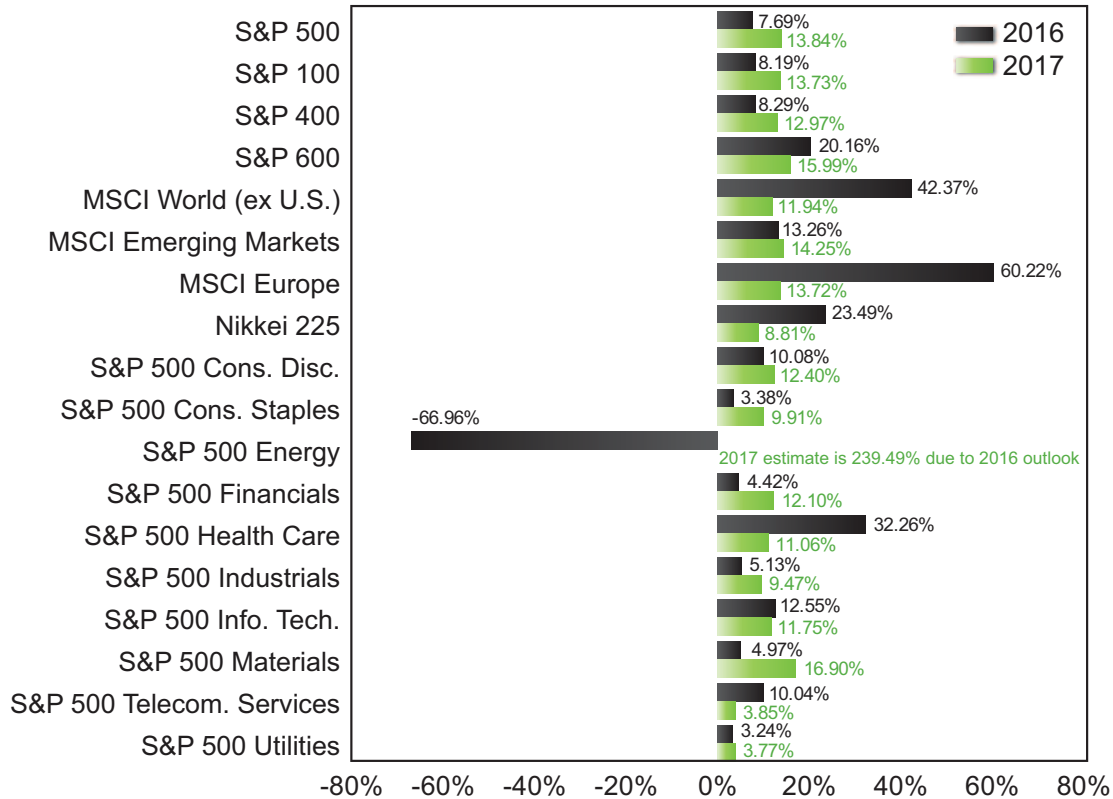


2016 & 2017 Earnings Snapshot

2016 & 2017 Estimated EPS Growth Rates For Major Equity Indices



Source: Bloomberg (consensus estimates). As of 4/29/16. Past performance is no guarantee of future results.

View from the Observation Deck

1. Today's blog features corporate earnings projections for 2016 and 2017. We provide updates on an ongoing basis.
2. The plunge in the price of crude oil since mid-2014 has resulted in a sharp decline in the projected earnings of energy-related companies in 2016 and a subsequent triple-digit projected surge in 2017.
3. With respect to the 2016 earnings growth rate estimates, the indices in the chart with positive double-digit projections (9 indices) are as follows (Highest-Lowest): MSCI Europe; MSCI World (ex U.S.); S&P 500 Health Care; Nikkei 225; S&P SmallCap 600; MSCI Emerging Markets; S&P 500 Information Technology; S&P 500 Consumer Discretionary; and S&P 500 Telecom. Services.
4. With respect to the 2017 earnings growth rate estimates, the indices in the chart with positive double-digit projections (12 indices) are as follows (Highest-Lowest): S&P 500 Materials; S&P SmallCap 600; MSCI Emerging Markets; S&P 500; S&P 100; MSCI Europe; S&P MidCap 400; S&P 500 Consumer Discretionary; S&P 500 Financials; MSCI World (ex U.S.); S&P 500 Information Technology; and S&P 500 Health Care.

This chart is for illustrative purposes only and not indicative of any actual investment. The illustration excludes the effects of taxes and brokerage commissions and other expenses incurred when investing. There can be no assurance that any of the projections cited will occur. 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. The S&P 100 Index is a capitalization-weighted index based on 100 highly capitalized stocks selected from the S&P 500 for which options are listed. The S&P MidCap 400 Index is a capitalization-weighted index that tracks the mid-range sector of the U.S. stock market. The S&P Small Cap 600 Index is a capitalization-weighted index that tracks U.S. stocks with a small market capitalization. The MSCI World (ex-U.S.) Index is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of developed markets excluding the U.S. The MSCI Emerging Markets Index is a free float-adjusted market capitalization index that is designed to measure equity market performance of emerging markets. The MSCI Europe Index is a free-float weighted index designed to measure the performance of the developed equity markets in Europe. The Nikkei 225 Index is a price-weighted average of 225 top-rated Japanese companies listed in the First Section of the Tokyo Stock Exchange.