

S&P 500 Index Earnings & Revenue Growth Rate Projections

S&P 500 & Sector Indices
(Estimated Y-O-Y Earnings & Revenue Growth Rates as of 3/29/19)

| | 2019 Earnings Est. | 2020 Earnings Est. | 2019 Revenue Est. | 2020 Revenue Est. |
|--------------------------|--------------------|--------------------|-------------------|-------------------|
| S&P 500 Index | 4.7% | 11.3% | 4.4% | 5.4% |
| Comm. Services | 6.0% | 10.9% | 9.4% | 6.9% |
| Consumer Disc. | 11.4% | 11.6% | 5.9% | 5.8% |
| Consumer Staples | 2.6% | 5.5% | 3.2% | 3.4% |
| Energy | -10.1% | 31.6% | -0.1% | 10.3% |
| Financials | 7.7% | 9.7% | 3.7% | 4.4% |
| Health Care | 7.4% | 10.2% | 8.1% | 6.0% |
| Industrials | 7.4% | 11.1% | 4.0% | 3.6% |
| Info. Tech. | 1.4% | 12.0% | 1.2% | 5.5% |
| Materials | -3.0% | 13.1% | 1.6% | 3.8% |
| Real Estate | 2.5% | 6.7% | 3.9% | 4.9% |
| Utilities | 7.0% | 6.0% | 3.5% | 2.5% |

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

View from the Observation Deck

1. On 3/29/19, the S&P 500 Index closed the trading session at 2,834.40, 3.29% below its all-time high of 2,930.75 set on 9/20/18, according to Bloomberg.
2. For the market to trend higher, we believe that corporate earnings will need to grow, and perhaps the best catalyst for growing earnings is to increase revenues.
3. From 1926-2018 (93 years), the S&P 500 Index posted an average annual total return of 9.99%, according to Ibbotson & Associates/Morningstar.
4. As indicated in the table, Bloomberg's 2019 and 2020 consensus year-over-year (y-o-y) earnings growth rate estimates for the index were 4.7% and 11.3%, respectively, as of 3/29/19.
5. Only one (Consumer Discretionary) of the 11 major sectors that comprise the index reflects a double-digit y-o-y earnings growth rate estimate for 2019, compared to seven in 2020.
6. Bloomberg's 2019 and 2020 consensus y-o-y revenue growth rate estimates for the S&P 500 Index were 4.4% and 5.4%, respectively, as of 3/29/19.
7. Three of the 11 major sectors reflect y-o-y revenue growth rate estimates of 5.0% or more for 2019, compared to five for 2020.
8. [Click here](#) to compare today's estimates to those from 1/11/19.

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 (currently 505) used to measure large-cap U.S. stock market performance, while the 11 major S&P 500 Sector Indices are capitalization-weighted and comprised of S&P 500 constituents representing a specific sector.

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