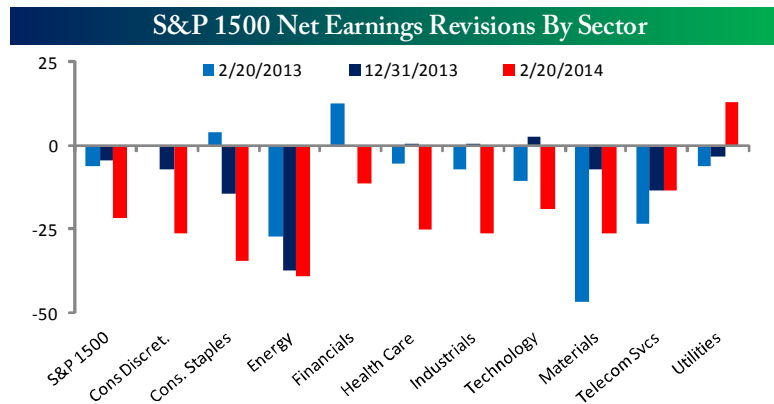




# Earnings Revisions

Earnings season came to a close on Thursday with Wal-Mart's (WMT) report on Thursday. All in all, it was a positive earnings season as companies managed to post healthy beat rates for both earnings and revenues. More importantly, stocks reacted positively as companies had the best one-day reaction to earnings reports since the beginning of the bull market. While investors liked what they saw, however, analysts were less than impressed. Over the last four weeks, analysts have raised estimates for 440 companies in the S&P 1500 and lowered estimates for 765. This works out to a net of negative 325, or -21.7% of the index. We haven't seen a revisions ratio this negative since August 2012!

Of the ten S&P sectors, Utilities is the only sector with a positive revisions ratio. More noteworthy is the fact that of the 24 industry groups, only Banks and Utilities have positive revisions ratios. Sectors where analysts have been lowering estimates at the fastest rate over the last month include Energy (-39.4%), Consumer Staples (-34.7%). On a group basis, half of all companies in the Household and Personal Products Industry Group have seen earnings estimates cut. Sentiment in the Retailing group is nearly as negative as a net of 43% of all groups in the sector have seen estimates cut. At the surface, the pessimistic analyst sentiment would appear to be negative, but given the way stocks have performed in the face of this negative sentiment, analysts appear to have been a contrarian indicator over the last several months.



## Analyst Earnings Revisions By Sector - Last Month

Sector	Net Estimate Revisions	Companies in Sector	Percentage of Companies	Most Positive Revisions	Most Negative Revisions
Cons. Discret.	-64	243	-26.3	KORS, GPS, ORLY	HOT, AMZN, URBN
Cons Staples	-26	75	-34.7	DPS, CCE, TSN	WFM, ENR, CAG
Energy	-37	94	-39.4	PTEN, HP, AREX	DO, FTI, ATW
Financials	-33	285	-11.6	PB, ACE, FITB	FNFG, BEN, GDOT
Health Care	-38	152	-25.0	CAH, ALXN, GILD	LPNT, DGX, CI
Industrials	-56	214	-26.2	RTN, KNX, IEX	CHRW, KSU, CMI
Technology	-50	259	-19.3	FB, AKAM, CVLT	AAPL, CTXS, EMC
Materials	-27	102	-26.5	AKS, BLL, PKG	PX, SLCA, ARG
Telecom Svcs	-2	15	-13.3	CCI, CBB, WIN	T, TWTC, CTL
Utilities	8	61	13.1	EXC, DTE, PPL	SO, D, HE
<b>S&amp;P 1500</b>	<b>-325</b>	<b>1500</b>	<b>-21.7</b>	<b>FB, PTEN, KORS</b>	<b>AAPL, CTXS, WFM</b>



## Analyst Earnings Revisions By Group - Last Month

Group	Net Estimate Revisions	Companies in Group	Percentage of Companies	Most Positive Revisions	Most Negative Revisions
Autos & Parts	-1	15	-6.7	BWA, GNTX, DORM	GM, DLPH, JCI
Banks	6	88	6.8	PB, FITB, SIVB	FNFG, ZION, CYN
Capital Goods	-32	136	-23.5	RTN, IEX, ATK	TGI, CMI, GWW
Commercial Services	-13	46	-28.3	MAN, PBI, NLSN	TW, RHI, NSP
Consumer Durables	-17	56	-30.4	KORS, DHI, UA	RL, VFC, MAT
Consumer Services	-3	55	-5.5	WYNN, BWLD, YUM	HOT, PNRA, BJRI
Div. Financials	-13	58	-22.4	DFS, ETFC, AINV	BEN, GDOT, EV
Energy	-37	94	-39.4	PTEN, HP, AREX	DO, ATW, FTI
Food & Staples Retail	-4	13	-30.8	CVS, WAG, ANDE	WFM, WMT, SYF
Food Bevg & Tobacco	-16	50	-32.0	DPS, CCE, TSN	CAG, SJM, KO
HC Equip & Svcs	-30	102	-29.4	CAH, SYK, OMCL	LPNT, DGX, CI
Hhold & Pers Prod.	-6	12	-50.0	KMB, CENTA	CL, ENR, CHD
Insurance	-13	55	-23.6	ACE, MMC, PRI	AJG, BRO, AON
Materials	-27	102	-26.5	AKS, BLL, PKG	PX, ARG, SLCA
Media	-4	27	-14.8	DIS, TWC, VIAB	TWX, FOXA, DISCA
Drugs & Biotech	-8	50	-16.0	ALXN, GILD, MNK	A, PRGO, ZTS
Real Estate	-13	84	-15.5	CMO, AVB, PCH	PCL, WY, NNN
Retailing	-39	90	-43.3	GPS, ORLY, DKS	AMZN, URBN, KSS
Semiconductors	-15	60	-25.0	ADI, NVDA, IDTI	ATML, RFMD, BRCM
Software & Services	-25	113	-22.1	FB, AKAM, CVLT	CTXS, FTNT, MA
Tech Hardware	-10	86	-11.6	QLGC, JNPR, HRS	AAPL, EMC, STX
Telecom Services	-2	15	-13.3	CCI, CBB, WIN	T, TWTC, CTL
Transportation	-11	32	-34.4	KNX, UNP, FWRD	CHRW, KSU, CNW
Utilities	8	61	13.1	EXC, DTE, PPL	SO, D, HE
<b>S&amp;P 1500</b>	<b>-325</b>	<b>1500</b>	<b>-21.7</b>	<b>FB, PTEN, KORS</b>	<b>AAPL, CTXS, WFM</b>

### Earnings Estimates Revision Report Fields Explained:

**Net Estimate Revisions:** Stocks with positive estimate revisions over the last four weeks minus stocks with negative estimate revisions over the last month.

**Companies in Sector/Group:** Number of companies in each sector or group.

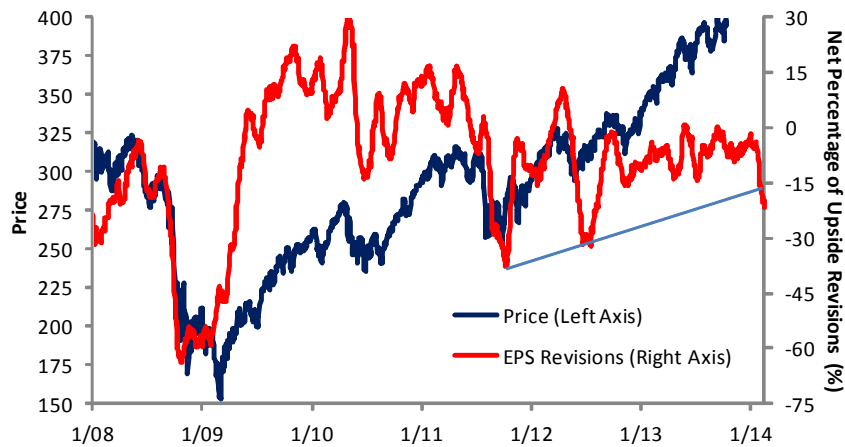
**Percentage of Companies:** Net Estimate Revisions divided by total number of companies in sector/group.

**Most Positive Revisions:** Lists the three companies in each category with the highest number of positive revisions. "n/a" indicates that no stocks in the category had positive revisions.

**Most Negative Revisions:** Lists the three companies in each category with the highest number of negative revisions. "n/a" indicates that no stocks in the category had negative revisions.



### S&P 1500 Net Earnings Estimate Revisions



Another decline. Most negative revisions ratio for the S&P 1500 since August 2012.

### Consumer Discretionary vs Net Earnings Estimate Revisions



Revisions ratio testing lows of multi-year range.

### Consumer Staples vs Net Earnings Estimate Revisions



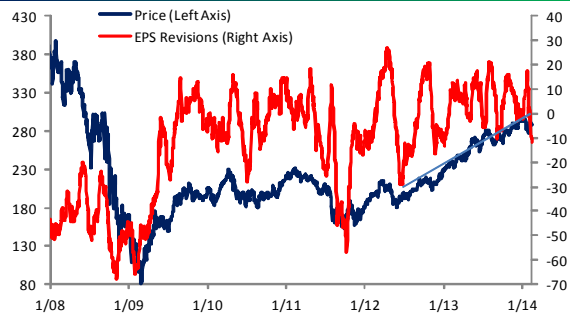
Most negative revisions ratio since November.

### Energy vs Net Earnings Estimate Revisions

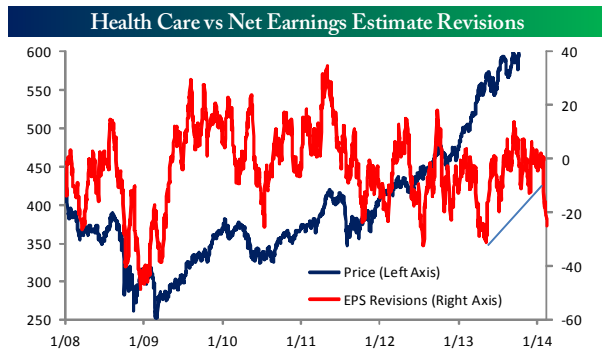


After breaking uptrend, revisions ratio trying to bounce back.

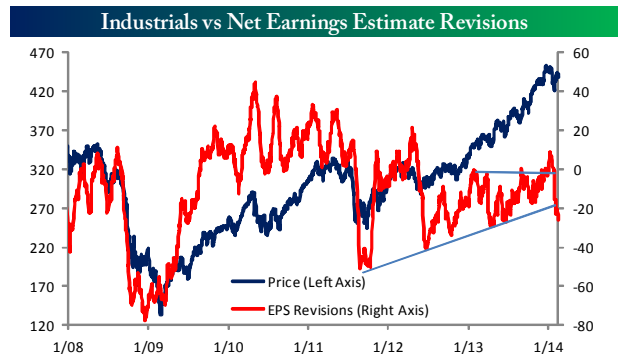
### Financials vs Net Earnings Estimate Revisions



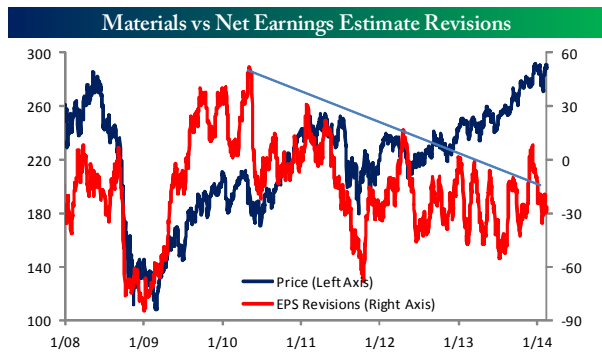
Largest decline of any sector in the last week.



Second largest decline of any sector over the last week and since the start of the year.



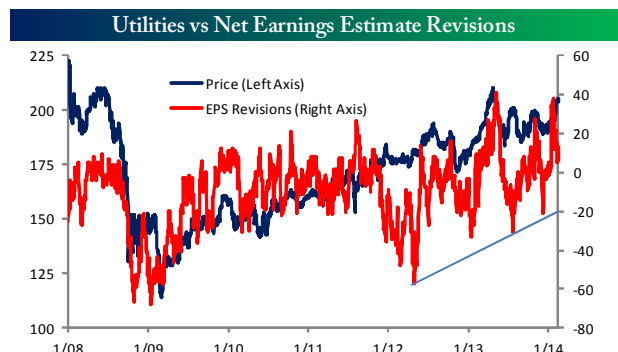
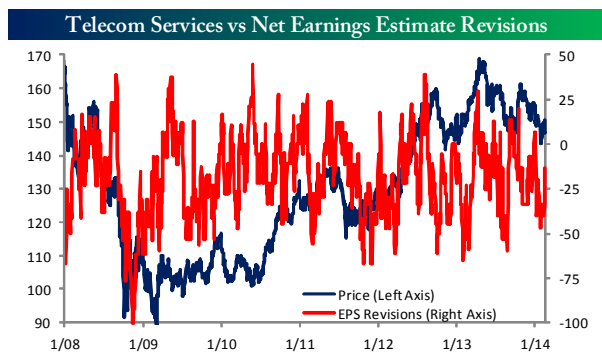
Uptrend broken. Largest decline in revisions ratio of any sector so far this year.



Second most negative revisions ratio of any sector.



Uptrend in revisions ratio broken. Most negative revisions ratio since May.



Only sector with a positive revisions ratio.