

Figure 9: S&P EPS Model by sector – 2016 S&P EPS cut from \$128 to \$125 on stronger dollar, lower oil assumptions

	2005A	2006A	2007A	2008A	2009A	2010A	2011A	2012A	2013A	2014A	EPS y/y	Bottom-up		DB US Equity Strategy		Normalized 2015						
	2015E	y/y	2016E	y/y	2015E	y/y	2016E	y/y	2015E	y/y	2016E	y/y	2015E	y/y	2016E	y/y	(\$)	% of 2015				
S&P 500 EPS (historical index)	\$78.28	\$88.18	\$85.12	\$65.47	\$60.90	\$95.28	\$97.82	\$103.75	\$110.39	\$118.82	7.6%											
S&P 500 EPS (current constituents)	\$79.53	\$91.14	\$89.81	\$71.79	\$64.23	\$98.54	\$99.73	\$105.09	\$111.63	\$117.75	5.5%	\$118.84	0.9%	\$128.55	8.2%	\$119	1.1%	\$125	5.0%	\$122	103%	
Sector (\$ bn)	2007-14 shown below is aggr. net income, 2014 y/y is EPS growth.											All 2015/16 estimates are aggregate earnings representative of EPS										
Consumer Discretionary	55.6	53.9	52.5	40.9	48.6	74.1	84.0	90.4	99.5	102.9	3.4%	115.5	12.3%	132.8	15.0%	115.5	12.2%	125.0	8.3%	115.5	100%	
Consumer Staples	51.6	57.0	61.1	66.8	68.9	73.6	78.0	78.7	84.2	86.2	2.4%	85.1	-1.3%	91.0	6.9%	85.5	-0.9%	87.5	2.3%	85.5	100%	
Energy	94.0	114.3	118.7	141.5	59.0	94.5	129.7	122.1	113.9	112.3	-1.5%	46.8	-58.4%	46.8	0.1%	45.0	-59.9%	52.0	15.6%	80.0	178%	
Financials	133.8	173.1	143.8	-19.9	56.6	129.0	132.5	162.6	189.1	189.9	0.4%	216.8	14.2%	235.5	8.6%	218.0	14.9%	230.0	5.5%	218.0	100%	
Health Care	68.6	73.0	81.8	86.7	88.3	101.3	109.6	112.5	117.9	136.3	15.6%	155.0	13.7%	168.9	9.0%	154.5	13.4%	165.0	6.9%	151.5	98%	
Industrials	63.2	71.0	83.9	75.3	51.7	73.8	88.2	94.3	102.5	113.4	10.7%	116.3	2.6%	121.5	4.4%	115.0	1.4%	117.0	1.7%	112.2	98%	
Information Technology	83.6	97.6	121.4	122.1	105.6	151.4	175.2	185.7	193.1	209.8	6.6%	224.1	6.6%	243.3	8.6%	225.0	7.3%	239.0	6.2%	225.0	100%	
Materials	17.4	21.2	24.8	21.0	13.2	24.9	31.7	29.2	30.5	32.7	7.4%	30.6	-6.5%	34.3	12.0%	30.3	-7.5%	32.5	7.3%	31.4	104%	
Telecommunication Services	13.9	18.0	26.4	27.0	21.8	23.2	22.4	23.9	25.1	30.7	22.1%	33.7	9.8%	34.9	3.4%	33.5	9.1%	32.5	-3.0%	33.5	100%	
Utilities	21.4	23.4	25.9	26.9	26.6	28.2	29.5	29.8	30.4	33.2	9.2%	33.2	-0.1%	34.4	3.7%	33.5	0.7%	34.5	3.1%	33.5	100%	
S&P 500 IS bn)	603.1	702.6	740.2	588.2	540.3	773.9	880.7	929.1	986.2	1047.4	6.2%	1057.1	0.9%	1143.4	8.2%	1055.7	1.1%	1114.9	5.0%	1066.0	103%	
S&P ex. Financials (\$bn)	469.3	529.4	596.5	608.1	483.7	644.9	748.2	766.6	797.1	857.5	7.6%	840.3	-2.0%	907.9	8.0%	837.7	-2.3%	894.9	5.6%	868.0	104%	
S&P ex. Energy (\$bn)	509.1	589.3	621.6	446.7	481.3	679.4	751.0	807.0	872.3	935.1	7.2%	1010.3	8.0%	1096.6	8.5%	1010.7	8.1%	1062.9	5.2%	1006.0	100%	
S&P ex. Tech (\$bn)	519.5	605.0	618.8	466.1	434.7	622.5	705.4	743.5	793.1	837.6	5.6%	833.0	-0.6%	900.1	8.1%	830.7	-0.9%	875.9	5.4%	861.0	104%	
Energy & Financials (\$bn)	227.8	287.5	262.4	121.6	115.6	223.5	262.1	284.6	303.0	302.2	-0.3%	263.6	-12.9%	282.3	7.1%	263.0	-13.0%	282.0	7.2%	298.0	113%	
S&P ex. Energy and Financials (\$bn)	375.3	415.1	477.8	466.6	424.7	550.4	618.5	644.5	683.2	745.2	9.1%	793.5	6.5%	861.1	8.5%	792.7	6.4%	832.9	5.1%	788.0	99%	
Key Macro Forecast																						
Global GDP growth (real, DB est.)	4.7%	5.2%	5.3%	2.7%	-0.4%	5.2%	3.9%	3.2%	2.8%	3.4%						3.1%	3.5%					
US GDP growth (real, DB est.)	3.4%	2.7%	1.8%	-0.3%	-2.8%	2.5%	1.9%	2.8%	1.9%	2.6%						2.1%	2.7%					
US Bus. Flt (Equip + IPP, DB est.)	8.4%	7.1%	3.8%	-3.1%	-14.1%	9.4%	9.2%	5.9%	4.1%	-5.5%						-4%	-4%					
US Unemployment Rate (year-end, DB est.)	4.9%	4.4%	5.0%	7.3%	9.9%	9.5%	8.6%	7.8%	7.0%	5.7%						4.8%	4.5%					
US 10yr Treasury Yield (year-end, Our est.)	4.4%	4.7%	3.9%	2.5%	3.8%	3.3%	1.9%	1.8%	3.0%	2.2%						2.25%	2.75%			<3%		
Bank Litigation (post-Max, \$bn)						5.7	8.9	8.4	14.3	23.3						4.5	2					
Loan Loss Provisioning (% of loans, Our est.)	0.8%	0.7%	1.3%	3.0%	4.2%	2.6%	1.2%	0.9%	0.4%	0.4%						0.6%	0.5%			0.75%		
US\$/Euro (average/year-end, Our est.)	1.25/1.18	1.26/1.32	1.37/1.46	1.47/1.40	1.39/1.32	1.33/1.29	1.39/1.30	1.28/1.32	1.33/1.38	1.33/1.21						-51.10	-51.05			\$1.10-1.15		
US\$/Euro (year-end, DB est.)																1.05	0.90					
Avg Oil Price (WTI/Brent, \$/bbl)	56/54	66/65	72/72	100/97	61/61	79/79	95/111	94/111	98/108	93/99						-550	-555			-\$65		
Avg Natural Gas Price (Henry Hub \$/mmbtu)	8.67	6.74	6.96	8.88	3.95	4.40	3.99	2.75	3.73	4.26						-2.50	-2.75			-3.00		

Source: Deutsche Bank
Based on current constituents in the index unless specified

