

Figure 53: S&P 500 Annual EPS Outlook (based on current constituents in the index unless specified)

	2005A	2006A	2007A	2008A	2009A	2010A	2011A	2012A	2013A	2014A	EPS y/y	Bottom-up		DB US Equity Strategy		Normalized 2016					
	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 2016			
S&P 500 EPS (historical index)	\$76.28	\$86.18	\$85.12	\$65.47	\$90.80	\$95.28	\$97.82	\$103.75	\$110.39	\$118.82	7.6%										
S&P 500 EPS (current constituents)	\$79.78	\$91.83	\$94.73	\$71.61	\$84.87	\$89.54	\$100.16	\$104.08	\$112.24	\$117.67	4.8%	\$117.71	0.0%	\$123.28	4.7%	\$118	0.3%	\$118	0.0%	\$126	106%
Sector (\$ bn)	2007 - 14 shown below is aggr. net income, 2014 y/y is EPS growth.											All 2015-17 estimates are aggregate earnings, non-representative of EPS									
Consumer Discretionary	95.3	53.7	52.1	40.5	48.3	73.7	83.6	90.0	98.9	103.0	4.1%	115.4	12.1%	130.4	13.0%	115.5	12.1%	125.5	8.7%	122.7	96%
Consumer Staples	52.6	57.8	62.5	68.6	70.5	75.9	79.5	80.2	84.0	85.8	2.2%	85.0	-0.9%	89.2	4.9%	85.5	-0.4%	90.0	5.3%	90.0	100%
Energy	94.1	114.4	118.7	141.8	59.0	94.5	129.8	122.2	114.0	112.4	-1.4%	45.1	-50.9%	23.1	-48.9%	45.0	-60.0%	0.0	NM	65.0	NM
Financials	130.1	172.3	142.6	-21.1	56.9	130.4	135.7	164.9	191.0	193.2	1.2%	214.2	10.9%	232.4	8.5%	217.0	12.3%	217.5	0.2%	223.9	103%
Health Care	89.5	75.1	85.0	90.2	92.1	105.5	113.9	116.0	122.0	140.7	15.3%	158.5	12.7%	172.8	8.9%	160.0	13.0%	170.0	7.0%	166.9	98%
Industrials	62.0	69.5	82.3	73.5	51.1	72.9	87.0	95.2	105.2	112.4	6.8%	114.8	2.1%	119.6	4.2%	115.0	2.3%	120.0	4.3%	111.9	93%
Information Technology	51.5	96.8	120.1	120.4	103.4	148.7	168.7	167.5	190.8	207.5	8.8%	221.9	6.9%	234.4	5.7%	224.0	7.9%	237.0	5.8%	237.0	100%
Materials	17.1	21.0	26.3	16.9	13.2	24.8	31.5	29.0	30.4	31.9	5.0%	29.3	-8.2%	30.1	2.6%	30.0	-6.1%	30.0	0.0%	30.0	100%
Telecommunication Services	13.1	16.7	23.9	24.6	20.0	21.2	20.4	22.0	23.2	28.8	24.2%	32.1	11.3%	32.9	2.7%	32.5	12.8%	32.5	0.0%	29.3	90%
Utilities	21.4	23.4	25.9	26.8	26.6	28.2	29.5	29.8	30.5	33.2	8.9%	33.0	-0.6%	34.2	3.0%	33.5	0.7%	34.5	3.1%	34.5	100%
S&P 500 (\$ bn)	599.7	700.5	739.7	582.2	541.0	775.9	879.8	916.8	990.0	1049.0	4.0%	1049.3	0.0%	1099.0	4.7%	1056.9	0.3%	1056.9	0.0%	1111.0	105%
S&P ex. Financials (\$bn)	486.7	529.3	596.9	603.3	484.1	645.5	744.0	751.9	799.0	855.8	7.1%	835.1	-2.4%	886.6	3.0%	839.9	-1.9%	839.4	-0.1%	887.1	106%
S&P ex. Energy (\$bn)	505.8	586.1	620.9	440.5	482.0	681.3	749.8	794.6	876.0	936.6	6.9%	1004.2	7.2%	1076.0	7.1%	1011.9	2.0%	1056.9	4.4%	1046.0	99%
S&P ex. Tech (\$bn)	518.2	603.7	619.5	461.8	437.6	627.2	710.9	749.3	799.2	841.5	5.3%	827.5	-1.7%	864.6	4.5%	832.9	-1.0%	819.9	-1.0%	874.0	107%
Energy & Financials (\$bn)	227.1	286.6	261.5	120.7	115.9	224.9	265.4	287.2	305.0	305.6	0.2%	259.3	-15.2%	255.5	-1.5%	262.0	-14.3%	217.5	-17.0%	288.9	133%
S&P ex. Energy and Financials (\$bn)	372.6	413.9	478.1	461.6	425.1	551.0	614.2	629.7	685.0	743.4	8.5%	790.0	6.3%	843.5	6.6%	794.9	6.9%	839.4	5.6%	822.1	98%
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%	3.2%				
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%						2.4%	1.8%				
US Bus. FI IEquip + IPP, DB est.)	8.4%	7.1%	3.8%	-3.1%	-14.1%	9.4%	9.2%	5.9%	4.1%	5.5%						-4%	-2%				
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%						5.0%	4.6%				
Federal Funds rate at year-end																0.25-0.50%	0.75-1.00%				
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%						2.27%	2.25%			3.25%	
Bank Litigation (post-tax, \$bn)						5.7	8.9	6.4	14.3	23.3						8	3				
Loan Loss Provisioning (% of loans, Our est.)	0.8%	0.7%	1.3%	3.0%	4.2%	2.6%	1.2%	0.8%	0.4%	0.4%						0.5%	0.85%			0.75%	
US\$/Euro (year-end, DB est.)	1.25/1.18	1.26/1.32	1.37/1.48	1.47/1.40	1.39/1.32	1.33/1.29	1.39/1.30	1.29/1.32	1.33/1.38	1.33/1.21						1.11/1.09	-81.05			-81.10	
US\$/Euro (year-end, DB est.)																	0.95				
Avg Oil Price (WTI/Brent, \$/bbl)	96/54	66/65	72/72	100/97	61/61	79/79	95/111	94/111	98/108	93/99						49/54	-8/35			-80	
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						2.63	-52.25			-83.00	

Note: 2005-2013 PE based on year end prices, 2014/2015 PE based on current prices and FC and DB US Equity Strategy EPS estimates for 2014 and 2015. Dividend yield and payout is based on indicated dividend.
Source: Company reports, IBES, Deutsche Bank Markets Research

