



2015 did not have healthy underlying broad based revenue or EPS growth ex oil and dollar

S&P sales and operating EPS growth was broadly weak in 2015. Weakness extended beyond commodity producers and FX drags at multinationals. A surge in airline profits masked a significant decline in profits at Industrial Capital Goods. Revenue was flat at Financials with EPS growth from less litigation than 2014. No growth at Consumer Staples despite lower input costs. Good growth at Retailers, but disappointing given the macro tailwinds owing to fierce price competition. Strong at auto, but home builders disappointed.

The strongest growth was at Health Care and consumer oriented Tech firms. Corporate tech spending on equip. and software remains very sluggish and chip makers were flattish on earnings given slow PC, handset and weak industrial end markets. Ex. Energy, Financials, HC and AAPL, AMZN & GOOG 2015 S&P EPS growth is ~2.5%; this is the underlying trend with ~4% FX drag that should fall to ~1.5%.

