

9 OCTOBER 2012

SECTOR SNAPSHOT: CONSUMER STAPLES

After losing steam lately, momentum for Consumer Staples is picking back up ([page 6](#)). While forward PEs remain high, the diffusion index is also turning back up: more stocks have higher PEs today than they did three months ago, which is true generally for the stocks in the S&P 500 (only the Utilities sector shows a PE diffusion index below breakeven, [page 14](#)). Ditto for the price to book. The average correlation of the stocks in the sector to the S&P as a whole remains neutral by recent history. Earnings growth is weaker, revenues are holding up, leaving margins more or less steady.

SUMMARY TABLE

Equal-Weighted Summary	Price to Next 4Q Earnings		Price to Book		Oper Earn Next 4Q, YoY		Rev Next 4Q, YoY		Margins	
	Level	Diffusion	Level	Diffusion	Level	Diffusion	Level	Diffusion	Level	Diffusion
S&P 500	16.4	77.4	2.9	77.4	-4.5%	18.7	4.2%	55.0	20.3%	58.3
Consumer Discretionary	17.1	80.2	3.8	74.1	-4.4%	14.8	5.1%	66.1	14.7%	64.8
Consumer Staples	16.3	70.7	4.8	80.5	-2.9%	22.6	4.6%	59.5	16.2%	63.4
Energy	19.7	79.5	2.1	86.4	-13.4%	27.6	1.3%	54.1	21.6%	40.9
Financials	16.8	78.8	1.8	80.2	-1.6%	22.7	2.0%	61.1	29.5%	60.6
Health	15.3	82.7	2.8	80.8	-2.7%	15.0	8.0%	51.3	21.5%	53.8
Industrials	13.9	77.0	3.3	75.4	-2.1%	16.7	1.9%	46.2	15.1%	59.0
Information Technology	15.7	88.7	3.1	83.1	-5.7%	17.8	6.5%	48.5	23.7%	46.5
Materials	14.8	83.3	2.9	80.0	-7.7%	23.7	2.6%	47.4	16.9%	63.3
Telecommunication Services	29.7	62.5	3.1	87.5	-4.7%	15.4	8.6%	51.3	18.2%	87.5
Utilities	15.8	35.5	1.5	41.9	-3.5%	19.2	4.6%	55.6	18.4%	74.2

The Catalpa Sector Monitor features a series of charts to highlight the data and facilitate comparative analysis across the equal-weighted sectors of the S&P 500. By treating each stock equally, the monitor captures the broader underlying trends. Each sector page starts with the pricing, momentum, volatility, and average analyst rating of the aggregated stocks. Other key metrics follow: valuation, earnings, revenues, and margins. A diffusion index is then generated for each of those metrics. They work the same as many purchasing manager surveys: a reading of 50 is neutral, with half the stocks in the sector posting a higher reading compared to three months ago and half the stocks posting a lower reading. The shading compares the sector's diffusion index to that of the S&P 500 as a whole. After the sector pages, several metrics are collected together to make it easier to see any divergences at a

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SECTOR DASHBOARD

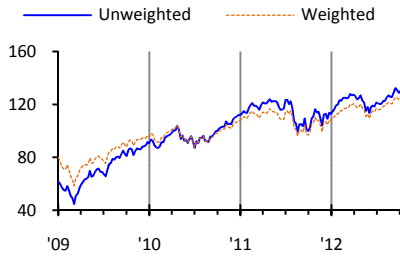
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S&P 500 SECTORS & INDUSTRY GROUPS	PERFORMANCE					VALUATION		EARNINGS: ONE-YEAR FORWARD ESTIMATES						ANALYST RATINGS			
	Metrics					Forward PE		Metrics			Deviation from Average			(1 to 5)			
	Equal-Weighted	MTD	YTD	6 Wk	1 Yr	RS	Last	1 Yr	YoY	1 Yr Idx	RS	1 M	3 M	1 Yr	Last	1 Yr	Range
S&P 500	1.5%	15.8%				RS	16.4		-4.5%		RS	-0.2%	-0.6%	-1.9%	3.8		
Consumer Discretionary	2.3%	22.0%				RS	17.1		-4.4%		RS	0.1%	-0.6%	-1.5%	3.8		
Automobiles & Components	3.0%	1.2%				RS	9.6		-3.0%		RS	0.5%	-0.1%	-0.9%	4.1		
Consumer Durables & Apparel	2.7%	39.2%				RS	15.9		1.9%		RS	0.1%	0.3%	1.1%	3.8		
Consumer Services	-0.6%	2.1%				RS	16.5		-6.9%		RS	-0.0%	-0.6%	-2.8%	4.0		
Media	2.8%	34.2%				RS	14.3		-1.6%		RS	0.1%	-0.0%	-0.6%	3.9		
Retailing	2.9%	21.3%				RS	20.4		-7.5%		RS	0.1%	-1.3%	-2.7%	3.7		
Consumer Staples	1.8%	14.9%				RS	16.3		-2.9%		RS	-0.7%	-1.3%	-2.1%	3.7		
Food & Staples Retailing	1.3%	14.5%				RS	16.1		-1.6%		RS	0.0%	0.3%	-0.2%	3.7		
Food Beverage & Tobacco	1.7%	15.0%				RS	15.9		-1.8%		RS	-1.1%	-1.9%	-2.1%	3.7		
Household & Personal Products	3.0%	14.2%				RS	18.6		-9.2%		RS	0.1%	-0.6%	-4.8%	3.5		
Energy	0.1%	6.2%				RS	19.7		-13.4%		RS	-0.6%	-1.9%	-7.1%	4.1		
Financials	2.6%	22.6%				RS	16.8		-1.6%		RS	0.4%	0.2%	-0.4%	3.7		
Banks	3.5%	32.6%				RS	11.9		0.3%		RS	0.4%	0.8%	0.0%	3.6		
Diversified Financials	2.6%	23.7%				RS	12.0		-5.8%		RS	0.3%	0.2%	-1.8%	3.7		
Insurance	3.4%	18.4%				RS	10.3		0.9%		RS	0.8%	-0.6%	-0.8%	3.7		
Real Estate	0.5%	17.0%				RS	36.7		0.3%		RS	0.0%	0.6%	1.7%	3.6		
Health Care	2.4%	21.8%				RS	15.3		-2.7%		RS	0.1%	0.1%	-0.6%	4.0		
Health Care Equipment & Svcs	2.2%	17.6%				RS	14.3		-1.0%		RS	0.1%	-0.1%	-0.4%	4.0		
Pharma & Biotechnology	2.7%	27.5%				RS	16.6		-5.2%		RS	0.1%	0.3%	-0.8%	4.1		
Industrials	1.6%	10.3%				RS	13.9		-2.1%		RS	-0.6%	-0.8%	-1.1%	3.9		
Capital Goods	1.4%	14.3%				RS	13.7		-1.8%		RS	-0.8%	-1.0%	-1.2%	4.0		
Commercial & Professional Svcs	1.2%	5.8%				RS	14.8		-4.6%		RS	-0.0%	0.0%	-1.4%	3.7		
Transportation	2.9%	-1.6%				RS	13.5		-0.7%		RS	-0.0%	-0.3%	-0.5%	3.9		
Information Technology	-0.3%	10.7%				RS	15.7		-5.7%		RS	-0.5%	-1.0%	-2.3%	3.9		
Semis & Semi Equipment	-0.3%	-2.0%				RS	16.7		-12.2%		RS	-2.3%	-3.8%	-4.4%	3.8		
Software & Services	0.8%	22.3%				RS	18.6		-1.1%		RS	0.0%	0.2%	-0.1%	3.9		
Tech Hardware & Equipment	-1.9%	5.5%				RS	11.1		-7.3%		RS	-0.1%	-0.7%	-3.8%	3.9		
Materials	1.2%	11.3%				RS	14.8		-7.7%		RS	-0.3%	-1.2%	-3.2%	3.9		
Telecommunication Services	0.9%	32.9%				RS	29.7		-4.7%		RS	-0.0%	0.6%	-1.3%	3.7		
Utilities	1.3%	6.7%				RS	15.8		-3.5%		RS	0.0%	-0.1%	-1.4%	3.5		

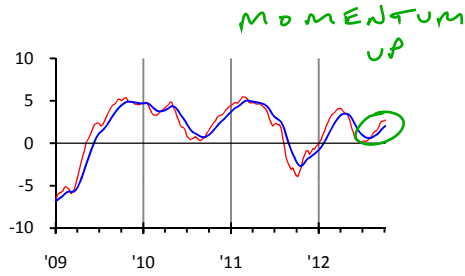
Source: Bloomberg, Catalpa Capital Advisors. Beta version 0.91. Weekly data. Security-level data is from Bloomberg and indexed with equal weightings using S&P GICS classifications. Scaling on the y-axis is data-dependent for each individual chart. Earnings are reindexed as a percentage of the three-year average for each security. Earnings "deviation from average" is the percentage change in the latest value from the average of the period as listed, excluding outliers. Analyst ratings are compiled by Bloomberg and run from a low of 1 to a high of 5, with the box plot charting the average (in red) and quartiles (in gray) for each group.

Price	Price Momentum: Absolute Weekly MACD	Risk/Return (52 wk return vs st dev, ann'd)	Average Analyst Rating
<p>Unweighted price indexes are calculated from weekly percent changes in the underlying security prices for each sector.</p> <p>Weighted indexes are direct Bloomberg feeds.</p>	<p>The moving average convergence divergence line (MACD) is comprised of two parts. The blue line is the difference between the 26-week and 12-week exponential moving average for each index. The red line is 9-week exponential moving average of the blue line. Crossovers indicate possibly sustained shifts in price momentum.</p>	<p>Annualized weekly returns are on the y-axis and the annualized standard deviation is on the x-axis. The larger red dot denotes the sector as a whole. The small blue dots are the individual stocks within the sector. On the sector charts, the gray dots are the other stocks in the broader index.</p>	<p>Analyst ratings from 1 (worst) to 5 (best) are averaged across the full sector. Underlying security-level data is compiled by Bloomberg.</p>
<p>Valuation: Price to Forward 4Q Earnings</p>	<p>3M Diffusion Index (100 = PEs up for all stocks)</p>	<p>Operating Earnings: Next 4Q, YoY</p>	<p>3M Diffusion Index</p>
<p>The ratios of each security price to earnings estimates for the next four quarters are averaged across the full sector. Outliers above 100 are omitted. Trend is relative to 13 week moving average. Underlying security-level data is compiled by Bloomberg.</p>	<p>The value for each security is compared to where it was 3 months ago. A value of 100 means that all stocks are higher, 50 is half up and half down, and 0 means that the value is lower for all stocks.</p> <p>The orange shading indicactes the difference between the sectors and the broad index.</p>	<p>Estimated earnings for the next four quarters are averaged across the sector. Trend is relative to 13 week moving average. Underlying security-level data is compiled by Bloomberg.</p>	<p>The value for each security is compared to where it was 3 months ago. A value of 100 means that all stocks are higher, 50 is half up and half down, and 0 means that the value is lower for all stocks.</p> <p>The orange shading indicactes the difference between the sectors and the broad index.</p>
<p>Valuation: Price to Book</p>	<p>3M Diffusion Index</p>	<p>Revenues: Next 4Q, YoY</p>	<p>3M Diffusion Index</p>
<p>The ratios of each security price to book value are averaged across the sector. Outliers above 10 are omitted. Trend is relative to 13 week moving average. Underlying security-level data is compiled by Bloomberg.</p>	<p>The value for each security is compared to where it was 3 months ago. A value of 100 means that all stocks are higher, 50 is half up and half down, and 0 means that the value is lower for all stocks.</p> <p>The orange shading indicactes the difference between the sectors and the broad index.</p>	<p>Estimated revenues for the next four quarters are averaged across the sector. Trend is relative to 13 week moving average. Underlying security-level data is compiled by Bloomberg.</p>	<p>The value for each security is compared to where it was 3 months ago. A value of 100 means that all stocks are higher, 50 is half up and half down, and 0 means that the value is lower for all stocks.</p> <p>The orange shading indicactes the difference between the sectors and the broad index.</p>
<p>Correlation: Average Stock to Index, 12-Week ma</p>	<p>3M Diffusion Index</p>	<p>Operating Margins: Earnings as % of Revenues</p>	<p>3M Diffusion Index</p>
<p>The 12-week correlation of each security's weekly price change to the broad index (S&P 500) is averaged across the sector. Trend is relative to 13 week moving average.</p>	<p>The value for each security is compared to where it was 3 months ago. A value of 100 means that all stocks are higher, 50 is half up and half down, and 0 means that the value is lower for all stocks.</p> <p>The orange shading indicactes the difference between the sectors and the broad index.</p>	<p>The ratios of each security's earnings to revenues for the next four quarters are averaged across the sector. Trend is relative to 13 week moving average. Underlying security-level data is compiled by Bloomberg.</p>	<p>The value for each security is compared to where it was 3 months ago. A value of 100 means that all stocks are higher, 50 is half up and half down, and 0 means that the value is lower for all stocks.</p> <p>The orange shading indicactes the difference between the sectors and the broad index.</p>

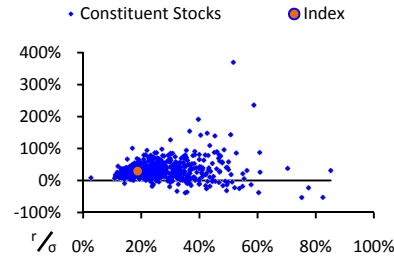
Price



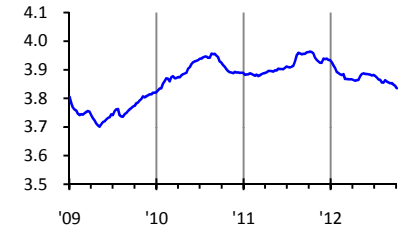
Price Momentum: Absolute Weekly MACD



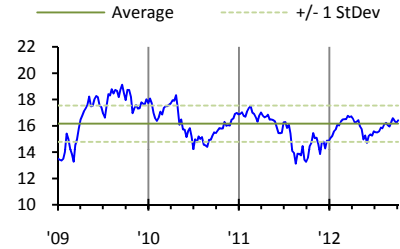
Risk/Return (52 wk return vs st dev, ann'd)



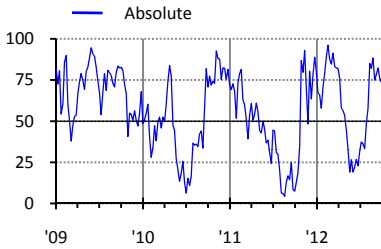
Average Analyst Rating



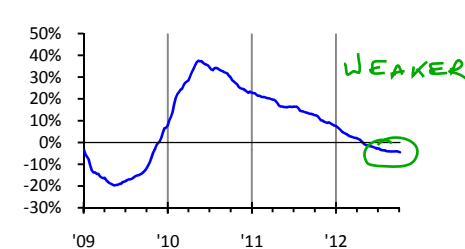
Price to Forward 4Q Earnings = 16.4
Above Average and Trending Up



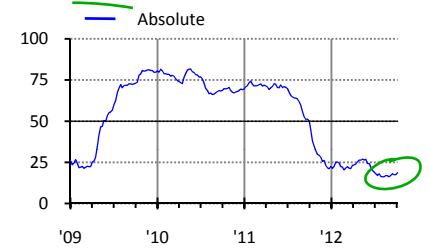
3M Diffusion Index = 77.4
High and Trending Up



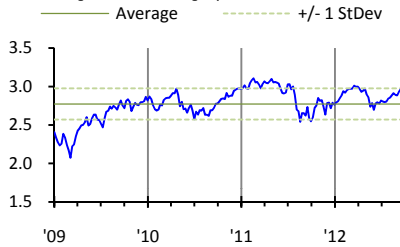
Operating Earnings: Next 4Q, YoY = -4.5%
Negative and Trending Down



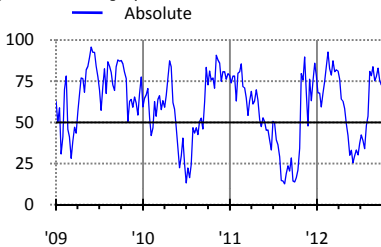
3M Diffusion Index = 18.7
Low and Trending Up → TURNING UP?



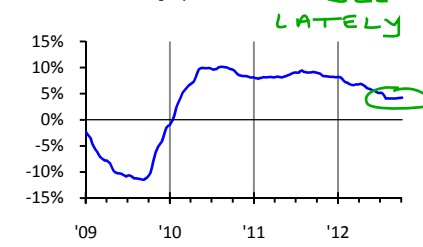
Price to Book = 2.9
Above Average and Trending Up



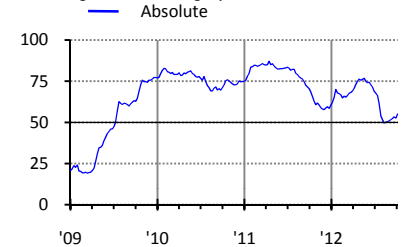
3M Diffusion Index = 77.4
High and Trending Up



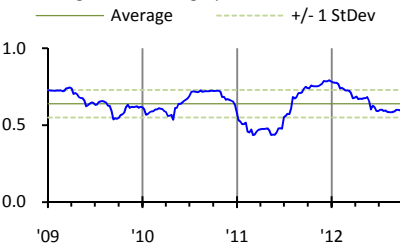
Revenues: Next 4Q, YoY = 4.2%
Positive and Trending Up



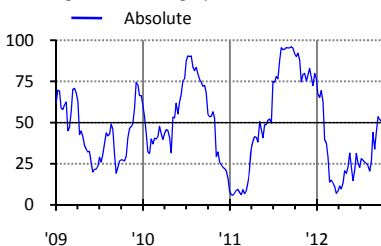
3M Diffusion Index = 55.0
Medium-High and Trending Up



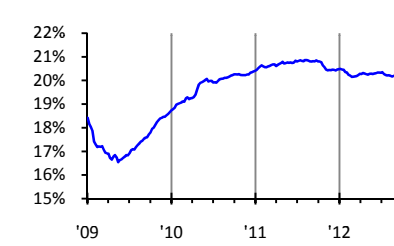
Correlation: Avg Stock to Idx, 12W ma = 0.60
Below Average and Trending Up



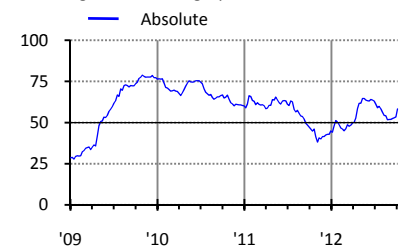
3M Diffusion Index = 52.5
Medium-High and Trending Up



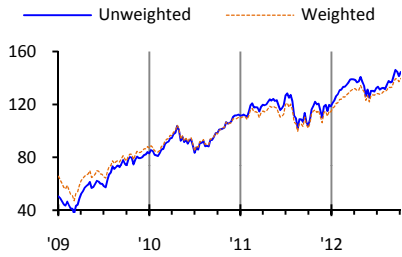
Margins (Oper Earn as % of Rev) = 20.3%



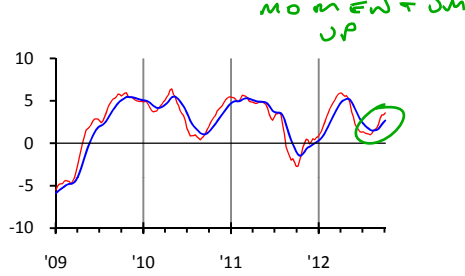
3M Diffusion Index = 58.3
Medium-High and Trending Up



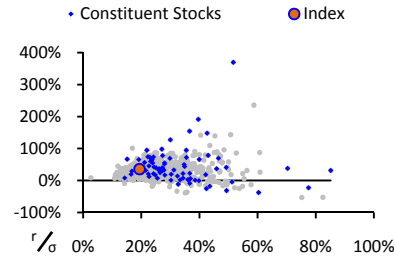
Price



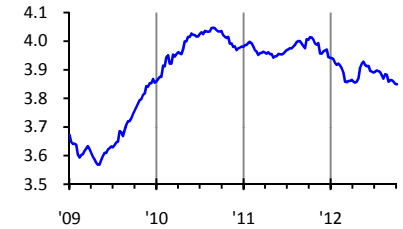
Price Momentum: Absolute Weekly MACD



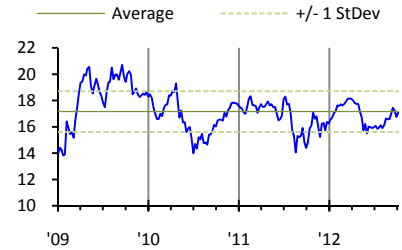
Risk/Return (52 wk return vs st dev, ann'd)



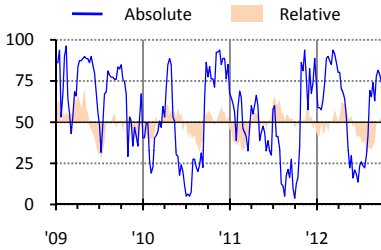
Average Analyst Rating



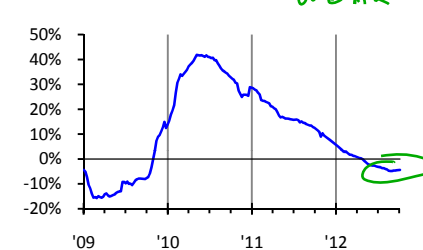
Price to Forward 4Q Earnings = 17.1
Below Average and Trending Up



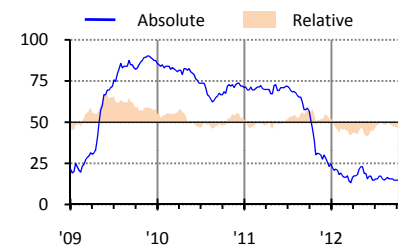
3M Diffusion Index = 80.2
High and Trending Up



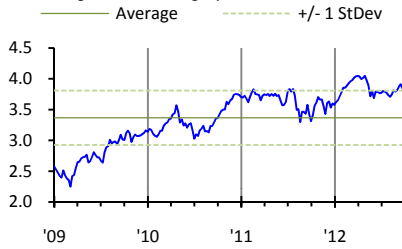
Operating Earnings: Next 4Q, YoY = -4.4%
Negative and Trending Down



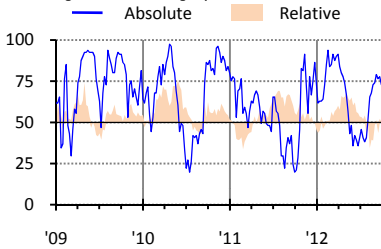
3M Diffusion Index = 14.8
Low and Trending Down



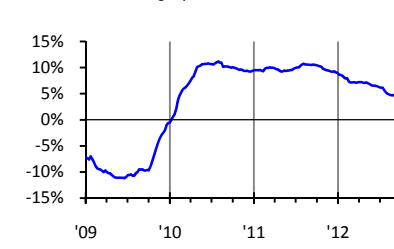
Price to Book = 3.8
Above Average and Trending Up



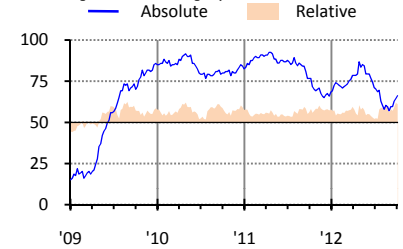
3M Diffusion Index = 74.1
Medium-High and Trending Up



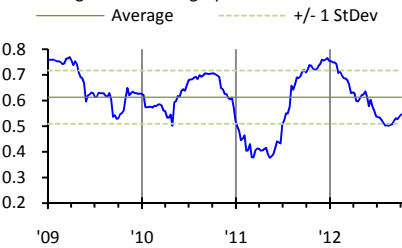
Revenues: Next 4Q, YoY = 5.1%
Positive and Trending Up



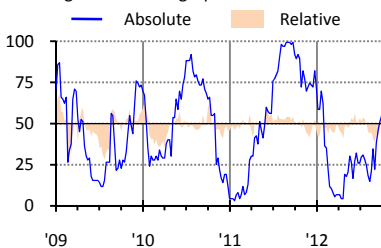
3M Diffusion Index = 66.1
Medium-High and Trending Up



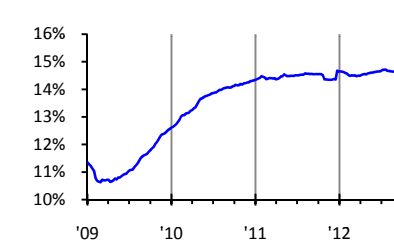
Correlation: Avg Stock to Idx, 12W ma = 0.55
Below Average and Trending Up



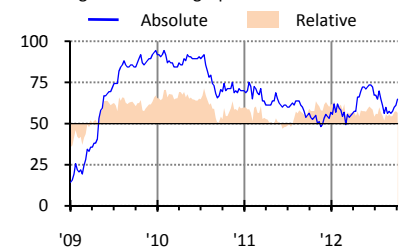
3M Diffusion Index = 60.5
Medium-High and Trending Up



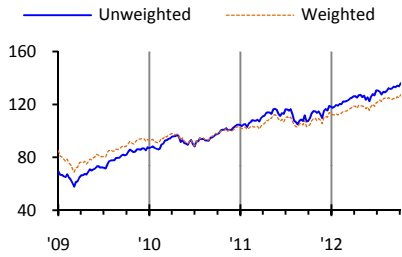
Margins (Oper Earn as % of Rev) = 14.7%



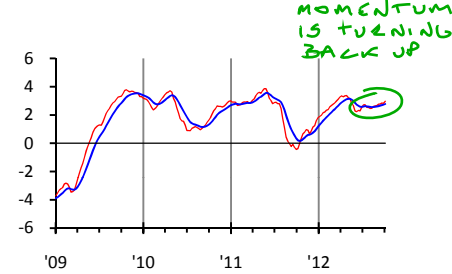
3M Diffusion Index = 64.8
Medium-High and Trending Up



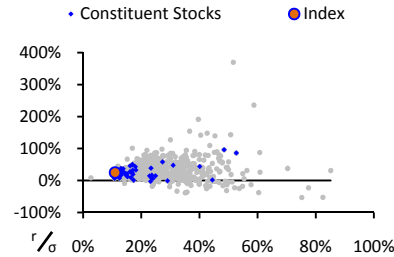
Price



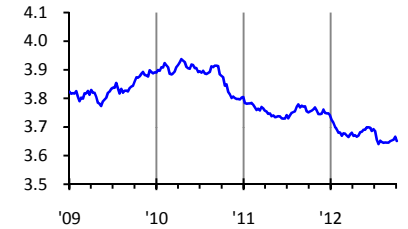
Price Momentum: Absolute Weekly MACD



Risk/Return (52 wk return vs st dev, ann'd)



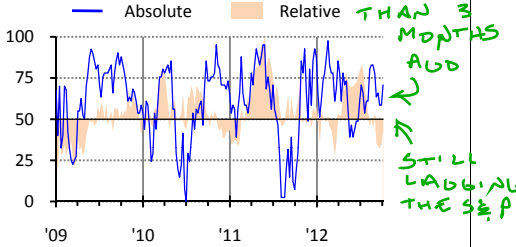
Average Analyst Rating



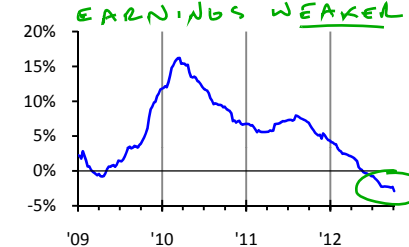
Price to Forward 4Q Earnings = 16.3
Above Average and Trending Up



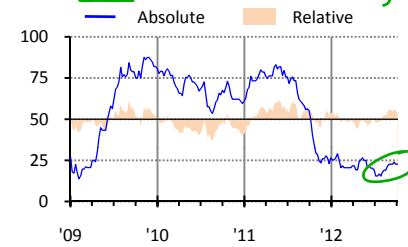
3M Diffusion Index = 70.7
Medium-High and Trending Up



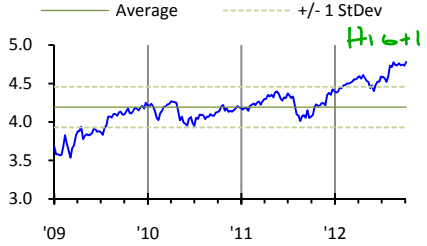
Operating Earnings: Next 4Q, YoY = -2.9%
Negative and Trending Down



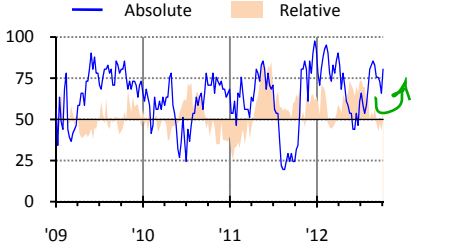
3M Diffusion Index = 22.6
Low and Trending Up → JUST BARELY



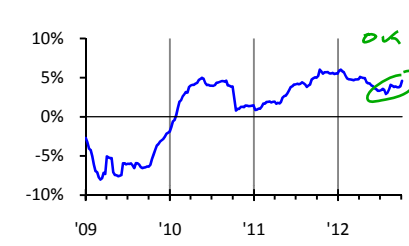
Price to Book = 4.8
Above Average and Trending Up



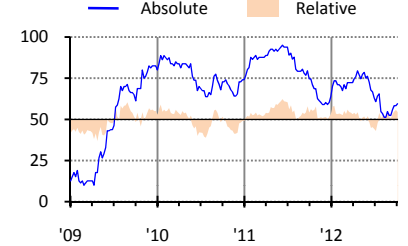
3M Diffusion Index = 80.5
High and Trending Up



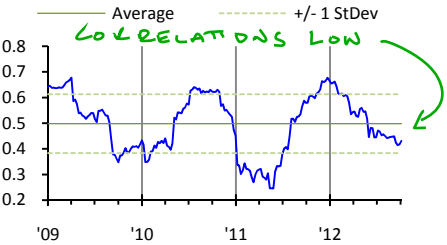
Revenues: Next 4Q, YoY = 4.6%
Positive and Trending Up



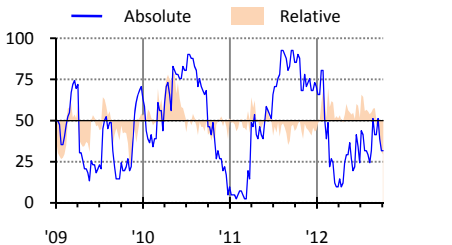
3M Diffusion Index = 59.5
Medium-High and Trending Up



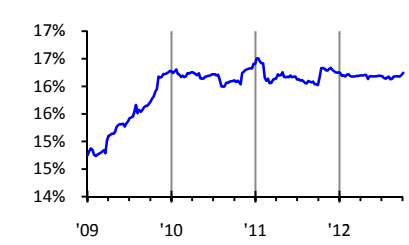
Correlation: Avg Stock to Idx, 12W ma = 0.43
Below Average and Trending Down



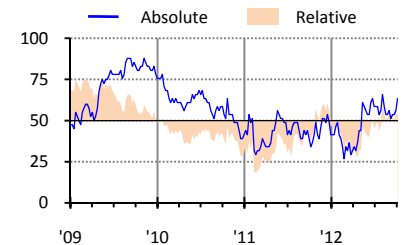
3M Diffusion Index = 31.7
Medium-Low and Trending Down



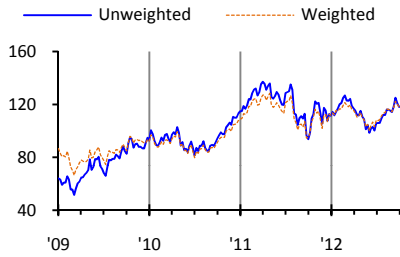
Margins (Oper Earn as % of Rev) = 16.2%



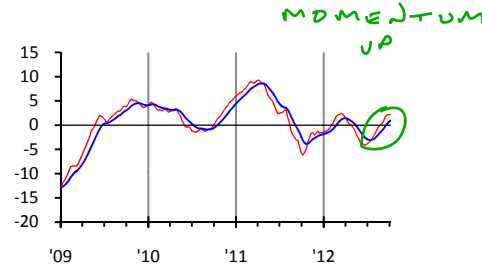
3M Diffusion Index = 63.4
Medium-High and Trending Up



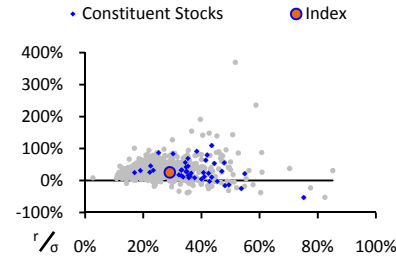
Price



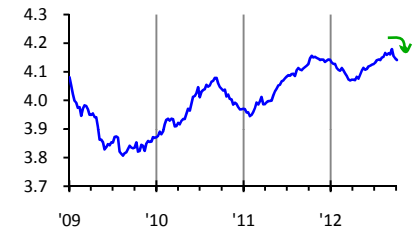
Price Momentum: Absolute Weekly MACD



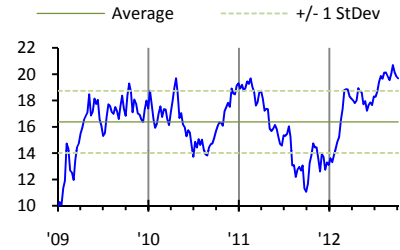
Risk/Return (52 wk return vs st dev, ann'd)



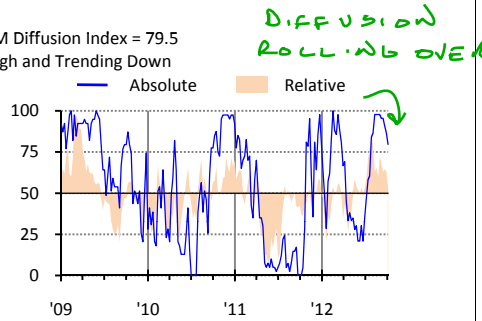
Average Analyst Rating



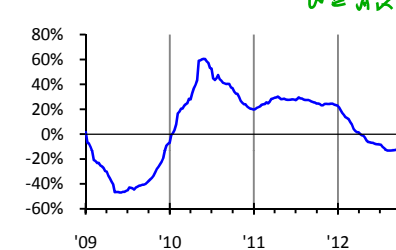
Price to Forward 4Q Earnings = 19.7
Above Average and Trending Down



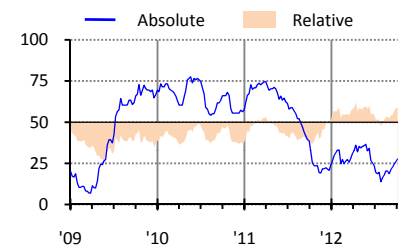
3M Diffusion Index = 79.5
High and Trending Down



Operating Earnings: Next 4Q, YoY = -13.4%
Negative and Trending Down



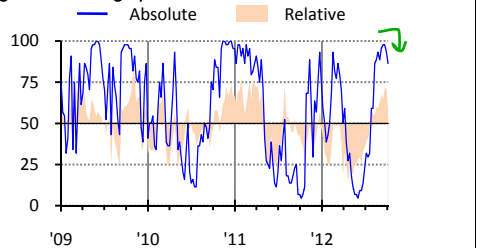
3M Diffusion Index = 27.6
Medium-Low and Trending Up



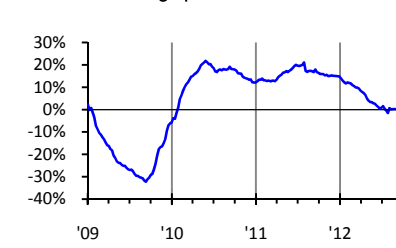
Price to Book = 2.1
Below Average and Trending Up



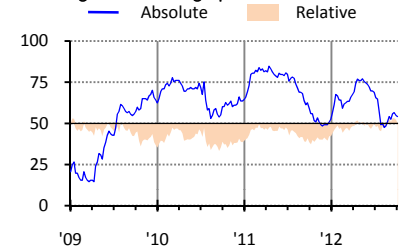
3M Diffusion Index = 86.4
High and Trending Up



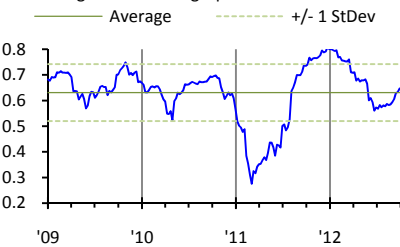
Revenues: Next 4Q, YoY = 1.3%
Positive and Trending Up



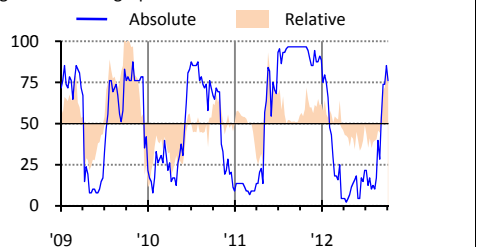
3M Diffusion Index = 54.1
Medium-High and Trending Up



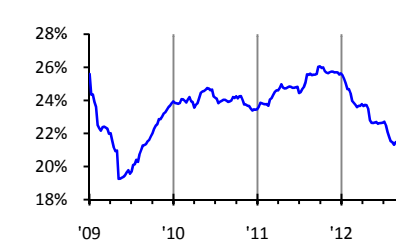
Correlation: Avg Stock to Idx, 12W ma = 0.64
Above Average and Trending Up



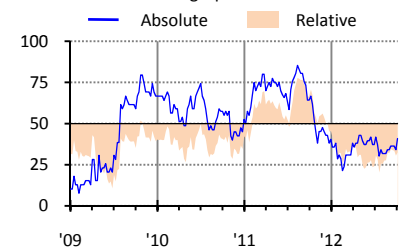
3M Diffusion Index = 76.1
High and Trending Up



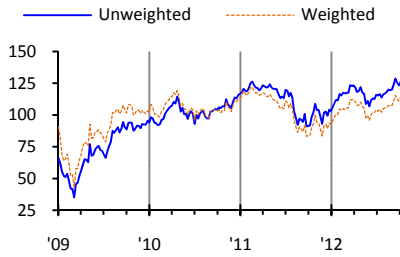
Margins (Oper Earn as % of Rev) = 21.6%



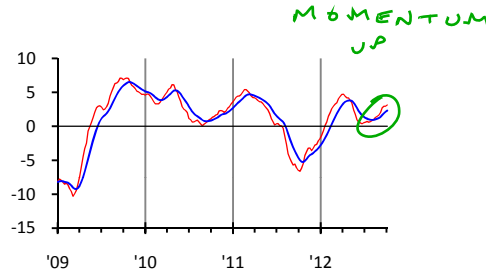
3M Diffusion Index = 40.9
Medium-Low and Trending Up



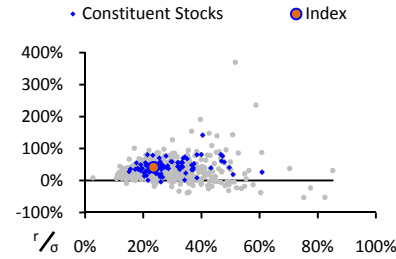
Price



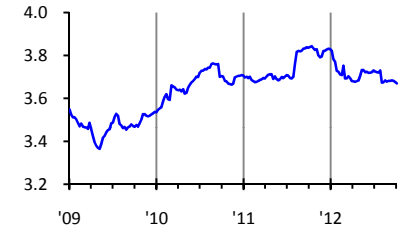
Price Momentum: Absolute Weekly MACD



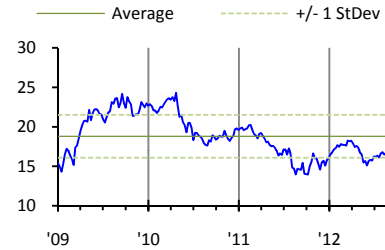
Risk/Return (52 wk return vs st dev, ann'd)



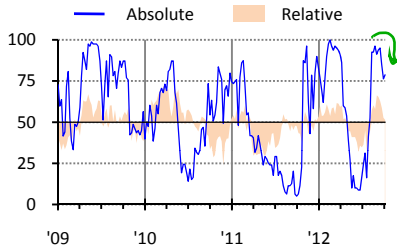
Average Analyst Rating



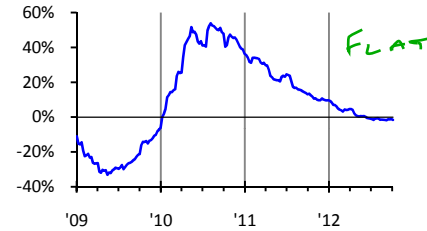
Price to Forward 4Q Earnings = 16.8
Below Average and Trending Up



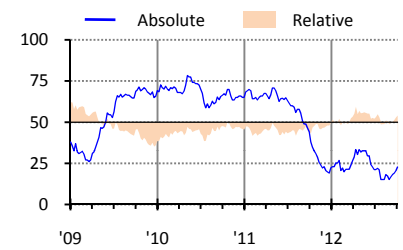
3M Diffusion Index = 78.8
High and Trending Up



Operating Earnings: Next 4Q, YoY = -1.6%
Negative and Trending Down



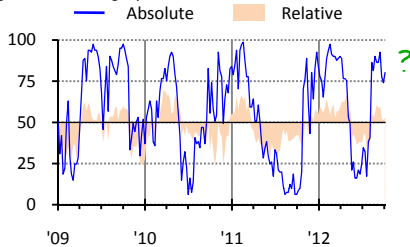
3M Diffusion Index = 22.7
Low and Trending Up



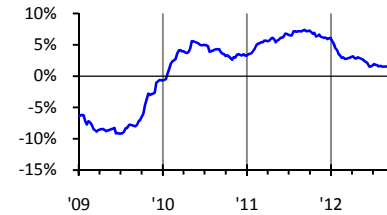
Price to Book = 1.8
Above Average and Trending Up



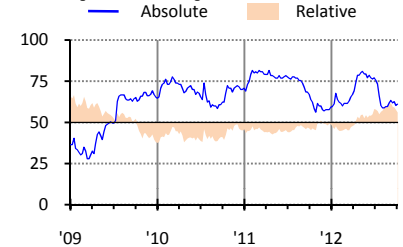
3M Diffusion Index = 80.2
High and Trending Up



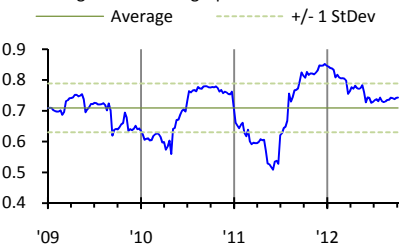
Revenues: Next 4Q, YoY = 2.0%
Positive and Trending Up



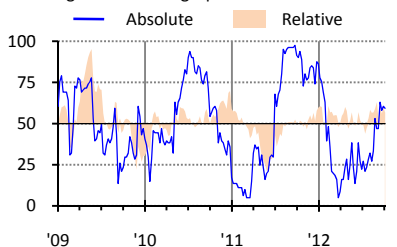
3M Diffusion Index = 61.1
Medium-High and Trending Down



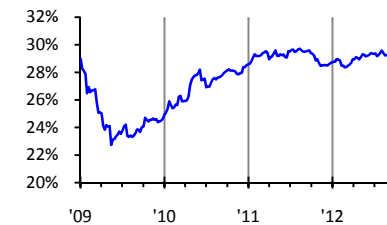
Correlation: Avg Stock to Idx, 12W ma = 0.74
Above Average and Trending Up



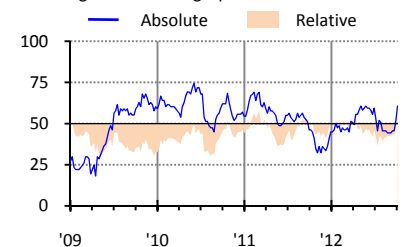
3M Diffusion Index = 59.3
Medium-High and Trending Up



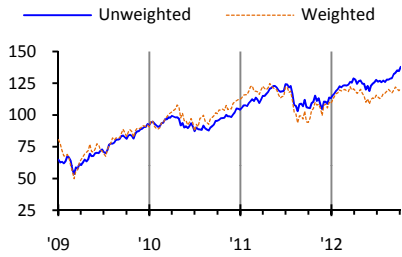
Margins (Oper Earn as % of Rev) = 29.5%



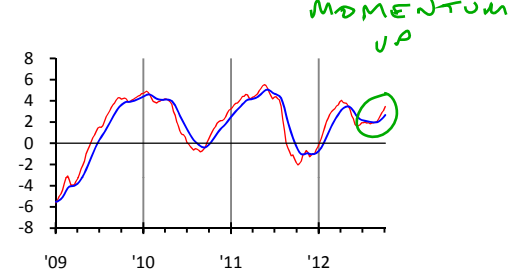
3M Diffusion Index = 60.6
Medium-High and Trending Up



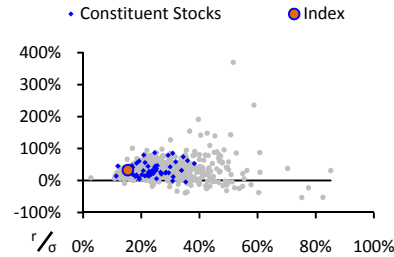
Price



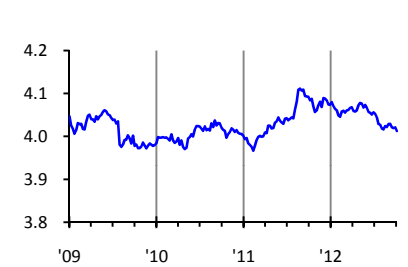
Price Momentum: Absolute Weekly MACD



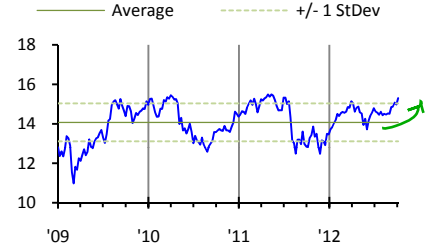
Risk/Return (52 wk return vs st dev, ann'd)



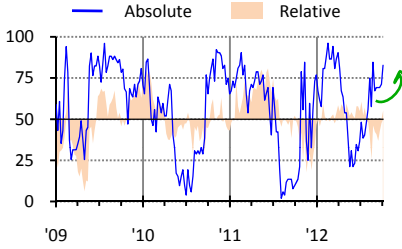
Average Analyst Rating



Price to Forward 4Q Earnings = 15.3
Above Average and Trending Up



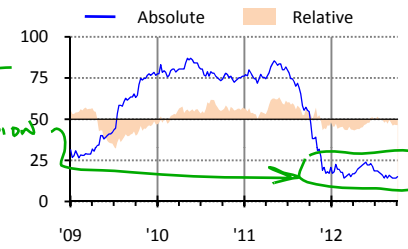
3M Diffusion Index = 82.7
High and Trending Up



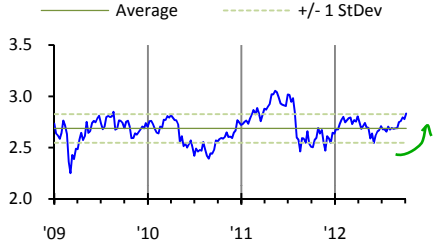
Operating Earnings: Next 4Q, YoY = -2.7%
Negative and Trending Up



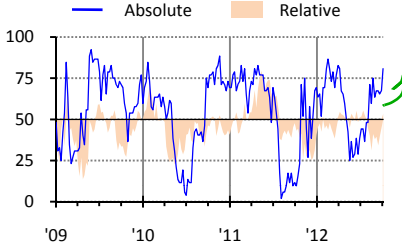
3M Diffusion Index = 15.0
Low and Trending Down



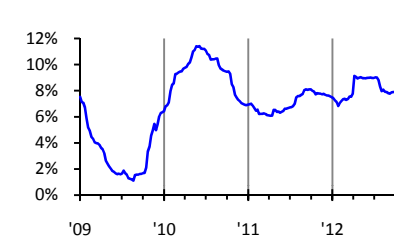
Price to Book = 2.8
Above Average and Trending Up



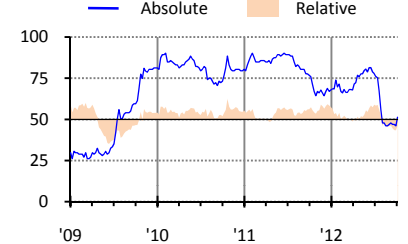
3M Diffusion Index = 80.8
High and Trending Up



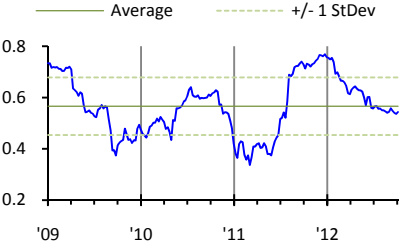
Revenues: Next 4Q, YoY = 8.0%
Positive and Trending Down



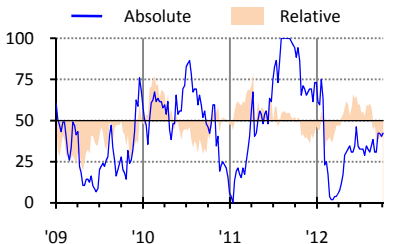
3M Diffusion Index = 51.3
Medium-High and Trending Down



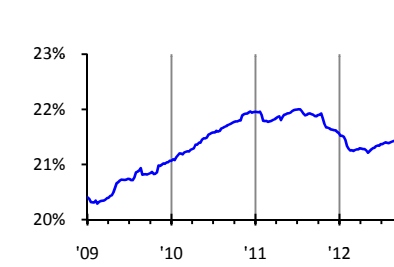
Correlation: Avg Stock to Idx, 12W ma = 0.54
Below Average and Trending Down



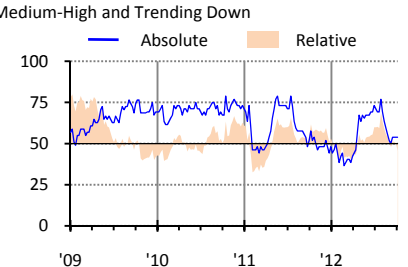
3M Diffusion Index = 42.3
Medium-Low and Trending Up



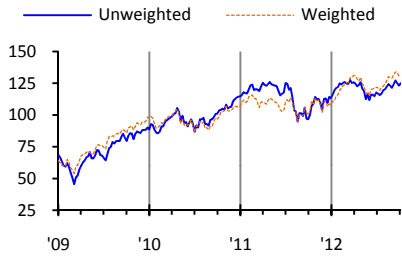
Margins (Oper Earn as % of Rev) = 21.5%



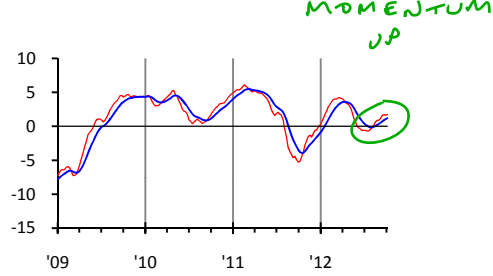
3M Diffusion Index = 53.8
Medium-High and Trending Down



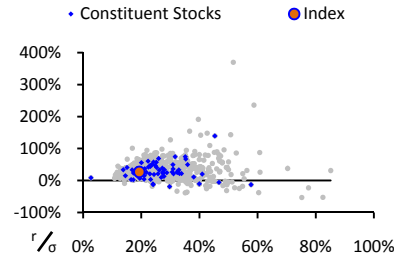
Price



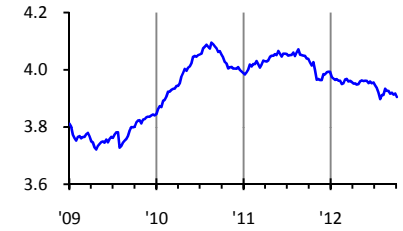
Price Momentum: Absolute Weekly MACD



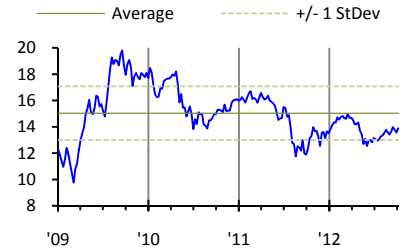
Risk/Return (52 wk return vs st dev, ann'd)



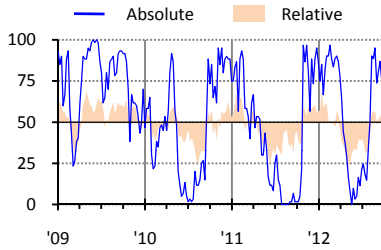
Average Analyst Rating



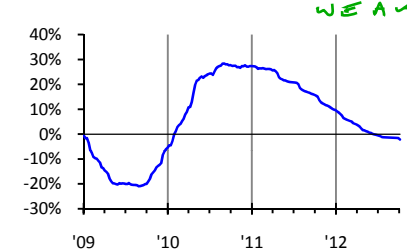
Price to Forward 4Q Earnings = 13.9
Below Average and Trending Up



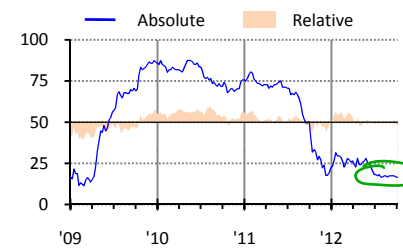
3M Diffusion Index = 77.0
High and Trending Up



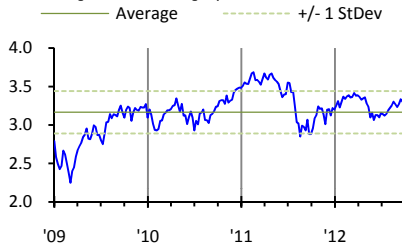
Operating Earnings: Next 4Q, YoY = -2.1%
Negative and Trending Down



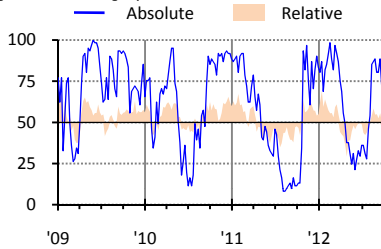
3M Diffusion Index = 16.7
Low and Trending Down



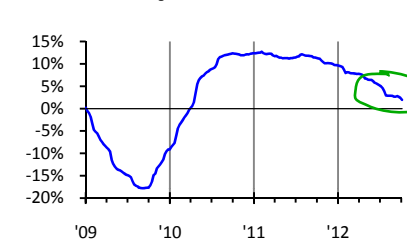
Price to Book = 3.3
Above Average and Trending Up



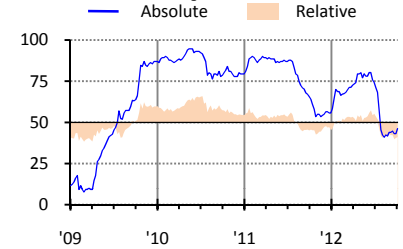
3M Diffusion Index = 75.4
High and Trending Up



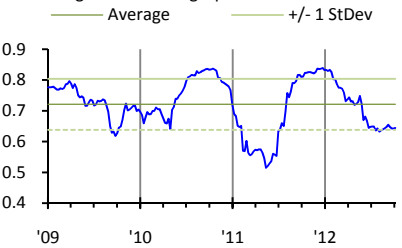
Revenues: Next 4Q, YoY = 1.9%
Positive and Trending Down



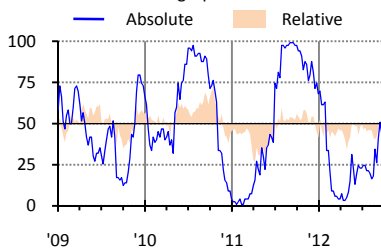
3M Diffusion Index = 46.2
Medium-Low and Trending Down



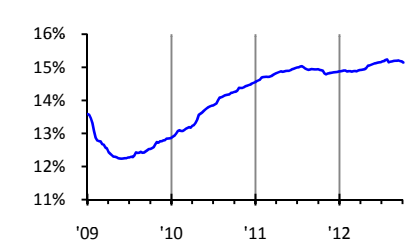
Correlation: Avg Stock to Idx, 12W ma = 0.64
Below Average and Trending Up



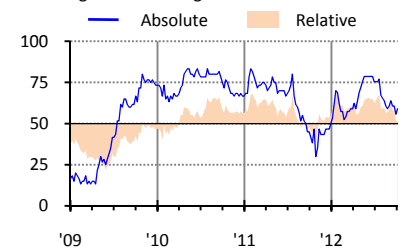
3M Diffusion Index = 45.9
Medium-Low and Trending Up



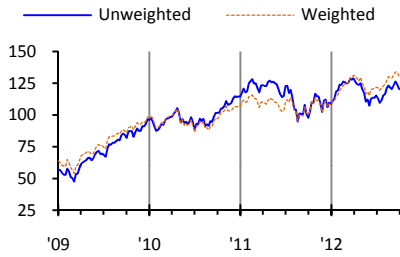
Margins (Oper Earn as % of Rev) = 15.1%



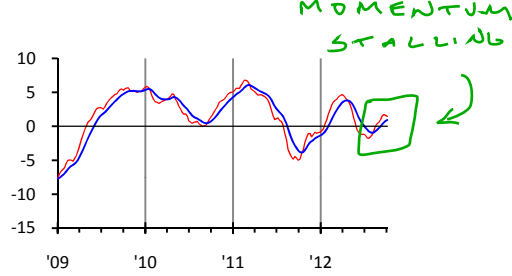
3M Diffusion Index = 59.0
Medium-High and Trending Down



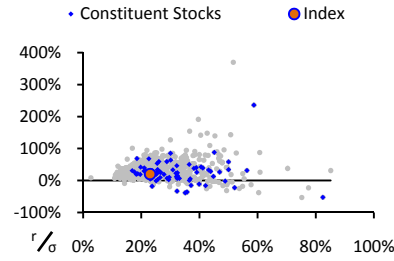
Price



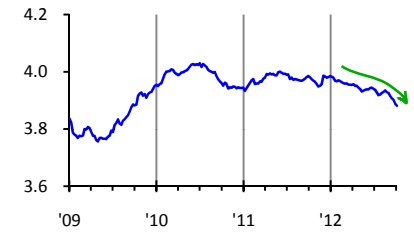
Price Momentum: Absolute Weekly MACD



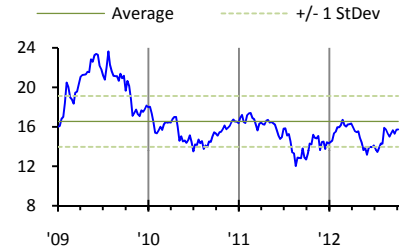
Risk/Return (52 wk return vs st dev, ann'd)



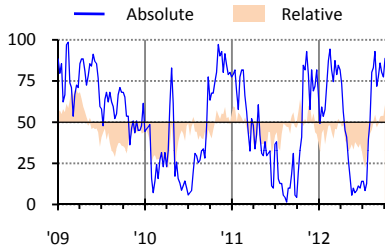
Average Analyst Rating



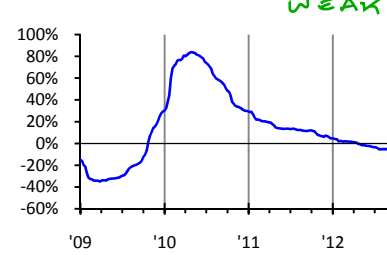
Price to Forward 4Q Earnings = 15.7
Below Average and Trending Up



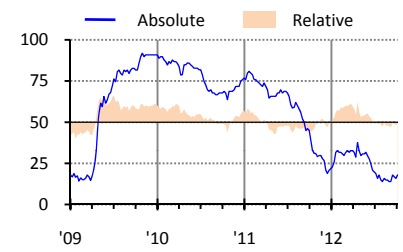
3M Diffusion Index = 88.7
High and Trending Up



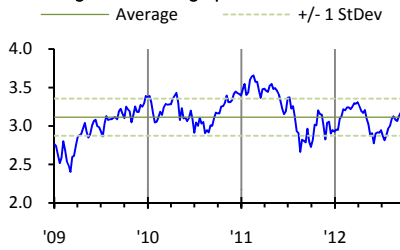
Operating Earnings: Next 4Q, YoY = -5.7%
Negative and Trending Down



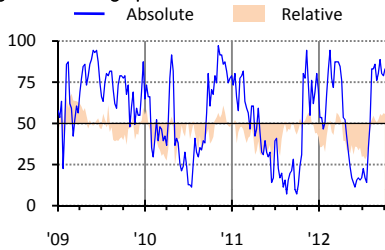
3M Diffusion Index = 17.8
Low and Trending Up



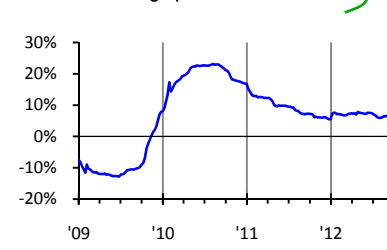
Price to Book = 3.1
Below Average and Trending Up



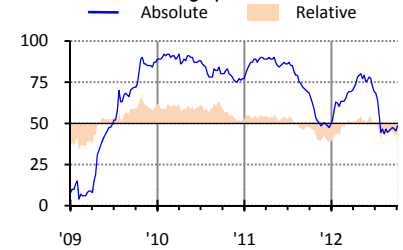
3M Diffusion Index = 83.1
High and Trending Up



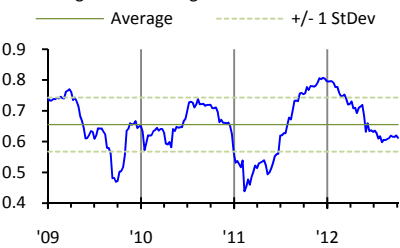
Revenues: Next 4Q, YoY = 6.5%
Positive and Trending Up



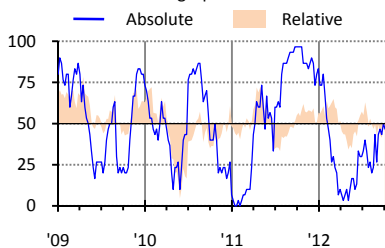
3M Diffusion Index = 48.5
Medium-Low and Trending Up



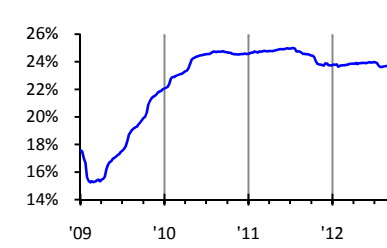
Correlation: Avg Stock to Idx, 12W ma = 0.61
Below Average and Trending Down



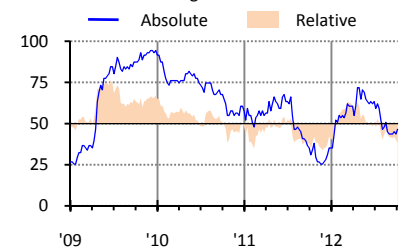
3M Diffusion Index = 46.7
Medium-Low and Trending Up



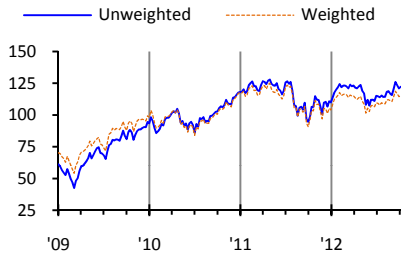
Margins (Oper Earn as % of Rev) = 23.7%



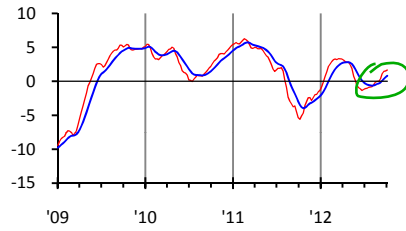
3M Diffusion Index = 46.5
Medium-Low and Trending Down



Price

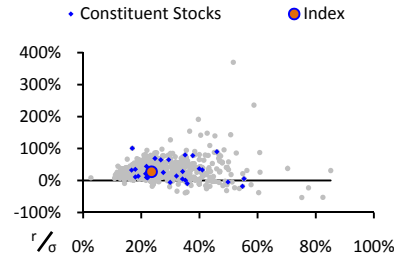


Price Momentum: Absolute Weekly MACD

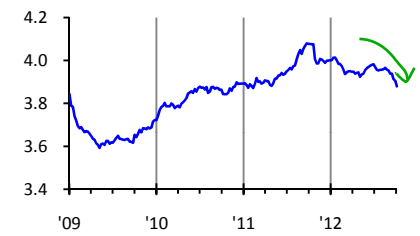


MOMENTUM UP

Risk/Return (52 wk return vs st dev, ann'd)



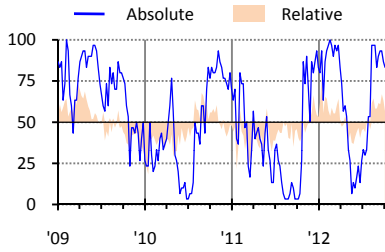
Average Analyst Rating



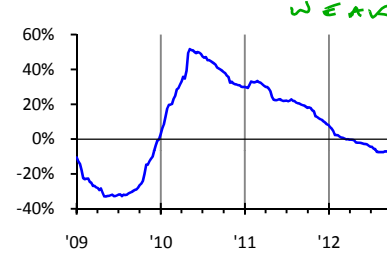
Price to Forward 4Q Earnings = 14.8
Below Average and Trending Up



3M Diffusion Index = 83.3
High and Trending Up

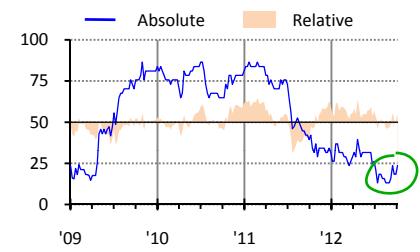


Operating Earnings: Next 4Q, YoY = -7.7%
Negative and Trending Down



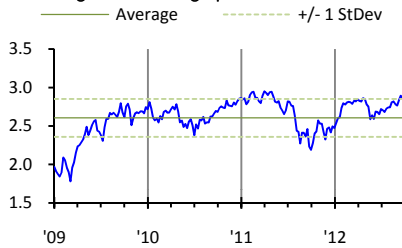
WEAK

3M Diffusion Index = 23.7
Low and Trending Up

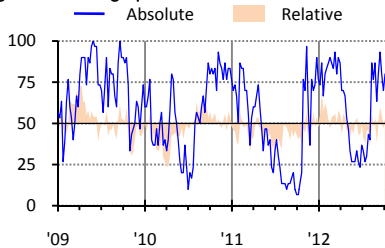


BOTTOMING?

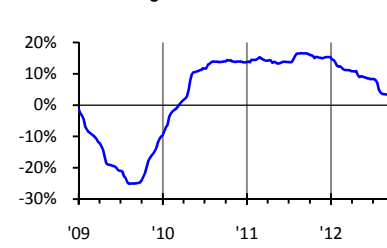
Price to Book = 2.9
Above Average and Trending Up



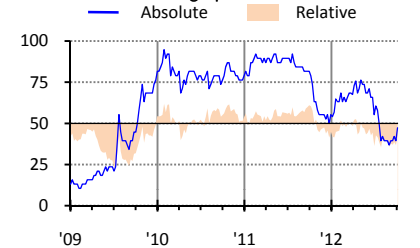
3M Diffusion Index = 80.0
High and Trending Up



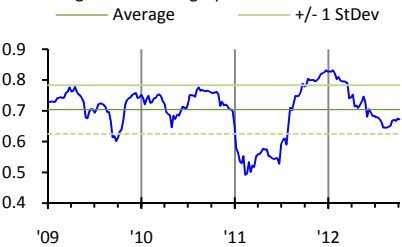
Revenues: Next 4Q, YoY = 2.6%
Positive and Trending Down



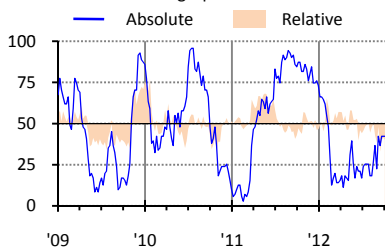
3M Diffusion Index = 47.4
Medium-Low and Trending Up



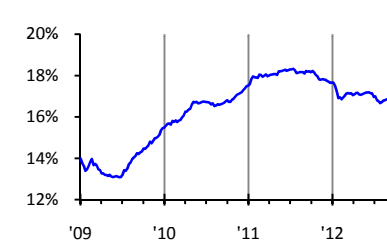
Correlation: Avg Stock to Idx, 12W ma = 0.67
Below Average and Trending Up



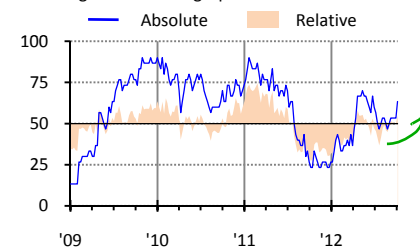
3M Diffusion Index = 42.3
Medium-Low and Trending Up



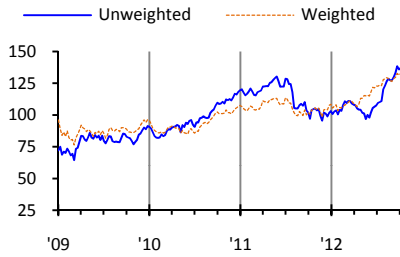
Margins (Oper Earn as % of Rev) = 16.9%



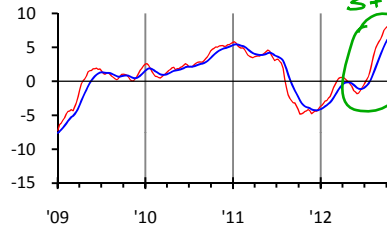
3M Diffusion Index = 63.3
Medium-High and Trending Up



Price

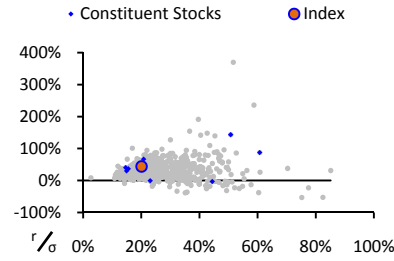


Price Momentum: Absolute Weekly MACD

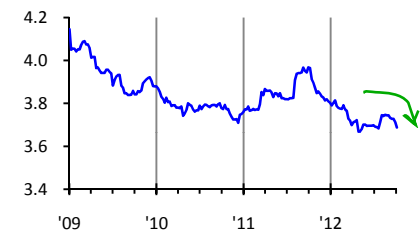


MOMENTUM
STILL
STRONG

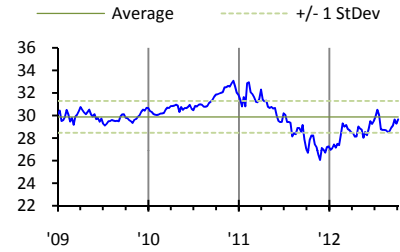
Risk/Return (52 wk return vs st dev, ann'd)



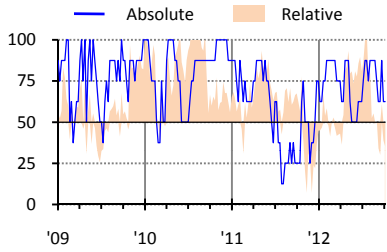
Average Analyst Rating



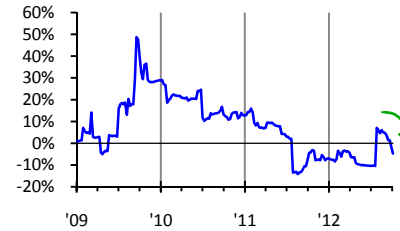
Price to Forward 4Q Earnings = 29.7
Below Average and Trending Up



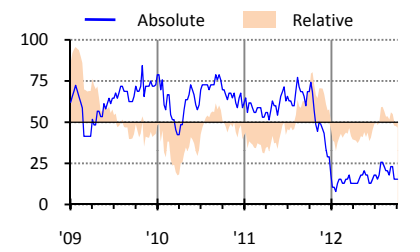
3M Diffusion Index = 62.5
Medium-High and Trending Down



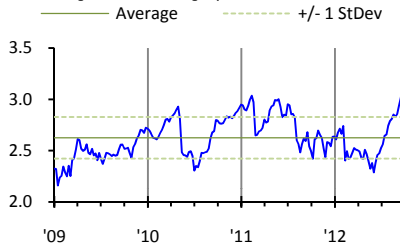
Operating Earnings: Next 4Q, YoY = -4.7%
Negative and Trending Down



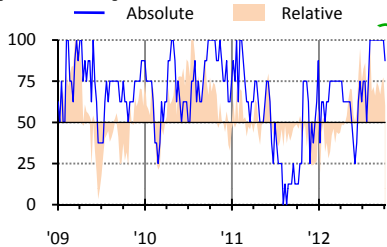
3M Diffusion Index = 15.4
Low and Trending Down



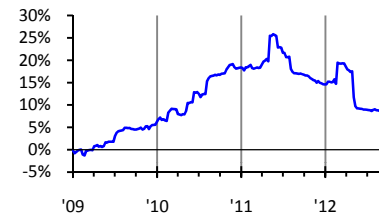
Price to Book = 3.1
Above Average and Trending Up



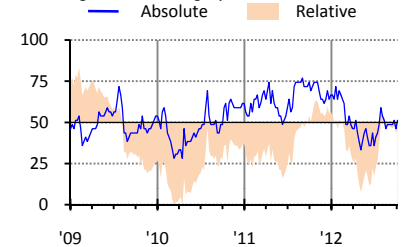
3M Diffusion Index = 87.5
High and Trending Down



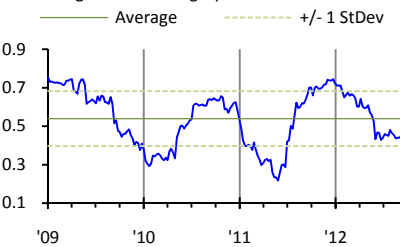
Revenues: Next 4Q, YoY = 8.6%
Positive and Trending Down



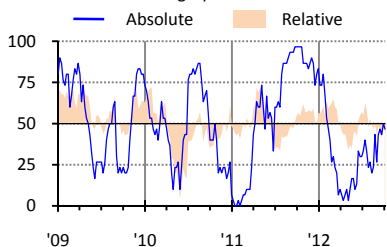
3M Diffusion Index = 51.3
Medium-High and Trending Up



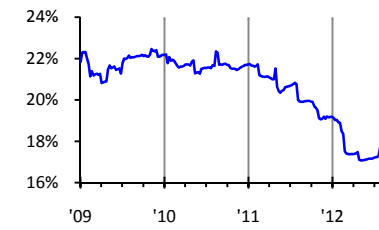
Correlation: Avg Stock to Idx, 12W ma = 0.48
Below Average and Trending Up



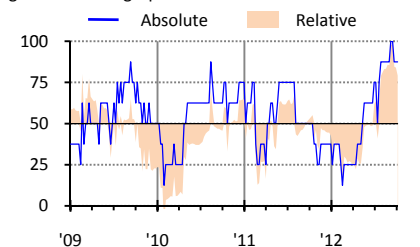
3M Diffusion Index = 46.7
Medium-Low and Trending Up



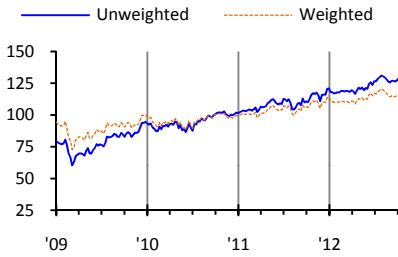
Margins (Oper Earn as % of Rev) = 18.2%



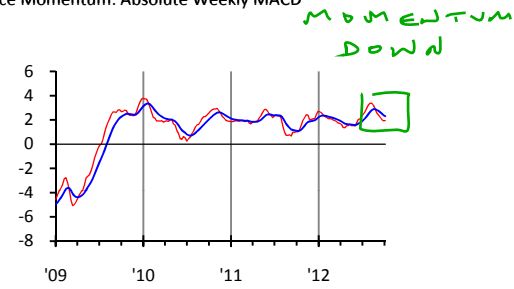
3M Diffusion Index = 87.5
High and Trending Up



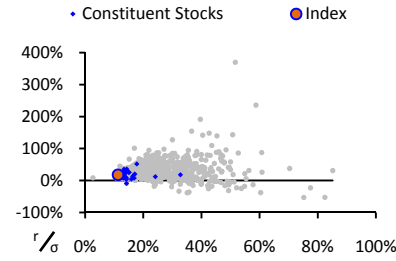
Price



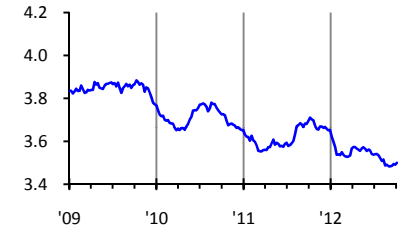
Price Momentum: Absolute Weekly MACD



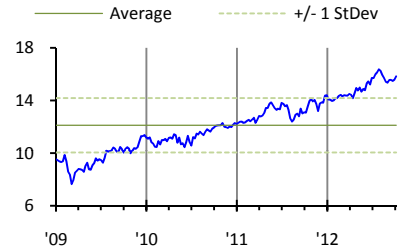
Risk/Return (52 wk return vs st dev, ann'd)



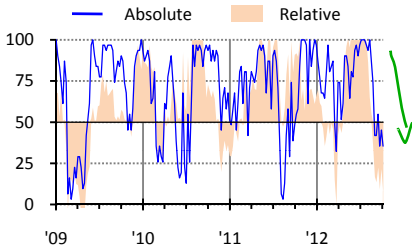
Average Analyst Rating



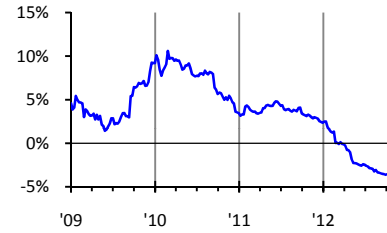
Price to Forward 4Q Earnings = 15.8
Above Average and Trending Up



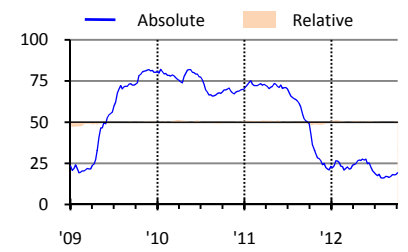
3M Diffusion Index = 35.5
Medium-Low and Trending Down



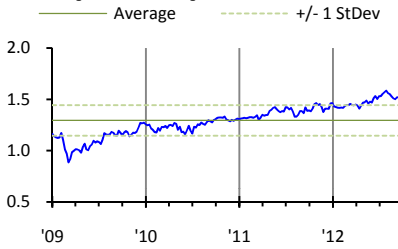
Operating Earnings: Next 4Q, YoY = -3.5%
Negative and Trending Down



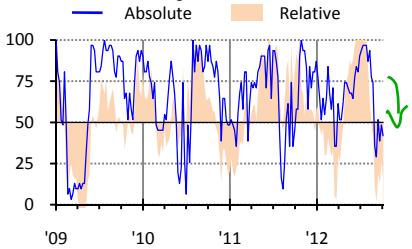
3M Diffusion Index = 19.2
Low and Trending Up



Price to Book = 1.5
Above Average and Trending Down



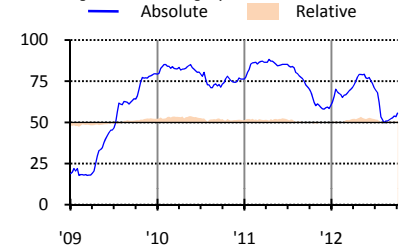
3M Diffusion Index = 41.9
Medium-Low and Trending Down



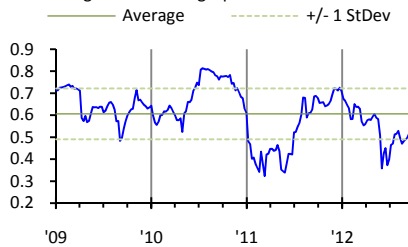
Revenues: Next 4Q, YoY = 4.6%
Positive and Trending Down



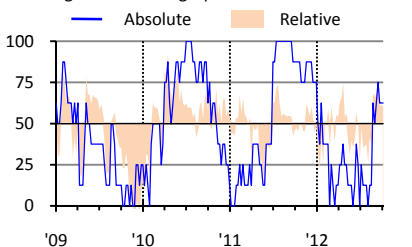
3M Diffusion Index = 55.6
Medium-High and Trending Up



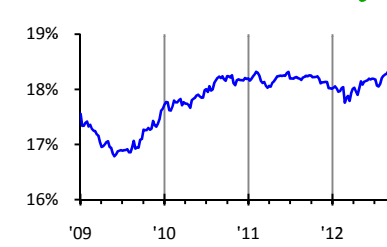
Correlation: Avg Stock to Idx, 12W ma = 0.50
Below Average and Trending Up



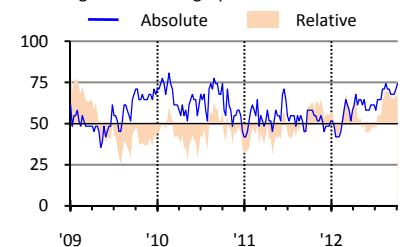
3M Diffusion Index = 62.5
Medium-High and Trending Up



Margins (Oper Earn as % of Rev) = 18.4%

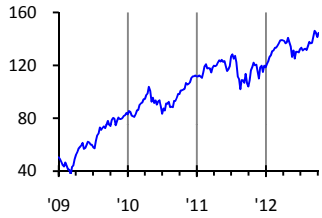


3M Diffusion Index = 74.2
Medium-High and Trending Up

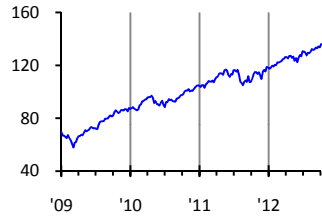


ABSOLUTE

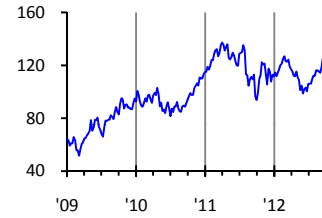
Consumer Discretionary



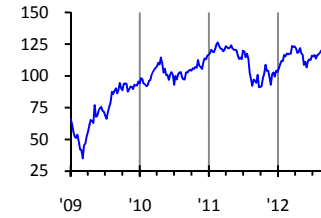
Consumer Staples



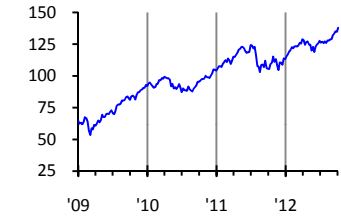
Energy



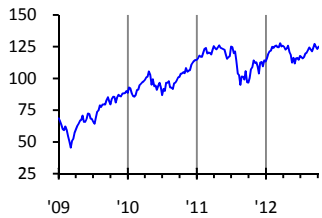
Financials



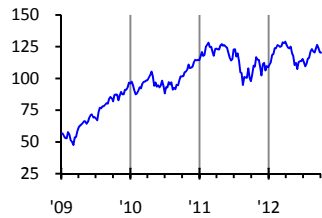
Health



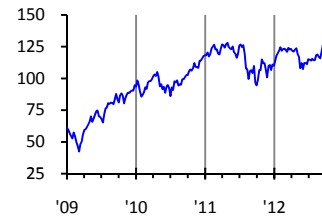
Industrials



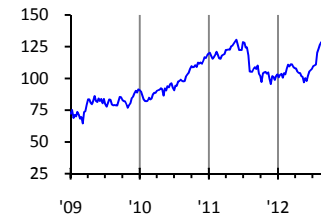
Information Technology



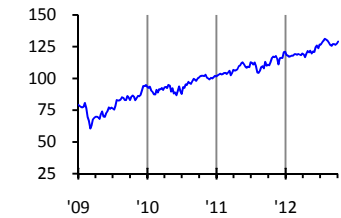
Materials



Telecommunication Services

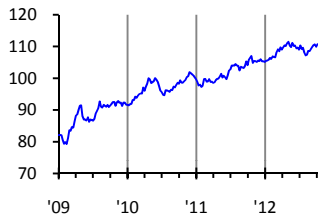


Utilities

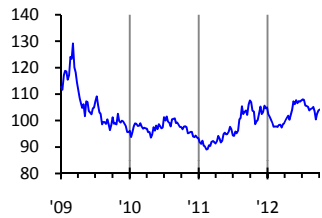


RELATIVE TO TOTAL INDEX

Consumer Discretionary



Consumer Staples



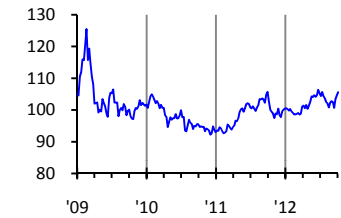
Energy



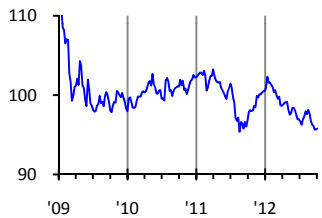
Financials



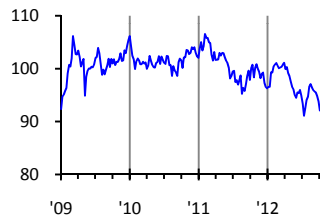
Health



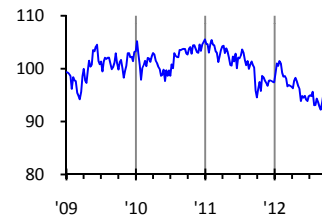
Industrials



Information Technology



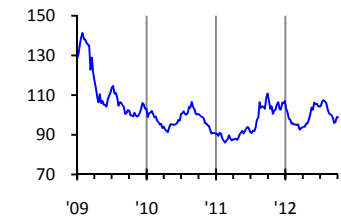
Materials



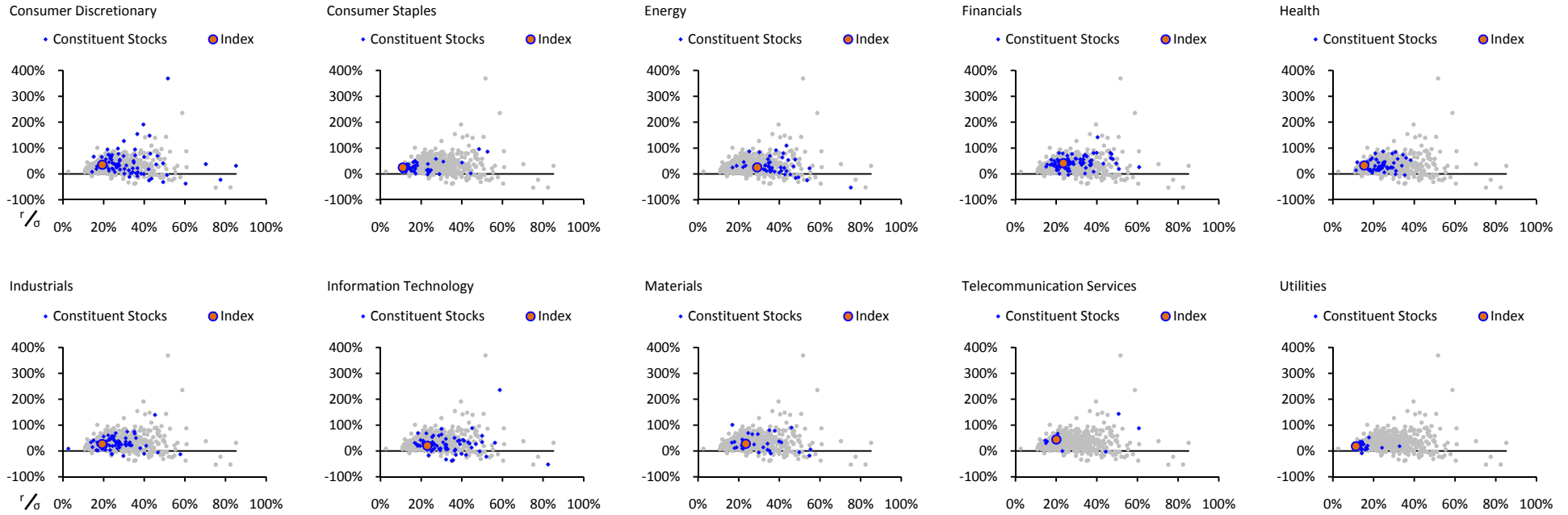
Telecommunication Services



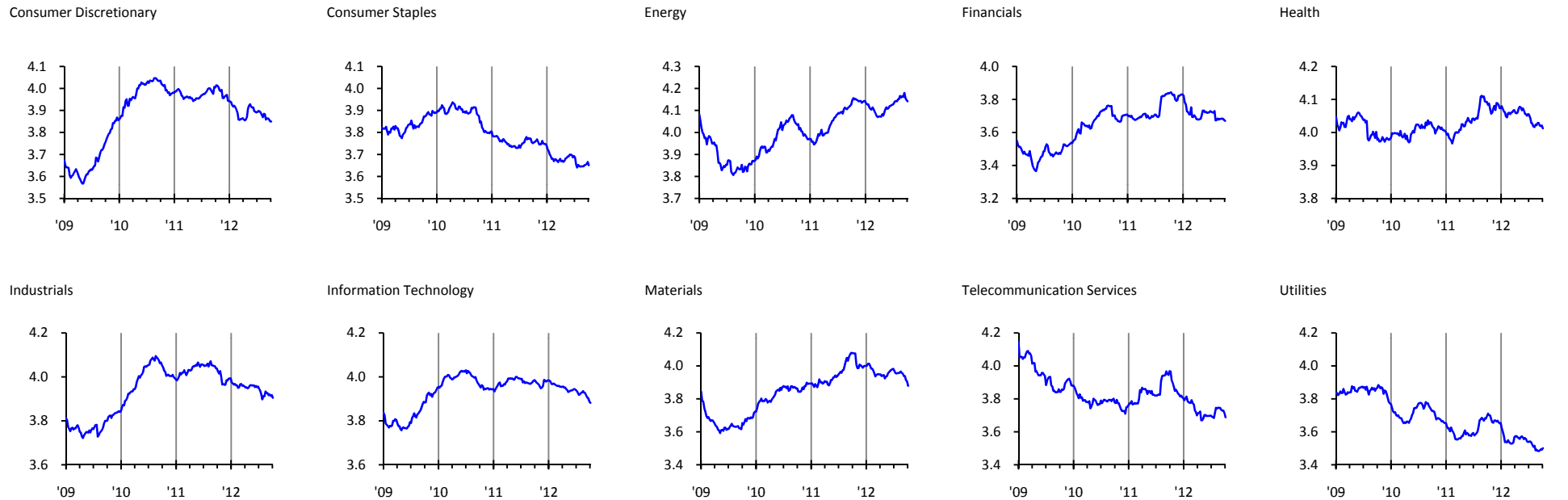
Utilities



RISK AND RETURN (52 wk return vs st dev, ann'd)

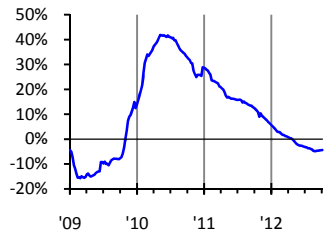


AVERAGE ANALYST RATING

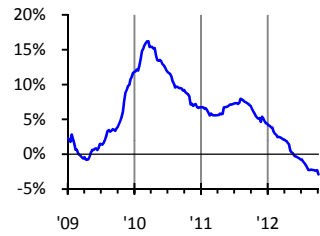


OPERATING EARNINGS: NEXT 4Q, YOY

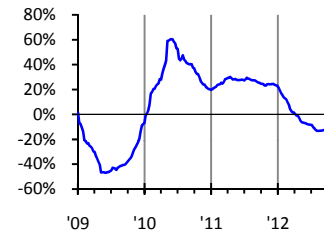
Consumer Discretionary



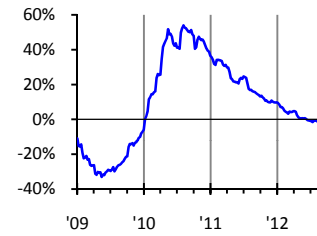
Consumer Staples



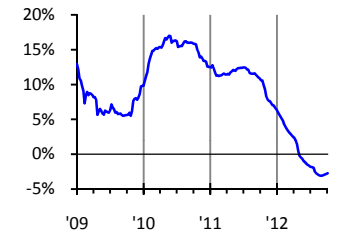
Energy



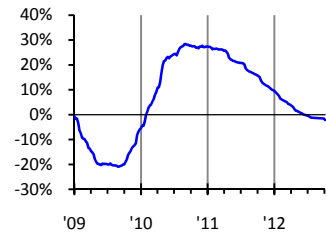
Financials



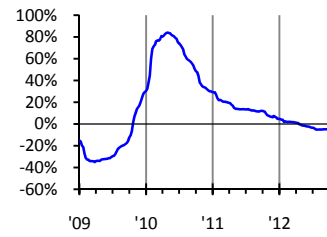
Health



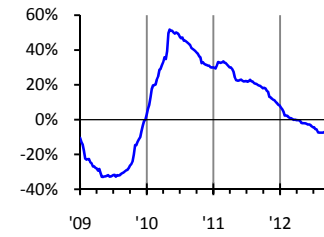
Industrials



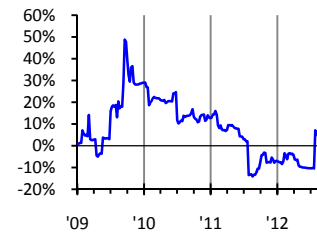
Information Technology



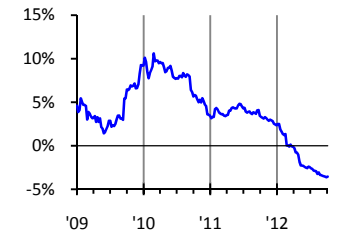
Materials



Telecommunication Services

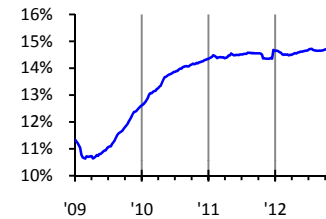


Utilities

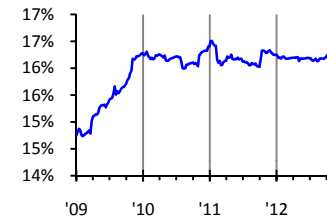


OPERATING MARGINS: EARNINGS AS % OF REVENUES

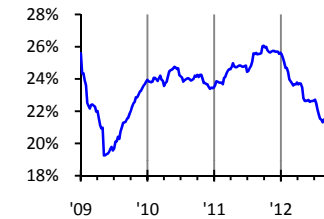
Consumer Discretionary



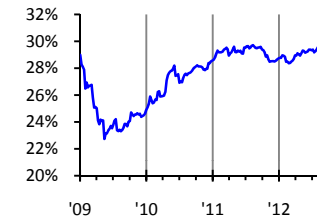
Consumer Staples



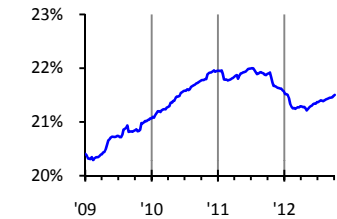
Energy



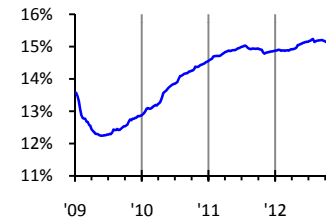
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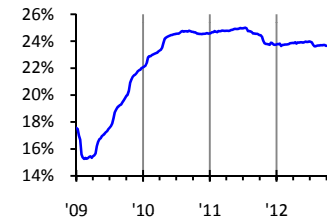
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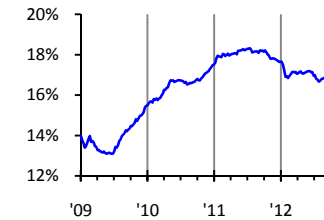
Industrials



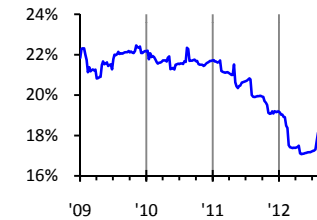
Information Technology



Materials



Telecommunication Services



Utilities

