S&P Dow Jones Indices

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PRESS RELEASE

S&P Dow Jones Indices Reports U.S. Dividend Activity for Q1 2018

- **Q1 2018 indicated payments increased by $18.8 billion**
- **S&P 500 dividend payments set record**
- **Yields increase as market falls during Q1 2018**

NEW YORK, April 3, 2018: S&P Dow Jones Indices today announced that the indicated **dividend net increases (increases less decreases) for U.S. domestic common stocks increased $18.8 billion** during Q1 2018, up from the increases of $4.5 billion for Q4 2017 and $10.9 billion for Q1 2017.

For Q1 2018, aggregate increases amounted to $19.9 billion, up from $11.9 billion for Q1 2017. Aggregate dividend decreases fell to $1.0 billion, down from $1.1 billion for Q1 2017.

For the 12-month period ending March 2018, net dividend increases rose 36.5% to $45.1 billion, compared to $33.0 billion for the corresponding 2017 period. Total dividend increases were $57.5 billion, up from $43.4 billion; dividend decreases were $12.5 billion, up from $10.3 billion, as the **General Electric** (GE) $4.2 billion decrease from November 2017 affected the total.

“A rise in both the average and median dividend rate increase for Q1 2018 allowed net indicated dividends to reach a level of momentum not seen since Q1 2012,” **said Howard Silverblatt, Senior Index Analyst, S&P Dow Jones Indices**.

“**Q1 2018 dividend payments for the S&P 500® set a record at $12.79 per share, slightly above the prior record of $12.78 from Q4 2017. On an aggregate basis, investors received $109.2 billion this quarter, up from $100.9 billion during Q1 2017**.”

Additional findings from S&P Dow Jones Indices’ quarterly analysis of the dividend activity of U.S. traded issues include:

<u>Dividend Increases (defined as an increase in dividend payments):</u>

- 948 dividend increases were reported during Q1 2018, compared to 881 during Q1 2017, a 7.6% year-over-year increase.
- For the 12-month period ending March 2018, 2,709 issues increased their payments, compared to 2,596 issues for the 12-month period ending March 2017, a 4.4% year-over-year increase.

<u>Dividend Decreases (defined as either a decrease or suspension in dividend payments):</u>

- 167 issues decreased dividends during Q1 2018, compared to 166 during Q1 2017, a 0.6% year-over-year increase.
- For the 12-month period ending March 2018, 446 issues decreased their dividend payments, compared to 573 decreases during the 12-month period ending March 2017, a 22.2% year-over-year decrease.

<u>Non-S&P 500 domestic common issues:</u>

- The percentage of non-S&P 500 domestic dividend-paying common issues increased to 55.8%, up from 55.2% for Q4 2017, yet down from 56.0% for Q1 2017.
- The weighted dividend yield for paying issues was 2.51%, up from 2.36% for Q4 2017.

Large-, Mid-, and Small-Cap Dividends:

415 issues, or 82.2%, within the **S&P 500** currently pay a dividend, down from 417 for Q4 2017. All 30 members of the **Dow Jones Industrial Average®** pay a dividend.

Silverblatt found that 70.8% of **S&P MidCap 400®** issues pay a cash dividend, up from 70.0% for Q4 2017; 50.8% of **S&P SmallCap 600®** issues pay a dividend, down from 51.2% for Q4 2017.

Yields continued to vary, with large-caps at 1.96% (1.87% for Q4 2017), mid-caps at 1.62% (1.49% for Q4 2017) and small-caps at 1.30% (1.23% for Q4 2017).

The **yields across dividend-paying** market-size classifications remain competitive, with large-caps at 2.37% (2.24% for Q4 2017), mid-caps at 2.20% (2.06% for Q4 2017) and small-caps at 2.41% (2.25% for Q4 2017).

Q1 2018

Silverblatt calculated that within the S&P 500, the average dividend increase during Q1 2018 was 13.9%, up from 10.4% during Q4 2017 and 10.2% during Q1 2017. The median increase was 10.3%, up from 8.2% during Q4 2017 and 7.9% during Q1 2017. Supporting the depth of increases are fewer dividend cuts and a resurgence of payments from Energy issues.

2018

"Using the current declared dividend rates for the S&P 500, 2018 has a 5.5% increase of dividend payments over 2017, up from 2.3% at year-end 2017, with three quarters of the year yet to go," said Silverblatt.

"At this point, given the record cash levels, repatriation and expected record earnings helped by lower tax rates, **2018 could post its seventh consecutive year of record payments. There is potential for a return to double-digit gains, last seen during 2015**."

For more information about S&P Dow Jones Indices, please visit www.spdji.com.

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S&P DJI MEDIA CONTACTS:

Luke Shane, US Communications
(+1) 212 438 8184 luke.shane@spglobal.com

INDEX INVESTMENT STRATEGY:
Howard Silverblatt, Senior Index Analyst
(+1) 212 438 3916 howard.silverblatt@spglobal.com