

S&P 500 Q1 2018 Buybacks Rose 38% to Record \$189.1 Billion

- Q1 2018 share repurchases eclipse prior record from Q3 2007 by 9.9%
- Strong year-over-year gain in operating earnings
- Full-year March 2018 expenditures rose 13.2% from full-year March 2017
- 12-month shareholder return tops \$1 trillion for the first time

NEW YORK, June 25, 2018: S&P Dow Jones Indices (“S&P DJI”) today announced preliminary results indicating that **S&P 500® stock buybacks**, or share repurchases, **totaled \$189.1 billion for Q1 2018, displacing the prior quarterly record of \$171.9 billion set during Q3 2007.** This is a 38.0% increase from the \$137.0 billion reported for Q4 2017 and a 42.0% increase from the \$133.1 billion reported for Q1 2017.

For the **12-month period ending March 2018**, S&P 500 issues spent **\$575.3 billion on buybacks**, up 13.2% from \$508.1 billion for the corresponding 2017 period. It is 2.4% lower than the record \$589.4 billion, set during the 12-month period ending March 2016.

Total shareholder return of buybacks and dividends for the 12-month period ending March 2018 surpassed \$1 trillion for the first time, totaling \$1.003 trillion, up 10.3% from \$909.6 billion for the corresponding 2017 period.

Historical data on S&P 500 buybacks is available at www.spdji.com/indices/equity/sp-500.

Key Takeaways:

- The number of issues with substantially reduced share counts of at least 4.0% year-over-year, which increases EPS, declined to 13.5%. This is lower than the 20% quarterly rate posted during 2015 and 2016, and the rate continues to decline; substantially reduced share counts totaled 15.1% for Q4 2017 and 14.8% for Q1 2017.
- For Q1 2018, 65 issues experienced substantially reduced share counts, down from 70 for both Q4 2017 and Q3 2017 and 71 for Q1 2017.
- Total shareholder return for the quarter set a record; at \$298.2 billion, it is 21.0% higher than the \$246.4 billion reported for Q4 2017. The prior record was \$258.1 billion, set during Q1 2016.
- S&P 500 dividends totaled \$109.2 billion, slightly down from the record of \$109.5 billion Q4 2017.
- For the 12-month period ending March 2018, total shareholder return was a record-setting \$1.003 trillion, up 10.3% from \$909.6 billion for the corresponding 2017 period.
- 250 S&P 500 issues reduced their share count during Q1 2018, compared to 294 during Q4 2017 and 255 during Q1 2017.

“Q1 2018 buybacks set a new record after a strong 26.6% year-over-year gain in operating earnings,” said **Howard Silverblatt, Senior Index Analyst at S&P Dow Jones Indices.**

“However, the buying was rather top heavy. **The top 20 issues accounted for 49.5% of S&P 500 buybacks, which is a jump from the 10-year average of 41.5%.**”

“Fewer index issues are experiencing a significant EPS tailwind, as share count reductions greater than 4.0% continues to decrease. **Further, the number of issues increasing their share count rose to 42.6% and was the largest since Q2 2013.**”

GICS® Sector Analysis:

Information Technology expenditures jumped 77.1% to \$63.4 billion, compared to \$35.8 billion for Q4 2017. The sector represents 33.5% of the index’s buybacks, up from 26.1% for Q4 2017.

Health Care expenditures more than doubled, up 125.3% to \$35.6 billion, compared to \$15.8 billion for Q4 2017. It was 20.3% more than the \$27.0 billion expenditure from Q1 2017.

Consumer sectors spent less, as Consumer Discretionary buybacks declined 10.1% to \$18.7 billion, down from \$20.8 billion for Q4 2017. **Consumer Staples** fell 30.8% to \$7.3 billion, down from \$10.5 billion for Q4 2017.

Issues:

The five issues with the highest total buybacks for Q1 2018 are:

- **Apple (AAPL) set a quarterly record for an S&P 500 issue**, spending \$22.8 billion for Q1 2018 and displacing its prior record of \$18.0 billion from Q1 2014. Apple has the top four quarterly buybacks in S&P 500 history. It accounted for 35.9% of the IT sector’s buybacks and 12.0% of all S&P 500 buybacks for Q1 2018.
- **Amgen (AMGN):** \$10.7 billion for Q1 2018, up from \$0.8 billion for Q4 2017 and \$0.6 billion for Q1 2017. Its Q1 2018 expenditure is the 12th most in index history. AMGN was 30% of all S&P 500 Health Care buybacks for Q1 2018.
- **Cisco Systems (CSCO):** \$6.2 billion for Q1 2018, up from \$3.9 billion for Q4 2017 and \$0.6 billion for Q1 2017.
- **Pfizer (PFE):** \$6.1 billion for Q1 2018, up from \$0 for Q4 2017 and \$5.0 billion for Q1 2017.
- **Bank of America (BAC):** \$4.9 billion for Q1 2018, unchanged from Q4 2017 and up from \$2.7 billion for Q1 2017.

Total Shareholder Return:

Silverblatt determined that **total shareholder return**, through regular cash dividends and buybacks, **increased 21.0% to \$298.2 billion** for Q1 2018, up from \$246.4 billion for Q4 2017.

For the 12-month period ending March 2018, shareholder return totaled \$1.003 trillion, up 10.3% from \$909.6 billion for the 12-month period ending March 2017.

S&P 500 dividends posted a slight decrease for Q1 2018; at \$109.2 billion, it was 0.2% down from a record-setting \$109.5 billion for Q4 2017. Dividend payments totaled a record \$428.1 billion for the 12-month period ending March 2018, up 6.6% from \$401.4 billion for the 12-month period ending March 2017.

“For the remainder of 2018, expectations are high for record corporate expenditures in both buybacks and dividends,” said Silverblatt.

“Dividends, which are on track to set a seventh consecutive record annual payment for 2018, have the potential to return to double-digit gains last seen in 2015; full-year 2016 posted a 5.4% gain and full-year 2017 had a 7.0% gain.

“S&P 500 issues have increased the size of their dividends hikes this year by an average of 13.60%, versus 11.36% for full-year 2017 and 10.51% for full-year 2016. Year-to-date there have been 212 dividend increases in the S&P 500, with only one decrease as the result of a spin-off.”

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

S&P Dow Jones Indices									
S&P 500, \$ U.S. BILLIONS									
PERIOD	MARKET VALUE	(preliminary in bold)		DIVIDENDS	BUYBACKS	DIVIDEND YIELD	BUYBACK YIELD	DIVIDEND & BUYBACK YIELD	DIVIDENDS & BUYBACKS
		OPERATING EARNINGS	AS REPORTED EARNINGS						
	\$ BILLIONS	\$ BILLIONS	\$ BILLIONS	\$ BILLIONS	\$ BILLIONS				\$ BILLION
12 Months Mar 2018	\$22,495.97	\$1,129.00	\$984.70	\$428.09	\$575.30	1.90%	2.56%	4.46%	\$1,003.39
12 Months Mar 2017	\$20,275.97	\$958.19	\$864.83	\$401.41	\$508.15	1.98%	2.51%	4.49%	\$909.56
2017	\$22,821.24	\$1,066.00	\$940.86	\$419.77	\$519.40	1.84%	2.28%	4.12%	\$939.17
2016	\$19,267.93	\$919.85	\$818.55	\$397.21	\$536.38	2.06%	2.78%	4.85%	\$933.60
2015	\$17,899.56	\$885.38	\$762.74	\$382.32	\$572.16	2.14%	3.20%	5.33%	\$954.47
3/29/2018 Prelim.	\$22,496	\$310.33	\$279.49	\$109.18	\$189.05	1.90%	2.56%	4.46%	\$298.23
12/29/2017	\$22,821	\$288.93	\$230.12	\$109.46	\$136.97	1.84%	2.28%	4.12%	\$246.43
9/29/2017	\$21,579	\$268.35	\$243.68	\$105.45	\$129.17	1.92%	2.40%	4.32%	\$234.61
6/30/2017	\$20,762	\$261.39	\$231.40	\$104.01	\$120.11	1.96%	2.41%	4.37%	\$224.12
3/31/2017	\$20,276	\$247.32	\$235.65	\$100.86	\$133.15	1.98%	2.51%	4.49%	\$234.01
12/31/2016	\$19,268	\$240.11	\$207.93	\$103.82	\$135.29	2.06%	2.78%	4.85%	\$239.11
9/30/2016	\$18,742	\$247.98	\$219.46	\$98.43	\$112.20	2.10%	2.92%	5.01%	\$210.63
6/30/2016	\$18,193	\$222.77	\$201.79	\$98.30	\$127.50	2.14%	3.22%	5.36%	\$225.81
3/31/2016	\$17,958	\$208.99	\$189.37	\$96.67	\$161.39	2.15%	3.28%	5.43%	\$258.05
12/31/2015	\$17,900	\$201.95	\$163.76	\$99.39	\$145.88	2.14%	3.20%	5.33%	\$245.27
9/30/2015	\$16,917	\$224.14	\$204.58	\$95.07	\$150.58	2.22%	3.30%	5.52%	\$245.66
6/30/2015	\$18,219	\$230.84	\$201.35	\$94.45	\$131.56	2.03%	3.04%	5.07%	\$226.01
3/31/2015	\$18,303	\$228.45	\$193.05	\$93.41	\$144.13	1.98%	2.94%	4.92%	\$237.54
12/30/2014	\$18,245	\$237.14	\$202.31	\$92.80	\$132.63	1.92%	3.03%	4.95%	\$225.43
9/30/2014	\$17,519	\$262.92	\$244.00	\$89.02	\$145.19	1.96%	3.14%	5.10%	\$234.22
6/30/2014	\$17,404	\$260.50	\$240.96	\$86.65	\$116.17	1.91%	3.06%	4.98%	\$202.82
3/31/2014	\$16,700	\$243.67	\$221.82	\$81.96	\$159.28	1.93%	3.20%	5.14%	\$241.24
12/31/2013	\$16,495	\$252.10	\$236.31	\$84.98	\$129.41	1.89%	2.88%	4.77%	\$214.40
9/30/2013	\$14,960	\$239.50	\$219.13	\$79.26	\$128.16	2.05%	2.98%	5.03%	\$207.42
6/30/2013	\$14,310	\$234.84	\$221.56	\$76.67	\$118.05	2.07%	2.94%	5.02%	\$194.72
3/31/2013	\$13,979	\$229.57	\$215.76	\$70.86	\$99.97	2.06%	2.97%	5.02%	\$170.82
12/31/2012	\$12,742	\$206.84	\$184.50	\$79.83	\$99.15	2.20%	3.13%	5.33%	\$178.98

S&P Dow Jones Indices						
S&P 500 SECTOR BUYBACKS						
SECTOR \$ MILLIONS	Q1,'18	Q4,'17	Q1,'17	12MoMar', '18	12MoMar', '17	5-YEARS
Consumer Discretionary	\$18,679	\$20,775	\$16,196	\$86,053	\$79,053	\$420,461
Consumer Staples	\$7,257	\$10,490	\$14,469	\$43,620	\$46,200	\$221,203
Energy	\$10,115	\$5,203	\$2,107	\$20,744	\$5,816	\$117,407
Financials	\$33,802	\$33,903	\$29,497	\$128,772	\$107,148	\$478,108
Healthcare	\$35,632	\$15,814	\$27,010	\$73,605	\$83,971	\$363,783
Industrials	\$16,628	\$11,561	\$14,113	\$56,075	\$64,050	\$337,940
Information Technology	\$63,424	\$35,817	\$27,477	\$154,795	\$112,253	\$710,624
Materials	\$2,283	\$2,067	\$1,359	\$6,781	\$7,353	\$67,622
Real Estate	\$883	\$1,314	\$574	\$4,153	\$1,333	\$5,486
Telecommunication Services	\$170	\$9	\$191	\$464	\$708	\$18,055
Utilities	\$179	\$17	\$158	\$237	\$262	\$5,195
TOTAL	\$189,051	\$136,969	\$133,150	\$575,299	\$508,146	\$2,745,885

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S&P Dow Jones Indices								
S&P 500 20 LARGEST Q1 2018 BUYBACKS, \$ MILLIONS								
Company	Ticker	Sector	Q1,'18	12MO Mar,'18	12MO Dec,'16	5-Year	10-year	Indicated
			Buybacks	Buybacks	Buybacks	Buybacks	Buybacks	Dividend
			\$ Million	\$ Million	\$ Million	\$ Million	\$ Million	\$ Million
Apple	AAPL	Information Technology	\$22,756	\$47,739	\$34,204	\$196,636	\$198,586	\$14,816
Amgen	AMGN	Healthcare	\$10,697	\$13,271	\$2,875	\$18,827	\$41,869	\$3,529
Cisco Systems	CSCO	Information Technology	\$6,213	\$13,394	\$3,856	\$36,842	\$63,235	\$6,359
Pfizer	PFE	Healthcare	\$6,063	\$6,063	\$5,000	\$37,564	\$58,341	\$8,096
Bank of America	BAC	Financials	\$4,858	\$14,944	\$6,840	\$30,053	\$30,071	\$4,938
JPMorgan	JPM	Financials	\$4,671	\$17,249	\$10,218	\$41,750	\$57,843	\$7,688
Oracle	ORCL	Information Technology	\$4,000	\$7,428	\$5,284	\$41,992	\$62,679	\$3,146
Microsoft	MSFT	Information Technology	\$3,781	\$10,124	\$13,700	\$58,917	\$104,747	\$12,936
Phillips 66	PSX	Energy	\$3,513	\$4,818	\$936	\$11,803	\$12,296	\$1,493
Wells Fargo	WFC	Financials	\$3,336	\$11,103	\$8,647	\$45,331	\$53,631	\$7,609
Boeing	BA	Industrials	\$3,000	\$9,736	\$6,000	\$33,790	\$35,619	\$4,025
Citigroup	C	Financials	\$2,853	\$15,544	\$10,241	\$35,870	\$38,080	\$3,290
Celgene	CELG	Healthcare	\$2,700	\$6,240	\$1,043	\$16,656	\$22,325	\$0
UnitedHealth Group	UNH	Healthcare	\$2,650	\$3,468	\$1,462	\$13,265	\$25,416	\$3,484
Applied Materials	AMAT	Information Technology	\$2,500	\$4,042	\$779	\$7,768	\$10,773	\$841
Alphabet	GOOGL	Information Technology	\$2,173	\$5,892	\$2,722	\$12,492	\$13,410	\$0
Visa	V	Information Technology	\$2,072	\$7,370	\$6,934	\$27,668	\$37,301	\$1,514
Anadarko Petroleum	APC	Energy	\$1,959	\$3,030	\$29	\$3,234	\$4,075	\$515
Intel	INTC	Information Technology	\$1,914	\$4,637	\$2,973	\$24,914	\$53,115	\$5,616
Morgan Stanley	MS	Financials	\$1,868	\$4,999	\$4,118	\$14,709	\$17,448	\$1,792
Top 20			\$93,577	\$211,091	\$127,861	\$710,081	\$940,859	\$91,686
S&P 500			\$189,051	\$575,299	\$508,146	\$2,745,885	\$4,312,047	\$465,564
Top 20 % of S&P 500			49.50%	36.69%	25.16%	25.86%	21.82%	19.69%
Gross values are not adjusted for float								

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S&P Dow Jones Indices				
S&P 500 20 Largest Quarterly Buybacks, \$ Millions, as of Q1 2018, 2 added				
\$ MILLIONS	QUARTER	COMPANY	SECTOR	
\$22,756	Q1 2018	Apple	Information Technology	1
\$17,971	Q1 2014	Apple	Information Technology	2
\$17,000	Q3 2014	Apple	Information Technology	3
\$16,000	Q2 2013	Apple	Information Technology	4
\$15,707	Q2 2007	International Business Machines	Information Technology	5
\$13,253	Q3 2015	Apple	Information Technology	6
\$12,852	Q2 2012	Johnson & Johnson	Healthcare	7
\$12,318	Q4 2016	Allergan plc (AGN)	Healthcare	8
\$12,183	Q3 2012	Johnson & Johnson	Healthcare	9
\$10,851	Q4 2016	Apple	Information Technology	10
\$10,723	Q3 2007	Home Depot	Consumer Discretionary	11
\$10,697	Q1 2018	Amgen	Healthcare	12
\$10,166	Q2 2016	Apple	Information Technology	13
\$10,095	Q4 2017	Apple	Information Technology	14
\$10,000	Q2 2015	Apple	Information Technology	15
\$9,859	Q4 2007	Transocean	Energy	16
\$9,179	Q4 2006	Exxon Mobil	Energy	17
\$9,465	Q1 2008	Exxon Mobil	Energy	18
\$8,845	Q4 2008	Exxon Mobil	Energy	19
\$8,761	Q2 2008	Exxon Mobil	Energy	20
\$248,681		TOP 20		

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S&P Dow Jones Indices			
S&P 500 Q1 2018 Buyback Report			
SECTOR	DIVIDEND	BUYBACK	COMBINED
	YIELD	YIELD	YIELD
Consumer Discretionary	1.32%	2.76%	4.08%
Consumer Staples	3.52%	2.62%	6.15%
Energy	2.91%	1.47%	4.38%
Financials	1.84%	3.76%	5.61%
HealthCare	1.75%	2.20%	3.96%
Industrials	2.02%	2.42%	4.44%
Information Technology	1.31%	2.65%	3.96%
Materials	2.00%	1.09%	3.09%
Real Estate	3.69%	0.65%	4.35%
Telecommunication Services	5.80%	0.11%	5.91%
Utilities	3.75%	0.04%	3.78%
S&P 500	2.00%	2.45%	4.45%
Uses full values (unadjusted for float)			
Dividends based on indicated; buybacks based on the last 12-months ending Q1, '18			

Q1 2018		
% of S&P 500 issues with at least a 4% change		
Share Count Reduction (SCR)	SCR	SCR
(Y/Y diluted shares used for EPS)	>=4%	<=-4%
Q1 2018	7.03%	13.45%
Q4 2017	6.83%	15.06%
Q3 2017	8.62%	14.23%
Q2 2017	10.00%	14.00%
Q1 2017	12.00%	14.80%
Q4 2016	10.48%	19.35%
Q3 2016	9.94%	23.73%
Q2 2016	10.48%	26.61%
Q1 2016	10.06%	28.17%
Q4 2015	9.48%	25.81%
Q3 2015	9.64%	22.69%
Q2 2015	9.04%	21.08%
Q1 2015	7.62%	21.04%

ABOUT S&P DOW JONES INDICES

S&P Dow Jones Indices is the largest global resource for essential index-based concepts, data and research, and home to iconic financial market indicators, such as the S&P 500® and the Dow Jones Industrial Average®. More assets are invested in products based on our indices than products based on indices from any other provider in the world. Since Charles Dow invented the first index in 1884, S&P DJI has become home to over 1,000,000 indices across the spectrum of asset classes that have helped define the way investors measure and trade the markets.

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