

## S&P 500 Q3 2017 Buybacks Increase 7.5% to \$129.2 Billion

- Buybacks fall 5.3% for the 12-month year-over-year period
- EPS support via discretionary share count reductions stabilize at lower level
- Cash reserves jump, set another record

**NEW YORK, DEC. 13, 2017:** S&P Dow Jones Indices (“S&P DJI”) today announced preliminary results indicating that **S&P 500<sup>®</sup> stock buybacks**, or share repurchases, **totaled \$129.2 billion for Q3 2017. This is a 7.5% increase from the \$120.1 billion reported for Q2 2017 and a 15.2% increase from the \$112.2 billion reported for Q3 2016.**

For the 12-month period ending September 2017, S&P 500 issues spent **\$517.7 billion on buybacks**, down 5.3% from \$547.0 billion for the 12-month period ending September 2016.

Historical data on S&P 500 buybacks is available at: [www.spdji.com/indices/equity/sp-500](http://www.spdji.com/indices/equity/sp-500).

### **Key Takeaways:**

- The number of S&P 500 issues substantially reducing their year-over-year share count slightly increased to 14.2% for Q3 2017, compared to 14.0% for Q2 2017 and 23.7% for Q3 2016.
- Total shareholder return totaled \$234.6 billion, up 4.7% from \$224.1 billion for Q2 2017.
- S&P 500 dividends set a new record payment, at \$105.4 billion, compared to \$104.0 billion for Q2 2017.
- For the 12-month period ending September 2017, total shareholder return was \$931.9 billion, down 0.8% from \$939.8 billion for the 12-month period ending September 2016.
- 274 S&P 500 issues reduced their share count for Q3 2017, compared to 268 for Q2 2017 and 257 for Q3 2016.
- Year-over-year share count reductions of at least 4%, which are seen as affecting EPS, increased to 70 issues for Q3 2017, compared to 66 for Q2 2017 and 117 for Q3 2016.

“Buyback expenditures for Q3 2017 increased slightly more than share prices, even though the EPS tailwind remains weaker than recent history,” said **Howard Silverblatt, Senior Index Analyst at S&P Dow Jones Indices**.

“For the last two years, more than 20% of S&P 500 issues provided at least a 4% tailwind to EPS via significantly-reduced share counts. For 2017, that rate has stabilized closer to 14%. Earnings, which set a record in Q3 2017, are expected to rise again during Q4 and appear stable due to improvements in both profit margins and sales.”

Buyback concentration increased for the quarter. The top 20 issues accounted for 45.5% (\$58.8 billion) of all share repurchases, up from 38.6% (\$46.4 billion) for Q2 2017 and 42.3% (\$47.5 billion) for Q3 2016.

### **GICS<sup>®</sup> Sector Analysis:**

**Consumer Staples** buybacks surged 51.3% to \$15.6 billion, up from \$10.3 billion for Q2 2017.

**Financials** posted a strong 27.7% increase to \$34.3 billion, spending the most of any sector and representing 26.5% of all buybacks. The sector appears committed to fulfilling their share repurchase programs.

**Information Technology** expenditures rose 1.1% to \$27.9 billion, compared to \$27.6 billion for Q2 2017. The sector represents 21.6% of all buybacks but has 46% of the index's cash reserves.

**Issues:**

**Apple** (AAPL) spent \$7.8 billion for Q3 2017, up from \$7.1 billion for Q2 2017 and \$6.0 billion for Q3 2016; the issue spent the most of any issue for the quarter.

**Citigroup** (C) was second, with \$5.4 billion, up from \$1.8 billion for Q2 2017 and \$2.5 billion for Q3 2016.

**J. P. Morgan** (JPM) was third, with \$4.8 billion, up from \$3.0 billion for Q2 2017 and \$2.3 billion for Q3 2016.

**Walgreens Boots Alliance** (WBA) came in fourth, with \$3.8 billion, up from \$1.0 billion for Q2 2017 and none for Q3 2016.

**Charter Communications** (CHTR) rounded out the top five, at \$3.5 billion, up from \$3.3 billion in Q2 2017 and \$0.3 billion for Q3 2016.

**Total Shareholder Return:**

**Silverblatt** determined that **total shareholder return**, through regular cash dividends and buybacks, **increased 4.7% to \$234.6 billion** for Q3 2017, up from \$224.1 billion for Q2 2017. For the 12-month period ending September 2017, shareholder return totaled \$931.9 billion, down 0.8% from \$939.8 billion for the 12-month period ending September 2016.

Dividends posted a 1.4% increase for Q3 2017, to a record \$105.4 billion, up from \$104.0 billion for Q2 2017. Payments totaled \$414.1 billion for the 12-month period ending September 2017, up 5.3% from \$392.8 billion for the 12-month period ending September 2016. With Q4 2017 nearing its end, the quarter is expected to post another record for cash dividend payments, even as **General Electric** (GE) reduced its annual rate by 50% (\$4.2 billion).

According to Silverblatt, preliminary **cash reserves increased from Q2 2017**. S&P 500 Industrial (Old), which consists of the S&P 500 less Financials, Transportations, Real Estate and Utilities, available cash and equivalent surpassed \$1.6 trillion for the first time, standing at \$1.630 trillion. Available cash stood at \$1.534 trillion for Q2 2017 and \$1.487 trillion for Q3 2016.

"While the current quarter ticked up, the pace of both buyback and dividend growth has been waning," said Silverblatt.

"Record-level cash reserves could reach shareholders, with the current belief being that buybacks would benefit more than dividends. Dividends are a pure cash-flow item and are considered longer-term events than buybacks; once increased, a dividend cut usually solicits a negative market reaction."

For more information about S&P Dow Jones Indices, please visit [www.spdji.com](http://www.spdji.com).

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S&P Dow Jones Indices								
S&P 500, \$ U.S. BILLIONS								
(preliminary in bold)								
PERIOD	MARKET	OPERATING	AS REPORTED			DIVIDEND &		
	VALUE	EARNINGS	EARNINGS	DIVIDENDS	BUYBACKS	DIVIDEND	BUYBACK	BUYBACK
	\$ BILLIONS	\$ BILLIONS	\$ BILLIONS	\$ BILLIONS	\$ BILLIONS	YIELD	YIELD	YIELD
<b>12 Months Sep 2017</b>	\$21,579	<b>\$1,017.52</b>	<b>\$918.75</b>	<b>\$414.13</b>	<b>\$517.72</b>	<b>1.92%</b>	<b>2.40%</b>	<b>4.32%</b>
12 Months Sep 2016	\$18,742	\$881.68	\$774.38	\$392.79	\$546.97	2.10%	2.92%	5.01%
2016	\$19,268	\$919.85	\$818.55	\$397.21	\$536.38	2.06%	2.78%	4.85%
2015	\$17,900	\$885.38	\$762.74	\$382.32	\$572.16	2.14%	3.20%	5.33%
2014	\$18,245	\$1,004.22	\$909.09	\$350.43	\$553.28	1.92%	3.03%	4.95%
<b>9/29/2017 Prelim.</b>	\$21,579	<b>\$268.69</b>	<b>\$243.77</b>	<b>\$105.45</b>	<b>\$129.17</b>	<b>1.92%</b>	<b>2.40%</b>	<b>4.32%</b>
6/30/2017	\$20,762	\$261.39	\$231.40	\$104.01	\$120.11	1.96%	2.41%	4.37%
3/31/2017	\$20,276	\$247.32	\$235.65	\$100.86	\$133.15	1.98%	2.51%	4.49%
12/31/2016	\$19,268	\$240.11	\$207.93	\$103.82	\$135.29	2.06%	2.78%	4.85%
9/30/2016	\$18,742	\$247.98	\$219.46	\$98.43	\$112.20	2.10%	2.92%	5.01%
6/30/2016	\$18,193	\$222.77	\$201.79	\$98.30	\$127.50	2.14%	3.22%	5.36%
3/31/2016	\$17,958	\$208.99	\$189.37	\$96.67	\$161.39	2.15%	3.28%	5.43%
12/31/2015	\$17,900	\$201.95	\$163.76	\$99.39	\$145.88	2.14%	3.20%	5.33%
9/30/2015	\$16,917	\$224.14	\$204.58	\$95.07	\$150.58	2.22%	3.30%	5.52%
6/30/2015	\$18,219	\$230.84	\$201.35	\$94.45	\$131.56	2.03%	3.04%	5.07%
3/31/2015	\$18,303	\$228.45	\$193.05	\$93.41	\$144.13	1.98%	2.94%	4.92%
12/30/2014	\$18,245	\$237.14	\$202.31	\$92.80	\$132.63	1.92%	3.03%	4.95%
9/30/2014	\$17,519	\$262.92	\$244.00	\$89.02	\$145.19	1.96%	3.14%	5.10%
6/30/2014	\$17,404	\$260.50	\$240.96	\$86.65	\$116.17	1.91%	3.06%	4.98%
3/31/2014	\$16,700	\$243.67	\$221.82	\$81.96	\$159.28	1.93%	3.20%	5.14%
12/31/2013	\$16,495	\$252.10	\$236.31	\$84.98	\$129.41	1.89%	2.88%	4.77%
9/30/2013	\$14,960	\$239.50	\$219.13	\$79.26	\$128.16	2.05%	2.98%	5.03%
6/30/2013	\$14,310	\$234.84	\$221.56	\$76.67	\$118.05	2.07%	2.94%	5.02%
3/31/2013	\$13,979	\$229.57	\$215.76	\$70.86	\$99.97	2.06%	2.97%	5.02%
12/31/2012	\$12,742	\$206.84	\$184.50	\$79.83	\$99.15	2.20%	3.13%	5.33%
9/30/2012	\$12,881	\$214.58	\$189.64	\$69.48	\$103.72	2.07%	3.01%	5.08%

S&P Dow Jones Indices							
S&P 500 SECTOR BUYBACKS							
SECTOR \$ MILLIONS	Q3,'17	Q2,'17	Q3,'16	12MO SEP,'17	12MO SEP,'16	5-YEARS	
<b>Consumer Discretionary</b>	\$24,242	\$22,357	\$21,970	\$83,398	\$91,873	\$411,266	
<b>Consumer Staples</b>	\$15,578	\$10,296	\$8,397	\$51,957	\$48,219	\$226,089	
<b>Energy</b>	\$2,320	\$3,107	\$1,344	\$8,513	\$7,369	\$118,850	
<b>Financials</b>	\$34,252	\$26,815	\$25,213	\$117,336	\$102,603	\$434,418	
<b>Healthcare</b>	\$9,523	\$12,636	\$13,089	\$78,066	\$75,146	\$340,717	
<b>Industrials</b>	\$13,087	\$14,799	\$13,267	\$56,771	\$81,220	\$330,327	
<b>Information Technology</b>	\$27,926	\$27,628	\$25,978	\$111,762	\$126,243	\$651,789	
<b>Materials</b>	\$1,412	\$1,020	\$2,228	\$6,287	\$12,232	\$67,469	
<b>Real Estate</b>	\$806	\$1,150	\$456	\$2,833	\$456	\$3,289	
<b>Telecommunication Services</b>	\$3	\$282	\$247	\$545	\$1,007	\$28,756	
<b>Utilities</b>	\$22	\$20	\$15	\$250	\$602	\$6,008	
<b>TOTAL</b>	<b>\$129,170</b>	<b>\$120,109</b>	<b>\$112,203</b>	<b>\$517,720</b>	<b>\$546,970</b>	<b>\$2,618,978</b>	

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S&P Dow Jones Indices								
S&P 500 20 LARGEST Q3 2017 BUYBACKS, \$ MILLIONS								
Company	Ticker	Sector	Q3,'17	12MO Sep,'17	12MO Sep,'16	5-Year	10-year	Indicated
			Buybacks	Buybacks	Buybacks	Buybacks	Buybacks	Dividend
			\$ Million	\$ Million	\$ Million	\$ Million	\$ Million	\$ Million
Apple	AAPL	Information Technology	\$7,795	\$32,900	\$29,722	\$165,735	\$165,735	\$13,139
Citigroup	C	Financials	\$5,437	\$13,599	\$7,135	\$27,989	\$29,760	\$0
JPMorgan	JPM	Financials	\$4,763	\$12,853	\$8,050	\$34,849	\$48,583	\$7,958
Walgreens	WBA	Consumer Staples	\$3,763	\$5,220	\$1,152	\$8,918	\$14,466	\$4,256
Charter Communications	CHTR	Consumer Discretionary	\$3,525	\$8,862	\$462	\$9,389	\$10,132	\$3,428
Walt Disney	DIS	Consumer Discretionary	\$3,424	\$9,368	\$7,499	\$33,576	\$48,844	\$2,467
Bank of America	BAC	Financials	\$2,981	\$9,275	\$4,581	\$20,326	\$20,470	\$1,185
Wells Fargo	WFC	Financials	\$2,609	\$9,473	\$8,542	\$40,829	\$50,429	\$7,796
Microsoft	MSFT	Information Technology	\$2,570	\$9,996	\$15,574	\$55,814	\$104,255	\$6,150
Procter & Gamble	PG	Consumer Staples	\$2,502	\$5,203	\$4,004	\$22,369	\$55,321	\$4,777
Boeing	BA	Industrials	\$2,500	\$8,000	\$7,251	\$29,054	\$32,999	\$9,051
Wal-Mart Stores	WMT	Consumer Staples	\$2,209	\$8,700	\$8,646	\$29,707	\$61,775	\$3,524
Goldman Sachs Group	GS	Financials	\$2,174	\$6,631	\$6,180	\$28,524	\$46,594	\$12,044
Home Depot	HD	Consumer Discretionary	\$2,146	\$8,412	\$6,492	\$36,147	\$45,724	\$1,219
McDonald's	MCD	Consumer Discretionary	\$2,082	\$5,446	\$11,207	\$26,565	\$42,974	\$0
Cisco Systems	CSCO	Information Technology	\$2,028	\$4,908	\$4,298	\$28,184	\$59,149	\$5,133
Comcast	CMCSA	Consumer Discretionary	\$1,736	\$5,450	\$5,041	\$23,262	\$33,668	\$5,637
Visa	V	Information Technology	\$1,724	\$6,967	\$7,249	\$26,867	\$46,693	\$2,982
General Motors (GM)	GM	Consumer Discretionary	\$1,498	\$2,497	\$2,133	\$18,331	\$19,793	\$1,181
American Express	AXP	Financials	\$1,320	\$4,041	\$4,692	\$21,434	\$27,535	\$5,800
<b>Top 20</b>			<b>\$58,786</b>	<b>\$177,801</b>	<b>\$149,910</b>	<b>\$687,869</b>	<b>\$964,899</b>	<b>\$97,726</b>
<b>S&amp;P 500</b>			<b>\$129,170</b>	<b>\$517,720</b>	<b>\$546,970</b>	<b>\$2,618,978</b>	<b>\$4,241,640</b>	<b>\$438,849</b>
<b>Top 20 % of S&amp;P 500</b>			<b>45.51%</b>	<b>34.34%</b>	<b>27.41%</b>	<b>26.26%</b>	<b>22.75%</b>	<b>22.27%</b>
Gross values are not adjusted for float								

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<b>S&amp;P Dow Jones Indices</b>				
<b>S&amp;P 500 20 Largest Quarterly Buybacks, \$ Millions, as of Q3 2017, no issues added for Q3 2017</b>				
<b>\$ MILLIONS</b>	<b>QUARTER</b>	<b>COMPANY</b>	<b>SECTOR</b>	
\$17,971	Q1 2014	Apple	Information Technology	1
\$17,000	Q3 2014	Apple	Information Technology	2
\$16,000	Q2 2013	Apple	Information Technology	3
\$15,707	Q2 2007	International Business Machines	Information Technology	4
\$13,253	Q3 2015	Apple	Information Technology	5
\$12,852	Q2 2012	Johnson & Johnson	Healthcare	6
\$12,318	Q4 2016	Allergan plc (AGN)	Healthcare	7
\$12,183	Q3 2012	Johnson & Johnson	Healthcare	8
\$10,851	Q4 2016	Apple	Information Technology	9
\$10,723	Q3 2007	Home Depot	Consumer Discretionary	10
\$10,166	Q2 2016	Apple	Information Technology	11
\$10,000	Q2 2015	Apple	Information Technology	12
\$9,859	Q4 2007	Transocean	Energy	13
\$9,179	Q4 2006	Exxon Mobil	Energy	14
\$9,465	Q1 2008	Exxon Mobil	Energy	15
\$8,845	Q4 2008	Exxon Mobil	Energy	16
\$8,761	Q2 2008	Exxon Mobil	Energy	17
\$8,663	Q3 2008	Exxon Mobil	Energy	18
\$8,463	Q3 2007	Exxon Mobil	Energy	19
\$8,166	Q1 2014	International Business Machines	Information Technology	20
<b>\$230,425</b>		<b>TOP 20</b>		
\$7,795	Q3 2017	Apple	Information Technology	27
\$5,437	Q3 2017	Citigroup	Financials	49

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<b>S&amp;P Dow Jones Indices</b>			
<b>S&amp;P 500 Q3 2017 Buyback Report</b>			
<b>SECTOR</b>	<b>DIVIDEND</b>	<b>BUYBACK</b>	<b>COMBINED</b>
	<b>YIELD</b>	<b>YIELD</b>	<b>YIELD</b>
<b>Consumer Discretionary</b>	1.44%	3.08%	4.52%
<b>Consumer Staples</b>	3.05%	2.84%	5.88%
<b>Energy</b>	2.89%	0.65%	3.54%
<b>Financials</b>	1.77%	3.44%	5.20%
<b>HealthCare</b>	1.67%	2.56%	4.24%
<b>Industrials</b>	1.91%	2.53%	4.44%
<b>Information Technology</b>	1.40%	2.21%	3.61%
<b>Materials</b>	1.96%	0.99%	2.95%
<b>Real Estate</b>	3.41%	0.48%	3.89%
<b>Telecommunication Services</b>	5.25%	0.13%	5.38%
<b>Utilities</b>	3.40%	0.04%	3.44%
<b>S&amp;P 500</b>	1.99%	2.35%	4.35%
Uses full values (unadjusted for float)			
Dividends based on indicated; buybacks based on the last 12-months ending Q3,'17			

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