

S&P 500 Buybacks Reverse Declines in Q3 2019; Expenditures Remain Lower than 2018 Levels

- Q3 2019 share repurchases reached \$175.9 billion – 6.3% higher than Q2 2019, 13.7% lower than Q3 2018, and 21.1% lower than the record Q4 2018.
- Apple continues to lead, spending \$17.6 billion – down from last quarter’s \$18.2 billion, but still the 8th highest expenditure historically.
- Buybacks remain concentrated with the top 20 companies accounting for 50.4% of the total, the same as Q2 2019.
- Buybacks for the 12-month period ending in September 2019 were \$770.1 billion – down from \$798.0 billion in Q2 2019, but up 6.9% from the same period last year, of \$720.4 billion.
- Buyback impact remains broad as 22.8% of the companies used buybacks to reduce their share count by at least four percent and increase their EPS.

NEW YORK, December 17, 2019: S&P Dow Jones Indices (“S&P DJI”) announced today that preliminary **Q3 2019 S&P 500® stock buybacks**, or share repurchases, were \$175.9 billion – a 6.3% increase over Q2 2019’s \$165.5 billion. This was the first increase after two consecutive quarters of declines since the record \$223 billion in Q4 2018.

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

Key Takeaways:

- Companies reversed declines in buyback expenditures in the past two quarters of this year, posting a 6.3% gain over Q2 2019, as the current level remains significantly higher than 2017 and prior periods. The cumulative rolling four quarters of repurchases continued to impact EPS, as 22.8% of the issues reduced share counts by at least 4% year-over-year, the same level as Q2 2019, but up from the Q3 2018’s 17.7%. Over 1-in-5 issues saw at least a 4% EPS tailwind and at this point 14.6% of the issues already have at least a 4% tailwind built into Q4 2019.
- S&P 500 Q3 2019 dividends set a quarterly record, increasing to \$123.2 billion, up 6.4% from the Q3 2018 \$115.7 billion; Q4 2019 is set to post yet another record, in the \$126 billion range.
- Total shareholder return of buybacks and dividends for the quarter came in at \$299.0 billion, up 5.2% from the Q2 2019 period expenditure of \$284.1 billion and down 6.4% from the \$319.5 billion reported for Q3 2018.
- Total shareholder return for the 12-month period ending September 2019 declined to \$1.249 trillion from the 12-month June 2019 level of \$1.270 trillion, and was up 7.1% from the year-over-year 12-month Q2 2018 level of \$1.166 trillion.

“After lowering expenditures in the first half of the year from their tax-inspired record-setting buying spree of 2018, companies increased their share repurchases by 6.3% in the third quarter,” said **Howard Silverblatt, Senior Index Analyst at S&P Dow Jones Indices**. “While the levels still pale in comparison to 2018, they are significantly higher than the pre-2018 levels,

and surpass the hoped for \$170 billion mark, which was seen as the level needed to support stocks and continue reduced share count EPS growth. For Q4, the market is looking for another increase in buybacks, in the mid-single digit range, staying near the \$190 billion level, well shy of the Q4 2018 record-setting \$223 billion.”

Silverblatt also found that buybacks continue to be top heavy, with the top 20 issues accounting for 50.4% of the buybacks, compared to the 10-year average of 44.5%.

Q3 2019 GICS® Sector Analysis:

Information Technology buybacks continued to decline as a percentage of all buybacks, as they decreased 10.8% to \$49.2 billion compared to \$55.2 billion for Q2 2019. Twelve-month expenditures were down 7.6% to \$233.7 billion from the \$253.0 billion spent in the same period in 2018. The sector represents 28.0% of the index’s buybacks, down from Q2 2019’s 33.4% and 40.4% in Q3 2018.

Financials were right behind Information Technology for expenditures, as they increased 26.4% to \$47.8 billion, up from last quarter’s \$37.8 billion. They represented 27.2% of all buybacks, up from 22.9% in Q2 2019, and are less than one percentage point away from Information Technology’s 28.0%.

Materials buybacks continued to be volatile, as they increased 123.1% after declining 49.3% last quarter, spending \$5.4 billion on buybacks, up from \$2.4 billion last quarter and down from \$4.8 billion for Q1 2019. **Utilities** again declined, spending 11.1% less, to \$0.8 billion from last quarter’s \$0.9 billion and \$1.5 billion in Q1 2019.

Health Care buybacks declined 6.2%, to \$16.0 billion, from last quarter’s \$17.1 billion, as they represent 9.1% of all buybacks, down from last quarter’s 10.3%.

Issues:

The five issues with the highest total buybacks for Q3 2019 are:

- **Apple (AAPL)** continued to lead in buybacks, spending \$17.6 billion in Q3 2019, ranking 8th in S&P 500 history, as the level was down 2.9% from their Q2 2019 \$18.2 billion expenditure. Over the past 12-months, Apple has spent \$69.7 billion on buybacks, down from \$75.3 billion in the prior 12-month period. Over the five-year period they have spent \$247.8 billion, more than the market value of Home Depot.
- **Bank of America (BAC)**: \$7.6 billion for Q3 2019, up from \$6.5 billion for Q2 2019; in the last 12-months they spent \$25.6 billion, up from \$19.7 billion.
- **Wells Fargo (WFC)**: \$7.5 billion for Q3 2019, up from their \$4.9 billion Q2 2019 expenditure; in the last 12 months they spent \$24.7 billion, up from \$16.5 billion.
- **JP Morgan (JPM)**: \$6.9 billion for Q3 2019, up from the \$5.2 billion spent in Q2 2019; in the last 12-months they spent \$23.2 billion, up from \$18.9 billion.
- **Alphabet (GOOG/L)**: \$5.7 billion for Q3 2019, up from \$3.6 billion for Q2 2019; in the last 12-months they spent \$14.9 billion, up from \$8.5 billion.

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 (preliminary in bold)								
PERIOD	MARKET VALUE	OPERATING EARNINGS	AS REPORTED EARNINGS	DIVIDENDS	BUYBACKS	DIVIDEND YIELD	BUYBACK YIELD	DIVIDEND & BUYBACK YIELD
	\$ BILLIONS	\$ BILLIONS	\$ BILLIONS	\$ BILLIONS	\$ BILLIONS	YIELD	YIELD	YIELD
12 Mo Sep, '19	\$24,706.92	\$1,274.15	\$1,106.84	\$478.94	\$770.14	1.94%	3.12%	5.06%
12 Mo Sep, '18	\$24,579.28	\$1,276.77	\$1,106.65	\$445.96	\$720.40	1.81%	2.93%	4.75%
2018	\$21,026.90	\$1,281.66	\$1,119.43	\$456.31	\$806.41	2.17%	3.84%	6.01%
2017	\$22,821.24	\$1,066.00	\$940.86	\$419.77	\$519.40	1.84%	2.28%	4.12%
2016	\$19,267.93	\$919.85	\$818.55	\$397.21	\$536.38	2.06%	2.78%	4.85%
9/30/2019	\$24,707	\$330.51	\$282.12	\$123.12	\$175.89	1.94%	3.12%	5.06%
6/28/2019	\$24,423	\$333.26	\$290.00	\$118.68	\$165.46	1.93%	3.27%	5.20%
3/29/2019	\$23,619	\$316.56	\$291.82	\$117.33	\$205.81	1.97%	3.49%	5.45%
12/31/2018	\$21,027	\$293.82	\$242.91	\$119.81	\$222.98	2.17%	3.84%	6.01%
9/30/2018	\$24,579	\$349.04	\$306.70	\$115.72	\$203.76	1.81%	2.93%	4.75%
6/30/2018	\$23,036	\$327.53	\$288.55	\$111.60	\$190.62	1.89%	2.80%	4.69%
3/29/2018	\$22,496	\$311.26	\$281.28	\$109.18	\$189.05	1.90%	2.56%	4.46%
12/29/2017	\$22,821	\$288.93	\$230.12	\$109.46	\$136.97	1.84%	2.28%	4.12%
9/29/2017	\$21,579	\$268.35	\$243.68	\$105.45	\$129.17	1.92%	2.40%	4.32%
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%

S&P Dow Jones Indices								
S&P 500 SECTOR BUYBACKS								
SECTOR \$ MILLIONS	Q3, '19	Q2, '19	Q3, '18	12MoSep, '19	12MoSep, '18	5-YEARS	10-YEARS	
Consumer Discretionary	\$18,372	\$15,764	\$19,688	\$77,509	\$81,798	\$426,508	\$742,619	
Consumer Staples	\$7,509	\$7,114	\$10,025	\$33,997	\$34,351	\$208,836	\$440,792	
Energy	\$4,880	\$4,552	\$7,330	\$22,423	\$26,932	\$88,212	\$264,332	
Financials	\$47,789	\$37,819	\$40,643	\$174,094	\$138,316	\$621,259	\$859,660	
Healthcare	\$16,007	\$17,066	\$14,482	\$95,158	\$93,170	\$410,508	\$699,142	
Industrials	\$14,181	\$16,967	\$15,159	\$73,600	\$66,775	\$354,187	\$556,114	
Information Technology	\$49,241	\$55,187	\$82,293	\$233,713	\$253,044	\$871,620	\$1,373,018	
Materials	\$5,400	\$2,420	\$3,014	\$18,449	\$10,601	\$61,764	\$113,442	
Real Estate	\$694	\$555	\$520	\$3,138	\$3,602	\$10,029	\$10,029	
Communication Services	\$11,028	\$7,132	\$10,092	\$34,061	\$10,690	\$52,070	\$83,086	
Utilities	\$784	\$882	\$509	\$3,994	\$1,119	\$9,142	\$18,756	
TOTAL	\$175,886	\$165,458	\$203,756	\$770,135	\$720,397	\$3,114,135	\$5,160,989	

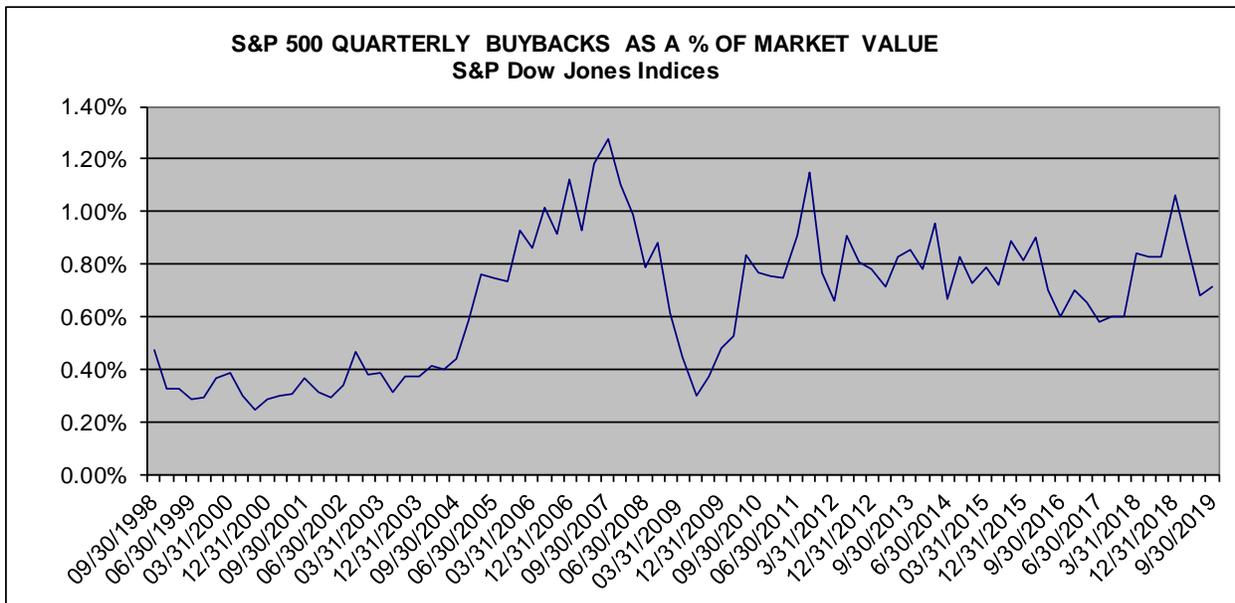
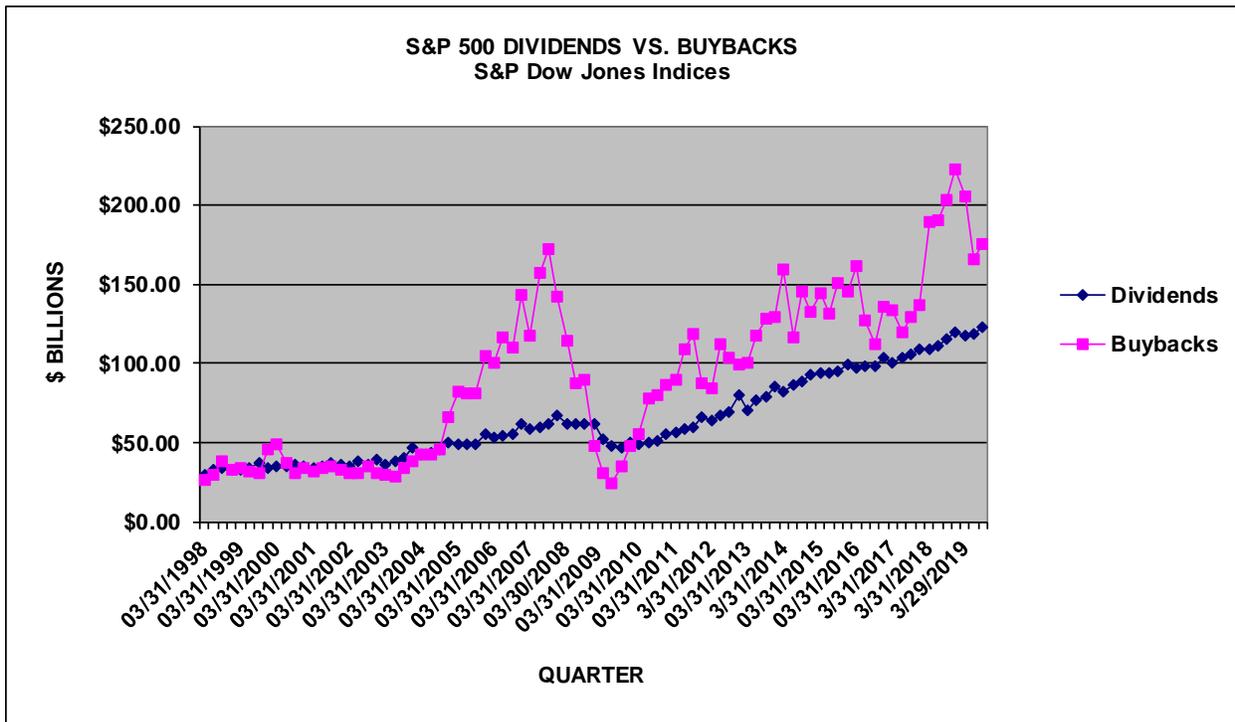
S&P Dow Jones Indices								
S&P 500 20 LARGEST Q3 2019 BUYBACKS, \$ MILLIONS								
Company	Ticker	Sector	Q3 2019	12-Months	12-Months	5-Year	10-Year	Indicated
			Buybacks	Sep, '19	Sep, '18	Buybacks	Buybacks	Dividend
			\$ Million	\$ Million	\$ Million	\$ Million	\$ Million	\$ Million
Apple	AAPL	Information Technology	\$17,635	\$69,714	\$75,265	\$247,797	\$320,049	\$14,808
Bank of America	BAC	Financials	\$7,626	\$25,627	\$19,732	\$60,790	\$65,685	\$7,447
Wells Fargo	WFC	Financials	\$7,459	\$24,757	\$16,518	\$68,966	\$87,356	\$9,877
JPMorgan Chase	JPM	Financials	\$6,949	\$23,178	\$18,863	\$68,851	\$90,405	\$11,511
Alphabet	GOOGL	Communication Services	\$5,696	\$14,948	\$8,526	\$31,692	\$32,610	\$0
Oracle	ORCL	Information Technology	\$5,519	\$31,816	\$21,366	\$74,484	\$105,087	\$4,852
Citigroup	C	Financials	\$4,978	\$12,855	\$15,800	\$53,997	\$57,889	\$4,608
Microsoft	MSFT	Information Technology	\$4,912	\$20,711	\$11,895	\$74,488	\$116,365	\$15,576
Intel	INTC	Information Technology	\$4,521	\$11,874	\$8,464	\$34,421	\$65,163	\$5,582
LyondellBasell	LYB	Materials	\$3,240	\$4,805	\$801	\$15,507	\$21,803	\$1,829
Procter & Gamble	PG	Consumer Staples	\$3,000	\$6,751	\$5,754	\$24,090	\$53,999	\$7,458
Charter Communications	CHTR	Communication Services	\$2,767	\$5,753	\$7,181	\$22,283	\$23,066	\$0
Starbucks	SBUX	Consumer Discretionary	\$2,255	\$10,334	\$7,196	\$23,269	\$26,278	\$1,963
Visa	V	Information Technology	\$2,132	\$8,718	\$7,286	\$33,238	\$46,605	\$2,072
Mastercard	MA	Information Technology	\$1,803	\$6,553	\$5,156	\$21,721	\$30,291	\$1,803
DaVita	DVA	Health Care	\$1,764	\$1,837	\$1,643	\$4,973	\$5,876	\$0
Facebook	FB	Communication Services	\$1,739	\$8,661	\$13,886	\$26,001	\$29,756	\$0
Johnson & Johnson	JNJ	Health Care	\$1,628	\$10,128	\$2,875	\$35,636	\$60,511	\$10,029
Morgan Stanley	MS	Financials	\$1,538	\$5,633	\$5,664	\$21,297	\$24,020	\$3,045
McDonald's	MCD	Consumer Discretionary	\$1,468	\$4,458	\$5,029	\$31,806	\$44,772	\$3,797
Top 20			\$88,629	\$309,111	\$258,900	\$975,307	\$1,307,586	\$106,257
S&P 500			\$175,886	\$770,135	\$720,397	\$3,114,135	\$5,160,989	\$546,855
Top 20 % of S&P 500			50.39%	40.14%	35.94%	31.32%	25.34%	19.43%

Gross values are not adjusted for float

S&P Dow Jones Indices				
S&P 500 20 Largest Quarterly Buybacks, \$ Millions, as of Q3 2019; Apple added at #8				
\$ MILLIONS	QUARTER	COMPANY	SECTOR	
\$23,811	Q1 2019	Apple	Information Technology	1
\$22,908	Q1 2018	Apple	Information Technology	2
\$21,860	Q2 2018	Apple	Information Technology	3
\$21,162	Q2 2006	QUALCOMM	Information Technology	4
\$19,364	Q3 2018	Apple	Information Technology	5
\$18,154	Q2 2019	Apple	Information Technology	6
\$18,036	Q1 2014	Apple	Information Technology	7
\$17,635	Q3 2019	Apple	Information Technology	8
\$17,319	Q3 2014	Apple	Information Technology	9
\$16,413	Q2 2013	Apple	Information Technology	10
\$15,707	Q3 2007	International Business Machines	Information Technology	11
\$13,420	Q3 2015	Apple	Information Technology	12
\$12,852	Q4 2013	Johnson & Johnson	Healthcare	13
\$12,318	Q4 2016	Allergan plc (AGN)	Healthcare	14
\$12,183	Q2 2012	Johnson & Johnson	Healthcare	15
\$11,480	Q4 2016	Apple	Information Technology	16
\$11,133	Q4 2017	Apple	Information Technology	17
\$10,776	Q2 2016	Apple	Information Technology	18
\$10,724	Q2 2015	Apple	Information Technology	19
\$10,723	Q1 2016	Home Depot	Consumer Discretionary	20

S&P Dow Jones Indices			
S&P 500 Q3 2019 Buyback Report			
SECTOR	DIVIDEND	BUYBACK	COMBINED
	YIELD	YIELD	YIELD
Consumer Discretionary	1.65%	3.08%	4.73%
Consumer Staples	3.63%	1.78%	5.41%
Energy	4.11%	1.96%	6.07%
Financials	2.35%	4.83%	7.18%
HealthCare	1.78%	2.56%	4.34%
Industrials	2.02%	3.03%	5.06%
Information Technology	1.44%	3.87%	5.32%
Materials	2.26%	2.67%	4.93%
Real Estate	3.36%	0.41%	3.77%
Communications Services	1.53%	1.49%	3.01%
Utilities	3.17%	0.46%	3.63%
S&P 500	2.11%	2.96%	5.07%
Uses full values (unadjusted for float)			
Dividends based on indicated; buybacks based on the last 12-months ending Q3,'19			

Share Count Reduction (SCR)	SCR	SCR
(Y/Y diluted shares used for EPS)	>=4%	<=-4%
Q3 2019	8.62%	22.85%
Q2 2019	7.98%	24.15%
Q1 2019	8.03%	24.90%
Q4 2018	8.45%	18.71%
Q3 2018	6.43%	17.67%
Q2 2018	6.20%	15.60%
Q1 2018	7.01%	13.63%
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%



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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 been innovating and developing indices across the spectrum of asset classes helping to define the way investors measure and trade the markets.

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S&P DJI MEDIA CONTACT:

Ray McConville, Communications Manager – Americas
(+1) 212 438 1678 raymond.mcconville@spglobal.com

INDEX INVESTMENT STRATEGY:

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