



25 January 2017

SHARE REPURCHASE MONTHLY INVESTMENT BANKING

Table of Contents:

DECEMBER MARKET UPDATE	1
A REVIEW OF 2016 SHARE REPURCHASE ANNOUNCEMENTS	2

Investment Banking Contacts:

Ethan Creo
ecreo@guzman.com
305.416.5324

Bill Robertson
wrobertson@guzman.com
646.979.1169

Ruslan Magdeev
rmagdeev@guzman.com
305.416.5354

REPURCHASE MARKET UPDATE: December 2016

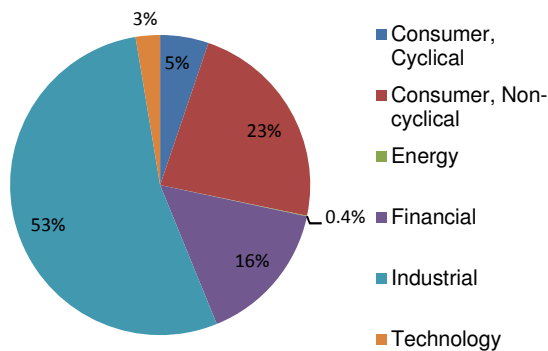
SHARE REPURCHASE:

An eventful year in the markets ended with a relatively quiet December, as far as buybacks are concerned. While the 29 announcements were the third lowest in number in both 2016 and since the start of 2014, a respectable volume of nearly \$40BN produced an average authorization of \$1.3BN. This average authorization was the second largest in 2016. The driving force of the volume came from a \$14BN Boeing (BA) announcement.

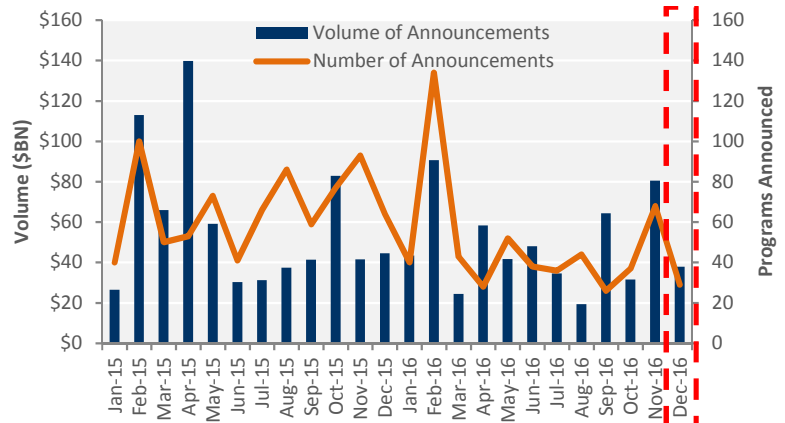
- Eight announcements of \$1BN+, five \$2BN+, and one \$10BN+.
- New share repurchase authorizations for December were bolstered by the Industrial sector, led by Boeing (\$14BN), followed by Corning (\$4BN) and Cummins (\$1BN).

DECEMBER ANNOUNCEMENTS AND VOLUME

December Announcements (by volume):



Volume and Announcements (by month):



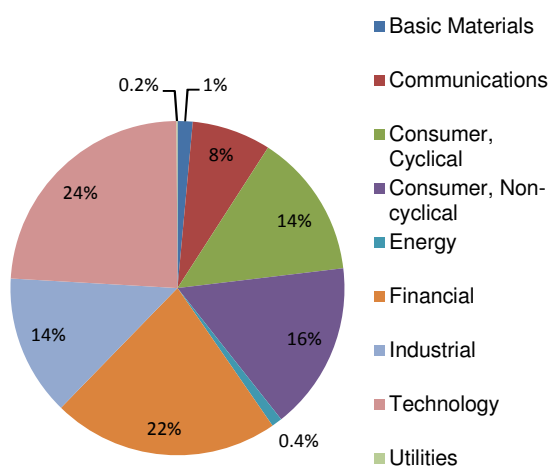
DECEMBER TOP SHARE REPURCHASE ANNOUNCEMENTS (>\$1BN)

Ann Date	Company	Ann Amt (\$MM)	Mkt Cap (\$MM)	% of Mkt Cap Ann'd	Mult of 30d ADTV	% Px chg +1 day	% Px chg +5 days
12/12/16	The Boeing Co	\$14,000	\$96,994	14.4%	30.1x	-0.4%	-0.3%
12/16/16	Express Scripts Holding Co	\$4,545	\$43,114	10.5%	15.7x	0.1%	-0.3%
12/6/16	Mastercard Inc	\$4,000	\$111,141	3.6%	11.3x	0.0%	-3.3%
12/7/16	Corning Inc	\$4,000	\$23,381	17.1%	23.4x	2.2%	-0.4%
12/13/16	Intuitive Surgical Inc	\$2,192	\$24,642	8.9%	9.8x	0.6%	-0.6%
12/6/16	Zoetis Inc	\$1,500	\$24,800	6.0%	10.7x	1.2%	-0.6%
12/9/16	Axis Capital Holdings Ltd	\$1,000	\$5,642	17.7%	30.7x	2.2%	0.4%
12/16/16	Cummins Inc	\$1,000	\$22,776	4.4%	4.8x	-1.1%	-0.5%
Mean		\$4,030	\$44,061	10.3%	17.0x	0.6%	-0.7%
Median		\$3,096	\$24,721	9.7%	13.5x	0.3%	-0.5%

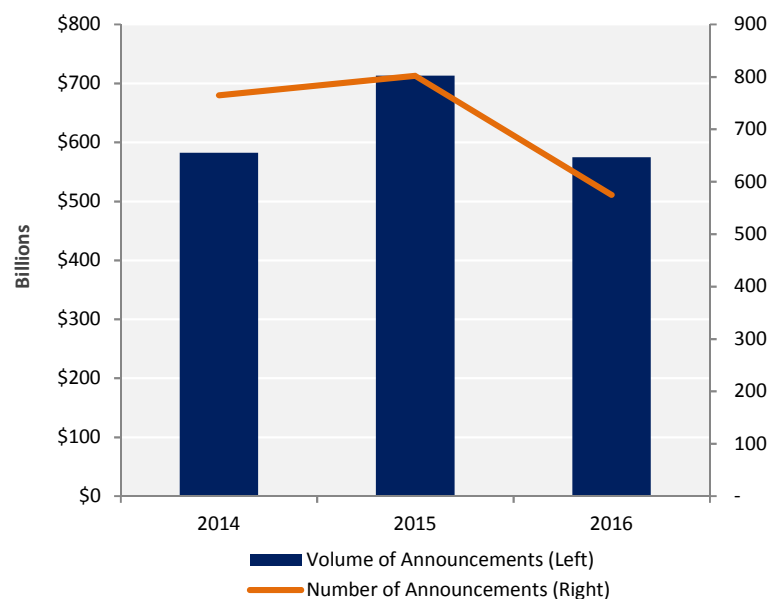
A REVIEW OF 2016 SHARE REPURCHASE ANNOUNCEMENTS

In 2016, there were 575 share repurchase announcements greater than \$25MM, representing volume of approximately \$575MM. While volume is ultimately down -19% Y-o-Y, the average announcement size was just shy of \$1BN, up +12% from 2015. The Technology sector led the way, comprising 24% of all authorizations, including, by far, the two biggest announcements of the year in Microsoft (\$40BN) and Apple (\$35BN). As we noted in last month's review of Q3'16 buyback activity, we don't expect volumes to drop significantly, if at all, in 2017 with current cash levels at record highs and with the possibility of an additional windfall of cash that could be repatriated stemming from tax policy reform.

2016 Announcements (by volume):



Volume and Announcements (Yearly):



2016 TOP SHARE REPURCHASE ANNOUNCEMENTS (>\$10BN)

Ann Date	Company	Ann Amt (\$MM)	Mkt Cap (\$MM)	% of Mkt Cap Ann'd	Mult of 30d ADTV	% Px chg +1 day	% Px chg +5 days
9/20/16	Microsoft Corp	\$40,000	\$442,693	9.0%	30.1x	0.3%	0.8%
4/27/16	Apple Inc	\$35,000	\$535,802	6.5%	12.6x	-8.4%	-7.8%
1/26/16	Wells Fargo & Co	\$16,891	\$246,503	6.9%	14.8x	1.6%	1.1%
2/2/16	Gilead Sciences Inc	\$15,000	\$119,193	12.6%	18.8x	4.2%	8.3%
2/10/16	Cisco Systems Inc	\$15,000	\$114,263	13.1%	32.5x	10.2%	13.1%
11/8/16	CVS Health Corp	\$15,000	\$78,415	19.1%	28.2x	-9.7%	-12.3%
12/12/16	The Boeing Co	\$14,000	\$96,994	14.4%	30.1x	-0.4%	-0.3%
11/17/16	Union Pacific Corp	\$11,857	\$81,431	14.6%	35.1x	1.6%	2.5%
6/29/16	JPMorgan Chase & Co	\$10,600	\$223,788	4.7%	10.4x	1.3%	-1.3%
1/21/16	Schlumberger Ltd	\$10,000	\$77,495	12.9%	31.9x	4.2%	12.0%
2/2/16	3M Co	\$10,000	\$91,045	11.0%	37.6x	3.9%	8.5%
3/15/16	Oracle Corp	\$10,000	\$162,755	6.1%	18.7x	3.6%	5.4%
5/10/16	Allergan plc	\$10,000	\$89,000	11.2%	9.7x	3.9%	7.0%
Mean		\$16,411	\$181,490	10.9%	23.9x	1.3%	2.9%
Median		\$14,000	\$114,263	11.2%	28.2x	1.6%	2.5%

DISCLAIMER

For Institutional Use Only.

Information in this document may not be communicated, reproduced, distributed, or disclosed to any unauthorized person. The material contained herein has not been based on a consideration of any individual circumstances and as such should not be considered to be a personal recommendation. Unless otherwise indicated, any opinions expressed herein are the views of the authors as of the date hereof and may differ or conflict with those of other Guzman & Company personnel. Guzman undertakes no obligation to update information in this publication. Without limiting any of the foregoing and to the extent permitted by law, Guzman accepts no liability whatsoever for any consequential losses arising from the use of this document or reliance on the information contained herein. Guzman & Company and others associated with it may currently or in the future enter into proprietary positions (long or short) and effect transactions in securities of companies mentioned herein and may also perform or seek to perform investment banking, brokerage or other services for those companies. We may at any time modify or liquidate all or a portion of such positions and we are under no obligation to contact you to disclose any modification or liquidation. Nothing herein shall be deemed to constitute investment, legal, tax, financial, accounting or other advice. No services offered may be misconstrued as to characterize Guzman & Company as a fiduciary or advisor.

This communication has been prepared by sales, trading, or other non-research personnel of Guzman & Company ("Guzman"). It is not a Research Report and the information contained herein is insufficient to form an investment opinion. The foregoing materials have been provided by Guzman to certain persons in their capacity as agent for the corporate entity. Information in this document may not be communicated, reproduced, distributed, or disclosed to any unauthorized person, or refer to it publicly. Any prices shown are indicative and Guzman & Company is not offering to buy or sell or soliciting offers to buy and sell any financial instrument. The material contained herein has not been based on a consideration of any individual circumstances and as such should not be considered to be a personal recommendation. Any securities discussed in this communication are subject to market risk and will fluctuate in value. These securities may be unsuitable for certain investors depending upon their specific investment objectives and financial position. Unless otherwise indicated, any opinions expressed herein are the views of the authors as of the date hereof and may differ or conflict with those of other Guzman & Company personnel. We undertake no obligation to update the opinions or the information in this publication. Other than disclosures relating to Guzman & Company, the information contained in this communication has been obtained from sources that Guzman & Company believes to be reliable, but Guzman & Company does not represent or warrant that it is accurate or complete. Guzman & Company makes no express warranties with respect to any data included in this communication, and expressly disclaims all warranties of merchantability or fitness for a particular purpose or use. Without limiting any of the foregoing and to the extent permitted by law, Guzman accepts no liability whatsoever for any consequential losses arising from the use of this document or reliance on the information contained herein. Unless stated otherwise, any performance data quoted represents past performance. Neither such data nor any modeling or back-testing contained herein is an indication as to future performance. No representation is made as to the reasonableness of any assumptions or as to the accuracy or completeness of any modeling, back-testing or other information.

Guzman & Company and others associated with it may currently or in the future enter into proprietary positions (long or short) and effect transactions in securities of companies mentioned herein and may also perform or seek to perform investment banking, brokerage or other services for those companies. We may at any time modify or liquidate all or a portion of such positions and we are under no obligation to contact you to disclose any modification or liquidation.

Nothing herein shall be deemed to constitute investment, legal, tax, financial, accounting or other advice. No services offered may be misconstrued as to characterize Guzman & Company as a fiduciary or advisor.