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SHARE REPURCHASE MONTHLY INVESTMENT BANKING

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REPURCHASE MARKET UPDATE: February 2018

SHARE REPURCHASE:

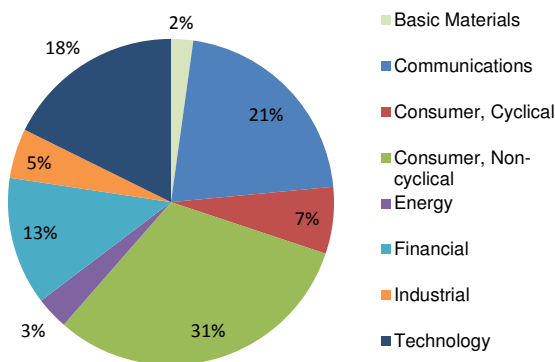
Love wasn't the only thing in the air around Valentine's Day, as buyback authorizations reached a LTM high in February. The shortest calendar month of the year typically exhibits some of the greatest announcement volumes, reinforcing the adage that size doesn't matter. This February delivered new buyback plans with roses in hand.

The not so subtle elephant in the buybacks room is the recently released tax plan; the expected tailwinds from the policy on the repurchase market are already being felt. Coupled with a busy earnings schedule in February, and you get the second most monthly share repurchase authorizations in over four years, with \$122BN announced (second only to \$140BN in April 2015).

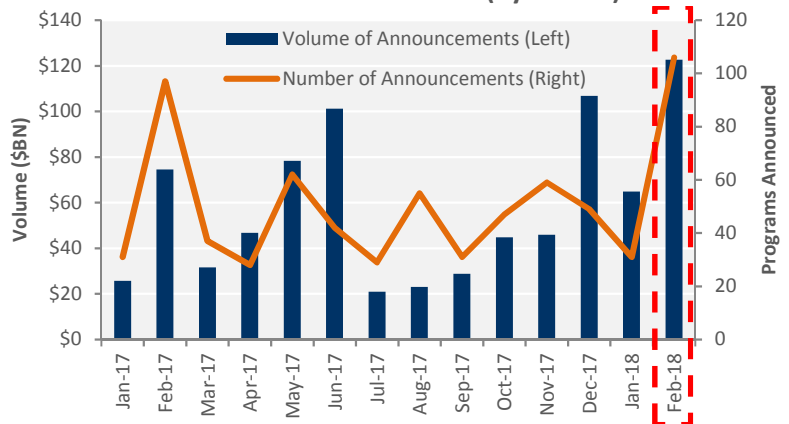
- 106 companies announced share repurchase plans greater than \$25MM in February, representing ~\$122BN in volume.

FEBRUARY ANNOUNCEMENTS AND VOLUME

February Announcements (by volume):



Volume and Announcements (by month):



FEBRUARY SHARE REPURCHASE ANNOUNCEMENTS (> \$5BN)

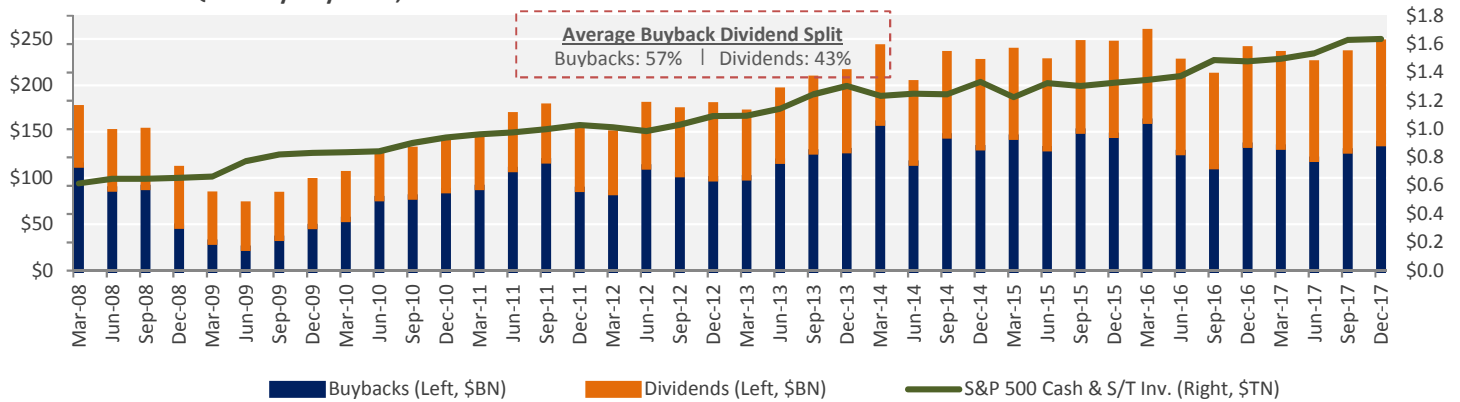
Ann Date	Company	Ann Amt (\$MM)	Mkt Cap (\$MM)	% of Mkt Cap Ann'd	Mult of 30d ADTV	Industry Group
2/14/18	Cisco Systems Inc	25,000	\$208,077	12.0%	18.6x	Telecommunications
2/13/18	PepsiCo Inc	15,000	\$159,229	9.4%	26.7x	Beverages
2/1/18	Oracle Corp	12,000	\$213,728	5.6%	13.4x	Software
2/15/18	AbbVie Inc	10,000	\$183,430	5.5%	13.6x	Pharmaceuticals
2/1/18	Visa Inc	7,500	\$259,051	2.9%	6.8x	Diversified Finan Services
2/14/18	Applied Materials Inc	6,000	\$54,742	11.0%	6.9x	Semiconductors
2/14/18	Celgene Corp	5,000	\$70,998	7.0%	6.6x	Biotechnology
Mean		\$11,500	\$164,179	7.6%	13.2x	
Median		\$10,000	\$183,430	7.0%	13.4x	

A REVIEW OF Q4 2017 SHARE REPURCHASES

Share repurchase activity (trading volumes, not authorizations) climbed 6% Q-o-Q in Q4 to \$137BN; however, with the S&P 500 reaching record highs at that time, the S&P's buyback yield dipped to its lowest post-recession level. While not a record quarter for share repurchases, it was the greatest quarterly volume of 2017 following consecutive Q-o-Q increases.

Cash holdings continued to reach all-time high levels, as did dividends in the final quarter of 2017. The IT sector regained its place as the biggest buyer, on the back of Apple's \$10.1BN quarterly spend. Also of note, the energy sector has slowly but surely been increasing their quarterly expenditures to \$5.2BN, albeit still a far cry from when oil was floating above \$100.

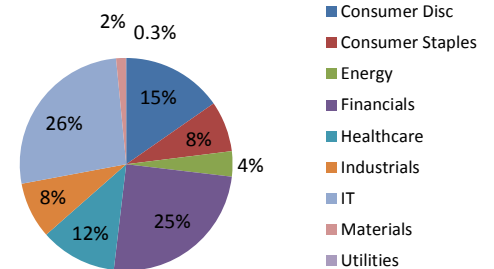
S&P 500: Quarterly Buybacks, Dividends and Cash



Largest S&P 500 Q4'17 Buybacks (\$BN):

Company	Sector	Q4'17	LTM	5-YEAR	10-YEAR
Apple	Information Technology	\$10.1	\$32.1	\$174	\$176
Citigroup	Financials	\$5.5	\$14.9	\$33	\$35
Bank of America	Financials	\$4.9	\$12.8	\$25	\$25
JPMorgan	Financials	\$4.8	\$15.4	\$40	\$53
Charter Communications	Consumer Discretionary	\$4.0	\$11.7	\$13	\$14
Cisco Systems	Information Technology	\$3.9	\$7.8	\$32	\$59
Celgene	Healthcare	\$2.9	\$3.8	\$15	\$20
Wells Fargo	Financials	\$2.9	\$10.3	\$42	\$51
Walgreens Boots Alliance	Consumer Staples	\$2.5	\$7.3	\$11	\$17
Alphabet Inc. (GOOGL)	Information Technology	\$2.1	\$4.8	\$10	\$11
Oracle	Information Technology	\$2.1	\$4.0	\$40	\$59
Microsoft	Information Technology	\$2.0	\$8.4	\$56	\$102
Home Depot	Consumer Discretionary	\$1.9	\$8.0	\$37	\$48
Visa	Information Technology	\$1.9	\$6.9	\$27	\$49
Procter & Gamble	Consumer Staples	\$1.8	\$7.0	\$23	\$54
Boeing	Industrials	\$1.7	\$9.2	\$31	\$34
Merck & Co	Healthcare	\$1.7	\$4.0	\$26	\$35
Walmart	Consumer Staples	\$1.6	\$8.3	\$28	\$61
Goldman Sachs	Financials	\$1.6	\$6.8	\$29	\$46
Starbucks	Consumer Discretionary	\$1.6	\$3.2	\$8	\$10
Top 20		\$61.4	\$186.8	\$702	\$957
S&P 500		\$137.0	\$519.4	\$2,657	\$4,237

Q4'17 Sector Breakdown



Q4 '17 Shareholder Return

- In Q4'17, total shareholder return (buybacks and dividends) in the S&P 500 increased 5% from Q3 to \$246BN and up 3% Y-o-Y.
- The split between buybacks and dividends for the quarter was 56% to 44%, respectively, with dividends reaching an all-time high (\$109BN).

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