

PRESS RELEASE

S&P 500 Stock Buybacks Increase In Second Quarter

Apple Sets Index Quarterly Record with \$16 Billion in Buybacks

New York, September 17, 2013 – S&P Dow Jones Indices announced today that preliminary results show that S&P 500® stock buybacks, or share repurchases, increased 18.1% to \$118.1 billion during the second quarter of 2013, up from the \$100.0 billion spent on share repurchases during the first quarter of 2013. Compared to the \$111.7 billion spent in the second quarter of 2012, buybacks are up 5.6%.

For the 12 month period (ending June 2013), S&P 500 issues increased their buyback expenditures by 4.7% to \$420.9 billion from the \$402.0 billion posted in the prior 12 month period. The high mark was reached in 2007, when companies spent \$589.1 billion over the 12 month period, with the recession low point being \$24.2 billion in the second quarter of 2009.

“The second quarter breaks into two stories – one with and the other without Apple,” says Howard Silverblatt, Senior Index Analyst at S&P Dow Jones Indices. “Apple spent \$16 billion on buybacks in the second quarter, accounting for 13.5% of all buybacks in the period and setting a new index record for quarterly buybacks by surpassing International Businesses Machines’ Q2 2007 expenditure of \$15.7 billion.”

“Excluding Apple, the 18.1% Q2 increase in buybacks becomes 2.0%. If we adjust for the average stock price in Q2 being 6.3% higher than in Q1, the takeaway is that less shares were actually repurchased in Q2 than Q1, even as the headline, legitimately, reads 18%,” adds Silverblatt.

“Overall, companies continued to protect their earnings from dilution due to option execution with the actual share count slightly ticking down,” notes Silverblatt. “The data, however, shows that there was a wide mix – 242 issues increasing their diluted share count compared to 225 issues reducing them. Significant changes (generally considered 1% or greater) favored reductions, as 90 issues reduced their count by at least 1%, with 58 issues increasing them at least 1%.”

The Information Technology sector, with the help of Apple, easily maintained its dominance of buybacks, accounting for 31.5% of all expenditures, up from 19.6% in the first quarter. The Industrials sector increased its expenditures and percentage of buybacks, accounting for 12.2% of expenditures, up from 9.0% in the first quarter. Of the 309 which reported buybacks, 252 companies paid a cash dividend, with their 12 month buybacks 42% higher than dividends.

On an issue basis, after Apple, Merck made the second largest expenditure, at \$5.5 billion, followed by Exxon Mobile with \$4.0 billion, General Electric with \$3.9 billion and International Business Machines with \$3.6 billion.

“Q3 share prices are running 3.7% higher than Q2 and 19.2% higher than Q3 of last year. Additionally, market uncertainty has increased via the Fed expectation and events in the Middle East, which may be testing corporate willingness to go beyond the necessary EPS protection to do share count reduction,” concluded Silverblatt.

Historical S&P 500 buyback data can be found at: www.marketattributes.standardandpoors.com.

S&P Dow Jones Indices								
S&P 500, \$ U.S. BILLIONS								
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
6/30/2013 Prelim.	\$14,310	\$234.84	\$222.27	\$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%
6/30/2012	\$12,303	\$225.53	\$195.27	\$67.31	\$111.75	2.08%	3.27%	5.35%
3/31/2012	\$12,730	\$219.09	\$208.15	\$64.07	\$84.29	1.95%	3.14%	5.09%
12/31/2011	\$11,385	\$214.83	\$186.85	\$65.89	\$87.59	2.11%	3.56%	5.67%
09/30/2011	\$10,303	\$230.30	\$206.08	\$59.20	\$118.41	2.22%	3.92%	6.14%
6/30/2011	\$12,021	\$226.29	\$202.44	\$59.03	\$109.24	1.84%	3.04%	4.88%
3/31/2011	\$12,068	\$205.34	\$195.15	\$56.08	\$89.84	1.76%	2.76%	4.52%
12/31/2010	\$11,430	\$199.40	\$187.67	\$54.85	\$86.36	1.80%	2.61%	4.42%
09/30/2010	\$10,336	\$195.28	\$176.80	\$51.26	\$79.56	1.94%	2.52%	4.45%
06/30/2010	\$9,323	\$189.04	\$178.00	\$50.44	\$77.64	2.10%	2.31%	4.41%
03/31/2010	\$10,560	\$175.00	\$157.85	\$49.28	\$55.26	1.83%	1.54%	3.36%
12/31/2009	\$9,928	\$152.77	\$135.14	\$49.04	\$47.82	1.97%	1.39%	3.36%
09/30/2009	\$9,337	\$139.37	\$130.37	\$47.21	\$34.85	2.24%	1.48%	3.71%
06/30/2009	\$8,045	\$120.85	\$118.22	\$47.63	\$24.20	2.77%	2.40%	5.17%
03/31/2009	\$6,928	\$87.78	\$65.29	\$51.73	\$30.78	3.43%	3.70%	7.13%
12/31/2008	\$7,852	-\$0.78	-\$202.11	\$62.19	\$48.12	3.15%	4.33%	7.48%
09/30/2008	\$10,181	\$142.90	\$86.16	\$61.44	\$89.71	2.48%	4.26%	6.73%
06/30/2008	\$11,163	\$148.43	\$112.15	\$61.94	\$87.91	2.26%	4.62%	6.88%
03/30/2008	\$11,511	\$144.63	\$135.24	\$61.72	\$113.90	2.17%	5.08%	7.25%
12/31/2007	\$12,868	\$133.38	\$68.53	\$67.09	\$141.71	1.92%	4.58%	6.49%
09/30/2007	\$13,470	\$184.13	\$133.66	\$61.21	\$171.95	1.79%	4.10%	5.89%
06/30/2007	\$13,350	\$213.65	\$194.30	\$59.76	\$157.76	1.76%	3.67%	5.44%
03/31/2007	\$12,706	\$200.23	\$190.75	\$58.53	\$117.70	1.81%	3.54%	5.35%

S&P Dow Jones Indices			
S&P 500 20 LARGEST Q2 2013 BUYBACKS, \$ MILLIONS			
Company	SECTOR	Q2'13	BUYBACKS
			Q2'13-Q4'04
Apple	Information Technology	\$16,000	\$18,305
Merck	Healthcare	\$5,525	\$18,669
Exxon Mobil	Energy	\$4,031	\$204,622
General Electric	Industrials	\$3,867	\$51,031
Internat'l Business Machines	Information Technology	\$3,552	\$102,170
AT&T	Telecommunication Services	\$3,306	\$43,405
Oracle	Information Technology	\$2,817	\$31,828
The Home Depot	Consumer Discretionary	\$2,150	\$35,699
Wal-Mart Stores	Consumer Staples	\$1,850	\$49,197
The Goldman Sachs Group	Financials	\$1,600	\$44,453
Philip Morris International	Consumer Staples	\$1,575	\$30,836
The Coca-Cola Company	Consumer Staples	\$1,455	\$24,184
Wells Fargo	Financials	\$1,455	\$22,927
American Express	Financials	\$1,355	\$17,705
Medtronic	Healthcare	\$1,340	\$12,613
Cisco Systems	Information Technology	\$1,300	\$59,885
3M	Industrials	\$1,190	\$17,925
JPMorgan Chase	Financials	\$1,172	\$32,043
Microsoft	Information Technology	\$1,042	\$109,583
QUALCOMM	Information Technology	\$1,039	\$9,935
Top 20		\$57,621	\$937,015
S&P 500		\$118,051	\$3,234,702
Top 20 % of S&P 500		48.81%	28.97%

S&P Dow Jones Indices			
S&P 500 10 LARGEST QUARTERTLY BUYBACKS, \$ MILLIONS			
\$ MILLIONS	QUARTER	COMPANY	SECTOR
\$16,000	Q2 2013	Apple	Information Technology
\$15,707	Q2 2007	International Business Machines	Information Technology
\$12,852	Q2 2012	Johnson & Johnson	Healthcare
\$12,183	Q3 2012	Johnson & Johnson	Healthcare
\$10,723	Q3 2007	The Home Depot	Consumer Discretionary
\$9,859	Q4 2007	Transocean	Energy
\$9,179	Q4 2006	Exxon Mobil	Energy
\$9,465	Q1 2008	Exxon Mobil	Energy
\$8,845	Q4 2008	Exxon Mobil	Energy
\$8,761	Q2 2008	Exxon Mobil	Energy
\$113,574		TOP 10	

About S&P Dow Jones Indices

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