

S&P Capital IQ(TM) Sector Disruptors: Weighing the Impact of Public/Private Infrastructure Investment Across Sectors

Equity Research Team Projects Sector Winners and Losers Related to Infrastructure Investment

NEW YORK, May 11, 2015 /PRNewswire/ -- S&P Capital IQ™, a leading provider of multi-asset class research data and insights, today released the latest in its *Sector Disruptors* series of equity research reports: *Sector Disruptors: Infrastructure*. The report highlights the growing trend of private investment in public infrastructure projects and forecasts possible winners and losers across each sector of the S&P 500. A copy of the report can be found [here](#).

"Infrastructure is about much more than bulldozers and bricks; the U.S. is embarking on an epic effort to improve infrastructure in everything from bridges and tunnels to high speed fiber optic networks and more efficient energy production," said Michael Thompson, managing director, S&P Capital IQ Global Markets Intelligence. "Increasingly, amidst new regulatory reforms and constant innovation, for-profit corporations are seeing opportunity in projects that have traditionally been publicly-financed. The trend will impact every sector in the S&P 500."

Addressing all ten sectors of the S&P 500, including those that are less commonly associated with infrastructure issues – such as health care, information technology and consumer discretionary – the *Sector Disruptors* report spotlights companies poised to benefit most from certain infrastructure-related issues. S&P Capital IQ equity analysts identified potential sector winners and losers based on their views of the indicated infrastructure themes and the positioning of related companies. Following are some of the key observations:

- **Financials:** If the public sector doesn't fund traditional infrastructure spending, the private sector -- specifically private equity firms -- could increasingly fill the gap, as low rates contribute to ROI more appealing than other investment opportunities and private firms control costs better. **Winners:** Blackstone, Carlyle, Lazard. **Losers:** JPMorgan Chase, Morgan Stanley, UBS.
- **Consumer Discretionary Increasingly Reliant on the Cloud** The confluence of increased reliance on cloud-based resources for e-commerce and entertainment along with new Federal Communications Commission (FCC) net neutrality rules will drive unprecedented investment in bandwidth and cloud-connectivity. **Winners:** Amazon, Delphi, DISH Network. **Losers:** Charter Communications, Comcast, DIRECTV.
- **Health Care:** The passage of the Health Information Technology for Economic and Clinical Health (HITECH) Act of 2009 has driven enormous private sector investment in health IT infrastructure such as electronic health records and health information exchange technologies. **Winners:** Cerner, Community Health Systems, HCA Holdings, Quality Systems, Tenet Healthcare, Universal Health Services. **Losers:** None.

The S&P Capital IQ *Sector Disruptors* series is an ongoing collection of equity research reports that spotlight developing trends and their potential impacts across sectors and on S&P 500 companies. Prepared by the S&P Capital IQ Global Markets Intelligence team, leveraging insights from S&P Capital IQ Equity Research analysts, the series takes a holistic view of the markets, incorporating the impacts of geopolitical issues, regulatory reforms and other macroeconomic factors on sectors and their respective individual companies.

ABOUT S&P CAPITAL IQ

S&P Capital IQ, a part of McGraw Hill Financial (NYSE:MHI), is a leading provider of multi-asset class and real time data, research and analytics to institutional investors, investment and commercial banks, investment advisors and wealth managers, corporations and universities around the world. S&P Capital IQ provides a broad suite of capabilities designed to help track performance, generate alpha, and identify new trading and investment ideas, and perform risk analysis and mitigation strategies. Through leading desktop solutions such as the S&P Capital IQ, Global Credit Portal and MarketScope Advisor

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