

### Sentiment swells in wake of US tax and spending bills

CFOs' positive sentiment continued this quarter, with confidence in all three regions hitting new survey highs. In addition, the passage of tax reform and government spending bills in the US appears to have further bolstered confidence—with growth expectations for revenue, earnings, capex, and hiring all rising to multi-year highs and CFOs' optimism about their companies' prospects hitting its highest-ever level.

#### Views of the North American, Chinese, and European economies hit new survey highs<sup>2</sup>



**90%** of surveyed CFOs regard North American conditions as good, and 59% expect better conditions in a year



**55%** regard Europe's economy as good, and 51% expect better conditions in a year



**50%** regard China's economy as good, and 37% expect better conditions in a year

#### Growth expectations for revenue, earnings, capex, and hiring all rose to multi-year highs<sup>3</sup>



Revenue growth expectations rose from 4.7% last quarter **↑ 5.9%**

Earnings growth expectations rose from last quarter's 8.4% **↑ 9.8%**

Capital spending expectations rose sharply from 6.5% last quarter **↑ 11.0%**

Domestic hiring growth expectations rose from 2.0% last quarter **↑ 3.1%**

#### Own-company optimism surged, largely on optimism among US CFOs<sup>4</sup>



Net optimism index of **+54.0**, above last quarter's **+47.0**



**60%** of surveyed CFOs express rising optimism, up from **52%** last quarter



**6%** now cite declining optimism, slightly up from last quarter's **5%**

#### Footnotes

- 1 Visit <http://www.deloitte.com/us/cfosignals2018Q1> for the full CFO Signals report background and findings
- 2 Percent of CFOs saying economies are good (versus neutral or bad)
- 3 Represents forecasted results for the next 12 months
- 4 Represents change in CFO optimism of company prospects over the next 12 months, compared to prior quarter

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