

Geopolitical threats and political turmoil dampen sentiment

While this quarter's assessments of North America's current economic health remain strong (and near their survey highs), CFOs' assessments of the North American economy's trajectory faltered. Accordingly, CFOs' perceptions of their own companies' prospects declined, and year-over-year expectations for earnings and capital investment both declined.

Views of North American economy declined slightly but remain strong; Europe improved; China flat²



64% of surveyed CFOs regard North American conditions as good, and 45% expect better conditions in a year (compared to 58% last quarter)




29% regard Europe's economy as good, and 32% expect better conditions in a year




32% regard China's economy as good, and 30% expect better conditions in a year

Year-over-year expectations for revenue growth rose, capital investment and earnings declined³



Revenue growth expectations rose  **5.7%** from 5.6% last quarter

Earnings growth expectations slid from last quarter's 8.7%  **7.9%**

Capital spending expectations slipped from 9.0% last quarter  **7.3%**

Domestic hiring growth expectations rose from 2.1% last quarter  **2.6%**

Own-company optimism slid but still remains strong⁴



Net optimism index of **+29.0%**, below last quarter's **+44.0%**



45% of surveyed CFOs express rising optimism, down from **55%** last quarter



16% now cite declining optimism, up from last quarter's **11%**

Footnotes

1 Visit <http://www.deloitte.com/us/cfosignals2017Q3> for the full CFO Signals report

2 Percent of CFOs saying economies are good (versus neutral/bad) and will be better in a year (versus same/worse)

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