

## Macroeconomic Overview

16-Dec-15

### Commentary

The Federal Reserve, the central bank of the US, left its benchmark federal funds rate at zero to 0.25%, as widely expected, but upgraded its view of household spending and business investment and dropped last month's reference to any downward pressure on inflation from recent global economic and financial developments

ECB pushed its deposit rate further into negative territory and extended its quantitative easing by at least another six months to counter "heightened uncertainties" in the global economy that could weigh on euro area exports and confidence. ECB left its benchmark refinancing rate steady at 0.05% but cut the deposit rate by a further 10 basis points to minus 0.30%

BOE left its benchmark Bank Rate at 0.5 percent, along with the stock of assets purchased at 375 billion pounds, as monetary policy committee member Ian McCafferty once again was the sole member of the 9-member committee to vote for a 25 basis point rate hike

India's central bank left its key repo rate steady at 6.75%, as expected, but said it would use any room for further rate cuts, when available, while remaining on the path toward lowering inflation to 5% by March 2017

Japan's central kept its monetary policy stance steady, confirming that it will increase the country's monetary base by about 80tn yen on an annual basis, and repeated that it expects the economy to continue its moderate recovery despite exports and production being hit by the slowdown in emerging economies

China's central bank cut its benchmark lending and deposit rates by a further 25 basis points to "further reduce the social cost of financing" while the reserve ratio for major financial institutions and for rural lenders was lowered by another 50 basis points to "maintain reasonably adequate liquidity in the banking system and guide steady moderate growth of money and credit"

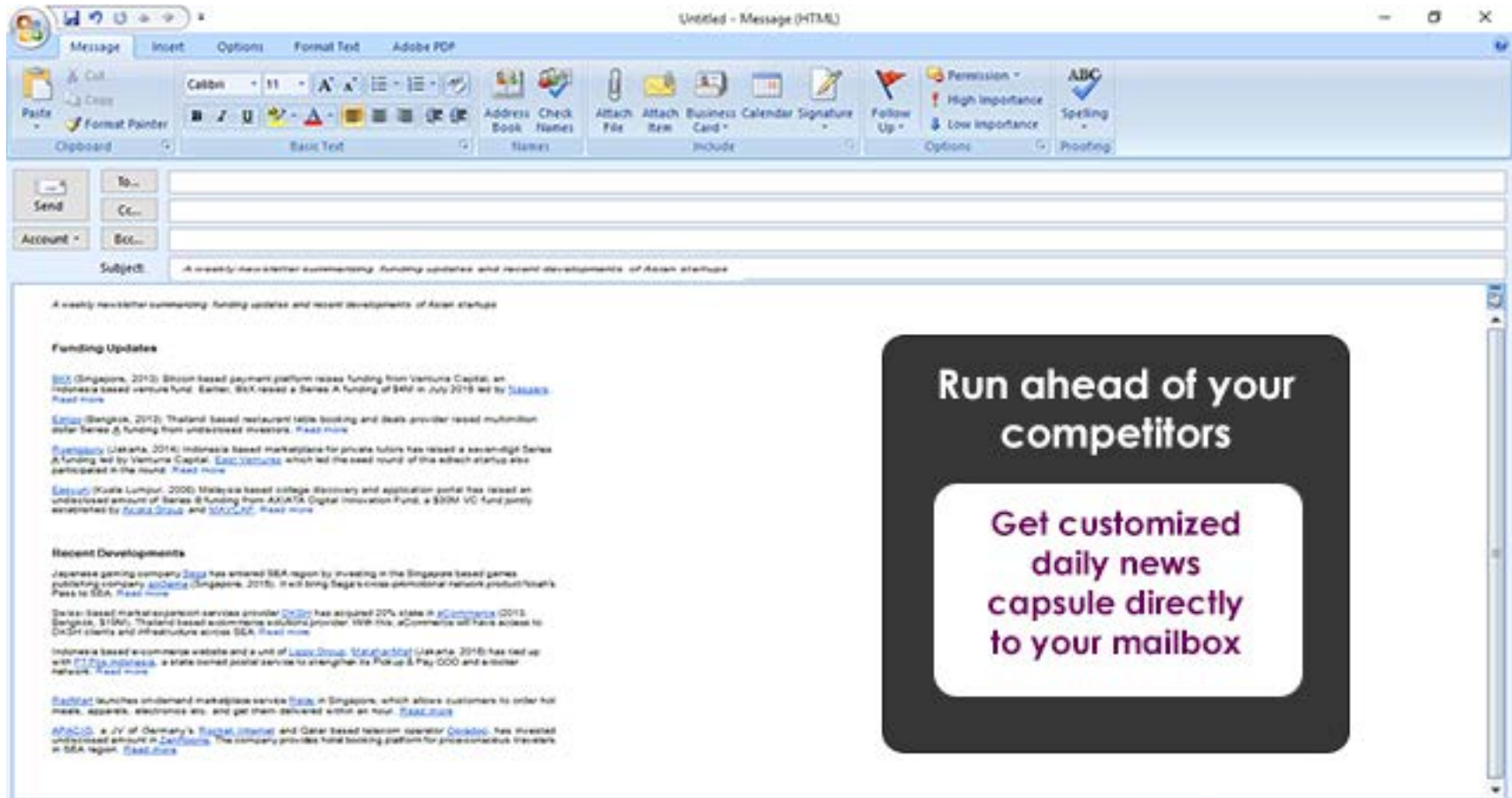
### 10-Year Government Bond Yields

Americas				Europe			
Country	Yield	1M	1Y	Country	Yield	1M	1Y
US	2.27%	-	21.00	Germany	0.64%	11.00	5.00
Canada	1.48%	-16.00	-26.00	UK	1.93%	-	16.00
Mexico	3.93%	4.00	13.00	France	0.97%	13.00	10.00
Brazil	6.40%	41.00	167.00	Italy	1.67%	11.00	-33.00

Asia Pacific			
Country	Yield	1M	1Y
Japan	0.29%	-	6.00
Australia	2.86%	-3.00	-
Hong Kong	1.51%	-10.0	21.00
India	7.79%	14.00	5.00

# Newsletters



# Dashboards, Benchmarking & Excel Models



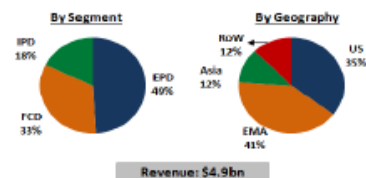
[Stock symbol: FLS [NYSE]]

## Business Overview

Flowserve is a manufacturer and aftermarket service provider of flow control products and services. Supplies pumps, valves, seals and related services to the power, oil, gas, chemical and other industries. The Company has c.15,000 employees in more than 50 countries with headquarters in Irving, TX. Founded in 1997 with the merger of two leading fluid motion and control companies – BW/IP and Durco International.

Key Management: Mark Blinn (President & CEO), Karyn Dvalman (EVP & CFO), Thomas Pajonas (EVP & COO)

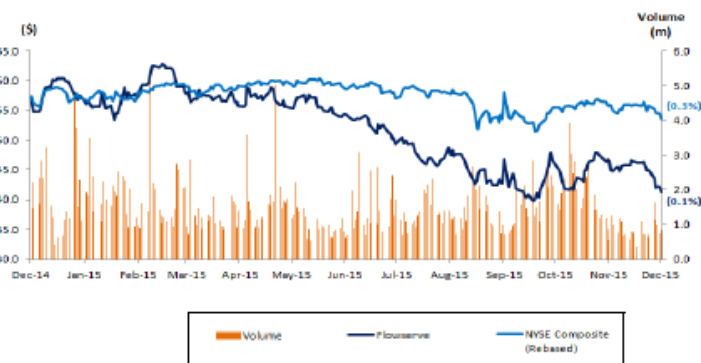
## FY14 Revenue Breakdown



## Sales Evolution (2010-14)



## LTM Share Price Performance



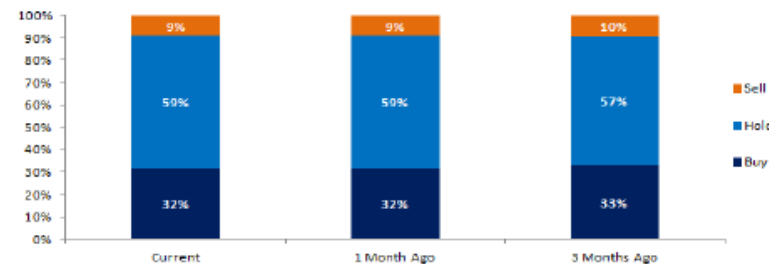
## Market Watch

Snapshot		Snapshot (Cont'd)	
Average Recommendation	Hold	Last Quarter's Earnings	0.81
Number of Ratings	22	Current Year's Estimate	3.10
Average Target Price	50.94	Next Fiscal Year Estimate	3.03

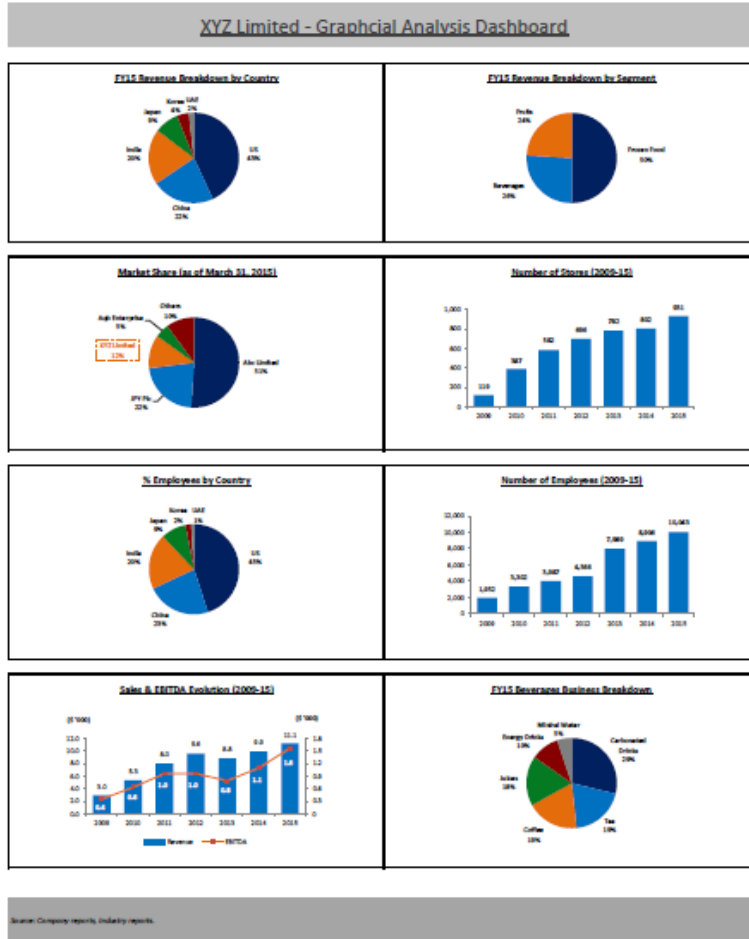
  

Earnings Per Share				
	This Quarter	Next Quarter	This Fiscal	Next Fiscal
# of Estimates	17.00	10.00	19.00	19.00
Mean Estimate	0.93	0.57	3.10	3.03
High Estimates	1.03	0.80	3.15	3.60
Low Estimates	0.88	0.42	2.99	2.78
Coefficient Variance	3.90	19.15	1.10	7.77

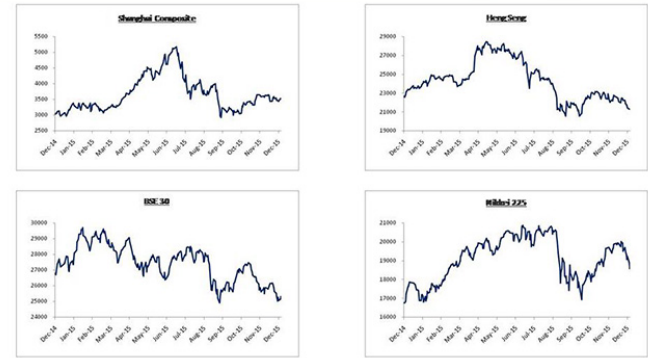
## Stock Buy, Hold & Sell



# Dashboards, Benchmarking & Excel Models

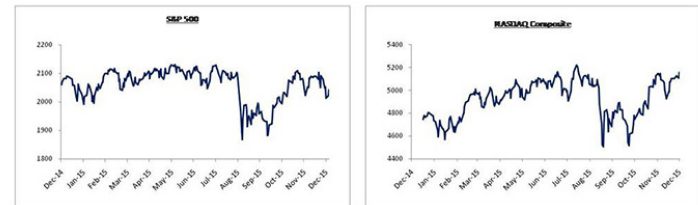


## Key Asian Indices LTM Performance



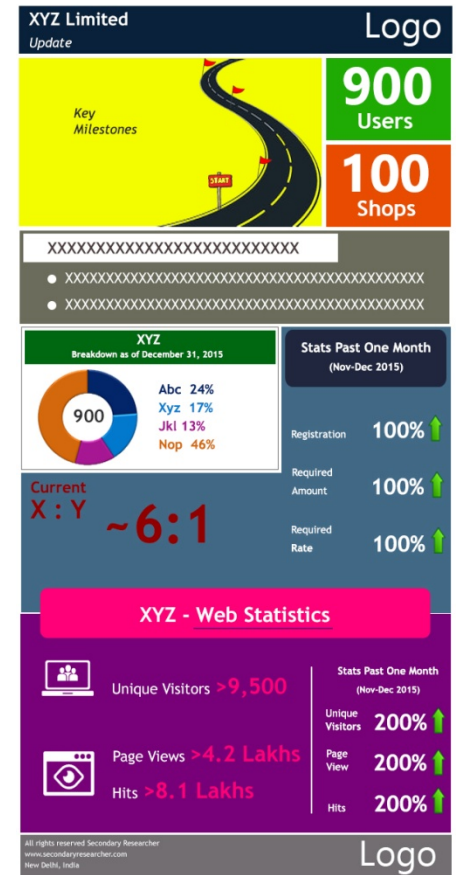
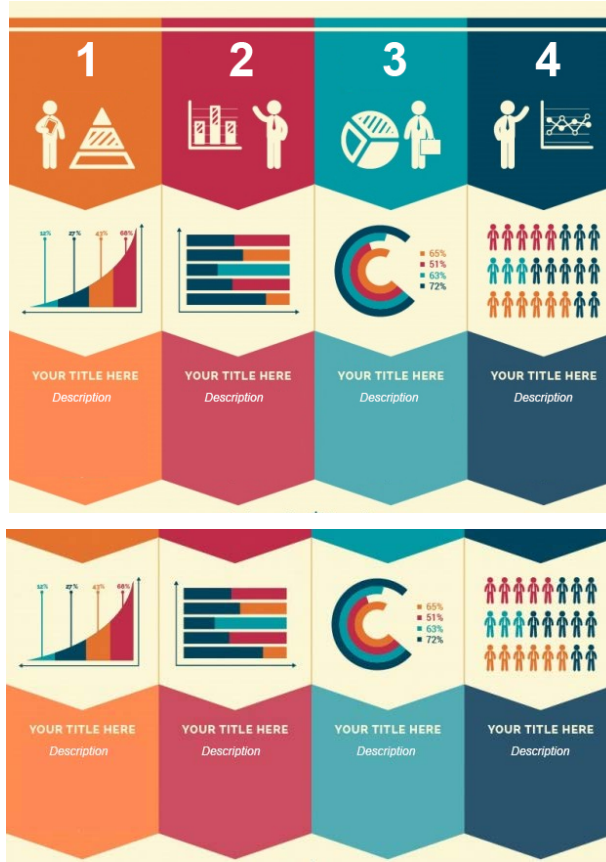
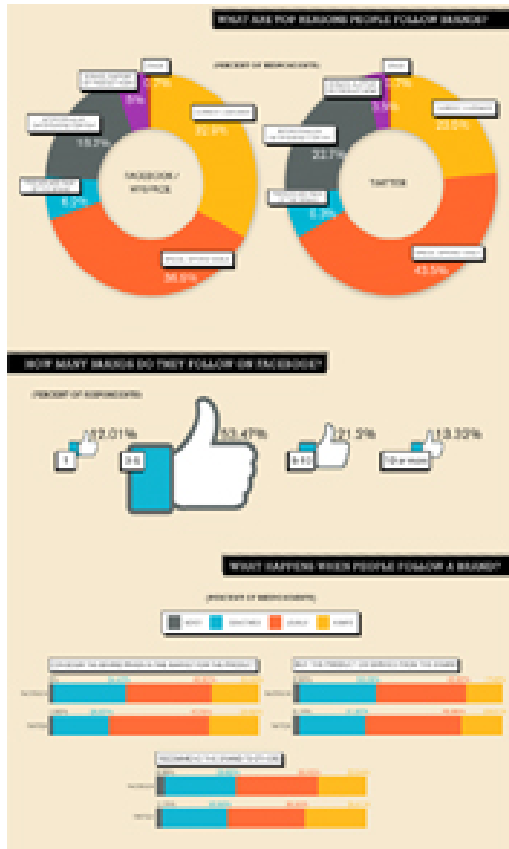
Source: Bloomberg

## Key US Indices LTM Performance



Source: Bloomberg

# Infographics



# Disclaimer

---

This document contains sensitive, confidential and privileged information. The information provided herewith is highly confidential in nature, contains proprietary information and intended for specific persons solely for discussion and illustrative purposes. No confidentiality or privilege is waived or lost by any unintended discovery or receipt. The terms mentioned are preliminary terms and subject to potentially substantial change.

This material was produced and distributed by Alphenix Research. Information and opinions contained herein have been compiled or arrived at by Alphenix Research solely for your information, and, accordingly, neither Alphenix Research nor its affiliates accepts liability for any loss arising from the use thereof or makes any representation or warrants, express or implied, as to its accuracy or completeness. This document is not to be relied upon as such or used in substitution for the exercise of independent judgement. Any opinions expressed herein reflect a judgement at the date of publication, are preliminary in nature and are subject to change. Alphenix Research and its affiliates may have issued, or may issue, other documents that are inconsistent with, and reach different conclusions from, the information presented herein. Such documents reflect the different assumptions, views and analytical methods of the individuals who prepared them.

Nothing in these materials shall constitute advice or a recommendation by Alphenix Research and its affiliates. Nothing contained herein shall constitute an offer, a solicitation of an offer, or any advice or recommendation to conclude any transaction (whether on the indicative terms or otherwise) or any commitment on the part of Alphenix Research to do so. Any indicative price quotations, disclosure materials or analyses provided to you in connection therewith have been prepared on assumptions and parameters that reflect good faith determinations by Alphenix Research or that have been expressly specified by you and do not constitute advice by us. The assumptions and parameters used are not the only ones that might reasonably have been selected and therefore no guarantee is given as to the accuracy of the information enclosed.