1st Quarter report for Exxon Mobil (XOM) **Date: May 22, 2016**
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Taken from Manifest Investing website on 2/13/2016									
Company	Symbol	Price	Growth	Proj P/E	Proj Yield	Fin Str	EPS Stab	Qlty	PAR
Exxon Mobil	XOM	$89.74	0.80%	10.1	2.90%	100%	76	76	2.10%

Percentage change in Sales from year ago quarter **-28.0%**

Percentage change in Earnings per Share from year ago quarter **-63.1%**

Is company meeting our target sales & earnings estimates? **NO**

Pre-tax Profit on sales trend? **Down**
Return on equity trends? **Down**
Debt? (up, even, down) **Up**

Current PE is **28.9**

Where does it fall in my estimated High/low range of PE's? **HIGH**

Signature PE = **12.8**

Club cost basis for this stock is **61.49** Current price is **89.74**
(from latest valuation)

Current fair value: Morningstar: **79.00** S&P: ****** BUY** **82.70**

My SSG Total Return is **8.2%** Projected Average Return is **6.4%**

NOTES:
Morningstar Stock Investor May 2016

Shale oil has fundamentally altered the global supply picture, ensuring the industry has more low-cost resources than it needs. We believe the market must find a long-term oil price that can keep a lid on U.S. shale activity. Our new 2020 Brent crude oil price forecast is $60 per barrell - down from our previus projections of $70.00 per barrell.

Value Line: Weak oil prices and declining earning aside, a couple of Exxon Mobil's strenghts shine through. One is the lack of asset writedowns & impairments that have become common in the energy space recently. The company's intefrated approach to the business includes oil refining & chemicals manufacturing, which provide an internal hedge against falling oil prices. Still, we now look for share profits to fall another 25%, or so, in 2016, before recovering in 2017, assuming oil prices stabilize, and then rebound.

S&P: With global crude production in the early stages of a reversal, many upstream players (especially smaller ones) should face difficult economics. We expect much of the industry to re-orient around returns instead of growth, and in this environment, we think a flight to quality will emerge with XOM at the forefront. XOM's long-term commitment to cost control & strong balance sheet should enable acquisition opportunities. Beyond th current weakness, we see a strong pipeline of upstream assets, & the downstream unit should benefit over the long term from its complex large refineries.

Morning Star:

Exxon's cash flow break-even should fall next year to about $40/barrell, resultingin the firm generating free cash flow after dividends at current strip prices. This marks the lowest break-even among its intergrated group peers, & it enabled Exxon to increase it dividend, albeit modestly, earlier this week. Although we downgradedExxon's moat rating to narrow from wide with our latest oil-price update, we still see it as the highest-quality integrated frim.

Bulls Say:

•Exxon will see its portfolio mix shift to liquids pricing as gas volumes decline & as new oil & liquified natural gas projects start production. Cash margins should improve as a result.

•While Exxon will struggle to improve returns materially, it should deliver free cash flow growth to support dividend increases & eventually, repurchases.

•With coordination between upstream and downstream operations, as well as integrated refining and chemical facilities, Exxon actually achieves a high level of integration that creates value, as opposed to simply owning the assets as peers do.

Bears Say

•With rising resource nationalism, Exxon has found it increasingly difficult to increase production and book reserves. As a result, it's more reliant on higher-cost projects than in the past.

•Returns are unlikely to ever reach historical levels without higher commodity prices, potentially resulting in compression of Exxon's premuim multiple.

•The expected decline in capital spending may prove only temporary, and Exxon may have to increase spending in several years to maintain production.

Recommend: Buy More _____, Hold_____, Challenge with a better investment__X____, Sell____