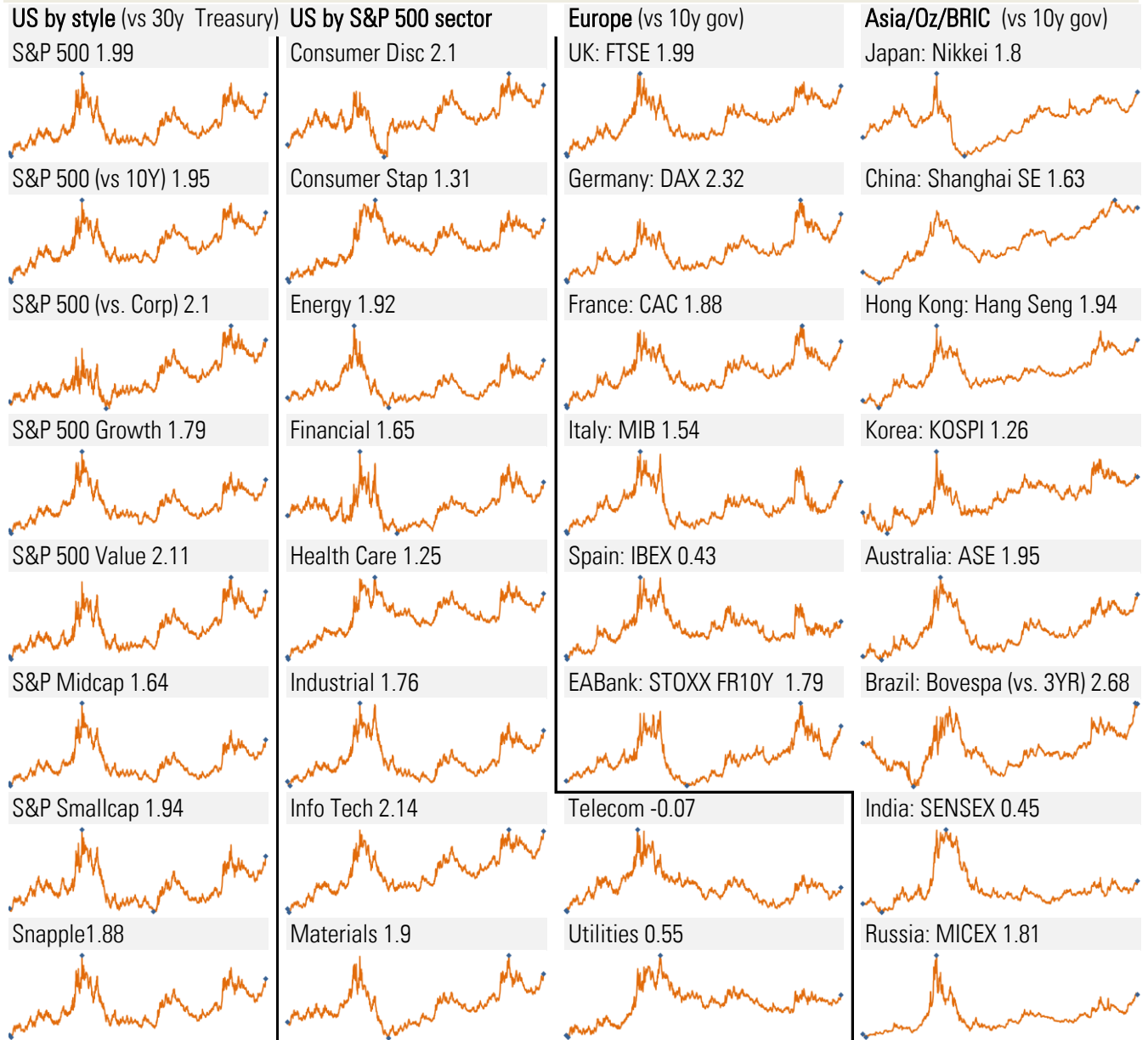


Data Insights: Global Equity Risk Premia

Monday, June 4, 2012

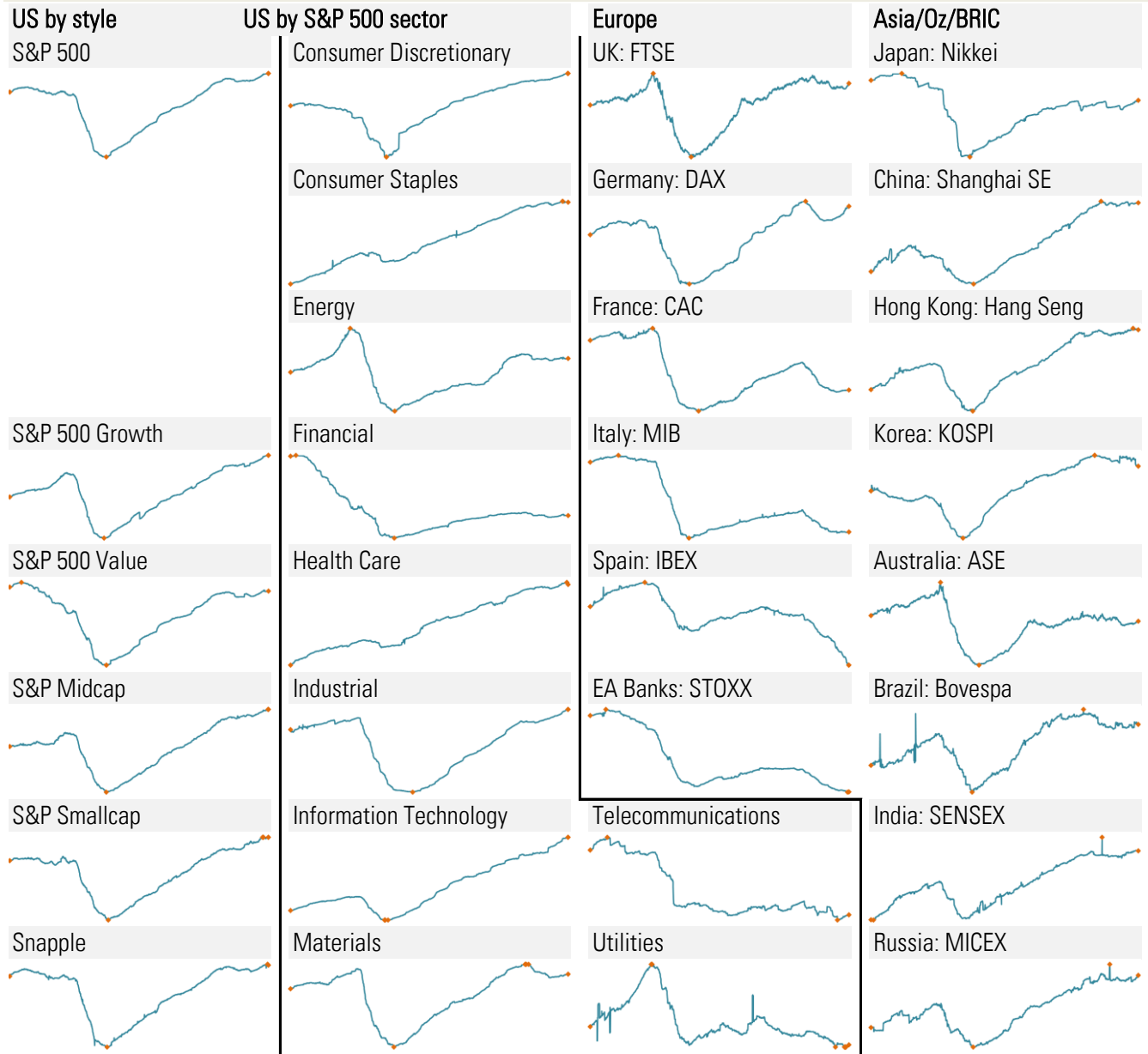
Equity risk premium: forward earnings yield minus bond yield, July 2007 to current

Standard deviations from crisis-era mean • First, High, Low, Last



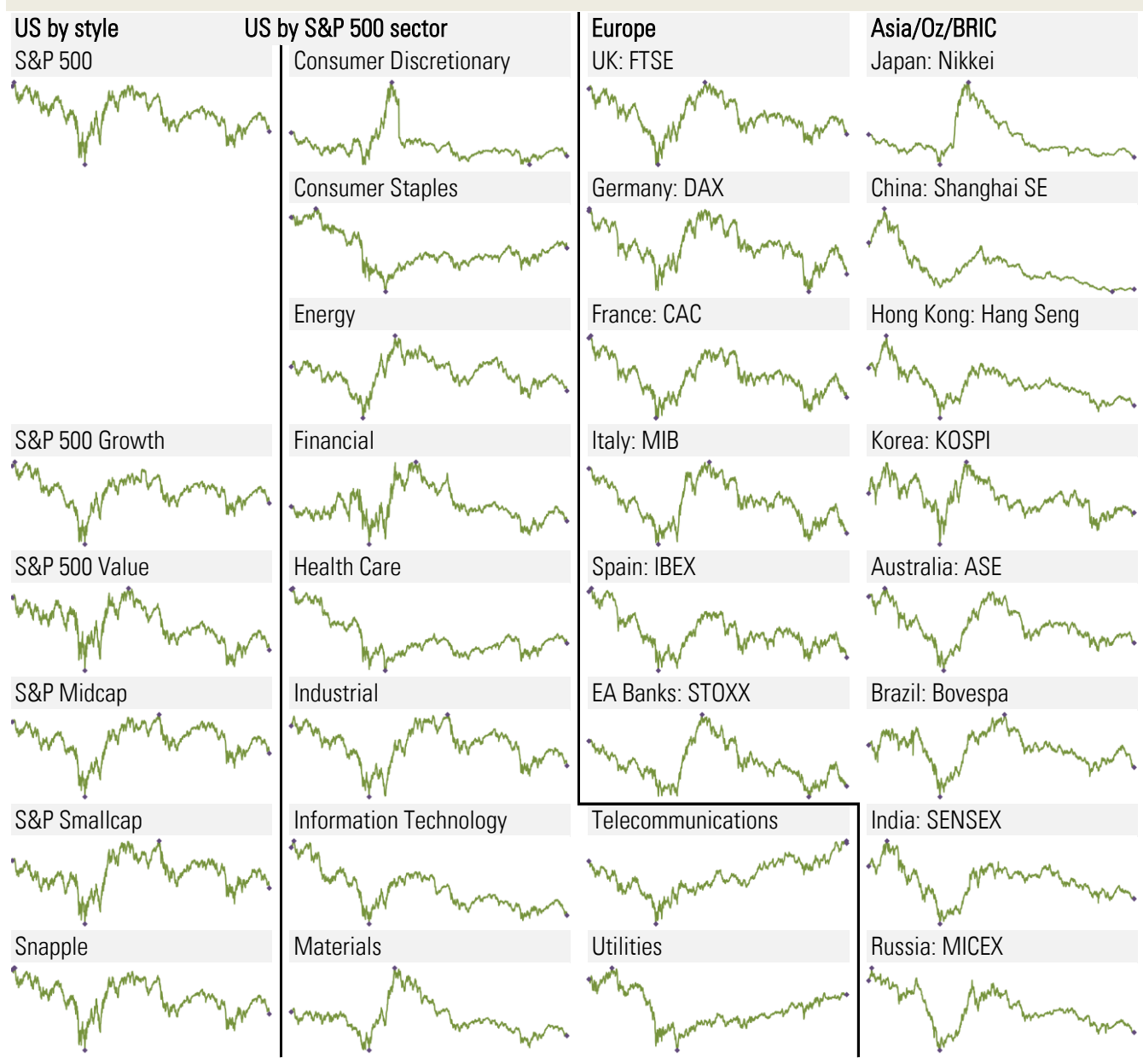
Source: Bloomberg, TrendMacro calculations

EPS: forward consensus, bottom-up, July 2007 to current



Source: Bloomberg, TrendMacro calculations

P/E ratio: forward consensus, bottom-up, July 2007 to current



Source: Bloomberg, TrendMacro calculations

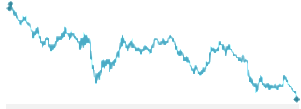
Benchmark bond yields, July 2007 to current

US

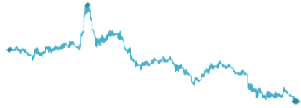
30-year Treasury



10-year Treasury

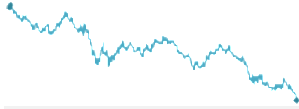


Moody's Corporate Avg



Europe

UK: 10-year govt



Germany: 10-year govt



France: 10-year govt



Italy: 10-year govt



Spain: 10-year govt



Asia/Oz/BRIC

Japan: 10-year govt



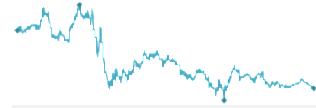
China: 10-year govt



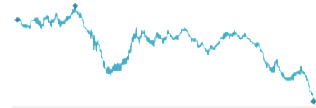
Hong Kong: 10-year govt



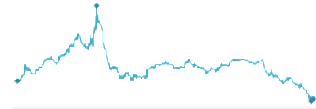
Korea: 10-year govt



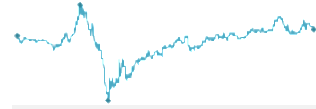
Australia: 10-year govt



Brazil: 3-year govt



India: 10-year govt

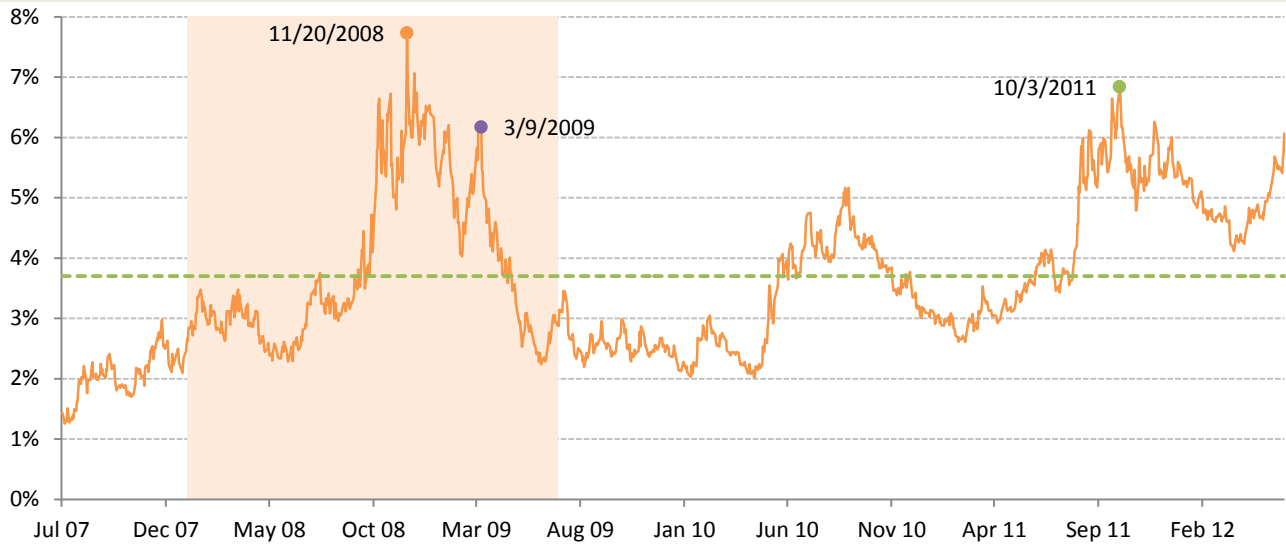


Russia: 10-year govt



Source: Bloomberg, TrendMacro calculations

Daily S&P 500 equity risk premium in the crisis era --- Average Recession

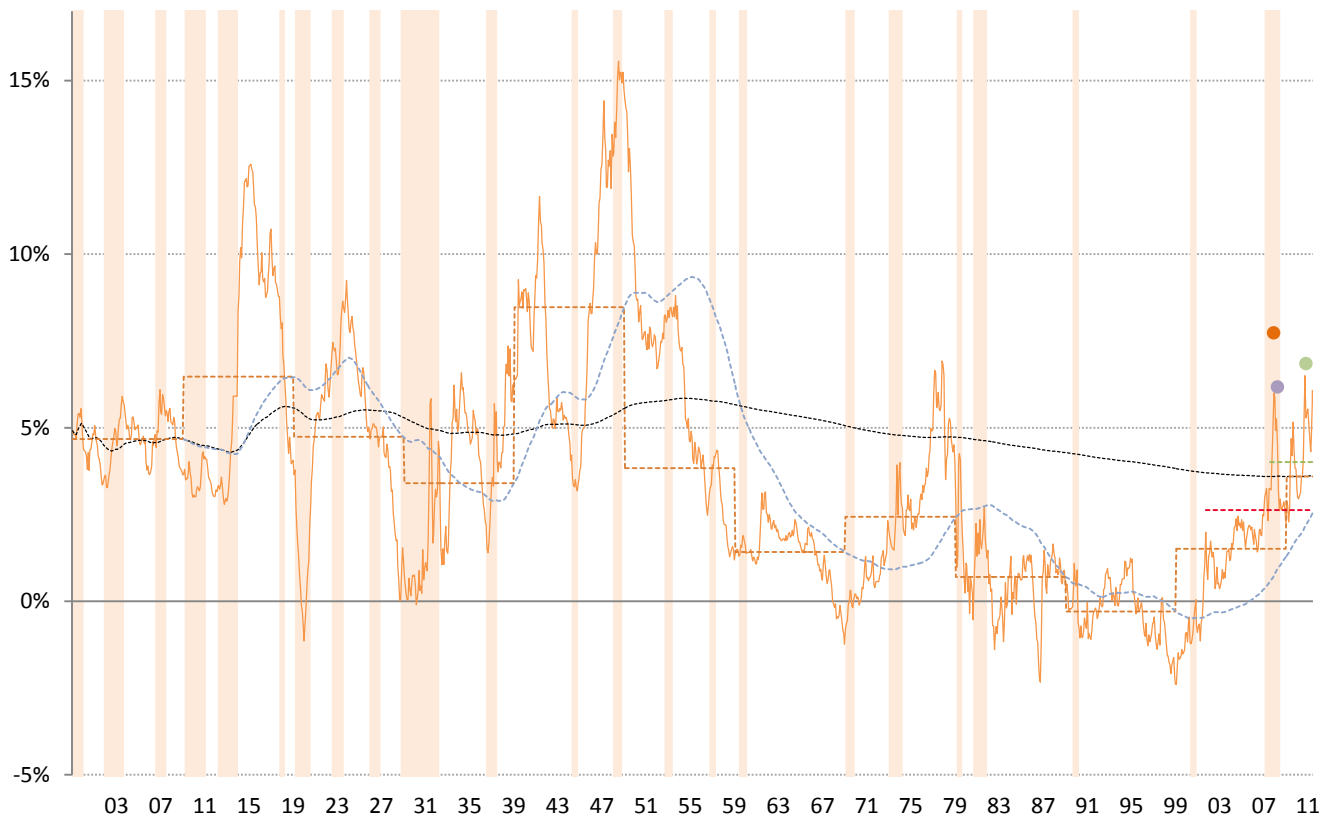


Versus 30-year Treasury

Source: Zacks, Bloomberg, NBER, TrendMacro calculations

A century-plus of the monthly S&P 500 equity risk premium

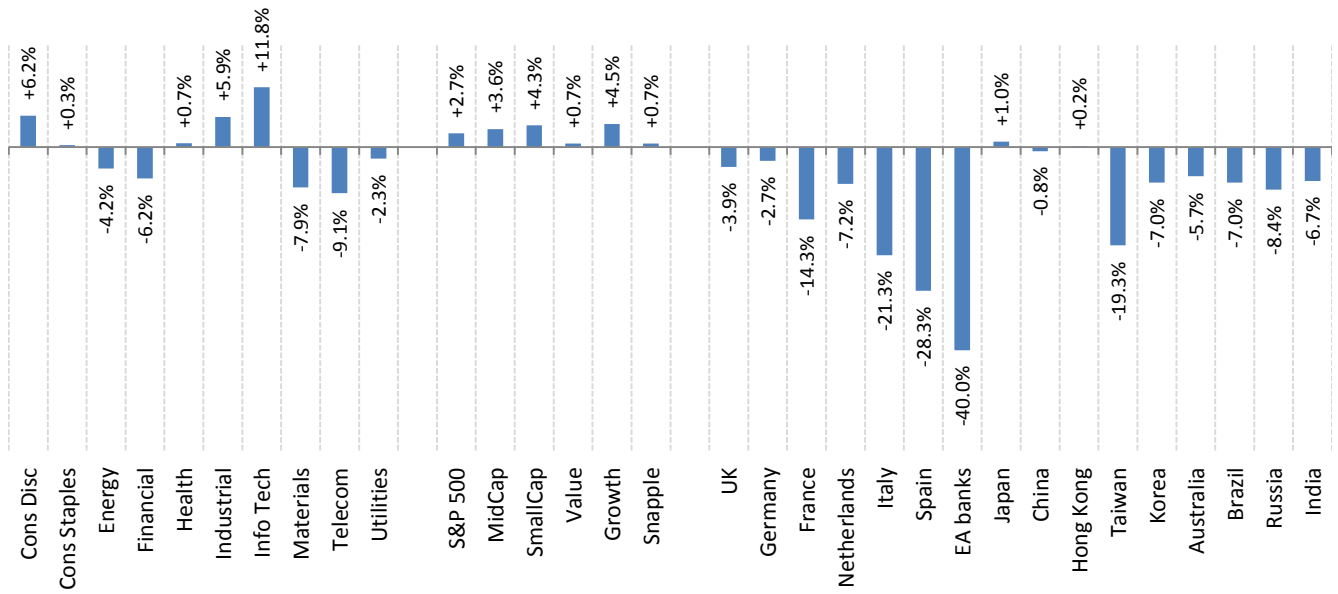
Averages: --- Crisis era --- Post-Q302 --- Decade --- 10-yr MA --- Cume MA



Versus 30-year Treasury

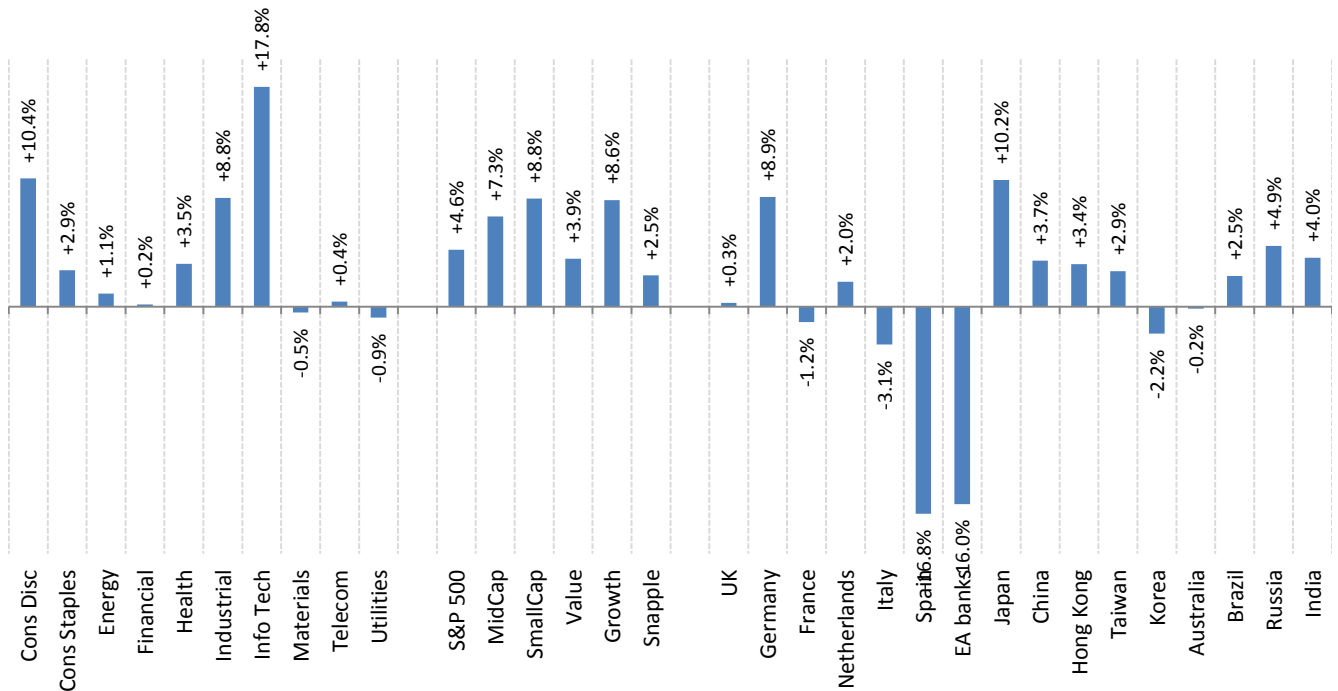
Source: Various, TrendMacro calculations

Consensus EPS versus 2011 high-water mark



Source: Bloomberg, TrendMacro calculations

Consensus EPS versus H2-2011 low-water mark



Source: Bloomberg, TrendMacro calculations