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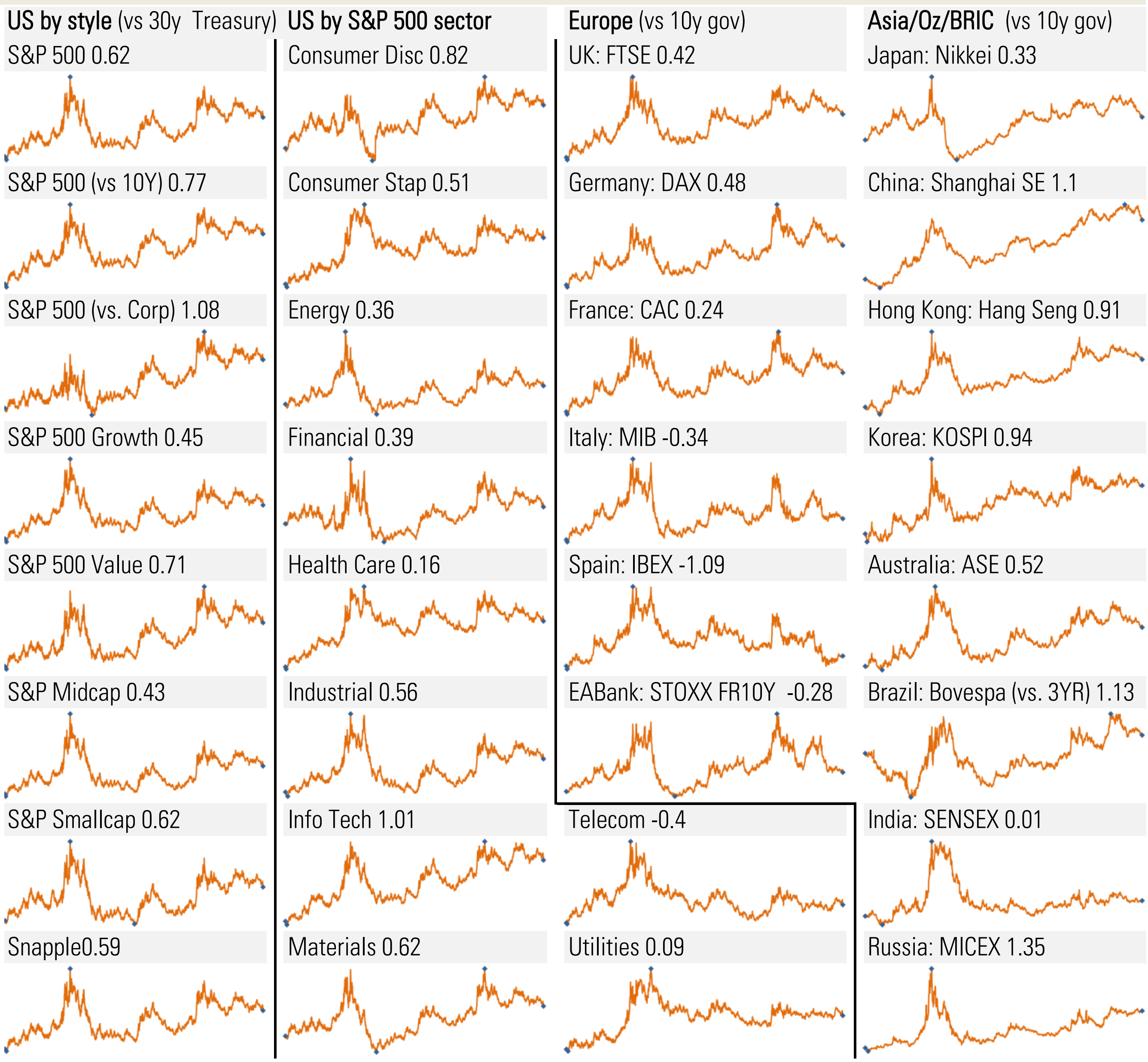
Data Insights: Global Equity Risk Premia

Thursday, January 3, 2013

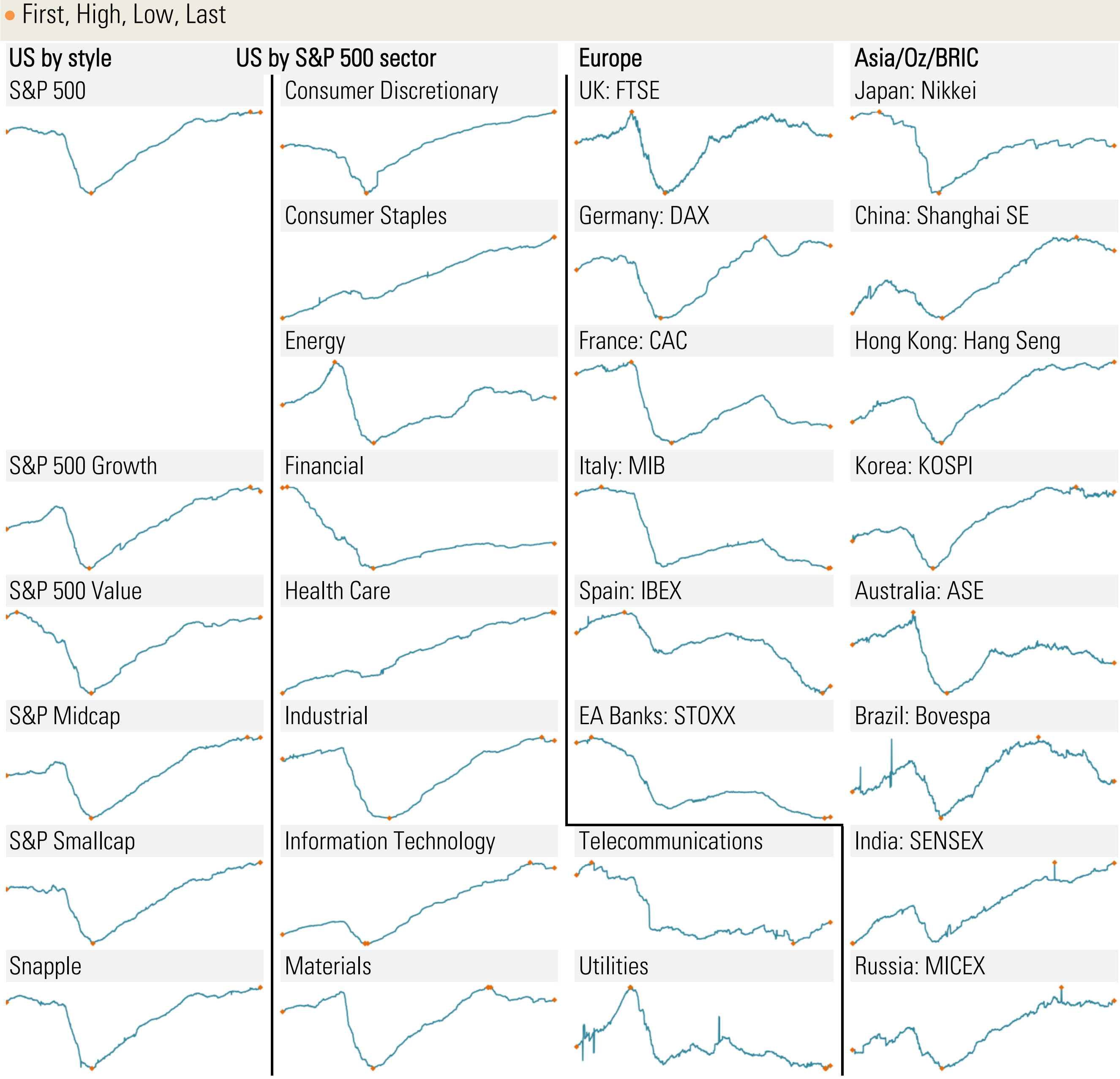
Equity risk premium: forward earnings yield minus bond yield, July 2007 to current

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



Source: Bloomberg, TrendMacro calculations

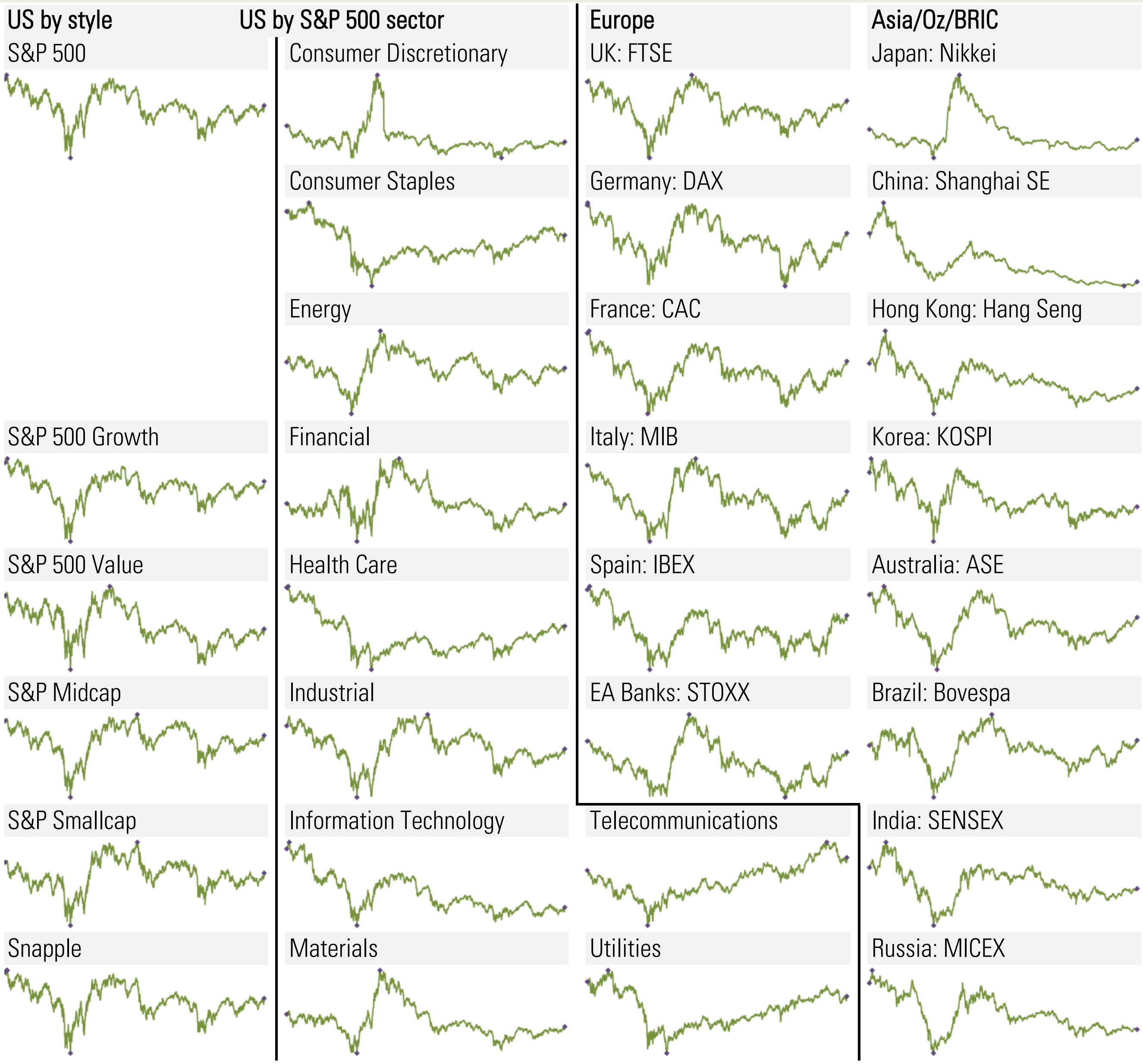
EPS: forward consensus, bottom-up, July 2007 to current



Source: Bloomberg, TrendMacro calculations

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

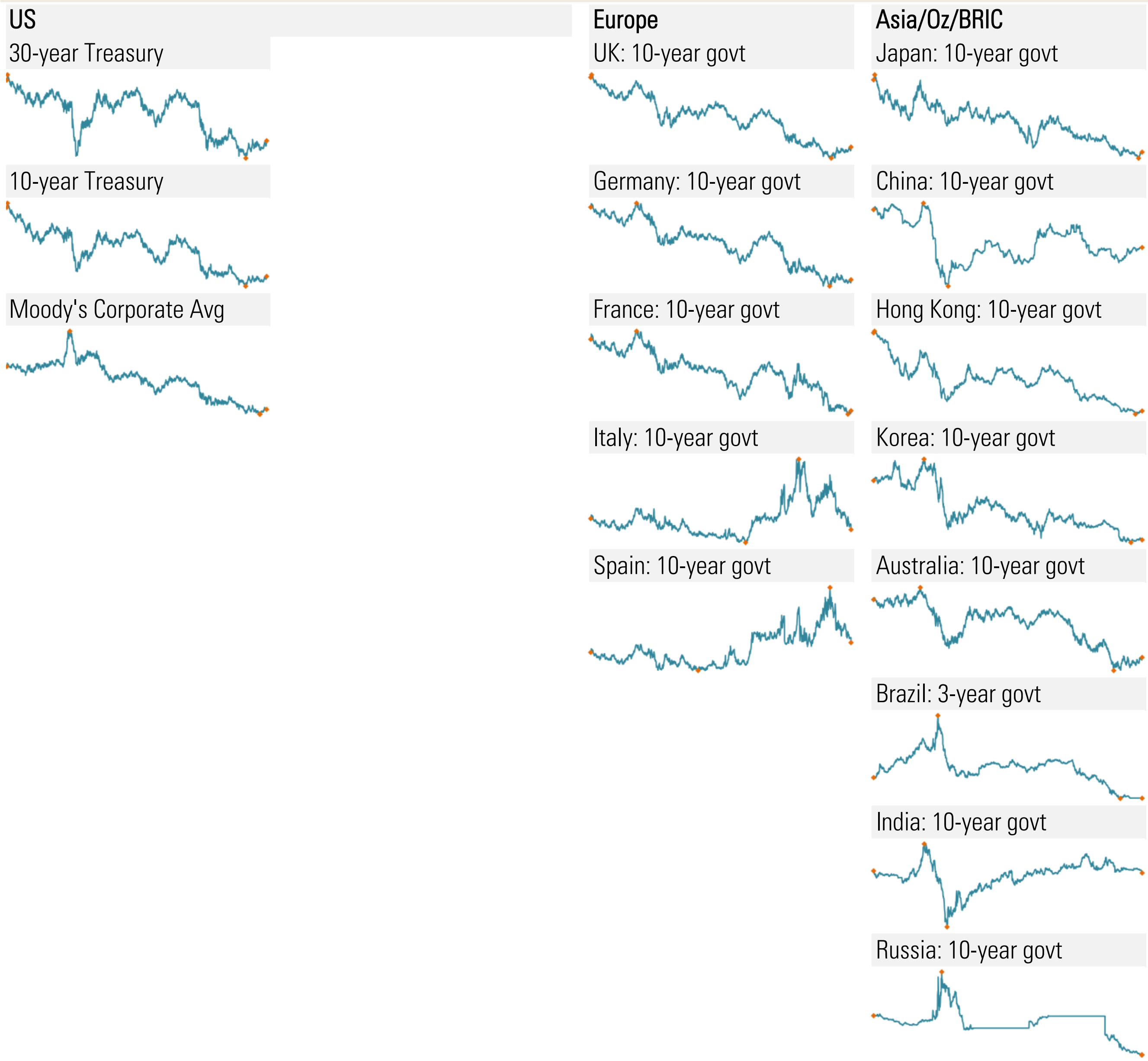
• First, High, Low, Last



Source: Bloomberg, TrendMacro calculations

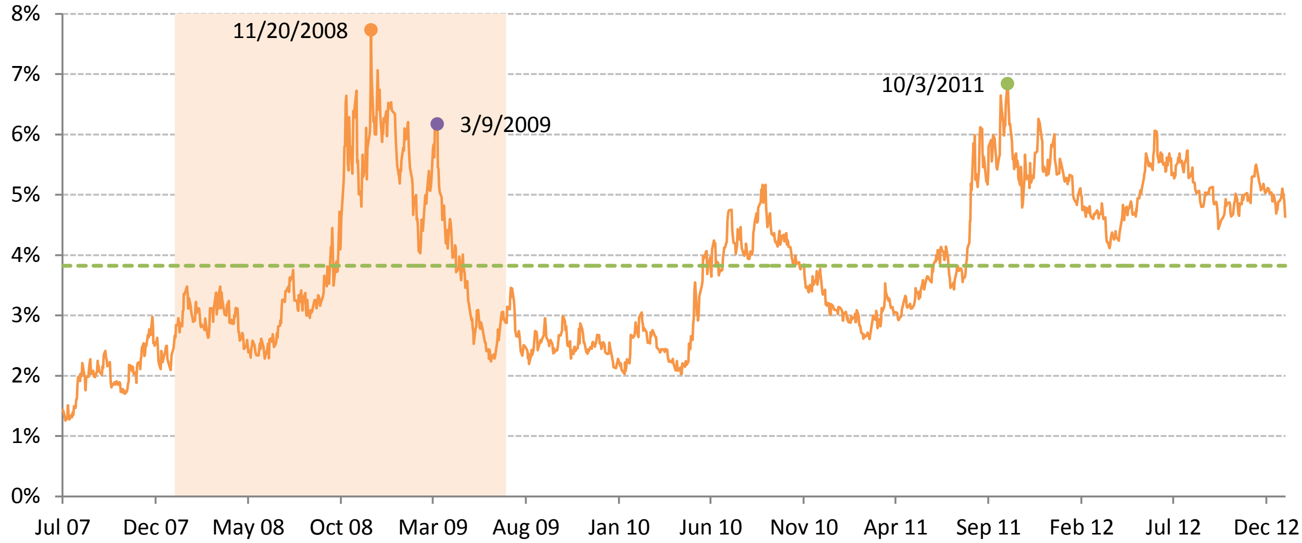
Benchmark bond yields, July 2007 to current

• First, High, Low, Last



Source: Bloomberg, TrendMacro calculations

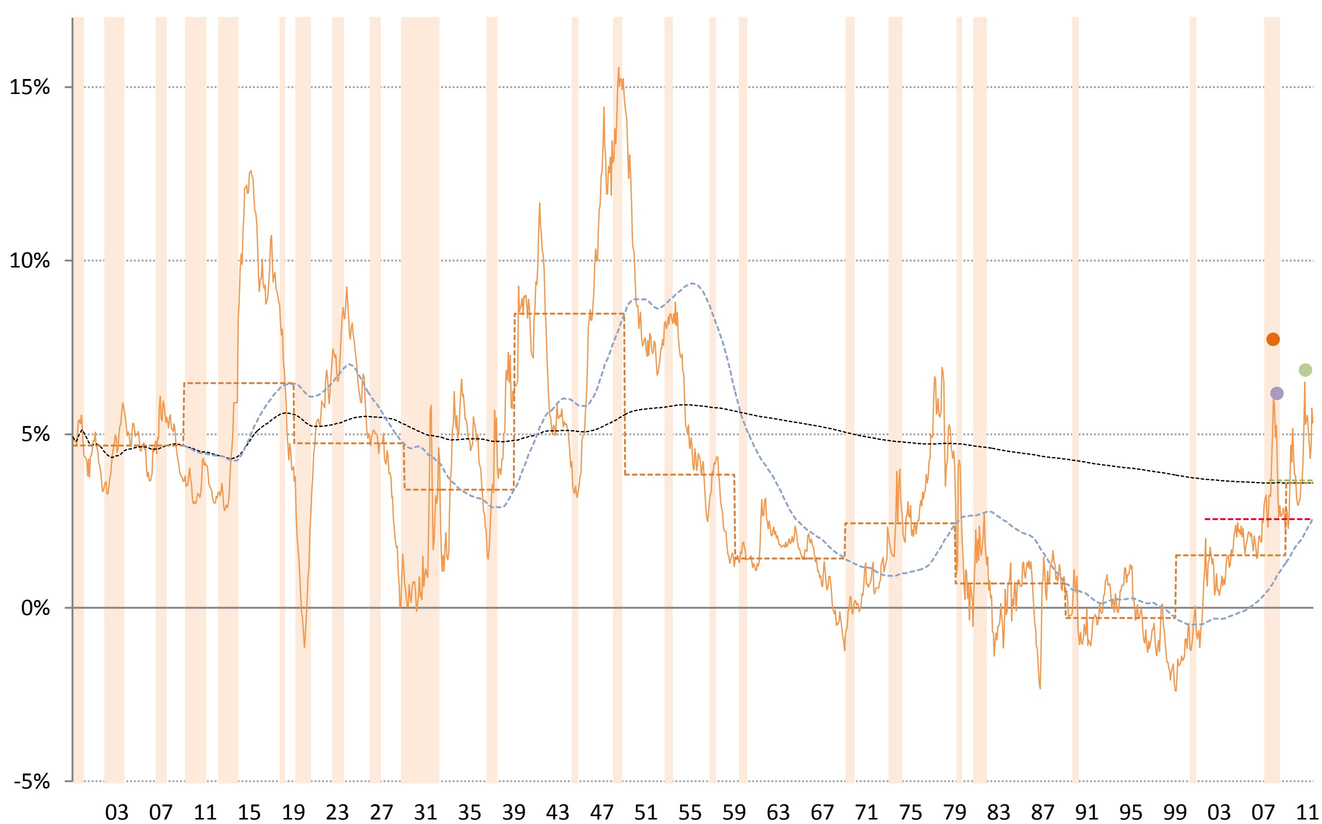
Daily S&P 500 equity risk premium in the crisis era --- Average Recession



Versus 30-year Treasury Source: Bloomberg, NBER, TrendMacro calculations

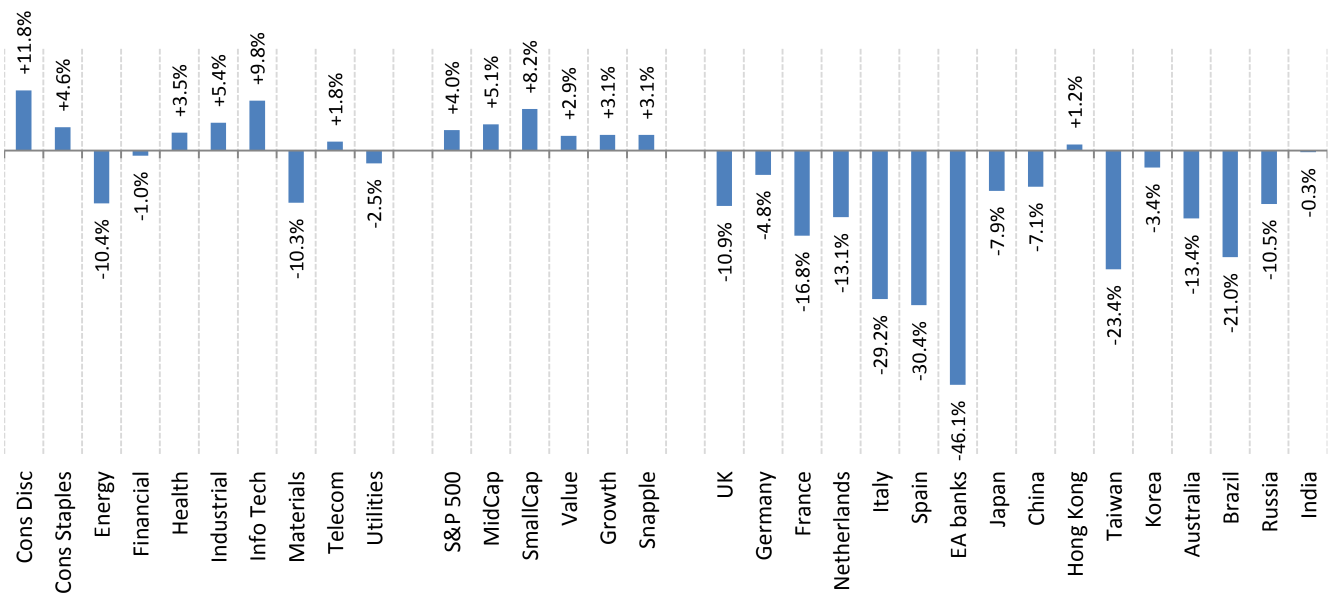
A century-plus of the monthly S&P 500 equity risk premium

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



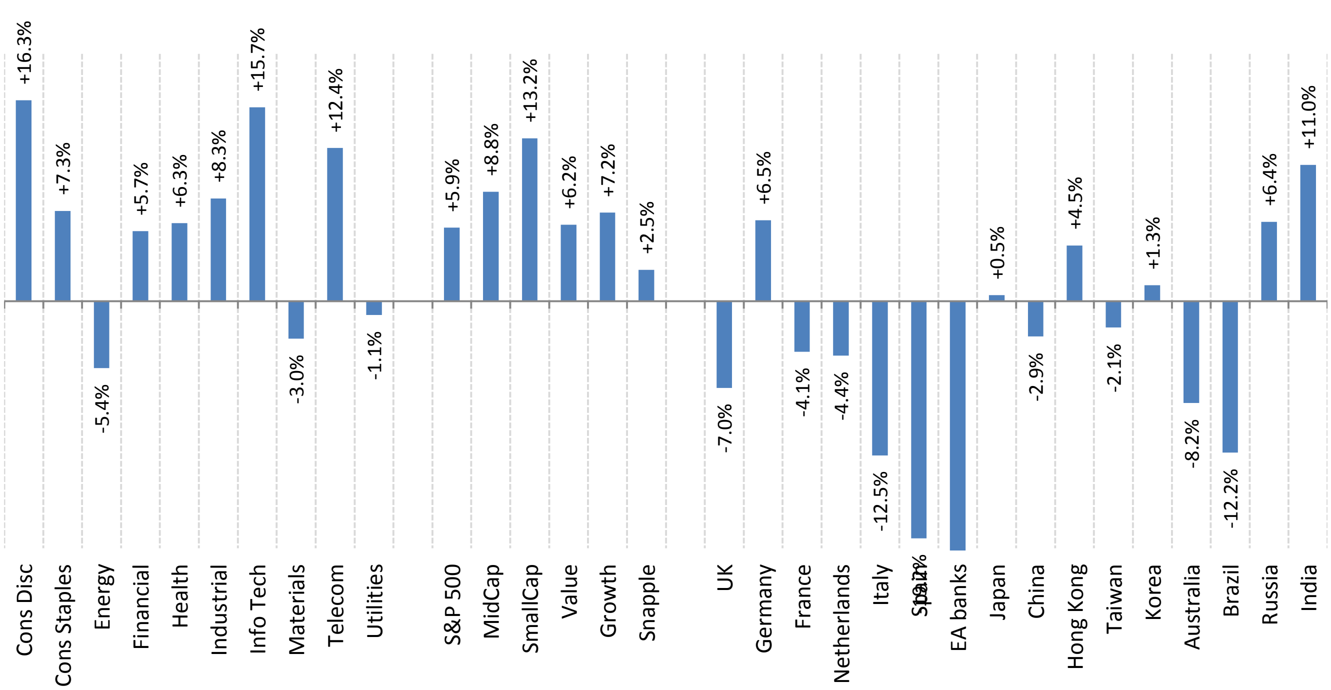
Versus 30-year Treasury Source: Various, TrendMacro calculations

Consensus EPS versus 2011 high-water mark



Source: Bloomberg, TrendMacro calculations

Consensus EPS versus H2-2011 low-water mark



Source: Bloomberg, TrendMacro calculations