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Data Insights: Global Equity Risk Premia

Monday, December 29, 2013

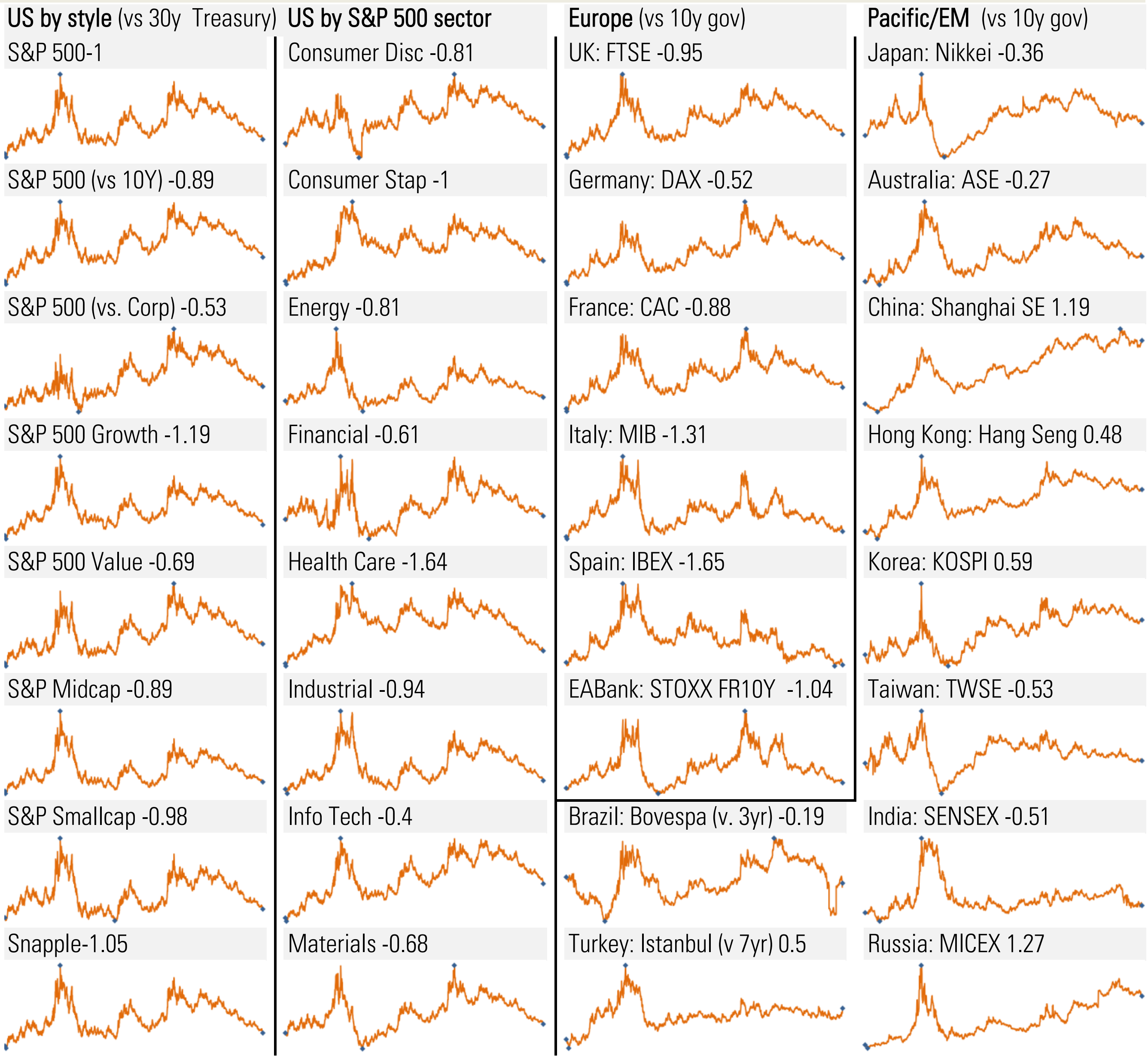
Global leader-board: by equity risk premium, value, and growth Best Worst

Rank	Equity risk premium By SD from crisis era mean		Forward PE ratio		Fwd earnings upgrade rate Trailing 90 days, AR		Fwd sales upgrade rate Trailing 90 days, AR	
	By country		By country		By country		By country	
1	China: Shanghai SE	+1.19	Russia: MICEX	4.5	Brazil: Bovespa	+966%	India: SENSEX	+14%
2	Korea: KOSPI	+0.60	China: Shanghai SE	8.2	India: SENSEX	+37%	China: Shanghai SE	+8%
3	HK: Hang Seng	+0.48	Turkey: Istanbul	8.2	Australia: ASE	+9%	HK: Hang Seng	+6%
4	Taiwan:TWSA	+0.05	Korea: KOSPI	9.4	HK: Hang Seng	+9%	Japan: Nikkei	+6%
5	Russia: MICEX	+0.01	HK: Hang Seng	10.3	China: Shanghai SE	+9%	Indonesia: JCI	+4%
6	Turkey: Istanbul	-0.14	Brazil: Bovespa	10.4	Japan: Nikkei	+7%	Australia: ASE	+3%
7	Brazil: Bovespa	-0.20	France: CAC	12.8	Turkey: Istanbul	+6%	Korea: KOSPI	+2%
8	Australia: ASE	-0.28	UK: FTSE	12.8	Indonesia: JCI	+5%	Germany: DAX	-0%
9	Japan: Nikkei	-0.36	Italy: MIB	12.9	Netherlands: AEX	+4%	France: CAC	-1%
10	India: SENSEX	-0.51	Germany: DAX	13.1	US: S&P 500	+4%	Netherlands: AEX	-1%
11	Germany: DAX	-0.53	Netherlands: AEX	13.2	Germany: DAX	-0%	US: S&P 500	-3%
12	Netherlands: AEX	-0.80	India: SENSEX	13.6	Korea: KOSPI	-3%	UK: FTSE	-5%
13	France: CAC	-0.89	Australia: ASE	14.6	Spain: IBEX	-4%	Turkey: Istanbul	-6%
14	UK: FTSE	-0.95	Indonesia: JCI	14.7	Italy: MIB	-4%	Italy: MIB	-8%
15	US: S&P 500	-1.00	Spain: IBEX	14.7	Russia: MICEX	-4%	Spain: IBEX	-13%
16	Italy: MIB	-1.31	US: S&P 500	15.4	France: CAC	-5%	Brazil: Bovespa	-13%
17	Spain: IBEX	-1.66	Japan: Nikkei	18.9	UK: FTSE	-7%	Russia: MICEX	-16%
	US, by style		US, by style		US, by style		US, by style	
1	S&P 500 Value	-0.69	S&P 500 Value	13.7	S&P 500 Value	+10%	S&P Smallcap	+20%
2	S&P Midcap	-0.89	S&P 500	15.4	S&P Smallcap	+8%	S&P Midcap	+13%
3	S&P Smallcap	-0.99	S&P 500 Growth	17.0	S&P 500	+4%	S&P 500 Growth	+3%
4	S&P 500	-1.00	S&P Midcap	18.3	S&P Midcap	+3%	S&P 500	-3%
5	S&P 500 Growth	-1.19	S&P Smallcap	19.8	S&P 500 Growth	-2%	S&P 500 Value	-7%
	US, by sector		US, by sector		US, by sector		US, by sector	
1	Telecom	-0.16	Energy	13.1	Consumer Disc	+13%	Health Care	+7%
2	Info Tech	-0.41	Financial	13.4	Materials	+11%	Consumer Disc	+4%
3	Financial	-0.62	Telecom	14.4	Health Care	+7%	Consumer Stap	+3%
4	Materials	-0.69	Info Tech	14.8	Telecom	+6%	Financial	+2%
5	Utilities	-0.76	Utilities	14.9	Consumer Stap	+4%	Telecom	+1%
6	Energy	-0.81	Materials	16.4	Utilities	+4%	Materials	+1%
7	Consumer Disc	-0.82	Health Care	16.7	Financial	+3%	Industrial	+1%
8	Industrial	-0.95	Industrial	16.7	Industrial	+2%	Utilities	+0%
9	Consumer Stap	-1.01	Consumer Stap	17.2	Energy	+2%	Energy	-14%
10	Health Care	-1.64	Consumer Disc	18.2	Info Tech	-3%	Info Tech	-19%

Source: Bloomberg, TrendMacro calculations

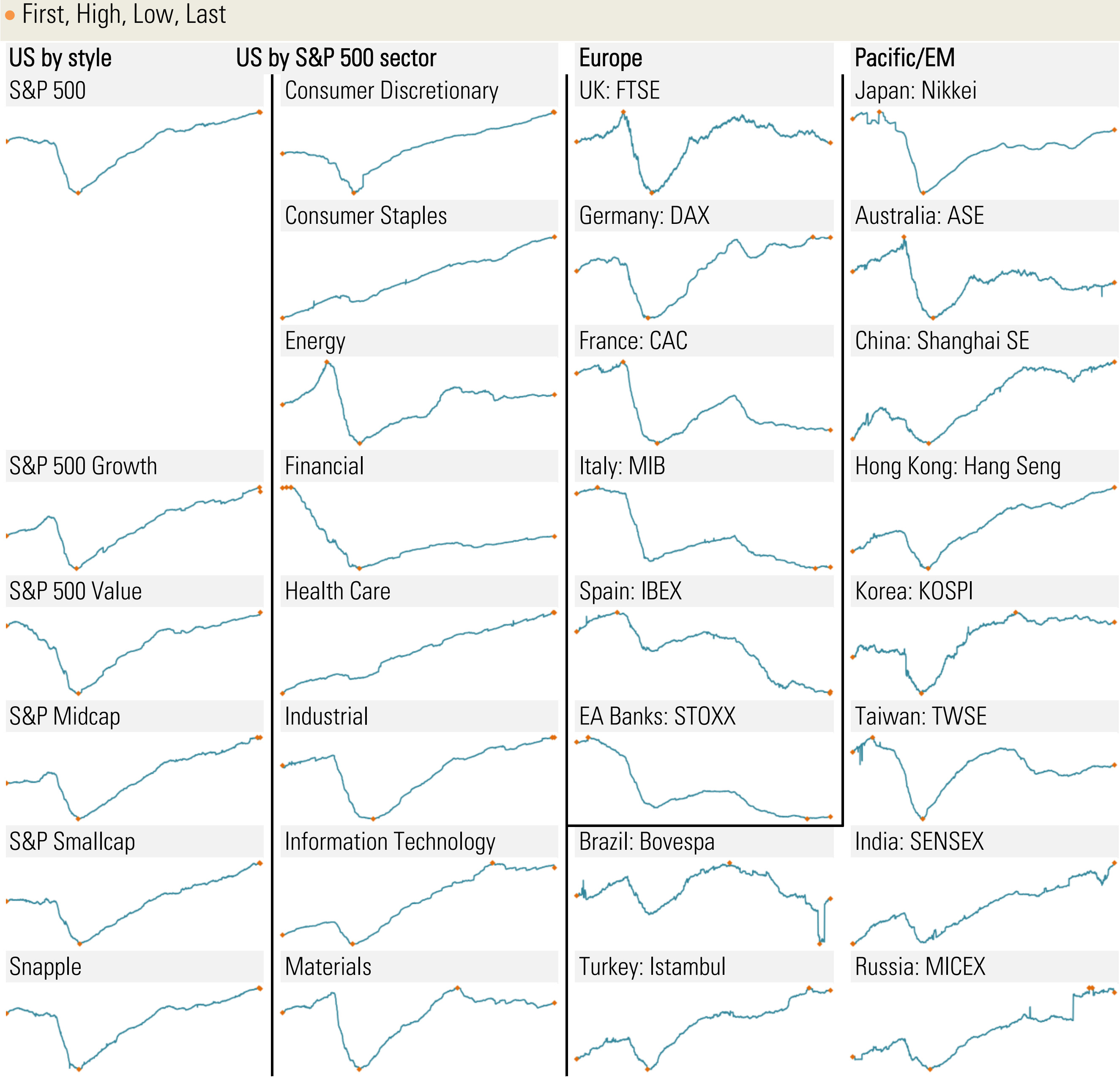
Equity risk premium: forward earnings yield minus bond yield, July 2007 to current

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



Source: Bloomberg, TrendMacro calculations

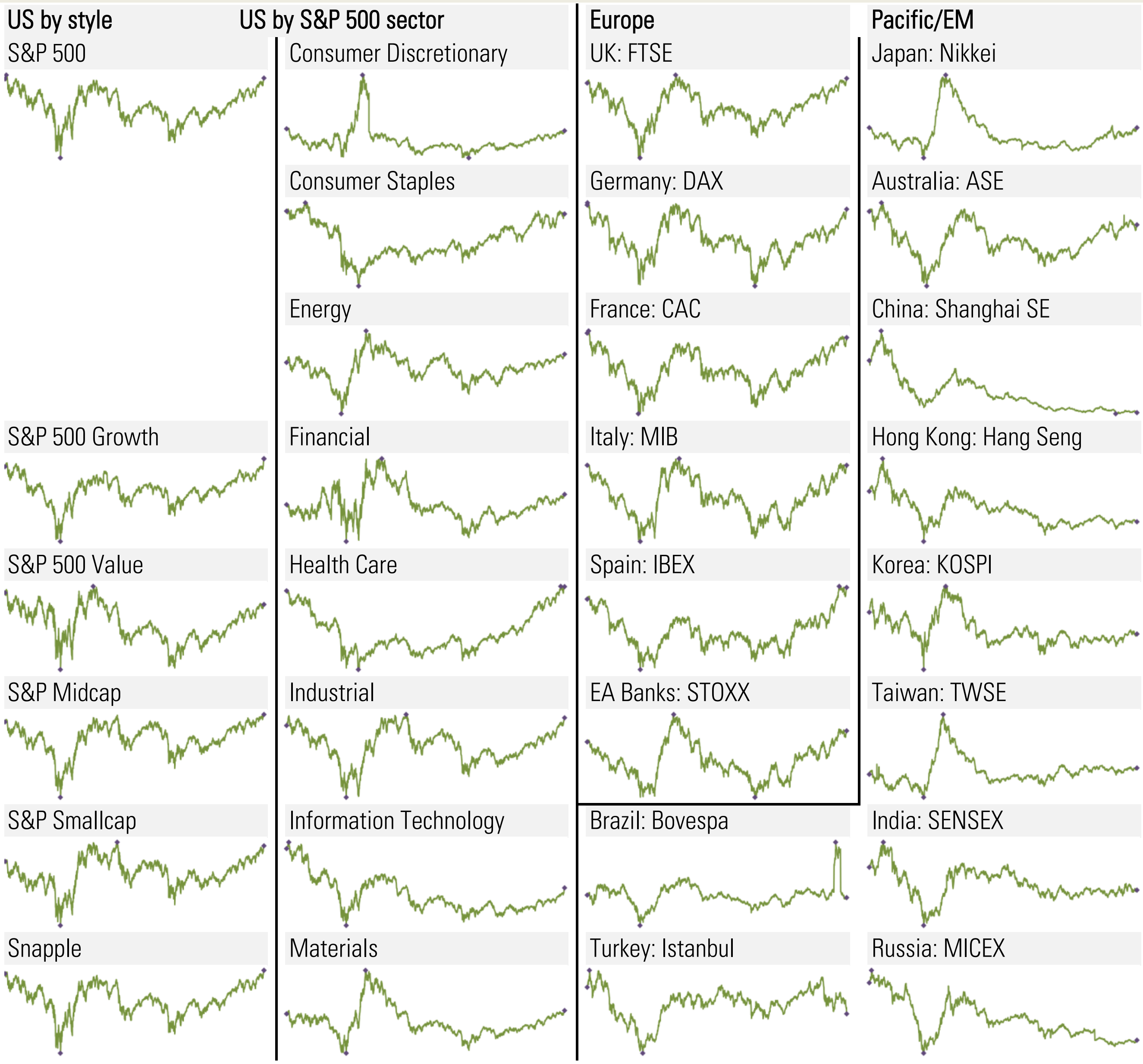
EPS: forward consensus, bottom-up, July 2007 to current



Source: Bloomberg, TrendMacro calculations

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

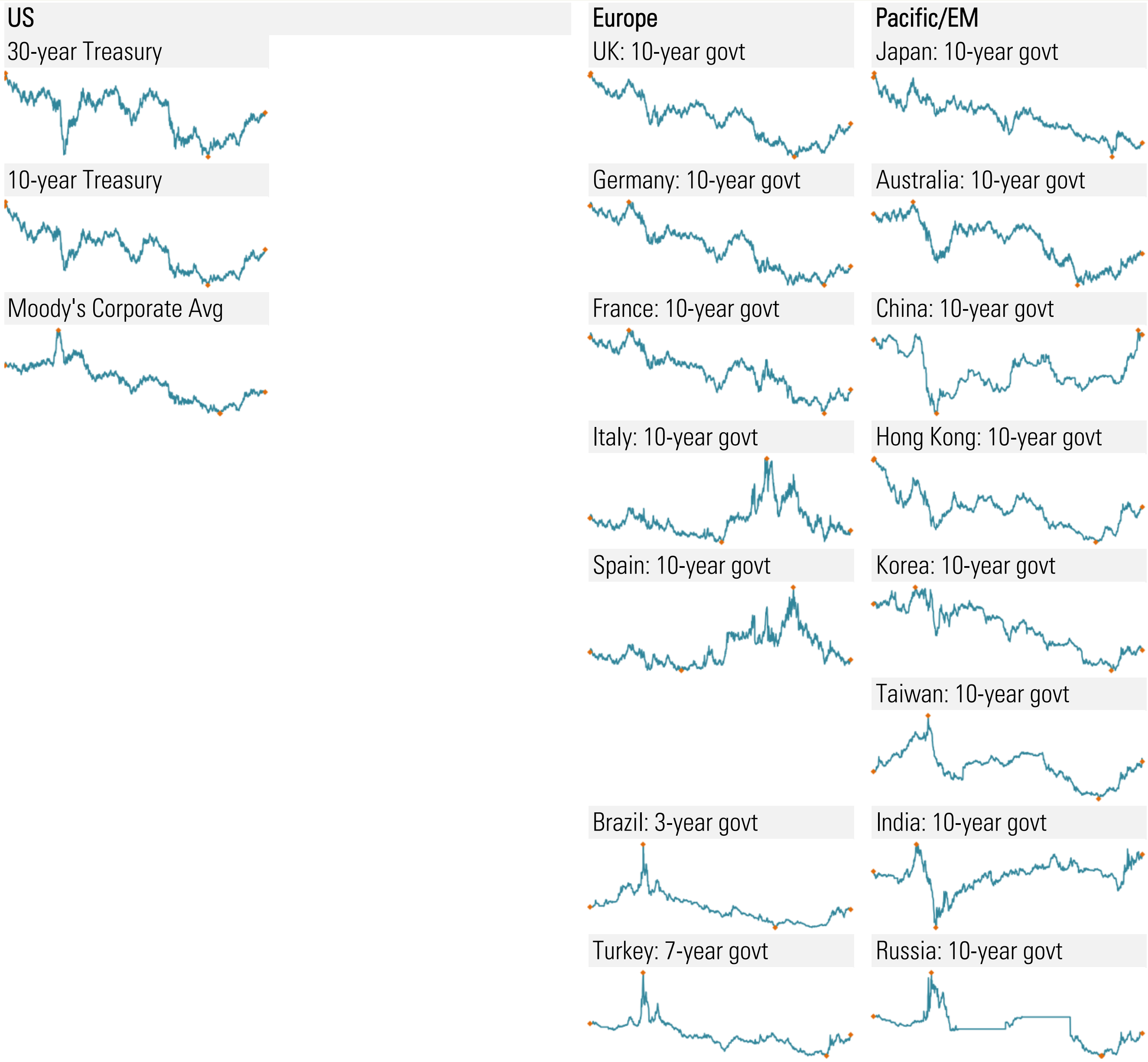
• First, High, Low, Last



Source: Bloomberg, TrendMacro calculations

Benchmark bond yields, July 2007 to current

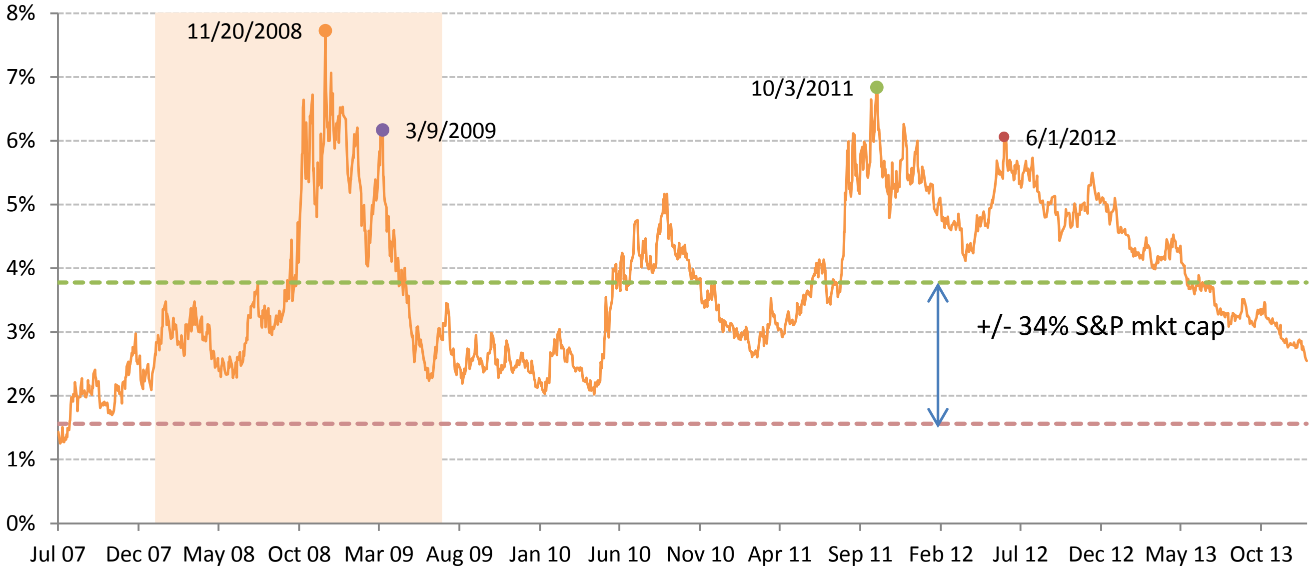
• First, High, Low, Last



Source: Bloomberg, TrendMacro calculations

Daily S&P 500 equity risk premium

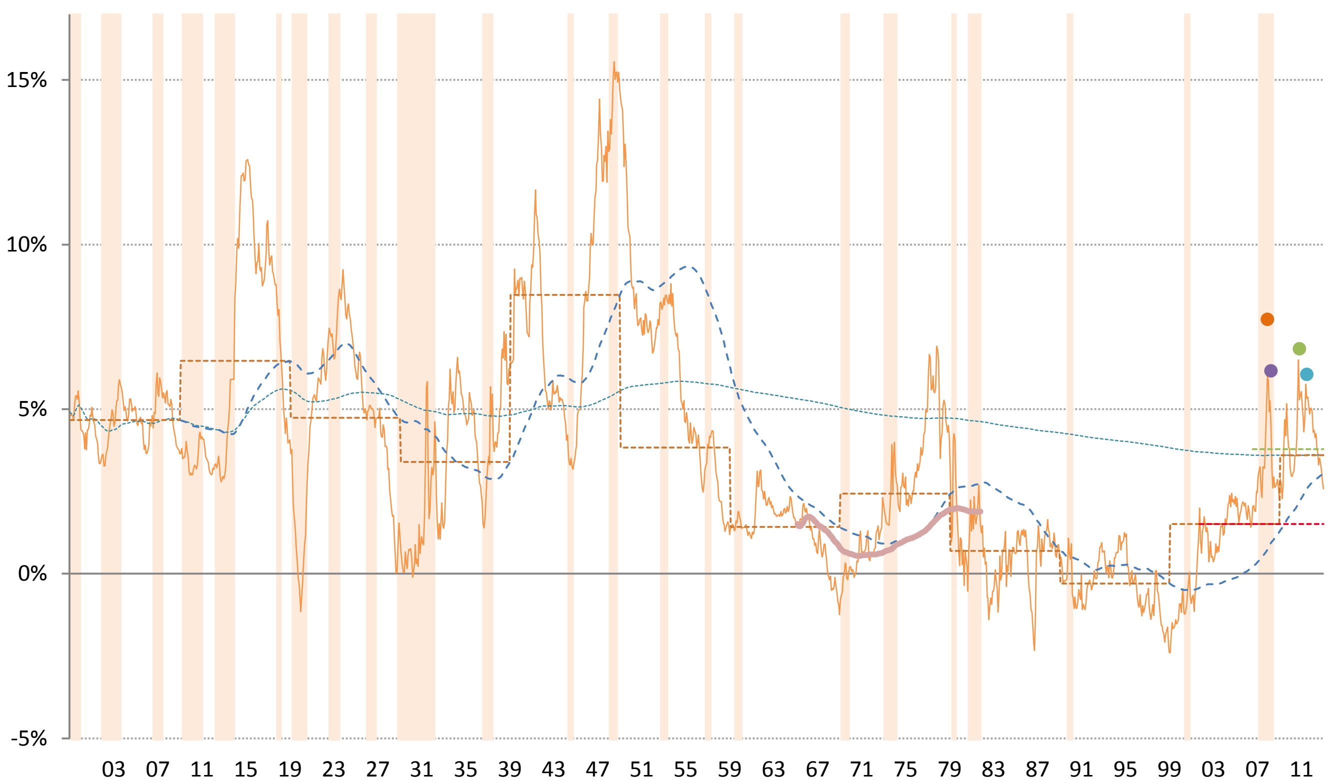
--- Crisis-era mean --- Post Q3-02 mean Recession



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

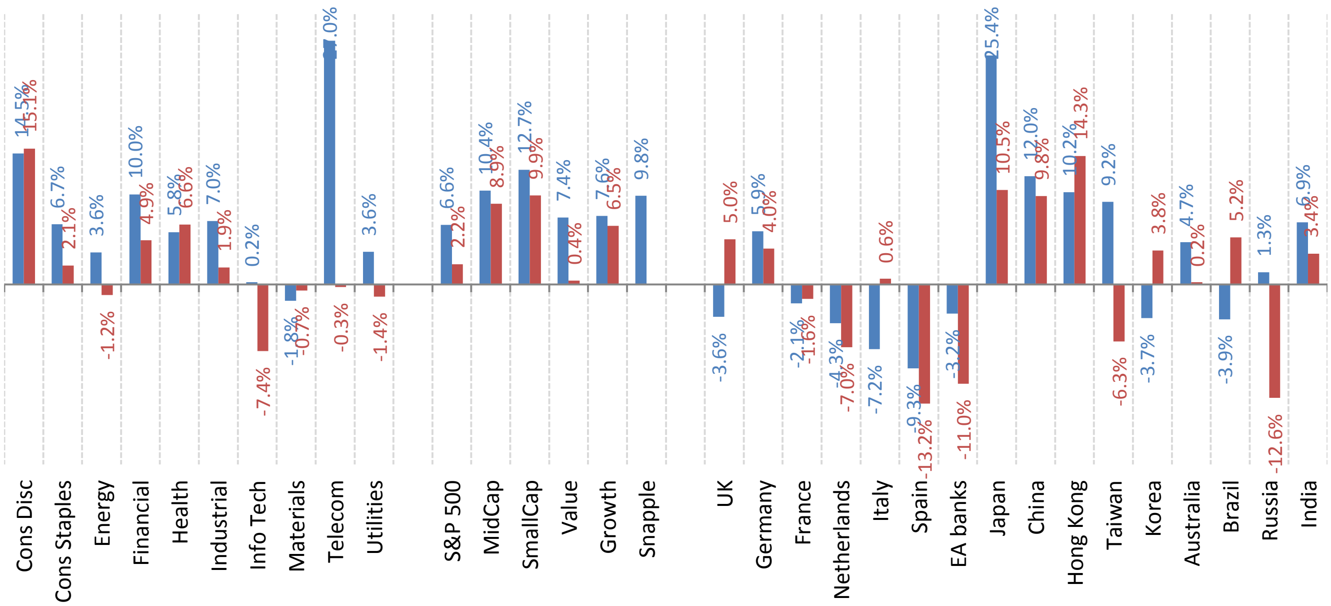
A century-plus of the monthly S&P 500 equity risk premium

Means: --- Crisis era --- Q302-to-crisis --- Decade --- 10-yr --- Cume from 1900



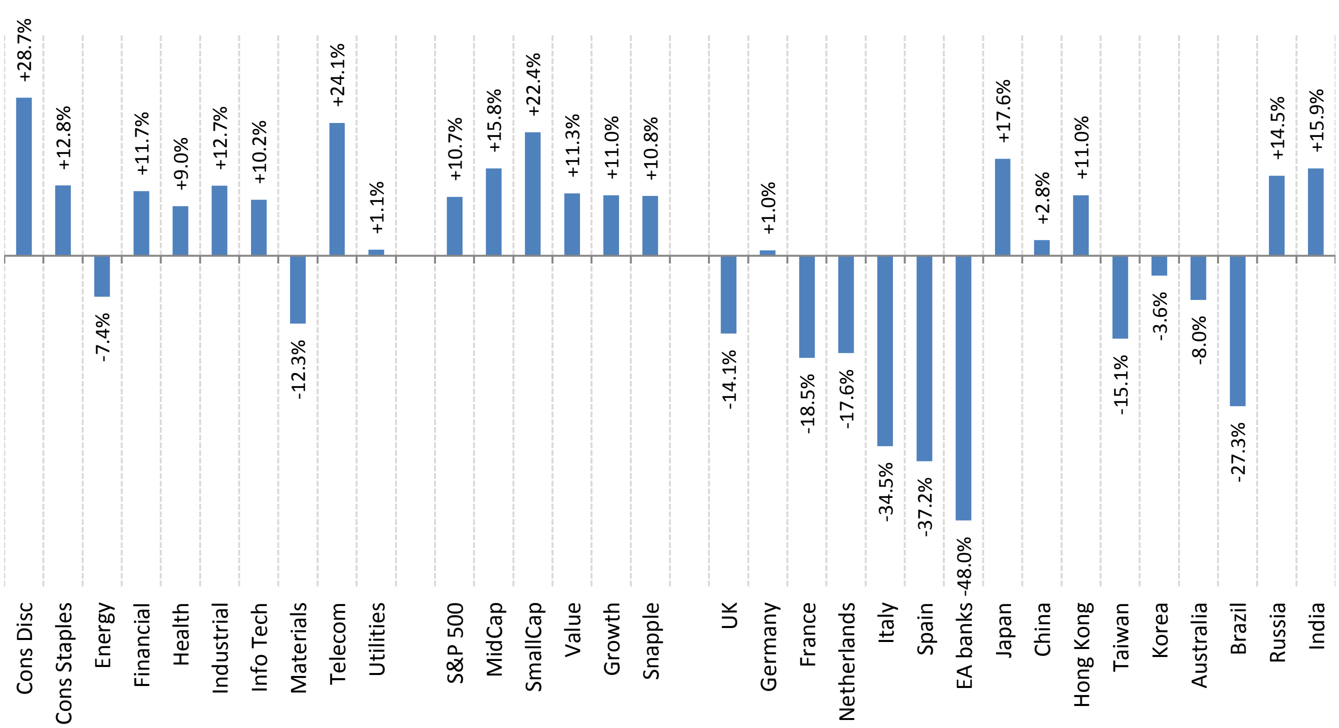
Versus 30-year Treasury Source: Various, TrendMacro calculations

Consensus per share, YOY



Source: Bloomberg, TrendMacro calculations

Consensus EPS versus 2011 high-water mark



Source: Bloomberg, TrendMacro calculations