

## Data Insights: Global Equity Risk Premia

Friday, May 13, 2016

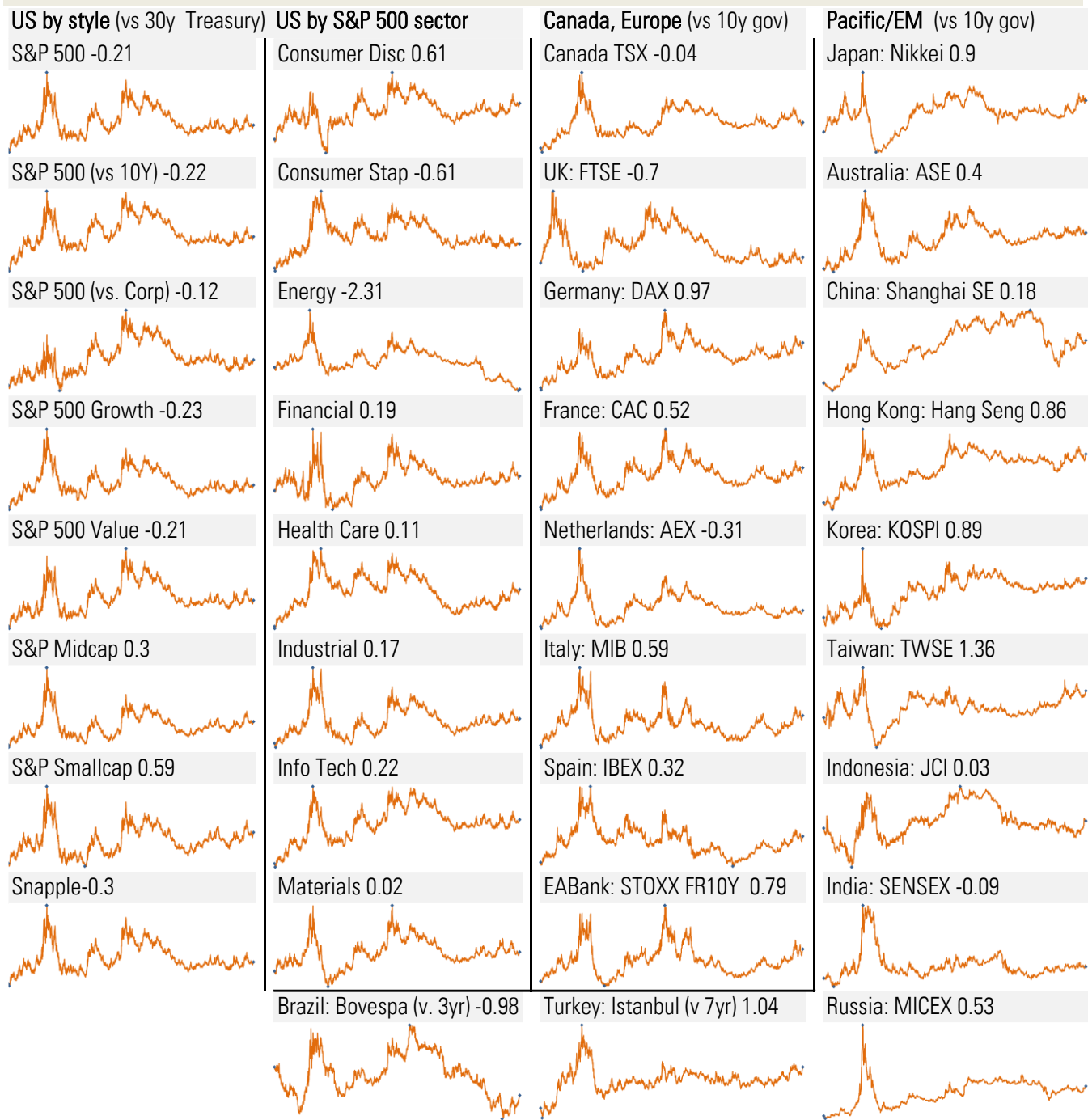
### Global leader-board: by equity risk premium, value, and growth ■ Best ■ Worst

Rank	Equity risk premium		Forward PE ratio		Fwd earnings upgrade rate		Fwd sales upgrade rate	
	By SD from crisis era mean				Trailing 90 days, AR		Trailing 90 days, AR	
	<b>By country</b>		<b>By country</b>		<b>By country</b>		<b>By country</b>	
1	Taiwan:TWSA	+1.37	Russia: MICEX	6.5	Russia: MICEX	+84%	Russia: MICEX	+86%
2	Turkey: Istanbul	+1.04	Turkey: Istanbul	8.4	Indonesia:JCI	+63%	UK: FTSE	+20%
3	Germany: DAX	+0.98	HK: Hang Seng	10.3	Brazil: Bovespa	+28%	India: SENSEX	+14%
4	Japan: Nikkei	+0.90	Korea: KOSPI	10.7	Korea: KOSPI	+25%	Netherlands: AEX	+11%
5	Korea: KOSPI	+0.90	Germany: DAX	11.9	Turkey: Istanbul	+22%	Turkey: Istanbul	+6%
6	HK: Hang Seng	+0.86	China: Shanghai SE	12.3	Netherlands: AEX	+7%	Korea: KOSPI	+4%
7	Italy: MIB	+0.60	Taiwan:TWSA	12.4	Germany: DAX	+6%	Germany: DAX	+4%
8	Russia: MICEX	+0.53	Brazil: Bovespa	12.6	India: SENSEX	+5%	US: S&P 500	+3%
9	France: CAC	+0.53	Spain: IBEX	12.9	US: S&P 500	+2%	Canada:TSX	+2%
10	Australia: ASE	+0.40	Italy: MIB	13.1	UK: FTSE	+0%	Taiwan:TWSA	+2%
11	Spain: IBEX	+0.33	France: CAC	13.8	Spain: IBEX	-0%	HK: Hang Seng	-1%
12	China: Shanghai SE	+0.18	Indonesia:JCI	14.4	Australia: ASE	-3%	Spain: IBEX	-1%
13	Indonesia:JCI	+0.04	UK: FTSE	15.4	France: CAC	-4%	France: CAC	-2%
14	Canada:TSX	-0.04	Japan: Nikkei	15.7	Taiwan:TWSA	-8%	Italy: MIB	-2%
15	India: SENSEX	-0.10	Netherlands: AEX	15.7	Canada:TSX	-9%	Japan: Nikkei	-6%
16	US: S&P 500	-0.21	India: SENSEX	15.9	Italy: MIB	-11%	Indonesia:JCI	-7%
17	Netherlands: AEX	-0.31	Australia: ASE	16.5	Japan: Nikkei	-12%	Australia: ASE	-10%
18	UK: FTSE	-0.71	US: S&P 500	16.7	HK: Hang Seng	-16%	China: Shanghai SE	-12%
19	Brazil: Bovespa	-0.99	Canada:TSX	17.1	China: Shanghai SE	-23%	Brazil: Bovespa	-19%
	<b>US, by style</b>		<b>US, by style</b>		<b>US, by style</b>		<b>US, by style</b>	
1	S&P Smallcap	+0.60	S&P 500 Value	15.3	S&P 500 Growth	+7%	S&P 500 Growth	+13%
2	S&P Midcap	+0.30	S&P 500	16.7	S&P Smallcap	+3%	S&P Smallcap	+5%
3	S&P 500	-0.21	S&P Midcap	18.0	S&P 500	+2%	S&P 500	+3%
4	S&P 500 Value	-0.22	S&P 500 Growth	18.3	S&P Midcap	+1%	S&P 500 Value	-0%
5	S&P 500 Growth	-0.23	S&P Smallcap	18.3	S&P 500 Value	-1%	S&P Midcap	-14%
	<b>US, by sector</b>		<b>US, by sector</b>		<b>US, by sector</b>		<b>US, by sector</b>	
1	Telecom	+1.03	Financial	13.6	Materials	+17%	Health Care	+18%
2	Consumer Disc	+0.61	Telecom	13.6	Consumer Disc	+14%	Consumer Disc	+9%
3	Info Tech	+0.22	Health Care	14.9	Consumer Stap	+12%	Consumer Stap	+6%
4	Financial	+0.20	Info Tech	15.6	Health Care	+8%	Materials	+5%
5	Industrial	+0.17	Industrial	15.9	Telecom	+5%	Industrial	+4%
6	Health Care	+0.11	Materials	16.9	Industrial	+3%	Info Tech	-0%
7	Materials	+0.02	Consumer Disc	17.4	Utilities	Unch	Telecom	-4%
8	Utilities	-0.42	Utilities	17.6	Info Tech	-0%	Financial	-4%
9	Consumer Stap	-0.61	Consumer Stap	20.9	Financial	-9%	Energy	-7%
10	Energy	-2.31	Energy	52.6	Energy	-12%	Utilities	-17%

Source: Bloomberg, TrendMacro calculations

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

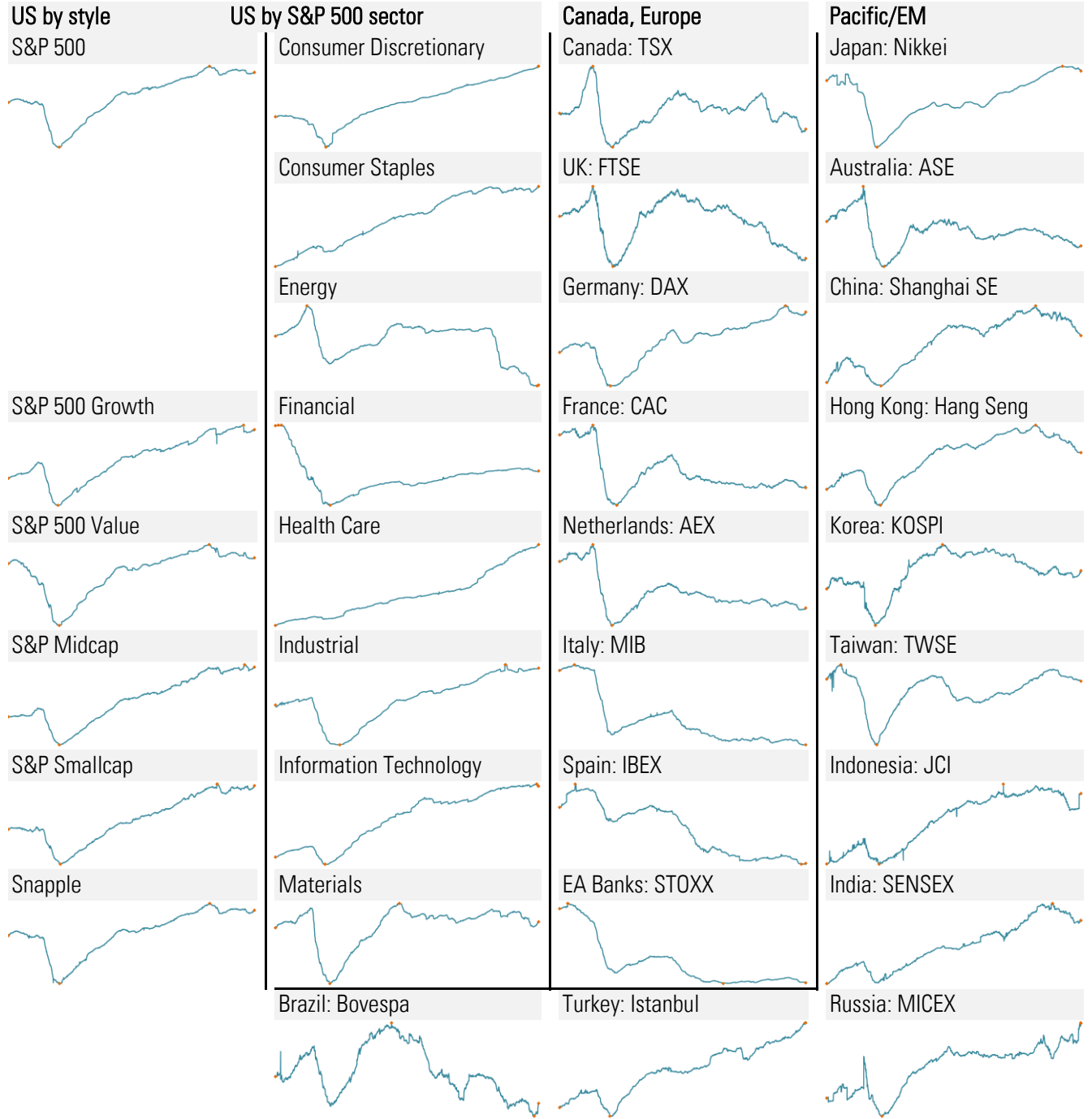
Standard deviations from crisis-era mean • First, High, Low, Last



Source: Bloomberg, TrendMacro calculations

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

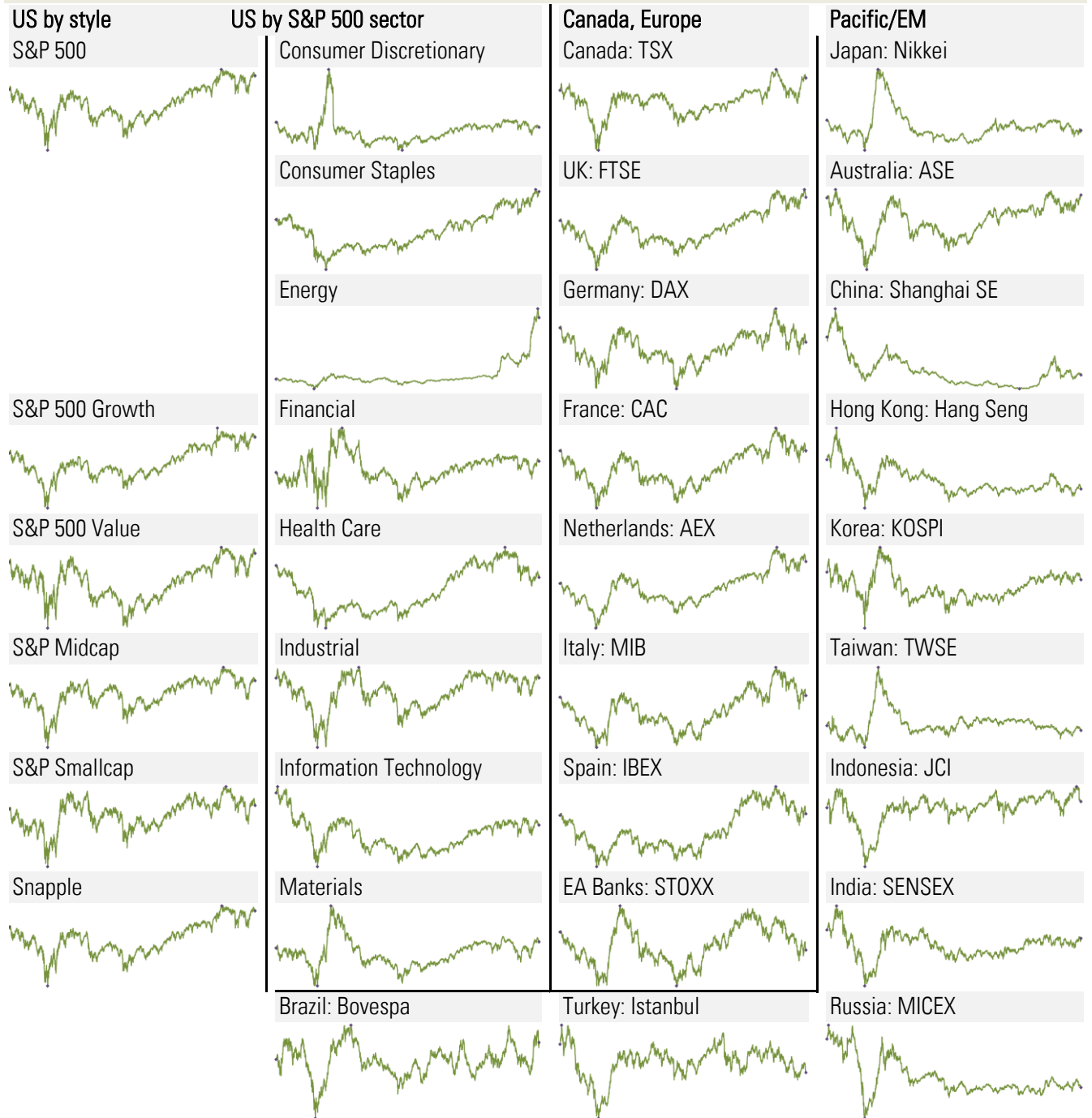
• First, High, Low, Last



Source: Bloomberg, TrendMacro calculations

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

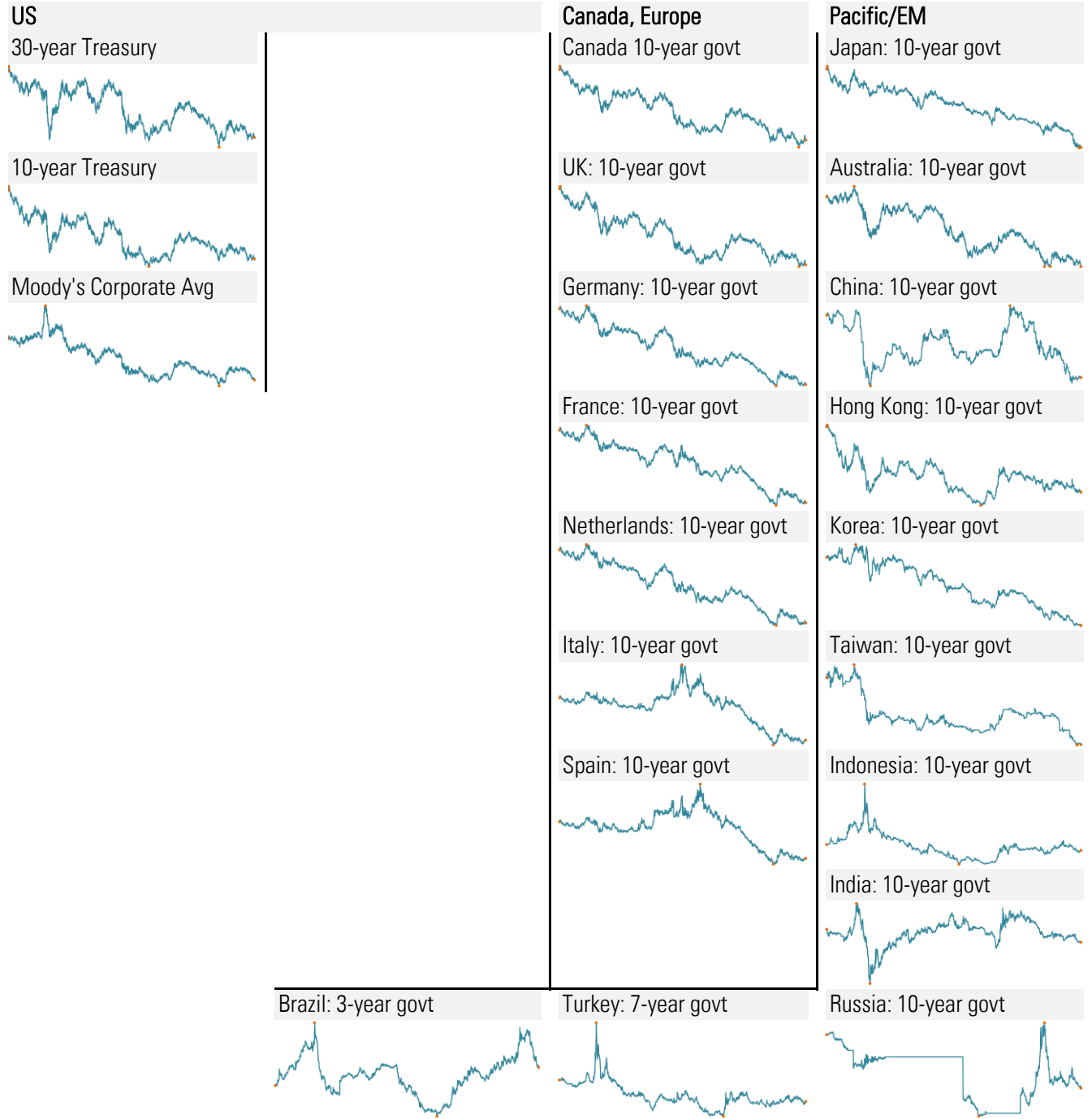
• First, High, Low, Last



Source: Bloomberg, TrendMacro calculations

# Benchmark bond yields, July 2007 to current

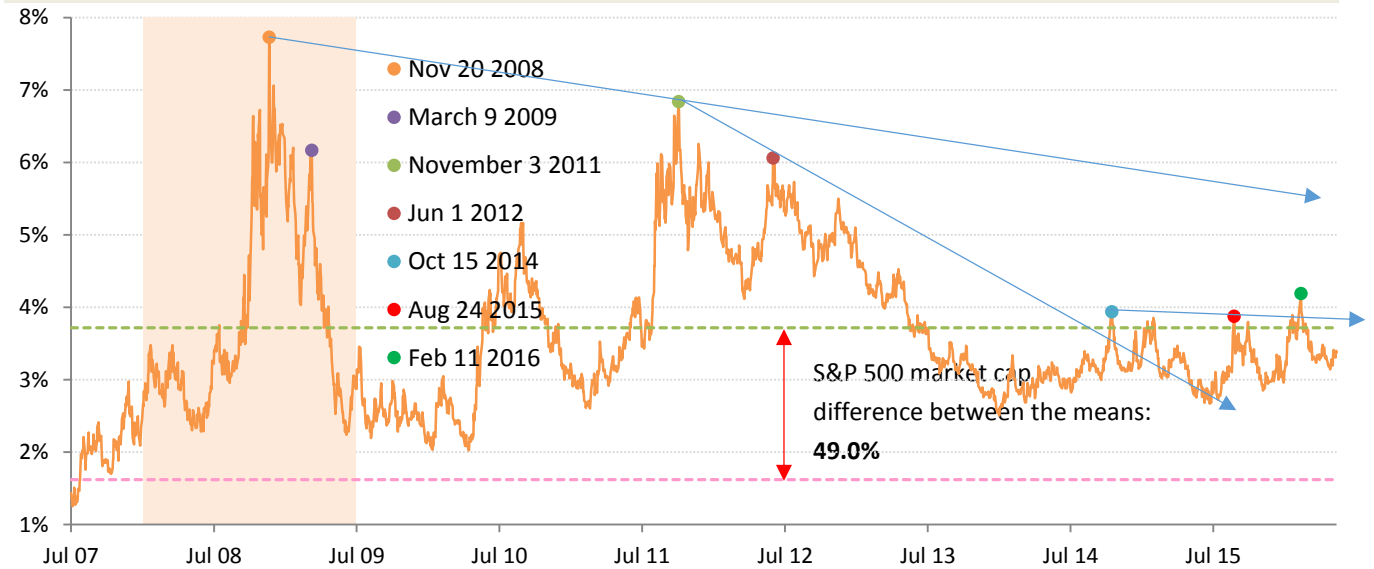
● First, High, Low, Last



Source: Bloomberg, TrendMacro calculations

## Daily S&P 500 equity risk premium in the crisis era

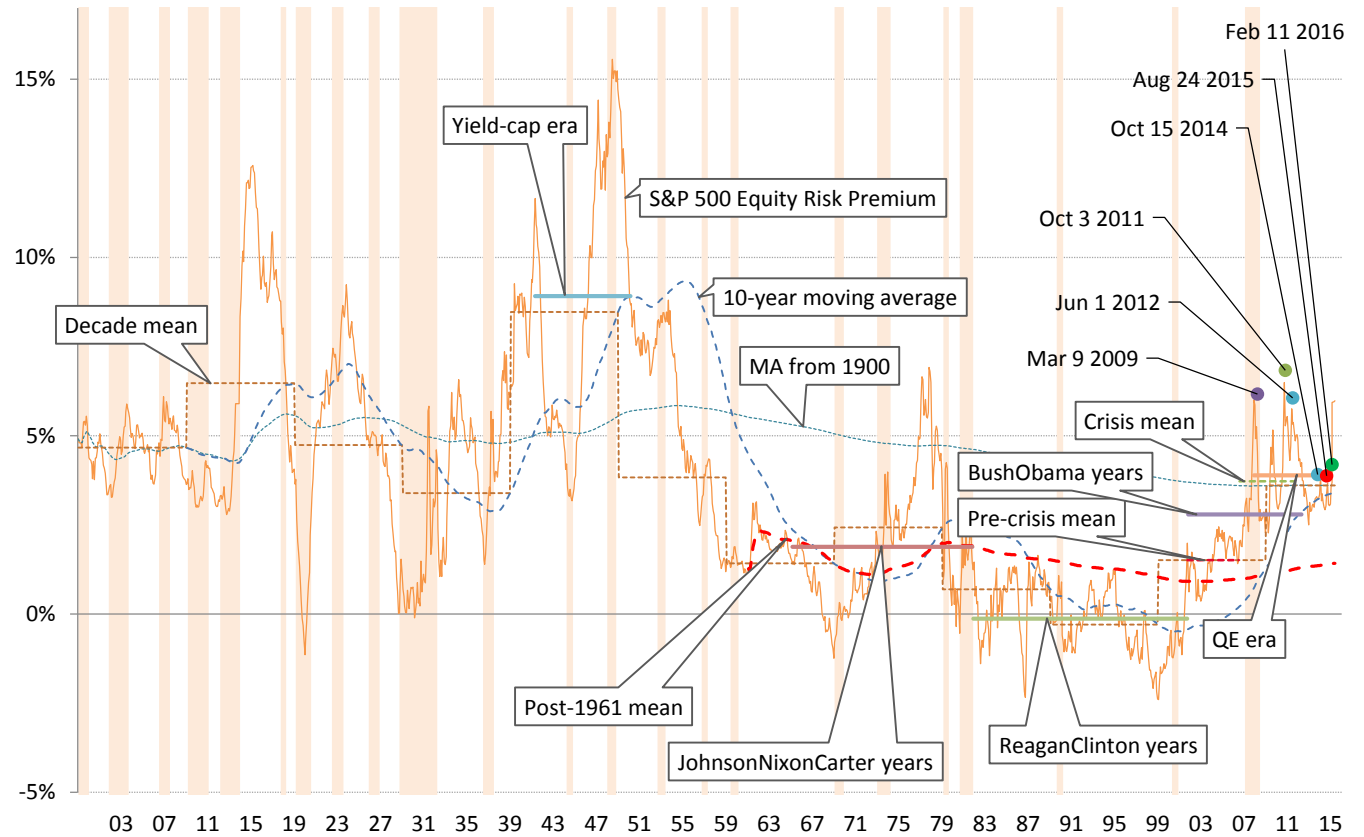
--- Crisis era mean    --- Pre-crisis mean    ↘ Downtrends    ■ Recession



Versus 30-year Treasury

Source: Bloomberg, NBER, TrendMacro calculations

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



Versus 30-year Treasury

Source: Various, TrendMacro calculations