

Data Insights: Global Equity Risk Premia

Monday, August 15, 2016

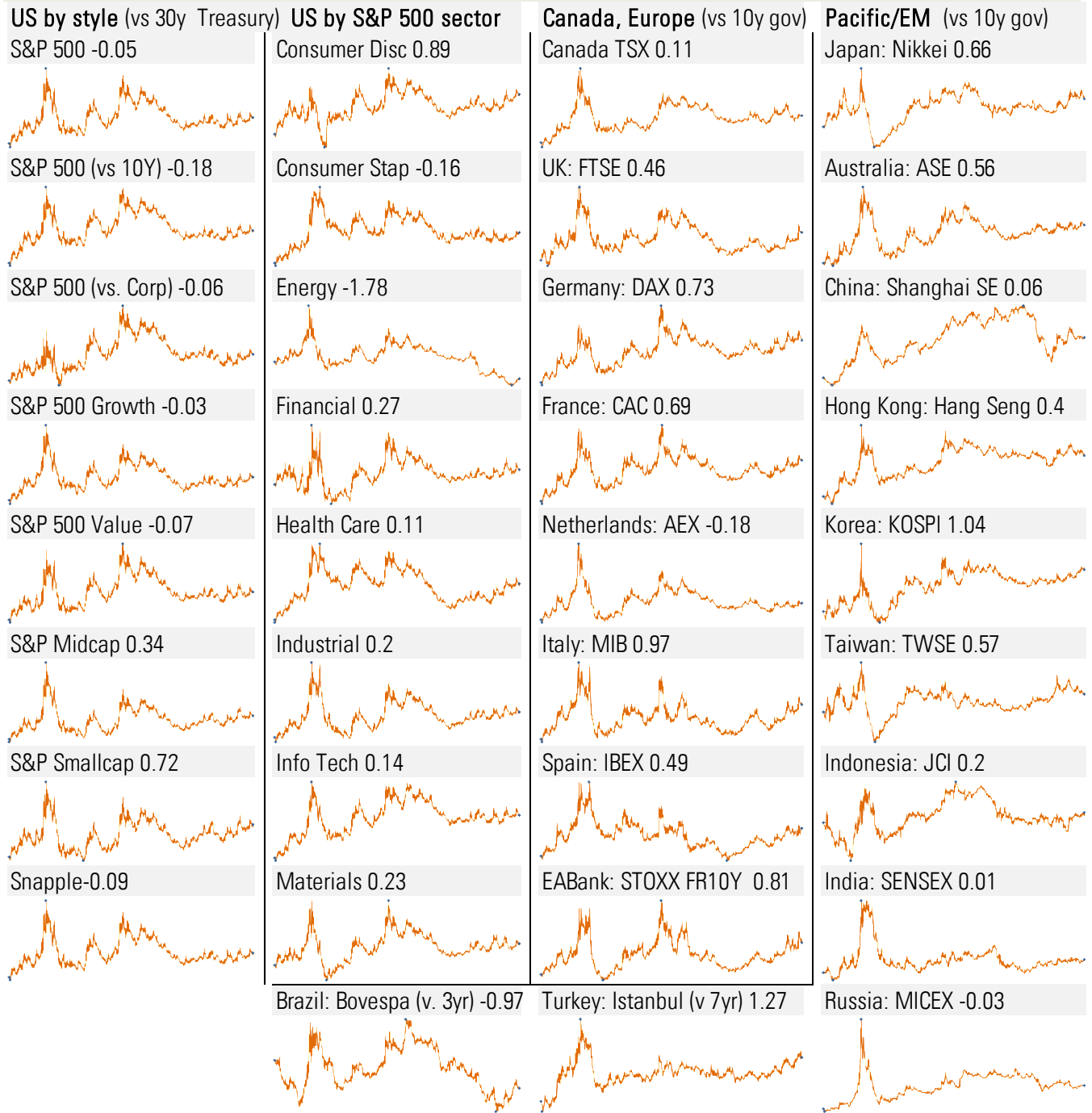
Global leader-board: by equity risk premium, value, and growth ■ Best ■ Worst

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	Turkey: Istanbul	+1.27	Russia: MICEX	6.6	Brazil: Bovespa	+28%	China: Shanghai SE	+17%
2	Korea: KOSPI	+1.05	Turkey: Istanbul	8.2	Canada:TSX	+20%	Canada:TSX	+12%
3	Italy: MIB	+0.97	Korea: KOSPI	10.7	India: SENSEX	+20%	Indonesia:JCI	+10%
4	Germany: DAX	+0.73	HK: Hang Seng	11.9	UK: FTSE	+16%	Korea: KOSPI	+9%
5	France: CAC	+0.69	Germany: DAX	12.8	Netherlands: AEX	+12%	Turkey: Istanbul	+8%
6	Japan: Nikkei	+0.66	Italy: MIB	13.0	France: CAC	+11%	US: S&P 500	+6%
7	Taiwan:TWSA	+0.57	China: Shanghai SE	13.2	Russia: MICEX	+11%	France: CAC	+6%
8	Australia: ASE	+0.57	Brazil: Bovespa	13.2	Korea: KOSPI	+10%	India: SENSEX	+2%
9	Spain: IBEX	+0.50	Spain: IBEX	13.6	US: S&P 500	+10%	HK: Hang Seng	+2%
10	UK: FTSE	+0.46	Taiwan:TWSA	14.0	Australia: ASE	+6%	Germany: DAX	+2%
11	HK: Hang Seng	+0.41	France: CAC	14.1	Turkey: Istanbul	+4%	Australia: ASE	+1%
12	Indonesia:JCI	+0.21	UK: FTSE	15.8	Taiwan:TWSA	+2%	Brazil: Bovespa	+0%
13	Canada:TSX	+0.11	Netherlands: AEX	16.0	China: Shanghai SE	+2%	UK: FTSE	-3%
14	China: Shanghai SE	+0.07	Indonesia:JCI	16.0	HK: Hang Seng	+2%	Netherlands: AEX	-4%
15	India: SENSEX	+0.02	Japan: Nikkei	16.4	Germany: DAX	+2%	Japan: Nikkei	-6%
16	Russia: MICEX	-0.03	India: SENSEX	16.4	Indonesia:JCI	+2%	Russia: MICEX	-7%
17	US: S&P 500	-0.05	Australia: ASE	16.9	Italy: MIB	-7%	Spain: IBEX	-8%
18	Netherlands: AEX	-0.18	US: S&P 500	17.2	Japan: Nikkei	-8%	Taiwan:TWSA	-11%
19	Brazil: Bovespa	-0.97	Canada:TSX	17.5	Spain: IBEX	-19%	Italy: MIB	-13%
	US, by style		US, by style		US, by style		US, by style	
1	S&P Smallcap	+0.72	S&P 500 Value	15.8	S&P Smallcap	+18%	S&P Smallcap	+13%
2	S&P Midcap	+0.34	S&P 500	17.2	S&P 500 Growth	+13%	S&P 500 Value	+7%
3	S&P 500 Growth	-0.04	S&P 500 Growth	18.9	S&P 500	+10%	S&P Midcap	+6%
4	S&P 500	-0.05	S&P Midcap	19.1	S&P 500 Value	+7%	S&P 500	+6%
5	S&P 500 Value	-0.08	S&P Smallcap	19.1	S&P Midcap	+7%	S&P 500 Growth	+3%
	US, by sector		US, by sector		US, by sector		US, by sector	
1	Telecom	+0.98	Financial	14.0	Energy	+179%	Energy	+39%
2	Consumer Disc	+0.89	Telecom	14.4	Info Tech	+14%	Industrial	+10%
3	Financial	+0.28	Health Care	15.8	Materials	+12%	Info Tech	+10%
4	Materials	+0.24	Industrial	16.8	Consumer Disc	+11%	Consumer Disc	+8%
5	Industrial	+0.21	Info Tech	16.9	Consumer Stap	+10%	Consumer Stap	+3%
6	Info Tech	+0.14	Materials	17.1	Health Care	+8%	Financial	+3%
7	Health Care	+0.11	Consumer Disc	17.6	Utilities	+4%	Materials	+2%
8	Utilities	-0.14	Utilities	17.9	Telecom	+2%	Health Care	+0%
9	Consumer Stap	-0.16	Consumer Stap	20.8	Financial	-1%	Telecom	-1%
10	Energy	-1.78	Energy	42.1	Industrial	-3%	Utilities	-5%

Source: Bloomberg, TrendMacro calculations

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

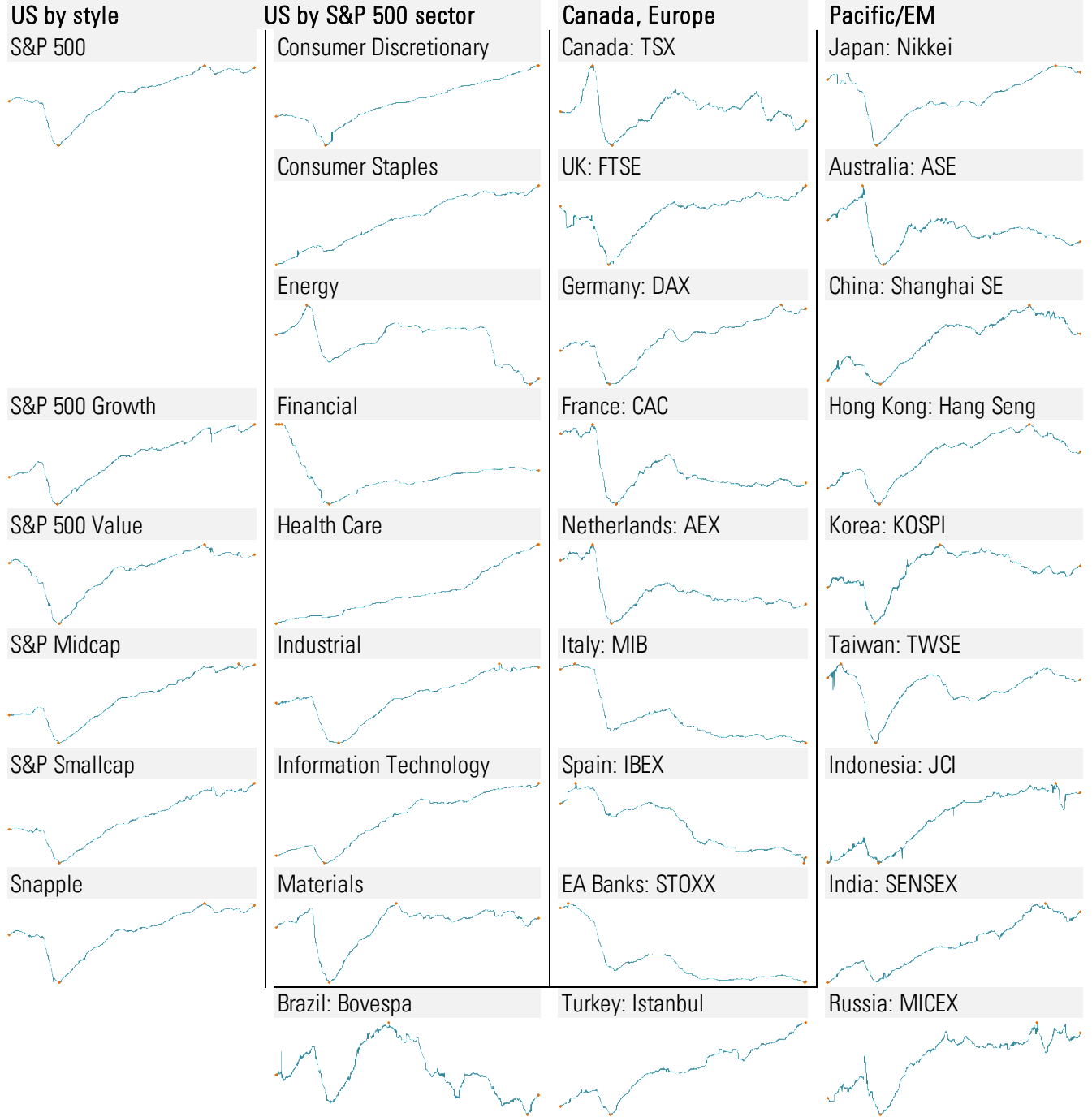
Standard deviations from crisis-era mean • First, High, Low, Last



Source: Bloomberg, TrendMacro calculations

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

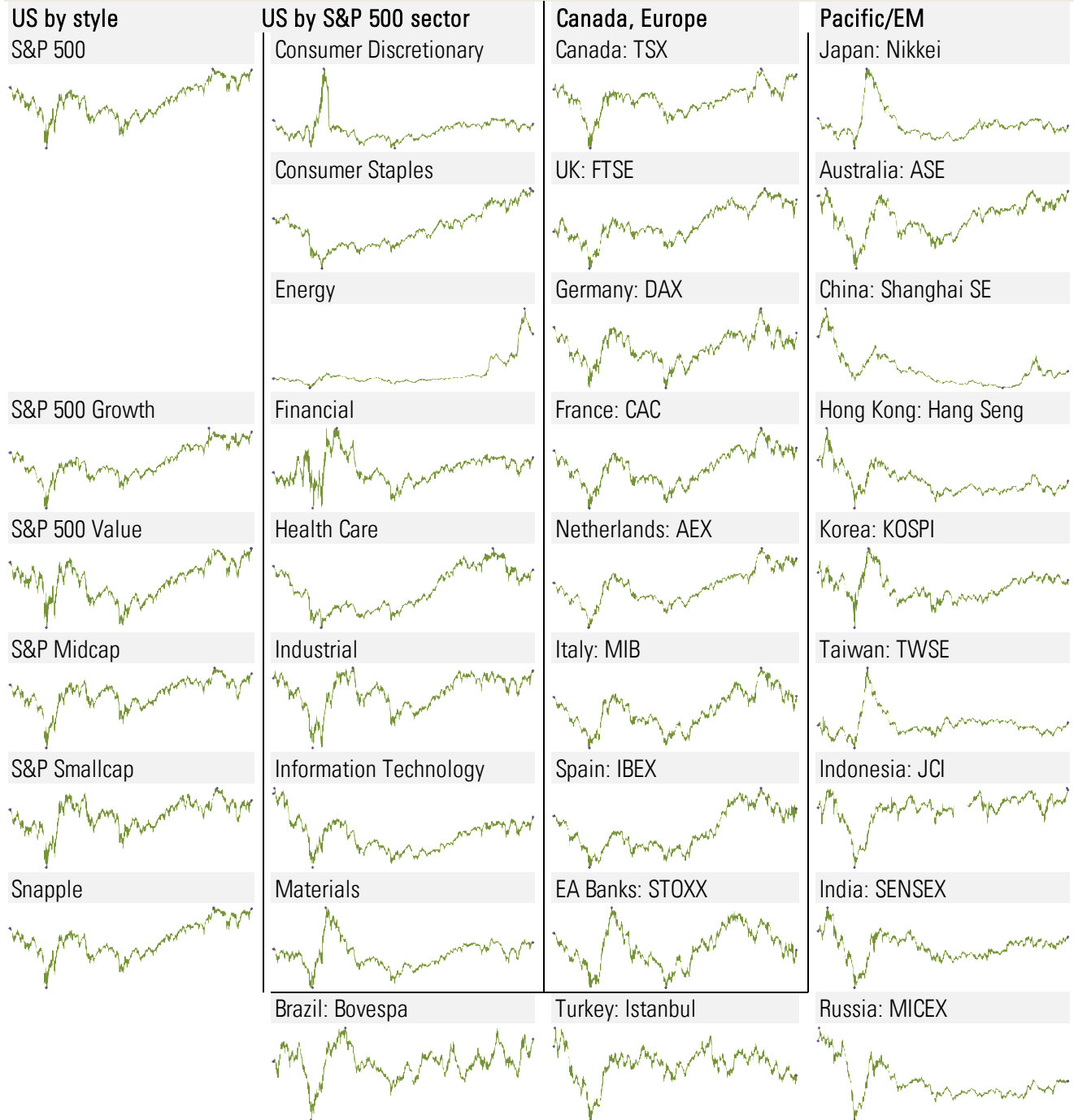
● First, High, Low, Last



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

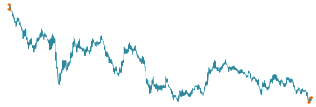
● First, High, Low, Last

US

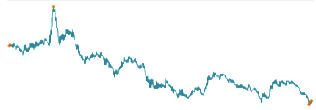
30-year Treasury



10-year Treasury

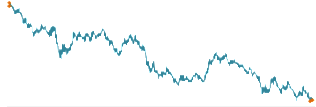


Moody's Corporate Avg

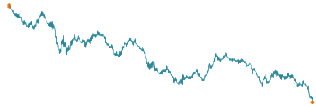


Canada, Europe

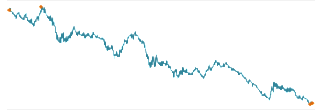
Canada 10-year govt



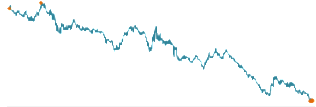
UK: 10-year govt



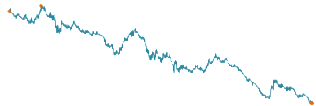
Germany: 10-year govt



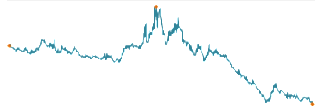
France: 10-year govt



Netherlands: 10-year govt



Italy: 10-year govt



Spain: 10-year govt

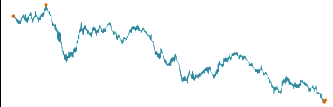


Pacific/EM

Japan: 10-year govt



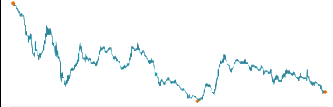
Australia: 10-year govt



China: 10-year govt



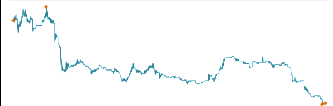
Hong Kong: 10-year govt



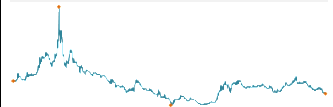
Korea: 10-year govt



Taiwan: 10-year govt



Indonesia: 10-year govt



India: 10-year govt



Brazil: 3-year govt



Turkey: 7-year govt



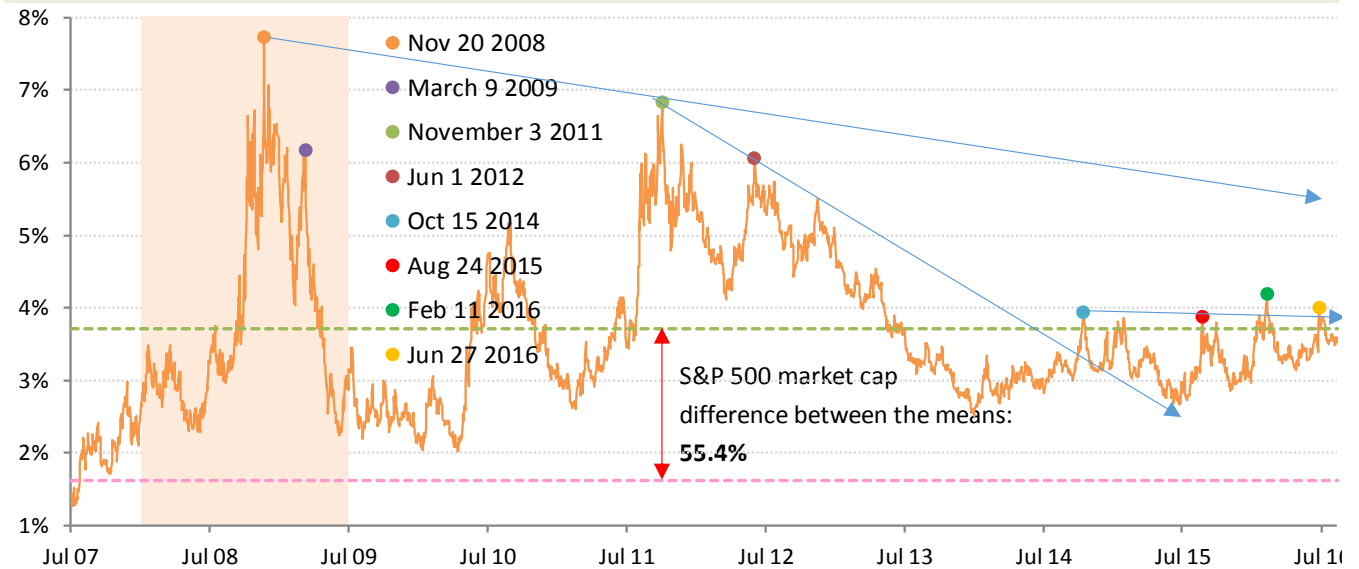
Russia: 10-year govt



Source: Bloomberg, TrendMacro calculations

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

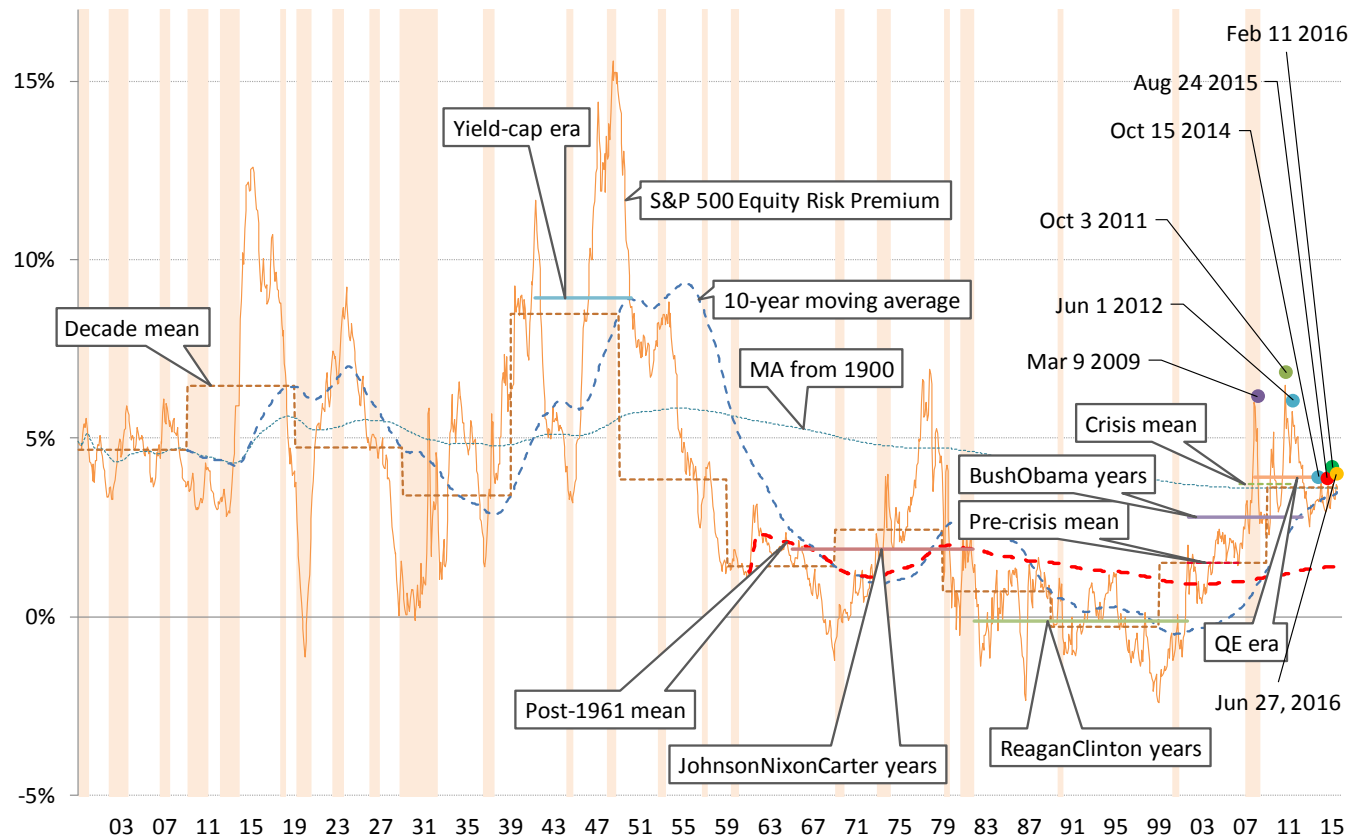
--- Crisis era mean - - - Pre-crisis mean ↘ Downtrends ■ Recession



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