

Data Insights: Global Equity Risk Premia

Friday, March 31, 2017

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

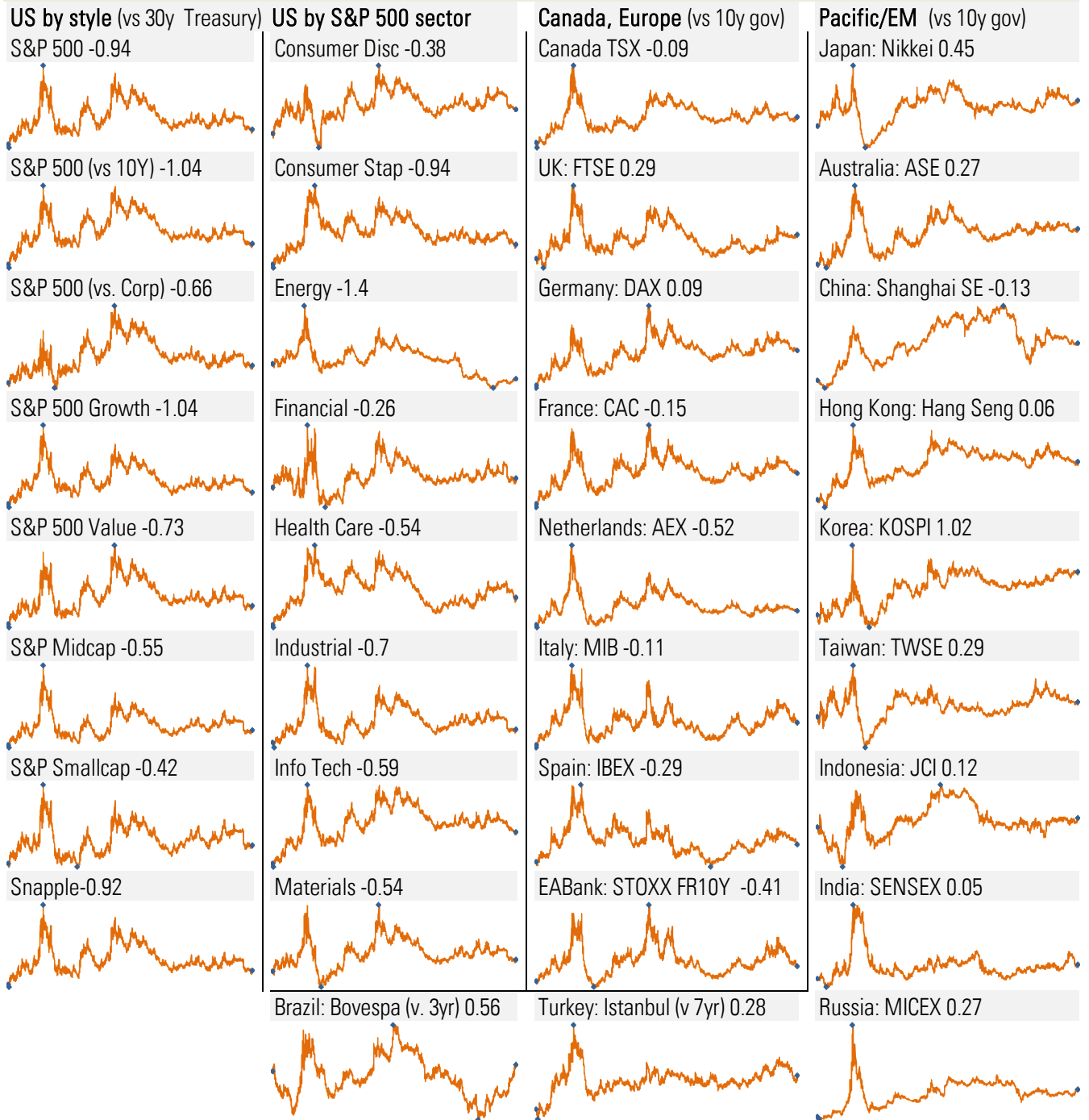
Rank	Equity risk premium		Forward PE ratio		Fwd earnings upgrade rate		Fwd sales upgrade rate	
	By SD from crisis era mean				Trailing 90 days, AR		Trailing 90 days, AR	
	By country		By country		By country		By country	
1	Korea: KOSPI	+1.03	Russia: MICEX	6.0	Brazil: Bovespa	+56%	Indonesia:JCI	+25%
2	Brazil: Bovespa	+0.57	Turkey: Istanbul	8.5	Korea: KOSPI	+49%	Turkey: Istanbul	+25%
3	Japan: Nikkei	+0.45	Korea: KOSPI	9.8	Japan: Nikkei	+27%	UK: FTSE	+12%
4	Taiwan:TWSA	+0.30	HK: Hang Seng	11.8	Spain: IBEX	+22%	Korea: KOSPI	+10%
5	UK: FTSE	+0.30	Brazil: Bovespa	11.9	Australia: ASE	+20%	Germany: DAX	+9%
6	Turkey: Istanbul	+0.28	China: Shanghai SE	13.0	Turkey: Istanbul	+20%	China: Shanghai SE	+8%
7	Australia: ASE	+0.28	Italy: MIB	13.6	Netherlands: AEX	+18%	Japan: Nikkei	+8%
8	Russia: MICEX	+0.27	Taiwan:TWSA	13.7	Germany: DAX	+18%	France: CAC	+6%
9	Indonesia:JCI	+0.13	Germany: DAX	13.7	HK: Hang Seng	+17%	HK: Hang Seng	+4%
10	Germany: DAX	+0.10	Spain: IBEX	14.5	Taiwan:TWSA	+17%	US: S&P 500	+3%
11	HK: Hang Seng	+0.07	France: CAC	14.7	UK: FTSE	+15%	Canada:TSX	-0%
12	India: SENSEX	+0.05	UK: FTSE	14.9	Italy: MIB	+14%	Russia: MICEX	-2%
13	Canada:TSX	-0.09	Indonesia:JCI	15.7	China: Shanghai SE	+11%	Australia: ASE	-2%
14	Italy: MIB	-0.11	Australia: ASE	15.9	Canada:TSX	+10%	Brazil: Bovespa	-3%
15	China: Shanghai SE	-0.13	Netherlands: AEX	16.0	France: CAC	+9%	Taiwan:TWSA	-4%
16	France: CAC	-0.16	Canada:TSX	16.4	Russia: MICEX	+9%	Netherlands: AEX	-5%
17	Spain: IBEX	-0.29	Japan: Nikkei	16.6	US: S&P 500	+7%	Spain: IBEX	-8%
18	Netherlands: AEX	-0.52	India: SENSEX	17.3	India: SENSEX	-8%	Italy: MIB	-8%
19	US: S&P 500	-0.94	US: S&P 500	17.7	Indonesia:JCI	-9%	India: SENSEX	-25%
	US, by style		US, by style		US, by style		US, by style	
1	S&P Smallcap	-0.42	S&P 500 Value	15.8	S&P Midcap	+17%	S&P Smallcap	+55%
2	S&P Midcap	-0.56	S&P 500	17.7	S&P 500 Value	+8%	S&P Midcap	+22%
3	S&P 500 Value	-0.74	S&P 500 Growth	19.7	S&P 500	+7%	S&P 500 Growth	+4%
4	S&P 500	-0.94	S&P Midcap	19.8	S&P 500 Growth	+7%	S&P 500	+3%
5	S&P 500 Growth	-1.04	S&P Smallcap	20.4	S&P Smallcap	+5%	S&P 500 Value	+2%
	US, by sector		US, by sector		US, by sector		US, by sector	
1	Telecom	+0.60	Telecom	13.6	Energy	+31%	Energy	+13%
2	Financial	-0.26	Financial	13.9	Info Tech	+18%	Financial	+13%
3	Consumer Disc	-0.38	Health Care	15.8	Financial	+15%	Info Tech	+9%
4	Health Care	-0.54	Info Tech	17.6	Industrial	+12%	Materials	+7%
5	Materials	-0.54	Utilities	17.8	Utilities	+6%	Industrial	+5%
6	Info Tech	-0.60	Materials	18.0	Consumer Disc	+3%	Consumer Disc	+3%
7	Industrial	-0.71	Industrial	18.1	Consumer Stap	+2%	Consumer Stap	-1%
8	Utilities	-0.90	Consumer Disc	19.1	Materials	-2%	Utilities	-2%
9	Consumer Stap	-0.94	Consumer Stap	20.3	Telecom	-3%	Health Care	-2%
10	Energy	-1.41	Energy	27.9	Health Care	-8%	Telecom	-13%

Source: Bloomberg, TrendMacro calculations

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

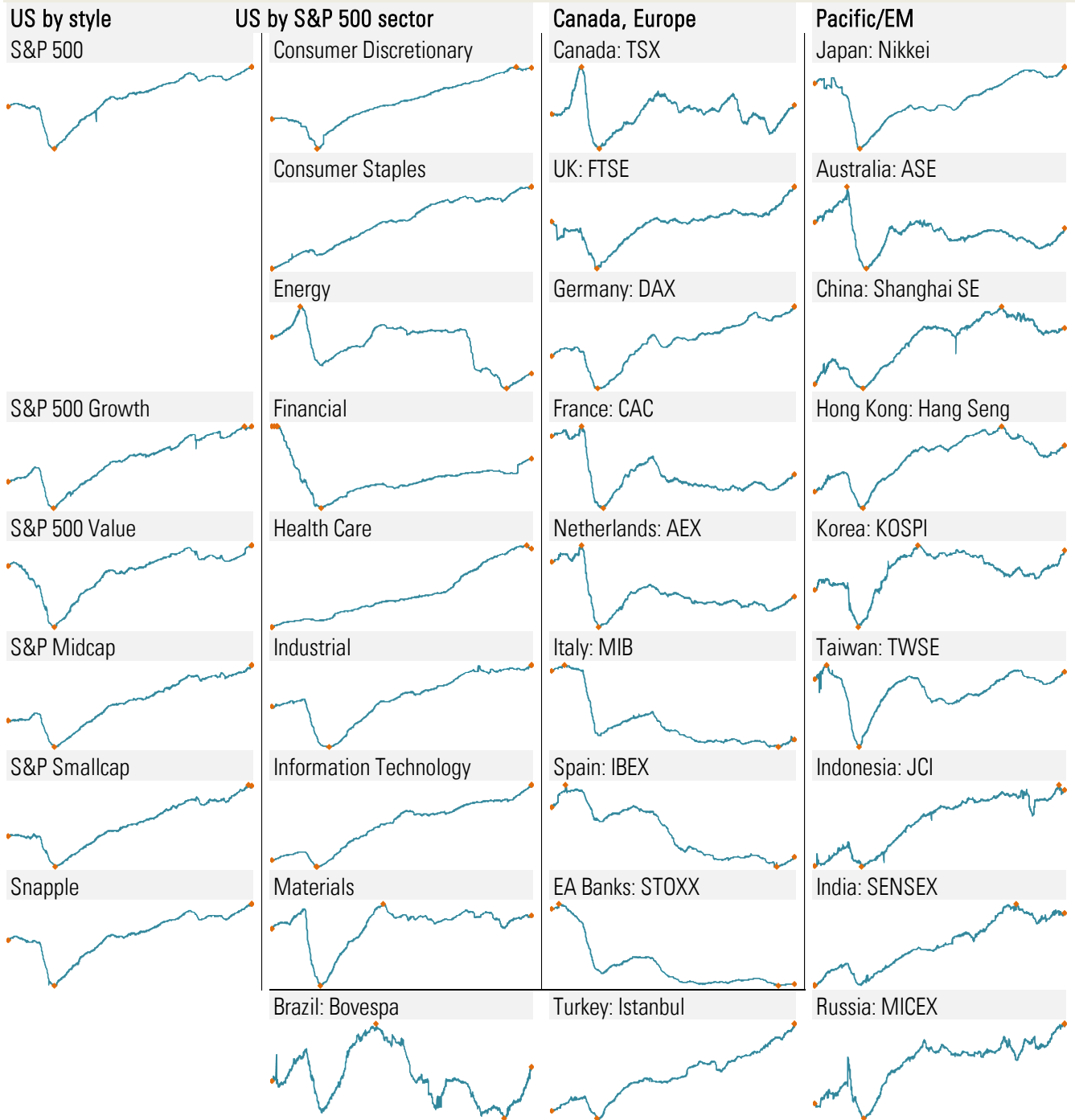
Standard deviations from crisis-era mean • First, High, Low, Last



Source: Bloomberg, TrendMacro calculations

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

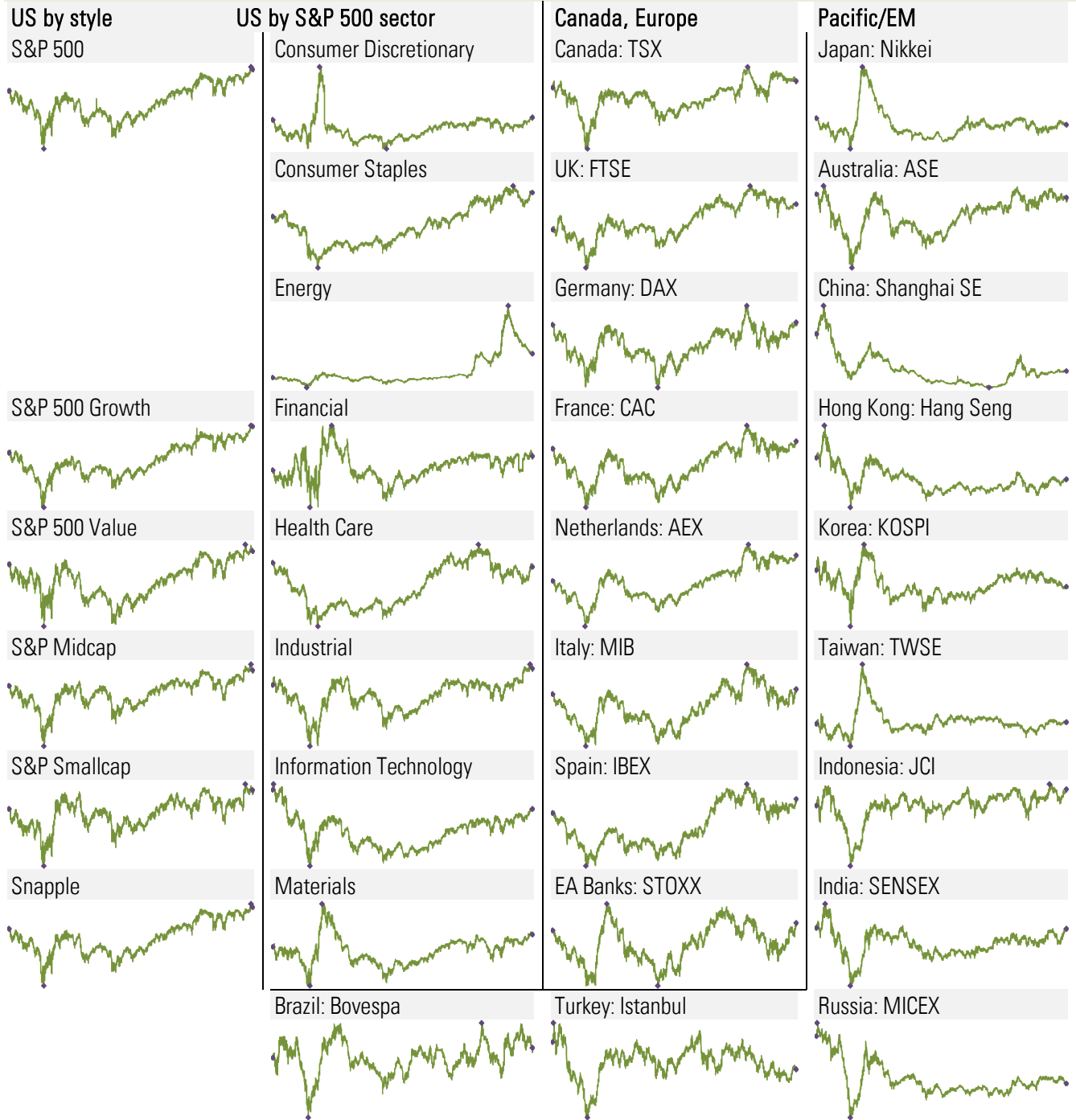
● First, High, Low, Last



Source: Bloomberg, TrendMacro calculations

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

• First, High, Low, Last



Source: Bloomberg, TrendMacro calculations

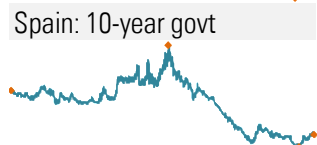
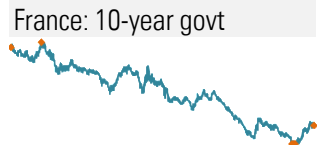
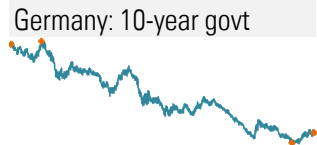
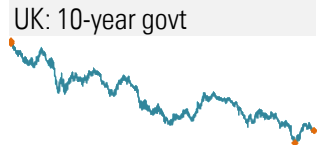
Benchmark bond yields, July 2007 to current

● First, High, Low, Last

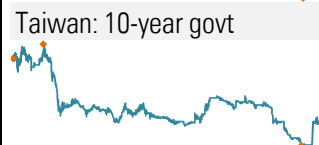
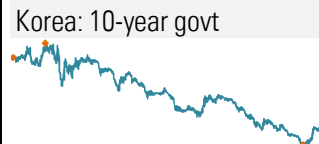
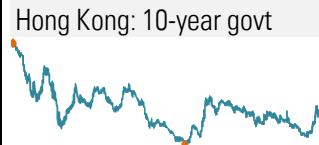
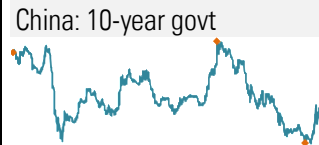
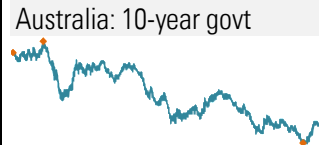
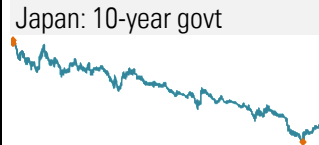
US



Canada, Europe



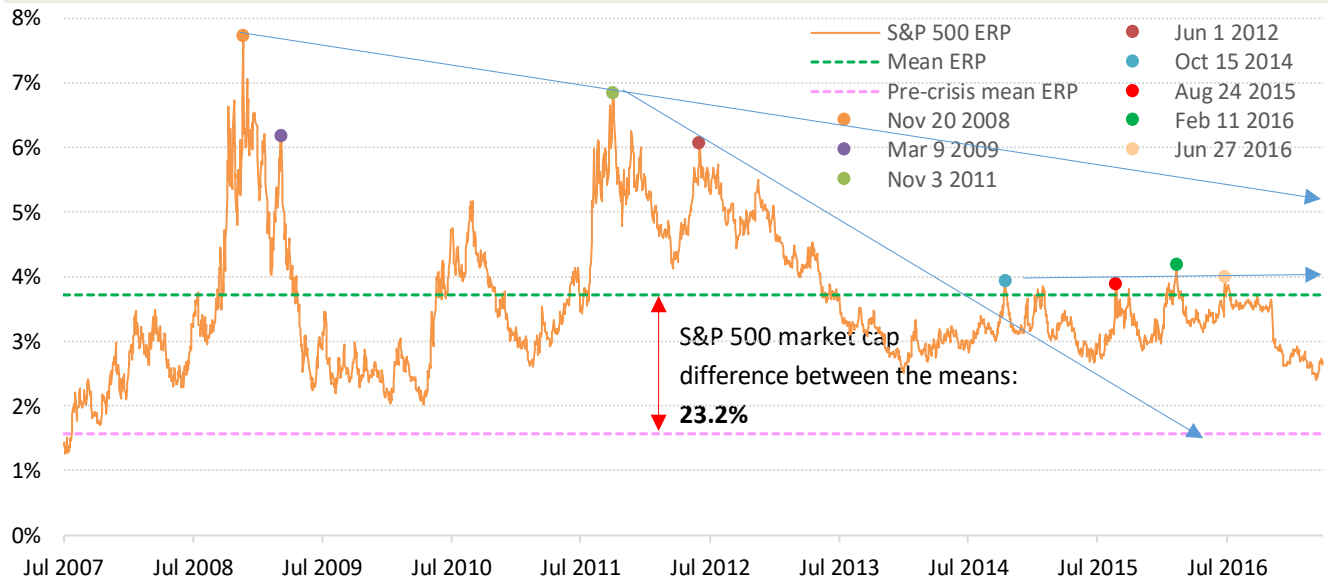
Pacific/EM



Source: Bloomberg, TrendMacro calculations

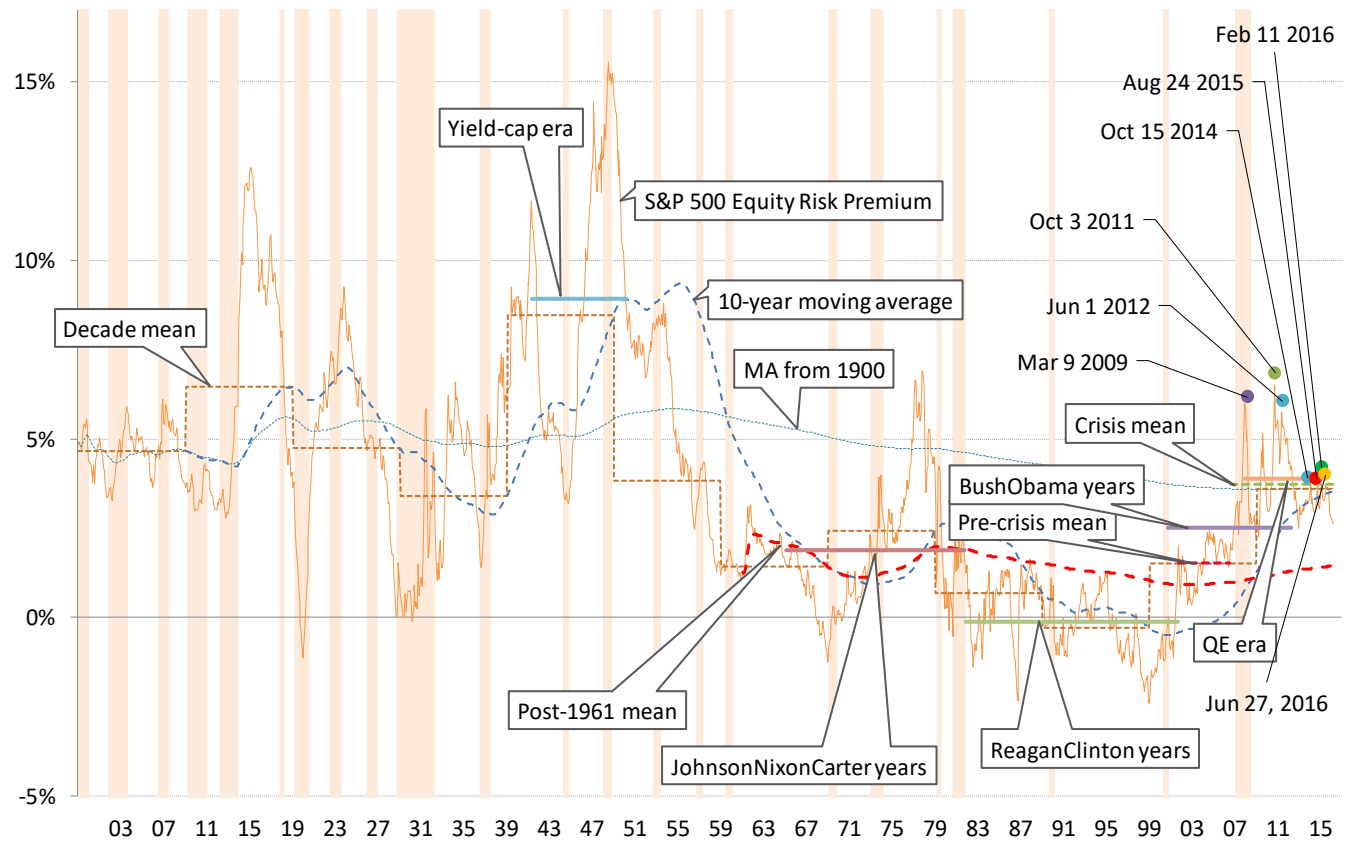
Daily S&P 500 equity risk premium in the crisis era

--- Crisis era mean --- Pre-crisis mean ↘ Trendlines



Source: Bloomberg, NBER, TrendMacro calculations

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



Source: Various, TrendMacro calculations