

Data Insights: Global Equity Risk Premia

Monday, June 19, 2017

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

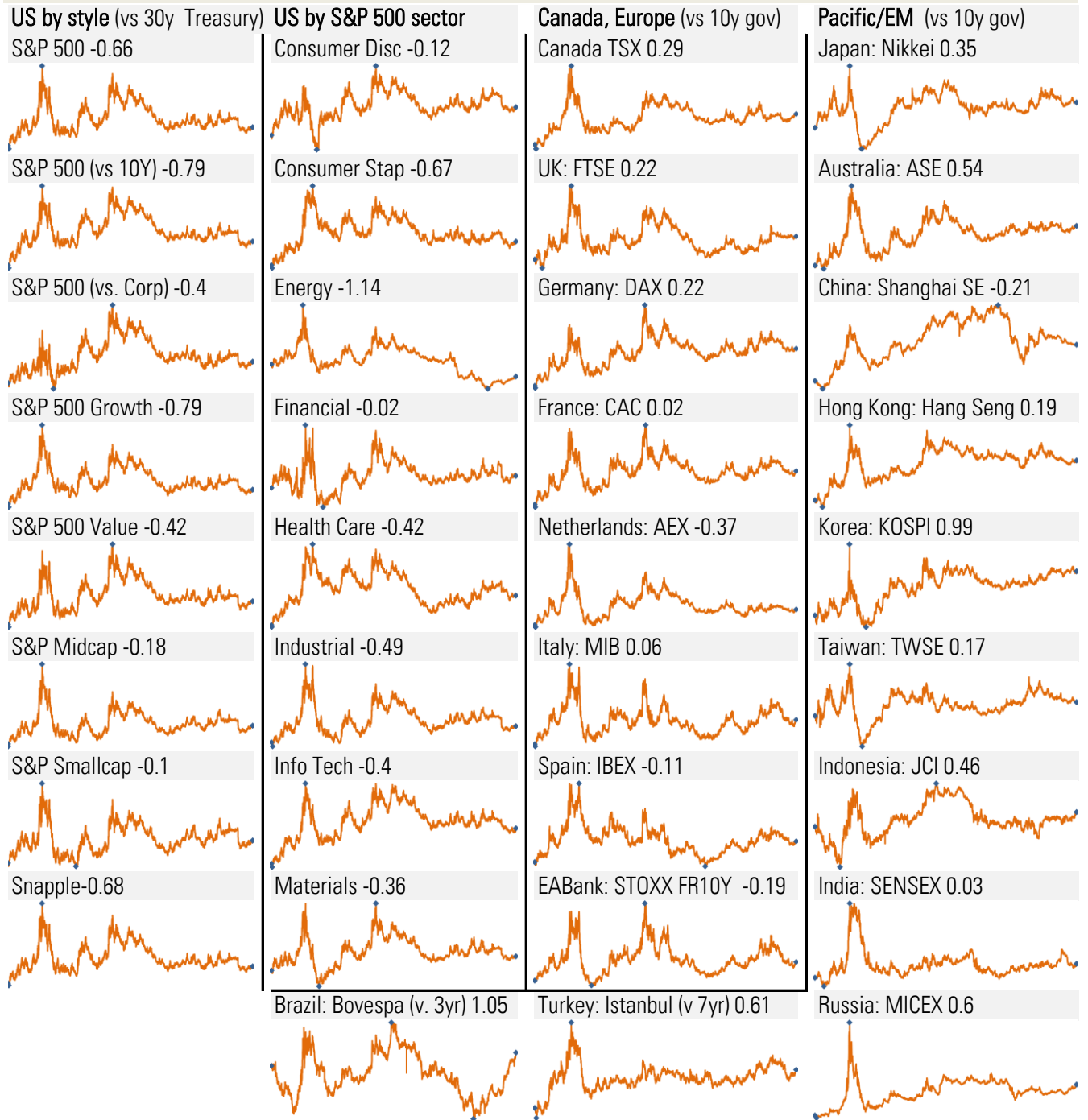
Rank	Equity risk premium		Forward PE ratio		Fwd earnings upgrade rate		Fwd sales upgrade rate	
	By SD from crisis era mean				Trailing 90 days, AR		Trailing 90 days, AR	
	By country		By country		By country		By country	
1	Brazil: Bovespa	+1.05	Russia: MICEX	5.4	Turkey: Istanbul	+57%	UK: FTSE	+25%
2	Korea: KOSPI	+0.99	Turkey: Istanbul	8.5	Korea: KOSPI	+51%	HK: Hang Seng	+25%
3	Turkey: Istanbul	+0.61	Korea: KOSPI	9.9	Indonesia:JCI	+32%	Germany: DAX	+19%
4	Russia: MICEX	+0.61	Brazil: Bovespa	10.9	Germany: DAX	+31%	Turkey: Istanbul	+19%
5	Australia: ASE	+0.55	HK: Hang Seng	11.9	HK: Hang Seng	+27%	Spain: IBEX	+17%
6	Indonesia:JCI	+0.46	China: Shanghai SE	12.9	Italy: MIB	+23%	Canada:TSX	+12%
7	Japan: Nikkei	+0.35	Italy: MIB	13.5	Spain: IBEX	+19%	Indonesia:JCI	+11%
8	Canada:TSX	+0.30	Germany: DAX	13.5	Canada:TSX	+15%	Korea: KOSPI	+10%
9	UK: FTSE	+0.23	Taiwan:TWSA	13.9	US: S&P 500	+13%	Australia: ASE	+7%
10	Germany: DAX	+0.22	Spain: IBEX	14.3	Brazil: Bovespa	+13%	India: SENSEX	+7%
11	HK: Hang Seng	+0.19	France: CAC	14.8	Japan: Nikkei	+10%	US: S&P 500	+5%
12	Taiwan:TWSA	+0.18	Indonesia:JCI	15.0	Netherlands: AEX	+10%	Japan: Nikkei	+3%
13	Italy: MIB	+0.06	UK: FTSE	15.3	France: CAC	+10%	Netherlands: AEX	+3%
14	India: SENSEX	+0.04	Canada:TSX	15.5	UK: FTSE	+7%	Taiwan:TWSA	+0%
15	France: CAC	+0.02	Australia: ASE	15.6	Taiwan:TWSA	+7%	France: CAC	-1%
16	Spain: IBEX	-0.12	Netherlands: AEX	15.7	Australia: ASE	+5%	Russia: MICEX	-5%
17	China: Shanghai SE	-0.22	Japan: Nikkei	17.0	India: SENSEX	+4%	Brazil: Bovespa	-6%
18	Netherlands: AEX	-0.38	US: S&P 500	17.7	Russia: MICEX	-2%	Italy: MIB	-8%
19	US: S&P 500	-0.67	India: SENSEX	18.0	China: Shanghai SE	-12%	China: Shanghai SE	-16%
	US, by style		US, by style		US, by style		US, by style	
1	S&P Smallcap	-0.10	S&P 500 Value	15.6	S&P Midcap	+21%	S&P Smallcap	+25%
2	S&P Midcap	-0.19	S&P 500	17.7	S&P 500 Growth	+15%	S&P 500 Growth	+13%
3	S&P 500 Value	-0.43	S&P Midcap	19.3	S&P Smallcap	+13%	S&P Midcap	+6%
4	S&P 500	-0.67	S&P 500 Growth	19.9	S&P 500	+13%	S&P 500	+5%
5	S&P 500 Growth	-0.80	S&P Smallcap	20.2	S&P 500 Value	+11%	S&P 500 Value	+2%
	US, by sector		US, by sector		US, by sector		US, by sector	
1	Telecom	+1.00	Telecom	13.2	Industrial	+23%	Info Tech	+24%
2	Financial	-0.02	Financial	13.8	Info Tech	+21%	Consumer Stap	+11%
3	Consumer Disc	-0.13	Health Care	16.1	Materials	+13%	Industrial	+10%
4	Materials	-0.36	Info Tech	17.6	Financial	+13%	Health Care	+10%
5	Info Tech	-0.40	Industrial	18.1	Health Care	+10%	Consumer Disc	+6%
6	Health Care	-0.43	Materials	18.1	Consumer Disc	+10%	Financial	+5%
7	Industrial	-0.50	Utilities	18.5	Consumer Stap	+8%	Materials	+3%
8	Consumer Stap	-0.68	Consumer Disc	19.2	Utilities	+7%	Utilities	-1%
9	Utilities	-0.85	Consumer Stap	20.5	Energy	+6%	Telecom	-17%
10	Energy	-1.14	Energy	25.9	Telecom	-3%	Energy	-17%

Source: Bloomberg, TrendMacro calculations

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

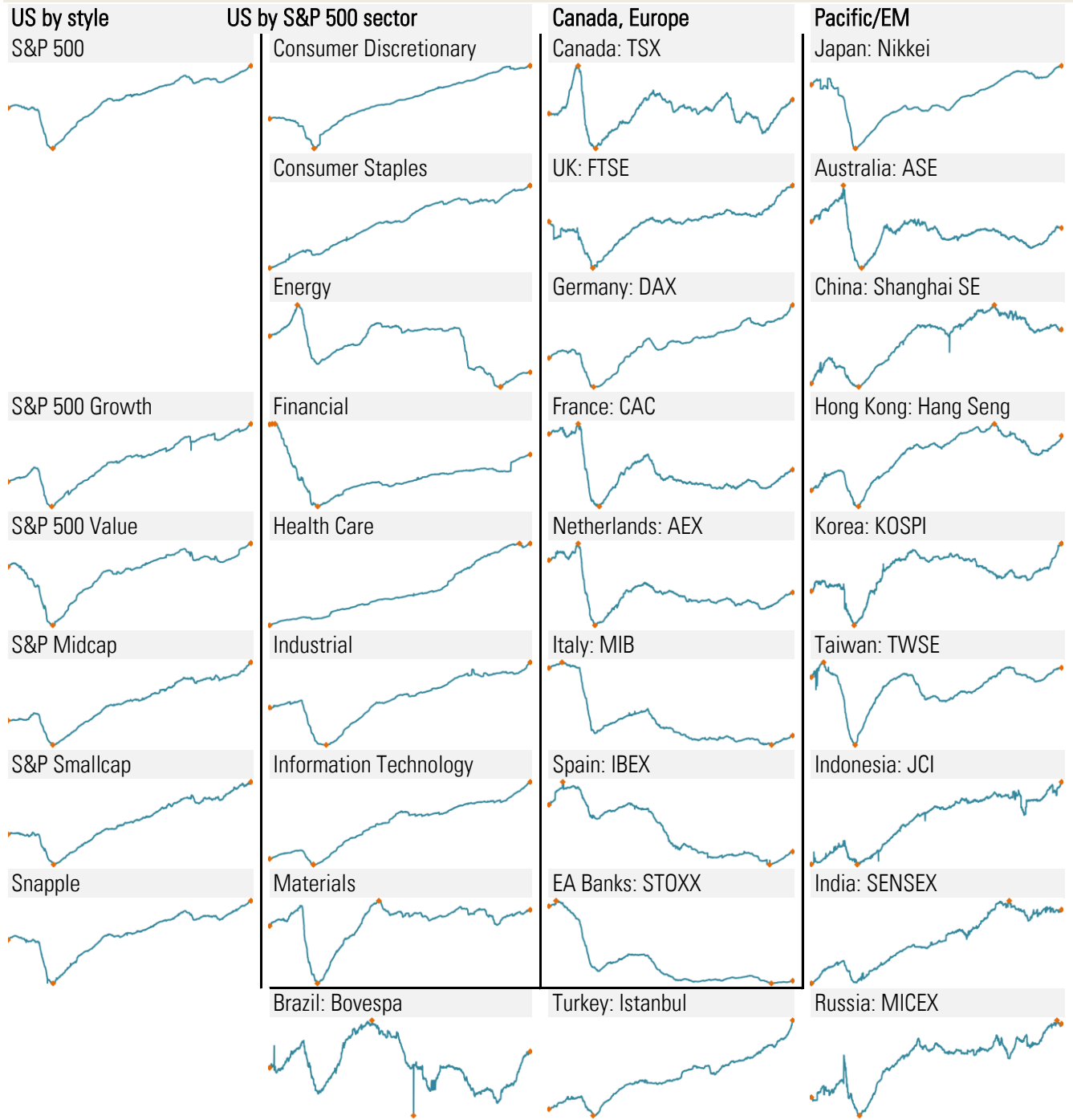
Standard deviations from crisis-era mean • First, High, Low, Last



Source: Bloomberg, TrendMacro calculations

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

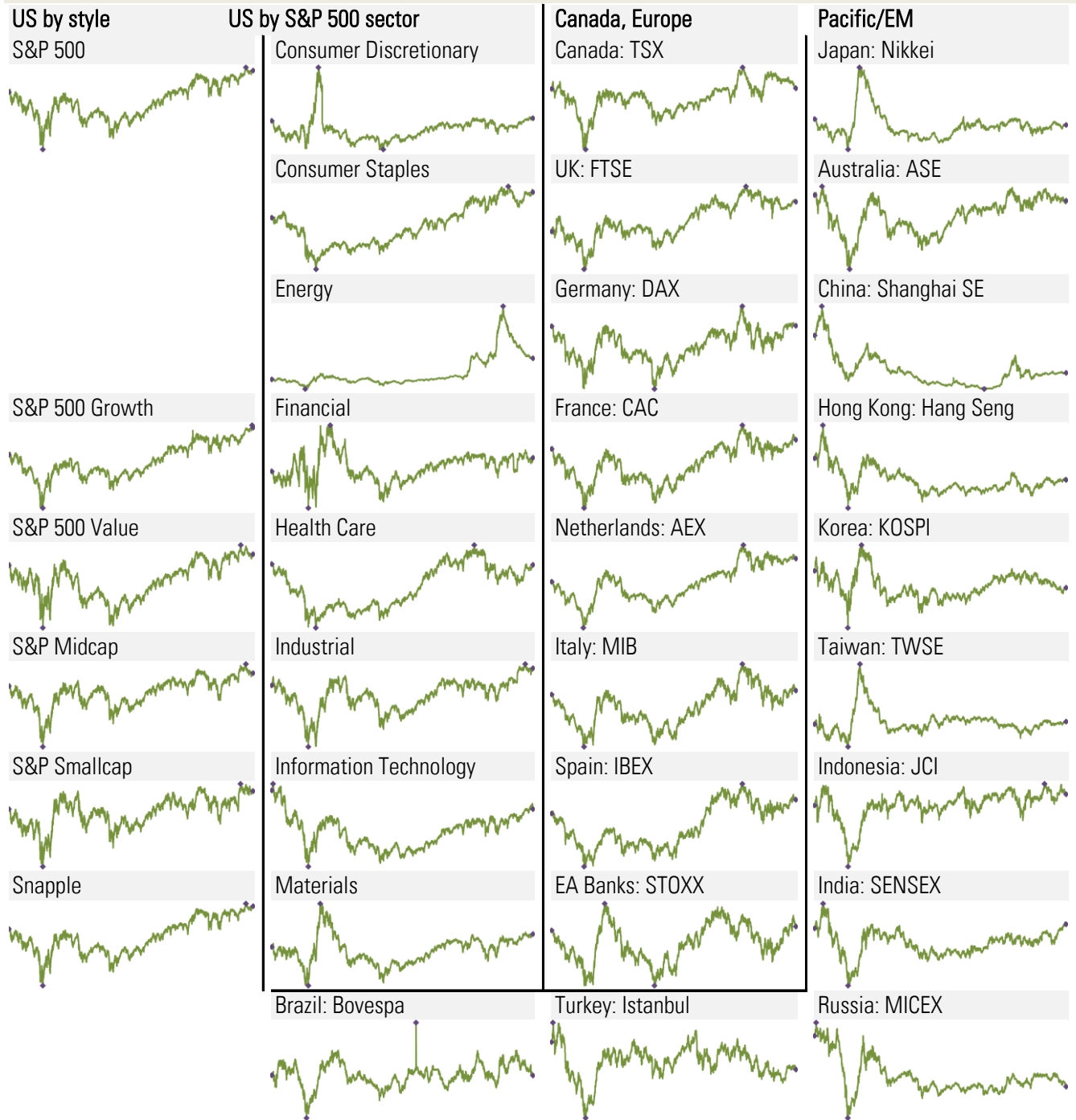
● First, High, Low, Last



Source: Bloomberg, TrendMacro calculations

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

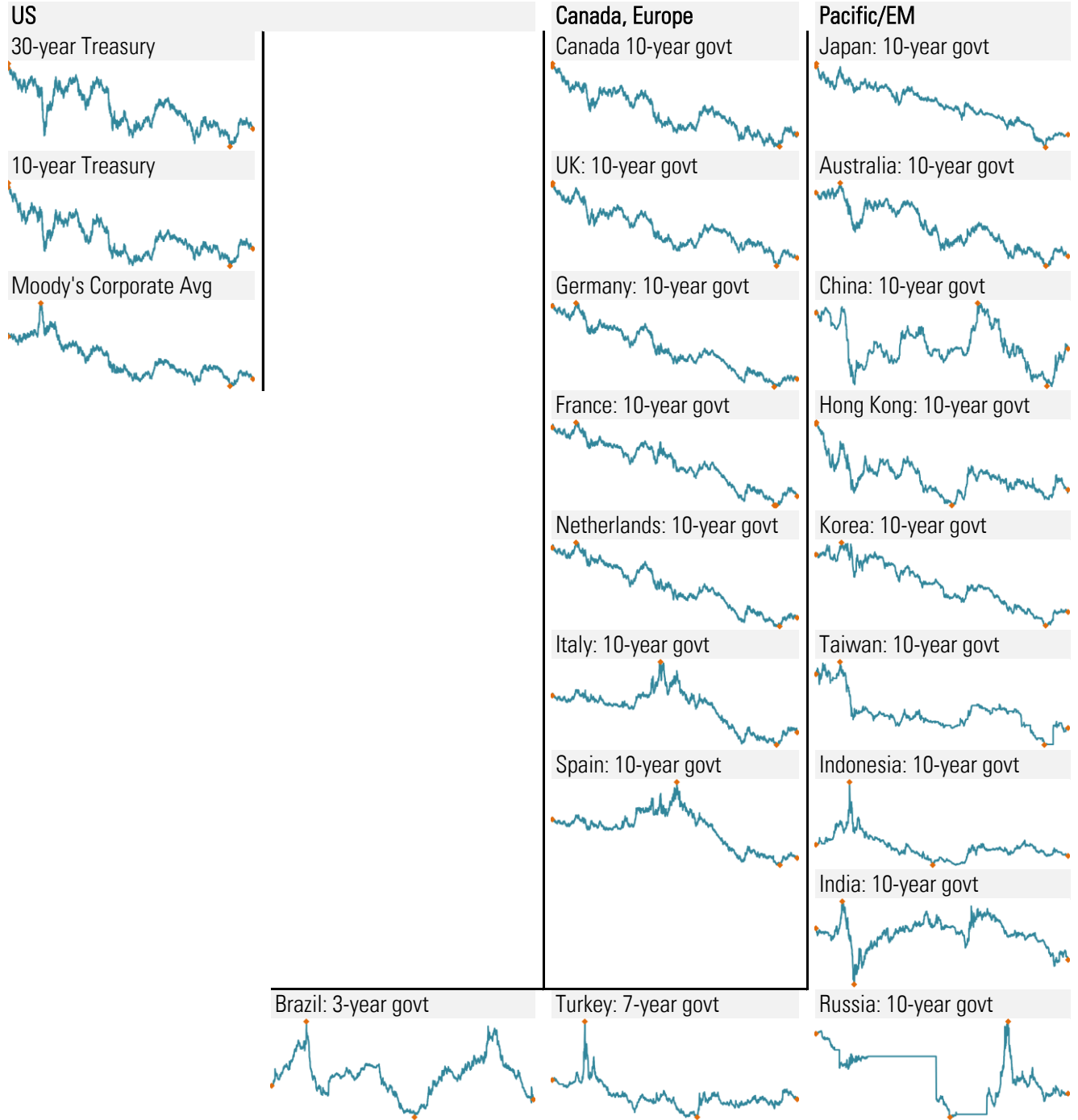
• First, High, Low, Last



Source: Bloomberg, TrendMacro calculations

Benchmark bond yields, July 2007 to current

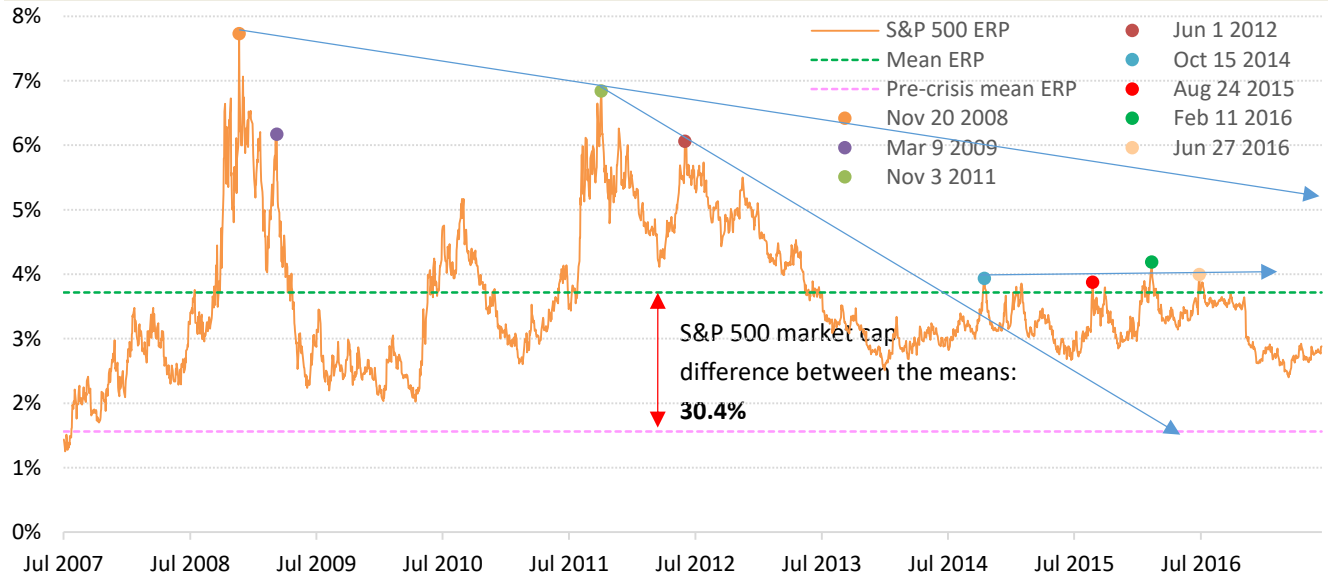
● First, High, Low, Last



Source: Bloomberg, TrendMacro calculations

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

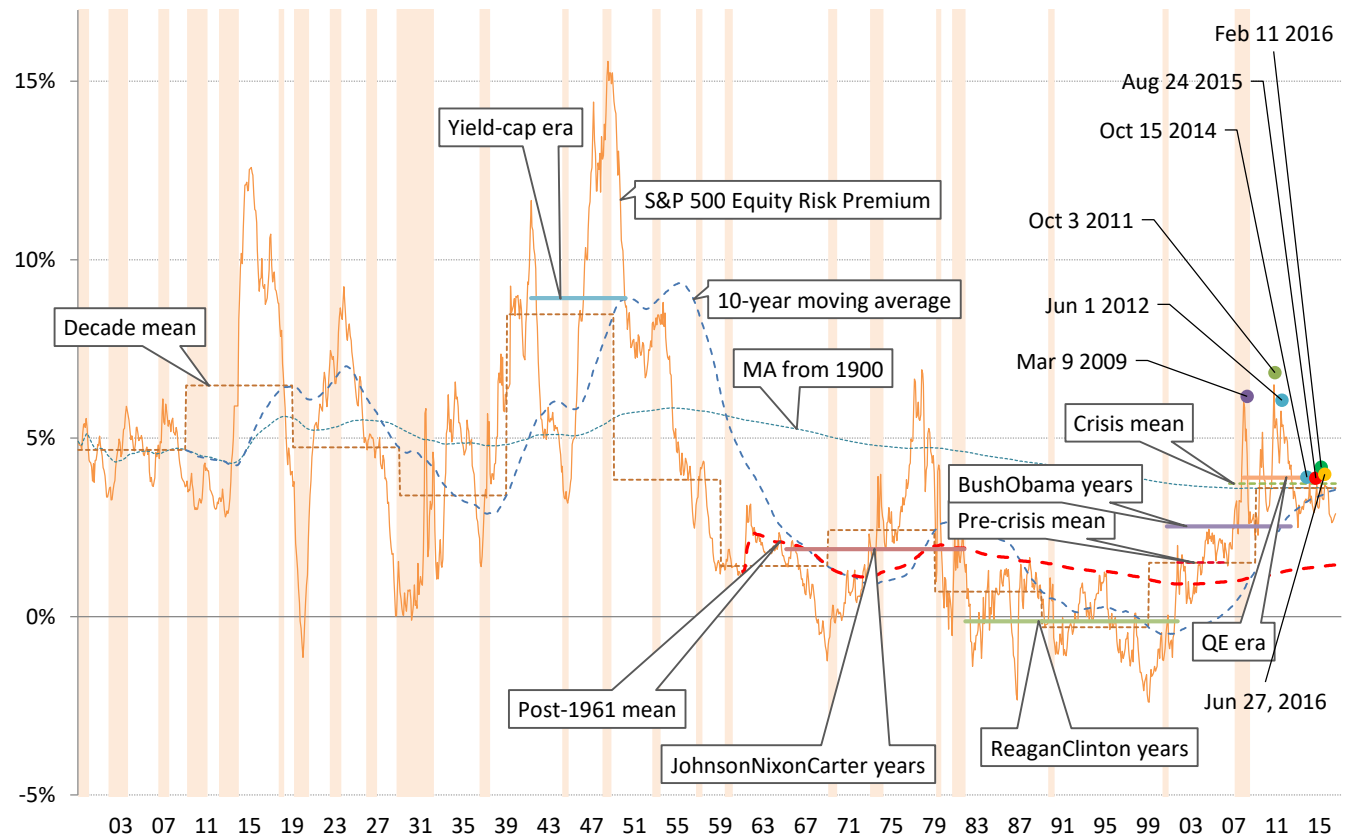
--- Crisis era mean --- Pre-crisis mean ↘ Trendlines



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