

Data Insights: Global Equity Risk Premia

Thursday, August 24, 2017

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

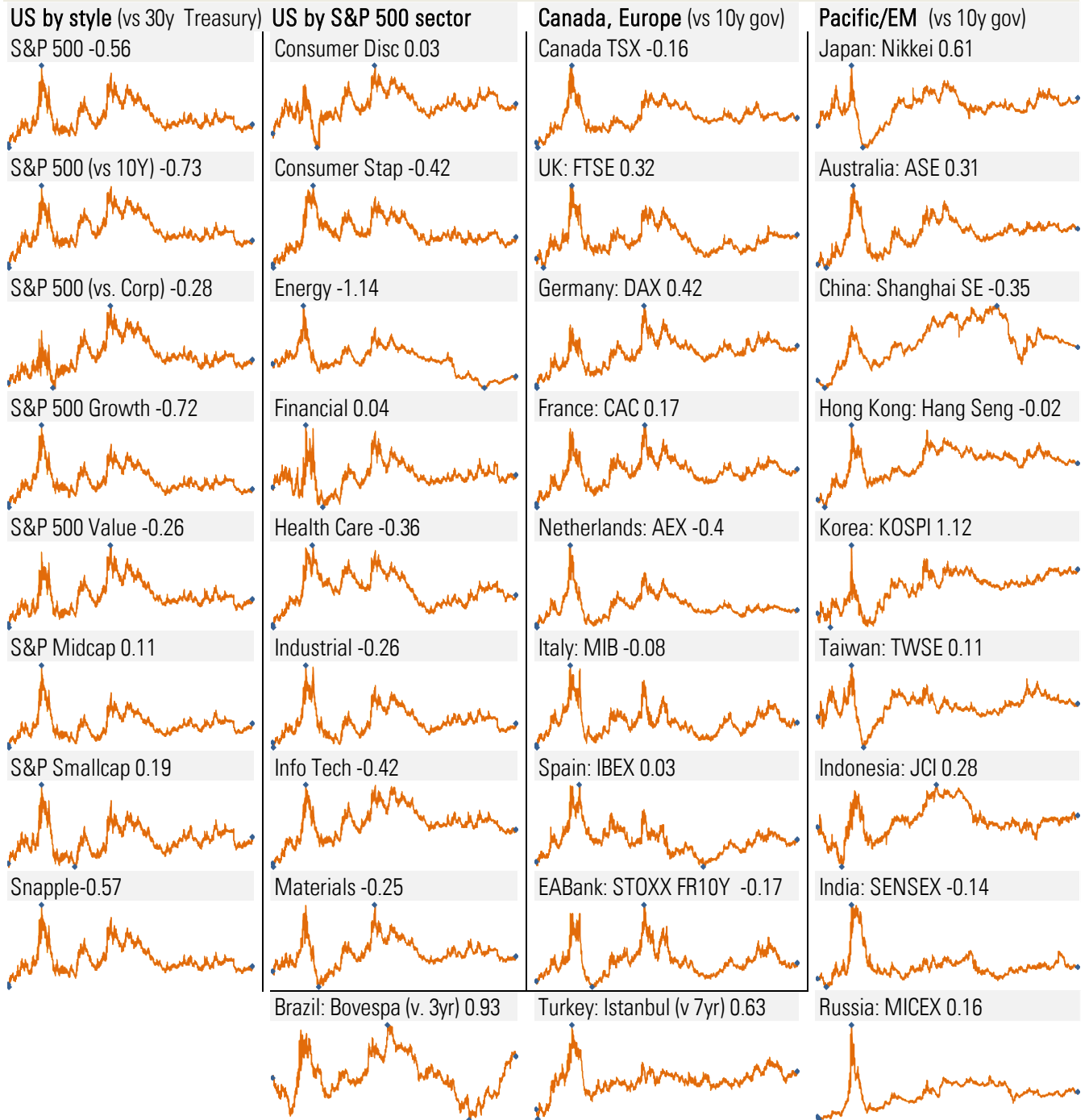
Rank	Equity risk premium		Forward PE ratio		Fwd earnings upgrade rate		Fwd sales upgrade rate	
	By SD from crisis era mean				Trailing 90 days, AR		Trailing 90 days, AR	
	By country		By country		By country		By country	
1	Korea: KOSPI	+1.12	Russia: MICEX	6.2	Turkey: Istanbul	+67%	HK: Hang Seng	+30%
2	Brazil: Bovespa	+0.94	Turkey: Istanbul	8.5	HK: Hang Seng	+31%	Turkey: Istanbul	+15%
3	Turkey: Istanbul	+0.64	Korea: KOSPI	9.5	Korea: KOSPI	+23%	Indonesia: JCI	+8%
4	Japan: Nikkei	+0.61	HK: Hang Seng	12.2	Japan: Nikkei	+16%	Japan: Nikkei	+6%
5	Germany: DAX	+0.42	Brazil: Bovespa	12.7	Italy: MIB	+15%	Taiwan: TWSA	+6%
6	UK: FTSE	+0.32	Germany: DAX	12.8	Indonesia: JCI	+13%	US: S&P 500	+4%
7	Australia: ASE	+0.32	China: Shanghai SE	13.4	UK: FTSE	+12%	China: Shanghai SE	+4%
8	Indonesia: JCI	+0.29	Italy: MIB	13.6	US: S&P 500	+9%	Canada: TSX	+1%
9	France: CAC	+0.17	Spain: IBEX	13.7	China: Shanghai SE	+7%	Korea: KOSPI	+1%
10	Russia: MICEX	+0.16	Taiwan: TWSA	14.1	Germany: DAX	+6%	Australia: ASE	-2%
11	Taiwan: TWSA	+0.12	France: CAC	14.3	France: CAC	+5%	Germany: DAX	-3%
12	Spain: IBEX	+0.04	UK: FTSE	15.0	Taiwan: TWSA	+4%	Brazil: Bovespa	-4%
13	HK: Hang Seng	-0.03	Indonesia: JCI	15.5	Spain: IBEX	+2%	Spain: IBEX	-8%
14	Italy: MIB	-0.08	Australia: ASE	15.7	India: SENSEX	-1%	Italy: MIB	-11%
15	India: SENSEX	-0.15	Netherlands: AEX	15.7	Netherlands: AEX	-2%	France: CAC	-11%
16	Canada: TSX	-0.17	Canada: TSX	16.0	Brazil: Bovespa	-3%	UK: FTSE	-12%
17	China: Shanghai SE	-0.36	Japan: Nikkei	16.1	Australia: ASE	-6%	Netherlands: AEX	-16%
18	Netherlands: AEX	-0.40	US: S&P 500	17.5	Canada: TSX	-7%	Russia: MICEX	-18%
19	US: S&P 500	-0.56	India: SENSEX	18.6	Russia: MICEX	-22%	India: SENSEX	-22%
	US, by style		US, by style		US, by style		US, by style	
1	S&P Smallcap	+0.19	S&P 500 Value	15.2	S&P Midcap	+15%	S&P Smallcap	+24%
2	S&P Midcap	+0.11	S&P 500	17.5	S&P Smallcap	+15%	S&P Midcap	+11%
3	S&P 500 Value	-0.27	S&P Midcap	18.3	S&P 500 Growth	+12%	S&P 500 Growth	+11%
4	S&P 500	-0.56	S&P Smallcap	19.3	S&P 500	+9%	S&P 500	+4%
5	S&P 500 Growth	-0.72	S&P 500 Growth	19.7	S&P 500 Value	+7%	S&P 500 Value	+1%
	US, by sector		US, by sector		US, by sector		US, by sector	
1	Telecom	+1.18	Telecom	12.8	Info Tech	+18%	Consumer Stap	+12%
2	Financial	+0.04	Financial	13.7	Industrial	+13%	Materials	+11%
3	Consumer Disc	+0.03	Health Care	16.1	Financial	+12%	Financial	+9%
4	Materials	-0.26	Industrial	17.2	Materials	+11%	Info Tech	+6%
5	Industrial	-0.26	Materials	17.8	Health Care	+9%	Health Care	+4%
6	Health Care	-0.37	Info Tech	17.8	Consumer Stap	+9%	Industrial	+4%
7	Consumer Stap	-0.42	Utilities	18.4	Utilities	+8%	Energy	+2%
8	Info Tech	-0.43	Consumer Disc	18.8	Telecom	+4%	Utilities	+2%
9	Utilities	-0.79	Consumer Stap	19.8	Consumer Disc	+3%	Telecom	+1%
10	Energy	-1.14	Energy	26.6	Energy	-28%	Consumer Disc	-1%

Source: Bloomberg, TrendMacro calculations

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

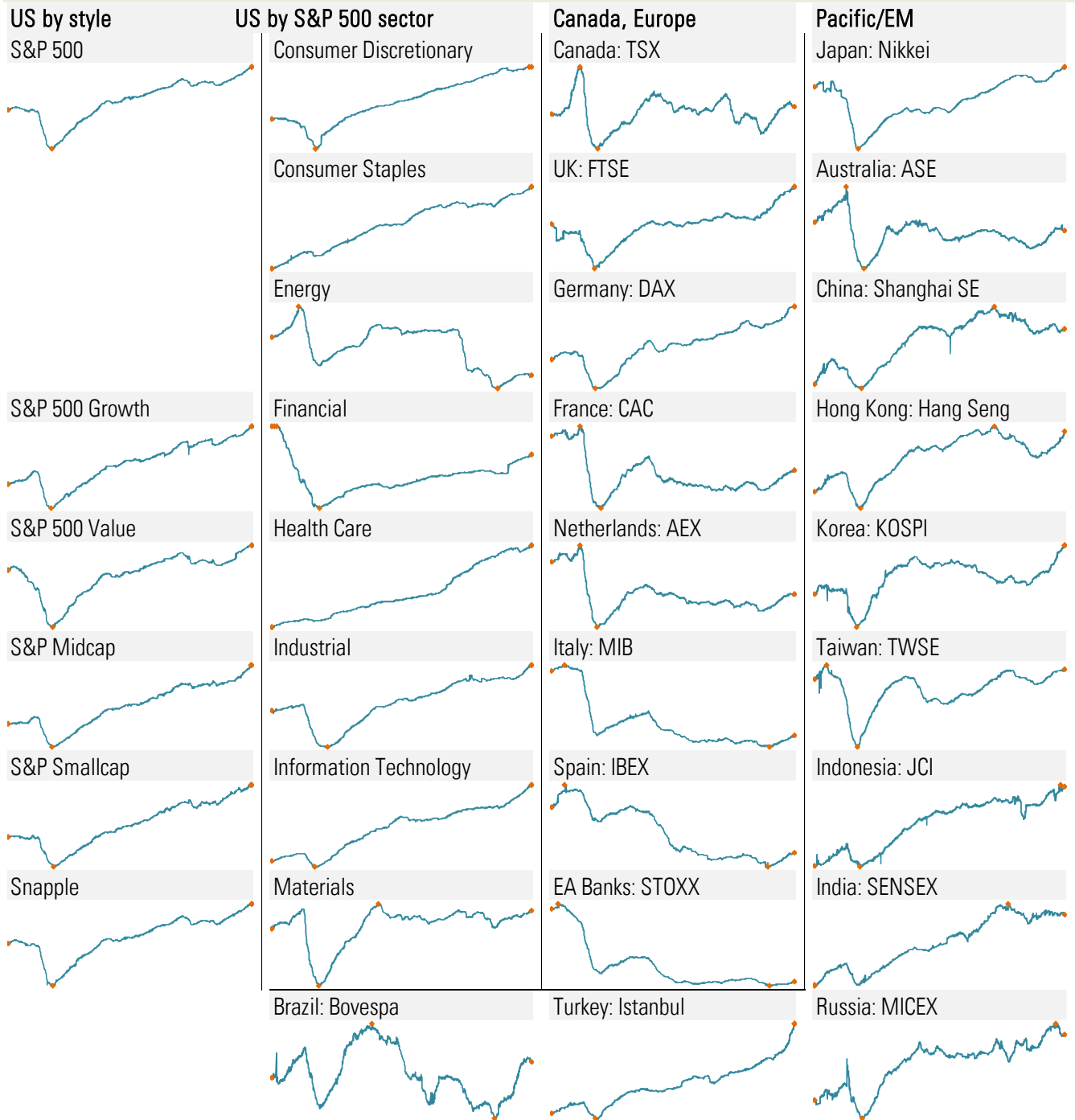
Standard deviations from crisis-era mean • First, High, Low, Last



Source: Bloomberg, TrendMacro calculations

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

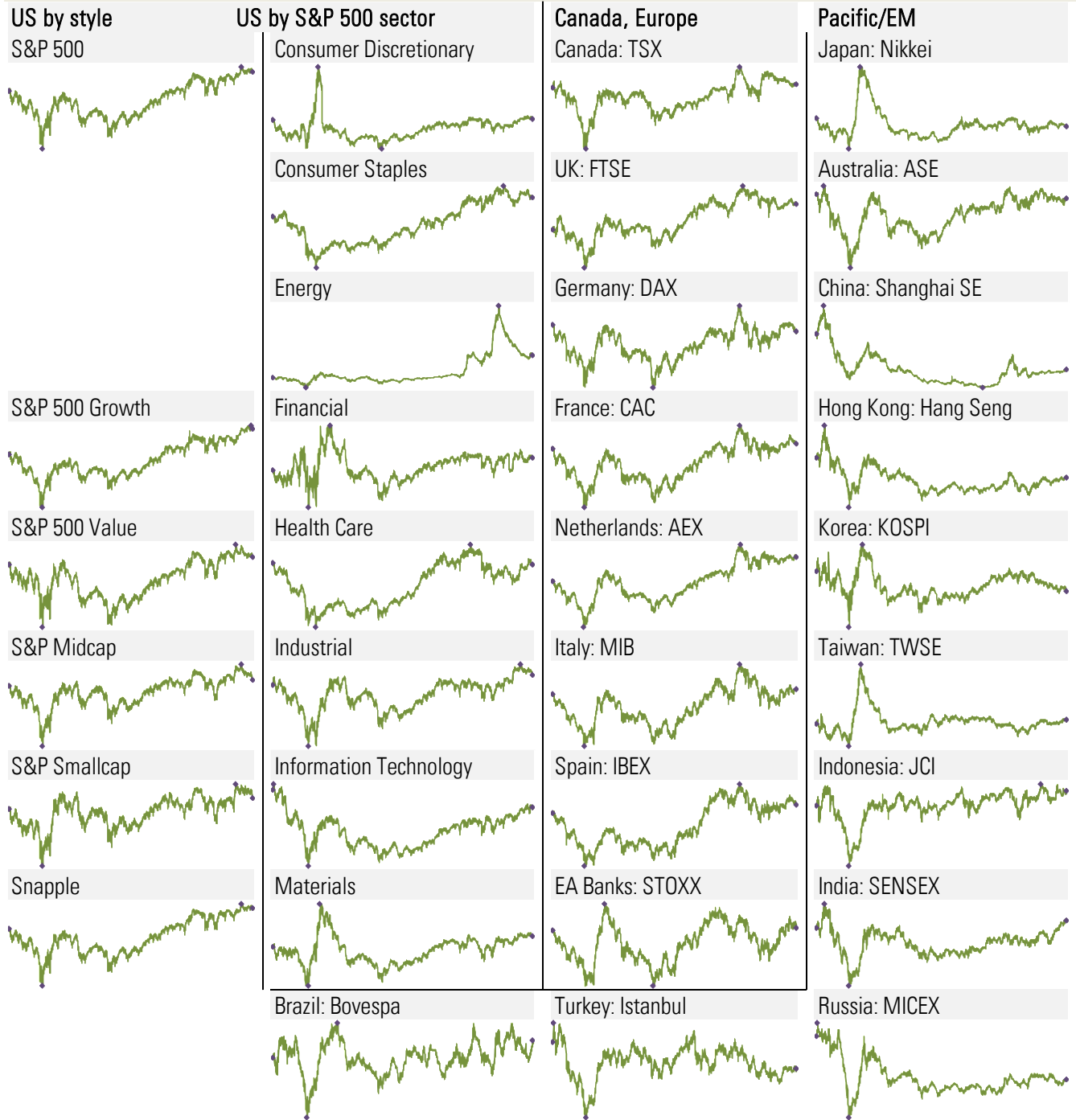
● First, High, Low, Last



Source: Bloomberg, TrendMacro calculations

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

• First, High, Low, Last



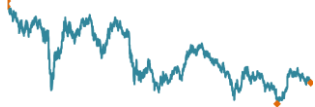
Source: Bloomberg, TrendMacro calculations

Benchmark bond yields, July 2007 to current

● First, High, Low, Last

US

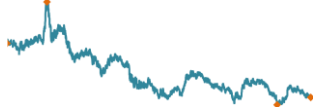
30-year Treasury



10-year Treasury

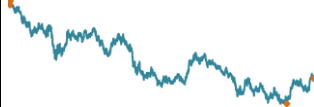


Moody's Corporate Avg

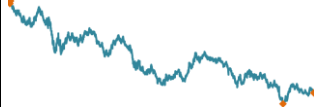


Canada, Europe

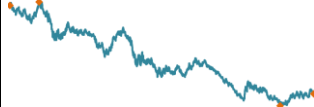
Canada 10-year govt



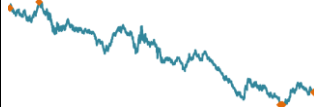
UK: 10-year govt



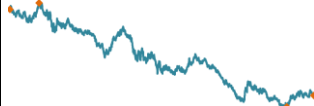
Germany: 10-year govt



France: 10-year govt



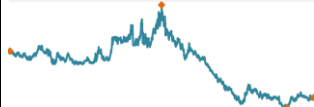
Netherlands: 10-year govt



Italy: 10-year govt

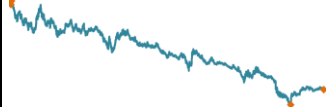


Spain: 10-year govt

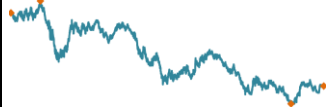


Pacific/EM

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



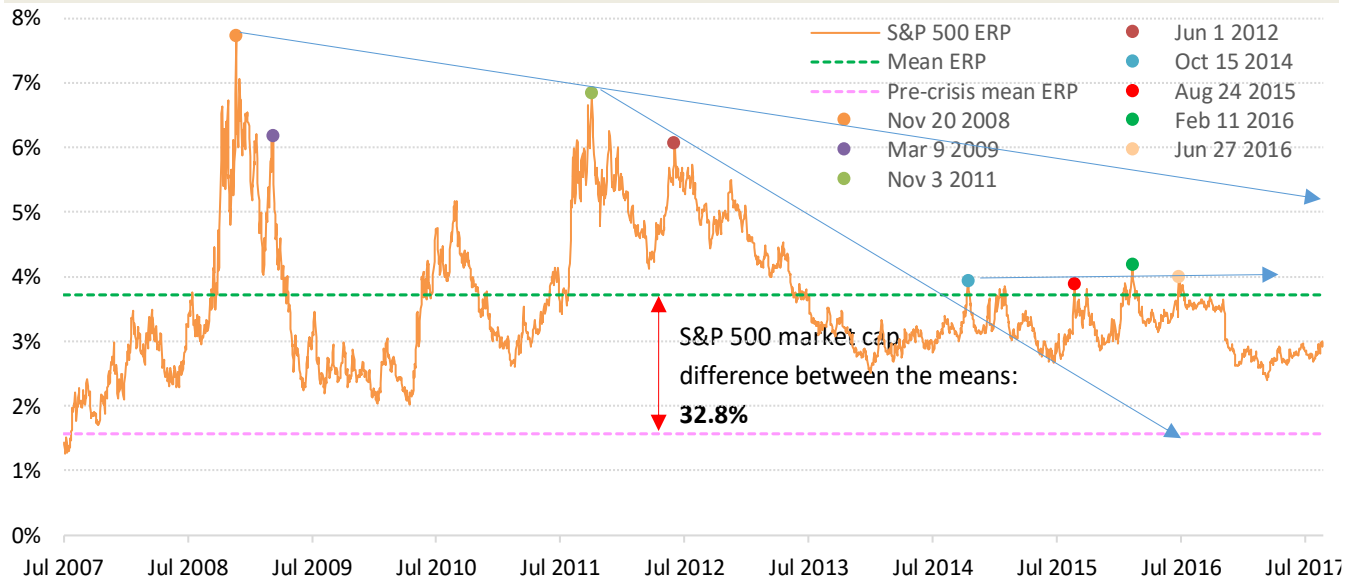
Russia: 10-year govt



Source: Bloomberg, TrendMacro calculations

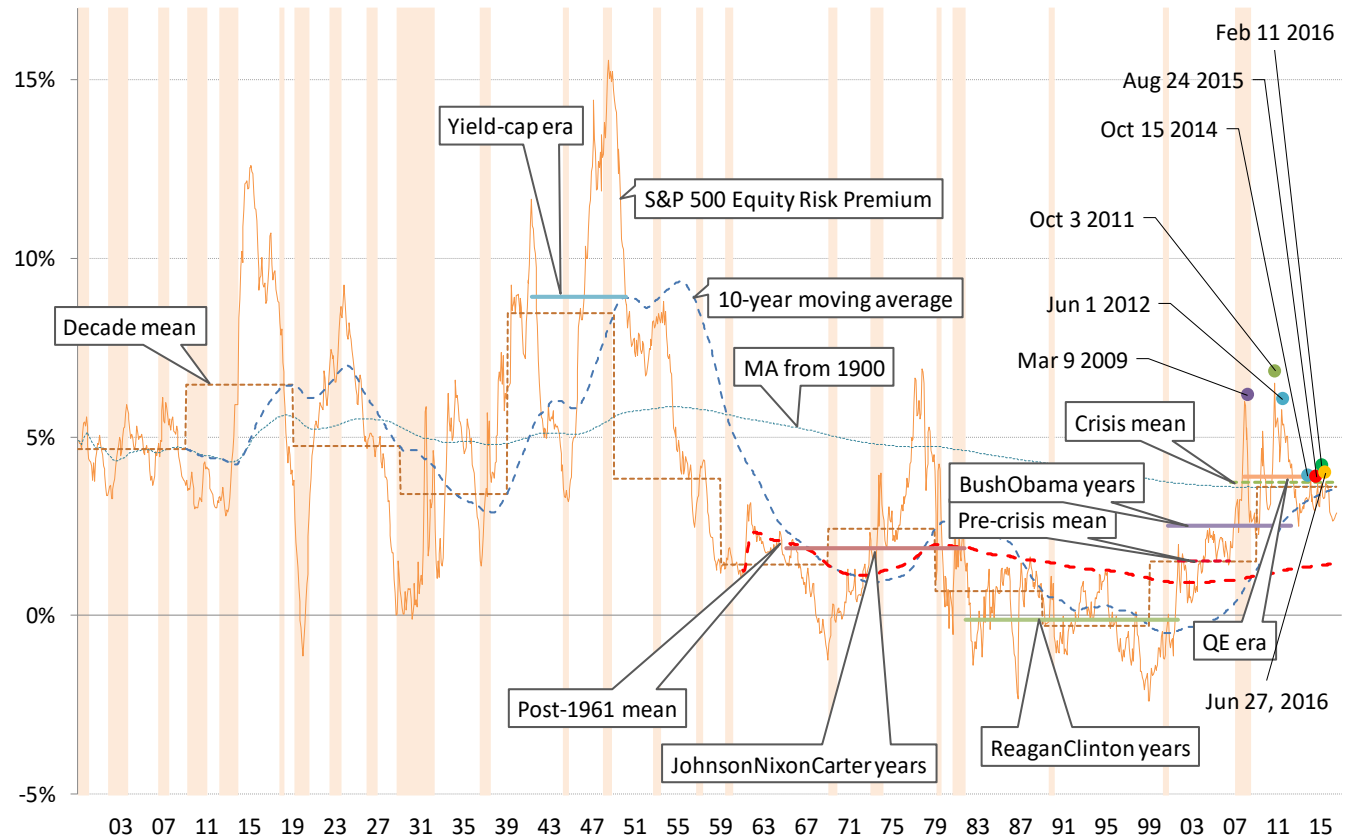
Daily S&P 500 equity risk premium in the crisis era

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



Source: Bloomberg, NBER, TrendMacro calculations

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



Source: Various, TrendMacro calculations