

Data Insights: Global Equity Risk Premia

Monday, October 30, 2017

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

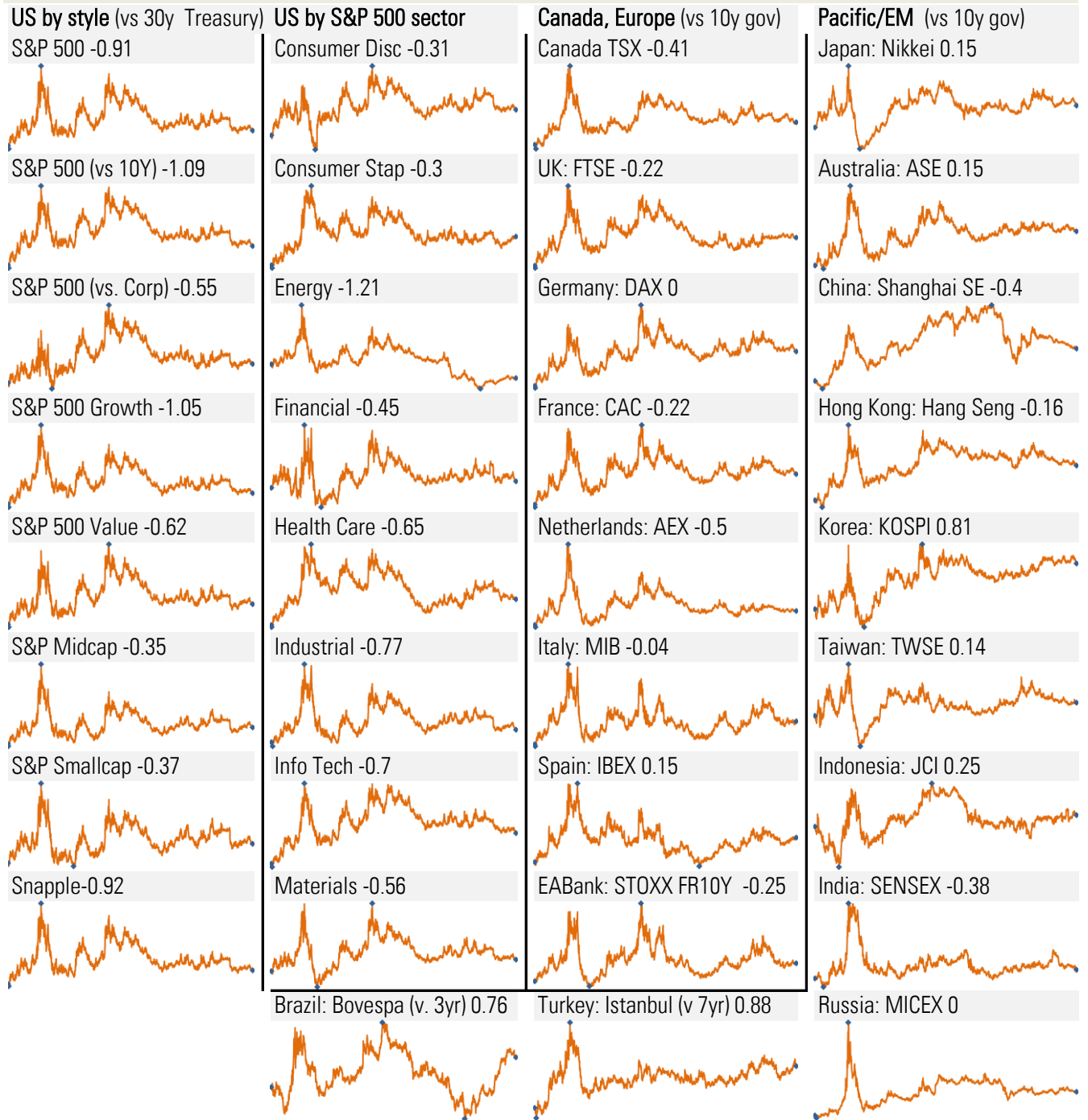
Rank	Equity risk premium		Forward PE ratio		Fwd earnings upgrade rate		Fwd sales upgrade rate	
	By SD from crisis era mean				Trailing 90 days, AR		Trailing 90 days, AR	
	By country		By country		By country		By country	
1	Turkey: Istanbul	+0.89	Russia: MICEX	6.5	Turkey: Istanbul	+45%	China: Shanghai SE	#N/A
2	Korea: KOSPI	+0.81	Turkey: Istanbul	8.0	HK: Hang Seng	+31%	HK: Hang Seng	+31%
3	Brazil: Bovespa	+0.77	Korea: KOSPI	9.7	Indonesia:JCI	+23%	Indonesia:JCI	+26%
4	Indonesia:JCI	+0.26	HK: Hang Seng	12.1	Japan: Nikkei	+17%	Turkey: Istanbul	+21%
5	Australia: ASE	+0.16	Brazil: Bovespa	13.3	China: Shanghai SE	+16%	Taiwan:TWSA	+18%
6	Spain: IBEX	+0.15	China: Shanghai SE	13.4	Italy: MIB	+16%	Canada:TSX	+12%
7	Japan: Nikkei	+0.15	Spain: IBEX	13.4	Taiwan:TWSA	+15%	France: CAC	+9%
8	Taiwan:TWSA	+0.15	Italy: MIB	13.8	Netherlands: AEX	+14%	Australia: ASE	+7%
9	Germany: DAX	-0.01	Germany: DAX	13.9	Korea: KOSPI	+14%	UK: FTSE	+7%
10	Russia: MICEX	-0.01	Taiwan:TWSA	14.1	Canada:TSX	+13%	India: SENSEX	+7%
11	Italy: MIB	-0.04	UK: FTSE	14.5	UK: FTSE	+12%	Korea: KOSPI	+7%
12	HK: Hang Seng	-0.17	France: CAC	15.2	India: SENSEX	+11%	US: S&P 500	+6%
13	France: CAC	-0.22	Indonesia:JCI	15.7	US: S&P 500	+10%	Japan: Nikkei	+5%
14	UK: FTSE	-0.22	Australia: ASE	16.1	France: CAC	+8%	Spain: IBEX	+3%
15	India: SENSEX	-0.39	Netherlands: AEX	16.2	Russia: MICEX	+7%	Italy: MIB	+3%
16	China: Shanghai SE	-0.41	Canada:TSX	16.4	Spain: IBEX	+6%	Netherlands: AEX	+0%
17	Canada:TSX	-0.42	Japan: Nikkei	17.7	Australia: ASE	+5%	Brazil: Bovespa	-2%
18	Netherlands: AEX	-0.51	US: S&P 500	18.1	Brazil: Bovespa	+4%	Germany: DAX	-4%
19	US: S&P 500	-0.91	India: SENSEX	18.8	Germany: DAX	+1%	Russia: MICEX	-12%
	US, by style		US, by style		US, by style		US, by style	
1	S&P Midcap	-0.36	S&P 500 Value	15.8	S&P Smallcap	+17%	S&P Midcap	+11%
2	S&P Smallcap	-0.37	S&P 500	18.1	S&P 500 Growth	+14%	S&P 500 Growth	+10%
3	S&P 500 Value	-0.62	S&P Midcap	19.4	S&P 500	+10%	S&P Smallcap	+8%
4	S&P 500	-0.91	S&P 500 Growth	20.4	S&P Midcap	+9%	S&P 500	+6%
5	S&P 500 Growth	-1.05	S&P Smallcap	20.7	S&P 500 Value	+7%	S&P 500 Value	+4%
	US, by sector		US, by sector		US, by sector		US, by sector	
1	Telecom	+1.51	Telecom	11.9	Energy	+36%	Telecom	+18%
2	Consumer Stap	-0.31	Financial	14.7	Info Tech	+27%	Energy	+17%
3	Consumer Disc	-0.32	Health Care	16.6	Materials	+19%	Info Tech	+13%
4	Financial	-0.45	Utilities	18.4	Telecom	+9%	Materials	+8%
5	Materials	-0.56	Info Tech	18.6	Health Care	+7%	Consumer Stap	+6%
6	Health Care	-0.65	Materials	18.6	Consumer Stap	+7%	Financial	+5%
7	Info Tech	-0.71	Consumer Stap	18.8	Financial	+7%	Industrial	+4%
8	Industrial	-0.77	Industrial	18.8	Consumer Disc	+6%	Consumer Disc	+4%
9	Utilities	-0.94	Consumer Disc	19.4	Utilities	+6%	Health Care	+2%
10	Energy	-1.21	Energy	27.0	Industrial	-7%	Utilities	+1%

Source: Bloomberg, TrendMacro calculations

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

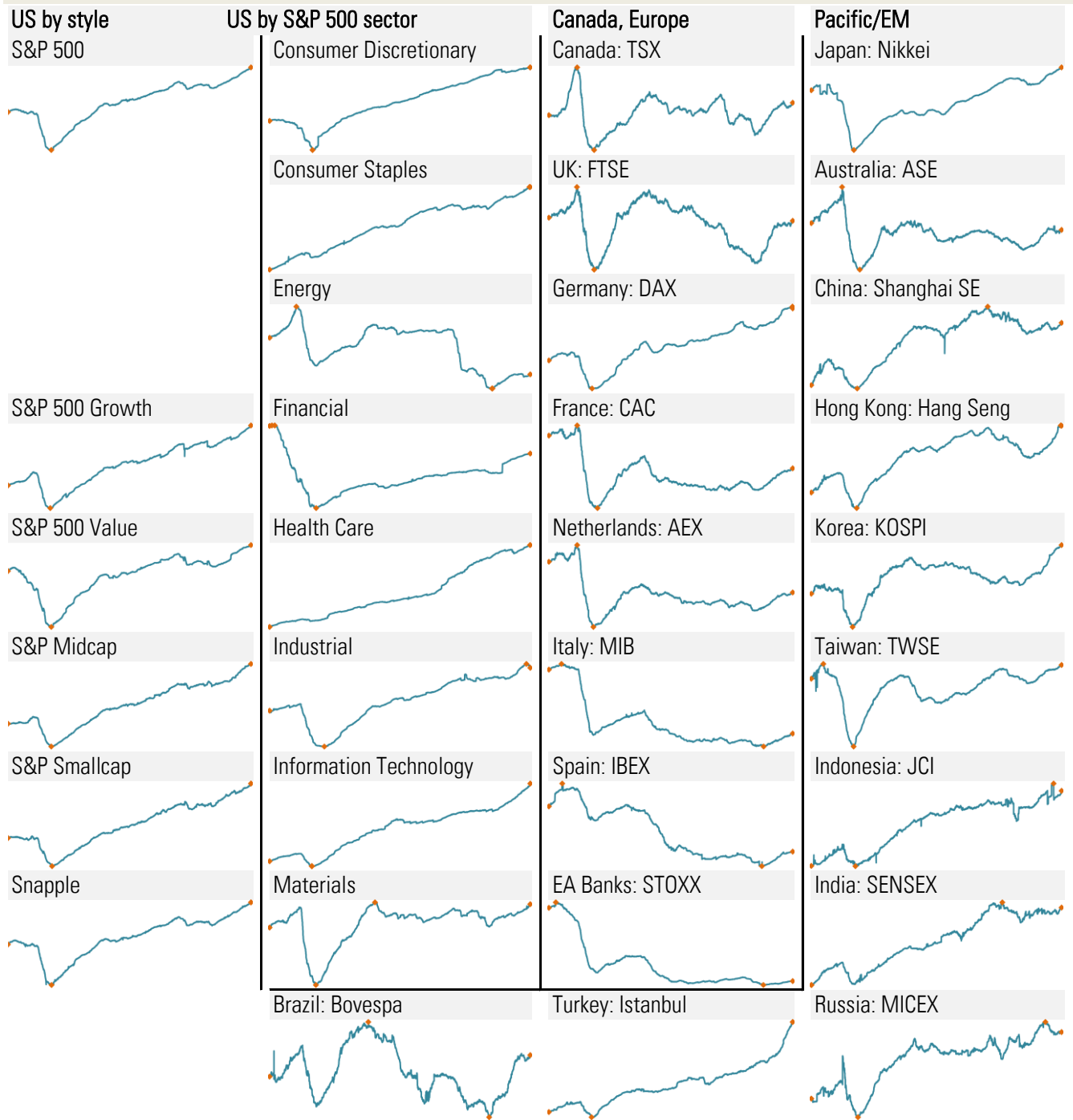
Standard deviations from crisis-era mean • First, High, Low, Last



Source: Bloomberg, TrendMacro calculations

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

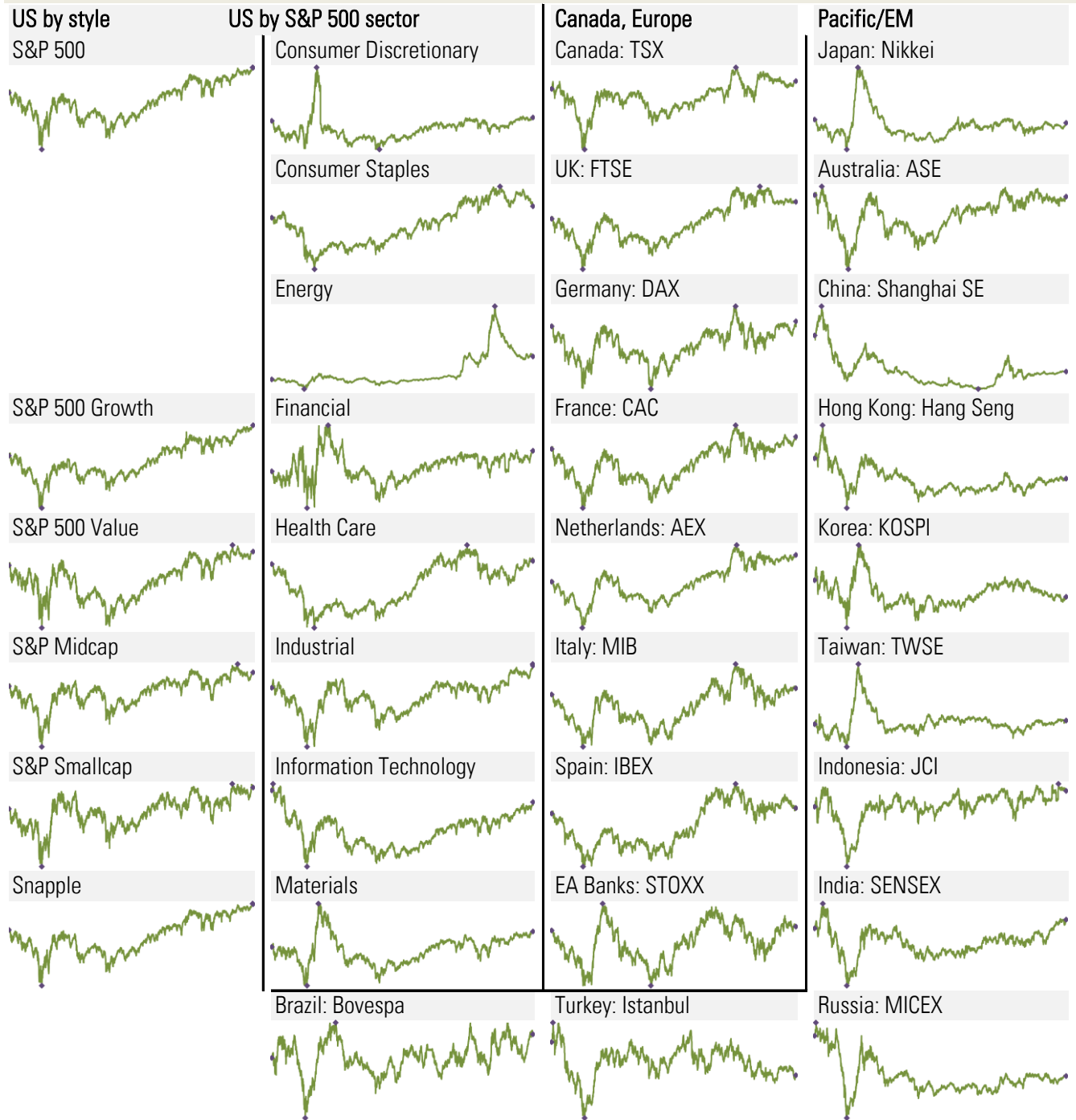
● First, High, Low, Last



Source: Bloomberg, TrendMacro calculations

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

• First, High, Low, Last



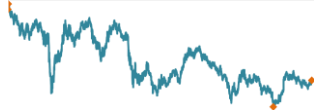
Source: Bloomberg, TrendMacro calculations

Benchmark bond yields, July 2007 to current

● First, High, Low, Last

US

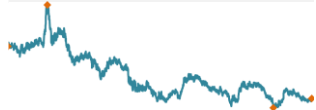
30-year Treasury



10-year Treasury

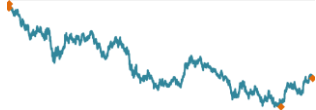


Moody's Corporate Avg

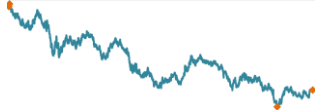


Canada, Europe

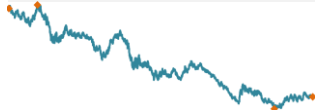
Canada 10-year govt



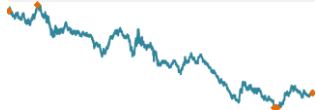
UK: 10-year govt



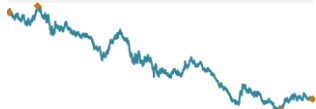
Germany: 10-year govt



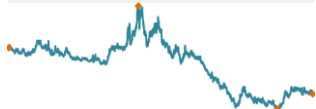
France: 10-year govt



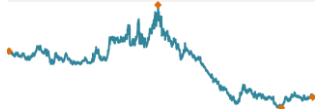
Netherlands: 10-year govt



Italy: 10-year govt



Spain: 10-year govt

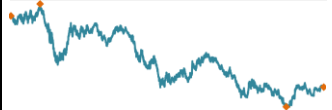


Pacific/EM

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



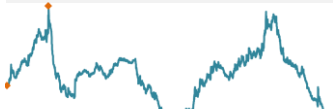
Indonesia: 10-year govt



India: 10-year govt



Brazil: 3-year govt



Turkey: 7-year govt



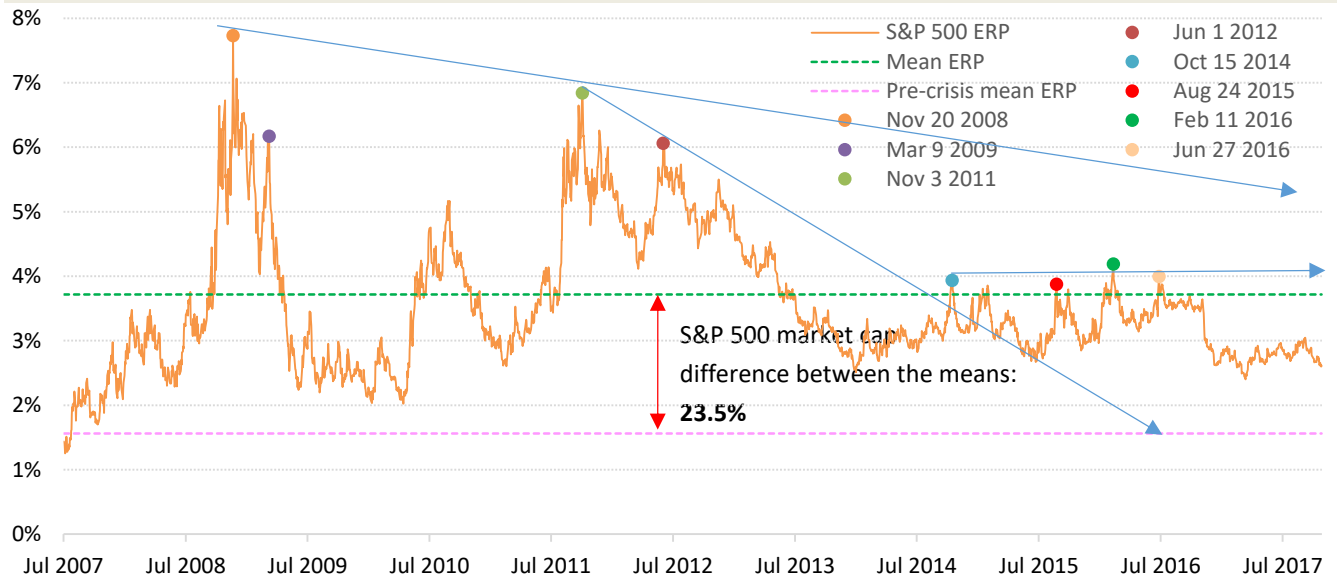
Russia: 10-year govt



Source: Bloomberg, TrendMacro calculations

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

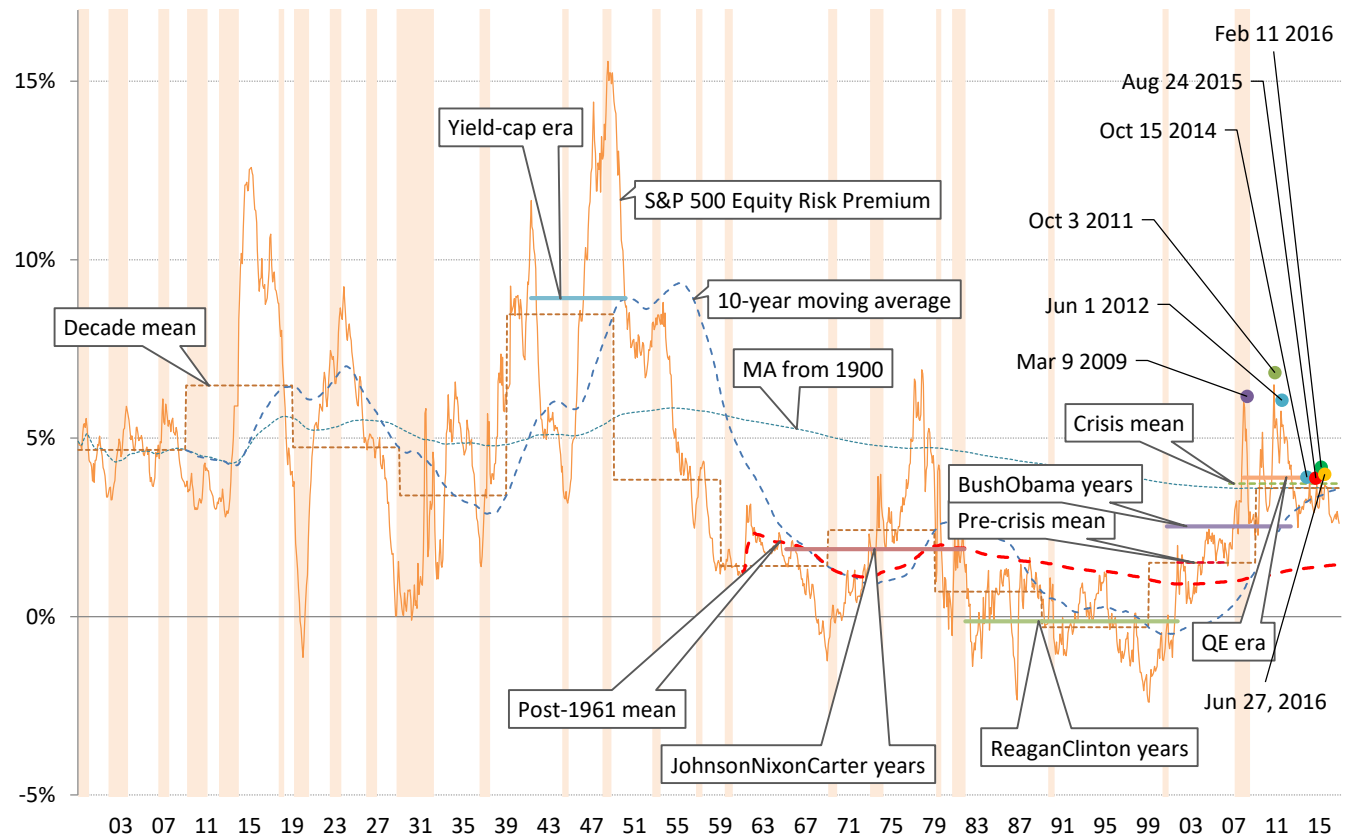
--- Crisis era mean --- Pre-crisis mean ↘ Trendlines



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