

Data Insights: Global Equity Risk Premia

Monday, June 18, 2018

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

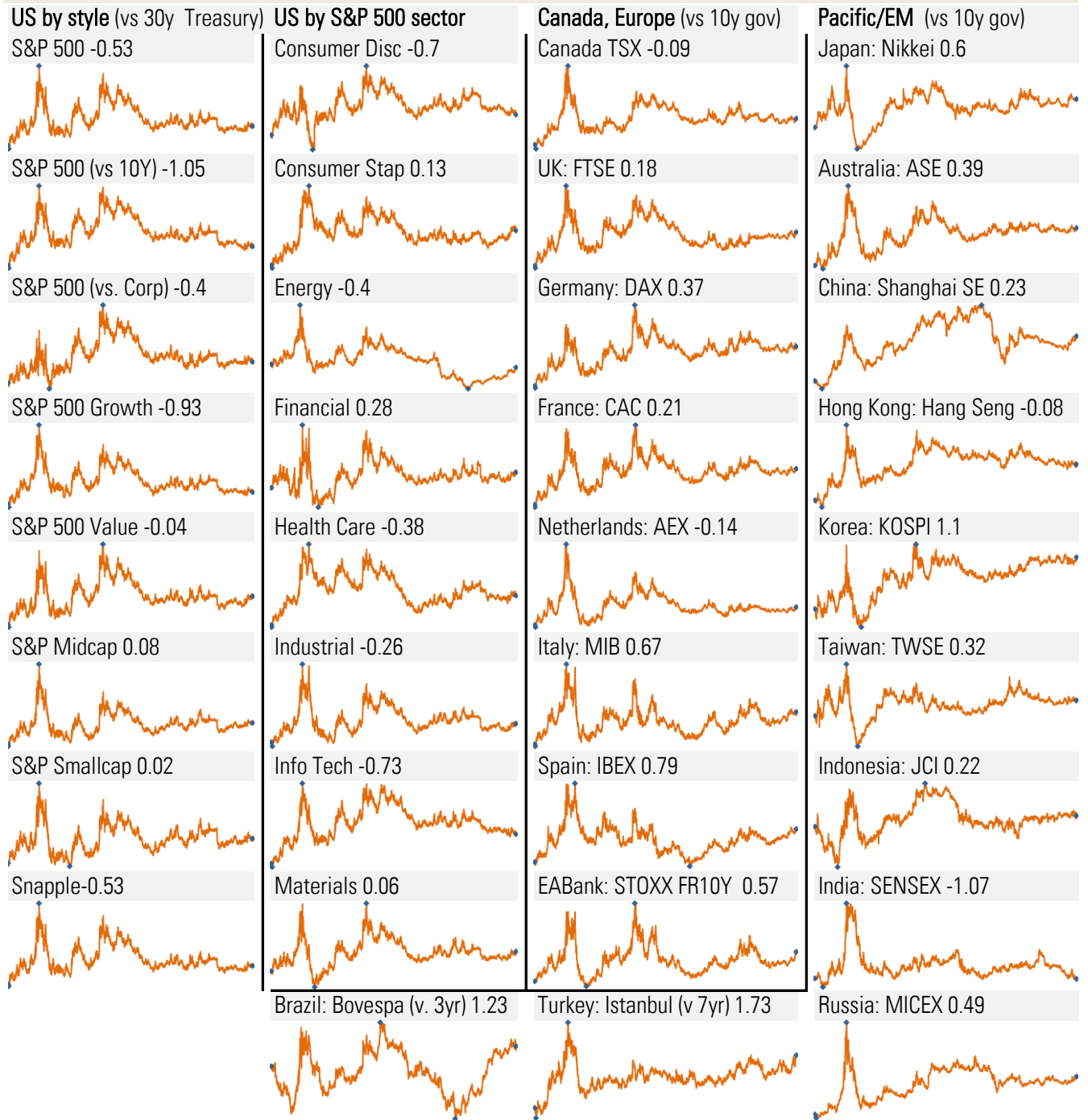
Rank	Equity risk premium By SD from crisis era mean	Forward PE ratio	Fwd earnings upgrade rate Trailing 90 days, AR	Fwd sales upgrade rate Trailing 90 days, AR
	By country	By country	By country	By country
1	Turkey: Istanbul +1.73	Russia: MICEX 5.8	Netherlands: AEX +35%	Indonesia: JCI +98%
2	Brazil: Bovespa +1.24	Turkey: Istanbul 6.3	Italy: MIB +30%	Netherlands: AEX +39%
3	Korea: KOSPI +1.11	Korea: KOSPI 9.0	UK: FTSE +27%	Russia: MICEX +38%
4	Spain: IBEX +0.79	Brazil: Bovespa 10.0	Russia: MICEX +27%	UK: FTSE +22%
5	Italy: MIB +0.68	China: Shanghai SE 11.2	France: CAC +23%	Turkey: Istanbul +21%
6	Japan: Nikkei +0.61	HK: Hang Seng 11.3	Canada: TSX +21%	India: SENSEX +19%
7	Russia: MICEX +0.49	Italy: MIB 11.3	India: SENSEX +18%	Brazil: Bovespa +18%
8	Australia: ASE +0.39	Spain: IBEX 12.3	Brazil: Bovespa +17%	France: CAC +17%
9	Germany: DAX +0.37	Germany: DAX 12.9	US: S&P 500 +16%	Spain: IBEX +14%
10	Taiwan: TWSA +0.32	UK: FTSE 13.4	Turkey: Istanbul +15%	Australia: ASE +13%
11	China: Shanghai SE +0.23	Taiwan: TWSA 13.9	Spain: IBEX +15%	China: Shanghai SE +13%
12	Indonesia: JCI +0.23	France: CAC 14.1	Australia: ASE +13%	Germany: DAX +11%
13	France: CAC +0.21	Indonesia: JCI 14.7	Germany: DAX +13%	US: S&P 500 +8%
14	UK: FTSE +0.19	Netherlands: AEX 14.7	Japan: Nikkei +11%	Korea: KOSPI +8%
15	HK: Hang Seng -0.08	Canada: TSX 15.0	Indonesia: JCI +10%	Taiwan: TWSA +6%
16	Canada: TSX -0.10	Australia: ASE 15.4	Korea: KOSPI +9%	Japan: Nikkei +2%
17	Netherlands: AEX -0.14	Japan: Nikkei 16.0	HK: Hang Seng +9%	Canada: TSX -0%
18	US: S&P 500 -0.54	US: S&P 500 16.6	Taiwan: TWSA +9%	Italy: MIB -6%
19	India: SENSEX -1.07	India: SENSEX 18.2	China: Shanghai SE +5%	HK: Hang Seng -13%
	US, by style	US, by style	US, by style	US, by style
1	S&P Midcap +0.09	S&P 500 Value 14.1	S&P Smallcap +45%	S&P Smallcap +73%
2	S&P Smallcap +0.03	S&P 500 16.6	S&P Midcap +27%	S&P 500 Growth +13%
3	S&P 500 Value -0.05	S&P Midcap 17.4	S&P 500 Growth +18%	S&P 500 +8%
4	S&P 500 -0.54	S&P Smallcap 18.7	S&P 500 +16%	S&P 500 Value +7%
5	S&P 500 Growth -0.93	S&P 500 Growth 19.6	S&P 500 Value +15%	S&P Midcap +5%
	US, by sector	US, by sector	US, by sector	US, by sector
1	Telecom +2.28	Telecom 10.3	Energy +101%	Health Care +44%
2	Financial +0.28	Financial 12.6	Materials +27%	Materials +32%
3	Consumer Stap +0.13	Health Care 15.5	Info Tech +19%	Energy +16%
4	Materials +0.06	Utilities 15.8	Industrial +17%	Info Tech +12%
5	Utilities -0.12	Materials 15.8	Consumer Disc +16%	Industrial +11%
6	Industrial -0.26	Industrial 16.5	Health Care +13%	Consumer Disc +10%
7	Health Care -0.39	Consumer Stap 17.2	Financial +10%	Financial +4%
8	Energy -0.41	Energy 17.6	Utilities +4%	Utilities -4%
9	Consumer Disc -0.71	Info Tech 18.4	Telecom -3%	Telecom -9%
10	Info Tech -0.74	Consumer Disc 20.4	Consumer Stap -7%	Consumer Stap -33%

Source: Bloomberg, TrendMacro calculations

Copyright 2018 Trend Macrolytics LLC. All rights reserved. This document is not to be forwarded to individuals or organizations not authorized by Trend Macrolytics LLC to receive it. For information purposes only; not to be deemed to be recommendations for buying or selling specific securities or to constitute personalized investment advice. Derived from sources deemed to be reliable, but no warranty is made as to accuracy.

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

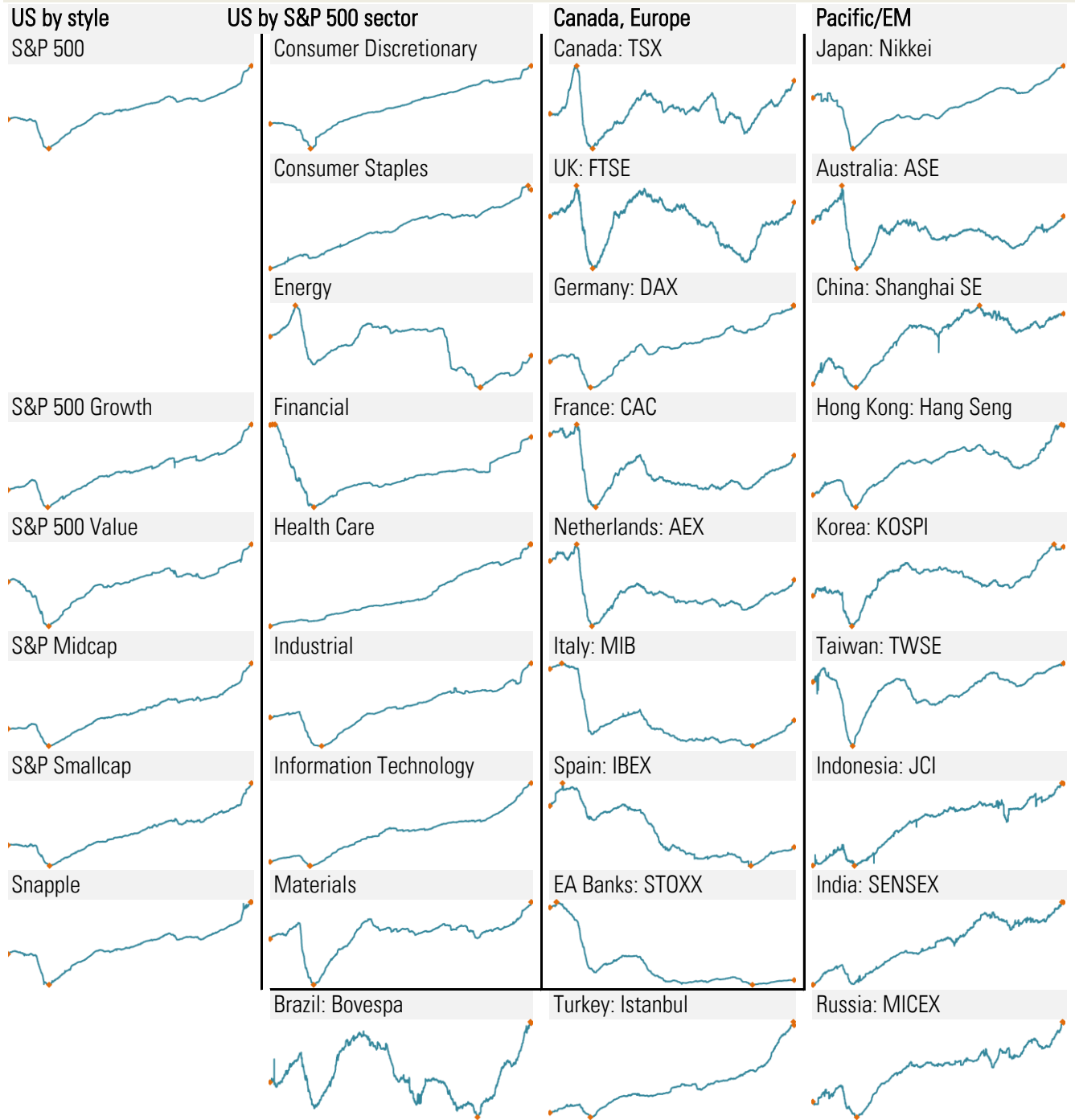
Standard deviations from crisis-era mean • First, High, Low, Last



Source: Bloomberg, TrendMacro calculations

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

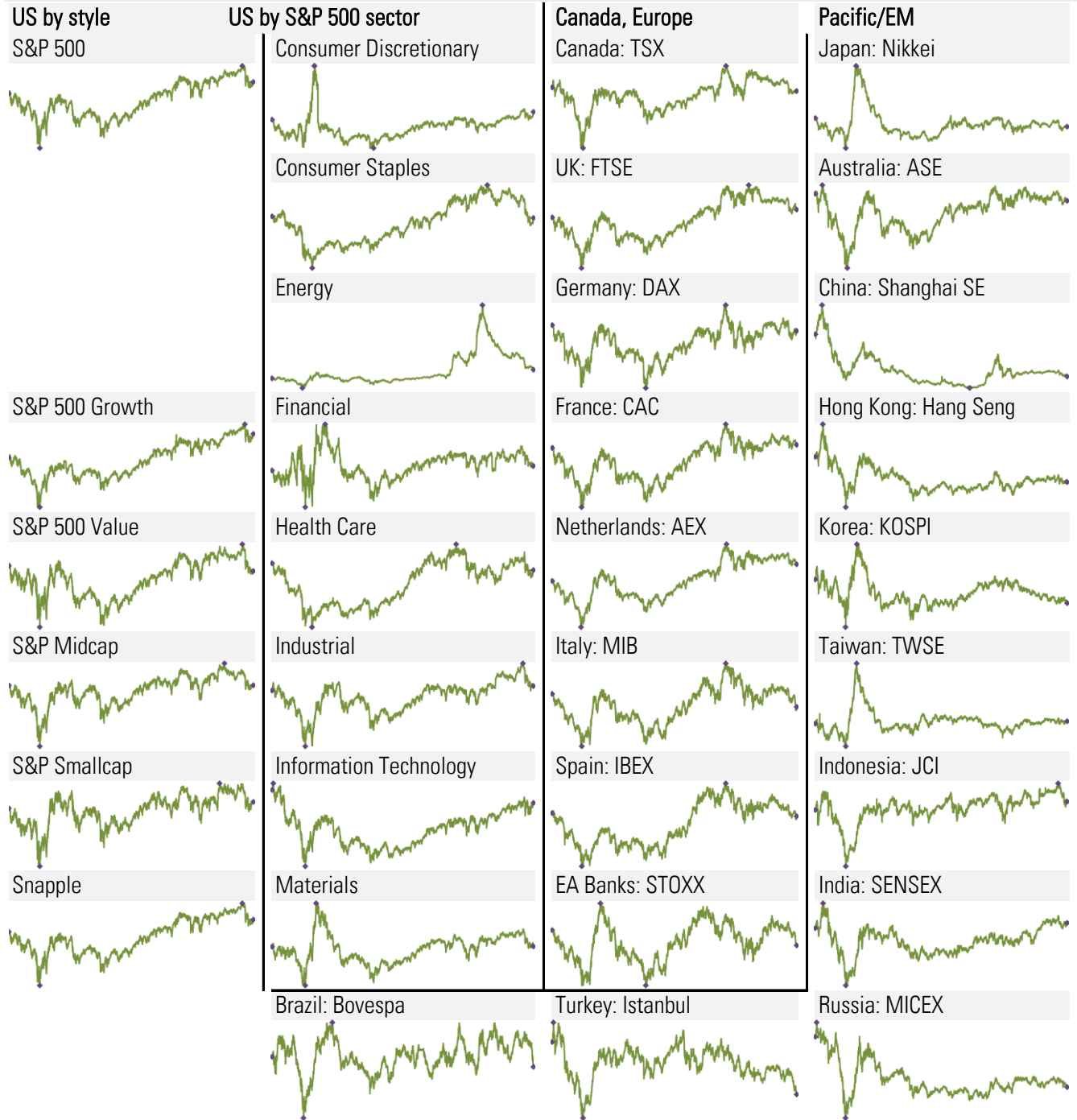
● First, High, Low, Last



Source: Bloomberg, TrendMacro calculations

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

• First, High, Low, Last



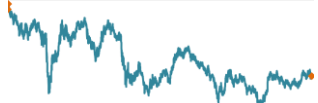
Source: Bloomberg, TrendMacro calculations

Benchmark bond yields, July 2007 to current

• First, High, Low, Last

US

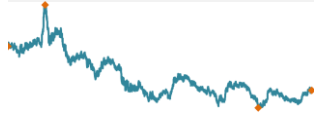
30-year Treasury



10-year Treasury

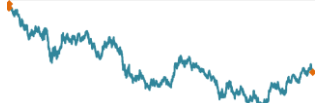


Moody's Corporate Avg

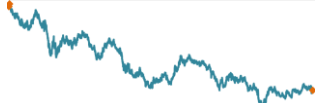


Canada, Europe

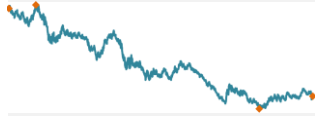
Canada 10-year govt



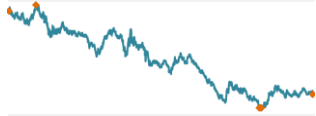
UK: 10-year govt



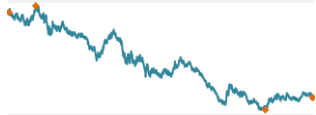
Germany: 10-year govt



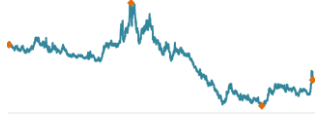
France: 10-year govt



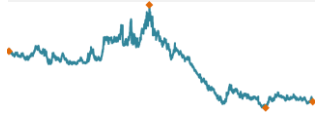
Netherlands: 10-year govt



Italy: 10-year govt

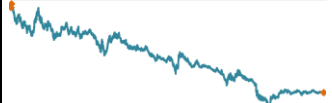


Spain: 10-year govt

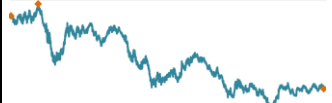


Pacific/EM

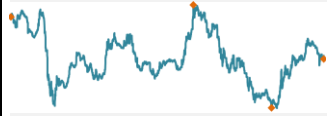
Japan: 10-year govt



Australia: 10-year govt



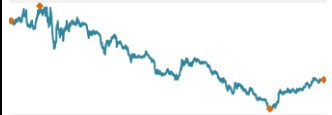
China: 10-year govt



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

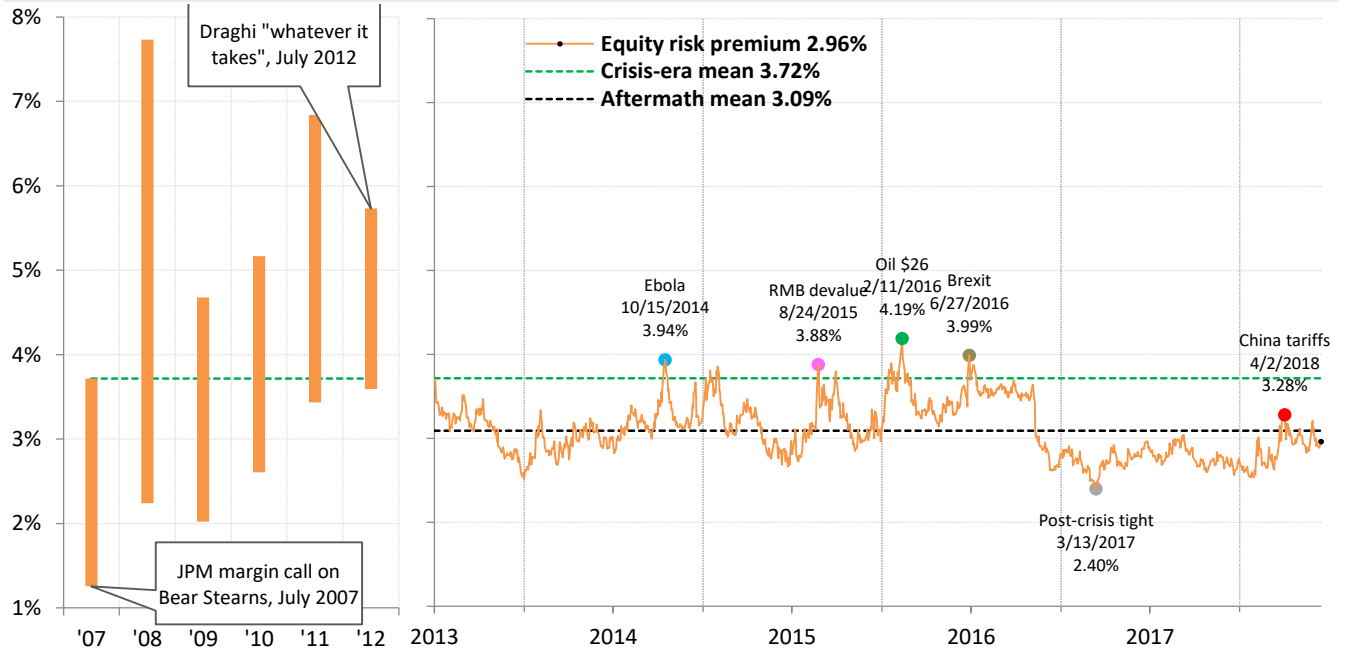


Russia: 10-year govt



Source: Bloomberg, TrendMacro calculations

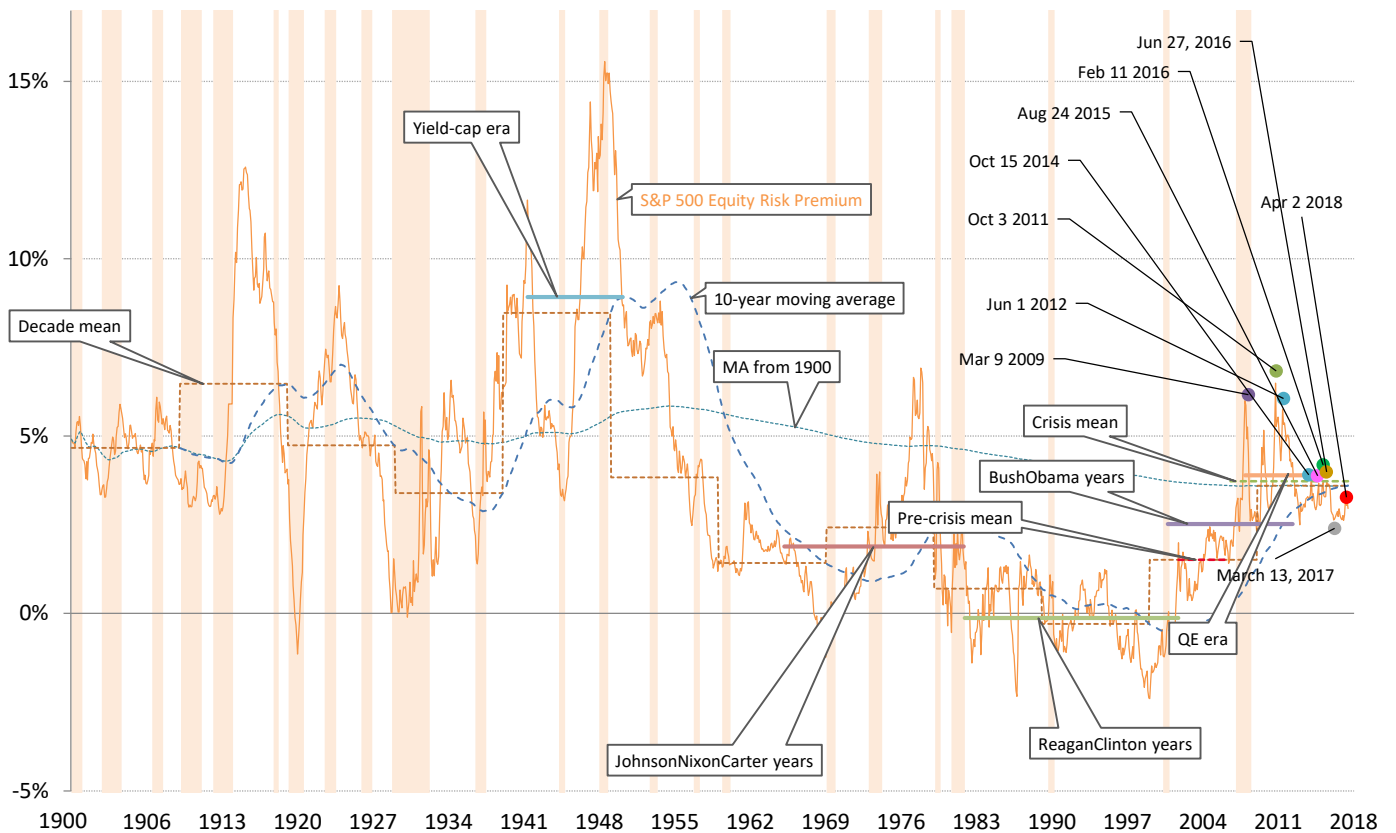
Daily S&P 500 equity risk premium in the crisis era



Versus 30-year Treasury

Source: Bloomberg, NBER, TrendMacro calculations

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

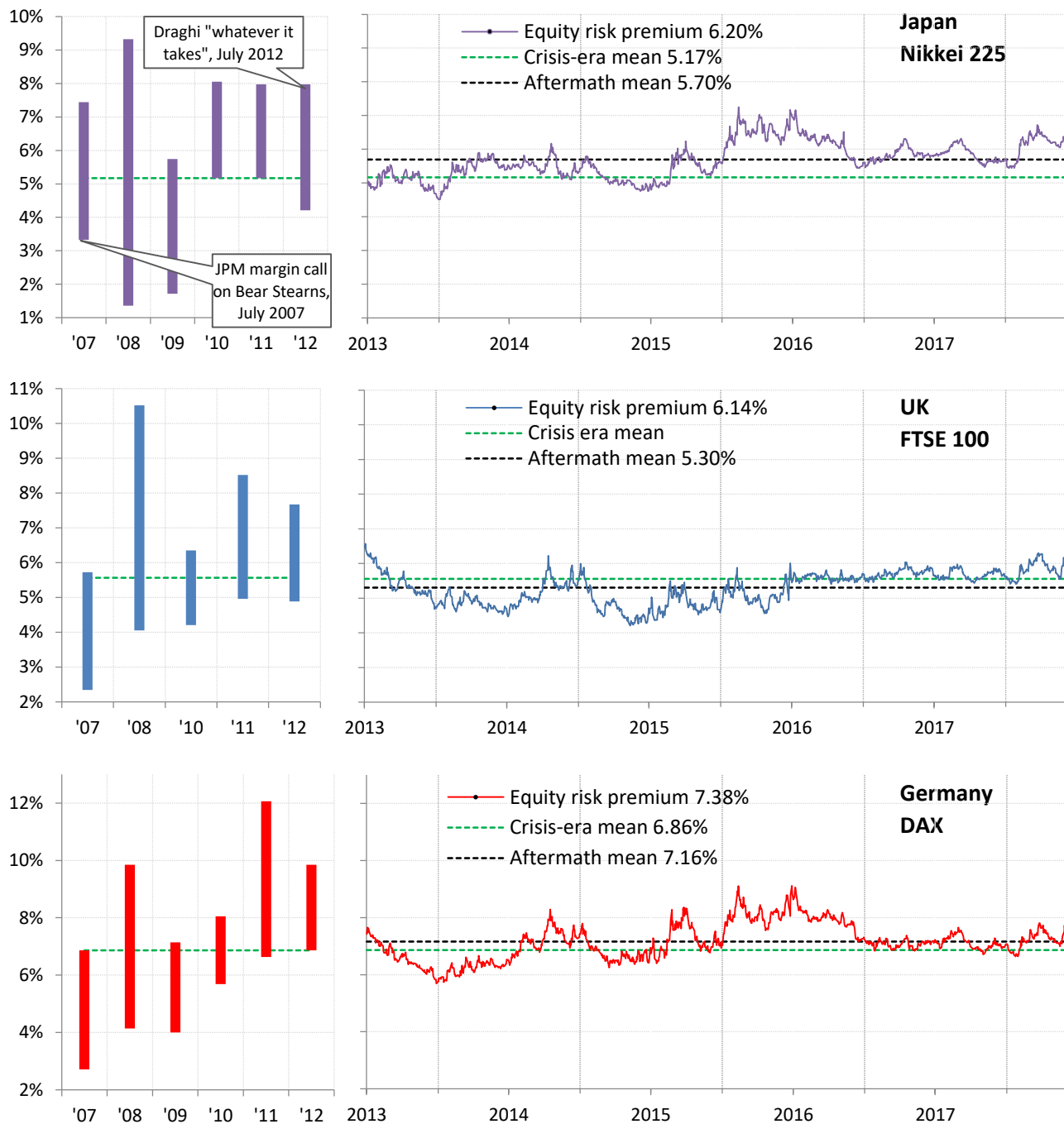


Versus 30-year Treasury

Source: Various, TrendMacro calculations

Close-up: Global equity risk premia in the crisis, and its aftermath

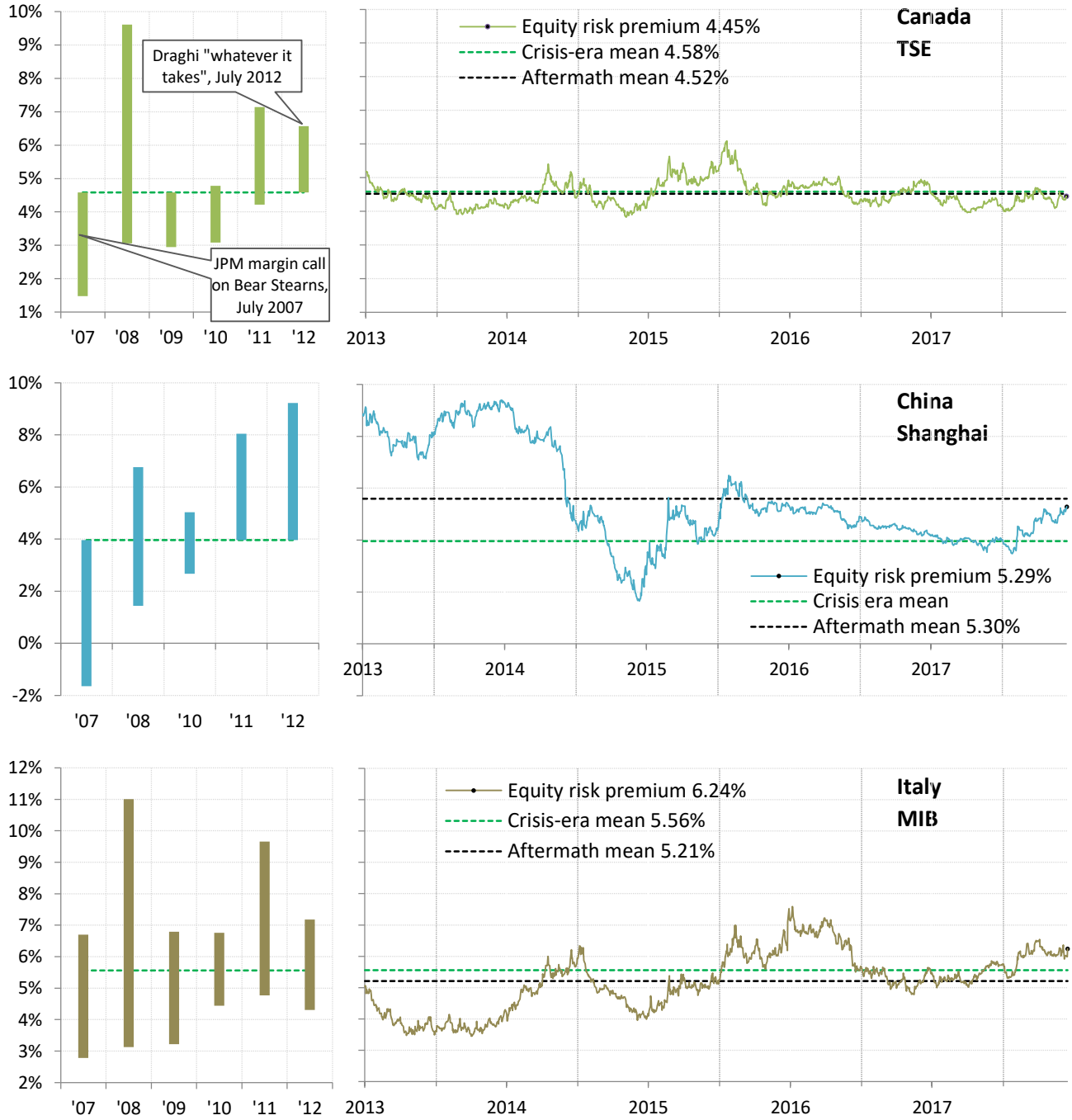
July-to-July range (left panel), daily from July 2013 (right panel)



Source: Bloomberg, TrendMacro calculations

Close-up: Global equity risk premia in the crisis, and its aftermath

July-to-July range (left panel), daily form July 2013 (right panel)



Source: Bloomberg, TrendMacro calculations