

NOTE: In September 2016, Standard & Poor's created a new Real Estate sector from stocks that had been in the Financials sector. In October 2018 it converted the Telecom sector to "Communications Services," moving stocks from Info Tech and Consumer Discretionary. These changes distort metrics for those sectors throughout this report. The overall S&P 500 is not affected.

Data Insights: Global Equity Risk Premia

Monday, January 7, 2019

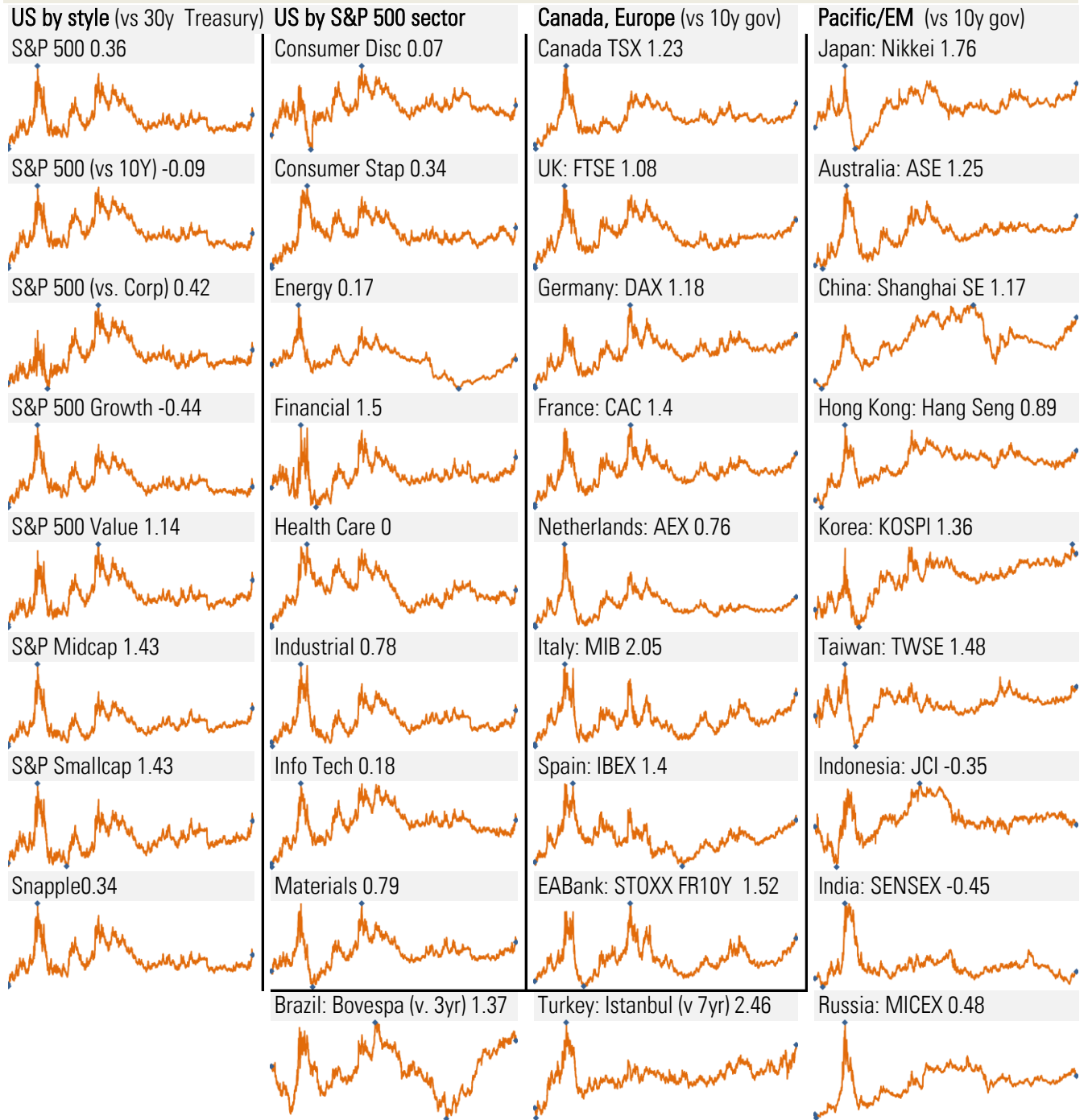
Global leader-board: by equity risk premium, value, and growth ■ Best ■ Worst

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 +2.46	Russia: MICEX 5.3	Brazil: Bovespa +26%	Turkey: Istanbul +34%
2	Italy: MIB +2.05	Turkey: Istanbul 5.9	Italy: MIB +8%	China: Shanghai SE +32%
3	Japan: Nikkei +1.77	Korea: KOSPI 8.5	India: SENSEX +7%	Canada:TSX +21%
4	Taiwan:TWSA +1.49	Italy: MIB 9.1	Australia: ASE +6%	Brazil: Bovespa +13%
5	Spain: IBEX +1.41	China: Shanghai SE 9.2	China: Shanghai SE +4%	India: SENSEX +11%
6	France: CAC +1.41	HK: Hang Seng 9.7	UK: FTSE +4%	UK: FTSE +11%
7	Brazil: Bovespa +1.37	Spain: IBEX 10.8	Russia: MICEX +3%	Germany: DAX +9%
8	Korea: KOSPI +1.37	Brazil: Bovespa 11.2	France: CAC +3%	US: S&P 500 +8%
9	Australia: ASE +1.26	Germany: DAX 11.4	Indonesia:JCI +2%	Russia: MICEX +7%
10	Canada:TSX +1.24	UK: FTSE 11.5	HK: Hang Seng +1%	Korea: KOSPI +7%
11	Germany: DAX +1.19	France: CAC 11.7	Canada:TSX -0%	Italy: MIB +6%
12	China: Shanghai SE +1.18	Taiwan:TWSA 12.2	Japan: Nikkei -2%	Taiwan:TWSA +5%
13	UK: FTSE +1.08	Netherlands: AEX 12.5	US: S&P 500 -2%	Japan: Nikkei +4%
14	HK: Hang Seng +0.90	Canada:TSX 12.7	Spain: IBEX -2%	HK: Hang Seng +1%
15	Netherlands: AEX +0.77	Japan: Nikkei 13.0	Turkey: Istanbul -3%	France: CAC -1%
16	Russia: MICEX +0.48	Australia: ASE 13.8	Netherlands: AEX -4%	Indonesia:JCI -2%
17	US: S&P 500 +0.37	US: S&P 500 14.6	Taiwan:TWSA -17%	Australia: ASE -6%
18	Indonesia:JCI -0.36	Indonesia:JCI 14.8	Germany: DAX -20%	Spain: IBEX -7%
19	India: SENSEX -0.45	India: SENSEX 17.3	Korea: KOSPI -33%	Netherlands: AEX -9%
	US, by style	US, by style	US, by style	US, by style
1	S&P Midcap +1.44	S&P 500 Value 12.0	S&P 500 Value +15%	S&P Midcap +10%
2	S&P Smallcap +1.43	S&P Midcap 14.2	S&P Midcap +2%	S&P 500 +8%
3	S&P 500 Value +1.14	S&P 500 14.6	S&P 500 -2%	S&P 500 Value +7%
4	S&P 500 +0.37	S&P Smallcap 15.2	S&P Smallcap -14%	S&P Smallcap +2%
5	S&P 500 Growth -0.44	S&P 500 Growth 18.3	S&P 500 Growth -24%	S&P 500 Growth -6%
	US, by sector	US, by sector	US, by sector	US, by sector
1	Financial +1.50	Financial 10.6	Health Care +12%	Health Care +37%
2	Materials +0.80	Industrial 13.7	Consumer Disc +7%	Materials +25%
3	Industrial +0.79	Materials 13.8	Utilities +7%	Communications +14%
4	Consumer Stap +0.35	Energy 14.3	Financial +5%	Utilities +6%
5	Info Tech +0.18	Health Care 14.6	Consumer Stap +2%	Industrial +5%
6	Energy +0.18	Info Tech 15.2	Industrial +1%	Consumer Disc +5%
7	Consumer Disc +0.08	Communications 15.3	Communications -4%	Financial +1%
8	Health Care +0.00	Utilities 16.3	Info Tech -11%	Consumer Stap +1%
9	Utilities -0.22	Consumer Stap 16.9	Materials -15%	Energy -3%
10	Communications -0.27	Consumer Disc 18.0	Energy -35%	Info Tech -5%

Source: Bloomberg, TrendMacro calculations

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

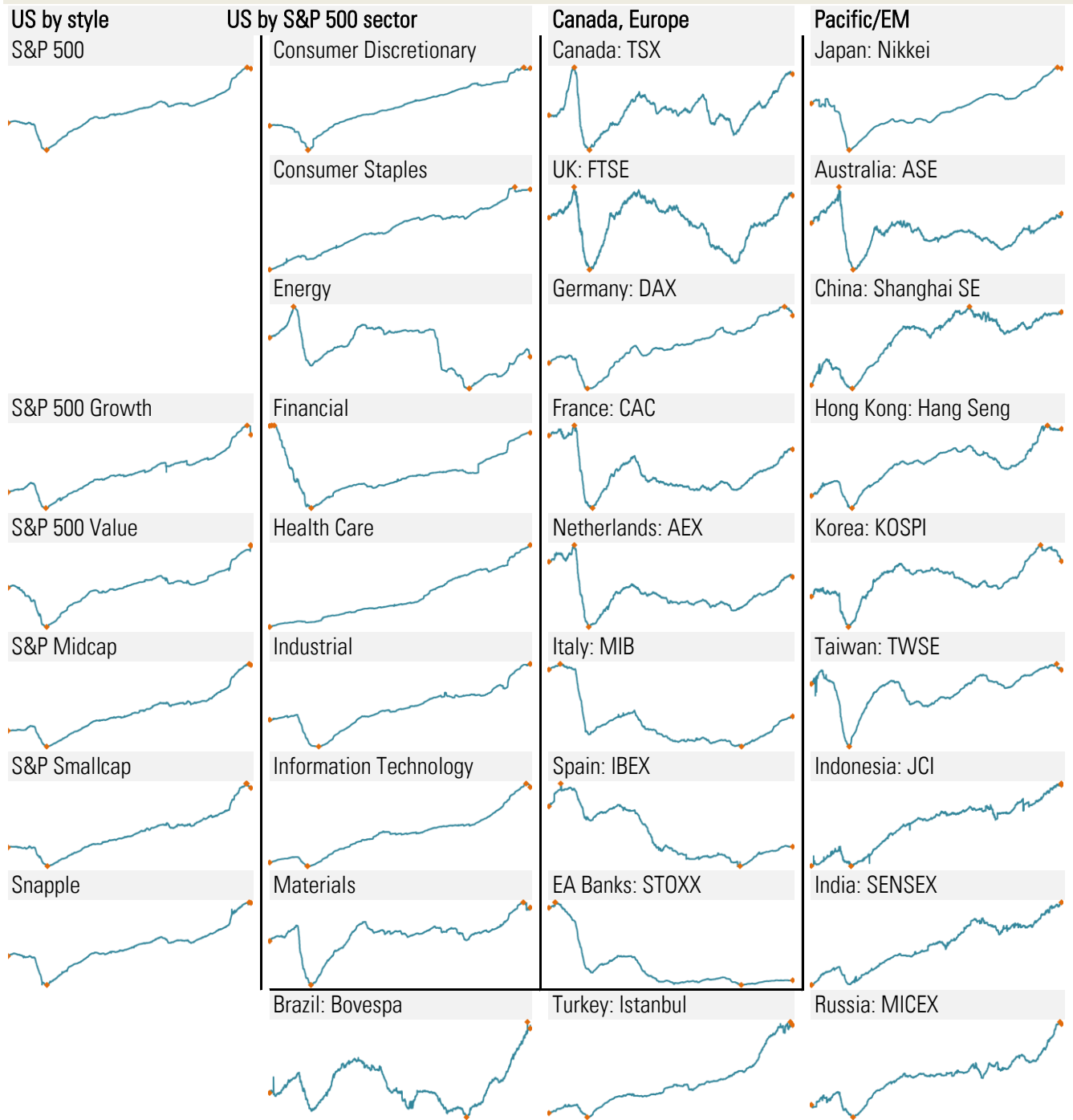
Standard deviations from crisis-era mean • First, High, Low, Last



Source: Bloomberg, TrendMacro calculations

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

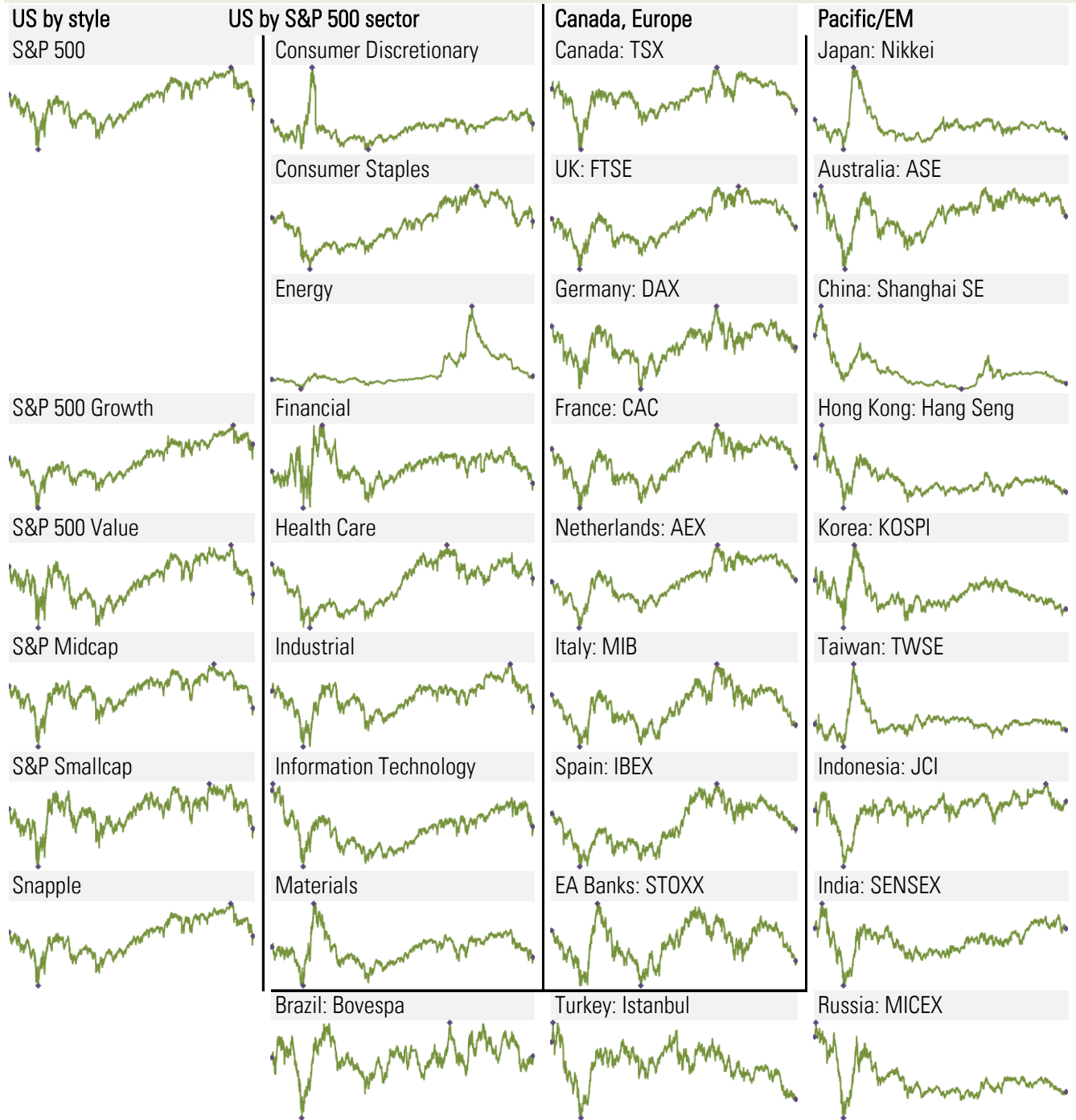
● First, High, Low, Last



Source: Bloomberg, TrendMacro calculations

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

• First, High, Low, Last



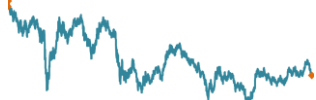
Source: Bloomberg, TrendMacro calculations

Benchmark bond yields, July 2007 to current

● First, High, Low, Last

US

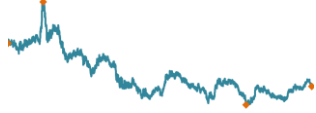
30-year Treasury



10-year Treasury



Moody's Corporate Avg

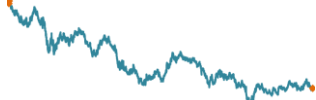


Canada, Europe

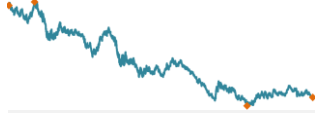
Canada 10-year govt



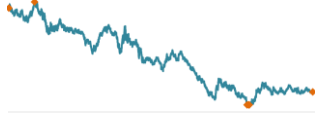
UK: 10-year govt



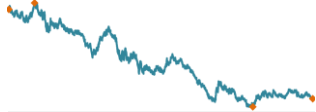
Germany: 10-year govt



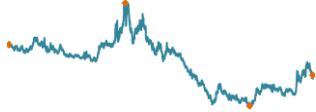
France: 10-year govt



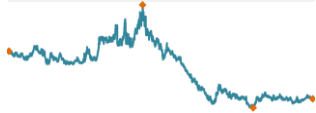
Netherlands: 10-year govt



Italy: 10-year govt



Spain: 10-year govt

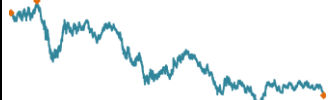


Pacific/EM

Japan: 10-year govt



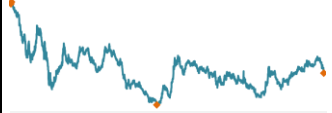
Australia: 10-year govt



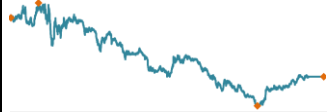
China: 10-year govt



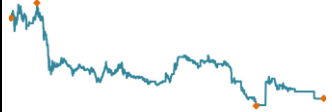
Hong Kong: 10-year govt



Korea: 10-year govt



Taiwan: 10-year govt



Indonesia: 10-year govt



India: 10-year govt



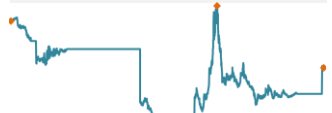
Brazil: 3-year govt



Turkey: 7-year govt

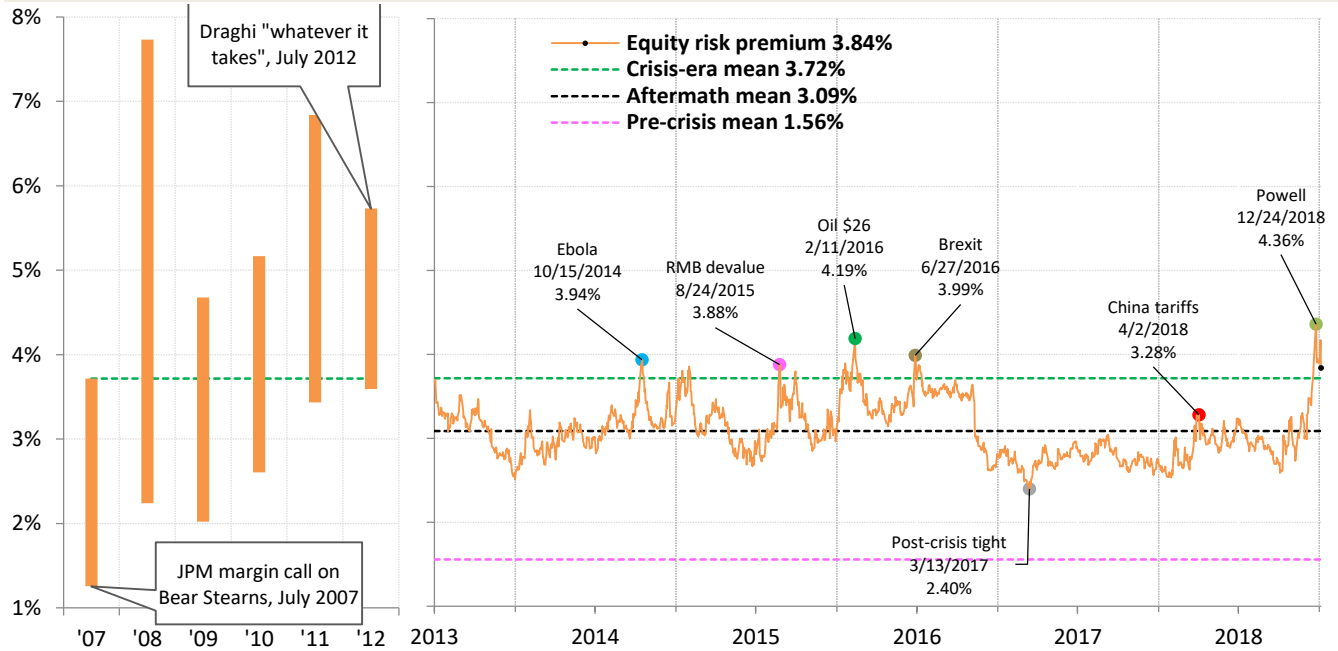


Russia: 10-year govt



Source: Bloomberg, TrendMacro calculations

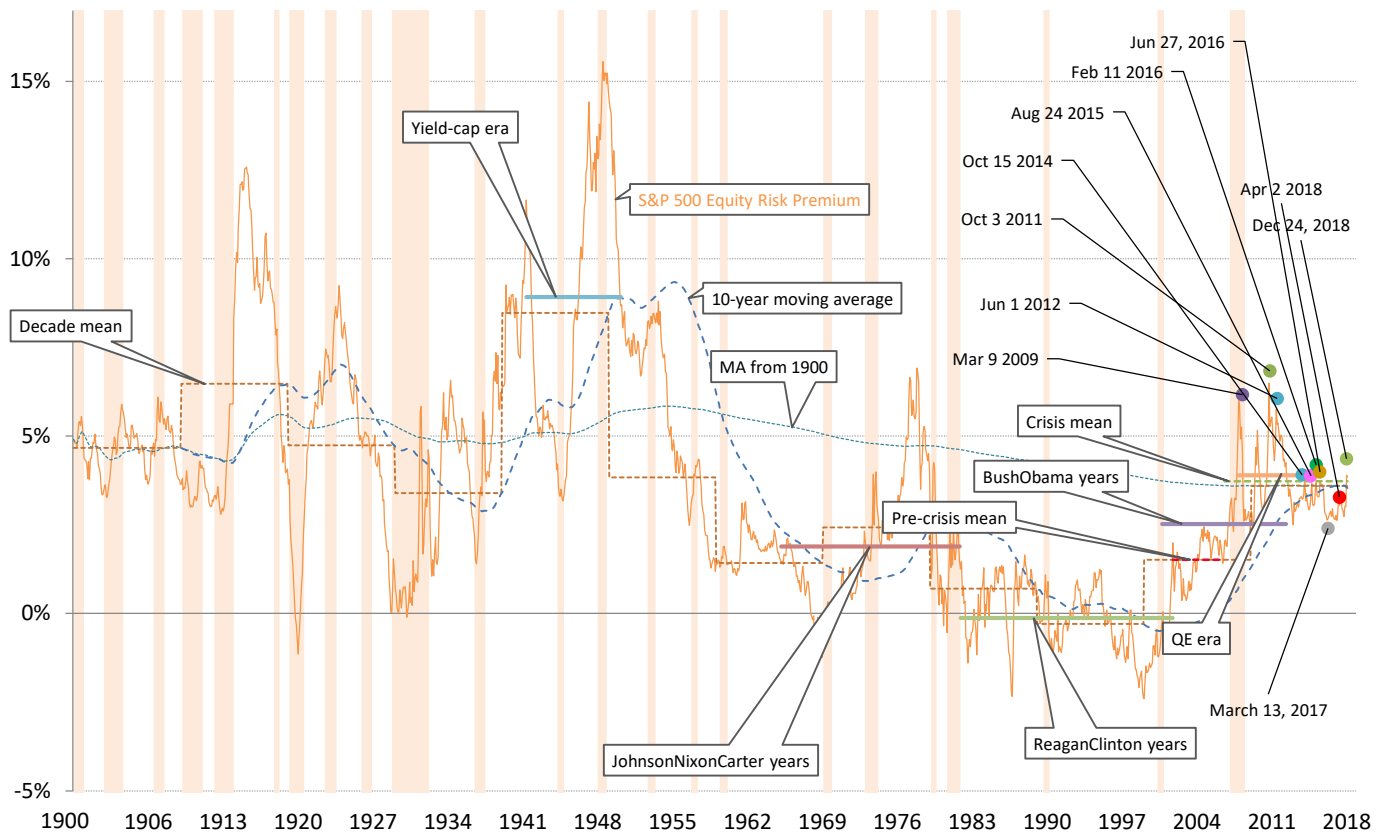
Daily S&P 500 equity risk premium in the crisis era



Versus 30-year Treasury

Source: Bloomberg, NBER, TrendMacro calculations

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

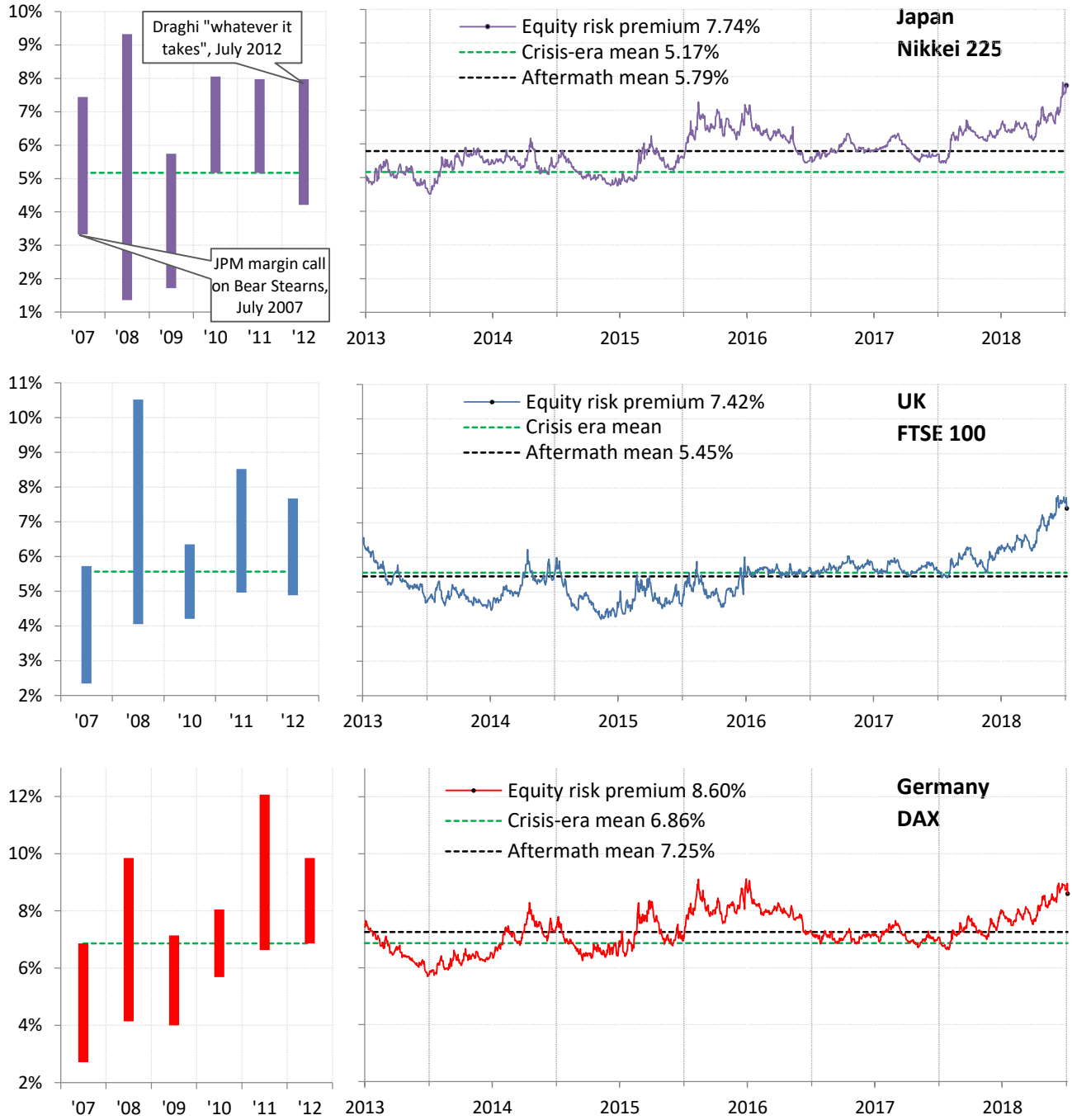


Versus 30-year Treasury

Source: Various, TrendMacro calculations

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

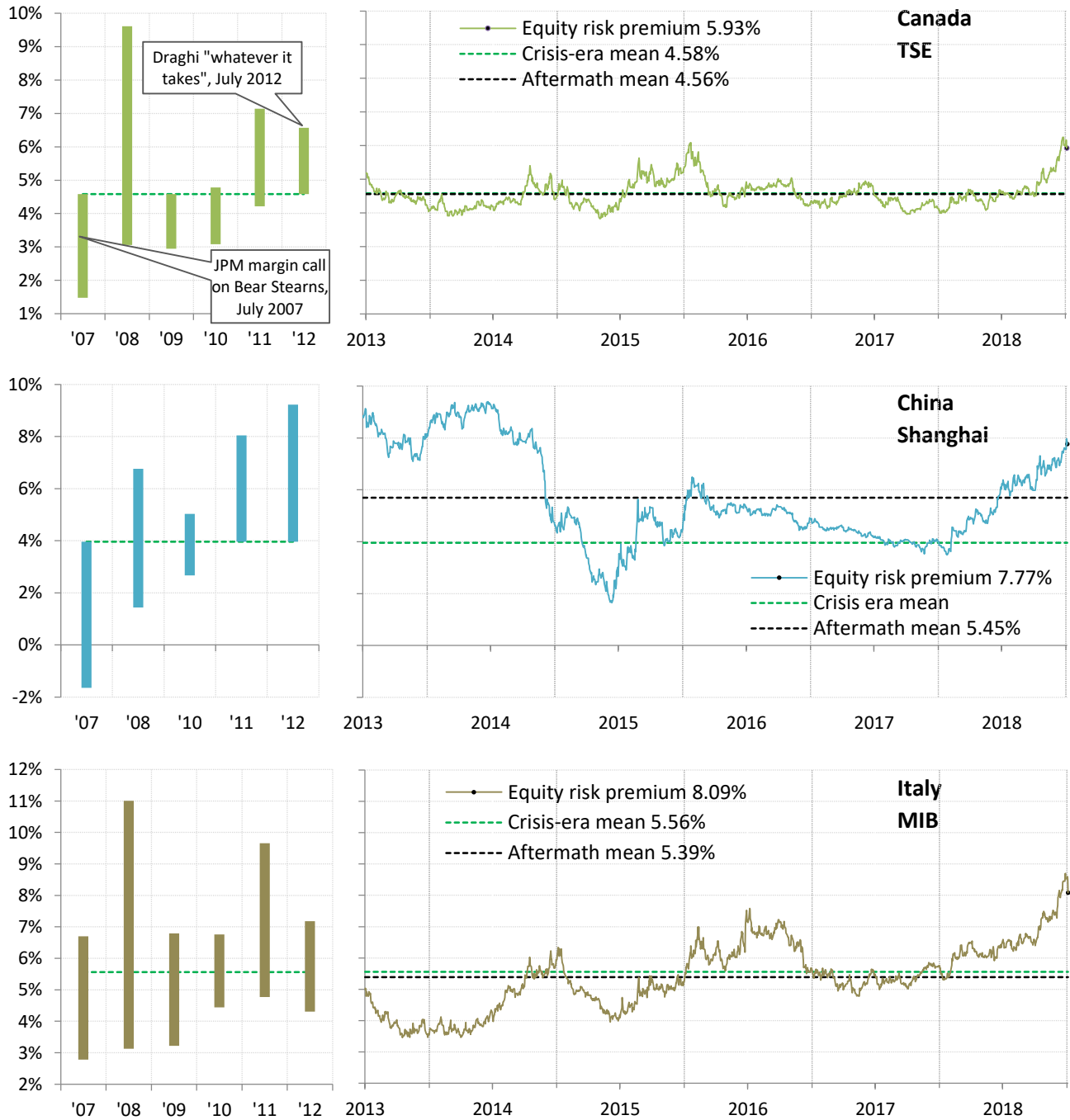
July-to-July range (left panel), daily from July 2013 (right panel)



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