

Data Insights: Global Equity Risk Premia

Tuesday, April 19, 2022

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.

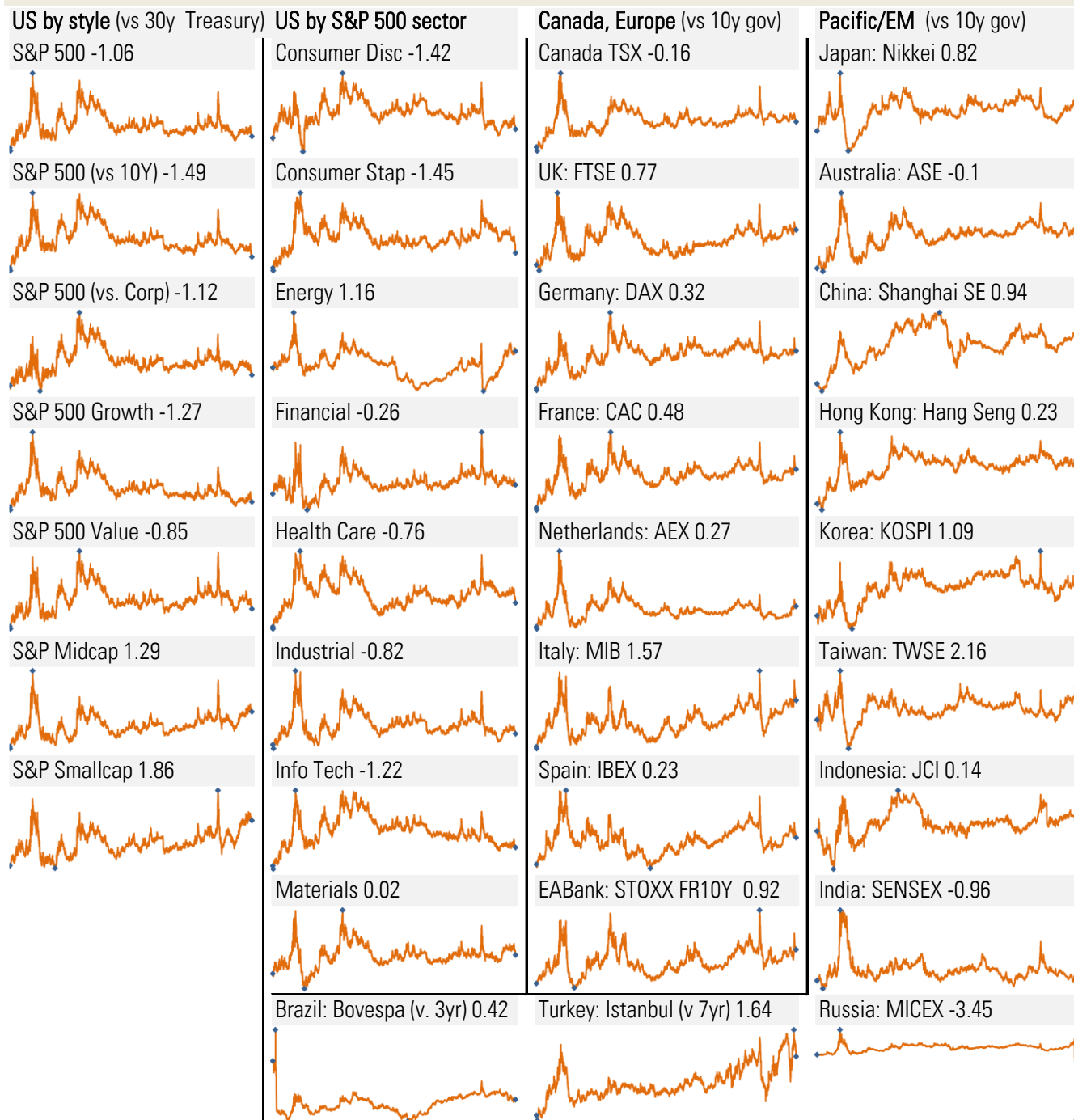
Global leader-board: by equity risk premium, value, and growth ■ Best ■ Worst

Rank	Equity risk premium By SD from 2007-> 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	Taiwan: TWSA	+2.17	Russia: MICEX	3.0	Turkey: Istanbul	+238%	Turkey: Istanbul	+365%
2	Turkey: Istanbul	+1.65	Turkey: Istanbul	5.1	Australia: ASE	+76%	Indonesia: JCI	+89%
3	Italy: MIB	+1.57	Brazil: Bovespa	7.5	Brazil: Bovespa	+70%	Netherlands: AEX	+67%
4	Korea: KOSPI	+1.10	Italy: MIB	9.5	UK: FTSE	+68%	Russia: MICEX	+52%
5	China: Shanghai SE	+0.95	HK: Hang Seng	10.0	Netherlands: AEX	+63%	Canada: TSX	+48%
6	Japan: Nikkei	+0.82	China: Shanghai SE	10.0	Canada: TSX	+56%	UK: FTSE	+45%
7	UK: FTSE	+0.77	Korea: KOSPI	10.3	Russia: MICEX	+55%	Italy: MIB	+45%
8	France: CAC	+0.49	UK: FTSE	11.1	France: CAC	+50%	HK: Hang Seng	+42%
9	Brazil: Bovespa	+0.42	Taiwan: TWSA	12.0	Taiwan: TWSA	+37%	France: CAC	+34%
10	Germany: DAX	+0.32	Germany: DAX	12.1	Italy: MIB	+33%	Spain: IBEX	+26%
11	Netherlands: AEX	+0.27	France: CAC	12.3	India: SENSEX	+32%	Australia: ASE	+26%
12	Spain: IBEX	+0.23	Spain: IBEX	12.3	Spain: IBEX	+24%	Taiwan: TWSA	+23%
13	HK: Hang Seng	+0.23	Netherlands: AEX	12.6	US: S&P 500	+22%	US: S&P 500	+22%
14	Indonesia: JCI	+0.14	Canada: TSX	13.7	Germany: DAX	+20%	Germany: DAX	+20%
15	Australia: ASE	-0.10	Japan: Nikkei	14.7	Japan: Nikkei	+14%	Brazil: Bovespa	+17%
16	Canada: TSX	-0.17	Indonesia: JCI	15.5	China: Shanghai SE	+10%	China: Shanghai SE	+15%
17	India: SENSEX	-0.96	Australia: ASE	15.7	HK: Hang Seng	+2%	Japan: Nikkei	+11%
18	US: S&P 500	-1.07	US: S&P 500	18.7	Indonesia: JCI	Unch	India: SENSEX	+6%
19	Russia: MICEX	-3.45	India: SENSEX	20.5	Korea: KOSPI	-24%	Korea: KOSPI	-4%
	US, by style		US, by style		US, by style		US, by style	
1	S&P Smallcap	+1.87	S&P Smallcap	13.6	S&P Midcap	+33%	S&P Smallcap	+47%
2	S&P Midcap	+1.29	S&P Midcap	14.1	S&P 500 Growth	+22%	S&P 500 Value	+24%
3	S&P 500 Value	-0.86	S&P 500 Value	16.1	S&P 500	+22%	S&P Midcap	+23%
4	S&P 500	-1.07	S&P 500	18.7	S&P 500 Value	+21%	S&P 500	+22%
5	S&P 500 Growth	-1.28	S&P 500 Growth	22.4	S&P Smallcap	+19%	S&P 500 Growth	+20%
	US, by sector		US, by sector		US, by sector		US, by sector	
1	Energy	+1.16	Energy	10.9	Energy	+308%	Energy	+133%
2	Materials	+0.03	Financial	13.6	Info Tech	+29%	Communications	+60%
3	Financial	-0.26	Materials	15.9	Materials	+21%	Info Tech	+23%
4	Communications	-0.50	Communications	16.4	Consumer Disc	+15%	Materials	+19%
5	Health Care	-0.76	Health Care	16.6	Industrial	+10%	Utilities	+19%
6	Industrial	-0.83	Industrial	19.0	Financial	+10%	Industrial	+13%
7	Info Tech	-1.23	Utilities	21.6	Utilities	+8%	Consumer Disc	+10%
8	Consumer Disc	-1.43	Consumer Stap	21.9	Consumer Stap	+5%	Consumer Stap	+10%
9	Consumer Stap	-1.46	Info Tech	22.3	Health Care	+2%	Financial	+10%
10	Utilities	-1.91	Consumer Disc	25.2	Communications	+1%	Health Care	+6%

Source: Bloomberg, TrendMacro calculations

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

Standard deviations from mean • First, High, Low, Last



Source: Bloomberg, TrendMacro calculations

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

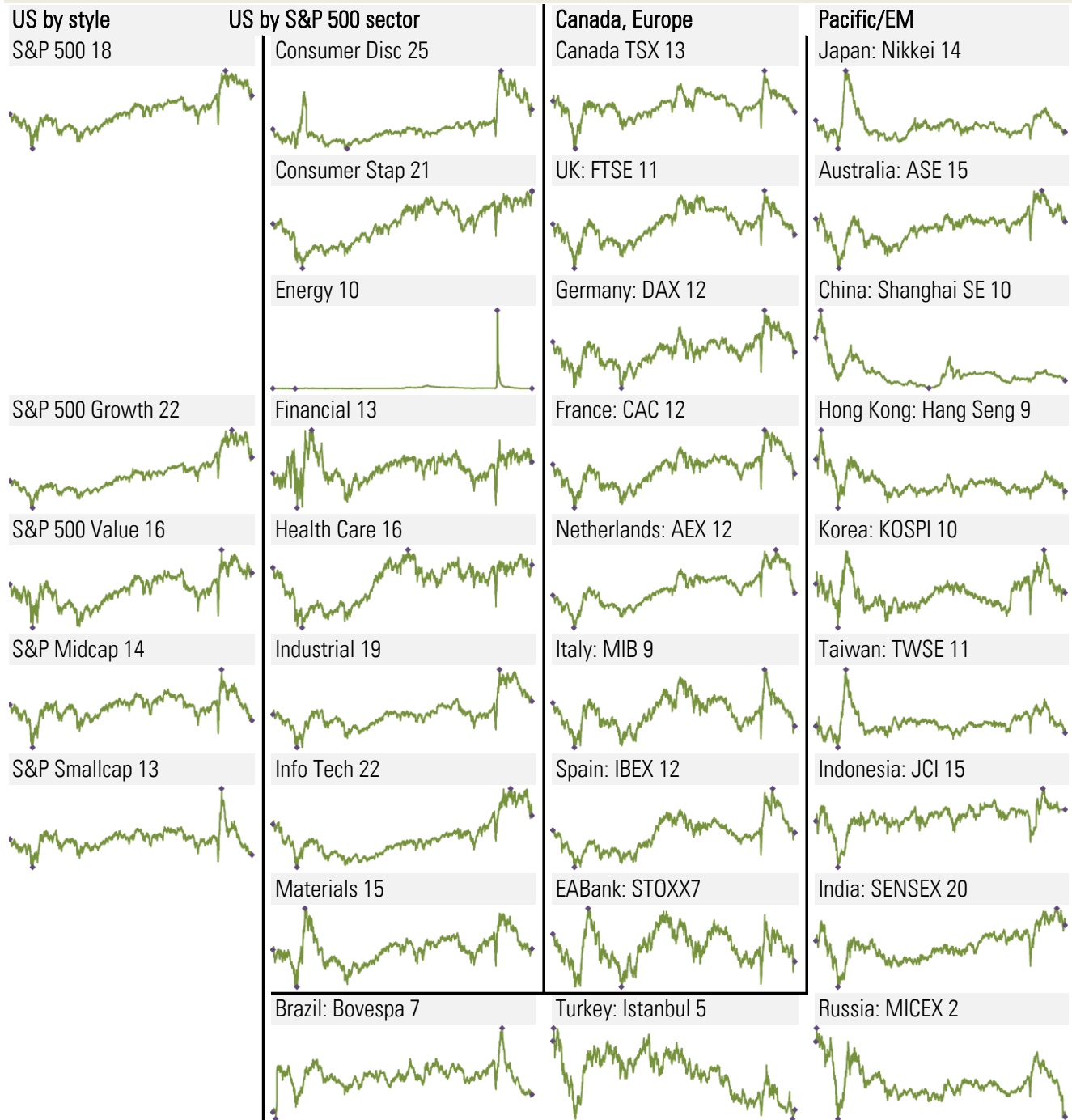
● First, High, Low, Last



Source: Bloomberg, TrendMacro calculations

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

• First, High, Low, Last



Source: Bloomberg, TrendMacro calculations

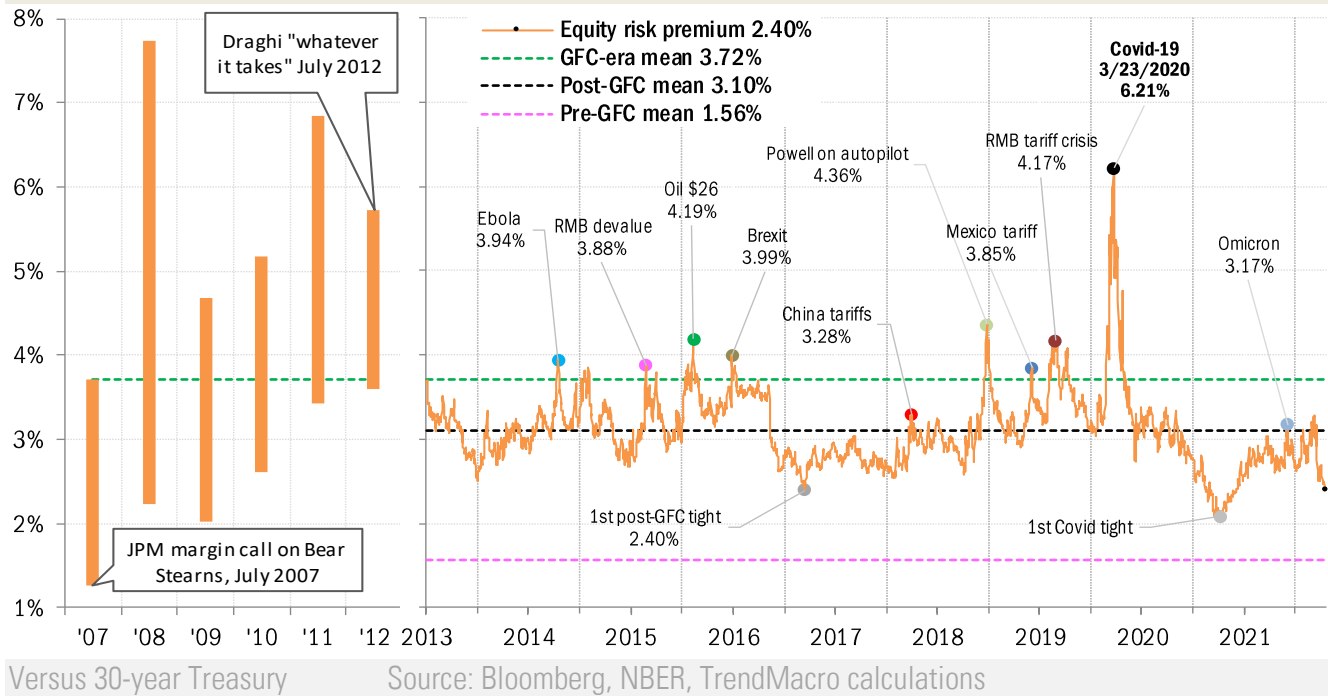
Benchmark bond yields, July 2007 to current

10-year government, unless indicated • First, High, Low, Last

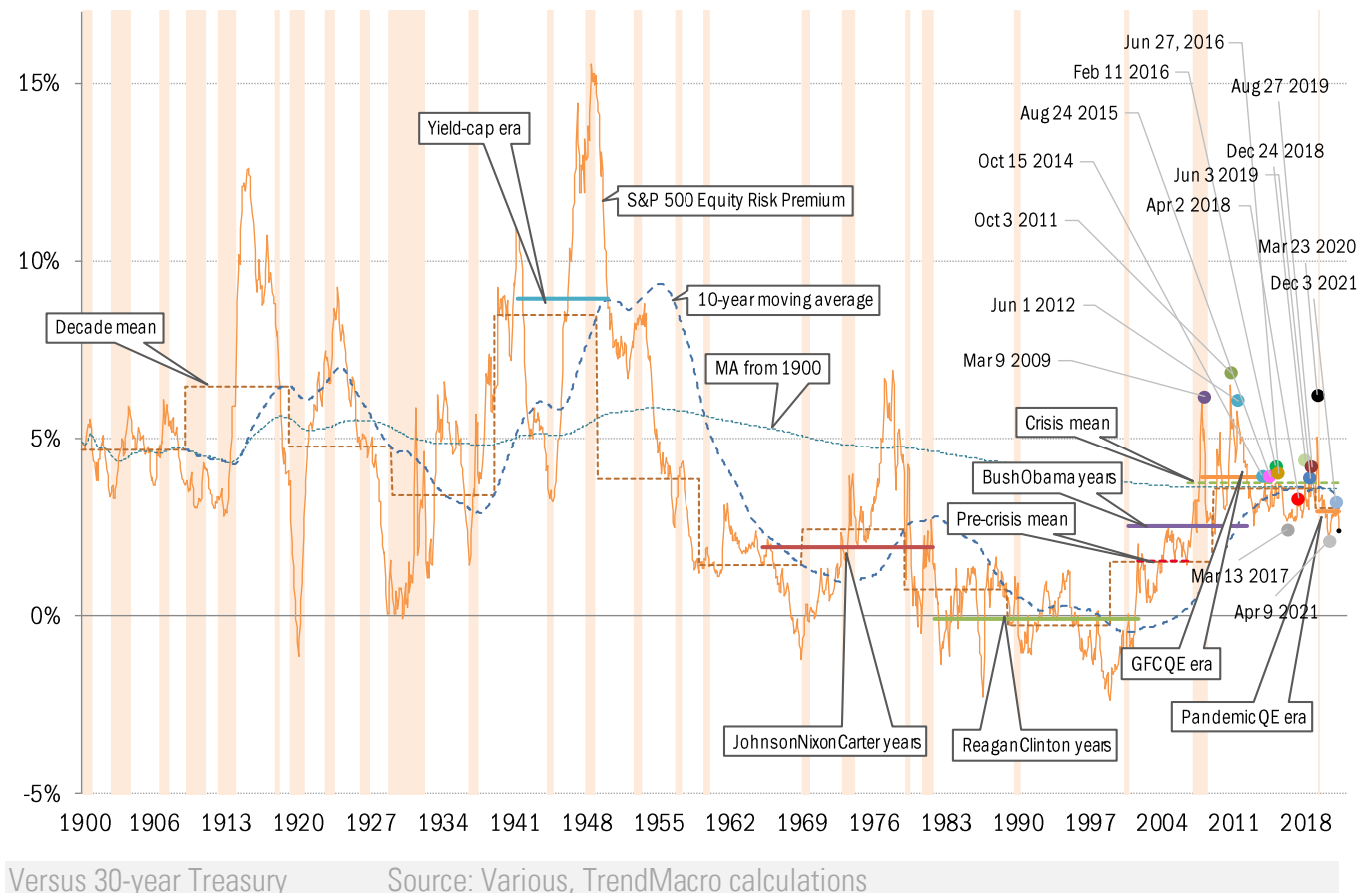


Source: Bloomberg, TrendMacro calculations

Daily S&P 500 equity risk premium in the era of crises

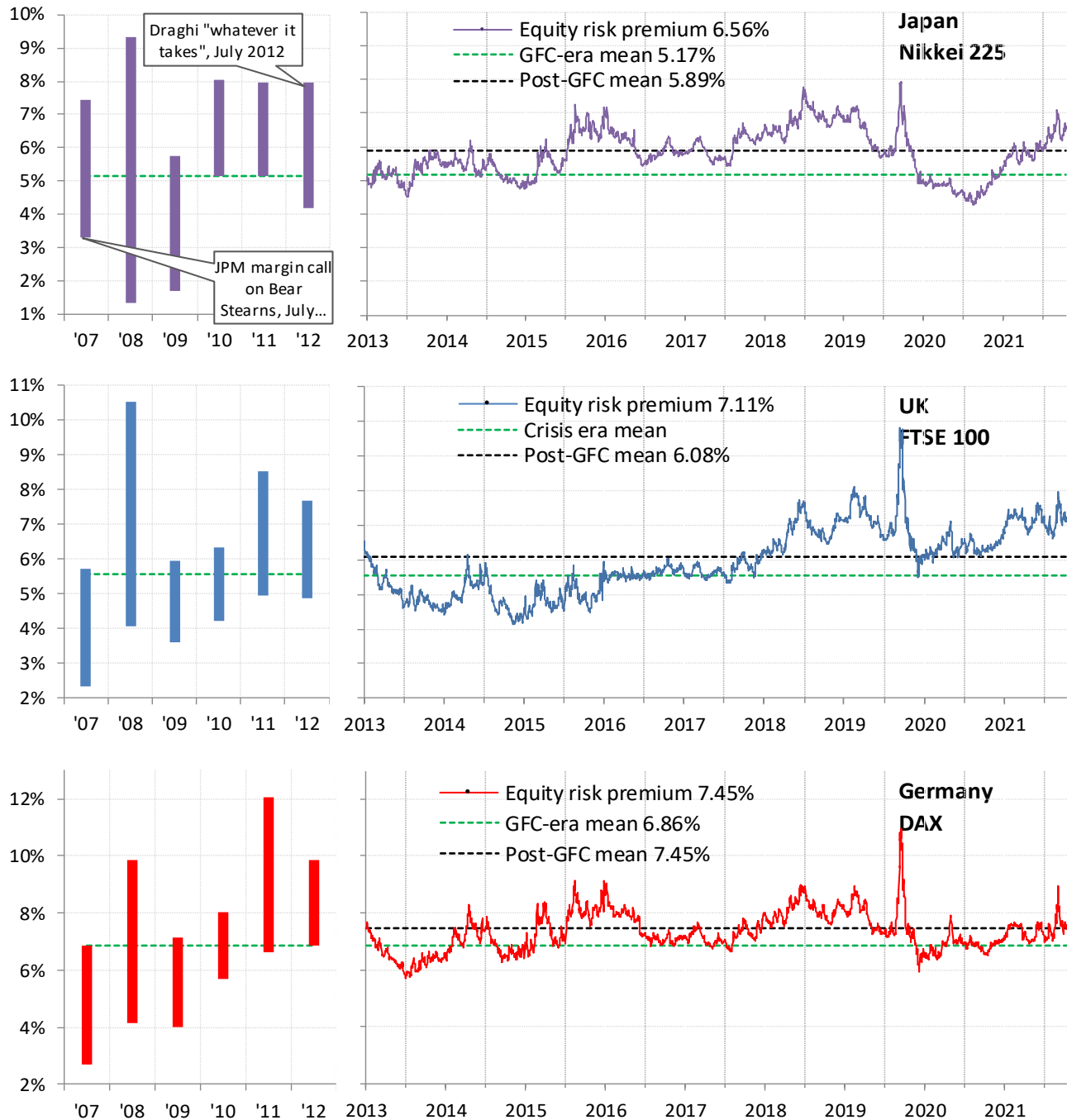


A century-plus of the monthly S&P 500 equity risk premium



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

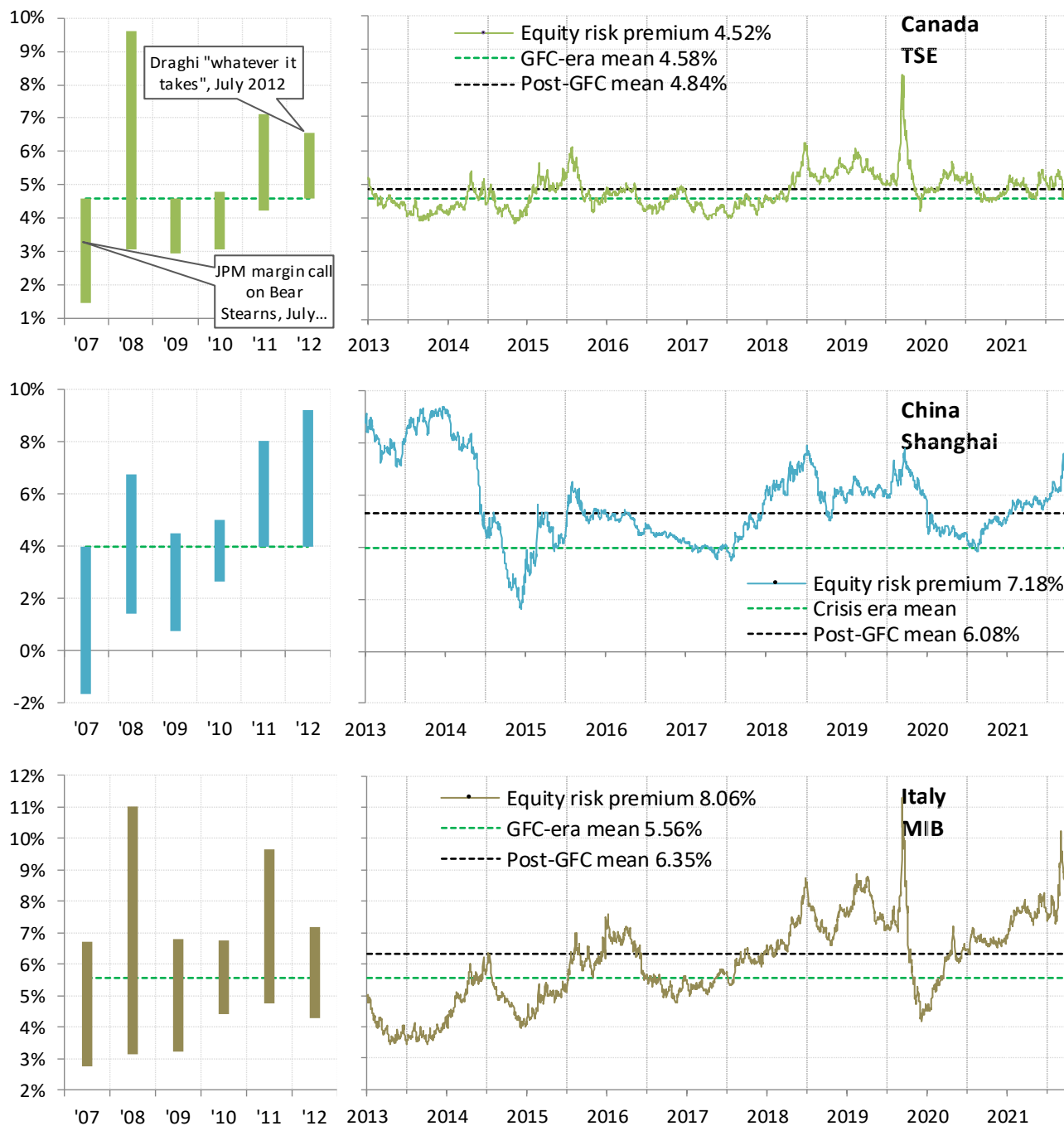
July-to-July range (left panel), daily from July 2013 (right panel)



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