

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

Tuesday, January 3, 2023

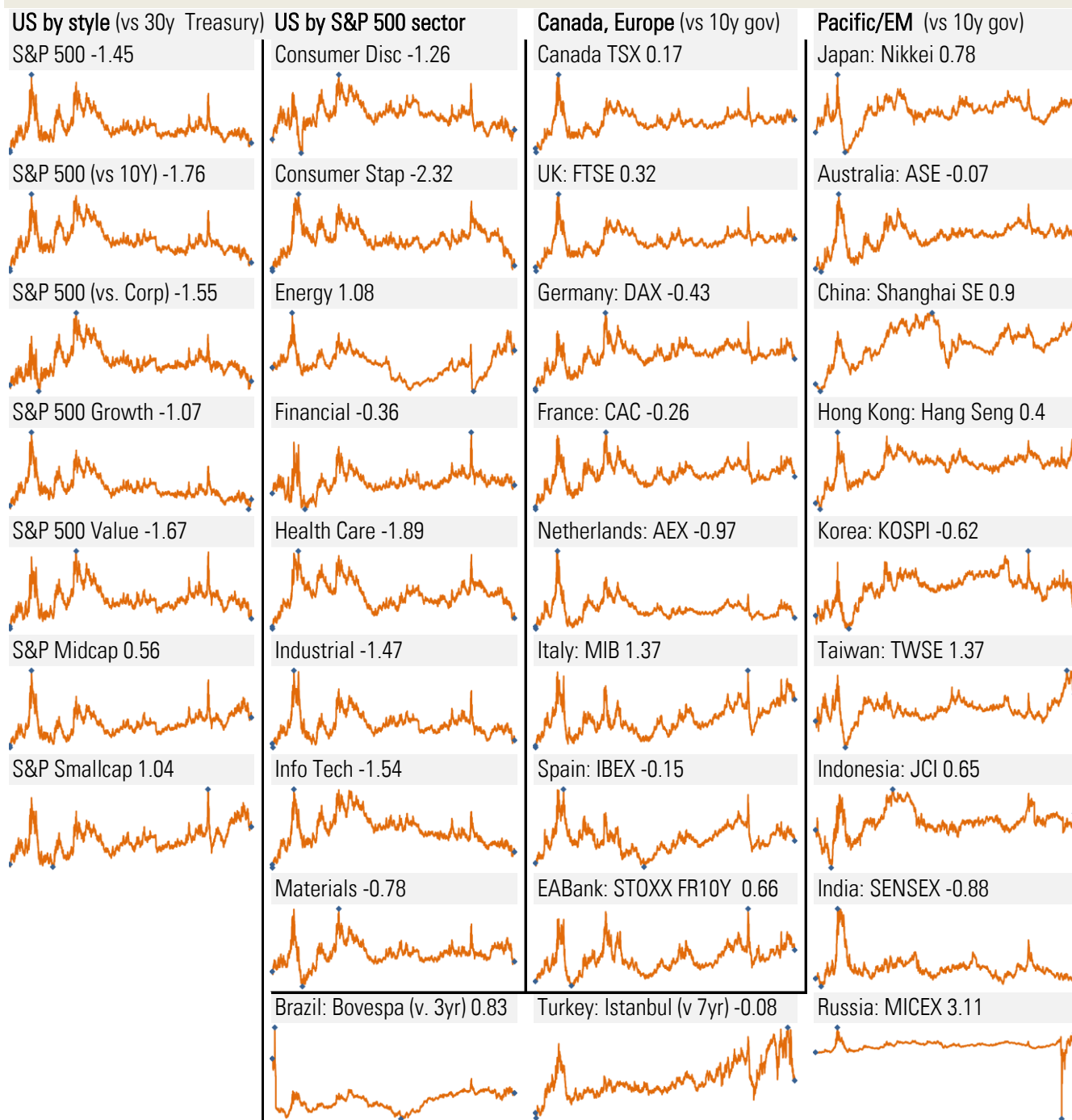
Global leader-board: by equity risk premium, value, and growth ■ Best ■ Worst

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	Russia: MICEX	+3.11	Russia: MICEX	2.5	Turkey: Istanbul	+83%	Turkey: Istanbul	+159%
2	Italy: MIB	+1.38	Turkey: Istanbul	6.1	Indonesia:JCI	+30%	Indonesia:JCI	+63%
3	Taiwan:TWSA	+1.37	Brazil: Bovespa	6.7	India: SENSEX	+23%	India: SENSEX	+54%
4	China: Shanghai SE	+0.91	Italy: MIB	7.8	Italy: MIB	+13%	Italy: MIB	+32%
5	Brazil: Bovespa	+0.83	HK: Hang Seng	9.6	HK: Hang Seng	+11%	HK: Hang Seng	+20%
6	Japan: Nikkei	+0.79	UK: FTSE	9.7	Spain: IBEX	+5%	Korea: KOSPI	+15%
7	Indonesia:JCI	+0.66	China: Shanghai SE	10.0	Australia: ASE	+2%	Germany: DAX	+11%
8	HK: Hang Seng	+0.41	Spain: IBEX	10.5	Russia: MICEX	Unch	Canada:TSX	+9%
9	UK: FTSE	+0.33	France: CAC	11.0	China: Shanghai SE	-4%	Brazil: Bovespa	+9%
10	Canada:TSX	+0.18	Korea: KOSPI	11.0	Brazil: Bovespa	-5%	China: Shanghai SE	+6%
11	Australia: ASE	-0.08	Germany: DAX	11.0	Germany: DAX	-6%	Taiwan:TWSA	+5%
12	Turkey: Istanbul	-0.08	Canada:TSX	12.2	Japan: Nikkei	-8%	Japan: Nikkei	+4%
13	Spain: IBEX	-0.16	Taiwan:TWSA	12.5	US: S&P 500	-10%	Spain: IBEX	+3%
14	France: CAC	-0.26	Netherlands: AEX	12.6	France: CAC	-13%	US: S&P 500	-2%
15	Germany: DAX	-0.44	Australia: ASE	13.4	Canada:TSX	-17%	France: CAC	-6%
16	Korea: KOSPI	-0.63	Indonesia:JCI	14.2	UK: FTSE	-20%	Australia: ASE	-7%
17	India: SENSEX	-0.89	Japan: Nikkei	14.4	Netherlands: AEX	-25%	Netherlands: AEX	-23%
18	Netherlands: AEX	-0.98	US: S&P 500	16.7	Korea: KOSPI	-46%	UK: FTSE	-23%
19	US: S&P 500	-1.45	India: SENSEX	19.7	Taiwan:TWSA	-53%	Russia: MICEX	-53%
	US, by style		US, by style		US, by style		US, by style	
1	S&P Smallcap	+1.05	S&P Smallcap	12.9	S&P 500 Growth	+19%	S&P 500 Growth	+108%
2	S&P Midcap	+0.56	S&P Midcap	13.4	S&P 500	-10%	S&P Midcap	-1%
3	S&P 500 Growth	-1.08	S&P 500 Value	15.6	S&P 500 Value	-21%	S&P 500	-2%
4	S&P 500	-1.45	S&P 500	16.7	S&P Midcap	-21%	S&P Smallcap	-2%
5	S&P 500 Value	-1.67	S&P 500 Growth	17.8	S&P Smallcap	-26%	S&P 500 Value	-13%
	US, by sector		US, by sector		US, by sector		US, by sector	
1	Energy	+1.08	Energy	9.7	Utilities	+11%	Utilities	+9%
2	Communications	-0.11	Financial	12.1	Financial	+4%	Financial	+5%
3	Financial	-0.37	Communications	13.2	Consumer Stap	+0%	Communications	+4%
4	Materials	-0.79	Materials	15.7	Industrial	-4%	Health Care	+3%
5	Consumer Disc	-1.27	Health Care	17.4	Health Care	-10%	Consumer Stap	+2%
6	Industrial	-1.47	Industrial	18.1	Consumer Disc	-12%	Industrial	-1%
7	Info Tech	-1.54	Utilities	18.8	Energy	-13%	Materials	-6%
8	Health Care	-1.90	Consumer Disc	19.8	Info Tech	-15%	Consumer Disc	-6%
9	Utilities	-2.09	Info Tech	20.1	Communications	-20%	Info Tech	-7%
10	Consumer Stap	-2.33	Consumer Stap	20.8	Materials	-32%	Energy	-20%

Source: Bloomberg, TrendMacro calculations

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

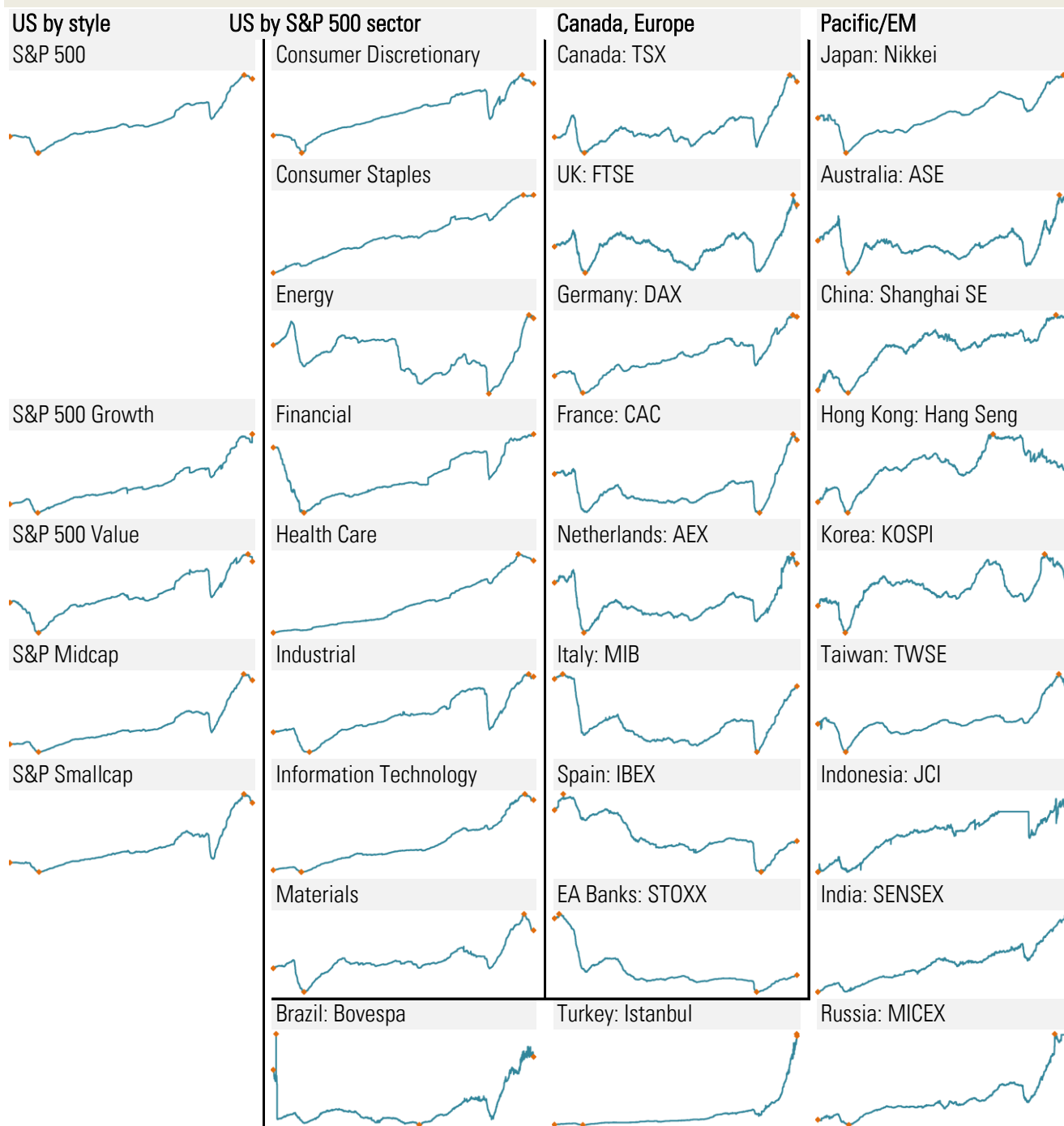
Standard deviations from mean • First, High, Low, Last



Source: Bloomberg, TrendMacro calculations

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

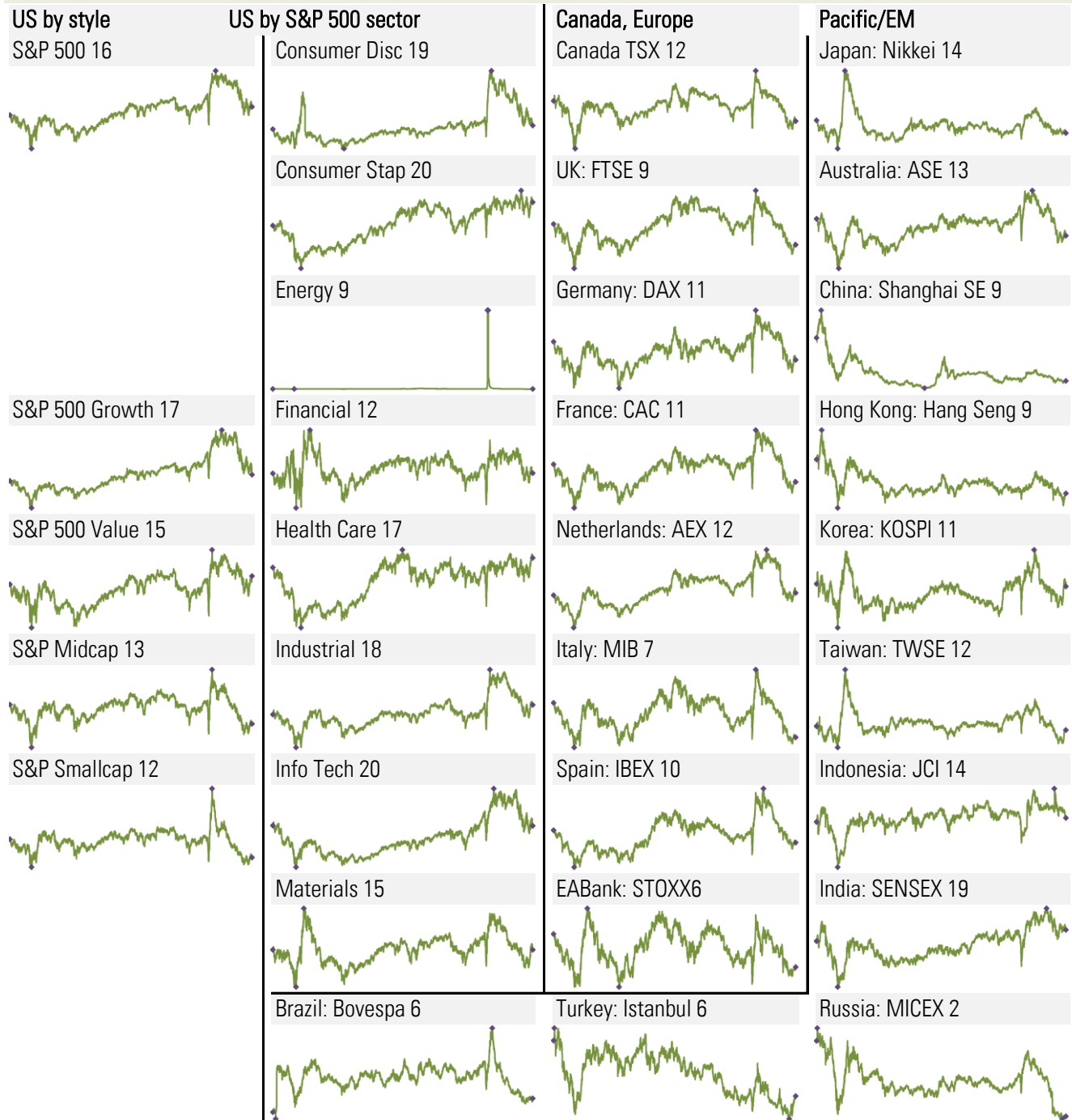
● First, High, Low, Last



Source: Bloomberg, TrendMacro calculations

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

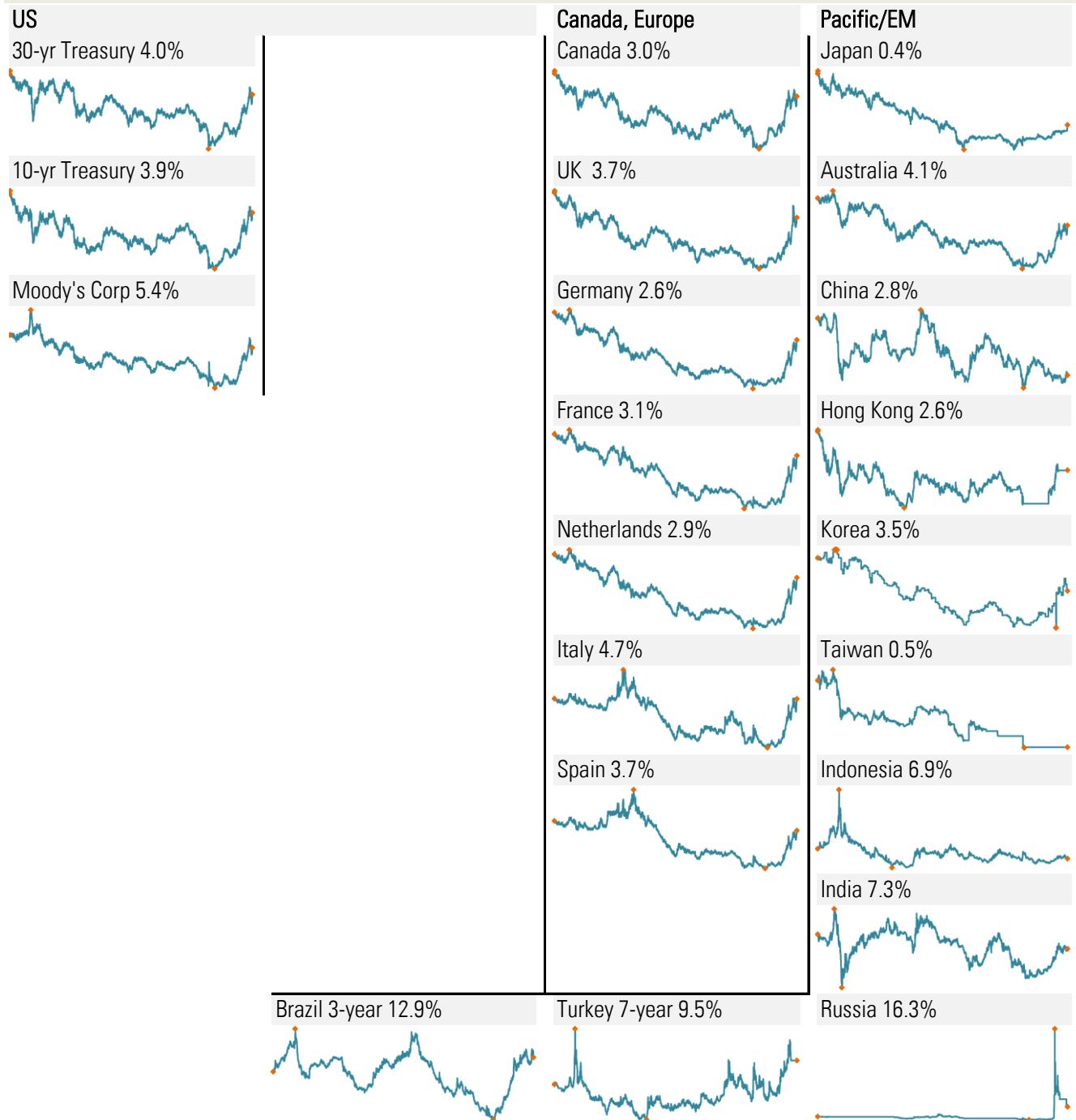
• First, High, Low, Last



Source: Bloomberg, TrendMacro calculations

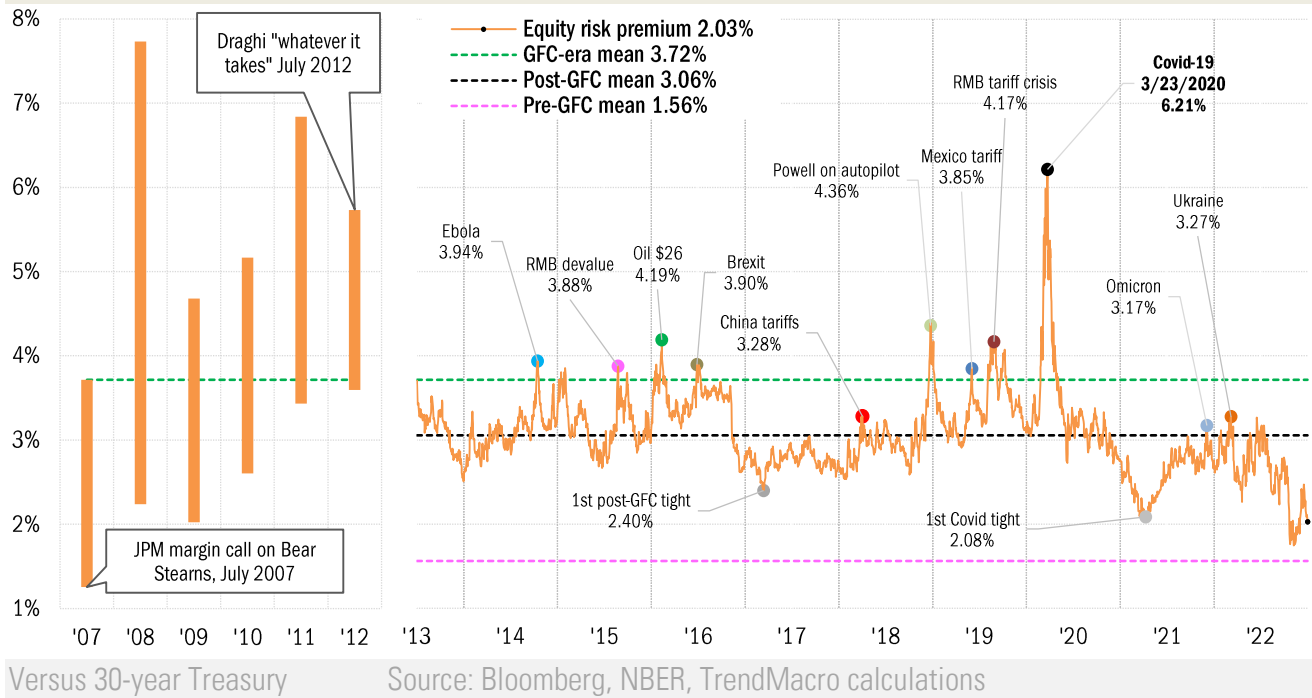
Benchmark bond yields, July 2007 to current

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

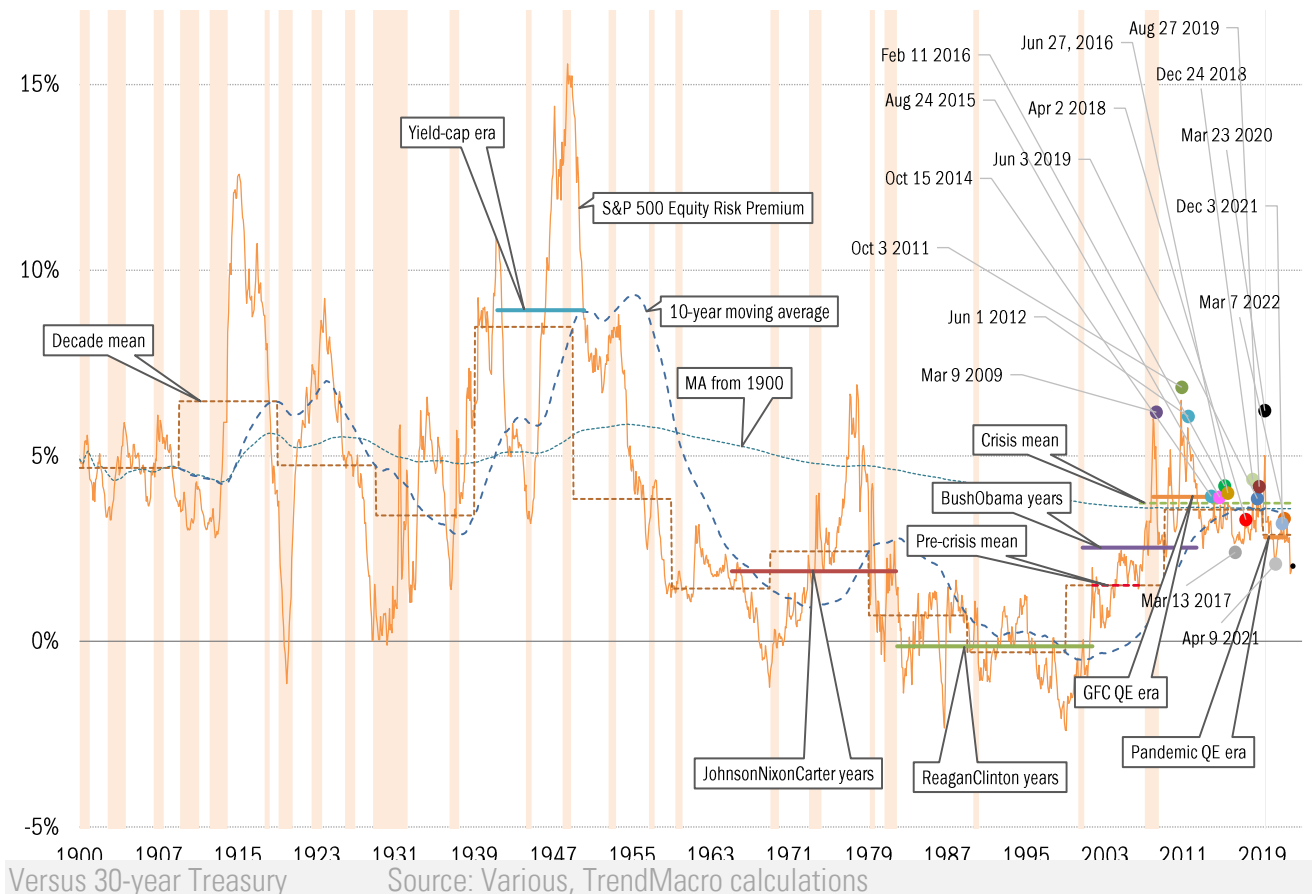


Source: Bloomberg, TrendMacro calculations

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

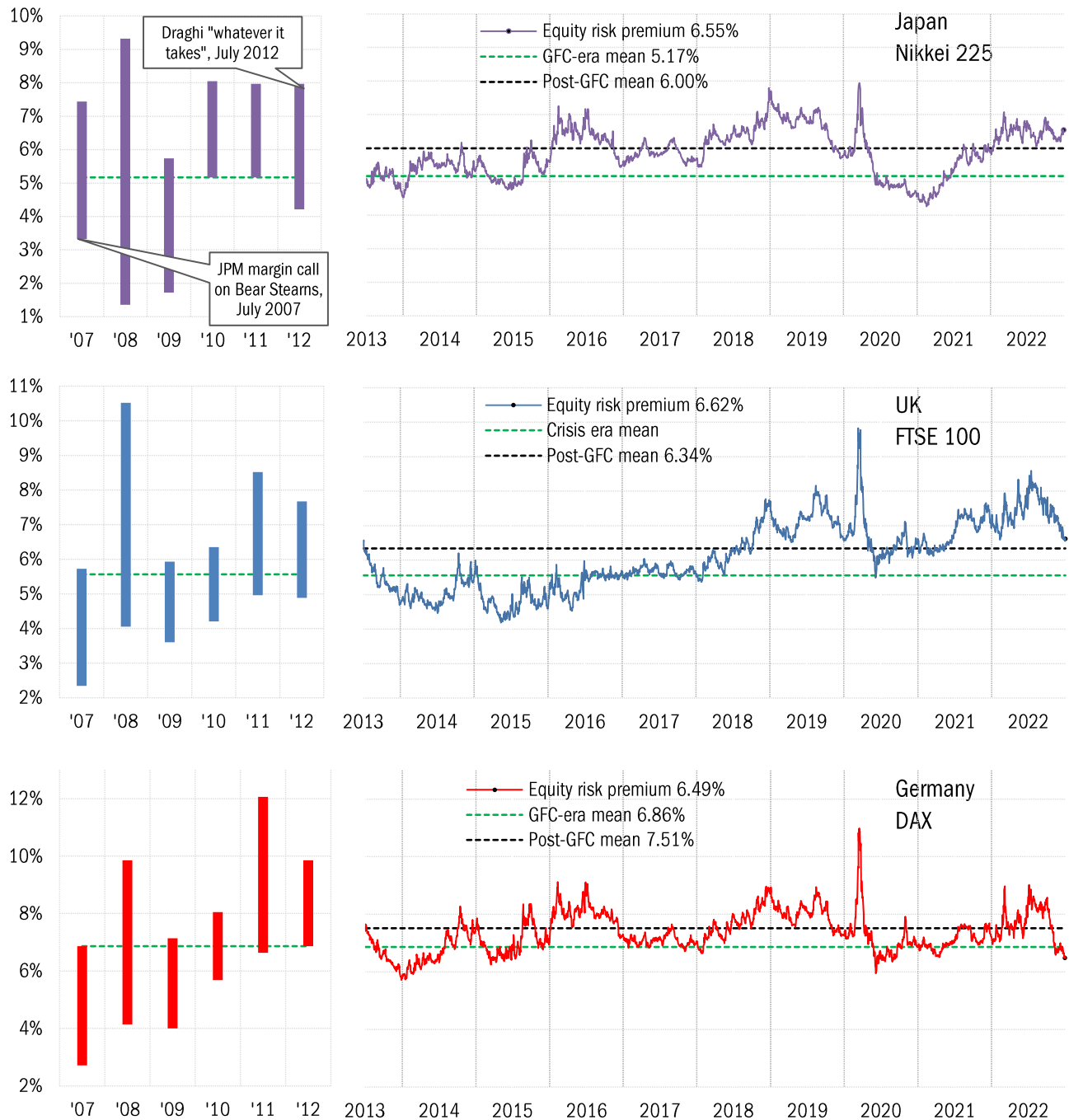


A century-plus of the monthly S&P 500 equity risk premium



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

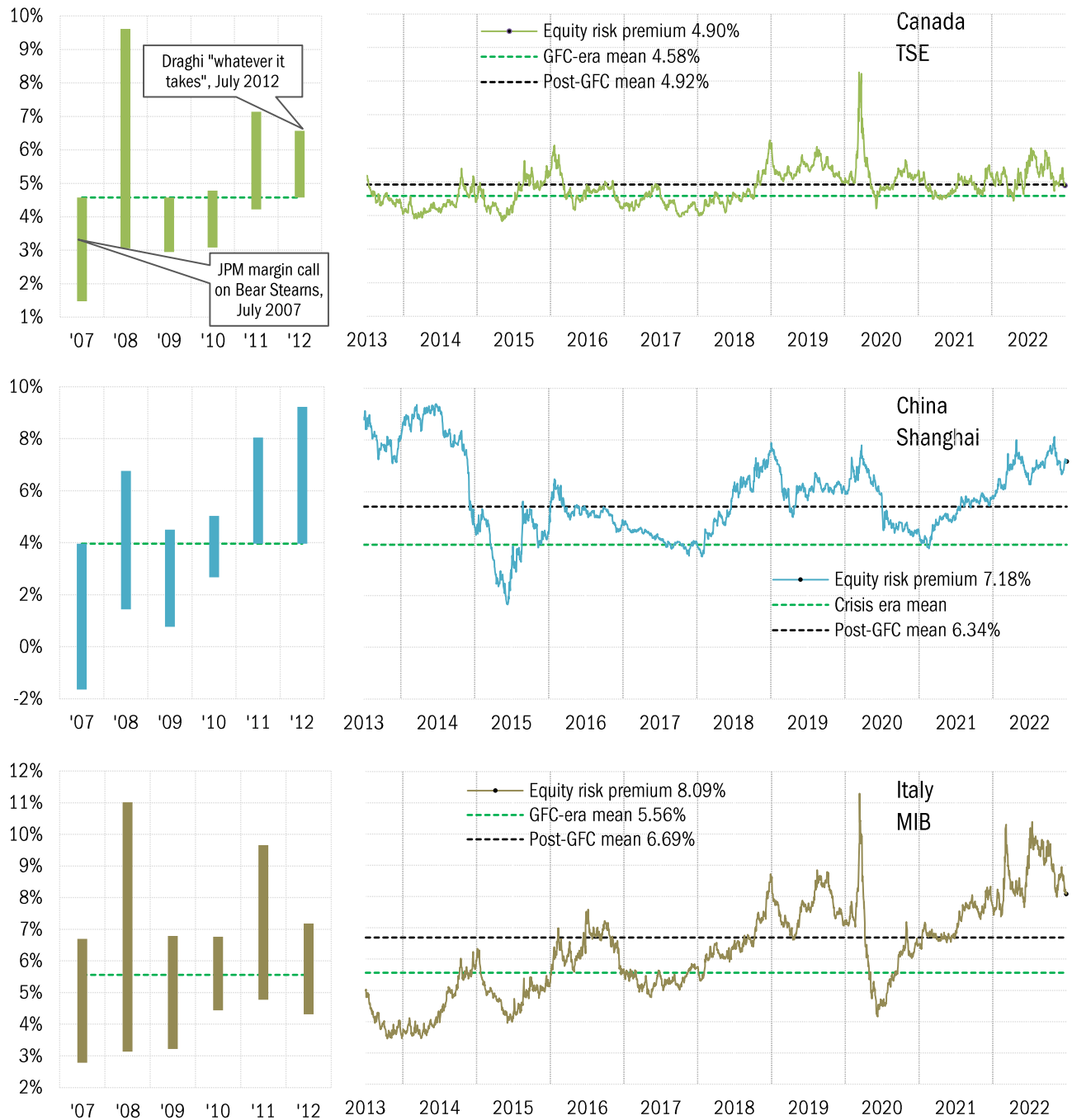
July-to-July 12-mo range (left panel), daily from July 2013 (right panel)



Source: Bloomberg, TrendMacro calculations

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

July-to-July 12-mo range (left panel), daily from July 2013 (right panel)



Source: Bloomberg, TrendMacro calculations