

**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, August 7, 2023

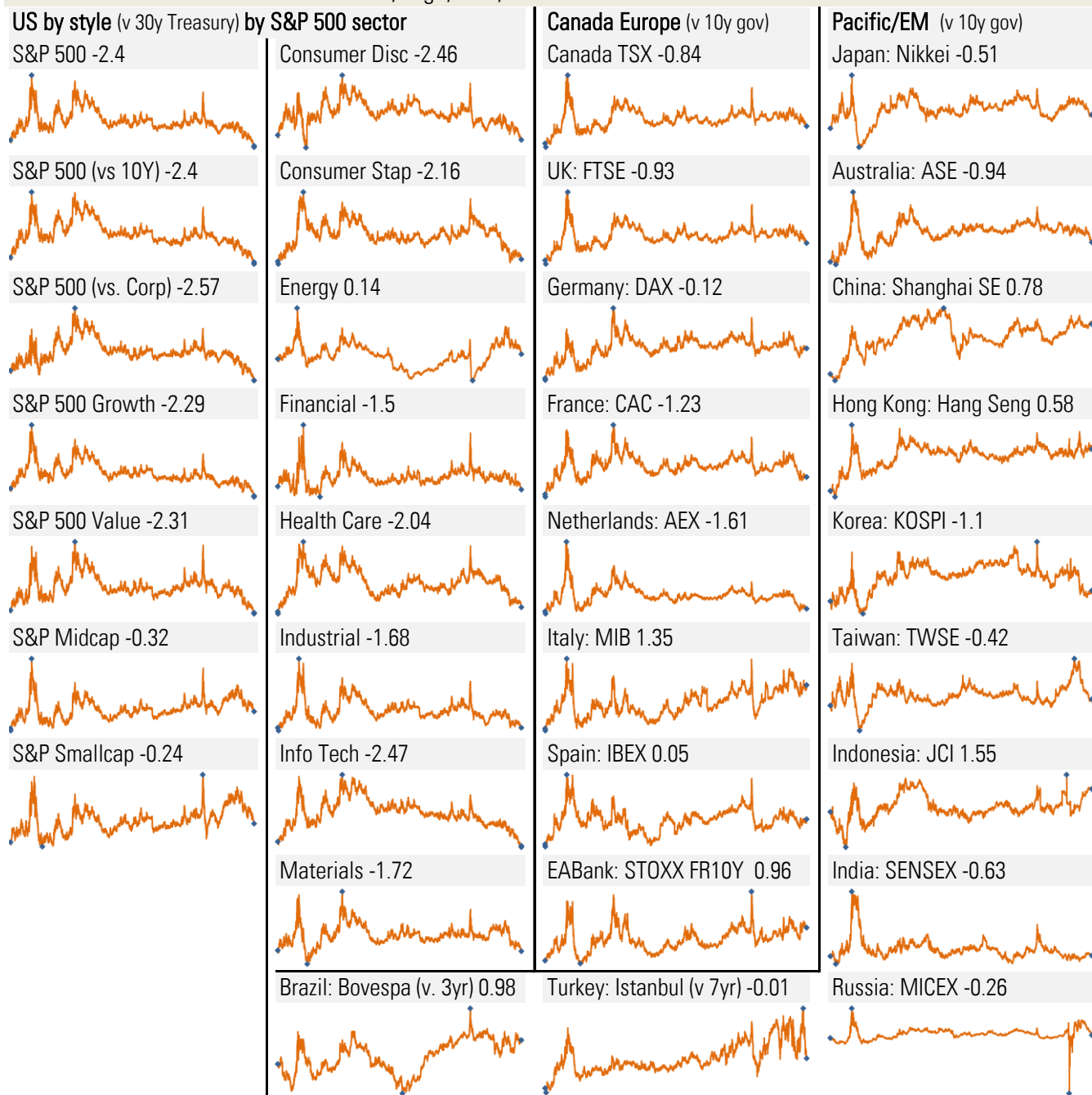
### Global leader-board: by equity risk premium, value, and growth ■ Best ■ Worst

Rank	Equity risk premium By SD from 2007-> mean		Forward PE ratio		Fwd earns upgrade rate Trailing 90 days, AR		Fwd sales upgrade rate Trailing 90 days, AR	
	By country		By country		By country		By country	
1	Indonesia:JCI	+1.55	Russia: MICEX	3.0	Korea: KOSPI	+86%	Turkey: Istanbul	+68%
2	Italy: MIB	+1.36	Turkey: Istanbul	6.3	Italy: MIB	+41%	Russia: MICEX	+14%
3	Brazil: Bovespa	+0.98	Italy: MIB	8.1	Spain: IBEX	+29%	India: SENSEX	+10%
4	China: Shanghai SE	+0.78	Brazil: Bovespa	8.3	Turkey: Istanbul	+28%	Spain: IBEX	+8%
5	HK: Hang Seng	+0.58	HK: Hang Seng	9.3	India: SENSEX	+24%	Japan: Nikkei	+7%
6	Spain: IBEX	+0.05	Spain: IBEX	10.1	Germany: DAX	+17%	US: S&P 500	+5%
7	Turkey: Istanbul	-0.02	China: Shanghai SE	10.5	Japan: Nikkei	+13%	Germany: DAX	+5%
8	Germany: DAX	-0.12	UK: FTSE	10.7	China: Shanghai SE	+9%	Italy: MIB	+3%
9	Russia: MICEX	-0.27	Germany: DAX	10.8	US: S&P 500	+8%	Indonesia:JCI	+1%
10	Taiwan:TWSA	-0.42	Korea: KOSPI	11.8	France: CAC	+8%	China: Shanghai SE	-0%
11	Japan: Nikkei	-0.51	France: CAC	12.4	Netherlands: AEX	+0%	Australia: ASE	-0%
12	India: SENSEX	-0.63	Indonesia:JCI	13.2	Indonesia:JCI	-1%	UK: FTSE	-4%
13	Canada:TSX	-0.85	Canada:TSX	13.4	Taiwan:TWSA	-3%	France: CAC	-4%
14	UK: FTSE	-0.93	Netherlands: AEX	14.8	UK: FTSE	-8%	Netherlands: AEX	-4%
15	Australia: ASE	-0.95	Australia: ASE	15.2	Russia: MICEX	-9%	Taiwan:TWSA	-6%
16	Korea: KOSPI	-1.10	Taiwan:TWSA	16.1	HK: Hang Seng	-9%	Brazil: Bovespa	-8%
17	France: CAC	-1.23	Japan: Nikkei	17.7	Brazil: Bovespa	-13%	Korea: KOSPI	-8%
18	Netherlands: AEX	-1.62	India: SENSEX	19.1	Canada:TSX	-13%	HK: Hang Seng	-13%
19	US: S&P 500	-2.41	US: S&P 500	19.4	Australia: ASE	-14%	Canada:TSX	-26%
	US, by style		US, by style		US, by style		US, by style	
1	S&P Smallcap	-0.25	S&P Midcap	14.8	S&P 500 Value	+9%	S&P Midcap	+7%
2	S&P Midcap	-0.32	S&P Smallcap	15.1	S&P Midcap	+8%	S&P 500 Growth	+6%
3	S&P 500 Growth	-2.30	S&P 500 Value	17.2	S&P 500	+8%	S&P 500 Value	+5%
4	S&P 500 Value	-2.31	S&P 500	19.4	S&P 500 Growth	+7%	S&P 500	+5%
5	S&P 500	-2.41	S&P 500 Growth	22.0	S&P Smallcap	-4%	S&P Smallcap	-10%
	US, by sector		US, by sector		US, by sector		US, by sector	
1	Energy	+0.15	Energy	12.1	Communications	+30%	Consumer Disc	+13%
2	Utilities	-1.45	Financial	14.0	Info Tech	+27%	Industrial	+12%
3	Financial	-1.51	Utilities	16.3	Consumer Disc	+25%	Info Tech	+11%
4	Industrial	-1.69	Communications	16.7	Industrial	+23%	Health Care	+11%
5	Materials	-1.72	Health Care	17.5	Utilities	+4%	Communications	+8%
6	Communications	-1.73	Materials	18.2	Consumer Stap	+3%	Utilities	+5%
7	Health Care	-2.04	Industrial	18.7	Financial	+2%	Consumer Stap	+4%
8	Consumer Stap	-2.17	Consumer Stap	19.9	Health Care	-4%	Financial	+3%
9	Consumer Disc	-2.46	Consumer Disc	24.7	Materials	-7%	Materials	-6%
10	Info Tech	-2.48	Info Tech	26.9	Energy	-26%	Energy	-11%

Source: Bloomberg, TrendMacro calculations

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

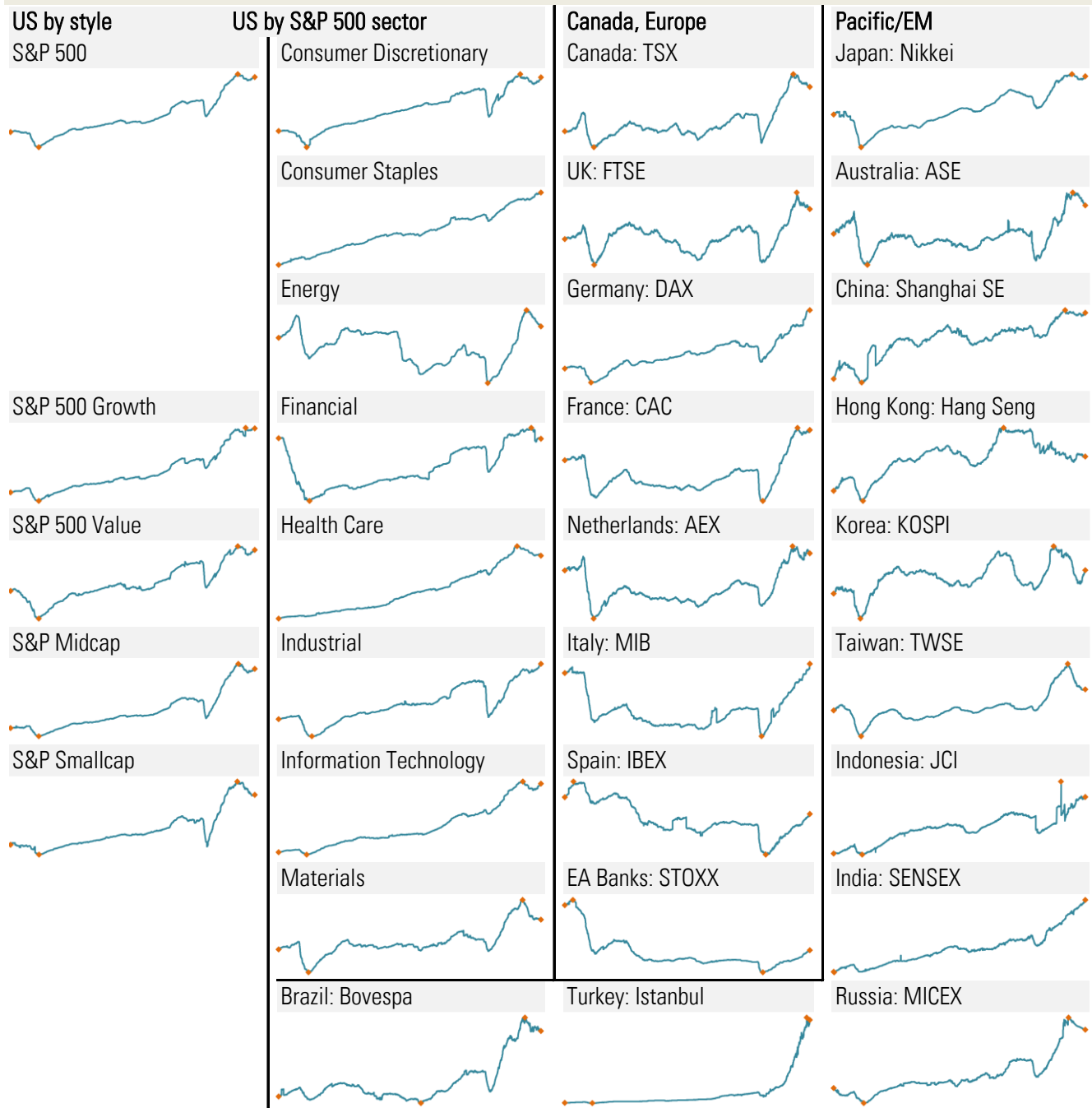
Standard deviations from mean • First, High, Low, Last



Source: Bloomberg, TrendMacro calculations

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

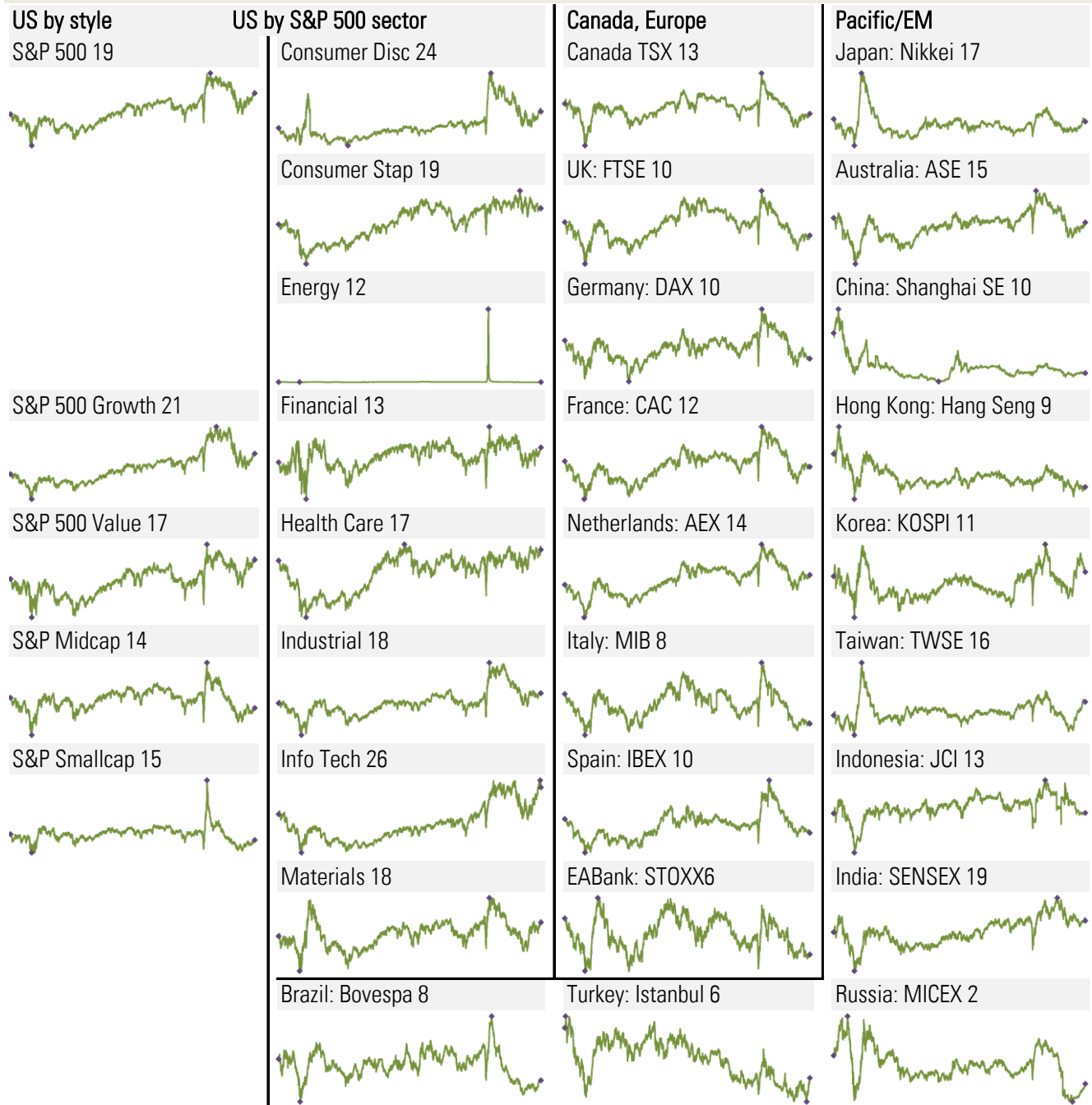
● First, High, Low, Last



Source: Bloomberg, TrendMacro calculations

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

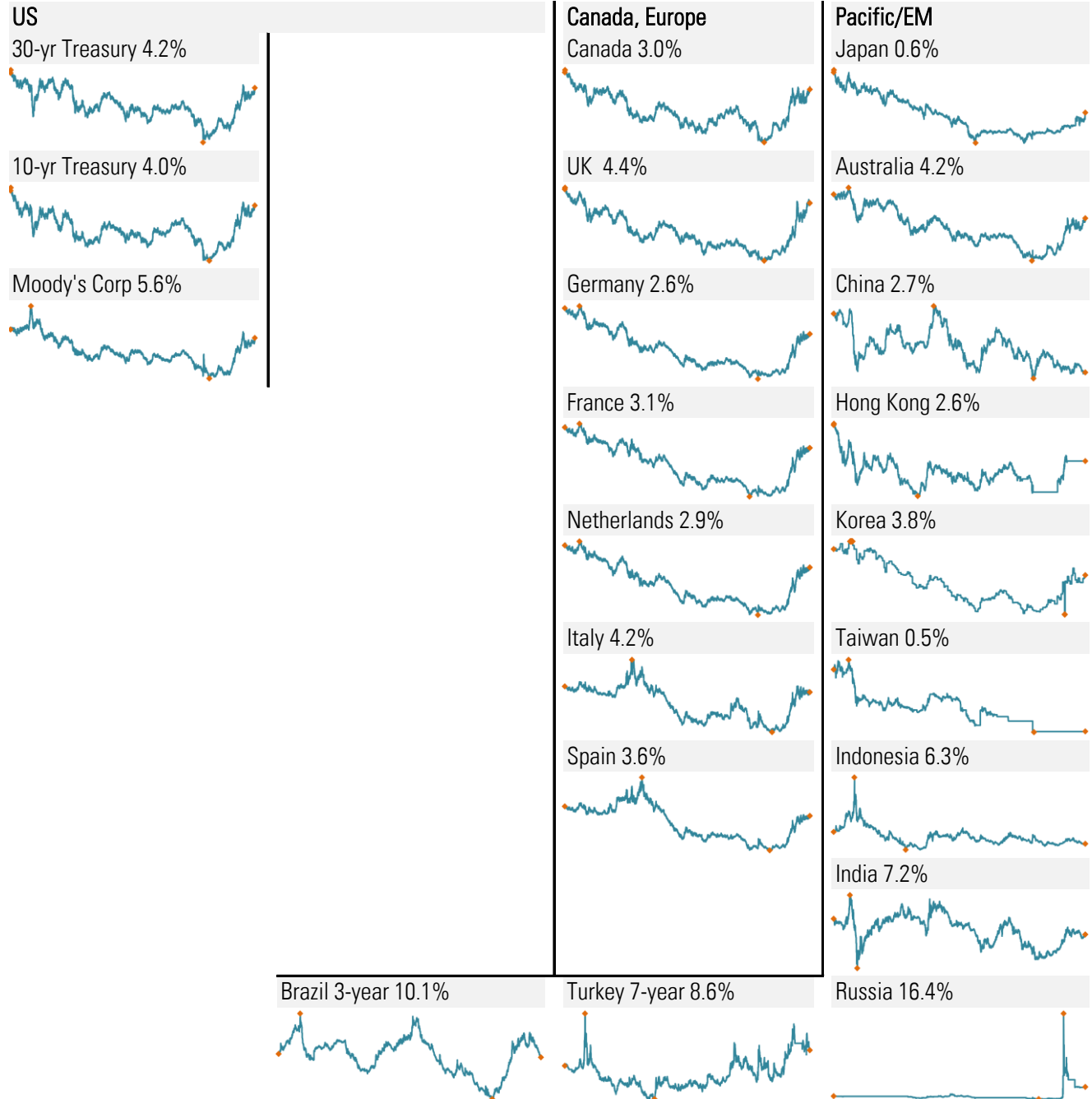
• First, High, Low, Last



Source: Bloomberg, TrendMacro calculations

## Benchmark bond yields, July 2007 to current

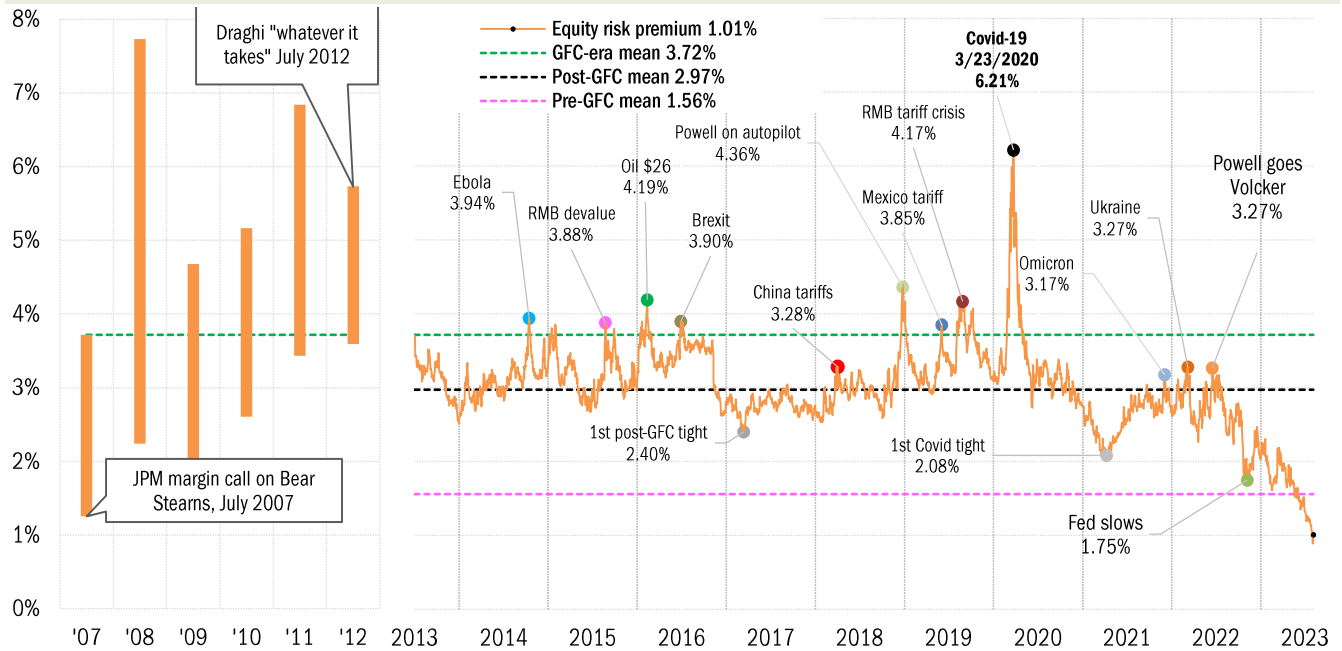
10-year government, unless indicated • First, High, Low, Last



Source: Bloomberg, TrendMacro calculations

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

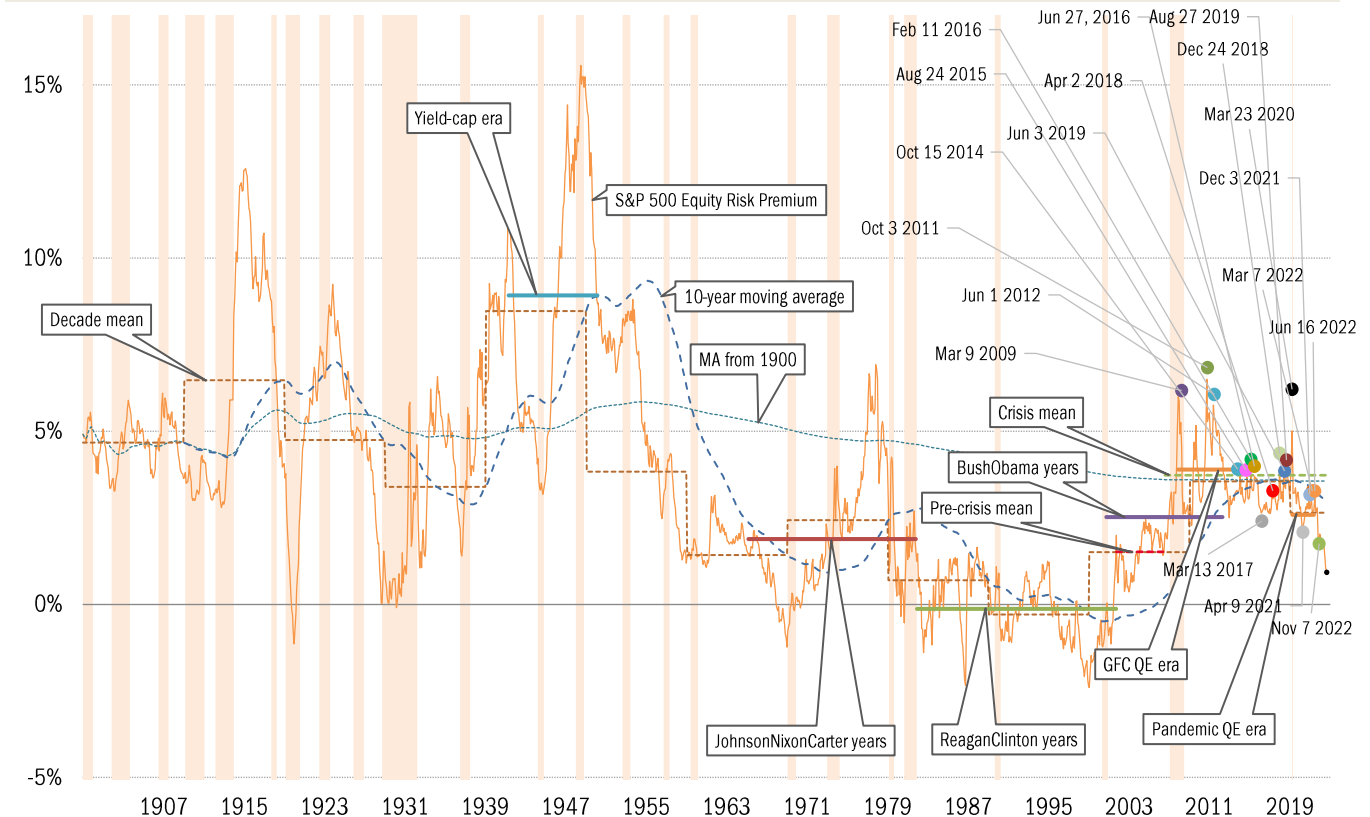
July-to-June 12-mo range (left panel), daily from July 2013 (right panel)



Versus 30-year Treasury

Source: Bloomberg, NBER, TrendMacro calculations

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

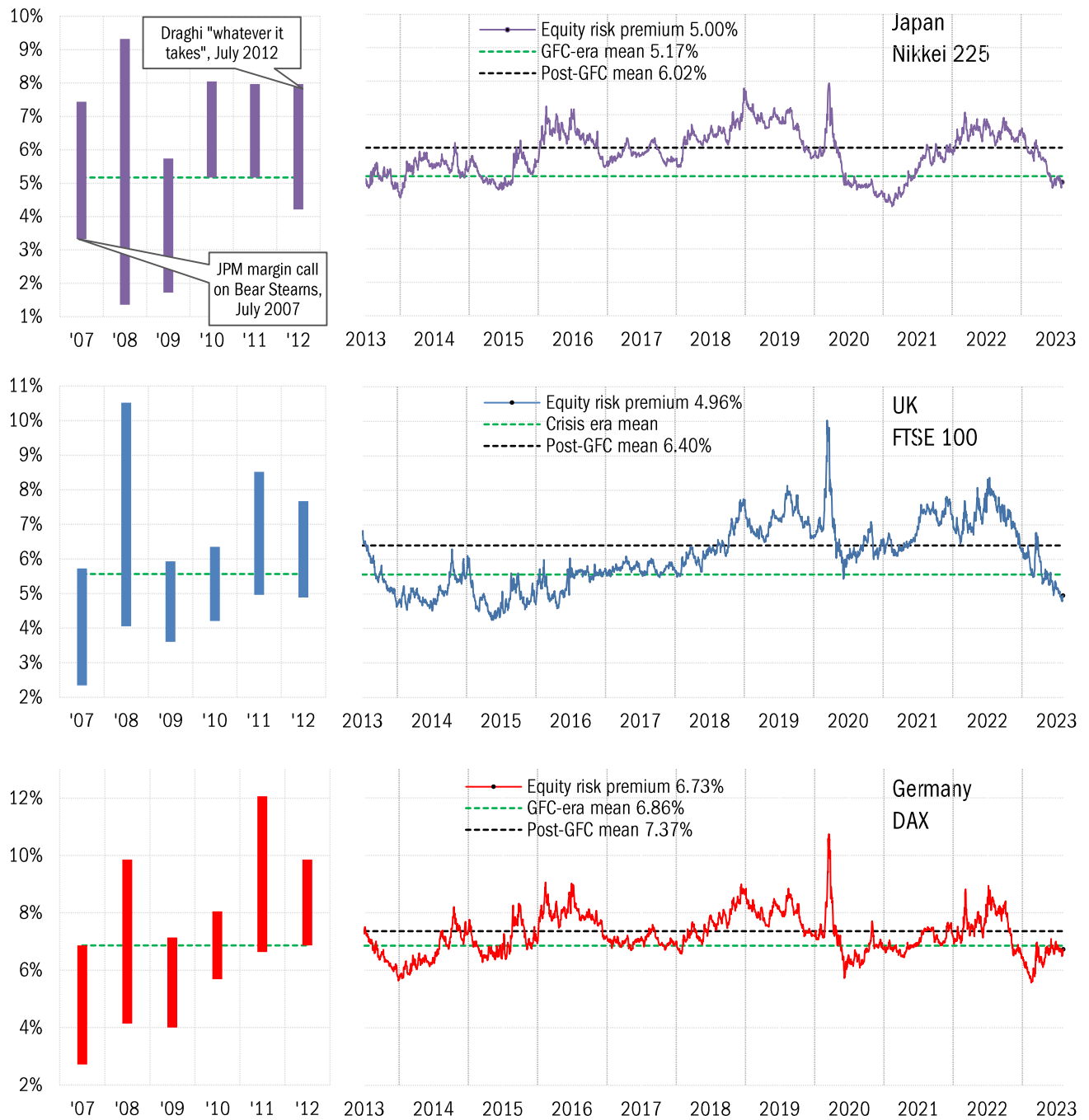


Versus 30-year Treasury

Source: Various, TrendMacro calculations

# Global equity risk premia in the GFC, and its aftermath

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

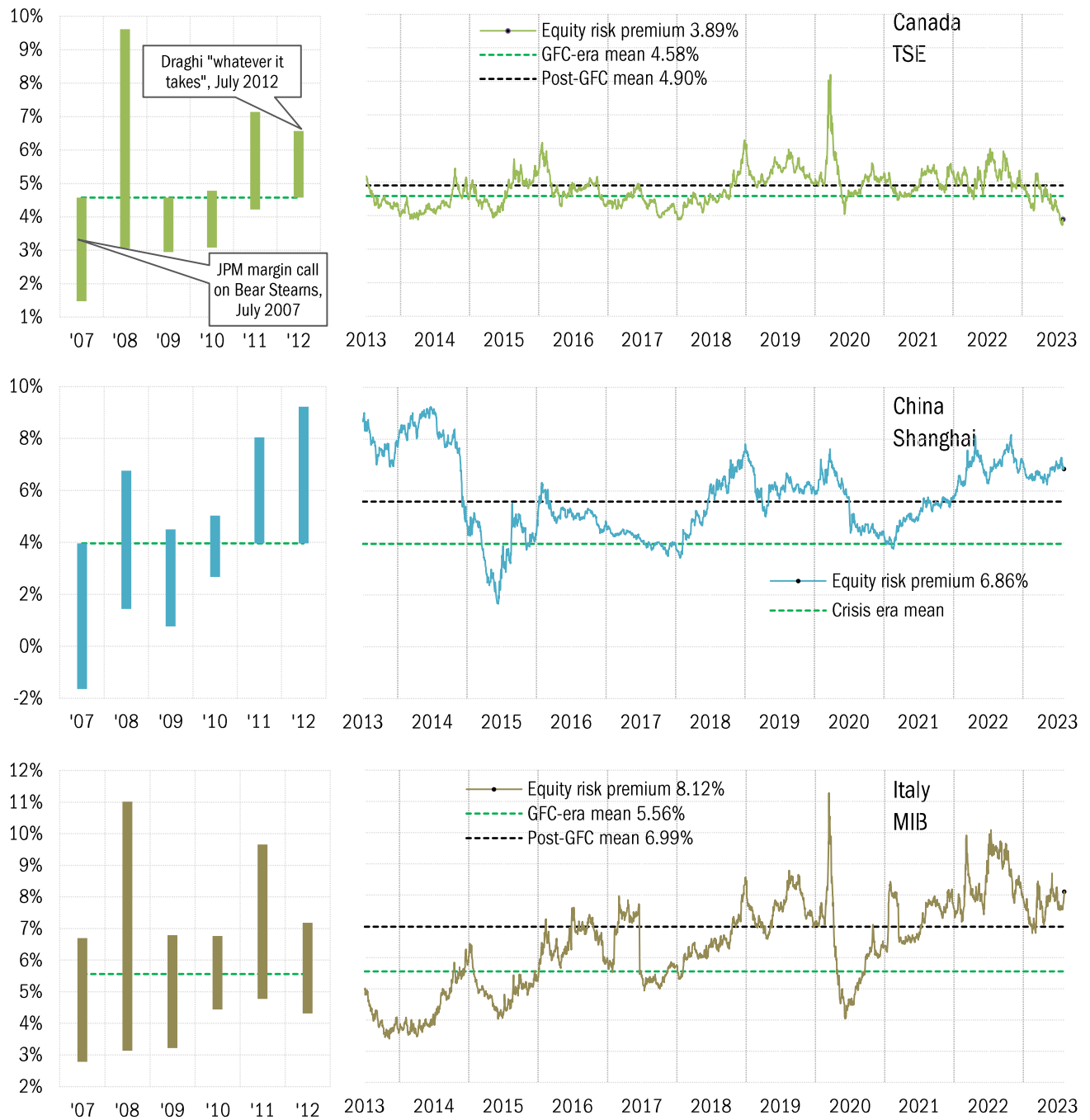


Source: Bloomberg, TrendMacro calculations



# Global equity risk premia in the GFC, and its aftermath

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



Source: Bloomberg, TrendMacro calculations