

**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, November 6, 2023

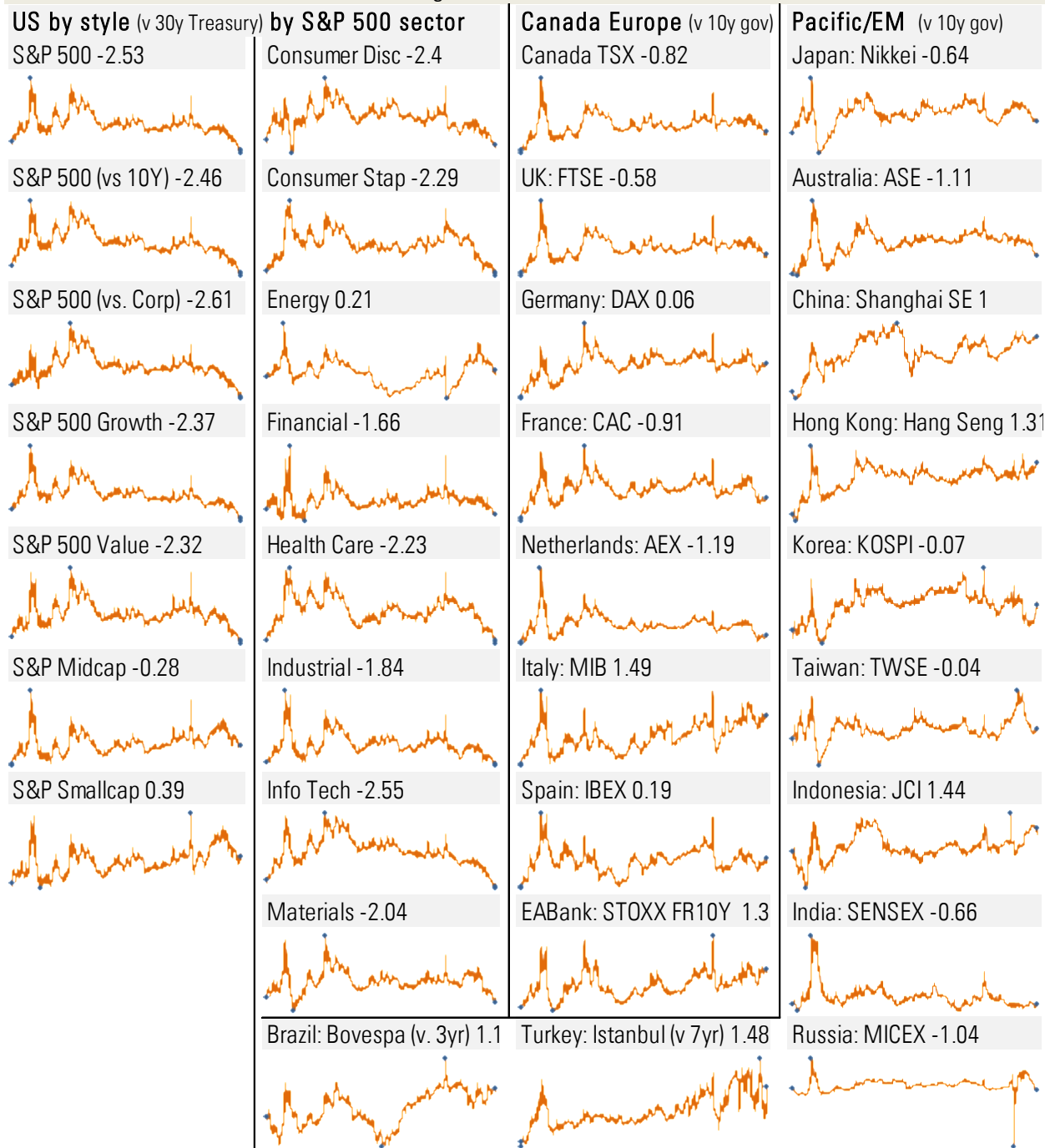
### Global leader-board: by equity risk premium, value, and growth ■ Best ■ Worst

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	Italy: MIB	+1.50	Russia: MICEX	3.2	Turkey: Istanbul	+186%	India: SENSEX	+21%
2	Turkey: Istanbul	+1.49	Turkey: Istanbul	5.0	Korea: KOSPI	+64%	Turkey: Istanbul	+17%
3	Indonesia:JCI	+1.44	Brazil: Bovespa	7.7	India: SENSEX	+40%	Russia: MICEX	+14%
4	HK: Hang Seng	+1.31	Italy: MIB	7.7	Brazil: Bovespa	+33%	Australia: ASE	+13%
5	Brazil: Bovespa	+1.11	HK: Hang Seng	8.3	Netherlands: AEX	+19%	UK: FTSE	+12%
6	China: Shanghai SE	+1.00	Korea: KOSPI	9.5	Spain: IBEX	+18%	Brazil: Bovespa	+11%
7	Spain: IBEX	+0.20	Spain: IBEX	9.8	Italy: MIB	+18%	Spain: IBEX	+11%
8	Germany: DAX	+0.06	China: Shanghai SE	10.0	Taiwan:TWSA	+16%	France: CAC	+9%
9	Taiwan:TWSA	-0.04	UK: FTSE	10.3	US: S&P 500	+13%	Indonesia:JCI	+9%
10	Korea: KOSPI	-0.08	Germany: DAX	10.4	Indonesia:JCI	+11%	Canada:TSX	+8%
11	UK: FTSE	-0.59	France: CAC	11.7	France: CAC	+9%	US: S&P 500	+5%
12	Japan: Nikkei	-0.64	Indonesia:JCI	12.5	UK: FTSE	+9%	Taiwan:TWSA	+5%
13	India: SENSEX	-0.67	Canada:TSX	13.1	Japan: Nikkei	+6%	HK: Hang Seng	+5%
14	Canada:TSX	-0.82	Netherlands: AEX	13.5	Canada:TSX	+5%	Netherlands: AEX	+4%
15	France: CAC	-0.92	Australia: ASE	14.6	HK: Hang Seng	+4%	China: Shanghai SE	+3%
16	Russia: MICEX	-1.04	Taiwan:TWSA	15.2	Australia: ASE	+3%	Korea: KOSPI	+2%
17	Australia: ASE	-1.11	Japan: Nikkei	17.3	Germany: DAX	-5%	Germany: DAX	+1%
18	Netherlands: AEX	-1.19	US: S&P 500	18.3	Russia: MICEX	-9%	Japan: Nikkei	+0%
19	US: S&P 500	-2.53	India: SENSEX	18.7	China: Shanghai SE	-11%	Italy: MIB	-1%
	US, by style		US, by style		US, by style		US, by style	
1	S&P Smallcap	+0.39	S&P Smallcap	12.7	S&P Smallcap	+27%	S&P Smallcap	+17%
2	S&P Midcap	-0.29	S&P Midcap	13.6	S&P 500 Growth	+19%	S&P 500 Growth	+9%
3	S&P 500 Value	-2.33	S&P 500 Value	16.0	S&P 500	+13%	S&P 500	+5%
4	S&P 500 Growth	-2.37	S&P 500	18.3	S&P 500 Value	+8%	S&P 500 Value	+4%
5	S&P 500	-2.53	S&P 500 Growth	20.3	S&P Midcap	+2%	S&P Midcap	-10%
	US, by sector		US, by sector		US, by sector		US, by sector	
1	Energy	+0.22	Energy	11.1	Energy	+41%	Energy	+17%
2	Financial	-1.67	Financial	13.4	Info Tech	+33%	Communications	+13%
3	Utilities	-1.68	Utilities	15.5	Communications	+27%	Info Tech	+10%
4	Industrial	-1.84	Communications	16.0	Consumer Disc	+17%	Health Care	+9%
5	Communications	-1.93	Health Care	16.8	Financial	+7%	Utilities	+5%
6	Materials	-2.05	Industrial	17.7	Utilities	+6%	Industrial	+3%
7	Health Care	-2.23	Materials	17.8	Consumer Stap	+2%	Financial	+0%
8	Consumer Stap	-2.30	Consumer Stap	18.5	Health Care	+1%	Consumer Stap	-2%
9	Consumer Disc	-2.41	Consumer Disc	22.0	Industrial	-7%	Consumer Disc	-4%
10	Info Tech	-2.56	Info Tech	25.2	Materials	-15%	Materials	-6%

Source: Bloomberg, TrendMacro calculations

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

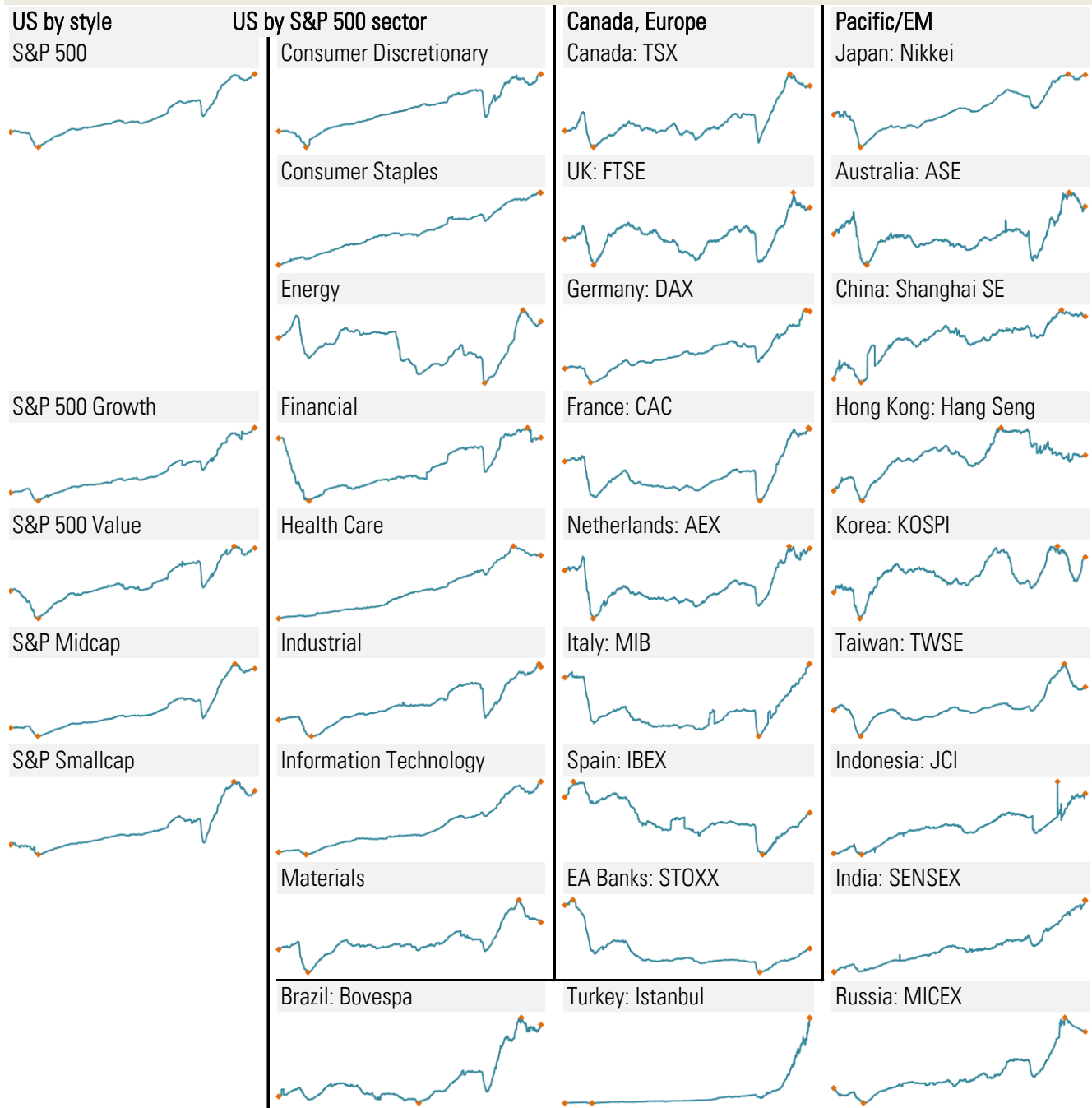
Standard deviations from mean • First, High, Low, Last



Source: Bloomberg, TrendMacro calculations

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

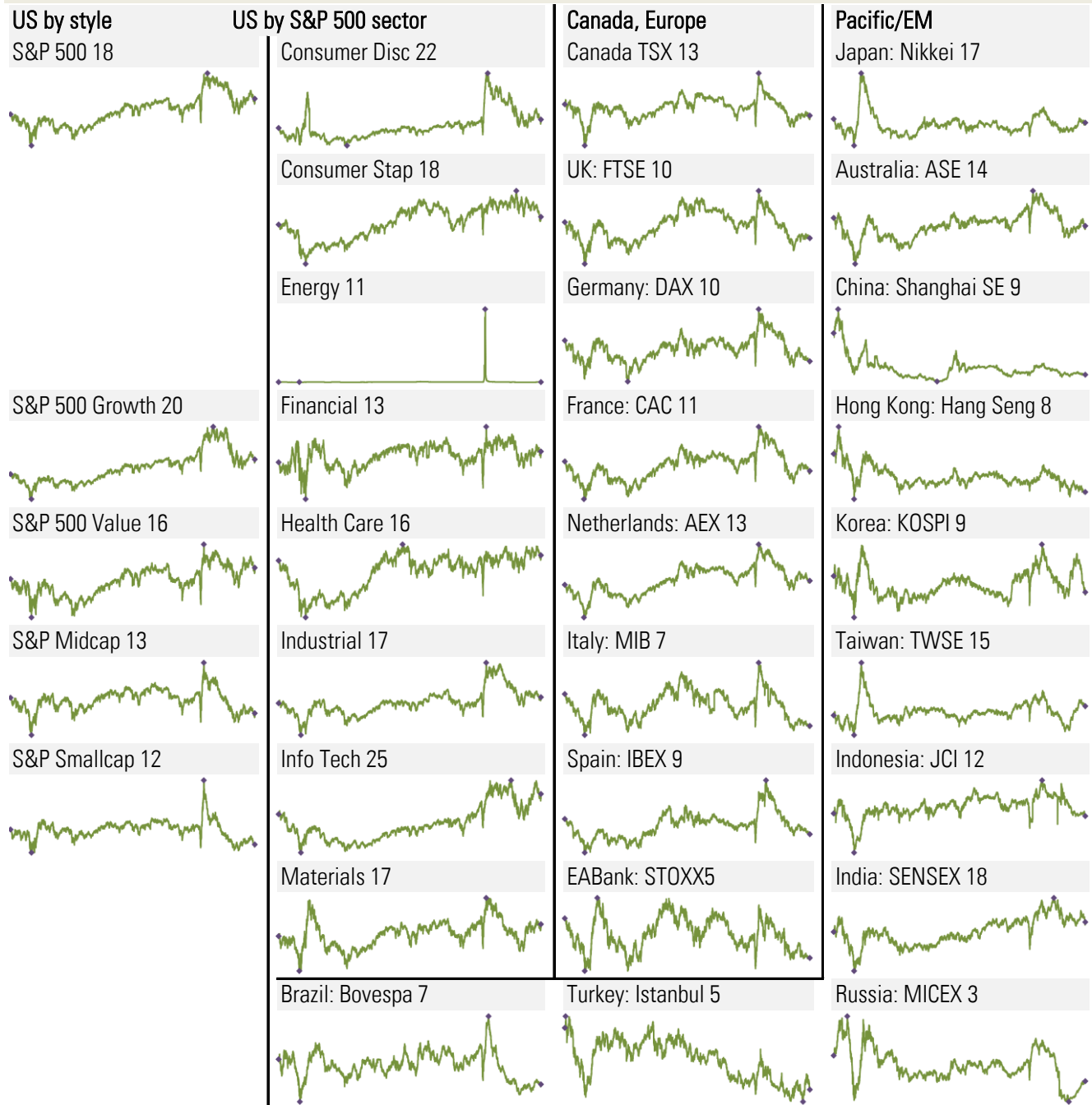
● First, High, Low, Last



Source: Bloomberg, TrendMacro calculations

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

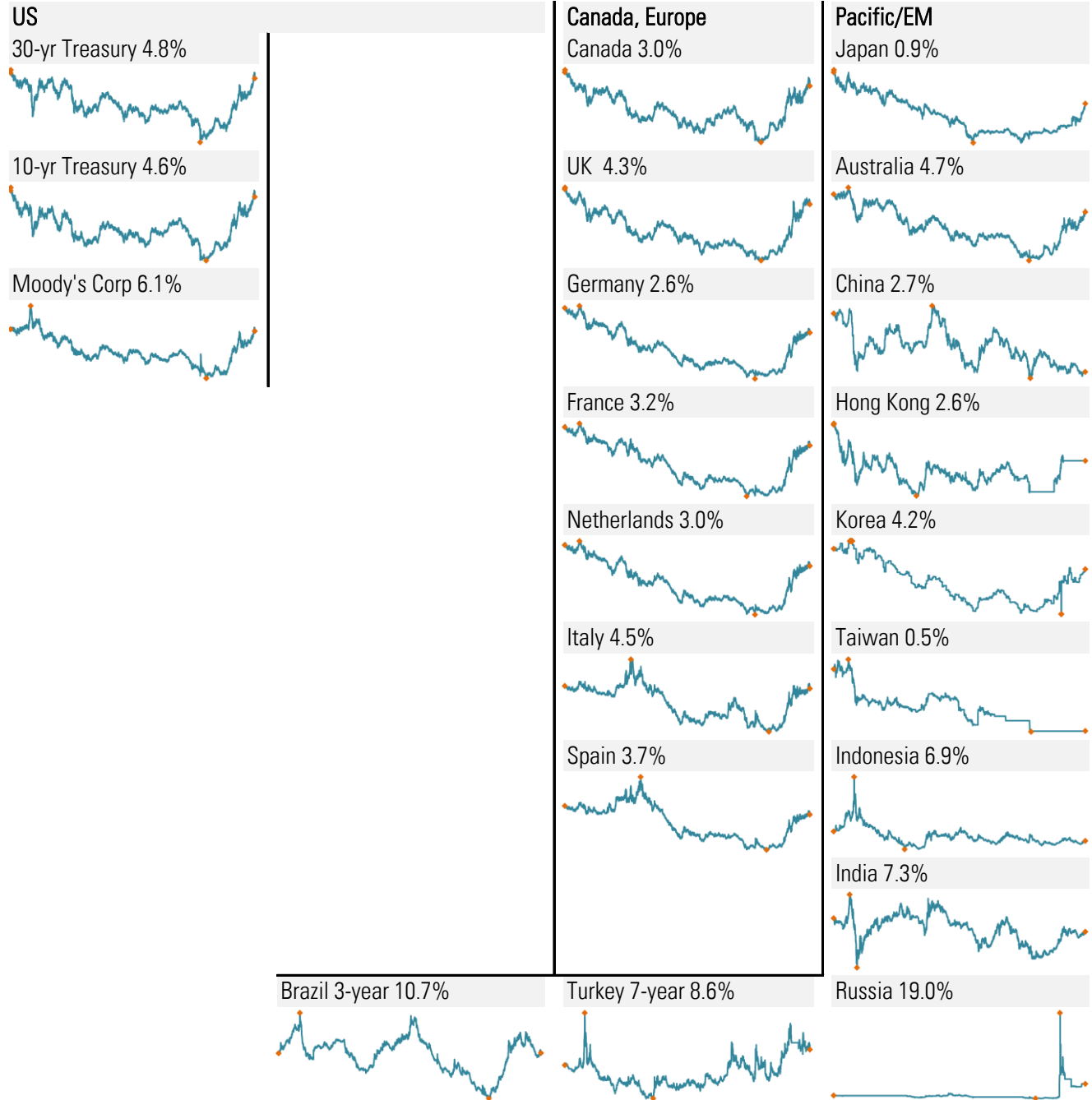
• First, High, Low, Last



Source: Bloomberg, TrendMacro calculations

## Benchmark bond yields, July 2007 to current

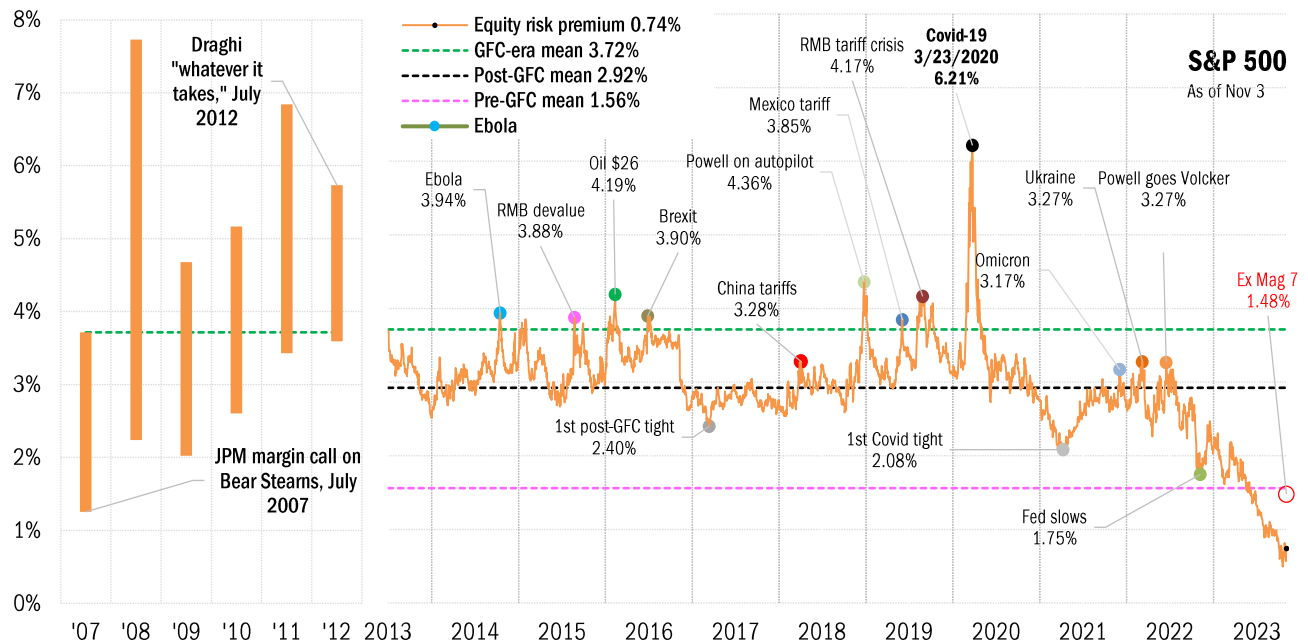
10-year government, unless indicated • First, High, Low, Last



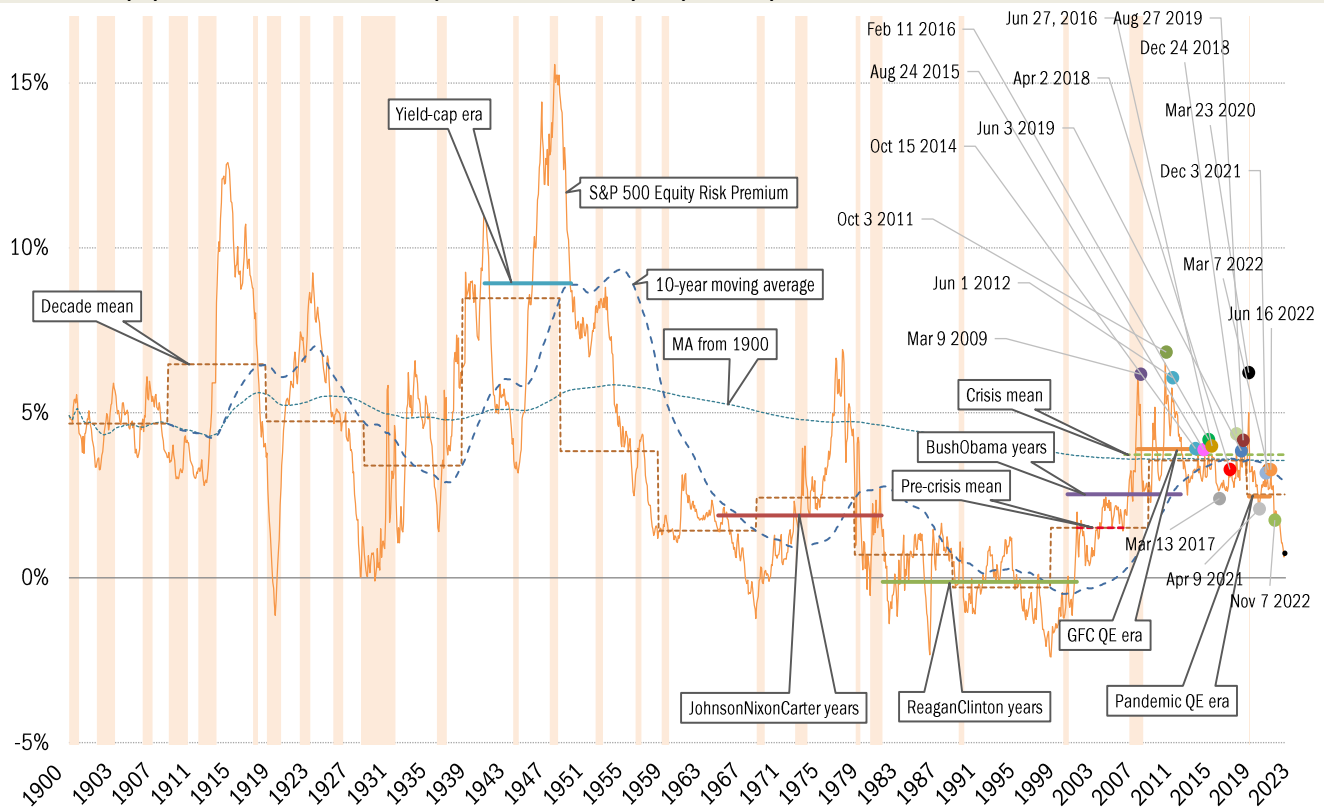
Source: Bloomberg, TrendMacro calculations

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

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

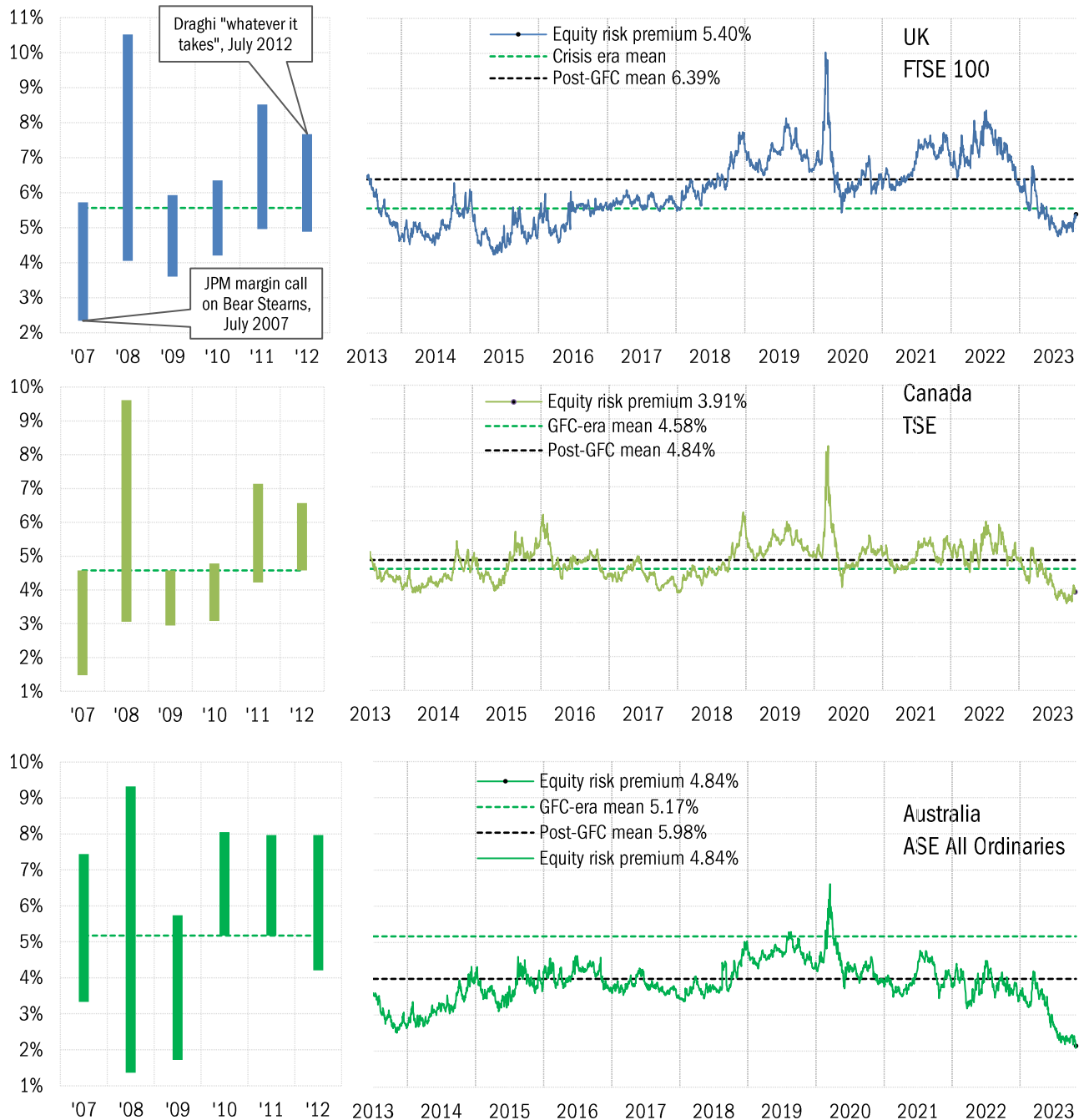


## A century-plus of the monthly S&P 500 equity risk premium



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

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

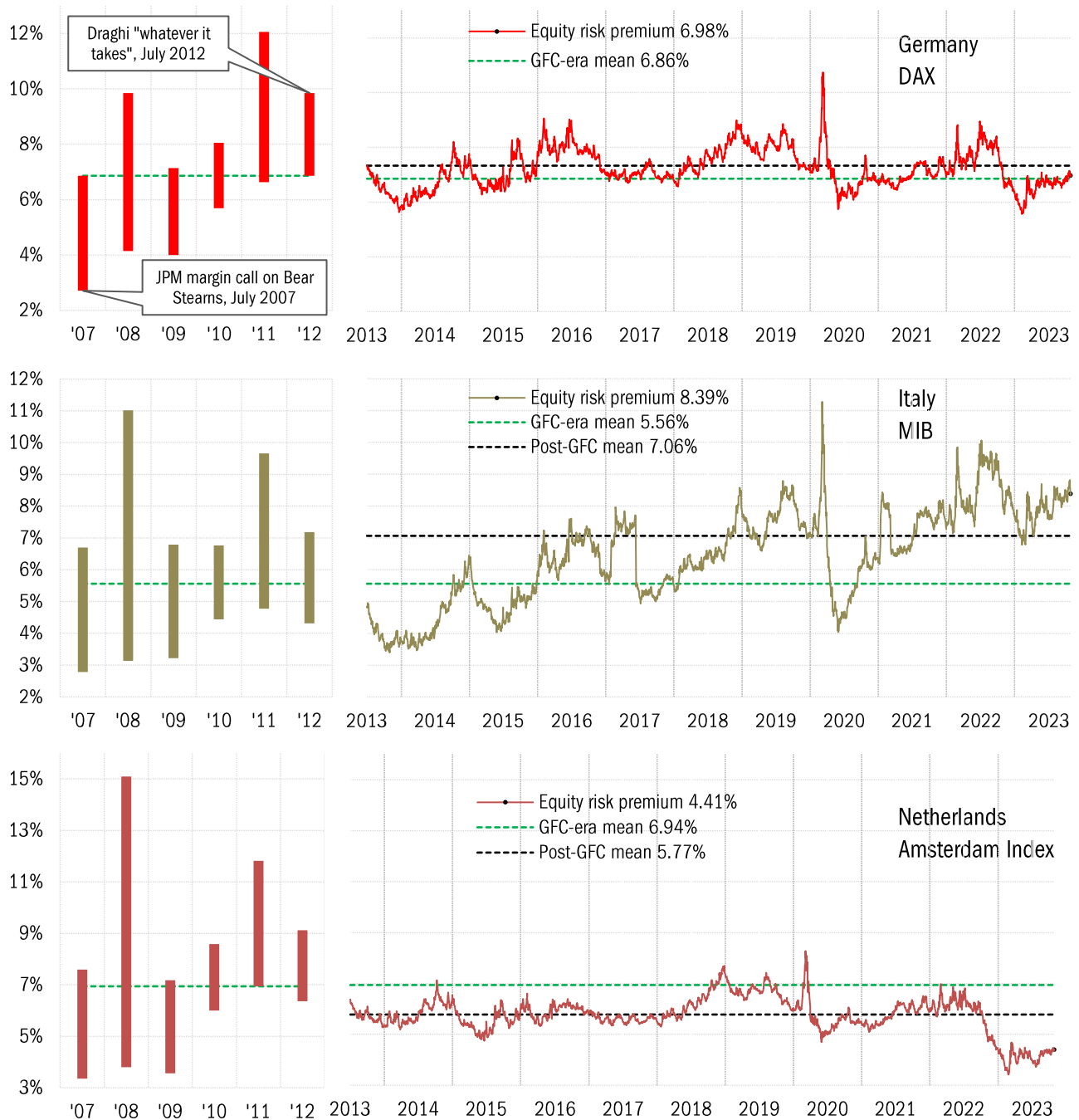


Source: Bloomberg, TrendMacro calculations



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

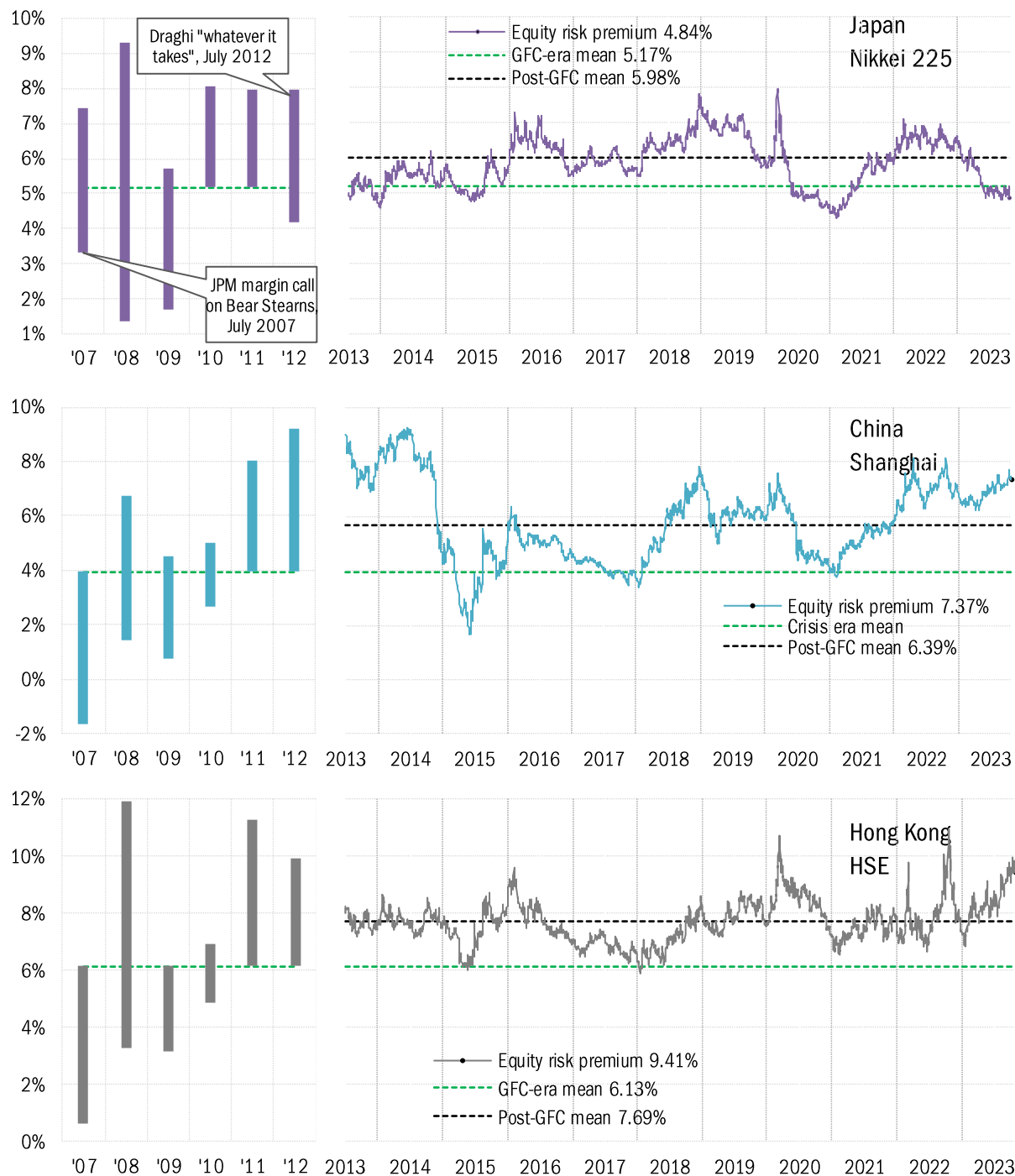


Source: Bloomberg, TrendMacro calculations



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



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