

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 22, 2024

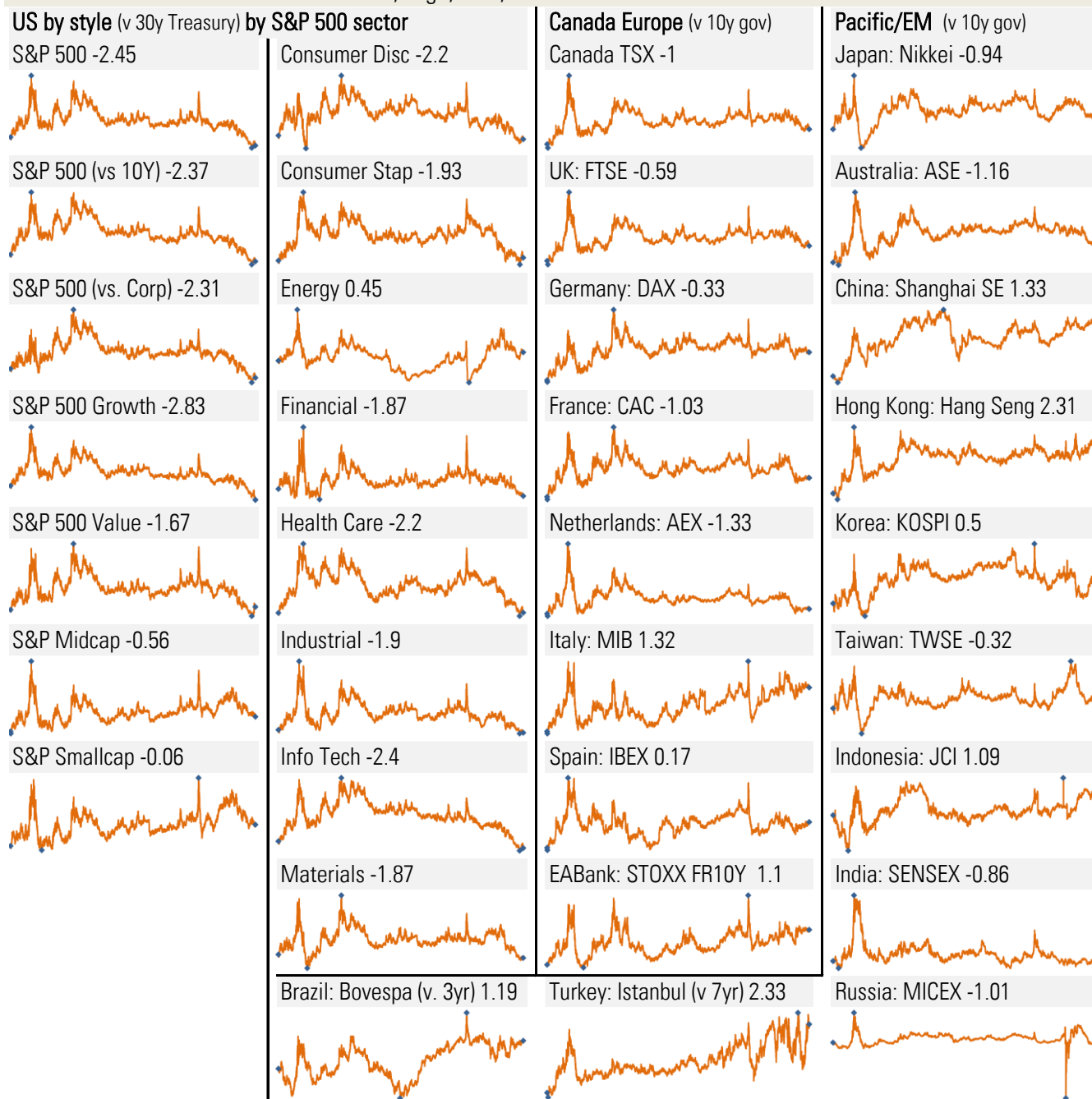
Global leader-board: by equity risk premium, value, and growth ■ Best ■ Worst

Rank	Equity risk premium		Forward PE ratio		Fwd earns upgrade rate		Fwd sales upgrade rate	
	By SD from 2007-> mean				Trailing 90 days, AR		Trailing 90 days, AR	
	By country		By country		By country		By country	
1	Turkey: Istanbul	+2.34	Russia: MICEX	3.1	Turkey: Istanbul	+103%	Turkey: Istanbul	+116%
2	HK: Hang Seng	+2.32	Turkey: Istanbul	4.7	Korea: KOSPI	+22%	Russia: MICEX	+12%
3	China: Shanghai SE	+1.33	HK: Hang Seng	7.2	Brazil: Bovespa	+21%	Japan: Nikkei	+9%
4	Italy: MIB	+1.32	Brazil: Bovespa	8.0	India: SENSEX	+20%	Brazil: Bovespa	+8%
5	Brazil: Bovespa	+1.20	Italy: MIB	8.3	Spain: IBEX	+15%	Spain: IBEX	+8%
6	Indonesia: JCI	+1.09	Korea: KOSPI	9.4	Taiwan: TWSA	+11%	Taiwan: TWSA	+5%
7	Korea: KOSPI	+0.51	China: Shanghai SE	9.4	US: S&P 500	+8%	US: S&P 500	+5%
8	Spain: IBEX	+0.18	Spain: IBEX	10.3	Japan: Nikkei	+2%	HK: Hang Seng	+4%
9	Taiwan: TWSA	-0.33	UK: FTSE	10.7	Canada: TSX	-1%	India: SENSEX	+4%
10	Germany: DAX	-0.34	Germany: DAX	11.4	HK: Hang Seng	-1%	Korea: KOSPI	+2%
11	UK: FTSE	-0.59	France: CAC	12.5	Germany: DAX	-5%	Canada: TSX	-3%
12	India: SENSEX	-0.86	Indonesia: JCI	13.6	Russia: MICEX	-5%	France: CAC	-4%
13	Japan: Nikkei	-0.94	Canada: TSX	13.9	Italy: MIB	-5%	Germany: DAX	-6%
14	Canada: TSX	-1.01	Netherlands: AEX	14.7	Indonesia: JCI	-9%	Australia: ASE	-6%
15	Russia: MICEX	-1.01	Australia: ASE	15.7	China: Shanghai SE	-11%	China: Shanghai SE	-7%
16	France: CAC	-1.03	Taiwan: TWSA	15.9	Netherlands: AEX	-11%	UK: FTSE	-9%
17	Australia: ASE	-1.16	Japan: Nikkei	19.4	France: CAC	-12%	Indonesia: JCI	-12%
18	Netherlands: AEX	-1.34	US: S&P 500	20.0	Australia: ASE	-13%	Italy: MIB	-19%
19	US: S&P 500	-2.46	India: SENSEX	20.1	UK: FTSE	-15%	Netherlands: AEX	-19%
	US, by style		US, by style		US, by style		US, by style	
1	S&P Smallcap	-0.07	S&P Smallcap	14.4	S&P 500 Value	+72%	S&P 500 Value	+81%
2	S&P Midcap	-0.56	S&P Midcap	15.1	S&P 500	+8%	S&P 500	+5%
3	S&P 500 Value	-1.67	S&P 500 Value	15.5	S&P Midcap	-4%	S&P Smallcap	-3%
4	S&P 500	-2.46	S&P 500	20.0	S&P Smallcap	-8%	S&P Midcap	-9%
5	S&P 500 Growth	-2.83	S&P 500 Growth	25.7	S&P 500 Growth	-41%	S&P 500 Growth	-68%
	US, by sector		US, by sector		US, by sector		US, by sector	
1	Energy	+0.46	Energy	10.9	Info Tech	+29%	Info Tech	+16%
2	Utilities	-0.96	Financial	14.8	Consumer Disc	+18%	Health Care	+9%
3	Materials	-1.87	Utilities	15.0	Communications	+17%	Utilities	+7%
4	Financial	-1.87	Communications	17.6	Utilities	+10%	Communications	+6%
5	Industrial	-1.90	Health Care	18.3	Financial	+7%	Financial	+5%
6	Consumer Stap	-1.93	Materials	18.8	Consumer Stap	+4%	Consumer Disc	+4%
7	Communications	-1.99	Consumer Stap	19.1	Health Care	+0%	Consumer Stap	+1%
8	Health Care	-2.20	Industrial	19.7	Industrial	-4%	Industrial	+0%
9	Consumer Disc	-2.21	Consumer Disc	23.7	Materials	-11%	Energy	-1%
10	Info Tech	-2.41	Info Tech	27.8	Energy	-22%	Materials	-8%

Source: Bloomberg, TrendMacro calculations

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

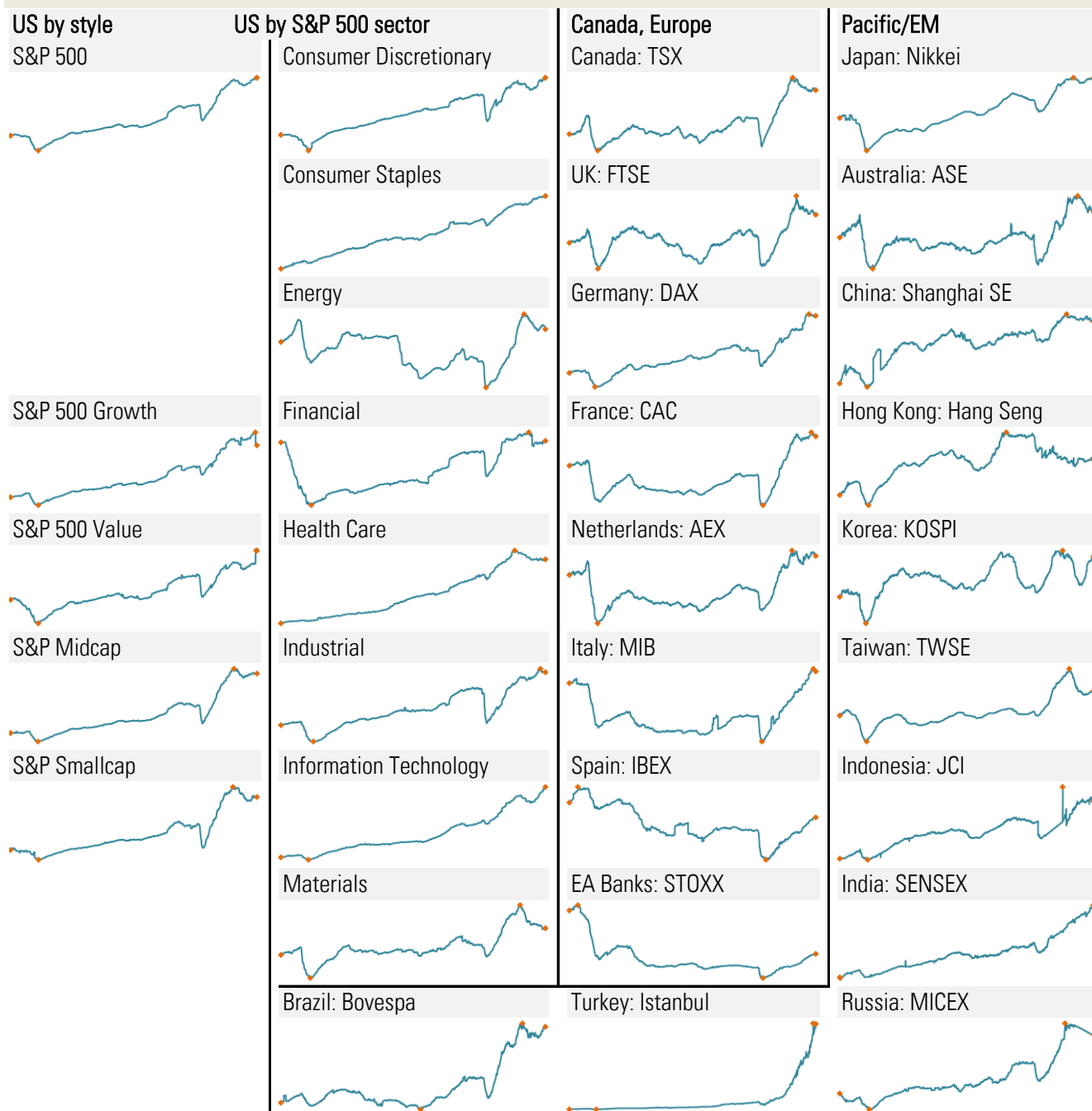
Standard deviations from mean • First, High, Low, Last



Source: Bloomberg, TrendMacro calculations

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

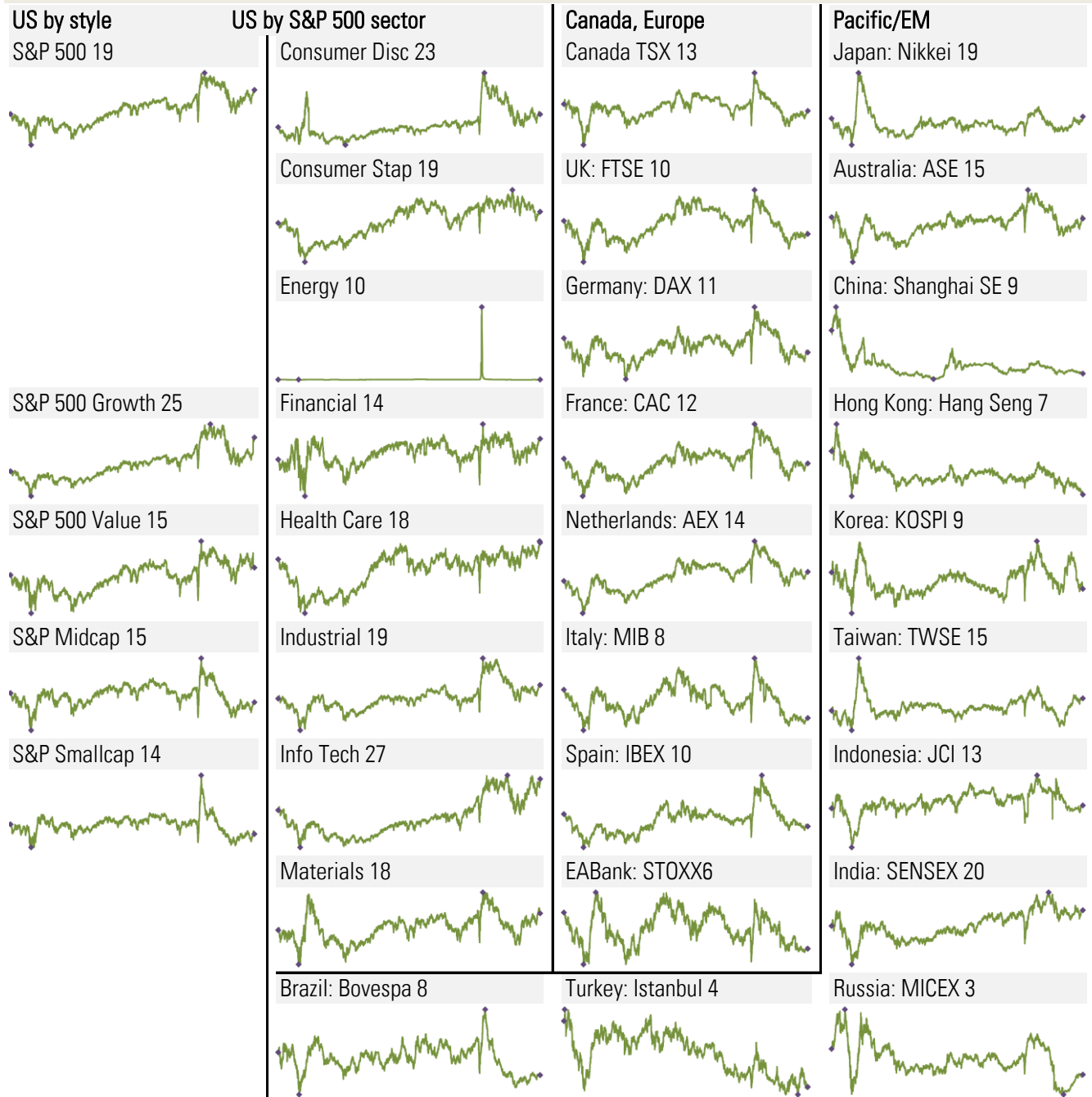
● First, High, Low, Last



Source: Bloomberg, TrendMacro calculations

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

• First, High, Low, Last



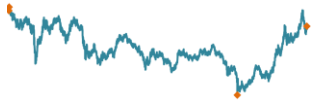
Source: Bloomberg, TrendMacro calculations

Benchmark bond yields, July 2007 to current

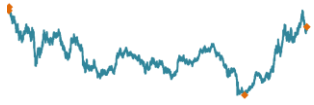
10-year government, unless indicated • First, High, Low, Last

US

30-yr Treasury 4.3%



10-yr Treasury 4.1%

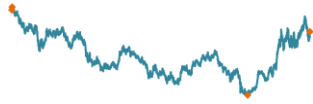


Moody's Corp 5.4%

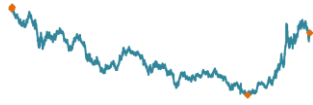


Canada, Europe

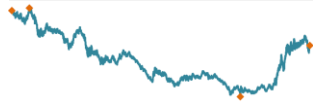
Canada 3.0%



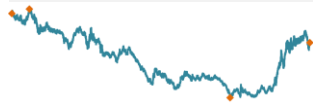
UK 3.9%



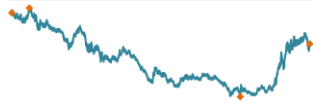
Germany 2.3%



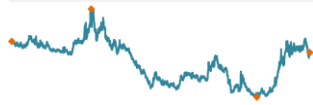
France 2.8%



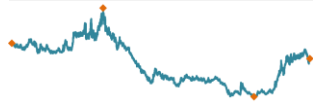
Netherlands 2.6%



Italy 3.9%



Spain 3.2%

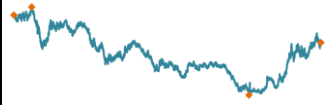


Pacific/EM

Japan 0.7%



Australia 4.3%



China 2.5%



Hong Kong 2.6%



Korea 3.3%



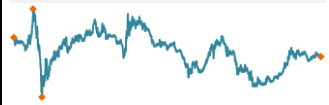
Taiwan 0.5%



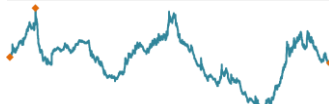
Indonesia 6.6%



India 7.2%



Brazil 3-year 9.9%



Turkey 7-year 7.8%



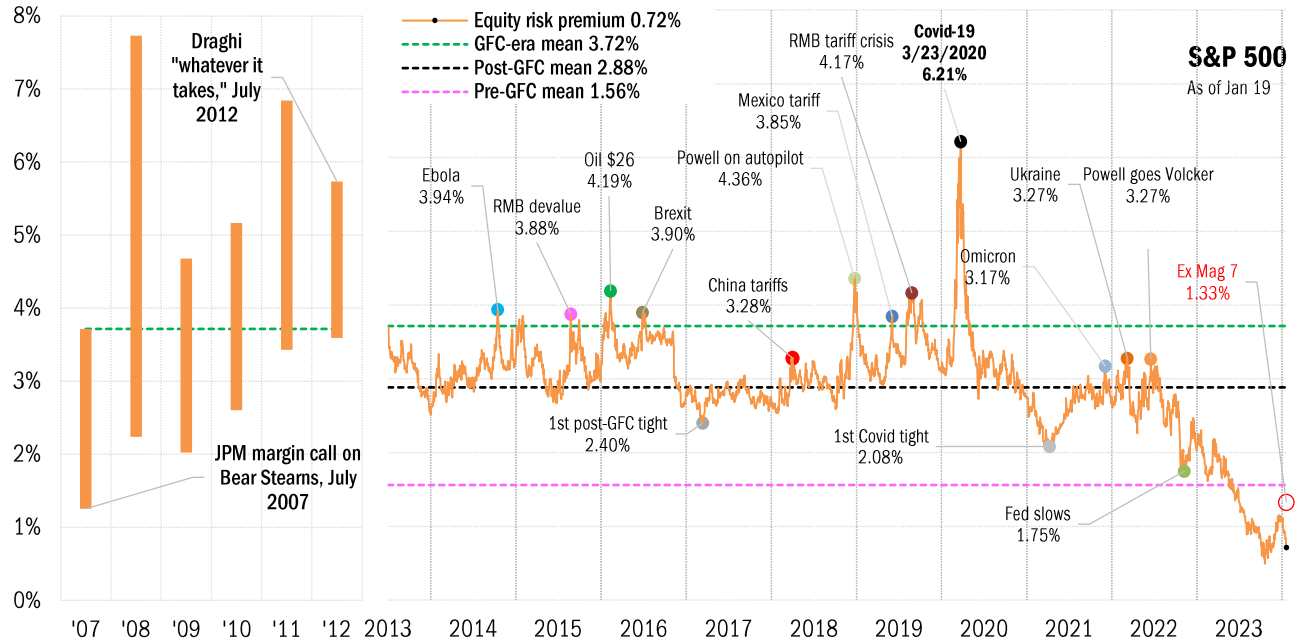
Russia 19.0%



Source: Bloomberg, TrendMacro calculations

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

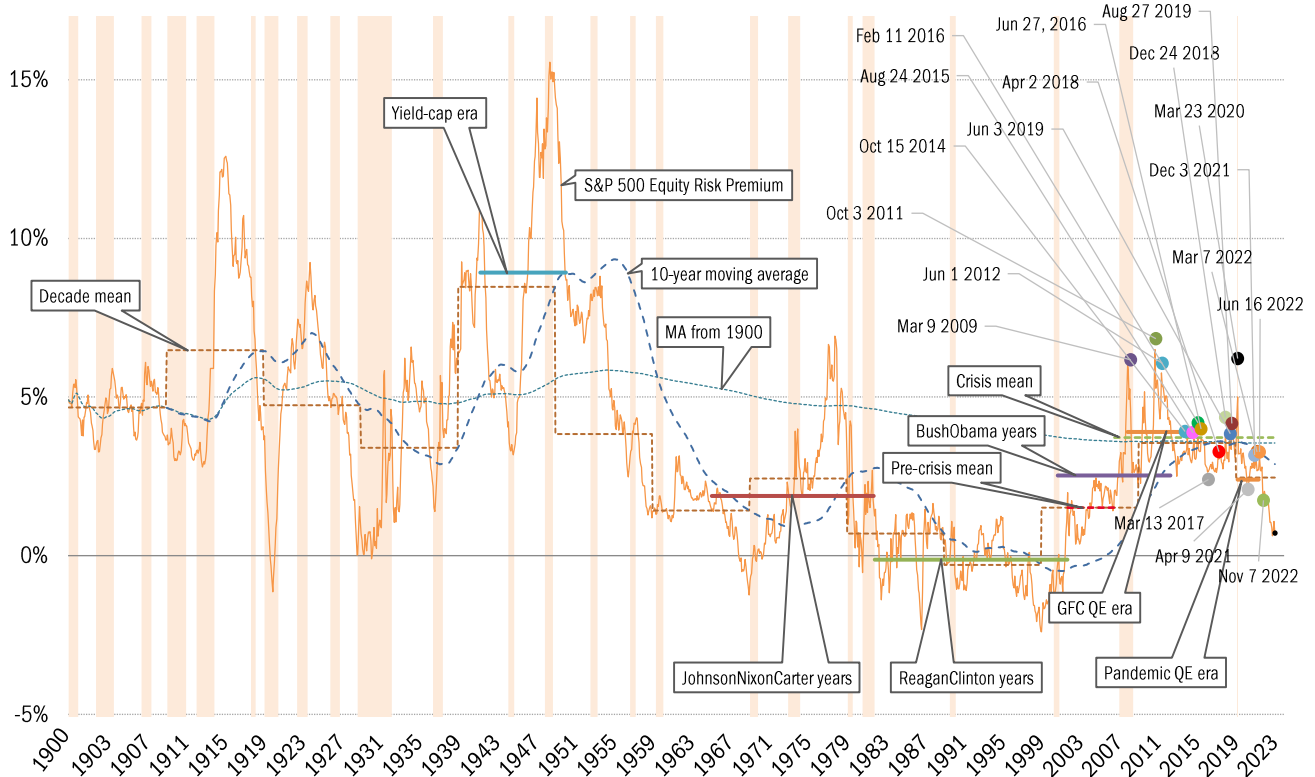
July-to-June 12-mo range (left panel), daily from July 2013 (right panel)



Versus 30-year Treasury

Source: Bloomberg, NBER, TrendMacro calculations

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

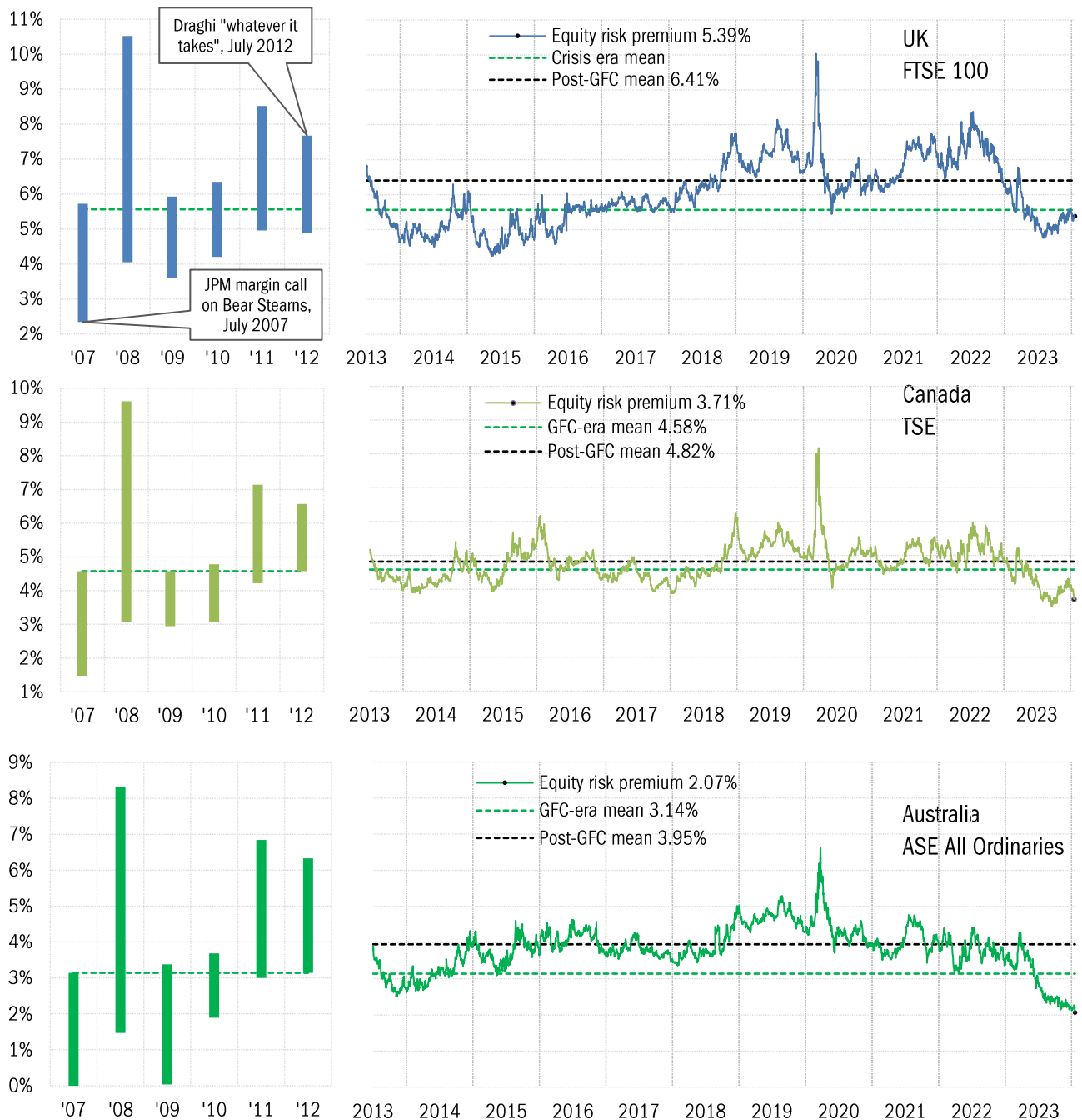


Versus 30-year Treasury

Source: Various, TrendMacro calculations

Global equity risk premia in the GFC, and its aftermath: the Anglosphere

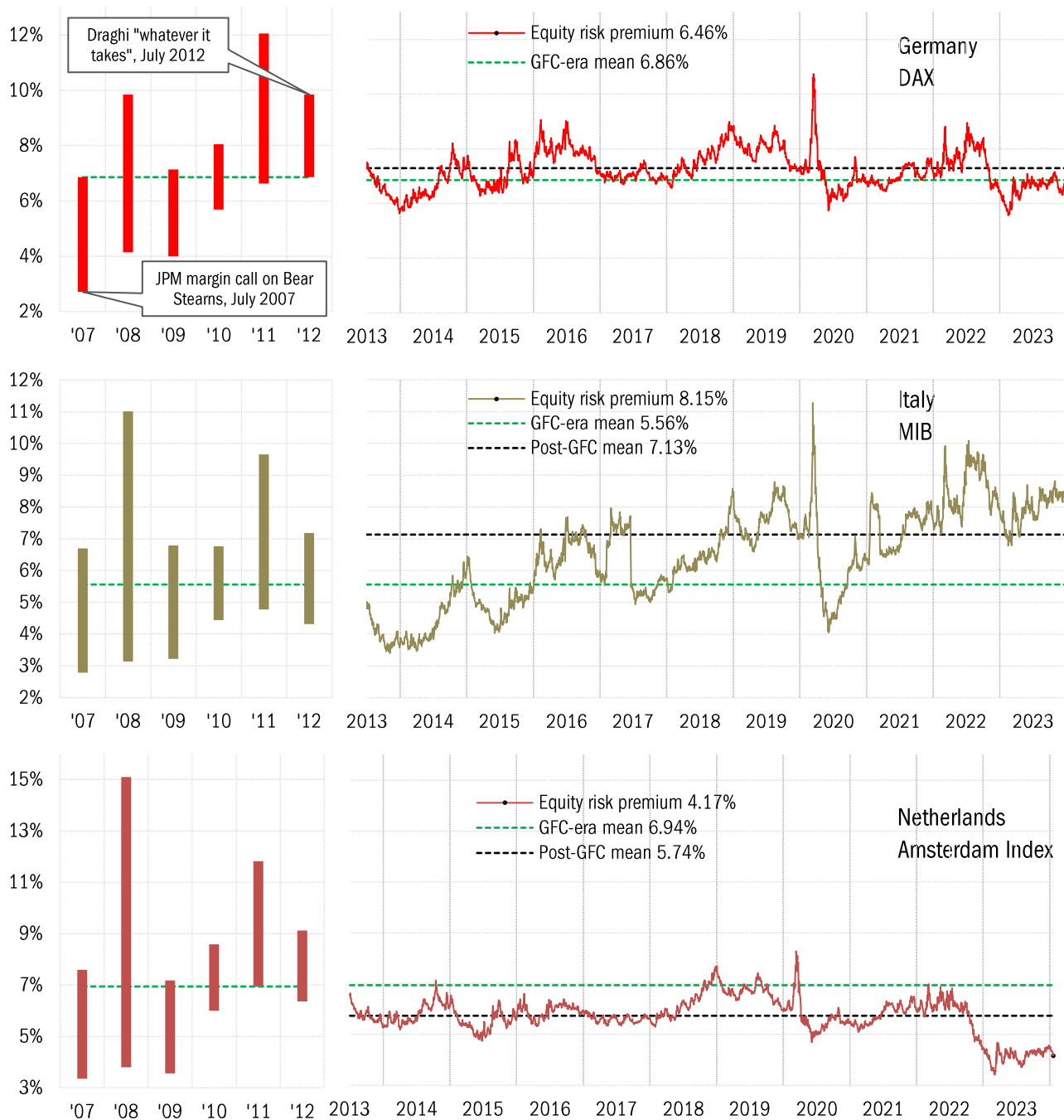
July-to-June 12-mo range (left panel), daily from July 2013 (right panel)



Source: Bloomberg, TrendMacro calculations

Global equity risk premia in the GFC, and its aftermath: Europe

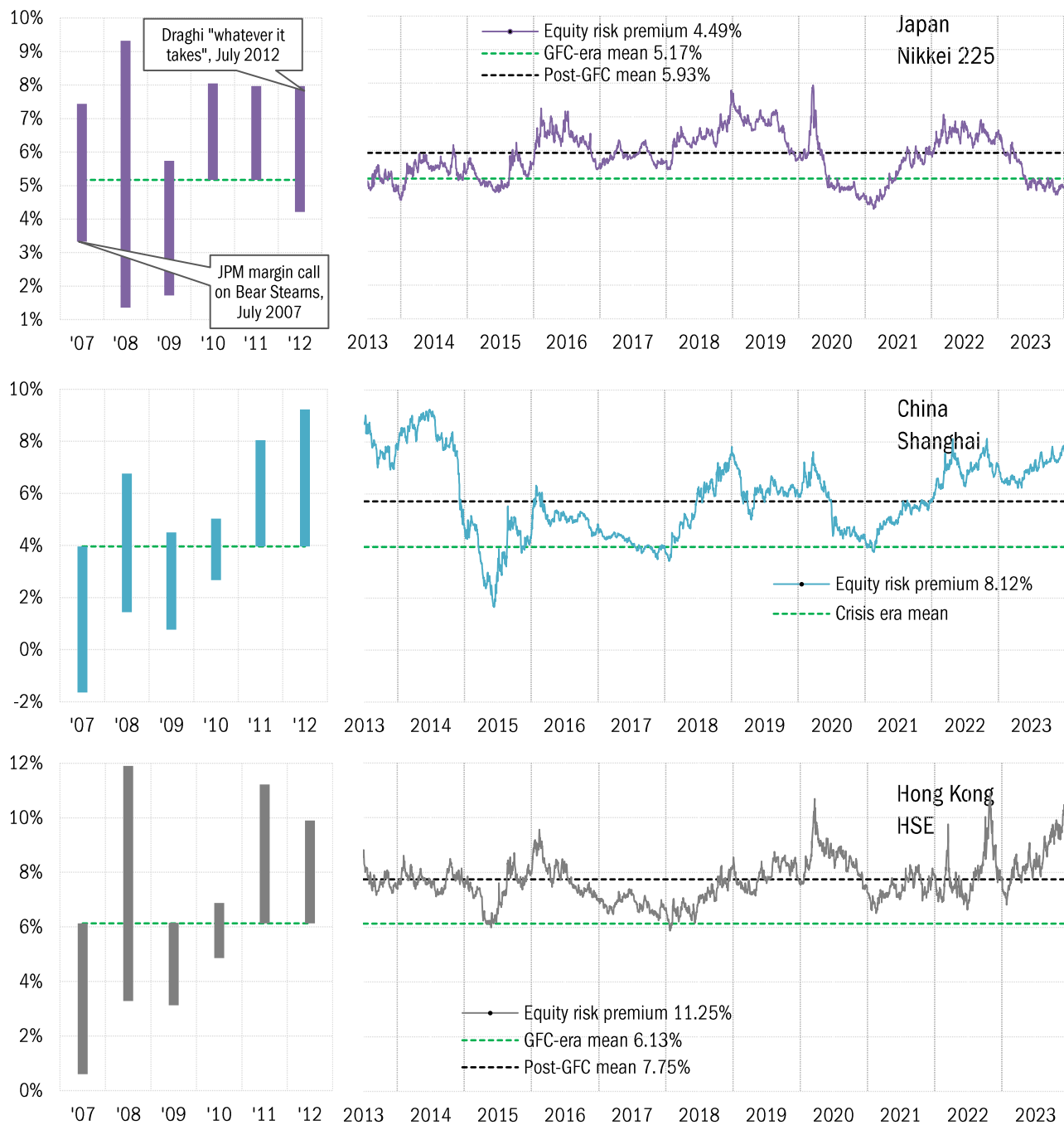
July-to-June 12-mo range (left panel), daily from July 2013 (right panel)



Source: Bloomberg, TrendMacro calculations

Global equity risk premia in the GFC, and its aftermath: Asia

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



Source: Bloomberg, TrendMacro calculations