

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 5, 2024

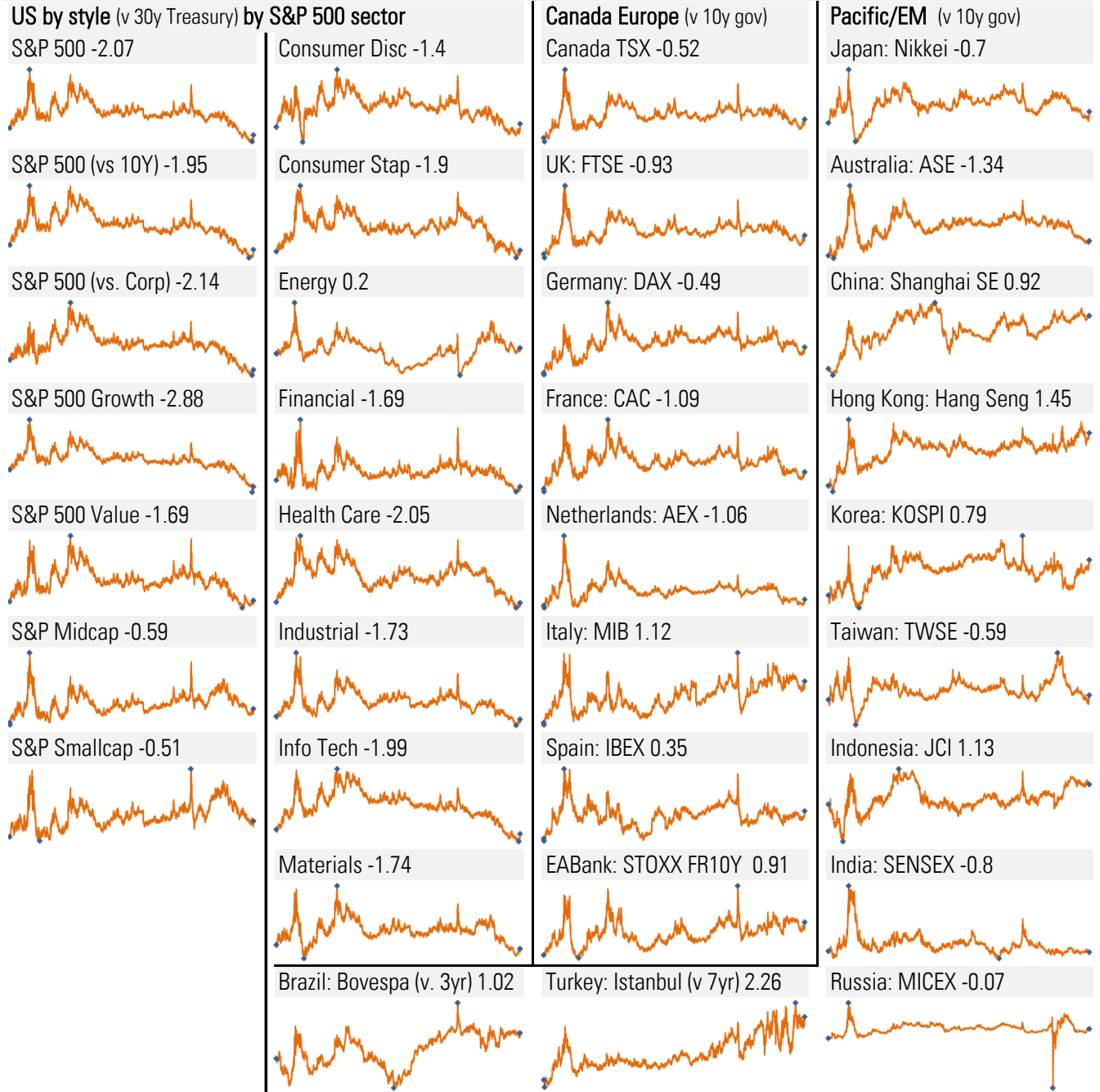
Global leader-board: by equity risk premium, value, and growth ■ Best ■ Worst

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	+2.27	Russia: MICEX	2.7	Taiwan:TWSA	+48%	Turkey: Istanbul	+56%
2	HK: Hang Seng	+1.46	Turkey: Istanbul	4.3	Turkey: Istanbul	+43%	Taiwan:TWSA	+28%
3	Indonesia:JCI	+1.13	Brazil: Bovespa	7.4	Korea: KOSPI	+27%	Canada:TSX	+23%
4	Italy: MIB	+1.12	HK: Hang Seng	8.0	Brazil: Bovespa	+23%	Brazil: Bovespa	+13%
5	Brazil: Bovespa	+1.02	Italy: MIB	8.7	Japan: Nikkei	+20%	HK: Hang Seng	+12%
6	China: Shanghai SE	+0.93	Korea: KOSPI	9.1	Canada:TSX	+18%	Japan: Nikkei	+10%
7	Korea: KOSPI	+0.79	Spain: IBEX	10.2	Germany: DAX	+15%	US: S&P 500	+7%
8	Spain: IBEX	+0.35	China: Shanghai SE	10.6	Spain: IBEX	+15%	Germany: DAX	+6%
9	Russia: MICEX	-0.07	UK: FTSE	11.6	Netherlands: AEX	+14%	Australia: ASE	+5%
10	Germany: DAX	-0.49	Germany: DAX	11.9	US: S&P 500	+13%	Spain: IBEX	+5%
11	Canada:TSX	-0.53	France: CAC	12.6	HK: Hang Seng	+12%	Korea: KOSPI	+3%
12	Taiwan:TWSA	-0.59	Indonesia:JCI	13.0	Russia: MICEX	+9%	UK: FTSE	+3%
13	Japan: Nikkei	-0.70	Canada:TSX	14.0	India: SENSEX	+8%	Russia: MICEX	+2%
14	India: SENSEX	-0.81	Netherlands: AEX	14.9	UK: FTSE	+6%	Netherlands: AEX	+1%
15	UK: FTSE	-0.94	Taiwan:TWSA	16.6	Italy: MIB	+1%	Italy: MIB	-1%
16	Netherlands: AEX	-1.07	Australia: ASE	17.3	Australia: ASE	+1%	France: CAC	-1%
17	France: CAC	-1.09	Japan: Nikkei	17.6	France: CAC	-3%	India: SENSEX	-7%
18	Australia: ASE	-1.34	US: S&P 500	20.5	Indonesia:JCI	-5%	China: Shanghai SE	-8%
19	US: S&P 500	-2.07	India: SENSEX	21.2	China: Shanghai SE	-15%	Indonesia:JCI	-26%
US, by style								
1	S&P Smallcap	-0.51	S&P Midcap	15.8	S&P 500	+13%	S&P 500	+7%
2	S&P Midcap	-0.60	S&P Smallcap	16.0	S&P 500 Value	+7%	S&P 500 Value	+6%
3	S&P 500 Value	-1.69	S&P 500 Value	16.5	S&P Midcap	+5%	S&P Smallcap	-2%
4	S&P 500	-2.07	S&P 500	20.5	S&P Smallcap	+3%	S&P Midcap	-4%
5	S&P 500 Growth	-2.89	S&P 500 Growth	32.3	S&P 500 Growth	-46%	S&P 500 Growth	-51%
US, by sector								
1	Energy	+0.21	Energy	12.0	Info Tech	+28%	Info Tech	+19%
2	Consumer Disc	-1.40	Financial	15.3	Consumer Disc	+20%	Communications	+11%
3	Utilities	-1.64	Utilities	17.5	Communications	+18%	Health Care	+11%
4	Communications	-1.64	Communications	17.7	Health Care	+15%	Materials	+10%
5	Financial	-1.69	Health Care	19.5	Materials	+13%	Financial	+6%
6	Industrial	-1.74	Materials	19.9	Utilities	+10%	Consumer Disc	+6%
7	Materials	-1.74	Consumer Stap	20.6	Financial	+9%	Consumer Stap	+6%
8	Consumer Stap	-1.91	Industrial	20.6	Consumer Stap	+6%	Utilities	+4%
9	Info Tech	-1.99	Consumer Disc	21.7	Industrial	+4%	Industrial	+3%
10	Health Care	-2.06	Info Tech	27.6	Energy	-16%	Energy	-0%

Source: Bloomberg, TrendMacro calculations

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

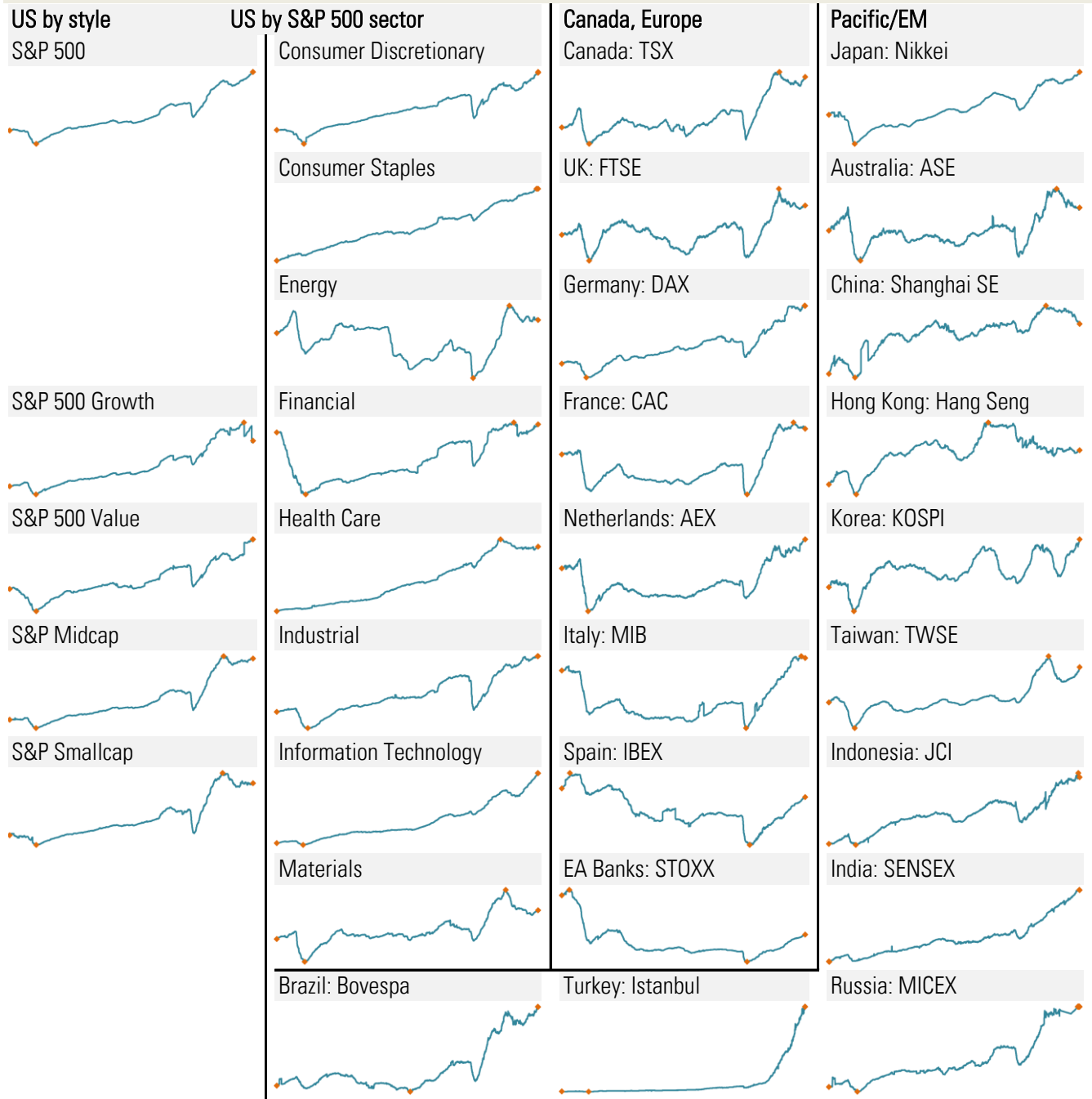
Standard deviations from mean • First, High, Low, Last



Source: Bloomberg, TrendMacro calculations

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

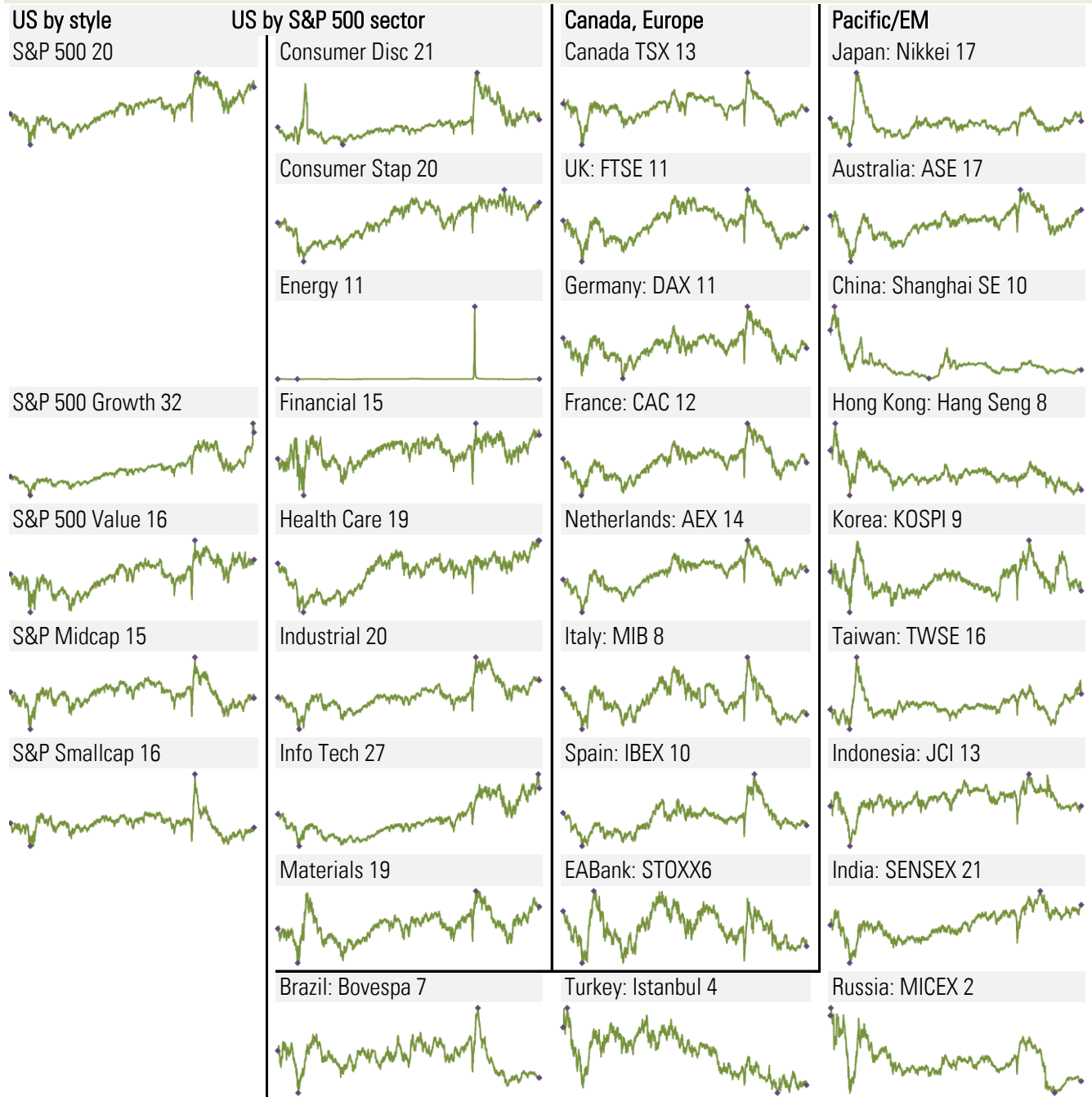
• First, High, Low, Last



Source: Bloomberg, TrendMacro calculations

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

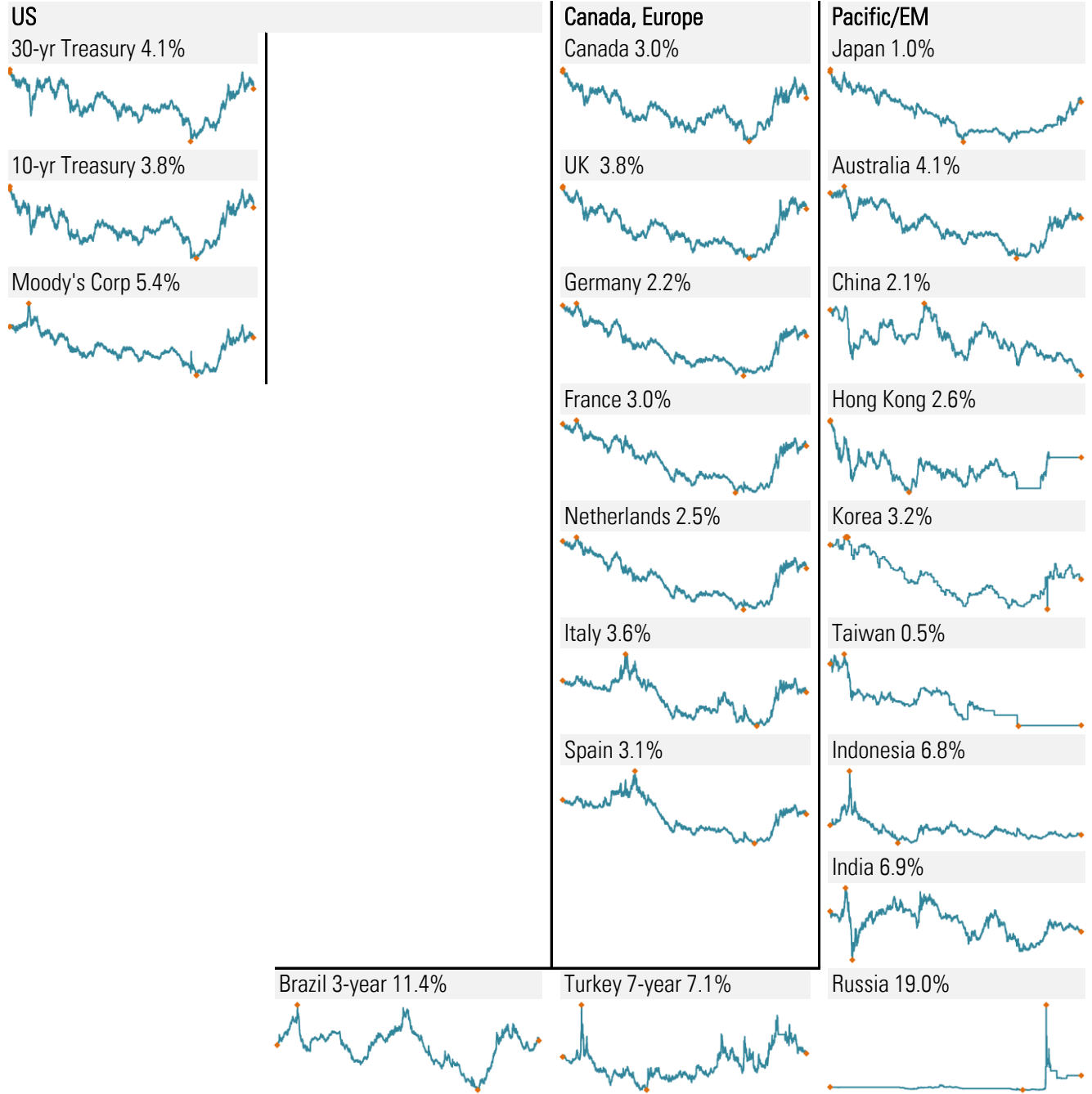
• First, High, Low, Last



Source: Bloomberg, TrendMacro calculations

Benchmark bond yields, July 2007 to current

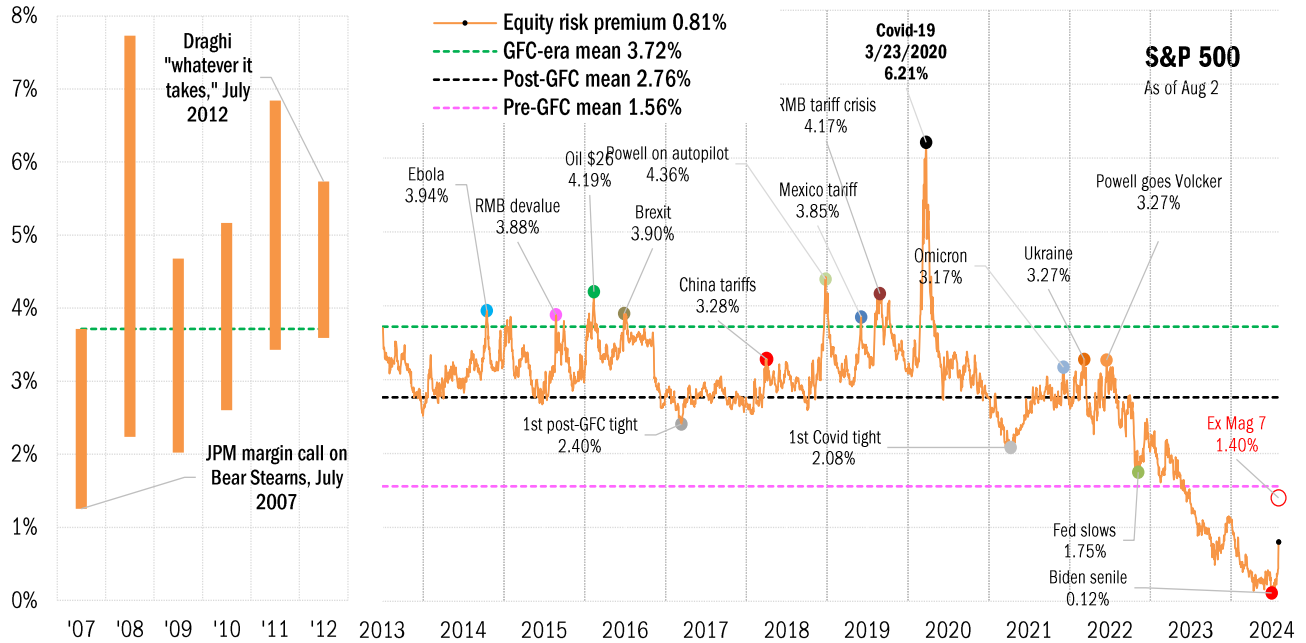
10-year government, unless indicated • First, High, Low, Last



Source: Bloomberg, TrendMacro calculations

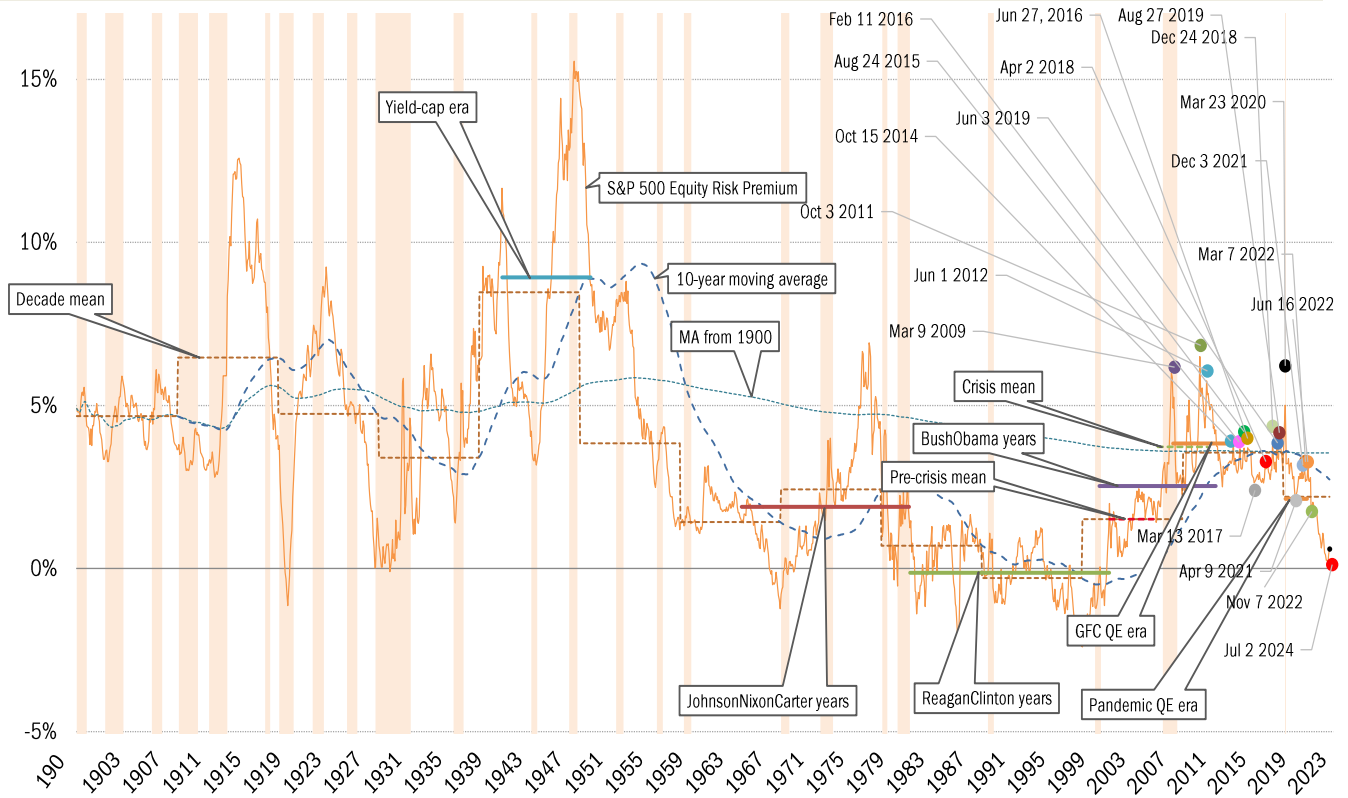
Daily S&P 500 equity risk premium in the era of crises

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



Versus 30-year Treasury Source: Bloomberg, NBER, TrendMacro calculations

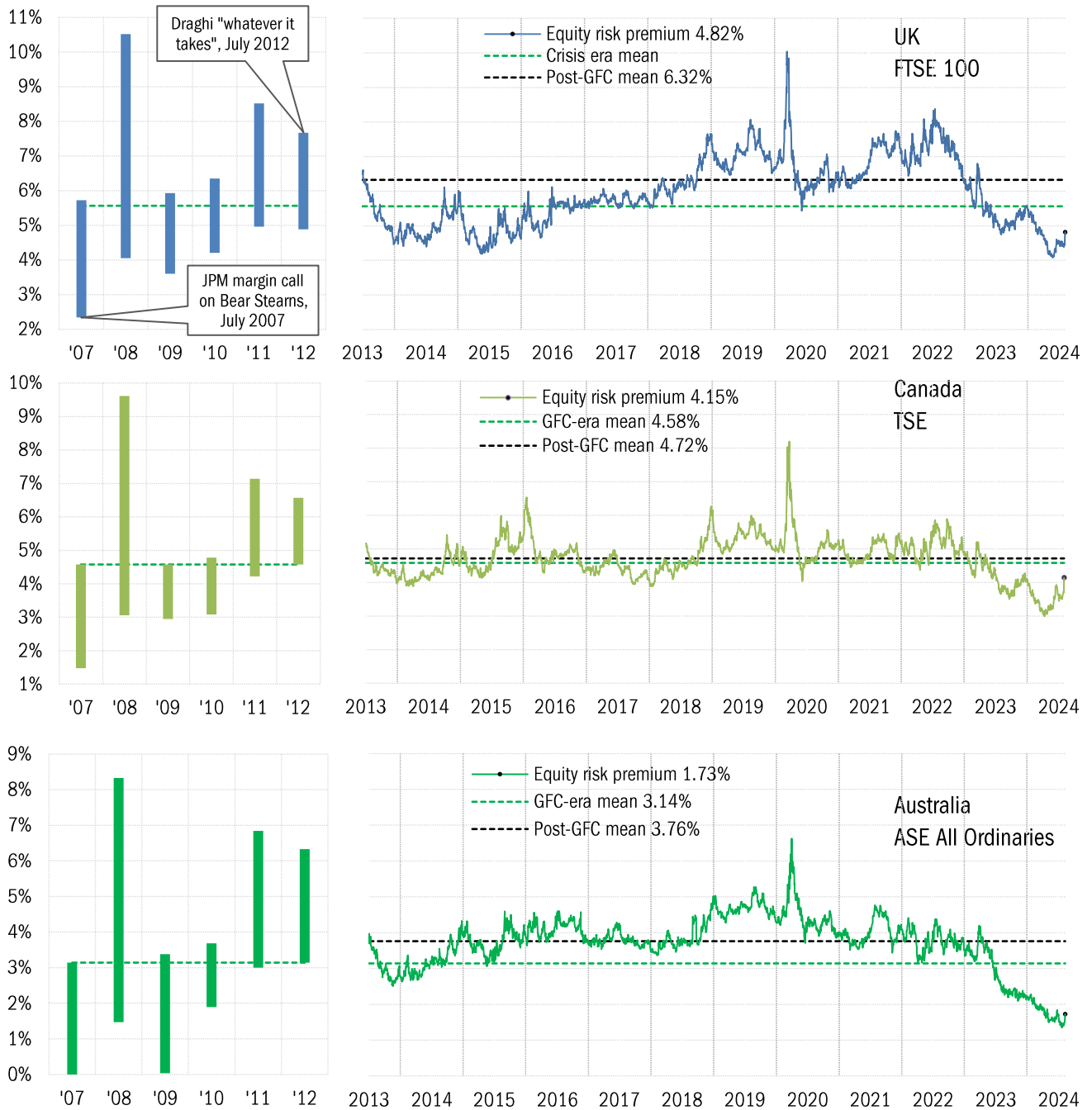
A century-plus of the monthly S&P 500 equity risk premium



Versus 30-year Treasury Source: Various, TrendMacro calculations

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

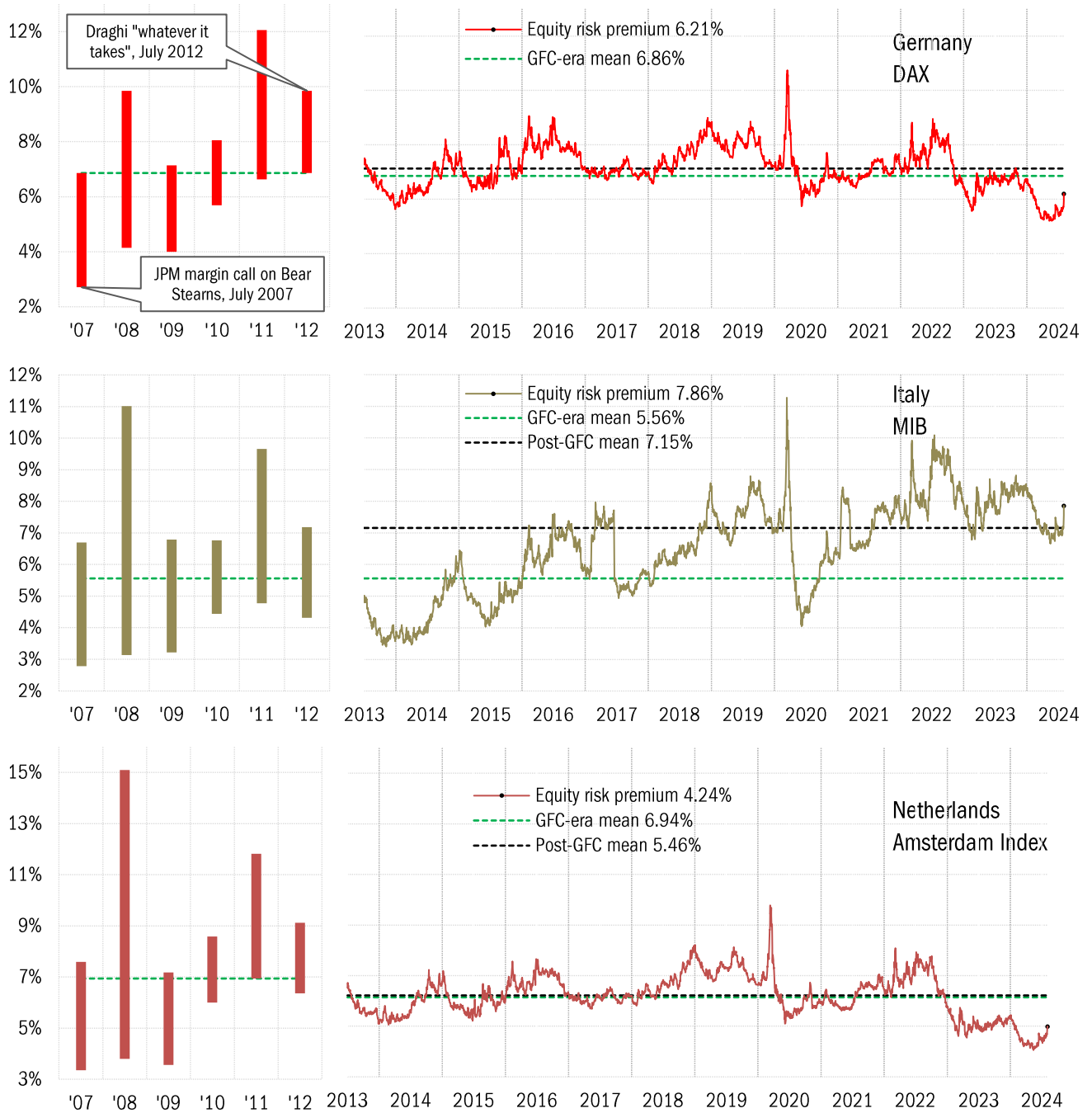
July-to-June 12-mo range (left panel), daily from July 2013 (right panel)



Source: Bloomberg, TrendMacro calculations

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

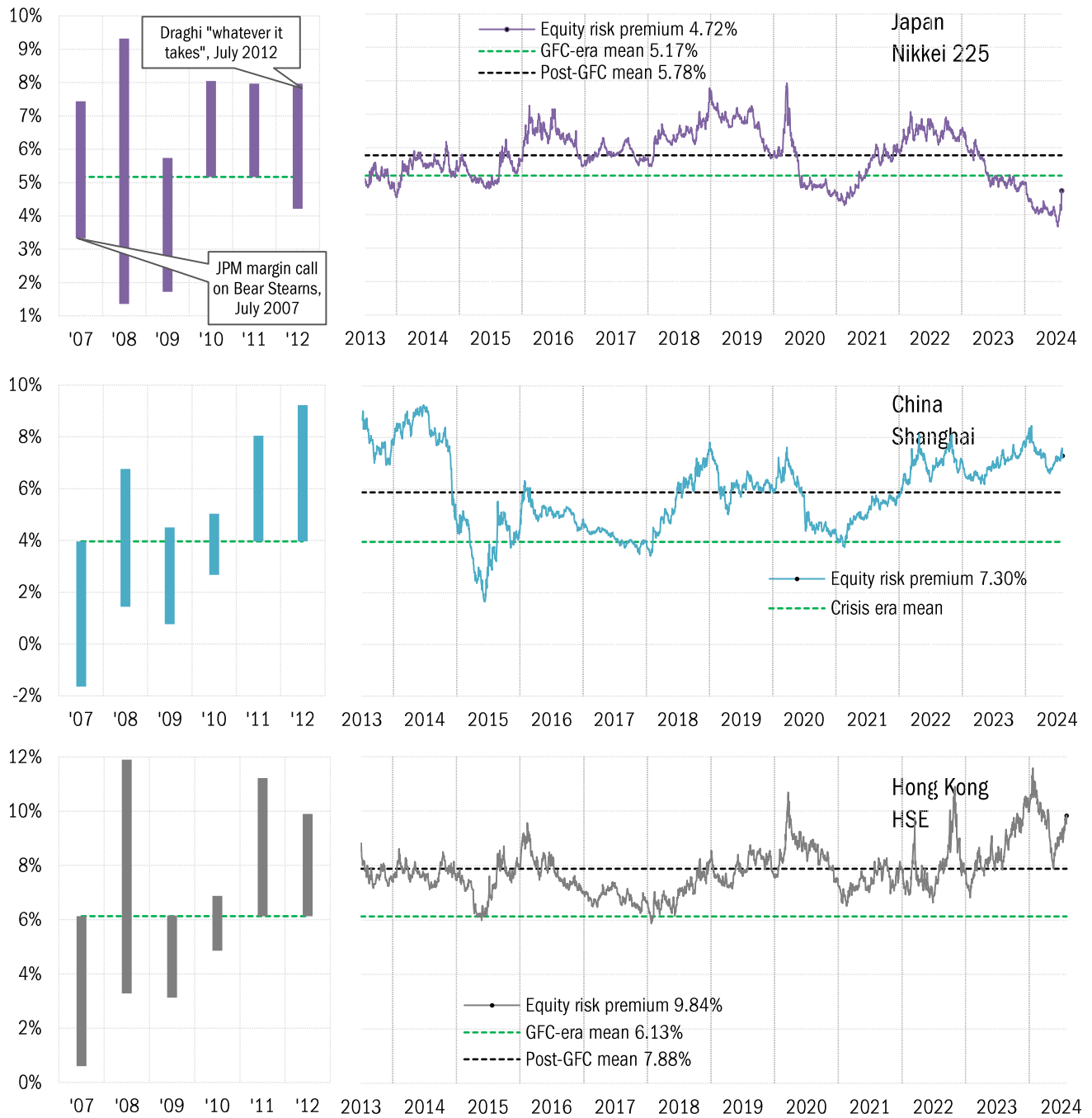
July-to-June 12-mo range (left panel), daily from July 2013 (right panel)



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