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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, October 7, 2024

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

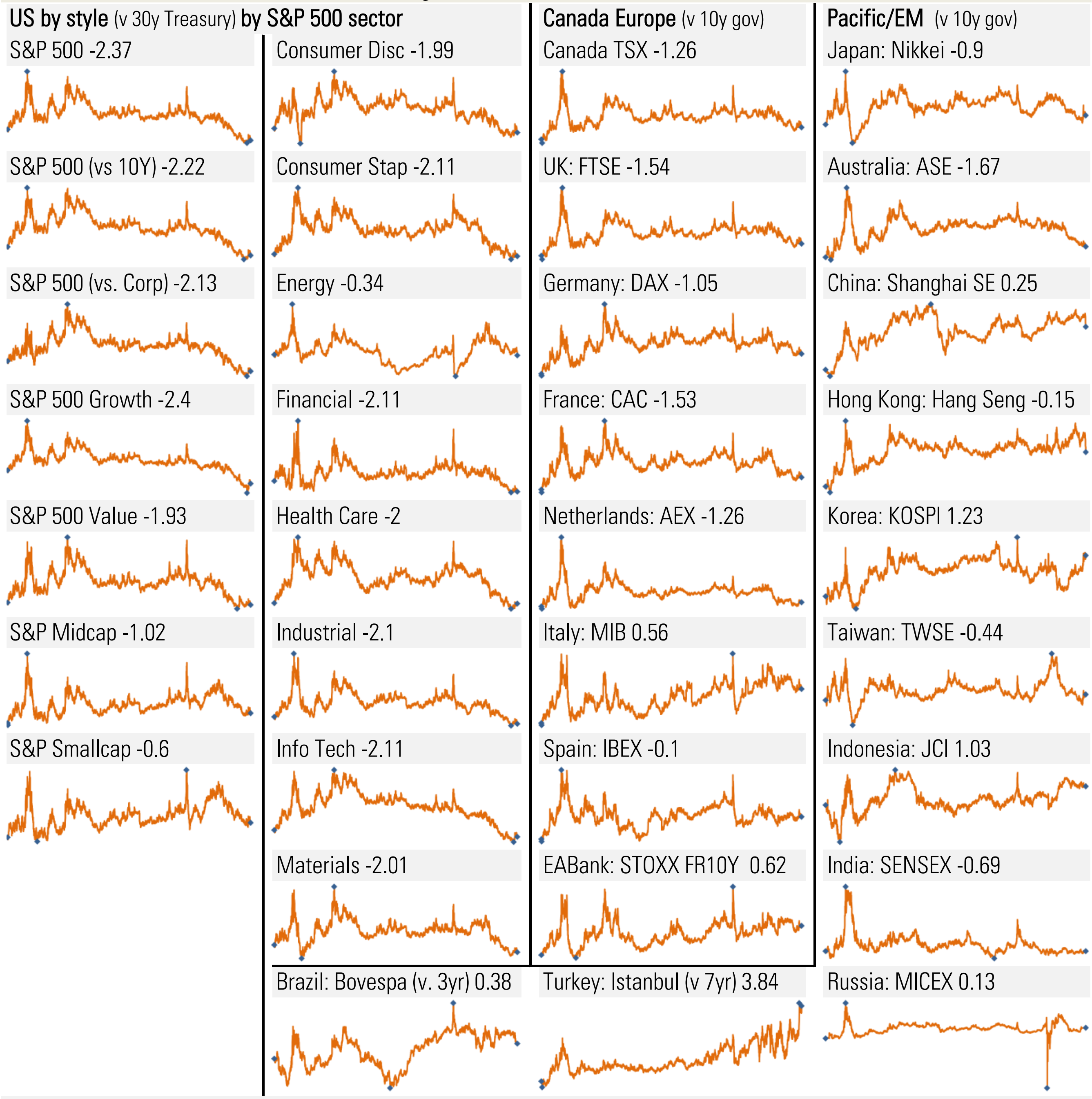
Best Worst

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	Turkey: Istanbul	+3.84	Russia: MICEX	2.6	Taiwan:TWSA	+52%	Turkey: Istanbul	+188%
2	Korea: KOSPI	+1.24	Turkey: Istanbul	3.4	Turkey: Istanbul	+43%	Taiwan:TWSA	+16%
3	Indonesia:JCI	+1.03	Brazil: Bovespa	7.8	Korea: KOSPI	+21%	HK: Hang Seng	+12%
4	Italy: MIB	+0.57	Korea: KOSPI	8.7	HK: Hang Seng	+20%	Korea: KOSPI	+8%
5	Brazil: Bovespa	+0.39	Italy: MIB	9.5	Japan: Nikkei	+16%	Brazil: Bovespa	+8%
6	China: Shanghai SE	+0.25	HK: Hang Seng	10.4	India: SENSEX	+13%	Canada:TSX	+8%
7	Russia: MICEX	+0.13	Spain: IBEX	11.0	US: S&P 500	+10%	India: SENSEX	+7%
8	Spain: IBEX	-0.10	UK: FTSE	11.9	Spain: IBEX	+10%	Japan: Nikkei	+7%
9	HK: Hang Seng	-0.15	China: Shanghai SE	12.4	Canada:TSX	+8%	US: S&P 500	+4%
10	Taiwan:TWSA	-0.44	Germany: DAX	13.0	Brazil: Bovespa	+2%	Germany: DAX	+4%
11	India: SENSEX	-0.70	France: CAC	13.4	Netherlands: AEX	+1%	Russia: MICEX	Unch
12	Japan: Nikkei	-0.91	Indonesia:JCI	13.6	Russia: MICEX	Unch	Spain: IBEX	-0%
13	Germany: DAX	-1.05	Canada:TSX	15.2	Germany: DAX	-5%	Australia: ASE	-1%
14	Canada:TSX	-1.26	Netherlands: AEX	15.5	UK: FTSE	-6%	Indonesia:JCI	-3%
15	Netherlands: AEX	-1.27	Taiwan:TWSA	16.2	Indonesia:JCI	-7%	UK: FTSE	-5%
16	France: CAC	-1.53	Japan: Nikkei	18.7	France: CAC	-16%	Italy: MIB	-7%
17	UK: FTSE	-1.54	Australia: ASE	18.7	Australia: ASE	-17%	France: CAC	-7%
18	Australia: ASE	-1.68	India: SENSEX	20.9	China: Shanghai SE	-18%	Netherlands: AEX	-14%
19	US: S&P 500	-2.37	US: S&P 500	21.7	Italy: MIB	-18%	China: Shanghai SE	-14%
	US, by style		US, by style		US, by style		US, by style	
1	S&P Smallcap	-0.61	S&P Smallcap	15.9	S&P 500 Growth	+192%	S&P 500 Growth	+179%
2	S&P Midcap	-1.02	S&P Midcap	16.5	S&P 500	+10%	S&P Midcap	+9%
3	S&P 500 Value	-1.93	S&P 500 Value	17.0	S&P Midcap	+3%	S&P 500	+4%
4	S&P 500	-2.37	S&P 500	21.7	S&P Smallcap	+3%	S&P 500 Value	-1%
5	S&P 500 Growth	-2.41	S&P 500 Growth	27.0	S&P 500 Value	+2%	S&P Smallcap	-8%
	US, by sector		US, by sector		US, by sector		US, by sector	
1	Energy	-0.35	Energy	13.9	Info Tech	+30%	Info Tech	+31%
2	Communications	-1.97	Financial	16.4	Communications	+20%	Health Care	+12%
3	Consumer Disc	-1.99	Communications	18.7	Health Care	+16%	Communications	+9%
4	Health Care	-2.00	Utilities	18.8	Utilities	+11%	Financial	+6%
5	Materials	-2.01	Health Care	19.0	Financial	+10%	Consumer Stap	+3%
6	Industrial	-2.10	Consumer Stap	20.9	Industrial	+7%	Consumer Disc	+3%
7	Info Tech	-2.11	Materials	21.0	Consumer Disc	+6%	Utilities	+2%
8	Consumer Stap	-2.11	Industrial	22.4	Materials	+2%	Materials	+1%
9	Financial	-2.12	Consumer Disc	24.5	Consumer Stap	-0%	Energy	-5%
10	Utilities	-2.17	Info Tech	28.6	Energy	-37%	Industrial	-8%

Source: Bloomberg, TrendMacro calculations

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

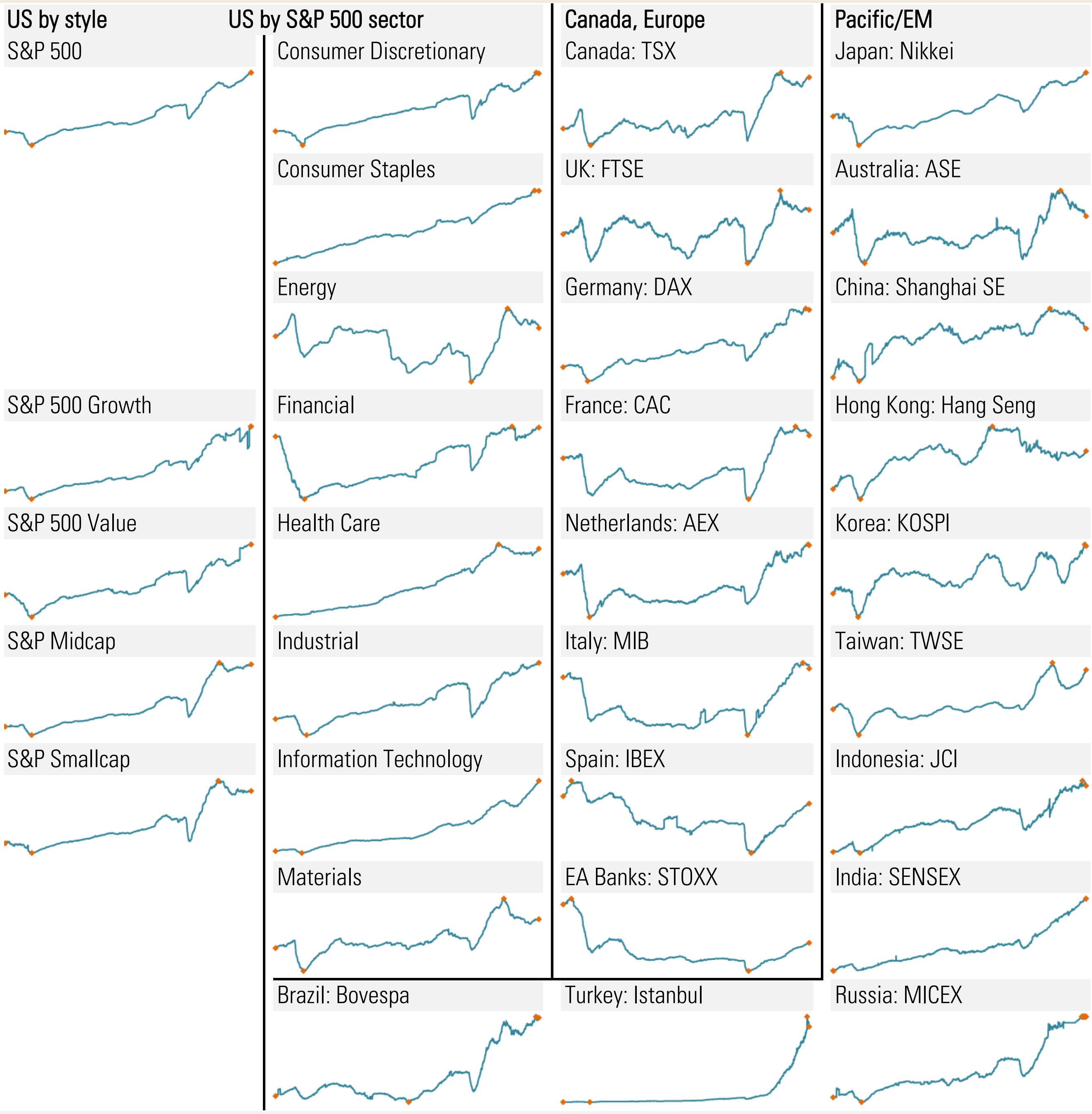
Standard deviations from mean ● First, High, Low, Last



Source: Bloomberg, TrendMacro calculations

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

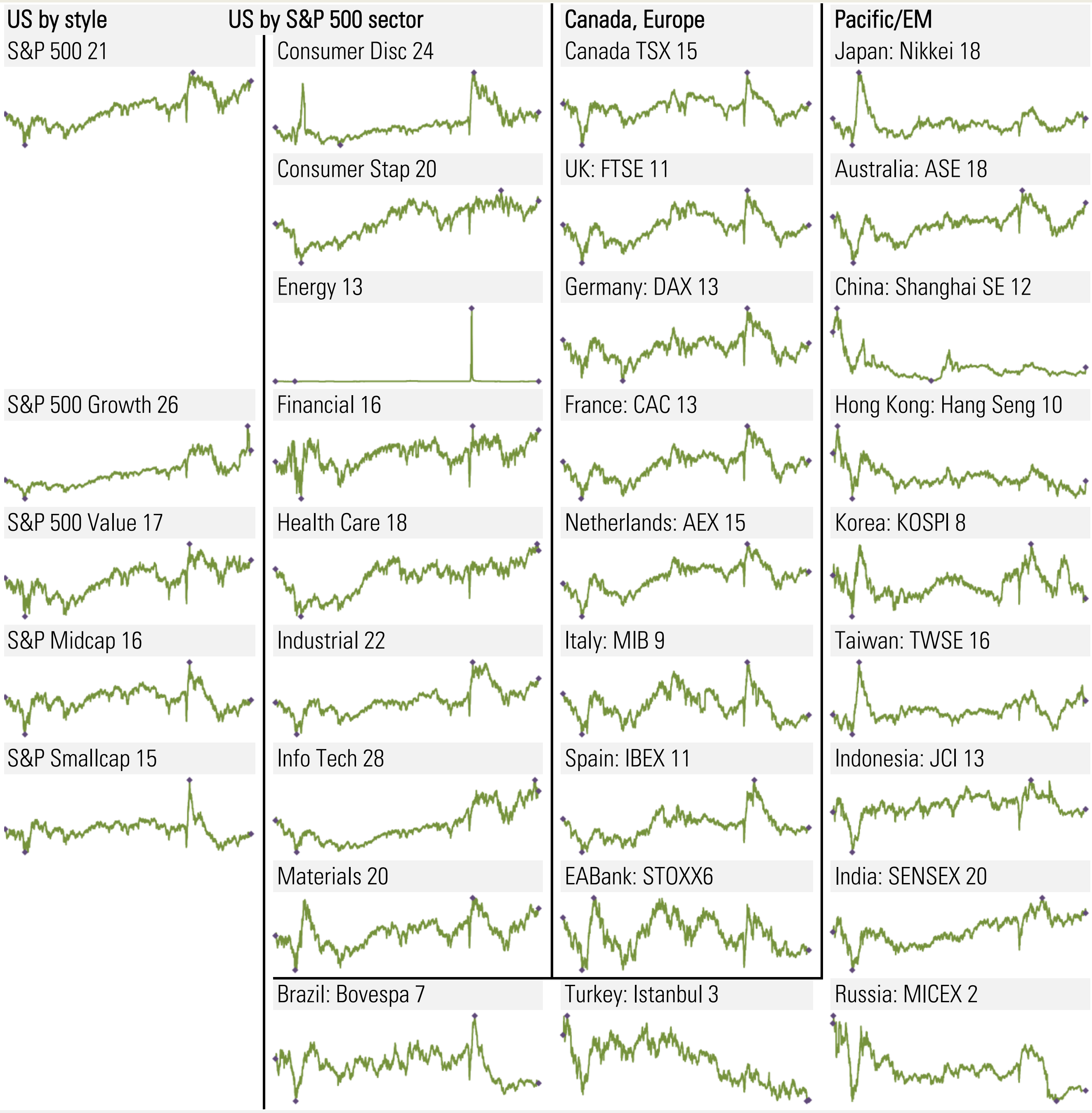
● First, High, Low, Last



Source: Bloomberg, TrendMacro calculations

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

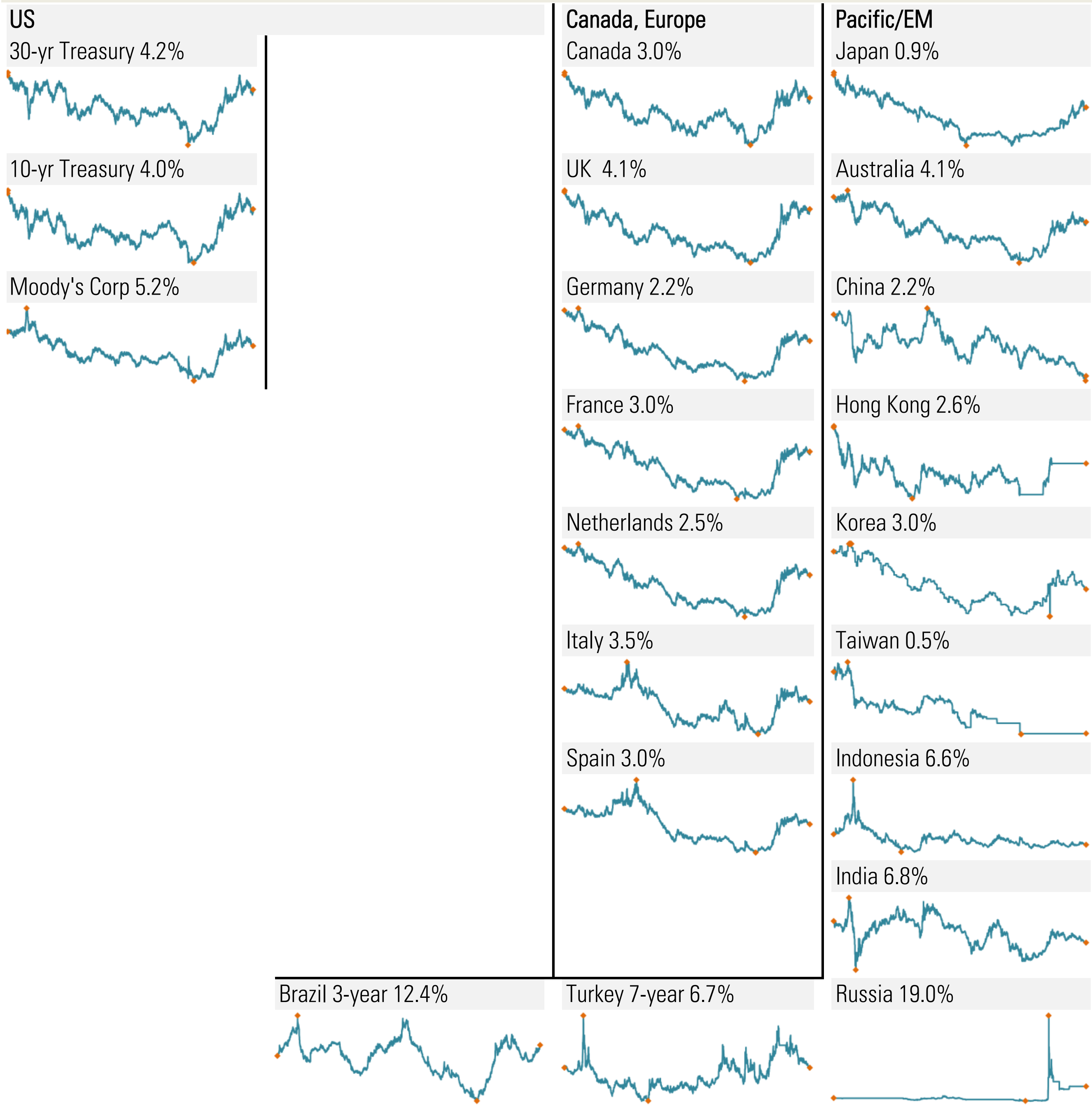
• First, High, Low, Last



Source: Bloomberg, TrendMacro calculations

Benchmark bond yields, July 2007 to current

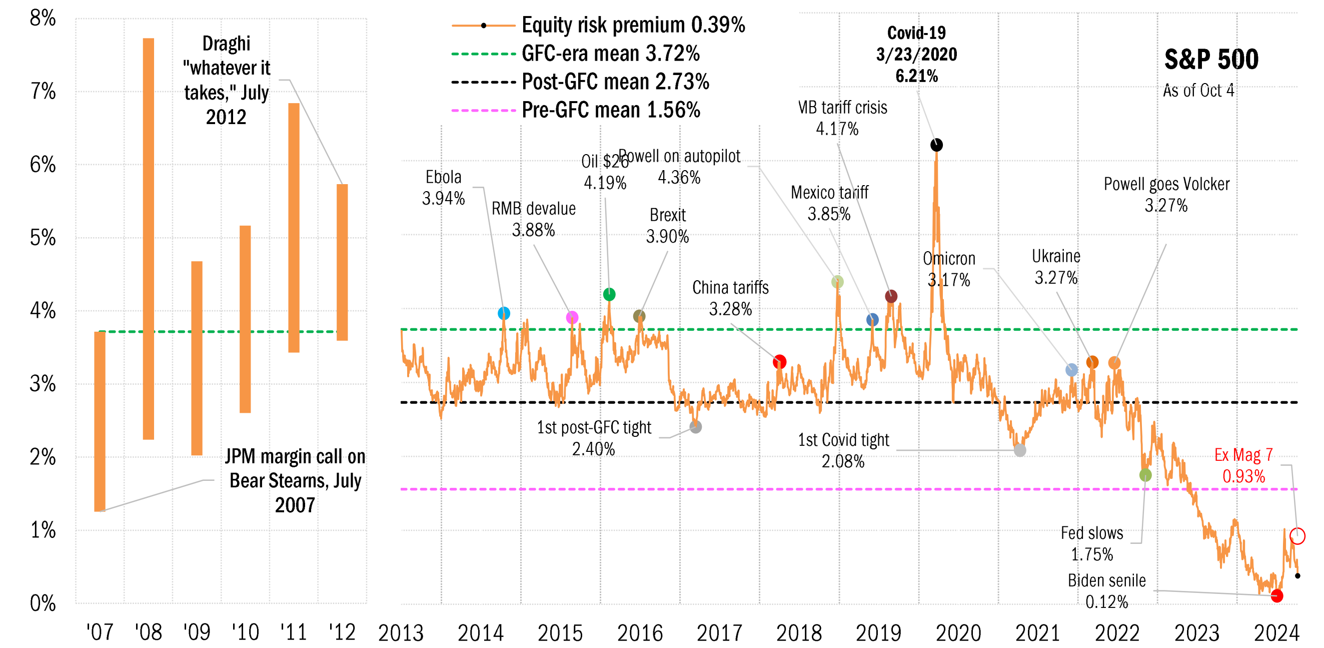
10-year government, unless indicated ● First, High, Low, Last



Source: Bloomberg, TrendMacro calculations

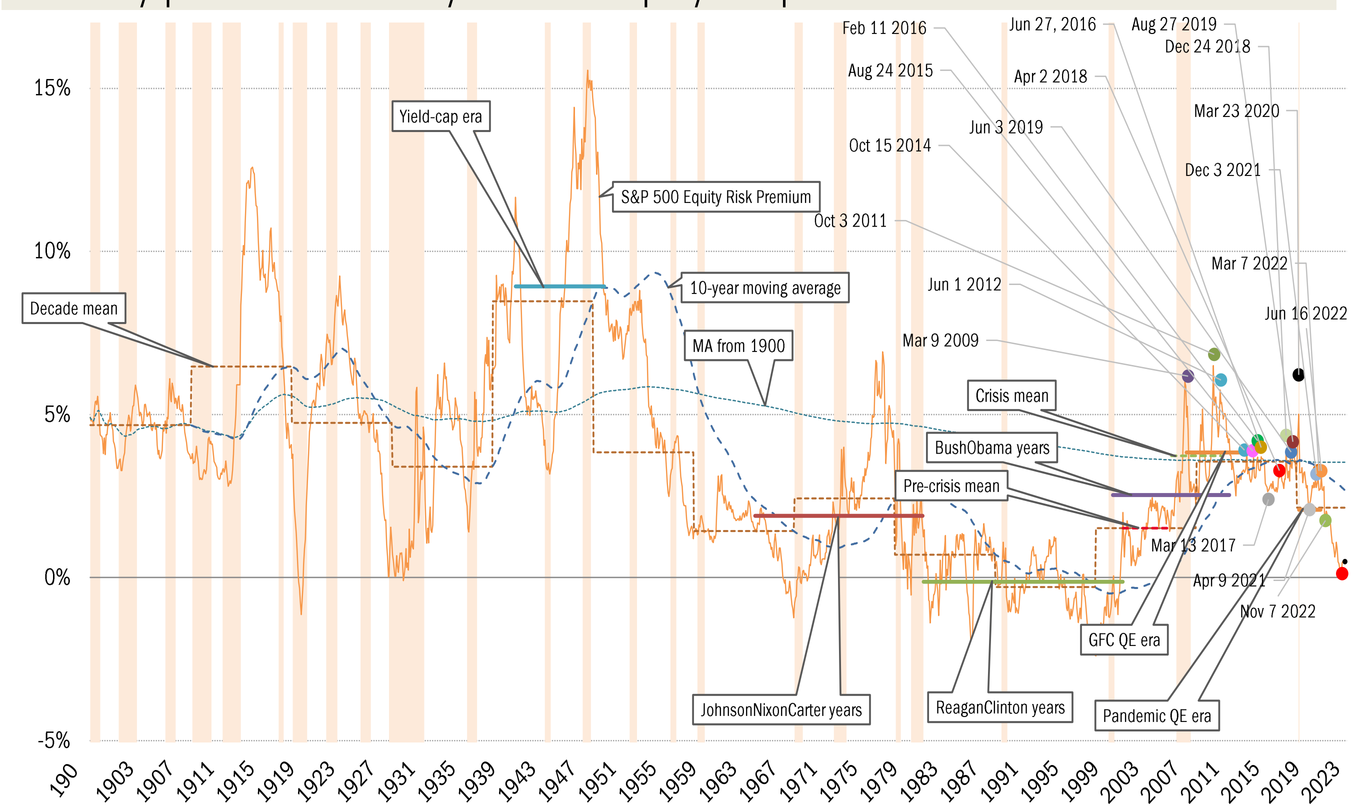
Daily S&P 500 equity risk premium in the era of crises

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



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

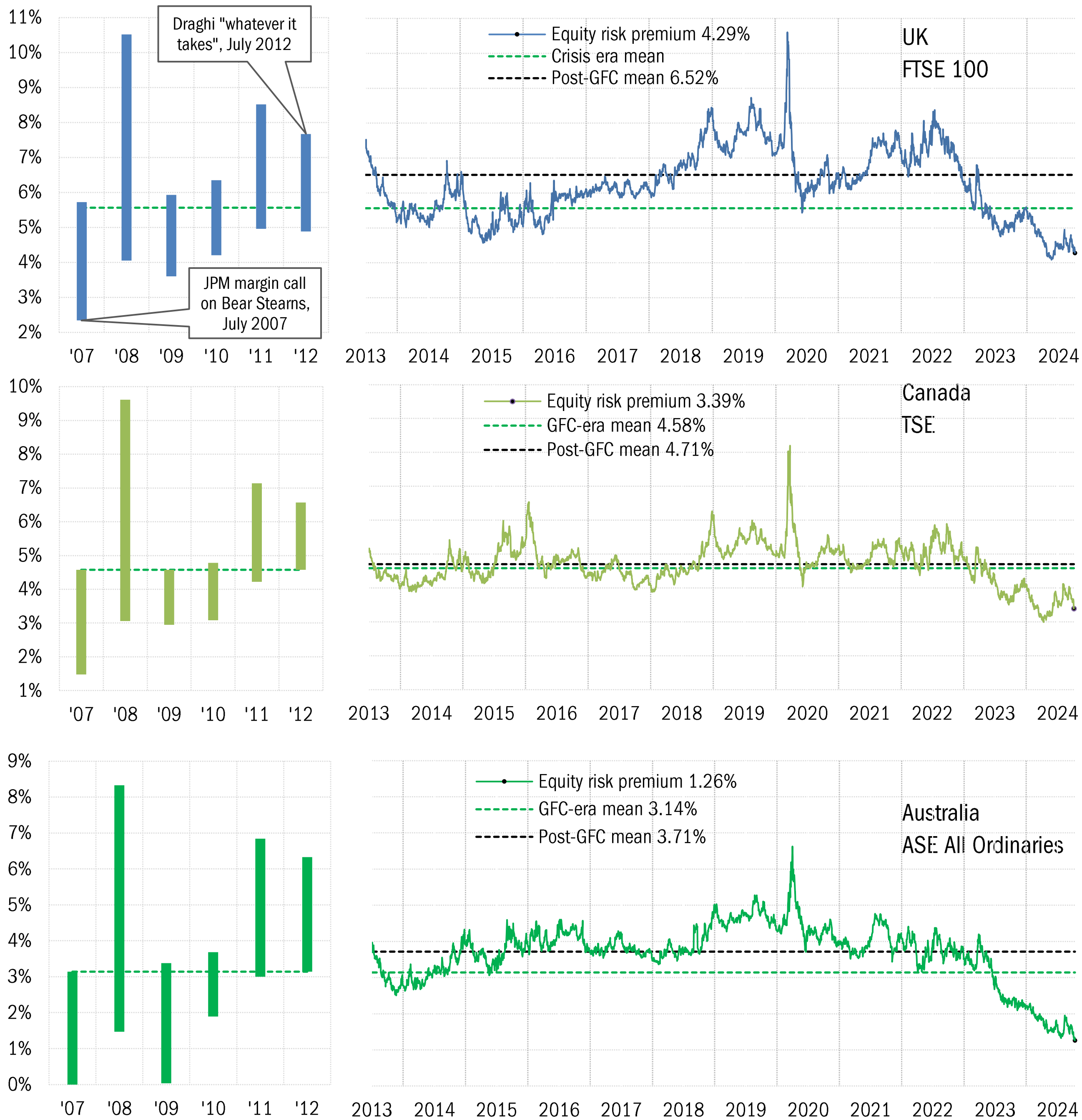
A century-plus of the monthly S&P 500 equity risk premium



Versus 30-year Treasury Source: Various, TrendMacro calculations

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

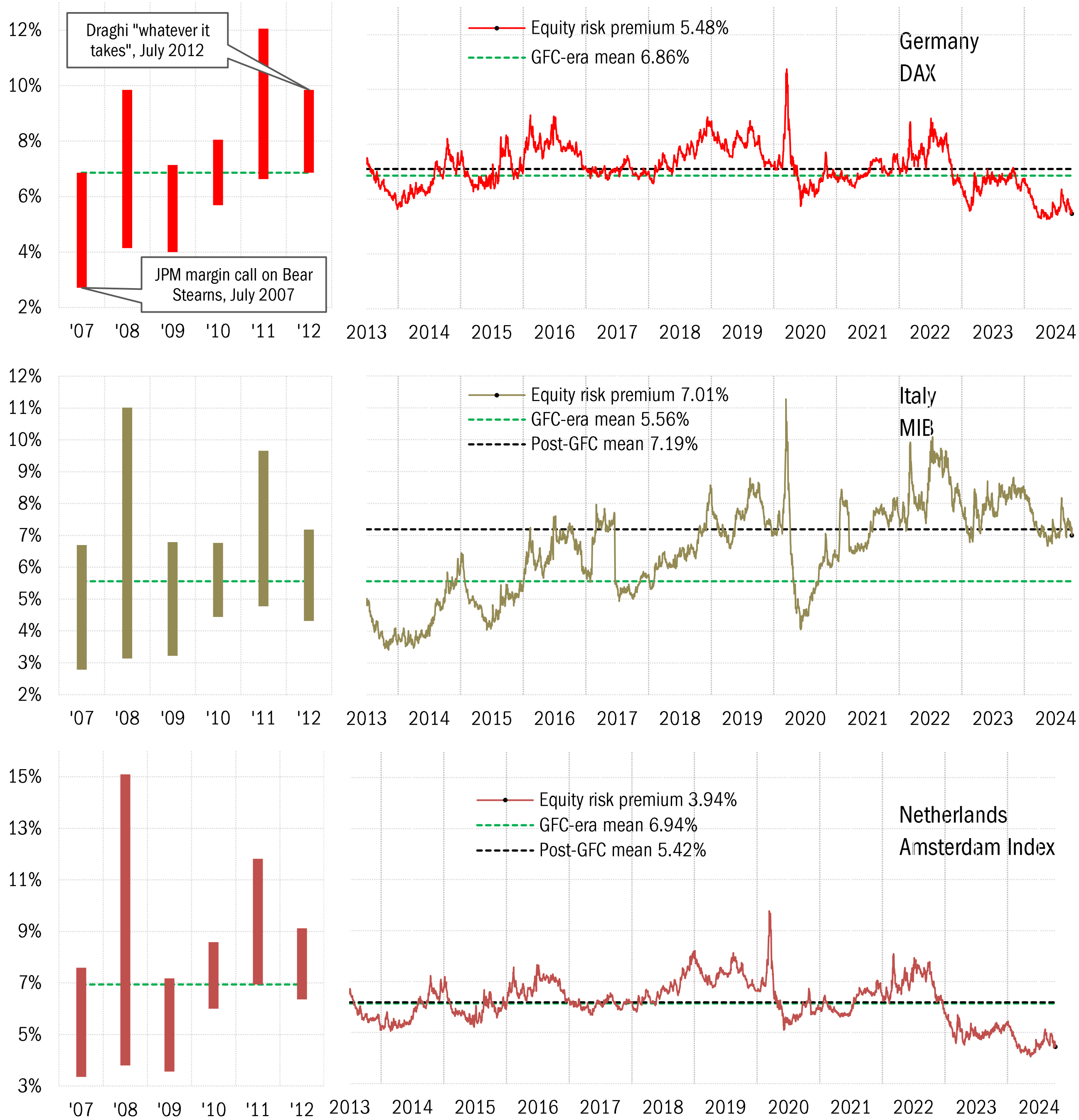
July-to-June 12-mo range (left panel), daily from July 2013 (right panel)



Source: Bloomberg, TrendMacro calculations

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

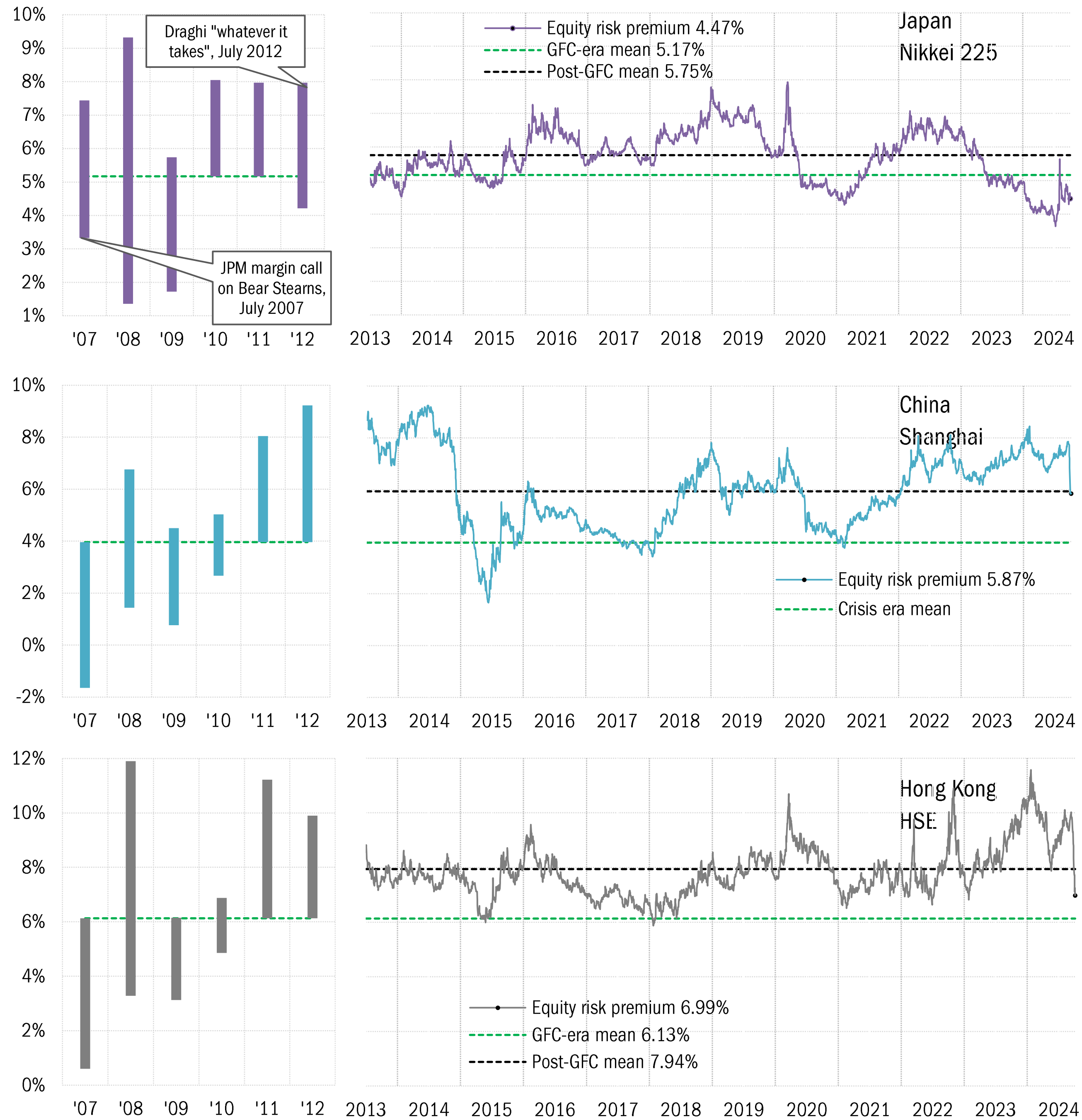
July-to-June 12-mo range (left panel), daily from July 2013 (right panel)



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