Note: Corrections are declines of 10% or more, while minor ones are 5%-10% (all in blue shades). Bear markets are declines of 20% or more (in red shades). Number of calendar days in parentheses.
Source: Standard & Poor’s.

Source: Haver Analytics.
Figure 3.

Source: Chicago Board Options Exchange.

Figure 4.

* US high-yield corporate less 10-Year Treasury.
Source: Bank of America Merrill Lynch and Federal Reserve Board.
Figure 5.
S&P 500 VIX & HIGH YIELD CORPORATE BOND SPREAD

S&P 500 VIX (9.36)

High-Yield Corporate Spread* (325.20)

* US high-yield corporate bond yield less 10-year Treasury bond yield (basis points).
Source: Chicago Board Options Exchange, Bank of America Merill Lynch, and Federal Reserve Board.

Figure 6.
S&P 500 VIX & INVESTORS INTELLIGENCE BEARS

S&P 500 VIX (9.4)
Investors Intelligence Bears (percent) (16.7)

Source: Investors Intelligence and Chicago Board Options Exchange.
Figure 8.

TOTAL ASSETS OF MAJOR CENTRAL BANKS
(trillion dollars)

- Fed (Jun=4.4)
- ECB (Jun=4.7)
- BOJ (Jun=4.5)

Source: Haver Analytics.

Figure 9.

EUROZONE: PRIVATE SECTOR* LOANS OUTSTANDING AT MFIs**
(trillion euros, sa)

- Total Private Sector (10.7)
- Households (including non-profit institutions) (5.5)
- Nonfinancial Corporations (4.3)
- Others*** (0.9)

* Total Private Sector includes Households (including non-profit institutions), Nonfinancial corporations, Other financial intermediaries, insurance corporations, and pension funds.
** Monetary Financial Institutions (MFIs) exclude Euro System of Central Banks (ESCB) and Money Market Funds (MMFs).
*** Others include other financial intermediaries, insurance corporations, and pension funds.

Source: Haver Analytics and ECB.
Figure 10.

EUROZONE: CONSUMER PRICE INDEX
(yearly percent change)

CPI (1.3)

ECB’s Inflation Target

Jun

Source: Statistical Office of the European Communities.

Figure 11.

CONSUMER PRICE INDEX: JAPAN
(yearly percent change)

CPI Inflation
- Headline
- Core*

BOJ’s Inflation Target

May

* Excluding food.

Source: Ministry of Internal Affairs and Communications.
Figure 12.

S&P 500 FINANCIALS STOCK PRICE INDEX*

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- 200-day moving average.
- *Ratio scale.
- Source: Standard & Poor’s and Haver Analytics.

Figure 13.

S&P 500 FINANCIALS STRG, STEG, & LTEG (percent)

- LTEG* (13.6)
- STEG* (12.3)
- STRG* (3.7)

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Note: STEG is year-ahead forward consensus expected short-term earnings growth. STRG is year-ahead forward consensus expected short-term revenue growth. LTEG is five-year consensus expected long-term earnings growth.

Monthly data through 2005, weekly thereafter.

Source: Thomson Reuters I/B/E/S.
**Figure 14.**

**S&P 500 FINANCIALS VALUATION**

- Forward P/E* (13.9)
- Relative P/E** (0.8)
- PEG Ratio*** (1.0)

* Price divided by 12-month forward consensus expected operating earnings per share.
** Sector or industry forward P/E relative to S&P 500 forward P/E.
*** Sector or industry forward P/E relative to sector or industry consensus 5-year LTEG forecast.
Source: Thomson Reuters I/B/E/S.

**Figure 15.**

**US TREASURY YIELDS: 10-YEAR vs. 2-YEAR**

- 10-Year (2.2)
- 2-Year (1.4)

Source: Haver Analytics.
Figure 16.

YIELD CURVE*
(basis points)

* US Treasury 10-year bond yield less federal funds rate.
Source: Federal Reserve Board.

Figure 17.

S&P 500 DIVERSIFIED BANKS LTEG VS STEG
(percent)

LTEG* (10.2)
STEG* (12.2)
STEG capped at 50%

* STEG: 12-month (52-week) forward consensus expected earnings growth. LTEG: 5-year forward consensus expected earnings growth. Monthly data through 2005, then weekly.
Source: Thomson Reuters I/B/E/S.
Note: STEG is year-ahead forward consensus expected short-term earnings growth. STRG is year-ahead forward consensus expected short-term revenue growth. LTEG is five-year consensus expected long-term earnings growth.

Monthly data through 2005, weekly thereafter.
Source: Thomson Reuters I/B/E/S.

Source: Board of Governors of the Federal Reserve System.
Note: STEG is year-ahead forward consensus expected short-term earnings growth. STRG is year-ahead forward consensus expected short-term revenue growth. LTEG is five-year consensus expected long-term earnings growth.

Monthly data through 2005, weekly thereafter.

Source: Thomson Reuters I/B/E/S.