August 6, 2019

Dr. Edward Yardeni
516-972-7683
eyardeni@yardeni.com

Mali Quintana
480-664-1333
aquintana@yardeni.com

Please visit our sites at
www.yardeni.com
blog.yardeni.com

thinking outside the box
US-China Trade War Escalates

Trump Threatens New Tariffs on China

S&P 500 & Panic Attacks 2019

Source: Standard & Poor’s.

CHINA: YUAN/US$ (inverted scale)

Yuan (7.04)

200-day moving average

Source: Haver Analytics.
Figure 3.
BOND MUTUAL FUNDS
(cumulative flows since 1990, trillion dollars)

Cumulative Flows
- Net Assets (4.2)
- Net Inflows (3.7)
- Capital Gains (0.5)


Figure 4.
ETF BOND INDEX FUNDS
(cumulative flows since 2003, billion dollars)

Cumulative Flows
- Net Assets (730.9)
- Net Inflows (719.7)
- Capital Gains (11.3)

Figure 5.

OFFICIAL INTEREST RATES
(percent)

Official Interest Rates
- Fed Funds Rate Target (2.13)
- ECB Deposit Facility Rate (-0.40)
- BOJ Overnight Rate (-0.05)

Source: Federal Reserve Board, European Central Bank and Haver Analytics.

Figure 6.

S&P 500 OPERATING EARNINGS PER SHARE: QUARTERLY FORECASTS 2019
(analysts' consensus estimates, dollars, weekly)

2019 By Quarter as of 08/01/19

<table>
<thead>
<tr>
<th></th>
<th>Q2</th>
<th>Q3</th>
<th>Q4</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jul 25</td>
<td>40.20</td>
<td>42.42</td>
<td>43.75</td>
</tr>
<tr>
<td>Aug 1</td>
<td>41.17</td>
<td>42.19</td>
<td>43.53</td>
</tr>
</tbody>
</table>

Source: I/B/E/S data by Refinitiv.
Figure 7.

S&P 500: CONSENSUS QUARTERLY Y/Y EPS GROWTH 2019
(consensus analysts’ estimates in percent, weekly)

2019 By Quarter as of 08/01/19

<table>
<thead>
<tr>
<th>Q1</th>
<th>Q2</th>
<th>Q3</th>
<th>Q4</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jul 25</td>
<td>2.8</td>
<td>-2.0</td>
<td>-0.6</td>
</tr>
<tr>
<td>Aug 1</td>
<td>2.8</td>
<td>0.4</td>
<td>-1.1</td>
</tr>
</tbody>
</table>

Source: I/B/E/S data by Refinitiv.

Figure 8.

S&P 500 REVENUES PER SHARE: ACTUAL (S&P quarterly data) & FORWARD (I/B/E/S weekly data)
(dollars, ratio scale)

Revenues Per Share
- 52-week Forward*
- Actual (x4)

* Time-weighted average of consensus estimates for current year and next year. Monthly through December 2005, then weekly.
Source: Standard & Poor’s (for actual revenues) and I/B/E/S data by Refinitiv (for forward revenues).
Figure 9.

S&P 500 Forward Revenues & Earnings per Share

- Forward Revenues* (1441.01)
- Forward Earnings* (176.53)

* Time-weighted average of consensus estimates for current year and next year.
Source: I/B/E/S data by Refinitiv and Standard & Poor’s.

Figure 10.

S&P 500 Operating Earnings Annual Growth Forecasts*
(based on analysts’ consensus estimates, percent, weekly)

2011 (14.9)
2012 (6.0)
2013 (6.1)
2014 (7.0)
2015 (0.5)
2016 (1.5)
2017 (11.2)
2018 (23.8)
2019 (2.0)
2020 (10.8)

Latest data thru 07/25/19
Source: I/B/E/S data by Refinitiv.
CRB RAW INDUSTRIALS SPOT PRICE INDEX*  
(1967=100, daily)  

* Includes copper scrap, lead scrap, steel scrap, tin, zinc, burlap, cotton, print cloth, wool tops, hides, rosin, rubber, and tallow.  
Source: Commodity Research Bureau.

J.P. MORGAN GLOBAL M-PMI  
(sa)  

Source: J.P. Morgan and Markit in association with ISM and IFPSM.
Figure 13.
MARKIT GLOBAL M-PMIs
(5a)

Developed Markets (Jul=48.6)
Emerging Markets (Jul=50.1)

Source: J.P. Morgan and Markit in association with ISM and IFPSM.

Figure 14.
PURCHASING MANAGERS INDEXES: MANUFACTURING*

US (Jul=51.2)
UK (Jul=48.0)
Eurozone (Jul=46.5)
Japan (Jul=49.4)

* An index above 50 indicates an increase in manufacturing activity. An index below 50 indicates a decrease in manufacturing activity.
**Figure 15.**

EUROZONE: ECONOMIC SENTIMENT INDICATOR* & REAL GDP

- Real GDP (yearly percent change) (1.1)
- Economic Sentiment Indicator* (long-term average=100, sa) (102.7)

* The overall economic sentiment indicator (ESI) is derived from the industrial (weight 40%), service (30%), consumer (20%), construction (5%), and retail trade (5%) confidence indicators.

Source: Statistical Office of the European Communities, European Commission, and Haver Analytics.

**Figure 16.**

EUROZONE: ECONOMIC SENTIMENT INDICATORS

- Industrial (-7.4)
- Services (10.6)
- Consumer (-6.6)
- Retail Trade (-0.7)
- Construction (5.0)

Source: European Commission.