Chart Collection for Morning Briefing

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thinking outside the box
AFTER-TAX CORPORATE PROFITS: NIPA BOOK vs S&P 500
(billion dollars, quarterly, ratio scale)

After-Tax Reported Profits
- Book Profits (NIPA data)*
- S&P 500 Reported Net Income (S&P GAAP data)**

* Annualized and seasonally adjusted. Excluding Inventory Valuation Adjustment and Capital Consumption Adjustment.
** Annualized and not seasonally adjusted. Q4-2008 not shown because of large negative value.
Source: Bureau of Economic Analysis and Standard & Poor’s.

S&P 500 AGGREGATE REPORTED NET INCOME (GAAP basis)
(four-quarter sum as a percent of four-quarter sum of NIPA after-tax book profits*)

* Profits reported on tax returns.
Source: Bureau of Economic Analysis and Standard & Poor’s.
Figure 3.

S&P 500 REPORTED PROFIT MARGIN & AFTER-TAX CORPORATE PROFITS MARGIN
(without IVA & CCAdj)

- Corporate Profits After Tax* (as a percent of nominal GDP) (8.6)
- S&P 500 Profit Margin: Reported (percent) (9.8)

* After-tax profits as reported to IRS excluding Inventory Valuation Adjustment (IVA) and Capital Consumption Adjustment (CCAdj), which restate the historical cost basis used in profits tax accounting for inventory withdrawals and depreciation to the current cost measures used in GDP. Note: Shaded areas denote recessions according to the National Bureau of Economic Research. Q4-2008 not shown because of large negative value.

Source: Standard & Poor’s, I/B/E/S data by Refinitiv, and Bureau of Economic Analysis.

Figure 4.

S&P 500 OPERATING PROFIT MARGIN (I/B/E/S data) & AFTER-TAX CORPORATE PROFIT MARGIN (without IVA & CCAdj)

- Corporate Profits After Tax* (as a percent of nominal GDP) (blue line)
- S&P 500 Operating Profit Margin Using I/B/E/S Earnings** (percent, quarterly, nsa) (red line)

* After-tax profits as reported to IRS excluding Inventory Valuation Adjustment (IVA) and Capital Consumption Adjustment (CCAdj), which restate the historical cost basis used in profits tax accounting for inventory withdrawals and depreciation to the current cost measures used in GDP.
** Operating Profit Margin derived using revenues from S&P and earnings from I/B/E/S data by Refinitiv.

Note: Shaded areas denote recessions according to the National Bureau of Economic Research. Source: Standard & Poor’s, Bureau of Economic Analysis, and I/B/E/S data by Refinitiv.
Figure 5.

**S&P 500 REVENUES**
(Yearly percent change)

- S&P quarterly data, not per share. Revenues are derived by multiplying S&P 500 revenues per share by the S&P 500 divisor for each quarter.
- Source: Standard & Poor’s.

Figure 6.

**S&P 500 PROFIT MARGIN MEASURES**
(Percent)

- Time-weighted average of consensus operating earnings estimates for current and next years.
- Source: Standard & Poor’s (for actual revenues) and I/B/E/S data by Refinitiv (for forward revenues).
Figure 7.

S&P 500 AGGREGATE REVENUES (S&P data, not per share)
(yearly percent change)

Source: Standard & Poor's.

Figure 8.

S&P 500 OPERATING EARNINGS PER SHARE (I/B/E/S data by Refinitiv)*
(yearly percent change)

* Due to extreme values, Q4-2008’s -65.2% is capped at -40% and Q4-2009’s +198.9% is capped at 60%.
Source: I/B/E/S data by Refinitiv.
**Figure 9.**

**S&P 500 OPERATING EARNINGS ANNUAL GROWTH FORECASTS**
(based on analysts’ consensus estimates, percent, weekly)

Latest data thru 11/21/19

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

**Figure 10.**

**S&P 500 REVENUES ANNUAL GROWTH FORECASTS**
(based on analysts’ consensus estimates, percent, weekly)

Latest data thru 11/21/19

Source: I/B/E/S data by Refinitiv.
Figure 11.

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

2019 By Quarter as of 11/21/19

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<th>Q3</th>
<th>Q4</th>
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<td>41.08</td>
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<tr>
<td>Nov 21</td>
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<td>41.03</td>
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Source: I/B/E/S data by Refinitiv.

Figure 12.

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

2019 By Quarter as of 11/21/19

<table>
<thead>
<tr>
<th>Q1</th>
<th>Q2</th>
<th>Q3</th>
<th>Q4</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nov 14</td>
<td>2.8</td>
<td>0.8</td>
<td>-0.9</td>
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<tr>
<td>Nov 21</td>
<td>2.8</td>
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<td>-0.7</td>
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</table>

Source: I/B/E/S data by Refinitiv.
**Figure 13.**

SUB-CHAPTER S CORPORATIONS DIVIDENDS AS PERCENT OF CORPORATE PROFITS

S Corporate Dividends
As Percent of Pre-Tax Profits
- Using reported profits (22.0)
- Using profits from current production* (22.8)

* Includes Inventory Valuation Adjustment and Capital Consumption Adjustment.
Source: Bureau of Economic Analysis and IRS Statistics of Income.

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**Figure 14.**

CORPORATE PROFITS FROM CURRENT PRODUCTION
vs EXCLUDING S CORPORATIONS DIVIDENDS
(trillion dollars)

- Profits from Current Production* (Pre-Tax)
- Excluding S Corporation Dividends

* Includes Inventory Valuation Adjustment and Capital Consumption Adjustment.
Source: Bureau of Economic Analysis and IRS Statistics of Income.
Figure 15.

CORPORATE PROFITS FROM CURRENT PRODUCTION* vs EXCLUDING S CORPORATIONS DIVIDENDS

Share of National Income

- Profits from Current Production* (Pre-Tax) (11.8)
- Excluding S Corporation Dividends (10.1)

* Includes Inventory Valuation Adjustment and Capital Consumption Adjustment.
Source: Bureau of Economic Analysis and IRS Statistics of Income.

Figure 16.

COMPENSATION OF ALL EMPLOYEES (PRE-TAX) vs INCLUDING S CORPORATIONS DIVIDENDS

Share of National Income

- Compensation of All Employees (pre-tax) (62.3)
- Compensation of All Employees Plus S Corporations Dividends (68.2)

Source: Bureau of Economic Analysis and IRS Statistics of Income.