Stock Market Indicators: Misery Index

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Figure 1.

MISERY INDEX* & EQUITY BEAR MARKETS

Miserly Index (8.1)

* Unemployment rate plus yearly percent change in CPI.
Note: Shaded red areas denote S&P 500 bear market declines of 20% or more. Yellow areas show bull markets.

Figure 2.

MISERY INDEX COMPONENTS DURING BULL & BEAR MARKETS

Core PCED* (yearly percent change) (1.4)
Unemployment Rate (6.7)

* Personal consumption expenditures deflator excluding food & energy.
Note: Shaded red areas denote S&P 500 bear market declines of 20% or more. Yellow areas show bull markets.
**FORWARD PE RATIO FOR S&P 500 vs. MISERY INDEX**

- **Misery Index**
- **S&P 500 Forward P/E**

* Yearly percent change in core personal consumption expenditures deflator plus unemployment rate.
** Price divided by 12-month forward consensus expected operating earnings per share.


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**S&P 500 FORWARD PE & INFLATION**

- **Core PCED** (yearly percent change)
- **S&P 500 Forward P/E**

* Personal consumption expenditures deflator excluding food & energy.
** Price divided by 12-month forward consensus expected operating earnings per share.

MISERY INDEX DURING BULL & BEAR MARKETS*
(Percent)

- Using Core PCED + Official Unemployment Rate (8.1)
- Using Total PCED + Official Unemployment Rate (7.8)
- Using Total PCED + U6 (13.1)

* Unemployment rate plus yearly percent change in personal consumption expenditures deflators.

Note: Shaded red areas denote S&P 500 bear market declines of 20% or more. Yellow areas show bull markets.


MISERY INDEX* & STOCK MARKET CYCLE
(Percent)

* Unemployment rate plus yearly percent change in consumer price index.

Note: Shaded red areas denote S&P 500 bear market declines of 20% or more. Yellow areas show bull markets.
