

Market Briefing: S&P 500 Forward Earnings & the Economy

Yardeni Research, Inc.

August 17, 2018

Dr. Edward Yardeni

516-972-7683
eyardeni@yardeni.com

Joe Abbott

732-497-5306
jabbott@yardeni.com

Mali Quintana

480-664-1333
aquintana@yardeni.com

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



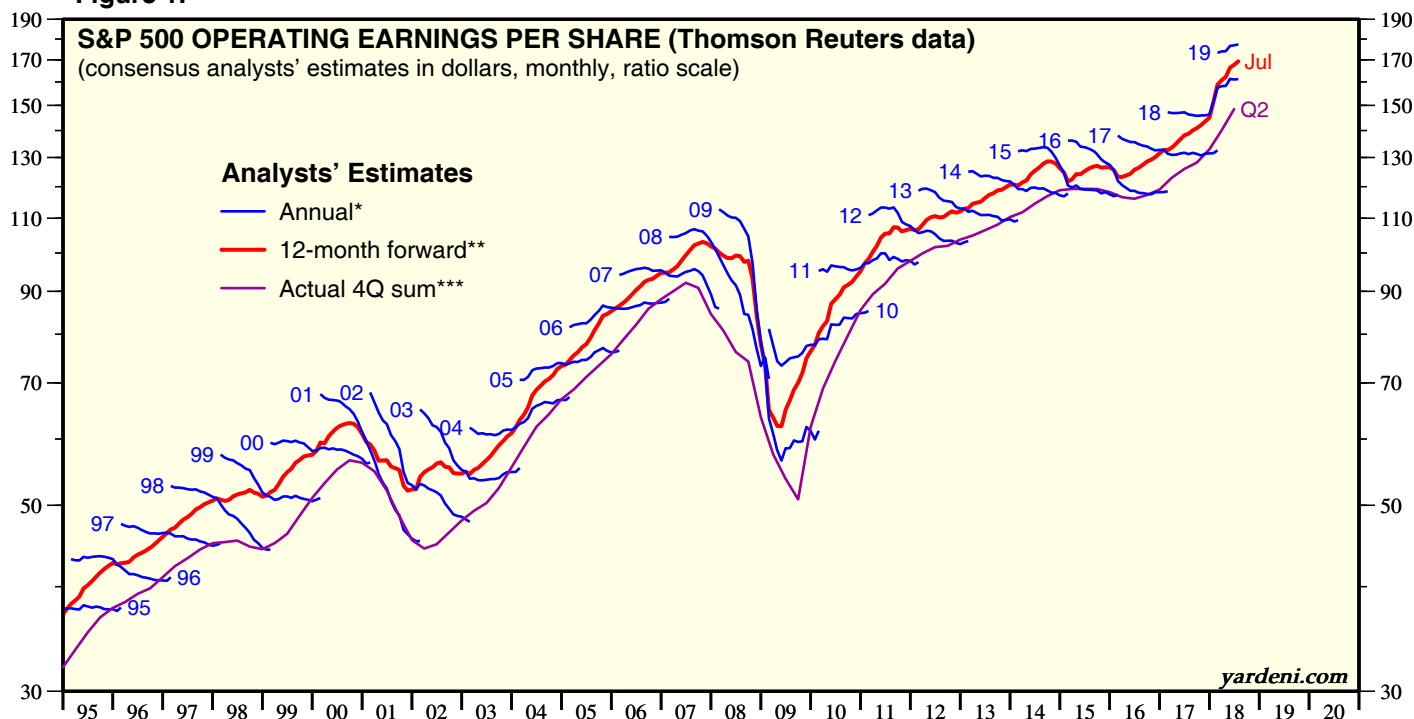
thinking outside the box

Table Of Contents

S&P 500 Earnings Squiggles	3
S&P 500 Forward & Operating Earnings	4
Forward Earnings & World Exports	5
Forward Earnings & OECD Production	6
Forward Earnings & US Leading Indicators	7
Forward Earnings & US Coincident Indicators	8
Forward Earnings & US Business Sales	9
Forward Earnings & Production	10
Forward Earnings & Employment	11
Forward Earnings, Orders & Shipments	12
Forward Earnings & Capital Spending	13-14
Forward Earnings & US Exports	15
Forward Earnings & ISM	16
Forward Earnings, Jobless Claims, & Spot Prices	17
Forward Earnings & Trade Weighted Dollar	18

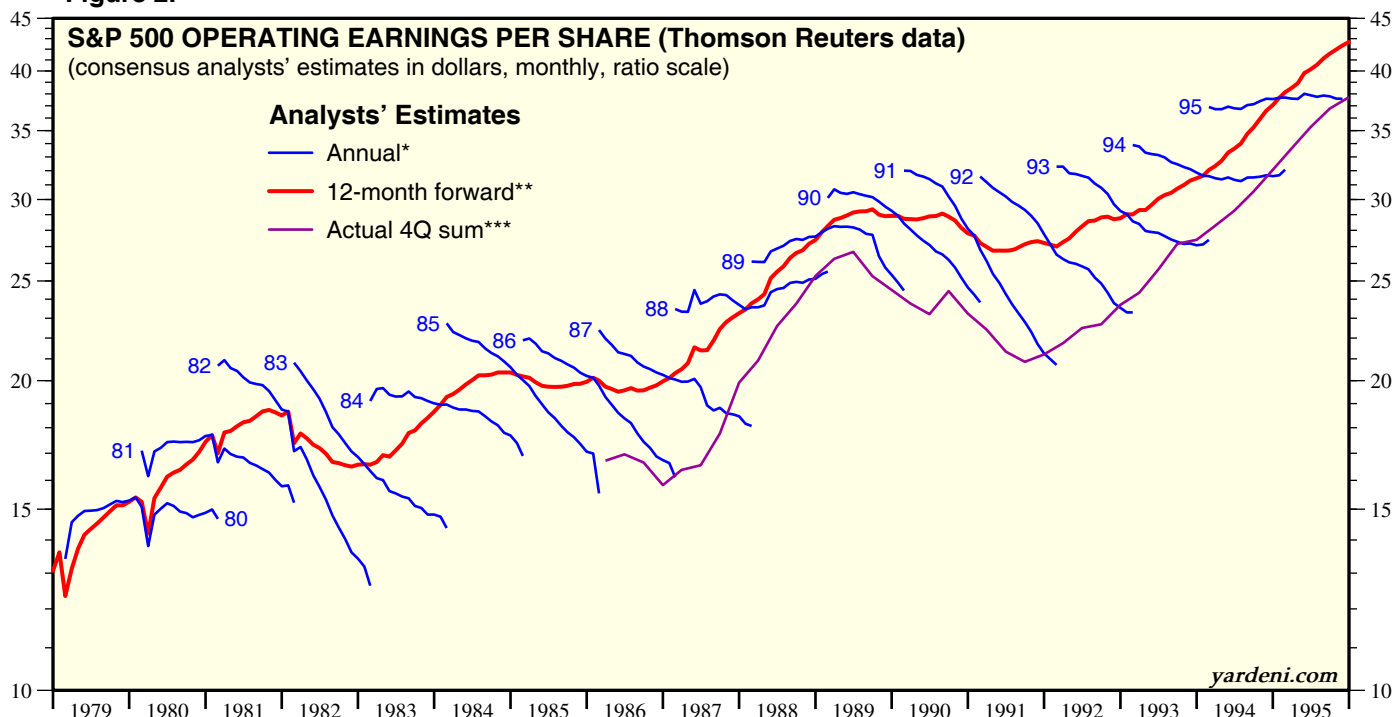
S&P 500 Earnings Squiggles

Figure 1.



* "Squiggles" span 25 months from February to February.
 ** Time-weighted average of consensus operating earnings estimates for current and next years.
 *** Actual 4Q sum from Thomson Reuters I/B/E/S.
 Source: Thomson Reuters I/B/E/S.

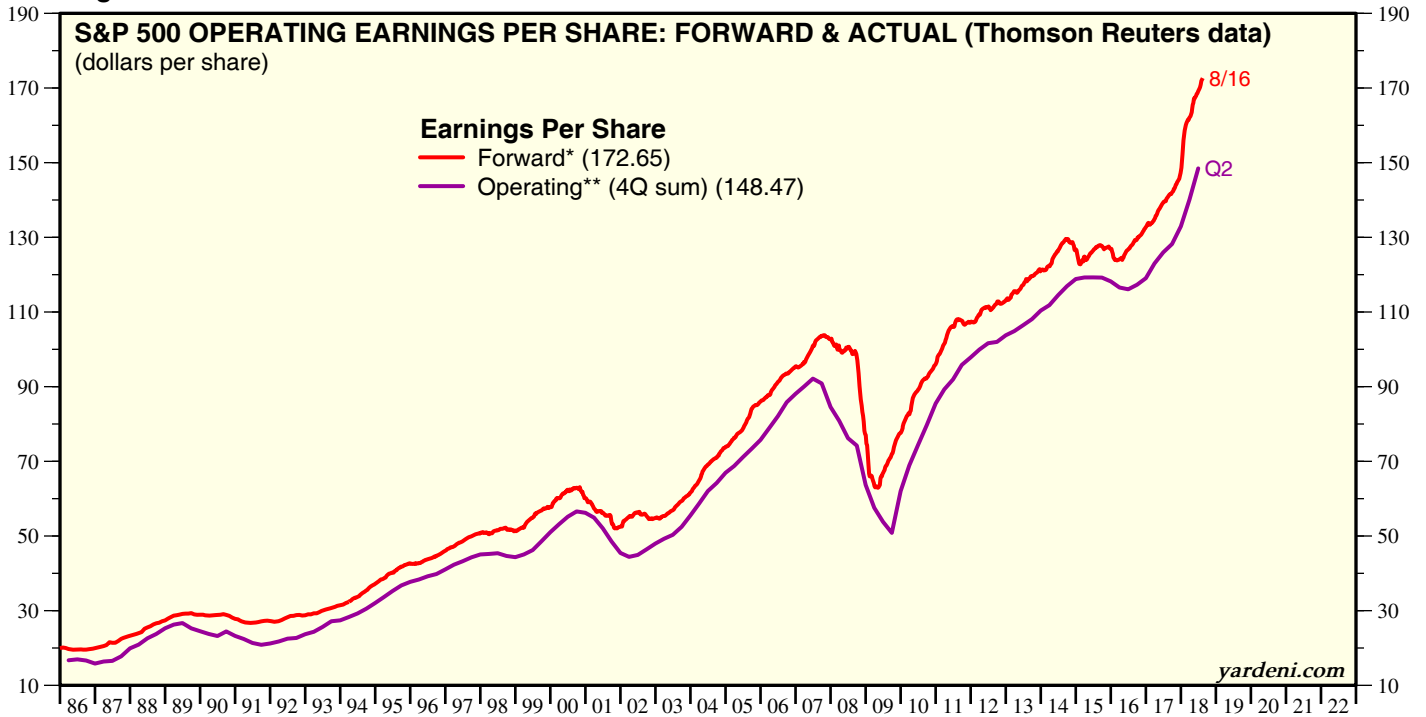
Figure 2.



* "Squiggles" span 25 months from February to February.
 ** Time-weighted average of consensus operating earnings estimates for current and next years.
 *** Actual 4Q sum from S&P until Q4-1993 then Thomson Reuters I/B/E/S thereafter.
 Source: Thomson Reuters I/B/E/S.

S&P 500 Forward & Operating Earnings

Figure 3.

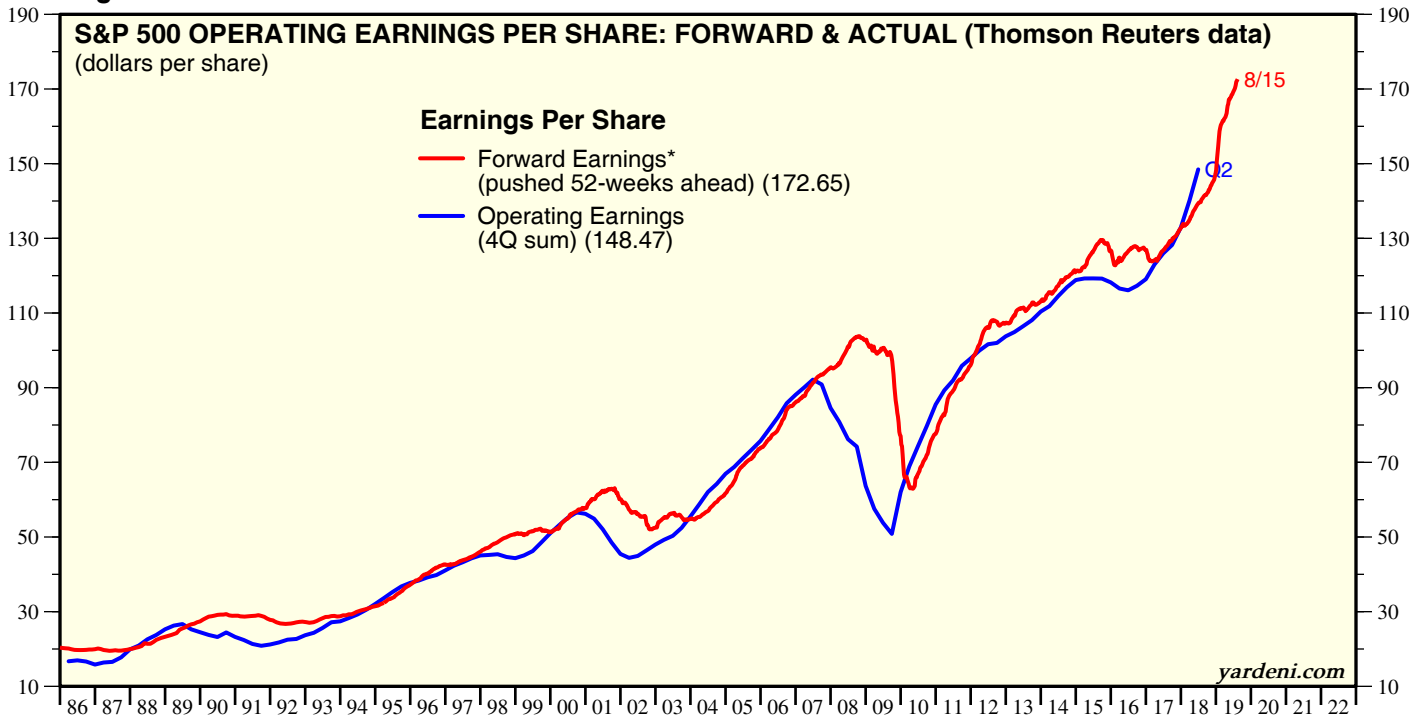


* Time-weighted average of consensus operating earnings estimates for current and next year. Monthly through March 1994, then weekly.

** From S&P until Q4-1993, then from Thomson Reuters I/B/E/S.

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

Figure 4.

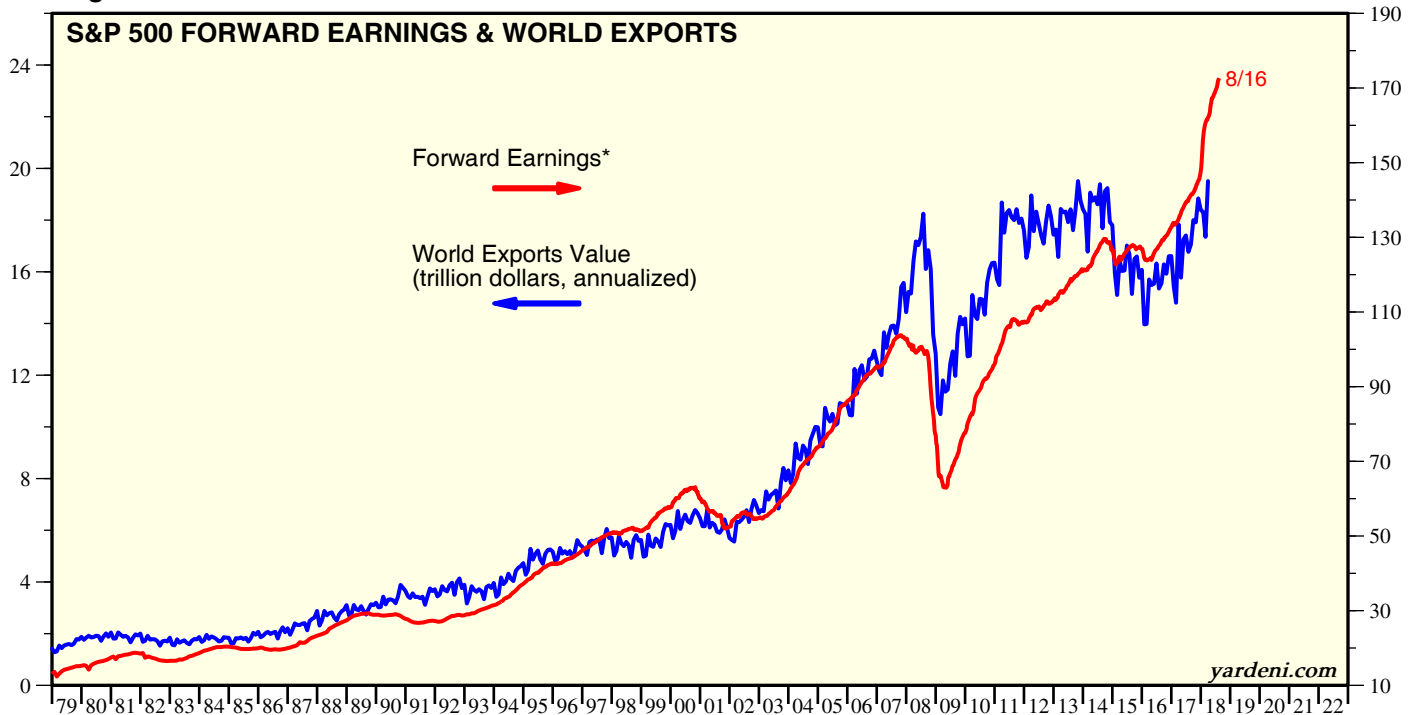


* Time-weighted average of consensus estimates for current year and next year. Monthly through December 2005, then weekly.

Source: Standard & Poor's until Q4-1993, then Thomson Reuters I/B/E/S.

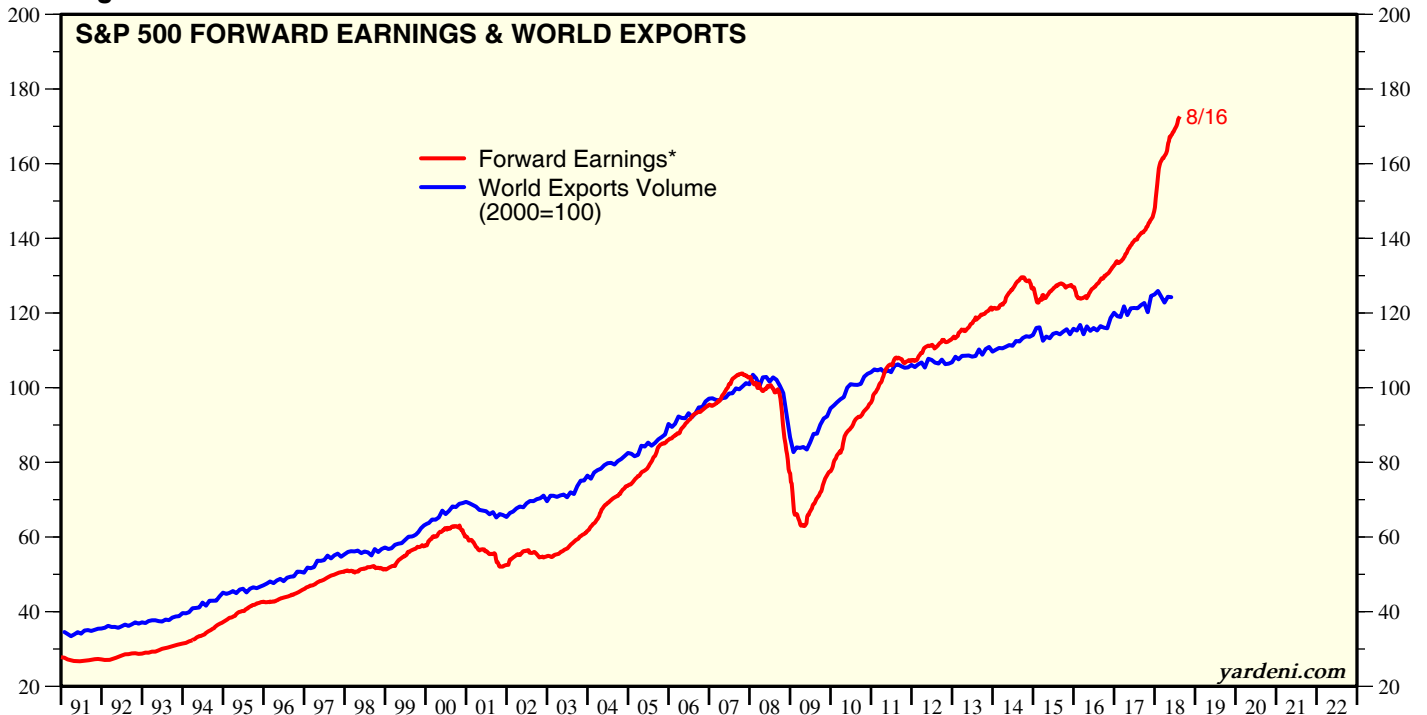
Forward Earnings & World Exports

Figure 5.



* Time-weighted average of consensus operating earnings estimates for current and next year. Monthly through March 1994, weekly thereafter.
Source: Haver Analytics, International Monetary Fund (IMF), and Thomson Reuters I/B/E/S.

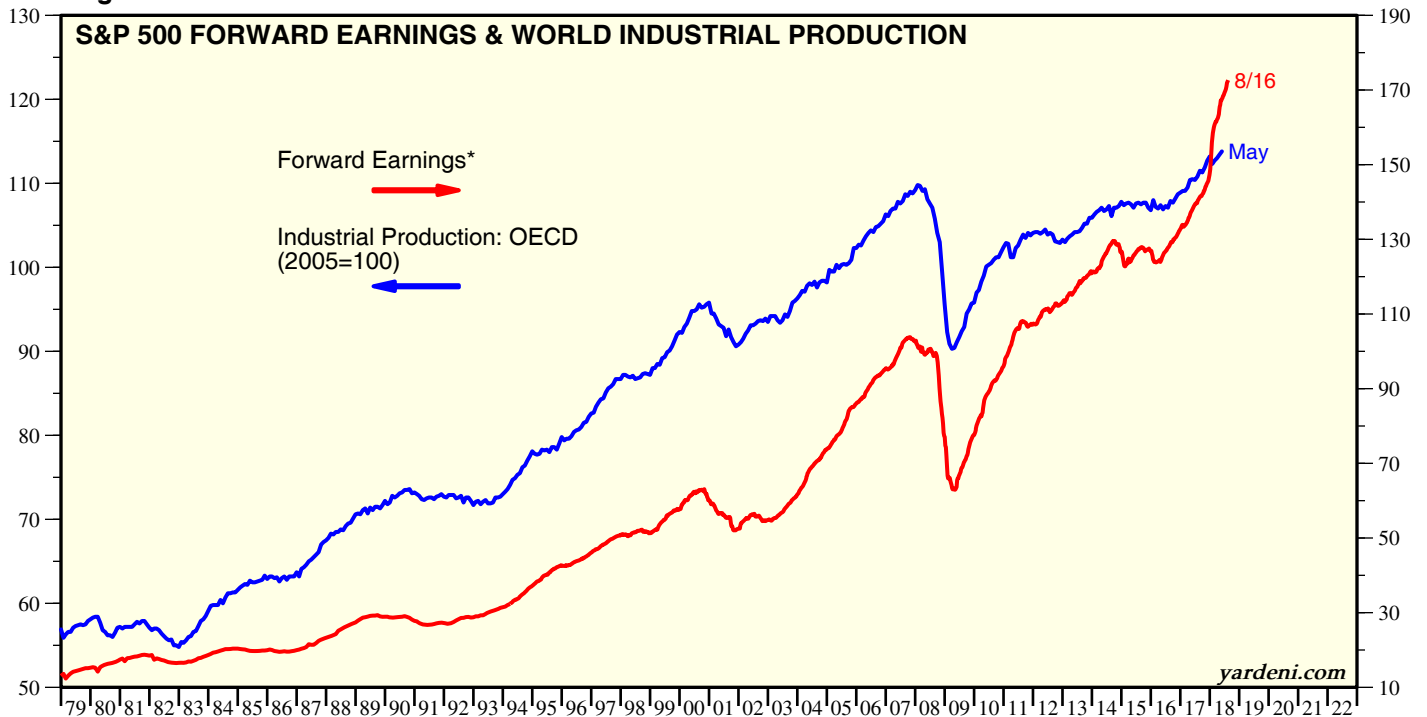
Figure 6.



* Time-weighted average of consensus operating earnings estimates for current and next year. Monthly through March 1994, weekly thereafter.
Source: Haver Analytics, Netherlands Bureau for Economic Policy (CPB), and Thomson Reuters I/B/E/S.

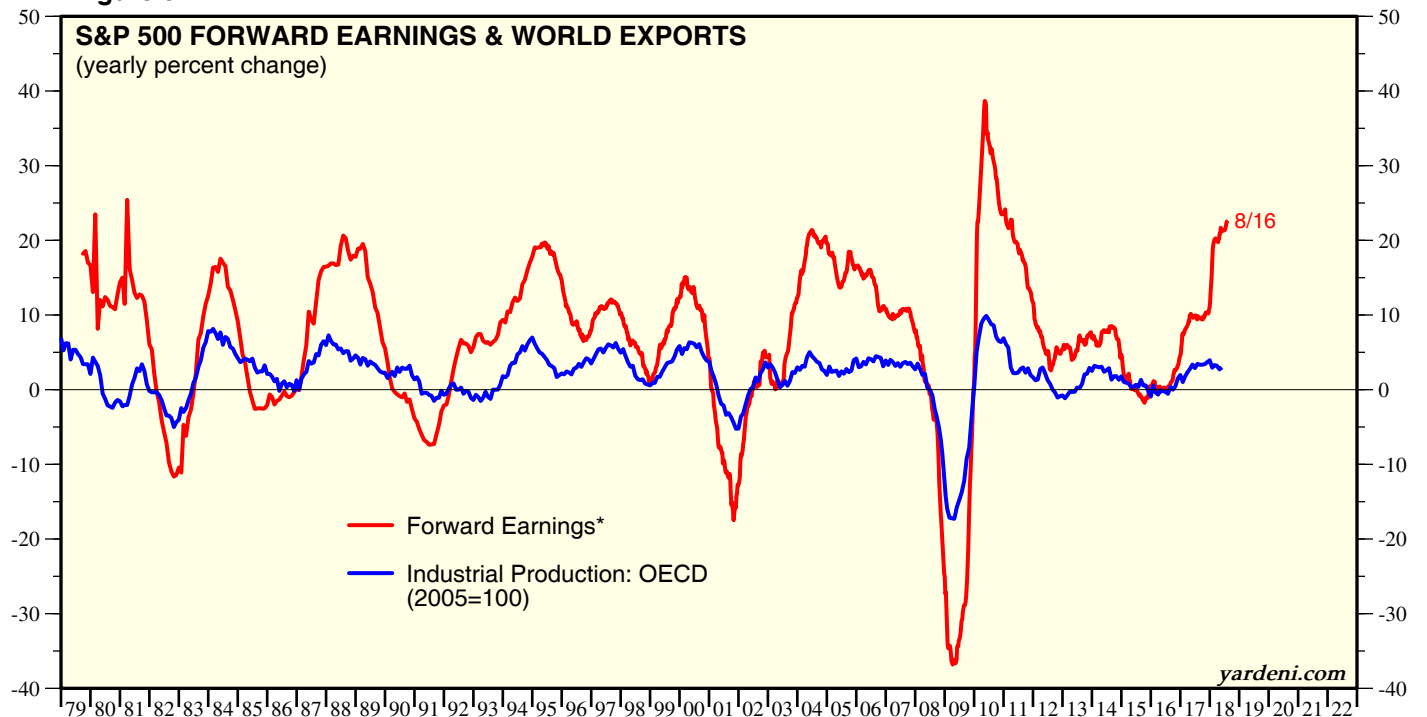
Forward Earnings & OECD Production

Figure 7.



* Time-weighted average of consensus operating earnings estimates for current and next year. Monthly through March 1994, weekly thereafter. Source: Haver Analytics, International Monetary Fund (IMF), and Thomson Reuters I/B/E/S.

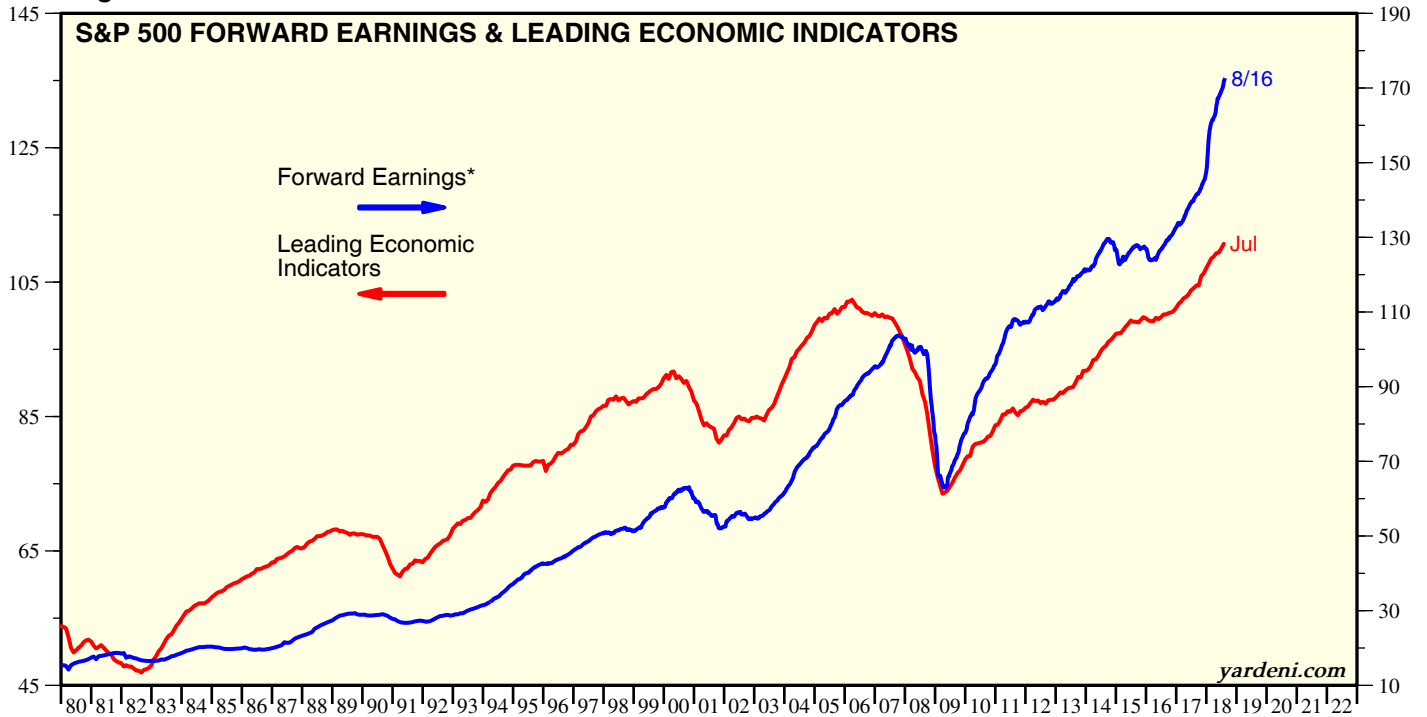
Figure 8.



* Time-weighted average of consensus operating earnings estimates for current and next year. Monthly through March 1994, weekly thereafter. Source: Haver Analytics, International Monetary Fund (IMF), and Thomson Reuters I/B/E/S.

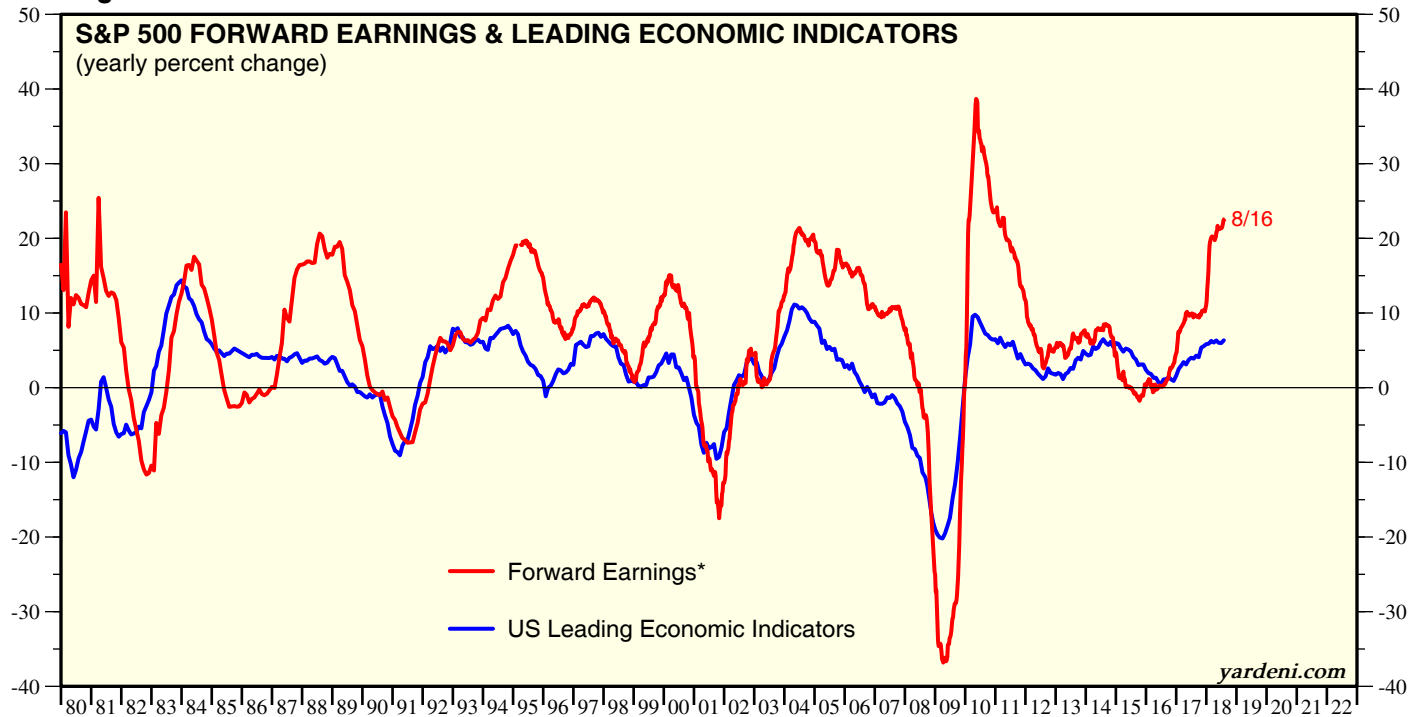
Forward Earnings & US Leading Indicators

Figure 9.



* Time-weighted average of consensus operating earnings estimates for current and next year. Monthly through March 1994, then weekly.
Source: Thomson Reuters I/B/E/S and Conference Board.

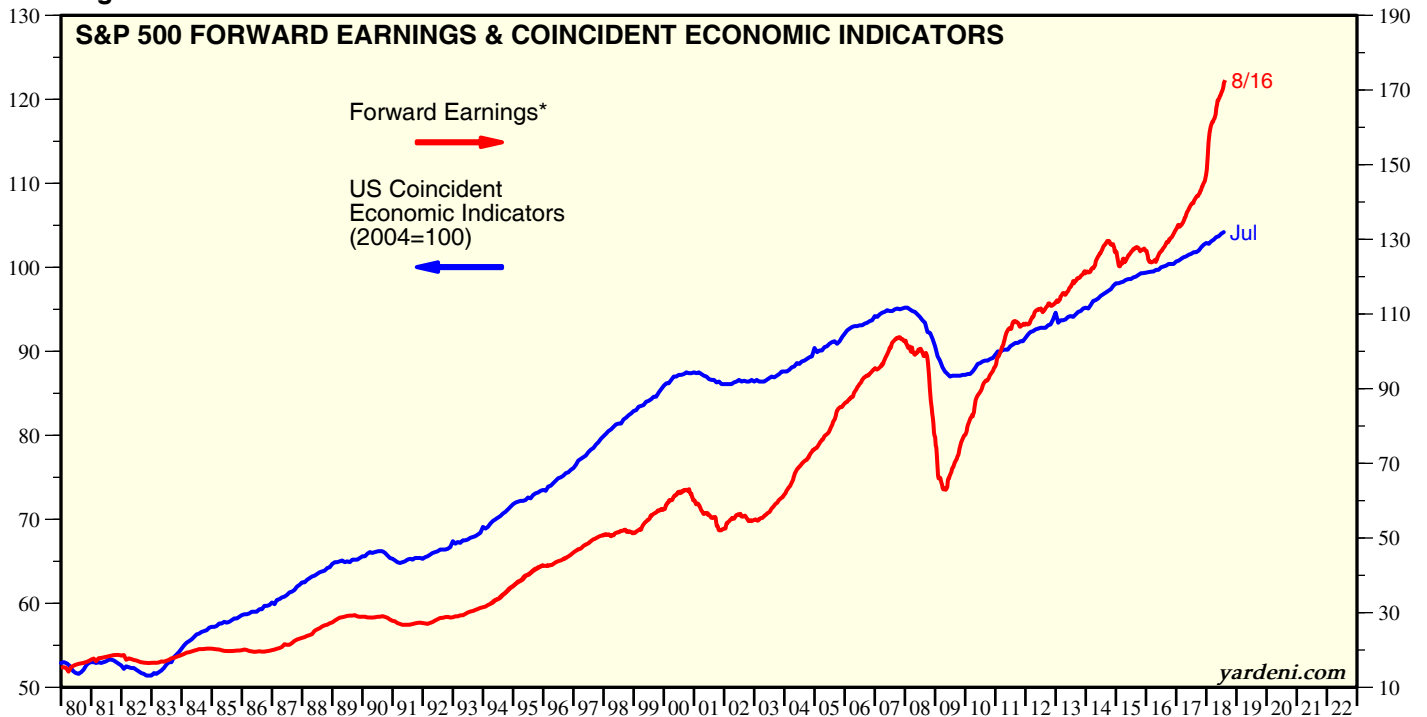
Figure 10.



* Time-weighted average of consensus operating earnings estimates for current and next year. Monthly through March 1994, weekly thereafter.
Source: Thomson Reuters I/B/E/S and Conference Board.

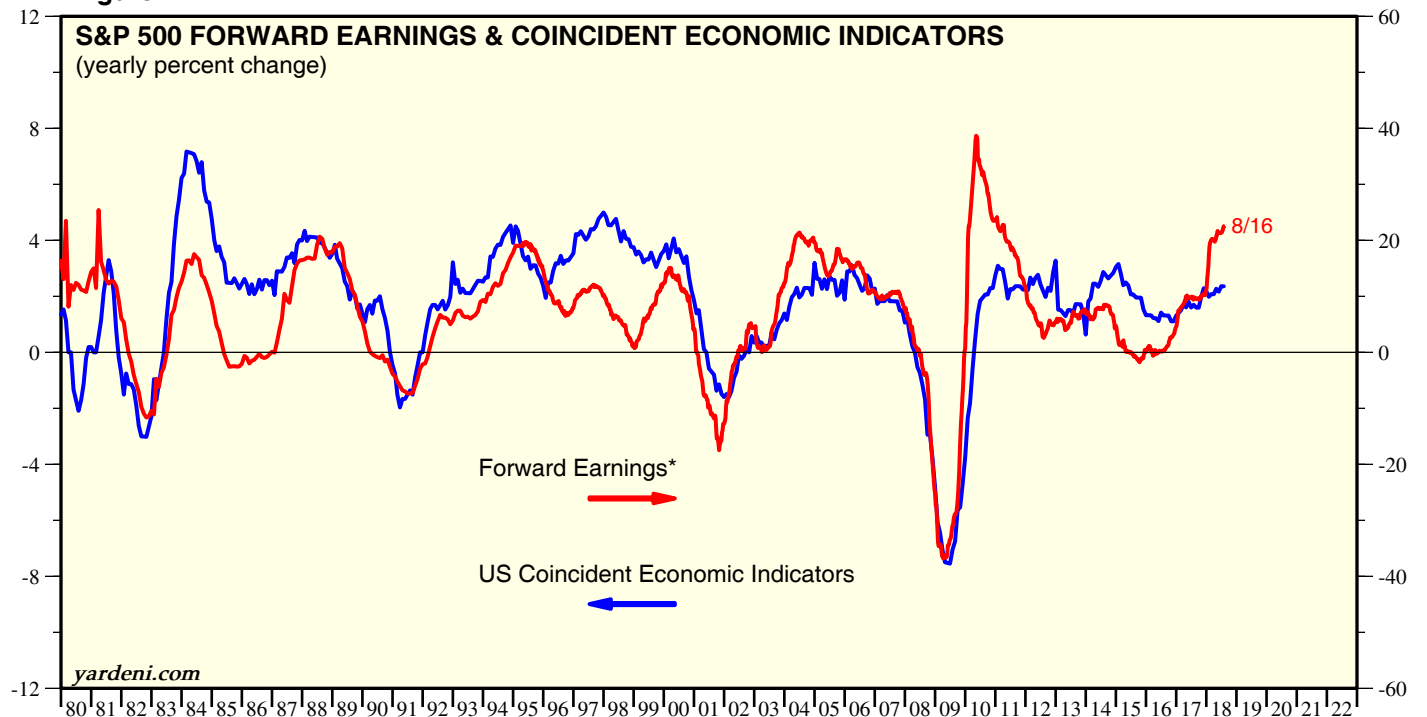
Forward Earnings & US Coincident Indicators

Figure 11.



* Time-weighted average of consensus operating earnings estimates for current and next year. Monthly through March 1994, weekly thereafter. Source: Thomson Reuters I/B/E/S and Conference Board.

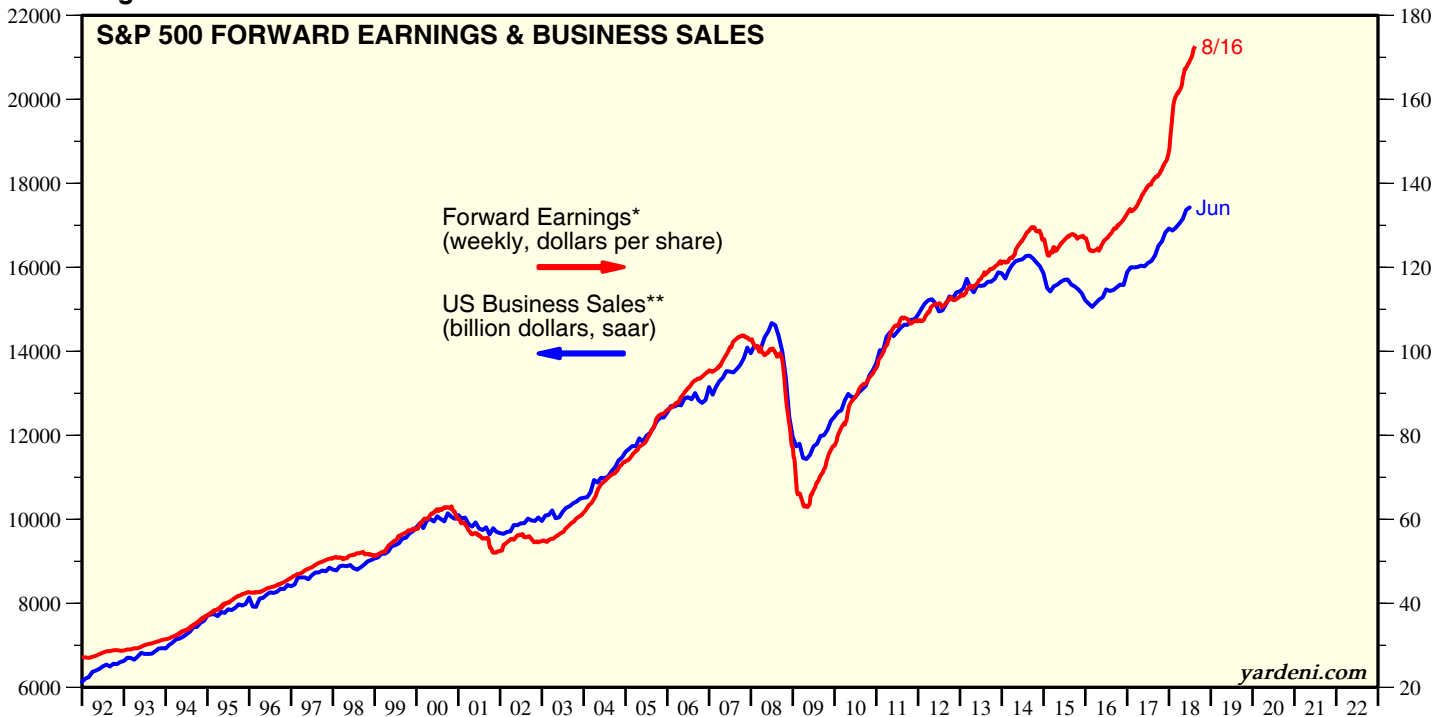
Figure 12.



* Time-weighted average of consensus operating earnings estimates for current and next year. Monthly through March 1994, weekly thereafter. Source: Thomson Reuters I/B/E/S and Conference Board.

Forward Earnings & US Business Sales

Figure 13.

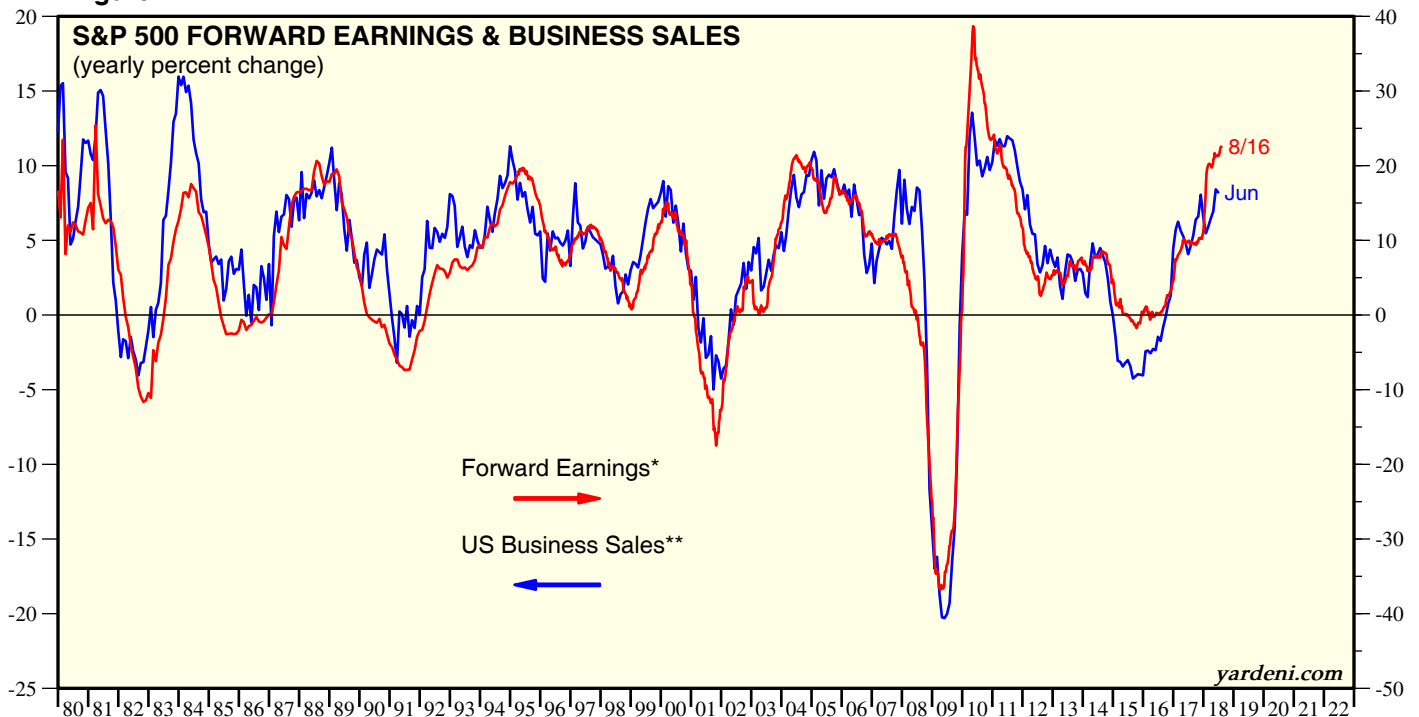


* Time-weighted average of consensus operating earnings estimates for current and next year. Monthly through March 1994, weekly thereafter.

** Manufacturing and trade sales.

Source: Thomson Reuters I/B/E/S and US Department of Commerce, Bureau of the Census.

Figure 14.



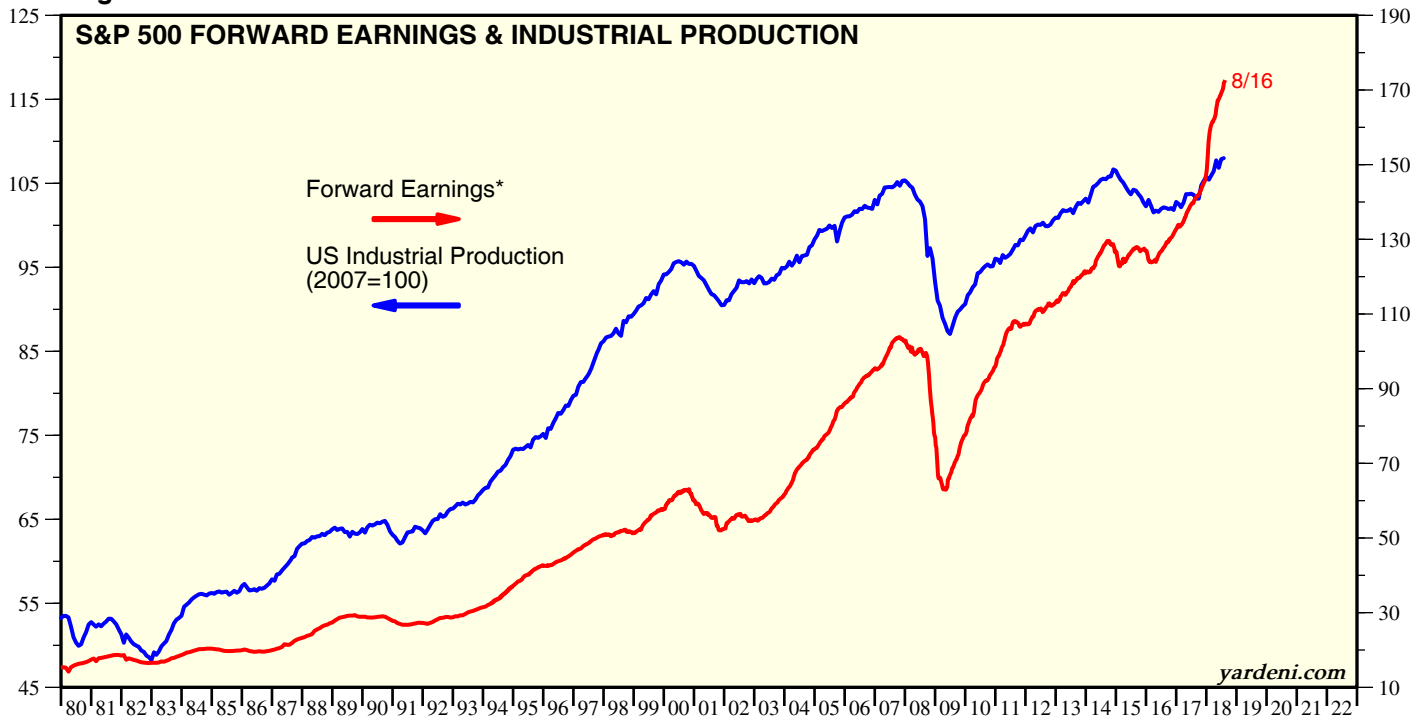
* Time-weighted average of consensus operating earnings estimates for current and next year. Monthly through March 1994, weekly thereafter.

** Manufacturing and trade sales.

Source: Thomson Reuters I/B/E/S and US Department of Commerce, Bureau of the Census.

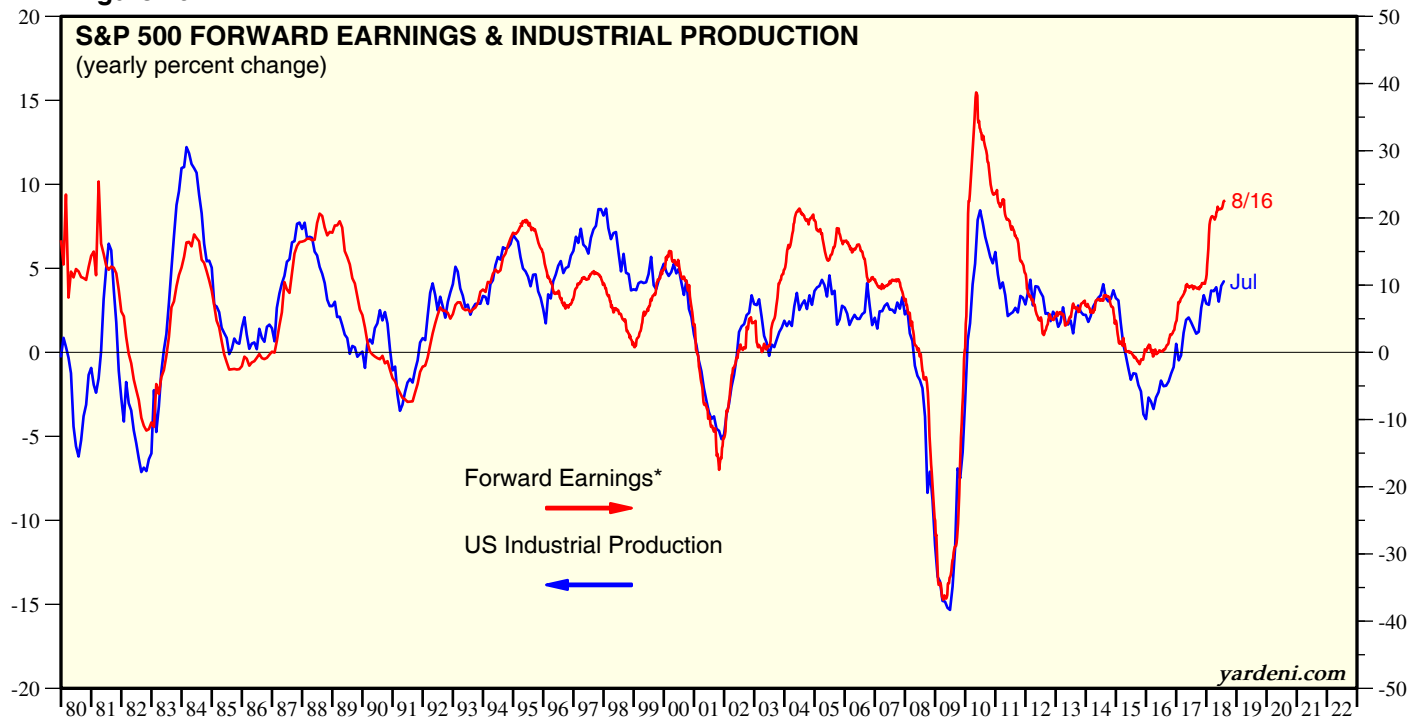
Forward Earnings & Production

Figure 15.



* Time-weighted average of consensus operating earnings estimates for current and next year. Monthly through March 1994, weekly thereafter.
Source: Thomson Reuters I/B/E/S and Board of Governors of the Federal Reserve System.

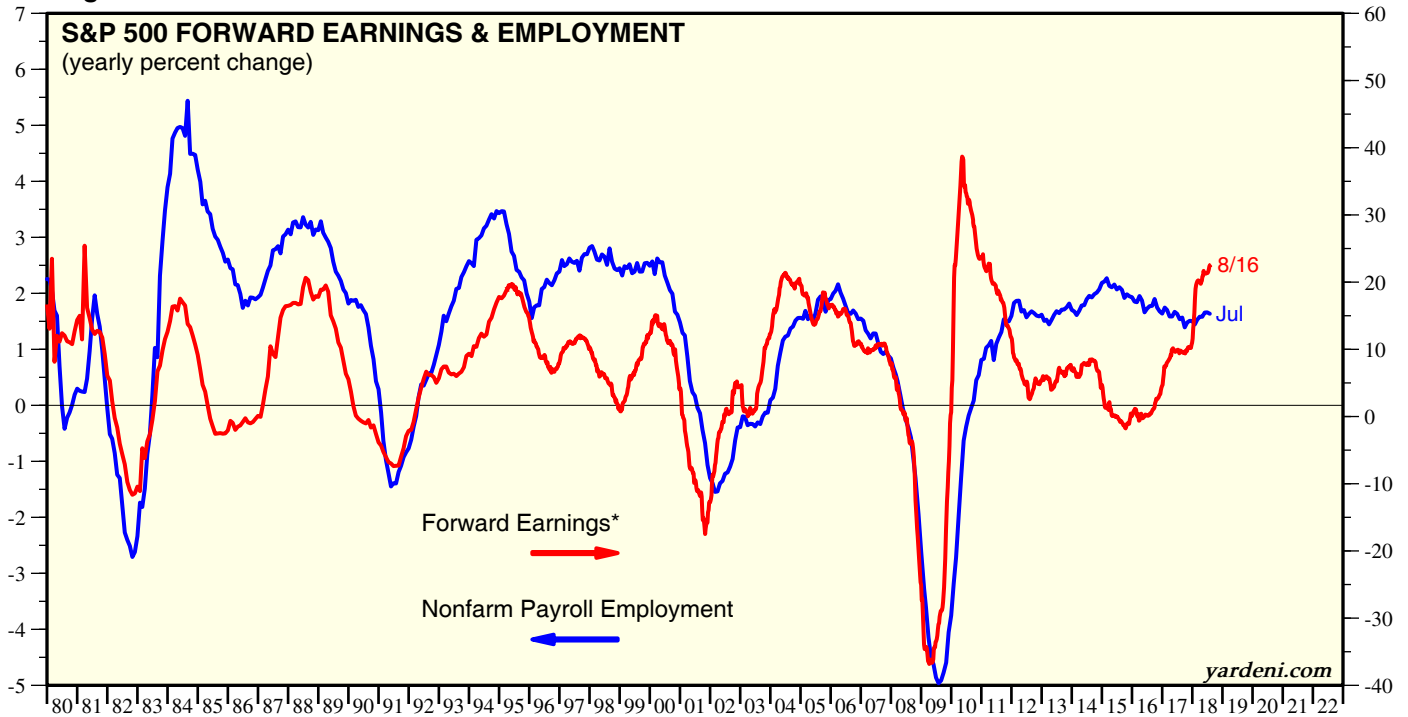
Figure 16.



* Time-weighted average of consensus operating earnings estimates for current and next year. Monthly through March 1994, weekly thereafter.
Source: Thomson Reuters I/B/E/S and Board of Governors of the Federal Reserve System.

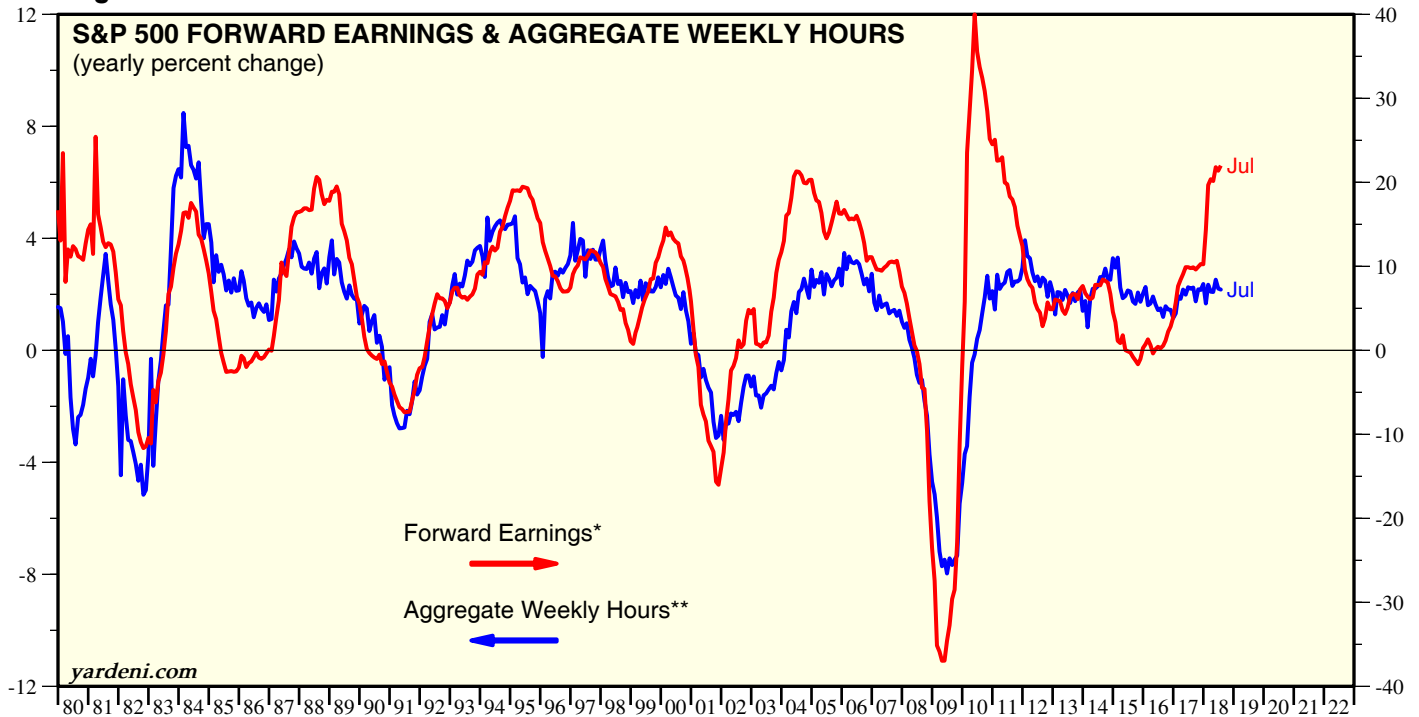
Forward Earnings & Employment

Figure 17.



* Time-weighted average of consensus operating earnings estimates for current and next year. Monthly through March 1994, weekly thereafter.
Source: Thomson Reuters I/B/E/S and US Department of Labor, Bureau of Labor Statistics.

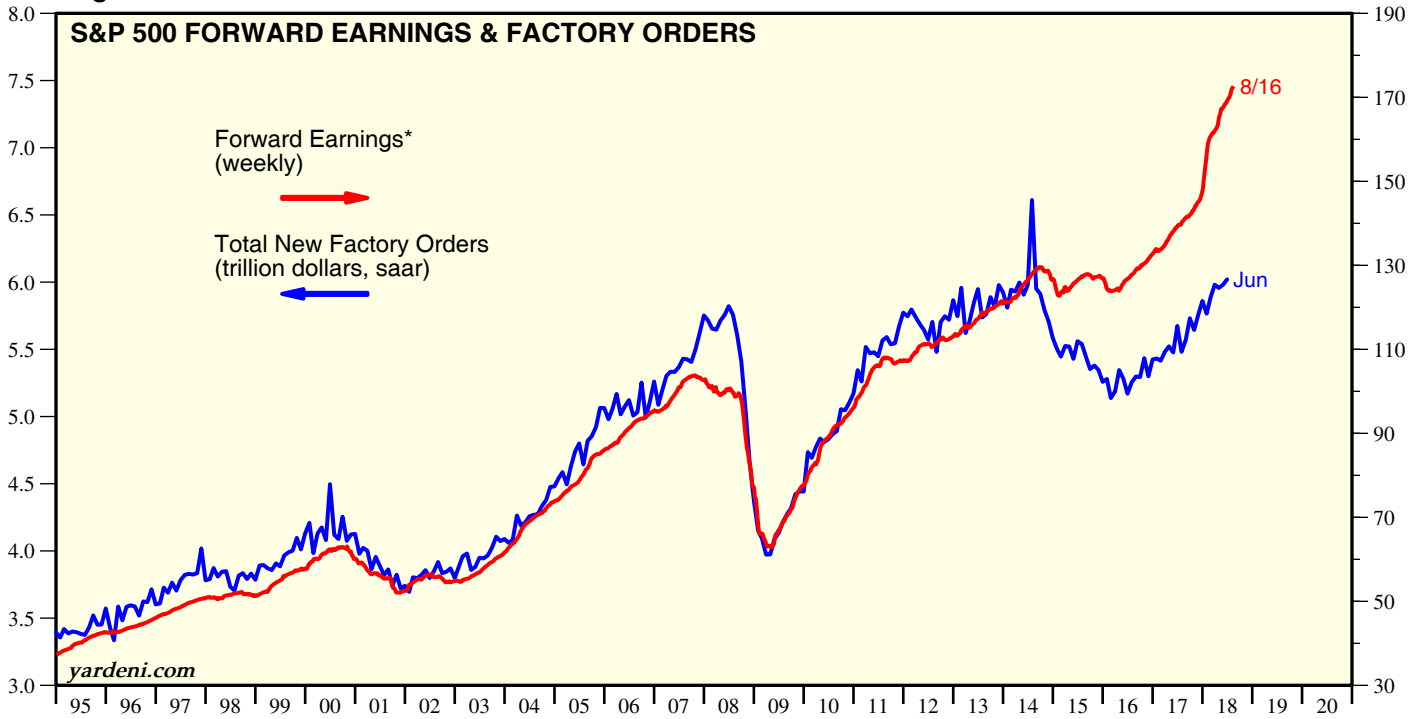
Figure 18.



* Time-weighted average of consensus operating earnings estimates for current and next year.
** Production & nonsupervisory employees.
Source: Bureau of Labor Statistics, Thomson Reuters I/B/E/S.

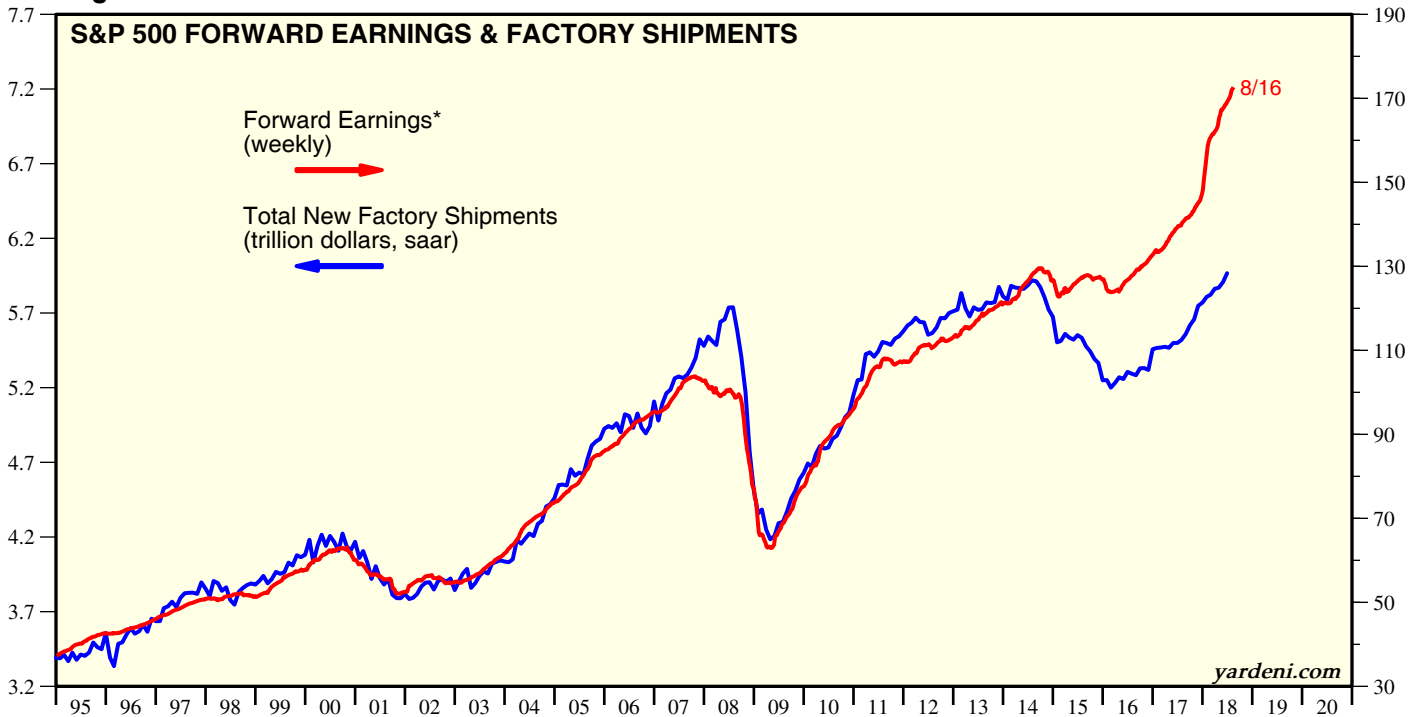
Forward Earnings, Orders & Shipments

Figure 19.



* Time-weighted average of consensus operating earnings estimates for current and next year. Monthly through March 1994, weekly thereafter.
Source: Thomson Reuters I/B/E/S and US Department of Commerce, Bureau of the Census.

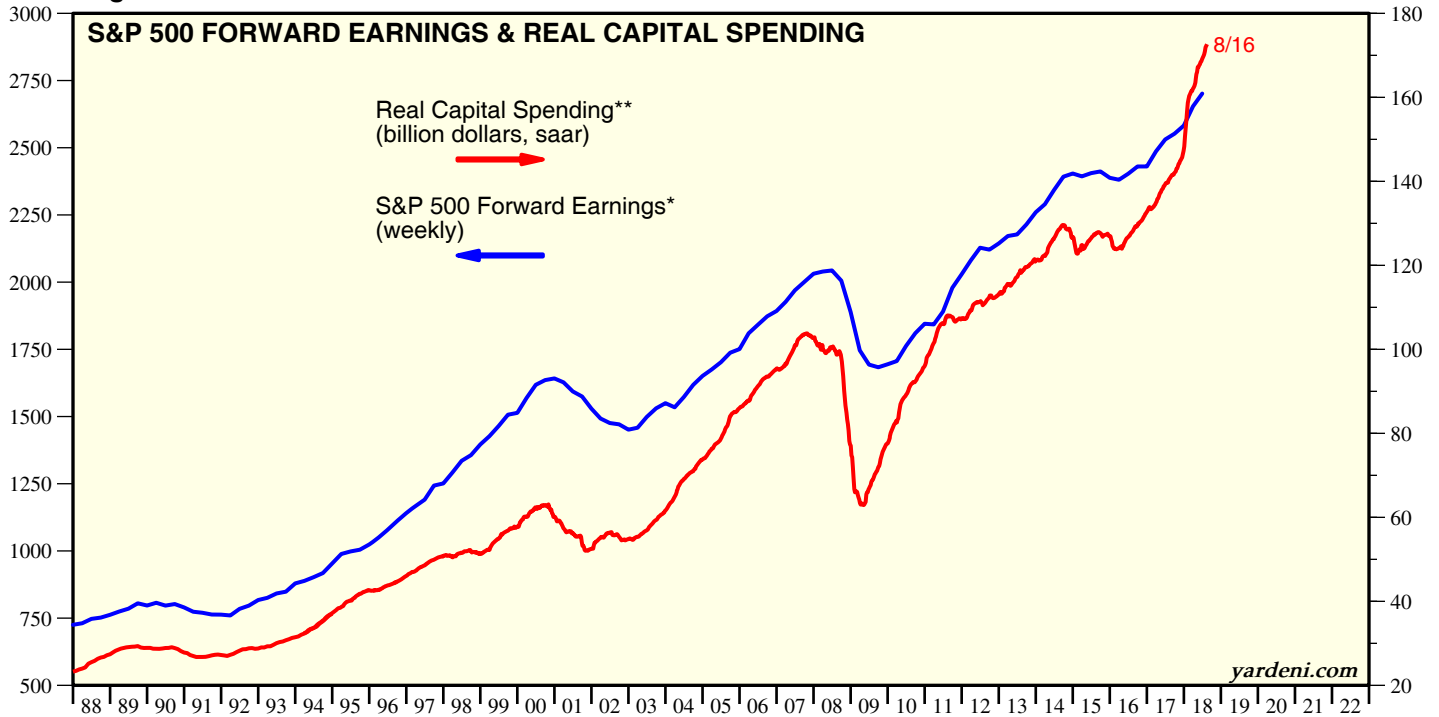
Figure 20.



* Time-weighted average of consensus operating earnings estimates for current and next year. Monthly through March 1994, weekly thereafter.
Source: Thomson Reuters I/B/E/S and US Department of Commerce, Bureau of the Census.

Forward Earnings & Capital Spending

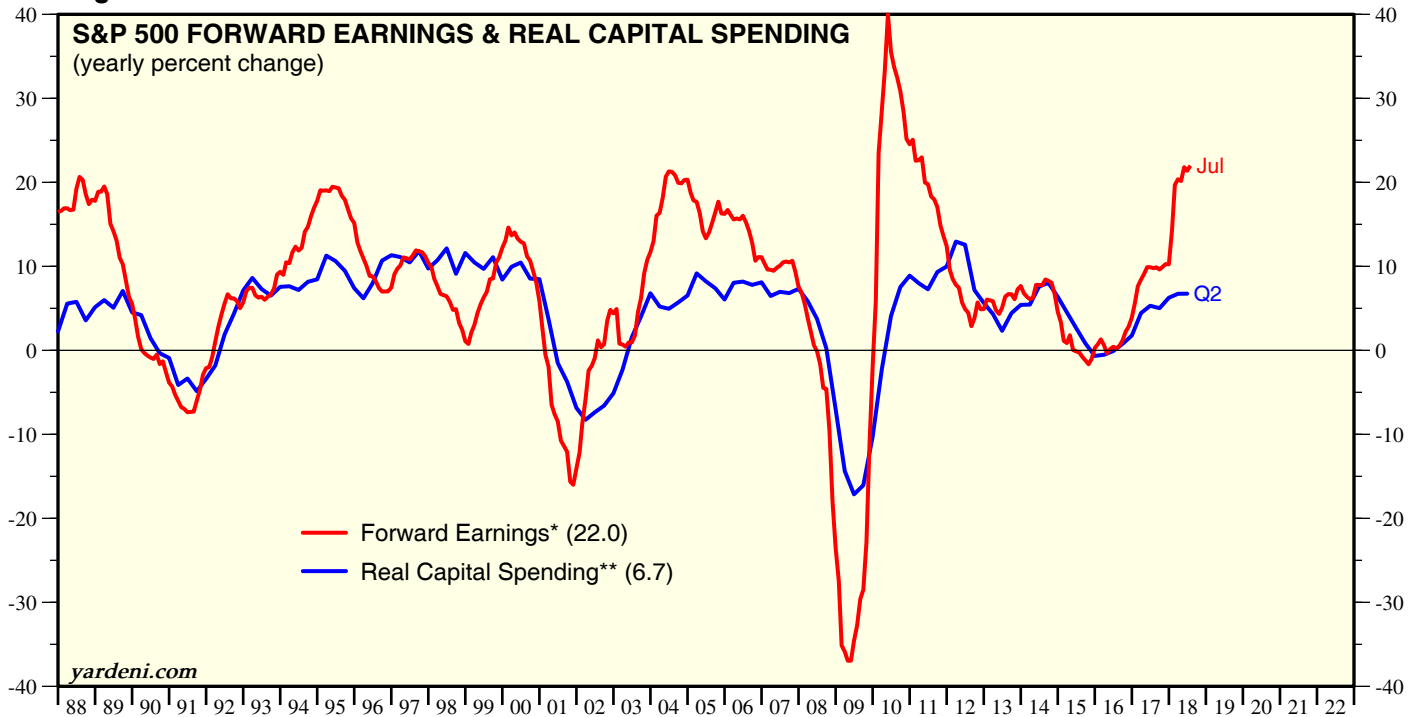
Figure 21.



* Time-weighted average of consensus operating earnings estimates for current and next year. Monthly through March 1994, weekly thereafter.

** Nonresidential fixed investment including equipment, intellectual property products, and structures.
Source: US Department of Commerce, Bureau of Economic Analysis, and Thomson Reuters I/B/E/S.

Figure 22.

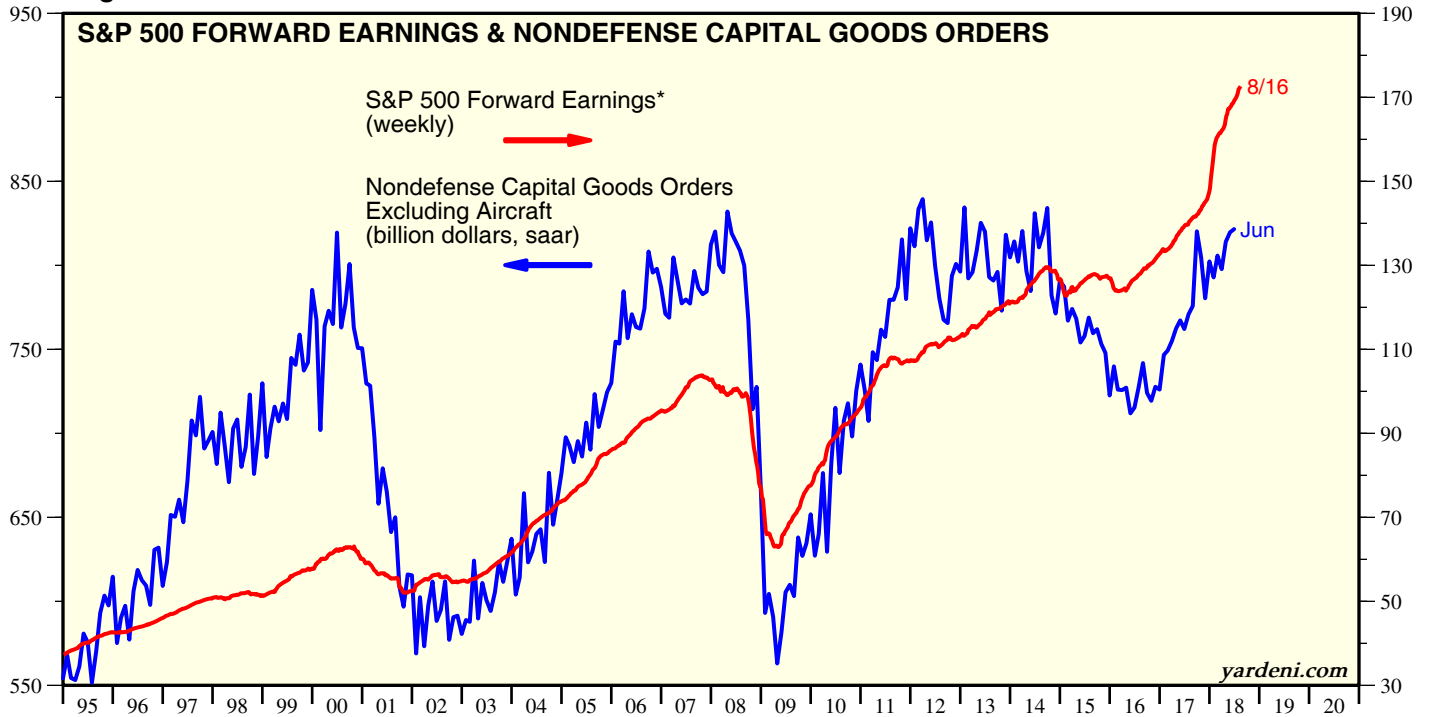


* Time-weighted average of consensus operating earnings estimates for current and next year. Monthly through March 1994, weekly thereafter.

** Nonresidential fixed investment in real GDP.
Source: US Department of Commerce, Bureau of Economic Analysis, and Thomson Reuters I/B/E/S.

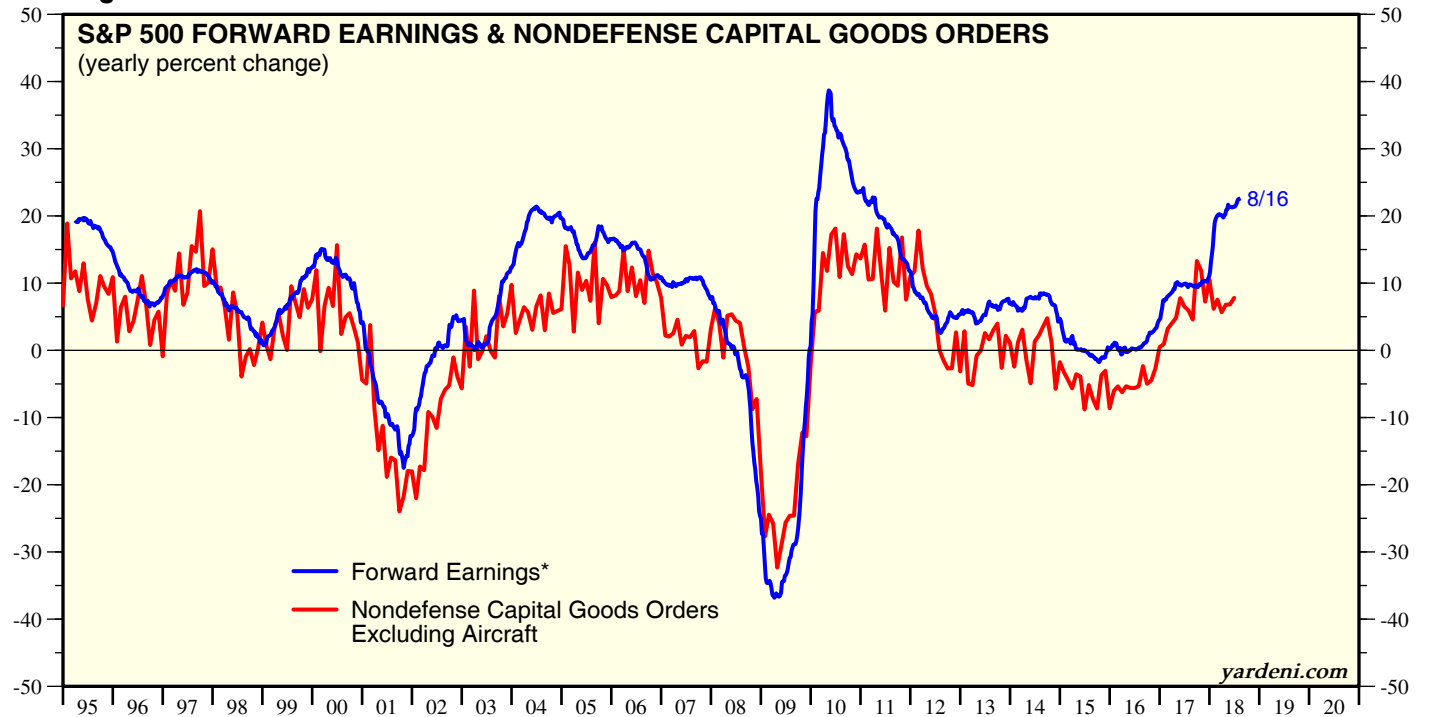
Forward Earnings & Capital Spending

Figure 23.



* 52-week forward consensus expected S&P 500 operating earnings per share. Time-weighted average of current and next year's consensus earnings estimates.
Source: Thomson Reuters I/B/E/S and US Department of Commerce, Bureau of the Census.

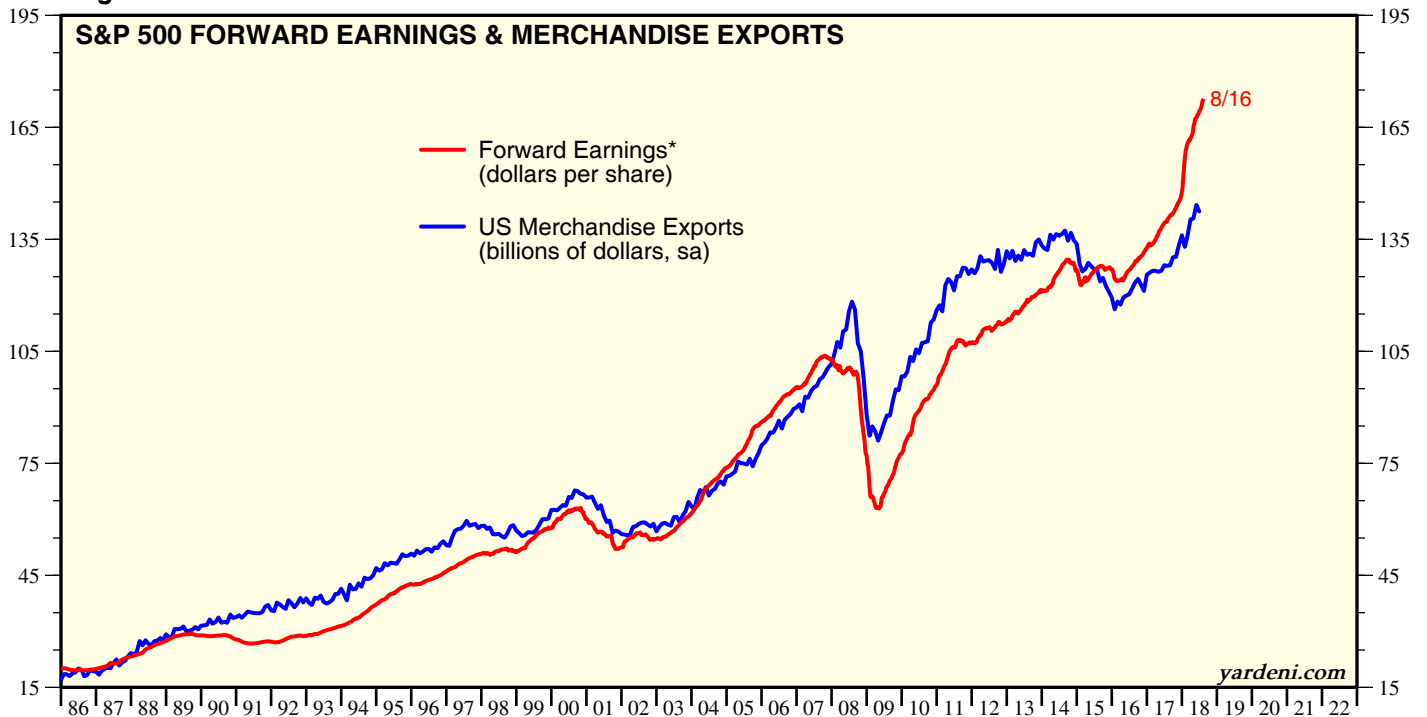
Figure 24.



* Time-weighted average of consensus operating earnings estimates for current and next year. Monthly through March 1994, weekly thereafter.
Source: Thomson Reuters I/B/E/S and US Department of Commerce, Bureau of the Census.

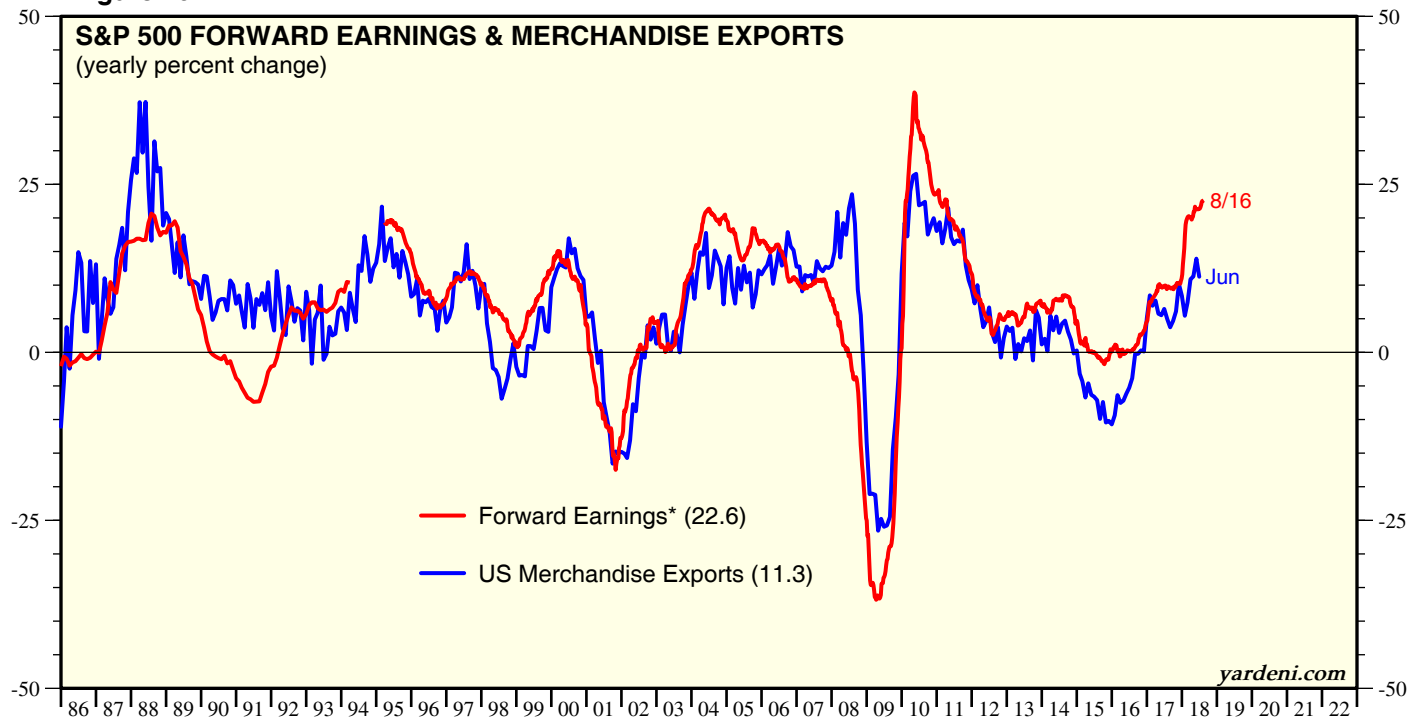
Forward Earnings & US Exports

Figure 25.



* Time-weighted average of consensus operating earnings estimates for current and next year. Monthly through March 1994, weekly thereafter. Source: U.S. Department of Commerce, Bureau of the Census and Thomson Reuters I/B/E/S.

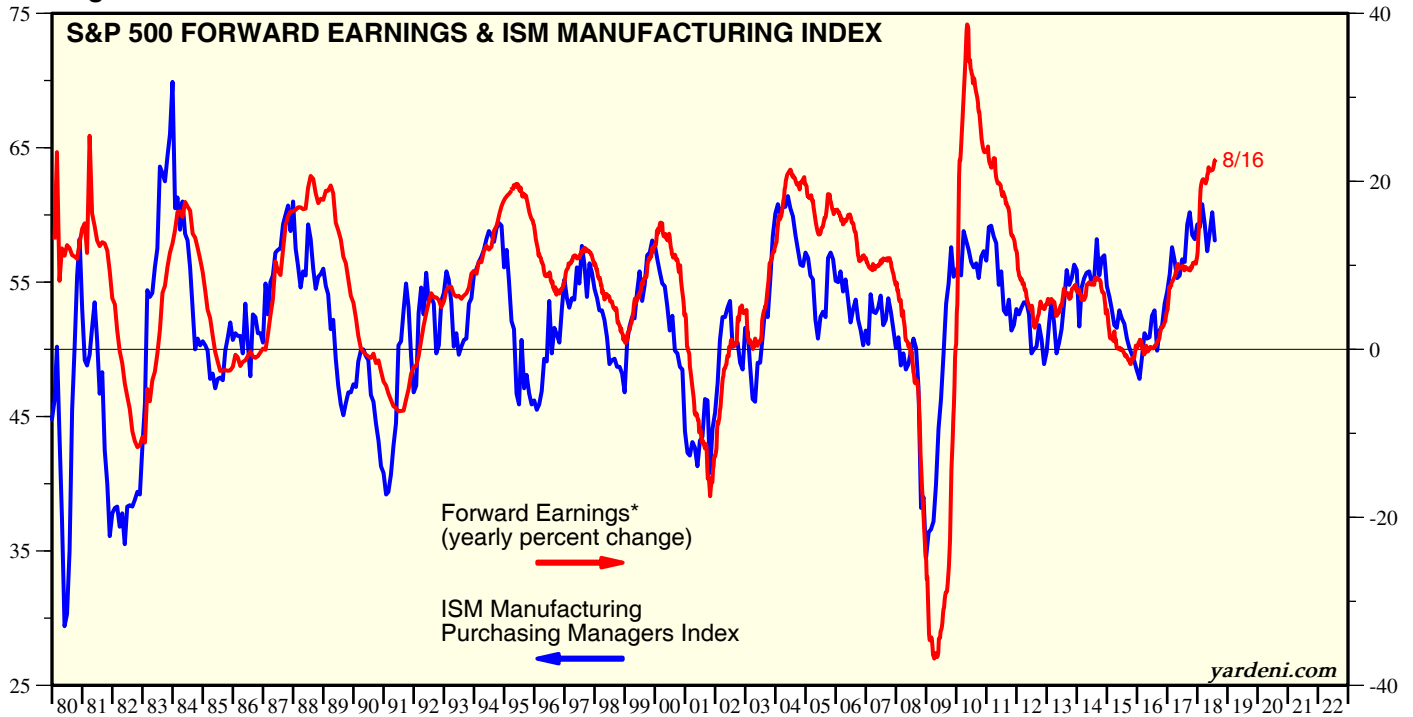
Figure 26.



* Time-weighted average of consensus operating earnings estimates for current and next year. Monthly through March 1994, weekly thereafter. Source: US Department of Commerce, Bureau of the Census and Thomson Reuters I/B/E/S.

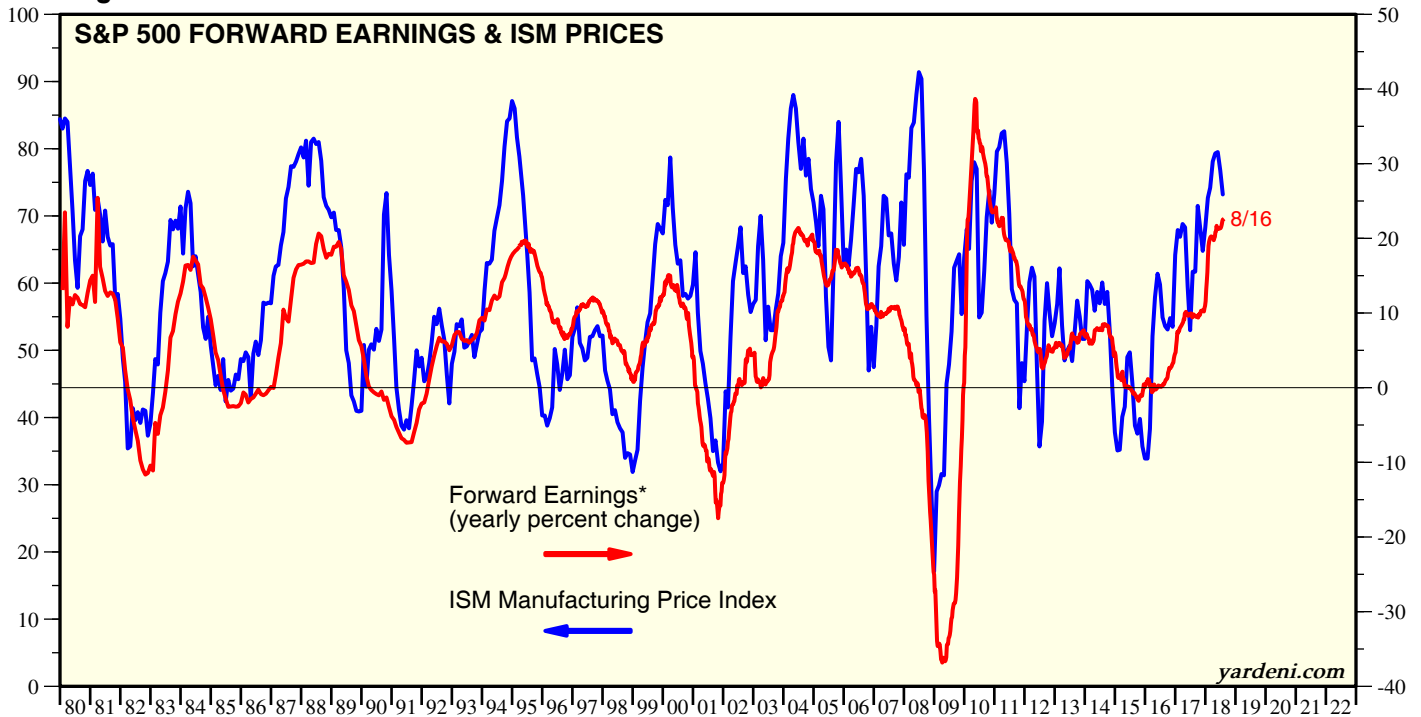
Forward Earnings & ISM

Figure 27.



* Time-weighted average of consensus operating earnings estimates for current and next year. Monthly through March 1994, weekly thereafter. Source: Institute for Supply Management and Thomson Reuters I/B/E/S.

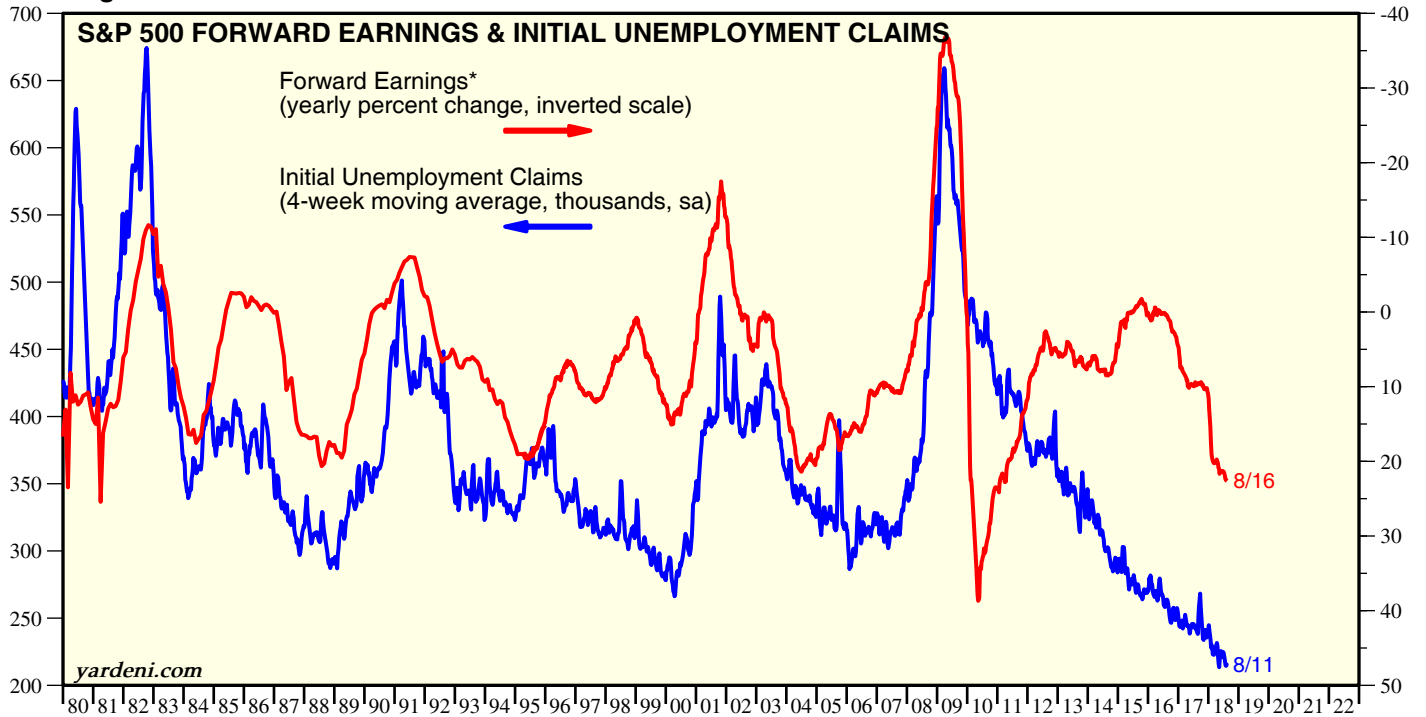
Figure 28.



* Time-weighted average of consensus operating earnings estimates for current and next year. Monthly through March 1994, weekly thereafter. Source: Institute for Supply Management and Thomson Reuters I/B/E/S.

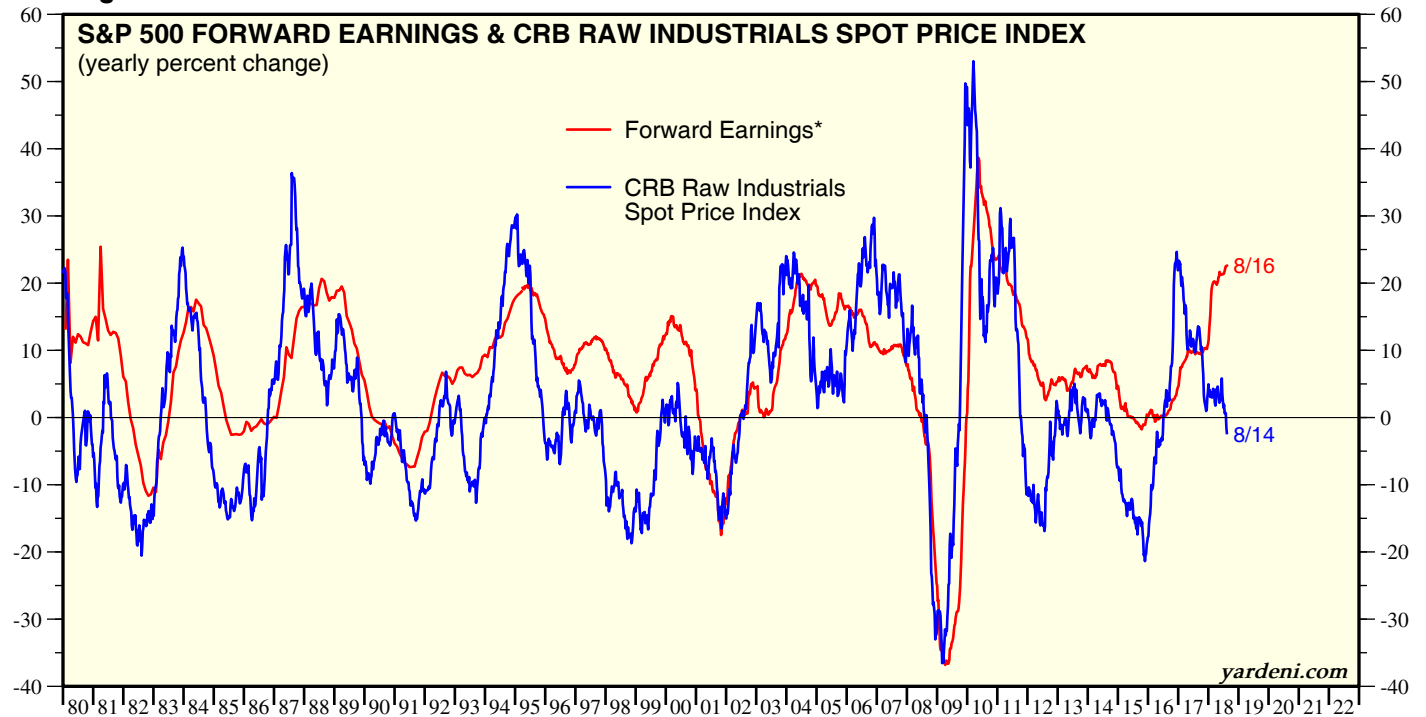
Forward Earnings, Jobless Claims, & Spot Prices

Figure 29.



* Time-weighted average of consensus operating earnings estimates for current and next year. Monthly through March 1994, weekly thereafter.
Source: US Department of Labor and Thomson Reuters I/B/E/S.

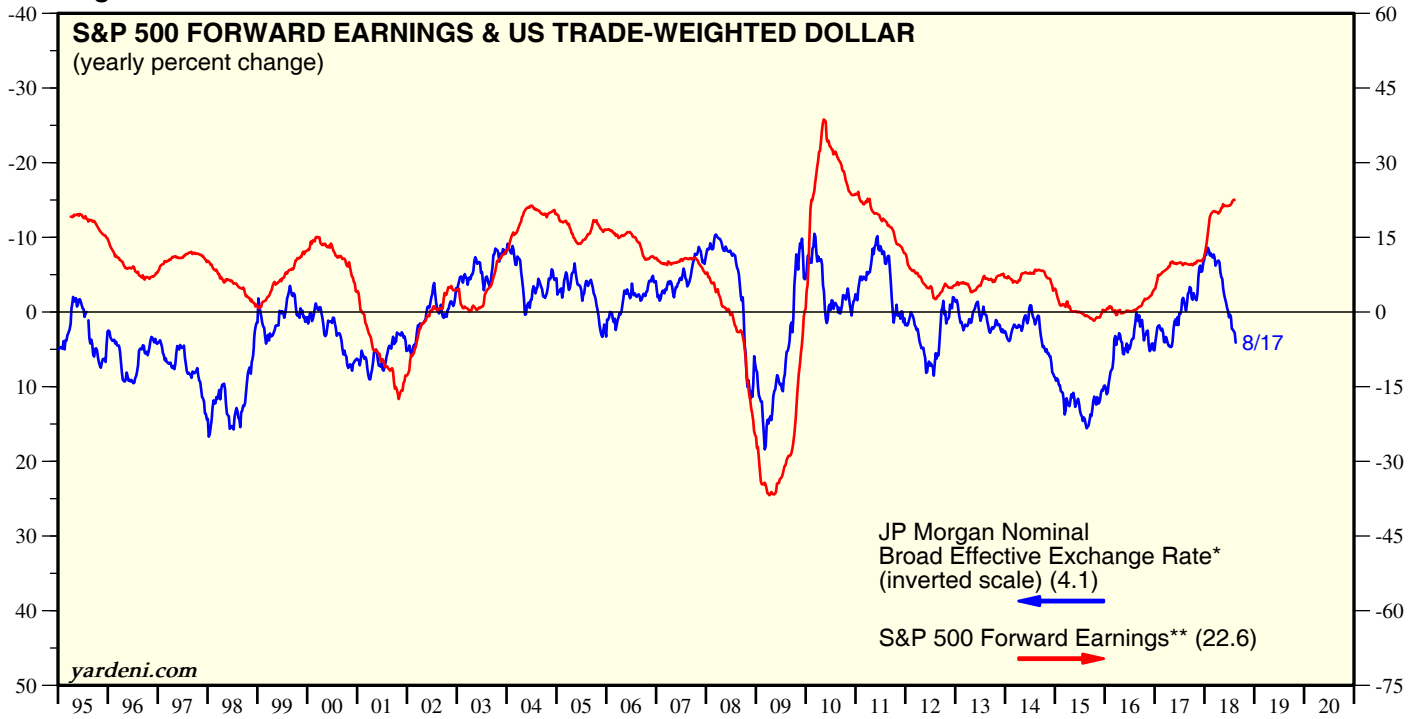
Figure 30.



* Time-weighted average of consensus operating earnings estimates for current and next year. Monthly through March 1994, weekly thereafter.
Source: Thomson Reuters I/B/E/S and Commodity Research Bureau.

Forward Earnings & Trade Weighted Dollar

Figure 31.



* Argentina, Australia, Brazil, Bulgaria, Canada, Chile, China, Colombia, Croatia, Czech Republic, Denmark, Ecuador, Egypt, France, Germany, Hong Kong, Hungary, Japan, India, Indonesia, Israel, Italy, Korea, Kuwait, Malaysia, Mexico, Morocco, New Zealand, Nigeria, Norway, Pakistan, Panama, Peru, Philippines, Poland, Romania, Russia Saudi Arabia, Singapore, South Africa, Spain, Sweden, Switzerland, Taiwan, Thailand, Turkey, United Kingdom, Ukraine, Uruguay, Venezuela, Vietnam, and United States.

** Time-weighted average of consensus estimates for current and next year.
Source: Thomson Reuters I/B/E/S and JP Morgan.

Copyright (c) Yardeni Research, Inc. 2018. All rights reserved. The information contained herein has been obtained from sources believed to be reliable, but is not necessarily complete and its accuracy cannot be guaranteed. No representation or warranty, express or implied, is made as to the fairness, accuracy, completeness, or correctness of the information and opinions contained herein. The views and the other information provided are subject to change without notice. All reports posted on www.yardeni.com, blog.yardeni.com, and YRI's Apps for iPads and iPhones are issued without regard to the specific investment objectives, financial situation, or particular needs of any specific recipient and are not to be construed as a solicitation or an offer to buy or sell any securities or related financial instruments. Past performance is not necessarily a guide to future results. Company fundamentals and earnings may be mentioned occasionally, but should not be construed as a recommendation to buy, sell, or hold the company's stock. Predictions, forecasts, and estimates for any and all markets should not be construed as recommendations to buy, sell, or hold any security--including mutual funds, futures contracts, and exchange traded funds, or any similar instruments.

The text, images, and other materials contained or displayed on any Yardeni Research, Inc. product, service, report, email or website are proprietary to Yardeni Research, Inc. and constitute valuable intellectual property. No material from any part of www.yardeni.com, blog.yardeni.com, and YRI's Apps for iPads and iPhones may be downloaded, transmitted, broadcast, transferred, assigned, reproduced or in any other way used or otherwise disseminated in any form to any person or entity, without the explicit written consent of Yardeni Research, Inc. All unauthorized reproduction or other use of material from Yardeni Research, Inc. shall be deemed willful infringement(s) of this copyright and other proprietary and intellectual property rights, including but not limited to, rights of privacy. Yardeni Research, Inc. expressly reserves all rights in connection with its intellectual property, including without limitation the right to block the transfer of its products and services and/or to track usage thereof, through electronic tracking technology, and all other lawful means, now known or hereafter devised. Yardeni Research, Inc. reserves the right, without further notice, to pursue to the fullest extent allowed by the law any and all criminal and civil remedies for the violation of its rights.

The recipient should check any email and any attachments for the presence of viruses. Yardeni Research, Inc. accepts no liability for any damage caused by any virus transmitted by this company's emails, website, blog and Apps. Additional information available on [request](#).