

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

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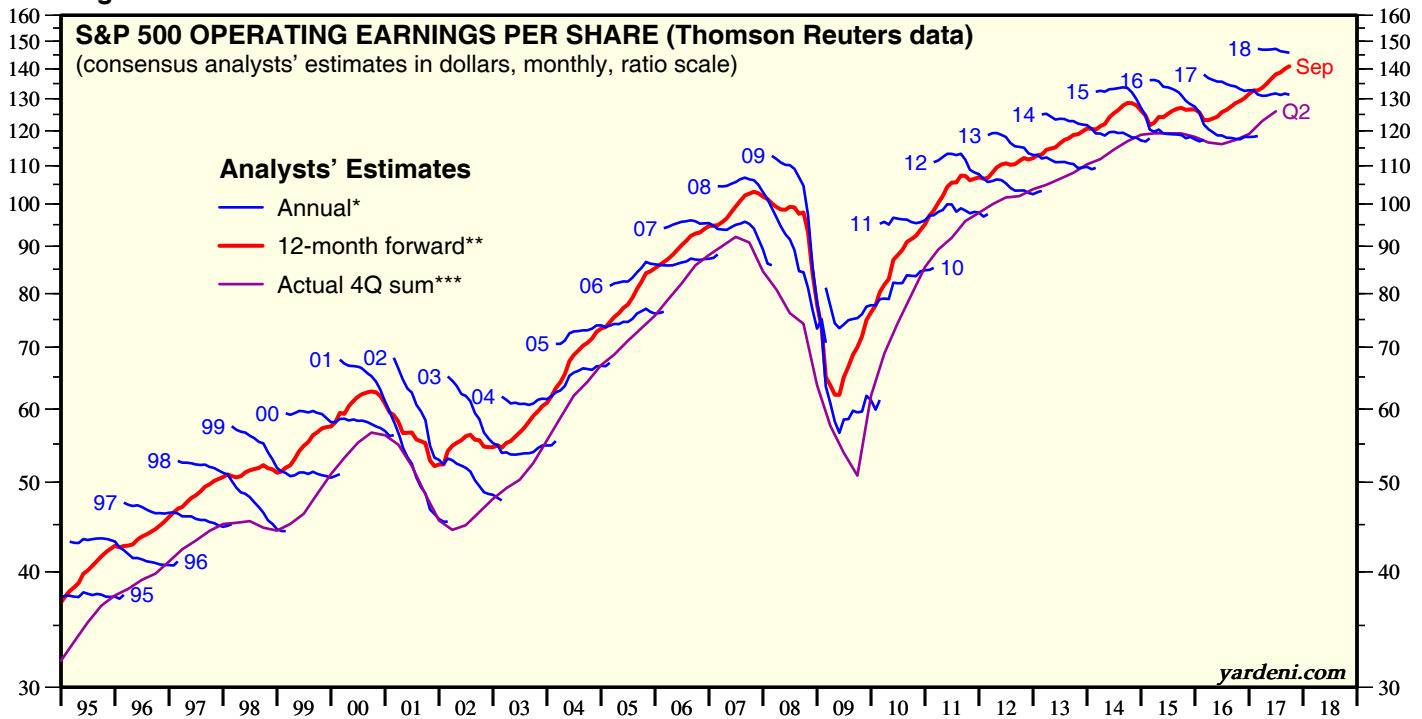
thinking outside the box

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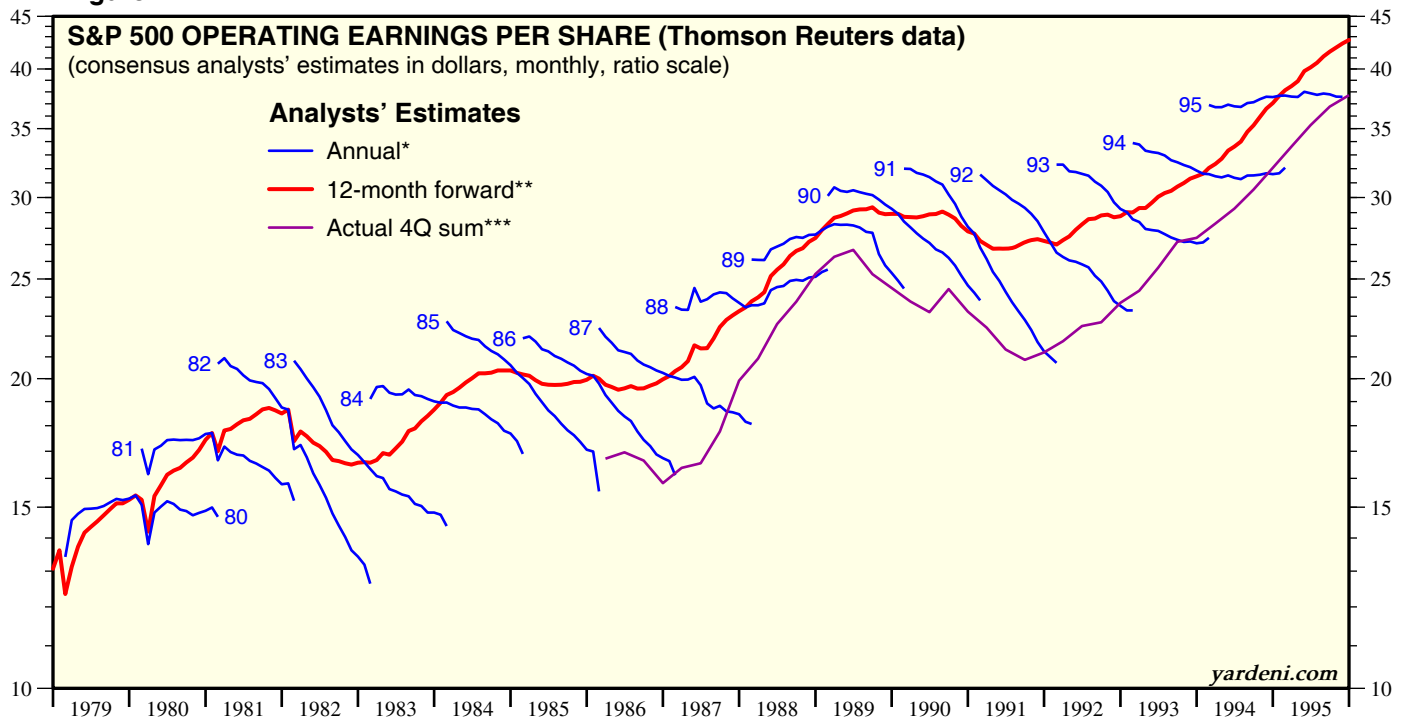
S&P 500 Earnings Squiggles

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.

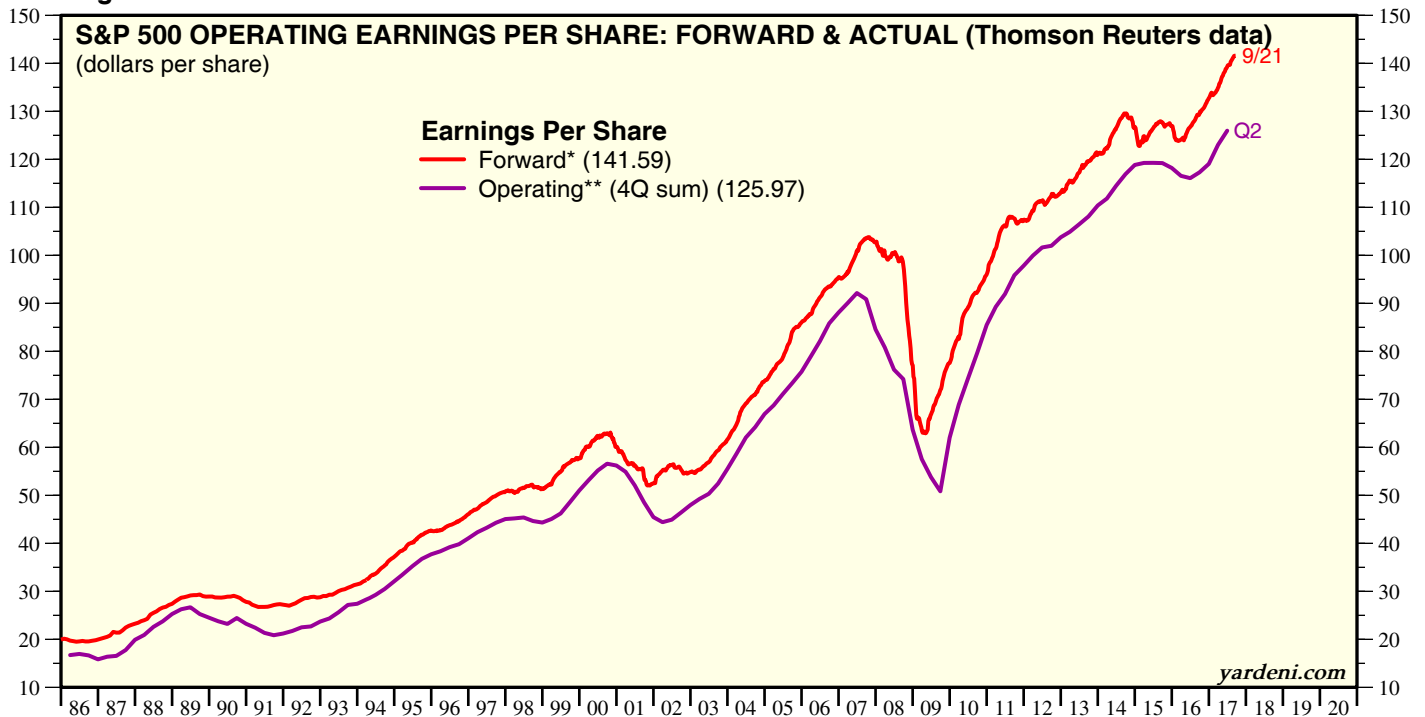
Figure 2.



* "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.

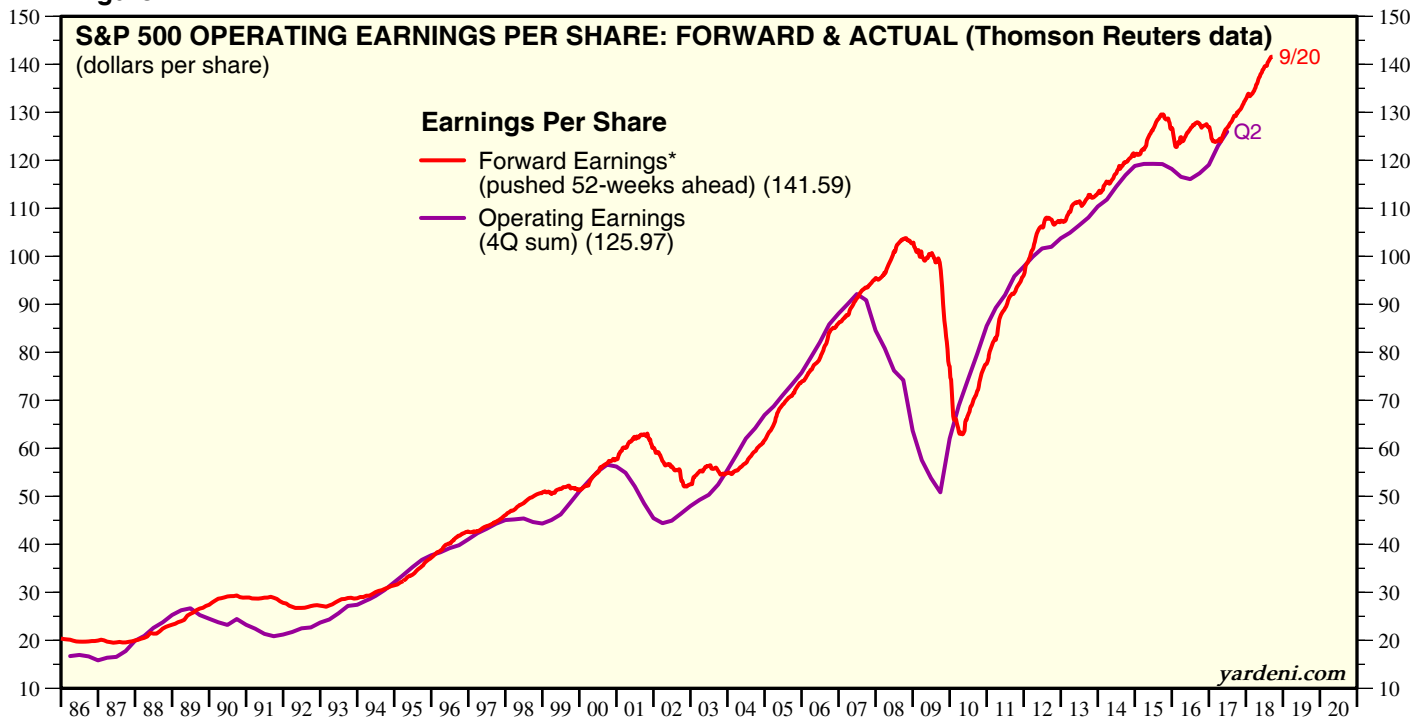


* Time-weighted average of consensus operating earnings estimates for current and next year. Monthly through March 1994, then weekly.

** 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.

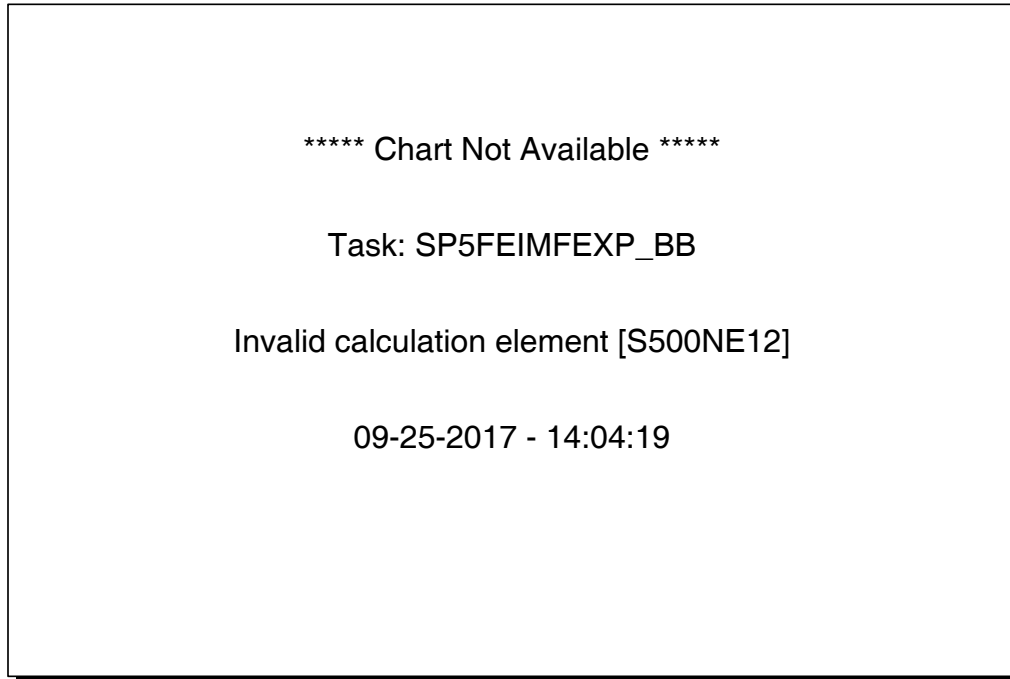
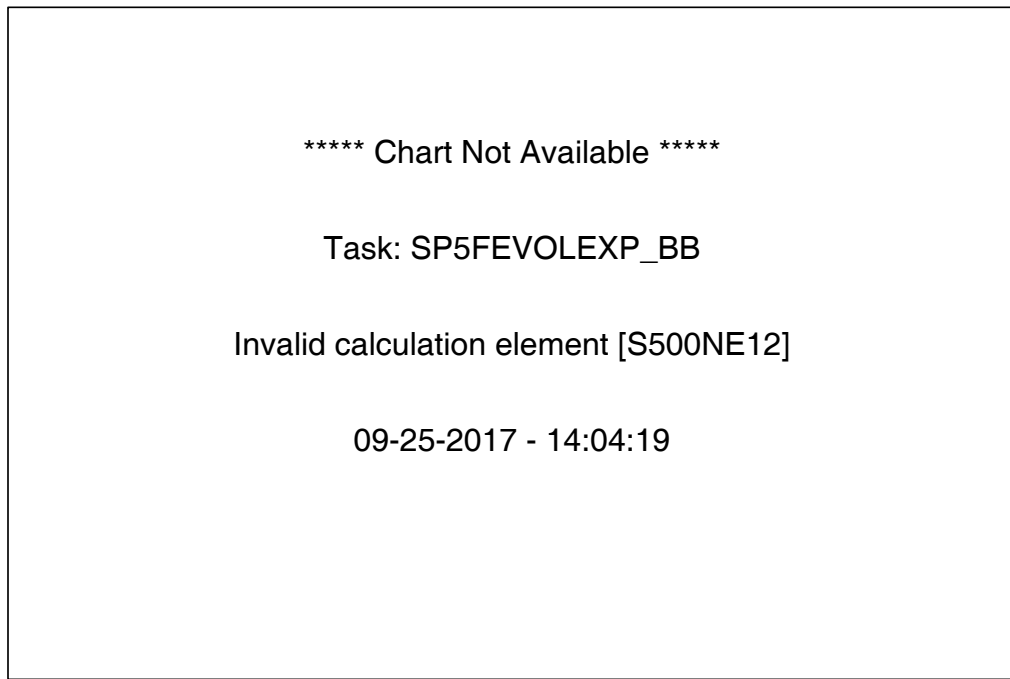


Figure 6.



Forward Earnings & OECD Production

Figure 7.

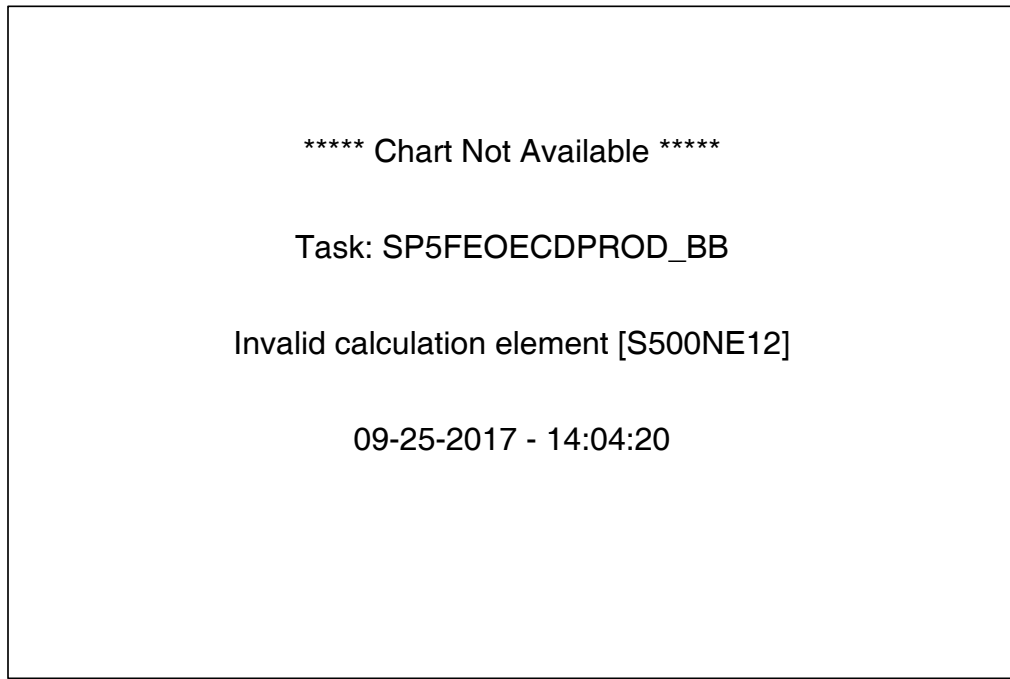
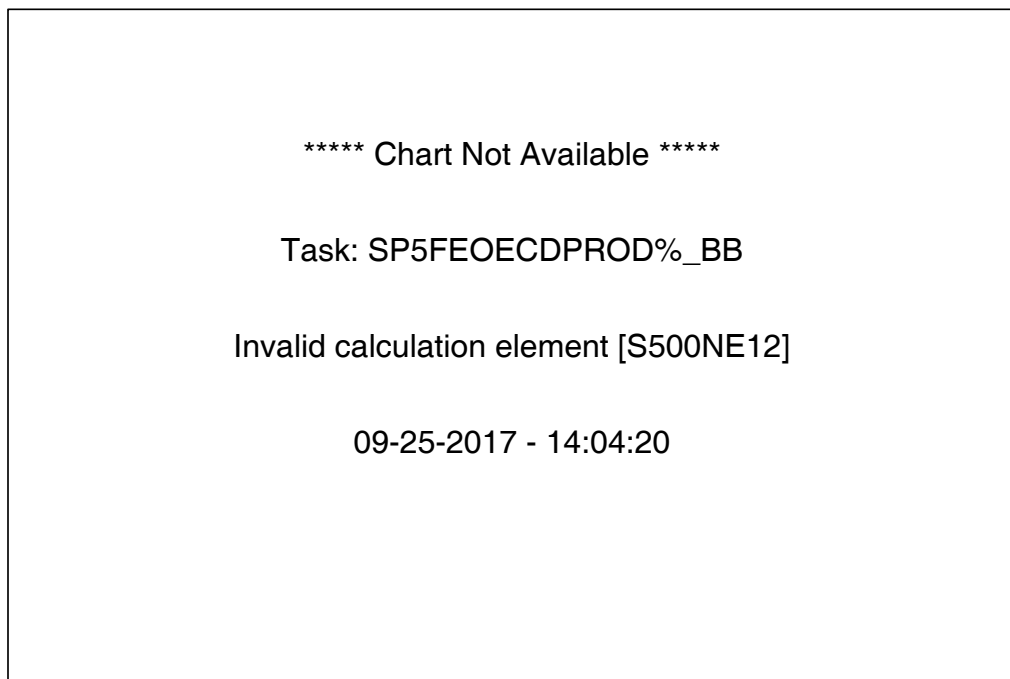
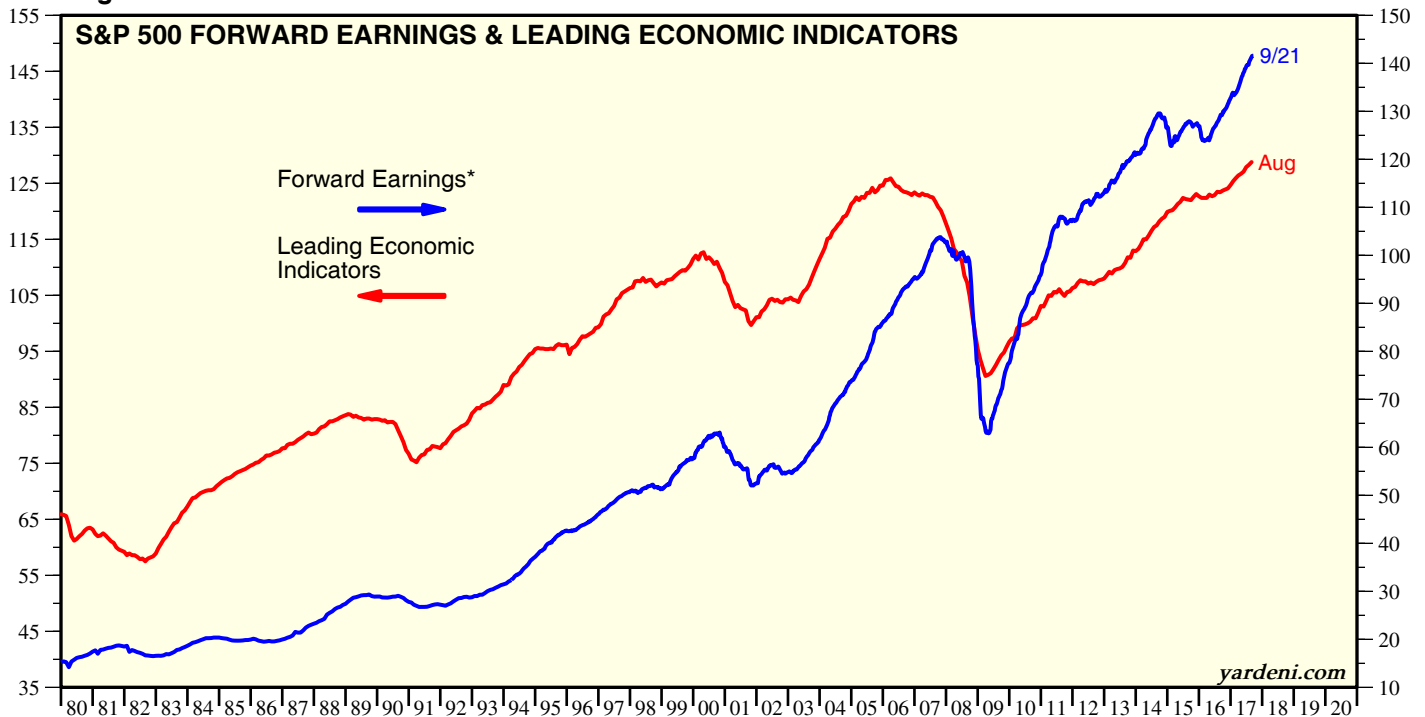


Figure 8.



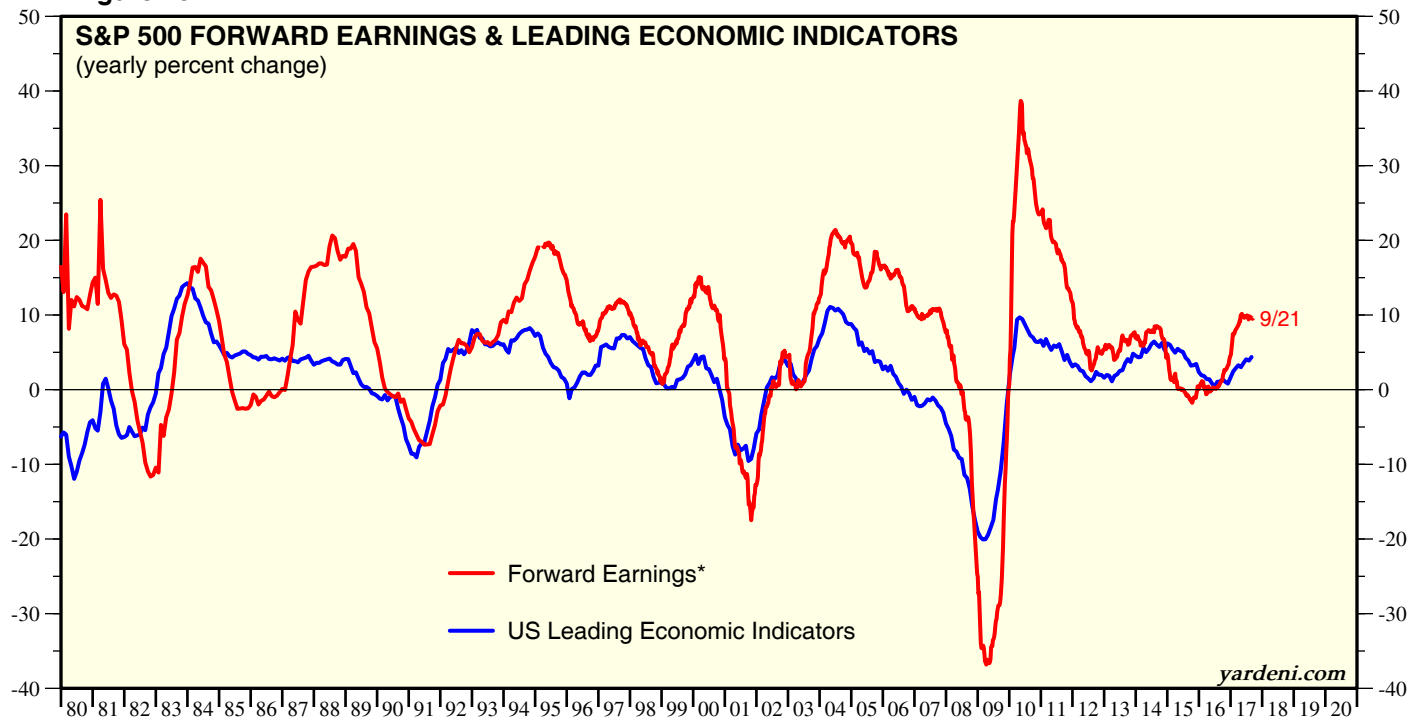
Forward Earnings & US Leading Indicators

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.

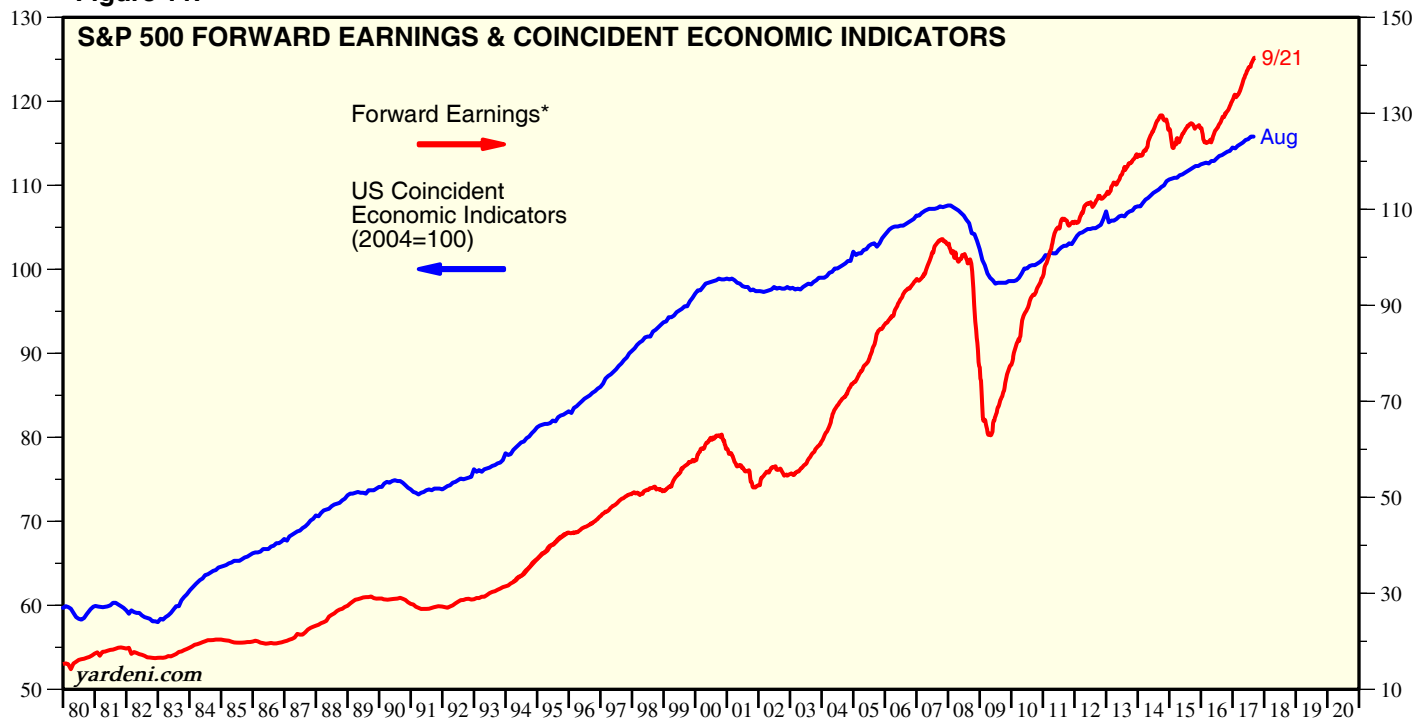
Figure 10.



* 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.

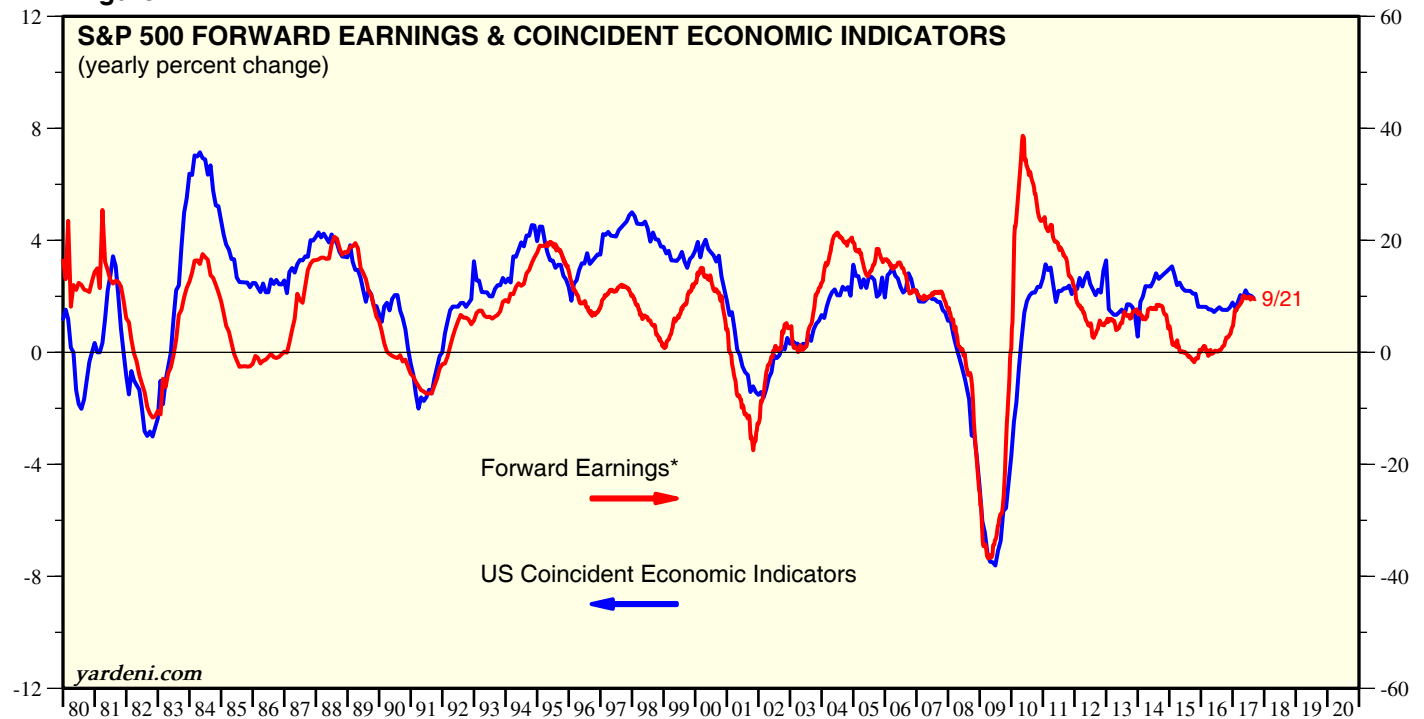
Forward Earnings & US Coincident Indicators

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.

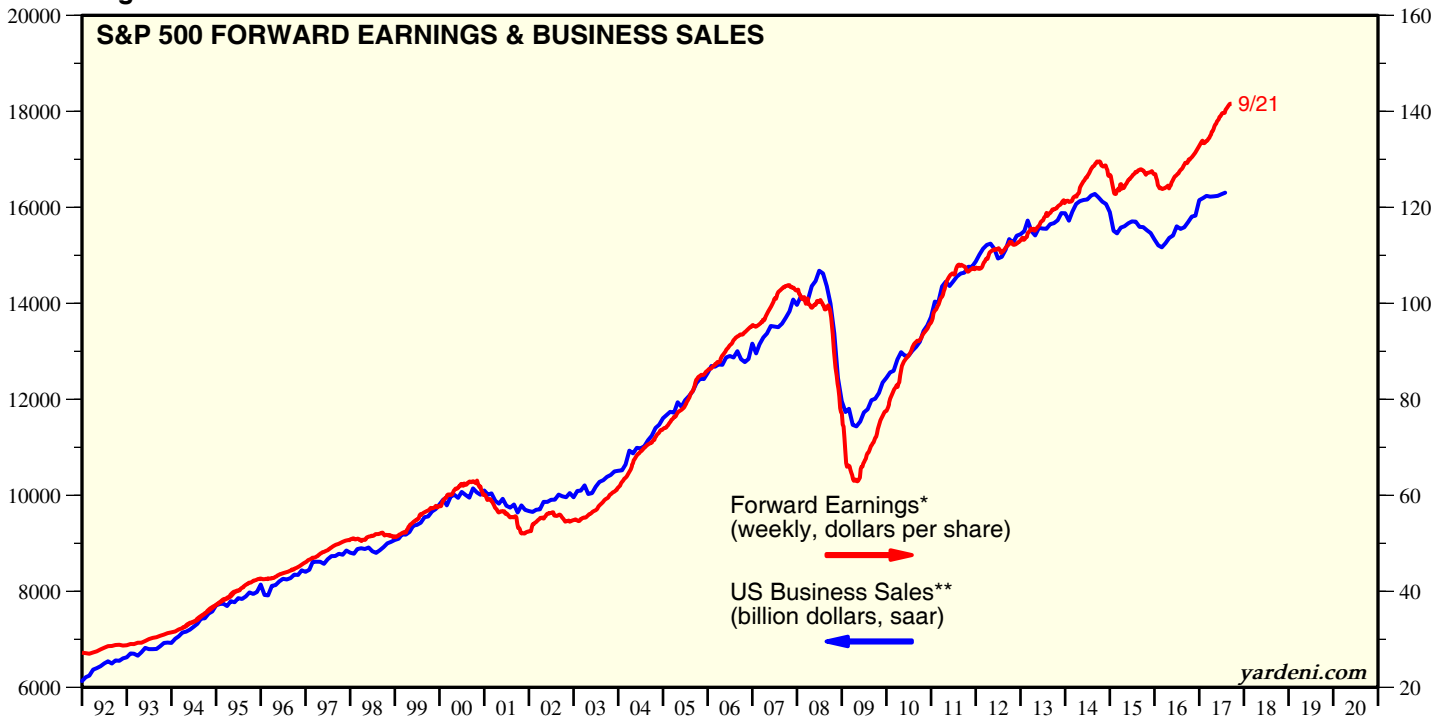
Figure 12.



* 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.

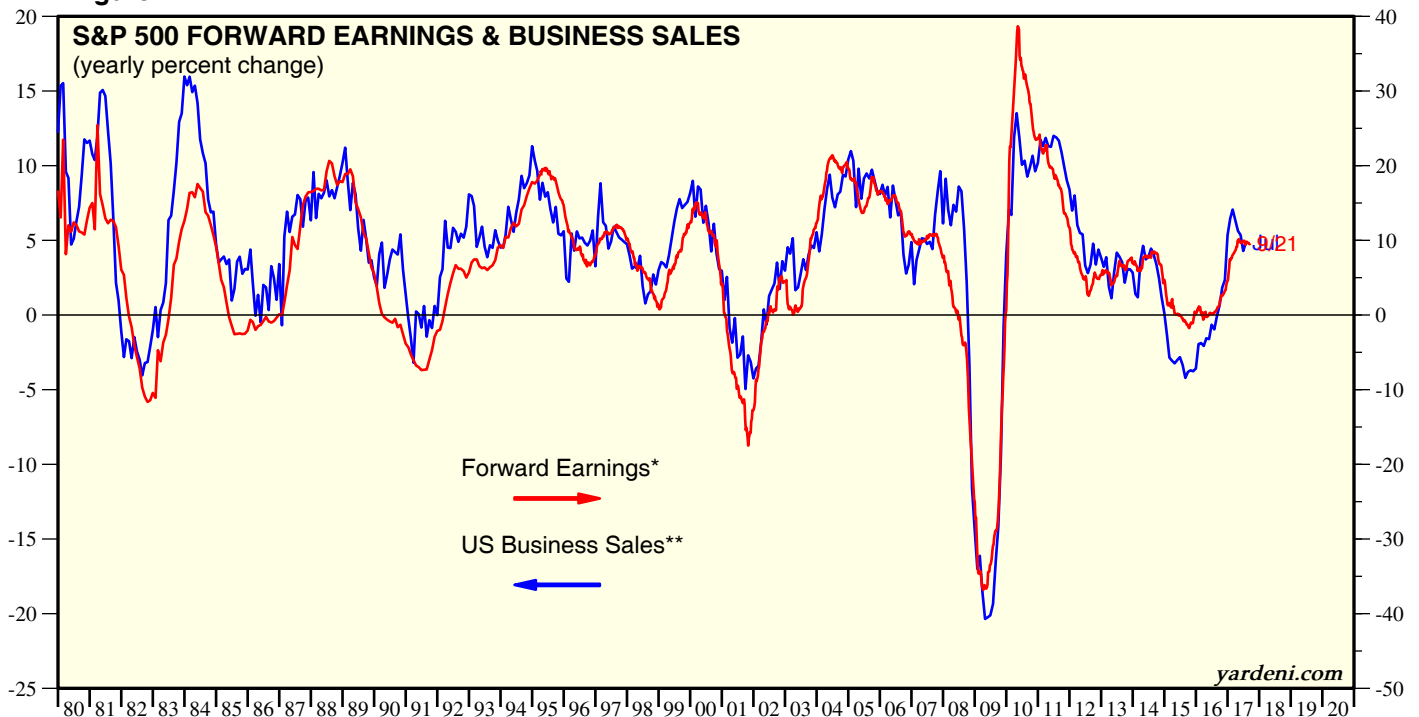


* Time-weighted average of consensus operating earnings estimates for current and next year. Monthly through March 1994, weekly thereafter.

** Manufacturing and trade sales.

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

Figure 14.



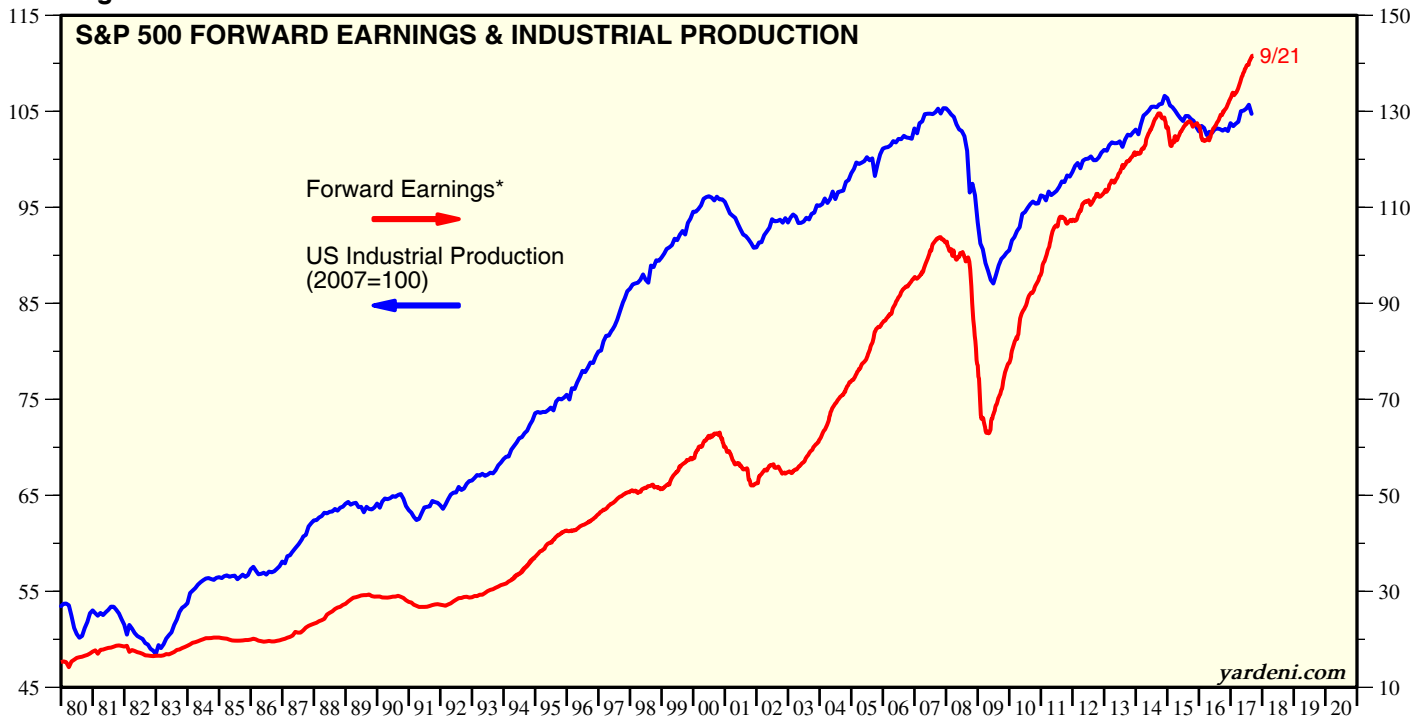
* Time-weighted average of consensus operating earnings estimates for current and next year. Monthly through March 1994, weekly thereafter.

** Manufacturing and trade sales.

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

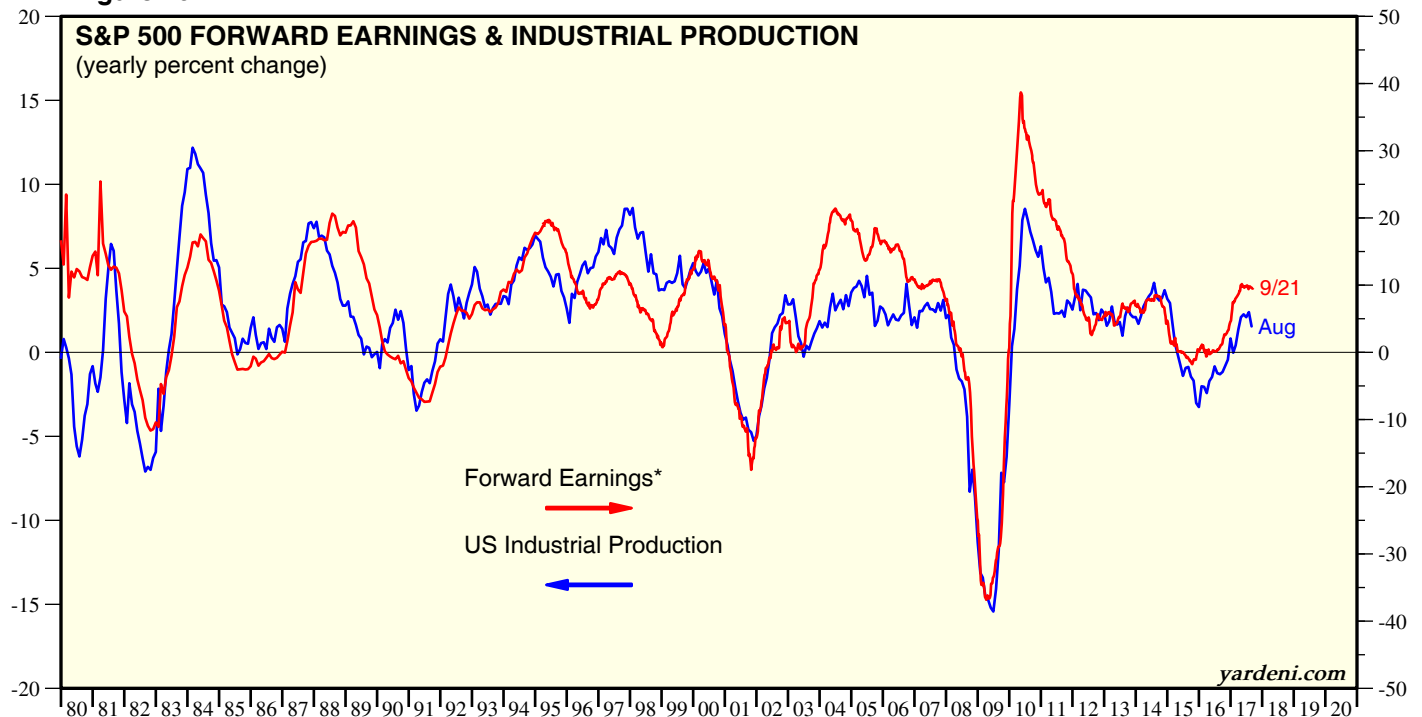
Forward Earnings & Production

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.

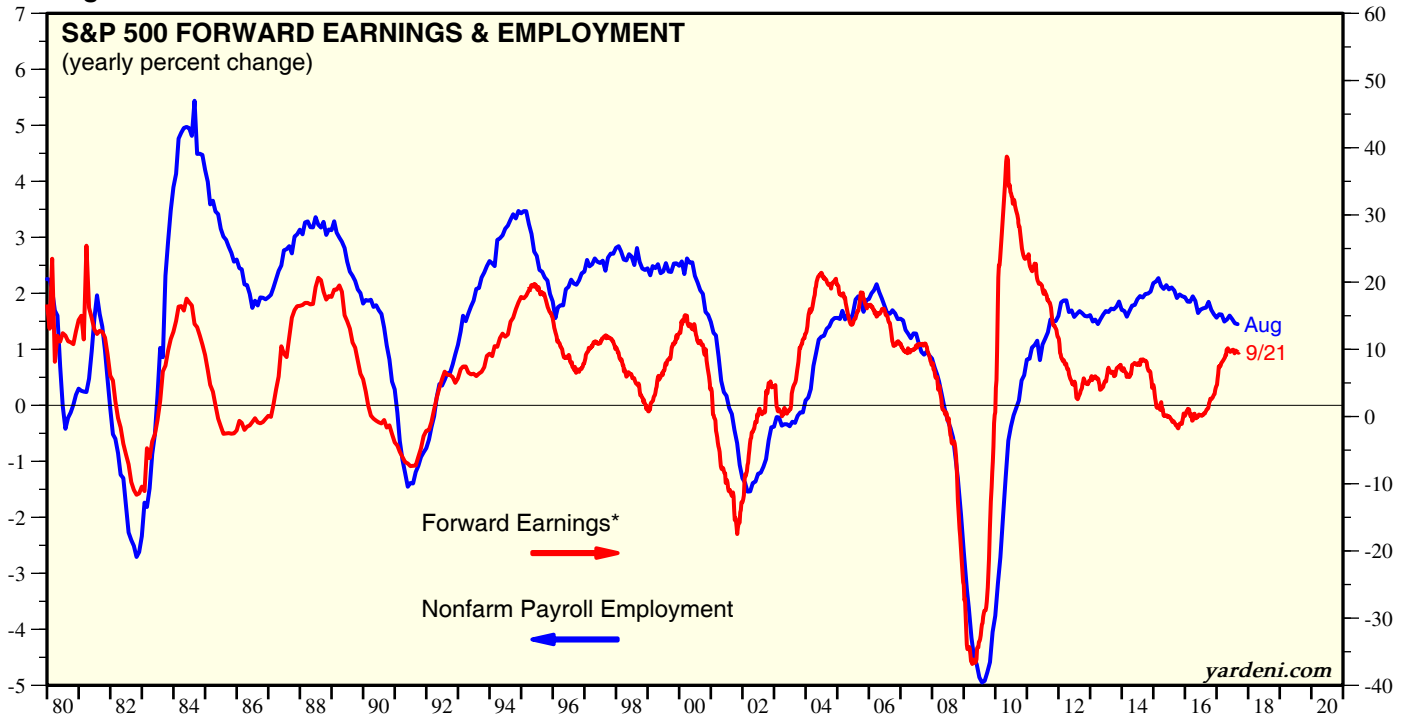
Figure 16.



* 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.

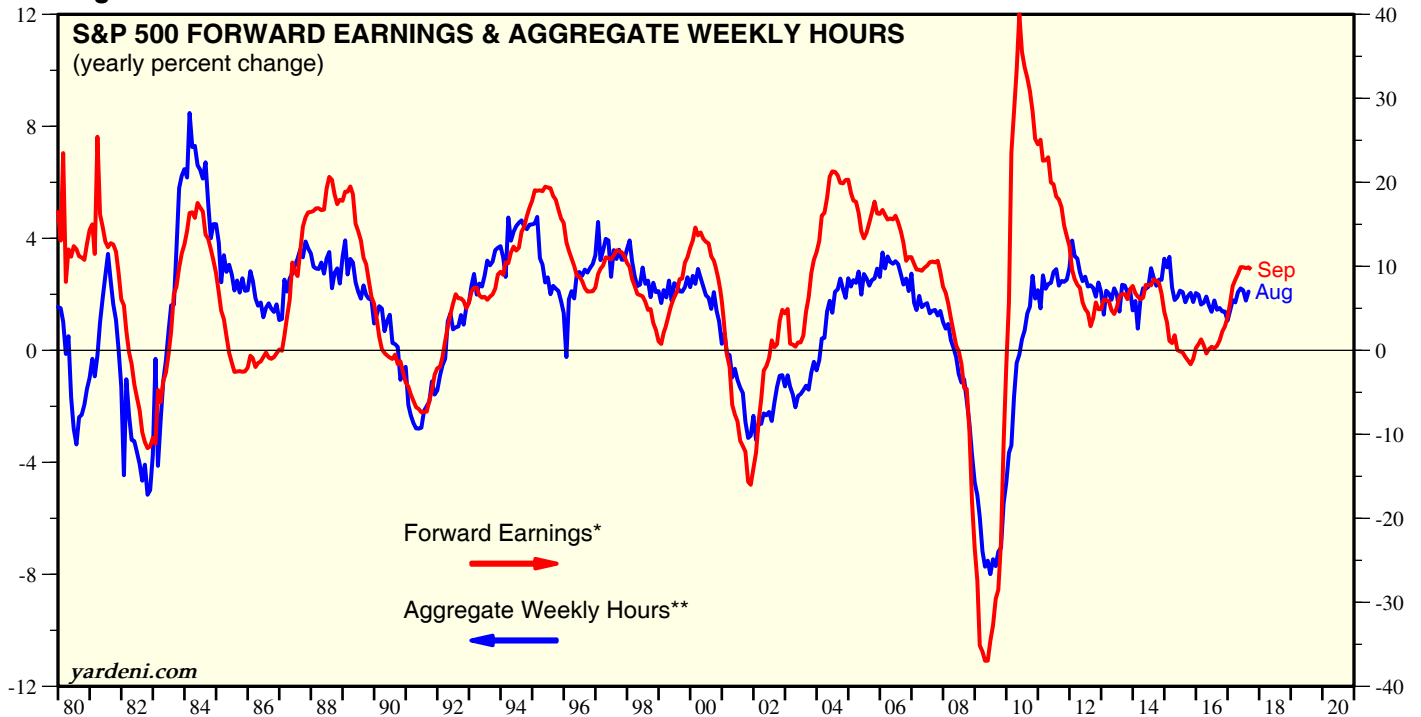
Forward Earnings & Employment

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.

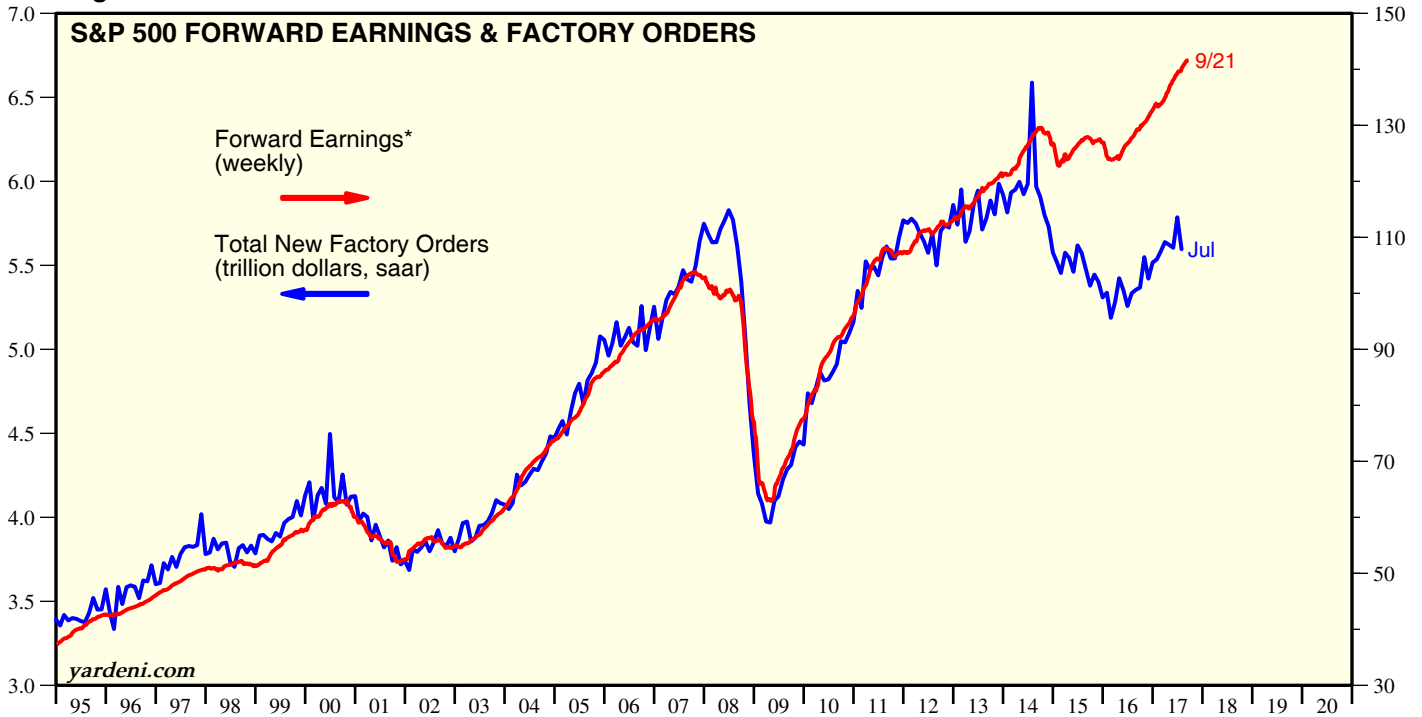
Figure 18.



* 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.

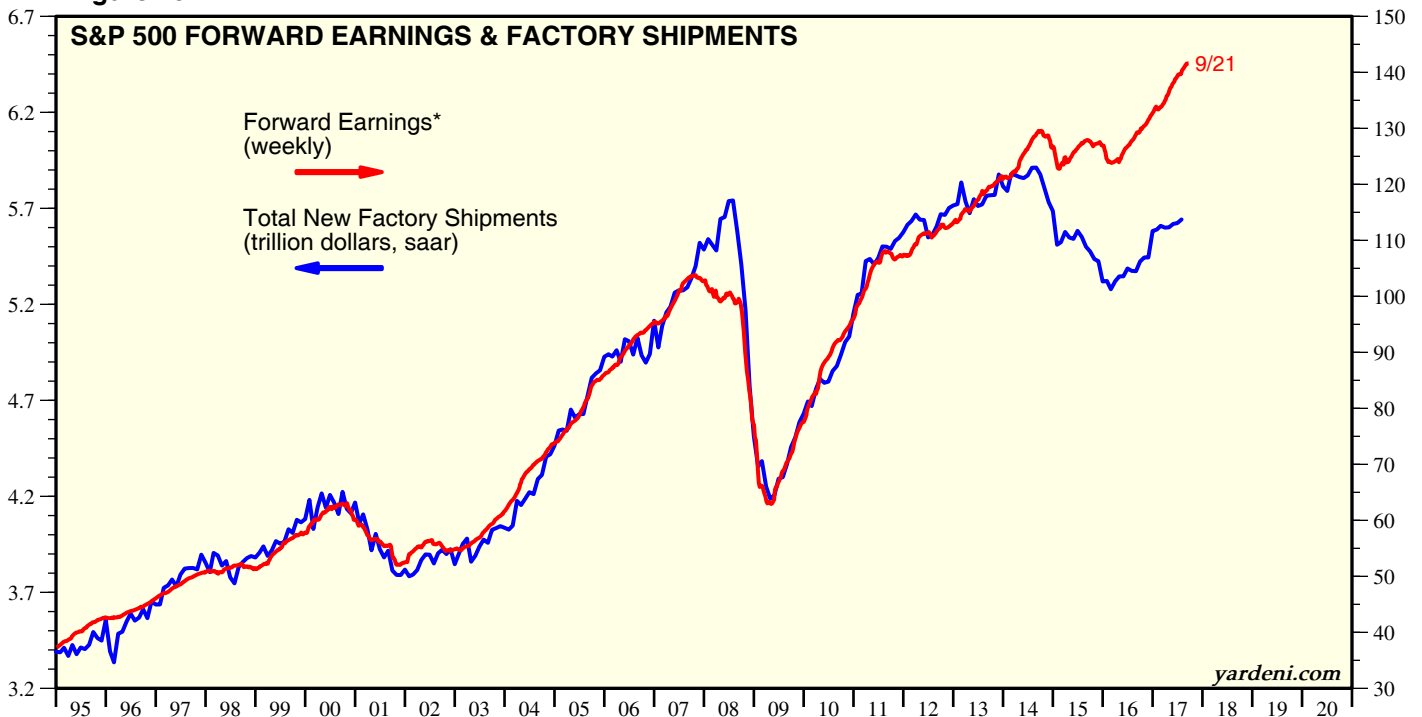
Forward Earnings, Orders & Shipments

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.

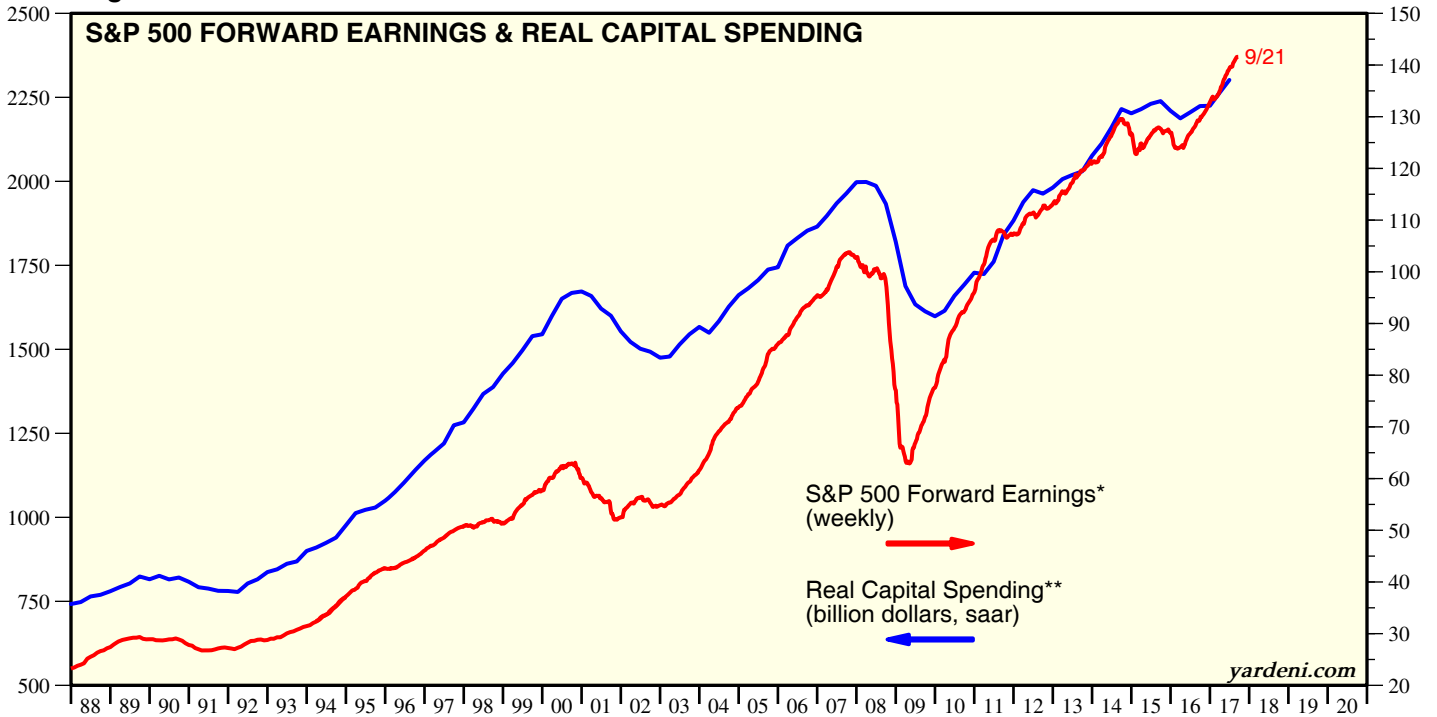
Figure 20.



* 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

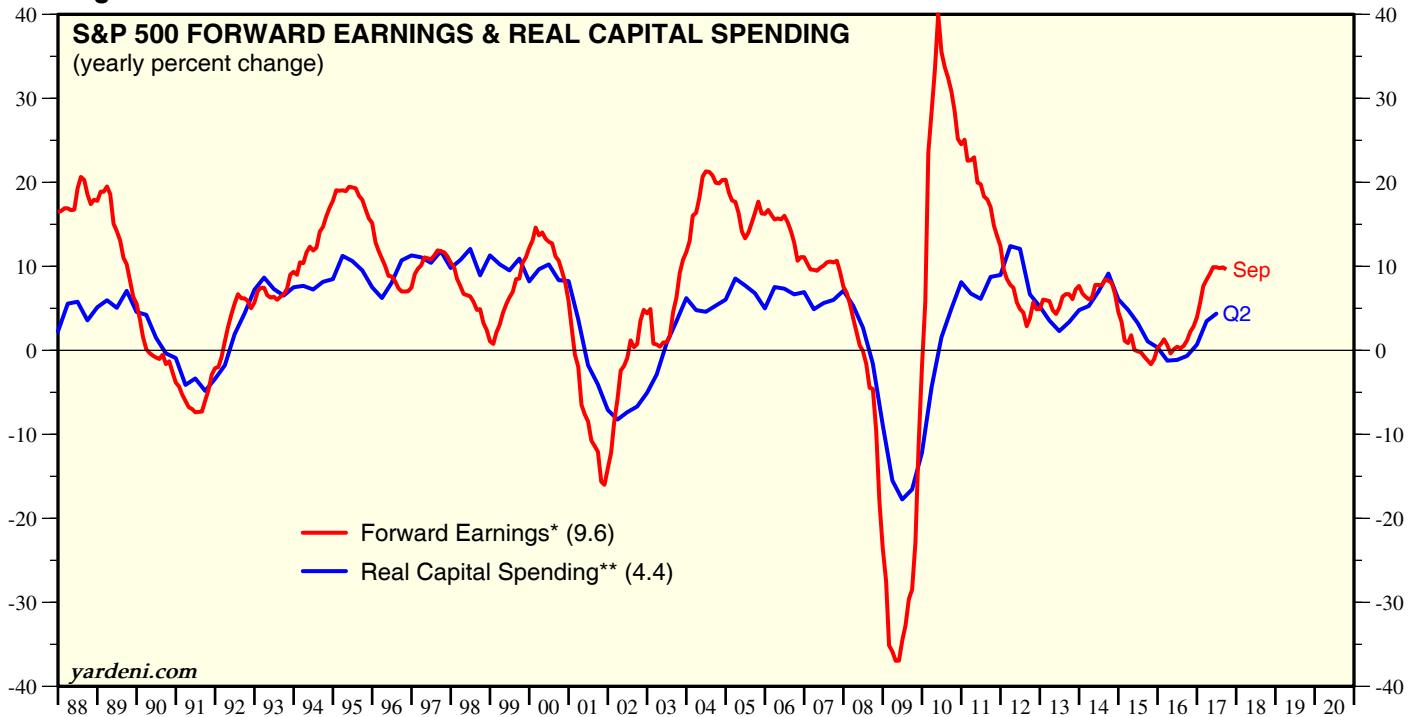
Figure 21.



* 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.

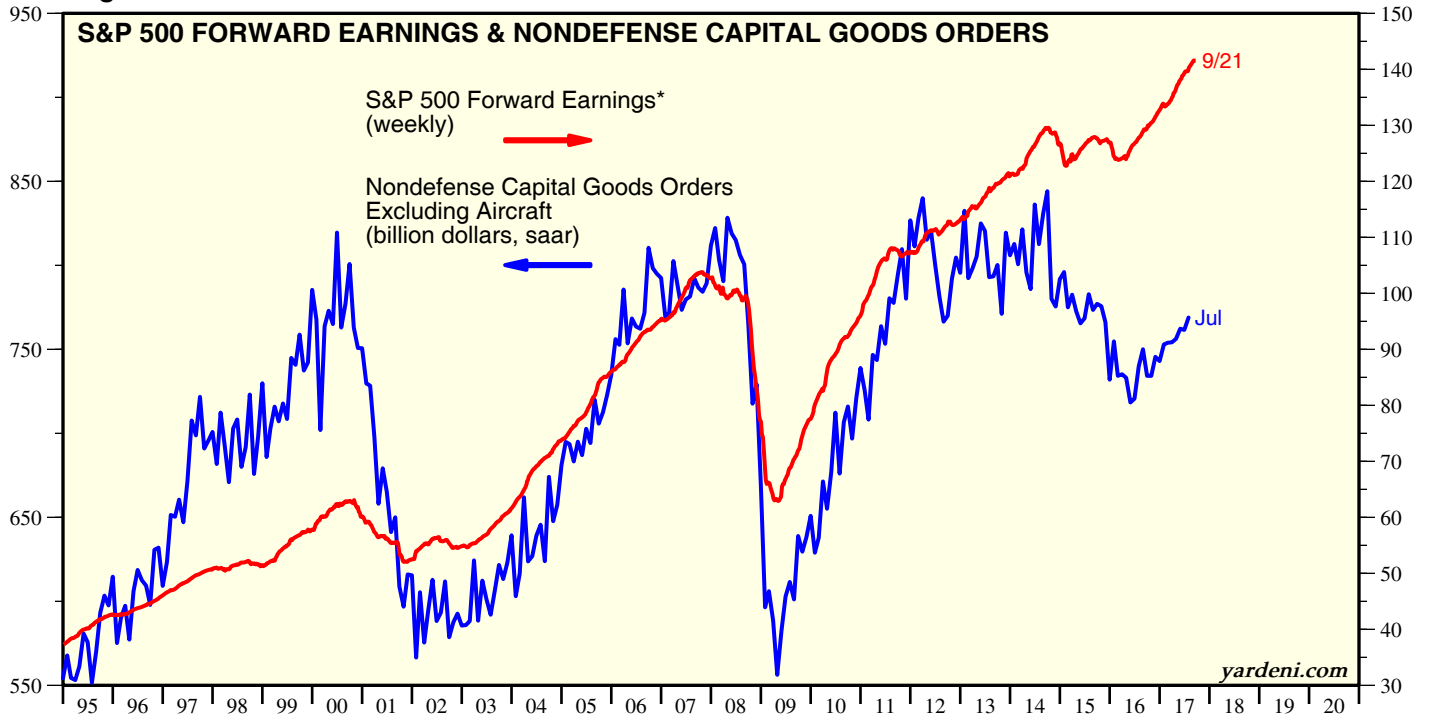


* Time-weighted average of consensus operating earnings estimates for current and next year. Monthly through March 1994, weekly thereafter.

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

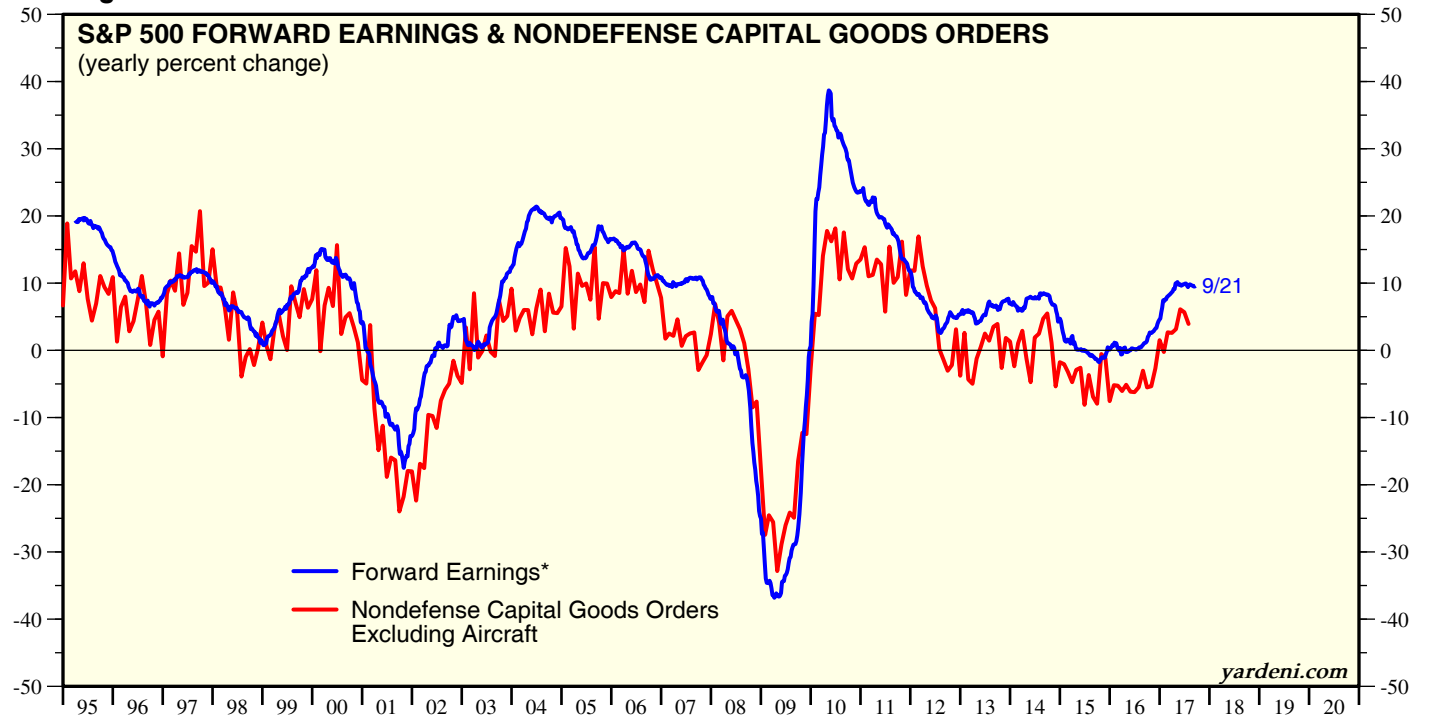
Forward Earnings & Capital Spending

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.

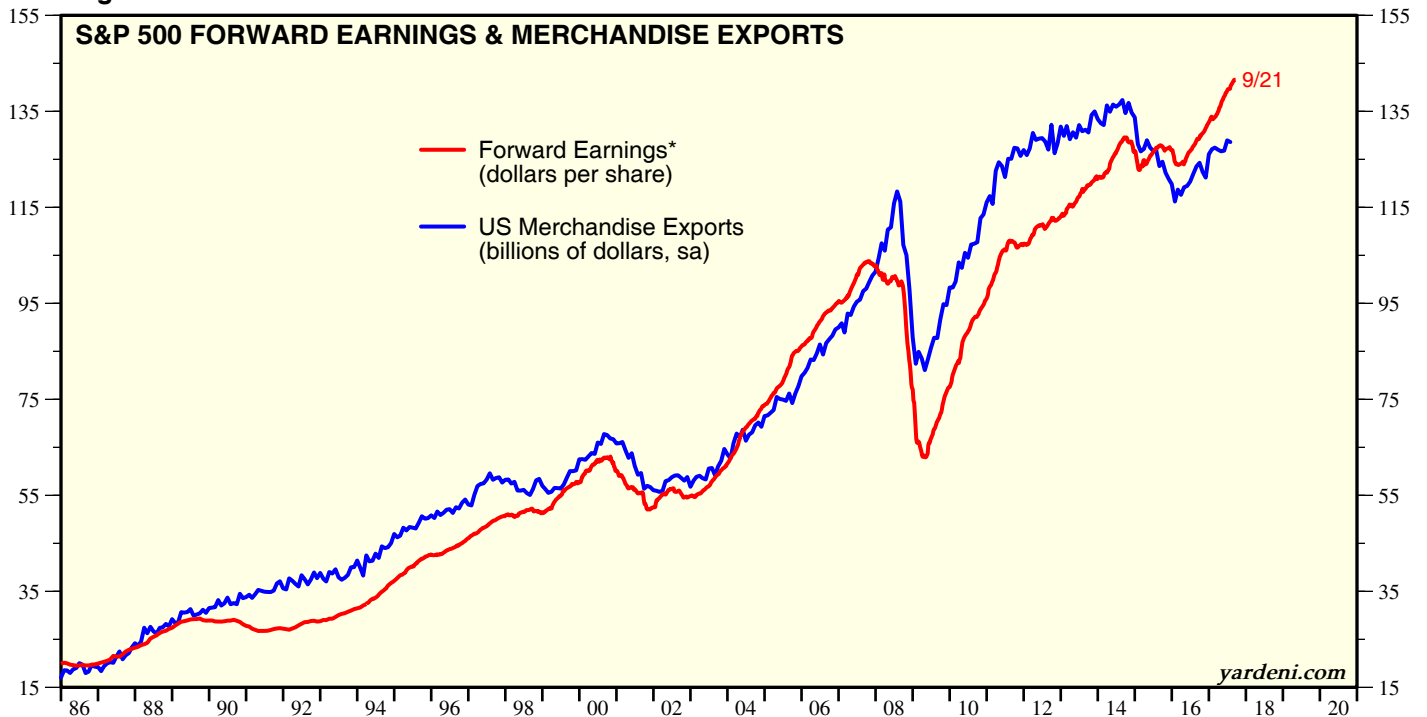
Figure 24.



* 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.

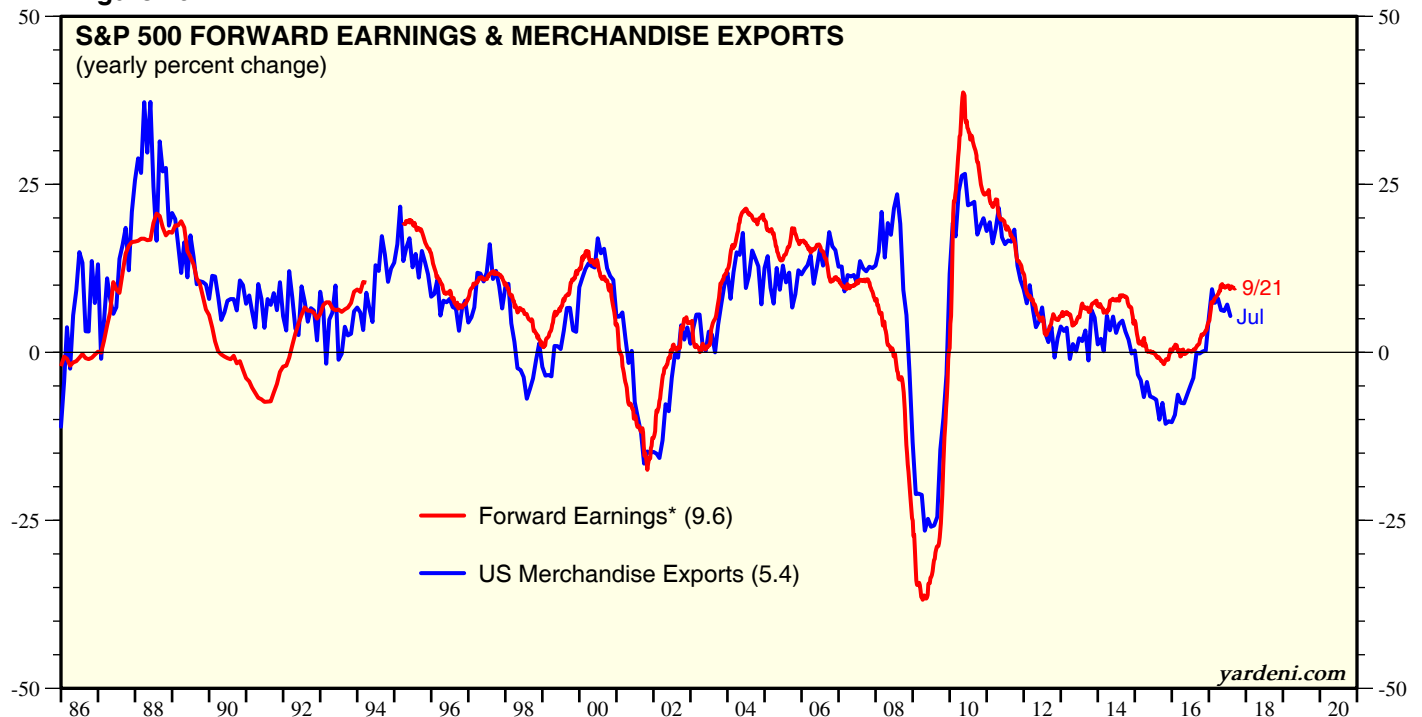
Forward Earnings & US Exports

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.

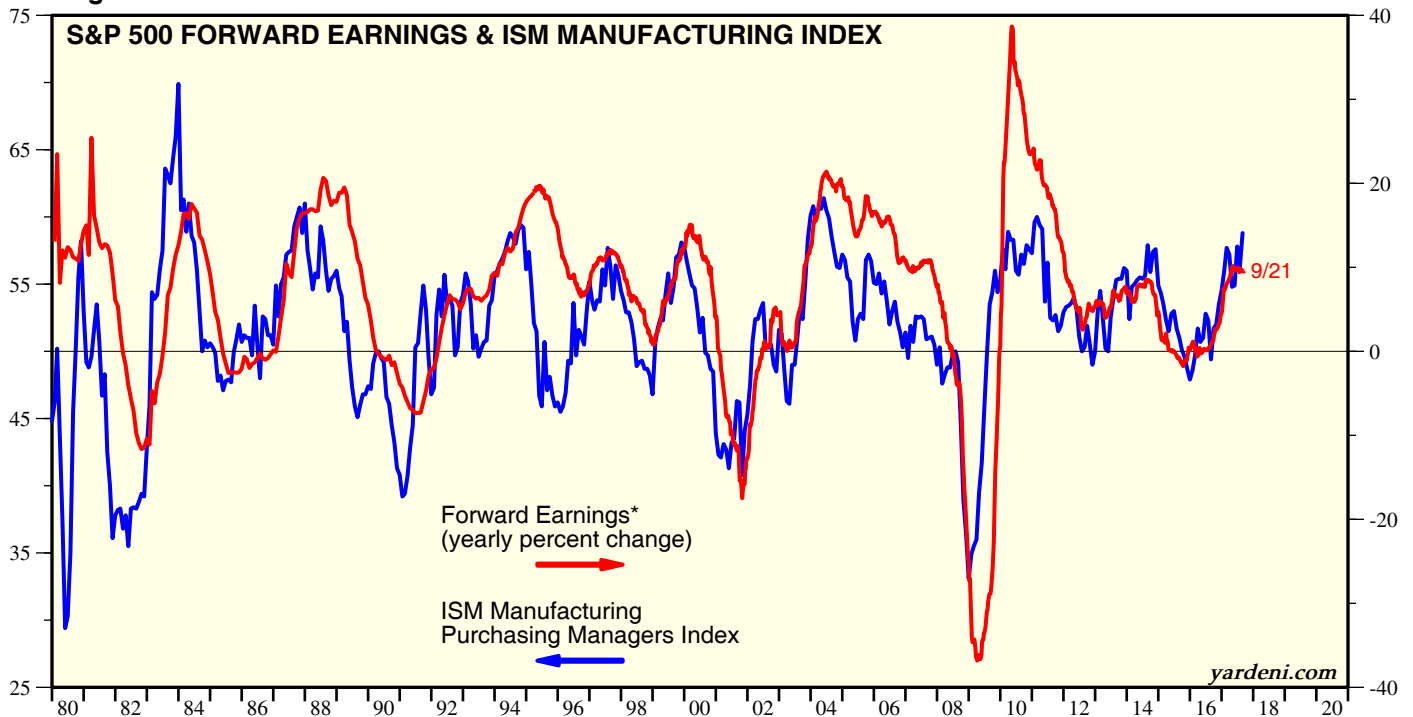
Figure 26.



* 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.

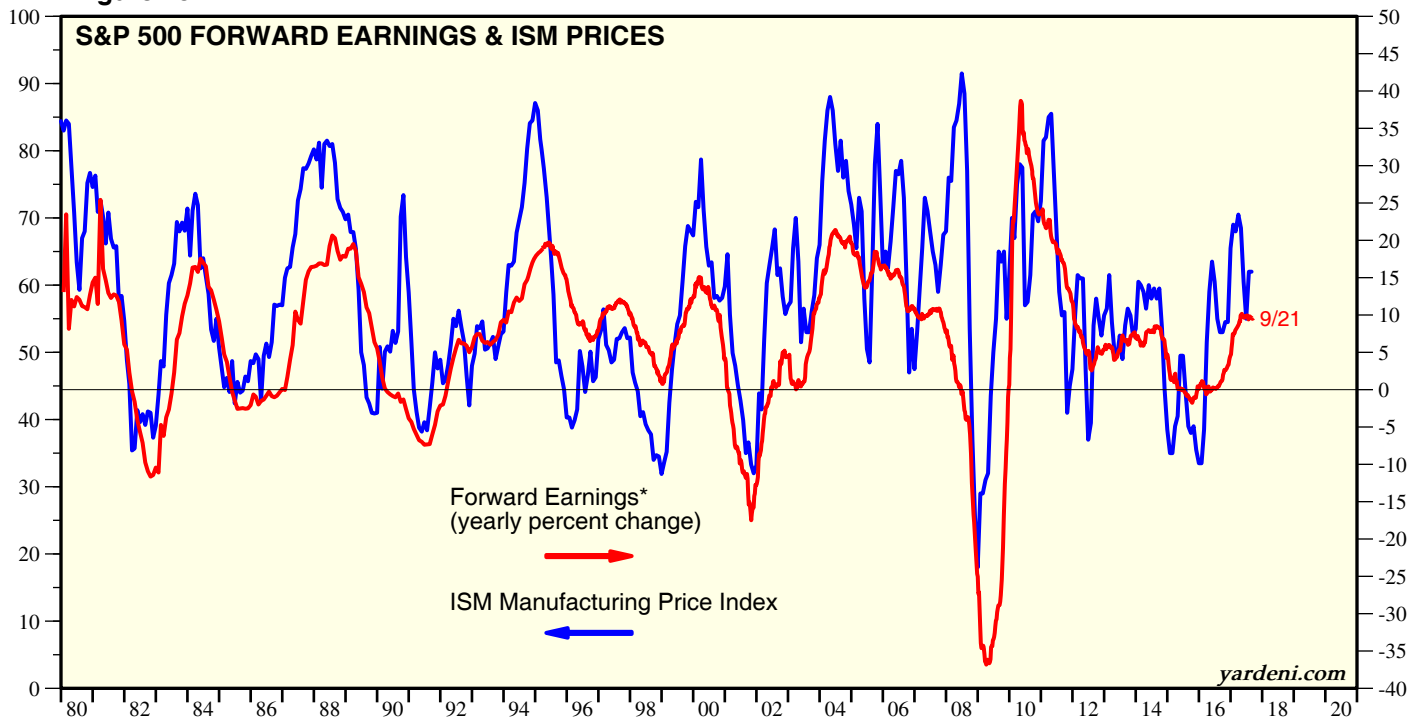
Forward Earnings & ISM

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.

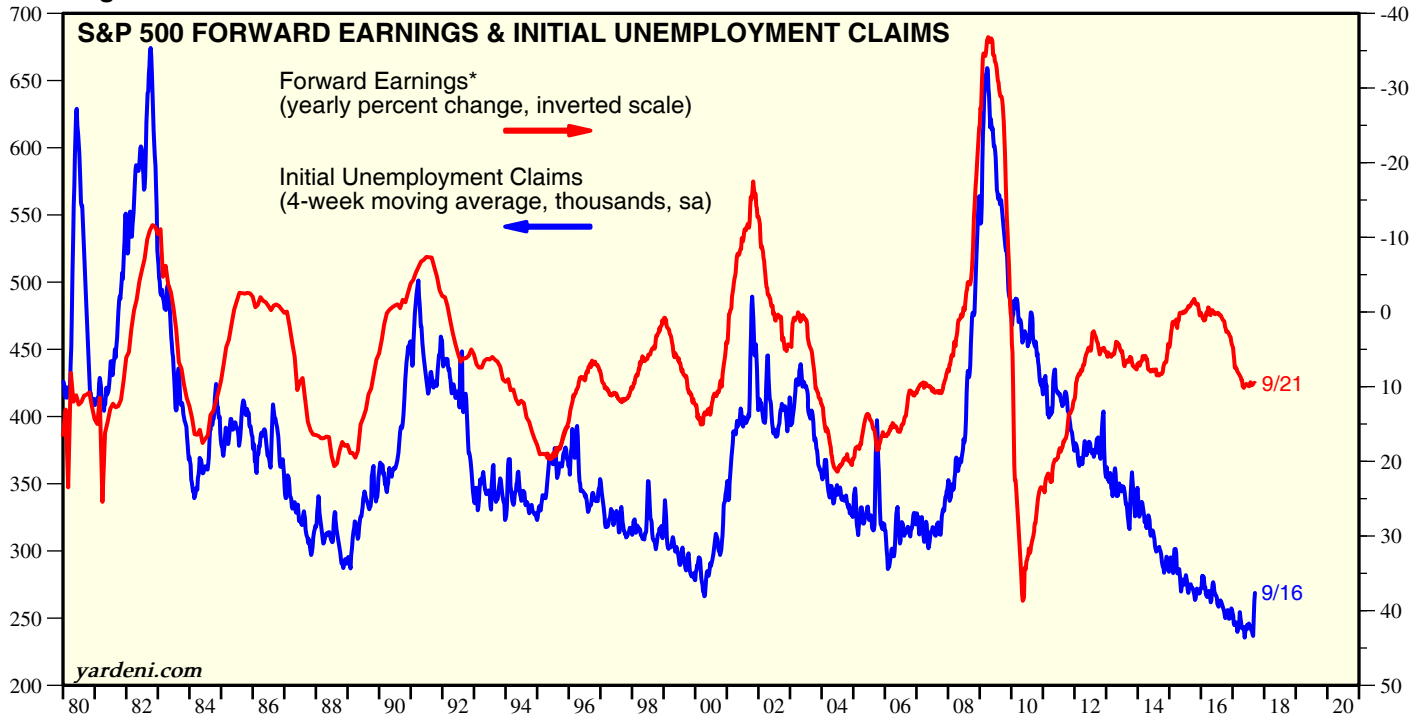
Figure 28.



* 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.

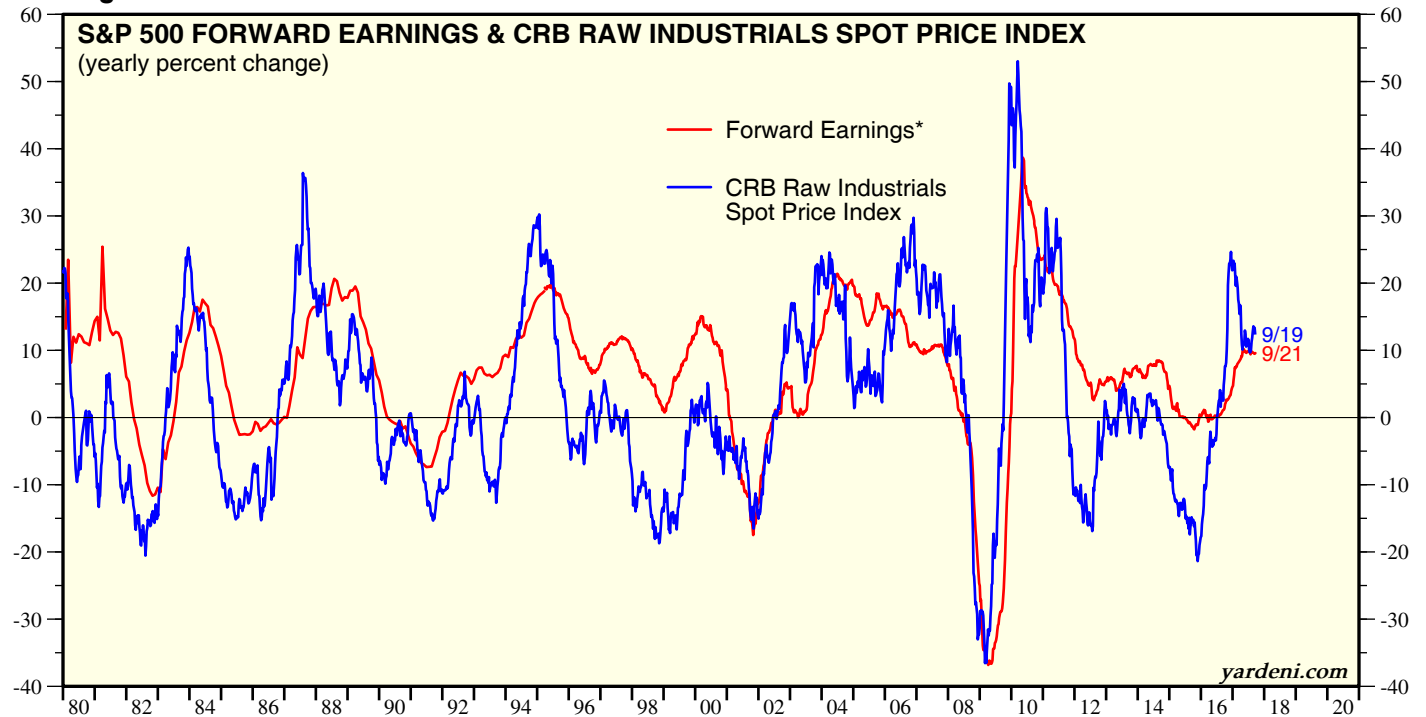
Forward Earnings, Jobless Claims, & Spot Prices

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.

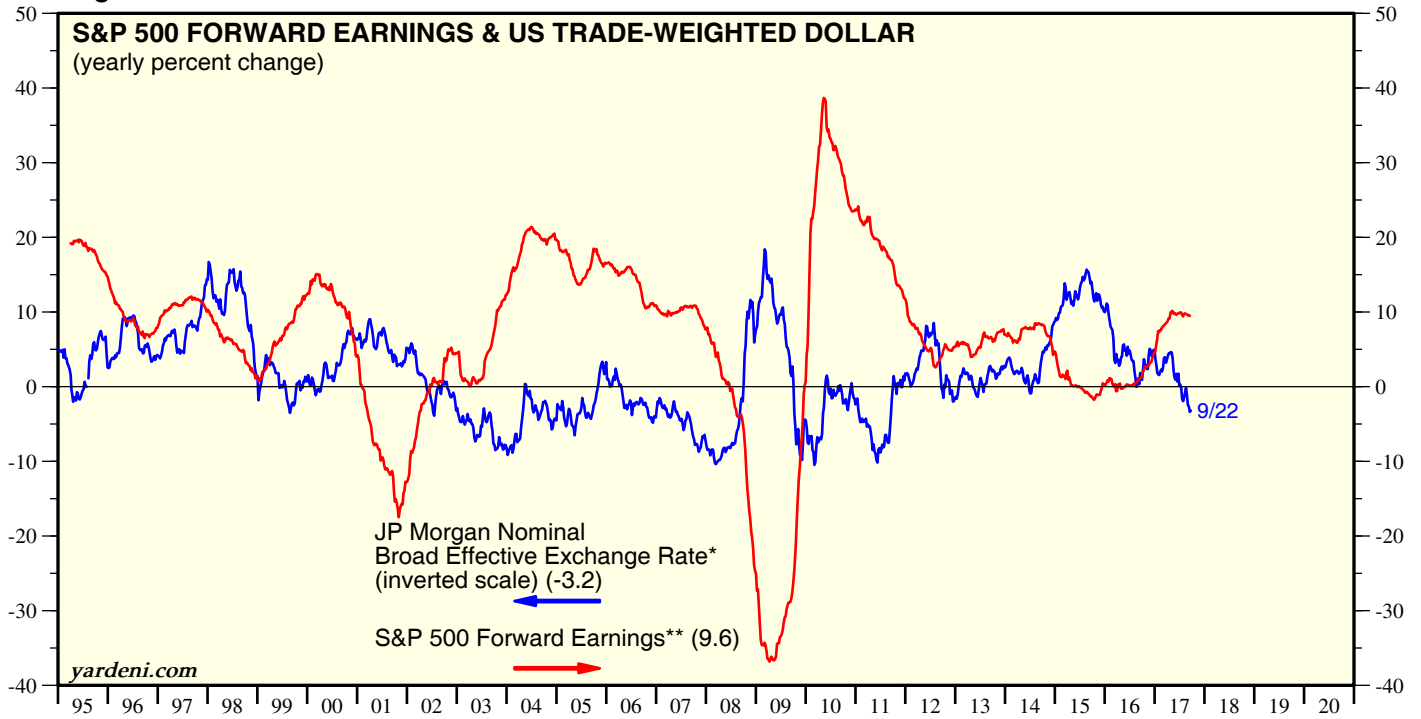
Figure 30.



* 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.

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