S&P 500 Industry Briefing: Homebuilding

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thinking outside the box
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**Figure 1.**

S&P 500 HOMEBUILDING STOCK PRICE INDEX*

(DHI LEN NVR PHM)

- 200-day moving average.

* Ratio scale.

Source: Standard & Poor’s and Haver Analytics.

**Figure 2.**

S&P 500 HOMEBUILDING INDEX, FORWARD EARNINGS, & VALUATION

- Homebuilding Index
  04/01/21

- Blue Angels Implied Price Index*
  03/25/21

Implied price capped at $100 because forward earnings was negative from September 2007 to January 2010.

* Implied price index calculated using forward earnings times forward P/Es.

Source: Standard & Poor’s and I/B/E/S data by Refinitiv.
Figure 3.

**S&P 500 HOMEBUILDING REVENUES PER SHARE**
(analysts' average forecasts, ratio scale)

*Consensus Forecasts*
- Annual estimates
- Forward revenues*

* Time-weighted average of consensus estimates for current year and next year. Monthly through December 2005, then weekly.
Source: I/B/E/S data by Refinitiv.

Figure 4.

**S&P 500 HOMEBUILDING OPERATING EPS**
(analysts' average forecasts, ratio scale)

*Consensus Forecasts*
- Annual estimates
- Forward earnings*

* Time-weighted average of consensus estimates for current year and next year. Monthly through December 2005, then weekly.
Source: I/B/E/S data by Refinitiv.
Figure 5.
S&P 500 HOMEBUILDING ANNUAL REVENUE GROWTH FORECASTS*
(based on analysts' consensus estimates, percent, weekly)

Figure 6.
S&P 500 HOMEBUILDING ANNUAL EARNINGS GROWTH FORECASTS*
(based on analysts' consensus estimates, percent, weekly)

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

**S&P 500 Homebuilding Projected Profit Margin**

(using analysts’ average earnings and revenues forecasts)

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

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

Figure 8.

**S&P 500 Homebuilding Net Earnings Revisions***

* Three-month moving average of the number of forward earnings estimates up less number of estimates down, expressed as a percentage of the total number of forward earnings estimates.

Source: I/B/E/S data by Refinitiv.
**Figure 9.**

**S&P 500 HOMEBUILDING STRG, STEG, & LTEG**

(Percent)

- LTEG* (16.6)
- STEG* (23.7)
- STRG* (16.8)

STEG capped at -50% and 50%.

* STEG is year-ahead forward consensus expected short-term earnings growth. STRG is year-ahead forward consensus expected short-term revenue growth. LTEG is five-year consensus expected long-term earnings growth.

Monthly data through 2005, weekly thereafter.

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

**Figure 10.**

**S&P 500 HOMEBUILDING VALUATION**

- Forward P/E* (9.1)
- Relative P/E** (0.4)
- PEG Ratio*** (0.5)

P/E not available during 2007-2010 because earnings are negative.

* Price divided by 12-month forward consensus expected operating earnings per share.
** Sector or industry forward P/E relative to S&P 500 forward P/E.
*** Sector or industry forward P/E relative to sector or industry consensus 5-year LTEG forecast.

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