

# Stock Market Briefing: Valuation Models Misery Index & Rule of 20

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*thinking outside the box*

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# *Table Of Contents*

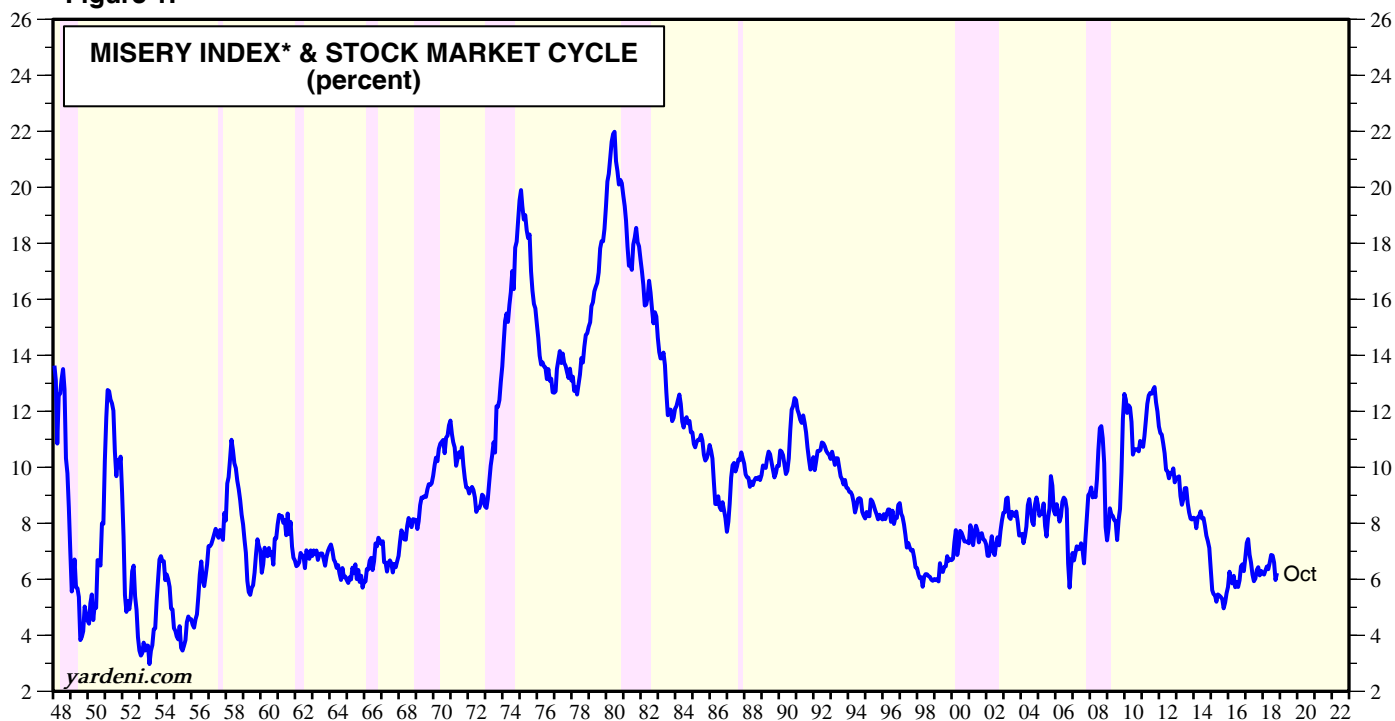
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Misery Index

1-4

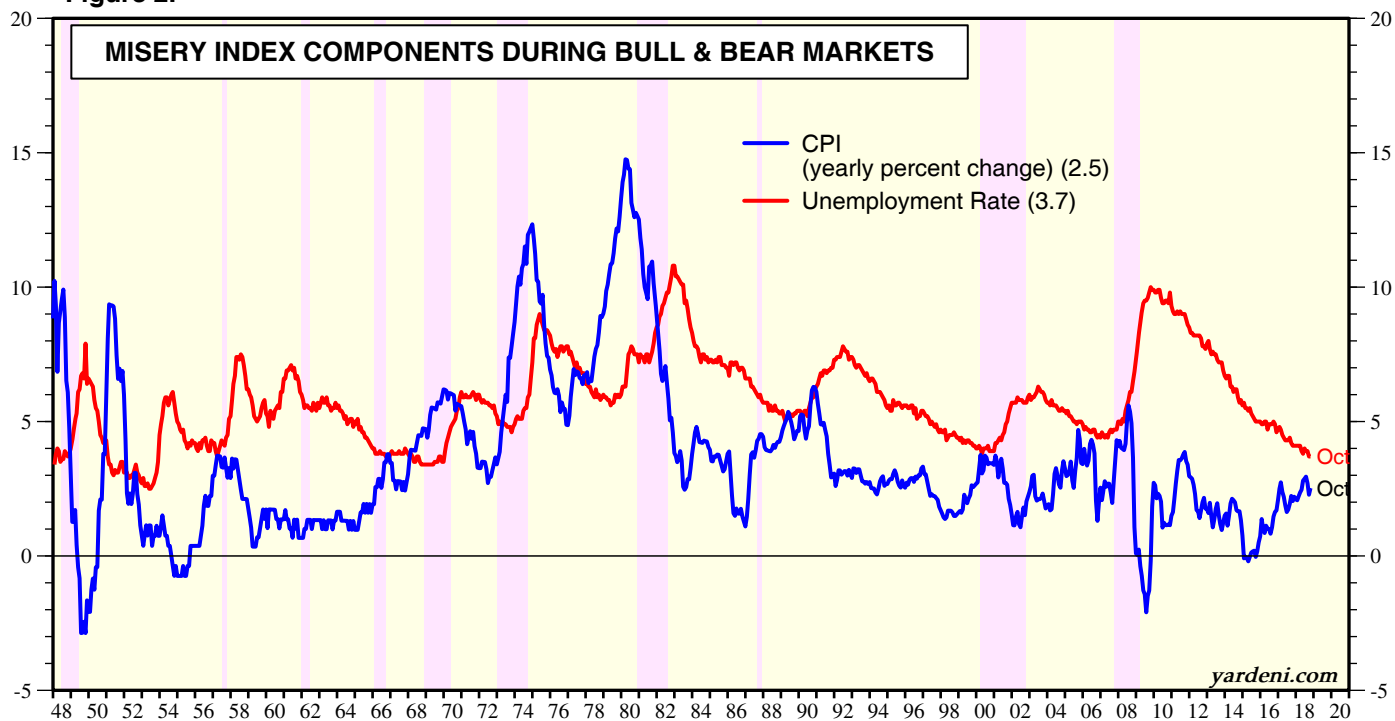
# Misery Index

Figure 1.



\* 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.  
 Source: US Department of Commerce, Bureau of Economic Analysis and US Department of Labor, Bureau of Labor Statistics.

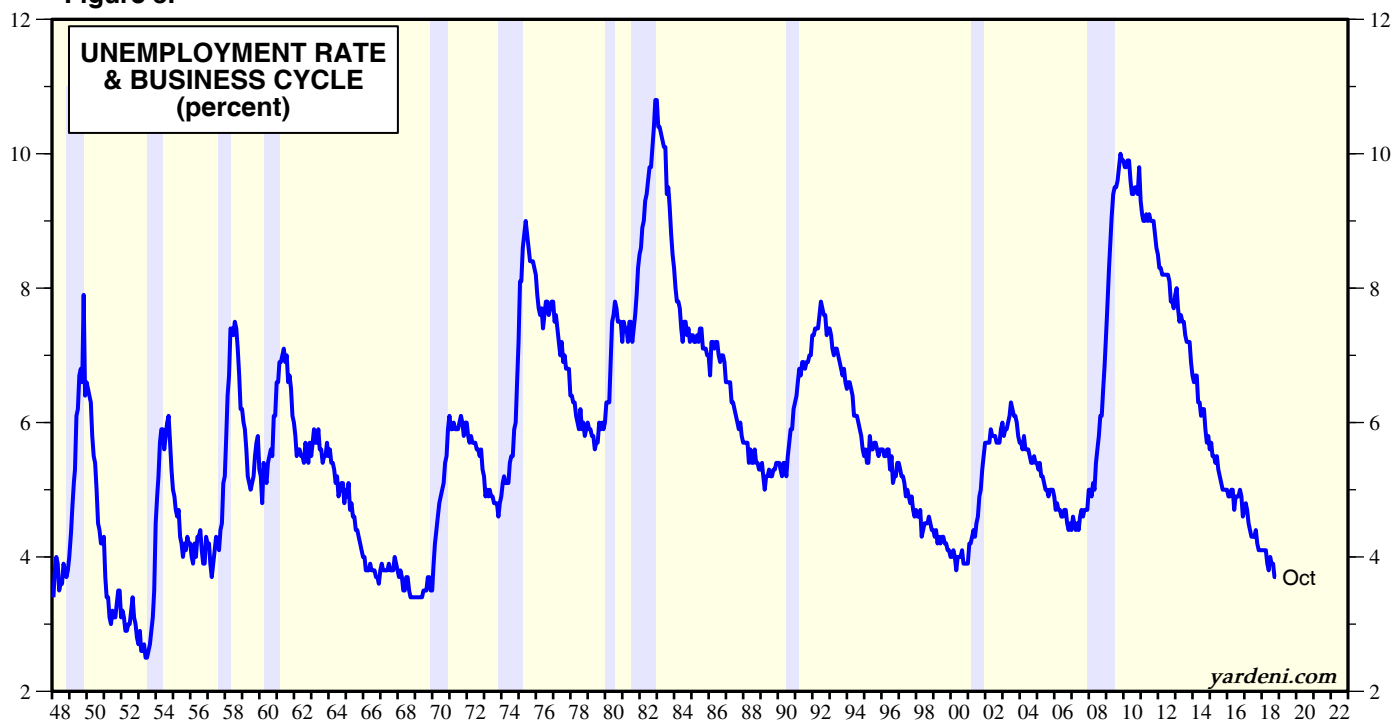
Figure 2.



Note: Shaded red areas denote S&P 500 bear market declines of 20% or more. Yellow areas show bull markets.  
 Source: Bureau of Economic Analysis and Bureau of Labor Statistics.

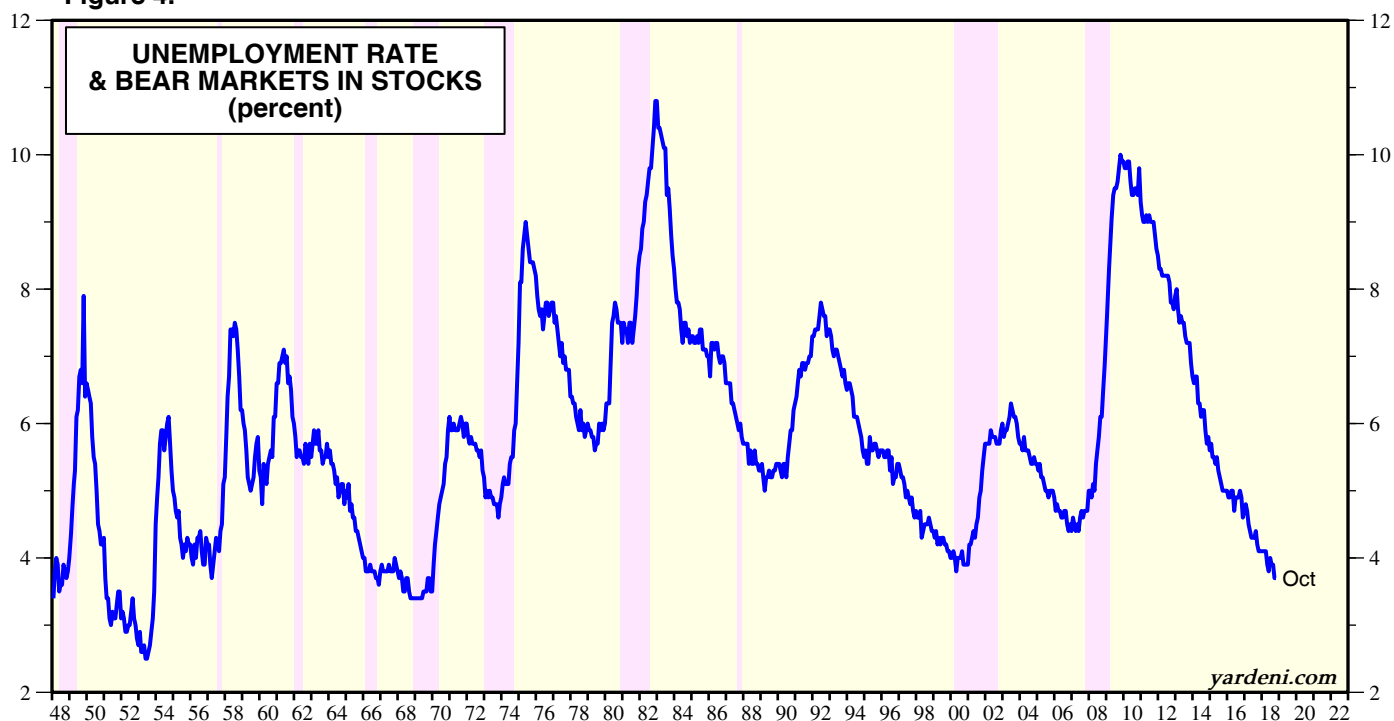
# Misery Index

Figure 3.



Note: Shaded areas denote recessions according to the National Bureau of Economic Research.  
Source: Bureau of Labor Statistics.

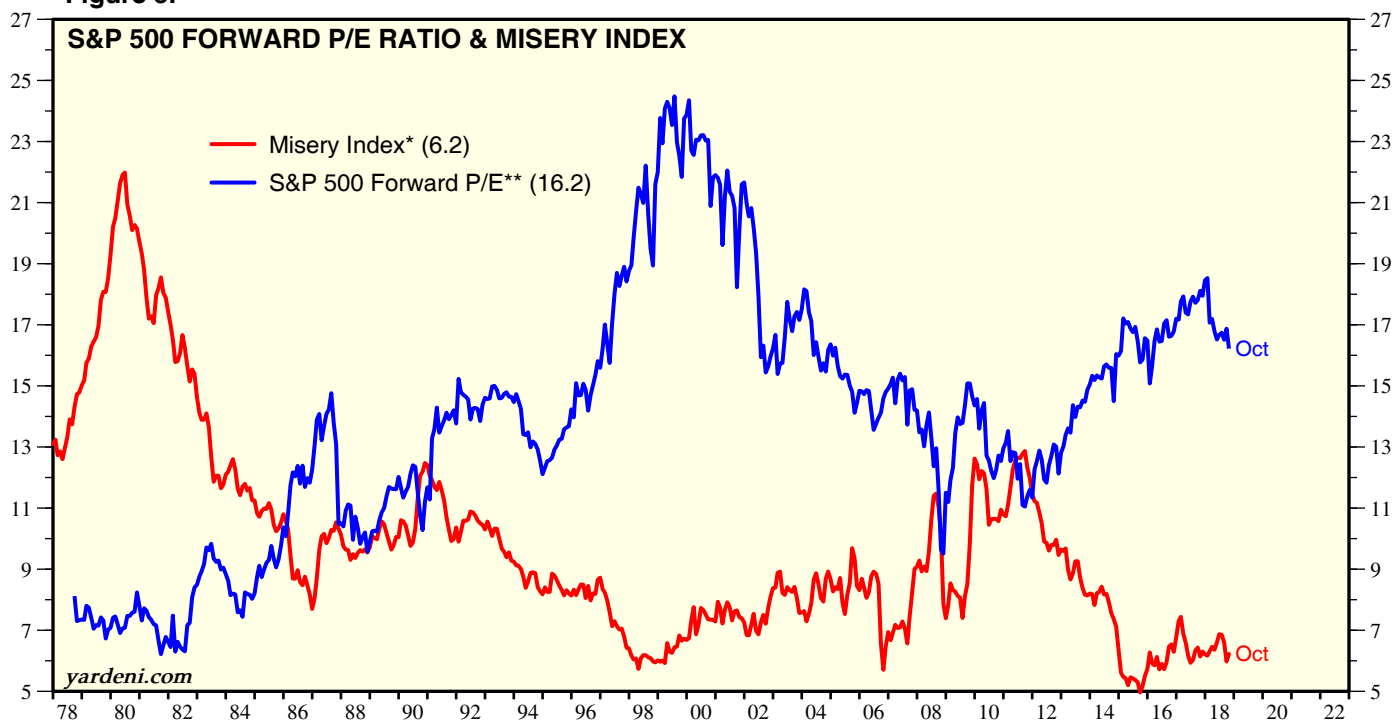
Figure 4.



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

# Misery Index

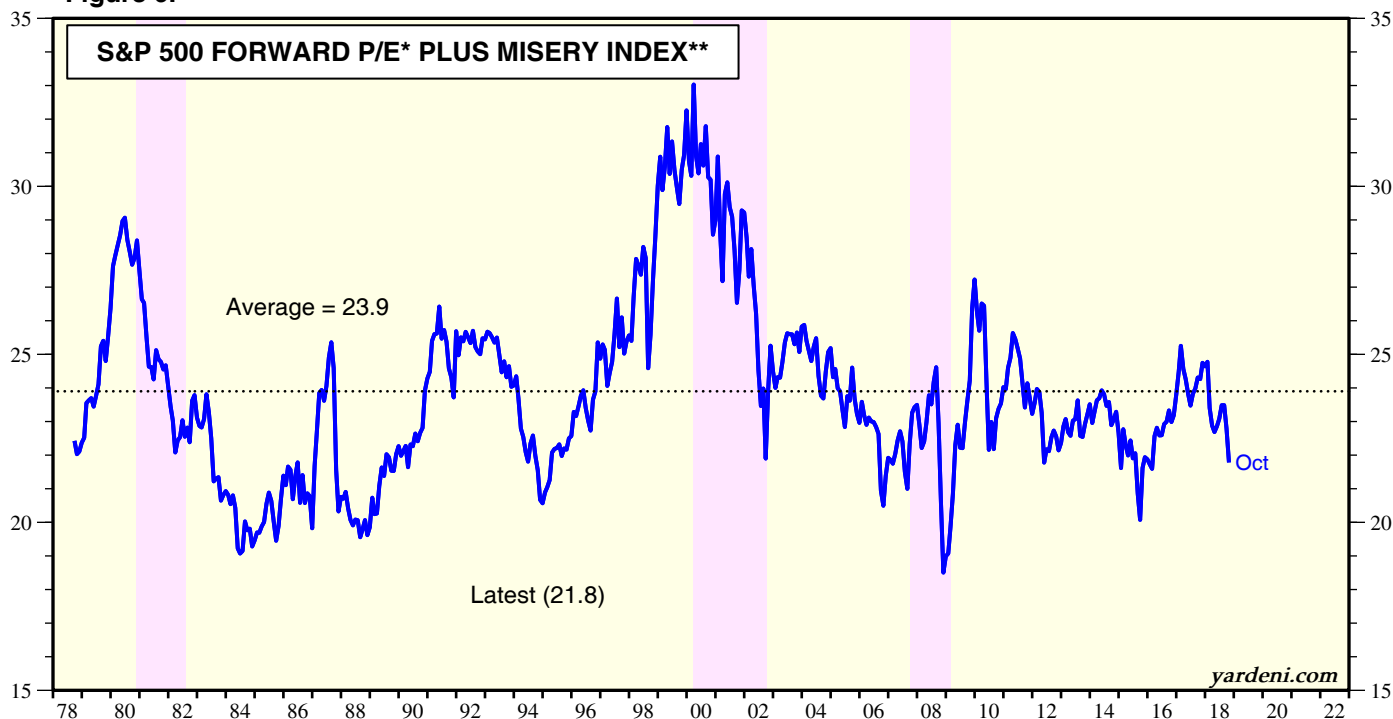
Figure 5.



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

\*\* Average monthly S&P 500 stock price index divided by S&P 500 12-month forward consensus expected operating earnings per share.  
Source: Bureau of Economic Analysis, Bureau of Labor Statistics, and Thomson Reuters I/B/E/S.

Figure 6.



\* Average monthly S&P 500 stock price index divided by S&P 500 12-month forward consensus expected operating earnings per share.

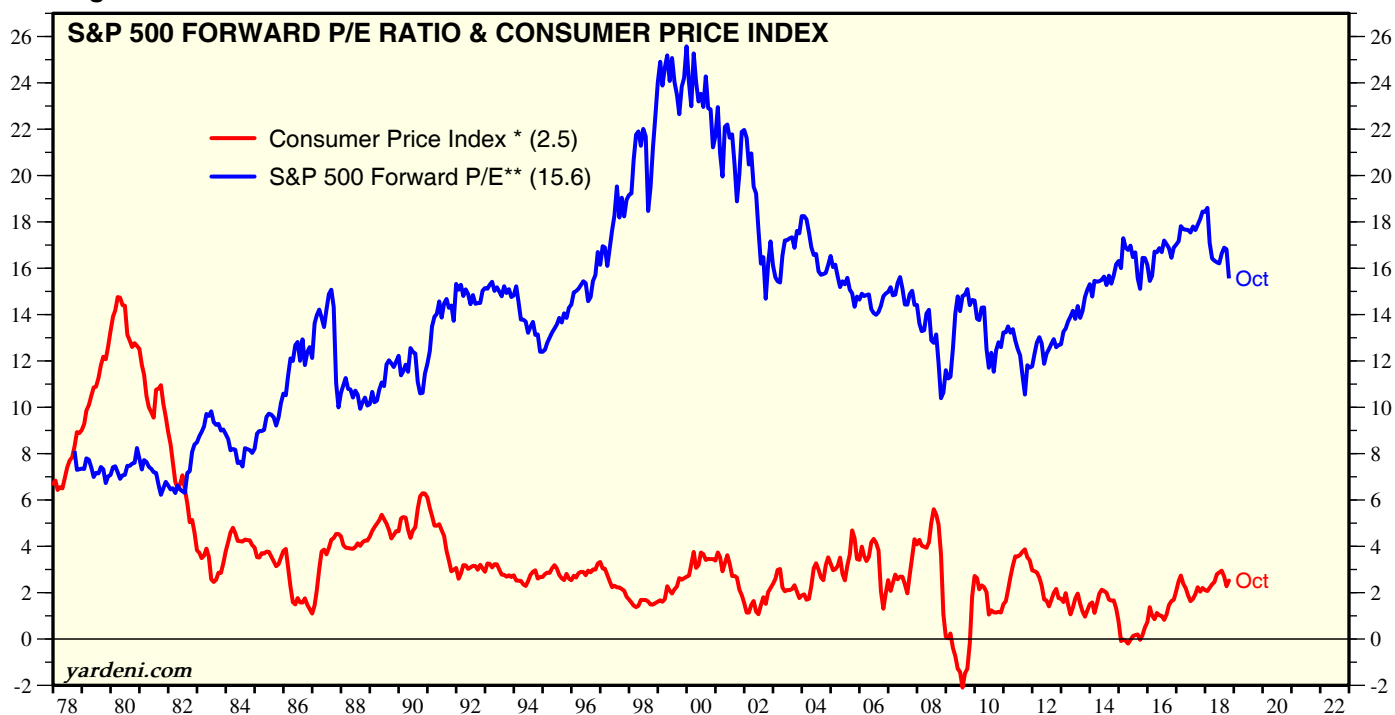
\*\* Unemployment rate plus yearly percent change in consumer price index.

Note: Bear markets are declines of 20% or more (in red shades).

Source: Bureau of Economic Analysis, Bureau of Labor Statistics, and Thomson Reuters I/B/E/S.

# Misery Index

Figure 7.

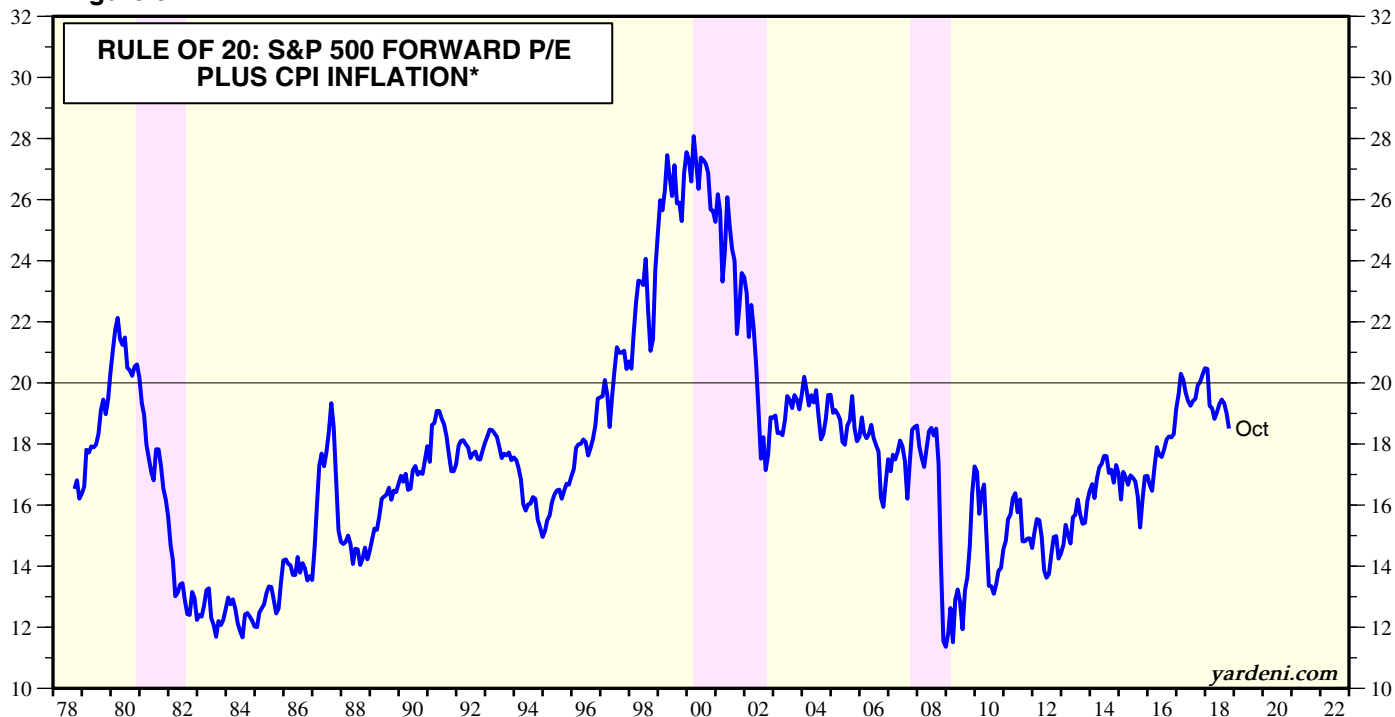


\* yearly percent change.

\*\* Average monthly S&P 500 stock price index divided by S&P 500 12-month forward consensus expected operating earnings per share.

Source: Bureau of Economic Analysis, Bureau of Labor Statistics, and Thomson Reuters I/B/E/S.

Figure 8.



\* Using forward P/E monthly and yearly percent change in CPI for inflation.

Note: Bear markets are declines of 20% or more (in red shades).

Source: Thomson Reuters I/B/E/S, Standard & Poor's, and Bureau of Labor Statistics.

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