Table Of Contents

Misery Index 1-4
**Figure 1.**

**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.

**Figure 2.**

**MISERY INDEX COMPONENTS DURING BULL & BEAR MARKETS**

- **CPI** (yearly percent change) (1.7)
- **Unemployment Rate** (3.7)

Note: Shaded red areas denote S&P 500 bear market declines of 20% or more. Yellow areas show bull markets.
Figure 3.

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

Figure 4.

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

**Figure 5.**

[S&P 500 FORWARD P/E RATIO & MISERY INDEX](#)

- **Misery Index** (5.4)
- **S&P 500 Forward P/E** (16.3)

* 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.


**Figure 6.**

[S&P 500 FORWARD P/E* PLUS MISERY INDEX**](#)

- Average = 23.9

* 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).

Figure 7.

S&P 500 FORWARD P/E RATIO & CONSUMER PRICE INDEX

- Consumer Price Index * (1.7)
- S&P 500 Forward P/E** (16.7)

* 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.

Figure 8.

RULE OF 20: S&P 500 FORWARD P/E PLUS CPI INFLATION*

* 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: I/B/E/S data by Refinitiv, Standard & Poor’s, and Bureau of Labor Statistics.