Stock Market Indicators: Fundamental, Sentiment, & Technical

Yardeni Research, Inc.

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thinking outside the box
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**Figure 1.**

YRI FUNDAMENTAL STOCK MARKET INDICATOR and S&P 500 INDEX

YRI Fundamental Stock Market Indicator

S&P 500 Index

* Average of Consumer Comfort Index and Boom-Bust Barometer, which is CRB raw industrials spot price index divided by initial unemployment claims, four-week moving average.

Source: Bloomberg, Commodity Research Bureau, Department of Labor, and Standard & Poor’s Corporation.

**Figure 2.**

YRI BOOM-BUST BAROMETER & CONSUMER COMFORT INDEX

Boom-Bust Barometer

Consumer Comfort Index

* CRB raw industrials spot price index divided by initial unemployment claims, four-week moving average.

Source: Bloomberg, Commodity Research Bureau, Department of Labor.
Figure 3.

S&P 500 INDEX & INDUSTRIAL COMMODITY PRICES

S&P 500 Index
CRB Raw Industrials
Spot Index


Figure 4.

S&P 500 INDEX & INITIAL UNEMPLOYMENT CLAIMS

S&P 500 Index
Initial Unemployment Claims
(thousands, sa, four-week moving average, inverted scale)

Source: US Department of Labor and Standard & Poor’s.
Figure 5.

YRI GLOBAL GROWTH BAROMETER (on S&P 500 basis) & S&P 500

- YRI Global Growth Barometer* (981.7)
- S&P 500 Index (3014.3)

* Average of Brent crude oil and CRB raw industrials spot price index times 2 and divided by 10. Average then multiplied by 10 and 200 added.

Source: Standard & Poor’s Corporation and Commodity Research Bureau.

Figure 6.

US STOCK PRICES vs. BRENT CRUDE OIL PRICE

- S&P 500 Index
- Brent Crude Oil Price* (dollars per barrel)

* Nearby futures price.

Source: Financial Times and Standard & Poor’s Corporation.
Figure 7.

S&P 500 INDEX vs. CITIGROUP ECONOMIC SURPRISE INDEX
(percent)


Figure 8.

S&P 500 P/E vs. CITIGROUP ECONOMIC SURPRISE INDEX
(percent)

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

* Average weekly price divided by 52-week forward consensus expected operating earnings per share.
Investors Intelligence Sentiment

Figure 9.

INVESTORS INTELLIGENCE BULLS & BEARS

Ratio

- Bull/Bear Ratio

<table>
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<tr>
<th>Date</th>
<th>Ratio</th>
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<tbody>
<tr>
<td>Jun 25</td>
<td>2.94</td>
</tr>
<tr>
<td>Jul 2</td>
<td>3.05</td>
</tr>
<tr>
<td>Jul 9</td>
<td>3.10</td>
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Percentage

- Bulls
- Bears

<table>
<thead>
<tr>
<th>Date</th>
<th>Bulls</th>
<th>Bears</th>
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</thead>
<tbody>
<tr>
<td>Jun 25</td>
<td>53.3</td>
<td>18.1</td>
</tr>
<tr>
<td>Jul 2</td>
<td>55.2</td>
<td>18.1</td>
</tr>
<tr>
<td>Jul 9</td>
<td>56.7</td>
<td>18.3</td>
</tr>
</tbody>
</table>

Correction

<table>
<thead>
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<th>Date</th>
<th>Correction</th>
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<tbody>
<tr>
<td>Jun 25</td>
<td>28.6</td>
</tr>
<tr>
<td>Jul 2</td>
<td>26.7</td>
</tr>
<tr>
<td>Jul 9</td>
<td>25.0</td>
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Source: Investors Intelligence.
**Bull/Bear Ratio Over 3.0**

*Figure 10.*

**S&P 500 INDEX vs. BULL/BEAR RATIO OF 3.0 OR MORE***
(ratio scale)

* Red shaded areas indicate Bull/Bear Ratio equal to or greater than 3.0.
Source: Standard & Poor’s and Investors Intelligence.

*Figure 11.*

**DOW JONES INDEX vs. BULL/BEAR RATIO OF 3.0 OR MORE***
(ratio scale)

* Red shaded areas indicate Bull/Bear Ratio equal to or greater than 3.0.
Bull/Bear Ratio Under 1.0

Figure 12.

*S&P 500 INDEX vs BULL/BEAR RATIO OF 1.0 OR LESS* (ratio scale)

* Green shaded areas indicate Bull/Bear Ratio equal to or less than 1.0.
Source: Standard & Poor’s and Investors Intelligence.

Figure 13.

*DOW JONES INDEX vs. BULL/BEAR RATIO OF 1.0 OR LESS* (ratio scale)

* Green shaded areas indicate Bull/Bear Ratio equal to or less than 1.0.
Figure 14.

**S&P 500 % FROM 200-DMA vs. BULL/BEAR RATIO OF 3.0 OR MORE**

* Red shaded areas indicates Bull/Bear Ratio equal to or more than 3.0.
Source: Standard & Poor’s Corporation.

Figure 15.

**S&P 500 % FROM 200-DMA vs. BULL/BEAR RATIO OF 1.0 OR LESS**

* Green shaded areas indicates Bull/Bear Ratio equal to or less than 1.0.
Source: Standard & Poor’s Corporation.
The AAII Sentiment Index is a measure of investor sentiment, which is important for understanding market trends. The index is calculated as the percent of bulls over the percent of bulls plus percent of bears. This ratio helps investors gauge the mood of the market, as a higher ratio indicates more bulls than bears, suggesting a bullish market sentiment.

The figure shows the AAII Sentiment Index from 2005 to 2020. The AAII Bull Ratio is the percent of bulls over the percent of bulls plus percent of bears. The latest readings for July 3 and July 10 are also provided.

Source: American Association of Individual Investors (AAII).
Figure 17. Bull/Bear Ratio vs. Consumer Confidence

Source: New York Board of Trade, Commodity Futures Trading Commission, and the Conference Board.

Figure 18. Bull/Bear Ratio vs. Consumer Comfort Index

Source: New York Board of Trade, Commodity Futures Trading Commission, and Bloomberg.
**S&P 500 Put Call Ratio**

**Figure 19.**

*S&P 500 PUT/CALL (weekly data)*

Average = 1.616 (1996-2010)

Source: Chicago Board of Options Exchange.

**Figure 20.**

*S&P 500 PUT/CALL (4-week ma)*

Average = 1.624 (1996-2010)

Source: Chicago Board of Options Exchange.
Volatility

Figure 21.

VIX: S&P 500

Source: Chicago Board Options Exchange.

Figure 22.

VIX: NASDAQ 100

Source: Chicago Board Options Exchange.
Figure 23.

NEW YORK STOCK EXCHANGE WEEKLY VOLUME
(billion shares, 4-week moving average)

Figure 24.

DOW JONES STOCK AVERAGES
(ratio scale)

Industrials (DJIA)
Transportation (DJTA)


Figure 25.

S&P 500 STOCK INDEXES
(ratio scale)

Industrials Composite*
Transportation Composite

* S&P 500 excluding Financials, Transports, and Utilities.
Source: Standard & Poor's.
**Figure 26.**

S&P 500 INDEX: 2008-2019*

(log scale)

-56.8% (517)
-16.0% (70)
-14.4% (157)
-9.9% (60)
-7.7% (62)
-5.8% (34)
-5.8% (19)
-7.4% (28)
-12.4% (96)
-13.3% (100)
-10.2% (13)
-9.8% (28)
-9.9% (157)
-7.7% (62)
-16.0% (70)
-56.8% (517)

Source: Standard & Poor’s Corporation.

* Dips are declines of less than 10%. Corrections are declines of 10% to 20%. Bear markets are declines of 20% or more. Number of days in parentheses.

**Figure 27.**

S&P 500 INDEX

(as a percent of 200-day moving average)

% from 200-day moving average (8.7)

Source: Standard & Poor’s.
**Figure 28.**

*S&P 500 INDEX*

Latest price: 3014.30  
50-dma: 2893.32  
200-dma: 2781.17

(+) Latest price is 4.0% above the 50-dma.  
(+) Latest price is 7.7% above the 200-dma.

* Ratio Scale  
Source: Standard & Poor’s.

**Figure 29.**

*S&P 500 INDEX TECHNICALS*  
THE DEATH CROSS & THE GOLDEN CROSS  
(50-dma relative to 200-dma, percent, weekly)

Source: Haver Analytics and Standard & Poor’s Corporation.
S&P 500 sectors stock price index & 200-dma

Figure 30.

- **S&P 500** *(price indexes)*
- **INDUSTRIALS**
- **CONSUMER DISCRETIONARY** *
- **INFORMATION TECHNOLOGY**
- **CONSUMER STAPLES**
- **MATERIALS**
- **ENERGY**
- **REAL ESTATE**
- **FINANCIALS**
- **COMMUNICATION SERVICES**
- **HEALTH CARE**
- **UTILITIES**

* S&P 500 sector price indexes on ratio scales.

Source: Haver Analytics and Standard & Poor’s Corporation.

Includes Real Estate through September 2016

200-day moving average

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S&P 500 Sectors Stock Price Index Minus 200-dma

Figure 31.

Source: Standard & Poor’s.
Figure 32.

CONSUMER DISCRETIONARY
(as a ratio of S&P 500 Index)

INDUSTRIALS

CONSUMER STAPLES

INFORMATION TECHNOLOGY

ENERGY

MATERIALS

FINANCIALS

TELECOMMUNICATION SERVICES

HEALTH CARE

UTILITIES

Source: Haver Analytics and Standard & Poor’s Corporation.