

Stock Market Briefing: Trend Lines for Profits & Dividends

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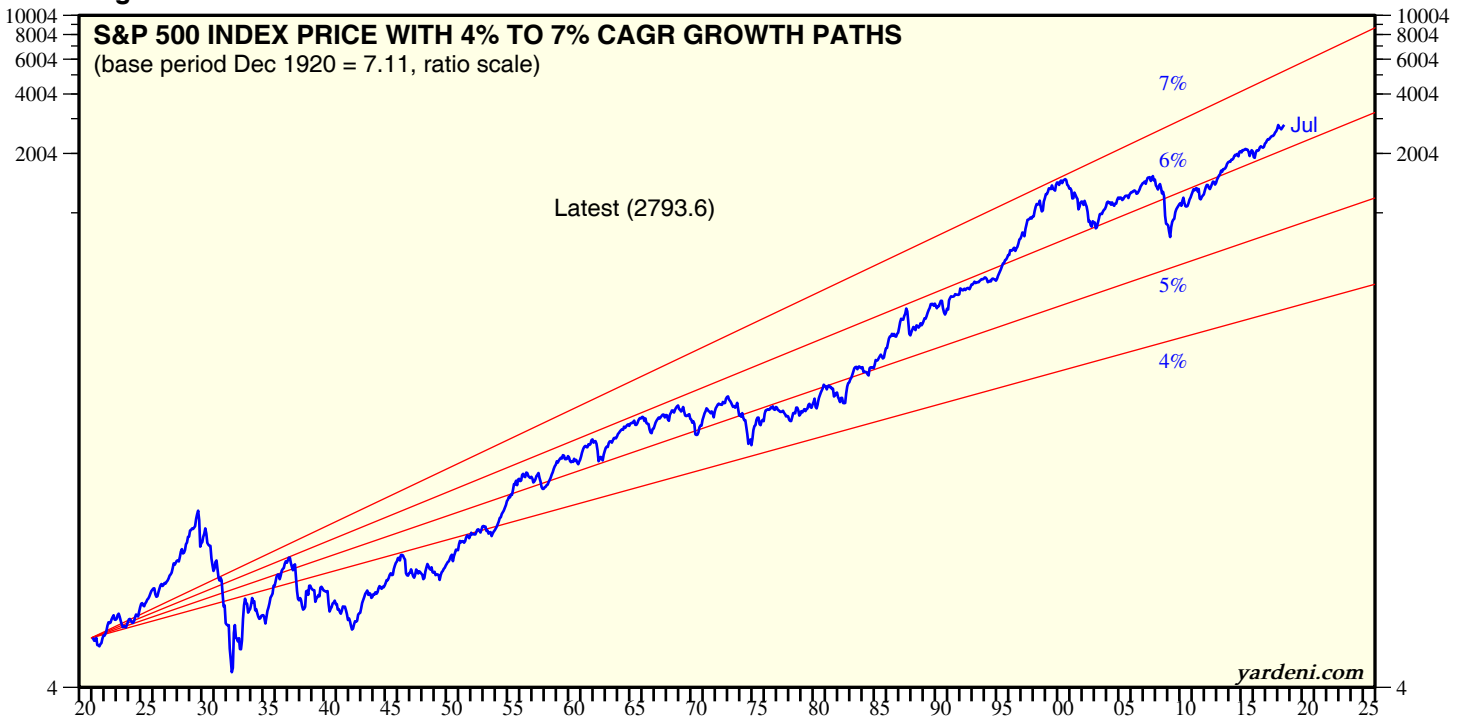
thinking outside the box

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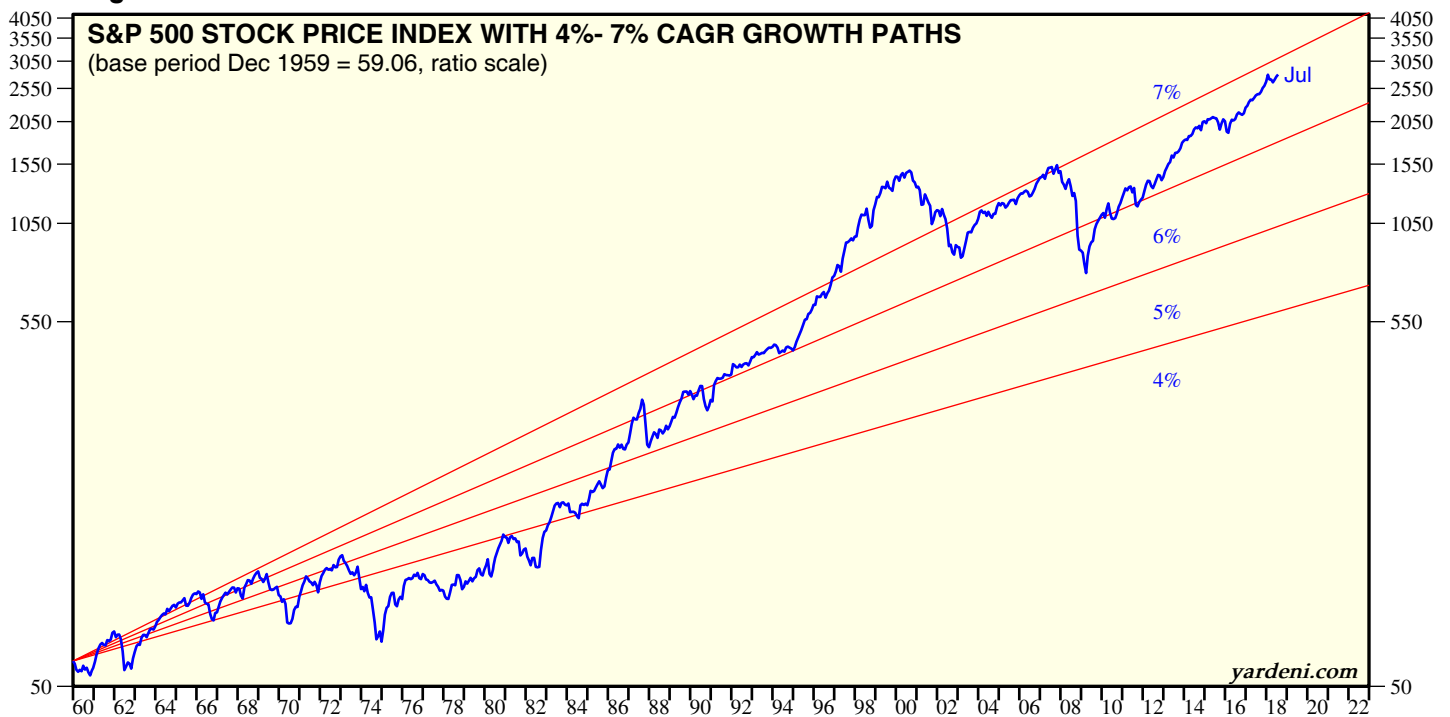
S&P 500 Index Price Growth Paths

Figure 1.



Source: Standard & Poor's.

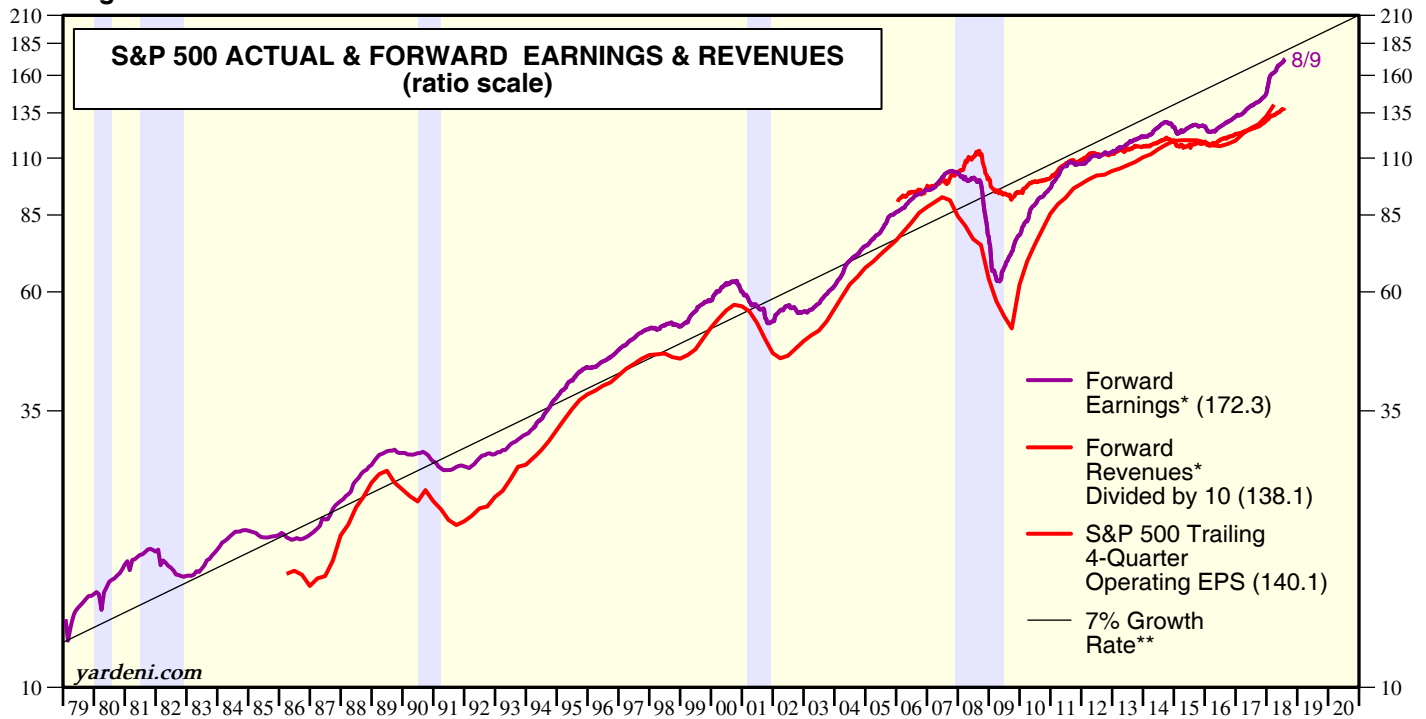
Figure 2.



Source: Standard & Poor's.

Earnings & Revenues

Figure 3.



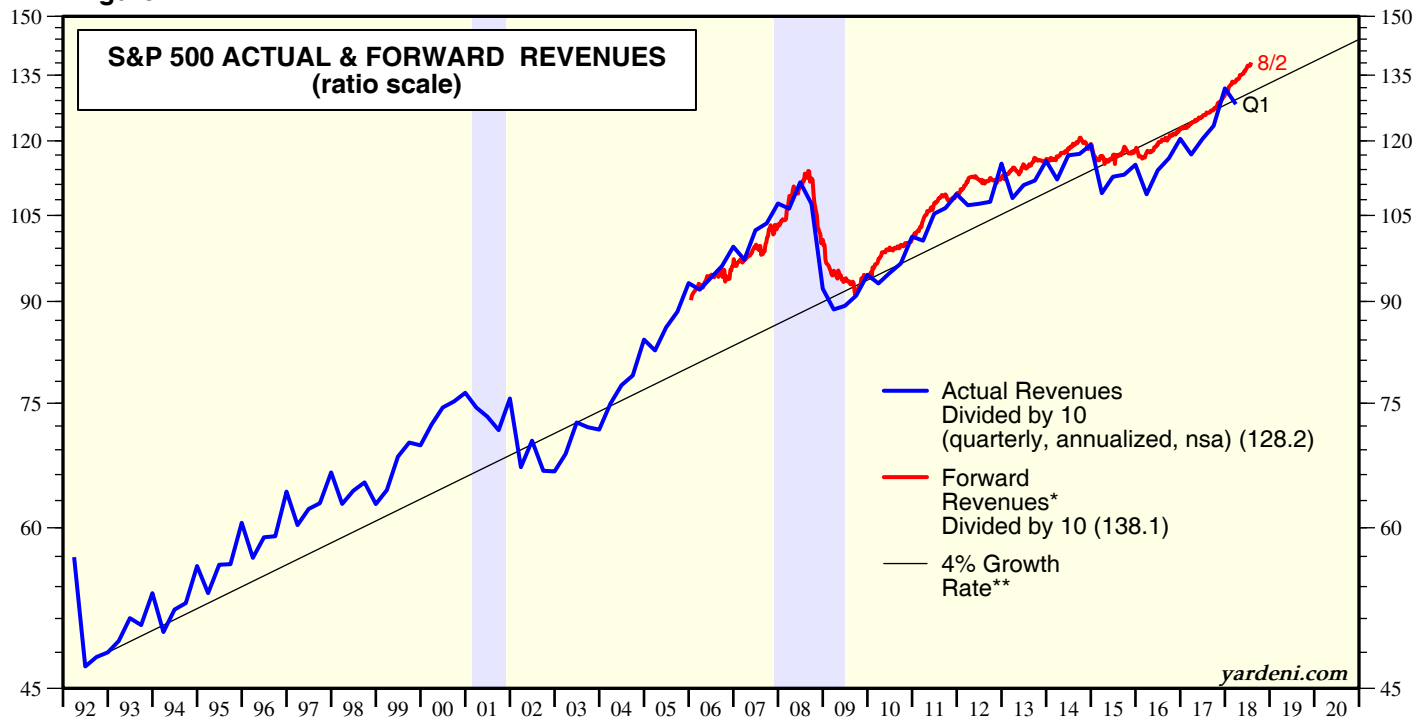
* Time-weighted average of consensus estimates for current and next year. Monthly through April 1994, then weekly.

** Compounded monthly to yield 7% annually.

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

Source: Thomson Reuters I/B/E/S.

Figure 4.



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

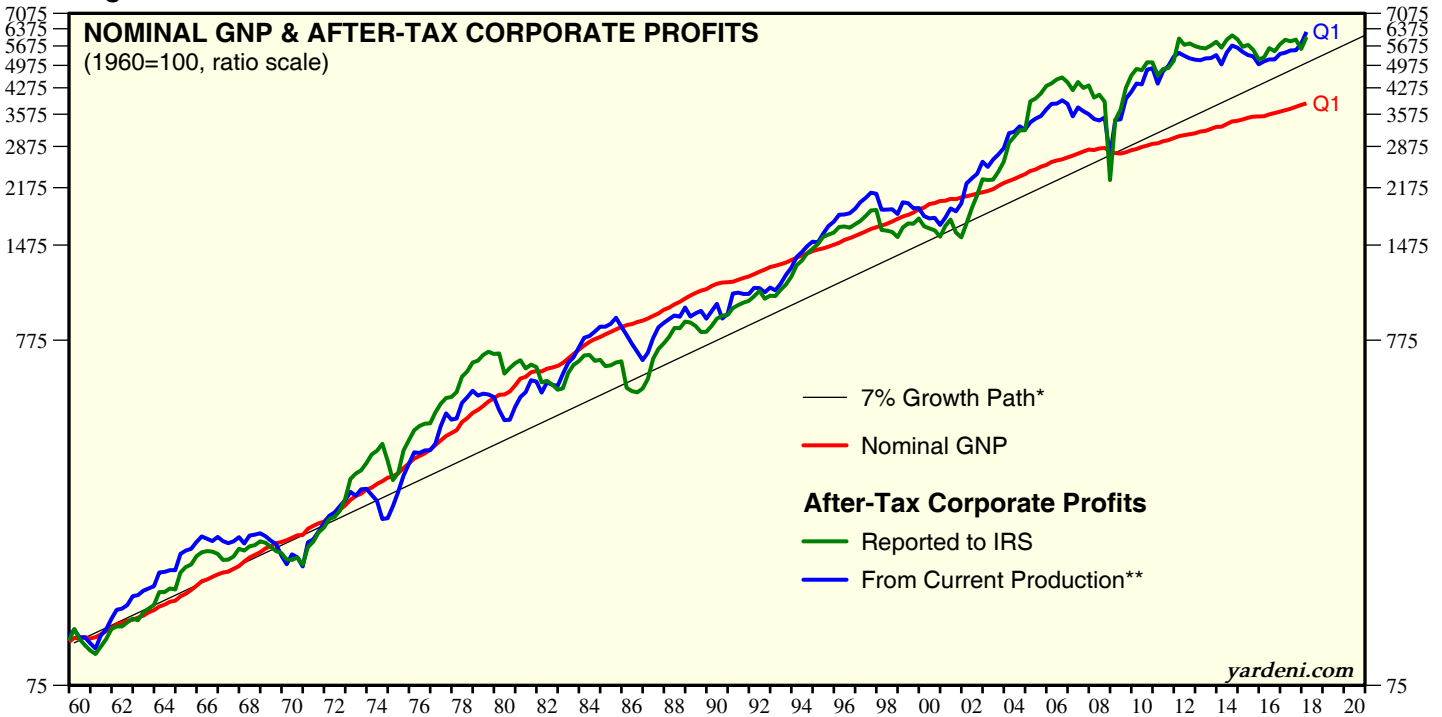
** Compounded monthly to yield 4% annually.

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

Source: Thomson Reuters I/B/E/S.

Profits

Figure 5.

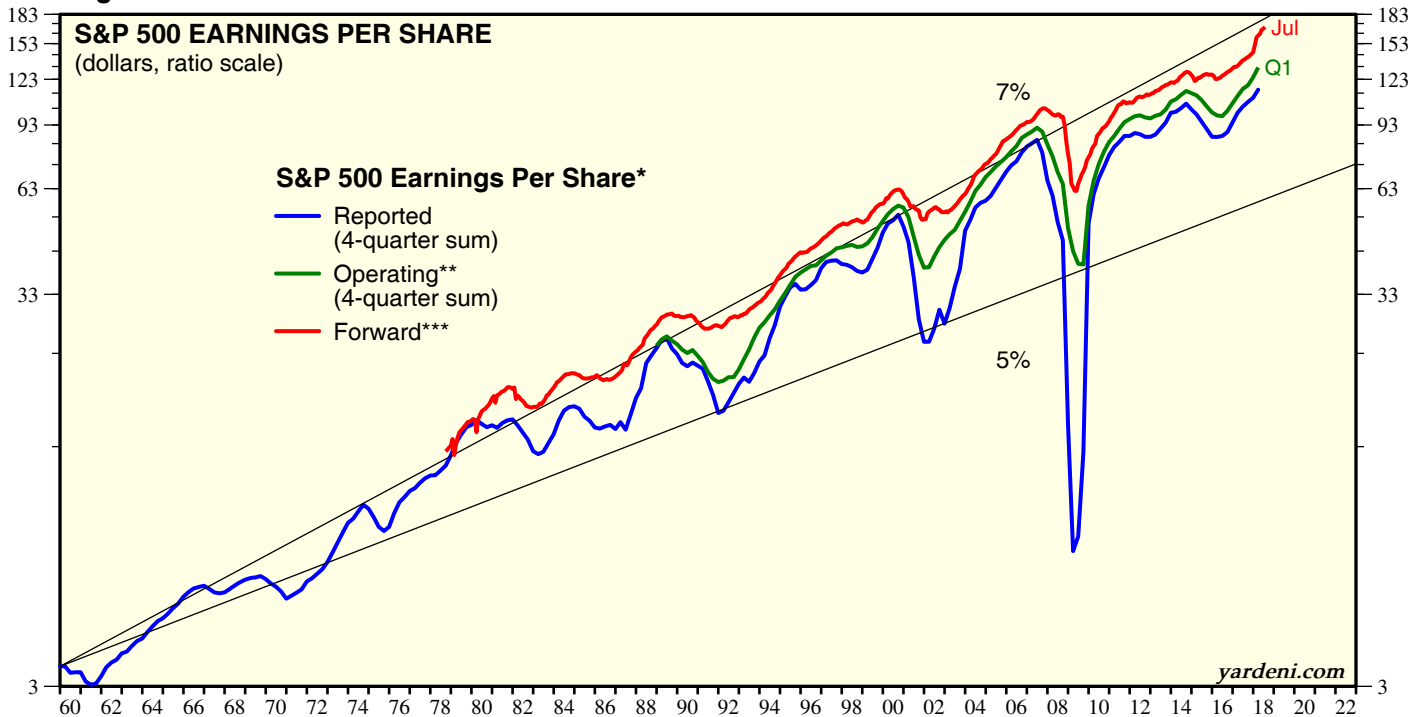


* Compounded monthly to yield 7% annually.

** Including Inventory Valuation Adjustment (IVA) and Capital Consumption Adjustment (CCAdj), which restate the historical cost basis used in profits tax accounting for inventory withdrawals and depreciation to the current cost measures used in GDP.

Source: Bureau of Economic Analysis.

Figure 6.



* Growth paths are compounded monthly to yield 5% and 7% annually.

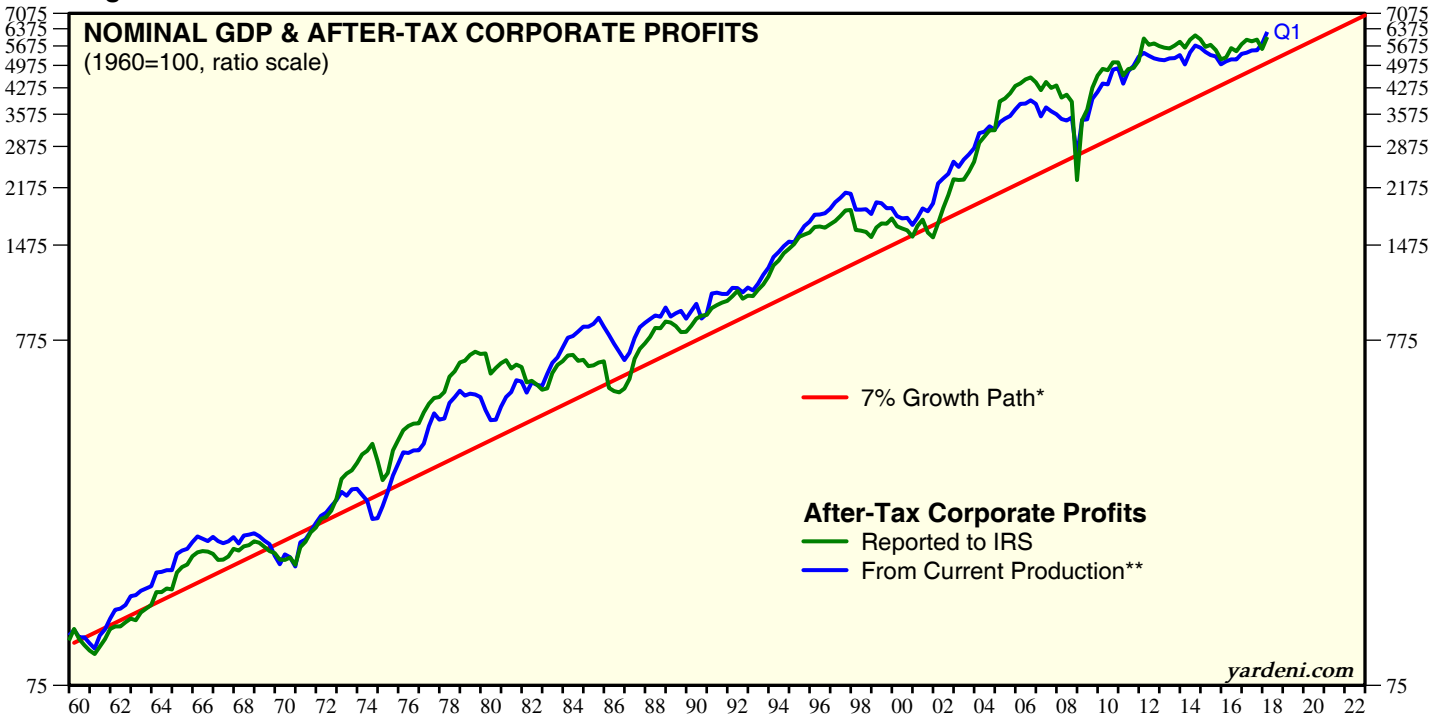
** Excludes write-offs.

*** S&P 500 12-month forward consensus expected operating earnings per share. Time-weighted average of consensus earnings estimates for current and next year.

Source: Standard & Poor's and Thomson Reuters I/B/E/S.

Profits

Figure 7.

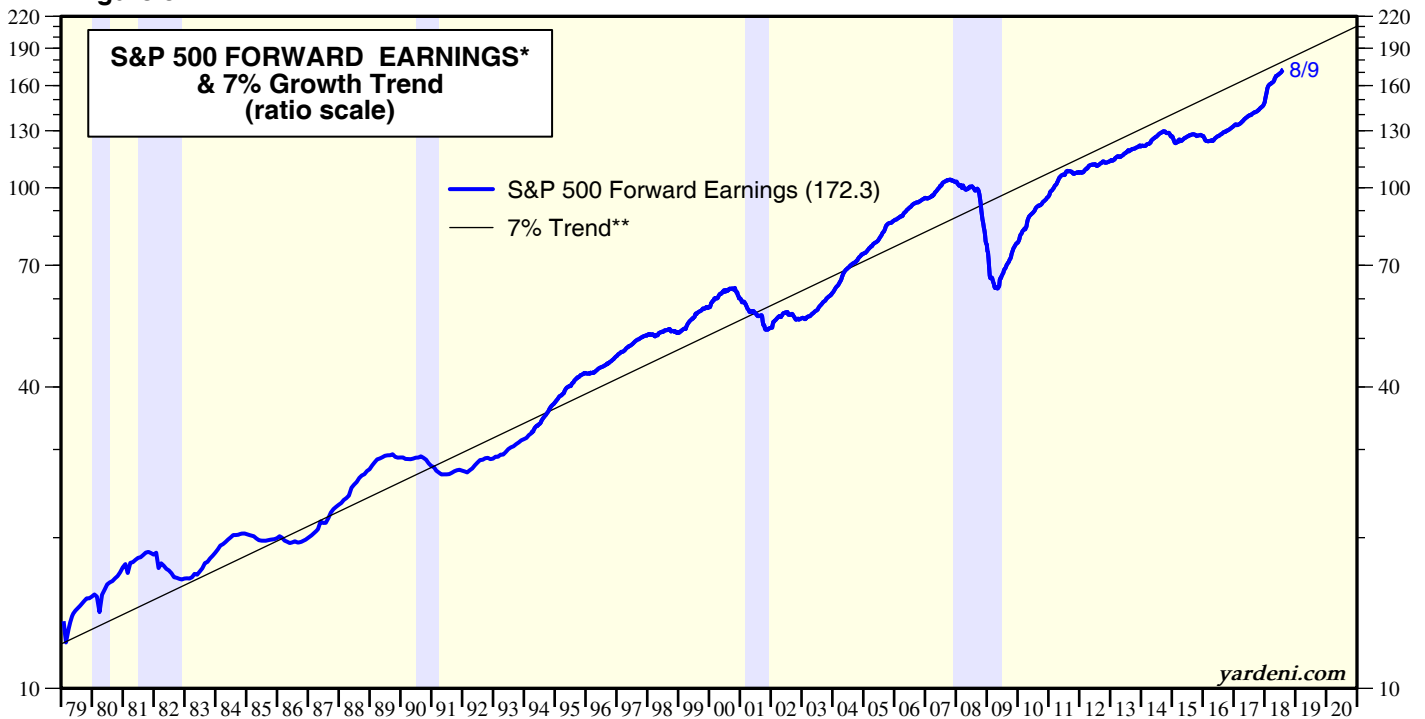


* Compounded monthly to yield 7% annually.

** Including Inventory Valuation Adjustment (IVA) and Capital Consumption Adjustment (CCAdj), which restate the historical cost basis used in profits tax accounting for inventory withdrawals and depreciation to the current cost measures used in GDP.

Source: Bureau of Economic Analysis.

Figure 8.



* 52-week forward consensus expected S&P 500 operating earnings per share. Monthly through April 1994, then weekly.

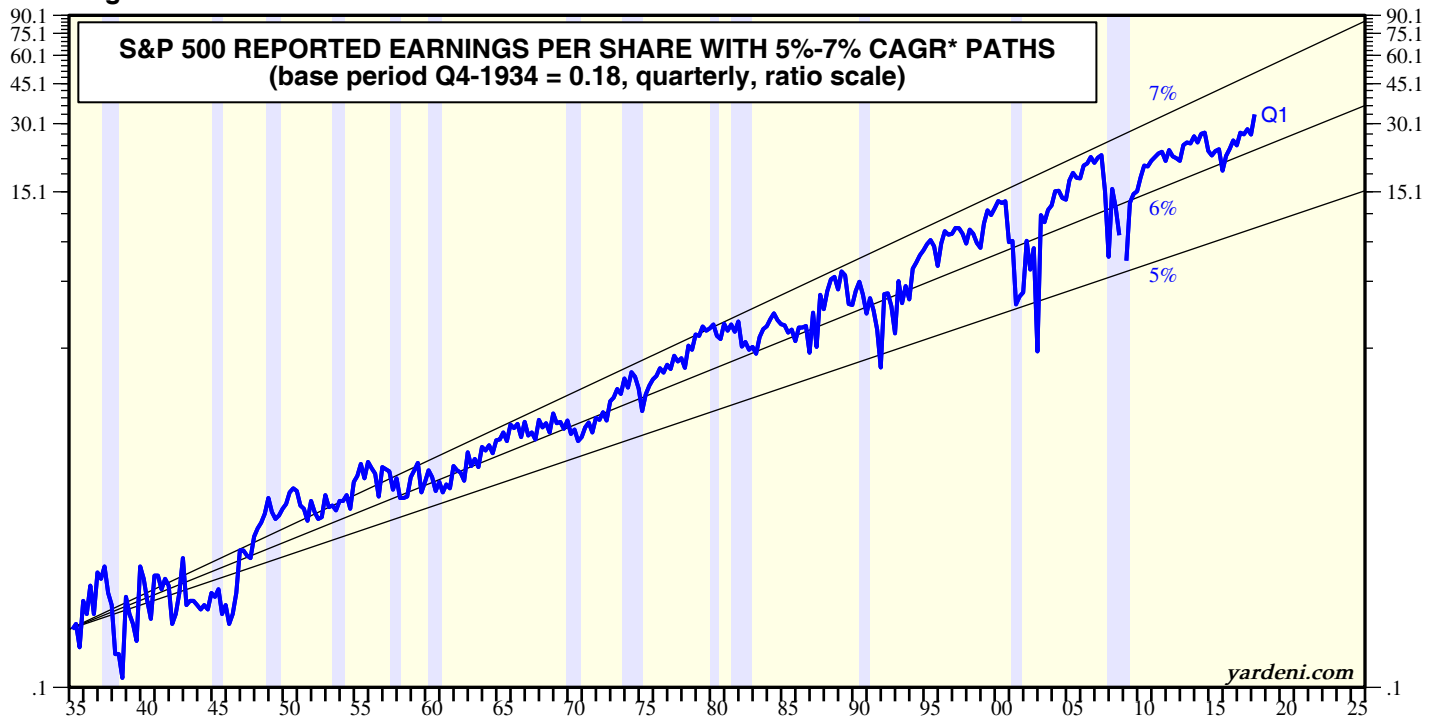
** Compounded monthly to yield 7% annually.

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

Source: Thomson Reuters I/B/E/S.

Profits

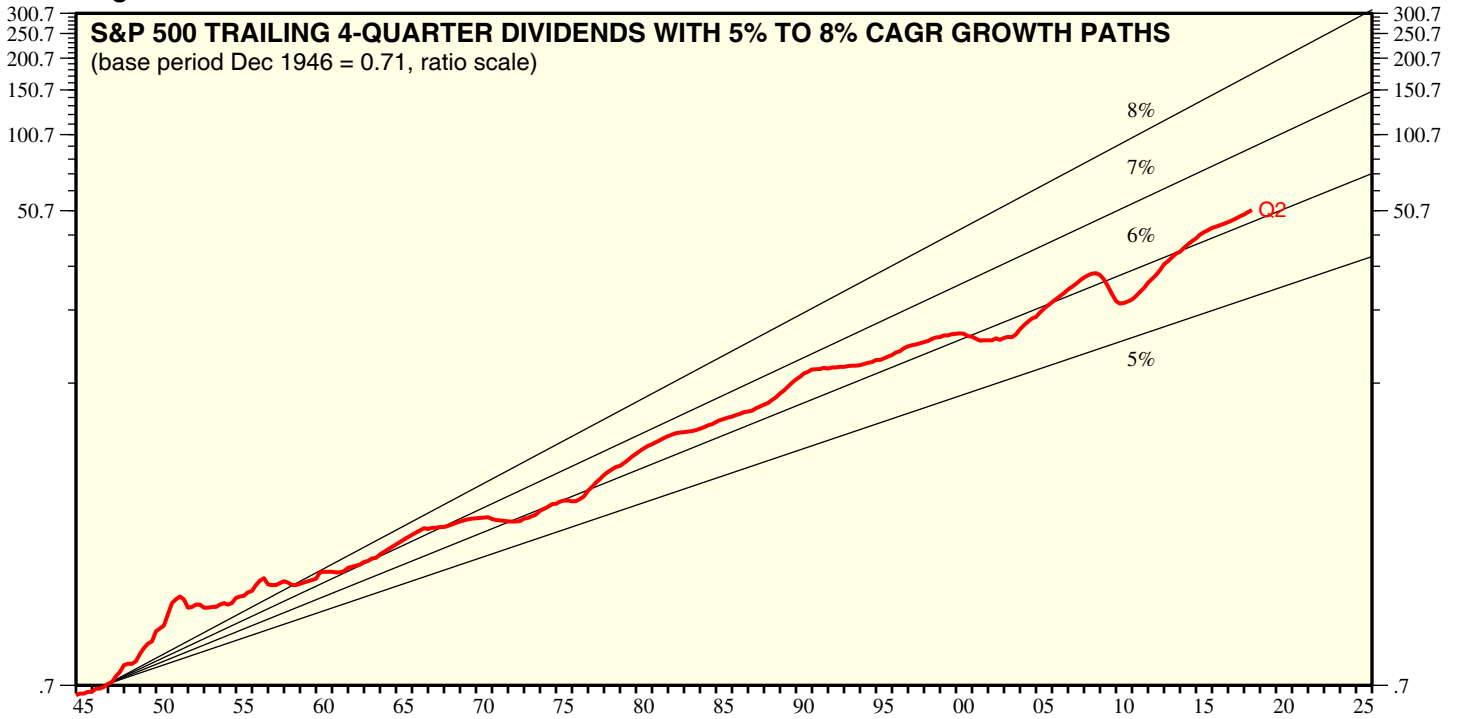
Figure 9.



* Compounded annual growth rate from base value using monthly data. Q4-2008 not shown because of large negative value.
 Note: Shaded areas denote recessions according to the National Bureau of Economic Research.
 Source: Standard & Poor's.

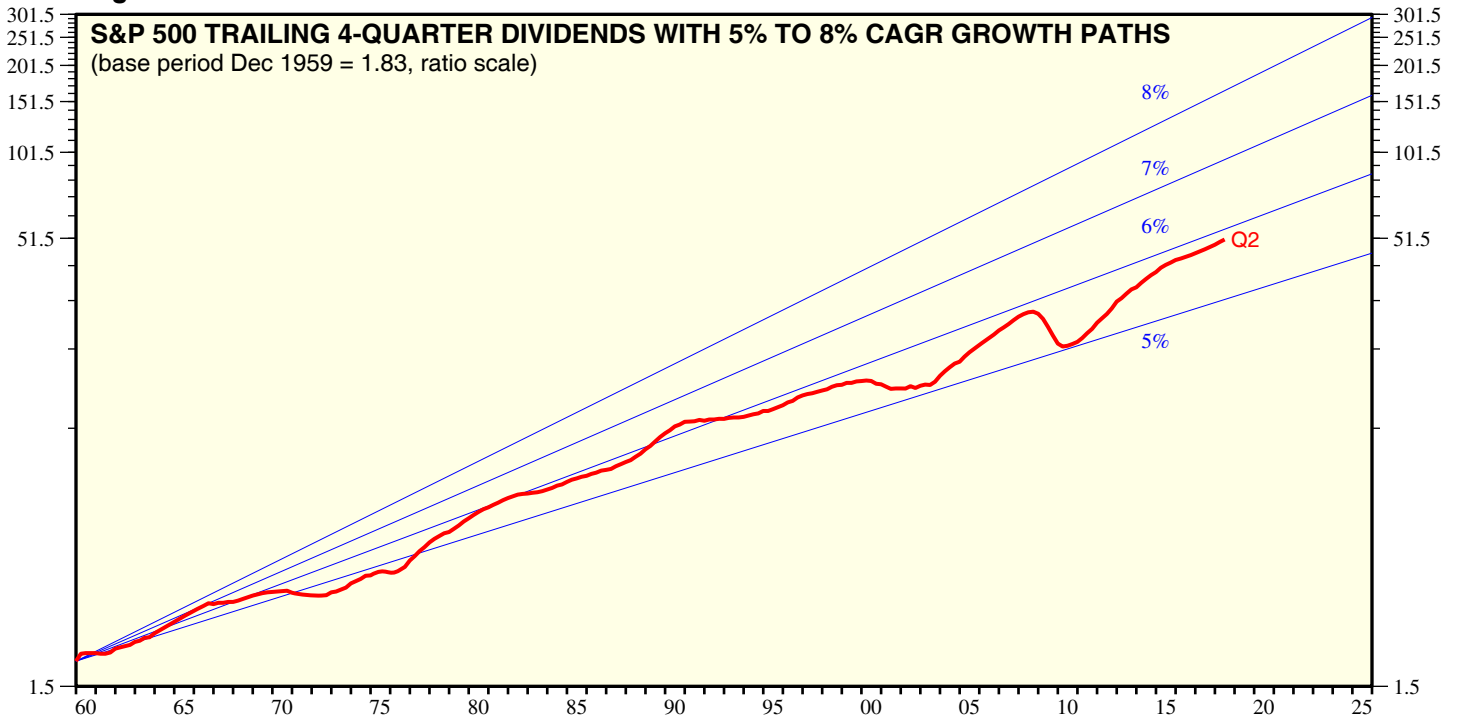
Dividends

Figure 10.



Source: Standard & Poor's.

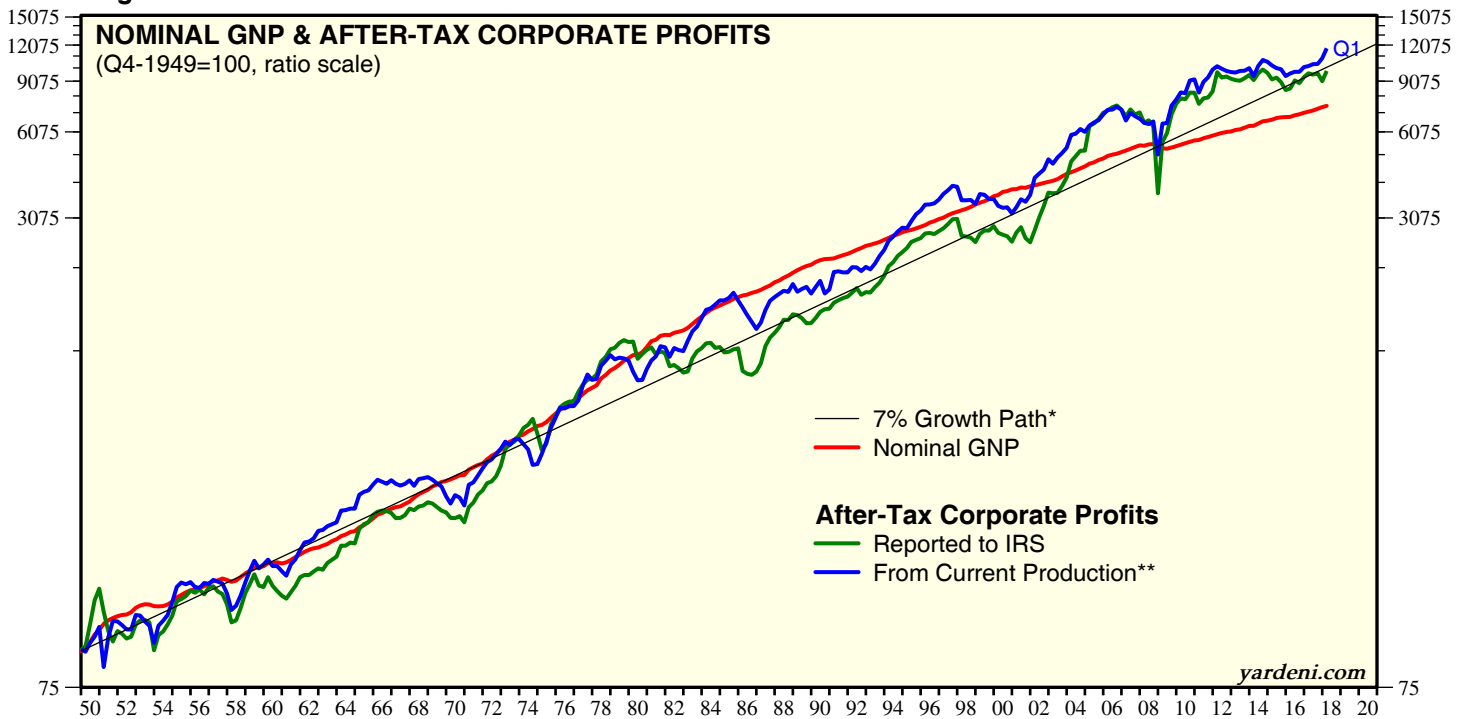
Figure 11.



Source: Standard & Poor's.

Dividends

Figure 12.

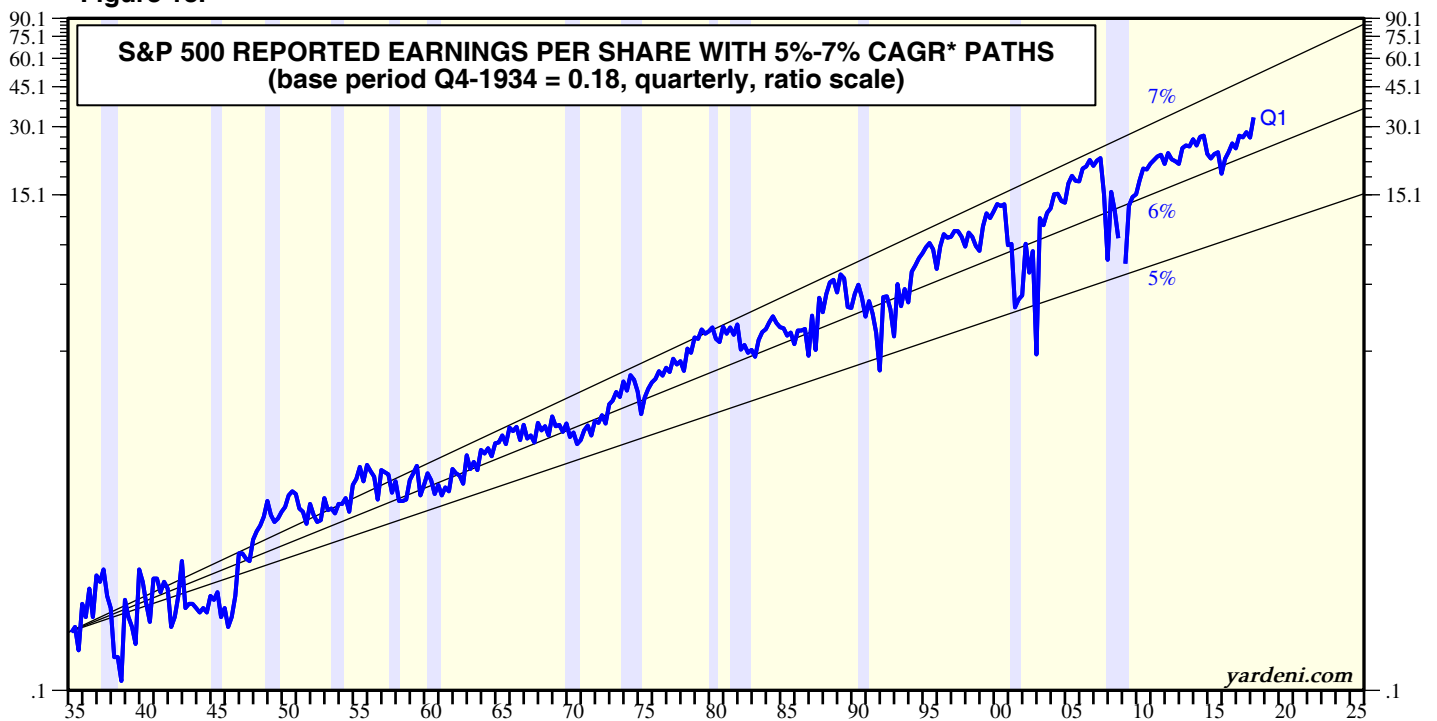


* Compounded monthly to yield 7% annually.

** Including Inventory Valuation Adjustment and Capital Consumption Adjustment, which restate the historical cost basis used in profits tax accounting for inventory withdrawals and depreciation to the current cost measures used in GDP.

Source: Bureau of Economic Analysis.

Figure 13.



* Compounded annual growth rate from base value using monthly data. Q4-2008 not shown because of large negative value.

Note: Shaded areas denote recessions according to the National Bureau of Economic Research.
Source: Standard & Poor's.

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