

# Stock Market Briefing: Trend Lines for Profits & Dividends

Yardeni Research, Inc.

*June 11, 2018*

**Dr. Edward Yardeni**

516-972-7683  
eyardeni@yardeni.com

**Joe Abbott**

732-497-5306  
jabbott@yardeni.com

Please visit our sites at  
[www.yardeni.com](http://www.yardeni.com)  
[blog.yardeni.com](http://blog.yardeni.com)



*thinking outside the box*

---

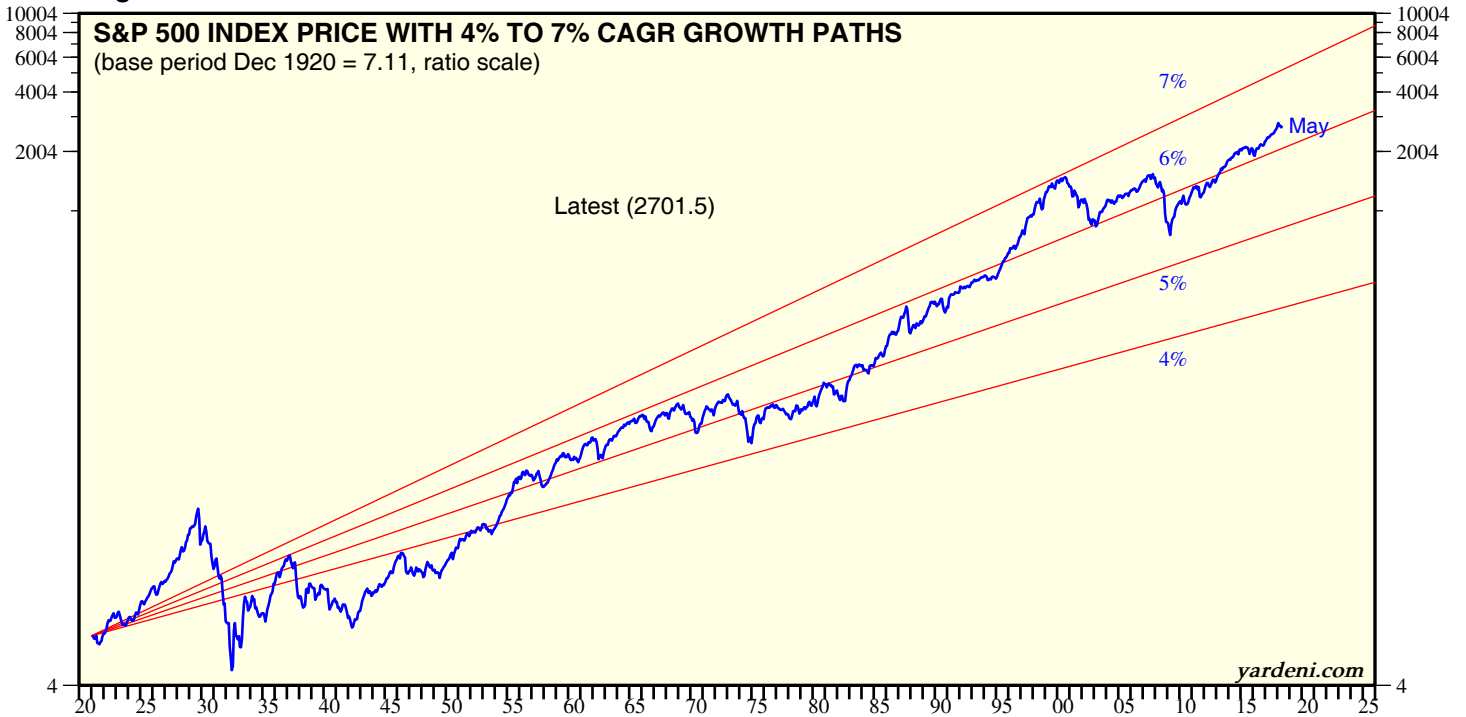
# *Table Of Contents*

---

S&P 500 Index Price Growth Paths	1
Earnings & Revenues	2
Profits	3-5
Dividends	6-7

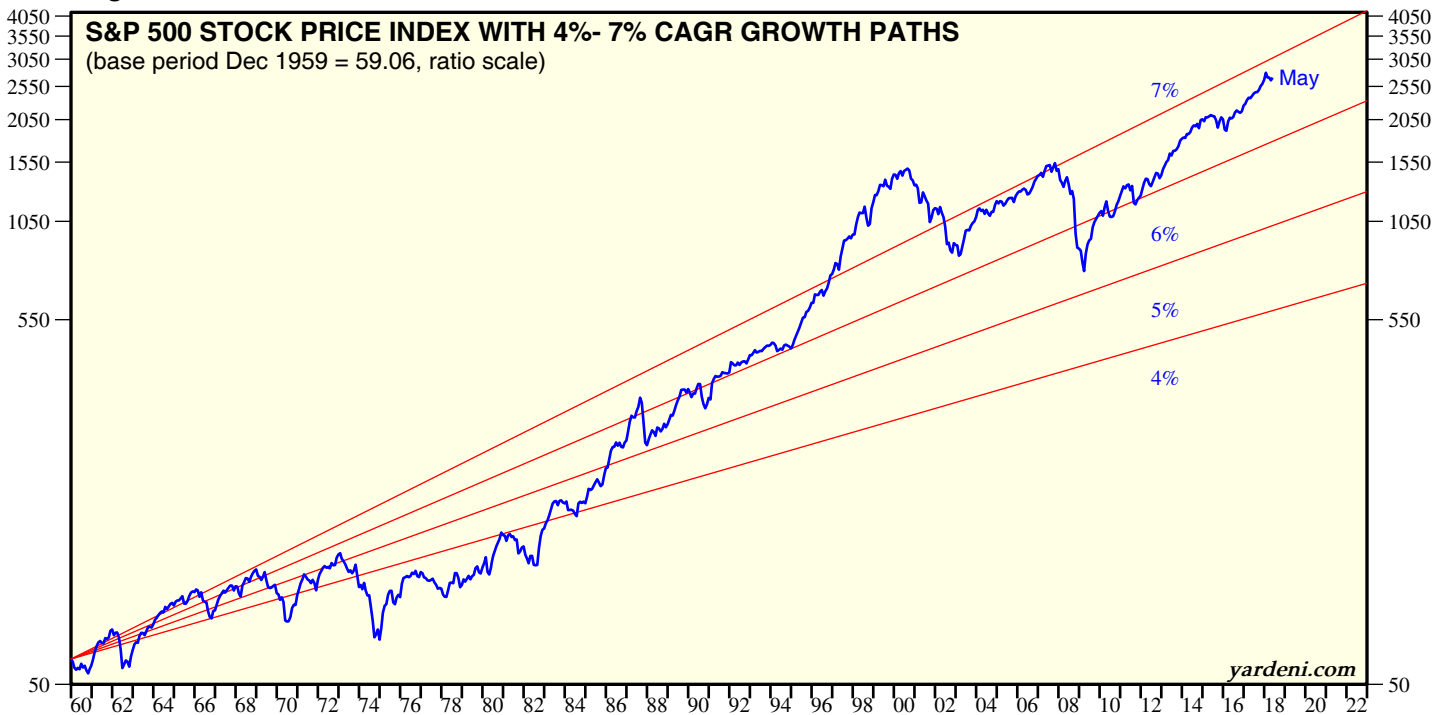
# S&P 500 Index Price Growth Paths

Figure 1.



Source: Standard & Poor's.

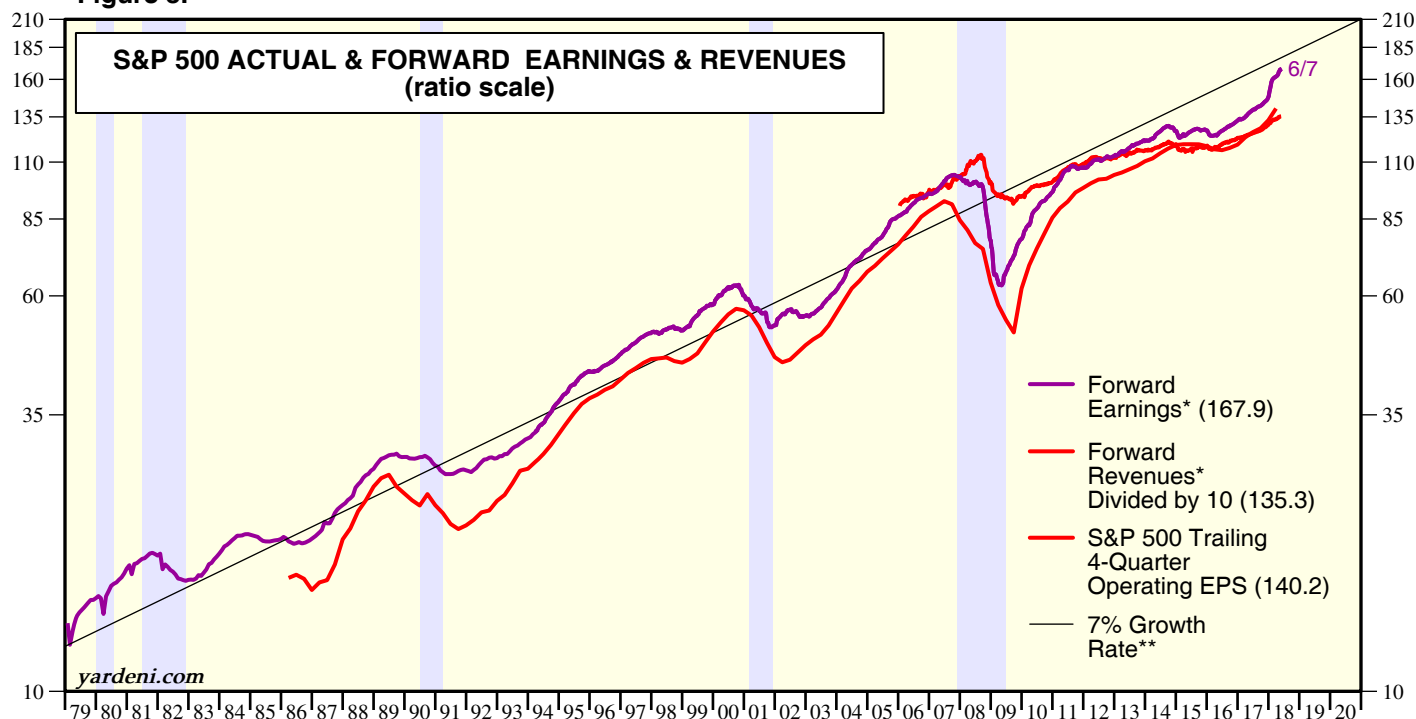
Figure 2.



Source: Standard & Poor's.

# Earnings & Revenues

Figure 3.



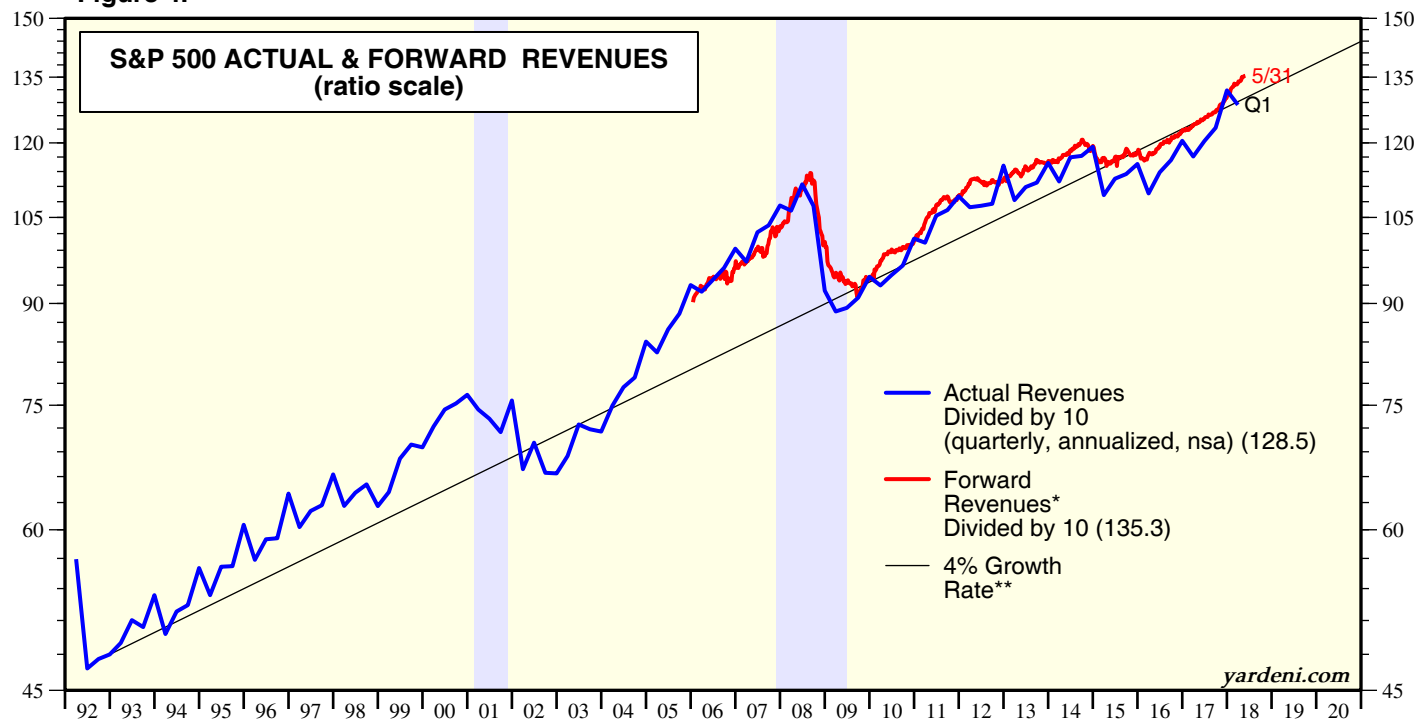
\* Time-weighted average of consensus estimates for current and next year. Monthly through April 1994, then weekly.

\*\* 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.

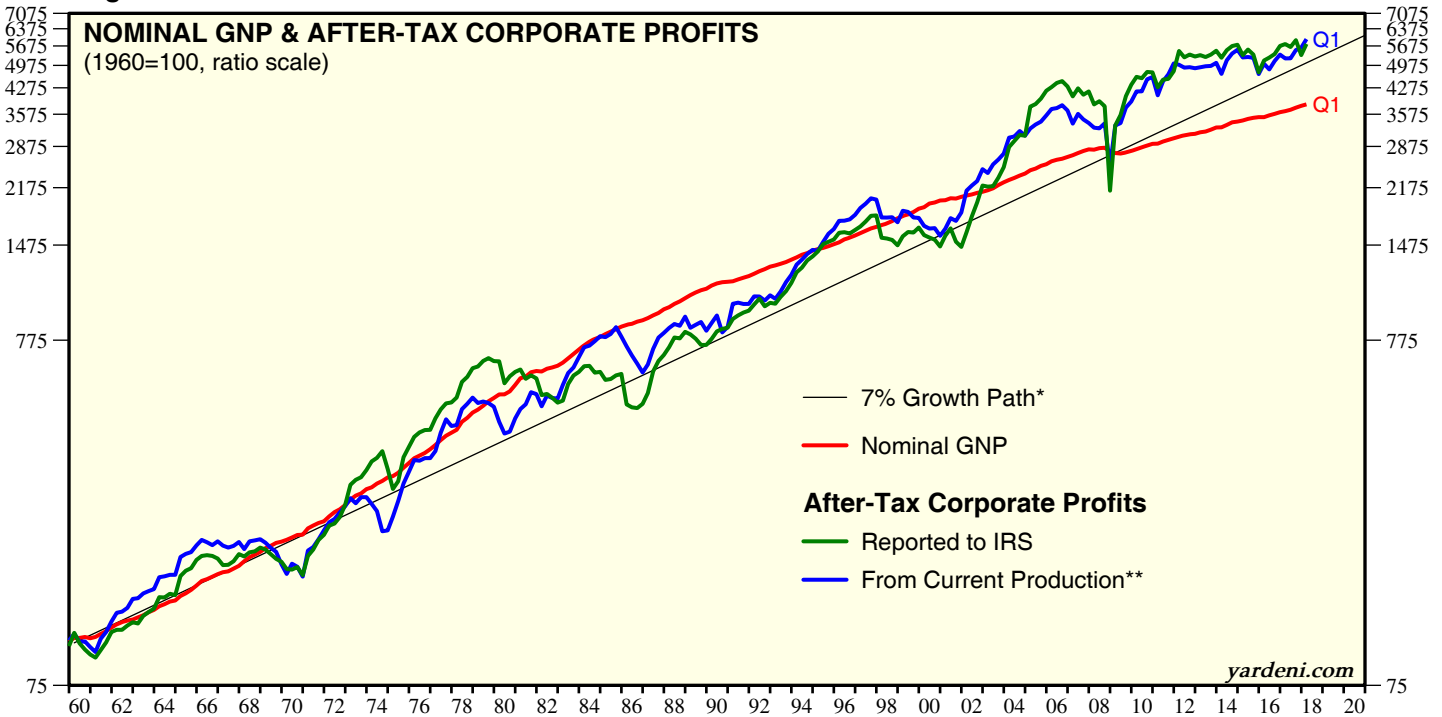
\*\* Compounded monthly to yield 4% annually.

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

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

# Profits

Figure 5.

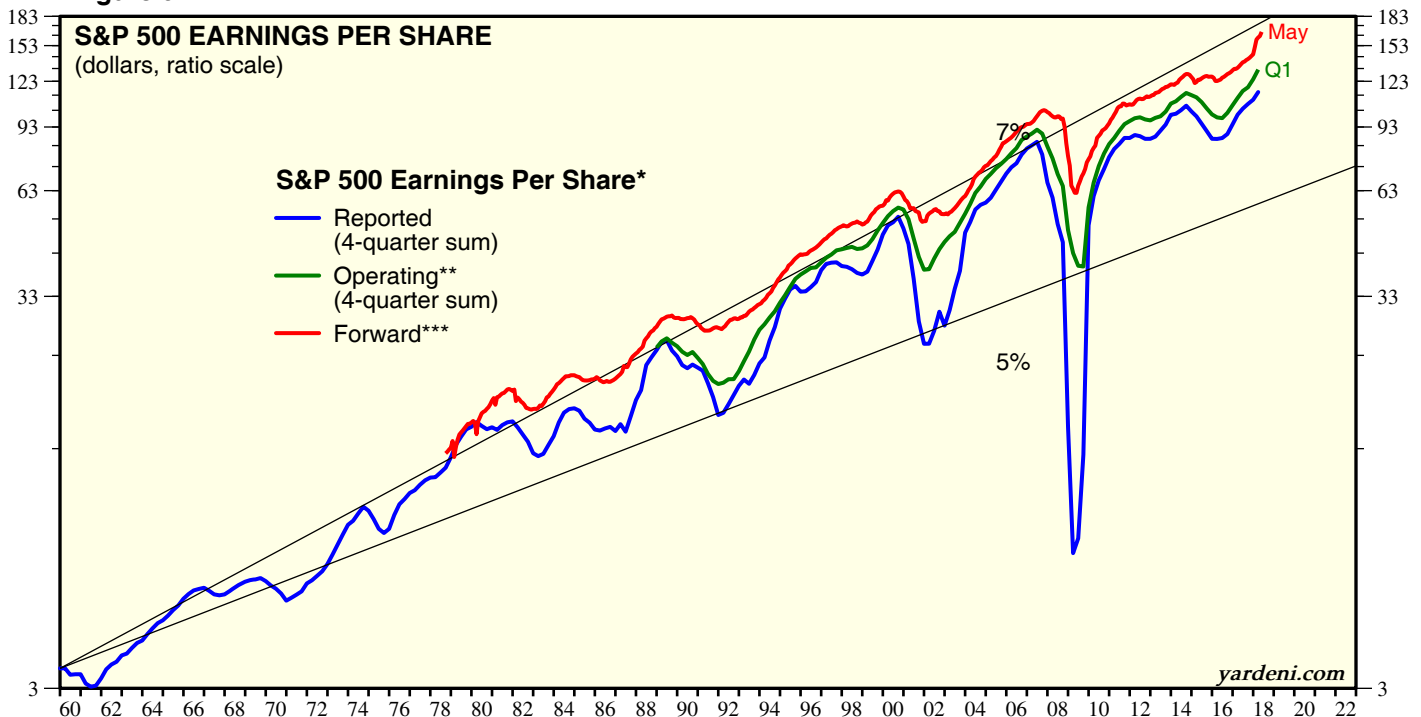


\* Compounded monthly to yield 7% annually.

\*\* 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.

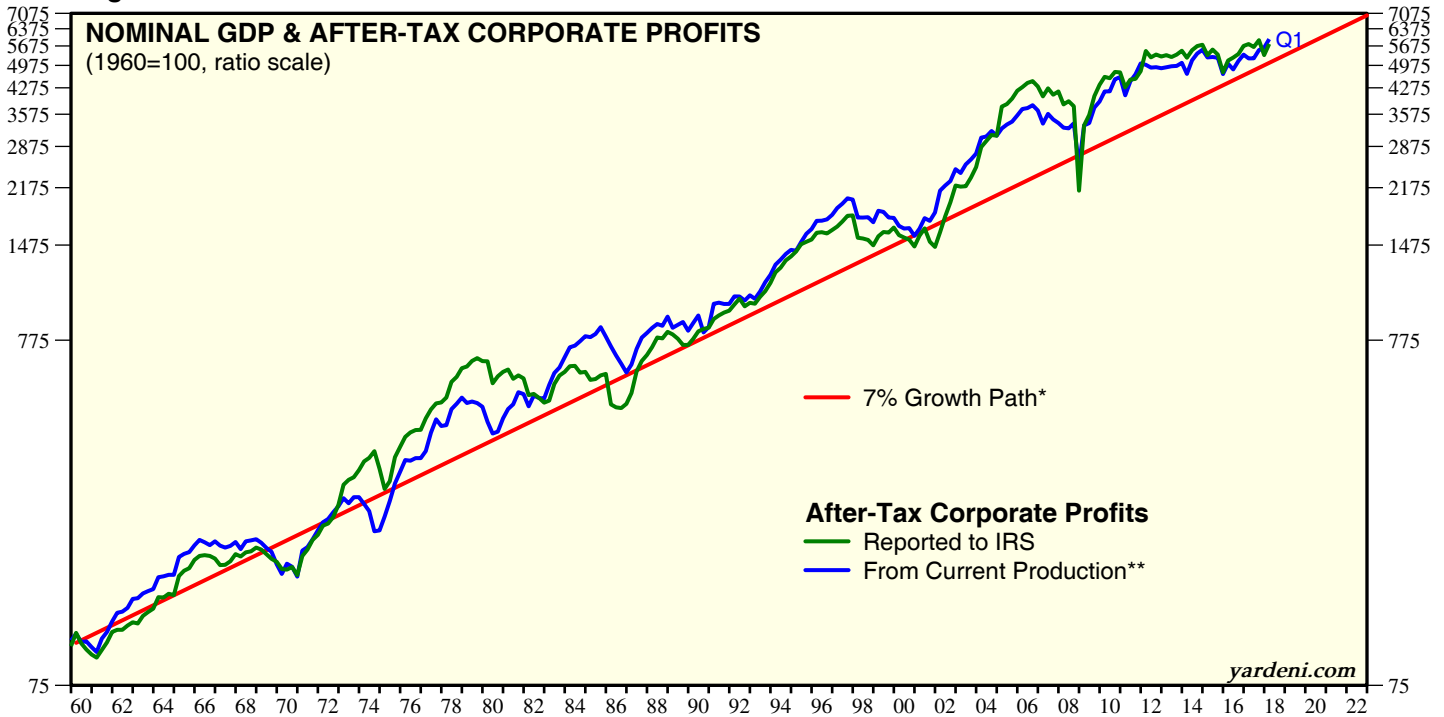
\*\* Excludes write-offs.

\*\*\* 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.

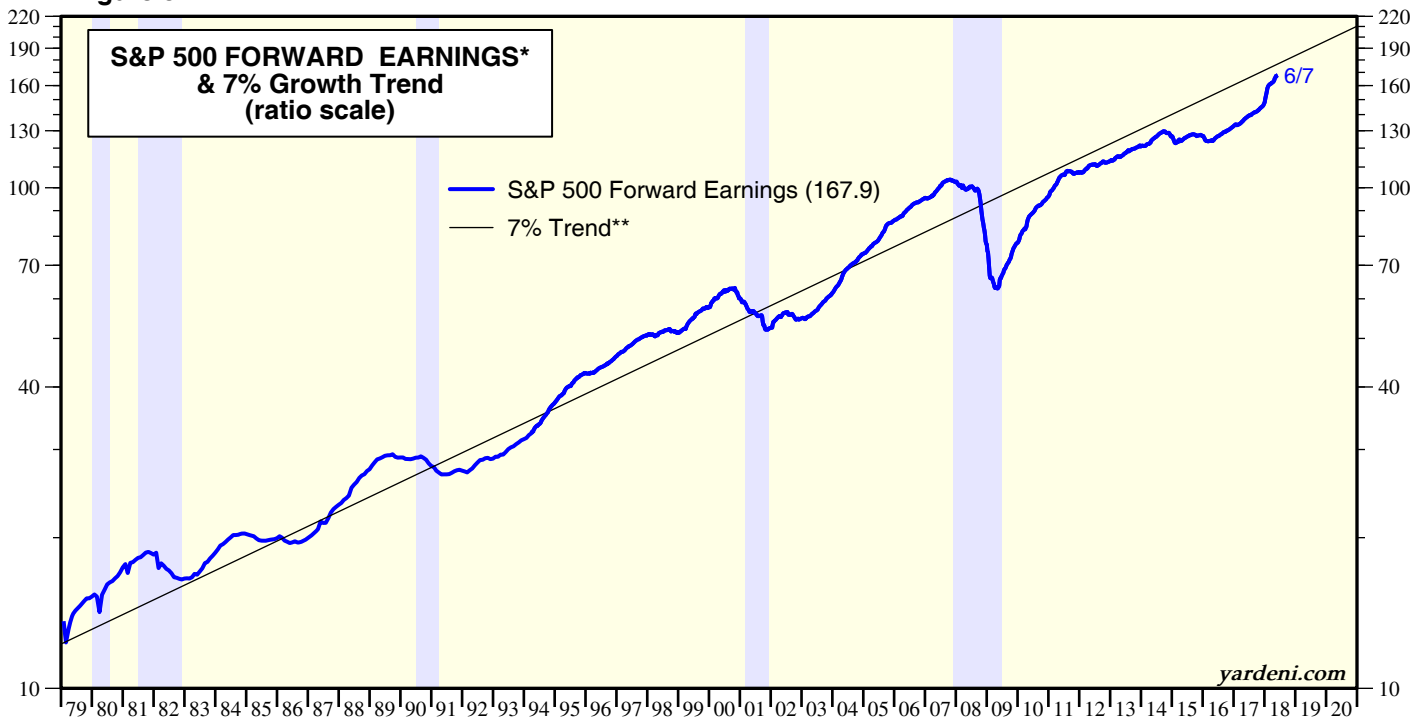


\* Compounded monthly to yield 7% annually.

\*\* 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.

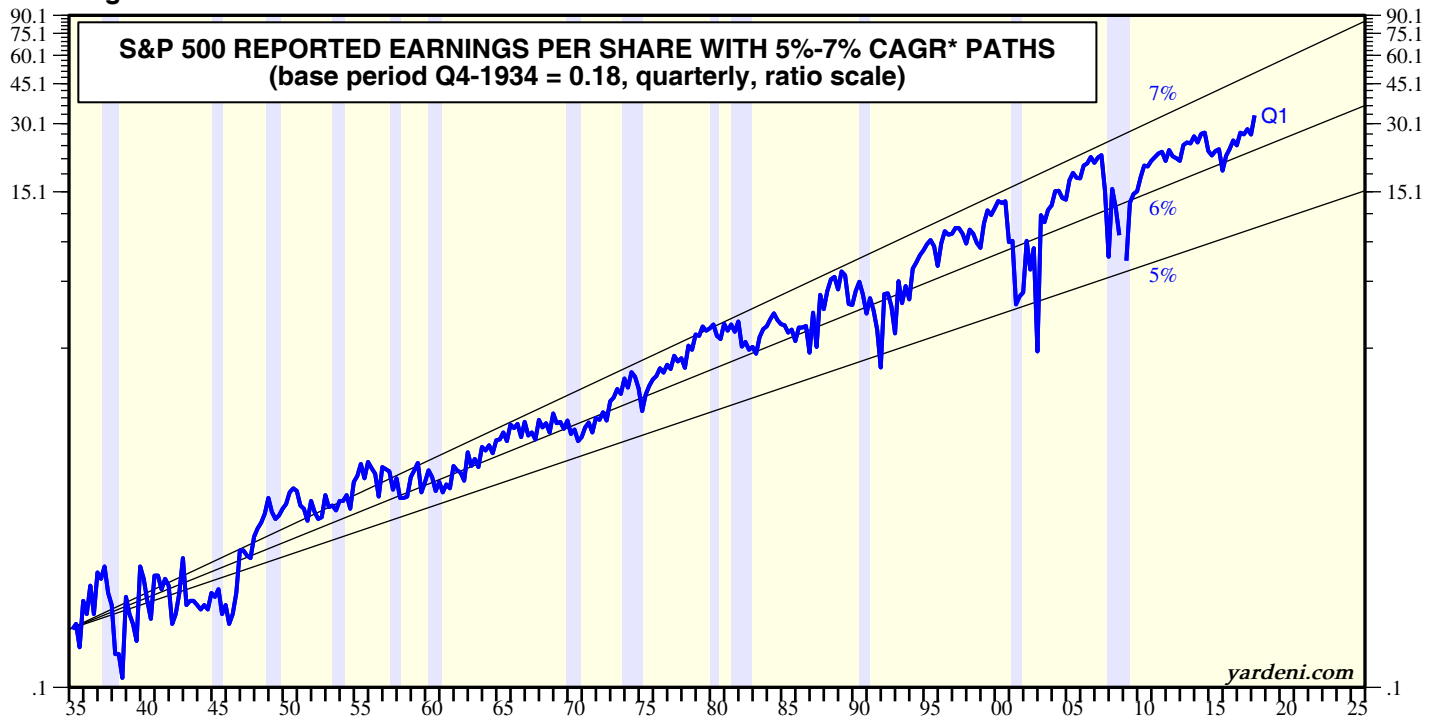
\*\* Compounded monthly to yield 7% annually.

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

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

# Profits

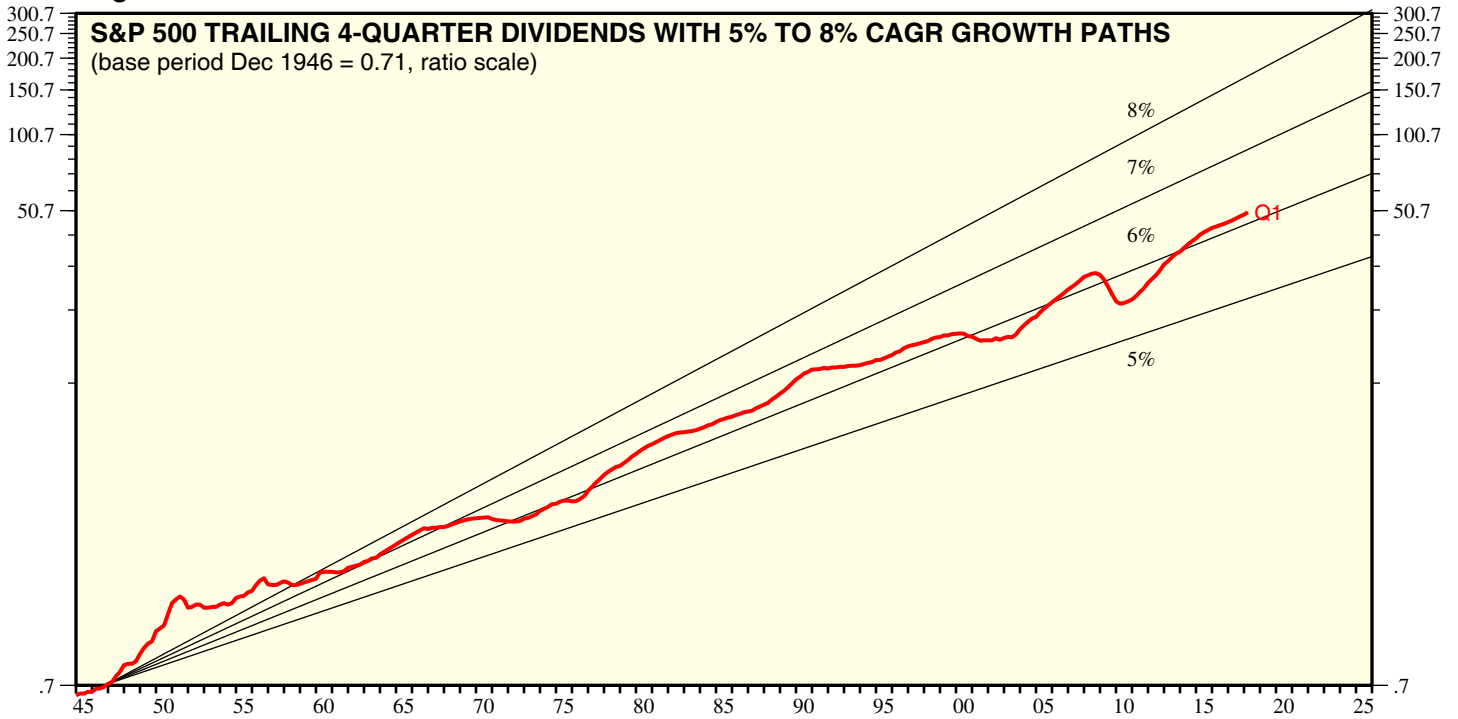
Figure 9.



\* 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.

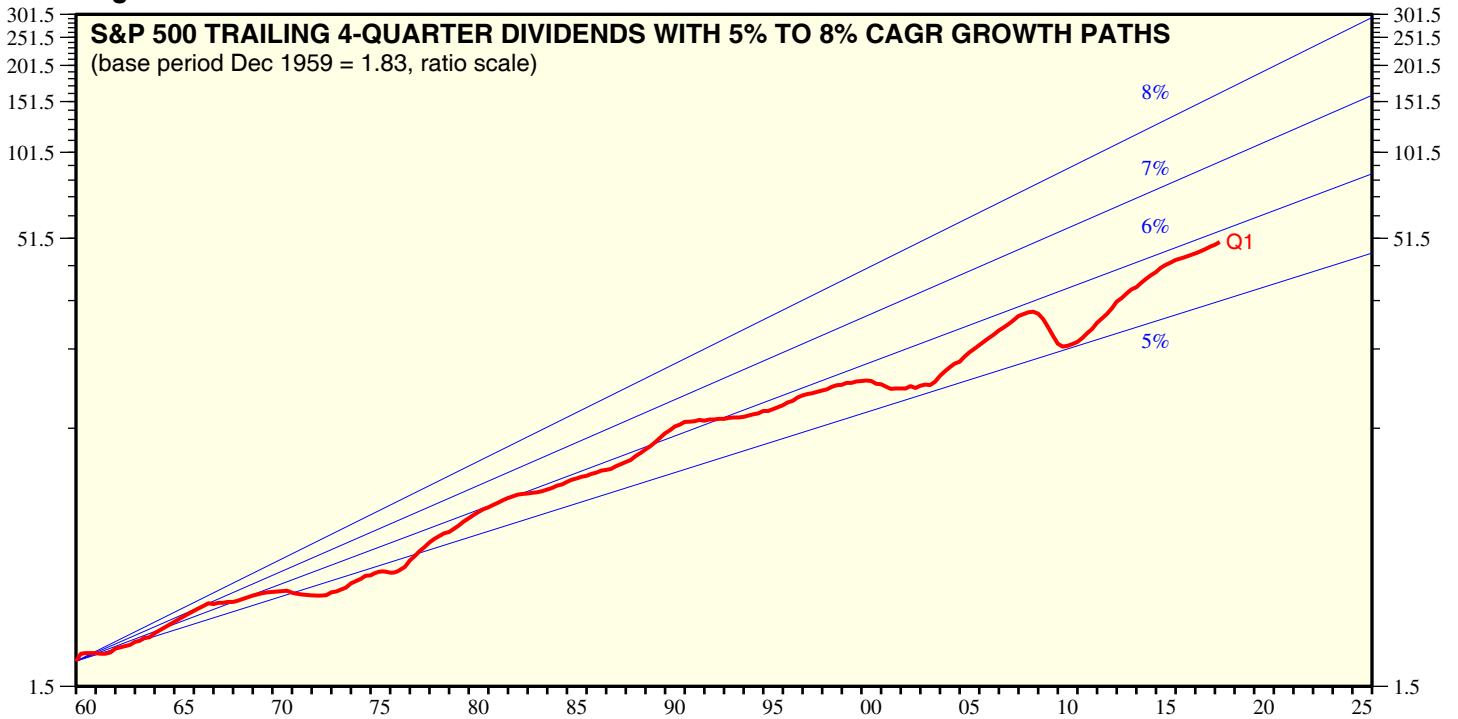
# Dividends

Figure 10.



Source: Standard & Poor's.

Figure 11.

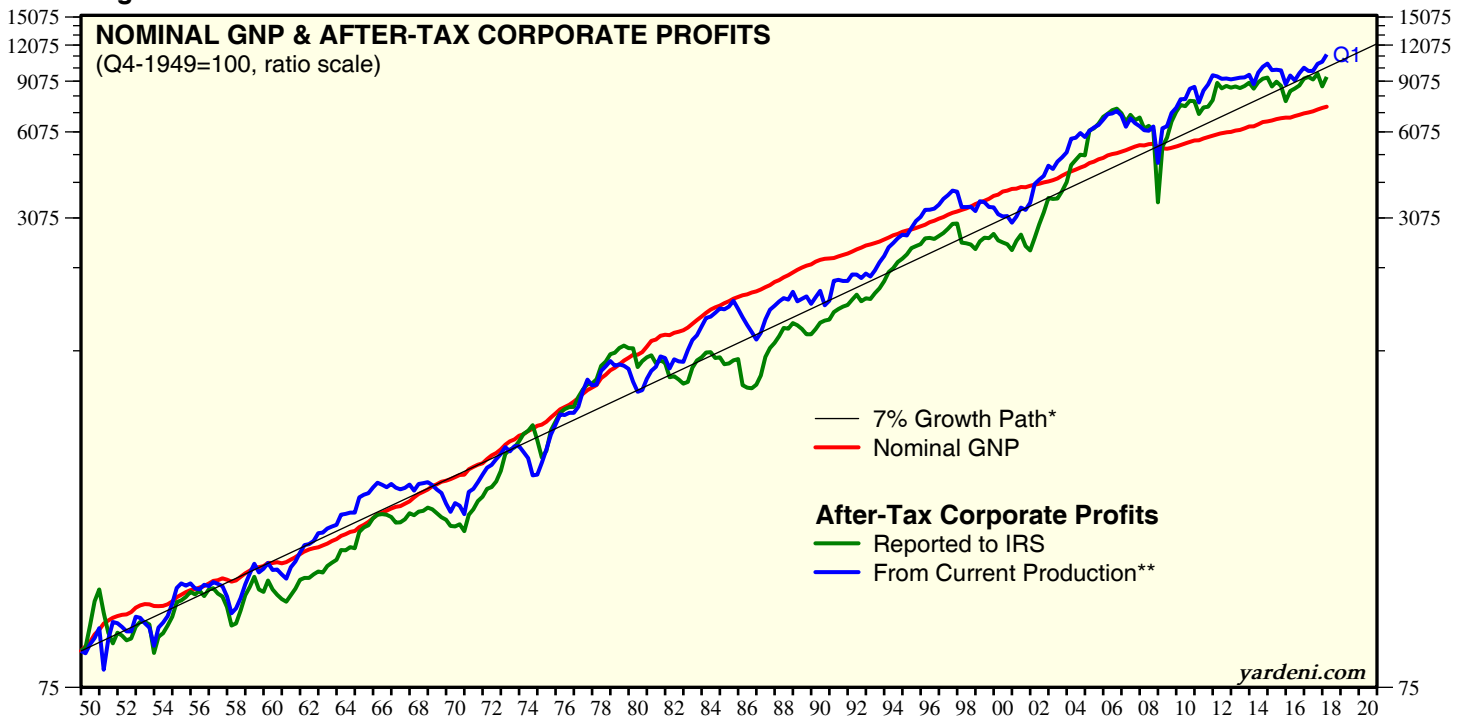


Source: Standard & Poor's.



# Dividends

Figure 12.

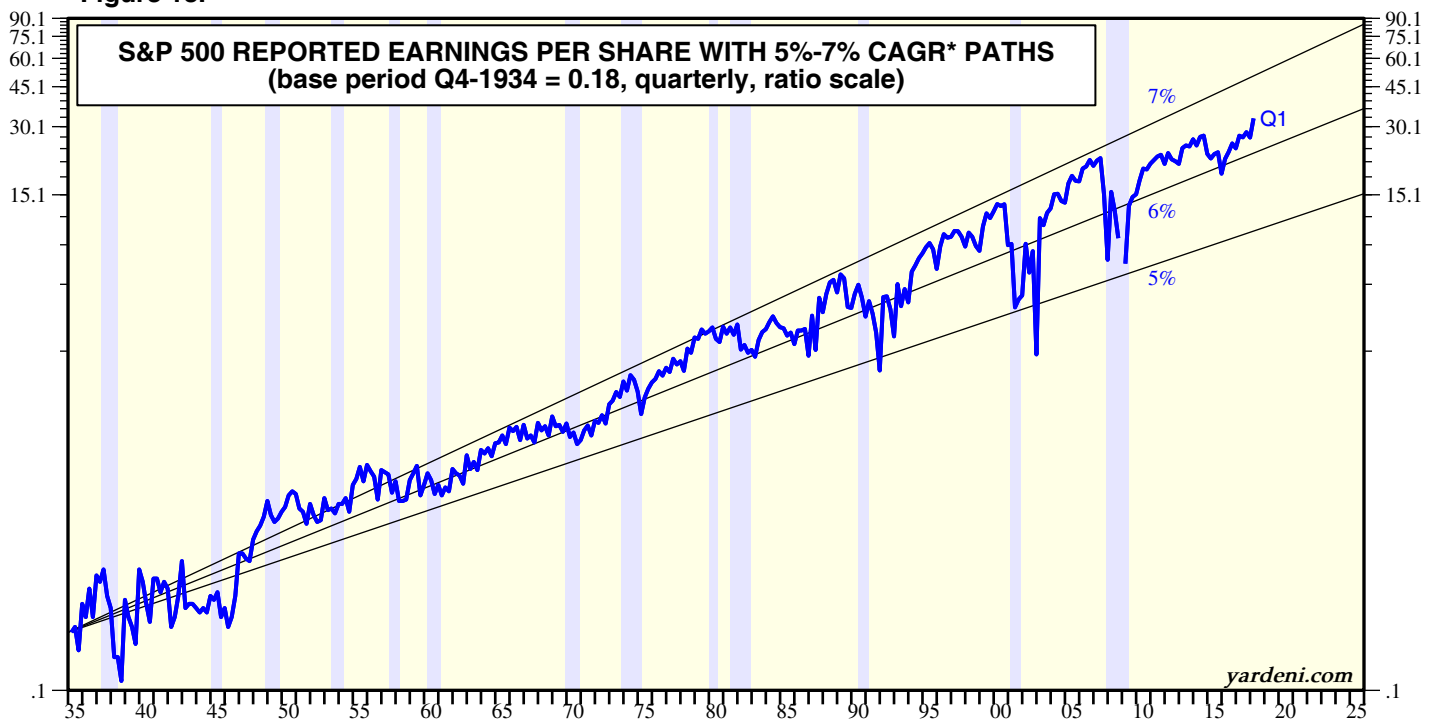


\* Compounded monthly to yield 7% annually.

\*\* 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.

**Copyright (c) Yardeni Research, Inc. 2018.** All rights reserved. The information contained herein has been obtained from sources believed to be reliable, but is not necessarily complete and its accuracy cannot be guaranteed. No representation or warranty, express or implied, is made as to the fairness, accuracy, completeness, or correctness of the information and opinions contained herein. The views and the other information provided are subject to change without notice. All reports posted on [www.yardeni.com](http://www.yardeni.com), [blog.yardeni.com](http://blog.yardeni.com), and YRI's Apps for iPads and iPhones are issued without regard to the specific investment objectives, financial situation, or particular needs of any specific recipient and are not to be construed as a solicitation or an offer to buy or sell any securities or related financial instruments. Past performance is not necessarily a guide to future results. Company fundamentals and earnings may be mentioned occasionally, but should not be construed as a recommendation to buy, sell, or hold the company's stock. Predictions, forecasts, and estimates for any and all markets should not be construed as recommendations to buy, sell, or hold any security--including mutual funds, futures contracts, and exchange traded funds, or any similar instruments.

The text, images, and other materials contained or displayed on any Yardeni Research, Inc. product, service, report, email or website are proprietary to Yardeni Research, Inc. and constitute valuable intellectual property. No material from any part of [www.yardeni.com](http://www.yardeni.com), [blog.yardeni.com](http://blog.yardeni.com), and YRI's Apps for iPads and iPhones may be downloaded, transmitted, broadcast, transferred, assigned, reproduced or in any other way used or otherwise disseminated in any form to any person or entity, without the explicit written consent of Yardeni Research, Inc. All unauthorized reproduction or other use of material from Yardeni Research, Inc. shall be deemed willful infringement(s) of this copyright and other proprietary and intellectual property rights, including but not limited to, rights of privacy. Yardeni Research, Inc. expressly reserves all rights in connection with its intellectual property, including without limitation the right to block the transfer of its products and services and/or to track usage thereof, through electronic tracking technology, and all other lawful means, now known or hereafter devised. Yardeni Research, Inc. reserves the right, without further notice, to pursue to the fullest extent allowed by the law any and all criminal and civil remedies for the violation of its rights.

The recipient should check any email and any attachments for the presence of viruses. Yardeni Research, Inc. accepts no liability for any damage caused by any virus transmitted by this company's emails, website, blog and Apps. Additional information available on [request](#).