Table Of Contents

Trailing P/E

1-5
**Figure 1.**

S&P 500 P/E RATIOS

- **S&P 500 P/Es**
  - Trailing (using operating earnings)* (22.1)
  - Forward** (22.3)

* Using quarterly average of daily data for S&P 500 price index, and 4-quarter trailing operating earnings.
** S&P 500 stock price index divided by S&P 500 12-month forward consensus expected operating earnings.
Source: I/B/E/S data by Refinitiv and Standard & Poor’s.

**Figure 2.**

S&P 500 P/E RATIOS

- **S&P 500 P/Es**
  - Trailing (using reported earnings)* (26.4)
  - Forward** (22.3)

* Using 4-quarter trailing reported earnings.
** S&P 500 stock price index divided by S&P 500 12-month forward consensus expected operating earnings.
Note: Shaded red areas denote S&P 500 bear market declines of 20% or more. Yellow areas show bull markets.
Source: I/B/E/S data by Refinitiv and Standard & Poor’s.

---

S&P 500 Trailing P/E Ratios

Yardeni Research, Inc.
www.yardeni.com
Trailing P/E

Figure 3.

P/E RATIO FOR S&P 500 (Using Trailing Reported Earnings)*

Capped at 45 due to extreme values

* Using 4-quarter trailing reported earnings.
Source: Standard & Poor’s.

Figure 4.

S&P 500 P/E BASED ON TRAILING EARNINGS

Average = 15.1

* Using quarterly average of daily data for S&P 500 price index, and 4-quarter trailing reported earnings through Q3-1988, then operating earnings.
Source: Standard & Poor’s.
Figure 5.

S&P 500 P/E BASED ON TRAILING EARNINGS vs. CPI

Trailing P/E* (22.1)
CPI (yearly percent change) (0.6)

* Using quarterly average of daily data for S&P 500 price index, and 4-quarter trailing reported earnings through Q3-1988, then operating earnings.
Source: Standard & Poor’s and Bureau of Economic Analysis.

Figure 6.

RULE OF 20: S&P 500 P/E BASED ON TRAILING EARNINGS vs. CPI INFLATION

Trailing P/E* (22.1)
20 Minus CPI (yearly percent change) (19.4)

* Using quarterly average of daily data for S&P 500 price index, and 4-quarter trailing reported earnings through Q3-1988, then operating earnings.
Source: Standard & Poor’s and Bureau of Economic Analysis.
Figure 7.

**S&P 500 P/E BASED ON TRAILING EARNINGS vs. 10-YEAR TREASURY BOND YIELD**

- **Trailing P/E** (22.1)
- **10-Year Bond Yield (percent)** (0.6)

* Using quarterly average of daily data for S&P 500 price index, and 4-quarter trailing reported earnings through Q3-1988, then operating earnings.

Source: Standard & Poor’s and Federal Reserve Board.

Figure 8.

**S&P 500 EARNINGS YIELD vs. 10-YEAR TREASURY BOND YIELD**

- **S&P 500 Earnings Yield** (4.5)
- **10-Year Bond Yield** (0.6)

* Using quarterly average of daily data for S&P 500 price index, and 4-quarter trailing reported earnings through Q3-1988, then operating earnings.

Source: Standard & Poor’s and Federal Reserve Board.
**S&P 500 EARNINGS YIELD & NOMINAL GDP GROWTH**

- Earnings Yield* (4.5)
- Nominal GDP (yearly percent change) (-9.0)

* S&P 500 trailing earnings divided by stock price index. Using quarterly average of daily data for S&P 500 price index, and 4-quarter trailing reported earnings through Q3-1988, then operating earnings.

Source: Standard & Poor's Corporation and Bureau of Economic Analysis.