

Stock Market Indicators: S&P 500 Presidential Cycles

Yardeni Research, Inc.

January 31, 2019

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
blog.yardeni.com



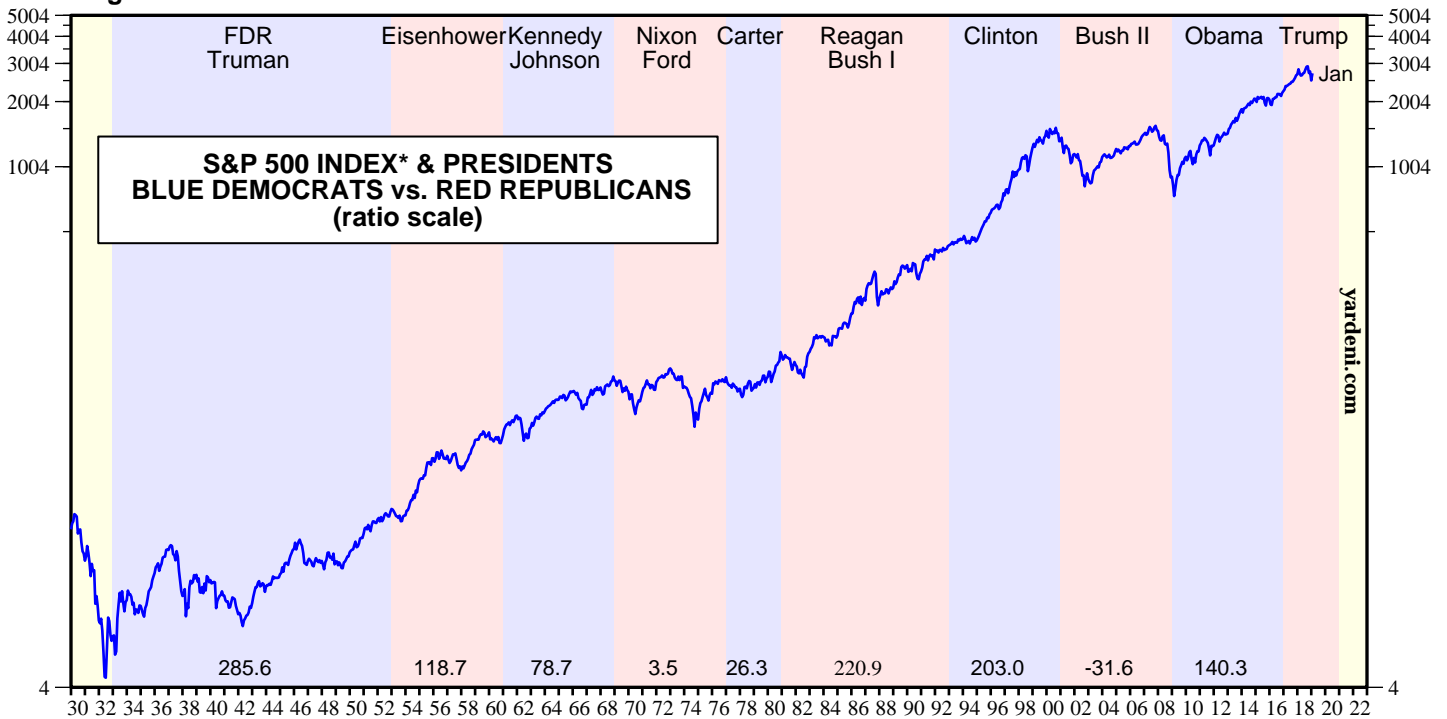
thinking outside the box

Table Of Contents

Stocks & Politics	1
First & Second Terms	2
Presidential Cycles	3-4
S&P 500 Index & P/E	5
Misc.	6-7

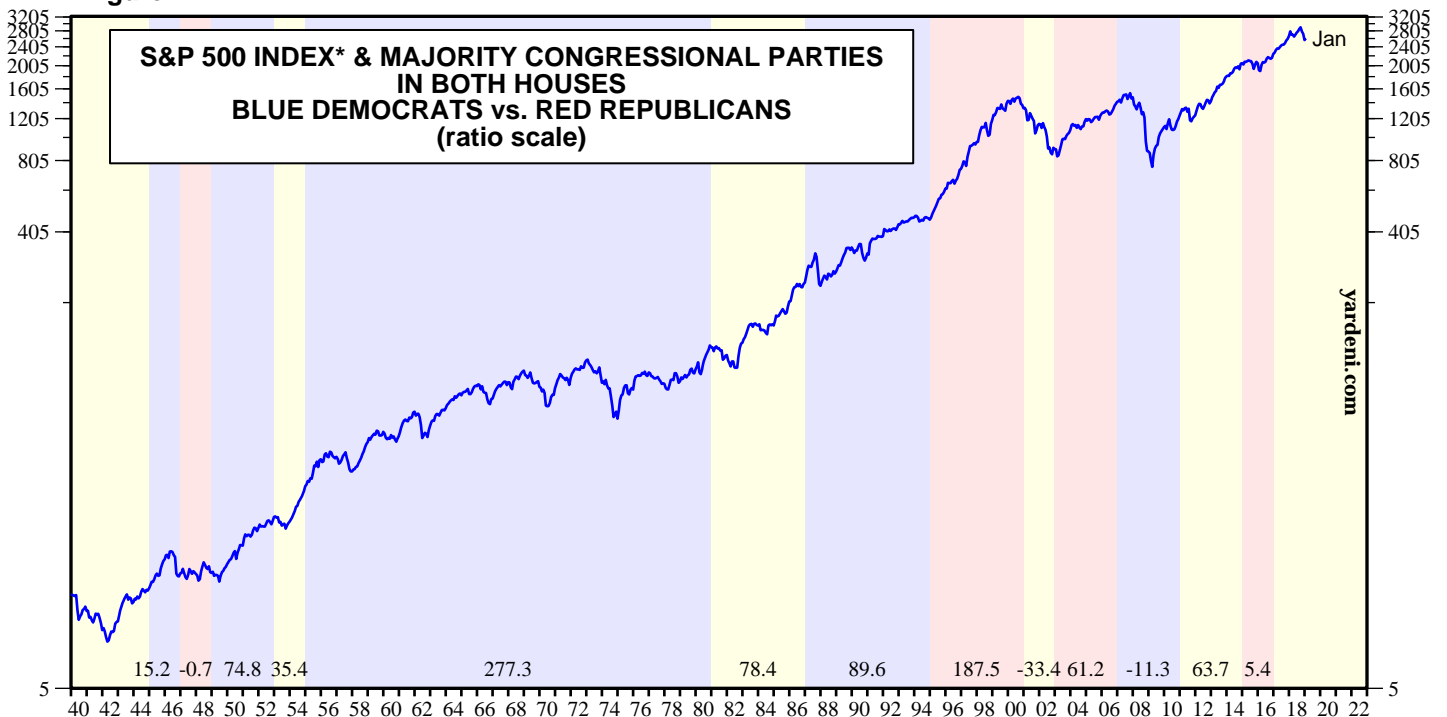
Stocks & Politics

Figure 1.



* End-of-month daily data through 8/31/2016.
 Note: Blue (red) shades represents Democrats (Republicans) in White House. Data above timeline are percentage changes in S&P 500 for each shade.
 Source: Standard & Poor's Corporation.

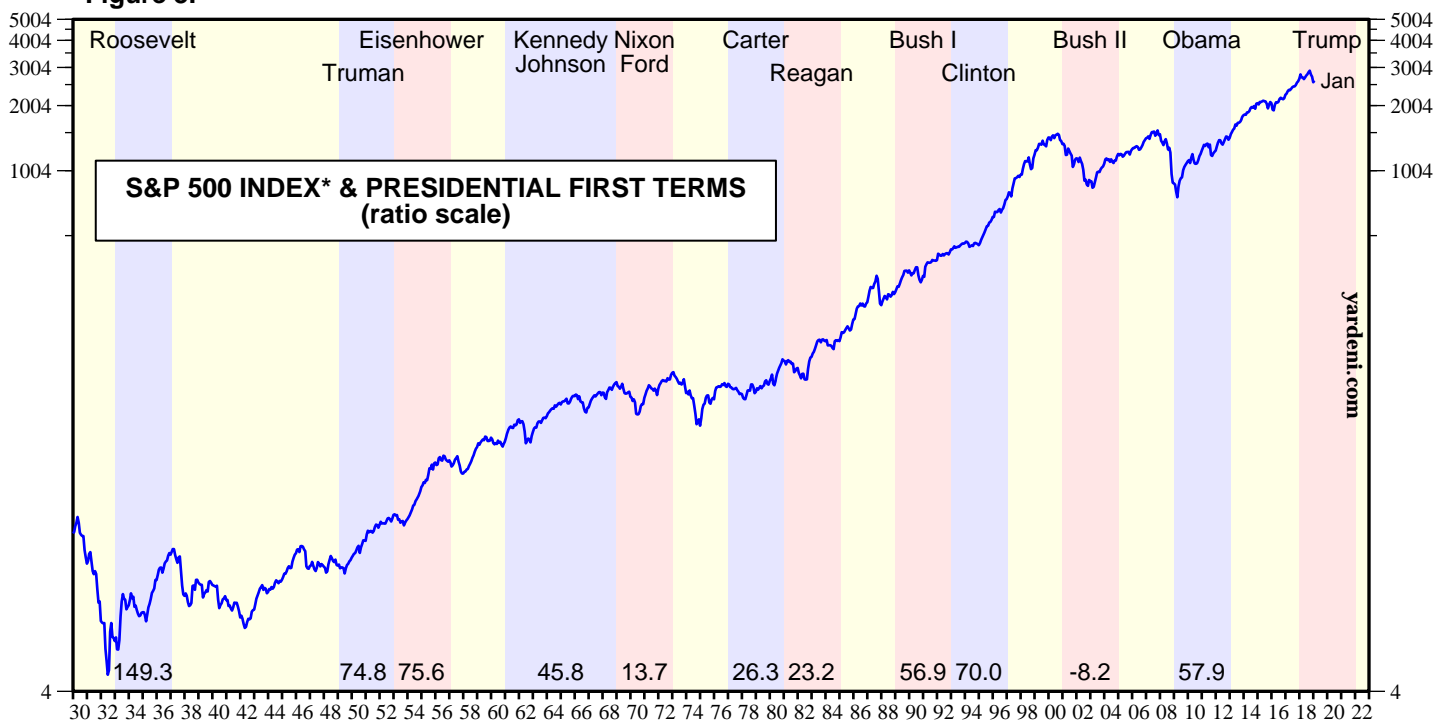
Figure 2.



* End-of-month daily data through 8/31/2016.
 Note: Shaded areas represent periods where one party holds both Houses regardless of who was in the White House. Blue shade represents Democrats. Red shade represents Republicans. Data above timeline are percentage changes for each shade.
 Source: Standard & Poor's.

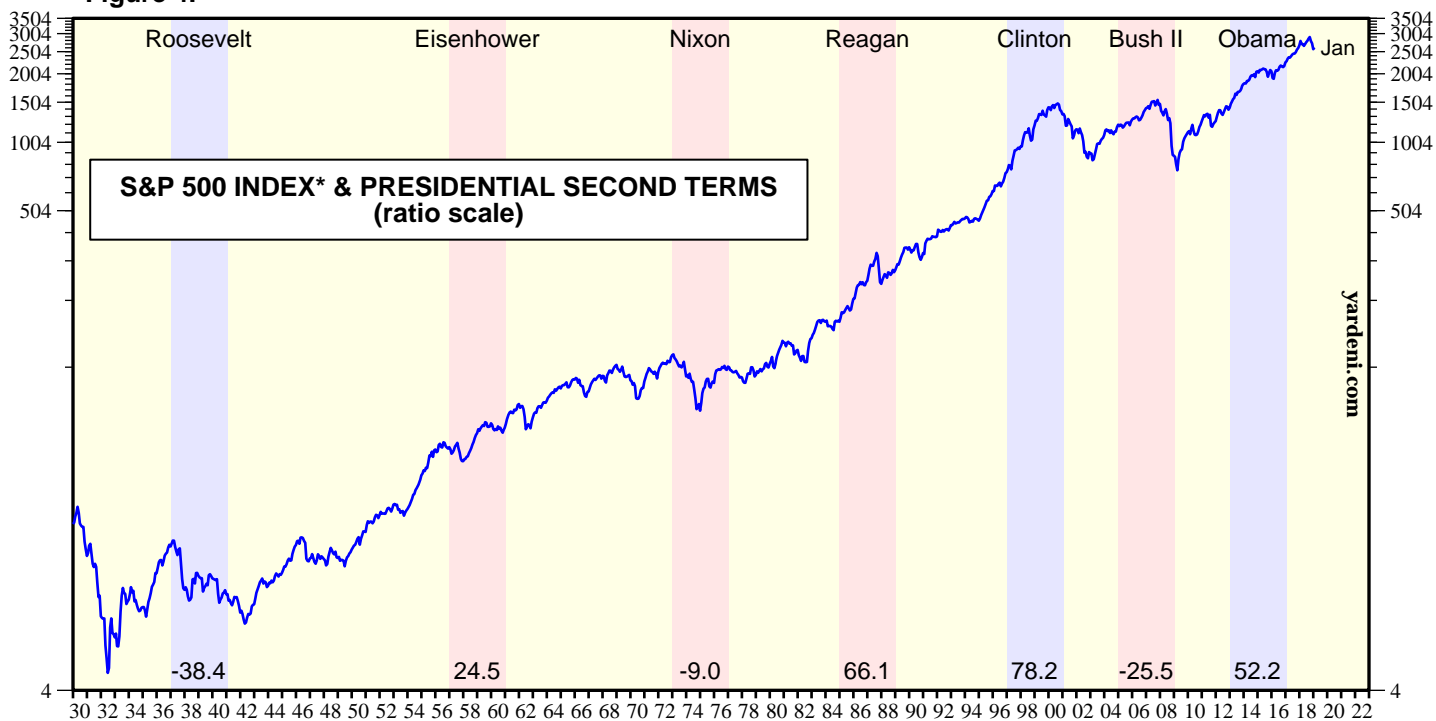
First & Second Terms

Figure 3.



* End-of-month daily data through 8/31/2016.
 Note: Shaded areas represent first term of each president. Blue shade represents Democrats. Red shade represents Republicans.
 Data above timeline are percentage changes for each shade.
 Source: Standard & Poor's.

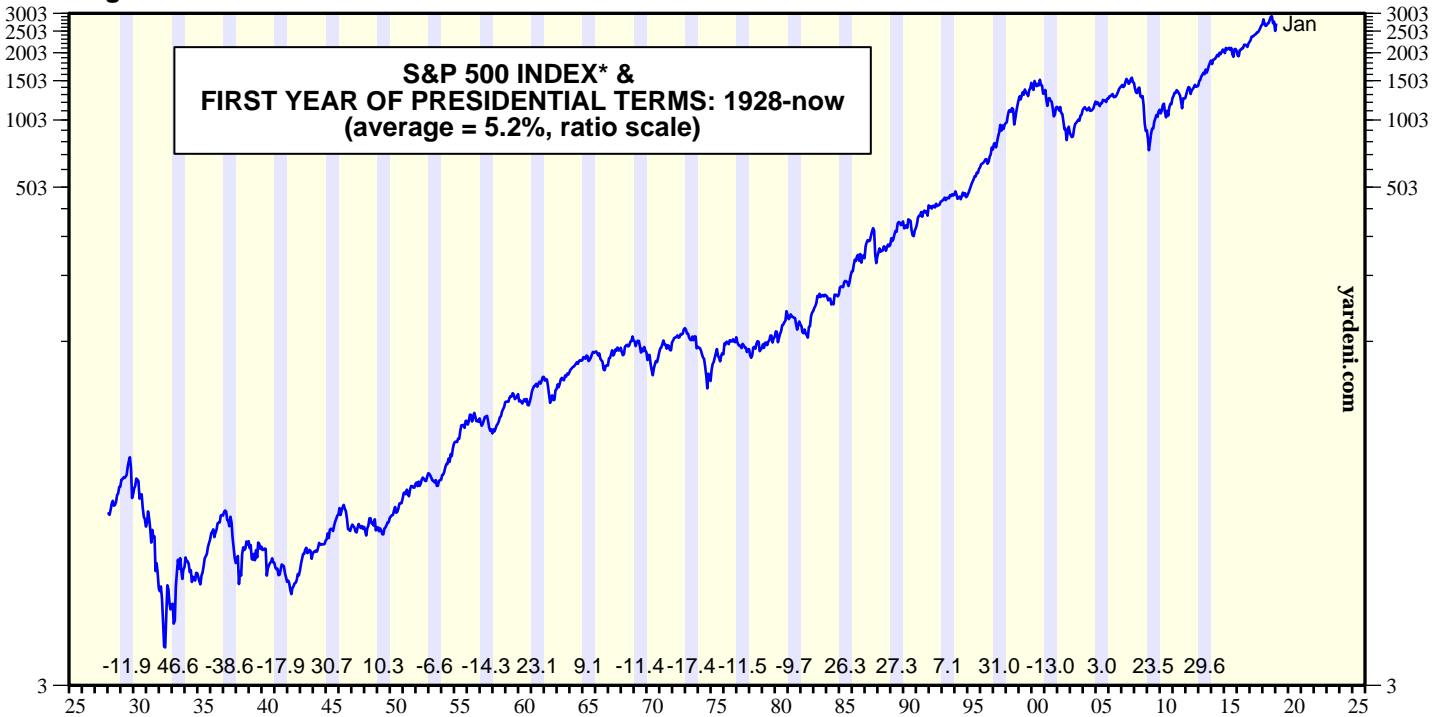
Figure 4.



* End-of-month daily data through 8/31/2016.
 Note: Shaded areas represent second term of each president. Blue shade represents Democrats. Red shade represents Republicans.
 Data above timeline are percentage changes for each shade.
 Source: Standard & Poor's.

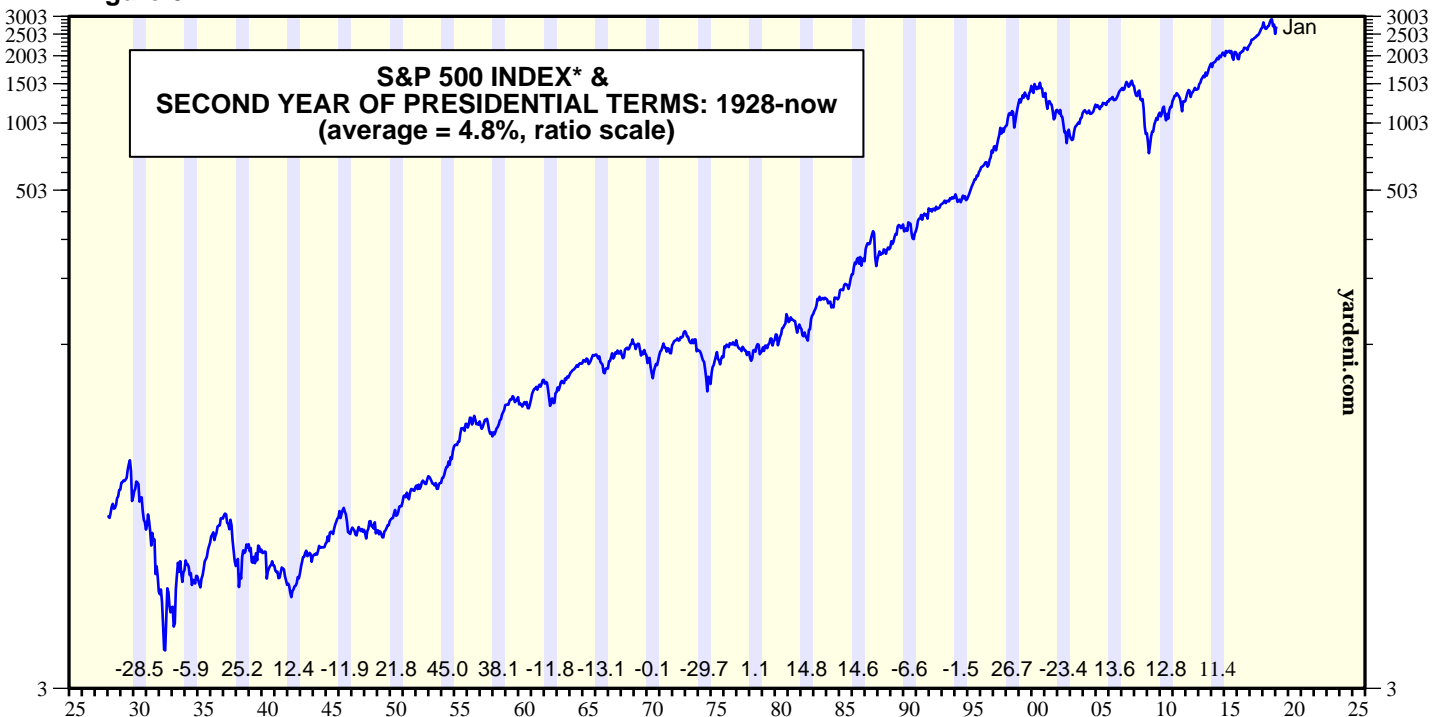
Presidential Cycles

Figure 5.



* End-of-month daily data through 12/31/2016.
Note: Shaded areas are the first years of presidential terms. Data above timeline are percentage changes for the first year using daily price data.
Source: Standard & Poor's.

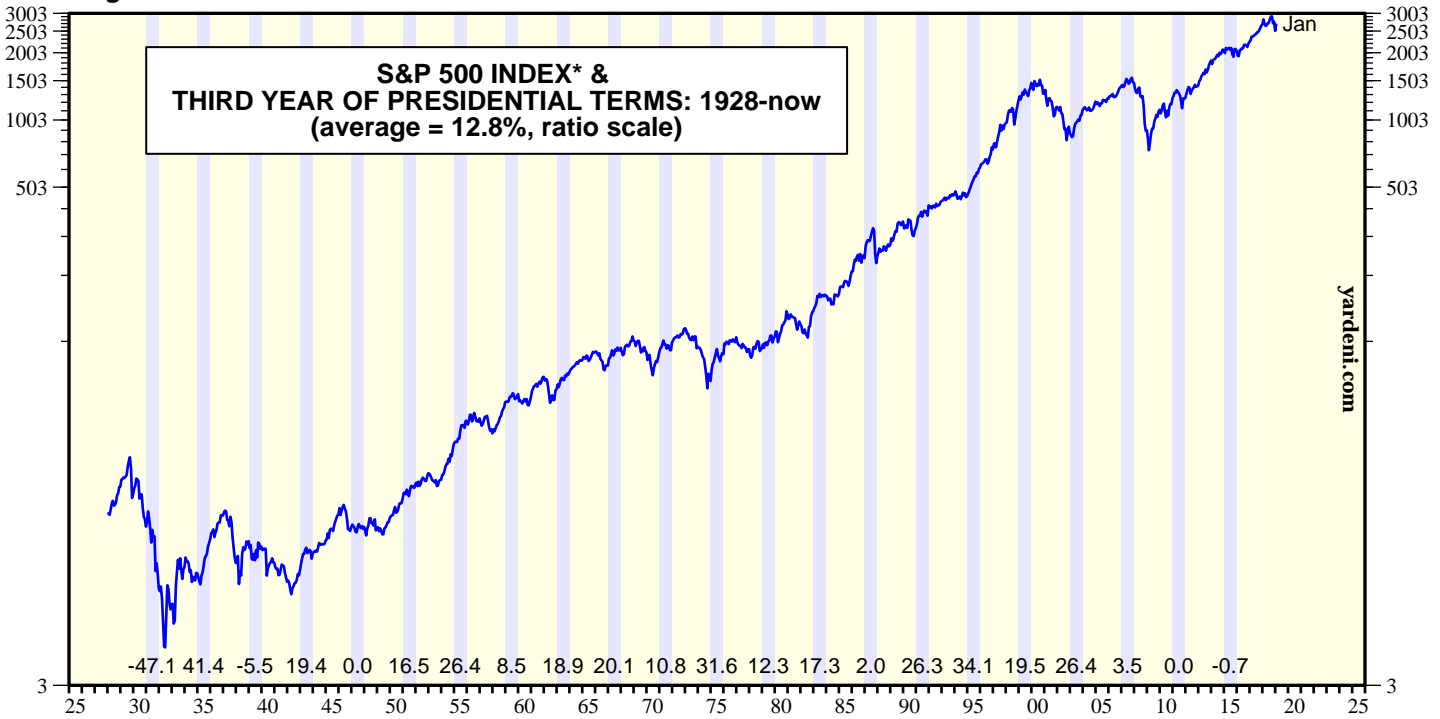
Figure 6.



* End-of-month daily data through 12/31/2016.
Note: Shaded areas are the second years of presidential terms. Data above timeline are percentage changes for the second year using daily price data.
Source: Standard & Poor's.

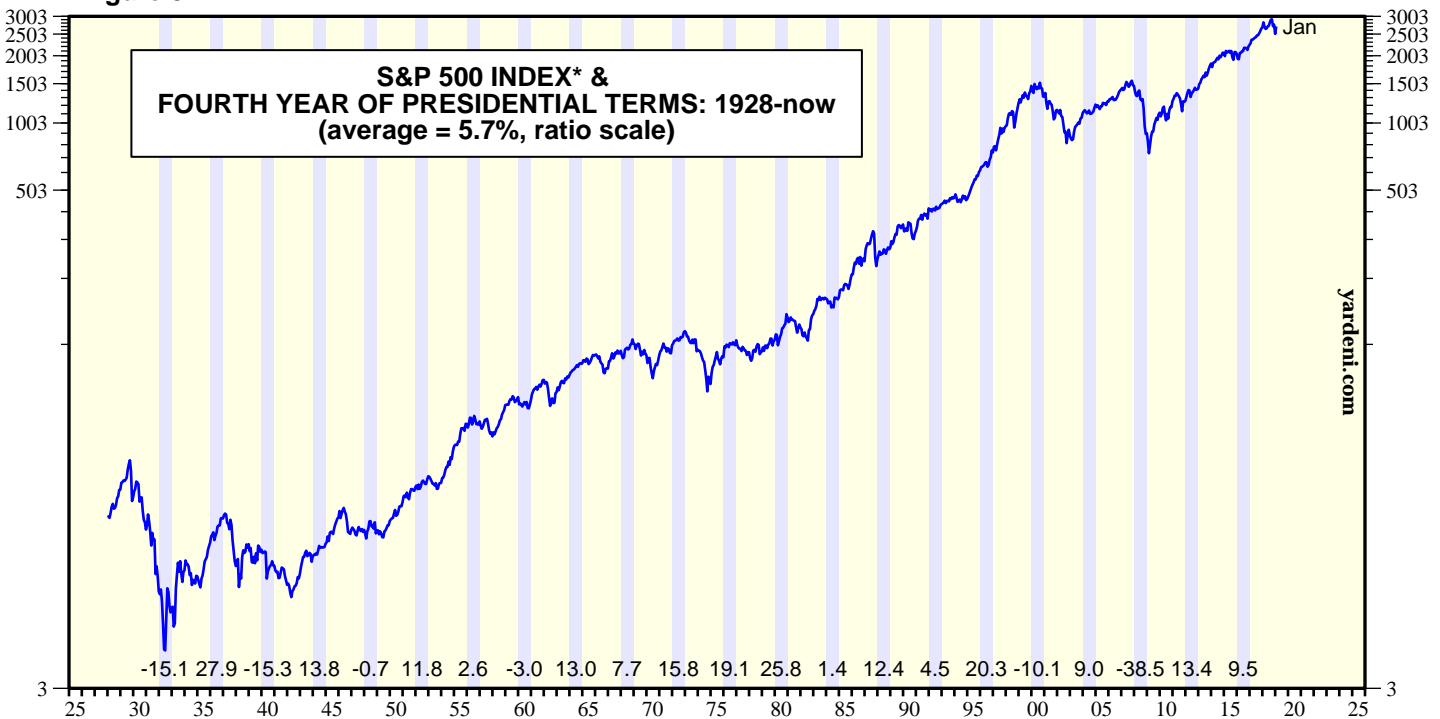
Presidential Cycles

Figure 7.



* End-of-month daily data through 12/31/2016.
Note: Shaded areas are the third years of presidential terms. Data above timeline are percentage changes for the third year using daily price data.
Source: Standard & Poor's.

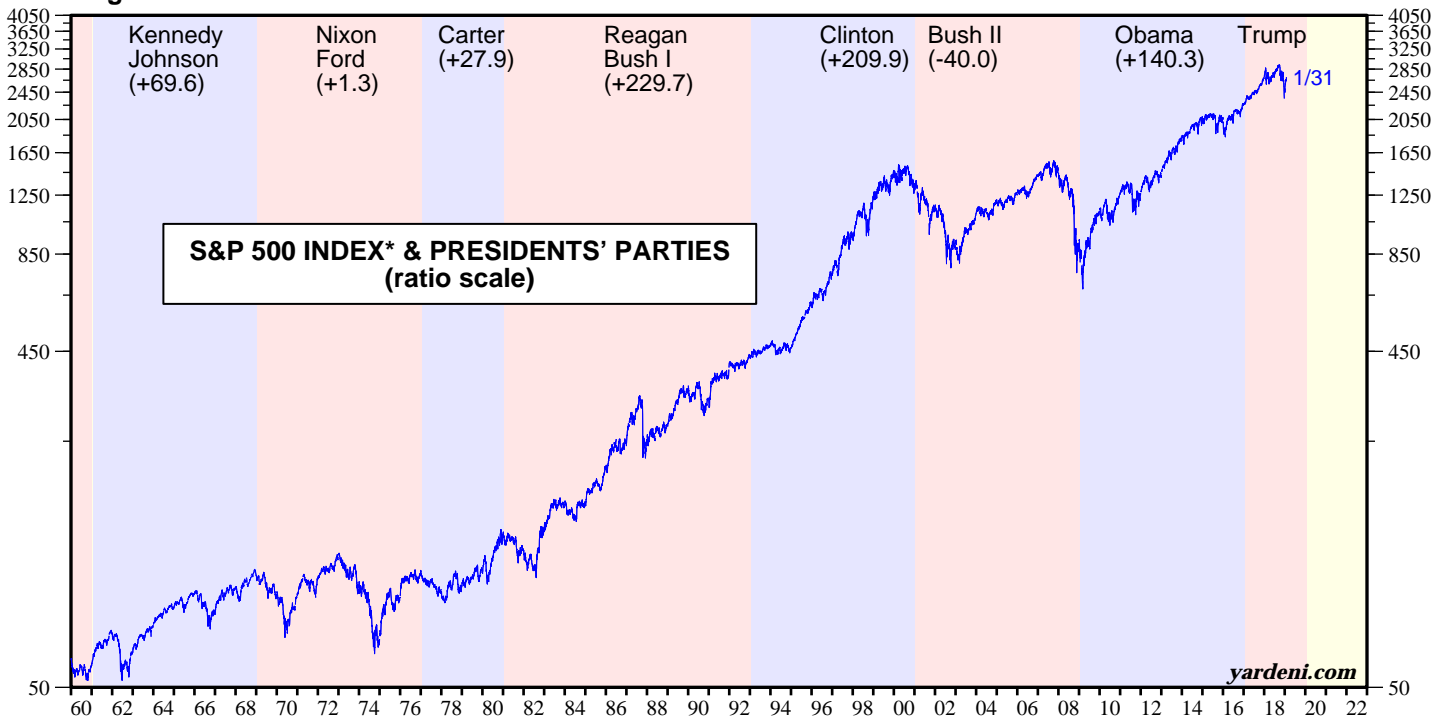
Figure 8.



* End-of-month daily data through 12/31/2016.
Note: Shaded areas are the fourth years of presidential terms. Data above timeline are percentage changes for the fourth year using daily data.
Source: Standard & Poor's.

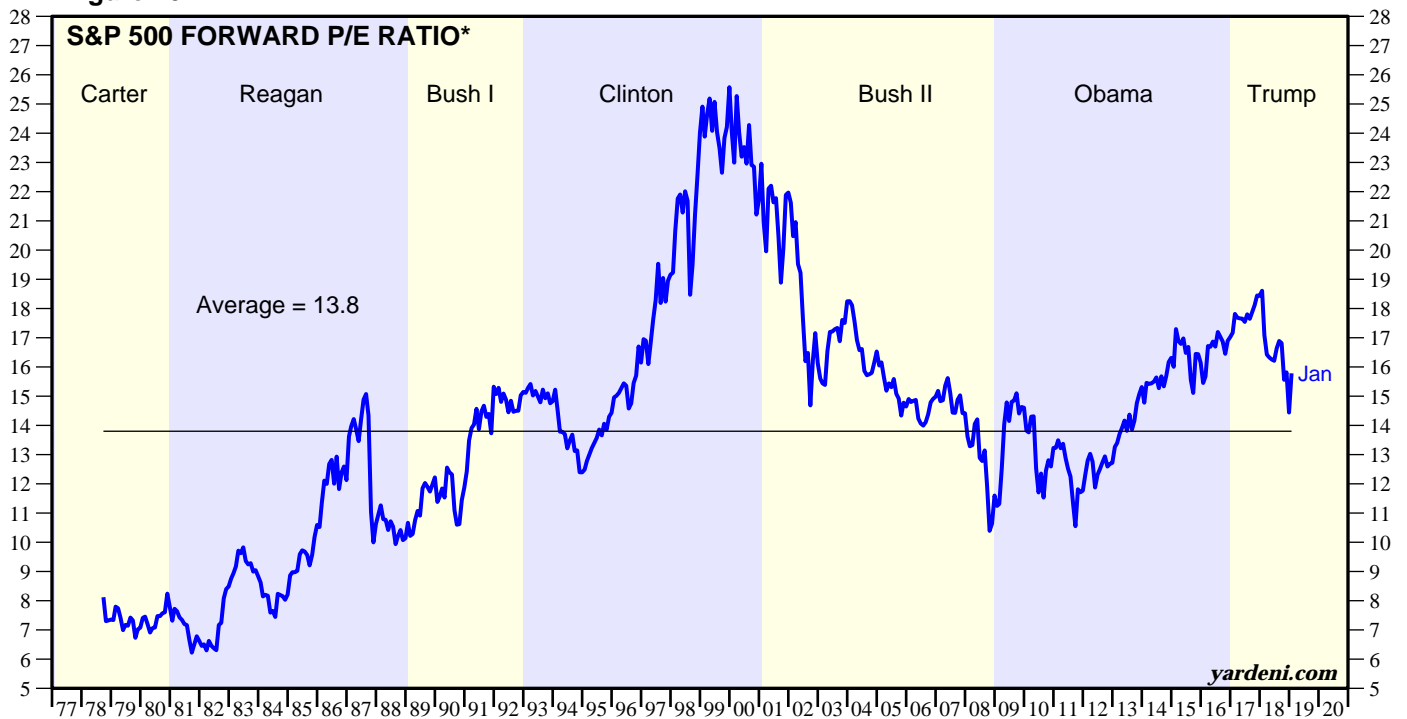
S&P 500 Index & P/E

Figure 9.



* End-of-month daily data through August 31, 2016.
 Note: Shaded areas represent periods when one party holds the presidency. Blue shade represents Democrats. Red shade represents Republicans.
 Numbers in parenthesis show S&P 500 increase or decrease during each president.
 Source: Standard & Poor's.

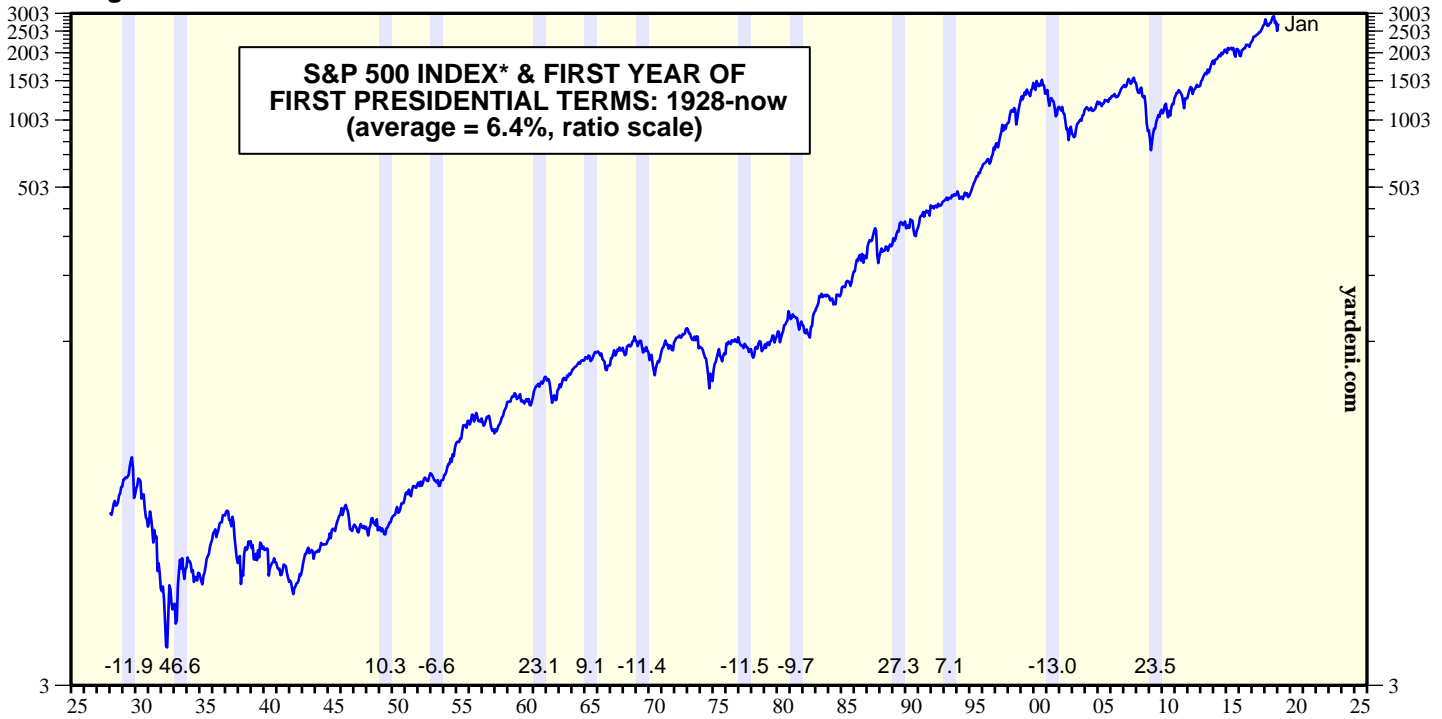
Figure 10.



* Average monthly S&P 500 stock price index divided by S&P 500 12-month forward consensus expected operating earnings per share.
 Source: Thomson Reuters I/B/E/S.

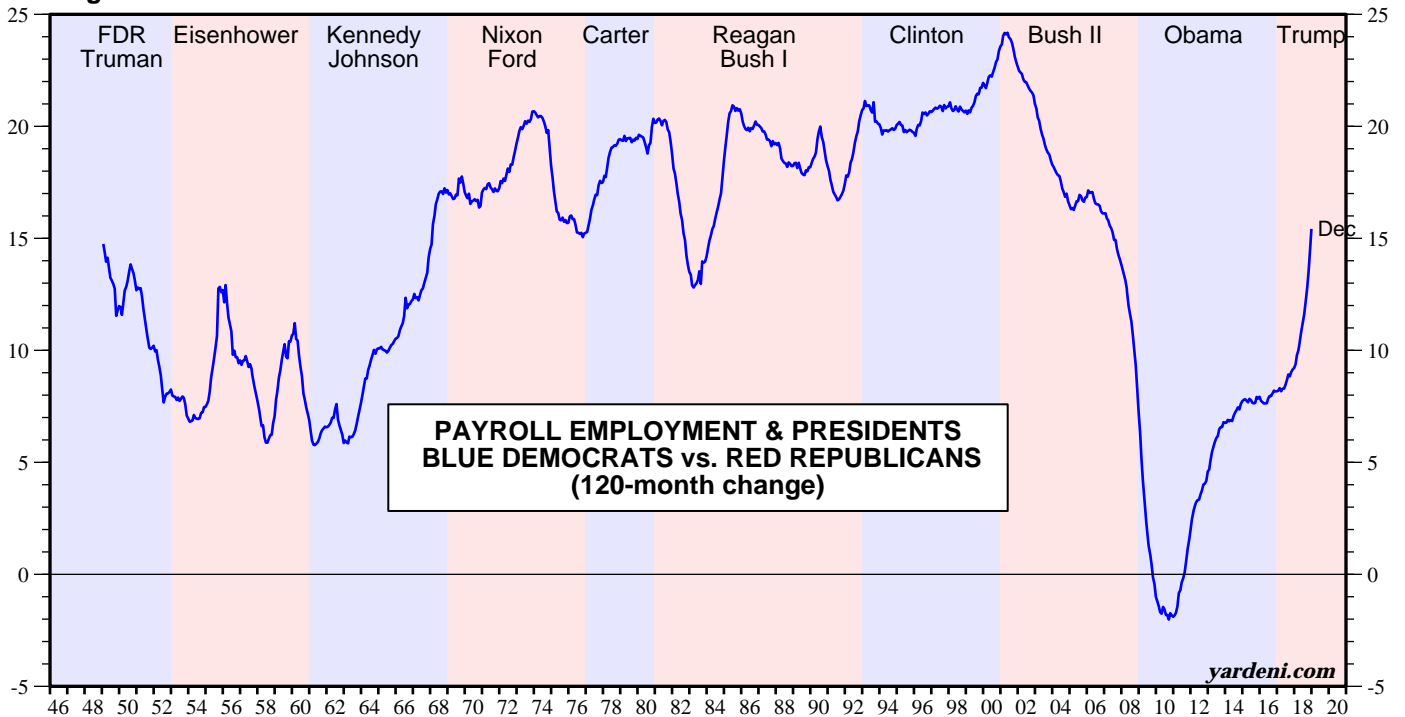
Misc.

Figure 11.



* End-of-month daily data through 12/31/2016.
 Note: Shaded areas are the first years of presidential terms. Data above timeline are percentage changes for the first year using daily price data.
 Source: Standard & Poor's.

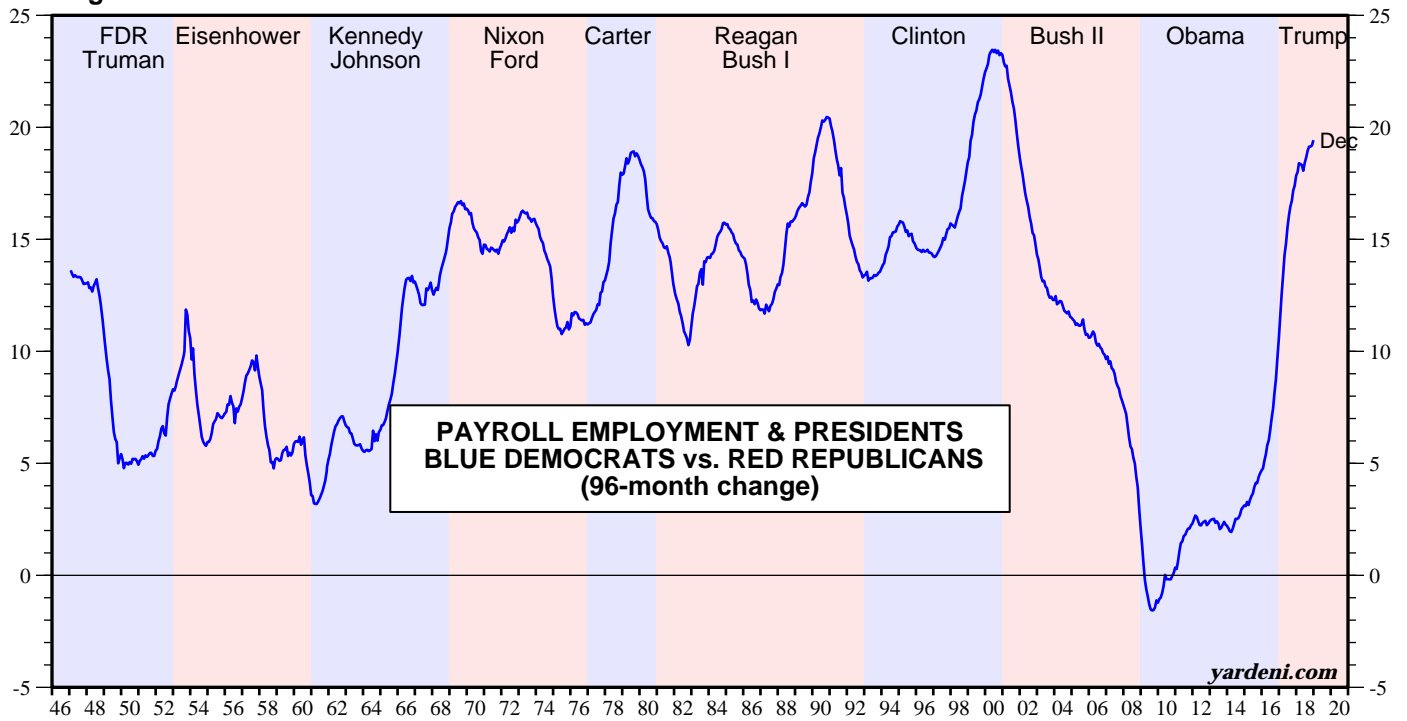
Figure 12.



Note: Blue (red) shades represents Democrats (Republicans) in White House.
 Source: Bureau of Labor Statistics.

Misc.

Figure 13.



Note: Blue (red) shades represents Democrats (Republicans) in White House.
Source: Bureau of Labor Statistics.

Copyright (c) Yardeni Research, Inc. 2019. 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 and podcasts posted on www.yardeni.com, blog.yardeni.com, and YRI's Apps 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, blog.yardeni.com, and YRI's Apps 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](#).