July 1, 2019

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**Equity Risk Premium**

**Figure 1.**

**S&P 500 EARNINGS YIELD & REAL BOND YIELD**

- **Red Line**: 10-year US Treasury Bond Yield Minus Average Expected CPI Inflation Rate For Next 10 Years (Phili Fed Survey)*
- **Green Line**: S&P 500 Expected Earnings To Price Ratio**
- **Blue Line**: 10-Year TIPS Yield*** (weekly)

* Data from 1979 to 1991 quarterly, monthly thereafter.
** Earnings-price ratio is based on the Thomson Reuters I/B/E/S consensus estimates of earnings over the coming 12 months.
*** Yields on Treasury inflation protected securities (TIPS) adjusted to constant maturities.


**Figure 2.**

**S&P 500 EARNINGS YIELD MINUS REAL BOND YIELD***

* S&P 500 forward expected earnings to price ratio minus 10-year Treasury bond yield minus average expected Median CPI inflation rate for next 10 years (Phili Fed Survey).

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