Figure A: Yardeni Research Economic Forecasts (9/9/2019)

<table>
<thead>
<tr>
<th>Item (1)</th>
<th>2018</th>
<th>2019</th>
<th>2018a/ 2019e/</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Q1a Q2a Q3a Q4a</td>
<td>Q1a Q2a Q3e Q4e</td>
<td>2017a 2018a</td>
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<tr>
<td>Real GDP</td>
<td></td>
<td></td>
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<tr>
<td>Final Sales</td>
<td>2.6 3.5 2.9 1.1</td>
<td>3.1 2.0 2.2 2.5</td>
<td>2.9 2.4</td>
</tr>
<tr>
<td>Gross Domestic Purchases</td>
<td>2.4 4.8 0.8 1.0</td>
<td>2.7 3.0 1.9 2.6</td>
<td>2.8 2.2</td>
</tr>
<tr>
<td>Finals Sales to Domestic Purchasers</td>
<td>2.5 2.8 4.9 1.4</td>
<td>2.3 2.7 2.2 2.4</td>
<td>3.1 2.5</td>
</tr>
<tr>
<td></td>
<td>2.4 4.0 2.8 1.3</td>
<td>1.8 3.6 2.3 2.5</td>
<td>3.0 2.4</td>
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<tr>
<td>Personal Consumption Expenditures</td>
<td></td>
<td></td>
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<tr>
<td>Durable Goods</td>
<td>1.7 4.0 3.5 1.4</td>
<td>1.1 4.7 3.0 2.9</td>
<td>3.0 2.7</td>
</tr>
<tr>
<td>Nondurable Goods</td>
<td>2.3 8.0 3.5 1.3</td>
<td>0.3 13.0 7.0 6.9</td>
<td>6.3 4.9</td>
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<tr>
<td>Services</td>
<td>0.7 4.1 3.6 1.7</td>
<td>2.2 6.8 3.0 2.1</td>
<td>3.0 3.3</td>
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<tr>
<td></td>
<td>1.9 3.4 3.4 1.4</td>
<td>1.0 2.8 2.1 2.3</td>
<td>2.5 2.1</td>
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<tr>
<td>Nonresidential Fixed Investment</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Structures</td>
<td>8.8 7.9 2.1 4.8</td>
<td>4.4 -0.6 -0.4 1.5</td>
<td>6.4 2.6</td>
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<tr>
<td>Producers' Durable Equipment</td>
<td>12.0 11.0 -2.1 -9.0</td>
<td>4.0 -9.4 -3.8 0.2</td>
<td>4.1 -2.7</td>
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<tr>
<td>Intellectual Property Products</td>
<td>6.6 3.4 2.9 7.4</td>
<td>-0.1 0.7 -3.1 0.6</td>
<td>6.8 1.7</td>
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<td>Residential Fixed Investment</td>
<td>-5.2 -3.7 -4.0 -4.6</td>
<td>-1.1 -2.9 0.2 2.8</td>
<td>-1.5 -2.2</td>
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<tr>
<td>Inventory Investment (billion dollars)</td>
<td>-40.5 -28.0 87.2 93.0</td>
<td>116.0 69.0 60.0 55.0</td>
<td>48.2 75.0</td>
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<tr>
<td>Net Exports (billion dollars)</td>
<td>-844.2 -850.5 -962.4 -983.0</td>
<td>-944.0 -982.5 -989.5 -991.5</td>
<td>-920.0 -976.9</td>
</tr>
<tr>
<td>Total Government Purchases</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Federal Government</td>
<td>1.9 2.6 2.1 -0.4</td>
<td>2.9 4.5 3.1 1.6</td>
<td>1.7 2.4</td>
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<tr>
<td>State &amp; Local Government</td>
<td>2.8 3.9 2.9 1.1</td>
<td>2.2 8.1 4.8 1.9</td>
<td>2.9 3.6</td>
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<tr>
<td></td>
<td>1.4 1.8 1.6 -1.3</td>
<td>3.4 2.3 2.0 1.4</td>
<td>1.0 1.7</td>
</tr>
<tr>
<td>Real GDP (y/y)</td>
<td>2.9 3.2 3.1 2.5</td>
<td>2.7 2.3 2.1 2.4</td>
<td>2.5 2.4</td>
</tr>
<tr>
<td>Light Vehicle Sales (million units)</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Housing Starts (million units)</td>
<td>17.2 17.3 17.1 17.4</td>
<td>16.9 17.1 17.1 17.2</td>
<td>17.3 17.1</td>
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<tr>
<td>Unemployment Rate (%)</td>
<td>1.3 1.3 1.2 1.2</td>
<td>1.2 1.3 1.2 1.3</td>
<td>1.2 1.2</td>
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<tr>
<td></td>
<td>4.1 3.9 3.8 3.8</td>
<td>3.9 3.6 3.6 3.4</td>
<td>3.9 3.6</td>
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<td>Nonfarm Productivity</td>
<td>0.9 1.8 1.2 0.1</td>
<td>3.5 2.3 1.2 1.9</td>
<td>1.3 1.5</td>
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<td>PCE Core Deflator</td>
<td>2.3 2.1 1.6 1.7</td>
<td>1.1 1.7 1.5 1.8</td>
<td>1.9 1.7</td>
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<tr>
<td>Fed Funds Target Rate (%)</td>
<td>1.63 1.88 2.13 2.38</td>
<td>2.38 2.38 2.13 2.13</td>
<td>2.00 2.25</td>
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<td>10-Year Government Yield (%)</td>
<td>2.76 2.92 2.93 3.03</td>
<td>2.72 2.33 1.80 1.80</td>
<td>2.91 2.16</td>
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a=actual. e=estimate.

(1) Quarterly and annual average percent change.

Estimates based on limited information and are subject to frequent and large revisions as new information becomes available.

Source: Yardeni Research, Inc.
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<th>Yardeni Research-post tax cut</th>
<th>Analysts' Consensus</th>
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<td></td>
<td>Level</td>
<td>YOY %</td>
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<td>60.80</td>
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<td>2010</td>
<td>85.32</td>
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<td>2011</td>
<td>97.82</td>
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<td>117.46</td>
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<td>2016</td>
<td>118.04a</td>
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<td>Q1</td>
<td>26.96 a</td>
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<td>Q2</td>
<td>29.61 a</td>
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<td>Q3</td>
<td>31.21 a</td>
<td>4.1</td>
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<td>Q4</td>
<td>31.28 a</td>
<td>6.0</td>
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<td>2017</td>
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<td>Q2</td>
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<td>2018</td>
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<td>27.5</td>
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<td>Q1</td>
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<td>Q2</td>
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<tr>
<td>Q3</td>
<td>43.00 e</td>
<td>0.8</td>
</tr>
<tr>
<td>Q4</td>
<td>44.00 e</td>
<td>6.8</td>
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<tr>
<td>2020</td>
<td>176.00 e</td>
<td>5.4</td>
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</table>

*e=estimate.

* Historical earnings growth rates and earnings are not adjusted for accounting and index composition changes.

Source: Yardeni Research, Inc. and I/B/E/S data by Refinitiv.
Stock Prices

Figure 1.
RELATIVE GLOBAL PERFORMANCE OF US MSCI:
US MSCI (US$) DIVIDED BY ALL COUNTRY WORLD EX US MSCI
(in both US$ and in local currencies, daily)

Source: MSCI.

Figure 2.
(ratio scale)

Note: Corrections are declines of 10% or more, while minor ones are 5%-10% (all in blue shades). Bear markets are declines of 20% or more (in red shades). Number of calendar days in parentheses.

Source: Standard & Poor’s.
Figure 3.

S&P 500 REVENUES PER SHARE: ACTUAL (S&P quarterly data) & FORWARD (TR weekly data) (dollars)

Revenues Per Share
- 52-week Forward*
- Actual (x4)

S&P 500 EARNINGS PER SHARE: FORWARD & ACTUAL OPERATING EARNINGS (dollars)

Operating Earnings Per Share
- 52-week Forward* (177.6)
- I/B/E/S data (x4) (165.8)

S&P 500 PROFIT MARGIN MEASURES (percent)

Operating Profit Margins
- 52-week Forward* (12.1)
- I/B/E/S Data (11.8)

* Time-weighted average of consensus operating earnings estimates for current and next years.
Source: Standard & Poor’s and I/B/E/S data by Refinitiv.

yardeni.com


Yardeni Research, Inc.
www.yardeni.com
Figure 4.

S&P 500 Revenues & Margins

S&P 500 Revenues

- Aggregate* (3.0)
- Per Share (5.2)

* S&P quarterly data, not per share. Revenues are derived by multiplying S&P 500 revenues per share by the S&P 500 divisor for each quarter.

Source: Standard & Poor’s.

Figure 5.

S&P 500 Reported Profit Margin & After-Tax Corporate Profits Margin

- Corporate Profits After Tax* (as a percent of nominal GDP) (8.8)
- S&P 500 Profit Margin: Reported (percent) (10.0)

* After-tax profits as reported to IRS (without IVA and CCAdj).

Note: Shaded areas denote recessions according to the National Bureau of Economic Research. Q4-2008 not shown because of large negative value.

Source: Standard & Poor’s, I/B/E/S data by Refinitiv, and Bureau of Economic Analysis.
S&P 500 Revenues & Earnings Estimates

Figure 6.
S&P 500 REVENUES & YRI FORECASTS (dollars per share)

YRI Forecasts
- 2018 (1330.00)
- 2019 (1383.00)
- 2020 (1452.00)

Consensus Forecasts
- 2018 (1330.20)
- 2019 (1391.78)
- 2020 (1468.02)

S&P Actual
- Trailing 4-quarter Revenues per share (1374.73)

Latest data thru 09/12/19

Source: I/B/E/S data by Refinitiv.

Figure 7.
S&P 500 OPERATING EARNINGS & YRI FORECASTS (dollars per share)

YRI Forecasts
- 2018 (163.00)
- 2019 (167.00)
- 2020 (176.00)

Consensus Forecasts
- 2018 (161.71)
- 2019 (164.40)
- 2020 (182.88)

I/B/E/S Actual
- Trailing 4-quarter operating EPS (164.44)

Latest data thru 09/12/19

Source: I/B/E/S data by Refinitiv.
Figure 8.

S&P 500/400/600 FORWARD EARNINGS
(dollars per share, ratio scale)

Forward Earnings*
- S&P 500 LargeCap (177.55)
- S&P 400 MidCap (121.96)
- S&P 600 SmallCap (54.83)

* Time-weighted average of consensus estimates for current year and next year.
Source: I/B/E/S data by Refinitiv.

Figure 9.

S&P FORWARD PROFIT MARGINS*
(using analysts average earnings and sales forecasts, percent)

Forward Profit Margins*
- S&P 500 (12.1)
- S&P 400 (7.0)
- S&P 600 (4.9)

* Time-weighted average of the consensus estimates for current and next year using forward earnings divided by forward revenues.
Source: I/B/E/S data by Refinitiv and Standard & Poor’s.
Source: Standard & Poor’s and I/B/E/S data by Refinitiv.

* Implied price index calculated using forward earnings times forward P/Es. Monthly through December 2005, weekly thereafter.
Source: Standard & Poor’s and I/B/E/S data by Refinitiv.
S&P 500 Growth Squiggles

**Figure 12.**
S&P 500 REVENUES ANNUAL GROWTH FORECASTS
(based on analysts’ consensus estimates, percent, weekly)

- 2011 (9.9)
- 2012 (1.5)
- 2013 (1.7)
- 2014 (3.1)
- 2015 (-3.7)
- 2016 (1.9)
- 2017 (6.4)
- 2018 (8.9)
- 2019 (4.3)
- 2020 (5.5)

Latest data thru 09/12/19

Source: I/B/E/S data by Refinitiv.

**Figure 13.**
S&P 500 OPERATING EARNINGS ANNUAL GROWTH FORECASTS
(based on analysts’ consensus estimates, percent, weekly)

- 2011 (14.9)
- 2012 (6.0)
- 2013 (6.1)
- 2014 (7.0)
- 2015 (0.5)
- 2016 (1.5)
- 2017 (11.2)
- 2018 (23.8)
- 2019 (1.8)
- 2020 (10.3)

Latest data thru 09/12/19

Source: I/B/E/S data by Refinitiv.
Figure 14.

ALL COUNTRY WORLD EX-US MSCI ANNUAL REVENUE GROWTH FORECASTS
(based on analysts' consensus estimates, percent, weekly)

Source: I/B/E/S data by Refinitiv.

Figure 15.

ALL COUNTRY WORLD EX-US MSCI ANNUAL EARNINGS GROWTH FORECASTS
(based on analysts' consensus estimates, percent, weekly)

Source: I/B/E/S data by Refinitiv.
FORWARD P/E RATIOS FOR S&P STOCK PRICE INDEXES*
(daily)

S&P 500 LargeCap (16.9)
S&P 400 MidCap (15.9)
S&P 600 SmallCap (17.5)

MSCI FORWARD P/E
(weekly)

Forward P/E*
- Emerging Markets (12.0)
- EMU (13.4)
- Japan (12.9)
- UK (12.0)
- US (17.4)

* Daily stock price index divided by 52-week forward consensus expected operating earnings per share.
Source: I/B/E/S data by Refinitiv and Standard & Poor’s.

* Price divided by 12-month forward consensus expected operating earnings per share.
Source: I/B/E/S data by Refinitiv.

Figure 16.
Figure 17.
**Figure 18.**

S&P 500 GROWTH & VALUE RELATIVE TO S&P 500

*Relative to S&P 500*  
- Red line indicates Growth outperforming the S&P 500.  
- Blue line indicates Value outperforming the S&P 500.  

* Rising (falling) line indicates that the index is outperforming (underperforming) the S&P 500.  
Source: Standard & Poor’s and Haver Analytics.

**Figure 19.**

S&P 500 GROWTH vs VALUE SPREAD  
(yearly percent change spread, basis points)

* S&P 500 Growth Outperforms S&P 500 Value  
* S&P 500 Growth Underperforms S&P 500 Value  

Source: Standard & Poor’s and Haver Analytics.
### Figure 20.

**US TREASURY 10-YEAR & 2-YEAR YIELDS & FED FUNDS RATE**

(Percent)

<table>
<thead>
<tr>
<th>Year</th>
<th>10-Year Yield</th>
<th>2-Year Yield</th>
<th>Fed Funds Target Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>1.74</td>
<td>1.69</td>
<td>1.88</td>
</tr>
</tbody>
</table>

Source: Federal Reserve Board.

**Figure 21.**

**US YIELD CURVE* & FINANCIAL CRISES**

(basis points, weekly)

- 1970 Penn Central
- 1974 Franklin National
- 1980 Silver Bubble
- 1984 Continental Illinois
- 1990 S&L Crisis
- 1994 Mexican Peso
- 1997 Pacific Rim
- 2000 Tech Bubble
- 2001 9/11 Attacks
- 2007 Subprime Meltdown
- 2008 Lehman & AIG
- 1982 Drysdale & Mexico
- 1987 Black Monday
- 1998 Russia & LTCM
- 2008 Lehman & AIG

* 10-year US Treasury yield less federal funds rate.

Note: Blue shaded areas denote periods of monetary easing between cyclical peaks and troughs in the federal funds rate. Red shaded areas denote monetary tightening periods.

Source: Federal Reserve Board.
Figure 22.

S&P 500 DIVIDENDS & BUYBACKS
(trillion dollars, annualized)

- Buybacks
- Dividends
- S&P 500 Index

Source: Standard & Poor’s.

Figure 23.

EQUITY ETFs*
(yearly net inflows, billion dollars)

* Net share issuance by equity ETFs.
Figure 24.

S&P GOLDMAN SACHS COMMODITY INDEX & TRADE-WEIGHTED DOLLAR
(daily)

Goldman Sachs Commodity Index (nearby futures price)

JP Morgan Nominal Broad Effective Exchange Rate*

Source: Standard & Poor’s, JP Morgan, and Haver Analytics.

Figure 25.

BRENT CRUDE OIL PRICE & TRADE-WEIGHTED DOLLAR

Brent Crude Oil Futures Price* (dollars per barrel)

JP Morgan Nominal Broad Effective Exchange Rate** (inverted scale)

* Nearby futures price.
** Argentina, Australia, Brazil, Bulgaria, Canada, Chile, China, Colombia, Croatia, Czech Republic, Denmark, Ecuador, Egypt, France, Germany, Hong Kong, Hungary, Japan, India, Indonesia, Israel, Italy, Korea, Kuwait, Malaysia, Mexico, Morocco, New Zealand, Nigeria, Norway, Pakistan, Panama, Peru, Philippines, Poland, Romania, Russia, Saudi Arabia, Singapore, South Africa, Spain, Sweden, Switzerland, Taiwan, Thailand, Turkey, United Kingdom, Ukraine, Uruguay, Venezuela, Vietnam, and United States. Source: JP Morgan and Haver Analytics.
**S&P 500 INDEX & BOOM-BUST BAROMETER**

S&P 500 Index

Boom-Bust Barometer

* CRB raw industrials spot price index (weekly average) divided by weekly initial unemployment claims, showing four-week moving average.


**EMERGING MARKETS MSCI STOCK PRICE INDEX (in dollars) & INDUSTRIALS COMMODITY PRICE INDEX**

Emerging Markets MSCI Stock Price Index (in dollars)

CRB Raw Industrials Spot Price Index

* Includes copper scrap, lead scrap, steel scrap, tin, zinc, burlap, cotton, print cloth, wool tops, hides, rosin, rubber, and tallow.

Figure 28.

CONSUMER PRICE INDEX*: 1800-1947

* Annual data. Base index from 1800 to 1947 is 1967 = 100.
** 1982-84=100.
Source: Census Bureau, Historical Statistics of the United States

Figure 29.

PRODUCTIVITY: NONFARM BUSINESS

Percent change annual rate
- 10-year spans (40 quarters) (1.3)
- 5-year spans (20 quarters) (1.2)

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

**Figure 30.**

**ATA TRUCK TONNAGE INDEX**
(2015=100, sa)

- Monthly
- 12-ma

Source: American Trucking Association.

**Figure 31.**

**COINCIDENT ECONOMIC INDICATORS: RECOVERIES & EXPANSIONS**
(2016=100, sa, ratio scale)

- Red horizontal lines span cyclical peaks through subsequent cyclical recoveries.
- Green horizontal lines are expansion periods following recoveries.

Source: Conference Board, Haver Analytics, and YRI calculations.

* Red horizontal lines span cyclical peaks through subsequent cyclical recoveries. Green horizontal lines are expansion periods following recoveries.

Source: Conference Board, Haver Analytics, and YRI calculations.
Figure 32.

REAL AVERAGE HOURLY EARNINGS
PRODUCTION & NONSUPERVISORY WORKERS*
(2012 dollars per hour, ratio scale)

* Average hourly earnings deflated by personal consumption expenditures deflator.

Figure 33.

MANUFACTURING PRODUCTION & CAPACITY
(2012 = 100, ratio scale)

Note: C = China joined WTO on December 11, 2001. Shaded areas denote recessions according to the National Bureau of Economic Research.
Source: Federal Reserve Board.
Figure 34.

**CHINA RETAIL SALES & CPI**
(Yearly percent change)

- Retail Sales (7.5)
- CPI (2.8)
- Real Retail Sales* (4.7)

* Yearly percent change in retail sales minus yearly percent change in CPI.

Source: China National Bureau of Statistics.

Figure 35.

**BANK LOANS & MONEY SUPPLY**
(Trillion US dollars)

- China: Bank Loans (nsa) (21.1)
- US: Bank Loans (sa) (9.9)
- China: M2 (27.6)

Source: Federal Reserve Board and People’s Bank of China.
Figure 36.

EUROZONE: INDUSTRIAL PRODUCTION EXCLUDING CONSTRUCTION
(January 2006=100)

- Eurozone (Jul=102.2)
- Germany (Jul=110.2)
- France (Jul=93.7)
- Italy (Jul=85.7)
- Spain (Jul=81.5)

Source: Haver Analytics.

Figure 37.

EUROZONE: ECONOMIC SENTIMENT INDICATOR* & REAL GDP

- Real GDP (yearly percent change) (1.2)
- Economic Sentiment Indicator* (long-term average=100, sa) (103.1)

* The overall economic sentiment indicator (ESI) is derived from the industrial (weight 40%), service (30%), consumer (20%), construction (5%), and retail trade (5%) confidence indicators.

Source: Statistical Office of the European Communities, European Commission, and Haver Analytics.
Figure 38.

**IMPLIED WORLD EX-US CAPITAL FLOWS & TRADE-WEIGHTED DOLLAR**

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JP Morgan Nominal
Broad Effective
Exchange Rate
(inverted scale,
yearly percent change)

**Implied World Ex-US Capital Flows**
(trillion dollars)

* 12-month change in non-gold international reserves minus 12-month sum of the merchandise trade surplus (deficit). US trade deficit multiplied by -1.0.

Source: International Monetary Fund and JP Morgan.

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Figure 39.

**S&P 500 & ASSETS OF MAJOR CENTRAL BANKS**

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<td>2600</td>
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S&P 500 Index
Total Assets of
Fed, ECB, BOJ
(in dollars)


Source: Federal Reserve Board, Standard & Poor’s and Haver Analytics.
“Blinded by the Light” (+ +) is yet another very entertaining movie about rock stars. This year, movies about the Beatles (“Yesterday”) and Elton John (“Rocketman”) came out. Last year, there was one about Freddie Mercury and Queen (“Bohemian Rhapsody”). The latest movie in this genre is about Javed, a teenage boy whose parents moved from Pakistan to Luton, England for a better life. The film is set in the 1980s, when unemployment was high. Javed’s father loses his job, stressing the entire family, which also faces anti-Pakistani harassment. Javed takes joyous refuge from his bleak environment in the music of Bruce Springsteen, which inspires him to write lyrics for a local band. He struggles to resolve the tension between his father’s very close-minded traditional values and the mind-opening poetry of the music he loves. I wonder when they will start making movies about economists.

“The Farewell” (+ +) is a heart-warming film about love, family, life, and death. So it covers lots of ground and also provides some great insights into the cultural similarities and differences between Americans and the Chinese. Billi, a young independent woman, emigrated with her parents to the US from China more than 25 years ago. They return to China under the guise of a fake wedding to stealthily say goodbye to Billi’s beloved grandmother, who has only a few weeks to live but doesn’t know it—and is the only person in the film who doesn’t.

“Luce” (+ +) is an intense mind-game thriller about a white couple who adopted a young boy from war-torn Eritrea. At first, he had lots of issues adjusting to his new home, but 10 years later he turned out to be an all-star high school student. His African-American history teacher promotes him as a great role model for other black kids in the school. However, she comes to suspect that he might be capable of turning violent given his past. The acting by Kelvin Harrison Jr. in the lead role is superb, as is that by Octavia Spencer as his teacher.

“Maiden” (+ + +) is an outstanding documentary about Tracy Edwards, a 24-year-old cook on a sailing ship who aspired to enter the 1989 Whitbread Round the World sailing competition with the first-ever all-female crew. She had no problem putting together a crew of 10 first-rate female sailors. But getting a boat and financial backing were huge struggles, since sponsors feared that an all-female crew would die at sea and generate bad publicity. She and her crew reconditioned a used boat and received some financial backing from Jordan’s King Hussein. The sheer guts of these remarkable women is awe-inspiring. The movie is a reminder that everyone is capable of great things even if the stupid biases of others stand in their way.

“One Child Nation” (+ + +) is an extremely disturbing documentary about China’s horrible one-child policy from 1979 to 2015. It resulted in the mass forced sterilization of women and involuntary late-term abortions. It led to human trafficking in babies, who were placed in overseas homes, many under the false pretense that they were orphans. The Orwellian government campaign to control the population’s growth rate was deemed necessary to avoid nationwide starvation. It included incessant propaganda, a widespread network of informants, and the conscription of medical professionals to execute the government’s dirty deeds. Among the people interviewed in the documentary, a few condoned it, but most did not and seemed to have been deeply traumatized by it. Everyone said they had no choice. The legacy of that policy is that China is rapidly turning into the world’s largest nursing home as the population ages without enough young adults to support the elderly.

“Once Upon a Time … in Hollywood” (- -) is a weird film directed and written by Quentin Tarantino, who has a knack for directing and writing weird films. I enjoyed some of them (“Kill Bill,” “Inglourious Basterds,” and “Pulp Fiction”), but not this one. The performances of Leonard DiCaprio, Brad Pitt, and Margot Robbie all were top notch, but the script is just odd. It’s a retrospective on Hollywood’s film and television industry during the late 1960s. The tragic murder of actor Sharon Tate by Charlie Manson’s cult of crazed hippies plays a strangely prominent role in the film. One of the hippies observes that they grew up on shows mostly about murder, so why not kill the people who turned murder into an entertainment industry.