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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)

US MSCI / ACW ex-US
In dollars
In local currencies

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.
S&P 500 Earnings, Revenues, Margins

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* (32.3)
- I/B/E/S data (x4) (156.6)

S&P 500 PROFIT MARGIN MEASURES
(percent)

Operating Profit Margins
- 52-week Forward* (12.1)
- I/B/E/S Data (11.6)

* 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.
Figure 4.
S&P 500 Revenues & Margins

* 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

* 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.
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 (1396.21)
- 2020 (1469.76)

S&P Actual
- Trailing 4-quarter Revenues per share (1357.44)

Latest data thru 07/18/19

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 (165.66)
- 2020 (184.69)

I/B/E/S Actual
- Trailing 4-quarter operating EPS (163.99)

Latest data thru 07/18/19

Source: I/B/E/S data by Refinitiv.
**S&P 500/400/600 Forward Earnings & Margins**

**Figure 8.**

S&P 500/400/600 Forward Earnings

- **S&P 500 LargeCap (176.27)**
- **S&P 400 MidCap (123.72)**
- **S&P 600 SmallCap (57.92)**

* 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

- **S&P 500 (12.1)**
- **S&P 400 (7.2)**
- **S&P 600 (5.1)**

* 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.
**Figure 10.**

**S&P 500, FORWARD EARNINGS, and VALUATION**
(weekly)

**Blue Angels: S&P 500**
- Actual 07/25/19
- Implied* 07/18/19


Source: Standard & Poor’s and I/B/E/S data by Refinitiv.

**Figure 11.**

**ALL COUNTRY WORLD EX-US MSCI, FORWARD EARNINGS, & VALUATION**

- All Country World Ex-US MSCI Index (In local currencies)
  - 07/25/19
  - Blue Angels Implied Price Index*
  - 07/19/19

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

Latest data thru 07/18/19

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)

Latest data thru 07/18/19

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

MSCI ex-US Growth Squiggles

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

Latest data thru 07/18/19

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

Figure 15.

MSCI ex-US Growth Squiggles

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

Latest data thru 07/18/19

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

Figure 16.
FORWARD P/E RATIOS FOR S&P STOCK PRICE INDEXES*
(daily)

S&P 500 LargeCap (17.0)
S&P 400 MidCap (15.9)
S&P 600 SmallCap (16.5)

* 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.

Figure 17.
MSCI FORWARD P/E
(weekly)

Forward P/E*
Emerging Markets (12.2)
EMU (13.4)
Japan (12.8)
UK (12.5)
US (17.4)
Capped at 20

* Price divided by 12-month forward consensus expected operating earnings per share.
Source: I/B/E/S data by Refinitiv.
Figure 18.

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

Relative to 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.
Interest Rates

Figure 20.

US TREASURY 10-YEAR & 2-YEAR YIELDS & FED FUNDS RATE (percent)

Interest Rates
- 10-Year Yield (2.08)
- 2-Year Yield (1.86)
- Fed Funds Target Rate (2.38)

Source: Federal Reserve Board.

Figure 21.

US YIELD CURVE* & FINANCIAL CRISES (basis points, weekly)

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.

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

- JP Morgan Nominal Broad Effective Exchange Rate*
- Goldman Sachs Commodity Index (nearby futures price)

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.
**Figure 26.**

**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. Source: Commodity Research Bureau, Bureau of Labor Statistics, and Standard & Poor’s.

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**Figure 27.**

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

*Includes copper scrap, lead scrap, steel scrap, tin, zinc, burlap, cotton, print cloth, wool tops, hides, rosin, rubber, and tallow. Source: Morgan Stanley Capital International and Commodity Research Bureau.
CONSUMER PRICE INDEX*: 1800-1947

- War of 1812 (1812-1815)
- Civil War (1861-1865)
- World War I (1914-1918)
- World War II (1939-1945)

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

Figure 28.

PRODUCTIVITY: NONFARM BUSINESS

Percent change annual rate
- 10-year spans (40 quarters) (1.4)
- 5-year spans (20 quarters) (1.3)

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)

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.
**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.
**China**

**Figure 34.**

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

- Retail Sales (9.8)
- CPI (2.7)
- Real Retail Sales* (7.1)

* 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) (21.2)
- US: Bank Loans (sa) (9.8)
- China: M2 (27.9)

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

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

- Eurozone (May=104.5)
- Germany (May=113.5)
- France (May=96.0)
- Italy (May=86.5)
- Spain (May=82.2)

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) (103.3)

* 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.
* 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.

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