

# Strategist's Handbook: Chart Updates

Yardeni Research, Inc.

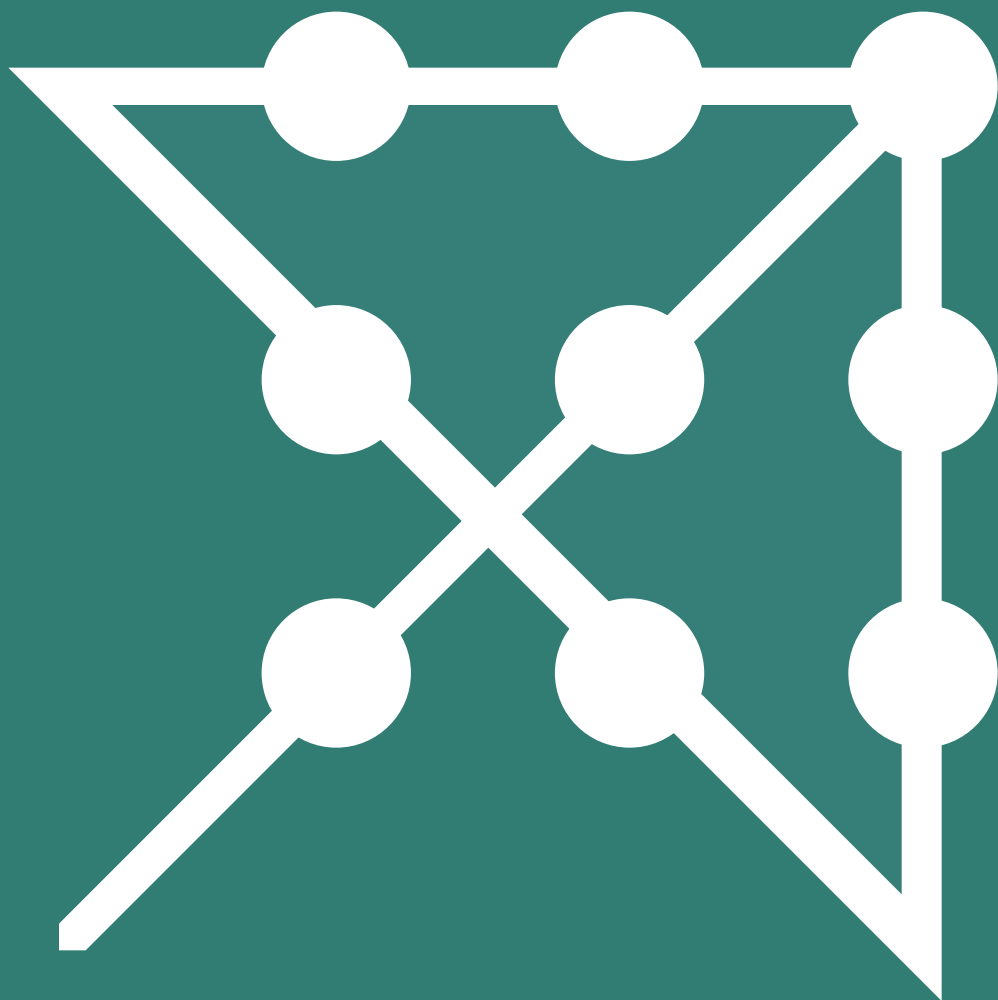
*November 9, 2020*

**Dr. Edward Yardeni**

516-972-7683

[eyardeni@yardeni.com](mailto:eyardeni@yardeni.com)

Please visit our sites at  
[www.yardeni.com](http://www.yardeni.com)  
[blog.yardeni.com](http://blog.yardeni.com)



*thinking outside the box*

---

## *Table Of Contents*

---

S&P 500 Stock Price Index	1
S&P 500 Earnings, Revenues, Margins	2
S&P 500 Revenues & Earnings Growth	3-4
S&P 500 Revenues & Earnings	5
S&P 500/400/600 Quarterly Earnings Growth Rates	6
S&P 500 Forward Earnings & Blue Angels	7
S&P 500/400/600 Valuation	8
Investment Styles: Stay Home vs Go Global	9
Investment Styles: LargeCaps vs SMidCaps	10
Investment Styles: Growth vs Value	11
Bond Yields	12
Bond Yield Spreads	13
Dollar & Commodities	14
Inflation	15
US Economy	16
US Monetary Policy	17
US Fiscal Policy	18
China	19
Eurozone	20
Global Demography	21

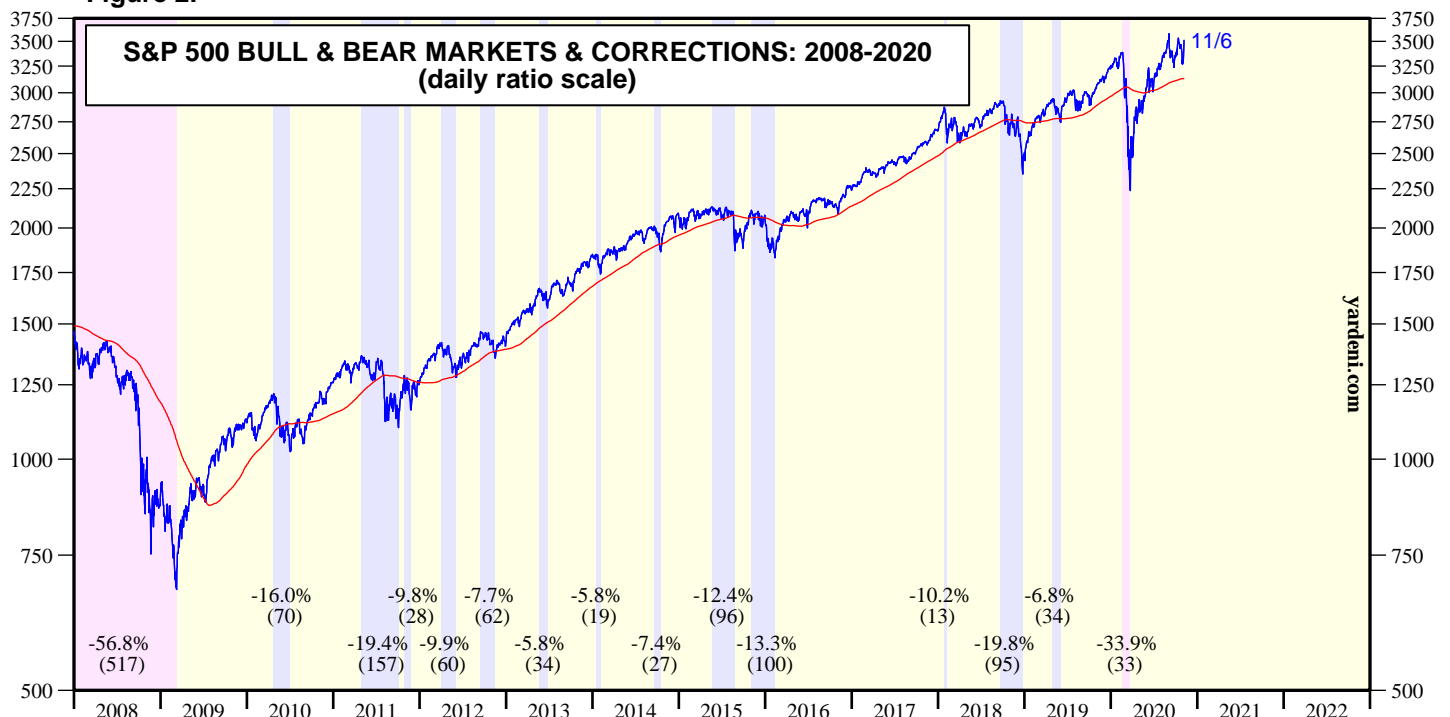
# S&P 500 Stock Price Index

Figure 1.



Note: Dotted lines show previous years' closing prices.  
Source: Standard & Poor's.

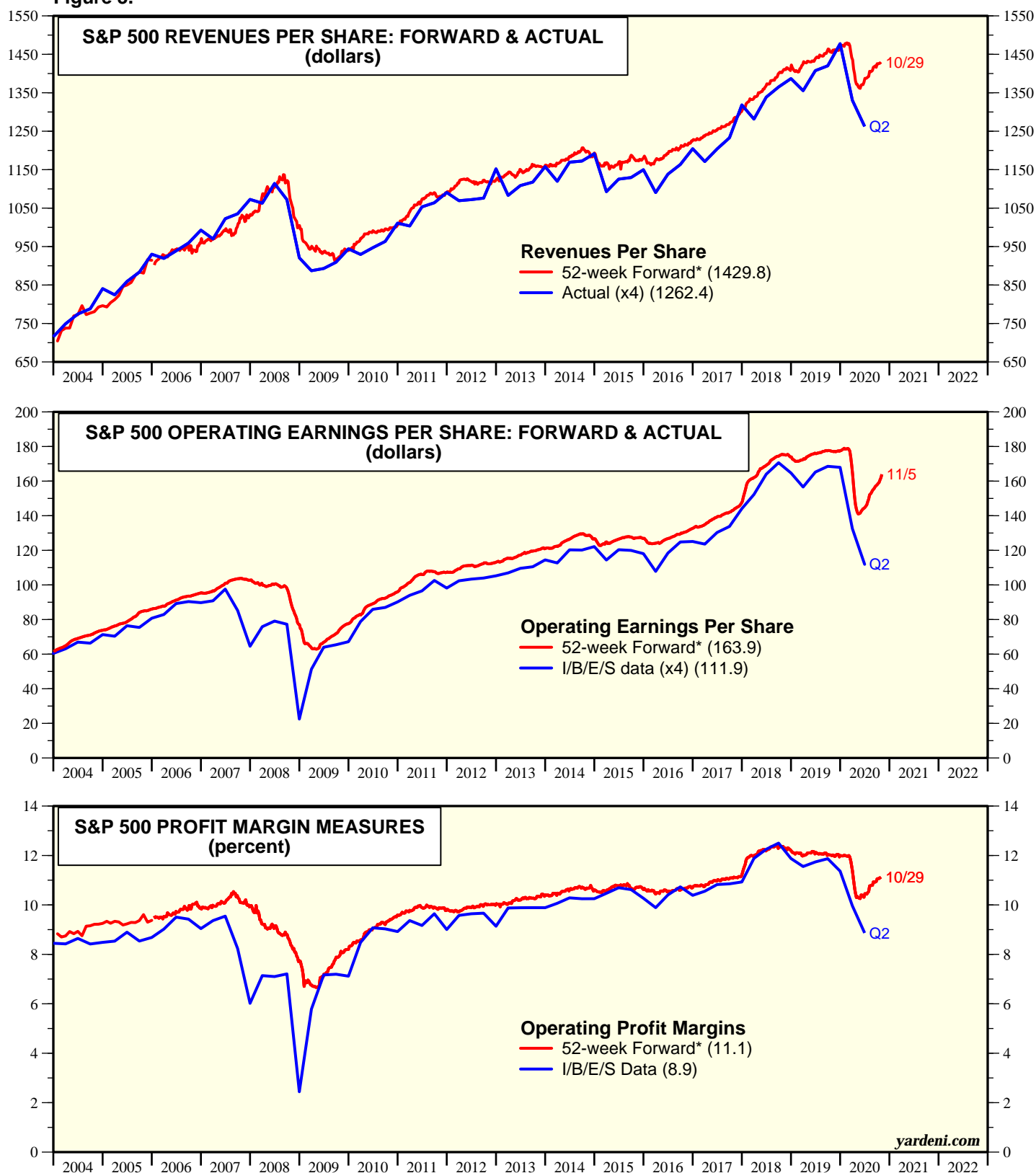
Figure 2.



Note: Corrections are declines of 10% or more, but less than 20%, 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

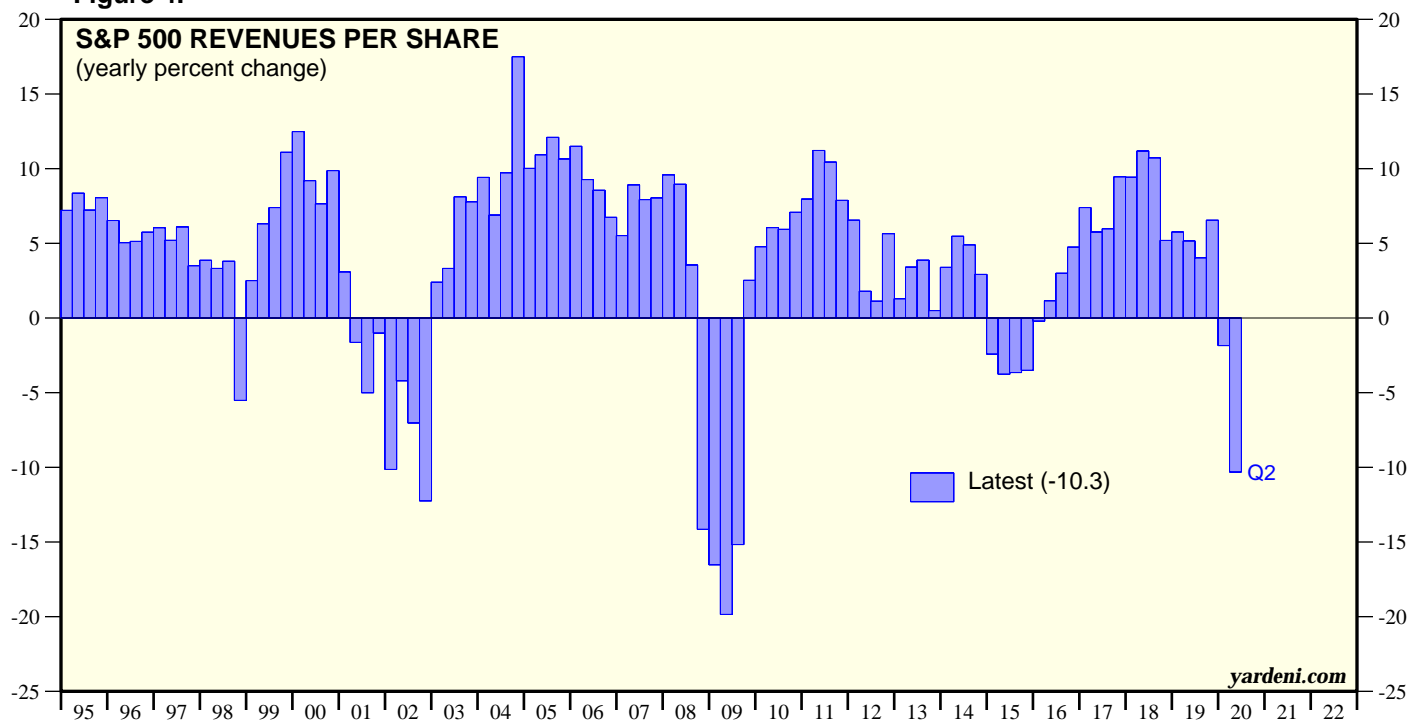
Figure 3.



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

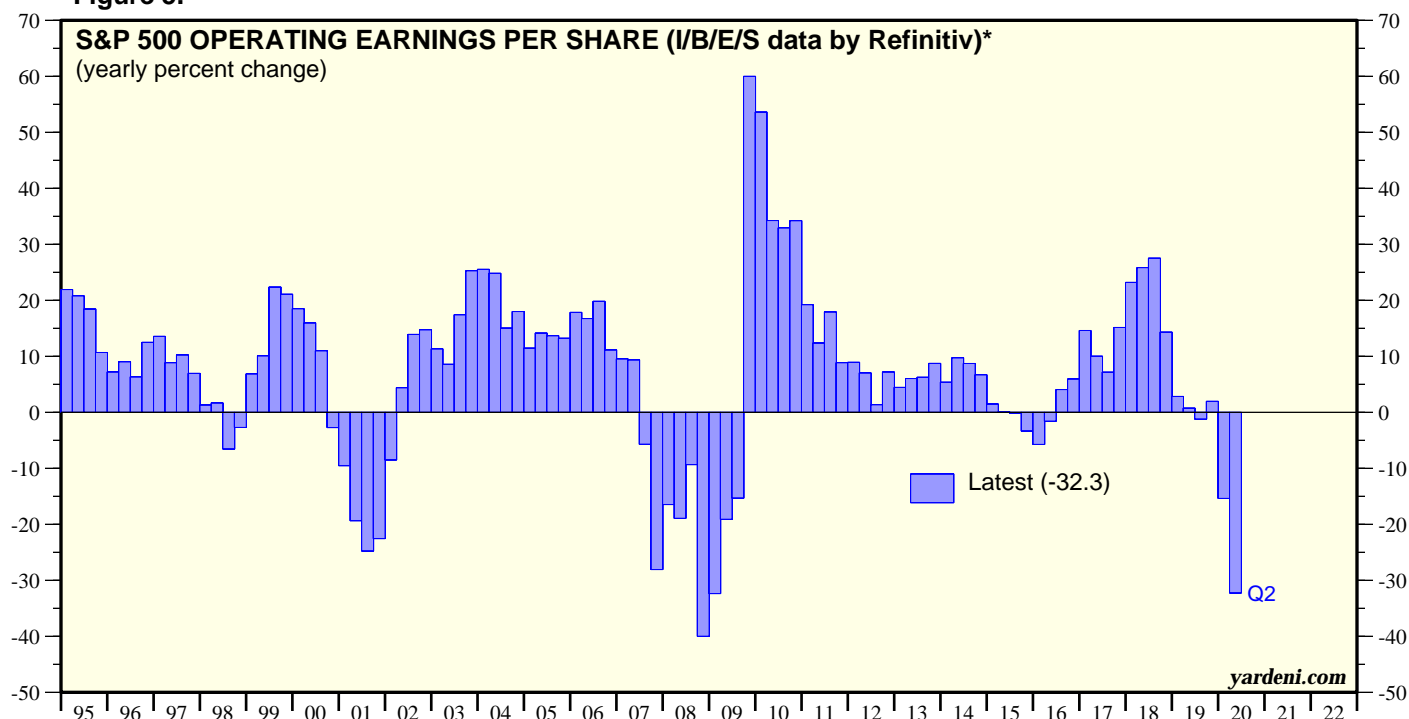
# S&P 500 Revenues & Earnings Growth

Figure 4.



Source: Standard & Poor's.

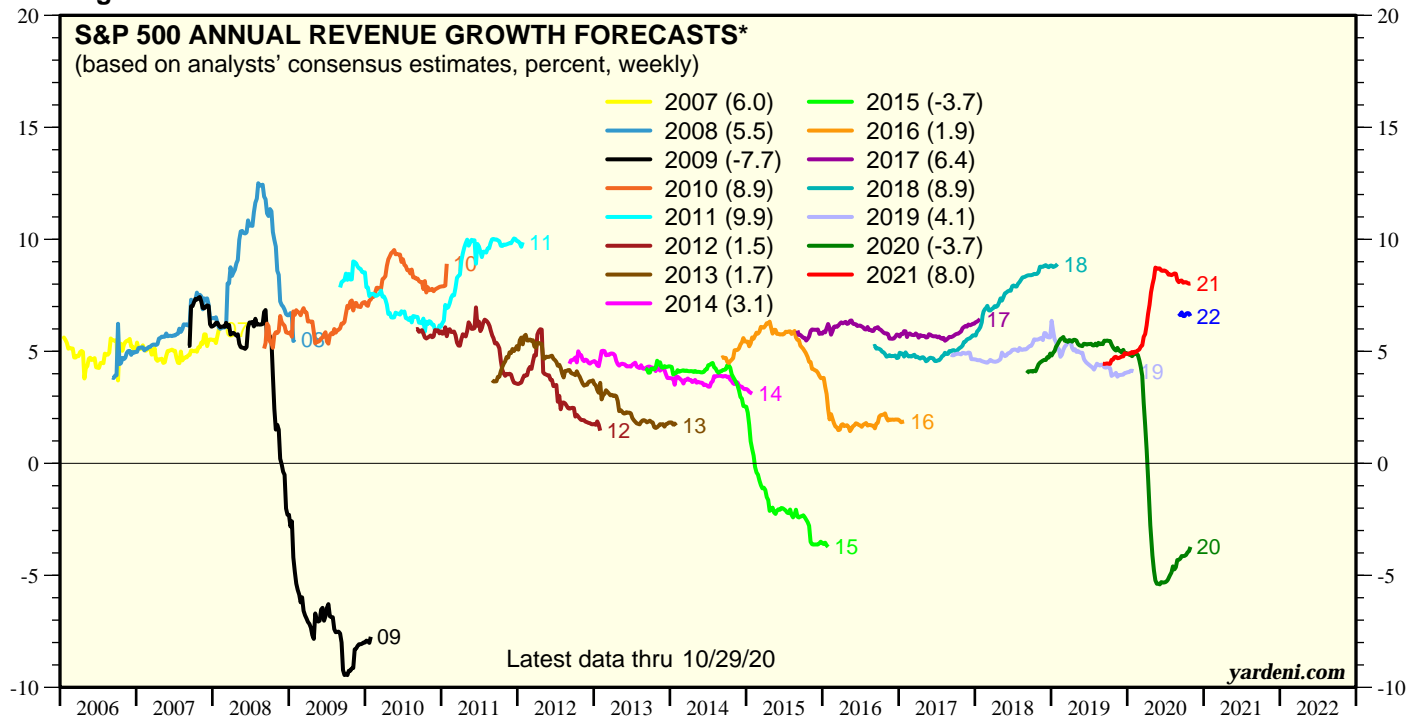
Figure 5.



\* Due to extreme values, Q4-2008's -65.2% is capped at -40% and Q4-2009's +198.9% is capped at 60%.  
Source: I/B/E/S data by Refinitiv.

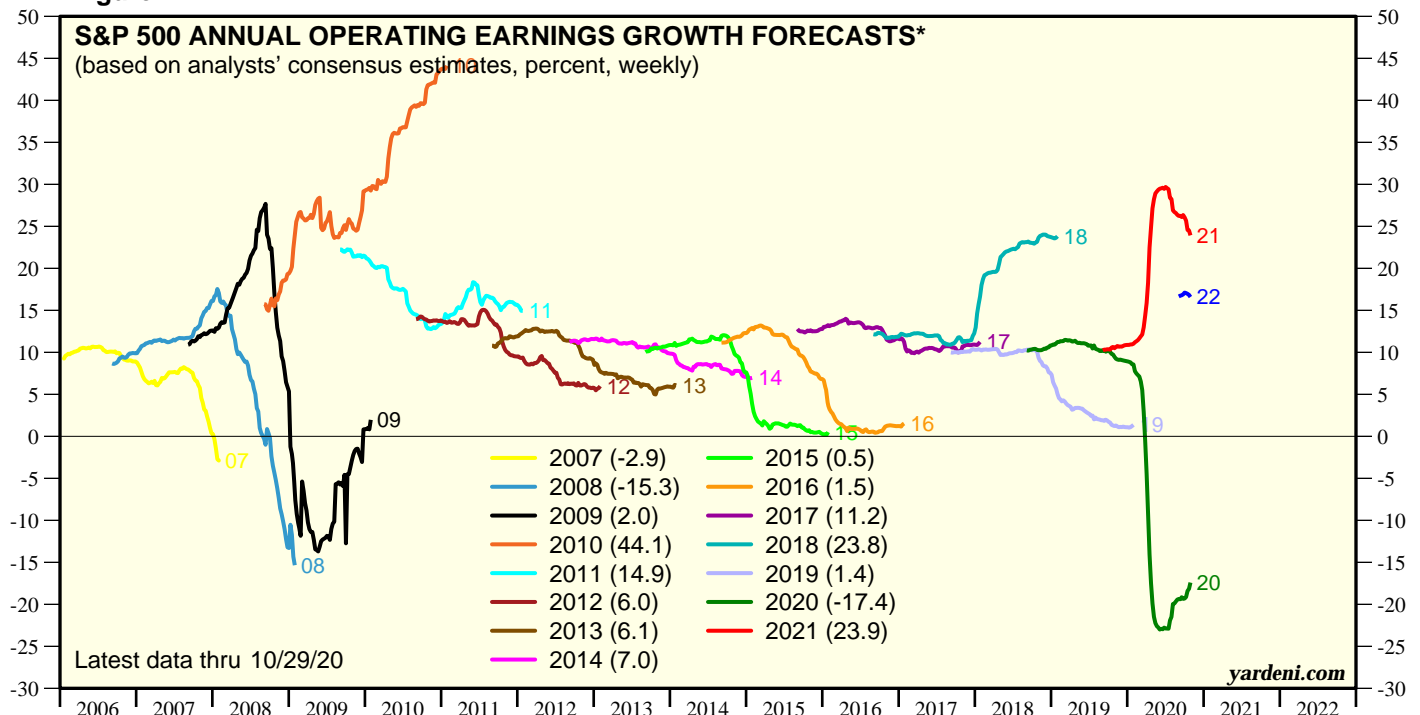
# S&P 500 Revenues & Earnings Growth

Figure 6.



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

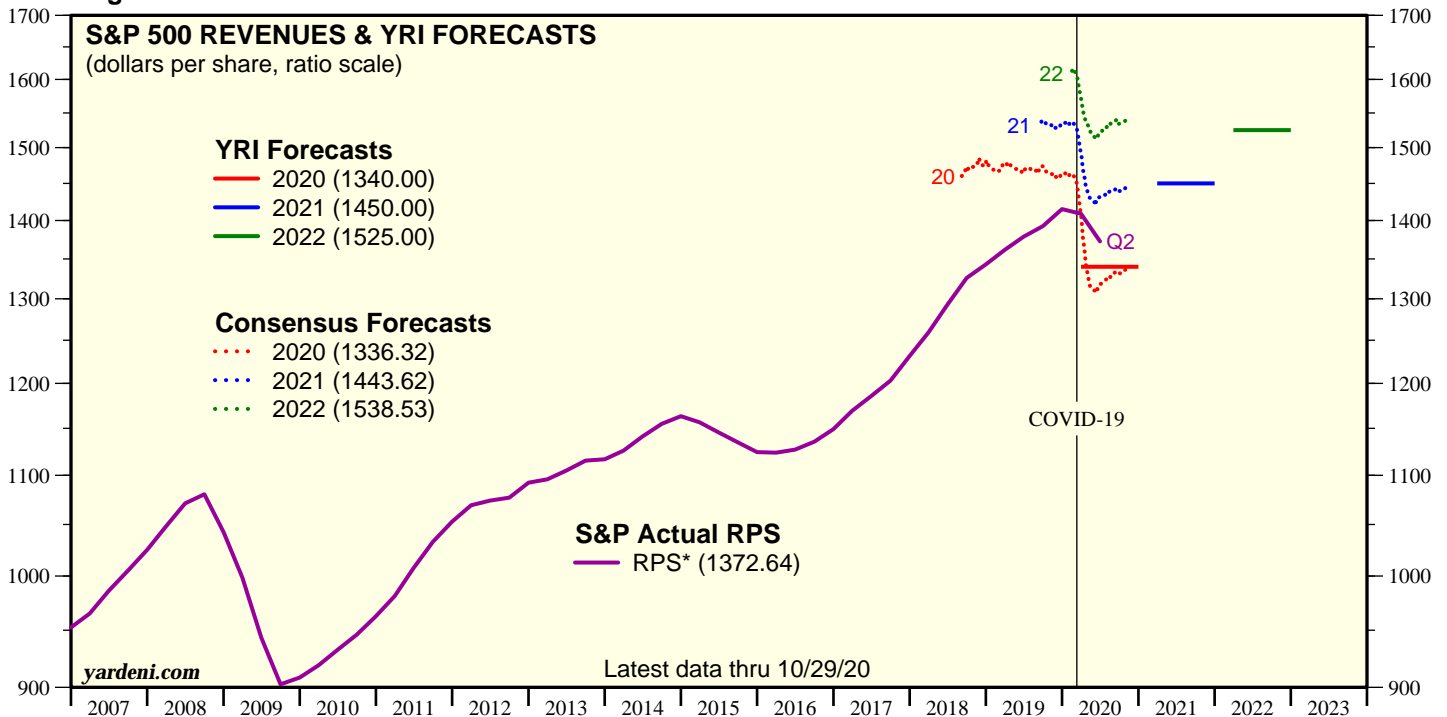
Figure 7.



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

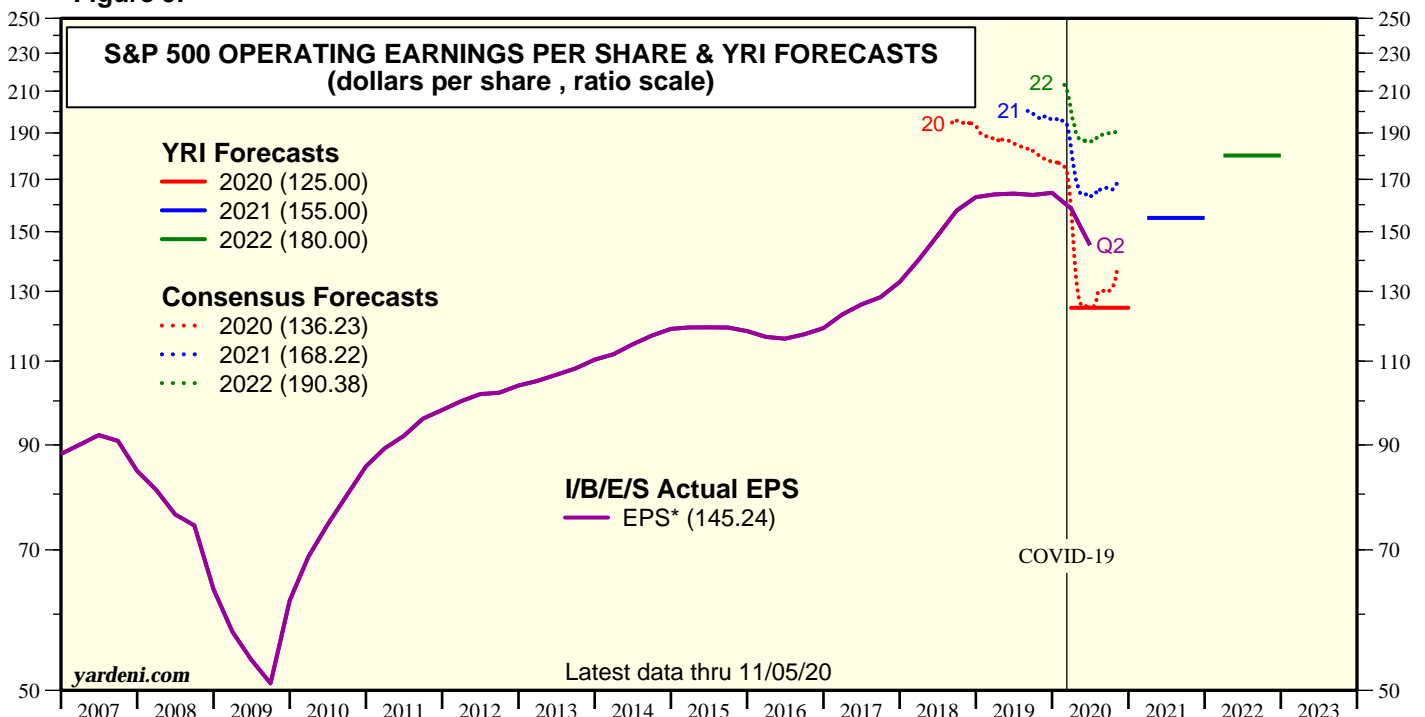
# S&P 500 Revenues & Earnings

Figure 8.



\* Four-quarter trailing sum of revenues per share.  
Note: COVID-19 = WHO declares global pandemic on 3/11/2020.  
Source: I/B/E/S data by Refinitiv.

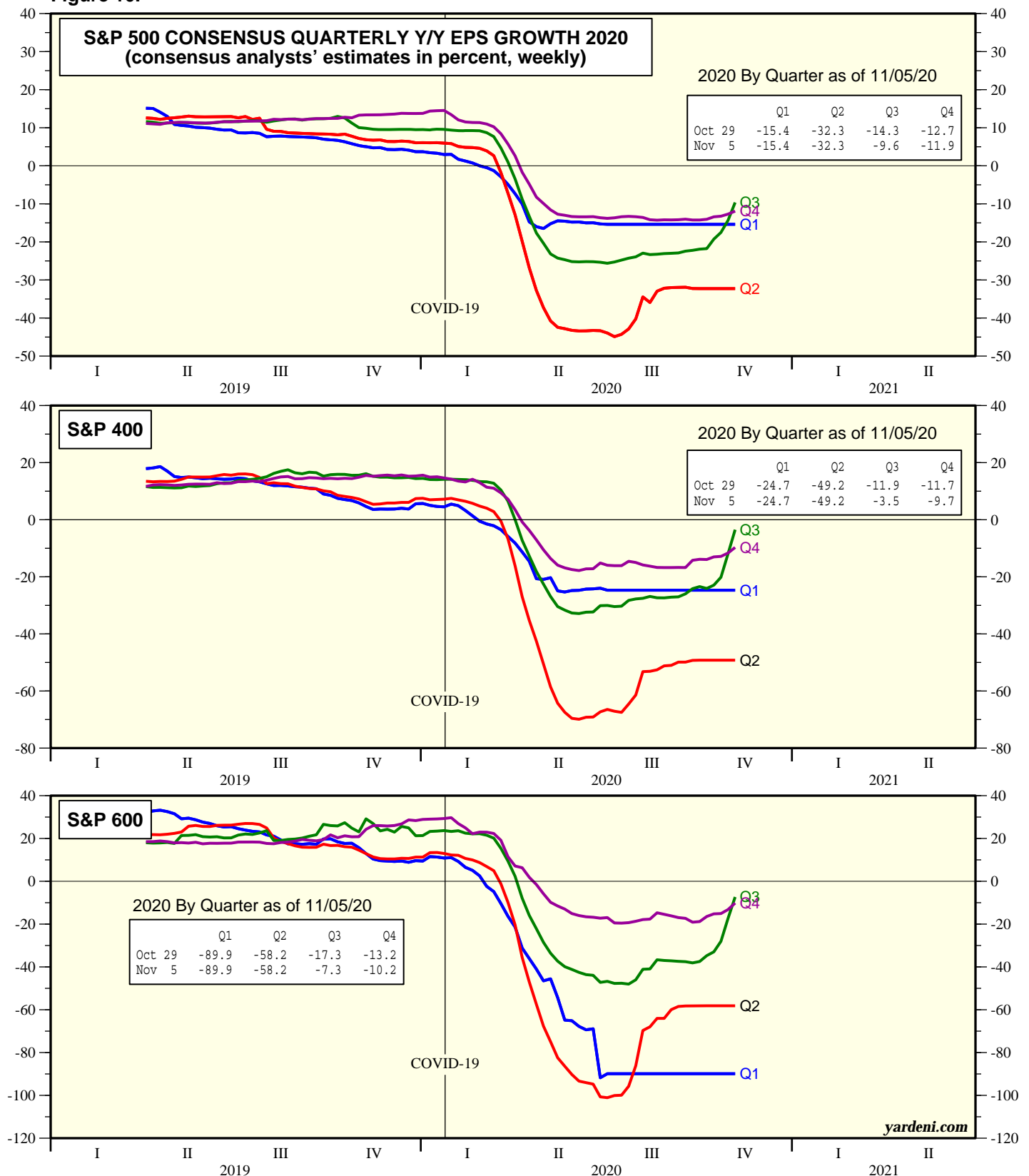
Figure 9.



\* Four-quarter trailing sum of operating earnings per share.  
Note: COVID-19 = WHO declares global pandemic on 3/11/2020.  
Source: I/B/E/S data by Refinitiv.

# S&P 500/400/600 Quarterly Earnings Growth Rates

Figure 10.

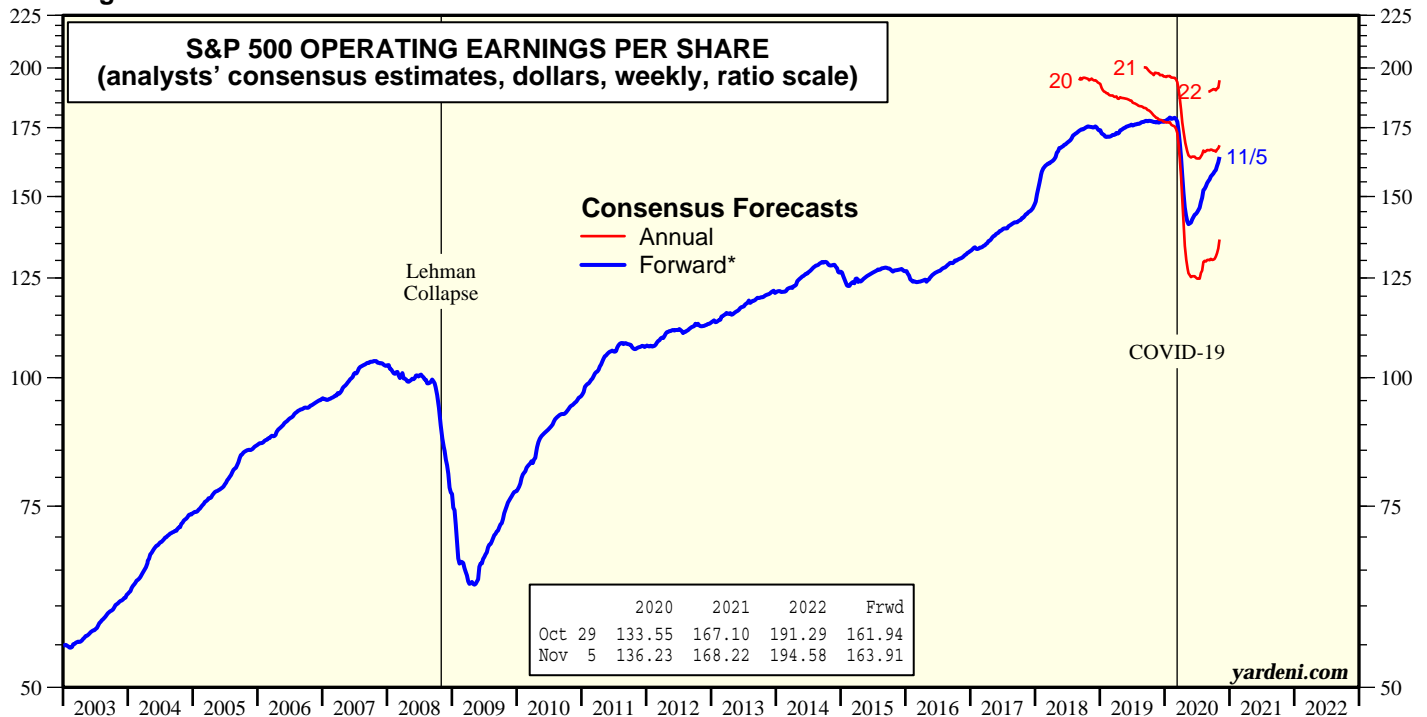


Source: I/B/E/S data by Refinitiv.



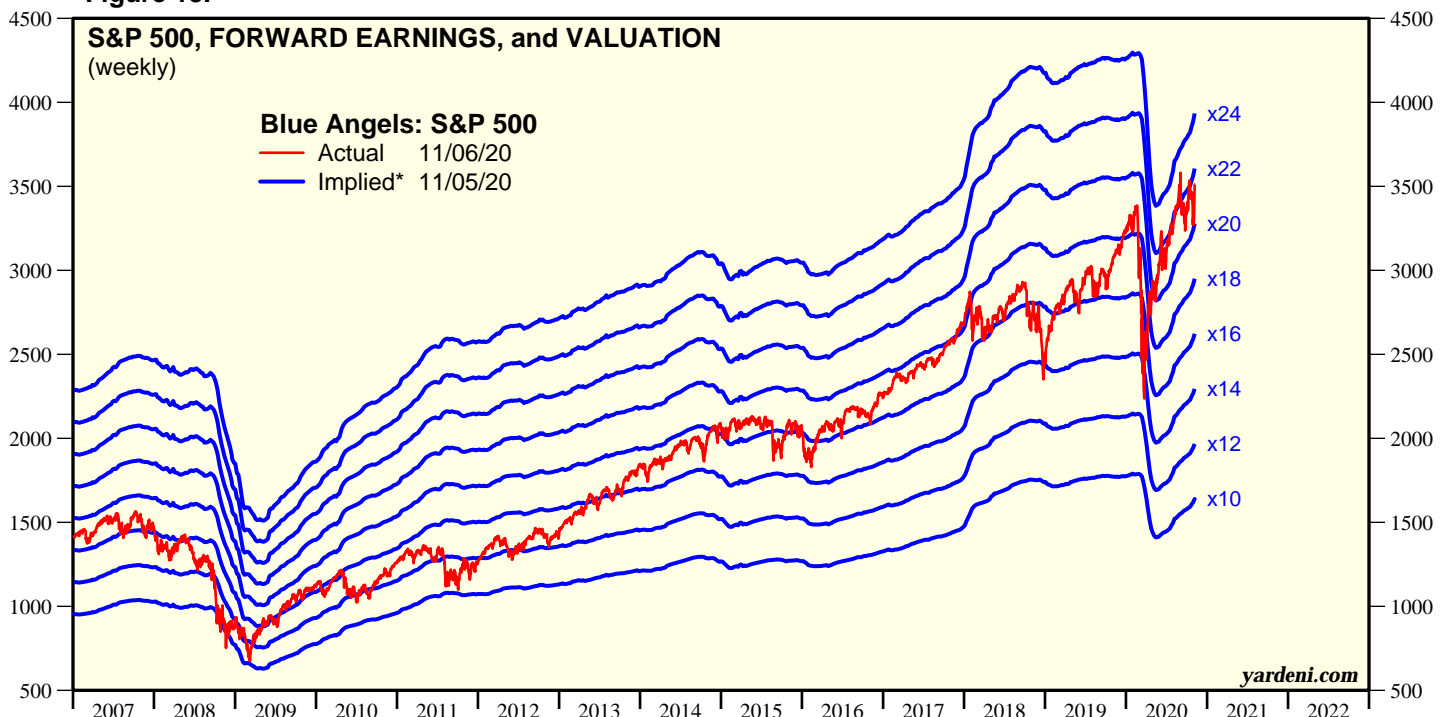
# S&P 500 Forward Earnings & Blue Angels

Figure 14.



\* Time-weighted average of consensus estimates for current year and next year.  
Note: Lehman collapsed 9/15/2008. COVID-19 = WHO declares global pandemic on 3/11/2020.  
Source: I/B/E/S data by Refinitiv.

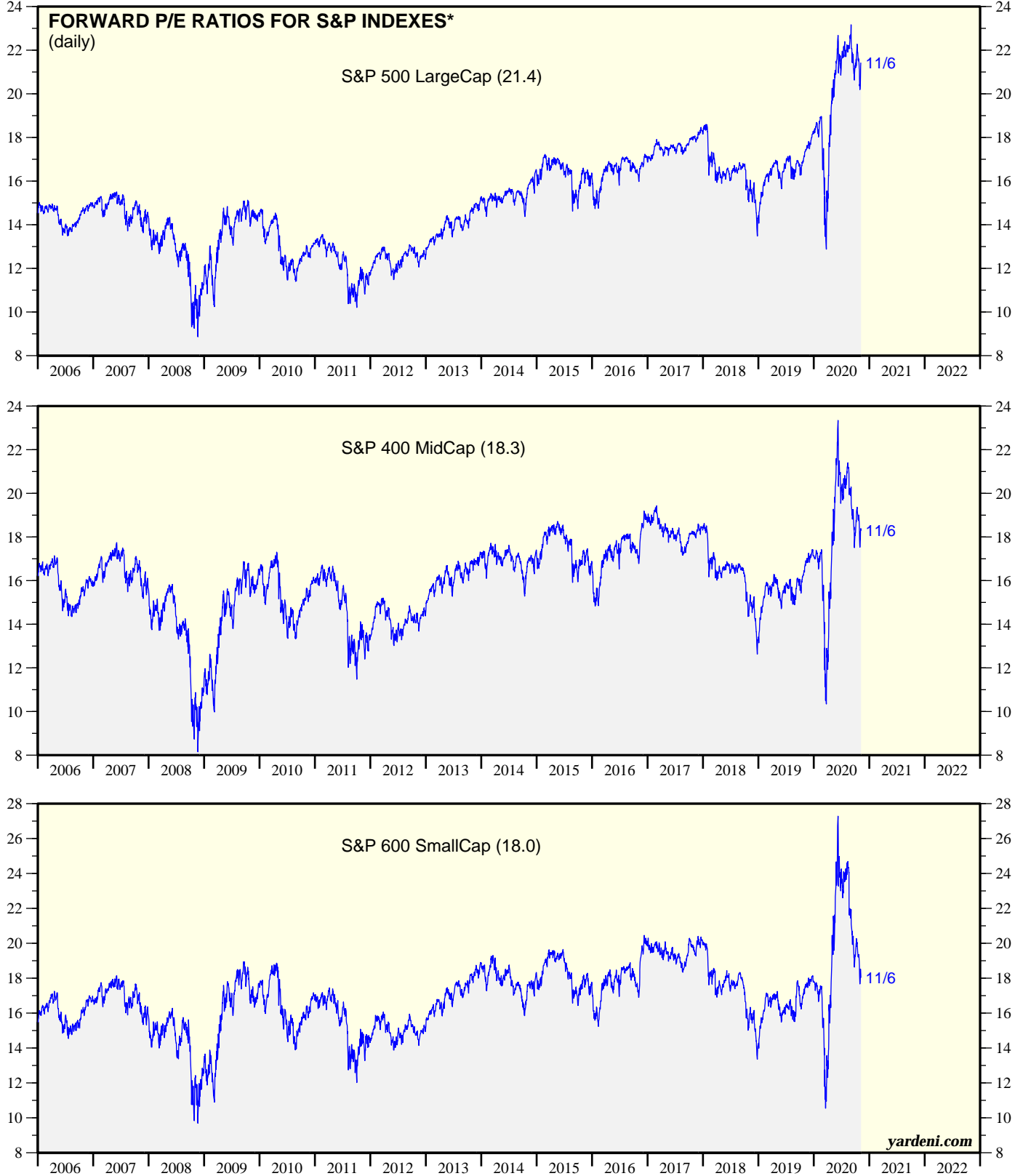
Figure 15.



\* Implied price index calculated using forward earnings times forward P/Es. Weekly data start January 2007.  
Source: Standard & Poor's and I/B/E/S data by Refinitiv.

# S&P 500/400/600 Valuation

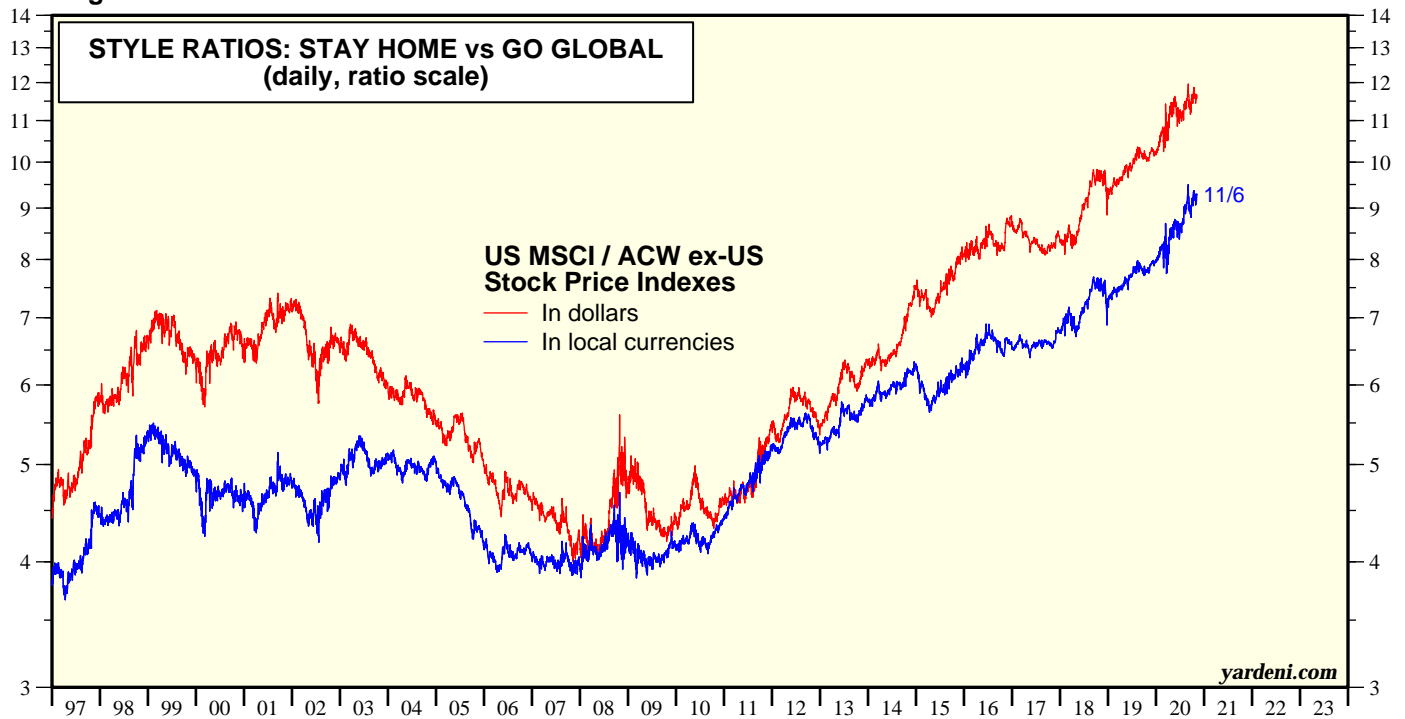
Figure 13.



\* Price divided by 52-week forward consensus expected operating earnings per share.  
Source: I/B/E/S data by Refinitiv and Standard & Poor's.

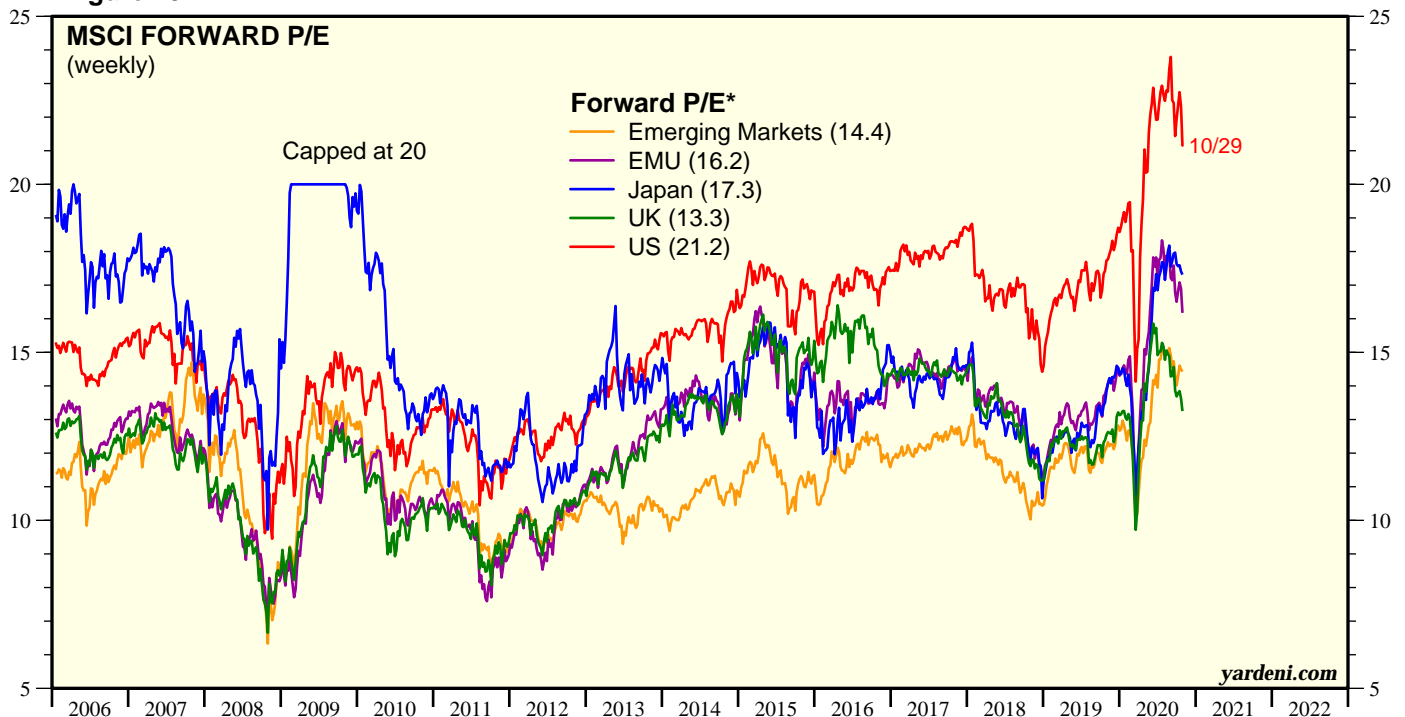
# Investment Styles: Stay Home vs Go Global

Figure 14.



Source: MSCI.

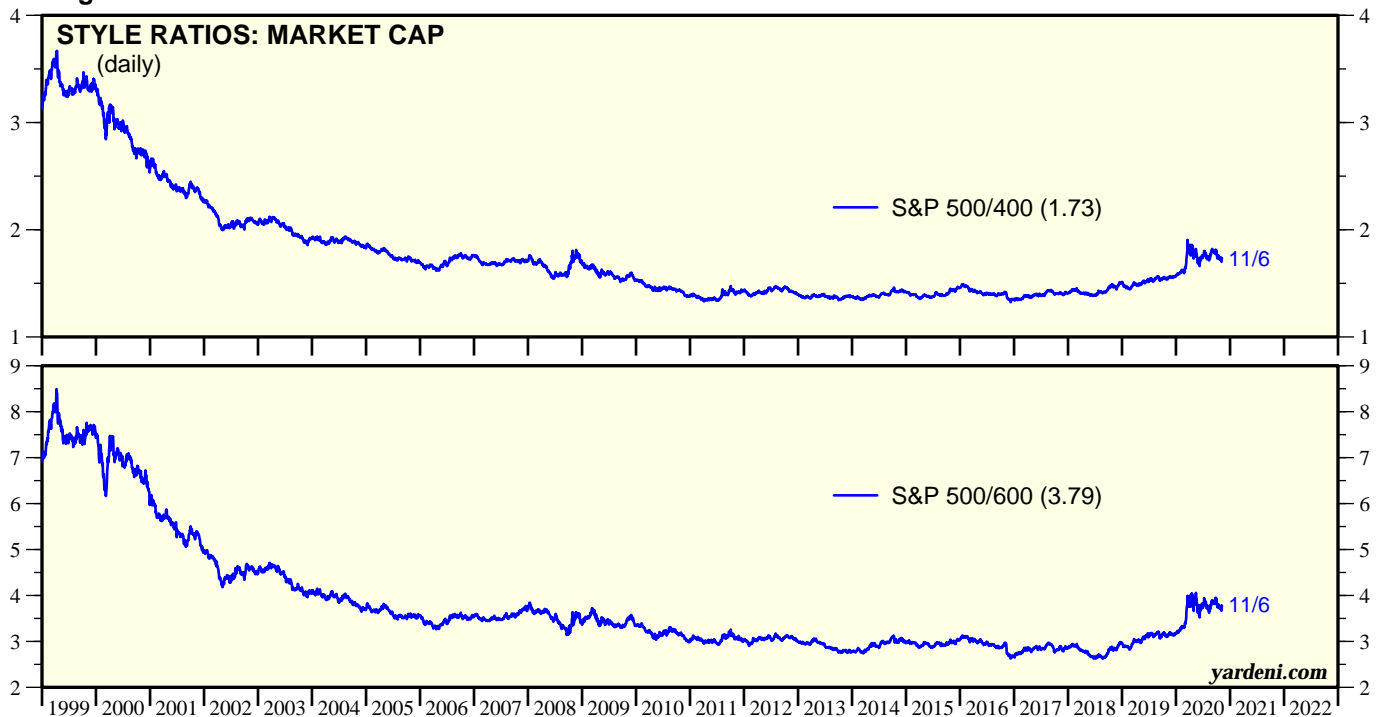
Figure 15.



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

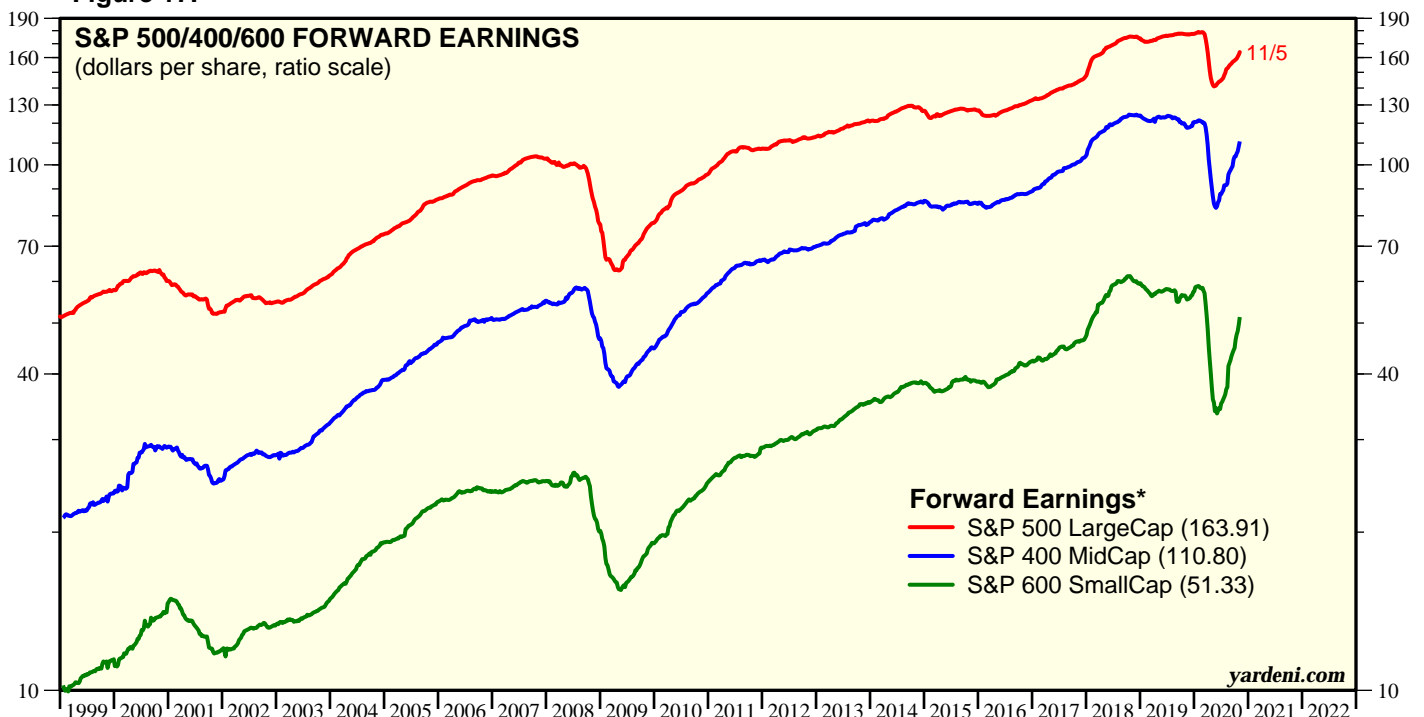
# Investment Styles: LargeCaps vs SMidCaps

Figure 16.



Source: Standard & Poor's.

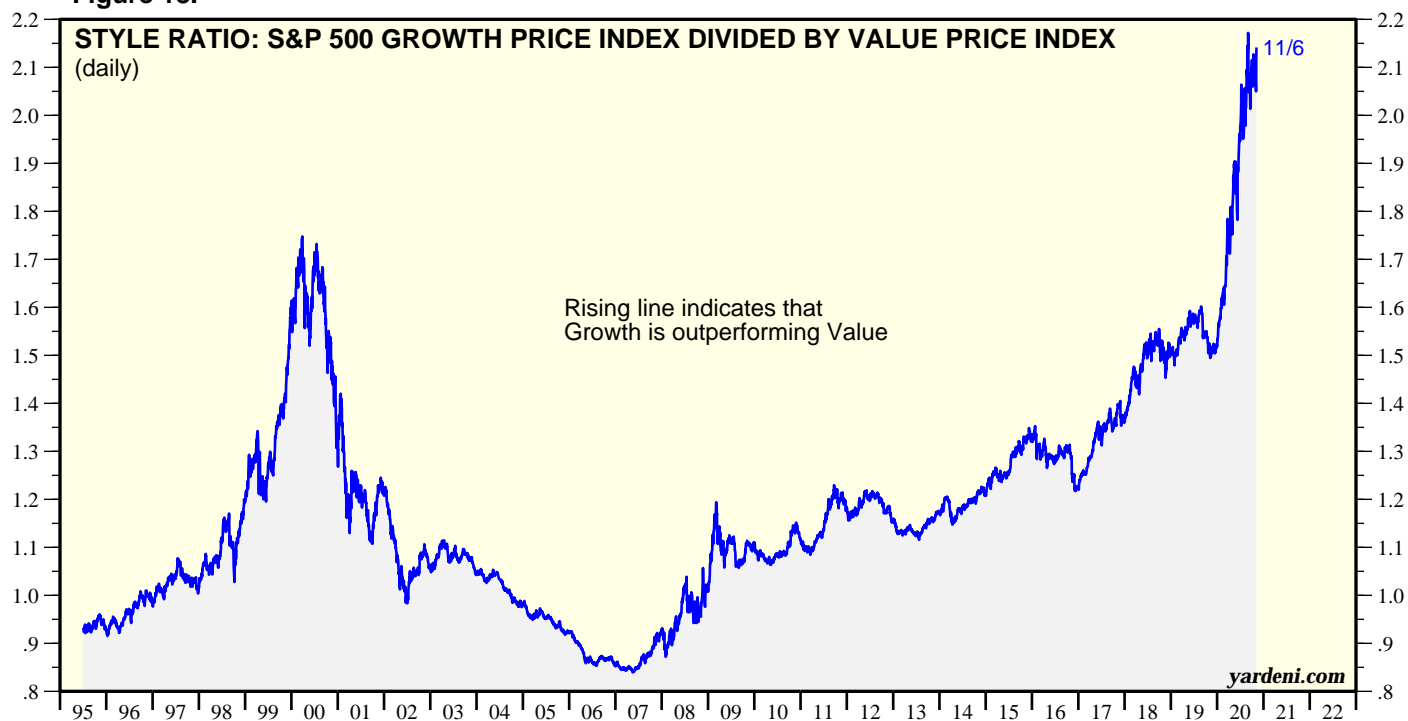
Figure 17.



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

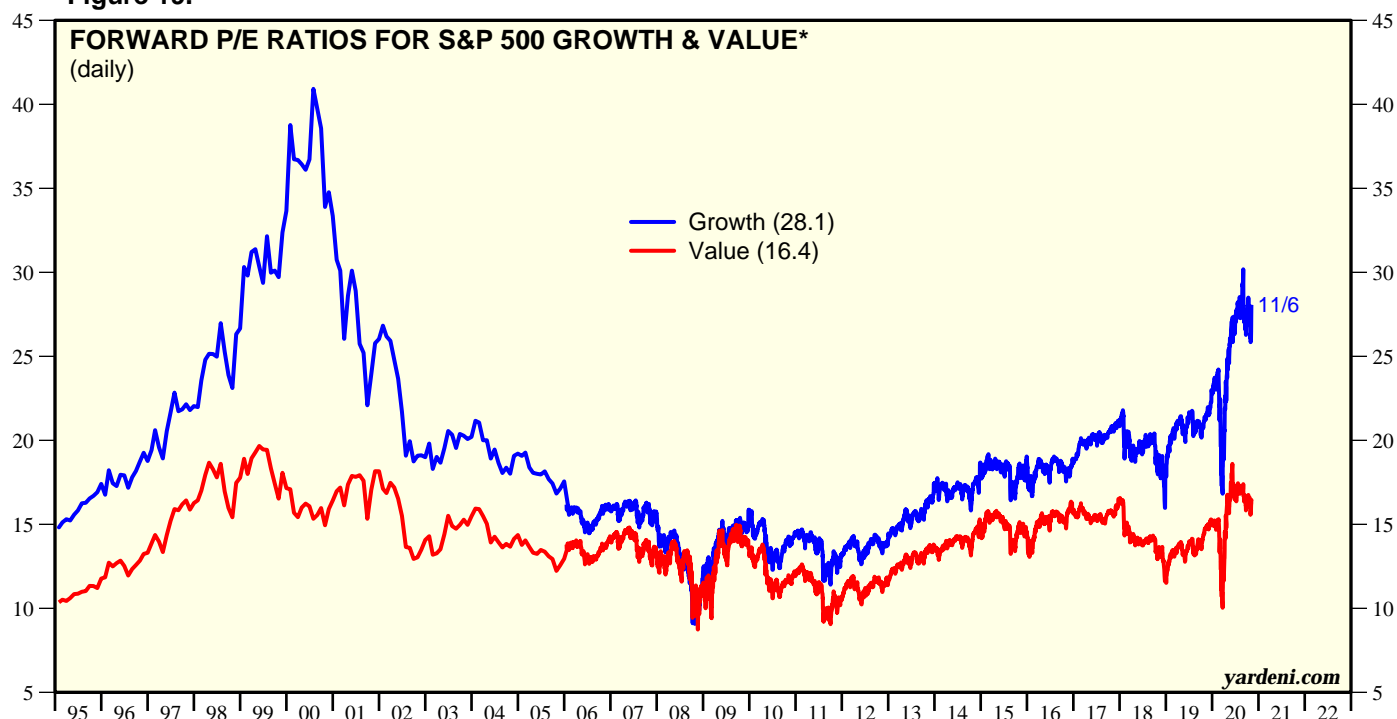
# Investment Styles: Growth vs Value

Figure 18.



Source: Standard & Poor's and Haver Analytics.

Figure 19.



\* Price divided by 12-month (52-week) forward consensus expected operating earnings per share. Monthly data through December 2005, then daily.  
Source: I/B/E/S data by Refinitiv.

# Bond Yields

Figure 20.

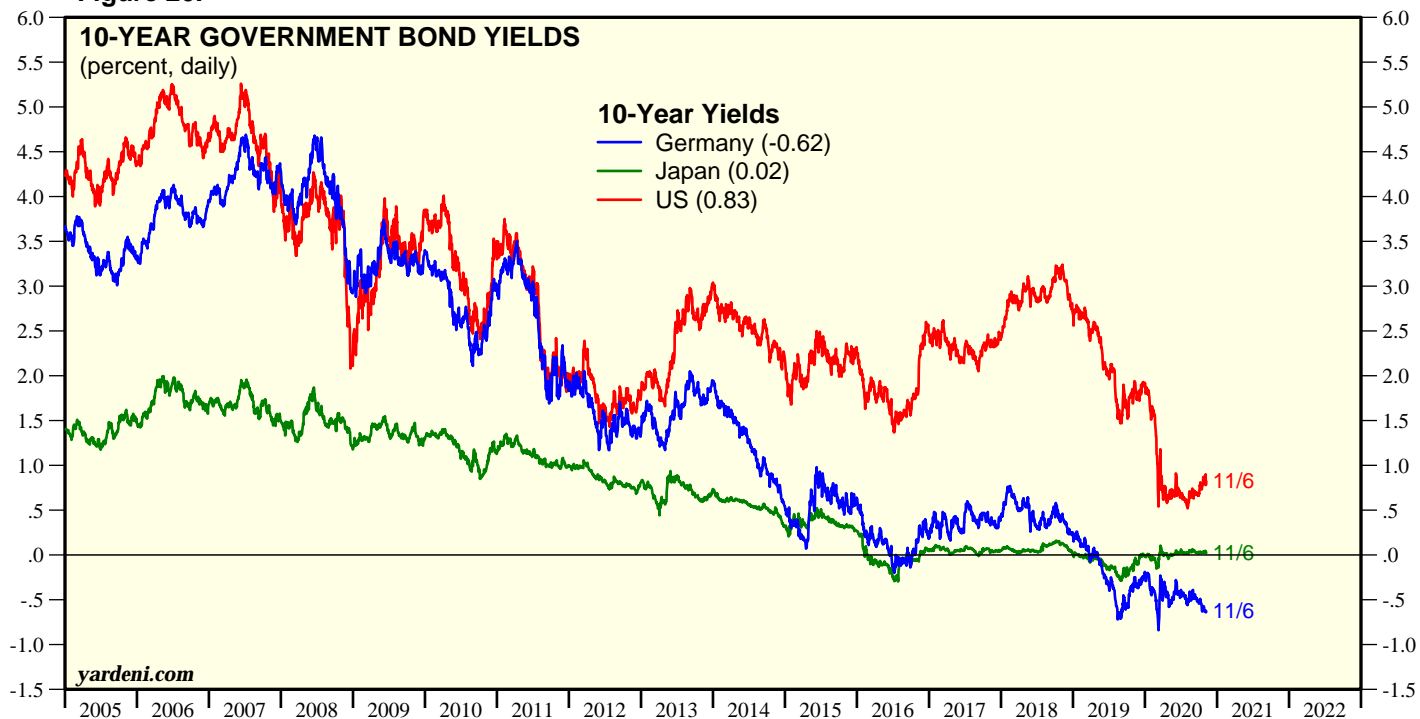
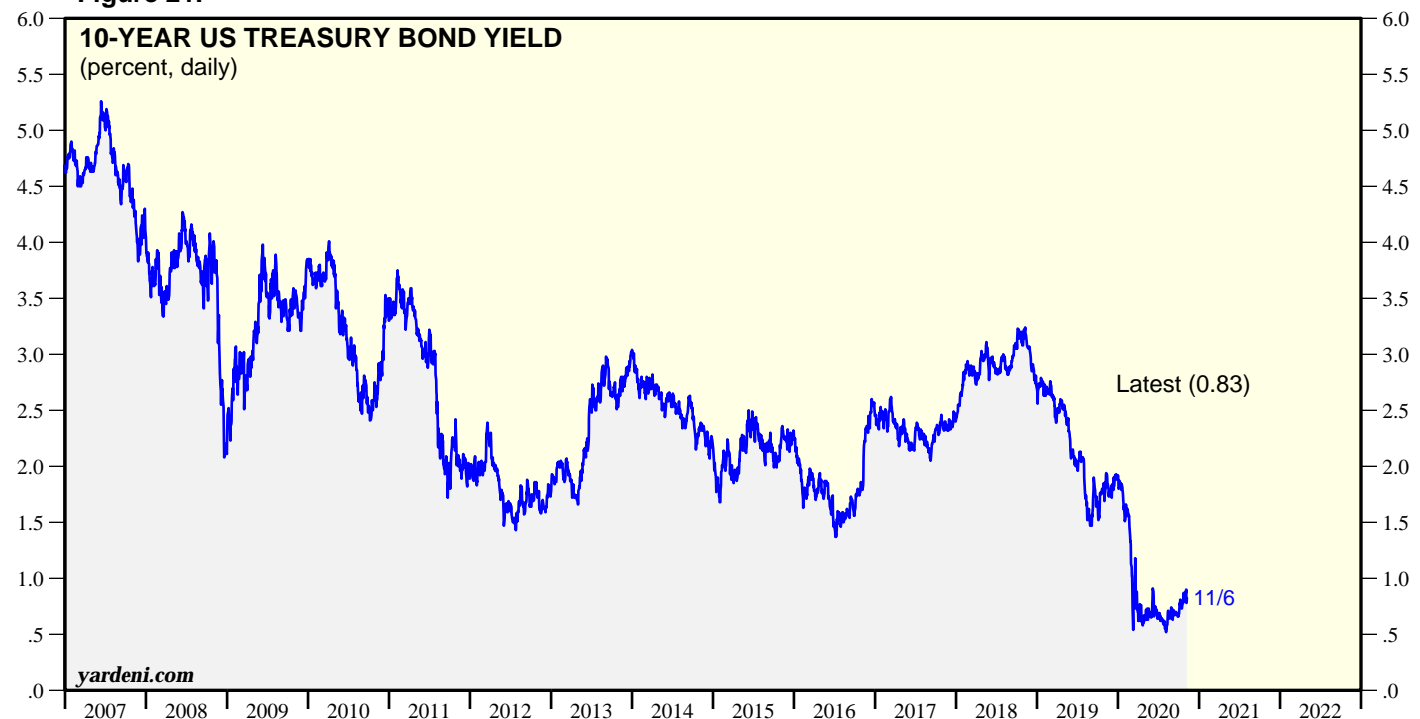
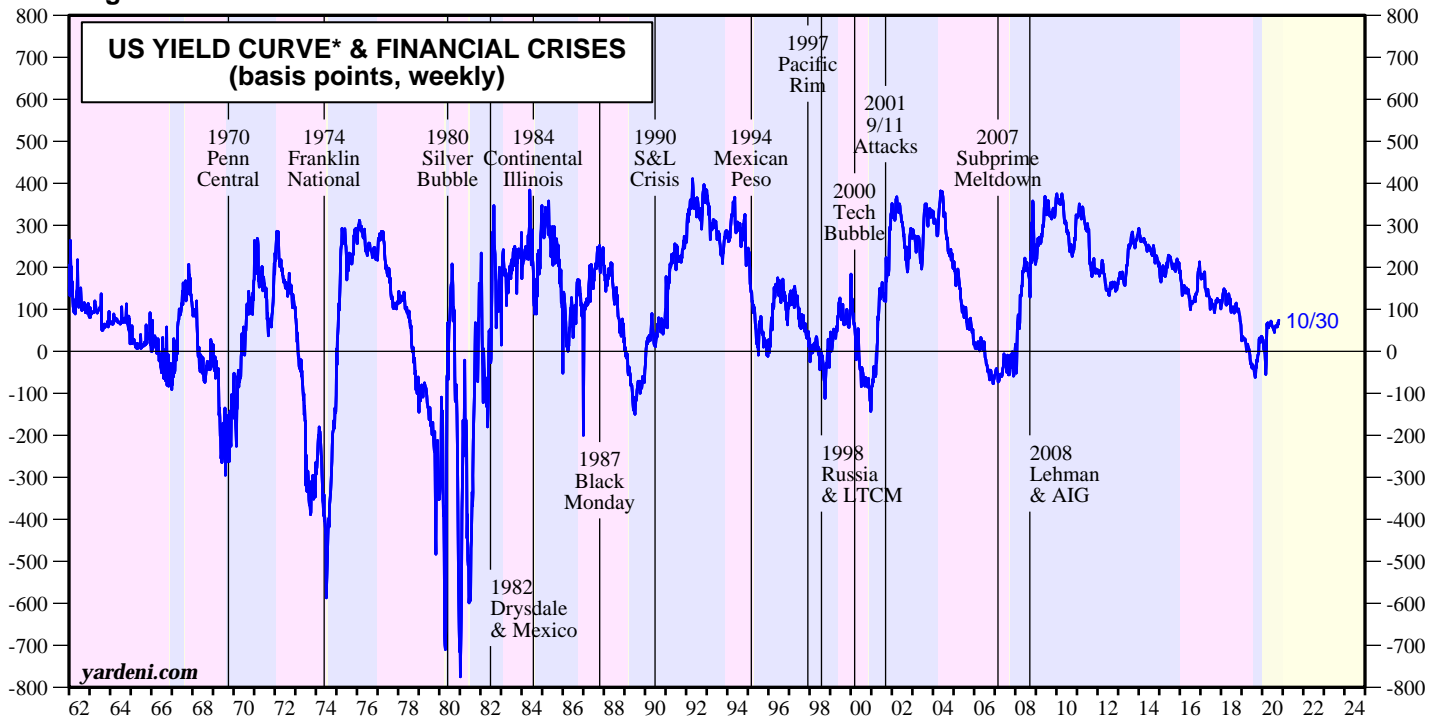


Figure 21.



# Bond Yield Spreads

Figure 22.

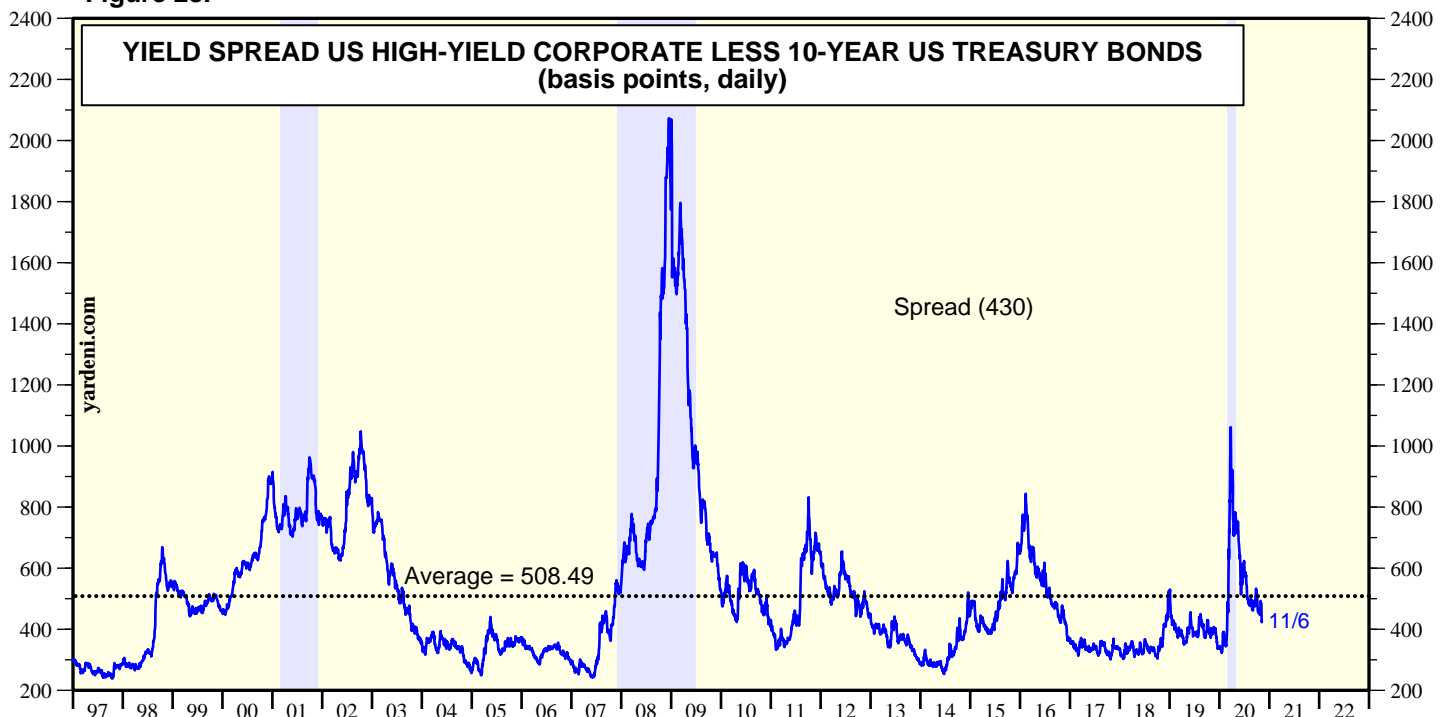


\* 10-year US Treasury yield less federal funds rate.

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 23.

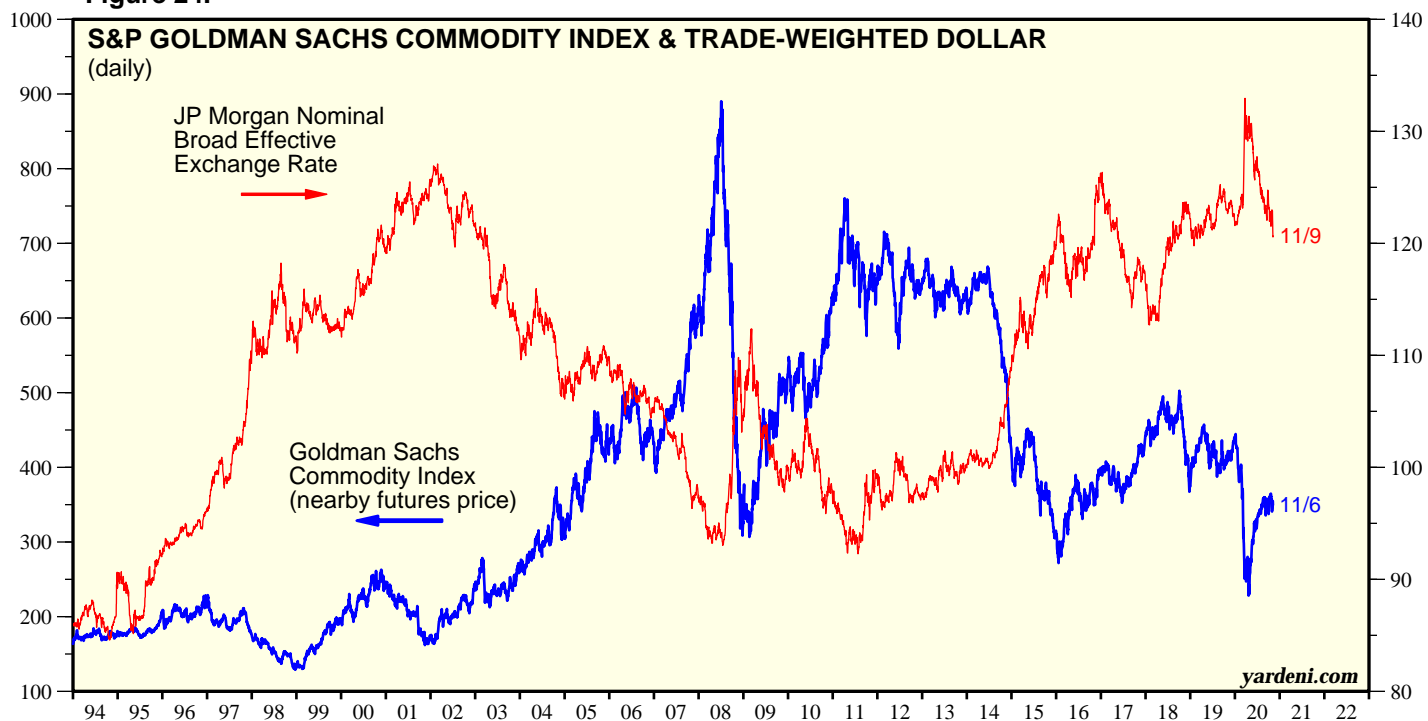


Note: Shaded areas are recessions according to the National Bureau of Economic Research.

Source: Bank of America Merrill Lynch and Federal Reserve Board.

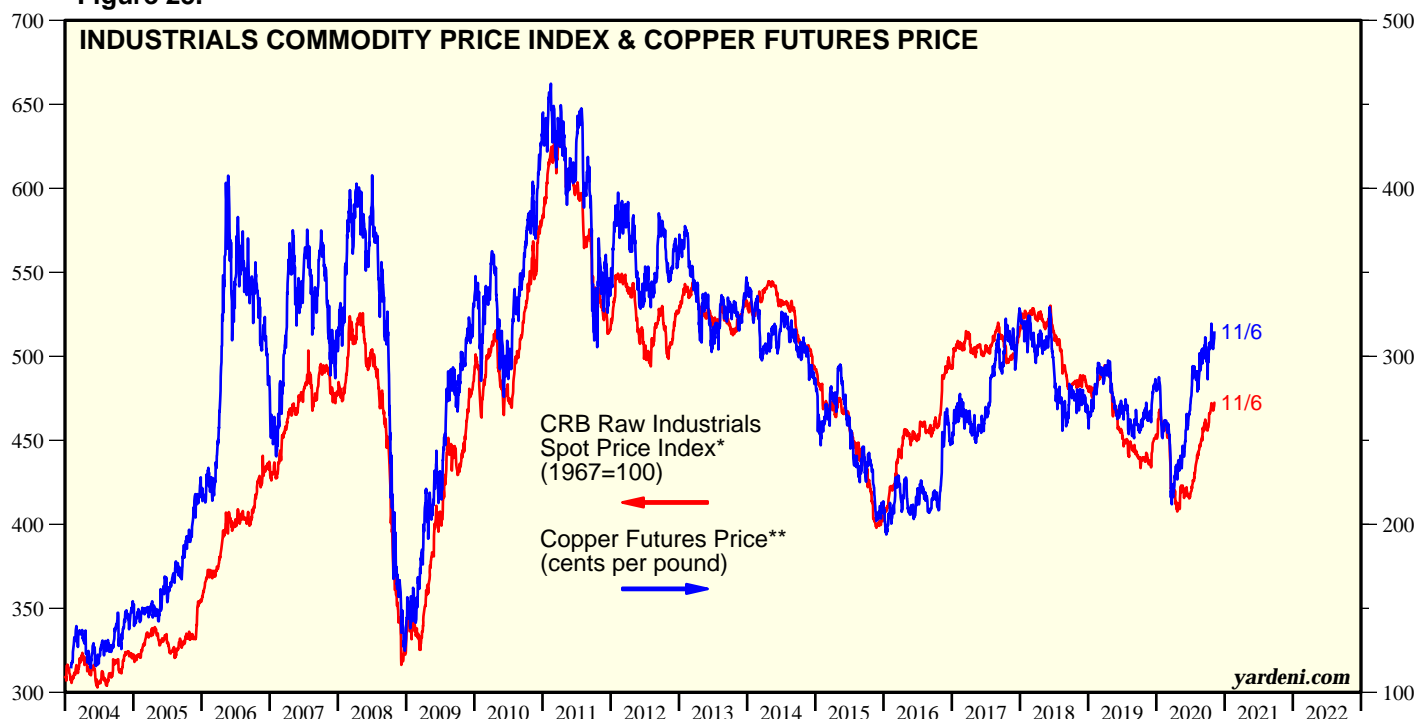
# Dollar & Commodities

Figure 24.



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

Figure 25.



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

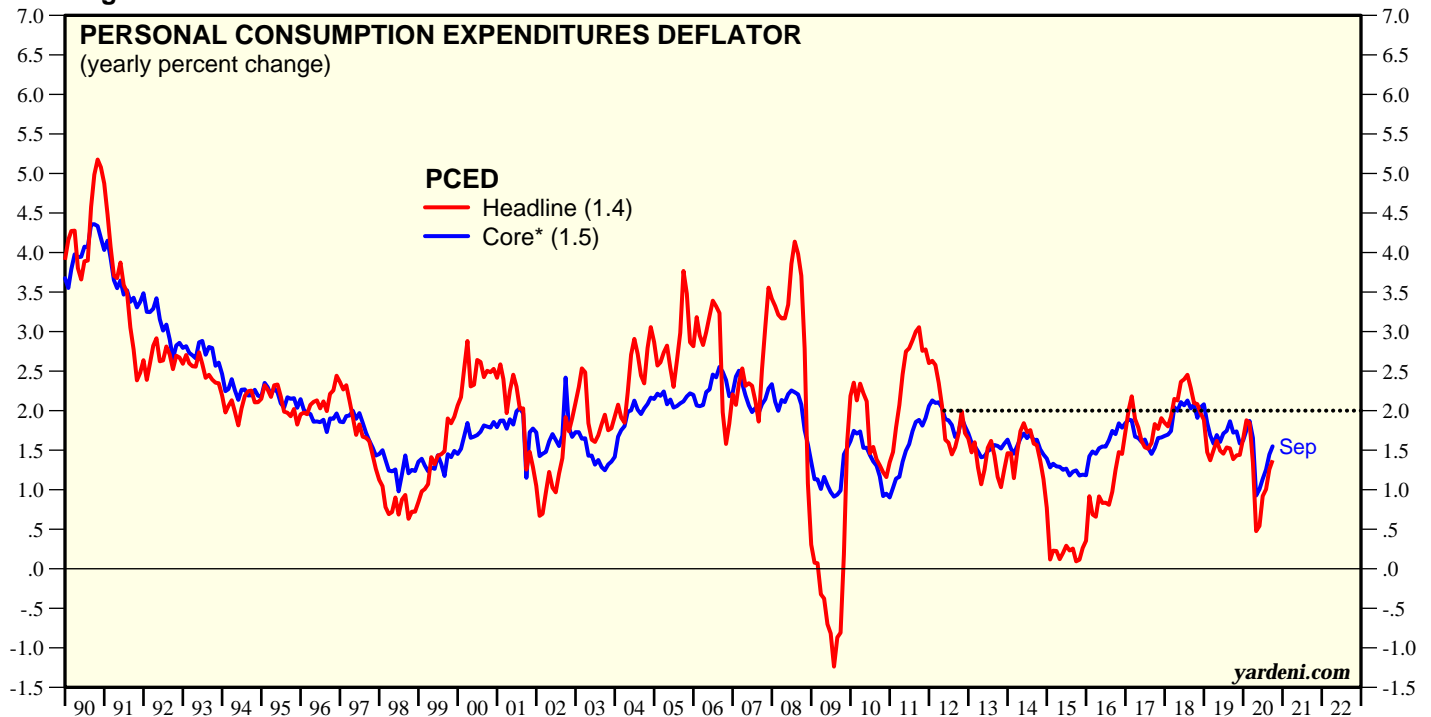
\*\* Nearby futures contract.

Source: Commodity Research Bureau and Haver Analytics.



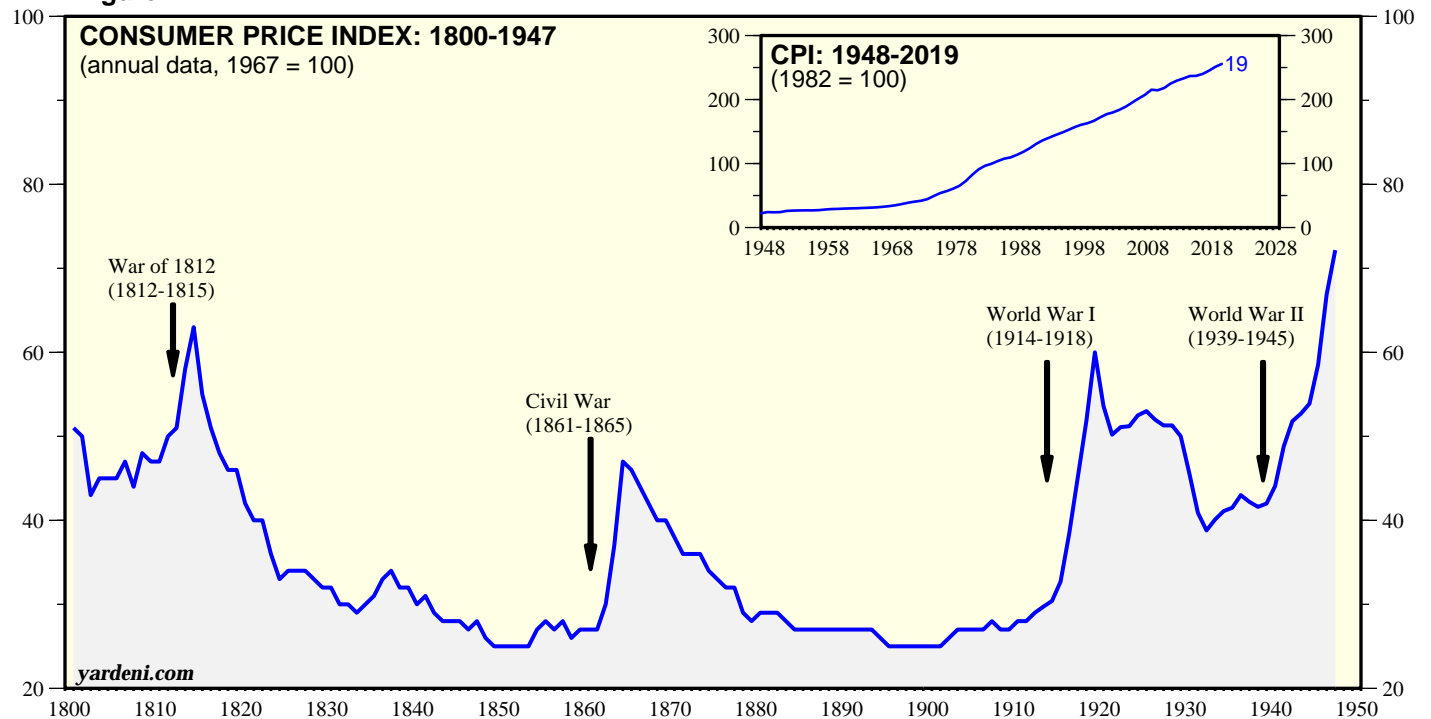
# Inflation

**Figure 26.**



\* Excluding food and energy prices.  
Note: Dotted line is the Fed's official target set during January 2012.  
Source: Bureau of Economic Analysis.

**Figure 27.**



Source: Census Bureau Historical Statistics of the United States.

# US Economy

Figure 28.

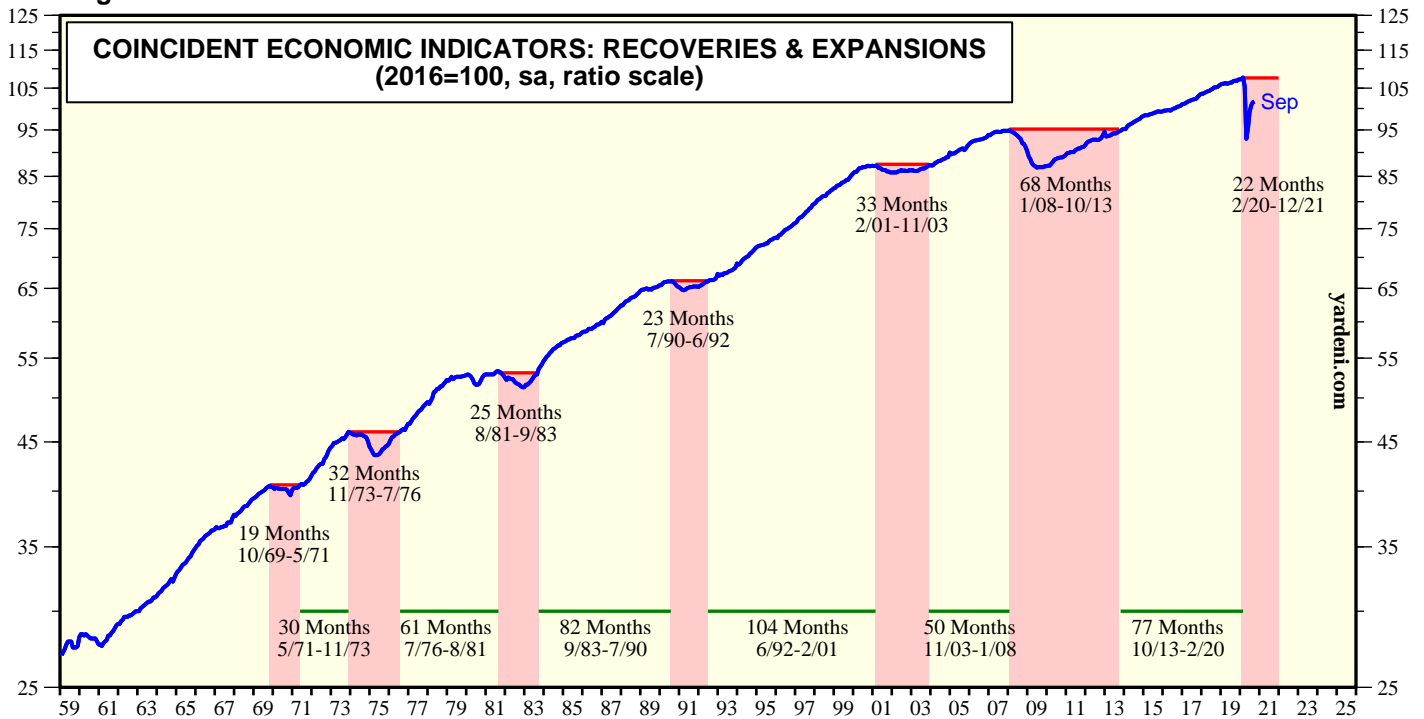
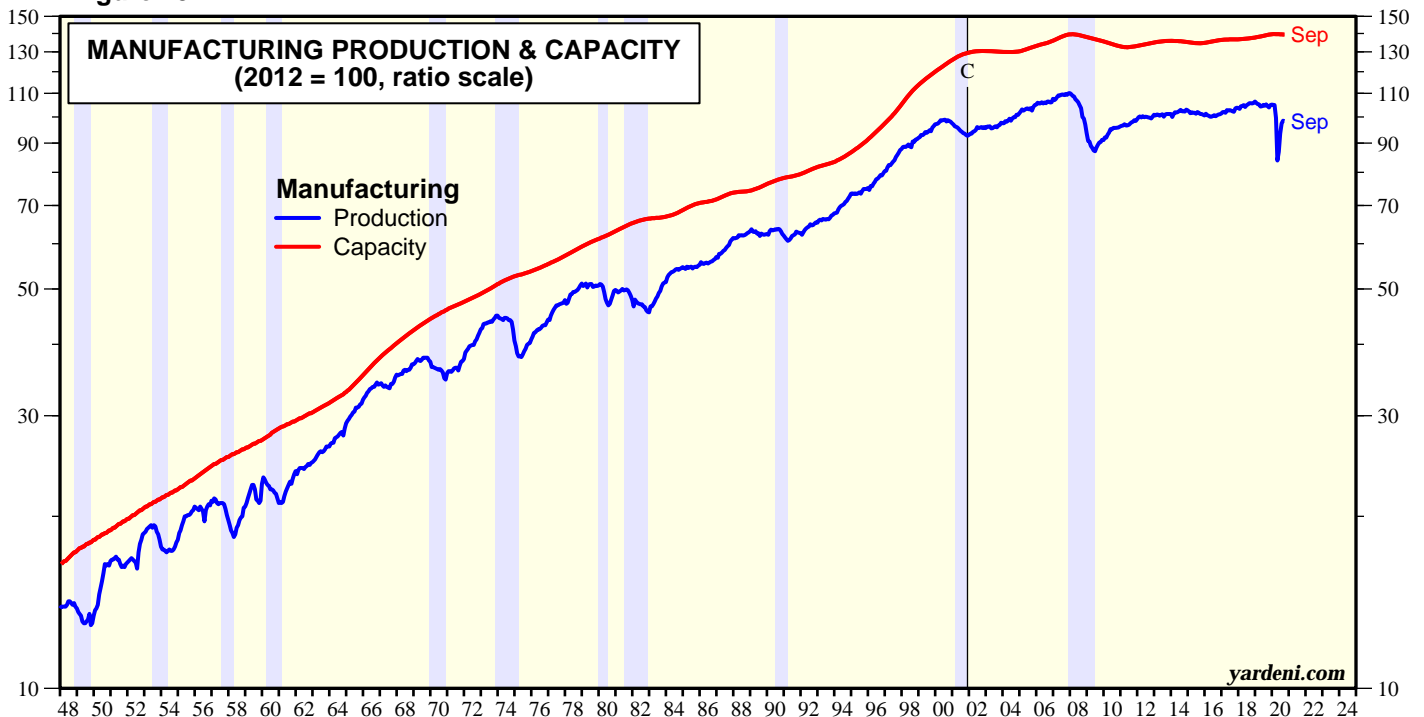
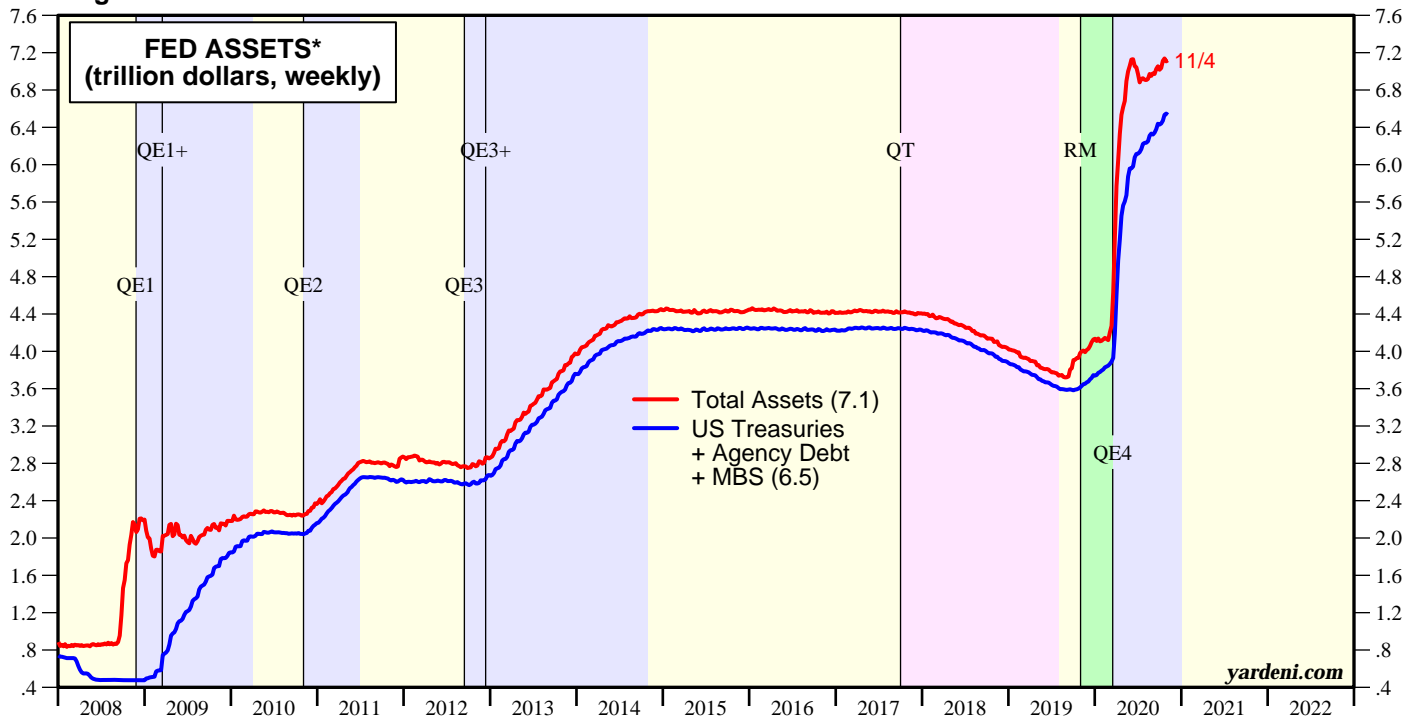


Figure 29.



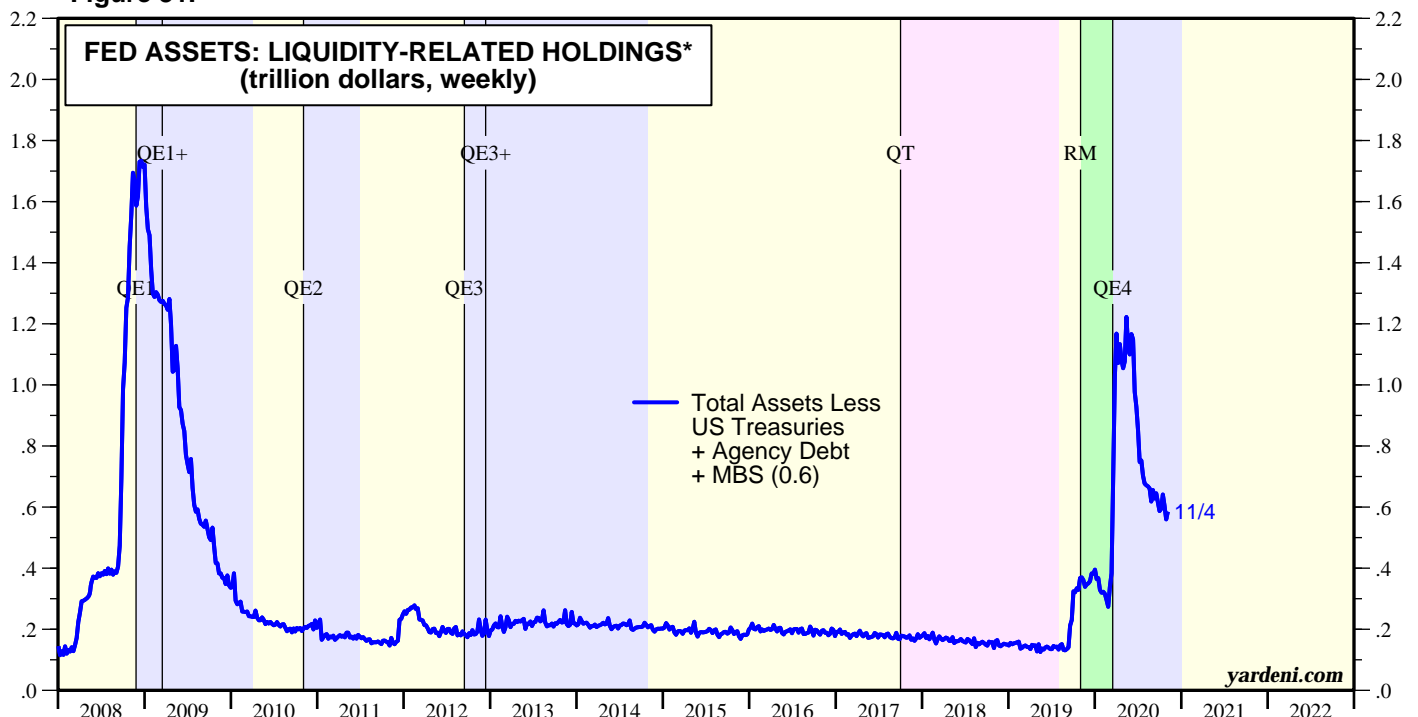
# US Monetary Policy

Figure 30.



Note: QE1 (11/25/08-3/31/10) = \$1.24tn in mortgage securities; expanded (3/16/09-3/31/10) = \$300bn in Treasuries. QE2 (11/3/10-6/30/11) = \$600bn in Treasuries. QE3 (9/13/12-10/29/14) = \$40bn/month in mortgage securities (open ended); expanded (12/12/12-10/1/14) = \$45bn/month in Treasuries. QT (10/1/17-7/31/19) = balance sheet pared by \$675bn. RM (11/1/19-3/15/20) = reserve management, \$60bn/month in Treasury bills. QE4 (3/16/20-infinity).  
 \* Fed data are averages of daily figures for weeks ending Wednesday. Source: Federal Reserve Board.

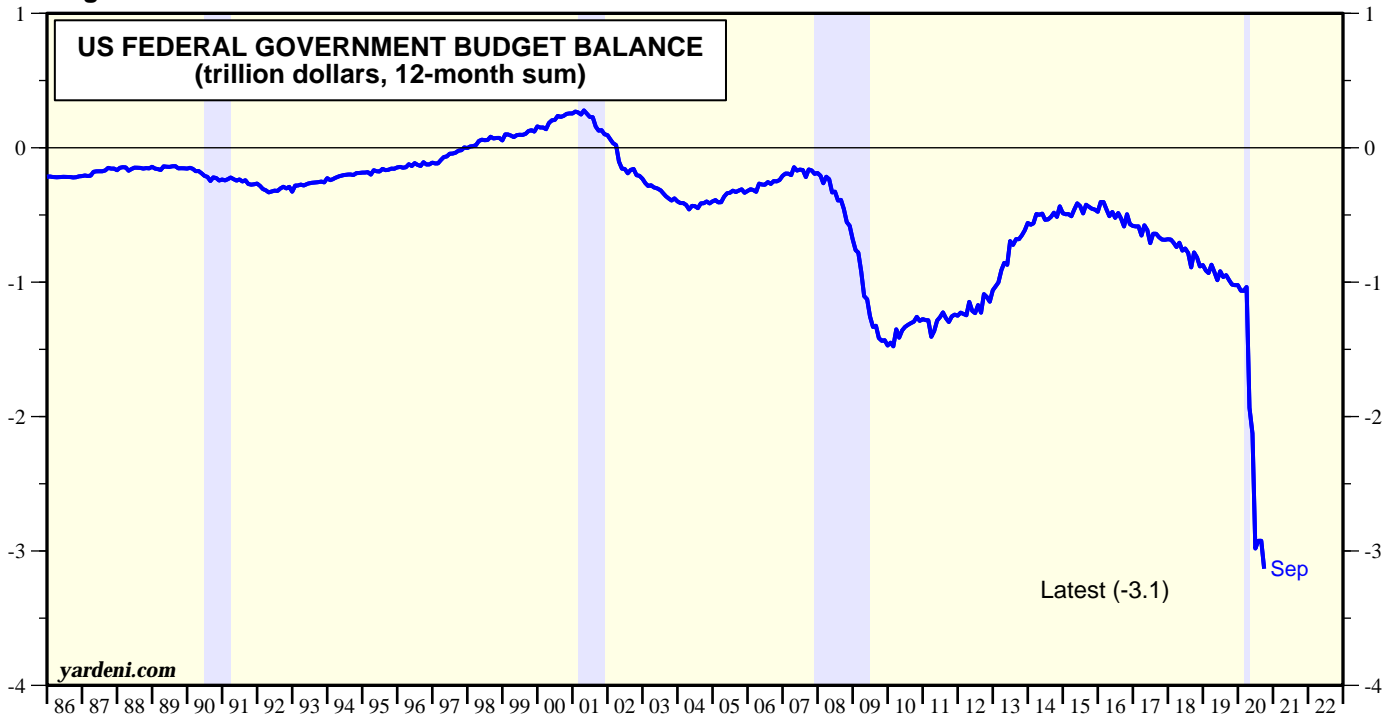
Figure 31.



Note: QE1 (11/25/08-3/31/10) = \$1.24tn in mortgage securities; expanded (3/16/09-3/31/10) = \$300bn in Treasuries. QE2 (11/3/10-6/30/11) = \$600bn in Treasuries. QE3 (9/13/12-10/29/14) = \$40bn/month in mortgage securities (open ended); expanded (12/12/12-10/1/14) = \$45bn/month in Treasuries. QT (10/1/17-7/31/19) = balance sheet pared by \$675bn. RM (11/1/19-3/15/20) = reserve management, \$60bn/month in Treasury bills. QE4 (3/16/20-infinity).  
 \* Fed data are averages of daily figures for weeks ending Wednesday. Source: Federal Reserve Board.

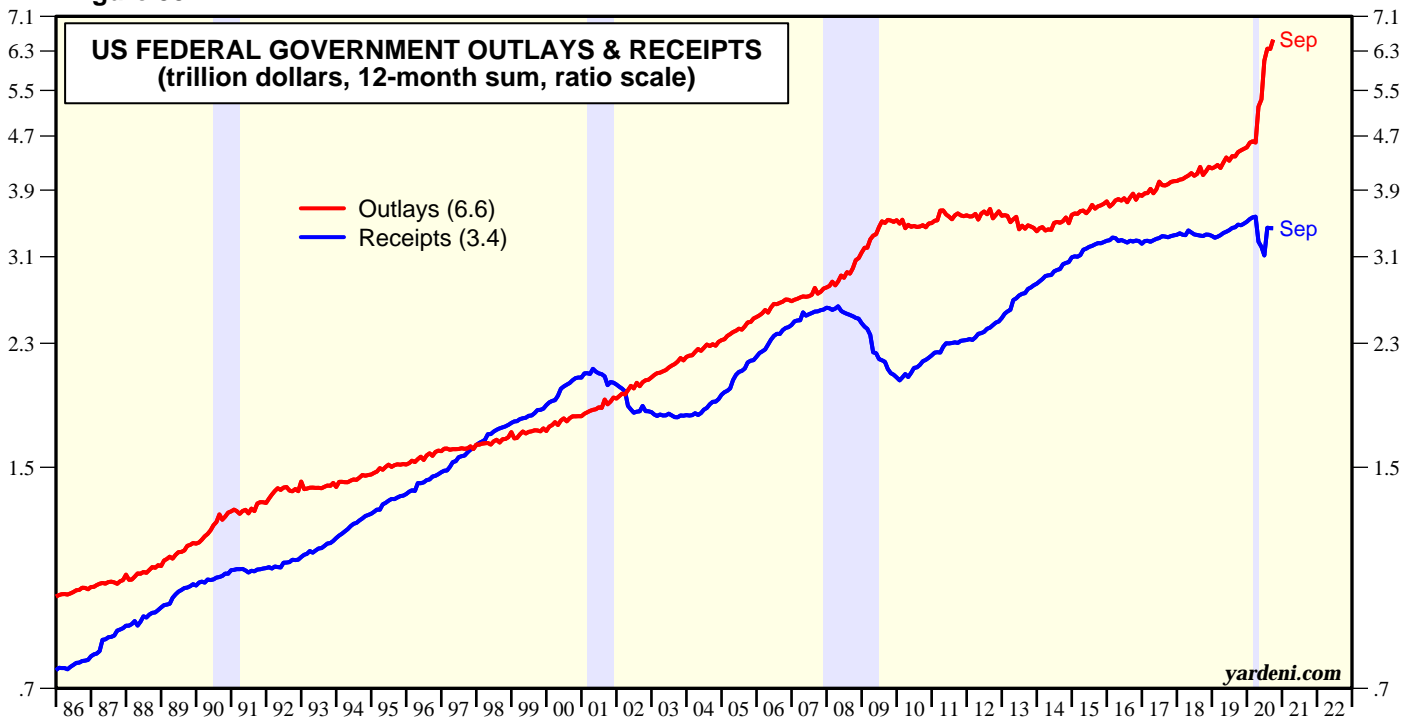
# US Fiscal Policy

Figure 32.



Note: Shaded areas are recessions according to the National Bureau of Economic Research.  
Source: US Treasury Department.

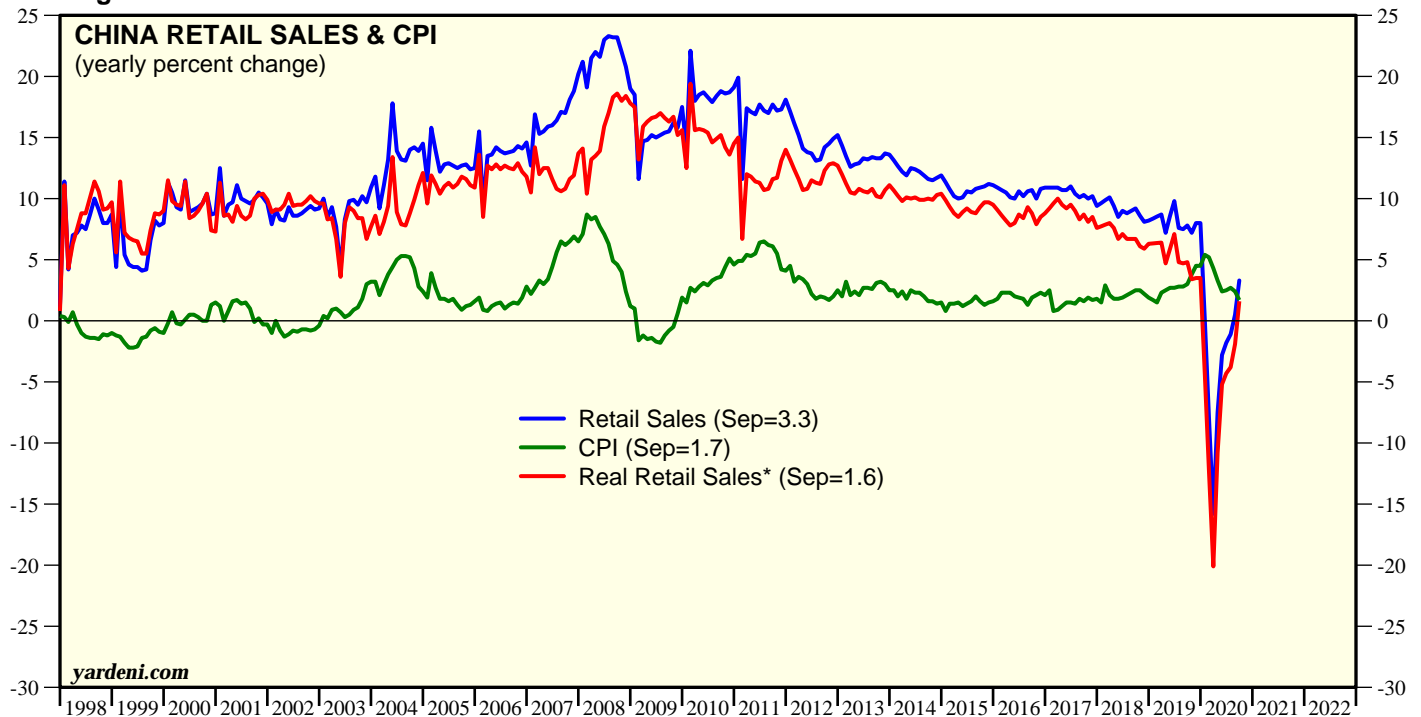
Figure 33.



Note: Shaded areas are recessions according to the National Bureau of Economic Research.  
Source: US Treasury Department.

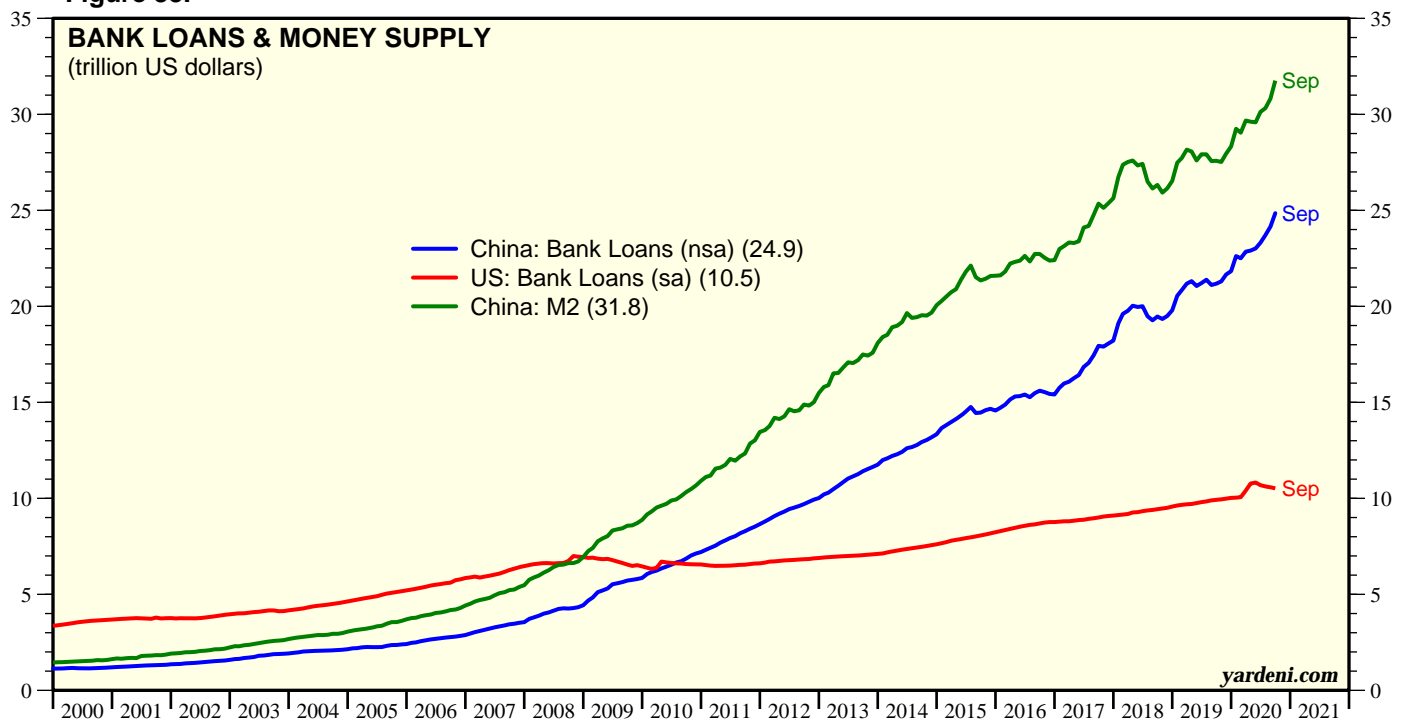
# China

Figure 34.



\* Yearly percent change in retail sales minus yearly percent change in CPI.  
Source: China National Bureau of Statistics.

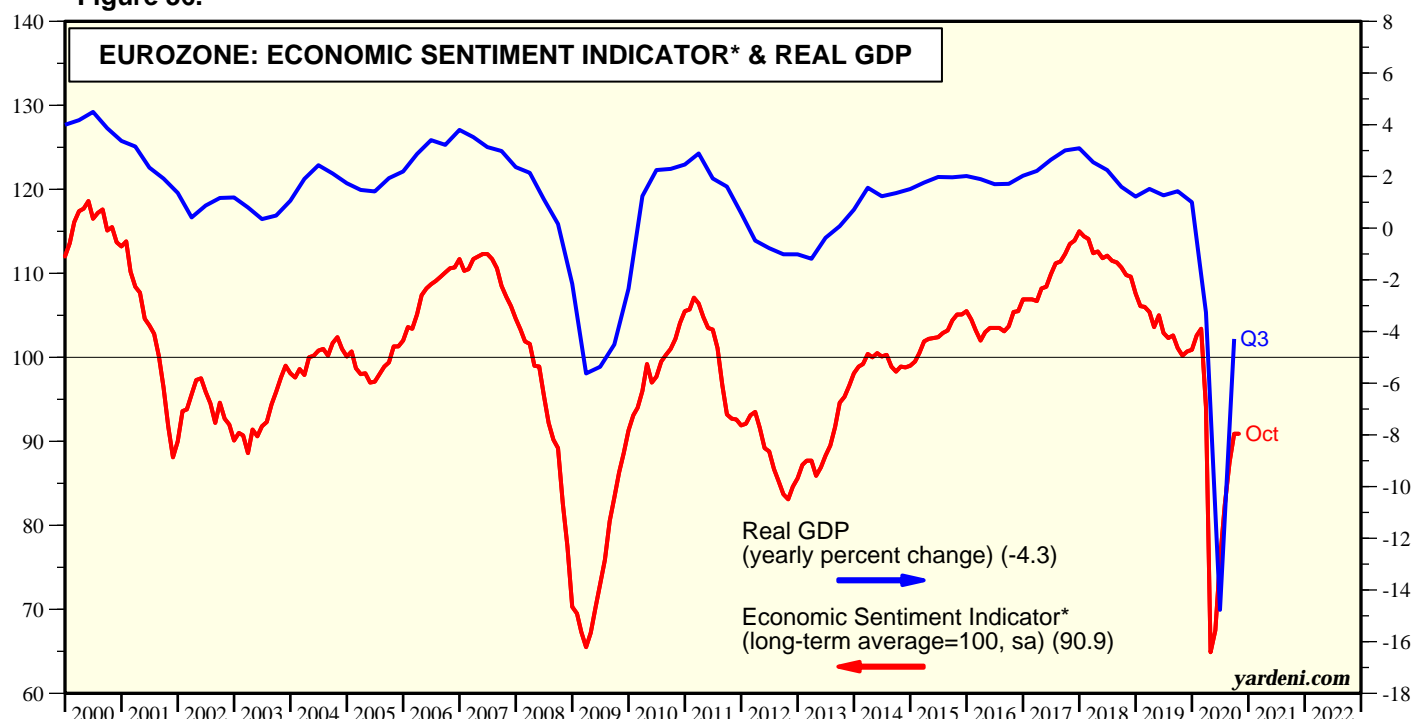
Figure 35.



Source: Federal Reserve Board and People's Bank of China.

# Eurozone

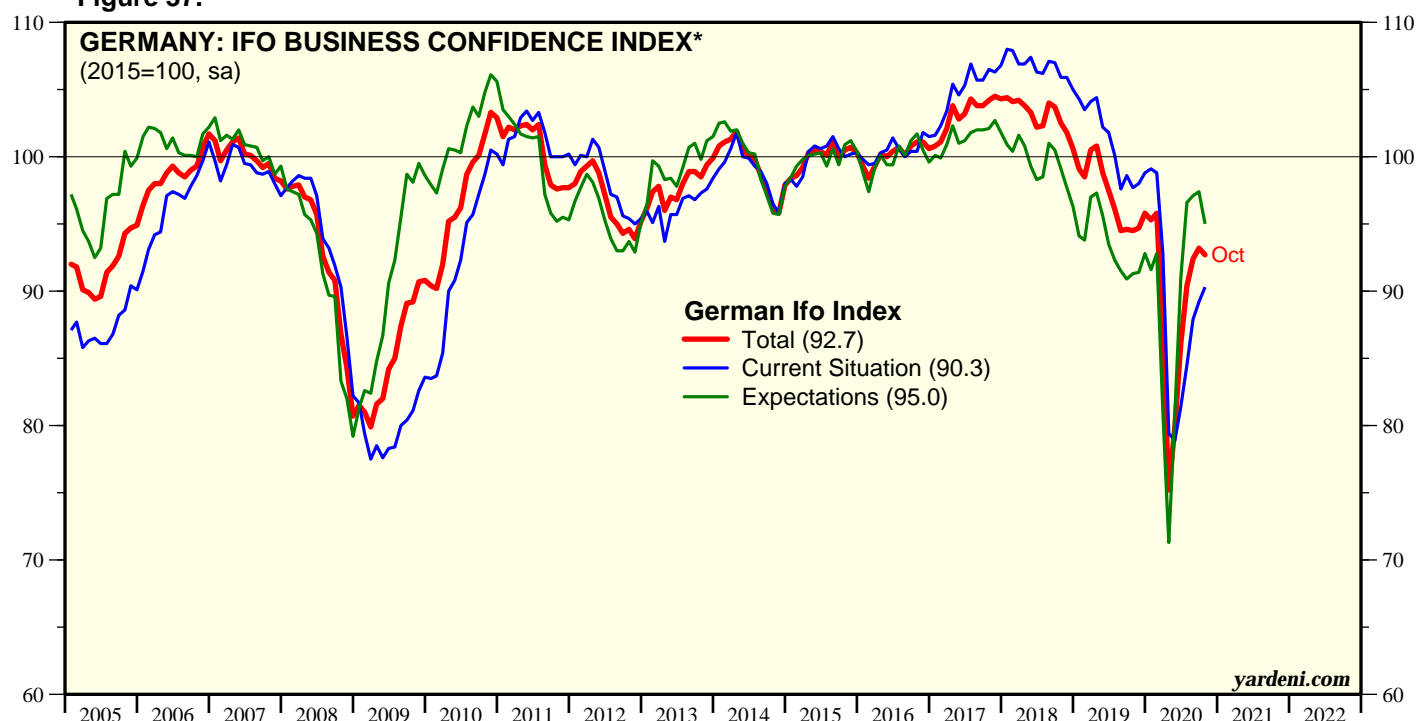
Figure 36.



\* 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 37.

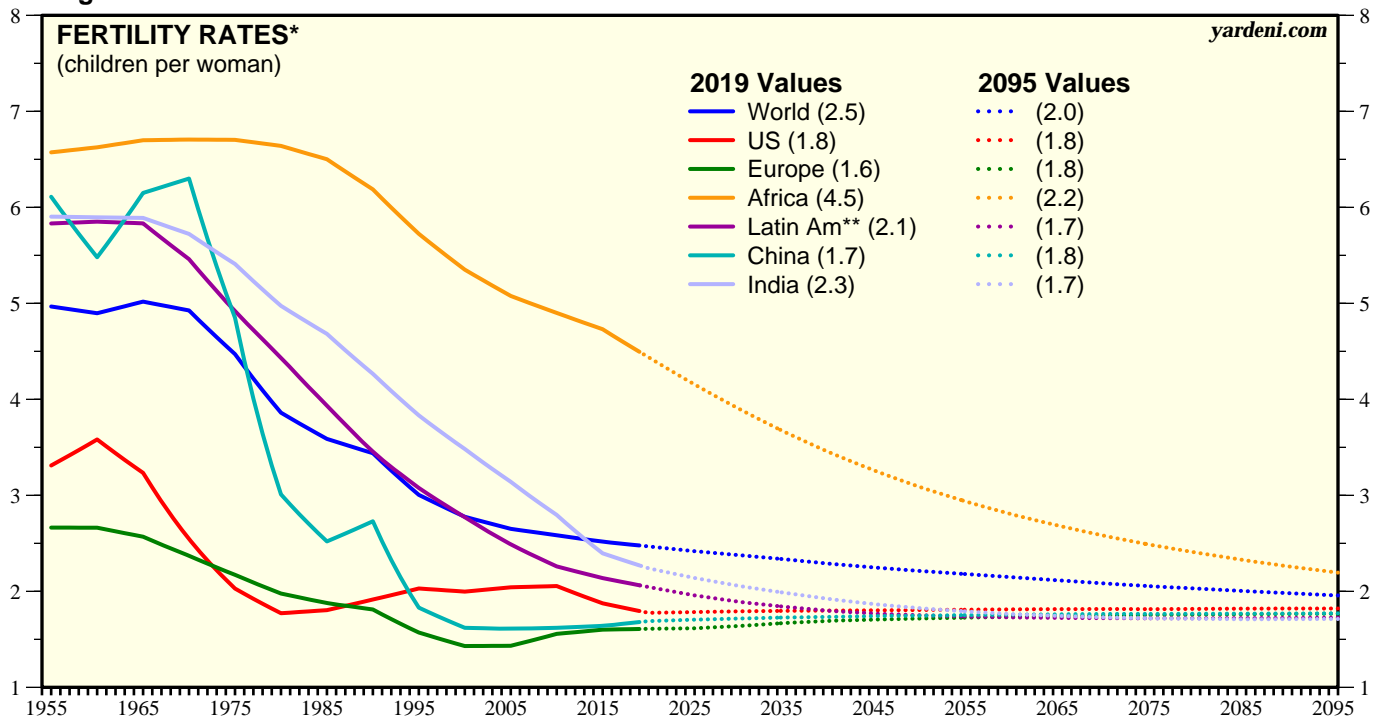


\* Ifo introduced new series, which include services for the first time, drastically reducing the weight of the manufacturing sector within the measures.

Source: Ifo-Institut Für Wirtschaftsforschung.

# Global Demography

Figure 38.

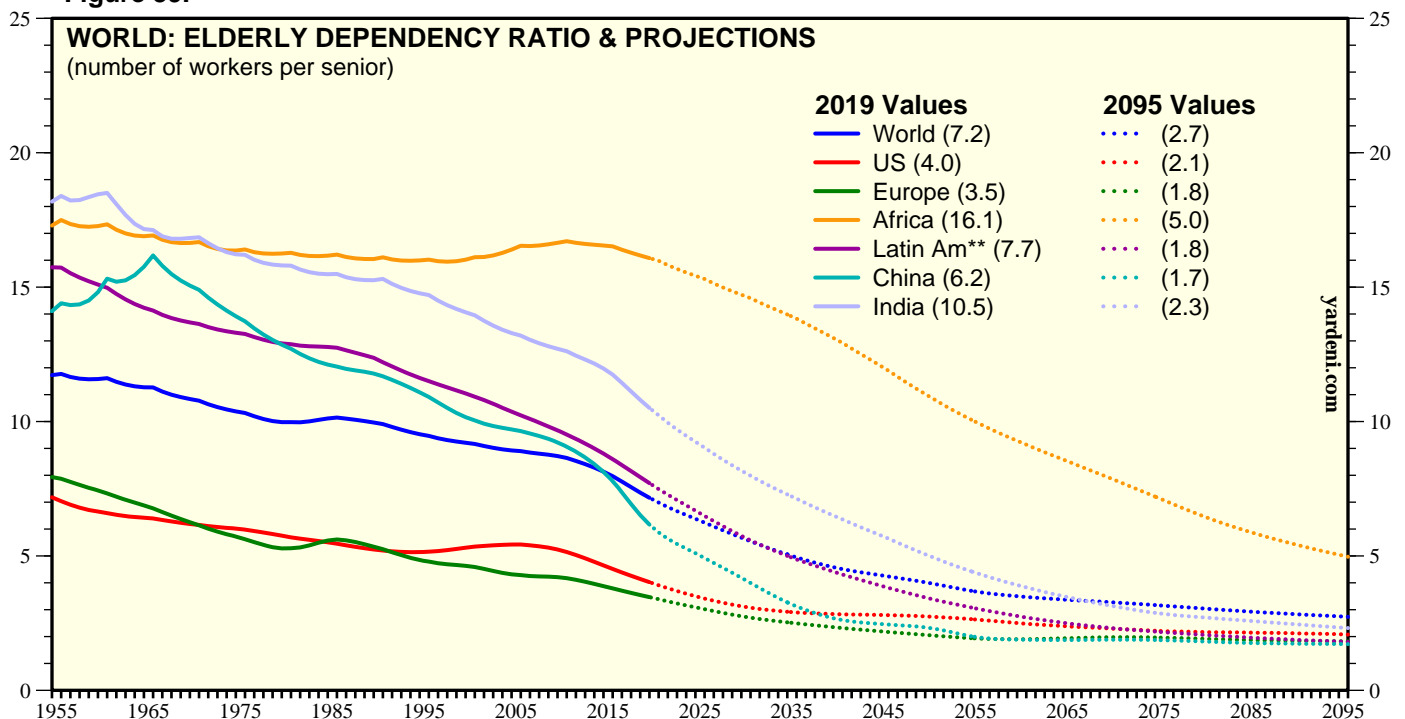


\* Estimates through 2019 (solid line). Projections 2020 through 2095 (dotted line).

\*\* Including the Caribbean.

Source: United Nations.

Figure 39.



\* Estimates through 2019 (solid line). Projections 2020 through 2095 (dotted line).

\*\* Including the Caribbean.

Source: United Nations.

**Copyright (c) Yardeni Research, Inc. 2020.** 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](http://www.yardeni.com), [blog.yardeni.com](http://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](http://www.yardeni.com), [blog.yardeni.com](http://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](#).