

Strategist's Handbook: Chart Updates

Yardeni Research, Inc.

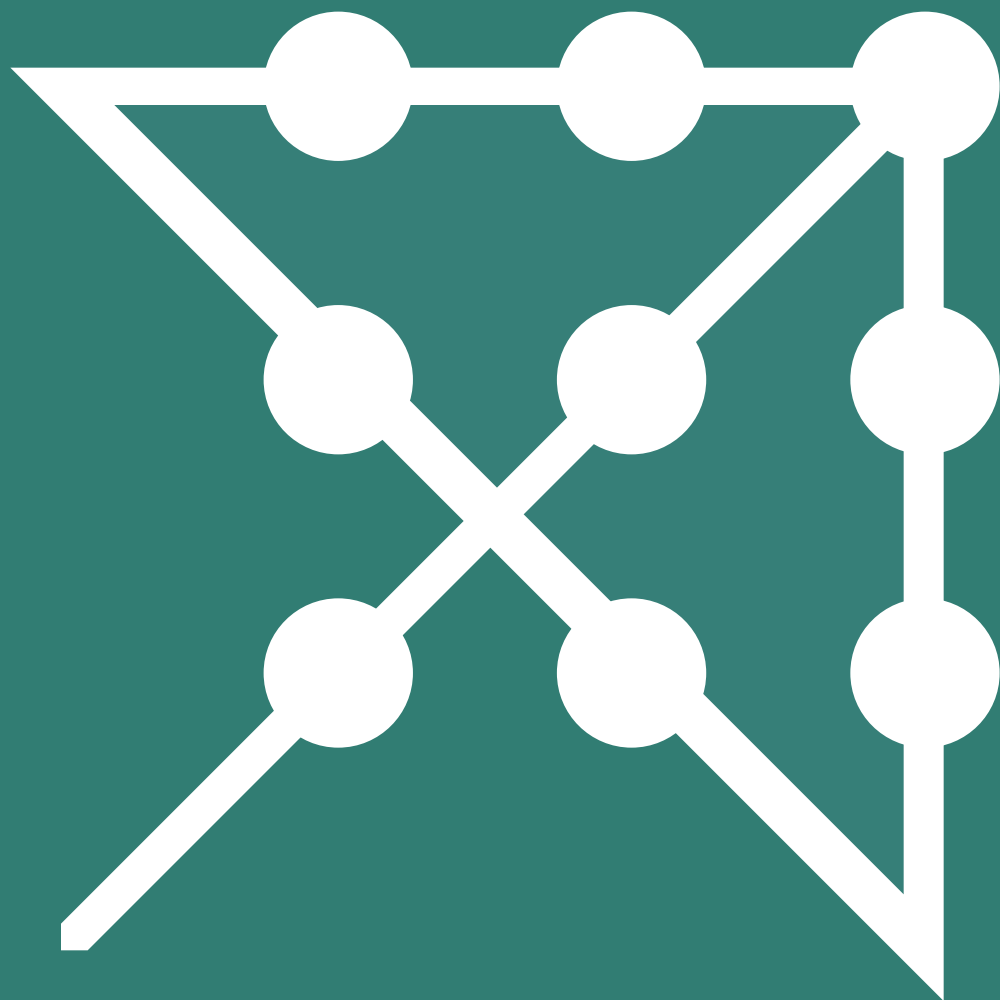
February 20, 2019

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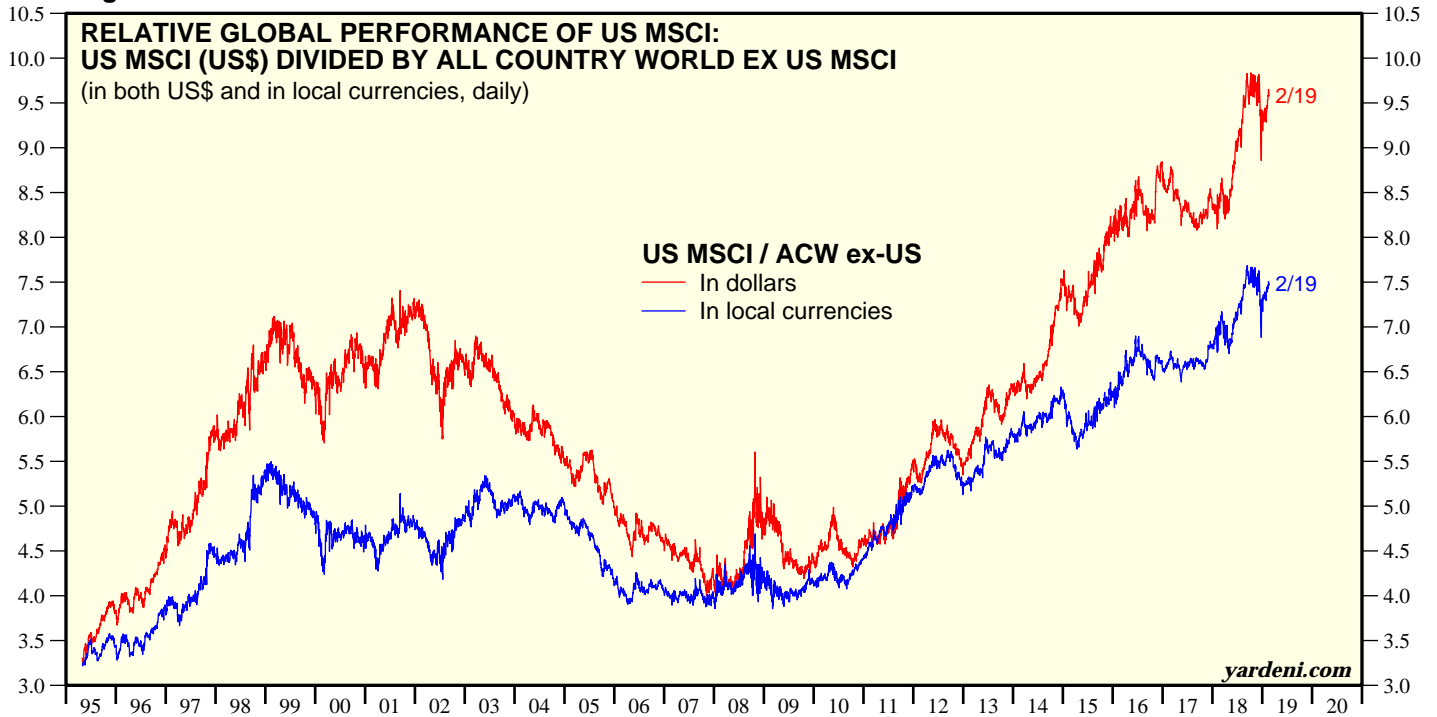
thinking outside the box

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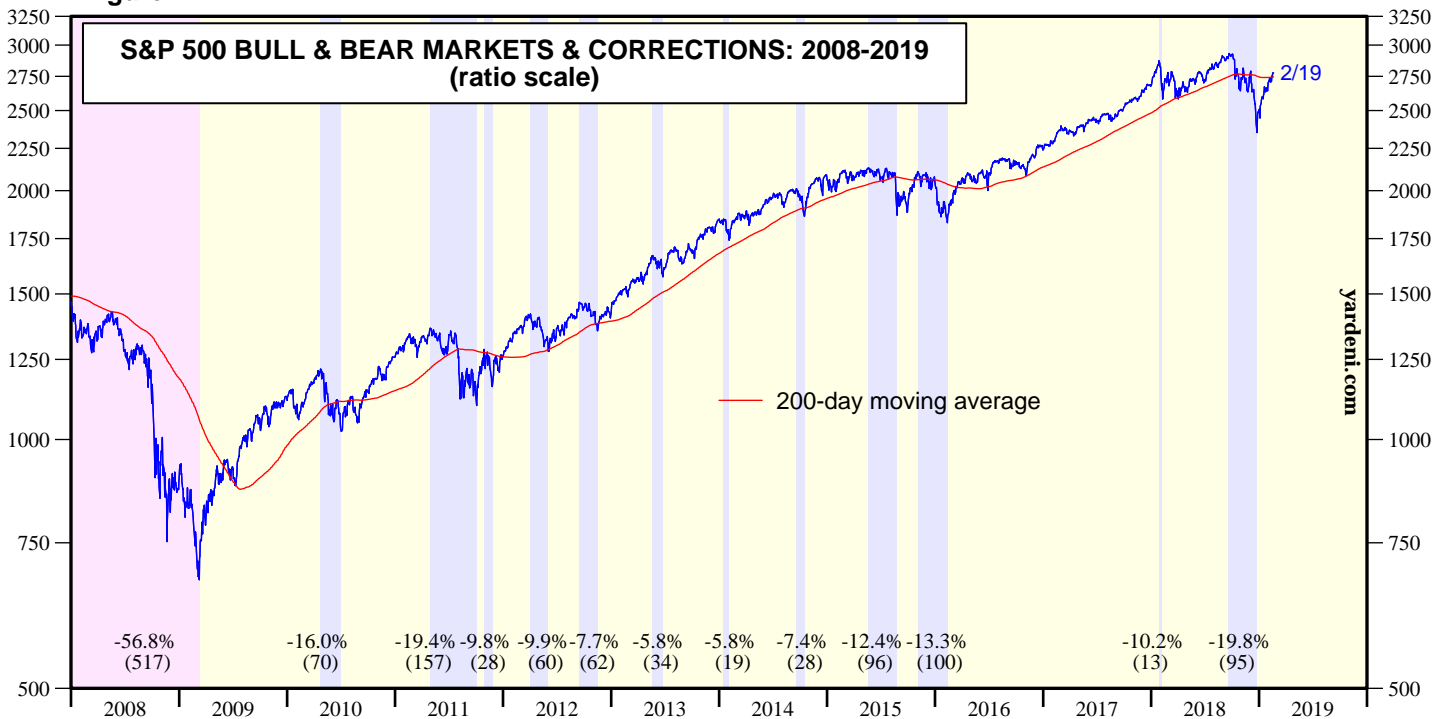
Stock Prices

Figure 1.



Source: MSCI.

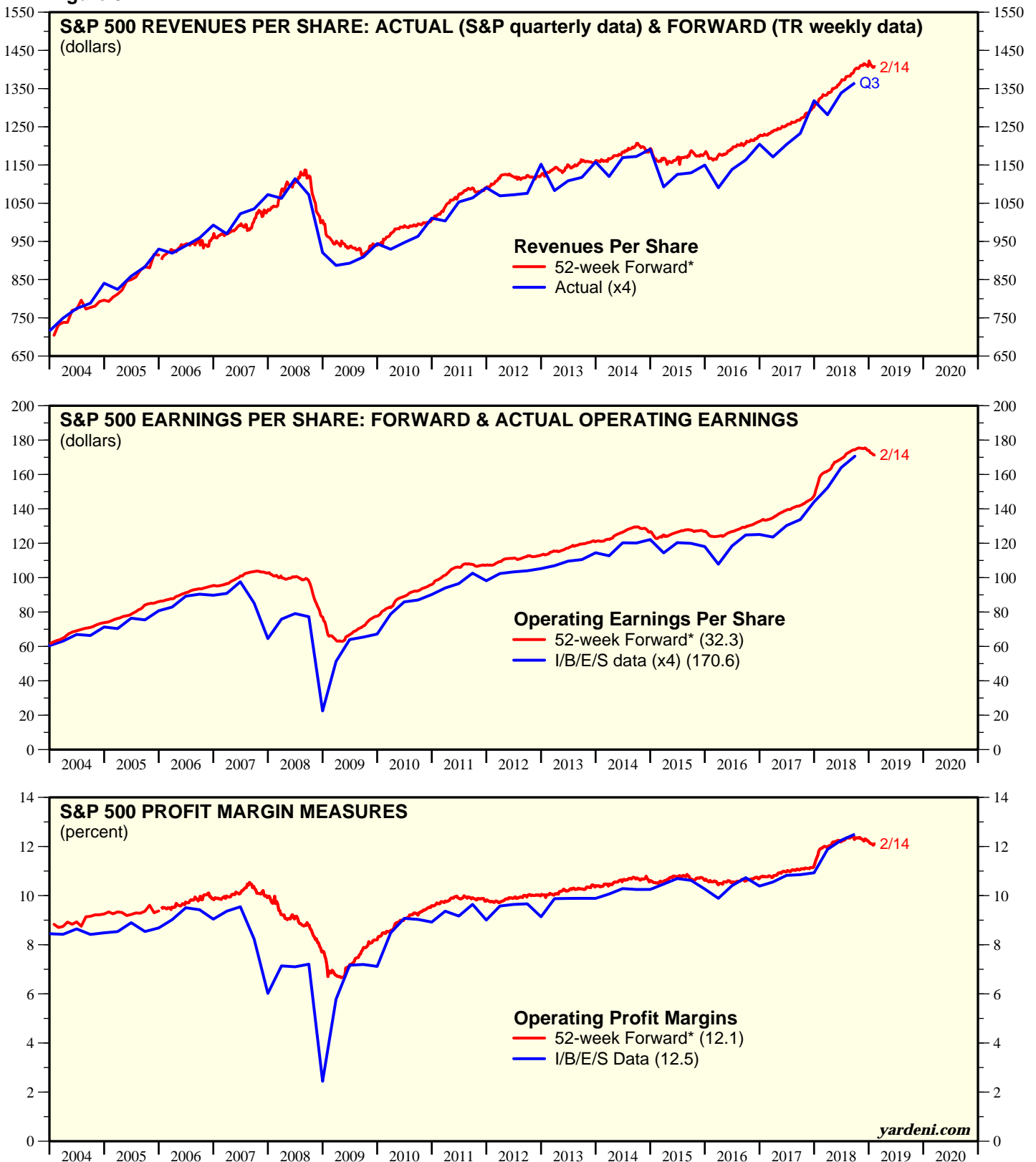
Figure 2.



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

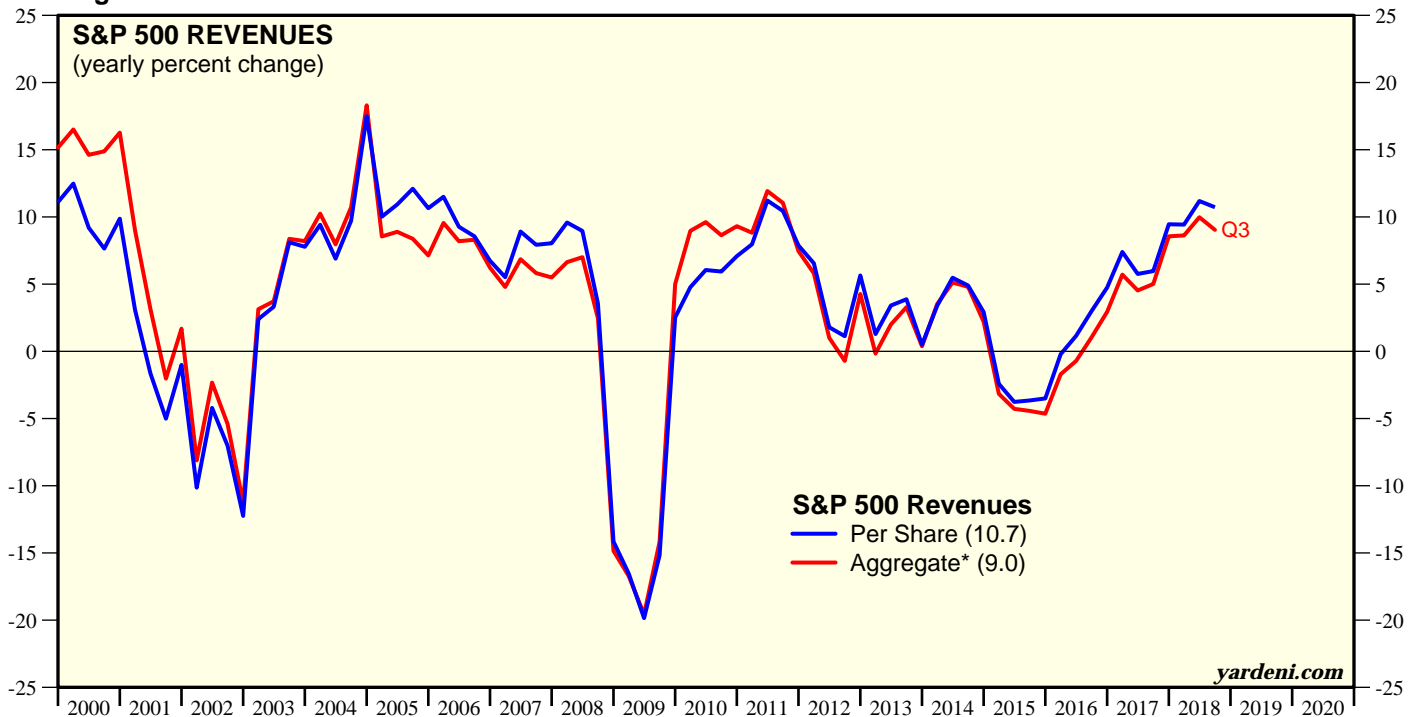
Figure 3.



* 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.

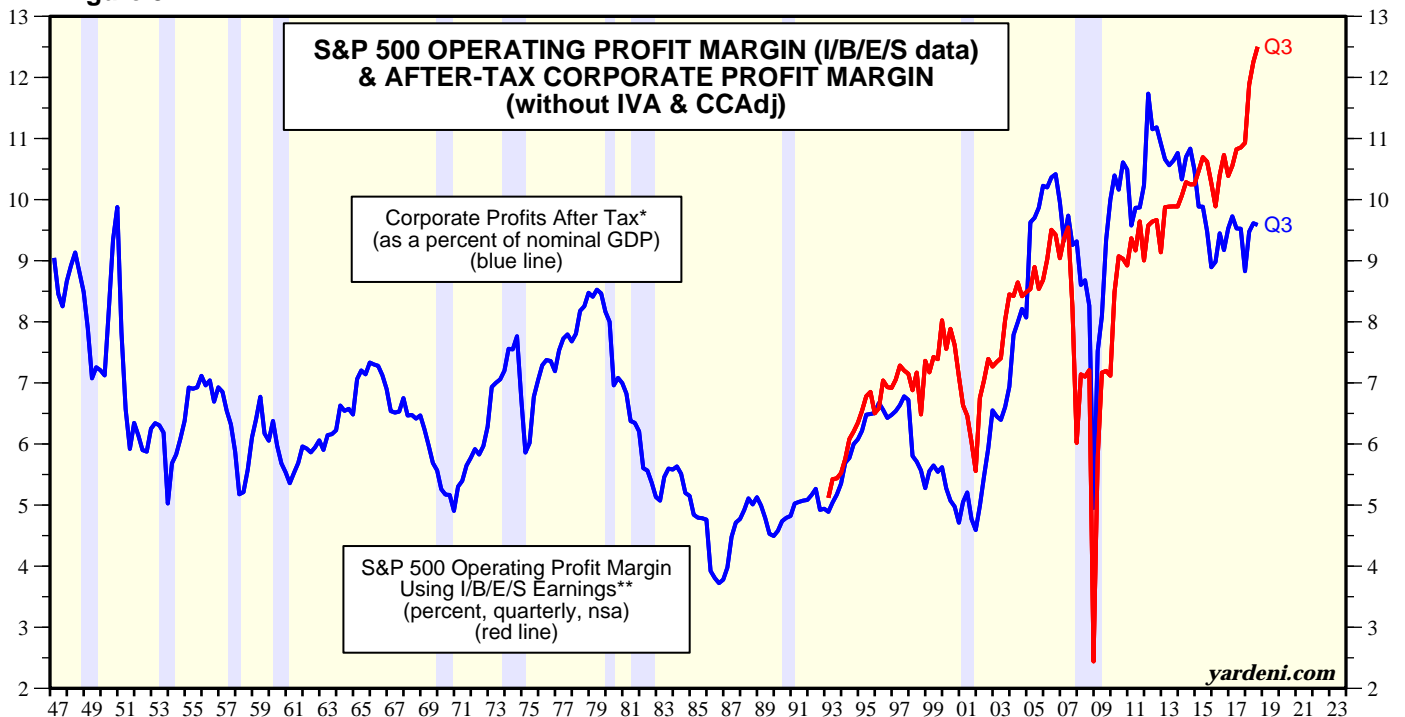
S&P 500 Revenues & Margins

Figure 4.



* 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.

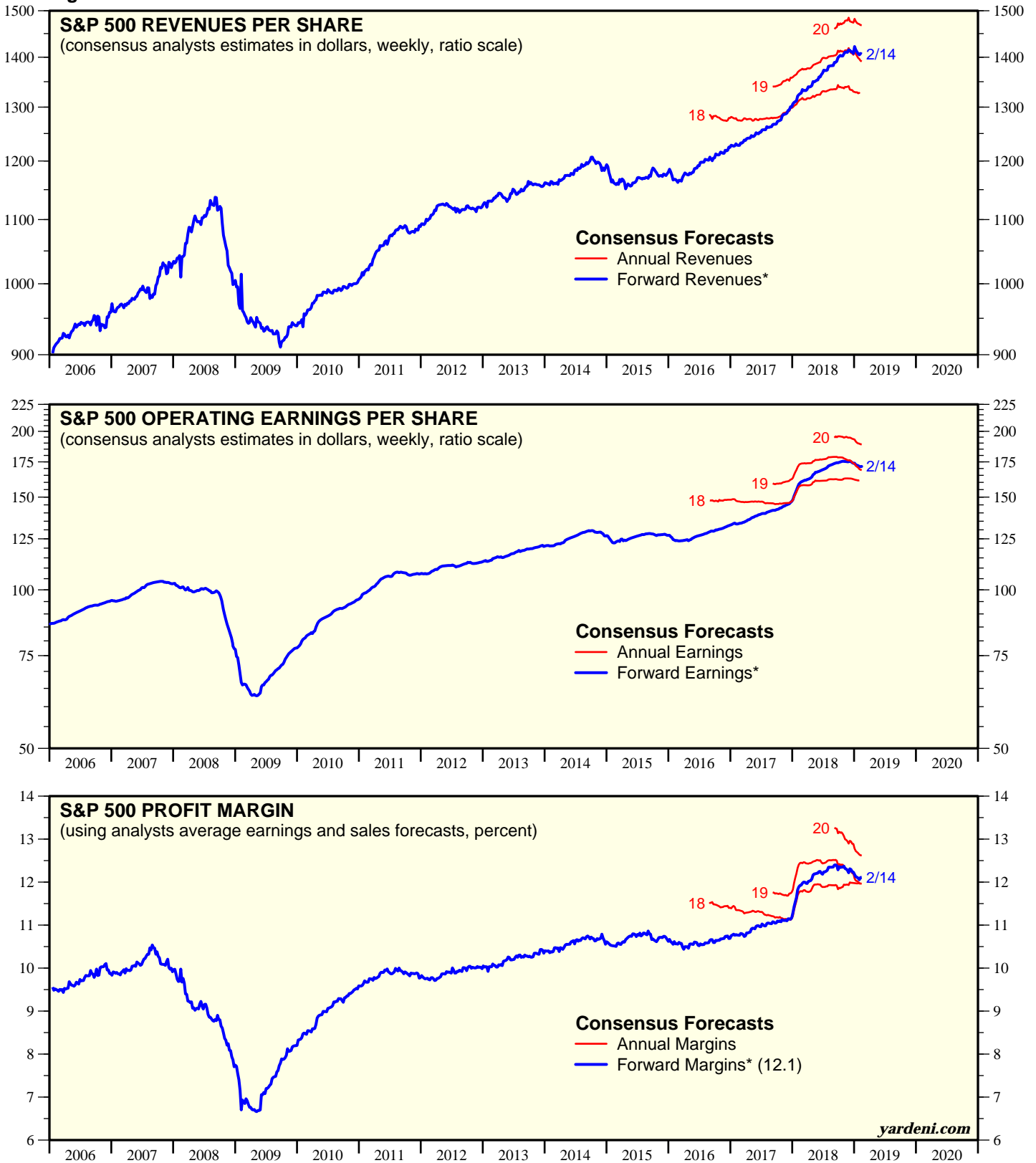


* After-tax profits as reported to IRS excluding Inventory Valuation Adjustment (IVA) and Capital Consumption Adjustment (CCAdj), which restate the historical cost basis used in profits tax accounting for inventory withdrawals and depreciation to the current cost measures used in GDP.

** Operating Profit Margin derived using revenues from S&P and earnings from I/B/E/S.
 Note: Shaded areas denote recessions according to the National Bureau of Economic Research.
 Source: Standard & Poor's, Bureau of Economic Analysis, and I/B/E/S data by Refinitiv.

Forward Revenues, Earnings, & Margins

Figure 6.

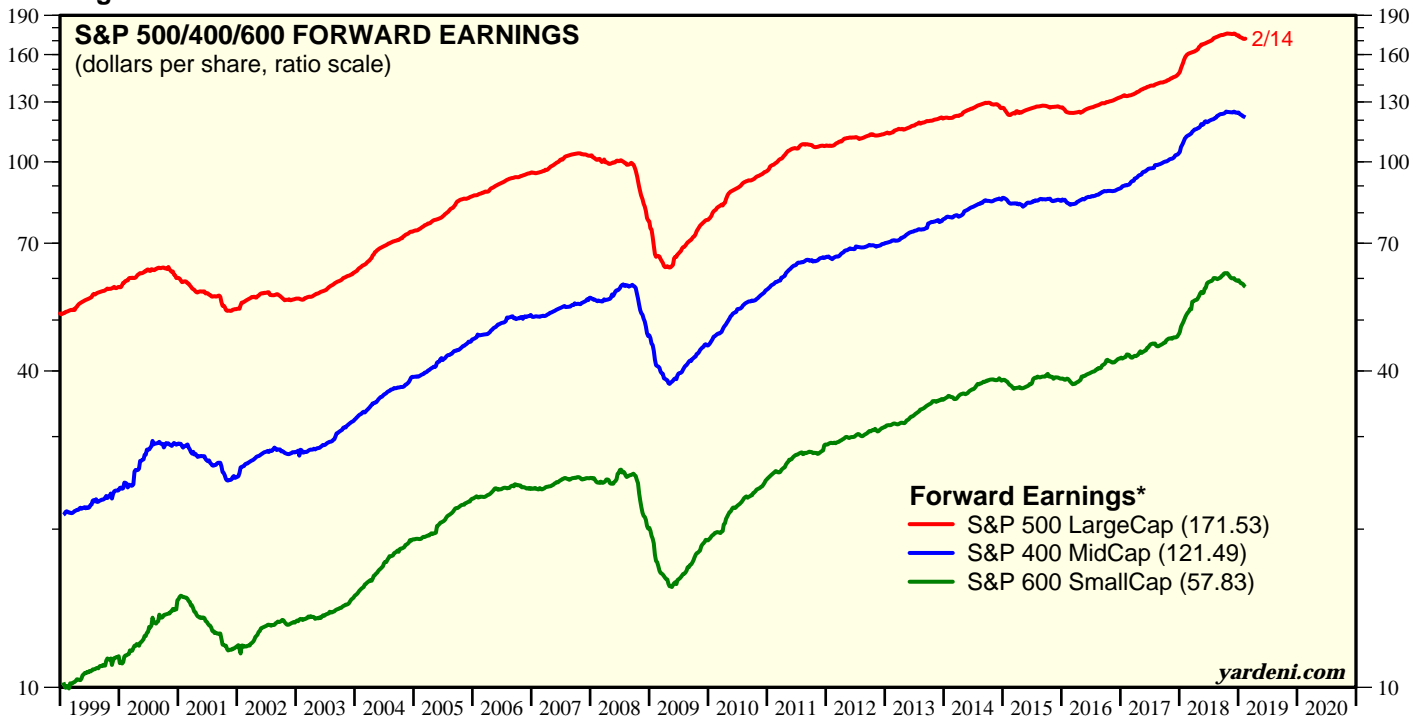


* Time-weighted average of the consensus estimates for current and next year.

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

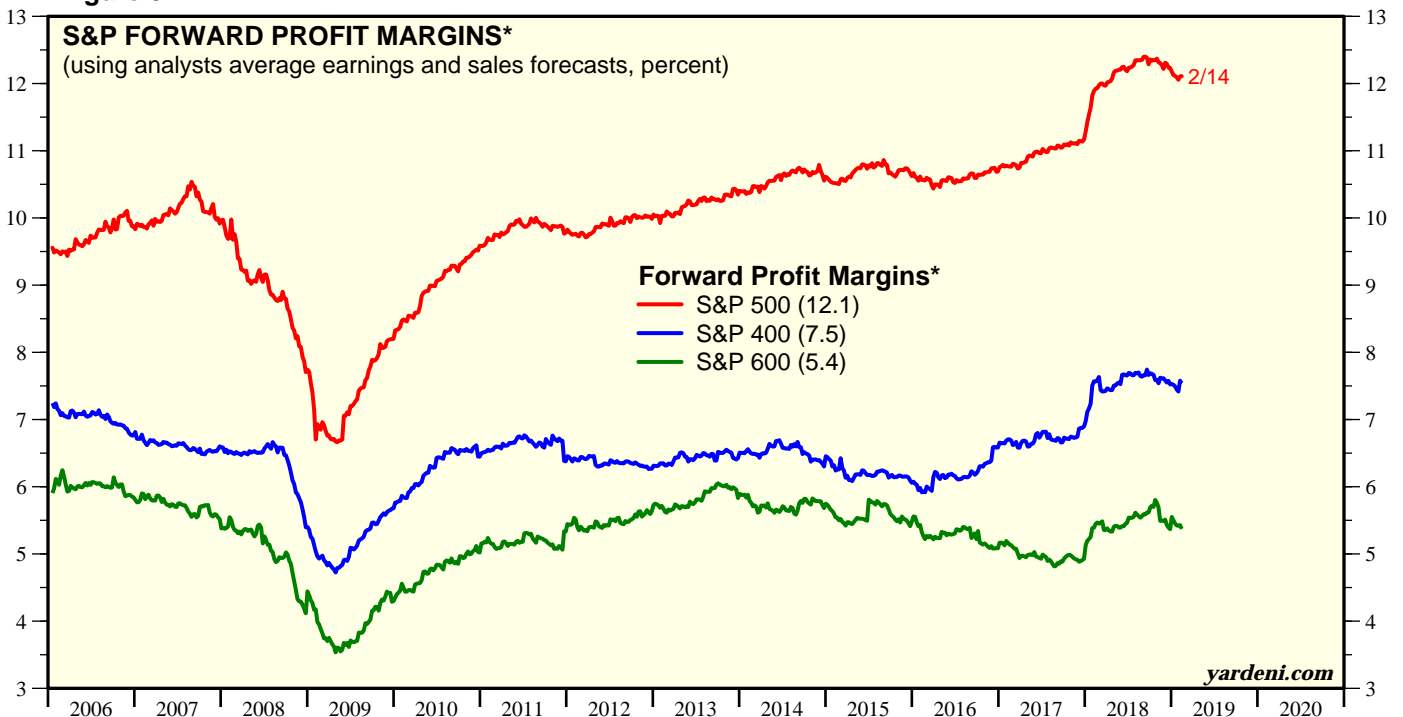
S&P 500/400/600 Forward Earnings & Margins

Figure 7.



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

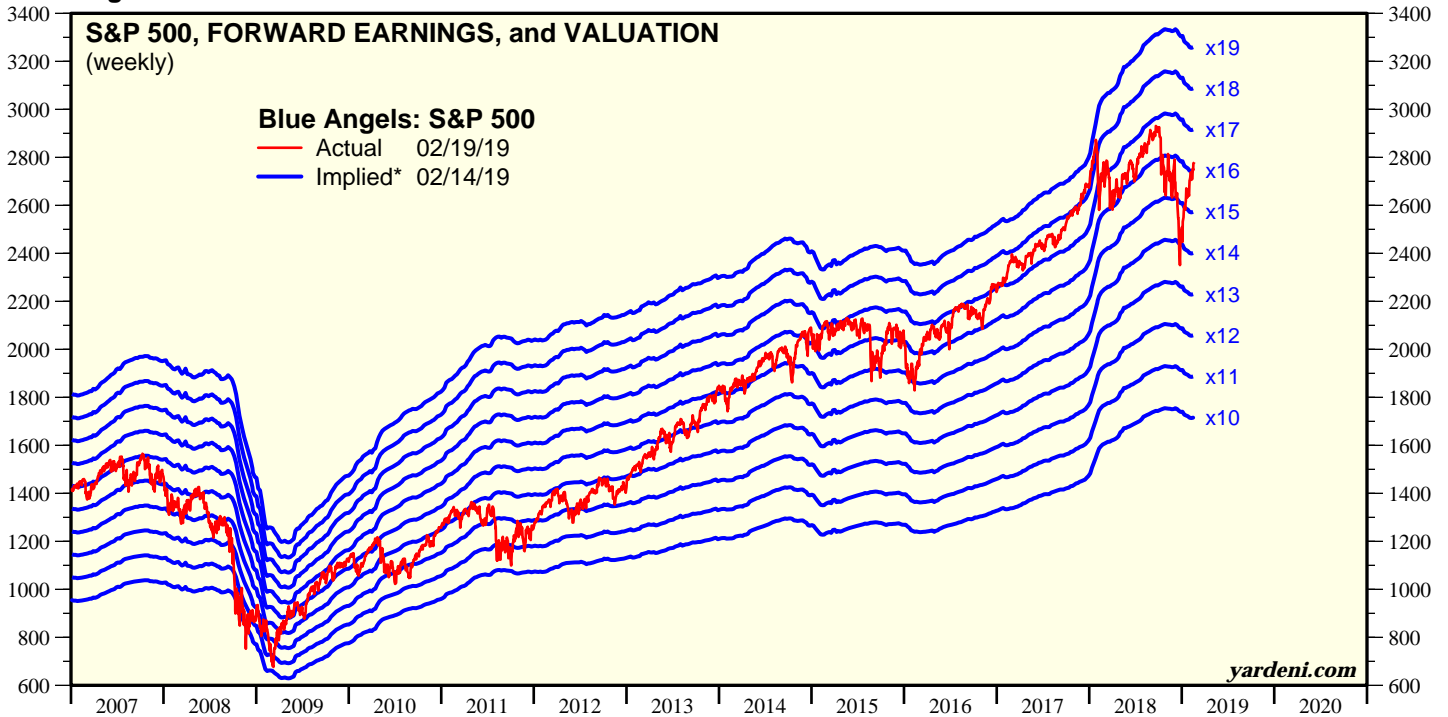
Figure 8.



* 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.

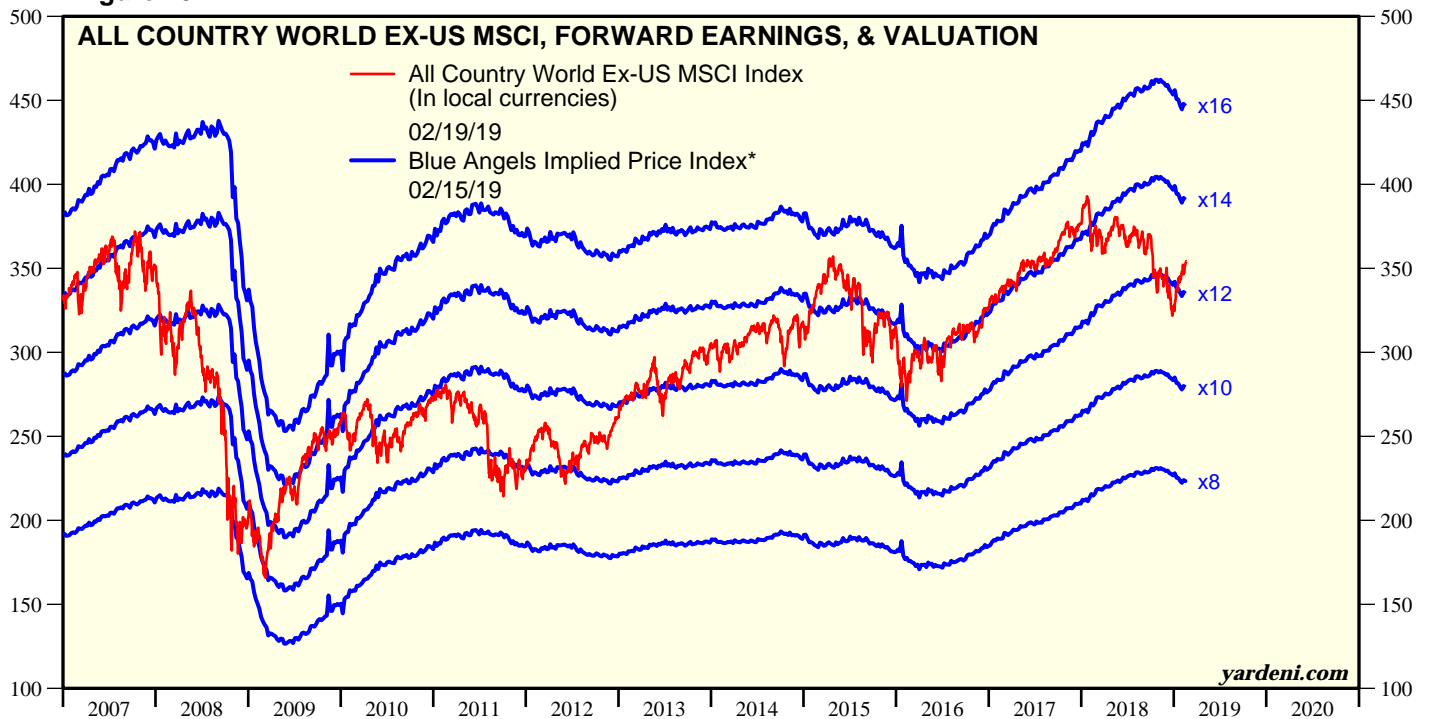
Blue Angels

Figure 9.



* 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.

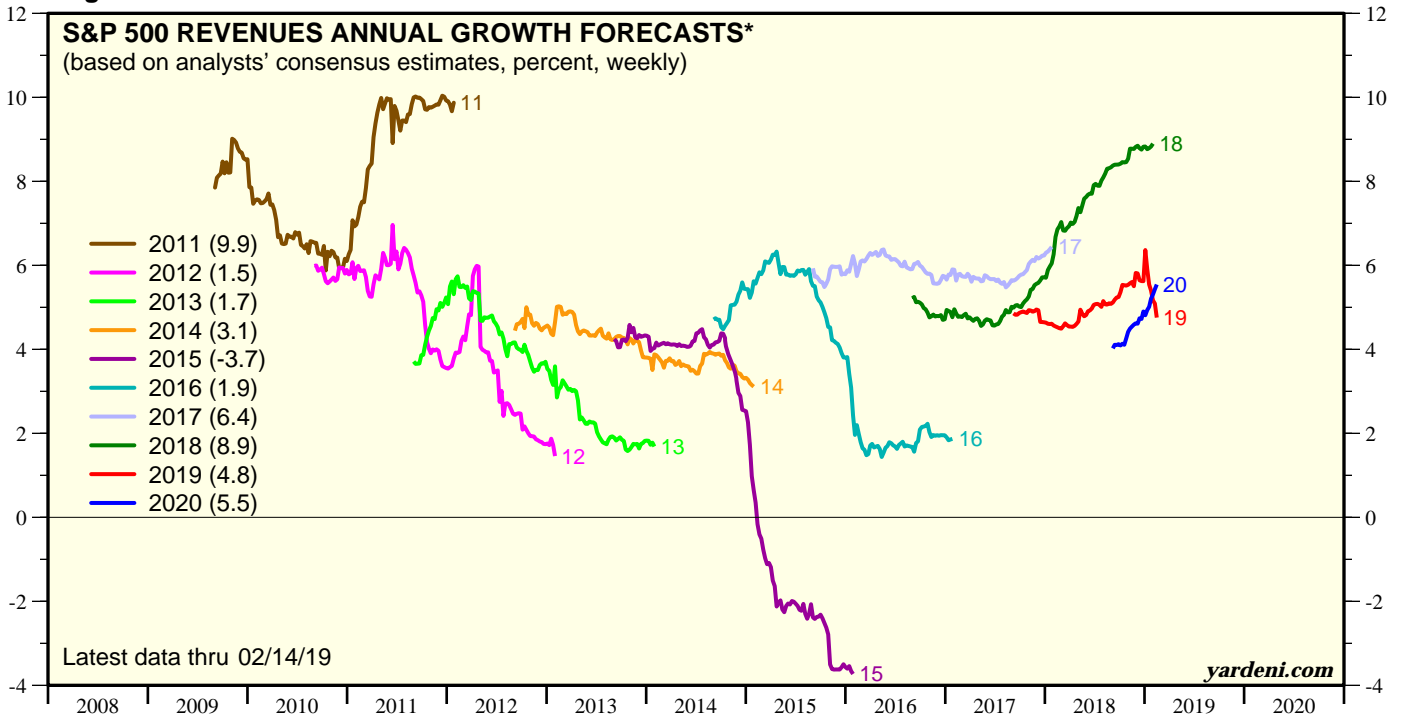
Figure 10.



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

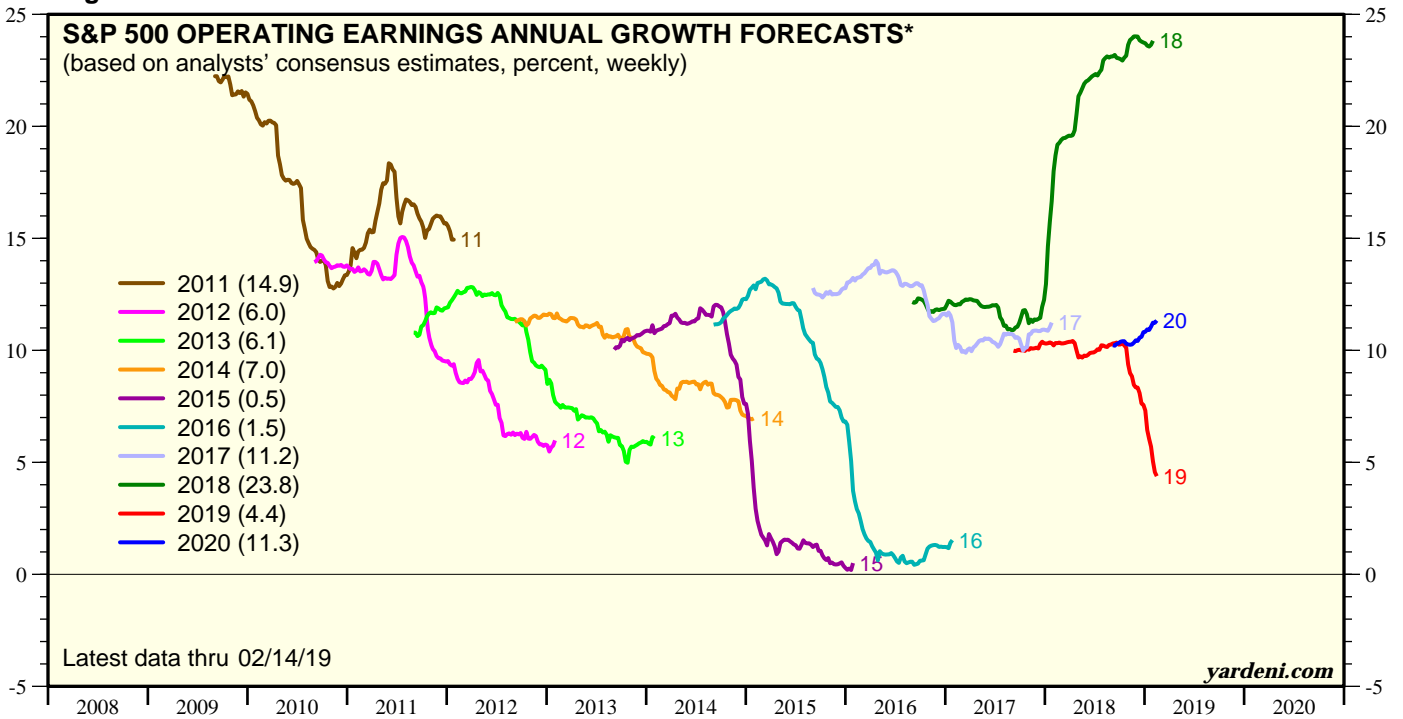
S&P 500 Growth Squiggles

Figure 11.



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

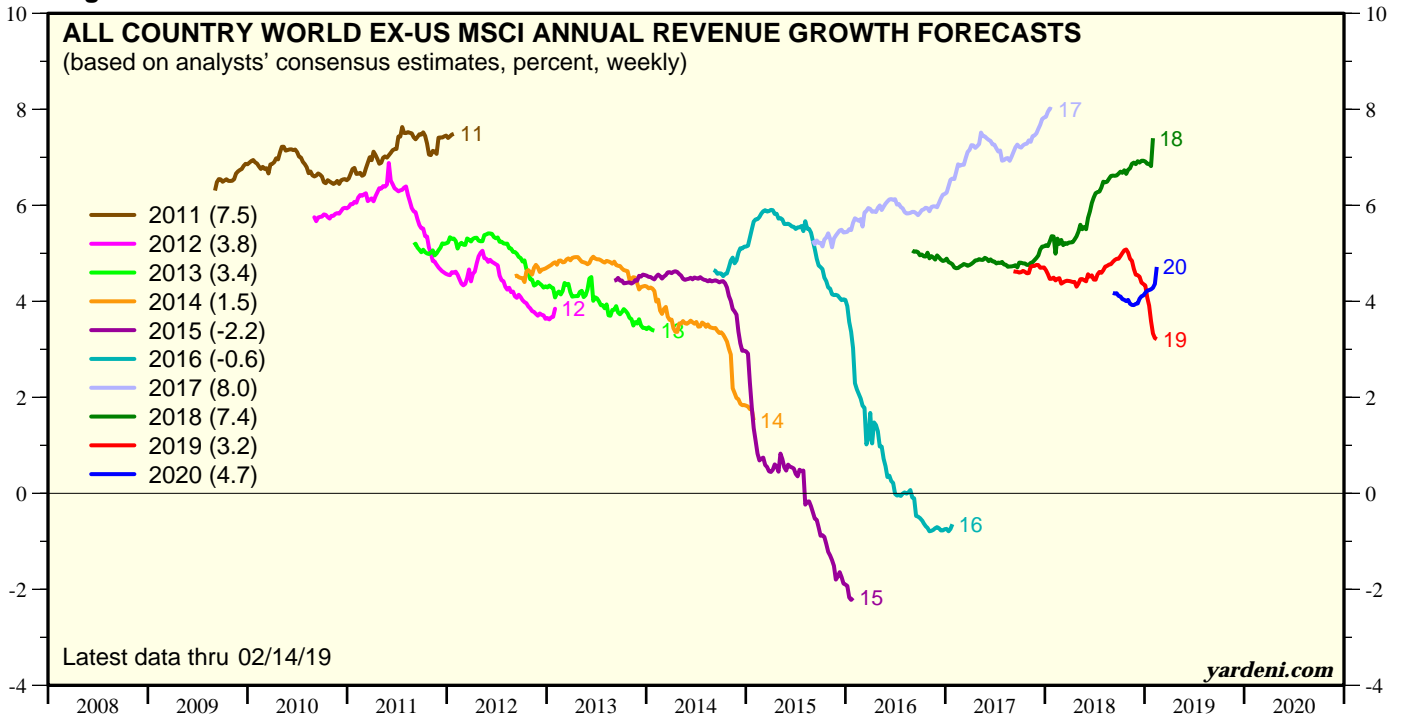
Figure 12.



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

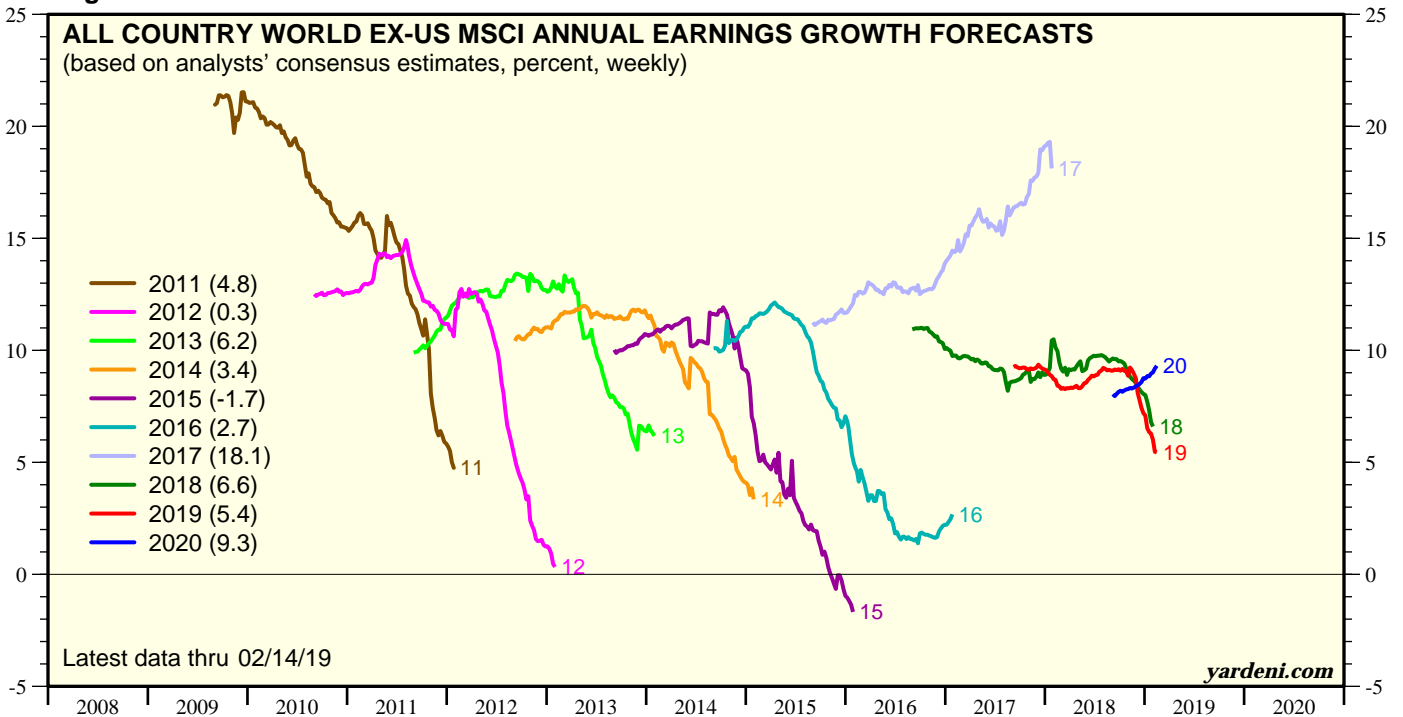
MSCI ex-US Growth Squiggles

Figure 13.



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

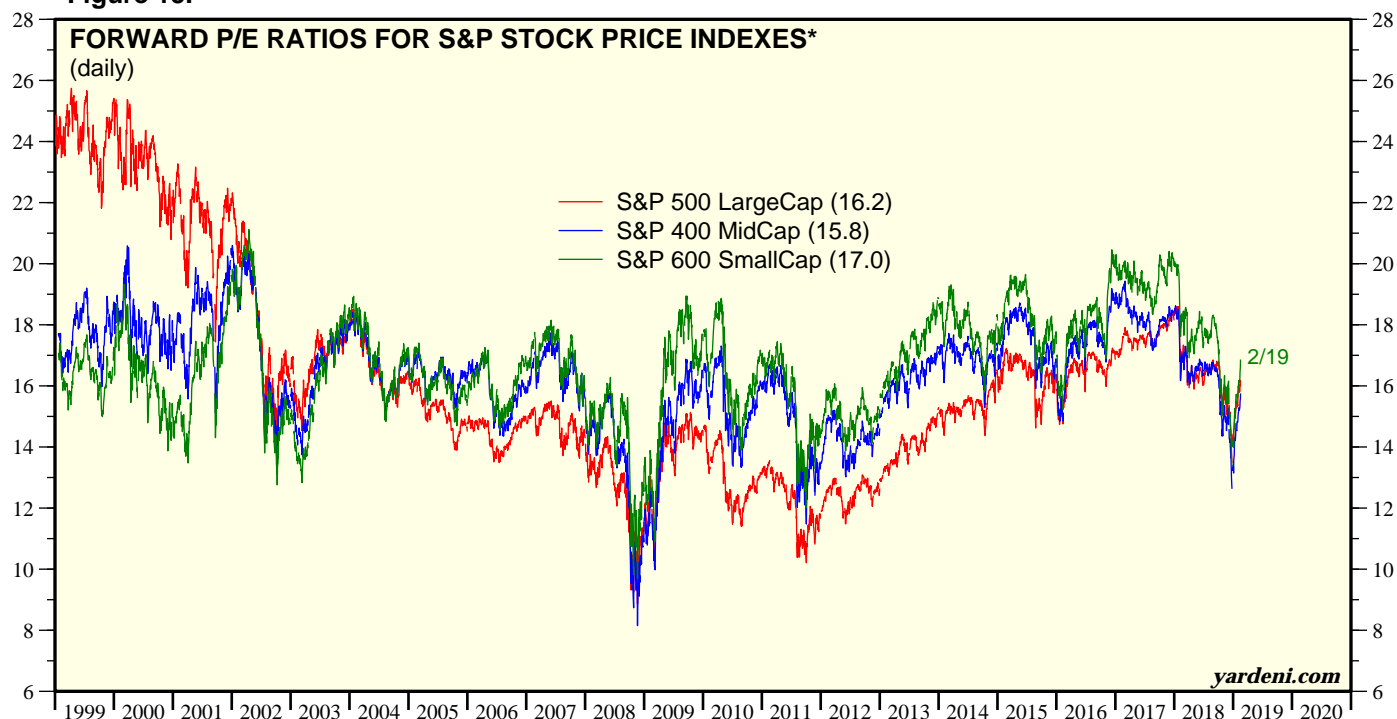
Figure 14.



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

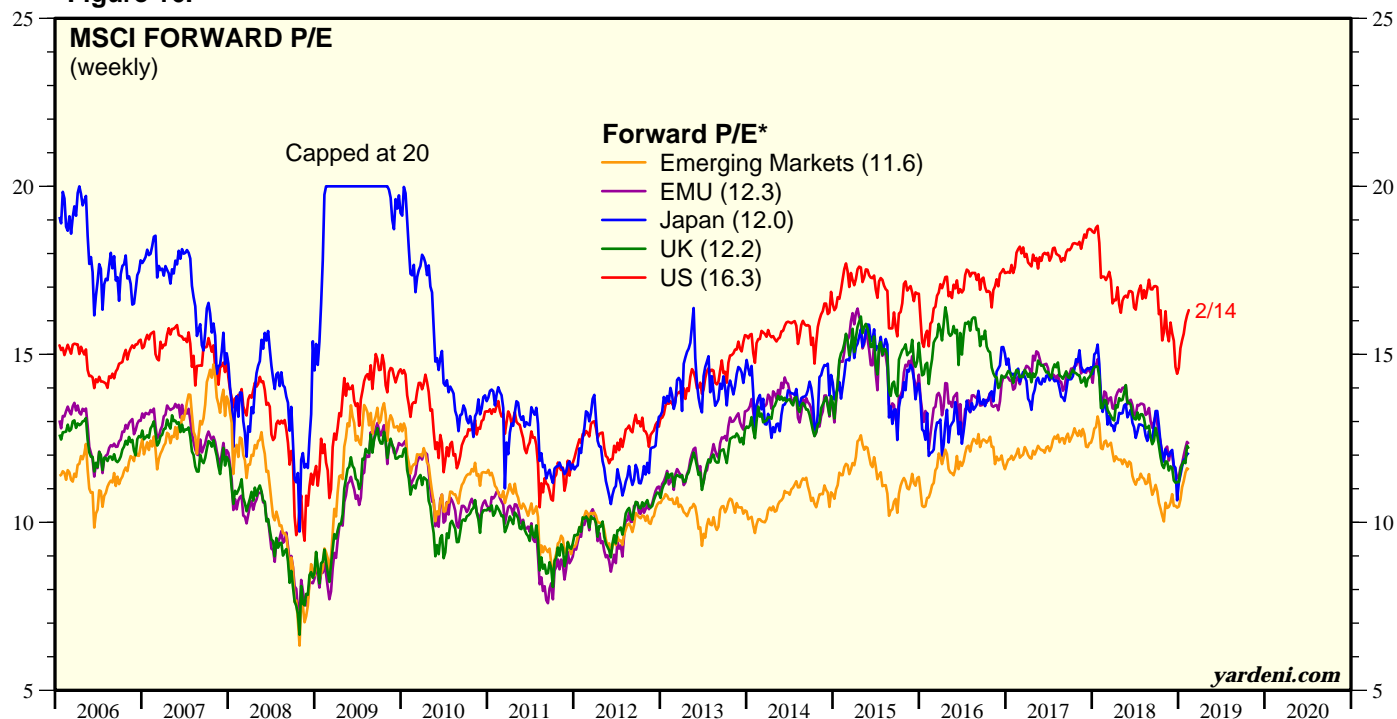
Valuation

Figure 15.



* 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.

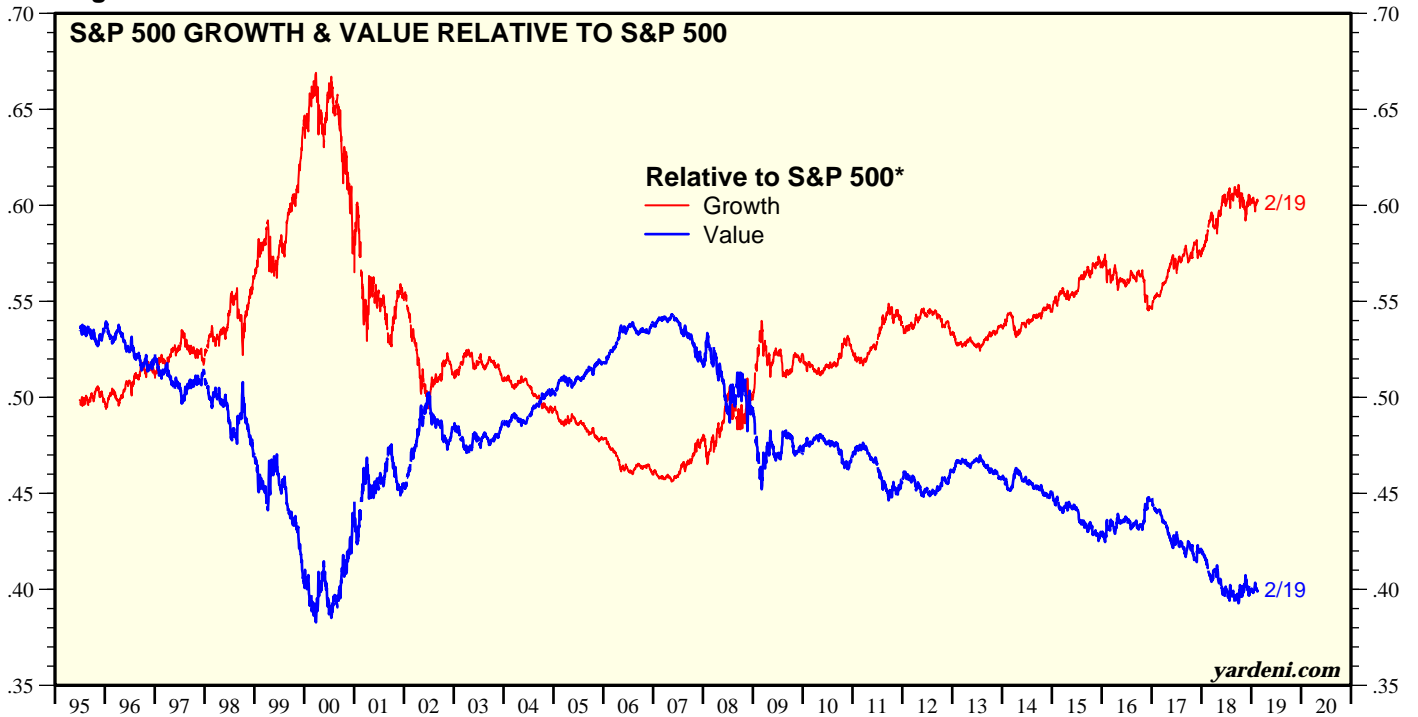
Figure 16.



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

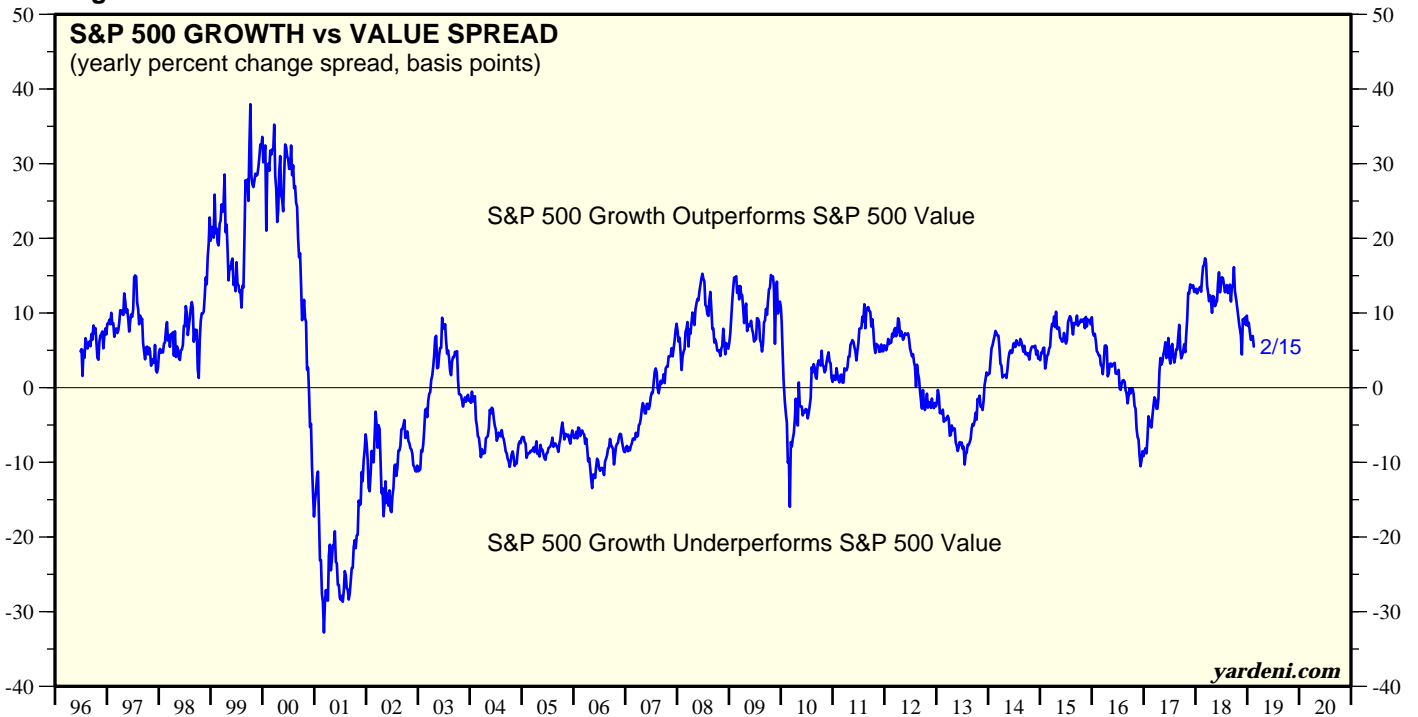
Growth vs Value

Figure 17.



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

Figure 18.



Source: Standard & Poor's and Haver Analytics.

Interest Rates

Figure 19.

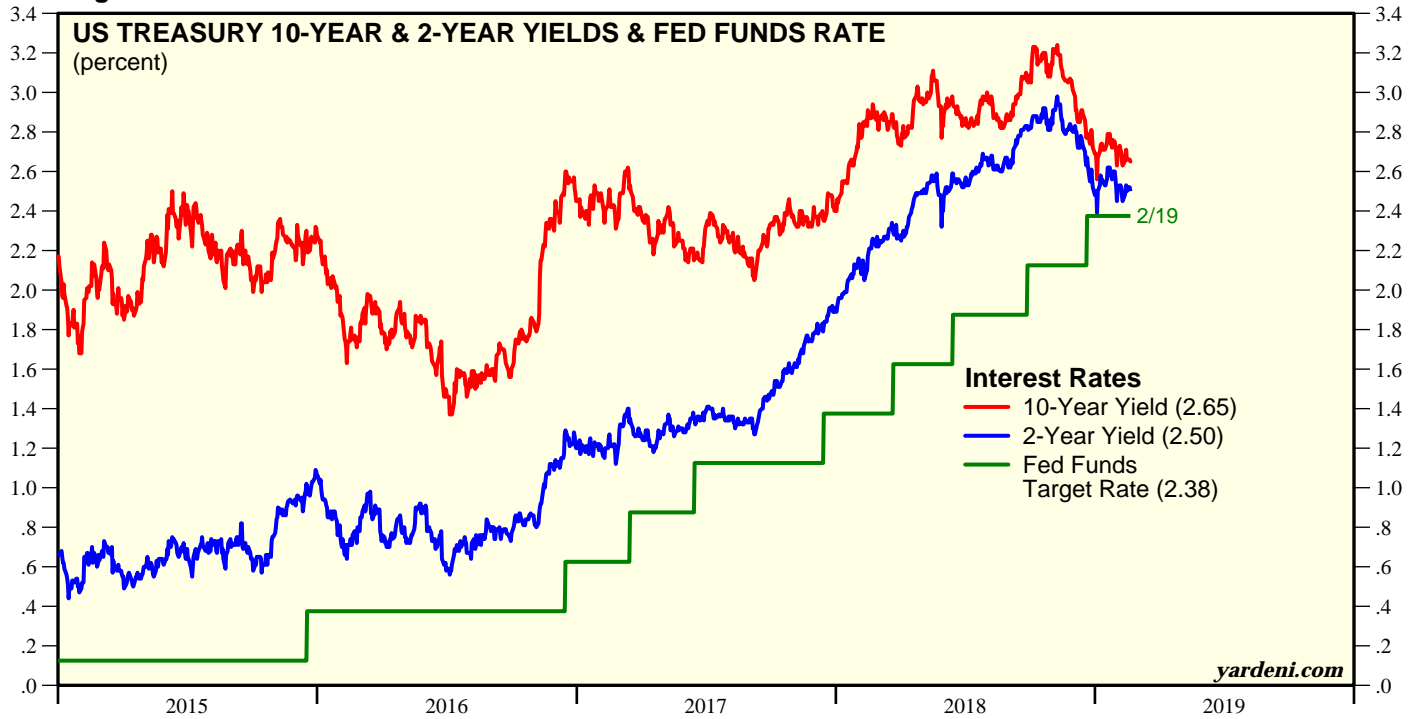
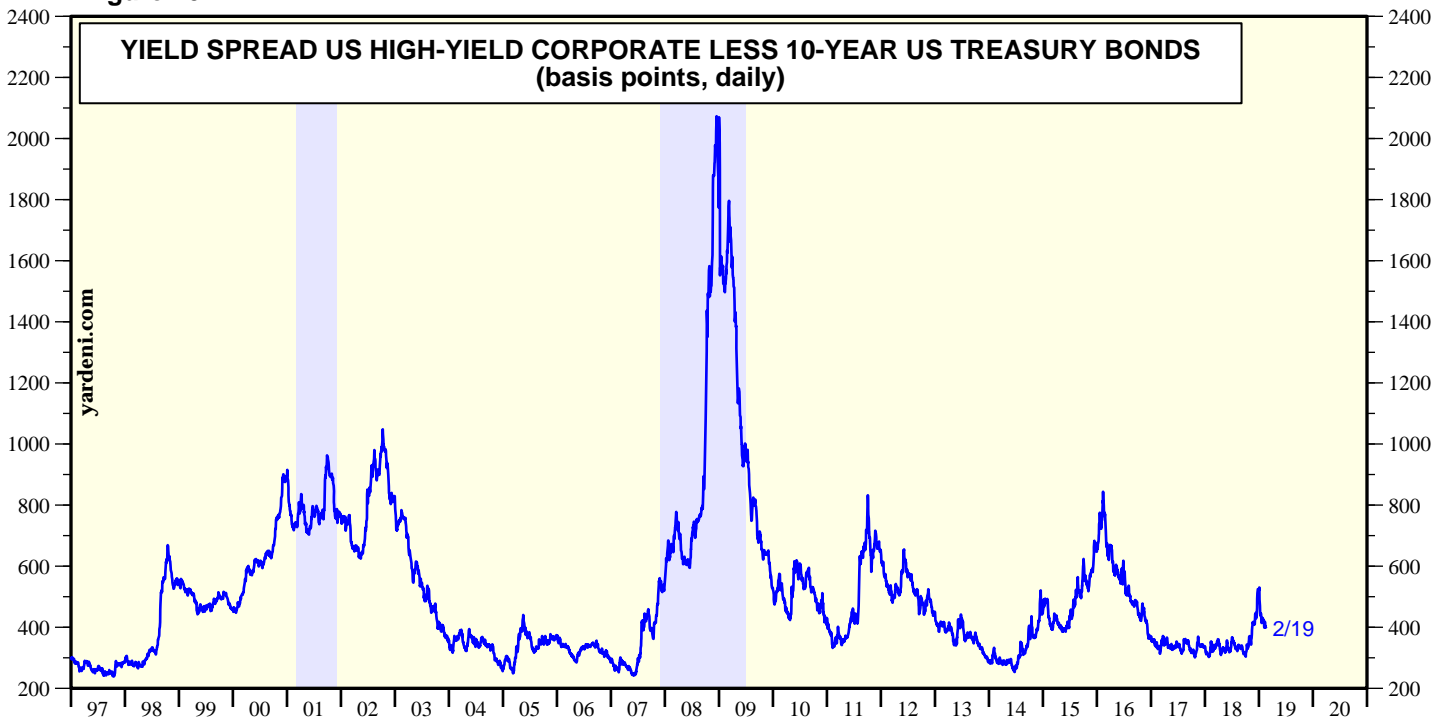
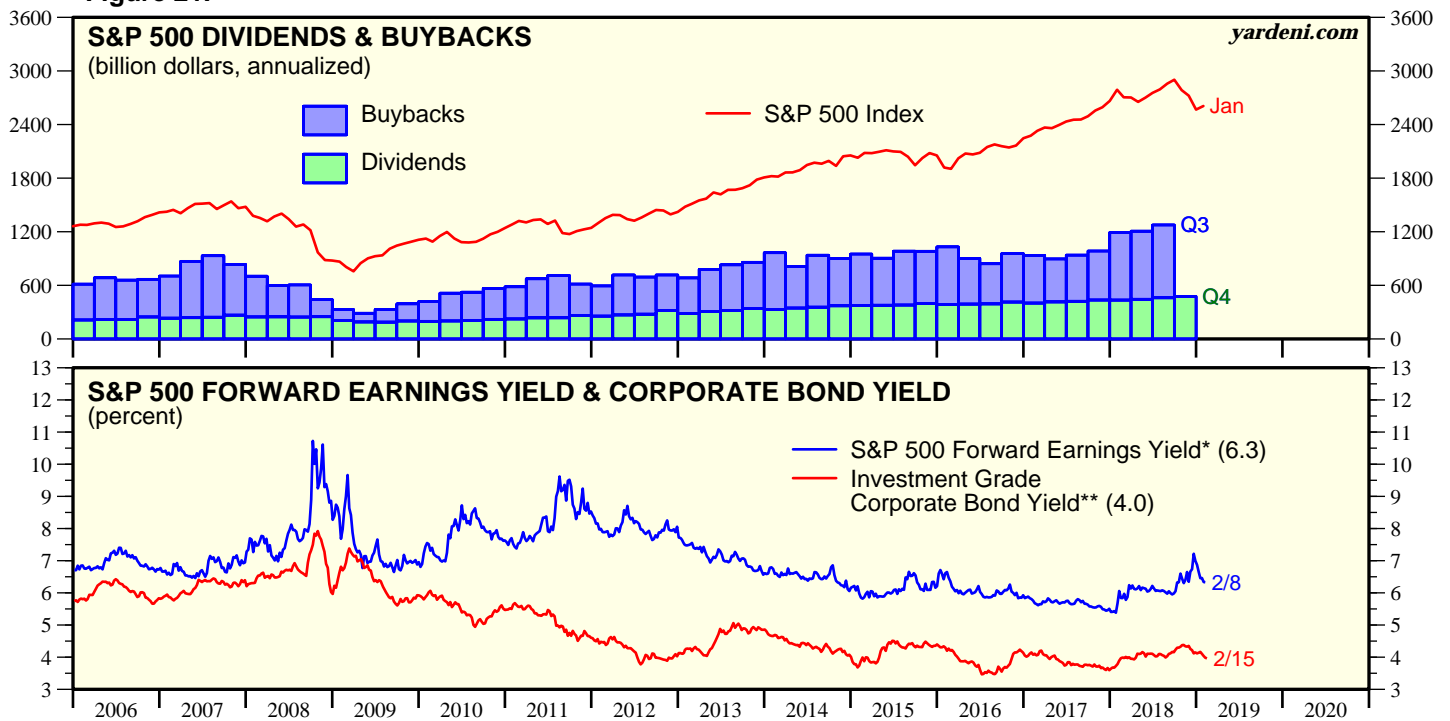


Figure 20.



Equity Flows

Figure 21.

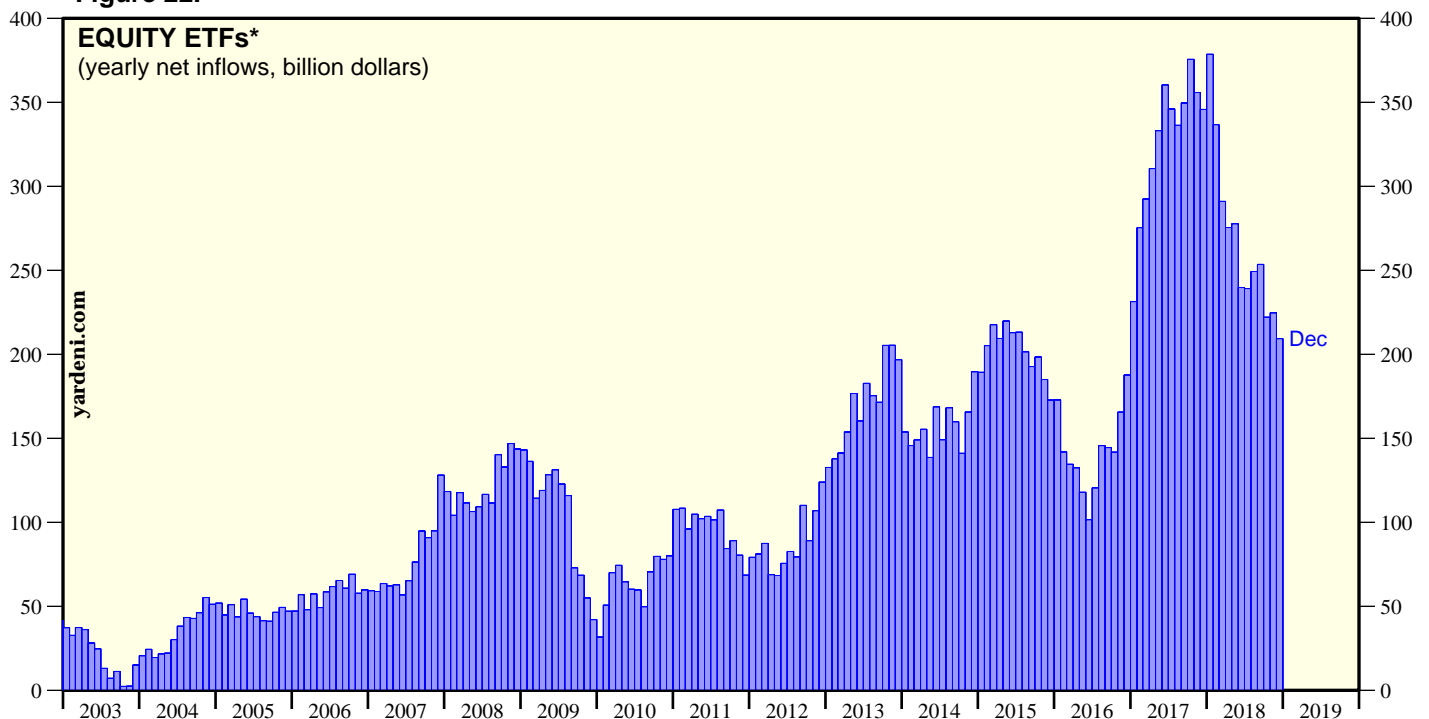


* Forward earnings (time-weighted average of consensus operating earnings estimates for current and next year) divided by S&P 500 index.

** BoA Merrill Lynch data for AA-AAA yields.

Source: I/B/E/S data by Refinitiv, Federal Reserve Board, and Standard & Poor's.

Figure 22.

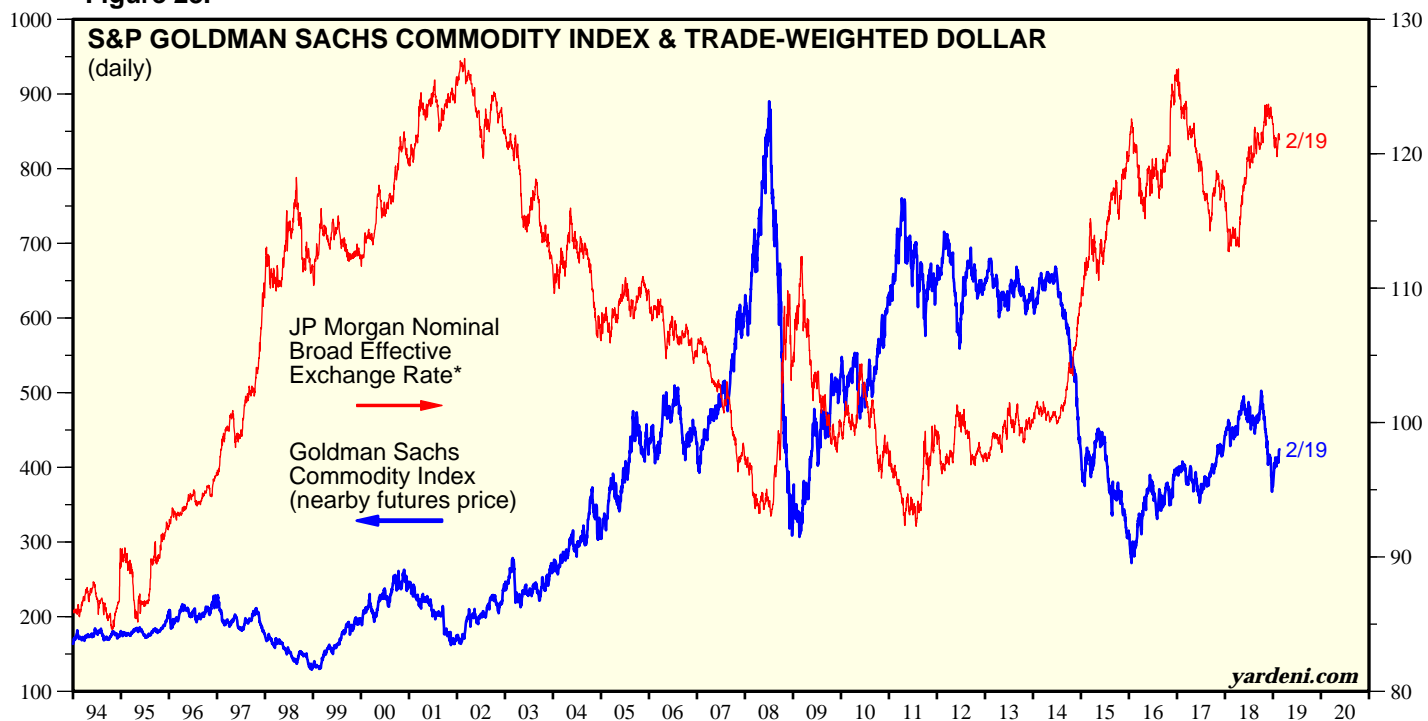


* Net share issuance by equity ETFs.

Source: Investment Company Institute.

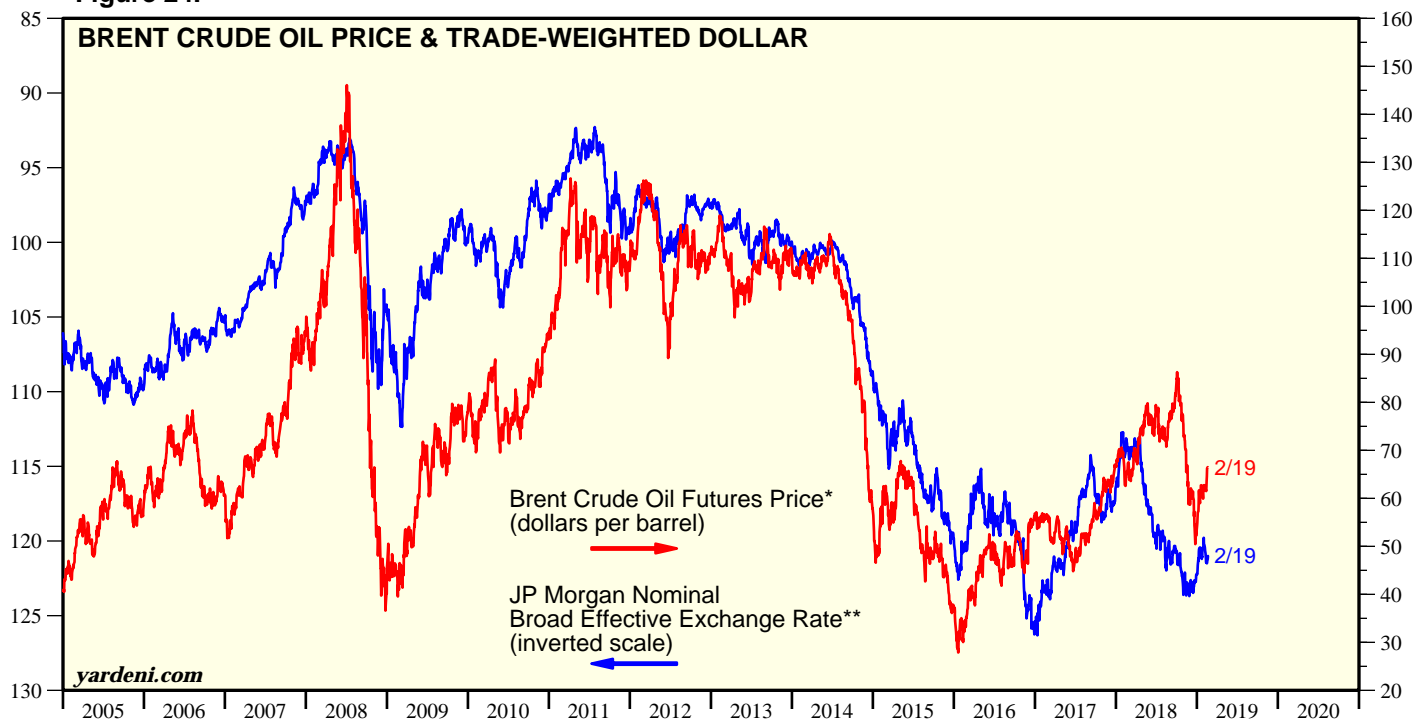
Dollar & Commodities

Figure 23.



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

Figure 24.

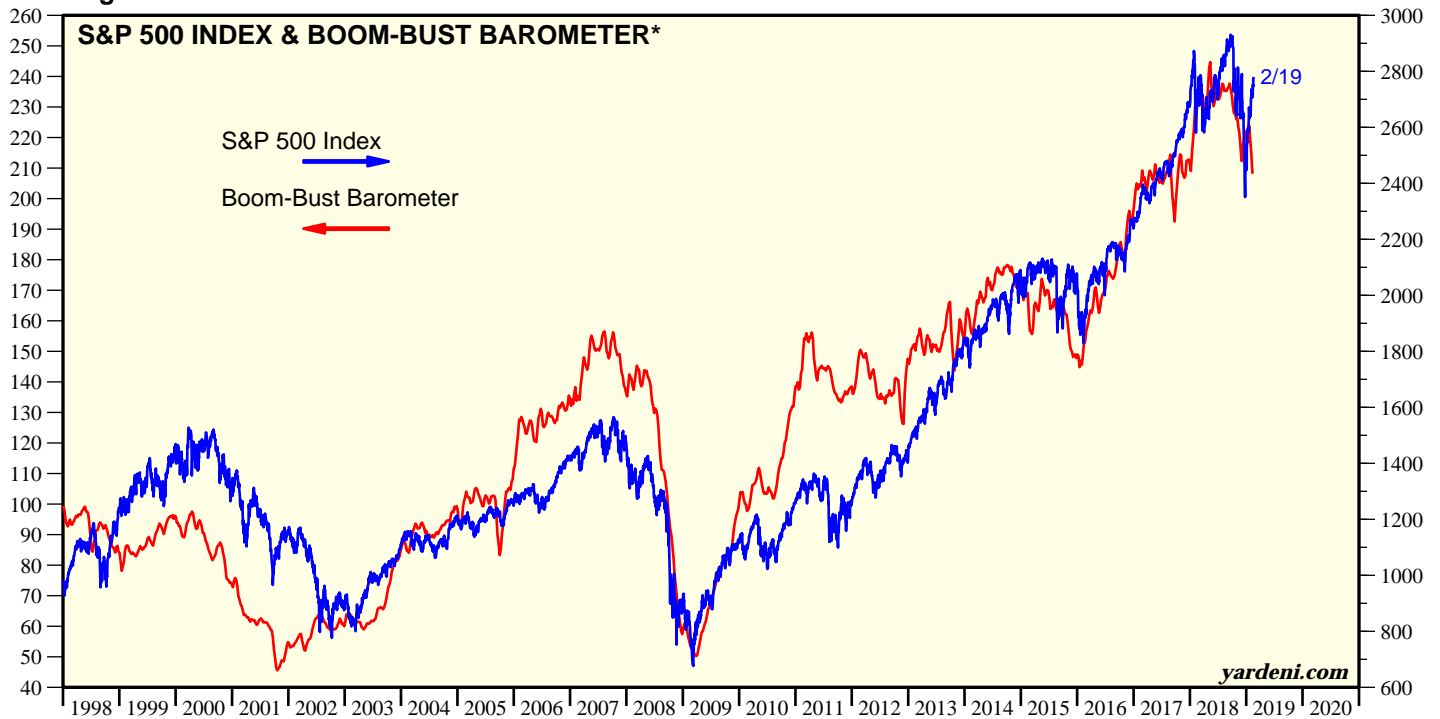


* Nearby futures price.

** 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.

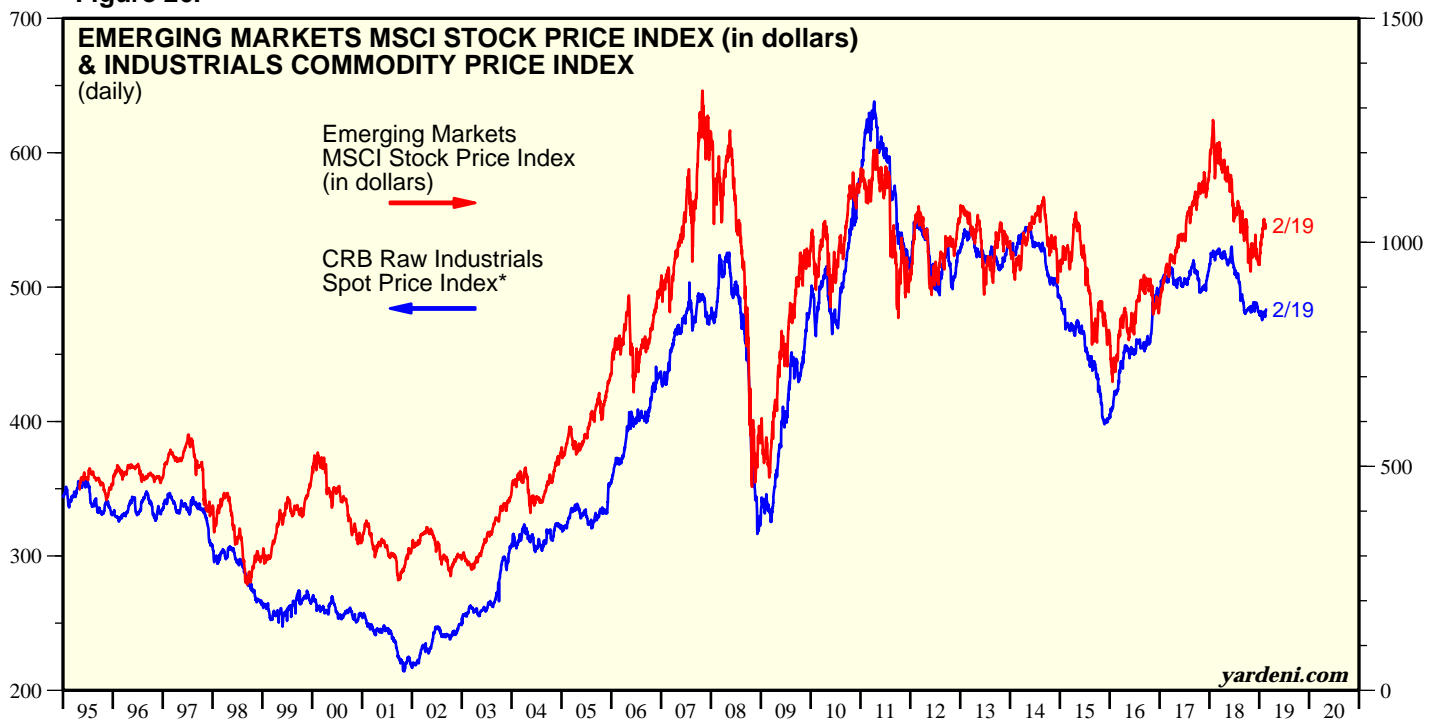
Stocks & Commodities

Figure 25.



* 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.

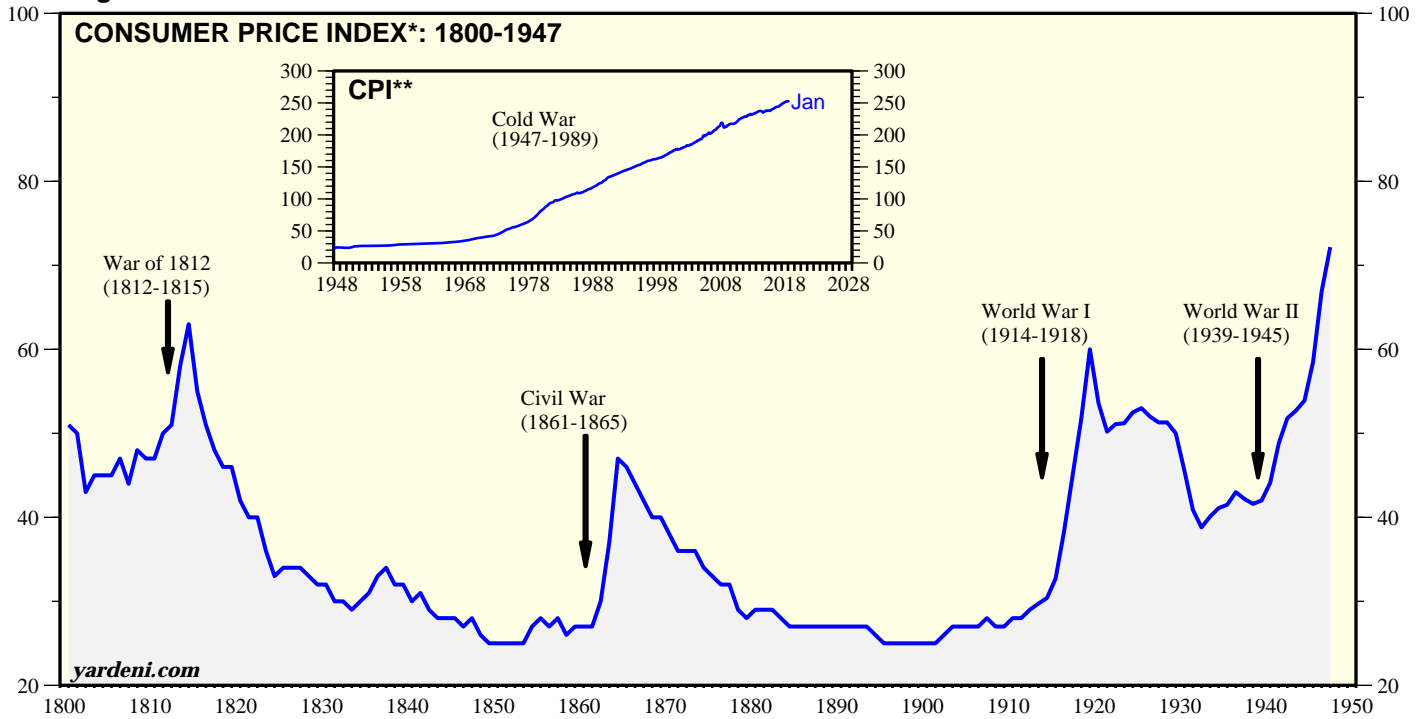
Figure 26.



* 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.

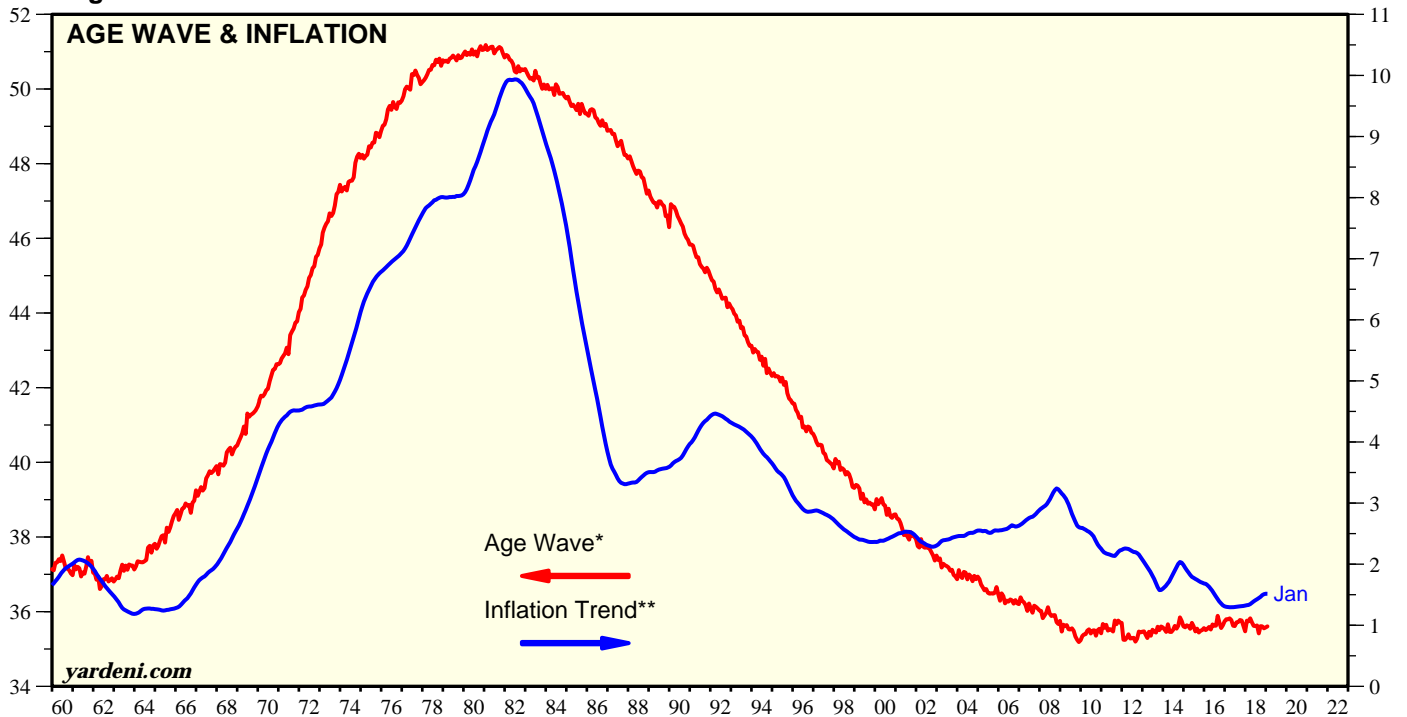
Big Picture

Figure 27.



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

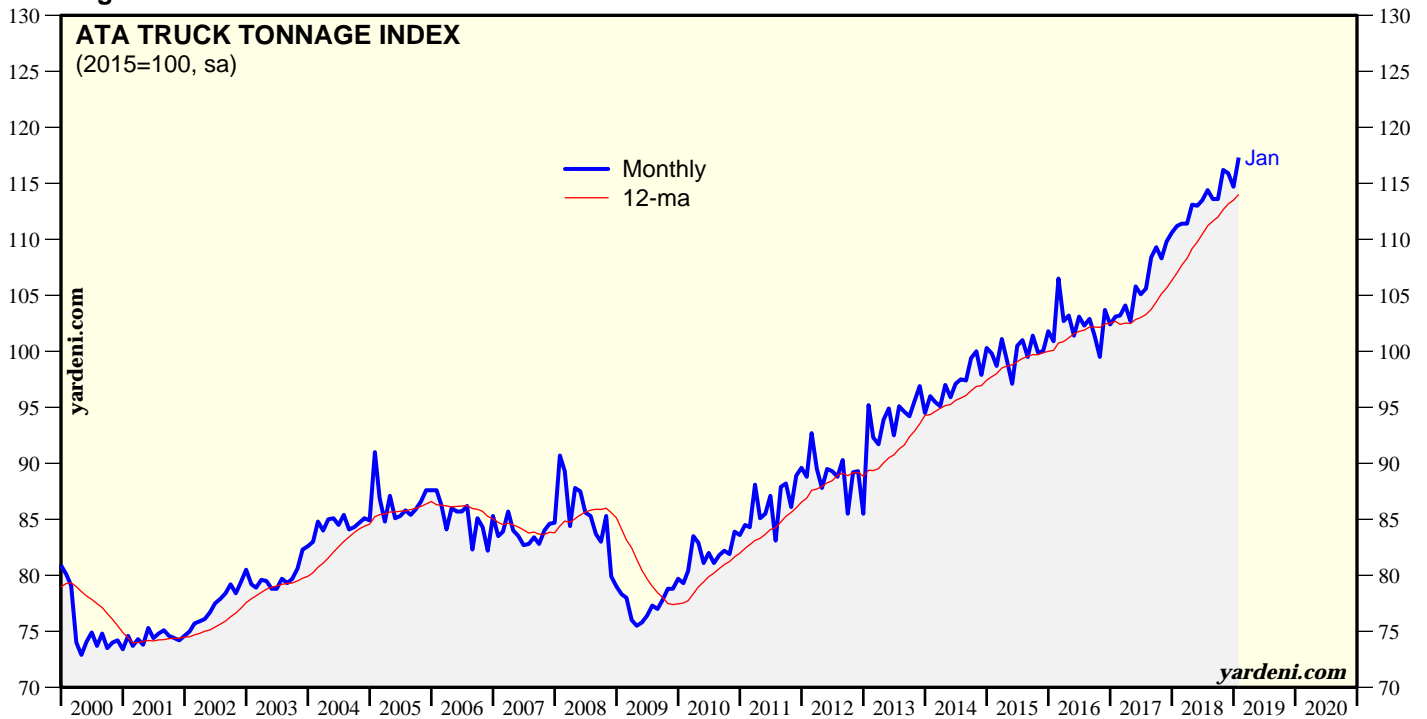
Figure 28.



* Percent of labor force 16-34 years old.
 ** Five-year moving average of yearly percent change in CPI.
 Source: Bureau of Labor Statistics.

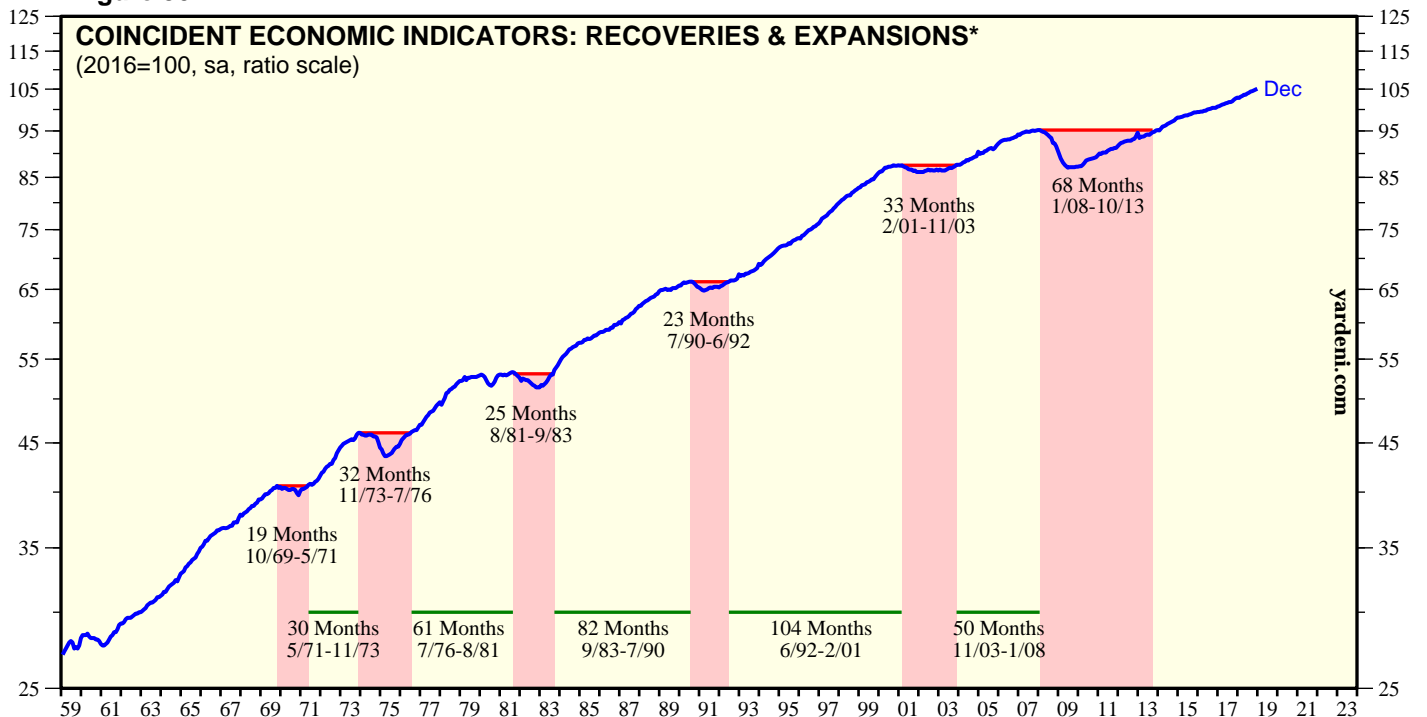
US Economic Indicators

Figure 29.



Source: American Trucking Association.

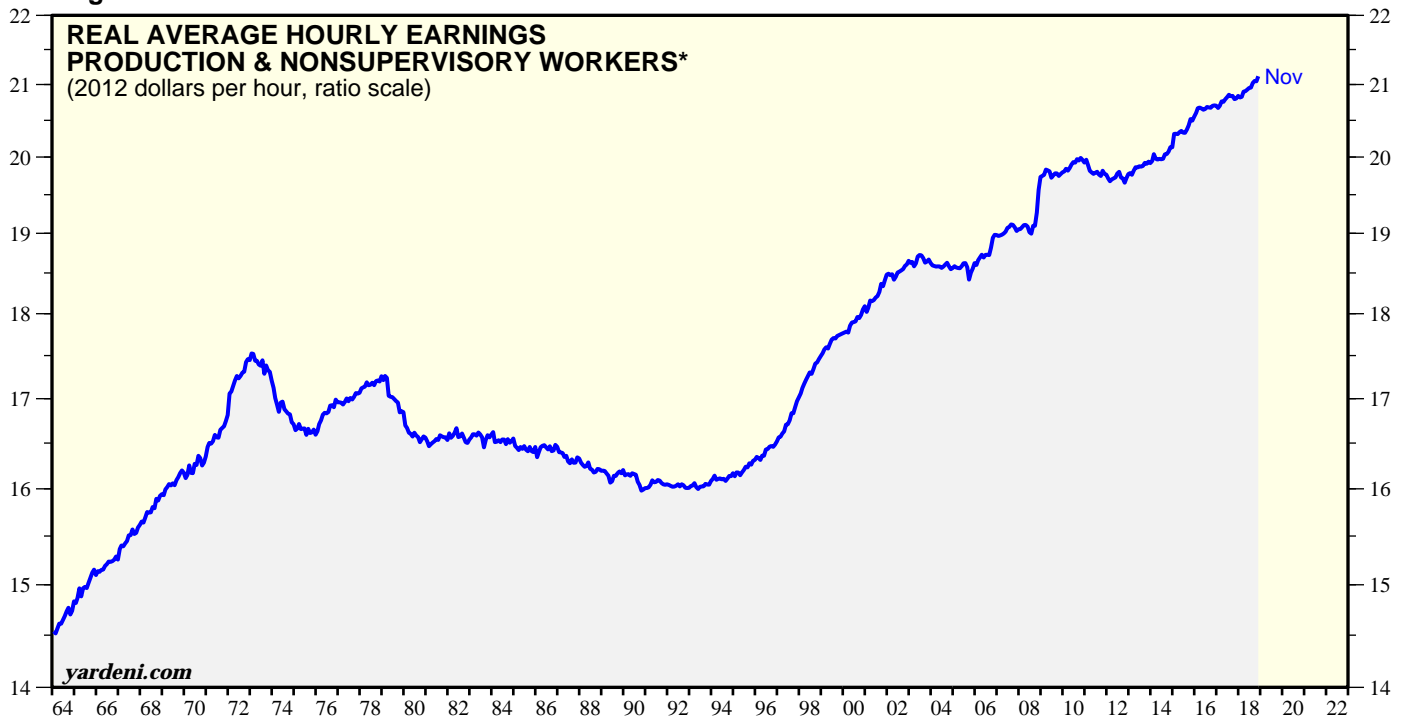
Figure 30.



* 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.

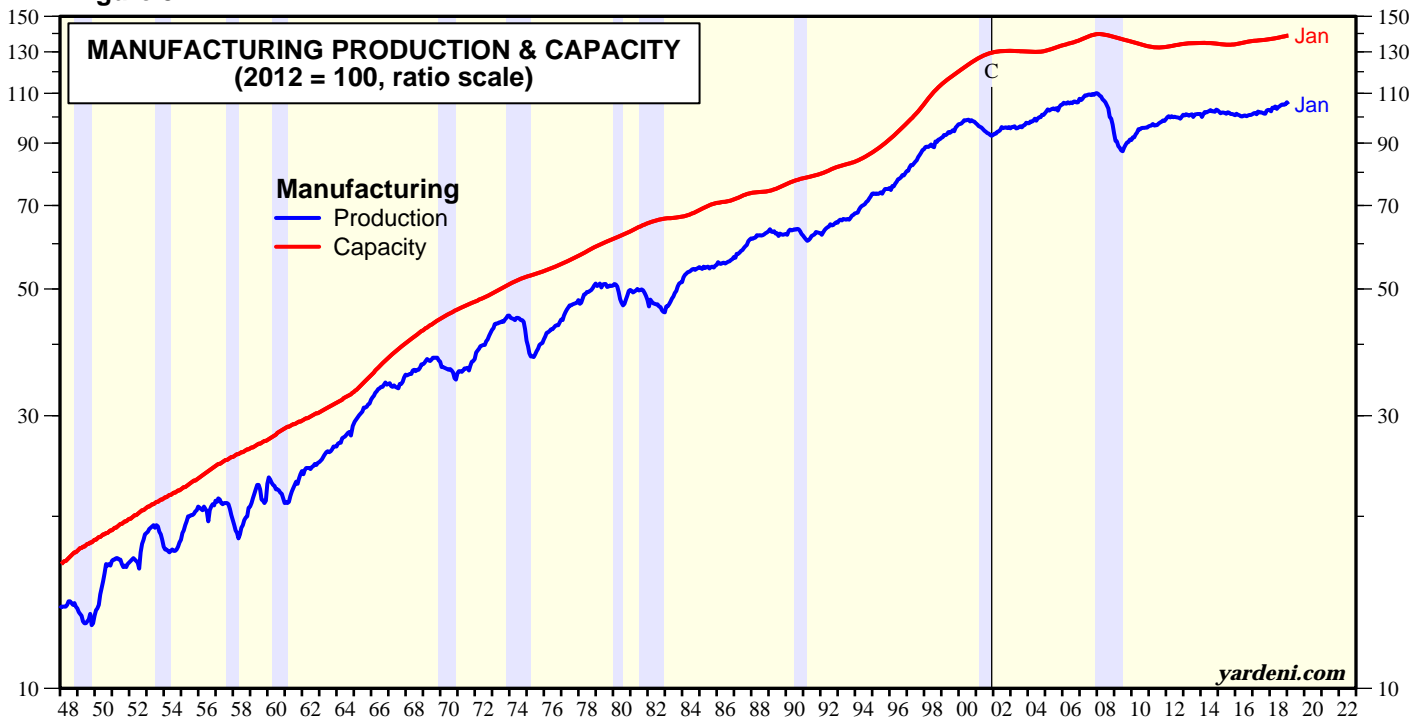
US Economic Indicators

Figure 31.



* Average hourly earnings deflated by personal consumption expenditures deflator.
Source: Bureau of Labor Statistics, Bureau of Economic Analysis, and Haver Analytics.

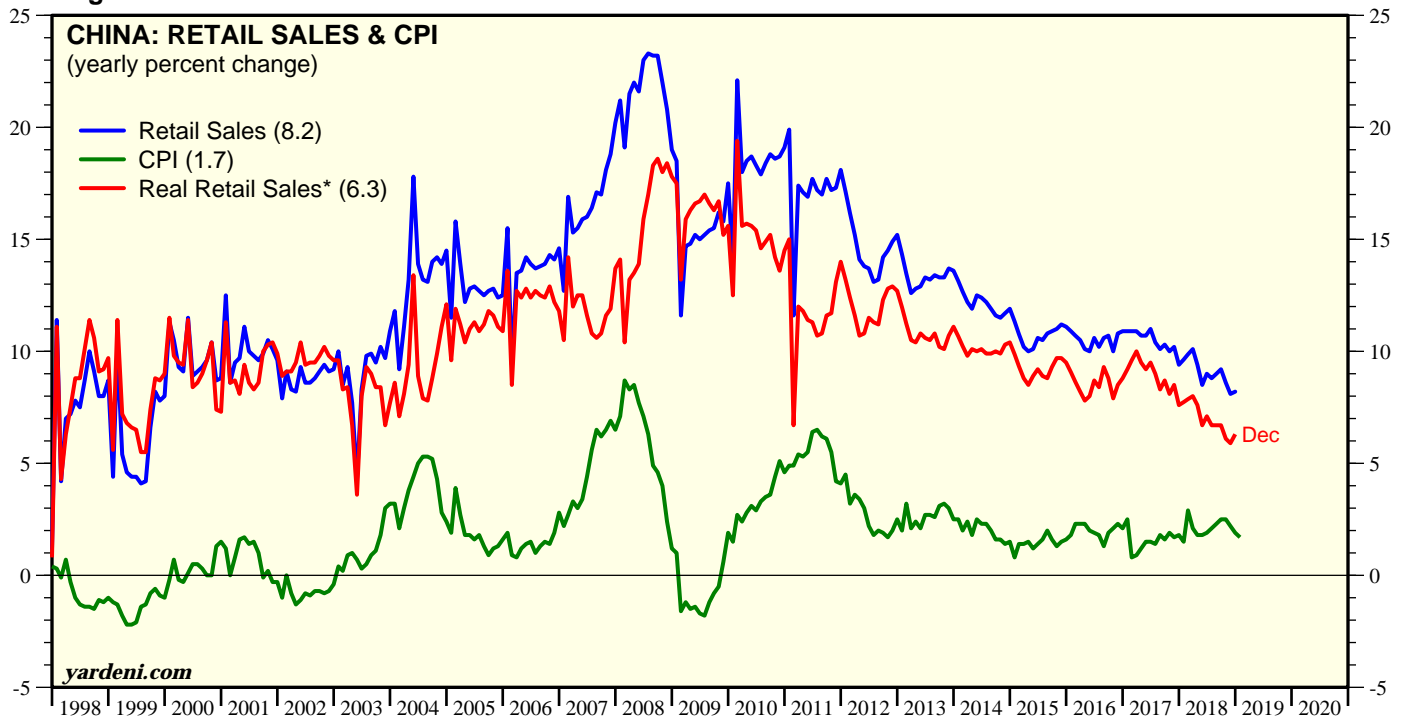
Figure 32.



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.

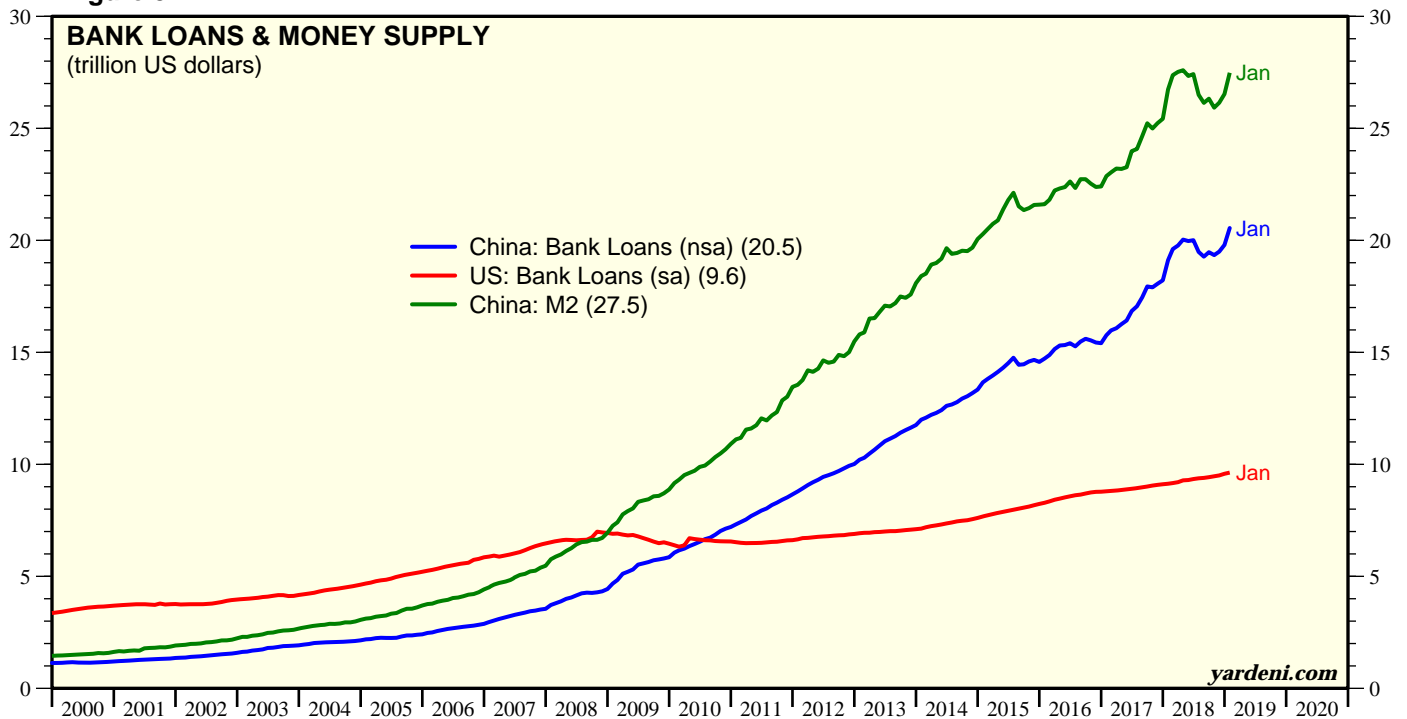
China

Figure 33.



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

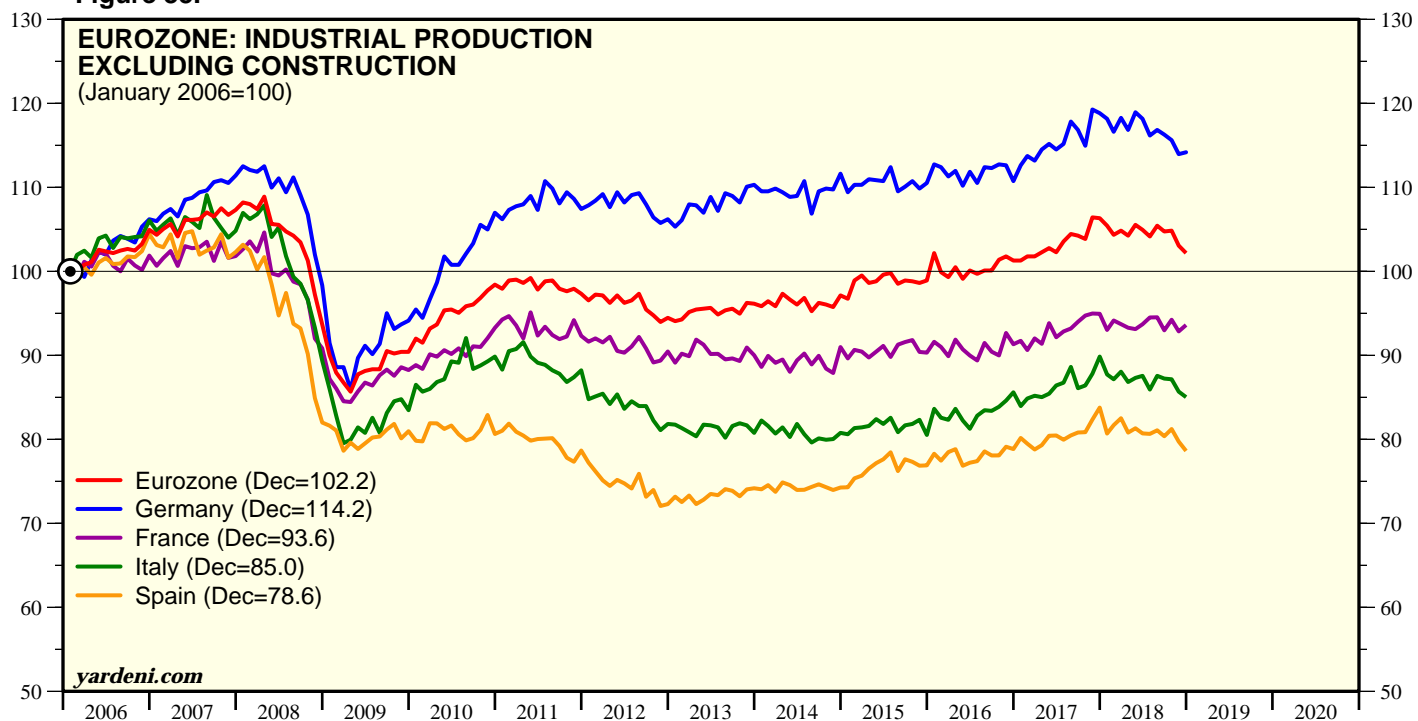
Figure 34.



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

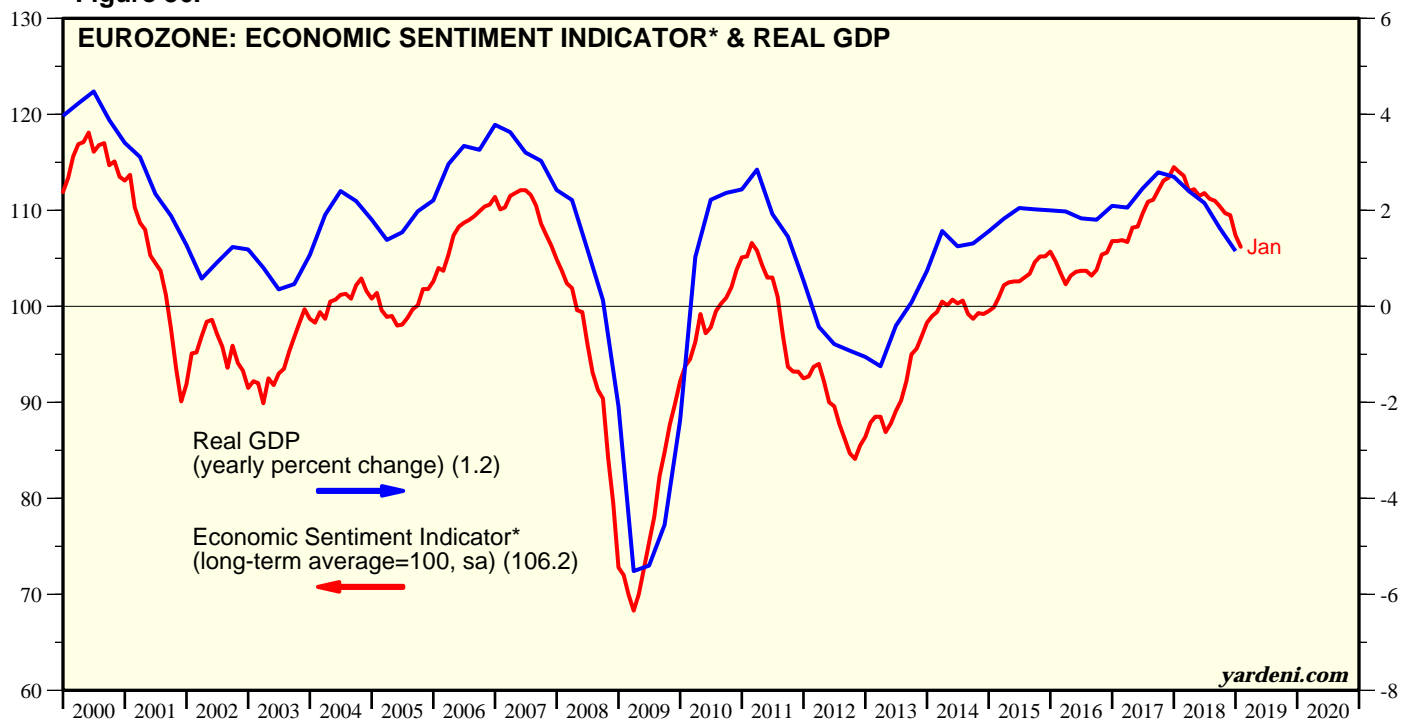
Eurozone

Figure 35.



Source: Haver Analytics.

Figure 36.

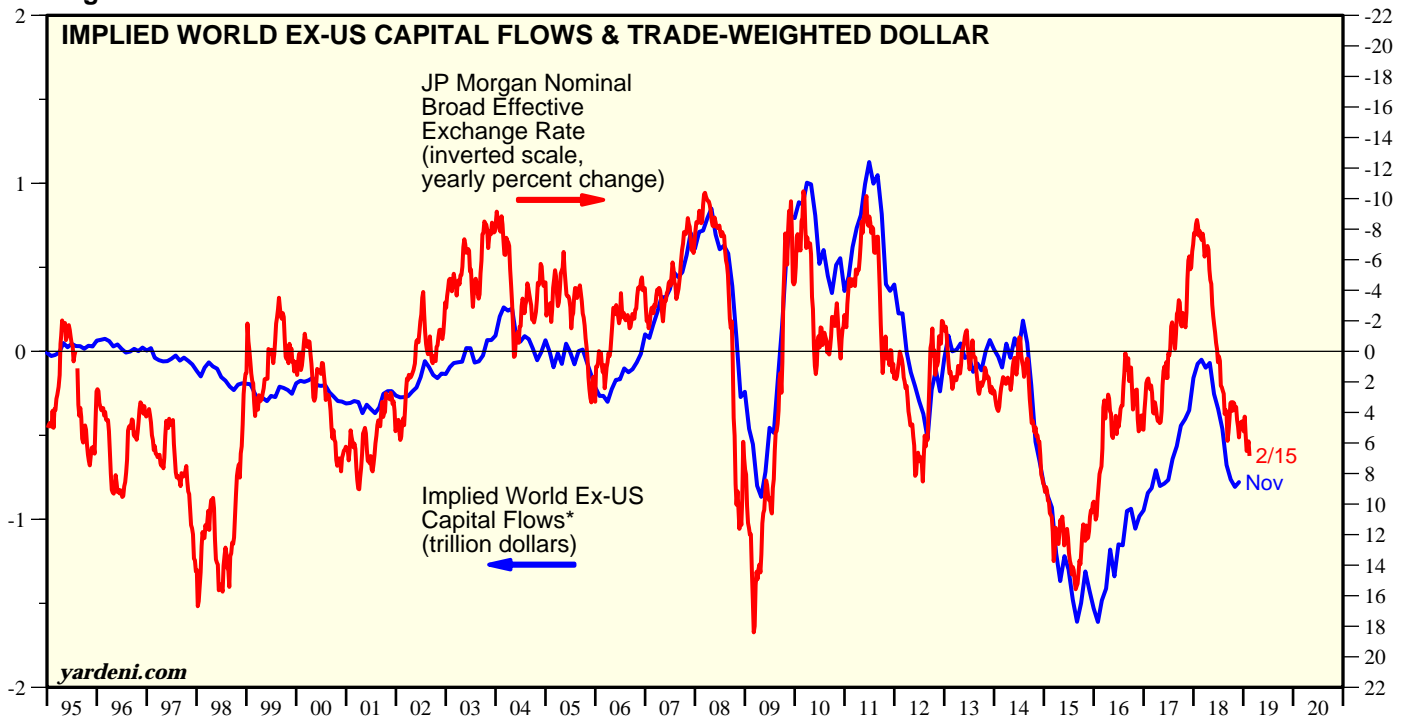


* The overall economic sentiment indicator (ESI) is derived from the industrial (weight 40%), service (30%), consumer (20%), construction (5%), and retail trade (5%) confidence indicators.

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

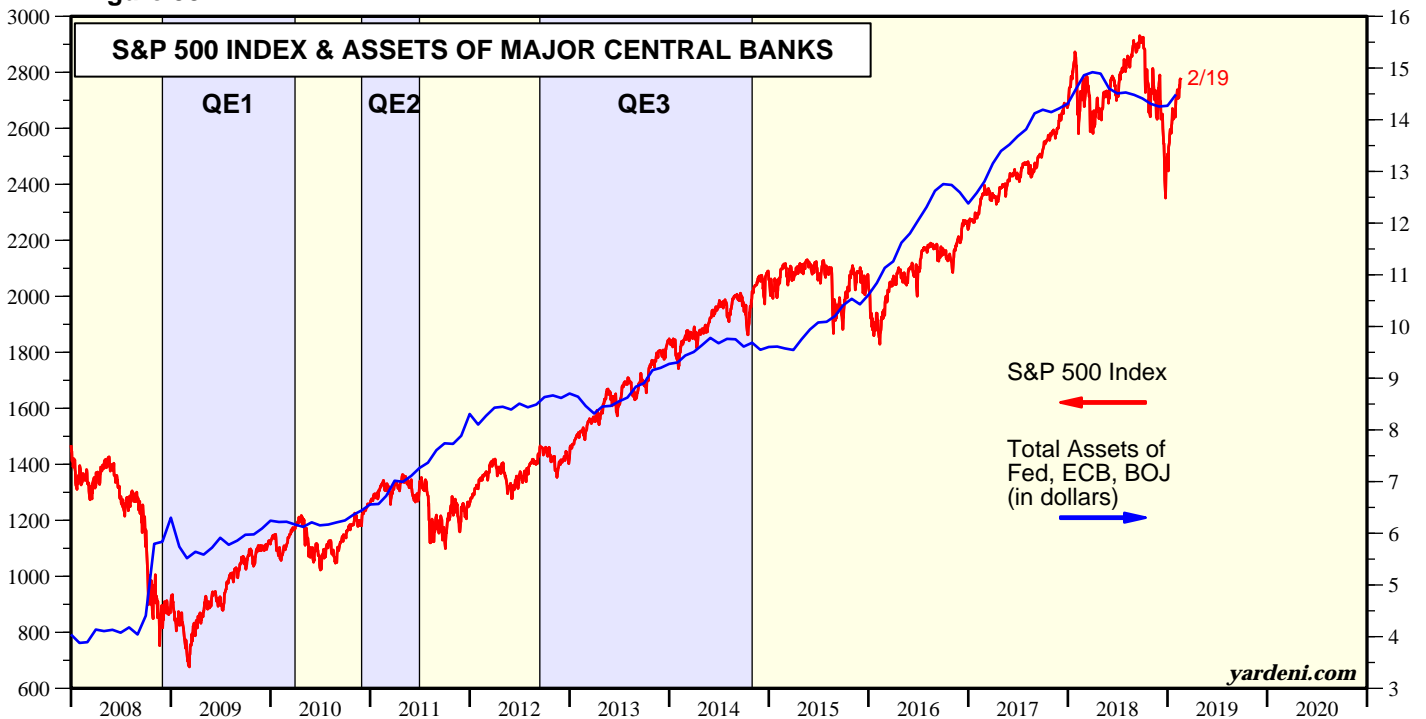
Global

Figure 37.



* 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.

Figure 38.



Note: QE1 (11/25/08) = Fed starts buying \$1.24tn in mortgage securities. QE1 expanded (3/16/2009) = Fed starts buying \$300bn in Treasuries. QE2 (11/3/10) = Fed starts buying \$600bn in Treasuries. QE3 (9/13/12) = Fed starts buying \$40bn/month in mortgage securities (open ended). QE3 expanded (12/12/12) = Fed starts buying \$45bn/month in Treasuries. Source: Federal Reserve Board, Standard & Poor's and Haver Analytics.

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