Predicting Stocks

Figure 1.

DOW JONES INDUSTRIALS AVERAGE: MILESTONES
(thousands, weekly, ratio scale)


Figure 2.

S&P 500 ANNUAL PERCENT CHANGES: 1928-2017*

* Annual percent changes based on year-end values except 1928, which uses January 3, 1928 for year-end 1927.
Source: Standard & Poor's and Haver Analytics.
Predicting Stocks

Figure 3.

S&P 500, FORWARD EARNINGS, and VALUATION
(monthly)

Blue Angels: S&P 500
- Actual
- Implied*

* Implied price index calculated using forward earnings times forward P/Es. Monthly data start September 1978.
Note: Shaded areas denote recessions according to the National Bureau of Economic Research.
Source: Standard & Poor’s and Thomson Reuters I/B/E/S.

Figure 4.

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

Blue Angels: S&P 500
- Actual 07/30/20
- Implied* 07/23/20

Source: Standard & Poor’s and Thomson Reuters I/B/E/S.
Figure 5.  

***** Chart Not Available *****

Task: PTMSP5REPTRAILFORPE1

Error: Invalid equation element ; or missing series

07-30-2020 - 18:12:20

Figure 6.

S&P 500 Reported Trailing Earnings 1960-1978, quarterly, ratio scale

S&P 500 Forward Earnings 1979-present, monthly

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. Business cycle peaks (P) and troughs (T) according to the National Bureau of Economic Research.

Source: Thomson Reuters I/B/E/S and Standard & Poor’s.
Figure 7.

S&P 500 FORWARD EARNINGS WITH 5%-7% CAGR PATHS
(base period Dec 1978 = 13.07, ratio scale)

Source: Thomson Reuters I/B/E/S.

Figure 8.

S&P 500 REPORTED EARNINGS PER SHARE WITH 5%-7% CAGR GROWTH PATHS*
(base period Q4-1934 = 0.18, quarterly, ratio scale)

* Q4-2008 not shown because of large negative value.
Note: Shaded areas denote recessions according to the National Bureau of Economic Research.
Source: Standard & Poor’s.
Predicting Stocks

Figure 9.
S&P 500 INDEX* WITH 4%-7% CAGR PATHS
(base period Dec 1920 = 7.11, ratio scale)

* S&P 500 stock price index is average monthly price.
Source: Standard & Poor's.

Figure 10.
S&P 500 TOTAL RETURN INDEX WITH 6%-11% CAGR PATHS
(base period Dec 1935 = 14.96, ratio scale)

* Includes reinvested dividends.
** Using last month of quarter CPI. Compounded monthly using base value.
Source: Standard & Poor’s.
Figure 11.

S&P 500 BULL & BEAR MARKETS
& THE BUSINESS CYCLE
(monthly, ratio scale)

Note: Shaded green areas denote S&P 500 bull markets, while red areas are bear market declines of 20% or more. Business cycle peaks (P) and troughs (T) according to the National Bureau of Economic Research.
Source: Standard & Poor’s.

Figure 12.

S&P 500 & MONETARY POLICY CYCLE
(monthly, ratio scale)

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. Business cycle peaks (P) and troughs (T) according to the National Bureau of Economic Research.
Source: Standard & Poor’s.
Figure 13.
S&P 500 INFORMATION TECHNOLOGY STOCK PRICE INDEX

7/30

200-day moving average.
* Ratio scale.
Source: Standard & Poor’s.

Figure 14.
S&P 500 FINANCIALS STOCK PRICE INDEX

7/30

200-day moving average.
* Ratio scale.
Source: Standard & Poor’s.
Predicting Stocks

Figure 15.

(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 16.

S&P 500 ENERGY STOCK PRICE INDEX*

* Ratio scale.
Source: Standard & Poor’s.
Figure 17.

US CORPORATE EQUITY ISSUES AT MARKET VALUE
(trillion dollars, nsa)

Equites at Market Value
- Total Issues
- Total Ex Foreign Issues*
- Wilshire 5000
- S&P 1500
- S&P 500
- S&P 400 + S&P 600

* Excludes holdings of foreign corporate equities, investment fund shares, and American Depositary Receipts (ADRs) by US residents.

Figure 18.

S&P 500/400/600 STOCK PRICE INDEXES
(daily, ratio scale)

Source: Standard & Poor’s.
Figure 19.

S&P 500 SECTORS PRICE INDEXES DURING BULL MARKET OF 1990s
(percent change since October 11, 1990)

- Consumer Discretionary (444.9)
- Consumer Staples (175.0)
- Energy (134.1)
- Financials (608.2)
- Health Care (337.5)
- Industrials (357.4)
- Information Technology (1697.2)
- Materials (133.3)
- Telecommunications Services (299.7)
- Utilities (63.6)

Source: Standard & Poor’s.

Figure 20.

S&P 500 SECTORS PRICE INDEXES DURING BULL MARKET OF 2002-2007
(percent change since October 9, 2002)

- Consumer Discretionary (78.3)
- Consumer Staples (40.4)
- Energy (242.2)
- Financials (92.6)
- Health Care (41.4)
- Industrials (125.9)
- Information Technology (145.4)
- Materials (162.3)
- Telecommunications Services (117.8)
- Utilities (172.1)

Source: Standard & Poor’s.
Figure 21.

***** Chart Not Available *****

Task: PTMSPSECTORBULL

=NEWSTART series parameter

07-30-2020 - 18:25:30

MSCI SHARE PRICE INDEXES DURING BULL MARKET OF 2003-2007
(percent change in US dollars since October 9, 2002)

UK (130.7)
EMU** (223.7)
EM* (386.0)
Japan (113.6)
US (103.8)

* EM = Emerging Markets.  ** EMU = European Monetary Union.
Source: MSCI.

Figure 22.

Figure 22.
Figure 23.

MSCI SHARE PRICE INDEXES DURING BULL MARKET OF 2009-?

(Percent change in US dollars since March 9, 2009)

- EM* (123.0)
- EMU** (90.8)
- Japan (102.6)
- UK (53.0)
- US (385.1)

Latest data thru: 07/30/20

* EM = Emerging Markets. ** EMU = European Monetary Union.

Source: MSCI.

Figure 24.

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.
MARKET CAP & EARNINGS SHARES:
S&P 500 INFORMATION TECHNOLOGY
(monthly)

S&P 500 Information Technology
- Capitalization Share
- Earnings Share*

* Using consensus year-ahead forward earnings forecasts.
Source: Thomson Reuters I/B/E/S.

Figure 25.

MARKET CAP & EARNINGS SHARES:
S&P 500 FINANCIALS
(monthly)

S&P 500 Financials
- Capitalization Share
- Earnings Share*

* Using consensus year-ahead forward earnings forecasts.
Source: Thomson Reuters I/B/E/S.

Figure 26.
Figure 27.

M&A ACTIVITY: UNITED STATES*
(billion US dollars, quarterly)

Latest (229.6)

* Excludes spinoffs.
Source: Dealogic.

Figure 28.

NEW US CORPORATE SECURITY ISSUES: ALL CORPORATIONS
(billion dollars, 12-month sum)

Note: Shaded green areas denote S&P 500 bull markets, while red areas are bear market declines of 20% or more.
Source: Federal Reserve Board.
Note: Shaded green areas denote S&P 500 bull markets, while red areas are bear market declines of 20% or more.
Source: Federal Reserve Board.
Figure 31.

NET ISSUANCE OF EQUITIES: ALL CORPORATIONS
(billion dollars, 4-quarter sum)

* Excluding net issuance of equities by all ETFs including those investing in debt.
Source: Federal Reserve Board Financial Accounts of the United States Table F.223 line 1 minus line 8.

Figure 32.

NET ISSUANCE OF EQUITIES: ETFs
(billion dollars, 4-quarter sum)

Source: Federal Reserve Board Financial Accounts of the United States.
Figure 33.

NET ISSUANCE OF EQUITIES: NONFINANCIAL CORPORATIONS
(billion dollars, 4-quarter sum)

Source: Federal Reserve Board Financial Accounts of the United States Table F.223 line 2.

Figure 34.

S&P 500 SHARE BUYBACKS
(billion dollars, annualized)

Source: Standard & Poor’s.
Figure 35.

NET ISSUANCE OF EQUITIES: DOMESTIC FINANCIAL CORPORATIONS
(billion dollars, 4-quarter sum)

Source: Federal Reserve Board Financial Accounts of the United States Table F.223 line 3 minus line 8.

Figure 36.

NET ISSUANCE OF EQUITIES: REST OF WORLD*
(billion dollars, 4-quarter sum)

* Net purchases of foreign corporate equities and investment fund shares by US residents; includes American Depositary Receipts (ADRs).

Source: Federal Reserve Board Financial Accounts of the United States Table F.223 line 14.
CORPORATE EQUITIES NET PURCHASES (INCLUDING ETF SHARES): INSTITUTIONAL INVESTORS
(billion dollars, 4-quarter sum)

* Includes property-casualty insurance companies, life insurance companies, private pension funds, state and local retirement funds, and federal government retirement funds.

Source: Federal Reserve Board Financial Accounts of the United States Table F.223 sum of lines 22, 23, 24, 25, and 26.

CORPORATE EQUITIES NET PURCHASES (INCLUDING ETF SHARES): REST OF WORLD
(billion dollars, 4-quarter sum)

Source: Federal Reserve Board Financial Accounts of the United States Table F.223 Line 32.
Figure 39.
CORPORATE EQUITIES NET PURCHASES (INCLUDING ETF SHARES): MUTUAL FUNDS
(billion dollars, 4-quarter sum)

* Includes purchases by both equity funds and hybrid funds that invest in a mix of equity and debt securities.
Source: Federal Reserve Board Financial Accounts of the United States Table F.223 Line 27.

Figure 40.
CORPORATE EQUITIES NET PURCHASES (INCLUDING ETF SHARES): ETFs
(billion dollars, 4-quarter sum)

* Includes purchases by both equity funds and hybrid funds that invest in a mix of equity and debt securities.
Source: Federal Reserve Board Financial Accounts of the United States Table F.223 line 29.
Figure 41.

US DOMESTIC EQUITY MUTUAL FUNDS & ETFs: NET INFLOWS
(billion dollars, 4-quarter sum)

Source: Federal Reserve Board Financial Accounts of the United States Table F.122 line 16 plus F.124 line 9.

Figure 42.

US WORLD EQUITY MUTUAL FUNDS & ETFs: NET INFLOWS
(billion dollars, 4-quarter sum)

Source: Federal Reserve Board Financial Accounts of the United States Table F.122 line 17 plus F.124 line 10.
Predicting Stocks

Figure 43.

EQUITY MUTUAL FUNDS*
(cumulative flows since 1990, trillion dollars)

Cumulative Flows
- Net Assets
- Net Inflows
- Capital Gains

* Excludes equities purchased by hybrid funds that invest in a mix of equity and debt securities.


Figure 44.

EQUITY ETFs*
(cumulative flows since 2001, trillion dollars)

Cumulative Flows
- Net Assets
- Net Inflows
- Capital Gains

* Excludes equities purchased by hybrid funds that invest in a mix of equity and debt securities.

Figure 45.

S&P 500 FORWARD EARNINGS & BOOM-BUST BAROMETER
(weekly)

S&P 500
Forward Earnings*

Boom-Bust Barometer**

* Time-weighted average of consensus estimates for the current year and next year.
** 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 Thomson Reuters I/B/E/S.

gardeni.com

Figure 46.

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.
Figure 47.

S&P 500 INDEX & YRI WEEKLY LEADING INDEX

* Average of Consumer Comfort Index (which is a four-week average) and the four-week average of Boom-Bust Barometer, which is CRB raw industrials spot price index (weekly average) divided by weekly initial unemployment claims.


Figure 48.

YRI vs ECRI WEEKLY LEADING INDEX

* Average of Consumer Comfort Index (which is a four-week average) and the four-week average of Boom-Bust Barometer, which is CRB raw industrials spot price index (weekly average) divided by weekly initial unemployment claims.

Figure 49. S&P 500 INDEX & ECRI WEEKLY LEADING INDEX

Source: Standard & Poor’s and Foundation of International Business & Economic Research (FIBER).

Figure 50. MARGIN DEBT & S&P 500

* Debit balances in margin accounts at broker/dealers.
Source: Financial Industry Regulatory Authority and Standard & Poor’s.
Predicting Stocks

Figure 51.

S&P 500 % OF COMPANIES TRADING ABOVE 200-DMA*

* Using end of week price data to calculate equivalent 10-wma and 40-wma to approximate their 50-dma and 200-dma.
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: Thomson Reuters I/B/E/S.

Figure 52.

S&P 500 % OF COMPANIES POSITIVE Y/Y PRICE CHANGE*

* Using end of week price data to calculate year-over-year price change.
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: Thomson Reuters I/B/E/S.
Predicting Stocks

Figure 53.

STOCK MARKET BREADTH: S&P 500 RATIOS

S&P 500 Ratio:
- Equal-Weighted to Market-Cap-Weighted
- Ratio of S&P 500 to S&P 100 Stock Price Indexes

Source: Standard & Poor’s.

Figure 54.

ADVANCE/DECLINE LINE (ALL NYSE SECURITIES)
(thousands, weekly, ratio scale)

* US high-yield corporate bond yield less US Treasury 10-year bond yield (basis points).
Source: Chicago Board Options Exchange, Bank of America Merill Lynch, and Federal Reserve Board.

Source: Investors Intelligence and Chicago Board Options Exchange.
Source: Investors Intelligence.
Figure 58.
S&P 500 INDEX vs BULL/BEAR RATIO OF 1.0 OR LESS*
(ratio scale)

* Green shaded areas indicate Bull/Bear Ratio equal to or less than 1.0.
Source: Standard & Poor’s and Investors Intelligence.

Figure 59.
S&P 500 INDEX vs BULL/BEAR RATIO OF 3.0 OR MORE*
(ratio scale)

* Red shaded areas indicate Bull/Bear Ratio equal to or greater than 3.0.
Source: Standard & Poor’s and Investors Intelligence.
Figure 60.

S&P 500 INDEX: TOTAL NUMBER UP OR DOWN EACH MONTH 1928-2018*

S&P 500 INDEX: AVERAGE PERCENT UP OR DOWN EACH MONTH 1928-2018

S&P 500 INDEX: AVERAGE PERCENT CHANGE EACH MONTH 1928-2018

*No change (0.00%) month of September 1979. Data are through December 2018.
Source: Standard & Poor’s and Haver Analytics.

yardeni.com

predicting Stocks