Predicting the Markets
Chapter 15 Charts: Predicting Stocks

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thinking outside the box
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S&P 500, FORWARD EARNINGS, and VALUATION
(weekly)

Blue Angels: S&P 500
- Actual 09/20/19
- Implied* 09/12/19

Source: Standard & Poor’s and Thomson Reuters I/B/E/S.
* S&P 500 divided by year-ahead forward consensus expected operating earnings per share.

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.

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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.

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

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* 200-day moving average.
* Ratio scale.
Source: Standard & Poor’s.
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Figure 15.

(ratio scale)

500 750 1000 1250 1500 1750 2000 2250 2500 2750 3000 3250

-56.8% (517)
-16.0% (70)
-19.4% (157)
-9.8% (28)
-7.7% (62)
-5.8% (34)
-5.8% (19)
-9.9% (60)
-9.8% (157)
-19.4% (237)
-16.0% (157)
-56.8% (517)

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.

200-day moving average.

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95 195 295 395 495 595 695 795

* Ratio scale.
Source: Standard & Poor’s.
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(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.

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(daily, ratio scale)

Source: Standard & Poor’s.
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(percent change since October 11, 1990)

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

Source: Standard & Poor’s.

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

- 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)
- Consumer Discretionary (78.3)
- Consumer Staples (40.4)

Source: Standard & Poor’s.
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(Percent change since March 9, 2009)

- Consumer Discretionary (654.2)
- Consumer Staples (209.8)
- Energy (45.5)
- Financials (457.4)
- Health Care (321.0)
- Industrials (394.2)
- Information Technology (606.5)
- Materials (236.4)
- Telecommunications Services (93.7)

Latest data thru: 09/20/19

Source: Standard & Poor’s.

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MSCI SHARE PRICE INDEXES DURING BULL MARKET OF 2003-2007

(Percent change in US dollars since October 9, 2002)

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

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

Source: MSCI.
Figure 23.

MSCI SHARE PRICE INDEXES DURING BULL MARKET OF 2009-?
(percent change in US dollars since March 9, 2009)

Latest data thru: 09/20/19

- EM* (110.4)
- EMU** (97.7)
- Japan (105.7)
- UK (83.3)
- US (341.4)

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

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Source: MSCI.
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- Earnings Share*

* Using consensus year-ahead forward earnings forecasts.
Source: Thomson Reuters I/B/E/S.
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Latest (609.4)

* Excludes spinoffs.
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(billion dollars, 12-month sum)

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Source: Federal Reserve Board.
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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.

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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.
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Source: Federal Reserve Board Financial Accounts of the United States Table F.223 line 1 minus line 8.

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

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

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(billion dollars, 4-quarter sum)

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Source: Federal Reserve Board Financial Accounts of the United States Table F.223 line 14.
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(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.
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* 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.

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

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

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.

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S&P 500 INDEX & ECRI WEEKLY LEADING INDEX

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

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Source: Financial Industry Regulatory Authority and Standard & Poor’s.
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* 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.

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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.
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S&P 500 VIX

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S&P 500 VIX

Investors Intelligence Bears (percent)

Source: Investors Intelligence and Chicago Board Options Exchange.
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Ratio

Bulls/Bears

Percentage

Bulls

Bears

Percentage

Correction Camp

Source: Investors Intelligence.
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.

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

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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.