Topical Study #2 Updated Charts

Figure 1.

S&P 500 BUYBACKS
(billion dollars, annualized)

S&P 500 FORWARD EARNINGS YIELD & CORPORATE BOND YIELD
(percent)

- S&P 500 Forward Earnings Yield* (5.8)
- BoA Merrill Lynch AA-AAA Corporate Bond Yield (3.1)

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

Source: I/B/E/S data by Refinitiv, Standard & Poor’s and Bank of America Merrill Lynch.

Figure 2.

S&P 500 DIVIDENDS & BUYBACKS
(trillion dollars, annualized)

Source: Standard & Poor’s.
S&P 500 COMPANIES PAYING A DIVIDEND
(percent of total)

Source: Standard & Poor’s.

DIVIDEND PAYOUT RATIOS
(percent)

NIPA Dividends
(as a percent of NIPA After-Tax Profits*) (72.5)
S&P 500 Dividends
(as a percent of S&P 500 reported net income) (42.8)

* From Current Production. Including IVA & CCadj. These two adjustments restate the historical cost basis used in profits tax accounting for inventory withdrawals and depreciation to the current cost measures used in GDP.

Source: Federal Reserve Board, Financial Accounts of the United States, Standard & Poor’s and Bureau of Economic Analysis.
Topical Study #2 Updated Charts

S&P 500 BUYBACKS, DIVIDENDS, & OPERATING EARNINGS
(billion dollars, trailing four-quarter)
- Buybacks (797.0)
- Operating Earnings (1292.7)
- Dividends (476.6)
- Buybacks+Dividends (1266.1)

Buybacks+Dividends as percent of Operating Earnings (97.9)

Source: Standard & Poor’s.

S&P 500 DIVIDEND & BUYBACK YIELDS
(percent using four-quarter sums)
- Buybacks + Dividends (5.18)
- Buybacks (3.26)
- Dividends (1.93)

Figure 5.

Figure 6.

Source: Standard & Poor’s.
PROXIES OF US EQUITIES SHARE COUNT

- Equities at Market Value
- Ex-Foreign Issues*
- Divided by S&P 500 Index
- SP500 Divisor**

* Excludes holdings by US residents of foreign corporate equities, investment fund shares, and ADRs.
** Divisor is used to ensure that changes in shares outstanding, capital actions, and the addition or deletion of stocks to the index do not change the level of the index.

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

S&P 500 TOTAL SHARES OUTSTANDING vs S&P 500 DIVISOR

- Shares Outstanding*
- Divisor**

* Total basic shares outstanding (billions) for current S&P 500 companies with data for all periods and adjusted for stock splits and stock dividends.
** Divisor is used to ensure that changes in shares outstanding, capital actions, and the addition or deletion of stocks to the index do not change the level of the index.

Source: Yardeni Research, I/B/E/S data by Refinitiv, and Standard & Poor’s.
Topical Study #2 Updated Charts

**Figure 9.**
S&P 500 AGGREGATE OPERATING INCOME vs S&P 500 OPERATING INCOME PER SHARE
(yearly percent change in 4-quarter average)

- Aggregate* (8.1)
- Per Share (10.6)

Aggregate earnings is derived by multiplying S&P 500 earnings per share by the S&P 500 divisor for each quarter.
Source: I/B/E/S data by Refinitiv and Standard & Poor’s.

**Figure 10.**
S&P 500 OPERATING EARNINGS PER SHARE MINUS AGGREGATE
(yearly percent change)

Source: I/B/E/S data by Refinitiv and Standard & Poor’s.
Figure 11.
S&P 500 MARKET CAPITALIZATION*
(trillion dollars)

* Data shown are daily averages for each quarter.
Source: Standard & Poor’s and Haver Analytics.

Figure 12.
S&P 500 IMPLIED AVERAGE PRICE PER SHARE*
(dollars)

* Derived using daily averages for each quarter of market capitalization for S&P 500 divided by basic shares outstanding for all S&P 500 companies at the end of each quarter.
Source: Yardeni Research and I/B/E/S data by Refinitiv.
Figure 13.

S&P 500 SHARES ISSUANCE AND BUYBACKS (billion shares)

- Gross Buybacks* (-1.8)
- Net Issuance (or Net Buybacks)** (-0.6)
- Gross Issuance*** (1.2)

* Series compiled using S&P’s total buybacks and YRI’s basic shares outstanding for all S&P 500 companies at the end of each quarter.  
** Series derived by YRI using quarterly changes in basic shares outstanding for all S&P 500 companies at the end of each quarter.  
*** Series derived by YRI as Net Issuance + Gross Buybacks. 
Source: Yardeni Research and I/B/E/S data by Refinitiv.

Figure 14.

S&P 500 NET BUYBACKS* AS PERCENT OF GROSS BUYBACKS**  
(using 4-quarter sums)

* Series derived by YRI using quarterly changes in basic shares outstanding for all S&P 500 companies at the end of each quarter.  
** Series compiled by S&P.  
Source: Yardeni Research and I/B/E/S data by Refinitiv.
**Figure 15.**

S&P 500 SHARES ISSUANCE AND BUYBACKS
(billion dollars, derived using average S&P 500 price per share)
(quarterly flows)

- Gross Buybacks\(^*\) (-164.5)
- Net Issuance (or Net Buybacks)\(^*\) (-53.6)
- Gross Issuance (110.9)

\(^*\) Series compiled using S&P’s total buybacks and YRI’s basic shares outstanding for all S&P 500 companies at the end of each quarter.

\(^*\) Series derived by YRI using quarterly changes in basic shares outstanding for all S&P 500 companies at the end of each quarter.

\(^*\) Series derived by YRI as Net Issuance + Gross Buybacks.

Source: Yardeni Research and I/B/E/S data by Refinitiv.

**Figure 16.**

VALUE OF GROSS ISSUANCE OF SHARES BY S&P 500 COMPANIES
(as a percent of compensation of all employees)

Topical Study #2 Updated Charts

**CORPORATE EQUITY ISSUANCE: NET**
(billion dollars, 4-quarter sum)

* Gross issuance (including initial public offerings, seasoned equity offerings, and private equity) minus retirements (including buybacks and M&A activity). Does not include employee stock plans.

** Net issues excluding exchange-traded funds and rest of the world.

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

**NONFINANCIAL CORPORATE EQUITY ISSUANCE: GROSS**
(billion dollars, 4-quarter sum)

* Issuance includes initial public offerings, seasoned equity offerings, and private equity. Retirements includes buybacks and M&A activity. Does not include employee stock plans.

** Repurchases plus M&A.

Source: Federal Reserve Board Financial Accounts of the United States.
Figure 19.
NONFINANCIAL CORPORATE EQUITY ISSUANCE: RETIREMENTS
(billion dollars, 4-quarter sum)

Retirements
- Repurchases*
- M&A

* Mostly attributable to S&P 500 buybacks by nonfinancial corporations.
Source: Federal Reserve Board Financial Accounts of the United States.

Figure 20.
NONFINANCIAL CORPORATE EQUITY ISSUANCE: IPO & SEO*
(billion dollars, 12-month sum)

* IPO = initial public offerings, SEO = seasoned equity offerings.
Source: Federal Reserve Board Financial Accounts of the United States.
**Figure 21.**

**NONFINANCIAL CORPORATE EQUITY ISSUANCE: GROSS, IPO, & SEO**
(billion dollars, 4-quarter & 12-month sum)

- **Gross** (438.6)
- **IPO+SEO** (92.4)

* Issuance includes initial public offerings, seasoned equity offerings, and private equity. Retirements includes buybacks and M&A activity. Does not include employee stock plans.

** IPO = initial public offerings. SEO = seasoned equity offerings.

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

**Figure 22.**

**S&P 500 DIVIDENDS & BUYBACKS**
(trillion dollars, annualized)

- **Buybacks**
- **Dividends**
- **S&P 500 Index**

Source: Standard & Poor’s.
Topical Study #2 Updated Charts

Figure 23.

S&P 500 BUYBACKS + DIVIDENDS
(as a percent of Operating Earnings)

Source: Standard & Poor’s.

Figure 24.

NONFINANCIAL CORPORATE BUSINESS
(trillion dollars, 4-quarter sum, ratio scale)

* Consumption of fixed capital plus the capital consumption adjustment.
Source: Federal Reserve Board, Financial Accounts of the United States.
**Figure 25.**

**NONFINANCIAL CORPORATE BUSINESS**
(billion dollars, 4-quarter sum)

Net Fixed Investment* (390.9)

* Gross fixed investment less consumption of fixed capital plus the capital consumption adjustment.

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

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**Figure 26.**

**REAL MEDIAN & MEAN HOUSEHOLD INCOME**
* vs. **REAL PERSONAL INCOME PER HOUSEHOLD**
* vs. **REAL PERSONAL CONSUMPTION EXPENDITURES PER HOUSEHOLD**
(thousand dollars, saar)

- Personal Income Per Household (BEA)* (139.1)
- Disposable Income Per Household (BEA)* (122.9)
- PCE Per Household (BEA)* (108.6)
- Mean Household Income (Census)** (90.0)
- Median Household Income (Census)** (63.2)

* 2009 dollars using PCED. **2015 dollars using CPI.

Source: Bureau of Economic Analysis, Census Bureau and Current Population Reports.
Figure 27.

REAL AVERAGE HOURLY EARNINGS
PRODUCTION & NONSUPERVISORY WORKERS*
(2012 dollars per hour, ratio scale)

Oct

*yardeni.com

* Average hourly earnings deflated by personal consumption expenditures deflator.

Figure 28.

REAL LABOR COMPENSATION PER EMPLOYEE*
(thousand dollars, saar, ratio scale)

Q3

*yardeni.com

* Total inflation-adjusted wages, salaries, and benefits (using PCE deflator) divided by the household measure of employment.
Source: Bureau of Economic Analysis.
Topical Study #2 Updated Charts

Figure 29.
S&P 500 INFORMATION TECHNOLOGY TOTAL SHARES OUTSTANDING vs S&P 500 DIVISOR

* Total basic shares outstanding (billions) for current S&P 500 companies with data for all periods and adjusted for stock splits and stock dividends.
** Divisor is used to ensure that changes in shares outstanding, capital actions, and the addition or deletion of stocks to the index do not change the level of the index.
Source: Yardeni Research, I/B/E/S data by Refinitiv, and Standard & Poor’s.

Figure 30.
S&P 500 INFORMATION TECHNOLOGY OPERATING EARNINGS PER SHARE MINUS AGGREGATE (yearly percent change)

Source: Standard & Poor’s.
Topical Study #2 Updated Charts

Figure 31.

S&P 500 INFORMATION TECHNOLOGY IMPLIED AVERAGE PRICE PER SHARE*  
(dollars)

* Derived using daily averages for each quarter of market capitalization for S&P 500 divided by basic shares outstanding for all S&P 500 companies at the end of each quarter.
Source: Yardeni Research and I/B/E/S data by Refinitiv.

Figure 32.

S&P 500 INFORMATION TECHNOLOGY SHARES ISSUANCE AND BUYBACKS (million shares)

* Series compiled using S&P’s total buybacks and YRI’s basic shares outstanding for all S&P 500 Tech companies at the end of each quarter.
** Series derived by YRI using quarterly changes in basic shares outstanding for all S&P 500 Tech companies at the end of each quarter.
*** Series derived by YRI as Net Issuance + Gross Buybacks.
Source: Yardeni Research and I/B/E/S data by Refinitiv.
Topical Study #2 Updated Charts

Figure 33.
S&P 500 INFORMATION TECHNOLOGY NET BUYBACKS* AS PERCENT OF GROSS BUYBACKS**
(using 4-quarter sums)

* Series derived by YRI using quarterly changes in basic shares outstanding for all S&P 500 Tech companies at the end of each quarter.
** Series compiled by S&P.
Source: Yardeni Research and I/B/E/S data by Refinitiv.

Figure 34.
S&P 500 NET BUYBACKS* AS PERCENT OF GROSS BUYBACKS**
(using 4-quarter sums)

* Series derived by YRI using quarterly changes in basic shares outstanding for all S&P 500 companies at the end of each quarter.
** Series compiled by S&P.
Source: Yardeni Research and I/B/E/S data by Refinitiv.
Figure 35.
BASIC SHARES OUTSTANDING: AMERICAN EXPRESS
(millions, quarterly)
Latest Basic Shares Outstanding (834.0)
(yearly percent change)
Source: I/B/E/S data by Refinitiv.

Figure 36.
S&P 500 SHARES OUTSTANDING: BASIC & FULLY DILUTED
(quarterly, billion shares)
Basic (272.9)
Fully Diluted (275.5)
(percent potential dilution)
* Total shares outstanding for current S&P 500 companies with data for all periods and adjusted for stock splits and stock dividends.
Source: Yardeni Research and I/B/E/S data by Refinitiv.
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