

S&P 500 Trailing P/E Ratios

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thinking outside the box

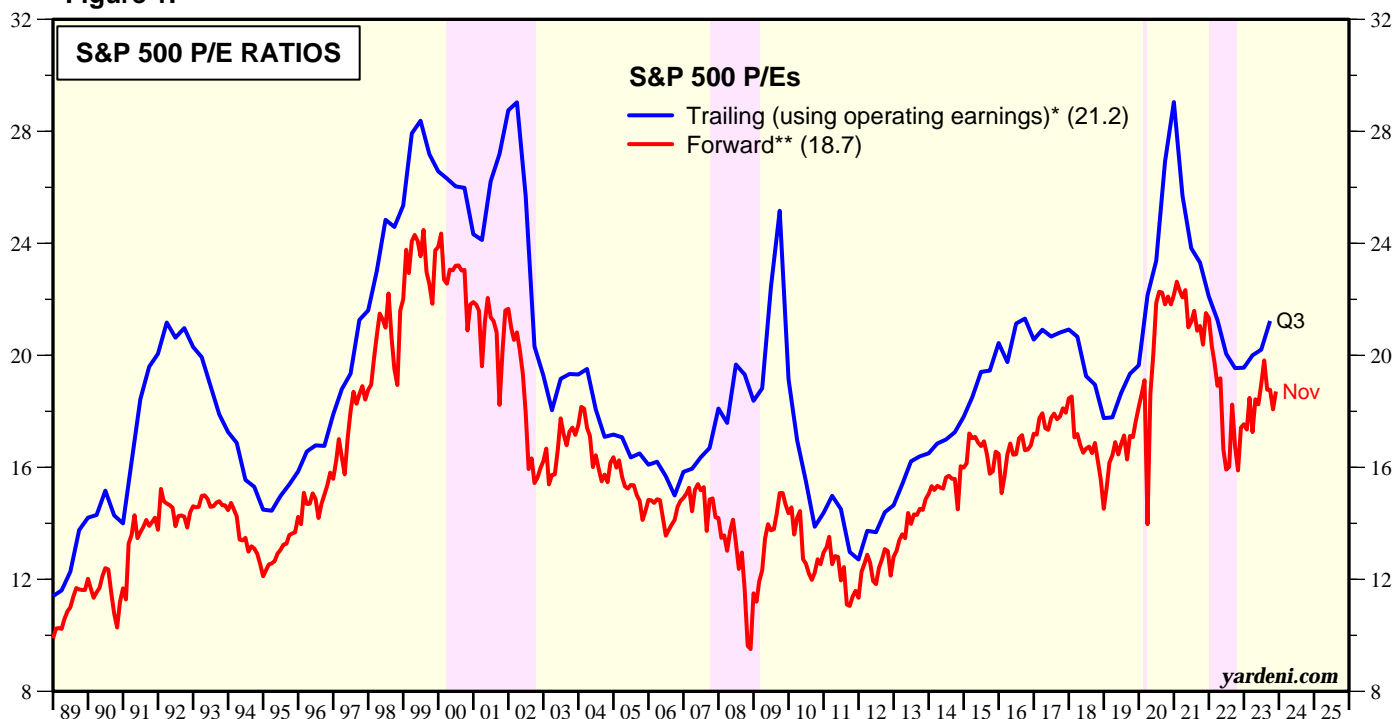
Table Of Contents

Trailing P/E

1-5

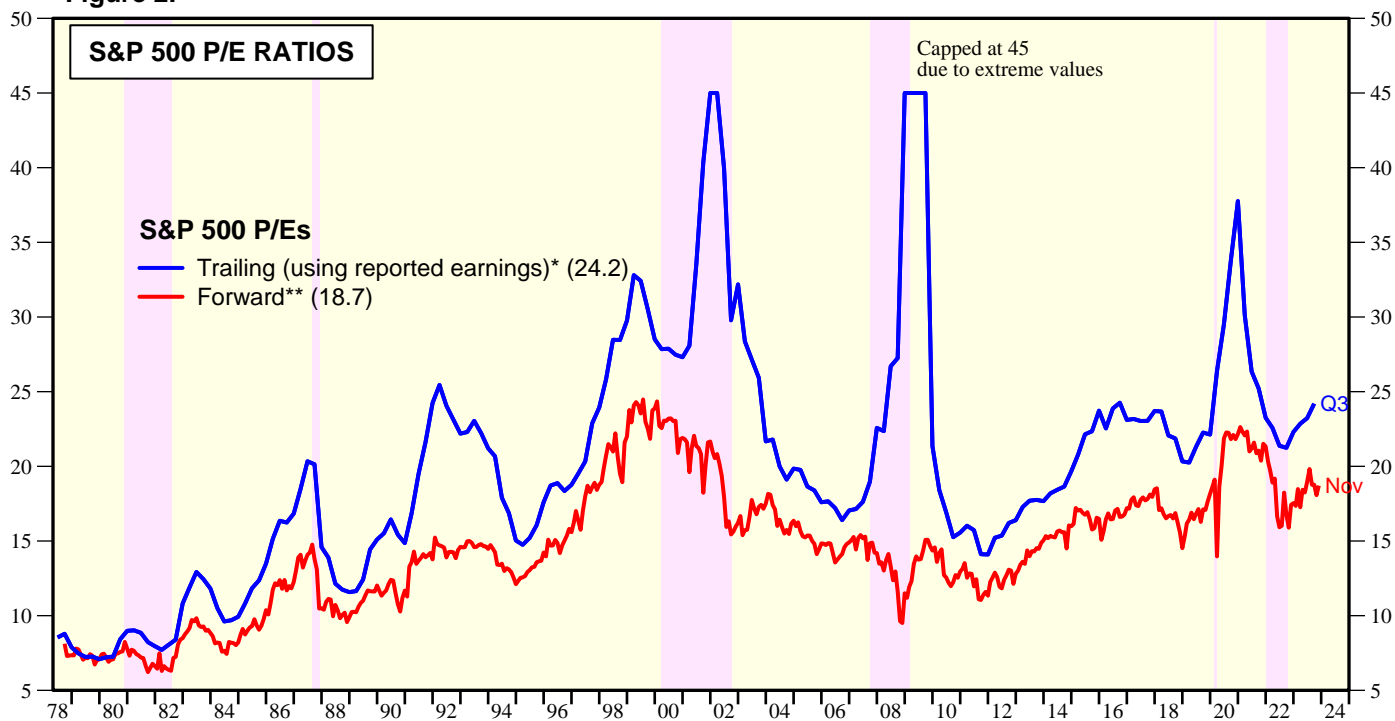
Trailing P/E

Figure 1.



* Using quarterly average of daily data for S&P 500 price index, and 4-quarter trailing operating earnings (I/B/E/S data).
 ** S&P 500 stock price index divided by S&P 500 12-month forward analysts' consensus expected operating earnings per share.
 Note: Shaded red areas are S&P 500 bear market declines of 20% or more. Yellow areas show bull markets.
 Source: I/B/E/S data by Refinitiv and Standard & Poor's.

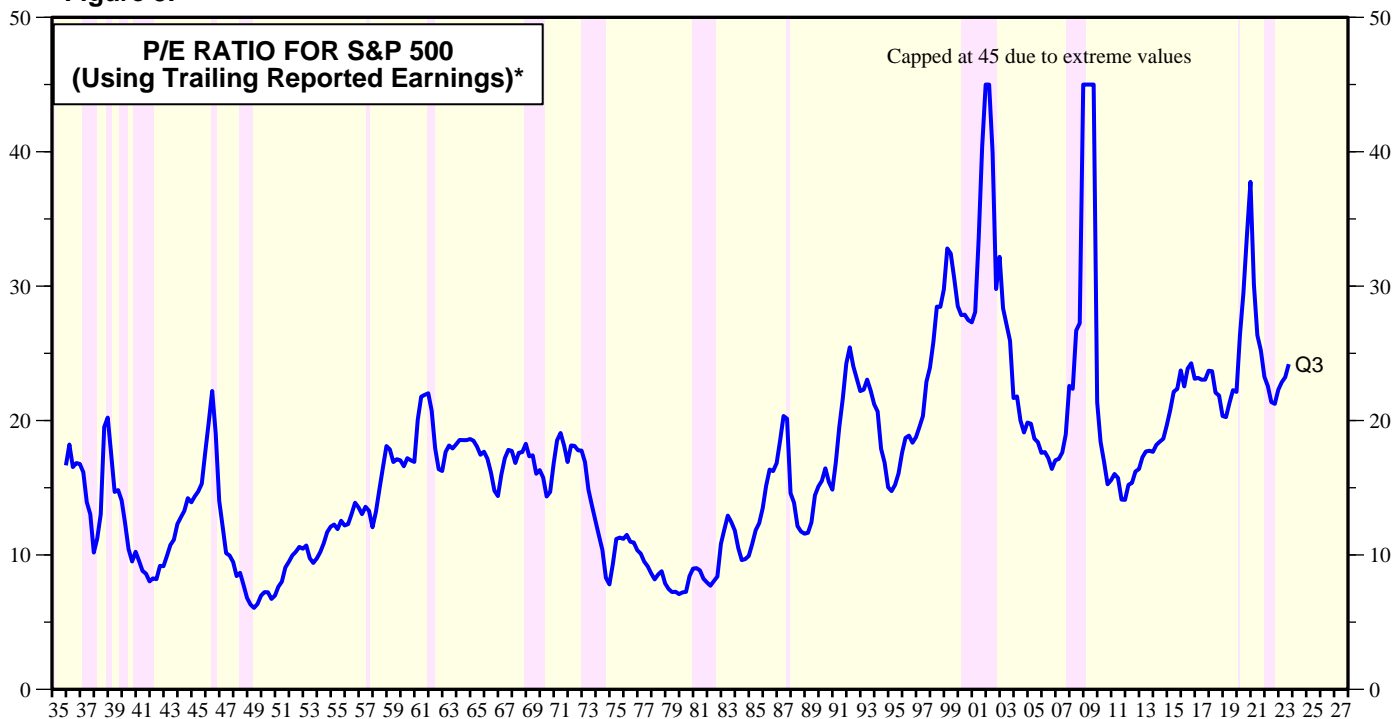
Figure 2.



* Using 4-quarter trailing reported earnings.
 ** S&P 500 stock price index divided by S&P 500 12-month forward consensus expected operating earnings.
 Note: Shaded red areas denote S&P 500 bear market declines of 20% or more. Yellow areas show bull markets.
 Note: Shaded red areas are S&P 500 bear market declines of 20% or more. Yellow areas show bull markets.
 Source: I/B/E/S data by Refinitiv and Standard & Poor's.

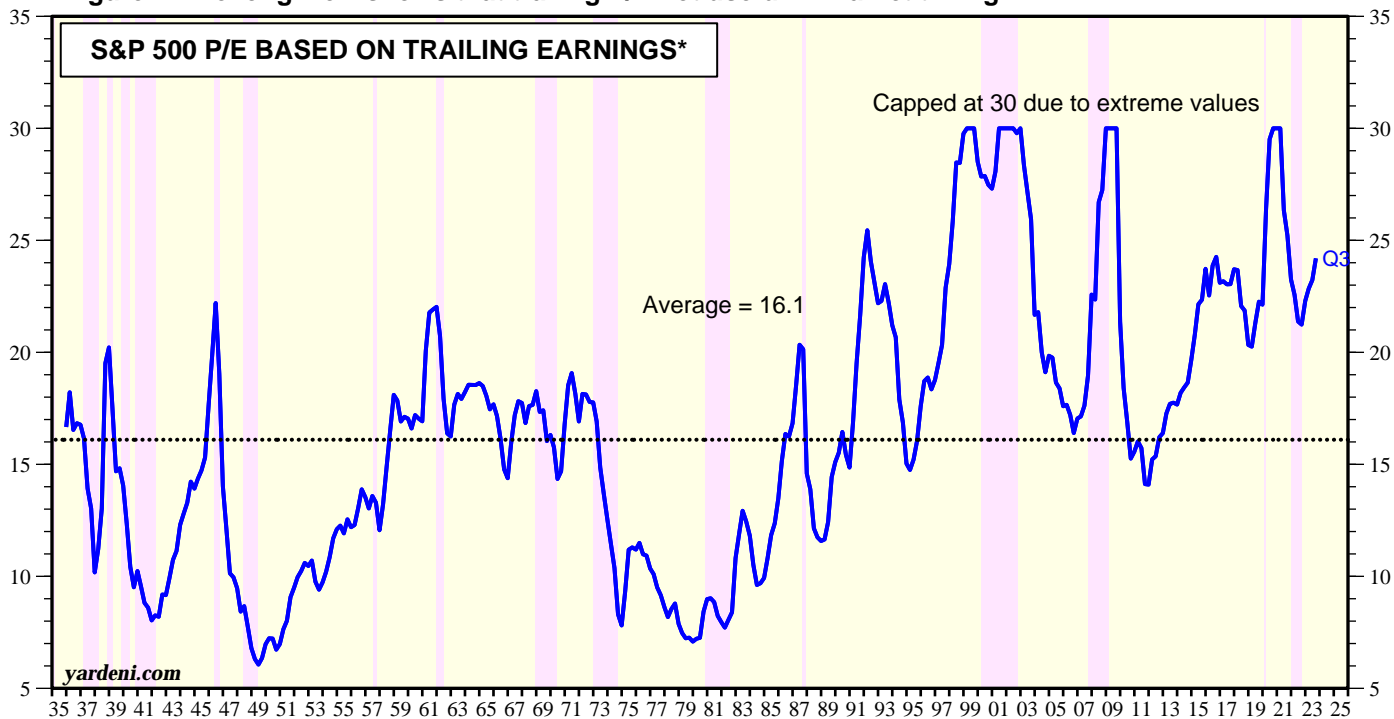
Trailing P/E

Figure 3.



* Using 4-quarter trailing reported earnings.
 Note: Shaded red areas are S&P 500 bear market declines of 20% or more. Yellow areas show bull markets.
 Source: Standard & Poor's.

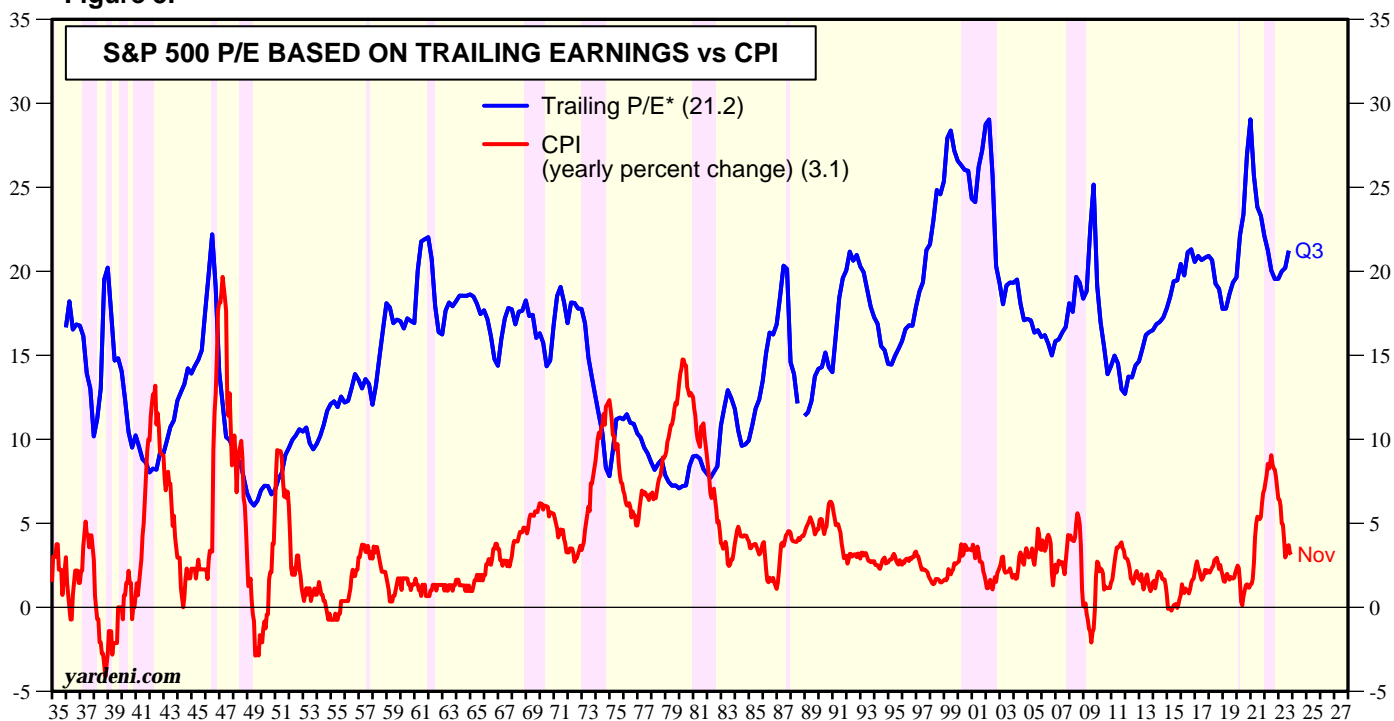
Figure 4. The long view shows that trailing P/E not useful in market timing.



* Using quarterly average of monthly data for S&P 500 price index and 4-quarter trailing reported earnings.
 Note: Shaded red areas are S&P 500 bear market declines of 20% or more. Yellow areas show bull markets.
 Source: Standard & Poor's.

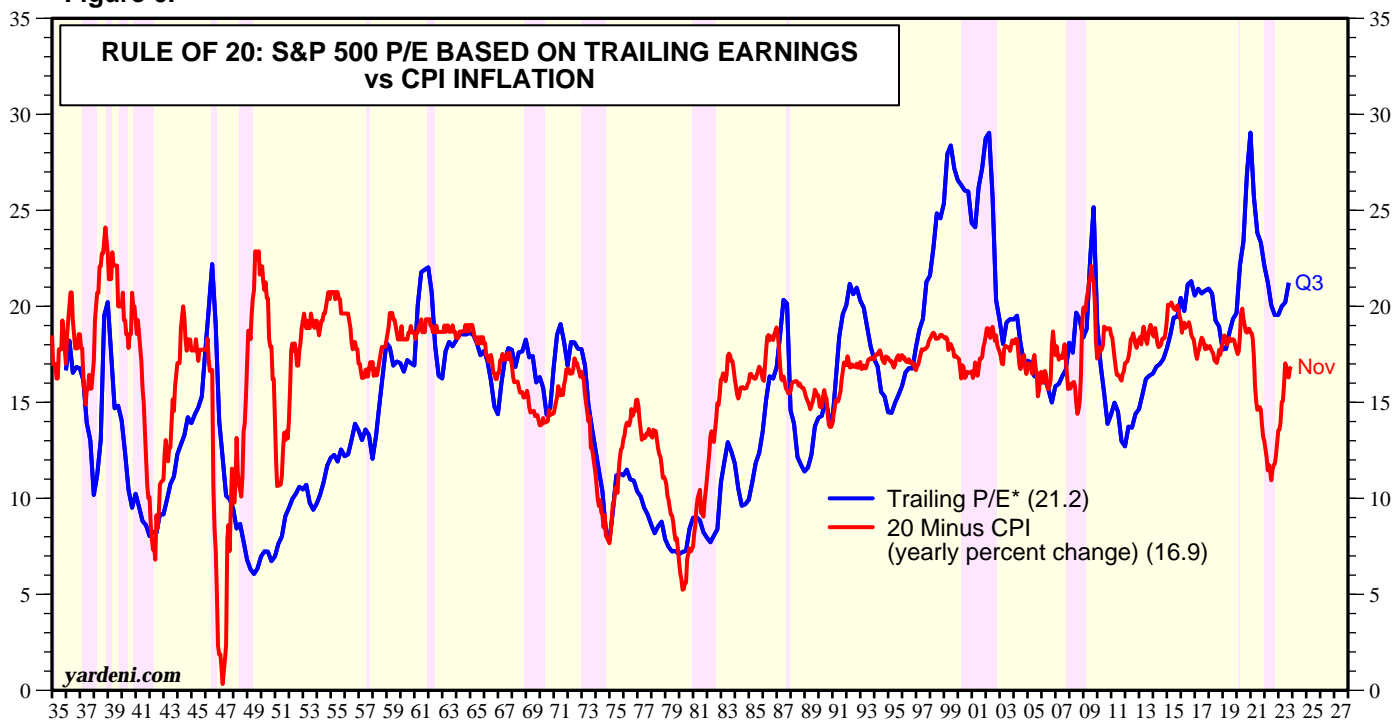
Trailing P/E

Figure 5.



* Using quarterly average of daily data for S&P 500 price index, and 4-quarter trailing reported earnings through Q4-1988, then operating earnings. Source: Standard & Poor's and Bureau of Economic Analysis. Note: Shaded red areas are S&P 500 bear market declines of 20% or more. Yellow areas show bull markets.

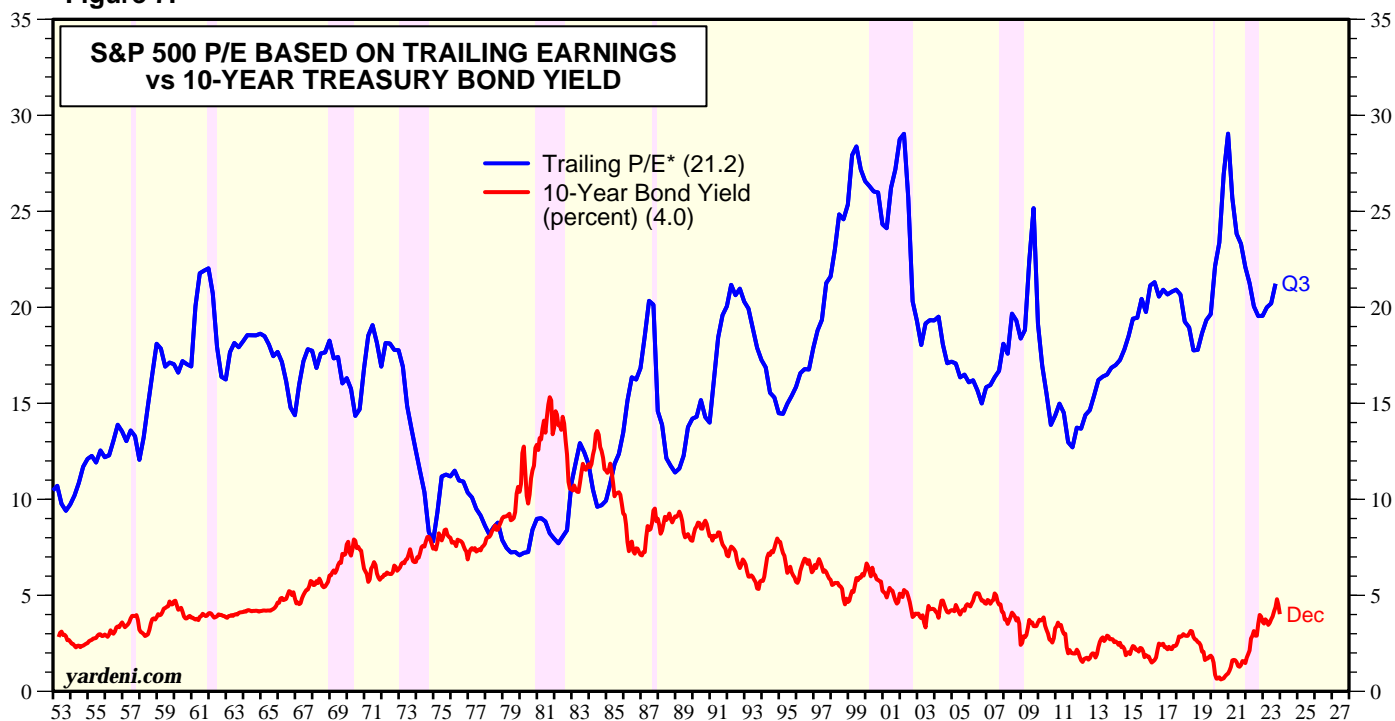
Figure 6.



* Using quarterly average of daily data for S&P 500 price index, and 4-quarter trailing reported earnings through Q3-1988, then operating earnings. Source: Standard & Poor's and Bureau of Economic Analysis. Note: Shaded red areas are S&P 500 bear market declines of 20% or more. Yellow areas show bull markets.

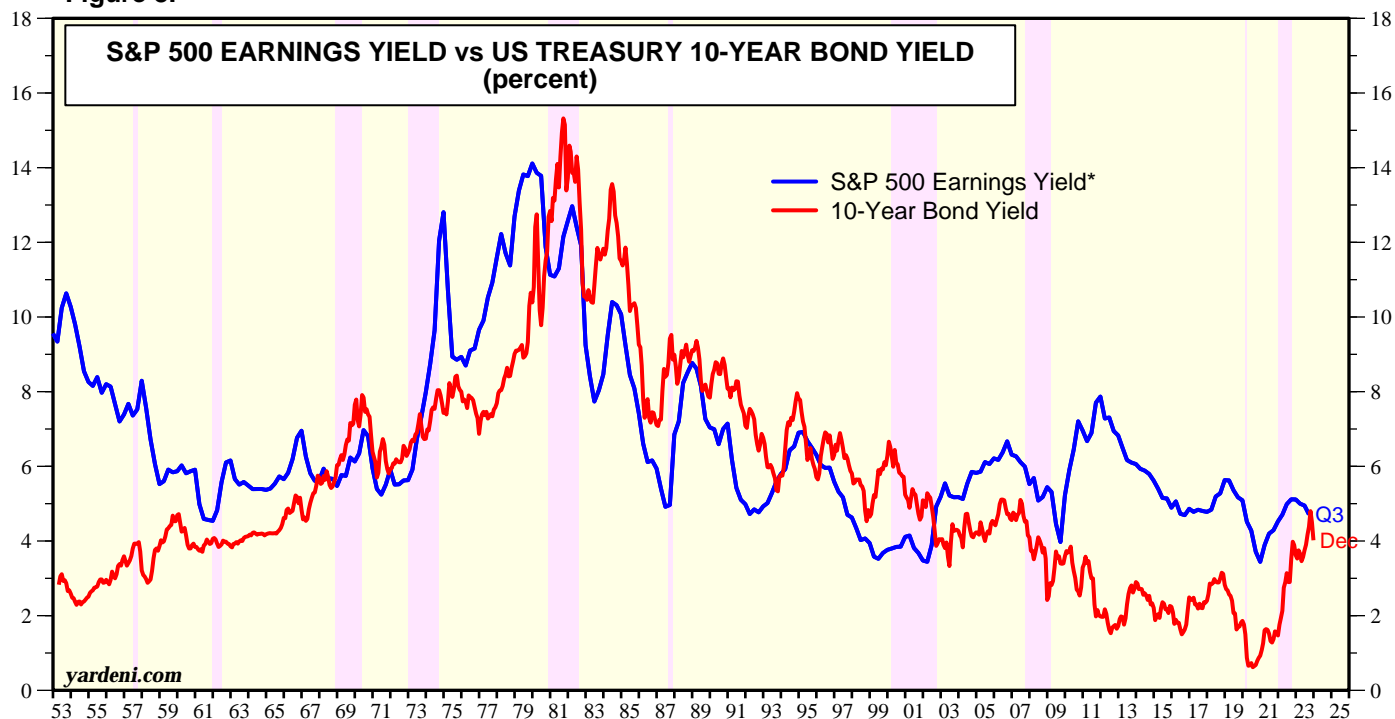
Trailing P/E

Figure 7.



* Using quarterly average of daily data for S&P 500 price index, and 4-quarter trailing reported earnings through Q3-1988, then operating earnings.
Note: Shaded red areas are S&P 500 bear market declines of 20% or more. Yellow areas show bull markets.
Source: Standard & Poor's and Federal Reserve Board.

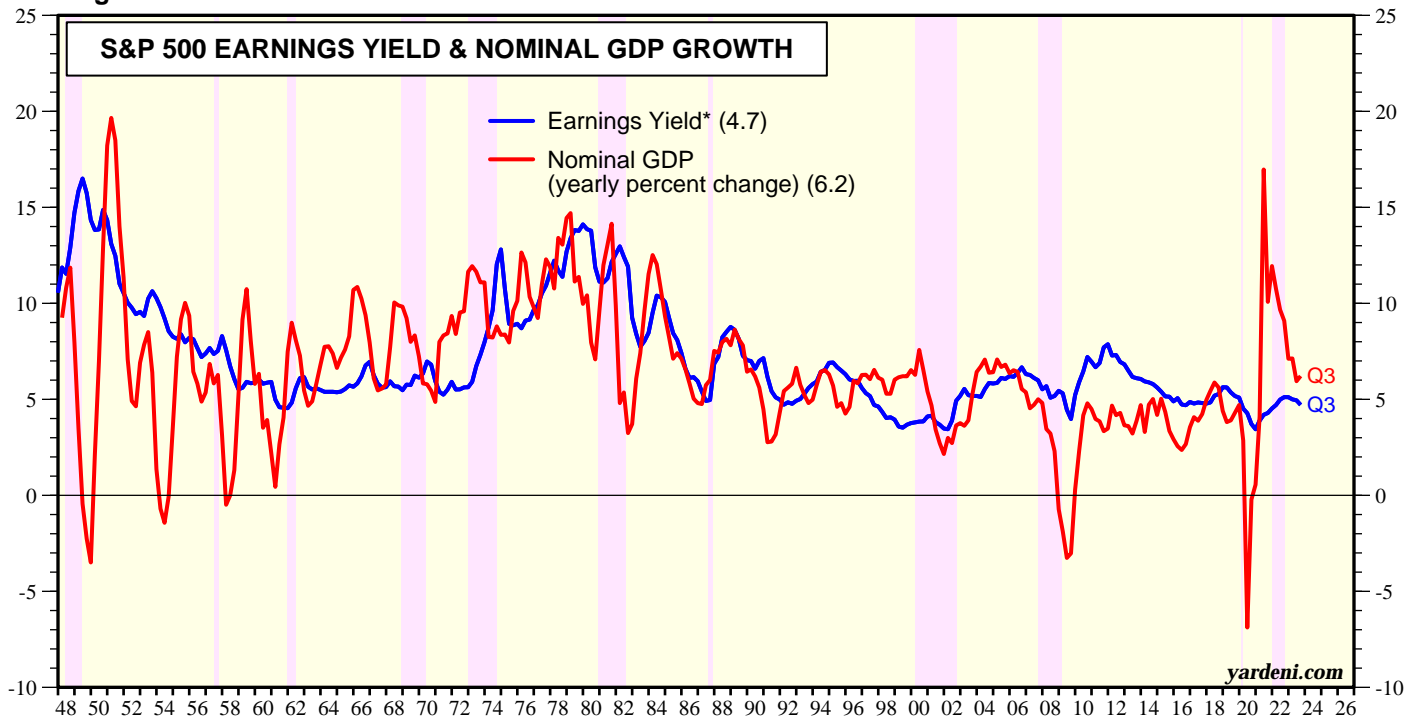
Figure 8.



* Using quarterly average of daily data for S&P 500 price index, and 4-quarter trailing reported earnings through Q3-1988, then operating earnings.
Note: Shaded red areas are S&P 500 bear market declines of 20% or more. Yellow areas show bull markets.
Source: Standard & Poor's and Federal Reserve Board.

Trailing P/E

Figure 9.



* S&P 500 trailing earnings divided by stock price index. Using quarterly average of daily data for S&P 500 price index, and 4-quarter trailing reported earnings through Q3-1988, then operating earnings.
 Note: Shaded red areas are S&P 500 bear market declines of 20% or more. Yellow areas show bull markets.
 Source: Standard & Poor's Corporation and Bureau of Economic Analysis.

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