

# Monthly Chart Pack



STARTING POINTS MATTER

January 2020



- ▶ All valuations, with the exception of factors, consist of a composite of P/E, P/B, P/S, and P/C
- ▶ The **grey line** in the center is the long-term average relative valuation and the **green lines** represent one standard deviation away from the average.
- ▶ Sectors are MSCI USA Sectors relative to the CRSP U.S. Total Market Index
  - ▶ *Communication Services sector is represented by an S&P 500 Index*

## STYLES & SIZES

- ▶ *Growth and Value are Russell 3000 indices (full-market growth/value)*
- ▶ *S&P 100 (Mega), S&P 500 (Large), CRSP U.S. Mid-Cap (Mid), and CRSP U.S. Small-Cap (Small) are all relative to the CRSP U.S. Total Market Index*

## FACTORS

- ▶ *Valuations consist of a composite of P/B and P/C*
- ▶ *Global Factors are MSCI ACWI Factors relative to MSCI ACWI Index*

## GLOBAL

- ▶ *U.S. Market = CRSP U.S. Total Market Index*
- ▶ *World = MSCI ACWI*
- ▶ *Developed = MSCI EAFE*
- ▶ *Emerging = MSCI EM*

## REGIONS

- ▶ *Developed regions are relative to MSCI ACWI*
- ▶ *Emerging regions are relative to MSCI EM*
- ▶ In certain instances if index data is unavailable, ETFs are used (marked with \*).

# Cyclical

## Relative Valuation

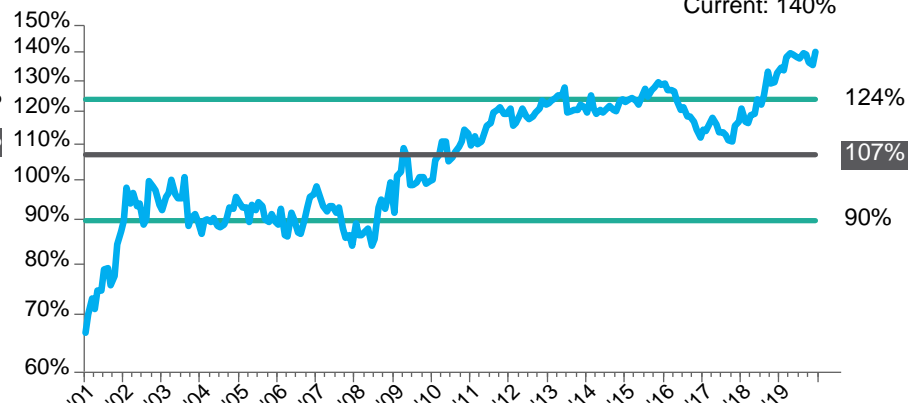
Basic Materials/U.S. Market\*

Current: 86%



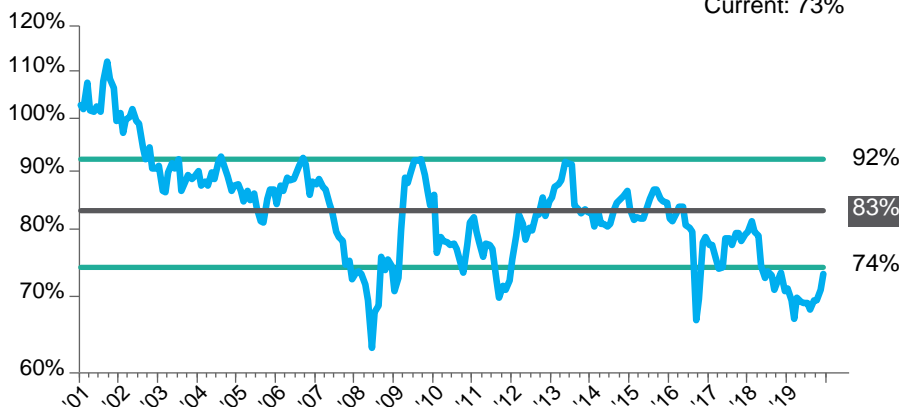
Consumer Discretionary/U.S. Market\*

Current: 140%



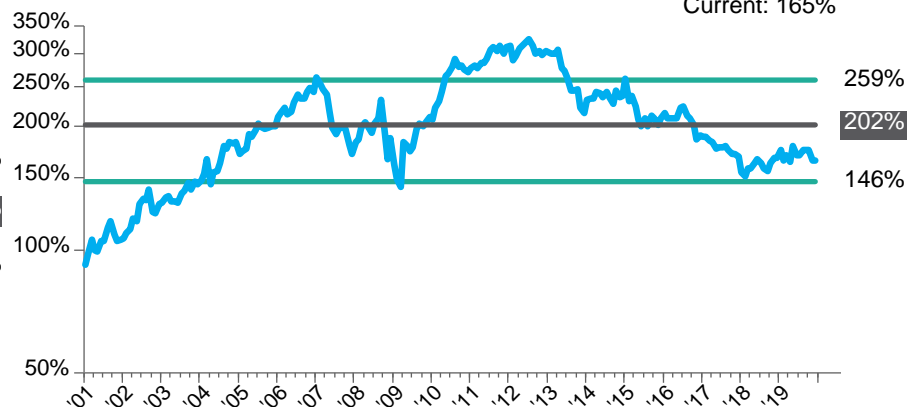
Financials/U.S. Market\*

Current: 73%



Real Estate/U.S. Market\*

Current: 165%

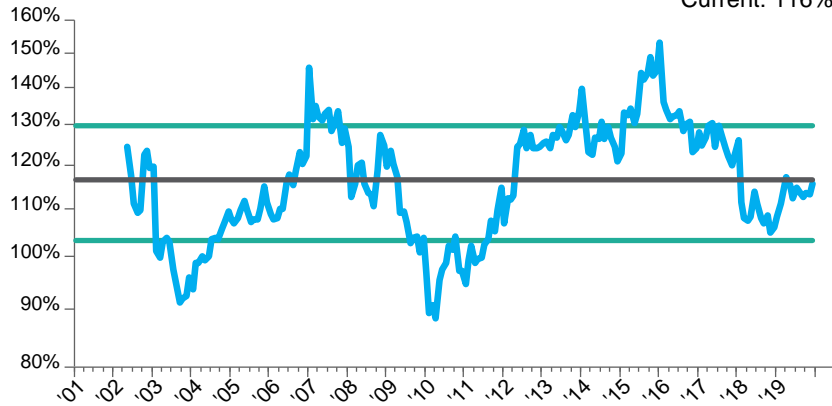


# Sensitive

## Relative Valuation

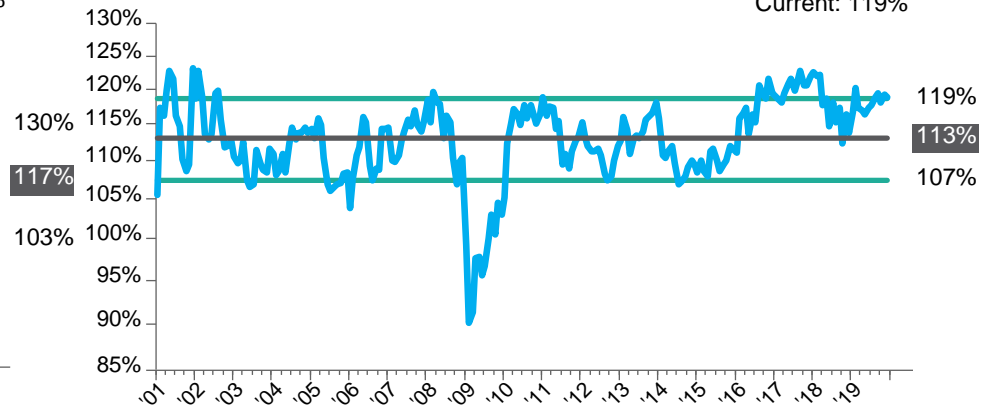
Communication Services/U.S. Market\*

Current: 116%



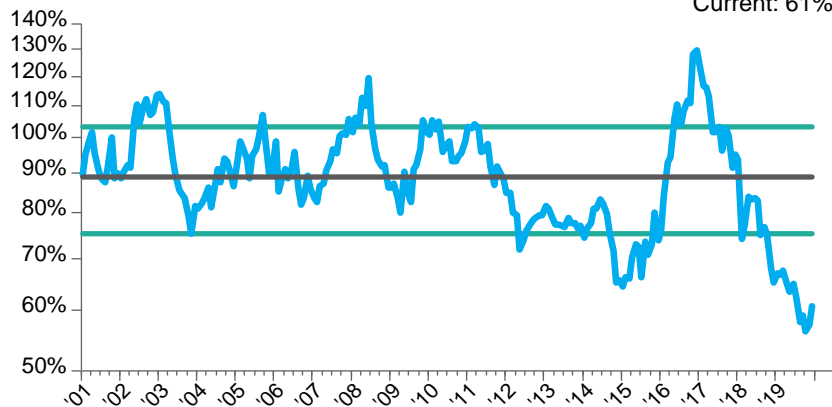
Industrials/U.S. Market\*

Current: 119%



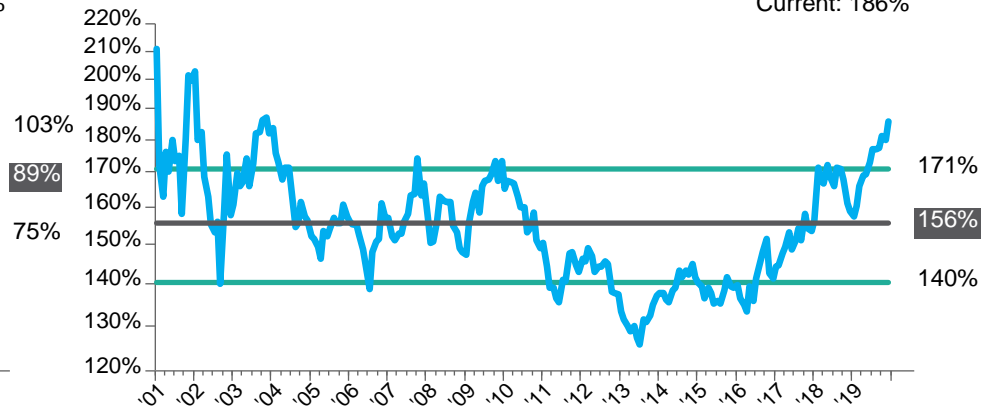
Energy/U.S. Market\*

Current: 61%



Technology/U.S. Market\*

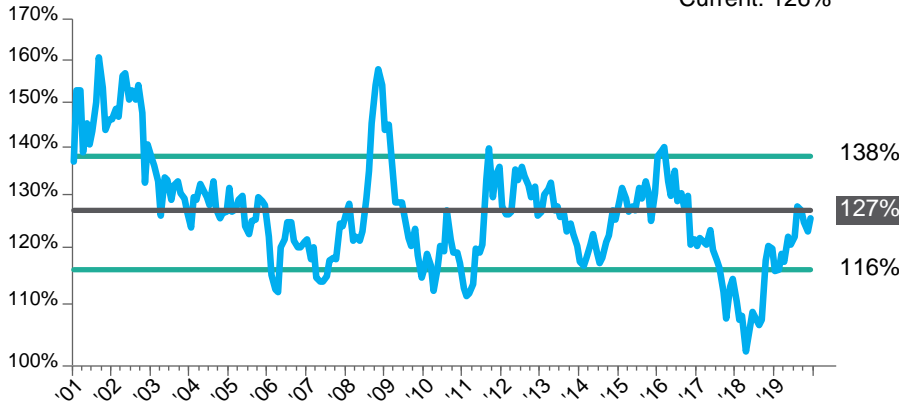
Current: 186%



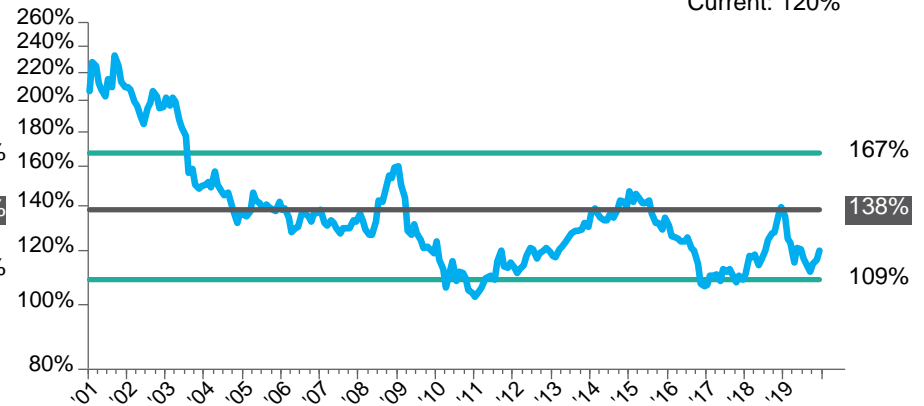
# Defensive

## Relative Valuation

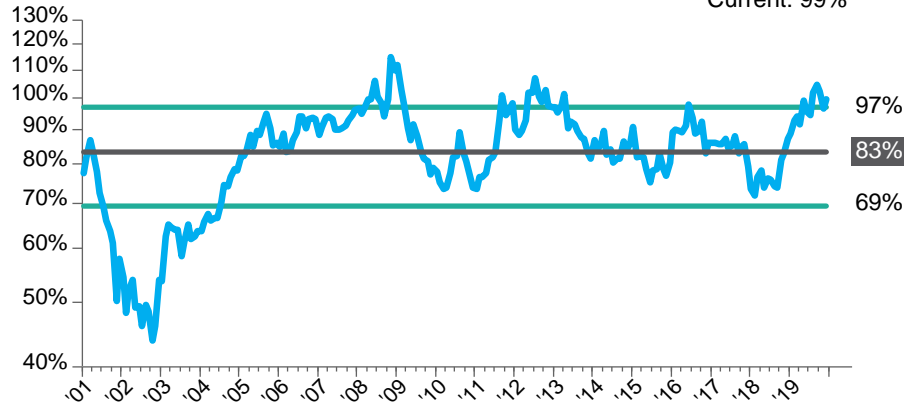
Consumer Staples/U.S. Market\*  
Current: 126%



Healthcare/U.S. Market\*  
Current: 120%

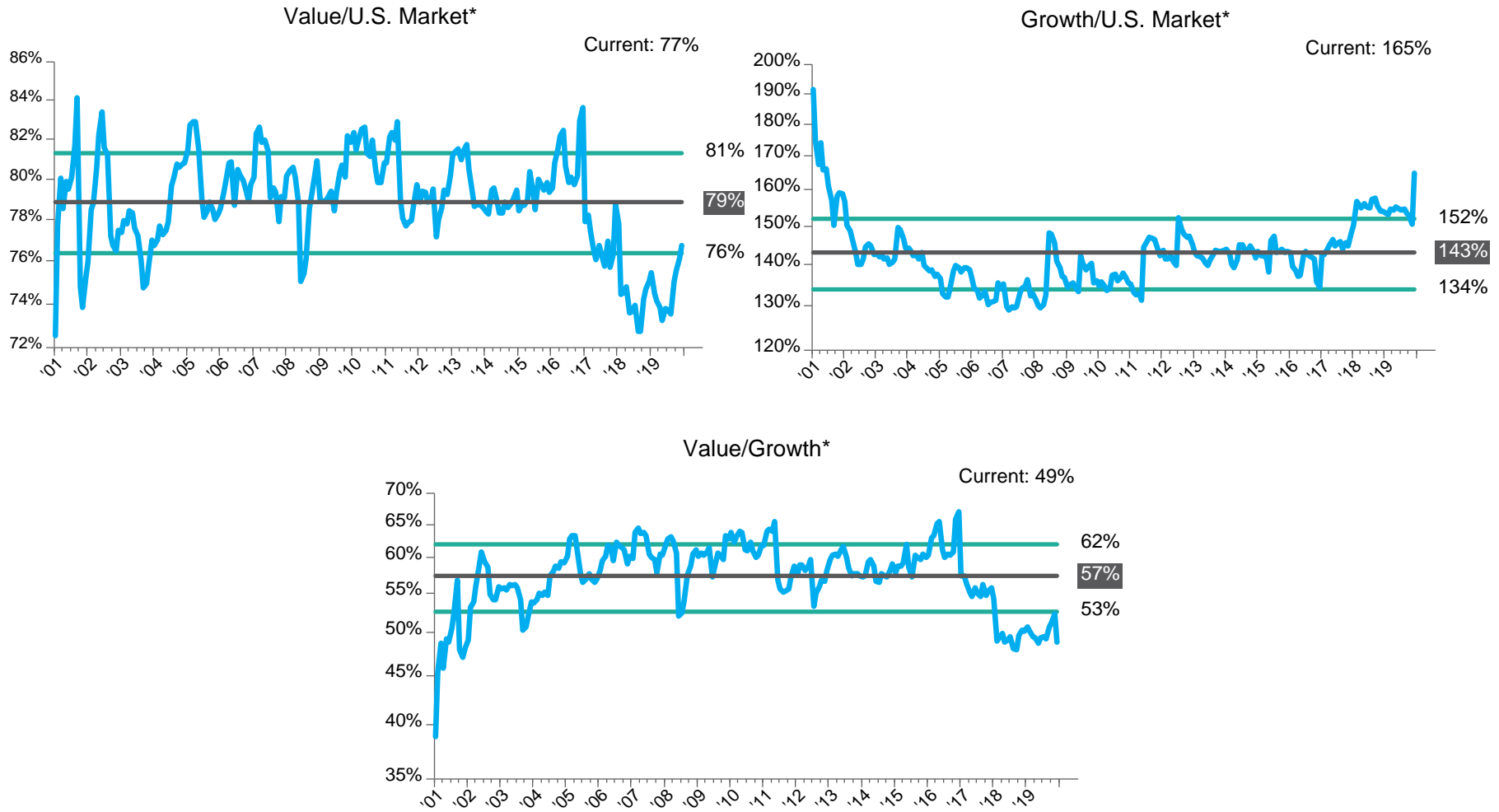


Utilities/U.S. Market\*  
Current: 99%



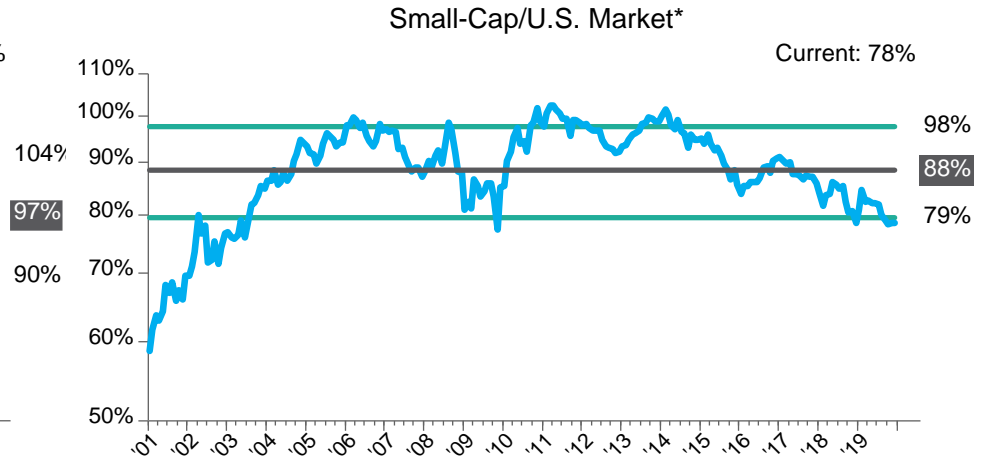
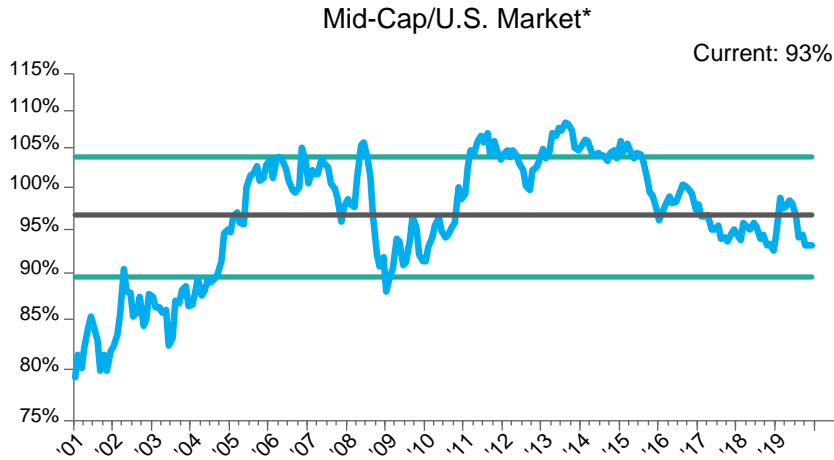
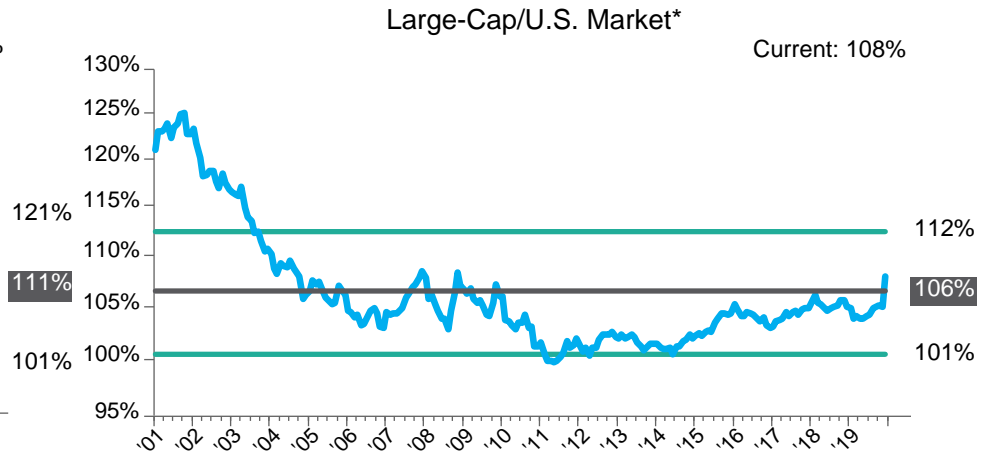
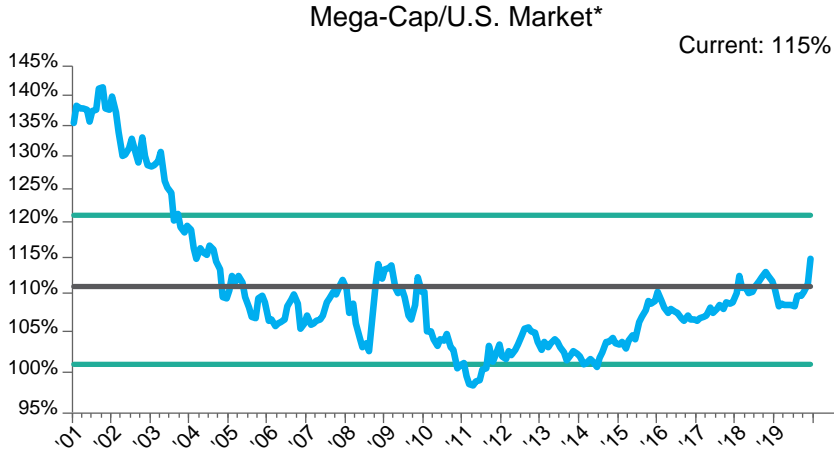
# Style

## Relative Valuation



# Size

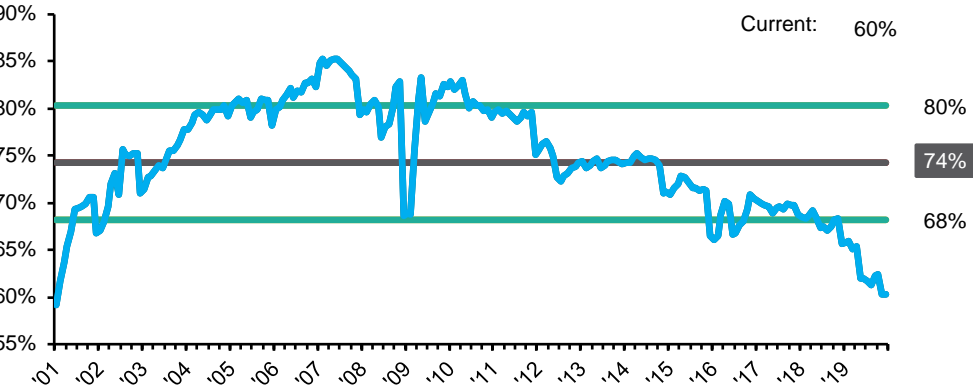
## Relative Valuation



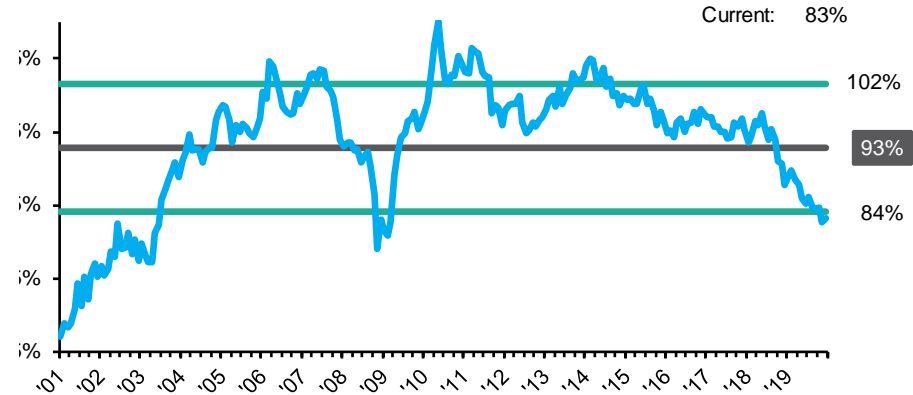
# Factors

## Relative Valuation

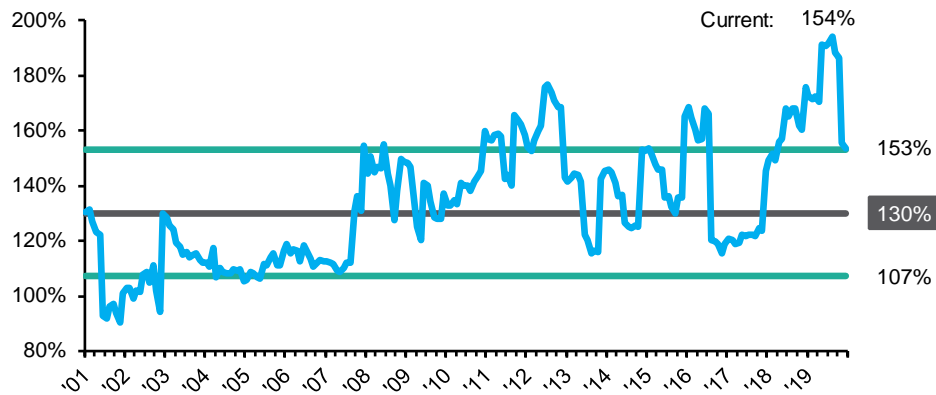
Global Value/World



Global Size/World



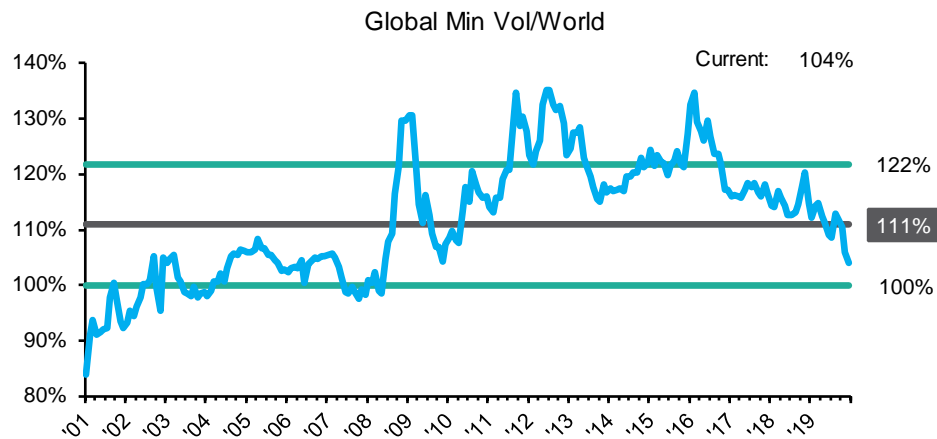
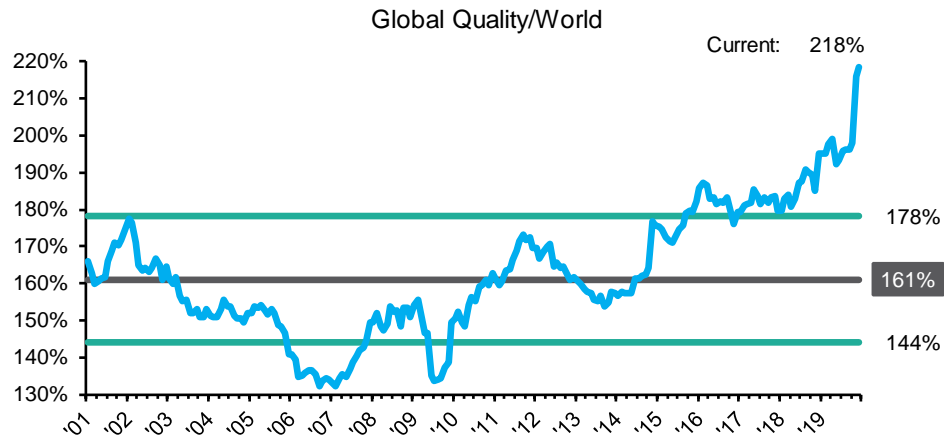
Global Momentum/World





# Factors

## Relative Valuation

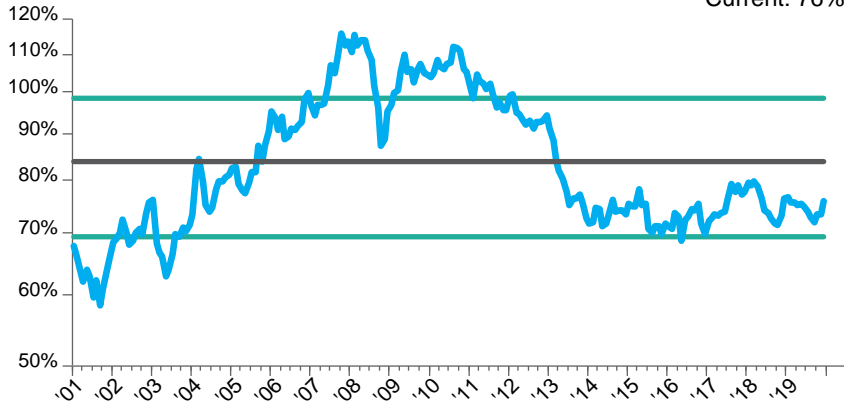


# Global

## Relative Valuation

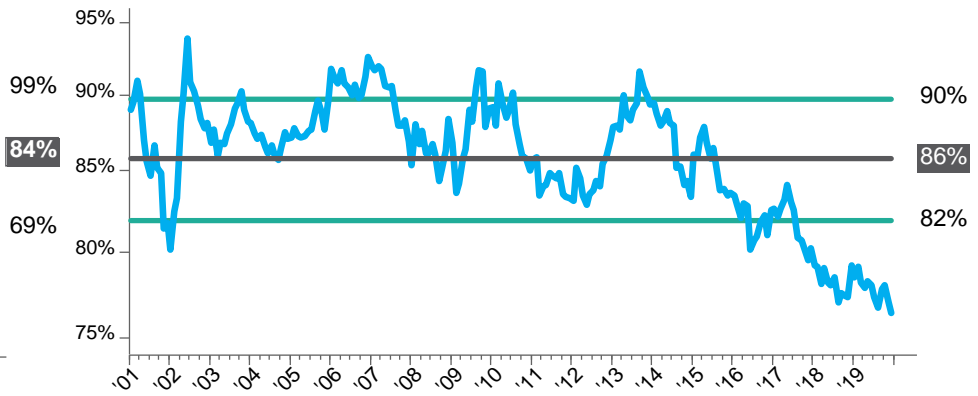
Emerging Markets/World

Current: 76%



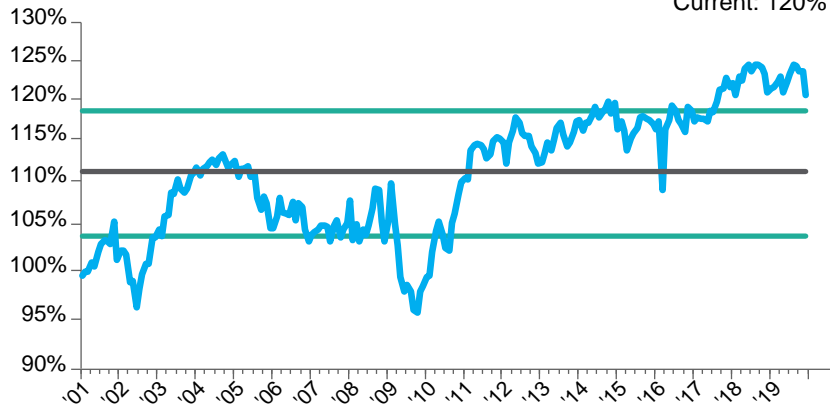
Developed International/World

Current: 76%



U.S./World\*

Current: 120%



U.S./International\*

Current: 159%

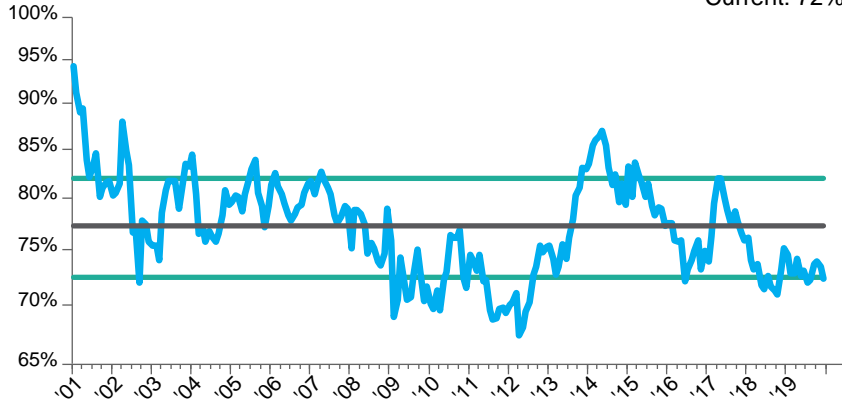


# Region

## Relative Valuation

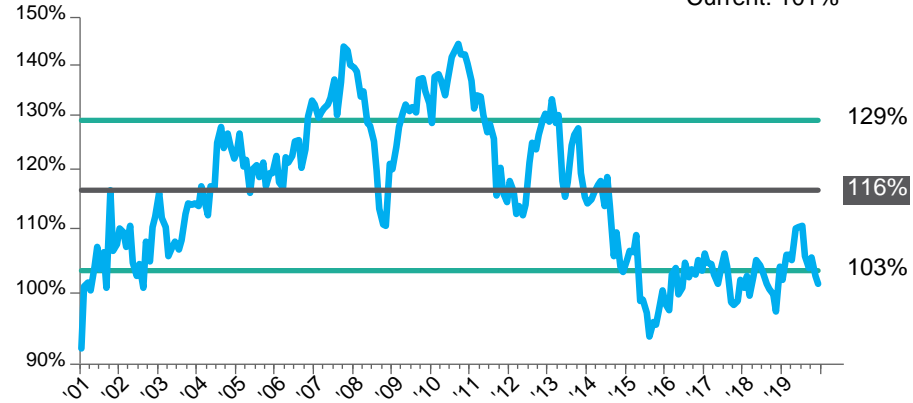
### Eurozone/World

Current: 72%



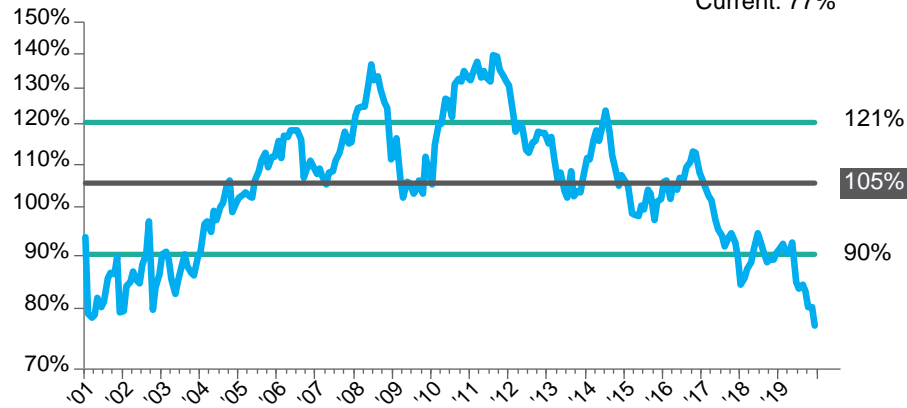
### Pacific (Ex Japan)/World

Current: 101%



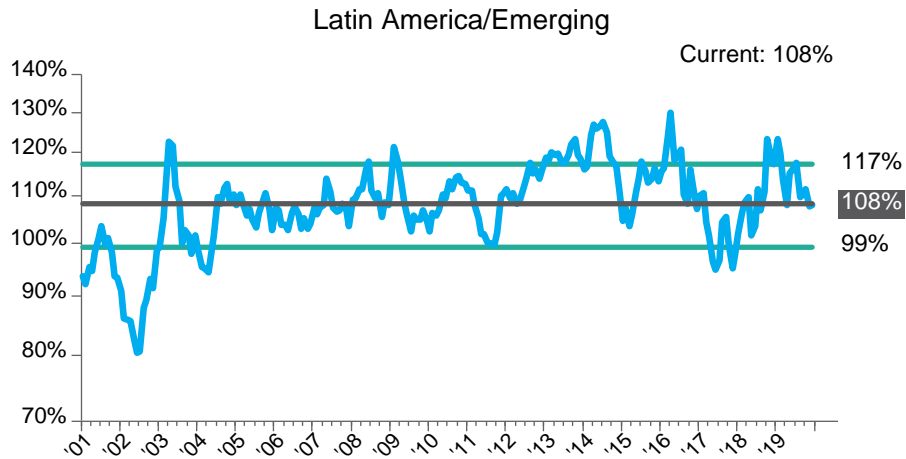
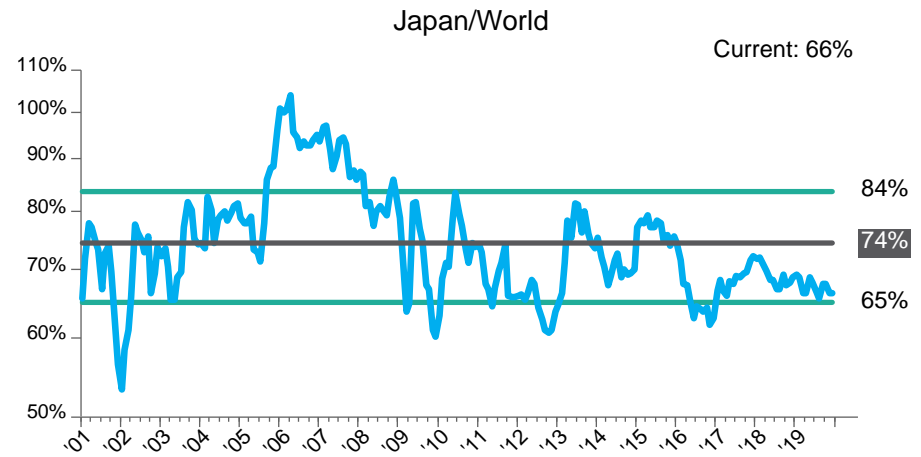
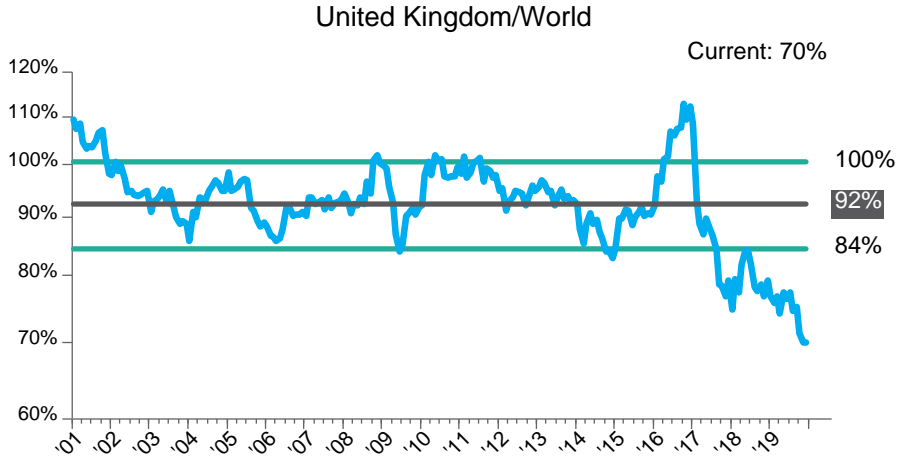
### Canada/World

Current: 77%



# Region

## Relative Valuation

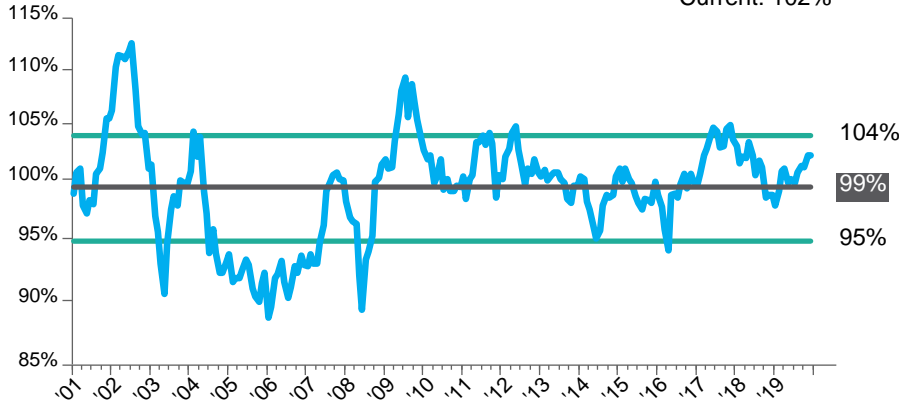


# Region

## Relative Valuation

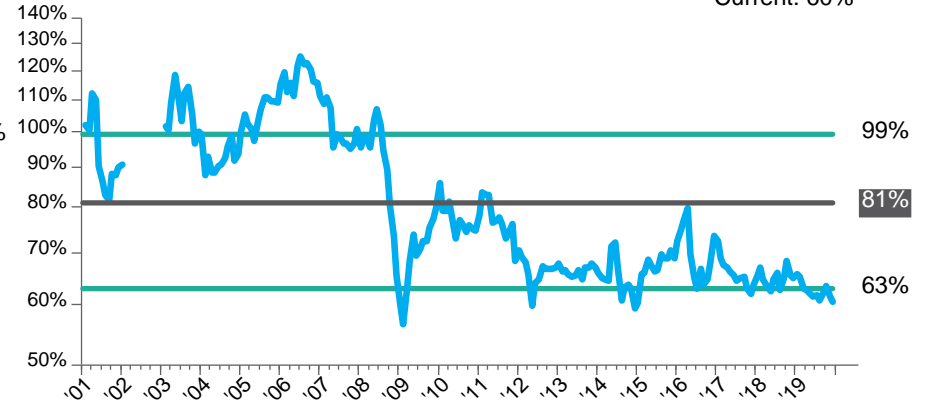
Emerging Asia/Emerging

Current: 102%



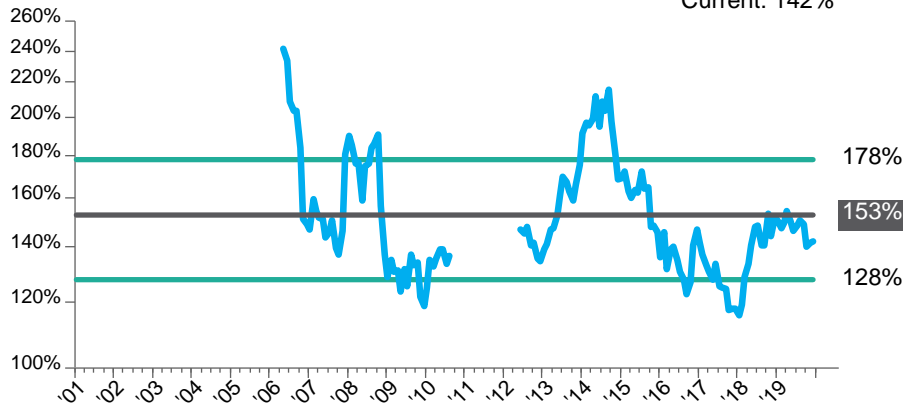
Emerging Europe/Emerging

Current: 60%



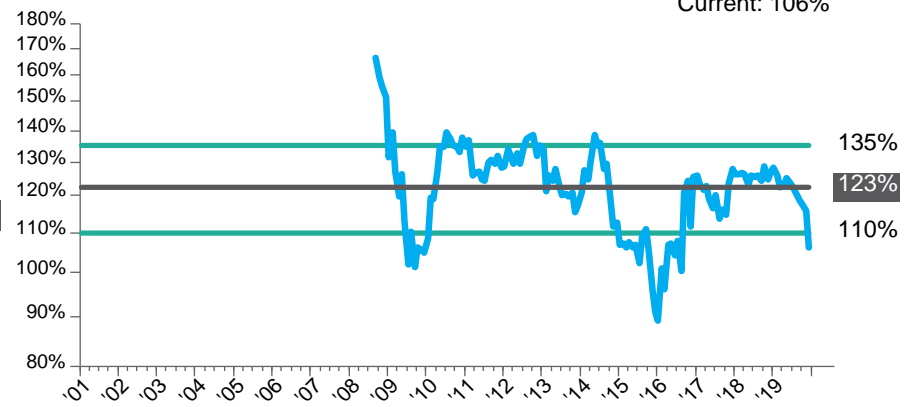
Middle East/Emerging

Current: 142%



Africa/Emerging

Current: 106%



# Region

## Relative Valuation

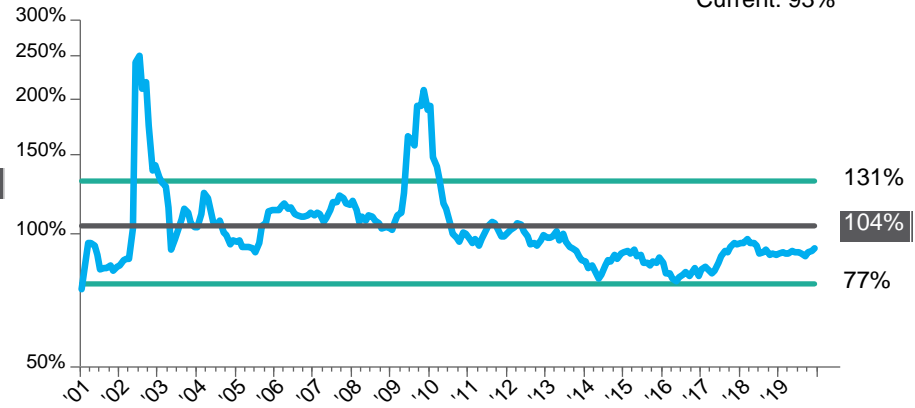
Emerging/Europe

Current: 97%



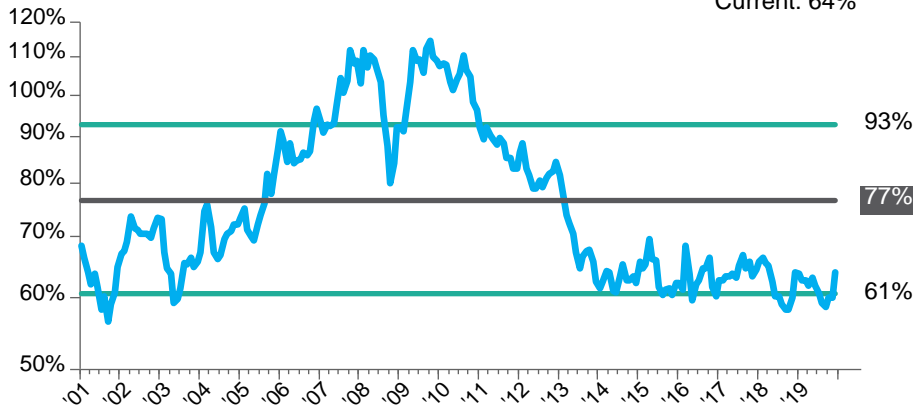
Asia/Europe

Current: 93%



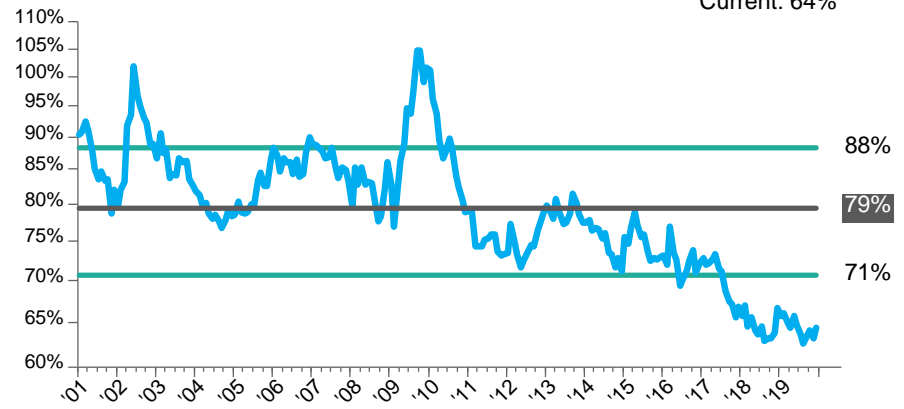
Emerging Markets/U.S. Market\*

Current: 64%



Developed International/U.S. Market\*

Current: 64%



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CLS calculates the relative valuations consisting of a composite of the price-to-earnings ratio (P/E), price-to-book ratio (P/B), price-to-sales ratio (P/S), price to cash flow ratio (P/CF), and the price-to-dividend ratio (P/D). The price-to-earnings ratio is a valuation method obtained by dividing the market value per share by the earnings per share. The price-to-book ratio is used to compare a stocks' market value to its book value by dividing the current closing price of the stock by the latest quarter's book value per share. The price-to-sales ratio is a valuation metric for stocks calculated by dividing the company's market cap by the revenue in the most recent year; or, equivalently, divide the per-share stock price by the per-share revenue. The price/cash flow ratio (also called price-to-cash flow ratio or P/CF), is a ratio used to compare a company's market value to its cash flow. The price-to-dividend ratio shows how much a company pays out in dividends each year relative to its share price by dividing the annual dividends per share by the price per share.

The Russell 3000 Index is an unmanaged index considered representative of the U.S. stock market. The index is composed of the 3,000 largest U.S. stocks. The S&P 500 Index is an unmanaged composite of 500-large capitalization companies. This index is widely used by professional investors as a performance benchmark for large-cap stocks. The S&P 100, a subset of the S&P 500, includes leading U.S. stocks with exchange-listed options. The stocks in the S&P 100 tend to be the largest and most established companies in the S&P 500. The CRSP US Mid Cap Index targets inclusion of the U.S. companies that fall between the top 70%-85% of investable market capitalization. The CRSP US Small Cap Index includes U.S. companies that fall between the bottom 2%-15% of the investable market capitalization. Nearly 4,000 constituents across mega, large, small and micro capitalizations, representing nearly 100% of the U.S. investable equity market, comprise the CRSP US Total Market Index. The MSCI All-Countries World Index, excluding U.S. (MSCI ACWI ex US) is an index considered representative of stock markets of developed and emerging markets, excluding those of the U.S. The MSCI EAFE Index is a composite index which tracks performance of international equity securities in 21 developed countries in Europe, Australia, Asia, and the Far East. The MSCI Emerging Markets (or EM) Index is a composite index which tracks performance of large and mid-cap firms across 21 countries classified as emerging market countries. An index is an unmanaged group of stocks considered to be representative of different segments of the stock market in general. You cannot invest directly in an index.



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