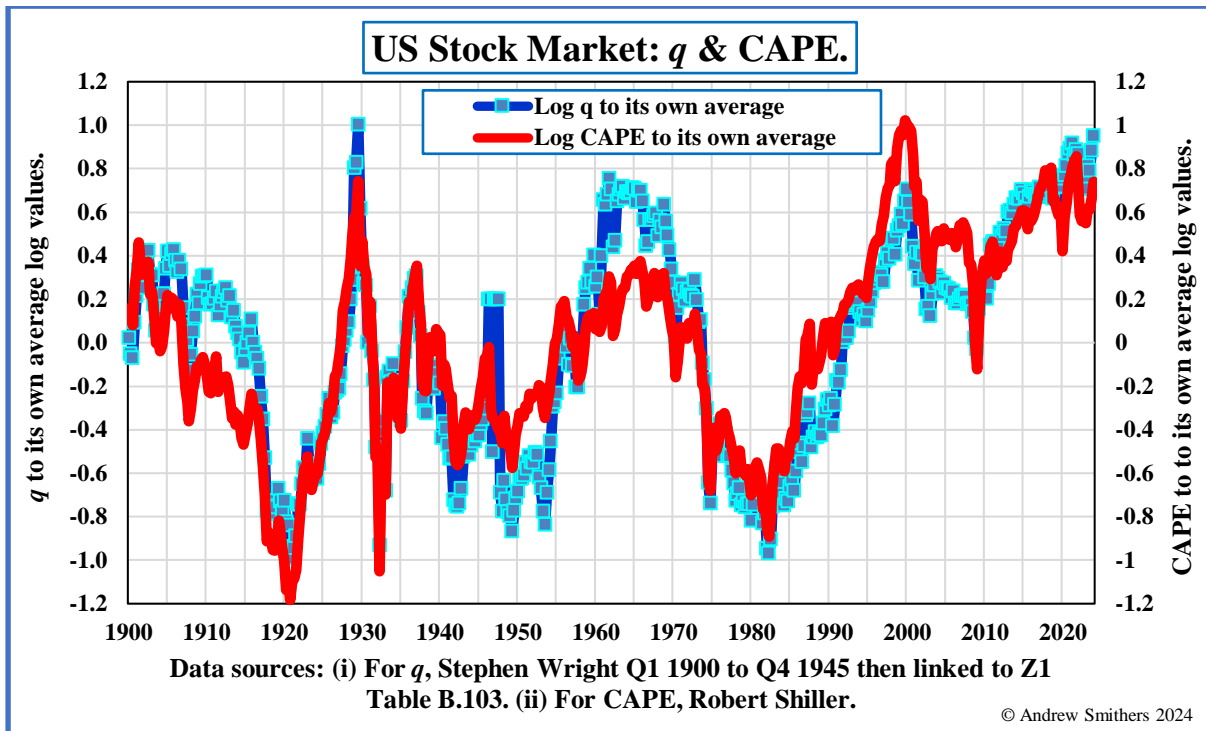




Andrew Smithers



US CAPE and q chart.

At:	S&P 500	Ratio to Fair Value	
		q	CAPE
31 st March 2024	5170.57	2.58	2.10
14 th June 2024	5431.60	2.71	2.20

The q and CAPE data are updated to 31st March 2024. The table shows the ratio of each valuation index to fair value, with the values of 14th June being those for 31st March adjusted for the change in the S&P 500 Index.

The ratio of q to fair value on 14th June was 2.71 times and is only just below the ratio of 2.72 recorded for 30th September 1929.

Data for my calculations of q are taken for 1900 to 1952 from Measures of Stock Market Value and Returns for the Non-financial Corporate Sector 1900-2002 by Stephen Wright, published in the Review of Income and Wealth (2004) and for 1952 to 2024 from the Financial Accounts of the United States (“Z1”) published by the Federal Reserve. Data for our calculations of CAPE are taken from the data published on Robert Shiller’s website, updated if necessary from data published by Standard & Poor’s. Data on net worth are only available annually before 1952 and I have calculated the quarterly data by interpolation assuming that changes are evenly spread over each year. Market value data are calculated by adjusting the year-end figures for the quarterly value of the S&P 500 or its equivalent as shown by Robert Shiller.

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London
17th June, 2024.