

Panic Scenario Analysis based on Equity Risk Premium Behavior

as-of	3/6/20		
5 YR Tsy yld, orig	1.41%	2/19/20 top	5 YR, nominal
SPX price, orig	3386.15	2/19/20 top	risk premium
SPX next yr EPS, orig	145.4		
SPX P/E, orig	23.3x		
SPX earnings yld, exp, orig	4.29%		
risk premium, orig	2.88%	<i>expected SPX earnings yield - 5 yr tsy yield at orig data per above</i>	
5 YR Tsy yld, curr	0.67%		
SPX price, last	2972		
SPX next yr EPS, curr	145.4		
SPX P/E, curr	20.4x		
SPX earnings yld, curr	4.89%		
risk premium curr	4.22%		
5YR tsy chg, exp	0.80%	<i>assumption on how much you expect the 5 yr tsy yield to move thru terminal pricing</i>	
risk premium expansion	3.00%	<i>based on historical observation of premium expansion during unforeseen panics</i>	
risk premium expansion so far	1.34%	<i>how much risk premium has already moved</i>	
target SPX yield	8.09%		
EPS est chg	0.00%	<i>put your own assumption here</i>	
Best Est SPX EPS next yr	145.4		
Target SPX level	1796.40		
Current implied SPX level	2972		
last SPX level	2972	-12.2%	from top
possible loss from last	-39.56%		