From the given data table of the FED model decile forecasts , the excess earning yield which is the difference of the E/P – Rf can easily be analyzed that further help to develop the forecast about the stocks in the future. According to the statistical analysis of the FED model, the earning yield when equal to the 3.5 % with the zero rate of interest is an indication of the attractive stock market while the same earning yield with the 3 % and 4 % rate of the interest indicates the unattractive stock market. This is because of the fact that excess earning yield contains the two important factors. The first important factor is E/P ratio, if it is lower, it means the price factor present in the denominator is quite high than the numerator factor (E).It means the stock’s price is high than the earning price. Moreover, when there is a difference taken with the RF factor ( in which R is the expected rate of the return), the value becomes further lower if the expected rate of return value quite high. R factor helps to develop the forecasting for the stocks in the future. Greater the value of the R, lower will be earning yield then the investment in the stocks would be riskier according to FED model.