

Macro Roundup Article

Headline: [After a Timeout, Back to the Meat Grinder!](#)

Article Link: <https://www.gmo.com/americas/research-library/after-a-timeout-back-to-the-meat-grinder-viewpoints/>

Author(s)	Jeremy Grantham
Publication	GMO
Publication Date	January 24, 2023

Tweet: Jeremy Grantham predicts that the S&P; 500 will likely hit 3,200 at some point this year, noting that “valuations are still nowhere near their long-term averages.” @GMOInsights

Summary: The first and easiest leg of the bursting of the bubble we called for a year ago is complete. While the most extreme froth has been wiped off the market, valuations are still nowhere near their long-term averages. Further, in the past, they have usually overcorrected to below trend as fundamentals deteriorated. My calculations of trendline value of the S&P 500, adjusted upwards for trendline growth and for expected inflation, is about 3200 by the end of 2023. I believe it is likely (3 to 1) to reach that trend and spend at least some time below it this year or next. Not the end of the world but compared to the Goldilocks pattern of the last 20 years, pretty brutal.

Primary Topic: Business Cycle

Topics: Business Cycle, Financial Markets, GDP, Op-Ed/Blog Post, Sell-by Date, Theory

Permalink: <https://www.edwardconard.com/macro-roundup/jeremy-grantham-predicts-that-the-s-p-500-will-likely-hit-3200-at-some-point-this-year-noting-that-valuations-are-still-nowhere-near-their-long-term-averages-gmoinsights?view=detail>

Featured Image

Link: <https://www.edwardconard.com/wp-content/uploads/2023/01/GMO-forecast-1.jpg>