

## Macro Roundup Article

**Headline:** [Equity Risk Premiums: Determinants, Estimation, and Implications](#)

**Article Link:** <https://twitter.com/aswathdamodaran/status/1774083871195230592?s=61&t=LITfyHNI9xqoVdOjJZMoEg>

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**Tweet:** [. @AswathDamodaran estimates the current equity risk premium for the S&P 500 at 4.23%, the lowest level since 2008; the expected return on stocks is 8.6%.](#)

**Summary:** As the market climbs, the implied ERP for the S&P 500 drops to 4.23%, its lowest value since 2008. As a forward-looking price of risk, the ERP drives everything in markets. I have a review that I do on ERP, and my fifteenth annual update is now available. The paper is verbose (155 pages) and not riveting reading, but it does include everything I know about equity risk premiums and their estimation. Related: Magnificent 7. Or is it Magnificent 2? and Five Easy Pieces and Long-Term Shareholder Returns: Evidence From 64,000 Global Stocks

**Primary Topic:** Business Cycle

**Topics:** Business Cycle, Database, Financial Markets, GDP, Op-Ed/Blog Post

**PDF File URL:** <https://www.edwardconard.com/wp-content/uploads/2024/04/ERP-Updates-March-2024.pdf>

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