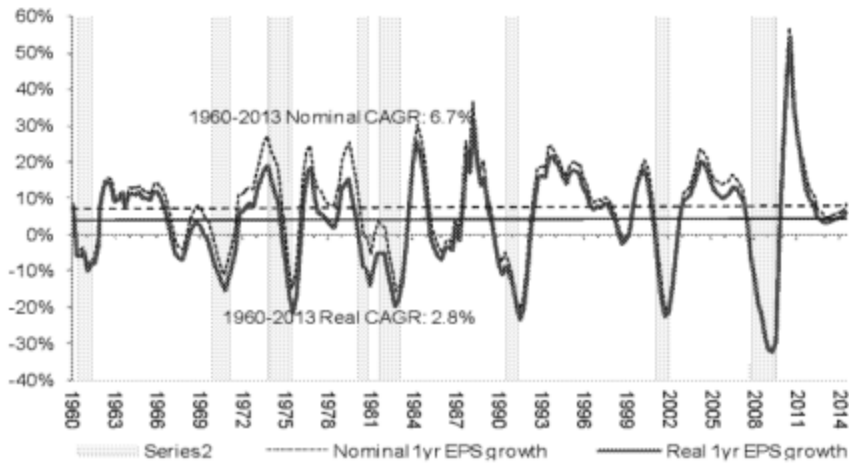




What's normal S&P EPS growth? It depends on EPS retention.

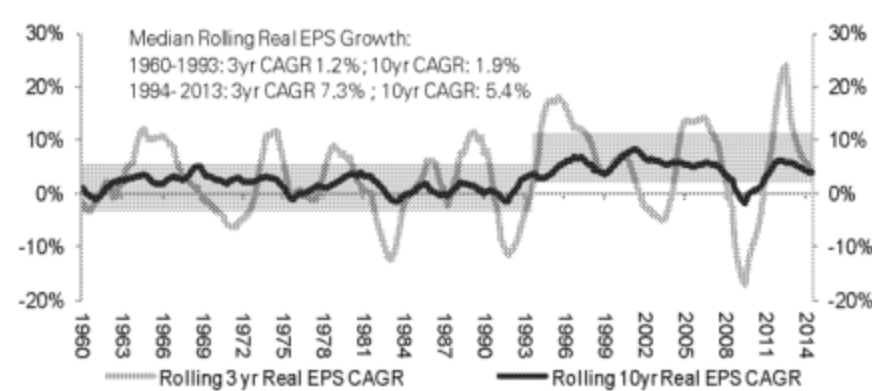
Figure 44: S&P nominal and real trailing 4-qtr EPS growth (y/y % chg)



Source: S&P, Deutsche Bank

S&P 500 EPS CAGR from 1960-2013 was
Nominal: 6.7%
Real: 2.8%

Figure 45: Rolling 3yr and 10yr Real EPS growth



Source: S&P, Deutsche Bank

Rolling 3yr and 10yr CAGR of real EPS growth show higher EPS growth since mid 1990s than from 1960 to 1990