

Indicators of an Overvalued Market

Let us look at the peaks and troughs in the S&P500 over the past 90 years. The peaks are in red, the troughs are in blue.

	1929 peak	1932 trough	1937 peak	1942 trough	1966 peak	1982 trough	2000 peak	2002 trough	2007 peak	2009 trough	Today peak?
S&P500	34	4	20	7	102	102	1527	777	1565	666	3300
Price to Sales	2.31	0.48	0.51	0.46	1.2	0.32	2.13	1.11	1.57	0.66	2.4
Price to Book	3	0.3	2.2	0.8	2.4	0.9	7.7	2.3	6	1.5	3.82
Market Cap/GDP	90%	26%	72%	20%	79%	33%	141%	64%	109%	49%	172%

Source: Bureau of Economic Analysis, US Department of Commerce, Standard & Poor's