
What happens to the P in P/E-ratio when the E goes down?

The forward-looking P/E-ratio for S&P500 is currently traded somewhat below its average since July 2002. Wall Street analysts are still foreseeing increasing profits despite the risk of recession.

In a recession scenario, the earnings forecasts need to come down, otherwise, the S&P500 looks very attractively valued.

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About Vontobel:

As a globally operating financial expert with Swiss roots, Vontobel specializes in wealth management, active asset management and investment solutions. Digital Investing bundles different investment solutions for private investors either directly or via ecosystems. [Read more](#)

Attachments

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