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Duff & Phelps Recommended U.S. Equity Risk Premium Increased from 5.0% to 6.0% Effective March 25, 2020

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the closure of many businesses, harming business confidence; this has led to job losses in
several industries, in turn hurting consumer confidence. Global equity markets have collapsed
at a speed faster than observed during the 2008 global financial crisis. Equity volatility has
reached record highs, while corporate credit spreads have surged. Economists have slashed
real economic growth projections, with several sources predicting a global recession in 2020.
Major central banks have begun to implement quantitative easing and other crisis-related
measures employed during the 2008 financial crisis. Some governments are also in the
process of approving or have already enacted sizable fiscal stimulus packages.

Based on current market conditions, Duff & Phelps is increasing its U.S. ERP recommendation
from 5.0% to 6.0% when developing discount rates beginning on March 25, 2020 and
thereafter, until further guidance is issued. To be clear, this means that for critical quarter-end
valuations dated March 31, 2020, the recommended ERP is 6.0%. However, several economic
and financial risk factors that we evaluate were already present during the week of March 9,
2020.

This ERP recommendation is to be used in conjunction with a normalized risk-free rate of
3.0%, implying a base U.S. cost of equity capital of 9.0% (6.0% + 3.0%).

Duff & Phelps will issue a more detailed Client Alert documenting the rationale behind the new
recommendation.