

Damodaran Market Risk Premium Model (with January 2018 inputs)

Inputs		Expected Cash Flows						
		Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Terminal Year
EPS:	124.94							
DPS + Buybacks:	108.28							
S&P 500 Price	2673.61							
Analyst EPS Growth:	7.05%							
T-Bond Rate:	2.41%							
		124.94	133.7483	143.1775	153.2715	164.0772	175.6446	179.8777
		108.28	115.9137	124.0857	132.8337	142.1985	152.2235	155.8921
Implied Return:	7.49%	Net Present Value:		2673.61				
T-Bond Rate:	-2.41%	Solver cell:		0				
Implied MRP:	5.08%							

Damodaran Model With Modified Inputs (in yellow)

Inputs		Expected Cash Flows						
		Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Terminal Year
EPS:	124.94							
DPS + Buybacks:	108.28							
S&P 500 Price	2673.61							
Analyst EPS Growth:	7.05%							
Nominal GDP growth:	3.90%							
		124.94	133.7483	143.1775	153.2715	164.0772	175.6446	182.4948
		108.28	115.9137	124.0857	132.8337	142.1985	152.2235	158.1602
Implied Return:	8.73%			2673.61				
T-Bond Rate:	-3.70%			0				
Implied MRP:	5.03%							