COST OF CAPITAL IN THE CURRENT ENVIRONMENT
COVID-19 Update – April 2021

U.S. Cost of Capital Inputs
Data as of April 1, 2021

- 5.5% D&P Recommended U.S. Equity Risk Premium
- 2.5% Normalized U.S. Risk-Free Rate

Duff & Phelps continues to monitor yield rates and other cost of capital inputs very closely and to highlight key changes to its U.S. 10-year Treasury data. We will assess the impact of any increase in yield rates and will continue to provide guidance in our U.S. ERM Report.

Global Market Volatility
Data as of April 1, 2021

- S&P 500: 9.5%
- STOXX Europe 600: 10.6%

Global Credit Spreads
Data as of April 1, 2021

- U.S. Corporate Credit Spreads: 2.5%
- Euro-Denominated Corporate Credit Spreads: 16.5%

Stock Market Performance Since The Wuhan Lockdown*
Data as of April 1, 2021

- MSCI All Country World Index: 19.7%
- S&P 500: 22.7%
- STOXX Europe 600: 3.4%

Global 10-Year Government Bond Yields
Data as of April 1, 2021

- U.S.: 1.68%
- Canada: 1.47%
- Brazil: 9.49%

U.S. vs. Eurozone Unemployment Rate
Data as of April 1, 2021

- U.S.: 4.4%
- Eurozone: 7.1%

Real GDP Growth (%) Estimates (Median)
Data as of April 1, 2021

- WORLD: 2.6
- United States: 1.9

U.S. and Eurozone Consumer Sentiment vs. Business Confidence
Data as of April 1, 2021

- Consumer Sentiment:
  - U.S.: 101.0
  - Eurozone: 2019 = 100

- Business Confidence:
  - U.S.: 99.7
  - Eurozone: 2019 = 100

*Data through March 2021 for the United States, and February 2021 for the Eurozone.
Source: Capital IQ, FRED

About Duff & Phelps
Duff & Phelps is a leading global advisory firm with 100 years of trust. Our experts help clients make confident decisions in the areas of valuation, real estate, business and corporate finance, data analytics and regulatory compliance. With offices across the globe, we are trusted by clients across diverse sectors in the areas of valuation, business and corporate finance, data analytics and regulatory compliance. For more information, visit www.duffandphelps.com