U.S. Economic Outlook

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Trouble Spots Are Few and Far Between…

Metro Area Business Cycle Index as of June 2019 data

- Recession/At risk
- Recovery
- Mid expansion
- Late expansion

Source: Moody’s Analytics
…But Metro Cycles Say It’s Getting Late

Share of metro area GDP in late-cycle expansion, %

Source: Moody’s Analytics
Markets Sound Their Warning

Difference between 10-yr and 3-mo Treasury yield, ppts

Sources: Federal Reserve, Moody’s Analytics
The Next Recession Is Coming Into View

Unemployment rate, %

Green curve is the natural rate of unemployment

Average length of time between going past full-employment and recession is 3 yrs.

Sources: BLS, Moody’s Analytics
What Could Go Wrong?

Source: Moody's Analytics

MOODY'S ANALYTICS
Trade War Undermining Business Sentiment
Moody’s Analytics Business Sentiment Survey

% difference between positive and negative responses

Sources: BLS, Moody’s Analytics
Manufacturing Hubs See Biggest Impacts

Economic impact of goods tariffs, U.S. = 100

Sources: BEA, Moody’s Analytics

MOODY’S ANALYTICS
Preparing for a Downturn
Real GDP, % change yr ago

Sources: BLS, Moody’s Analytics
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