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Given the uncertain U.S. economic outlook, we provide on a monthly basis our tracking table for recession indicators. The table below shows the current reading and recent momentum of several indicators compared to the ones observed three months before the eight previous recessions. Red indicates that the current reading is worse than any historical episodes while green is better. Both yellow and orange are in the historical range, the former indicating a better situation compared to the median while the latter shows the opposite.

This month, the signal from our dashboard monitoring the risk of a recession in the U.S. was worse than its previous iteration due to a decline in average hours worked and in building permits. Other data updates, meanwhile, were moderate in magnitude and thus did not impact the signal of their respective indicators. However, it is worthy to note that the majority of these moves were towards more negative economic conditions.

U.S.: Economic and financial indicators 3 months before recessions

As of May 3, 2024

	Last reading	Prior reading*	Value 3 months before U.S. Recessions								Median	
			2020	2007-09	2001	1990-91	1981-82	1980	1973-75	1970		
Financial/Commodity	S&P 500 (% drawdown from past year max)	-2.4%	-1.0%	-1.3%	-0.4%	-13.6%	-7.7%	-5.6%	-7.8%	-13.3%	-14.6%	-7.7%
	BBB spread (increase from past year min, bps)**	7.5	3.1	2.0	46.2	133.8	6.0	0.0	41.0	43.0	23.0	32.0
	Copper price (% drawdown from past year max)	-2.7%	-0.4%	-10.6%	-2.2%	-9.5%	-12.0%	-16.2%	-1.2%	0.0%	-1.6%	-5.9%
	Oil price (% drawdown from past year max)	-16.6%	-7.2%	-16.0%	-4.0%	-31.0%	-21.0%	-4.0%	0.0%	0.0%	0.0%	-4.0%
	U.S. Dollar (% increase from past year min)	4.1%	3.2%	3.1%	0.0%	5.3%	8.3%	12.5%	4.5%	1.4%	NA	4.5%
	Yield curve (10-year minus 3-month, bps)	-88	-97	26	77	-76	98	-62	-127	-157	35	-18
Soft data	Consumer sentiment (Michigan)	77.2	79.4	99.3	80.9	94.7	90.6	76.3	63.3	72.0	86.4	83.7
	SME optimism	88.5	89.4	102.7	96.1	96.4	99.4	97.4	93.3	NA	NA	96.9
	CEO confidence (quarterly data)	53.0	46.0	43.0	44.0	31.0	48.0	61.0	32.0	NA	NA	43.5
	ISM manufacturing	49.2	50.3	47.9	52.8	42.3	49.5	53.5	48.0	63.5	54.6	51.2
	ISM services	49.4	51.4	55.7	53.5	52	NA	NA	NA	NA	NA	53.5
Hard data	UI Claims 4-week ave. (% increase from past year min)	5%	7%	6%	8%	26%	6%	2%	20%	12%	10%	9%
	Temp. help services jobs (% drawdown from past year max)	-6.2%	-5.8%	0.0%	-3.2%	-4.3%	NA	NA	NA	NA	NA	-3.2%
	Average hours worked (% drawdown from past year max)	-0.3%	0.0%	-0.9%	-0.3%	-0.6%	-0.9%	-0.3%	-0.6%	-0.5%	-0.8%	-0.6%
	Building permits (% drawdown from past year max)	-5%	-1%	-5%	-27%	-2%	-39%	-21%	-30%	-30%	-19%	-24%
	Real consumption (3-month, % ann)	2.7%	2.5%	1.3%	2.4%	2.3%	1.8%	-0.1%	0.7%	4.1%	6.4%	2.1%

*Previous month (quarter for CEO confidence)

** As of Thursdays

NBF Economics and Strategy (data via Refinitiv, Bloomberg)

At last Friday's market close, the overall signal from financial/commodity indicators had remained unchanged compared with the previous month. Still, there was negative development in the month. The S&P 500 declined further from its peak in the month, corporate spreads widened, the prices of copper and oil dipped, and the U.S. dollar appreciated. Meanwhile, the yield curve flattened slightly.

The signal of the soft data section stayed put at a pessimistic level in the month. Looking past the signal as we define it in the dashboard, recent data updates were all negative. Indeed, the indices tracking consumer and SME sentiment both deteriorated, while the ISM manufacturing and services PMIs both slid in contraction. Meanwhile, the indicator reporting the confidence of CEOs was not updated in the month and thus remained above its historical median pre-recession level.

The signal of the hard data section deteriorated in the month as April's employment report showed a deceleration in the momentum in average hours worked. The employment report also showed that the number of jobs created in temporary help services deteriorated further below their worse historical pre-recession level. In other news, building permits also decelerated in the month and fell within their historical pre-recession range. Finally, the 4-week average of unemployment claims decreased in the month and thus remained more optimistic than its historical pre-recession median, while real consumption continued to sit above its median historical pre-recession level.



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