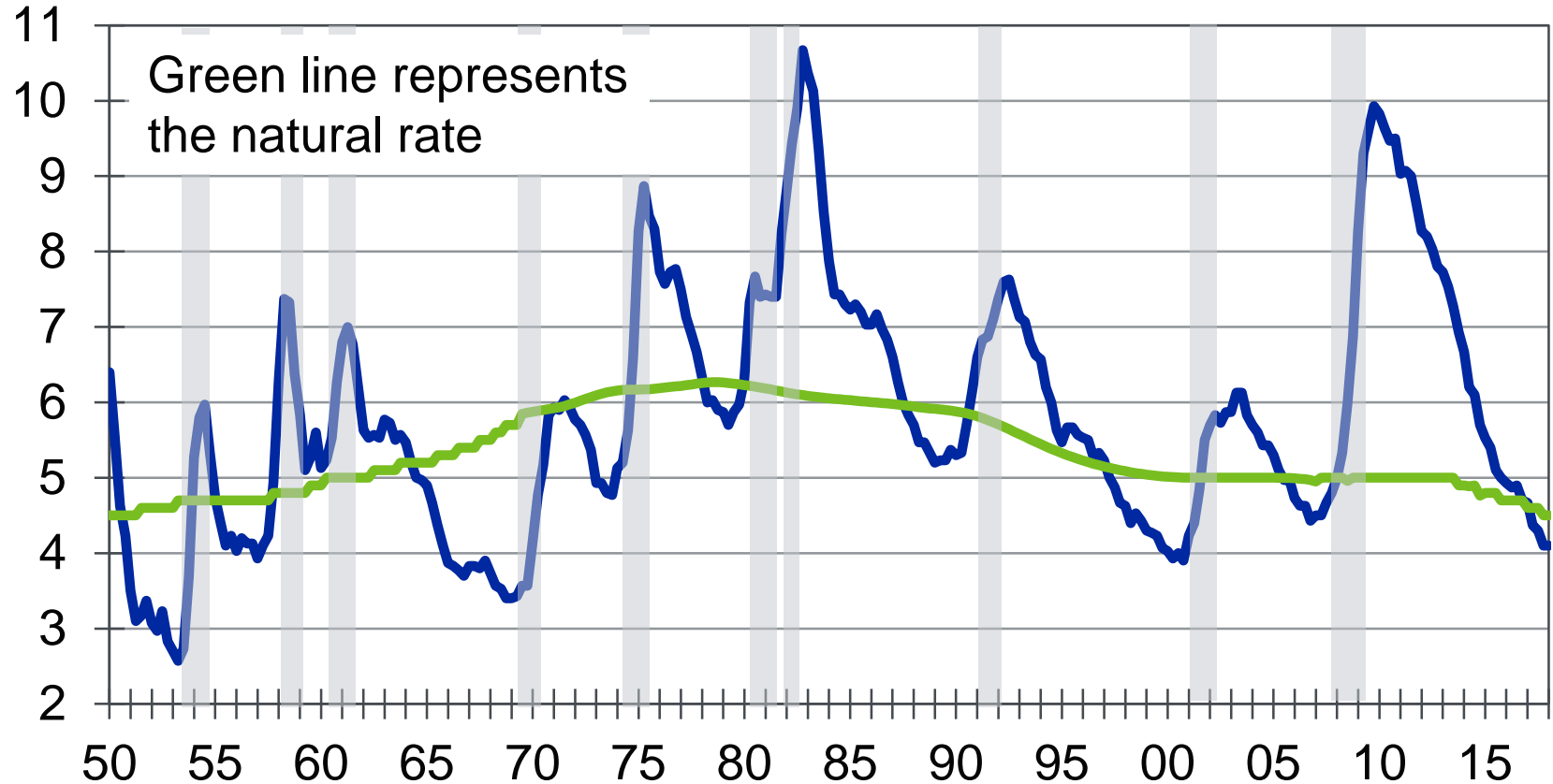


Hot...Hotter...Ouch

We Are Beyond Full Employment

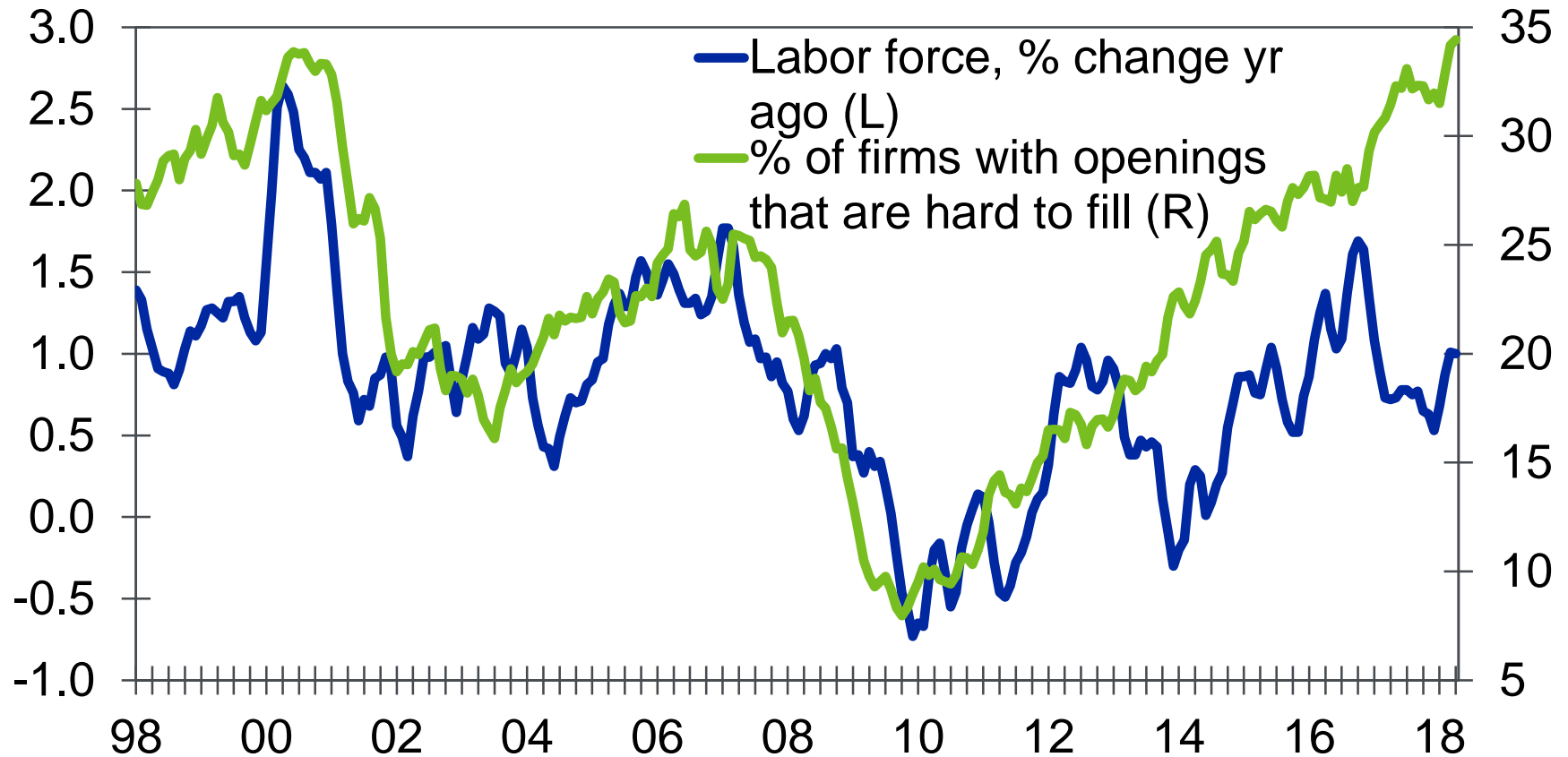
Unemployment rate, %



Sources: BLS, Moody's Analytics

Companies Struggle to Fill Openings

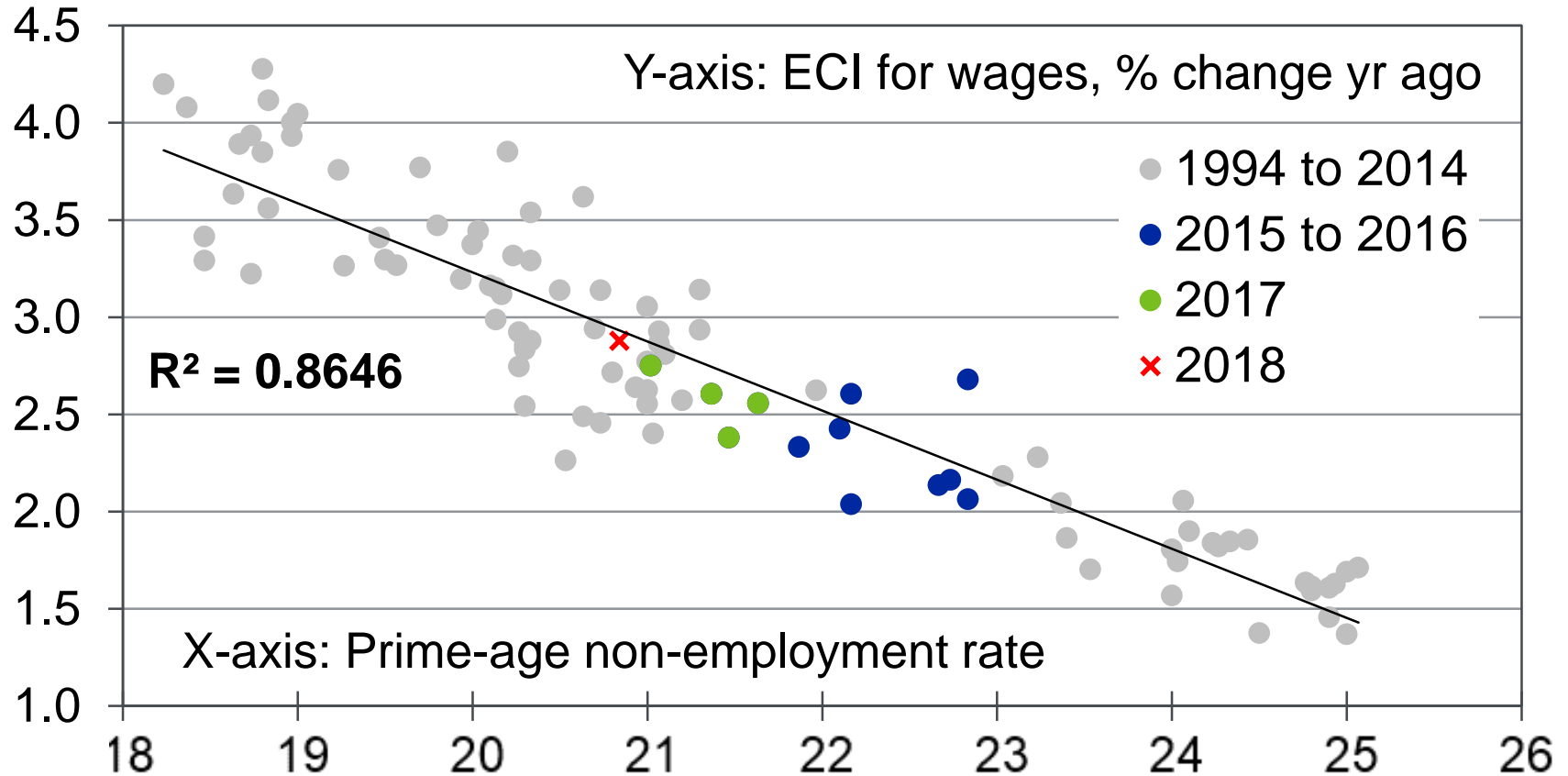
3-mo MA



Sources: BLS, NFIB, Moody's Analytics

The Phillips Curve Is Alive and Well

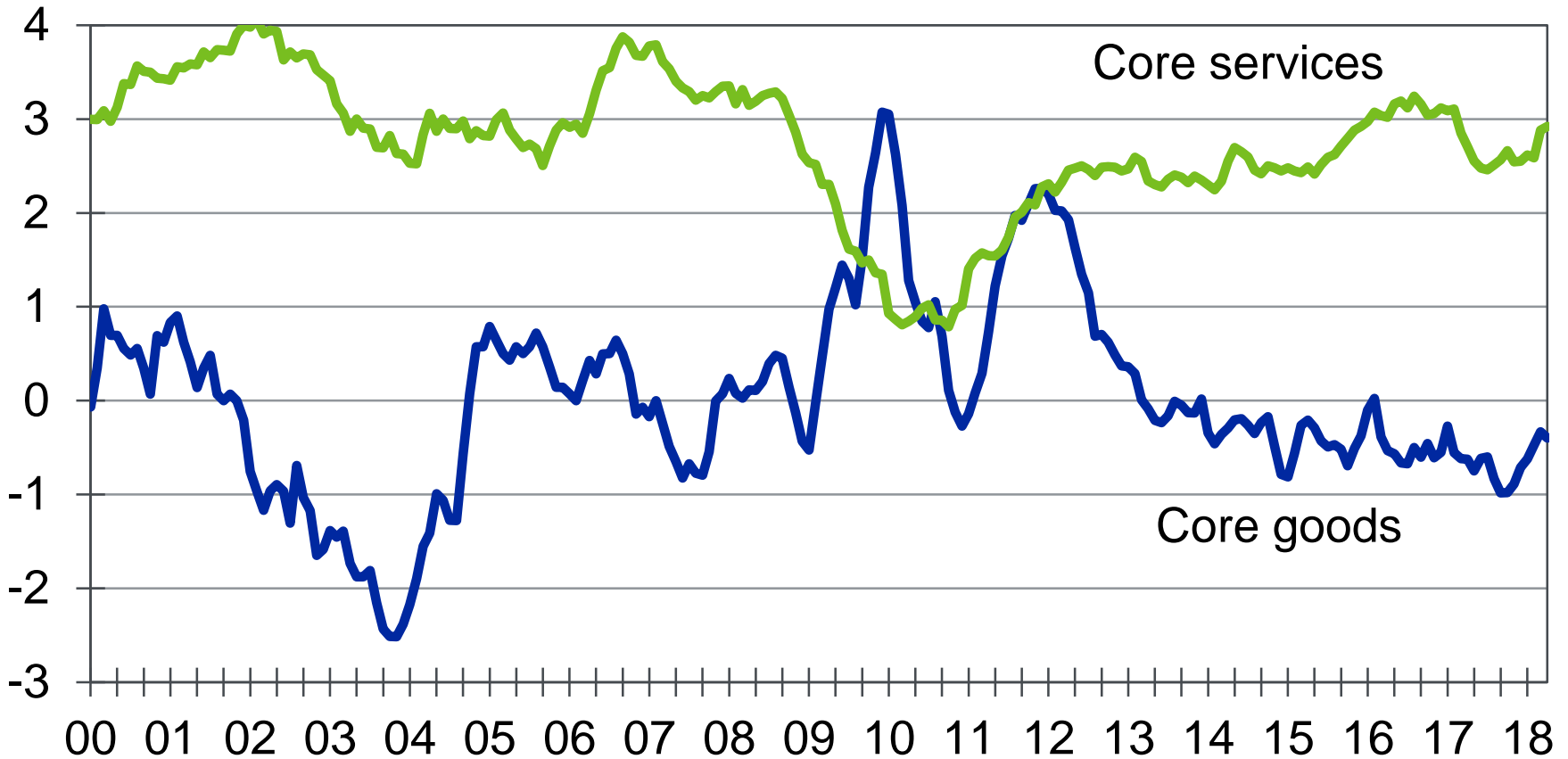
Wage growth Phillips curve, quarterly 1994Q1 to 2018Q1



Sources: BLS, Moody's Analytics

Goods Prices Hold Back Inflation...

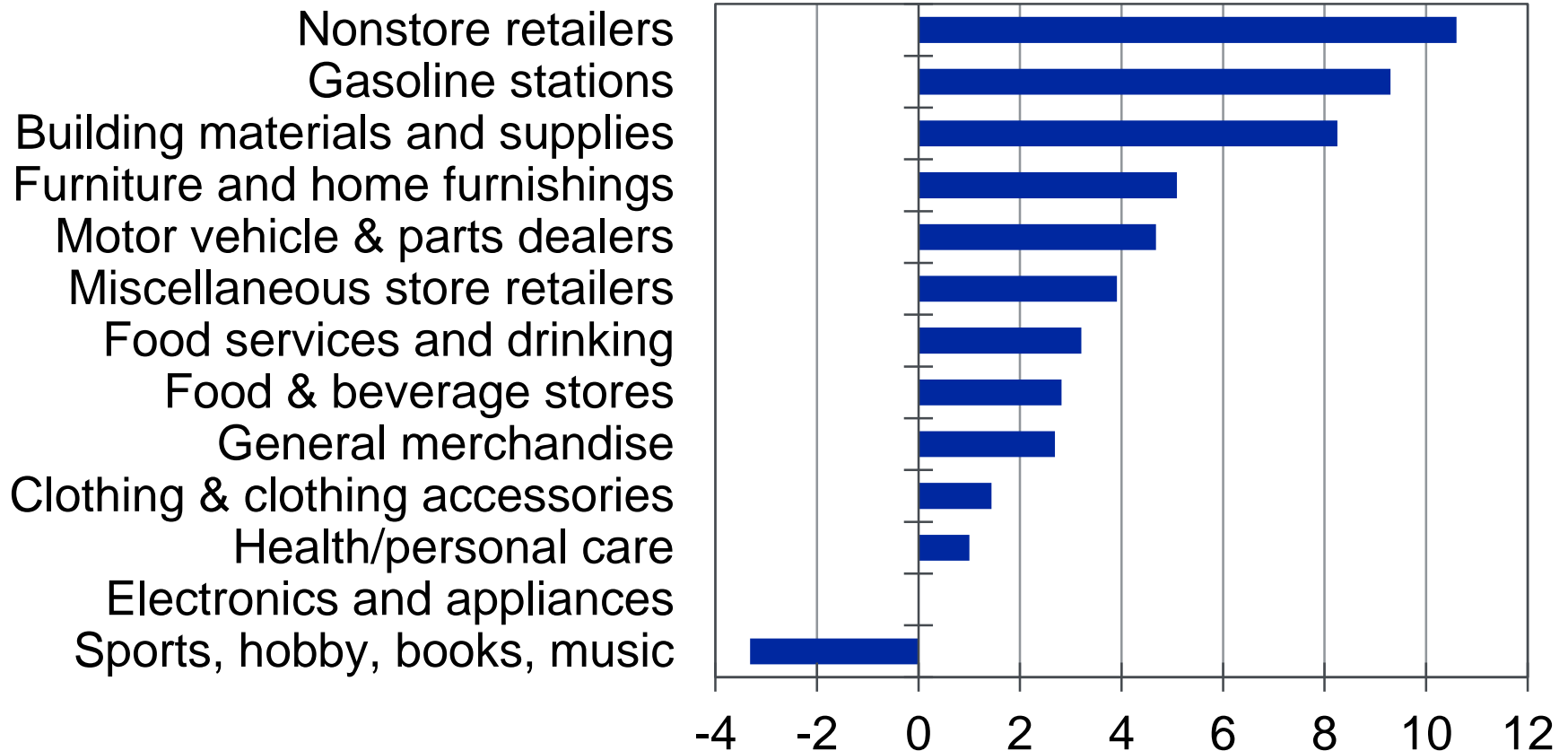
CPI, % change yr ago



Sources: BLS, Moody's Analytics

...But Sales Grow Across Most Categories

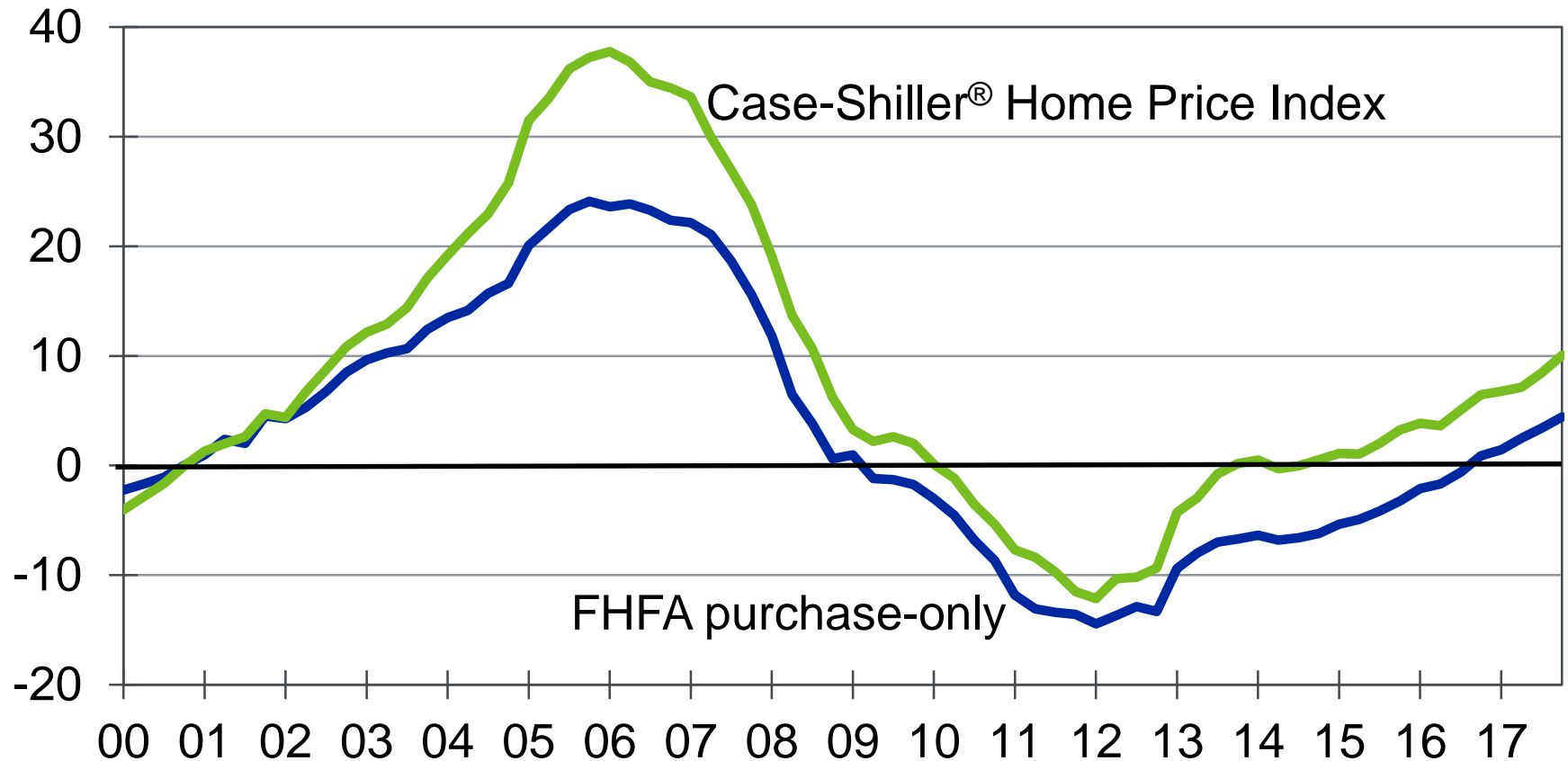
Retail sales, % change yr ago, 2017



Sources: Census Bureau, Moody's Analytics

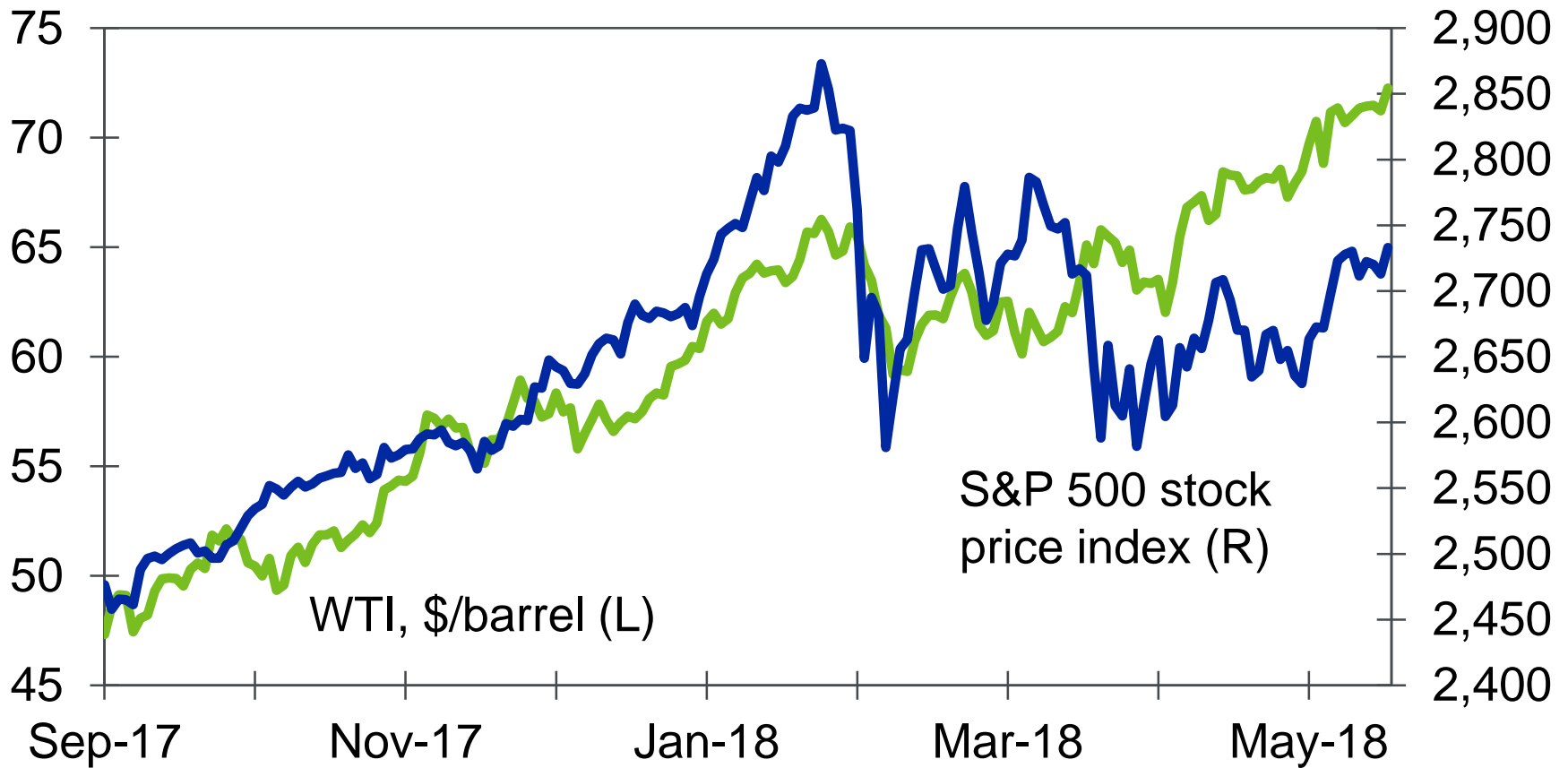
The Housing Market Warms Up

House price indexes, % overvalued or undervalued



Sources: FHFA, CoreLogic, Moody's Analytics

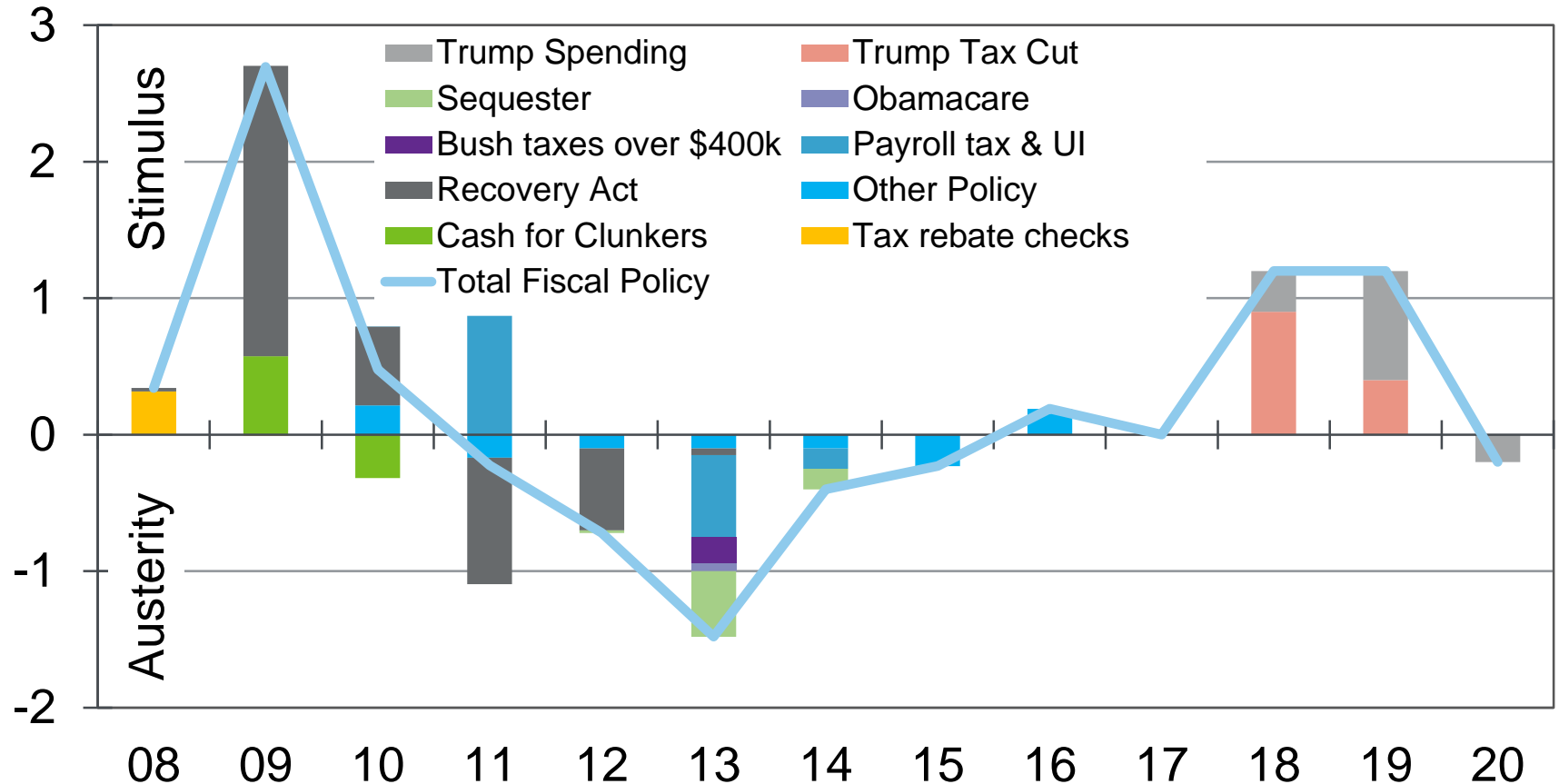
Oil Prices Rise Despite Volatile Wall Street



Sources: EIA, Federal Reserve, Moody's Analytics

From Fiscal Stimulus to Austerity and Back

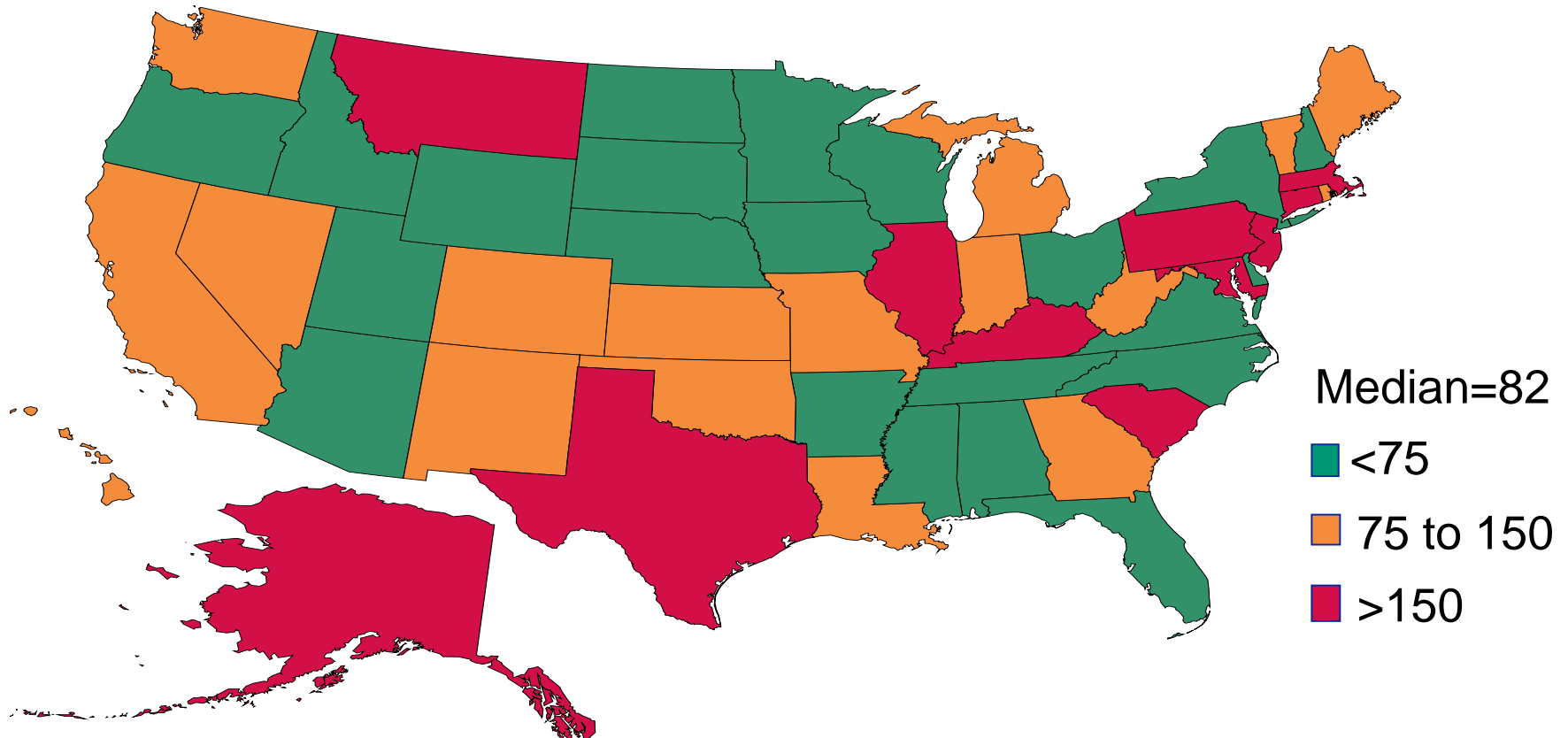
Federal discretionary fiscal policy as a % of GDP



Source: Moody's Analytics

A Fiscal Crisis Looms for Many States

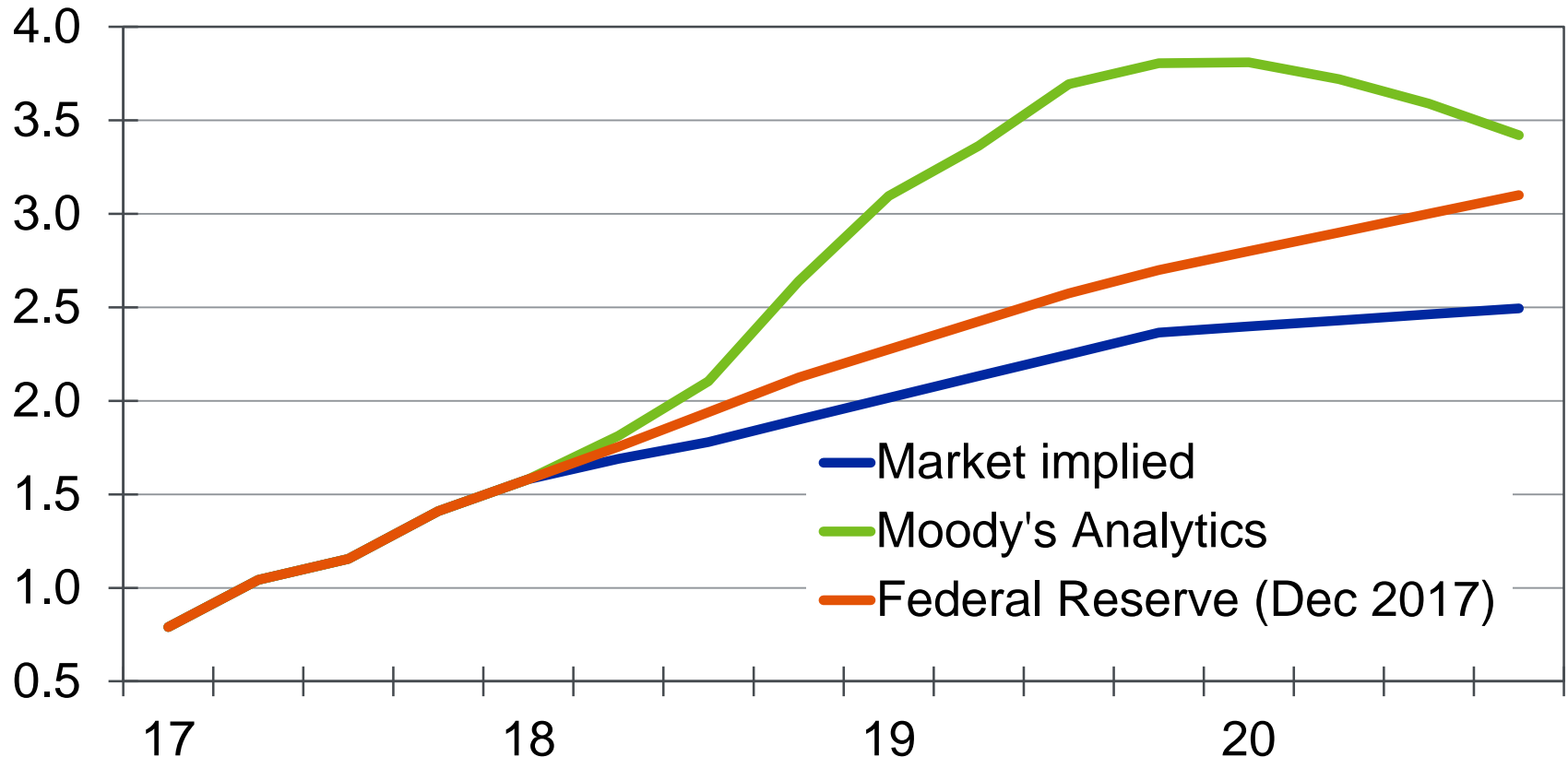
Adjusted net pension liability as a % of state revenues, FY 2016



Sources: MIS, Moody's Analytics

Investors Have Some Adjusting to Do...

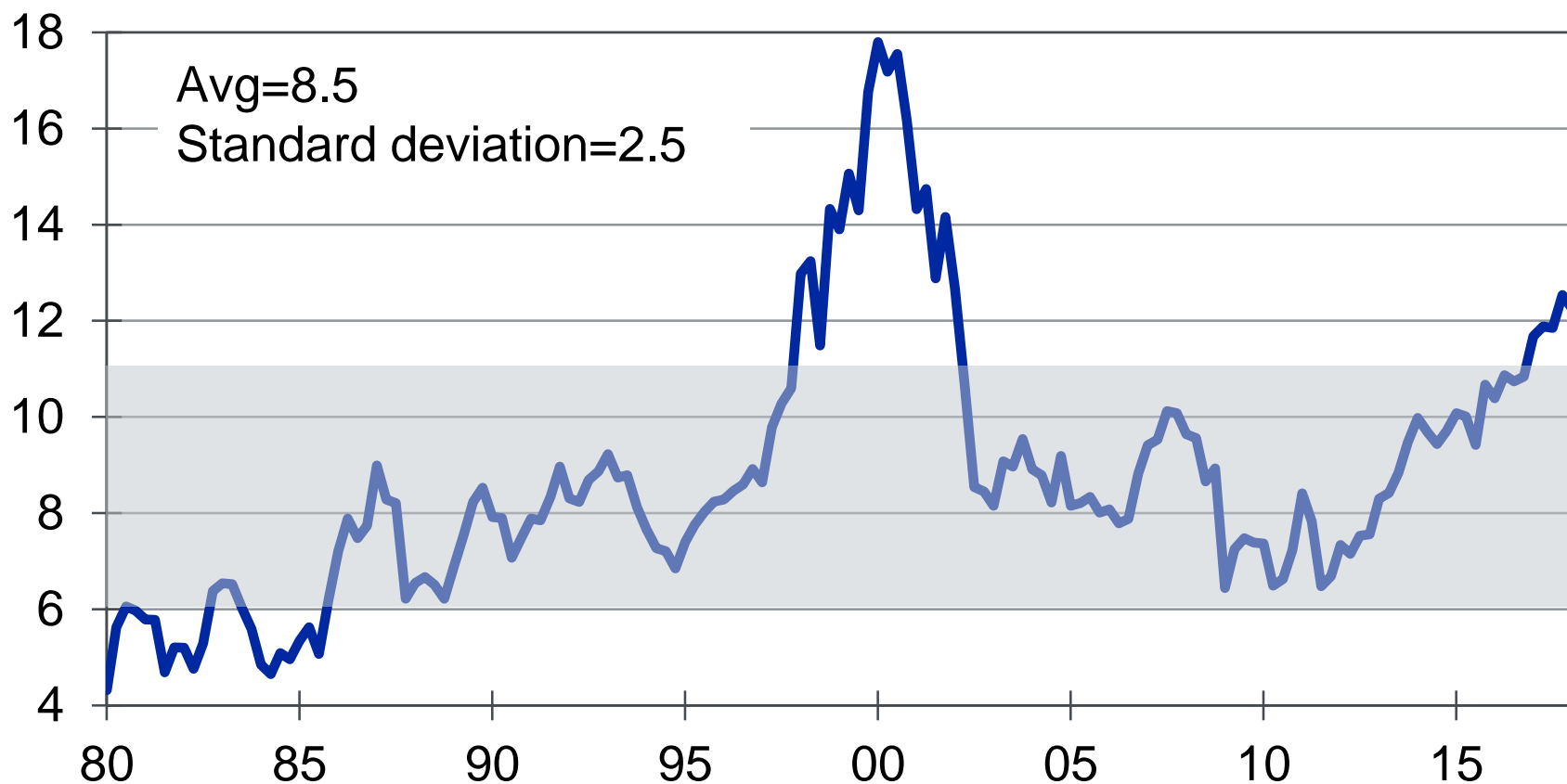
Federal funds rate, %



Sources: Federal Reserve, Bloomberg, Moody's Analytics

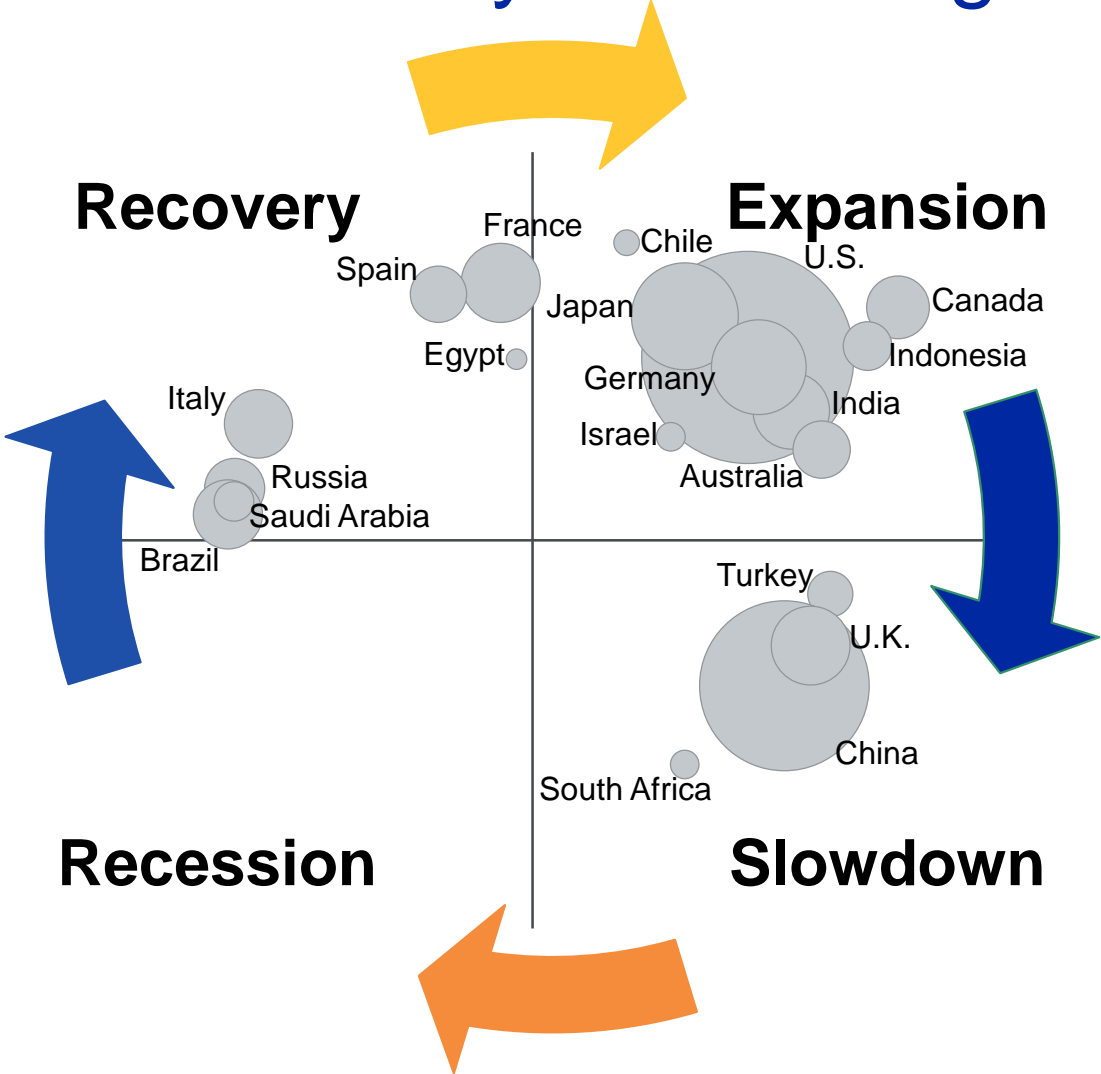
...And Stock Market Is Vulnerable

Ratio of Wilshire 5000 to corporate profits



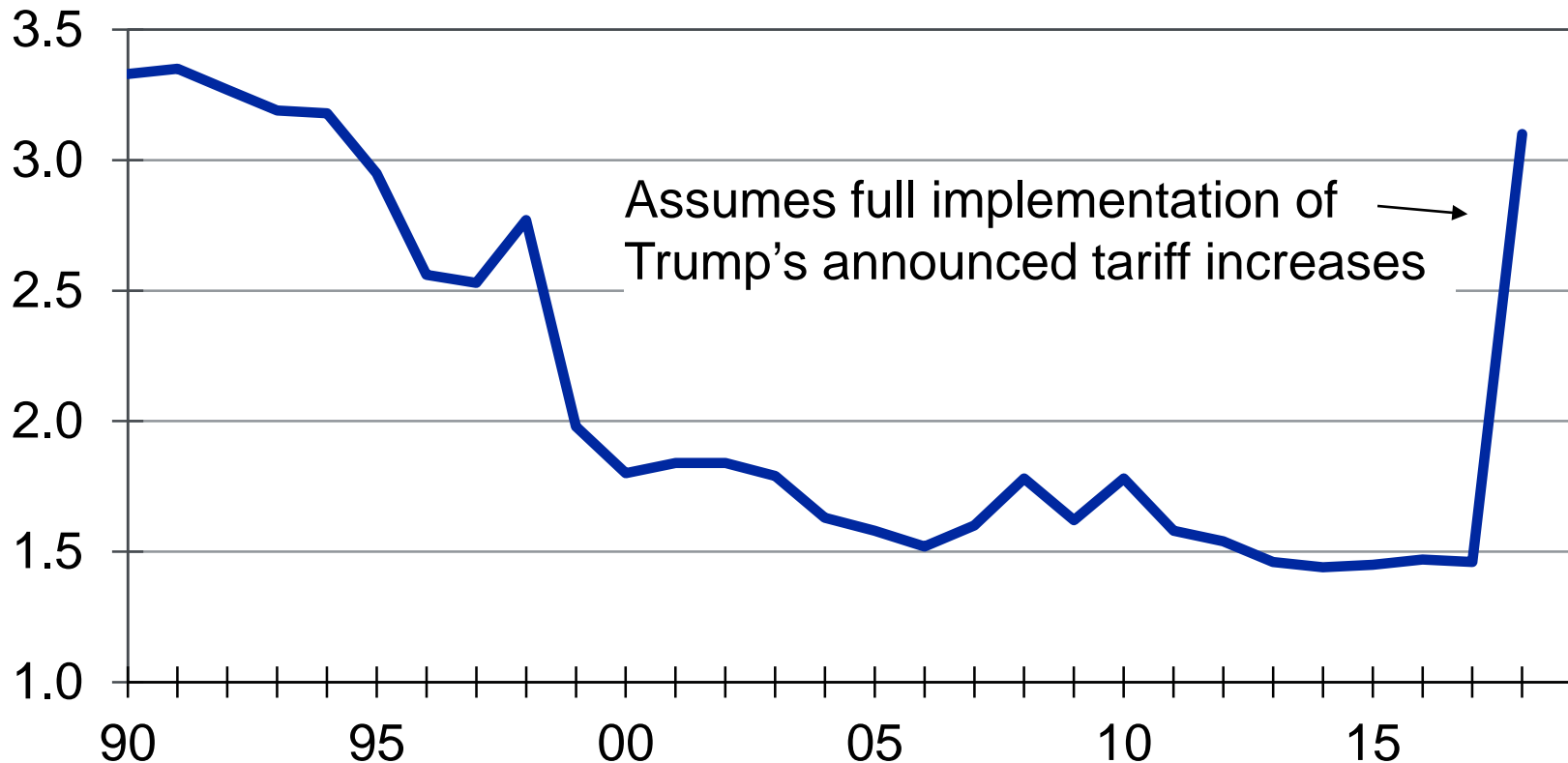
Sources: Wilshire, BEA, Moody's Analytics

The Global Economy Gets It Together...



...But Potential for Disruption Lurks

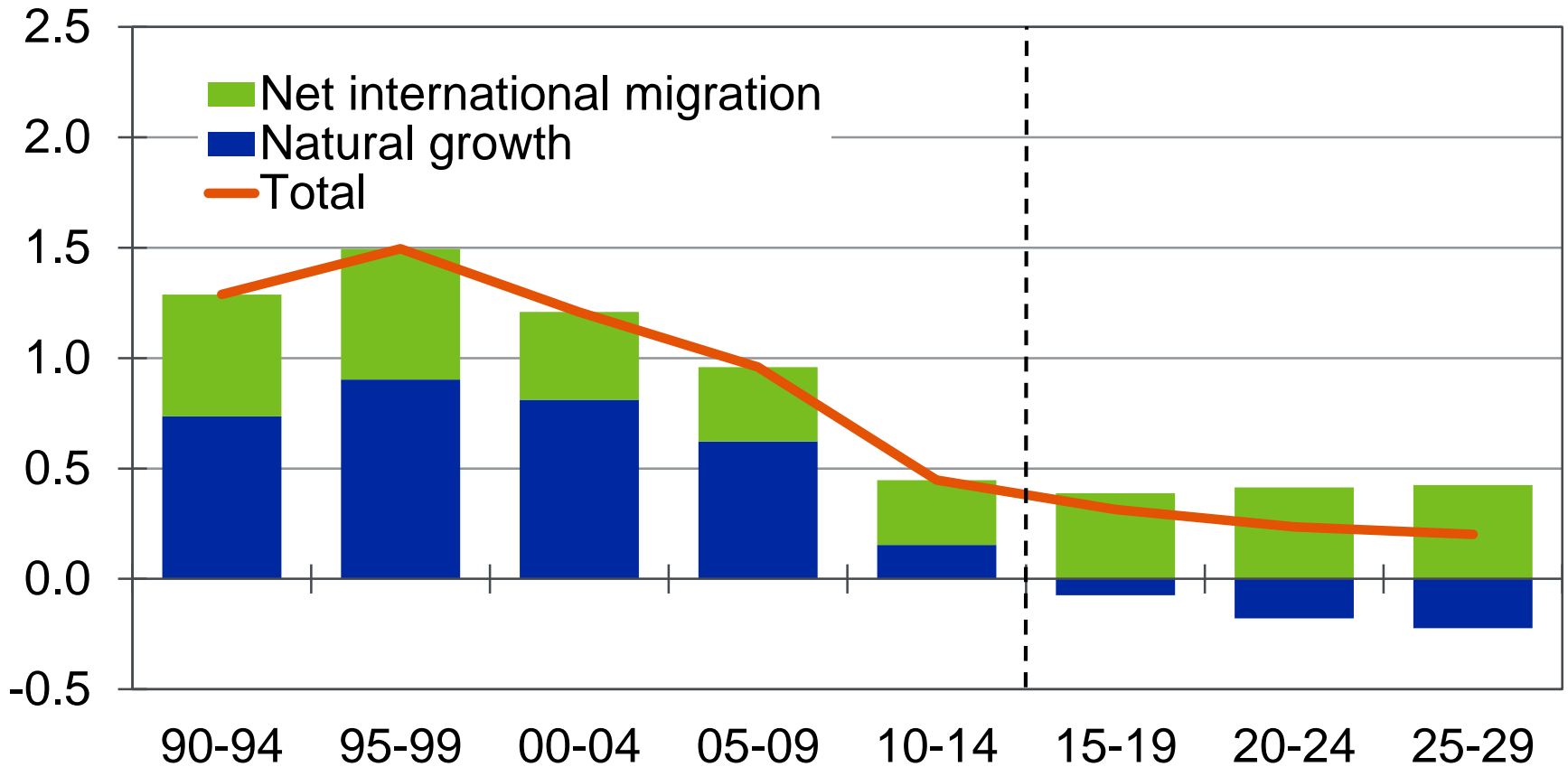
U.S. avg effective tariff rate, %



Sources: World Bank, Moody's Analytics

U.S. Economy Needs More Immigrants

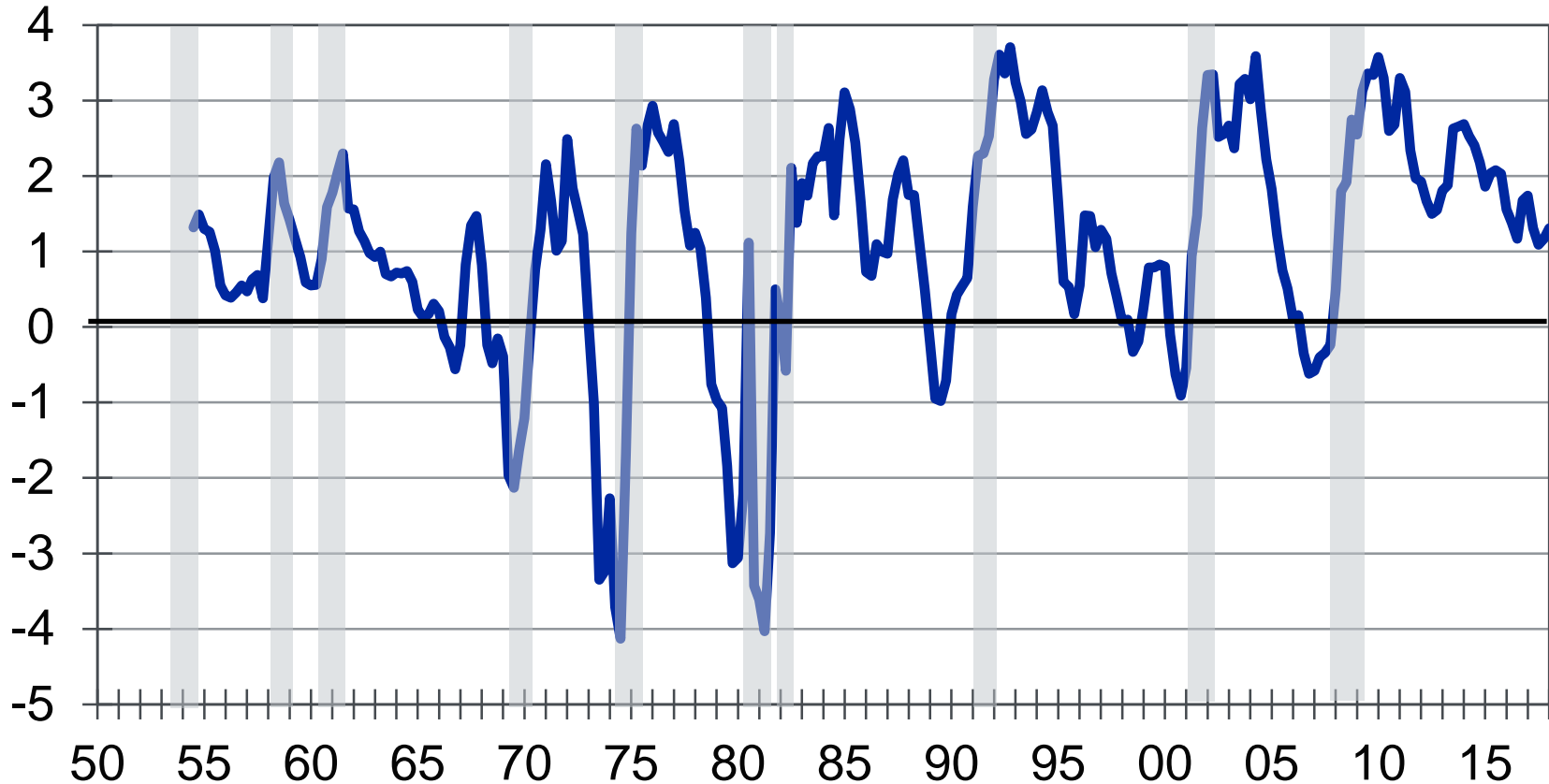
Contribution to working-age population growth, ppt, 5-yr avg



Sources: Census Bureau, Moody's Analytics

Yield Curve Begins to Flatten

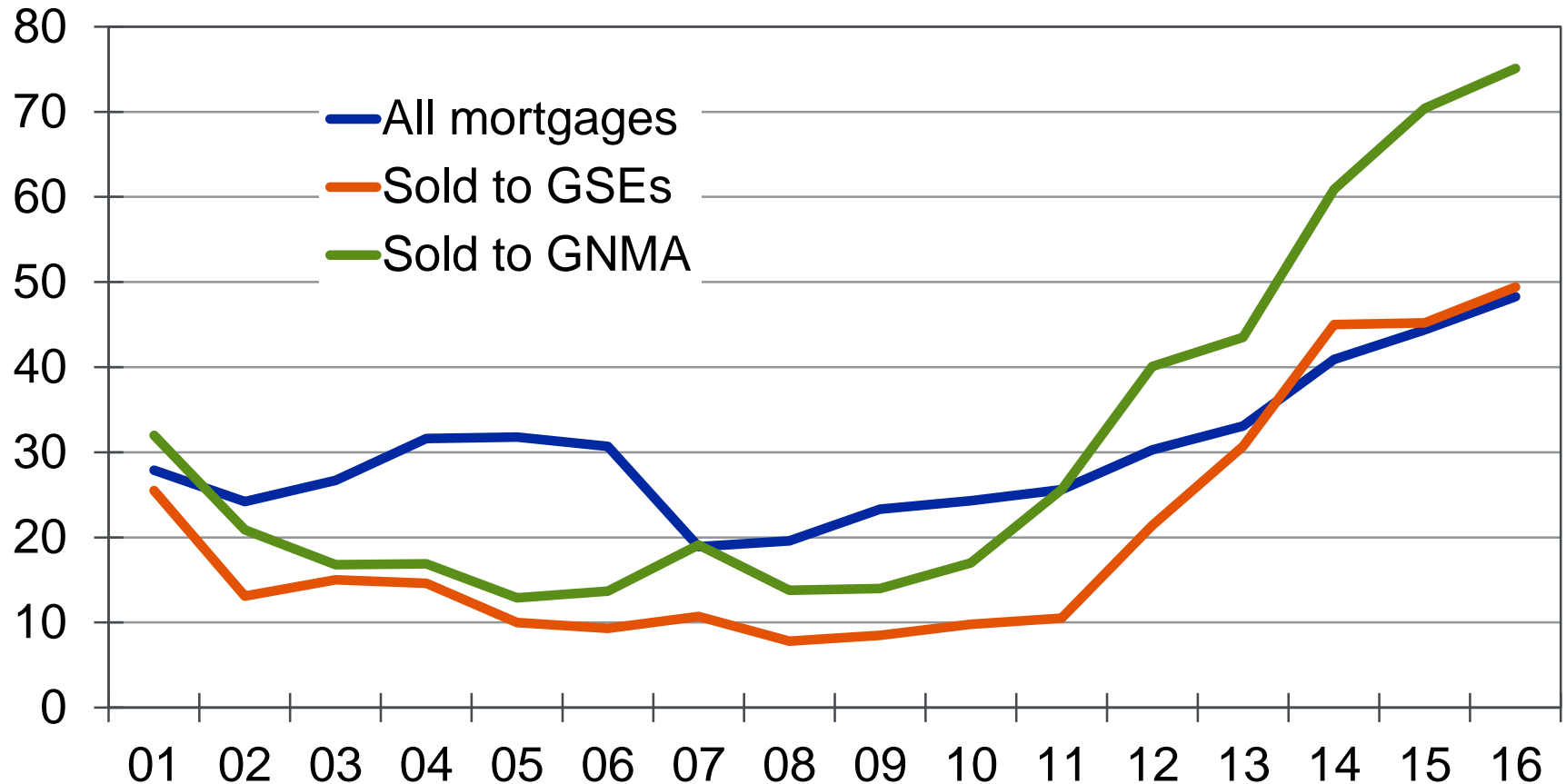
Difference between 10-yr Treasury yield, fed funds rate, %



Sources: Federal Reserve, Moody's Analytics

Is There Danger in the Shadows?

% of mortgage originations originated by nonbanks



Sources: Federal Reserve, Brookings, Moody's Analytics

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