The Autumn Economy

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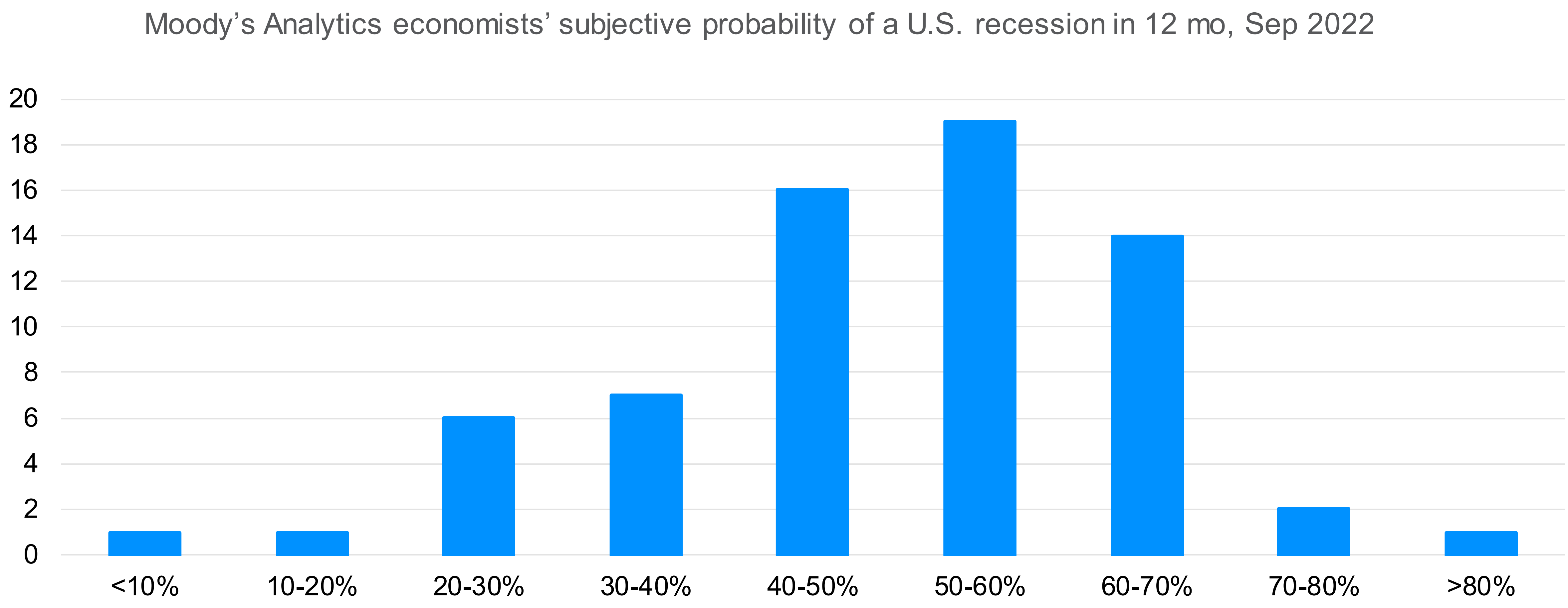
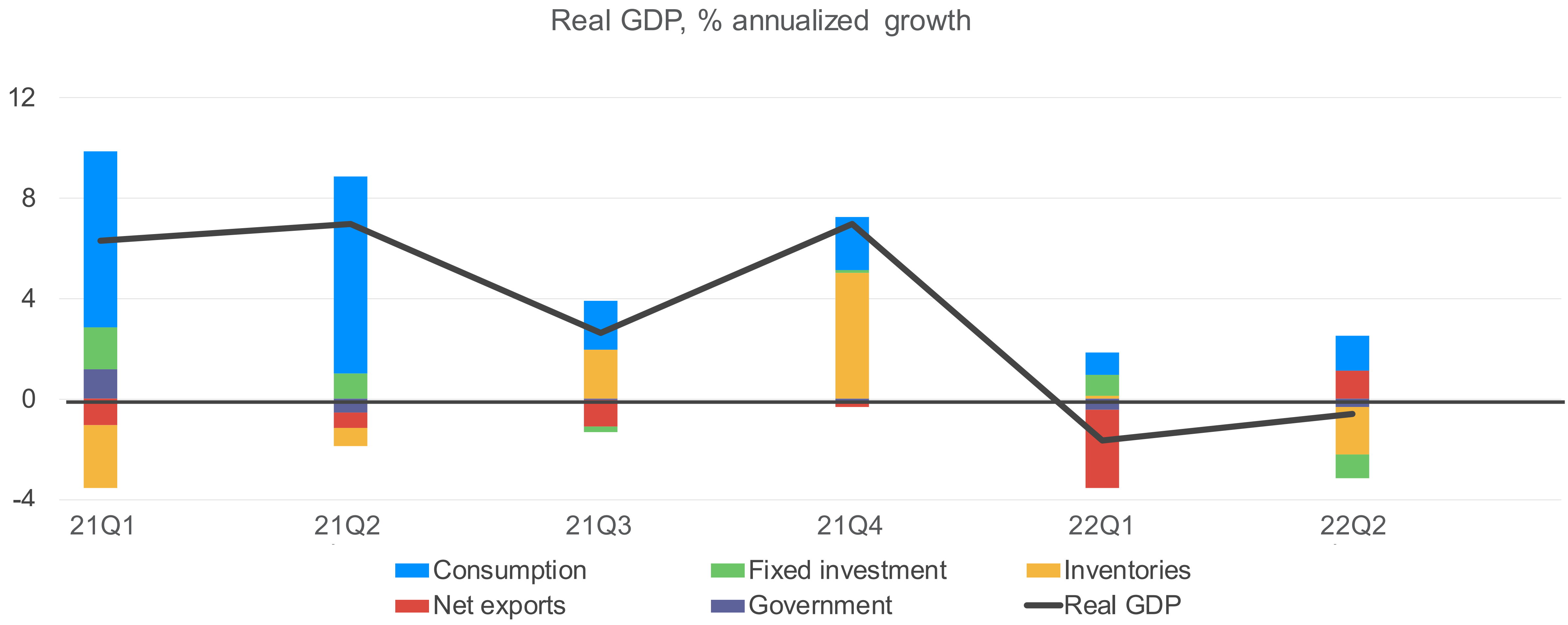
No Consensus Yet About Odds of a Downturn



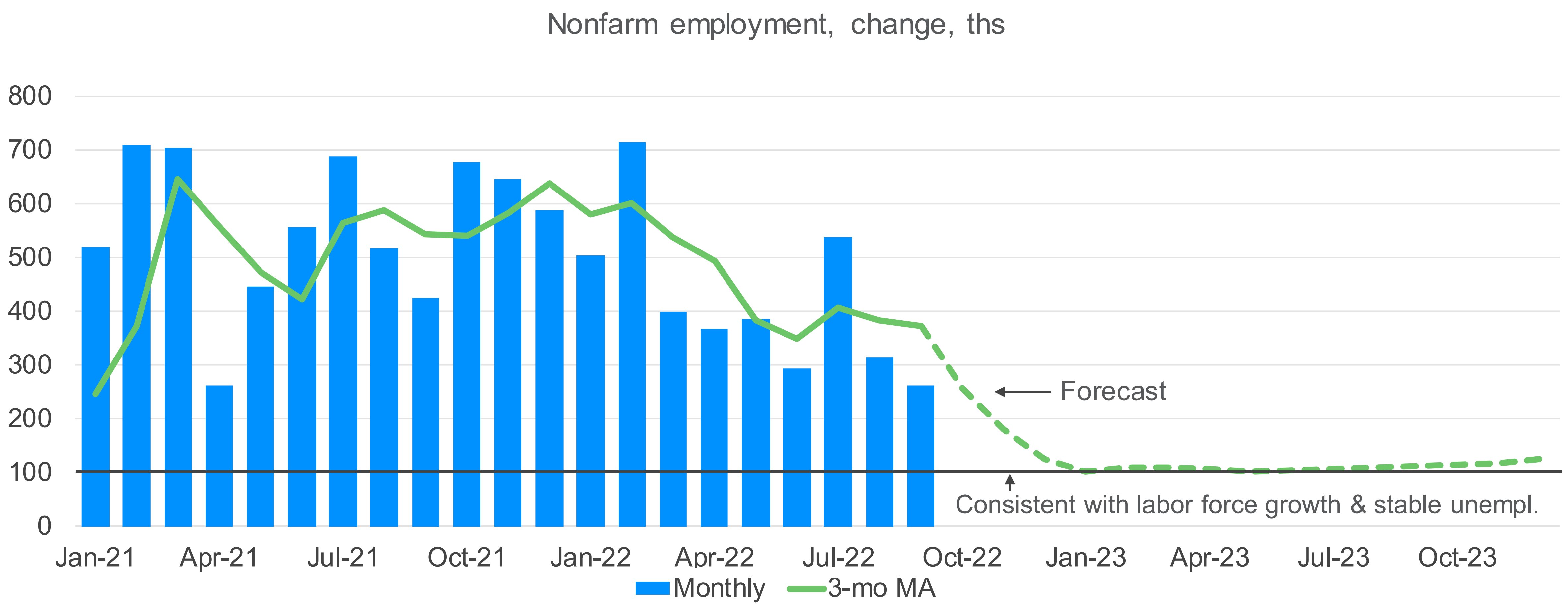
Source: Moody's Analytics

Two Straight Quarters of Declining GDP Indicate a Technical Recession…



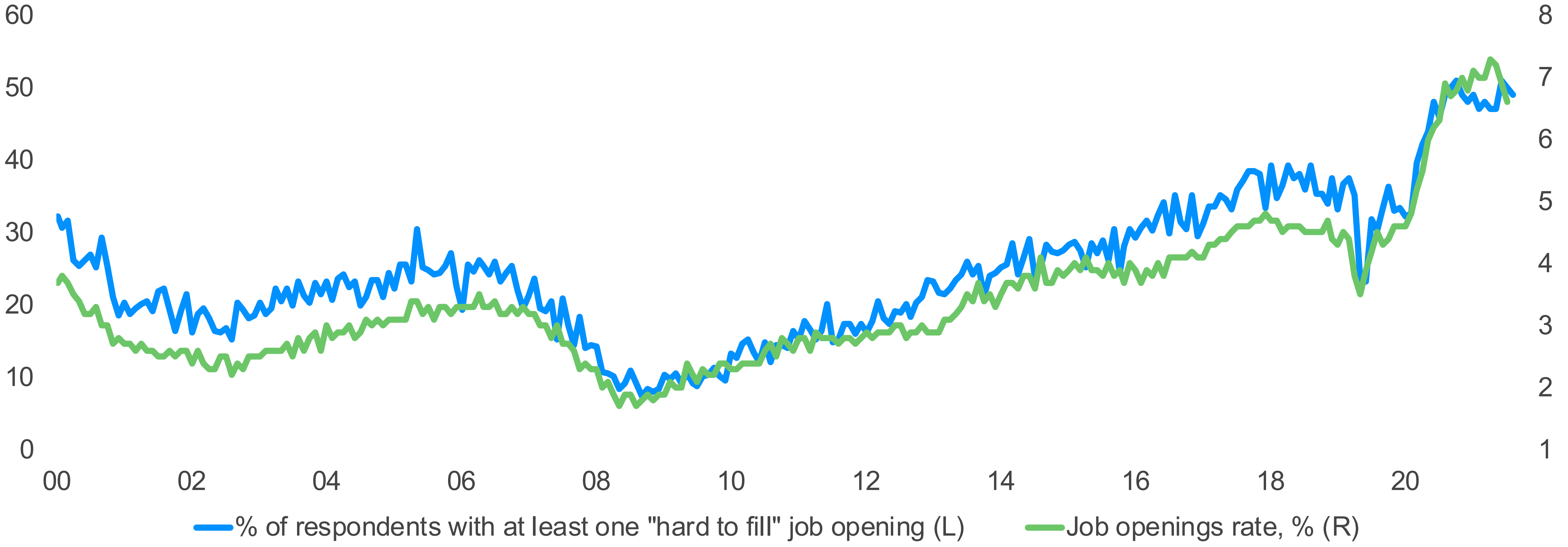
Sources: BEA, Moody's Analytics

…But U.S. Job Growth Is Still Going Strong



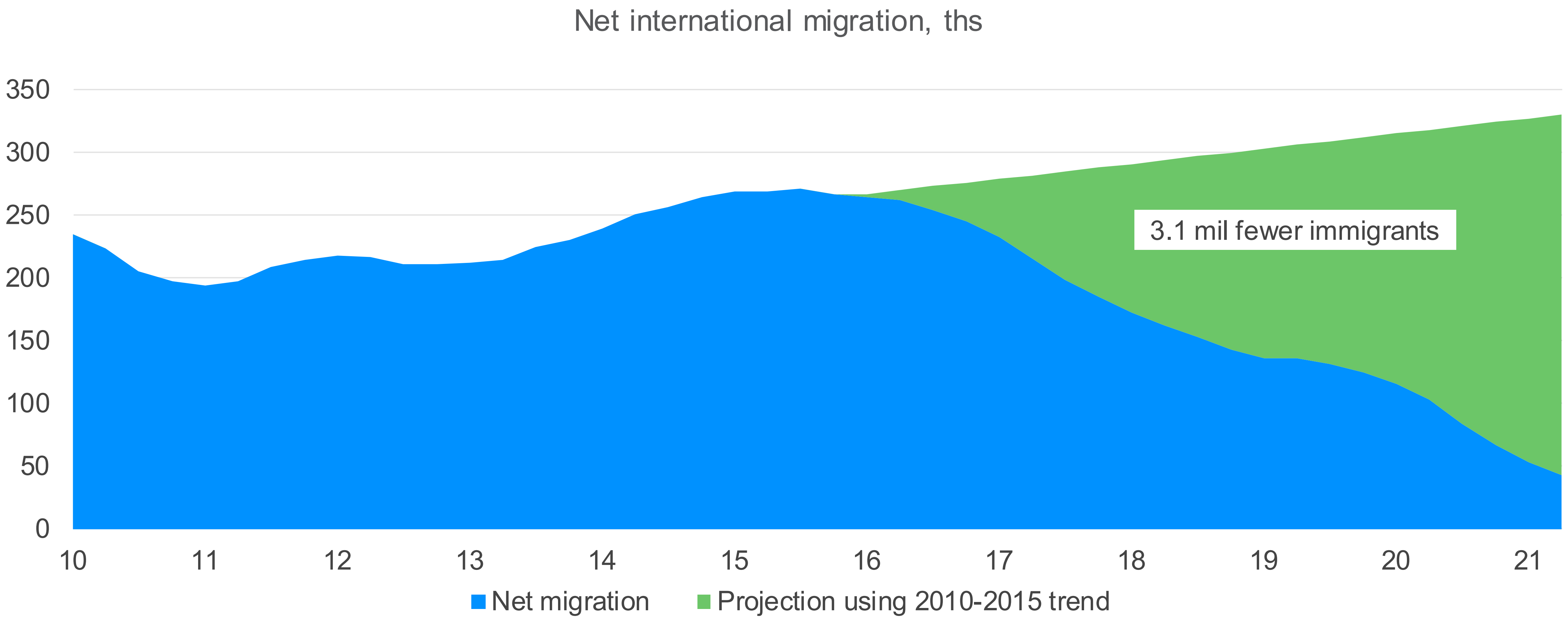
Sources: BLS, Moody’s Analytics

Firms Are Struggling to Find Workers…



Sources: NFIB, BLS, Moody's Analytics

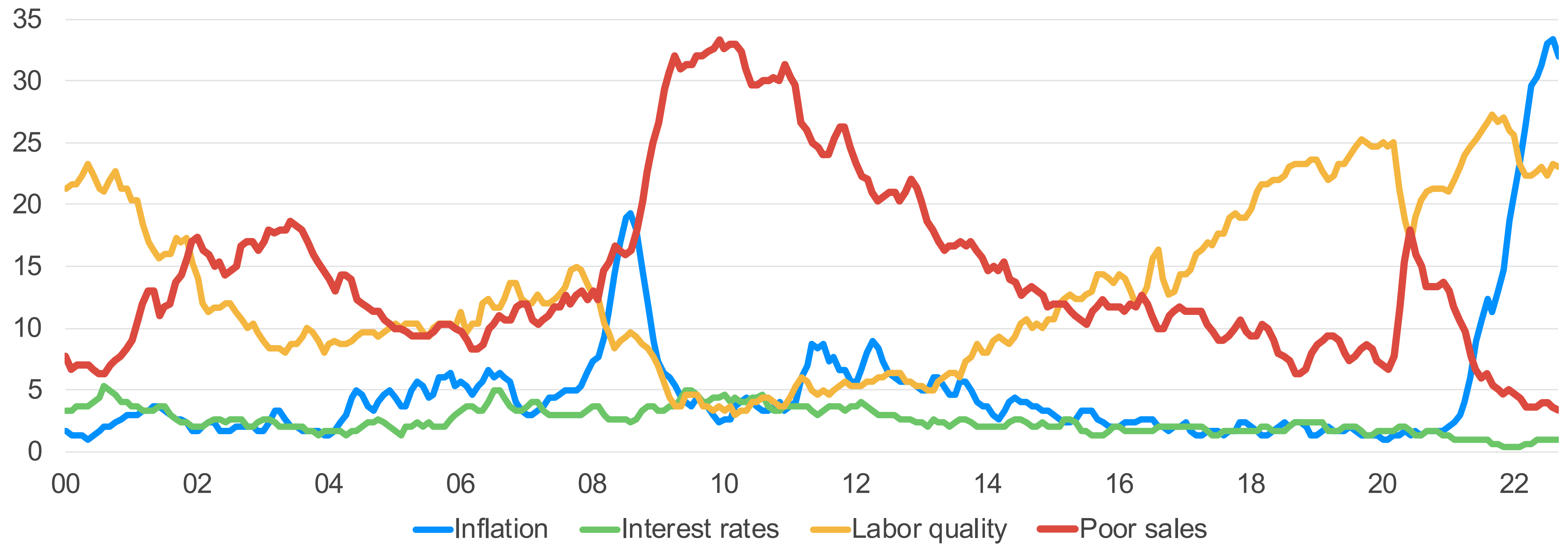
…And It Is Not Purely a Cyclical Phenomenon



Sources: BLS, Moody's Analytics

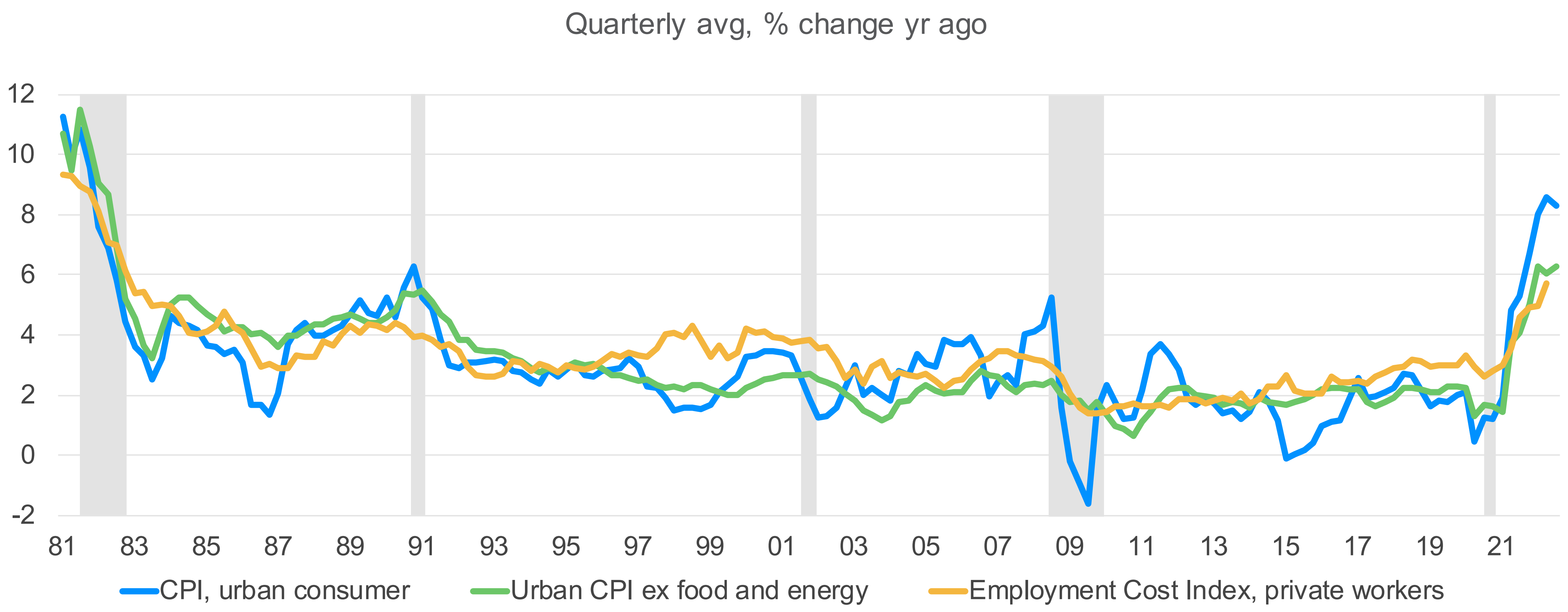
Employers See Rising Costs as a Major Problem…

Net % of businesses reporting their primary concern is…, 3-mo MA



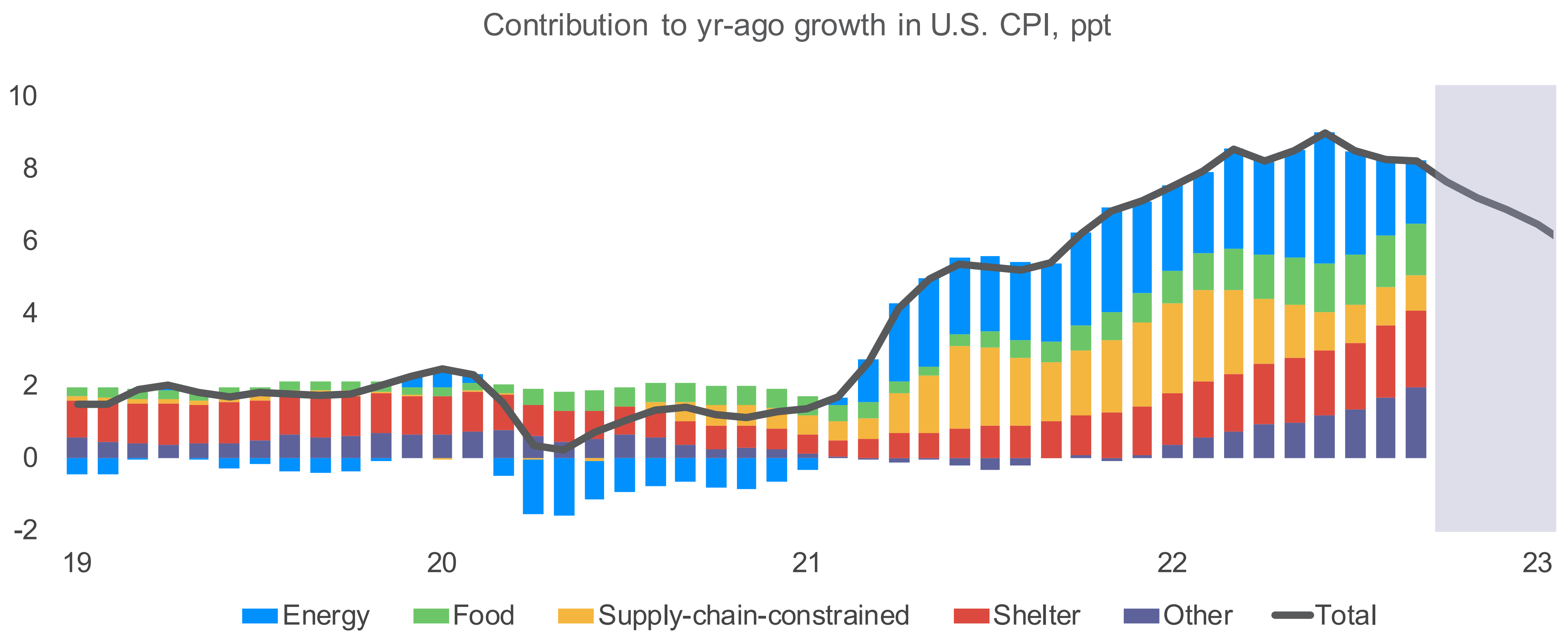
Sources: NFIB, Moody's Analytics

…Exacerbated by Wage Gains Failing to Keep Up With Inflation



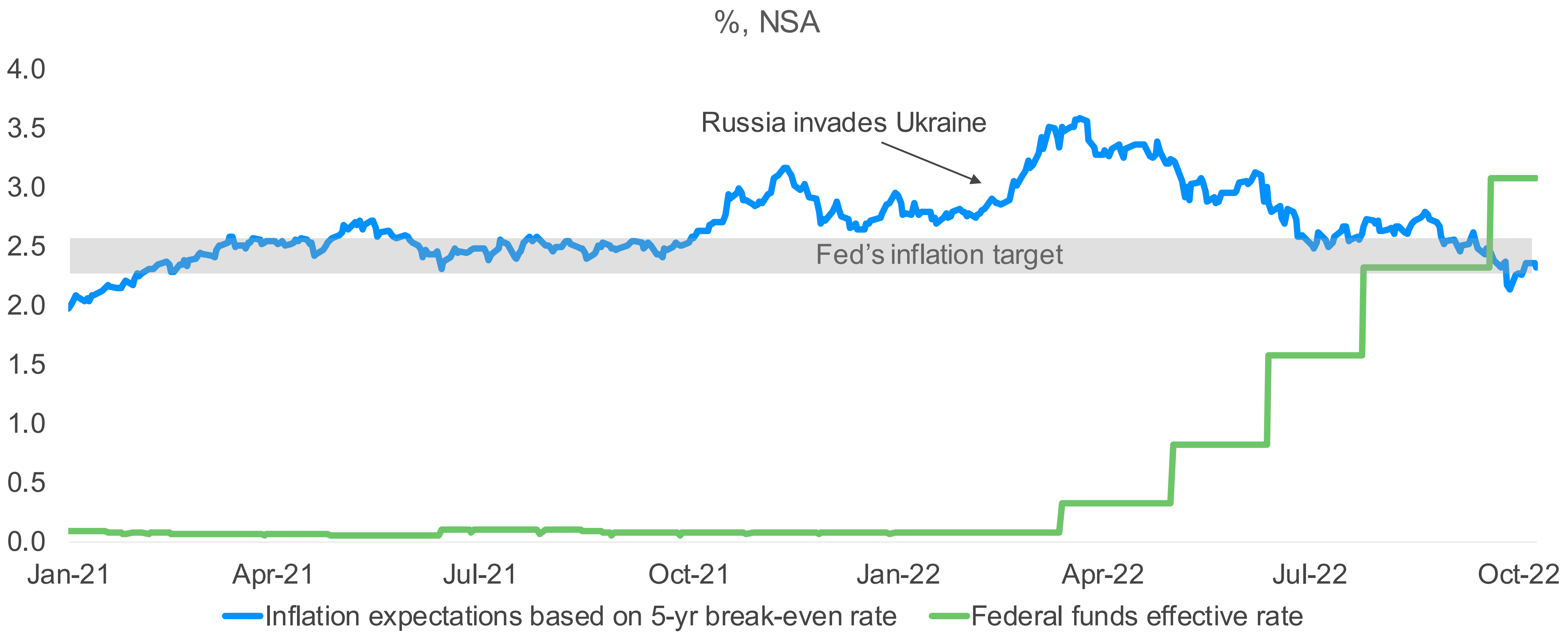
Sources: BEA, BLS, Moody's Analytics

Price Growth Remains Stubbornly High



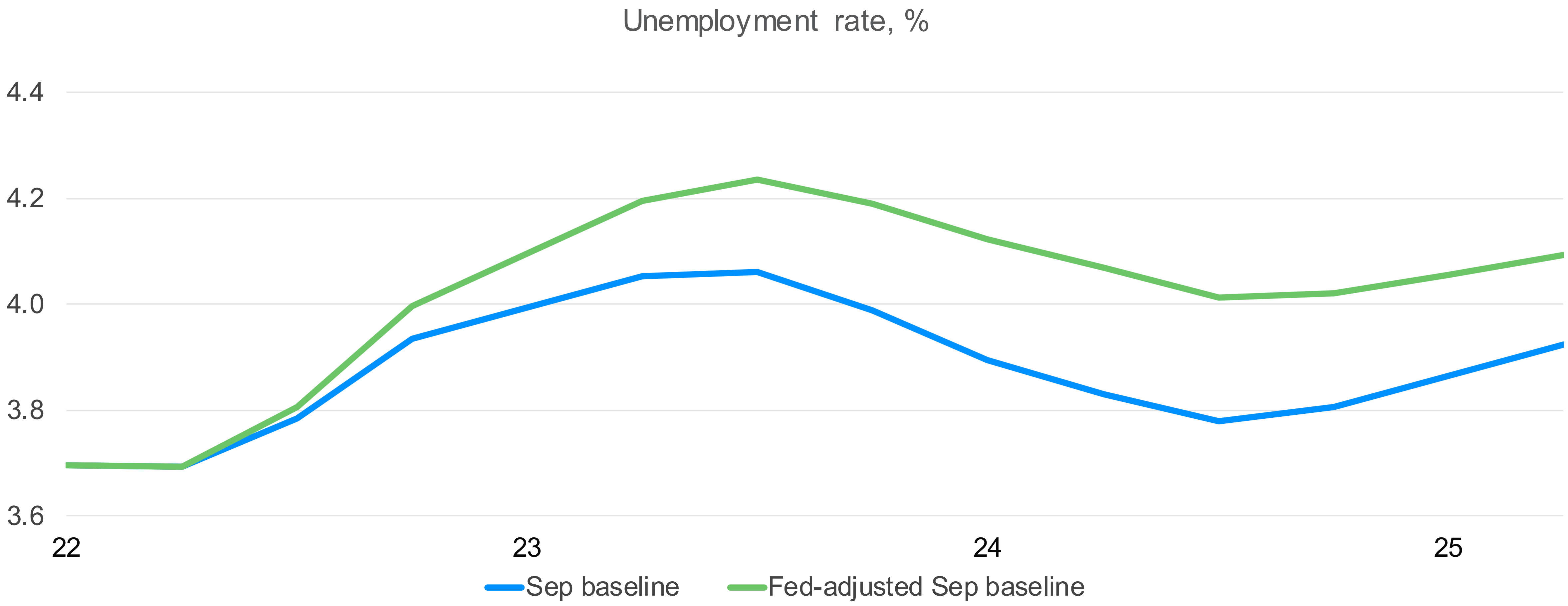
Sources: Federal Reserve, Moody's Analytics

Fed Has Reined In Inflation Expectations…



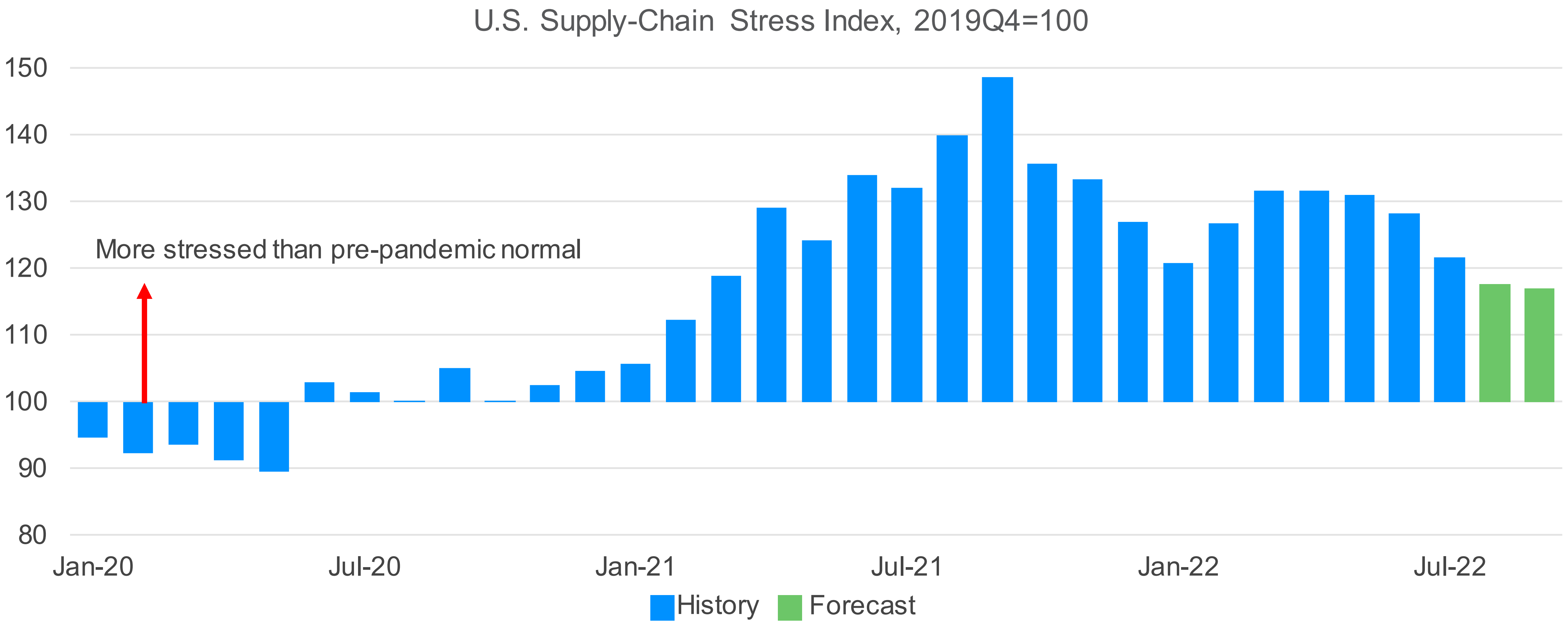
Sources: Federal Reserve, ICE, Moody's Analytics

…But Workers Will Soon Pay the Price



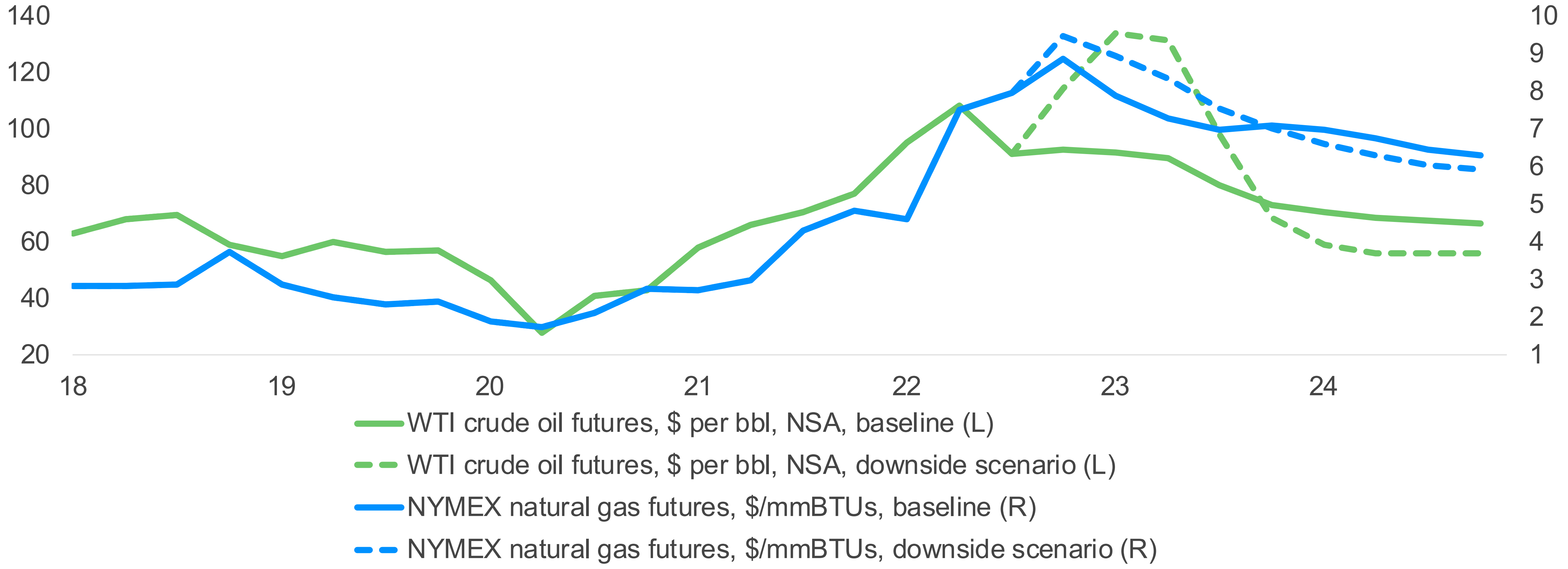
Sources: BLS, Moody's Analytics

Bottlenecks Are Finally Easing



Sources: Multiple sources, Moody's Analytics

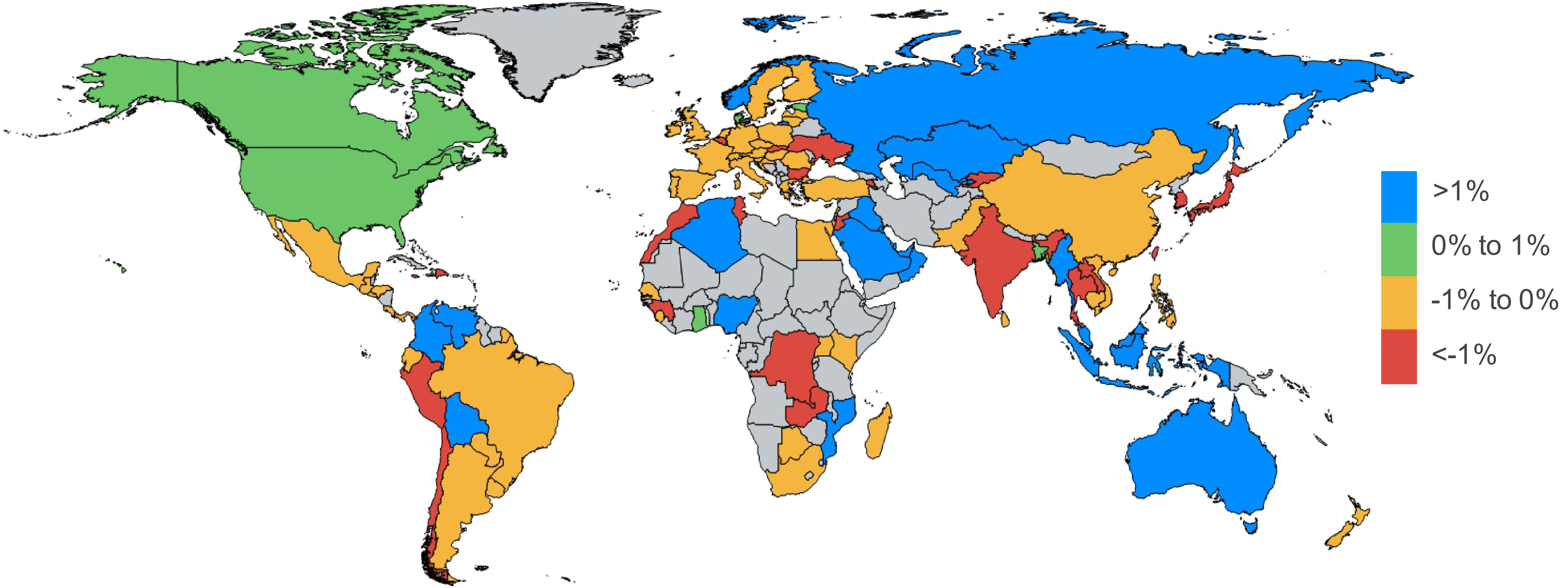
Energy Prices Face Uncertain Near-Term Outlook



Sources: EIA, Moody's Analytics

U.S. Benefits Slightly From Spiking Commodity Prices

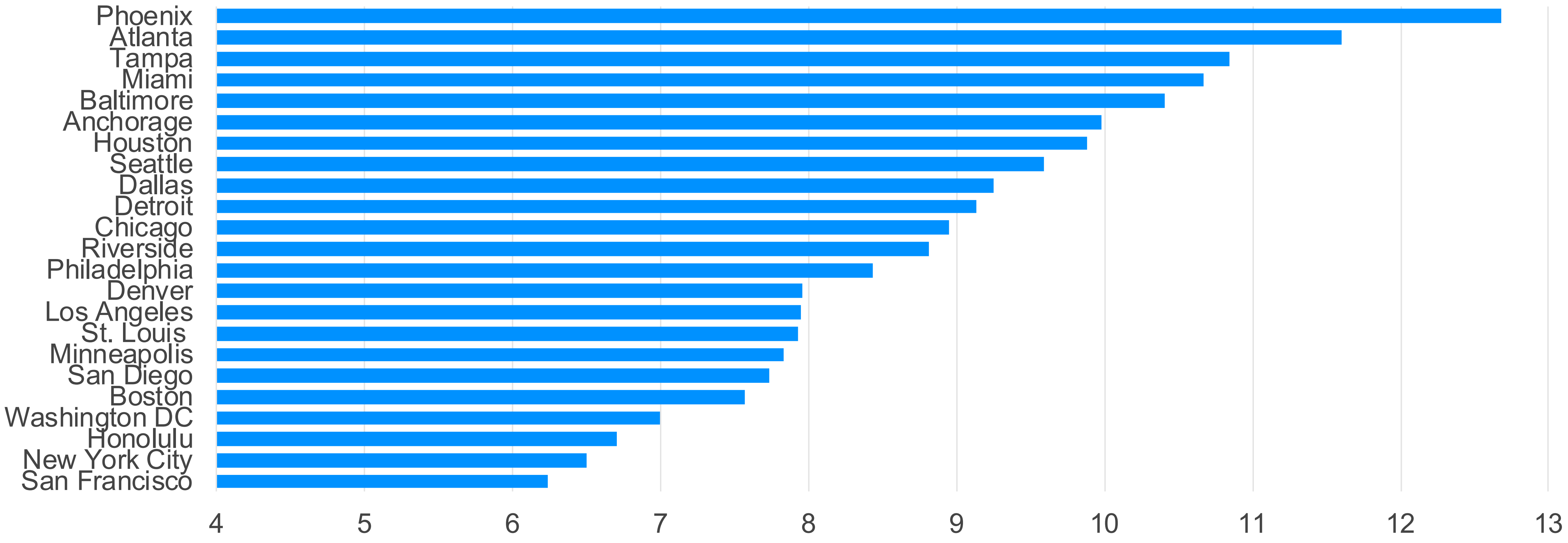
Impact of commodity terms-of-trade shock, % of GDP, Jan 2022-Aug 2022



Sources: World Bank Pink Sheet, UNCTAD Merchandise Trade Matrix, Moody's Analytics

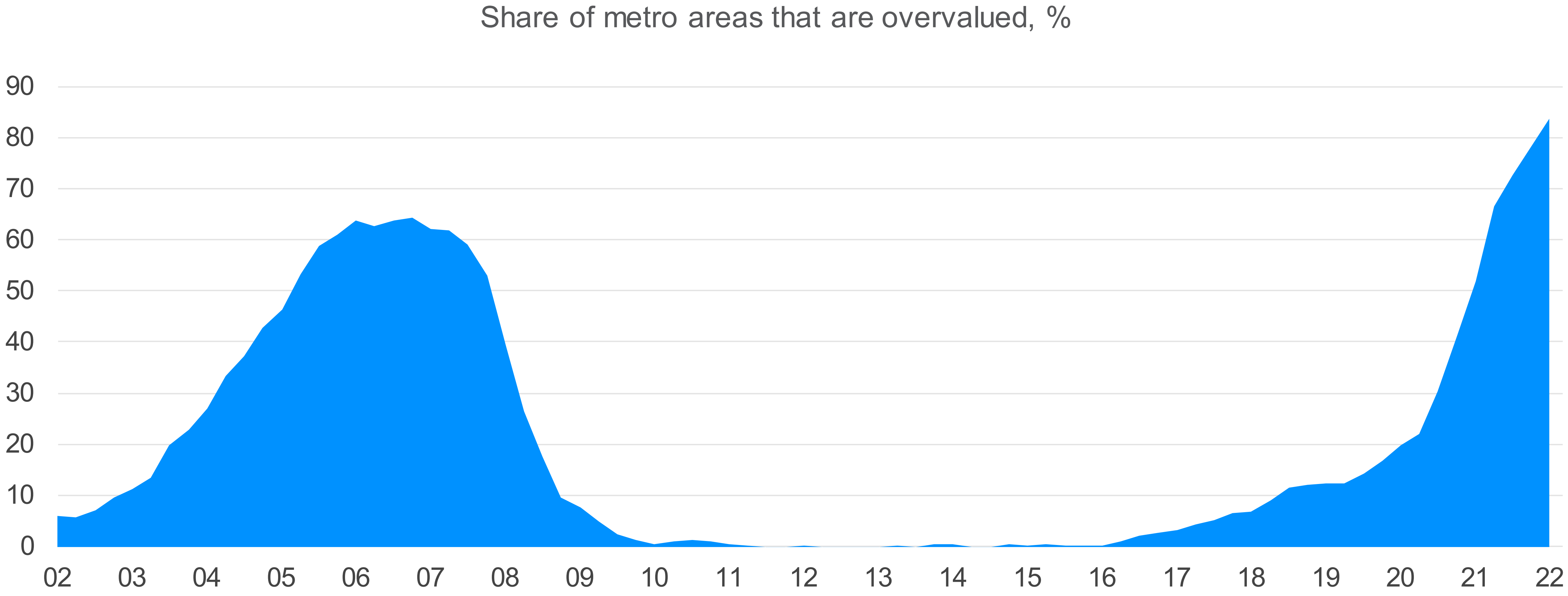
Strong Recoveries Mean More Pronounced Price Pressures in the Sun Belt

CPI, 4-mo MA, Sep 2022, % change yr ago



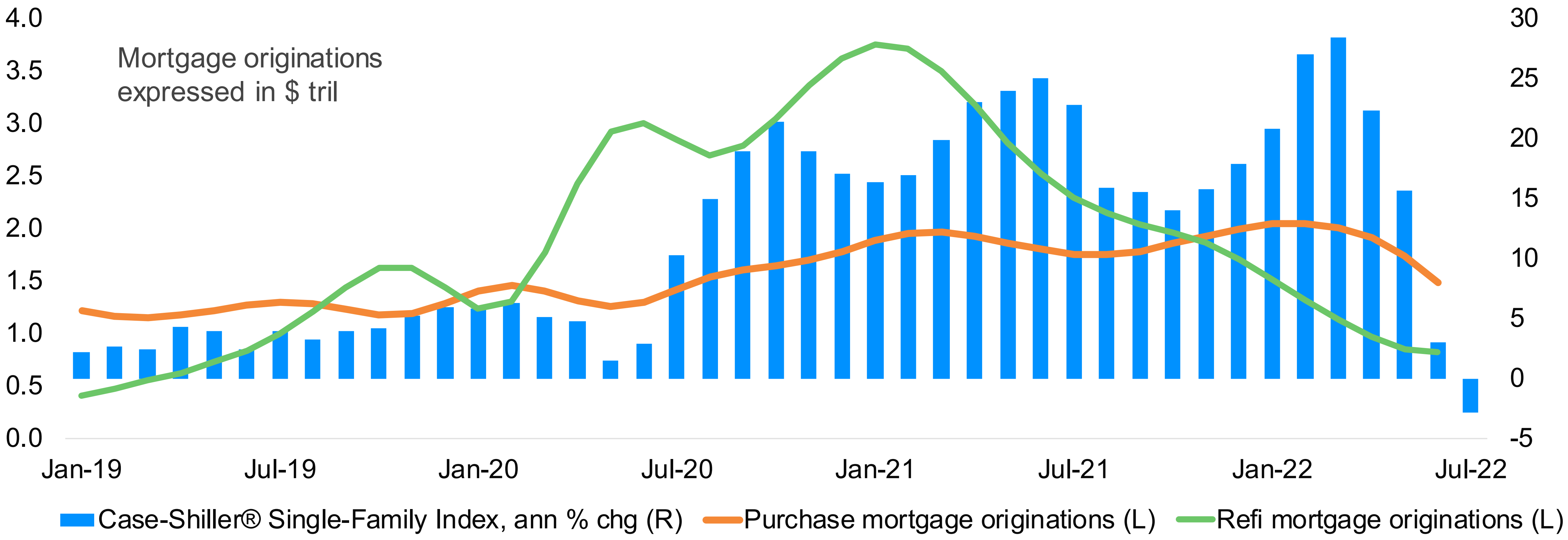
Sources: BLS, Moody's Analytics

More Housing Markets Are Overvalued Than During Bubble…



Source: Moody's Analytics

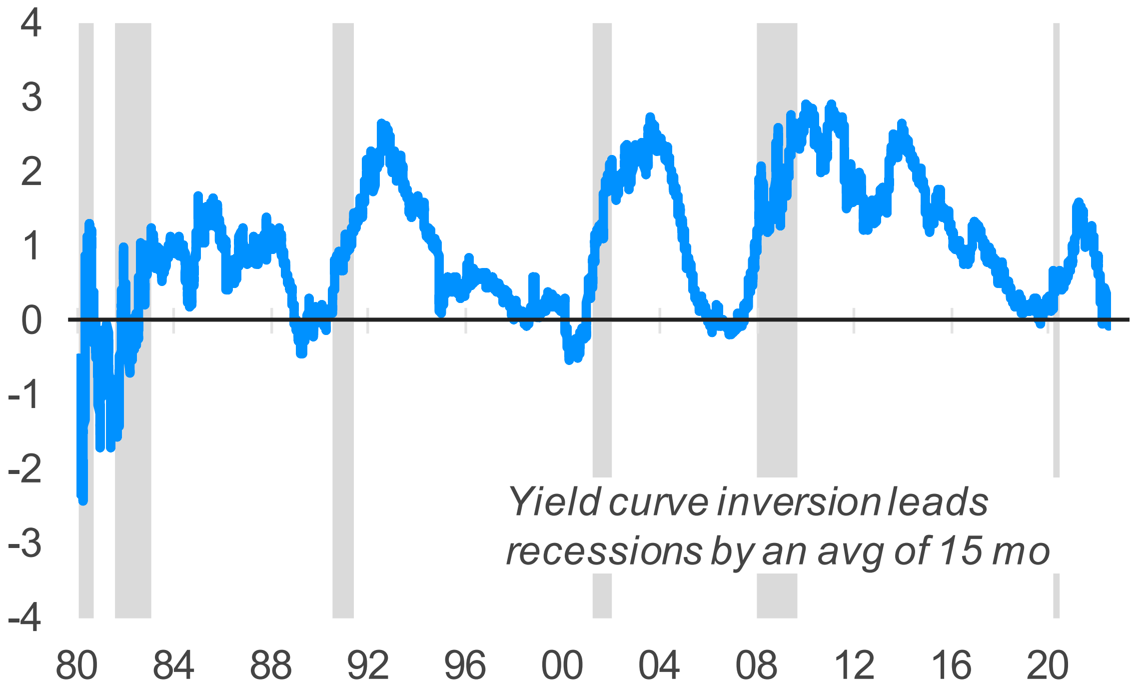
…And the Correction Is Already Underway



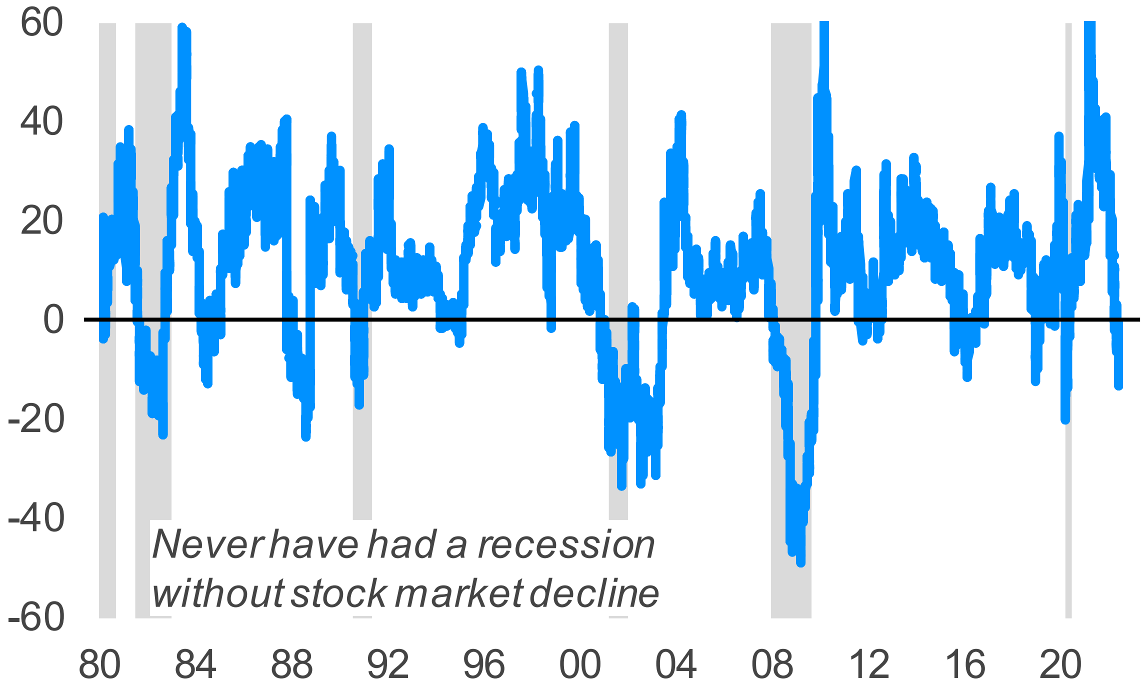
Sources: CoreLogic, Mortgage Bankers Association ,Moody's Analytics

Financial Markets Send Up Red Flags

Difference between 10-yr Treasury and 2-yr Treasury yield, ppt

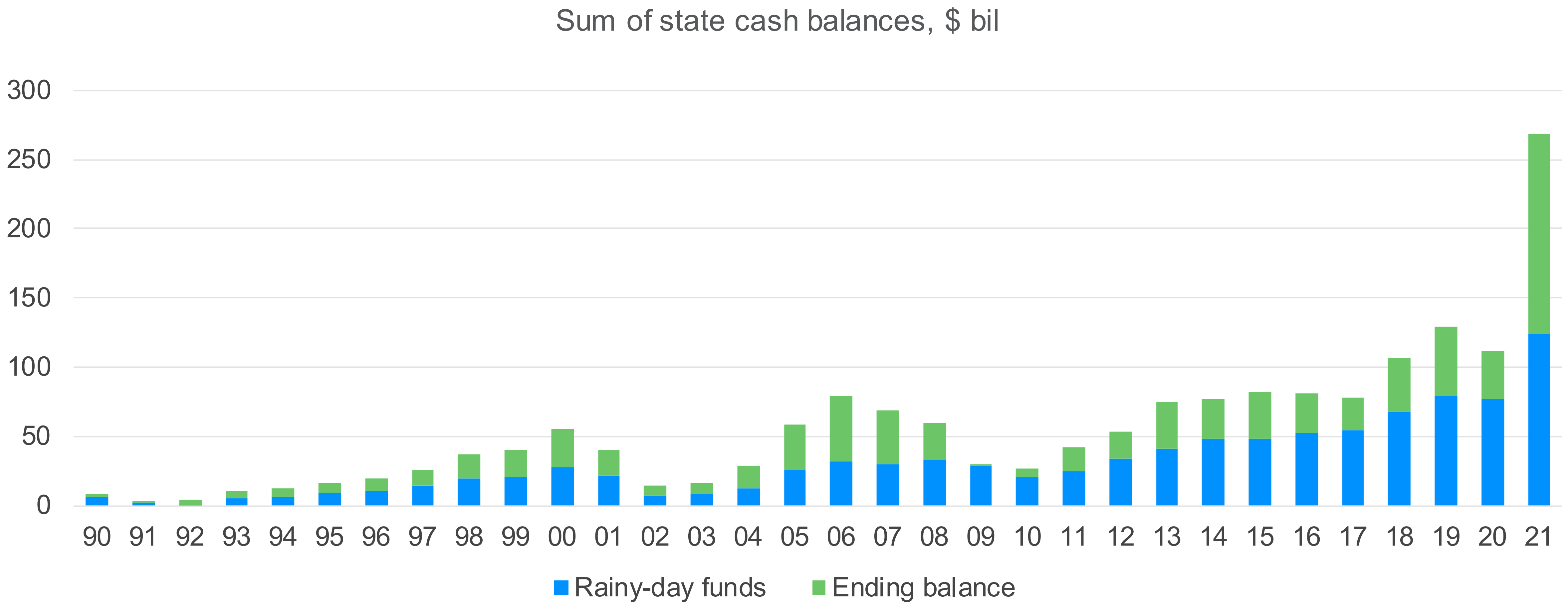


S&P 500, % change yr ago



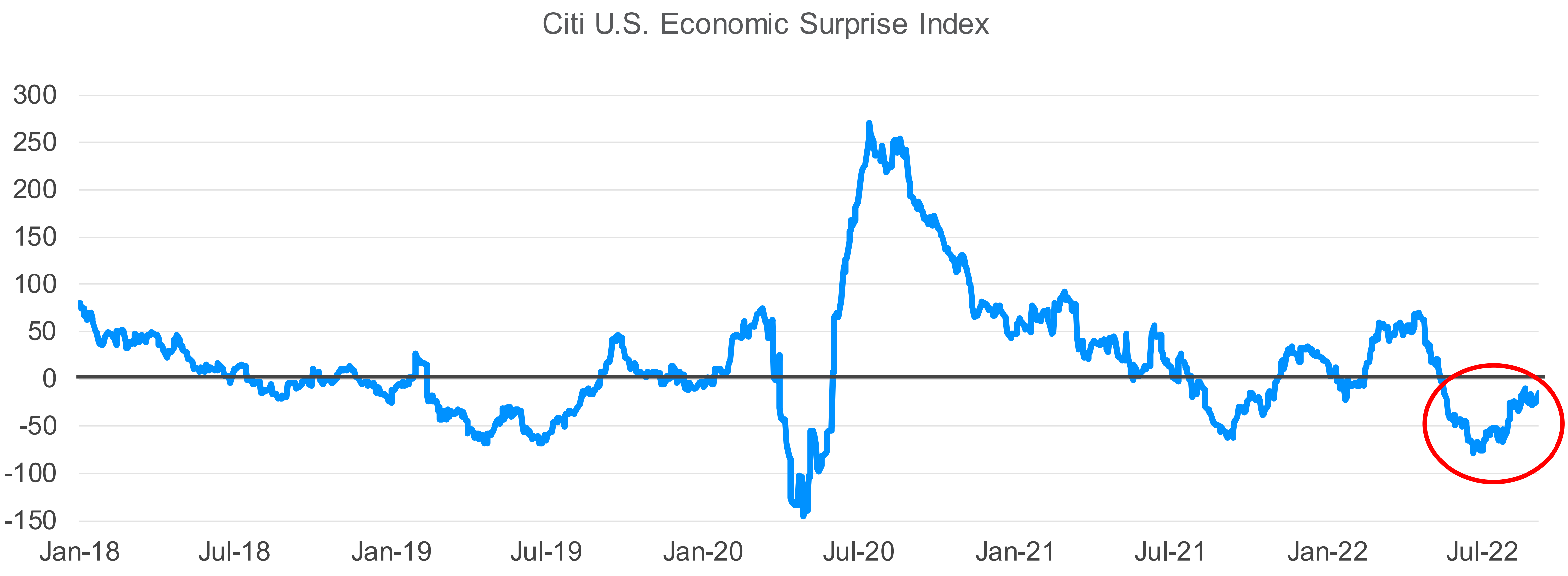
Sources: Federal Reserve, S&P, Moody's Analytics

States Are Well-Prepared for a Downturn



Sources: NASBO, Moody's Analytics

Data Start to Align More Closely With Expectations



Sources: Citi, Bloomberg LP, Moody's Analytics

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