

Recession dashboard

May 2023



Indicators	Measure	1974	1980	1981	1991	2001	2008	2020	Average	Current	Earliest implied recession date (Based on average days from key level recession)
Labor market	Increase in claims	32k	90k	68k	80k	125k	50k	3k	64k	48,000	8/2023
Inflation	Increase in core PCE	2.17%	2.38%	0.94%	1.90%	1.05%	1.40%	1.40%	1.61%	3.67%	12/2023
Housing	Decline in housing starts	-770k	-856k	-506k	-1,089k	-329k	-1,236k	-50k	-691k	-385,000	5/2024
Yield curve	10-year Treasury yield – federal funds rate	-5.99%	-6.64%	-9.57%	-1.56%	-1.76%	-0.86%	-0.67%	-3.86%	-1.32%	2/2024
Spreads	Bloomberg Corp High Yield –10-yr Treasury yield	-	-	-	9.30%	9.58%	5.80%	3.91%	7.15%	5.06%	2/2025
Manufacturing	ISM Index	57.8	44.8	46.7	45.1	42.1	50.1	47.8	47.8	47.1	7/2025
											6/2024

Sources: Bloomberg and Federated Hermes. Data as of 5/1/23.

	Outside of recession range
	In recession range
	Exceeding recession range

Recent updates

5/1: ISM Manufacturing rose slightly from 46.3 to 47.1. This breaks a five-month streak of monthly declines. The indicator remains, however, in recession territory. ↑

5/1: High Yield spreads stayed in a tight range in April, starting the month at 5.02% and ending at 5.06%. This indicator remains yellow. =

5/1: The Fed Funds Rate vs. the 10-year yield inverted saw some modest re-steepening moving from -1.42% last month to -1.32% now. With expectations for a rate hike at the May FOMC meeting, we would expect to see the measure invert further. The indicator remains below the recession average, which is because of much deeper inversions and much higher yields in the 1970s and 1980s. The level of inversion remains greater than the average over the prior four recessions dating back to 1991. =

4/28: Core PCE came in at 4.6% this month, down just 0.1% from last month's upwardly revised reading of 4.7%. The indicator remains well within recessionary territory. =

4/27: Initial jobless claim data has been heavily impacted by methodology adjustments. Revisions have changed the cycle low from 166,000 in March of 2022 to 182,000 in September 2022. All told, claims now sit 48,000 above the new cycle low, which keeps the indicator yellow. =

4/18: Housing starts fell to 1,420,000 from a downwardly revised prior month reading of 1,432,000. The indicator remains yellow. ↓

Past performance is no guarantee of future results.

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