

# Recession dashboard

January 2023



Indicators	Measure	1974	1980	1981	1991	2001	2008	2020	Average	Current	Earliest implied recession date (Based on average days from key level recession)
<b>Labor market</b>	Increase in claims	32k	90k	68k	80k	125k	50k	3k	64k	59k	02/2023
<b>Inflation</b>	Increase in core PCE	2.17%	2.38%	0.94%	1.90%	1.05%	1.40%	1.40%	1.61%	3.76%	12/2023
<b>Housing</b>	Decline in housing starts	-770k	-856k	-506k	-1,089k	-329k	-1,236k	-50k	-691k	-378k	05/2024
<b>Yield curve</b>	10-year Treasury yield – federal funds rate	-5.99%	-6.64%	-9.57%	-1.56%	-1.76%	-0.86%	-0.67%	-3.86%	-0.62%	02/2024
<b>Spreads</b>	Bloomberg Corp High Yield –10-yr Treasury yield	-	-	-	9.30%	9.58%	5.80%	3.91%	7.15%	5.12%	02/2025
<b>Manufacturing</b>	ISM Index	57.8	44.8	46.7	45.1	42.1	50.1	47.8	47.8	48.4	07/2025
<b>Average:</b>										<b>05/2024</b>	

Sources: Bloomberg and Federated Hermes. Data as of 1/4/23.

	Outside of recession range
	In recession range
	Exceeding recession range

## Recent updates

**1/4:**

For the second consecutive month, ISM Manufacturing remained in contraction territory, hitting a fresh 2-year low of 48.4 vs. last month's reading of 49.0. The indicator remains solidly yellow. ↓

**1/4:**

The fed funds rate vs. the 10-year yield inverted further during December and now sits with a negative slope of -0.62% vs. -0.26% last month. This indicator remains yellow. ↓

**1/4:**

High Yield spreads remain remarkably stable and now sit at 5.12% vs. 5.01% last month. Still, this indicator remains yellow. =

**12/29:**

Initial jobless claims are unchanged vs. last month, sitting 59,000 above the cycle-low. The four-week moving average fell by a modest 8,000 in December. This indicator remains yellow. =

**12/23:**

Core PCE came in above expectations in December but did decelerate from 5.0% last month to 4.7% in December. Still, this indicator remains well above the average recession level and is thus red. ↑

**12/20:**

Housing start declined modestly from 1,434,000 to 1,427,000. This marks the third consecutive monthly decline. The indicator remains yellow. ↓

**Past performance is no guarantee of future results.**

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