

Recession Dashboard

Deterioration in indicators occurring with unprecedented speed

Unprecedented nature of economic shutdown accelerates recession

Indicators	Measure	1974	1980	1981	1991	2001	2008	Average	Current	Earliest Implied Recession Date (Based on Avg Days from Key Level Recession)
Labor market	Increase in claims	32k	90k	68k	80k	125k	50k	74k	3.1m	6/2020
Inflation	Increase in core PCE	2.17%	2.38%	0.94%	1.90%	1.05%	1.40%	1.64%	0.92%	10/2020
Housing	Decline in housing starts	-770k	-856k	-506k	-1,089k	-329k	-1,236k	-798k	-27k	9/2022
Yield Curve	10-year Treasury yield – federal funds rate	-5.99%	-6.64%	-9.57%	-1.56%	-1.76%	-0.86%	-4.40%	0.52%	9/2020
Spreads	Bloomberg Barclays Corp High Yield – 10-yr Treasury yield	-	-	-	9.30%	9.58%	5.80%	8.23%	8.79%	11/2021
Manufacturing	ISM Index	57.8	44.8	46.7	45.1	42.1	50.1	47.8	49.1	4/2022
									Average:	6/2021

Source: Bloomberg, Federated Investors. Data as of April 1, 2020.

Recent Updates

3/18: Housing Starts are just 27,000 off of their cycle high reading in January. The data, however, is from February, and is likely to deteriorate significantly when March data is released. ↓

3/20: Initial jobless claims jumped to an all-time record of 3,283,000, as the economic shutdown caused by the coronavirus has led to a massive number of layoffs. ↓

3/31: The yield curve inverted as much as 0.6% in early February before the Fed slashed rates to 0% and reinstated quantitative easing. The yield curve now has a positive spread of roughly 50 basis points. ↑

3/27: Core PCE increased to 1.8% on a year-over-year basis, which is 0.92% higher than its bottom. This remains just shy of turning yellow, as the minimum increase prior to a recession was 0.94% in 1981. ↓

3/31: High Yield spreads widened from 5.08% at last month to 8.79% at the end of March. This is above the average recession level, turning the indicator red. On the positive side, spreads have tightened by 2% since peaking on March 23rd, as intervention of the Federal Reserve into the corporate credit markets have eased some stress. ↓

4/1: ISM has fallen back into contraction territory at 49.1, as large swaths of the economy continue to shut down due to the coronavirus pandemic. While the indicator is above the average recession level, it is once again yellow, and will likely fall further. ↓

Past performance is no guarantee of future results.