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Given the uncertain U.S. economic outlook, we provide on a weekly basis our tracking table for recession indicators. The table below shows the current reading and recent momentum of several indicators compared to the ones observed three months before the eight previous recessions. Red indicates that the current reading is worse than any historical episodes while green is better. Both yellow and orange are in the historical range, the former indicating a better situation compared to the median while the latter shows the opposite.

The signal from our dashboard monitoring the risk of a recession in the U.S. slightly improved compared to its previous iteration as the ISM services PMI climbed back within its historical pre-recession bracket. Financial and commodity data updates, for their part, were too mitigated to have an impact on the signal of their respective indicators. Lastly, the only hard data update came from unemployment claims, which remained lower than historically seen before a recession. The week ahead will see the release of the U.S. Consumer Price Index for January on Tuesday, which markets will be watching closely. The NFIB's Small Business Optimism Index for January will also be released on Tuesday. Finally, data on building permits and the University of Michigan's preliminary consumer sentiment reading for February will be released on Friday.

### U.S.: Economic and financial indicators 3 months before recessions

As of February 9, 2024

	Last reading	Prior reading*	Published last week?	Value 3 months before U.S. Recessions								Median	
				2020	2007-09	2001	1990-91	1981-82	1980	1973-75	1970		
Financial/commodity	S&P 500 (% drawdown from past year max)	0.0%	0.0%	yes	-1.3%	-0.4%	-13.6%	-7.7%	-5.6%	-7.8%	-13.3%	-14.6%	-7.7%
	BBB spread (increase from past year min, bps)**	2.9	7.7	yes	2.0	46.2	133.8	6.0	0.0	41.0	43.0	23.0	32.0
	Copper price (% drawdown from past year max)	-12.2%	-8.8%	yes	-10.6%	-2.2%	-9.5%	-12.0%	-16.2%	-1.2%	0.0%	-1.6%	-5.9%
	Oil price (% drawdown from past year max)	-18.0%	-22.8%	yes	-16.0%	-4.0%	-31.0%	-21.0%	-4.0%	0.0%	0.0%	0.0%	-4.0%
	U.S. Dollar (% increase from past year min)	3.3%	3.1%	yes	3.1%	0.0%	5.3%	8.3%	12.5%	4.5%	1.4%	NA	4.5%
	Yield curve (10-year minus 3-month, bps)	-121	-135	yes	26	77	-76	98	-62	-127	-157	35	-18
Soft data	Consumer sentiment (Michigan)	79.0	69.7	no	99.3	80.9	94.7	90.6	76.3	63.3	72.0	86.4	83.7
	SME optimism	91.9	90.6	no	102.7	96.1	96.4	99.4	97.4	93.3	NA	NA	96.9
	CEO confidence (quarterly data)	53.0	46.0	yes	43.0	44.0	31.0	48.0	61.0	32.0	NA	NA	43.5
	ISM manufacturing	49.1	47.1	no	47.9	52.8	42.3	49.5	53.5	48.0	63.5	54.6	51.2
	ISM services	53.4	50.5	yes	55.7	53.5	52	NA	NA	NA	NA	NA	53.5
Hard data	UI Claims 4-week ave. (% increase from past year min)	0%	0%	yes	6%	8%	26%	6%	2%	20%	12%	10%	9%
	Temp. help services jobs (% drawdown from past year max)	-7.1%	-6.6%	no	0.0%	-3.2%	-4.3%	NA	NA	NA	NA	NA	-3.2%
	Average hours worked (% drawdown from past year max)	-0.9%	-0.9%	no	-0.9%	-0.3%	-0.6%	-0.9%	-0.3%	-0.6%	-0.5%	-0.8%	-0.6%
	Building permits (% drawdown from past year max)	-3%	-5%	no	-5%	-27%	-2%	-39%	-21%	-30%	-30%	-19%	-24%
	Real consumption (3-month, % ann)	4.0%	3.3%	no	1.3%	2.4%	2.3%	1.8%	-0.1%	0.7%	4.1%	6.4%	2.1%

\*Previous Friday for financial data, previous month for hard and soft data (quarter for CEO confidence)

\*\* As of Thursdays

NBF Economics and Strategy (data via Refinitiv, Bloomberg)

As the market closed last Friday, the signal from the financial/commodity indicators was unchanged from the previous week. On the one hand, the S&P 500 hit a new all-time high, BBB spreads narrowed, the price of oil rose and the yield curve de-inverted slightly. On the other hand, there were signs of weakness in other indicators. Indeed, the price of copper fell further and the U.S. dollar appreciated slightly.

On the soft data side, CEOs' confidence indicator improved in the first quarter of 2024, but its signal remained unchanged. The ISM services PMI, meanwhile, crawled back within its historical pre-recession range. There were no other updates over the past week. As of the latest news, the University of Michigan's Survey's of Consumers and the ISM manufacturing PMI both stood below the median of their historical pre-recession bracket, while the NFIB's SME optimism index sat under that range.

On the hard data front, the 4-week average of unemployment claims remained at its best historical pre-recession level. There were no other updates over the past week. As of the latest news, the number of jobs in temporary help services deteriorated further, while average hours worked remained below the median level of their historical pre-recession bracket. Real consumption and building permits, meanwhile, were both standing above their median historical pre-recession level.

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