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When the cycle ends

Credit Suisse Economics

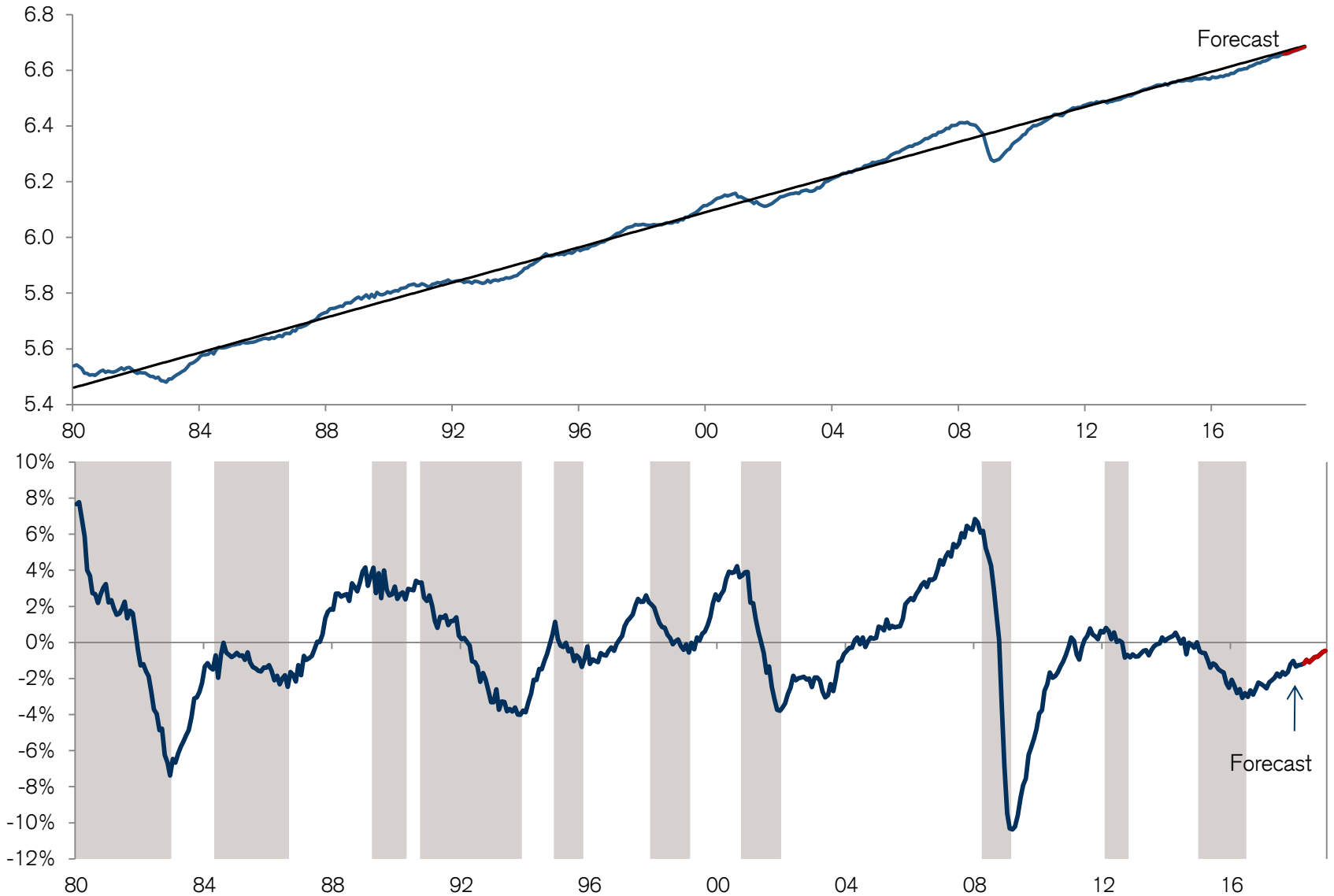
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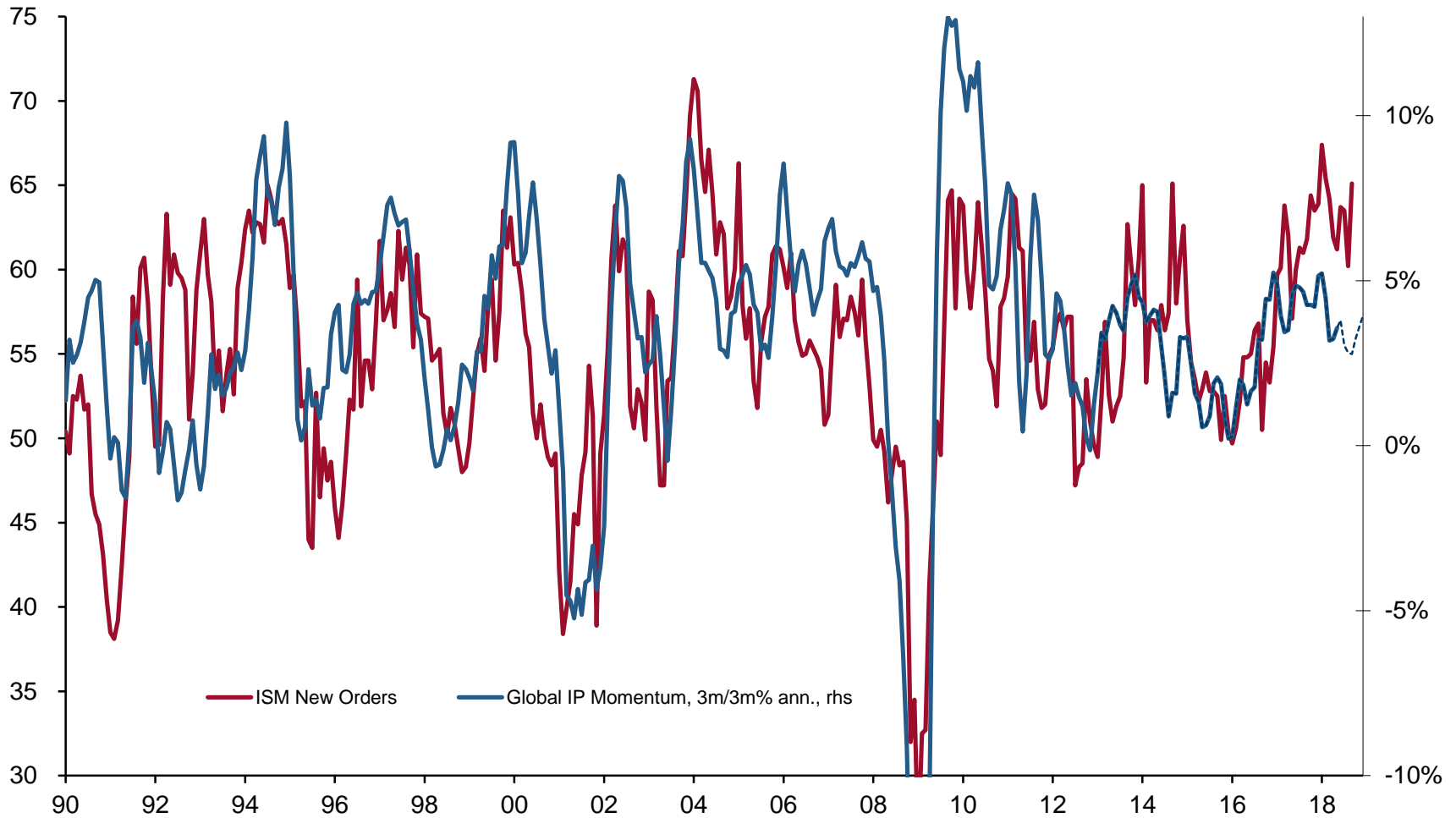
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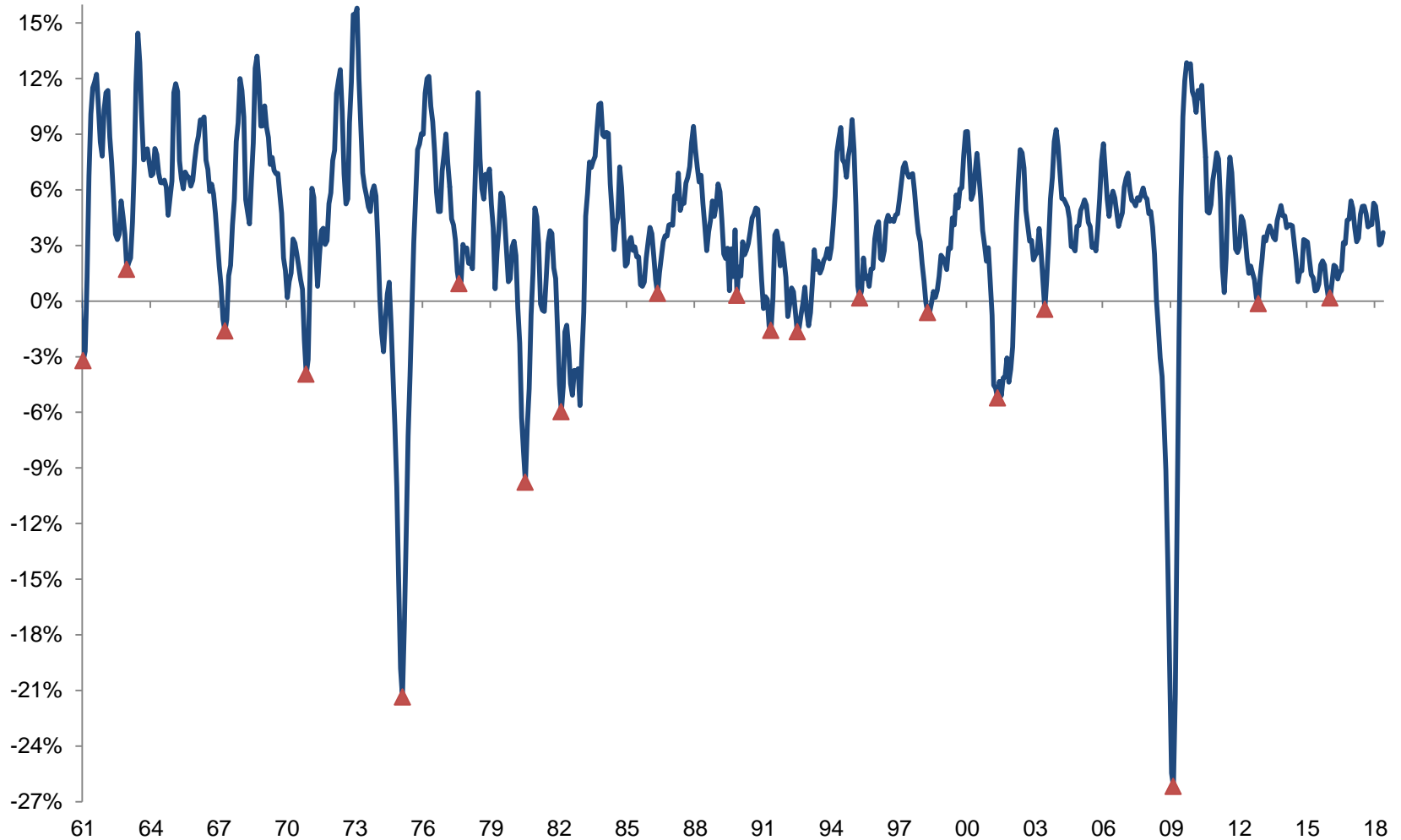
Global Industrial Production level and deviation from trend (in logs)



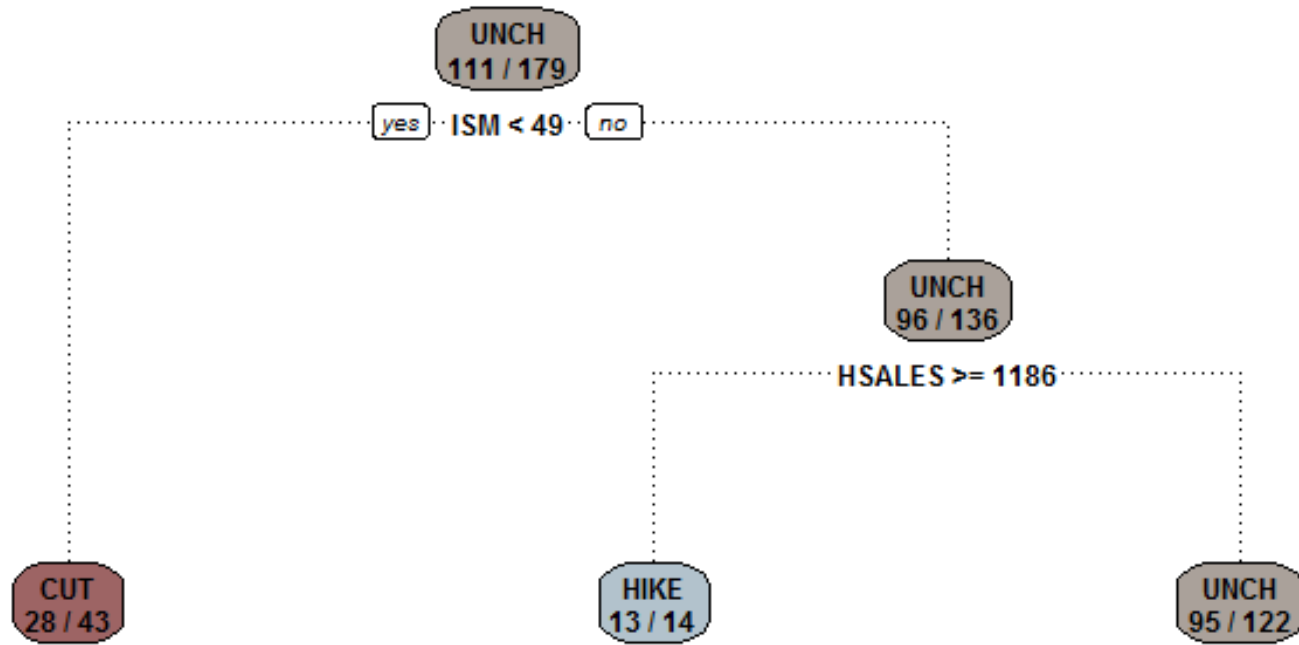
Global IP Momentum and ISM Mfg. New Orders



Global IP momentum 1960-present, with troughs marked

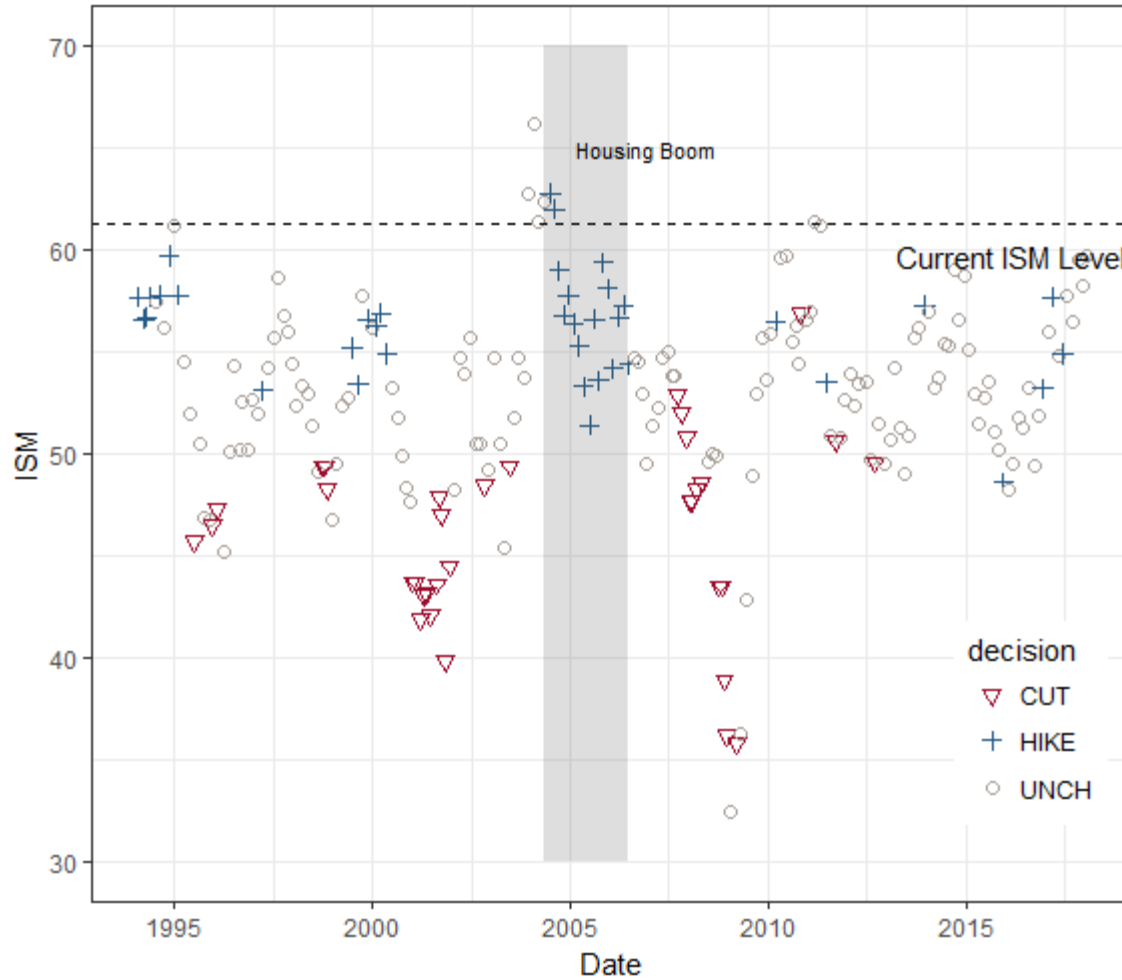


Fed Decision Tree since 1994



Total Success Rate: 76%

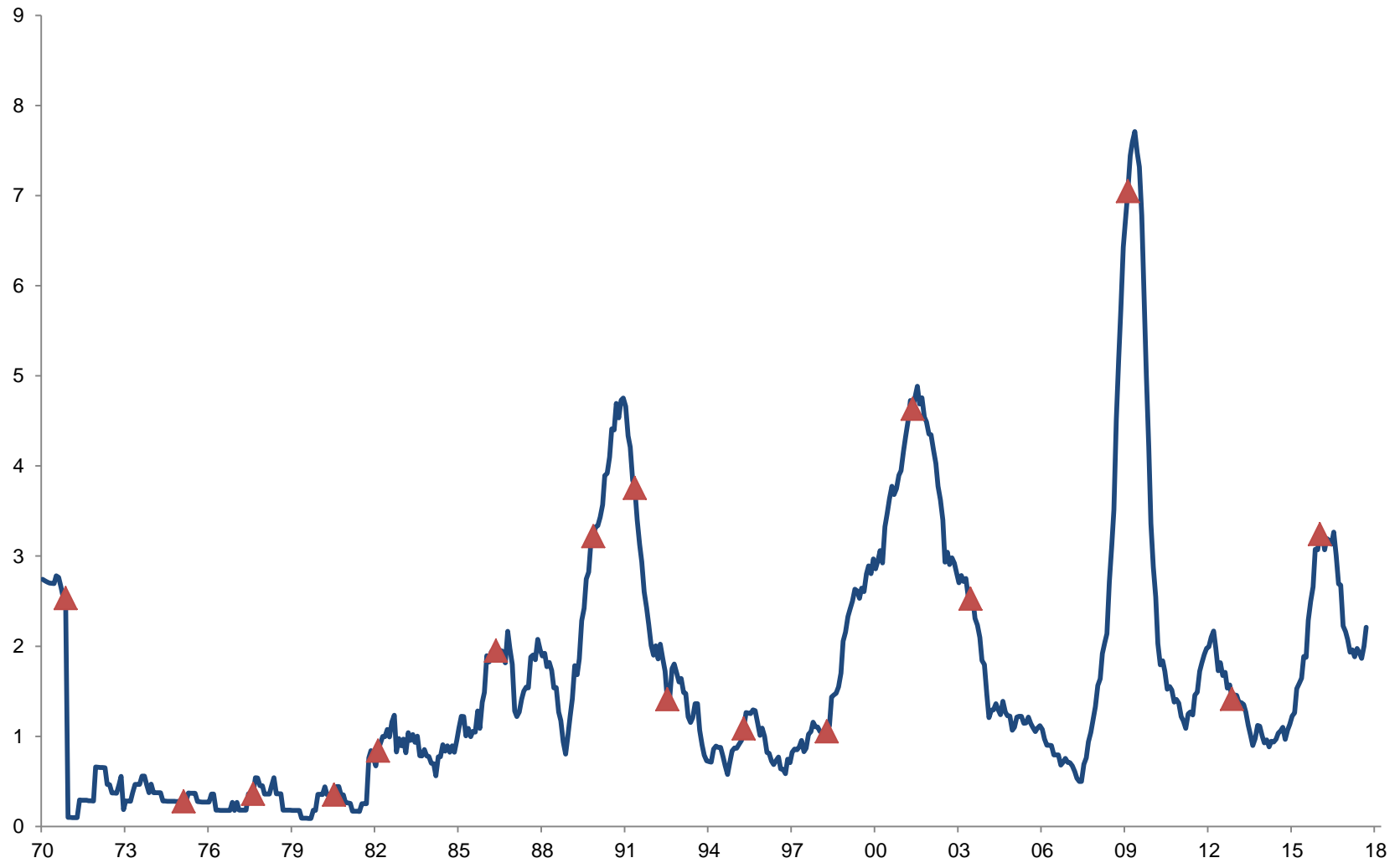
Fed Decisions and ISM



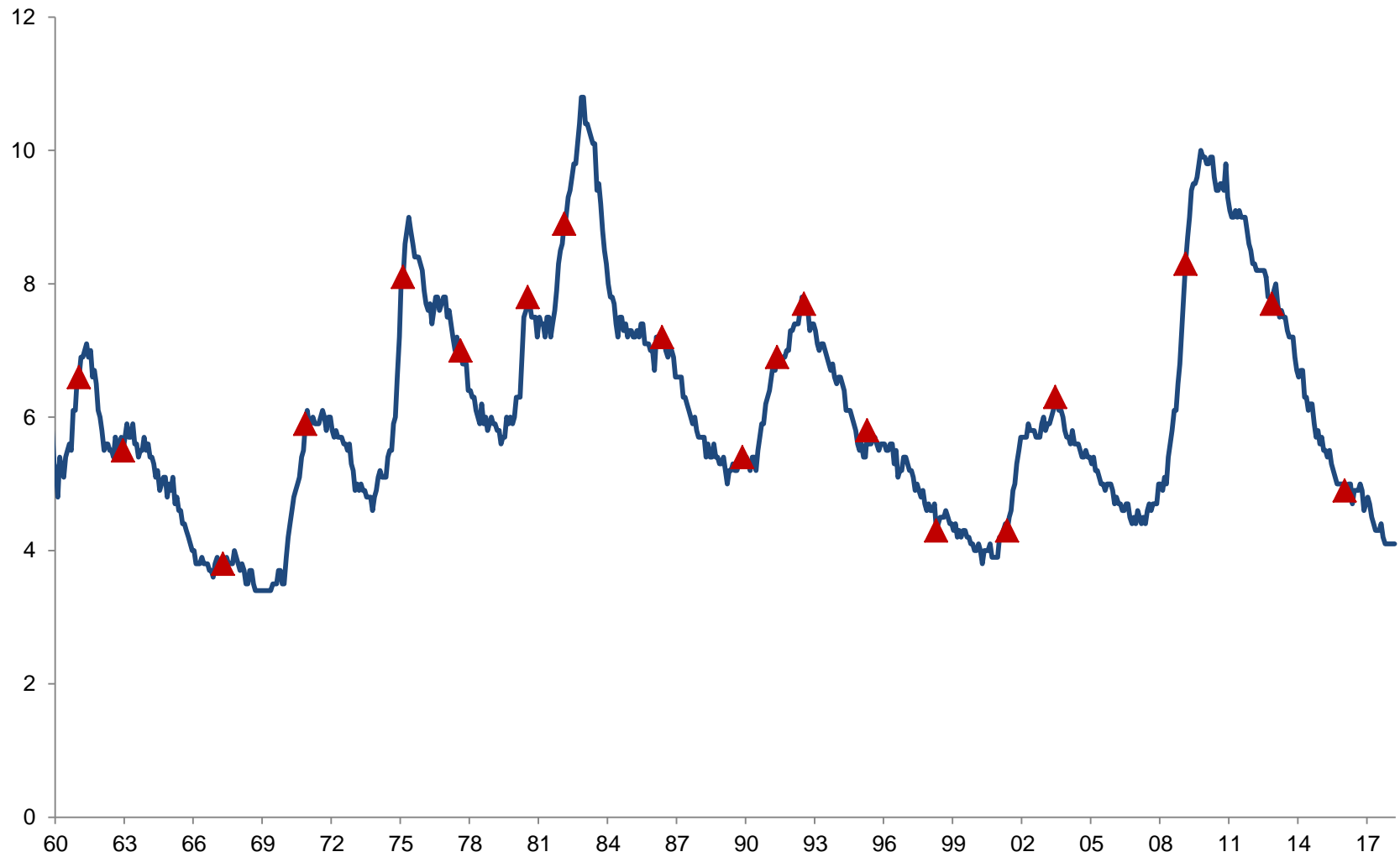
US 10y treasury yield, with IP troughs marked



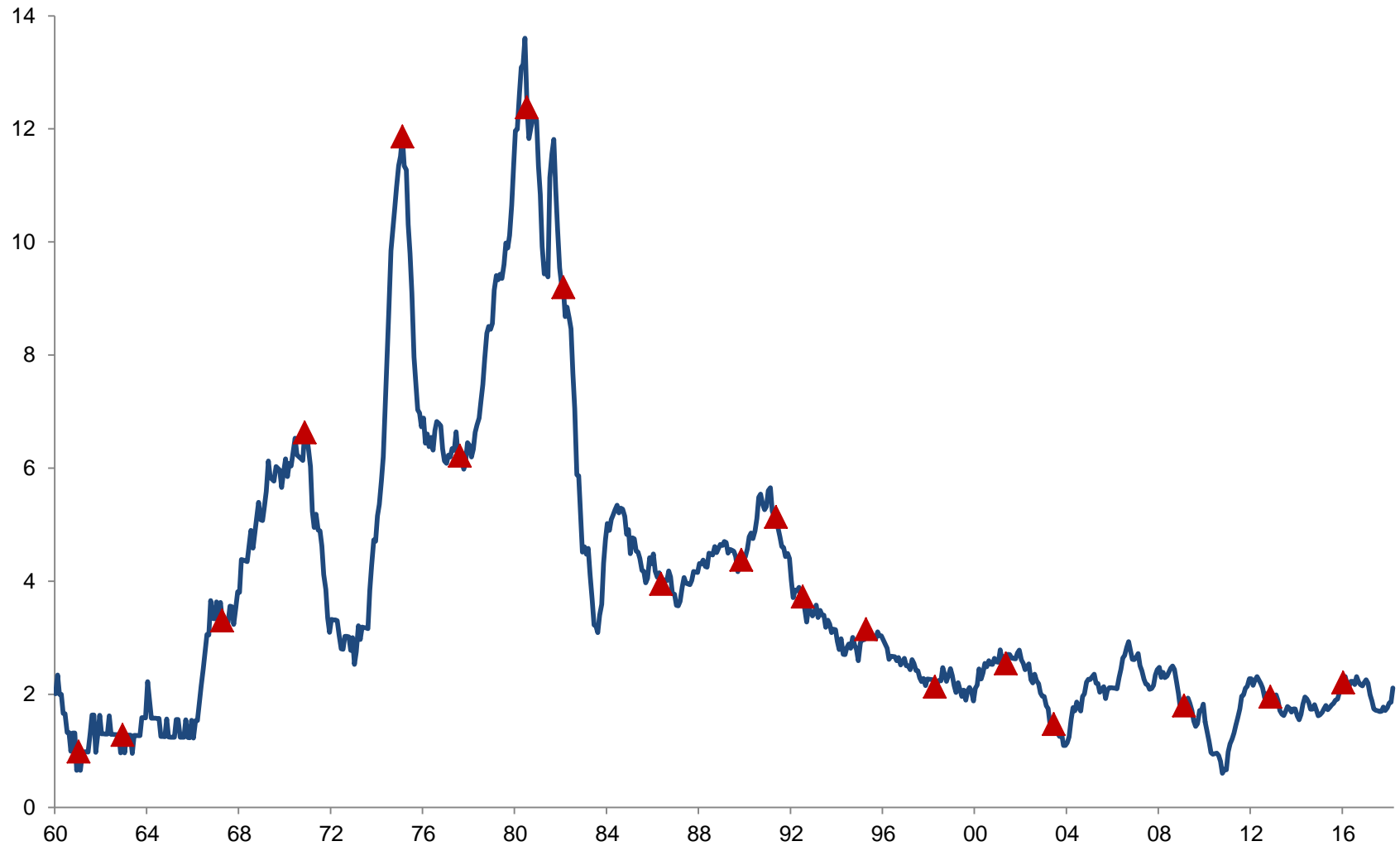
US default rate, with IP troughs marked



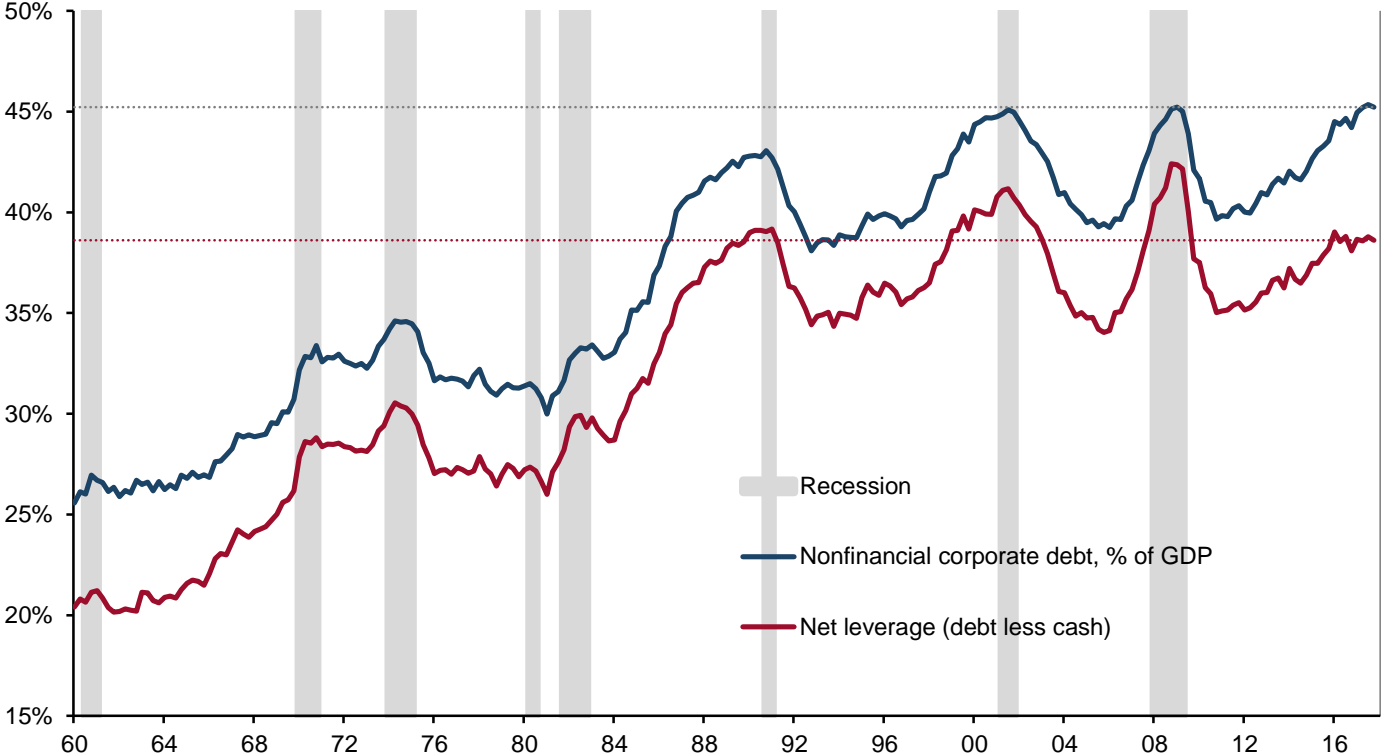
US unemployment rate, with IP troughs marked



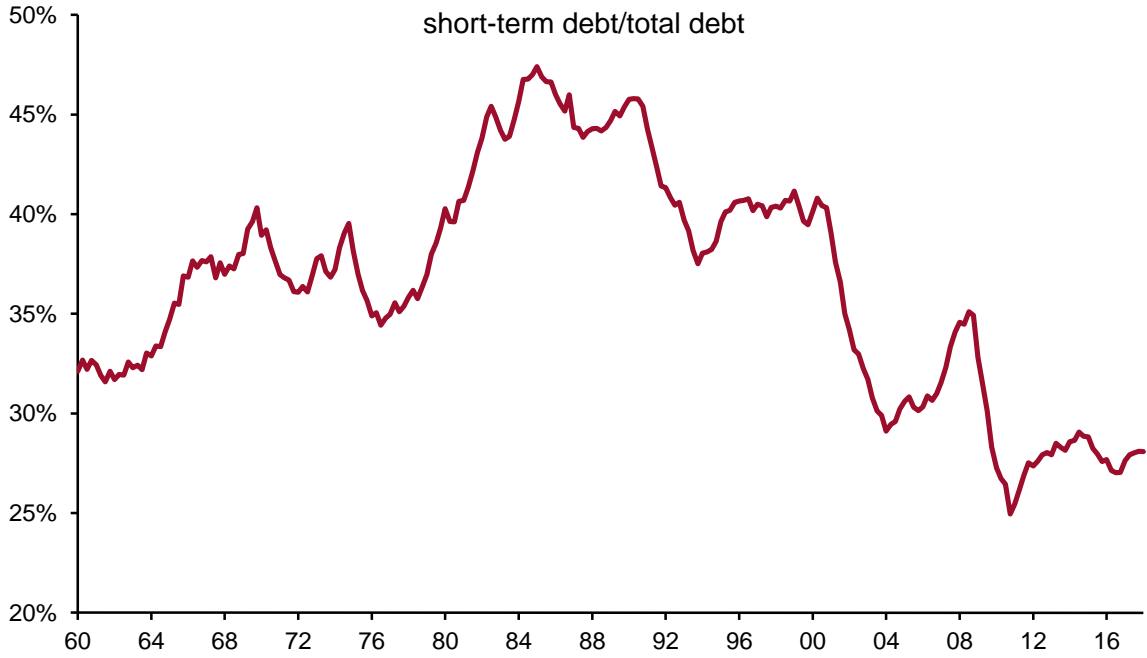
US core inflation, with IP troughs marked



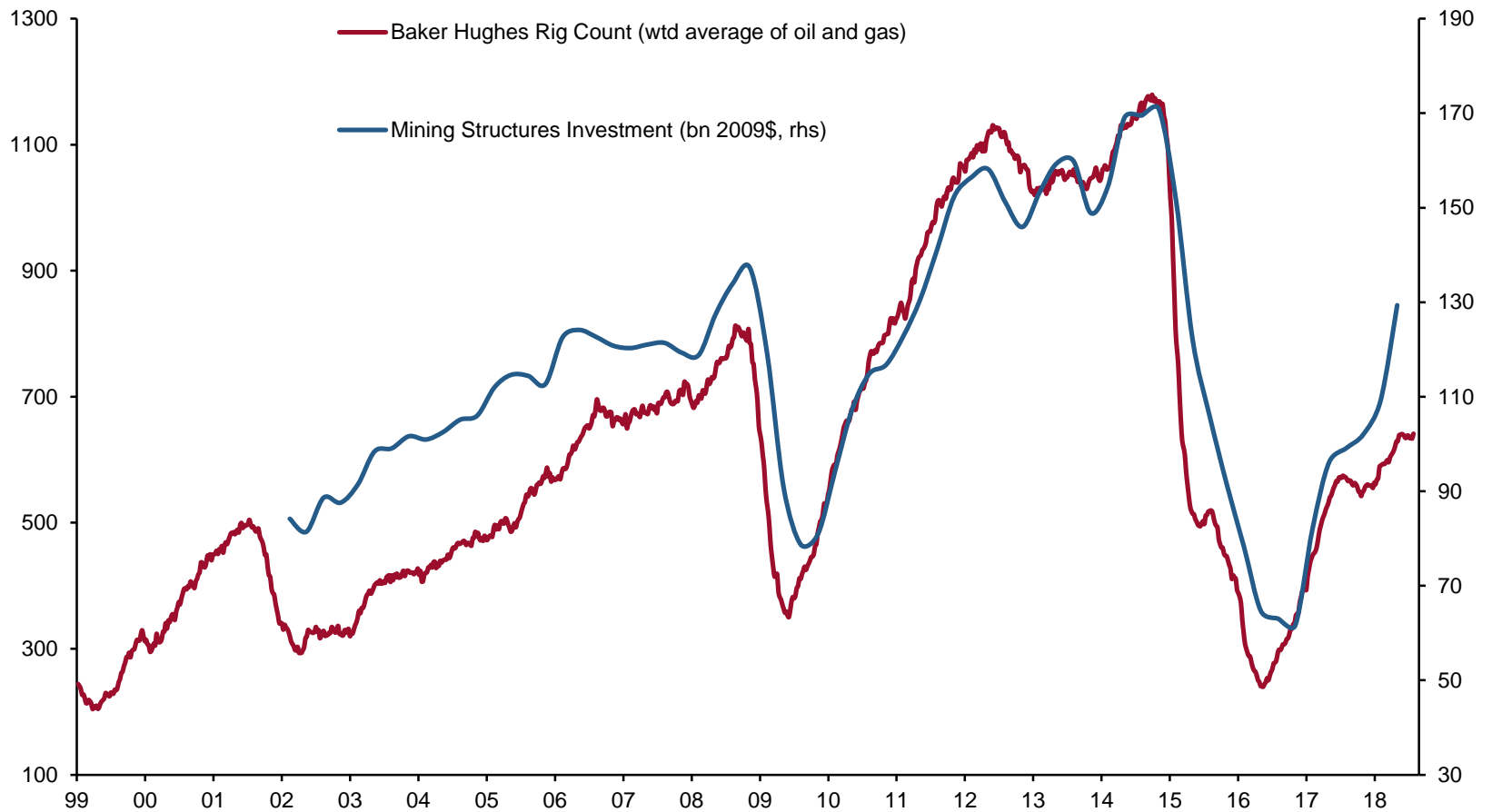
Total non-financial corporate sector debt



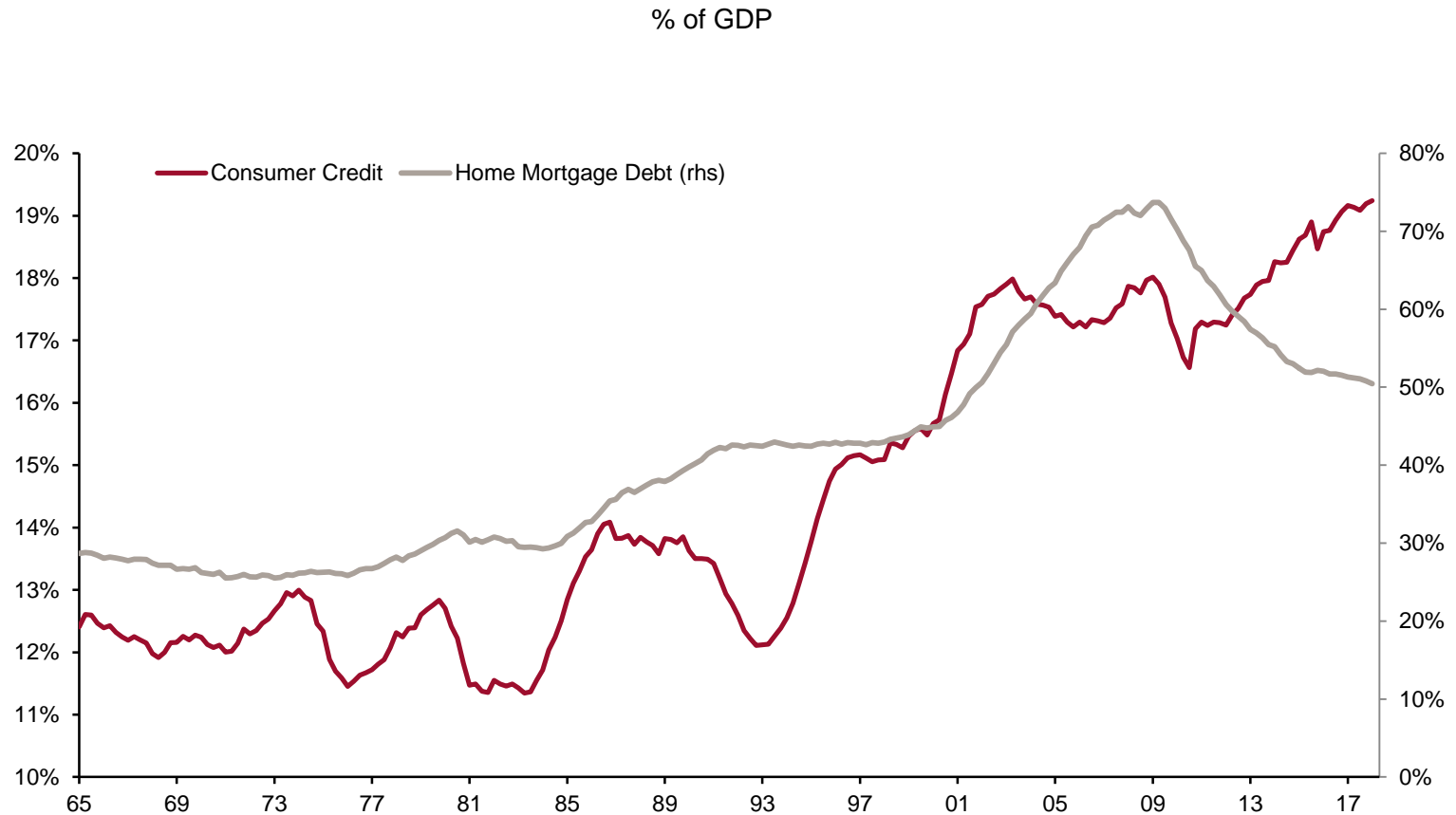
Companies have shifted their debt structure increasingly towards longer-maturity borrowings



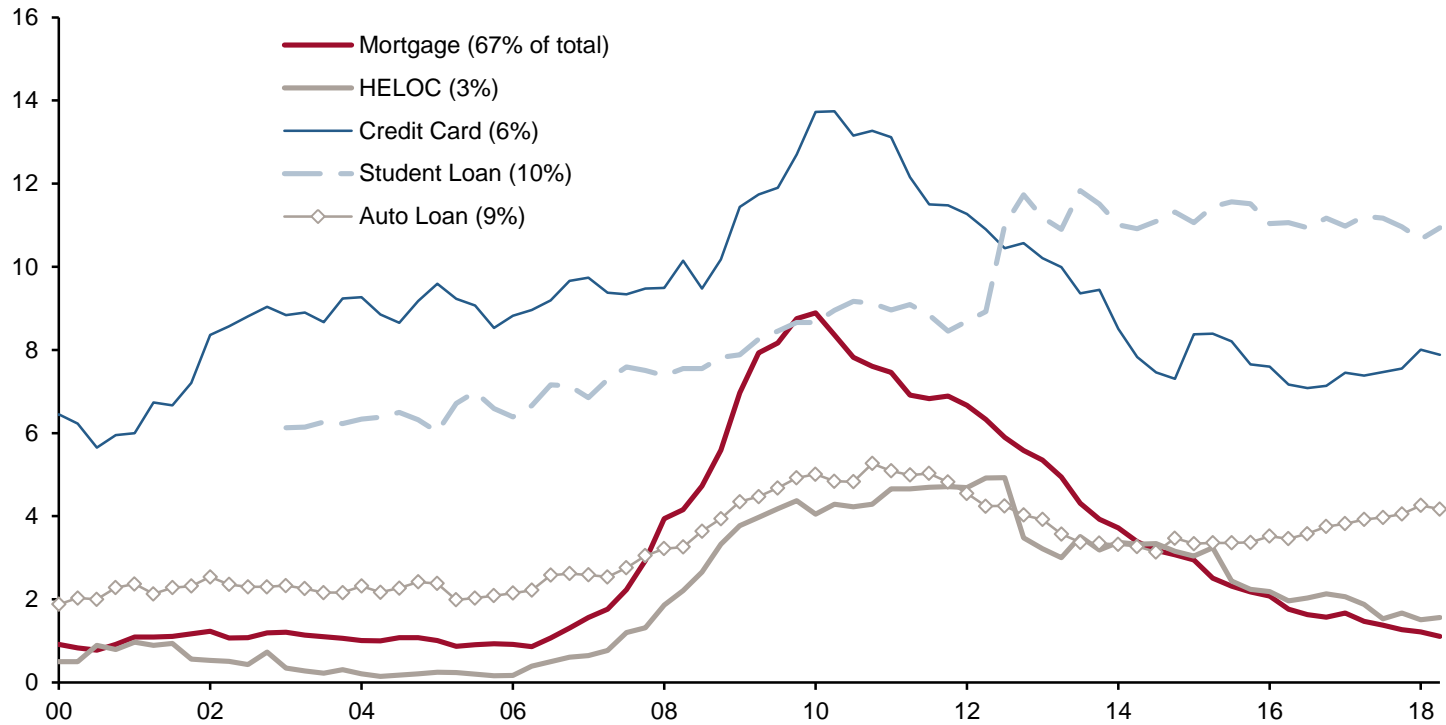
US Mining Structures Investment



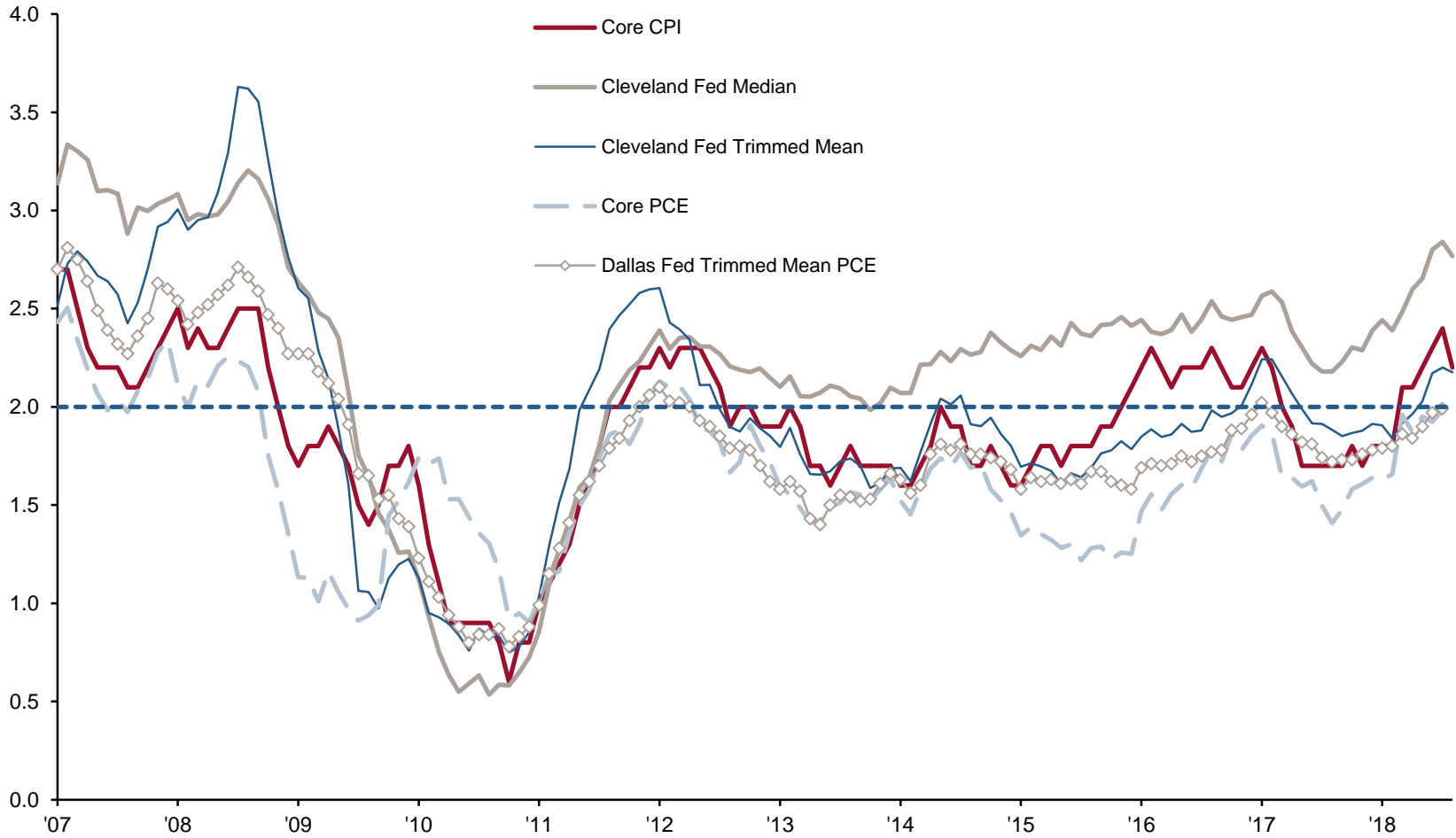
US consumer credit has risen steadily while mortgage debt stabilized at a historically high level



US household delinquency rates are low

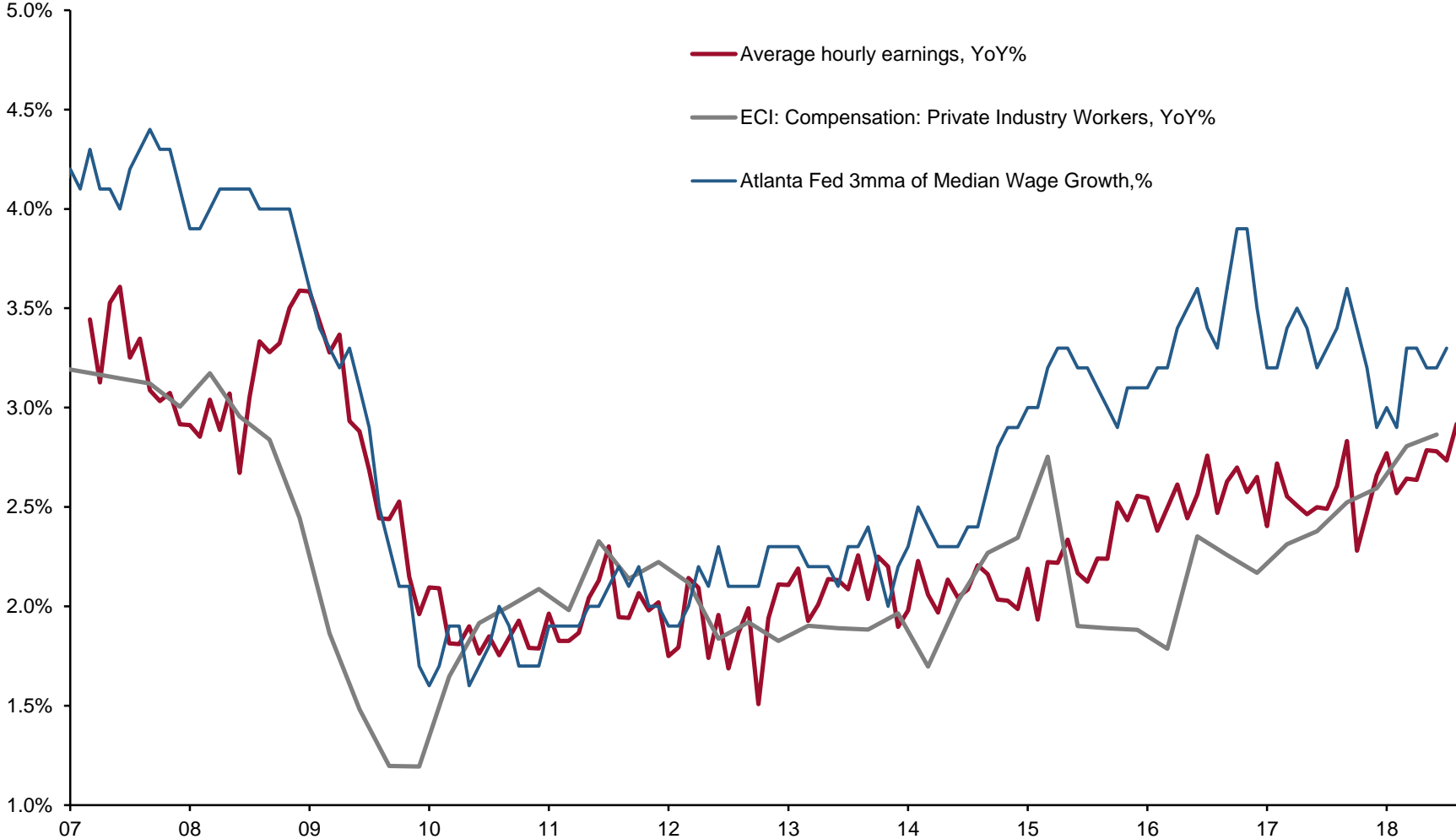


Core inflation measures



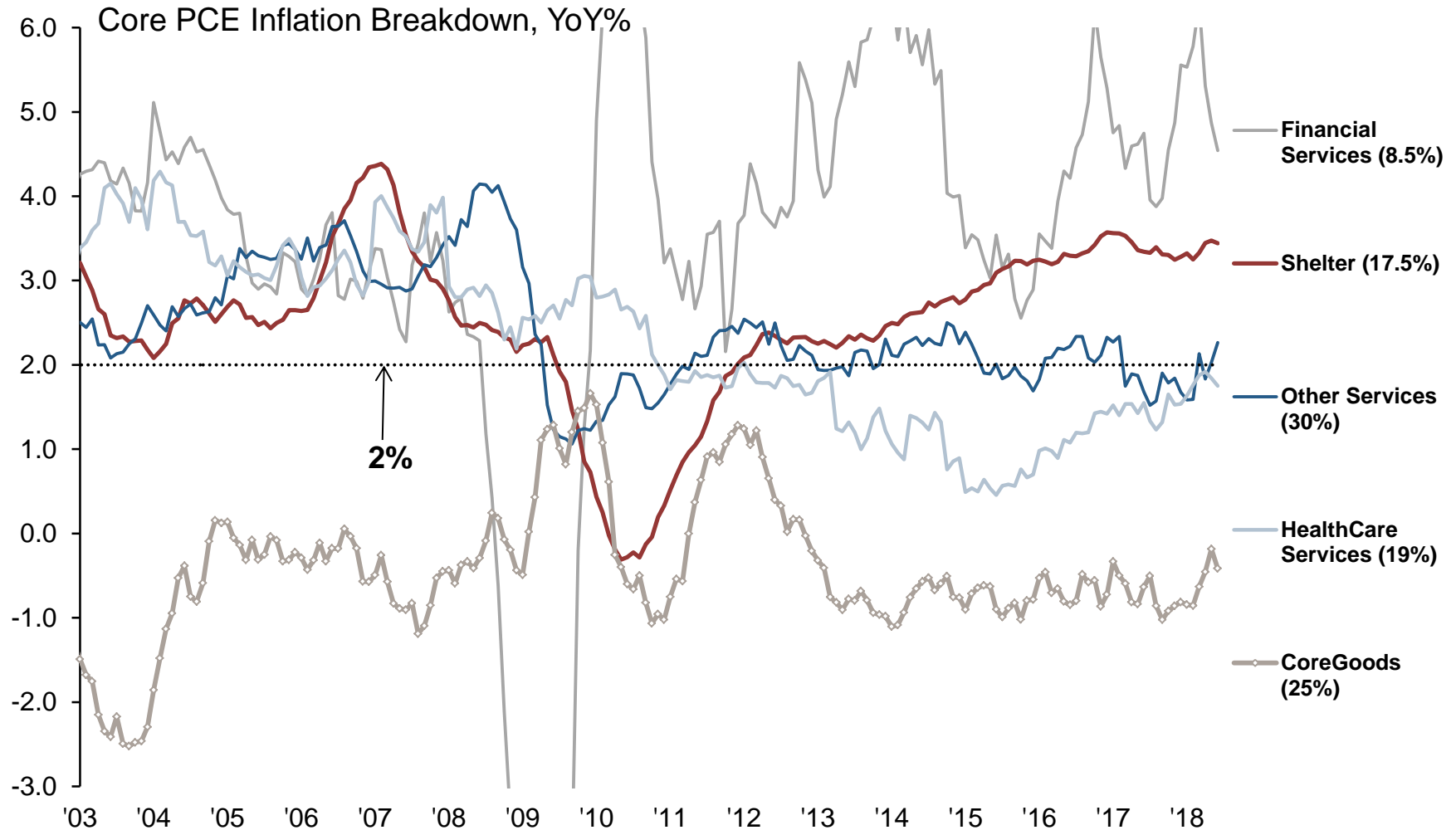
Sources: Credit Suisse, Haver Analytics®

Wage growth has picked up gradually



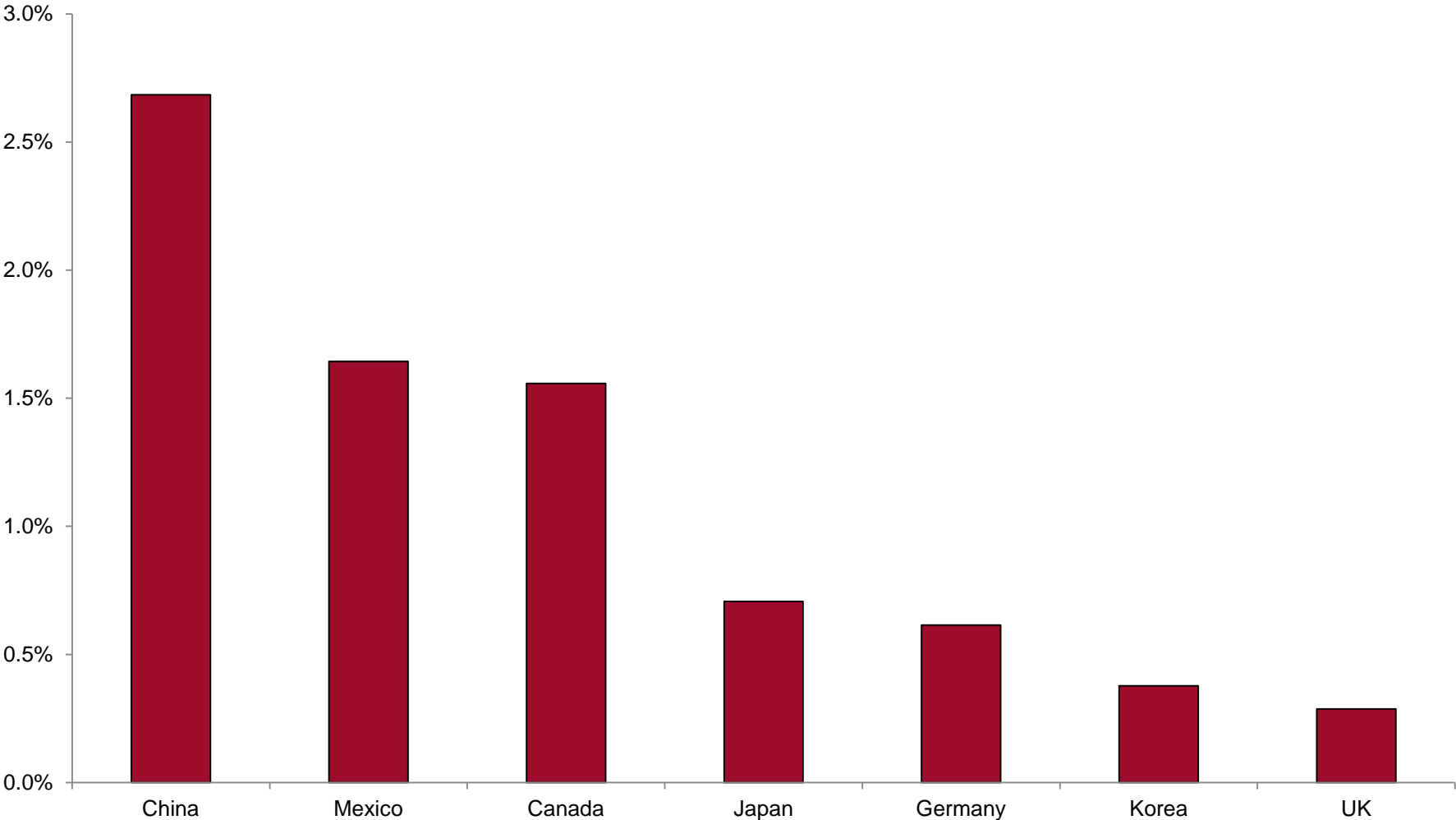
Source: Credit Suisse, BLS, Atlanta Fed

Core PCE Inflation Breakdown

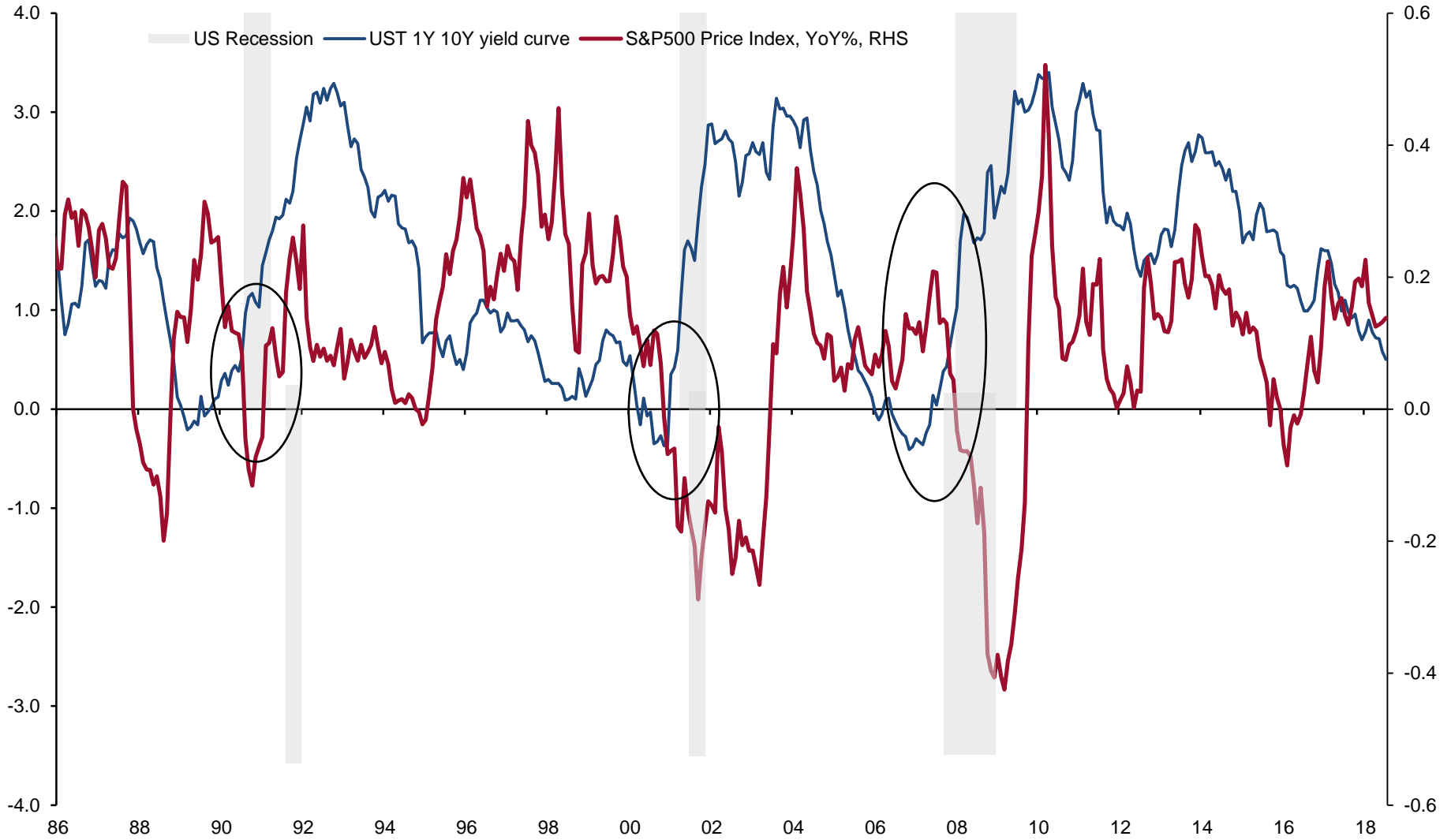


Sources: Credit Suisse, Haver Analytics®

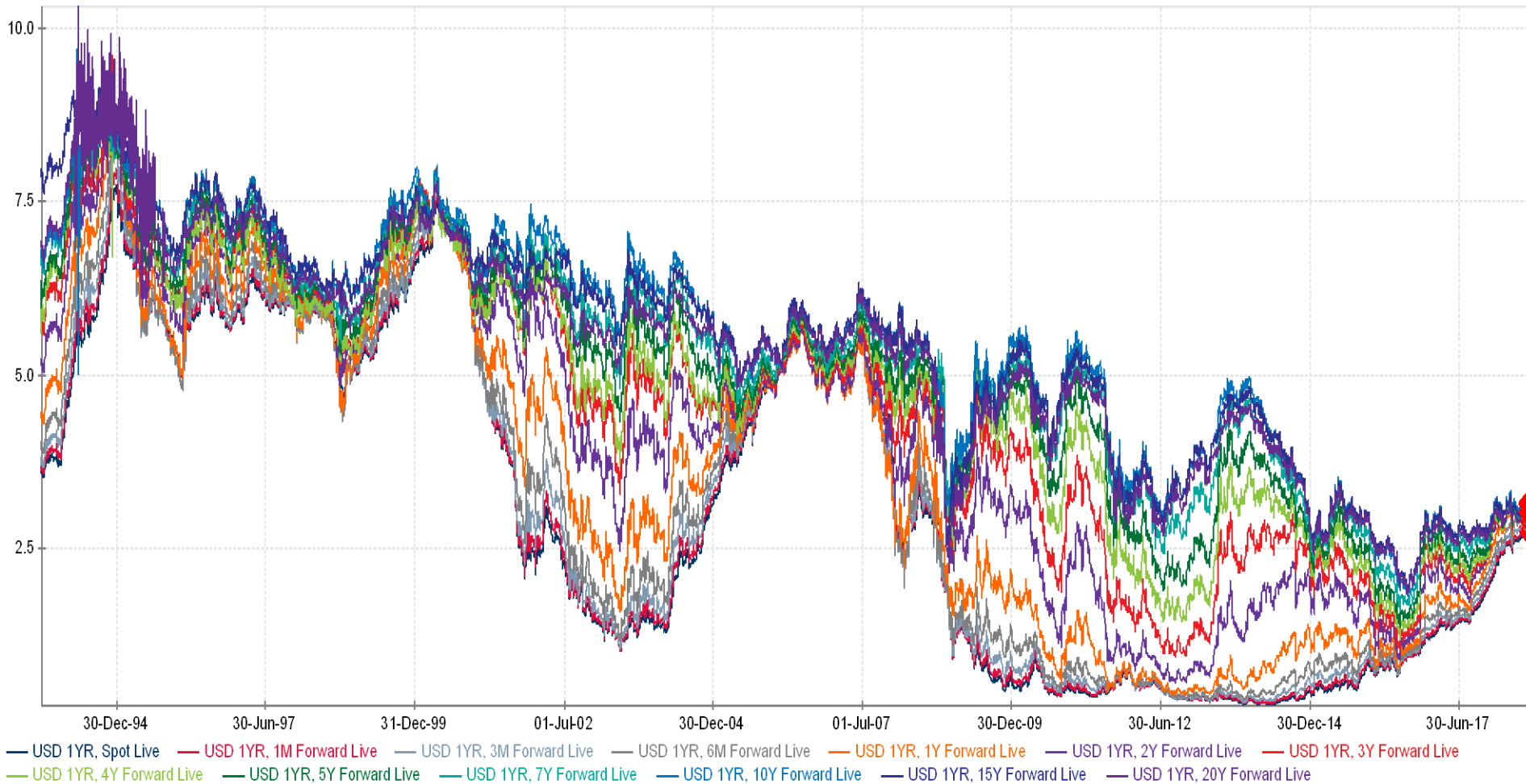
US imports by country as % GDP



Recession Harbingers (circled)



At the cyclical peaks (1999, 2006) spot rates climb relative to distant forward rates



Source: Credit Suisse Locus

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