

2016: No U.S. Recession, Global Reflation

“ECRI Outlook” – December 2016

We Have Ignition

“Building on the gradual improvement that has been evident in recent months, the latest forward-looking data finally provides clear evidence that a growth rate cycle upturn is now at hand.” – *U.S. Essentials, December 2016, Vol. XXI, No. 12*

[➤ Read December 2016 ECRI Outlook excerpted text](#)

“ECRI Outlook” – November 2016

Emerging Economies to Outshine Advanced Economies

“A brighter global growth outlook — driven in part by cyclical industrial growth prospects — benefits developing economies.” – *International Essentials, November 2016, Vol. XXI, No. 11*

[➤ Read November 2016 ECRI Outlook excerpted text](#)

“ECRI Outlook” – September 2016

Exceptional India

“While global growth decelerates and world export volumes decline, India is bucking the trend. Moreover, Indian export growth prospects continue to improve.” – *International Focus, September 2016, Vol. XXI, No. 9*

“ECRI Outlook” – September 2016

Global Industrial Growth Boosting Commodity Prices

“A full-fledged cyclical upturn in industrial commodity prices is underway, consistent with our global reflation call. It also affirms the upturn in global industrial growth.” – *International Essentials, September 2016, Vol. XXI, No. 9*

“ECRI Outlook” – August 2016

Global Reflation

“ECRI’s international future inflation gauges show a widespread buildup of cyclical reflationary pressures, despite sustained structural lowflation.” – *U.S. Essentials, August 2016, Vol. XXI, No. 8*

“ECRI Outlook” – August 2016

Recession Risk Retreats

“The U.S. economy has veered away from a recession track, and may finally be on the cusp of a growth rate cycle upturn. If so, the ‘stagflation lite’ we had flagged earlier this year should give way to an inflationary upswing in economic growth.” – *U.S. Essentials, August 2016, Vol. XXI, No. 8*



“ECRI Outlook” – July 2016**Inflation Pressures Ratchet Up**

“In sharp contrast to the decline in longer-term inflation expectations, ‘stagflation lite’ — a cyclical upturn in inflation during a cyclical slowdown, which we had predicted earlier — is already a reality. Looking ahead, with the U.S. Future Inflation Gauge (USFIG) in a decisive upturn that is increasingly pronounced, pervasive and persistent, inflation is poised to mount further in the coming months.” — *U.S. Essentials, July 2016, Vol. XXI, No. 7*

“ECRI Outlook – June 2016**Brexit No U.K. Recession Trigger**

“While potentially damaging longer-run U.K. and European growth prospects, the vote for Brexit is unlikely to unleash an immediate recession.” — *International Essentials, June 2016, Vol. XXI, No. 6*

[Read June 2016 ECRI Outlook excerpted text](#)

“ECRI Outlook” – March 2016**Stagflation Lite**

“An end to the economic slowdown remains elusive. Yet, underlying inflation pressures — though relatively restrained — have started perking up.” — *U.S. Essentials, March 2016, Vol. XXI, No. 3*

[Read March 2016 ECRI Outlook excerpted text](#)

“ECRI Outlook” – January 2016**Recession Not at Hand**

“Although some economists continue to expect a pickup in U.S. growth... with USLLI growth sliding to a 23-month low, there is no end in sight for this GRC downturn. In other words, the slowdown is set to intensify for the foreseeable future, i.e., through the first half of 2016. As to whether this deepening slowdown will culminate in a recession, the jury is still out. Whereas a recession signal requires the level of the USLLI to be in a pronounced, pervasive and persistent downturn, the magnitude of its decline from its August high has so far been modest.” — *U.S. Essentials, January 2016, Vol. XXI, No. 1*

[Read January 2016 ECRI Outlook excerpted text](#)

2015: Collision Course**“ECRI Outlook” – December 2015****Rate Hike Cycle Remains Improbable**

“With the GRC downturn set to deepen, a full-blown rate hike cycle remains improbable” — *U.S. Cyclical Outlook Essentials, December 2015, Vol. XX, No. 12*



“ECRI Outlook” – July 2015

Collision Course

“The Fed’s rate hike plans are on a collision course with the economic cycle. According to Fed Chairman Janet Yellen’s congressional testimony last week, ‘economic conditions likely would make it appropriate at some point this year to raise the federal funds rate target,’ i.e., if not by September, then by December. But while the Fed clearly expects a pickup in growth, ECRI’s leading indexes suggest the opposite.” – *U.S. Cyclical Outlook Essentials, July 2015, Vol. XX, No. 7*

➤ [Read excerpt from ECRI’s July 2015 Outlook](#)

“ECRI Outlook” – July 2015

One-Speed Economy

“The two-speed economy – where manufacturing is in a growth rate cycle (GRC) downturn and services in a GRC upturn – that we flagged in November has come to an inauspicious end. With nonfinancial services growth in a three P’s downturn and growth in the leading and coincident services indexes weakening, the service sector has entered a slowdown, joining manufacturing. This will likely result in an intensification of the ongoing U.S. GRC downturn in the coming months, as we noted recently.” – *U.S. Cyclical Outlook Focus, July 2015, Vol. XX, No. 7*

“ECRI Outlook” – April 2015

Brazilian Carnival: The Music Stops

“[T]he current cyclical outlook remains gloomy, with exports the only glimmer of hope. Therefore, recessionary conditions are likely to persist in the near future.” – *International Cyclical Outlook Focus, April 2015, Vol. XX, No. 4*

“ECRI Outlook” – January 2015

If Not Now, When?

“Given half a chance, the Fed would like to raise rates this year – and sooner rather than later.” – *U.S. Cyclical Outlook Essentials, January 2015, Vol. XX, No. 1*

➤ [Read January 2015 ECRI Outlook excerpted text](#)

2014: As Good as It Gets

“ECRI Outlook” – December 2014

U.K. Economy Facing Broad Slowdown

“While the consensus remains fairly optimistic about the U.K. economy, ECRI’s leading indexes are signaling a pervasive slowdown in economic growth in the months ahead.” – *International Cyclical Outlook Focus, December 2014, Vol. XIX, No. 12*



“ECRI Outlook” – November 2014

U.S. Manufacturing Growth Slowdown

“The downturn in U.S. growth is being driven by a manufacturing slowdown, while non-manufacturing growth holds up for the time being.” – *U.S. Cyclical Outlook Essentials, November 2014, Vol. XIX, No. 11*

“ECRI Outlook” – August 2014

Abenomics Failing

“[O]ur array of Japanese indicators sees ‘the mounting danger of a fresh recession – Japan’s seventh since 1992.’ In fact, both the JALLI and the JACI are in three P’s downturns, confirming that Japan is proceeding along the recession track, uncannily close to the pattern seen in 1997.” – *International Cyclical Outlook, April 2014, Vol. XIX, No. 8*

“ECRI Outlook” – May 2014

Gold Faces Downward Cyclical Pressure

“Key cyclical drivers of gold prices are weakening, making a near-term cyclical upsurge unlikely.” – *International Cyclical Outlook, April 2014, Vol. XIX, No. 5*

“ECRI Outlook” – April 2014

Documenting the Yo-Yo Years

“Our prediction of more frequent recessions in developed economies has come to pass, with most major economies experiencing additional recessionary downswings since the Global Financial Crisis.” – *International Cyclical Outlook, April 2014, Vol. XIX, No. 4*

[↗Read April 2014 ECRI Outlook excerpted text](#)

“ECRI Outlook” – March 2014

Russian Recession

“With ECRI’s leading indicators showing the Russian economy in a precarious position as early as last fall, Russia may have started sliding into recession before the Crimean crisis began.” – *International Cyclical Outlook, March 2014, Vol. XIX, No. 3*

“ECRI Outlook” – March 2014

Dimming G7 Growth Outlook Belies Buoyant Consensus

“Growth prospects for advanced economies are worsening, even as consensus expectations grow more confident.” – *International Cyclical Outlook, March 2014, Vol. XIX, No. 3*



“ECRI Outlook” – January 2014

Failure to Launch

“For the fifth straight year, expectations are running high that this time around the U.S. economy will take off and reach ‘escape velocity.’” – *U.S. Cyclical Outlook, January 2014, Vol. XIX, No. 1*

➤ [Read January 2014 ECRI Outlook excerpted text](#)

2012 – 2013: Worst Non-Recession Ever

“ECRI Outlook” – December 2013

Advanced Economies Stay in Liquidity Traps

“Inflation is likely to keep trending downward in both the Eurozone and the U.S.” – *International Cyclical Outlook, December 2013, Vol. XVIII, No. 12*

“ECRI Outlook” – October 2013

Japanese Slowdown Taking Hold

“Months after exiting its sixth recession in two decades, Japan is entering a fresh downturn in growth.” – *International Cyclical Outlook, October 2013, Vol. XVIII, No. 10*

“ECRI Outlook” – July 2013

Spanish Recession to End

“Prospects are brightening further in parts of Europe, including Spain, where a five-year recession is on its way out.” – *International Cyclical Outlook, July 2013, Vol. XVIII, No. 7*

“ECRI Outlook” – June 2013

Chinese Outlook Deteriorates Further

“Chinese growth prospects, which had already been fading, have waned further, with Chinese Long Leading Index growth still falling. So, looking just at China’s cooling growth and inflation prospects, it might be reasonable to think that the economy is in need of some stimulus.” – *International Cyclical Outlook, June 2013, Vol. XVIII, No. 6*

“ECRI Outlook” – April 2013

Japan Shifts to Expansion Track

“As Japan exits its third recession in five years, deflationary pressures are retreating further, having begun to ebb before Abenomics appeared on the horizon.” – *International Cyclical Outlook, April 2013, Vol. XVIII, No. 4*



“ECRI Outlook” – December 2012

Growth Outlook Worsens for Most Economies

“In the face of deteriorating growth prospects, major central banks are still pushing on a string — only harder.”

– *International Cyclical Outlook, December 2012, Vol. XVII, No. 12*

“ECRI Outlook” – November 2012

U.K. Growth Rate Cycle Upturn

“U.K. economic growth is poised to stay in a cyclical upswing, despite downside risks stemming from Eurozone exposure.” – *International Cyclical Outlook, November 2012, Vol. XVII, No. 11*

“ECRI Outlook” – October 2012

A Chinese Conundrum

“Chinese growth remains weak, and there are no clear signs yet that it will soon begin to recover. Under the circumstances, there may be a desire for further stimulus, but ECRI’s leading indexes are suggesting that this will need to be limited to avoid resurgent consumer price inflation and a fresh upturn in home price inflation.”

– *International Cyclical Outlook, October 2012, Vol. XVII, No. 10*

“ECRI Outlook” – September 2012

Global Industrial Growth to Fall Further

“The global industrial downturn is set to worsen in the near term. As yet, no light of revival is visible at the end of the tunnel.” – *International Cyclical Outlook, September 2012, Vol. XVII, No. 9*

“Global Event” – August 2012

Bernanke’s Jackson Hole speech lays groundwork for QEternity

[F]ollowing ECRI’s observation in August 2012 that “the economy’s cyclical vulnerability continues to mount,” [real interest rates] kept sliding. On the other hand, inflation expectations, after a “spring swoon,” began to rise, jerking up at Mr. Bernanke’s announcement of QEternity, but then drifting down, along with real interest rates.

➤ [View April 2013 ECRI Outlook excerpted chart](#)

“Global Event” July 2012 – December 2012

Worst Non-Recession Ever

Revised data reveal that real GDP grew at just a ¼% annual rate in the second half of 2012 – the lowest pace of growth in any half-year ever recorded away from recession.

➤ [Read The Greater Moderation](#)



“ECRI Outlook” – June 2012**A Global Crisis of Youth Unemployment**

“[T]he issue of rising global youth unemployment that we first featured 15 months ago is destined to become a bigger problem for major economies, not only in the coming months but also in the years ahead, with profound policy implications that few policymakers have seriously considered.” – *International Cyclical Outlook, June 2012, Vol. XVII, No. 6*

“ECRI Outlook” – April 2012**Leading Home Price Index Points to Improved Home Price Growth Outlook**

“[T]he current pattern exhibited by the growth rates of the USLHPI [U.S. Leading Home Price Index] and its components points to a cyclical upturn in home price growth. We arrive at this conclusion by examining the three P’s to determine whether the upturns in the growth rates of the USLHPI and its components are as pronounced, pervasive and persistent as in past cyclical upturns in home price growth.” – *U.S. Cyclical Outlook, April 2012, Vol. XVII, No. 4*

“ECRI Outlook” – April 2012**Rising Risks to Global Industrial Growth**

“The looming global industrial downturn heightens the dangers to Eurozone fiscal stability.” – *International Cyclical Outlook, April 2012, Vol. XVII, No. 4*

“ECRI Outlook” – March 2012**The Yo-Yo Years**

“[W]hen an economy shows a pattern of slower and slower growth during economic expansions, along with a spike in cycle volatility, it becomes much easier for growth to drop below zero. ... [T]his combination virtually dictates more frequent recessions. ... In that case, the massive monetary easing being implemented by the major central banks as bridges to periods when growth is ‘normalized’ may turn out to be bridges to nowhere. ... The ... Bullwhip Effect ... results in relatively small fluctuations in consumer demand growth being amplified up the supply chain into bigger swings in demand as we move away from the end consumer. Thus ... global supply chains makes supplier economies – and, even more so, the suppliers to suppliers – highly vulnerable to the lash of the Bullwhip. ... This adds up to what we might call the ‘yo-yo years’ for growth in both the developed and developing economies.” – *International Cyclical Outlook, March 2012, Vol. XVII, No. 3*

February 2016 (Yes, four years later): “This week, St. Louis Fed President James Bullard finally expressed his explicit agreement with the ‘yo-yo years’ thesis that ECRI laid out years ago (*ICO, March 2012*); namely, that the economy is ‘at a lower trend growth rate,’ implying ‘a higher probability of recession.’ Moreover, with regard to the Fed’s options in the face of a sharper downturn, given the lower long-term trend, ‘monetary policy tricks are not going to do it.’ This is because ‘monetary policy is about stabilization ... around a trend [which] is lower. [So] you gotta do other things to [boost] the trend.’ Obviously, this is true not only for the Fed, but also for other central banks, who have collectively added some 11 trillion dollars to their balance sheets since before the GFC.” – *International Essentials, February 2016, Vol. XXI, No. 2*



“Consensus View” – February 2012

Wall Street Fantasizing About More QE

“There will be no QE3 ... I think it’s a fantasy of Wall Street – it’s not going to happen, it’s not necessary.”

– Dallas Fed President Richard Fisher

[↗Read More](#)

“ECRI Outlook” – January 2012

Global Growth to Worsen

“The global economy is in a deepening downturn from which the U.S. cannot easily decouple.”

[↗Read excerpt from ECRI’s Outlook, January 2012](#)

“ECRI Outlook” January 2012

Risk Asset Prices Can Keep Rising

“This does not mean that equity prices must soon tumble. After all, the world’s major central banks are flooding the financial system with liquidity, and monetary easing is often greeted with bullish moves in risk assets.” – *U.S. Cyclical Outlook, January 2012, Vol. XVII, No. 1*

2011: Slowdown

“ECRI Outlook” – September 2011

Recession Call; Operation Twist Announced on Same Day

The very same day that ECRI makes a recession call, the Fed announces Operation Twist, boosting inflation expectations but not real interest rates, which continued to languish in negative territory.

“ECRI Outlook” – September 2011

Silver Lining Within Threat of New Global Recession

“The only silver lining is that the long leading index of global industrial growth that enabled us to forecast the current global industrial slowdown far in advance, troughed in April 2011, and has now rebounded to a one-year high... [predicting] an upturn [in global industrial growth that] is at least one quarter away.” – *International Cyclical Outlook, September 2011, Vol. XVI, No. 9*

“ECRI Outlook” – August 2011

New Indicator System for Brazilian Economy

Brazil, the largest economy in South America, is the twentieth country to be incorporated into ECRI’s global cyclical monitoring framework with the development of Brazilian Long Leading and Coincident Indexes.



“ECRI Outlook” – June 2011

Chinese Inflation to Ebb

“Chinese inflation is likely to start easing in the next few months.”

[➤ Read June 2011 ECRI Outlook excerpted text](#)

“ECRI Outlook” – April/May 2011

U.S. Slowdown Ahead

“[O]ur U.S. leading indexes may be pointing to an approaching economic slowdown.” – *U.S. Cyclical Outlook, April 2011, Vol. XVI, No. 4*

“Quite simply, following a brief revival, U.S. economic growth is set to slow again... The downside risks to U.S. economic growth have risen decisively.” – *U.S. Cyclical Outlook, May 2011, Vol. XVI, No. 5*

“ECRI Outlook” – February 2011

Inflation Cycle Risks in China, India and Western Economies

“The recent rise in international inflation is being driven increasingly by more than food and energy. This is the message from a set of alternative future inflation gauges not only for the major Western economies, but also for India and China.

[The Chinese future inflation gauge] still suggests that Chinese inflation will stay in a cyclical upswing for the time being.”

[➤ Read February 2011 ECRI Outlook excerpted text](#)

“ECRI Outlook” – January 2011

Clouds Gather on Horizon

“Global industrial growth is likely to start slowing by summer.”

[➤ Read January 2011 ECRI Outlook excerpted text](#)

2010: No Double Dip

“ECRI Outlook” – October 2010

Veering Away From Recession Track

The U.S. “is unmistakably veering away from the recession track.”

[➤ Read October 2010 ECRI Outlook excerpted text](#)

“ECRI Outlook” – June – October 2010

Pundits Misconstrue ECRI’s Public Data, ECRI Rebutts Misconceptions:

“When there really is danger of an imminent recession, [we will signal it]. But that hasn’t happened yet.”

[➤ Read More](#)



“ECRI Outlook” – March 2010

ECRI Warns of Global Industrial Slowdown

“We are on the cusp of a new global industrial slowdown.”

➤ [Read March 2010 ECRI Outlook excerpted text](#)

“ECRI Outlook” – January 2010

Deceleration in U.S. Growth

“U.S. economic growth will begin to decelerate by mid-year.” – *U.S. Cyclical Outlook, January 2010, Vol. XV, No. 1*

2007 – 2009: The Great Recession & Recovery

“ECRI Outlook” May 2009

V-Shaped Recovery? Only in First Year After Recession

“We have known for several decades that ‘the strength of the recovery depends on the depth of the recession’ (*U.S. Cyclical Outlook, Vol. VII, No. 1, January 2002*). Specifically, the more negative the low point in the growth rate of the U.S. Coincident Index (USCI), the stronger the bounce in the USCI tends to be in the first year of the recovery.” – *U.S. Cyclical Outlook, May 2009, Vol. XIV, No. 5*

“ECRI Outlook” – April 2009

ECRI Calls End of Recession by Summer 2009

“[T]he timing of the USLLI upturn, along with a nascent upturn in the WLI, suggests that the current recession will end in the second half of the year, probably by this summer...”

[Yet, as] A. C. Pigou [wrote] in 1920, ‘The error of optimism dies in the crisis but in dying it “gives birth to an error of pessimism. This new error is born, not an infant, but a giant.”... Following the latest crisis, the ‘giant error of pessimism’ is now rampant. This is why today many are skeptical that we have the first clear signs that the recession will end in the coming months.”

➤ [Read April 2009 ECRI Outlook excerpted text](#)

“ECRI Outlook” – March 2009

U.S. Growth Rate Cycle Upturn Call

“[Such upticks in leading index growth] have always been followed by a growth rate cycle upturn” – *U.S. Cyclical Outlook, March 2009, Vol. XIV, No. 3*

“ECRI Outlook” – November 2008

“Leading Indexes Fall Off a Cliff”

“There has hardly ever been such a swift deterioration of an already downbeat economic outlook.” – *U.S. Cyclical Outlook, November 2008, Vol. XIII, No. 11*



“ECRI Outlook” August 2008

Secular Weakness to Undermine Recovery

“[T]he recovery, when it does arrive, is likely to be relatively modest.” – *U.S. Cyclical Outlook, August 2008, Vol. XIII, No. 8*

“ECRI Outlook” – August 2008

Pre-Lehman Forecast: “Worst Global Recession in Three Decades”

“It has been a long time since the global economy was faced with such concerted contractions... In fact, this may be the most concerted global recession since the oil shocks of the mid-1970s and early 1980s. Even worse, according to the long leading indexes, there is no light yet at the end of the tunnel... In sum, we are on the cusp of the worst global recession in nearly three decades, with no end in sight.”

[➤ Read August 2008 ECRI Outlook excerpted text](#)

“Consensus View” – May 2008

Not in Recession

“The data are pretty clear that we are not in a recession... I would be very surprised if the NBER ... would date this period as a recession.” – *Edward Lazear, Chairman, White House Council of Economic Advisers*

“ECRI Outlook” – March 2008

“An Objective Approach Signals Recession”

“The U.S. economy is finally set on a recessionary course. This is because recessionary weakness long evident in ECRI’s leading indexes for the financial services and construction sectors has now seeped into our leading index for non-financial services, a sector accounting for 62% of jobs. In fact, deterioration in the leading indicators of the U.S. economy has recently become very widespread. It is important to understand that this was not inevitable.” – *U.S. Cyclical Outlook, March 2008, Vol. XIII, No. 3*

“ECRI Outlook” – January 2008

“Self-Reinforcing Downturn Has Already Begun”

“It is a fact that a self-reinforcing downturn has already begun. If allowed to continue, it will amount to the vicious cycle known as a business cycle recession.” – *U.S. Cyclical Outlook, January 2008, Vol. XIII, No. 1*

“ECRI Outlook” – November – December 2007

Mounting Recession Risks

“The growing weakness in the growth rates of ECRI’s leading indexes is a warning that recessionary weakness could develop. One key danger is a sustained credit crunch, because the credit crisis is clearly not over... [Our] Leading Index[es are] now approaching [their] worst reading[s] since the 2001 recession... Also, the breadth of deterioration evident in the latest data on the components of ECRI’s many leading indexes has rarely been seen except near the cusp of a recession.”

[➤ Read November–December 2007 ECRI Outlook excerpted text](#)



2006: Home Price Bubble Pops

“ECRI Outlook” – April 2006

“Housing Under Pressure”

ECRI calls “The End of the Housing Boom,” even as markets remain upbeat about homebuilder stocks.

2005: The Katrina Effect

“ECRI Outlook” – September 2005

“A Shock-Resistant Economy”

“[T]he drivers of the U.S. business cycle are still configured in a way that makes it difficult for Katrina or other near-term shocks to trigger a new recession.”

[↗Read September 2005 ECRI Outlook excerpted text](#)

“Global Event” – August 2005

Hurricane Katrina Hits U.S.

Several top economists now use the term “tipping point” to describe the state of the economy, in effect forecasting recession, as Fed rate hikes and “a massive oil shock” are followed by a major natural disaster.

1999 – 2001: Popping of Tech Bubble & Recession

“ECRI Outlook” – March 2001

ECRI Declares: “Recession No Longer Avoidable”

“The cyclical leading indicators monitored by ECRI are now collectively pointing to a business cycle recession in the U.S. economy.”

“ECRI Outlook” – September 2000

ECRI U.S. Leading Indicators Closer to Forecasting Recession Than Any Time in Past Decade

ECRI warns of recession ahead: “the U.S. Leading Diffusion Index (USLDI) plunged to its lowest level in the current expansion... in eight out of the ten instances since 1950 in which the USLDI dipped this low, a recession followed.”