

2019: Continued Global Growth Slowdown, No Upturn in U.S. Growth and Inflation, Powell Pivot, No Second Half Recovery

“ECRI Outlook” – April 2019

U.S. Manufacturing Slowdown to Worsen

“ECRI’s suite of leading manufacturing indexes all remain around multiyear lows, suggesting that the ongoing downturns in the growth of manufacturing activity and employment are set to worsen, with implications for recession risk. This also means that PMI data will remain in a cyclical downturn for now. ... ECRI has developed the U.S. Leading Index of Manufacturing PMIs, which leads cyclical turns in the ISM and Markit manufacturing PMIs, typically by about one quarter over the ISM and a little more over the Markit PMI.” – *U.S. Focus, April 2019, Vol. XXIV, No. 4*

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“ECRI Outlook” – March 2019

Chinese Growth Prospects Worsen

“Despite efforts to stimulate growth, an economic recovery in China is not at hand. In fact, a deepening downturn in the growth rate of ECRI’s Chinese Long Leading Index (CNLLI), which is superior to conventional leading indexes, points to further slowing ahead.” – *International Essentials, March 2019, Vol. XXIV, No. 3*

“ECRI Outlook” – March 2019

G7 Inflation Downturn Confounds Central Banks

“Central bankers do not understand that inflation has its own cycle, distinct from the business cycle, leading to repeated policy delays and mistakes. ... ECRI predicted in October that the Fed’s planned 2019 rate hikes were “not going to happen” on the basis of the USFIG downturn, even as markets saw a 90% chance of at least one rate hike in 2019.” – *International Focus, March 2019, Vol. XXIV, No. 3*

➤ [Read March 2019 ECRI Outlook excerpted text](#)

“ECRI Outlook” – February 2019

Advanced-Economy Slowdowns to Deepen

“Growth prospects for the major advanced economies – already the worst in over seven years – continue to deteriorate, despite hopes that Chinese stimulus will save the day. Cutting through complacency about a trade deal and dovish central bank pivots, Group of Seven Long Leading Index growth, which turned down well ahead of trade war talk, foresees a sustained synchronized slowdown.” – *International Essentials, February 2019, Vol. XXIV, No. 2*

➤ [Read February 2019 ECRI Outlook excerpted text](#)

“ECRI Outlook” – January 2019

Global Industrial Slowdown to Intensify

“Global industrial growth, having fallen sharply in 2018, is set to weaken further. That is the latest forecast from ECRI’s leading indexes, which is at odds with the growing sense that the worst may be behind us.” – *International Essentials, January 2019, Vol. XXIV, No. 1*

➤ [Read January 2019 ECRI Outlook excerpted text](#)



2018: Global Industrial Growth Slowdown / Commodity Price Downturn, EM Downturn, U.S. Housing and Inflation Downturns

“ECRI Outlook” – December 2018

Falling Inflation Pressures

“The inflation cycle downswing is well underway and set to intensify, even as the Fed continues its rate hike cycle. That is the latest message from ECRI’s U.S. future inflation gauges, which helped us make an accurate contrarian inflation downturn call back in the summer.” – *U.S. Essentials, December 2018, Vol. XXIII, No. 12*

[➤ Read December 2018 ECRI Outlook excerpted text](#)

“ECRI Outlook” – November 2018

Slowing Growth Stoking Financial Stress

“The danger of more market volatility remains, regardless of hopes for seasonal strength. This is because upswings and downswings in financial market risks are related to cycles in economic growth, which our leading indexes anticipate.” – *U.S. Essentials, November 2018, Vol. XXIII, No. 11*

“ECRI Outlook” – October 2018

Global Industrial Slowdown to Worsen

“The global industrial slowdown we first forecast a year ago is in full swing and set to worsen. Meanwhile, with purchasing managers indexes actually lagging last November’s peak in global industrial production growth, the consensus was caught behind the curve.” – *International Essentials, October 2018, Vol. XXIII, No. 10*

“ECRI Outlook” – September 2018

Global Slowdown Set to Spread

“The major central banks are poised to tighten monetary policy in the face of the global slowdown.” – *International Essentials, September 2018, Vol. XXIII, No. 9*

[➤ Read September 2018 ECRI Outlook excerpted text](#)

“ECRI Outlook” – September 2018

Chinese Dragon Under Threat

“In the midst of the trade war, China’s economy is starting to look more fragile on a cyclical basis. This is the message from our leading indexes, which help cut through the noise currently generated by geopolitical tensions.” – *International Focus, September 2018, Vol. XXIII, No. 9*

“ECRI Outlook” – August 2018

Inflation May Surprise to the Downside

“Contrary to consensus expectations, there is rising risk of a downturn in inflation, according to ECRI’s U.S. Future Inflation Gauge.” – *U.S. Focus, August 2018, Vol. XXIII, No. 8*

“ECRI Outlook” – July 2018

Home Price Growth Set to Fall Further

“[W]ith (U.S. Leading Home Price Index) growth plunging to a 9¼-year low, real home price growth is set to fall further.” – *U.S. Essentials, July 2018, Vol. XXIII, No. 7*



“ECRI Outlook” – July 2018

Chinese Export Outlook Darkens

“Chinese export growth was set to fall well before trade tensions mounted. That is the clear message from ECRI’s Chinese Leading Exports Index, which also gauges the cyclical susceptibility of China’s exports to negative shocks, like tariffs, that could intensify the slump.” – *International Essentials*, July 2018, Vol. XXIII, No. 7

[➤ Read July 2018 ECRI Outlook excerpted text](#)

“ECRI Outlook” – July 2018

Clouds Gather over Eurozone Horizon

“A combination of falling economic growth and rising inflation poses a challenge for ECB policymakers.”

– *International Focus*, July 2018, Vol. XXIII, No. 7

“ECRI Outlook” – June 2018

Pullback in U.S. Future Inflation Gauge

“ECRI’s U.S. Future Inflation Gauge ... has backed off a bit since February. While this pullback remains modest, it bears watching for early signs of a fresh cyclical downturn in underlying inflation pressures, which would truly baffle Phillips curve devotees.” – *U.S. Essentials*, June 2018, Vol. XXIII, No. 6

“ECRI Outlook” – June 2018

Rising Cyclical Risks for Emerging Markets

“ECRI’s indexes reveal a growing confluence of cyclical risks for emerging market economies.” – *International Focus*, June 2018, XXIII, No. 6

[➤ Read June 2018 ECRI Outlook excerpted text](#)

“ECRI Outlook” – May 2018

Global Growth Downturn to Widen

“The global growth outlook has dimmed further, undermining hopes that the recent weakness in growth will be transitory. This is the message from ECRI’s international leading indexes, which capture cross-country cyclical contagion.” – *International Essentials*, May 2018, Vol. XXIII, No. 5

“ECRI Outlook” – April 2018

Global Industrial Outlook Weakens

“Spiking commodity prices have misled the markets into optimism about the global industrial growth outlook. In fact, those prospects have already dimmed, according to ECRI’s leading indexes, which are designed to discern cyclical signals from noise.” – *International Essentials*, April 2018, XXIII, No. 4

[➤ Read April 2018 ECRI Outlook excerpted text](#)

“ECRI Outlook” – March 2018

Chinese Industrial Growth Prospects Dim (pre-sanctions)

“Today, our Chinese Leading Industrial Production Index is pointing to a deepening industrial slowdown, accompanied by intensifying disinflationary pressures in the Chinese industrial sector.” – *International Essentials*, March 2018, Vol. XXIII, No. 3

[➤ Read March 2018 ECRI Outlook excerpted text](#)



“ECRI Outlook” – February 2018**Cyclical Concerns Cloud India’s Structural Promise**

“ECRI’s leading indexes show reduced room for policy maneuver, with growth prospects dimming as inflation pressures simmer.” – *International Focus, February 2018, XXIII, No. 2*

“ECRI Outlook” – February 2018**Global Growth Prospects Fade**

“The point is that global growth has started to slow.” – *International Essentials, February 2018, XXIII, No. 2*

“ECRI Outlook” – January 2018**Global Export Growth Slowing**

“At this stage of the global growth upturn ... some pundits would mistake it for a structural shift away from low trend growth and lowflation. But the cyclical avalanche whose rumblings we now hear can be even more damaging when a complacent consensus disregards them.” – *International Essentials, January 2018, XXIII, No. 1*

“ECRI Outlook” – January 2018**Long Leading Indexes Lead Purchasing Managers Indexes**

ECRI’s long leading indexes have statistically significant leads over composite PMIs for the G7 economies and China. [Looking at a] recent case in point ... [t]he IHS Markit composite PMI [has] dropped to a nine-month low; the ISM composite PMI ... to a three-month low. With USLLI growth being a leading indicator of both PMI measures, these ... are likely to amount to cyclical downturns that are not obvious to those who are unaware of the USLLI’s behavior. This is one way to gain an advantage over the consensus at cycle turns, which are typically recognized only well after the fact. For investment managers and corporate decision makers alike, that can make all the difference when dealing with the competition.” – *International Focus, January 2018, XXIII, No. 1*



2017: Strongest Global Growth Since 2010, Inflation Downturn

“ECRI Outlook” – November 2017

Stealth Slowdown

“[T]he jobless rate will soon start to level off or even tick up in the coming months. That would be consistent with a [growth rate cycle] downturn.” – *U.S. Essentials, November 2017, Vol. XXII, No. 11.*

“ECRI Outlook” – October 2017

Global Growth Outlook Darkens

“Global industrial growth has rolled over and is poised to weaken in the near term.” – *International Essentials, October 2017, Vol. XXII, No. 10.*

[Read October 2017 ECRI Outlook excerpted text](#)

“ECRI Outlook” – June 2017

International Inflation Pressures Turn Down

“A new international inflation cycle downturn is now assured.” – *International Essentials, June 2017, Vol. XXII, No. 6*

[Read June 2017 ECRI Outlook excerpted text](#)

“ECRI Outlook” – June 2017

U.S. Inflation Pressures Downshift

“The Fed risks being blindsided by a cyclical downturn in inflation. That is the clear and present danger as monetary policymakers continue to dismiss the recent dip in inflation due to ‘one-off’ factors, while clinging to their conviction that the Phillips curve will prevail.” – *U.S. Essentials, June 2017, Vol. XXII, No. 6*

[Read June 2017 ECRI Outlook excerpted text](#)

“ECRI Outlook” – March 2017

Growth Upturn Gathers Steam

“Many are misreading the ‘hard’ data as very weak, even as the Fed is set to stay the course on its rate hike cycle. That is the essence of our earlier outlook that Janet Yellen echoed when she said after last week’s rate hike: ‘The simple message is the economy is doing well.’” – *U.S. Essentials, March 2017, Vol. XXII, No. 3*

[Read March 2017 ECRI Outlook excerpted text](#)

“ECRI Outlook” – February 2017

Brightest Global Growth Outlook Since 2010

“The days of quantitative easing (QE) are numbered, given the most upbeat global growth outlook in almost seven years. That is the message from ECRI’s 20-Country Long Leading Index (20LLI), whose growth rate remains at an 80-month high.” – *International Essentials, February 2017, Vol. XXII, No. 2*

[Read February 2017 ECRI Outlook excerpted text](#)



“ECRI Outlook” – January 2017

Buoyant Near-Term Global Industrial Outlook

“The global industrial growth upturn we flagged last summer is in full swing, and set to continue over the next few months. That is the unequivocal message from ECRI’s short leading indicators of global industrial growth.”

– *International Essentials, January 2017, Vol. XXII, No. 1*

[↗Read January 2017 ECRI Outlook excerpted text](#)

“ECRI Outlook” – January 2017

U.S. Growth and Inflation to Revive in Sync

“Underlying inflation pressures remain in a cyclical upswing that we called early last year, while inflation expectations have risen from February’s multiyear lows to the highest readings since 2014.” – *U.S. Essentials, January 2017, Vol. XXII, No. 1*

[↗Read January 2017 ECRI Outlook excerpted text](#)



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” – November 2016

India: Growth Outlook Improved Further

“Indian economic growth prospects continued to brighten through the early autumn, according to ECRI’s Indian Long Leading Index ... {Thus, while} Indian economic growth is practically certain to take a serious hit due to the sudden liquidity squeeze in the current quarter and the first quarter of 2017 [it will return] to its prior trajectory [after avoiding recession].” – *International Essentials and Country Pages, November 2016, Vol. XXI, No. 11*.

“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.” – *International 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 ... The sixty-four thousand dollar question is whether they will get that opportunity. ... [With] 5% GDP growth in Q3 2014, almost 3 million payroll jobs added in 2014, and the jobless rate ... approaching the Fed’s estimate of ‘full employment’ ... more than six years after rates hit the zero lower bound (ZLB), the question has to be, ‘if not now, when?’” – *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 in Half a Century

Revised data reveal that real GDP grew at just a ½% annual rate in the second half of 2012 – the lowest pace of growth away from recession in any half-year in over half a century.

➔ [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.

2000 – 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.”



1990 - 1999

“ECRI Outlook” - May 1999

Japanese Recovery Now on the Horizon

“After more than two years of deepening recession, a Japanese business cycle expansion is finally on the horizon.”
(Note: In July, Japan came out of recession.) – *International Cyclical Outlook, May 1999, IV, No. 5*

“ECRI Outlook” - December 1998

Less Pessimism, But Economy Will Slow

“The most immediate risks to the [U.S.] economic expansion have been averted by prompt Federal Reserve action.”
– *U.S. Cyclical Outlook, December 1998, III, No. 12*

“ECRI Outlook” - October 1998

U.S. Slowdown Ahead

“While it is premature to forecast a [U.S.] recession next year, there is a significant risk that the expected slowdown will turn into a recession under certain circumstances.” – *U.S. Cyclical Outlook, October 1998, III, No. 10*

“ECRI Outlook” - July 1998

Pacific Rim Downturns to Deepen

“As the Asian crisis continues, the dominoes on the Pacific Rim are beginning to fall.” – *International Cyclical Outlook, July 1998, III, No. 7*

“ECRI Outlook” - July 1998

Growth to Slow in Manufacturing, but Not Services

“The [U.S.] economy should continue to enjoy healthy growth with low inflation.” – *U.S. Cyclical Outlook, July 1998, III, No. 7*

“ECRI Outlook” - December 1997

Asian Woes Worsen Japanese Outlook

With “ECRI’s Japanese gauges ... pessimistic about Japanese recovery prospects for many months, restrictive fiscal policy measures ... plunged the country into recession. ... It is difficult to see any early indications of any Japanese recovery on the horizon. ... Korea’s problems are largely structural, but may trigger a recession if the current crisis of confidence continues. ... There is less pessimism about [Taiwan’s] economy.” (Note: Korea went into recession, but Taiwan did not.) – *International Cyclical Outlook, December 1997, II, No. 12*

“ECRI Outlook” - December 1997

Healthy [U.S.] Economic Growth and Subdued Inflation to Persist Well Into 1998

“The current economic situation in the U.S. continues to look excellent.” – *U.S. Cyclical Outlook, December 1997, II, No. 12*

“ECRI Outlook” - November 1997

Growth Likely to Be Poor in Asia, Modest in Europe, and Healthy in North America

“Now that there is an ongoing crisis, its impact will vary from country to country based partly on its economic fundamentals going into the crisis, and partly on the policy actions that will be taken in the weeks ahead.”
– *International Cyclical Outlook, December 1997, II, No. 11*



“ECRI Outlook” – June 1997

Warning on Verge of Asian Crisis:

“[T]he Asian ‘tigers’ have been suffering from a downswing in export growth, consequent overcapacity, and a sharp downswing in export prices, to the extent that the annualized growth rate of export prices for those countries has dipped to -4%.” – *International Cyclical Outlook, June 1997, II, No. 6*

“ECRI Outlook” – April 1997

Contrary to the Consensus

When Japan hiked its sales tax, following three years of economic expansion, ECRI warned – contrary to a complacent consensus – that “Japanese economic growth could very well stall in the coming months.”

(Note: In 1997-99, Japan experienced its worst recession since 1973-75, triggering sustained deflation for the first time in decades.) – *International Cyclical Outlook, April 1997, II, No. 4*

“ECRI History” – 1996

From CIBCR to ECRI

Geoffrey H. Moore receives the American Economic Association’s Distinguished Fellow Award. Moore, along with his protégés, Lakshman Achuthan and Anirvan Banerji, creates a completely independent research group, ECRI. They are joined by virtually all of their CIBCR colleagues,

“ECRI History” April – July 1995

Soft Landing

On April 10, 1995, we announced: “Leading Inflation Index Decreases Again.” On July 6 the Fed changed direction and announced a rate cut, stating: “As a result of the monetary tightening initiated in early 1994, inflationary pressures have receded enough to accommodate a modest adjustment in monetary conditions.”

“ECRI History” – February 1994

Rising Inflation Pressures

The Fed began a rate hike cycle that came as a surprise to the markets, with Fed Chairman Alan Greenspan declaring in congressional testimony: “Anything that Geoffrey Moore does I follow closely.” Moore was ECRI’s co-founder. The longest expansion in U.S. history is aided by a rare soft landing engineered by the Fed, which preemptively hikes and then cuts rates, in line with the upturn and subsequent downturn in our Future Inflation Gauge.

“ECRI History” – January 1994

U.S. Inflation Upturn

Based on the upturn in our Future Inflation Gauge, our research group (CIBCR) made an inflation upturn call.

“ECRI History” – February 1991

Recession’s End

Geoffrey H. Moore publicly calls the end of recession. That forecast was then featured in *The New York Times*. Recession ends in March, as officially recognized 21 months later by NBER.

“ECRI History” – Early 1990

Recession Forecast

On February 6, 1990, Geoffrey H. Moore forecast a recession, which began that July. On March 9, 1990, *The Wall Street Journal* highlighted that call: “Geoffrey Moore, who at 75 years of age has had a hand in declaring many modern recessions, noted the [leading] employment index has begun signaling recession.”