

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

“ECRI Outlook” – October 2019

Industrial Outlook Improves in China

Despite the trade war, Chinese industrial growth prospects have begun to improve. This is a key development for the nascent upturn in our forward looking indicators of global industrial growth to gain traction. – *International Essentials, October 2019, Vol. XXX, No. 10*

[➤ Read October 2019 ECRI Outlook Excerpt text](#)

“ECRI Outlook” – September 2019

Global Industrial Slowdown Set to Bottom

Even without a trade deal, nascent upturns in ECRI’s forward looking indicators of global industrial growth are taking shape. Hence, the global industrial slowdown that began in late 2017 – predating the trade war – could well come to a close before the trade war does. – *International Essentials, September 2019, Vol. XXIX, No. 9*

[➤ Read September 2019 ECRI Outlook Excerpt text](#)

“ECRI Outlook” – August 2019

Recession Not Imminent

Although the slowdown continues, the economy is not yet at the doorstep of recession. And while they remain in cyclical downswings, the growth rates of ECRI’s U.S. Long Leading and Short Leading Indexes both ticked up in July. – *U.S. Essentials, August 2019, Vol. XXVIII, No. 8*

“ECRI Outlook” – June 2019

Green Shoots in the Eurozone

Unbeknownst to virtually all, a growth rate cycle upturn is set to take hold in the Eurozone. ... Despite continued weakness in the manufacturing sector, which will remain under pressure in the near term, a broadbased – albeit mild – Eurozone growth rate cycle (GRC) upturn is taking shape. – *International Focus, June 2019, Vol. XXVI, No. 6*

[➤ Read June 2019 ECRI Outlook text](#)

“ECRI Outlook” – May 2019

Inflation to Stay in Cyclical Downswing

The sharp drop in consumer inflation expectations surprised policymakers, but was foreshadowed by the U.S. Future Inflation Gauge (USFIG). Moreover, the cyclical downswing in inflation is set to persist, despite the tariffs and the fresh half-century low in the jobless rate. – *U.S. Essentials, May 2019, Vol. XXV, No. 5*

[➤ Read May 2019 ECRI Outlook Excerpt text](#)

“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*

[➤ Read April 2019 ECRI Outlook Excerpt text](#)

“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](#)