Global Economy Improving?

This global economic diffusion index incorporates all the data we track for 41 countries. It continued to move up last week.
Global Economy Improving?  Contd

In addition to our global EDI improving, the average of EVRISI company surveys for China, Europe, and the US has improved a touch. There have also been small improvements in the global PMI and OECD’s global LEI. Of course, markets seem to be anticipating improvement, ie, stock prices, commodity prices, credit spreads, and bond yields.
Jaewoo Nakajima: “Japan Outlook Improving”

NIKKEI SURVEY OF JAPANESE CEOs
Do you expect the global economy to expand?
35% Yes

Chart courtesy Nikkei News

JAPAN CEO CONFIDENCE

JAPAN EMPLOYMENT
Nov: 67.7

+0.8% Y/Y

JAPAN EMPLOYMENT
Game Changer?

The trade gap was expected to deteriorate from -$67b to -$69b. Instead, it improved significantly to -$63b. Before this report, GDPNow was +2.3% q/q a.r. for 4Q, which put real GDP y/y at +2.4%. Today’s better trade reading could lift real GDP y/y to +2.5%. In addition, EVRISI company surveys last week were consistent with +2.9% real GDP growth. All this suggests that our forecast for 2020 real GDP of +2.5% is too low.
93 U.S. Cities Doing Well

Over the past three years, we have identified 93 Cities Doing Well, from Boise to Saratoga Springs. We don’t remember a time when US prosperity has been this broad. Growth has been slow but persistent, and consumer confidence is in record-high territory. However, income disparity has widened.

“Boise is poised for realty boom.”

“House prices in Saratoga Springs increased +29% y/y in Sep.”

93 U.S. Cities Doing Well

1. Ames
2. Asheville
3. Athens
4. Atlanta
5. Austin
6. Bakersfield, CA
7. Birmingham
8. Bismarck, ND
9. Boise ✓
10. Boston
11. Boulder
12. Bozeman
13. Buffalo
14. Charleston
15. Charlotte
16. Cincinnati
17. Cleveland
18. Colorado Springs
19. Columbus, OH
20. Dallas
21. Denver
22. Des Moines
23. Detroit
24. Durham
25. El Paso
26. Evanston, IL
27. Fayetteville
28. Fort Lauderdale
29. Fort Myers
30. Fort Wayne
31. Fort Worth
32. Galveston
33. Grand Rapids
34. Greenville, SC
35. Houston
36. Jackson, WY
37. Jacksonville
38. Kansas City
39. Knoxville
40. LA
41. Laguna Beach
42. Lancaster
43. Las Vegas
44. Louisville
45. Madison, WI
46. Marietta, GA
47. Miami
48. Milwaukee
49. Minneapolis
50. Myrtle Beach
51. Naples, FL
52. Nashville
53. New Orleans
54. NY
55. Oakland, CA
56. Oklahoma City
57. Omaha
58. Orlando
59. Philadelphia
60. Phoenix
61. Pittsburgh
62. Portland, ME
63. Portland, OR
64. Prescott
65. Raleigh
66. Reno
67. Richmond
68. Rochester, MN
69. Sacramento
70. Salt Lake City
71. San Antonio
72. San Diego
73. San Francisco
74. San Jose
75. San Luis Obispo
76. Santa Cruz
77. Santa Fe
78. Santa Rosa
79. Sarasota
80. Saratoga Springs ✓
81. Savannah
82. Seattle
83. Sebastian, FL
84. Sioux Falls
85. South Bend
86. St. Petersburg
87. Tacoma
88. Tampa
89. Twin Falls
90. Warsaw, IN
91. Washington, D.C.
92. West Palm Beach
93. Wichita, KS
No Recession Signal Here

At the end of previous expansions, bond yields have been much higher than they are today.

<table>
<thead>
<tr>
<th>Year</th>
<th>Pre-Recession Bond Yield Peak</th>
</tr>
</thead>
<tbody>
<tr>
<td>1970</td>
<td>8.00%</td>
</tr>
<tr>
<td>1974</td>
<td>7.50%</td>
</tr>
<tr>
<td>1980</td>
<td>11.00%</td>
</tr>
<tr>
<td>1982</td>
<td>14.00%</td>
</tr>
<tr>
<td>1990</td>
<td>8.50%</td>
</tr>
<tr>
<td>2001</td>
<td>6.50%</td>
</tr>
<tr>
<td>2008</td>
<td>5.00%</td>
</tr>
</tbody>
</table>
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