Predicting the Markets
Chapter 1 Charts: Predicting the Past

Yardeni Research, Inc.

September 21, 2022

Dr. Edward Yardeni
Chief Investment Strategist

Mali Quintana
Senior Economist
info@yardenibook.com

Please visit our sites at
www.yardeni.com
blog.yardeni.com

thinking outside the box
Table Of Contents

Predicting the Past 1-11
Figure 1.

FEDERAL FUNDS RATE: 1970-1987
( resemblent, daily)

Burns

Miller

Volcker

Note: Shaded areas denote terms of Fed Chairs.
Source: Federal Reserve Board.

Figure 2.

FEDERAL RESERVE DISCOUNT RATE: 1970-1987
( percent, daily)

Burns

Miller

Volcker

Note: Shaded areas denote terms of Fed Chairs.
Source: Federal Reserve Board.
Figure 3.

**WEST TEXAS INTERMEDIATE CRUDE OIL PRICE: 1965-1985**
(dollars per barrel, monthly, ratio scale)

Note: Shaded areas denote recessions according to the National Bureau of Economic Research.
Source: Haver Analytics.

Figure 4.

**US CONSUMER PRICE INDEX: 1965-1985**
(yearly percent change)

* CPI
  - Headline
  - Core*

Note: *Excluding food & energy.
Shaded areas denote recessions according to the National Bureau of Economic Research.
(yearly percent change)

Note: Shaded areas denote terms of Fed Chairs.

US TREASURY 10-YEAR BOND YIELD:
1970-1987
(percent, daily)

Note: Shaded areas denote terms of Fed Chairs.
Source: Federal Reserve Board.
Figure 7.

**US TREASURY 10-YEAR BOND YIELD: 1962-1990**  
(percent, weekly)

Source: Federal Reserve Board.

---

Figure 8.

**US CONSUMER PRICE INDEX: 1962-1990**  
(yearly percent change, monthly)

Figure 9. 
FEDERAL FUNDS RATE & DISCOUNT RATE: 1970-1987 (percent, daily)

Source: Federal Reserve Board.

Figure 10. 
DOW JONES INDUSTRIALS AVERAGE: 1980-2000 (daily, ratio scale)

Source: Dow Jones Inc.
Figure 11.

DOW JONES INDUSTRIALS AVERAGE: 1980-1990
(daily)

Source: Dow Jones Inc.

Figure 12.

(percent, daily)

Source: Federal Reserve Board.
Predicting the Past

Figure 13.

FEDERAL FUNDS TARGET RATE: 1983-1990
(percent, weekly)

Source: Federal Reserve Board.

Figure 14.

WEST TEXAS INTERMEDIATE CRUDE OIL PRICE: 1980-1990
(dollars per barrel, monthly, ratio scale)

Note: Shaded areas denote recessions according to the National Bureau of Economic Research.
Source: Haver Analytics.
Figure 15.

DOW JONES INDUSTRIALS AVERAGE: 1987-1990
(daily)

Source: Dow Jones Inc.

Figure 16.

(percent, daily)

Source: Federal Reserve Board.
**Predicting the Past**

**Figure 17.**

**LIVE BIRTHS**

<table>
<thead>
<tr>
<th>Age Range</th>
<th>Year Range</th>
<th>Births</th>
</tr>
</thead>
<tbody>
<tr>
<td>Greatest Generation</td>
<td>1910-1927</td>
<td>47 million</td>
</tr>
<tr>
<td>Silent Generation</td>
<td>1928-1945</td>
<td>52 million</td>
</tr>
<tr>
<td>Baby Boomers</td>
<td>1946-1964</td>
<td>76 million</td>
</tr>
<tr>
<td>Gen X</td>
<td>1965-1980</td>
<td>55 million</td>
</tr>
<tr>
<td>Gen Y</td>
<td>1981-1996</td>
<td>62 million</td>
</tr>
<tr>
<td>Gen Z</td>
<td>1997-2010</td>
<td>57 million</td>
</tr>
<tr>
<td>Gen Alpha</td>
<td>2011-2024</td>
<td>28 million (thru 2017)</td>
</tr>
</tbody>
</table>

* Ages shown for each group are as of 2018.

**Figure 18.**

**THE AGE WAVE**

<table>
<thead>
<tr>
<th>Year Range</th>
<th>Percent of Labor Force 16-34 years old</th>
</tr>
</thead>
<tbody>
<tr>
<td>1962</td>
<td>52%</td>
</tr>
<tr>
<td>1980</td>
<td>48%</td>
</tr>
</tbody>
</table>

Note: Oldest and youngest Baby Boomers turned 16 in 1962 and 1980, respectively.
**Figure 19.**

UNEMPLOYMENT RATE & PERSONAL SAVING RATE: 1980-1999

(Percent)

- **Personal Saving Rate** (12-month average)
- **Unemployment Rate**


**Figure 20.**

PRODUCTIVITY: NONFARM BUSINESS

(20-quarter percent change, annual rate)

Note: Shaded areas are recessions according to the National Bureau of Economic Research.

**Figure 21.**

FIXED-RATE 30-YEAR MORTGAGE INTEREST RATE*: 2005-2009
(percent, daily)

* Average conventional 30-year commitment rate.
Source: FHLMC Primary Mortgage Market Survey.

**Figure 22.**

FIXED-RATE 30-YEAR MORTGAGE INTEREST RATE: 2005-2009
(spread over US Treasury 10-year bond yield, basis points, daily)

Source: Haver Analytics.
Copyright (c) Yardeni Research, Inc. 2022. All rights reserved. The information contained herein has been obtained from sources believed to be reliable, but is not necessarily complete and its accuracy cannot be guaranteed. No representation or warranty, express or implied, is made as to the fairness, accuracy, completeness, or correctness of the information and opinions contained herein. The views and the other information provided are subject to change without notice. All reports and podcasts posted on www.yardeni.com, blog.yardeni.com, and YRI’s Apps are issued without regard to the specific investment objectives, financial situation, or particular needs of any specific recipient and are not to be construed as a solicitation or an offer to buy or sell any securities or related financial instruments. Past performance is not necessarily a guide to future results. Company fundamentals and earnings may be mentioned occasionally, but should not be construed as a recommendation to buy, sell, or hold the company’s stock. Predictions, forecasts, and estimates for any and all markets should not be construed as recommendations to buy, sell, or hold any security--including mutual funds, futures contracts, and exchange traded funds, or any similar instruments.

The text, images, and other materials contained or displayed on any Yardeni Research, Inc. product, service, report, email or website are proprietary to Yardeni Research, Inc. and constitute valuable intellectual property. No material from any part of www.yardeni.com, blog.yardeni.com, and YRI’s Apps may be downloaded, transmitted, broadcast, transferred, assigned, reproduced or in any other way used or otherwise disseminated in any form to any person or entity, without the explicit written consent of Yardeni Research, Inc. All unauthorized reproduction or other use of material from Yardeni Research, Inc. shall be deemed willful infringement(s) of this copyright and other proprietary and intellectual property rights, including but not limited to, rights of privacy. Yardeni Research, Inc. expressly reserves all rights in connection with its intellectual property, including without limitation the right to block the transfer of its products and services and/or to track usage thereof, through electronic tracking technology, and all other lawful means, now known or hereafter devised. Yardeni Research, Inc. reserves the right, without further notice, to pursue to the fullest extent allowed by the law any and all criminal and civil remedies for the violation of its rights.

The recipient should check any email and any attachments for the presence of viruses. Yardeni Research, Inc. accepts no liability for any damage caused by any virus transmitted by this company’s emails, website, blog and Apps. Additional information available on request.