

Predicting the Markets: Chapter 5 Charts: Predicting Business Cycles

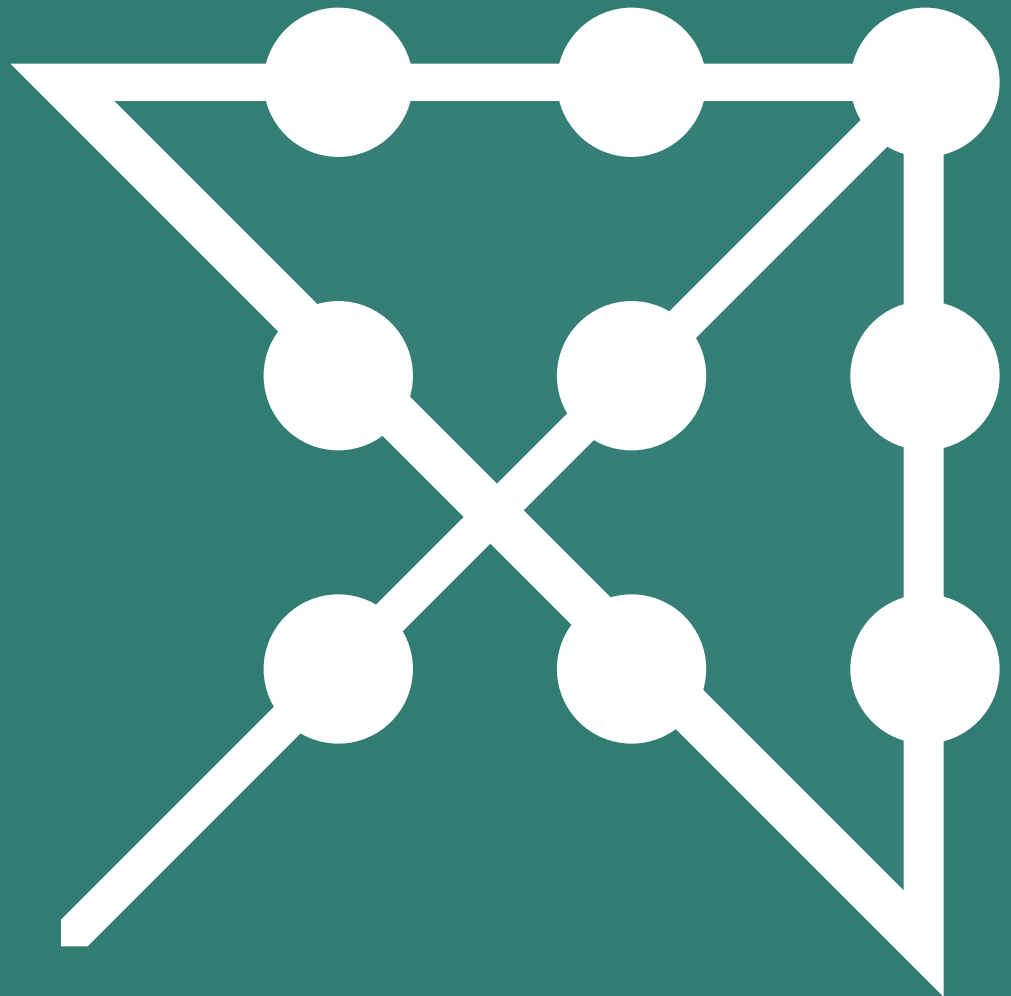
Yardeni Research, Inc.

March 8, 2024

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thinking outside the box

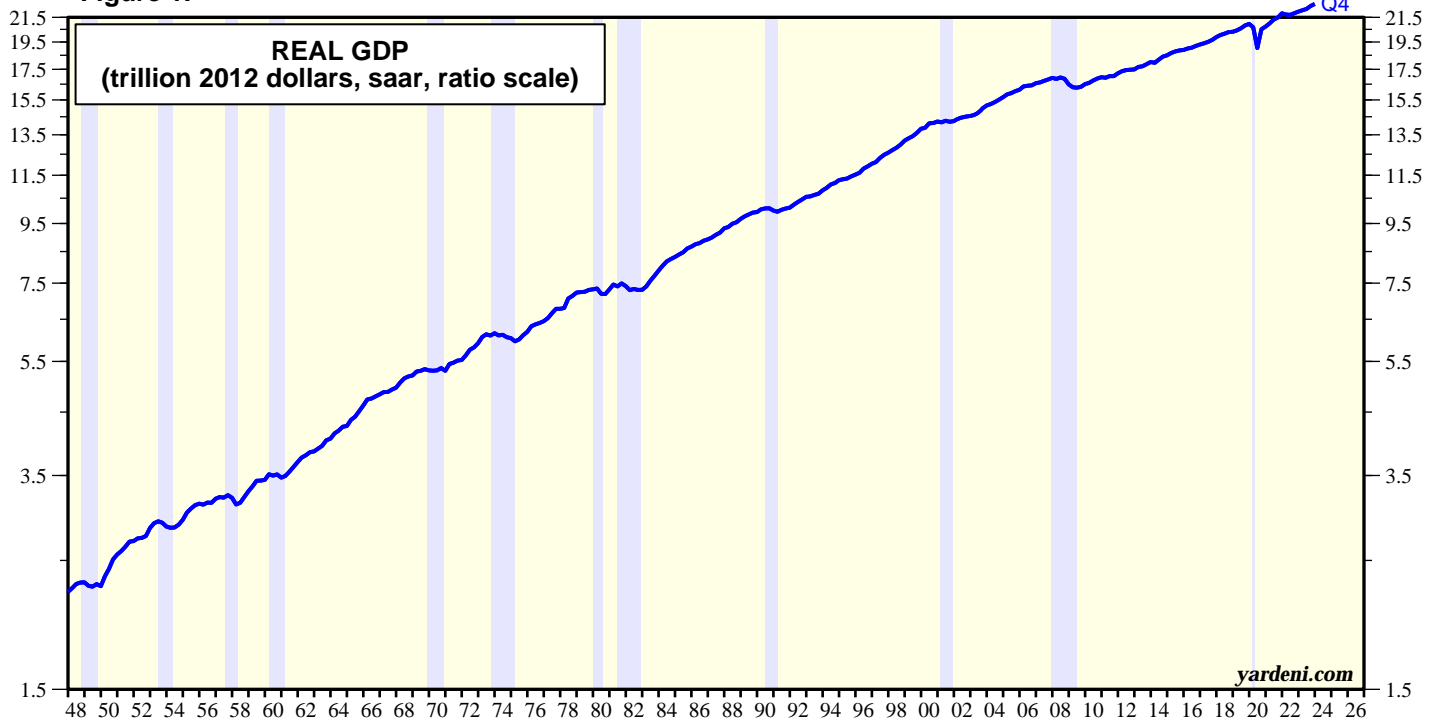
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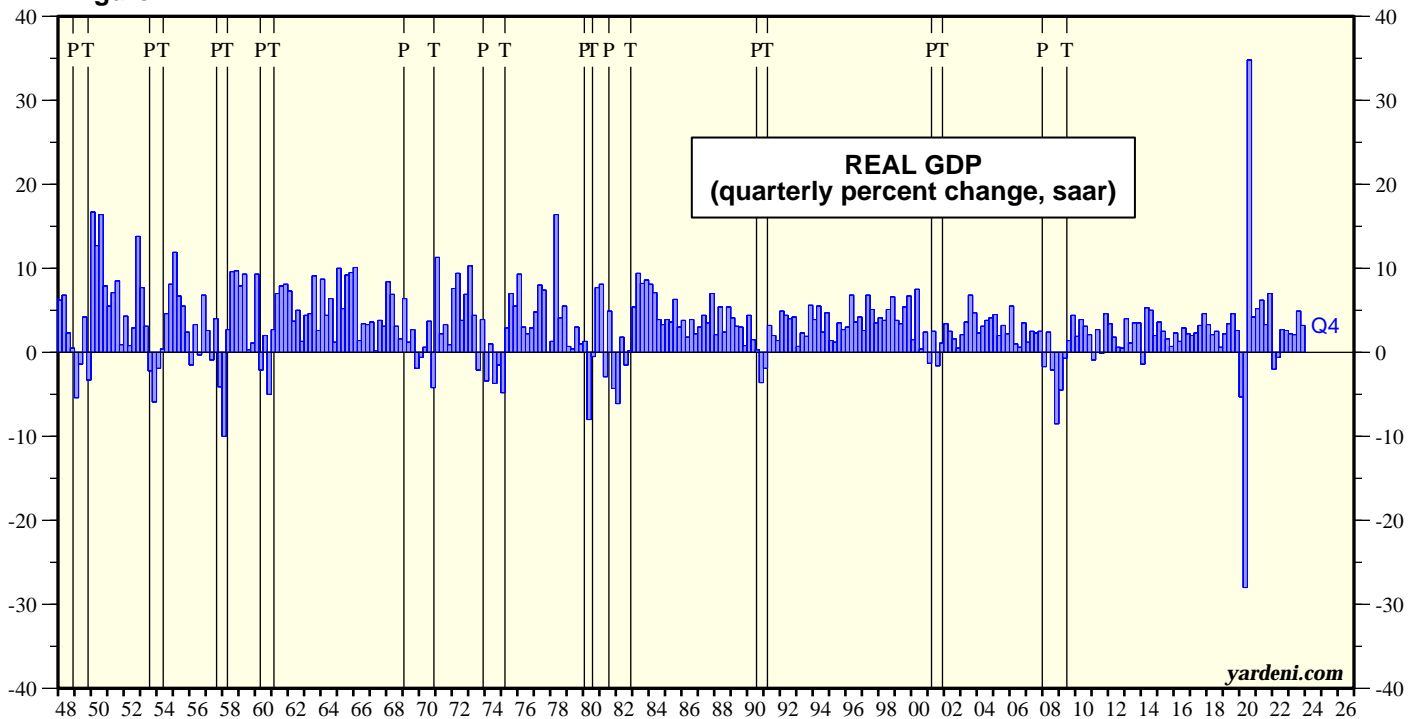
Predicting Business Cycles

Figure 1.



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

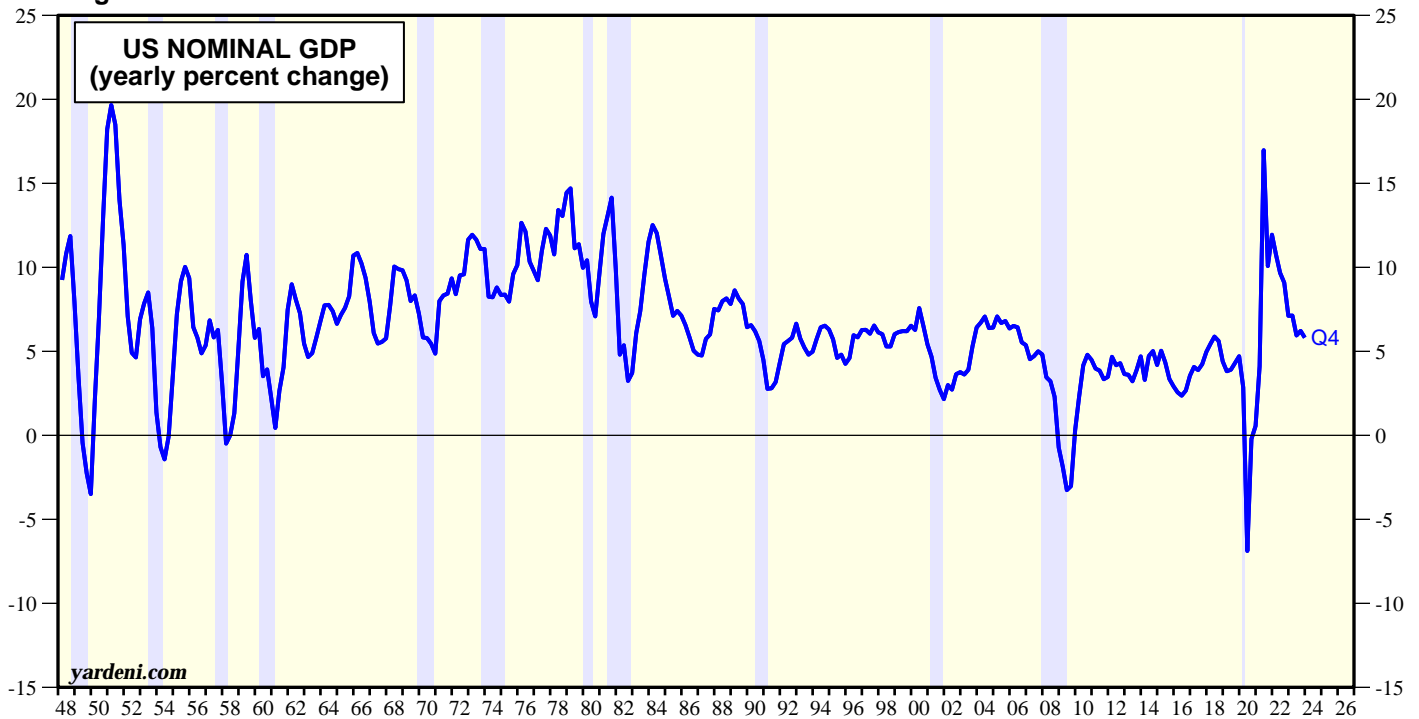
Figure 2.



Note: Business cycle peaks (P) and troughs (T) according to the National Bureau of Economic Research.
Source: Bureau of Economic Analysis.

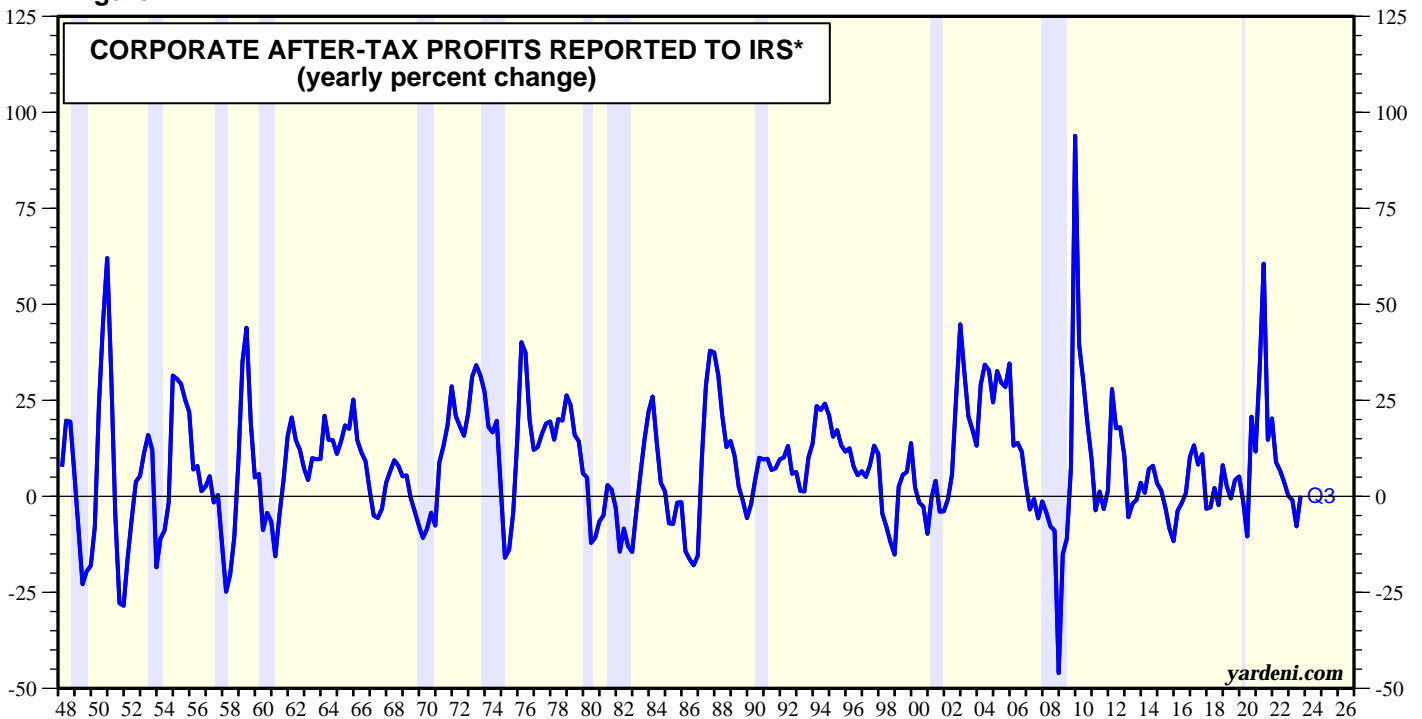
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Figure 3.



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

Figure 4.



* After-tax profits as reported to IRS, excluding IVA and CCAdj
Note: Shaded areas are recessions according to the National Bureau of Economic Research.
Source: Bureau of Economic Analysis.

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Figure 5.

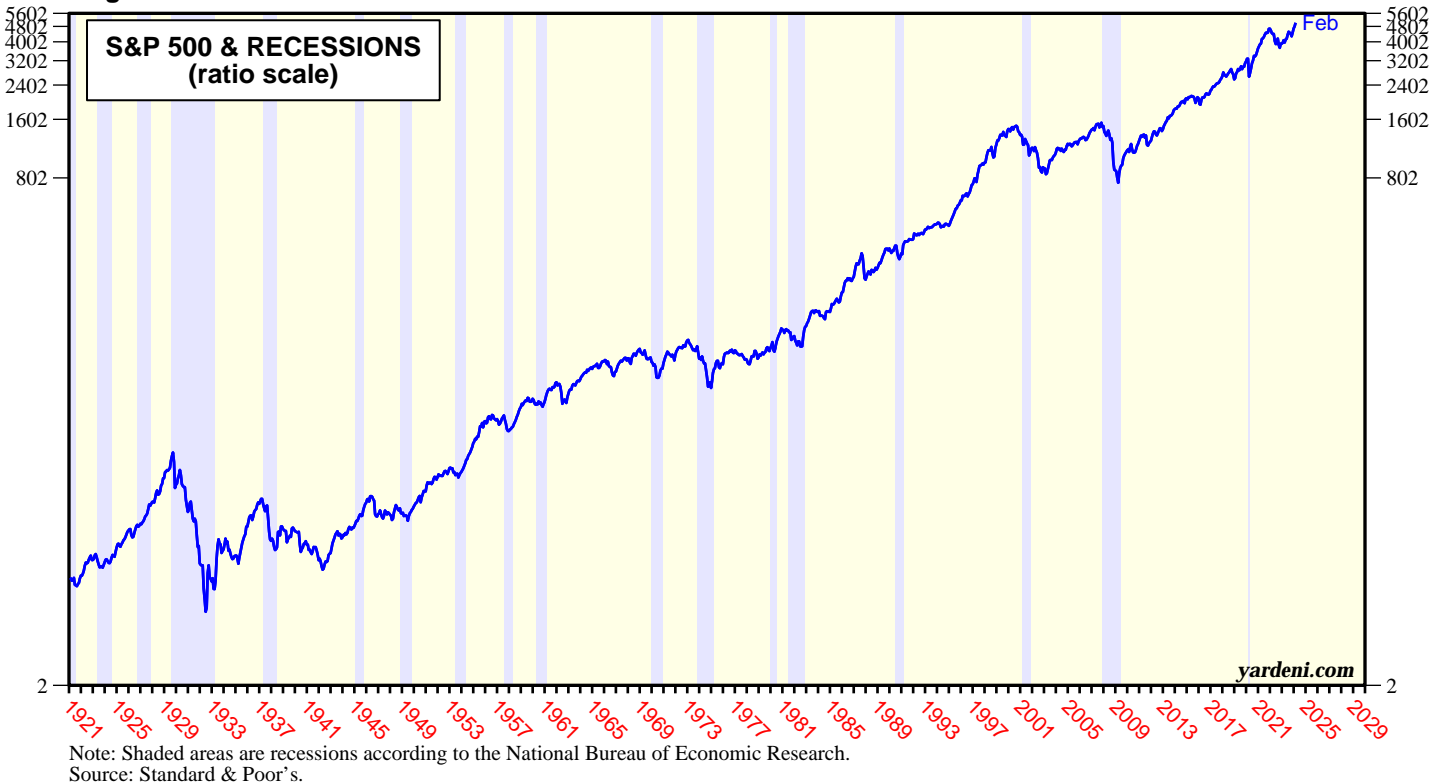
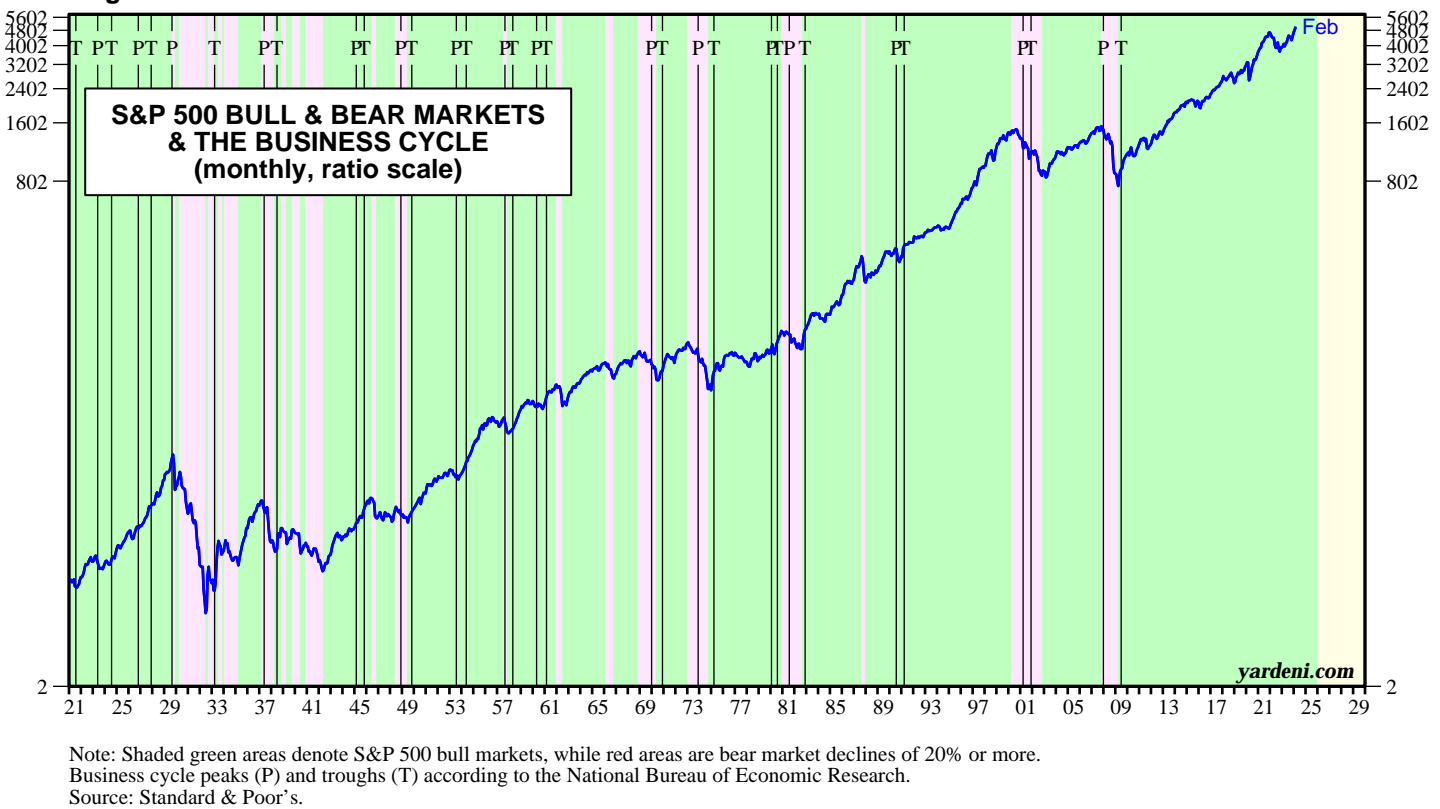
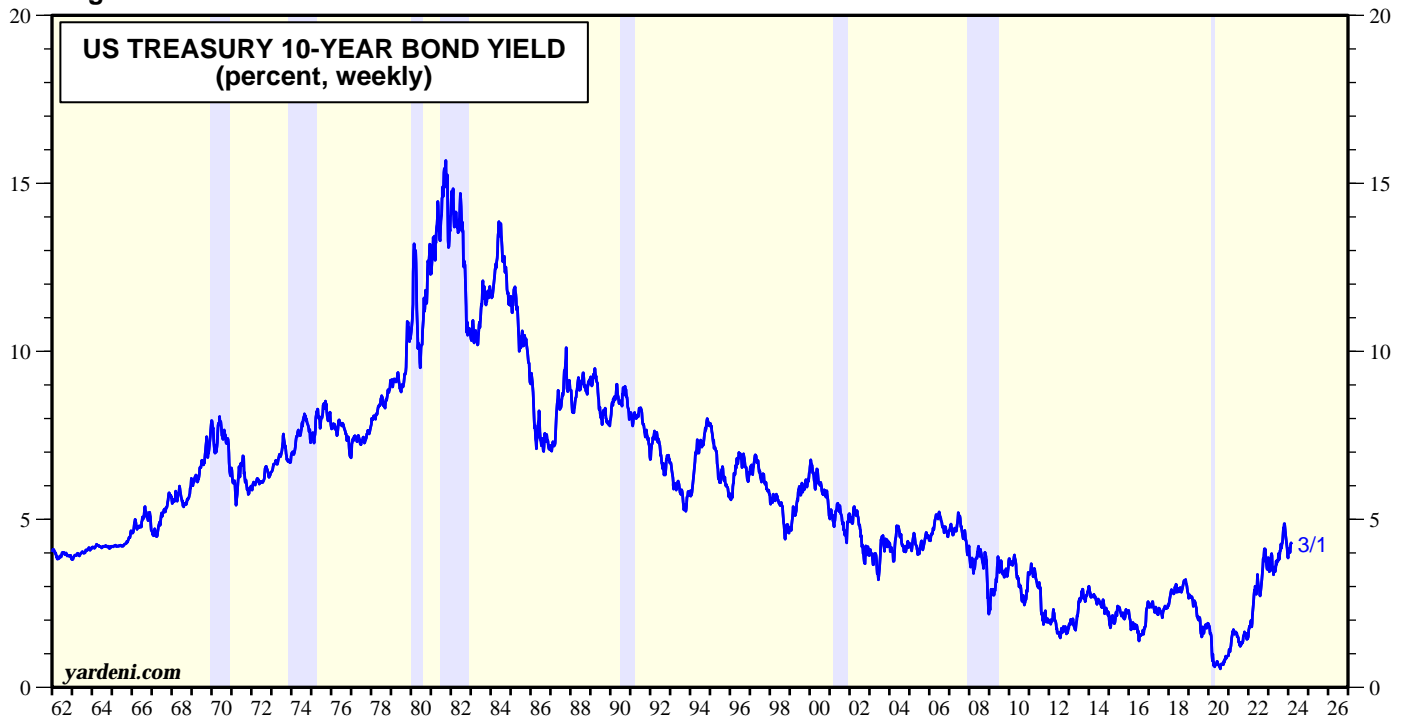


Figure 6.



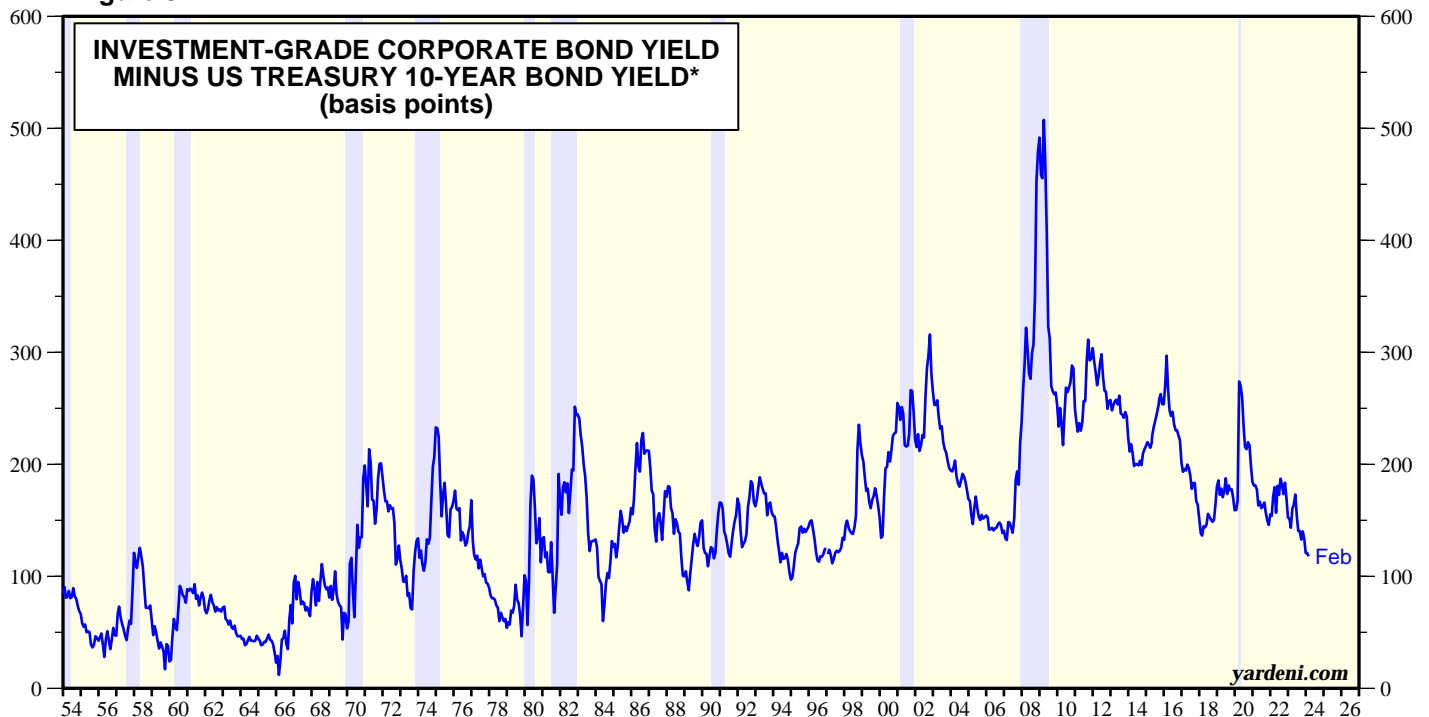
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Figure 7.



Note: Shaded areas are recessions according to the National Bureau of Economic Research.
Source: Federal Reserve Board.

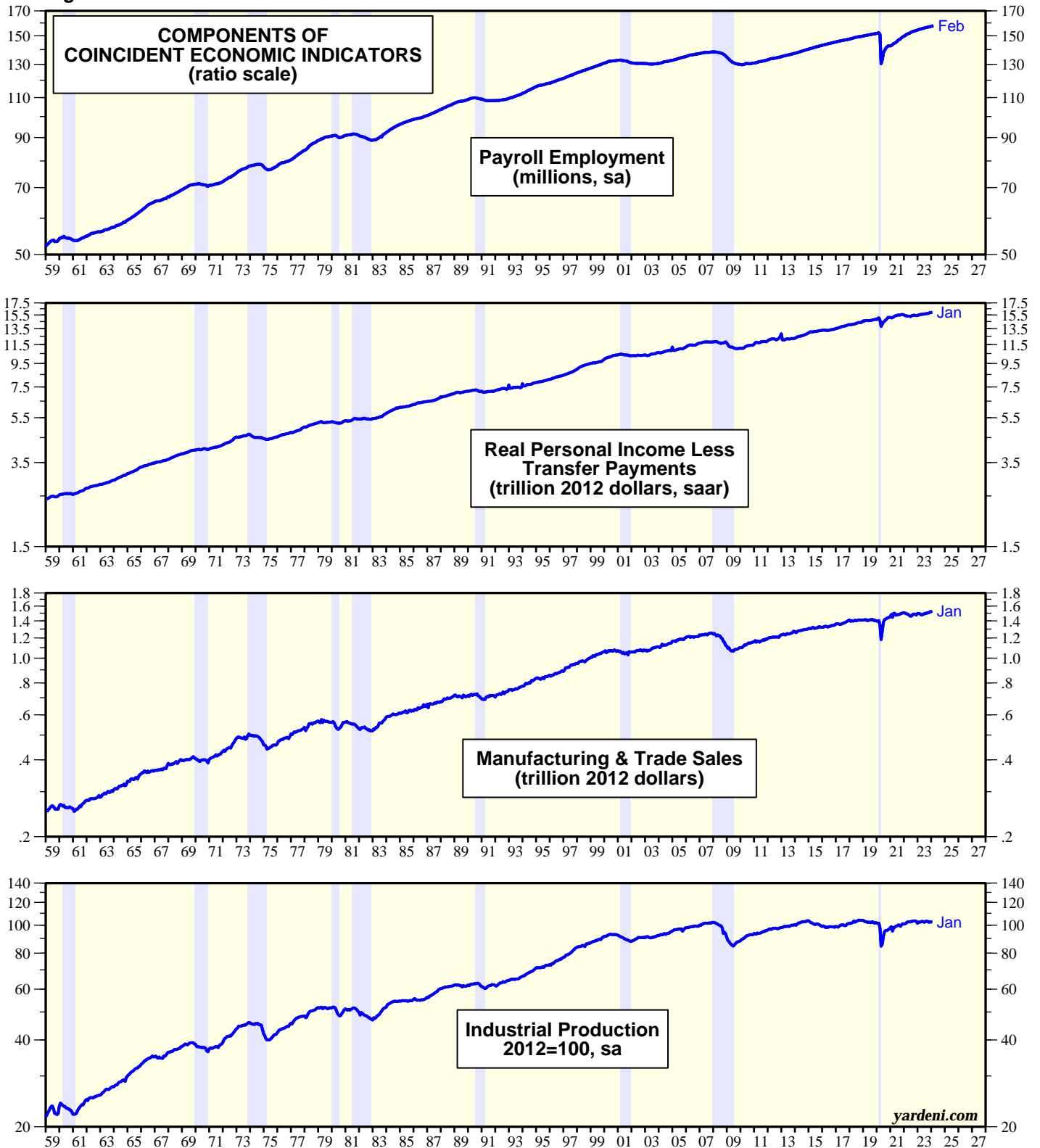
Figure 8.



* Corporate bond yield is average of Moody's Aaa and Baa yields through 1996, then average of BoA Merrill Lynch data for AA-AAA and BBB-A yields.
Note: Shaded areas are recessions according to the National Bureau of Economic Research.
Source: Federal Reserve Board and Haver Analytics.

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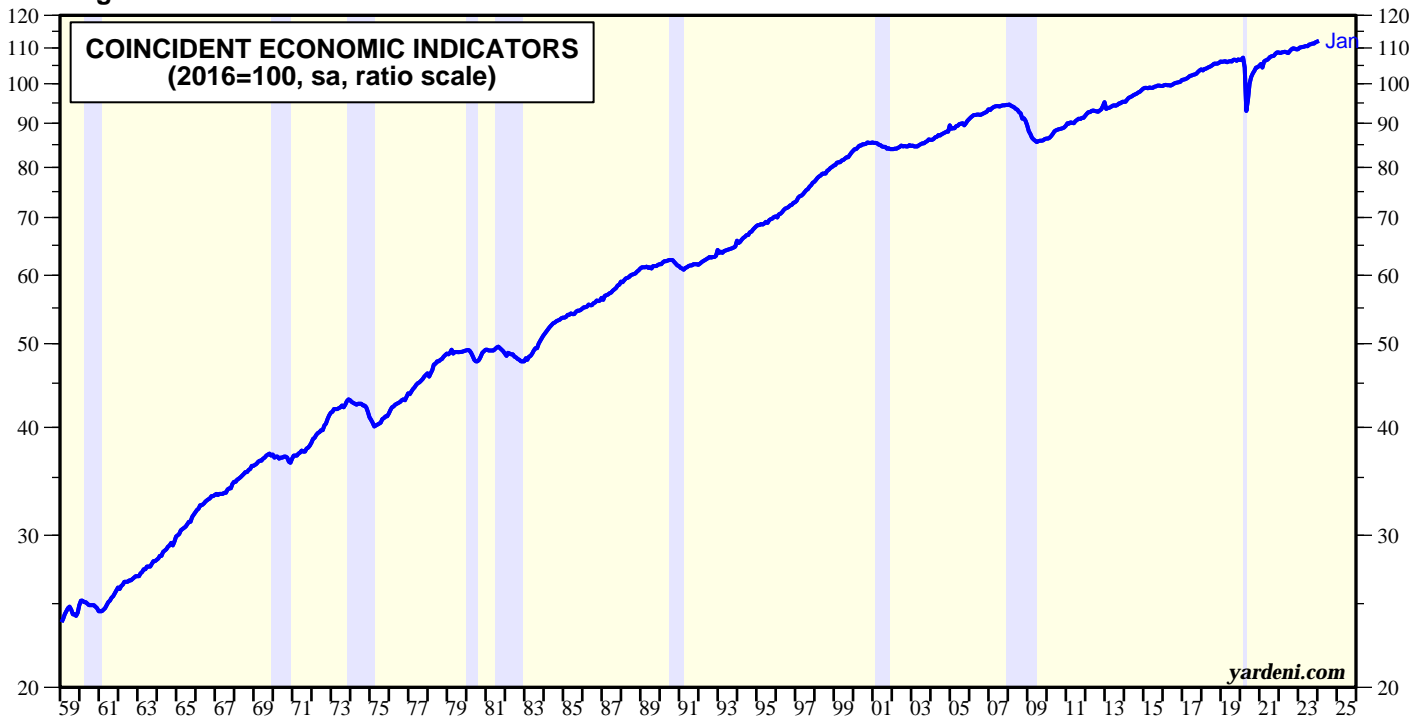
Figure 9.



Note: Shaded areas are recessions according to the National Bureau of Economic Research.
 Source: Bureau of Labor Statistics, Bureau of Economic Analysis, Census Bureau, and Federal Reserve Board.

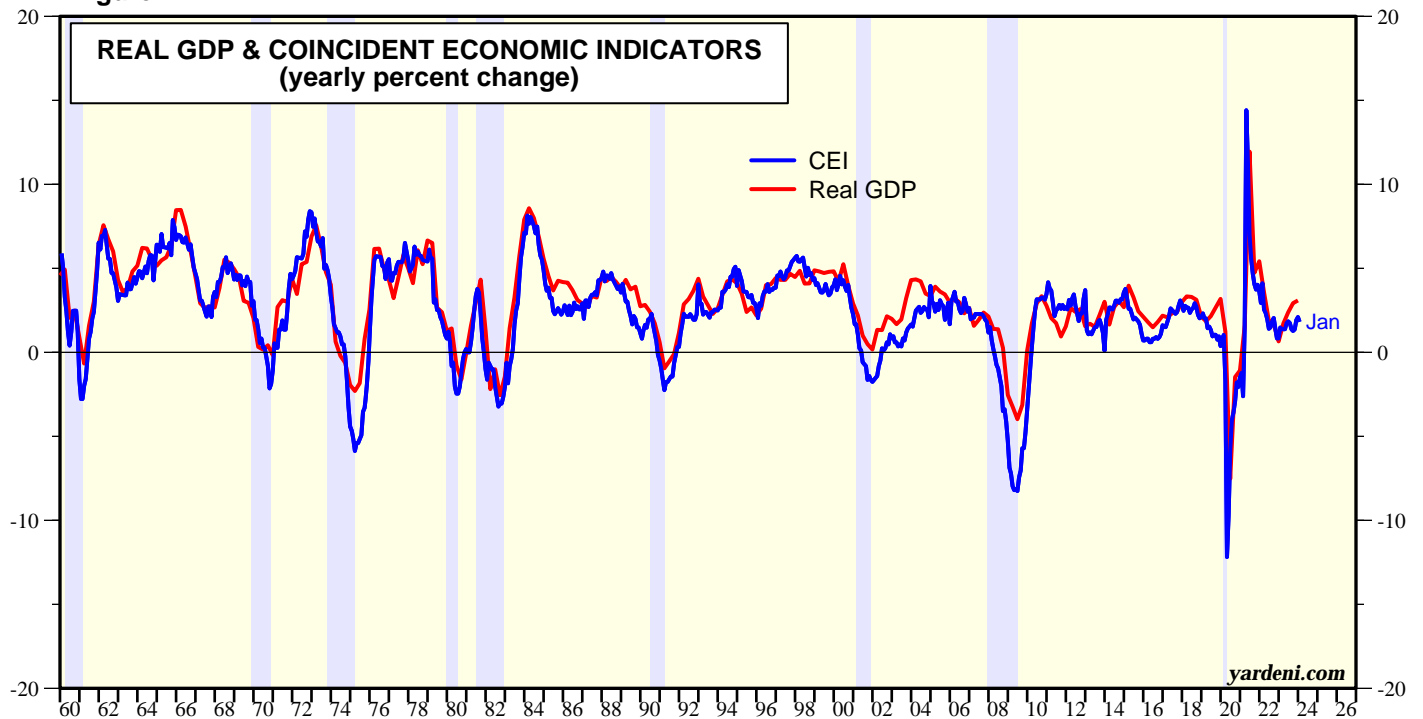
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Figure 10.



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

Figure 11.



Note: Shaded areas are recessions according to the National Bureau of Economic Research.
Source: Bureau of Economic Analysis and Conference Board.

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Figure 12.

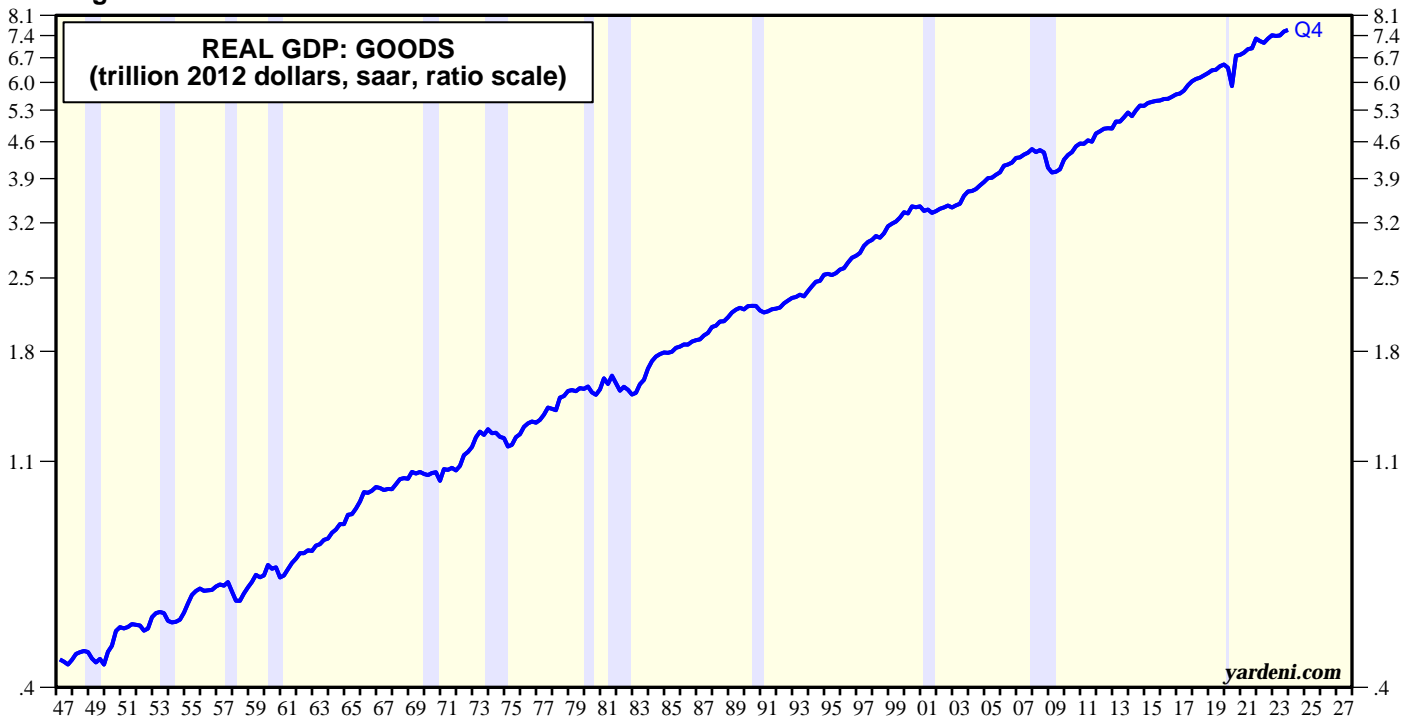
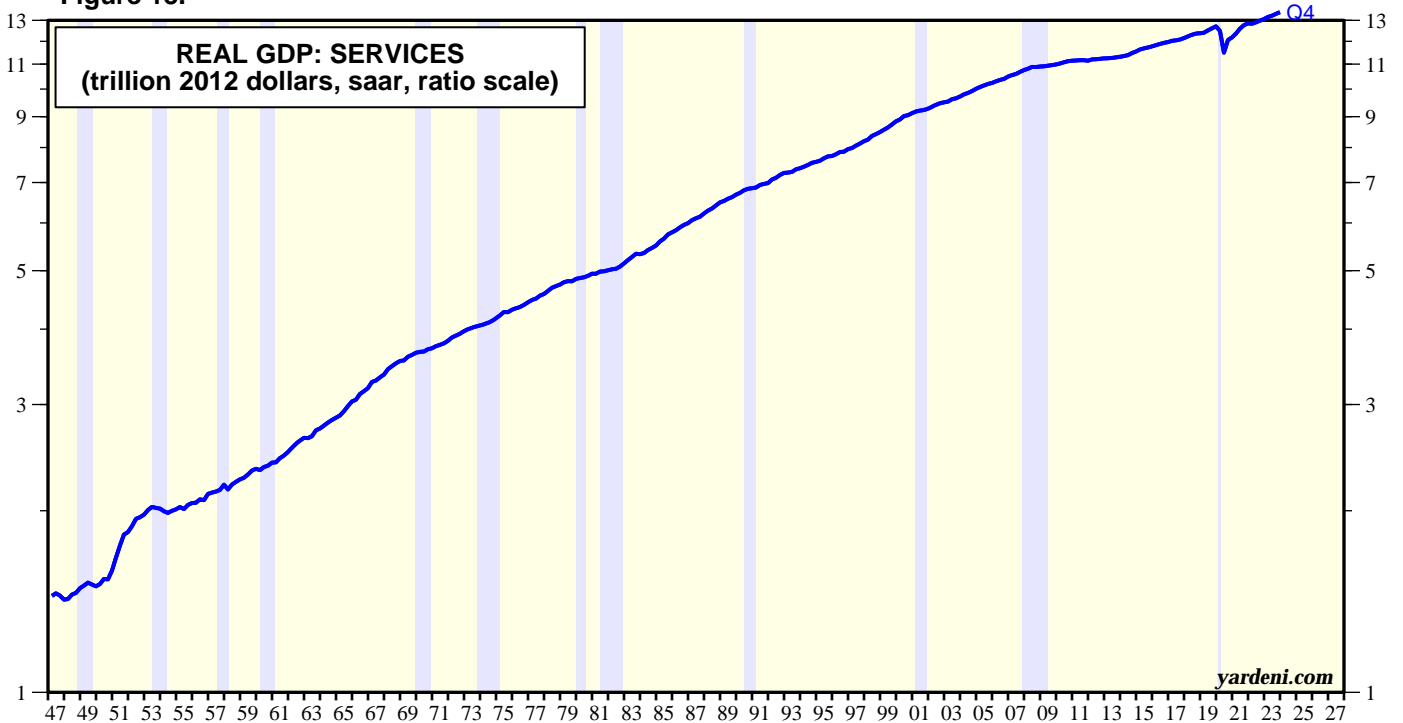
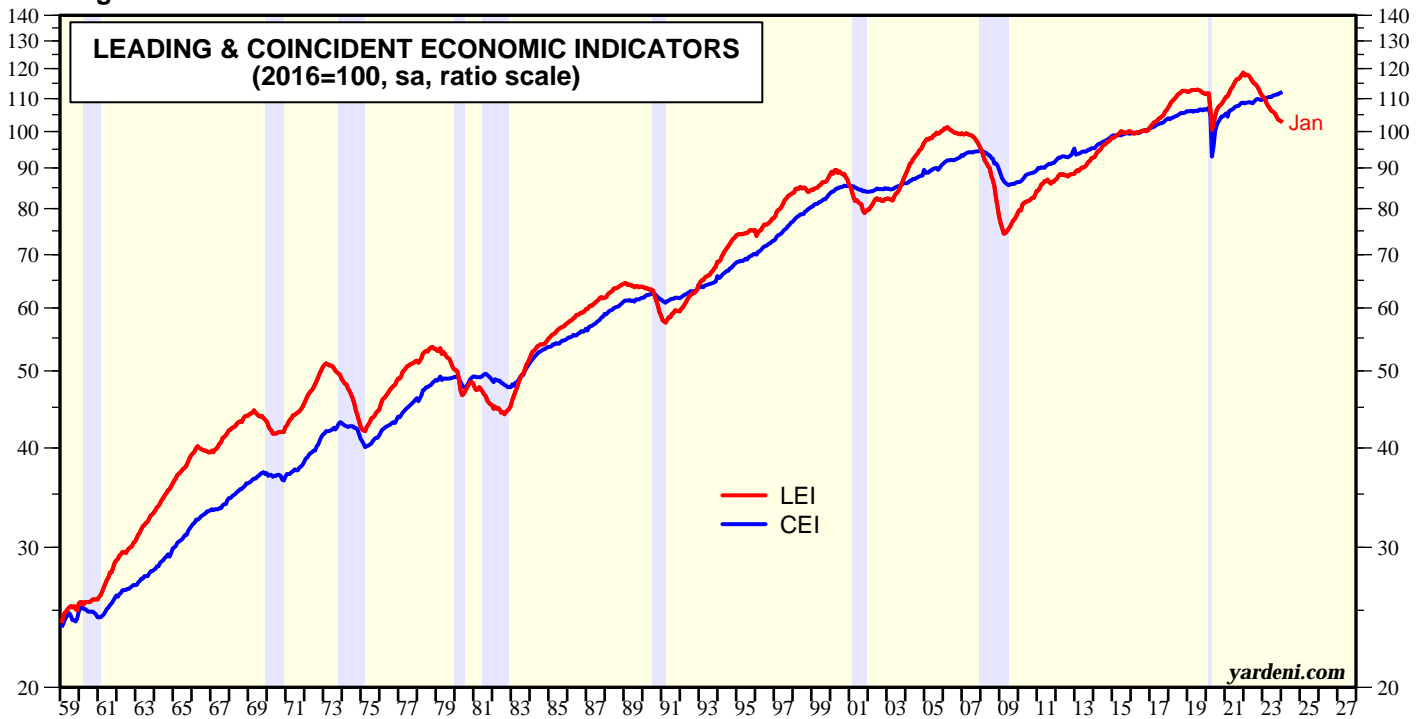


Figure 13.



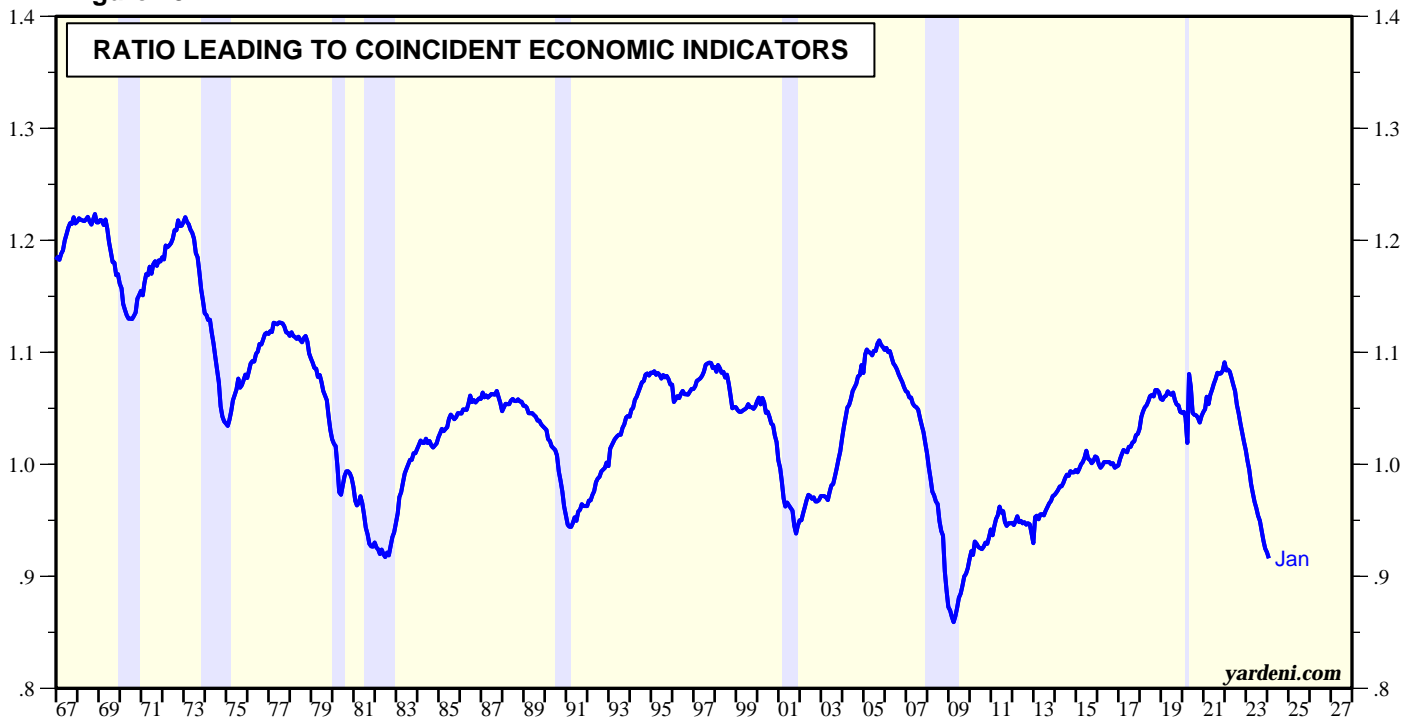
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Figure 14.



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

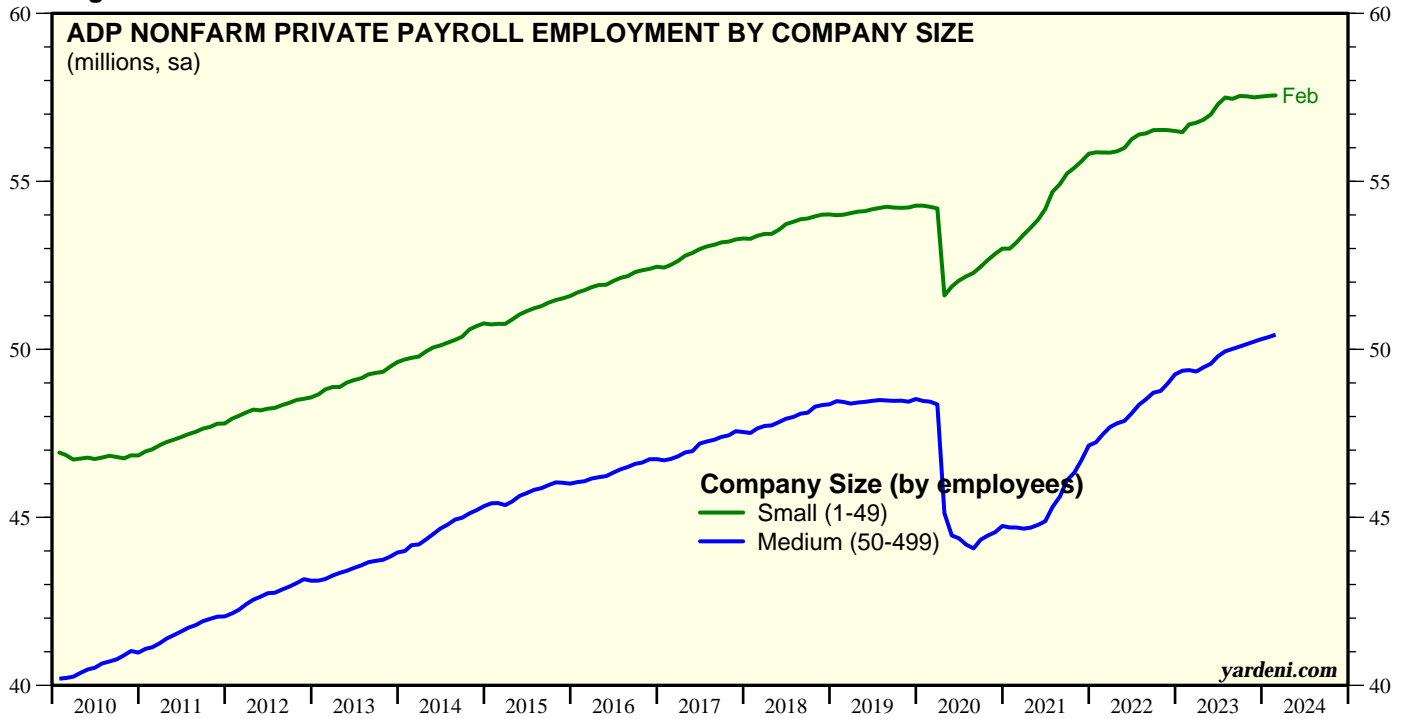
Figure 15.



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

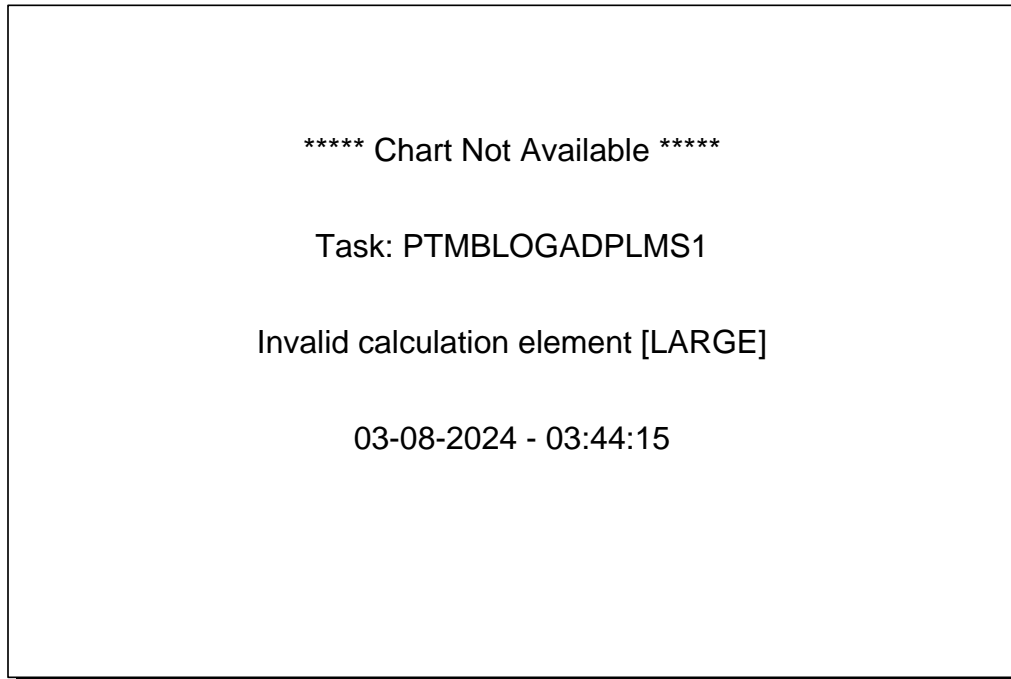
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Figure 16.



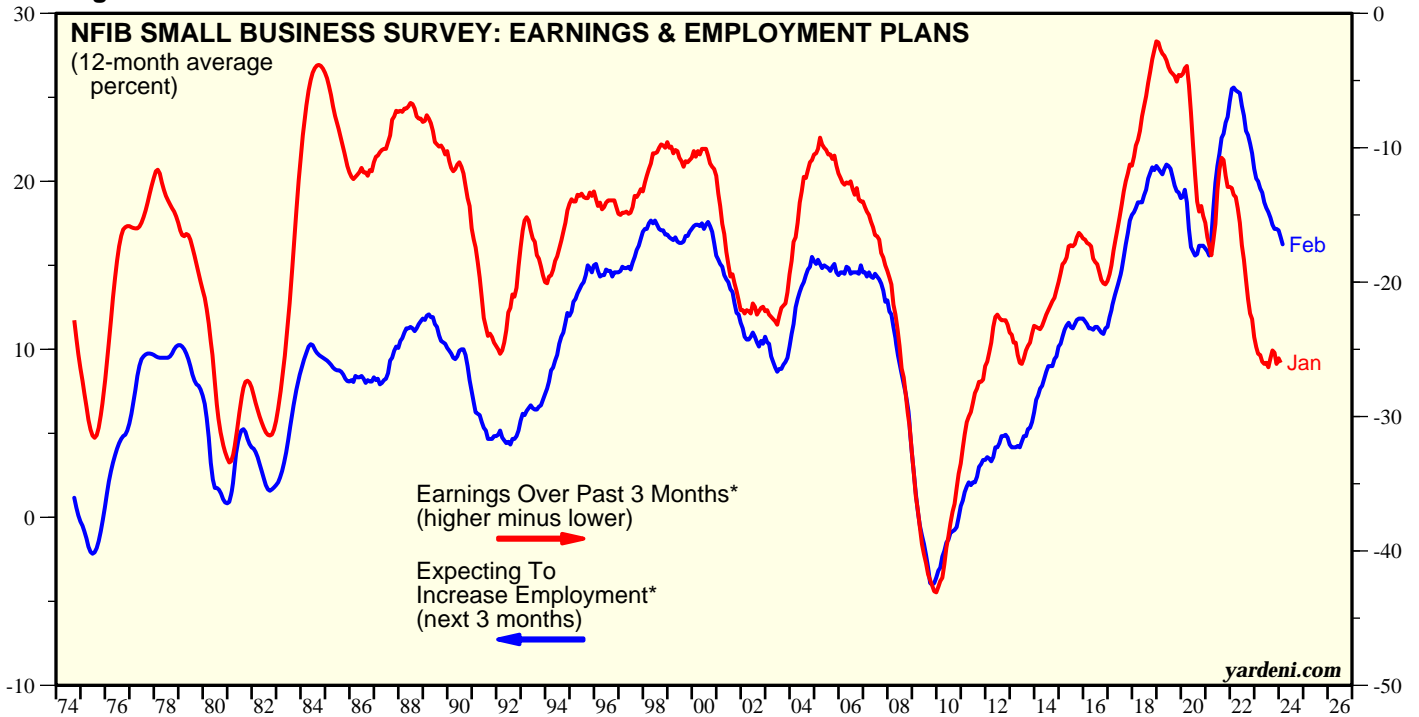
Source: ADP.

Figure 17.



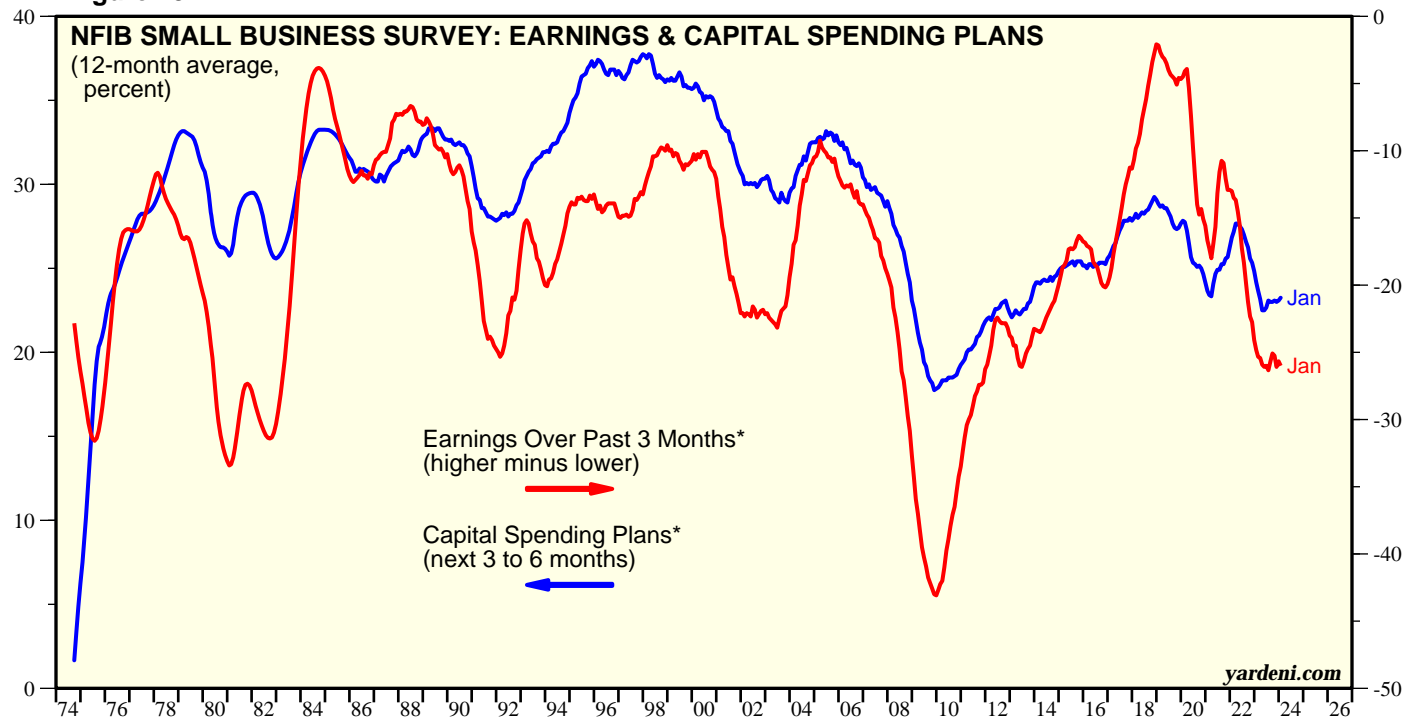
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Figure 18.



* First month of every quarter from 1974 to 1986, then 12-month average.
Source: National Federation of Independent Business.

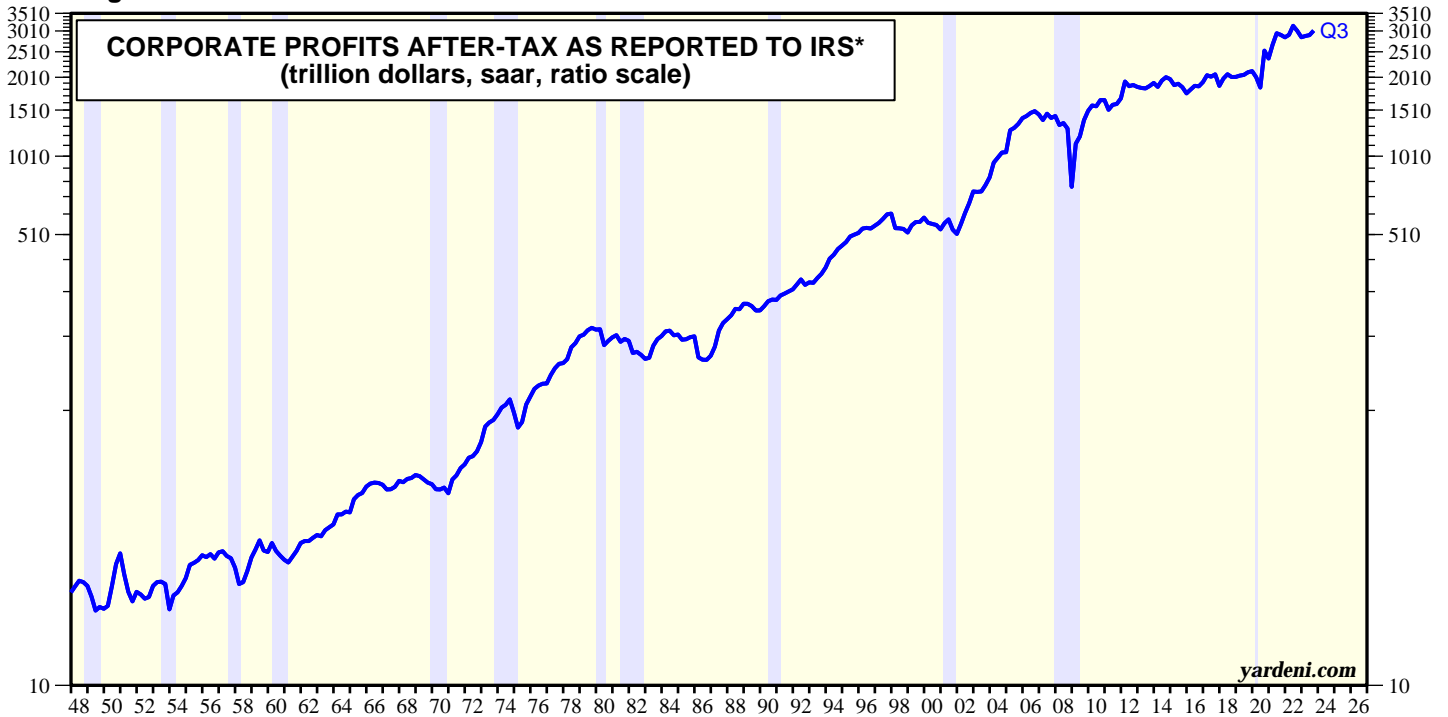
Figure 19.



* First month of every quarter from 1974 to 1986, then 12-month average.
Source: National Federation of Independent Business.

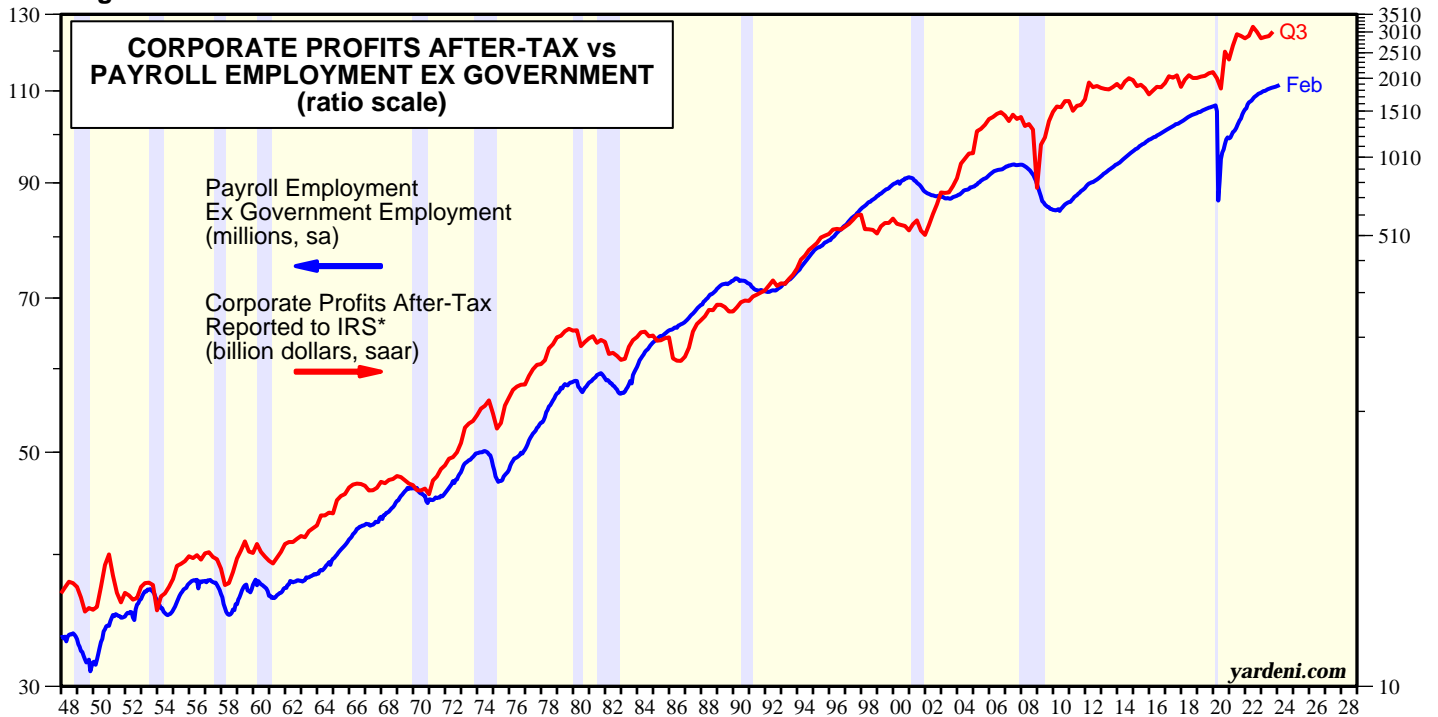
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Figure 20.



* Excluding Inventory Valuation Adjustment and Capital Consumption Adjustment.
Note: Shaded areas are recessions according to the National Bureau of Economic Research.
Source: Bureau of Economic Analysis.

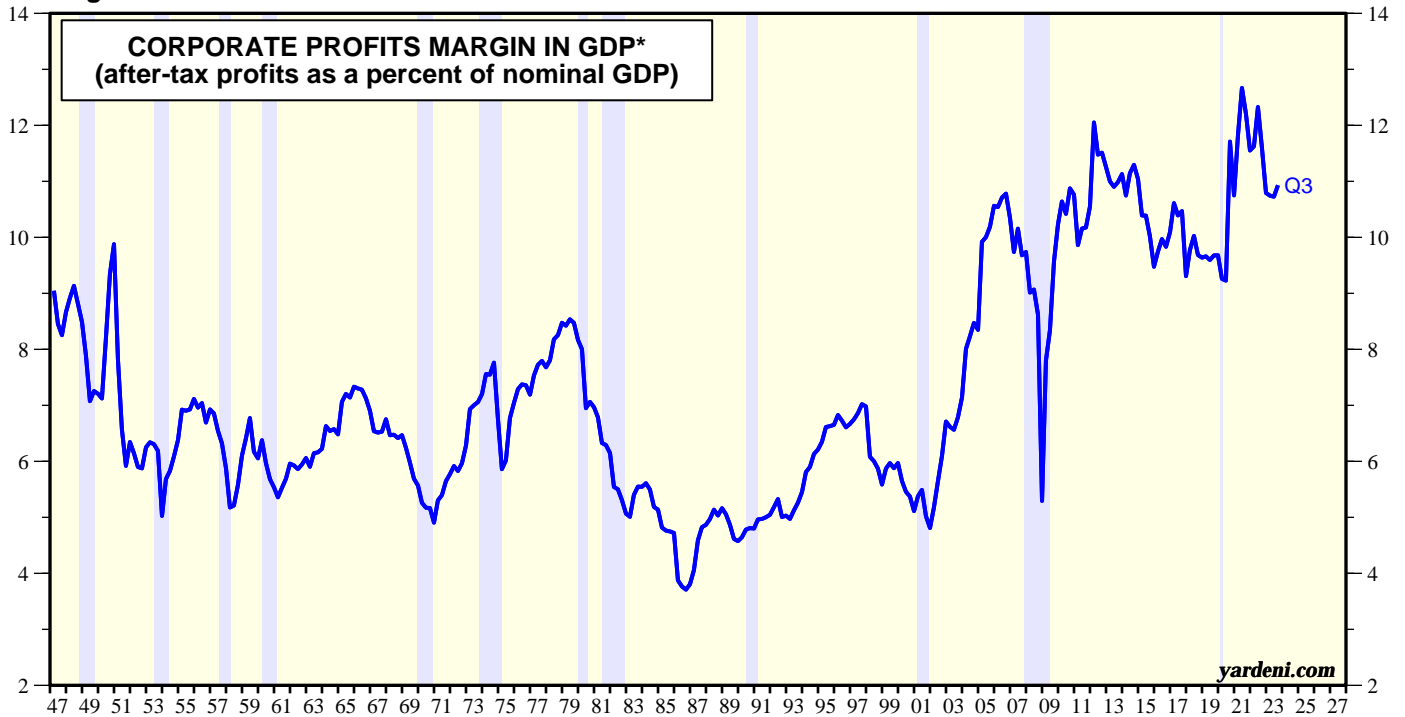
Figure 21.



* Excluding Inventory Valuation Adjustment and Capital Consumption Adjustment.
Note: Shaded areas are recessions according to the National Bureau of Economic Research.
Source: Bureau of Labor Statistics and Bureau of Economic Analysis.

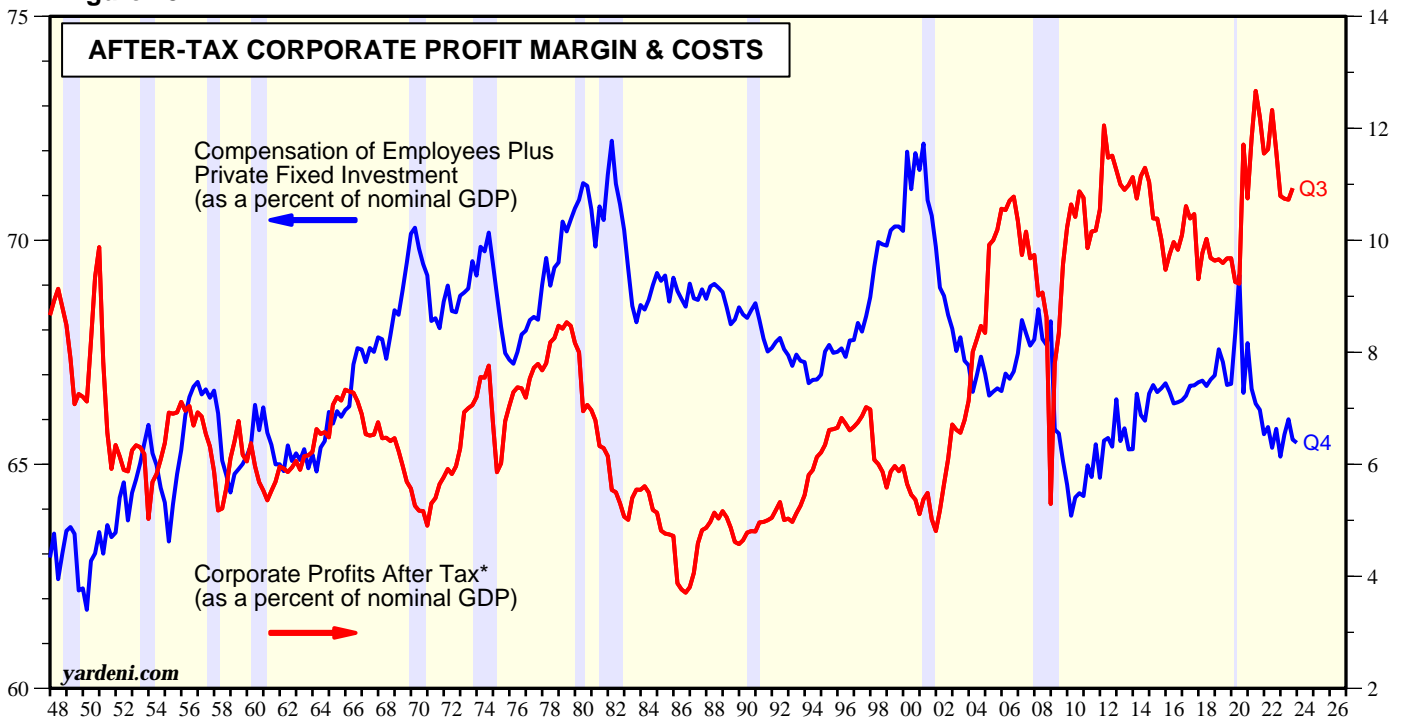
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Figure 22.



* Using after-tax corporate profits reported to IRS. Excluding Inventory Valuation Adjustment and Capital Consumption Adjustment.
 Note: Shaded areas are recessions according to the National Bureau of Economic Research.
 Source: Bureau of Economic Analysis.

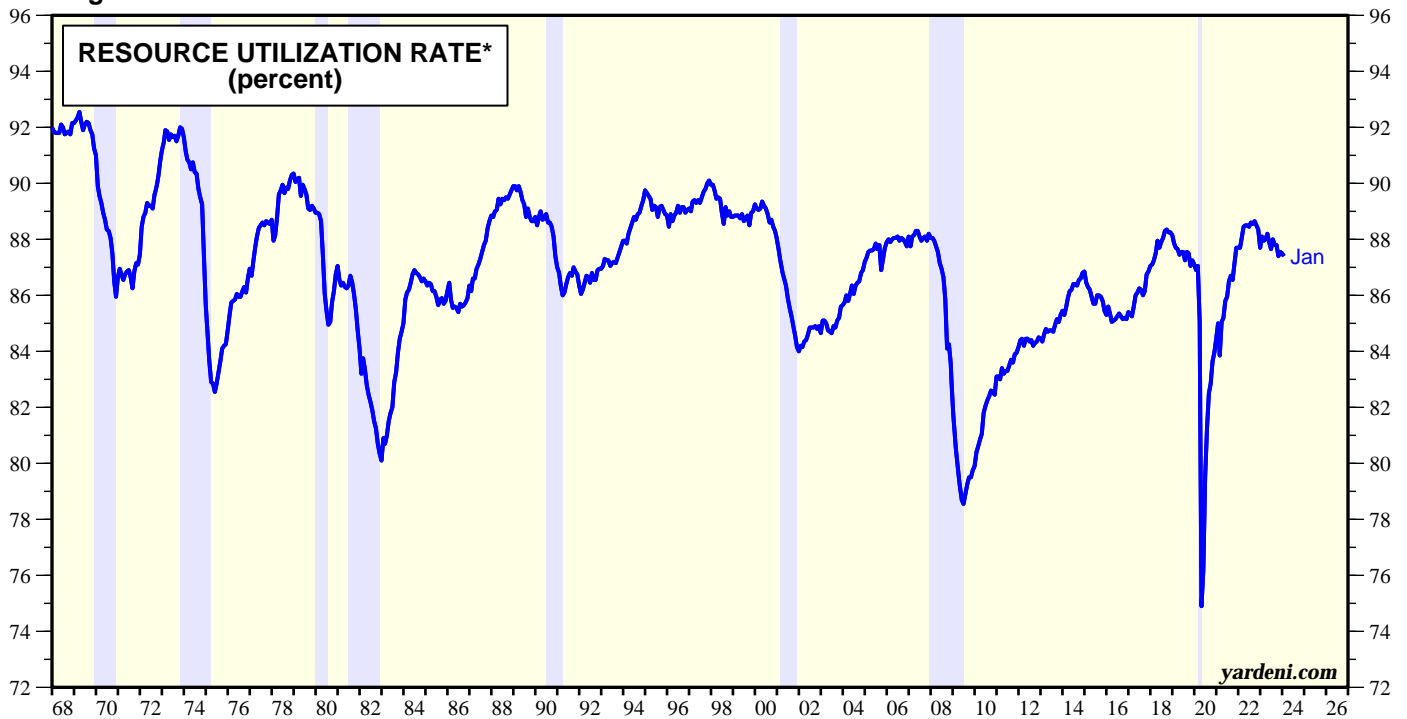
Figure 23.



* After-tax tax profits reported to IRS (excluding Inventory Valuation Adjustment and Capital Consumption Adjustment).
 Note: Shaded areas are recessions according to the National Bureau of Economic Research.
 Source: Bureau of Economic Analysis.

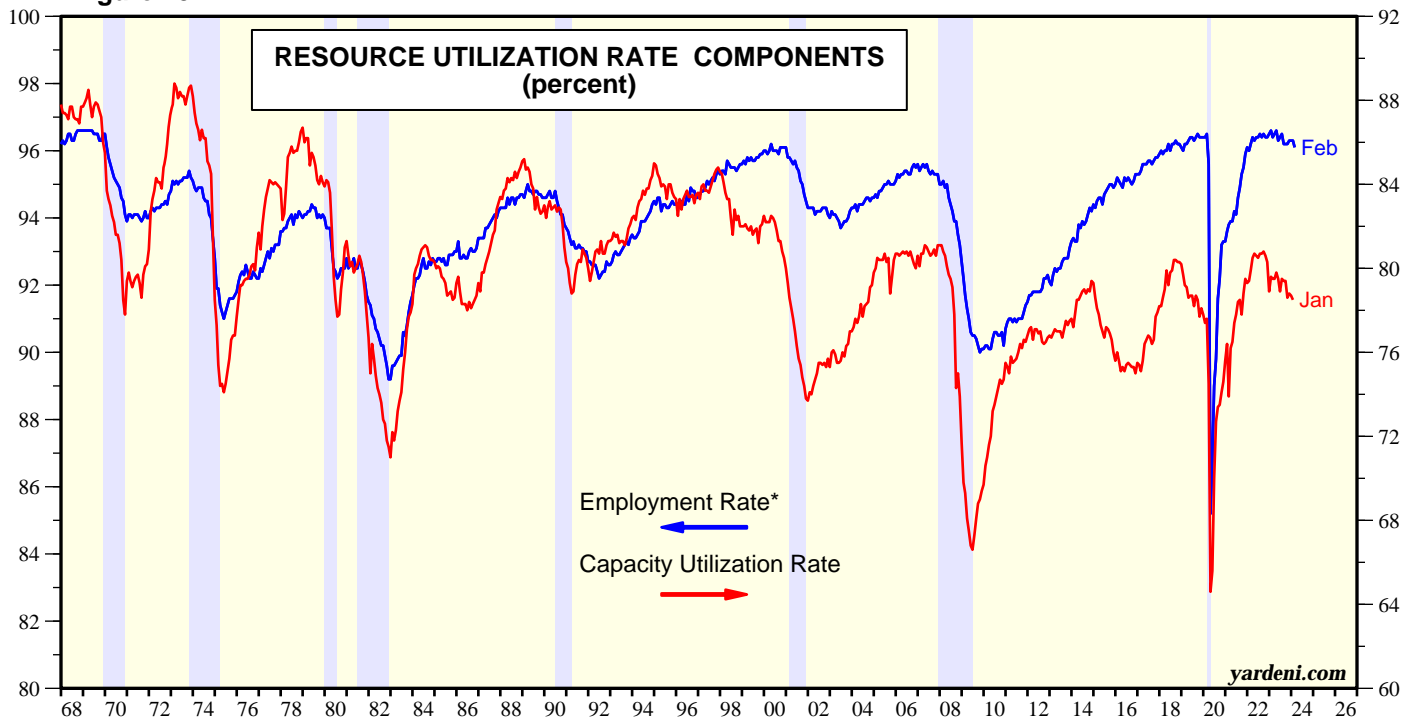
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Figure 24.



* Average of all industries' capacity utilization rate and employment rate, i.e., percentage of labor force that is employed.
 Note: Shaded areas are recessions according to the National Bureau of Economic Research.
 Source: Bureau of Labor Statistics and Federal Reserve Board.

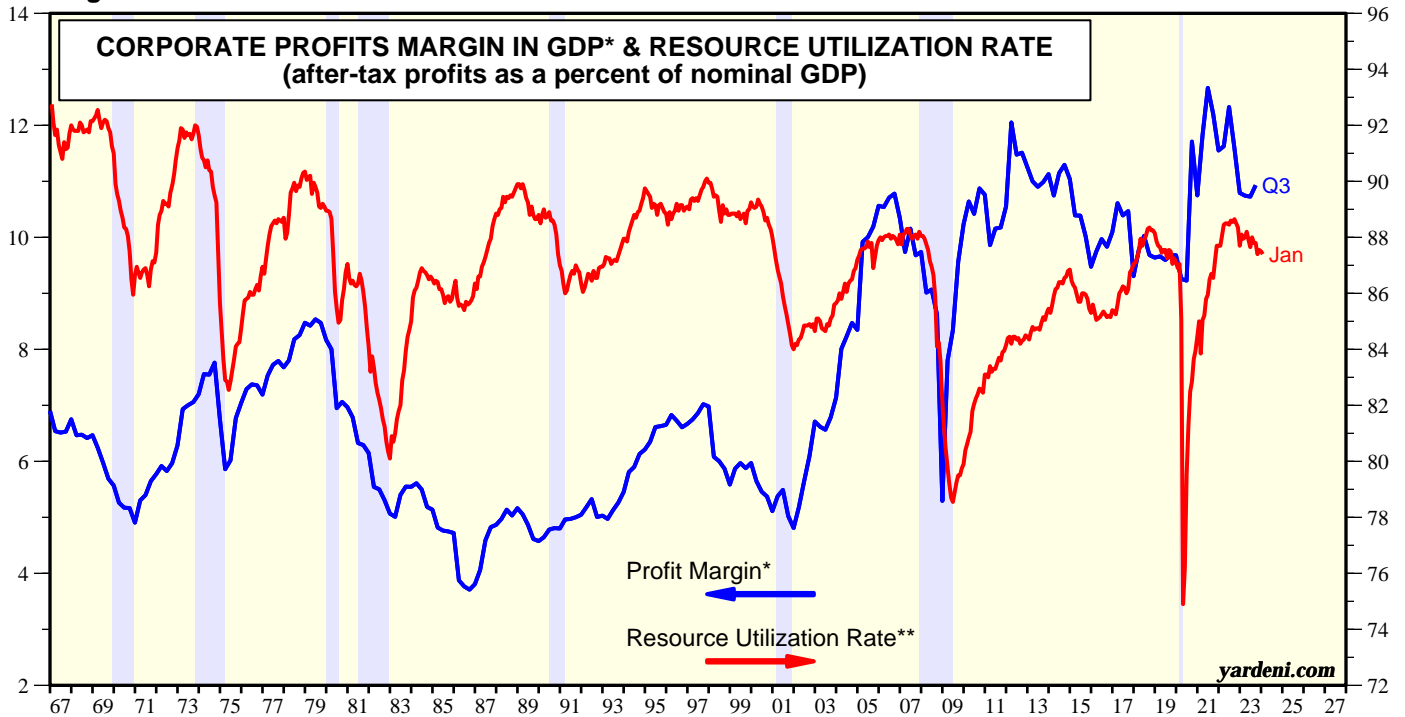
Figure 25.



* Percentage of labor force that is employed.
 Note: Shaded areas are recessions according to the National Bureau of Economic Research.
 Source: Bureau of Labor Statistics and Federal Reserve Board.

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Figure 26.



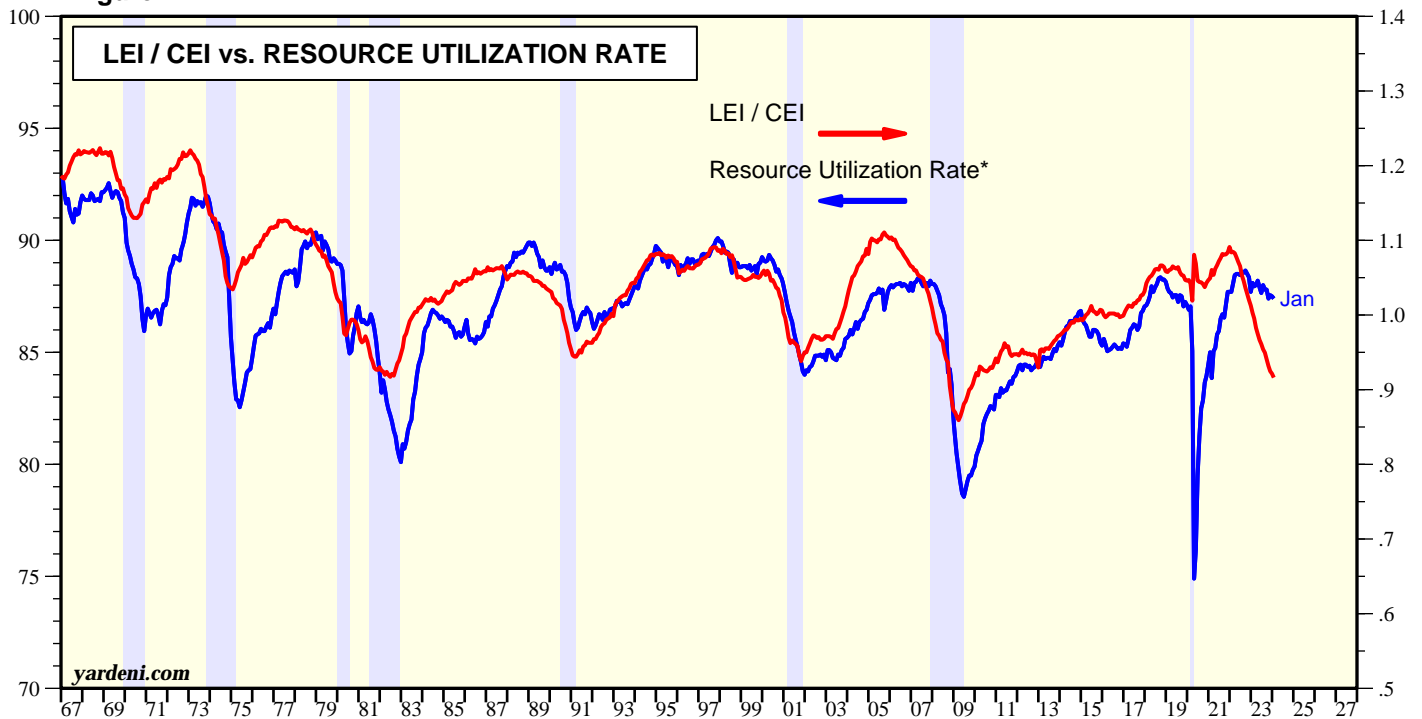
* After-tax profits reported to IRS (excluding Inventory Valuation Adjustment and Capital Consumption Adjustment).

** Average of all industries' capacity utilization rate and employment rate, i.e., percentage of labor force that is employed.

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

Source: Bureau of Economic Analysis, Bureau of Labor Statistics, and Federal Reserve Board.

Figure 27.



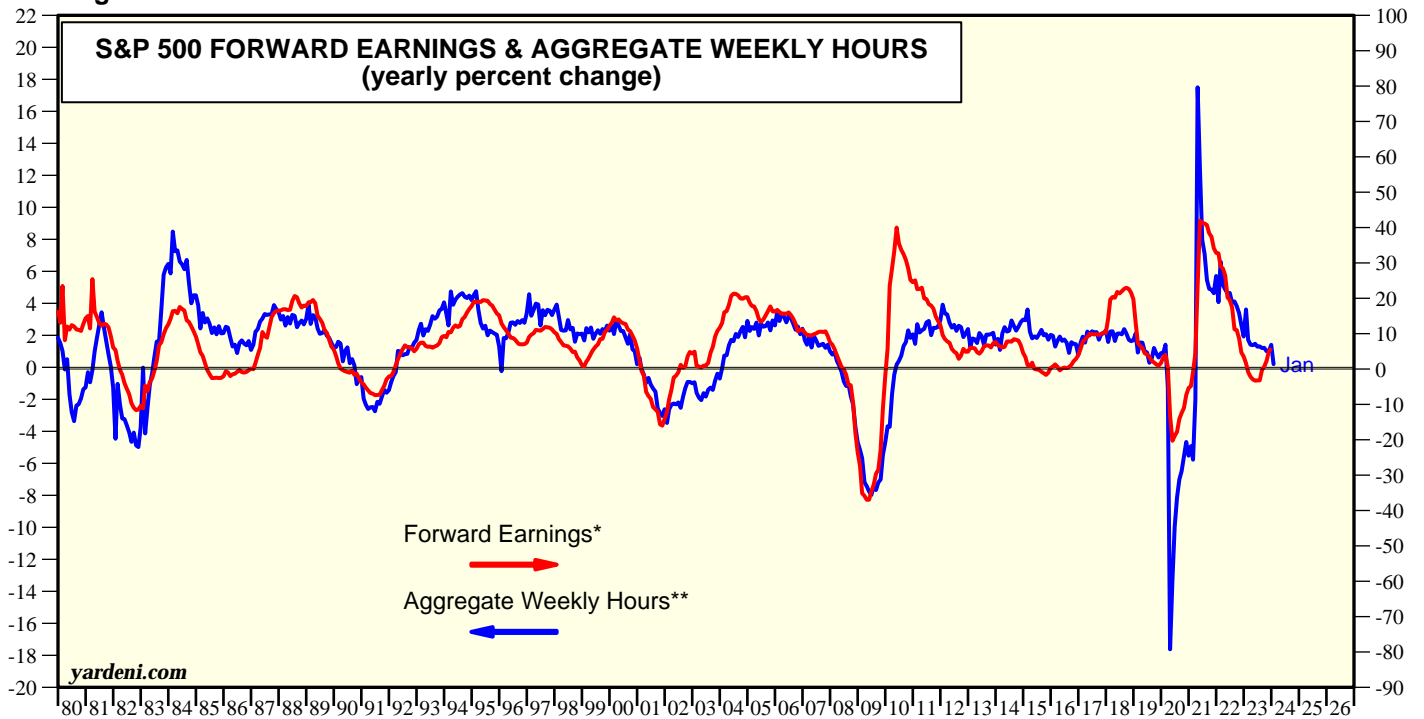
* Average of all industries' capacity utilization rate and employment rate, i.e., percentage of labor force that is employed.

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

Source: Bureau of Economic Analysis, Bureau of Labor Statistics, Federal Reserve Board, and Conference Board.

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Figure 28.

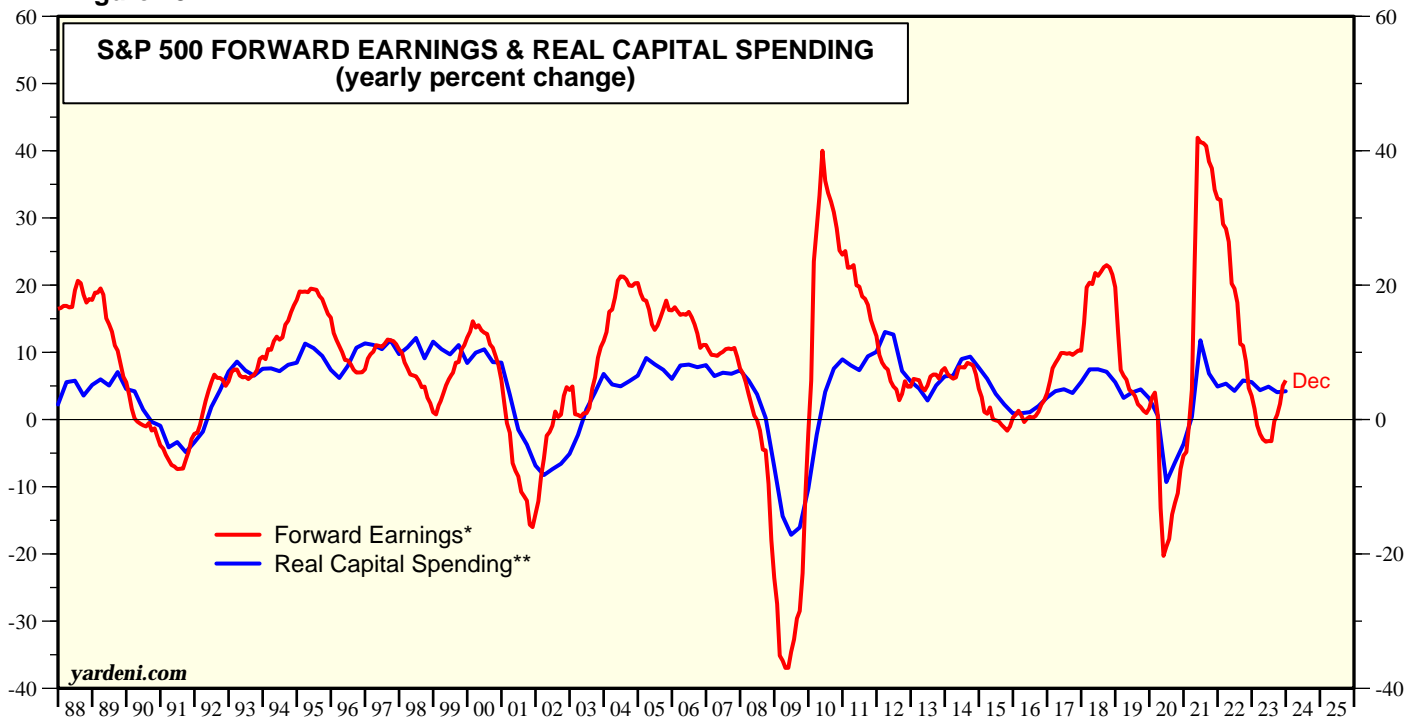


* Time-weighted average of consensus operating earnings estimates for current and next year.

** Production & nonsupervisory employees.

Source: Bureau of Labor Statistics and Thomson Reuters I/B/E/S.

Figure 29.



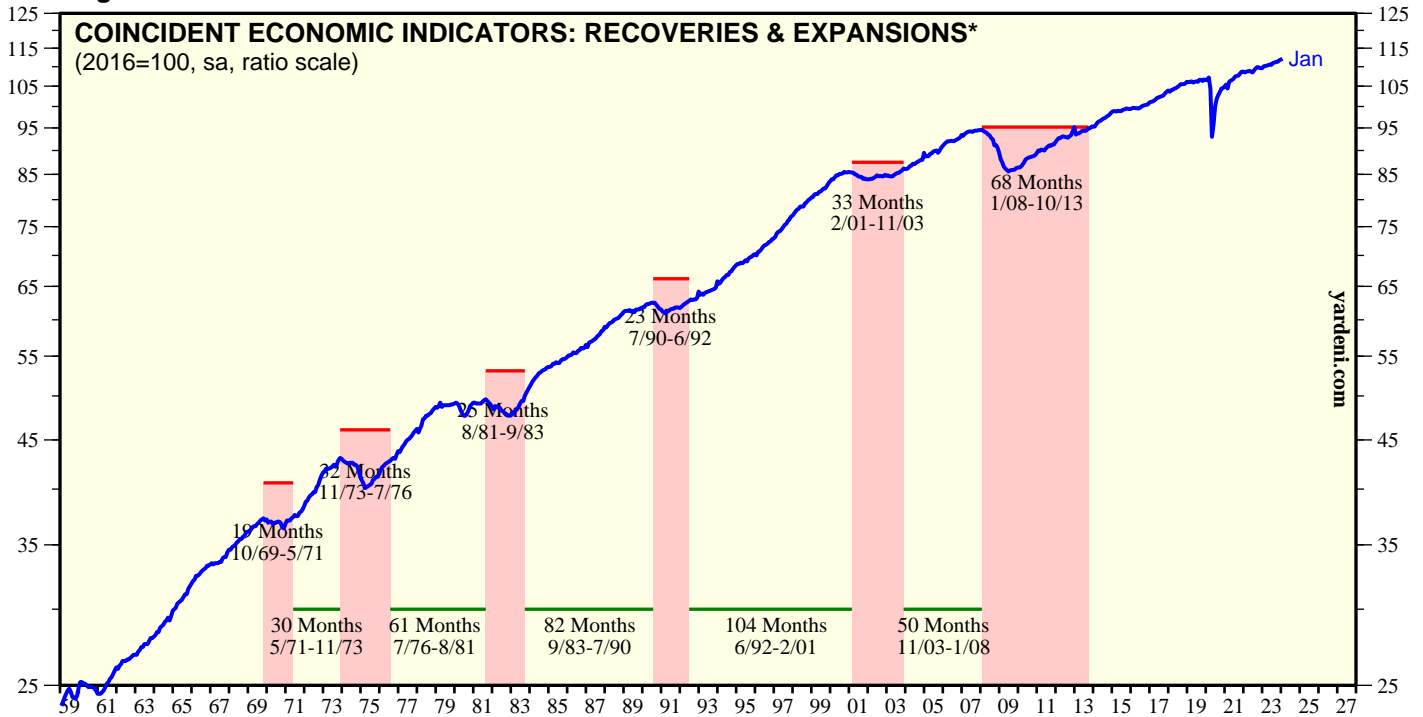
* Time-weighted average of consensus operating earnings estimates for current and next year. Monthly through March 1994, weekly thereafter.

** Nonresidential fixed investment in real GDP.

Source: Bureau of Economic Analysis and Thomson Reuters I/B/E/S.

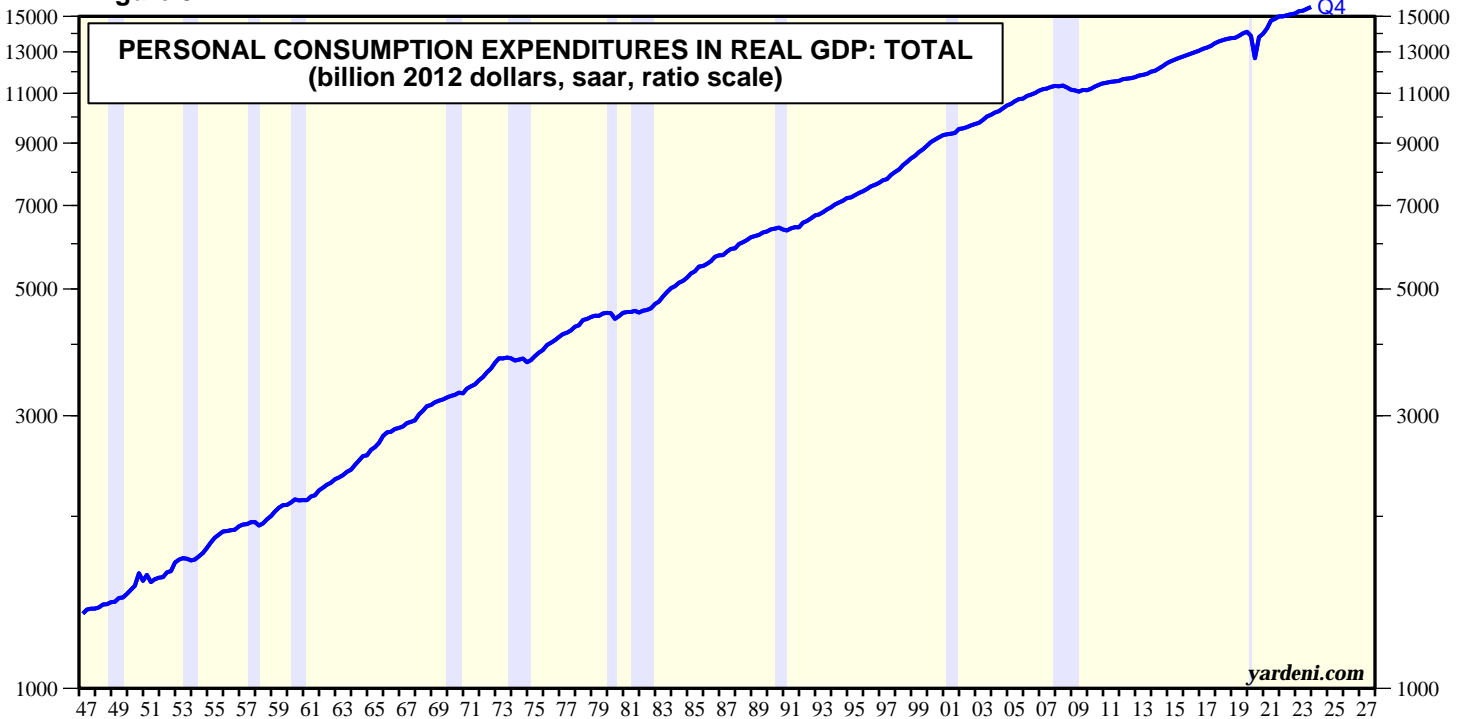
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Figure 30.



* Red horizontal lines span cyclical peaks through subsequent cyclical recoveries. Green horizontal lines are expansion periods following recoveries.
Source: Conference Board, Haver Analytics, and YRI calculations.

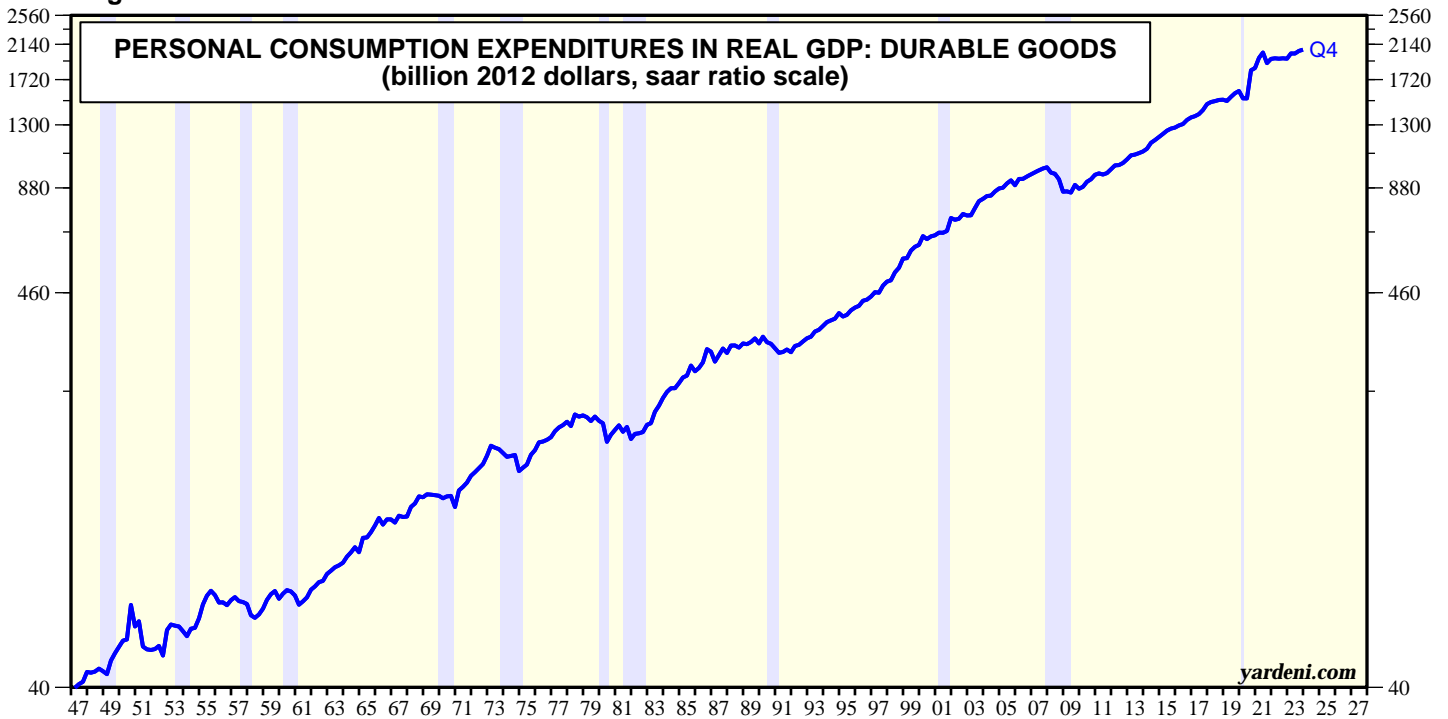
Figure 31.



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

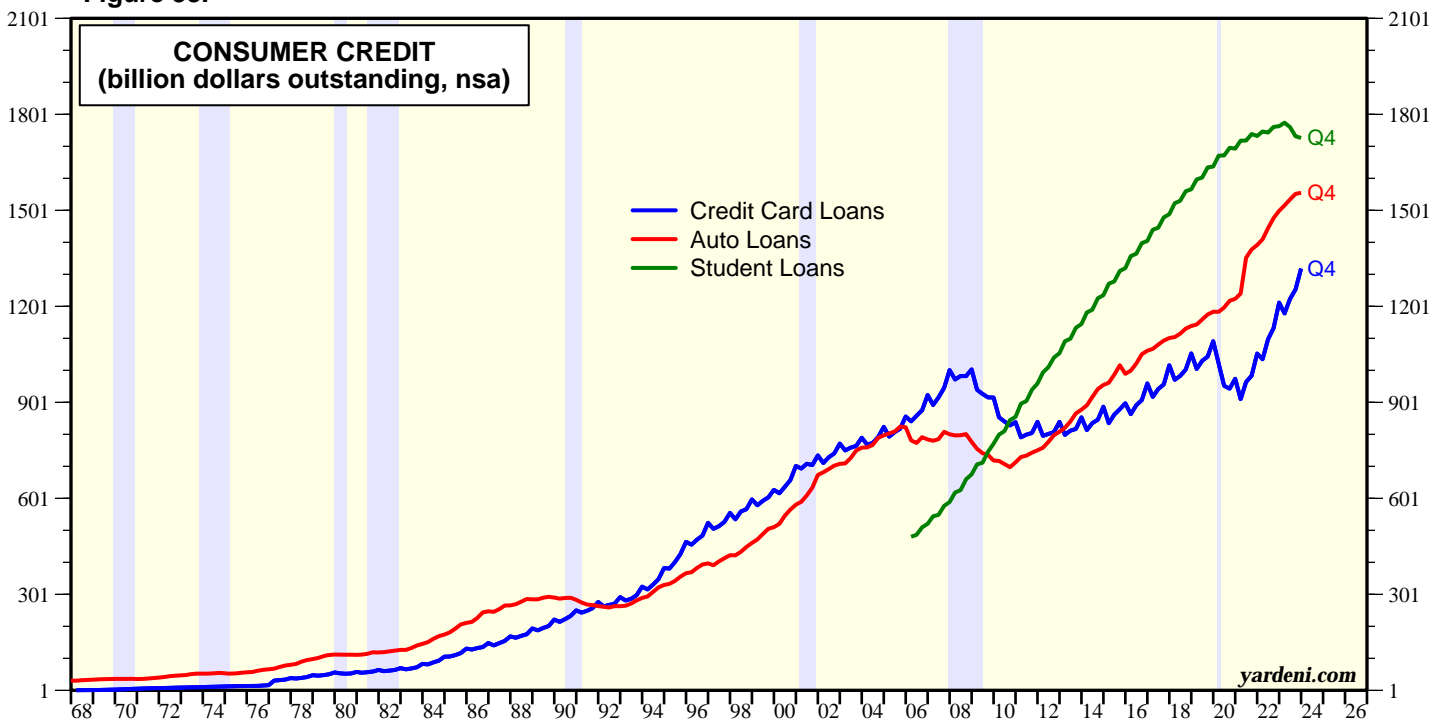
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Figure 32.



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

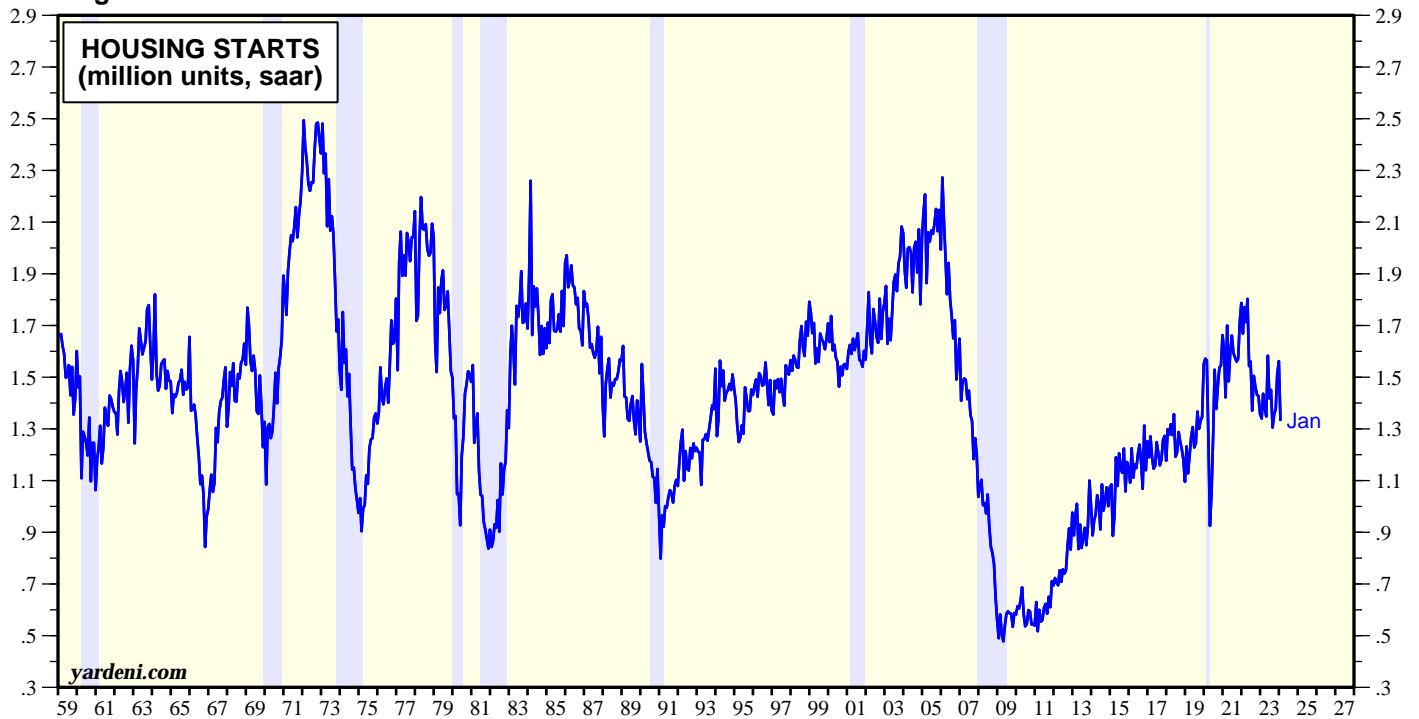
Figure 33.



Note: Shaded areas are recessions according to the National Bureau of Economic Research.
Source: Federal Reserve Board.

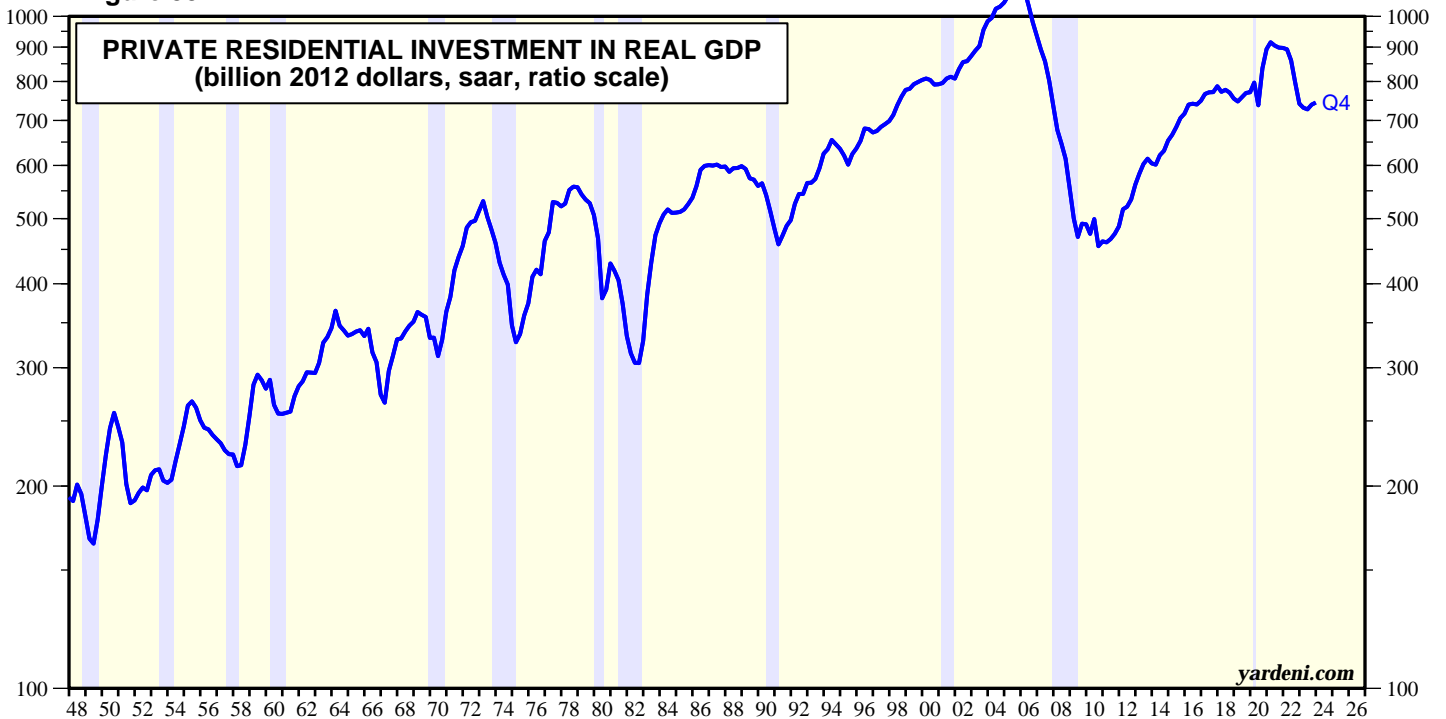
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Figure 34.



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

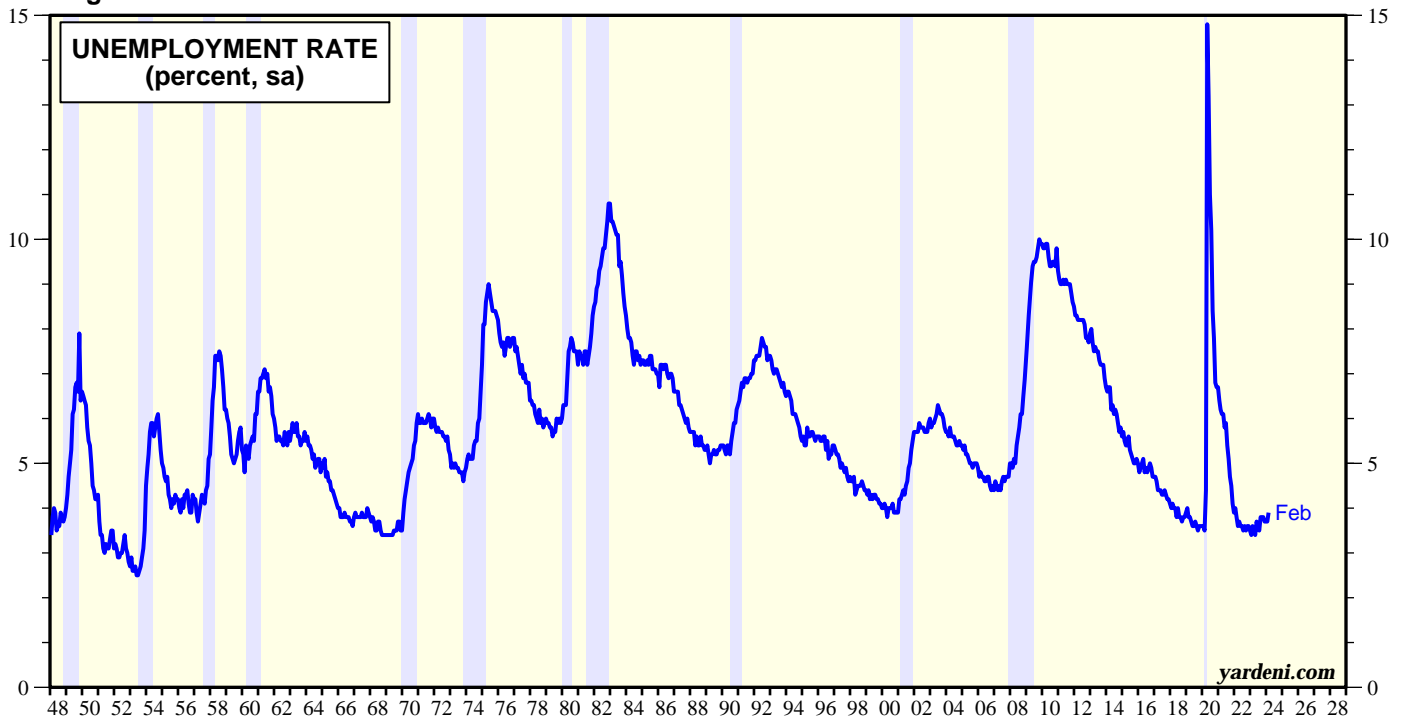
Figure 35.



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

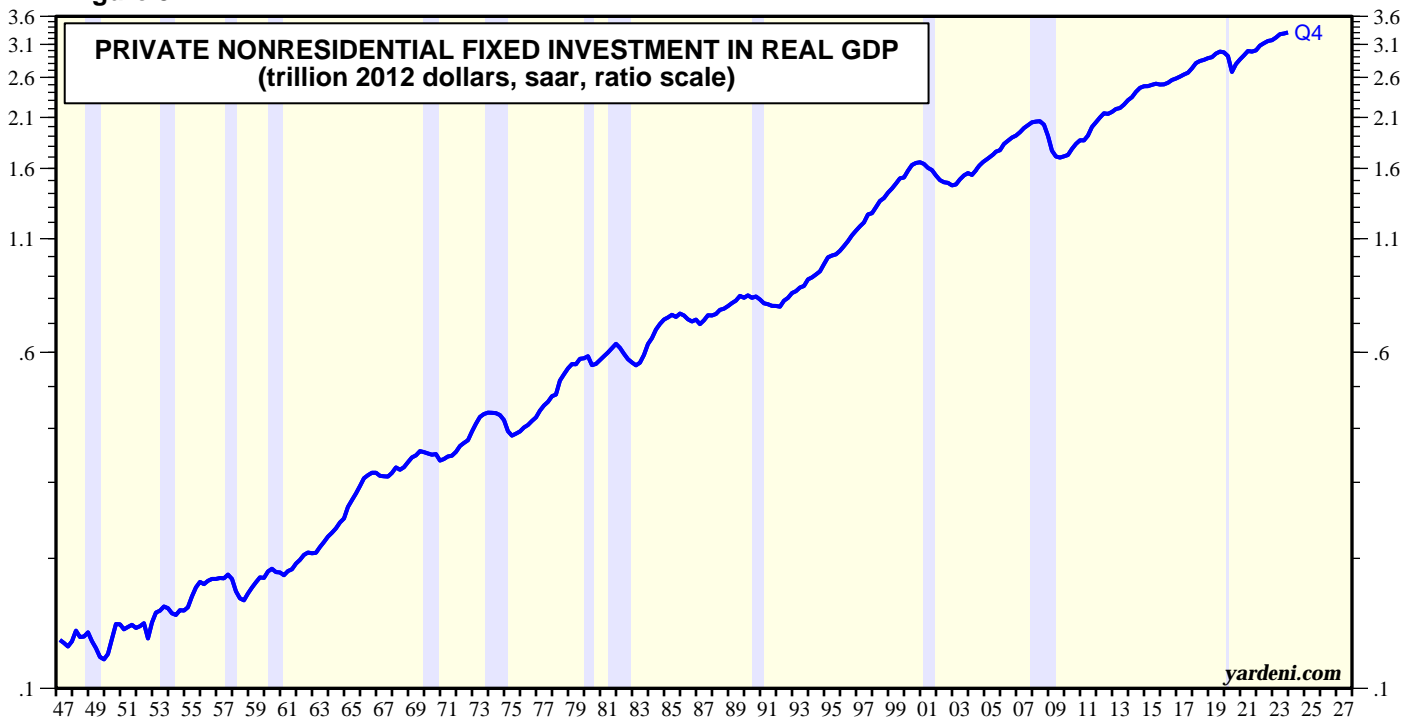
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Figure 36.



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

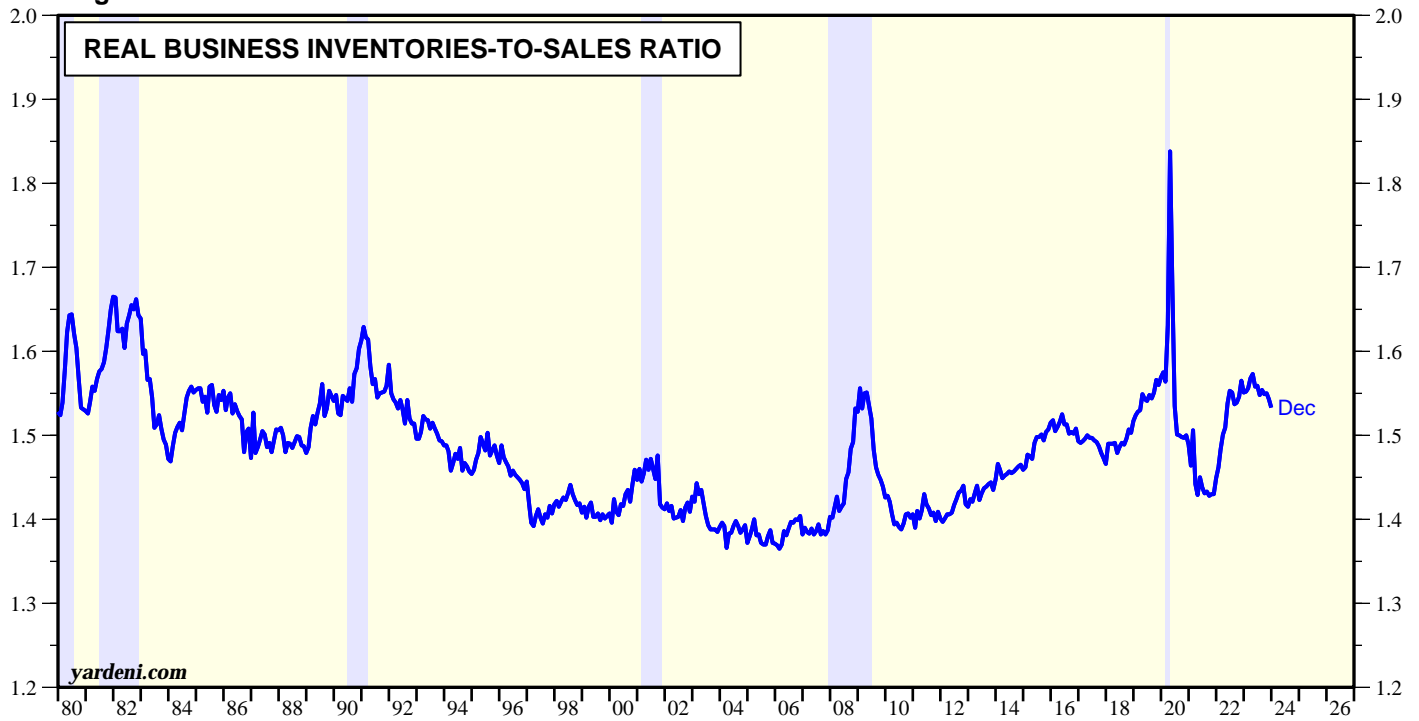
Figure 37.



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

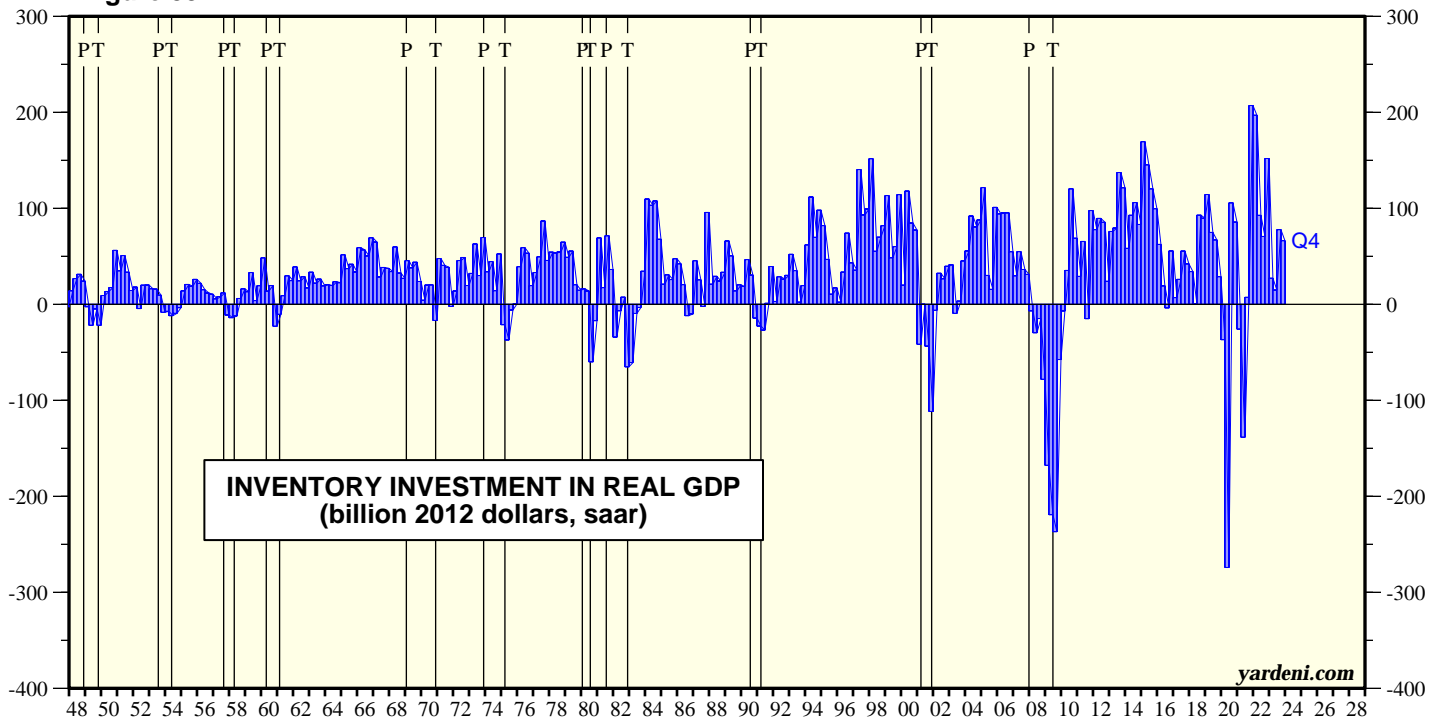
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Figure 38.



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

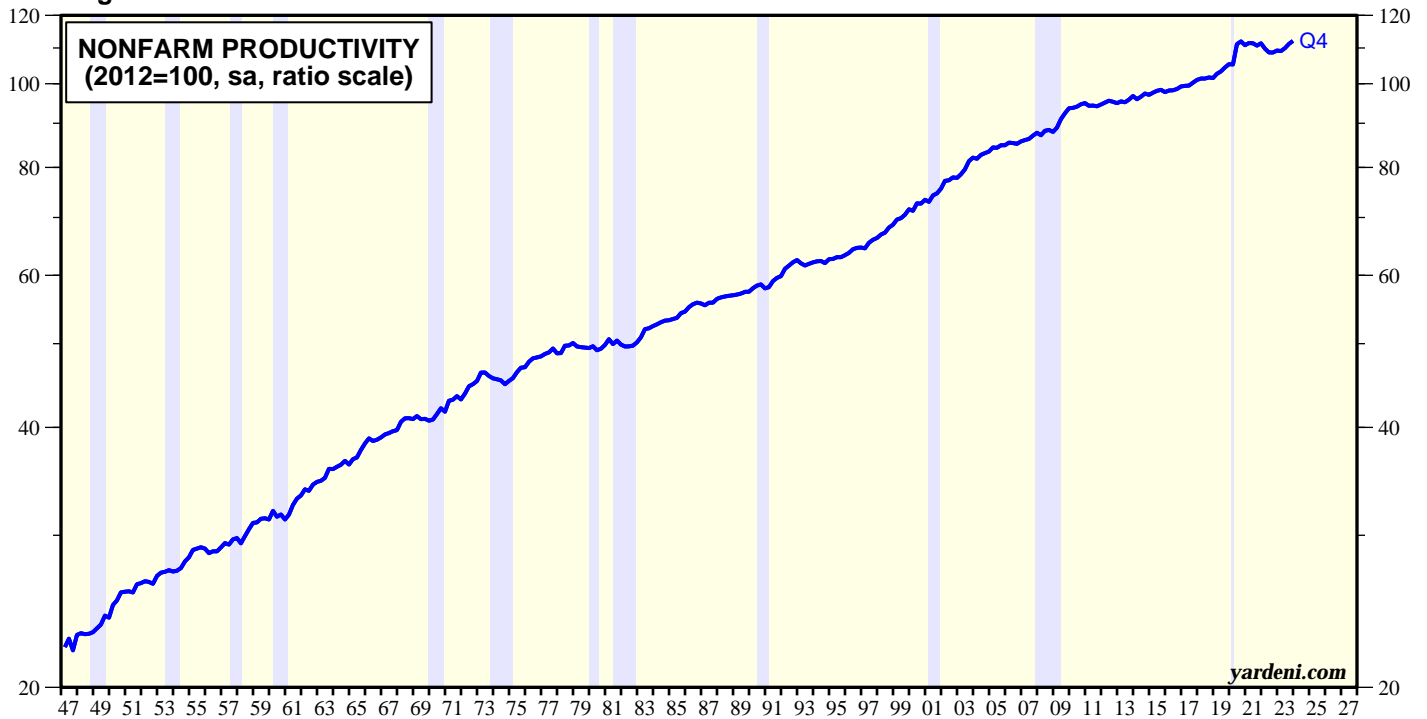
Figure 39.



Note: Business cycle peaks (P) and troughs (T) according to the National Bureau of Economic Research.
Source: Bureau of Economic Analysis.

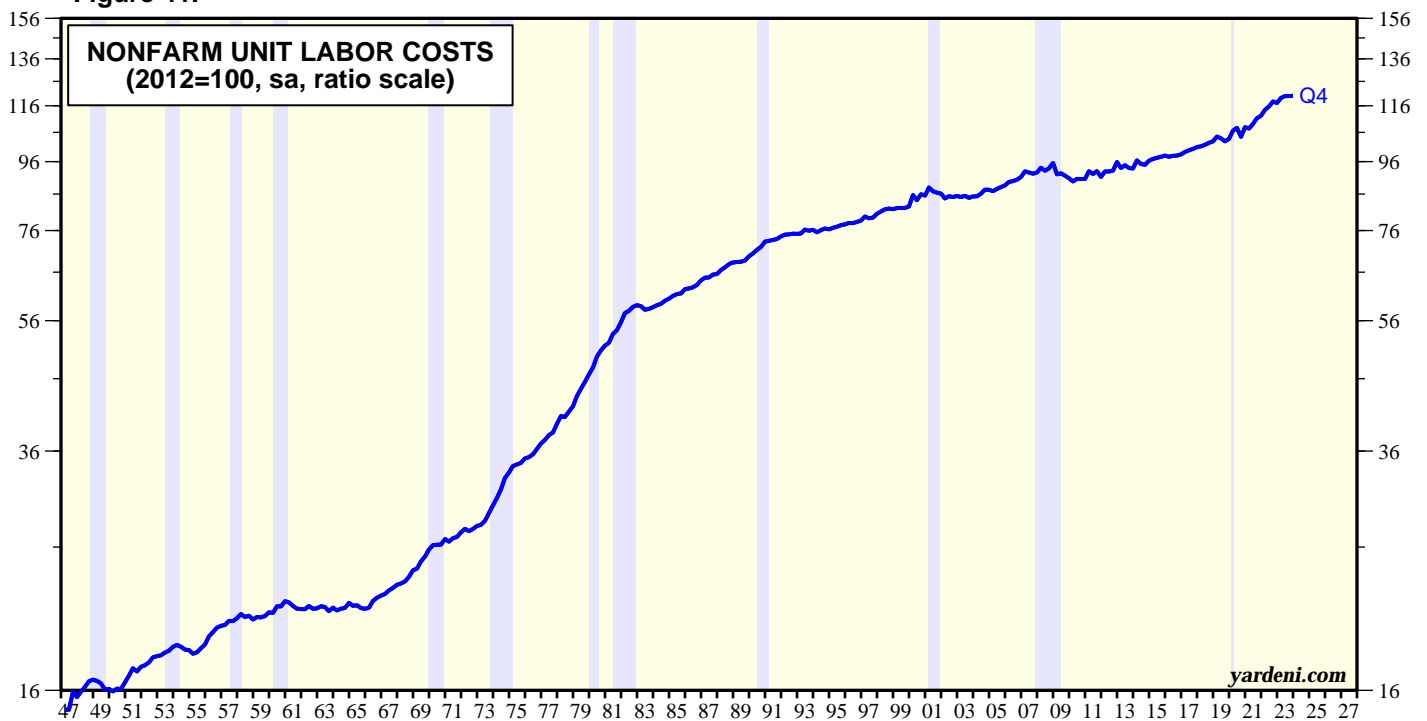
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Figure 40.



Note: Shaded areas are recessions according to the National Bureau of Economic Research.
Source: Federal Reserve Board.

Figure 41.



Note: Shaded areas are recessions according to the National Bureau of Economic Research.
Source: Federal Reserve Board.

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Figure 42.

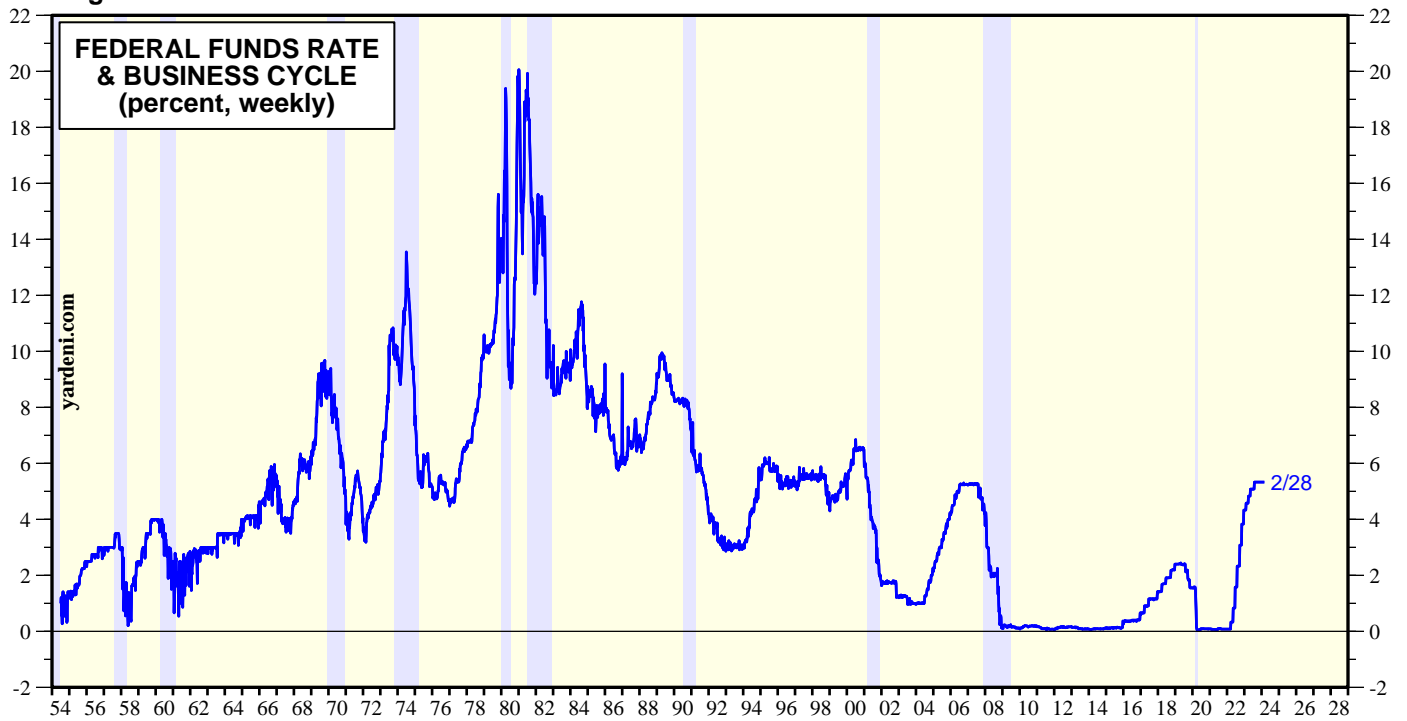
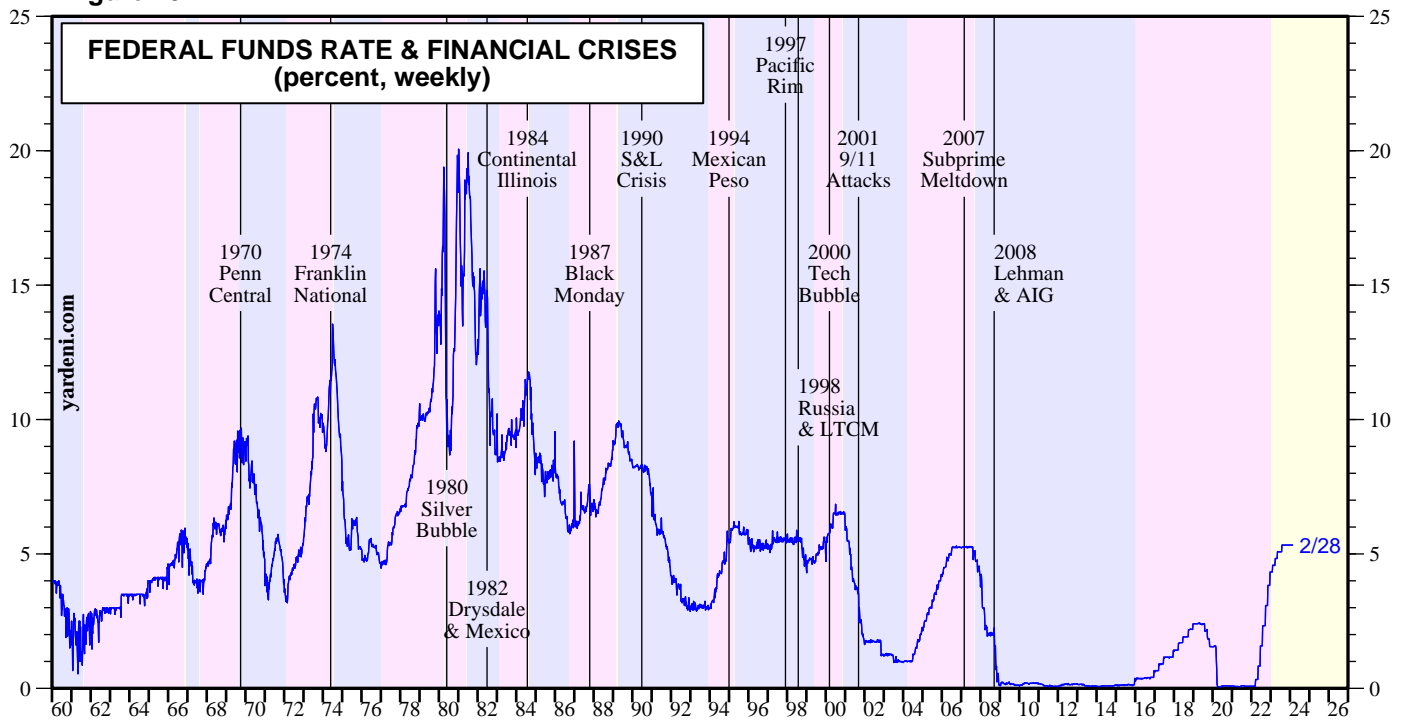
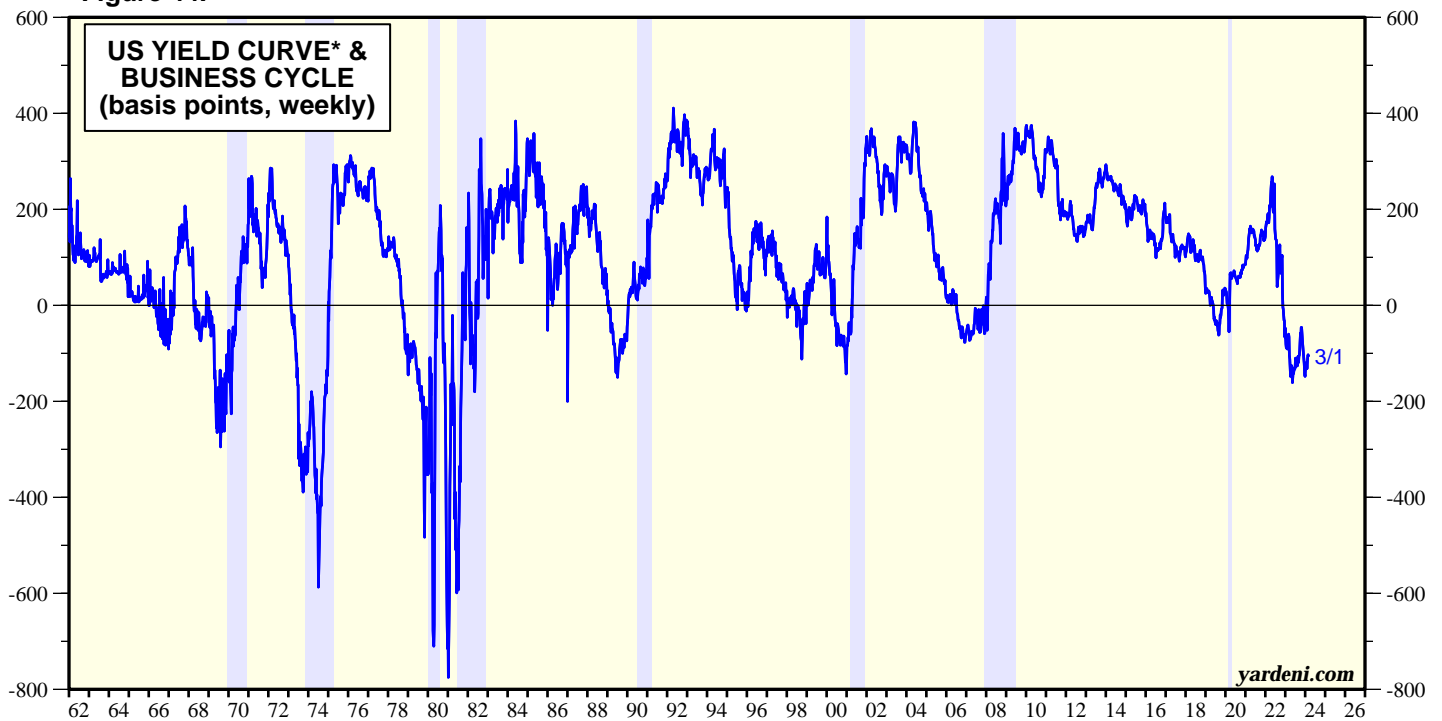


Figure 43.



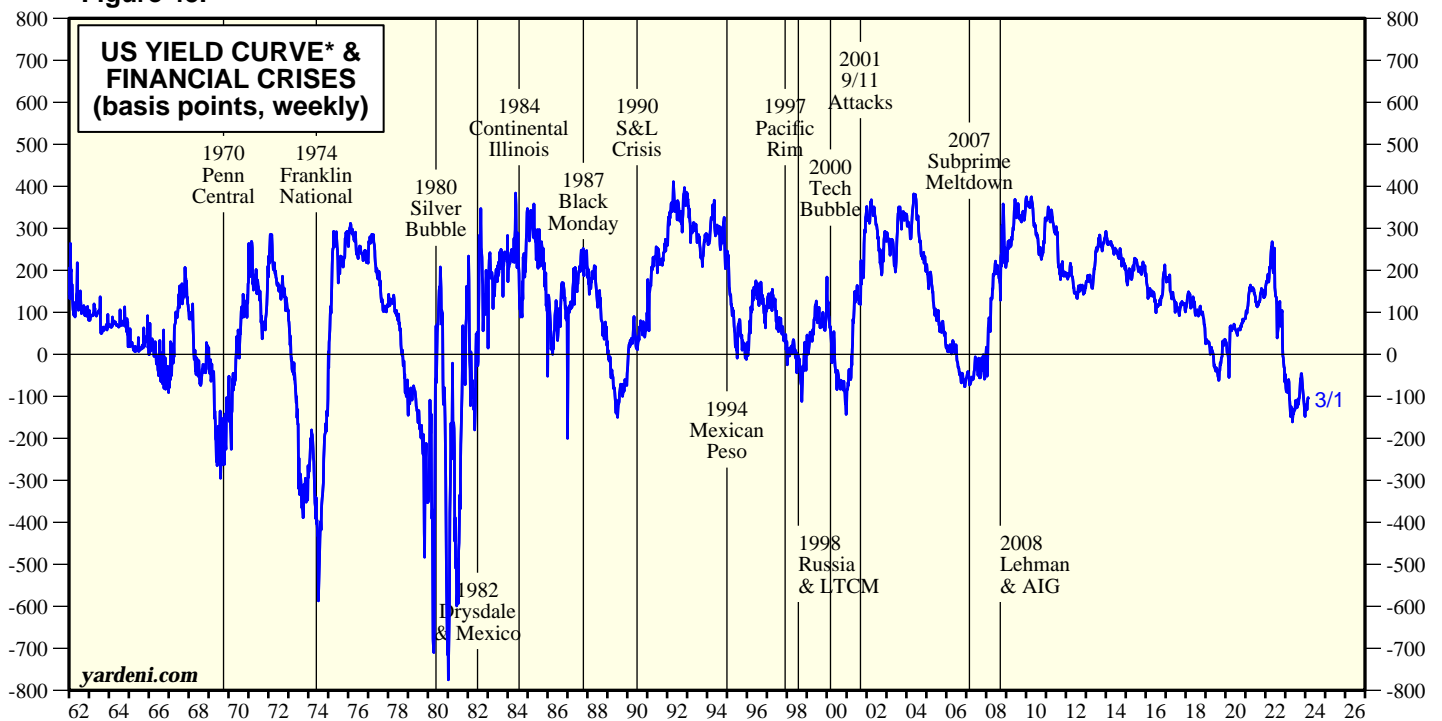
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Figure 44.



* 10-year US Treasury yield less federal funds rate.
 Note: Shaded areas are recessions according to the National Bureau of Economic Research.
 Source: Federal Reserve Board.

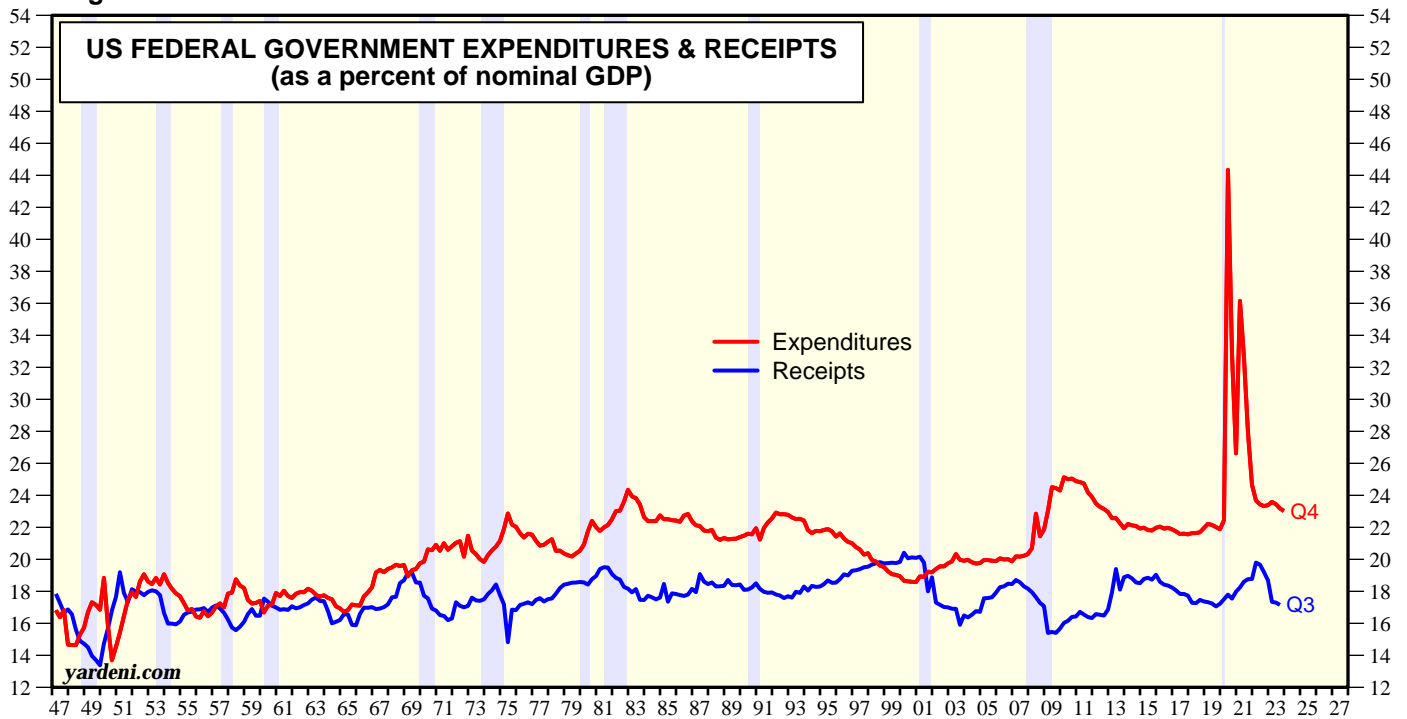
Figure 45.



* US Treasury 10-year bond yield less federal funds rate.
 Source: Federal Reserve Board.

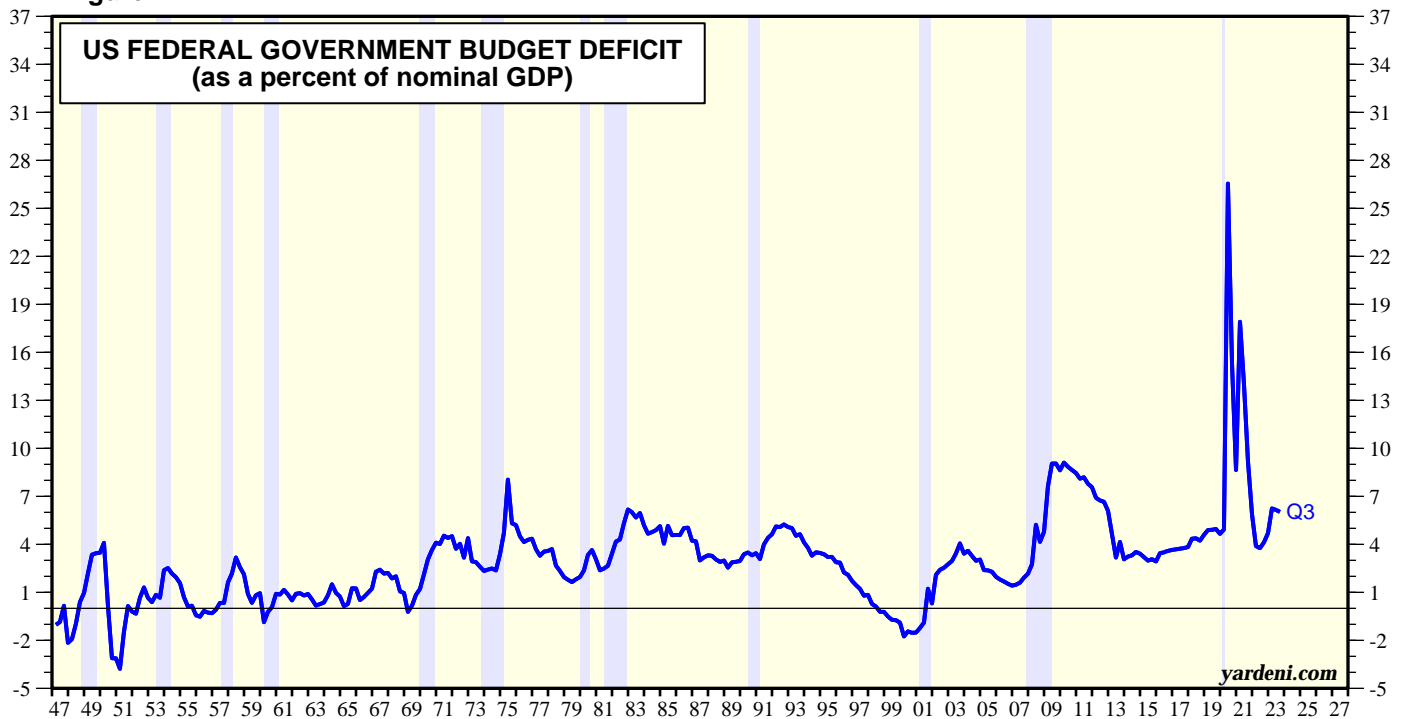
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Figure 46.



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

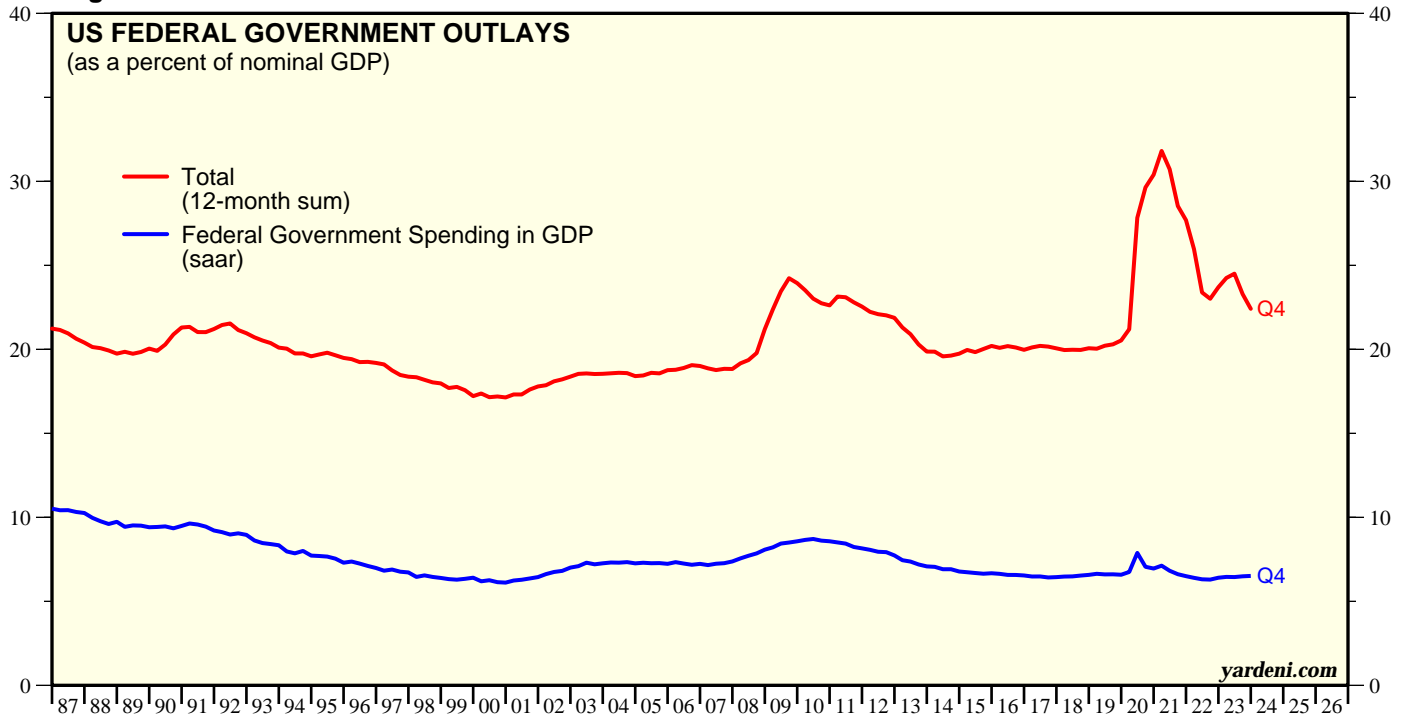
Figure 47.



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

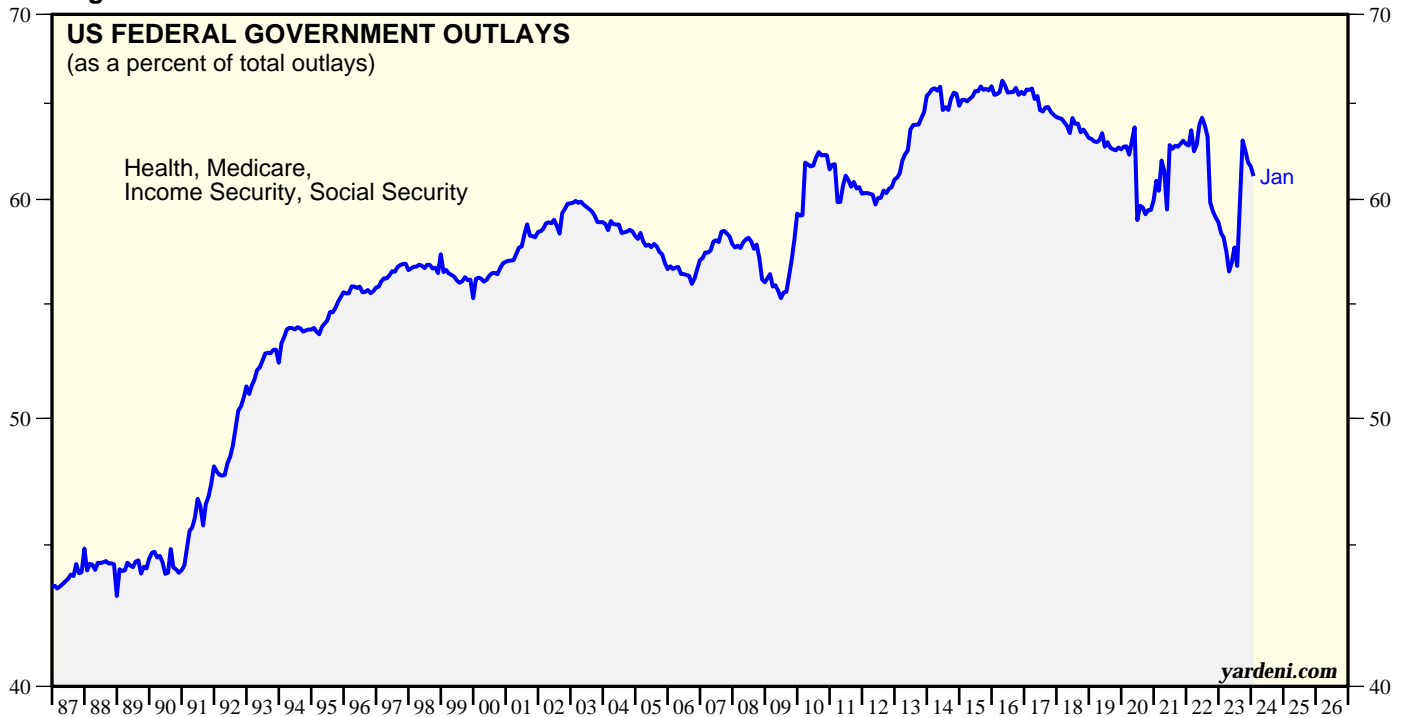
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Figure 48.



Source: US Treasury Department and Bureau of Economic Analysis.

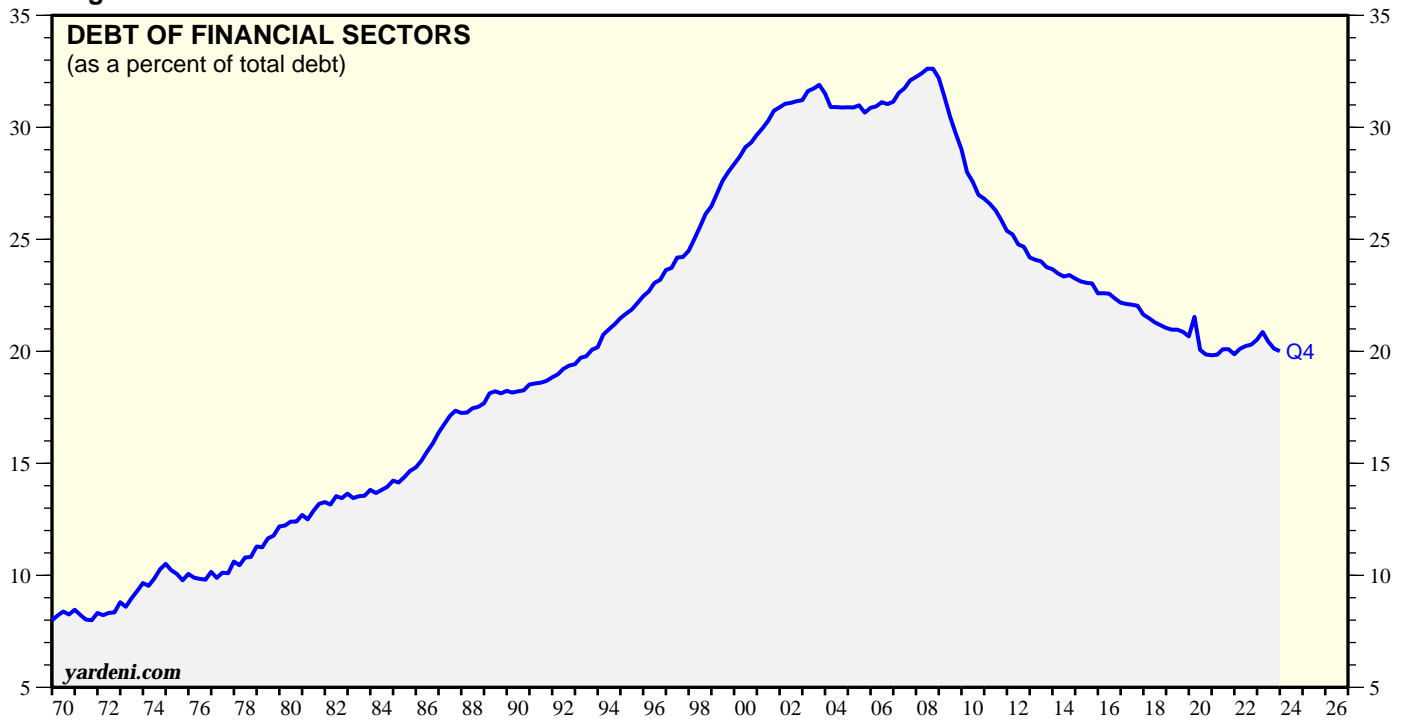
Figure 49.



Source: US Treasury Department.

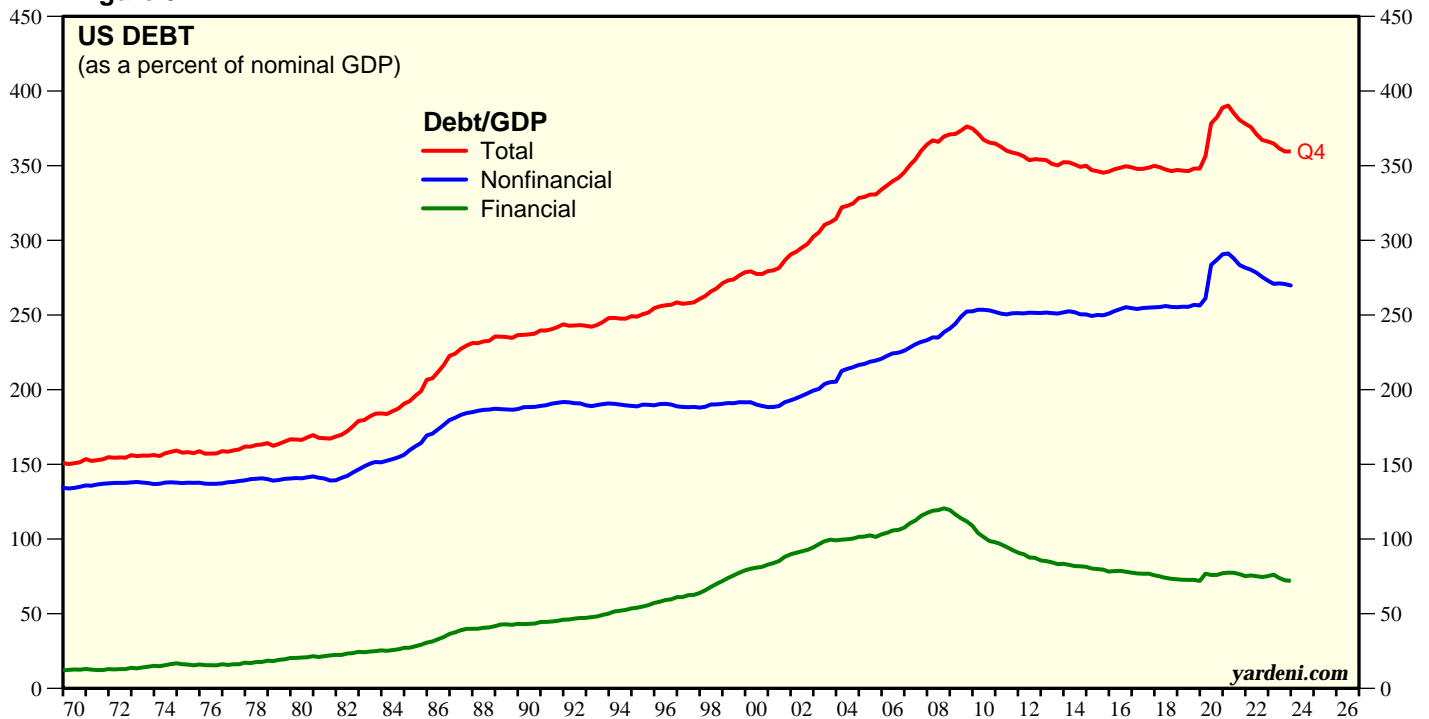
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Figure 50.



Source: Federal Reserve Board.

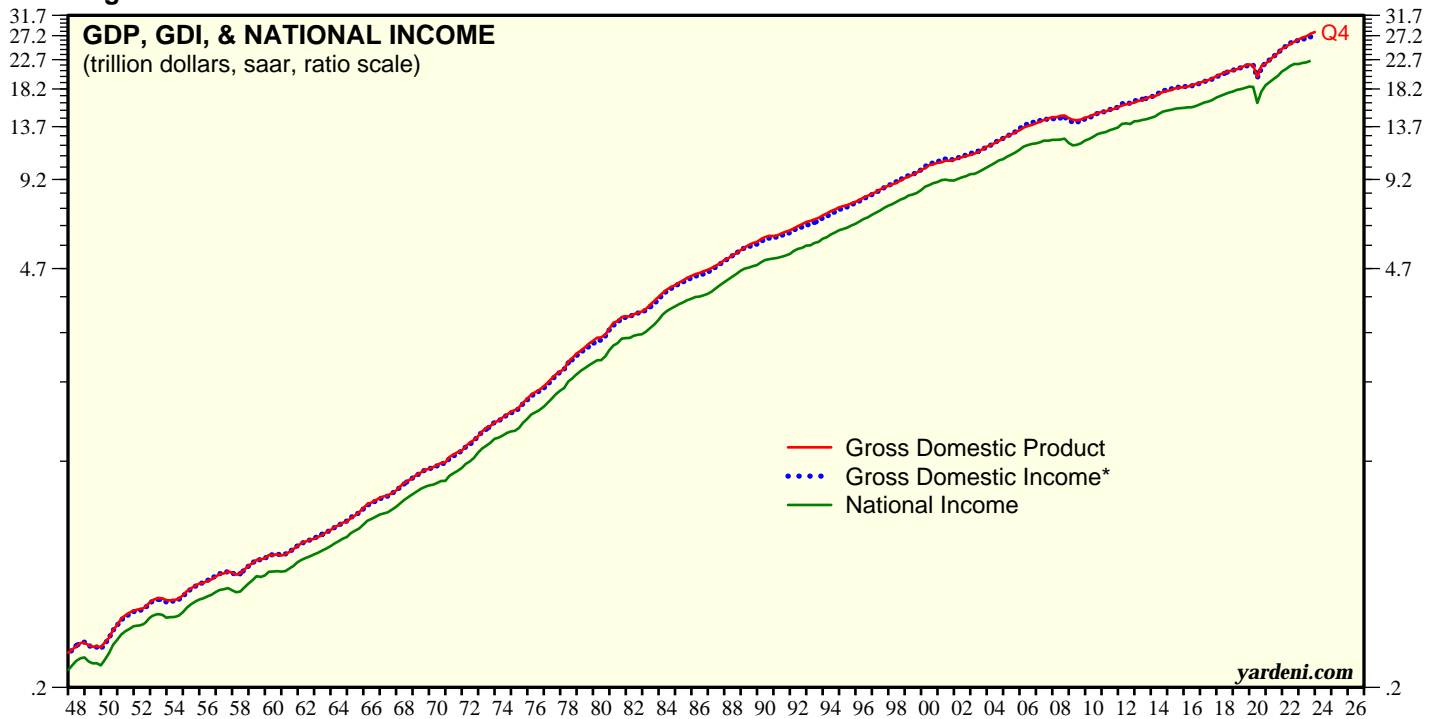
Figure 51.



Source: Federal Reserve Board Financial Accounts of the United States.

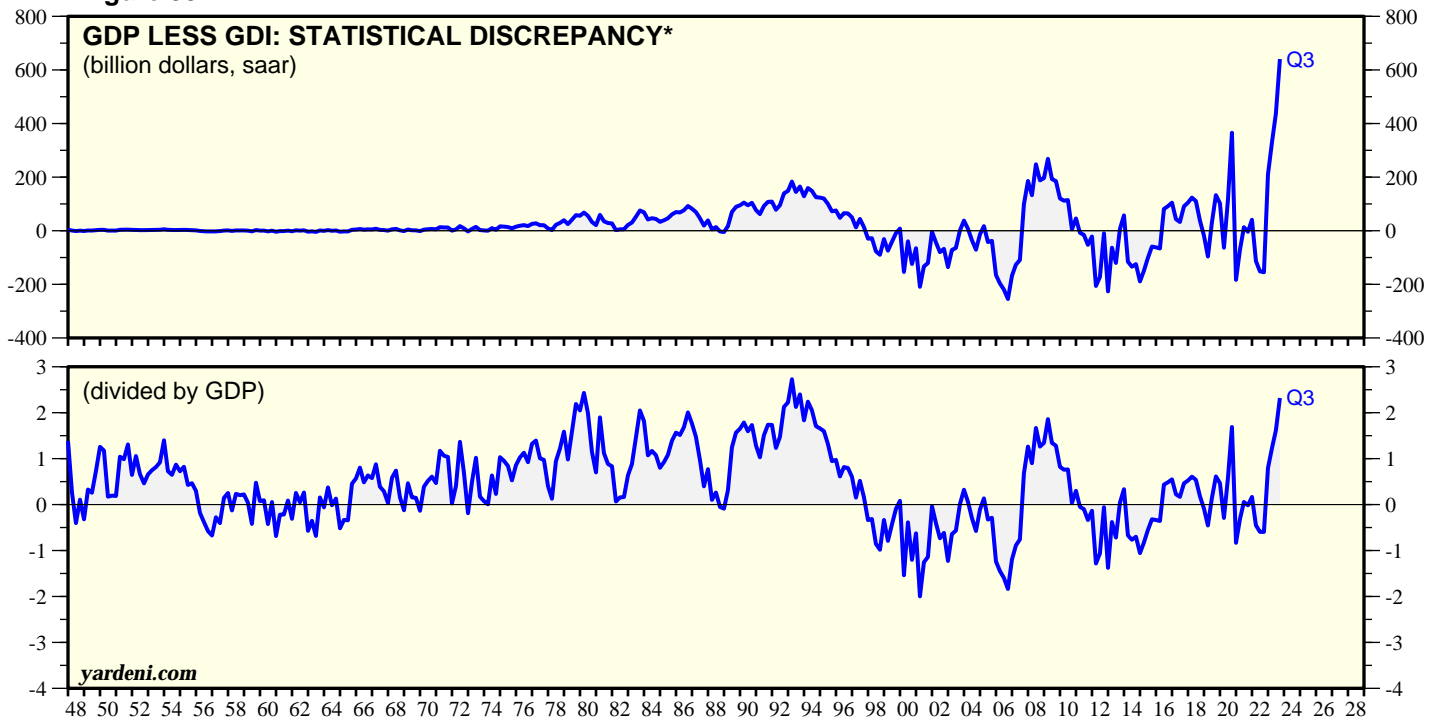
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Figure 52.



* GDI is Gross Domestic Income, which equals National Income plus Consumption of Fixed Capital
Source: Bureau of Economic Analysis.

Figure 53.



* GDI is Gross Domestic Income, which equals National Income plus Consumption of Fixed Capital.
Source: Bureau of Economic Analysis.

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