

Trendlines Beat Headlines

Trending Report

Data Ending: 2023.10.06

12 Worrisome Recession Indicators

Make Complexity Simple...
Make Possible Predictable



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2024 PROJECTIONS

What's Next for the U.S. Economy?

Despite slowing growth, Federal Reserve staff are no longer forecasting a recession due to the economy's resilience.

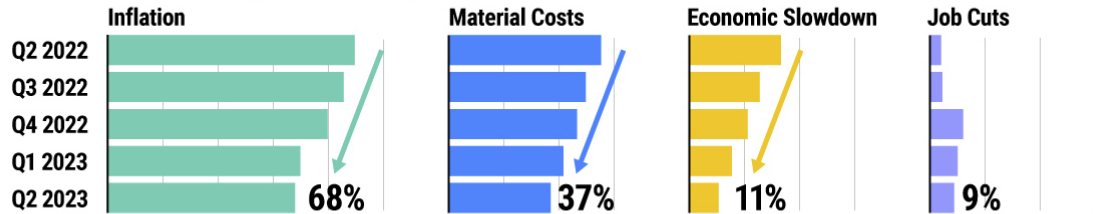


Source: Federal Reserve Bank of New York, Wolters Kluwer, The Conference Board, Goldman Sachs Investment Research, Bank of America. Data based on surveys and projections conducted August-September.

*Based on a New York Fed model estimating recession probabilities using 10-year minus 3-month Treasury yield spreads, based on data from 1959-2009.

**Conference Board Q3 CEO survey probability of a recession over the next 12-18 months.

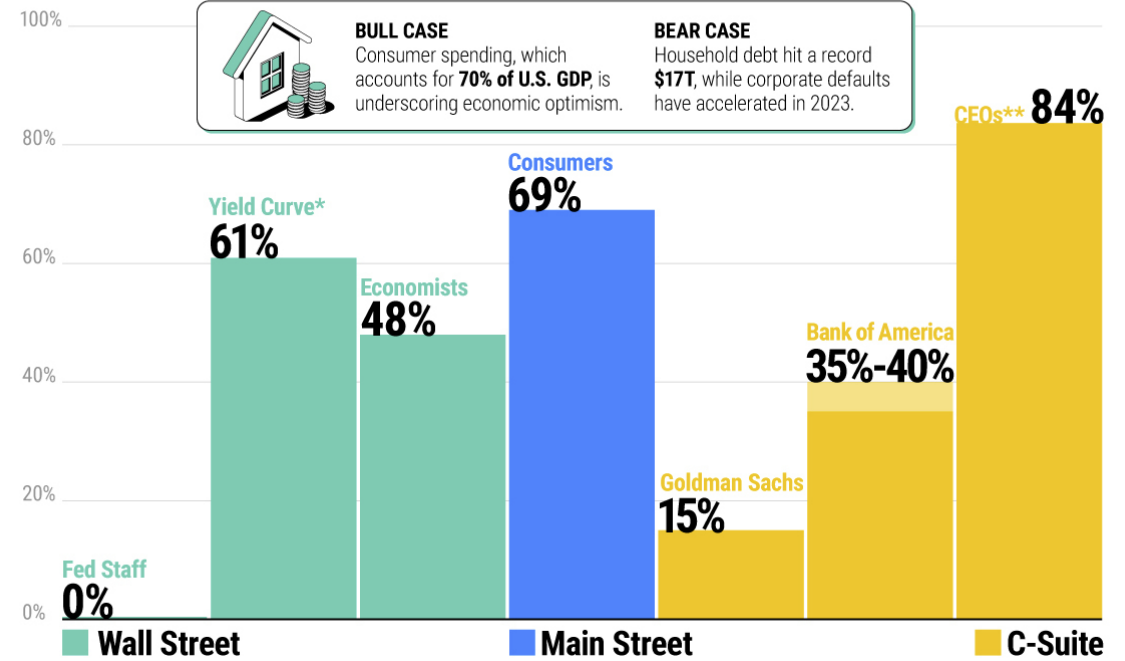
% of S&P 500 Companies Citing Key Words IN EARNINGS CALLS



Source: Bloomberg Finance L.P. via JP Morgan. Data as of August 24, 2023.

Who Thinks a Recession is Coming?

ESTIMATED U.S. RECESSION PROBABILITY IN THE NEXT 12 MONTHS



Economics | The Big Take

Why a US Recession Is Still Likely — and Coming Soon

The government is staying open for now. But Bloomberg Economics sees risks ahead, from strikes to higher rates and oil prices.



Fed Chair Jerome Powell speaks following a Federal Open Market Committee (FOMC) meeting in Washington on Sept. 20. *Photographer: Sarah Silbiger/Bloomberg*

By [Anna Wong](#) and [Tom Orlik](#)

October 1, 2023 at 5:00 PM EDT

Updated on October 2, 2023 at 9:12 AM EDT

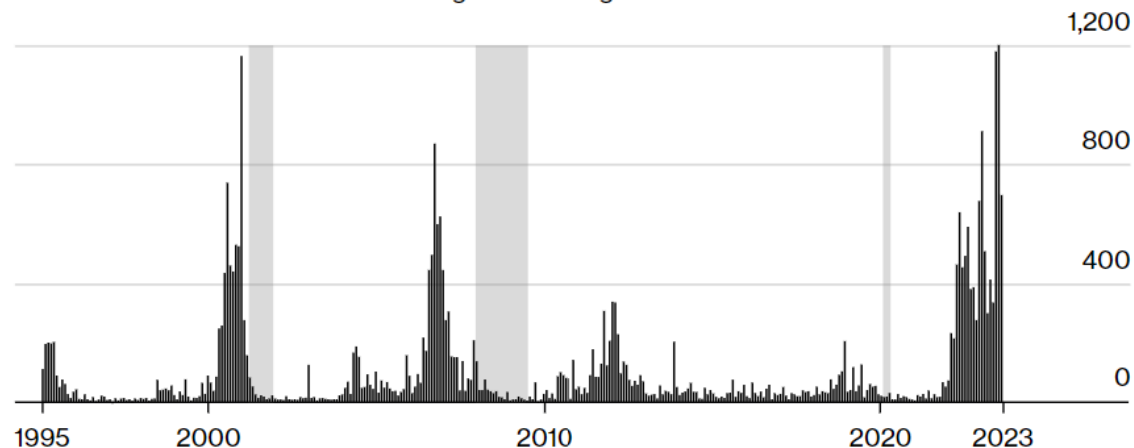
Soft Landing Calls Always Precede Recessions...

“The most likely outcome is that the economy will move forward toward a soft landing.” So said then-San Francisco Fed President Janet Yellen in October 2007, just two months before the Great Recession began. Yellen wasn’t alone in her optimism. With alarming regularity, soft landing calls peak before hard landings hit.

Soft Landing Hopes and Hard Landing Realities

Optimism tends to peak before a downturn hits

■ Number of news articles mentioning ‘soft landing’ ■ US recessions



Source: Data compiled from news sources tracked by Bloomberg

Why do economists find it so difficult to anticipate recessions? One reason is simply the way forecasting works. It typically assumes that what happens next in the economy will be some kind of extension of what’s already happened – a linear process, in the jargon. But recessions are non-linear events. The human mind isn’t good at thinking about them.

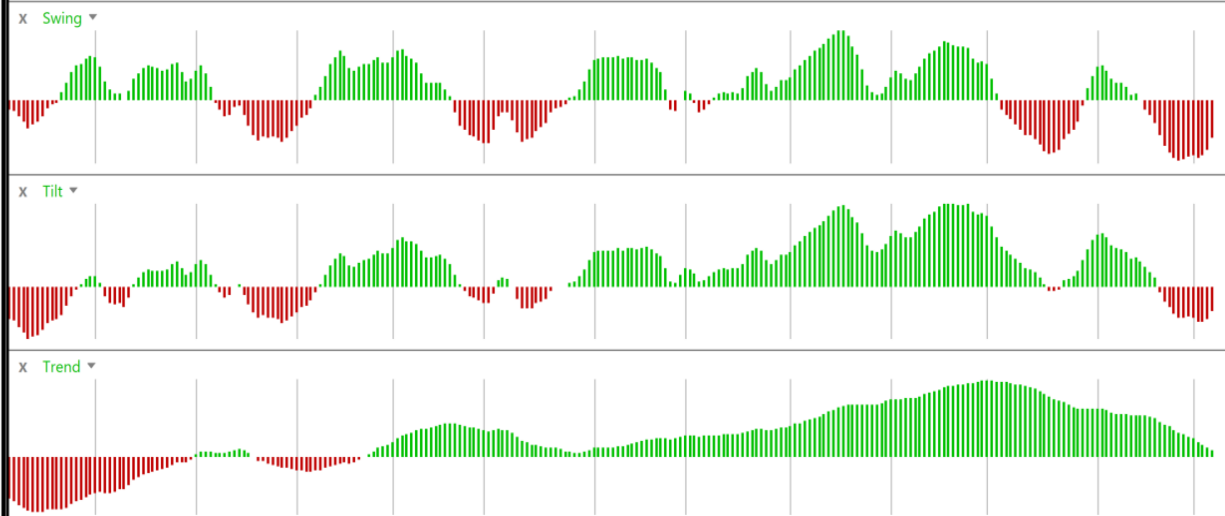
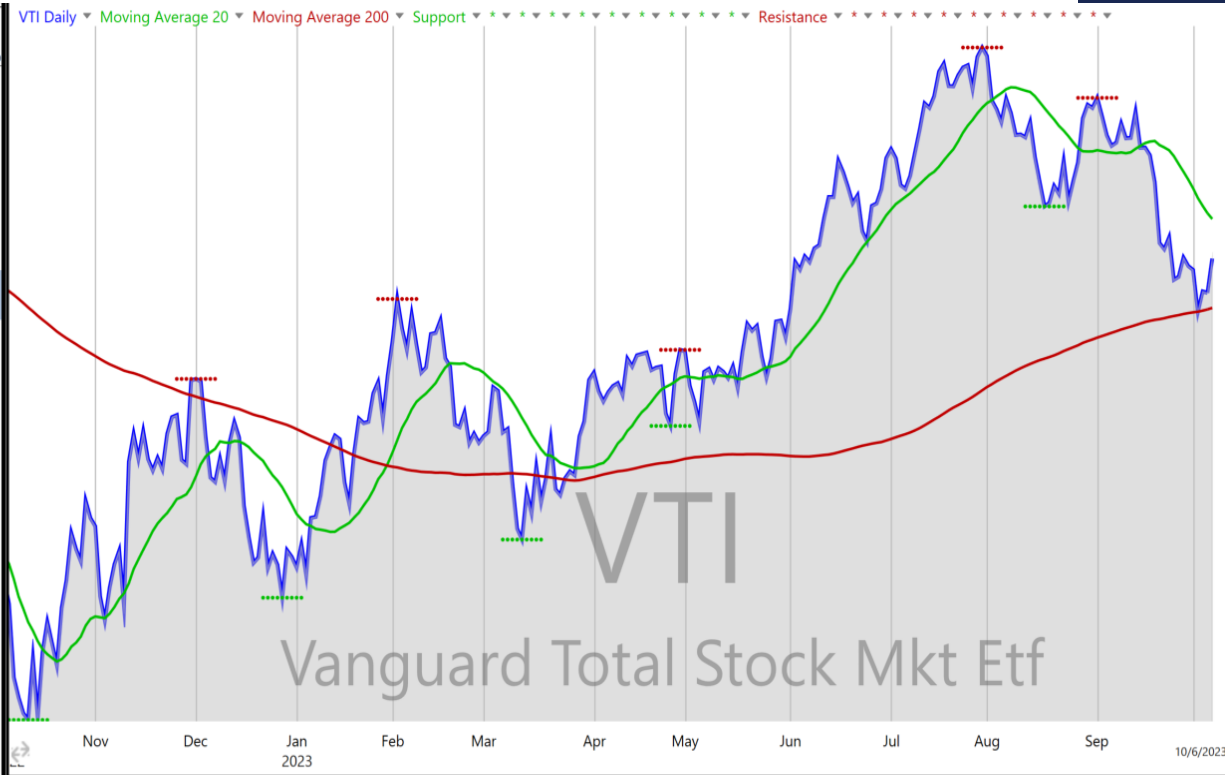
US Capitalization 1-Year Trend

Green = Tilting Bullish

Red = Tilting Bearish



ETF	ETF Name & Market Segment	Swing	Tilt	Trend	Unity	Swing	Tilt	Trend
QQQ	Invesco QQQTrust Ser 1	-1.2	3.0	4.3		●	●	●
IVW	iShares S&P 500 Growth ETF	-3.8	-0.4	3.4		●	●	●
OEF	iShares S&P 100 Index Fund ETF	-5.5	-2.3	3.2		●	●	●
IVV	iShares S&P 500 Index Fund ETF	-7.1	-5.7	1.4		●	●	●
VTI	Vanguard Total Stock Mkt Etf	-6.8	-5.9	0.9		●	●	●
DIA	SPDR Dow Jones Industrial Average ETF	-10.1	-10.7	-0.7	✓	●	●	●
IVE	iShares S&P 500/Barra Value Index Fund ETF	-9.8	-10.9	-1.2	✓	●	●	●
IJK	iShares S&P MidCap 400 Growth ETF	-7.1	-8.6	-1.5	✓	●	●	●
IJT	iShares S&P SmallCap 600 Growth ETF	-6.8	-9.6	-2.8	✓	●	●	●
IJH	iShares S&P MidCap 400 Index Fund ETF	-7.8	-10.7	-2.9	✓	●	●	●
IJJ	iShares S&P MidCap 400 Value ETF	-8.7	-13.0	-4.3	✓	●	●	●
IWM	iShares Russell 2000 Index Fund ETF	-8.7	-13.1	-4.4	✓	●	●	●
IJR	iShares S&P SmallCap 600 Index Fund ETF	-8.1	-12.6	-4.5	✓	●	●	●
IJS	iShares S&P SmallCap 600 Value ETF	-9.2	-15.2	-6.0	✓	●	●	●

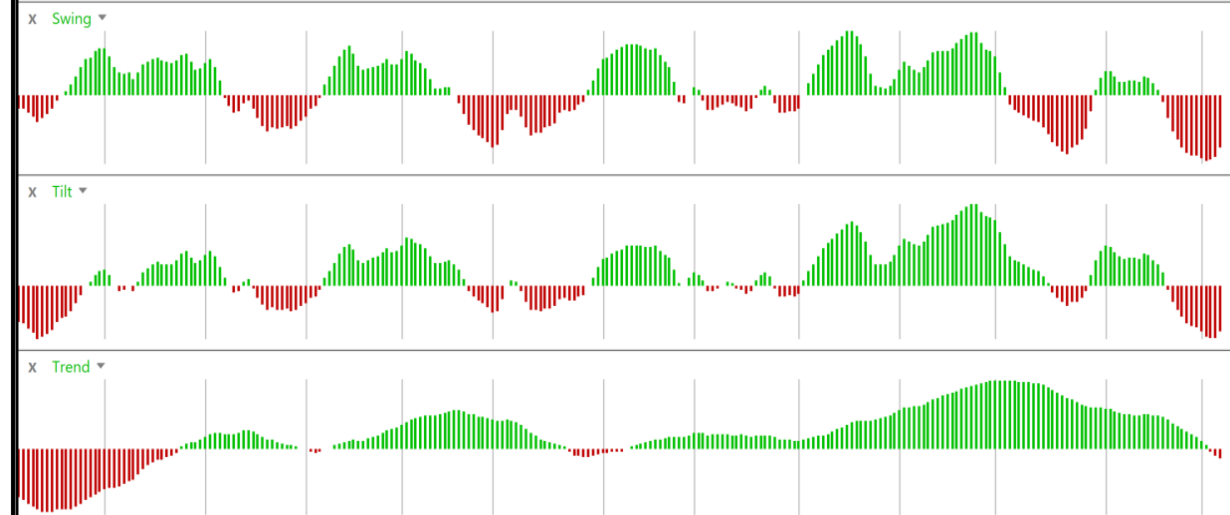
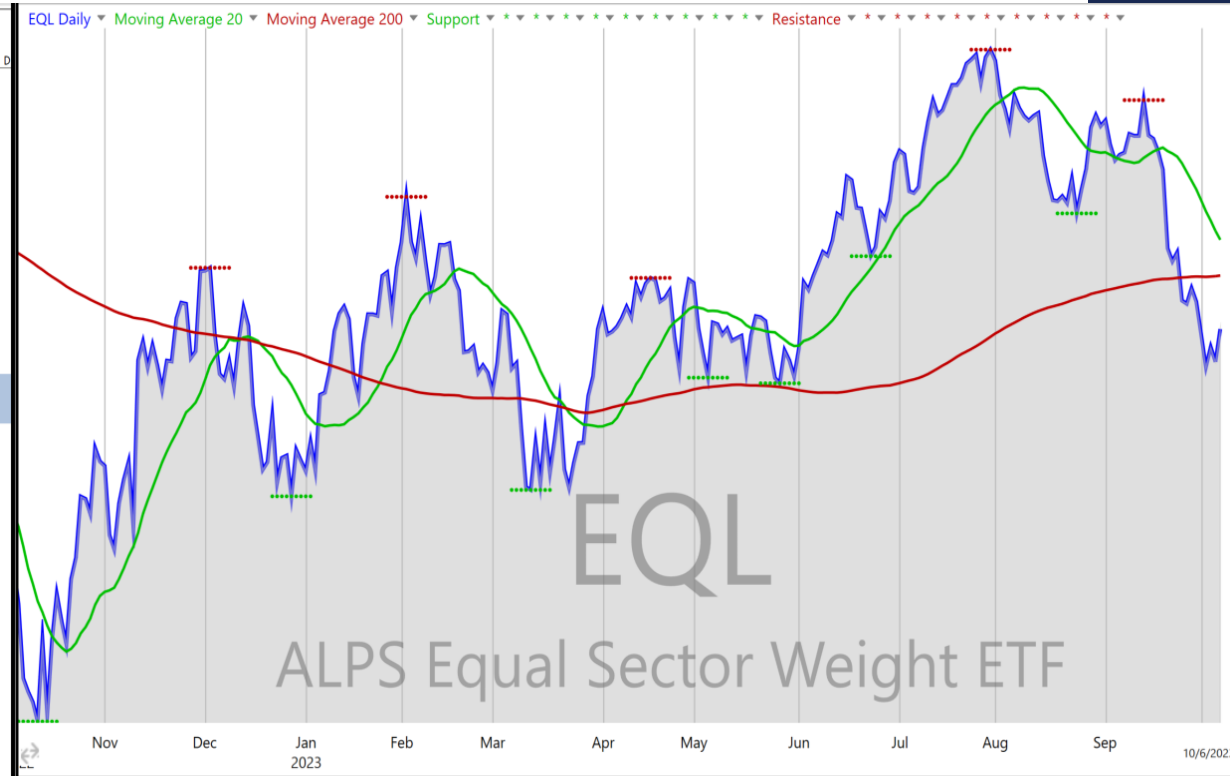


US Sector 1-Year Trend

Green = Tilting Bullish

Red = Tilting Bearish

ETF	ETF Name & Market Segment	Swing	Tilt	Trend	Unity	Swing	Tilt	Trend
VDE	Vanguard Energy Etf	-8.5	-2.0	6.5		●	●	●
VOX	Vanguard Telecomm Srvs Etf	-1.5	2.2	3.7		●	●	●
VGT	Vanguard Information Tech Etf	-0.8	0.7	1.5		●	●	●
VCR	Vanguard Consumer Disc Etf	-6.9	-5.7	1.2		●	●	●
VFH	Vanguard Financials Etf	-10.0	-10.0	0.0		●	●	●
VIS	Vanguard Industrials Etf	-7.7	-8.4	-0.7	✓	●	●	●
EQL	ALPS Equal Sector Weight ETF	-10.2	-11.2	-1.0	✓	●	●	●
VAW	Vanguard Materials Etf	-7.4	-10.0	-2.7	✓	●	●	●
VHT	Vanguard Health Care Etf	-7.9	-11.4	-3.5	✓	●	●	●
GLD	SPDR Gold Trust	-14.3	-20.2	-5.9	✓	●	●	●
SLV	iShares Silver Trust ETF	-12.5	-19.0	-6.5	✓	●	●	●
VDC	Vanguard Consumer Staples Etf	-14.6	-22.8	-8.2	✓	●	●	●
VNQ	Vanguard Reit Etf	-11.6	-20.1	-8.5	✓	●	●	●
VPU	Vanguard Utilities Etf	-14.0	-25.3	-11.3	✓	●	●	●



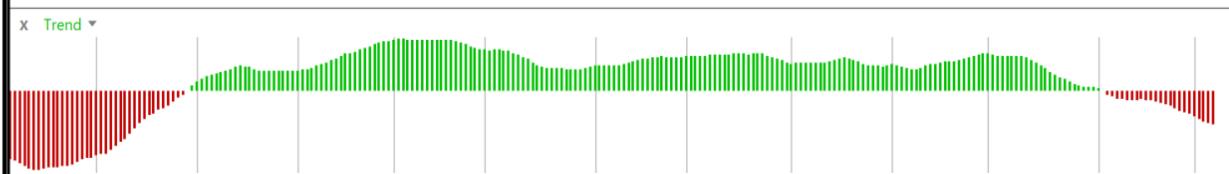
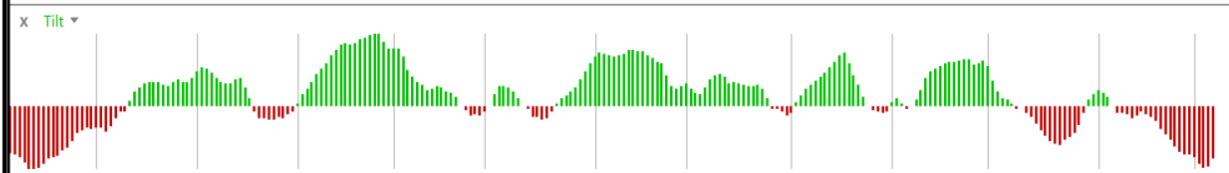
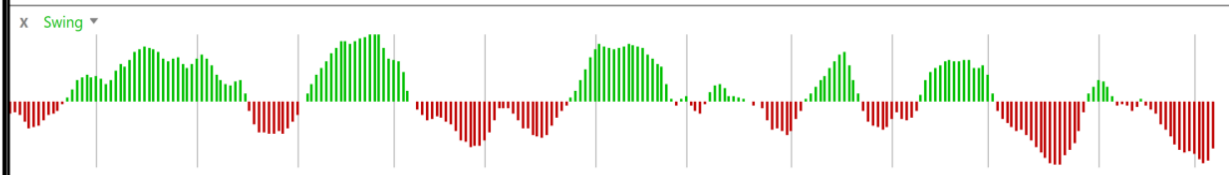
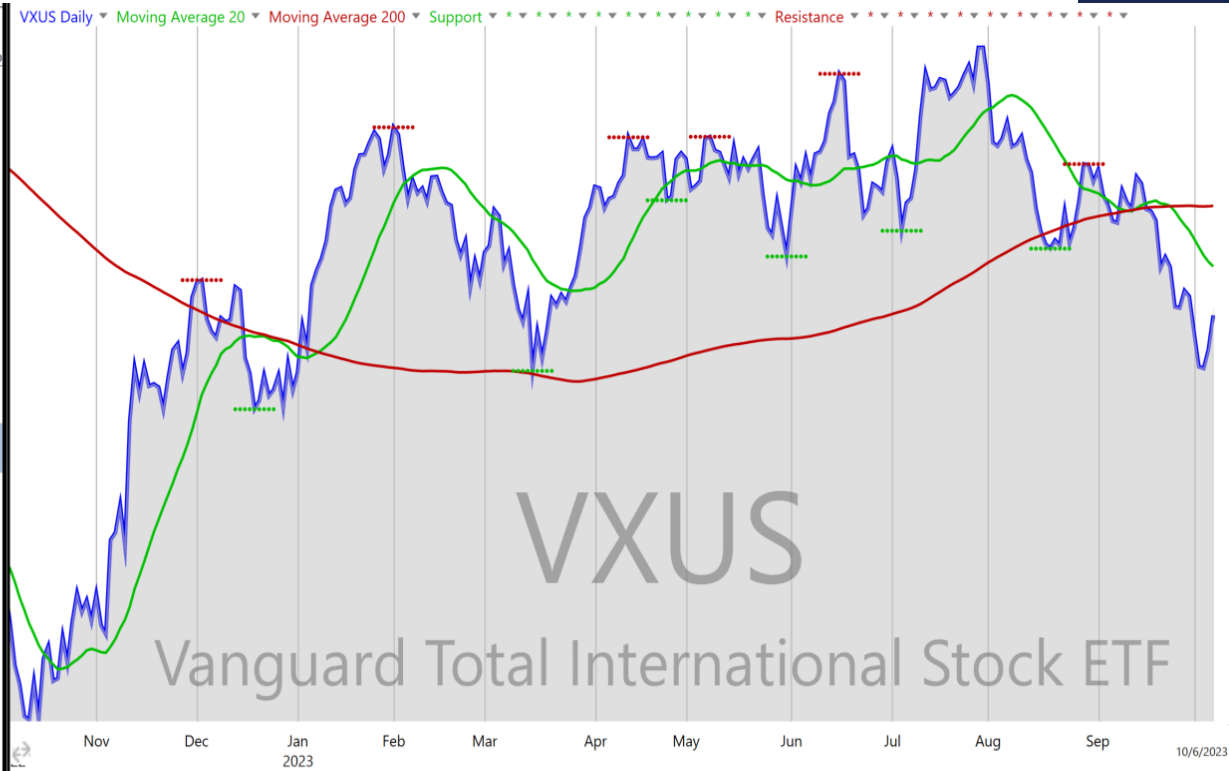
International Equity 1-Year Trend

Green = Tilting Bullish

Red = Tilting Bearish



ETF	ETF Name & Market Segment	Swing	Tilt	Trend	Unity	Swing	Tilt	Trend
IVV	iShares S&P 500 Index Fund ETF	-7.1	-5.7	1.4	●	●	●	●
EFV	iShares MSCI EAFE Value Index Fund ETF	-8.4	-8.9	-0.5	✓	●	●	●
VYMI	Vanguard International High Dividend Yield ETF	-9.2	-11.9	-2.7	✓	●	●	●
VPL	Vanguard Pacific Etf	-8.9	-12.4	-3.4	✓	●	●	●
ILF	iShares S&P Latin America 40 Index Fund ETF	-10.1	-13.7	-3.5	✓	●	●	●
VWO	Vanguard Emerging Markets ETF	-7.7	-12.0	-4.3	✓	●	●	●
VSS	Vanguard FTSE All-World ex-US Small-Cap ETF	-9.6	-14.7	-5.1	✓	●	●	●
VXUS	Vanguard Total International Stock ETF	-9.0	-14.2	-5.2	✓	●	●	●
VIGI	Vanguard International Dividend Appreciation ETF	-7.9	-13.2	-5.3	✓	●	●	●
EFA	iShares MSCI EAFE Index Fund ETF	-8.4	-13.7	-5.3	✓	●	●	●
MCHI	iShares MSCI China Index Fund	-5.4	-12.2	-6.8	✓	●	●	●
VGK	Vanguard European Etf	-7.6	-14.6	-7.0	✓	●	●	●
EZU	iShares MSCI EMU Index Fund ETF	-7.3	-14.8	-7.5	✓	●	●	●
EFG	iShares MSCI EAFE Growth Index Fund ETF	-6.9	-15.7	-8.7	✓	●	●	●



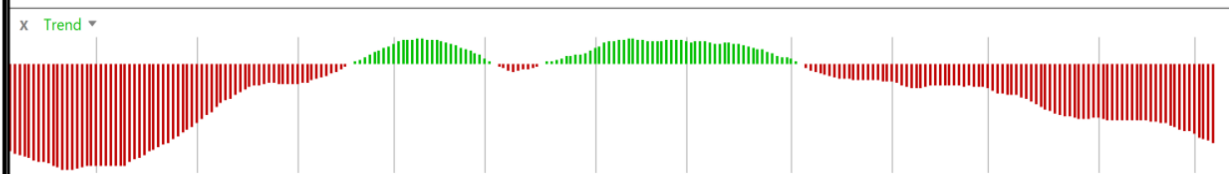
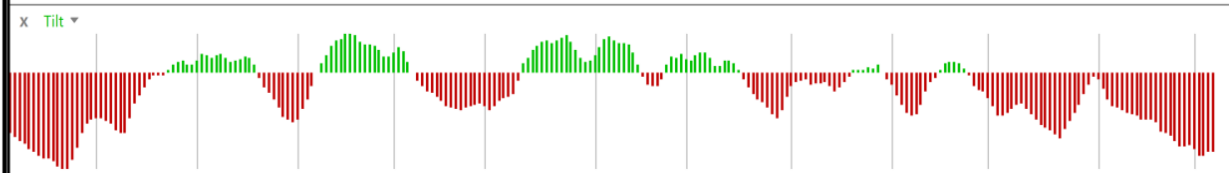
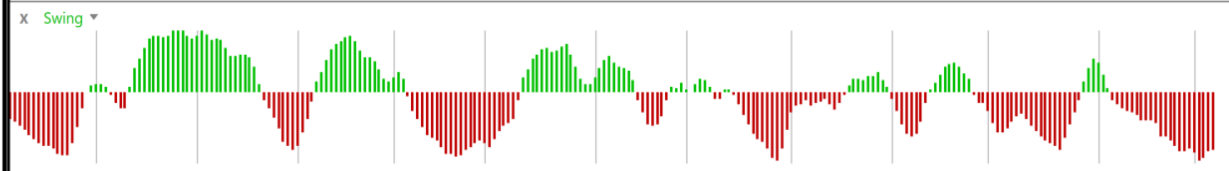
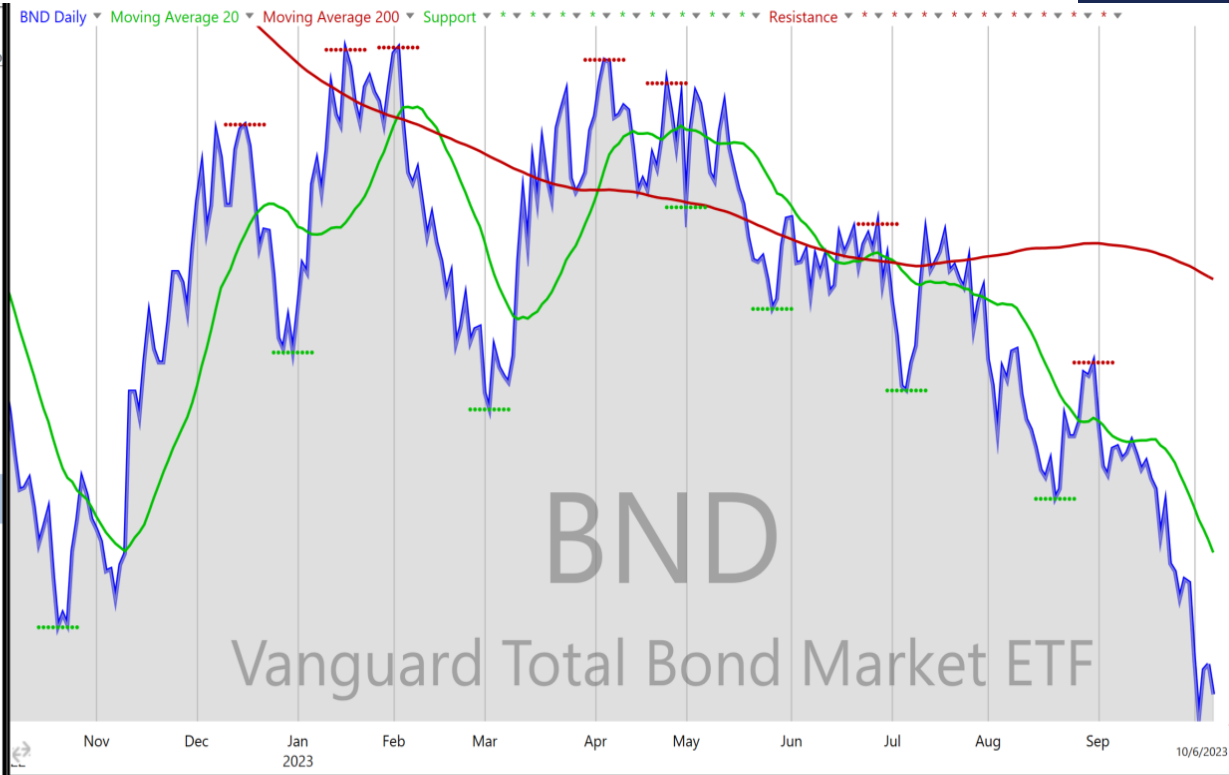
US Bond 1-Year Trend

Green = Tilting Bullish

Red = Tilting Bearish



ETF	ETF Name & Market Segment	Swing	Tilt	Trend	Unity	Swing	Tilt	Trend
HYG	iShares IBoxx \$ High Yield Corporate Bond ETF	-9.1	-12.3	-3.2	✓	●	●	●
VCSH	Vanguard Short-Term Corporate Bond ETF	-6.2	-11.0	-4.8	✓	●	●	●
BNDX	Vanguard Total International Bond ETF	-9.7	-14.6	-4.9	✓	●	●	●
SHY	iShares Barclays 1-3 Year Treasury Bond Fund	-1.5	-7.0	-5.6	✓	●	●	●
IEI	iShares Barclays 3-7 Year Treasury Bond Fund	-5.7	-13.6	-7.9	✓	●	●	●
VCIT	Vanguard Intermediate-Term Corporate Bond ETF	-10.0	-17.9	-7.9	✓	●	●	●
LQD	iShares Iboxx \$ Investop Corp Bd	-10.6	-18.8	-8.2	✓	●	●	●
MUB	iShares S&P National Municipal Bond ETF	-13.0	-21.7	-8.7	✓	●	●	●
BND	Vanguard Total Bond Market ETF	-9.3	-18.0	-8.8	✓	●	●	●
VCLT	Vanguard Long-Term Corporate Bond ETF	-11.3	-20.5	-9.3	✓	●	●	●
GOVT	iShares Barclays U.S. Treasury Bond Fund	-8.9	-18.3	-9.4	✓	●	●	●
IEF	iShares Barclays 7-10 Year Treasury Bond Fund	-9.4	-19.5	-10.1	✓	●	●	●
TLH	iShares Barclays 10-20 Year Treasury Bond Fund	-12.0	-24.6	-12.6	✓	●	●	●
TLT	iShares Barclays 20+ Year Treasury Bond Fund	-11.9	-25.5	-13.6	✓	●	●	●





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