



Welcome to the
Economic, Real Estate & Credit Outlook
Chicago, IL | September 12, 2023

Agenda:

9:15 AM	Business Cycle's Moment of Truth <i>Mark Zandi, Chief Economist, Moody's Analytics</i>
10:15 AM	Regional Economic Shocks, Setbacks and Successes <i>Marisa DiNatale, Sr. Director – Economic Research, Moody's Analytics</i>
11:00 AM	Break
11:30 AM	Household Balance Sheets Weather the Storm (So Far) <i>David Fieldhouse, Director – Research, Moody's Analytics</i>
12:15 PM	Lunch
1:15 PM	Corporate Credit Risk Panel Discussion <i>Cris deRitis, (MA), Elizabeth Henderson, (AAM), David Hamilton, (MA), Damien Moore, (MA)</i>
2:00 PM	Commercial Real Estate Panel Discussion <i>Mark Zandi, (MA), Ermengarde Jabir (MA), Erin Stafford, (DBRS Morning Star), Martin Wurm (MA)</i>
2:45 PM	Break
3:15 PM	Going Nowhere Fast in the Housing Market <i>Cris deRitis, Senior Director – Deputy Chief Economist, Moody's Analytics</i>
4:00 PM	Fireside Chat with Mark Zandi and Carl Tannenbaum, EVP and Economist of Northern Trust

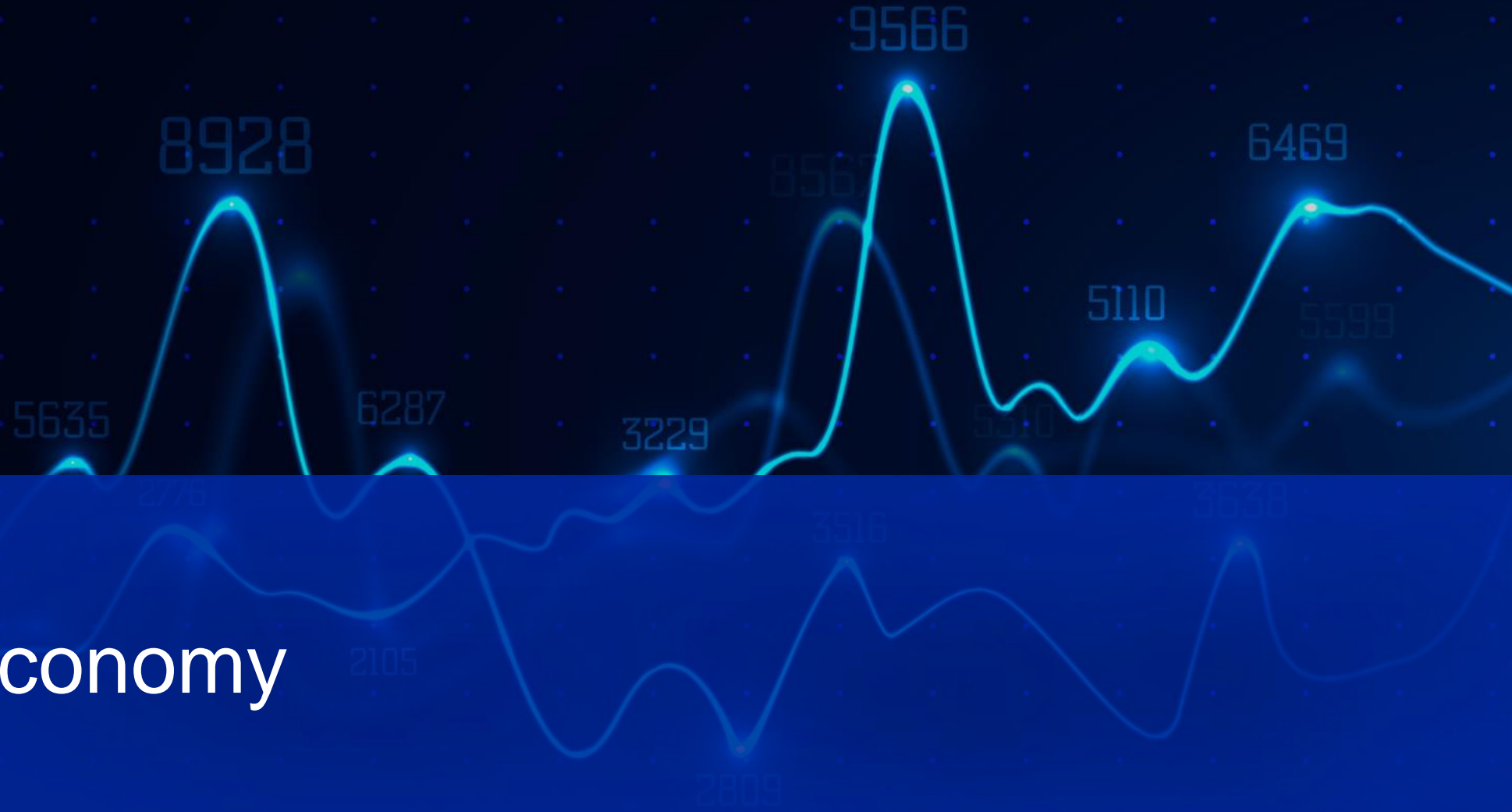
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What is most likely to happen in the next 6 months?

ⓘ Start presenting to display the poll results on this slide.

Resilient Economy

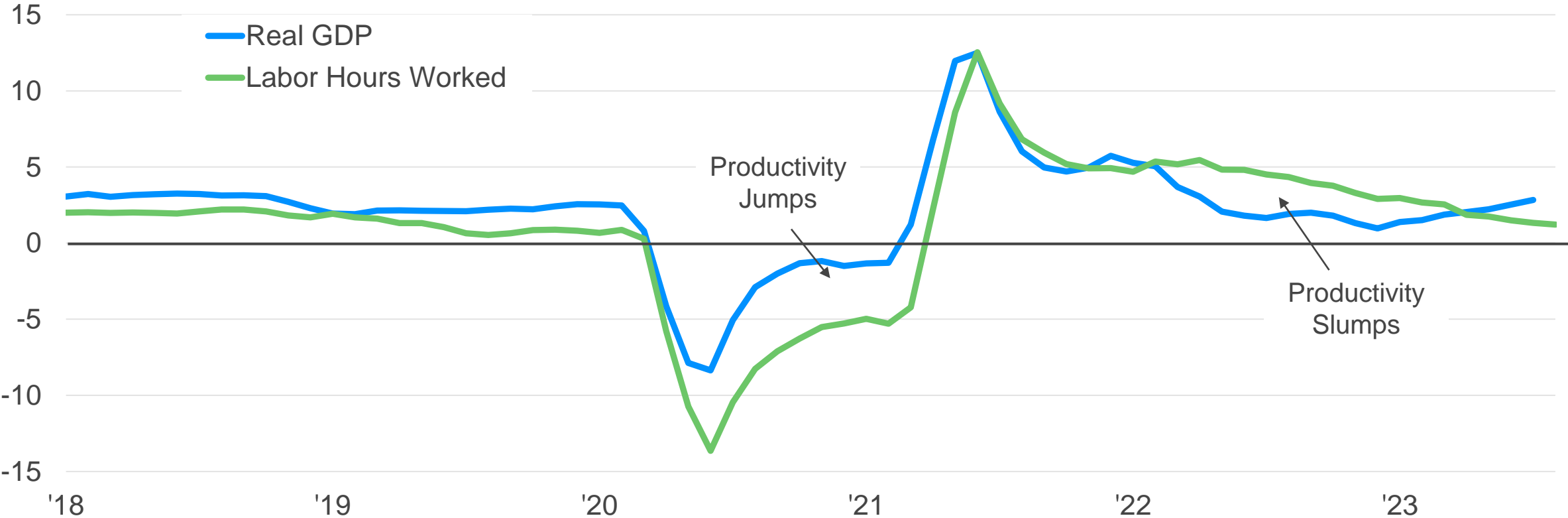


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Resilient Economy

Resilient Economy

% chg yr ago, 3-month MA



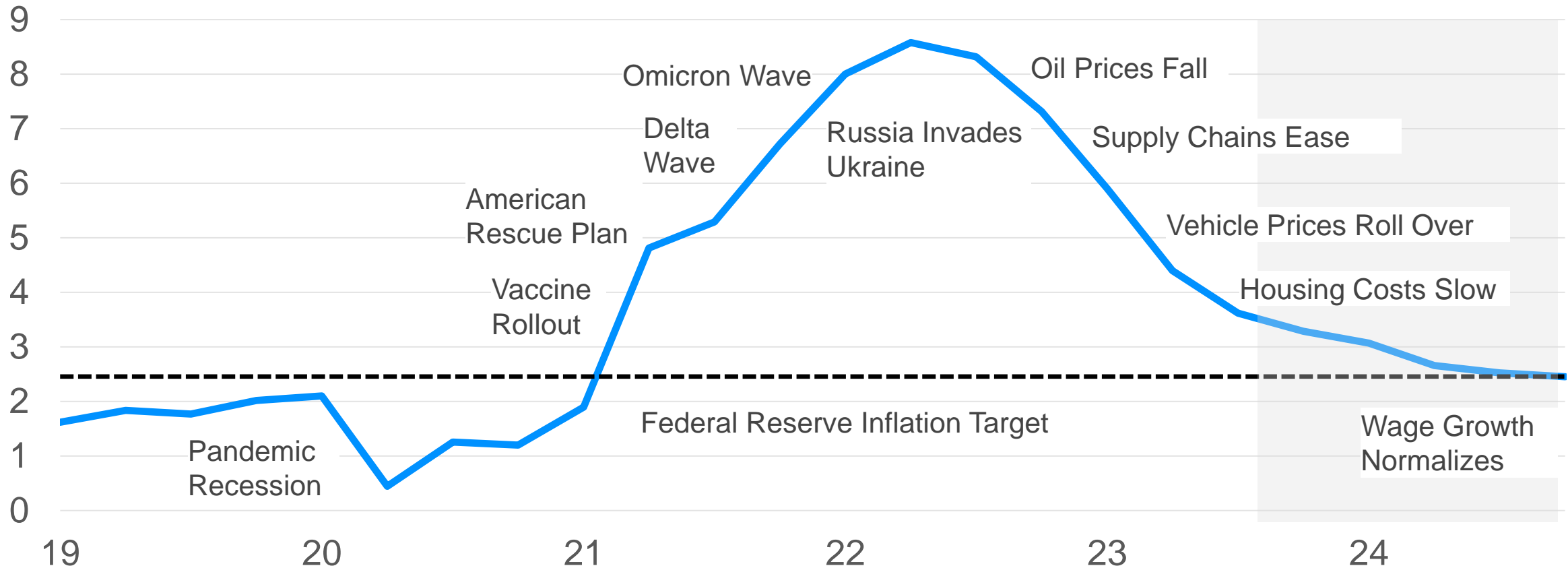
Sources: Census Bureau, Moody's Analytics

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Soft Landing Baseline
70% Probability

Inflation Heads Back to the Federal Reserve's Target...

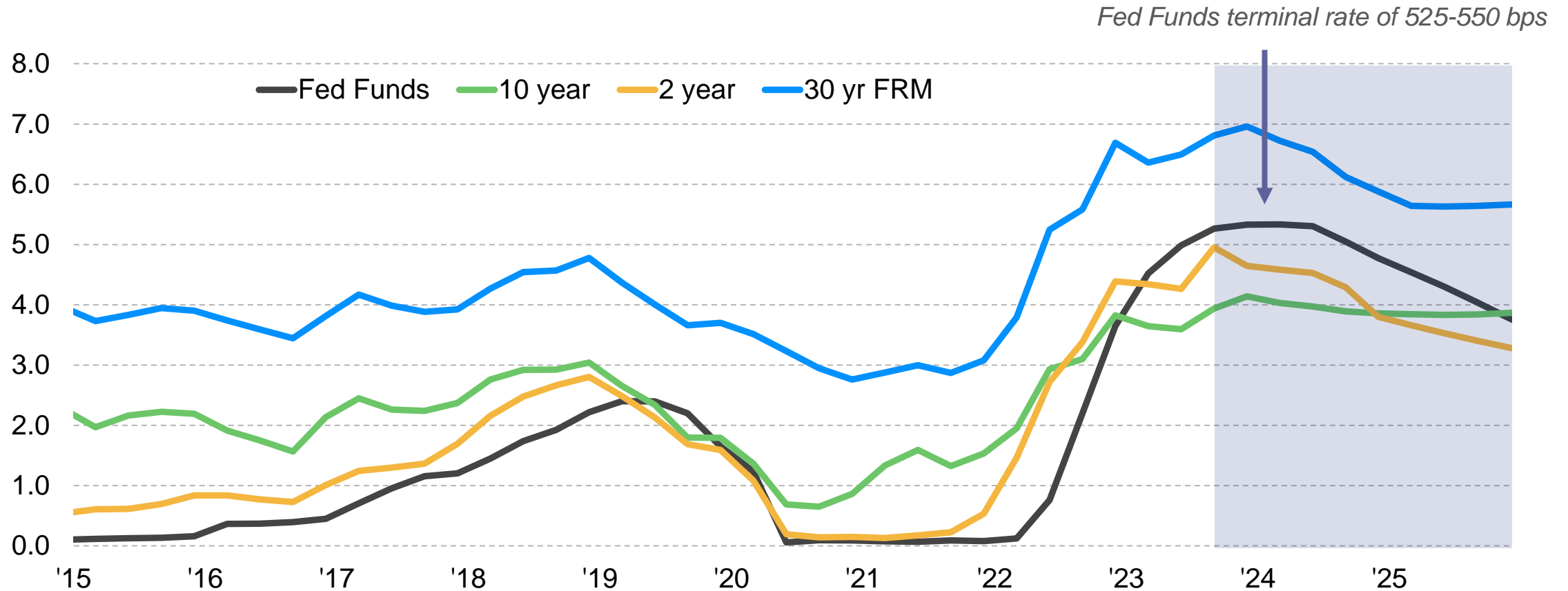
Consumer price inflation, % change year ago



Sources: Bureau of Labor Statistics, Moody's Analytics

...Putting An End to the Fed Rate Hikes

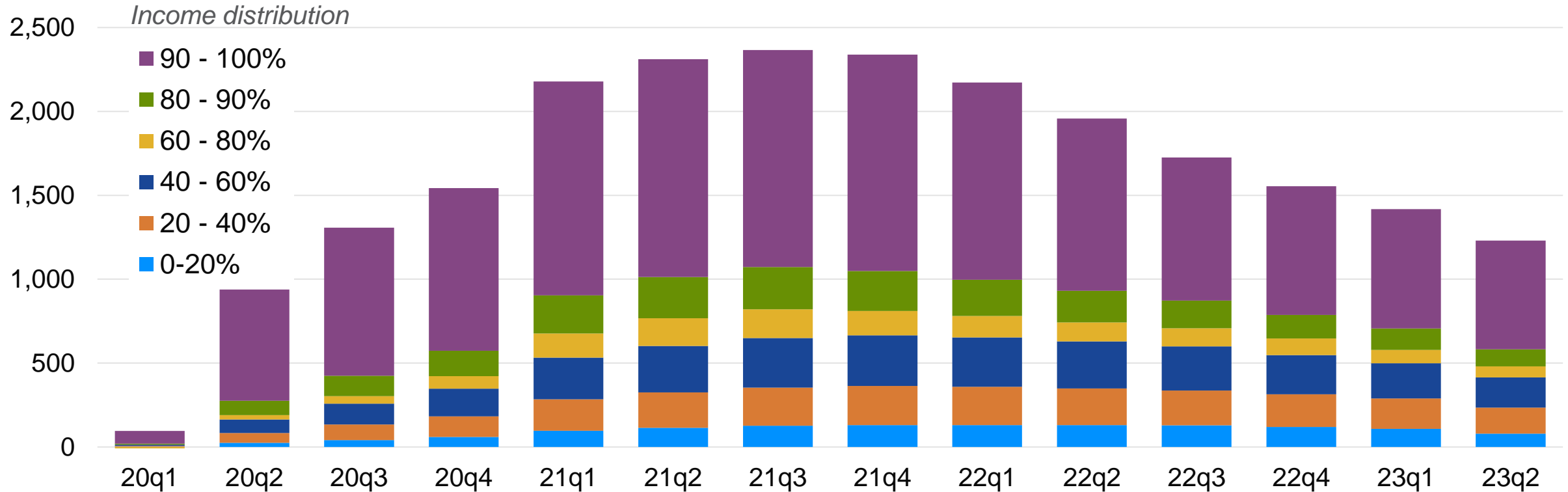
Interest rates, %



Source: Federal Reserve, Freddie Mac, Moody's Analytics

Consumers Remain a Sturdy Economic Firewall...

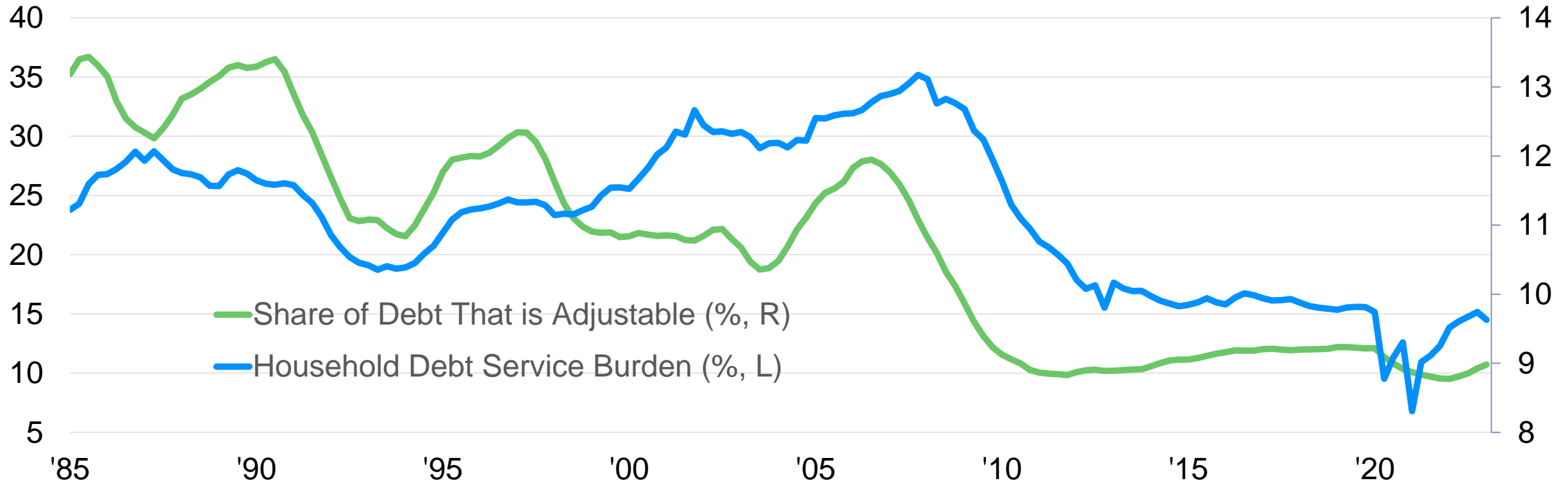
Excess household saving by income group, Bil\$



Sources: BEA, Moody's Analytics

...Insulated From the Higher Interest Rates

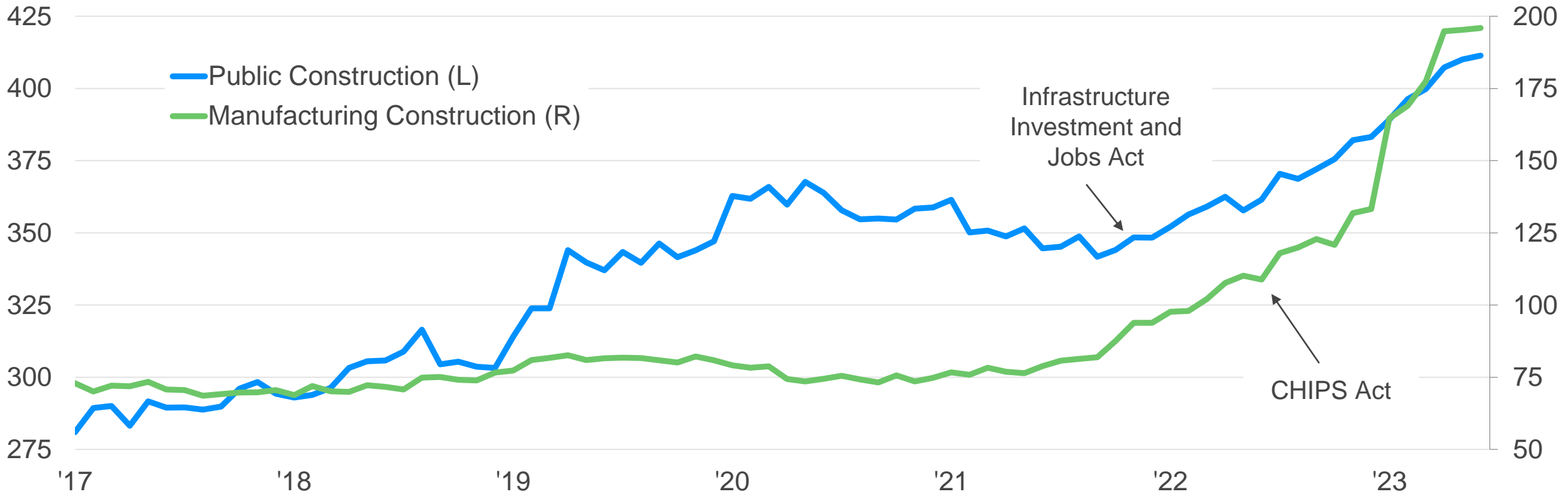
Household Debt



Sources: Federal Reserve, Moody's Analytics

Fiscal Policy Tailwind

Construction spending, Bil\$, SAAR

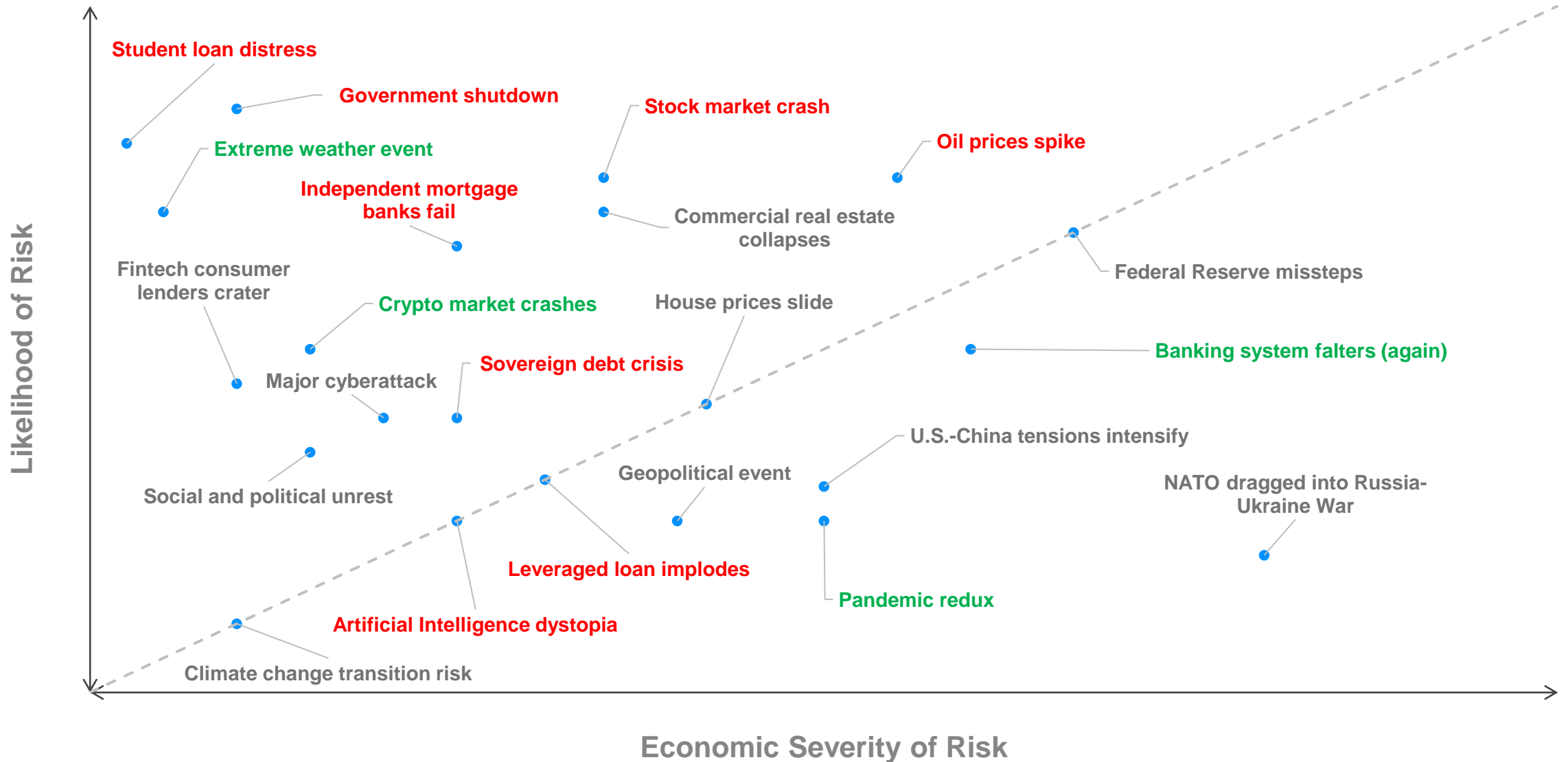


Sources: Census Bureau, Moody's Analytics

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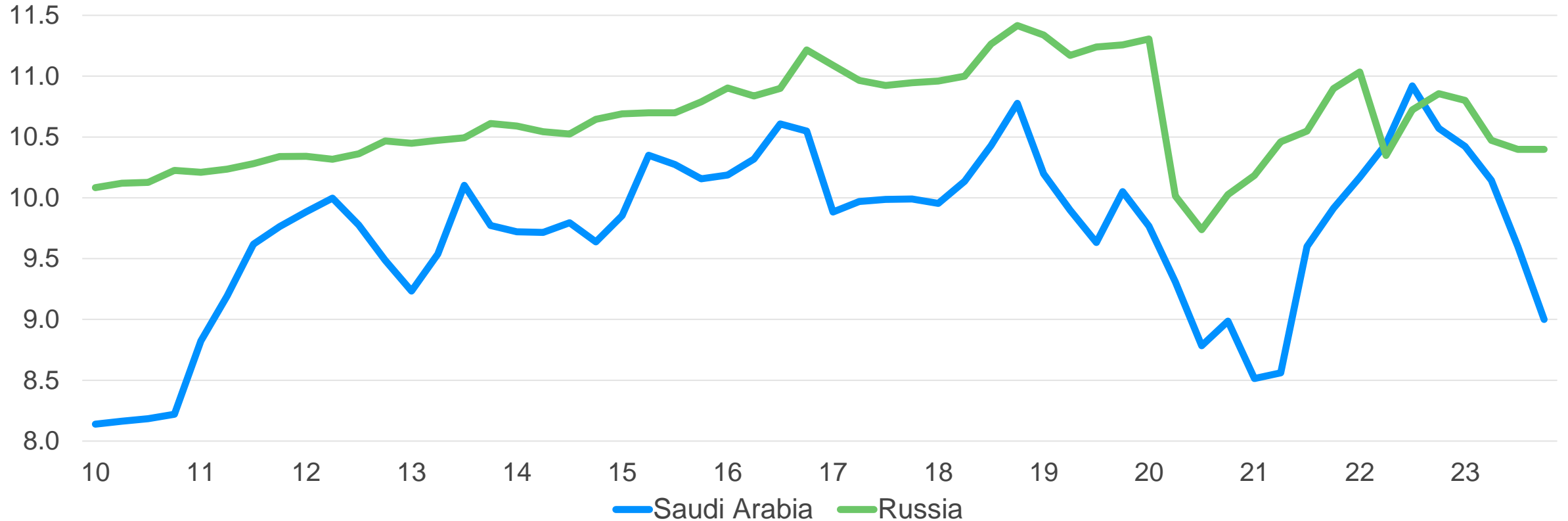
Recession
30% Probability

What Could Go Wrong?



Saudi Targets \$80-\$90 per Barrel Oil

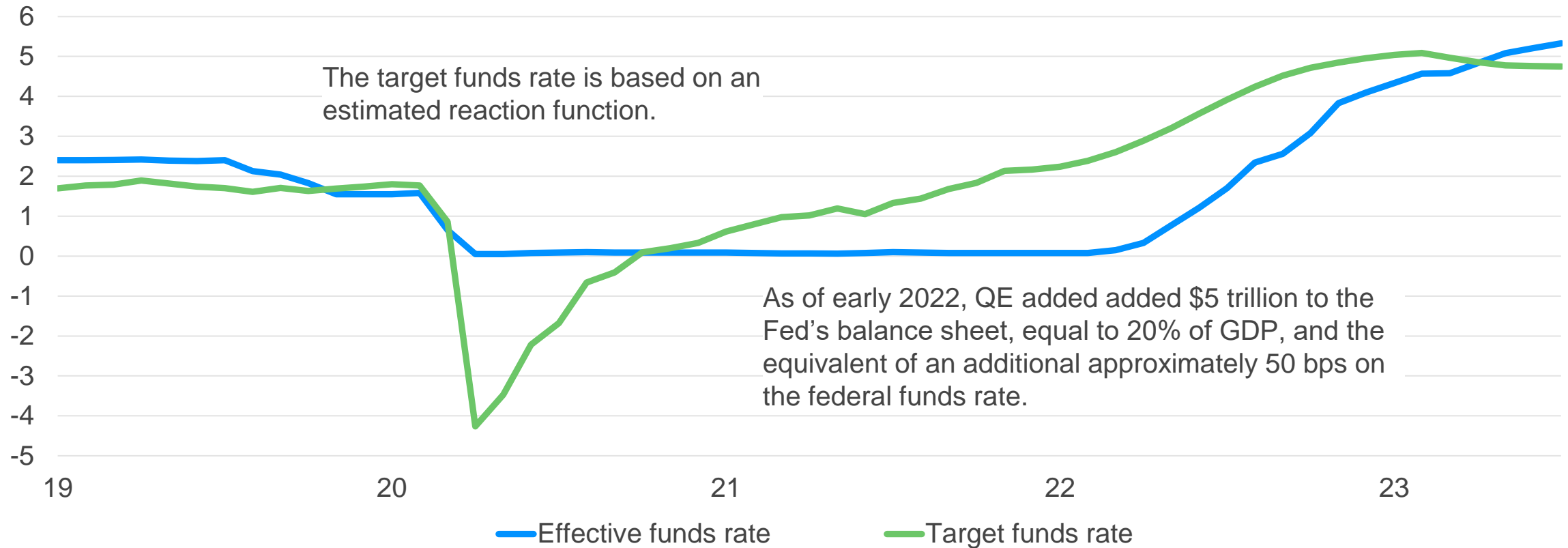
Crude oil output, million bpd



Sources: IEA, Moody's Analytics

Federal Reserve Threatens to Step Too Hard

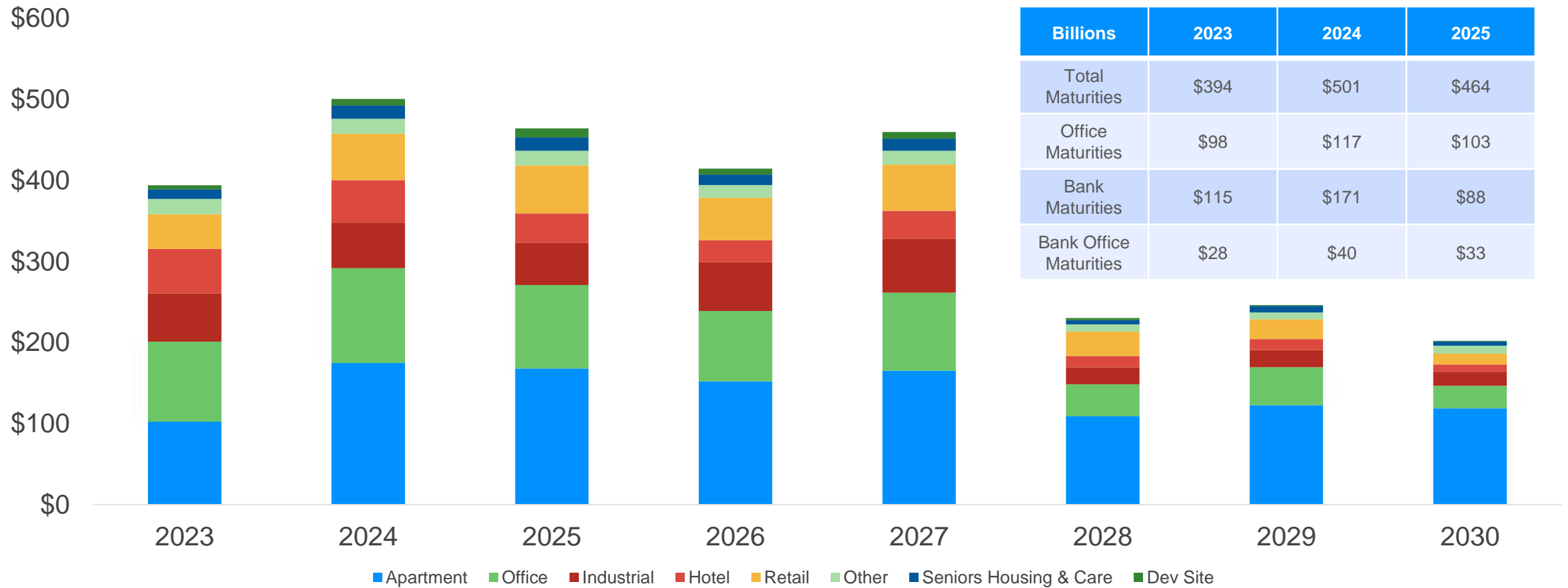
%



Sources: Federal Reserve, Moody's Analytics

Tough Operating Environment for Banks

Loan maturities by CRE property type (Billions \$)



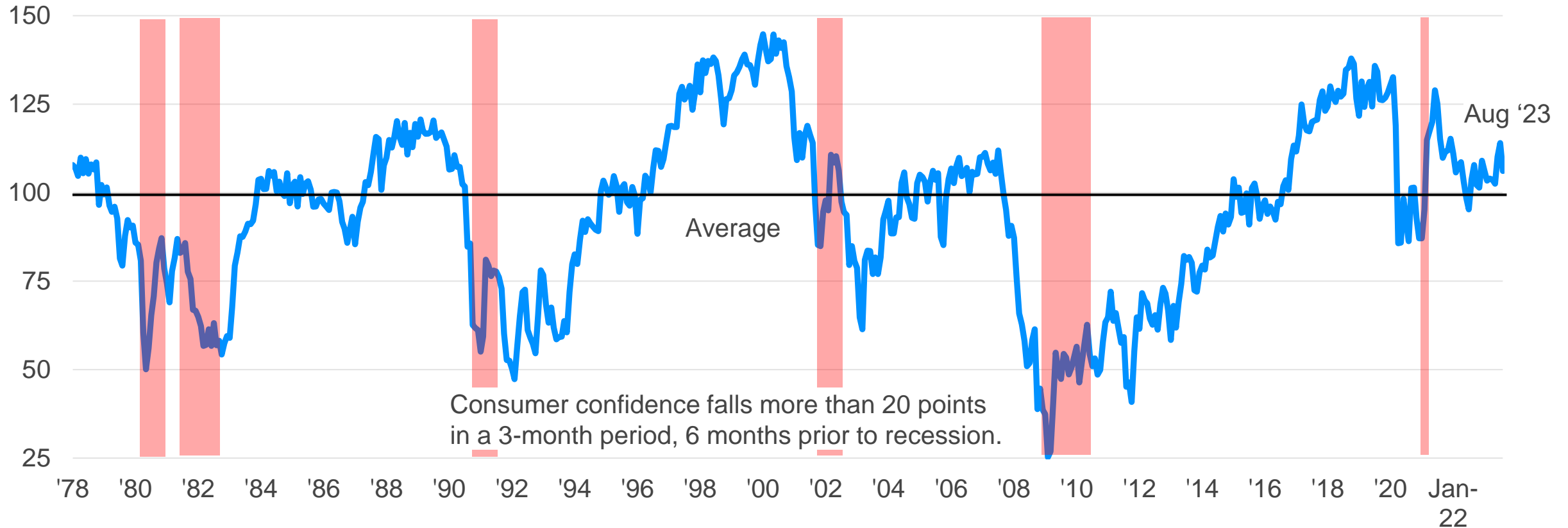
Sources: Moody's Analytics

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What to Watch Out For

Consumers Are Anxious but Haven't Lost Faith

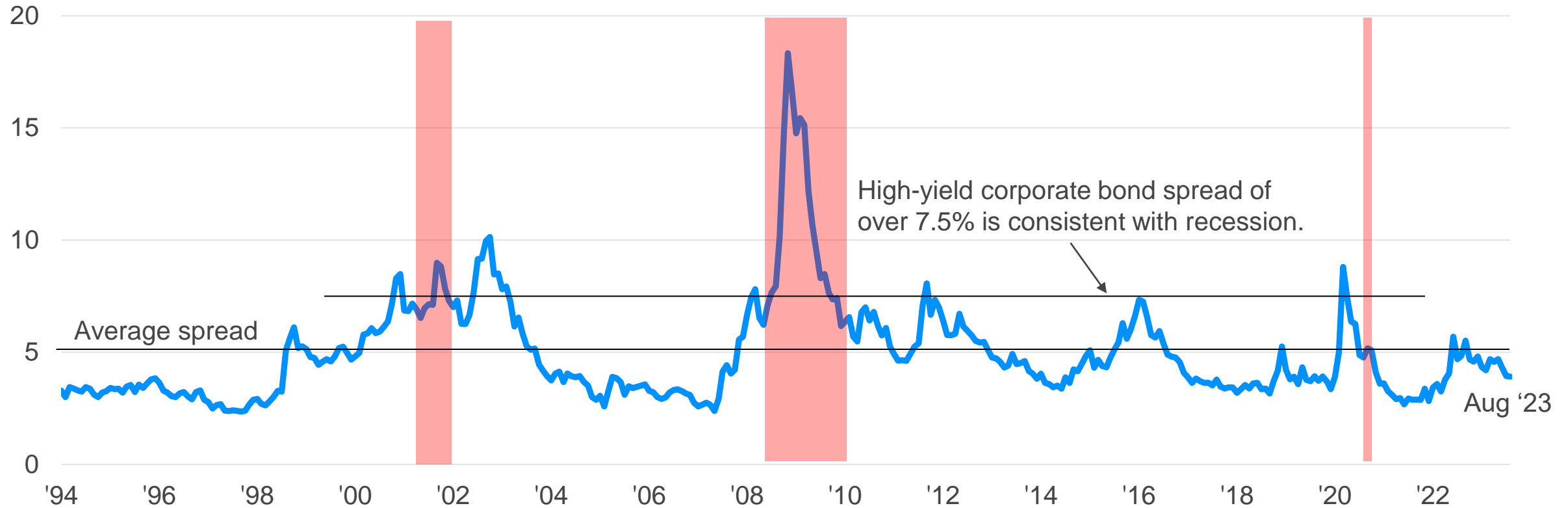
Conference Board Consumer Confidence Index



Sources: Conference Board, Moody's Analytics

Corporate Bond Investors Remain Sanguine

High-yield corporate bond spread, %



Sources: ICE, Moody's Analytics

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