

# Economic Scorecard

U.S. stock markets, including the recent dollars' sell-off, are down over 10% year-to-date. China slowdown, falling oil, weaker commodities, geo-political tensions, widening credit spreads, et cetera, are said to be the culprits of the 2016 wealth destruction. Money speaks with its feet and the risk-off (sell stocks), safety-on (buy bonds) bet is leading the way. Bonds typically lose their value when the FED raises rates; this time bond values have risen. In fact, the 10 year treasury is up 4.8% for the year. "Smart money follows the bond market," is a Wall Street maxim. The pungent smell of fear is in the air and it is fast becoming the consensus view that a bear is lurking. There are others that see the downturn as an opportunity to purchase assets at reasonable prices - they comprise the variant view. So, the million dollar question is, "Who's correct?"

Mark Twain once said, "Whenever you find yourself on the side of the majority, it is time to pause and reflect." In that vein, I am bringing out the spreadsheet, entering the relevant data, studying the facts and seeing what comes up. I've provided the updated scorecard for others to utilize as well.

## ECONOMIC SCORECARD

					BULL	BEAR
<b>GROSS DOMESTIC PRODUCT</b>	<b>2/9/2016</b>	<b>12/9/2014</b>	<b>20 YEAR AVG</b>	National Accounts		
GDP Growth Rate	1.80%	2.40%	2.55%	National Accounts		
U.S. GDP Total	18.1T	17.6T		National Accounts		
<b>CONSUMER (2/3 of GDP)</b>				Consumer		
Expenditures*	2.6%	2.2%	2.3%	Consumer		
Credit (3.5T auto, student loans)	6.90%	7.0%	5.9%	Consumer		
Savings	5.50%	5.0%	4.9%	Consumer		
Income	4.30%	4.1%	4.6%	Consumer		
HH Debt Service to Disposable Income	10.02%	9.9%	11.6%	Consumer		
Median HH Income since 2000 (real)	53657	52000	57000*	Consumer		
Confidence (Conf. Board)	98.1	88.7	93.3	Consumer		
HH Income >\$125k	14%	17.3M	122M HH	Consumer		
Sentiment (U. of Mich.)	92	88.8	87.0	Consumer		
<b>EDUCATIONAL ATTAINMENT</b>		≥Bachelors	High Schools	Consumer		
Weekly Earnings		\$1,245	\$690	Consumer		
Unemployment Rate		2.5%	5.3%	Consumer		
Participation Rate		73.8	57.8	Consumer		
<b>EMPLOYMENT</b>				Economics		
Unemployment Rate	4.90%	5.80%	6.10%	Economics		
Continuing Jobless Claims	2.2M	2.4M	3.0M	Economics		
Jobs +/- Since Recession	12.9M	10.3M	-8.7M	Economics		
JAN & TTL Mos.		151K	2.7M	Economics		
Participation Rate	62.7	62.8	65.6	Economics		
<b>FOREX</b>				Economics		
Trade Weighted \$ Index: Major Currencies		9%	-	Economics		
Basket of DXY	96.7	89.3	90.2	Economics		
EUR/USD	1.11	1.22	1.22	Economics		
<b>GASOLINE</b>				Economics		
YTD Price Change		-27%	-	Economics		
Regular Unleaded	\$1.76/gal	\$2.69/gal	\$2.92/gal	Economics		
.01¢ savings = \$1billion	\$25B		-	Economics		
<b>HOUSING</b>		Recession	Recovery	Economics		
Prices ('07-'11, since)		<37%	>25%	Economics		
Starts	1149M	1009M	1345M	Economics		
Permits	1201M	1092M	1370M	Economics		
Existing Home Sales	5.5M	5.26M	5.28M	Economics		
Residential Housing Growth (46-64)	5.80%	3.26%	CPI .7% + POP .75%	Economics		
<b>INFLATION</b>				Economics		
Consumer Price Index (CPI)	0.70%	1.70%	2.40%	Economics		
Gold	\$1173/oz	\$1,192/oz	\$701/oz	Economics		
<b>INTEREST RATES</b>				Economics		
Fed Funds	0.38%	0.25%	2.92%	Economics		
10 Year Treasury	1.83%	2.30%	4.38%	Economics		
3 Month T-Bills	0.28%	0.01%	2.68%	Economics		
<b>MANUFACTURING (ISM-PMI)</b>	48.2	58.7%	52.0%	Economics		
Industrial Production	-1.80%	4.0%	2.20%	Economics		
Capacity Utilization	76.5	78.9	78.7	Economics		
<b>NON MANUFACTURING (ISM -NMI)</b>	53.5	59.3	54	Economics		
<b>M2 MONEY SUPPLY</b>	5.7	5.6	6.1	Economics		
<b>POPULATION</b>				Economics		
United States >.75%	322M	319M	291M	Economics		
World Total >1.2%	7.4B	7.2B	6.4B	Economics		
Net Population Gr.	87.3M/2016	76.1M/yr.	1.18%	Economics		
<b>PRODUCTIVITY</b>	-3.00%	2.3%	2.2%	Economics		
<b>RETAIL SALES</b>	2.20%	4.10%	4.30%	Economics		
<b>SMALL BUS. OPTIMISM (NFIB) 98 42Yr Avg</b>	95.2	96	97.3	Economics		
<b>TRADE BALANCE</b>	\$-43.3B	\$-43.4B	\$-36.6B	Economics		
<b>FEDERAL GOVERNMENT</b>				Government		
Deficit	\$439B	\$483B	\$406B	Government		
Deficit to GDP	-2.81%	-2.80%	-2.80%	Government		
Debt	\$19T	\$18T		Government		