March Economic Chart Book (Snapshot)

Enclosed are select charts from our March Economic Chart Book discussing:

- Global Economic Slowdown
- US GDP and Economic Outlook
- The US Labor Market
- The US Housing Market
- Consumer Credit Trends
- US Treasury Supply

Link to Torsten Slok’s full March Economic Chart Book can be found here.
Credit card interest rate at highest level in decades

Note: This rate is the annualized ratio of total finance charges at all reporting banks to the total average daily balances against which the finance charges were assessed.

Source: Federal Reserve Board, Haver Analytics, DB Global Research
Downside risks to home sales

Current conditions for buying vehicles and houses by top 33% household income tercile

- NAR Existing home sales, United States (33 month mag, ls)
- Current conditions for buying houses: top 33% household income (rs)

Source: NAR, University of Michigan, Haver Analytics, DB Global Research
More delinquent credit card loans

Source: American Bankers Association, Haver Analytics, DB Global Research

As a % of loans with outstanding balance
Will declining PMIs abroad also pull down ISM?

Global manufacturing PMIs

- US (ISM)
- Germany
- Italy
- China
- France

Source: ISM, Markit, Haver Analytics, DB Global Research

Deutsche Bank Research

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Downside risks to global trade and growth

New Export orders and world trade volumes

- Blue line: Global manufacturing PMI : New export orders (6 month lead, ls)
- Red line: World trade volume (3 month MA rs)

Source: CPB, IHS Markit, Haver Analytics, DB Global Research
Consensus expects strong above trend growth in the US driven by strong capex growth

Source: Bloomberg Finance LP, DB Global Research
Stock of risk-free assets growing dramatically:
Explosion in US Treasury supply from tax cuts and Fed balance sheet rundown will crowd out investments in IG, HY, and equities

US bond supply rising from $1trn in 2017 to $1.5trn in 2018 and $2trn in 2019

Source: Steven Zeng, Michal Jezek, Standard & Poor’s Financial Services LLC, DB Global Research
Significant buying of Treasuries among US domestic investors at the moment

Holdings of Treasuries as % of treasury debt outstanding
- Federal Reserve
- US domestic real money, banks, and households
- Foreigners

Source: FRB, Haver Analytics, DB Global Markets Research
Torsten Slok, Ph.D.

- **Chief International Economist, Managing Director**
- **Deutsche Bank Securities, Inc.**

- Torsten Slok joined Deutsche Bank Securities in the fall of 2005.
- Mr. Slok’s Economics team has been top-ranked by Institutional Investor in fixed income and equities since 2010. Slok currently serves as a member of the Economic Club of New York.
- Prior to joining the firm, Mr. Slok worked at the OECD in Paris in the Money and Finance Division and the Structural Policy Analysis Division. Before joining the OECD he worked for four years at the IMF in the Division responsible for writing the World Economic Outlook and the Division responsible for China, Hong Kong, and Mongolia.
- Mr. Slok studied at University of Copenhagen and Princeton University. He has published numerous journal articles and reviews on economics and policy analysis, including in Journal of International Economics, Journal of International Money and Finance, and The Econometric Journal.
Appendix 1
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