

GREYCOURT

Economics & Markets Dashboard

Data as of 12/14/2025

- >> The Fed issued a rate cut this past week, marking the third 25bps cut this year. The Fed continues to balance its dual mandate of maximum employment and stable prices
 - > ADP Employment grew at the slowest annual pace since April 2021; and consumers maintain low confidence, especially the bottom third by income
 - > Since end of Q3, the yield curve has steepened, with the 1-year yield down 14 bps and the 30-year up 12 bps, often implying lower recession risk
- >> Services continue to carry the US economy with manufacturing lagging behind, this is the third month in a row that services PMIs have climbed and manufacturing PMIs have declined
 - > Yet recent New York and Dallas Fed surveys show manufacturing firms expect capex growth to accelerate while small businesses are pulling back anticipated capex
- >> US equity returns have slowed down so far in December, stabilizing elevated P/Es; valuations remain historically high but are supported by strong fundamentals
 - > Falling short-term yields should be a good sign for small cap equities with most of the floating rate debt being issued by these firms

Economics: Top 10 Indicators	Type	Sep 25	Oct 25	Nov 25	TTM	10y	10y Avg	Z-Score	Status ¹
ISM Services PMI	Linear	50.0	52.4	52.6			55.6	-0.8	Better
ISM Manufacturing PMI	Linear	49.1	48.7	48.2			53.0	-0.9	Worse
FRB Dallas Services Capex Survey	Linear	7.3	5.8	5.8			9.3	-0.4	Stable
Empire State Manufacturing Capex Survey	Linear	-3.9	-2.9	11.6			16.7	-0.5	Better
NFIB Small Business: % Planning CapEx in next 3-6 Months	Linear	21.0	23.0	20.0			25.3	-1.6	Worse
UoM: Expected Inflation 1 Year	Linear	4.7	4.6	4.5			3.4	1.1	Better
ADP Private Sector Employment	YoY	0.9	0.7	0.6			1.3	-0.3	Worse
UoM: Consumer Confidence	Linear	55.1	53.6	51.0			80.0	-1.8	Worse
Recession Probability: Treasury Spread (10Y-3M)	Linear	57.1	42.0	33.6			21.5	0.6	Better
Google Search Trends for Recession	Linear	18.0	18.0	19.0			17.8	0.1	Stable

Markets: Top 10 Indicators	Type	Oct 25	Nov 25	Dec 25	TTM	10y	10y Avg	Z-Score	Status ¹
MSCI USA Large Cap FWD P/E	Linear	23.9	23.5	23.2			19.2	1.6	Stable
MSCI USA SMID Cap FWD P/E	Linear	18.4	18.4	18.5			18.3	0.1	Stable
MSCI World ex USA Large Cap FWD P/E	Linear	15.7	15.6	15.7			14.0	1.3	Stable
MSCI USA Large Cap Profit Margin	Linear	12.9	13.2	13.2			11.2	1.9	Better
MSCI ACWI IMI ROE	Linear	13.8	13.9	13.9			12.2	1.0	Stable
S&P 500 Expected Return	Linear	14.2	16.4	17.1			12.8	0.8	Better
ICE MOVE Index	Linear	66.6	68.9	69.2			79.4	-0.4	Better
Treasury Yield 1Y	Linear	3.7	3.6	3.5			2.3	0.7	Better
Treasury Yield 10Y	Linear	4.1	4.0	4.2			2.7	1.3	Stable
Treasury Yield 30Y	Linear	4.7	4.7	4.9			3.1	1.7	Worse

Source: ADP, FactSet, Federal Reserve Bank of Dallas, Federal Reserve Bank of New York, Google Trends, Greycourt, Institute for Supply Management (ISM), National Federation of Independent Business (NFIB), University of Michigan

Disclosures

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