

## Core Dashboard

	12/12	12MMT/A	Current	2019	2020	2021	Highlights
US Industrial Production			3.8	0.5	0.7	2.0	The Production 12MMA will peak around the middle of this year before then declining into early 2020.
US Nondefense Capital Goods New Orders			5.3	-0.6	4.4	4.1	The New Orders 12MMT will decline in the second half of this year and into early next year.
US Private Sector Employment			2.0	1.6	1.3	2.0	Employment will rise through at least 2021, although the pace of rise will slow through much of 2019 and 2020.
US Total Retail Sales			4.2	2.4	3.1	3.0	Retail Sales will rise at a slowing pace through the remainder of this year and during the first half of next year.
US Wholesale Trade of Durable Goods			6.5	2.1	3.1	6.4	We revised our forecast downward. Wholesale Trade will rise at a slowing pace into mid-2020.
US Wholesale Trade of Nondurable Goods			5.7	-0.2	2.2	5.9	We revised our forecast downward. Wholesale Trade will plateau into mid-2020.
US Real Gross Domestic Product (3/12)			3.2	0.9	1.8	1.3	GDP will slow in its pace of rise through the remainder of this year.

Note: Forecast color represents what Phase the market will be in at the end of the year.

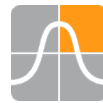
### PHASE KEY



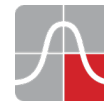
Phase A:  
Recovery



Phase B:  
Accelerating Growth



Phase C:  
Slowing Growth

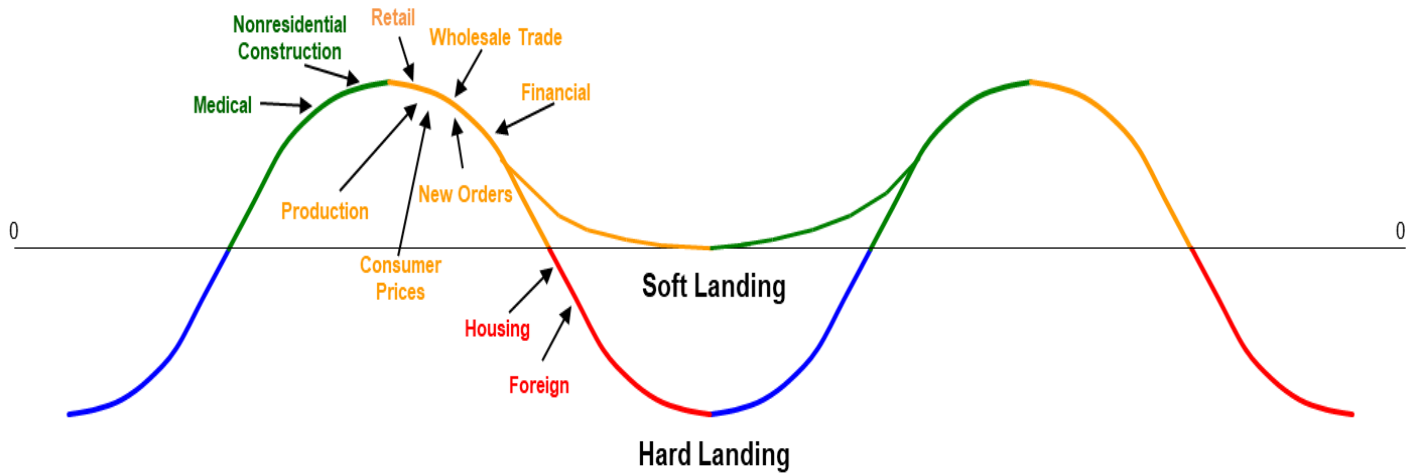


Phase D:  
Recession

### SUMMARY

Most of our measures of the core economy are in Phase C, Slowing Growth, trends. US Real Gross Domestic Product (GDP) and US Private Sector Employment, both in accelerating growth trends, are exceptions. However, slowing growth will take hold in the near term for both of these data series. US Industrial Production is rising at a slowing pace, as are each of its three major components: US Total Manufacturing Production, US Total Mining Production, and US Total Utilities Production. The retail sector is in a slowing growth trend. US Total Retail Sales will rise at a slowing pace into mid-2020. The business-to-business sector, as measured by US Nondefense Capital Goods New Orders, will peak around the middle of this year before entering a declining trend. Please note that we revised our Wholesale Trade forecasts downward. We do not expect much growth in Wholesale Trade this year. In the second half of 2020, we expect business cycle rise throughout the core economy. Slowing growth will return in 2021.

## ITR Trends 10



### WHY USE THE TRENDS 10

The Trends 10 Summary provides a dynamic look at the economy. Each major segment of the economy is shown in terms of where it is in the business cycle. Each phase of the business cycle (A, B, C, D) carries its own management objectives which enables firms to enhance profitability while preparing for the next phase of the business cycle.

The Summary also provides a view of the economy that is very similar to a train. The order of the cars on the train may vary slightly, but in general it is safe to assume that Housing is one of the first industries to move through a high or a low, and thus is a leading indicator to the industries that follow. Firms operating in the industries that follow, such as New Orders, Wholesale Trade, or Nonresidential Construction, can 'see' what awaits them, and are empowered to prepare for the change in cyclical momentum before it actually occurs. These changes can be in the form of cash planning, discretionary capital expenditures, sales promotions and projections, and marketing/sales plan rollouts. Firms operating in the nonresidential space tend to lag most of the economy, given them the advantage of watching several 'railroad cars' precede them through peaks and troughs, thus giving more than ample time for effective planning and internal changes.

Individual companies can also compute their own rate-of-change or ITR can compute it with you. Either way, the company 12/12 can be placed in the appropriate portion of the business cycle and the company can gain specific insight as to where it stands in terms of the current phase, and what earlier-turning industries are saying in terms of the shift into the next phase of the business cycle. The benefit is real as firms plan with confidence. Timely, effective changes will greatly enhance a firm's ability to realize maximum performance benefit in all phases of the business cycle.