

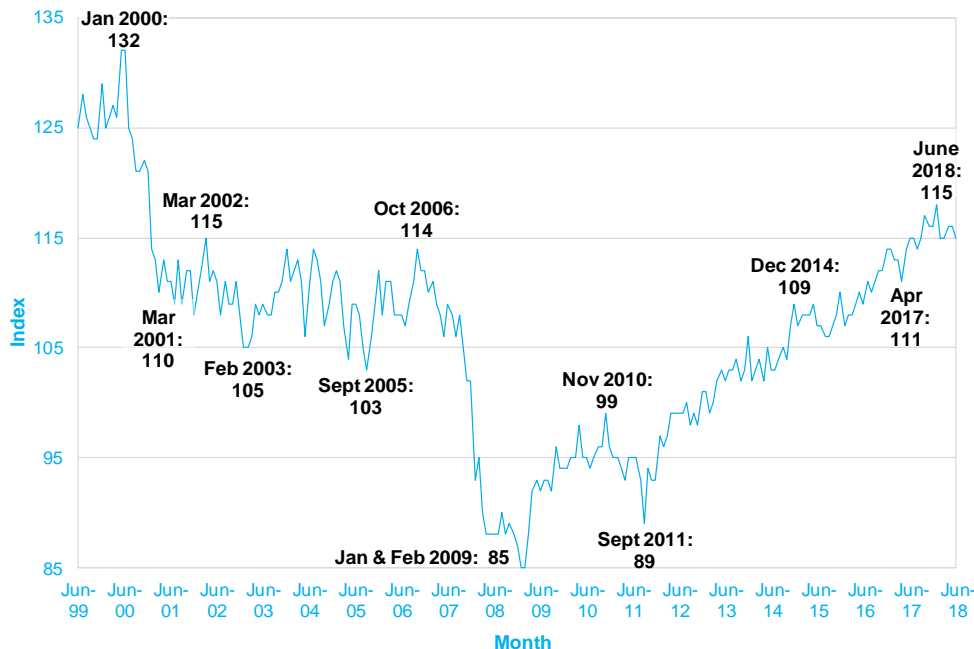
Decision Analyst Economic Index

June 2018

The Economic Index Suggests a Slowing U.S. Economy by Late Fall

Arlington, Texas—The Decision Analyst U.S. Economic Index stands at **115 in June 2018**, the same Index score as June 2017. The June 2018 U.S. Index is down 1 point from May 2018. The overall trend of the Economic Index suggests that U.S. economic growth is leveling off and will grow more slowly during the second half of 2018 and the beginning of 2019. The Economic Index tends to lead overall U.S. economic activity by 6 to 12 months. Below is the past-10-year history of the U.S. Economic Index.

United States Economic Index June 2018









Past-12-Month
Change
(From June 2017
to June 2018)

+/-0
Points

“The U.S. Economic Index is at a reasonably high level but appears to be trending sideways, an indicator that growth prospects might be stalling out,” said Jerry W. Thomas, President/CEO of Decision Analyst. “Looking forward, the economic picture is muddled. Disruptions from tariffs, threats of tariffs, and the exacerbation of inflation related to the tariffs, are casting a pall over the U.S. economy. Rising interest rates are also having a dampening effect on the U.S. economy. Rising U.S. interest rates could deflate U.S. asset bubbles (stock prices, real estate, etc.) and could trigger a rapid downturn in the economy. These threats to the U.S. economy are likely to negate some of the potential benefits from the recent federal tax cuts. Economic slowdowns in several European economies, as well as the possibility of recession in China, loom as potential negatives for the U.S. economy. Somewhere in the next 6-18 months, a recession lies in wait.”

Global Indices

The following chart compares the U.S. Economic Index to Decision Analyst's Economic Indices for other countries. The Economic Indices for all European countries are substantially below the U.S. Economic Index, and several countries in Europe are seeing declines in their Indices. France and Spain have each declined 4 points in the past 12 months, while Germany has declined 2 points. Italy has increased by 6 points in the past 12 months. In South America, Brazil has increased by 5 points in the past 12 months, while Argentina has declined by 5 points. The major countries tracked are shown below.

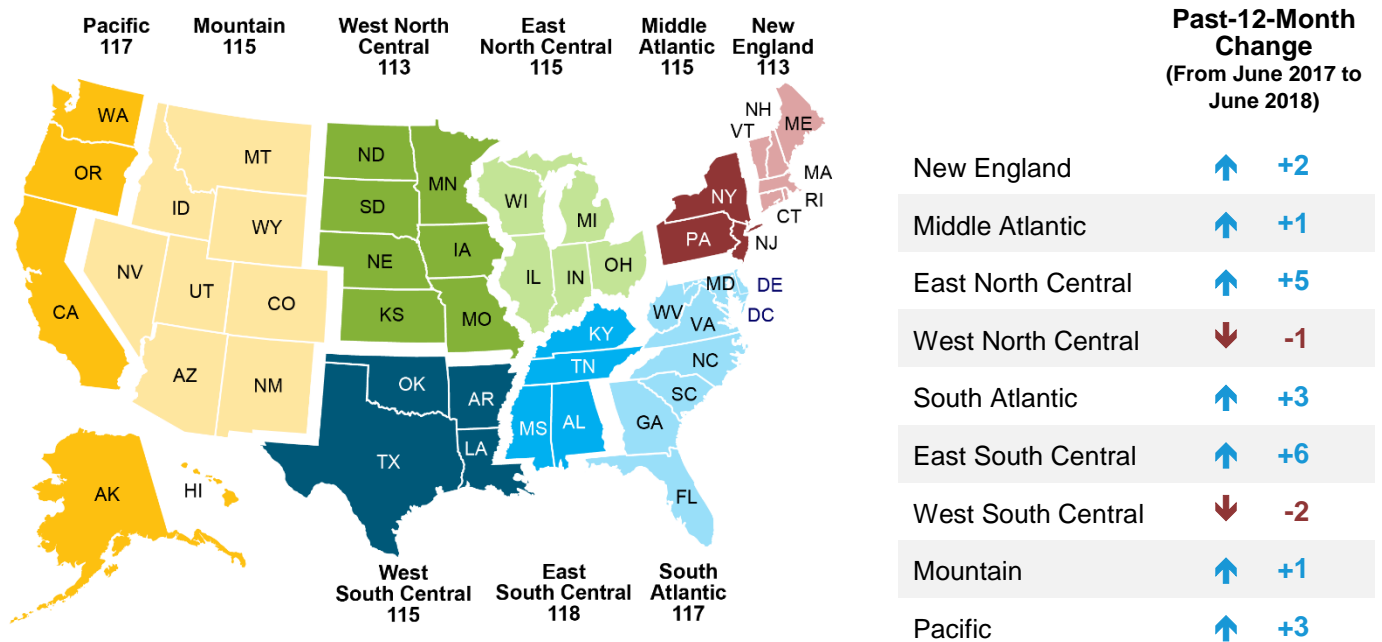
Global Economic Indices June 2018			Past-12-Month Change (From June 2017 to June 2018)	
	June 2018 Index			
North America				
 United States	115	→	+/-0	
 Canada	93	↑	+2	
 Mexico*	95	↓	-2	
South America				
 Argentina*	84	↓	-5	
 Brazil*	101	↑	+5	
 Chile*	101	↑	+4	
 Colombia*	98	↓	-2	
 Peru*	103	↓	-2	
Europe				
 France	90	↓	-4	
 Germany	103	↓	-2	
 Italy	103	↑	+6	
 Russian Federation*	98	→	+/-0	
 Spain*	101	↓	-4	
Australia/Asia				
 Australia*	97	↑	+5	
 India*	123	↓	-1	

* The Index numbers for Argentina, Australia, Brazil, Chile, Colombia, India, Mexico, Peru, the Russian Federation, and Spain are 3-month moving averages to smooth out month-to-month fluctuations. The reported Index number is an average of the current month with the previous 2 months.

U.S. Census Divisions

The West North Central and the West South Central Census Divisions saw declines in the past 12 months. All others increased. The East South Central Census Division had the highest score in June 2018 at **118**, an increase of 6 points in the past 12 months. The South Atlantic and Pacific Census Divisions each had an Index of **117**, and each increased 3 points in the past 12 months. The New England and the West North Central Census Divisions had the weakest scores in the U.S. in June 2018 with a score of 113 each.

United States Census Divisions Economic Indices June 2018*



* The Index scores for the Census Divisions are 3-month moving averages to smooth out fluctuations due to smaller sample sizes. The reported Index score for each division averages the current month with the previous 2 months.

Methodology

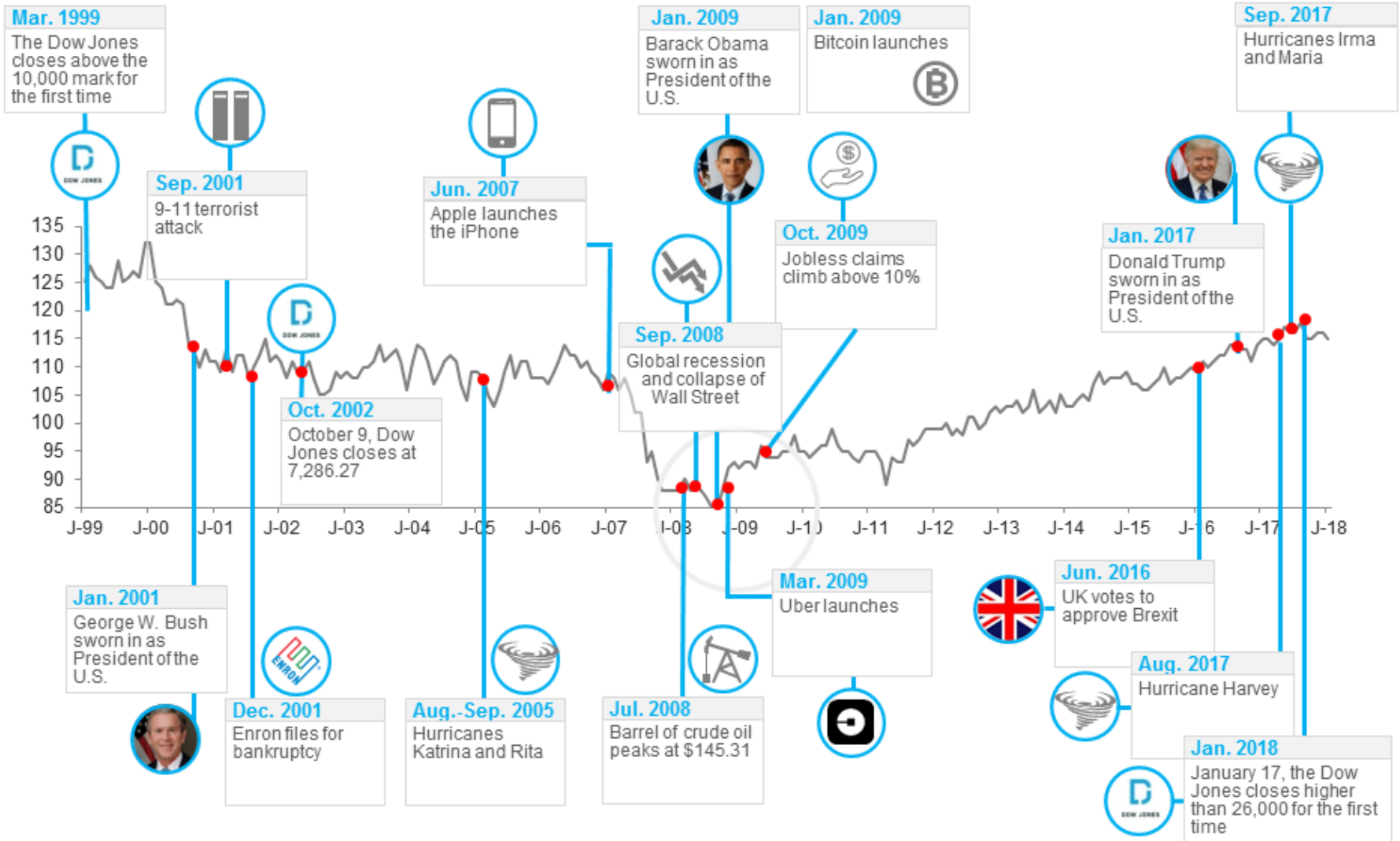
The Decision Analyst Economic Index is based on a monthly online survey of several thousand households balanced by gender, age, and geography. The scientific survey is conducted in the last 10 days of each month. The Economic Index is calculated from 9 different economic measurements using a sophisticated econometric model. The result is a snapshot of coming economic activity in each country surveyed, as seen through the eyes of representative consumers living in the respective countries.

Decision Analyst conducts its concurrent economic surveys each month in Argentina, Australia, Brazil, Canada, Chile, Colombia, France, Germany, India, Italy, Mexico, Peru, the Russian Federation, Spain, United Kingdom, and the United States. Whenever the Decision Analyst Economic Index is greater than 110, it tends to signal an expanding economy. An Index value of 90 to 110 suggests a no-growth or slow-growth economy, and near or below 90 generally indicates economic contraction. These guidelines vary by country, however.

About Decision Analyst

Decision Analyst (www.decisionanalyst.com) is a global research and analytical consulting firm specializing in strategy research, new product development, advertising testing, and advanced modeling for marketing decision optimization. For more than 35 years the firm has delivered competitive advantage to clients throughout the world in consumer packaged goods, high technology, retail, medical, automotive, and other industries.

Brief Economic History



The above chart shows the United States Economic Index for the past 20 years along with a few noteworthy historical and economic events.

Sources