



Federal Home Loan Bank
NEW YORK

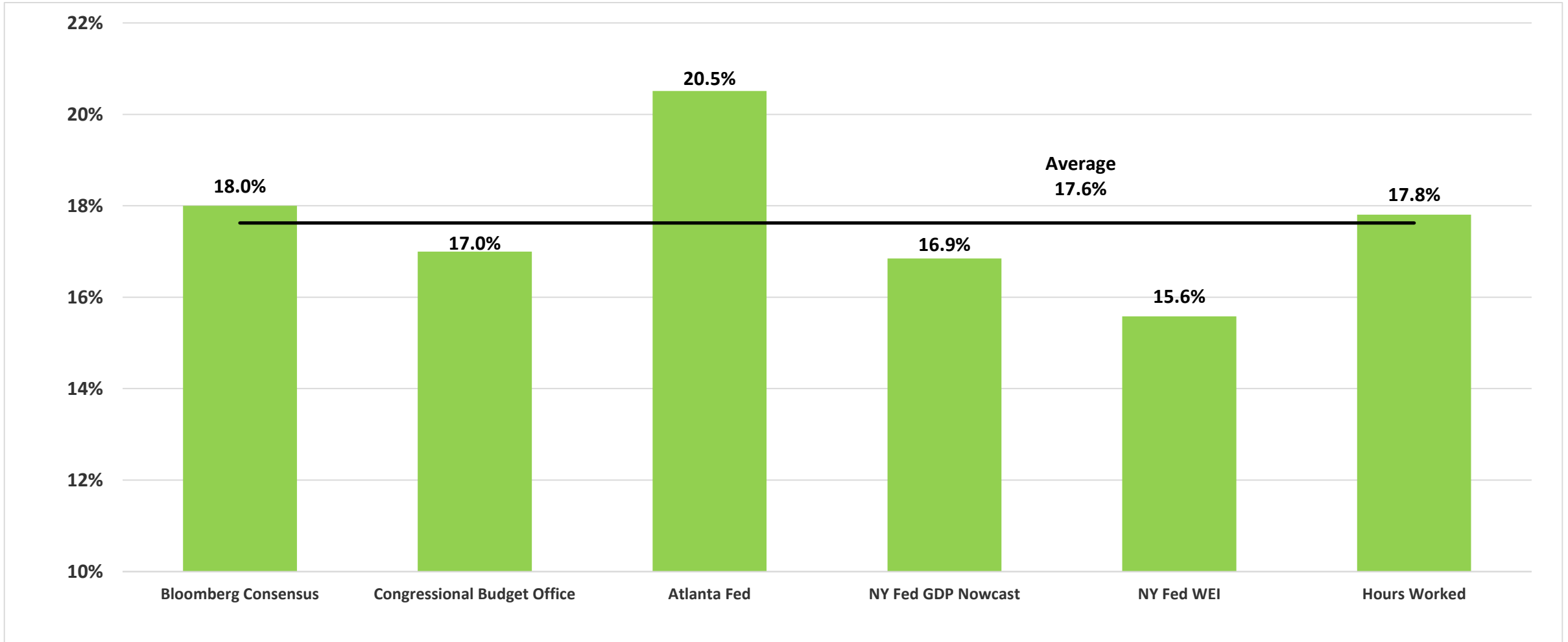
How Strong a Rebound?

August 13, 2020

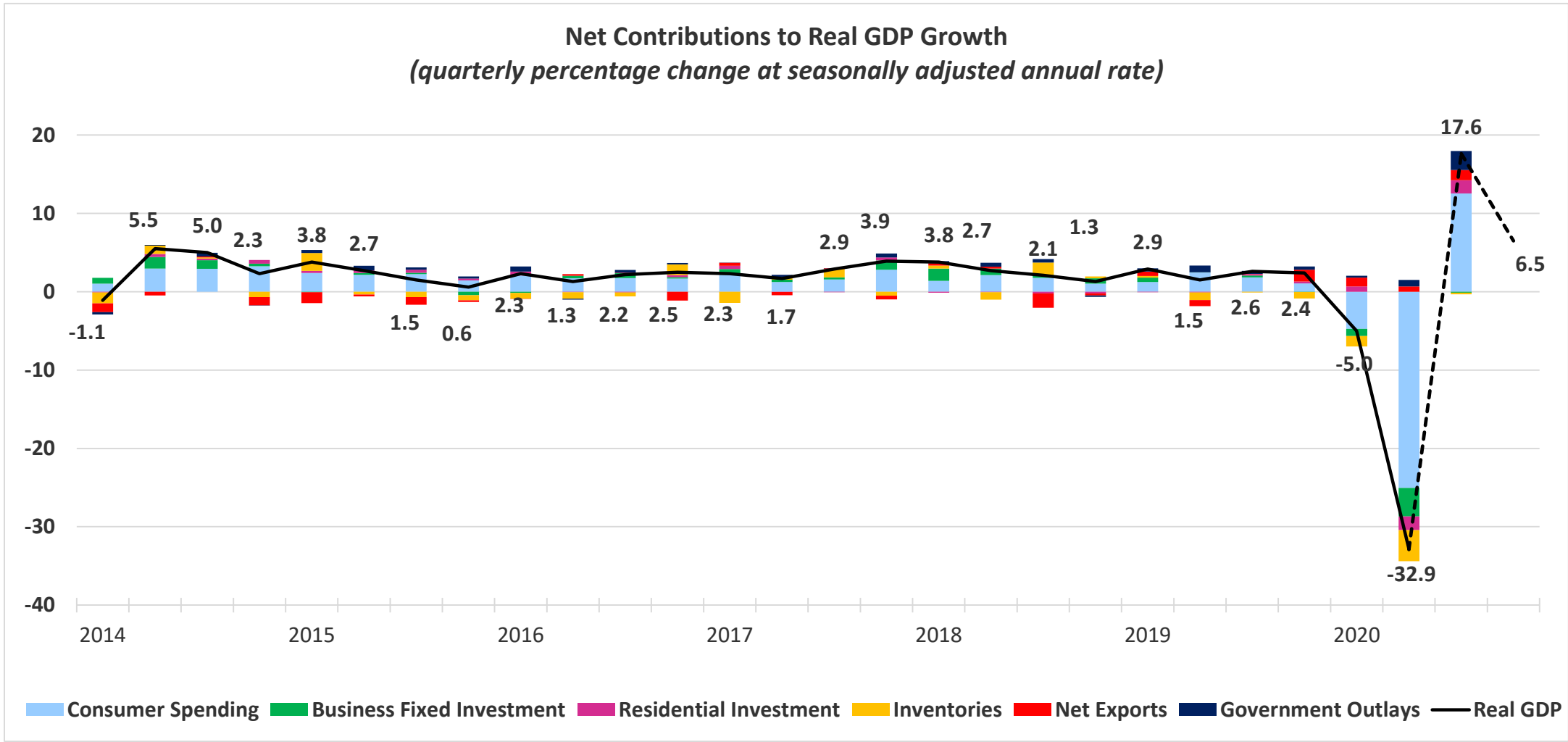
Brian Jones, Financial Economist



Early Projections Call for a Fairly Sharp Snapback in Q3 Real GDP Growth



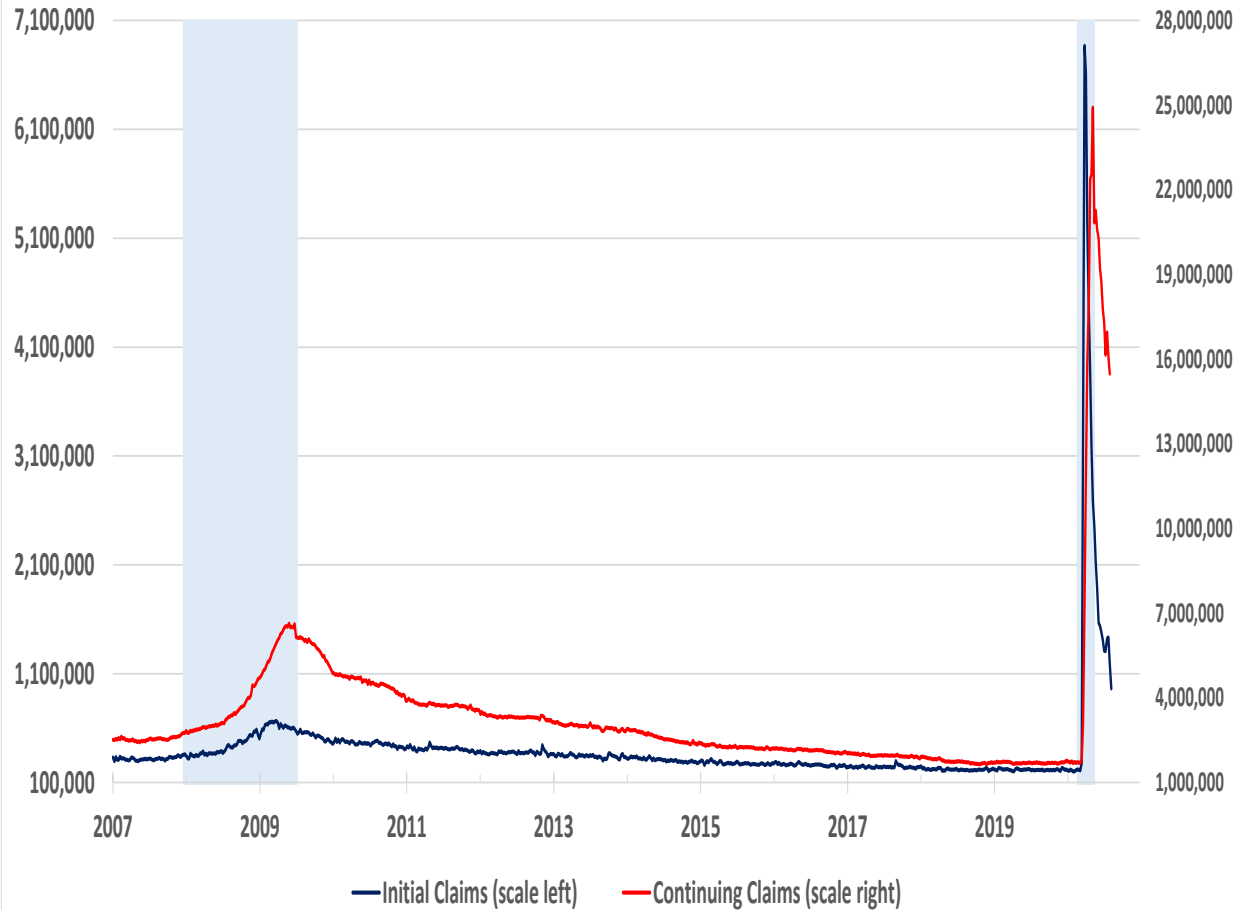
Rebound in Real Consumer Spending Expected to Fuel Rise in Q3 GDP Growth



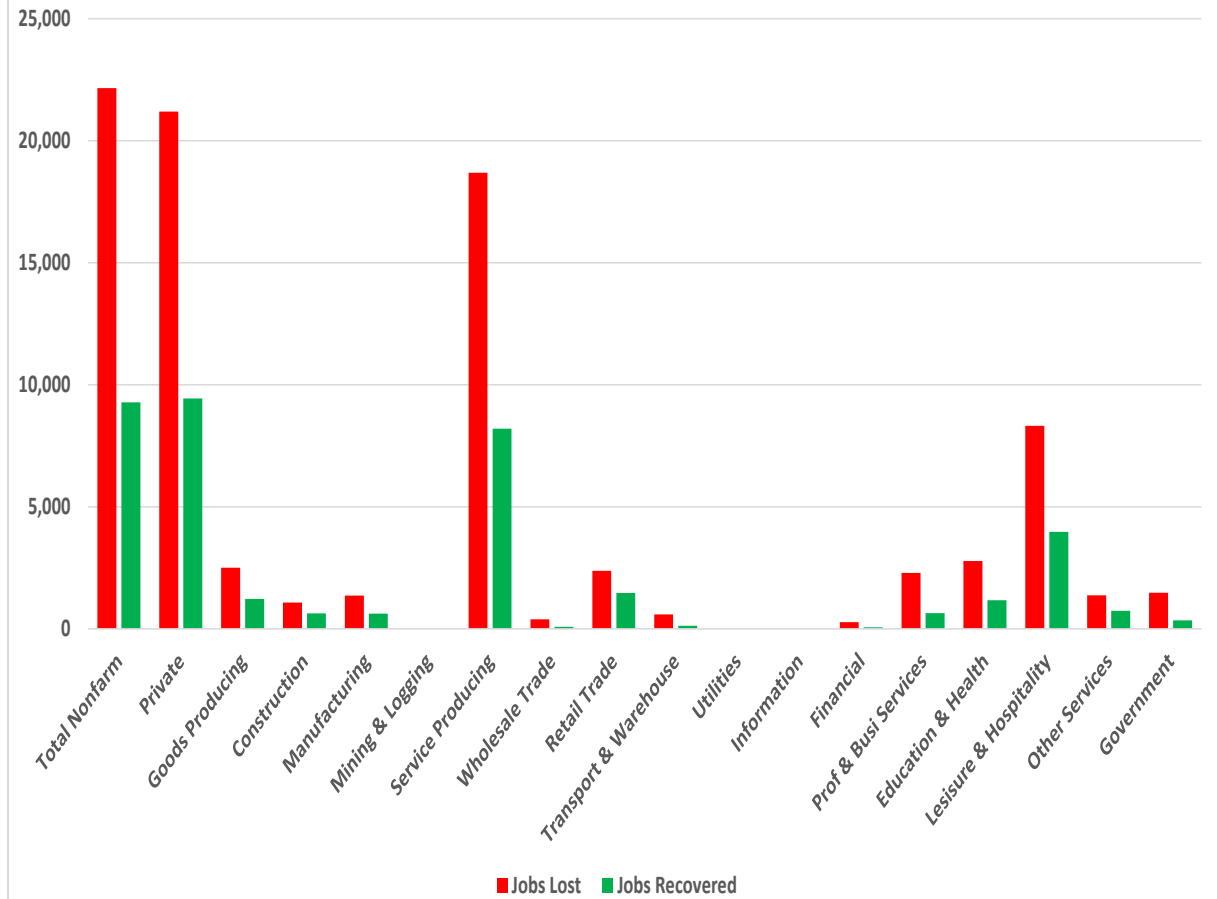
Source: Bureau of Economic Analysis

Recovery of Jobs Lost Amid COVID-19 Crisis Will Be Crucial to Magnitude of Bounceback

Jobless Claims Remain on Downtrends, But Further Progress Necessary to Ensure Recovery



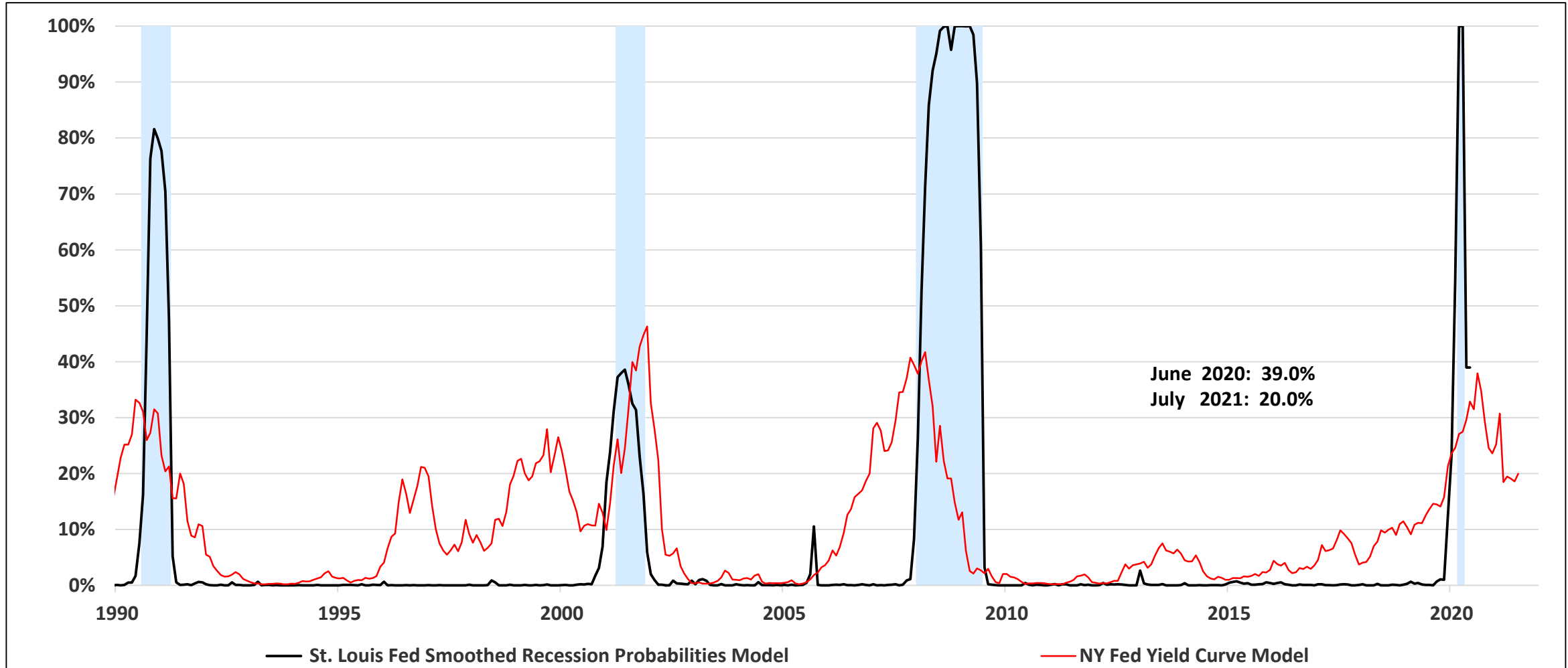
Still a Considerable Way to Go to Recover COVID-19 Job Losses
(thousands, seasonally adjusted)



Note: Shaded areas denote recessions. Source: U.S. Department of Labor



NBER May Ultimately Determine That the Economy Bottomed in April

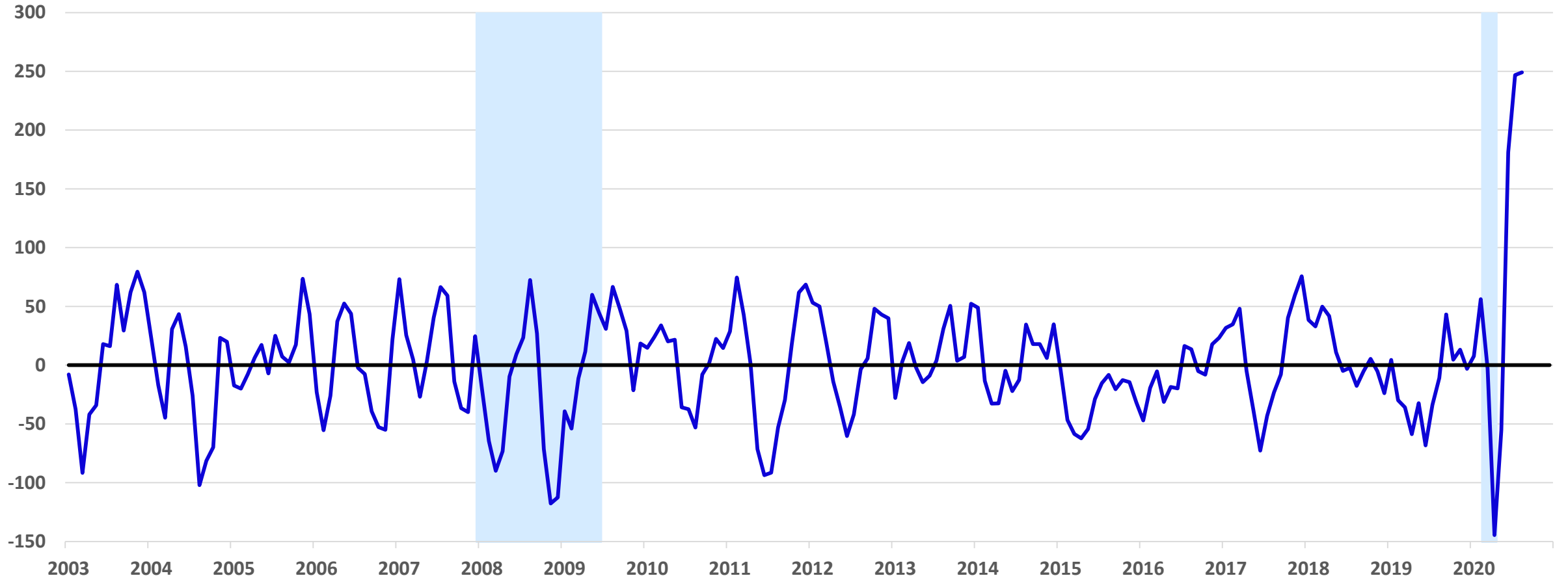


Note: Shaded areas denote recessions. Sources: Federal Reserve Banks of New York and St. Louis



Recent Economic Soundings Have Beat Consensus Expectations By a Wide Margin

Citi U.S. Economic Surprise Index
(end of month observations)

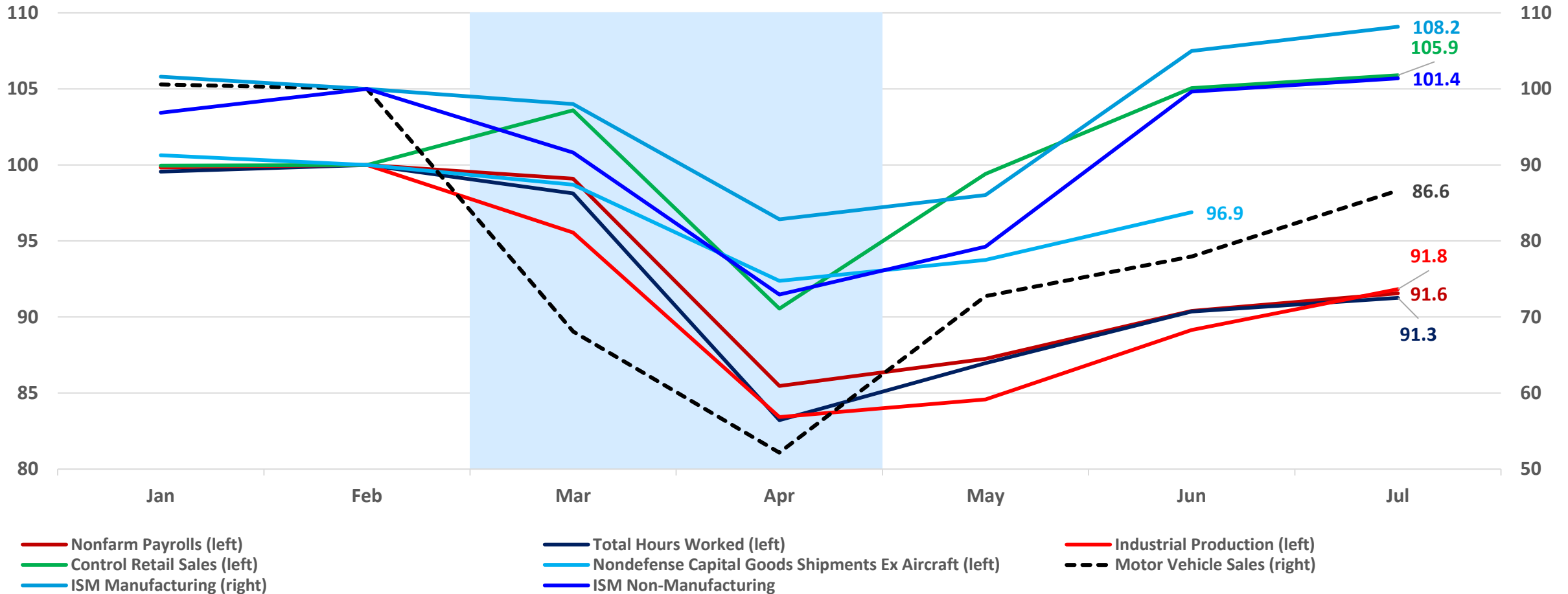


Note: Shaded areas denote recessions. Source: Citi Investment Research, Bloomberg



Key Economic Indicators Have All Moved off Coronavirus-Induced Lows

Recent Performances of Key Economic Variables
(Index February Cycle Peak = 100)

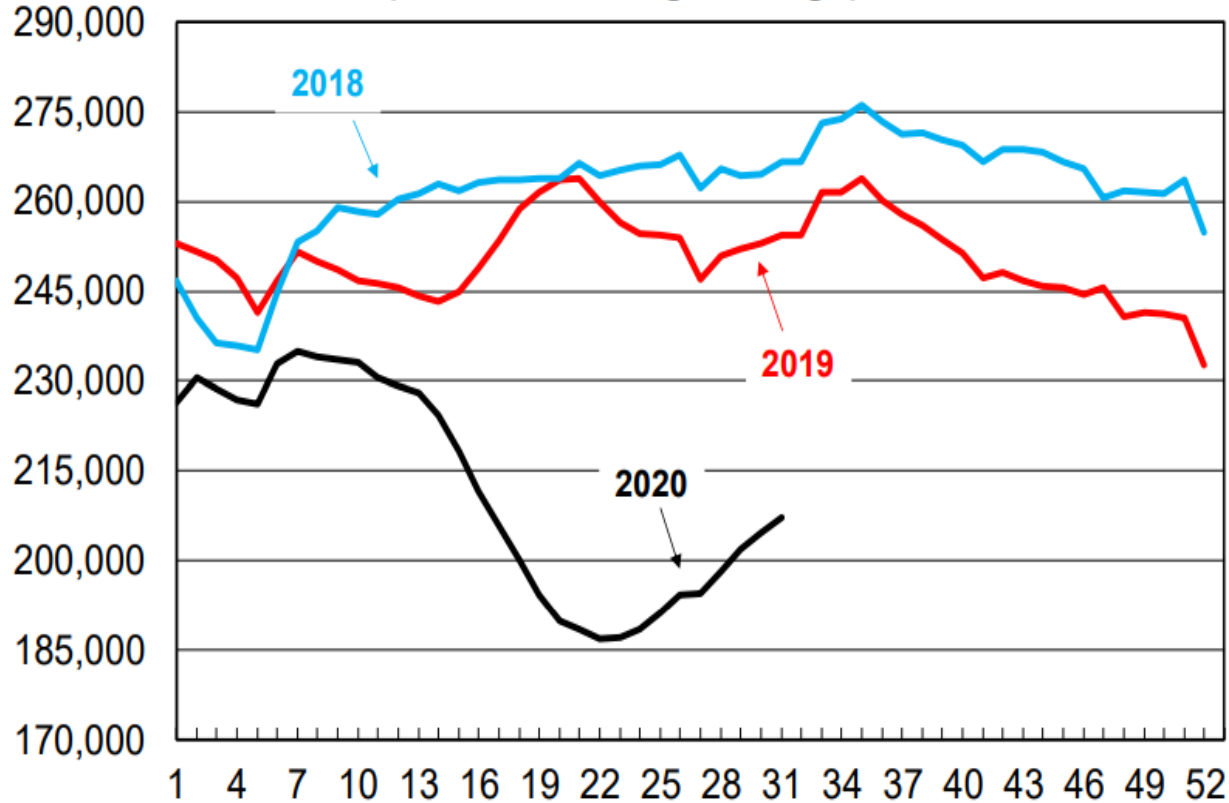


Note: Shaded area denotes recession. Sources: Bureau of Economic Analysis, Bureau of Labor Statistics, Census Bureau, Federal Reserve System, Institute for Supply Management



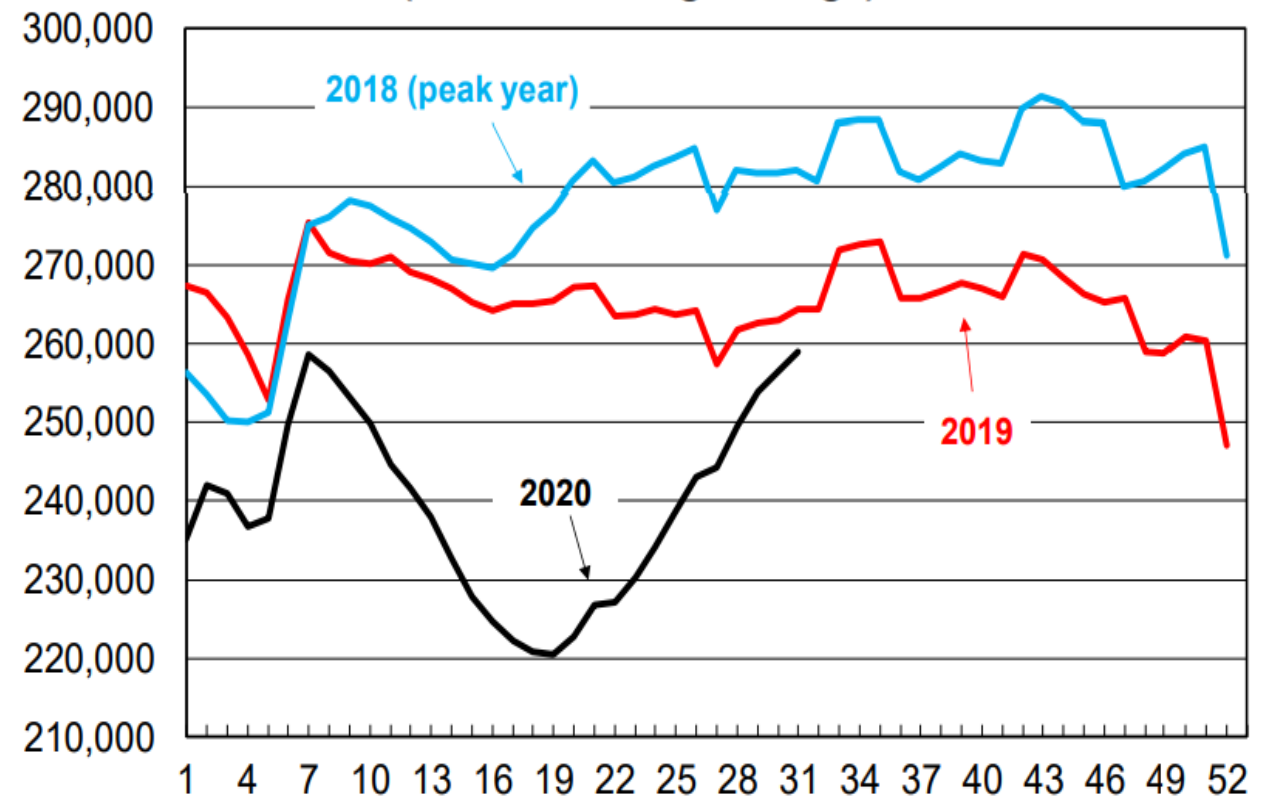
U.S. Railroad Traffic Now Well Off Pandemic Bottoms

Total U.S. Rail Carloads (6-week moving average)



Data are 6-week moving average originations, do not include intermodal, and do not include the U.S. operations of CN, CP, and GMXT. Source: AAR *Rail Time Indicators*

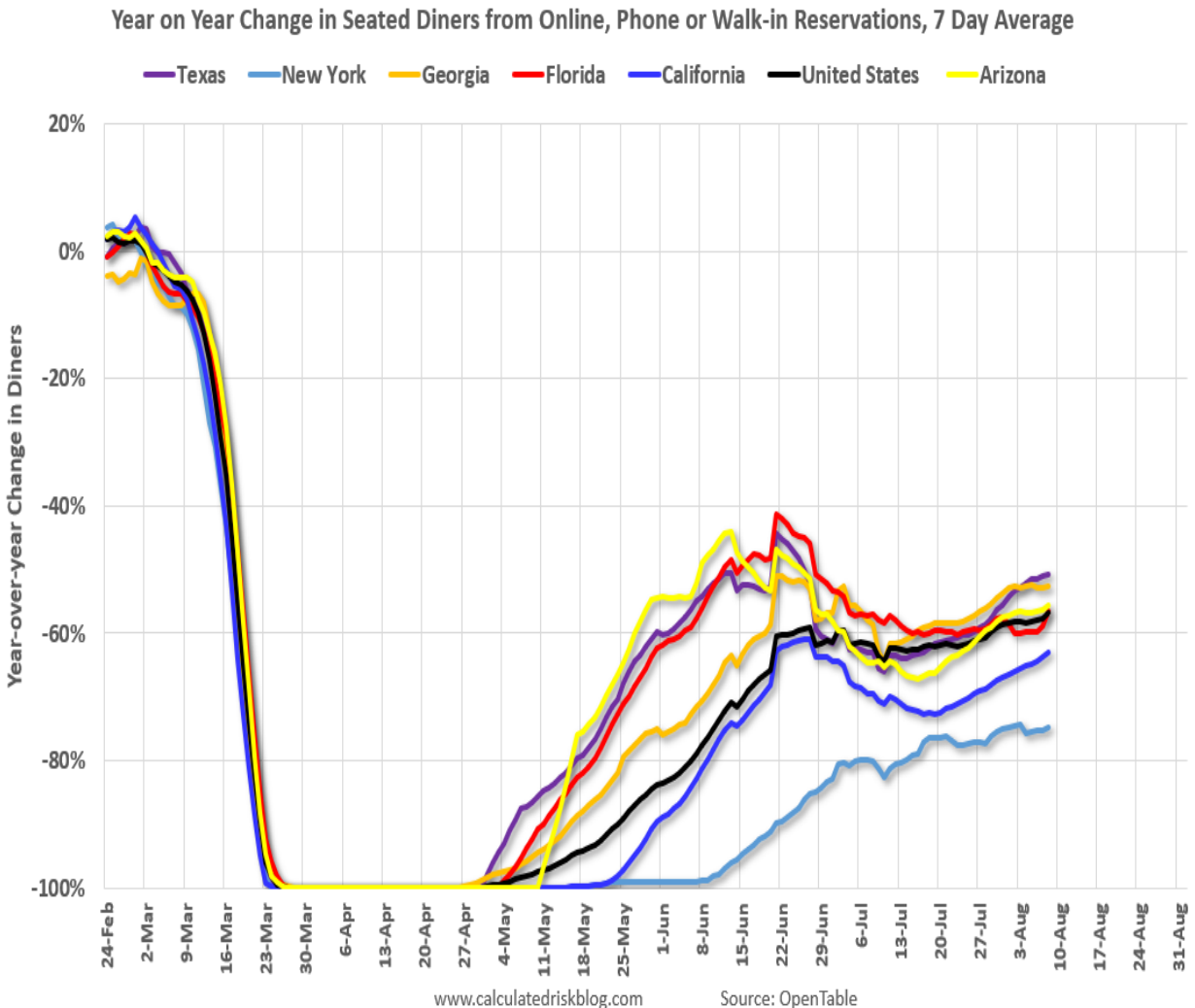
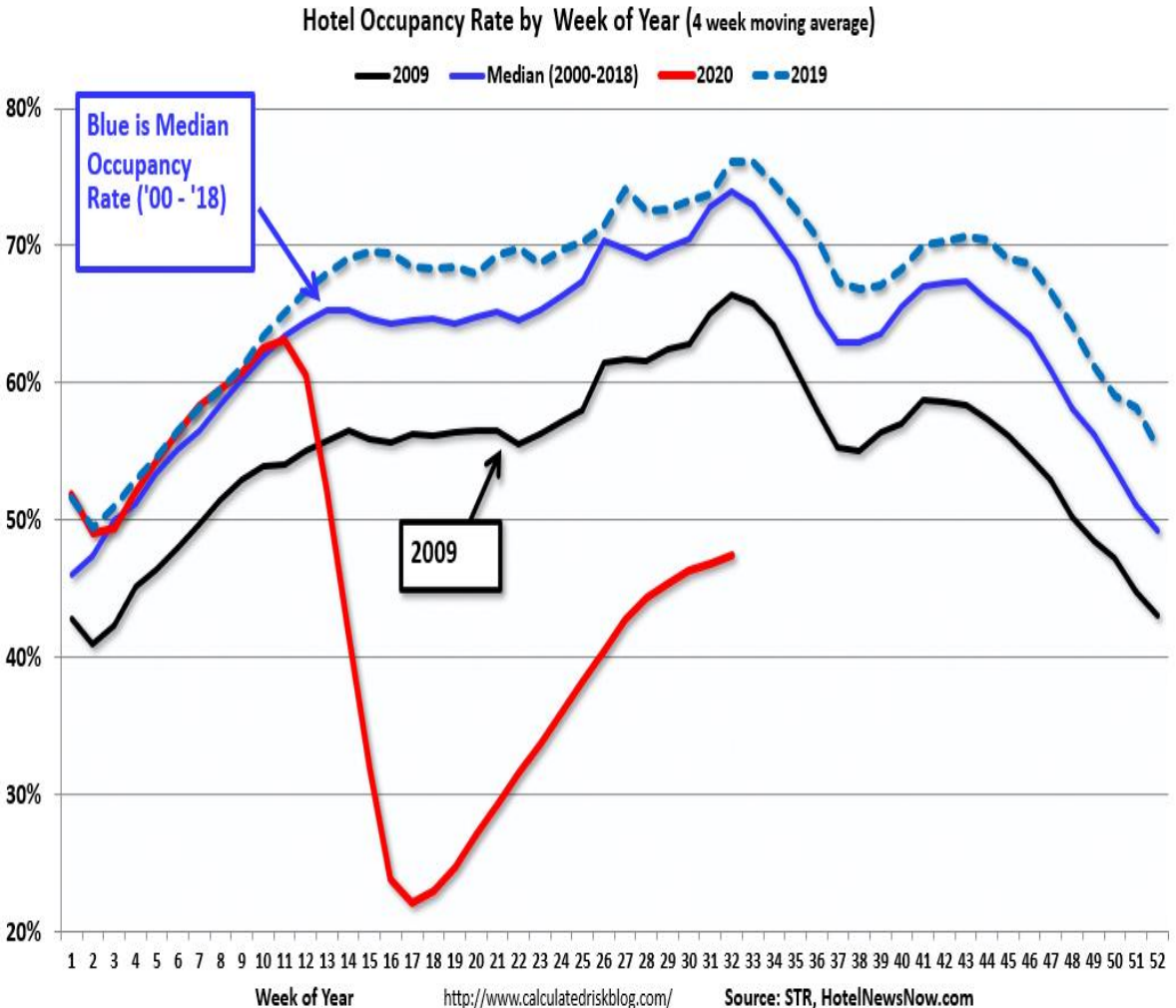
U.S. Rail Intermodal Units (6-week moving average)



Data are 6-week moving average originations and do not include the U.S. operations of CN, CP, and GMXT. Source: AAR *Rail Time Indicators*



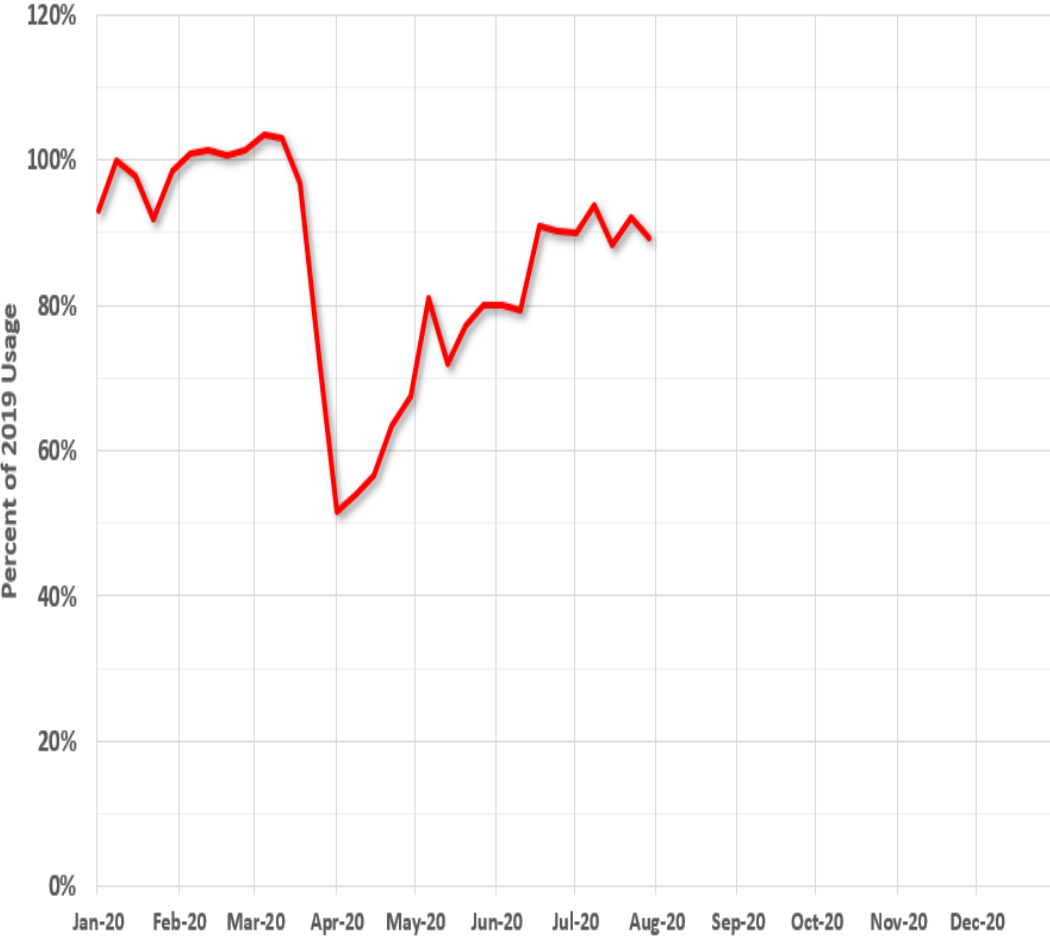
Activity Improving in Service-Producing Industries, Even in Areas That May Have Reopened Prematurely



Source: Calculated Risk

Consumers Returning to the Road; Public Transit Usage Will Climb as Social-Contact Restrictions Are Relaxed

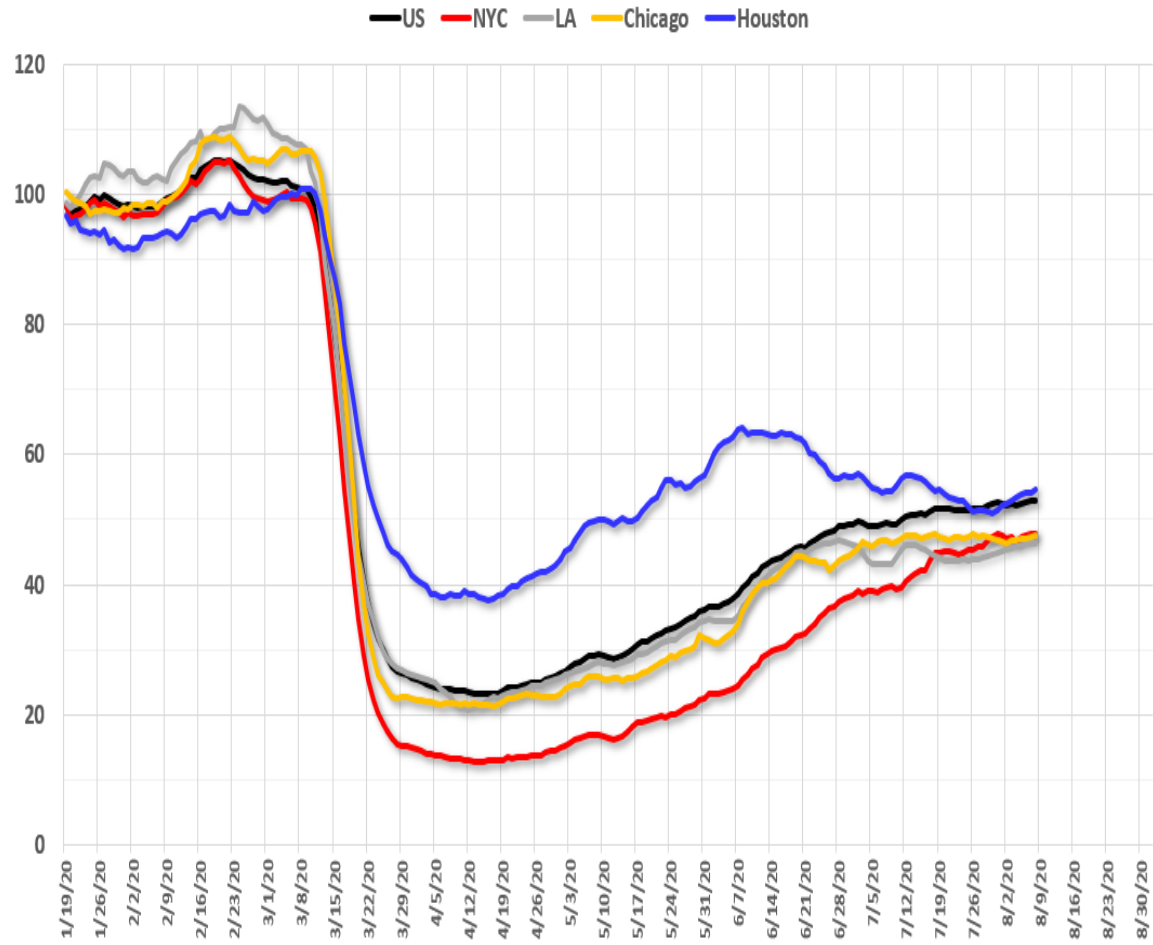
Gasoline Consumption Compared to Same Week in 2019



Source: EIA

www.calculatedriskblog.com

Transit, 7 Day Running Average, Selected Cities (100 = January 13, 2020)



Source: Apple Mobility

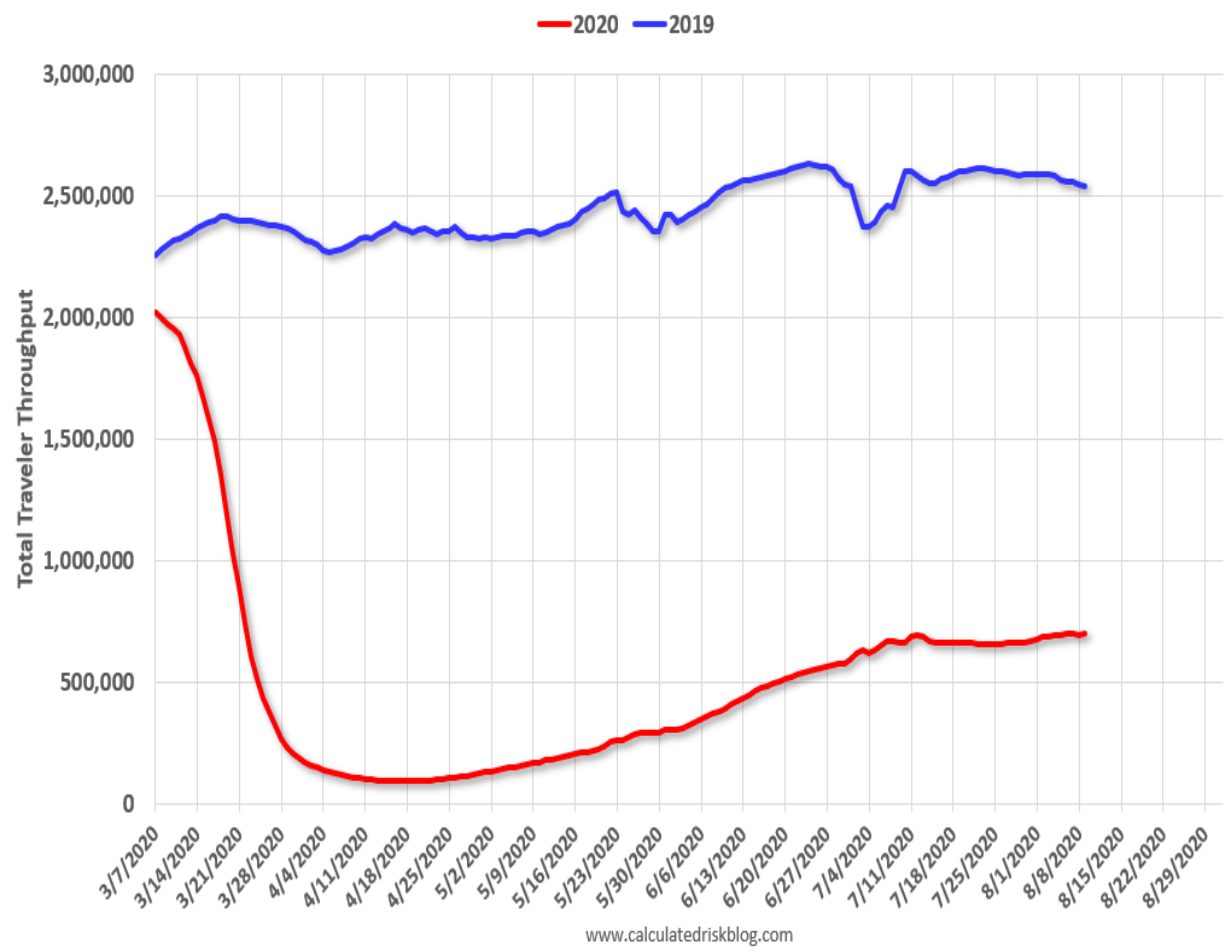
www.calculatedriskblog.com

Source: Calculated Risk

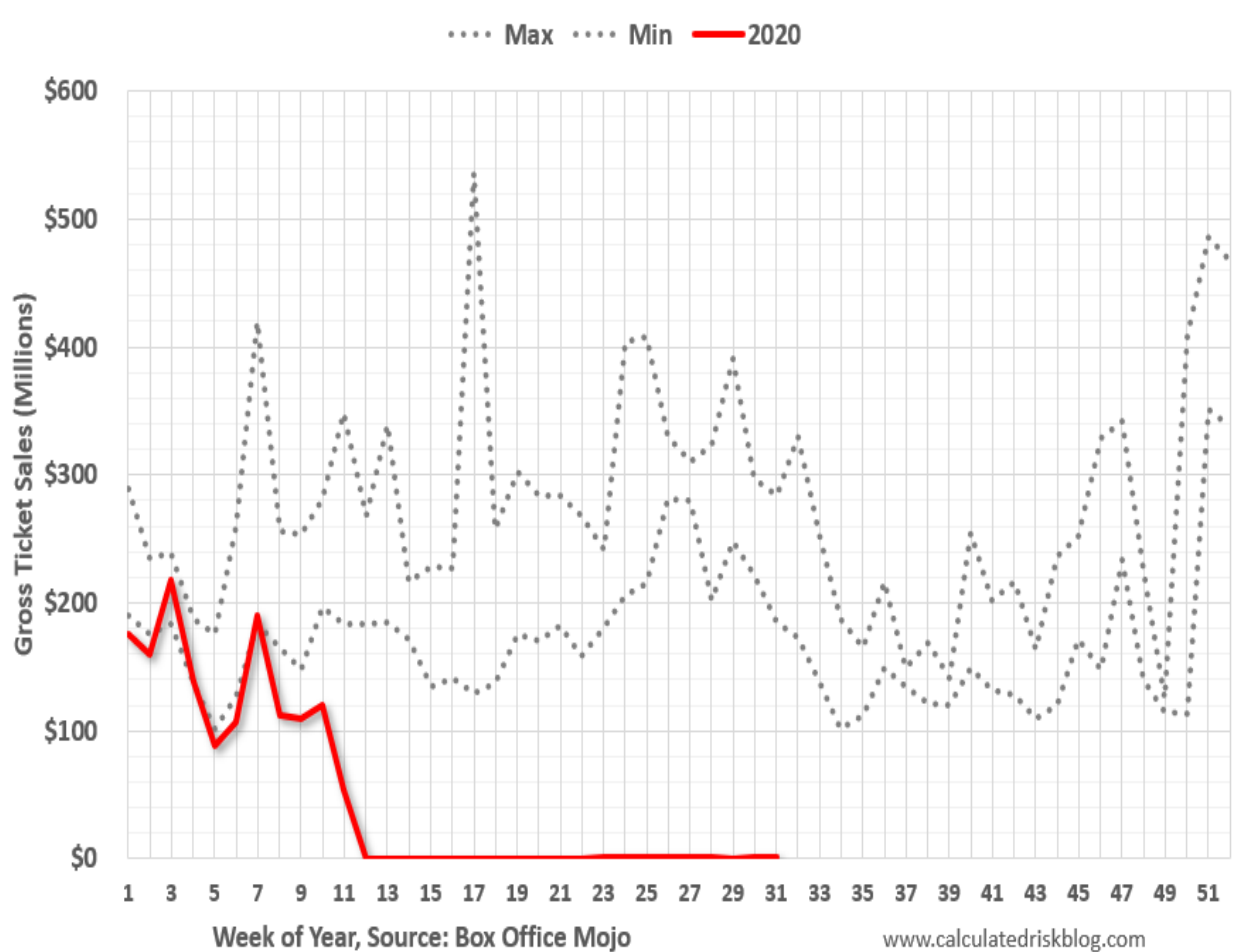


Other Areas of the Economy Will Take Significantly Longer Time to Recover

TSA checkpoint travel numbers for 2020 and 2019, 7 Day Average

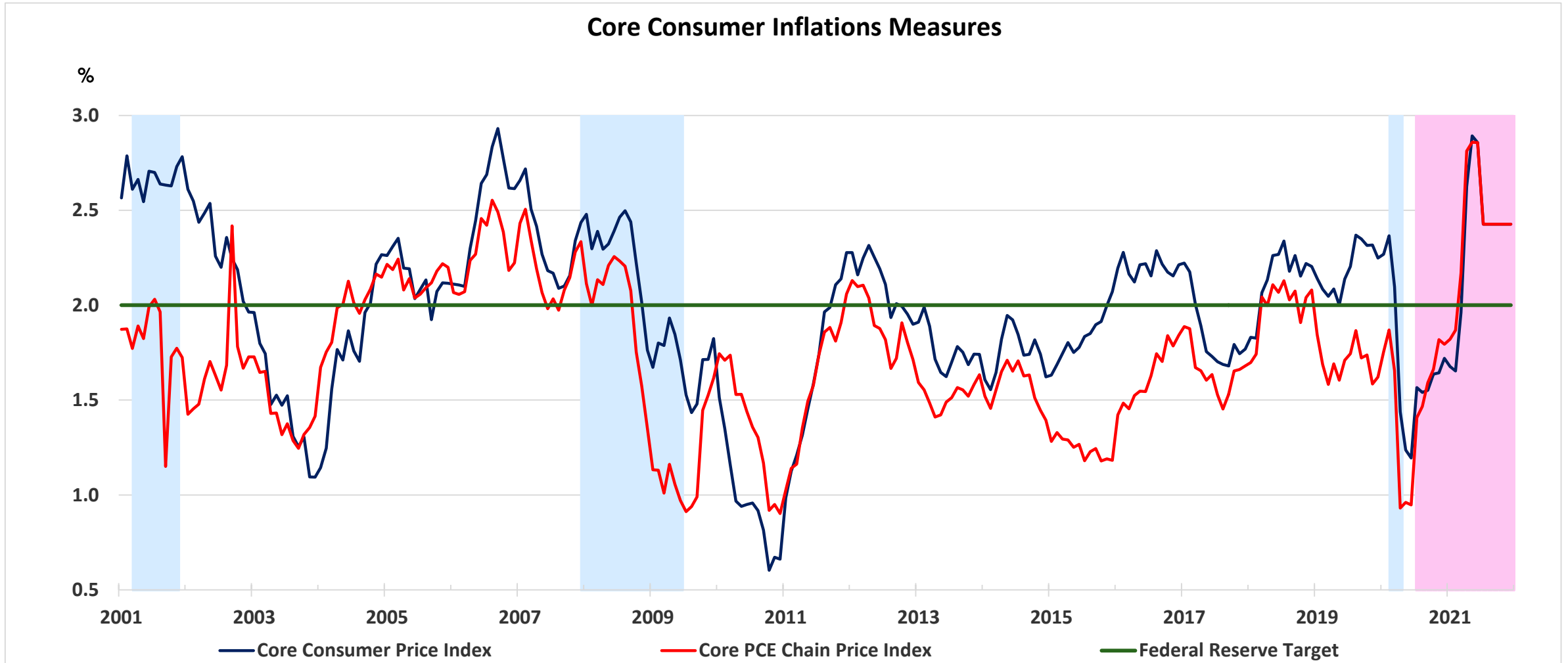


Gross Movie Sales Weekly, Max and Min for 2016 - 2019



Source: Calculated Risk

Core Consumer Inflation Gauges Will Remain Well Below Fed Target Until Spring 2021

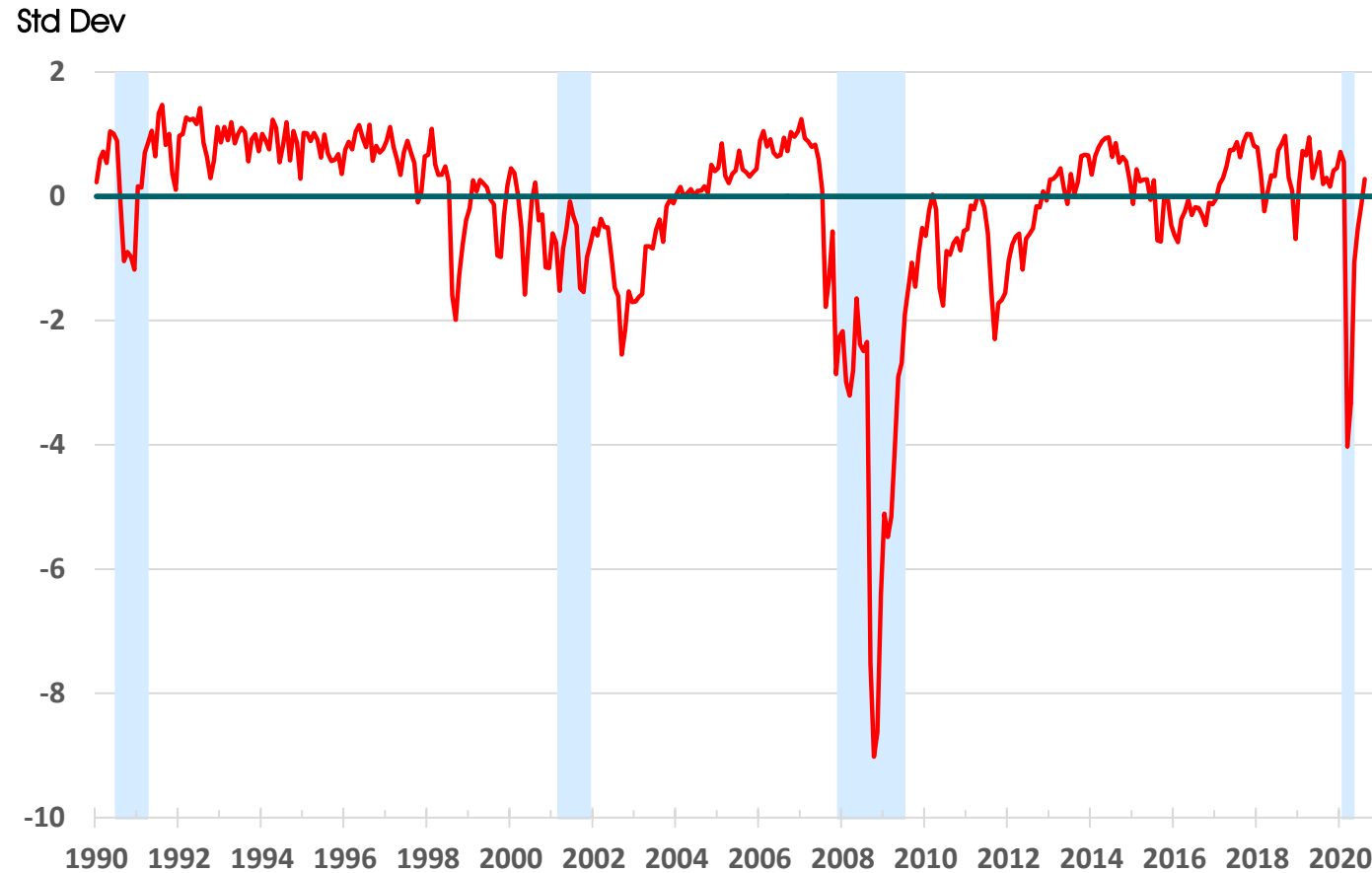


Notes: Light blue shaded areas denote recessions. Pink shaded area denotes projections. Sources: Bureau of Labor Statistics and FHLBNI estimates



Financial Conditions Have Moved Into Accommodative Territory

Bloomberg United States Financial Conditions Index

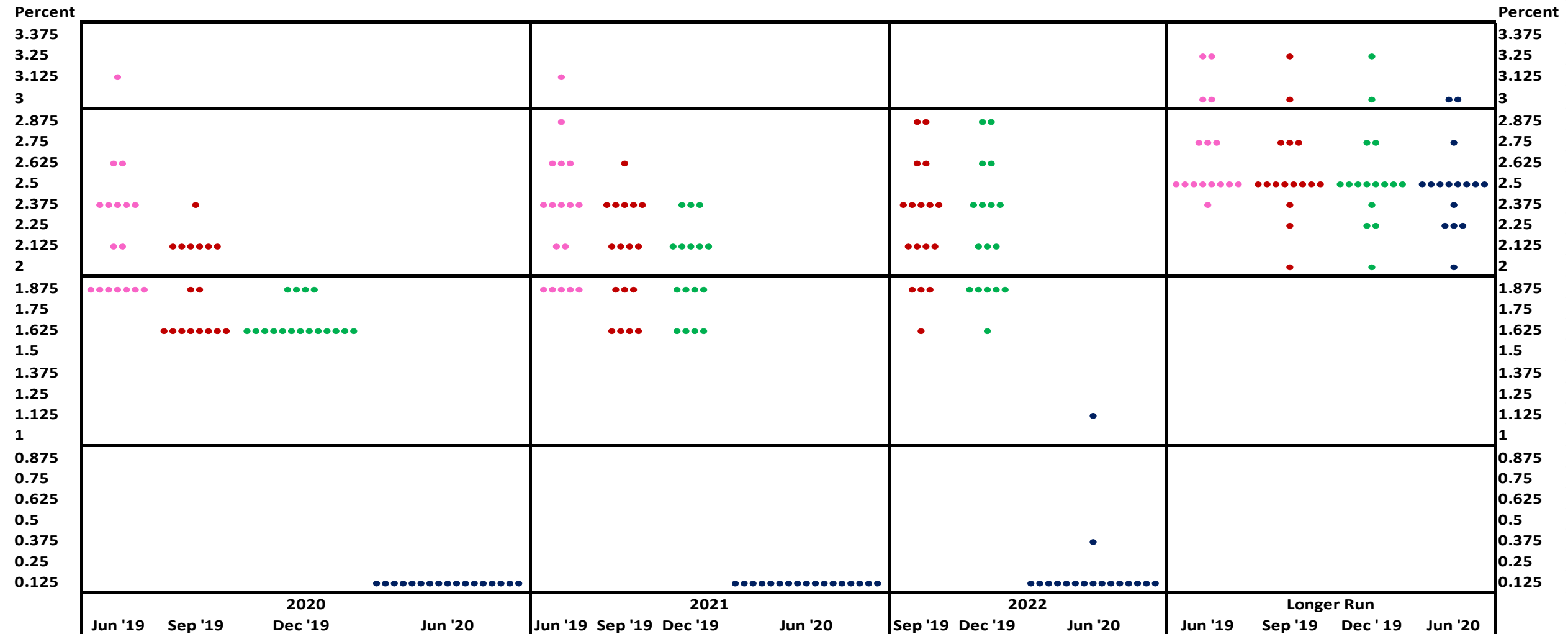


	22-Jul-20	13-Aug-20	Change
US Financial Conditions	0.02	0.28	0.26
Money Market Spreads:			
TED Spread	14.90	17.24	2.34
Libor/OIS Spread	18.05	18.79	0.74
Com Paper/T-Bill Spread	9.59	10.00	0.41
Bond Market Spreads:			
Baa/10-Yr Treasury Spread	174.28	161.78	-12.50
High-Yield/10-Yr Treas Spread	5.06	4.80	-0.26
Muni/10-Yr Spread	26.94	5.83	-21.11
Swaption Volatility Index	58.79	62.24	3.45
Equity Market:			
S&P 500	3265.84	3380.35	114.51
VIX S&P Volatility Index	24.73	22.31	-2.42

Note: Shaded areas denote recessions. Source: Bloomberg



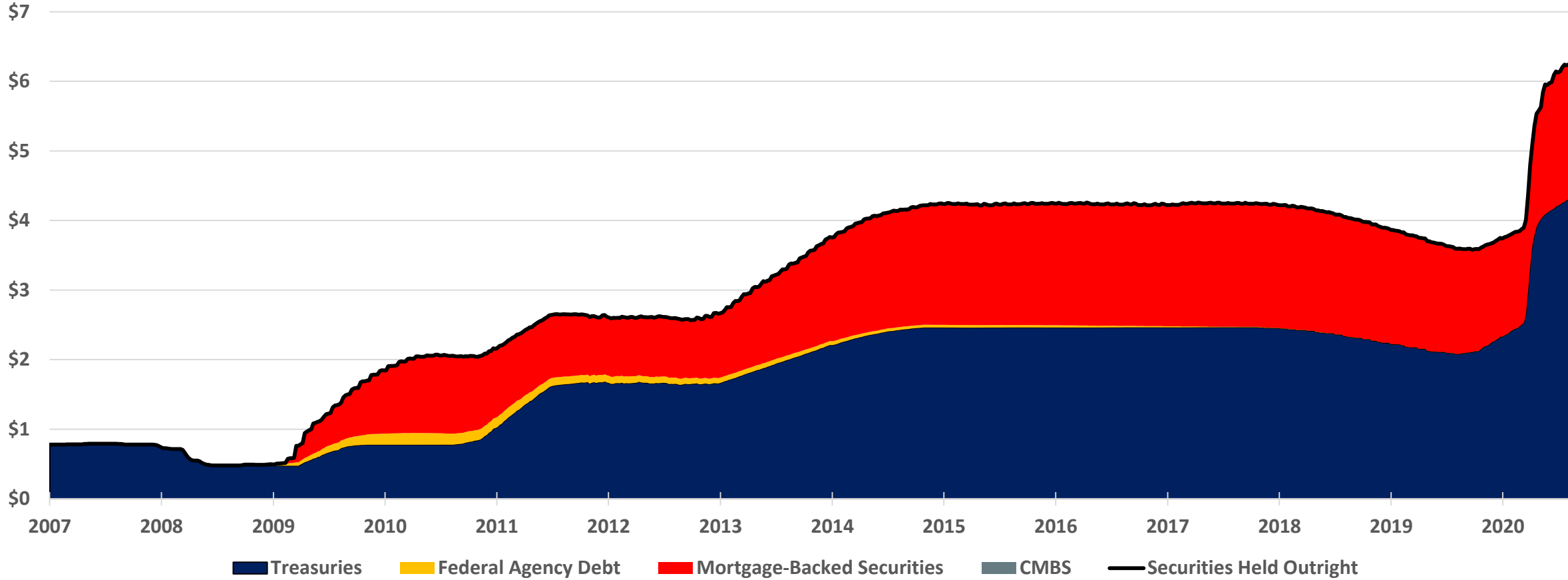
Fed Officials Anticipate No Change in Administered Rates Through 2022



Source: Federal Reserve Board

Fed Securities Holdings Stand \$2.3 Trillion Above Their Pre-COVID-19 Level

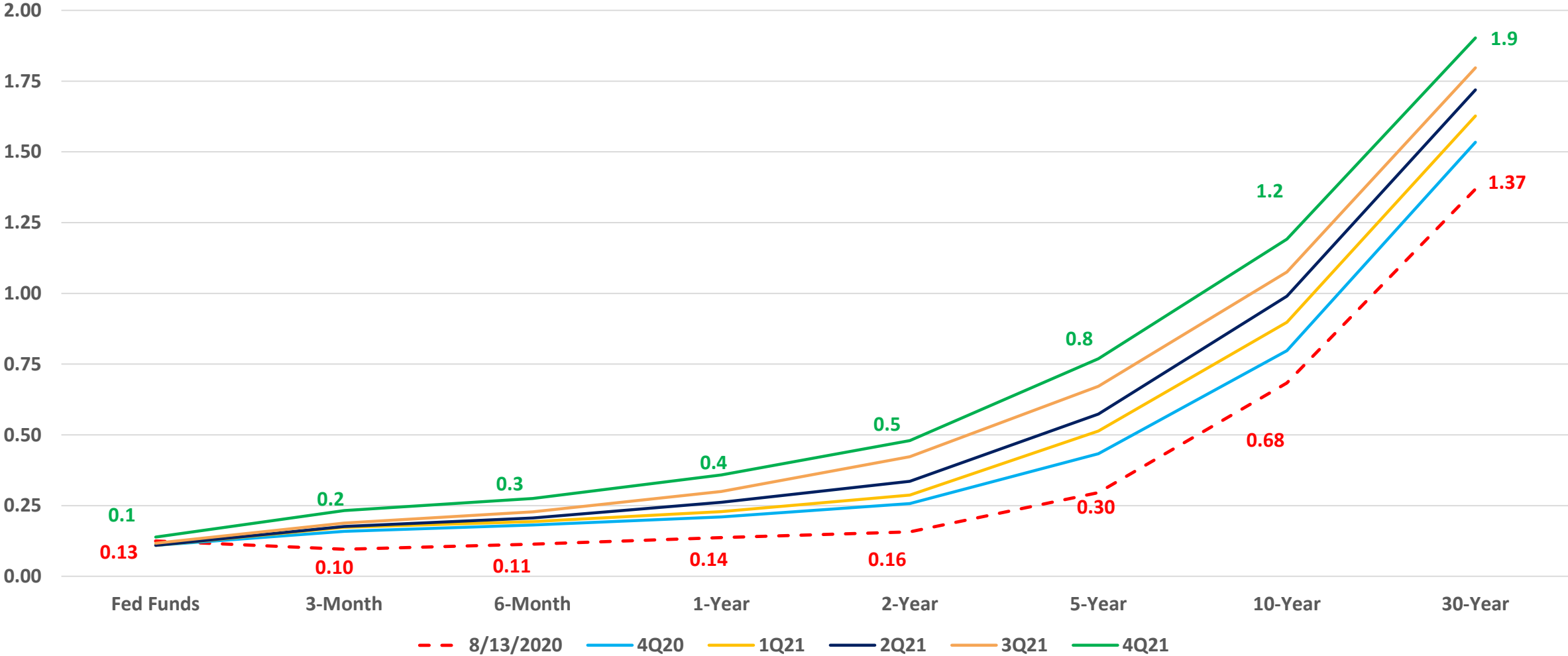
Securities Held Outright by the Federal Reserve
(trillions of dollars)



Source: Federal Reserve Board



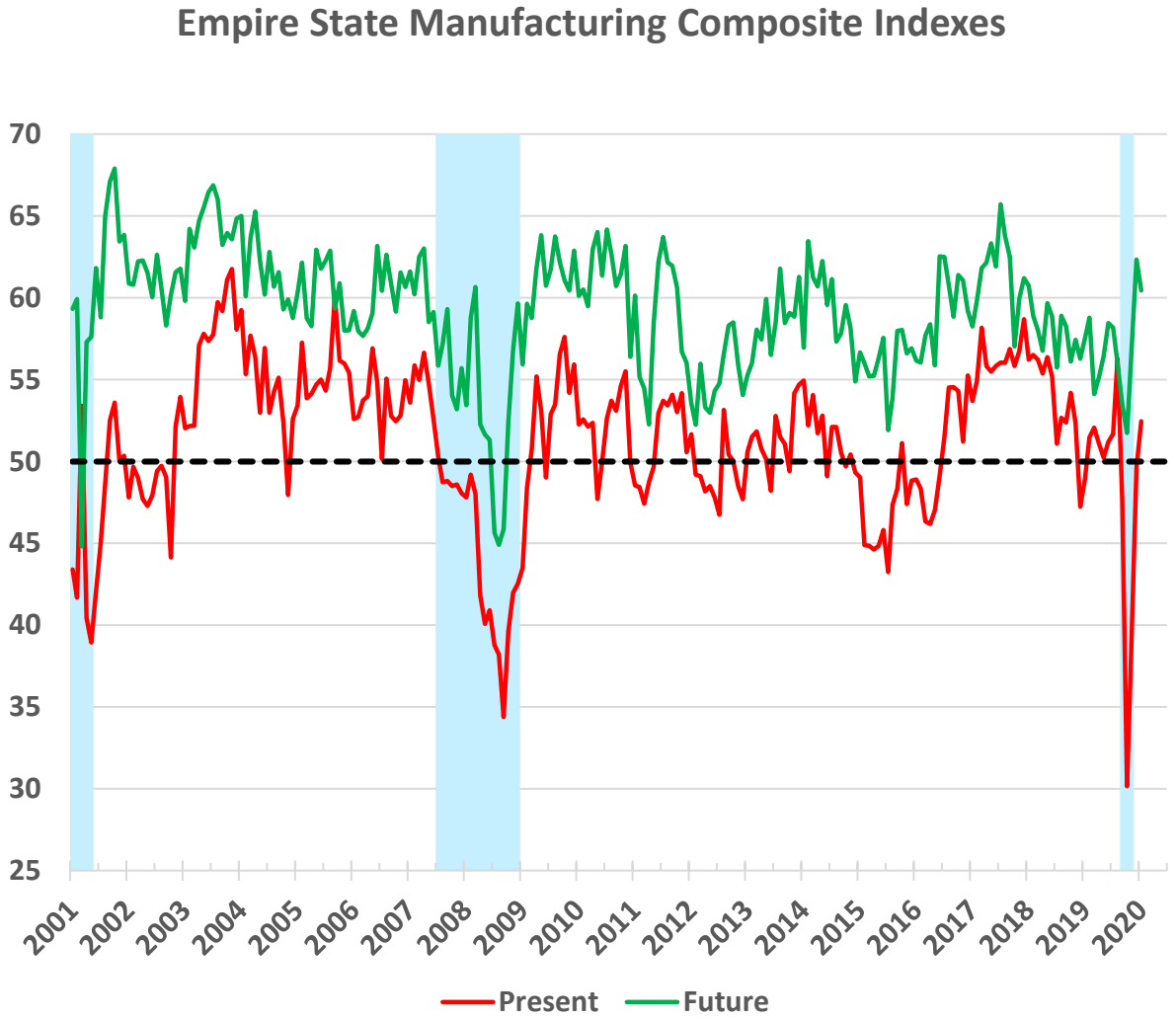
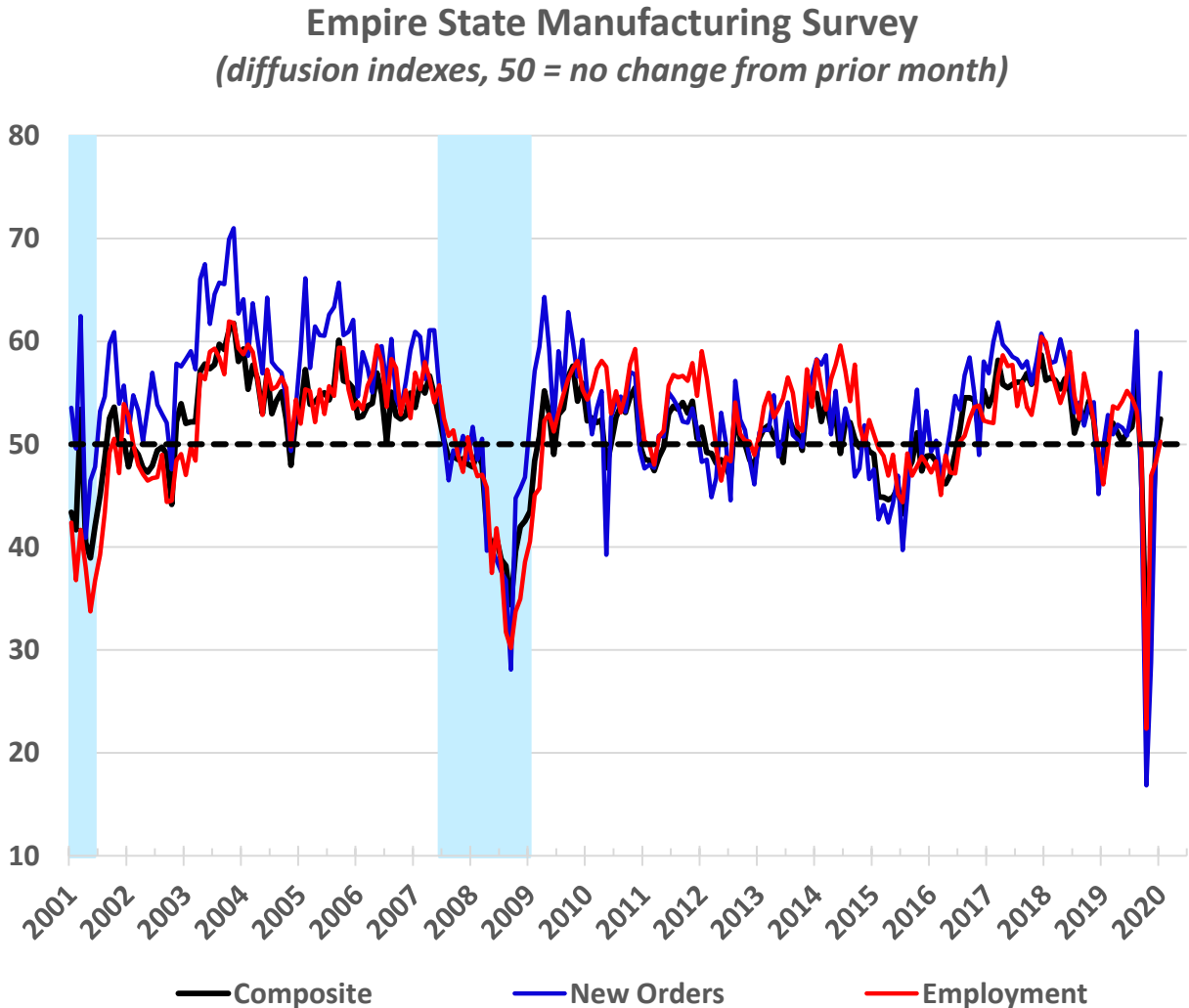
Consensus Projections Call for Steady Rise in Treasury Rates Through Summer 2021



Sources: Bloomberg, Blue Chip Consensus



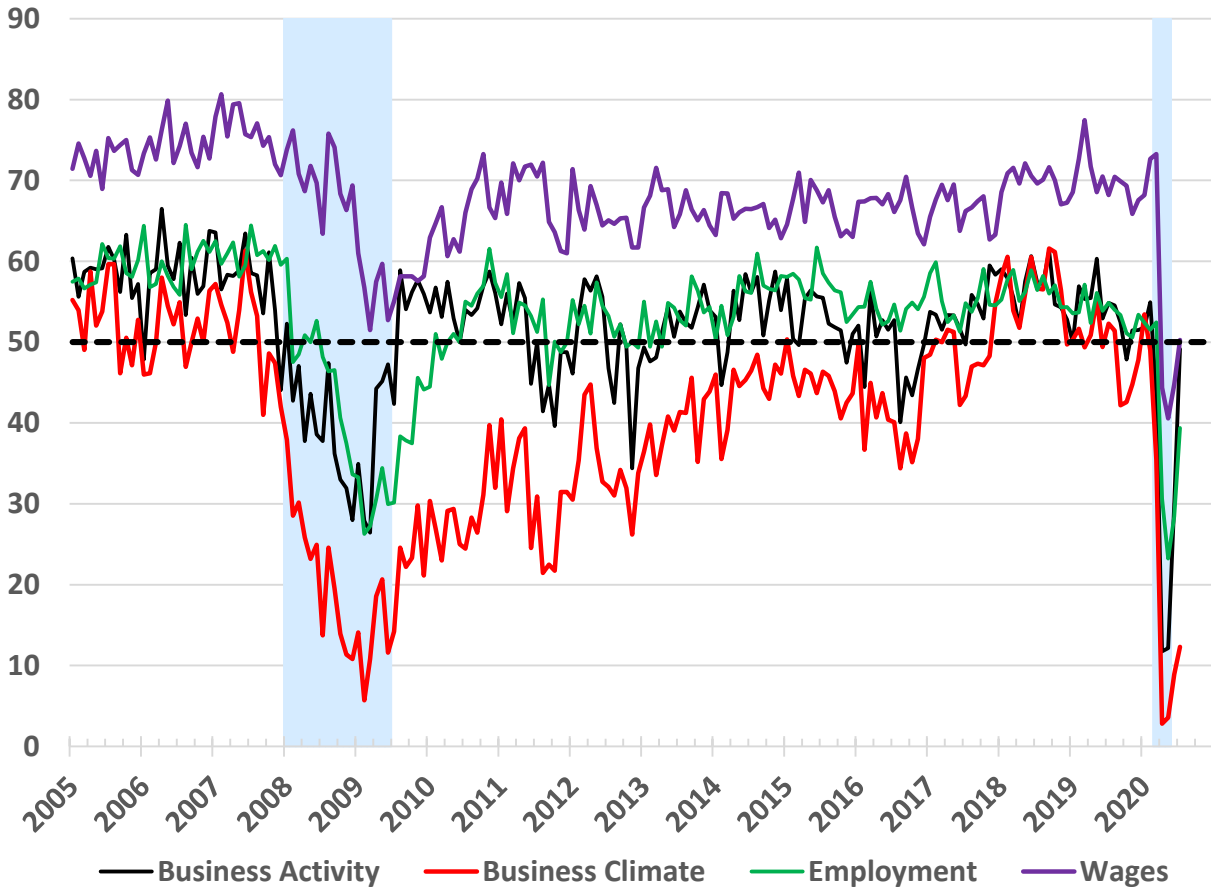
NY Factory Activity Expanded in July, Firms More Hopeful About the Future



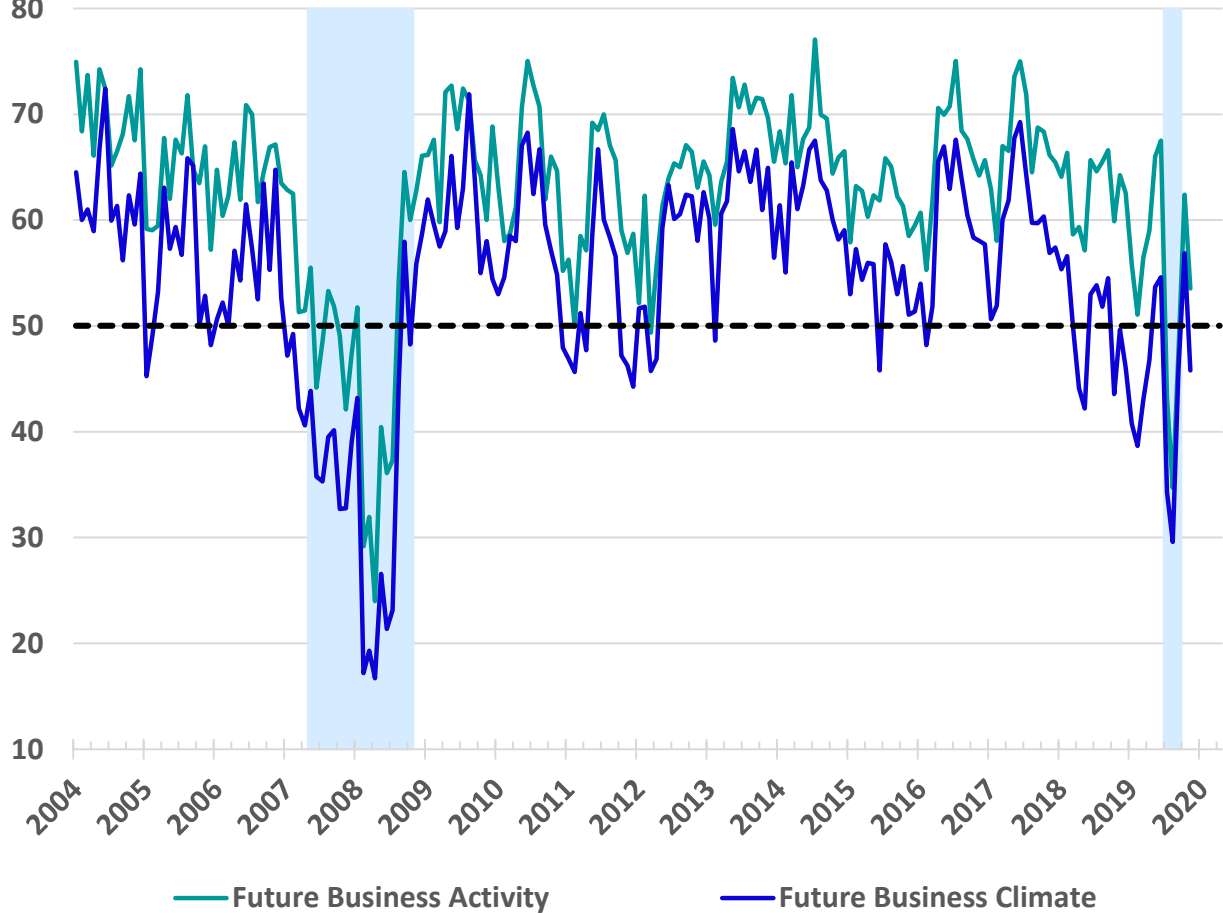
Note: Shaded areas denote recessions. Sources: Federal Reserve Bank of New York, FHLBNY estimates

Local Service-Producing Activity Stabilized, But Firms Remain Concerned About Business Climate

New York Fed Business Leaders Survey
(diffusion indexes, 50 = no change from prior month)

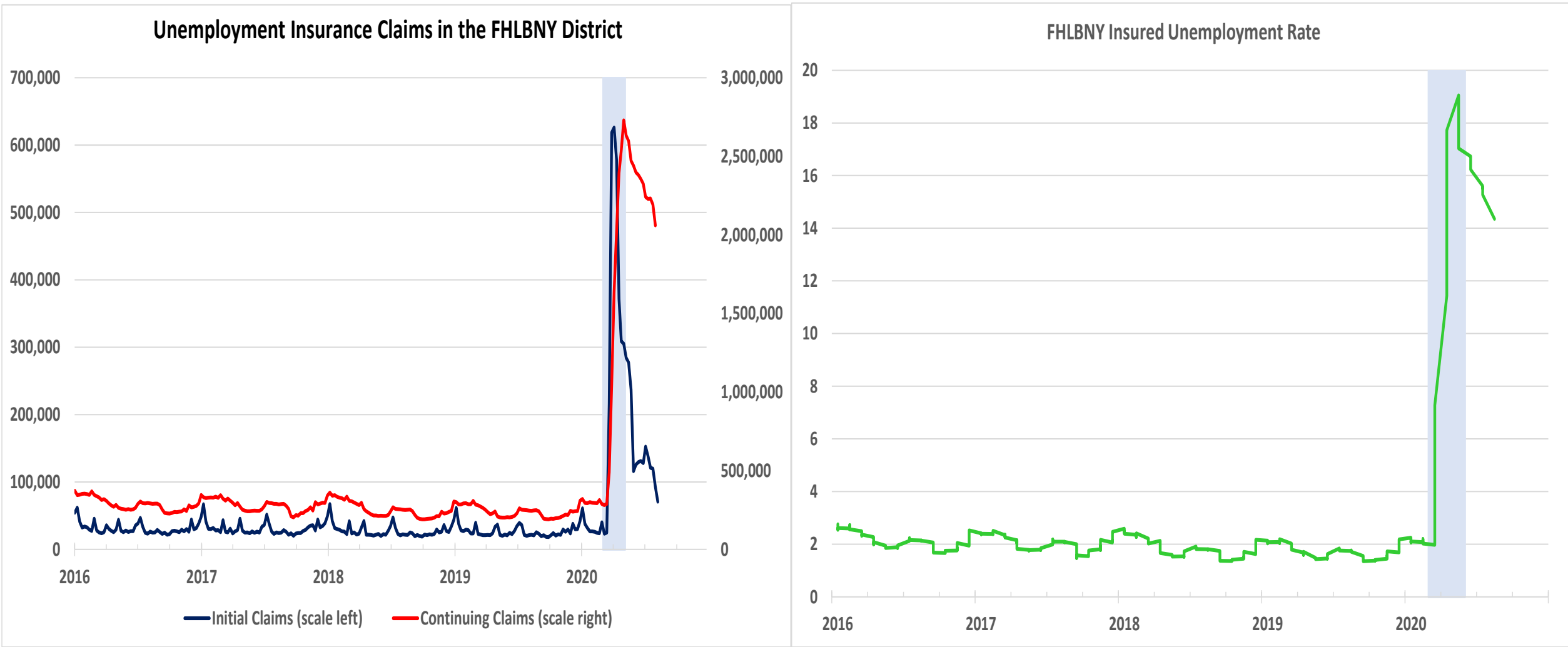


New York Fed Business Leaders Survey
(diffusion indexes, 50 = no change from prior month)



Note: Shaded areas denote recession. Sources: Federal Reserve Bank of New York, FHLBNY estimates

Labor Market Conditions in FHLBNY Coverage Area Improving

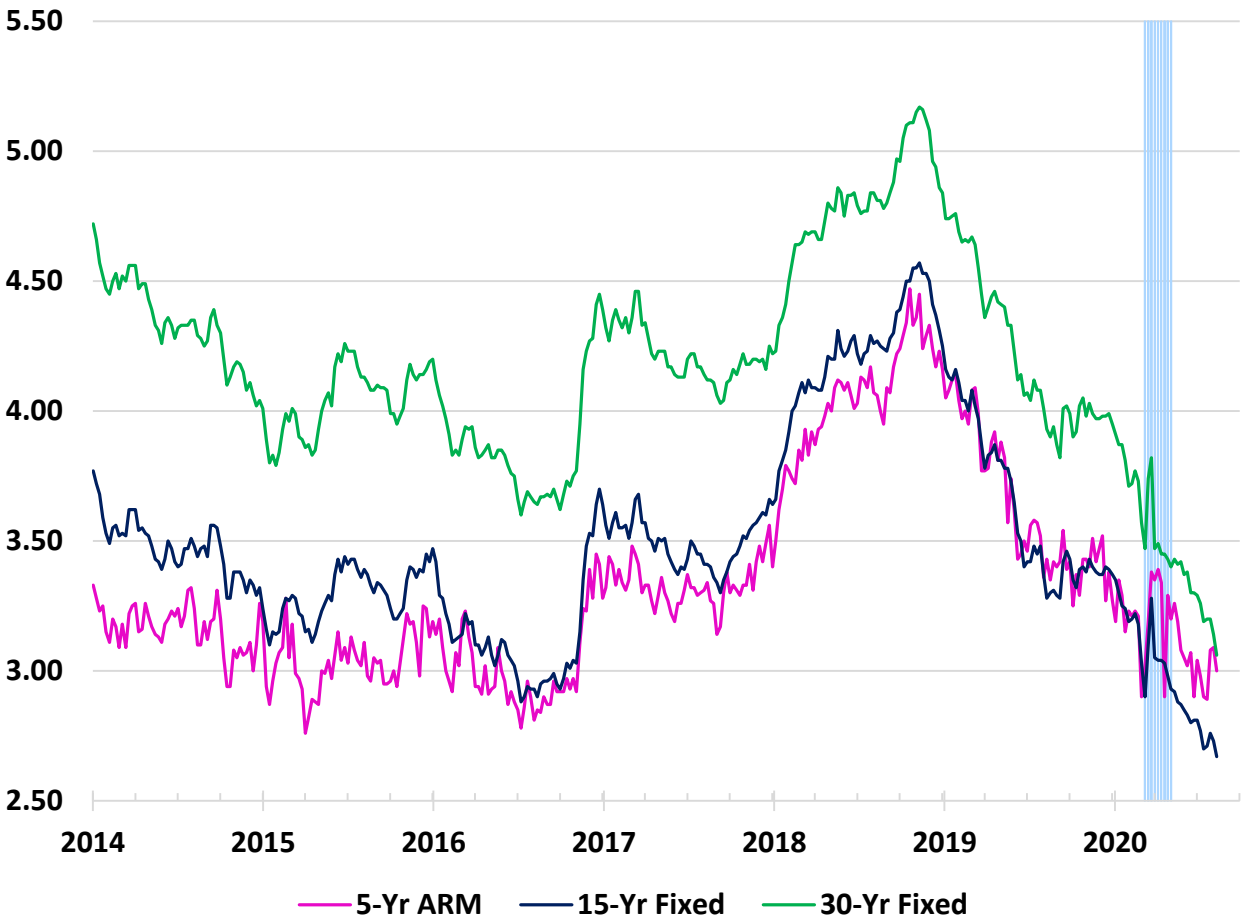


Note: Shaded areas denote recession. Source: U.S. Department of Labor

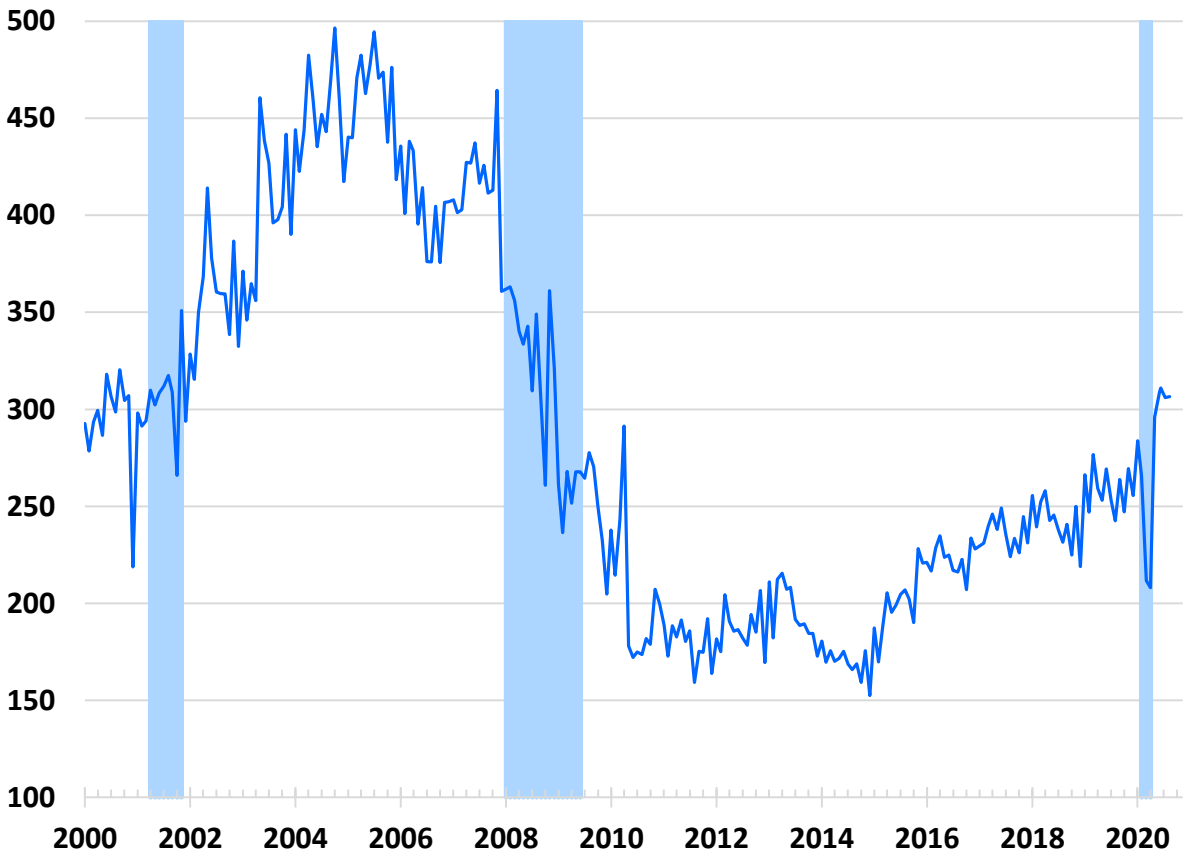


Low Rates Are Supporting a Sharp Rebound in Home-Purchase Mortgage Applications

Mortgage Interest Rates



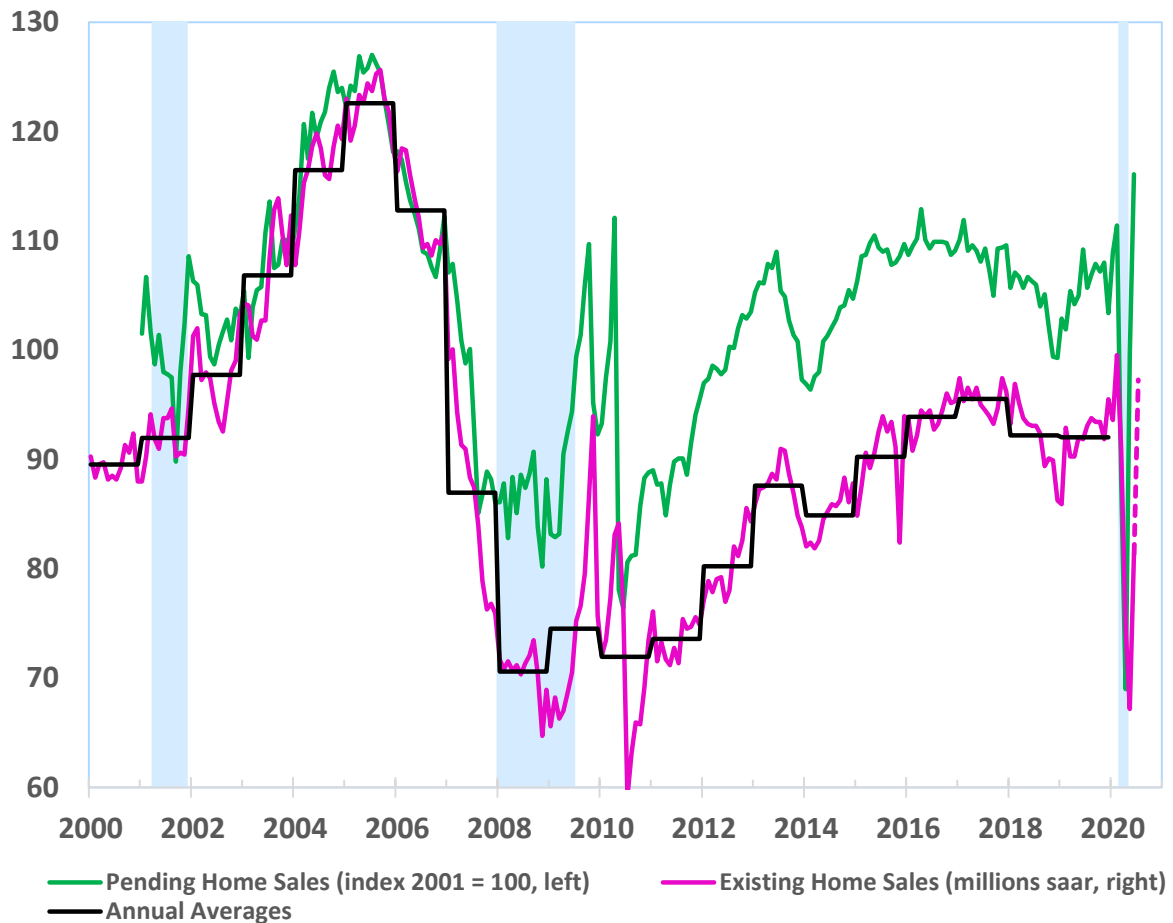
Home-Purchase Mortgage Applications



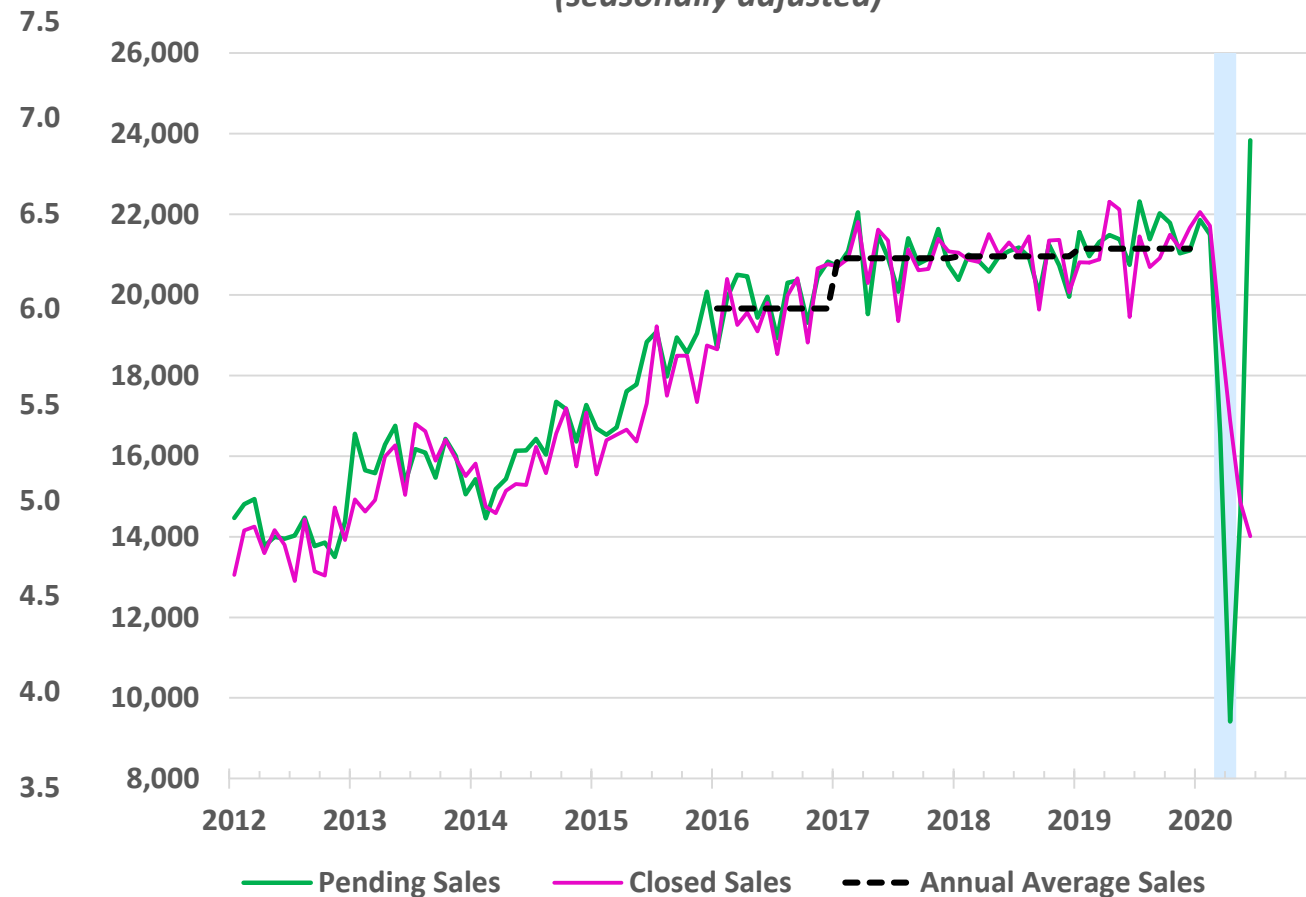
Note: Shaded areas denote recessions. Sources: Mortgage Bankers Association

Leap in Contract Signings Point to Coming Surge in Existing Home Sales

U.S. Pending and Existing Home Sales



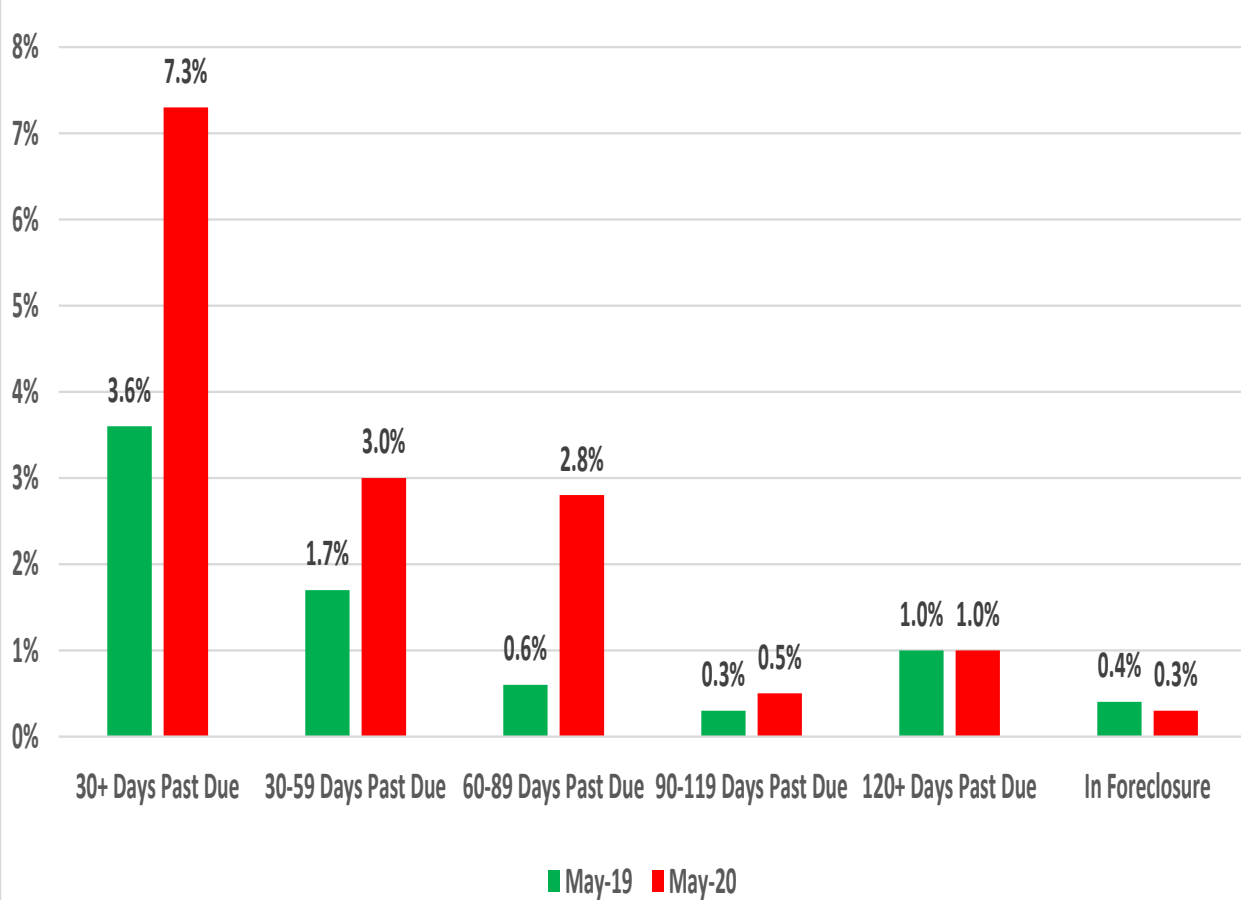
Pending and Closed Home Sales in New York & New Jersey
(seasonally adjusted)



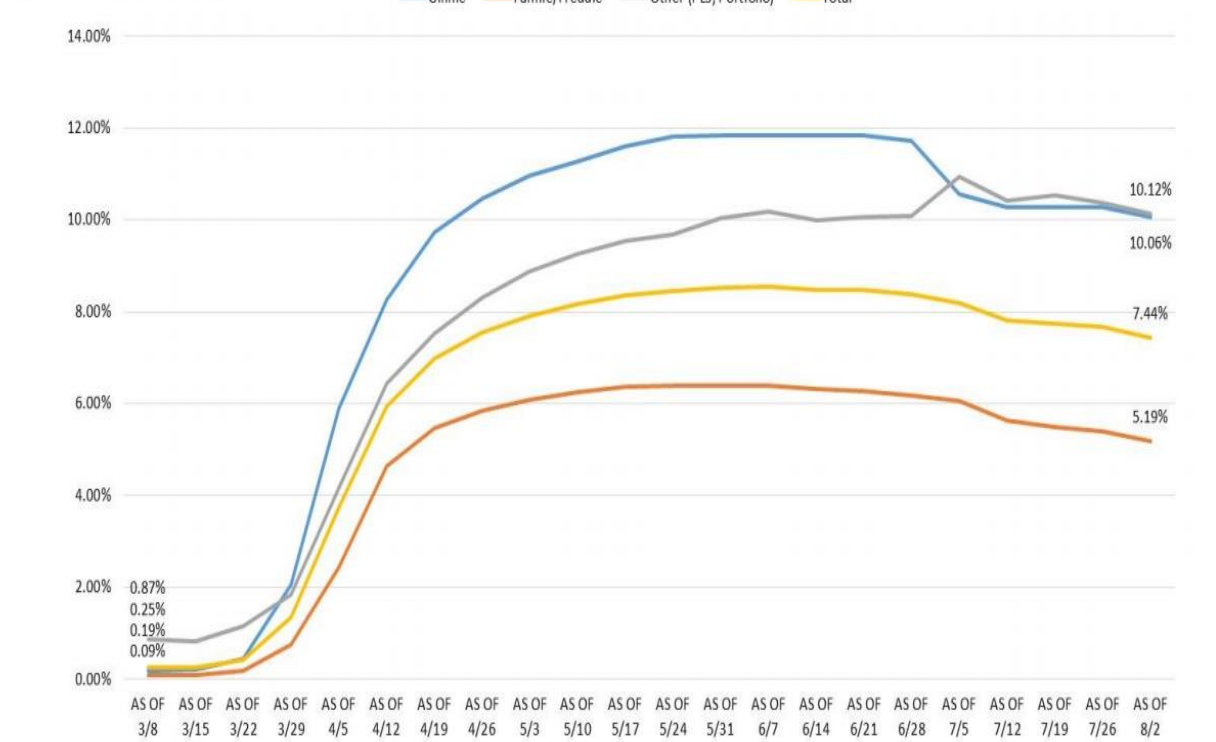
Note: Shaded areas denote recessions. Sources: National Association of Realtors, NJ Realtors, NYSAR

Mortgage Delinquencies Continued to Climb in May, But Forbearances Are Edging Lower

Mortgage Delinquency Rates



% of Servicing Portfolio Volume in Forbearance by Investor Type over Time (Full Sample)



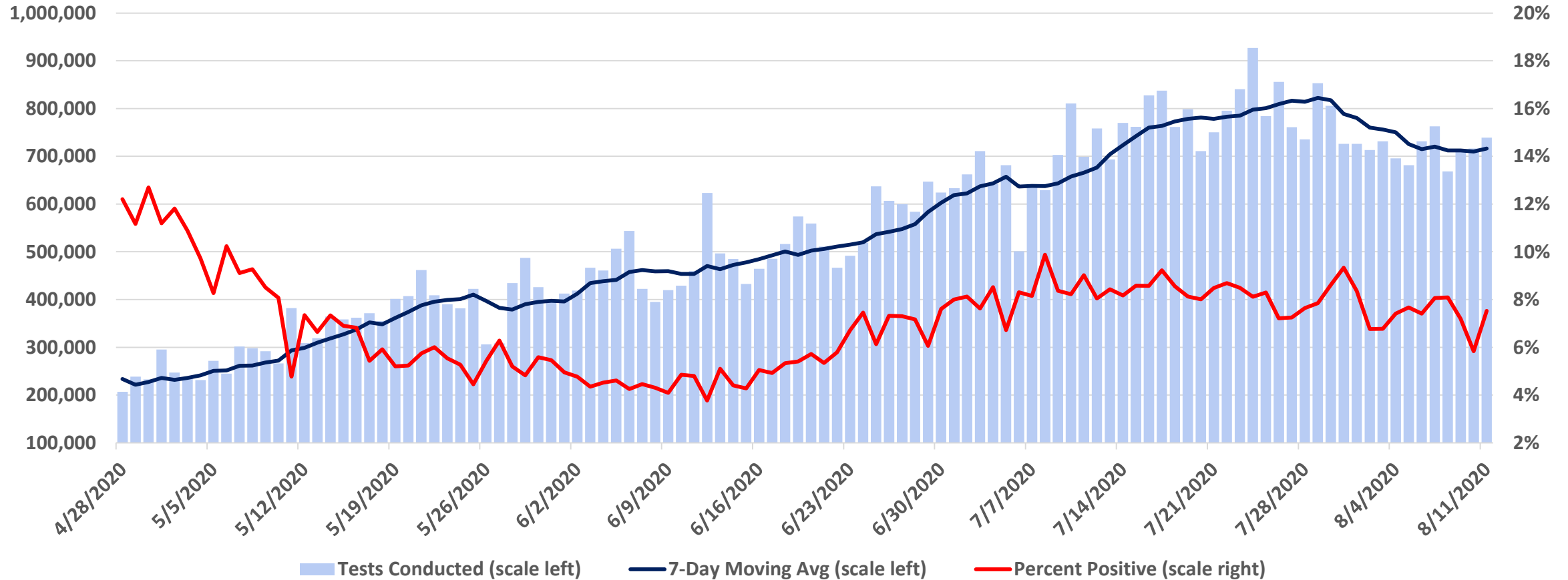
Source: MBA's Weekly Forbearance and Call Volume Survey, as of 8/2/20

Sources: CoreLogic, Mortgage Bankers Association



The Most Important Healthcare Data to Watch

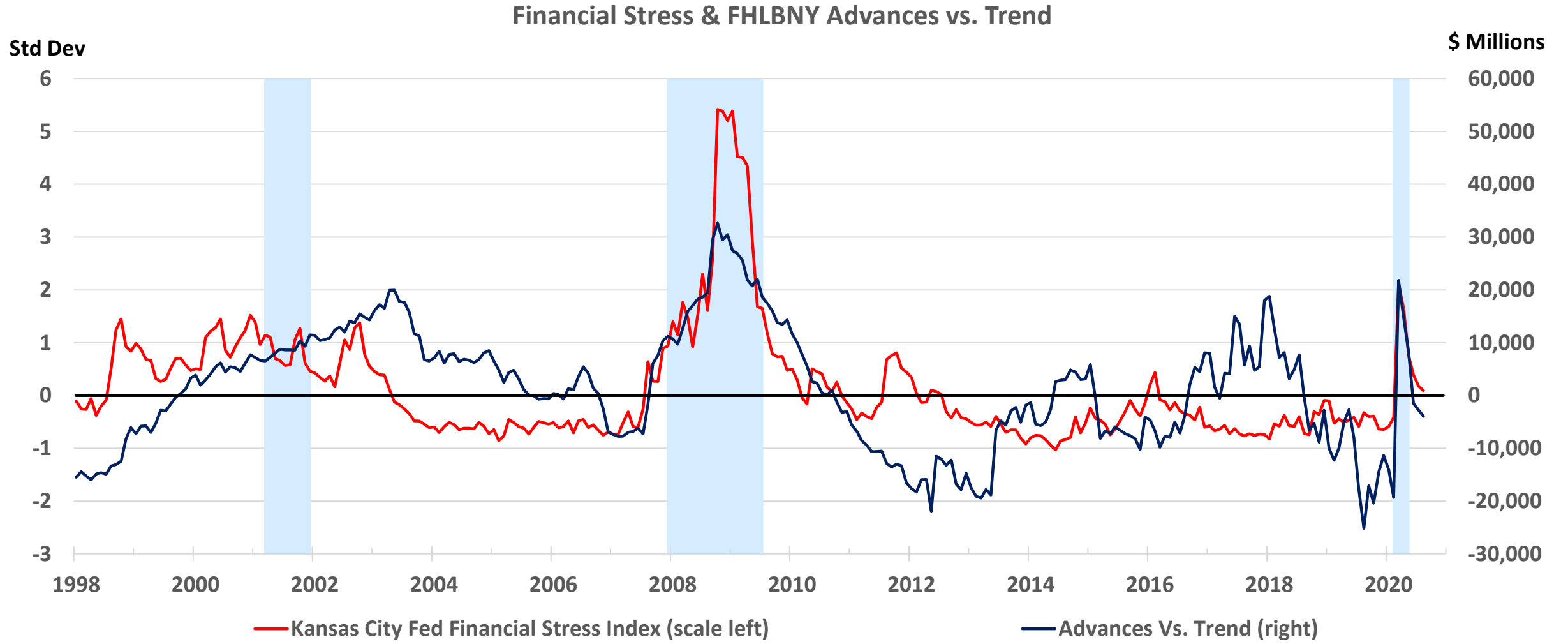
U.S. COVID-19 Tests Results Per Day



Source: The COVID Tracking Project



When Financial Stress Rises, the FHLBNY Stands Ready to Lend



Note: Shaded areas denote recessions. Sources: Federal Reserve Bank of Kansas City, FHLBNY estimates





Federal Home Loan Bank
NEW YORK

Advancing Housing and Community Growth

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