

# U.S. manufacturing slowdowns and Fed responses

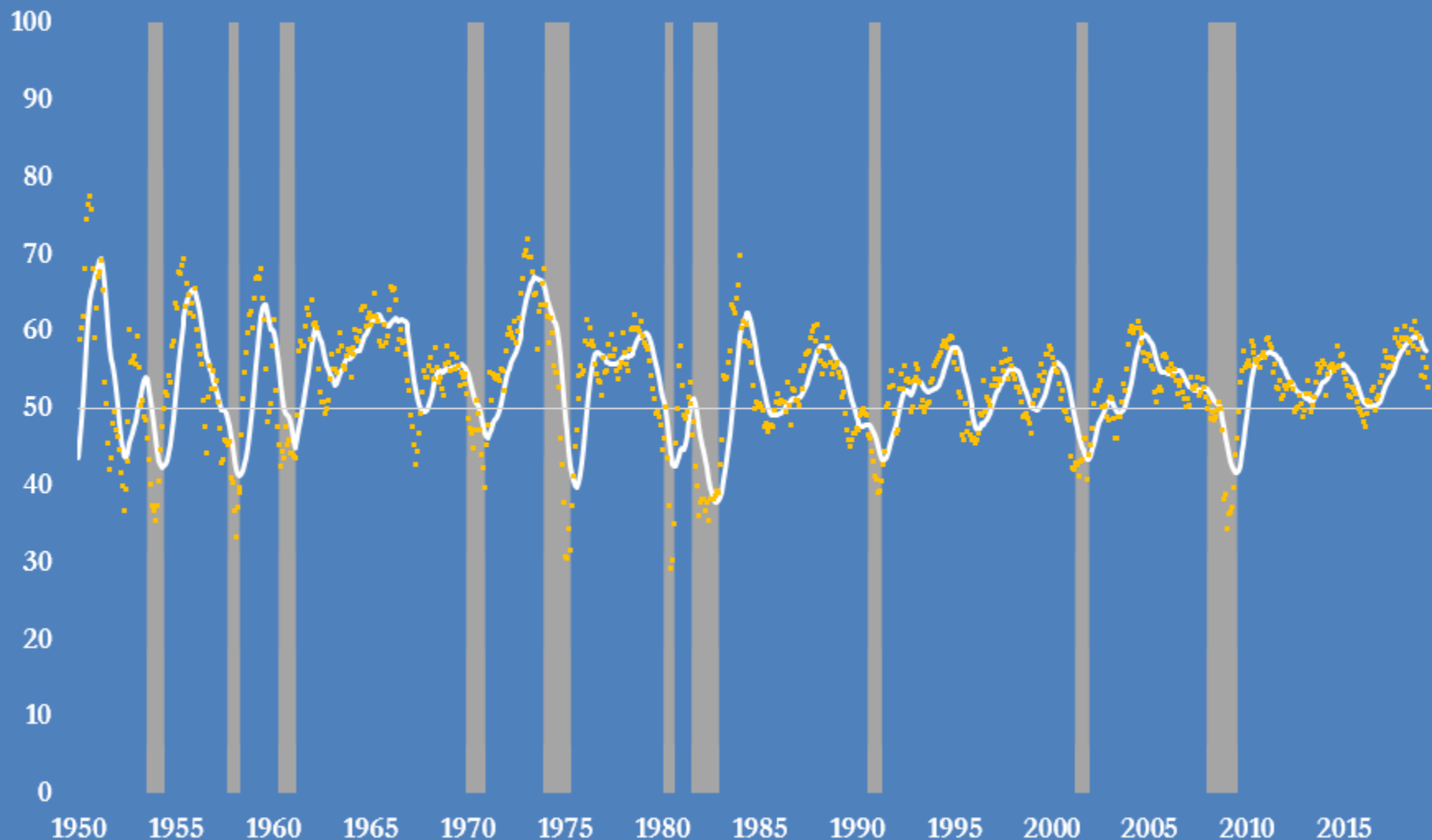
## Selected indicators

JOHN KEMP  
REUTERS  
2 May 2019

# U.S. Purchasing Managers' Index, 1950-2019

Manufacturing, diffusion index, base = 50

Monthly and 12-month moving average



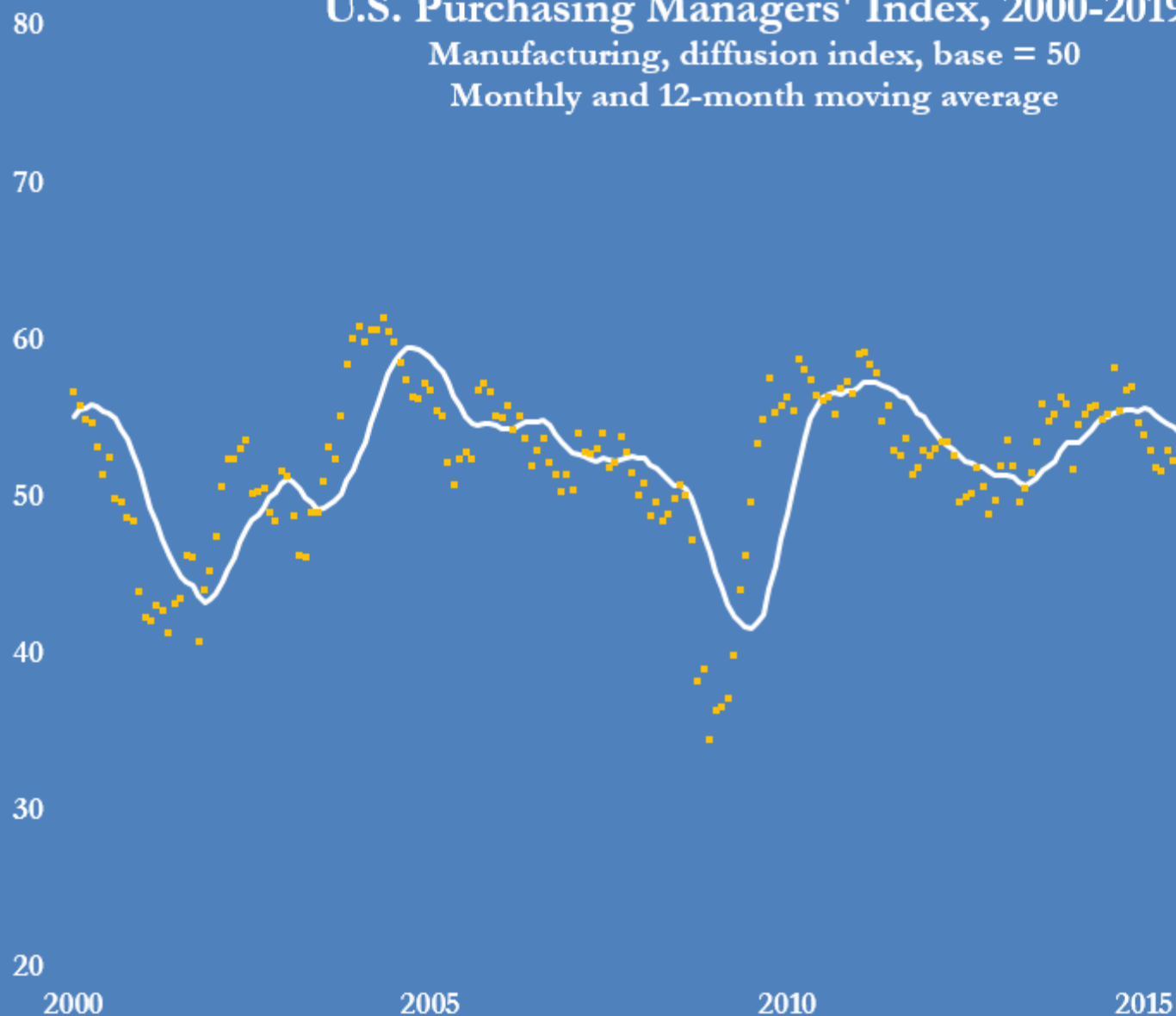
Source: Institute for Supply Management, *Manufacturing Report on Business*

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## U.S. Purchasing Managers' Index, 2000-2019

Manufacturing, diffusion index, base = 50

Monthly and 12-month moving average



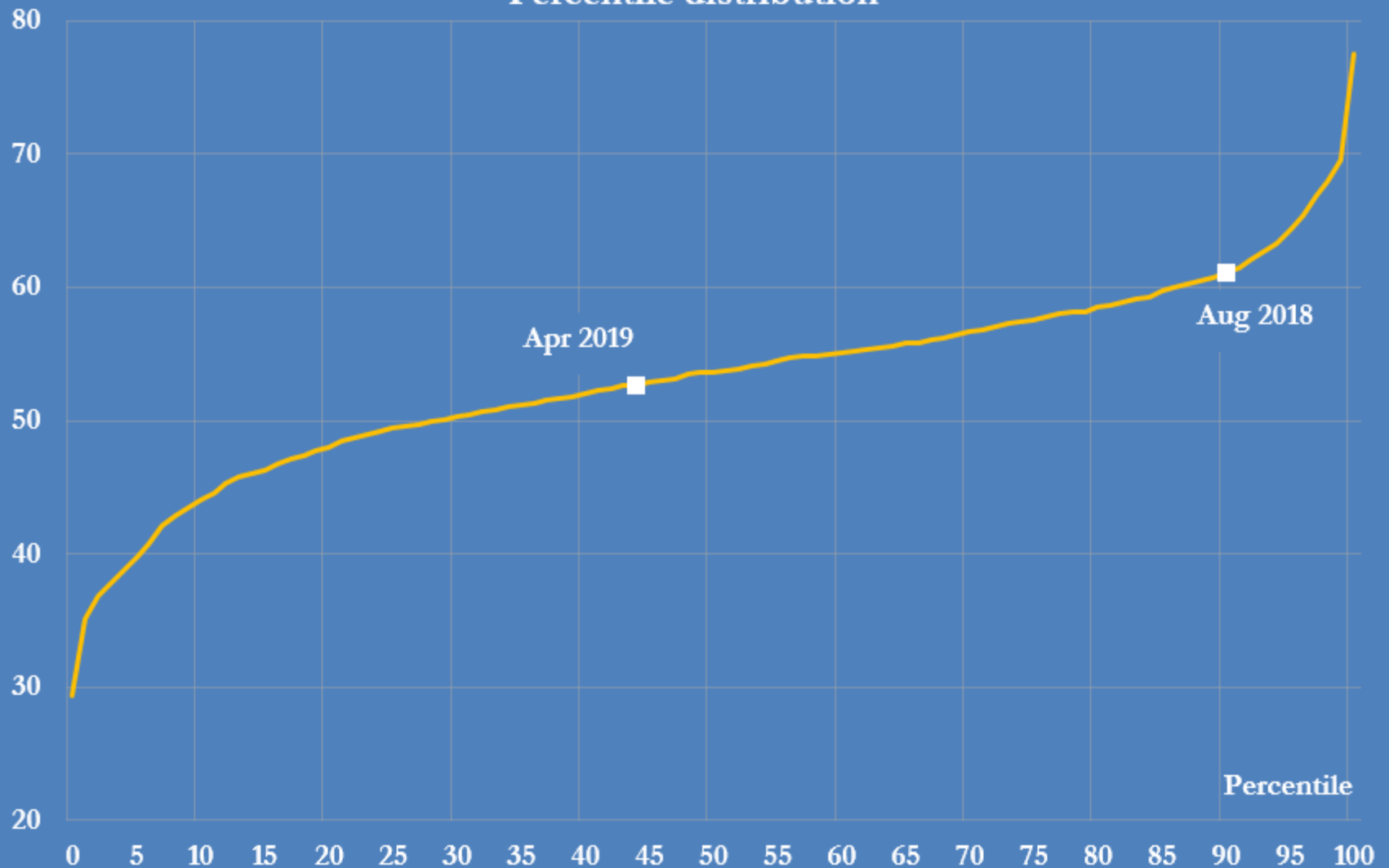
Source: Institute for Supply Management, *Manufacturing Report on Business*

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# U.S. Purchasing Managers' Index, 1950-2019

Diffusion index, base = 50

Percentile distribution

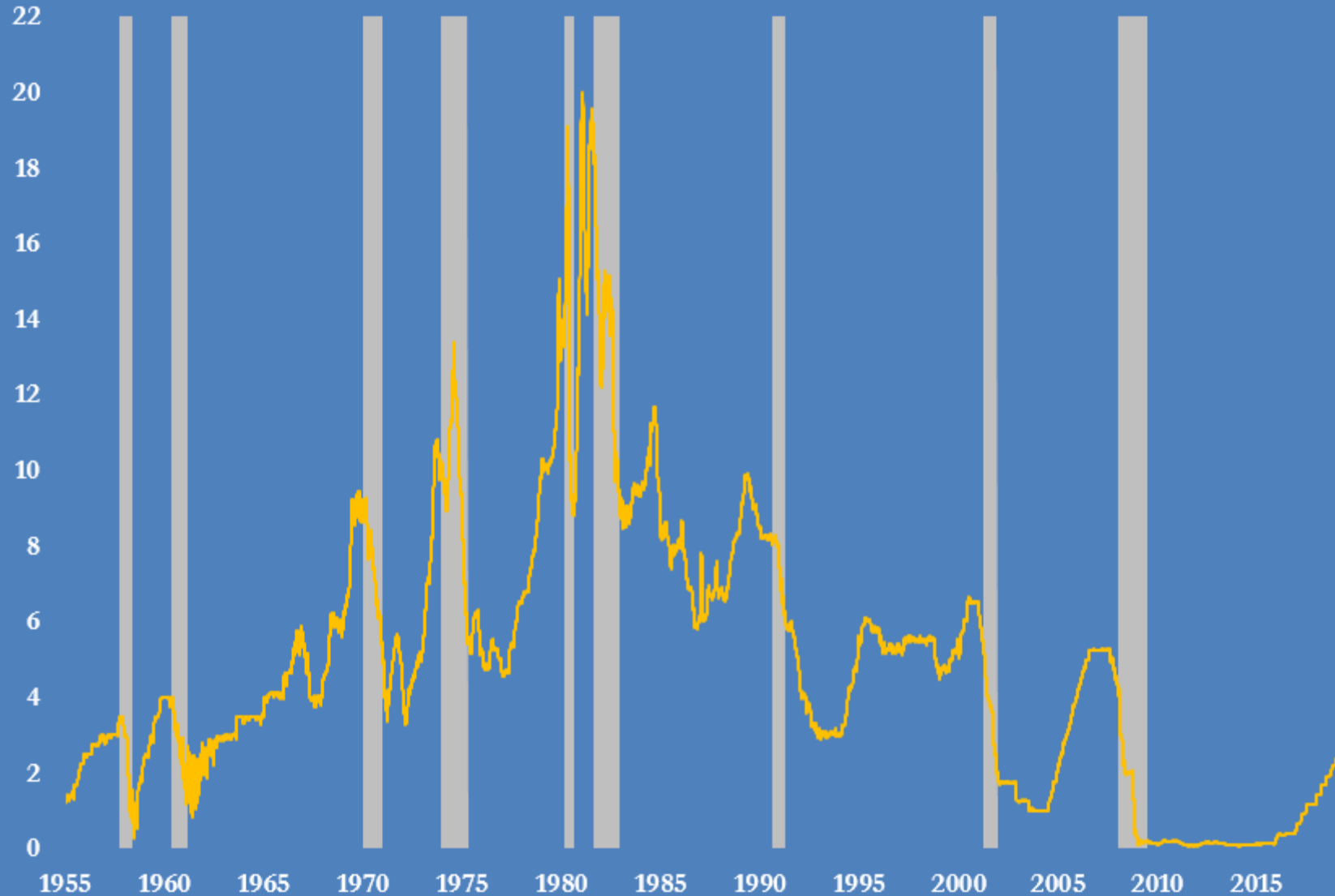


Source: Institute for Supply Management, Manufacturing Report on Business

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# Effective federal funds rate, 1955-2019

annualised percent, 20-day average, NBER recessions shown

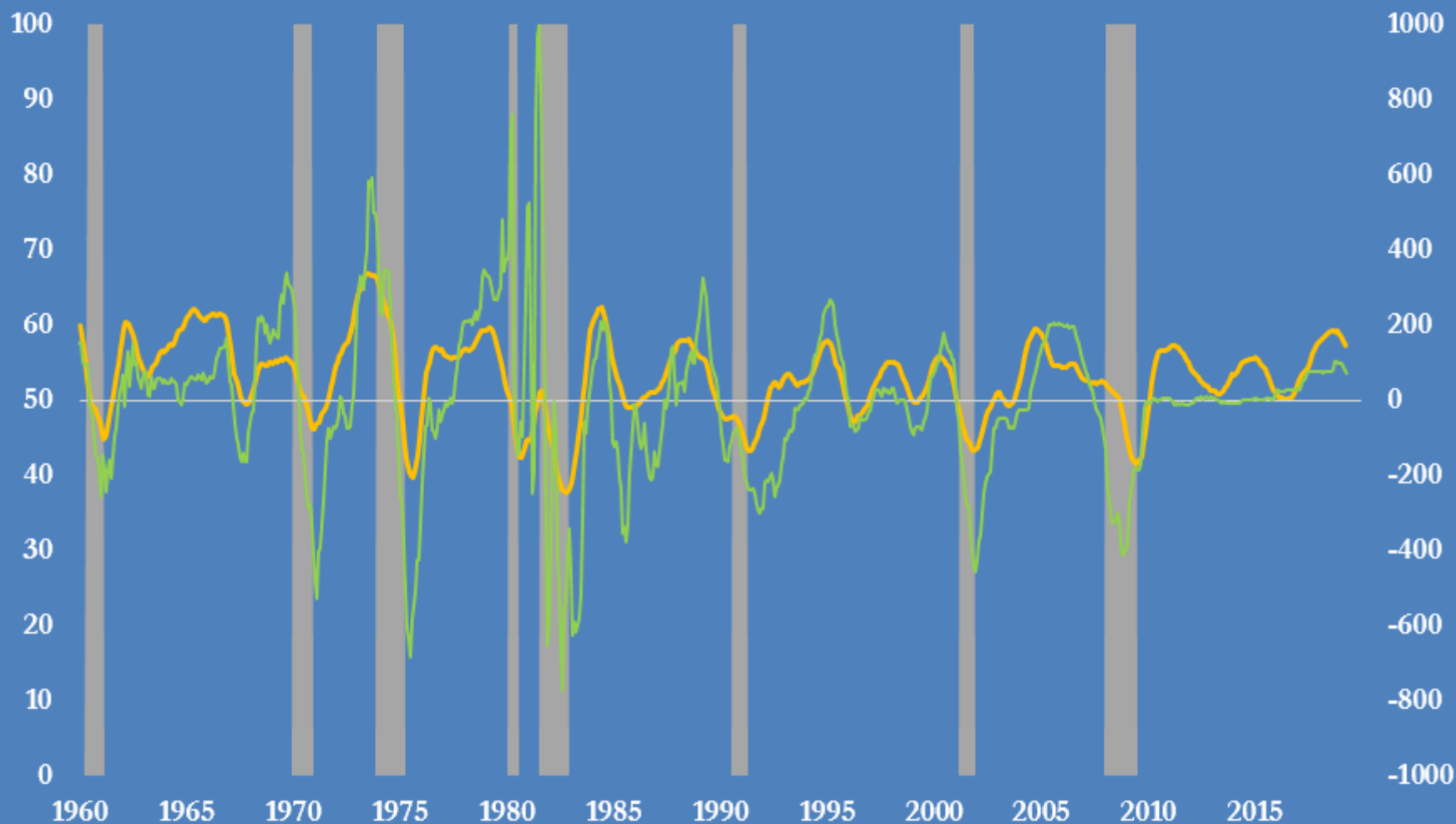


Sources: Board of Governors of Federal Reserve System, National Bureau of Economic Research  
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# U.S manufacturing activity and short-term interest rates

ISM composite index (12-month average)

Effective fed funds rate (basis points, change from year earlier)



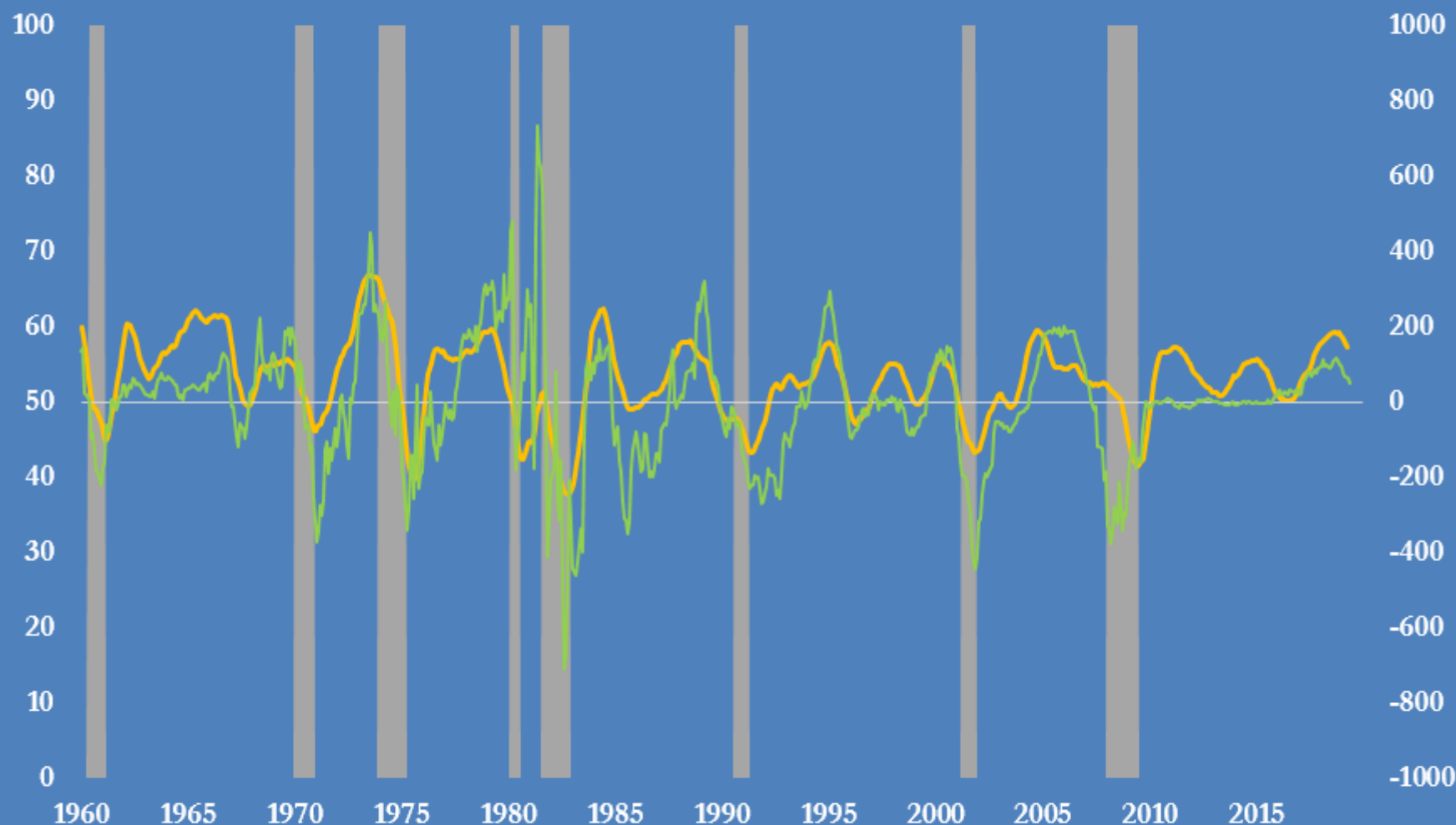
- NBER recessions
- ISM manufacturing index (left axis)
- Effective federal funds rate (right-axis)

Sources: Institute for Supply Management, Federal Reserve, NBER, Refinitiv, @JKempEnergy

# U.S manufacturing activity and short-term interest rates

ISM composite index (12-month average)

3-month U.S. Treasury bill yields (basis points, change from year earlier)



■ NBER recessions

— ISM manufacturing index (left axis)

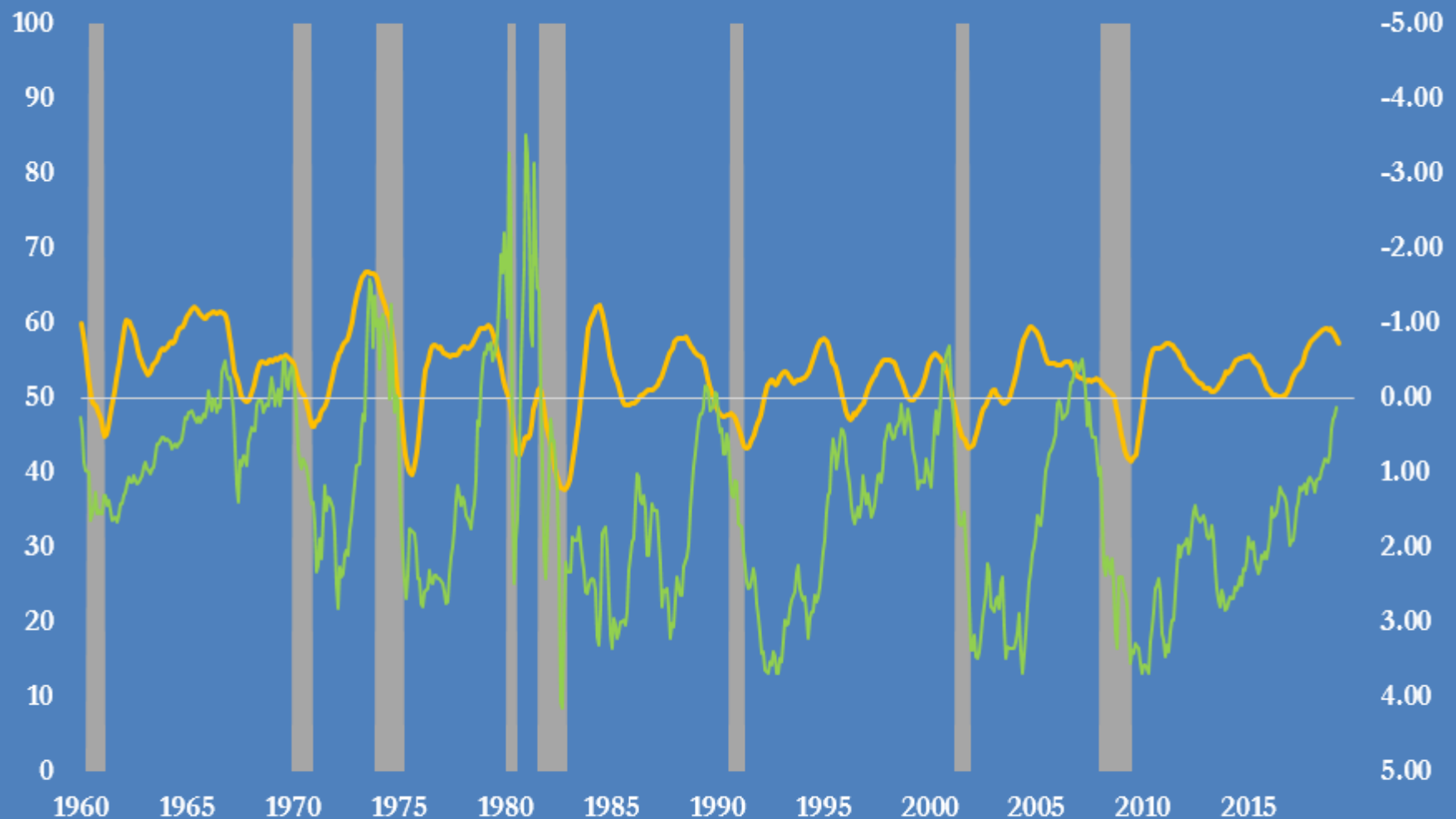
— 3-month Treasury bill yield (right-axis)

Sources: Institute for Supply Management, Federal Reserve, NBER, Refinitiv, @JKempEnergy

# U.S manufacturing activity and short-term interest rates

ISM composite index (12-month average)

Yield spread 3mth-10yr Treasuries (percent points)



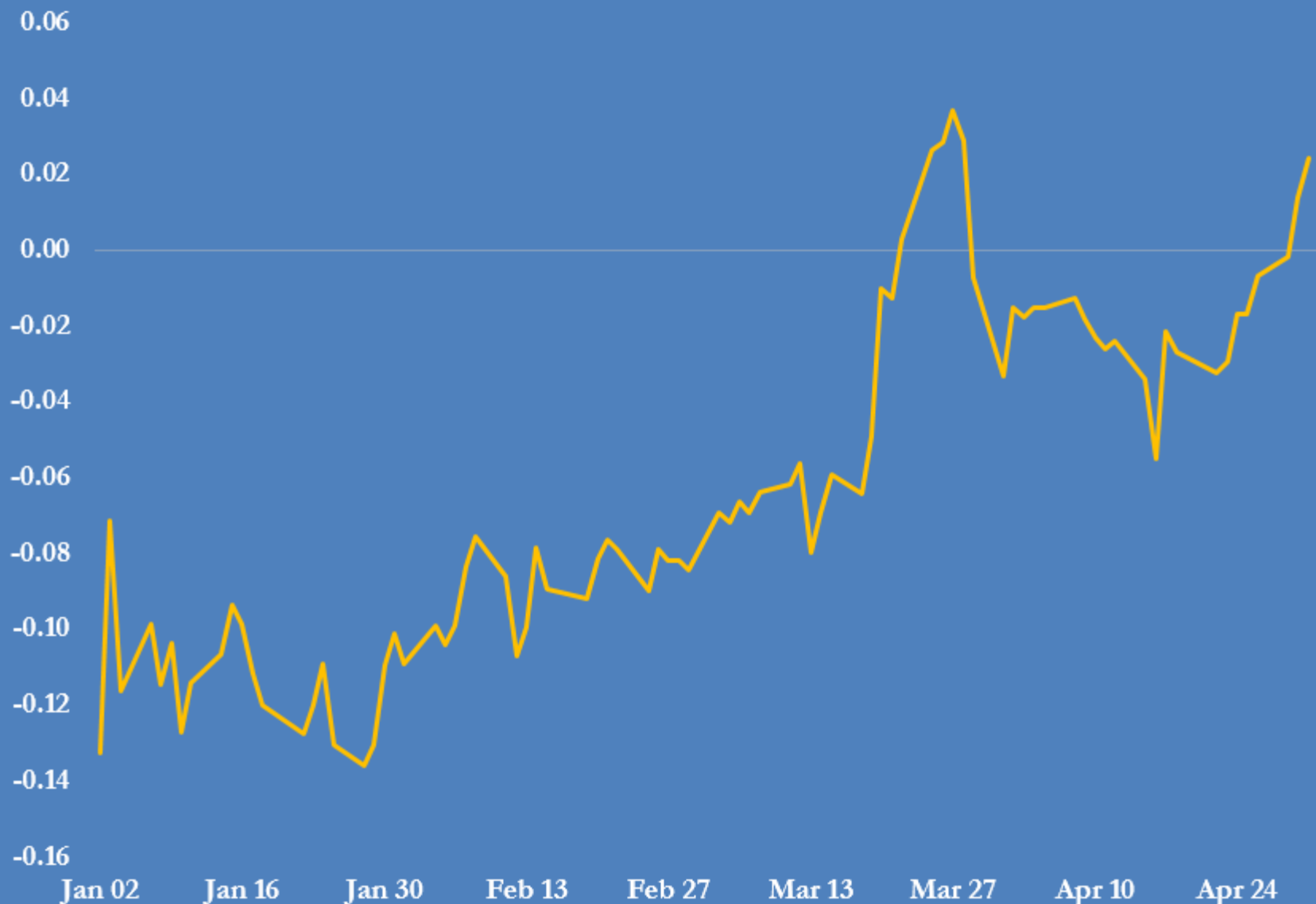
- NBER recessions
- ISM manufacturing index (left axis)
- Yield spread (right-axis)

Sources: Institute for Supply Management, New York Fed, NBER, Refinitiv, @JKempEnergy



# U.S. Treasury yield spread for second half of 2019

Spread between bills maturing on 27/06/19 and 02/01/2020, percent points



# U.S. Treasury yield curve, 2018-2019

## Percent points, 3mth bills - 10yr notes



Source: Refinitiv

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