

# Brown Sugar: Deriving Satisfaction through Data Analysis

On Behalf of  
The Mid-Atlantic CIO Forum

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*Disclaimer: Any resemblance  
between the presentation's title  
and the speaker is purely coincidental.*

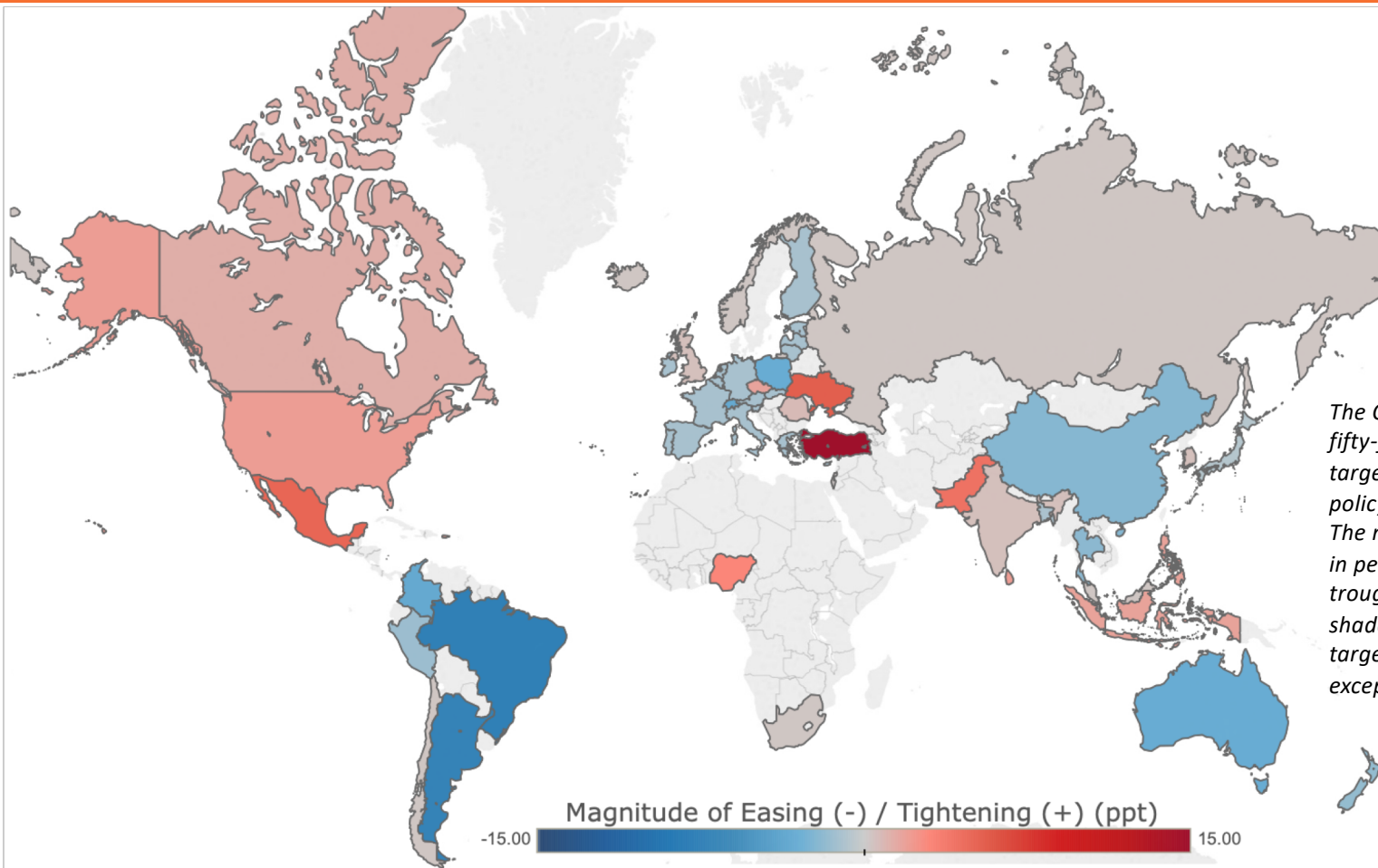


# Get off of My Cloud



# Global Monetary Policy Tightening/Easing

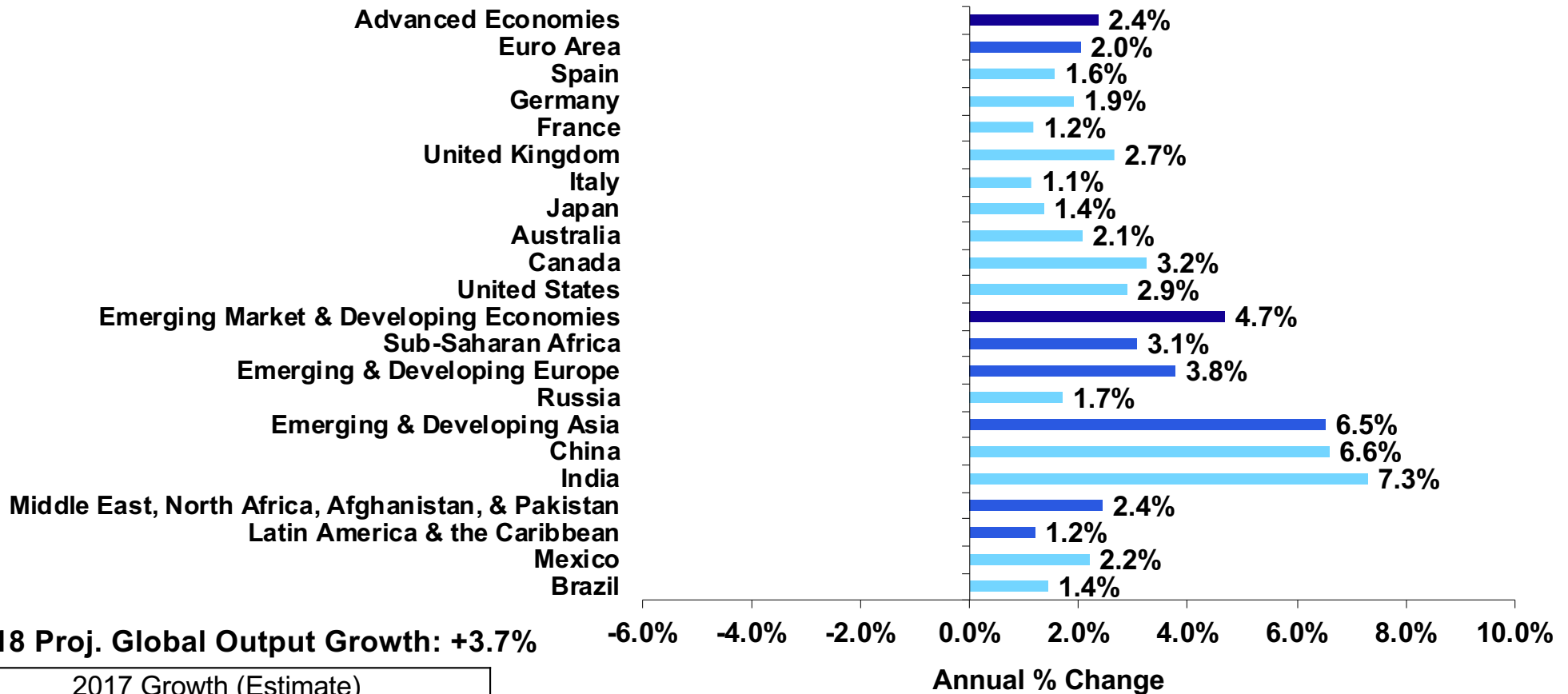
## As of November 2018



*The CFR Global Monetary Policy Tracker covers fifty-four large countries—mainly those that target inflation in some manner. Tightening policy is indicated in red, loosening in blue. The more a country has raised (lowered) rates, in percentage points, from the most recent trough (peak) in its policy rate, the darker the shade of red (blue). Generally, the policy rate target is the overnight interbank rate, with exceptions indicated.*

# Estimated Growth in Output by Select Global Areas

## 2018 Projected

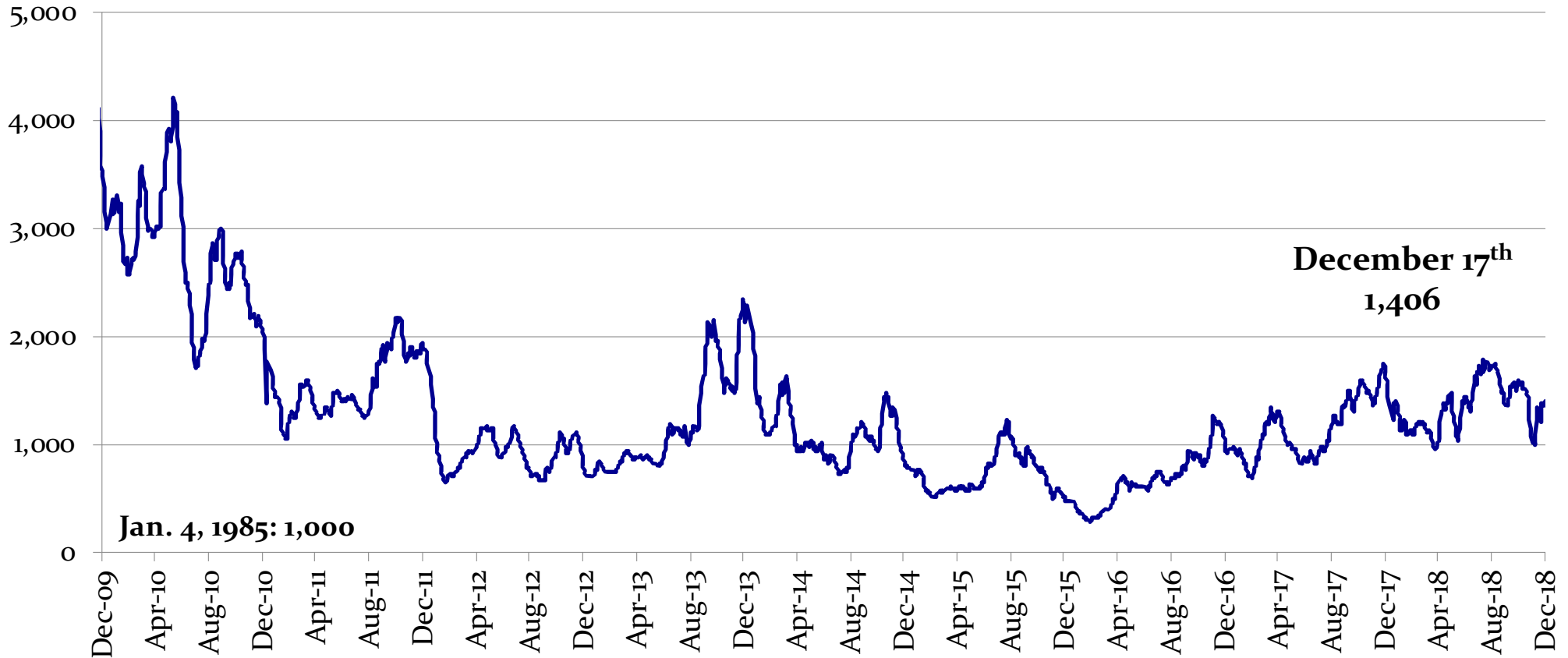


2017 Growth (Estimate)	
World: 3.7%	Euro Area: 2.4%
United States: 2.2%	Japan: 1.7%

Source: International Monetary Fund: World Economic Outlook Database, October 2018

# Baltic Dry Index

December 2009 through December 2018



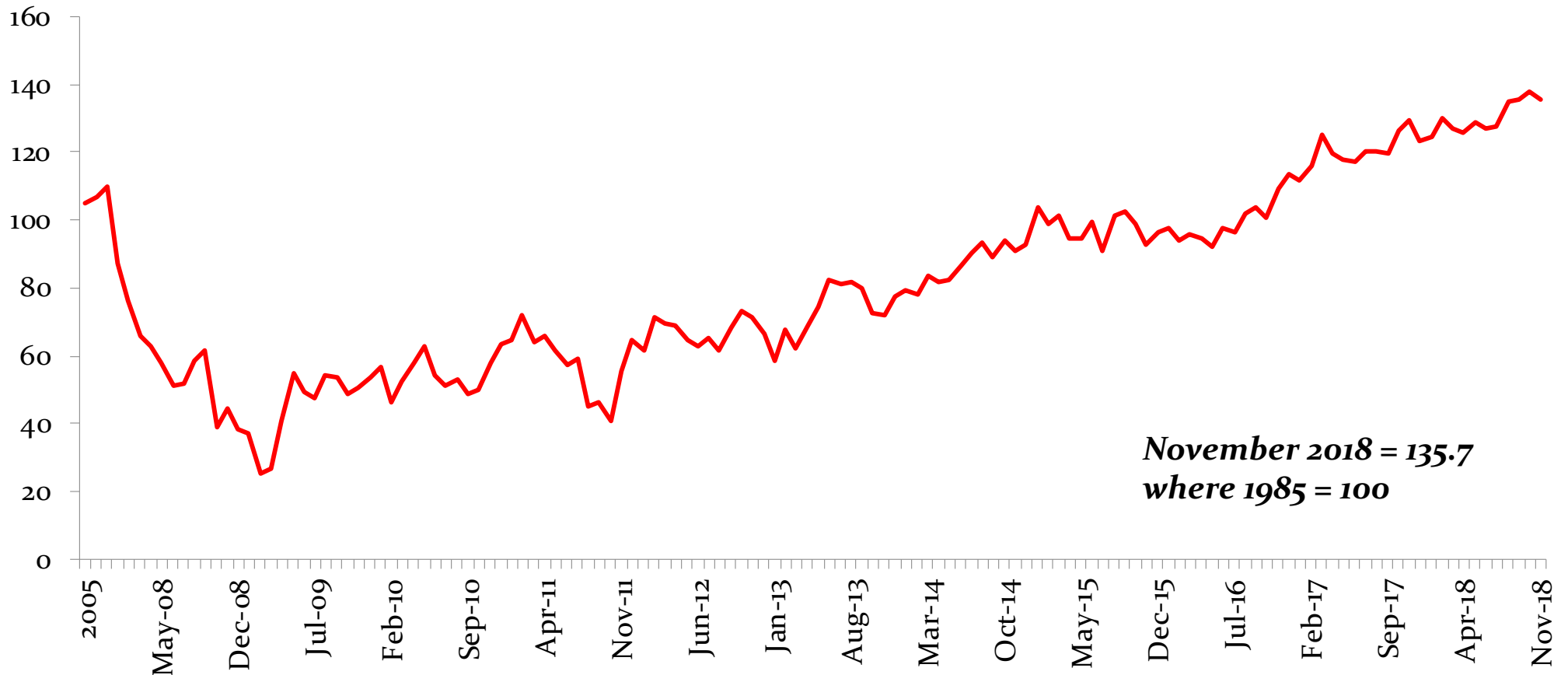
The Baltic Dry Index (BDI) is a measure of the price of shipping major raw materials such as metals, grains, and fossil fuels by sea. The BDI is a composite of 3 sub-indices, each covering a different carrier size: Capesize, Panamax, and Supramax.



# Start Me Up



# Conference Board Consumer Confidence Index 2005 – November 2018

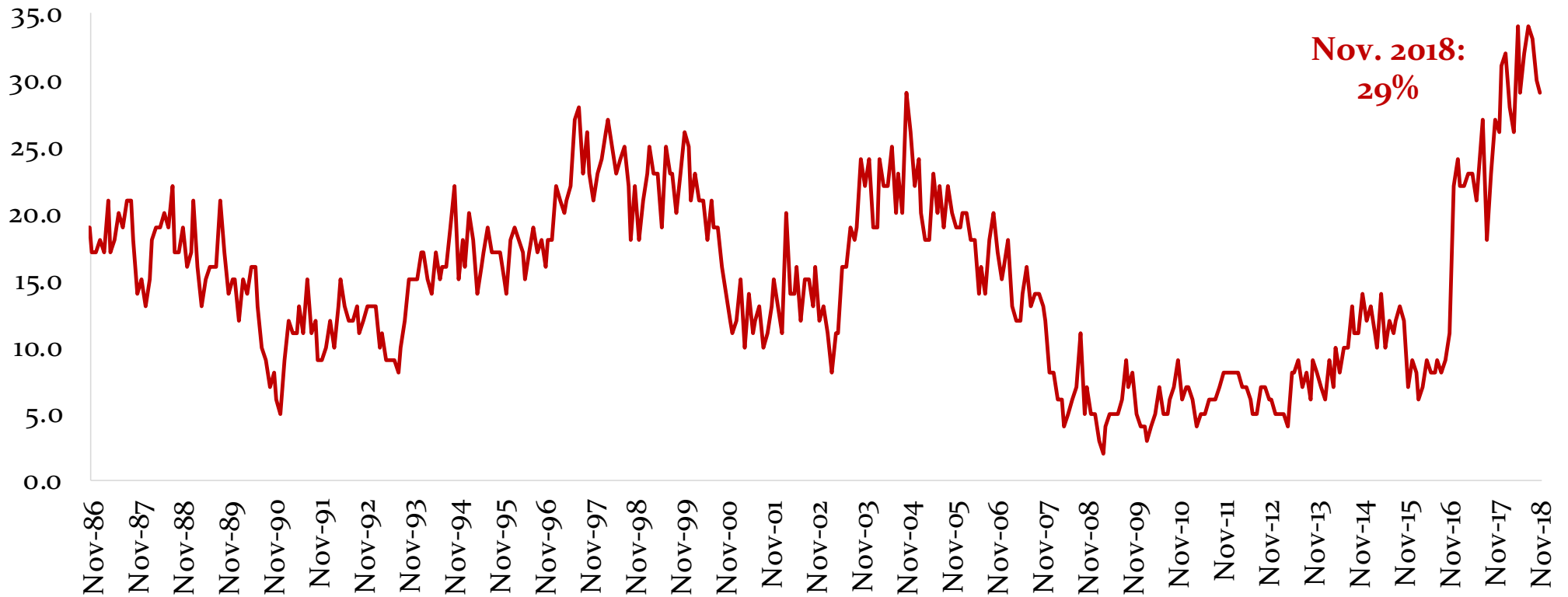


**November 2018 = 135.7  
where 1985 = 100**

Source: Conference Board

# NFIB Index of Small Business Optimism: Good Time to Expand 1986-2018

% of respondents who think the next 3 months will be a good time to for small business to expand



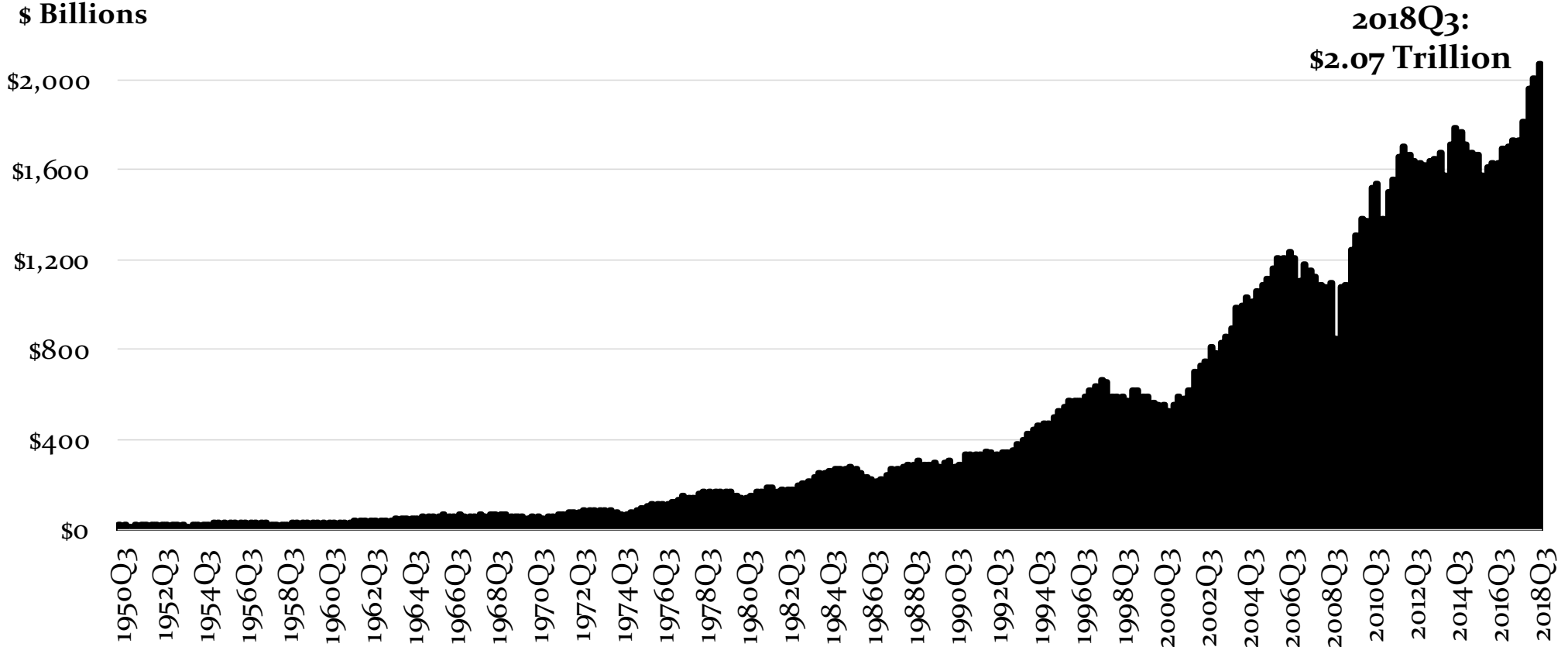
Nov. 2018:  
29%



# Paint It Black – Corporate Profits

## U.S. Corporate Profits After Tax\*

\$ Billions

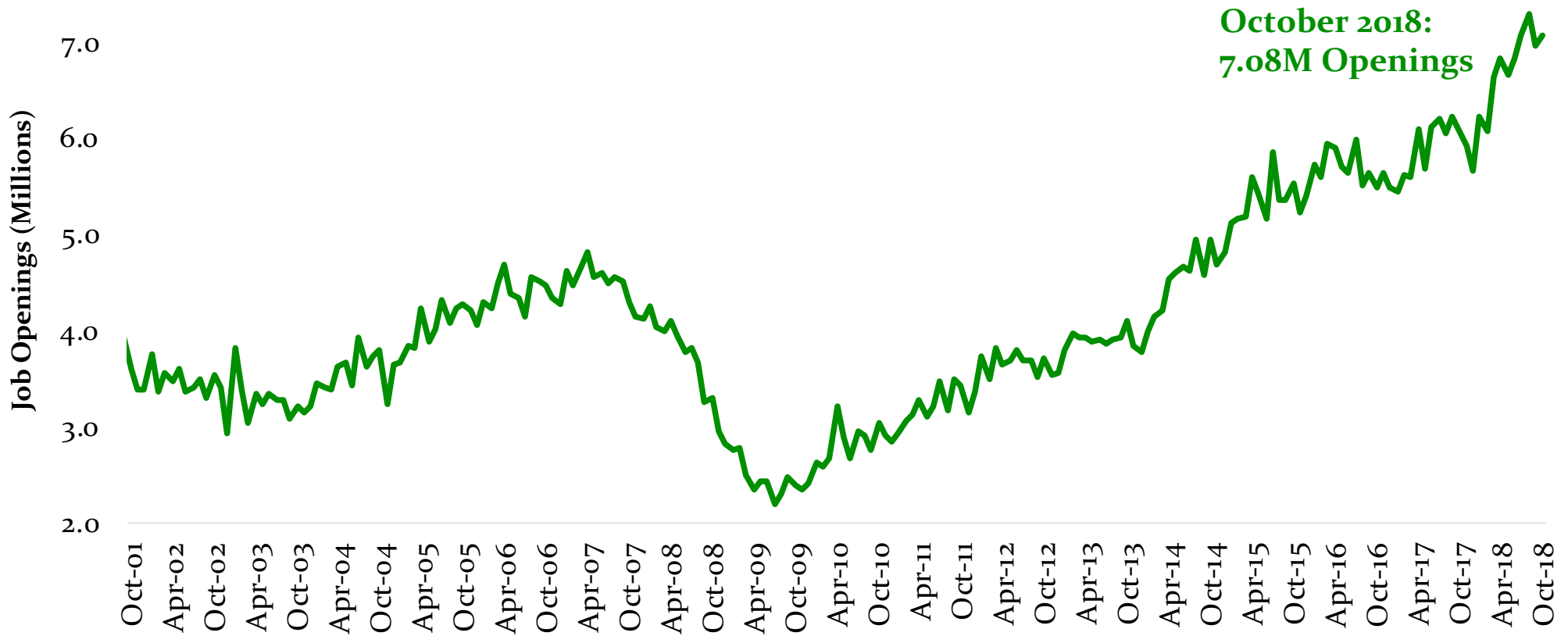


2018Q3:  
\$2.07 Trillion

Source: U.S. Bureau of Economic Analysis \*With Inventory Valuation Adjustment (IVA) and Capital Consumption Adjustment (CCAadj); Seasonally Adjusted Annual Rate

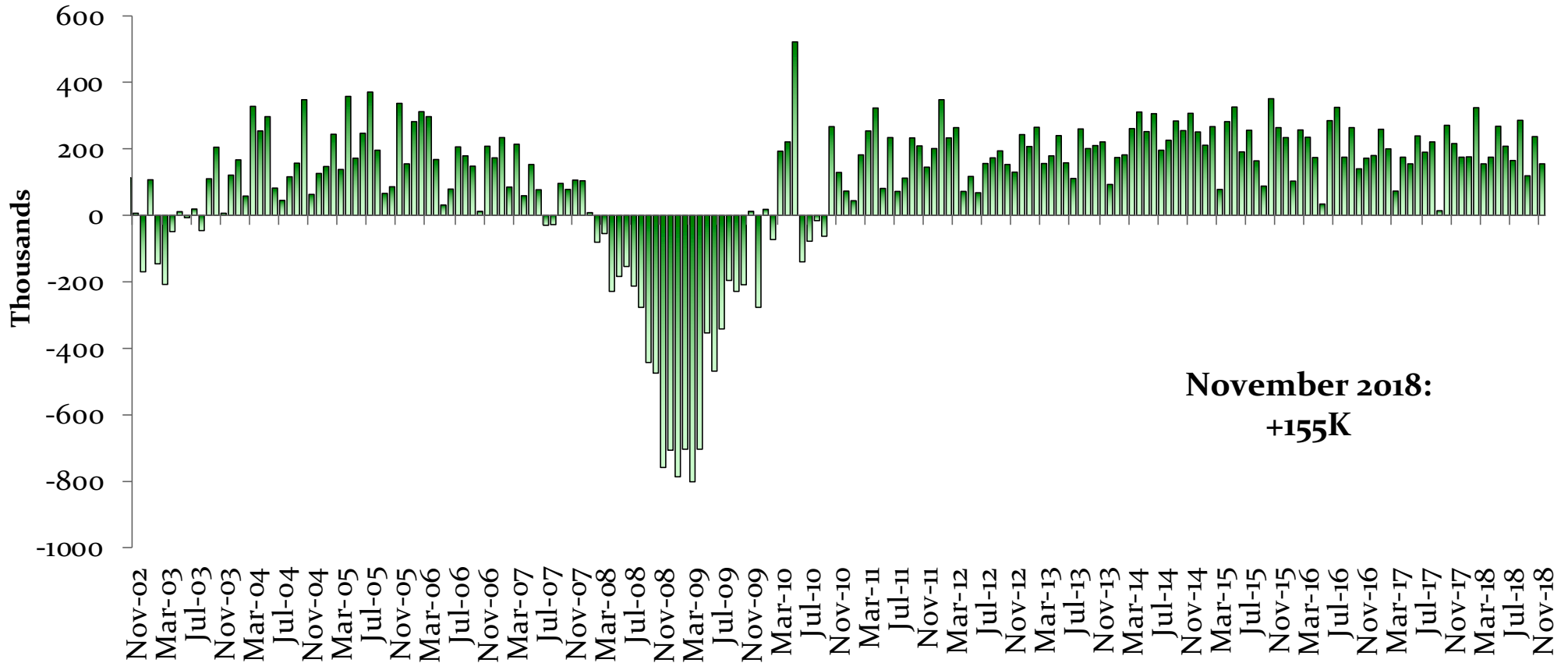
# U.S. Job Openings

October 2001 through October 2018



# Net Change in U.S. Jobs

November 2002 through November 2018

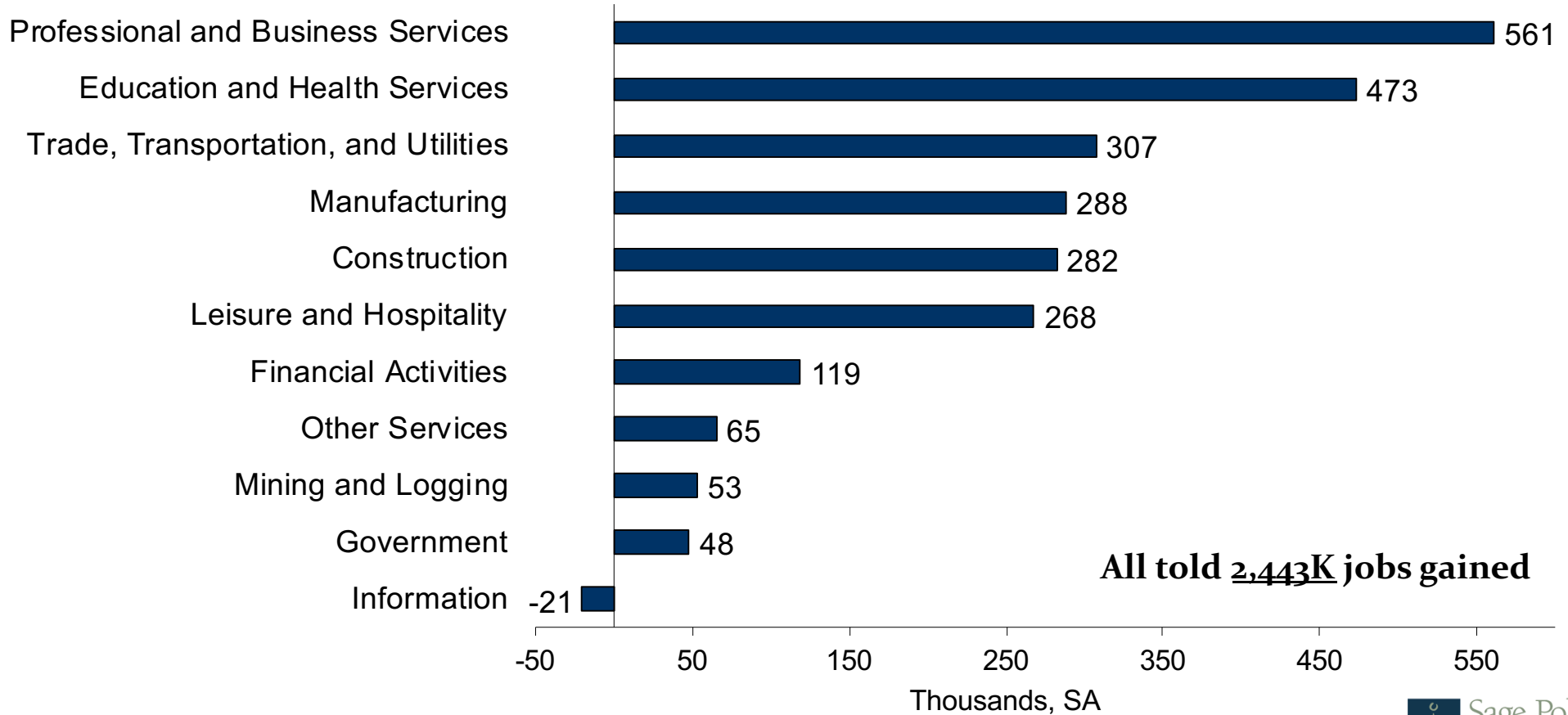


**November 2018:  
+155K**

Source: U.S. Bureau of Labor Statistics

# National Nonfarm Employment

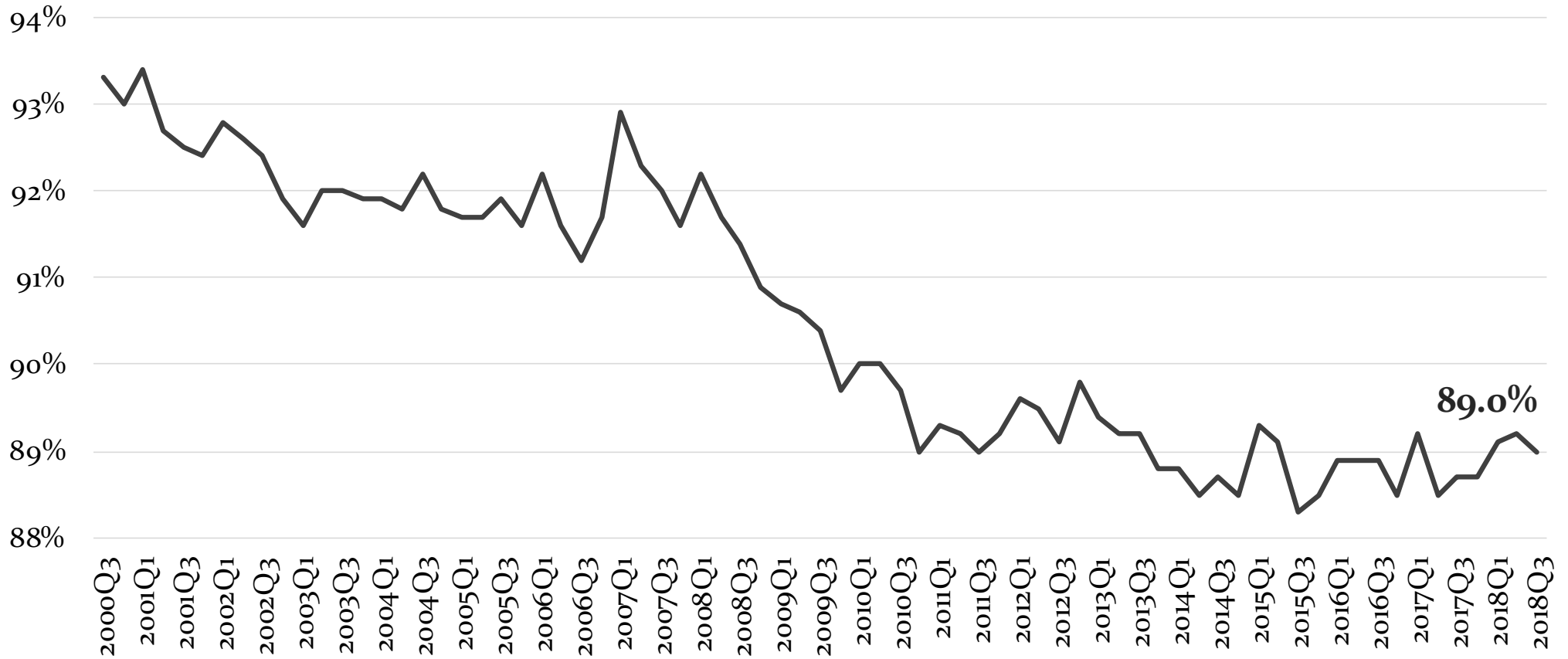
by Industry Sector, November 2017 v. November 2018



Source: U.S. Bureau of Labor Statistics

# U.S. Labor Force Participation: Men Ages 25-34

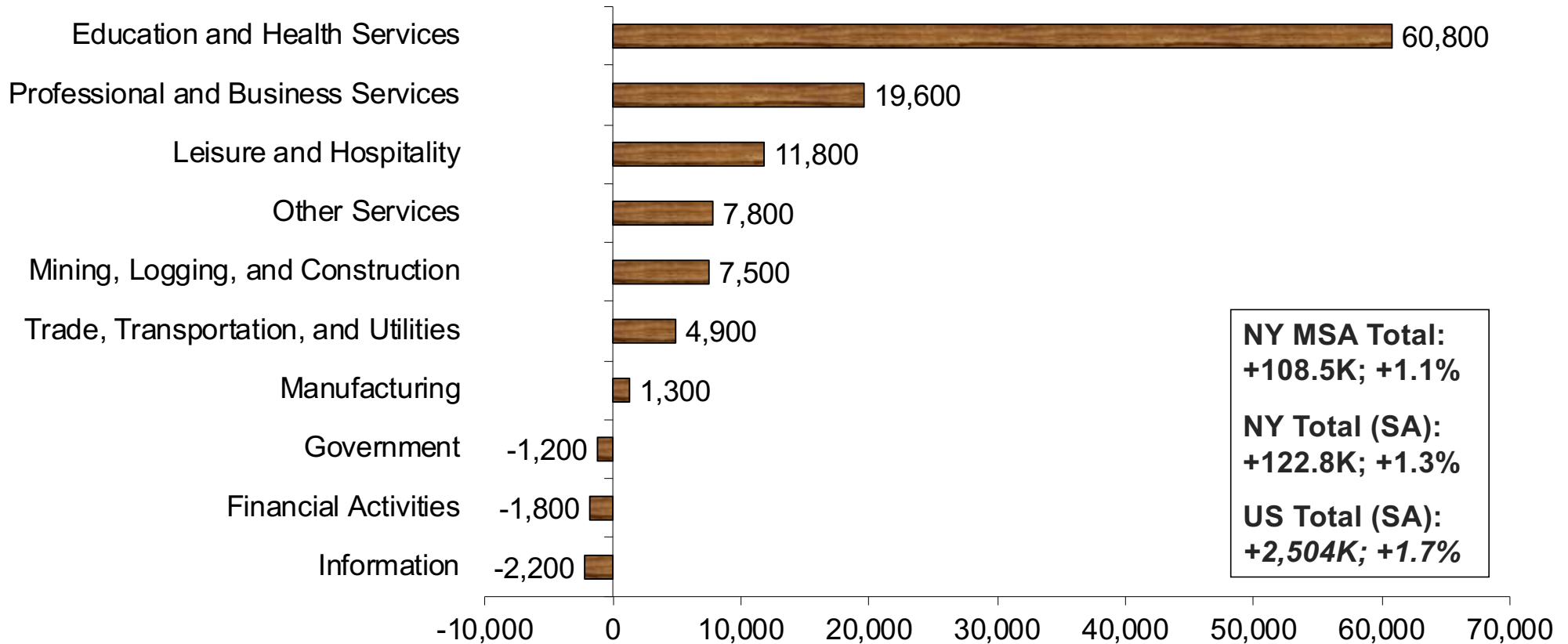
## 2000 – 2018



# New York-Newark-Jersey City, NY-NJ-PA MSA Nonfarm Employment

by Industry Sector Groups (NSA)

October 2017 v. October 2018 Absolute Change

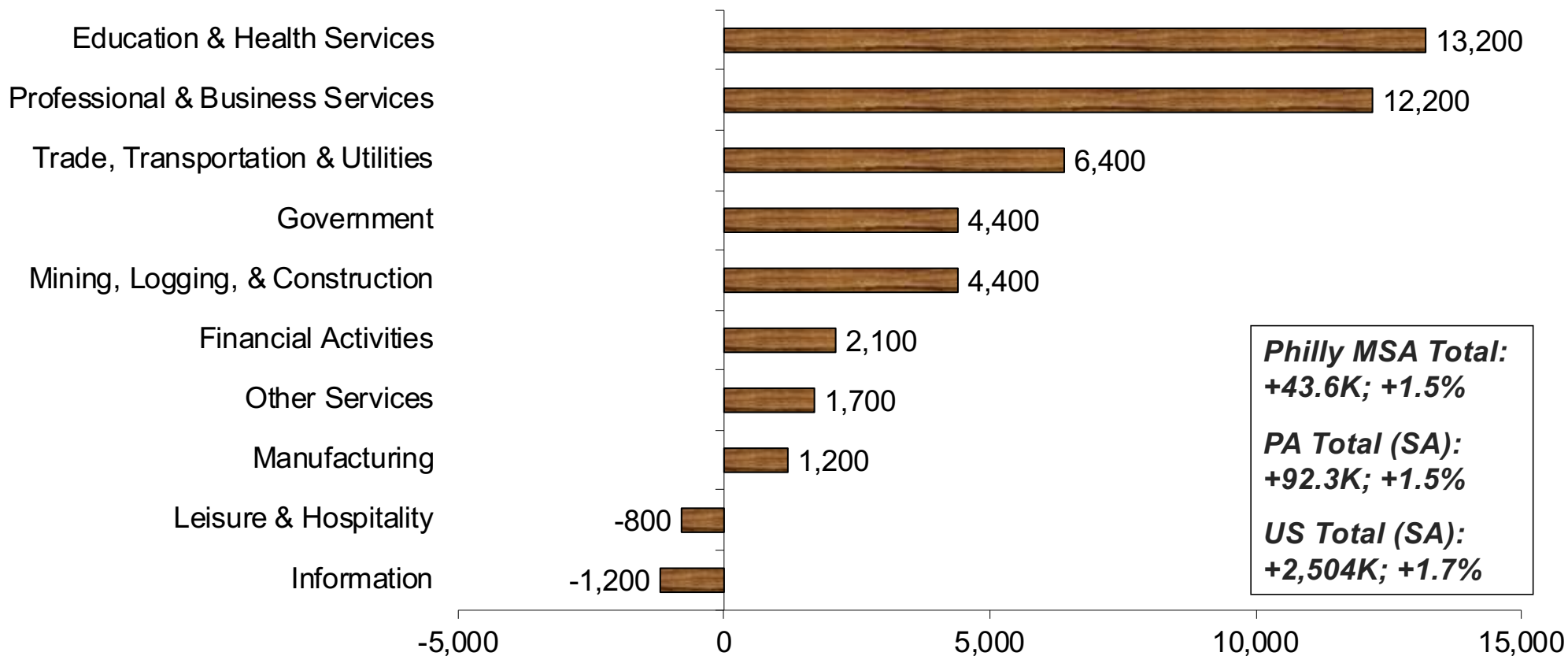


Source: U.S. Bureau of Labor Statistics

# Philadelphia-Camden-Wilmington, PA-NJ-DE-MD MSA Nonfarm Employment

by Industry Sector Groups (NSA)

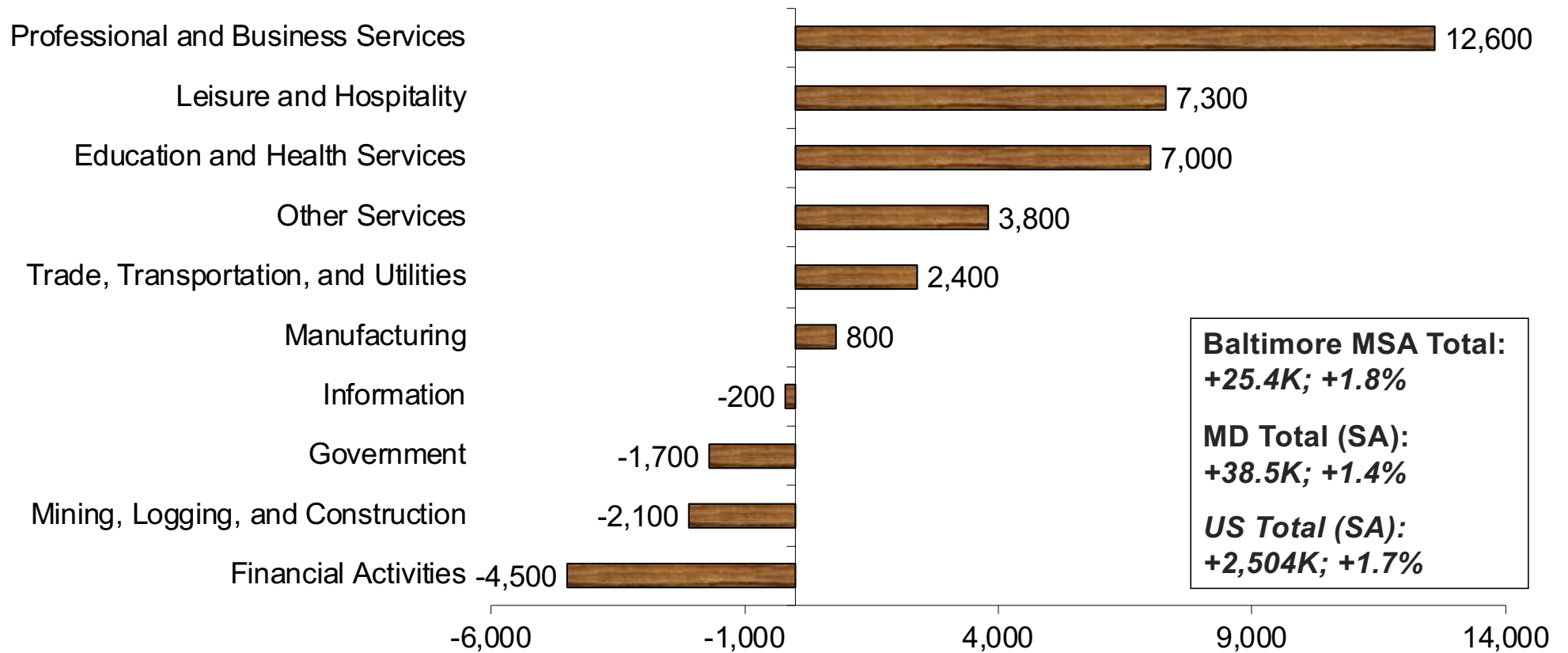
October 2017 v. October 2018 Absolute Change



# Baltimore-Columbia-Towson MSA Nonfarm Employment

by Industry Sector Groups (NSA)

October 2017 v. October 2018 Absolute Change



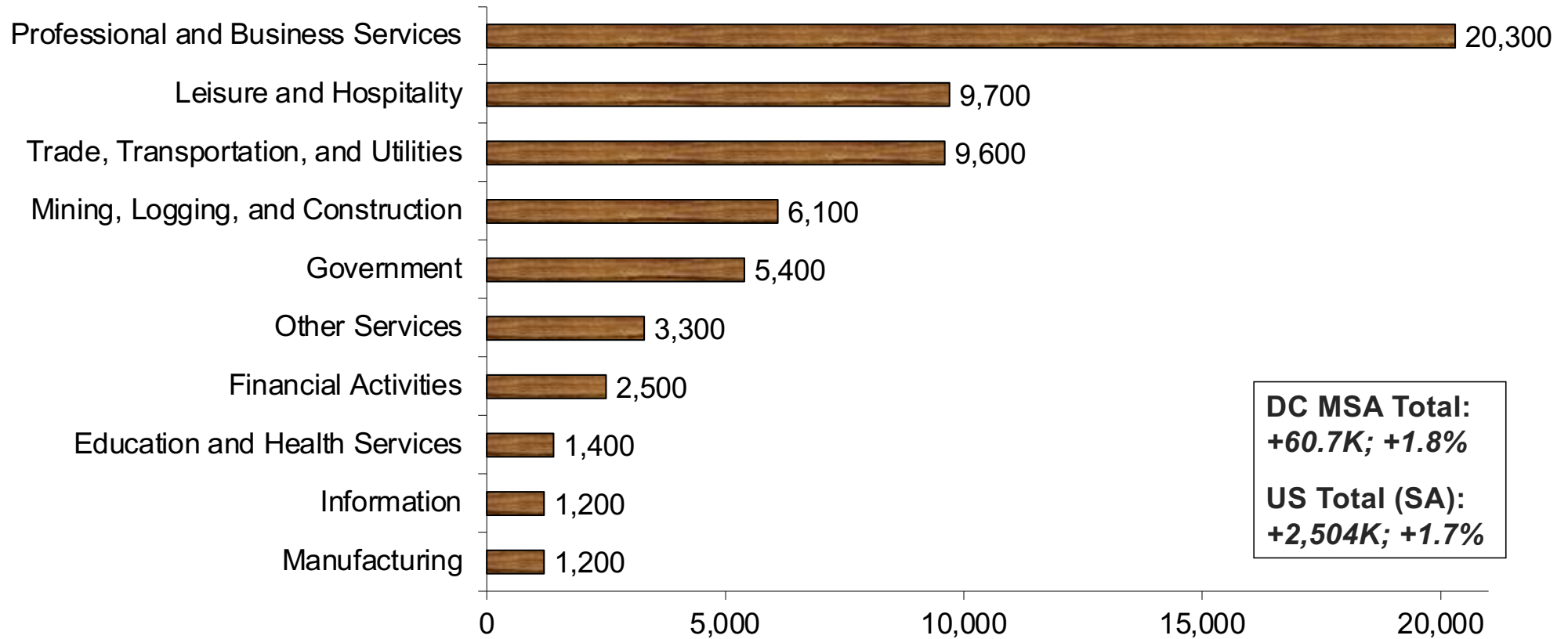
Source: U.S. Bureau of Labor Statistics



# Washington, DC-Arlington-Alexandria MSA Nonfarm Employment

by Industry Sector Groups (NSA)

October 2017 v. October 2018 Absolute Change



## Employment Growth, U.S. States (SA)

### October 2017 v. October 2018 Percent Change

RANK	STATE	%	RANK	STATE	%	RANK	STATE	%
1	NEVADA	3.4	17	MASSACHUSETTS	1.8	34	MAINE	1.3
2	UTAH	3.3	17	SOUTH CAROLINA	1.8	<b>34</b>	<b>NEW YORK</b>	<b>1.3</b>
2	WASHINGTON	3.3	<b>17</b>	<b>VIRGINIA</b>	<b>1.8</b>	34	RHODE ISLAND	1.3
4	ARIZONA	3.1	21	ALABAMA	1.7	38	MINNESOTA	1.2
4	TEXAS	3.1	21	HAWAII	1.7	38	MISSISSIPPI	1.2
6	COLORADO	2.7	<b>21</b>	<b>NEW JERSEY</b>	<b>1.7</b>	38	NORTH DAKOTA	1.2
6	FLORIDA	2.7	21	SOUTH DAKOTA	1.7	<b>41</b>	<b>DELAWARE</b>	<b>1.1</b>
6	NEW MEXICO	2.7	25	MISSOURI	1.6	41	WISCONSIN	1.1
9	OREGON	2.5	25	NEBRASKA	1.6	43	ILLINOIS	1.0
10	NEW HAMPSHIRE	2.3	27	MONTANA	1.5	43	LOUISIANA	1.0
10	NORTH CAROLINA	2.3	<b>27</b>	<b>PENNSYLVANIA</b>	<b>1.5</b>	<b>45</b>	<b>WEST VIRGINIA</b>	<b>0.9</b>
12	GEORGIA	2.1	<b>29</b>	<b>MARYLAND</b>	<b>1.4</b>	46	INDIANA	0.8
12	IDAHO	2.1	29	IOWA	1.4	47	ARKANSAS	0.7
12	OHIO	2.1	29	KANSAS	1.4	48	KENTUCKY	0.5
12	WYOMING	2.1	29	MICHIGAN	1.4	<b>49</b>	<b>DISTRICT OF COLUMBIA</b>	<b>0.2</b>
16	TENNESSEE	2.0	29	OKLAHOMA	1.4	50	ALASKA	0.1
17	CALIFORNIA	1.8	34	CONNECTICUT	1.3	51	VERMONT	-0.9

**U.S. Year-over-year Percent Change: +1.7%**

## Employment Growth, 25 Largest Metros (NSA) October 2017 v. October 2018 Percent Change

Rank	MSA	%	Rank	MSA	%
1	Orlando-Kissimmee-Sanford, FL	4.4	<b>14</b>	<b>Baltimore-Columbia-Towson, MD</b>	<b>1.8</b>
2	Houston-The Woodlands-Sugar Land, TX	3.9	<b>14</b>	<b>Washington-Arlington-Alexandria, DC-VA-MD-WV</b>	<b>1.8</b>
3	Phoenix-Mesa-Scottsdale, AZ	3.7			
4	Seattle-Tacoma-Bellevue, WA	3.6	14	San Diego-Carlsbad, CA	1.8
5	Dallas-Fort Worth-Arlington, TX	3.0	17	Minneapolis-St. Paul-Bloomington, MN-WI	1.7
6	Portland-Vancouver-Hillsboro, OR-WA	2.6	17	San Francisco-Oakland-Hayward, CA	1.7
7	Denver-Aurora-Lakewood, CO	2.5	<b>19</b>	<b>Philadelphia-Camden-Wilmington, PA-NJ-DE-MD</b>	<b>1.5</b>
7	Riverside-San Bernardino-Ontario, CA	2.5	20	Los Angeles-Long Beach-Anaheim, CA	1.2
9	Charlotte-Concord-Gastonia, NC-SC	2.4	21	Detroit-Warren-Dearborn, MI	1.1
9	Miami-Fort Lauderdale-West Palm Beach, FL	2.4	<b>21</b>	<b>New York-Newark-Jersey City, NY-NJ-PA</b>	<b>1.1</b>
11	Atlanta-Sandy Springs-Roswell, GA	2.2	23	Chicago-Naperville-Elgin, IL-IN-WI	0.9
11	Tampa-St. Petersburg-Clearwater, FL	2.2	23	San Antonio-New Braunfels, TX	0.9
13	Boston-Cambridge-Nashua, MA-NH	1.9	25	St. Louis, MO-IL	0.8

# Unemployment Rates, 25 Largest Metros (NSA)

## October 2018

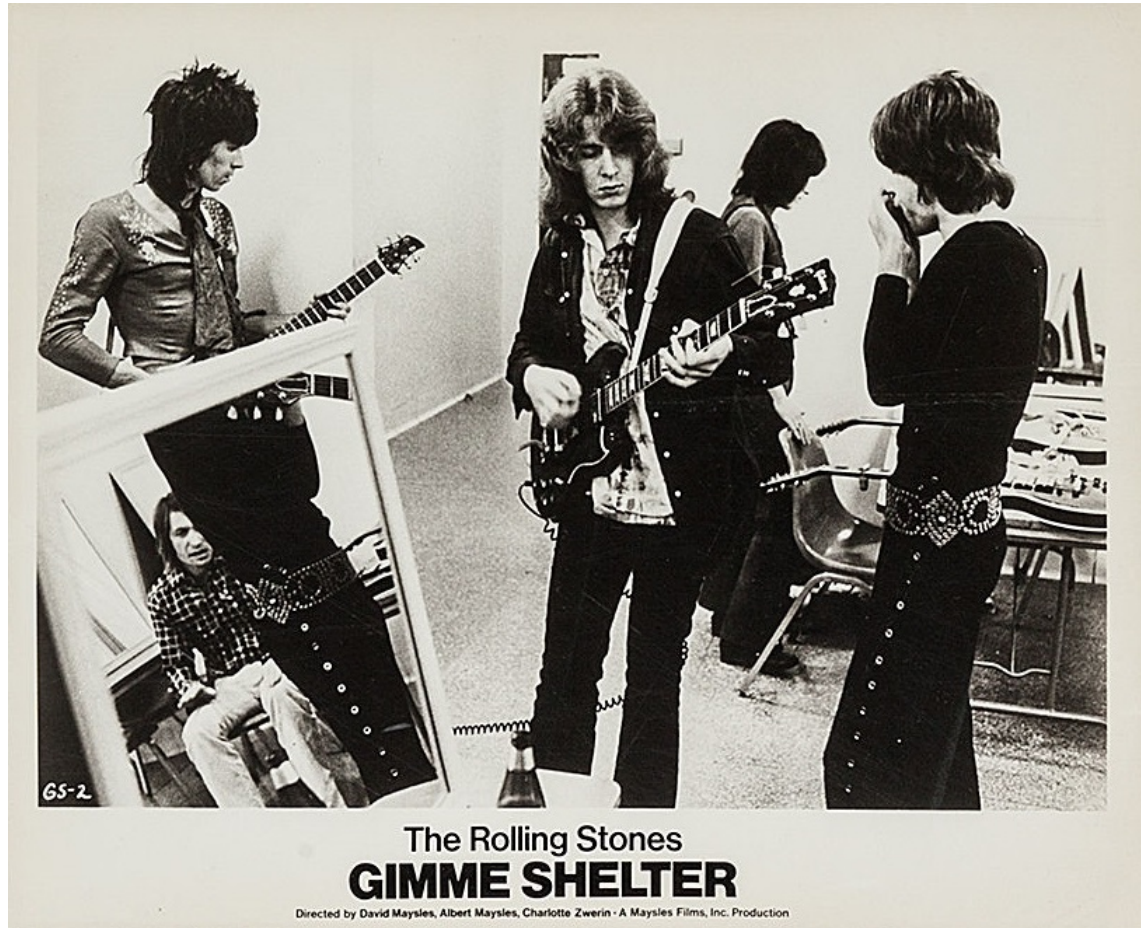
Rank	MSA	UR	Rank	MSA	UR
1	Minneapolis-St. Paul-Bloomington, MN-WI	2.1	14	Atlanta-Sandy Springs-Roswell, GA	3.4
2	Boston-Cambridge-Nashua, MA-NH	2.6	15	Seattle-Tacoma-Bellevue, WA	3.5
2	San Francisco-Oakland-Hayward, CA	2.6	<b>16</b>	<b>New York-Newark-Jersey City, NY-NJ-PA</b>	<b>3.6</b>
4	Orlando-Kissimmee-Sanford, FL	2.7	<b>17</b>	<b>Baltimore-Columbia-Towson, MD</b>	<b>3.8</b>
5	St. Louis, MO-IL (1)	2.8	17	Houston-The Woodlands-Sugar Land, TX	3.8
6	Tampa-St. Petersburg-Clearwater, FL	2.9	17	Portland-Vancouver-Hillsboro, OR-WA	3.8
7	Denver-Aurora-Lakewood, CO	3.0	<b>20</b>	<b>Philadelphia-Camden-Wilmington, PA-NJ-DE-MD</b>	<b>3.9</b>
8	San Antonio-New Braunfels, TX	3.1	20	Phoenix-Mesa-Scottsdale, AZ	3.9
<b>9</b>	<b>Washington-Arlington-Alexandria, DC-VA-MD-WV</b>	<b>3.2</b>	22	Chicago-Naperville-Elgin, IL-IN-WI	4.0
9	Charlotte-Concord-Gastonia, NC-SC	3.2	23	Riverside-San Bernardino-Ontario, CA	4.1
9	Dallas-Fort Worth-Arlington, TX	3.2	24	Los Angeles-Long Beach-Anaheim, CA	4.2
9	Miami-Fort Lauderdale-West Palm Beach, FL	3.2	25	Detroit-Warren-Dearborn, MI	4.4
13	San Diego-Carlsbad, CA	3.3			

**U.S. Unemployment Rate : 3.7%**



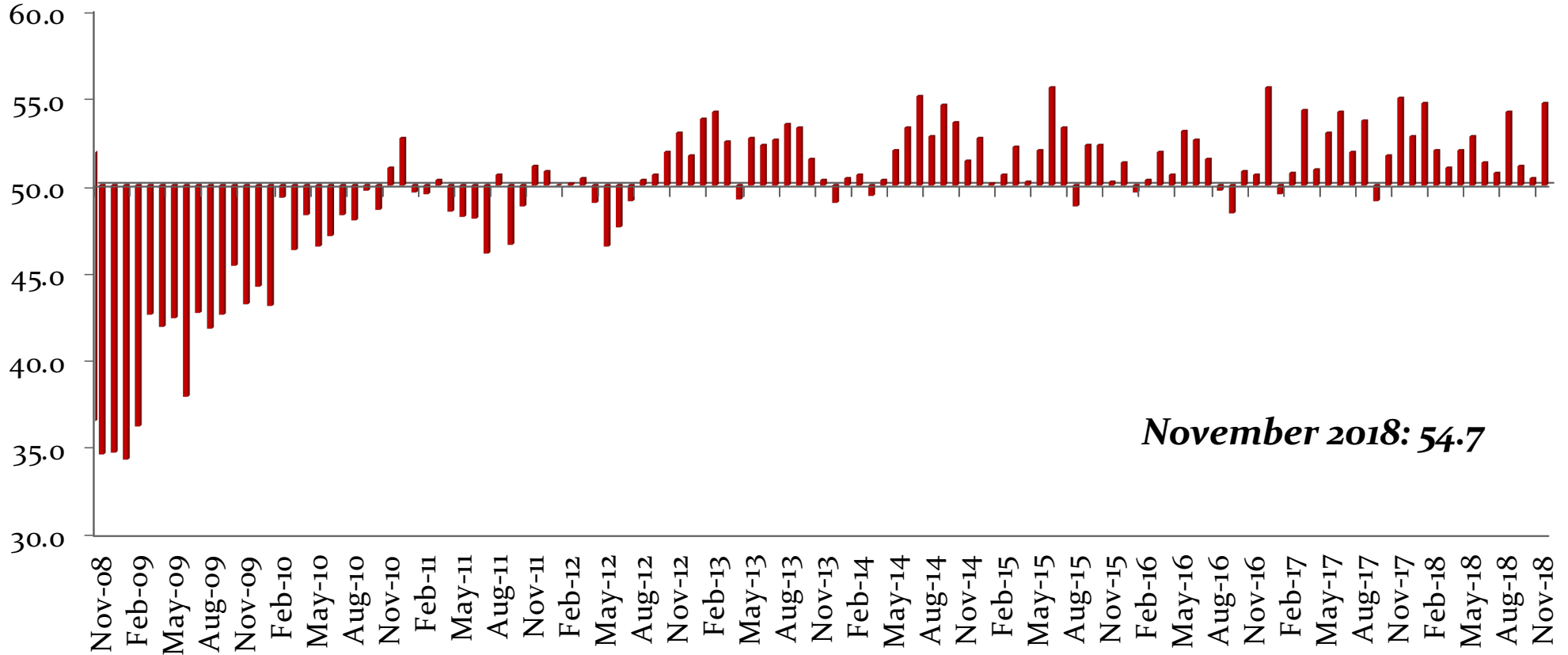
Source: U.S. Bureau of Labor Statistics, Current Employment Statistics (CES) Survey. Note: 1. Area boundaries do not reflect official OMB definitions.

# Gimme Shelter



# Architecture Billings Index

November 2008 through November 2018

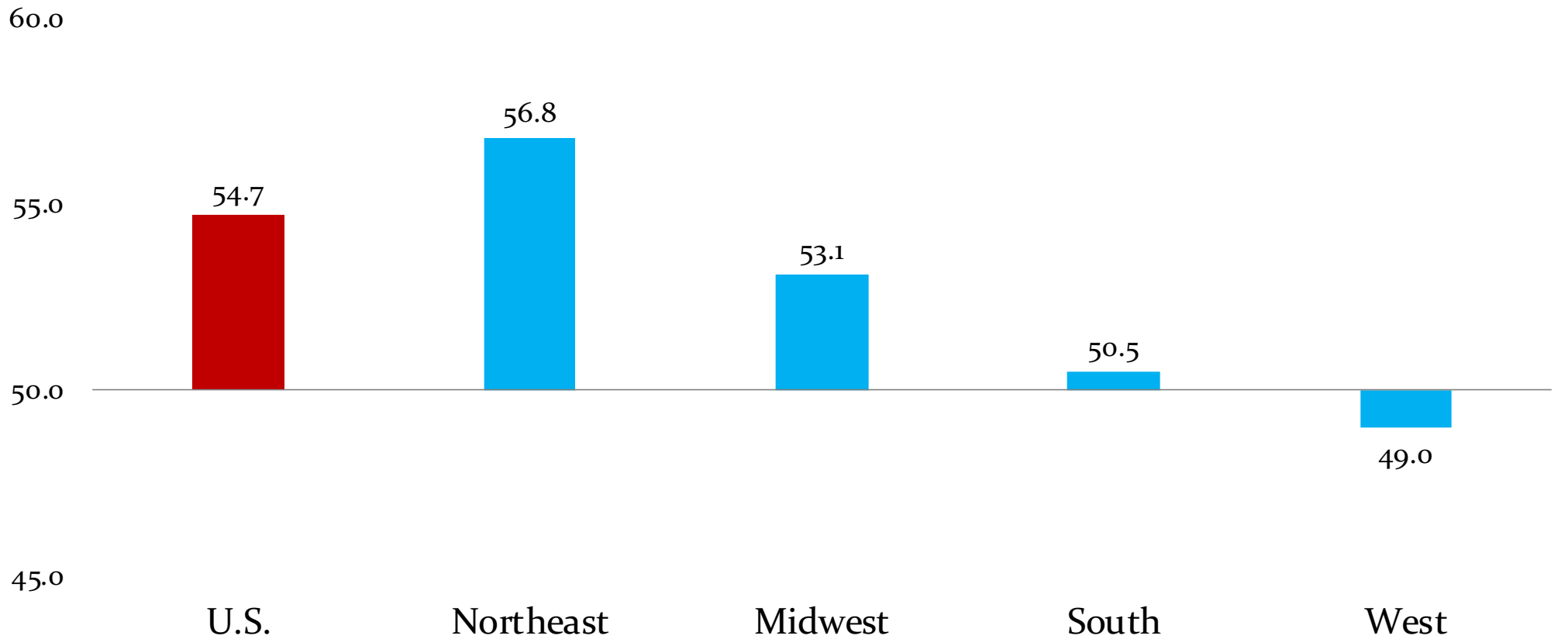


**November 2018: 54.7**

Source: The American Institute of Architects

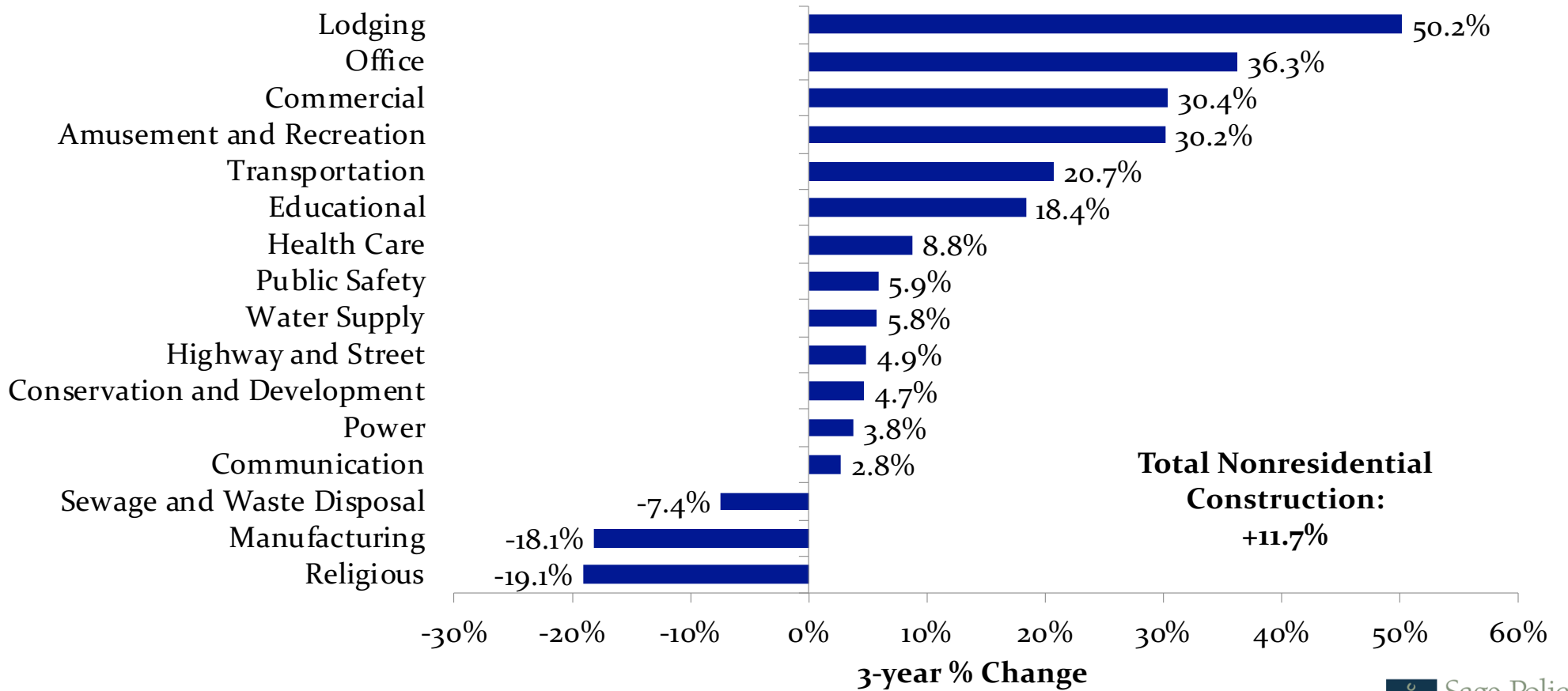
# Architecture Billings Index by U.S. Region

November 2018



Source: The American Institute of Architects

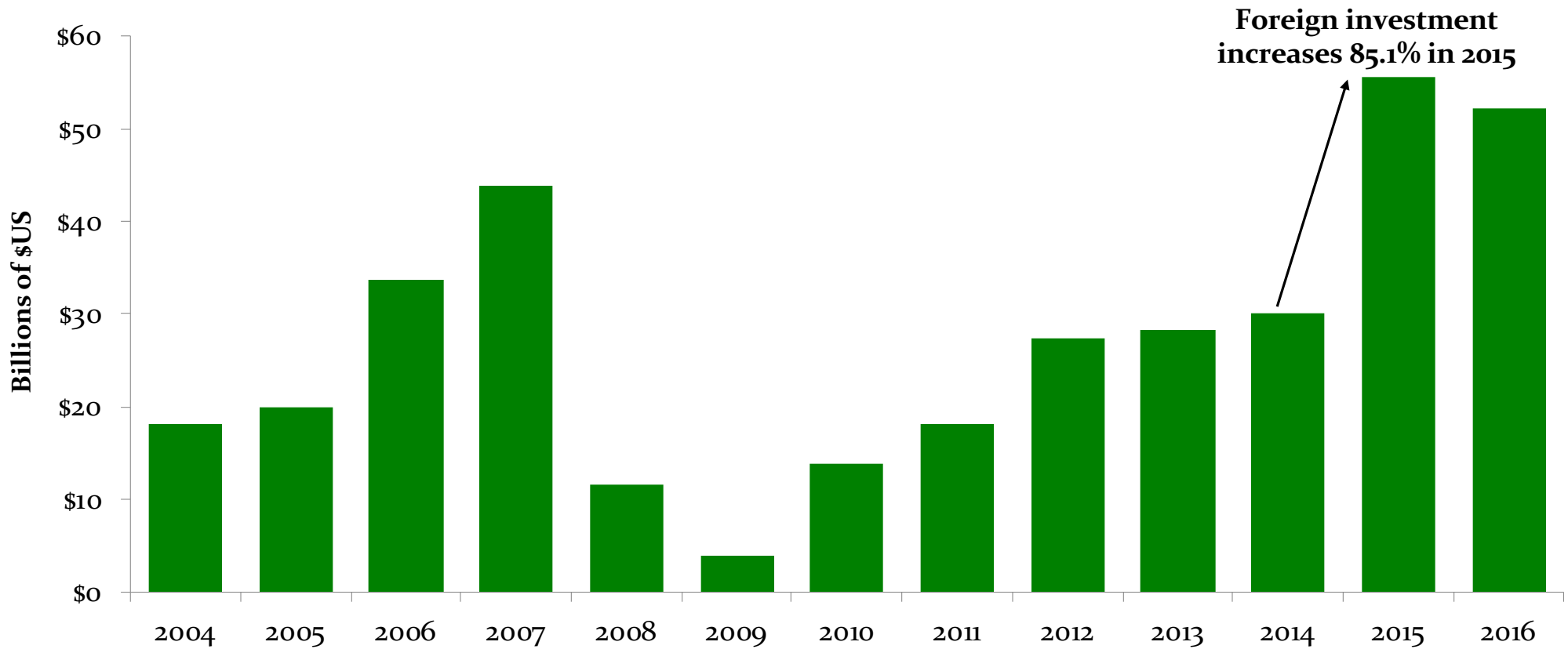
# National Nonresidential Construction Spending by Subsector October 2015 v. October 2018



Source: U.S. Census Bureau



## Commercial/Multifamily Offshore Investment Sales Volumes Reach New Heights in 2015/16

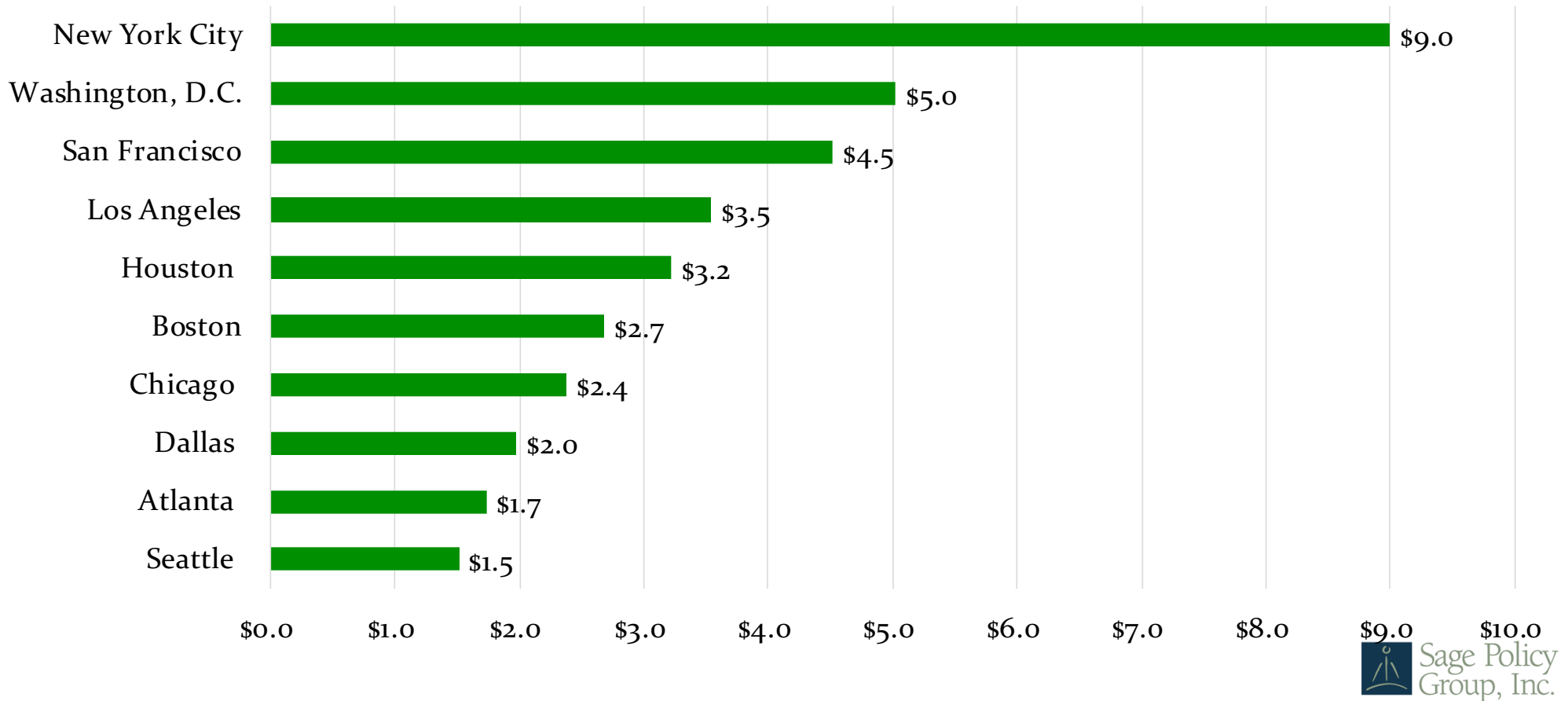


**Cross-border investment remained elevated in 2016:**  
*Although down relative to a record 2015, offshore investment levels still exceeded the pre-2015 high in 2007.*

# Foreign Investment in U.S. Commercial Real Estate

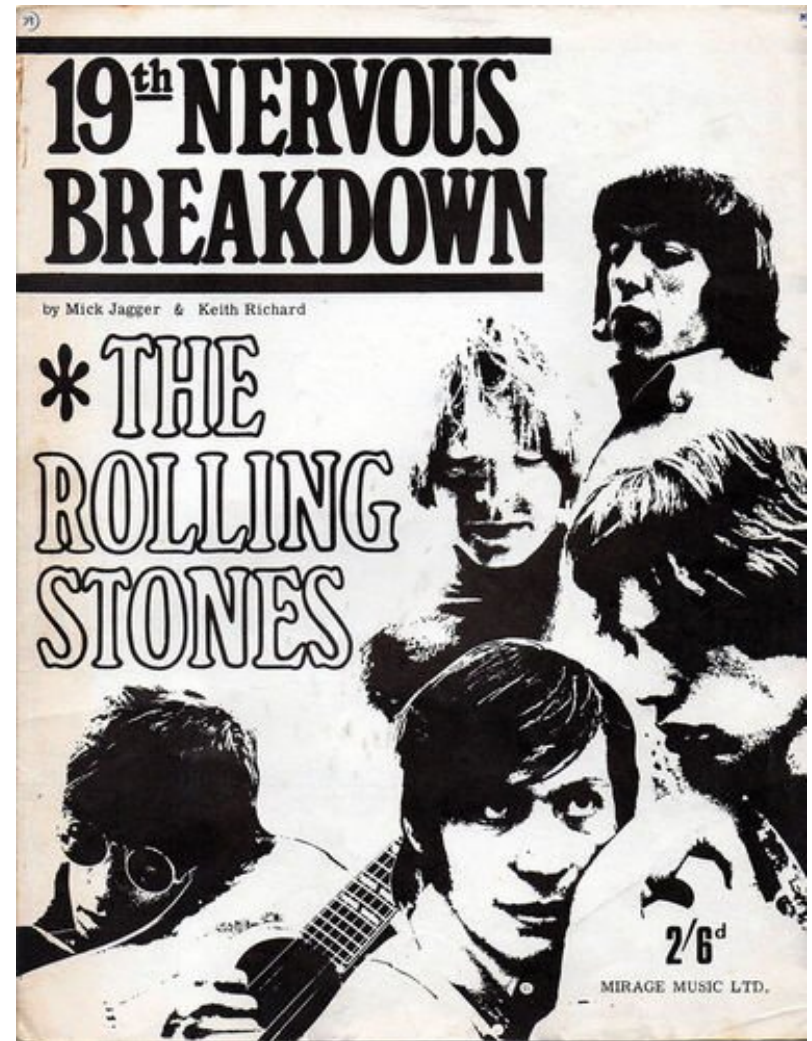
## Top Destination Markets, 2017

2017 Deals (\$Billions)



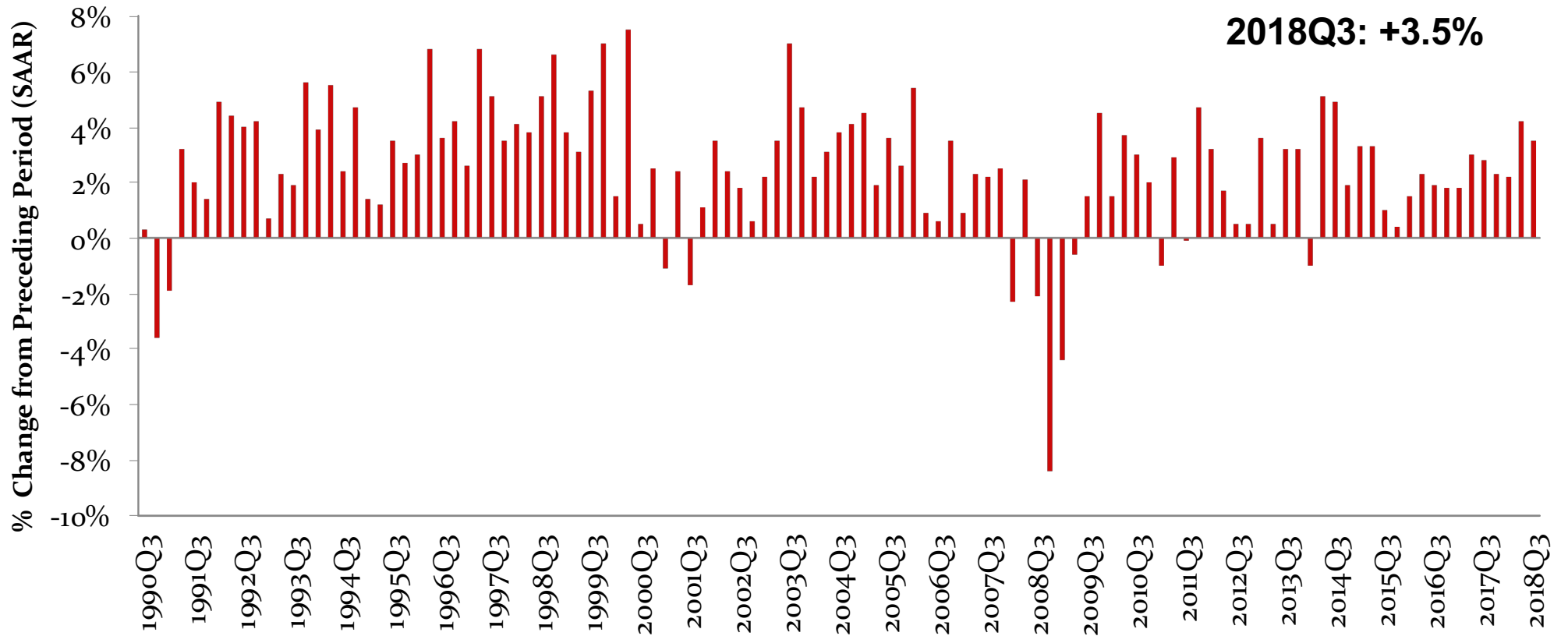
Source: Real Capital Analytics; Colliers International

# 19<sup>th</sup> Nervous Breakdown



# Gross Domestic Product

1990Q3 through 2018Q3\*

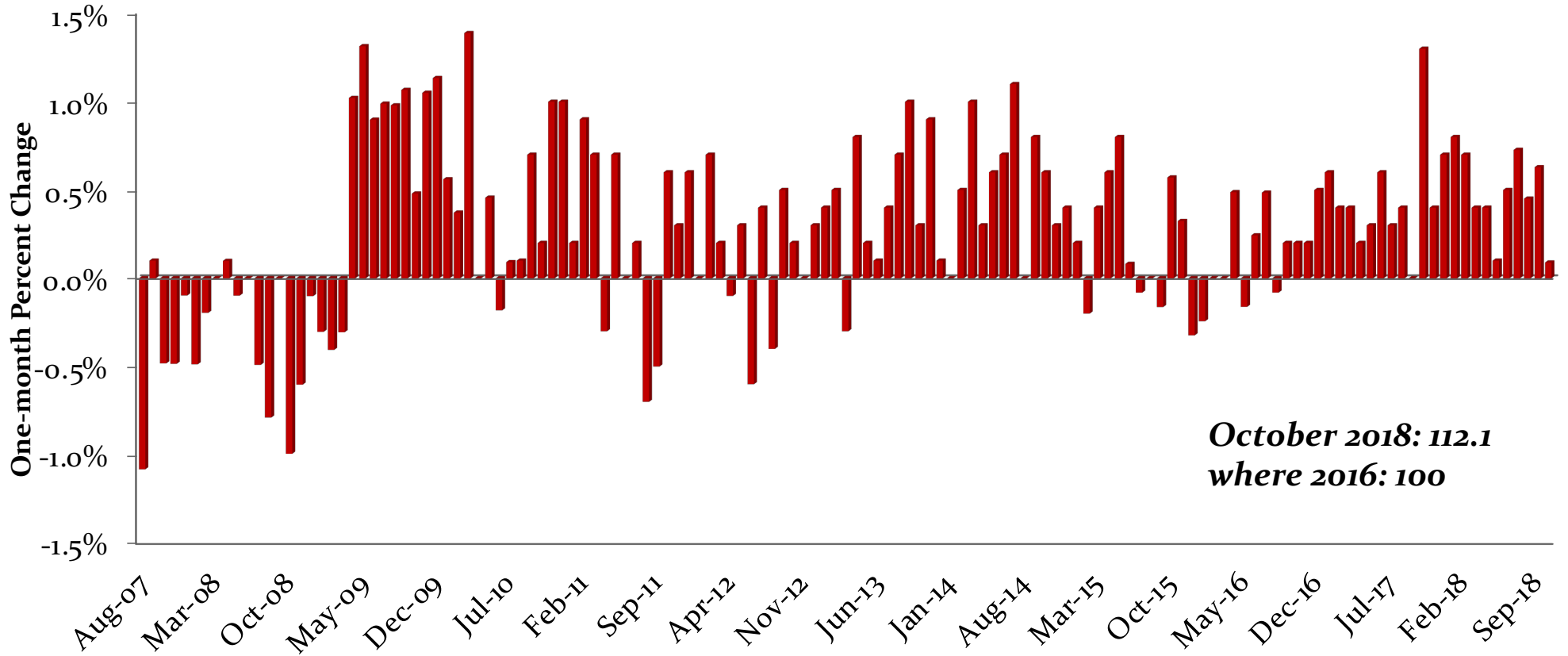


**2018Q3: +3.5%**

Source: U.S. Bureau of Economic Analysis \*2<sup>nd</sup> Estimate

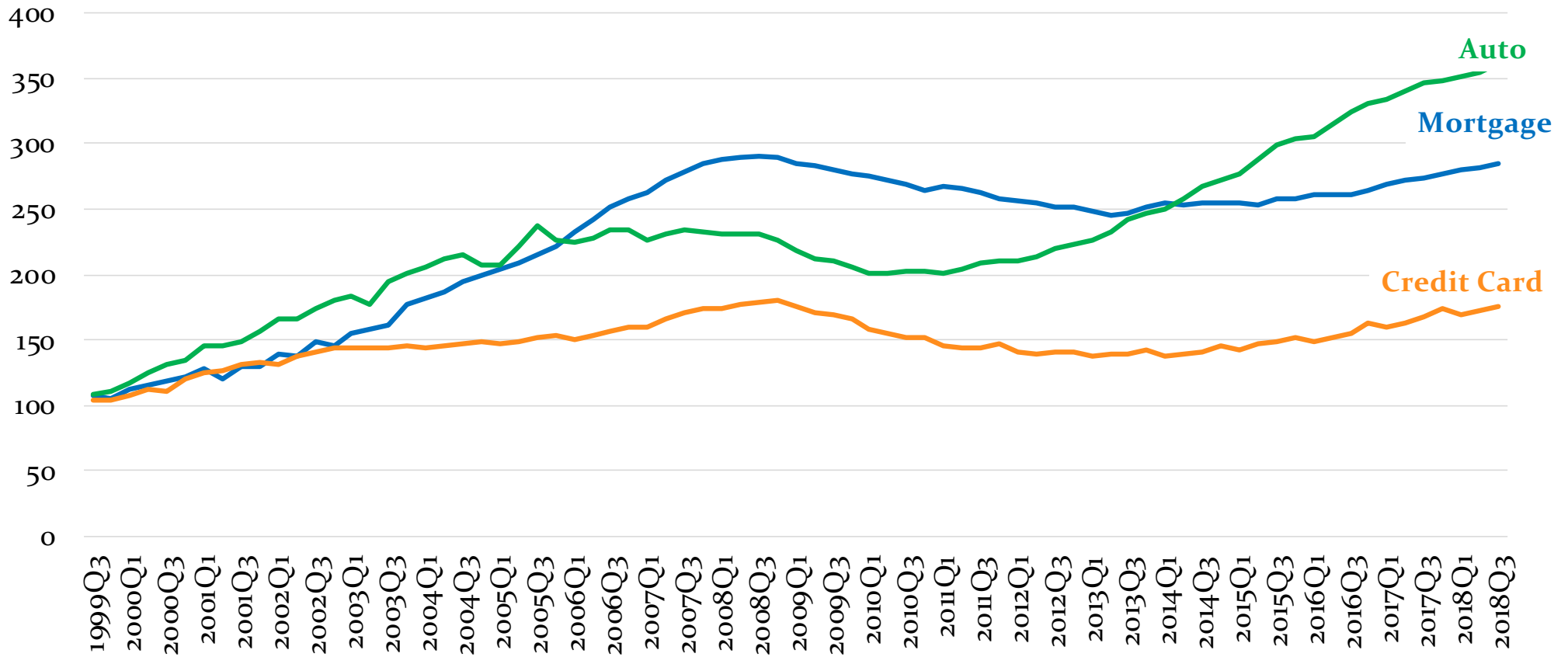
# Conference Board Leading Economic Indicators Index

August 2007 through October 2018



Source: Conference Board

# Total U.S. Debt Volume by Select Loan Types, Index 1991Q1=100



## Global Debt Reaches All Time Highs (IIF)

- According to the International Institute of Finance (IIF), global debt has reached an all-time high in 2016;
- At **\$247 trillion** as of 2018Q1, global debt—including household, government, and corporate—now represents **318% of global GDP**;
- Last year the IMF warned of risks to the global economy:
  - *“sheer size of debt could set the stage for an unprecedented private deleveraging process that could thwart the fragile economic recovery”*

# Shiller Price-Earnings Ratio, 1980-2018



**Nov. 2018:  
30.18**



Source: Robert J. Shiller Data used in his book, "Irrational Exuberance" Princeton University Press.



# Shattered! --- Bitcoin Price, 2014-2018



12/17/2018:  
\$3.5K

## Time is on My Side, at least in the Near-Term

- 2018 best year since '05. . .;
- Global economy better than it was -  
- still;
- Job opportunities abundant;
- Corporate profitability elevated;
- Consumer and business confidence  
have been surging. . .;
- And now tax cuts, including major  
reductions in corporate taxes . . .  
What could go wrong?;
- A lot can go wrong – that’s always true  
– first there are the Black Swan threats:
- “I’m forever blowing bubbles, pretty  
bubbles in the air, they fly so high,  
nearly reach the sky, and like my  
dreams, they fade and die”;
- Where are all the pretty bubbles?  
Equity markets? U.S. bond market?  
Commercial real estate? Bitcoin?
- 2018 better than fine – 1<sup>st</sup> half of 2019  
might be, too, but beyond that,  
potential deleveraging cycle prompted  
by a repricing of assets – Bad!!!!

# Thank You

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research & policy analysis.