



Planning and Navigating with Assurance

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Post-COVID Forecast Accuracy When Things Were First Starting to Go Awry...

	Data is Through	Date of Forecast	Duration	Accuracy
US GDP	Dec 2019	Mar 20, 2020	9	98.4%
US Ind. Prod.	Feb 2020	Mar 25, 2020	9	96.5%
Europe Ind. Prod.	Jan 2020	Mar 25, 2020	9	98.7%
Canada Ind. Prod.	Dec 2019	Mar 25, 2020	9	94.9%
China Ind. Prod.	Feb 2020	Mar 29, 2020	9	92.8%
Retail Sales	Jan 2020	Mar 21, 2020	9	98.7%
Housing	Jan 2020	Mar 26, 2020	9	99.6%
Employment	Feb 2020	Mar 28, 2020	9	93.7%

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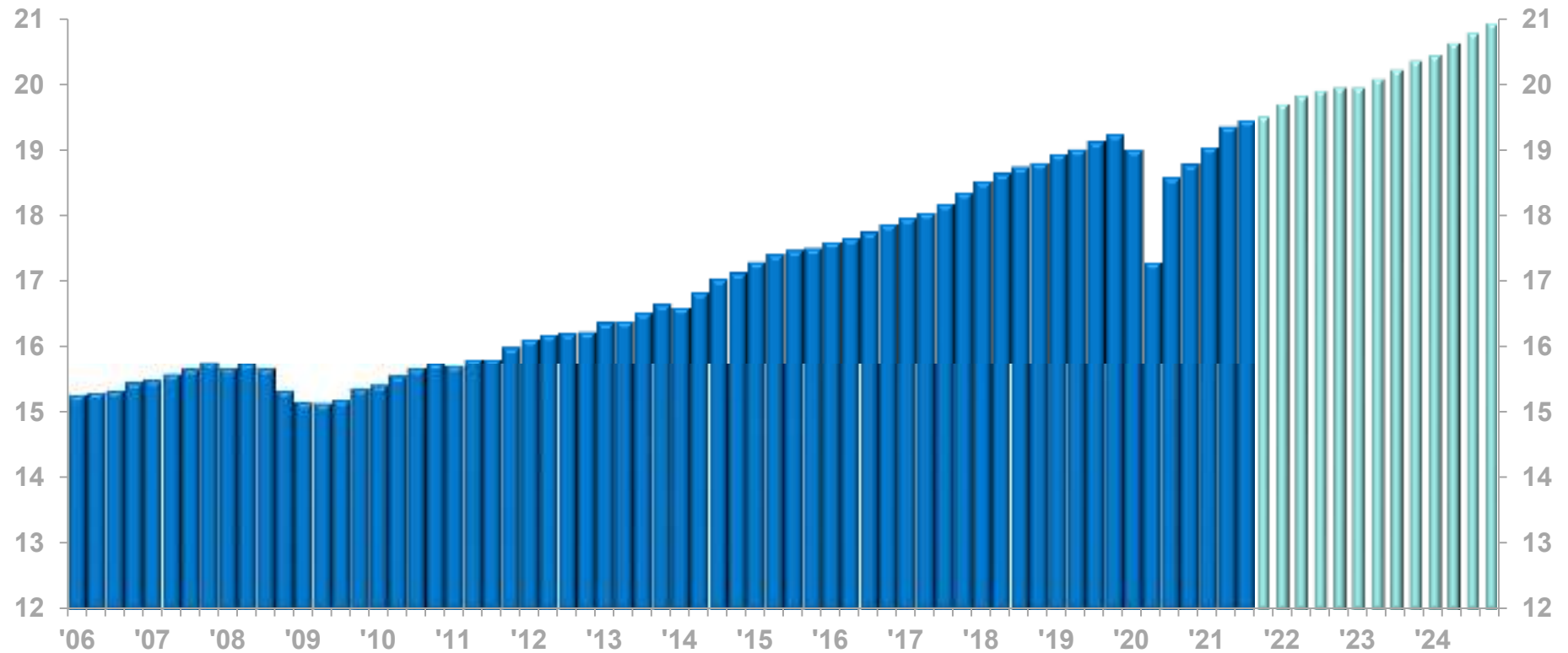


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Growth Through 2024

US Gross Domestic Product, SAAR, Chained 2012 \$





Government

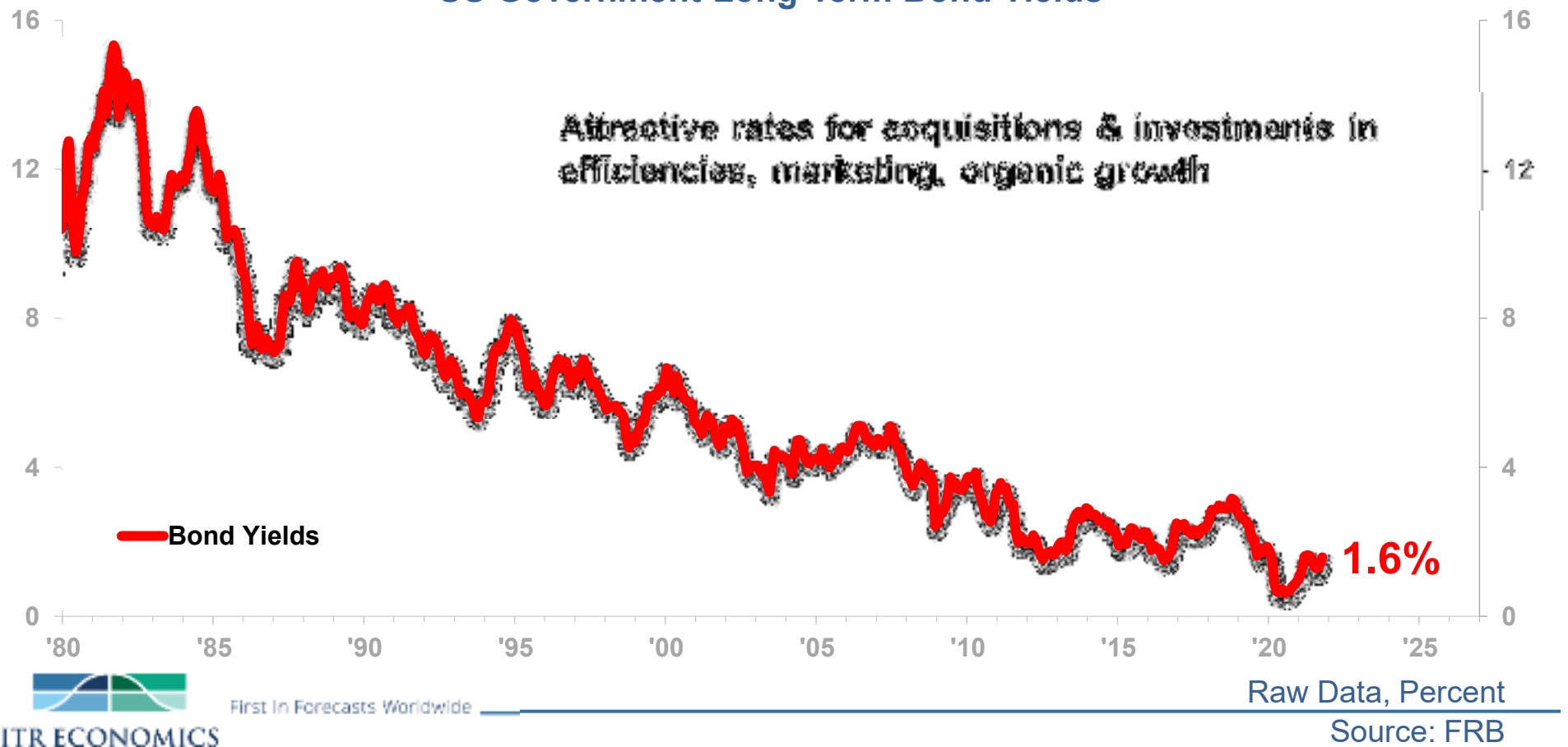
Spend More & Tax More



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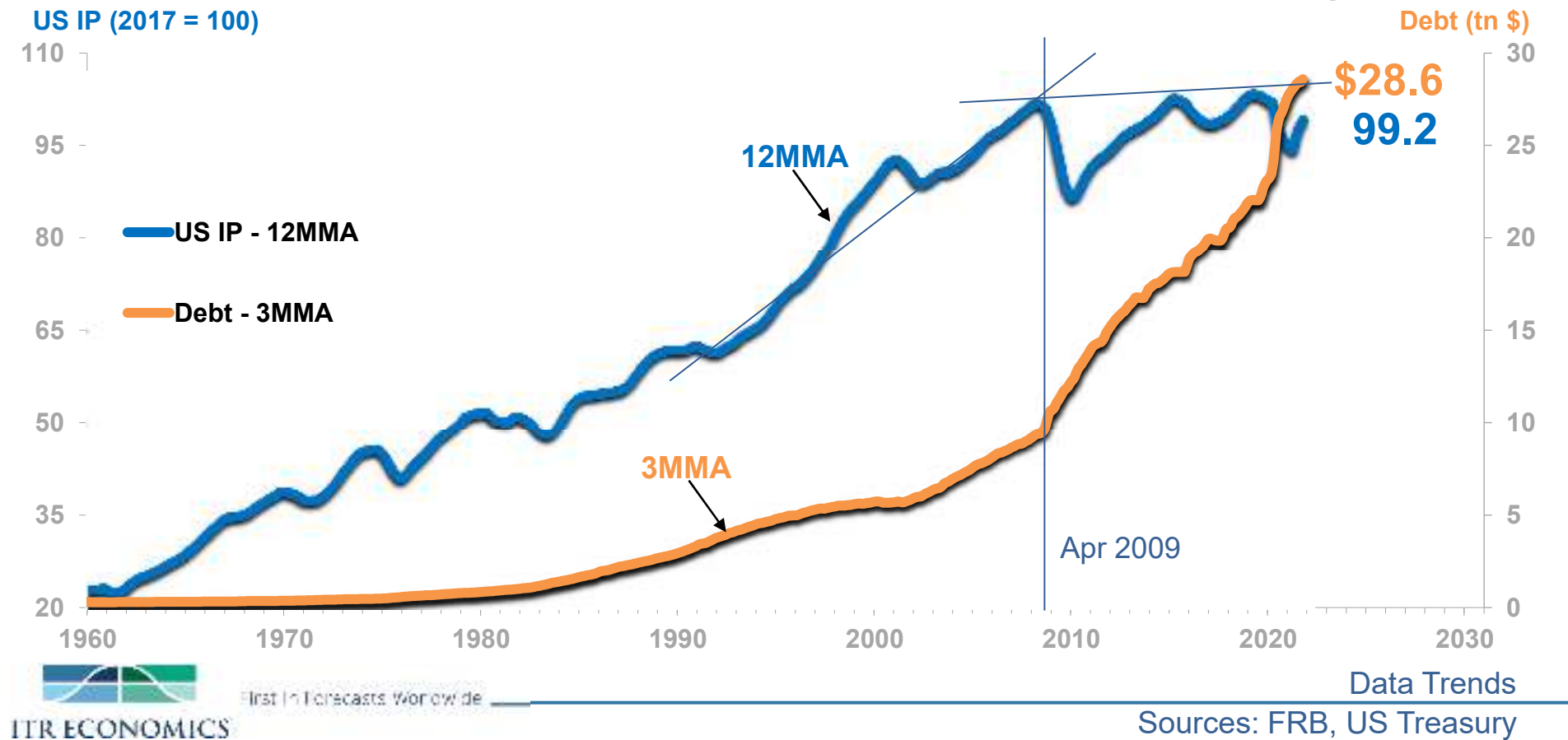
US Bond Yields and Inflation Concerns

US Government Long-Term Bond Yields



Deficit Spending and Slower Growth

US Industrial Production Index to US Total Public Debt Outstanding



Number of Times in the Oval Office Post WWII

Party	#
Republicans	7
Democrats	6

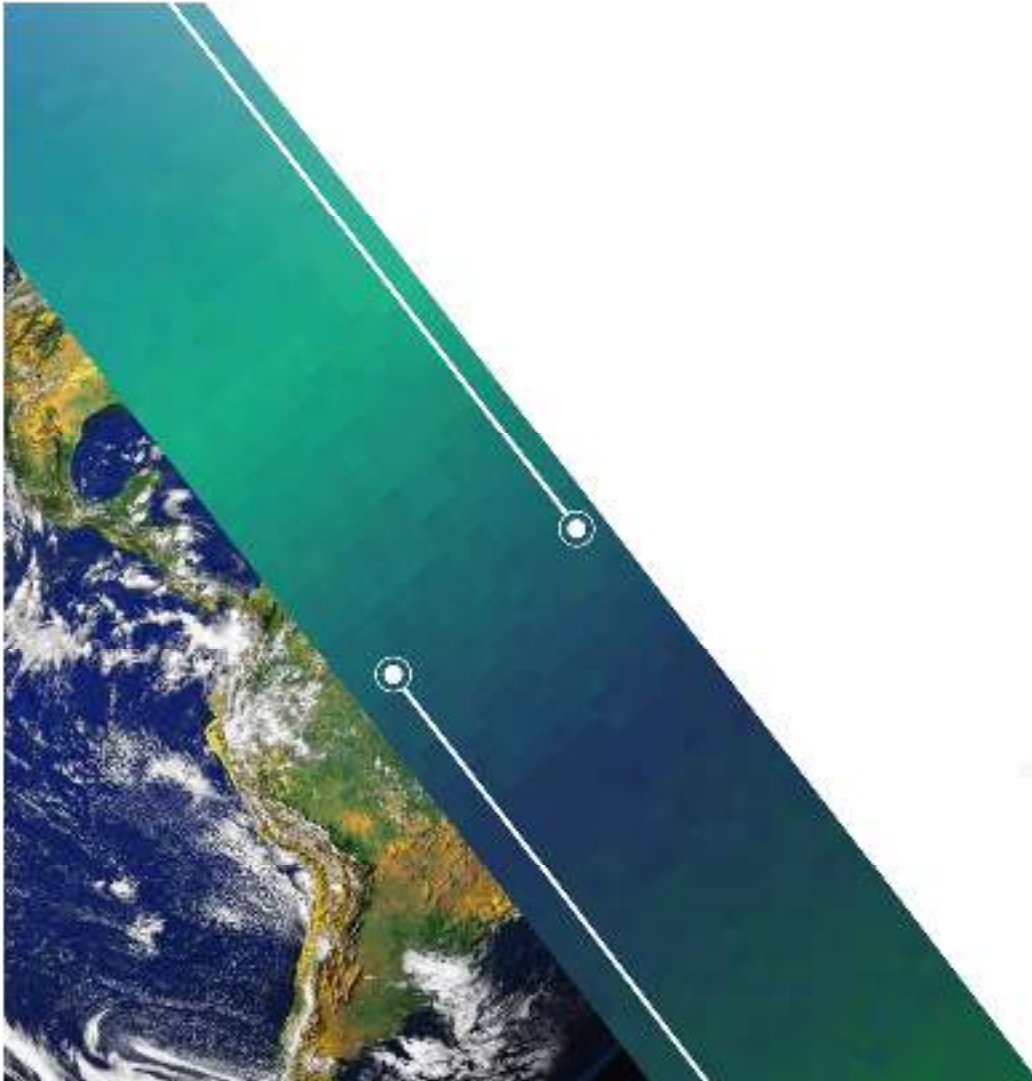
Average % Change in the Nat'l Debt by Party Post WWII

Party	%
Republicans	32.1%
Democrats	15.3%

Percent Each Party Reduced the National Debt (whole history)

Party	%
Republicans	27.8% (5 times)
Democrats	26.7% (4 times)

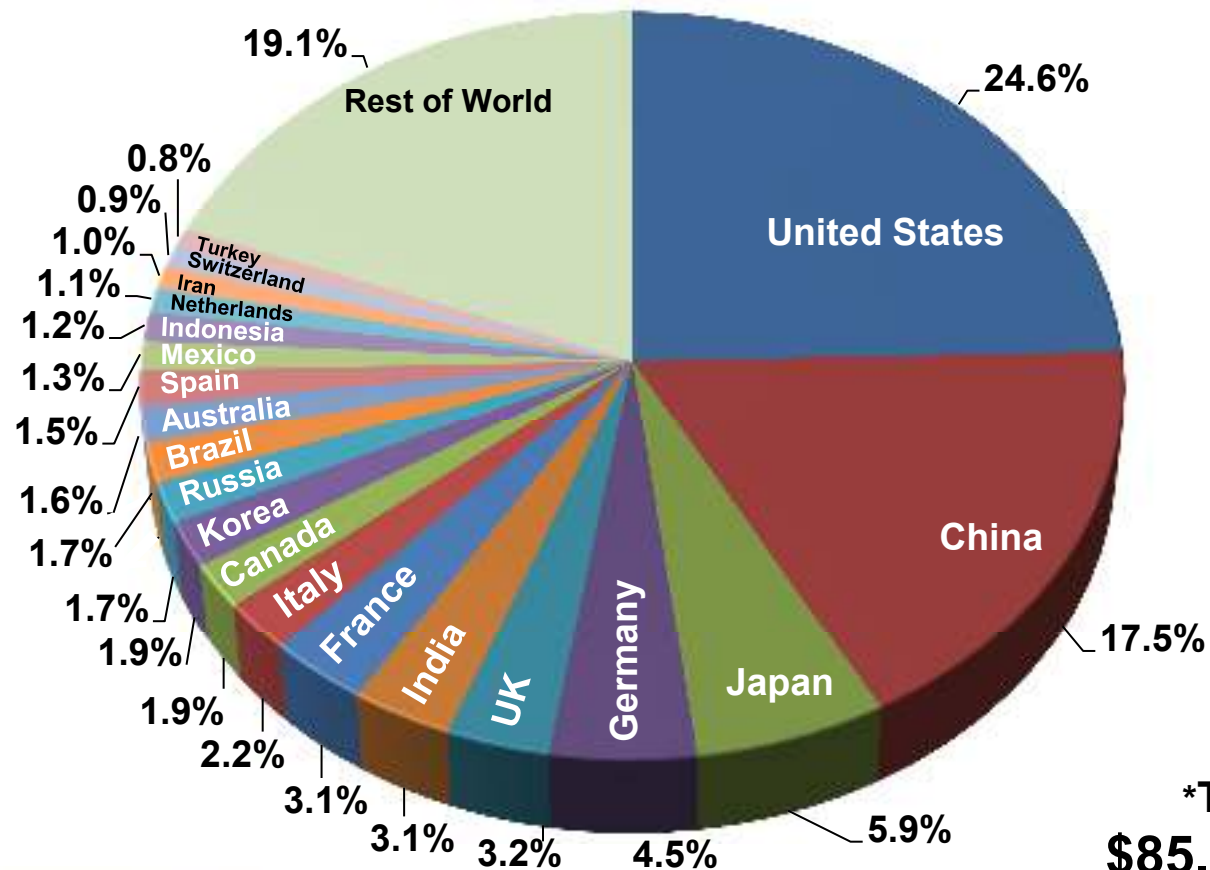




Global Partners & Supply Chain



Percent of World GDP by Country



***Total World GDP:
\$85.0 Trillion US\$**

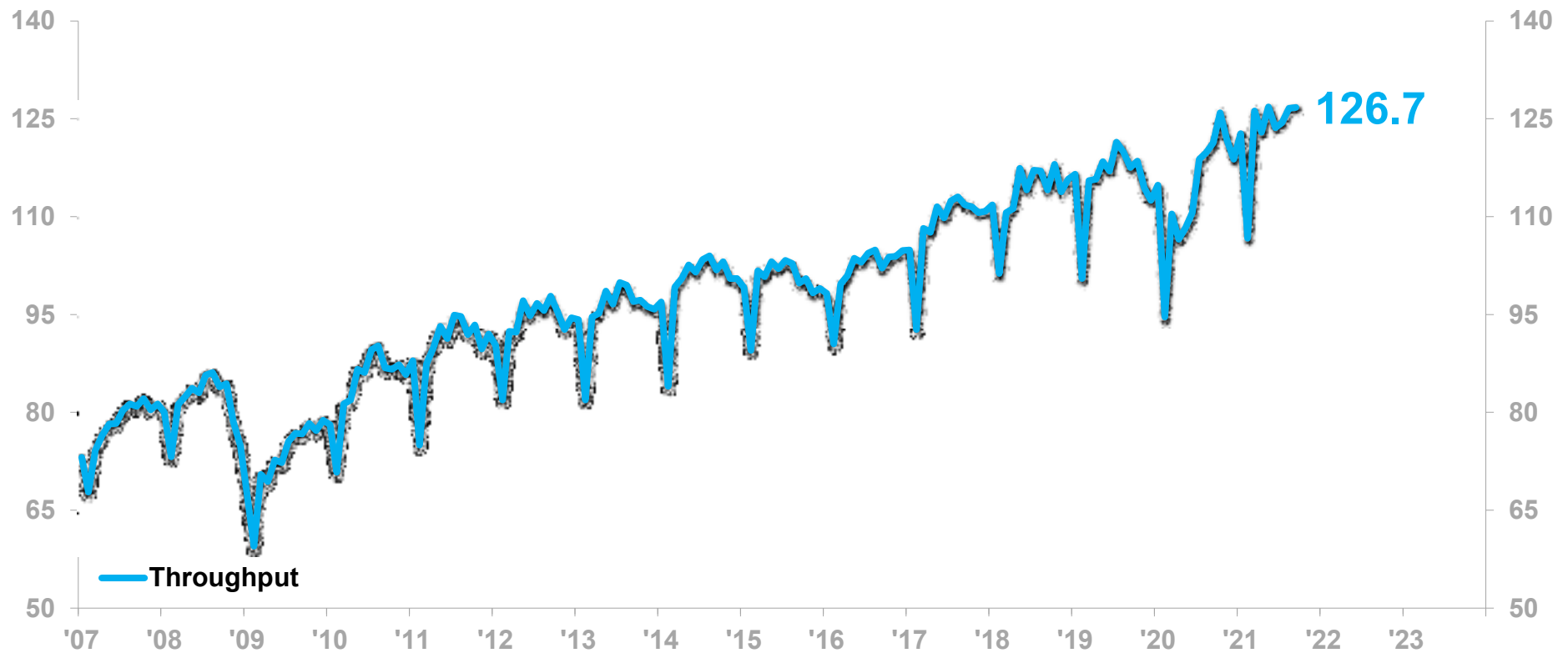
Decelerating *Rise* In 2022

Non-U.S. Economic Leading Indicators

Indicator	Trend	Comments
Australia Leading Indicator	Decline	Slowing rise probable for 2022...
Brazil Leading Indicator	Decline	Slowing rise probable for 2022...
Canada Leading Indicator	Decline	Slowing rise probable for 2022...
Eurozone Leading Indicator	Decline	Slowing rise probable for 2022...
Japan Leading Indicator	Decline	Slowing rise probable for 2022...
Mexico Leading Indicator	Decline	Slowing rise probable for 2022...
Major Five Asia Leading Indicator	Decline	Slowing rise probable for 2022...

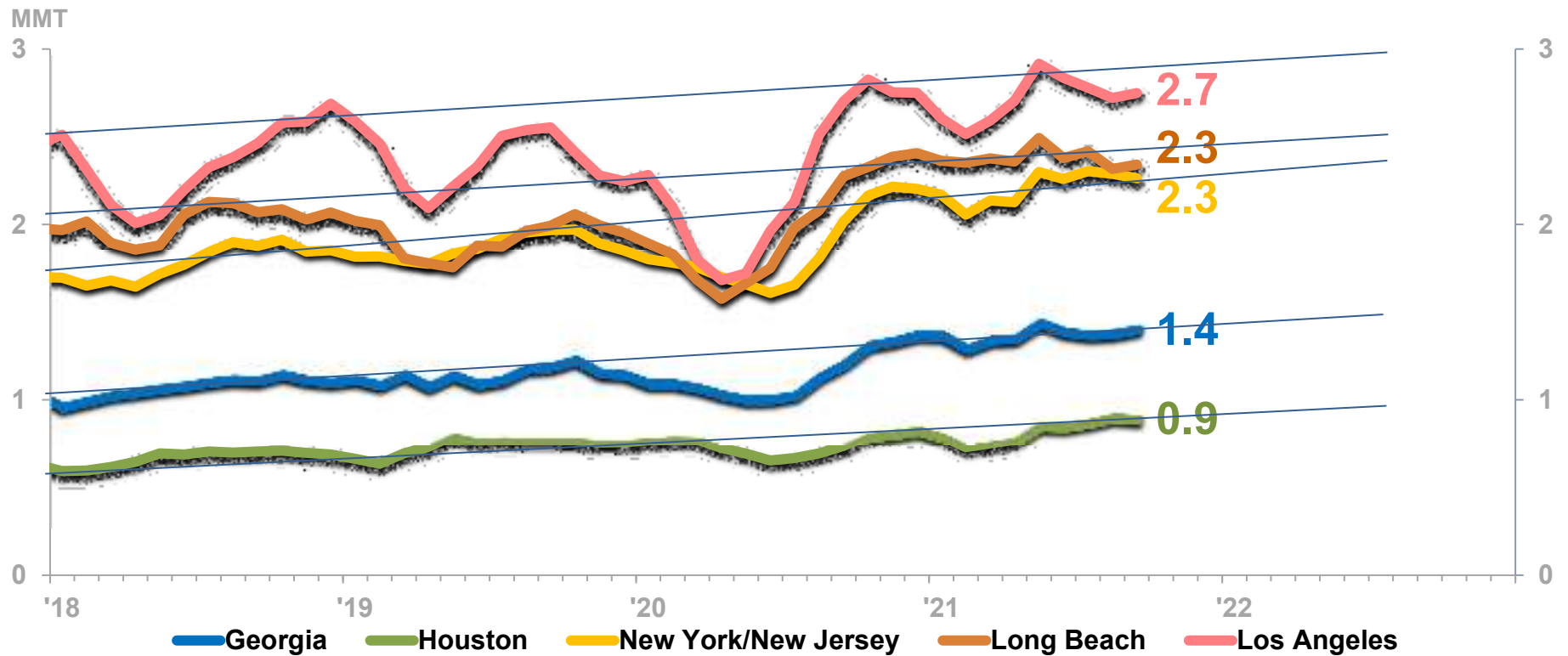
Container Throughput Continues to Rise

Rheinisch-Westfälisches Institute World Container Throughput Index



Overwhelming Demand

Total Intermodal Container Traffic | Top Five US Ports



Supply Chain Issues Resulting From:

- Overstimulation of demand in the US
- Covid disruptions to supply
- Congestion on the seas, railyards, truck terminals
- Covid disruptions still occurring in China and Vietnam
- Power Outages in Asia and Europe
- Nationalism

Supply Chain Solutions:

- Slower ascent in the US economy in 2022 - 2023
- Supply lines repaired and shortened over 2022 – 2023
- New capacity coming online in 2022-2023

Eventual Result:

- ✓ More rational price trends going forward



US Economy & Market Trends



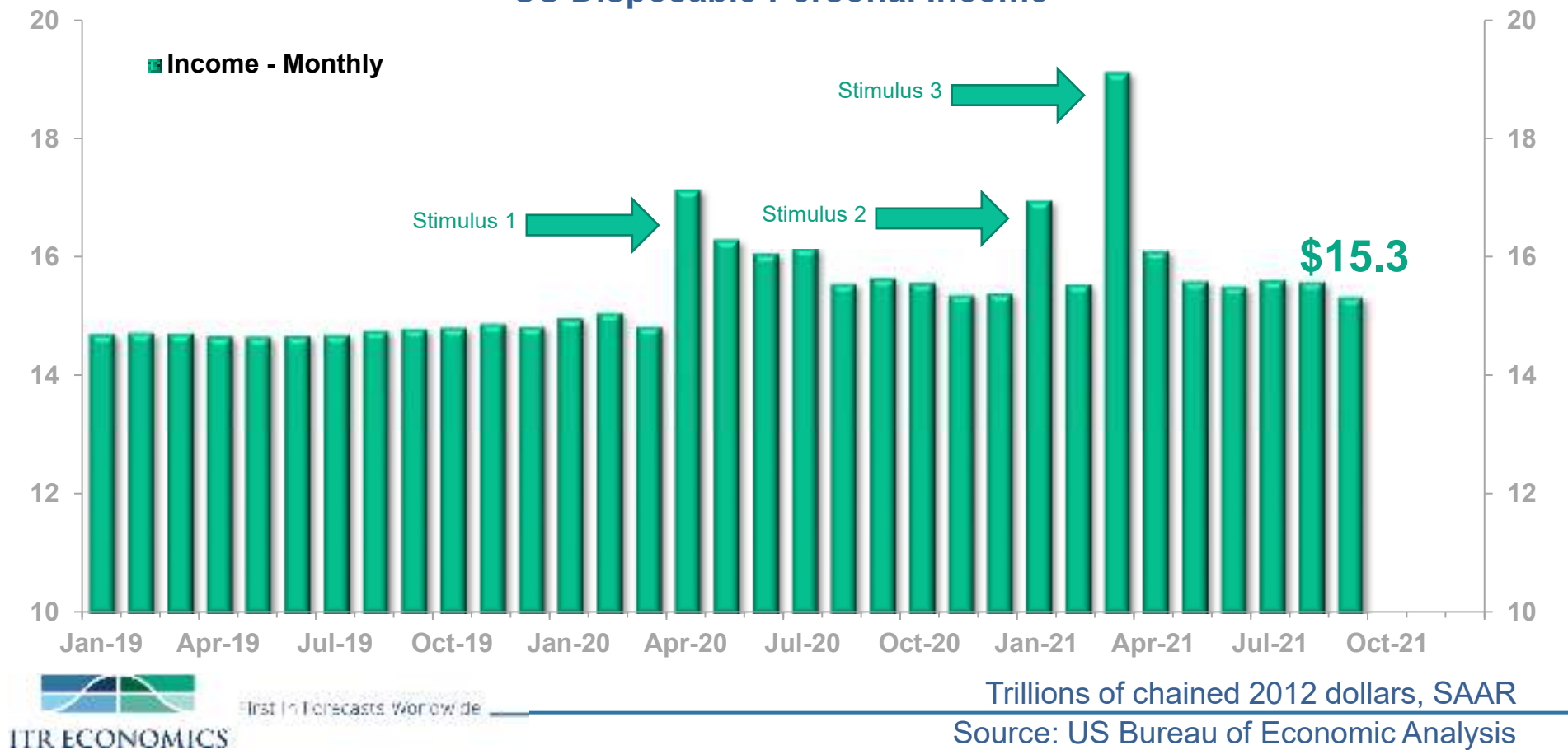
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U.S. Economic Leading Indicators: *Deceleration in 2022*

Indicator	Trend	Macro Indication
ITR Retail Sales Leading Indicator	Rise	Positive through next four quarters...
ITR Financial Leading Indicator	Decline	Deceleration probable for 2022
JPMorgan Global PMI	Decline	Deceleration probable for 2022
OECD Leading Indicator	Decline	Deceleration probable for 2022
G7 Leading Indicator	Decline	Deceleration probable for 2022
Purchasing Managers Index (PMI)	Decline	Deceleration probable for 2022
ITR Leading Indicator	Decline	Deceleration probable for 2022
Wilshire Total Market Cap	Decline	Deceleration probable for 2022
US Business Confidence Index	Decline	Deceleration probable for 2022
Single-Family Housing Starts	Decline	Deceleration probable for 2022
Total Industry Capacity Utilization	Decline	Deceleration probable for 2022
US Exports, Goods – World	Decline	Deceleration probable for 2022

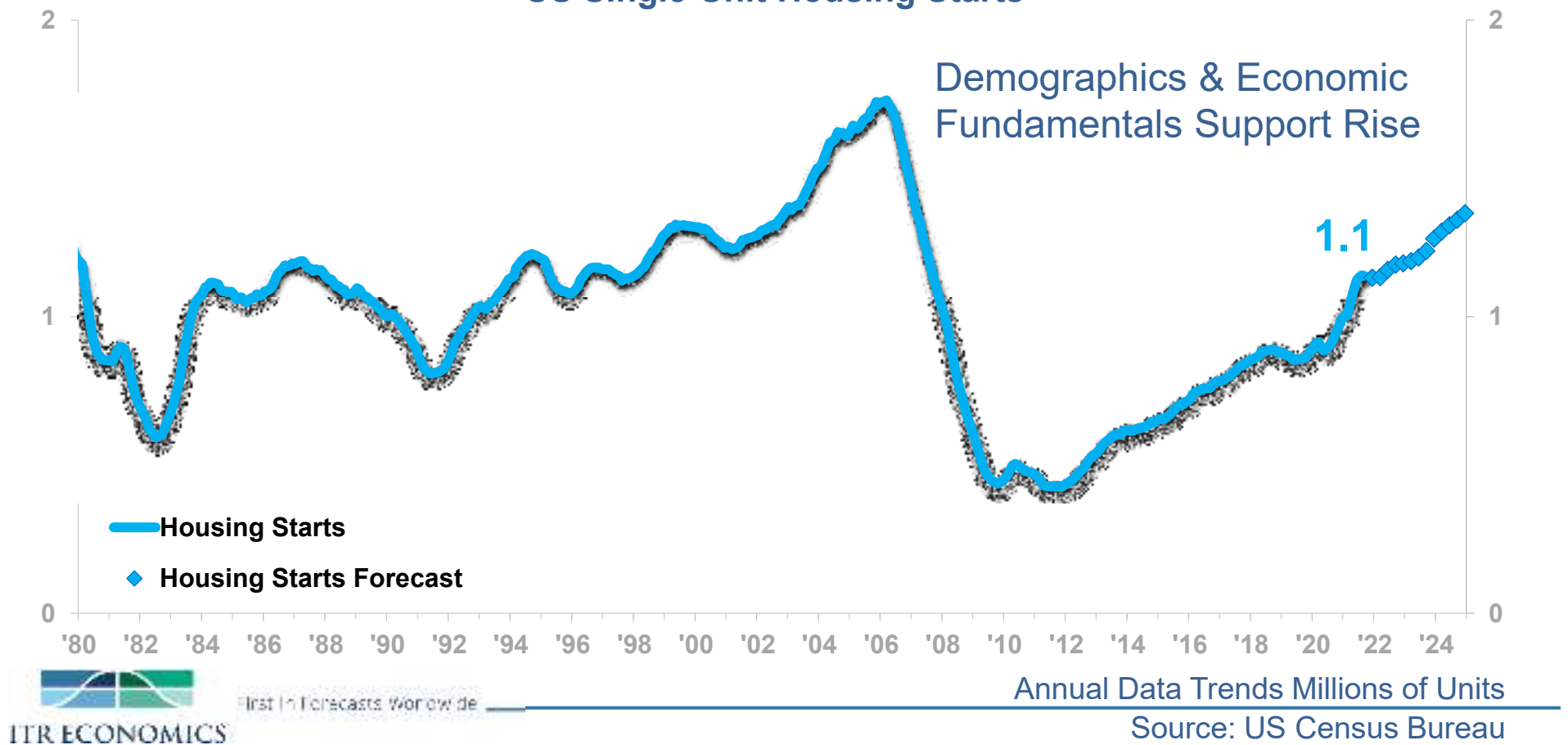
Keeping An Eye on the Recent Slip in Income

US Disposable Personal Income



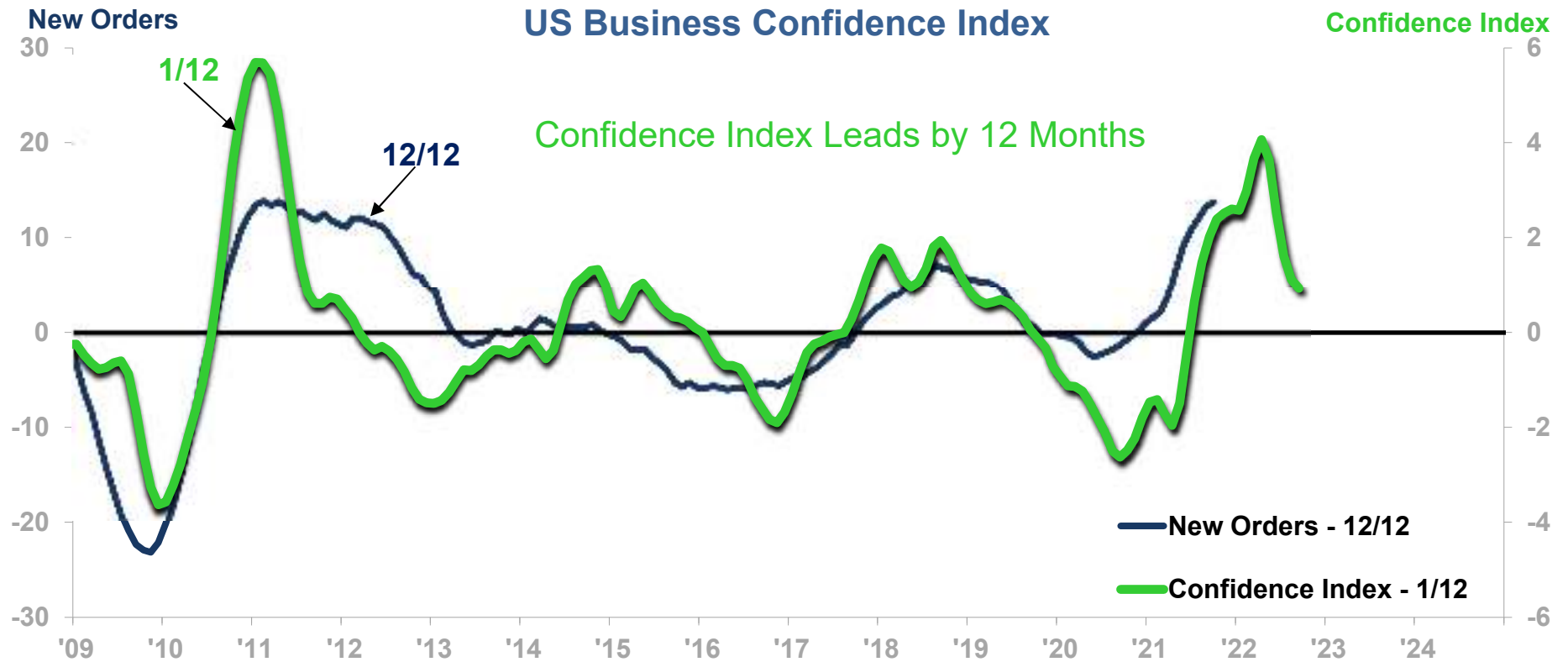
A Positive Leading Indication for the Economy

US Single-Unit Housing Starts



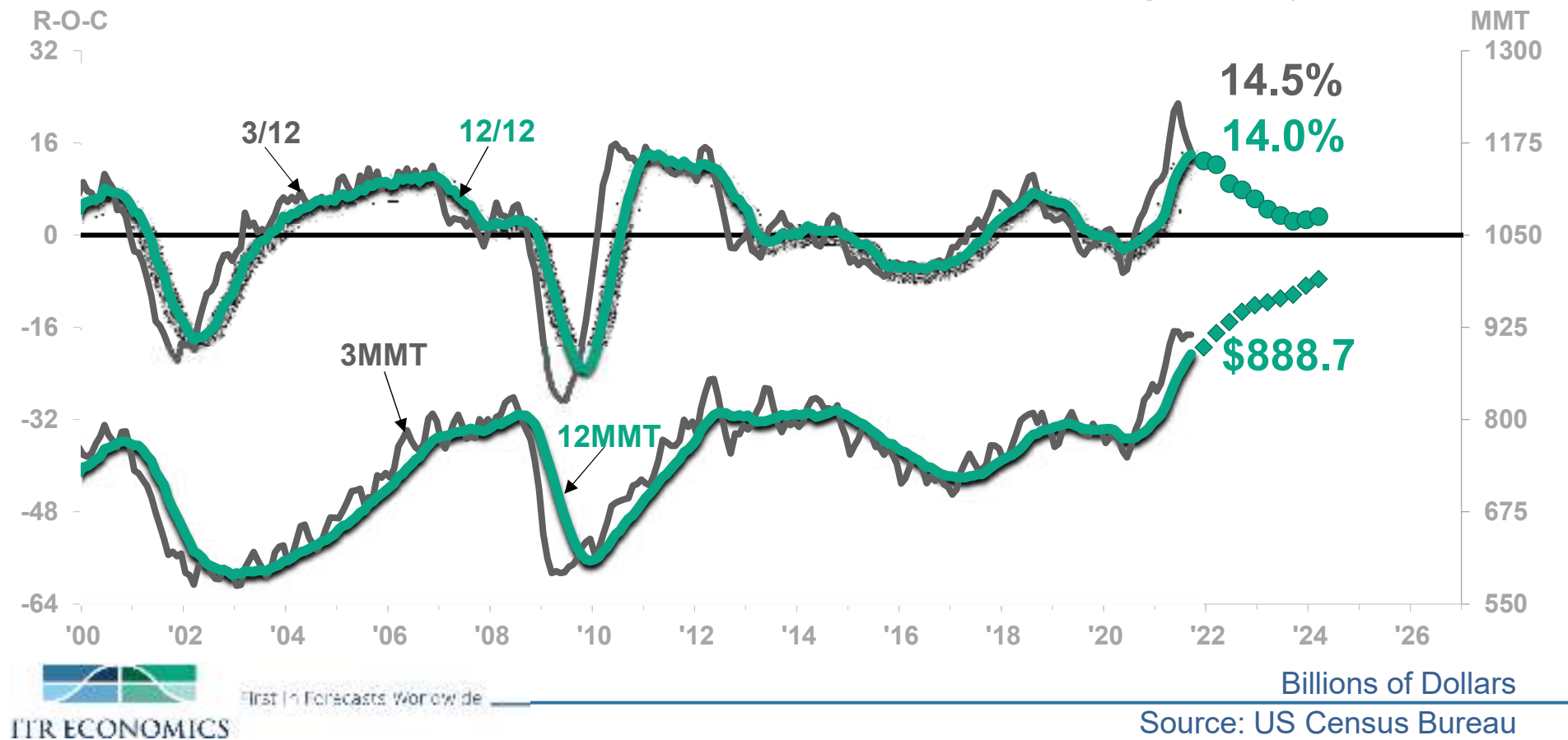
B2B Stays Strong Through 2024

US Nondefense Capital Goods New Orders (excl aircraft) to US Business Confidence Index



Record High New Orders Through 2024

US Nondefense Capital Goods New Orders (excluding aircraft)



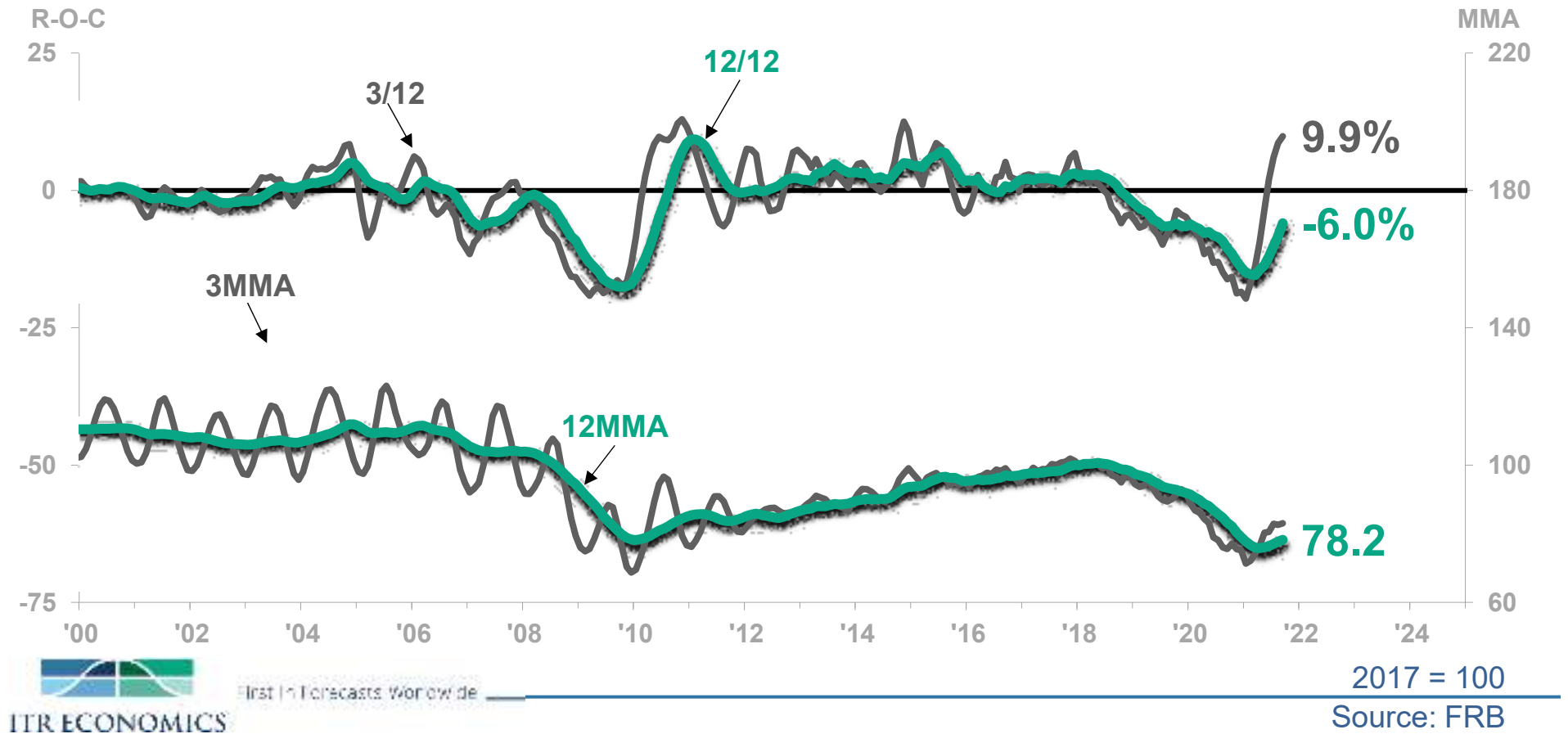
Material Handling Will Thrive Along with CAPEX

US Nondefense Capital Goods New Orders (w/o Aircraft) to
US Material Handling Equipment New Orders



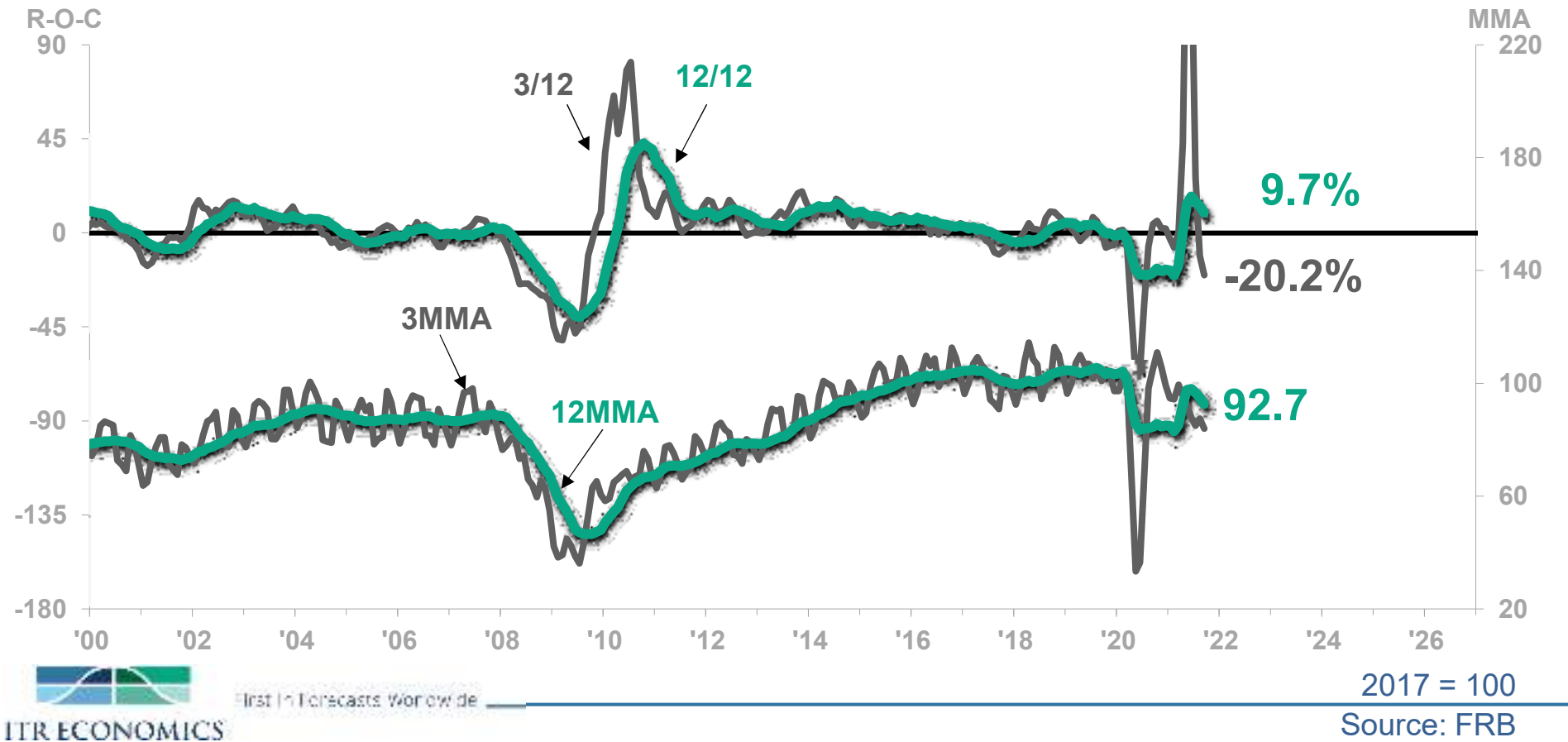
Cyclical Recovery Underway

US Paint, Coating, and Adhesive Production Index



Hard Pressed Given Semiconductor Issue

US Automobile and Light Duty Motor Vehicle Production Index



Global Semiconductor Rise

Semiconductor Shipments

	12/12	Phase	3/12	Phase	Annual Trend	
Americas	19.2%	C	27.4%	B	\$	106.08
Europe	14.1%	B	38.9%	B	\$	42.91
China	18.2%	B	29.8%	B	\$	174.76
World	17.9%	B	29.9%	B	\$	501.70

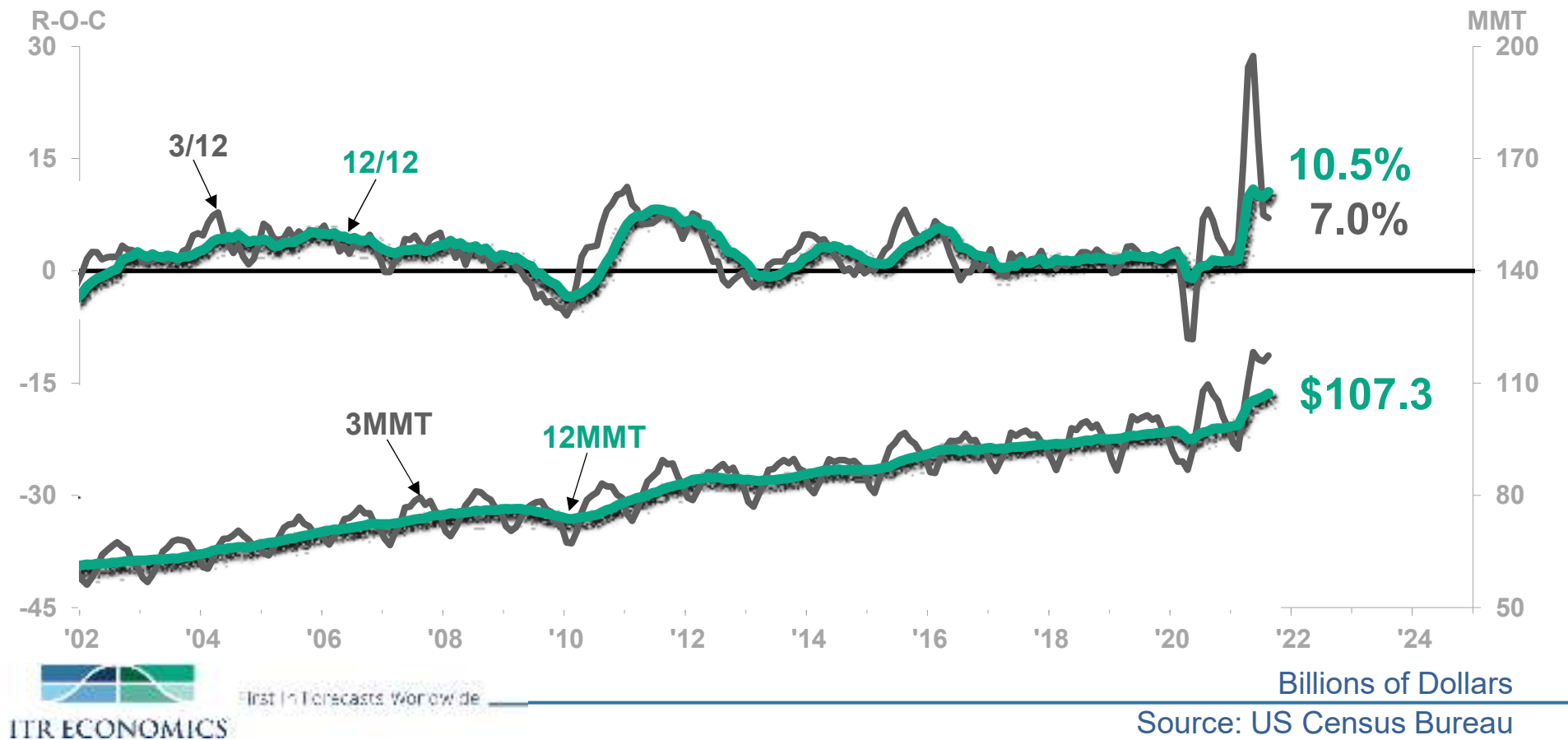


Rates-of-Change, Annual Trend in Billions of Dollars

Source: Semiconductor Industry Association

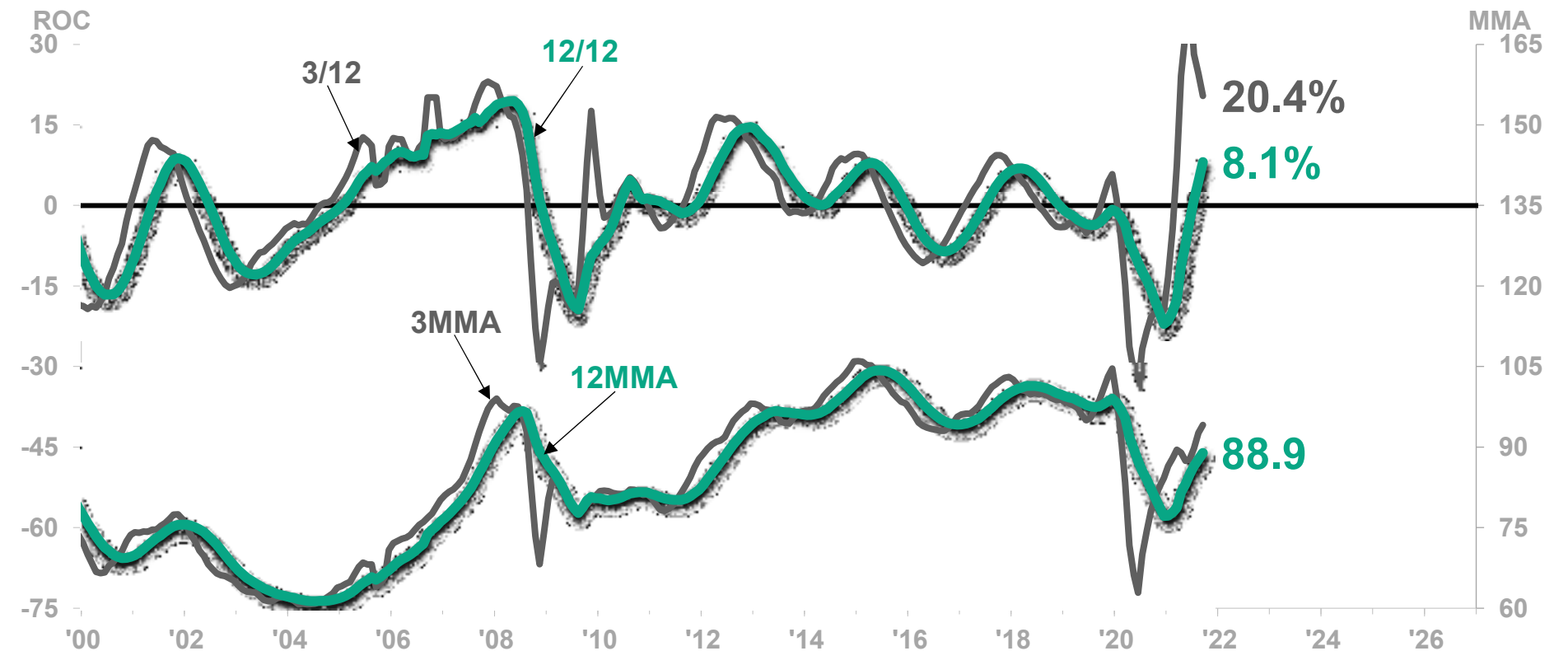
Solid Market Opportunities

Retail Sales Automotive Parts and Tire Stores



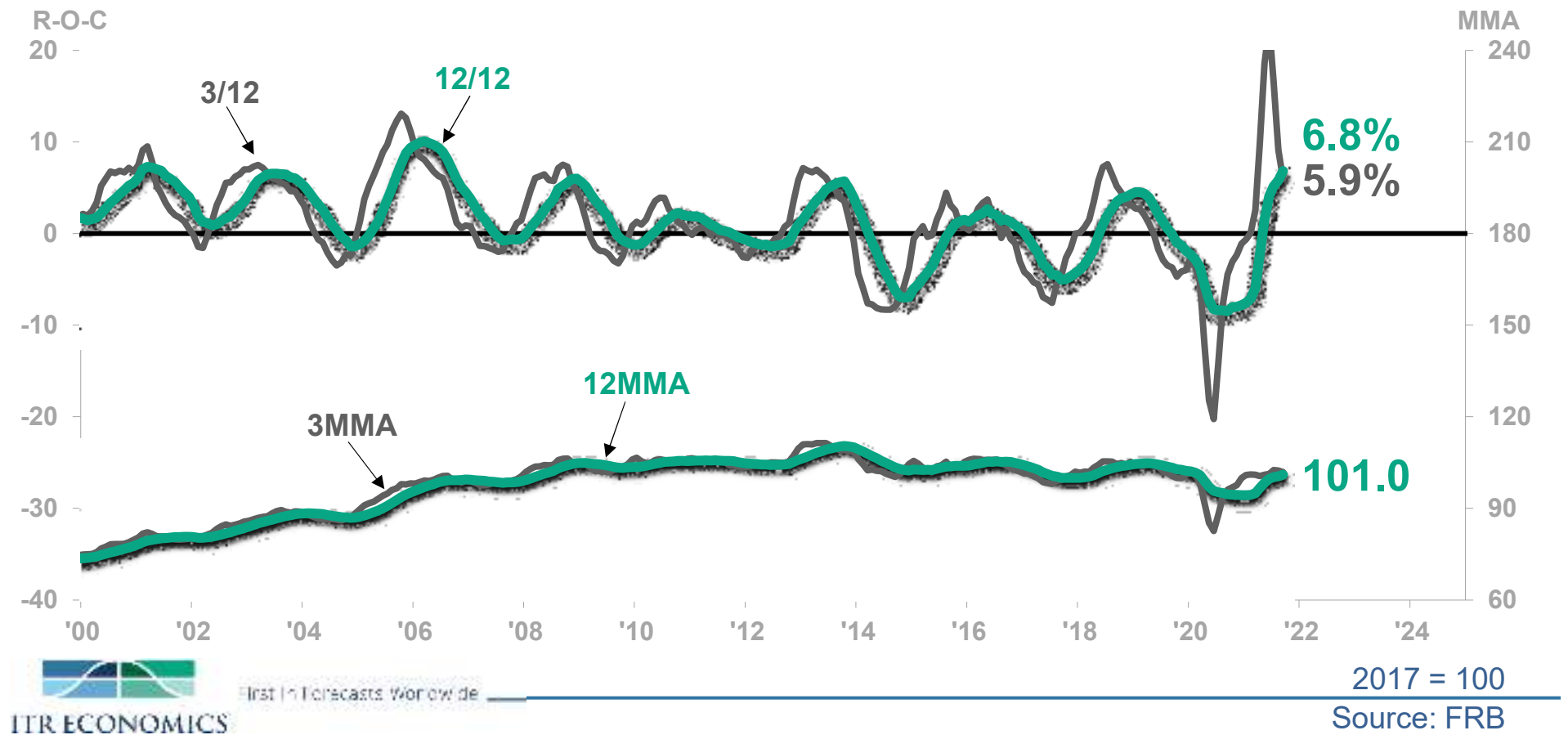
Multi-Year Recovery Has Started

US Aircraft and Parts Production Index



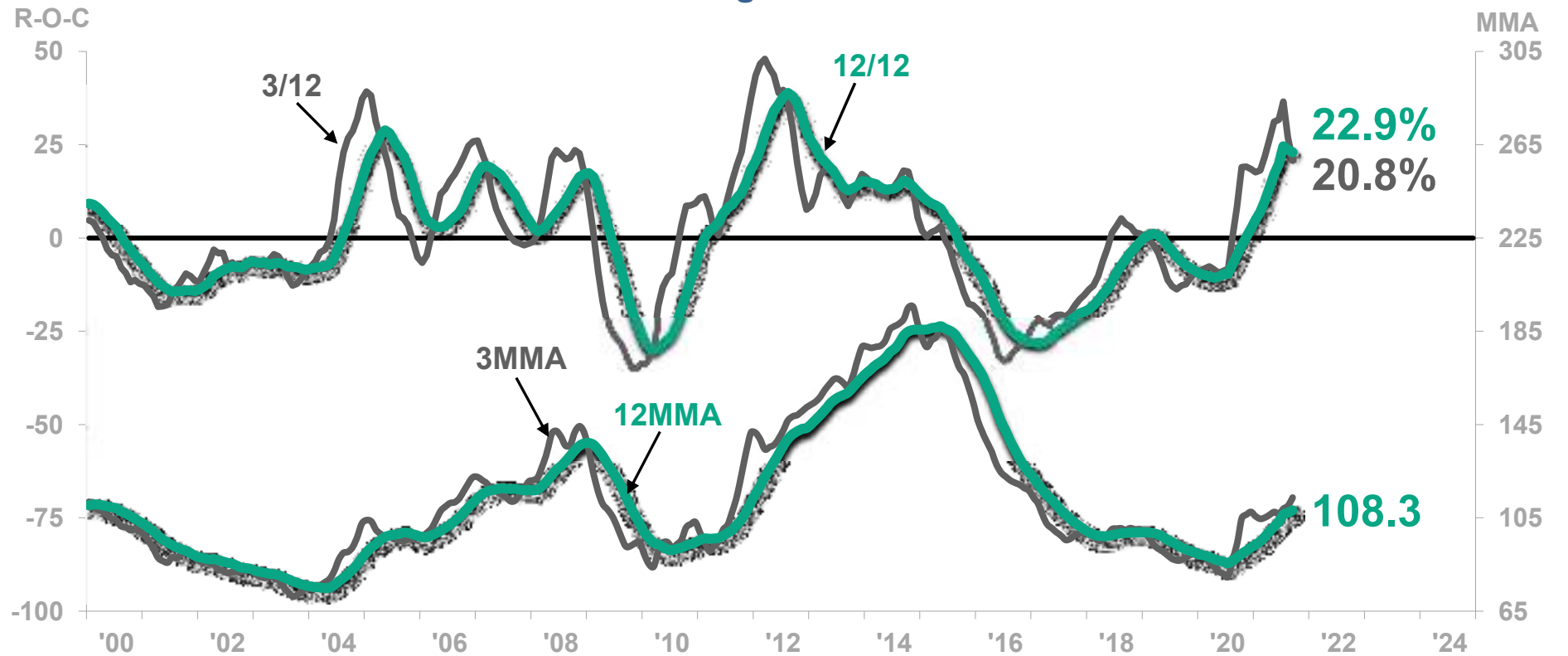
Additional Cyclical Ascent Probable

US Medical Equipment and Supplies Production Index



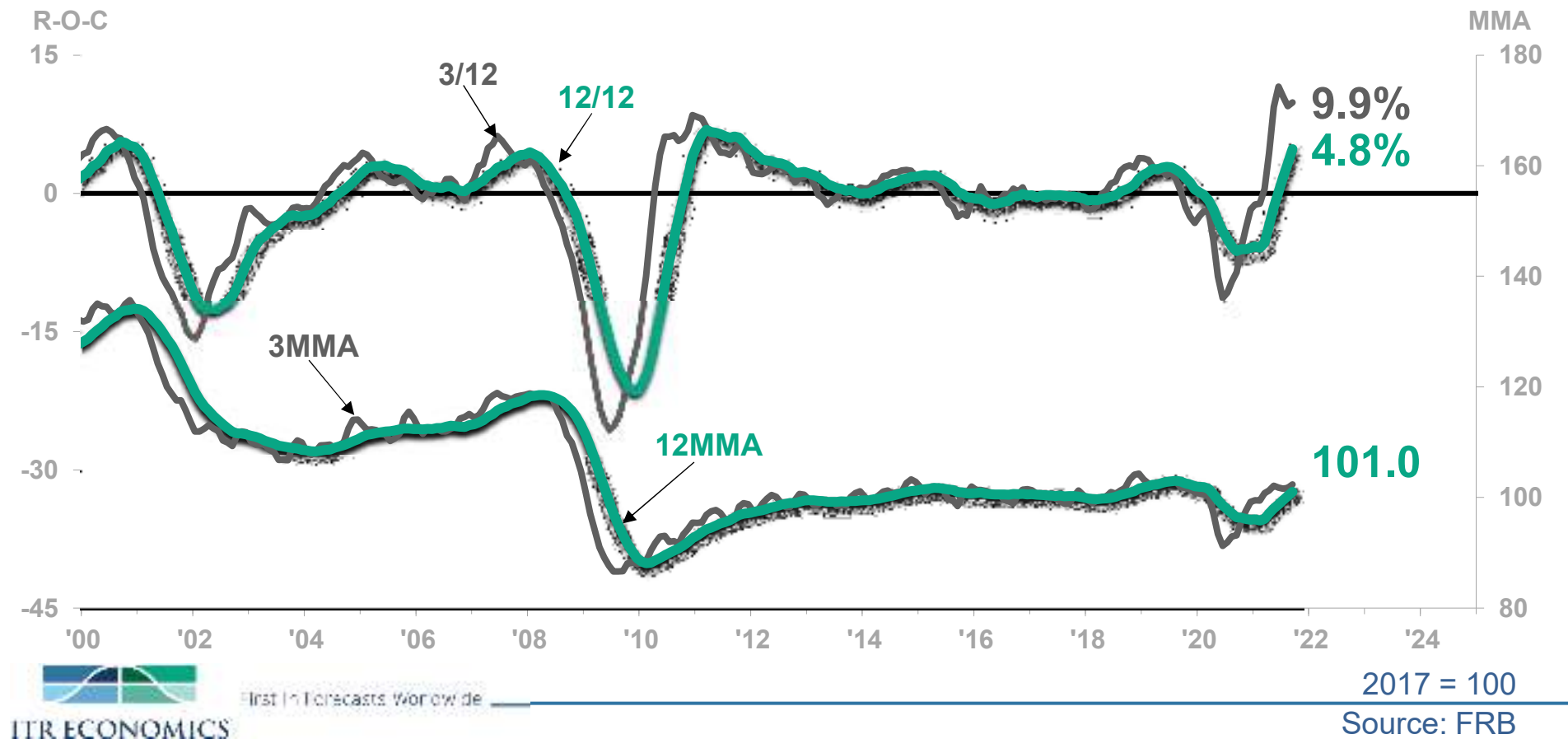
See 2004 – 2008 for a Recent Precedent

US Railroad & Rolling Stock Production Index



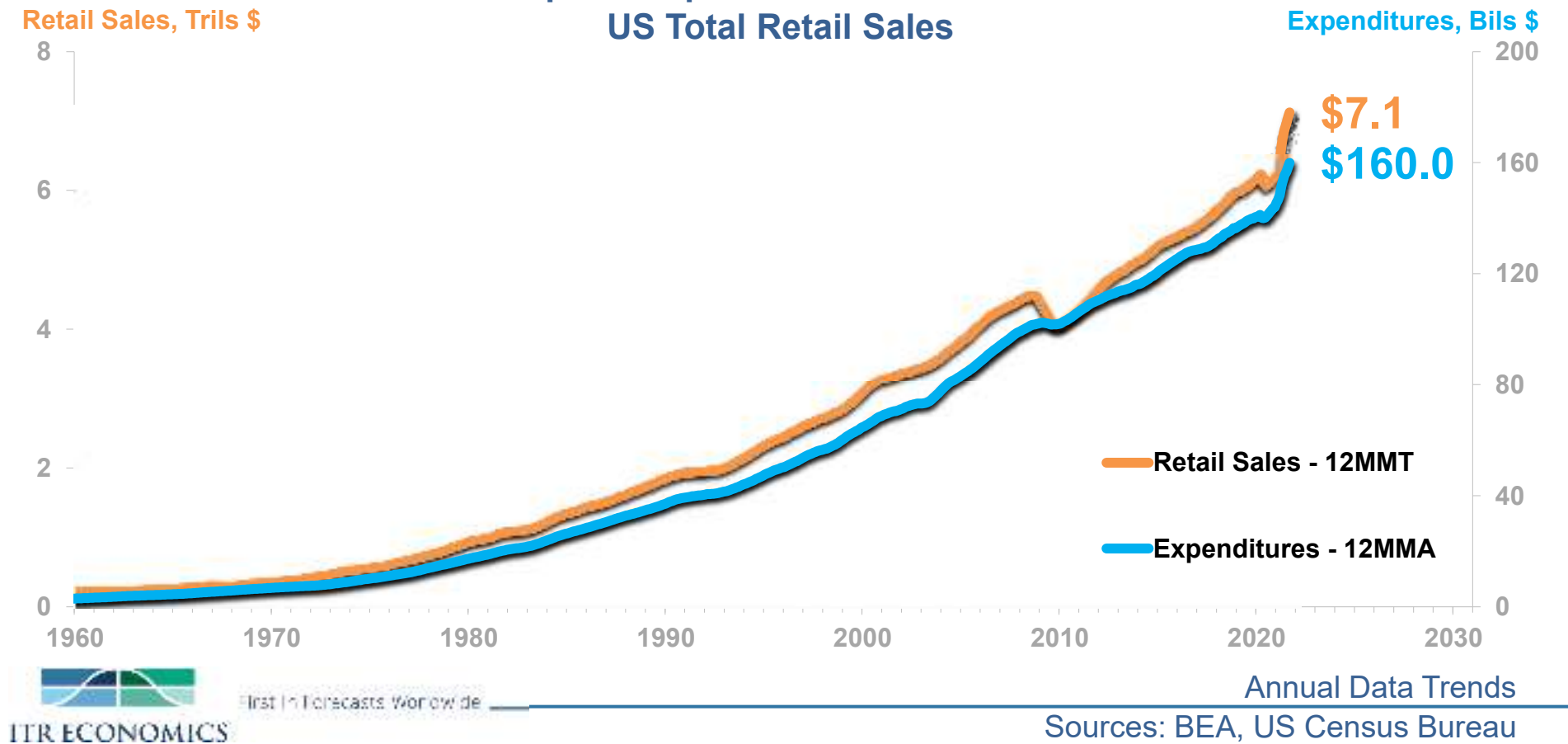
Return to Pre-COVID Levels of Production Indicated

US Electrical Equipment, Appliance and Component Production Index



A Good Market To Be In Come the Next Recession

US Personal Consumption Expenditures for Personal Care Products to
US Total Retail Sales





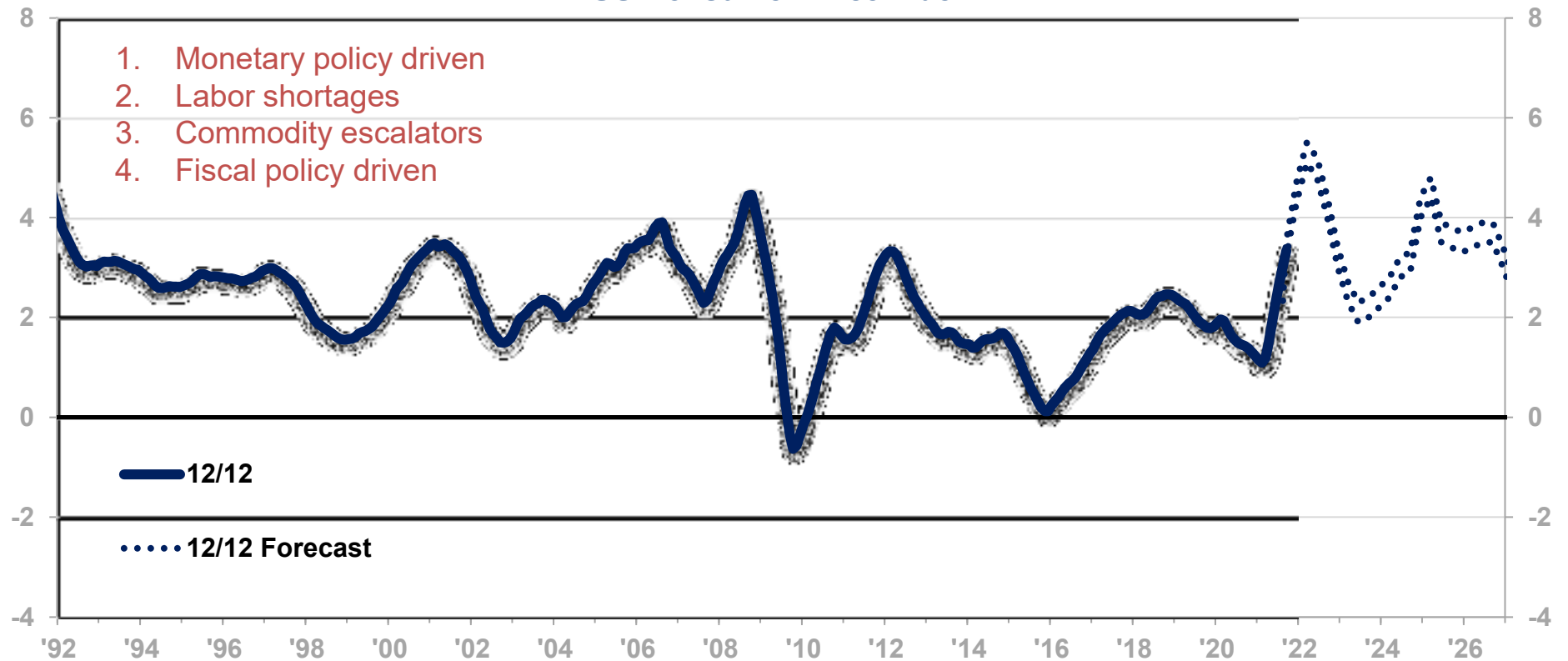
Inflation



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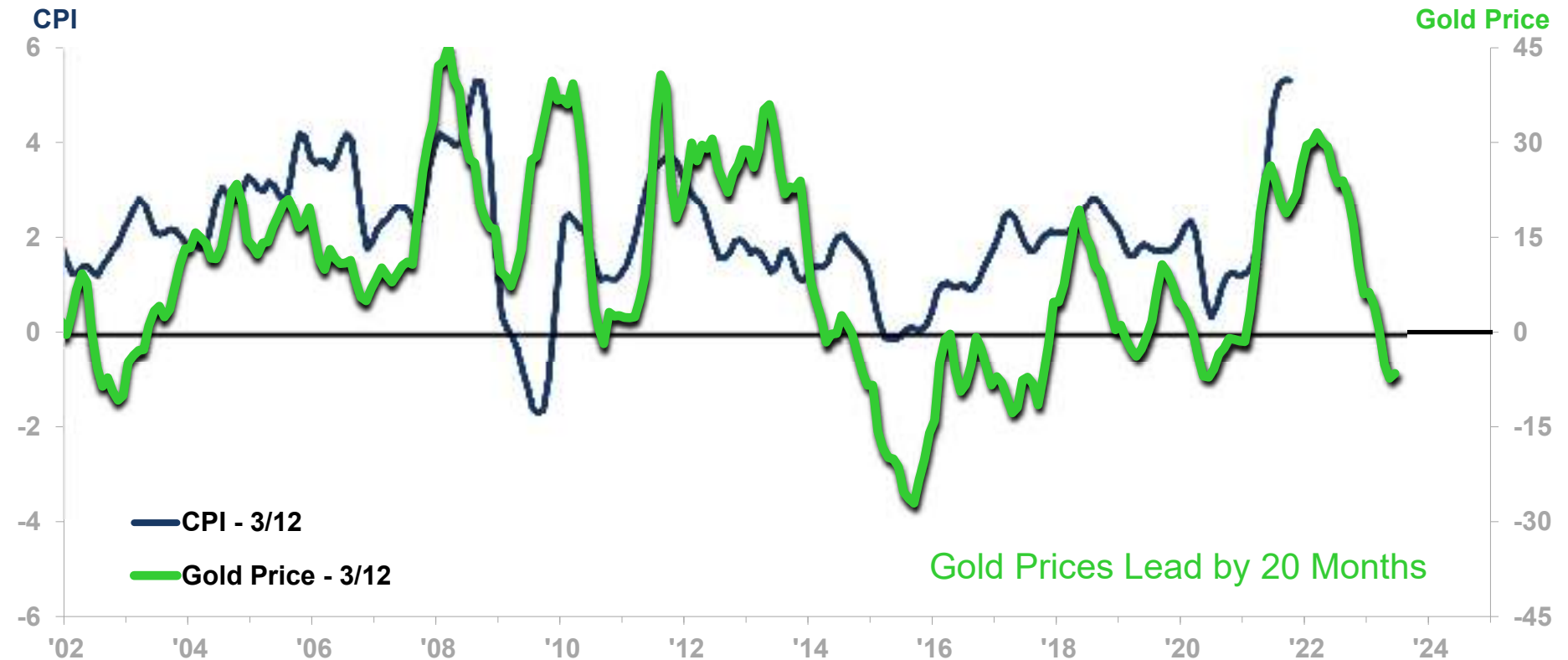
Inflation Outlook Through 2026

US Consumer Price Index



Gold Cycle: An Indication of Transience

US Consumer Price Index to US Gold Commodity Prices

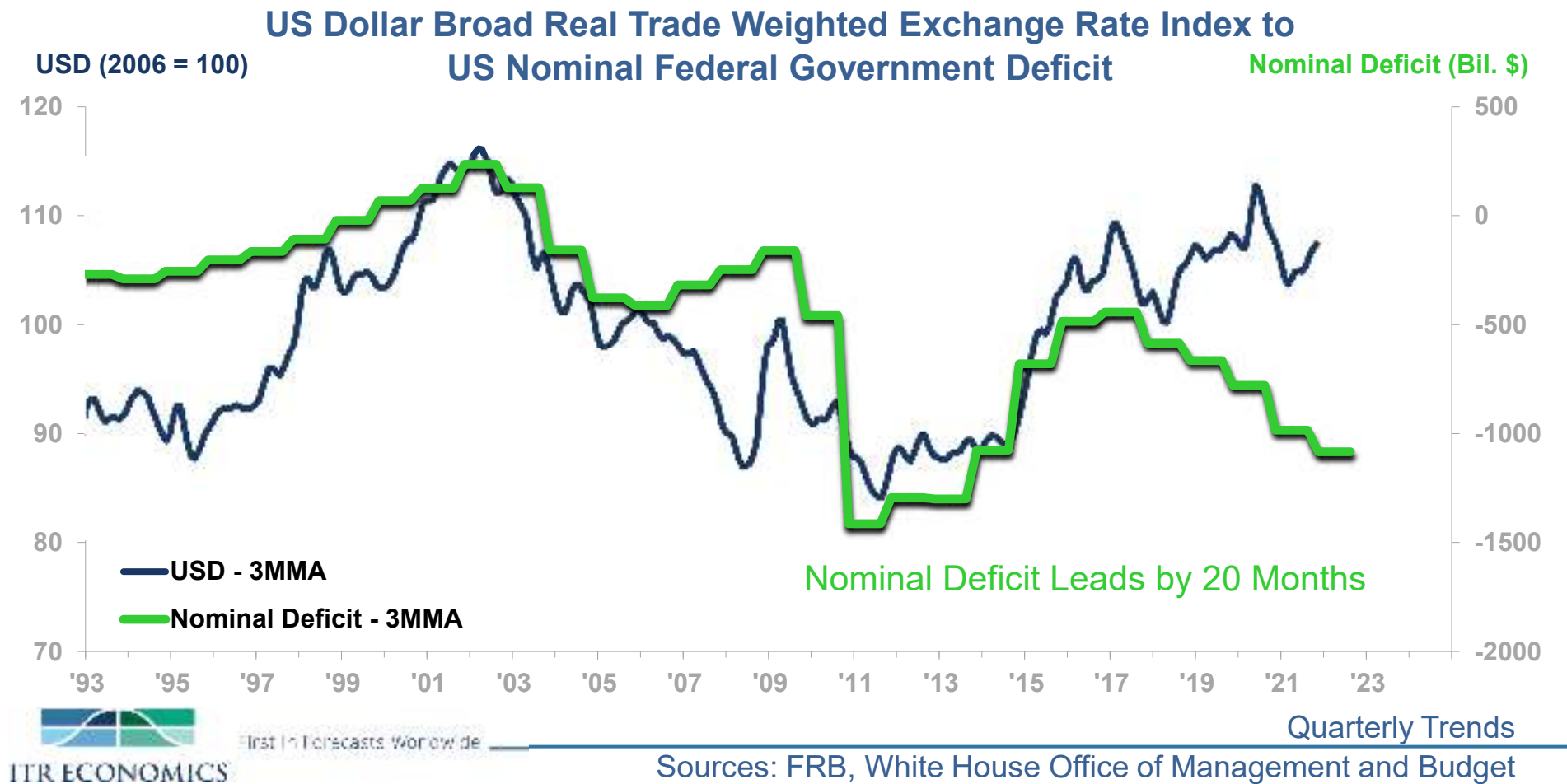


Next Round of Inflation Starting From an Elevated Low

US Consumer Price Index to US Total Government Spending



Deficit Spending Puts Downward Pressure on the USD



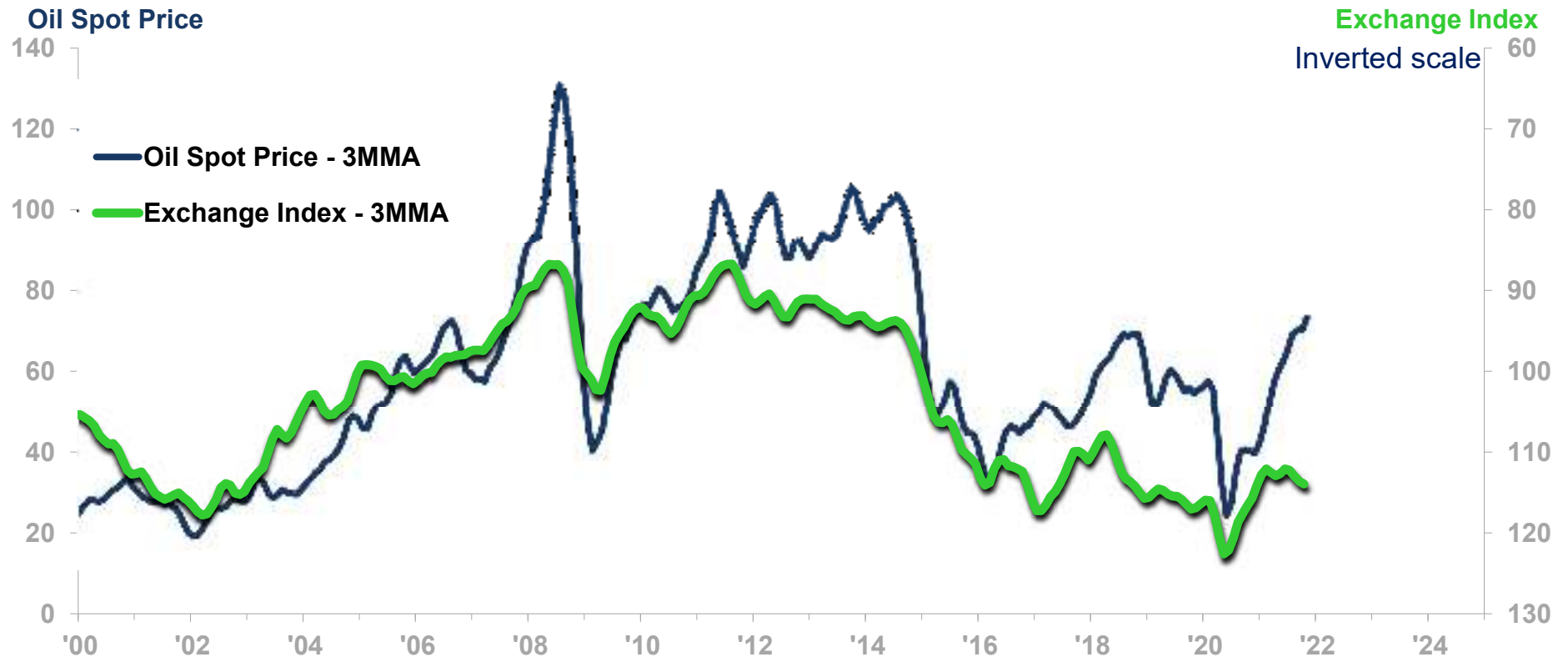
Weakening USD Leads to Higher Inflation

US Consumer Price Index to US Dollar Broad Nominal Trade Weighted Exchange Rate Index



Weak USD Begets Higher Oil Prices

US Crude Oil Spot Prices to US Dollar Broad Nominal Trade Weighted Exchange Rate Index





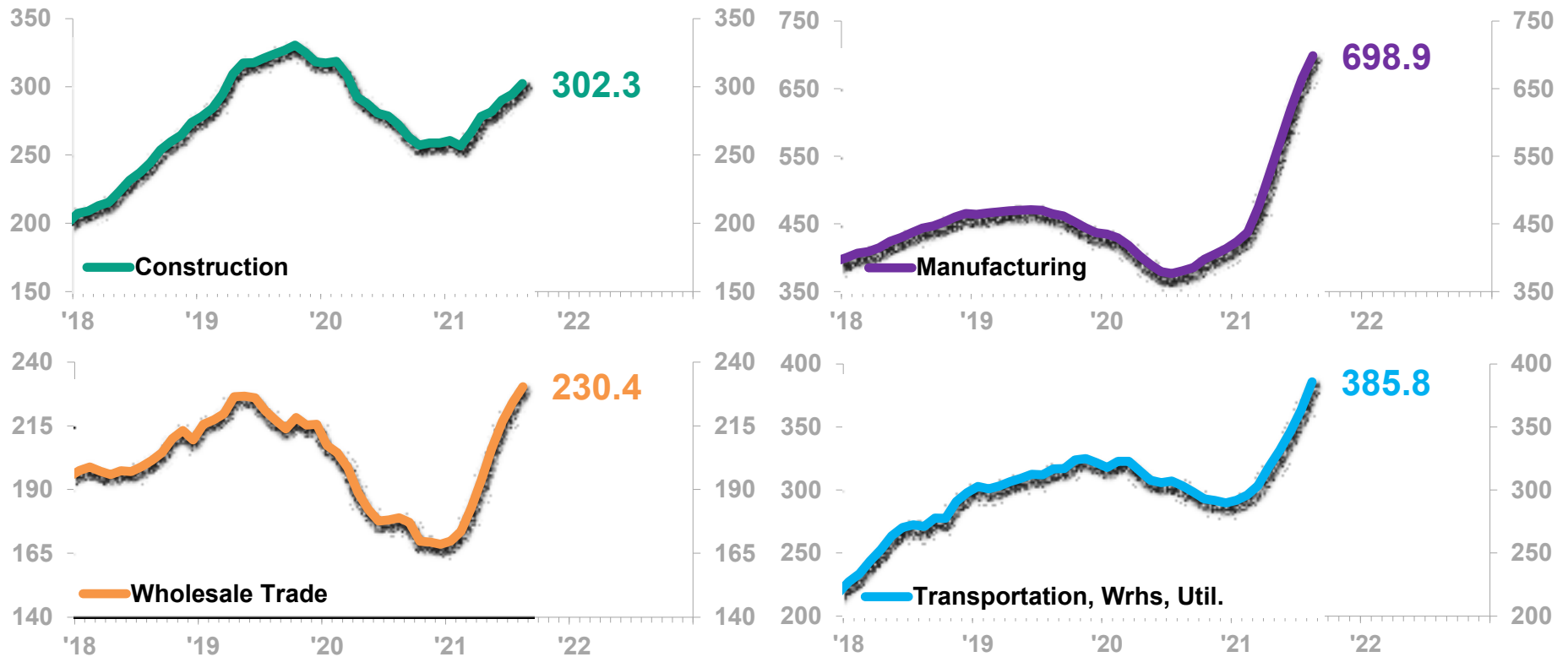
People



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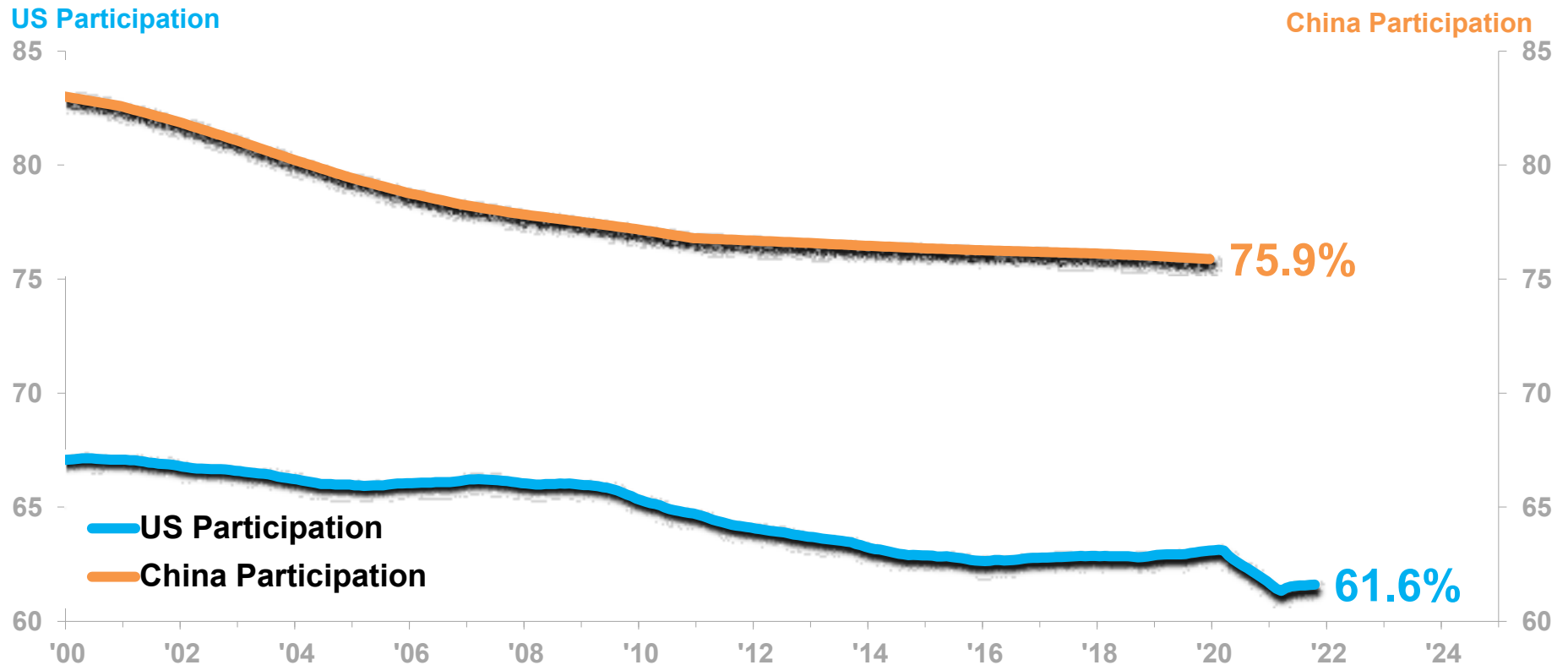
Labor Shortage Will Not End Anytime Soon

US Job Openings by Industry

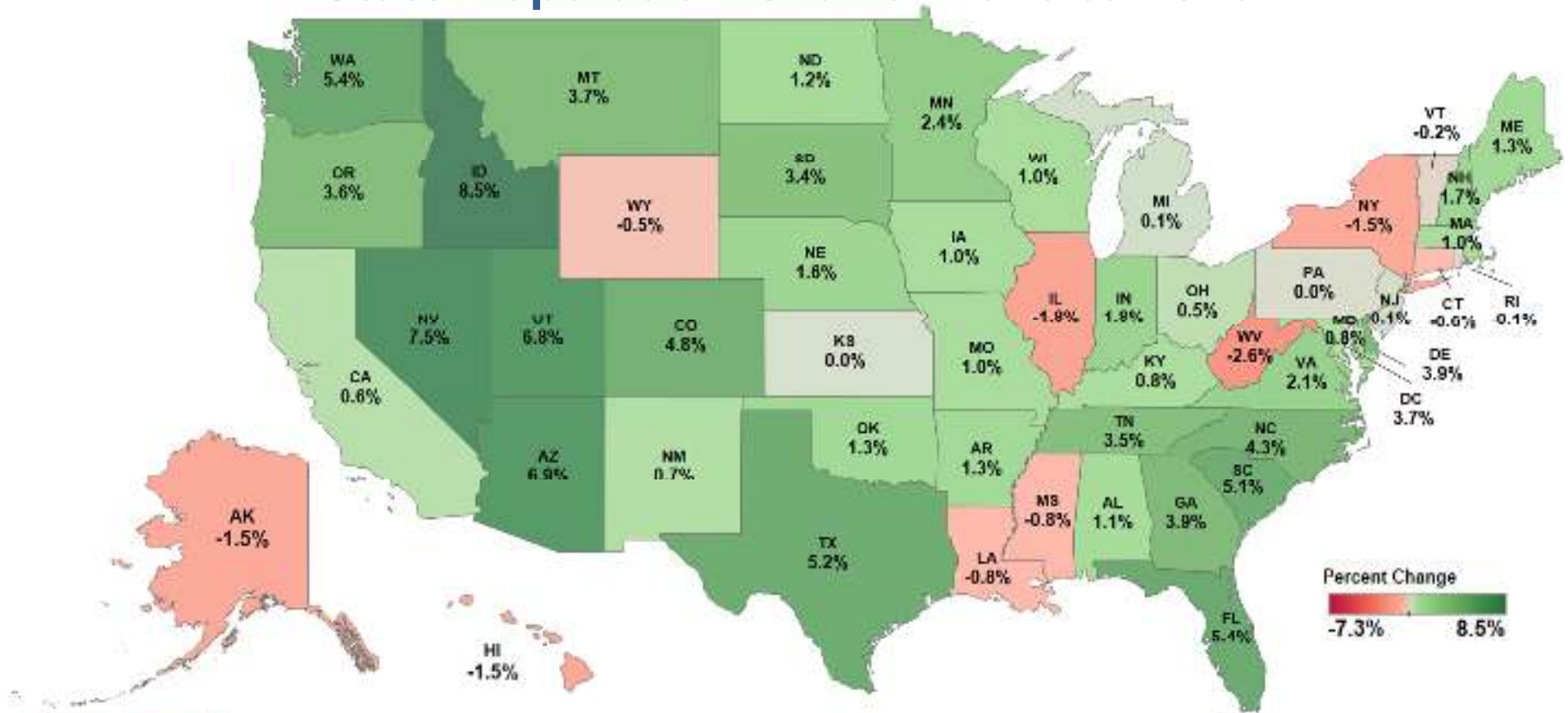


Growth Increasingly Requires Automation

US Civilian Labor Force Participation Rate to China Labor Force Participation Rate



State Population Growth 2016 to 2020



Percent Change
-7.3% 8.5%

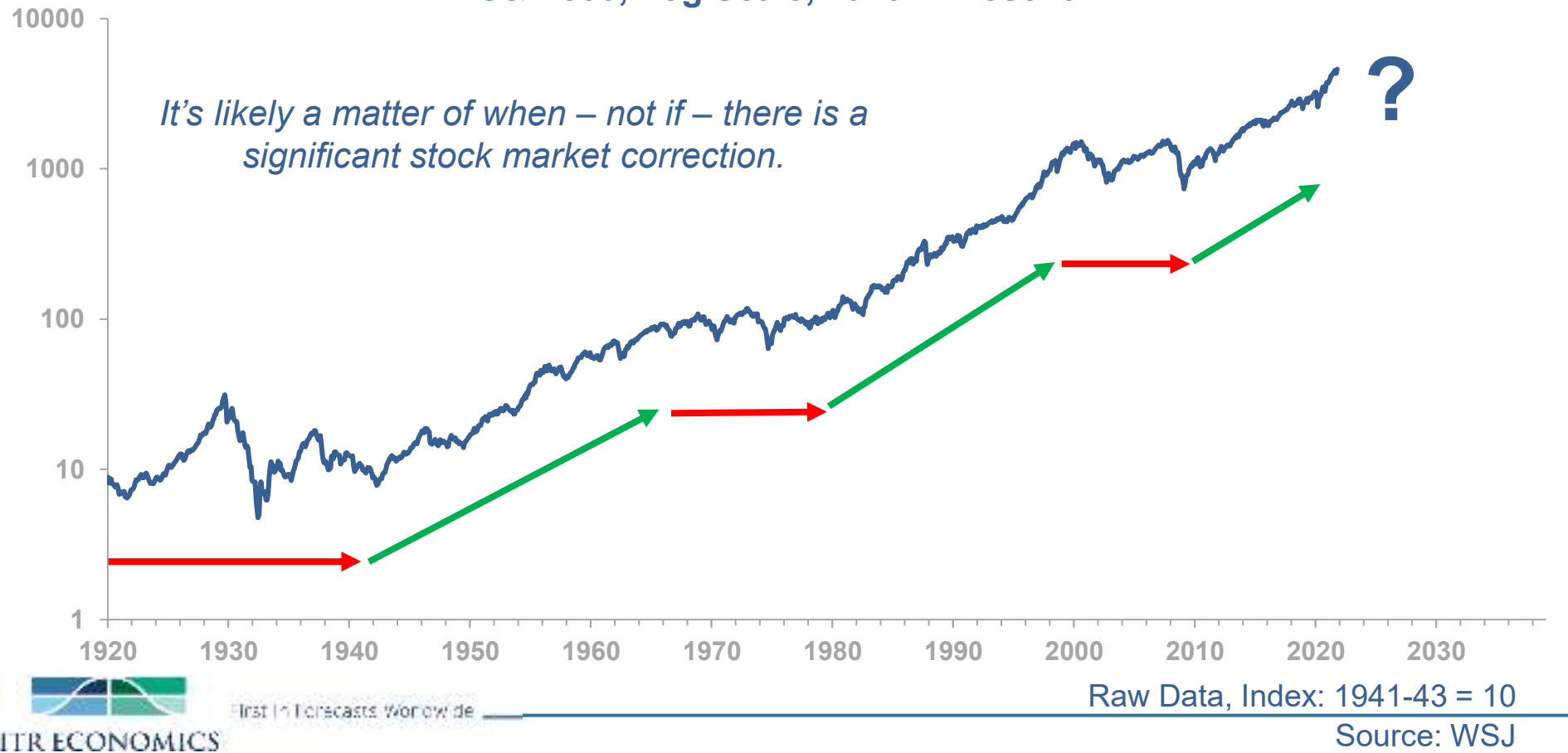
Population Growth 2016 – 2020, Percent Change
Source: US Census Bureau



Financial Indicators

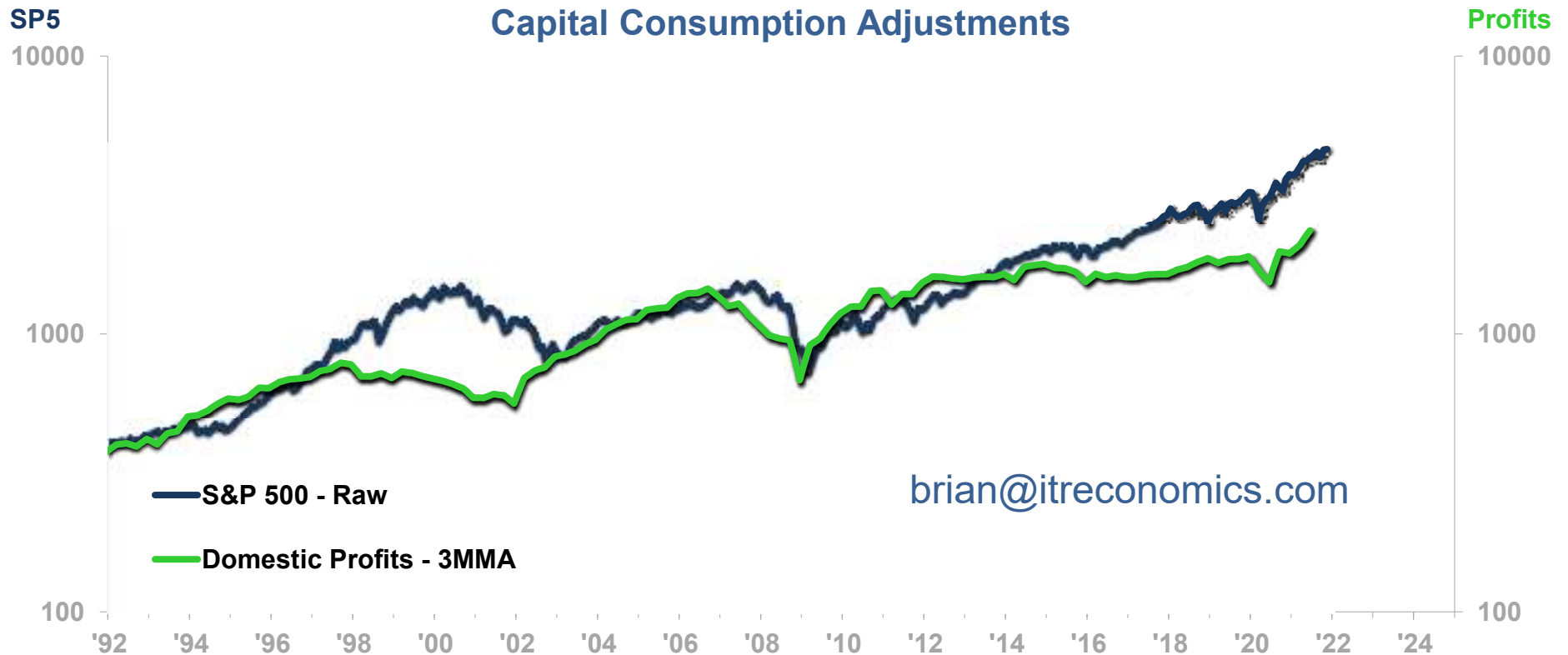
Not Always 7%

S&P 500, Log Scale, 1920 – Present



An Overpriced US Market

US Stock Prices Index to US Domestic Corporate Profits with
Capital Consumption Adjustments

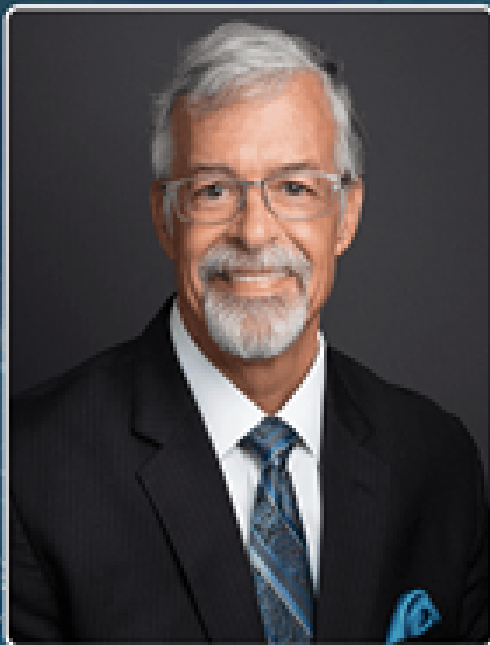


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Our Economic Realities Looking Forward

- Supply chain issues, including transportation, are abating but will be with us through 2022 and in some cases 2023
- Use *Alliance* to your personal advantage
- Raising prices are a must for protecting margins. Strategically use price escalators based on competitive advantages
- Labor is going to be in short supply through this decade
- Stringent cash flow model should be done for 2026 and beyond as interest rates rise
- Investing in R&D and increasing market share in existing markets necessary to achieve superior growth
- Retain....Attract...Innovate...better than your competition





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