

Bending, but Not Breaking

Adam Kamins, Senior Director

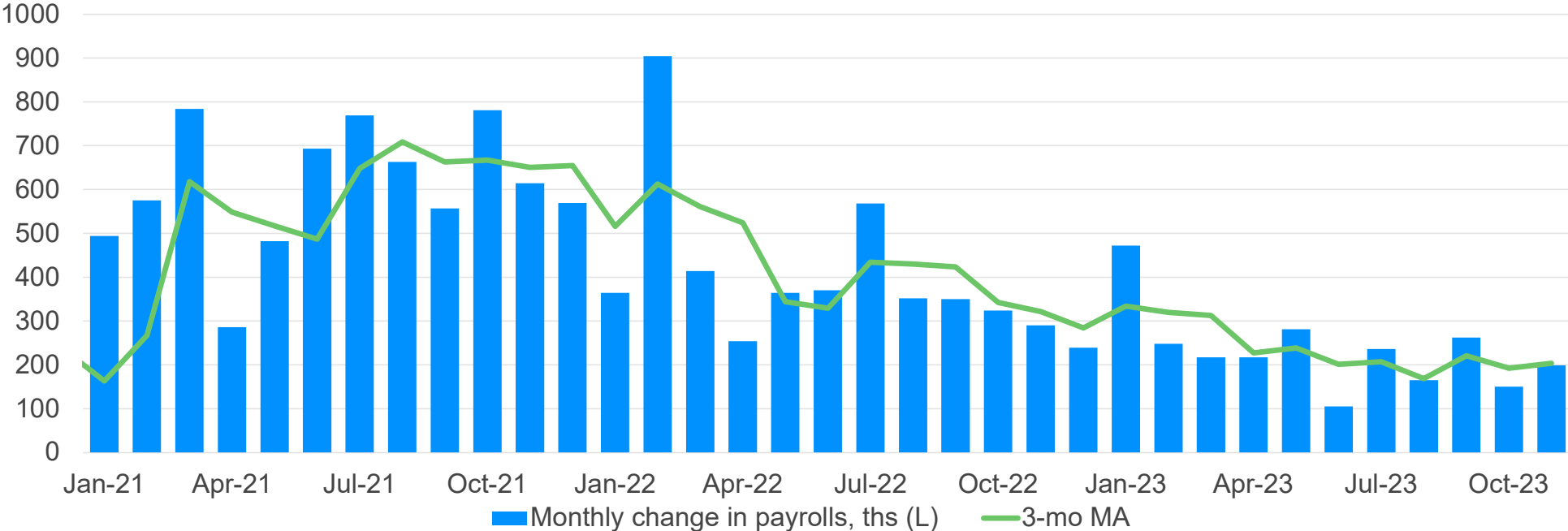
December 2023

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U.S. Outlook

Labor Market Is Proving Resilient

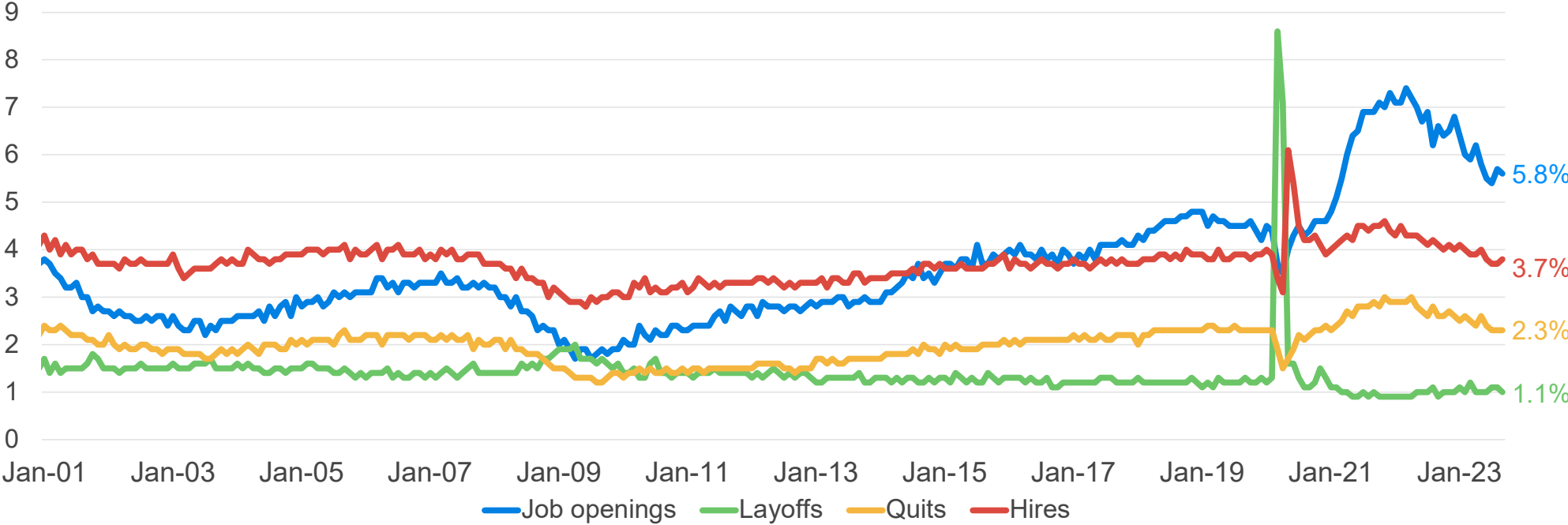
Monthly change in payrolls, ths



Sources: BLS, Moody's Analytics

Mass Layoffs Are Uncommon, but Firms Hire Less Aggressively

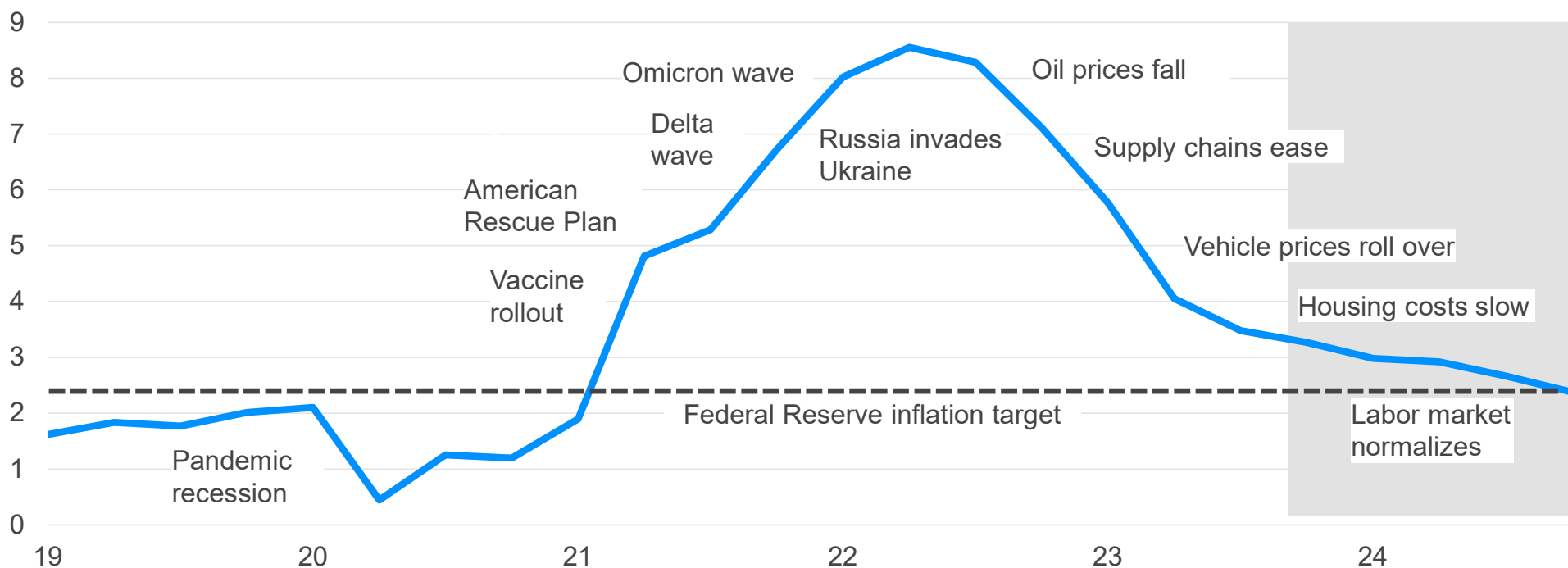
% of labor force



Sources: BLS, Moody's Analytics

Inflation Heads Back to Target...

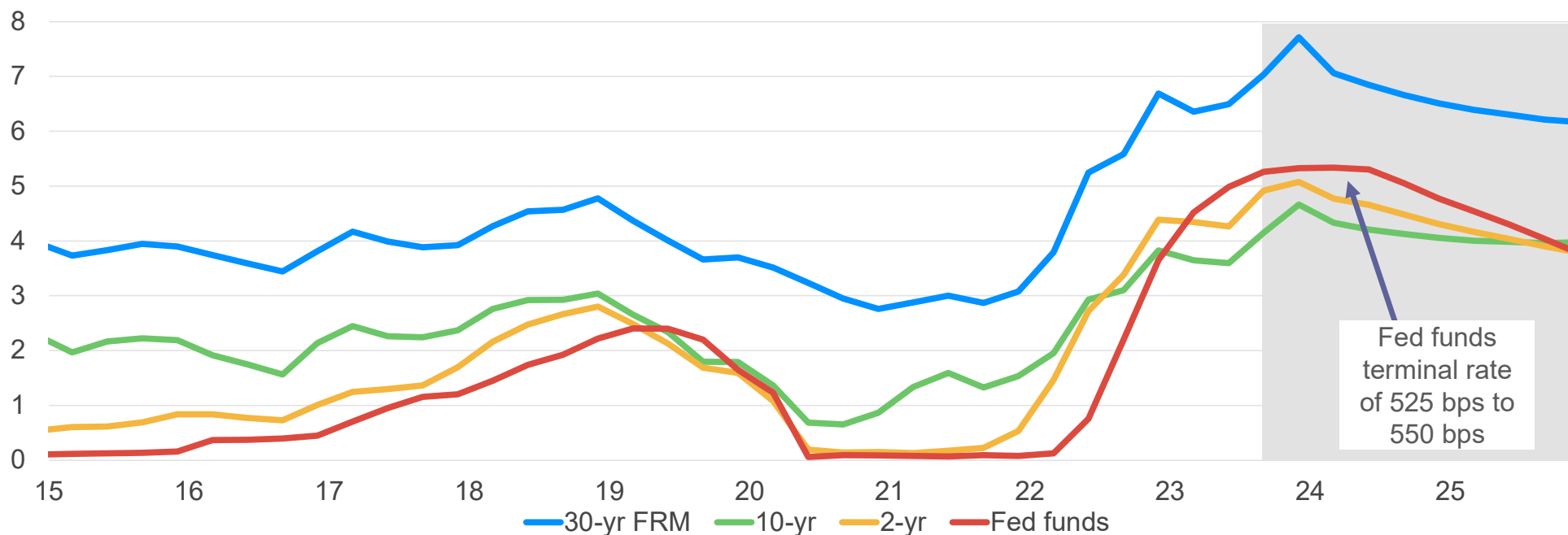
U.S. consumer price inflation, % change yr ago



Sources: BLS, Moody's Analytics

...And the Federal Reserve Is Finished Raising Rates

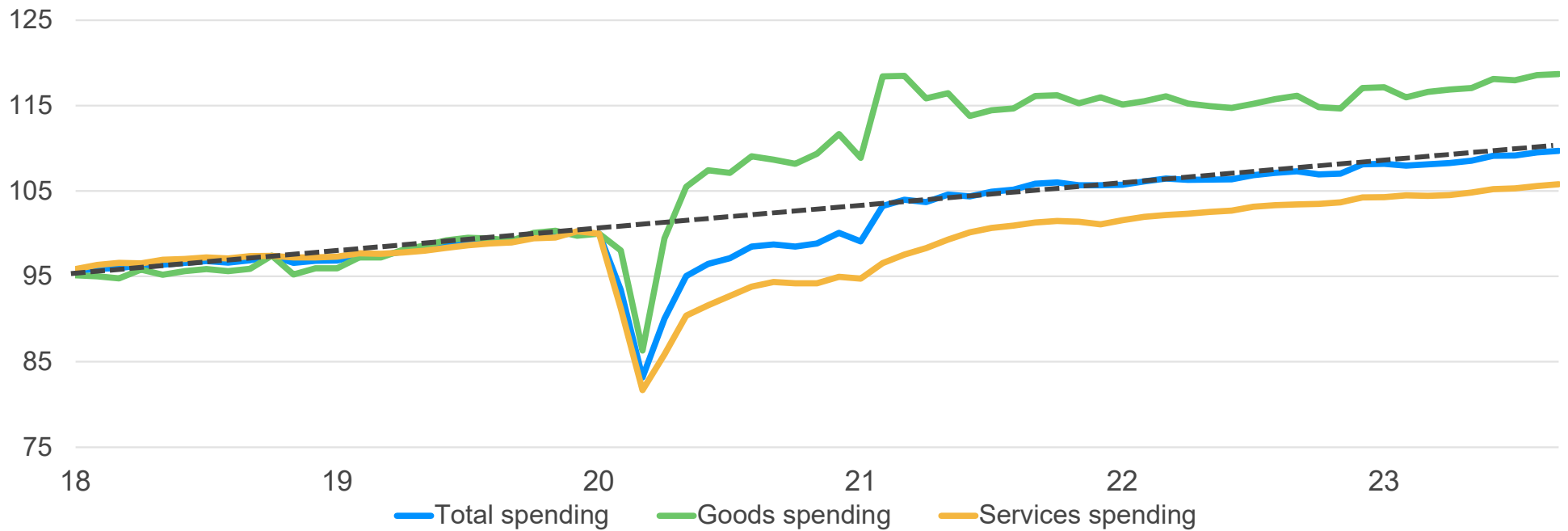
Interest rates, %



Sources: Federal Reserve, Freddie Mac, Moody's Analytics

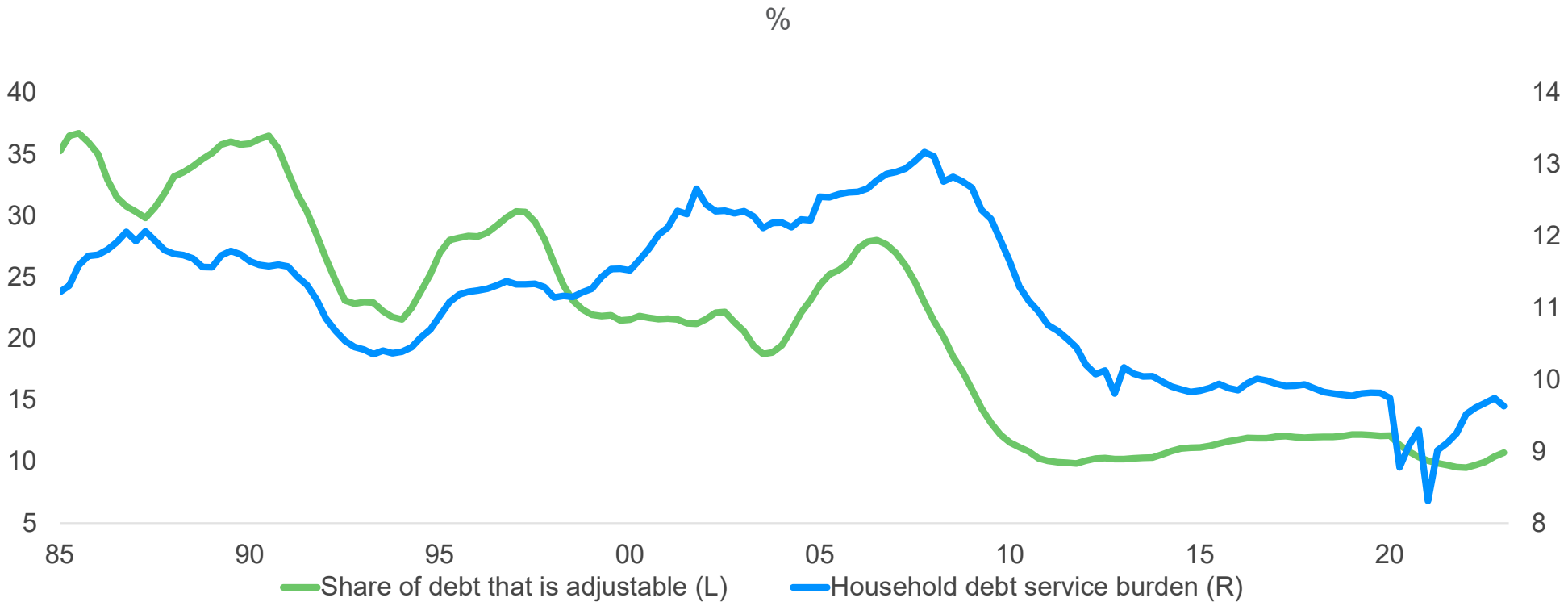
Consumers Remain a Resilient Firewall...

Real consumer spending, Feb 2020=100



Sources: BLS, Moody's Analytics

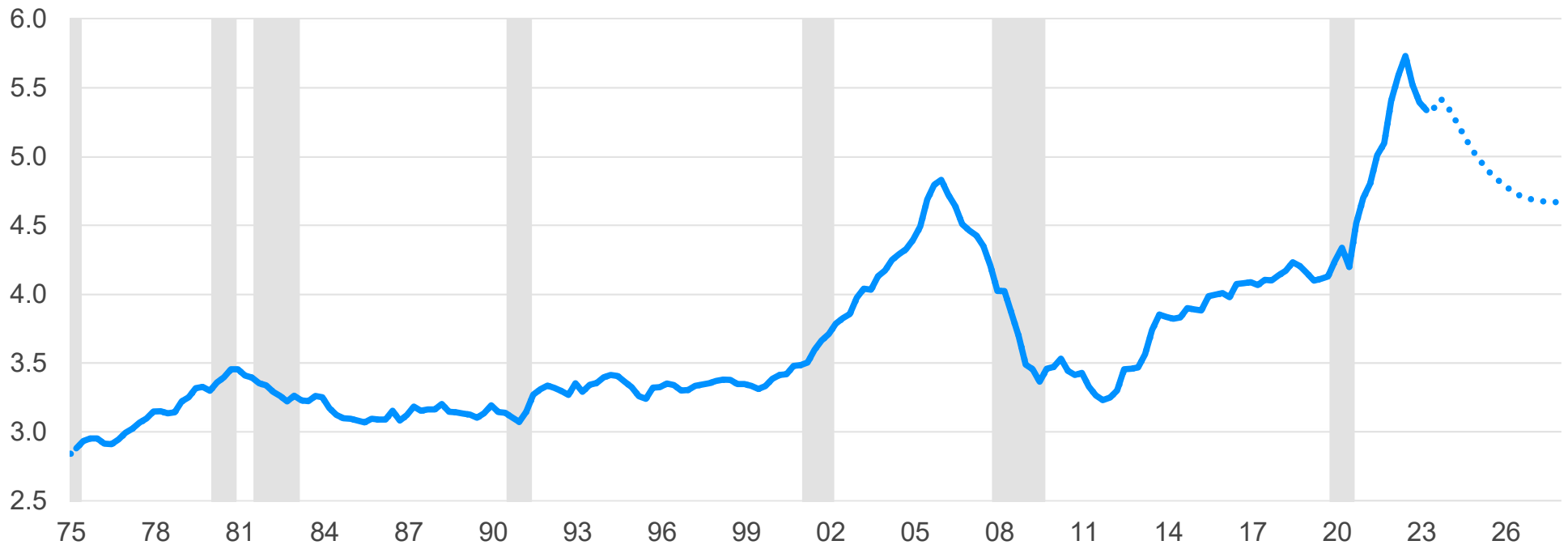
...Insulated From Higher Interest Rates



Sources: Federal Reserve, Moody's Analytics

House Price Correction Will Resume as Rate Lock and Shortage Effects Abate

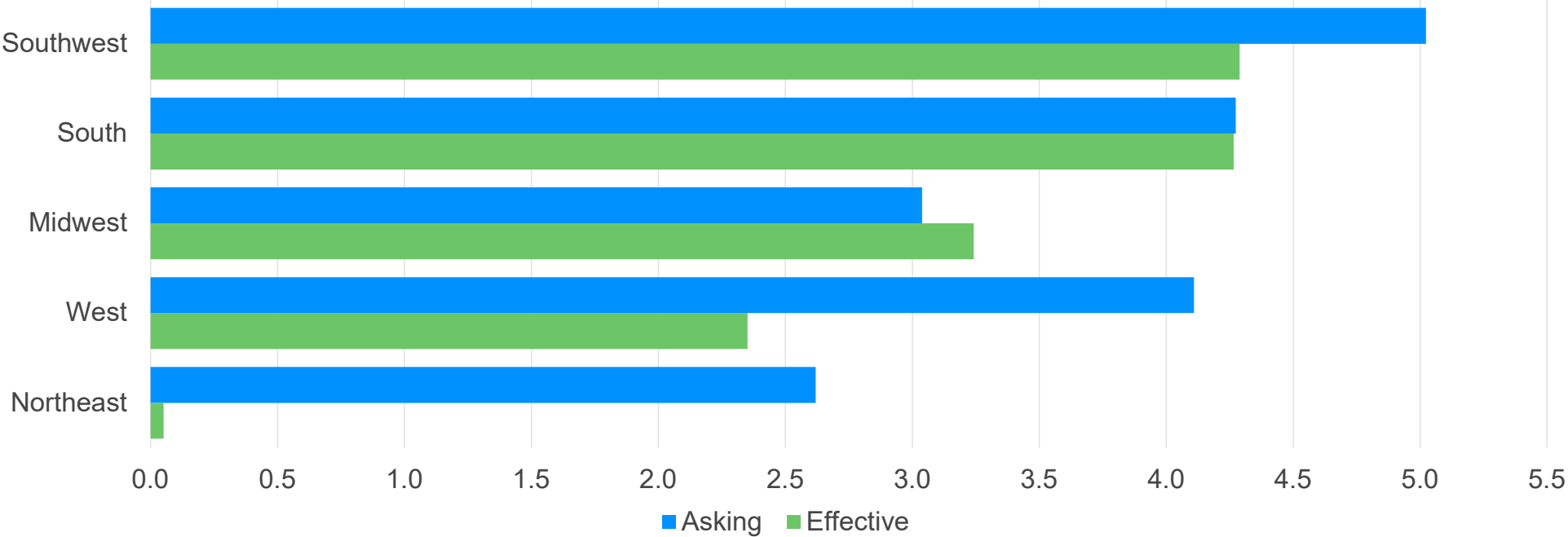
House price-to-income ratio



Sources: NAR, BEA, Census Bureau, Moody's Analytics

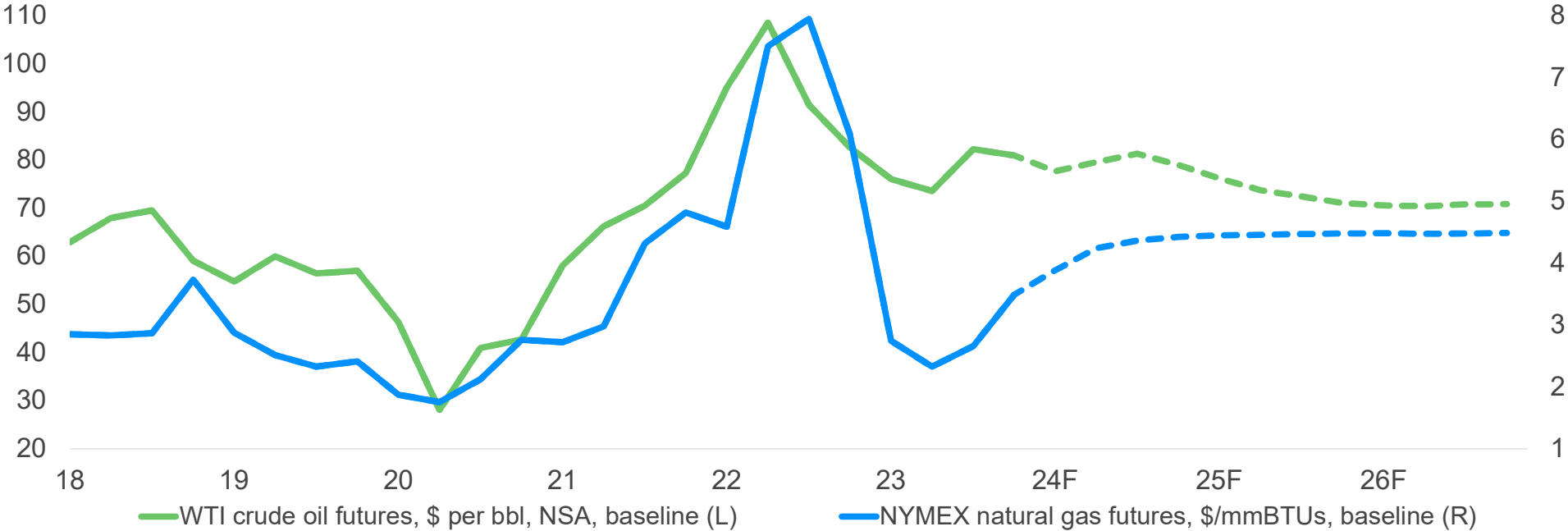
Concessions Abound in Coastal Office Markets

Rent per square foot, 2023H1, % change vs. 2019 avg



Source: Moody's Analytics

Oil Prices Will Hold Steady While Natural Gas Closes Gap



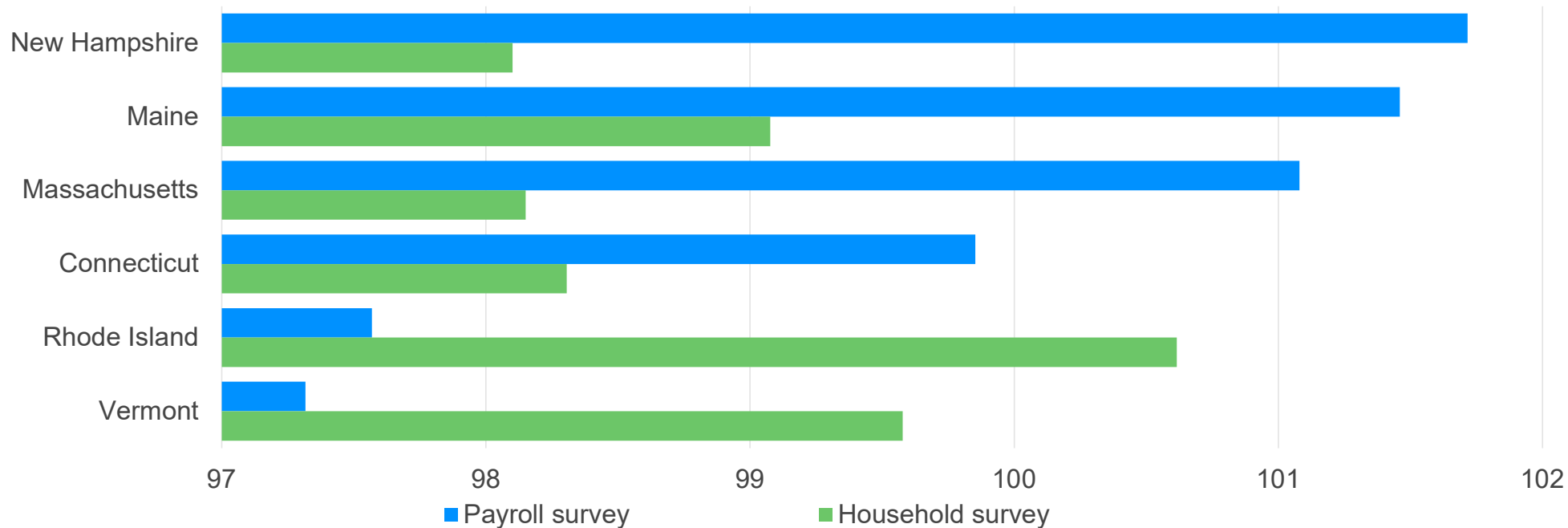
Sources: EIA, Moody's Analytics

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New England Outlook

Extent of Recovery From Pandemic Varies by State and Survey

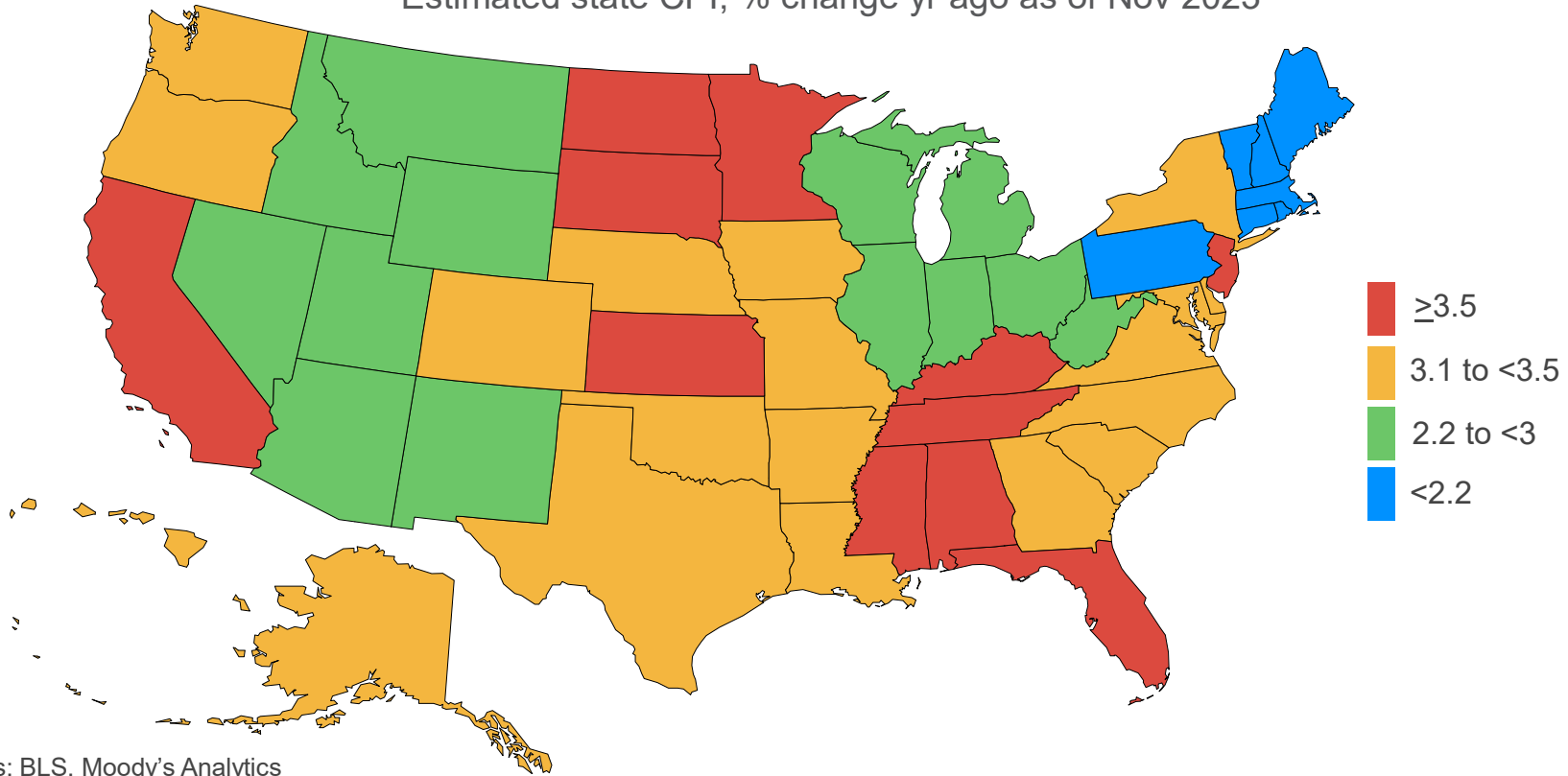
Employment, Aug-Oct 2023 avg, Feb 2020=100



Sources: BLS, Moody's Analytics

Inflation Is Lowest in New England

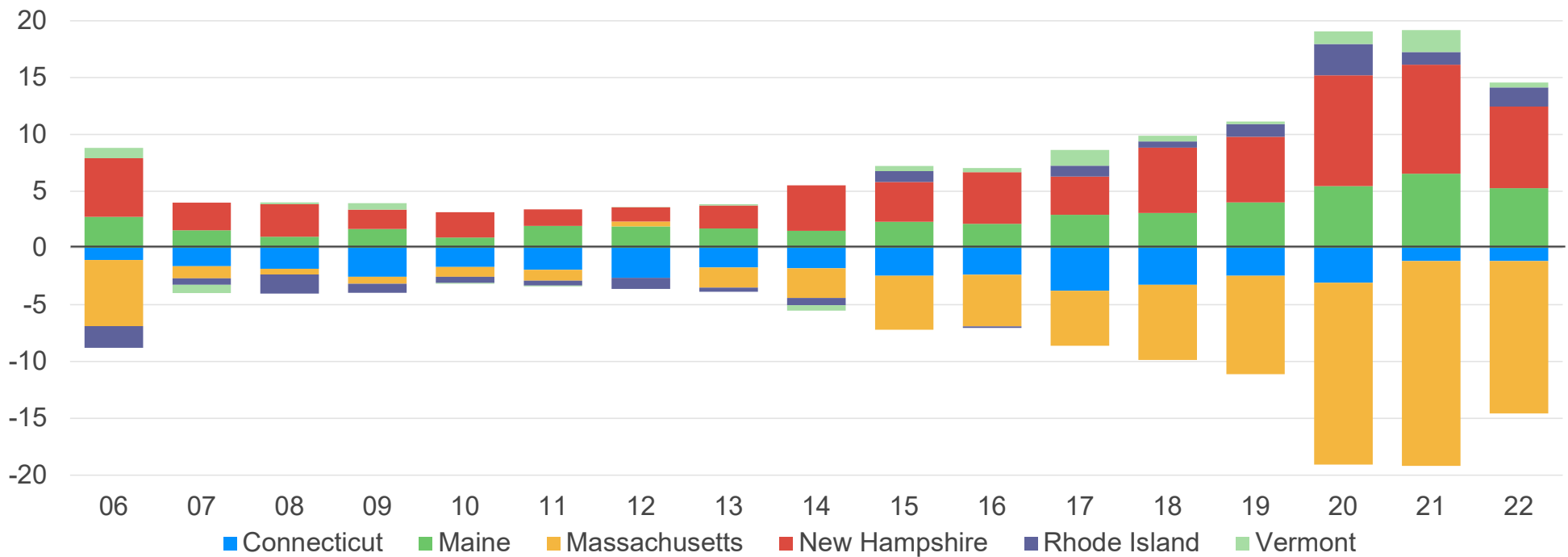
Estimated state CPI, % change yr ago as of Nov 2023



Sources: BLS, Moody's Analytics

New Hampshire, Maine Gain Some Residents at Expense of Massachusetts

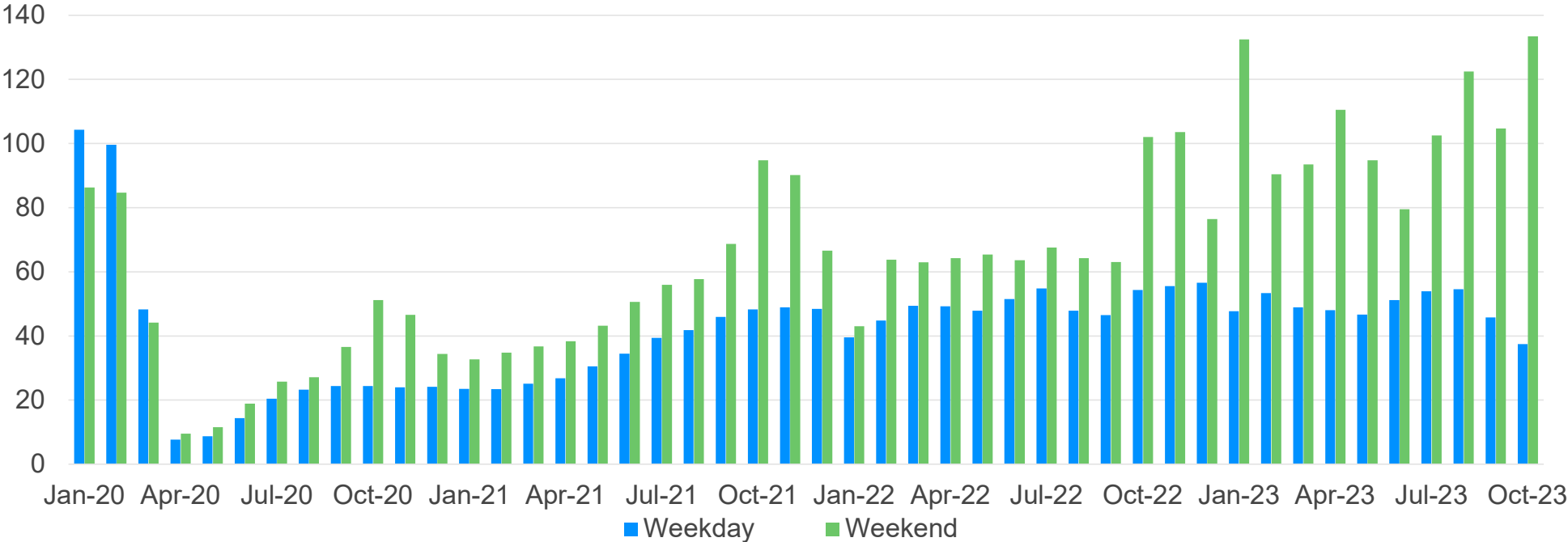
Net migration within New England states, ths



Sources: Equifax, Moody's Analytics

Divergence Between Weekday and Weekend T Ridership Is Dramatic

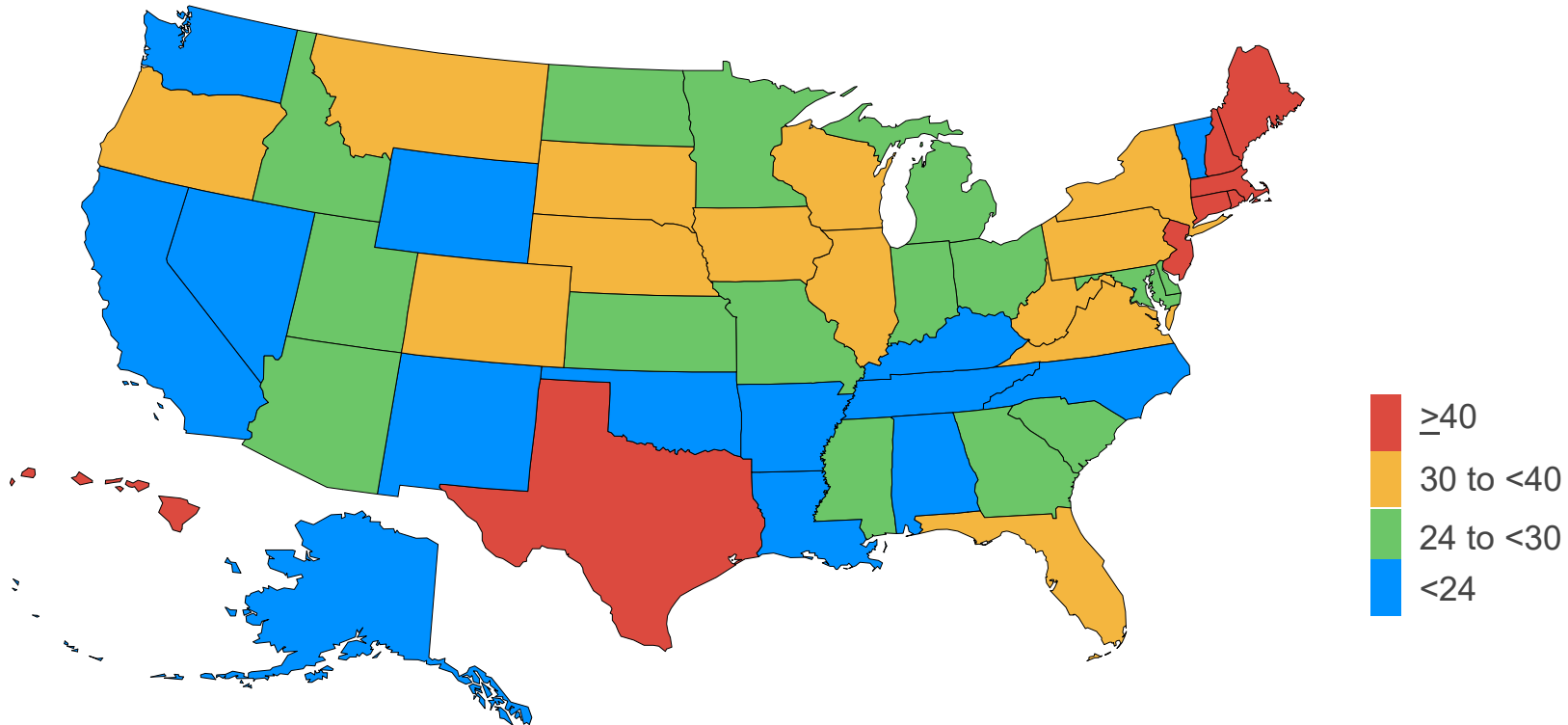
Avg daily ridership, share of the same mo in 2019, %



Sources: Massachusetts Bay Transportation Authority, Moody's Analytics

New England Is Especially Exposed to Spillover From Real Estate Weakness

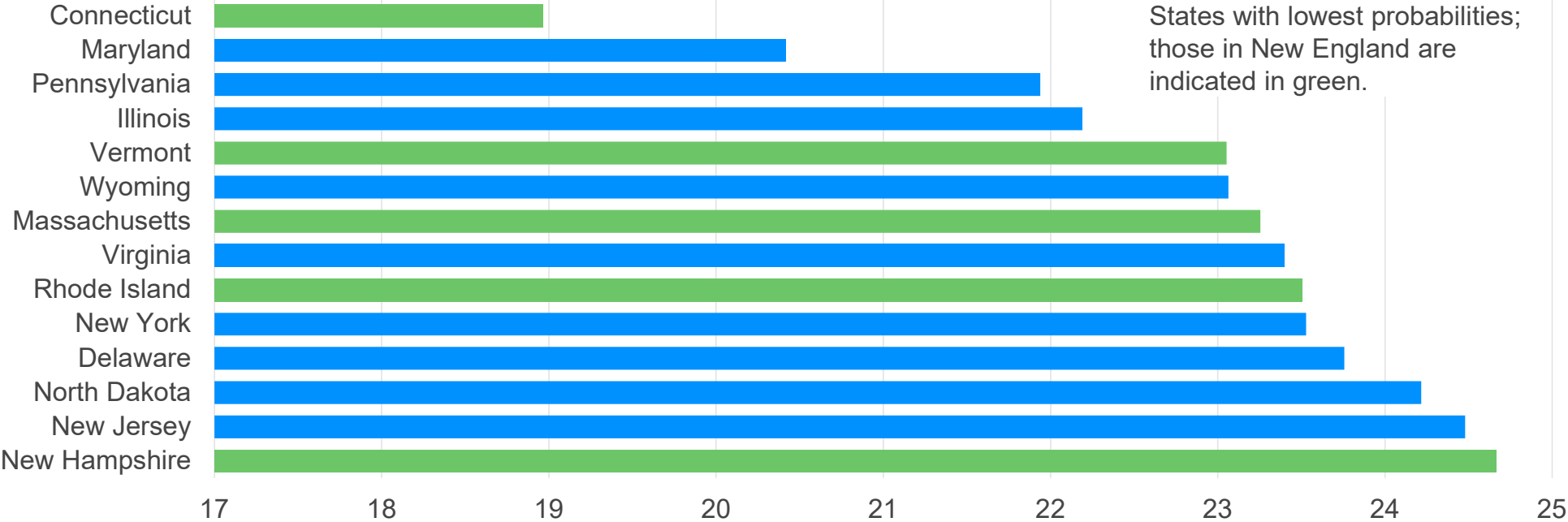
Local government property tax collections as a share of total revenue, %



Sources: Census Bureau, Moody's Analytics

Stable Drivers Keep Recession Risk Muted for Most of the Region

Model-driven probability of recession in 12 mo as of Oct 2023, %



Source: Moody's Analytics

Q&A

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