

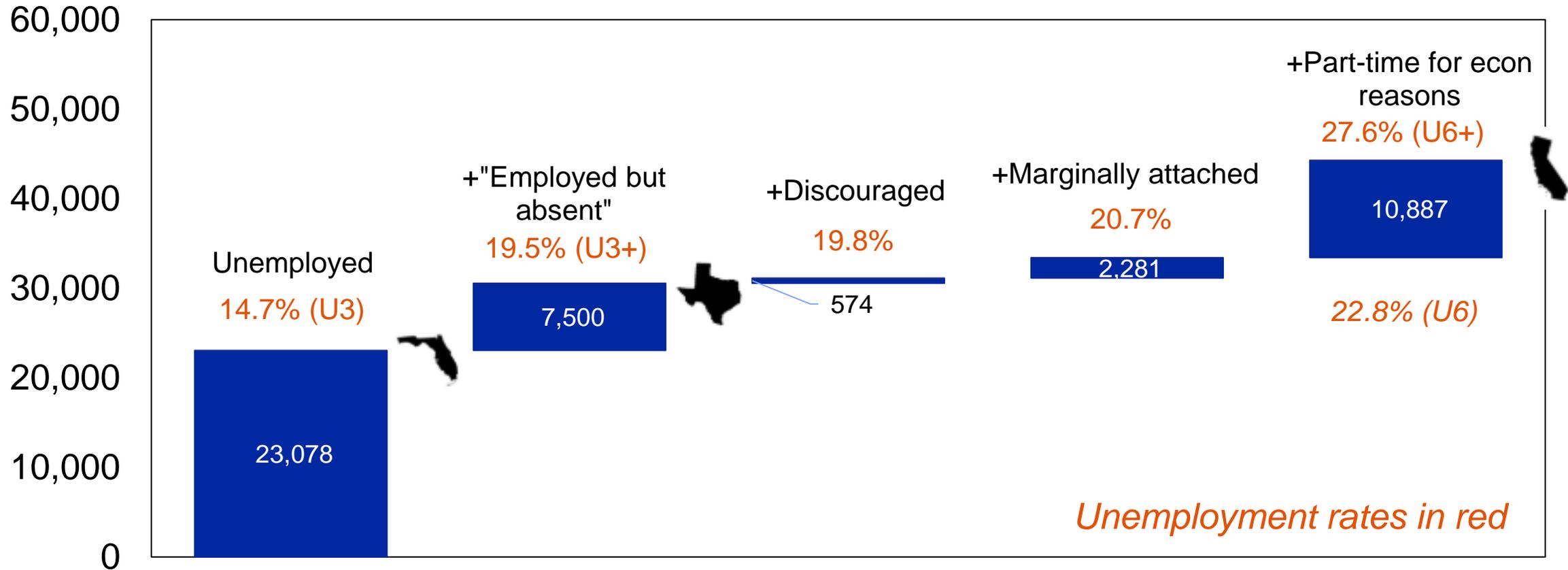
COVID-19: Fragile Recovery

1

The Worst is at Hand...

Cataclysmic Economic Shock

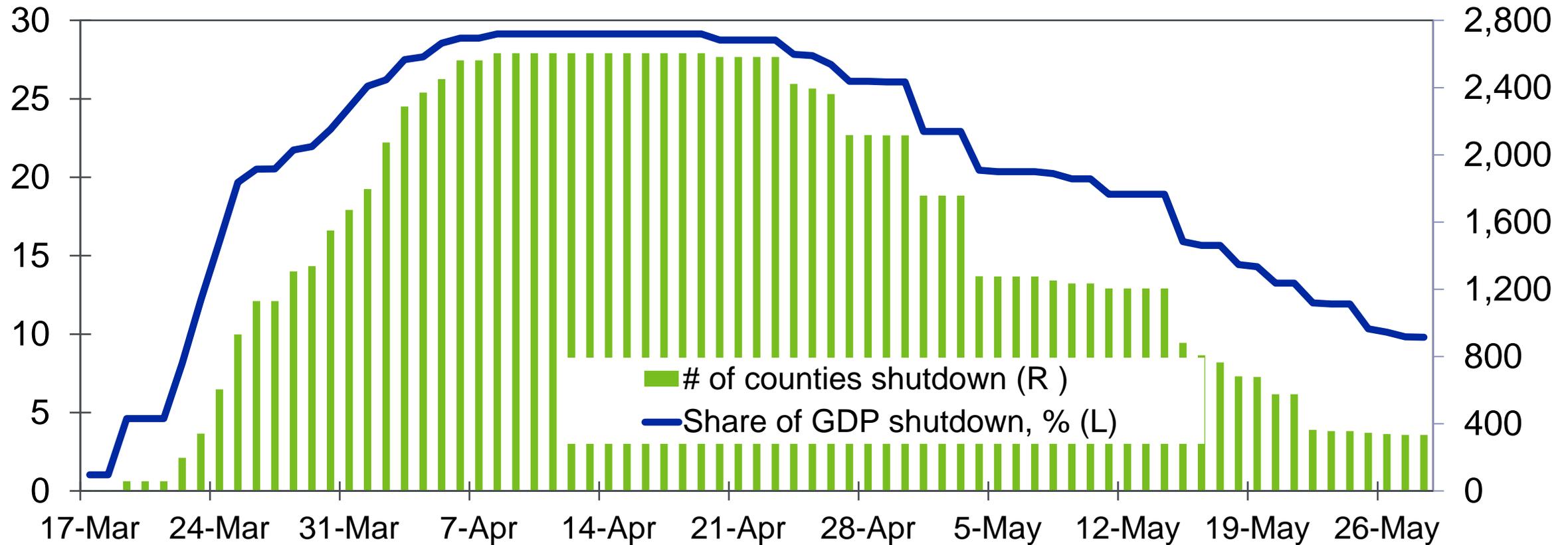
Unemployed and underemployed, April 2020



Sources: BLS, Moody's Analytics

U.S. Businesses Begin to Reopen

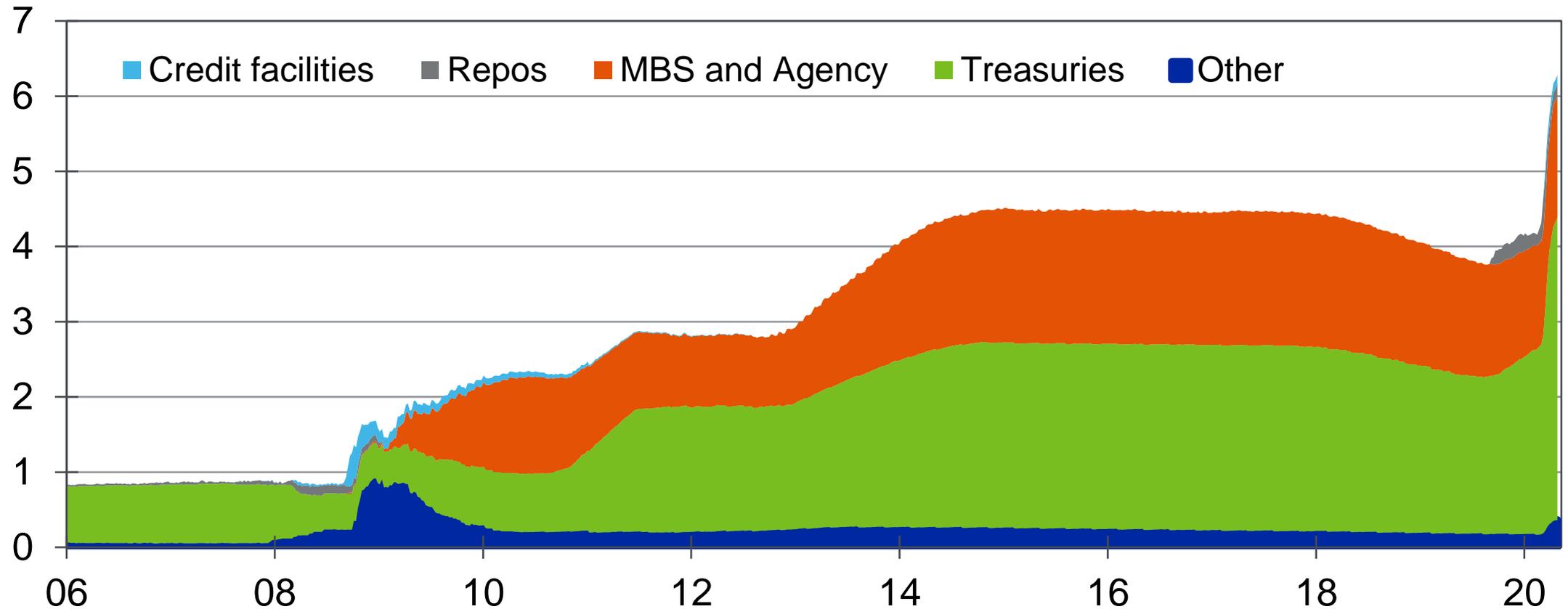
Share of GDP and # of counties shutdown



Sources: BEA, NY Times, Moody's Analytics

Fed Erects a Firewall

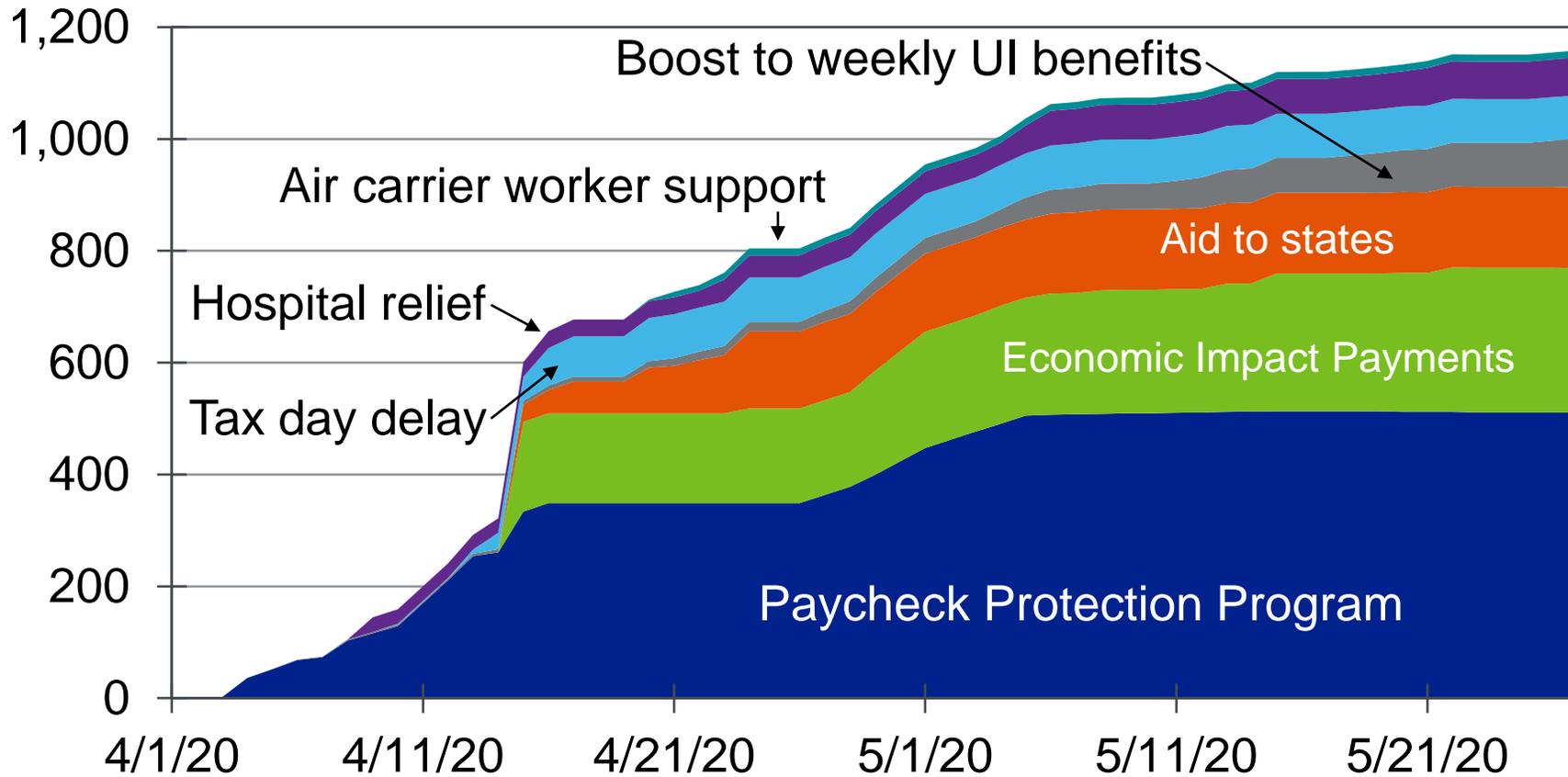
Assets held outright on the Fed's balance sheet, \$ tril



Sources: Federal Reserve, Moody's Analytics

Fiscal Rescue Ramps Up...

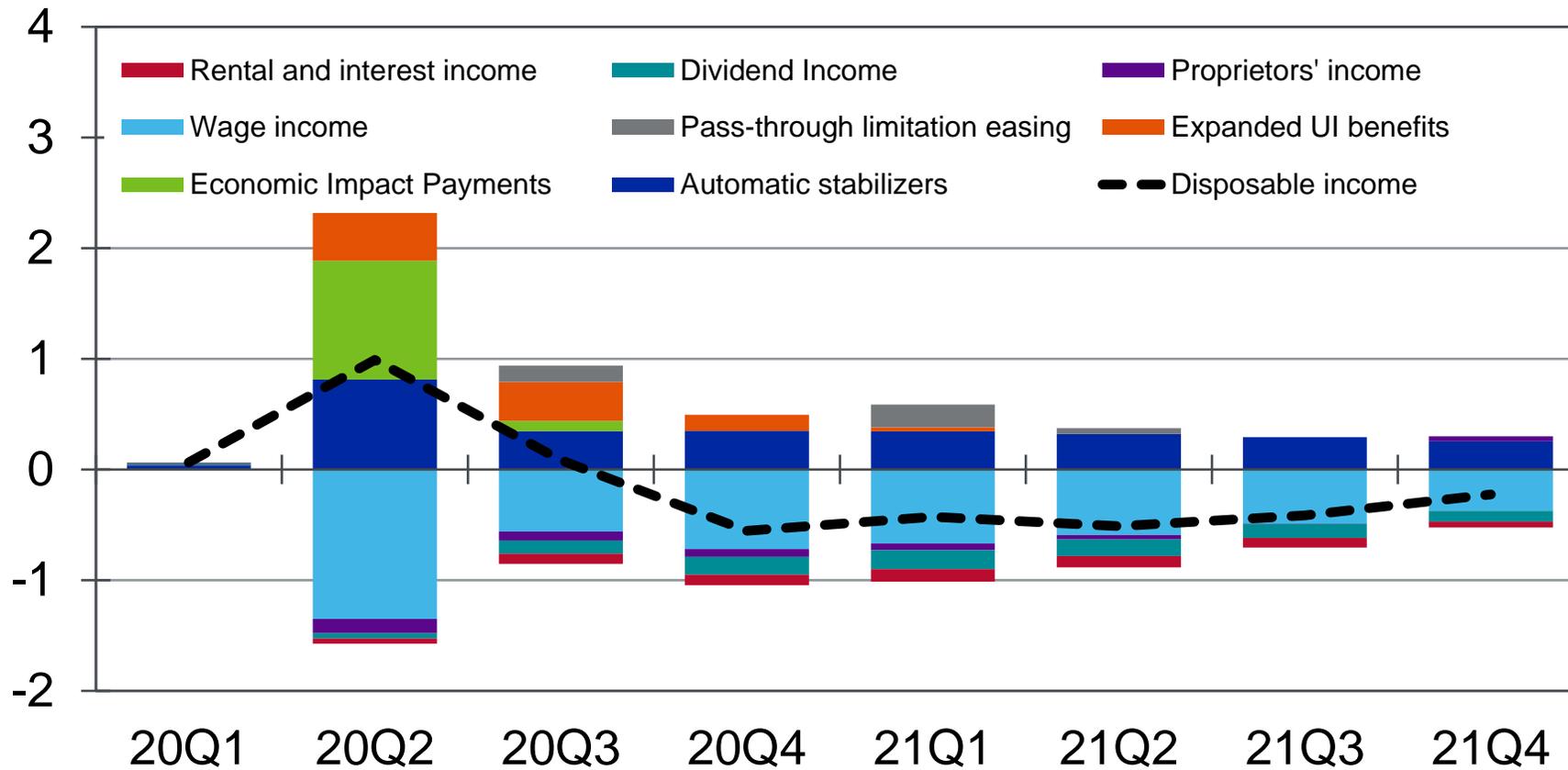
Cumulative federal pandemic relief support, \$ bil



Sources: CRFB, SBA, U.S. Treasury, Moody's Analytics

...Cushioning the Blow

Personal income, \$ tril, SAAR, change from 2019Q4



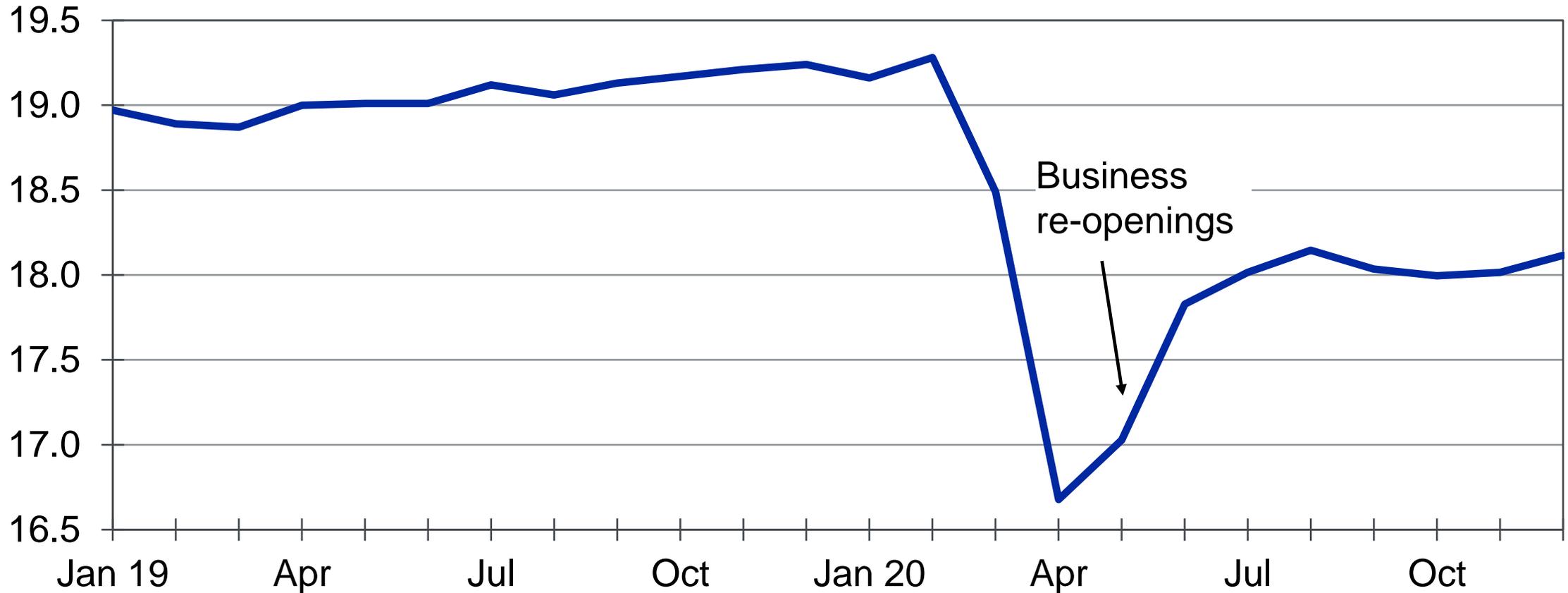
Sources: BEA, CBO, Moody's Analytics

2

...But a Fragile Recovery...

Coming Economic Rebound Will Fall Well Short

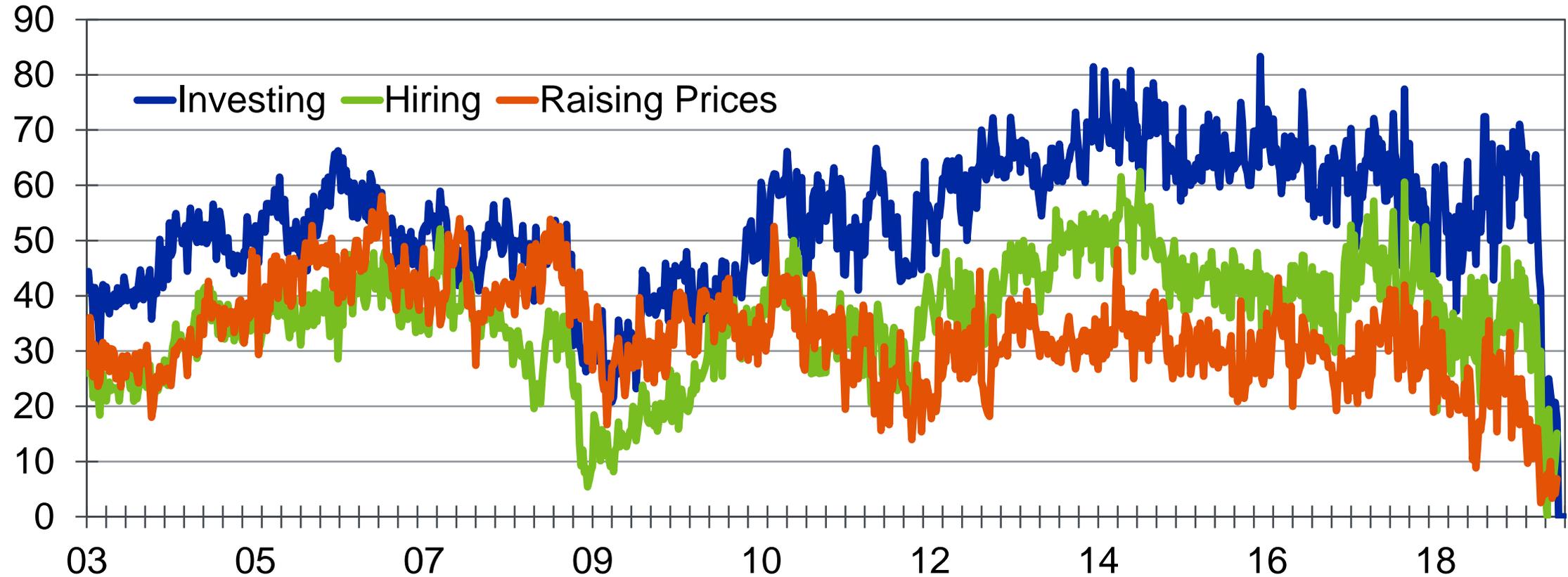
U.S. Real GDP, Trillions 2012\$



Sources: BEA, Moody's Analytics

Businesses are Shell Shocked

% of respondents to Moody's Analytics global business survey that are ...



Source: Moody's Analytics

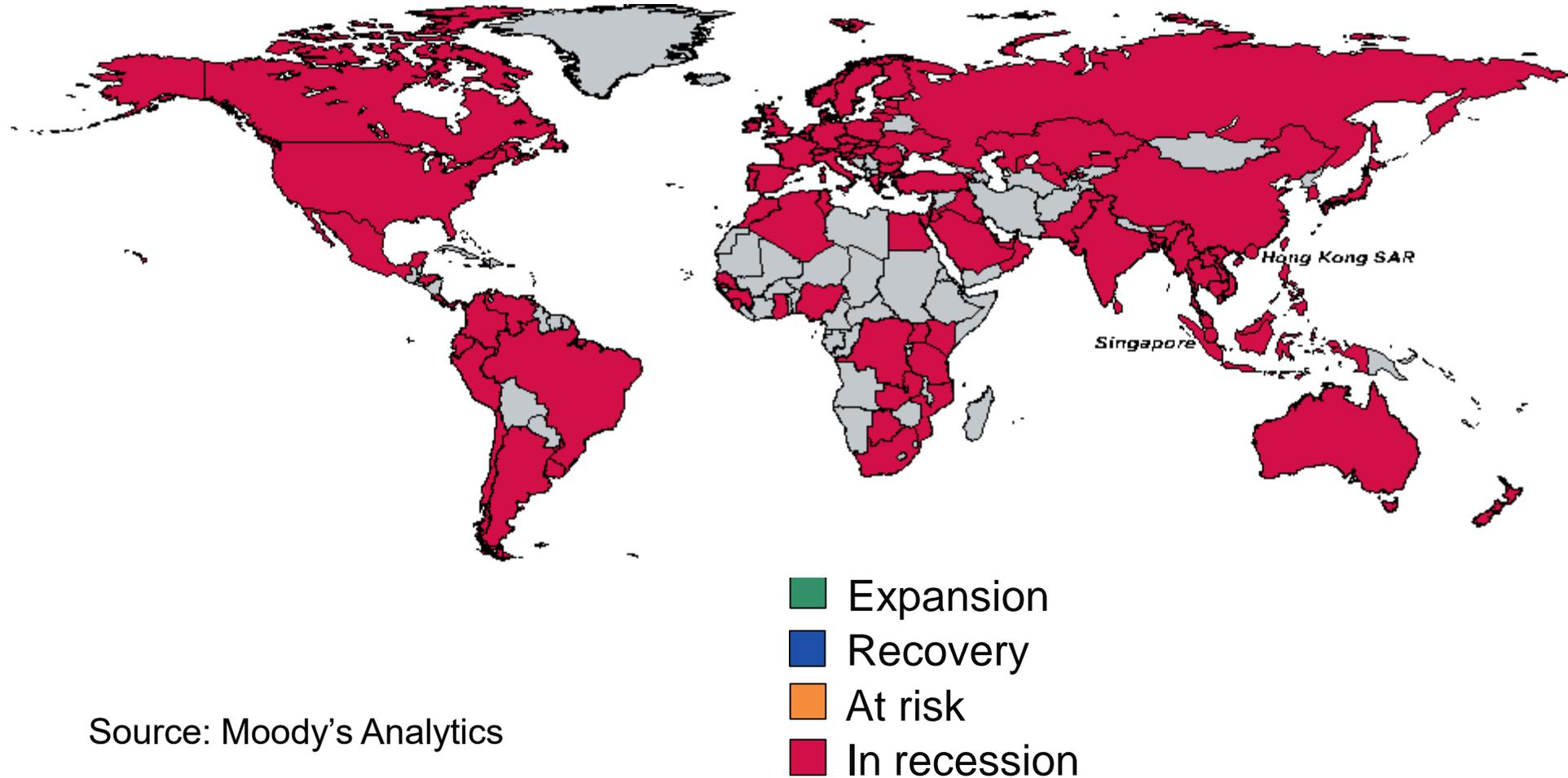
Businesses Are Paying Increasingly Late

Top 10 weakest and strongest 3-digit NAICS, April 2020

NAIC	Industry	Employment	B2B Spending	
		2019, ths	% Late	Change yr ago
721	Accommodation	2,077.4	69.0	44.5
512	Motion picture and sound recording	442.8	54.0	32.8
711	Performing arts, spectator sports and related	516.7	49.2	24.1
722	Food services and drinking places	12,068.7	47.6	22.7
712	Museums, historical sites; and similar	173.0	46.4	24.1
448	Clothing and clothing accessories stores	1,299.2	45.3	19.1
315	Apparel manufacturing	110.4	44.7	18.0
323	Printing and related support activities	424.7	38.8	9.5
482	Rail transportation	174.5	38.2	2.3
481	Air Transportation	503.3	37.6	9.6
	Total	150,935.4	29.4	7.5
454	Nonstore retailers	562.7	26.0	8.2
522	Credit intermediation and related activities	2,651.2	25.9	6.2
425	Wholesale electronic markets and agents and brokers	530.9	25.8	3.7
452	General merchandise stores	3,037.8	24.1	5.2
321	Wood product manufacturing	409.0	23.4	2.0
811	Repair and maintenance	1,352.2	22.1	3.6
444	Building material and garden equip. and supplies dealers	1,296.4	20.7	2.3
524	Insurance carriers and related activities	2,790.1	20.6	4.0
623	Nursing and residential care facilities	3,378.6	20.1	1.9
441	Motor vehicle and parts dealers	2,034.9	18.9	4.5
Note: Excludes NAICs with fewer than 25,000 employees in 2019 and in public administration and agriculture				
Sources: Cortera, Moody's Analytics				

COVID-Crisis Slams the Global Economy

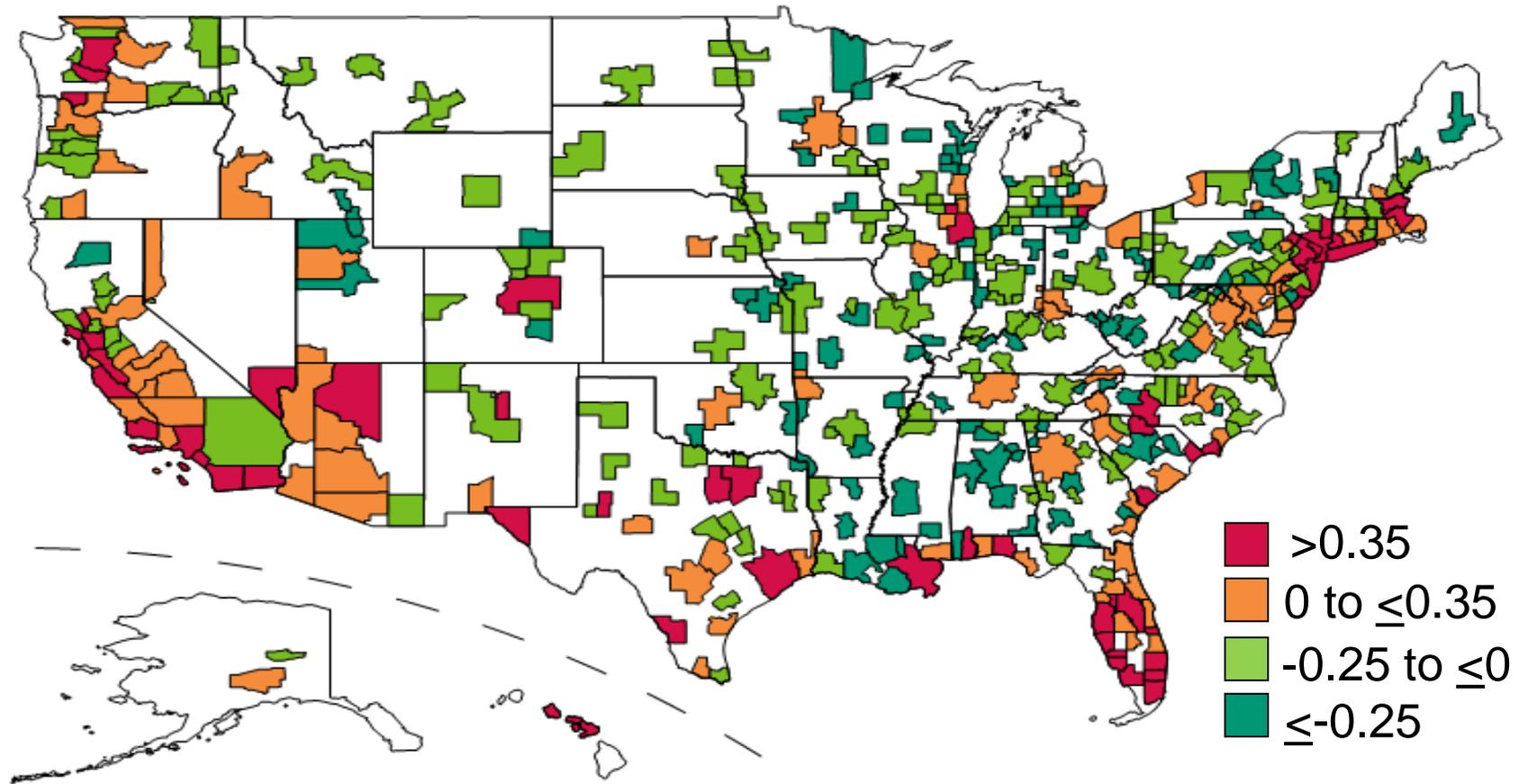
Global business cycle status



Source: Moody's Analytics

Large Metros Will Be Hit Hardest

COVID-19 Risk Index, average z-score across rankings, 0 = metro area average



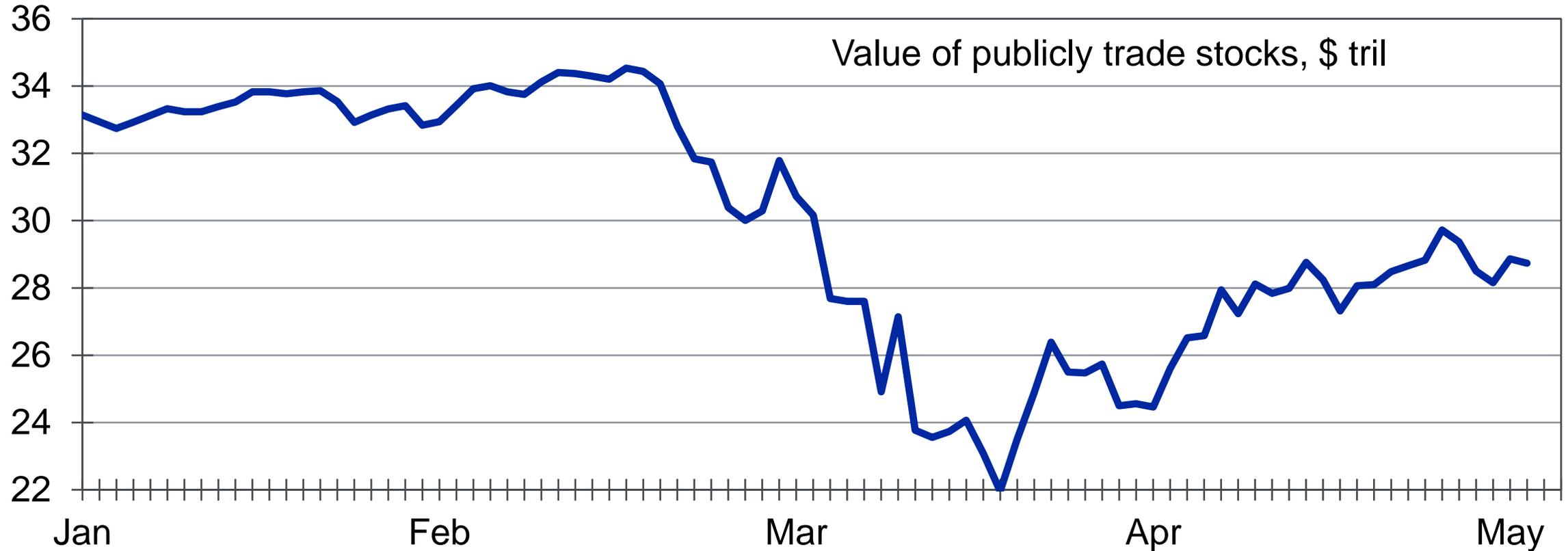
Source: Moody's Analytics

3

...Weaker Asset Prices...

Bear Market Is Not Over

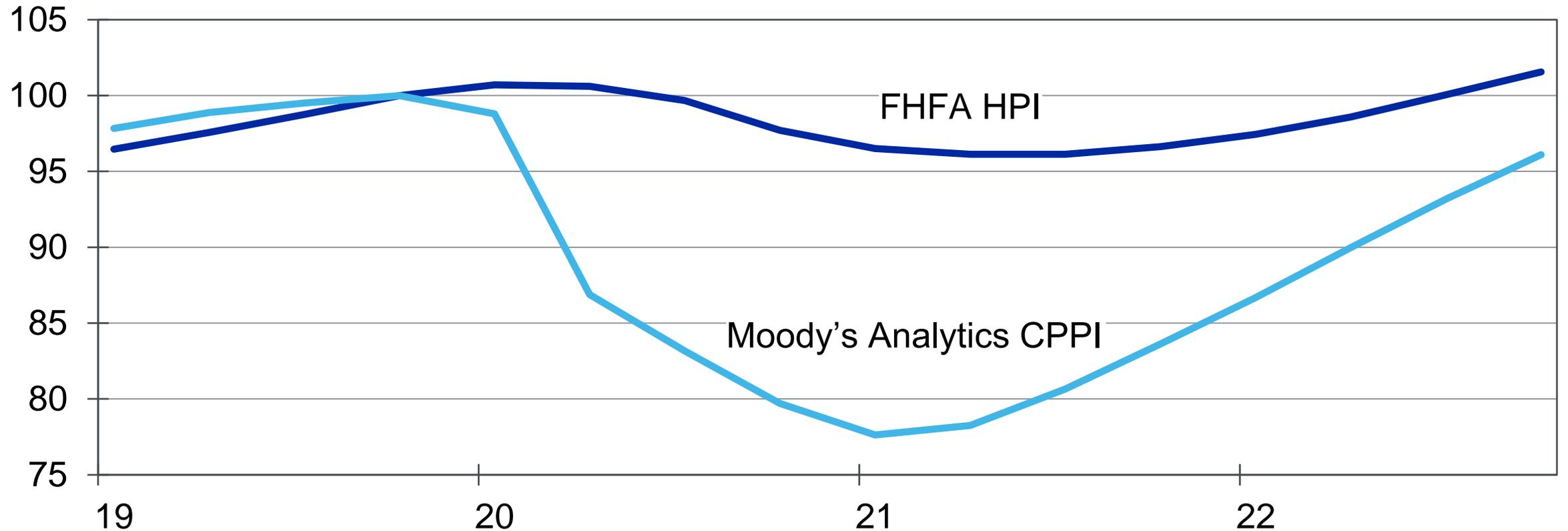
Wilshire 5000



Sources: Wilshire 5000, Federal Reserve, Moody's Analytics

U.S. Real Estate Prices Slump

Index: 2019Q4 = 100, April baseline



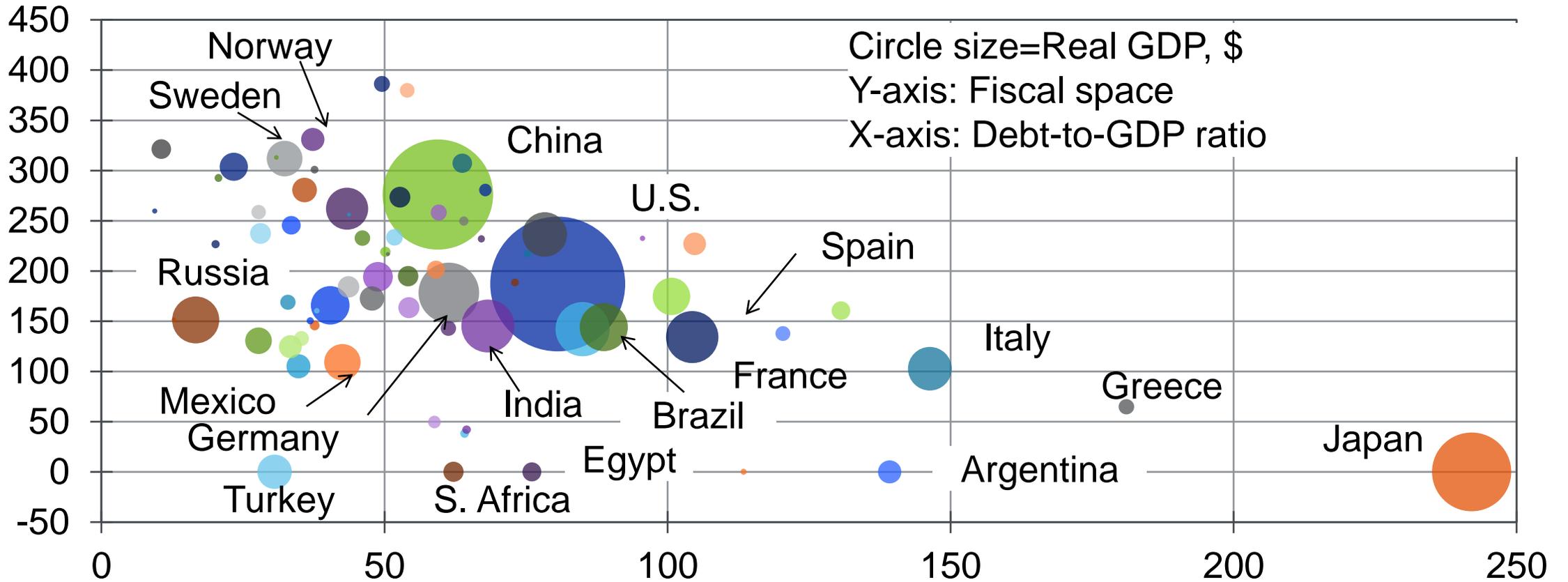
Sources: FHFA, Moody's Analytics

4

...and Diminished Outlook

Running Out of Fiscal Space

Sovereign borrowing capacity given current yields



Source: Moody's Analytics

Globalization Will Be Impaired

Global trade and industrial production, % change yr ago



Sources: CPB World Trade Monitor, Moody's Analytics

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