WIMAN & WONG Wealth Management Group



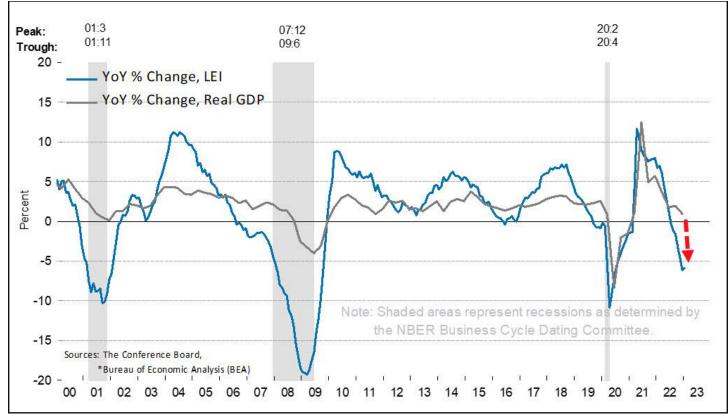
February 2023 Comment

Key Recession Indicator

What Is a Leading Economic Indicator (LEI)?

A leading indicator is a measurable set of data that may help to forecast future economic activity. Leading economic indicators can be used to predict changes in the economy before the economy begins to shift in a particular direction. They have the potential to be useful for businesses, investors, and policy makers. Source: Investopedia

Now the chart below tells the story of correlation to GDP or Gross Domestic Product:



Sources: Conference Board, Bureau of Economic Analysis, ZeroHedge





Observation

As Leading Economic Indicators hit or reach the minus 5% reading it is highly coincidental that recessions also occur.

Best Guess

If the FED remains steadfast in continuing to raise rates to get inflation down to 2% the previous graph should/could continue to deteriorate to lower levels (lower LEI and lower GDP).



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