CFC solutions cooperative news
Economic & Market Watch

Economic & Market Watch Intelligence Brief

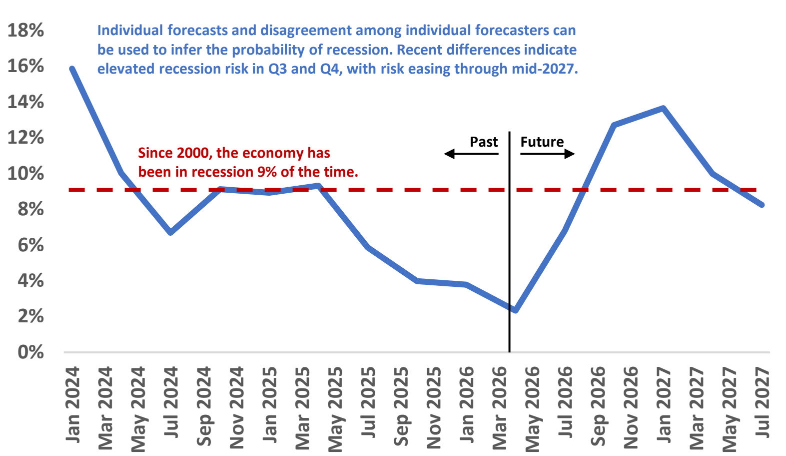
March 23, 2026

Briefing

- The Sahm Real-Time Recession Indicator and the Chicago Fed's National Activity Index (NAI) are now-cast recession indicators (**Figures 1 and 2**). Due to delays in collecting data, it is unclear whether the economy is in recession until two to four quarters after the fact. Now-cast estimators attempt to give an early warning by asking whether the economy is currently in recession. These estimators draw lines in the sand (0.5 for Sahm and negative 0.7 for Chicago). If the metric crosses the line, the model reports it likely that the economy is currently in recession.
- The St. Louis Fed's Smoothed Recession Indicator, the Dallas Fed's Weekly Economic Index (WEI) and the Philadelphia Fed's Business Conditions Index (BCI) reflect current economic conditions (**Figures 3, 4 and 5**). These are also now-cast estimators, but unlike Sahm's and Chicago's, these don't draw a line in the sand. The Dallas and Philadelphia metrics show the strength of the economy, where lower numbers indicate a weaker economy. The St. Louis Fed measure gives the probability of the economy being in recession.
- The New York Fed estimator (**Figure 6**) is a forecast based on the yield spread. It gives the probability of the economy being in recession 12 months in the future.

Chart of the Week

Implied Recession Probability Forecasts



Commentary

The popular definition of a recession is two consecutive quarters of negative real gross domestic product growth. The National Bureau of Economic Research officially defines and dates recessions. Historically, the popular and official definitions have aligned most, but not all, of the time.

As of March 2026, the various Fed now-casts indicate that the economy is not currently in recession. The New York Fed model shows a high probability of recession in the first half of 2026, declining sharply in the third quarter.

The **Chart of the Week** shows estimates of the likelihood of a recession over the next 16 months based on current disagreements among the Blue Chip panel of 45 forecasters. As of mid-March, differences among the panel imply the likelihood of recession bottoming out at 2% in April, rising to above 10% by October and then continuing to almost 14% by the end of the year. Combining the estimates for Q2 through Q4 yields a 20% chance of recession at some point in the remainder of 2026.

For comparison, the U.S. economy has been in recession 28% of the time since 1855, 13% of the time since 1946 and 9% of the time since 2000. These numbers ignore their magnitudes but give a sense of their frequency.

Snapshots

Figure 1. Sahm Real-Time

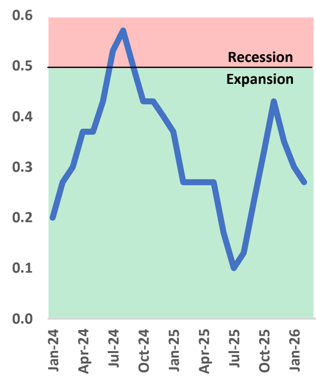


Figure 2. Chicago Fed NAI

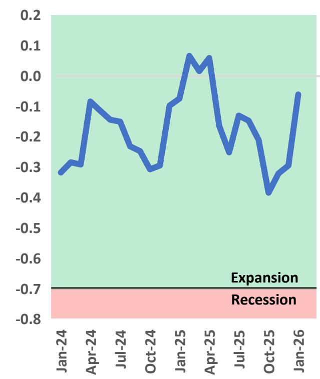


Figure 3. St. Louis Fed

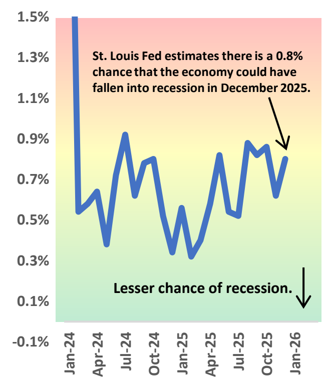


Figure 4. Dallas Fed WEI

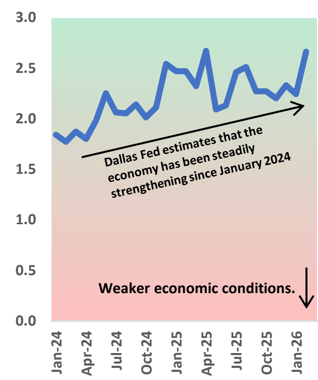


Figure 5. Philadelphia Fed BCI

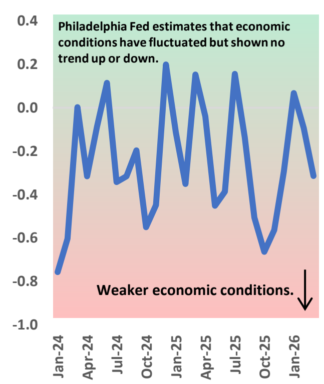
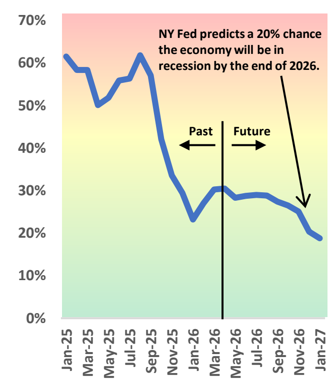


Figure 6. New York Fed



The Economic & Financial Research Team



John Suter, VP | Antony Davies, Director | Sam Kem, Sr. Analyst

Email: EconomicResearch@nrucfc.coop

Economic & Market Watch Dashboard

March 23, 2026

Key Indicators

INTEREST RATES[1]		2026				2027
	Current	Q1	Q2	Q3	Q4	Q1
Fed Funds Target[2] (%)	3.75	3.75	3.75	3.75	3.75	3.75
SOFR (%)	3.62	3.54	3.38	3.23	3.16	3.14
2Y UST (%)	3.86	3.49	3.46	3.43	3.38	3.35
5Y UST (%)	3.98	3.70	3.69	3.68	3.66	3.65
10Y UST (%)	4.35	4.18	4.17	4.17	4.16	4.16
30Y UST (%)	4.91	4.78	4.77	4.76	4.74	4.73

ECONOMY		2026				2027
	Current	Q1	Q2	Q3	Q4	Q1
PCE Inflation (YoY %)	2.8	2.9	2.7	2.5	2.3	2.3
CPI Inflation (YoY %)	2.4	2.8	2.7	2.6	2.4	2.5
Real GDP (QoQ %)	0.7	2.2	2.0	2.0	2.1	2.1
Unemployment (%)	4.4	4.5	4.4	4.4	4.3	4.3
Consumer Spending (QoQ %)	2.0	1.3	1.5	1.7	1.8	2.0
Industrial Production (YoY %)	1.4	1.4	1.2	1.1	1.9	1.8

Equities & Currency

	Current	Year ago	YoY Δ
DJIA	46,540	42,583	9.3%
Nasdaq	22,096	18,189	21.5%
S&P 500	6,617	5,768	14.7%
US Dollar Index	$1,206.18	$1,271.76	(5.1%)

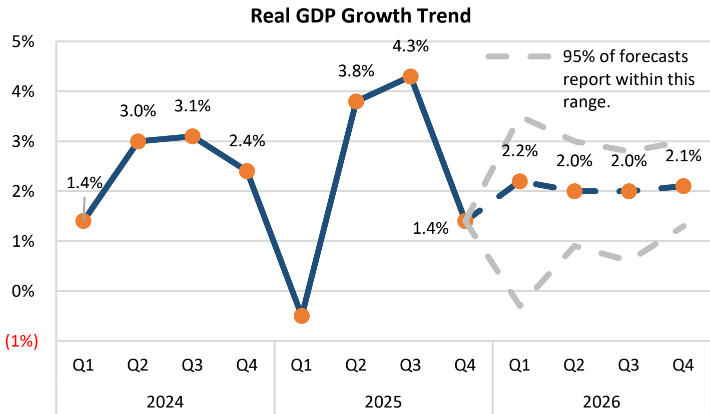
Commodities

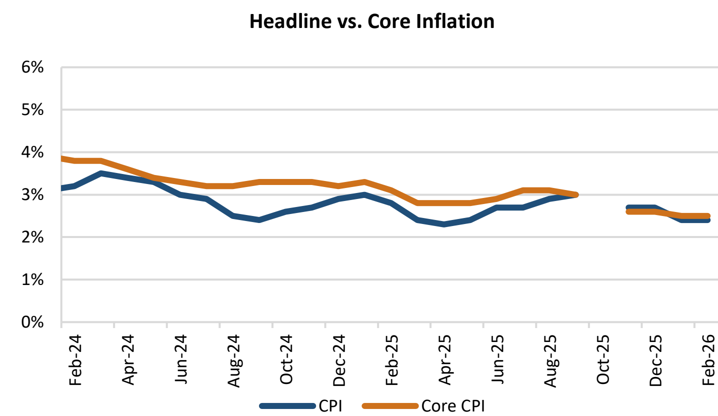
	Current	Year ago	YoY Δ
Crude Oil (Per Barrel)	$89.00	$69.11	28.8%
Natural Gas (Per MMBtu)	$3.47	$3.91	(11.3%)
Coal (Per Short Ton)	$14.65	$9.69	51.0%
Gold (Per Ounce)	$4,468.50	$3,015.60	48.2%
Corn (Per Bushel)	$4.60	$4.65	(0.9%)
Soybean (Per Bushel)	$11.57	$10.07	14.9%

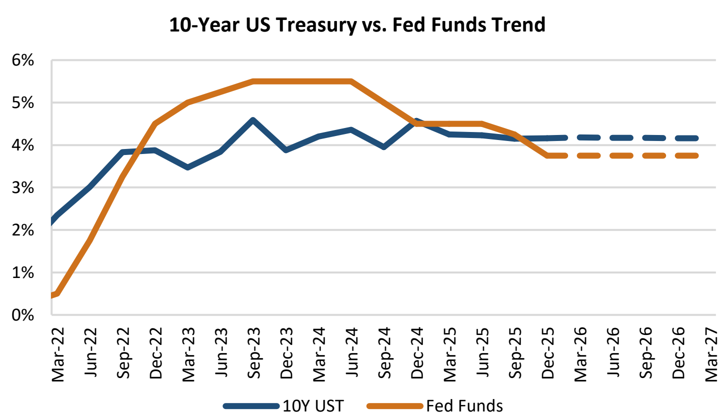
Industry

	Current	Year ago	YoY Δ
Natural Gas Storage (Billion Cubic Feet)	1,883	1,706	10.4%
U.S. Daily Power Consumption (MWh)	10,418,094	9,743,444	6.9%
World Container Index (Per 40ft)	$2,172	$2,264	(4.1%)

Forecasts







[1] *Unless otherwise indicated, forecasts are from the Blue Chip Professional Forecasters.*
[2] *Target rate forecast is based on futures market contracts.*

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