



Economic & Market Watch Quarterly

OCTOBER 2024



Preface

The Economic & Market Watch (EMW) Quarterly is prepared by CFC’s Economic Research Team to provide a quarterly review of the economy and financial markets with expert insight and analysis. EMW Quarterly captures quarterly economic changes through the lens of historical standards or contextual benchmarks. It is intended to serve as an educational tool for electric cooperative members and leaders in assessing medium-term macroeconomic and financial market developments that may impact cooperatives’ operations and members—as well as background knowledge needed to better utilize other CFC economic publications.

Our quarterly assessment of the global economy draws on the International Monetary Fund’s “World Economic Outlook,” “Global Financial Stability Report” and “Fiscal Monitor.” EMW Quarterly utilizes U.S. macroeconomic data from databases produced by U.S. statistical agencies and financial market data from private data services and financial industry associations.

This EMW Quarterly issue reflects information available as of October 31, 2024, unless otherwise noted.

Further Information

Contact

For further information or questions, please contact us at EconomicResearch@nrucfc.coop.

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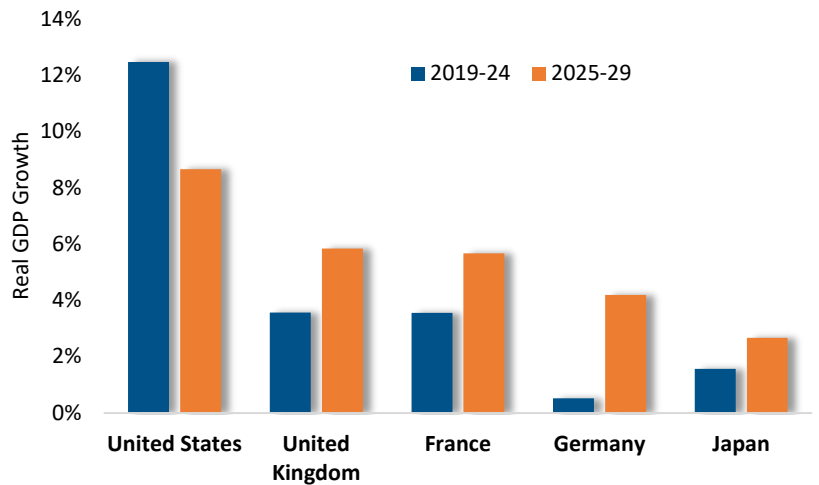
Global Macroeconomic Overview

Snapshot of the Global Economy

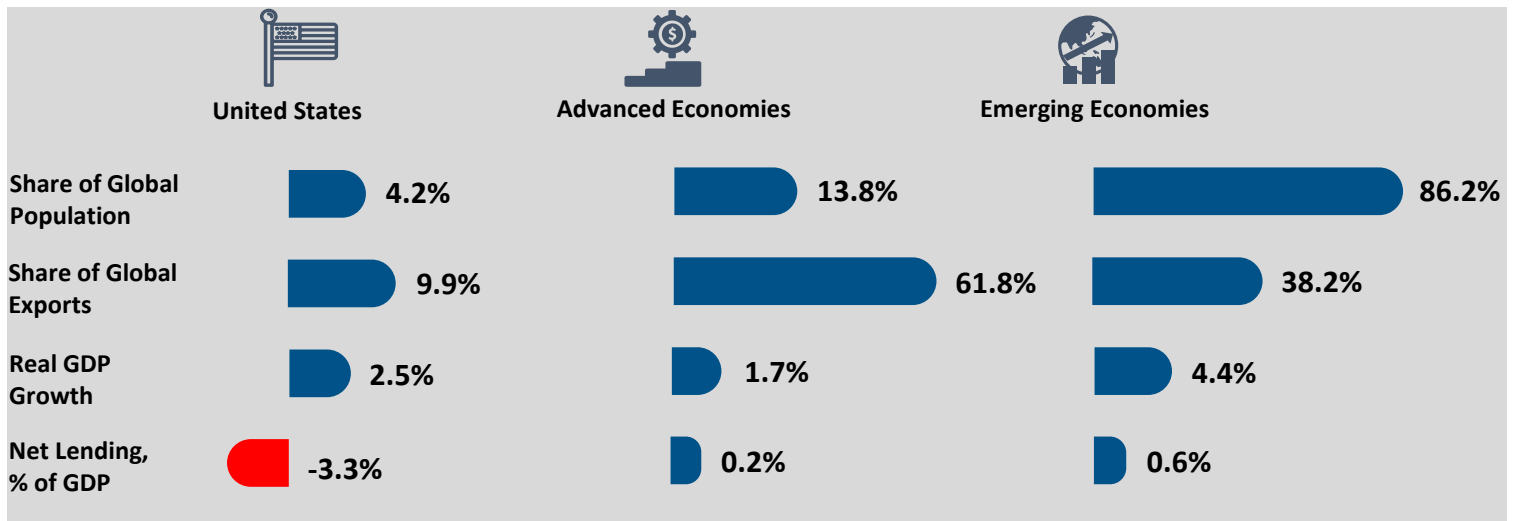
Global economic growth has been stable but slightly below the historical average. The impact of COVID-19 has been uneven across regions and types of economies, with the sharpest contrast being between advanced economies and developing economies. As the former have recovered, the latter continue to struggle with output shortfalls and persistent inflation.

In advanced economies, the United States dominates economic performance, offsetting sluggish growth in major European economies. However, the growth gaps are expected to narrow over the next five years as U.S. growth is projected to slow while advanced economies, such as the United Kingdom and France, are expected improve.

United States Outperforms Other Advanced Economies

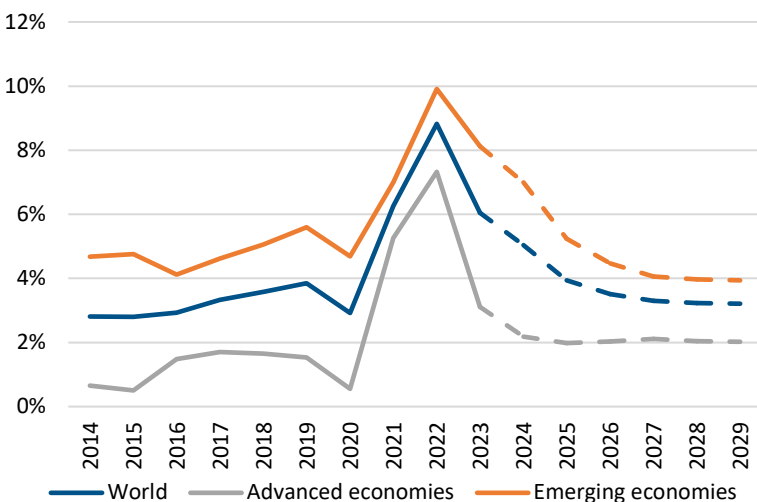


Note: 2019–24 growth rates include forecasts for 2024. 2025–29 figures are forecasts.
Source: International Monetary Fund.



Note: 2023 annual data.
Source: International Monetary Fund.

Annual Inflation Rate, End of Period



Source: International Monetary Fund.

- The International Monetary Fund considers the global fight against inflation to have been largely won. Policy-rate cuts have begun in advanced economies.
- The global economy has been unusually resilient throughout the disinflationary process, avoiding a global recession.
- Services inflation has been persistent, with core services inflation being roughly 50% higher than pre-pandemic levels in both advanced and emerging economies.
- Financial conditions have remained accommodative, containing financial stability risk but also facilitating the buildup of vulnerabilities—including elevated asset valuation and rising debt.

Global Macroeconomic Overview

Outlook for the Global Economy

The global economic growth is projected to be steady but underwhelming. There is an emerging global shift from goods consumption to services consumption, resulting in increasing activity in the services sector and slowing manufacturing. In the medium terms, global output growth is expected remain weak.

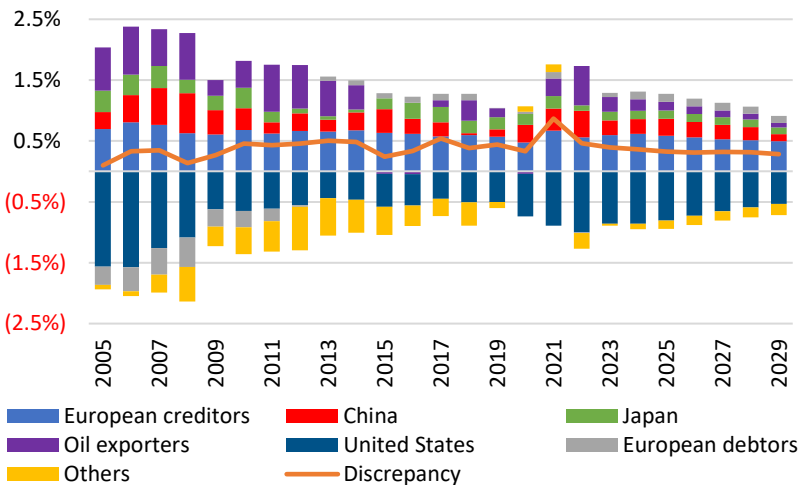
Although global trade is projected to be historically low, the trade-to-GDP ratio is expected to remain stable, as GDP is also expected to slow. The global current account balances—the sums of trade surpluses and deficits (which should be zero in theory but is not balanced in practice)—are projected to narrow gradually as trading activity slows.

Government Debt (% of GDP) Projections

	2024	2025	2026	2027	2028	2029
Advanced Economies	109.4	111.0	112.0	112.8	113.6	114.2
Emerging Economies	69.9	71.9	73.7	75.4	77.1	78.8

Source: International Monetary Fund.

Global Trade Account Balances Expected to Narrow



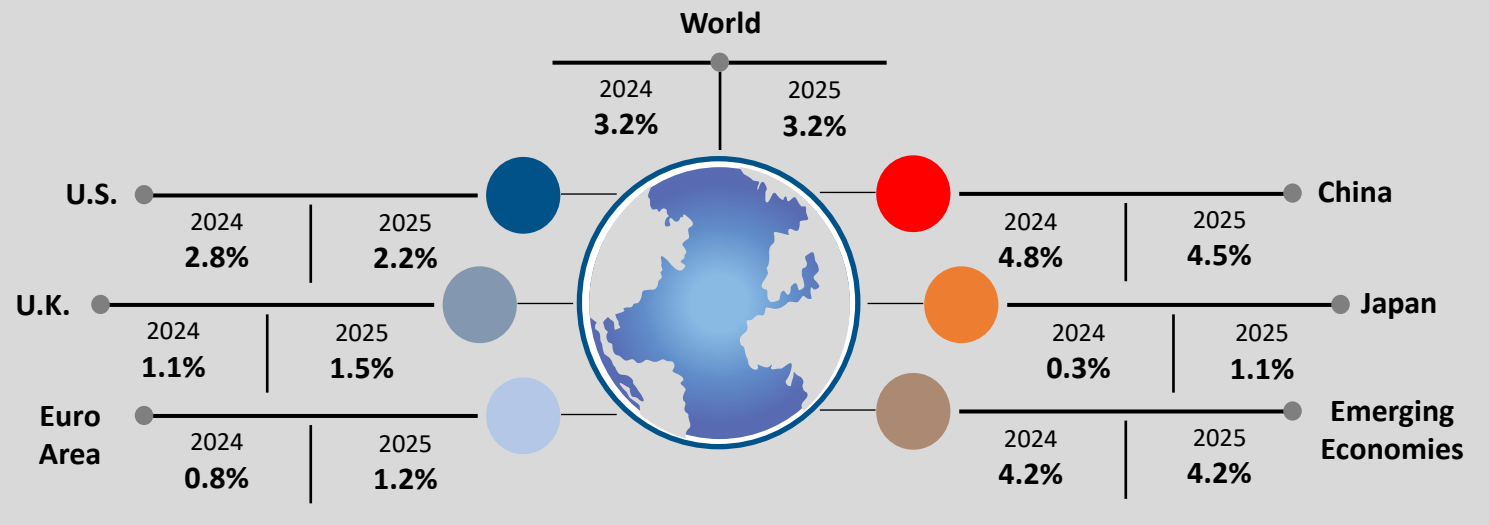
Source: International Monetary Fund.

Downside Risks to Global Growth Outlook

-  Renewed spikes in commodity prices amid geopolitical tensions.
-  Unanticipated impact of earlier rate hikes.
-  Sudden eruptive financial market volatility.
-  Deeper or longer-than-expected contraction in China's property sector.
-  Intensified sovereign debt stress in emerging economies.
-  Resumption of social unrest.
-  Intensification of protectionist policies exacerbating global trade issues.

Source: World Economic Outlook April 2024, International Monetary Fund.

Short-term Real GDP Growth Projections



Source: World Economic Outlook Updated July 2024, International Monetary Fund.

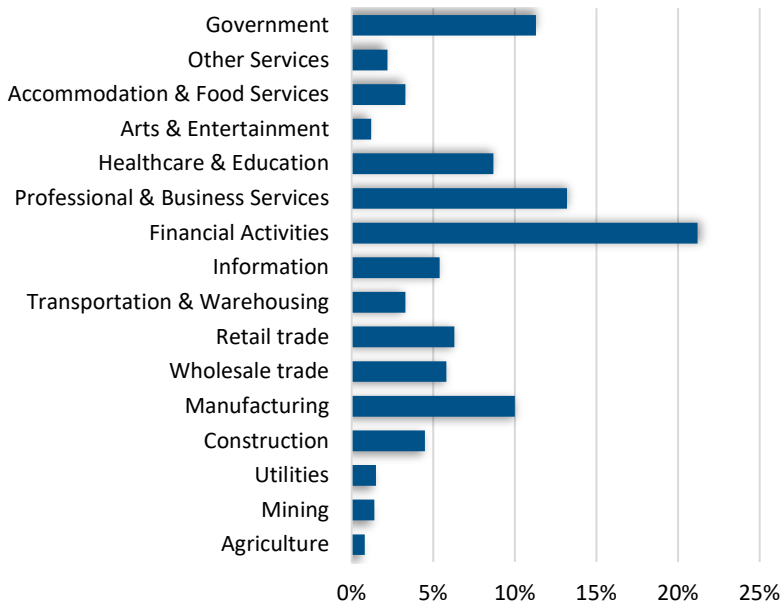
US Macroeconomic Facts

US Economy at a Glance

As the world’s largest economy, the U.S. is a high-income, diverse and consumption-driven economy, with an increasingly large share of the services sector.

Private industries account for the vast majority of the U.S. economy, with the financial services sector being the largest industry in value added. Meanwhile, manufacturing—the key industry in the goods-producing sector—accounts for only 10%, less than half of the value added by financial services.

Value Added as a Percentage of GDP, Q2 2024



Source: U.S. Bureau of Economic Analysis.

Percent Change in Real Gross Value Added, Q3 2024



Business

3.2%



Households

1.3%

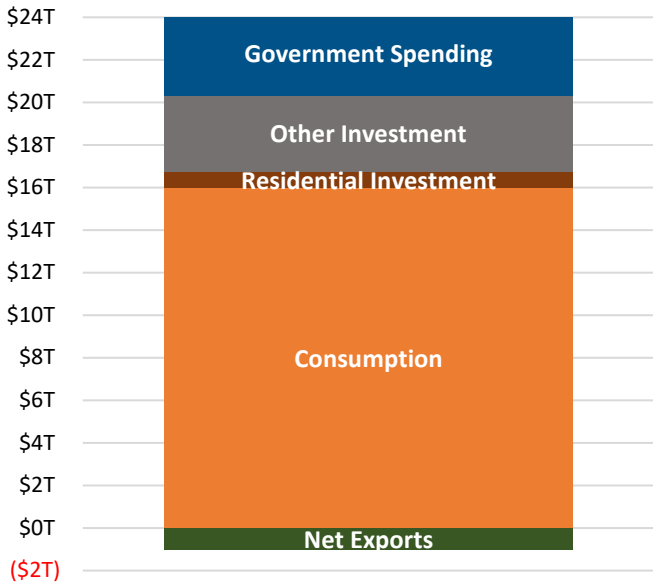


Government

1.7%

Source: U.S. Bureau of Economic Analysis.

Real GDP Components







Source: U.S. Bureau of Economic Analysis.

Macroeconomic Snapshot			
Indicators	Current	Previous	Benchmark
Real GDP (QoQ)(Q3 24)	2.8%	3.0%	Average annual rate of 2%; volatile quarterly rate.
Unemployment Rate (Sep 24)	4.1%	4.2%	Current natural rate of unemployment of 4.4%.
Consumer Price Index (Sep 24)	2.4%	2.5%	Target rate of 2%.
Personal Consumption Expenditure (Sep 24)	2.1%	2.3%	Target rate of 2%.
Business Confidence (Sep 24)	98.63	98.66	>100 indicates optimism; < 100 indicates pessimism.
Manufacturing PMI (Sep 24)	47.2	47.2	> 50 indicates expansion; < 50 indicates contraction.
Services PMI (Sep 24)	54.9	51.5	> 50 indicates expansion; < 50 indicates contraction.
Industrial Production (YoY)(Q3 24)	(0.4%)	0%	2000–2019 average of 0.8%.
Consumer Confidence (Sep 24)	98.7	105.6	>100 indicates optimism; < 100 indicates pessimism.
Real Consumer Spending (QoQ)(Q3 24)	3.7%	2.8%	2000–2019 average of 2.3%.
Personal Income (QoQ)(Q2 24)	5.3%	9.3%	2000–2019 average of 4.6%.

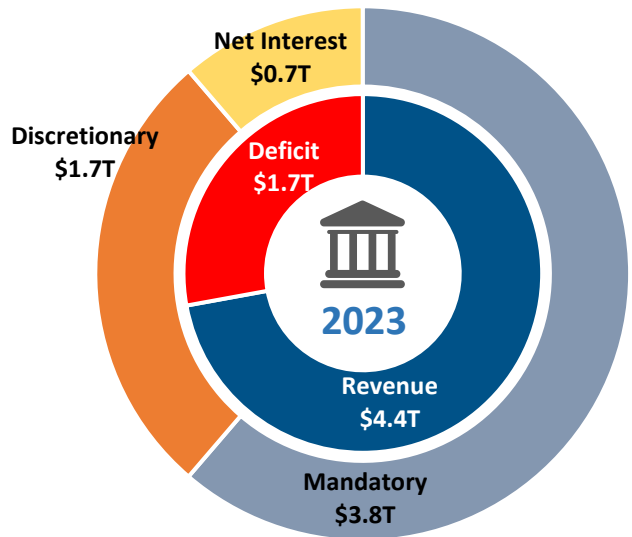
Source: Bloomberg; Federal Reserve Bank of St. Louis; Organization for Economic Co-operation and Development.

US Macroeconomic Facts

State of Fiscal Stand

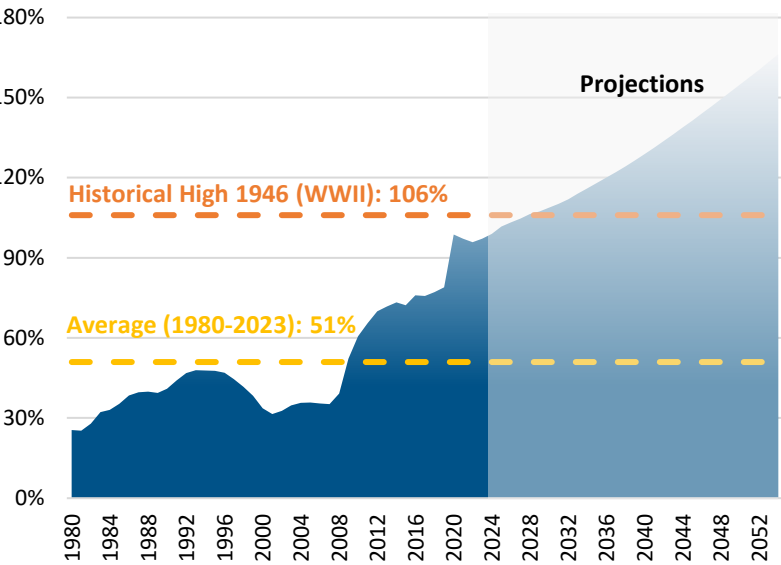
Fiscal Snapshot				
	FY2023	FY2024	FY2034	FY2054
 Total Debt % of GDP	121%	124%	131%	179%
 Debt Held by the Public % of GDP	97%	99%	116%	166%
 Deficit % of GDP	6.3%	5.6%	6.1%	8.5%
 Total Spending % of GDP	22.7%	23.1%	24.1%	27.3%

Source: March 2024 Long-term Budget Projections, Congressional Budget Office.



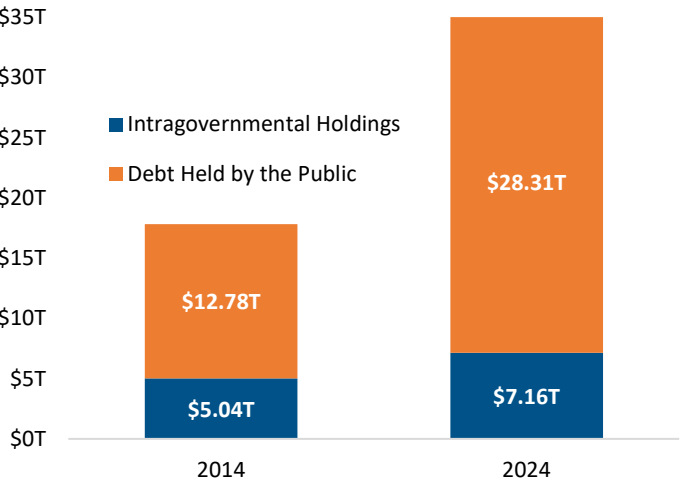
Source: Congressional Budget Office.

Debt Held by the Public as Percentage of GDP



Source: Congressional Budget Office.

Debt held by the public has increased 121% since 2014, while intragovernmental holdings have increased 42% since 2014



Source: U.S. Department of Treasury.

Trust Fund Status

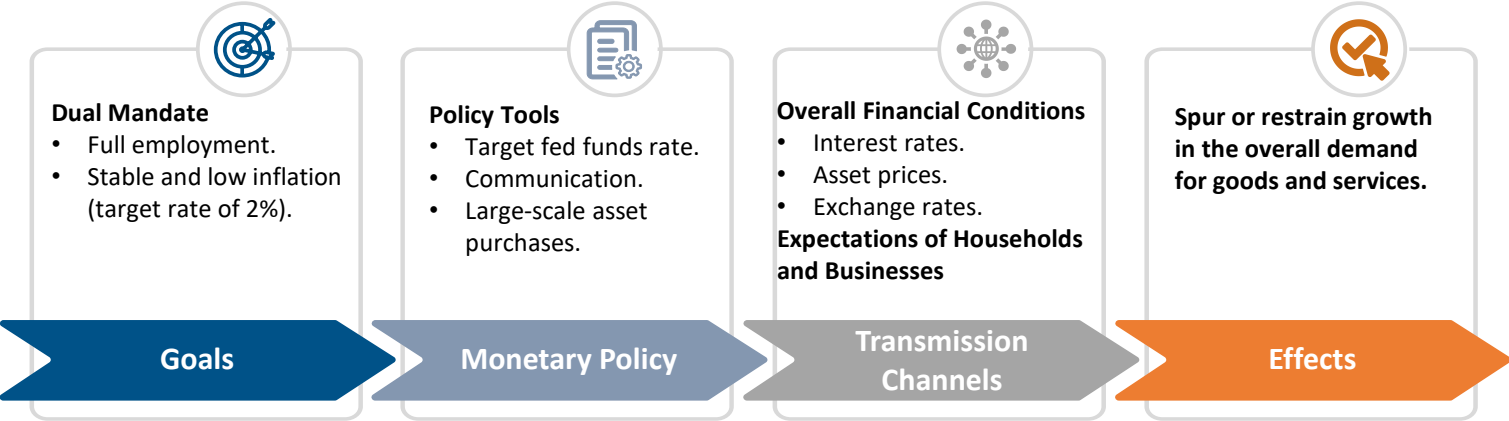
Fund	Projected Depletion Year	Projected Post-depletion Trend
Social Security's combined trust funds	2035	In 2035, 83% of scheduled benefits may be payable, and 73% may be payable by 2098.
Social Security's Old-Age and Survivors Insurance	2033	In 2033, 79% of scheduled benefits may be payable.
Medicare Hospital Insurance	2036	In 2036, 89% of scheduled benefits may be payable.

Source: 2024 Social Security and Medicare Trustees Reports.

US Macroeconomic Facts

State of Monetary Policy

Role of Monetary Policy and How It Works



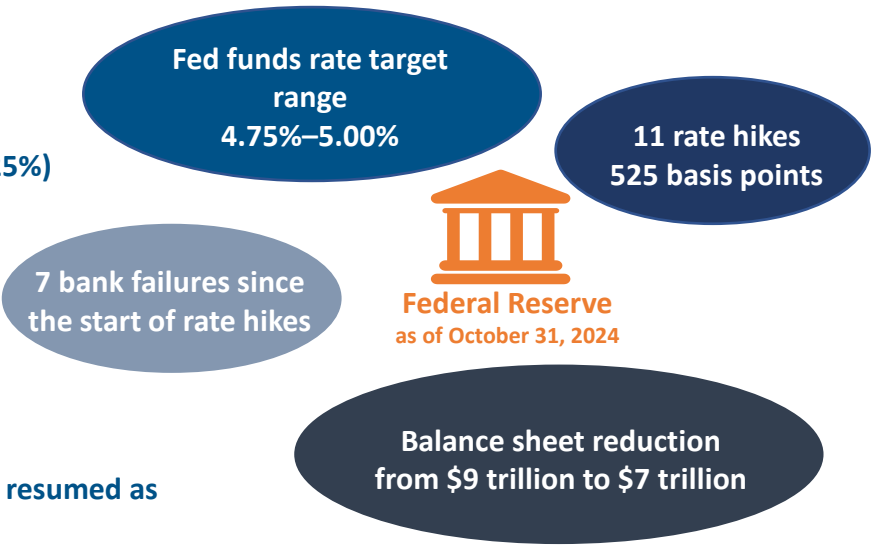
Current Monetary Policy Cycle at a Glance

Catch up with inflation
Aggressive rate hikes from a low base (0.25%)

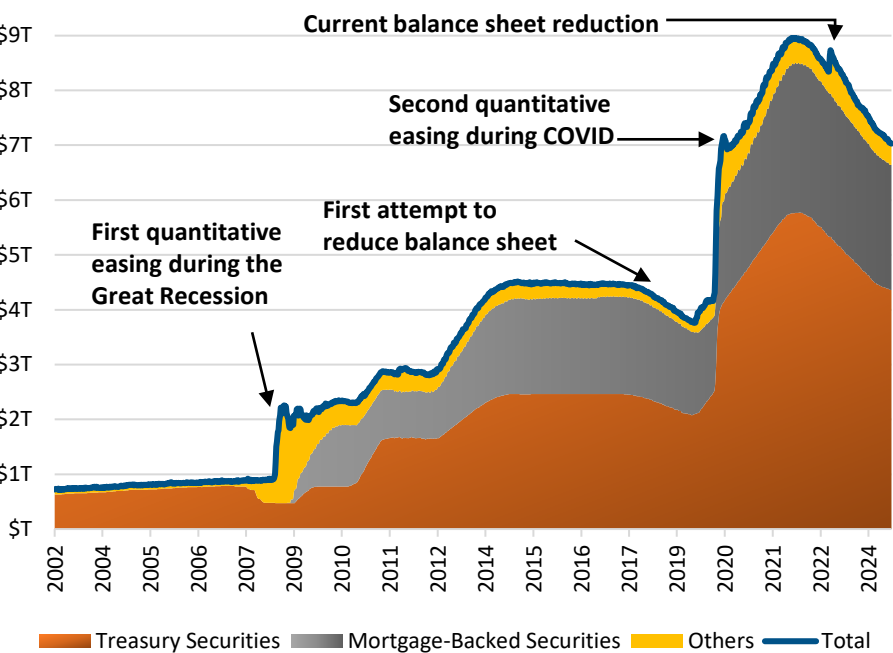
Hold policy rate at peak level of 5.5% for 30 months

Rate cuts began in September 2024

1. A jumbo cut of 50 basis points
2. Uncertainty surrounding rate-cut path resumed as economic data sent mixed signals



Federal Reserve Balance Sheet



Source: Board of Governors of the Federal Reserve System.

Fed Balance Sheet Reduction Explained

The Fed began balance sheet reduction in the current cycle in June 2022 by allowing Treasury securities and agency securities—such as mortgage-backed securities—to expire without reinvestment unless the amount expired exceeded the monthly cap of \$95 billion (\$60 billion for Treasury securities and \$35 billion for agency securities). That means balance sheet reduction could not exceed \$95 billion per month.

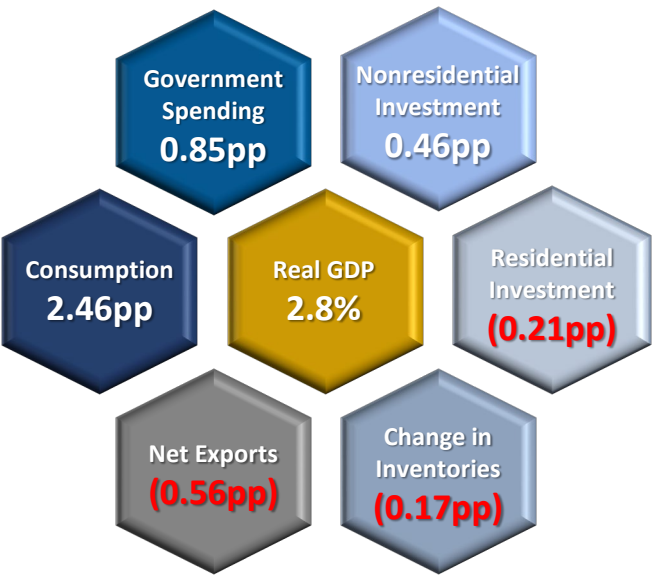
The Fed announced its plan to slow the speed of balance sheet reduction. Starting from June 2024, the monthly cap for Treasury securities was lowered to \$25 billion per month, while the cap for agency securities remains the same.

US Macroeconomic Facts

Economic Growth

U.S. economic growth has been driven largely by personal consumption, which makes up nearly 70% of real GDP. In the third quarter of 2024, consumption added 2.46 percentage points to the 2.8% growth and was partially offset by net exports, change in inventories and residential investment, which subtracted from growth. The increase in consumption expenditure reflected increases in consumption of both goods and services. After a period of slow growth, labor productivity recently saw an uptick, but the growth rate for the current cycle remains below the long-term average.

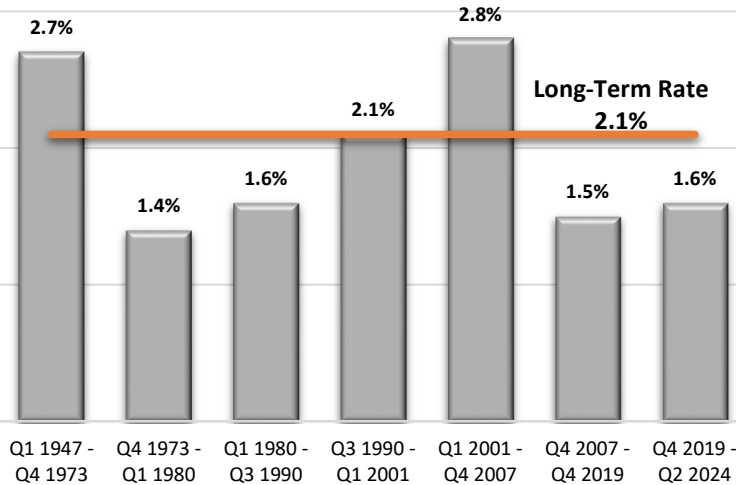
Contribution in Percentage Points to Real GDP Growth, Q3 2024



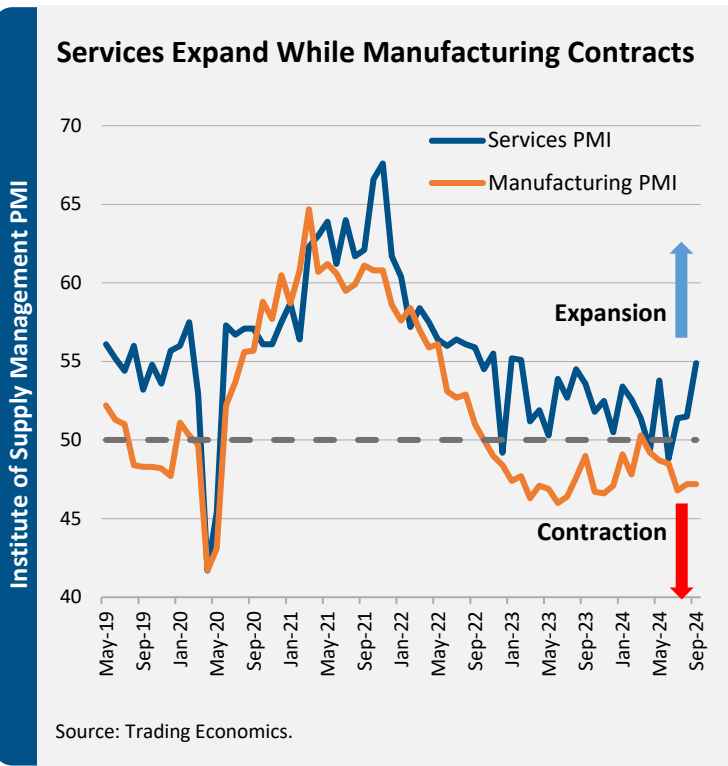
Source: U.S. Bureau of Economic Analysis.



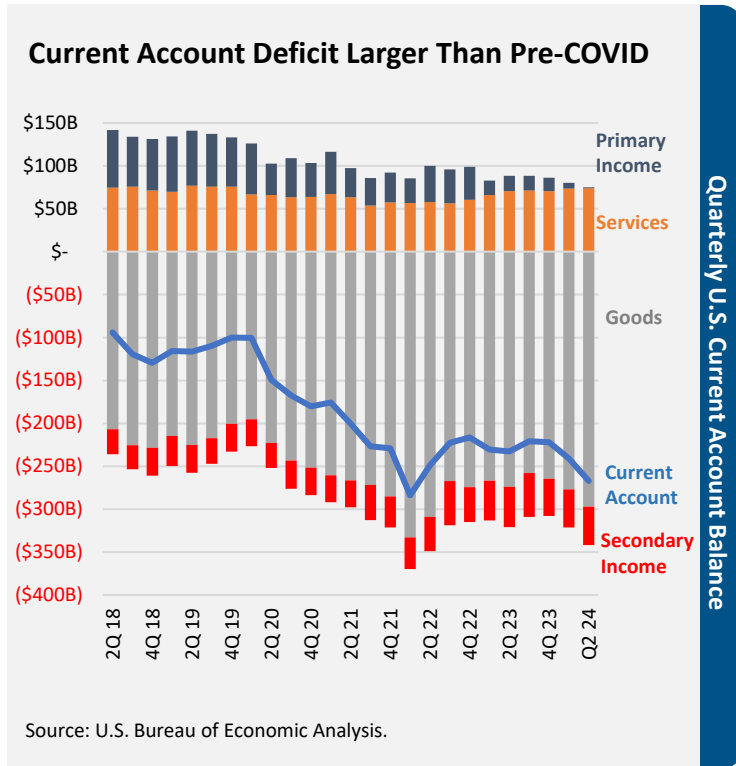
Average Annual Percent Change in Productivity, by Business Cycle



Source: U.S. Bureau of Labor Statistics.



Source: Trading Economics.



Source: U.S. Bureau of Economic Analysis.

US Macroeconomic Facts

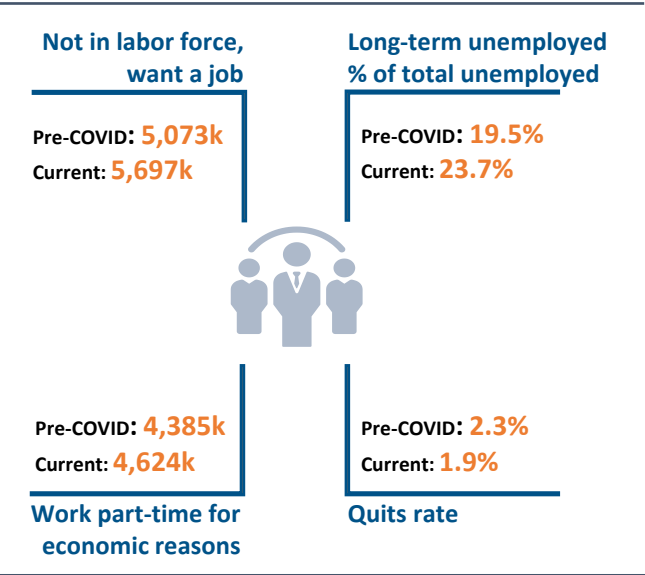
State of the Labor Market

Labor Market Snapshot, September 2024



Source: U.S. Bureau of Labor Statistics.

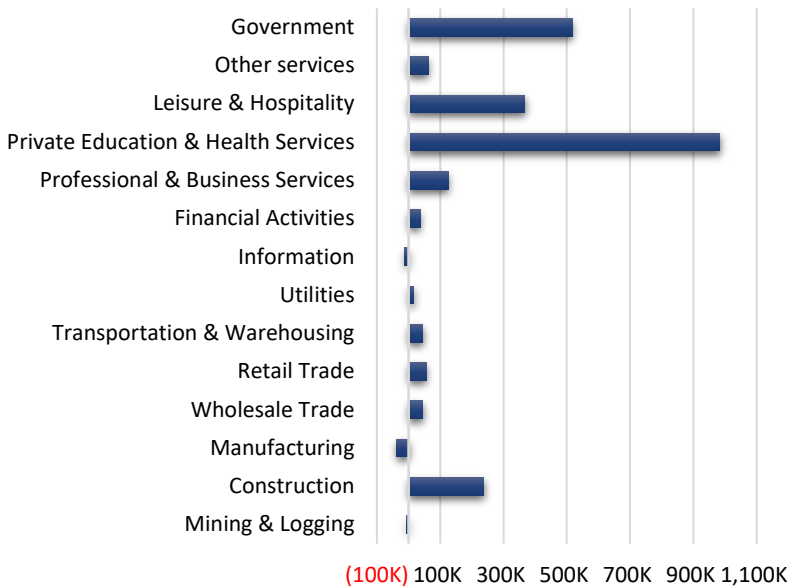
Labor Market Close-up



Note: Current is as of September 2024. Pre-COVID data is as of February 2020.

Source: U.S. Bureau of Labor Statistics.

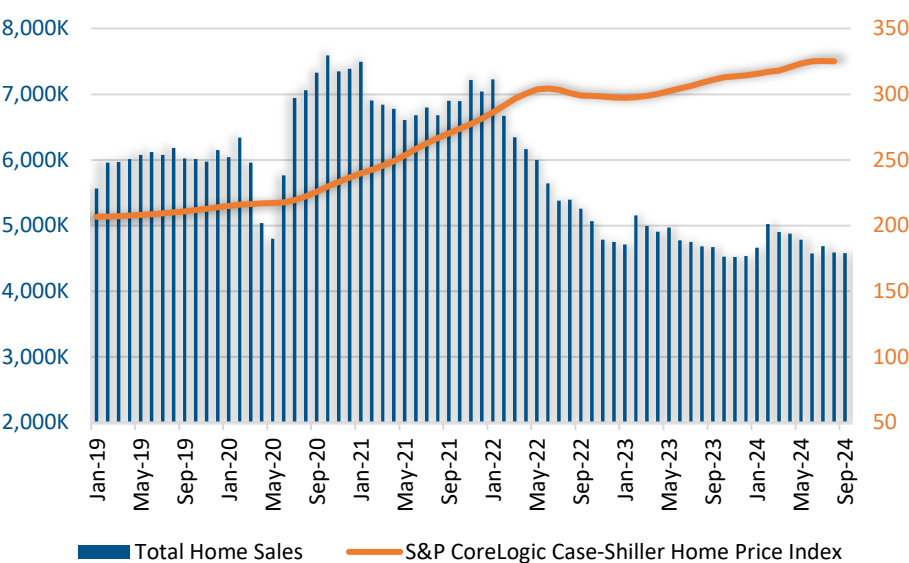
12-month Change in Employment by Industry, September 2024



Source: U.S. Bureau of Labor Statistics.

State of the Housing Market

Declines in Home Sales Amid High Home Prices



Note: Total home sales figures are new home sales plus existing home sales.
Source: Federal Reserve Economic Data, Federal Reserve Bank of St. Louis.

30-year Fixed Mortgage Rate

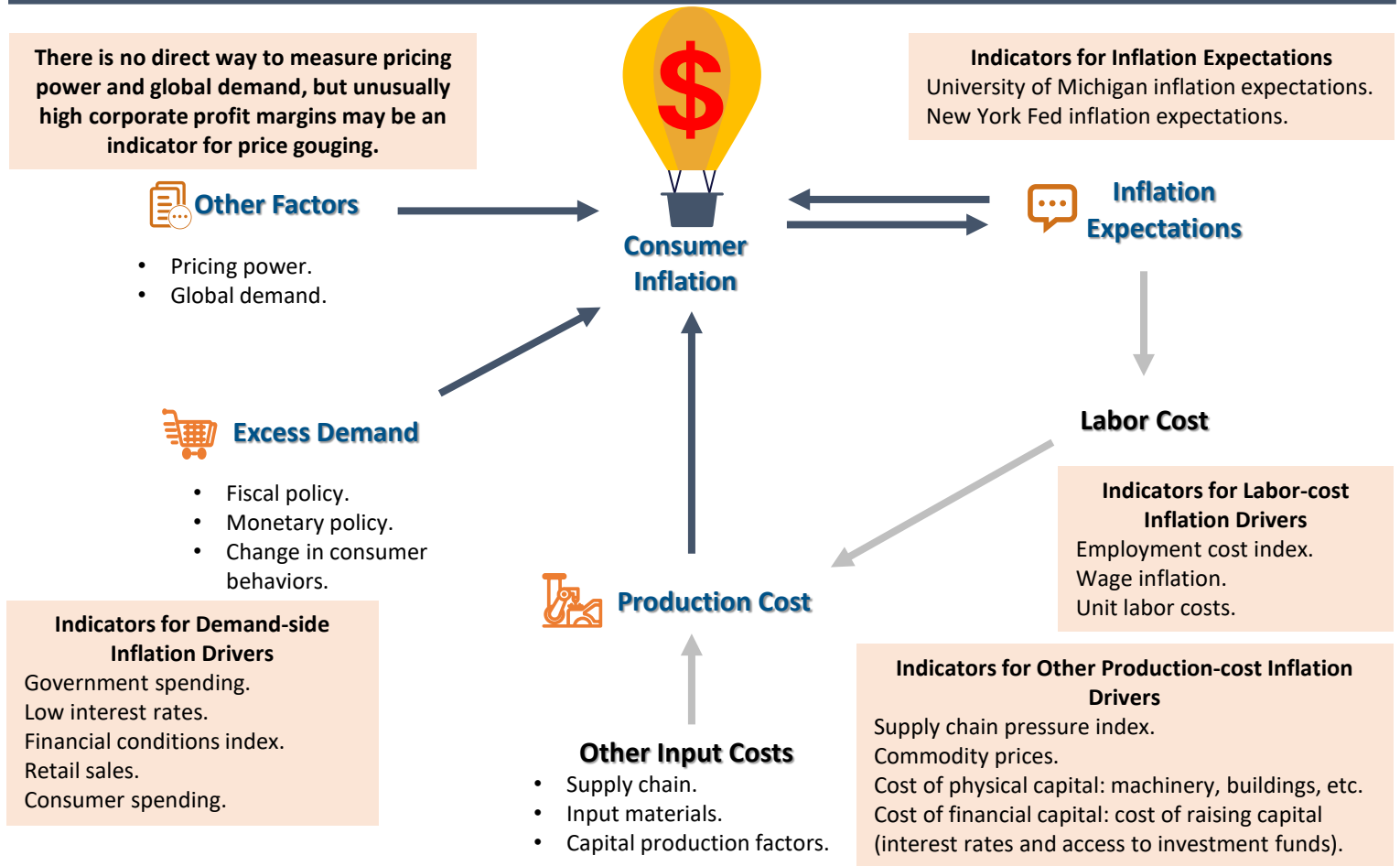
YTD Average*	6.71%
2023 Average	6.81%
2020–2021 Average	3.02%
2010–2019 Average	4.09%
1990–2009 Average	7.20%

Note: *as of October 31, 2024.
Source: Federal Reserve Economic Data, Federal Reserve Bank of St. Louis.

US Macroeconomic Facts

State of Inflation

What Causes Inflation?

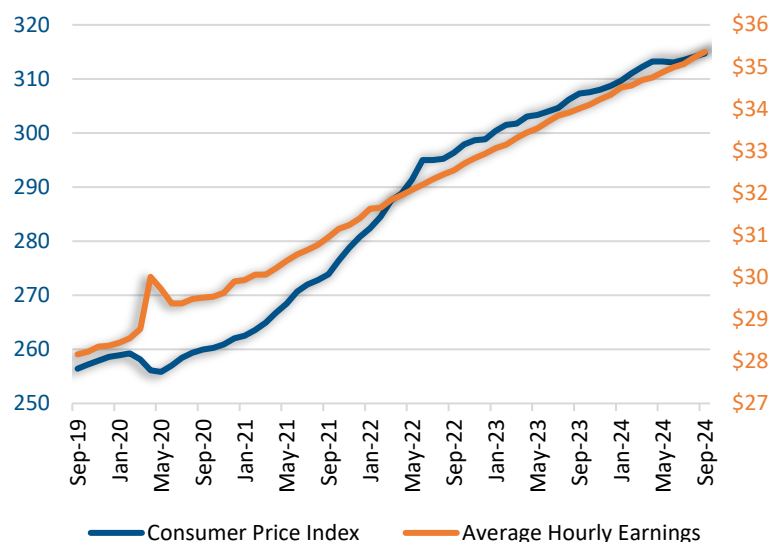


Consumer Inflation Close-up, September 2024

	Δ Since Pre-COVID February 2020
Core Goods	13.7%
Core Services	22.2%
Food	26.7%
Energy	27.0%
Shelter	24.5%
Medical Services	10.9%
Transportation Services	33.3%

Source: U.S. Bureau of Labor Statistics.

Wages Increase as Prices Soar



Source: U.S. Bureau of Labor Statistics.

US Macroeconomic Facts

Key Indicators for Inflation Drivers

Indicators	Current	Previous	Benchmark
NY Fed Year-ahead Inflation Expectation (Sep 24)	3.0%	3.0%	2015–2019 average of 2.7%.
Employment Cost Index (YoY)(Q2 24)	4.1%	4.2%	2010–2019 average of 2.2%.
Unit Labor Costs (QoQ)(Q2 24)	0.4%	3.8%	2010–2019 average of 1.3%.
Supply Chain Pressure Index (Sep 24)	0.13	0.20	> 0 higher (< 0 lower) than historical average.
National Financial Conditions Index (Sep 24)	(0.56)	(0.53)	> 0 tighter (< 0 looser) than average.
Retail Sales (YoY)(Sep 24)	1.7%	2.2%	2015–2019 average of 3.5%.
Producer Price Index (YoY)(Sep 24)	1.8%	1.9%	2015–2019 average of 0.6%.

Source: Bloomberg; Federal Reserve Bank of New York.

State of the US Consumer

The most important piece of the U.S. economy, consumers drive economic growth through consumption expenditure. Consumption is driven by three broad categories: population growth, income and changes in consumer behaviors.

	October 2024	September 2024	October 2023	2015-19 Average
Consumer Sentiment	70.5	70.1	63.8	95.2
Current Economic Conditions	64.9	63.3	70.6	110.1
Consumer Expectations	74.1	74.4	59.3	85.6

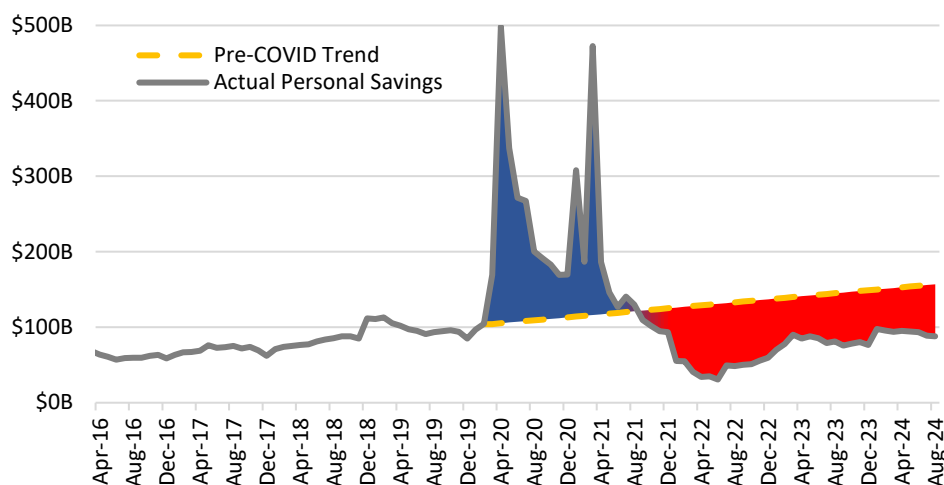
Source: University of Michigan.

COVID Excess Savings Depleted

COVID-related fiscal stimulation led to excess savings for consumers whose spending was reduced due to COVID restrictions.

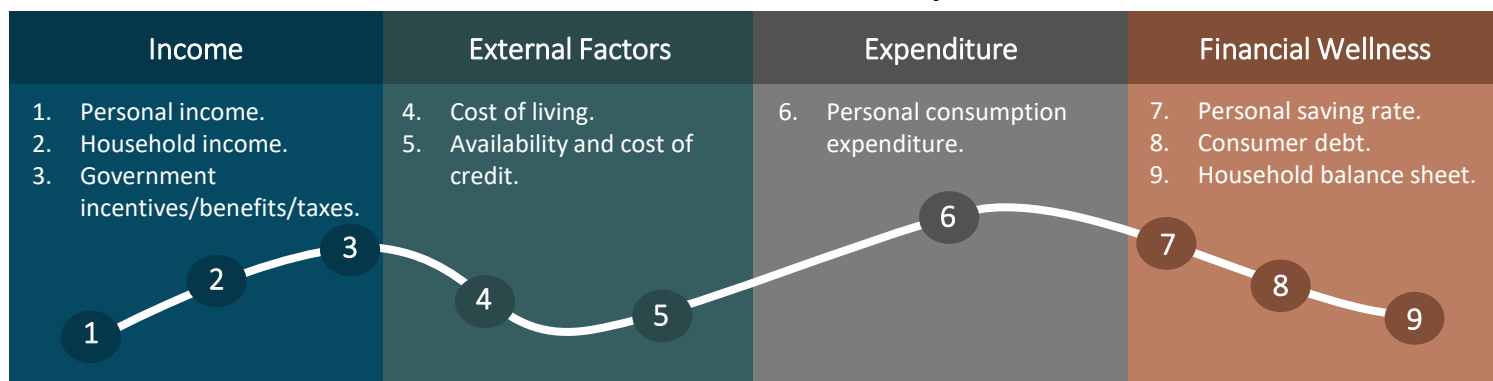
Once economic activity began recovering, consumers utilized their COVID excess savings to support spending.

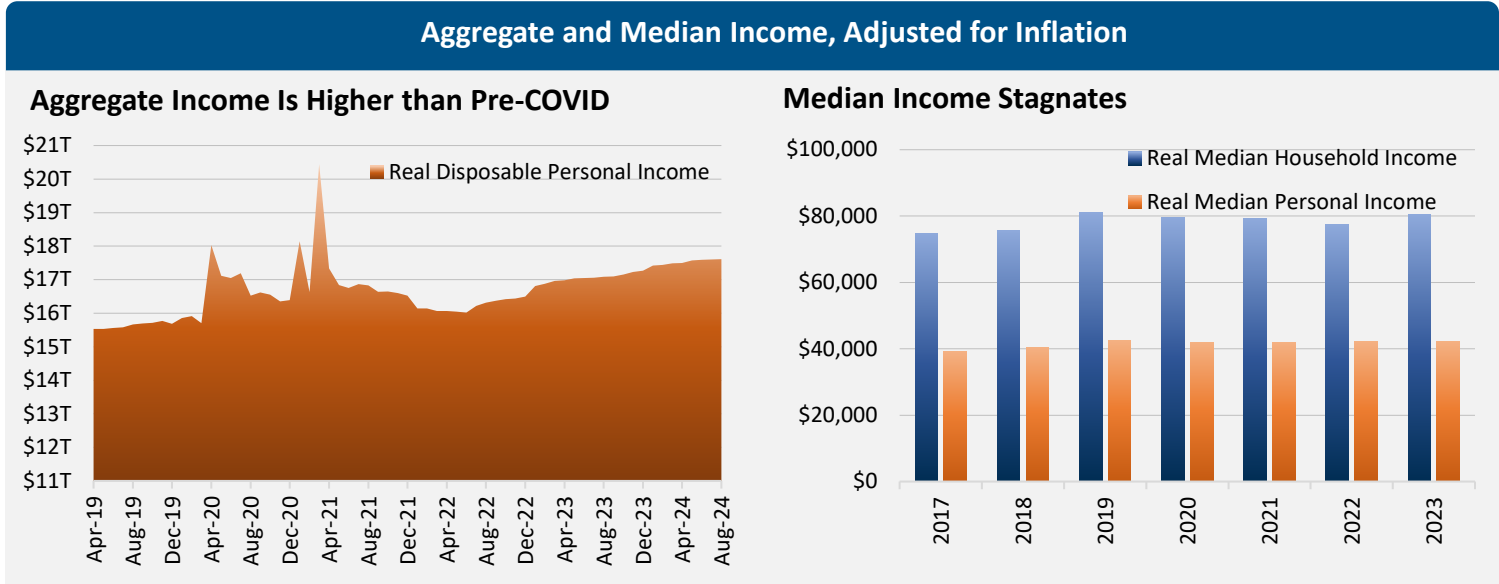
With higher prices and growing spending, COVID excess savings are estimated to have depleted in late 2021.



Source: Federal Reserve Bank of San Francisco.

Consumer Economic Journey





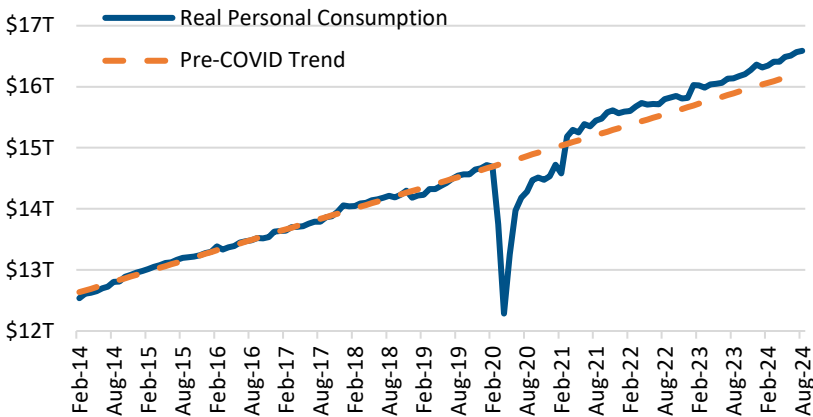
Source: U.S. Bureau of Economic Analysis; U.S. Census Bureau.

Real personal consumption expenditures run above the pre-COVID (2014–2019) trend.

Consumption has grown faster in services than goods.

Spending, largely driven by higher-income earners, has been supported by higher nominal wages and availability of credit.

Personal Consumption Expenditures Adjusted for Inflation



Source: U.S. Bureau of Economic Analysis.

Consumer Financial Wellness, Q2 2024

Household Debt, YoY Δ

(+) \$109 Billion

Credit Card Balance per Capita

\$3,980

Household Debt Service Ratio*

11.53%

Debt per Capita

\$61,850

of Consumers With New Bankruptcies

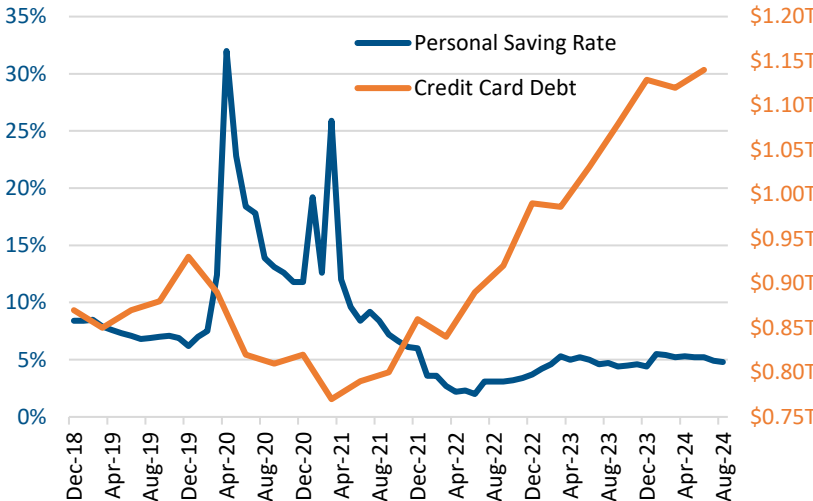
136,180

of Consumers with New Foreclosures

47,180

Note: *as a percentage of disposable personal income.
Source: Federal Reserve Bank of New York; Board of Governors of Federal Reserve System.

High Credit Card Debt, Declining Saving Rate



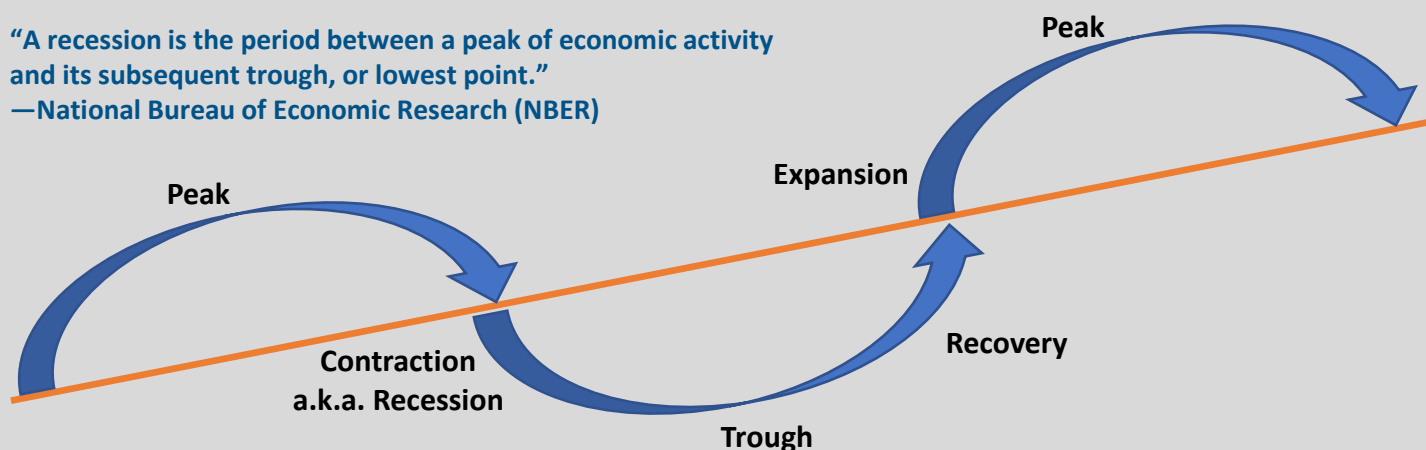
Source: U.S. Bureau of Economic Analysis; Federal Reserve Bank of New York.

Macroeconomic Indicators of the Business Cycle

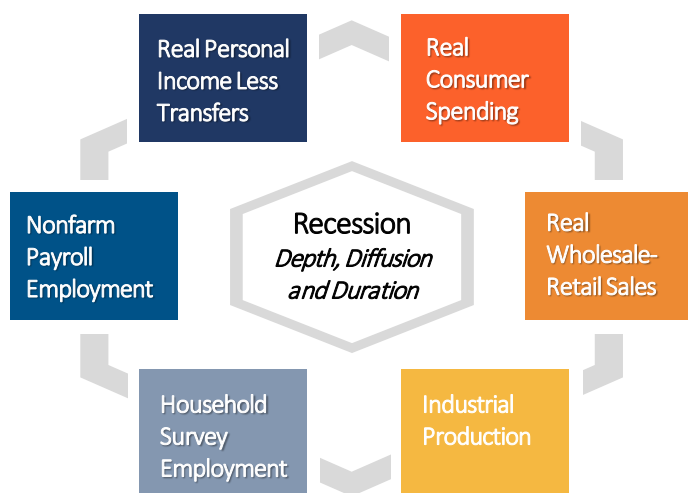
Stages of the Business Cycle

“A recession is the period between a peak of economic activity and its subsequent trough, or lowest point.”

—National Bureau of Economic Research (NBER)



Recession Indicators as Defined by NBER



	Δ in start of Recessions*	Δ in last 3 Months**
Real Personal Income Less Transfer Receipts	(0.86%)	0.22%
Nonfarm Payroll Employment	(1.22%)	0.26%
Household Survey Employment	(1.27%)	0.37%
Real Consumer Spending	(1.85%)	0.51%
Real Wholesale-retail Sales	(1.85%)	1.23%
Industrial Production	(2.83%)	0.00%

Note: *Average change in the first three months of previous recessions; **Change in the most recent three months where data is available.

Source: Bloomberg.

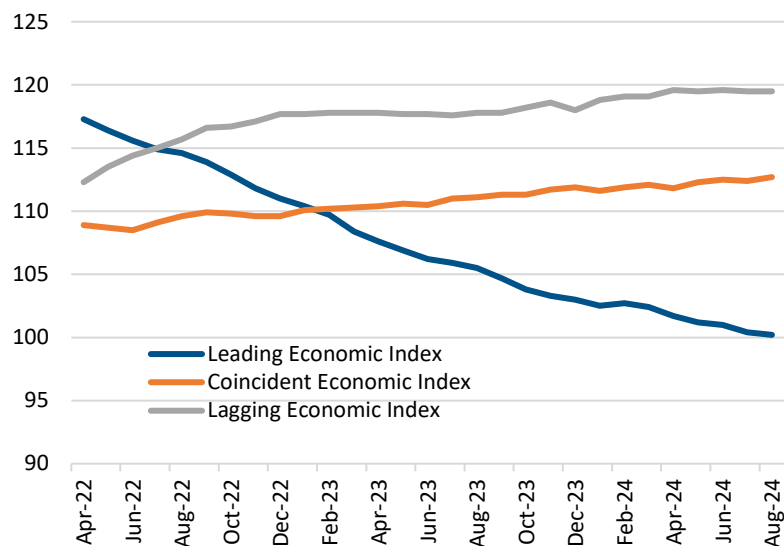
Economic Indicators in the Business Cycle Context

Leading indicators are those that change before the economy as a whole and therefore point towards future economic turning points. Examples include purchasing managers' index, new housing starts and yield curves.

Coincident indicators are those that change around the same time as the whole economy and therefore signifies the current state of the economy. Examples include personal income, GDP and nonfarm payroll. In fact, all indicators used by NBER to define a recession are coincident indicators.

Lagging indicators are those that change after an economic turning point begins. These do not have predictive power for the future but serve as confirmation. Examples include unemployment rate and commercial loans.

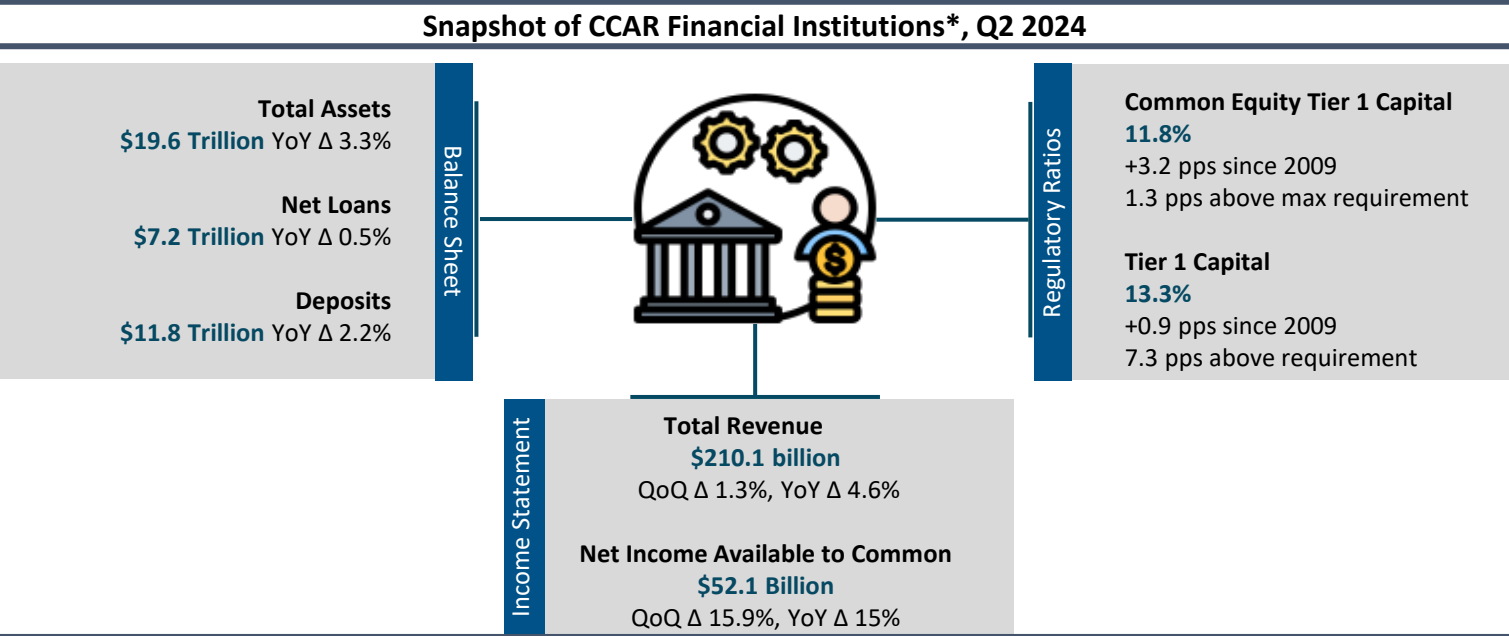
Leading, Coincident and Lagging Economic Indices



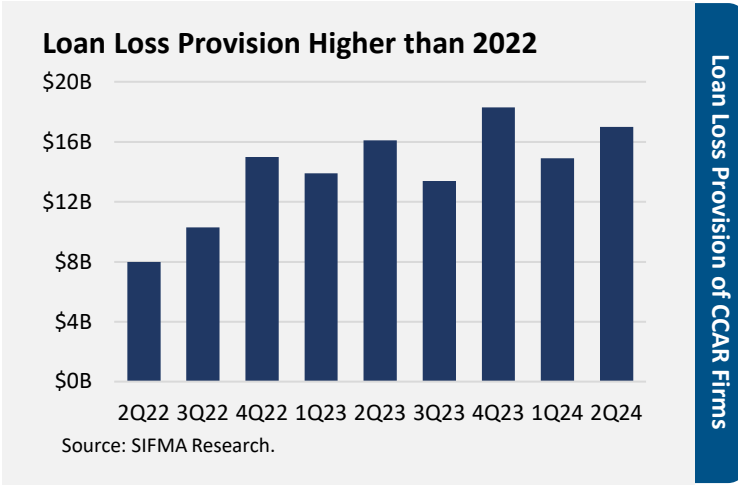
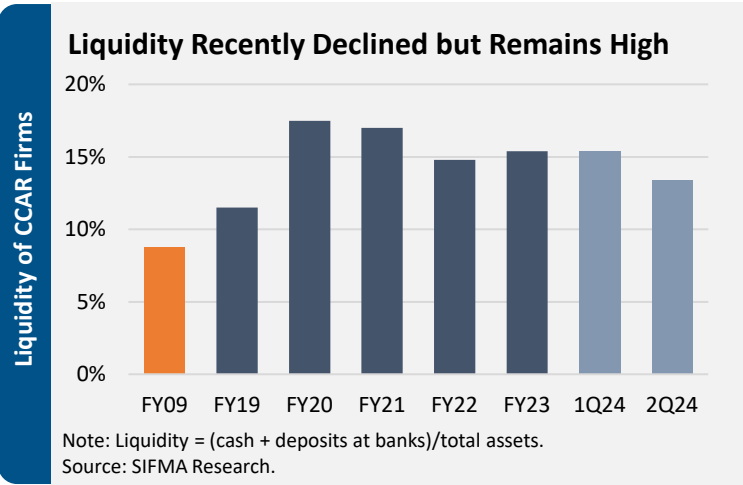
Source: Bloomberg.

US Financial Markets

State of Financial Institutions



Note: *Financial Institutions that fall under the Federal Reserve’s annual Comprehensive Capital Analysis and Review (CCAR).
Source: SIFMA Research.



US Treasury Market

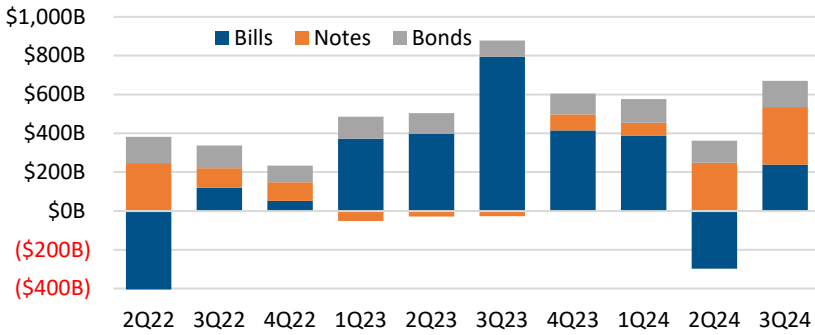
A bedrock of the global financial system, U.S. Treasury securities are debt instruments issued by the U.S. government. The Treasury market is described as the biggest, deepest and most essential bond market on the planet and the benchmark off which nearly all securities around the world are priced. Many factors impact the U.S. Treasury yields, from expectations for policy rates to U.S. fiscal health and credit worthiness, as well as domestic and global economic outlook.

UST Maturity	YTD Average*	2023 Average	Last 10-year Average	Pre-QE Average**
2-year	4.42%	4.64%	1.78%	4.19%
5-year	4.11%	4.06%	2.06%	4.57%
10-year	4.19%	3.96%	2.38%	5.02%
30-year	4.38%	4.09%	2.85%	5.40%

Note: *As of October 30, 2024; **10-year average from 1997–2006, before the first quantitative easing was conducted in 2007.
Source: Bloomberg.

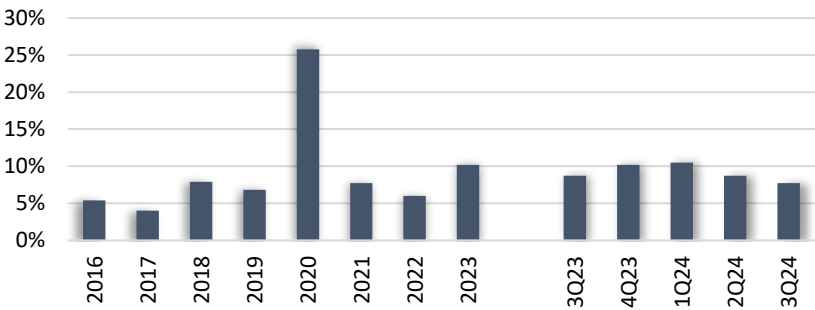
US Financial Markets

Net US Treasury Issuance



Source: SIFMA Research; U.S. Department of Treasury, Bureau of the Fiscal Service.

Change in Total Outstanding US Treasury Securities, YoY

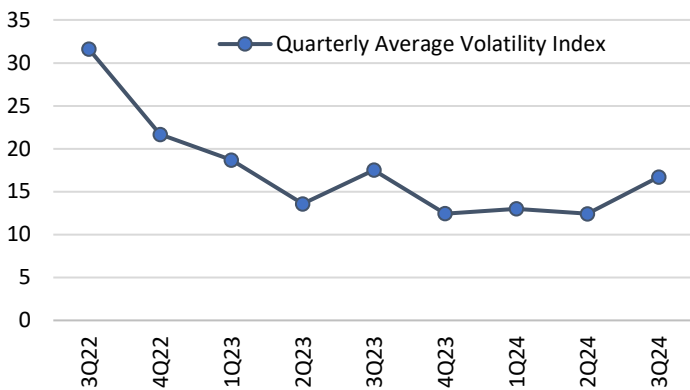


Source: SIFMA Research; U.S. Department of Treasury, Bureau of the Fiscal Service.

US Equity Markets

U.S. equity markets are the largest in the world. Among the deepest, most liquid and most efficient, U.S. equity markets offer narrow bid-ask spreads, low transaction costs and fast execution. High trading volumes are a testimony to high market liquidity. Major stock indices have recently broken records. Volatility increased but has since gradually declined.

Volatility Remains Relatively Low



Source: SIFMA Research.

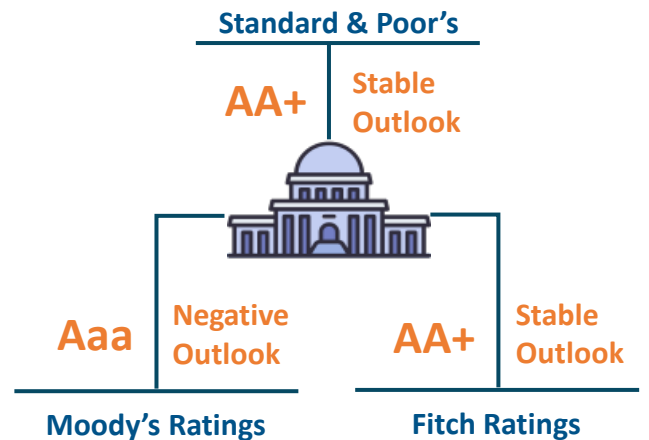
Return Performance Snapshot*

Index	1-month	YTD	1-year	5-year
S&P 500	1.22%	22.98%	39.98%	90.19%
Dow Jones Industrial Average	(0.23%)	11.98%	28.26%	54.43%
Nasdaq	2.88%	26.73%	46.34%	123.13%

Note: *As of October 29, 2024.

Source: Bloomberg.

US Credit Ratings and Outlook

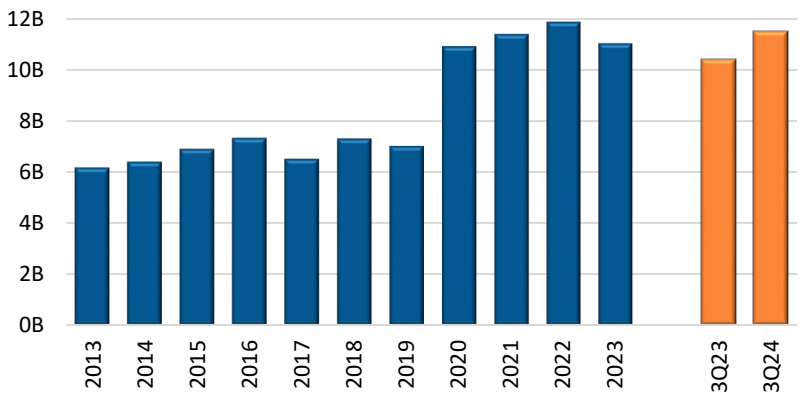


Source: Trading Economics.

Federal Debt Reflects in the Treasury Market

Net issuance and total outstanding of U.S. Treasury securities reflect the increase in U.S. government borrowing. Total outstanding increased at the fastest rate in 2020 as the U.S. increased borrowing to pay for fiscal stimulus. Since 2023, total outstanding has mostly increased at faster rates than pre-COVID years.

Average Daily Volume: Number of Shares Traded



Source: SIFMA Research.

US Equity Market Capitalization



Source: SIFMA Research.

References

Indicator	Data Publisher	Description
Real Gross Domestic Product (GDP)	U.S. Bureau of Economic Analysis	A comprehensive measure of U.S. economic activity, estimating the value of the final goods and services produced in the United States (without double counting the intermediate goods and services used up to produce them). Real GDP adjusts for inflation, expressed in chained dollar. Real GDP growth is the change in real GDP, the most popular indicator of the nation's overall economic health, expressed in percentage. GDP consists of four major accounts: personal consumption, government spending, investment and net exports.
Personal Consumption Expenditures (or Consumer Spending)	U.S. Bureau of Economic Analysis	The largest account of GDP, making up nearly 70%. Measuring consumer spending on goods and services among households, it is used to gauge how much earned income of households is being spent on current consumption for various goods and services.
Government Spending	U.S. Bureau of Economic Analysis	The second largest account of GDP, accounting for over 20%. The account combines federal, state and local government spending and investment. Government spending consists of mandatory spending, discretionary spending and net interest payments.
Gross Private Domestic Investment (or Investment)	U.S. Bureau of Economic Analysis	The third account of GDP and the sum of change in private inventories and fixed investment (residential investment and nonresidential investment).
Net Exports	U.S. Bureau of Economic Analysis	The last account of GDP, measuring the difference between imports and exports of goods and services. U.S. sales are exports and U.S. purchases are imports. Net exports corresponds to the “balance on goods and services”—commonly known as “trade deficit” when negative and “trade surplus” when positive.
Current Account	U.S. Bureau of Economic Analysis	Resembling an income state of the U.S. economy, the current account records exports and imports of goods and services, income from U.S.-owned assets and investments abroad, and income from foreign-owned assets and investments in the United States. Employee pay, U.S. government grants and personal remittances are also included.
“Real” (in Economic Context)	N/A	In economics, the term “real” implies that the indicator is adjusted for inflation.
Purchasing Managers’ Index (PMI)	Institute of Supply Management (ISM)	The index tracks the health of the economy. The ISM Report On Business is based on data compiled from purchasing and supply executives of the manufacturing and services sector nationwide. Survey responses reflect the change, if any, in the current month compared to the previous month.
Industrial Production	U.S. Federal Reserve Bank	The index measures real output in manufacturing, mining and electric and gas utilities. It is expressed as a percentage of real output in a base year, currently 2017.
Consumer Confidence	The Conference Board	The index captures consumer attitudes, buying intentions, vacation plans and consumer expectations for inflation, stock prices and interest rates.
Business Confidence	OECD	The index provides information on future developments, based upon opinion surveys on developments in production, orders and stocks of finished goods in the industry sector.
Federal Debt (or National Debt)	Bureau of Fiscal Service, U.S. Department of Treasury	The amount of money the federal government has borrowed to cover the outstanding balance of expenses incurred over time.
Federal Deficit	Bureau of Fiscal Service, U.S. Department of Treasury	The amount of money by which the federal government’s spending exceeds its revenues in a given fiscal year.
Federal Funds Rate (Target Rate)	Federal Open Market Committee (FOMC)	The term typically refers to the upper-bound of the target range set by the FOMC. It is the rate at which commercial banks borrow and lend their excess reserves to each other overnight. The effective fed funds rate falls within the target range and is calculated as a volume-weighted median of overnight federal funds transactions reported in the FR 2420 Report of Selected Money Market Rates—published by the Federal Reserve Bank of New York.

References (continued)

Indicator	Data Publisher	Description
Productivity	U.S. Bureau of Labor Statistics	A measure of economic performance that compares the amount of goods and services produced (output) with the amount of inputs used to produce those goods and services.
Unemployment Rate	U.S. Bureau of Labor Statistics	The unemployment rate represents the number unemployed—defined as not having a job, having actively looked for work in the prior four weeks, and being currently available for work—as a percent of the labor force.
Labor Force Participation Rate	U.S. Bureau of Labor Statistics	The labor force participation rate is the labor force as a percent of the civilian noninstitutional population. The labor force includes all people age 16 and older who are classified as either employed or unemployed. Conceptually, the labor force level is the number of people who are either working or actively looking for work.
Employment-Population Ratio	U.S. Bureau of Labor Statistics	The ratio represents the number of employed people as a percentage of the civilian noninstitutional population. In other words, it is the percentage of the population that is currently working.
Nonfarm Payroll	U.S. Bureau of Labor Statistics	A measure of the number of U.S. workers in the economy that excludes proprietors, private household employees, unpaid volunteers, farm employees and the unincorporated self-employed. It accounts for approximately 80% of the workers who contribute to GDP.
S&P CoreLogic Case-Shiller National Home Price Index	S&P Global	A composite of single-family home price indices for the nine U.S. Census divisions, tracking changes in the value of residential real estate nationally. The index is calculated using a three-month moving average and non-seasonally adjusted data.
Consumer Price Index (CPI)	U.S. Bureau of Labor Statistics	A measure of the average change over time in the prices paid by urban consumers for a market basket of consumer goods and services. The term “inflation rate” typically refers to the year-over-year change of CPI in a given month.
“Core” (in Inflation Context)	N/A	In inflation context, the term “core” refers to all items excluding food and energy.
Personal Consumption Expenditures (PCE) Price Index	U.S. Bureau of Economic Analysis	A measure of the changing prices of goods and services purchased by consumers in the United States. Because of the different methodologies, CPI and PCE produce different inflation rates. PCE is closely watched by the Federal Reserve.
Employment Cost Index	U.S. Bureau of Labor Statistics	A measure of the change in the hourly labor cost to employers over time. It uses a fixed “basket” of labor to produce a pure cost change, free from the effects of workers moving between occupations and industries and includes both the cost of wages and salaries and the cost of benefits. The Fed uses the index to assess the health of the labor market.
Unit Labor Costs	U.S. Bureau of Labor Statistics	The ratio of hourly compensation to labor productivity. Increases in hourly compensation tend to increase unit labor costs and increases in productivity tend to reduce them.
Supply Chain Pressure Index	Applied Macroeconomics and Econometrics Center	Tracking the state of global supply chains, the index uses data from the Baltic Dry Index and the Harpex index, as well as airfreight cost indices from the U.S. Bureau of Labor Statistics, to measure transportation costs. It also uses several supply chain-related components from PMI surveys, focusing on manufacturing firms across seven interconnected economies: China, the euro area, Japan, South Korea, Taiwan, the United Kingdom and the U.S.
National Financial Conditions Index	Federal Reserve Bank of Chicago	A composite of U.S. financial conditions in money markets, debt and equity markets, and the traditional and “shadow” banking systems.
Producer Price Index (or Wholesale Inflation)	U.S. Bureau of Labor Statistics	A measure of the average change over time in the selling prices received by domestic producers for their output. The prices included in the index are from the first commercial transaction for many products and some services.
Volatility Index	Chicago Board Options Exchange (Cboe)	A measure of constant, 30-day expected volatility of the U.S. stock market, derived from real-time, mid-quote prices of S&P 500 Index call and put options.



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20701 Cooperative Way
Dulles, VA 20166
www.nrucfc.coop