

# Leading Index

*Not Yet*

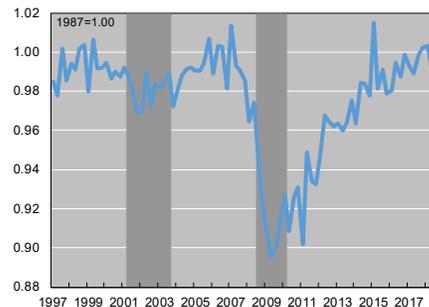
As we mentioned in the Outlook section, there seems to be a never ending parade of articles in the news these days with predictions about when the next recession might start. Well, our Leading Index says, “Not Yet.”

We have also noted the up and down nature of the index recently, with the index going up one month, down the next, then up, then down. It simply is not giving a clear signal that all is well or something wrong is looming. This matches well with the volume of information being thrown at decision makers attempting to position their ventures for whatever is coming. Mixed messages from the data is creating mixed responses which then causes more mixed data. It is relentless and is likely to continue until there is some stability within the markets.

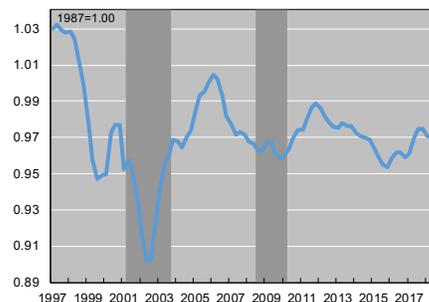
Moreover, the components of the index

have been mixed, with some showing strength and others showing weakness and different components increasing or decreasing quarter to quarter. But this quarter, almost all of the components showed improvement from 2018 Q4. Only the spread between the 10 year and 2 year bond rates declined (with the yield curve flattening a little over the specific period covered in the update). With all that, the index seems to be saying “Not Yet” when it comes to predicting a downturn in the near future. So more of the same until the data suggest something more definitive.

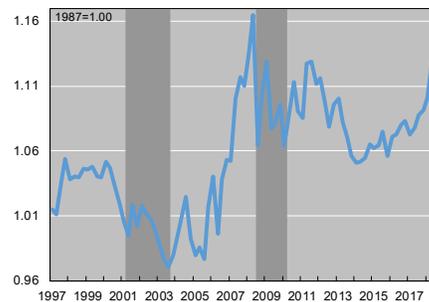
**Puget Sound Housing Permits**



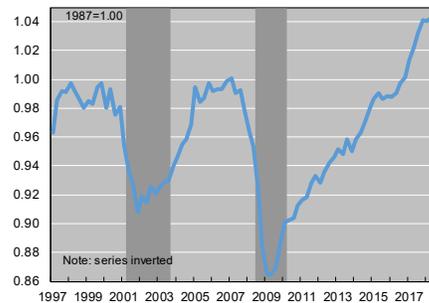
**Boeing Backlog-Delivery Ratio**



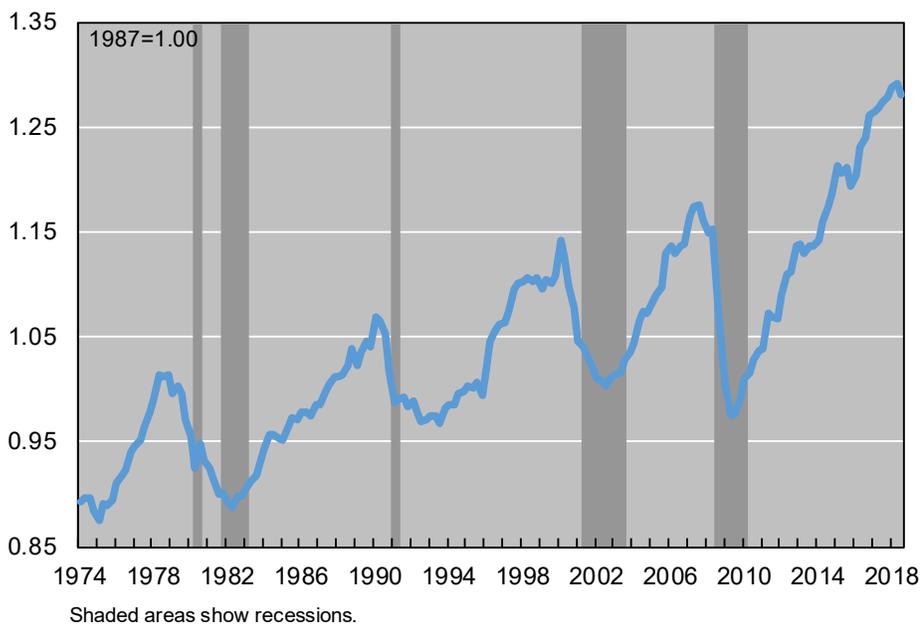
**Washington Manufacturing Hours**



**Puget Sound Initial Claims for Unemployment Insurance**



**Puget Sound Index of Leading Economic Indicators**



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