Even Greater Uncertainty
About as confident as we were this time last year.
Still spending, but growth is slowing.
Personal consumption expenditure data for flowers, seeds, & potted plants

Table 2.4.5U. Personal Consumption Expenditures by Type of Product

Source: U.S. Bureau of Economic Analysis

Flowers, seeds, and potted plants
Personal consumption expenditure data for flowers, seeds, & potted plants vs. PCE for pet supplies

Just not enough.
Consumers
2018 Index of prices paid by growers = 126.8

+3.51% YOY
The National Association of Home Builders (NAHB) Housing Market Index (HMI) rates the relative level of current and future single-family home sales. A reading above 50 indicates a favorable outlook on home sales; below 50 indicates a negative outlook.

Current level is 64
• Unemployment rate 3.7%; U6 rate 7.2%
• Labor force participation rate at 62.9% - same YOY
• Avg hourly earnings up 1.3% YOY
• CPI up 1.8% YOY
• Last 29 mos. 221,000; First 29 mos. 194,000
• 6.7M vacancies vs. 6.4M workers
Freight/Trucking Costs declining, industry hiring.
Not as good a scorecard as last year.
Better than expected, but not as good as it looks.
When will the next recession start?
Financial sector risk is negligible.
Growing slower than historic average.

"When the CFNAI-MA3 value moves below -0.70 following a period of economic expansion, there is an increasing likelihood that a recession has begun. Conversely, when the CFNAI-MA3 value moves above -0.70 following a period of economic contraction, there is an increasing likelihood that a recession has ended." (from the Chicago Fed Release)
17-34 months from Dec 2017
Leading economic index is flattening.
25% chance of recession in 2019

50% chance of recession in 2020

80% chance of recession in 2021

• Ceteris paribus
What could derail this outlook?

- Monetary policy gone awry.
- Trade war effects.
- OPEC reneging on output deal.
- Bubble bursting.
- Recession in China/Europe.
American Hort
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