

The National Bureau for Economic Research (NBER) are the final arbiters of recession dating in the U.S. They take forever to proclaim specific starts and ends to expansions so all the revisions can "work their way through" and they can be dead accurate. Given these proclamation lags can take up to 12 months, their announcements are good for historical, academic and back-testing use only.

The NBER does not define a recession in terms of two consecutive quarters of decline in real GDP. Rather, a recession is a significant decline in economic activity spread across the economy, lasting more than a few months, normally visible in real GDP, real income, employment, industrial production, and wholesale-retail sales.

They will be examining 4 co-incident indicators: 1:Industrial Production, 2:Real personal income less transfers deflated by personal consumption expenditure, 3:Non-farm payrolls and 4:Real retail sales deflated by the consumer price index.

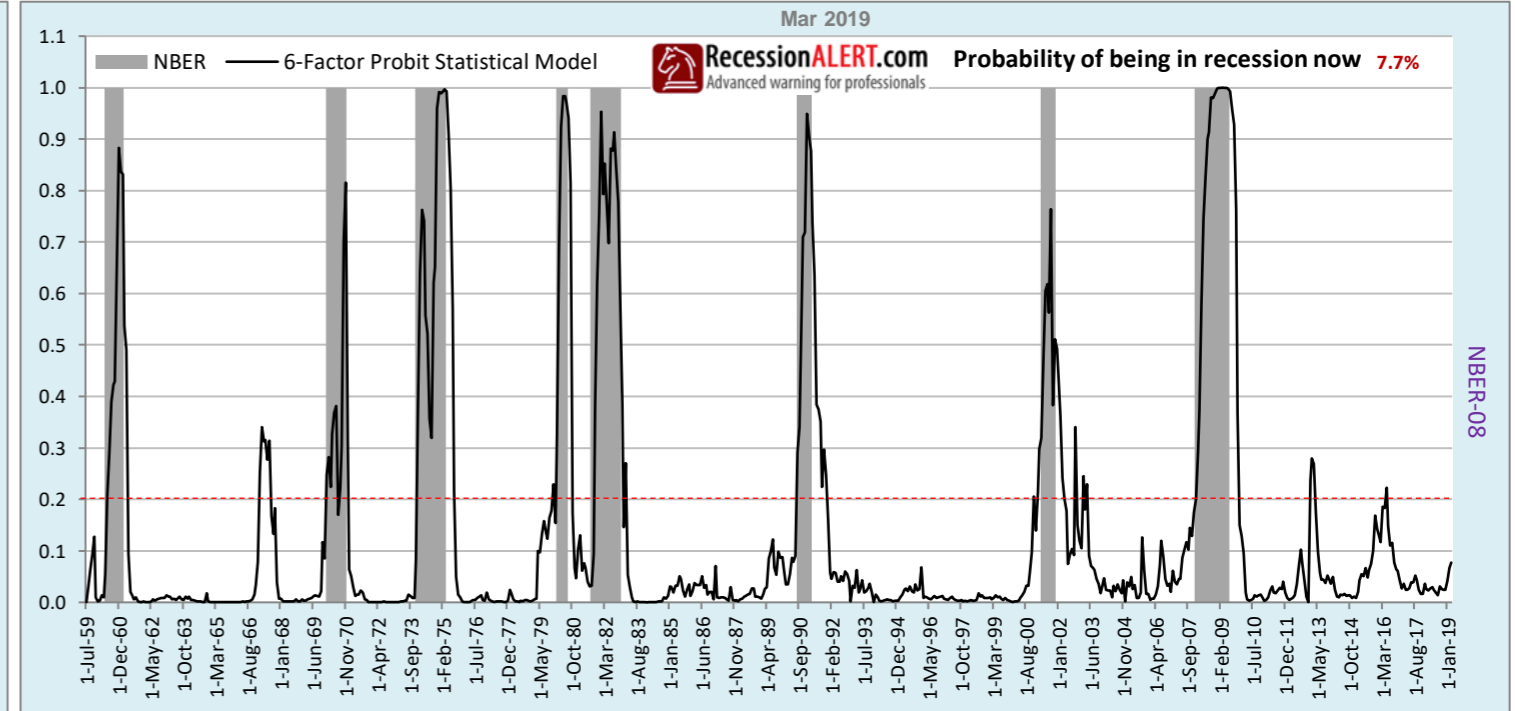
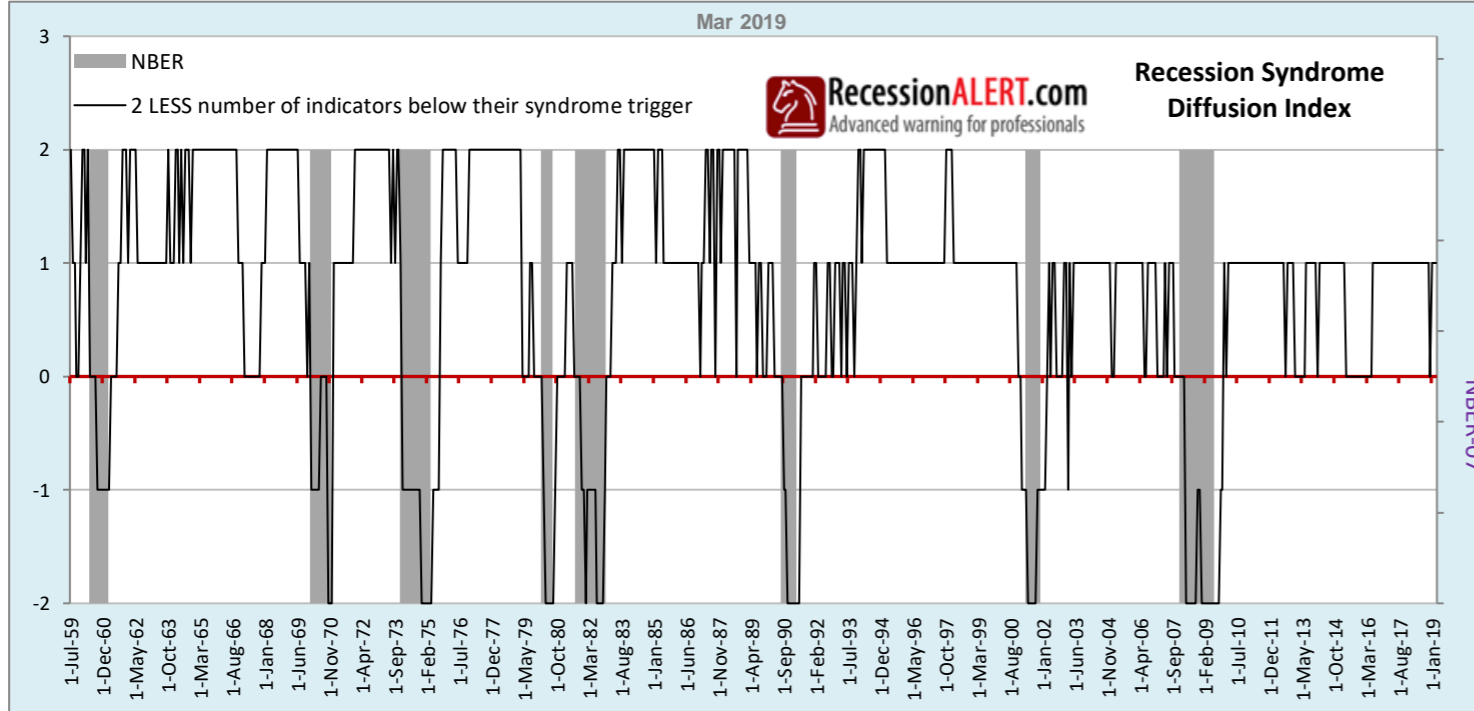
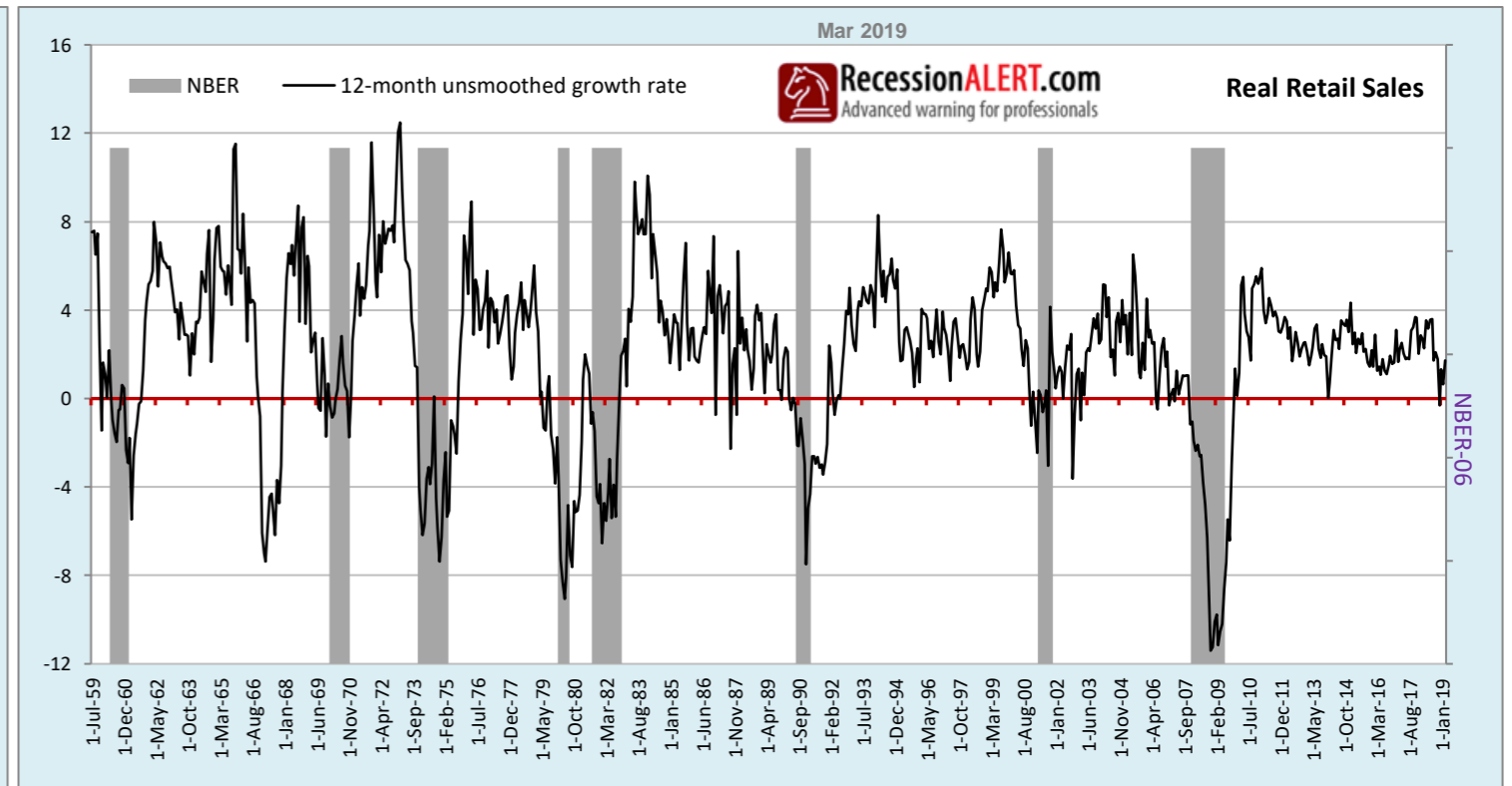
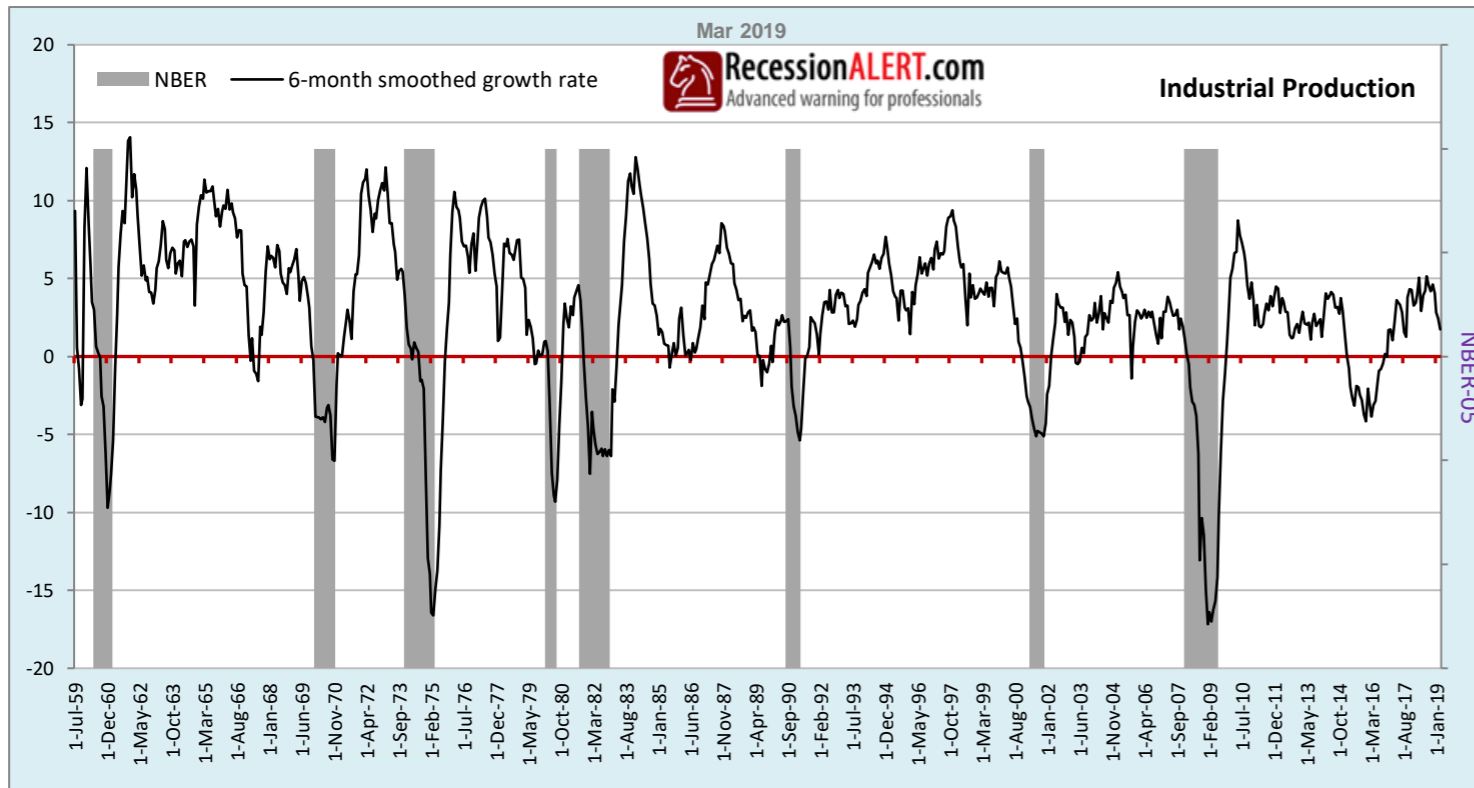
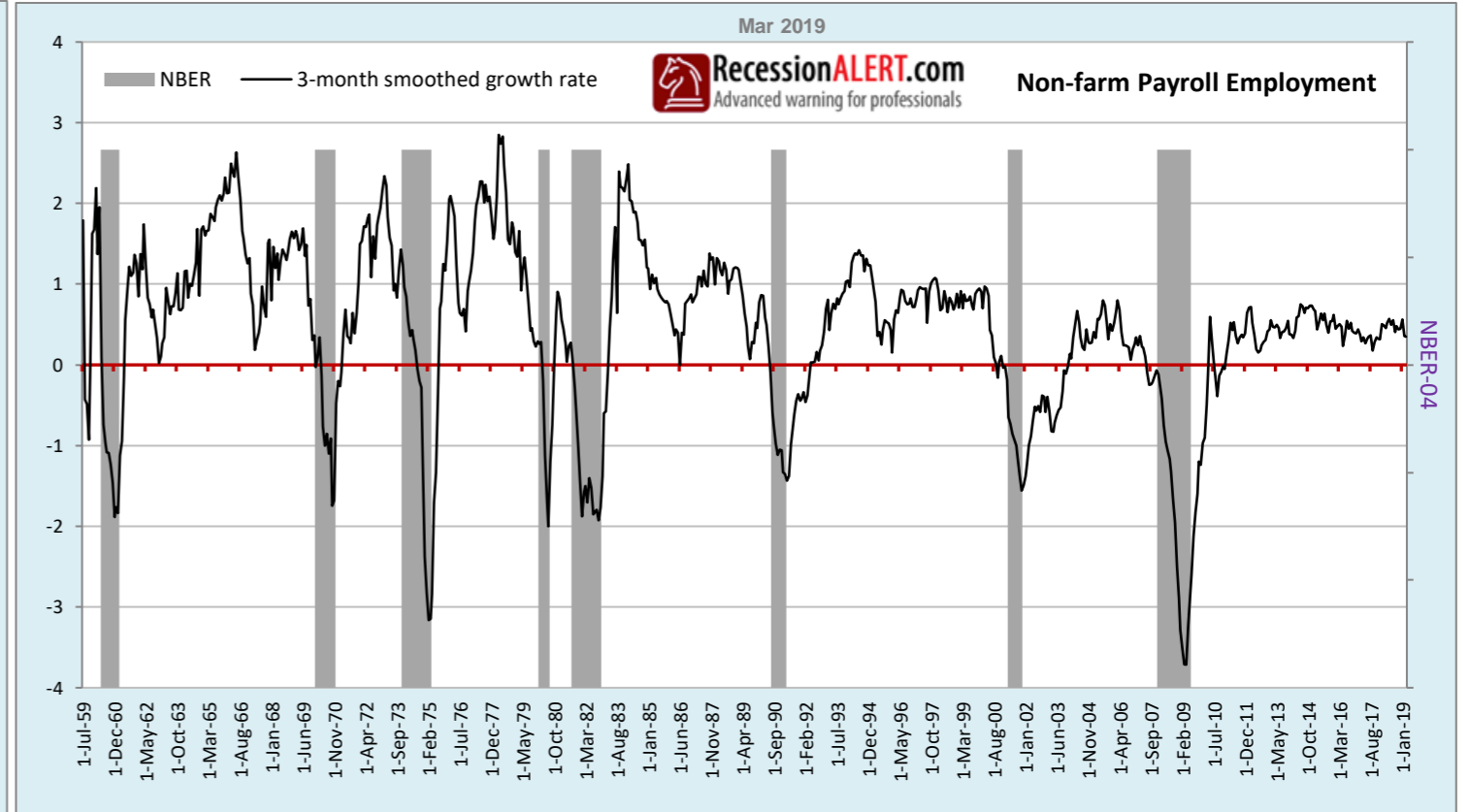
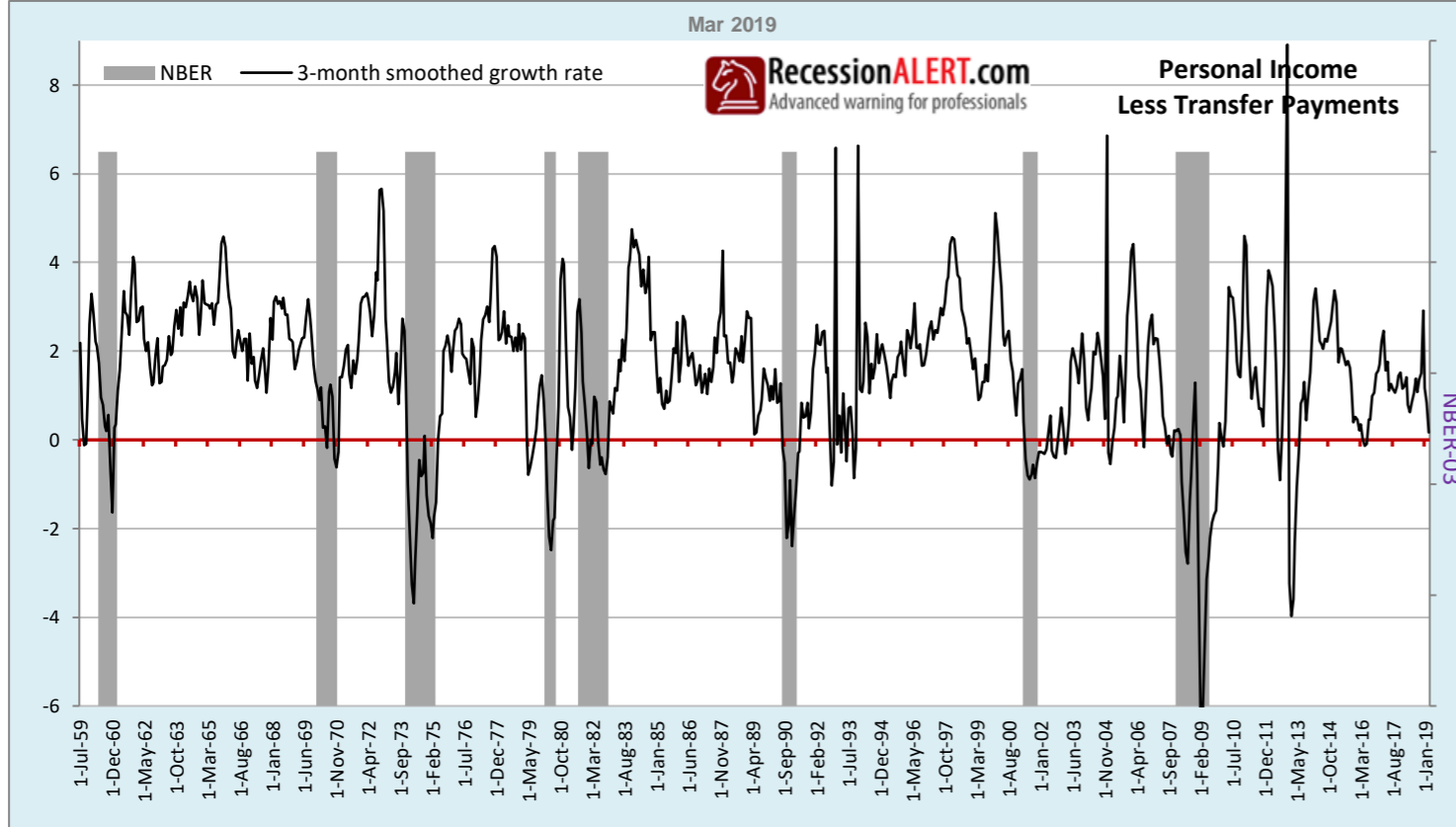
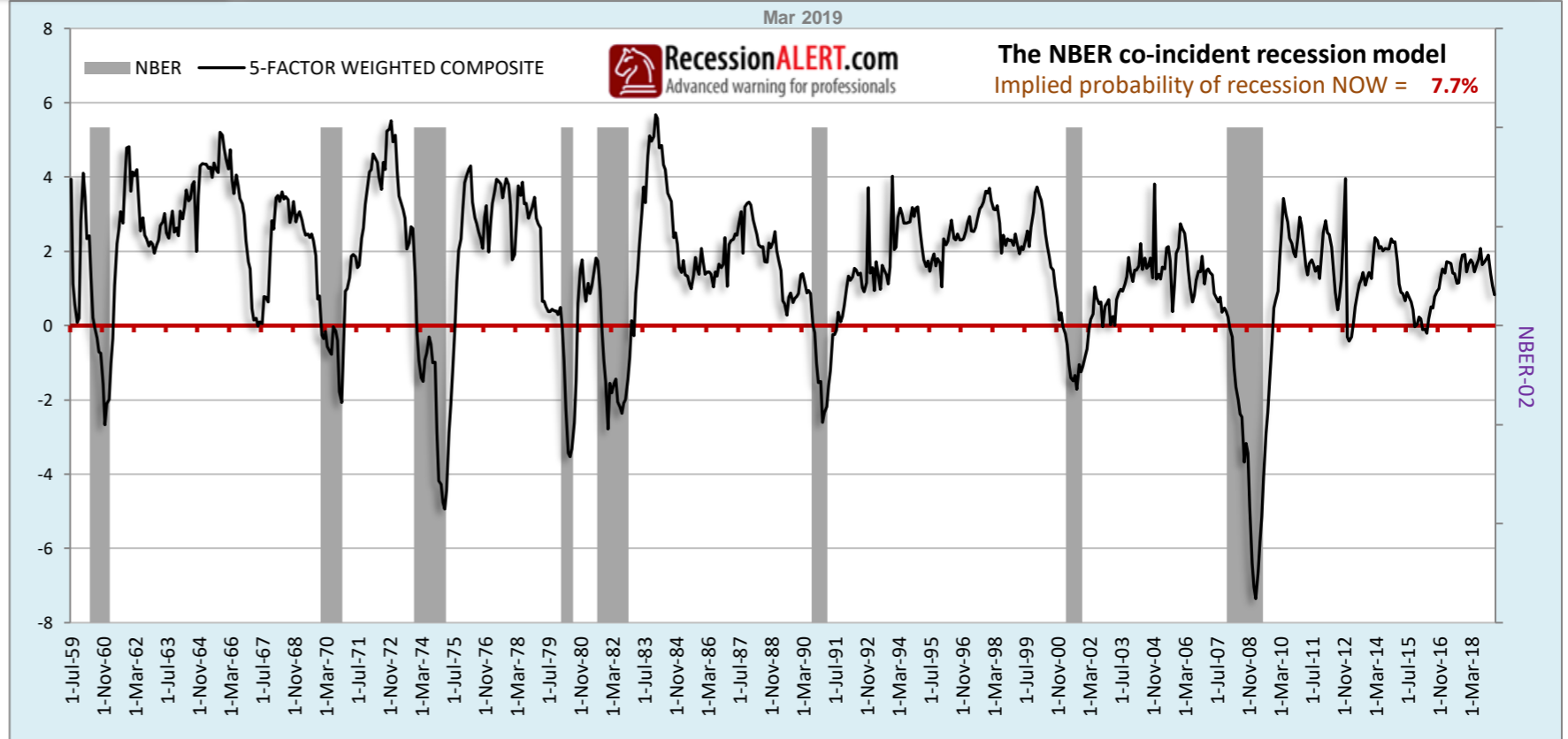
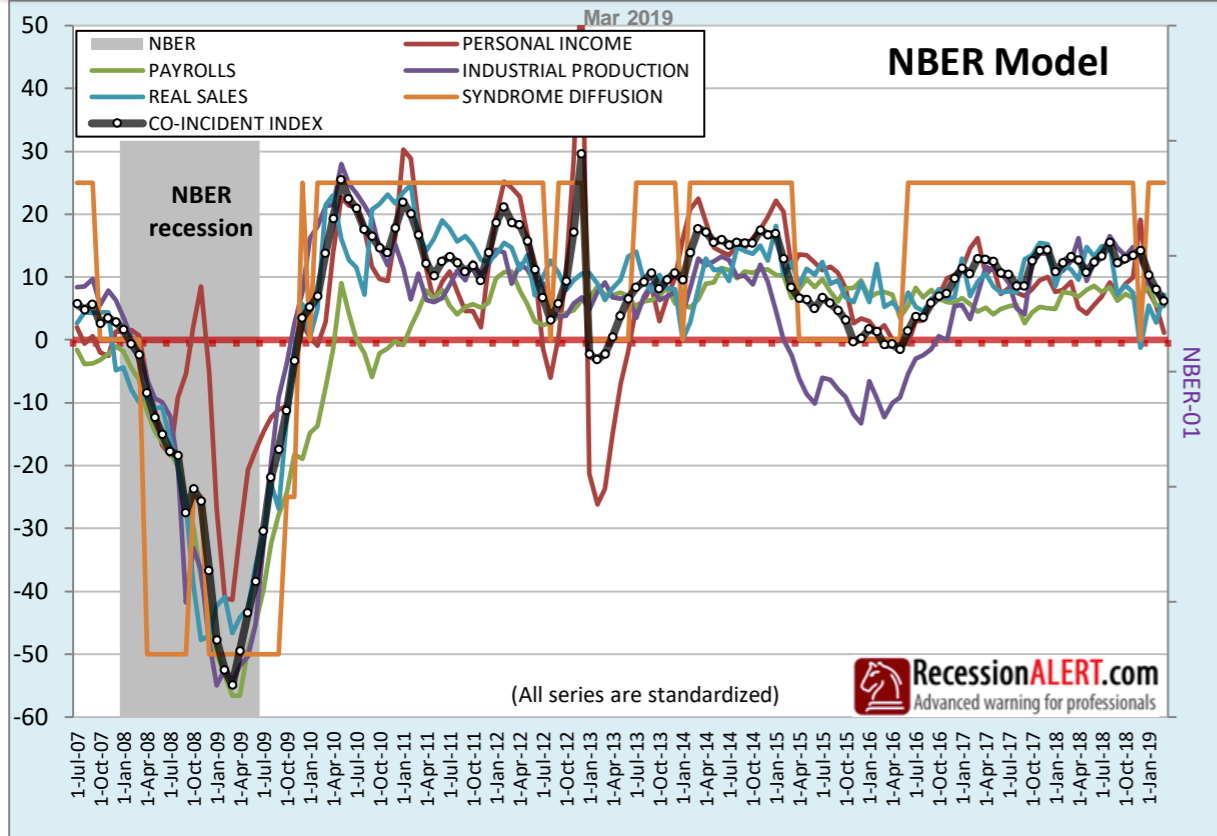
The aim of this report is to apply traditional recession forecasting and probability modelling techniques to these 4 co-incident indicators so that we can "see what the NBER are seeing."

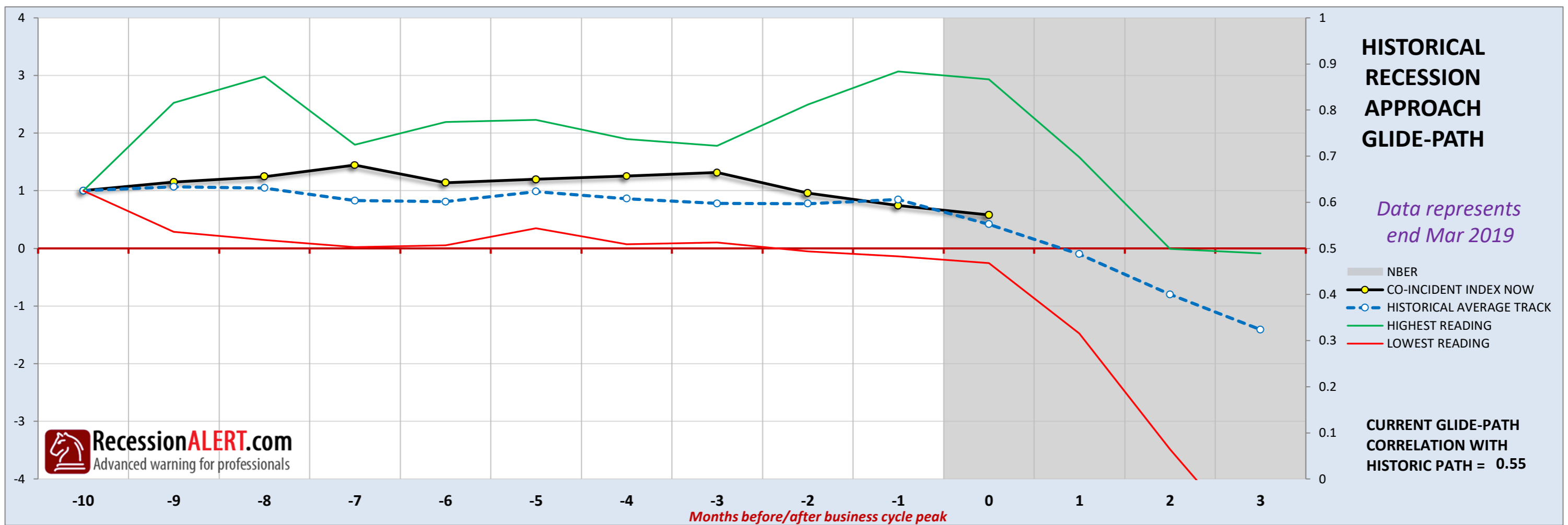
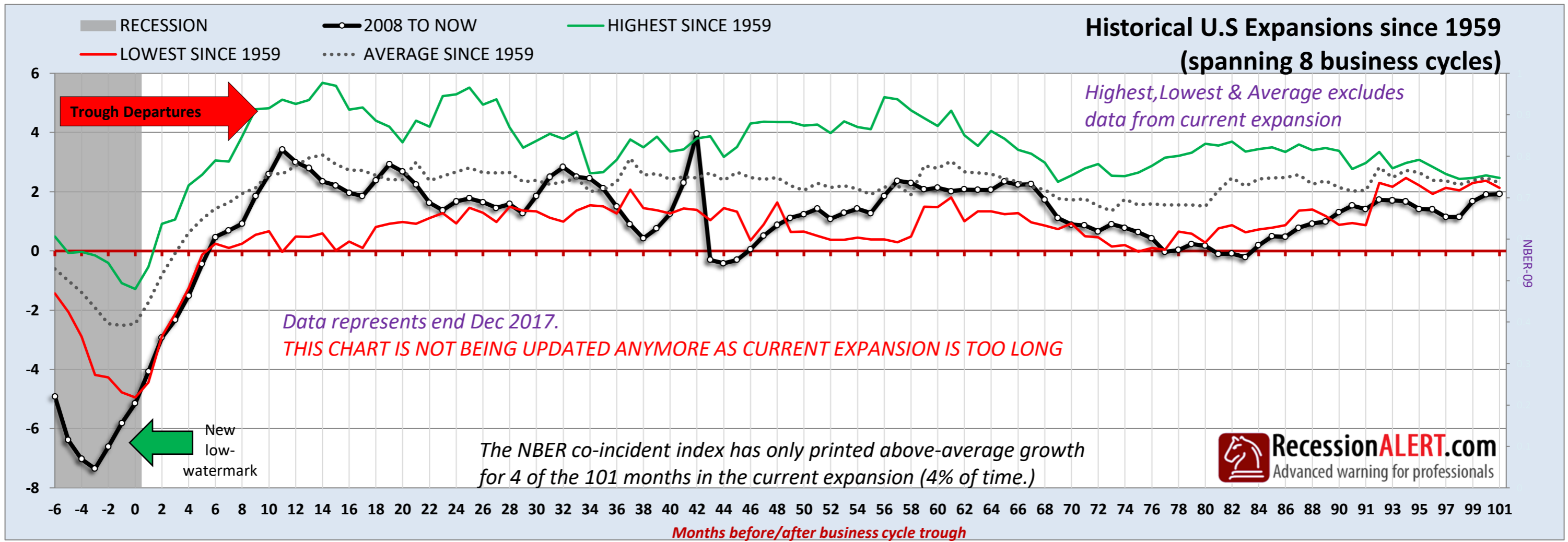
Bear in mind, the 4 components are co-incident and thus the recession model we build is likely to be at least 1-month lagging in its determinations. The aim here is not "real-time forecasting" of recessions (we use the Recession Forecasting Ensemble for this) but to obtain "confirmation of last resort" that we are indeed in recession.

This is a very robust model that has been "walked forward" for backtesting checks. You can see the Research Note on this model at <http://recessionalert.com/the-nber-recession-model-project/>

For best reading, select  
**VIEW-->ZOOM-->FIT VISIBLE**  
(or hit Control-3 on keyboard)

**NOTE : THERE ARE NEW CHARTS ON PAGE TWO OF THIS REPORT!**





**BIG-4 TRIPLE-SYNDROME COUNTING MODEL :**  
These 4 charts below depict the NBER BIG-4 Syndrome Model discussed in this research paper : <http://recessionalert.com/nbers-big-4-indicators-had-a-narrow-miss/>. (Click this box to go read it.)  
The model should be used in conjunction with the Classic Big-4 Model depicted on the first page of this report.

