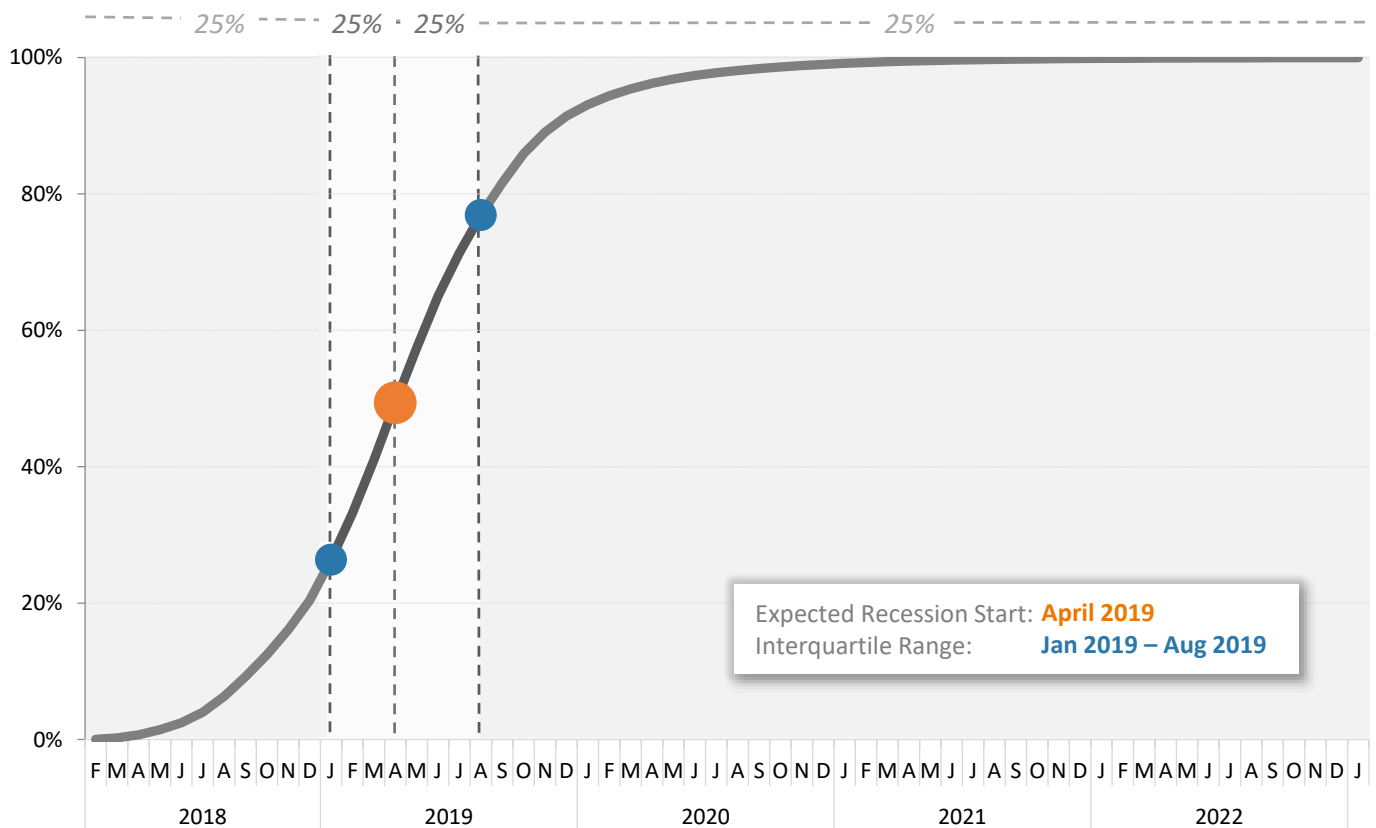


Intensity 2018 January Recession Outlook: Recession risk seen strengthening this year

As of January 18, 2018

Cumulative Probability of Recession Start



Summary

At the time of this market perspective publication, the expected recession start date is April 2019. Indeed, there are a couple of interesting observations from this chart:

- The probability of a recession starting in the next 12 months is around 26%.
- The interquartile range has reduced to a relatively narrow 8-month window, indicating a higher probability that the next recession may occur within the next 20 months.

Intensity's recession forecast models have steadily predicted the expected recession start for the first half of 2019 over the past year. However, as economic policies and conditions change, so may our outlook.