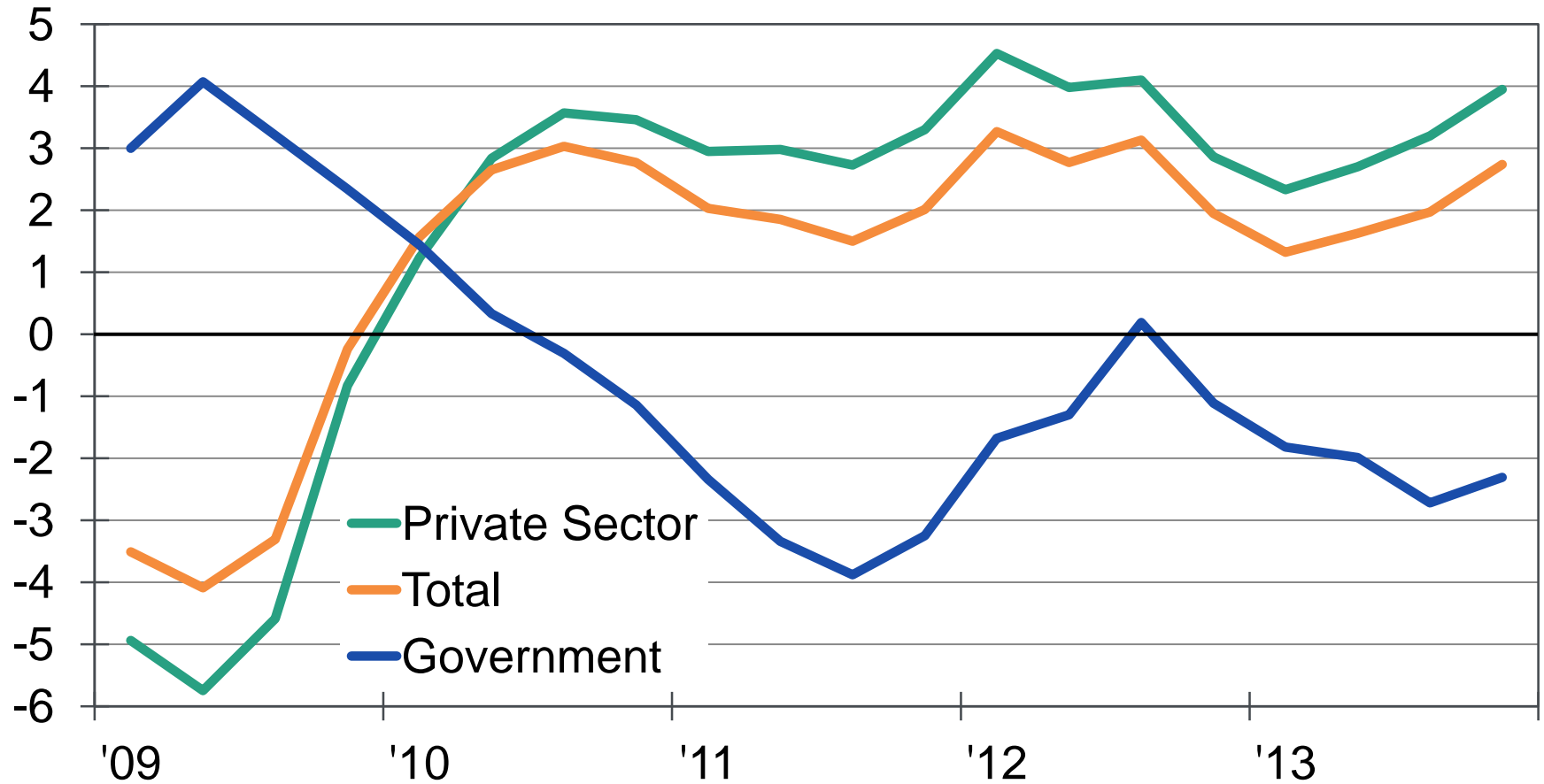


# **A Breakout Year For the U.S. Economy**

**STEVE COCHRANE, MANAGING DIRECTOR**

# Fiscal Headwinds Are Set To Fade

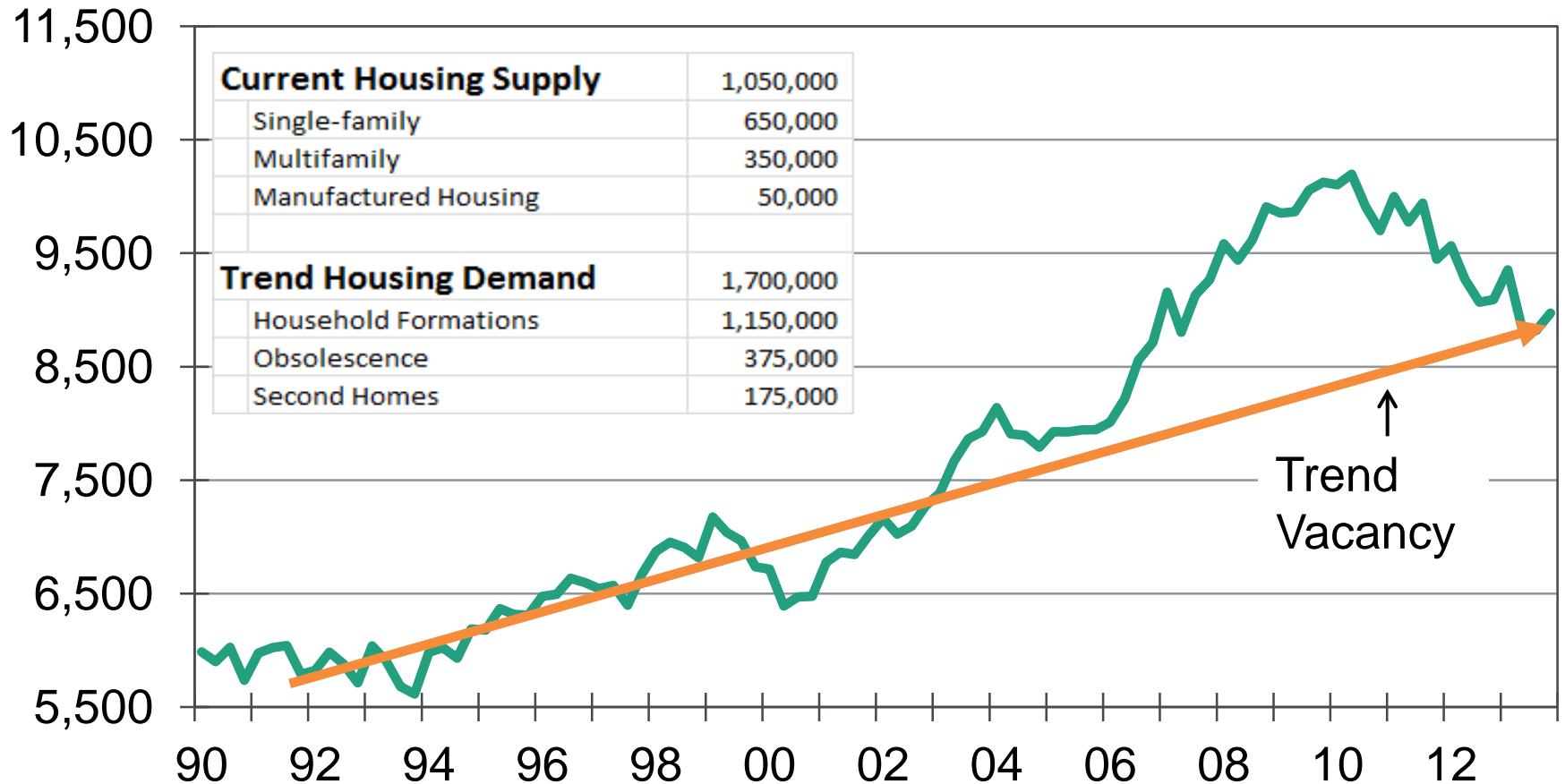
GDP, % change yr ago



Sources: BEA, Moody's Analytics

# Housing Will Soon Be Undersupplied

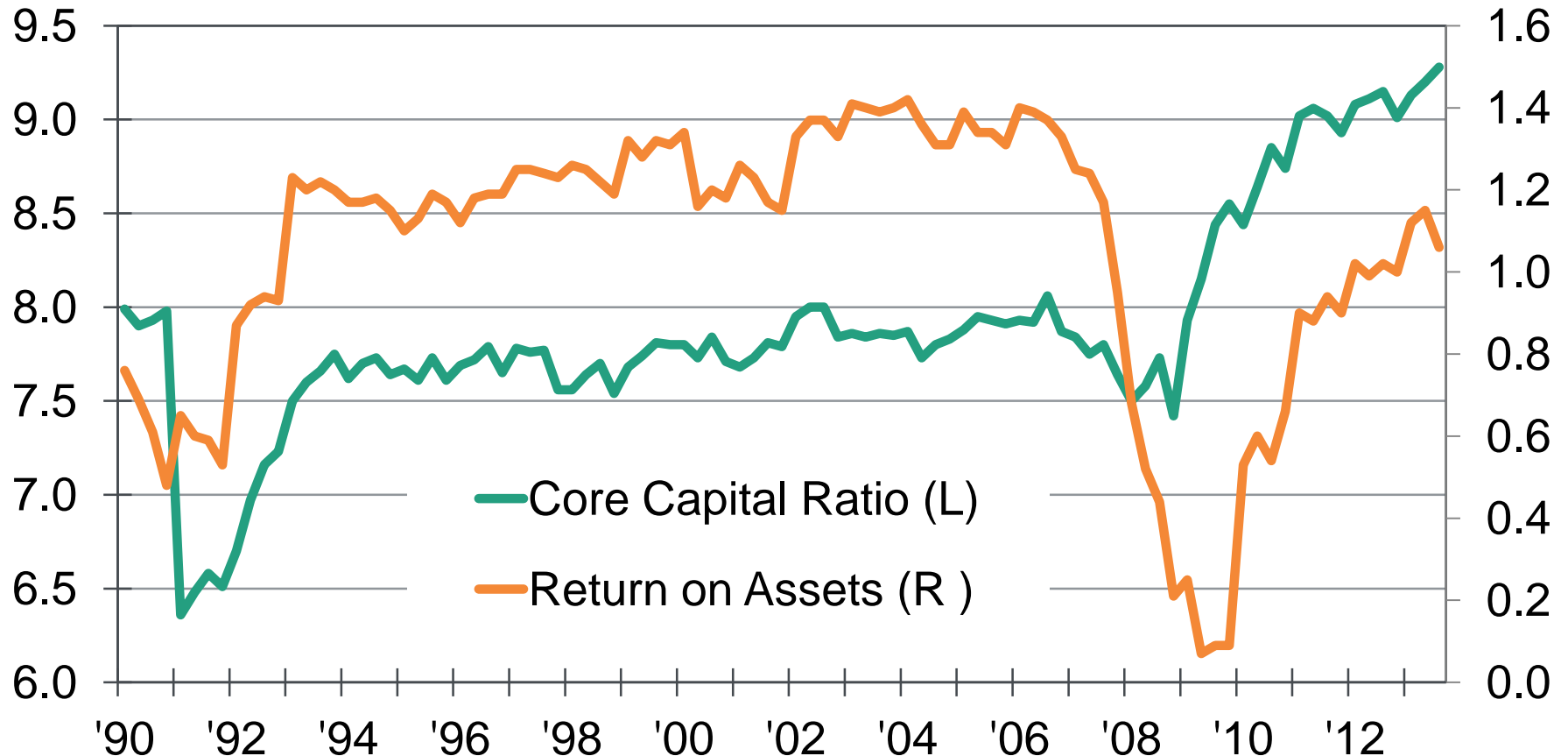
Vacant homes for sale, for rent and held off market, the



Sources: Census, Moody's Analytics

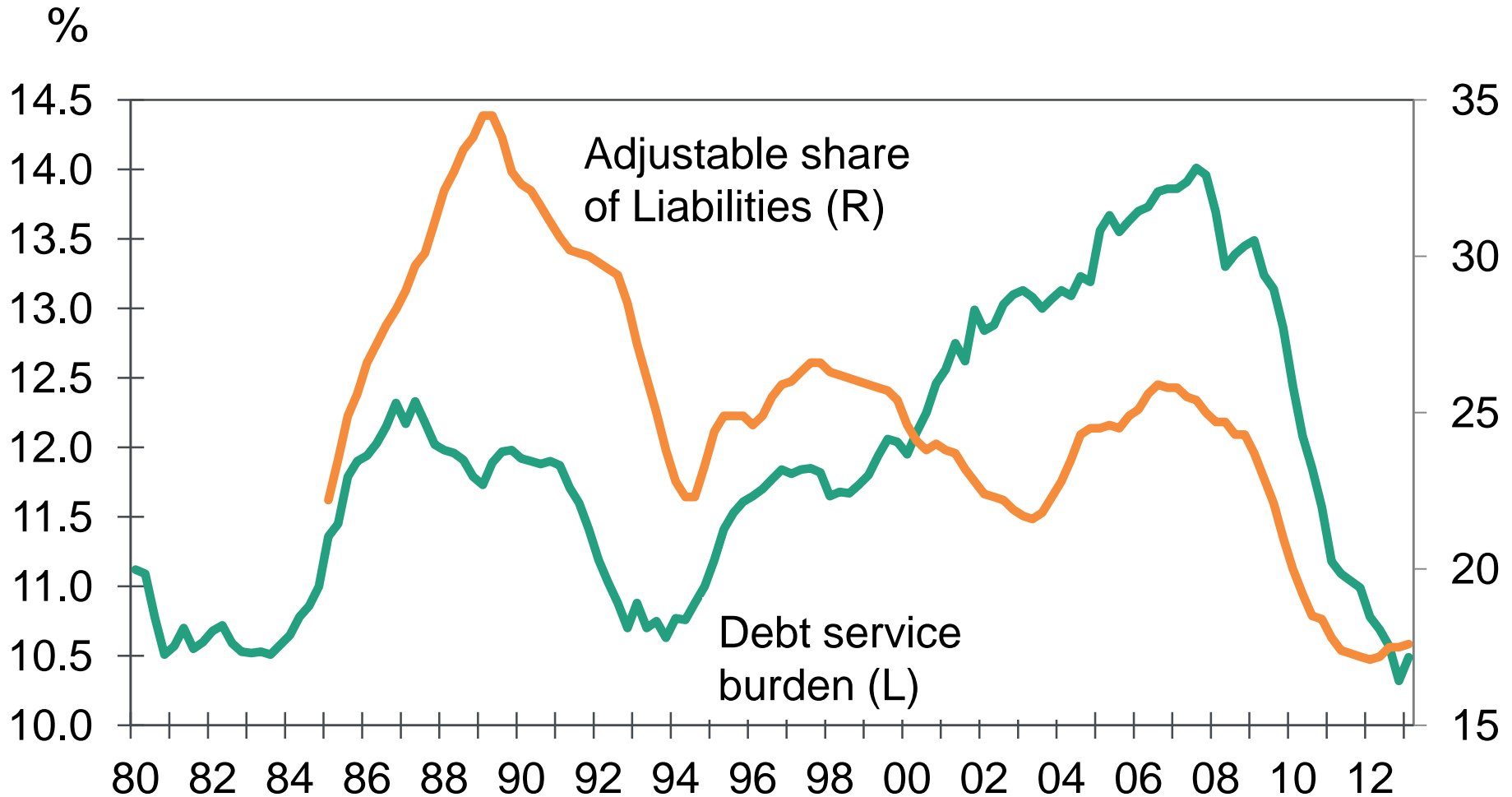
# Banks Are Well-Capitalized and Profitable

## Commercial banks



Source: FDIC

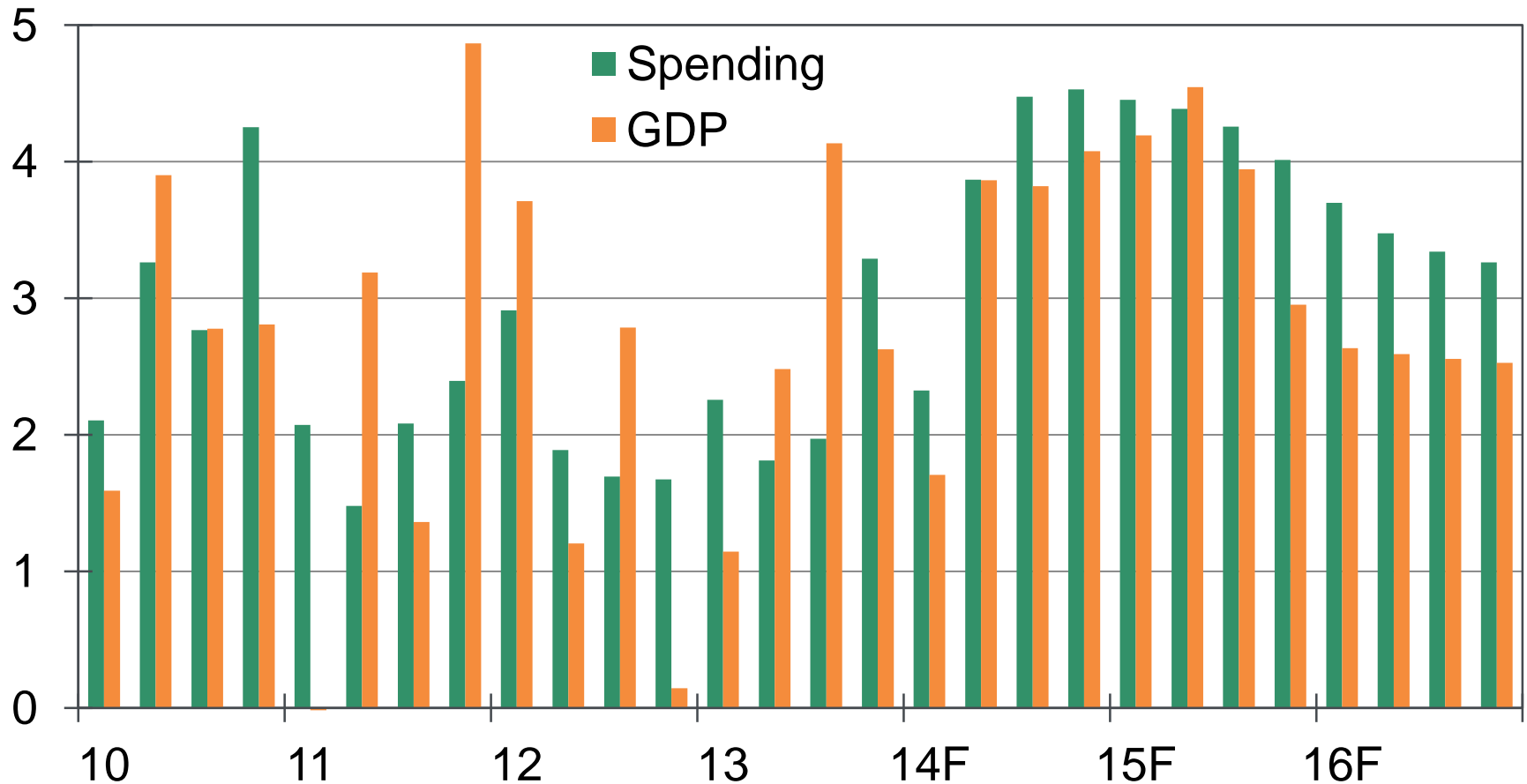
# Households De-Lever and Lock-In...



Sources: Federal Reserve, BEA, Moody's Analytics

# ... And Consumers Will Lead the Recovery

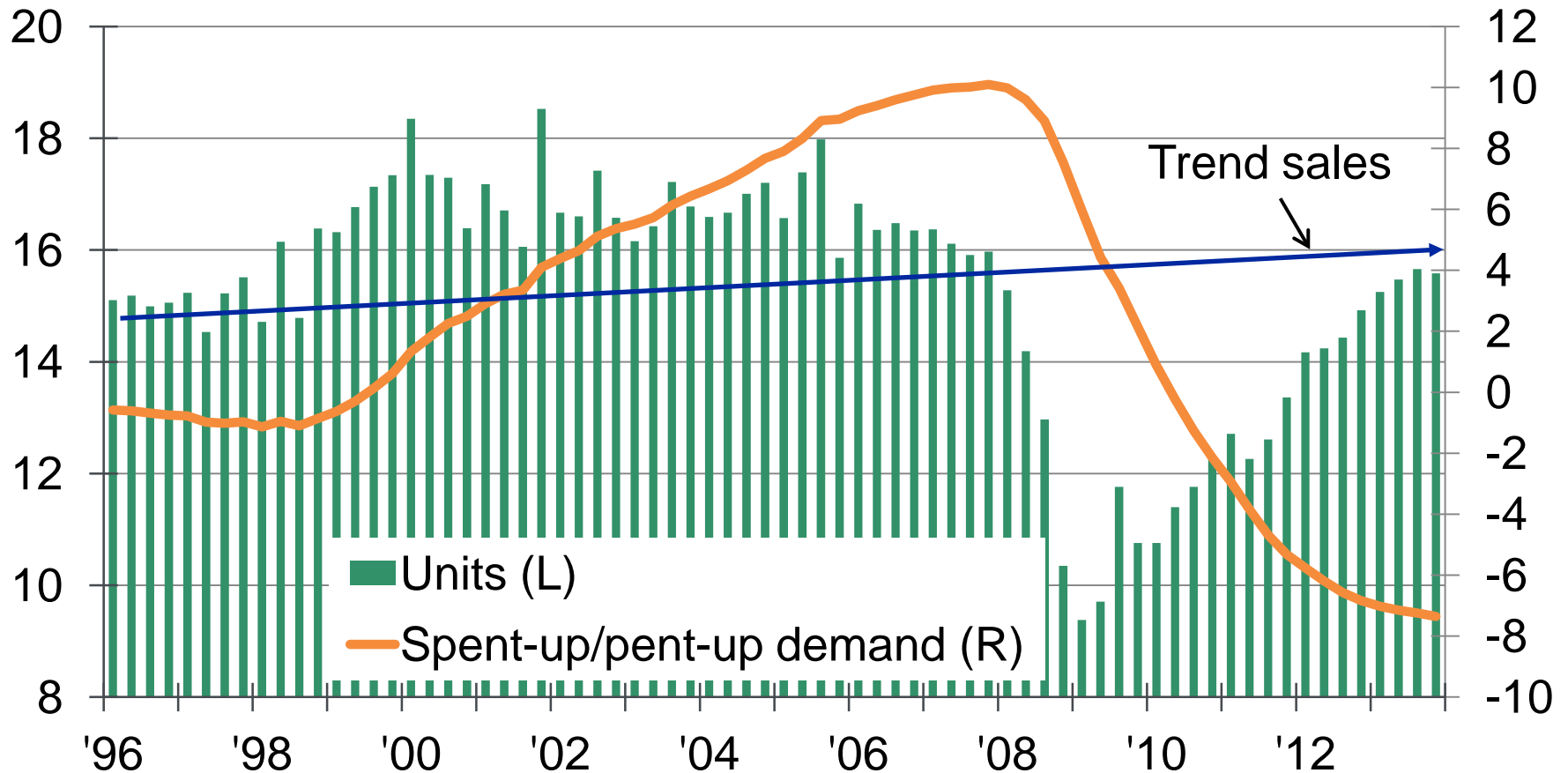
Real GDP and spending, annualized % change



Sources: BEA, Moody's Analytics

# Vehicle Pent-Up Demand Mounts...

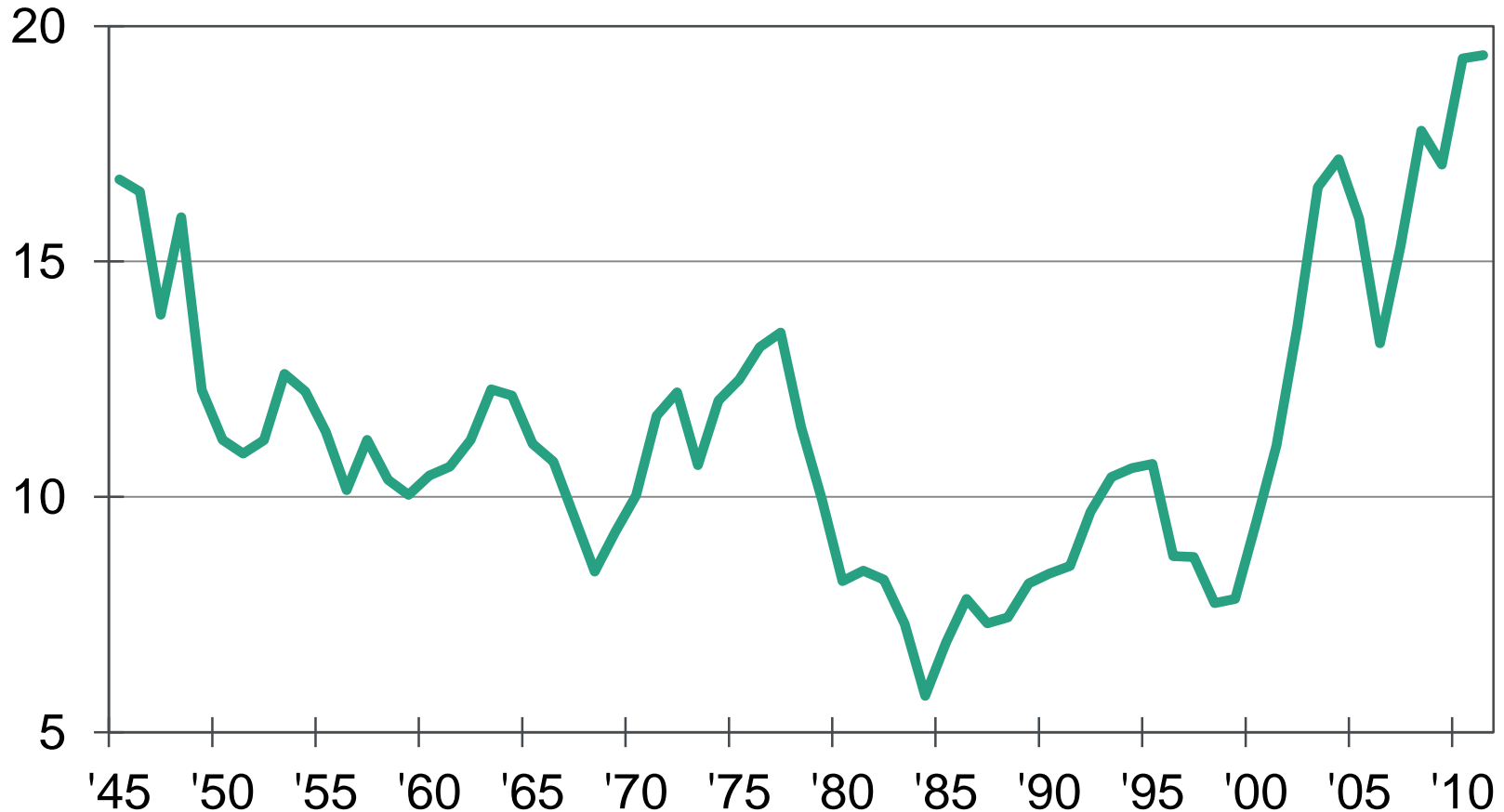
Light vehicle sales, mil



Sources: BEA, Moody's Analytics

# Businesses Have Never Been as Profitable

After-tax corporate profit margin, %

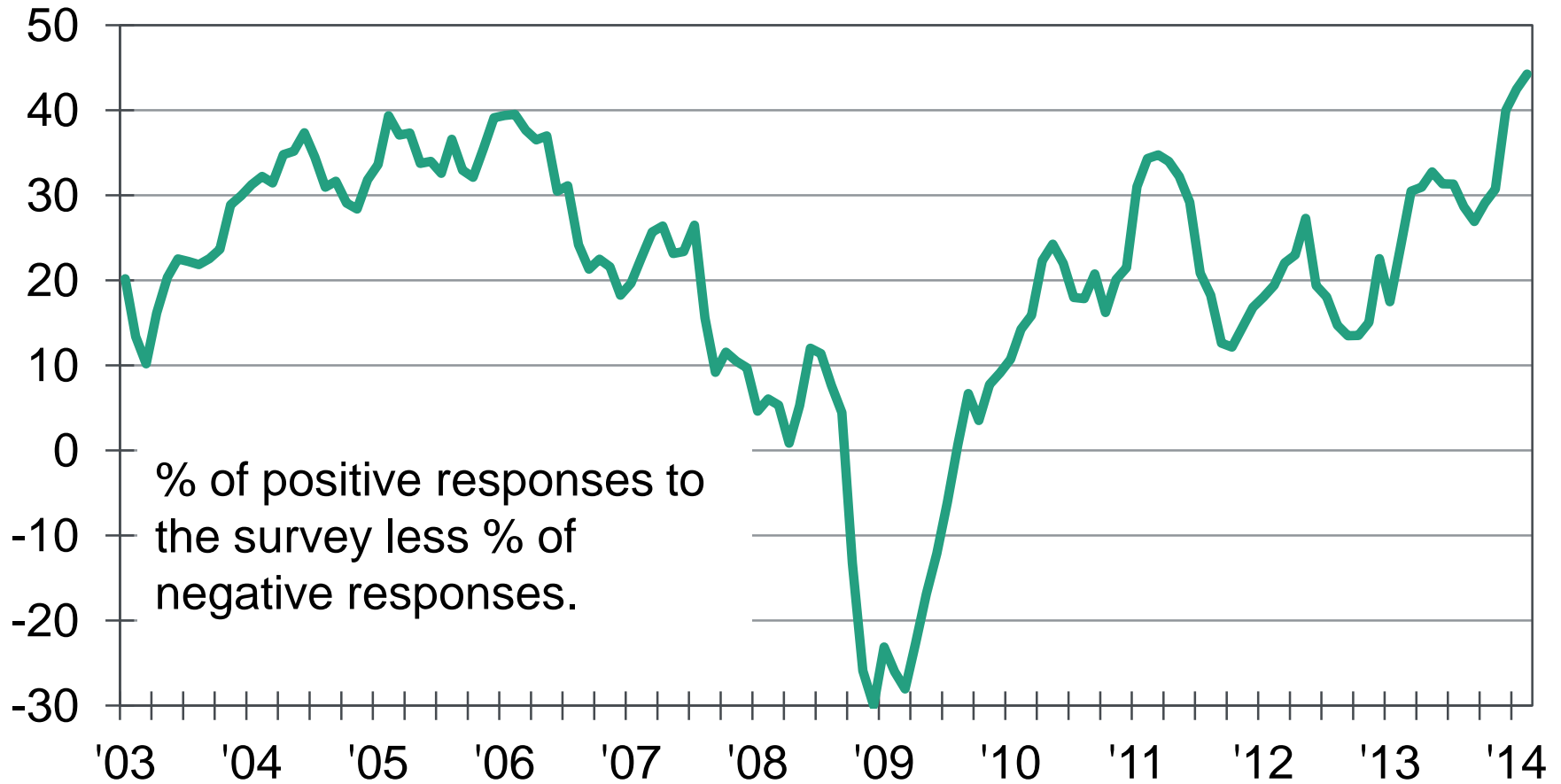


Sources: BEA, Moody's Analytics



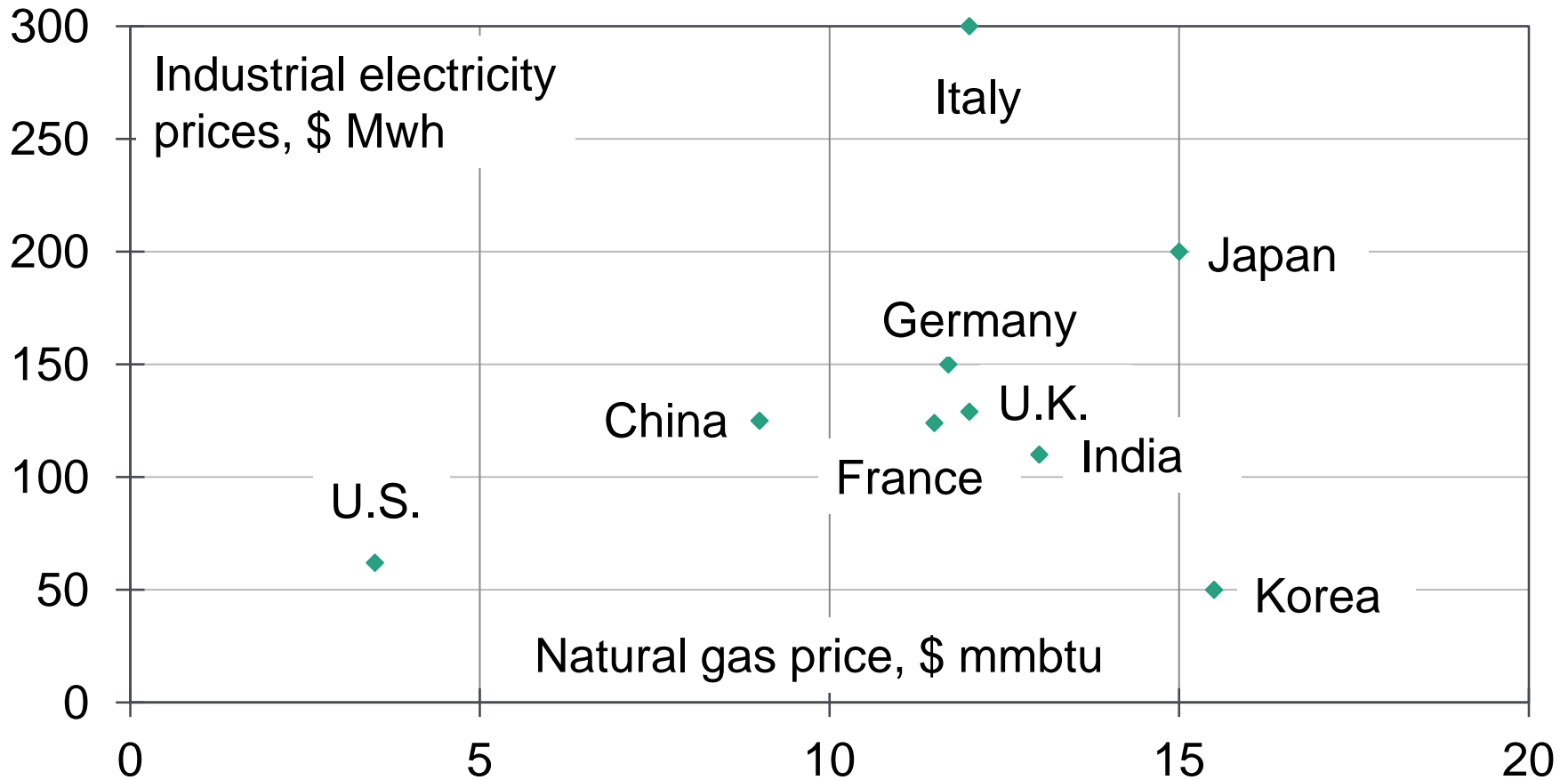
# Businesses Get Their Groove Back

U.S. business confidence diffusion index



Source: Moody's Analytics

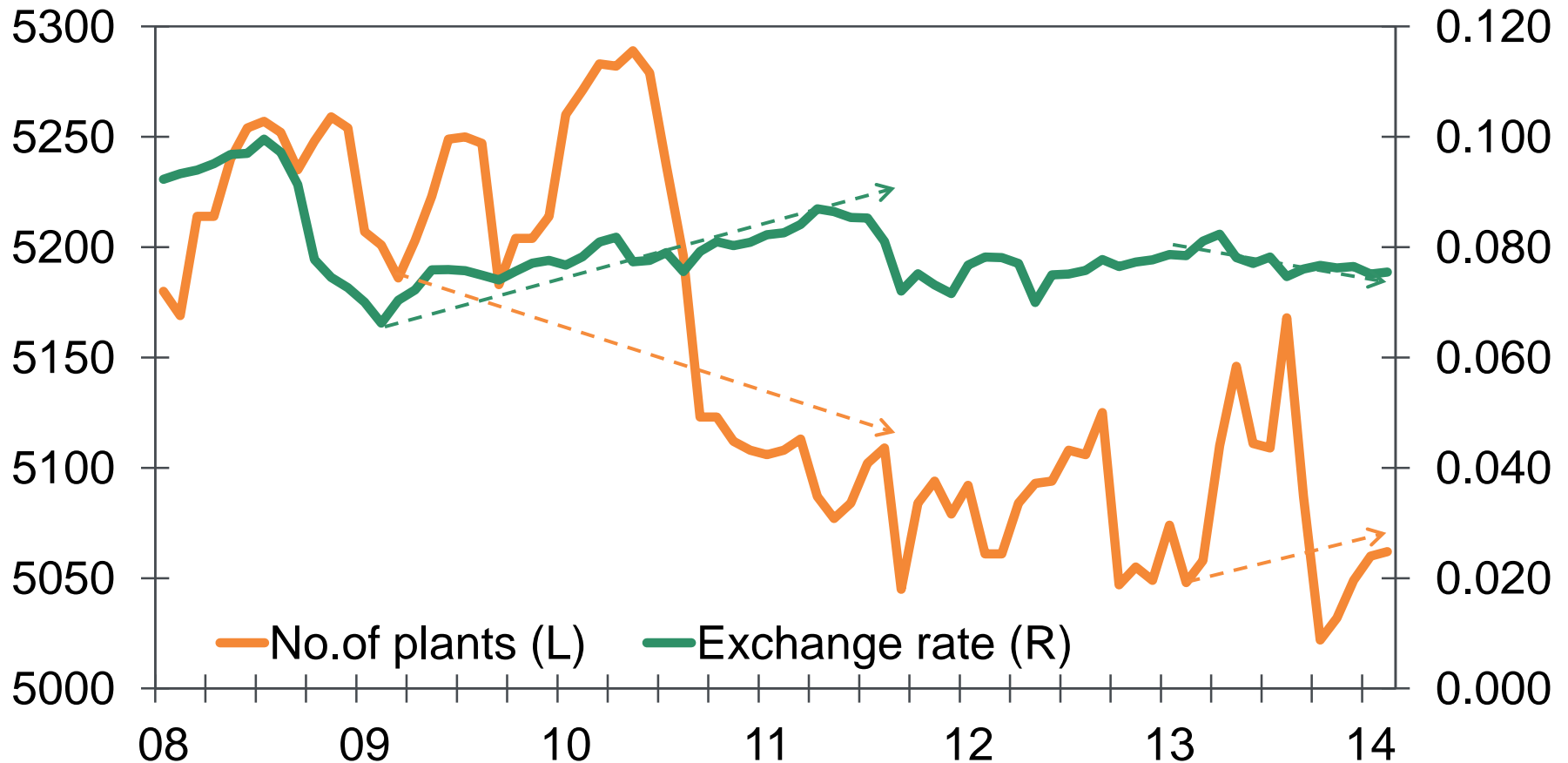
# U.S.'s Energy Advantage



Sources: Country sources, Moody's Analytics

# The Return of Maquiladoras?

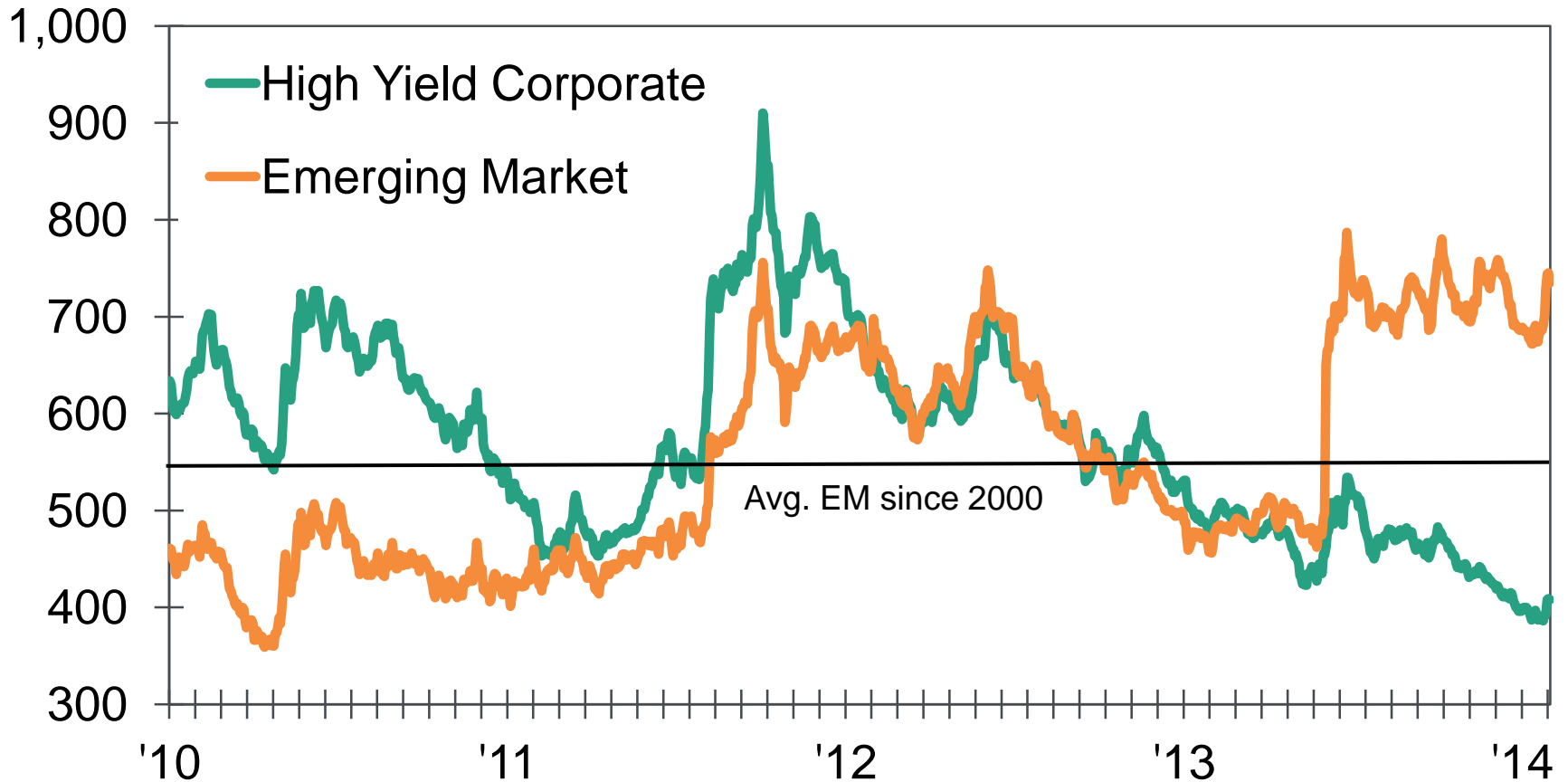
Number of plants (L) and exchange rate (USD per peso) (R)



Sources: INEGI, Moody's Analytics

# Fed's Taper Will be Especially Tricky for the EMs

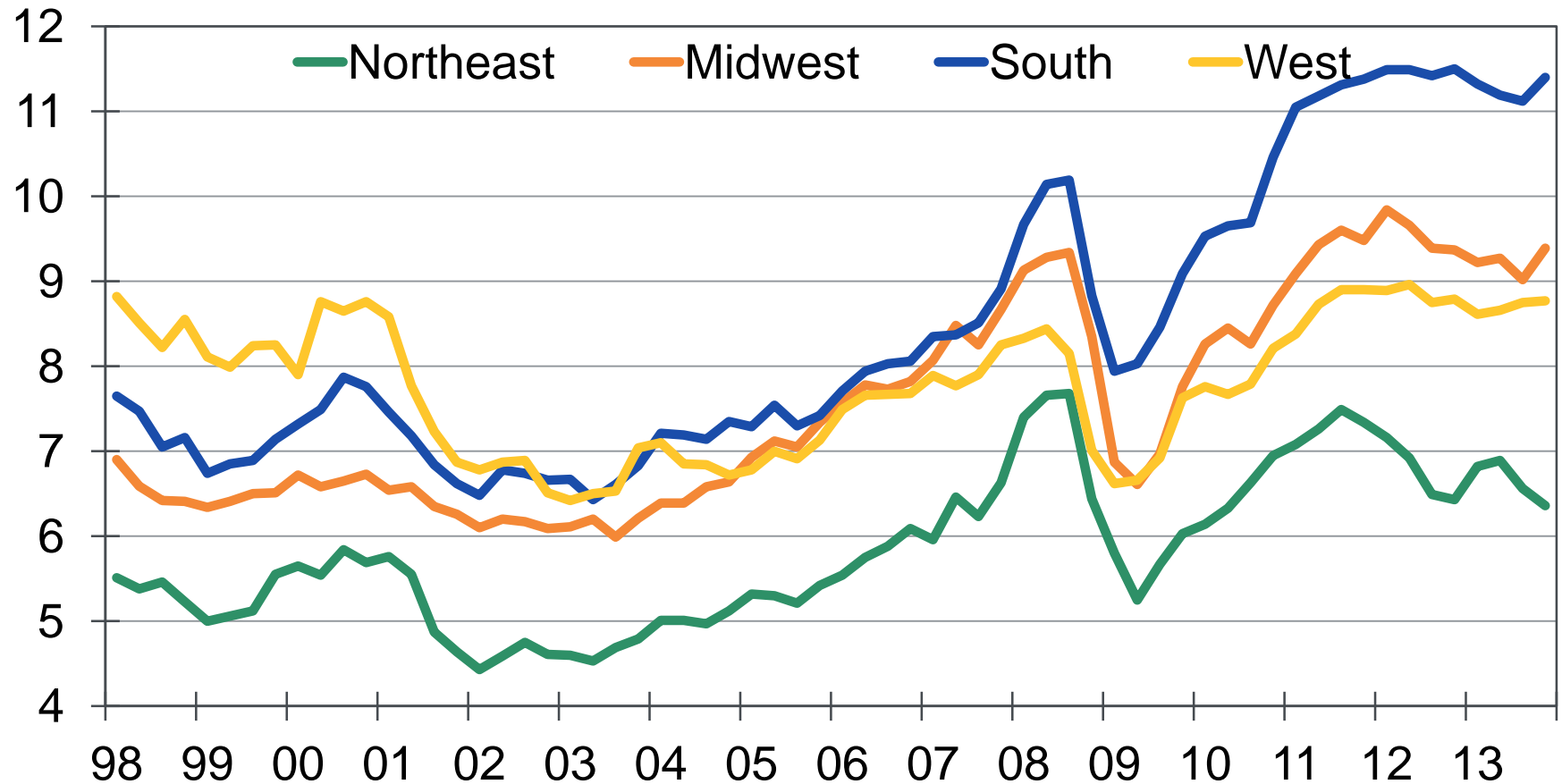
Spread over 10-Year Treasury yields, basis points



Source: Bloomberg, Treasury, Moody's Analytics

# ... Adding Some Risk to Regional Export Drivers

Exports of goods and commodities, % of gross regional product



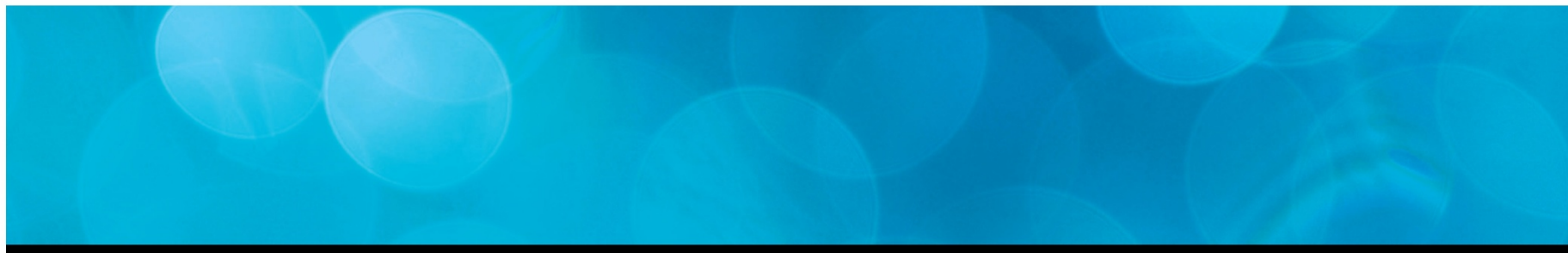
Sources: Census Bureau, Moody's Analytics

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