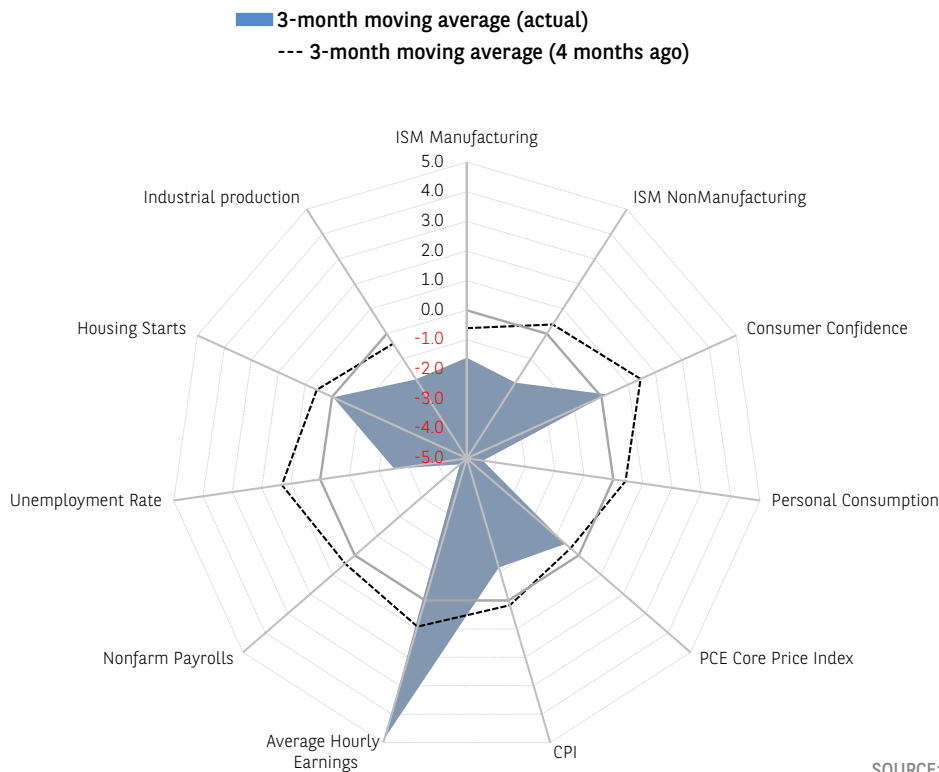# ECONOMIC PULSE

UNITED STATES : WIDESPREAD DECLINE

There were no exceptions. As expected, the US economic barometer, which covers all or part of the data available through May 2020, is signalling the worst recession to have hit the United States since 1946.

Slammed by protective measures to combat the Coronavirus pandemic, household consumption collapsed (-29.1% in April). Given its weighting as a share of GDP (70%), this confirms that the world's largest economy has plunged headlong into the crisis, after showing some resilience through early spring. According to the Federal Reserve Bank of Atlanta, GDP may have contracted 15% in Q2 (or an annualised rate of 48%), comparable to the downturn expected in the eurozone. Although unemployment slipped from 14.7% of the activity population to 13.3% in May, feeding hopes of a recovery, the figures are still bad in absolute terms and must be interpreted with caution (unemployment was probably underestimated due to incomplete data collection).

The Federal Reserve, which held its monetary policy committee meeting on Wednesday, is interpreting these figures cautiously, and qualified the pace of the recovery in the United States as "extraordinarily uncertain".

Jean-Luc Proutat

QUARTERLY CHANGES

■ **3-month moving average (actual)**
--- **3-month moving average (4 months ago)**

SOURCE: THOMSON REUTERS, BNP PARIBAS

The indicators in the radar and surprise charts are all transformed into z-scores. By construction, the z-scores have mean zero and their values, which indicate how far the indicator is removed from its long-term average, are in the interval between -3 and 3 in almost all cases. In the radar chart, the blue area shows the actual conditions of economic activity. It is compared with the situation four months earlier (dotted-line). An expansion of the blue area signals an improvement. In the right pane, the surprise is an actual outcome that differs from the market forecast.

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