

CreditForecast.com

U.S. Consumer Credit Outlook

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Speakers



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Scott Hoyt is senior director for Moody's Analytics, responsible for the firm's consumer forecasts and analysis. Dr. Hoyt contributes to Economy.com, speaks at conferences, and oversees the production of the U.S. economic forecast. He has done custom modeling for credit and consumer sector clients.

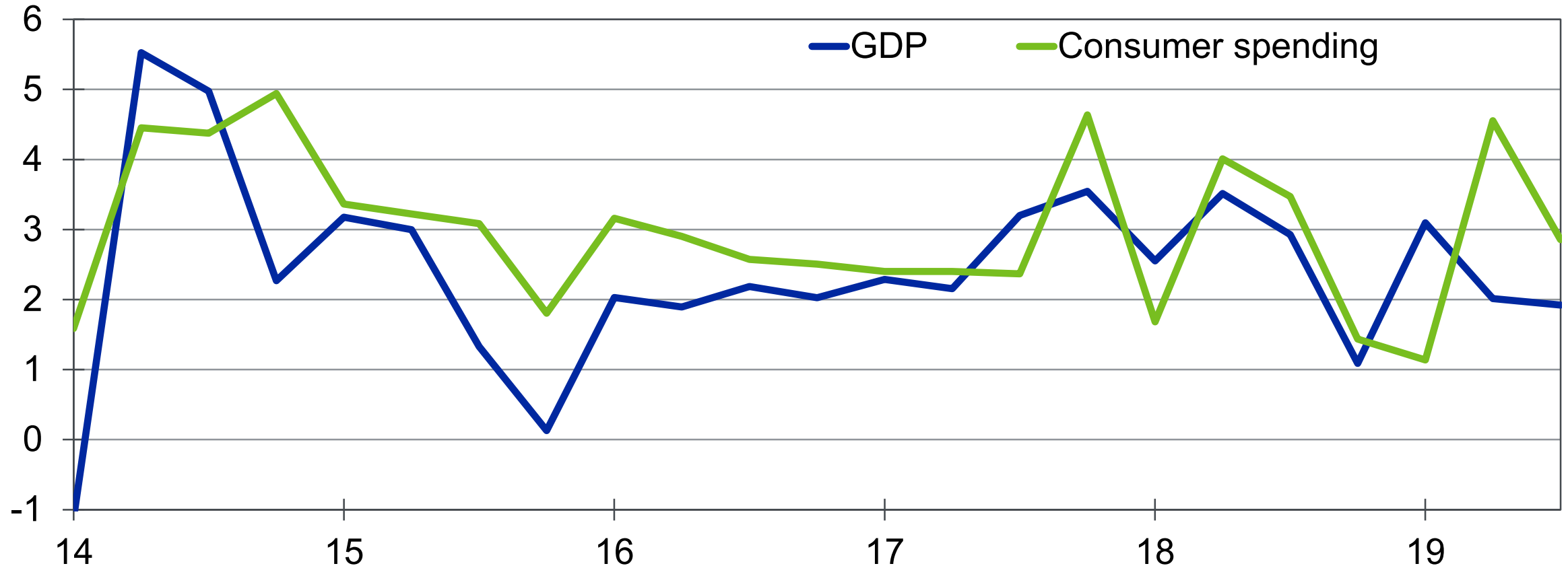


Deniz K. Tudor
Senior Director

Deniz Tudor is a director with Moody's Analytics. Deniz specializes in U.S. consumer credit trends and leads the development of custom and industry-based econometric credit loss models for clients. Deniz is also responsible for product development, management and strategy, including data partnerships that expand the forecast capabilities of Moody's Analytics.

Consumers Are Leading Economic Growth

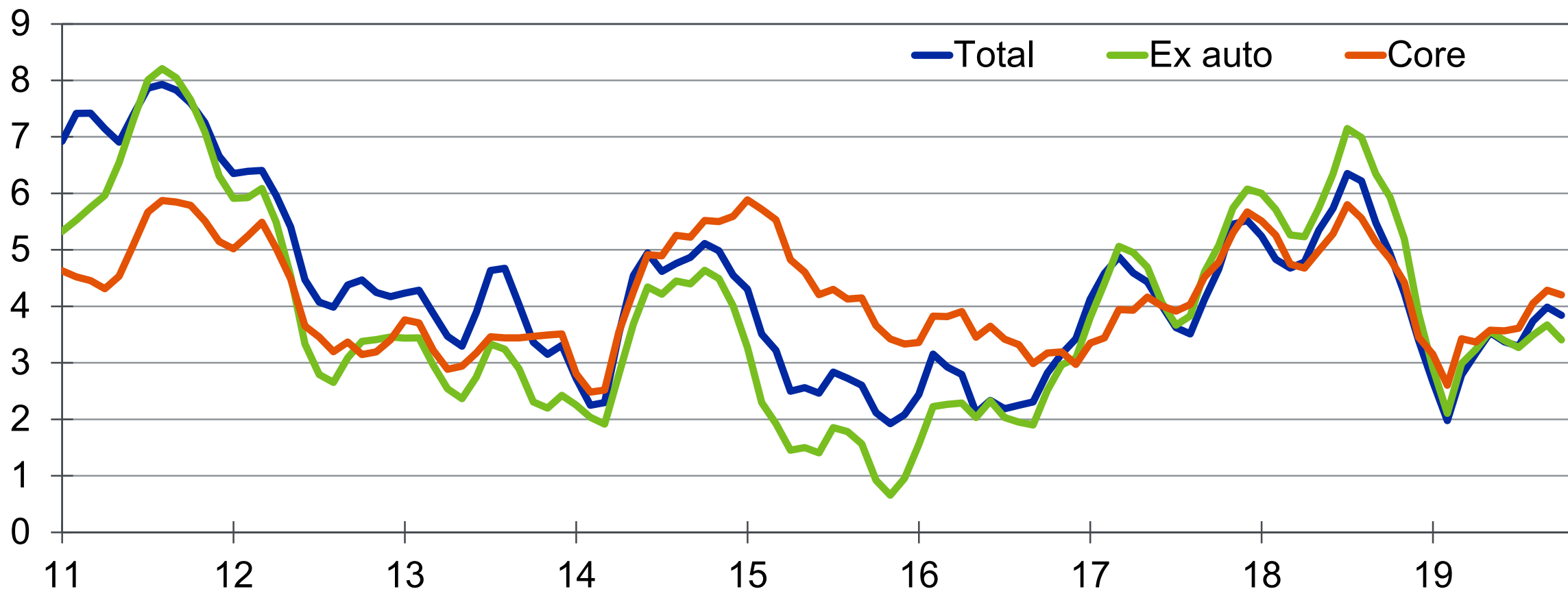
Real, % change annual rate



Sources: BEA, Moody's Analytics

Retail Sales Growth Sluggish if Improving

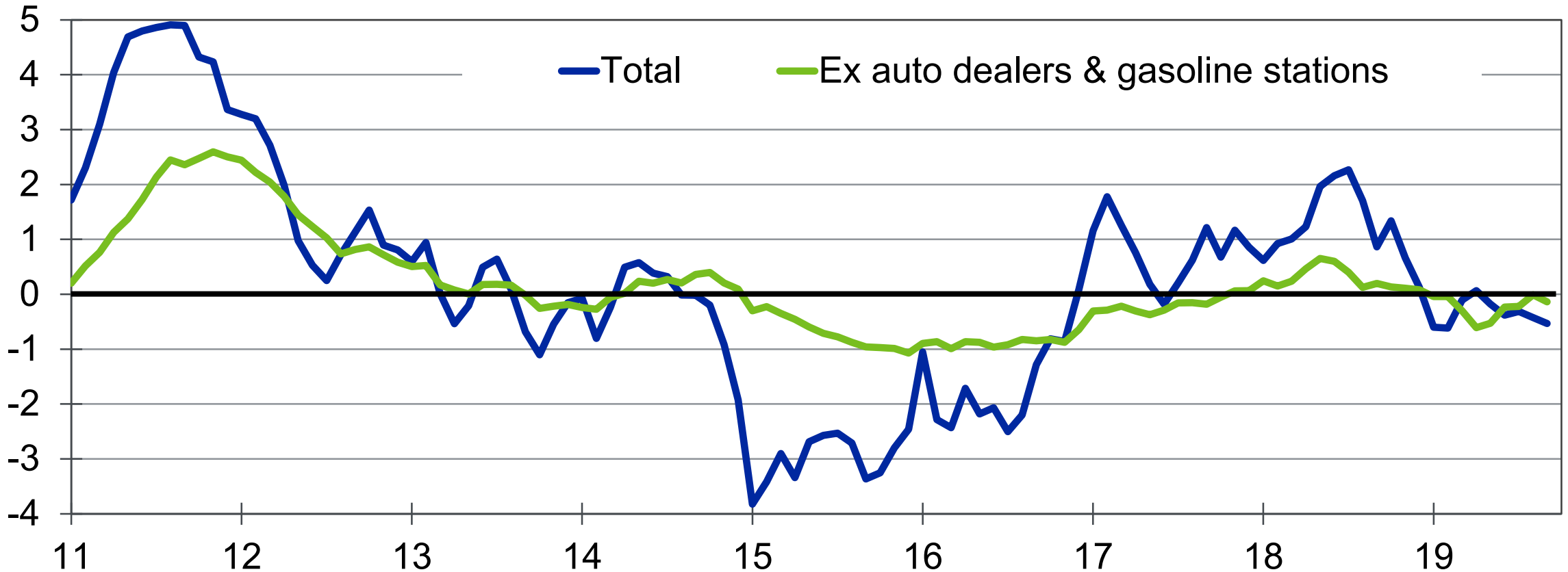
Retail sales, 3-mo MA, % change yr ago



Sources: Census Bureau, Moody's Analytics

Retail Pricing Power Remains Weak

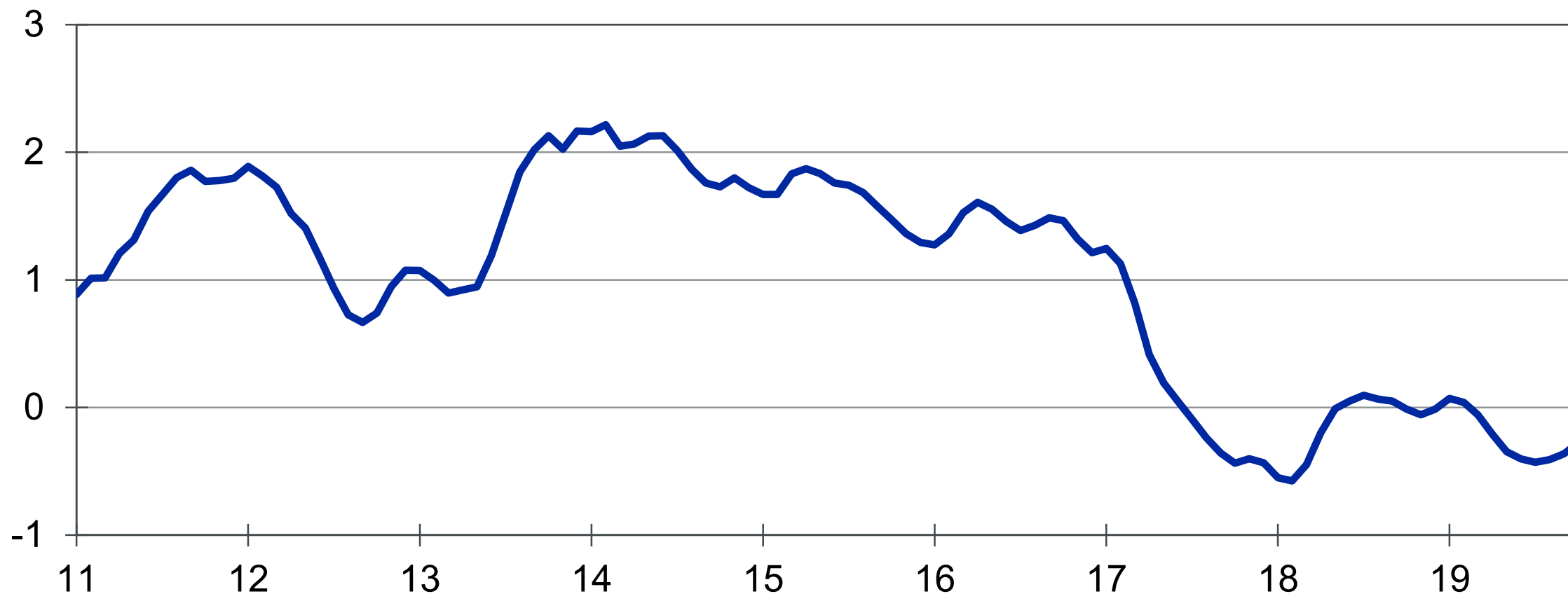
Retail deflator, % change yr ago



Sources: BEA, Moody's Analytics

Retail Employment Falling...

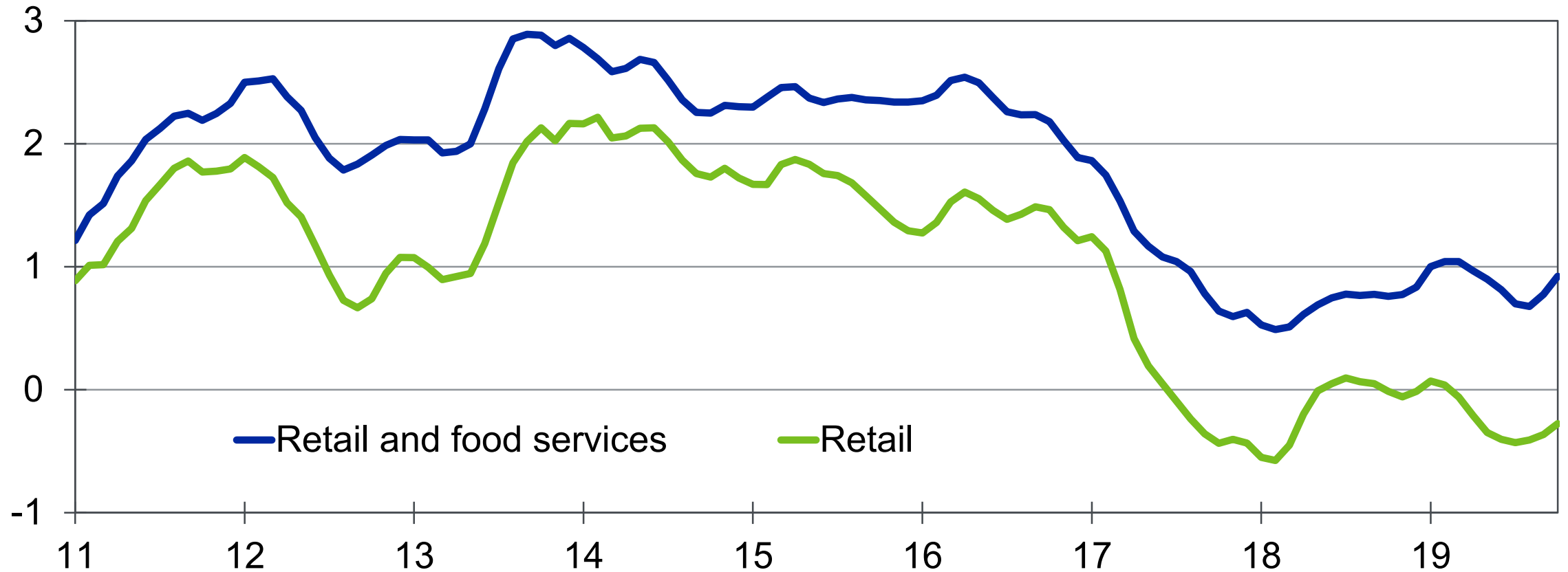
Employment, 3-mo MA, % change yr ago



Sources: Census Bureau, Moody's Analytics

...Or Is It?

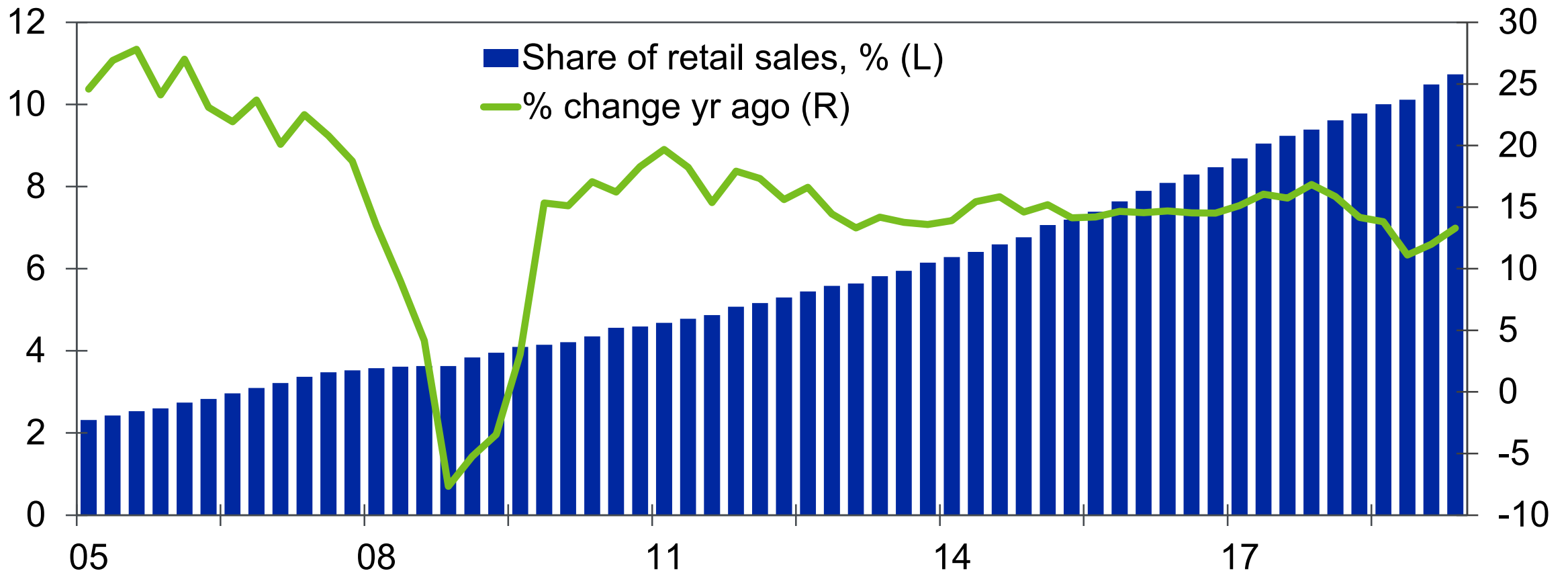
Employment, 3-mo MA, % change yr ago



Sources: Census Bureau, Moody's Analytics

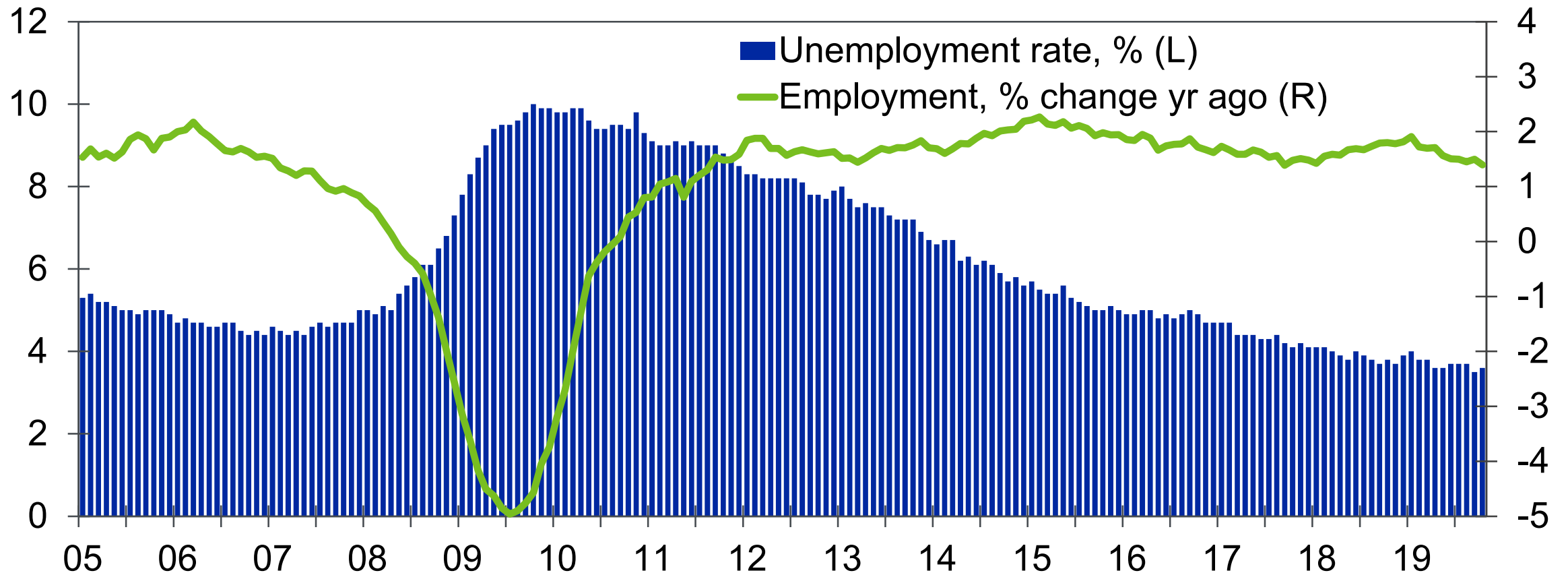
E-Commerce Growth Shifts Jobs

E-commerce sales



Sources: BLS, Moody's Analytics

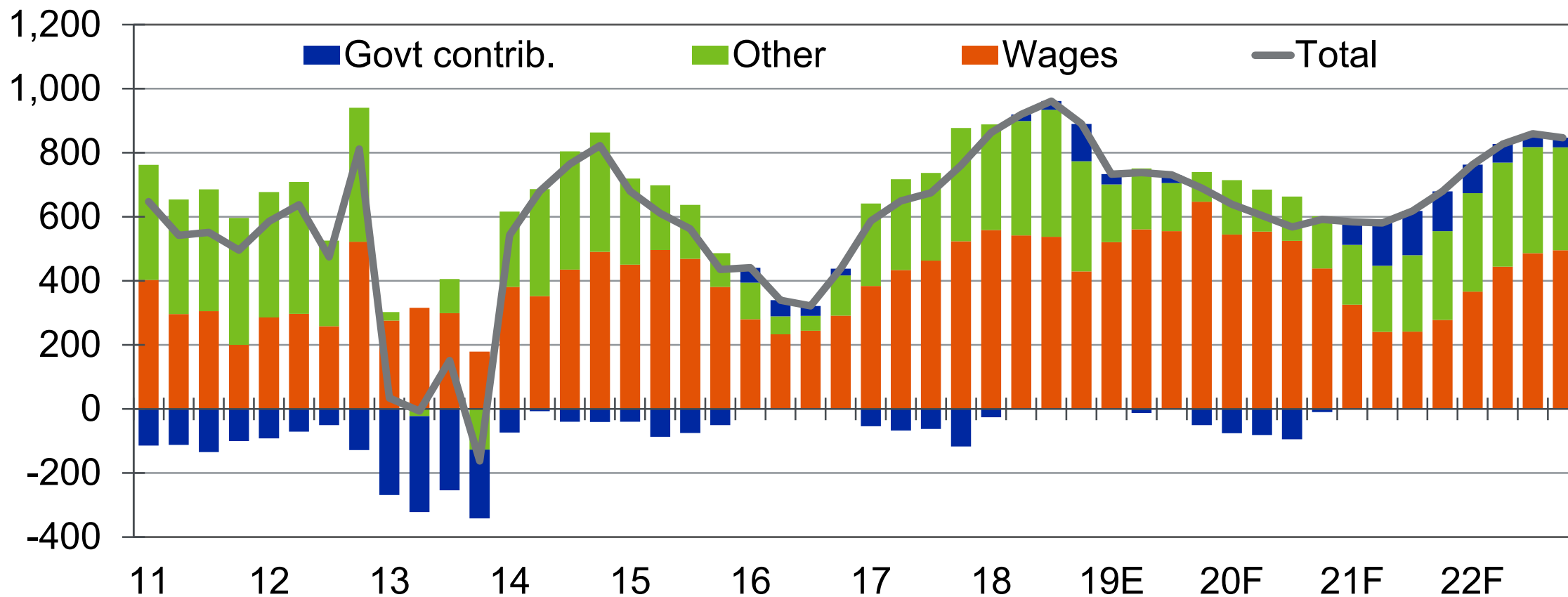
Labor Market's Growth Slows



Sources: BLS, Moody's Analytics

Overall Income Growth Past Its Peak

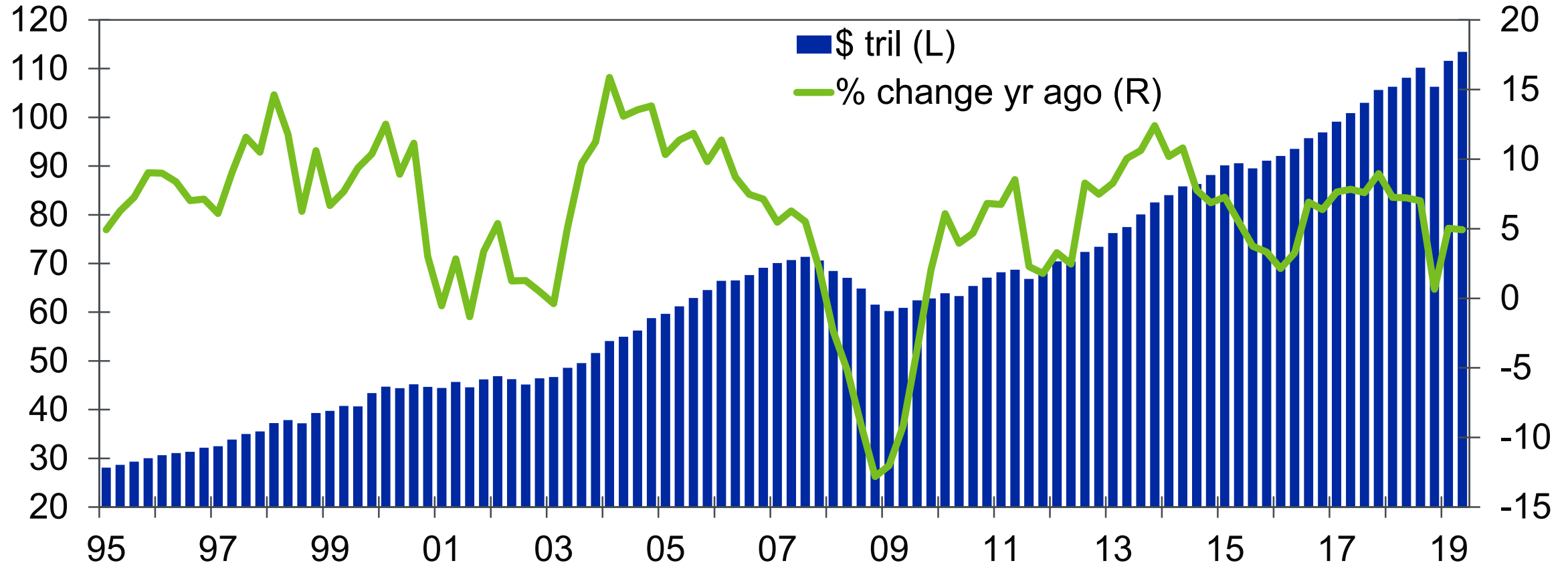
Disposable income, \$ bil, change yr ago



Sources: BEA, Moody's Analytics

Slowing Growth in Household Wealth

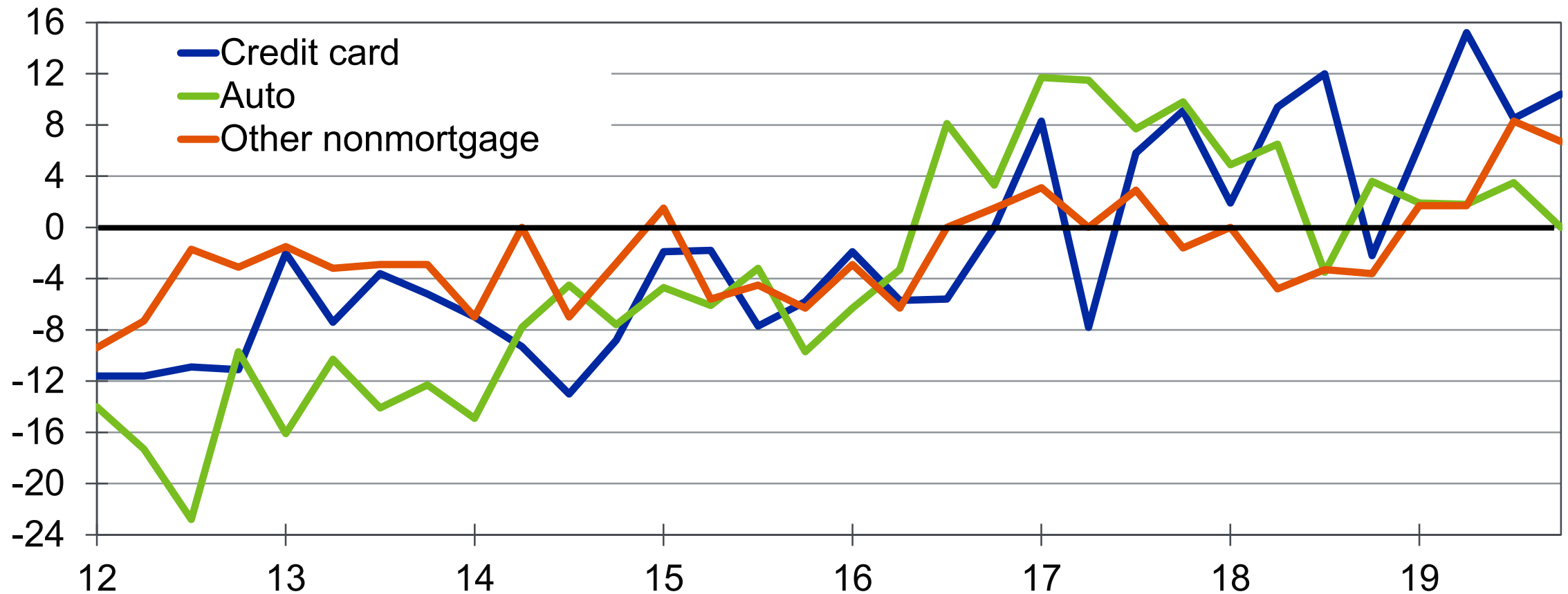
Total household wealth



Sources: Federal Reserve, Moody's Analytics

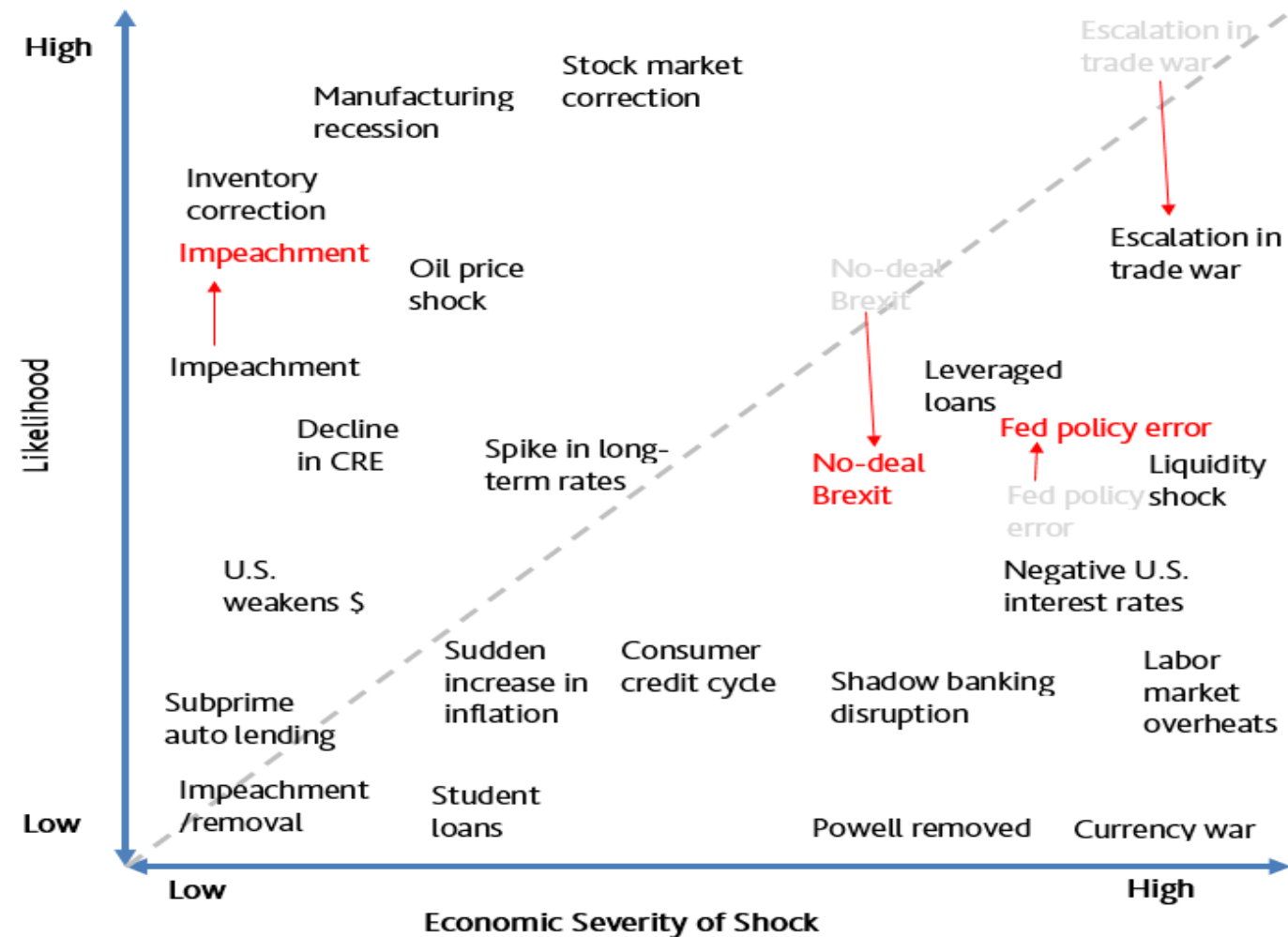
Lending Standards Meaningfully Tightened

Net % tightening



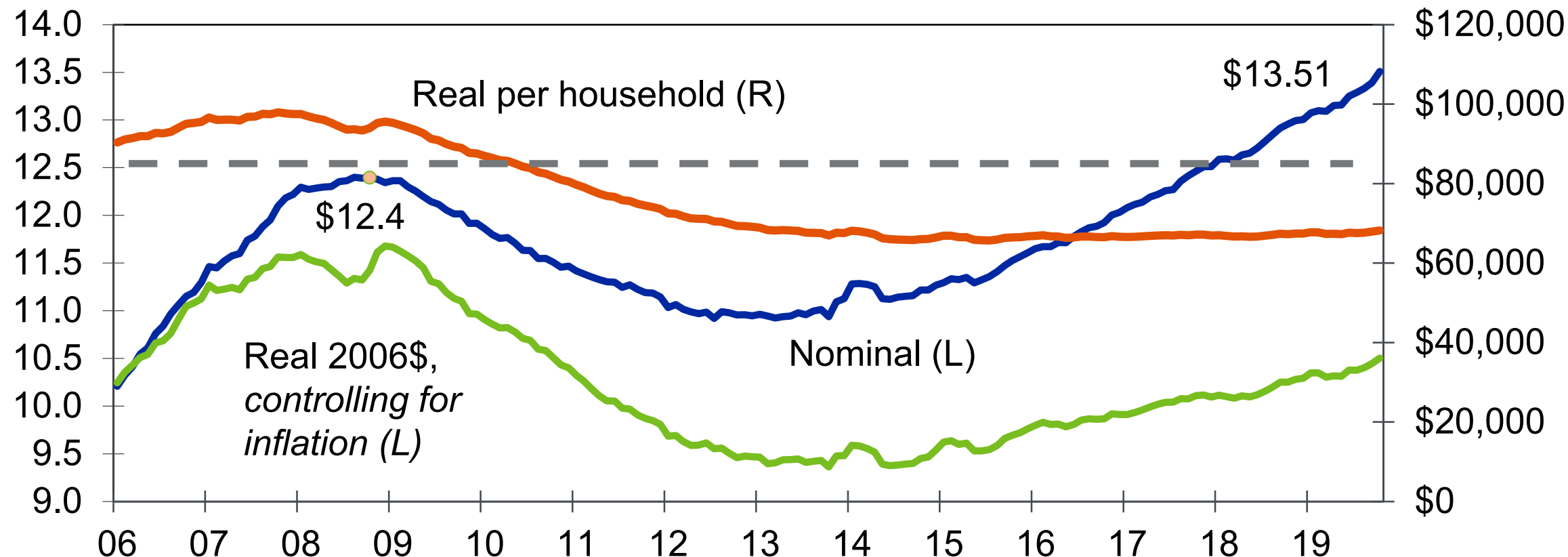
Sources: Federal Reserve, Moody's Analytics

A Growing List of Threats



Nominal Household Debt Continues to Rise

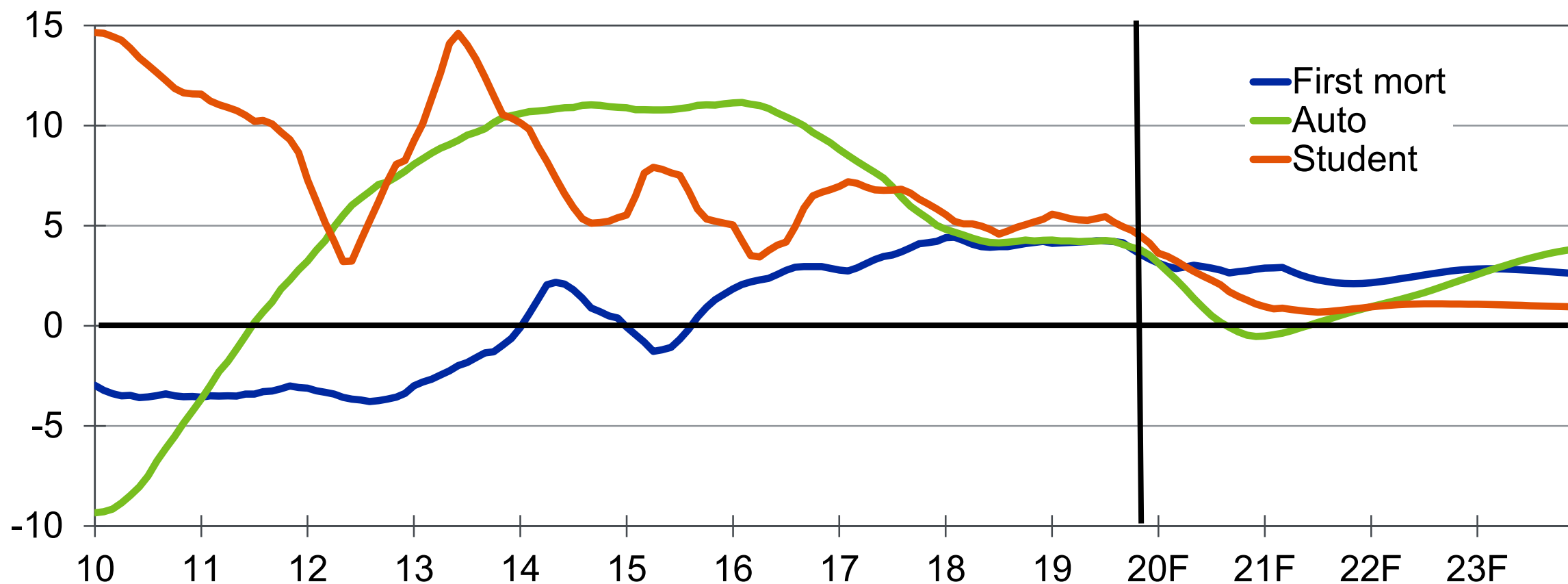
Total balance, \$ tril



Sources: CreditForecast.com, Moody's Analytics

Consumer Credit Growth to Be Mixed...

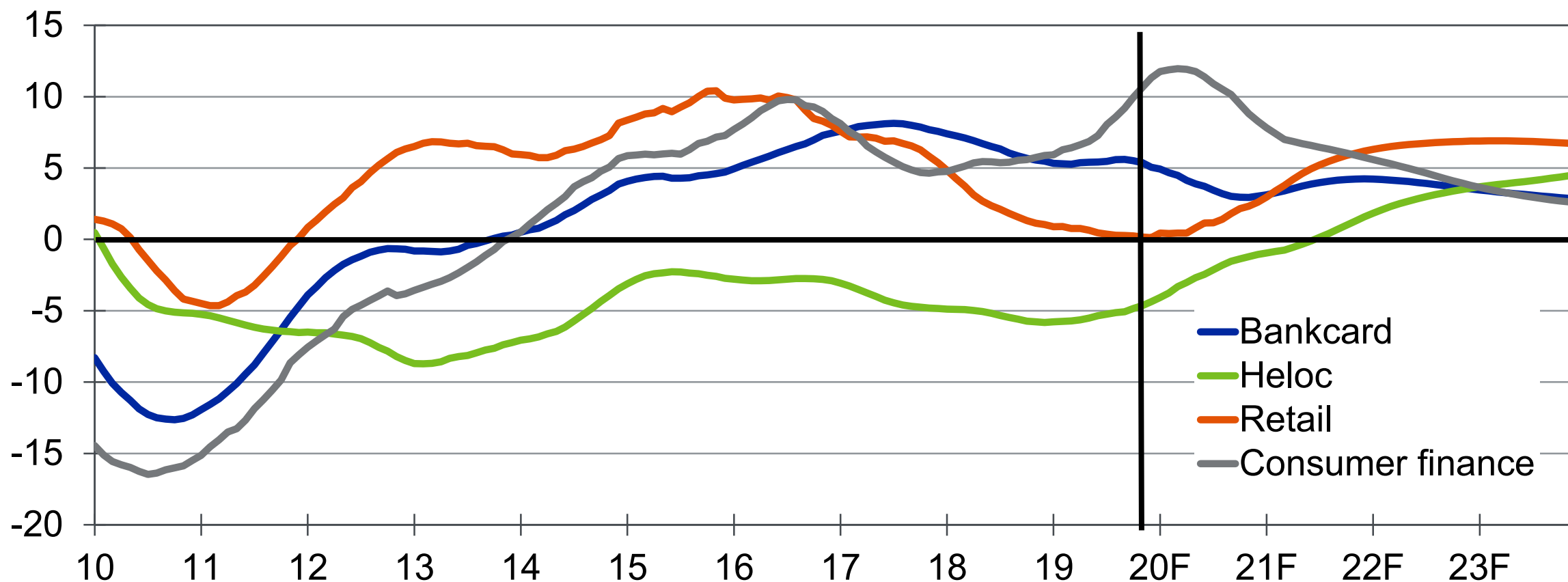
Balances on open accounts, % change yr ago, 6-mo MA



Sources: Equifax, Moody's Analytics

...Across Product Lines

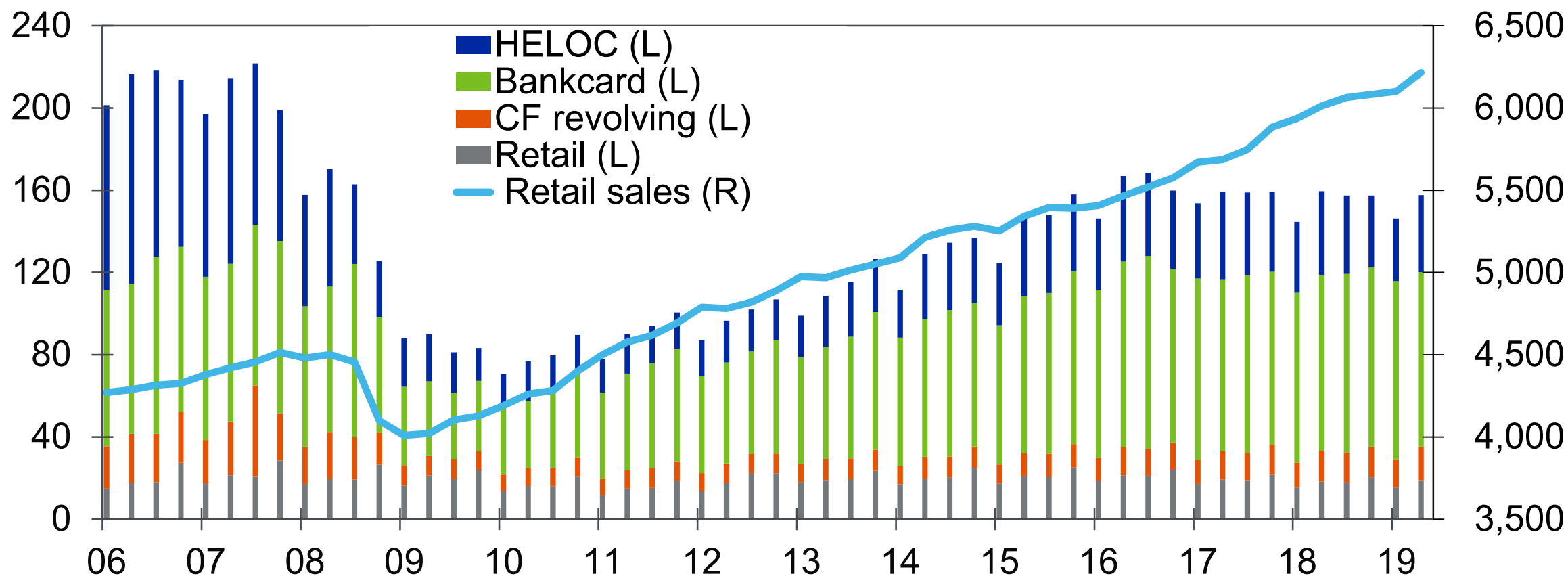
Balances on open accounts, % change yr ago, 6-mo MA



Sources: Equifax, Moody's Analytics

Retail Sales and Credit Decouple

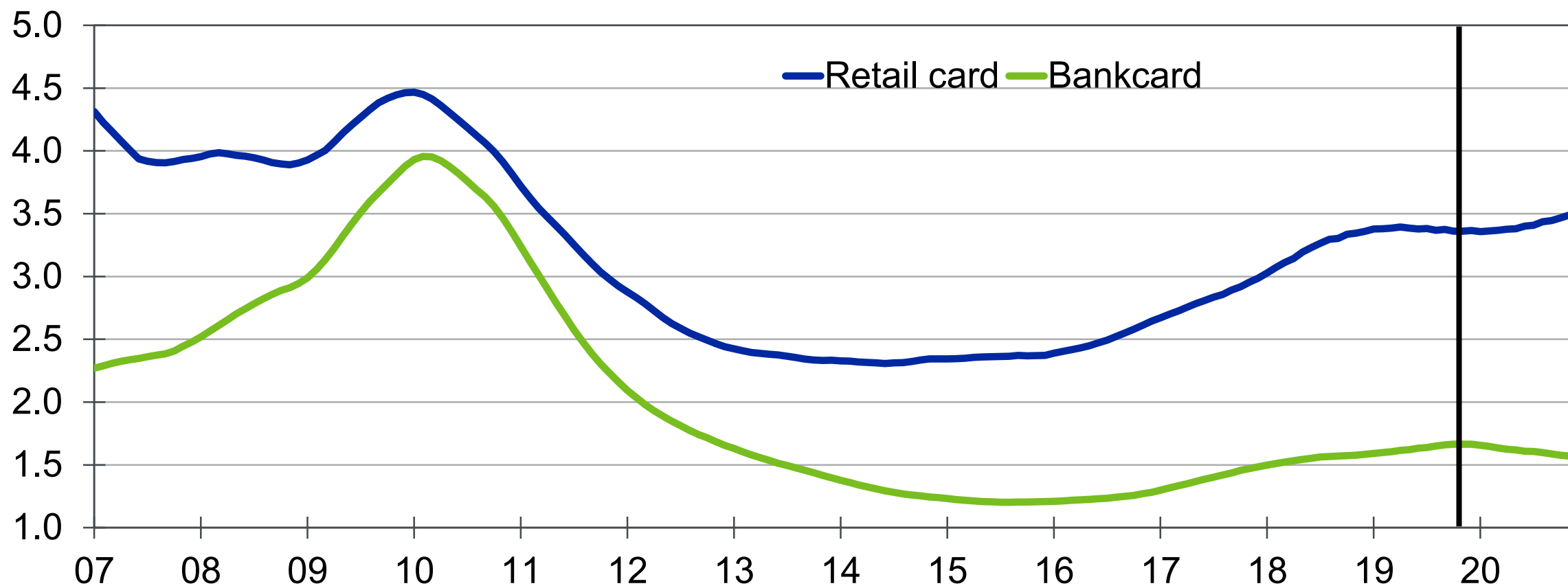
New credit issuance, \$ bil



Sources: Equifax, Census Bureau, Moody's Analytics

Card Delinquencies to Stabilize

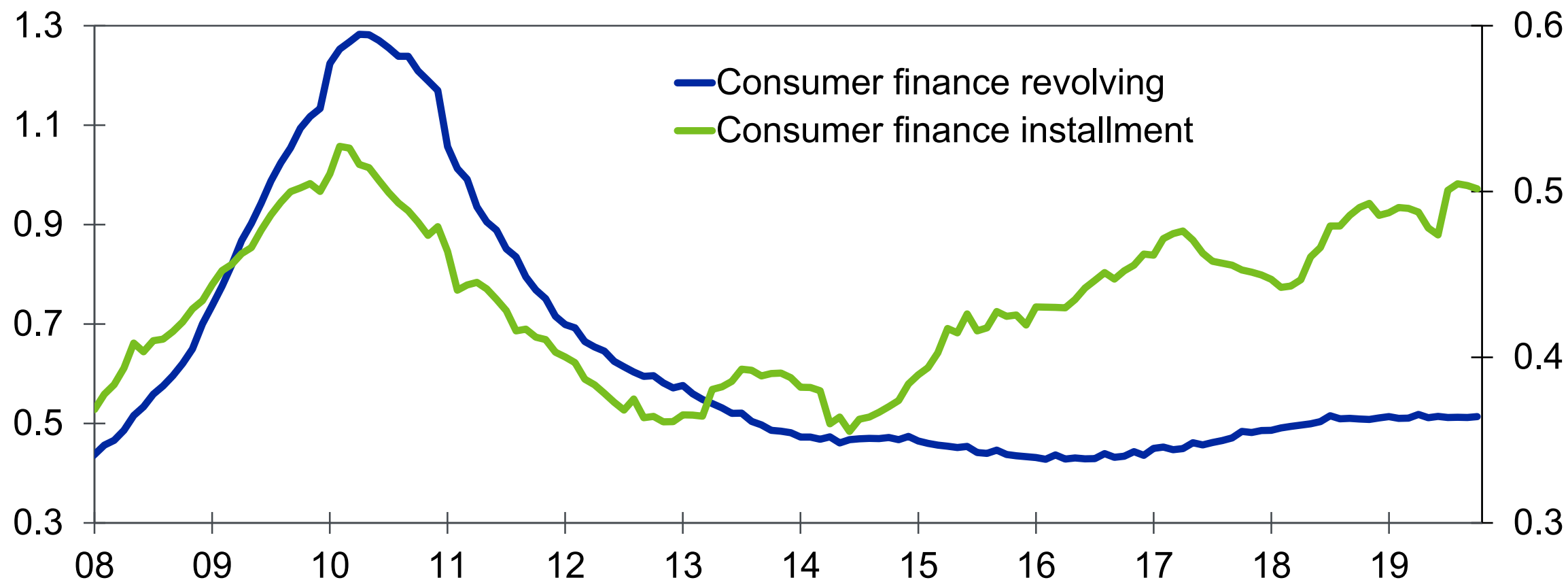
90+ days delinquent, % of outstanding balance, 12-mo MA



Sources: Equifax, Moody's Analytics

Trouble Looms in Personal Installment Loans...

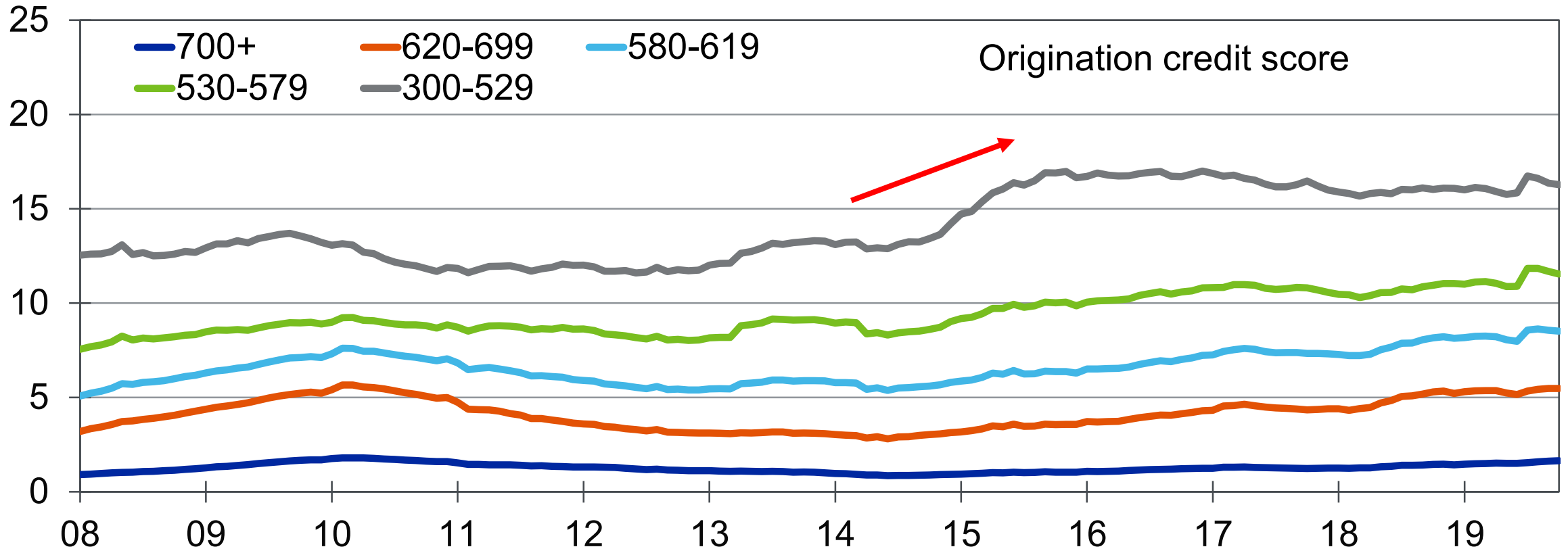
Default rates, % of outstanding balance, 12-mo MA



Sources: Equifax, Moody's Analytics

...Across All Score Bands

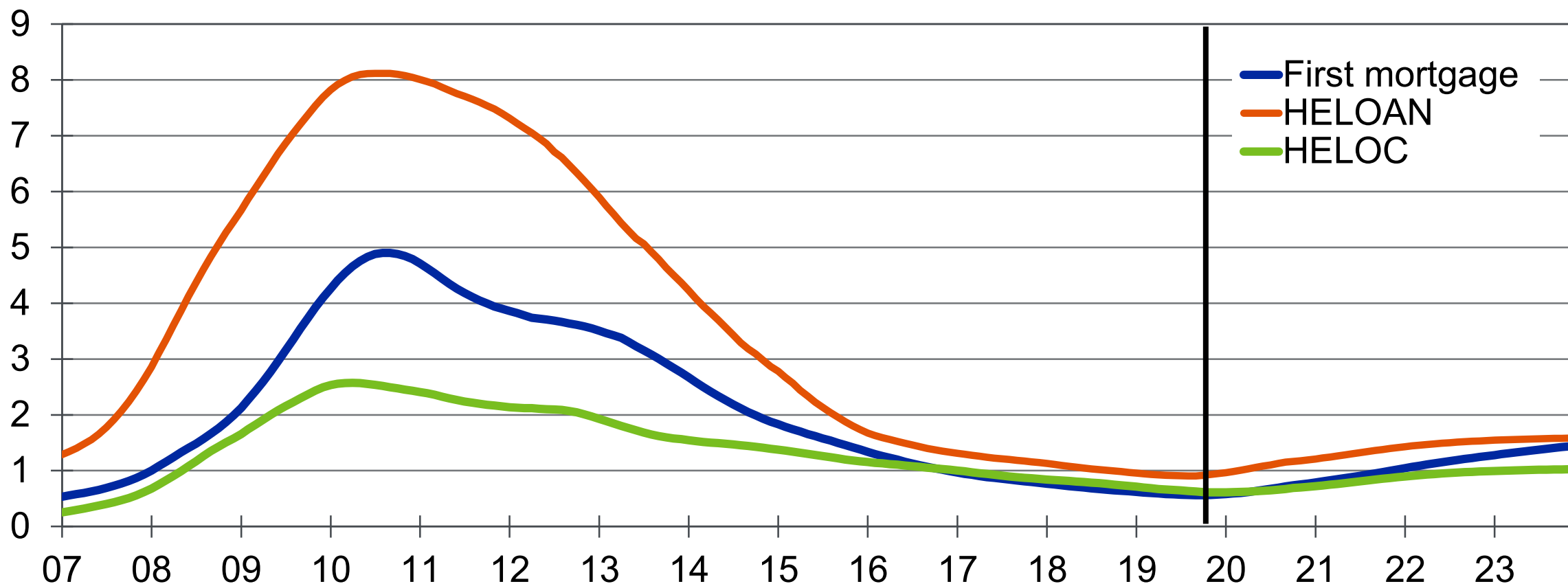
CF Installment default rate, % of \$ volume, 12-mo MAAR



Sources: Equifax, Moody's Analytics

Residential Loans Still Safe

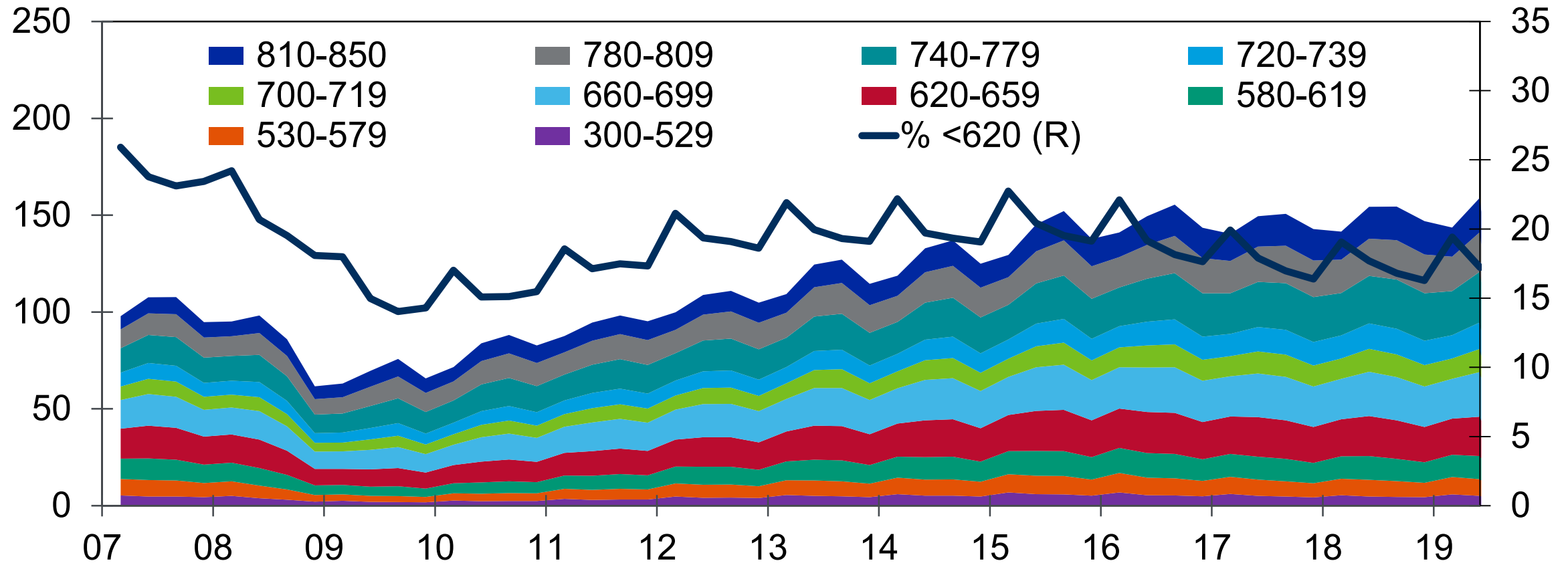
90+ days delinquent, % of outstanding balance, 12-mo MA



Sources: Equifax, Moody's Analytics

As Auto Lenders Tighten...

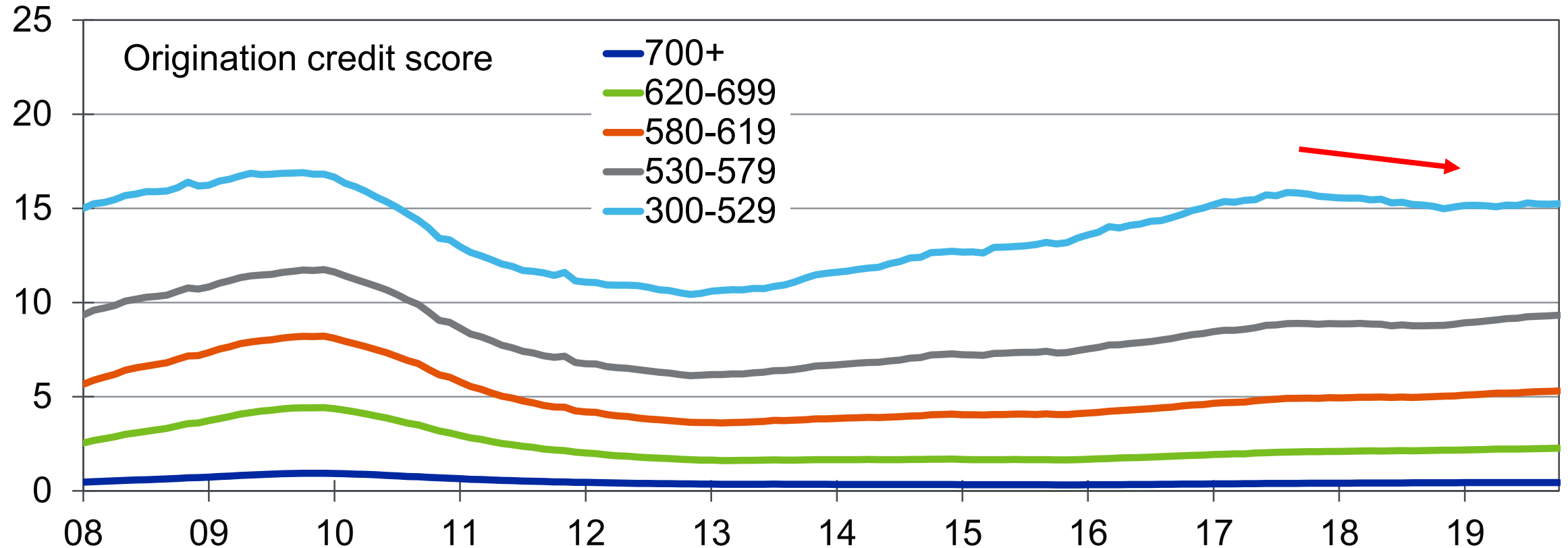
Origination volume by qtr by Vantage score 3.0, \$ bil



Sources: Equifax, Moody's Analytics

...Defaults Stabilize for Riskiest

Auto default rate, % of \$ volume, 12-mo MAAR



Sources: Equifax, Moody's Analytics

Student Loan Performance Is Good

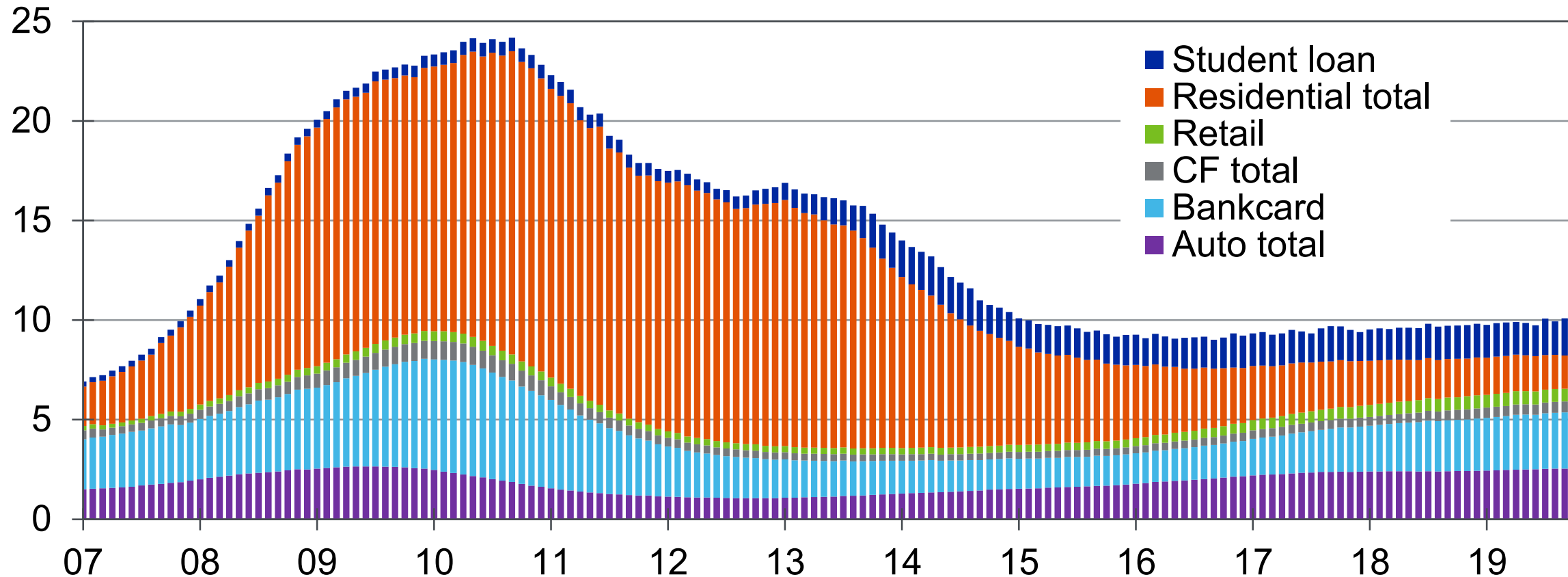
Nondeferred, 90+ days delinquent, % of outstanding balance, 3-mo MA



Sources: CreditForecast.com, Moody's Analytics

Consumer Default Volumes Stable for Now

Default balances, \$ bil, 12-mo MA



Sources: Equifax, Moody's Analytics

Q&A

Additional questions?

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