

# CCAR 2021 – Standard Fare

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Timeline – Ahead of Schedule

# February 2021 CCAR Timeline

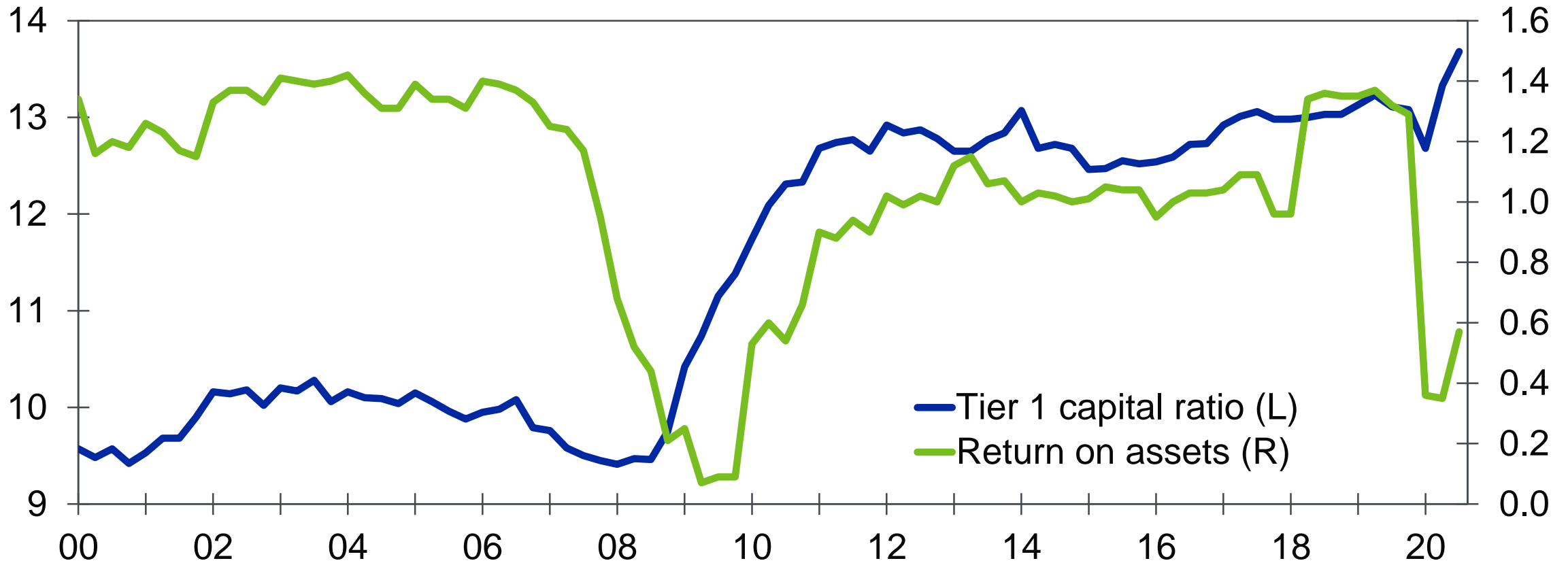
Target day	Publication date	Database
0	12-Feb	FRB releases its CCAR supervisory scenarios
2	14-Feb	U.S. macro forecast (Q)
2	14-Feb	U.S. macro forecast (M)
2	14-Feb	U.S. macro forecast in Scenario Studio
4	16-Feb	U.S. narratives
4	16-Feb	U.S. state forecast
4.5	17-Feb	Global macro forecast
5	17-Feb	Global macro forecast in Scenario Studio
5	17-Feb	Global financial markets database
6	18-Feb	U.S. metro area forecast
6	18-Feb	Bank call report forecasts
7	19-Feb	Case-Shiller® Home Price Index Forecast
8	20-Feb	CreditForecast.com
9	21-Feb	Autocycle
10	22-Feb	Global macro narratives

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Banking System Holds Firm

# U.S. Banking System Navigates the Pandemic Well

Commercial banks, %

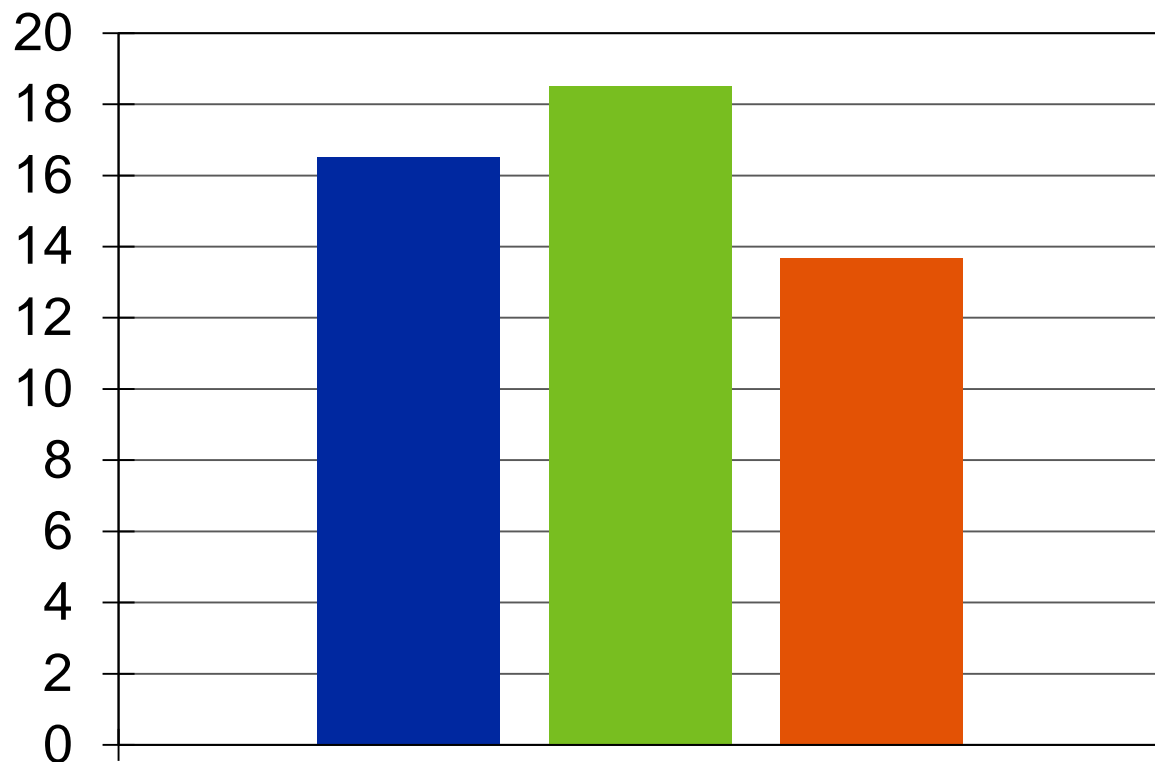


Sources: FDIC, Moody's Analytics

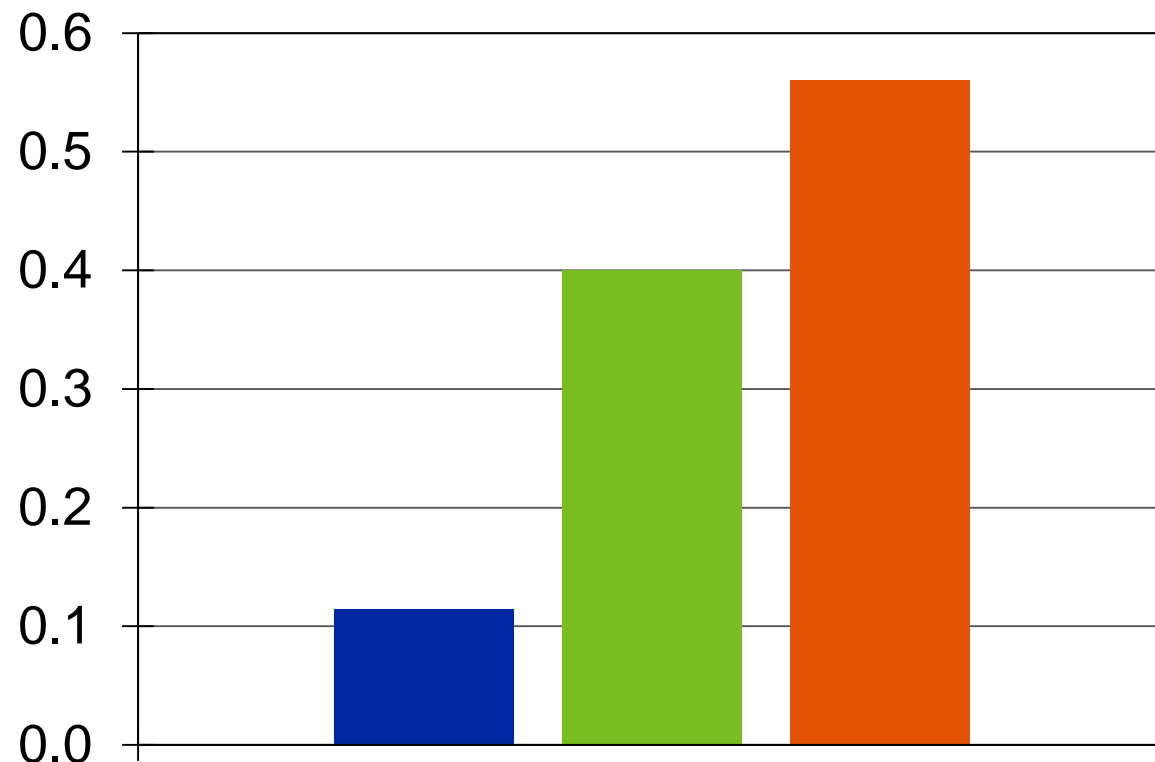
# European Banks are Well-Capitalized, but Less Profitable

Commercial banks, 2020Q3, %

■ Euro zone ■ U.K. ■ U.S.



Tier-1 ratio



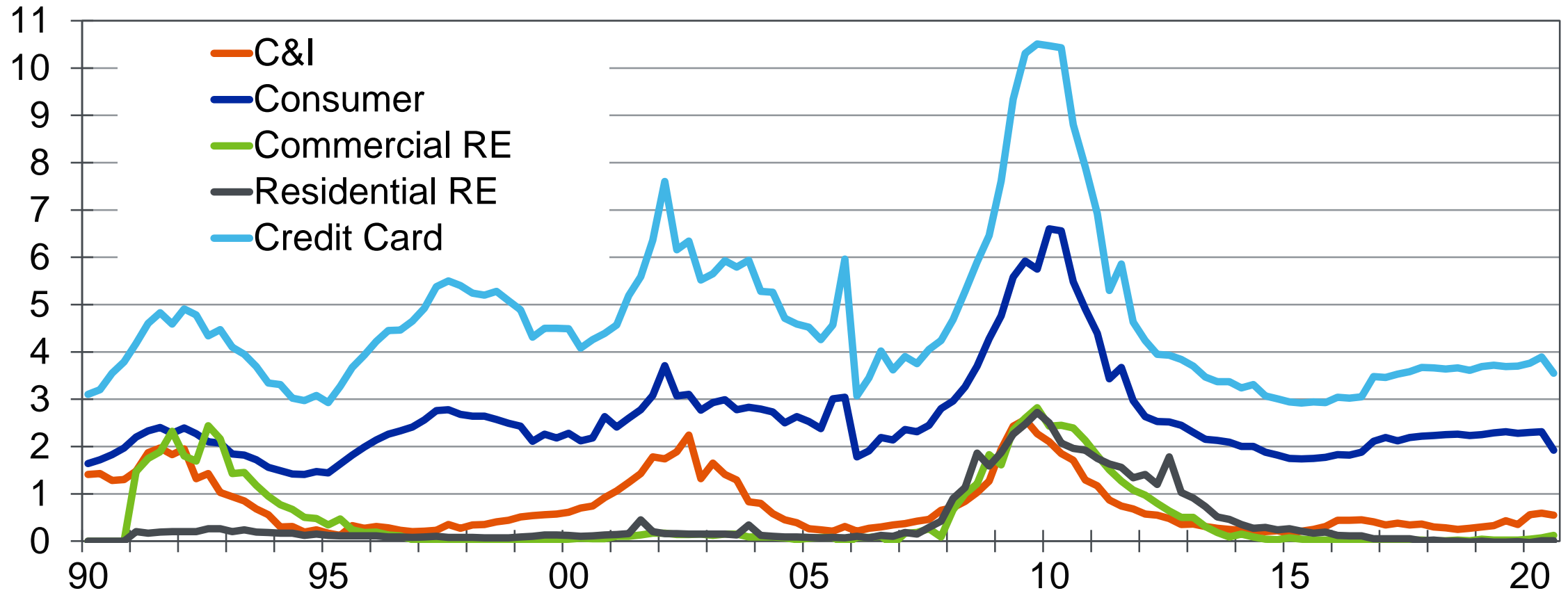
RoA (annualized)\*

\*as of 2020Q2 for euro zone and U.K.

Sources: Fed, ECB, BoE, Moody's Analytics

# Credit Quality Has Held Up...

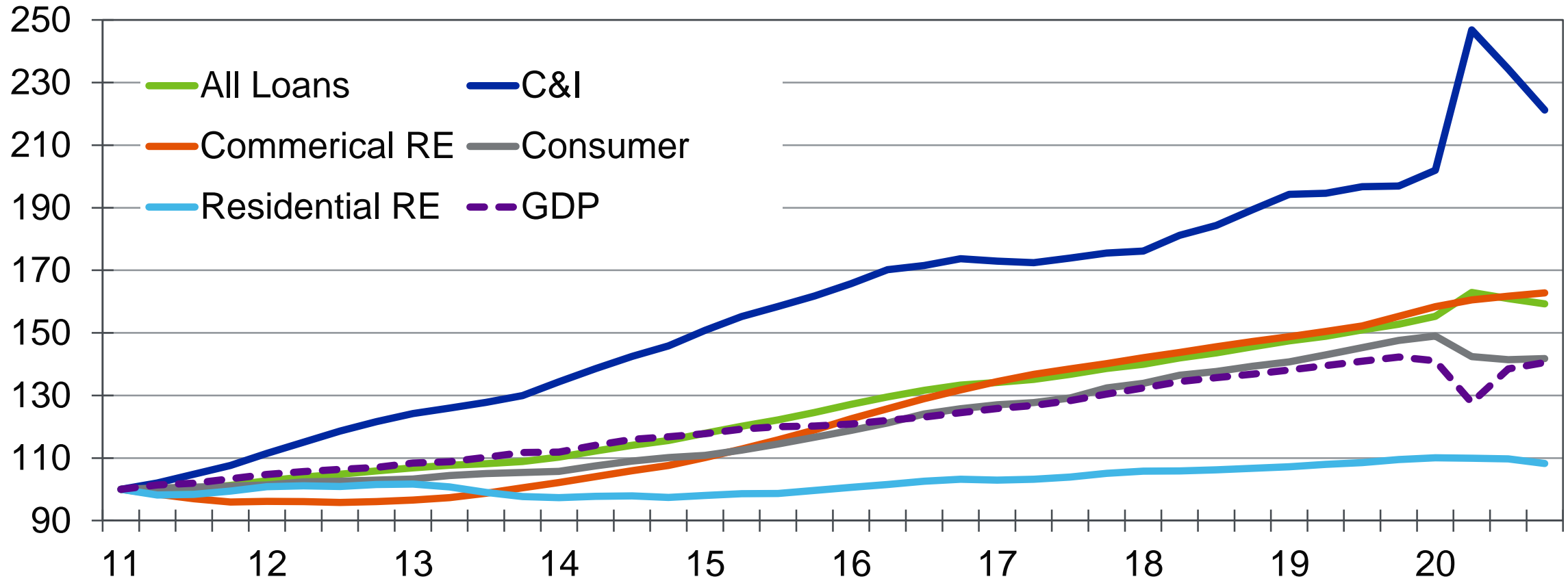
Commercial bank charge-off rate, %



Sources: Federal Reserve Board, Moody's Analytics

# ...and Credit Growth Ample

Loans outstanding at commercial banks, index: 2011Q1 = 100



Sources: Federal Reserve, Moody's Analytics

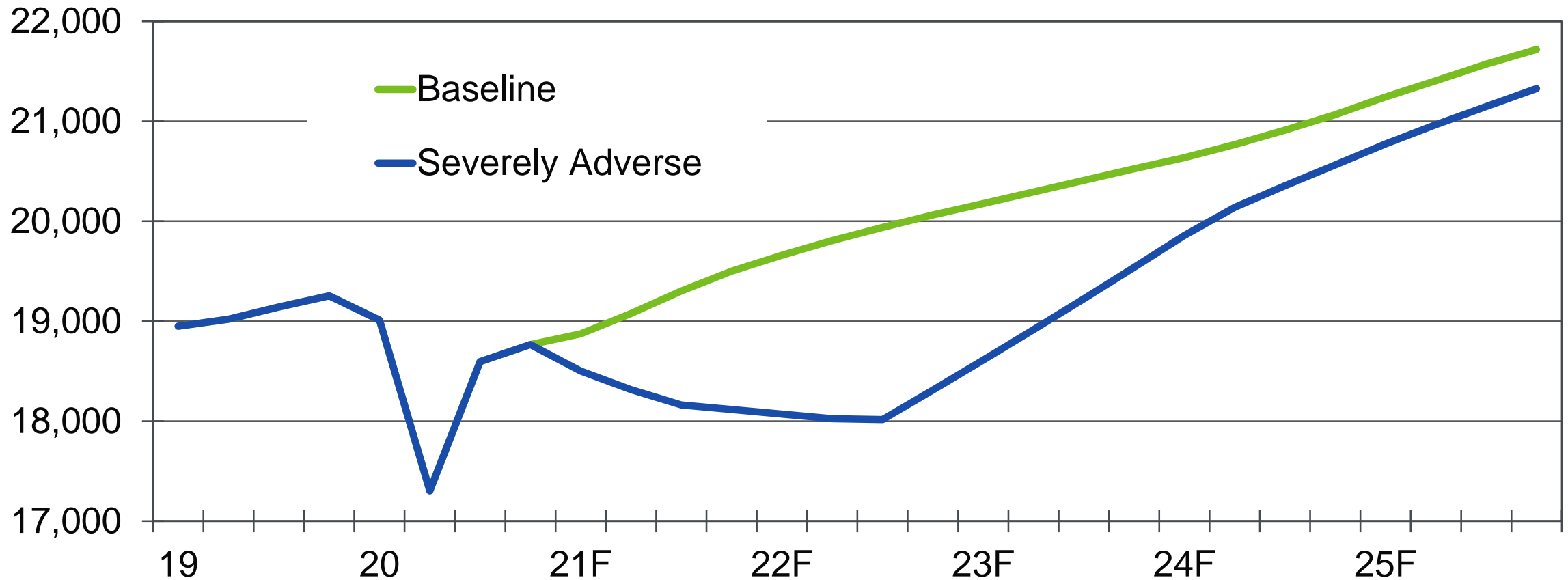


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# Painful Double-Dip Recession...

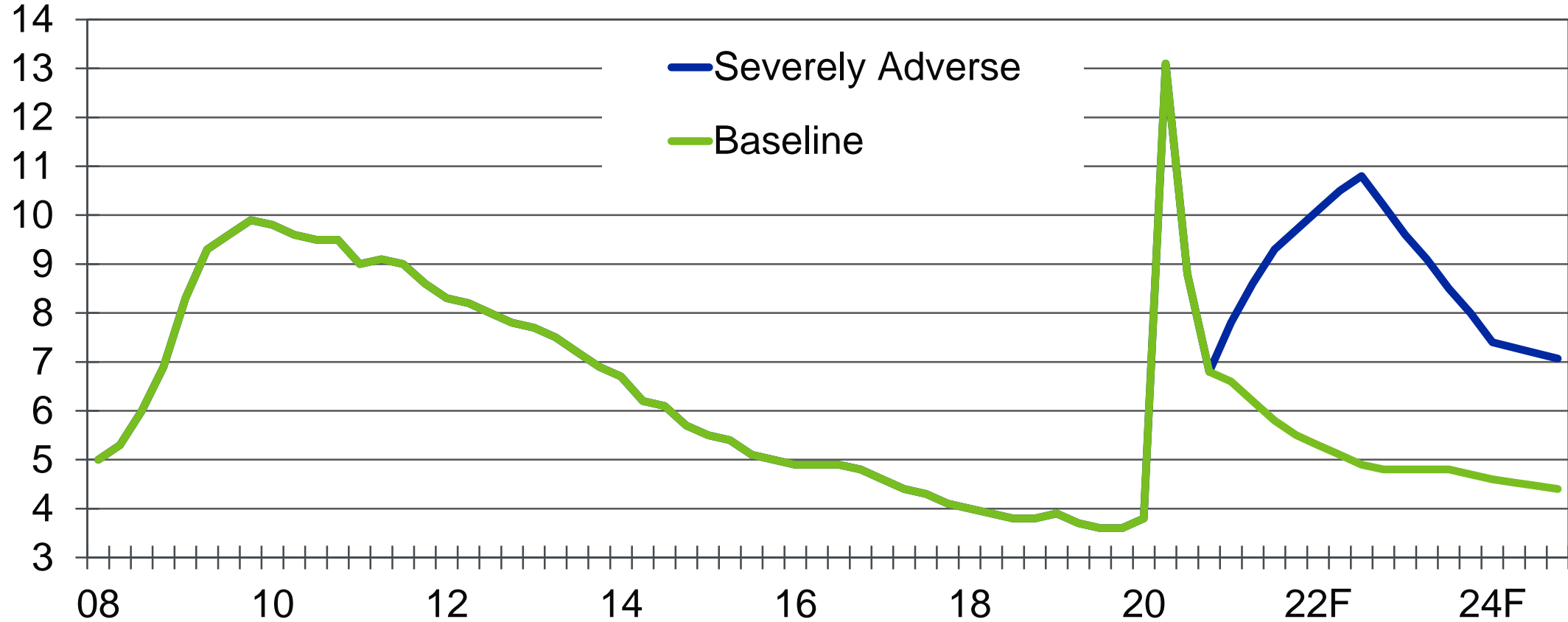
Real GDP, bil 2012\$



Sources: Federal Reserve, BEA, Moody's Analytics

# ...With Persistently High Unemployment

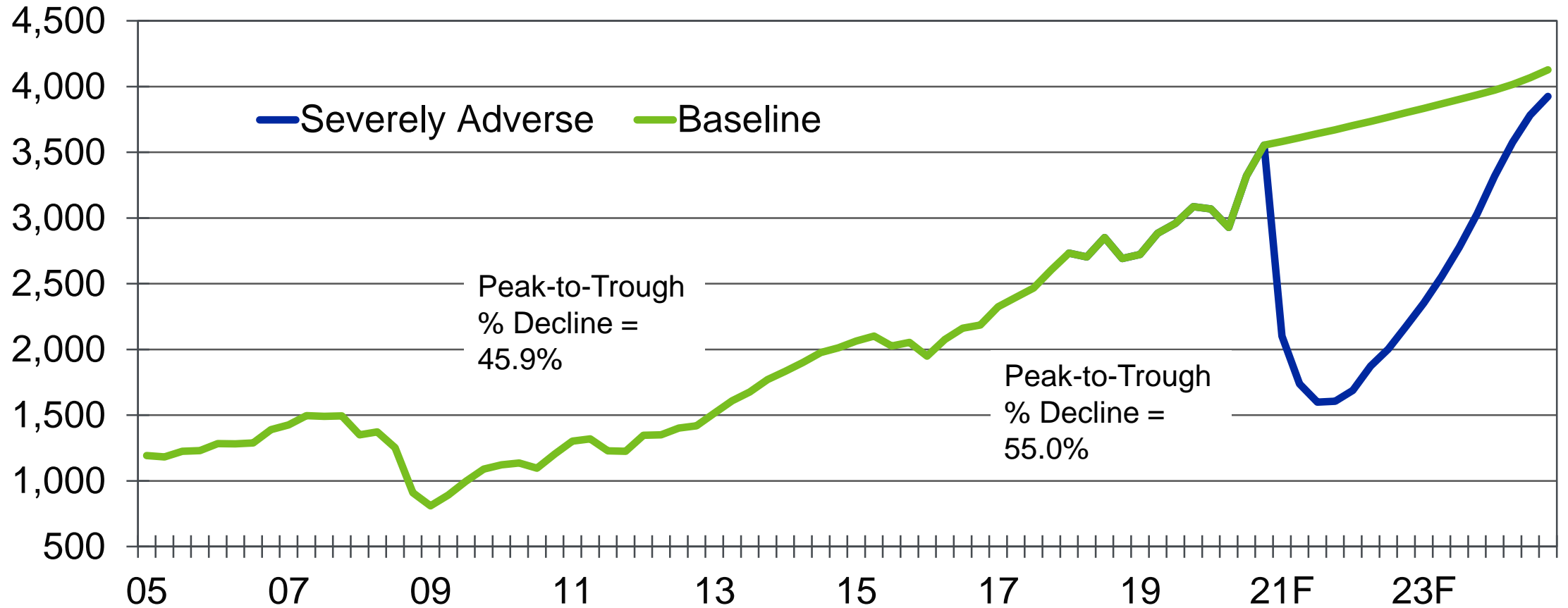
Unemployment rate, %



Sources: BLS, Federal Reserve, Moody's Analytics

# Stock Market Is Hammered

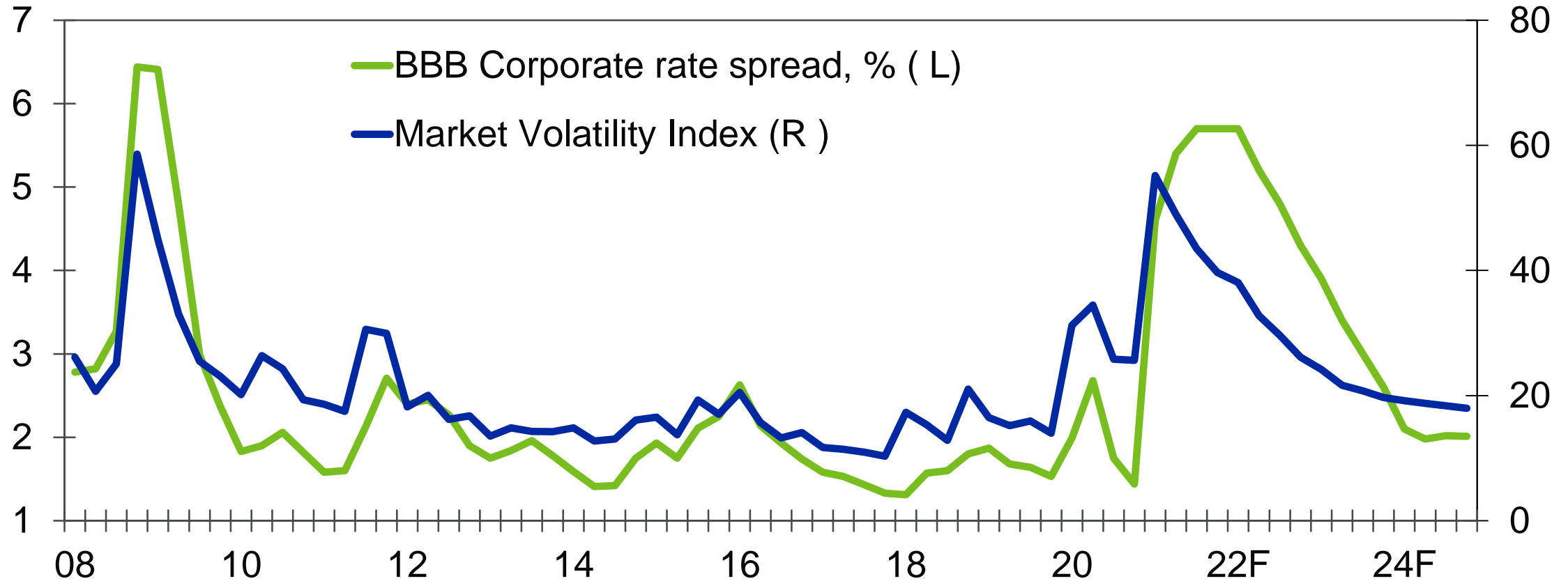
S&P 500 index



Sources: Federal Reserve, Moody's Analytics

# Corporate Credit Under High Stress

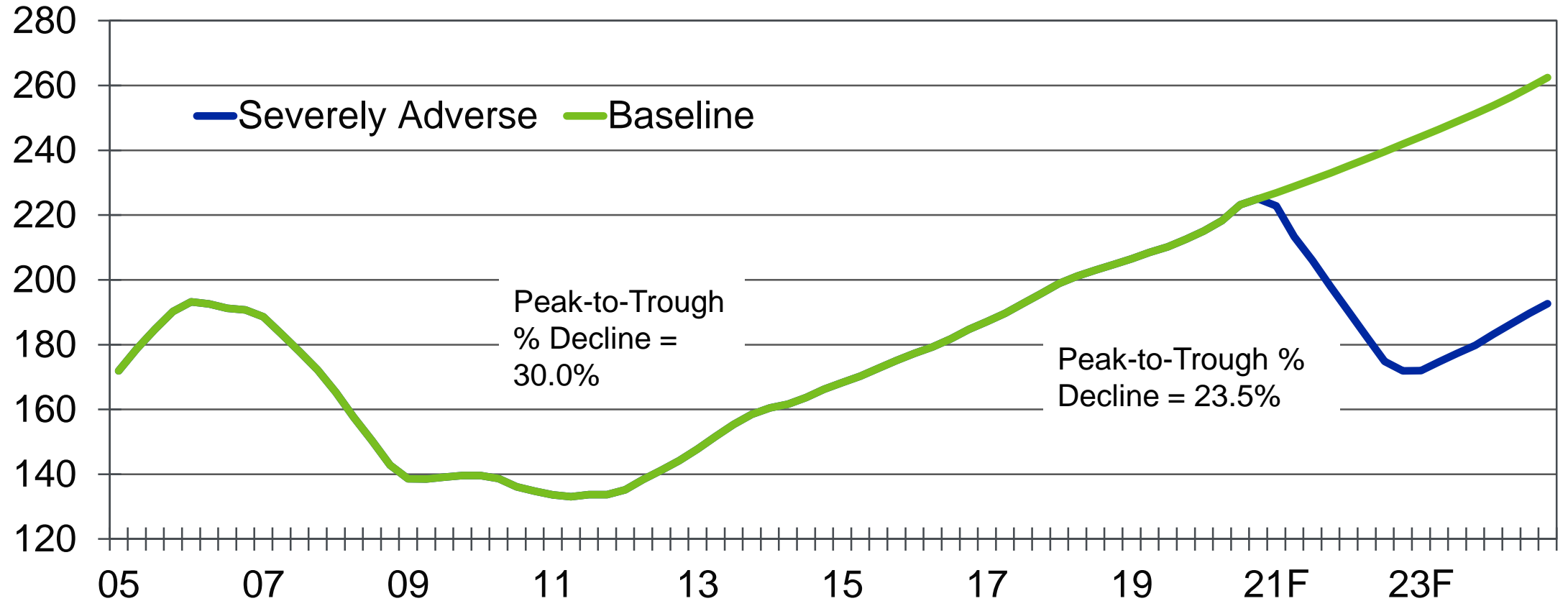
Severely Adverse Scenario



Sources: S&P, Federal Reserve, Moody's Analytics

# House Prices Sink...

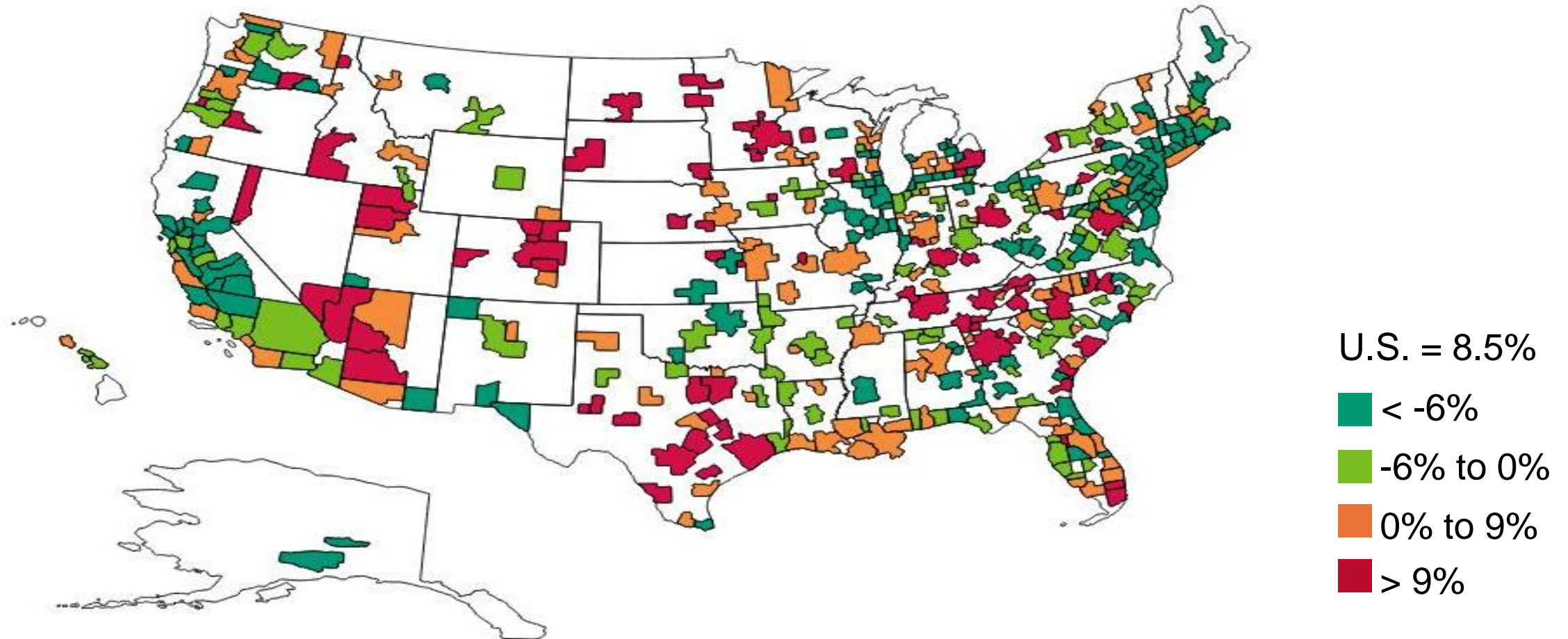
CoreLogic HPI, Index Jan 2000=100, SA



Sources: Federal Reserve, Moody's Analytics

# ...Mainly in the Overvalued South and Mountain West

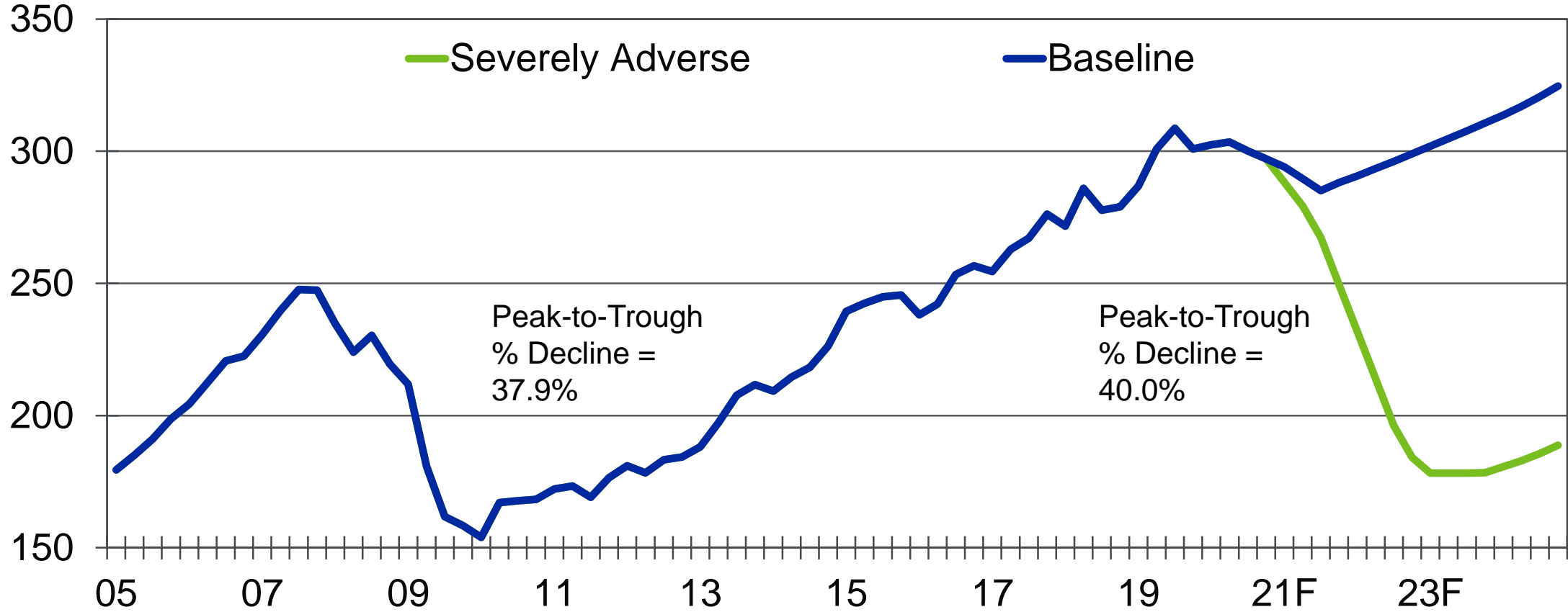
Case-Shiller index, % over-undervalued



Sources: CoreLogic, FHFA, Moody's Analytics

# Commercial RE Biggest Pandemic Casualty

Commercial RE price index

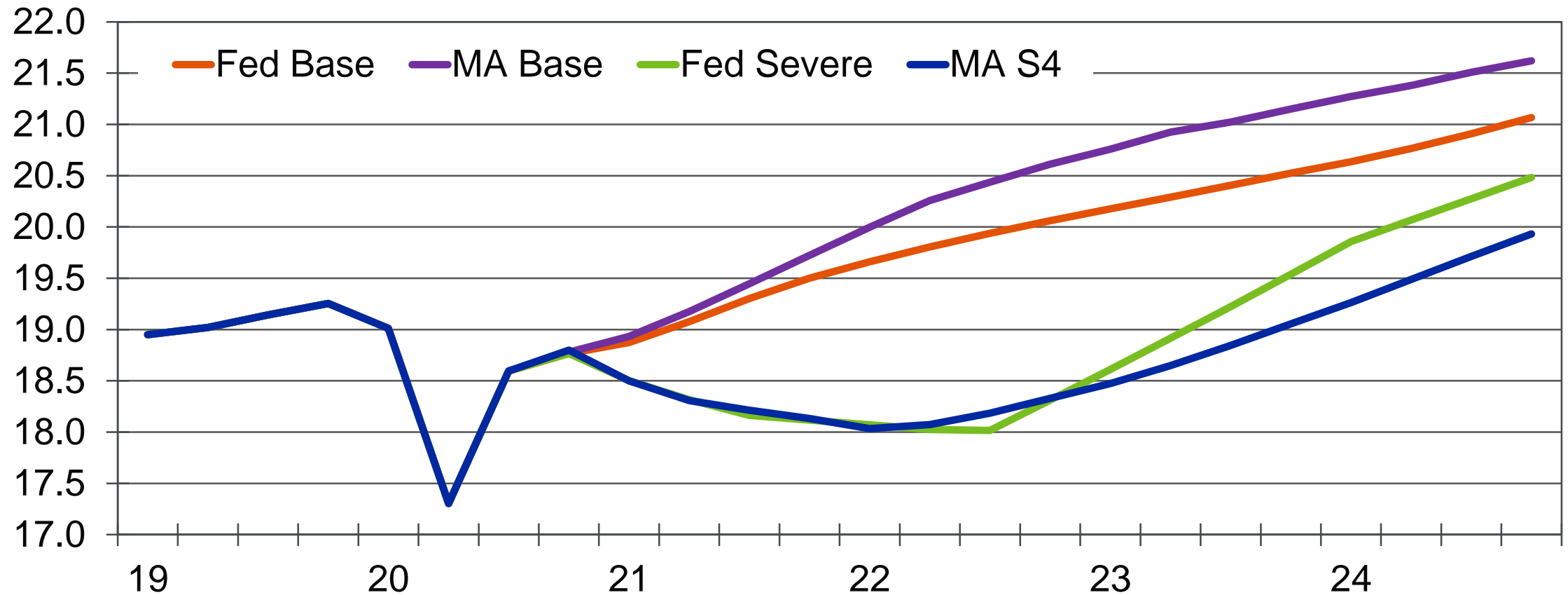


Sources: Federal Reserve, Moody's Analytics



# CCAR Severe Adverse Not Quite As Tough as MA S4...

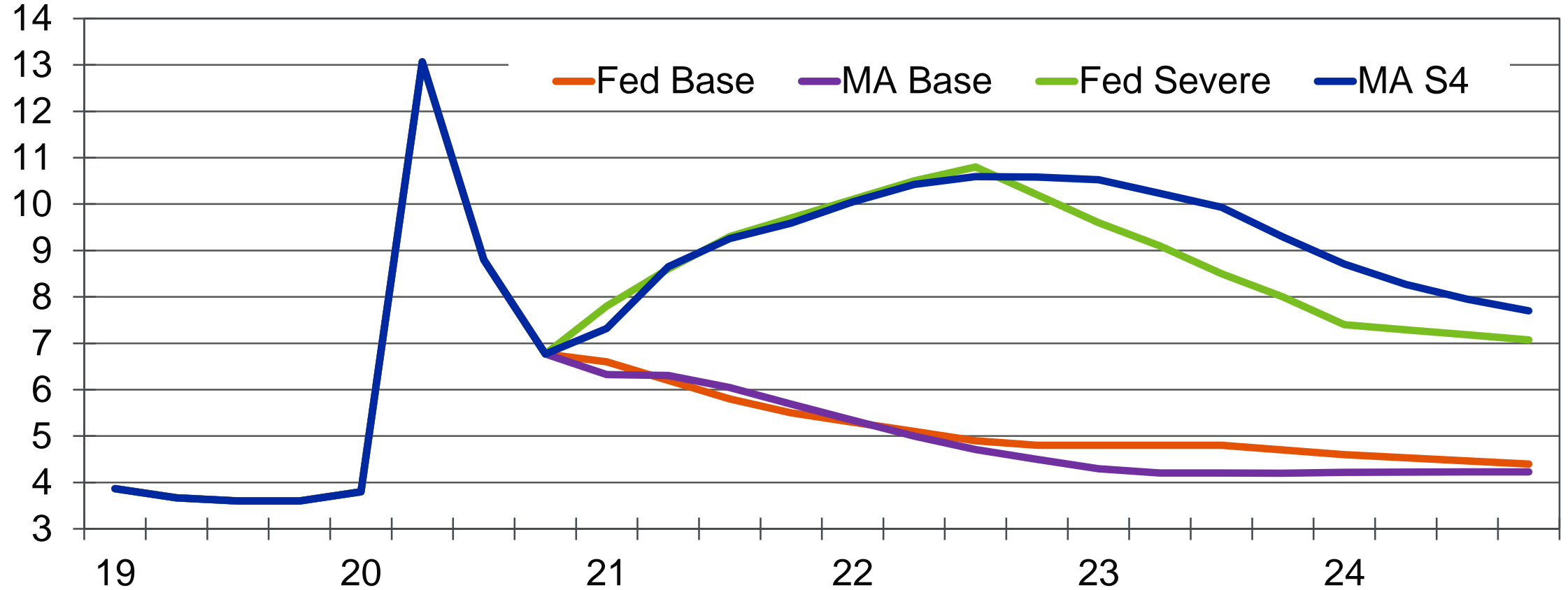
Real GDP, Bil 2012\$



Sources: Federal Reserve, BEA, Moody's Analytics

# ...Although It Is Tough

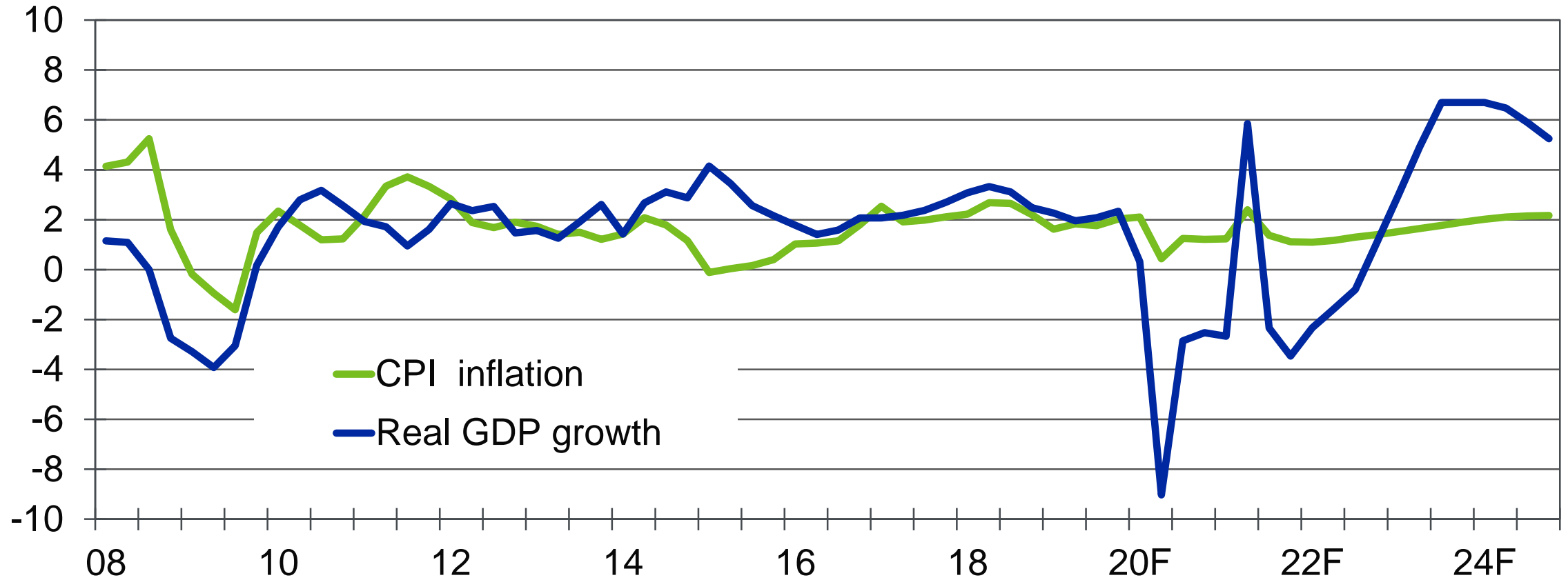
Unemployment rate, %



Sources: BLS, Federal Reserve, Moody's Analytics

# Firm Inflation, Despite GDP Collapse...

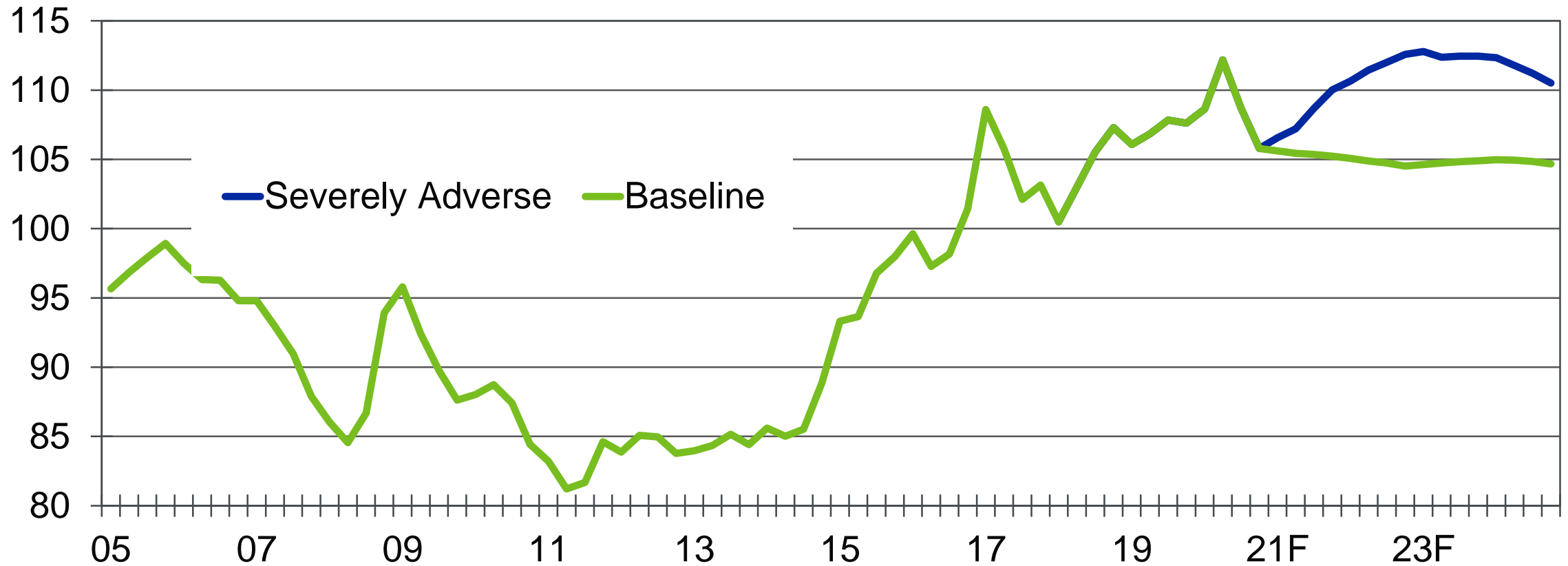
Severely adverse scenario, % change yr ago



Sources: BLS, Federal Reserve, Moody's Analytics

# ...and Surging U.S. \$

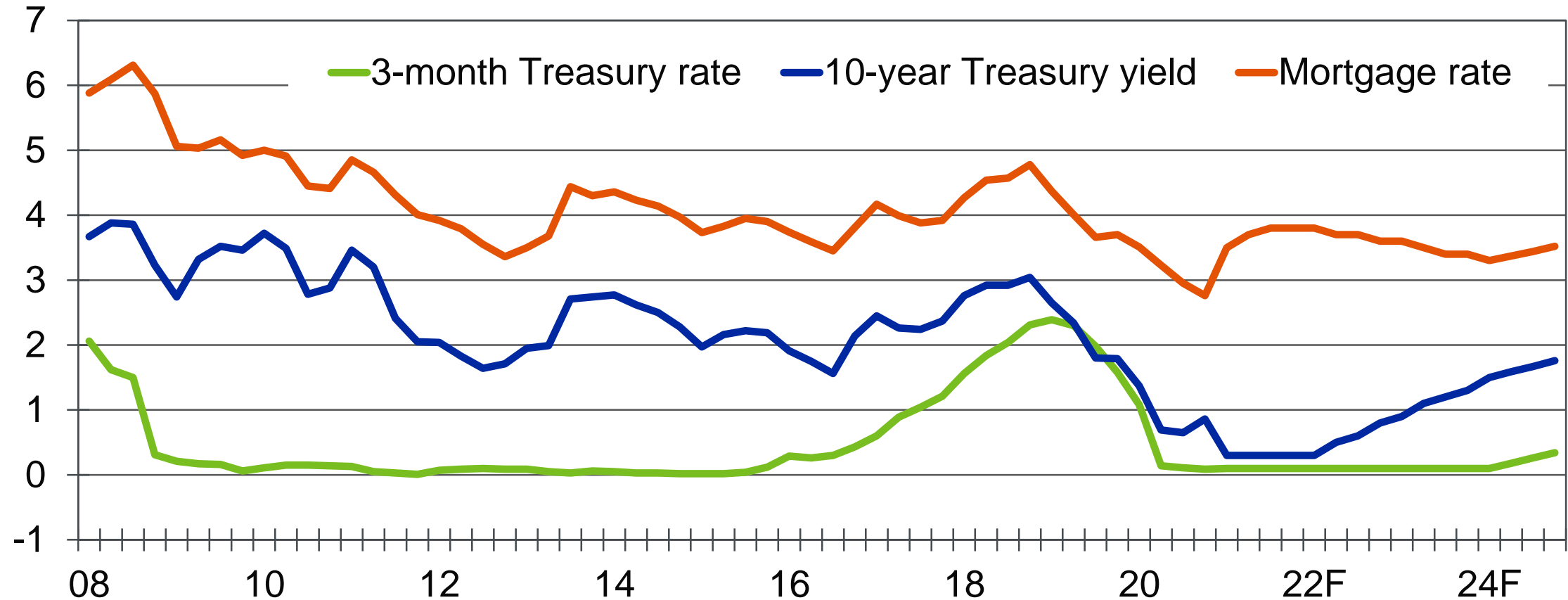
U.S. real broad trade weighted \$



Sources: Federal Reserve, Moody's Analytics

# ZLB...But No Negative Rates

Severely adverse scenario, %



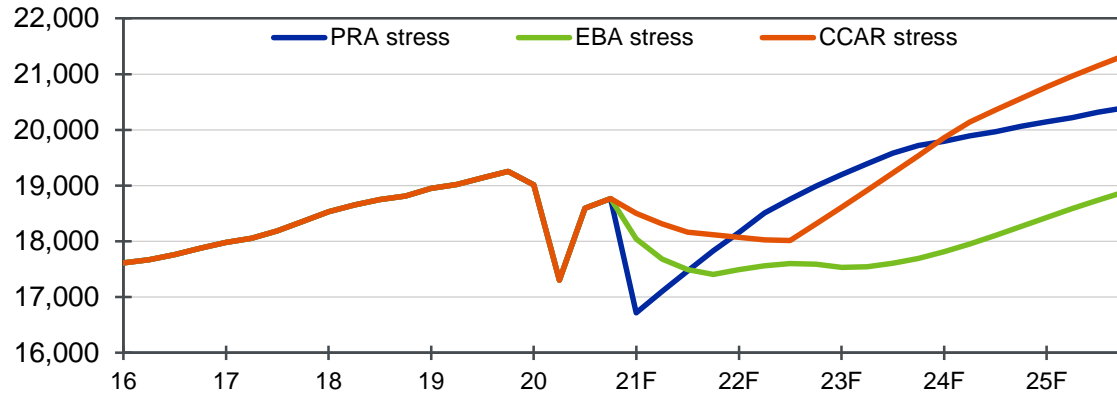
Sources: Freddie Mac, Federal Reserve, Moody's Analytics

4

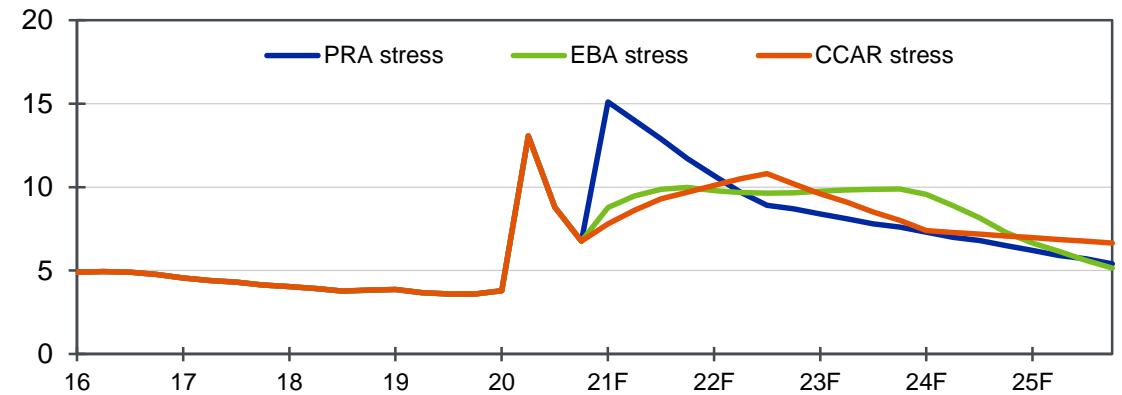
PRA and EBA Scenarios

# U.S. Stress Test Scenario Forecasting

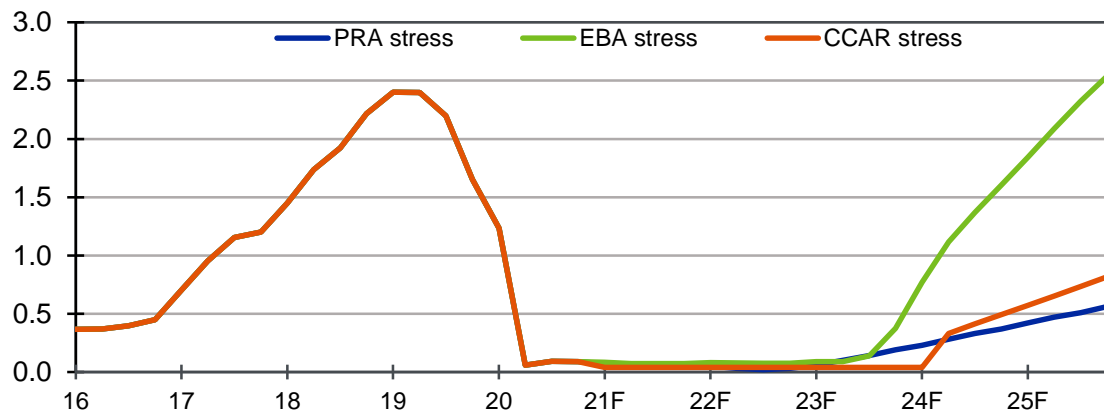
**Real GDP, Bil. Ch. 2012 USD, SAAR**



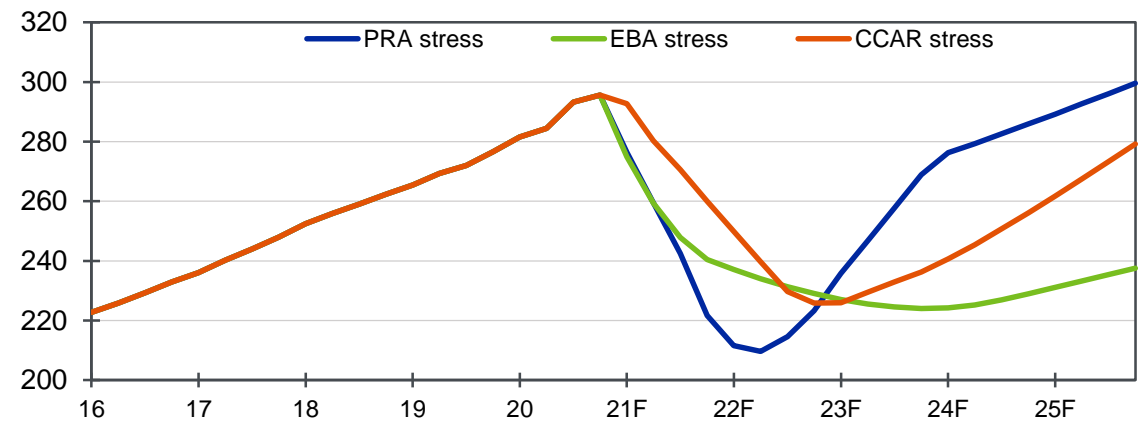
**Unemployment Rate, %**



**Monetary Policy Rate, %**



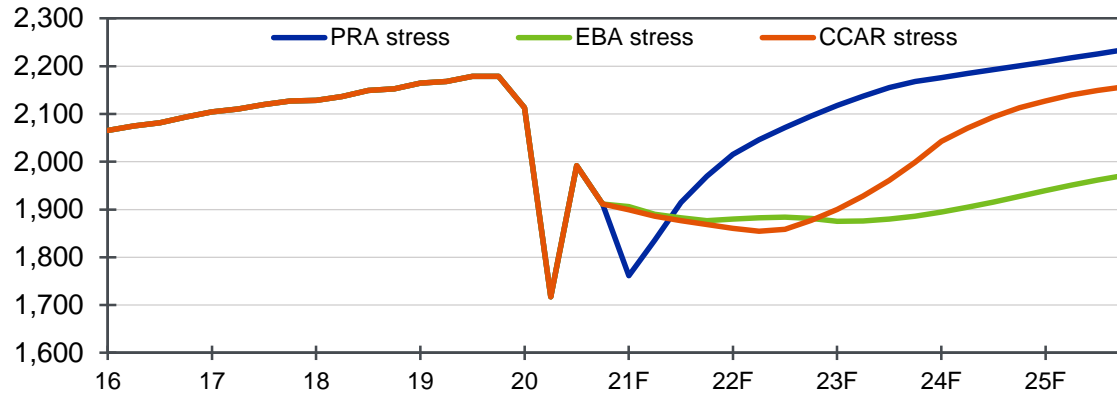
**House Price Index, Index 1991Q1=100, SA**



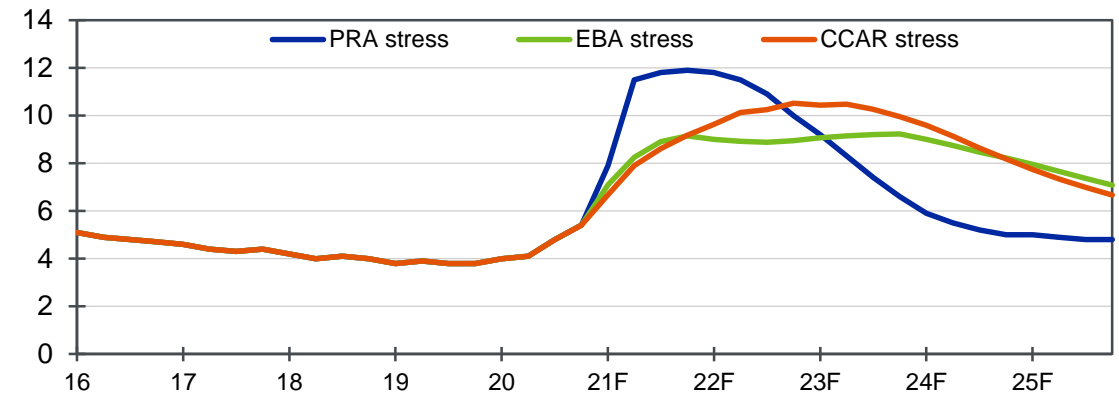
Sources: Fed, EBA, PRA, Moody's Analytics

# U.K. Stress Test Scenario Forecasting

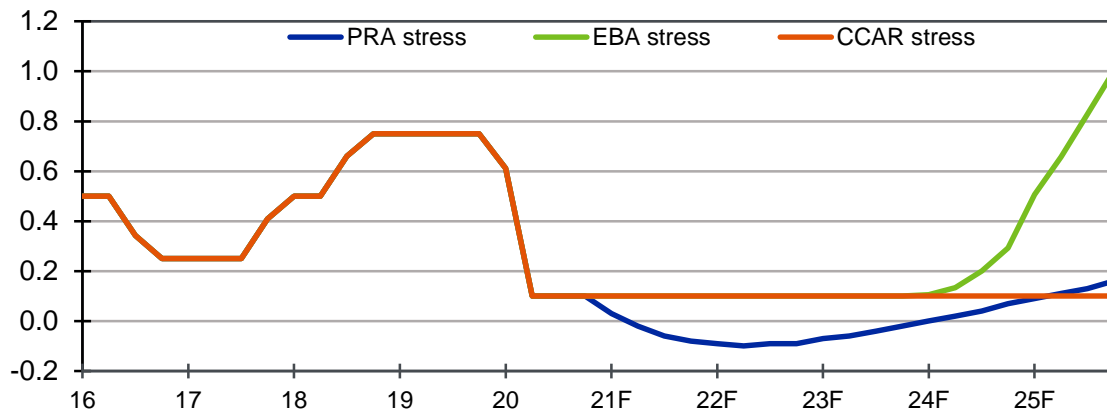
**Real GDP, Bil. 2018 GBP, SAAR**



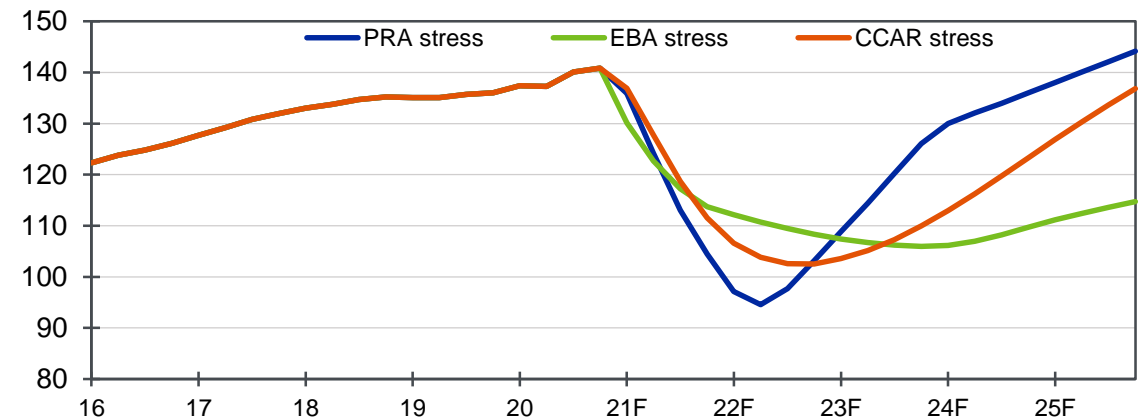
**Unemployment Rate, %**



**Monetary Policy Rate, %**



**House Price Index, Index 2010=100, SA**

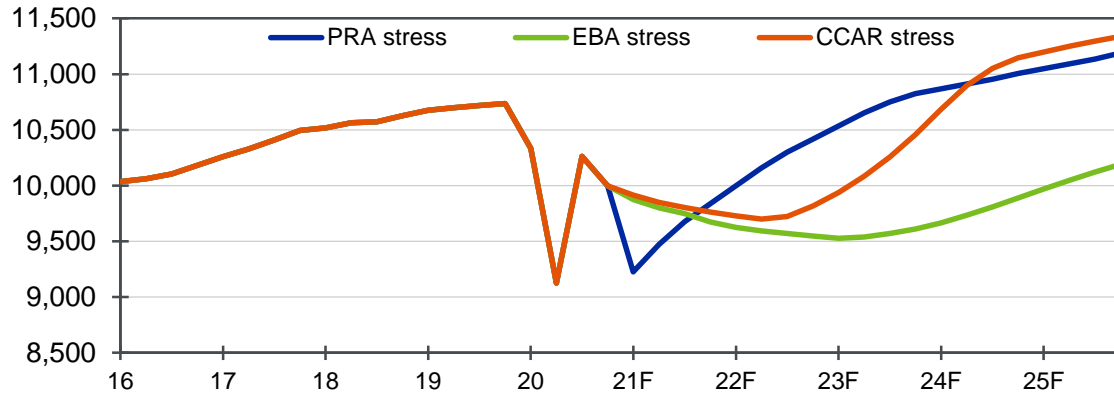


Sources: Fed, EBA, PRA, Moody's Analytics

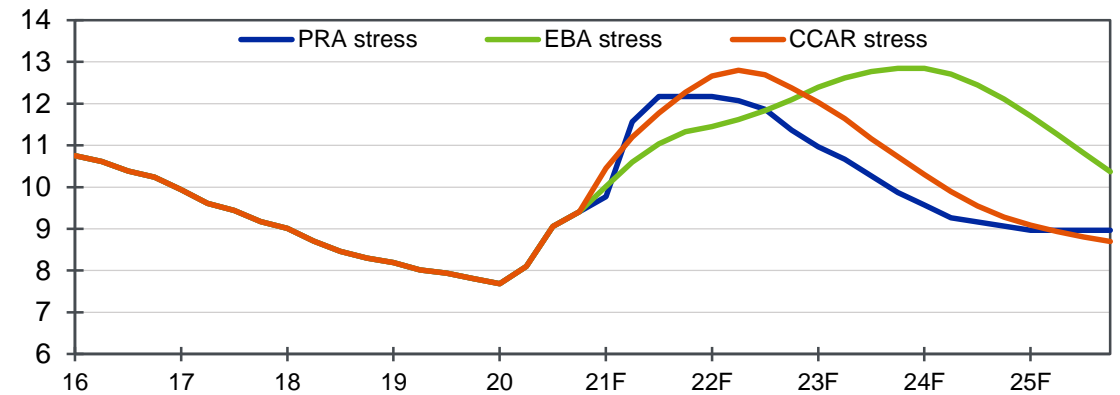


# Euro Zone Stress Test Scenario Forecasting

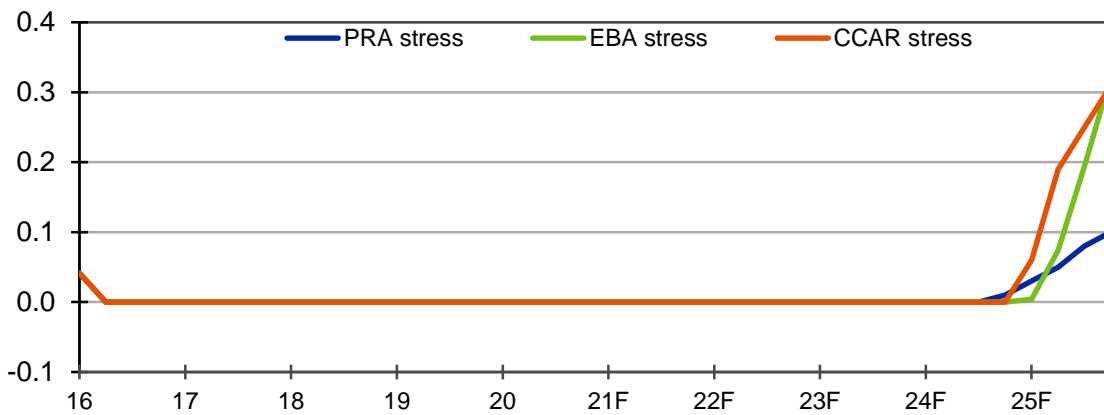
**Real GDP, Bil. Ch. 2010 EUR, CDASAAR**



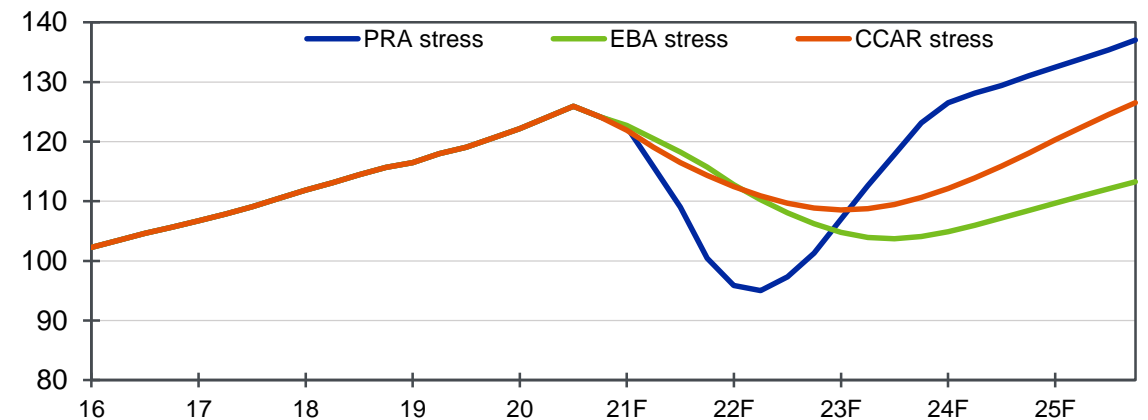
**Unemployment Rate, %**



**Monetary Policy Rate, %**



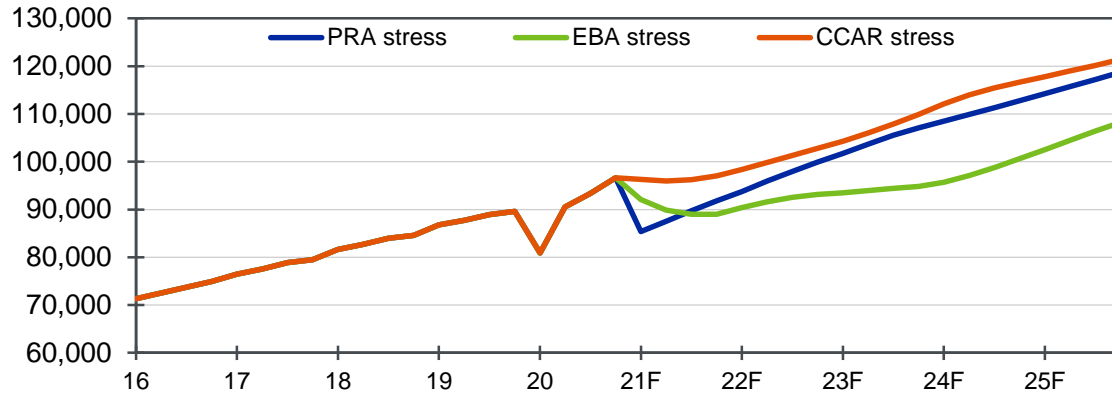
**House Price Index, Index 2015=100, SA**



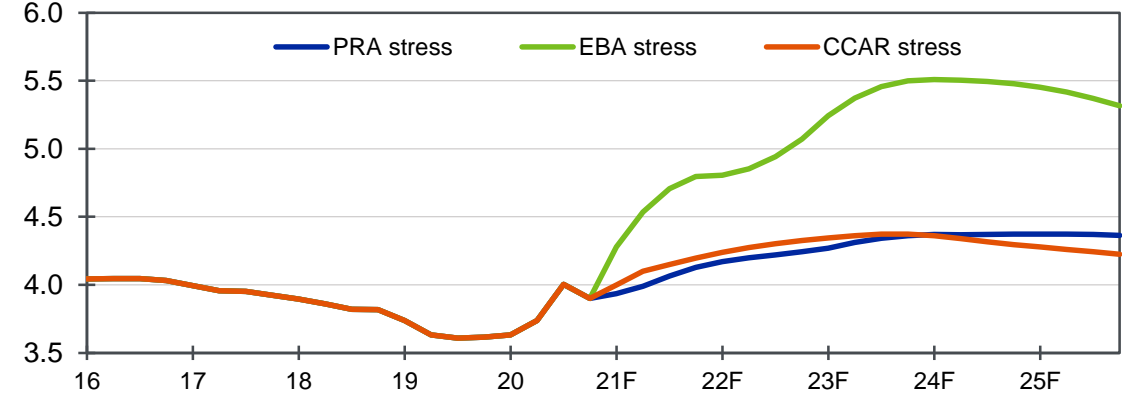
Sources: Fed, EBA, PRA, Moody's Analytics

# China Stress Test Scenario Forecasting

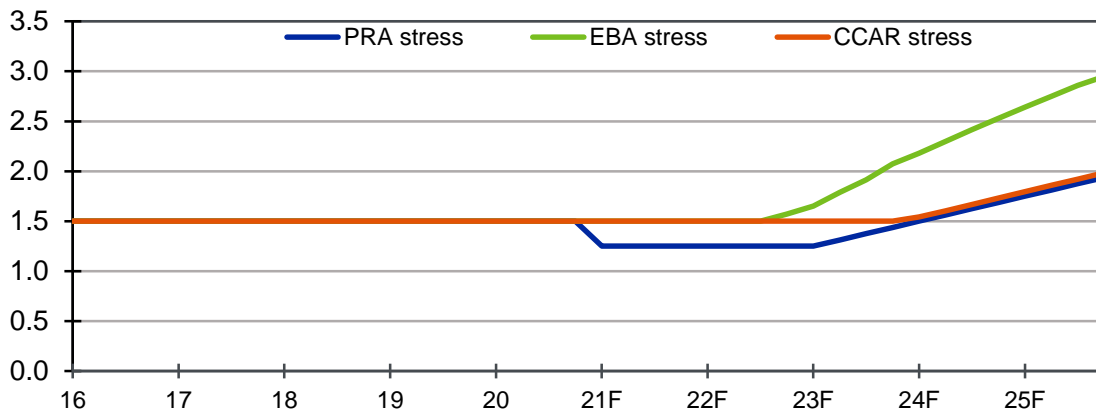
**Real GDP, Bil. 2015 CNY, SAAR**



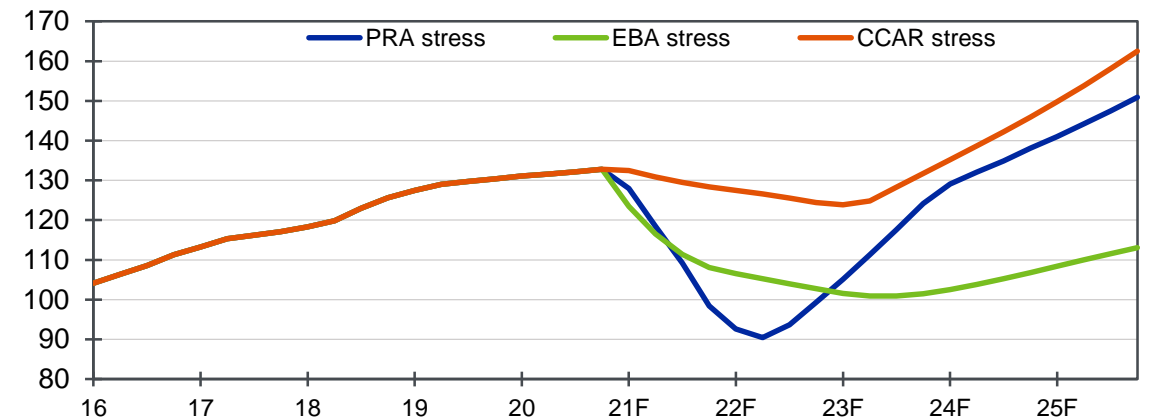
**Unemployment Rate, %**



**Monetary Policy Rate, %**



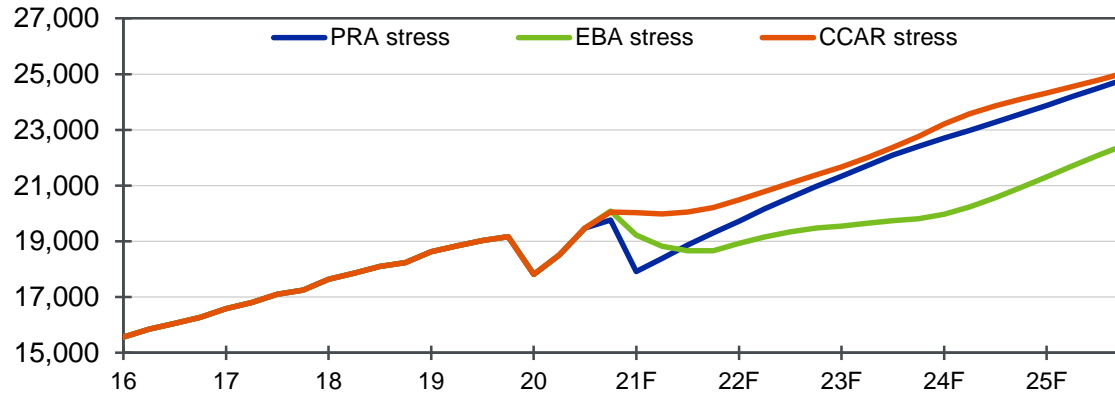
**House Price Index, Index 2010=100, SA**



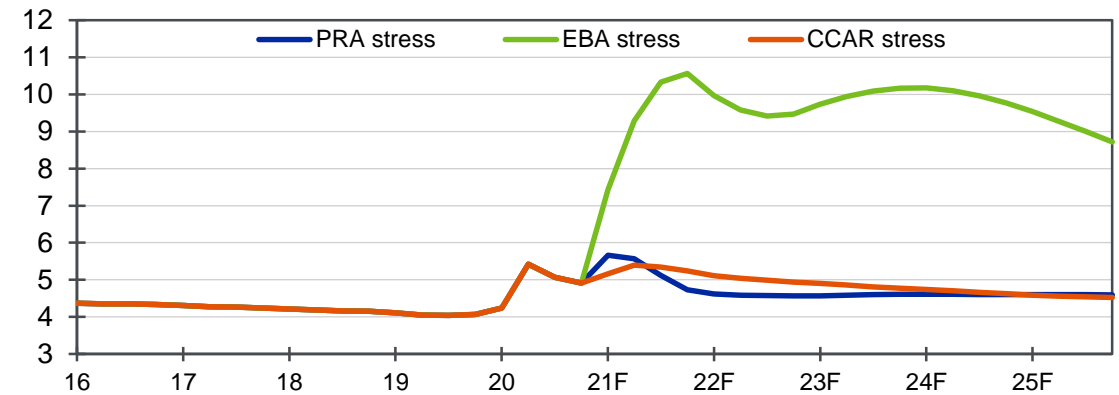
Sources: Fed, EBA, PRA, Moody's Analytics

# Developing Asia Stress Test Scenario Forecasting

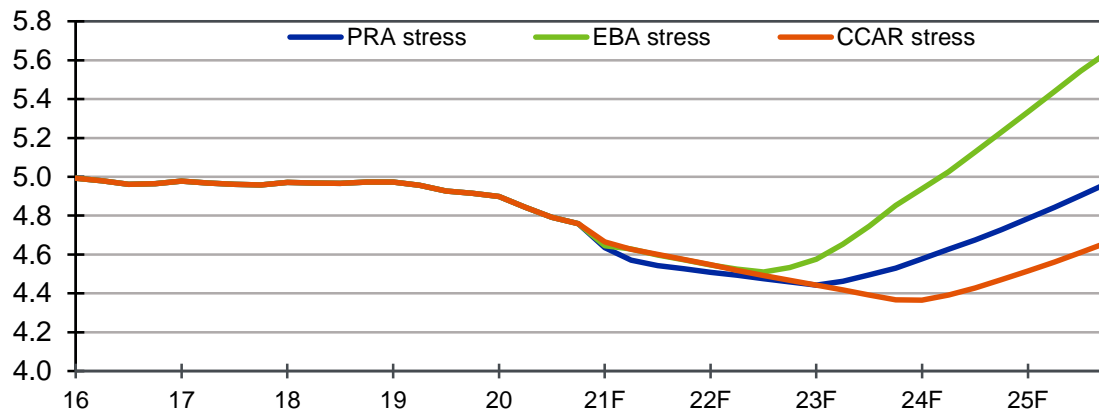
**Real GDP, Bil. 2012 USD, SAAR**



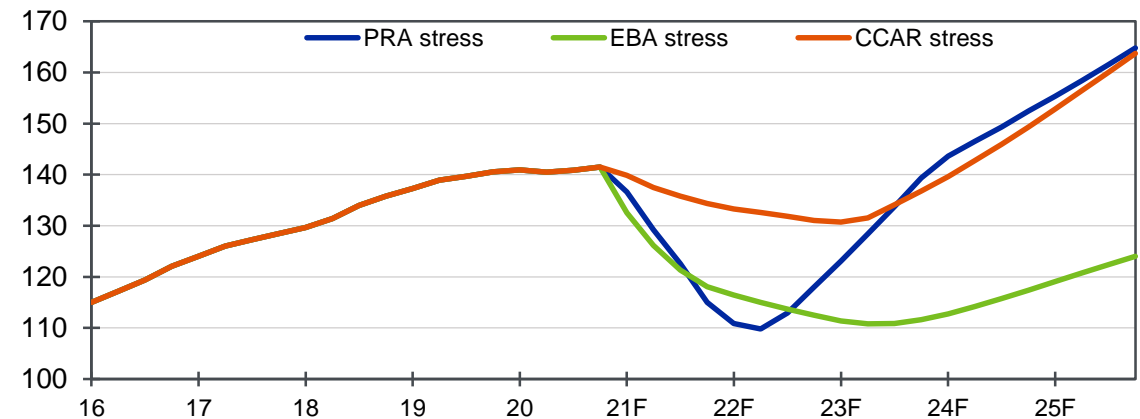
**Unemployment Rate, %**



**Lending Rate, %**



**House Price Index, Index 2012=100, SA**



Sources: Fed, EBA, PRA, Moody's Analytics

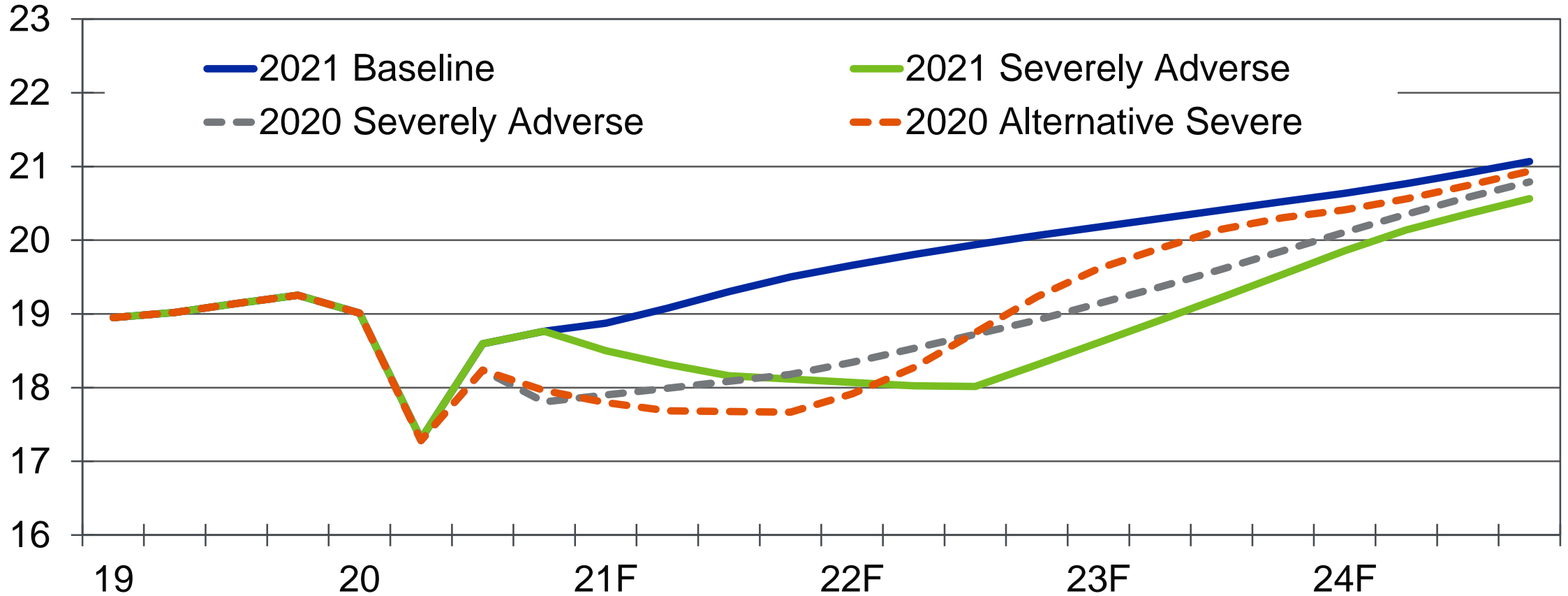


**Further Questions:**

**Email us at [help@economy.com](mailto:help@economy.com)**

# CCAR 2021 Somewhat Tougher Than Resubmission... 2020

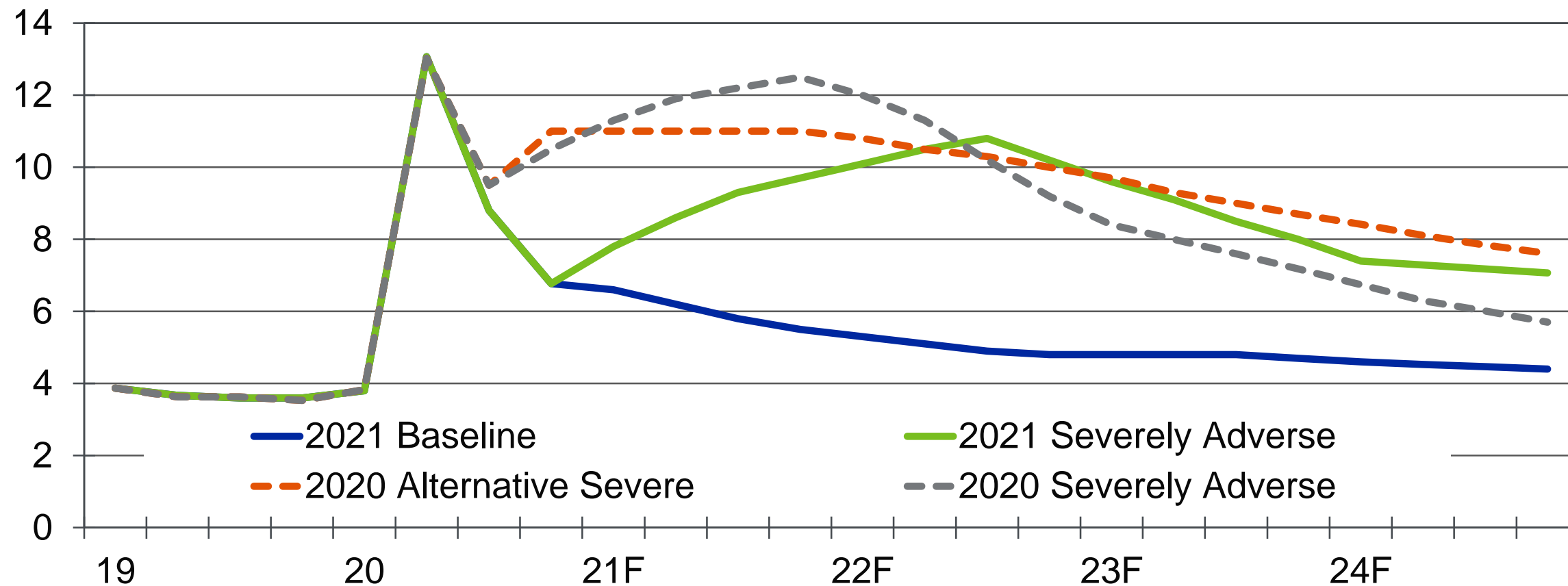
Real GDP, \$ trl



Sources: BEA, Federal Reserve, Moody's Analytics

# ...But Not That Much Tougher

Unemployment rate, %



Sources: BLS, Federal Reserve, Moody's Analytics

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