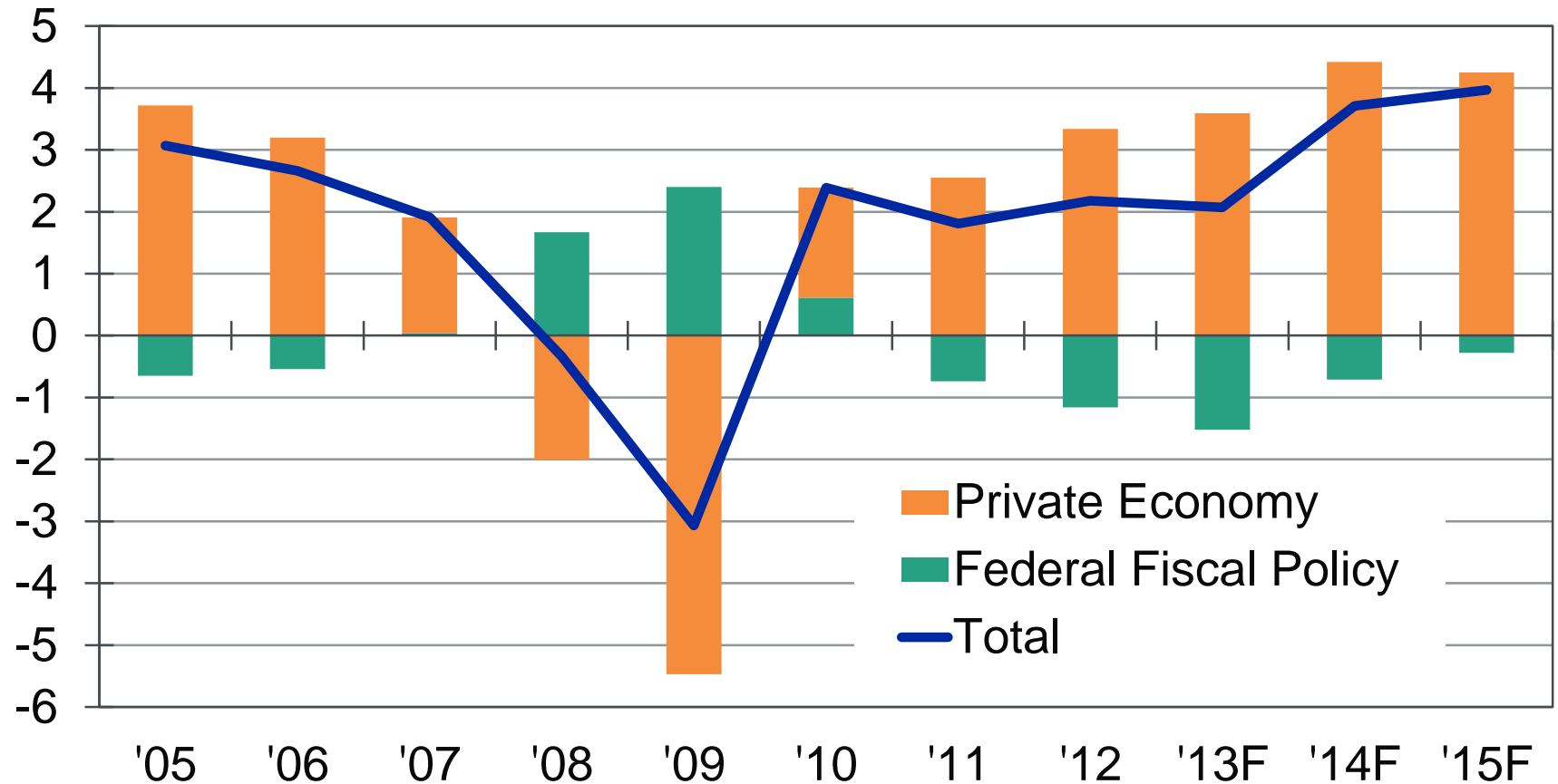


Headwinds Fade...Tailwinds Develop

MARK ZANDI, CHIEF ECONOMIST

Fiscal Headwinds are Near Their Apex...

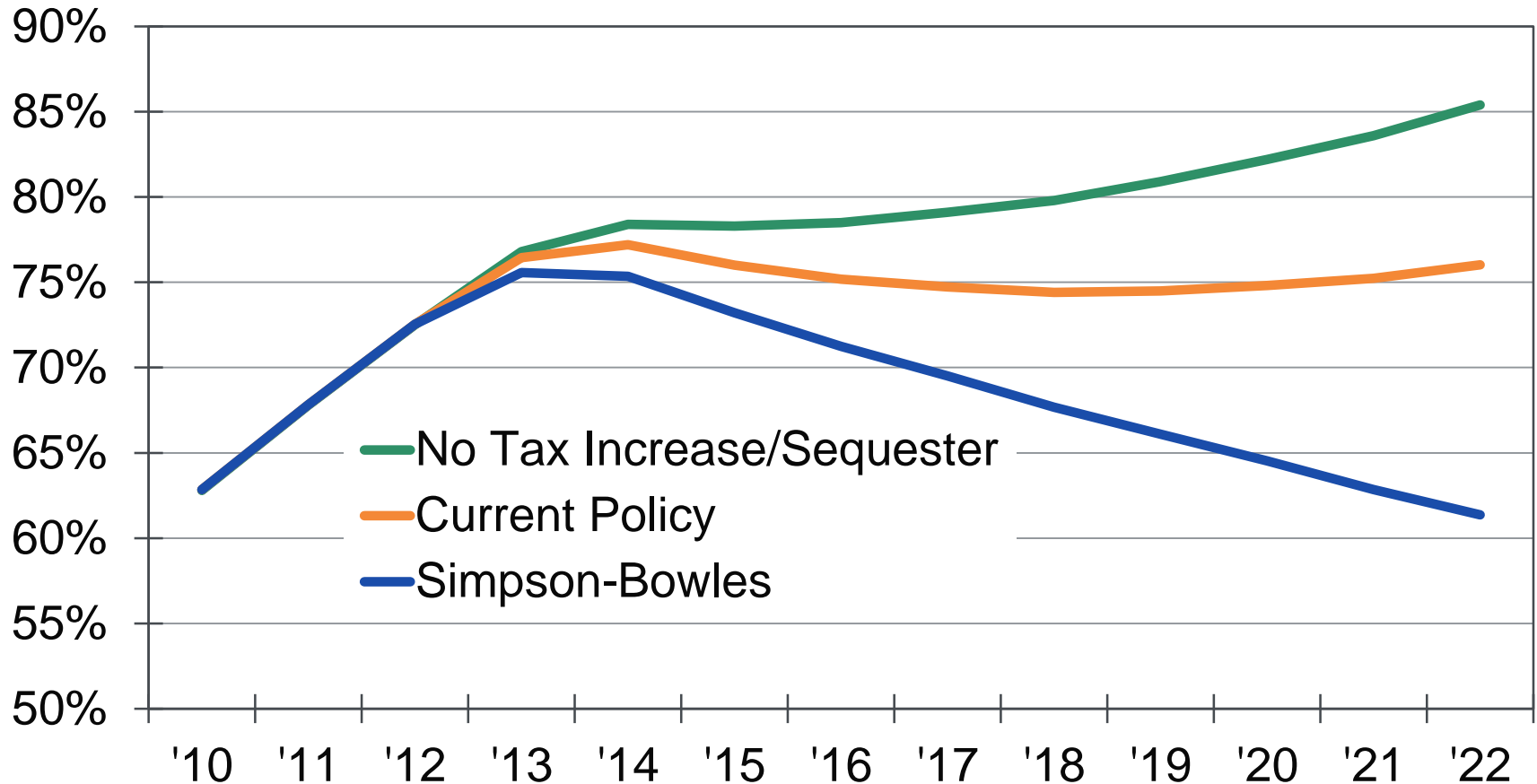
Contribution to real GDP growth, %



Source: Moody's Analytics

...and Fiscal Sustainability is Within Reach

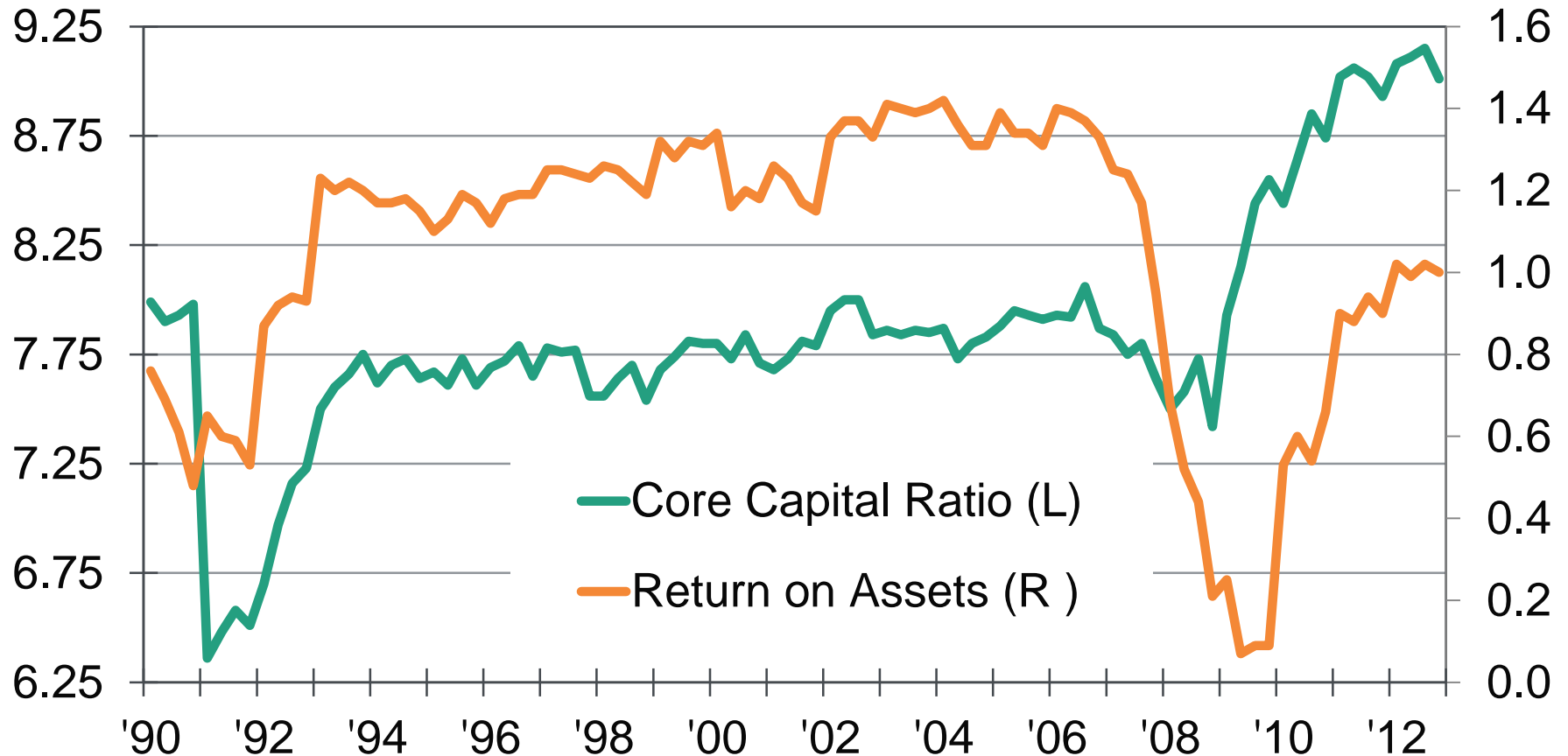
Debt held by the public, % GDP



Sources: CBO, Moody's Analytics

Banks are Well Capitalized and More Profitable...

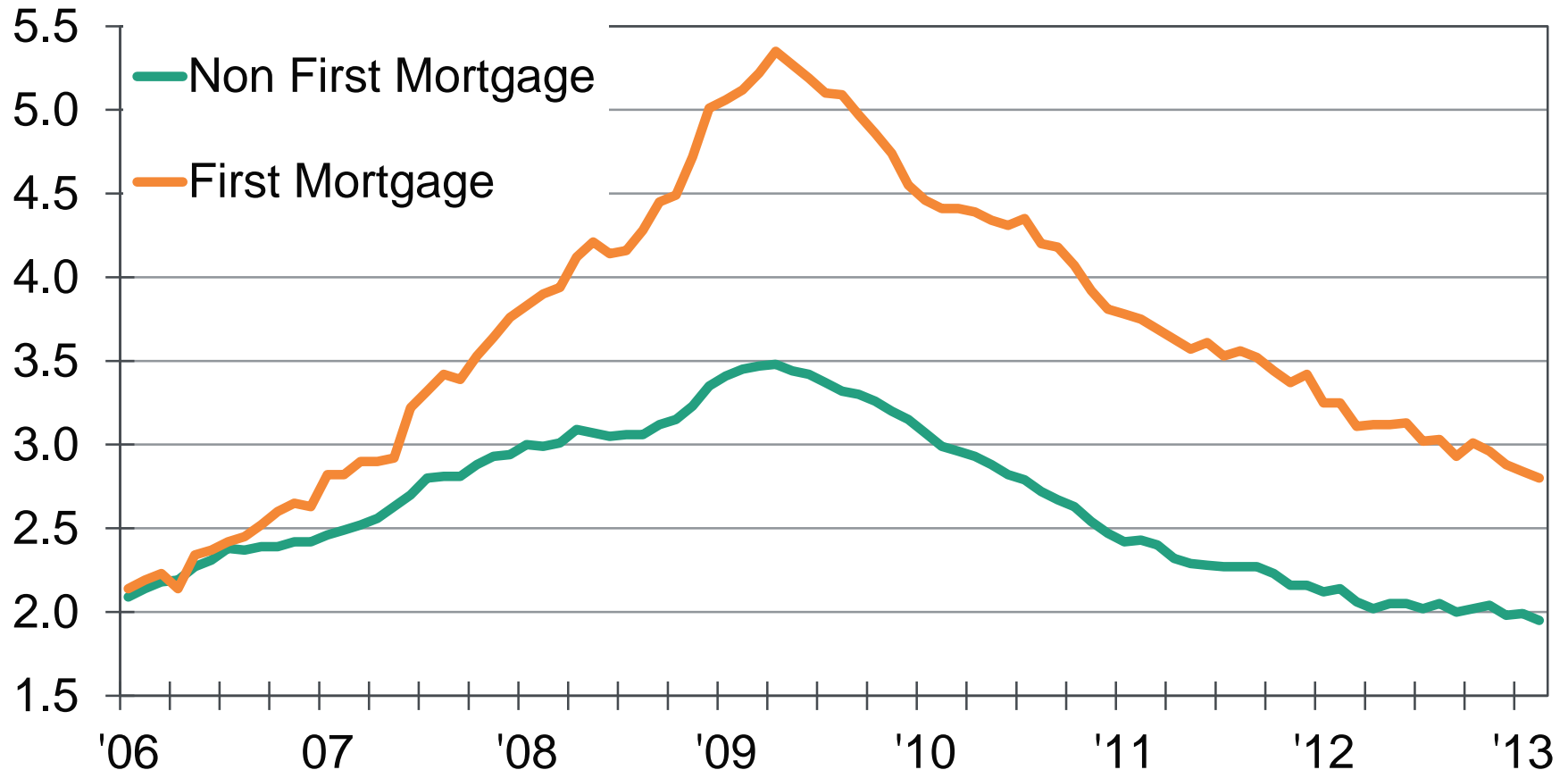
Commercial banks



Source: FDIC

...and Households Right the Wrongs

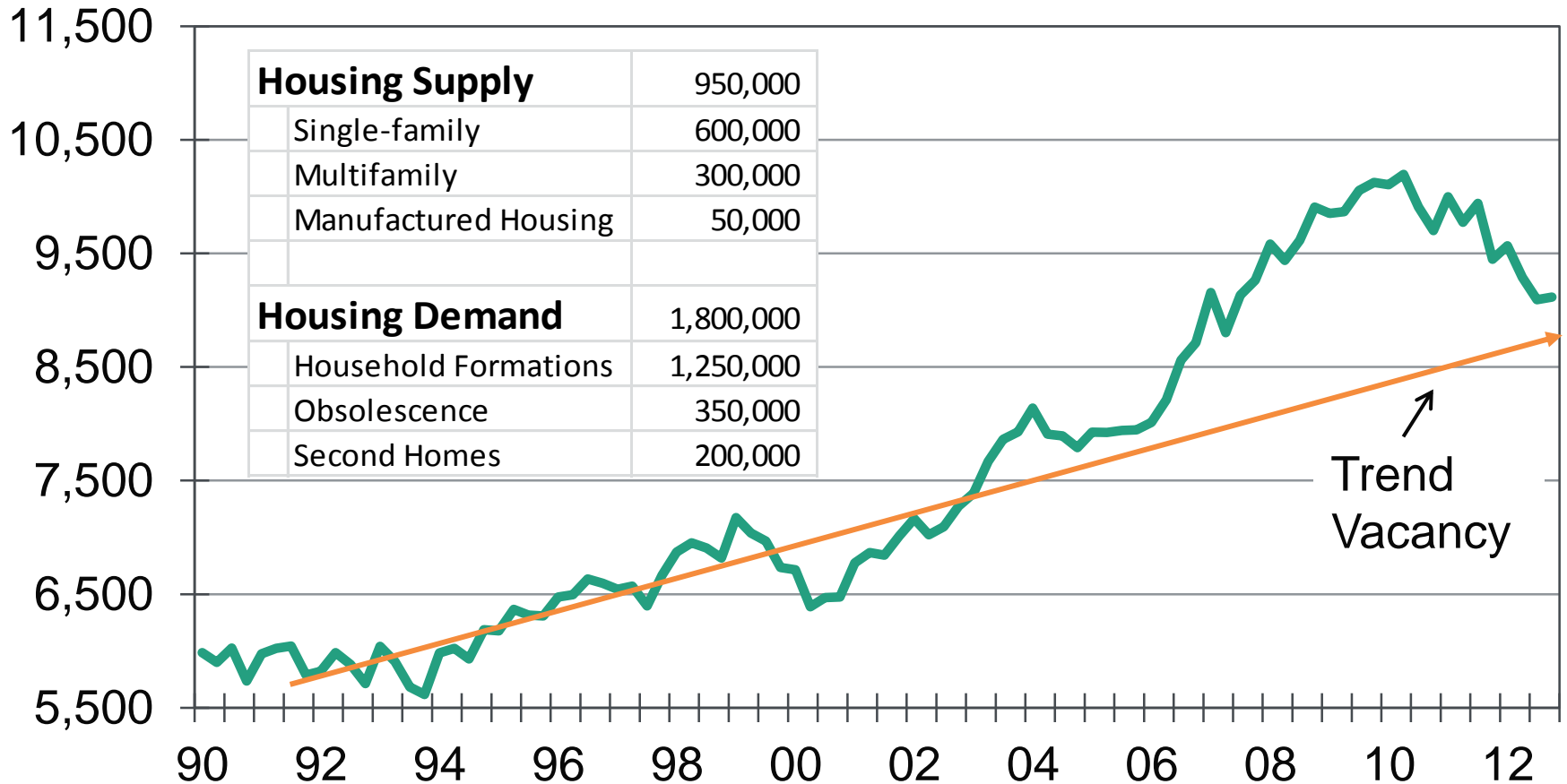
30-90 Day Delinquency Rate, % of \$, SA



Sources: Equifax, Moody's Analytics

Housing Will Soon Be Undersupplied...

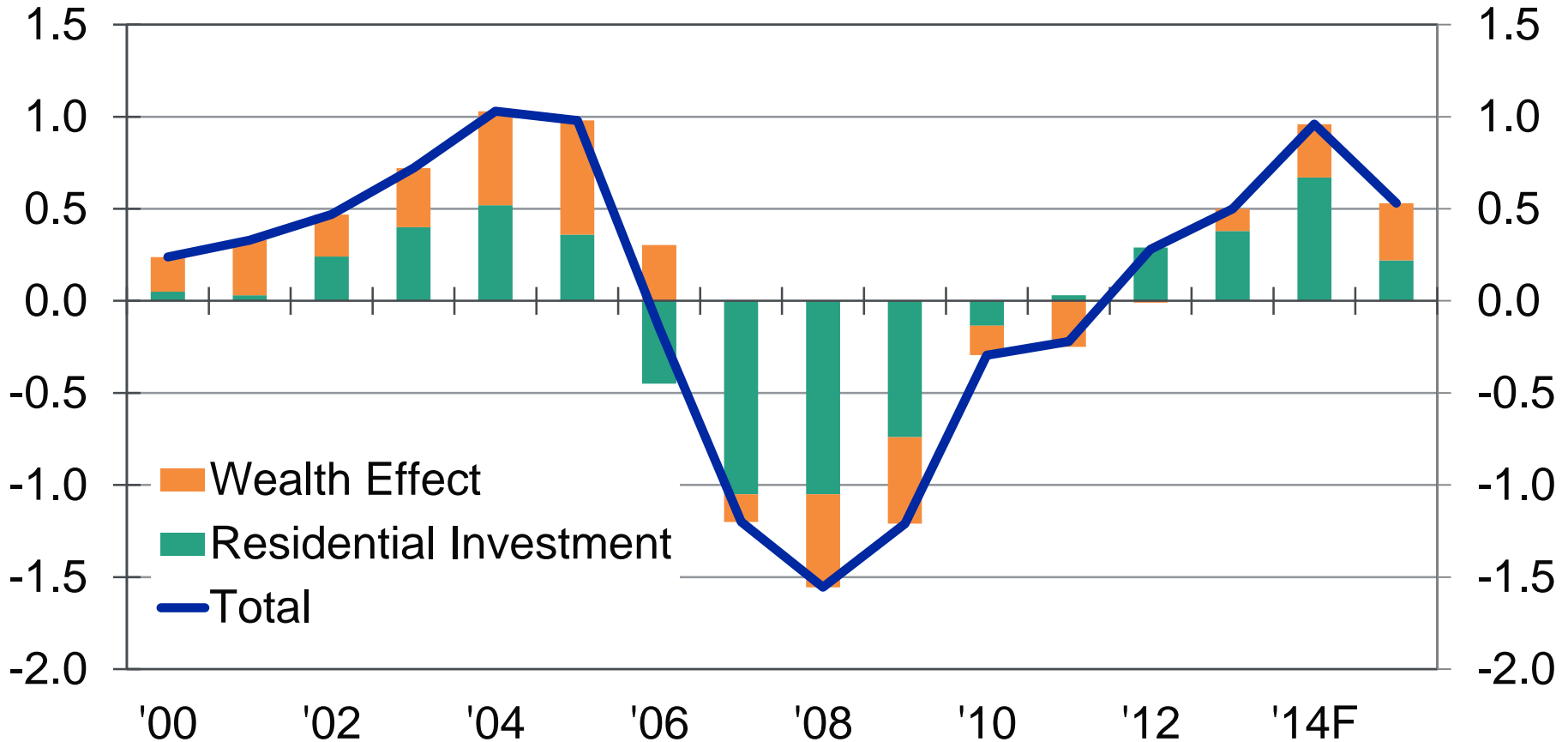
Vacant homes for sale, for rent and held off market, the



Sources: Census, Moody's Analytics

...Fueling a Big Turn in Housing's Contribution

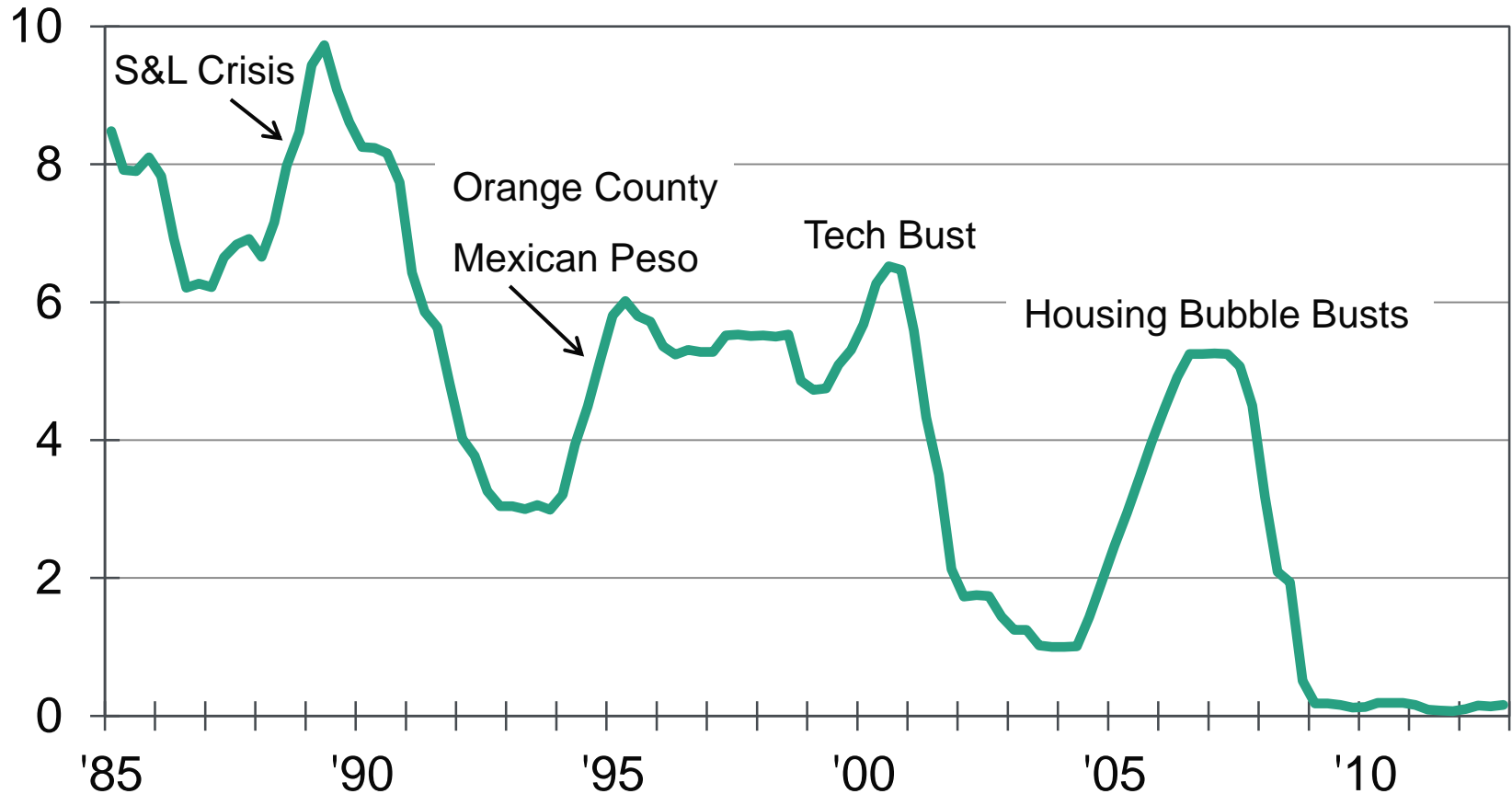
Contribution to real GDP growth, %



Source: Moody's Analytics

Rising Rates Expose Financial Excesses

Federal funds rate



Sources: Treasury, BEA, Moody's Analytics

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