

ShadowStats Flash Update No. 23

January 2020 CASS Freight Index

February 18, 2020

**January 2020 CASS Freight Index
Dropped by 9.4% (-9.4%) Year-to-Year**

**Current, Deepening Annual Declines in Freight Activity
Increasingly Resemble the Onset of the Great Recession**

**Deepening Annual Declines in Freight Activity
Are Not Consistent With a Booming Economy**

**They Also Do Not Support FOMC Claims of
Sustainable Moderate Economic Growth in Place**

**They Are Consistent With Fourth-Quarter Contractions
Seen in Industrial Production and Real Retail Sales**

January 2020 CASSTM Freight Index

Freight Activity Is Crashing Like It Did At the Onset of the Great Recession

Economic Signals Here Confirm Neither Wall Street's Economic Boom, Nor the FOMC's Claim of a "Sustainable Moderate Economic Growth"

January 2020 CASSTM Freight Index Dropped Year-to-Year by 9.4% (-9.4%), Following a Drop in December of 7.9% (-7.9%), the Steepest Pattern of Downturn Since the Great Recession Onset. Reported February 18th, annual plunges in December 2019 and January 2020 CASSTM Freight Index activity reflected the steepest downturn patterns seen since the early months of the Great Recession. See the [Cass Transportation Index Report January 2020](#) of Cass Information Systems, Inc., reviewing its index and assessing economic and industry conditions related to their surveys.

As viewed by *ShadowStats*, the deteriorating annual collapse in activity here has remained much more consistent with "Recession," than with Wall Street's "Booming Economy" and/or the Fed's Federal Open Market Committee (FOMC) proclaiming the attainment of "Sustainable Moderate Economic Growth," which is being used to alibi no more rate cuts.

Reflected in **Graphs 1 to 4** on the next page, recent freight activity, however, has been consistent with a less-than-robust economy, indeed with recently reported quarterly declines in Fourth-Quarter 2019 Real Retail Sales, Industrial Production and Manufacturing (see [Flash Update No. 22](#)). Separately, the Index's consecutive monthly year-to-year declines and monthly declines in the 12-month trailing average have held in place for fourteen straight months. Those year-to-year and 12-month-moving-average metrics neutralize seasonality in this unadjusted series.

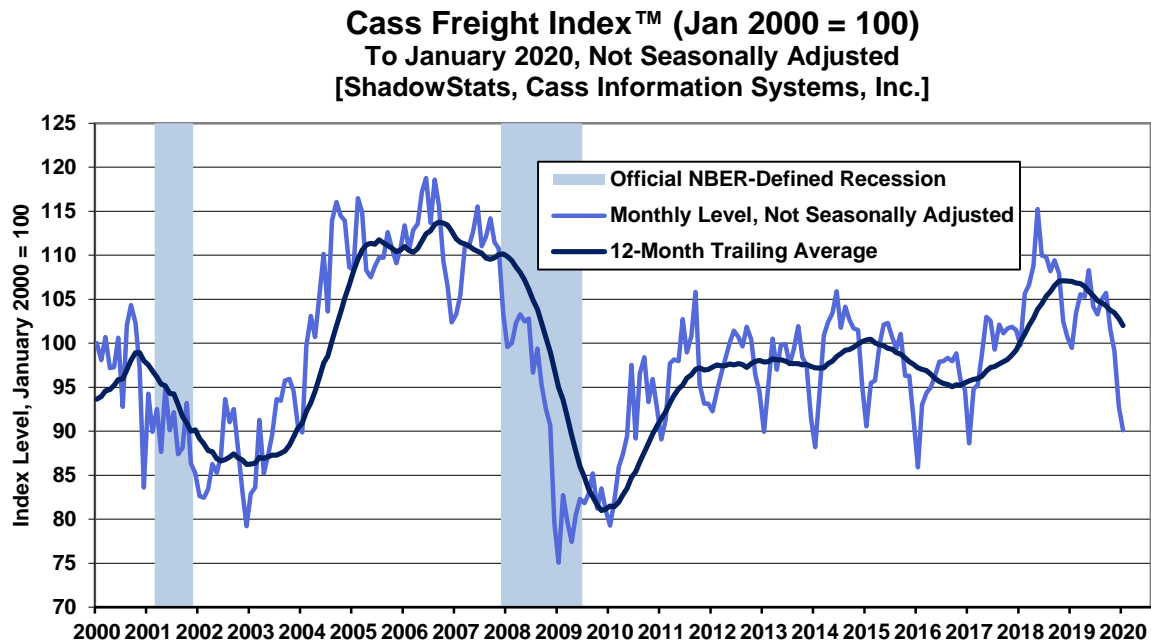
Graphs 1 and 2 plot the level of the CASSTM Index, along with its 12-month trailing or moving average, against formal recessions since 2000, plus the year-to-year change in the index.

Graph 3 plots the level of the CASSTM Index, along with its 12-month trailing or moving average, against formal recessions, as well as against prospective or "missed" recessions as discussed in [Flash Update No. 22](#), and as seen against **Graph 4** of Industrial Production Capacity Utilization, traditionally used to time formal recessions.

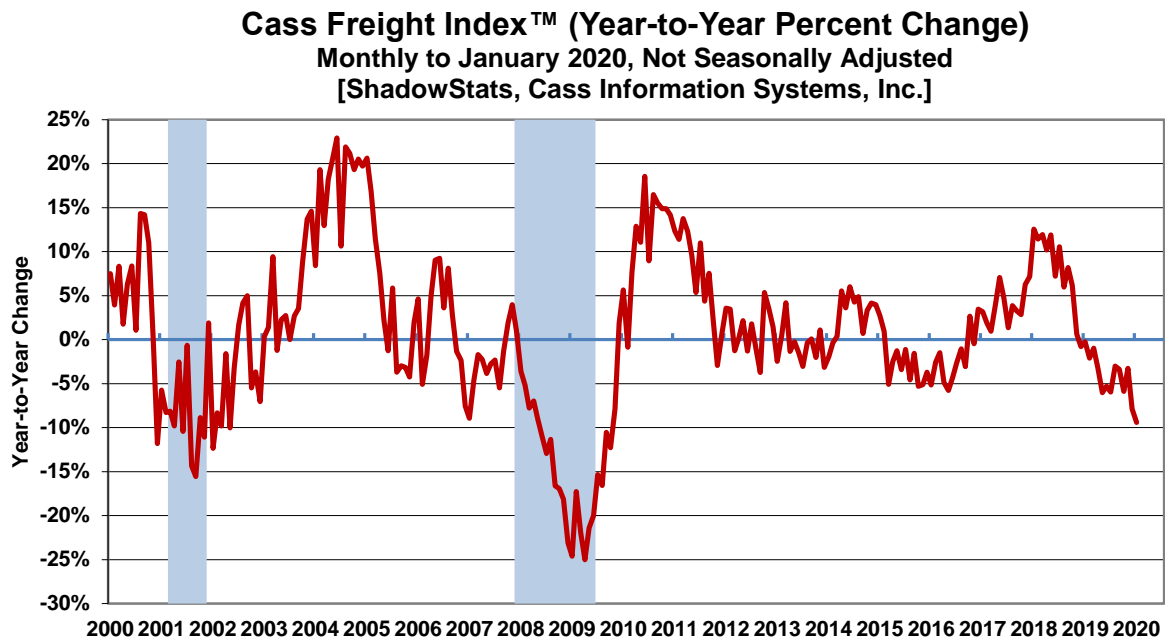
ShadowStats regularly follows and assesses the CASS Index as a highest-quality coincident/leading indicator of underlying economic reality. We thank CASS for their permission to graph and to use their numbers in our Commentaries.

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Graph 1: CASS Freight Index, Monthly Level of Unadjusted Activity vs. 12-Month Trailing Average

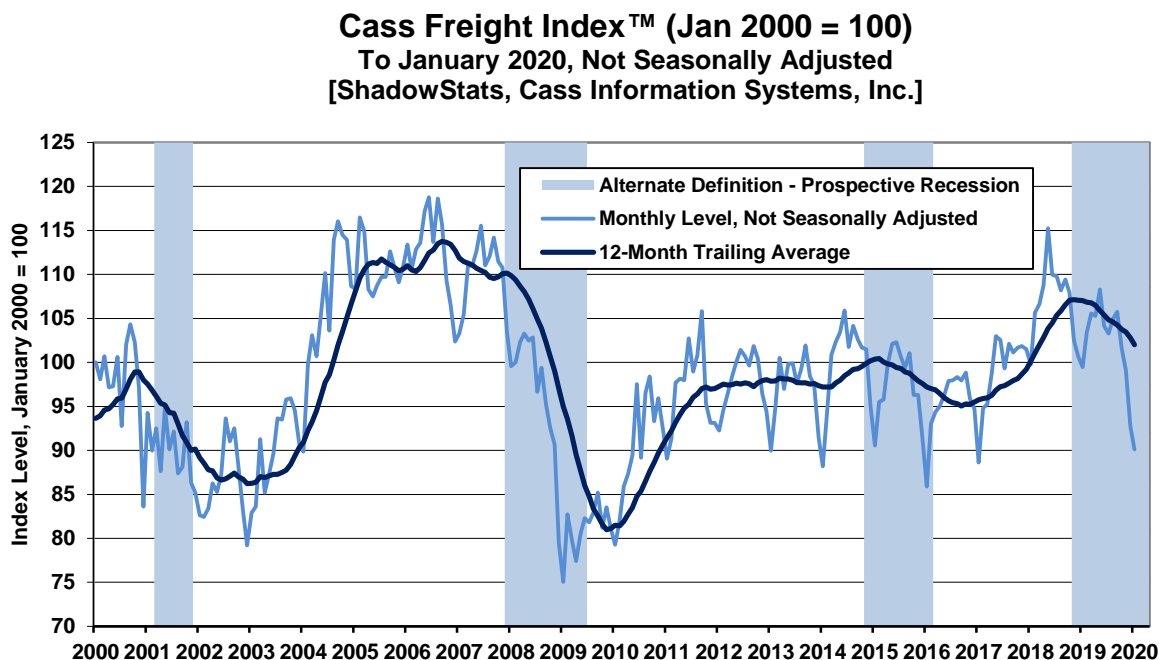


Graph 2: CASS Freight Index, Year-to-Year Percent Change

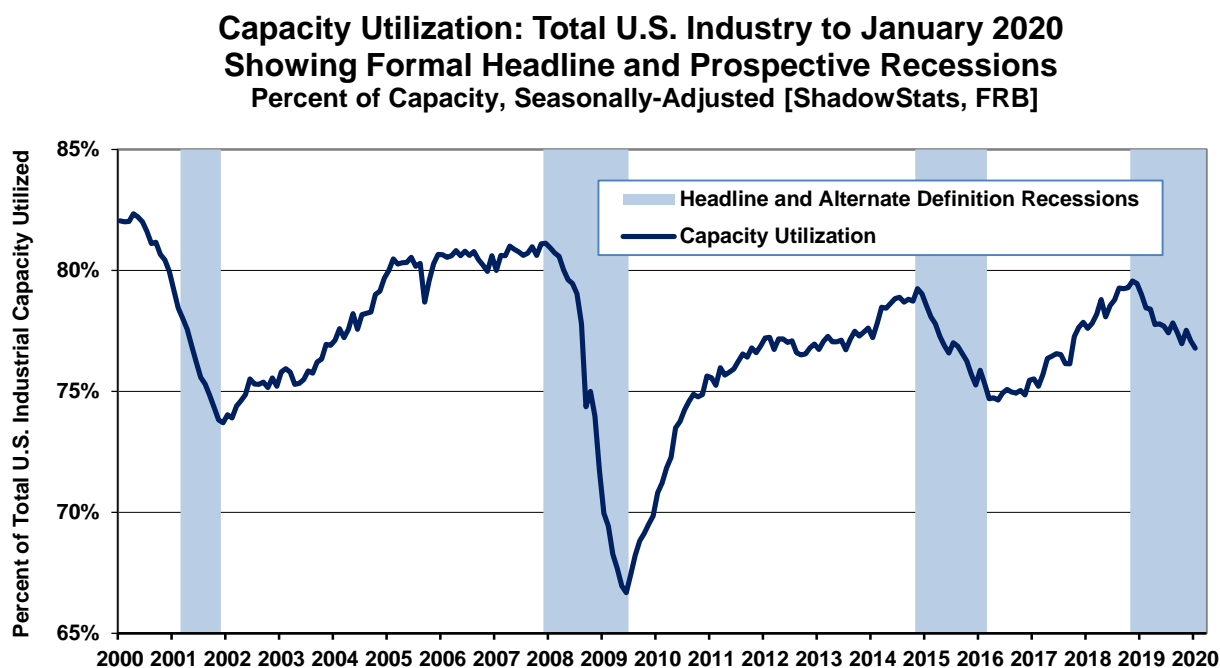


AGAINST ALTERNATE RECESSION MEASURES

Graph 3: CASS Freight Index, Monthly Level of Unadjusted Activity vs. 12-Month Trailing Average



Graph 4: Total Industrial Capacity Utilization, Versus Recessions (2000-to-Date)



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