

**ShadowStats Flash Commentary, Issue No. 1431**

**March 2020 Cass Freight Index®**

**April 13, 2020**

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**March 2020 Cass Freight Index®  
Plunged by 9.2% (-9.2%) Year-to-Year**

**Continuing, Deepening Annual Declines in Freight Activity  
Increasingly Mirror the Onset of the Great Recession**

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

**They Also Never Supported FOMC Claims of Pre-Pandemic  
Sustainable Moderate Economic Growth in Place**

**They Are Consistent With Fourth-Quarter 2019 and First-Quarter 2020  
Contractions in Industrial Production and Real Retail Sales**

**They Also Likely Foreshadow a Quarterly Contraction in  
Real First-Quarter 2020 Gross Domestic Product**

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## **March 2020 Cass Freight Index®**

### **March Freight Activity Continued Crashing Like It Did At the Onset of the Great Recession**

#### **Downtrending Freight Volume Tends to Confirm a Deepening Economic Downturn, Exacerbated by the Early Stages of Pandemic Disruptions to March Business Activity**

**March 2020 Cass Freight Index® Dropped Year-to-Year by 9.2% (-9.2%), Following a Drop of 7.5% in February, Continuing the Steepest Pattern of Decline Since the Great Recession Onset.** Reported April 13th, a continuing and deepening annual plunge in March 2020 Cass Freight Index® activity reflected the steepest downturn patterns seen since the early months of the Great Recession. Where the Index is based on invoicing that overlaps from the prior month of February, the March numbers here still would have reflected some early effects from Pandemic-driven economic disruptions.

See the [Cass Transportation Index Report March 2020](#) of Cass Information Systems, Inc., reviewing its indices and assessing economic and industry conditions related to their surveys.

As viewed by *ShadowStats*, the deteriorating annual collapse in freight activity has been much more consistent with a Pre-Pandemic “Recession,” than with Wall Street’s “Booming Economy” and/or the Fed proclaiming the attainment of “Sustainable Moderate Economic Growth,” which were used to alibi no more rate cuts through as late as the January 29th FOMC Meeting. Given the unfolding Coronavirus Pandemic economic impact, the FOMC cut rates to 0.0% by mid-March.

Reflected in *Graphs 1 to 4*, beginning on the next page, recent freight activity 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 and with similar First-Quarter 2020 trends. Separately, the Index’s consecutive monthly year-to-year declines and monthly declines in the 12-month trailing average have held in place for sixteen straight months. Those year-to-year and 12-month-moving-average metrics neutralize seasonality in this unadjusted series.

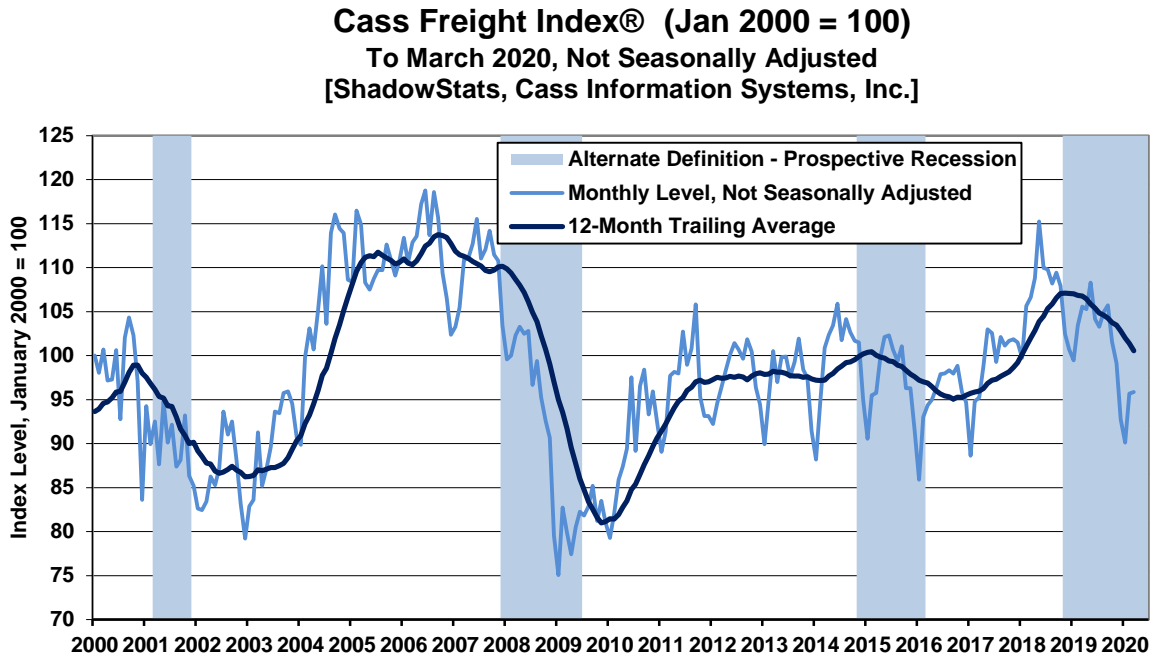
*Graphs 1* and *2* plot the level of the Cass Index®, along with its 12-month trailing or moving average, against formal recessions since 2000, plus the year-to-year change in the Index.

*Graph 3* plots the level of the Cass 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. *Graph 4* will be updated through March 2020 in the pending *ShadowStats Flash Commentary, Issue No. 1432* of April 16th.

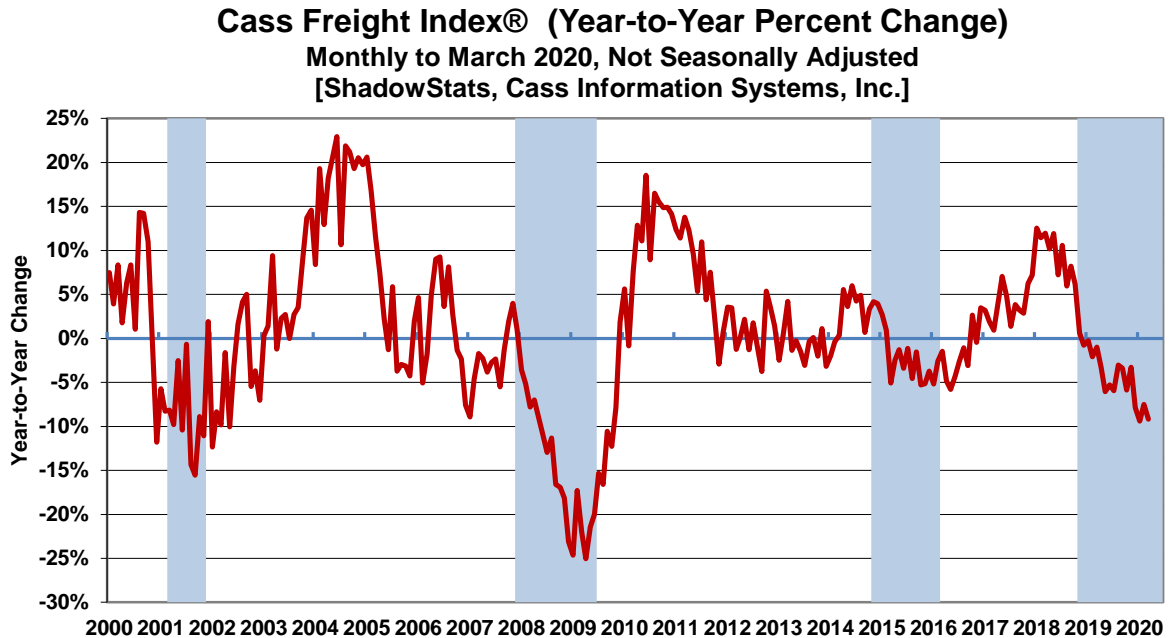
**ShadowStats regularly follows and assesses the Cass Freight Index® as a highest-quality coincident/leading indicator of underlying economic reality. We thank Cass for their permission to graph and to use their numbers in our Commentaries.**

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

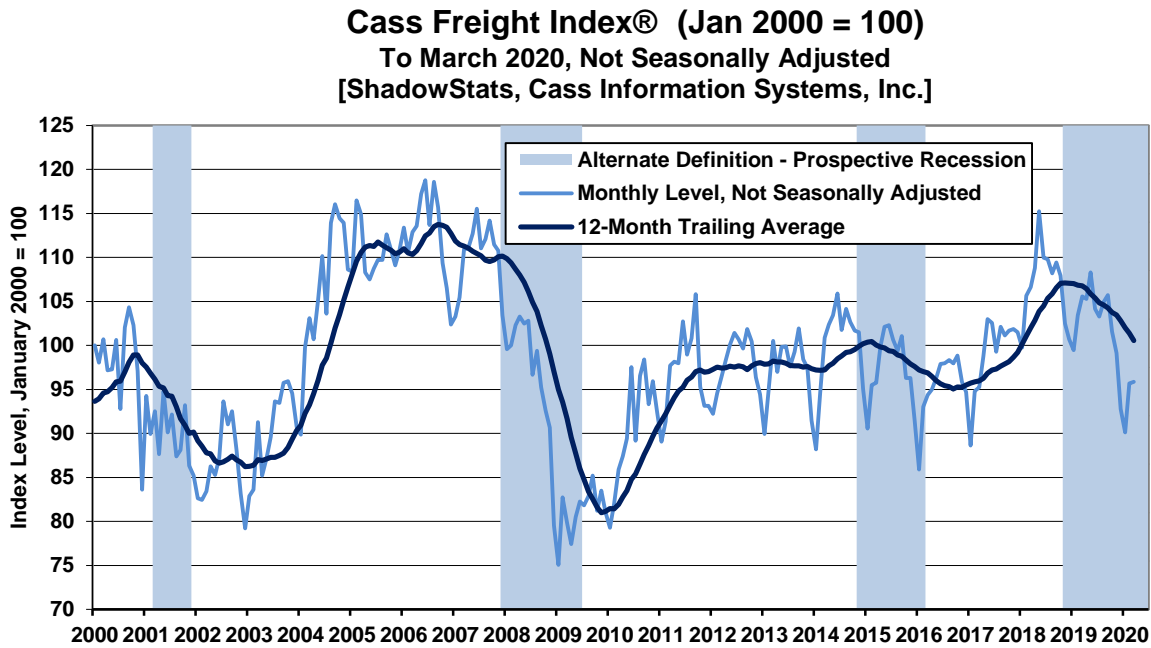


**Graph 2: Cass Freight Index®, Year-to-Year Percent Change**

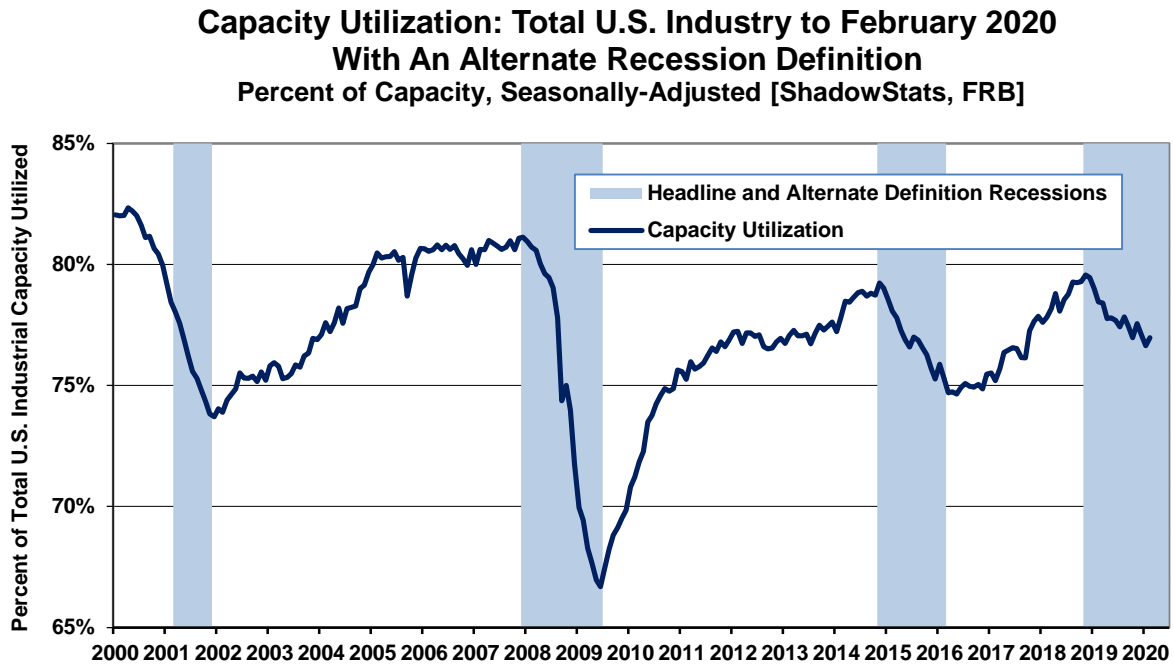


**AGAINST ALTERNATE RECESSION MEASURES**

**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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