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Excerpt below...



Is the U.S. nearing a recession?

It's the multi-trillion dollar question on the minds of executives and investors around the world. The inverted yield curve, a key predictor for financial downturns, has appeared in recent months at a time when international markets have soured.

Yet U.S. stock markets are still near their all-time high while U.S. retail sales appear upbeat. So some are arguing the yield curve inversion that has predicted each of the last seven downturns, is mistaken this time around.

Another point about the curve's limited usability: An inverted yield curve doesn't exactly predict when a recession is coming. In the past, it has typically taken between 12 months to 18 months for a recession to materialize.

“This does not look like an economy that is rolling over. Nor is it,” wrote David R. Kotok, CIO of Cumberland Advisors in a recent note. “Economic slowdowns are far from synchronous with inversions. Growth continued for a year and a half after the yield curve inverted in 2006.”

Read the full article at Fortune.com:
<https://fortune.com/2019/09/09/recession-stock-inverted-yield-curve-market-great-what-is-economy-us/>

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