

MARKET INSIGHTS

US Economic Health Monitor

February 2020

J.P. Morgan

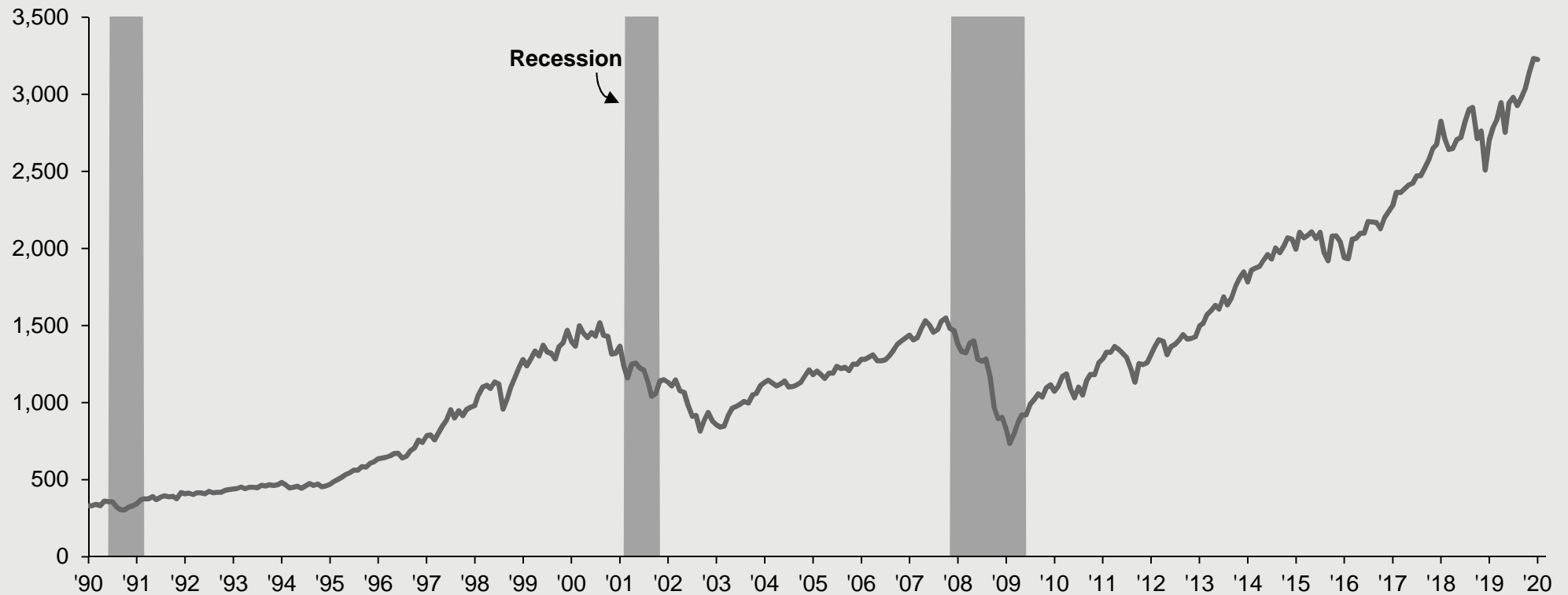
J.P.Morgan
Asset Management

US stock market

S&P 500 Index

Index level

Recession	% decline in real GDP	Number of months between market peak and recession	% decline in S&P 500 price index	% decline in forward earnings
Jul '90 - Feb '91	-1.4%	1	-20%	-8%
Mar '01 - Oct '01	-0.3%	12	-49%	-18%
Dec '07 - May '09	-4.0%	3	-57%	-40%

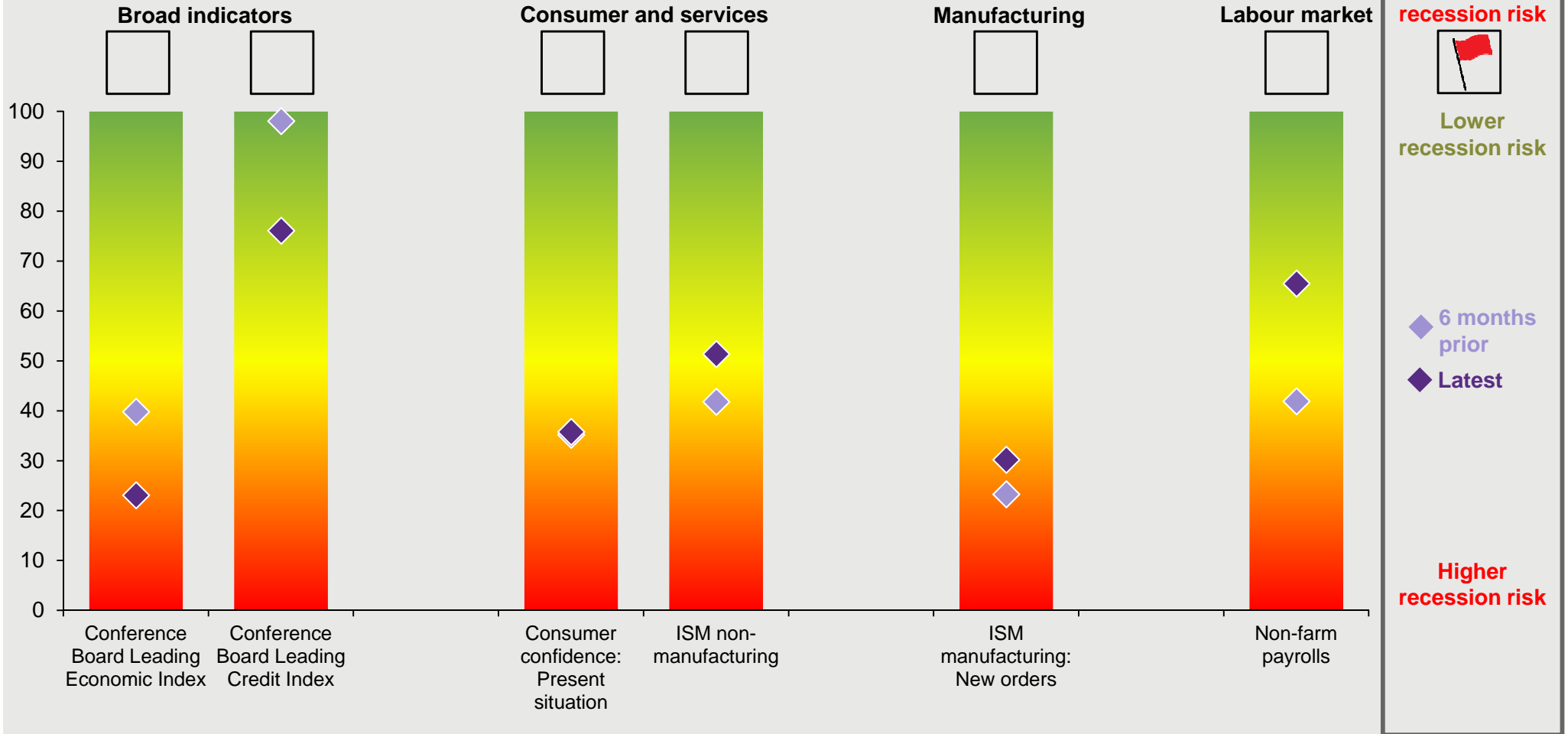


Source: Standard & Poor's, J.P Morgan Asset Management. % decline in S&P 500 price index and forward earnings are the maximum drawdown in each respective measure for each associated recessionary period. Periods of "recession" are defined using US National Bureau of Economic Research (NBER) business cycle dates. Past performance is not a reliable indicator of current and future results. Data as of 31 January 2020.

US Economic Health Monitor

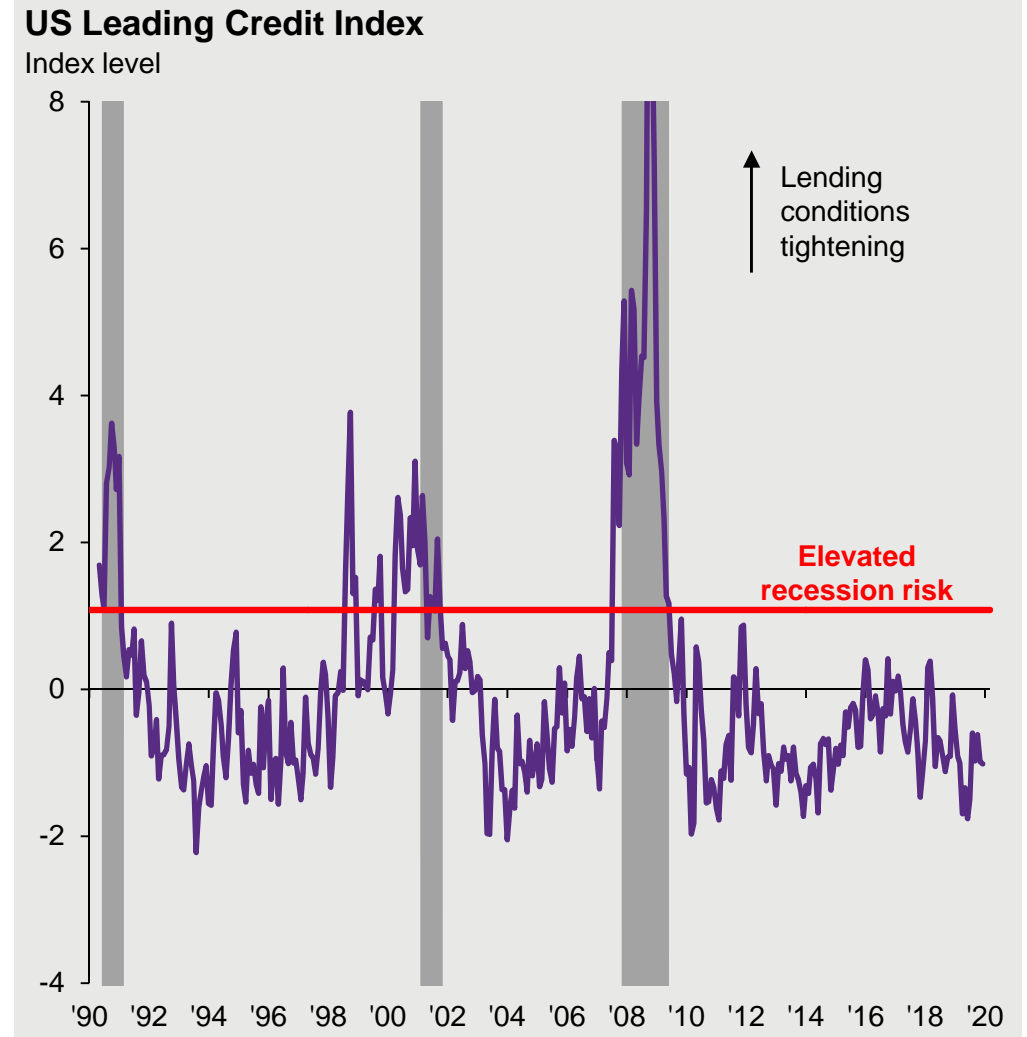
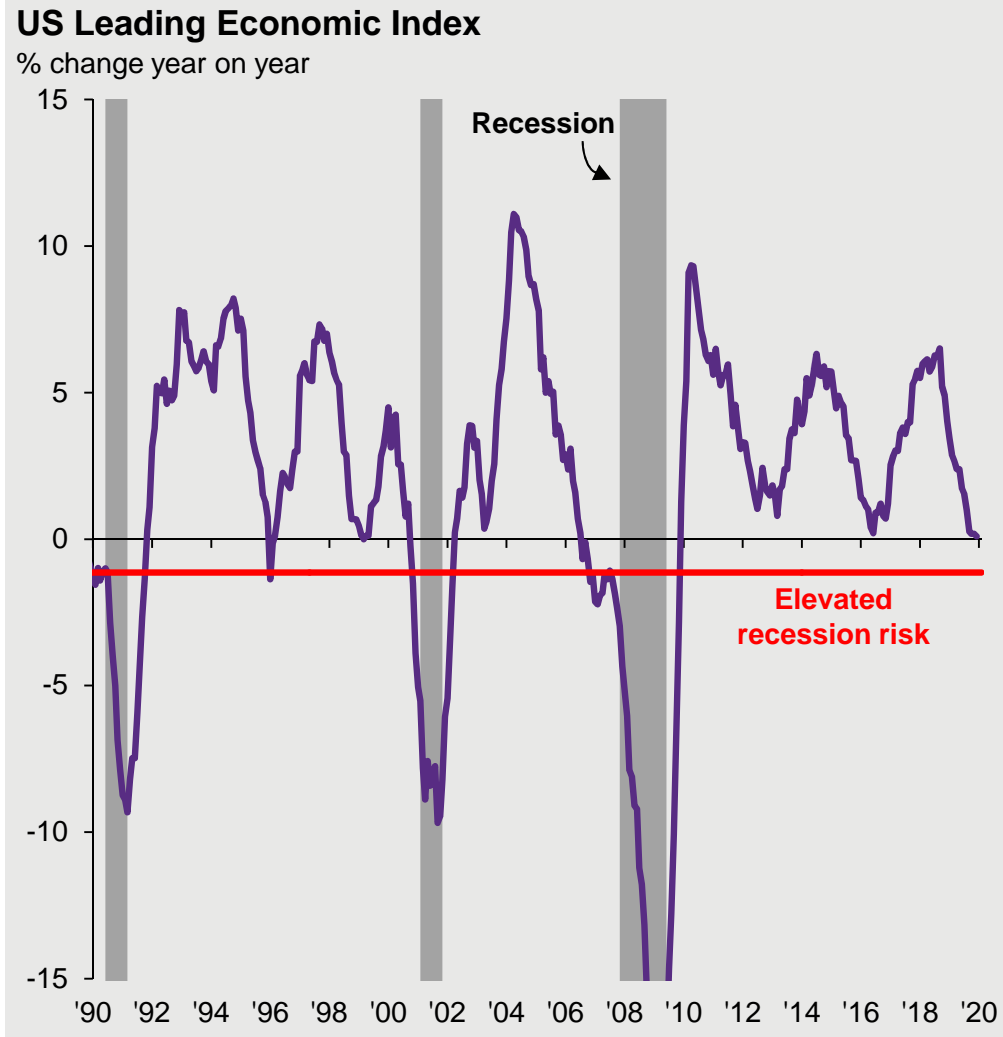
US economic indicators

Percentile rank relative to historic data since 1990



Source: BLS, Conference Board, ISM, Refinitiv Datastream, J.P. Morgan Asset Management. Elevated recession risk flags are shown when the underlying indicator is at a level consistent with the onset of any of the past three US recessions, as determined by NBER. Transformations used for each of the indicators are: % change year on year for the Leading Economic Index and consumer confidence present situation, index level for Leading Credit Index, ISM non-manufacturing and ISM manufacturing new orders, and three-month moving average of monthly absolute change for non-farm payrolls. Past performance is not a reliable indicator of current and future results. Data as of 31 January 2020.

US Conference Board indicators

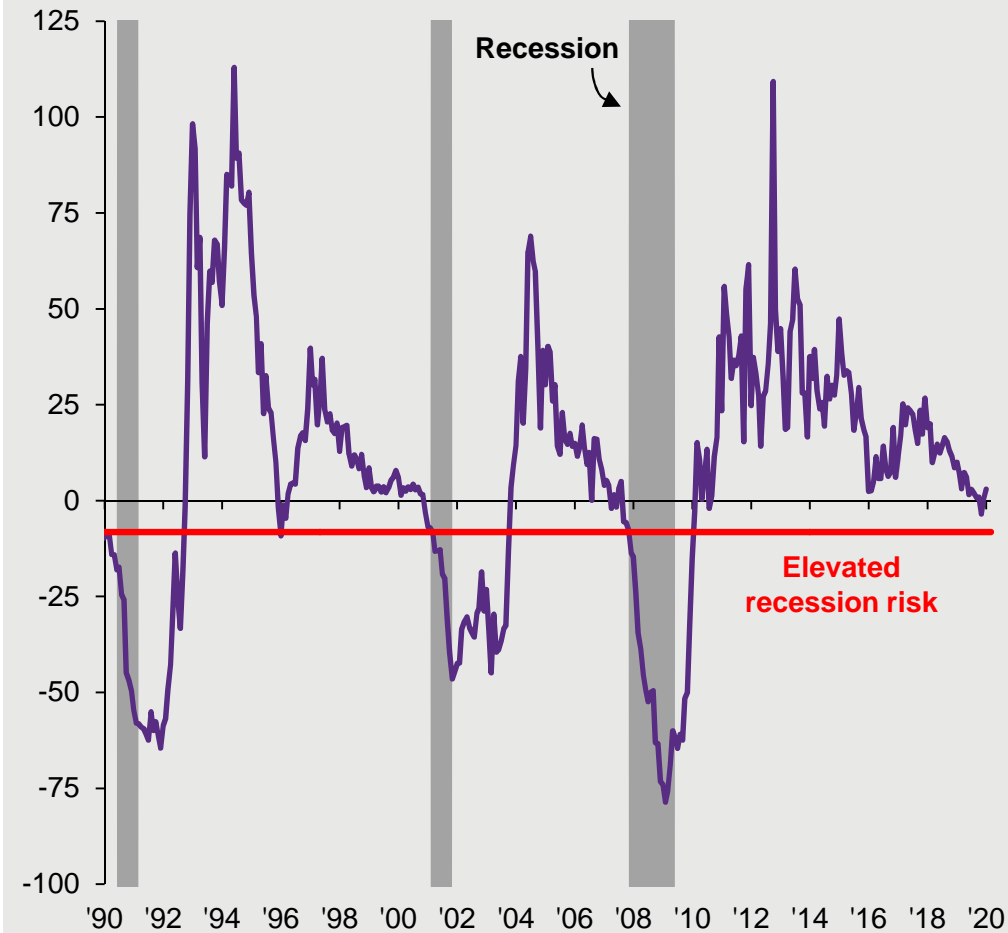


Source: (All charts) Conference Board, Refinitiv Datastream, J.P. Morgan Asset Management. Periods of “recession” are defined using US National Bureau of Economic Research (NBER) business cycle dates. Elevated recession risk line is shown as the highest value for the Leading Economic Index and lowest for the Leading Credit Index, at the start of the past three US recessions, as determined by NBER. Past performance is not a reliable indicator of current and future results. Data as of 31 January 2020.

US consumer and services

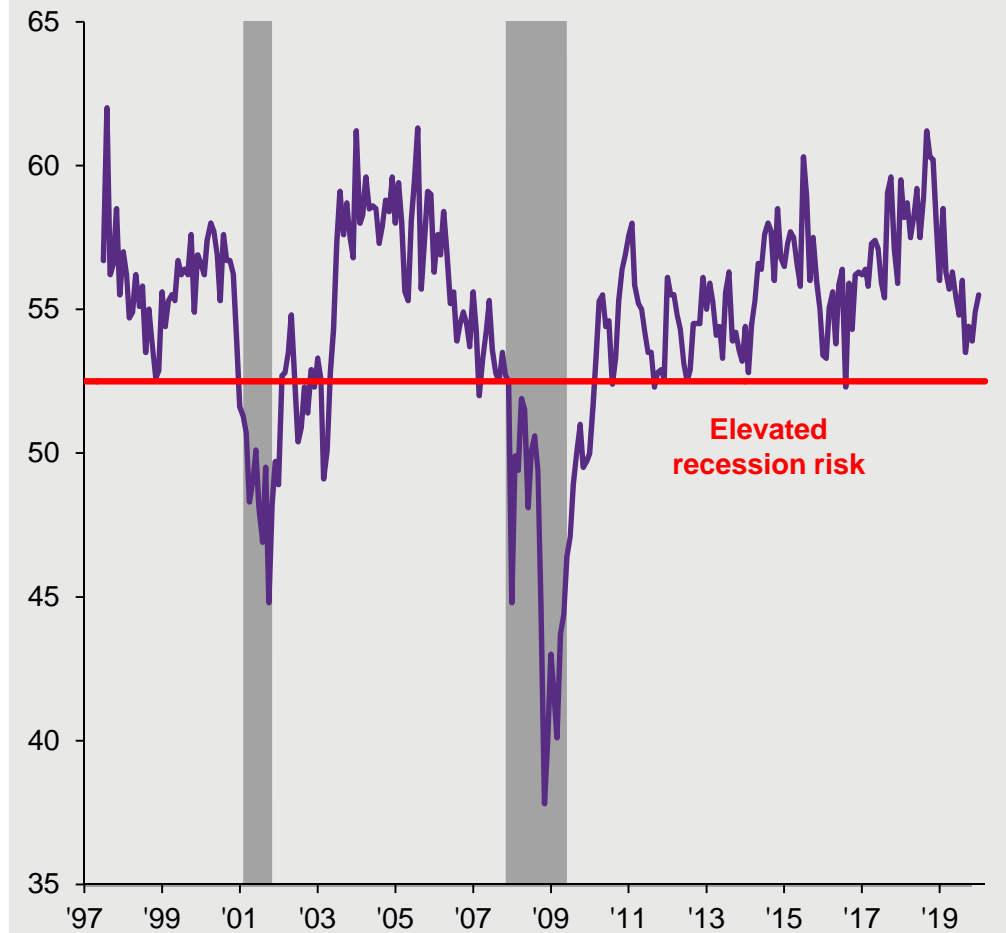
US consumer confidence: Present situation

% change year on year



US ISM non-manufacturing

Index level

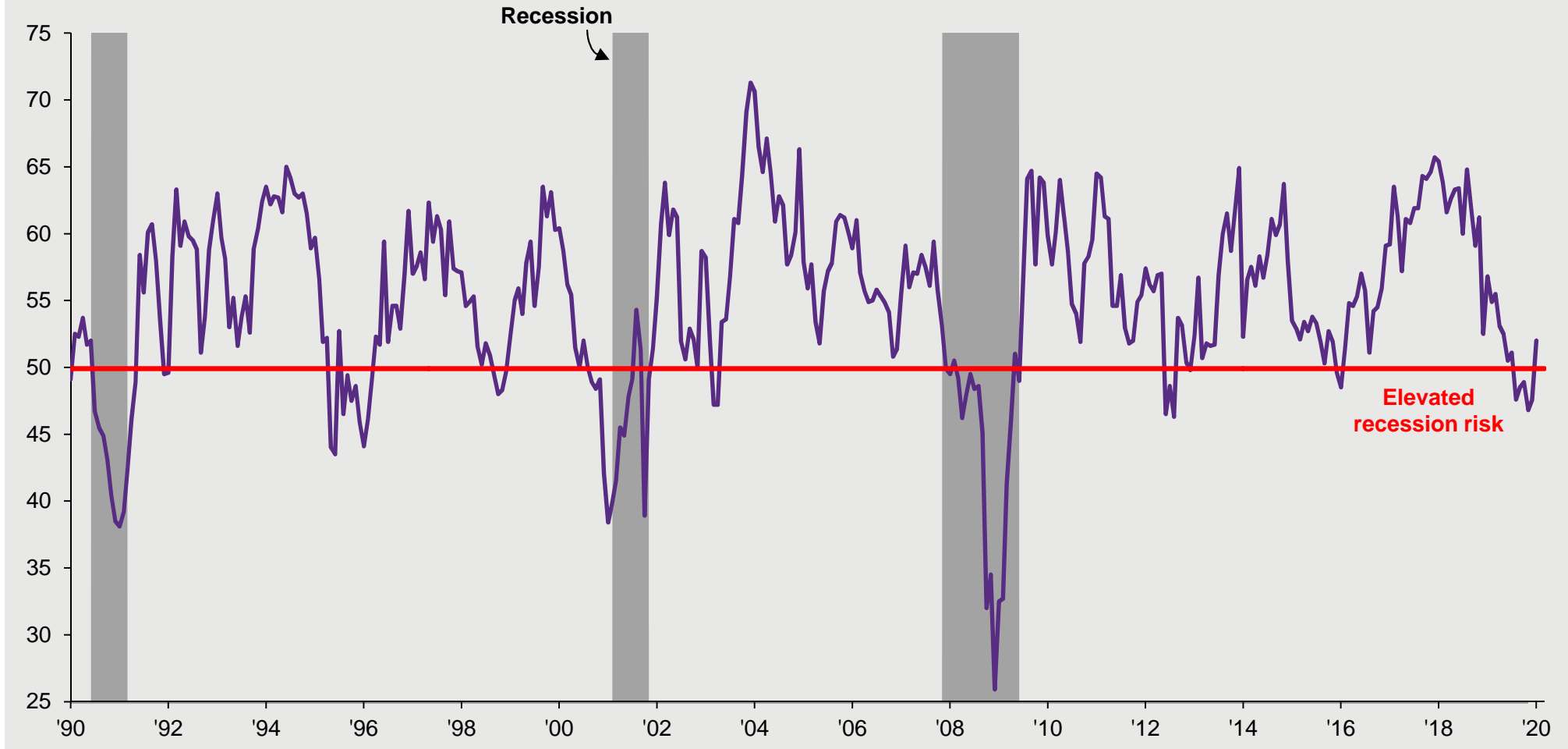


Source: (Left) Conference Board, Refinitiv Datastream, J.P. Morgan Asset Management. (Right) ISM, Refinitiv Datastream, J.P. Morgan Asset Management. Periods of "recession" are defined using US National Bureau of Economic Research (NBER) business cycle dates. Elevated recession risk line is shown as the highest value of the underlying indicator observed at the start of the past three US recessions, as determined by NBER. Past performance is not a reliable indicator of current and future results. Data as of 31 January 2020.

US manufacturing

US ISM manufacturing: New orders

Index level

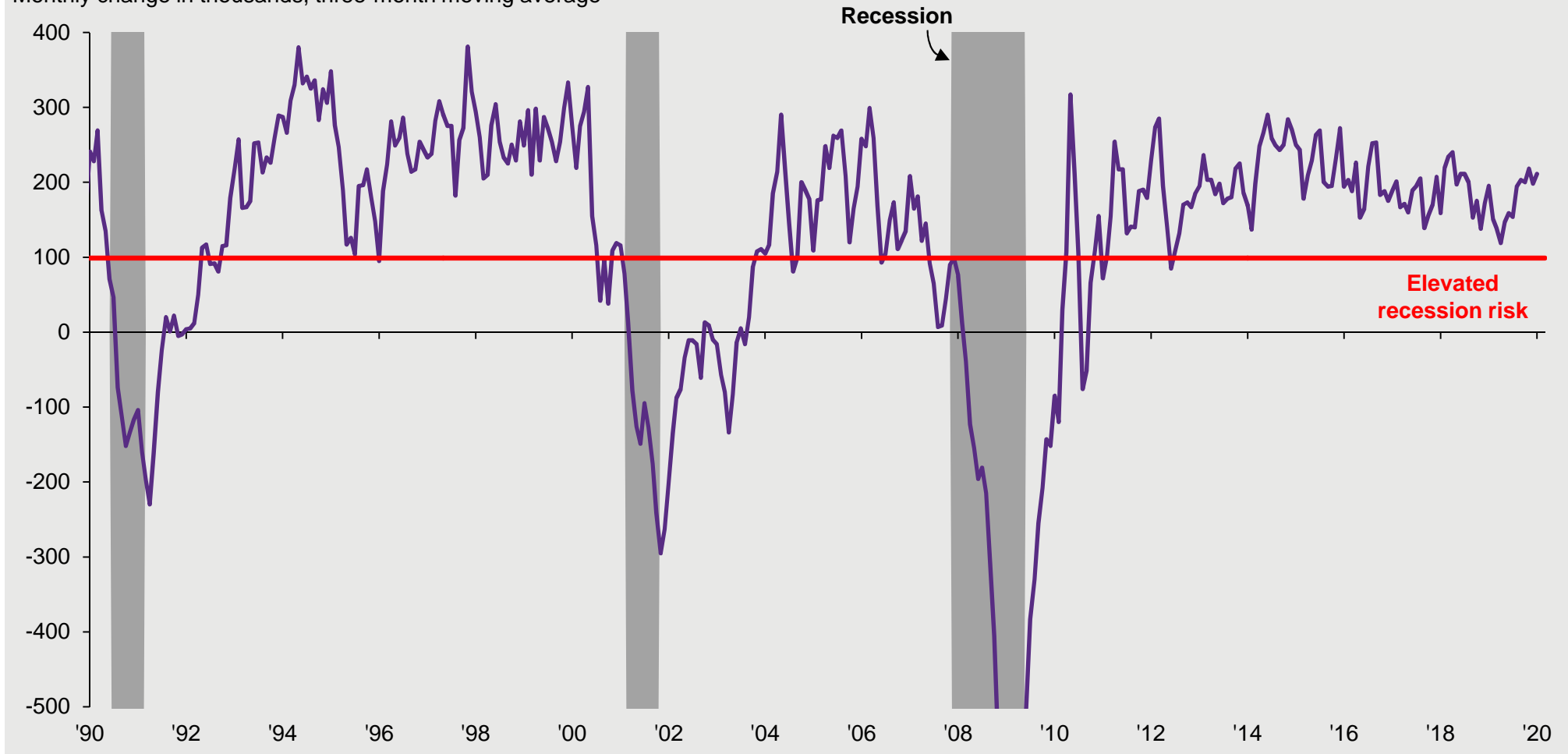


Source: ISM, Refinitiv Datastream, J.P. Morgan Asset Management. Periods of “recession” are defined using US National Bureau of Economic Research (NBER) business cycle dates. Elevated recession risk line is shown as the highest value of the underlying indicator observed at the start of the past three US recessions, as determined by NBER. Past performance is not a reliable indicator of current and future results. Data as of 31 January 2020.

US labour market

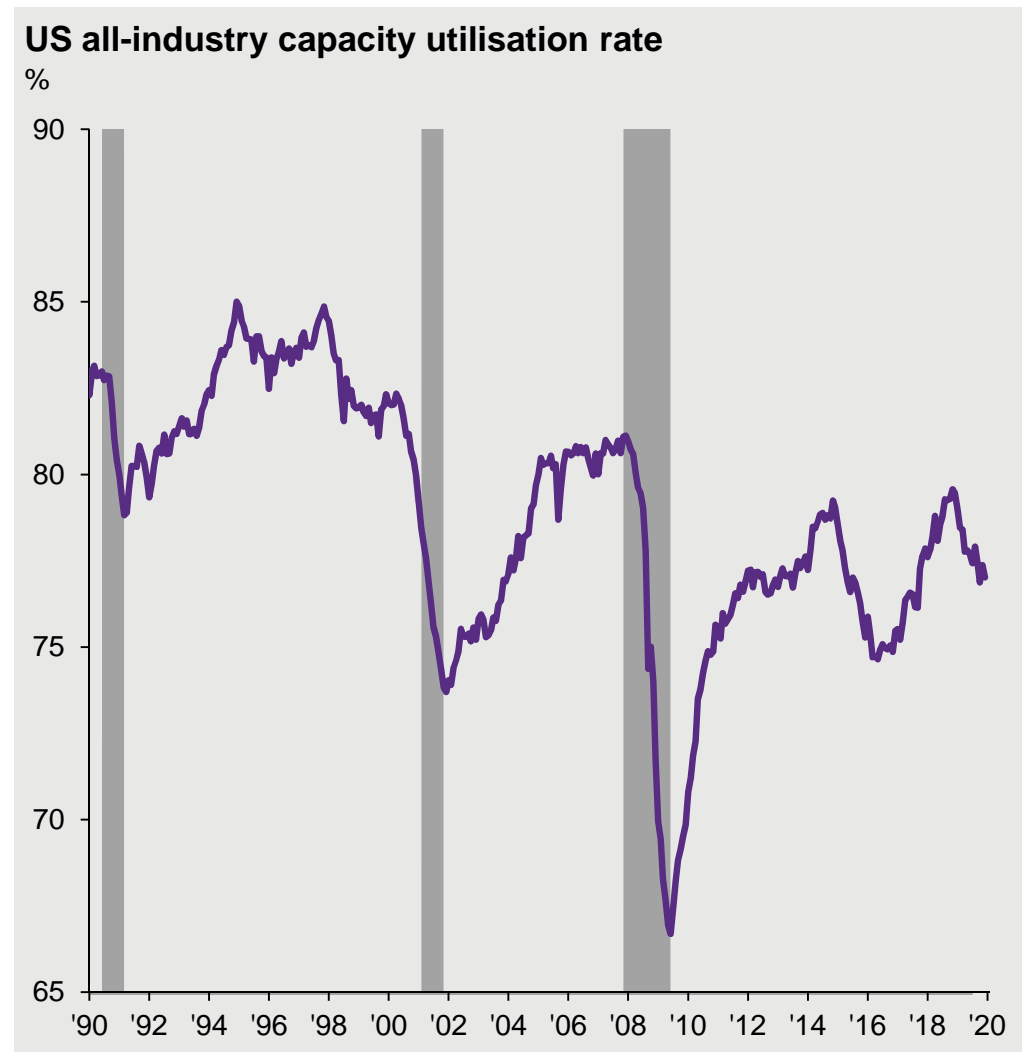
US non-farm payrolls

Monthly change in thousands, three-month moving average



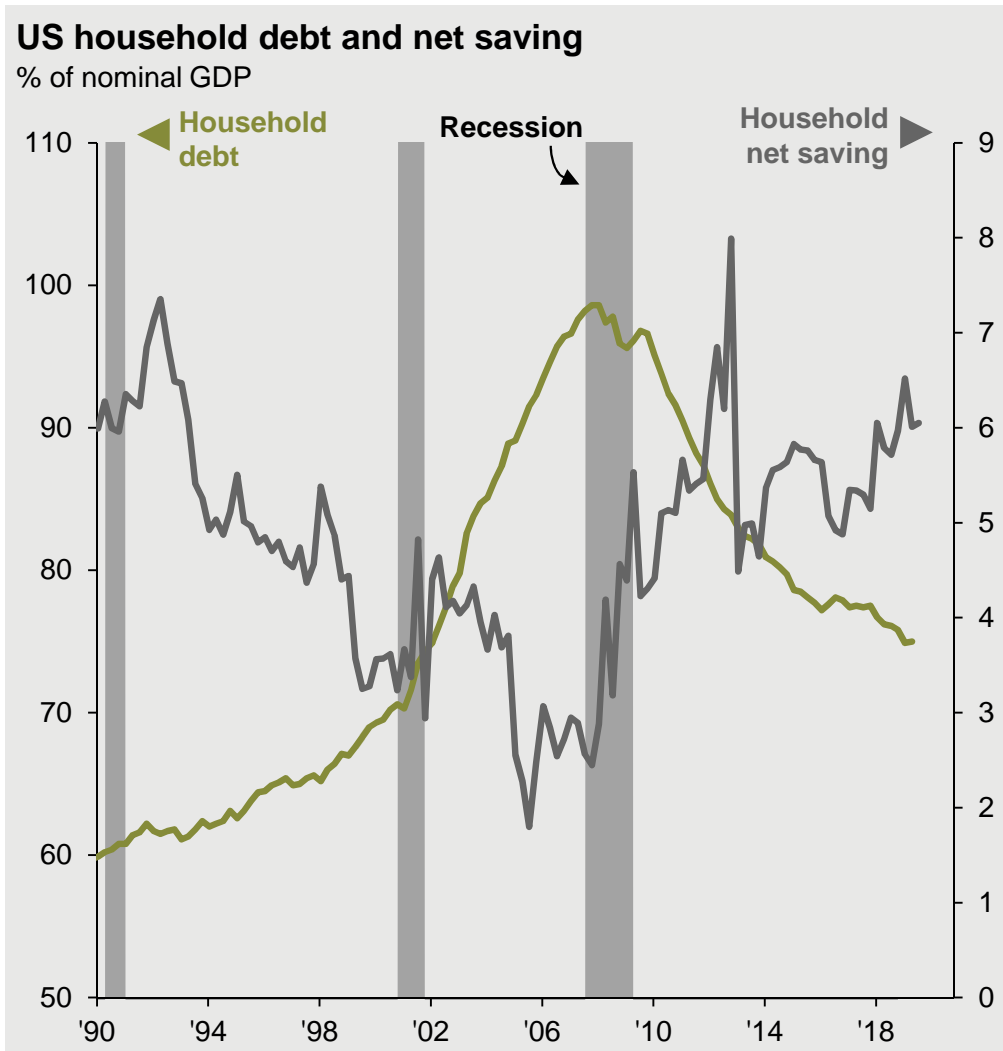
Source: BLS, Refinitiv Datastream, J.P. Morgan Asset Management. Periods of “recession” are defined using US National Bureau of Economic Research (NBER) business cycle dates. Elevated recession risk line is shown as the highest value of the underlying indicator observed at the start of the past three US recessions, as determined by NBER. Past performance is not a reliable indicator of current and future results. Data as of 31 January 2020.

US capacity: Labour market and industry



Source: (Left) BLS, Refinitiv Datastream, J.P. Morgan Asset Management. (Right) US Federal Reserve, J.P. Morgan Asset Management. Periods of “recession” are defined using US National Bureau of Economic Research (NBER) business cycle dates. Past performance is not a reliable indicator of current and future results. Data as of 31 January 2020.

US household and corporate finances



Source: (All charts) BEA, Refinitiv Datastream, US Federal Reserve, J.P. Morgan Asset Management. Household net saving is defined as net disposable income minus final consumption expenditure. Non-financial corporate net saving is defined as the difference between gross savings (less net capital transfers paid and excluding foreign earnings retained abroad) and capital expenditures. Non-financial corporate net saving data has been smoothed in 2018 to account for the Tax Cuts and Jobs Act of 2017. Periods of "recession" are defined using US National Bureau of Economic Research (NBER) business cycle dates. Past performance is not a reliable indicator of current and future results. Data as of 31 January 2020.

J.P. Morgan Asset Management: Risks and disclosures

The Market Insights program provides comprehensive data and commentary on global markets without reference to products. Designed as a tool to help clients understand the markets and support investment decision-making, the program explores the implications of current economic data and changing market conditions. For the purposes of MiFID II, the JPM Market Insights and Portfolio Insights programs are marketing communications and are not in scope for any MiFID II / MiFIR requirements specifically related to investment research. Furthermore, the J.P. Morgan Asset Management Market Insights and Portfolio Insights programs, as non-independent research, have not been prepared in accordance with legal requirements designed to promote the independence of investment research, nor are they subject to any prohibition on dealing ahead of the dissemination of investment research.

This document is a general communication being provided for informational purposes only. It is educational in nature and not designed to be taken as advice or a recommendation for any specific investment product, strategy, plan feature or other purpose in any jurisdiction, nor is it a commitment from J.P. Morgan Asset Management or any of its subsidiaries to participate in any of the transactions mentioned herein. Any examples used are generic, hypothetical and for illustration purposes only. This material does not contain sufficient information to support an investment decision and it should not be relied upon by you in evaluating the merits of investing in any securities or products. In addition, users should make an independent assessment of the legal, regulatory, tax, credit, and accounting implications and determine, together with their own professional advisers, if any investment mentioned herein is believed to be suitable to their personal goals. Investors should ensure that they obtain all available relevant information before making any investment. Any forecasts, figures, opinions or investment techniques and strategies set out are for information purposes only, based on certain assumptions and current market conditions and are subject to change without prior notice. All information presented herein is considered to be accurate at the time of production, but no warranty of accuracy is given and no liability in respect of any error or omission is accepted. It should be noted that investment involves risks, the value of investments and the income from them may fluctuate in accordance with market conditions and taxation agreements and investors may not get back the full amount invested. Both past performance and yields are not a reliable indicator of current and future results. J.P. Morgan Asset Management is the brand for the asset management business of JPMorgan Chase & Co. and its affiliates worldwide. To the extent permitted by applicable law, we may record telephone calls and monitor electronic communications to comply with our legal and regulatory obligations and internal policies. Personal data will be collected, stored and processed by J.P. Morgan Asset Management in accordance with our privacy policies at <https://am.jpmorgan.com/global/privacy>. This communication is issued by the following entities: in the United Kingdom by JPMorgan Asset Management (UK) Limited, which is authorized and regulated by the Financial Conduct Authority; in other European jurisdictions by JPMorgan Asset Management (Europe) S.à r.l.; in Hong Kong by JPMorgan Asset Management (Asia Pacific) Limited, or JPMorgan Funds (Asia) Limited, or JPMorgan Asset Management Real Assets (Asia) Limited; in Singapore by JPMorgan Asset Management (Singapore) Limited (Co. Reg. No. 197601586K), this advertisement or publication has not been reviewed by the Monetary Authority of Singapore; in Taiwan by JPMorgan Asset Management (Taiwan) Limited; in Japan by JPMorgan Asset Management (Japan) Limited which is a member of the Investment Trusts Association, Japan, the Japan Investment Advisers Association, Type II Financial Instruments Firms Association and the Japan Securities Dealers Association and is regulated by the Financial Services Agency (registration number "Kanto Local Finance Bureau (Financial Instruments Firm) No. 330"); in Australia to wholesale clients only as defined in section 761A and 761G of the Corporations Act 2001 (Cth) by JPMorgan Asset Management (Australia) Limited (ABN 55143832080) (AFSL 376919); in Brazil by Banco J.P. Morgan S.A.; in Canada for institutional clients' use only by JPMorgan Asset Management (Canada) Inc., and in the United States by J.P. Morgan Institutional Investments, Inc., member of FINRA; J.P. Morgan Investment Management Inc. or J.P. Morgan Alternative Asset Management, Inc. In APAC, distribution is for Hong Kong, Taiwan, Japan and Singapore. For all other markets in APAC, to intended recipients only.

Copyright 2020 JPMorgan Chase & Co. All rights reserved.

Unless otherwise stated, all data as of 31 January 2020 or most recently available.

0903c02a826cbf33