

# Macro–Credit Regimes Report

Rule-based macro-credit regime identification using yield-curve dynamics, corporate credit spreads, and market volatility to characterize shifts in the economic and risk environment.

## Summary

- Data start: 2005-01-03
- Data end: 2025-12-30
- Regimes:
  - **Risk-off / crisis:** Stress regime; credit spreads widen, volatility spikes, and investors reduce risk as liquidity and capital preservation dominate.
  - **Policy pivot:** Transition around central-bank shifts; front-end rates typically fall as markets price policy easing amid elevated uncertainty.
  - **Late-cycle:** Late stage of the economic cycle; yield curves flatten or invert and the risk of economic slowdown begins to increase.
  - **Risk-on / expansion:** Supportive growth environment; risk appetite is healthy, credit conditions are stable, and volatility remains contained.
  - **Transition:** Mixed signals or regime handoff; indicators are not decisive enough to define a single dominant state.

## Data Sources

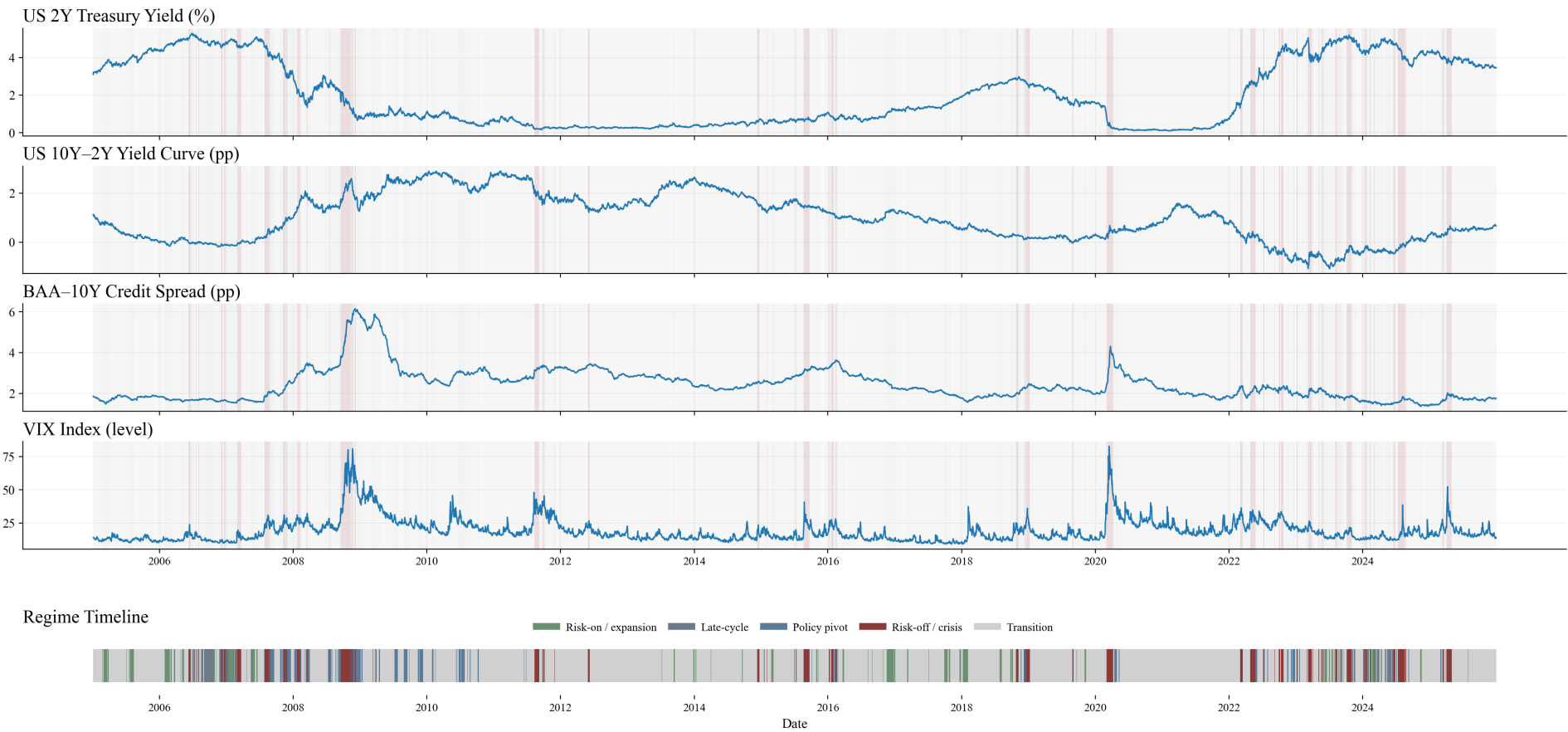
- Federal Reserve Economic Data (FRED), Federal Reserve Bank of St. Louis (<https://fred.stlouisfed.org/>)

## Series Overview

- **UST 10Y yield** — Long-term risk-free rate reflecting growth and inflation expectations.
- **UST 2Y yield** — Short-term policy-sensitive rate reflecting near-term monetary stance.
- **10Y–2Y curve** — Yield curve slope; inversions historically signal late-cycle or recession risk.
- **BAA–10Y credit spread** — Corporate credit risk premium over Treasuries.
- **VIX index** — Implied equity volatility; proxy for market stress and risk aversion.

# Regime Visualizations

## Macro-Credit Dashboard



# Tables

## Regime Distribution

Regime	Days	Share (%)
Risk-off / crisis	475	8.93
Policy pivot	298	5.60
Late-cycle	172	3.23
Risk-on / expansion	295	5.55
Transition	4077	76.68

## Key Signal Medians by Regime

Regime	10Y–2Y Curve	BAA–10Y Spread	Credit Δ 1M	VIX	VIX Δ 1M	2Y Yield Δ 1M	10Y Yield Δ 1M	Risk-off Score
Risk-off / crisis	0.290	2.250	0.210	25.610	6.500	-0.180	-0.150	2
Policy pivot	1.450	2.990	0.130	24.280	-0.690	-0.240	-0.250	1
Late-cycle	-0.140	1.640	0.000	12.575	-0.675	-0.035	-0.070	2
Risk-on / expansion	0.300	1.790	-0.120	12.640	-0.520	0.210	0.210	1
Transition	0.990	2.270	-0.020	16.490	-0.590	0.010	0.010	1

## Feature Summary by Regime

### Rates

Regime	10Y–2Y Curve (mean)	10Y–2Y Curve (std)	2Y Yield Δ 1M (mean)	2Y Yield Δ 1M (std)
Risk-off / crisis	0.571	0.905	-0.205	0.366
Policy pivot	1.385	0.981	-0.282	0.175
Late-cycle	-0.217	0.183	-0.034	0.146

Regime	10Y–2Y Curve (mean)	10Y–2Y Curve (std)	2Y Yield Δ 1M (mean)	2Y Yield Δ 1M (std)
Risk-on / expansion	0.469	0.782	0.238	0.114
Transition	1.070	0.922	0.030	0.180

## Credit

Regime	BAA–10Y Spread (mean)	BAA–10Y Spread (std)	Credit Δ 1M (mean)	Credit Δ 1M (std)
Risk-off / crisis	2.641	1.091	0.336	0.408
Policy pivot	3.143	1.103	0.118	0.243
Late-cycle	1.633	0.107	-0.005	0.026
Risk-on / expansion	1.923	0.405	-0.138	0.076
Transition	2.415	0.689	-0.038	0.176

## Volatility

Regime	VIX (mean)	VIX (std)	VIX Δ 1M (mean)	VIX Δ 1M (std)
Risk-off / crisis	29.317	14.937	9.178	10.437
Policy pivot	27.418	9.195	-2.690	7.777
Late-cycle	12.560	1.304	-1.247	1.868
Risk-on / expansion	12.532	1.473	-1.029	2.464
Transition	18.098	6.456	-0.738	4.564

## Composite

Regime	Risk-off Score (mean)	Risk-off Score (std)
Risk-off / crisis	2.341	0.501
Policy pivot	1.252	0.677
Late-cycle	1.593	0.493
Risk-on / expansion	0.695	0.681
Transition	0.892	0.765

## Stress Test Scorecard

Episode	Start Date	End Date	Observations (d)	Crisis Days (%)	First Crisis Date	Max Crisis Run (d)	Score $\geq 2$ (%)	Score $\geq 3$ (%)
GFC 2007–09	2007-07-01	2009-06-30	504	0.21	2007-07-30	37	0.37	0.00
Eurozone / US downgrade 2011	2011-07-01	2011-12-31	127	0.22	2011-08-11	18	0.39	0.00
Volmageddon + Q4 2018	2018-01-15	2018-12-31	242	0.09	2018-10-24	11	0.39	0.00
COVID 2020	2020-02-01	2020-06-30	104	0.26	2020-03-02	27	0.43	0.00
Rates shock / 2022	2022-01-01	2022-12-31	256	0.20	2022-03-02	15	0.53	0.07