Fiscal Risk Watch

Wednesday, May 01, 2024

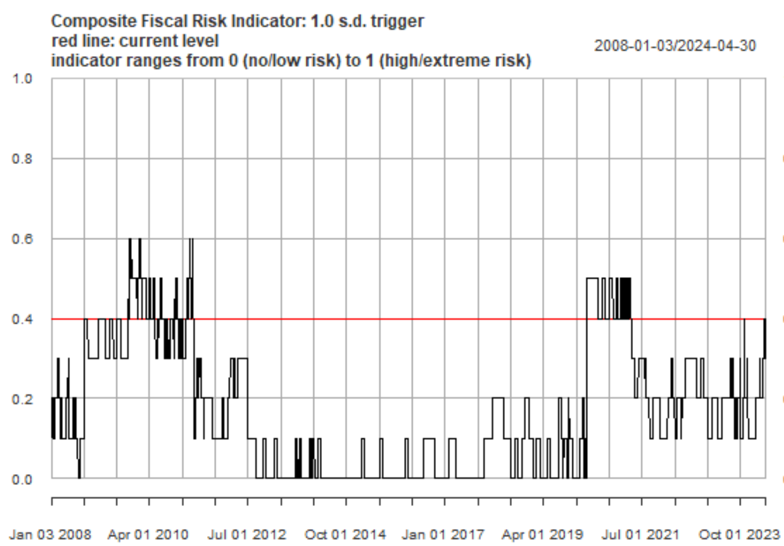
Current Value	Indicator	Date	Signal
0.4	Composite Fiscal Risk Indicator--1.0 s.d. trigger	2024-05-01	Moderate Risk
0.2	Weighted Composite Fiscal Risk Indicator--1.0 s.d. trigger	2024-05-01	Low Risk

Composite Fiscal Risk Indicator (1.0. s.d. trigger) values range from 0 (low/nil risk) to 1.0 (maximum high risk)

- A reading of <=0.2 for *Current Value* indicates LOW RISK: (0 to 2 of ten underlying indicators signaling high risk)
- A reading of 0.3 or 0.4 for *Current Value* indicates MODERATE RISK: (3 or 4 of ten underlying indicators signaling high risk)
- A reading >=0.5 for *Current Value* indicates HIGH RISK: (5 to 10 of ten underlying indicators signaling high risk)

Weighted Composite Fiscal Risk Indicator (1.0. s.d. trigger) values range from 0 (low/nil risk) to 1.0 (maximum high risk)

- A reading of <=0.2 for *Current Value* indicates LOW RISK: (0 or 1 of five underlying indicators signaling high risk)
- A reading of 0.4 for *Current Value* indicates MODERATE RISK: (2 of five underlying indicators signaling high risk)
- A reading >=0.6 for *Current Value* indicates HIGH RISK: (3 to 5 of five underlying indicators signaling high risk)



Current Value	Indicator	Date	Signal
0.5	Composite Fiscal Risk Indicator--0.75 s.d. trigger	2024-05-01	Moderate Risk
0.4	Weighted Composite Fiscal Risk Indicator--0.75 s.d. trigger	2024-05-01	Low Risk

Composite Fiscal Risk Indicator (0.75 s.d. trigger) values range from 0 (low/nil risk) to 1.0 (maximum high risk)

- A reading of <=0.3 for *Current Value* indicates LOW RISK: (0 to 3 of ten underlying indicators signaling high risk)
- A reading of 0.4 or 0.5 for *Current Value* indicates MODERATE RISK: (4 or 5 of ten underlying indicators signaling high risk)
- A reading >=0.6 for *Current Value* indicates high risk (6 to 10 of ten underlying indicators signaling high risk)

Weighted Composite Fiscal Risk Indicator (0.75 s.d. trigger) values range from 0 (low/nil risk) to 1.0 (maximum high risk)

- A reading of <=0.4 for *Current Value* indicates LOW RISK: (0 to 2 of five underlying indicators signaling high risk)
- A reading of 0.6 for *Current Value* indicates MODERATE RISK: (3 of five underlying indicators signaling high risk)
- A reading >=0.8 for *Current Value* indicates HIGH RISK: (4 to 5 of five underlying indicators signaling high risk)

Note: Weighted Composite Fiscal Risk Indicator is an equally weighted subcategory of 5 indicators: surplus/deficit, debt as % of GDP, interest payments as % of GDP, interest payments as % of spending, and interest payments as % of tax receipts.

Current Value	Indicator	Date	Signal_1.00_sd_trigger	Signal_0.75_sd_trigger
1.02	10yr yield (daily)	2024-04-29	High Risk	High Risk
-0.36	US Dollar--inverted (daily)	2024-04-26	Moderate/Low Risk	Moderate/Low Risk
1.04	Gold (daily)	2024-04-30	High Risk	High Risk
1.85	* Surplus/Deficit--inverted (monthly)	2024-03-31	High Risk	High Risk
0.30	* Debt As % Of GDP (qrtly)	2023-12-31	Moderate/Low Risk	Moderate/Low Risk
2.60	Total Debt: 1yr change (qrtly)	2023-12-31	High Risk	High Risk
0.69	* Interest Payments As % Of GDP (qrtly)	2024-03-31	Moderate/Low Risk	Moderate/Low Risk
0.13	* Interest Payments As % Of Spending (qrtly)	2024-03-31	Moderate/Low Risk	Moderate/Low Risk
0.83	* Interest Payments As % Of Tax Receipts (qrtly)	2023-12-31	Moderate/Low Risk	High Risk
0.18	Treasury Debt Market Value: 1yr change (monthly)	2024-03-01	Moderate/Low Risk	Moderate/Low Risk

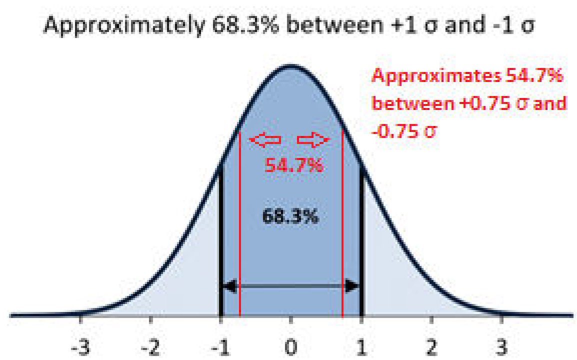
*Note: Current values for the indicators table reflect z-scores. Readings of +1 reflects a 1 standard deviation increase, for instance. A reading above +1 s.d. equates with high risk. A lower-risk-tolerance set of signals uses above +0.75 s.d. as a trigger. Indicators preceded by * included in Weighted Composite.*

Z-score equal to 0 means that the current reading is equal to the historical mean. σ

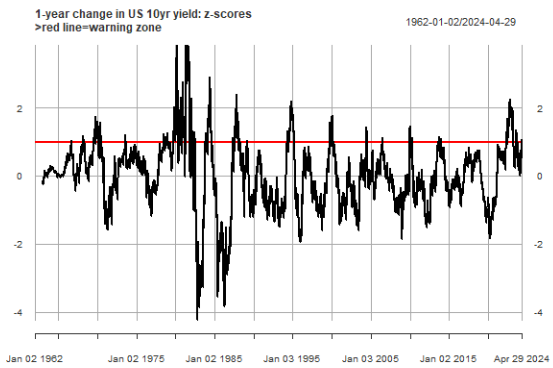
Z-score outside of +1 to -1 range means that the current reading falls outside of 68% most likely values. In other words, the current value has less than 32% chance of occurrence.

Z-score outside of +2 to -2 range means that the current reading falls outside of 95% most likely values. In other words, the current value has less than 5% chance of occurrence.

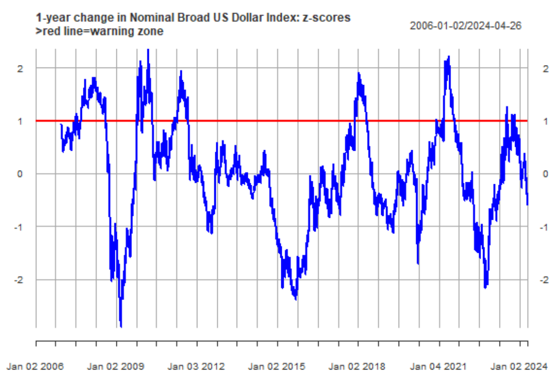
Z-score outside of +2.6 to -2.6 represents current reading has less than 1% chance of occurrence based on the history.



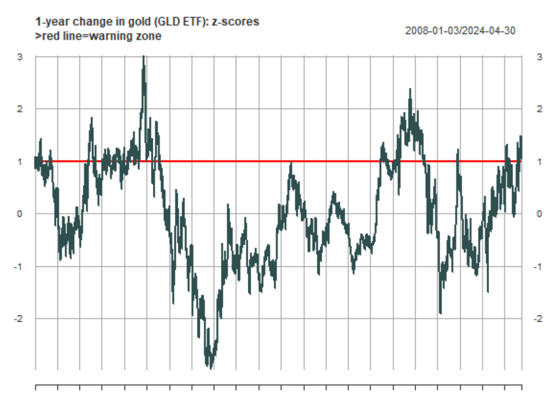
10-year US Treasury Yield



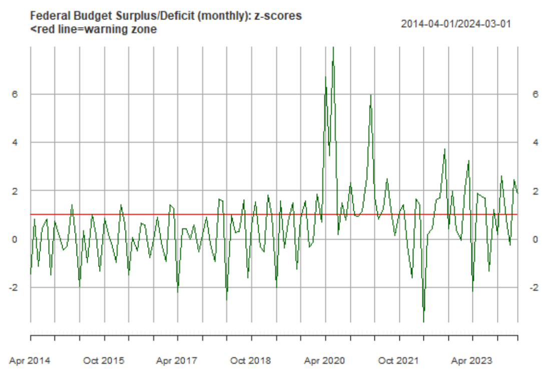
US Dollar



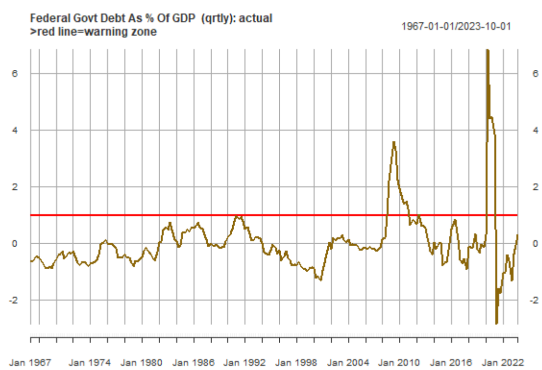
Gold (GLD)



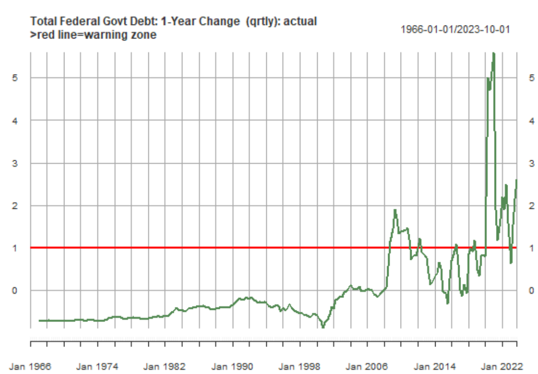
US Federal Budget Surplus/Deficit



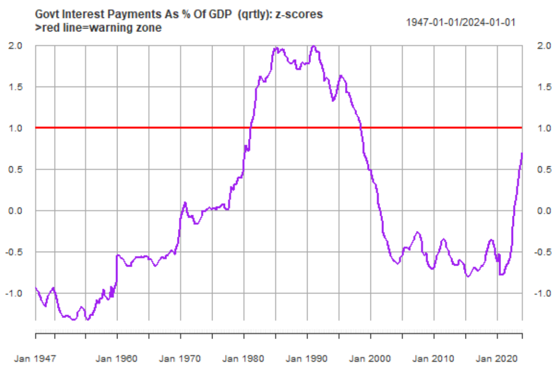
Federal Debt As % Of GDP



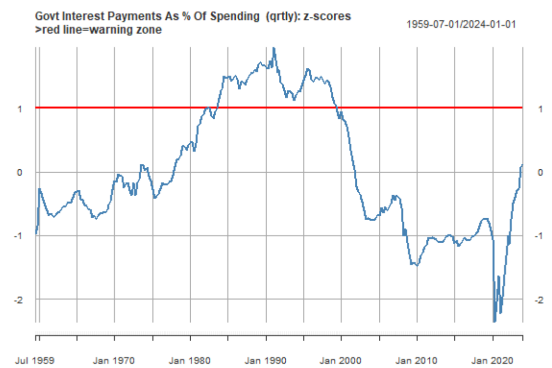
Total Federal Debt: 1-year Change



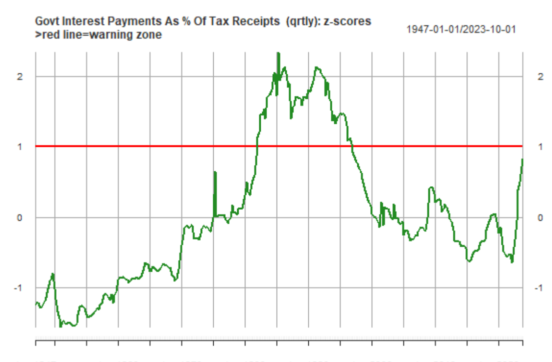
Gov't Interest Payments As % of GDP



Gov't Interest Payments As % of Gov't Spending



Gov't Interest Payments As % of Gov't Tax Receipts



Market Value of Treasury Debt: 1-year % change