



Federal Home Loan Bank
NEW YORK

Presentation from the FHLBNY to:

Taking Stock of the Current Economic Expansion

Brian Jones, Vice President & Financial Economist, FHLBNY

June 24, 2021



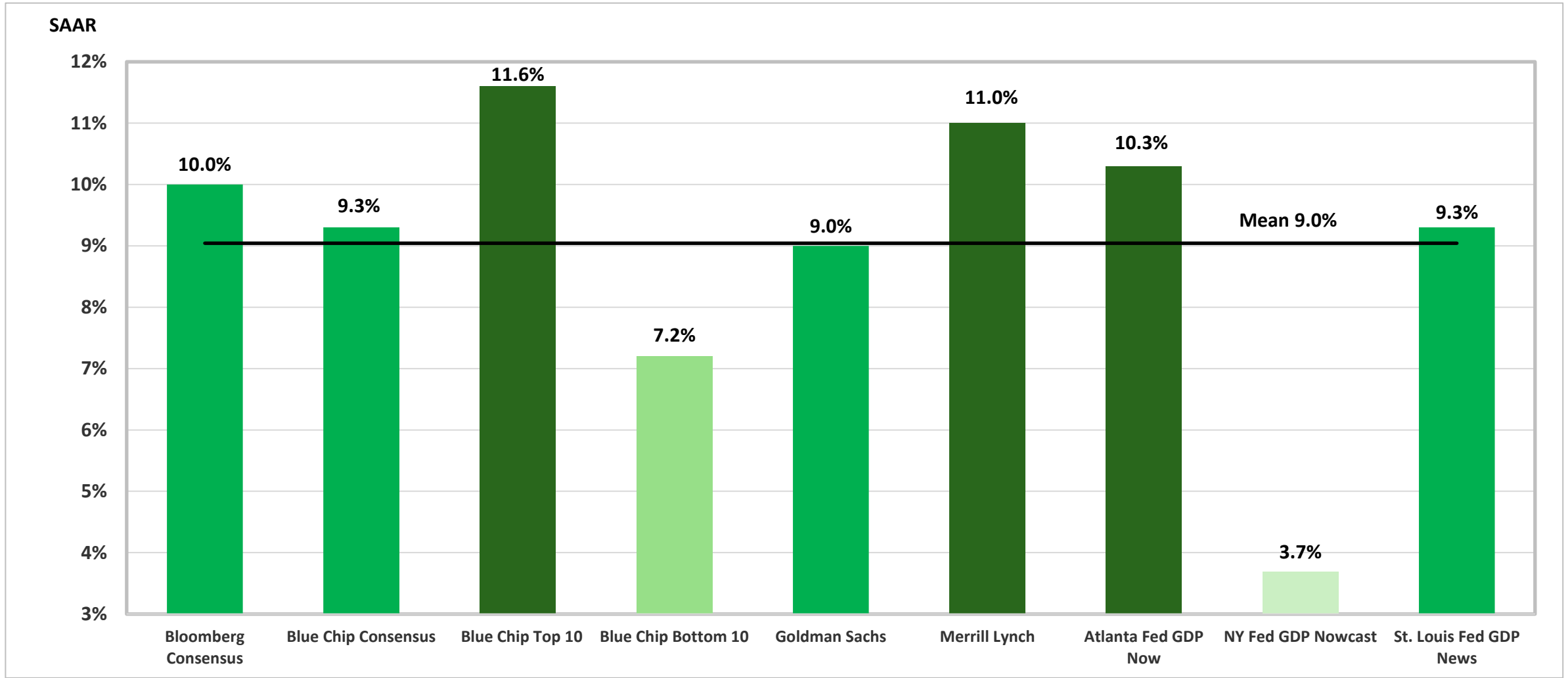
Factors Behind United States Economic Recessions Since WWI

	Industrial	Oil Prices	Monetary	Financial	Fiscal	Healthcare Crisis	Multi Factor	All
Beginning:								
Aug-18					7			7
Jan-20			18		18		18	18
May-23	14							14
Oct-26	13							13
Aug-29				43				43
May-37			13		13		13	13
Feb-45					8			8
Nov-48	11							11
Jul-53					10			10
Aug-57			8					8
Apr-60			10					10
Dec-69			11		11			11
Nov-73		16	16				16	16
Jan-80		6	6				6	6
Jul-81			16					16
Jul-90		8	8	8			8	8
Mar-01				8				8
Dec-07				18				18
Mar-21						2		2
Number	3	3	9	4	6	1	6	19
Avg Length (Months)	12.7	10.0	11.8	19.3	11.2	2.0	12.0	12.6

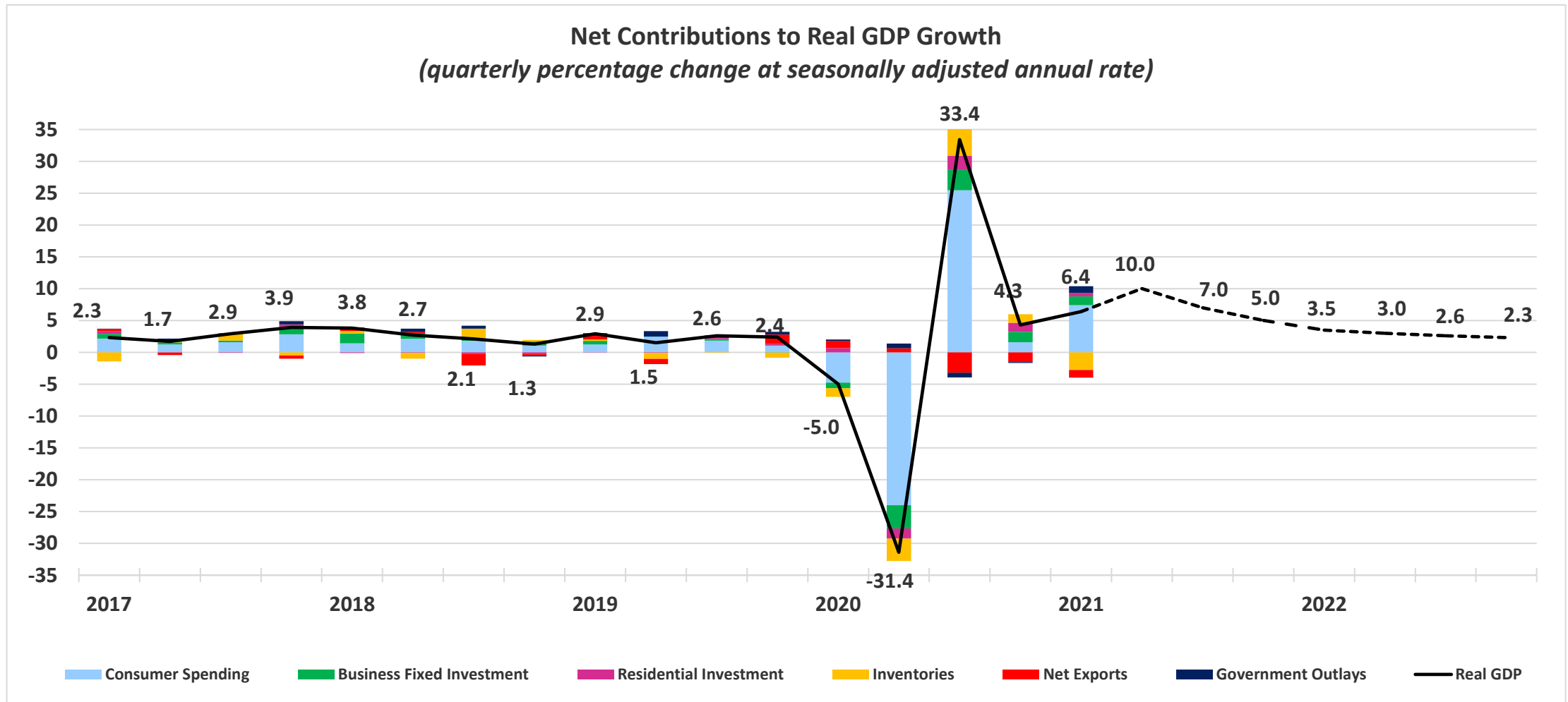
Sources: Goldman Sachs Global Investment Research, National Bureau of Economic Research, Federal Reserve Bank of St. Louis and FHLBNY



Economic Activity Likely Accelerated During the Spring, But Estimates Vary Widely

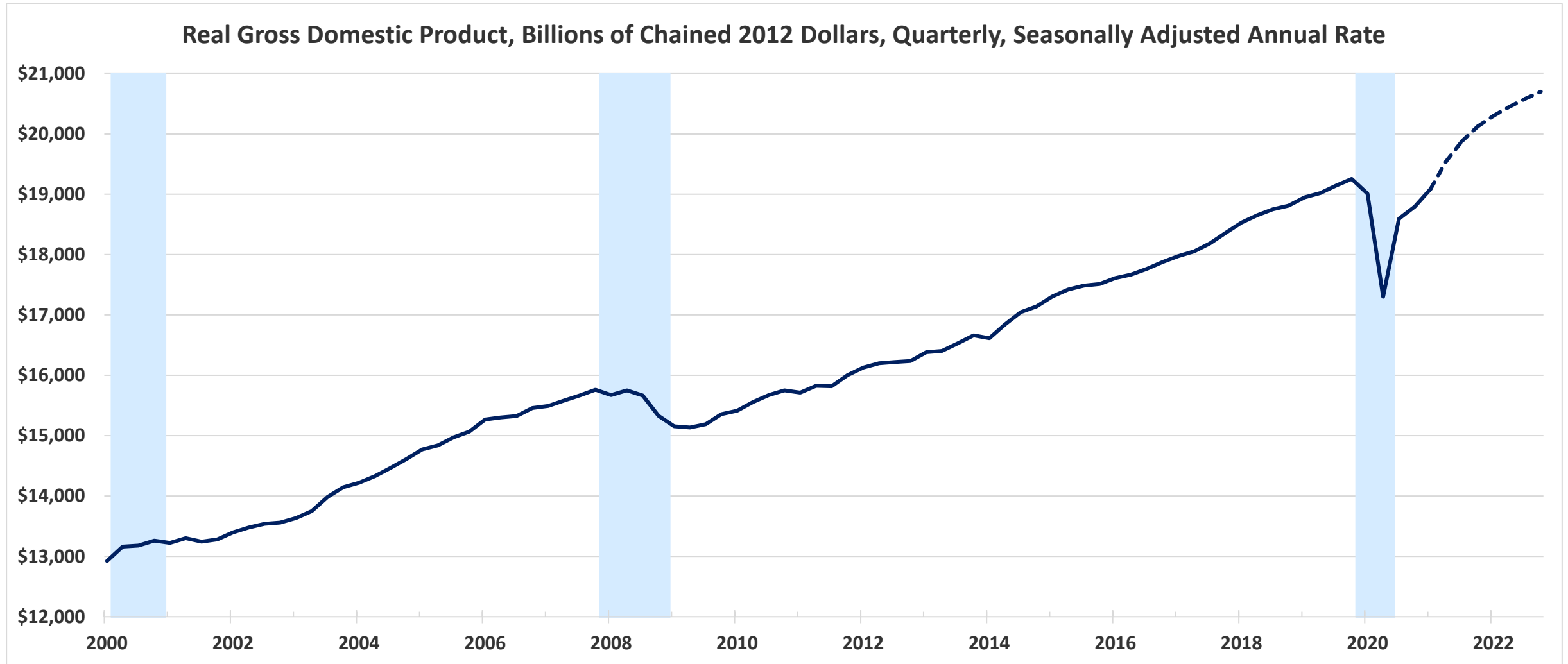


Real GDP Growth is Expected to Remain Above Trend Through 2022



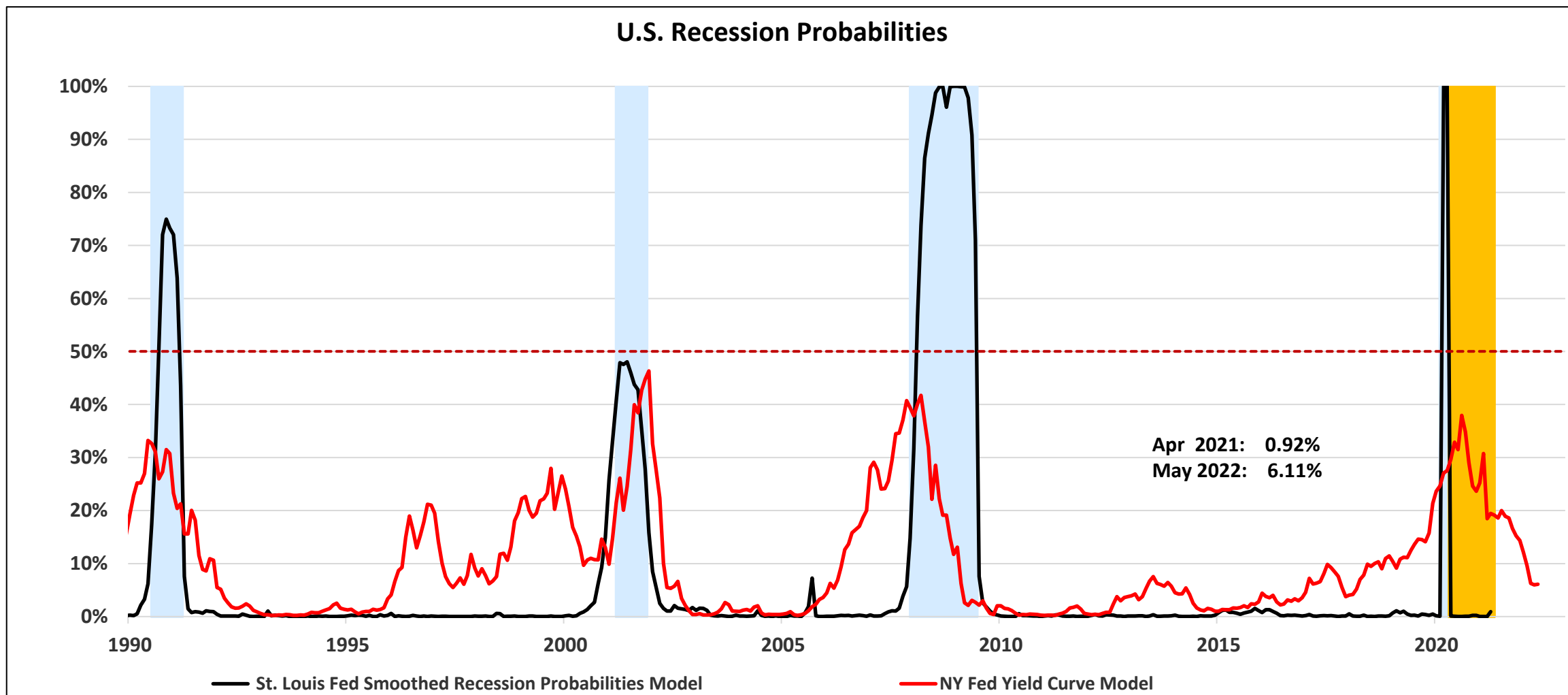
Sources: Bloomberg, Bureau of Economic Analysis

Real GDP Likely Will Return to Trend by the Fall of This Year



Note: Shaded areas denote recessions. Source: Bloomberg, Bureau of Economic Analysis

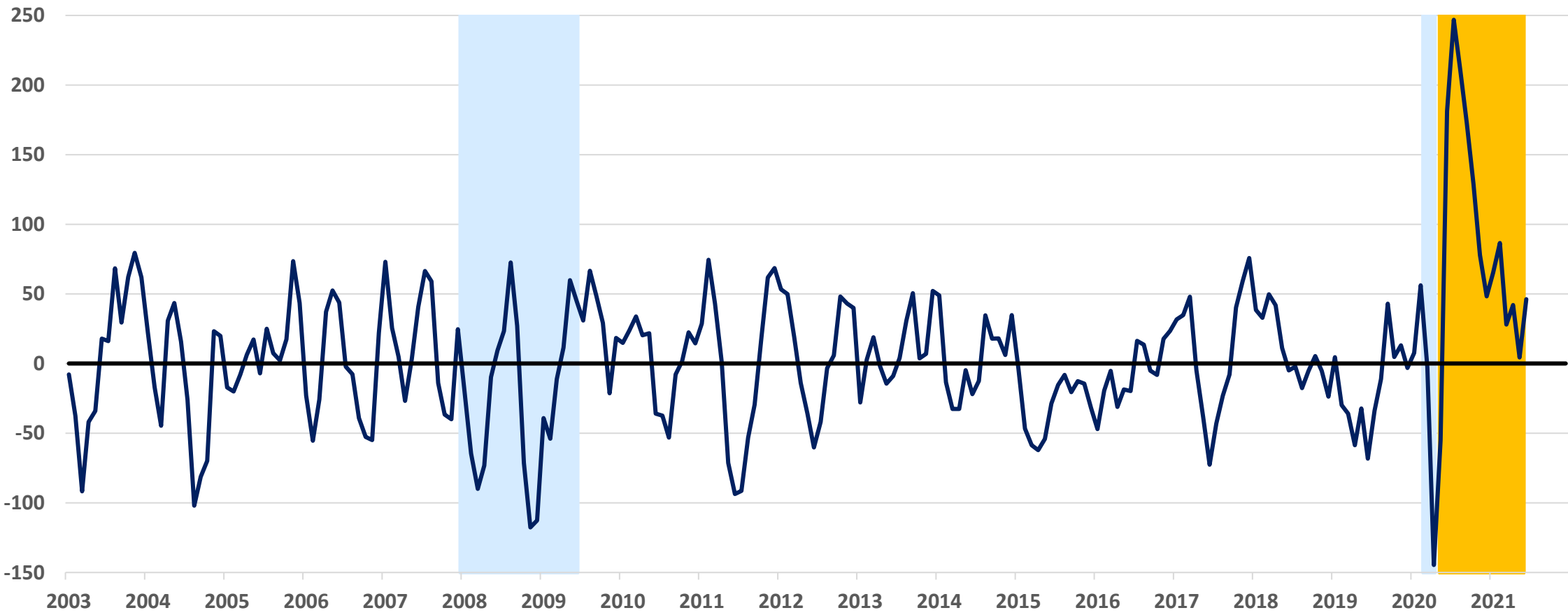
COVID-19 Recession Likely Shortest on Record; Chances of Downturn a Year Ahead Low



Notes: Blue shaded areas denote recessions. Orange shaded area denotes period beyond April 2020 when probability that the economy was in recession dipped below 1%. Sources Federal Reserve Banks of New York and St. Louis

Recent Economic Soundings Continue to Eclipse Consensus Expectations Though Margin Has Narrowed

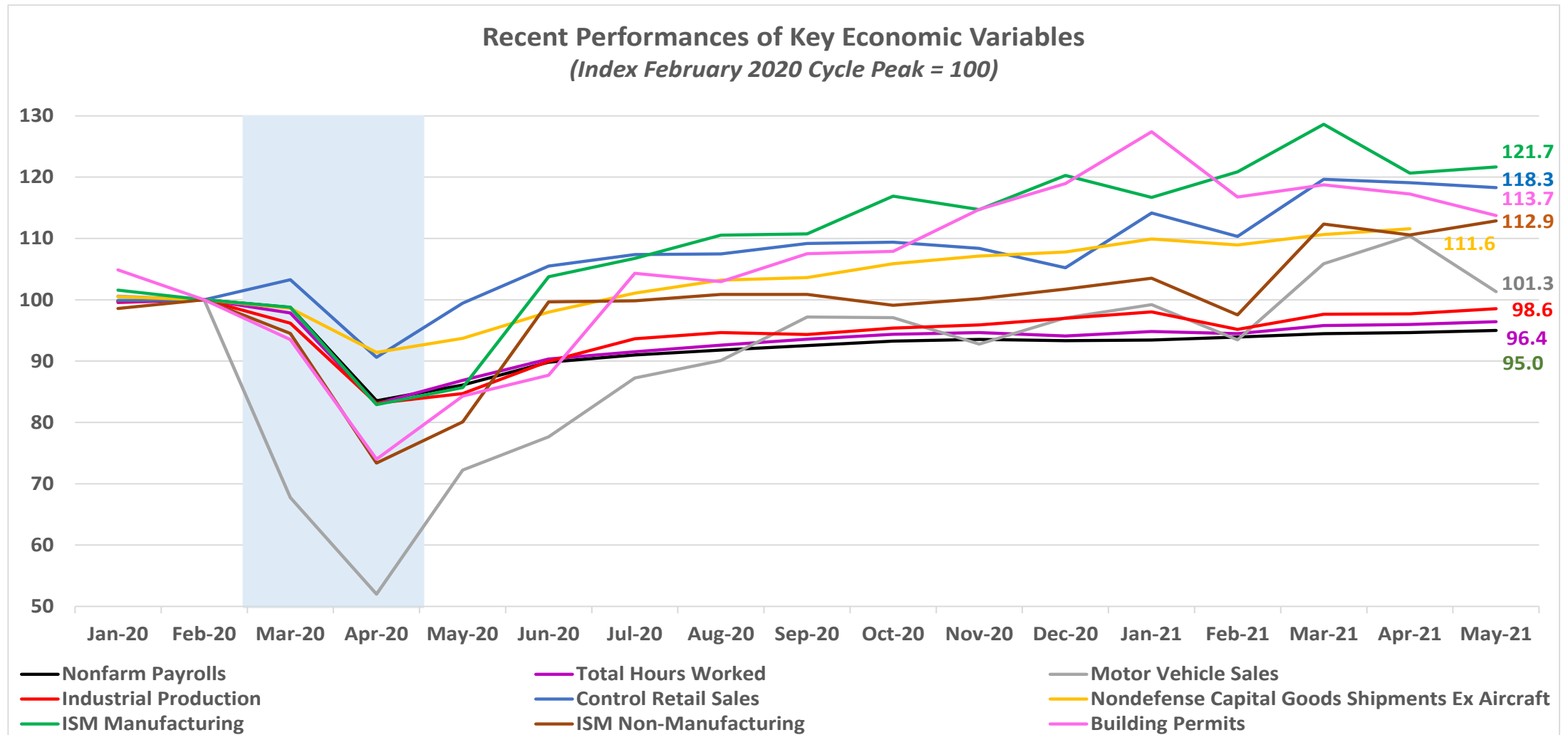
Citi U.S. Economic Surprise Index
(end of month observations)



Notes: Blue shaded areas denote recessions. Orange shaded area denotes period beyond April 2020 when probability that the economy was in recession dipped below 1%. Sources Federal Reserve Banks of New York and St. Louis



Except for Labor-Related Measures, Key Economic Gauges Now Well Above Pre-Pandemic Levels



Note: Shaded area denotes recession. Sources: Bureau of Economic Analysis, Bureau of Labor Statistics, Census Bureau, Federal Reserve System, Institute for Supply Management



Progress Continues in Distributing Vaccines

	Doses Administered	% of Population Given		Daily Rate of Doses Administered	% of Supply Used
		1+ Dose	Fully Vaccinated		
United States	319,223,844	53.5	45.3	1,048,167	84.1
FHLBNY District:					
New York	21,301,120	59.1	52.3	73,794	90.1
New York City	9,012,233	54.1	48.2	31,767	91.7
New Jersey	9,949,593	64.1	54.9	38,737	87.1
Puerto Rico	3,043,528	55.8	43.2	15,551	73.3
Virgin Islands	76,244	38.4	32.5	202	97.1



Source: Bloomberg

Office Returns Steadily Rising, But Occupancy Still Well Below Pre-Pandemic Levels



KASTLE BACK TO WORK BAROMETER

Weekly Occupancy Report from Kastle Access Control System Data

5.10.21



KASTLE BACK TO WORK BAROMETER

Weekly Occupancy Report from Kastle Access Control System Data

6.21.21

BAROMETER THIS WEEK

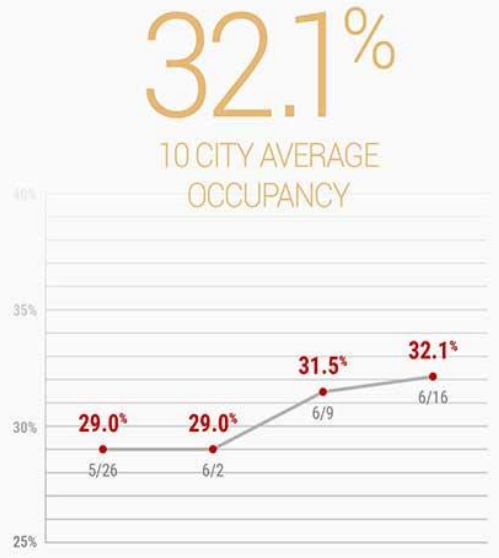


	Wed 4/28	Wed 5/5	% Change
Houston metro	39.7%	41.6%	1.9% ▲
Los Angeles metro	23.4%	24.4%	1.0% ▲
Chicago metro	21.6%	22.5%	0.9% ▲
Austin metro	40.2%	40.8%	0.6% ▲
Average of 10	26.5%	27.1%	0.6% ▲
Dallas metro	41.2%	41.8%	0.5% ▲
Washington D.C. metro	22.8%	23.2%	0.4% ▲
San Francisco metro	14.8%	15.2%	0.4% ▲
Philadelphia metro	27.1%	26.8%	0.3% ▼
San Jose metro	18.0%	18.3%	0.2% ▲
New York metro	16.2%	16.3%	0.1% ▲

Kastle customers are in more than 2,600 buildings in 138 cities. The Barometer reflects swipes of Kastle access controls from the top 10 cities, averaged weekly. It summarizes recent weekday building access activity among our business partners, not a national statistical sample.

*On March 22, 2021, Kastle moved from daily to weekly data reporting to provide a more robust and comprehensive picture of office occupancy. We have also recalculated data back to the start of the time series for consistency. This has only a marginal impact on most cities and the national average.

BAROMETER THIS WEEK



	Wed 6/9	Wed 6/16	% Change
Austin metro	48.7%	50.3%	1.6% ▲
Houston metro	47.7%	48.8%	1.2% ▲
New York metro	20.7%	21.7%	1.0% ▲
Average of 10	31.5%	32.1%	0.6% ▲
Washington D.C. metro	26.8%	27.4%	0.6% ▲
Dallas metro	49.7%	49.2%	0.5% ▼
Chicago metro	27.5%	28.1%	0.5% ▲
San Jose metro	20.2%	20.8%	0.5% ▲
San Francisco metro	18.2%	18.7%	0.5% ▲
Philadelphia metro	29.5%	29.9%	0.4% ▲
Los Angeles metro	25.8%	25.6%	0.1% ▼

Kastle customers are in more than 2,600 buildings in 138 cities. The Barometer reflects swipes of Kastle access controls from the top 10 cities, averaged weekly. It summarizes recent weekday building access activity among our business partners, not a national statistical sample.

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To learn more about KastleSafeSpaces visit: www.kastle.com/kastlesafespaces/



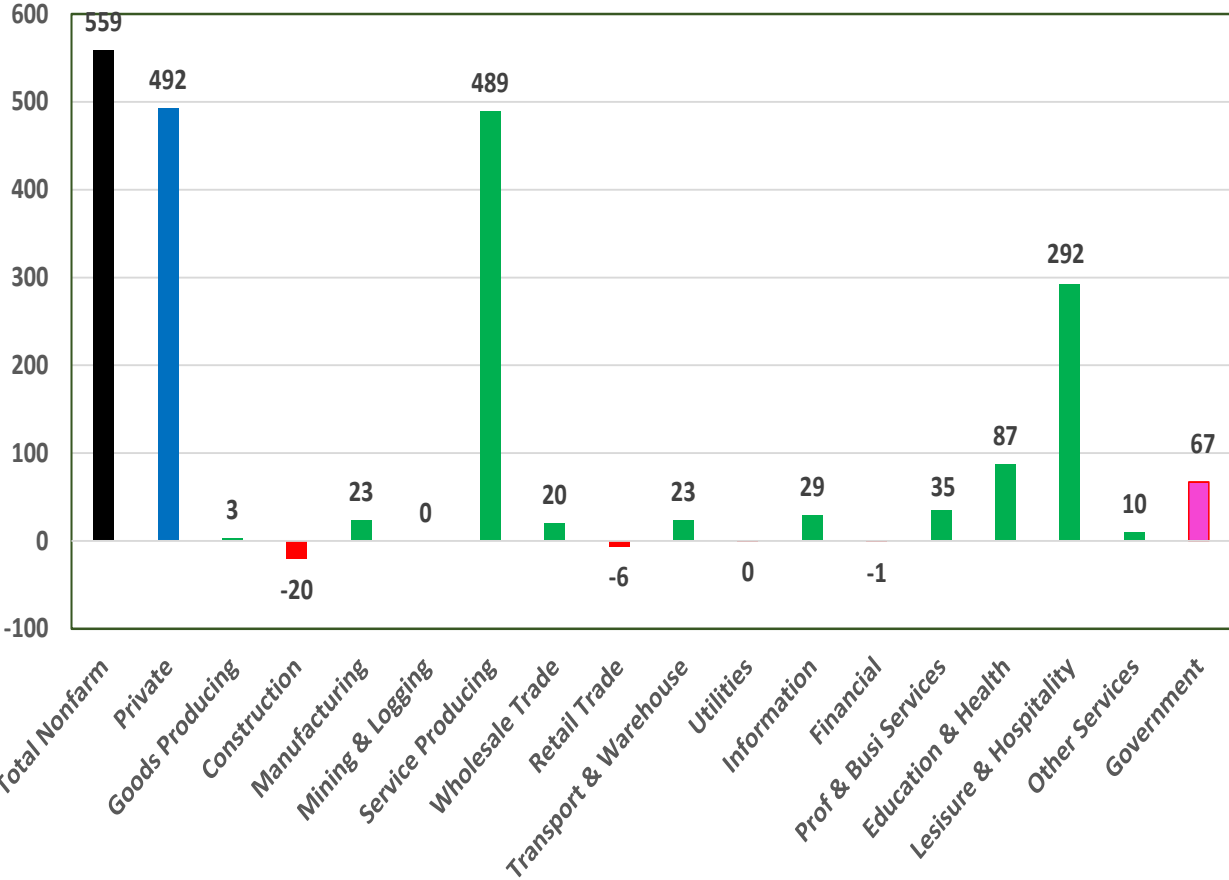
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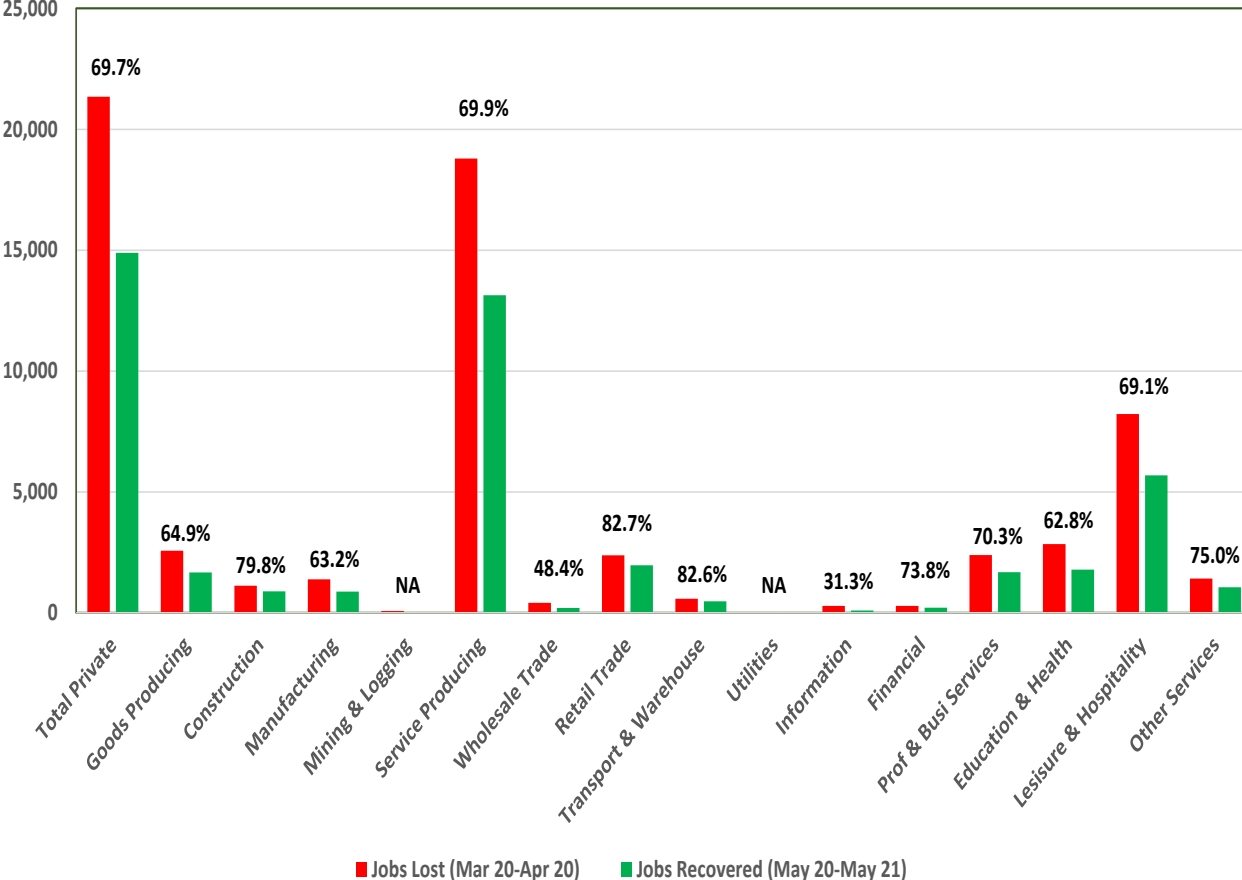
Source: Kastle Systems

Hiring Quickened in May; 70% of Private Jobs Lost Have Been Recovered

May Changes in Nonfarm Payrolls
(thousands, seasonally adjusted)



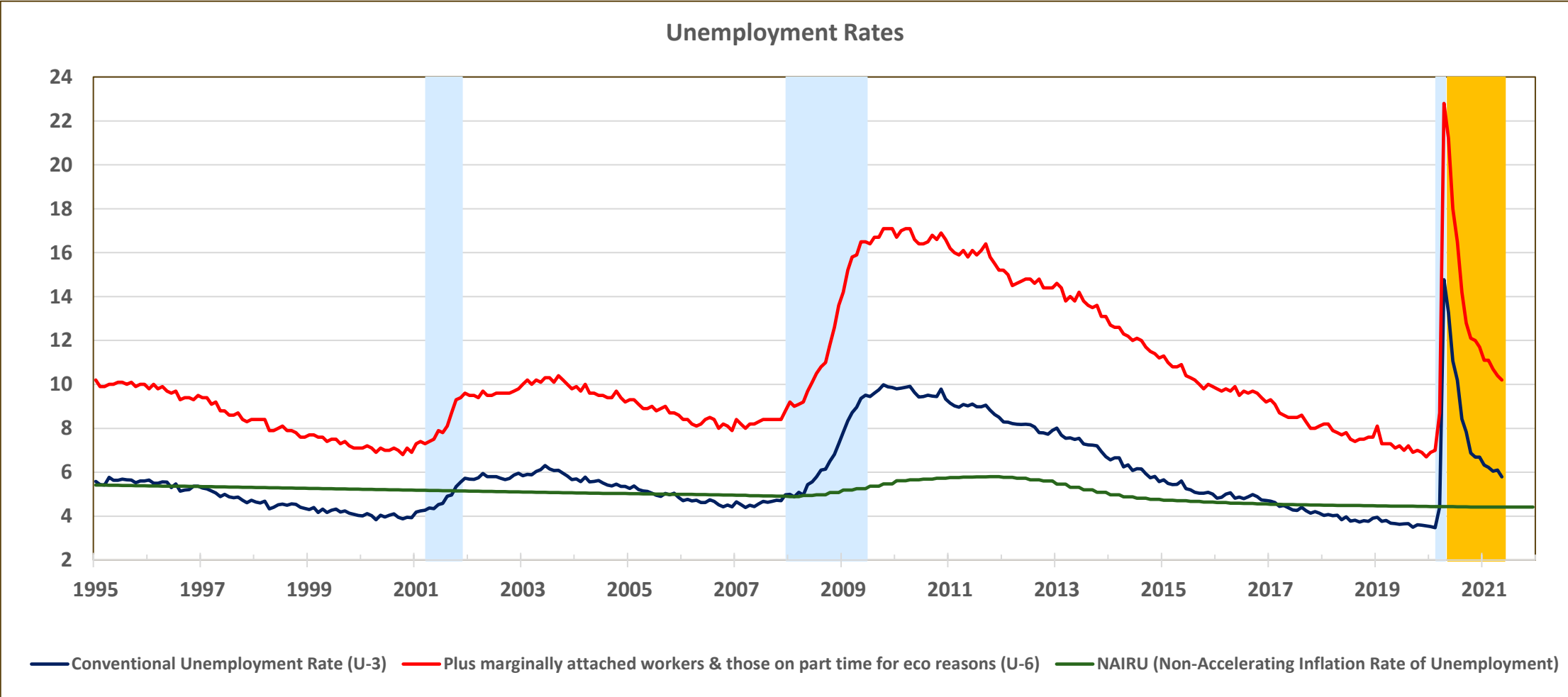
Almost 70% of the Private-Sector Jobs Lost to the Pandemic Have Now Been Recovered
(thousands, seasonally adjusted)



Source: Bureau of Labor Statistics



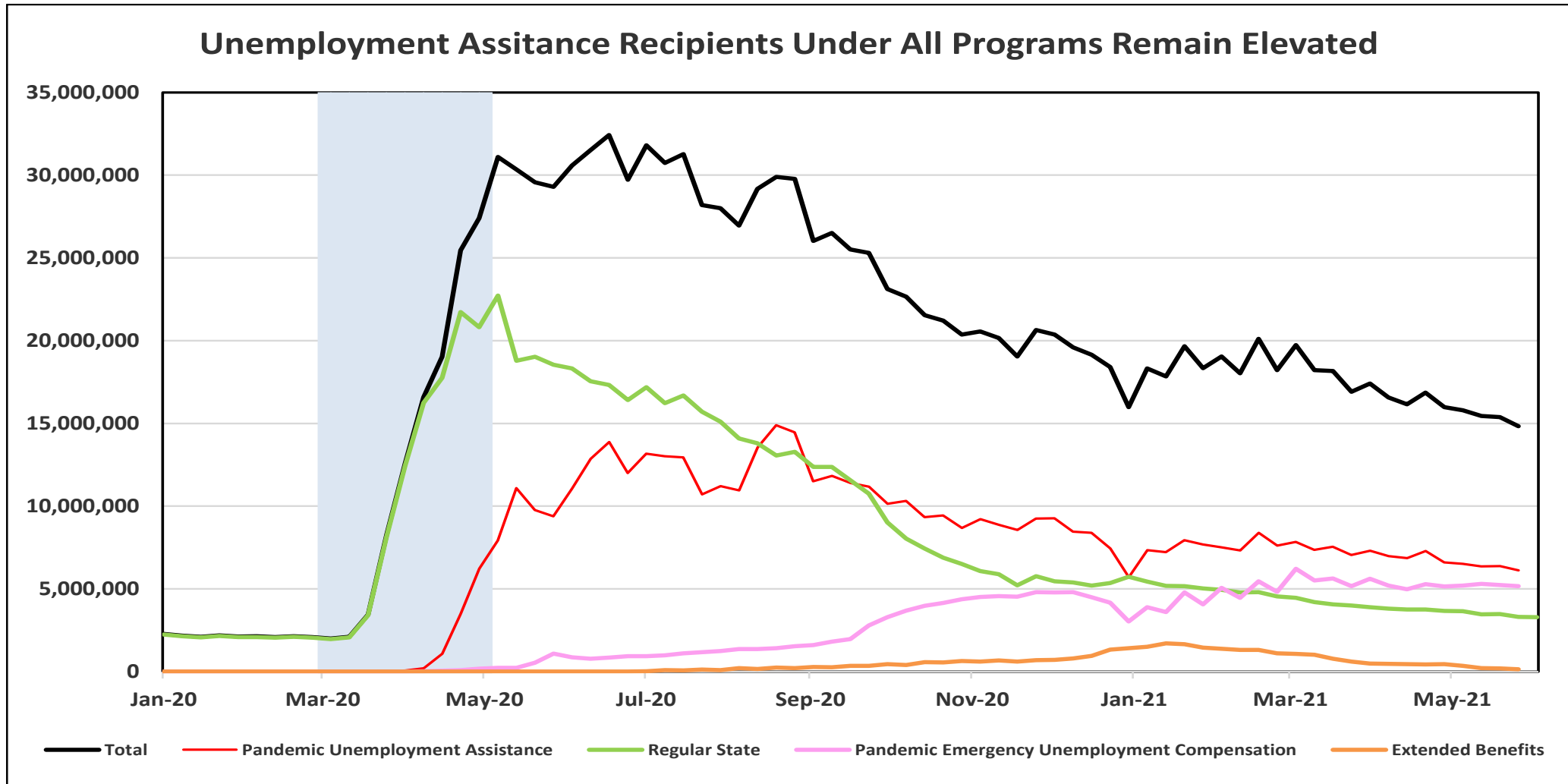
Unemployment Measures Remain Elevated



Notes: Blue shaded areas denote recessions. Orange shaded area denotes period beyond April 2020 when probability that the economy was in recession dipped below 1%. Source: Bureau of Labor Statistics



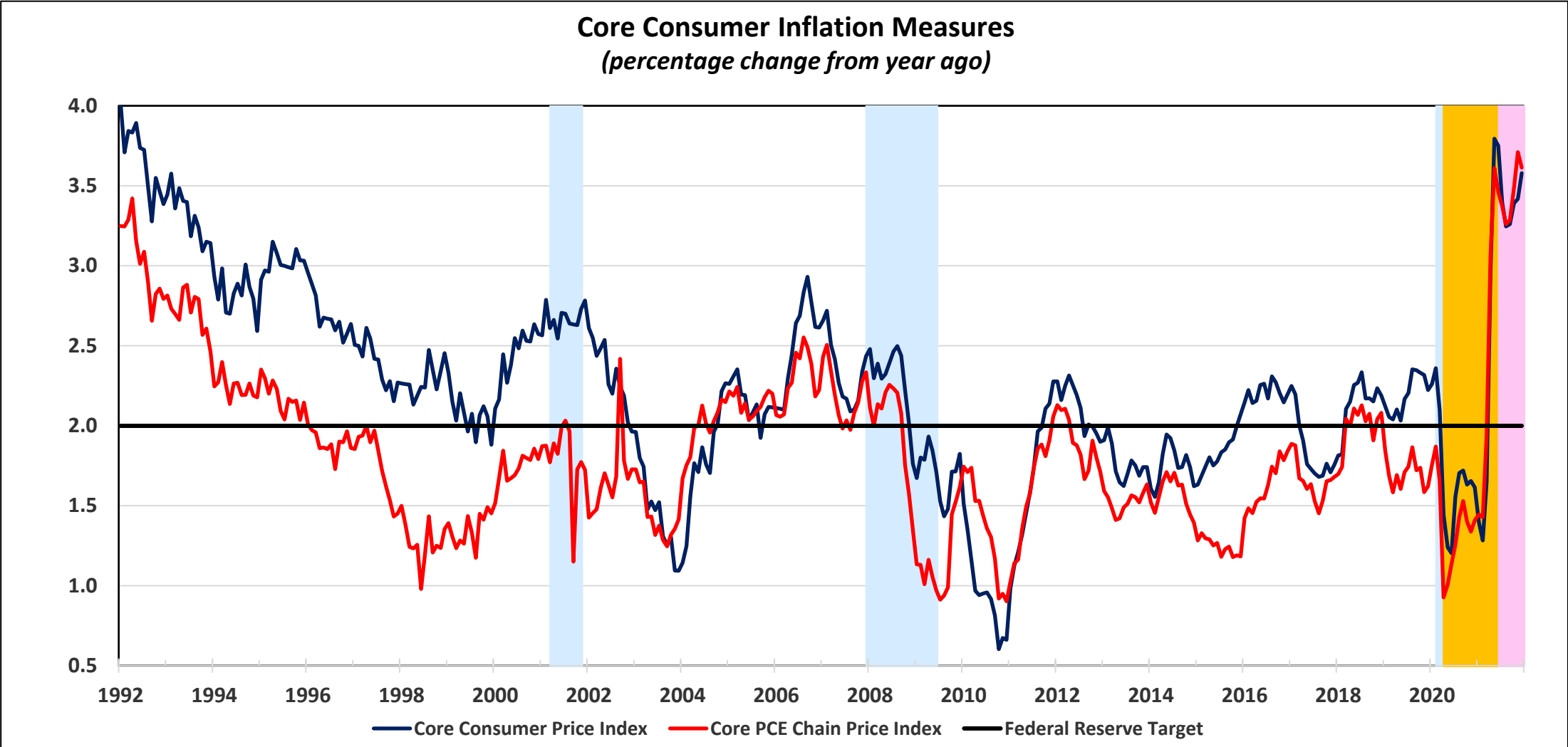
9.2% of the Civilian Labor Force Still Receiving Some Form of Assistance



Note: Shaded area denote recession. Source: U.S. Department of Labor



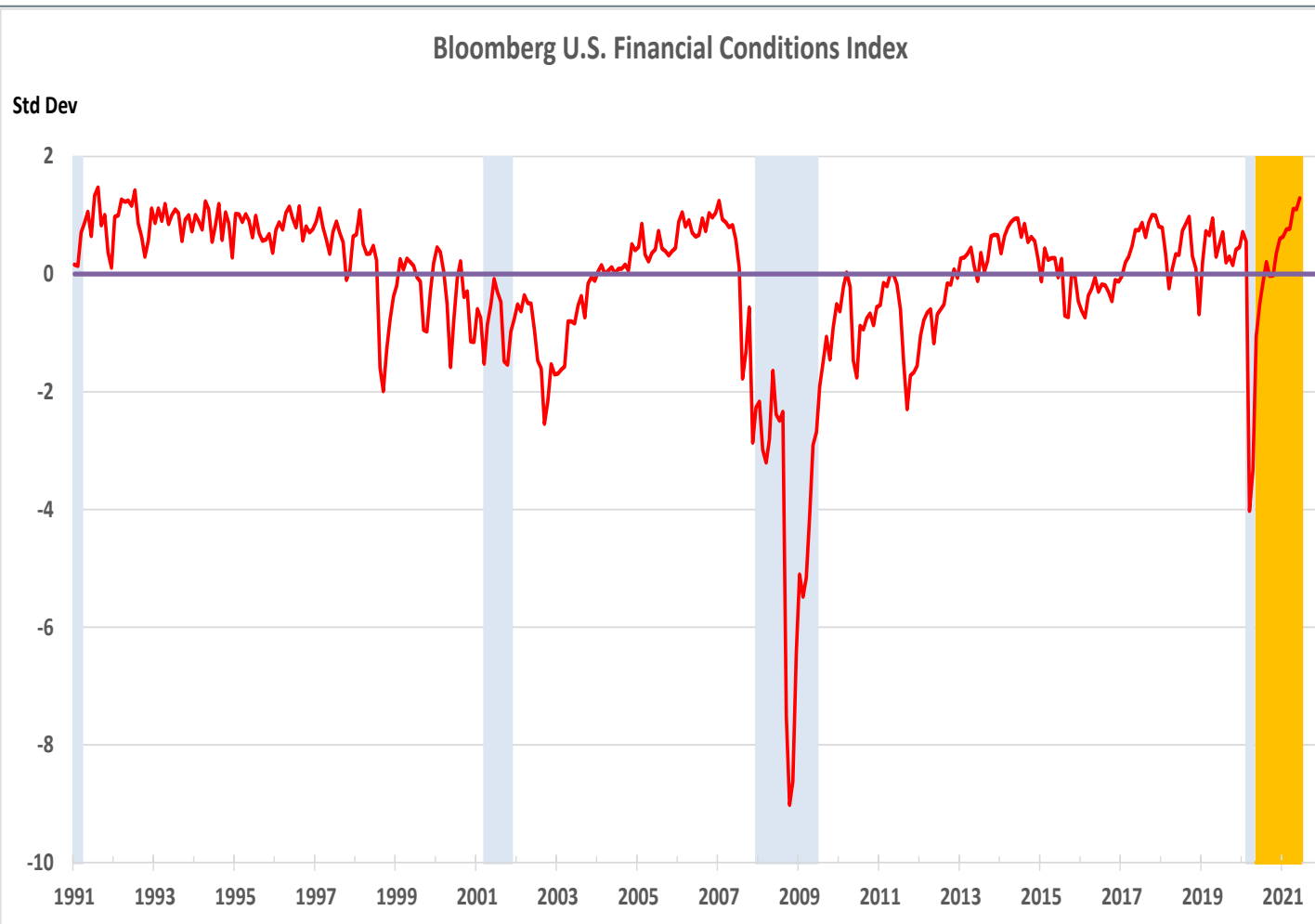
Core Consumer Inflation Gauges Will Remain Well Above Fed Target Over the Balance of the Year



Notes: Blue shaded areas denote recessions. Orange shaded area denotes period beyond April 2020 when probability that the economy was in recession dipped below 1%. Pink shaded area denotes projections. Sources: Bureau of Labor Statistics, Federal Reserve Bank of St. Louis and FHLBNY



Financial Conditions Most Accommodative in Almost Three Decades



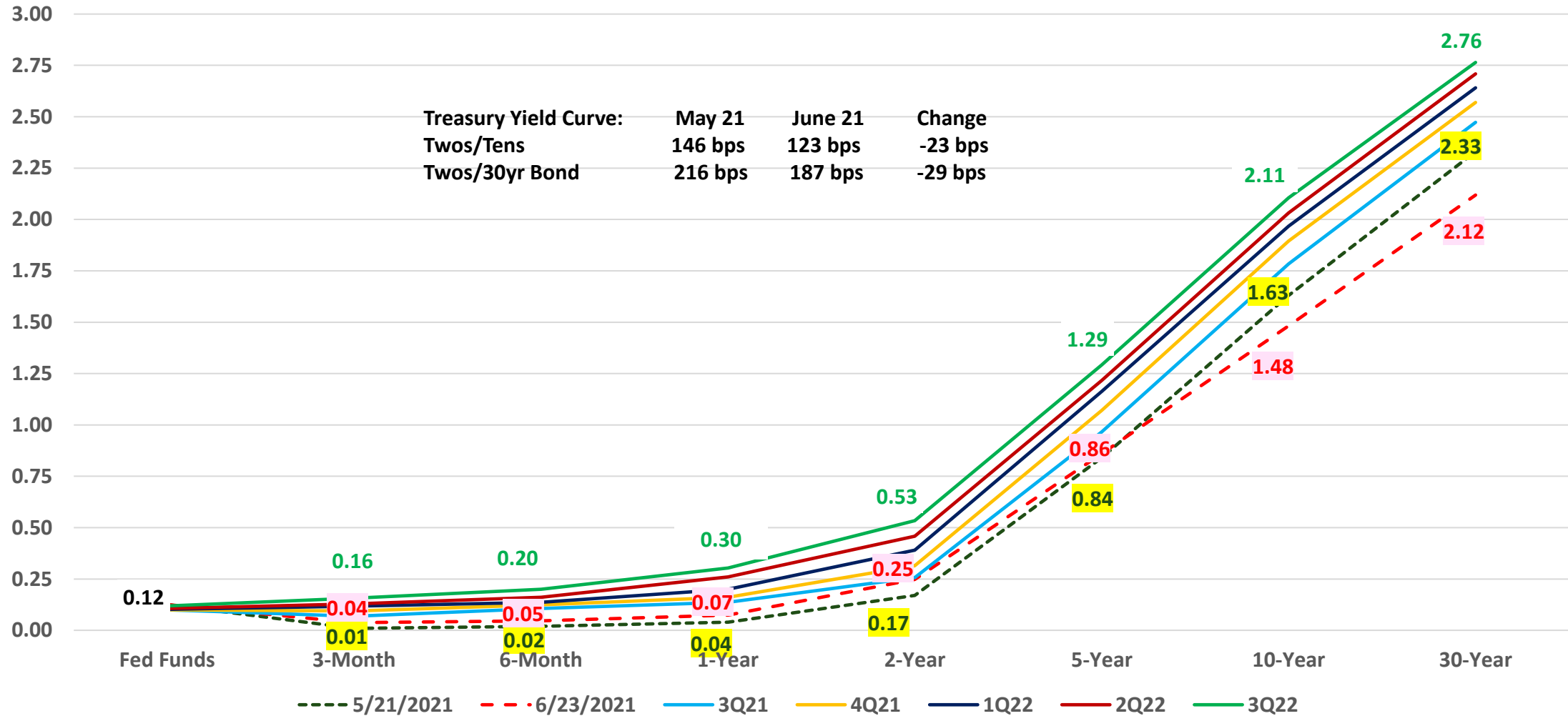
	21-May-21	23-Jun-21	Change
US Financial Conditions	1.05	1.29	0.24
Money Market Spreads:			
TED Spread	14.95	9.57	-5.38
Libor/OIS Spread	7.13	4.09	-3.04
Com Paper/T-Bill Spread	10.75	6.94	-3.81
Bond Market Spreads:			
Baa/10-Yr Treasury Spread	76.84	80.50	3.66
High-Yield/10-Yr Treas Spread	3.07	2.85	-0.22
Muni/10-Yr Spread	-74.21	-62.12	12.09
Swaption Volatility Index	72.80	72.16	-0.64
Equity Market:			
S&P 500	4155.86	4250.64	94.78
VIX S&P Volatility Index	20.15	16.25	-3.90

Notes: Blue shaded areas denote recessions. Orange shaded area denotes period beyond April 2020 when the probability that the economy was in recession dipped below 1%.

Sources: Bloomberg, and Federal Reserve Bank of St. Louis



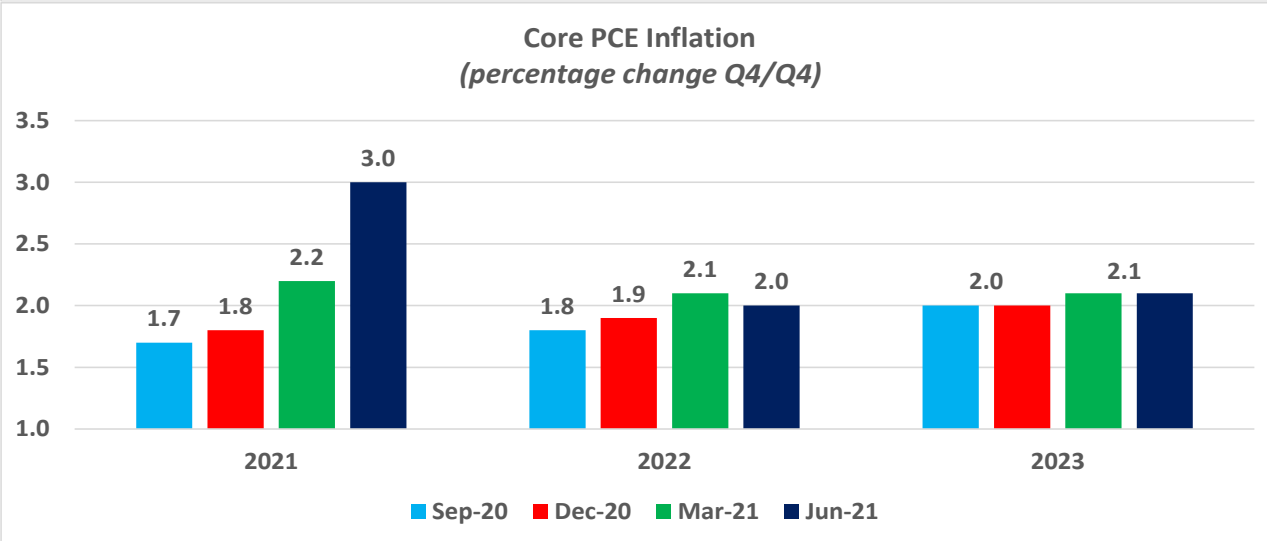
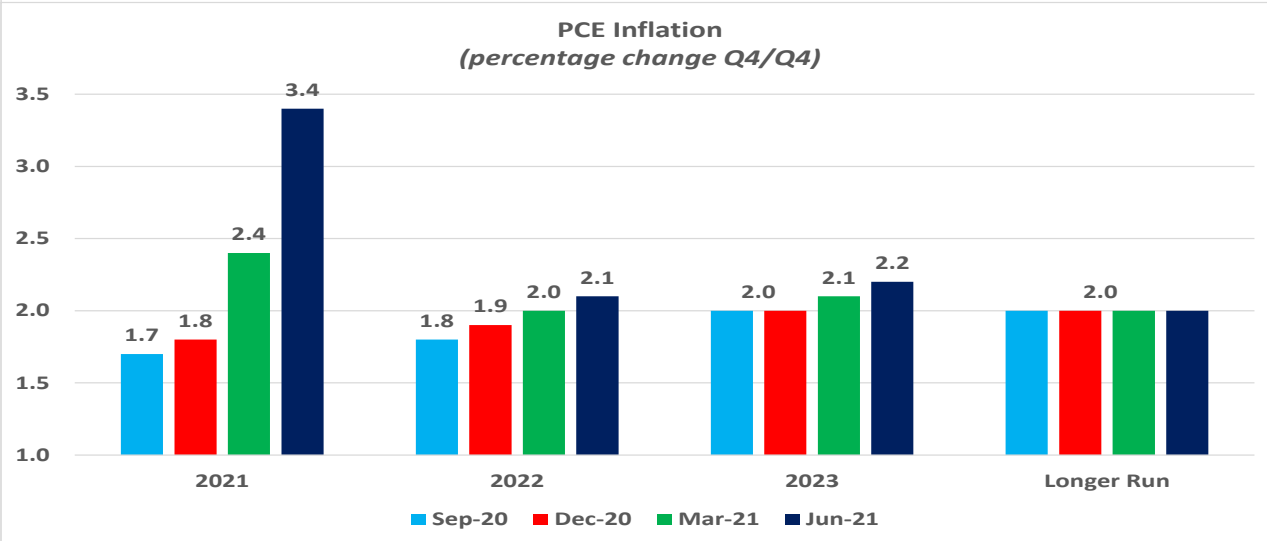
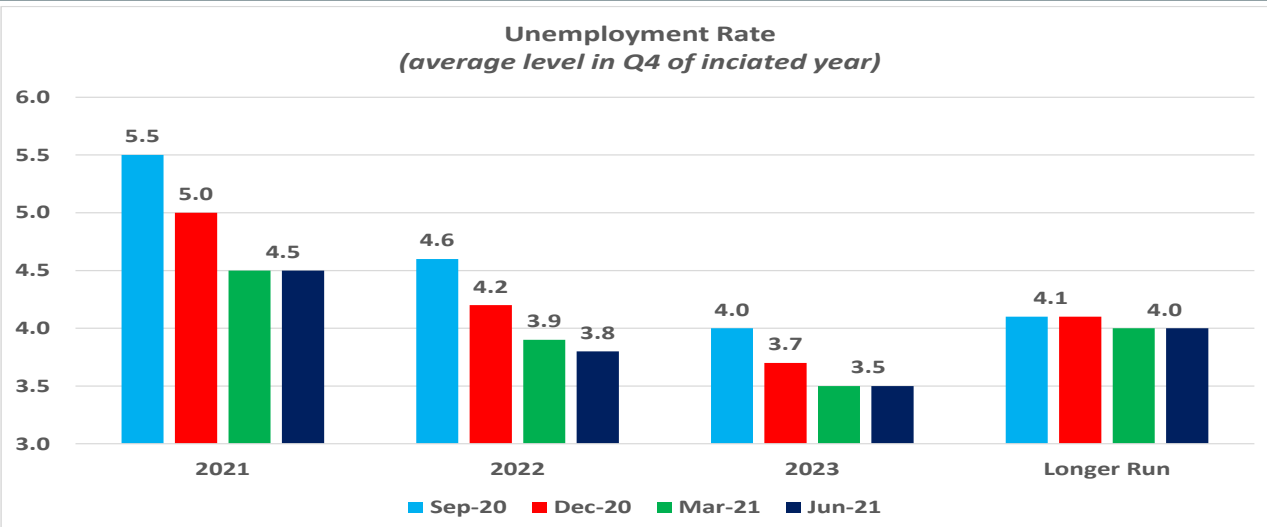
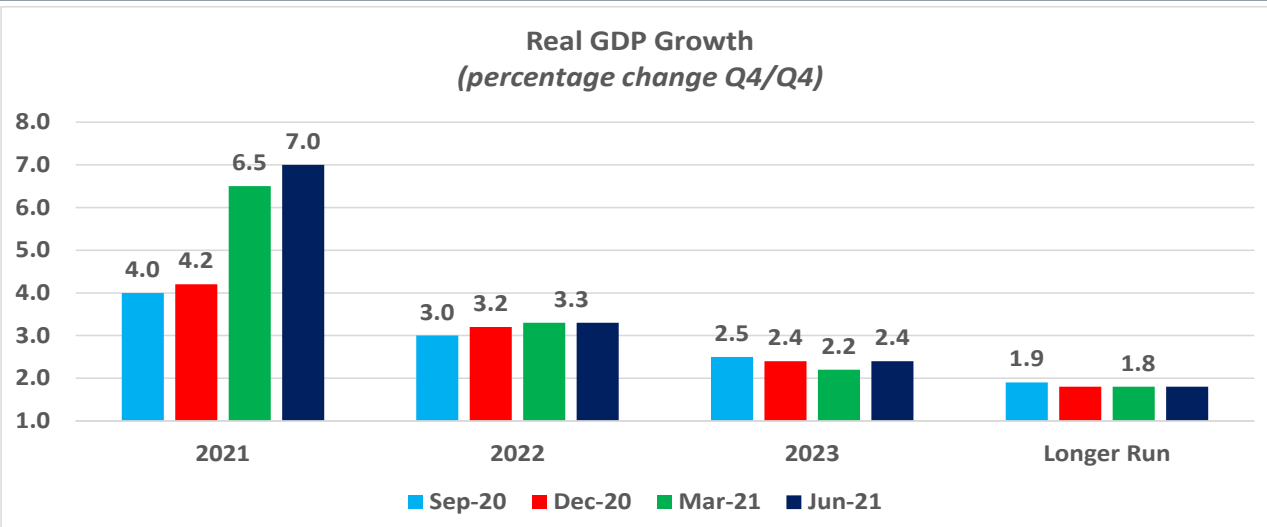
Treasury Yield Curve Has Flattened Since May Super Tuesday Meeting; Consensus Projections Through Summer of 2022 Marked Higher



Sources: Bloomberg, Blue Chip Consensus



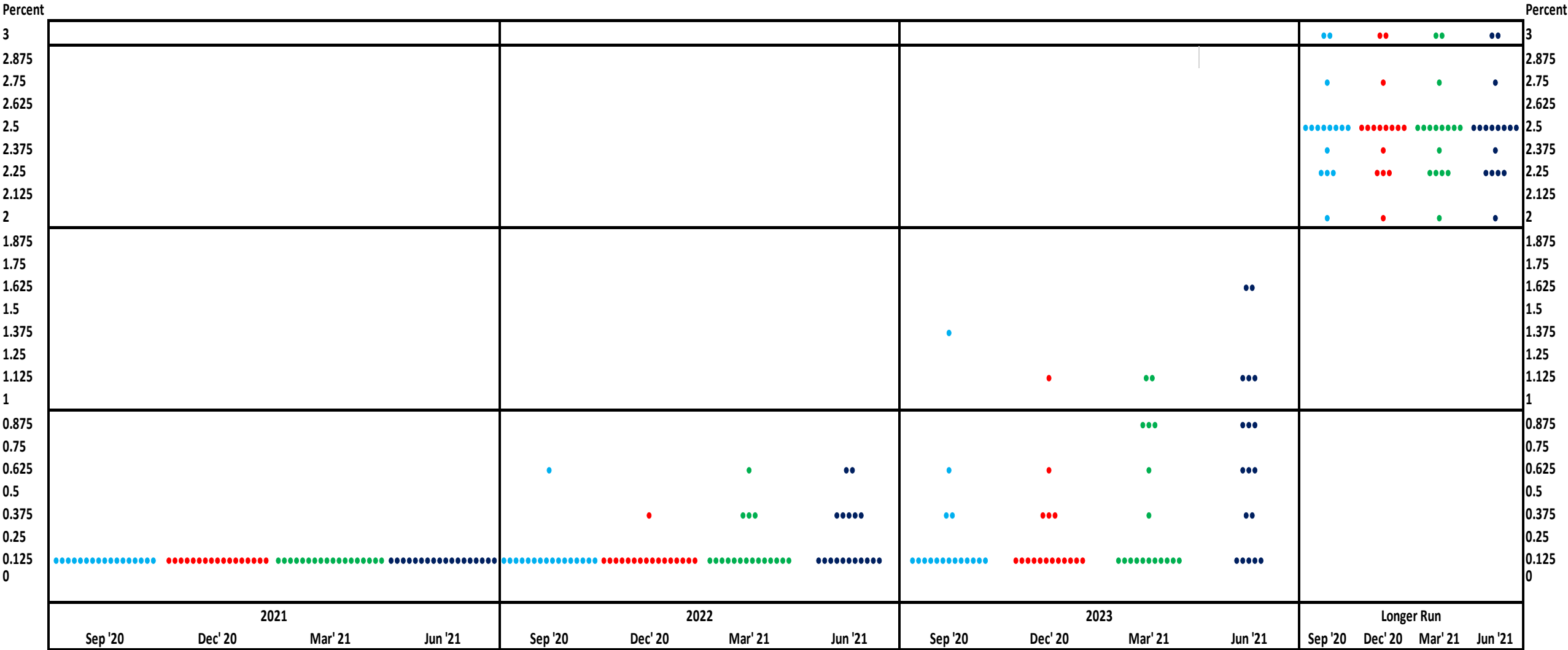
Fed Officials Expect Faster Growth, Less Unemployment and a Temporary Pickup in Inflation



Source: Federal Reserve Board



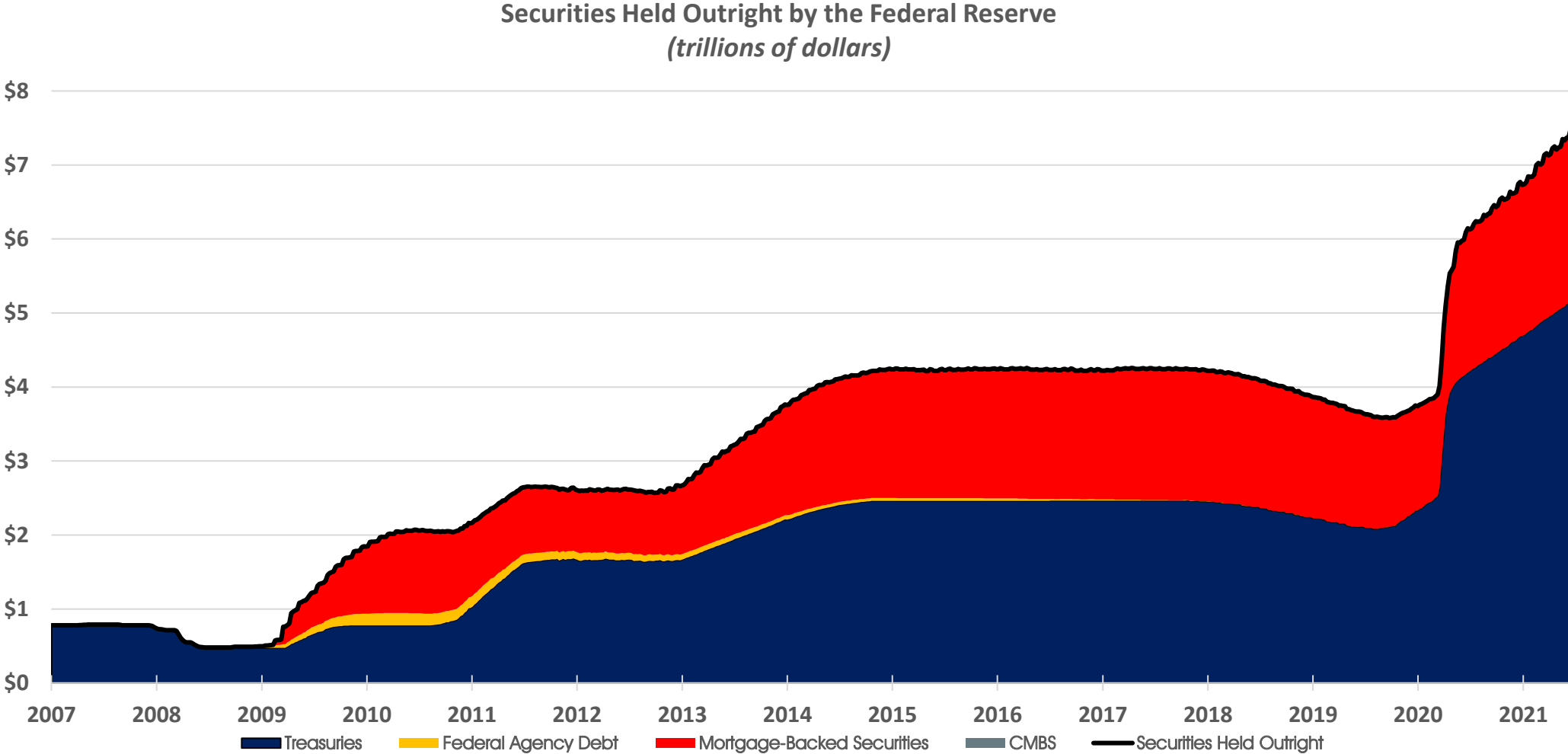
Fed Officials Now See Rates Hikes in 2023, Could Tightening Soon Move Into Next Year?



Source: Federal Reserve Board



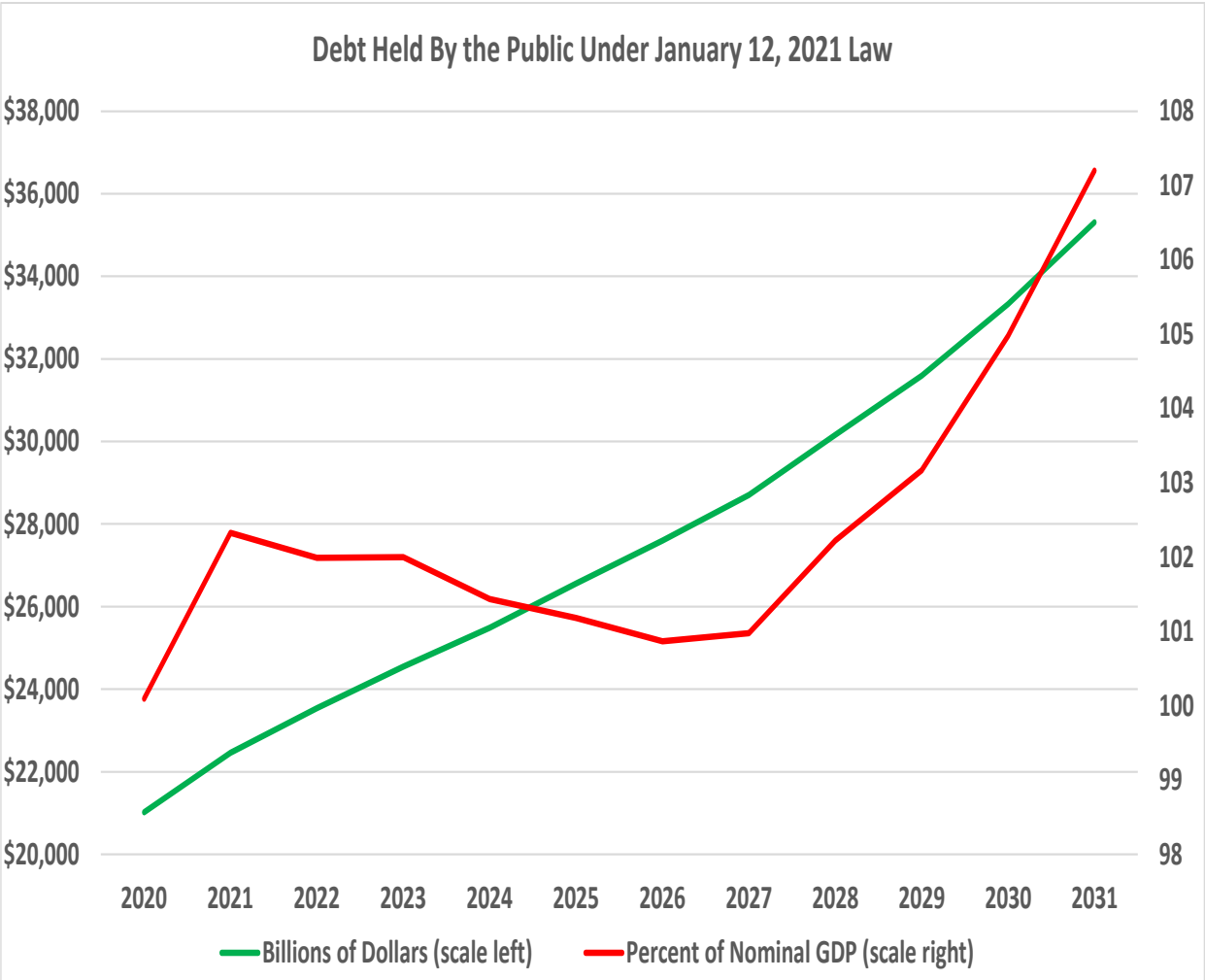
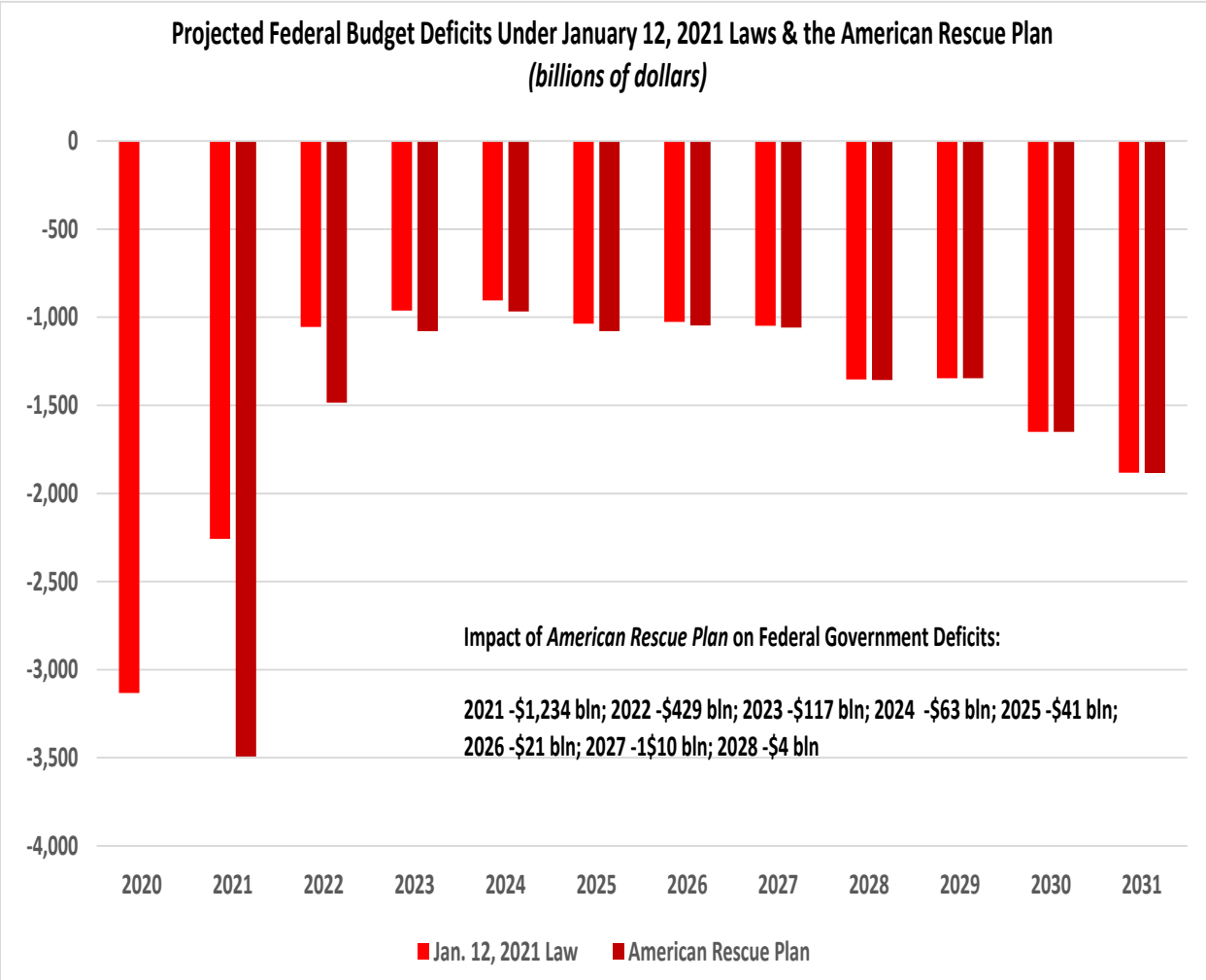
Fed Securities Holdings Stand \$3.6 Trillion Above Their Pre-COVID-19 Level



Source: Federal Reserve Board



Larger Federal Deficits Under American Rescue Plan Will Require Additional Debt Issuance

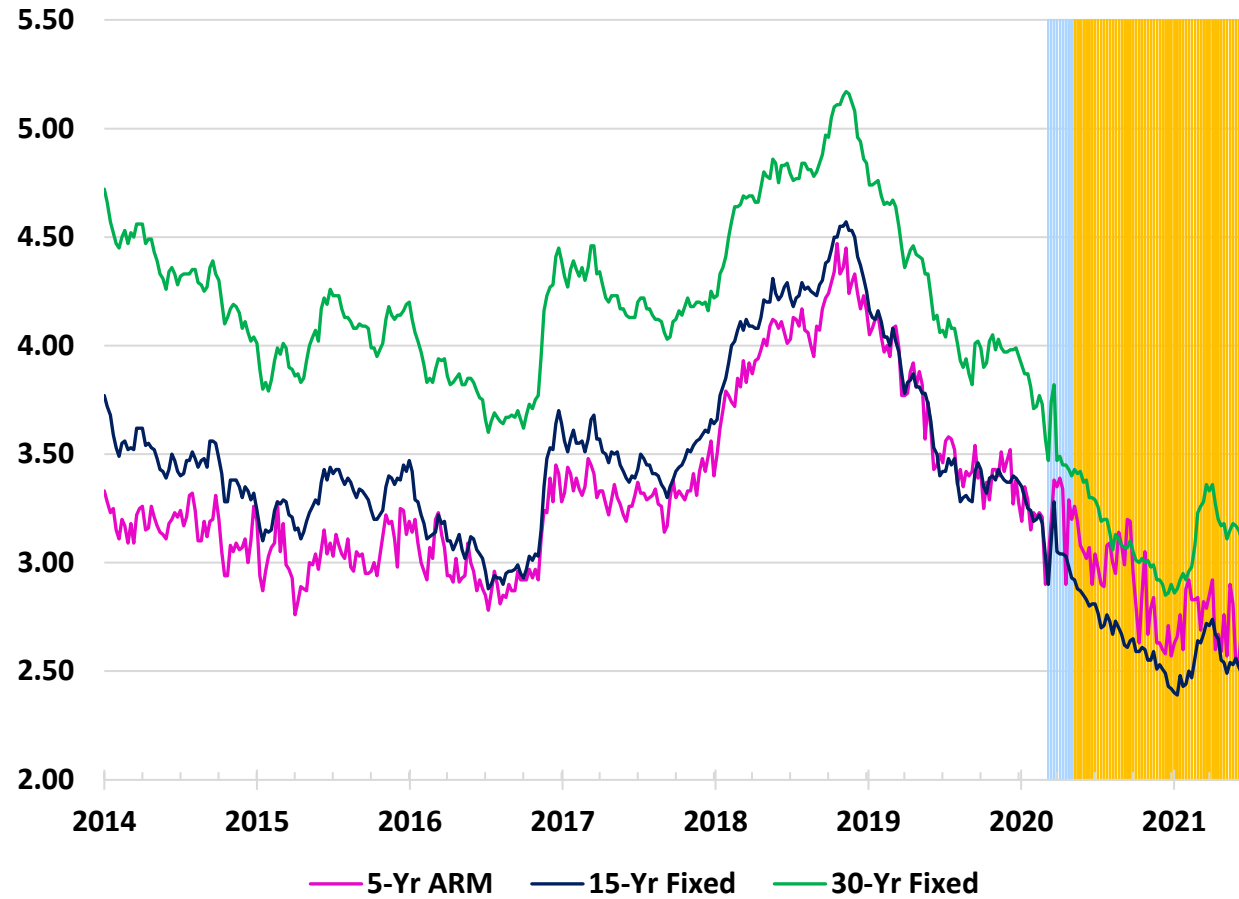


Source: Congressional Budget Office

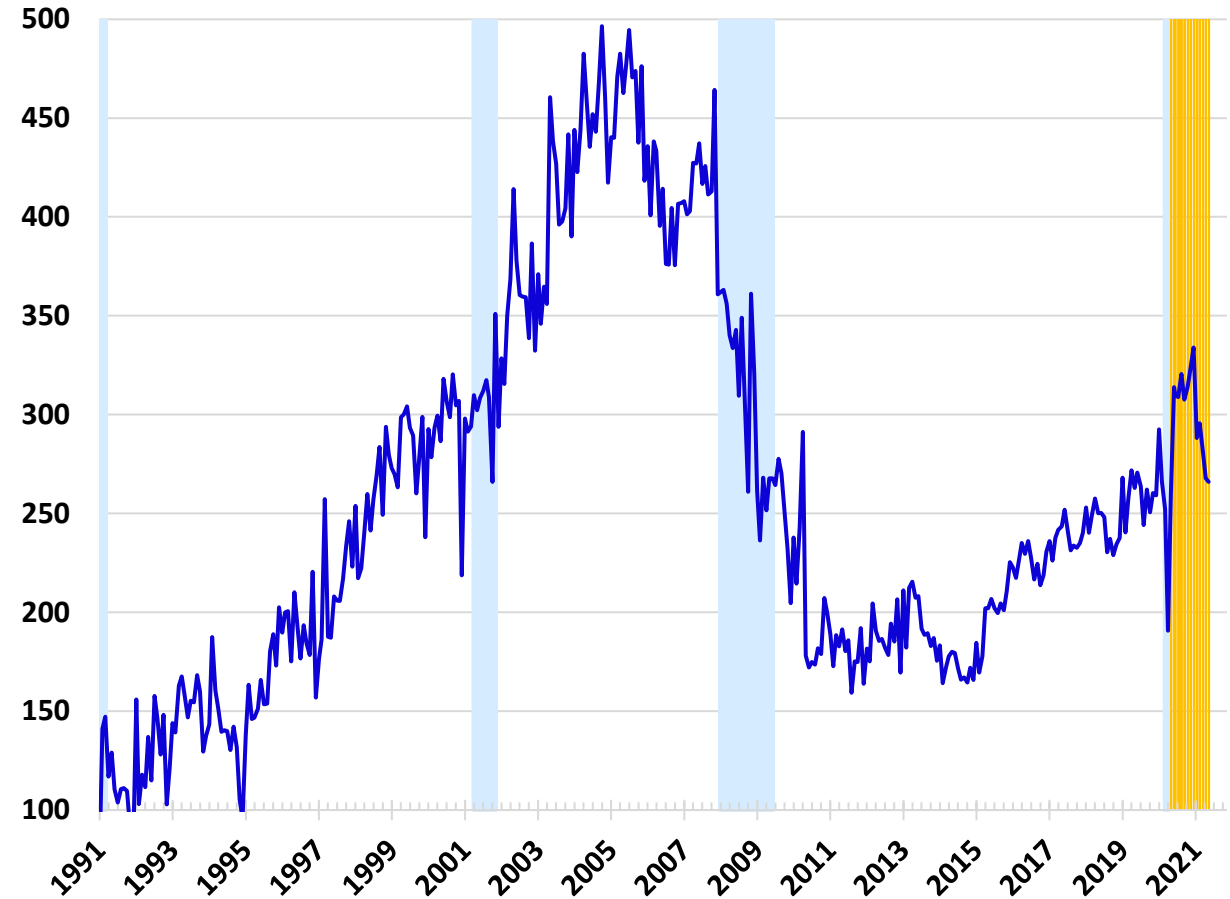


While Mortgage Rates Have Moved Lower, Lack of Available Homes Capping Sales

Mortgage Interest Rates



Home-Purchase Mortgage Applications

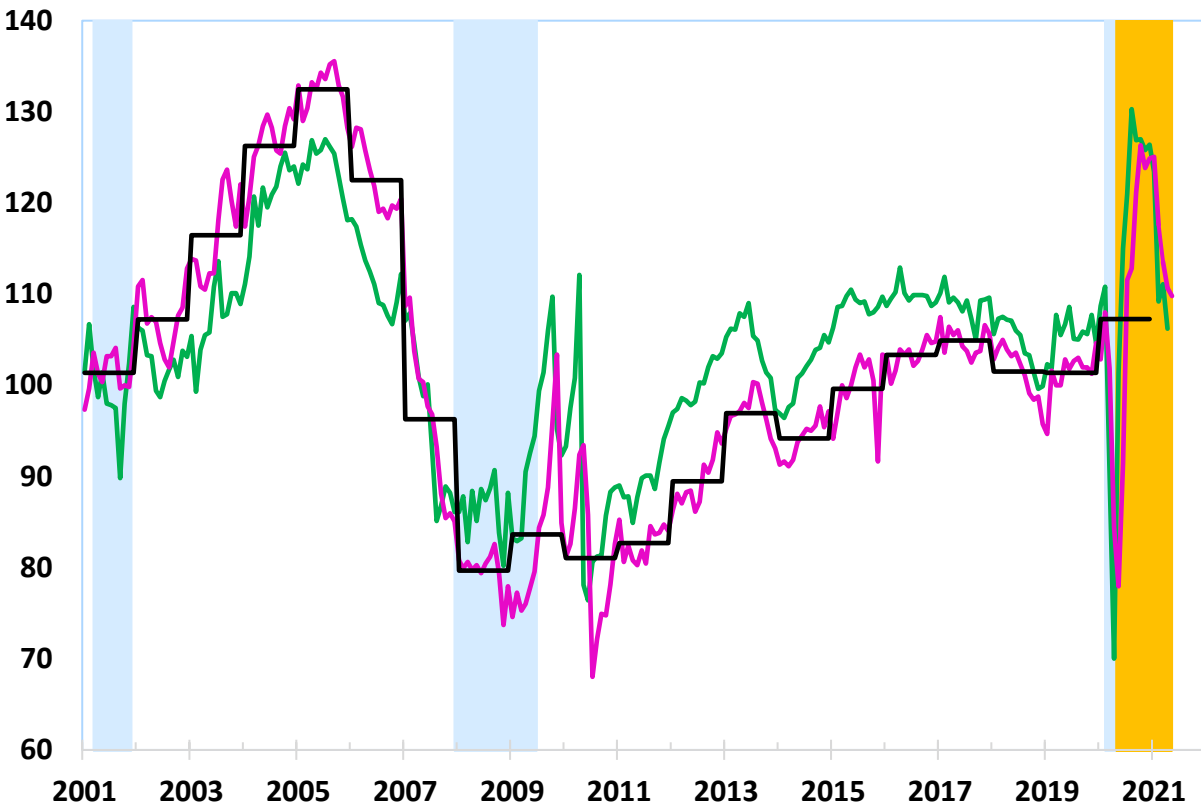


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Backlog of Contract Signings Points to Further Gains in Local Home Sales

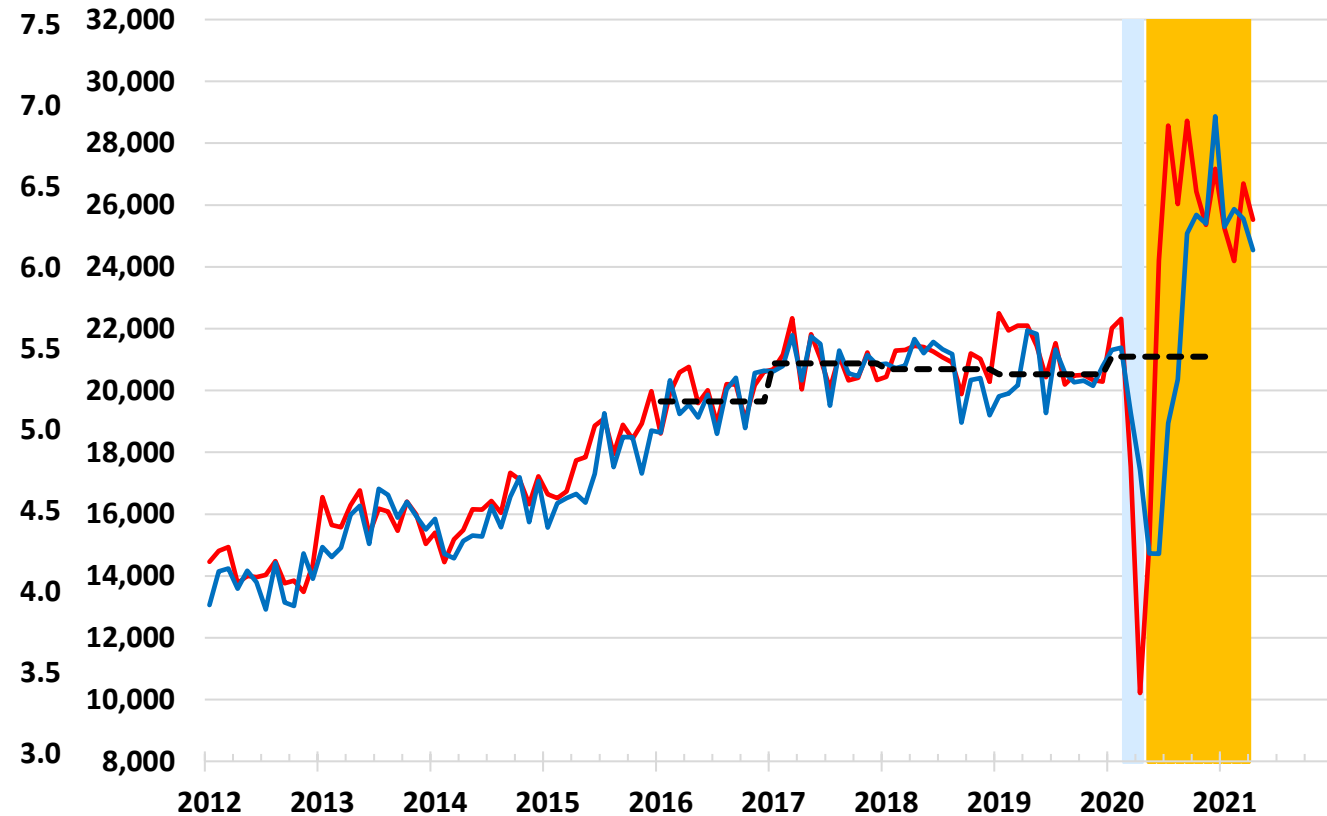
U.S. Pending and Existing Home Sales
(seasonally adjusted)



— Pending Home Sales (index 2001 = 100, left)
 — Existing Home Sales (millions saar, right)

— Annual Average Sales

Pending and Closed Home Sales in New York & New Jersey
(seasonally adjusted)



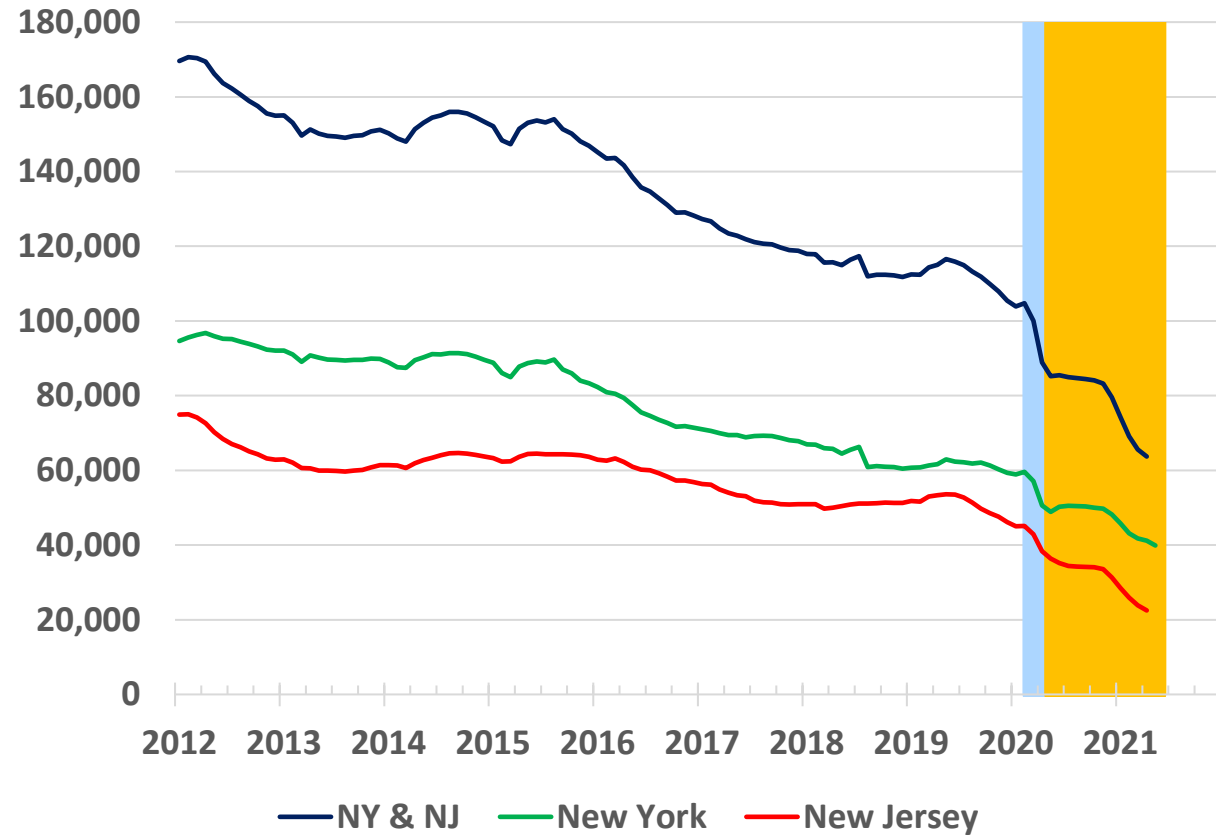
— Pending Sales
 — Closed Sales
 - - - Annual Average Sales

Notes: Blue shaded areas denote recessions. Orange shaded area denotes period beyond April 2020 when probability that the economy was in recession dipped below 1%. Sources: Mortgage Bankers Association, NYSAR, NJ Realtors, and FHLBNY estimates

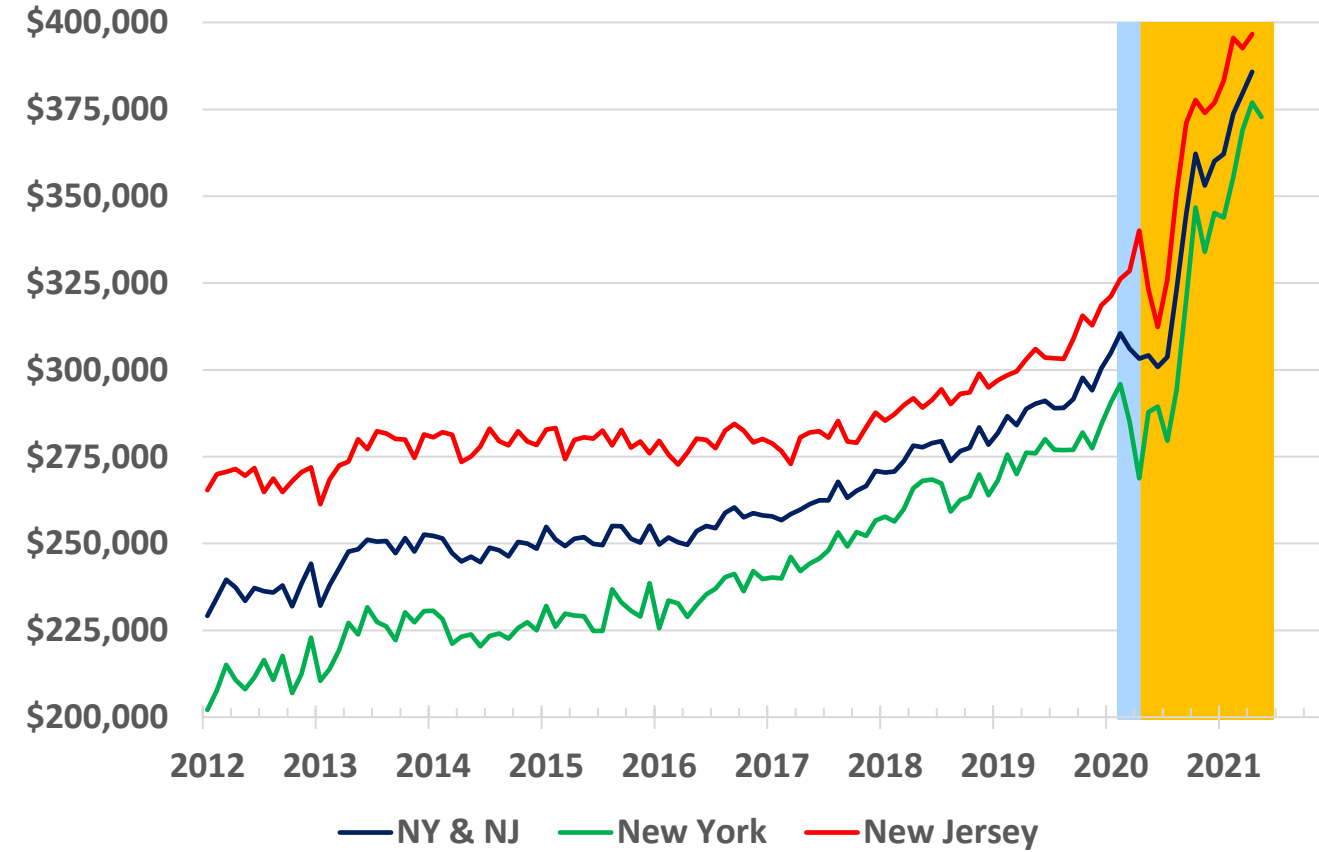


Historically Low Dwellings on the Market Will Continue to Support Local Home Prices

Homes Available for Sale
(seasonally adjusted)



Median Selling Prices
(seasonally adjusted)

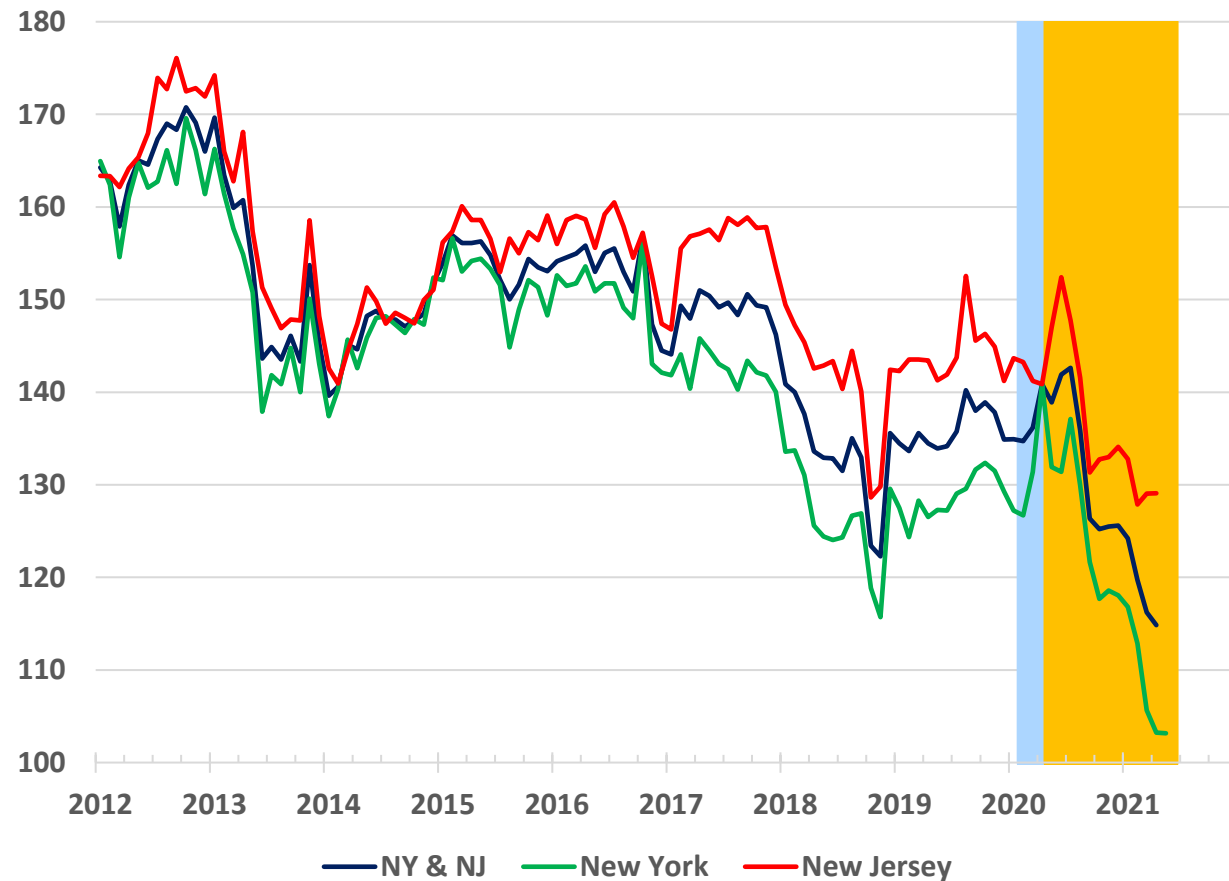


Notes: Blue shaded areas denote recession. Orange shaded area denotes period beyond April 2020 when probability that the economy was in recession dipped below 1%. Sources: NYSAR, NJ Realtors and FHLBNY estimates

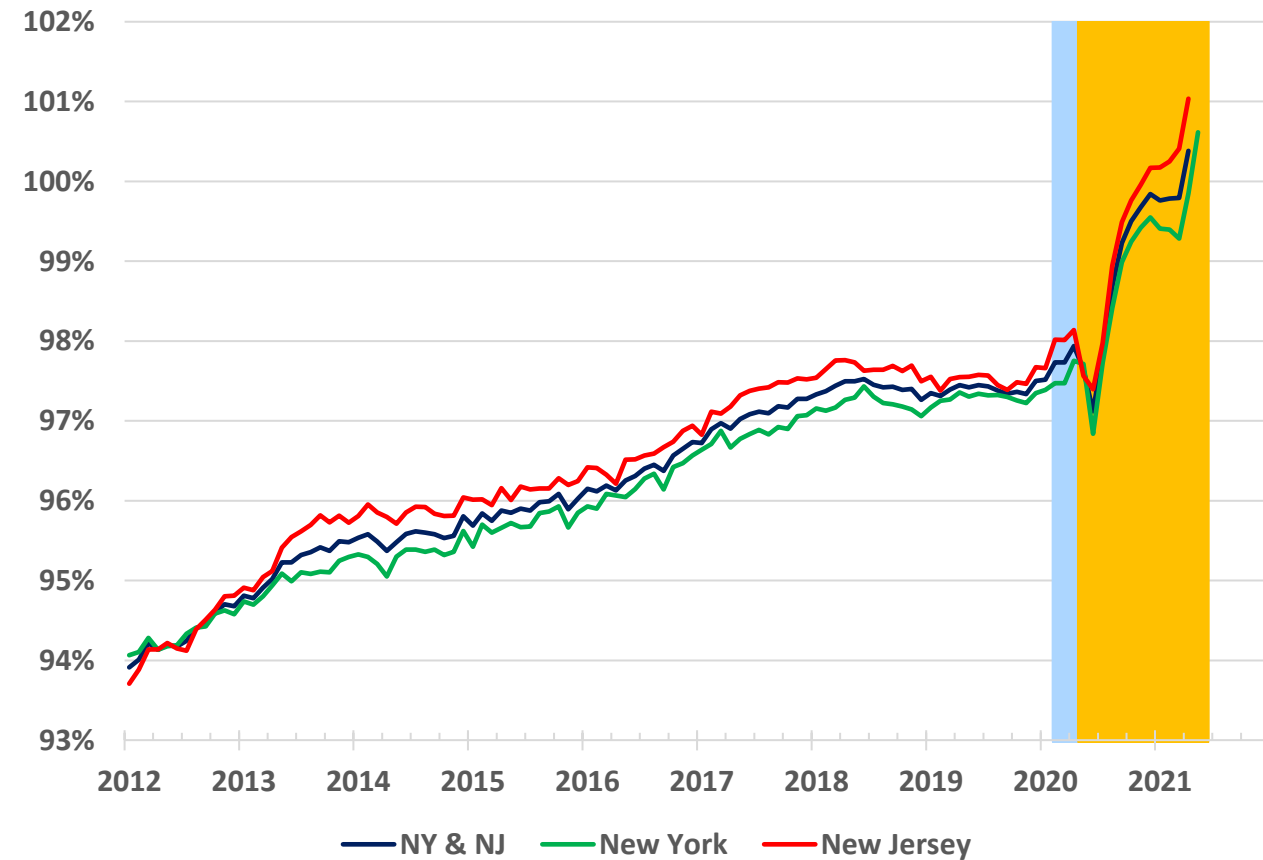


Local Affordability at Decade Lows; Seller Receiving Almost Full Asking Prices

Housing Affordability Index
(seasonally adjusted)



Percent of Listing Price Received
(seasonally adjusted)

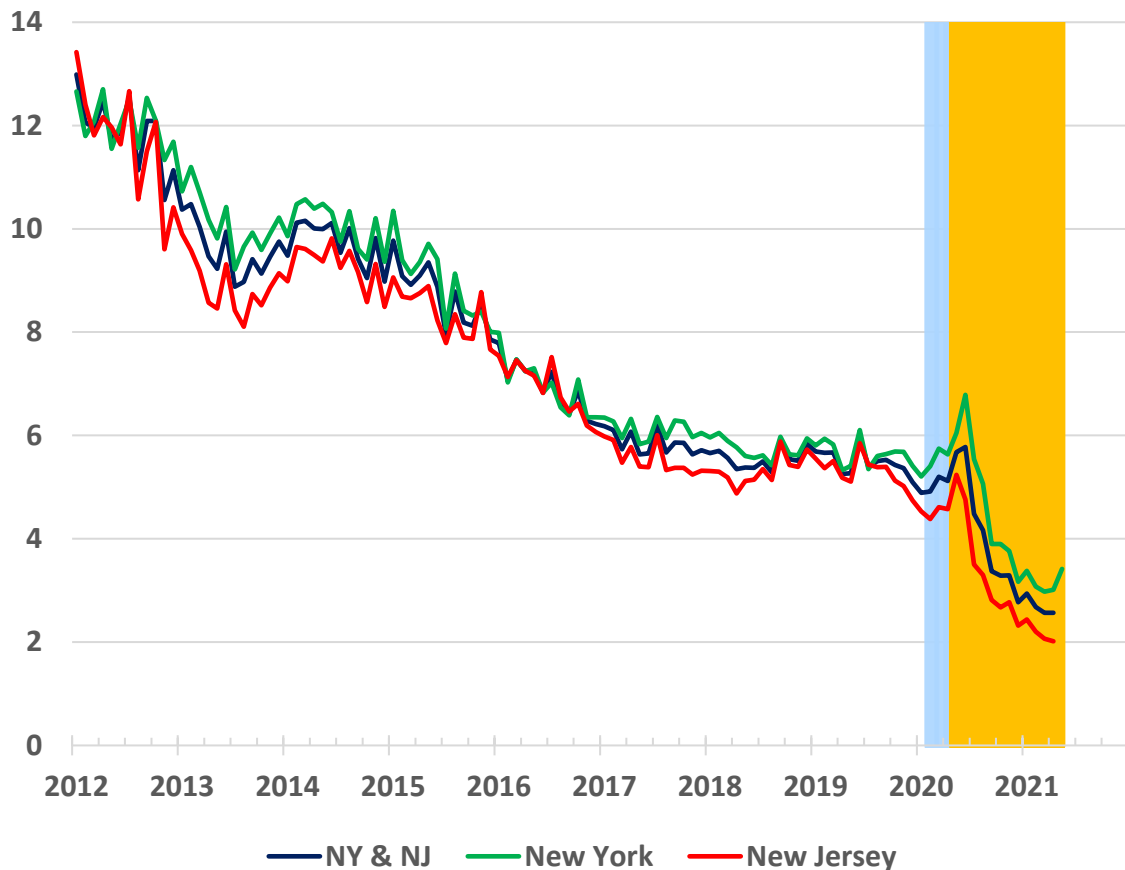


Notes: Blue shaded areas denote recession. Orange shaded area denotes period beyond April 2020 when probability that the economy was in recession dipped below 1%. Sources: NYSAR, NJ Realtors and FHLBNY estimates

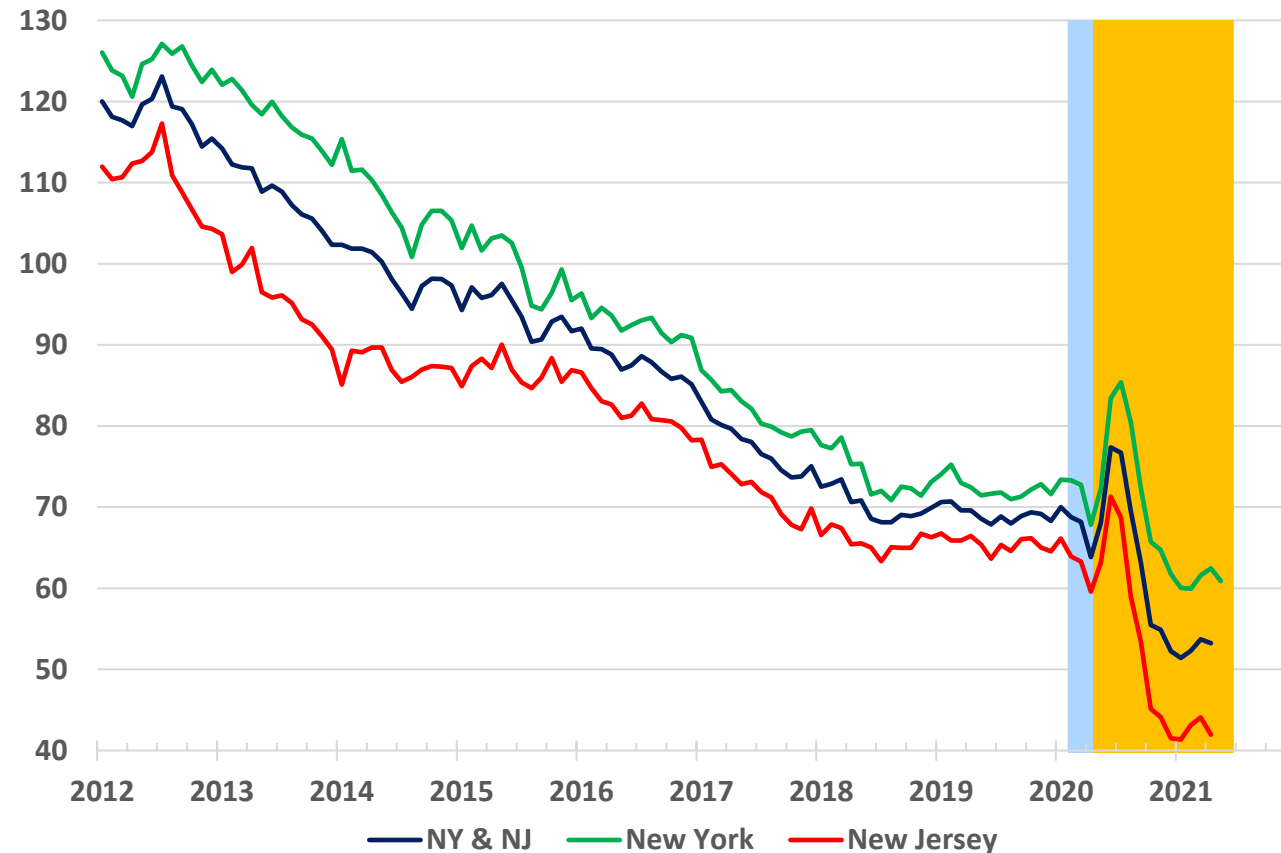


Given Limited Supplies, Homes Are Changing Hands Quickly in NY & NJ

Months' Supply of Homes on the Market
(seasonally adjusted)



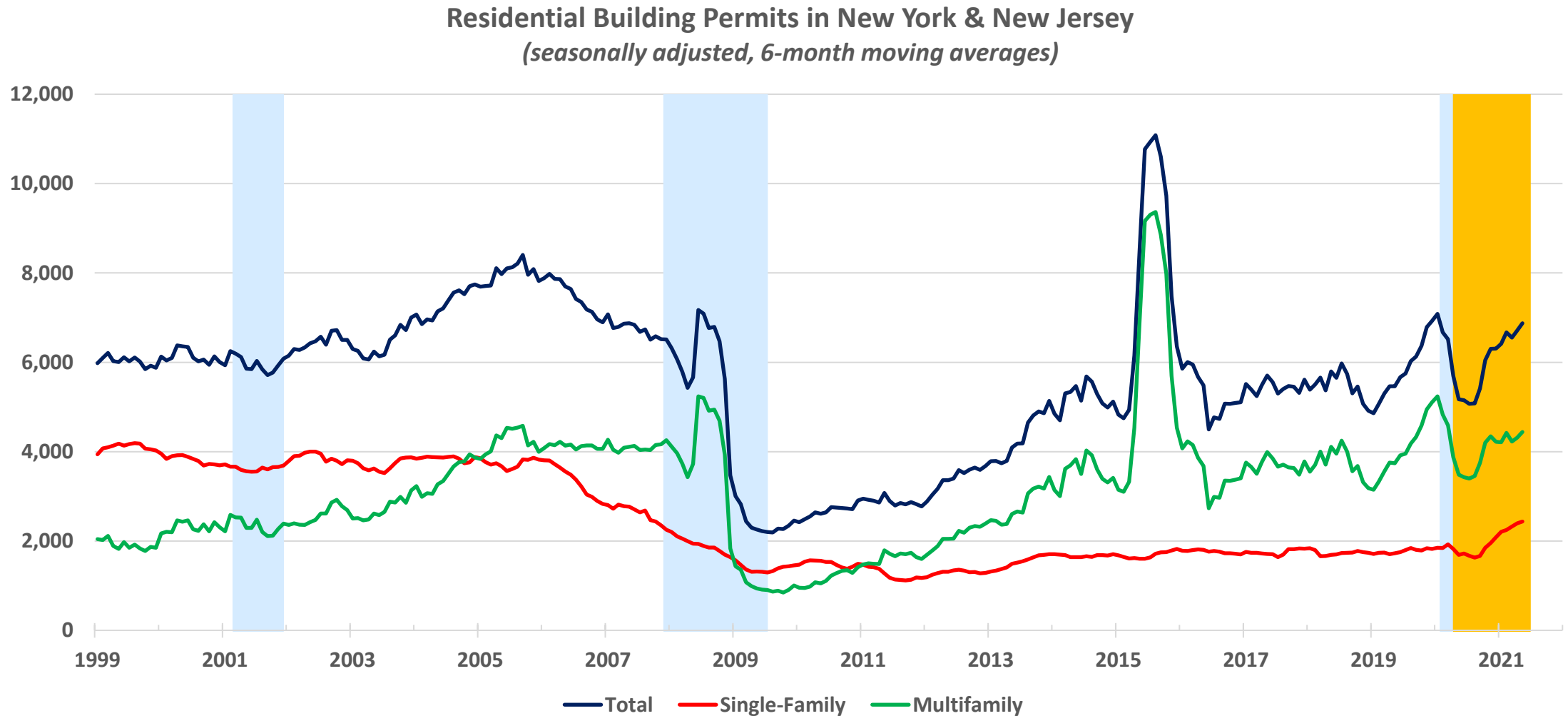
Number of Days on the Market
(seasonally adjusted)



Notes: Blue shaded areas denote recession. Orange shaded area denotes period beyond April 2020 when probability that the economy was in recession dipped below 1%. Sources: NYSAR, NJ Realtors and FHLBNY estimates



Local Builders Responding to Single-Family Home Shortage

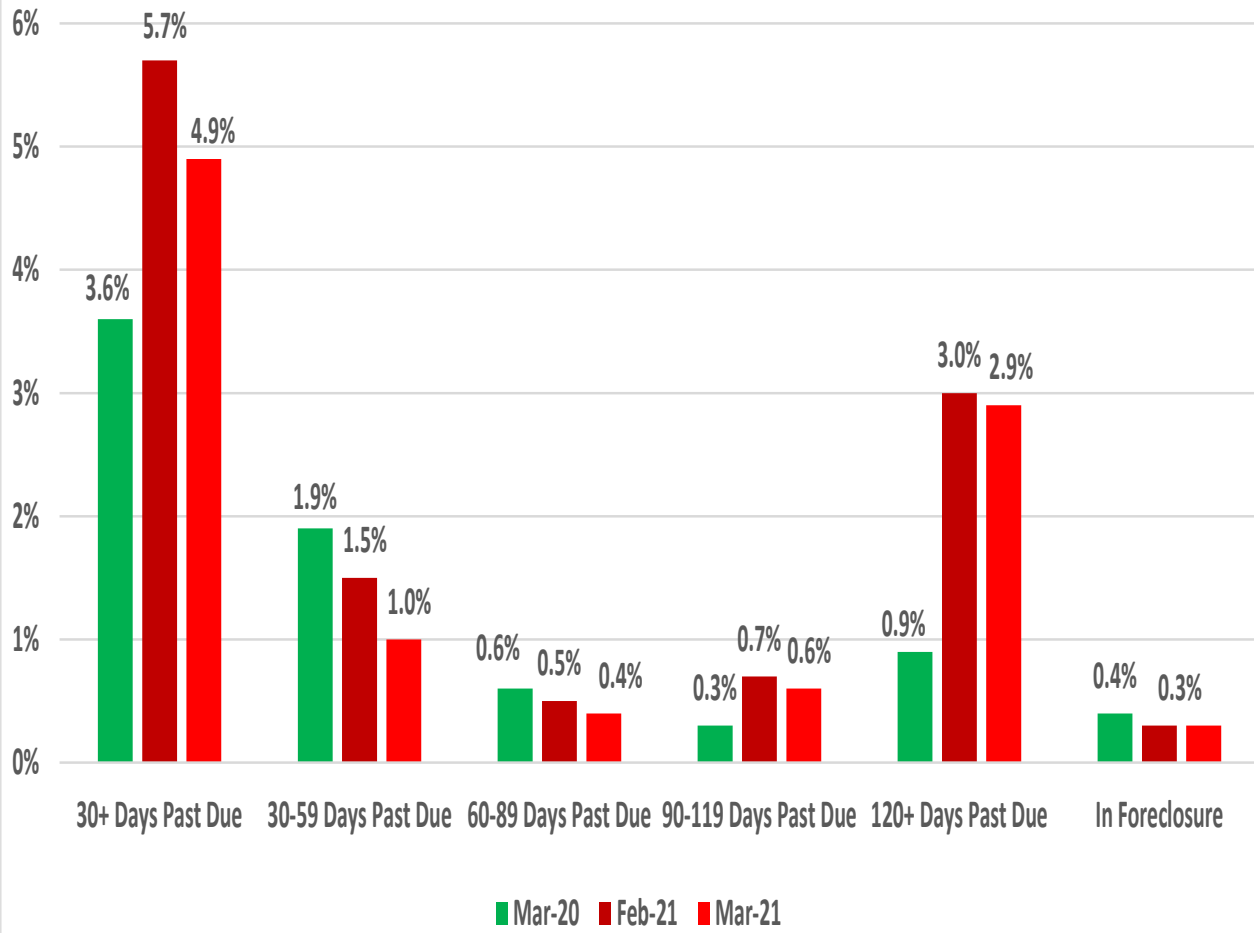


Notes: Blue shaded areas denote recessions. Orange shaded area denotes period beyond April 2020 when probability that the economy was in recession dipped below 1%. Sources: Census Bureau, Federal Reserve Bank of St. Louis and FHLBNY estimates

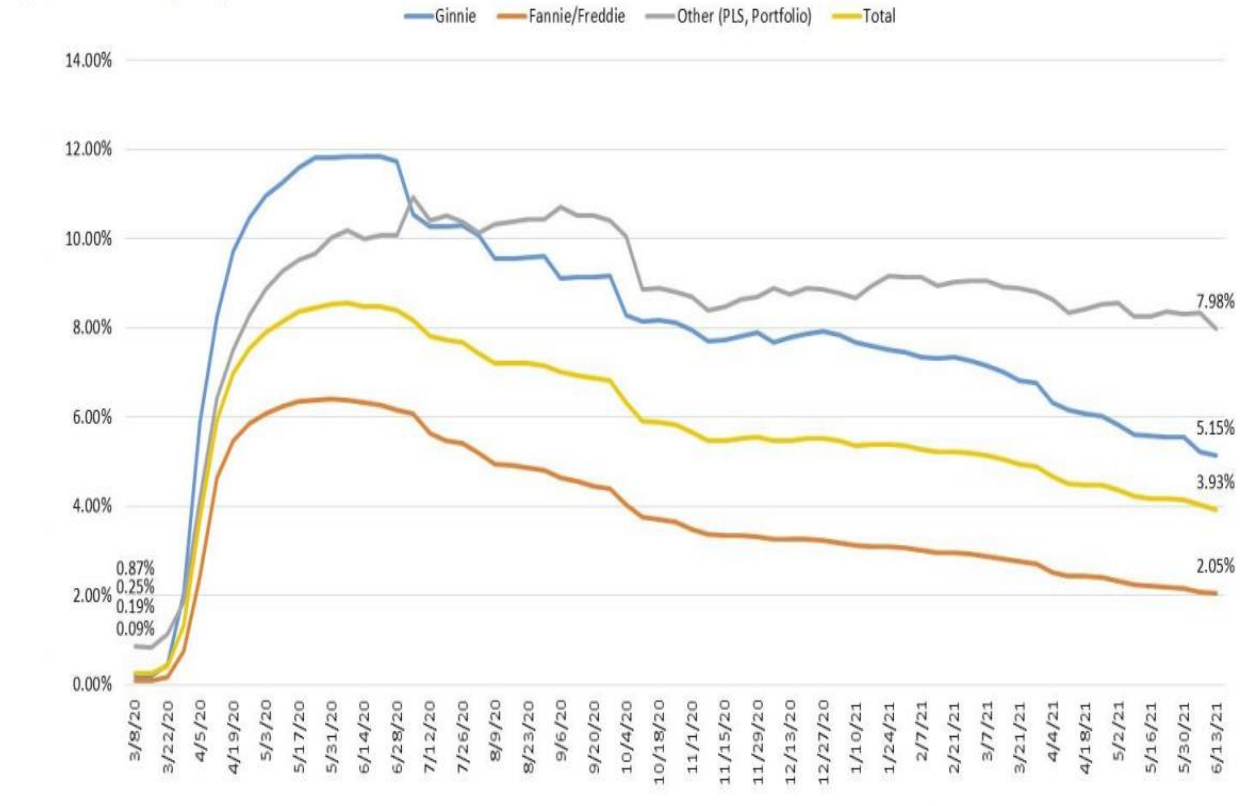


Mortgage Delinquencies Fell in March; Forbearances Edging Lower

Mortgage Delinquency Rates



% of Servicing Portfolio Volume in Forbearance by Investor Type over Time (Full Sample)

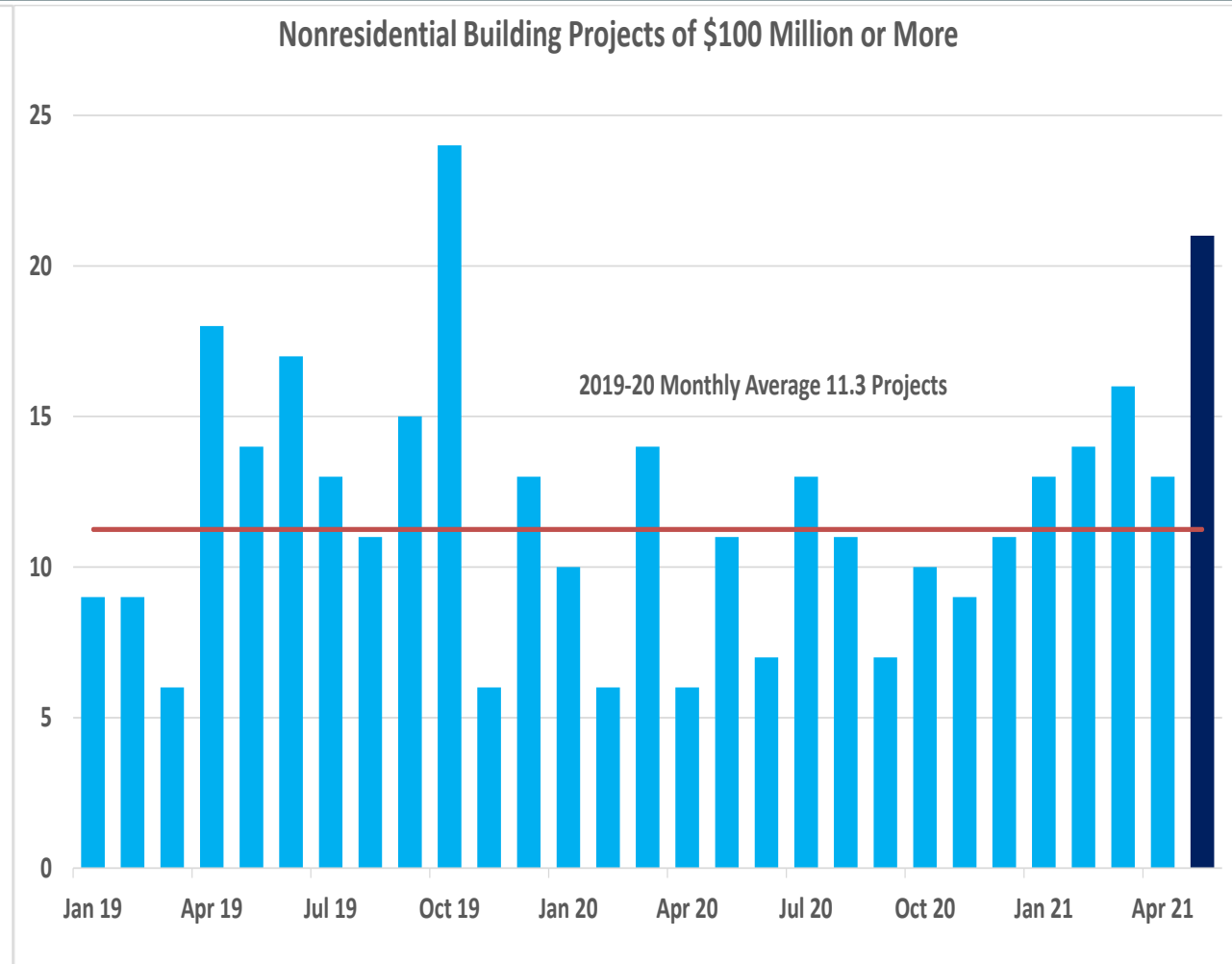
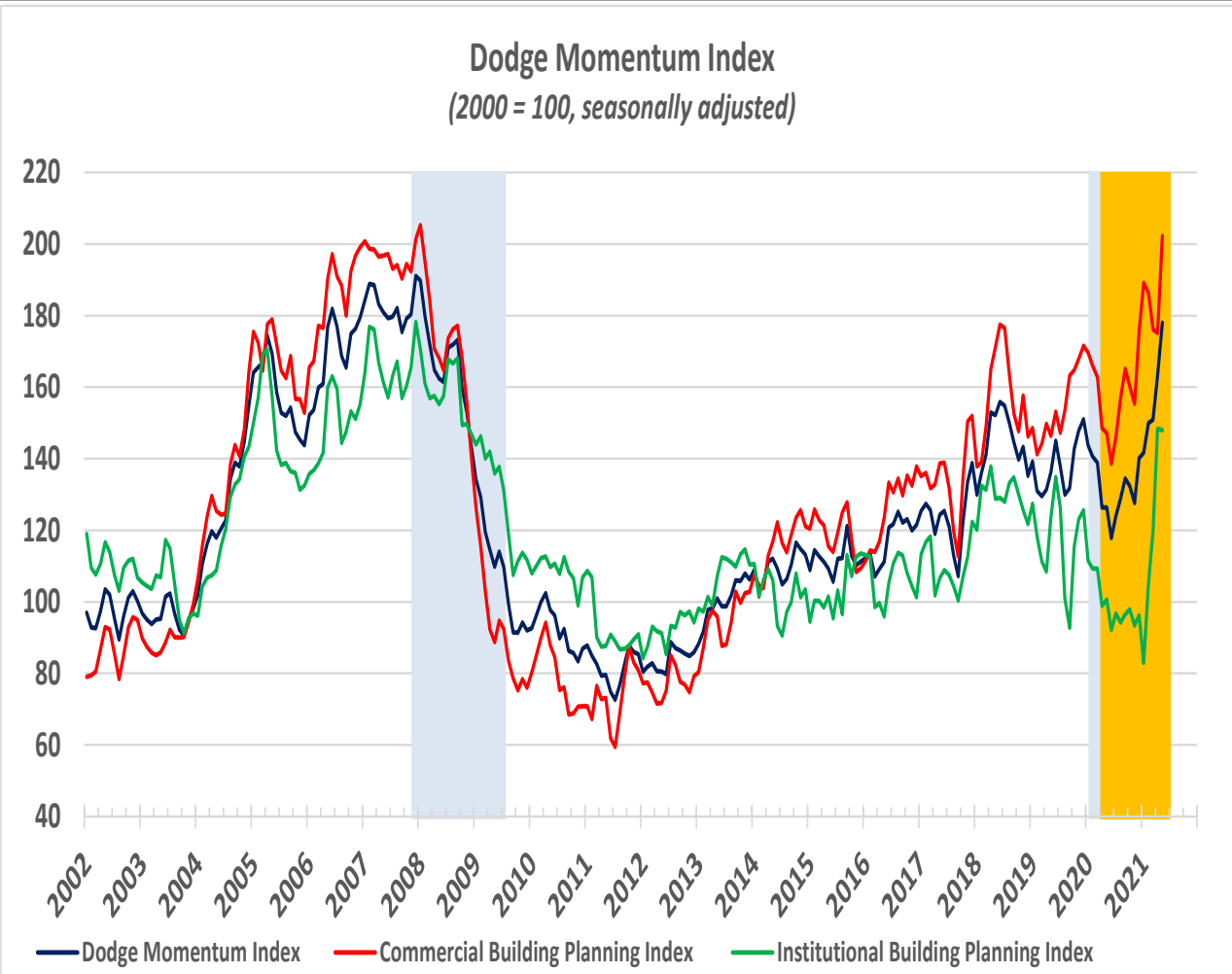


Source: MBA's Weekly Forbearance and Call Volume Survey, as of 6/13/21
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Sources: CoreLogic, Mortgage Bankers Association

Despite Ongoing Hurdles, Nonresidential Building Projects in Planning Rising



Notes: Blue shaded areas denote recession. Orange shaded area denotes period beyond April 2020 when probability that the economy was in recession dipped below 1%. Sources: Dodge Data & Analytics, Federal Reserve Bank of St. Louis

FHLBNY District Commercial Real Estate Markets Have Been Mixed Since the Pandemic Struck (changes in key metrics since 4Q 2019)

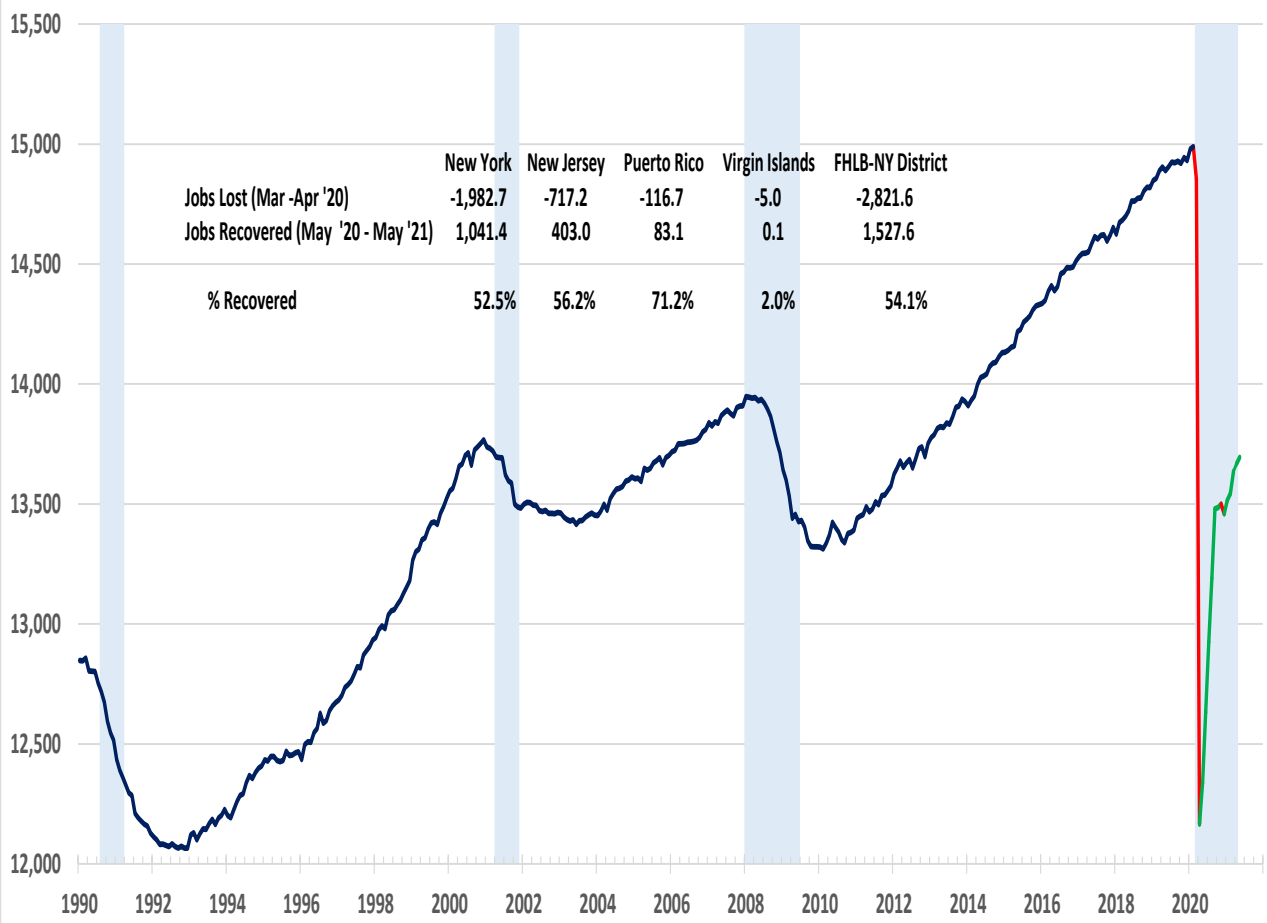
Office Markets:	Net Absorption (sq. ft.)	Vacancy Rate	Asking Rents	Industrial Markets:	Net Absorption (sq. ft.)	Vacancy Rate	Asking Rents
Binghamton, NY	-13,712	0.8%	-1.4%	Binghamton, NY	178,725	-3.8%	3.8%
Buffalo, NY	9,363	1.0%	0.0%	Buffalo, NY	248,612	-3.6%	49.4%
Long Island, NY	-564,621	1.7%	2.0%	Long Island, NY	1,039,321	-0.6%	25.9%
New Jersey - Central	-2,586,094	2.9%	3.2%	New Jersey - Central	9,992,256	0.5%	22.6%
New Jersey - Northern	-2,465,135	2.7%	0.9%	New Jersey - Northern	2,677,111	-0.3%	5.9%
New York - Brooklyn	347,333	1.3%	-3.3%	New York - Outer Boroughs	808,926	0.0%	5.7%
New York - Downtown	-2,756,983	2.8%	-2.8%	Rochester, NY	923,962	-1.2%	0.0%
New York - Midtown	-11,447,607	5.2%	-0.1%	Syracuse, NY	531,303	-1.6%	5.6%
New York - Midtown South	-5,462,522	8.7%	-6.9%				
Rochester, NY	-564,167	7.3%	0.0%	Shopping Centers:	Net Absorption (sq. ft.)	Vacancy Rate	Asking Rents
Syracuse, NY	38,495	1.0%	3.2%	Albany	-318,615	1.5%	2.0%
Westchester County, NY	-667,531	2.6%	1.5%	Buffalo	-939,524	3.9%	1.8%
				New York City Metro	-935,307	1.0%	-3.3%
				Rochester	-754,861	3.1%	1.8%



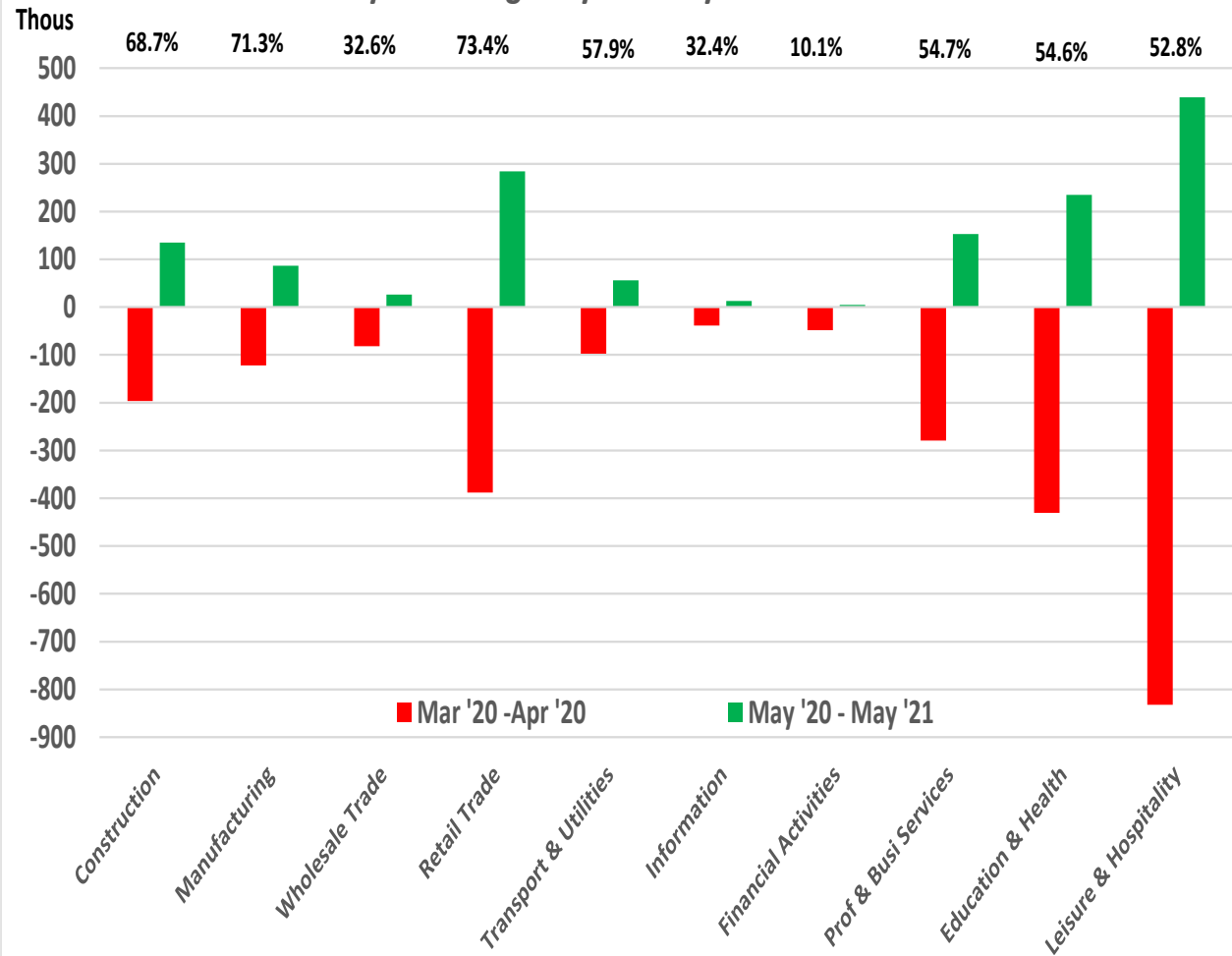
Source: Cushman & Wakefield

FHLB NY District Has Added Jobs Over Past 12 Months, But Payrolls Remain Well Below Pre-Pandemic Levels

FHLB NY Nonfarm Payrolls
(thousands, seasonally adjusted)



Private Payroll Changes By Industry in the FHLB NY District



Source: Bureau of Labor Statistics



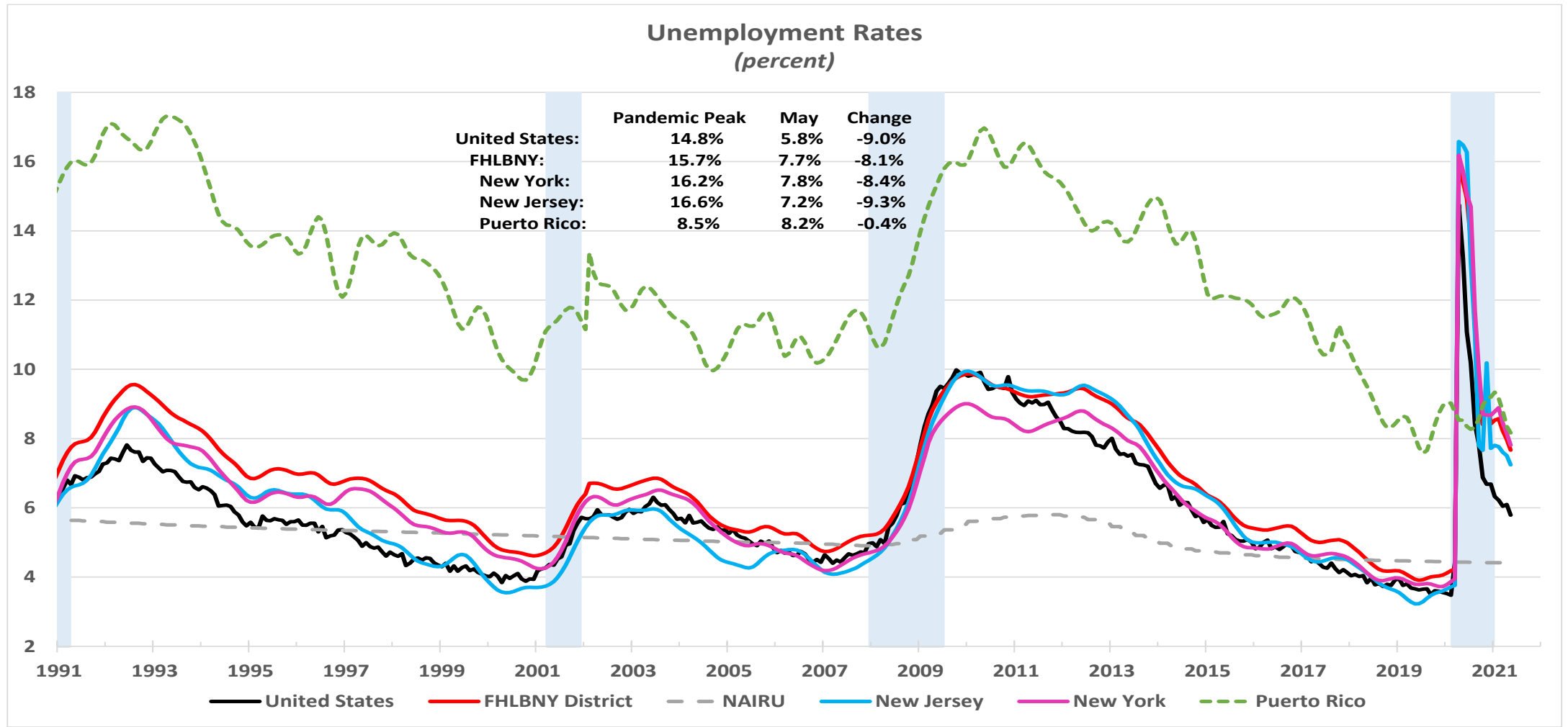
Jobs Recovery in FHLB NY District Lagging Behind Rest of the Nation

	Jobs Lost (thous)	Jobs Recovered (thous)	Percent		Jobs Lost (thous)	Jobs Recovered (thous)	Percent
United States	-22,362	14,733	65.9%	New Jersey	-717.2	403.0	56.2%
FHLB NY District	-2,822	1,528	54.1%	Atlantic City-Hammonton, NJ	-43.9	30.1	68.6%
				Camden, NJ Metropolitan Division	-89.3	59.5	66.6%
				Newark, NJ-PA Metropolitan Division	-199.2	91.9	46.1%
New York State	-1982.7	1041.4	52.5%	Ocean City, NJ	-11.2	12.2	108.9%
Albany-Schenectady-Troy, NY	-73.7	45.8	62.1%	Trenton, NJ	-32.1	15.4	48.0%
Binghamton, NY	-18.8	10.9	58.0%	Vineland-Bridgeton, NJ	-8.5	5.1	60.0%
Buffalo-Cheektowaga-Niagara Falls, NY	-124.3	87.0	70.0%	Bergen-Hudson-Passaic, NJ	-173.9	75.3	43.3%
Dutchess County-Putnam County, NY Metropolitan Division	-27.8	15.5	55.8%	Middlesex-Monmouth-Ocean, NJ	-165.5	111.4	67.3%
Elmira, NY	-6.8	3.5	51.5%				
Glens Falls, NY	-10.5	8.0	76.2%				
Ithaca, NY	-10.3	4.3	41.7%	Puerto Rico	-120.5	83.1	69.0%
Kingston, NY	-13.5	7.4	54.8%	Aguadilla-Isabela	-7.9	6.4	81.0%
Nassau County-Suffolk County, NY Metropolitan Division	-323.2	199.3	61.7%	Arecibo	-5.8	5.2	89.7%
New York-Jersey City-White Plains, NY-NJ Metropolitan Division	-1450.1	673.6	46.5%	Guayama	-1.4	1.3	92.9%
New York-Newark-Jersey City, NY-NJ-PA	-2028.0	1001.1	49.4%	Mayaguez	-5.0	2.9	58.0%
Rochester, NY	-97.1	65.6	67.6%	Ponce	-9.7	8.1	83.5%
Syracuse, NY	-58.0	34.9	60.2%	San German	-2.6	3.3	126.9%
Utica-Rome, NY	-22.2	13.3	59.9%	San Juan-Carolina-Caguas	-85.7	53.4	62.3%
Watertown-Fort Drum, NY	-7.0	4.9	70.0%				
New York City, NY	-957.1	404.3	42.2%				
Orange-Rockland-Westchester, NY	-162.0	100.2	61.9%	Virgin Islands	-5.3	0.1	1.9%

Source: Bureau of Labor Statistics



District Jobless Rates Have Moved Lower, But Remain Well Above National Average

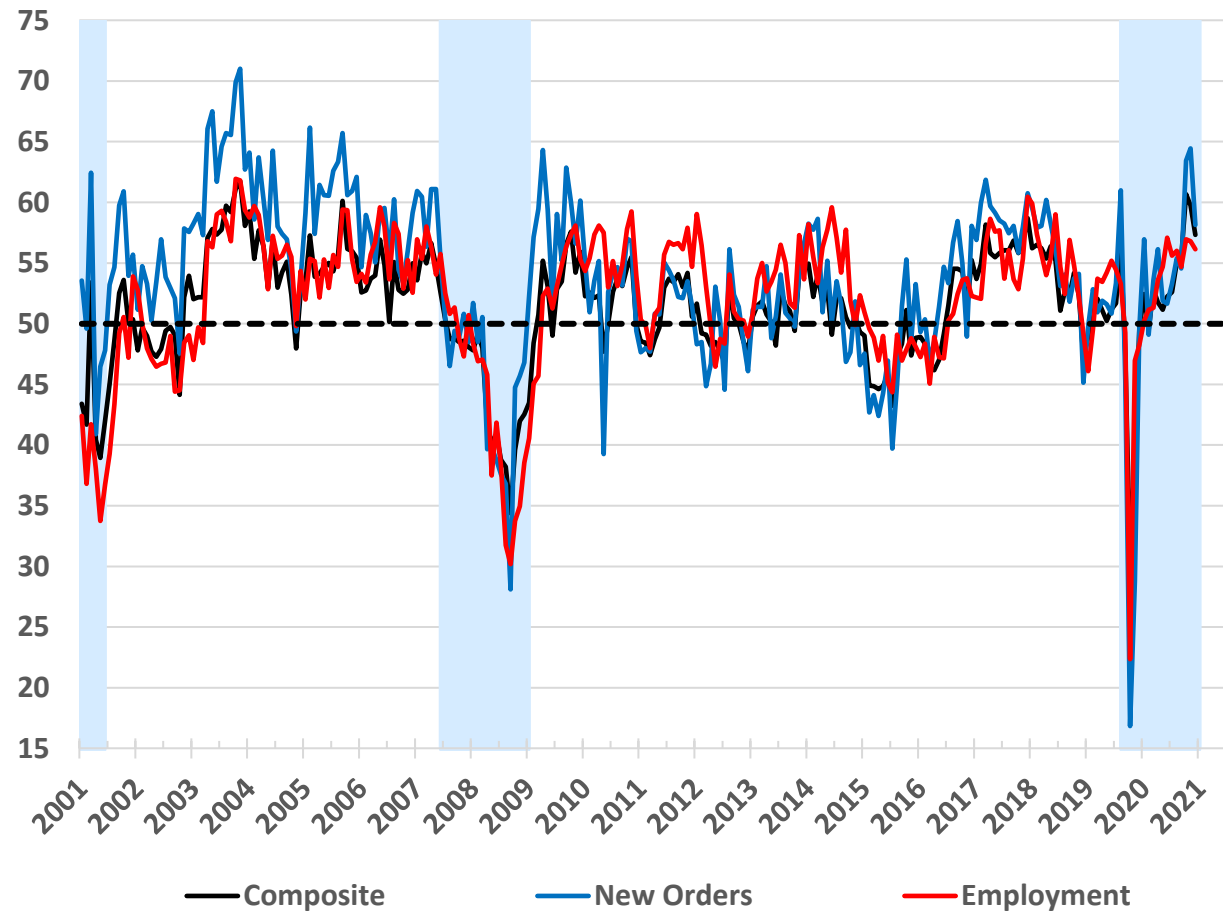


Note: Shaded areas denote recessions. Source: Bureau of Labor Statistics

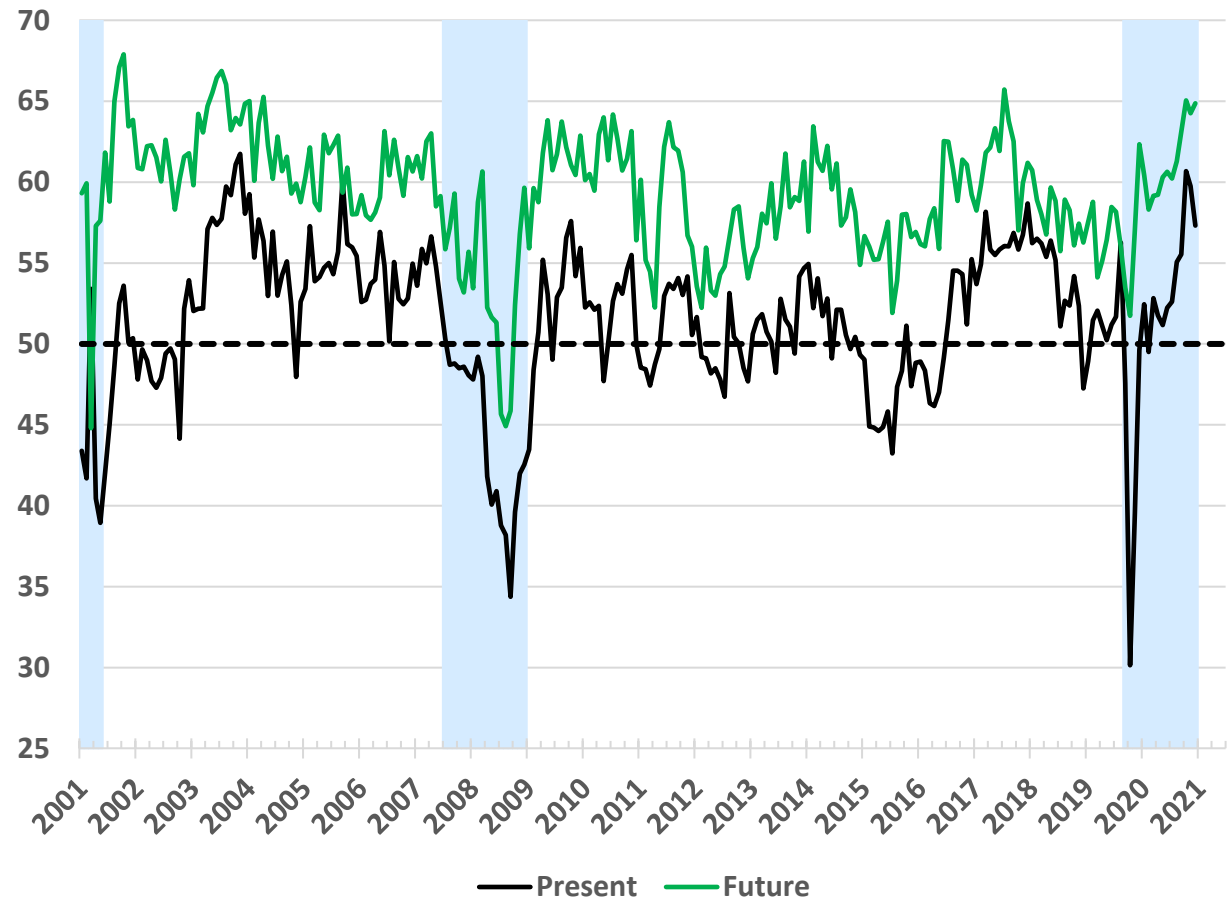


NY Factory Activity Expanded in June; Companies Extremely Optimistic About the Future

Empire State Manufacturing Survey
(diffusion indexes, 50 = no change from prior month)



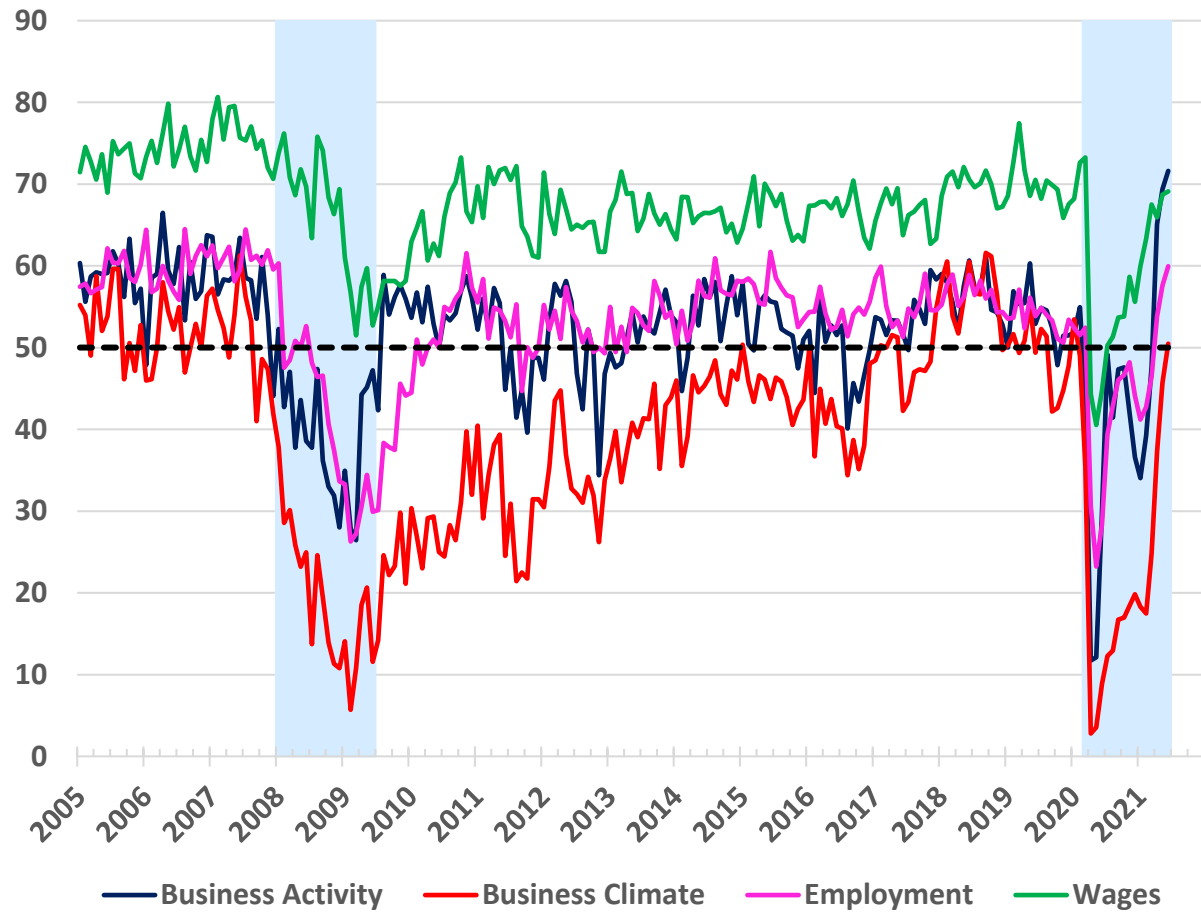
Empire State Manufacturing Composite Indexes
(diffusion indexes, 50 = no change from prior month)



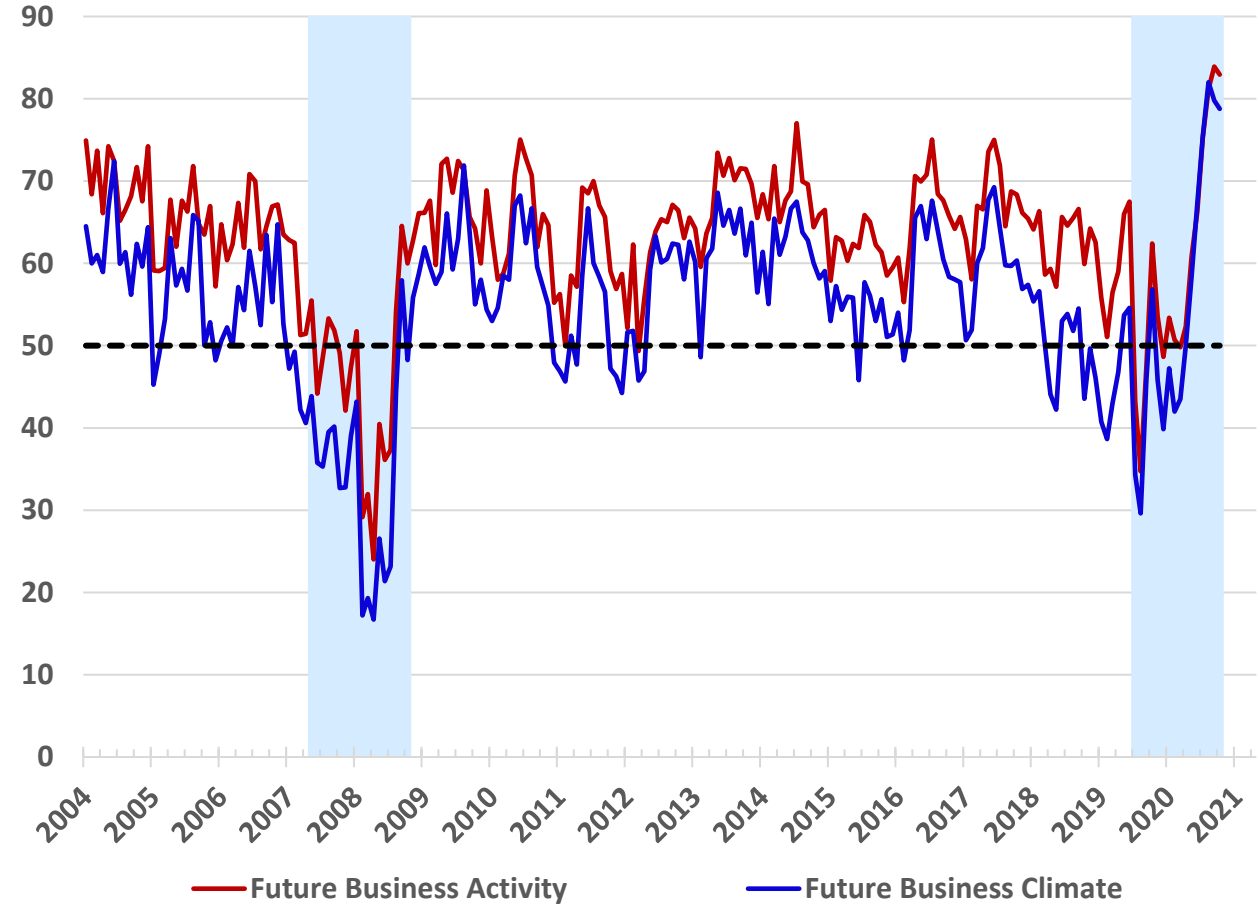
Note: Shaded areas denote recessions. Sources: Federal Reserve Bank of New York, FHLBNY estimates

Local Service-Producing Activity Rose Sharply in June; Firms' Optimism About the Future Near Record Highs

New York Fed Business Leaders Survey
(diffusion indexes, 50 = no change from prior month)



New York Fed Business Leaders Survey
(diffusion indexes, 50 = no change from prior month)



Note: Shaded areas denote recession. Sources: Federal Reserve Bank of New York, FHLBNY estimates



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