

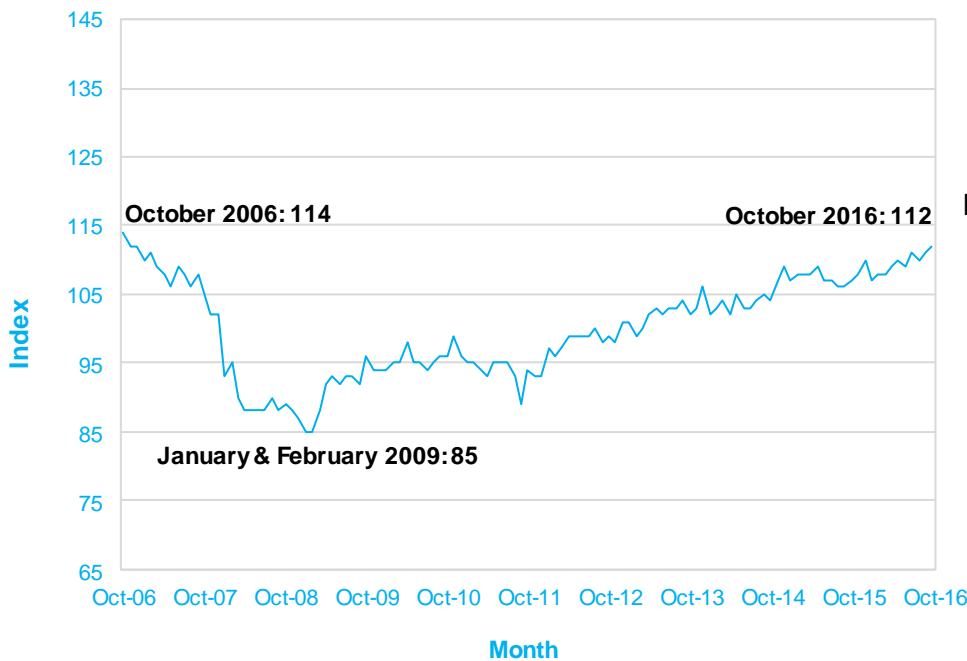
Decision Analyst Economic Index

October 2016

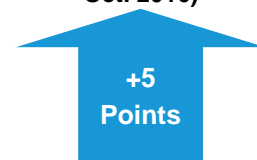
The U.S. Economy Might Be Gaining Momentum, According To Decision Analyst's Economic Index

Arlington, Texas—The Decision Analyst U.S. Economic Index registered **112 in October 2016**, a 5-point increase from October 2015. This increase in the Economic Index signals continued U.S. economic growth for the rest of 2016 and the first quarter of 2017. After several quarters of extremely slow economic expansion, the U.S. economy might be picking up speed. The Economic Index tends to lead U.S. economic activity by 6 to 12 months. Below is the past-10-year history of the U.S. Economic Index.

United States Economic Index October 2016



Past-12-Month Change
(From Oct. 2015 to
Oct. 2016)



















“The overall trend of the U.S. Economic Index over the past year suggests that the fall of 2016 and spring of 2017 will likely show an improved rate of economic growth,” said Jerry W. Thomas, President/CEO of Decision Analyst. “All of the negative feelings and pessimism over presidential candidates Clinton and Trump do not appear to be negatively affecting the general public’s feeling about the U.S. economy. The U.S. economy is facing headwinds from slow growth among its major trading partners, such as Canada, the European Union, Japan, and China. The failure of corporate America to adequately invest in new equipment, new products, new people, and new facilities is a major and continuing drag on the U.S. economy, but we may be reaching the point that corporate investment spending will have to expand (buildings and equipment don’t last forever). Slow

economic growth itself over the last 2 years has forced the private and public sectors to become more efficient, and it may be time for these efficiency improvements to become evident in faster economic growth,” said Thomas. “More normal interest rates would be a huge positive for the U.S. economy. Higher interest rates would help reduce corporate financial engineering and mergers (which, on balance, are negatives for the U.S. economy) and would reduce speculative investments in marginal companies and marginal opportunities.”

Global Indices

The following chart compares Decision Analyst’s U.S. Economic Index to the Economic Indices for other countries. South America is in trouble. Chile, Colombia, and Argentina have all declined by 5 points in the past 12 months. Most of the countries in Europe have trended up over the past 12 months. The Economic Indices for the Russian Federation and Spain have increased by 5 points. The only exception in Europe to the positive trend is the UK, their Index has declined by 8 points in the past 12 months. It seems the consequences of the Brexit vote are starting to take effect.

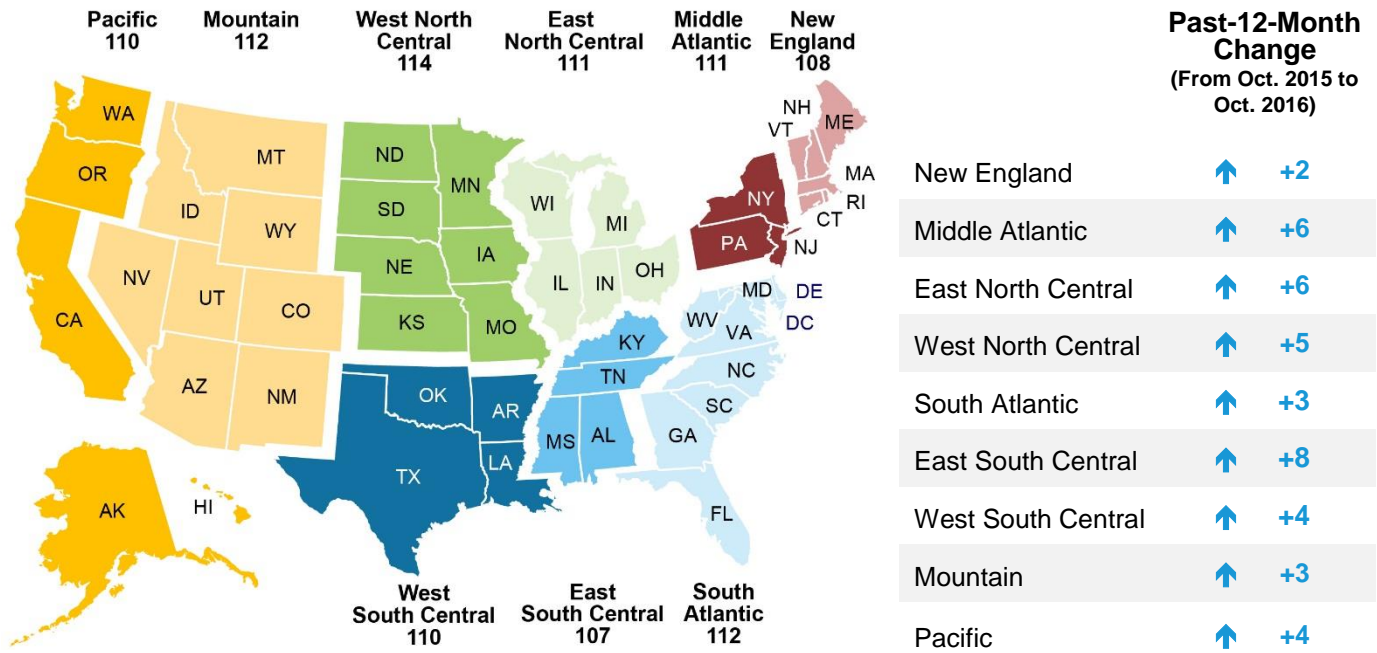
Decision Analyst Global Economic Indices October 2016			Past-12-Month Change (From Oct. 2015 to Oct. 2016)	
		October 2016 Index		
North America				
	United States	112	↑	+5
	Canada	94	↑	+5
	Mexico*	98	↑	+7
South America				
	Argentina*	85	↓	-5
	Brazil*	95	↑	+7
	Chile*	90	↓	-5
	Colombia*	100	↓	-5
	Peru*	107	↑	+4
Europe				
	France	89	↑	+1
	Germany	106	↑	+2
	Italy	97	↑	+2
	Russian Federation*	96	↑	+5
	Spain*	101	↑	+5
	United Kingdom	101	↓	-8
Australia/Asia				
	Australia*	93	↓	-1
	India*	126	↑	+5

* The Index numbers for Argentina, Australia, Brazil, Chile, Colombia, India, Mexico, Peru, the Russian Federation, and Spain are 3-month moving averages to smooth out month-to-month fluctuations. The reported Index number averages the current month with the previous 2 months.

U.S. Census Divisions

The U.S. Census Divisions have increased in the past 12 months. The West North Central Census Division had the highest score of all the Census Divisions. It registered an Index score of **114 for October 2016**; that is an increase of 5 points from October 2015. The East South Central Census Division had an Index score of **107 for October 2016**; that is an increase of 8 points from October 2015.

United States Census Divisions Economic Indices October 2016*



* The Index numbers for the Census Divisions are 3-month moving averages to smooth out fluctuations due to smaller sample sizes. The reported Index number averages the current month with the previous 2 months.

Methodology

The Decision Analyst Economic Index is based on a monthly online survey of several thousand households balanced by gender, age, and geography. The scientific survey is conducted in the last 10 days of each month. The Economic Index is calculated from 9 different economic measurements using a sophisticated econometric model. The result is a snapshot of coming economic activity in each country surveyed, as seen through the eyes of representative consumers living in the respective countries.

Decision Analyst conducts its concurrent economic surveys each month in Argentina, Australia, Brazil, Canada, Chile, Colombia, France, Germany, India, Italy, Mexico, Peru, the Russian Federation, Spain, the United Kingdom, and the United States. Whenever the Decision Analyst Economic Index is greater than 110, it tends to signal an expanding economy. An Index value of 90 to 110 suggests a no-growth or slow-growth economy, and near or below 90 generally indicates economic contraction. These guidelines vary by country, however.

About Decision Analyst

Decision Analyst (www.decisionanalyst.com) is a global research and analytical consulting firm specializing in strategy research, new product development, advertising testing, and advanced modeling for marketing decision optimization. For more than 35 years the firm has delivered competitive advantage to clients throughout the world in consumer packaged goods, high technology, retail, medical, automotive, and other industries.