

Lender Confidence in U.S. Economy Hits Record High, Survey Finds

From the second quarter Phoenix Management “Lending Climate in America” Survey, results show a positive outlook for the U.S. Economy and set a record high for the near-term GPA in the history of the survey.

Lenders’ confidence on how they expect the U.S. economy to perform during the next six months reached a new record high in the history of the Phoenix “Lending Climate in America” survey. Lenders’ confidence continues to remain positive on how they expect the U.S. economy to perform in the near term with a grade point average of 2.83, a 9-percentage point increase from the Q1 2018 results of 2.74. On the contrary, the GPA for the U.S. economy beyond the next six months saw a slight decrease of five percentage points to 2.42 from the previous quarter’s results of 2.47.

Furthermore, lenders were surveyed on whether they believe legislation will be passed in the next 12 months to materially change the United States’ trade policy and how they expect this to impact the U.S. economy. Of the lenders surveyed, 28% think legislation will be passed in the next twelve months to change the U.S.’s trade policy and the impact on the U.S. economy will be neutral.

In addition, lenders were surveyed on what direction their institution believes the Fed will move interest rates and by how much. 96% of respondents expect the Fed will move interest rates +1/2 point or more in the coming six months. When asked whether they expect interest rates to be up, down, or remain at the same level, 100% of lenders expect interest rates to be up.

Lenders were also surveyed this quarter on if they agree with Fed Chairman Jerome Powell that market participants should worry less about the yield’s current slope given recent economic growth. Sixty-percent of lenders somewhat agree with Fed Chairman Jerome Powell and that while the flattening of the yield curve is concerning, a recession is highly unlikely given the current economic climate. However, when asked the factor with the strongest potential to affect the near-term economy, 46% of lenders believe the stability of the stock market has

the strongest potential to affect the near-term economy.

“This quarter’s results showed a near term GPA grade of 2.83 which represents an overall ‘B’ grade and sets a record high GPA in the history of the firm’s ‘Lending Climate in America’ survey, proving lenders confidence in the U.S. economy in the near-term continues to strengthen,” says Michael Jacoby, Senior Managing Director and Shareholder of Phoenix.

To see the full results of Phoenix’s “Lending Climate in America” Survey, please visit <http://www.phoenixmanagement.com/survey/>.

Source: <http://www.abladvisor.com/news/14184/lender-confidence-in-u-s-economy-hits-record-high-survey-finds>

[Disclaimer]