

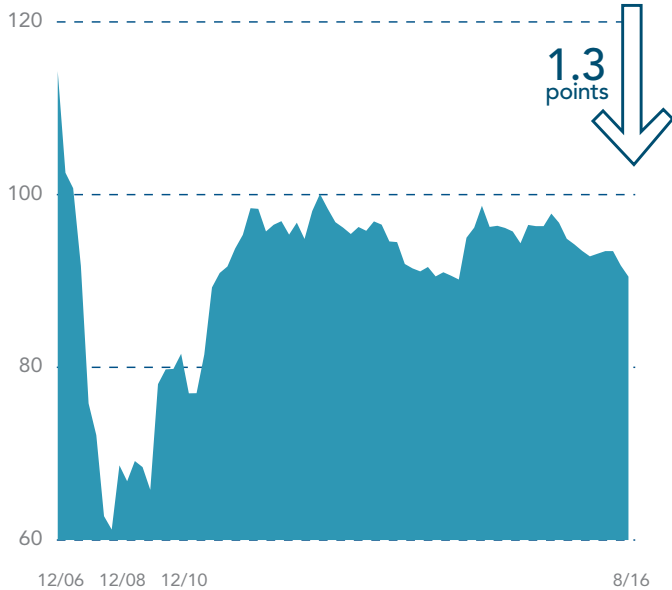
Dun & Bradstreet U.S. Economic Health Tracker

A multi-dimensional view of the U.S. Economy

OCTOBER 2016

WWW.DNB.COM/TRACKER

SMALL BUSINESS HEALTH INDEX



Source: Dun & Bradstreet



PAYMENT DELINQUENCY

↑ 1.9%



CREDIT CARD DELINQUENCY

↑ 2.6%

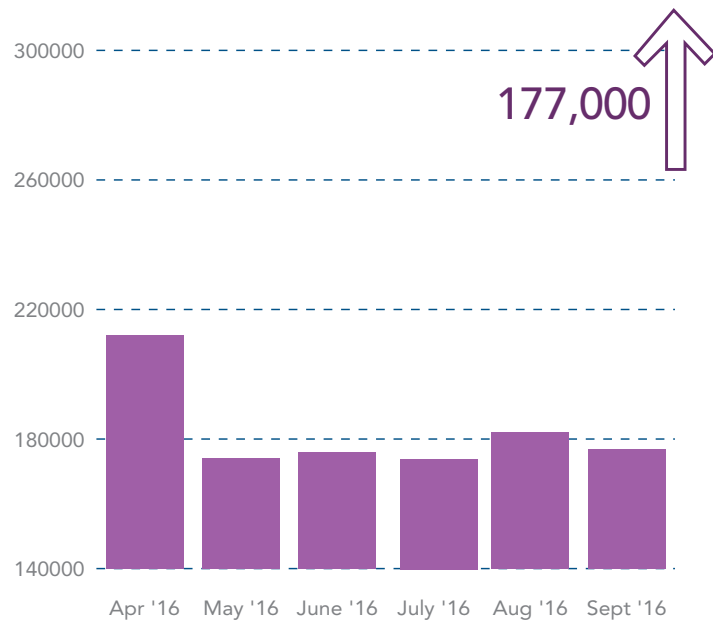


CREDIT CARD USE

↑ 0.2%

Dun & Bradstreet's Small Business Health Index dropped 1.3 points during August. The index stands at 90.5 points, bringing down the 2016 average to 92.6. The index has been declining on a sequential basis since June 2016, and has dropped by approximately 6% since August 2015. Weakness is broad based.

U.S. JOBS HEALTH



Source: Dun & Bradstreet



MANUFACTURING



RETAIL



REAL ESTATE



BUSINESS SERVICES



CONSTRUCTION

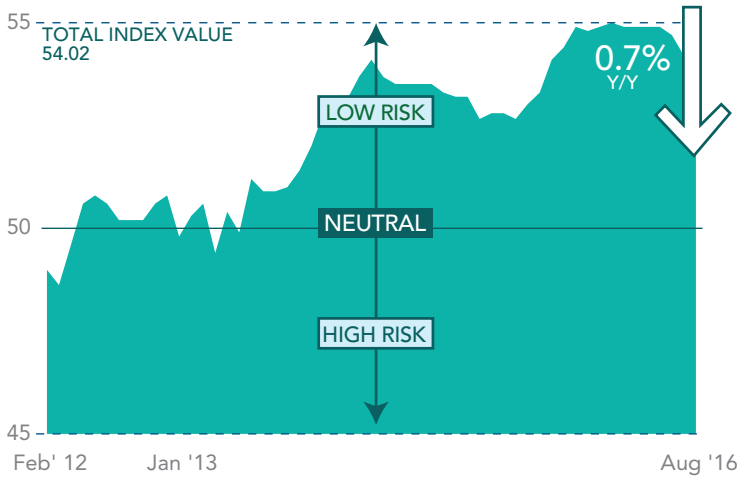


TRADE, TRANSPORTATION & UTILITIES



Dun & Bradstreet estimates the U.S. labor market to add 177,000 jobs to the nonfarm payrolls in September 2016. Weakness in fundamental metrics like payment performance and stability are affecting the rate of hiring, which is expected to show softening in the monthly gains compared to the beginning of the year.

U.S. OVERALL BUSINESS HEALTH INDEX



HOW TO READ THIS INDICATOR:

A reading of 50% represents “neutral.” A reading of more than 50% reflects generally lower risk and a reading of less than 50% reflects generally higher risk.

Source: Dun & Bradstreet



Overall business fundamentals continued to trend downward as Dun & Bradstreet’s Overall Business Health Index fell month-to-month for the fifth consecutive period in August. The index has dropped nearly a full point since December 2015 (the Overall Business Health Index’s all-time high) to 54.02% and to the lowest level in fourteen months.

PERSPECTIVES

This month, Dun & Bradstreet’s proprietary indicators probably reflect the uncertainty in the U.S. business environment due to the approaching elections. Despite the Fed’s declaration that an increase in the federal funds rate is strengthening in the recent months, our proprietary indicators do not signal any striking changes in consumer spending and the end of the drag on lackluster business investment – at least during the final quarter of the year. The U.S. economy is expected to finish the year by growing slightly slower than 2015’s growth rate of 2.1%. However, our post-election outlook – primarily for 2017 remains cautiously optimistic, as dissolving uncertainties may jumpstart its dormant engine of the economy – business investment.

In summary, although the October Tracker holds open the weakness that has permeated the fundamentals of business operations, but reiterates the fact that the factors that may reverse the course of the economy may also be near.

METHODOLOGY

The Small Business Health Index measures year-over-year small business performance through payment patterns and credit use. U.S. Jobs Health combines Small Business Health Index industry data with BLS figures to forecast monthly nonfarm payroll employment. The U.S. Overall Business Health Index provides a year-over-year weighted average of Dun & Bradstreet’s Viability Score, Delinquency Predictor and Total Loss Predictor. The index ranges from zero (with all businesses recording high levels of risk) to 100% (with all businesses recording low levels of risk). Report based on data available as of September 30, 2016.

To learn more, visit www.dnb.com/tracker

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