

## United States of America

This annex refers to the release of the monitoring note of 2 July 2021.

Annex I: Summary of core variable scorecard, reserve currency adjustment and qualitative scorecard<sup>1</sup>

<b>Implied rating of core variable scorecard (CVS)</b>		<b>a</b>
<b>Reserve currency adjustment</b>		<b>3</b>
<b>Weight</b>	<b>Qualitative scorecard (QS) for long-term issuer ratings</b>	
20%	Growth potential of the economy	Neutral
	Monetary policy framework	Strong
	Macro-economic stability and sustainability	Strong
20%	Fiscal policy framework	Weak
	Debt sustainability	Weak
	Debt profile and market access	Neutral
20%	Current account resilience	Strong
	External debt structure	Strong
	Resilience to short-term shocks	Neutral
20%	Banking sector performance	Neutral
	Banking sector oversight	Strong
	Financial imbalances	Weak
20%	Environmental risks	Neutral
	Social risks	Weak
	Institutional and political risks	Weak
<b>QS adjustment (notches)</b>		<b>0</b>
<b>Additional considerations (notches)</b>		<b>0</b>
<b>Final rating</b>		<b>AA STA</b>

## Annex II: Selected indicators

<b>Selected macroeconomic indicators</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020E</b>	<b>2021F</b>	<b>2022F</b>
GDP per capita (USD)	58,017	60,106	63,056	65,254	63,416	68,309	71,896
Real GDP, % change	1.7	2.3	3.0	2.2	-3.5	6.2	4.8
Unemployment rate, %	4.9	4.4	3.9	3.7	8.1	5.7	4.2
CPI, % change	1.3	2.1	2.4	1.8	1.2	2.3	2.4
Policy rate, % (EOP)	0.5-0.75	1.25-1.5	2.25-2.5	1.5-1.75	0-0.25	0-0.25	0-0.25
General government balance, % of GDP	-4.3	-4.6	-5.4	-5.7	-15.8	-15.4	-7.1
General government debt, % of GDP	106.6	105.6	106.6	108.2	127.1	133.0	-
Current account balance, % of GDP	-2.1	-1.9	-2.2	-2.2	-3.1	-3.9	-3.1

Source: IMF, Federal Reserve Board, Scope Ratings GmbH

## Annex III: Economic development and default indicators

IMF Development Classification<sup>2</sup>

AE

5y USD CDS spread (bps) as of 29 June 2021

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<sup>1</sup> The weighting and explanation of all rating factors are described in Scope's 'Sovereign Ratings' methodology, available on [www.scooperatings.com](http://www.scooperatings.com)

<sup>2</sup> AE = advanced economy; EMDE = emerging market and developing economy

Annex IV: Analytical rationale for QS assessments

United States	July 2021	Assessment	Rationale
Peers*	Belgium, United Kingdom, Japan, Estonia, Latvia, Lithuania, Malta, Slovenia, Czech Republic		
Domestic economic risk	Growth potential	Neutral	Moderate growth potential; some upside due to current structural reforms and investment
	Monetary policy framework	Strong	Federal Reserve is a highly credible and effective central bank; appropriate monetary policy response during the Covid-19 crisis; independent monetary policy
	Macro-economic stability & sustainability	Strong	Competitive and very diversified economy; flexible labour market
Public finance risk	Fiscal policy framework	Weak	Weak fiscal framework including misuse of the debt limit
	Debt sustainability	Weak	Debt on increasing trajectory; high contingent liabilities from pension and health-care obligations
	Debt profile & market access	Neutral	Below-average maturity of debt and very elevated gross financing needs, but global benchmark issuer status and excellent government market access
External economic risk	Current account resilience	Strong	Diversified export base; moderate current account deficits but no dependence on net energy imports
	External debt structure	Strong	Relatively low external debt; most foreign assets in foreign currency, while liabilities are in US dollar
	Resilience to short-term shocks	Neutral	US dollar as a global reserve currency shields against short-term external shocks
Financial stability risk	Banking sector performance	Neutral	Efficient banking sector with sizeable capital buffers and strong asset quality; declining profitability
	Banking sector oversight	Strong	Sophisticated financial-regulatory system and strong financial governance framework under the Federal Reserve Board, Federal Deposit Insurance Corporation and Securities and Exchange Commission
	Financial imbalances	Weak	High private-sector debt; corporate debt risks; financial risks from elevated asset prices
ESG risk	Environmental risks	Neutral	Significant transition risks balanced by current government's ambitious environmental policy initiatives; natural disaster risk exposure
	Social risks	Weak	Erosion of socio-economic mobility, disappointing tertiary education outcomes, stagnating incomes among many households, rising income and wealth inequality
	Institutional and political risks	Weak	Robust democratic institutions despite erosion of institutional strengths under the Trump presidency; persistent polarisation prevents bipartisan policy solutions

\*Peers relate to selected sovereigns with a similar indicative rating per Scope's Core Variable Scorecard after the reserve-currency adjustment.