Highlights of the Sovereign Rating on the United States of America

Updated Rating
Long-term Local Currency: AAA$_i$
Long-term Foreign Currency: AAA$_i$
Outlook: Stable
Previous Rating
Long-term Local Currency: AAA$_i$
Long-term Foreign Currency: AAA$_i$
Outlook: Stable

Ratings updated on

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Rating Opinions

United Ratings has decided to maintain the long-term local and foreign currency ratings of the United States of America (hereinafter, the "US") at AAAi, with Stable outlook. To some extent, the 2016 general election has brought uncertainty to the future trends and continuity of the US domestic and foreign macro-policies. The US economy will continue its current recovery momentum, the Federal Reserve is to maintain its progressive interest hike process, and risks in the financial system are controllable. Fiscal deficit continues to narrow and government liability stabilizes. The current account deficit is likely to maintain at the current low level. To conclude, the US federal government's local and foreign currency debt servicing ability will generally remain stable.

Reasons for Maintaining Ratings

- Jury's still out on the general election, which has brought uncertainty to the future trends and continuity of the US domestic and foreign macro-policies.

- From a mid-term point of view, the economy will continue its current recovery momentum and stay on a mild growth trajectory.

- Fiscal deficit continues to narrow and government liability tends to stabilize.

- The progressive rates hike will continue and risks in the financial system are controllable.

- Current account deficit is likely to stabilize at the current low level.

Outlook

In the short term, further observations are still required to conclude on the impact of the general election results to the stability of the US macro-policy. The US economy will continue its present recovery momentum and the Federal Reserve's progressive rates hike policy will be conducive to the stabilizing of the financial system. The country's finances will start to turn around and current account deficit will stabilize. As such, United Ratings maintains Stable outlook on the home and foreign currency ratings of the US for the next 1-2 years.

Key Indicators of the Sovereign Rating on the United States of America

	2011	2012	2013	2014	2015	2016f
Nominal GDP（billion USD）	15,517.90	16,155.30	16,663.20	17,348.10	17,947.00	18,615.00
GDP per capita（USD）	49,802.10	51,458.00	52,672.50	54,411.70	55,850.40	57,470.00
Real GDP growth（%）	1.6	2.2	1.5	2.4	2.4	2.2
Inflation rate (%)	3.1	2.1	1.5	1.6	0.1	1.3
Total lending/GDP (%)	227.2	232.5	241.7	244.9	253.3	255.1
Domestic credit growth (%)	6.2	3.1	8.7	5.8	3.0	5.6
M2 growth (%)	7.3	8.6	6.7	6.2	5.9	6.6
Budget balance of governments/GDP (%)	-8.4	-6.8	-4.1	-2.8	-2.5	-2.9
Primary balance of governments/GDP (%)	-6.9	-5.4	-2.8	-1.5	-1.2	-1.6
Public debt/GDP (%)	65.9	70.4	72.6	74.4	73.6	73.8
Current-account balance/GDP (%)	-3.0	-2.8	-2.2	-2.3	-2.6	-2.1

Source: Sovereign Rating Database of United Ratings.
Note: "f" stands for forecasts.