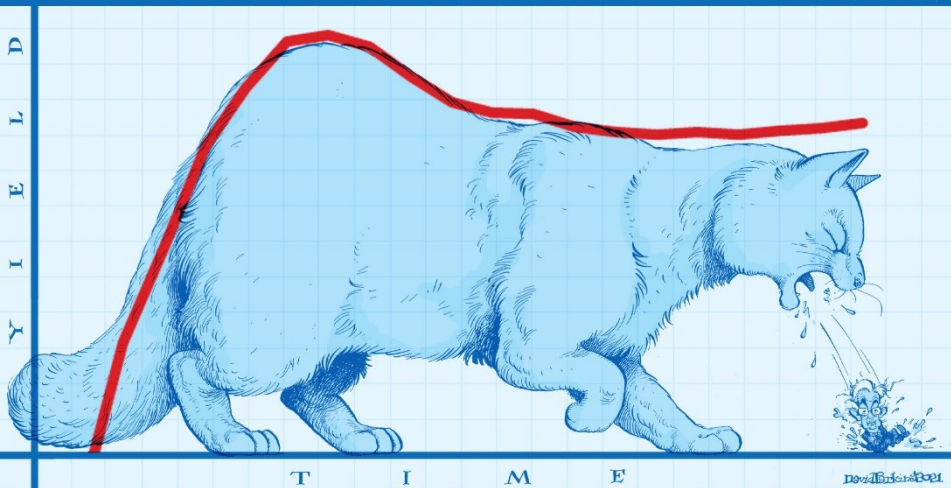




The LANDING RISKS

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By Jonathan Packroff | EURACTIV ⌚ Est. 2min

Feb 14, 2024 (updated: ⌚ 3:26)

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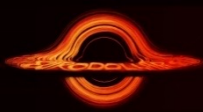
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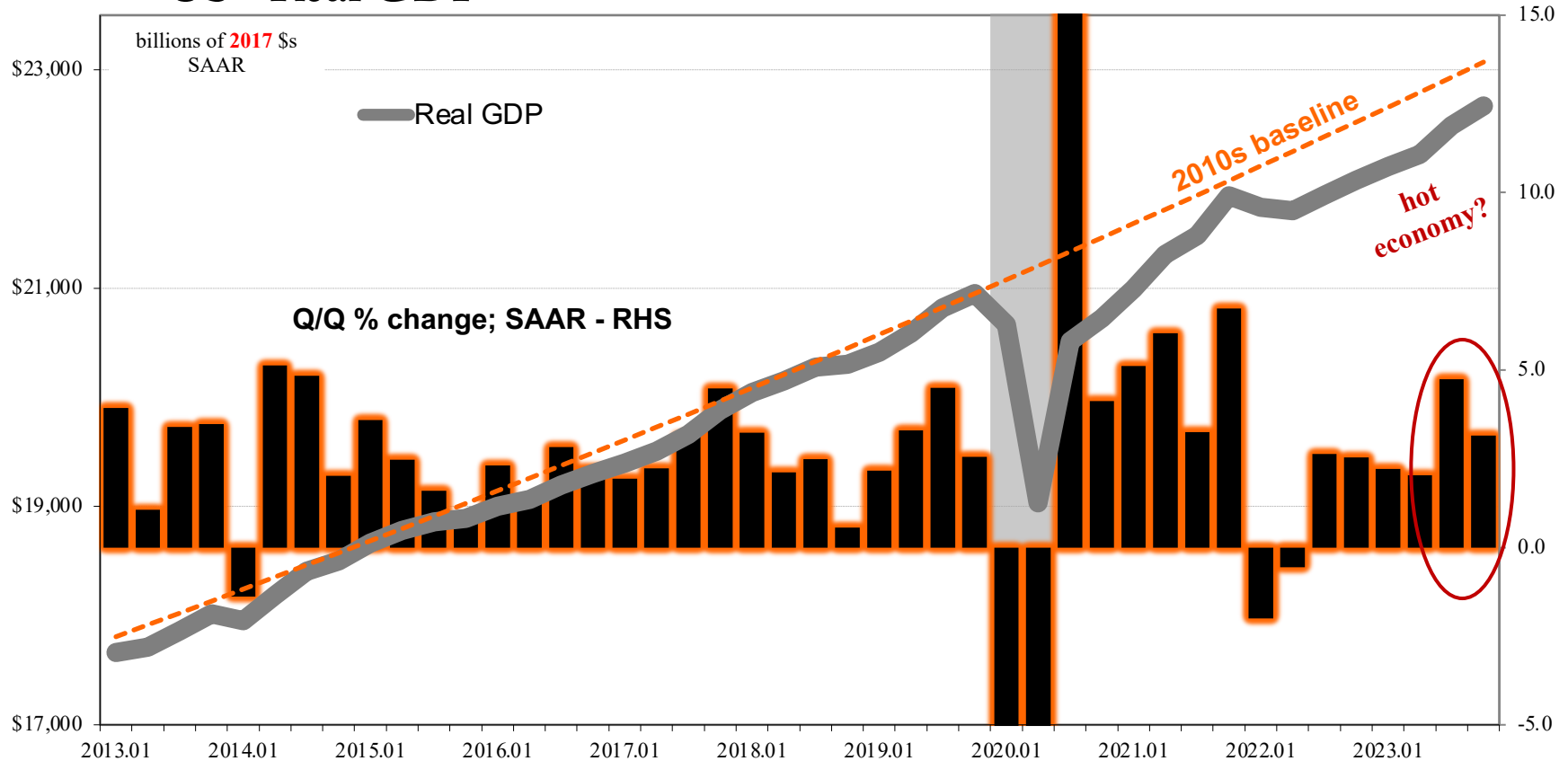
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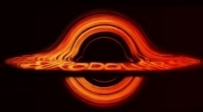


US Economy

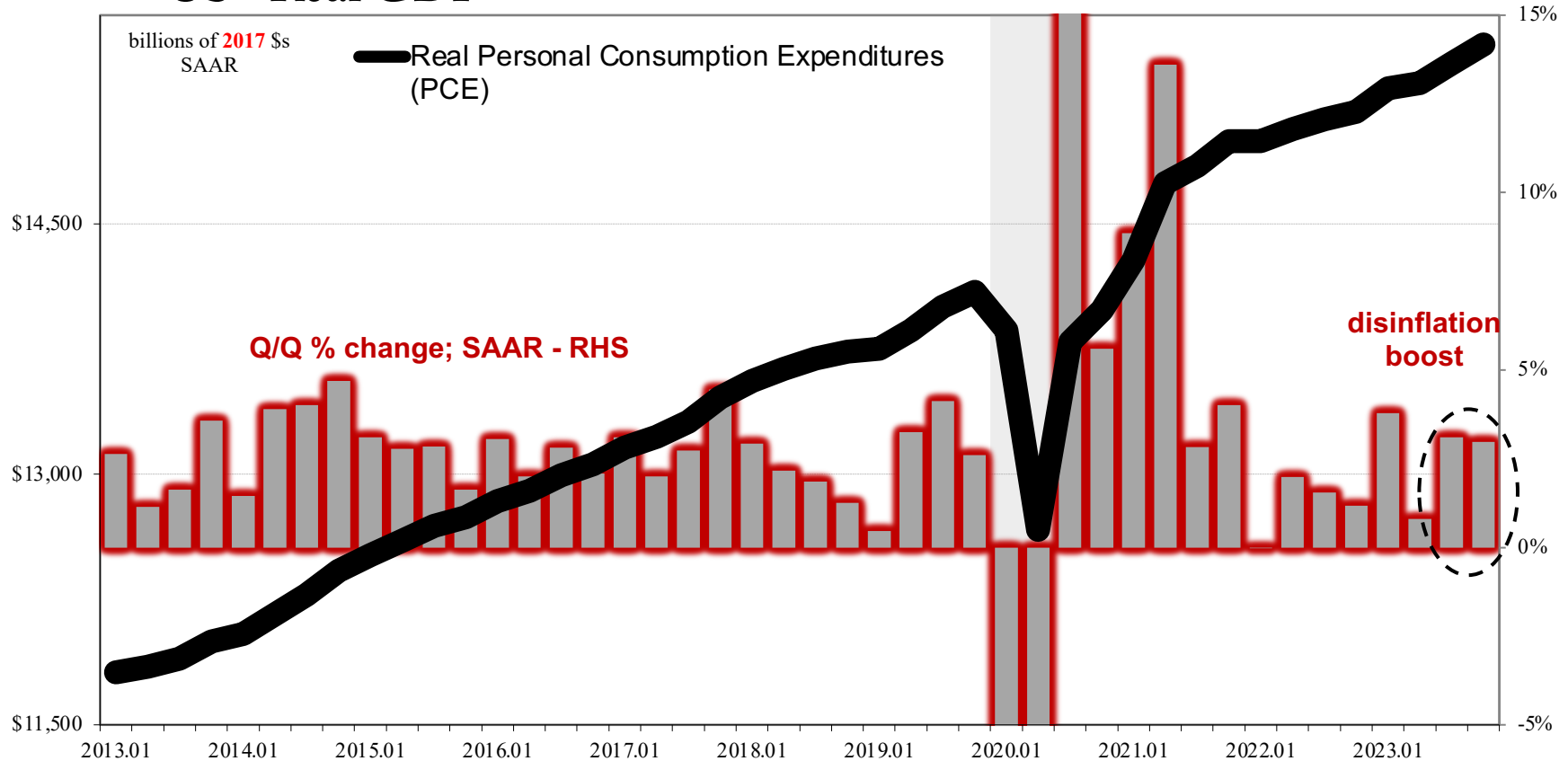


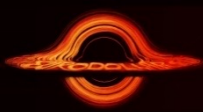
US - Real GDP



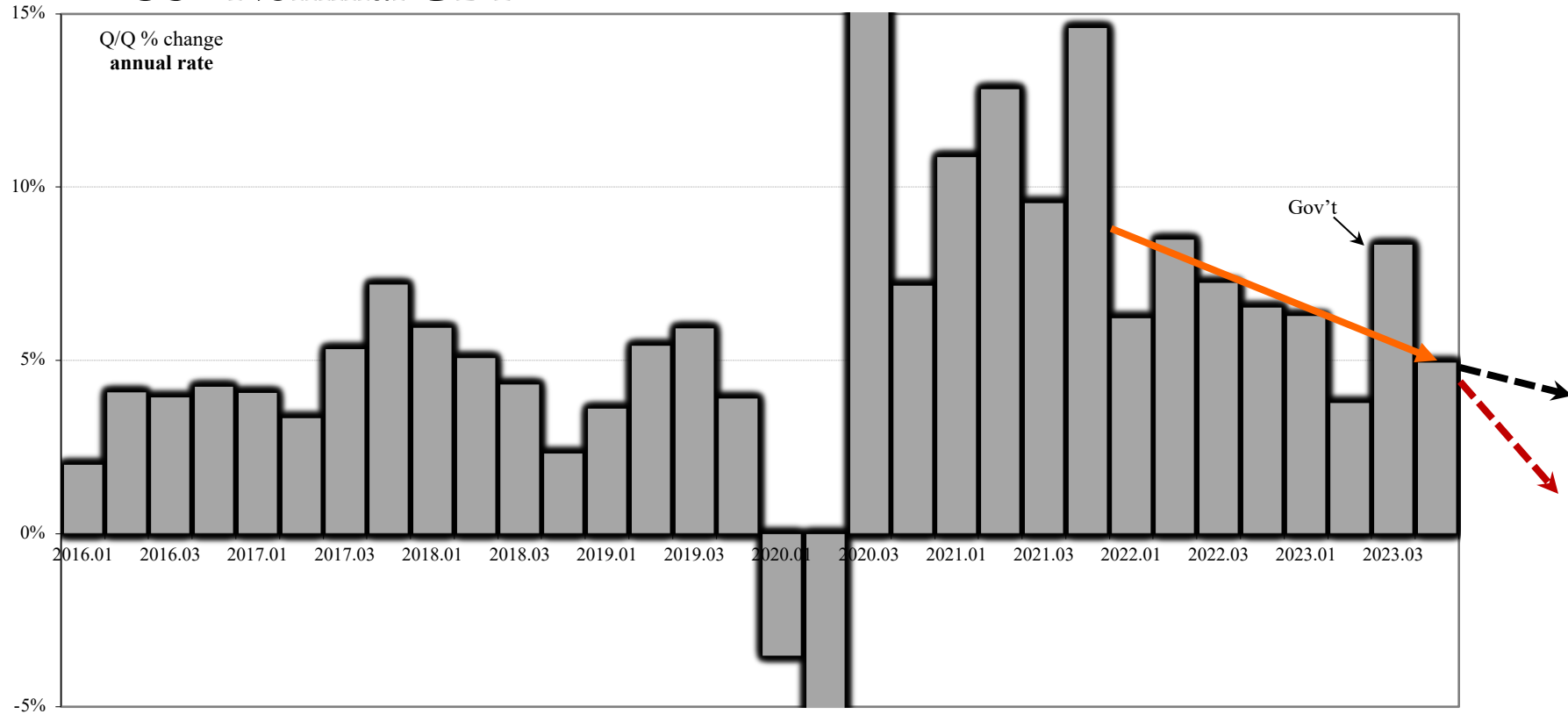


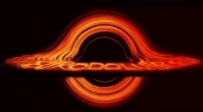
US - Real GDP



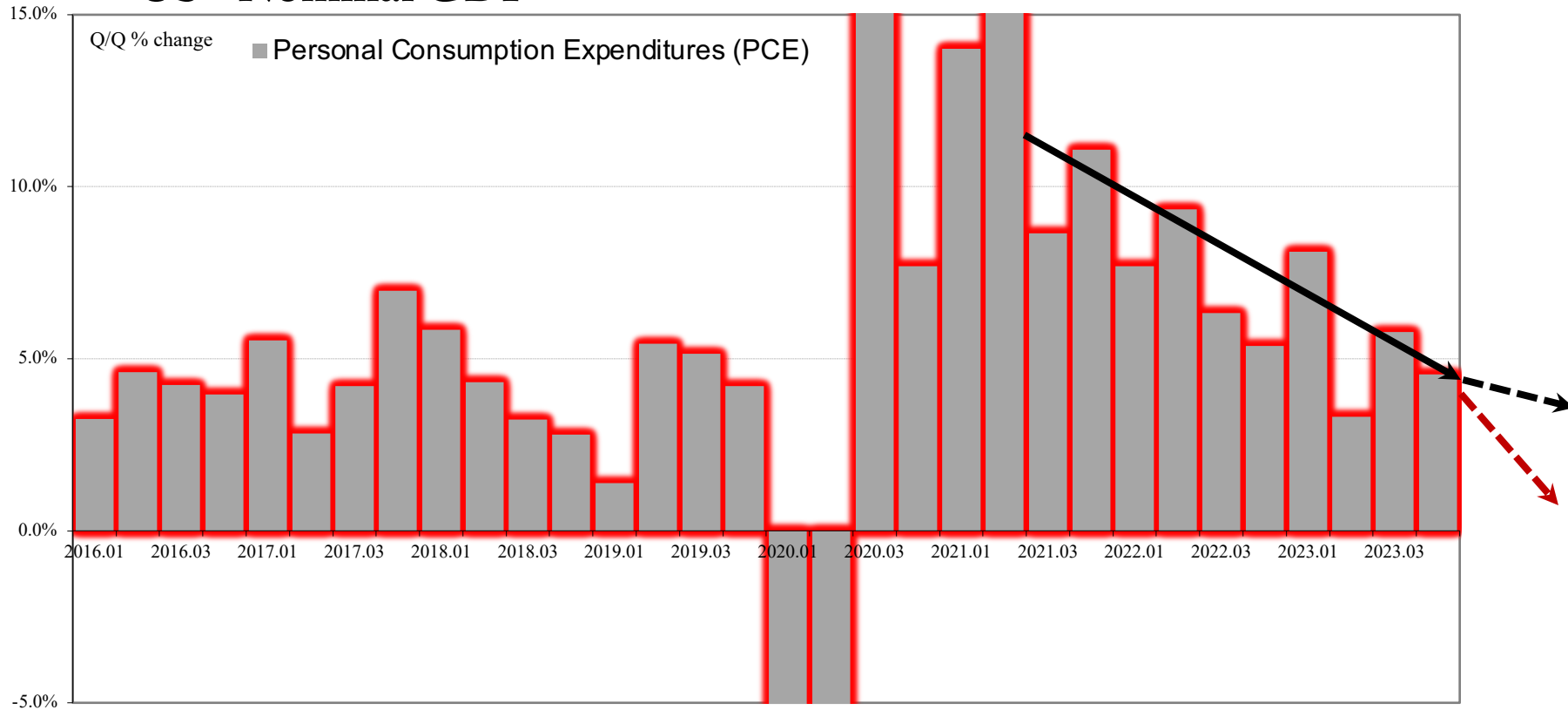


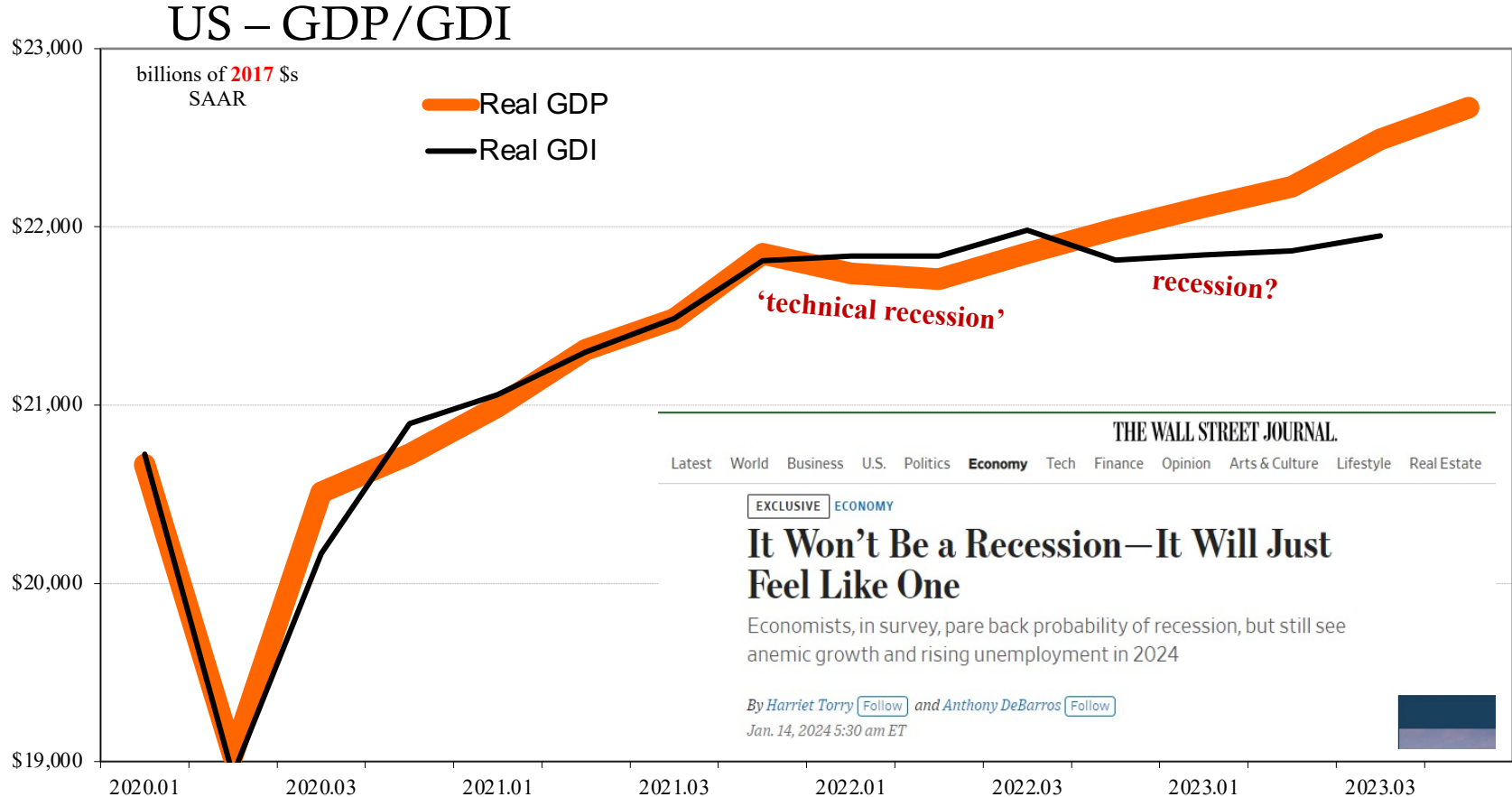
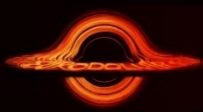
US - Nominal GDP





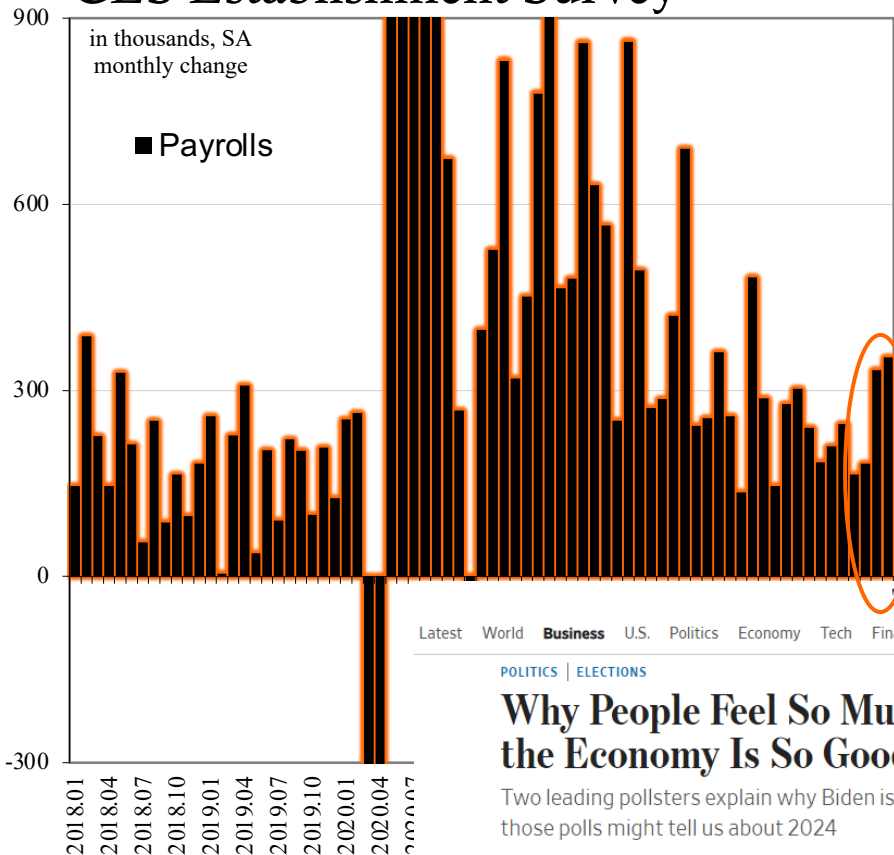
US - Nominal GDP



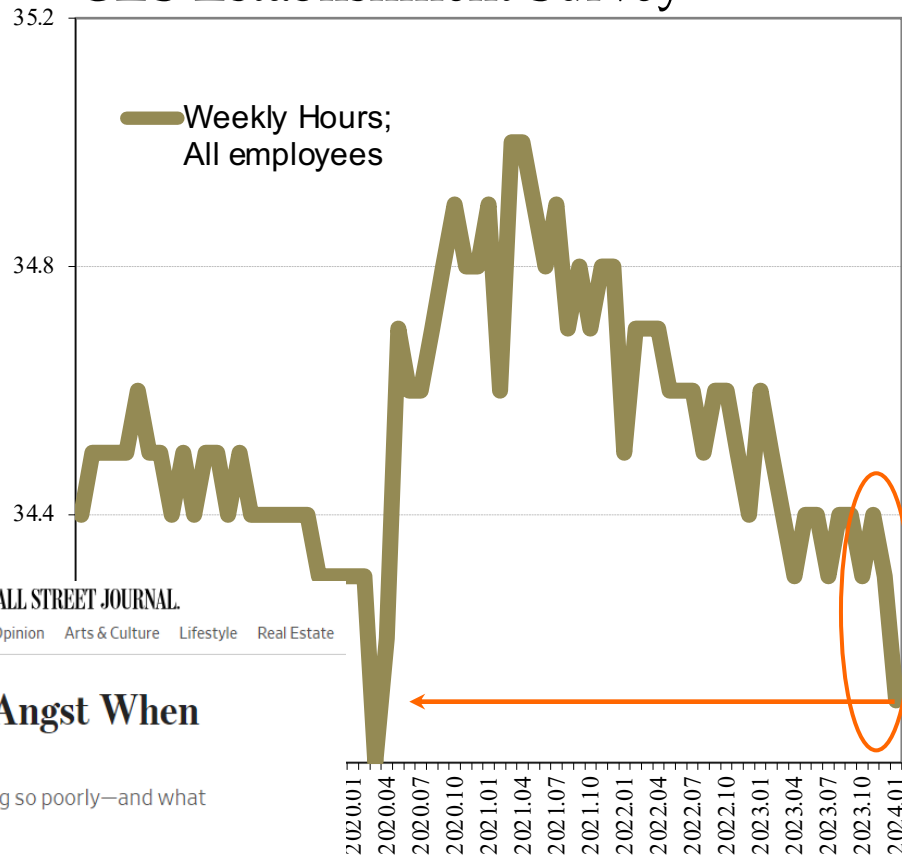




CES Establishment Survey

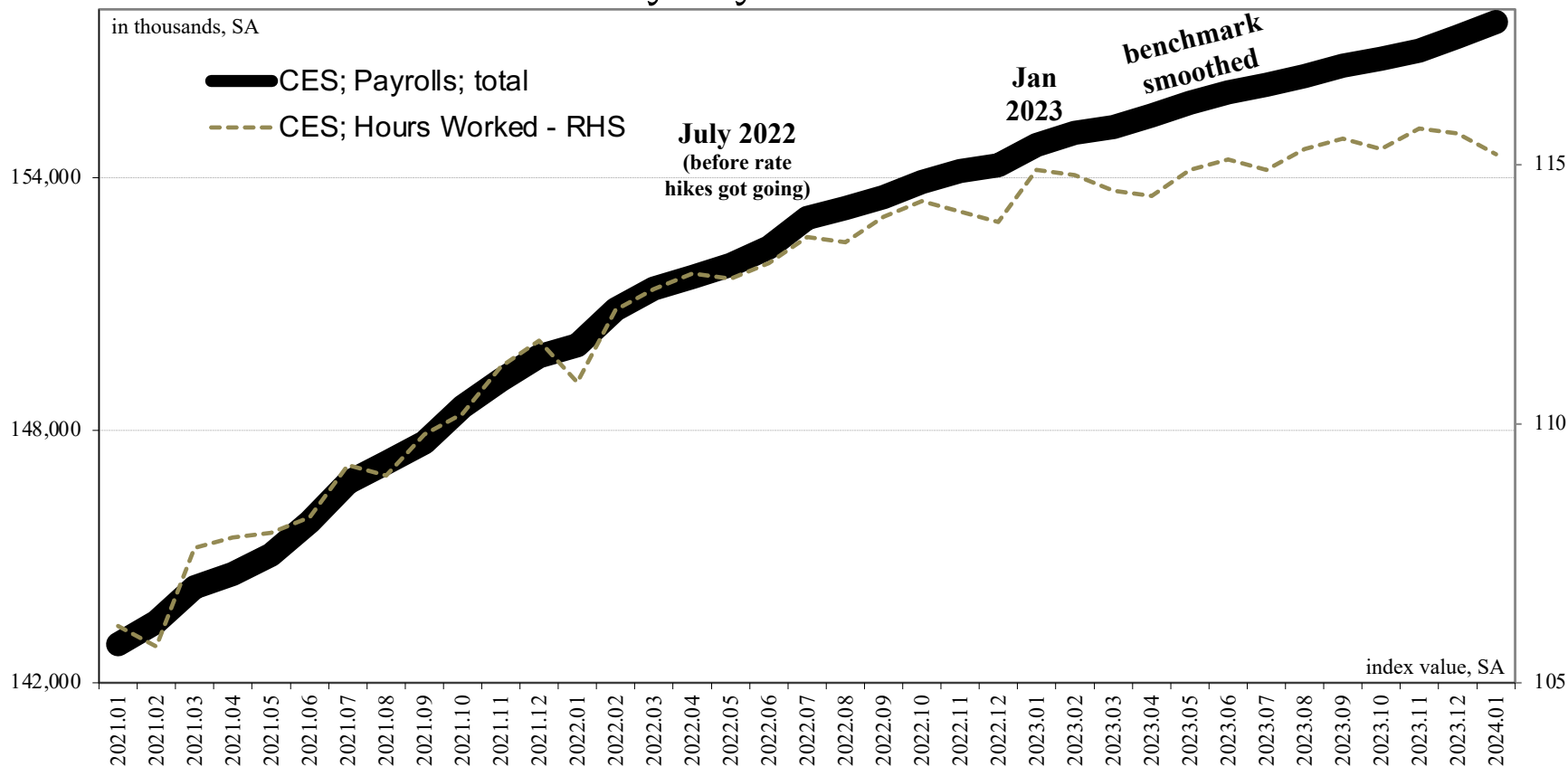


CES Establishment Survey



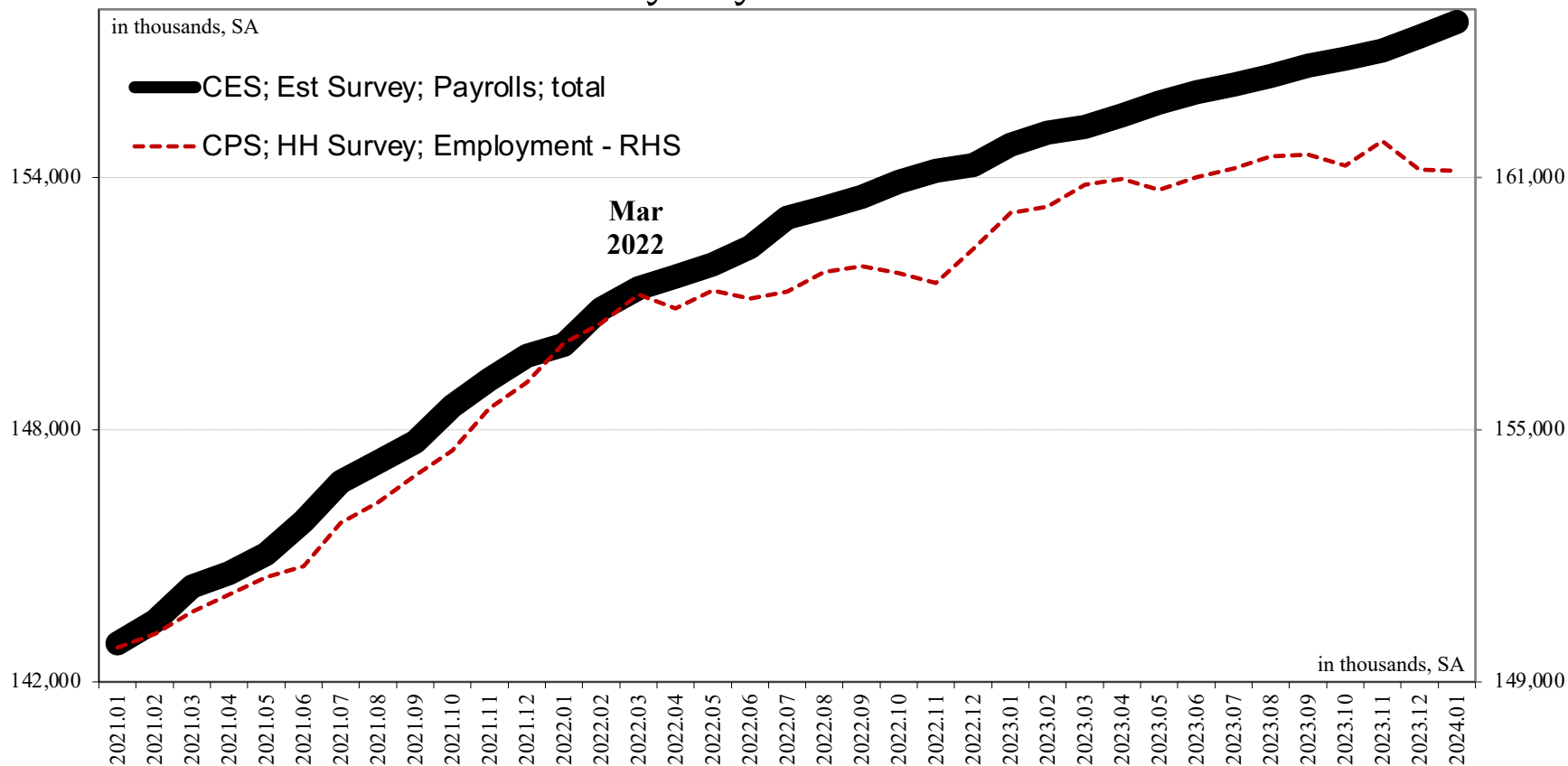


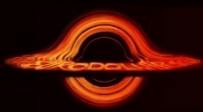
CES Establishment Survey Payrolls



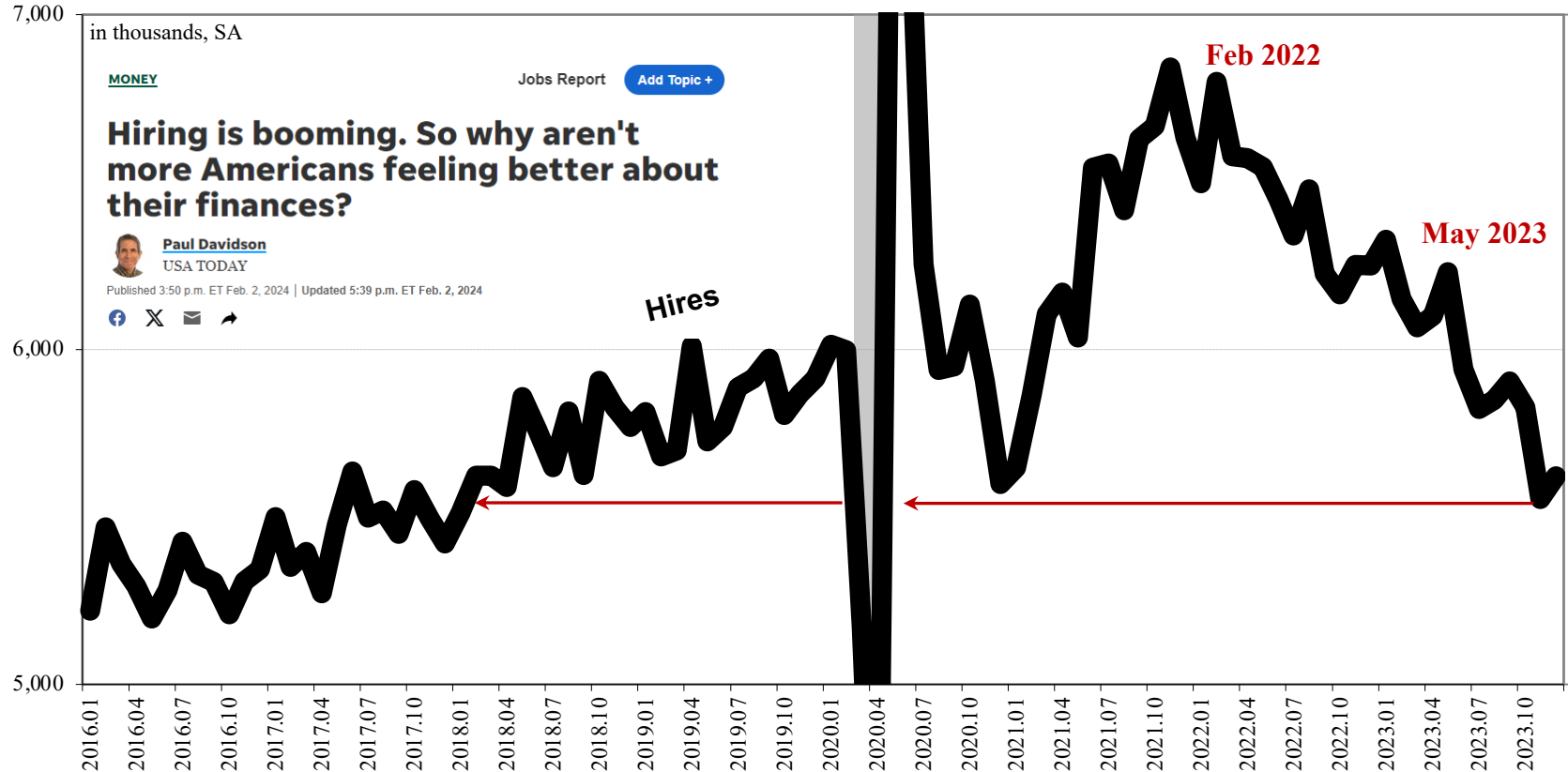


CES Establishment Survey Payrolls



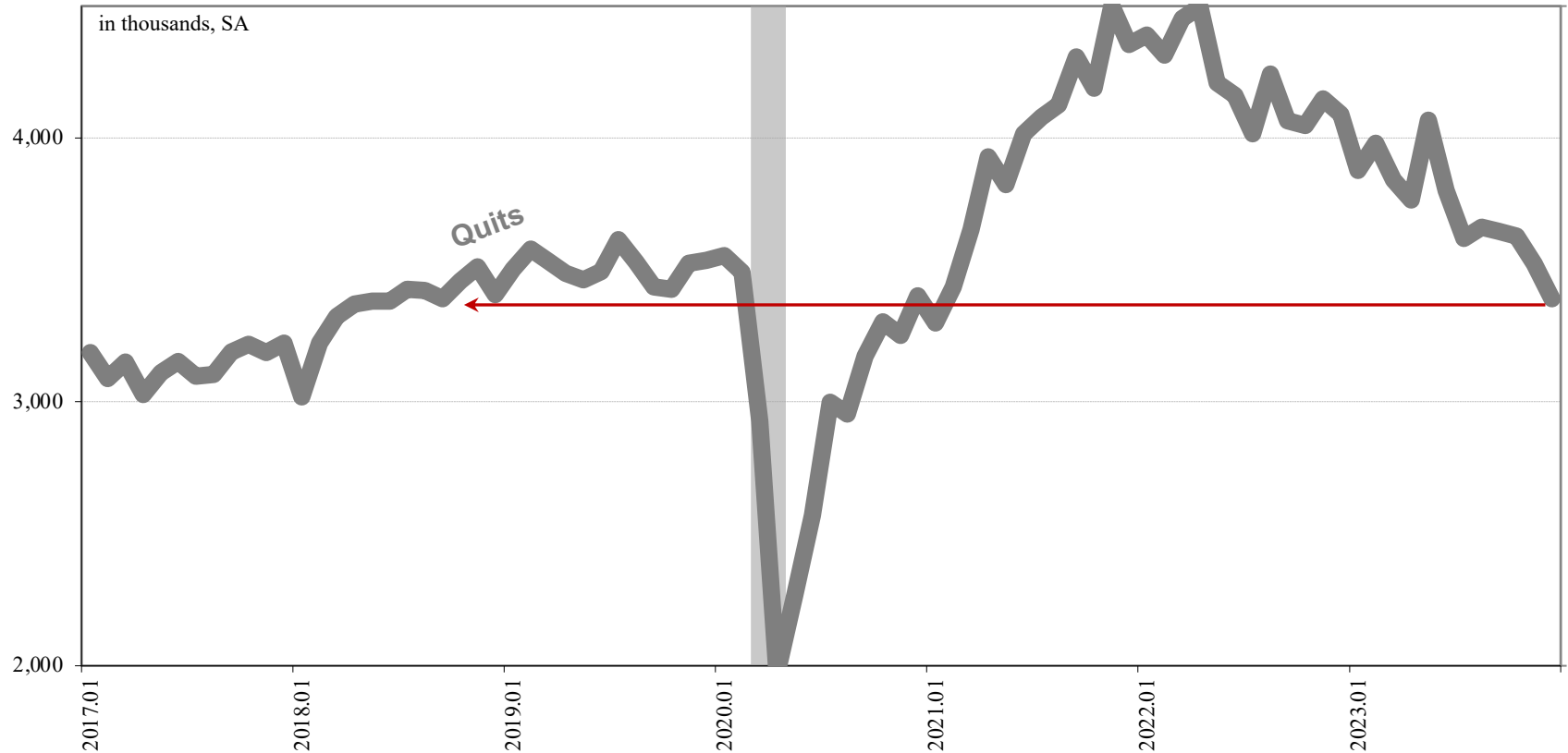


BLS - JOLTS



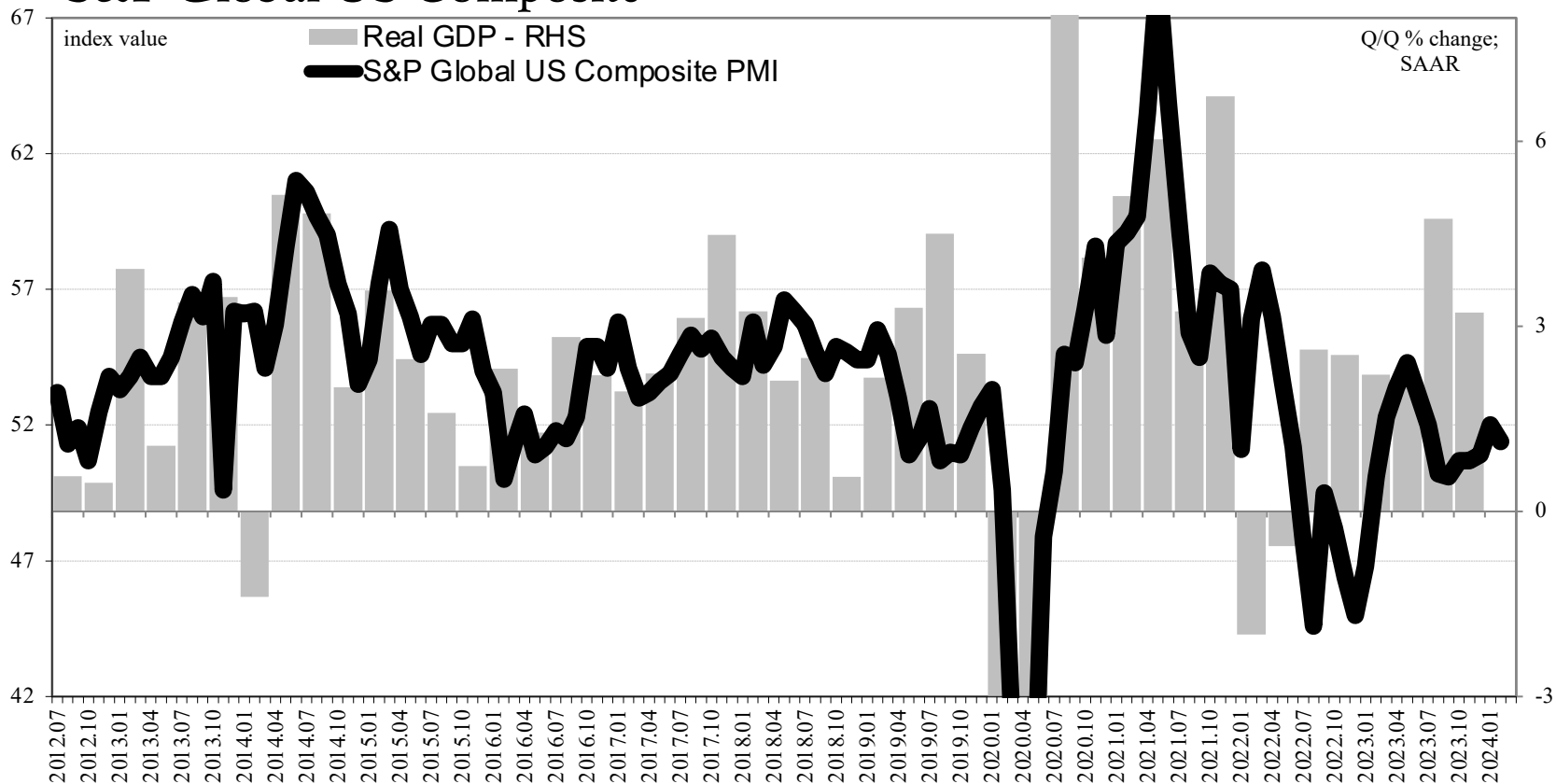


BLS - JOLTS



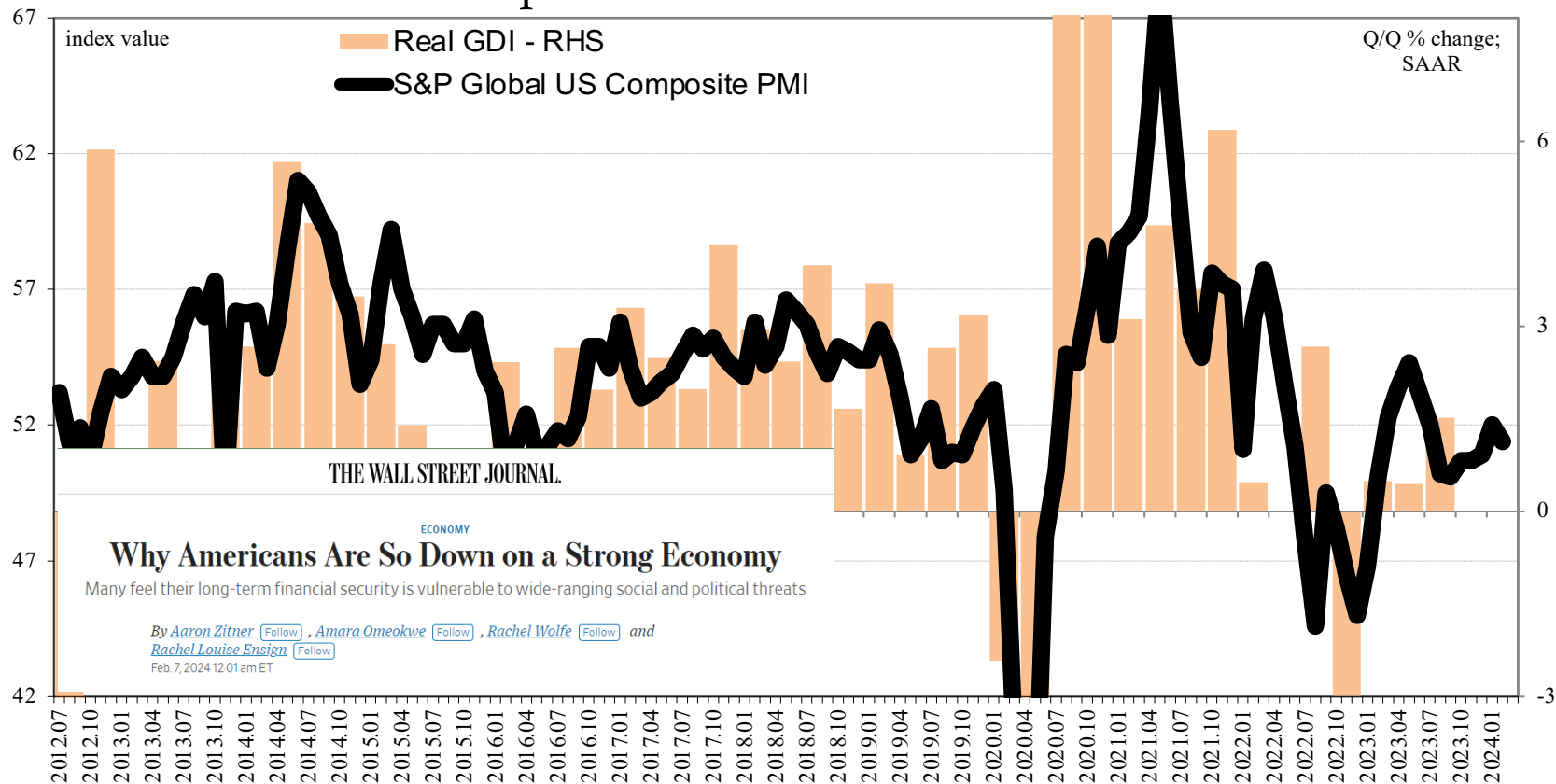


S&P Global US Composite



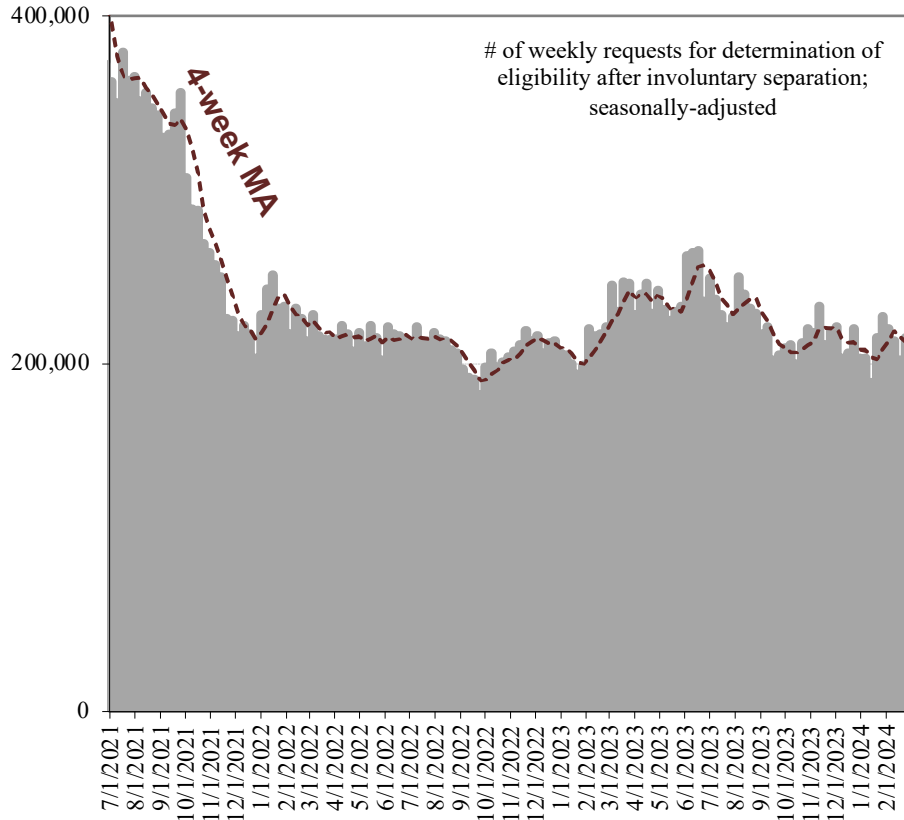


S&P Global US Composite

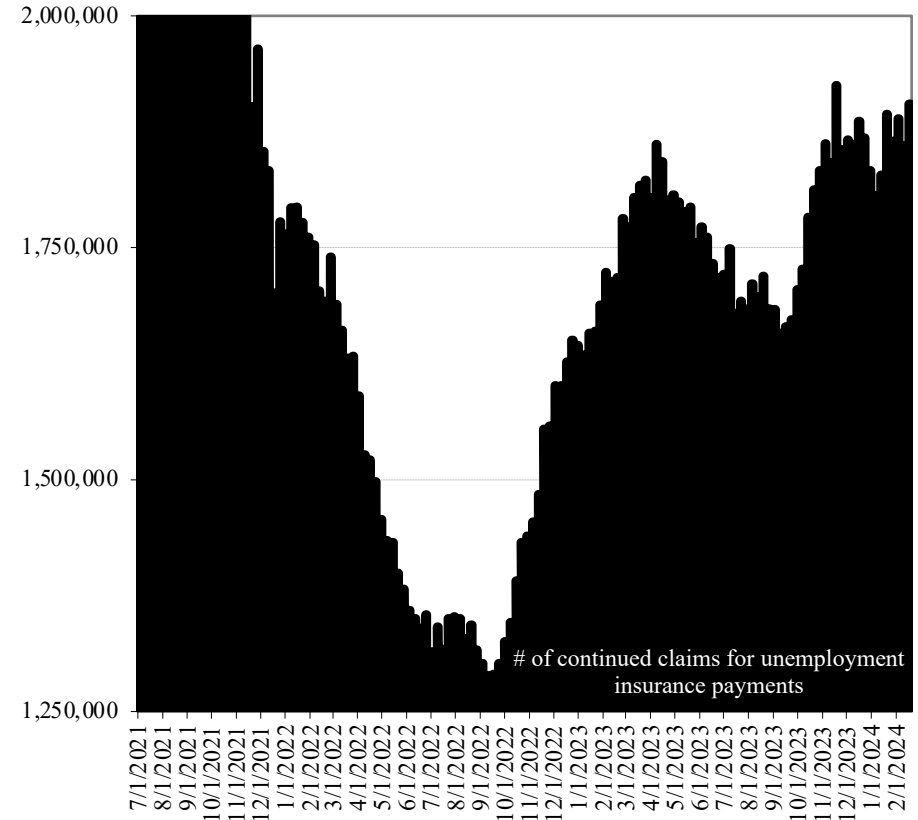


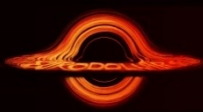


Initial Jobless Claims

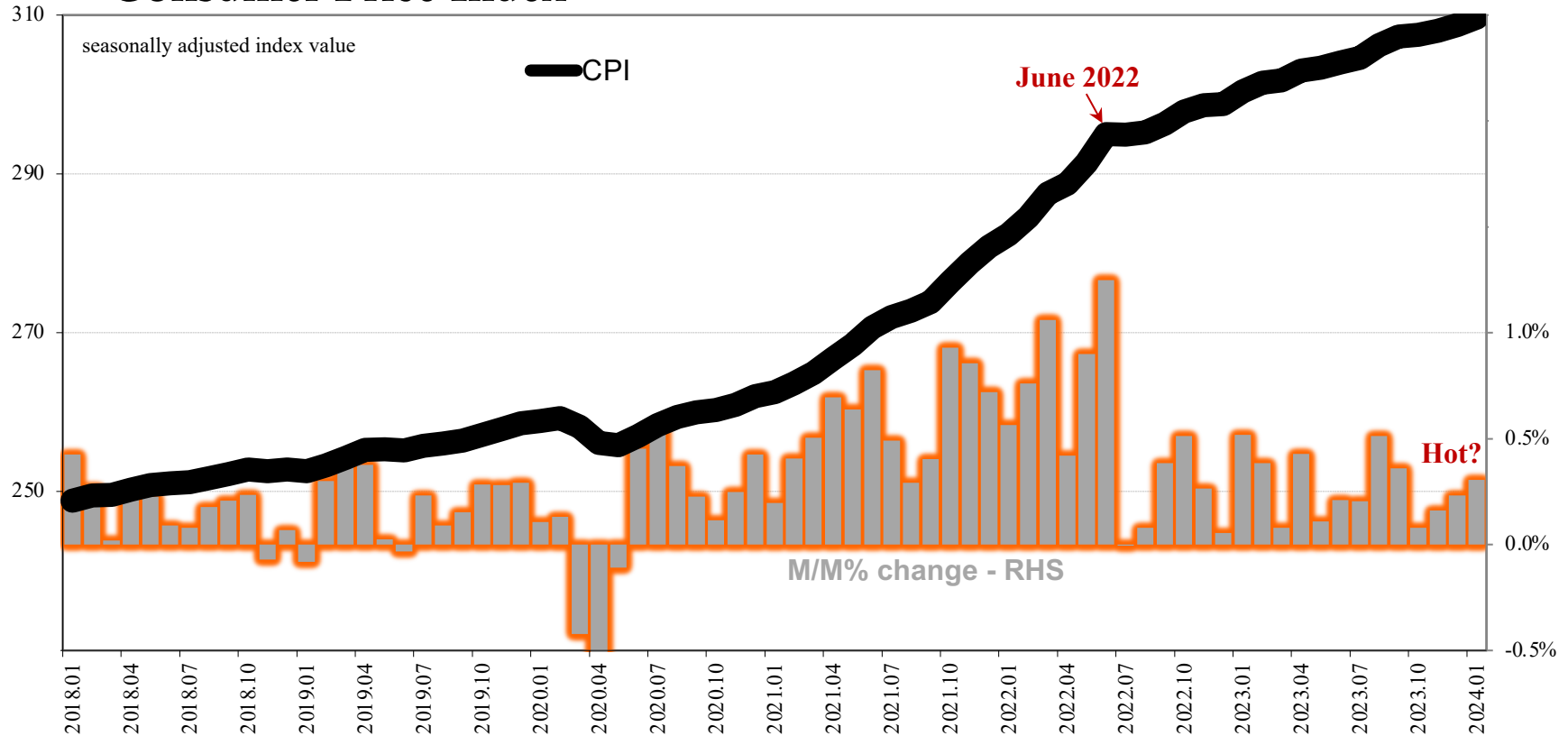


Continued Jobless Claims



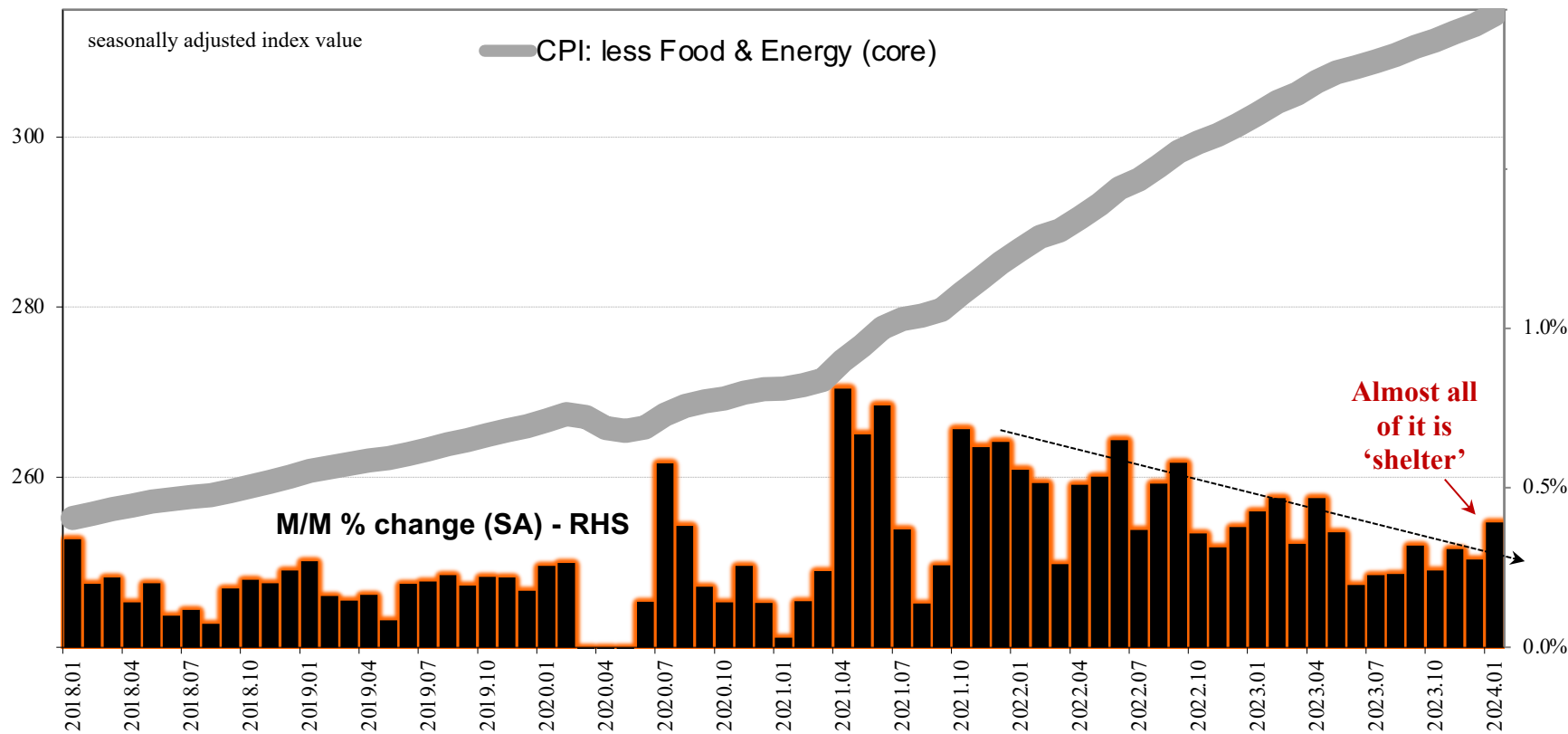


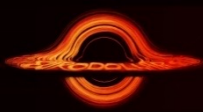
Consumer Price Index



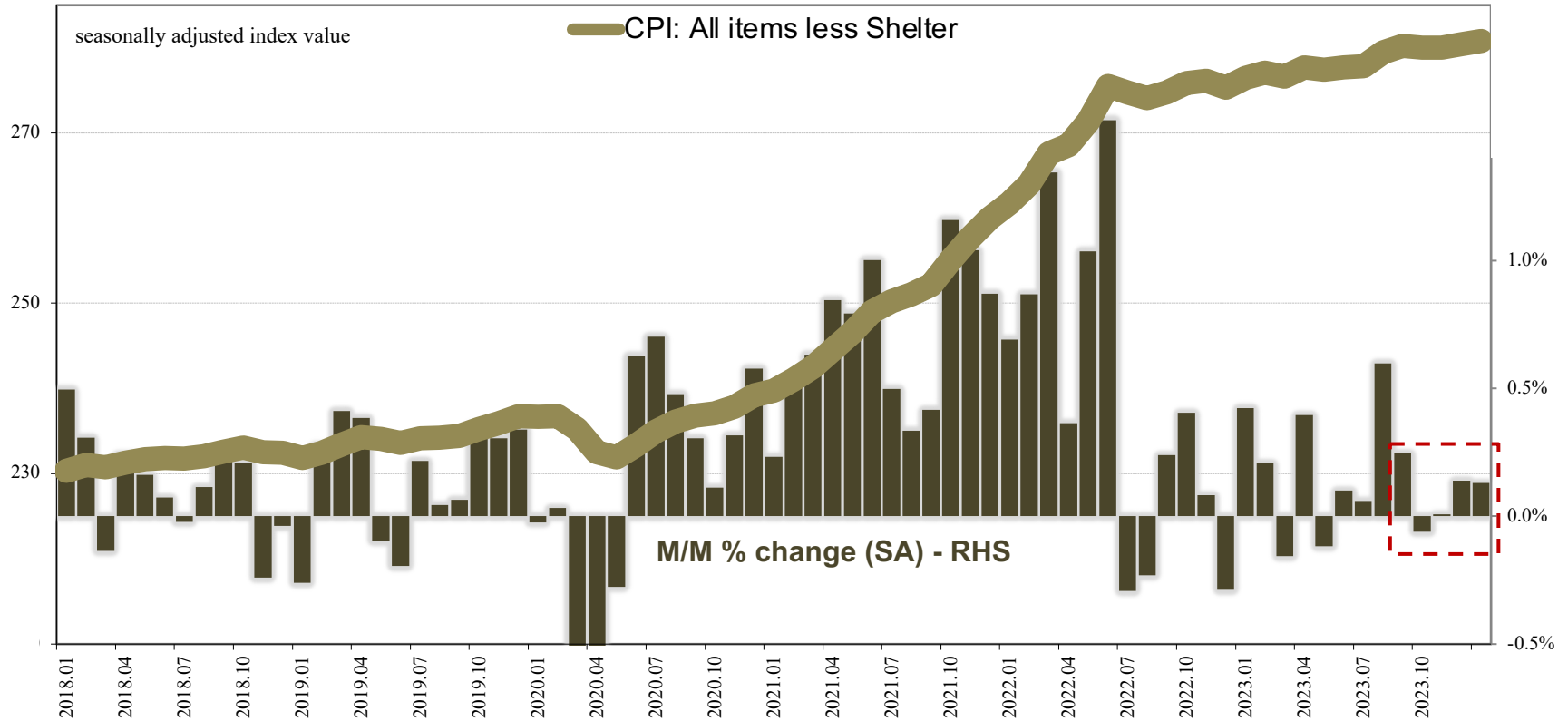


Consumer Price Index





Consumer Price Index

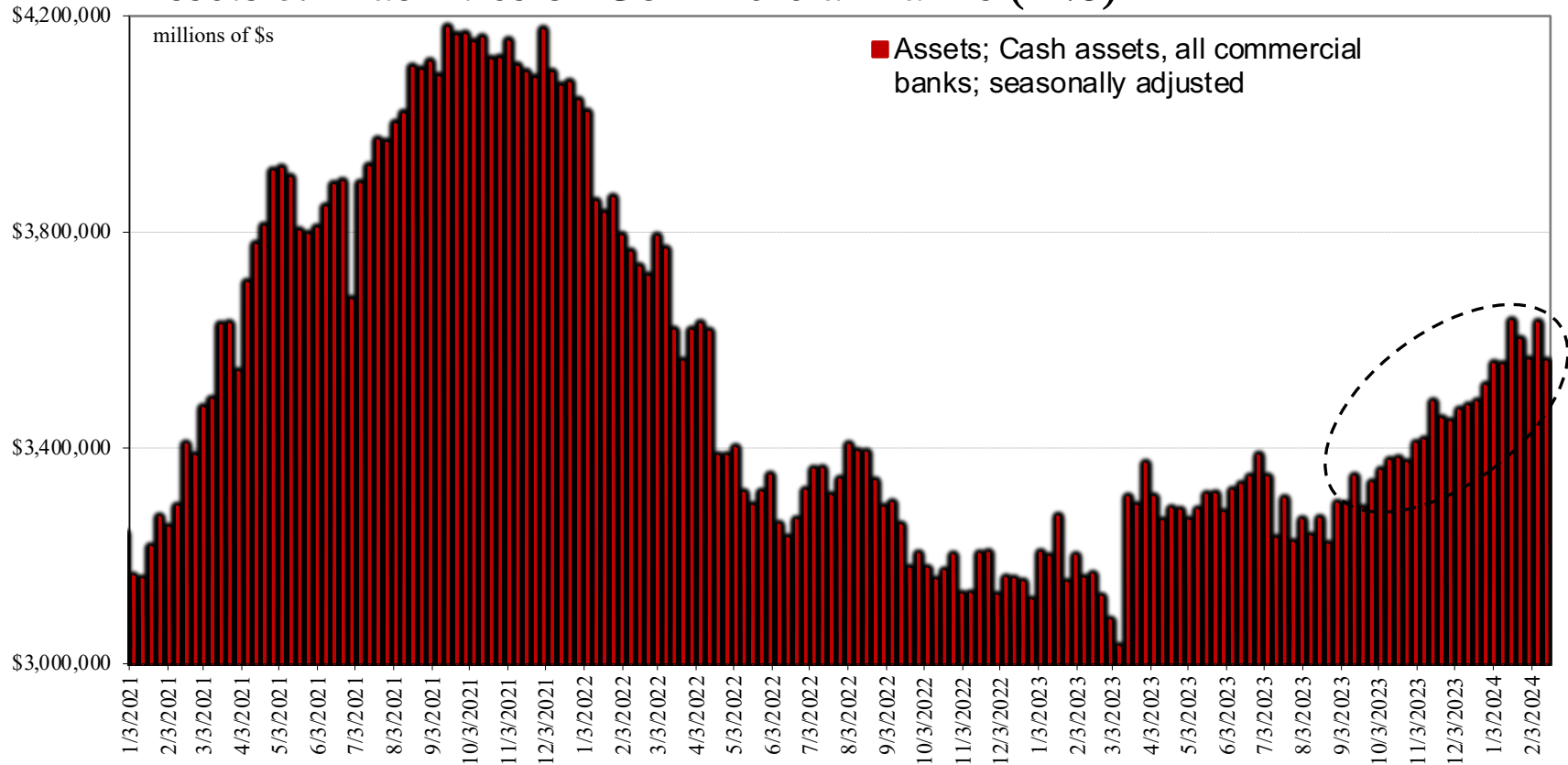




US Risk (1)

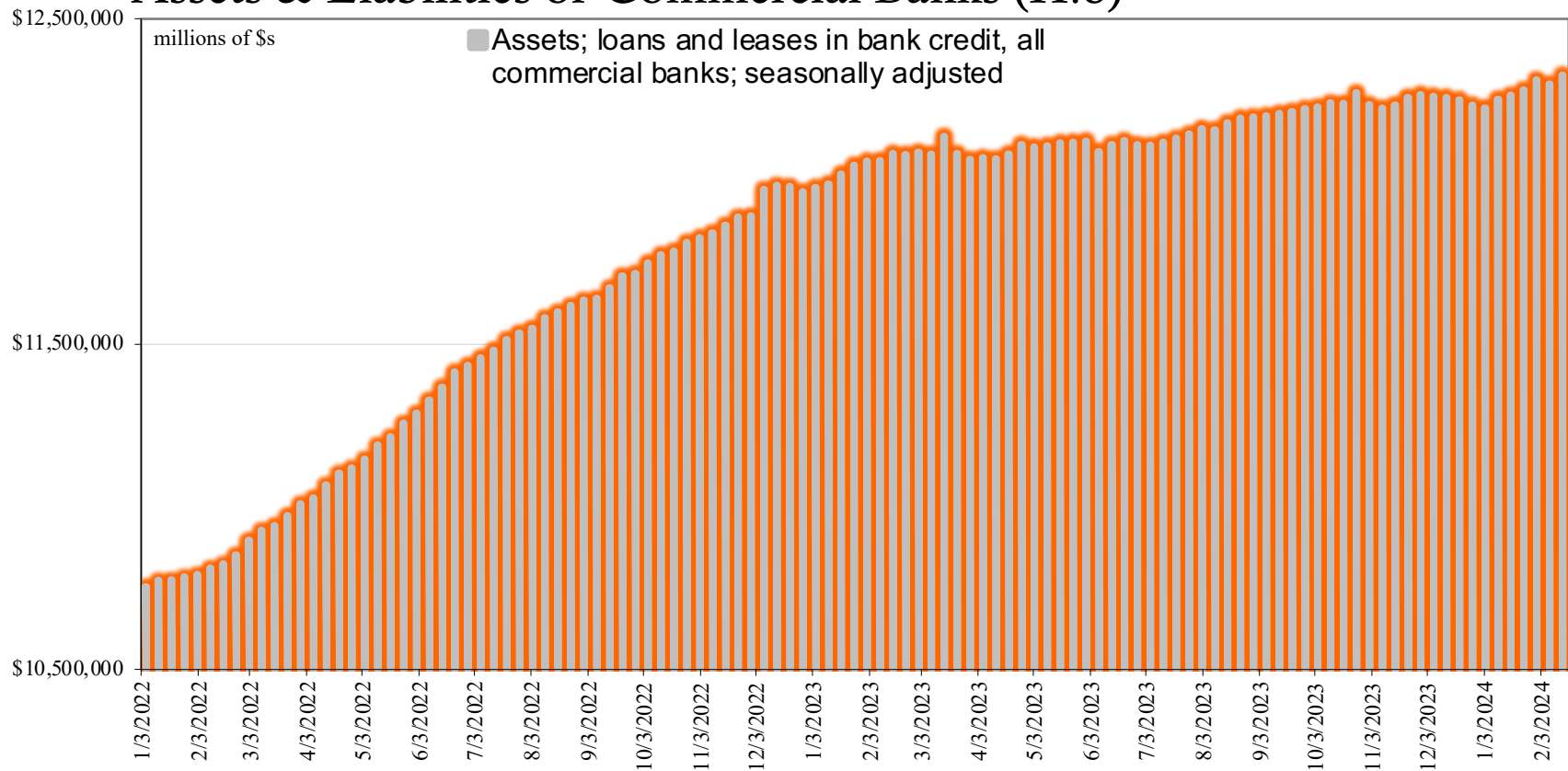


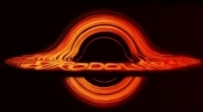
Assets & Liabilities of Commercial Banks (H.8)



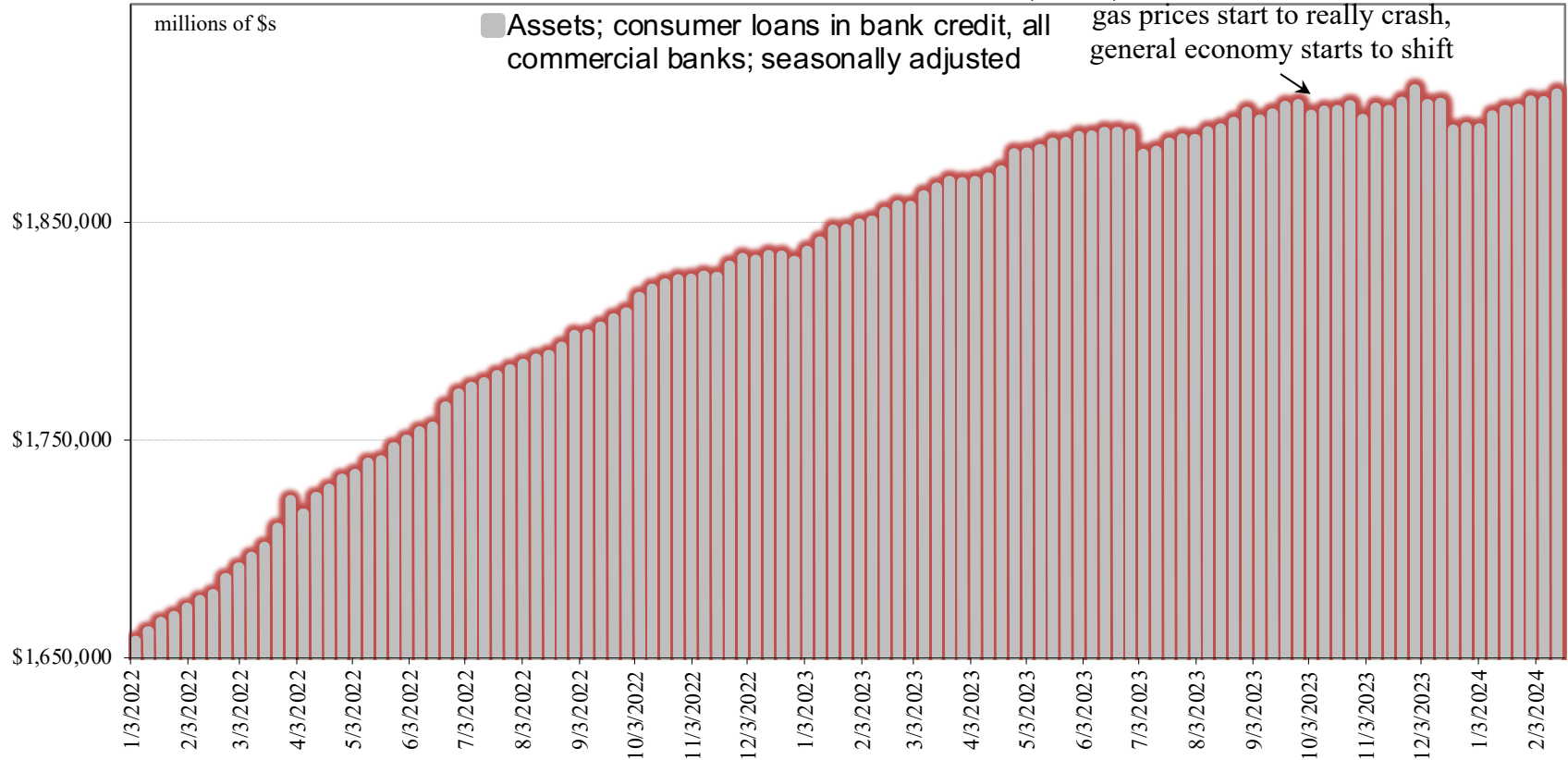


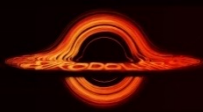
Assets & Liabilities of Commercial Banks (H.8)



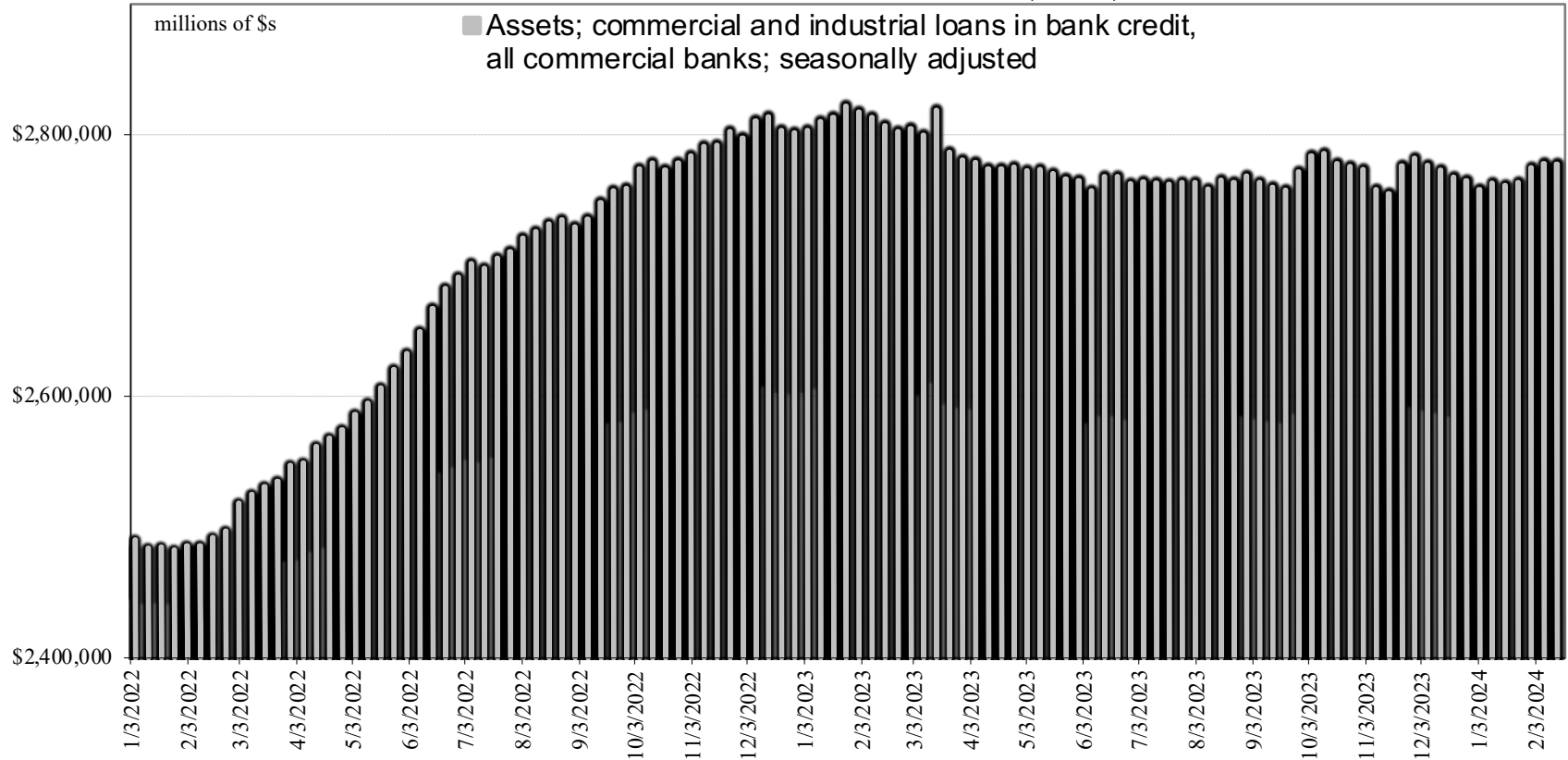


Assets & Liabilities of Commercial Banks (H.8)



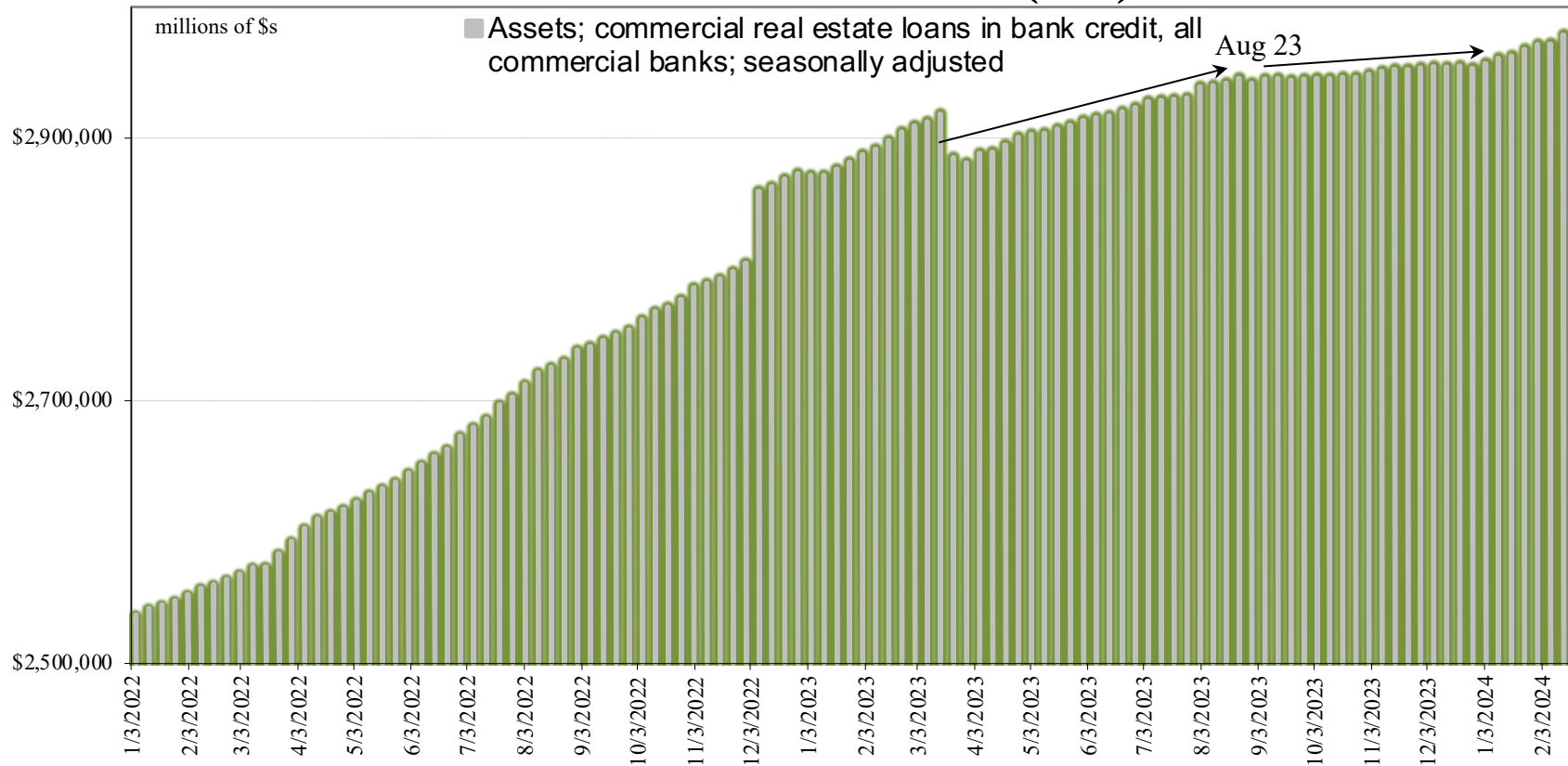


Assets & Liabilities of Commercial Banks (H.8)



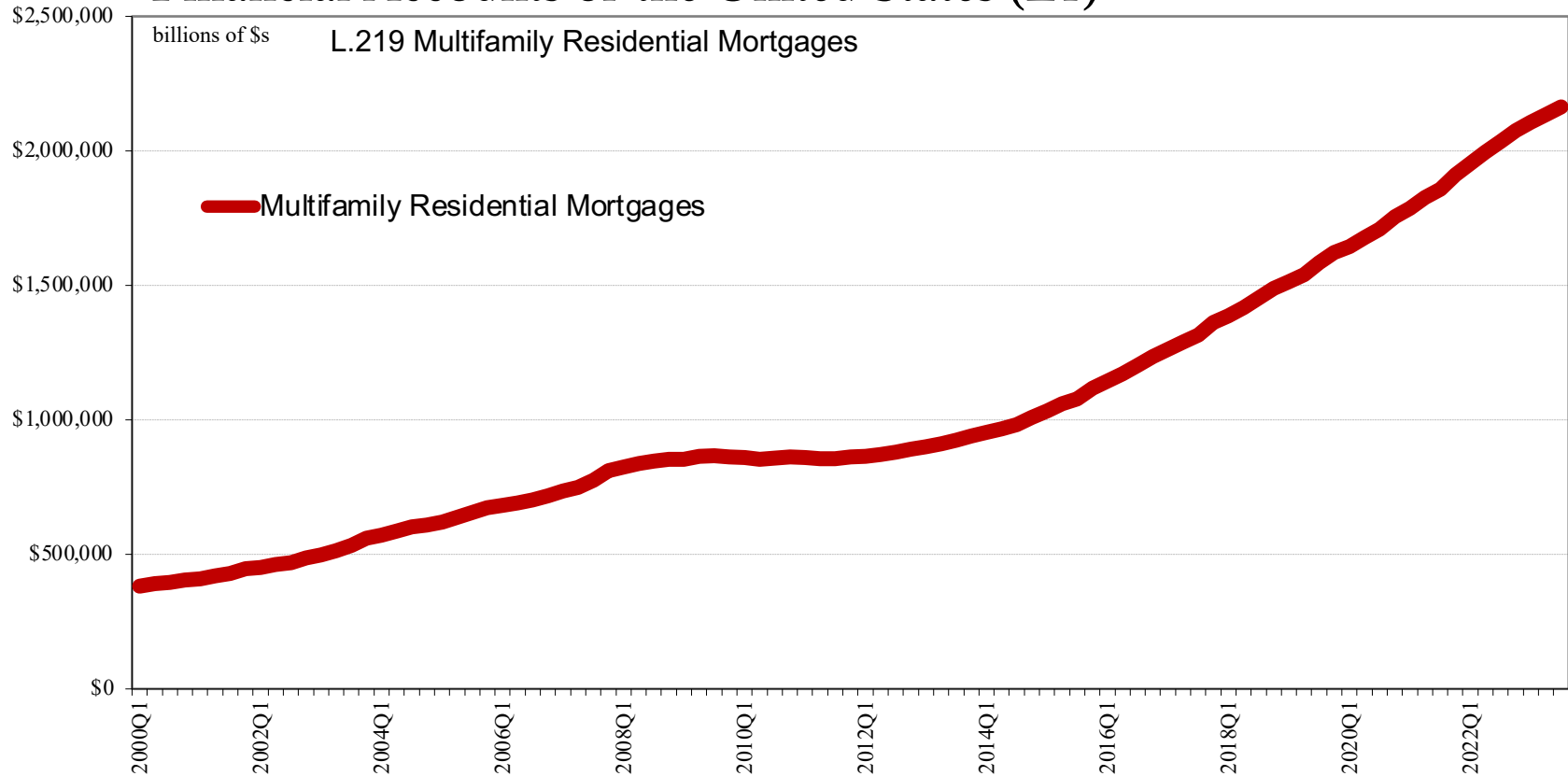


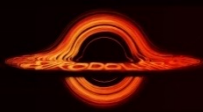
Assets & Liabilities of Commercial Banks (H.8)



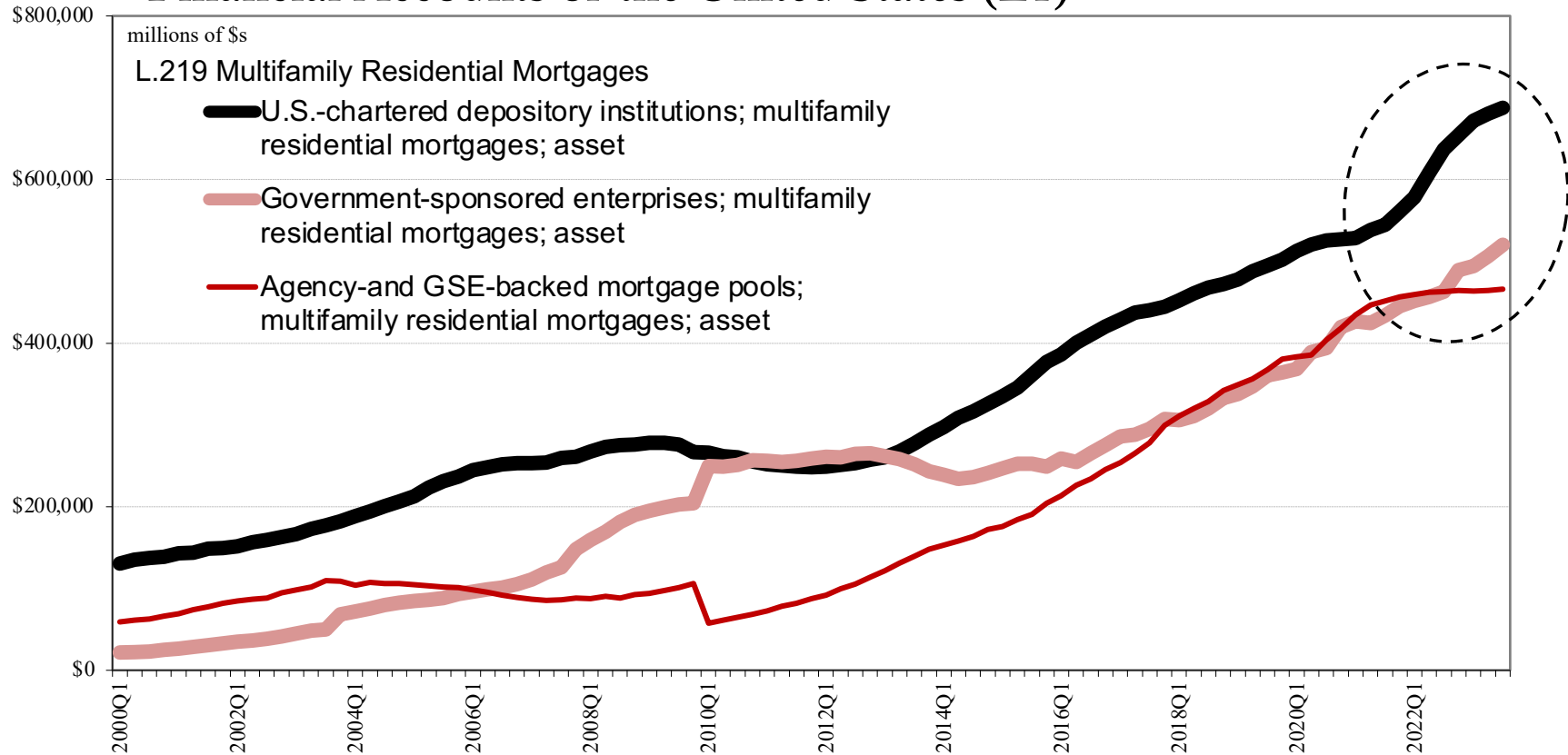


Financial Accounts of the United States (Z1)



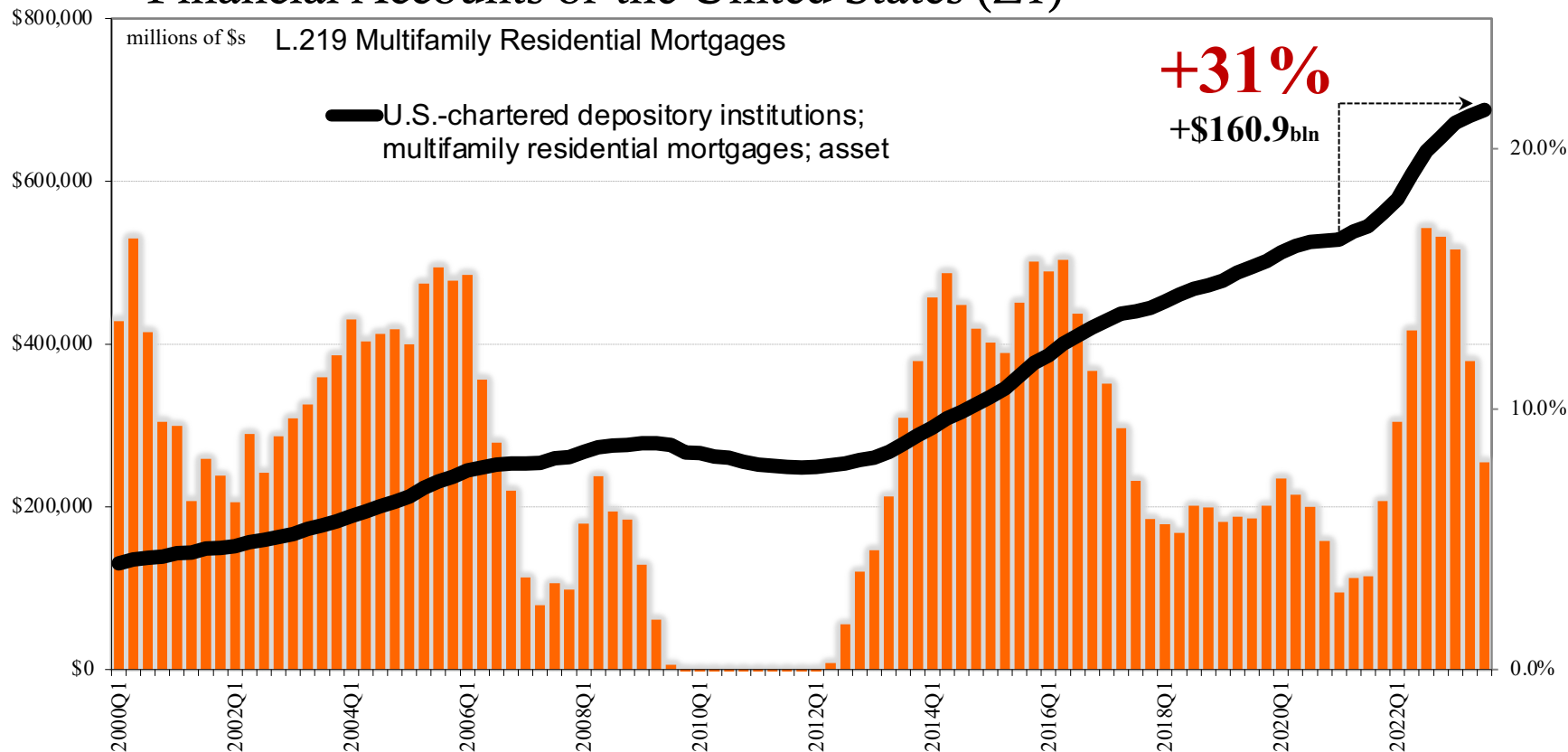


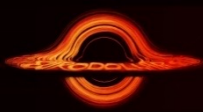
Financial Accounts of the United States (Z1)



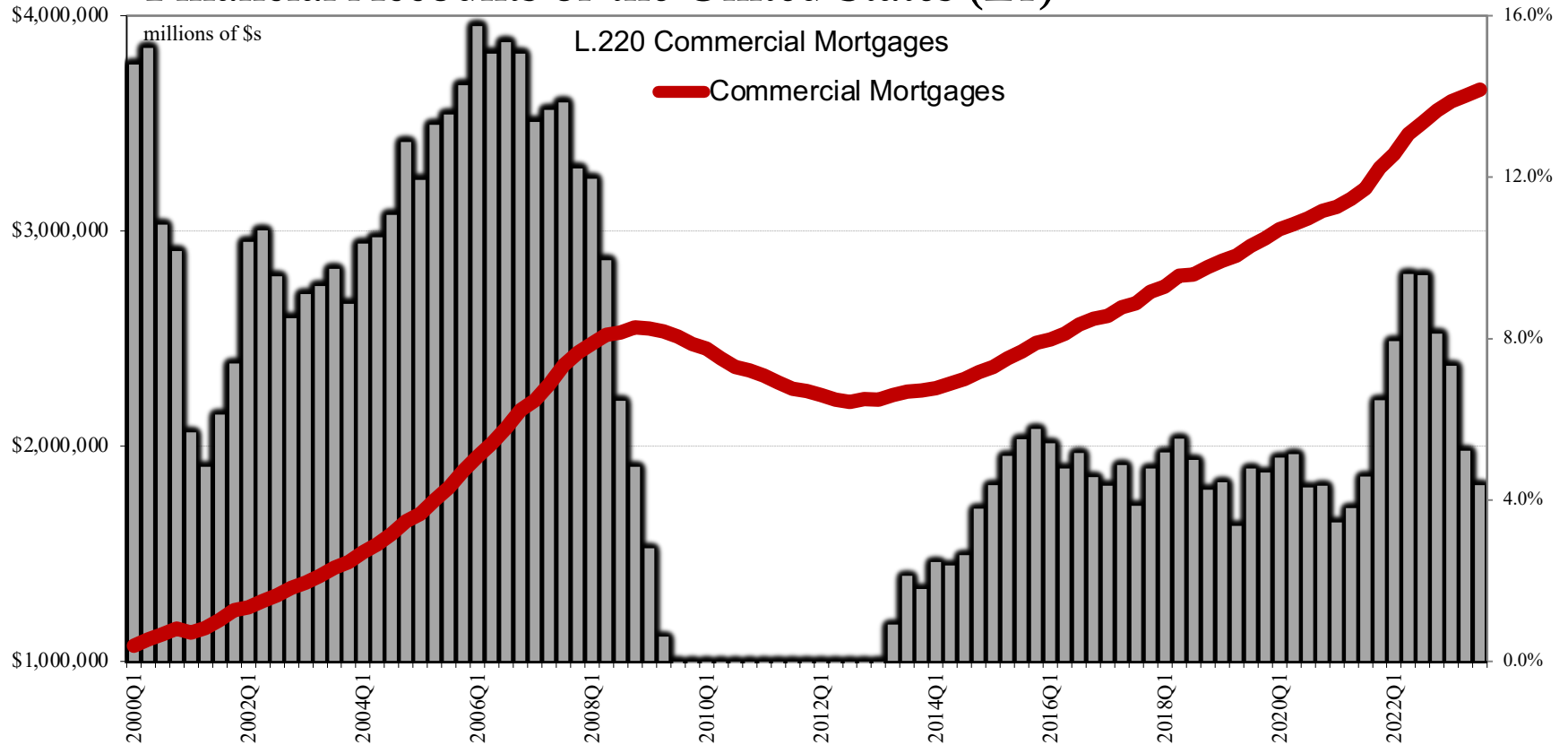


Financial Accounts of the United States (Z1)



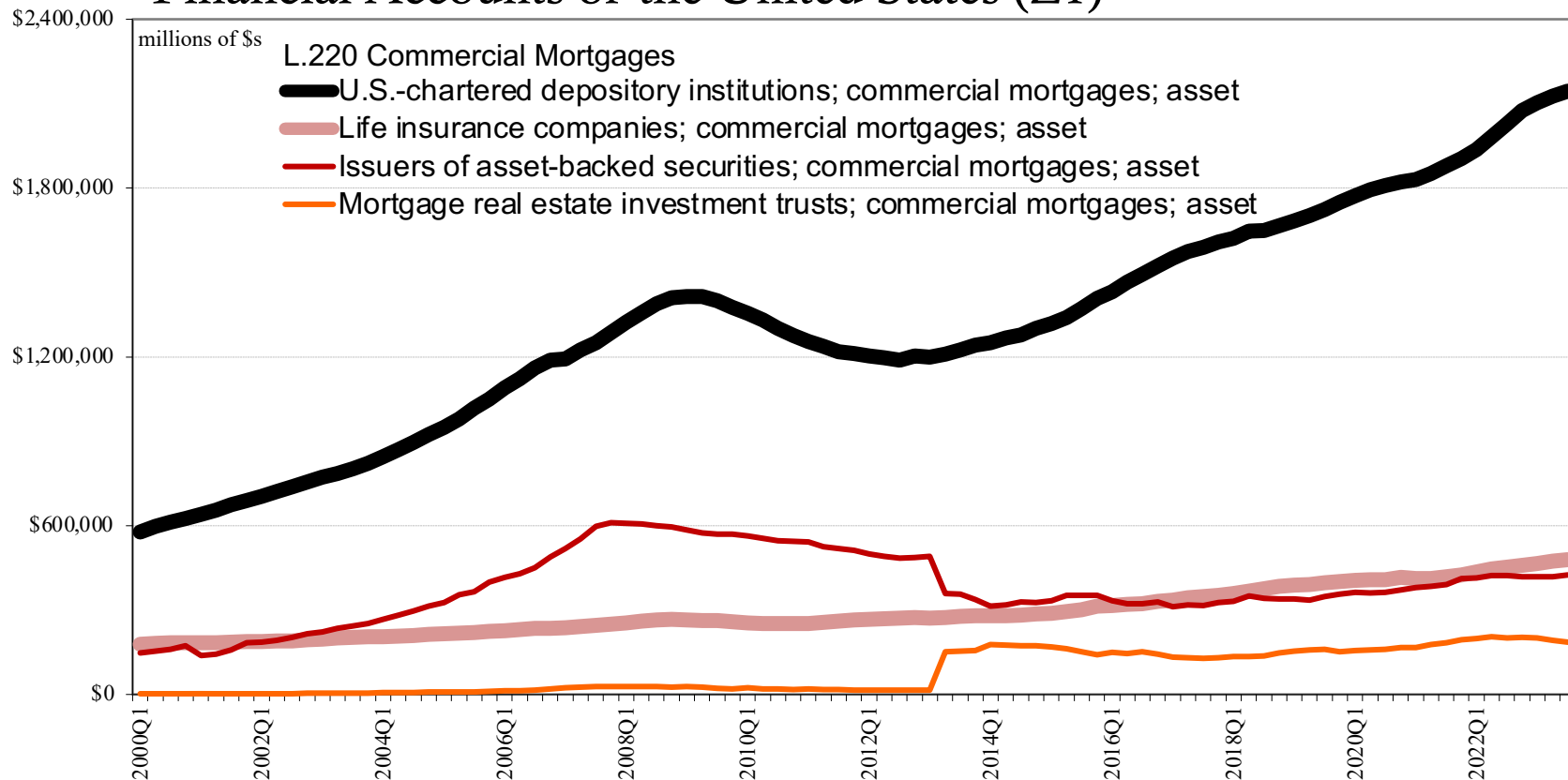


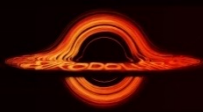
Financial Accounts of the United States (Z1)



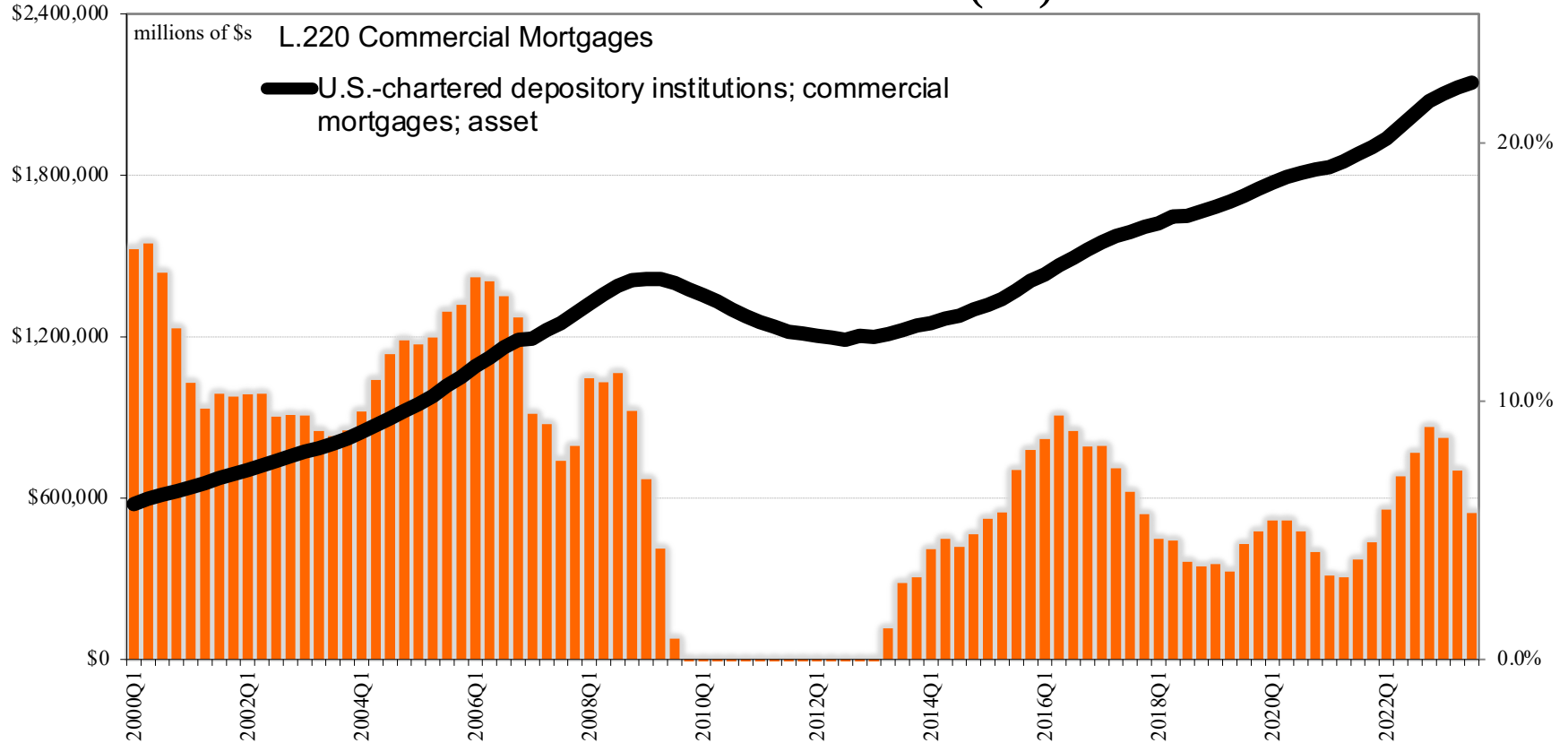


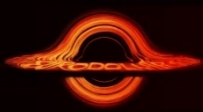
Financial Accounts of the United States (Z1)



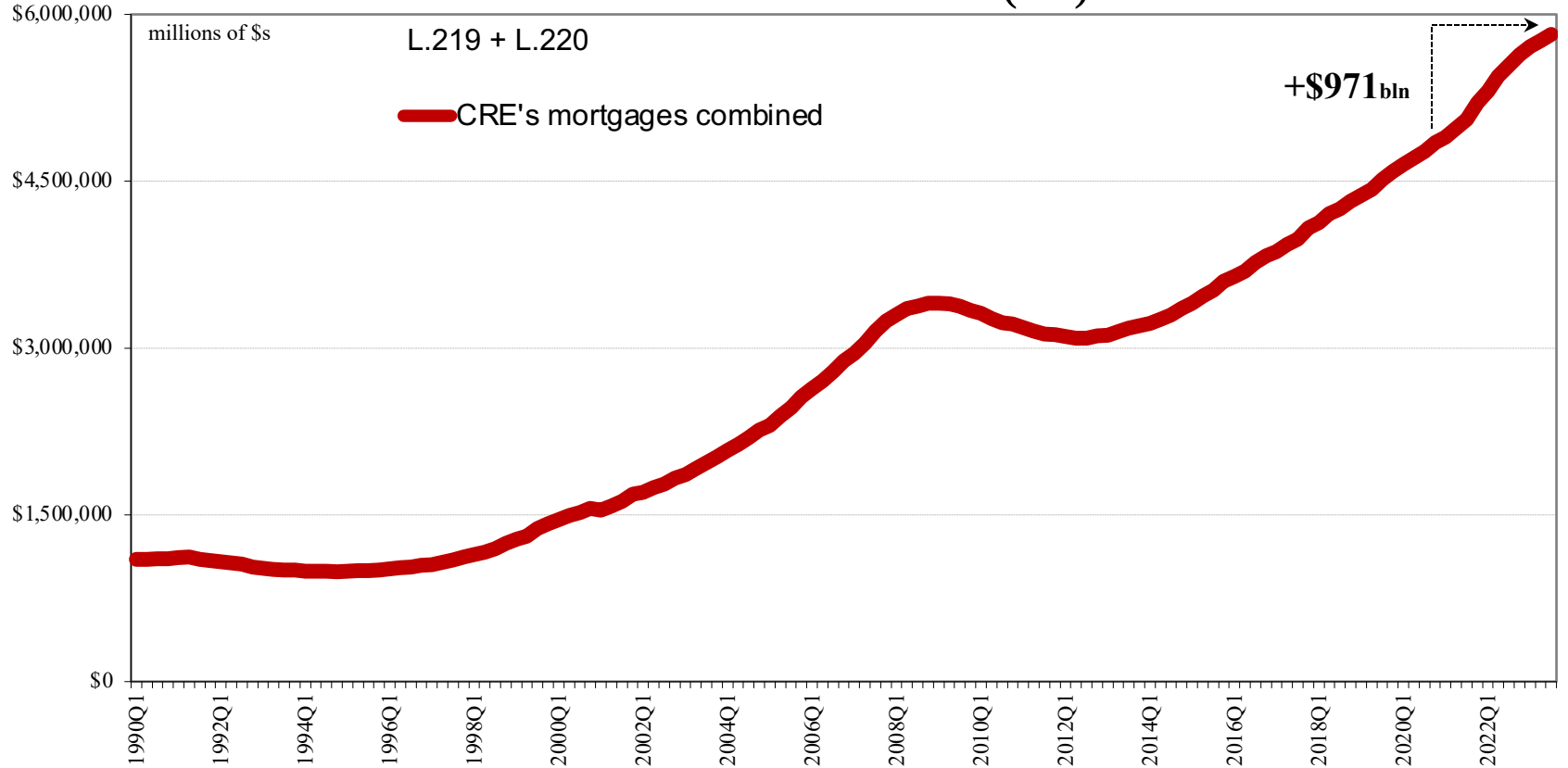


Financial Accounts of the United States (Z1)



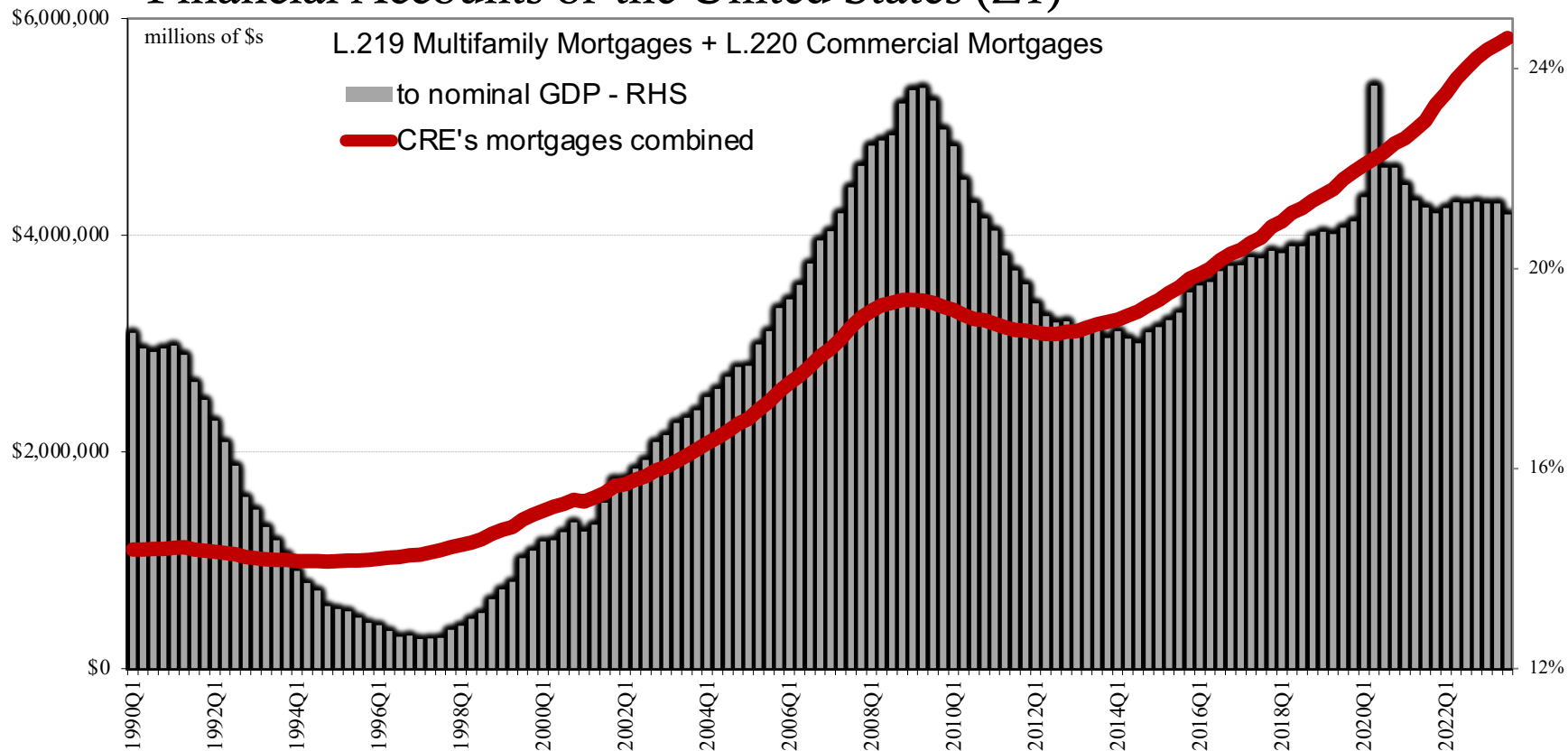


Financial Accounts of the United States (Z1)





Financial Accounts of the United States (Z1)



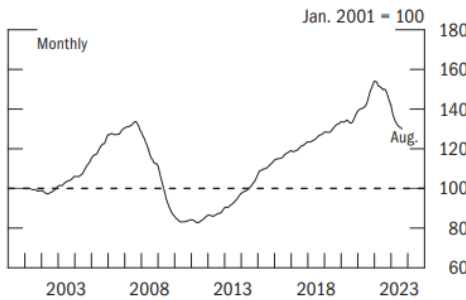


Financial Stability Report

October 2023

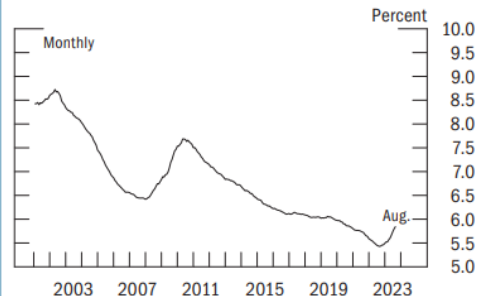
BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

Figure 1.14. Commercial real estate prices, adjusted for inflation, continued to decline



Source: Real Capital Analytics; consumer price index, Bureau of Labor Statistics via Haver Analytics.

Figure 1.15. Income of commercial properties relative to prices continued to grow but remained well below historical norms



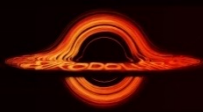
Source: Real Capital Analytics; Andrew C. Florence, Norm G. Miller, Ruijue Peng, and Jay Spivey (2010), "Slicing, Dicing, and Scoping the Size of the U.S. Commercial Real Estate Market," *Journal of Real Estate Portfolio Management*, vol. 16 (May–August), pp. 101–18.

Commercial real estate valuations remained elevated, even as prices continued to decline

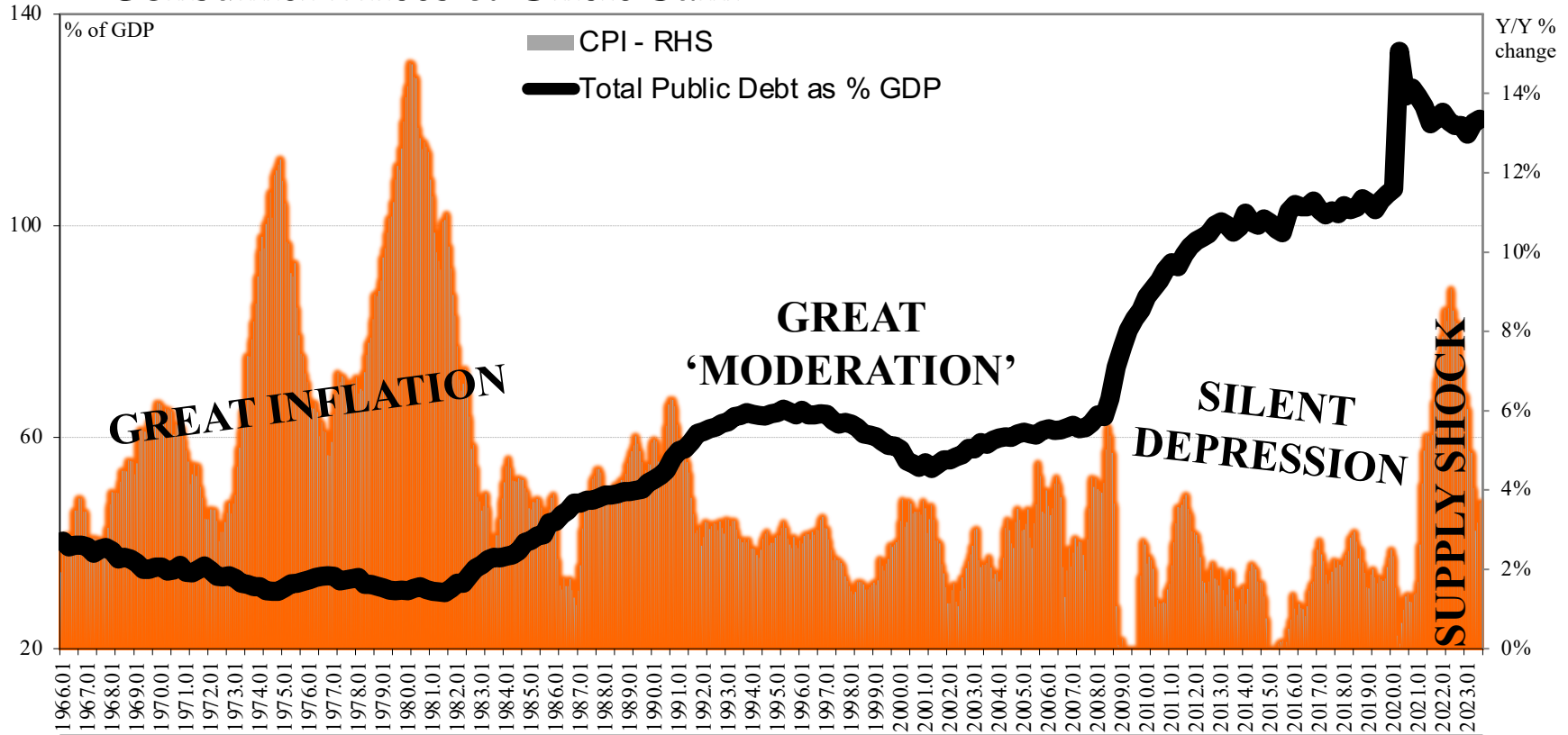
Aggregate CRE prices measured in inflation-adjusted terms continued declining through August (figure 1.14). Capitalization rates at the time of property purchase, which measure the annual income of commercial properties relative to their prices, have increased modestly from recent historically low levels but have not increased as much as real Treasury yields, suggesting that prices remain high relative to rental income (figure 1.15). CRE valuations are particularly elevated for the



US Risk (2)



Consumer Prices & Uncle Sam



“Government deficits can and sometimes do contribute to inflation. However, the relation between deficits and inflation is far looser than is widely believed. Moreover, the major harm that deficits do is to foster irresponsible government spending.”

Milton Friedman

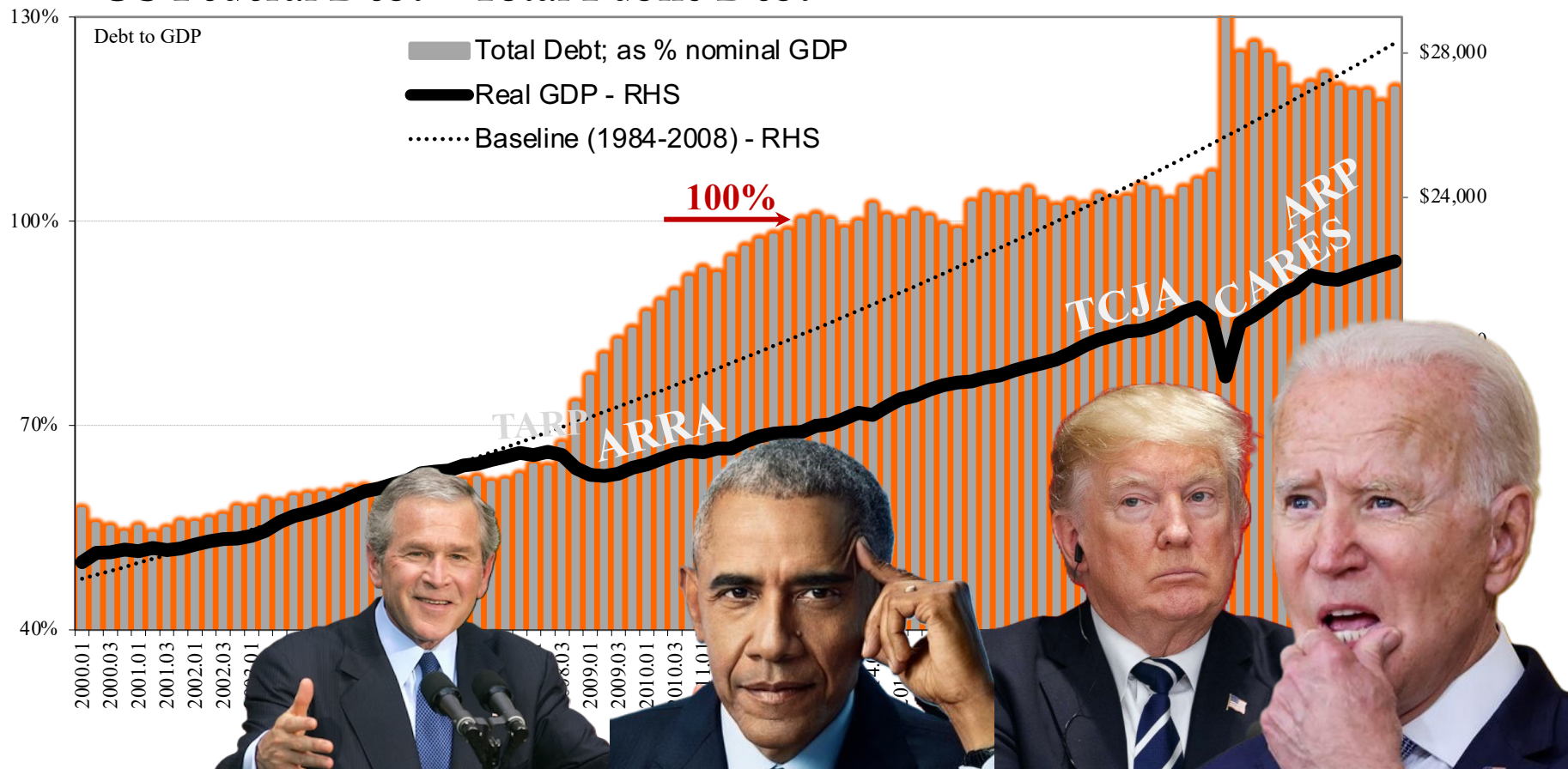
Newsweek: Deficits and Inflation

February 23, 1981



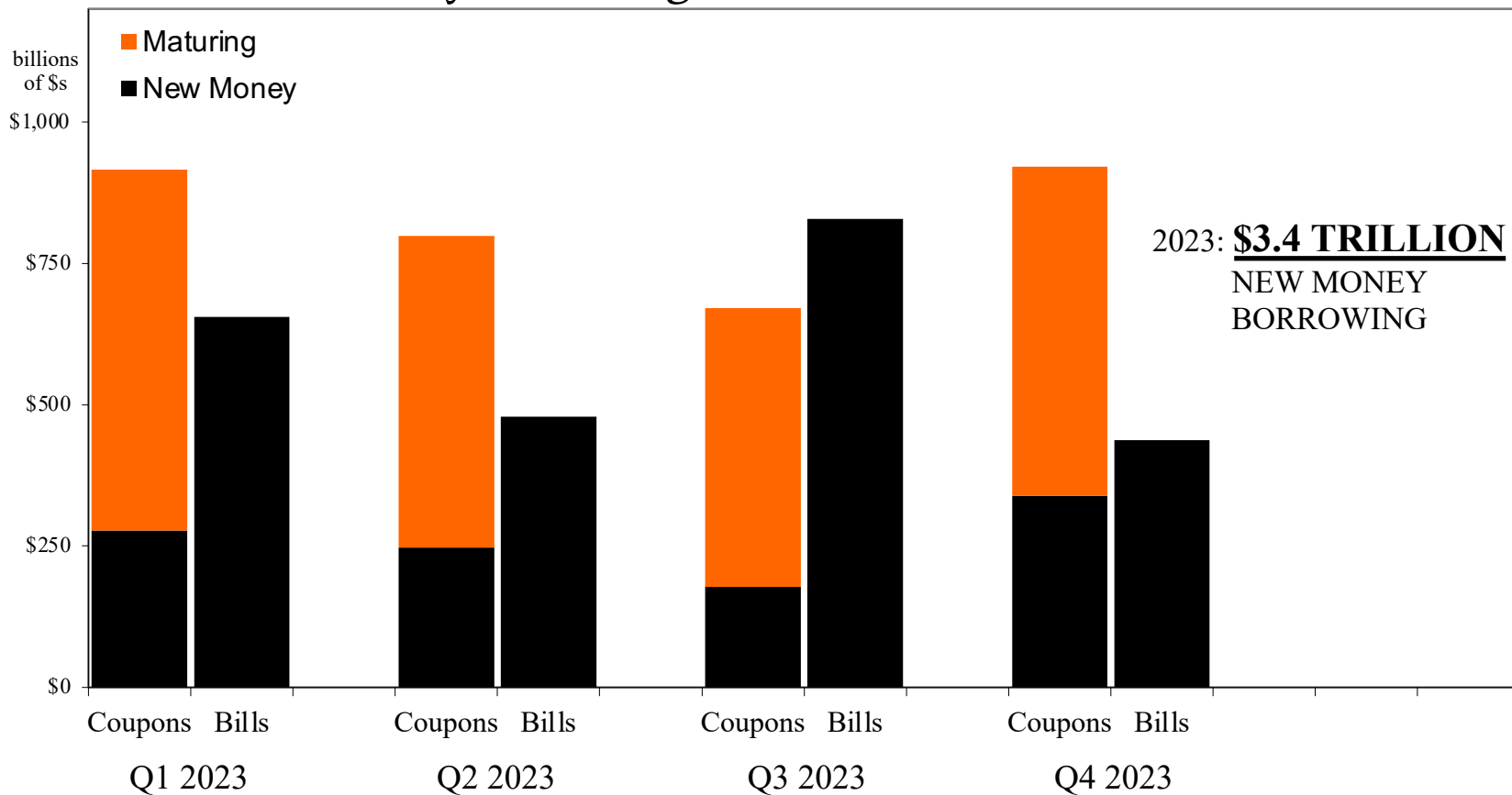


US Federal Debt – Total Public Debt



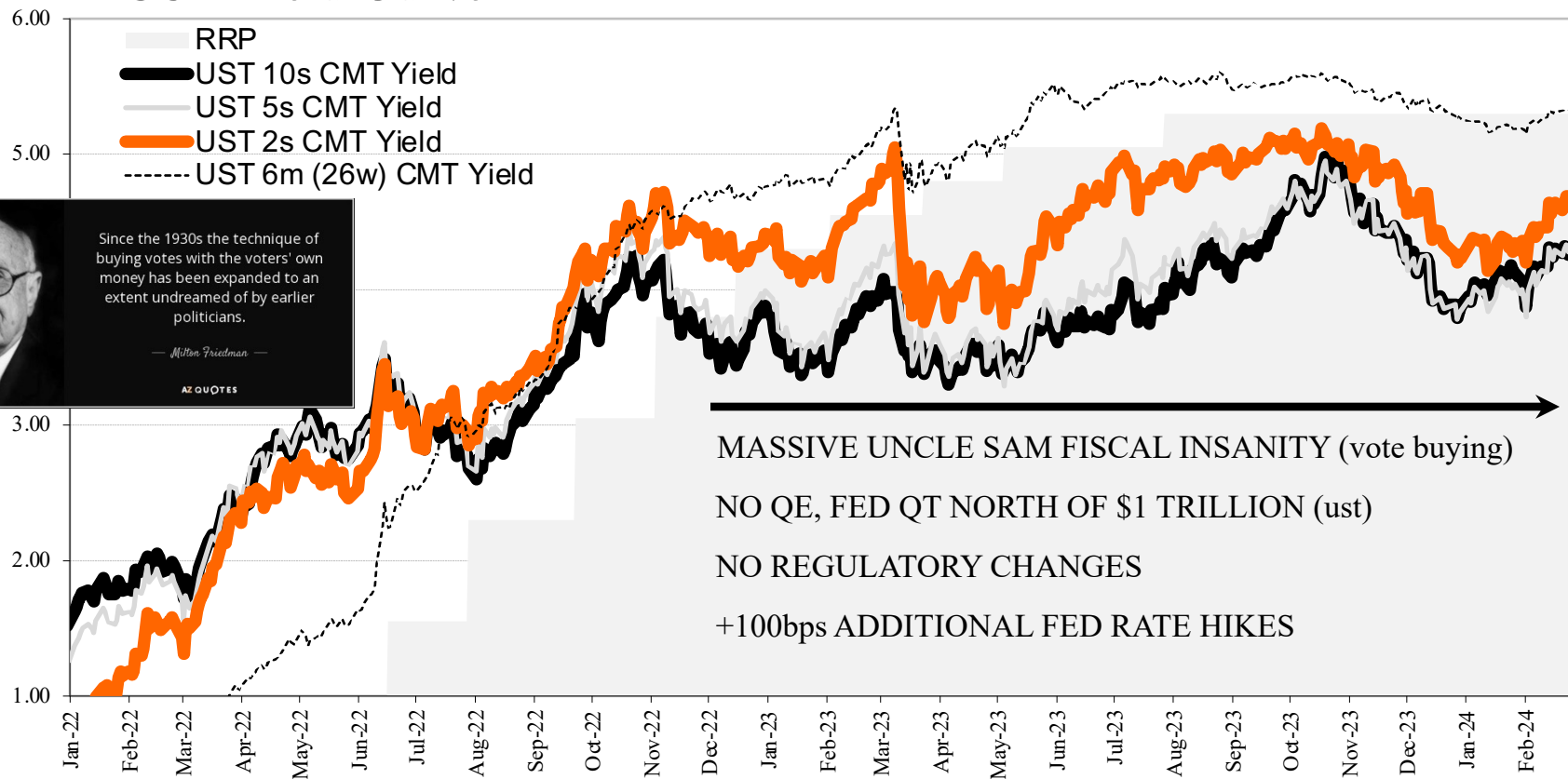


TBAC – Treasury Financing Schedules



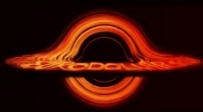


UST Yield Curve

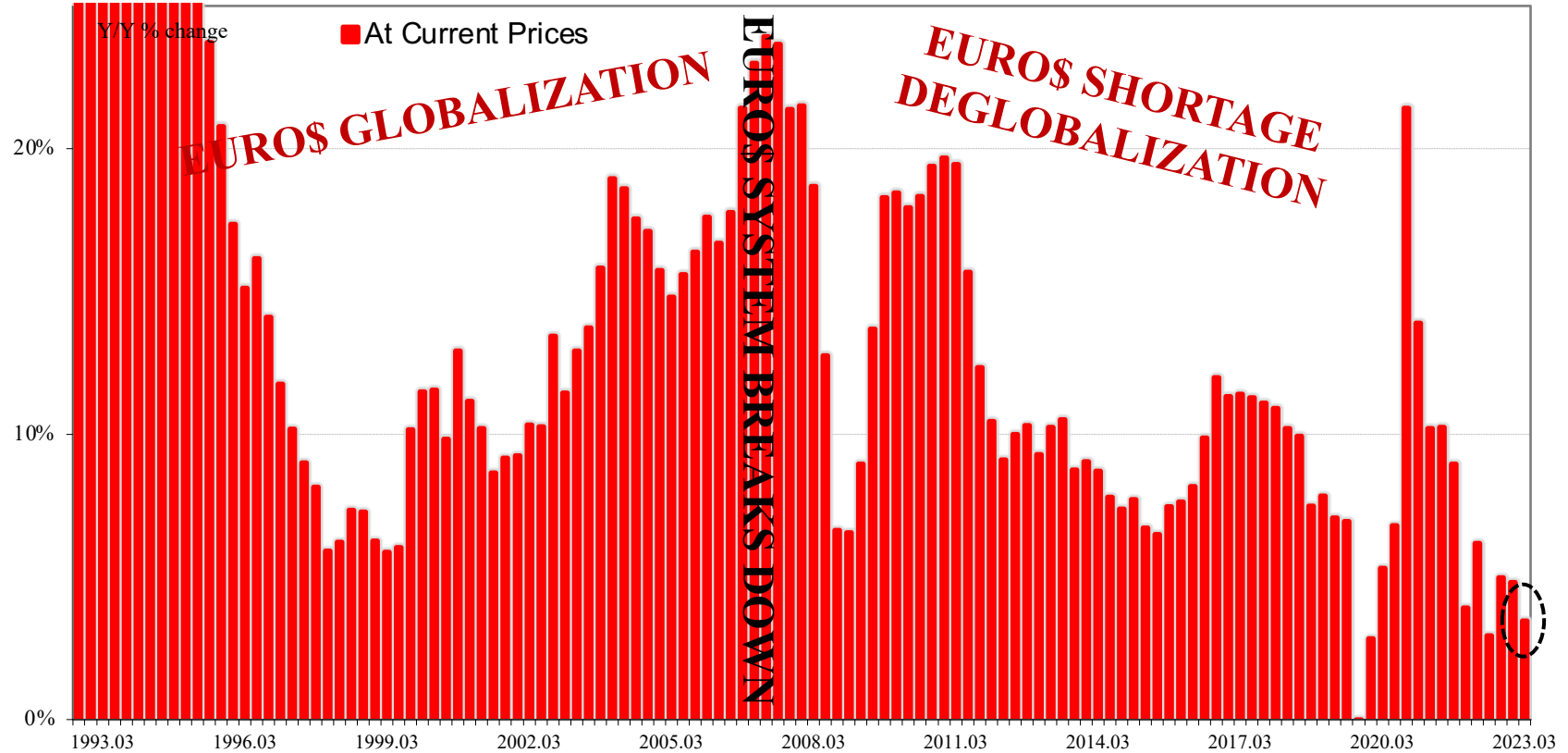


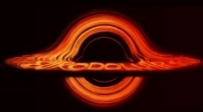


China Economy

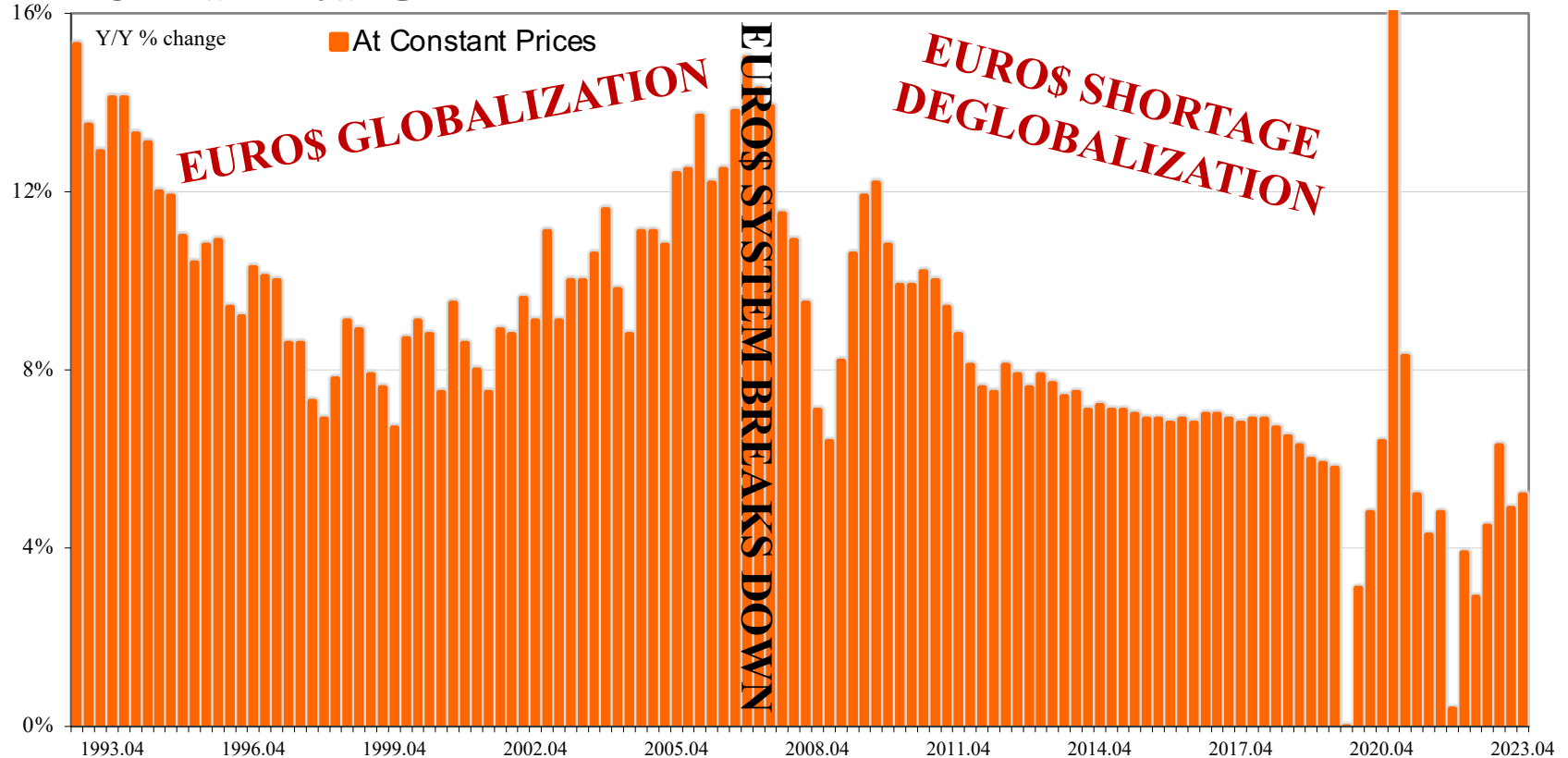


China – Nominal GDP



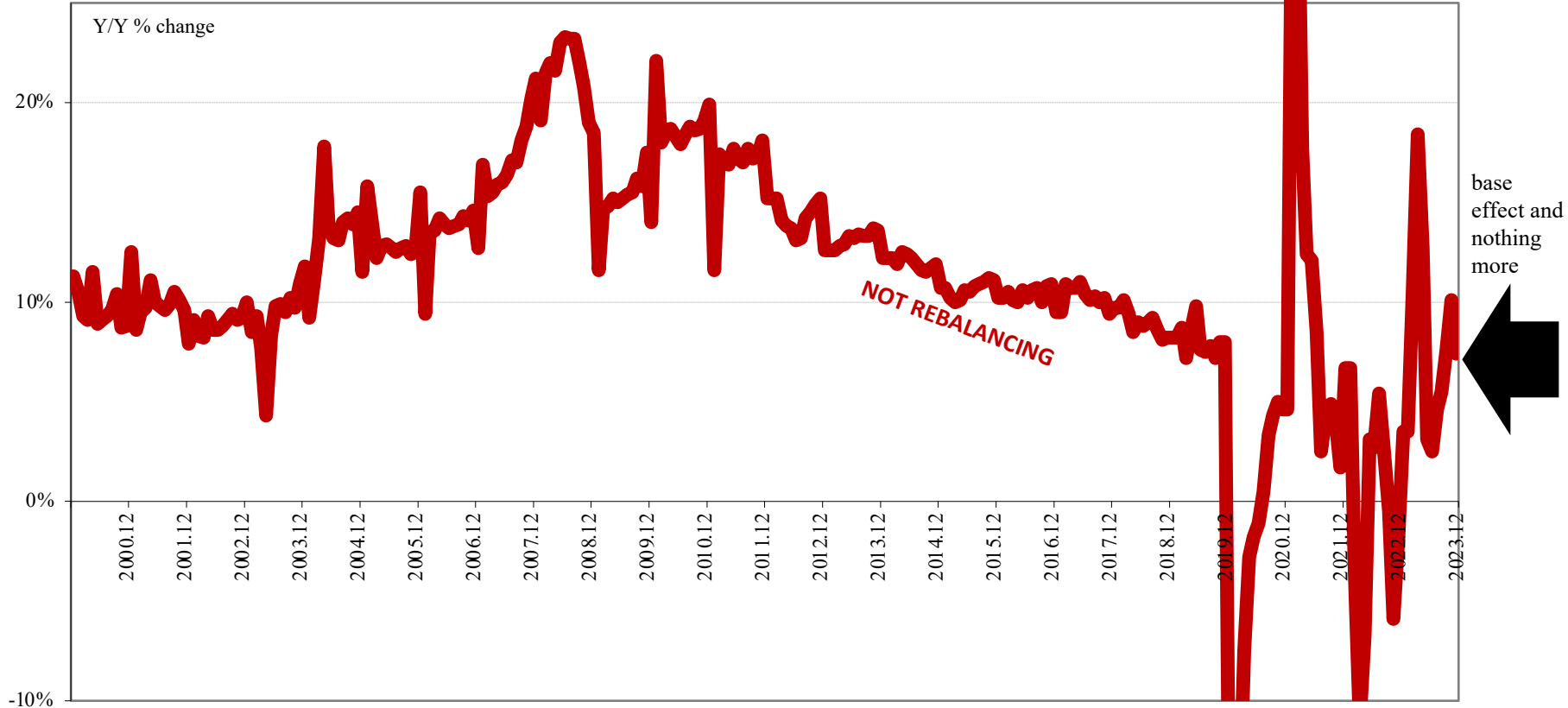


China – Real GDP



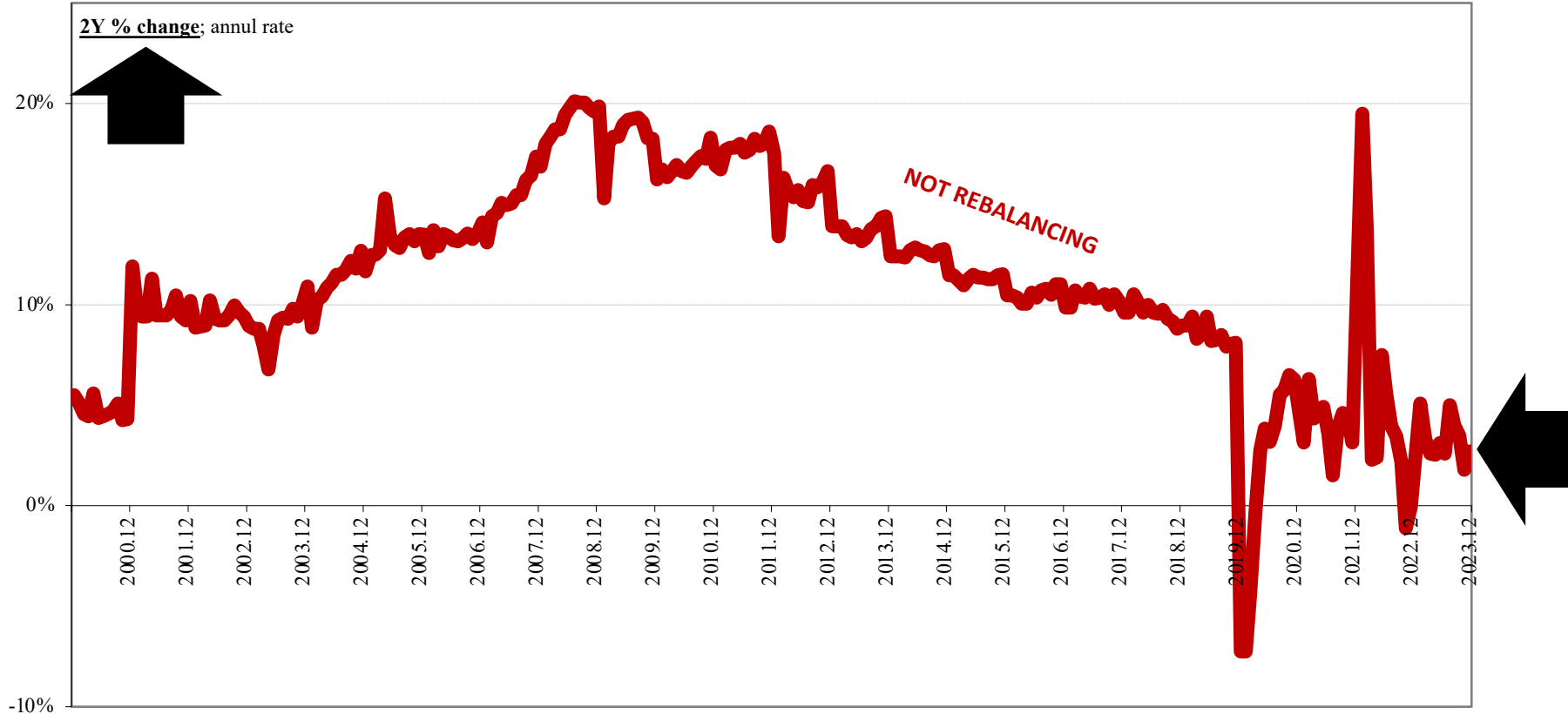


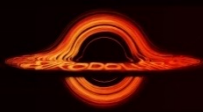
China - Retail Sales



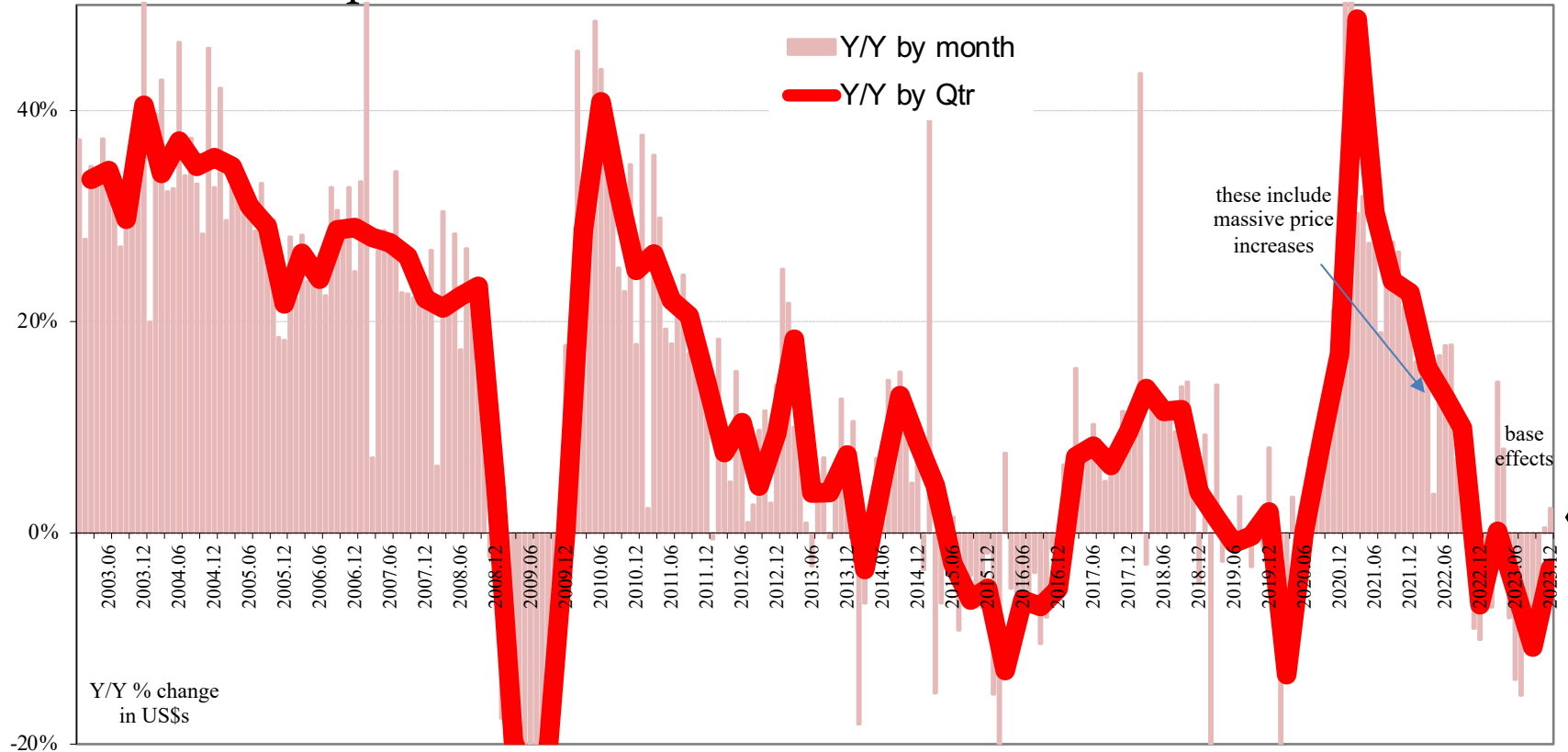


China - Retail Sales



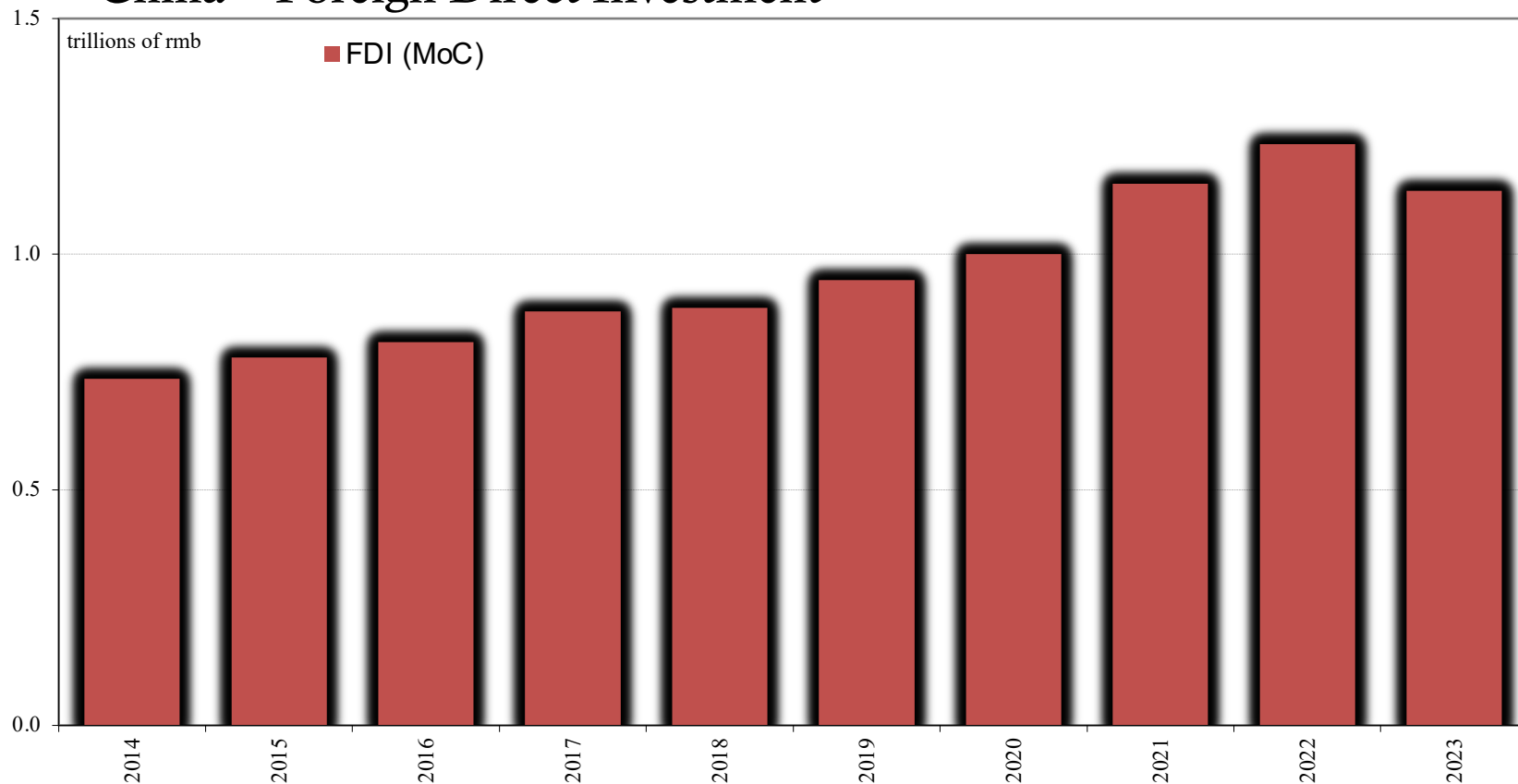


China - Exports





China – Foreign Direct Investment

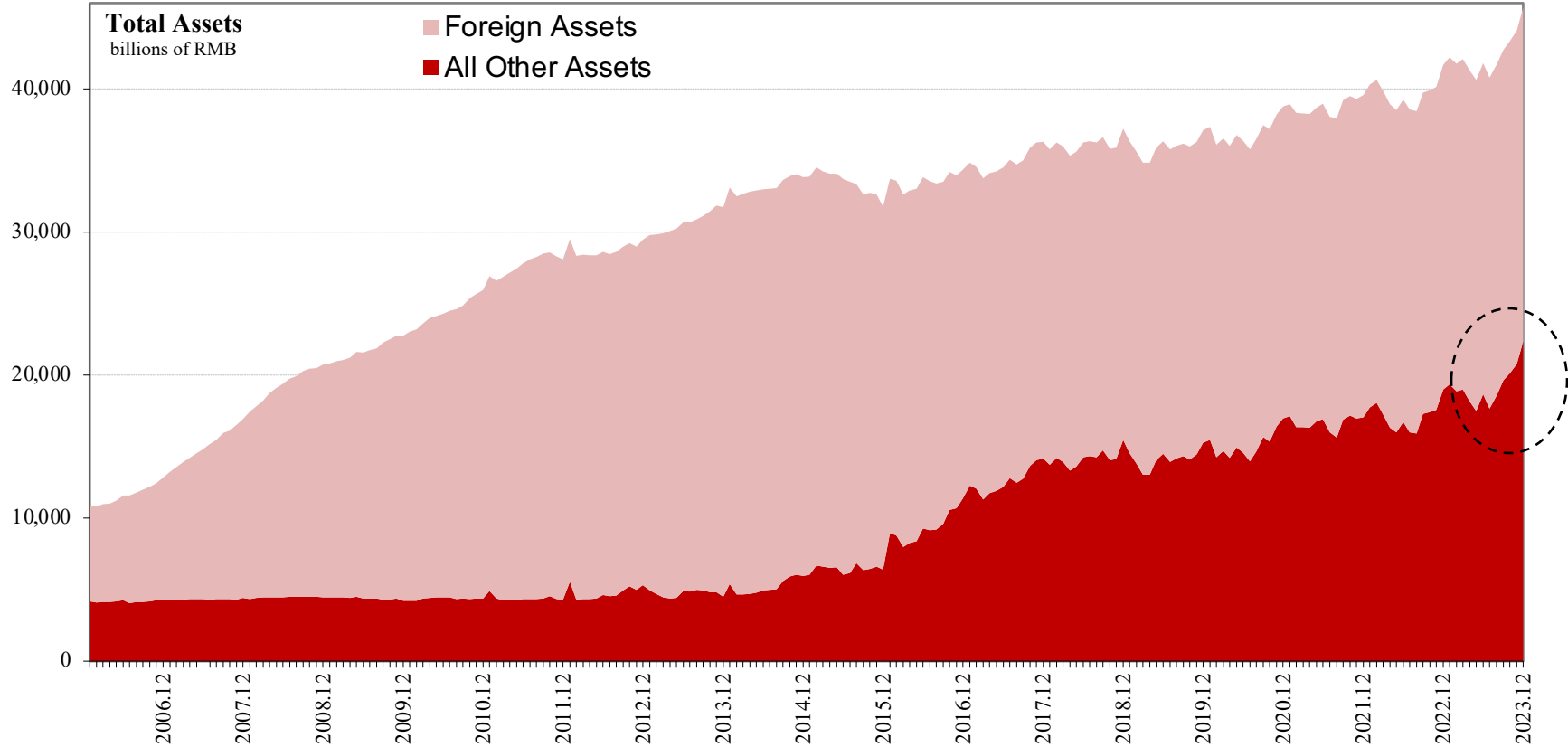




China Risk

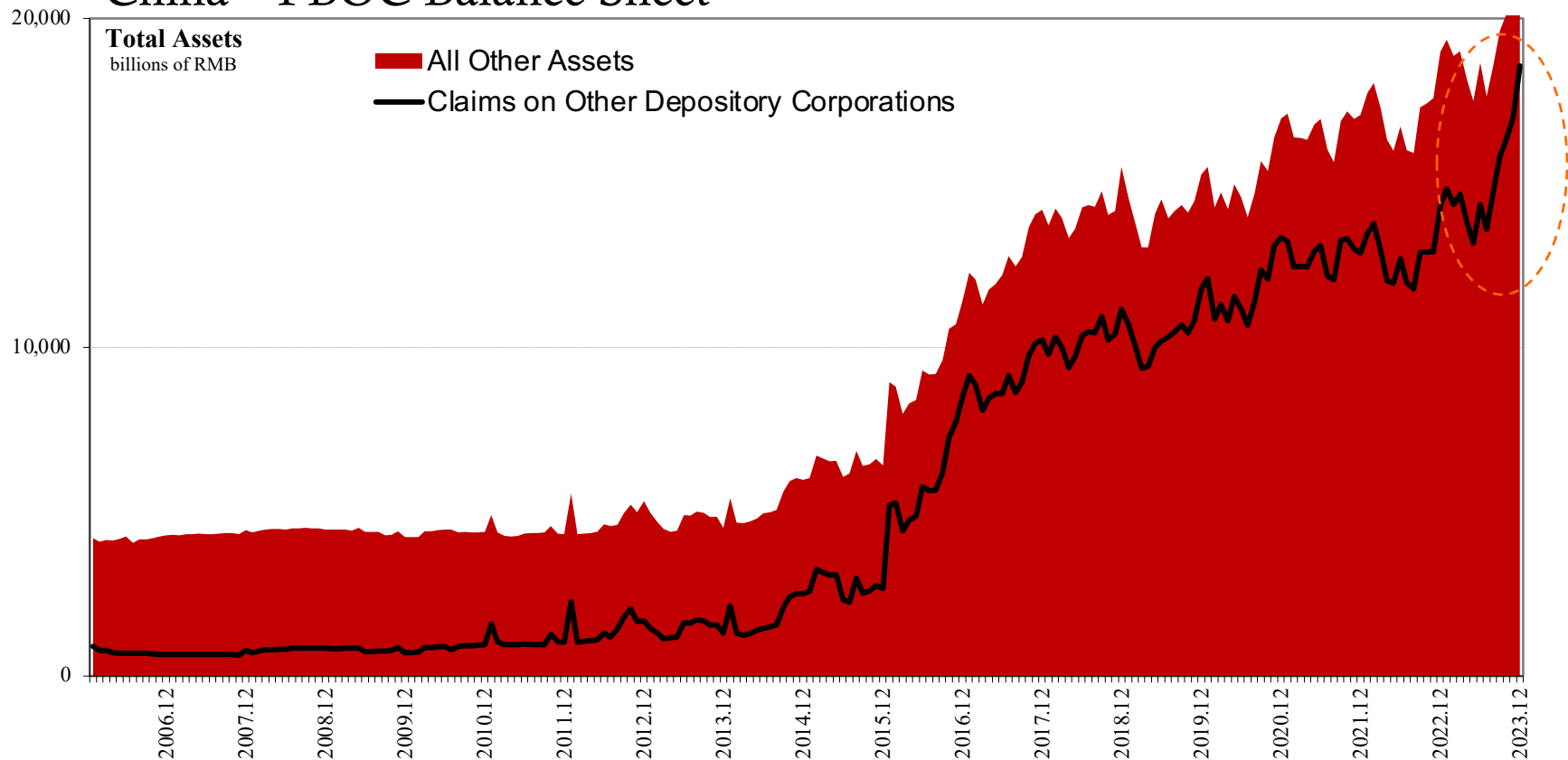


China – PBOC Balance Sheet



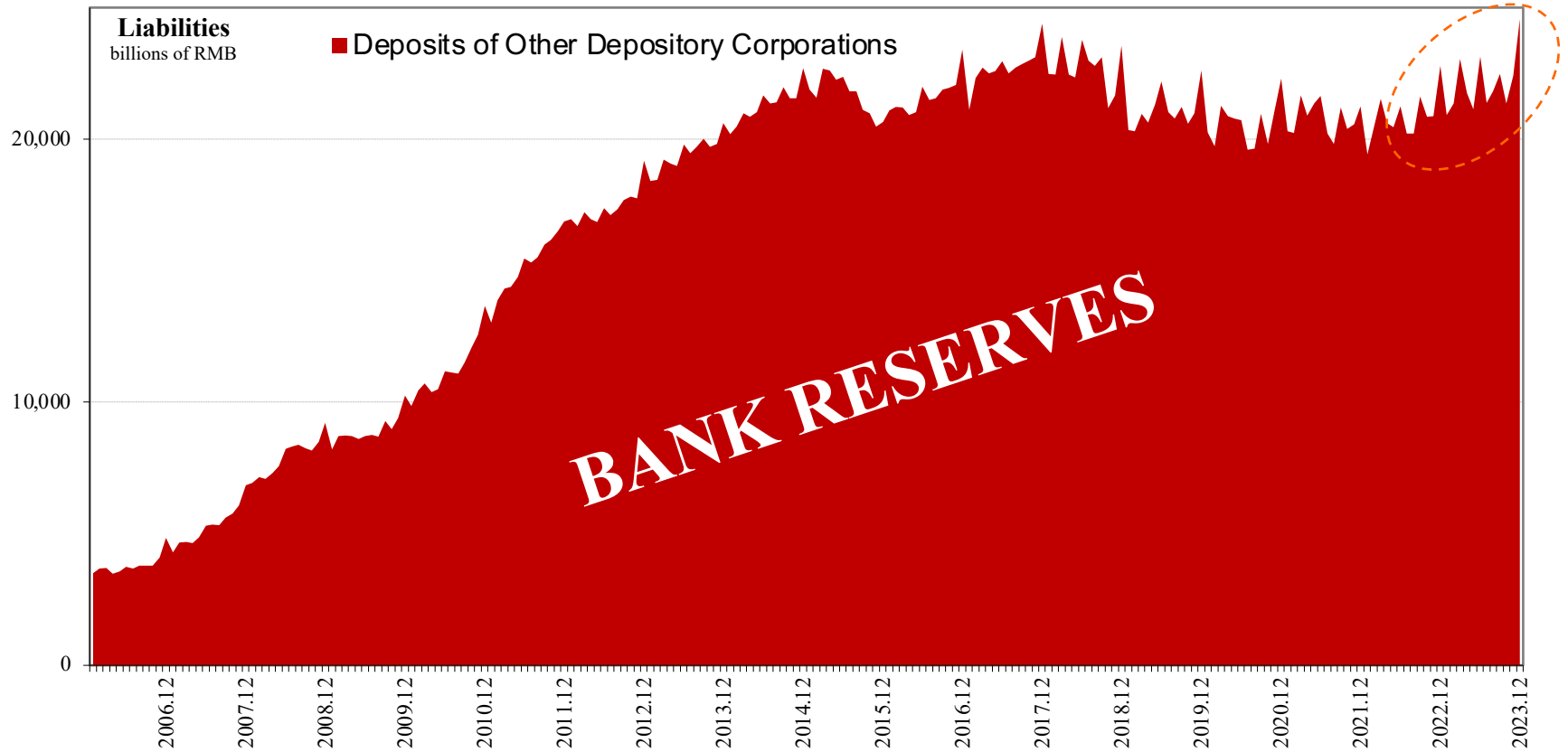


China – PBOC Balance Sheet



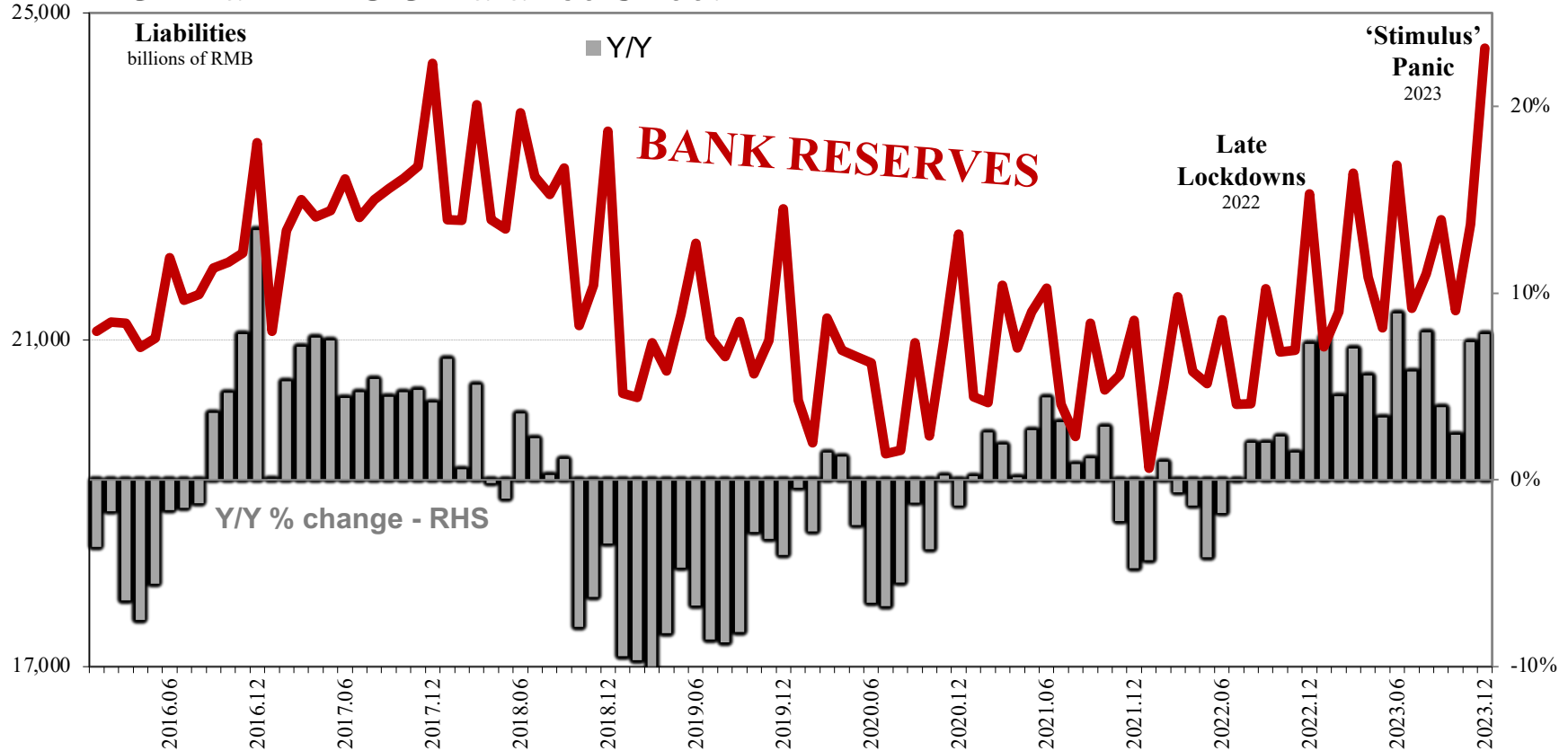


China – PBOC Balance Sheet



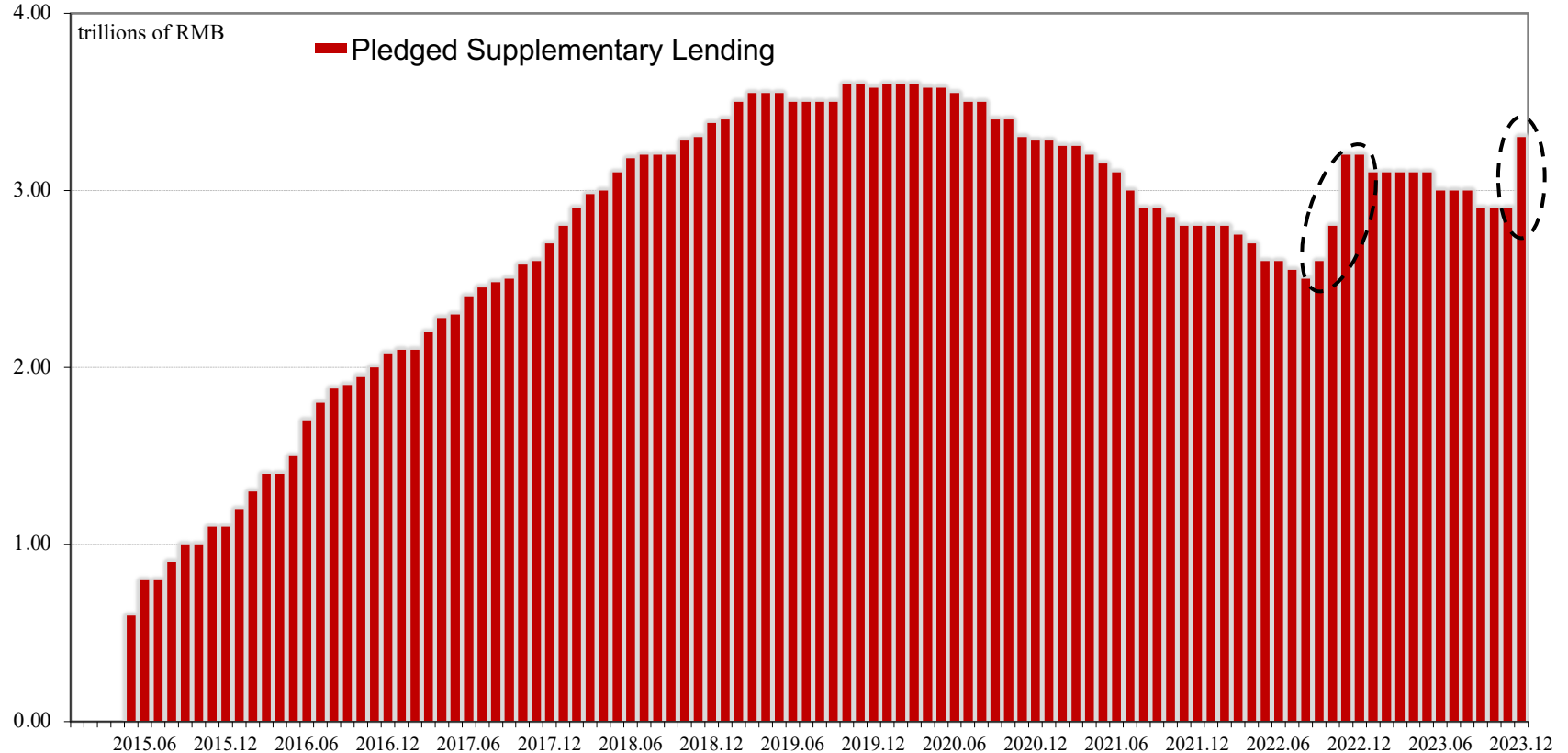


China – PBOC Balance Sheet



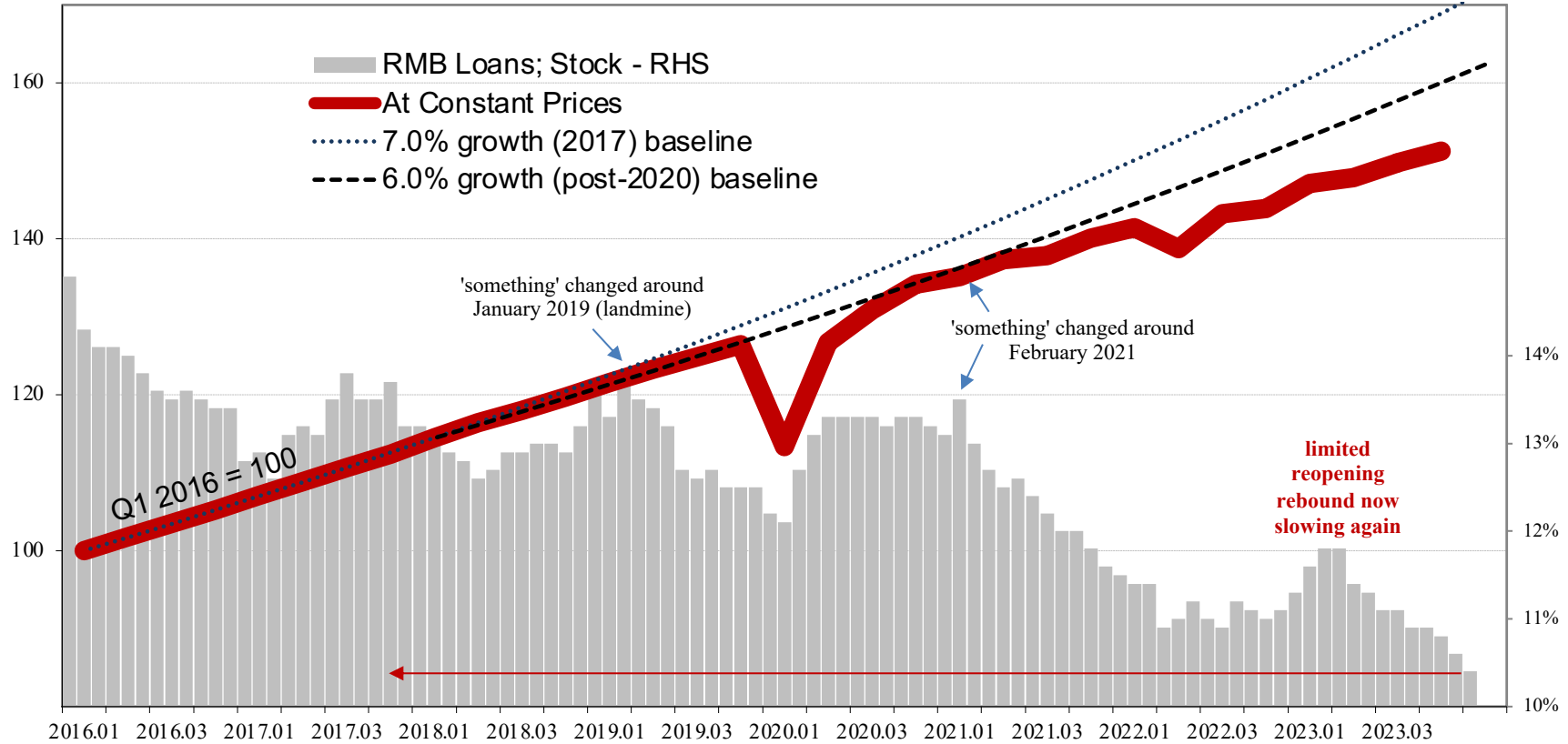


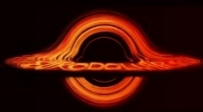
China - PBOC PSL



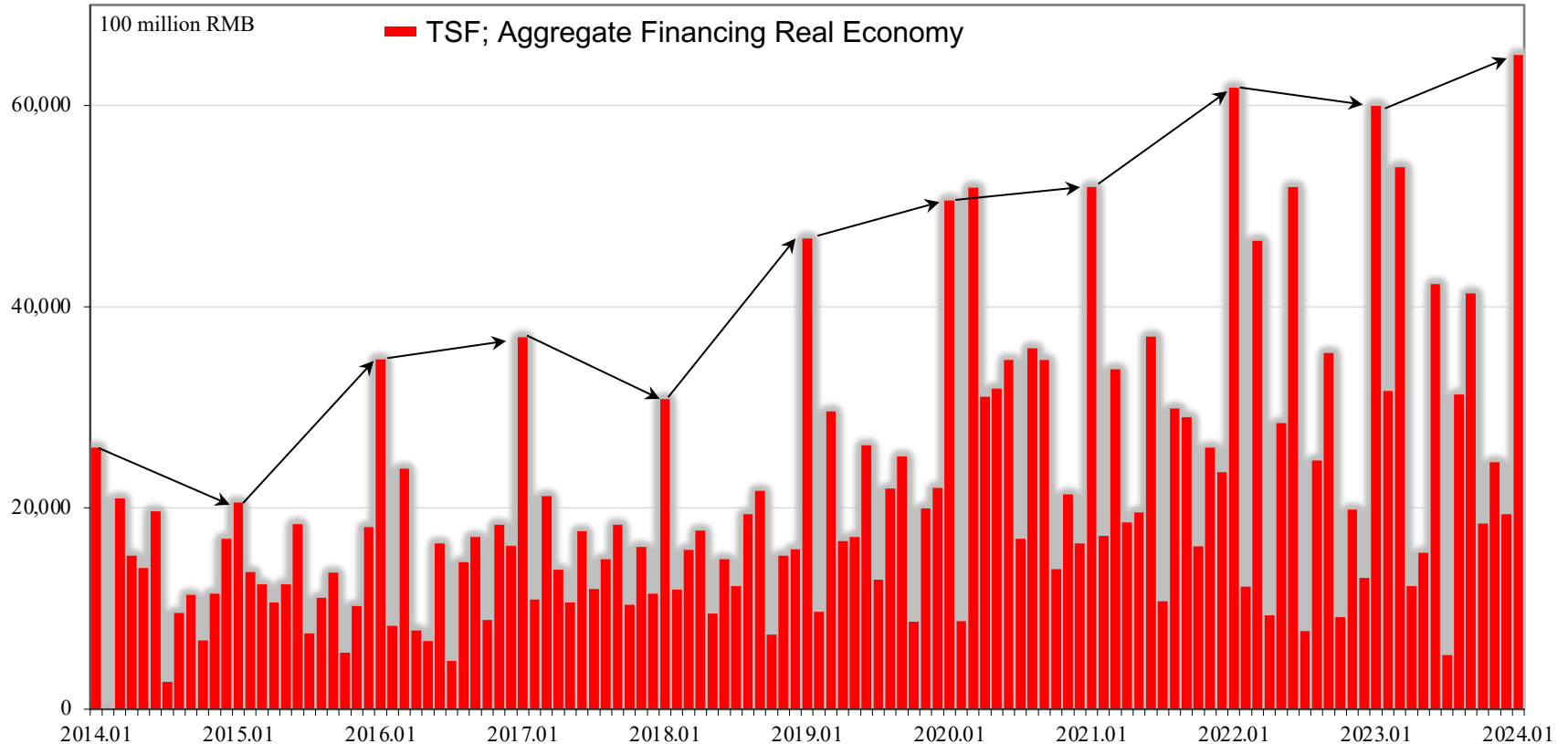


China - Real GDP



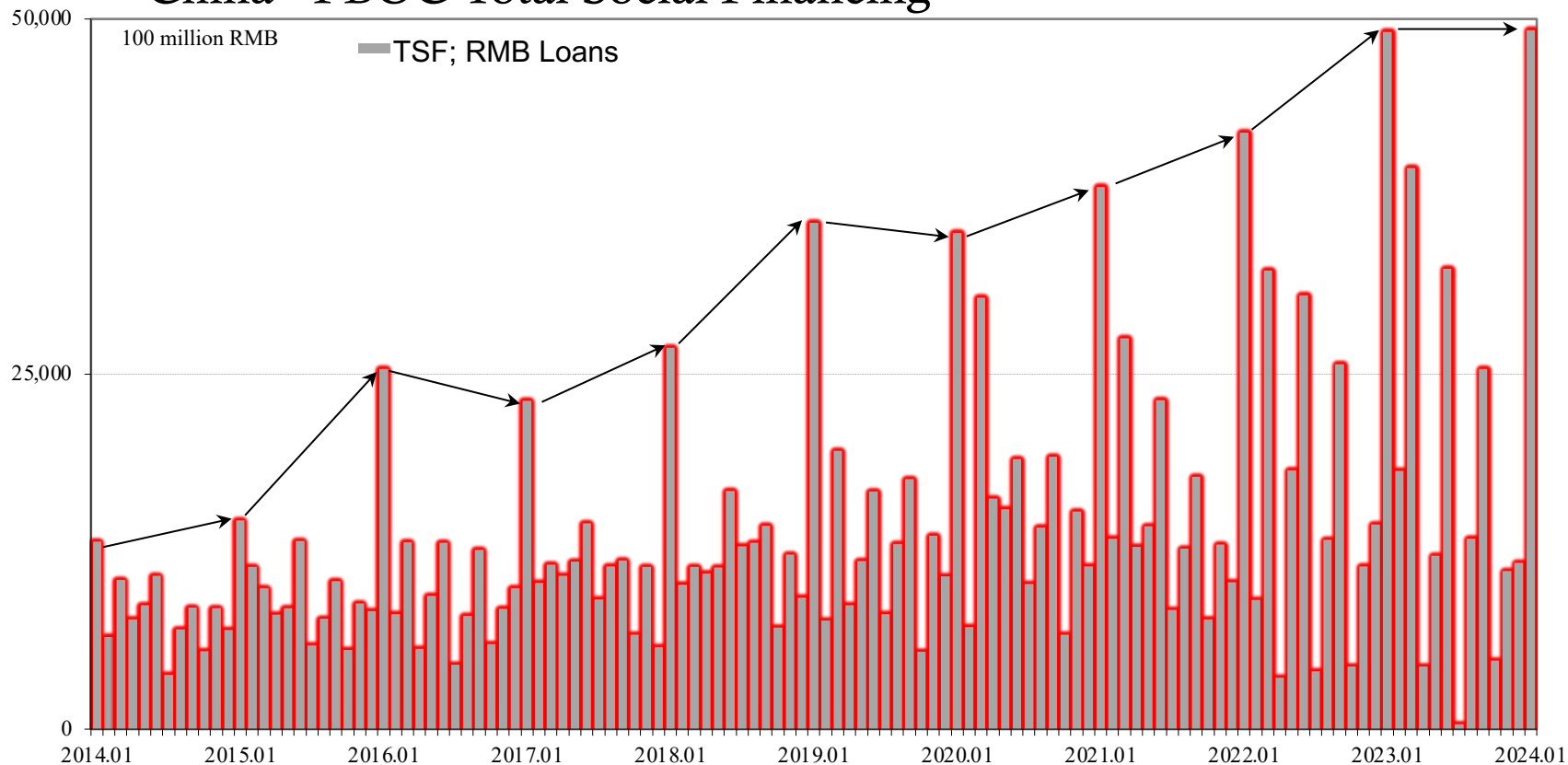


China - PBOC Total Social Financing



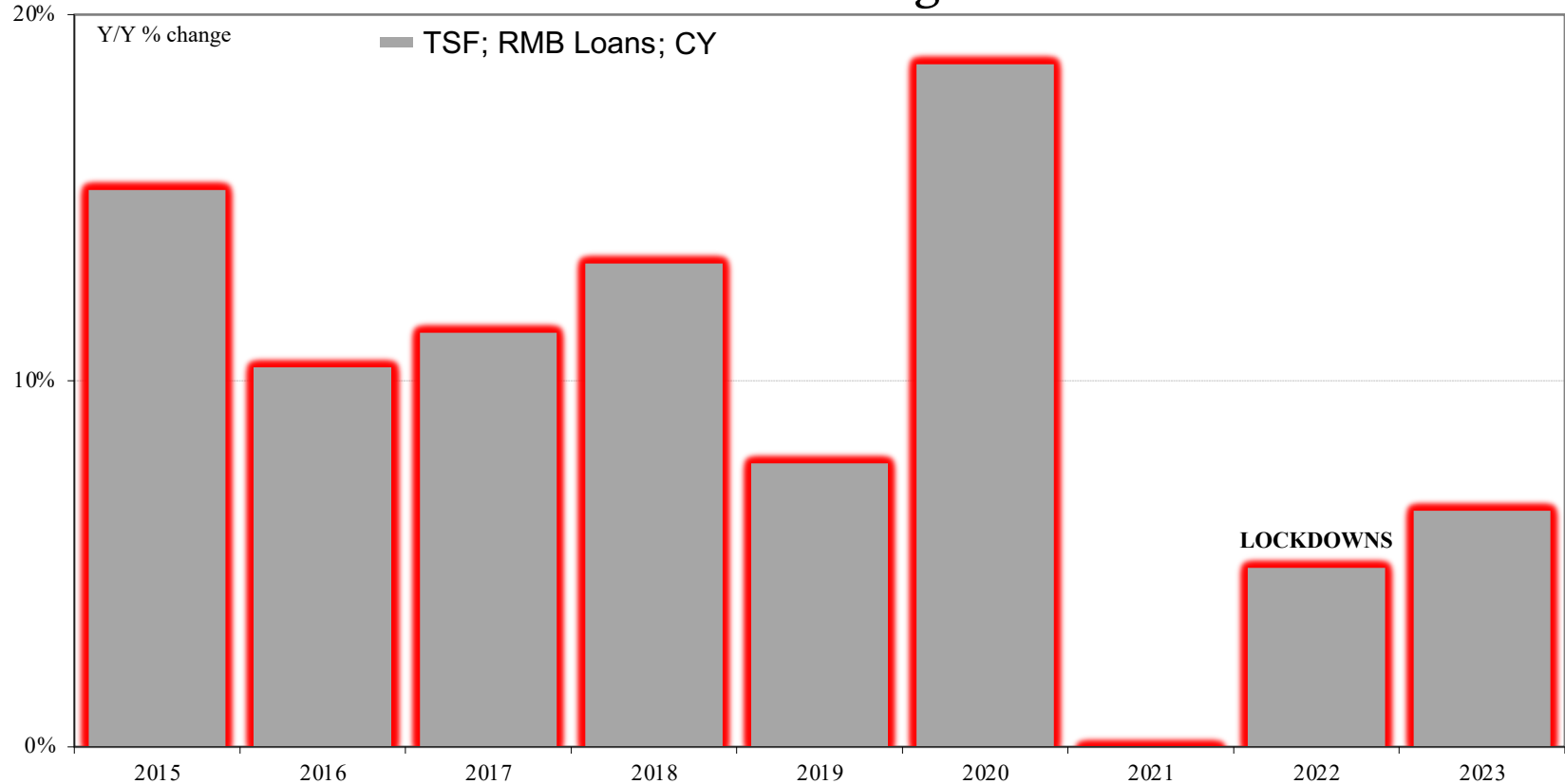


China - PBOC Total Social Financing



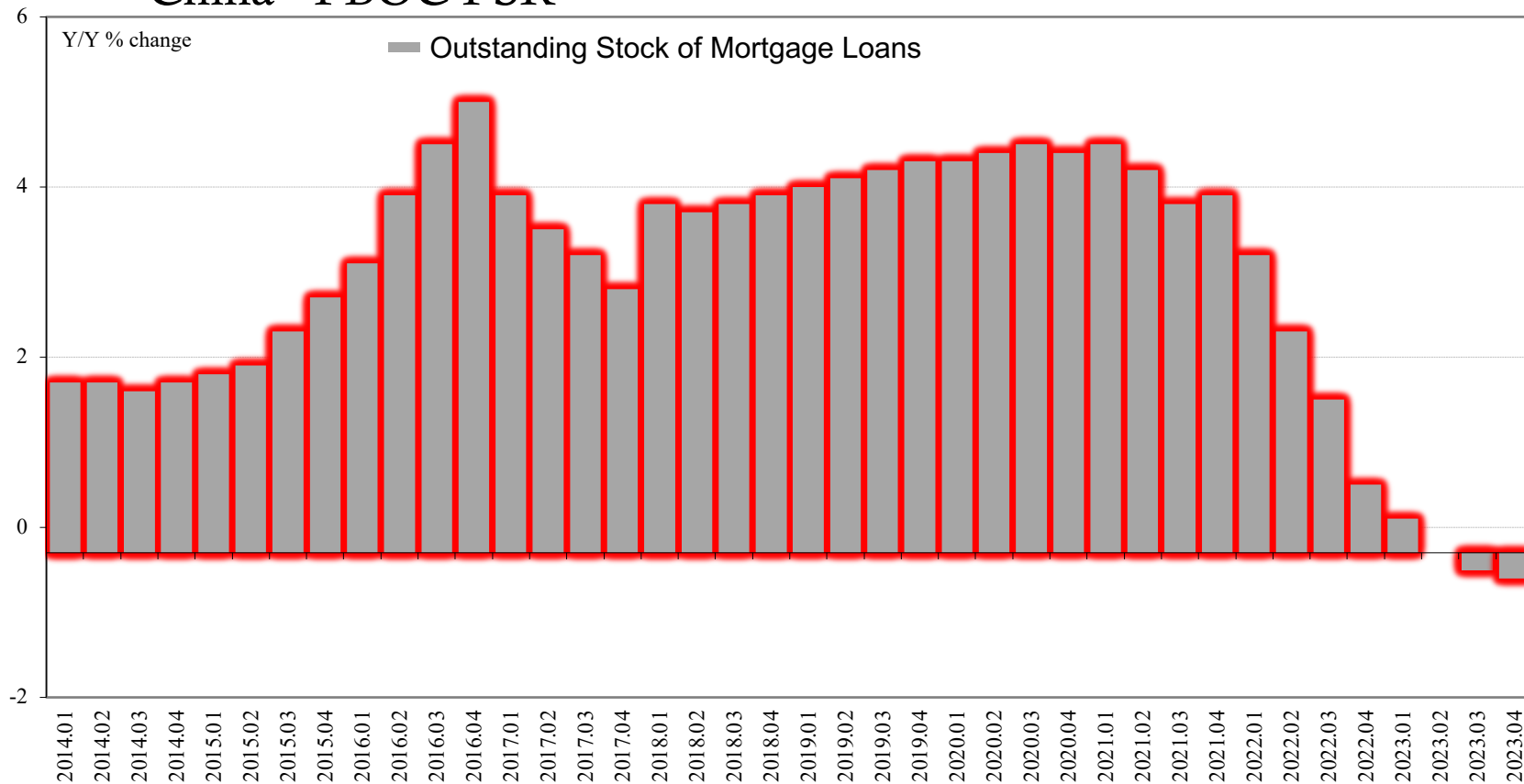


China - PBOC Total Social Financing



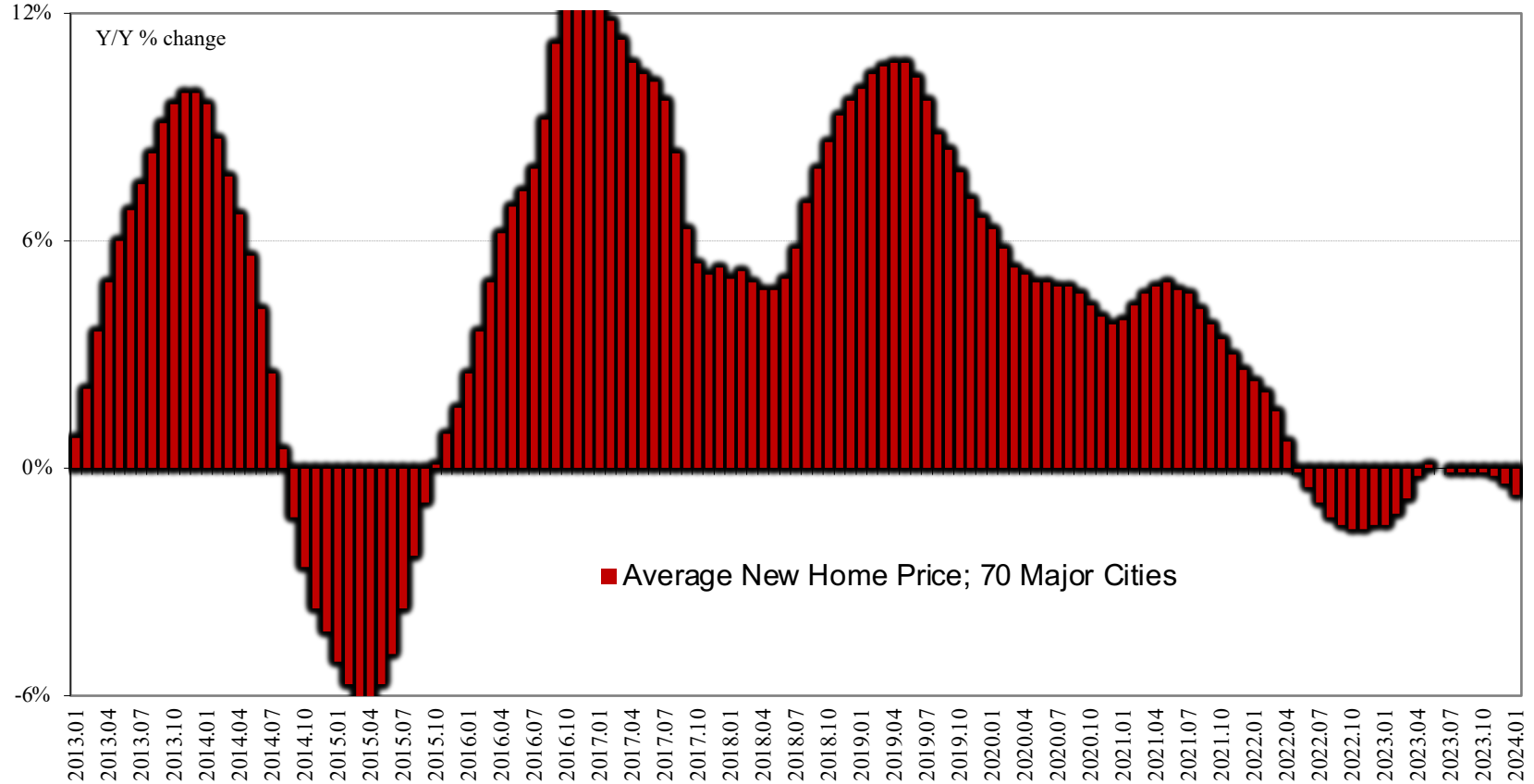


China - PBOC FSR



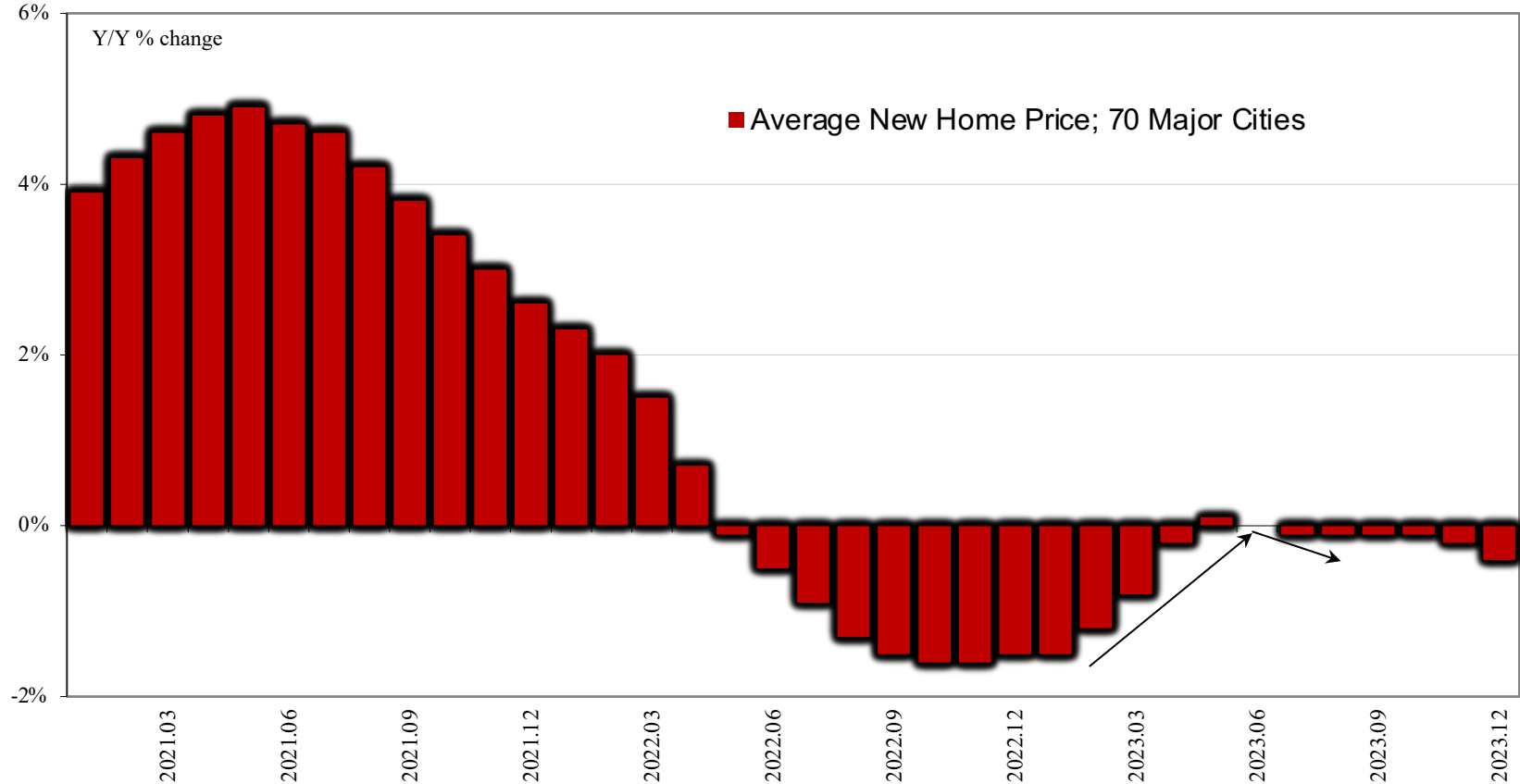


China - Home Price Index



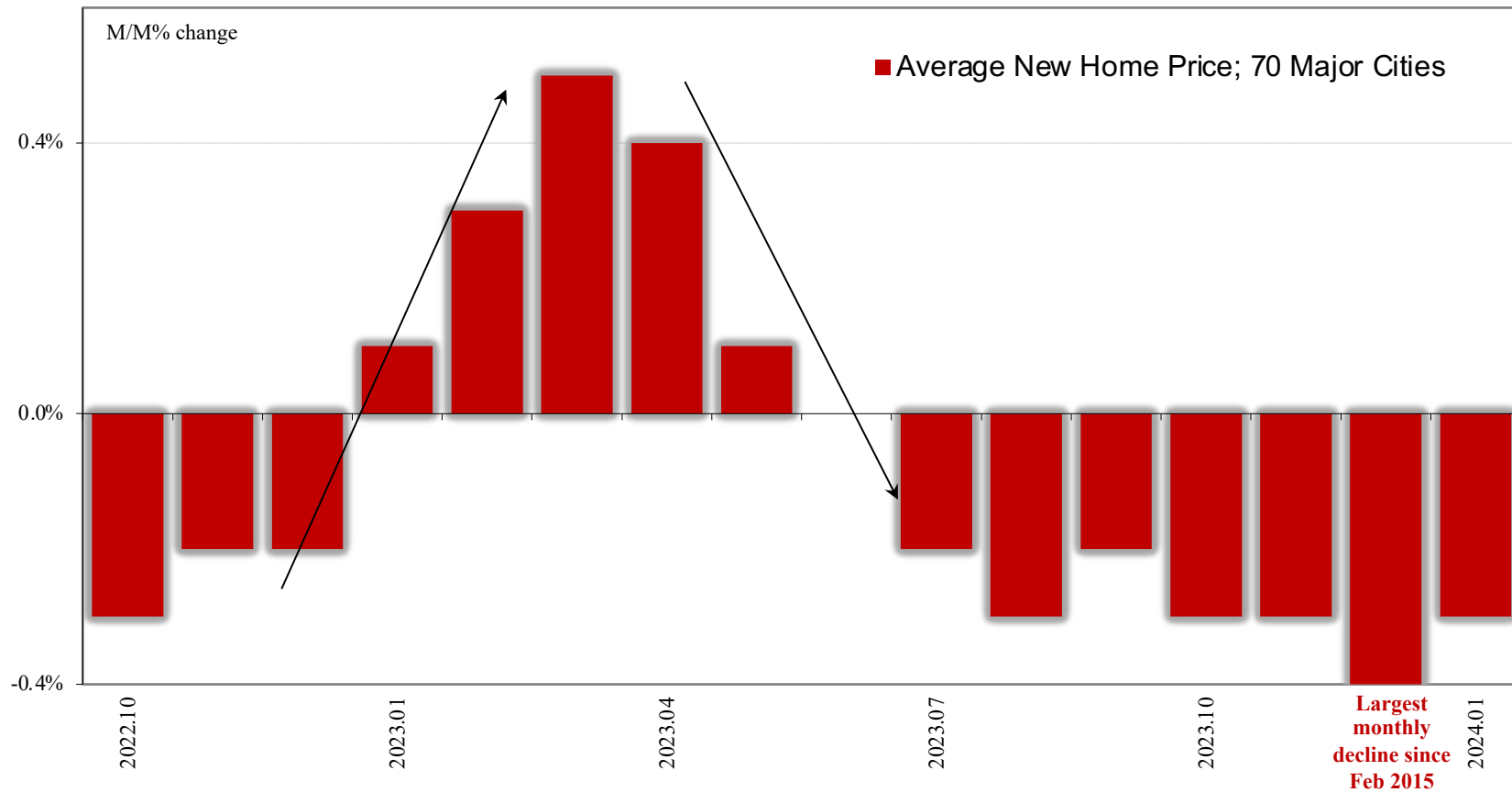


China - Home Price Index



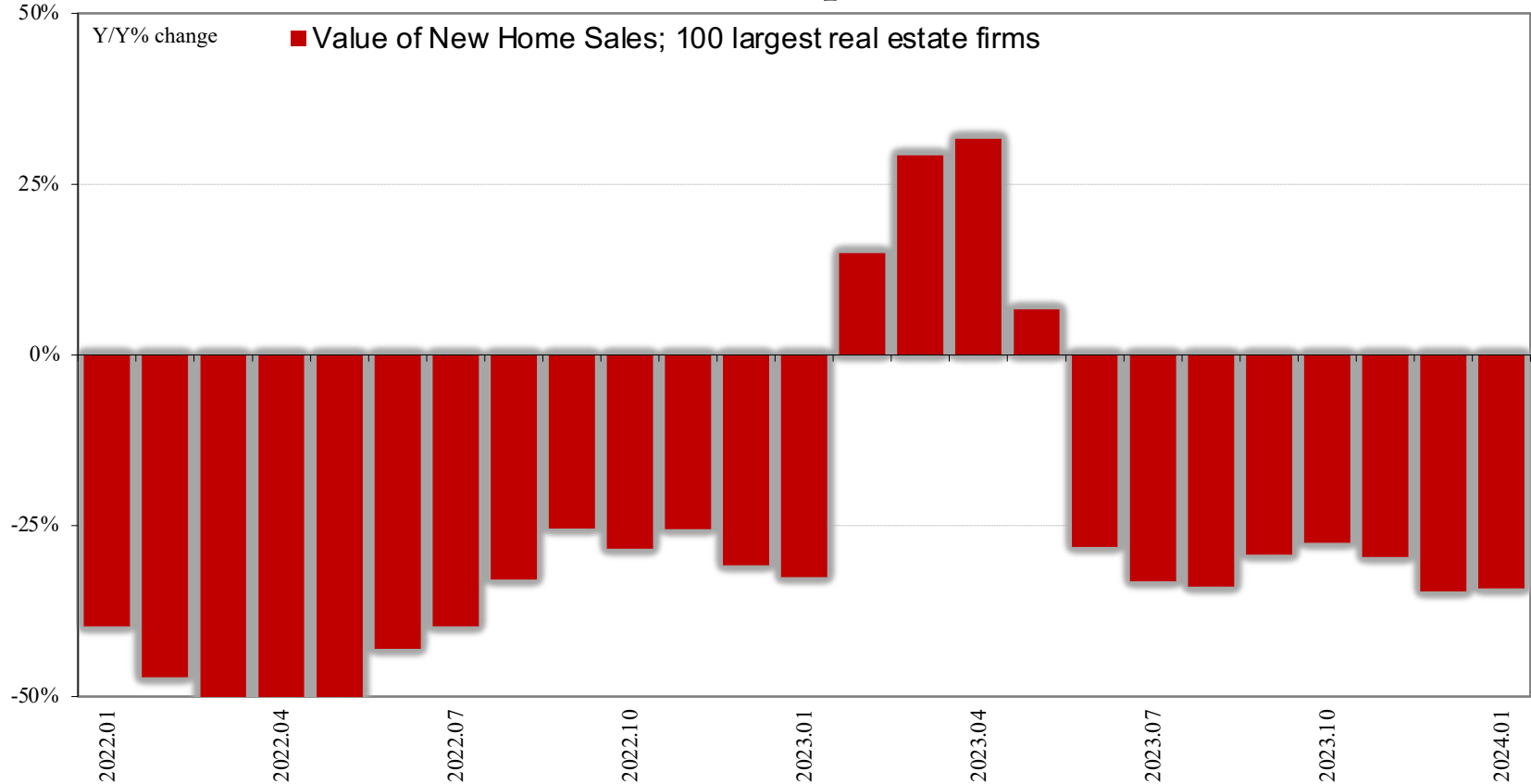


China - Home Price Index



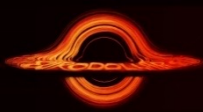


China Real Estate Information Corp

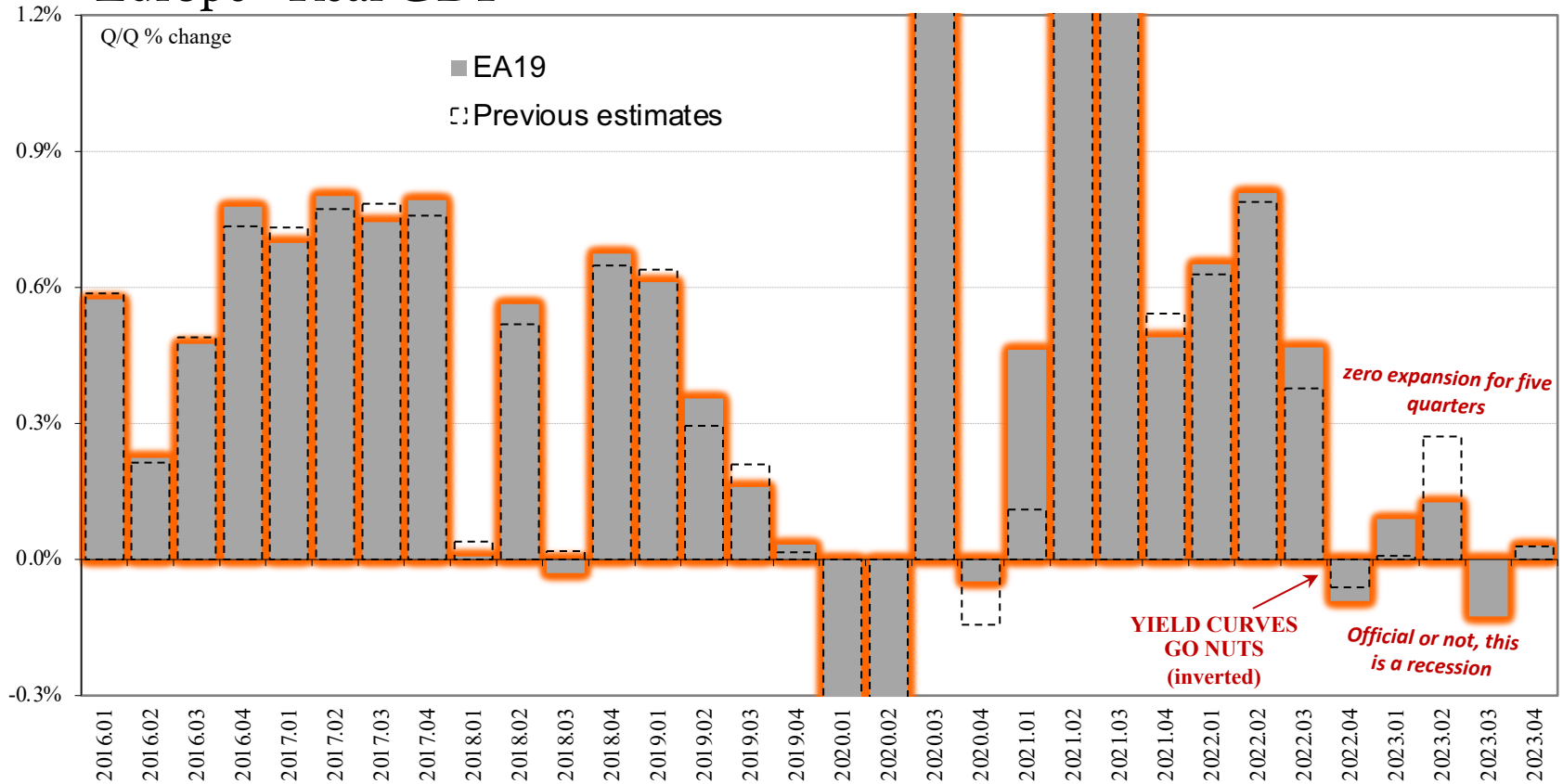




Europe Economy

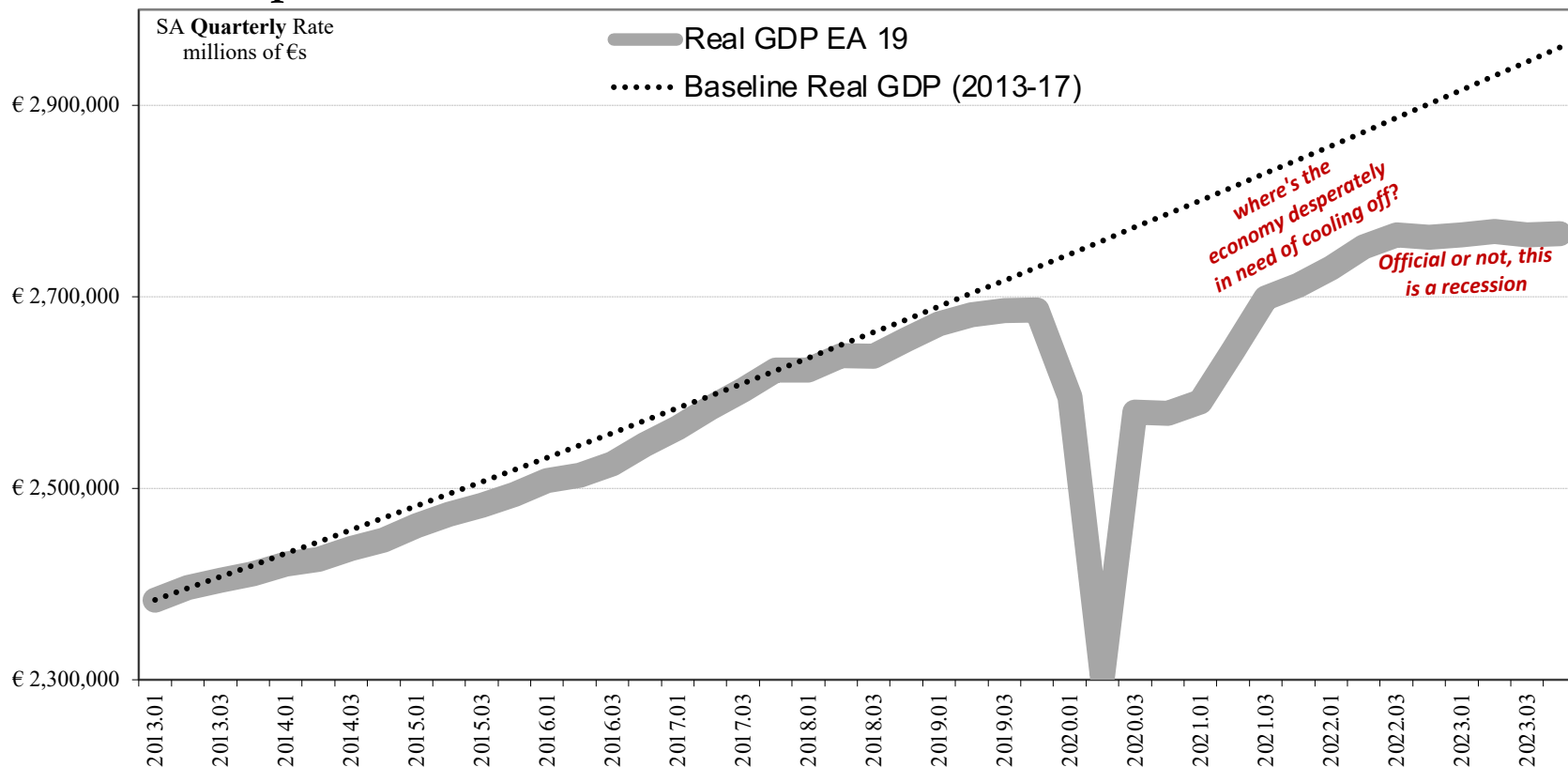


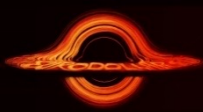
Europe - Real GDP



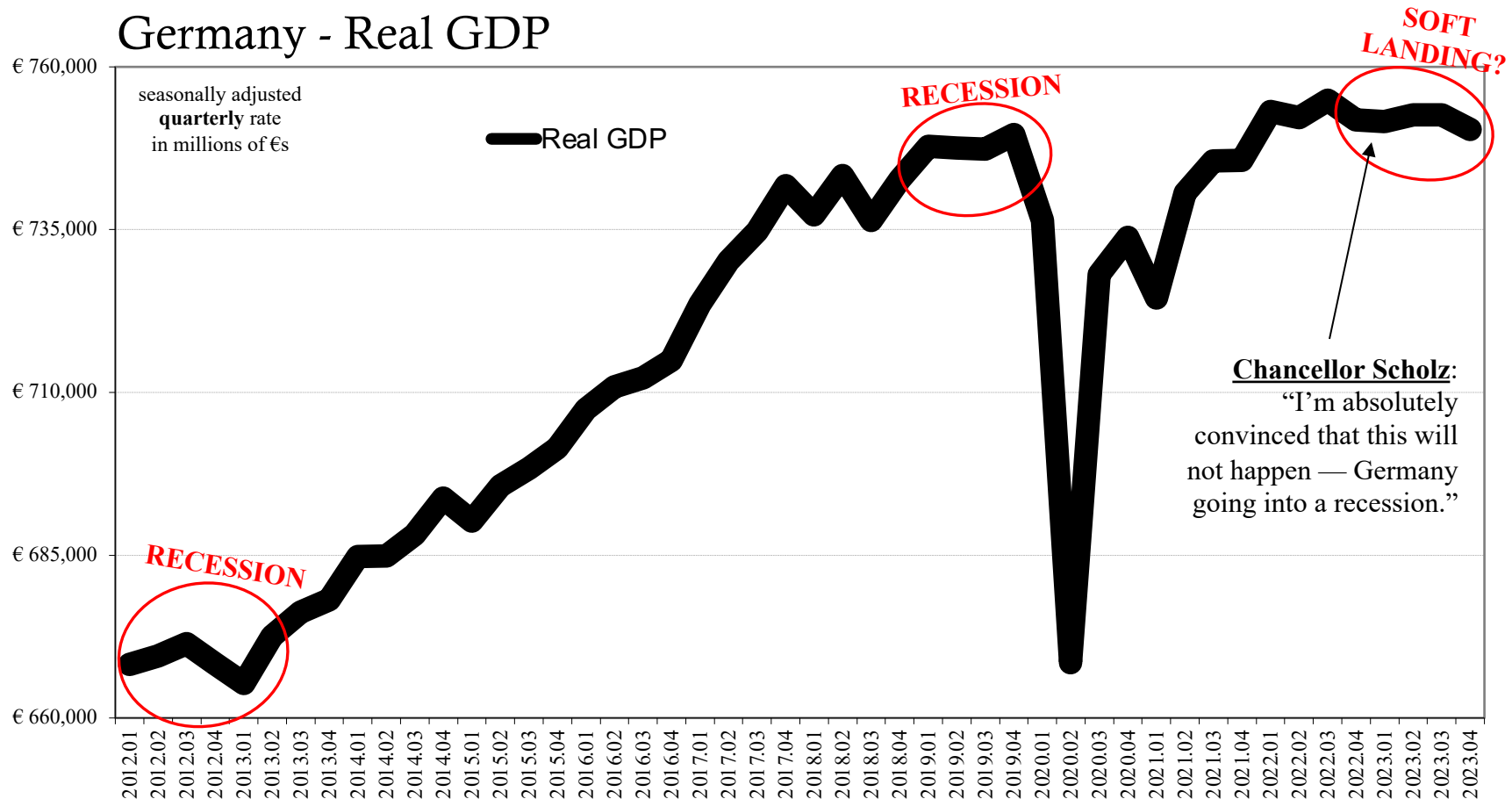


Europe - Real GDP



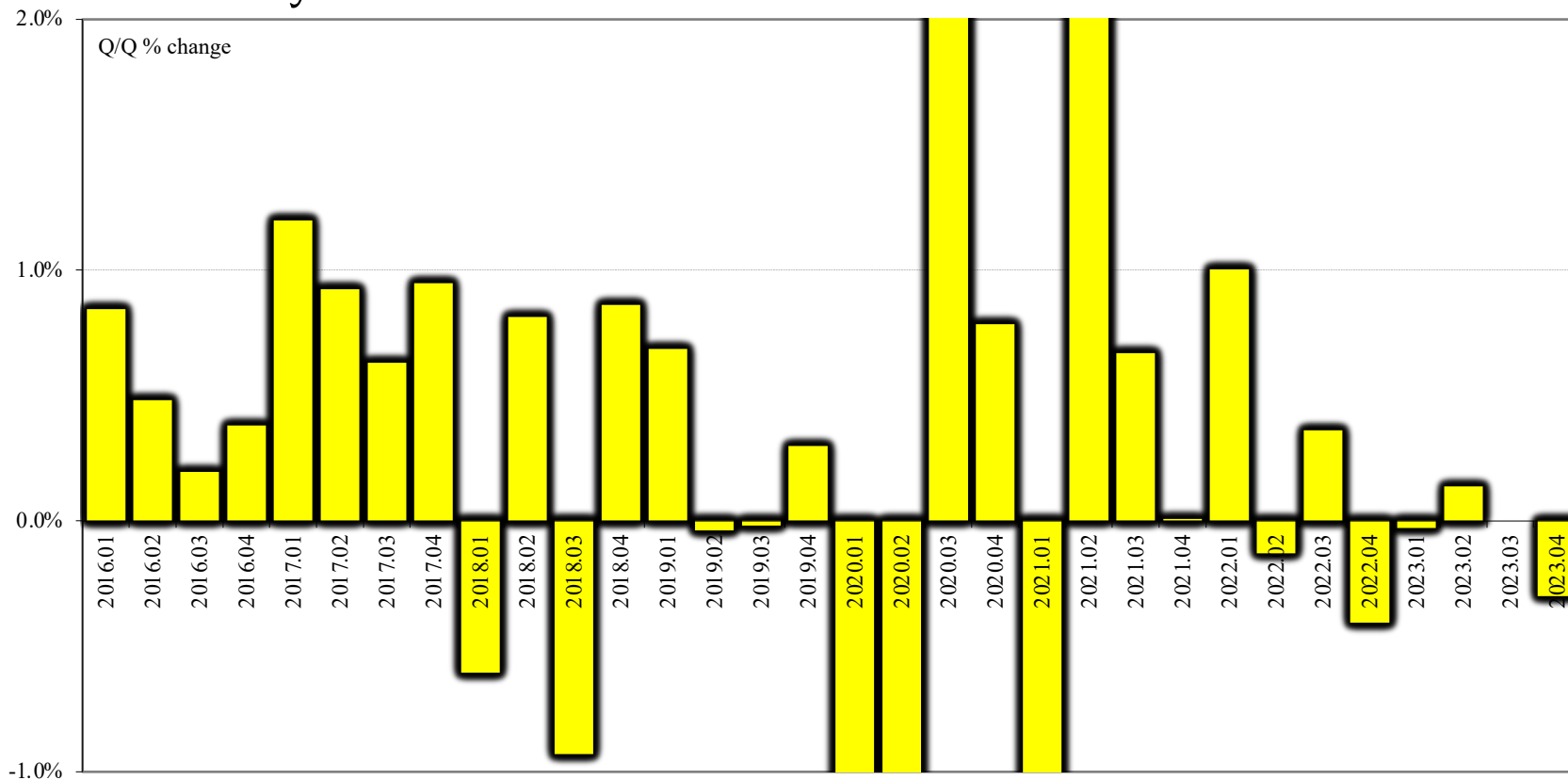


Germany - Real GDP



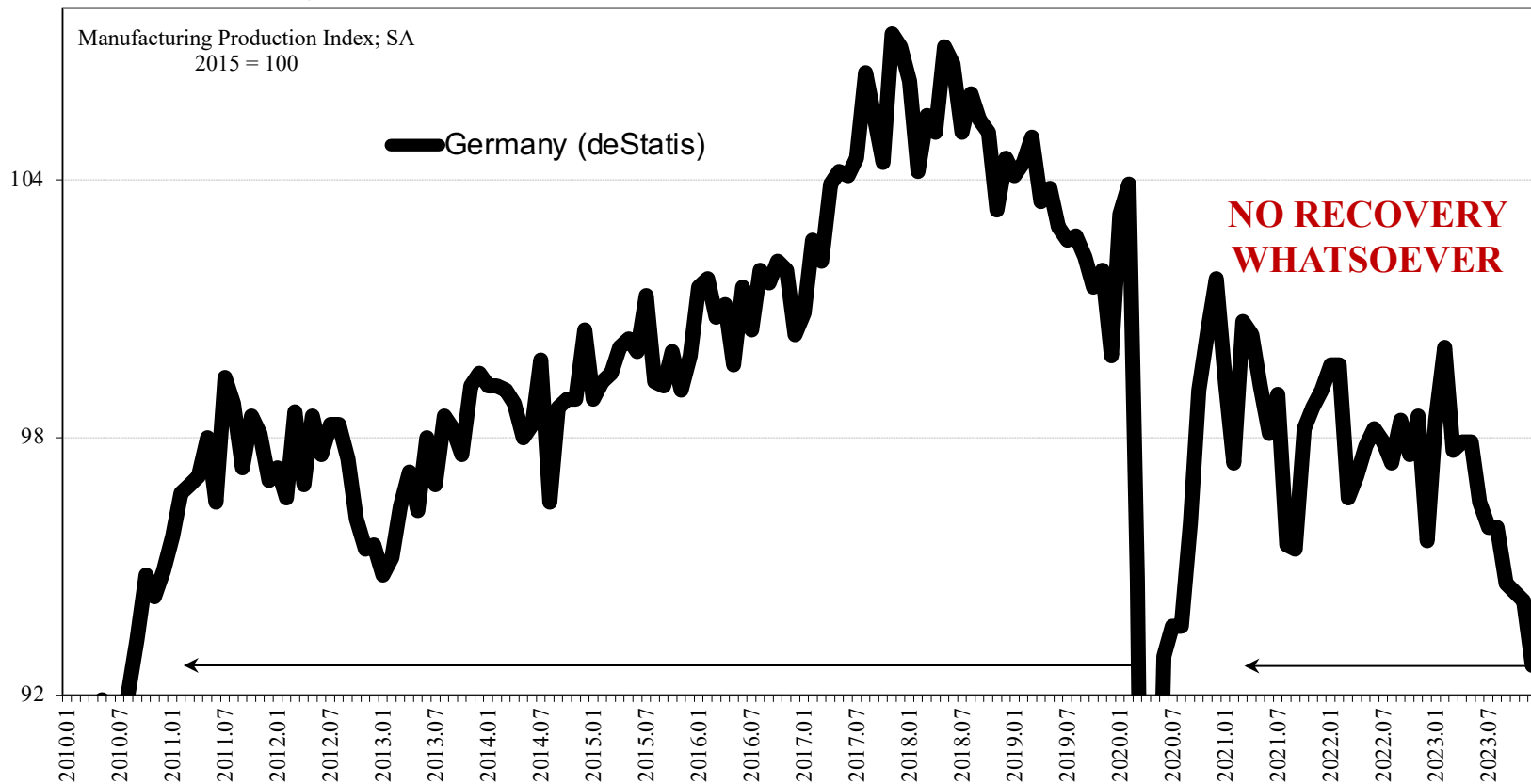


Germany - Real GDP





Germany - Industrial Production

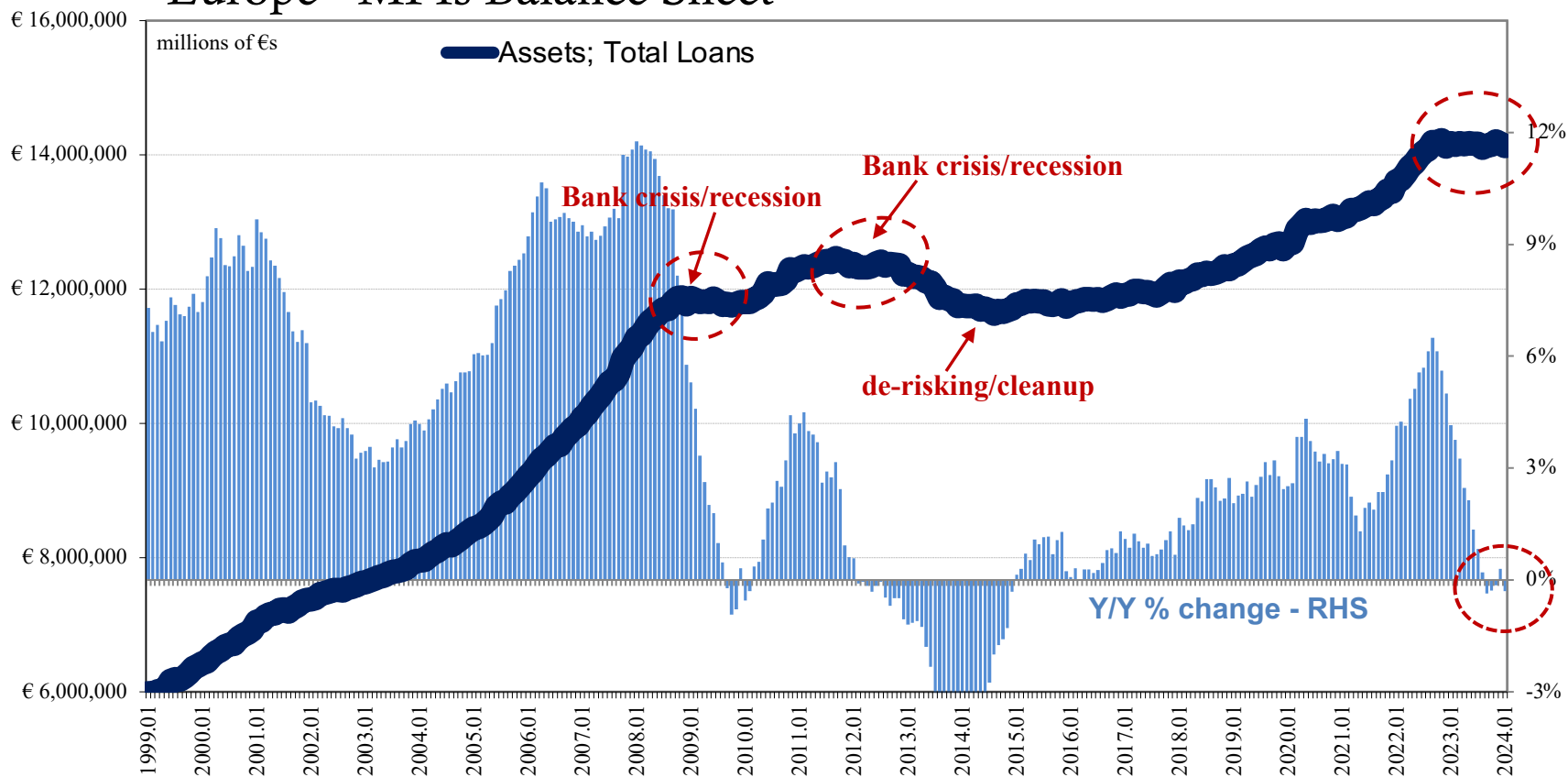




Europe Risk

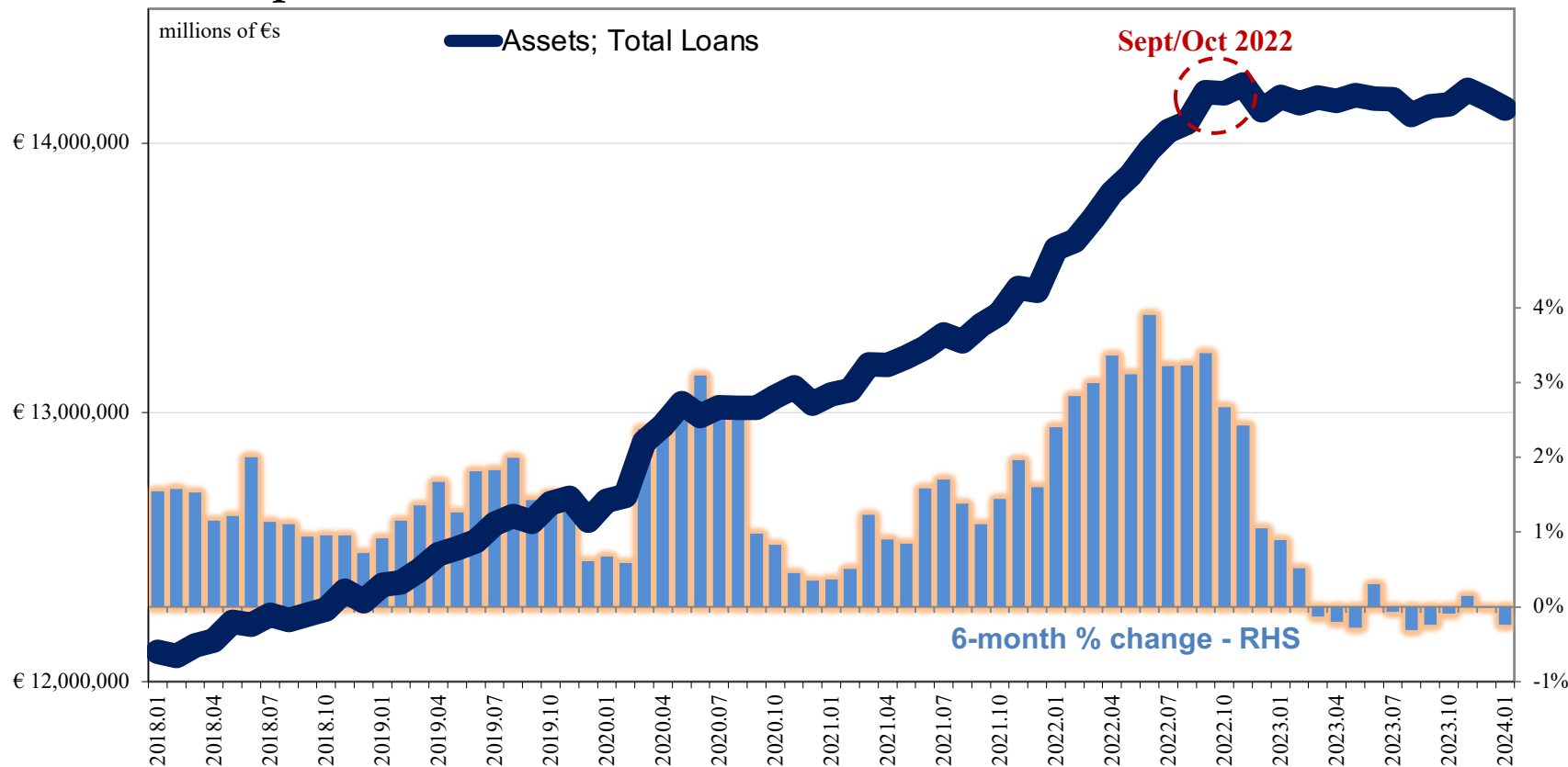


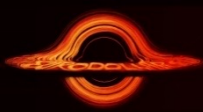
Europe - MFIs Balance Sheet



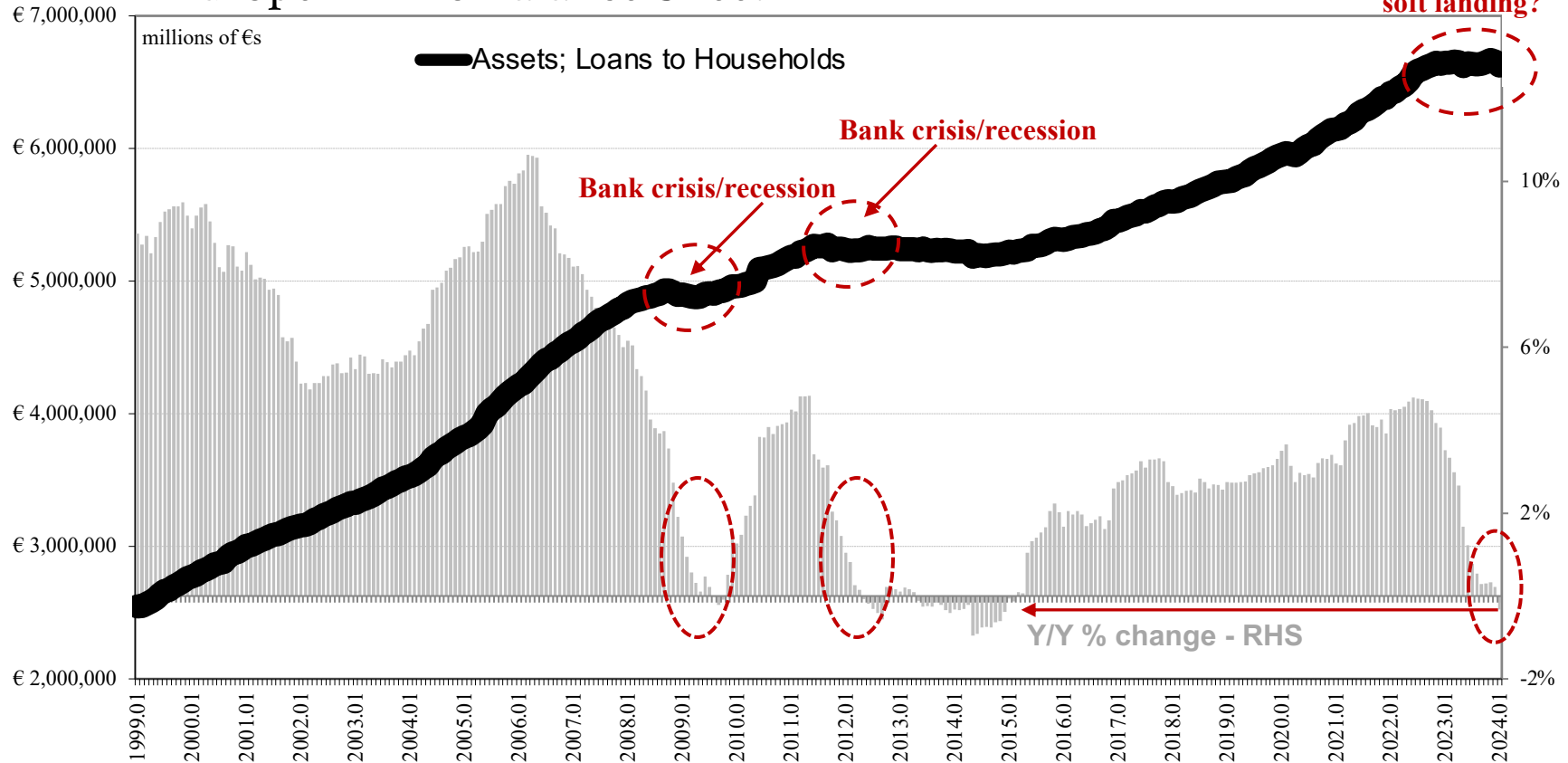


Europe - MFIs Balance Sheet



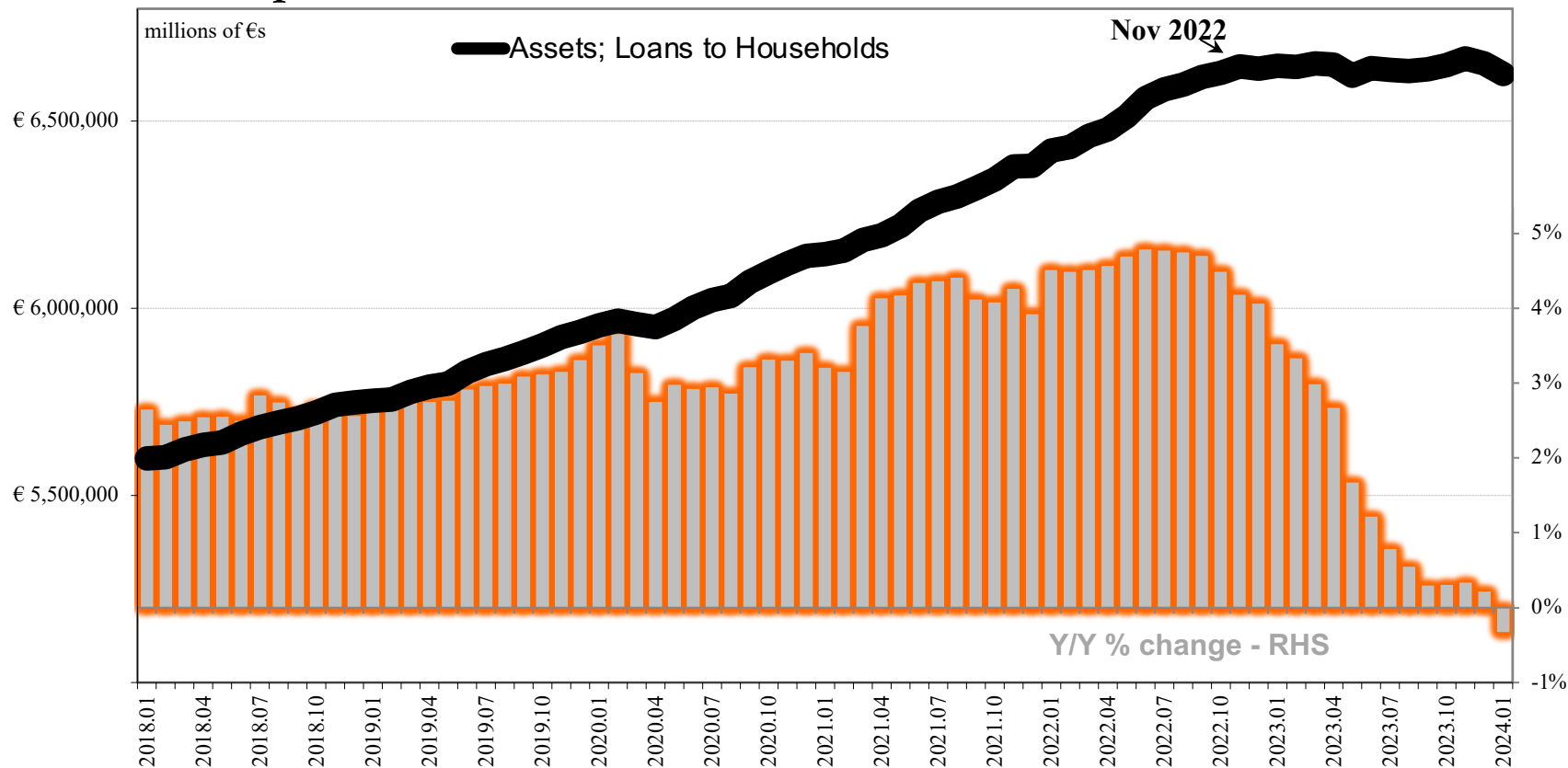


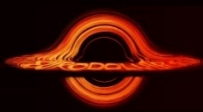
Europe - MFIs Balance Sheet



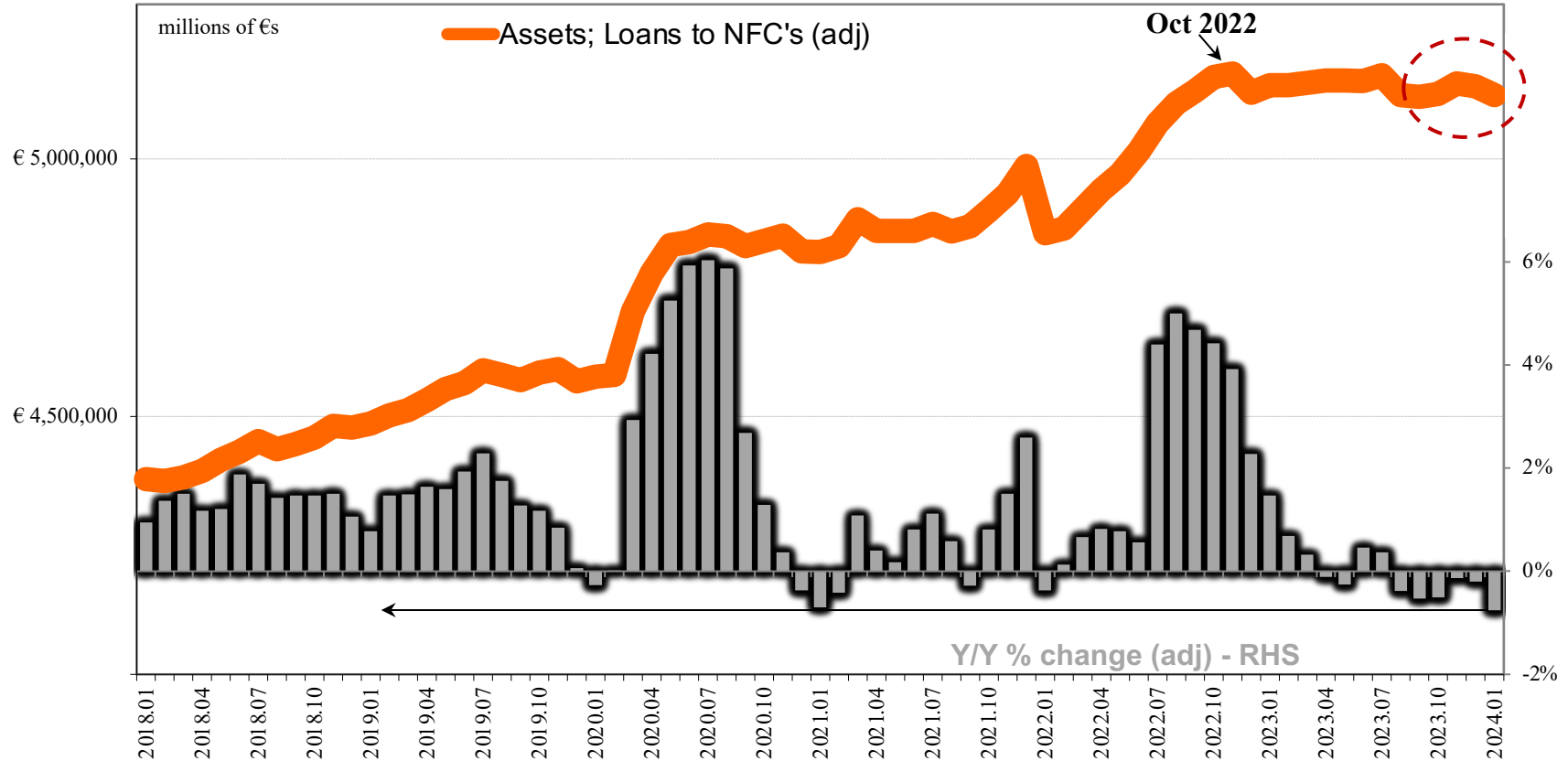


Europe - MFIs Balance Sheet



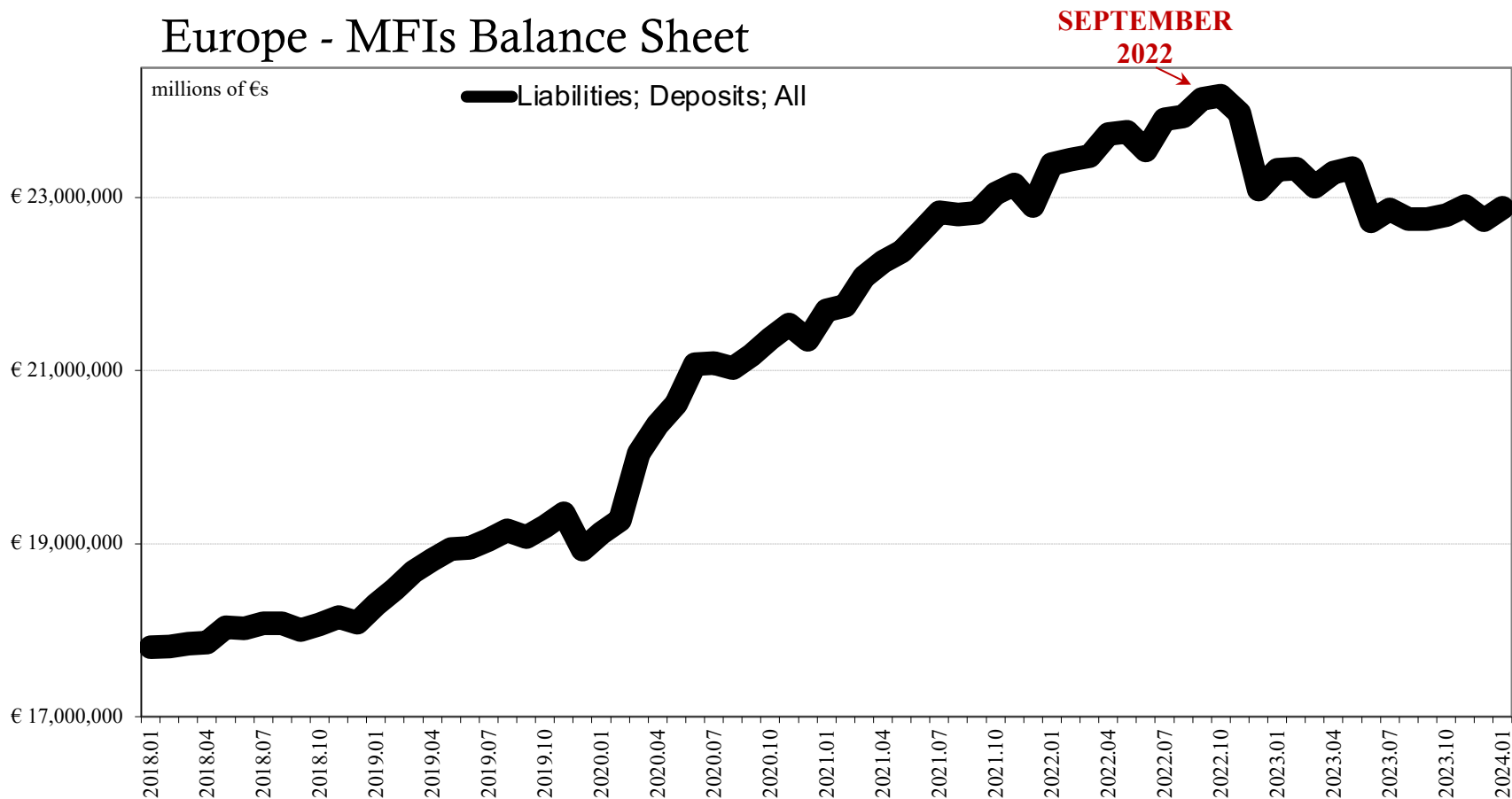


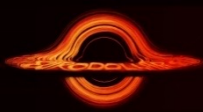
Europe - MFIs Balance Sheet





Europe - MFIs Balance Sheet





SUMMARY

US ECONOMY MIXED DATA

RISKS: credit crunch, CRE, govt debt (but not as inflation)

CHINA ECONOMY WORSENING

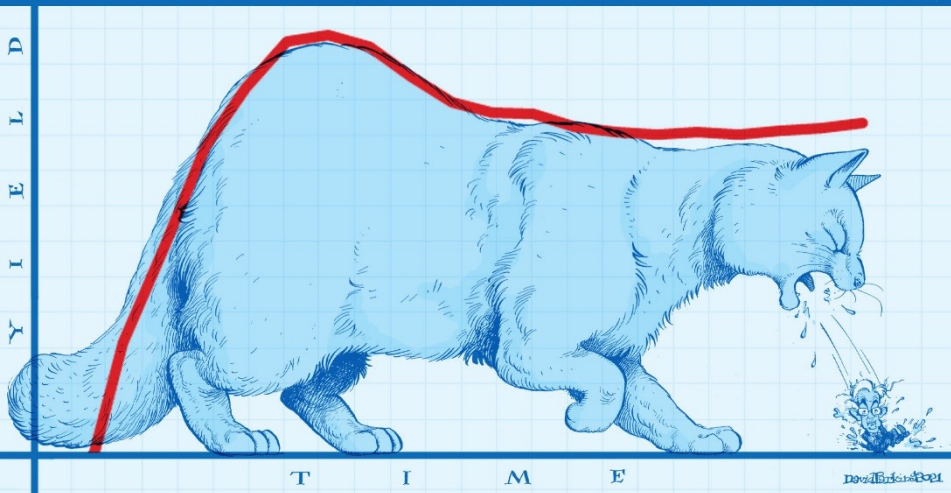
RISKS: real estate, credit, not responding to govt

EUROPE ECONOMY WORSENING (already recession)

RISKS: credit crunch, unappreciated CRE



EURODOLLAR FUTURES CURVE (INVERSION): RETCHING CAT PATTERN



The LANDING RISKS

END

eurodollar.
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