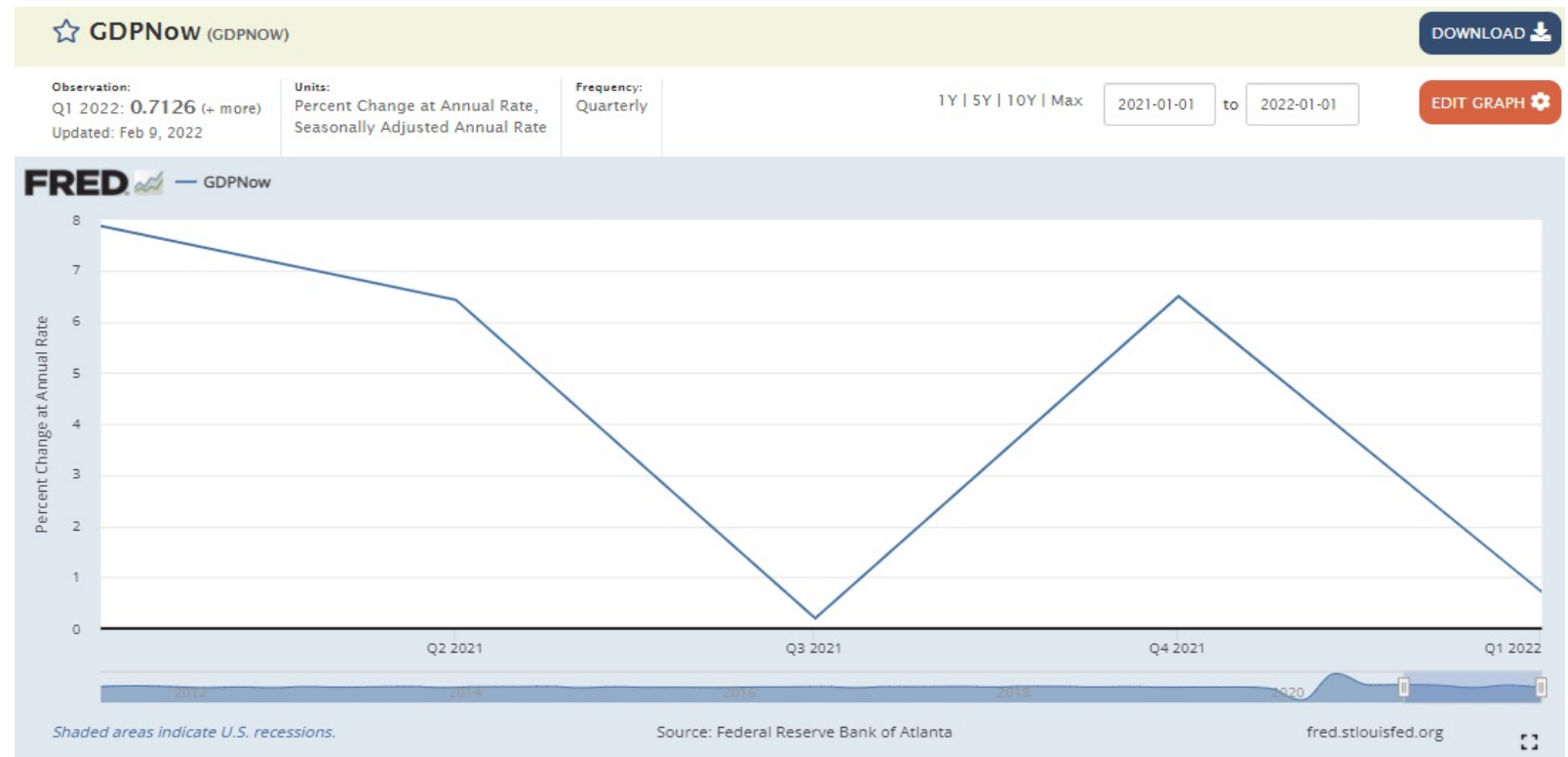


Such as economic activity over the last four quarters

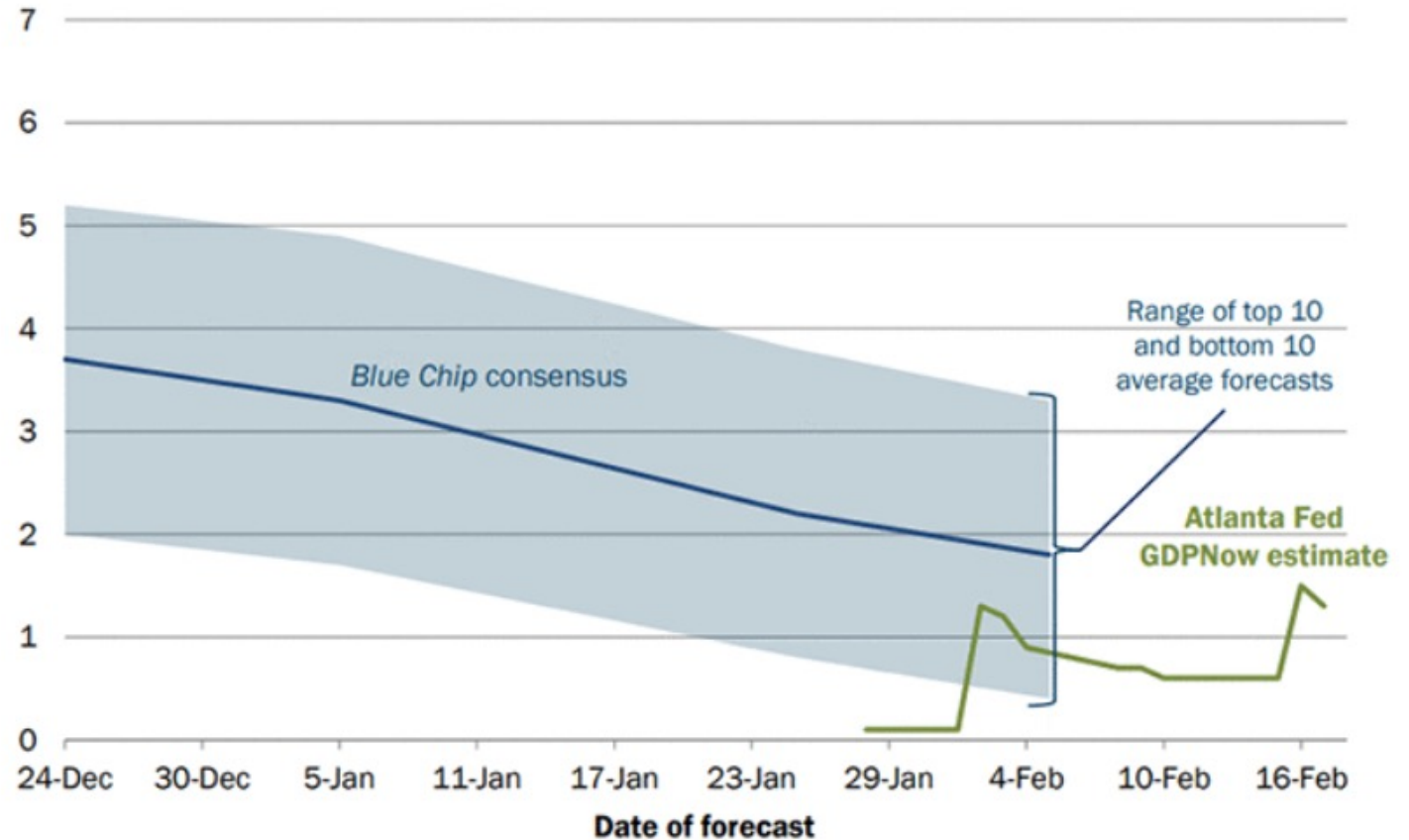
Important  
data points  
have fallen  
sharply in the  
last 2 months



....which  
remains  
low...and  
falling again  
currently

### Evolution of Atlanta Fed GDPNow real GDP estimate for 2022: Q1

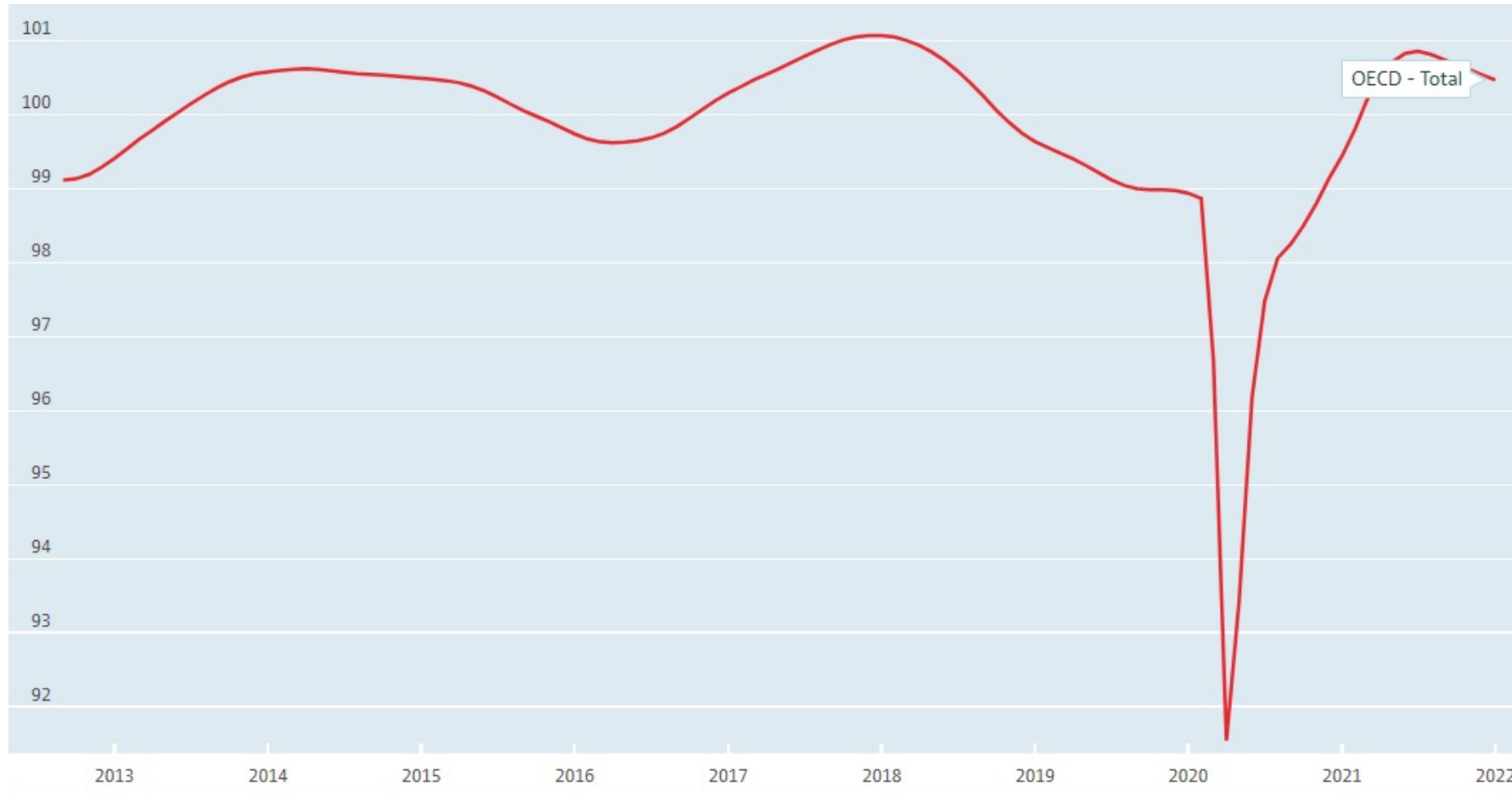
Quarterly percent change (SAAR)



Sources: Blue Chip Economic Indicators and Blue Chip Financial Forecasts

Note: The top (bottom) 10 average forecast is an average of the highest (lowest) 10 forecasts in the Blue Chip survey.

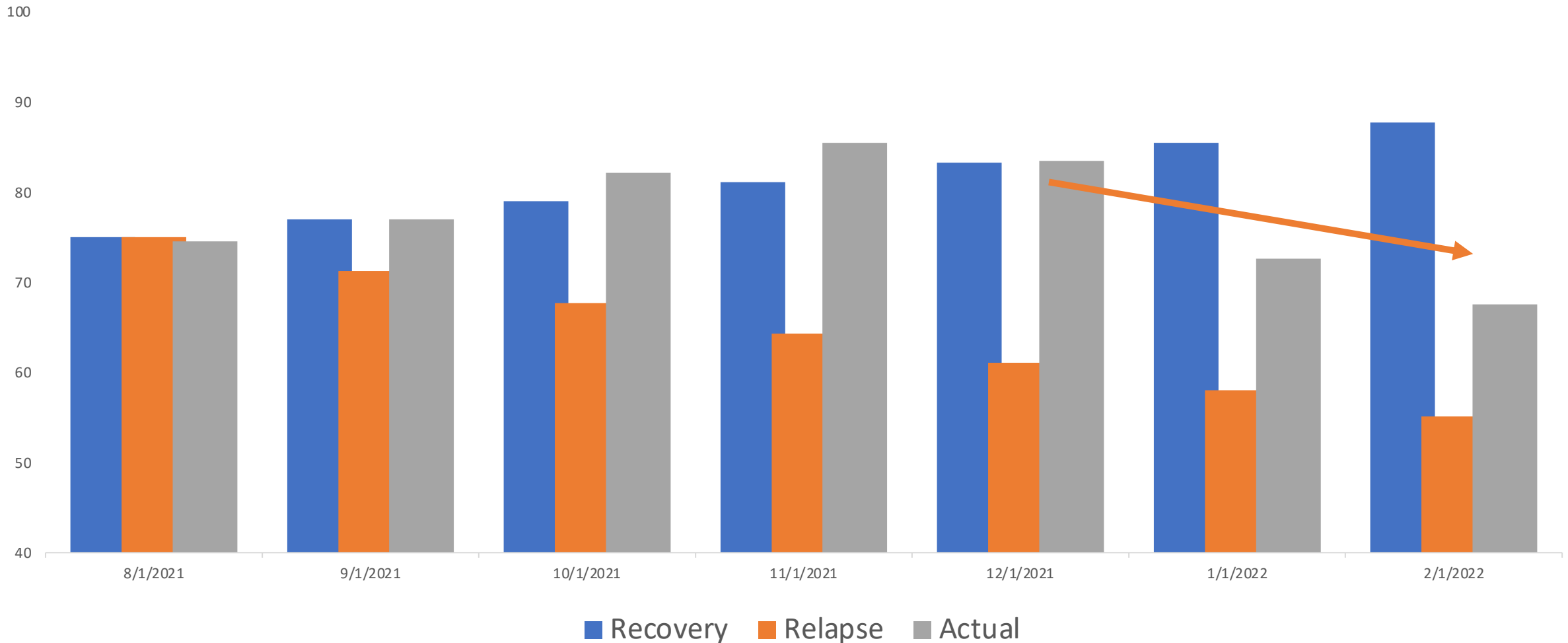
# A trend that OECD's leading indicators suggest will worsen.....



# This is also evident from micro data



Such as TSA air passenger data (mid-Feb) which is relapsing rather than recovering post-pandemic

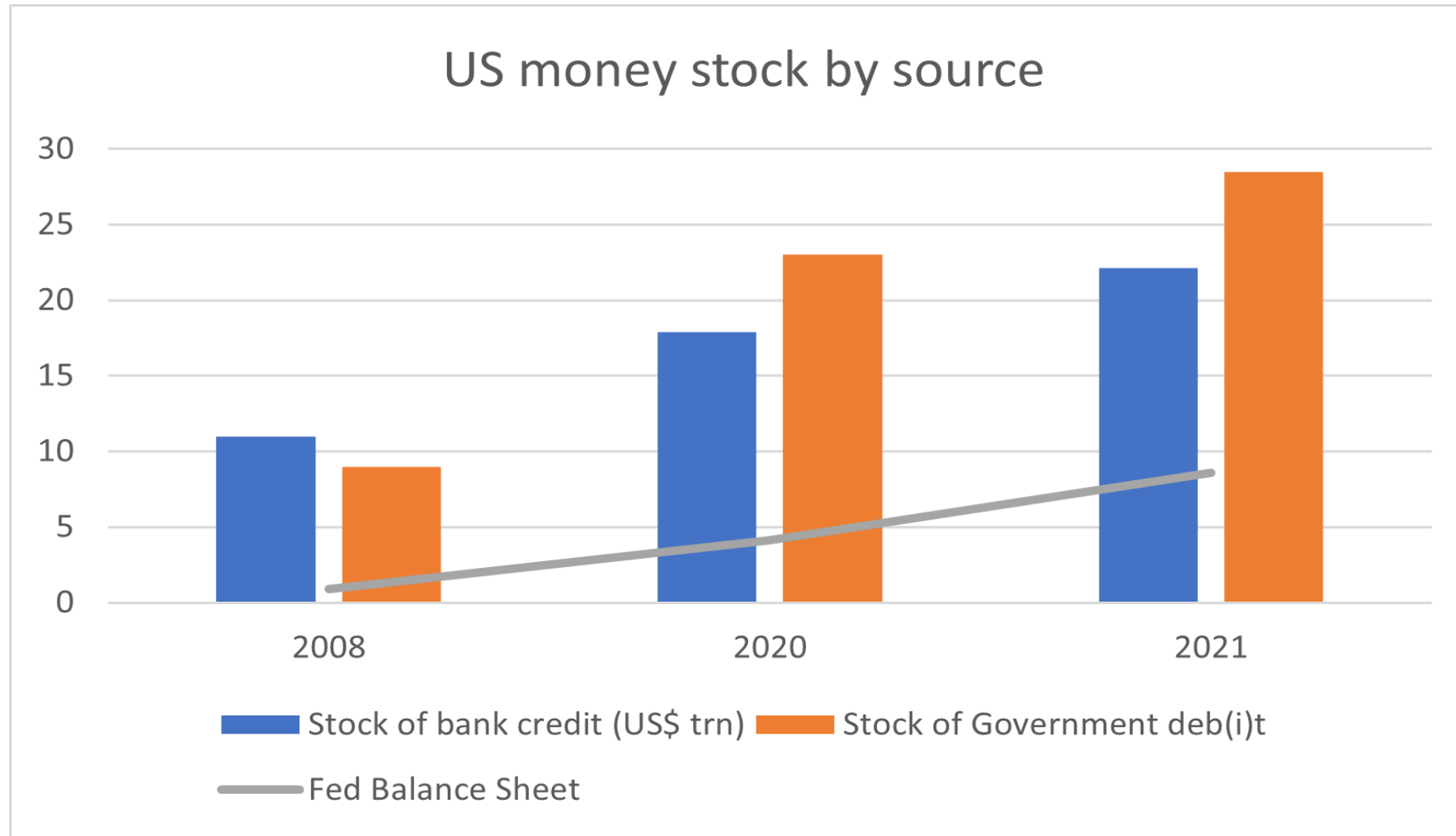


# Or manufacturing hours worked...



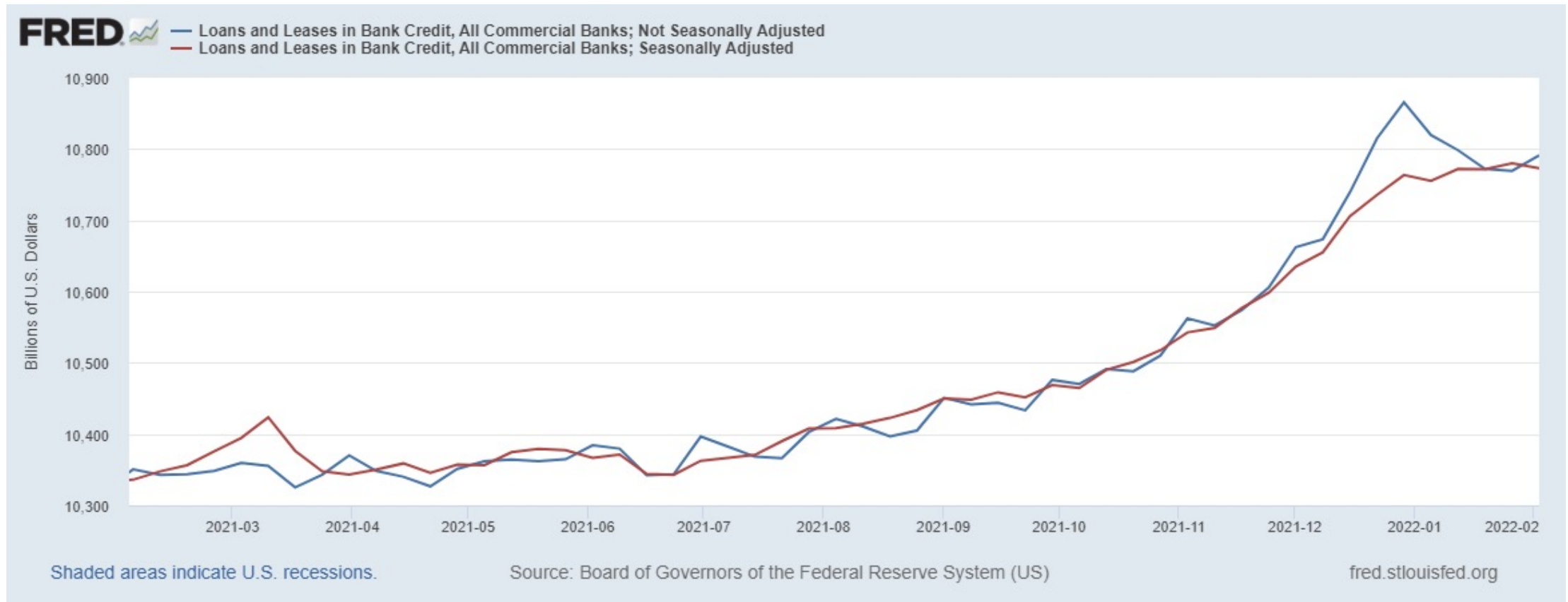
# The US economy has gone from a liquidity feast to famine

Since the GFC, USG has become the main supplier of funding to the US economy



But in FY 2022, USG plans to reduce support to the economy and capital markets by around \$1.5 trillion

# There were hopes that growth in bank loans would fund the shortfall



But this too has failed to materialise.....



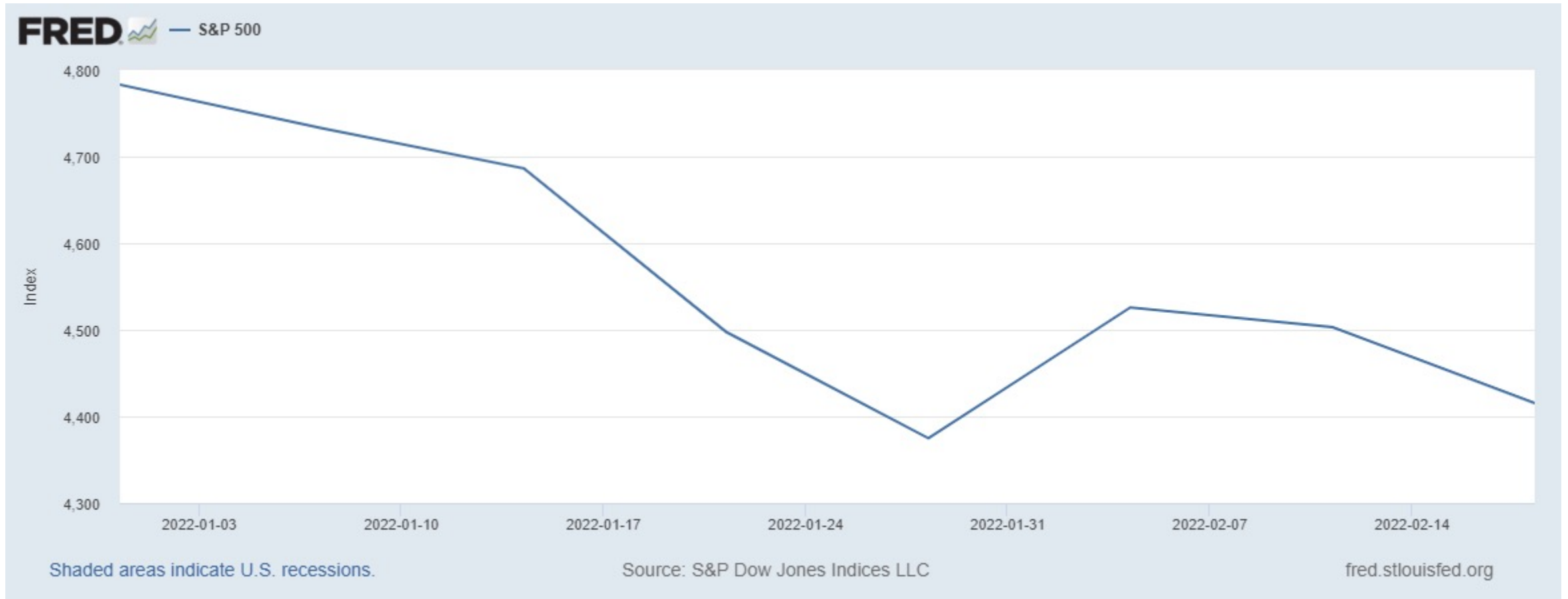


And American households have already spent money saved during the lockdowns

- ❑ These are challenging economic conditions, which could start being
- ❑ reflected in corporate earnings results as soon as the current quarter



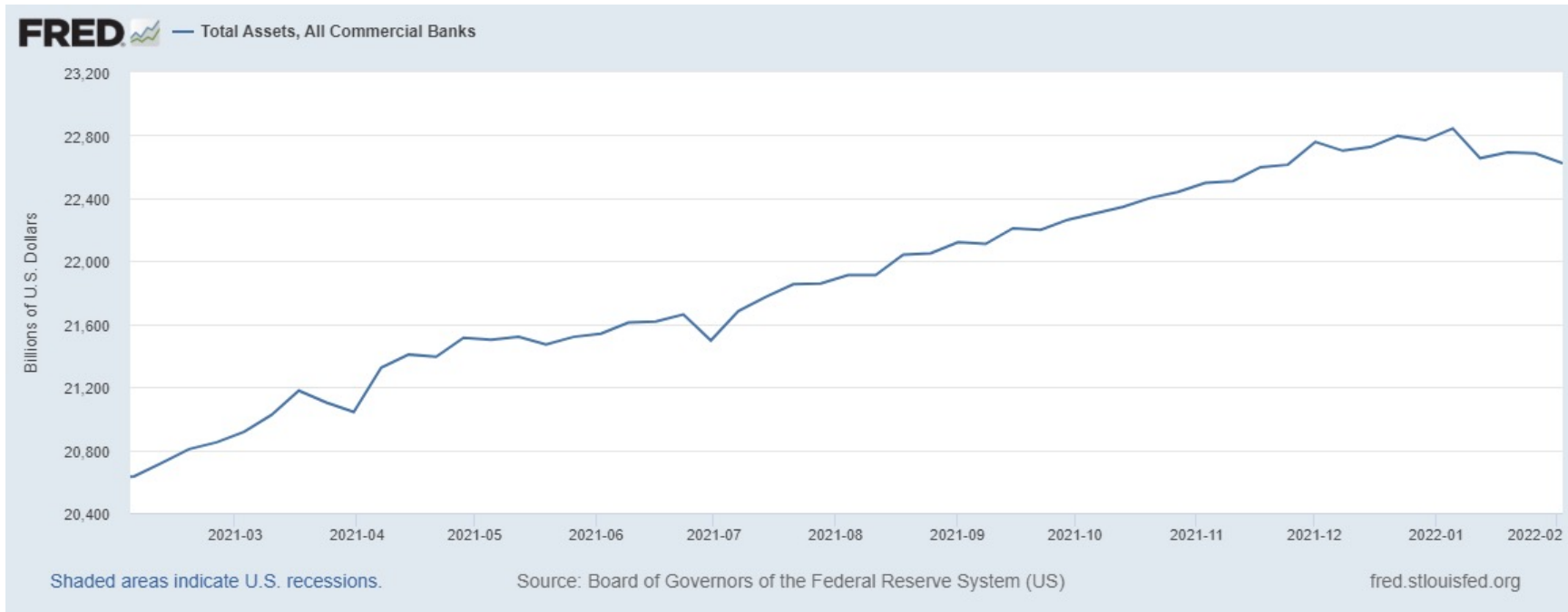
# The effects are already visible in markets...



We did try to warn Cathie that we'd seen this movie before...

[MBMG IA Flash ⚡ SEEN THIS MOVIE BEFORE #7](#)

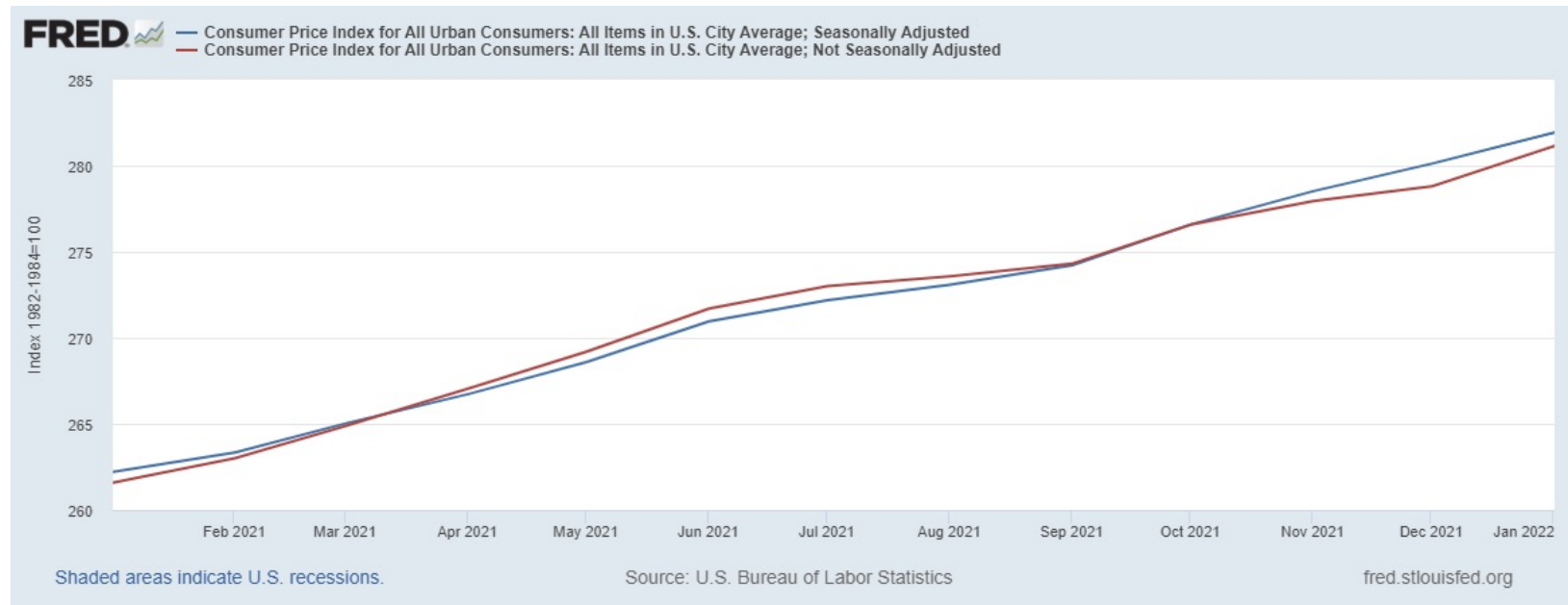





- So...if tighter conditions are leading to weaker economic
- conditions, why are policymakers so set on this course?

Deteriorating conditions have gone hand in hand with tighter policy

...because  
they're fixated  
on the one  
measure that  
has continued  
higher.....  
Inflation!



- We have tried to warn the Fed...
-  [Jerome Powell - Demolition Man](#)
- [MBMG Update Inflatiphobia](#)

