

Macro Roundup Article

Headline: [Asset Neutral](#)

Article Link: <https://fedguy.com/asset-neutral/>

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Tweet: Large banks are seeing a funding advantage as competition for deposits increases. @FedGuy12

Summary: A wide range of banks have reported a squeeze on net interest margins as deposit funding costs have surprised to the upside. In a typical rate hiking cycle, interest income on bank assets tend to rise more quickly than interest paid on deposits. This led to a steady expansion of net interest margins over the past quarters that is suddenly reversing. Banks now see customers both shifting out of non interest bearing deposits and demanding higher interest for interest bearing deposits. This was widely reported in recent earnings calls by all but the largest banks.

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Primary Topic: Banking

Topics: Banking, Monetary Policy, Op-Ed/Blog Post, Weekly

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