

## Macro Roundup Article

**Headline:** [The Rasputin Effect: Global Resilience To Higher Rates](#)

**Article Link:** <https://am.jpmorgan.com/content/dam/jpm-am-aem/global/en/insights/eye-on-the-market/rasputin-effect-amv.pdf>

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**Tweet:** Michael Cembalest notes that, “There’s still plenty of liquidity in the system,” as central banks have removed only 1/3 of the \$11 trillion in liquidity created during the pandemic period.

**Summary:** While a simple read of the yield curve points to recession, the health of the US corporate sector does not: the corporate sector financial balance is still in surplus, a condition which has never preceded a recession. Central banks have only removed around one third of the \$11 trillion in global liquidity they created in 2020/2021. There’s still plenty of liquidity in the system and the cost of money is not prohibitive. Excess US household savings are projected to run out sometime in 2024, and while current economic indicators are robust, there’s weakness in Conference Board leading indicators. The overall pulse does not point to a significant contraction, just to modestly weaker US conditions in 6-9 months.

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