

Macro Roundup Article

Headline: [A Non-Recession Recession](#)

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Tweet: Torsten Sløk @apolloglobal argues the recession associated with this hiking cycle will impact asset prices more than the "real" economy.

Summary: What makes the coming recession so unusual is that it is happening after almost 15 years of money printing, which never really had any major positive effect on GDP growth. Instead, the 15 years of money printing created a significant bubble in asset prices. As a result, the big correction during this recession will not be in the economy but in asset prices as the Fed continues to deflate the buy-everything bubble created due to global easy money. A mild economic recession with a big recession in asset prices is what we call a non-recession recession. With inflation currently at 5%, well above the Fed's 2% inflation target, the ongoing correction in asset prices will continue as the costs of capital will stay elevated well into 2024.

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Primary Topic: Business Cycle

Topics: Business Cycle, Financial Markets, GDP, Op-Ed/Blog Post

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