

## Macro Roundup Article

**Headline:** [Financial Conditions Are Tight, But Maybe Easing](#)

**Article Link:** <https://www.apricitas.io/p/financial-conditions-are-tight-but>

Author(s)	Joseph Politano
Publication	Apricitas Economics
Publication Date	February 08, 2023

**Tweet:** [. @JosephPolitano argues that financial conditions might be loosening, citing the decline in the Chicago Fed's National Financial Conditions Index since October 2022.](#)

**Summary:** Over the last four months, the Chicago Fed's National Financial Conditions Index has eased considerably from its very tight readings in early October. While there have been some improvements in credit conditions, thanks in part to improvements in mortgage rates and bond spreads—the bigger contributor has been the improvements in risk sentiment. Longer-term real interest rates have fallen slowly over the last couple of months, and are now only a bit above early-2019 levels. The real yield curve is still very flat, with 5-year real yields moving alongside 30-year real yields, indicating weak growth expectations and relatively tight short-run monetary policy, but the fact that real rates are declining alongside corporate bond spreads suggests a partial easing of financial conditions.

**Primary Topic:** Inflation

**Topics:** GDP, Graph, Inflation, Monetary Policy, Op-Ed/Blog Post, Sell-by Date

**Permalink:** <https://www.edwardconard.com/macro-roundup/josephpolitano-argues-that-financial-conditions-might-be-loosening-citing-the-decline-in-the-chicago-feds-national-financial-conditions-in-dex-since-october-2022?view=detail>

### Featured Image

**Link:** <https://www.edwardconard.com/wp-content/uploads/2023/02/Financial-Conditions-.png>