

Macro Roundup Article

Headline: [This Is Not QE!](#)

Article Link: <https://moneyinsideout.exantedata.com/p/this-is-not-qe>

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Tweet: The Fed's balance sheet expansion through March 15th offset fifteen weeks of quantitative tightening but doesn't signal a return to quantitative easing.
[@GeneralTheorist](#)

Summary: Following a week of turmoil in the banking system, starting with the tension around Silicon Valley Bank, this week (through Weds. 15th) the Federal Reserve's balance sheet expanded USD297bn (though still falling USD315bn over the past year). This is equivalent to offsetting 15 weeks of quantitative tightening (QT) in about half a week. It is tempting to conclude that the resumption of balance sheet expansion reflects a return of QE. A brief inspection of the transactions involved reveals this is not the case. In the case of QE, asset purchases and reserves created can be expected to remain in place for an extended period, at the discretion of the central bank. It represents outside money for the private sector, an asset with no associated liability, which cannot be disposed of in the aggregate but to which all must adjust.

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Primary Topic: Banking

Topics: Banking, Data, Monetary Policy, Op-Ed/Blog Post, Sell-by-date

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