

## Macro Roundup Article

Headline: [Crash Up](#)

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**Tweet:** .@FedGuy12 thinks that equity prices currently have a favorable backdrop given his view that ongoing Treasury issuance is not much different, in effect, from straight money printing.

**Summary:** Large fiscal deficits combined with future rate cuts will likely lead to significant demand for equities. The wealth distribution of the U.S. is heavily concentrated, suggesting that newly printed Treasuries ultimately end up in the hands of a small group of people. At the same time, the attractiveness of Treasuries is decreasing with the expectation of rate cuts. The market has priced in 125bps of cuts in 2024 after hearing Governor Waller suggest cutting rates due to moderating inflation. This may encourage wealthy investors to rebalancing their rapidly growing portfolio out of bonds and into other assets like equities. The intersection of a structural decline in equity supply with a structural increase in demand suggests the potential for significant upward price pressure.

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**Primary Topic:** Financial Markets

**Topics:** Financial Markets, Fiscal Deficits, Fiscal Policy, GDP, Monetary Policy, Op-Ed/Blog Post

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