

Macro Roundup Article

Headline: [Most Global Economies Remain in Disequilibrium, Requiring Policy Action](#)

Article Link: <https://www.bridgewater.com/research-and-insights/most-global-economies-remain-in-disequilibrium-requiring-policy-action>

Author(s)	Bob Prince, Aaron Goone, Shane Murphy, and Gurchit Chatha
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Summary: We believe that there are three major equilibriums and two major policy levers that interact to drive markets and economies: 1) Spending in line with output, which is in line with capacity. 2) Incomes in line with debts. 3) Normal risk premiums across assets. If these conditions don't exist, intolerable circumstances will ensue that will drive changes toward these equilibriums being reached. For example, if an economy's usage of capacity (e.g., labor and capital) remains low for an extended period of time, that will lead to social and political problems as well as business losses, which will produce further changes until these equilibriums are reached. The two levers are monetary policy and fiscal policy.

Primary Topic: Business Cycle

Topics: Banking, Business Cycle, Financial Markets, GDP, Monetary Policy, Other Source

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