

Macro Roundup Article

Headline: [The Temptation to Call the End of Inflation](#)

Article Link: <https://www.bloomberg.com/opinion/articles/2022-12-12/john-authers-calling-the-end-of-inflation-and-buying-china?sref=U3dOGIDF>

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Tweet: [. @johnauthers reports that we may have seen a trough in global liquidity, according to data from Crossborder Capital.](#)

Summary: The above chart by Michael Howell of Crossborder Capital shows estimates of global new liquidity. The lines indicate the three-month annualized % growth in the monetary base. Globally [red line], growth in liquidity has ticked up very slightly after dropping to its lowest level since the global financial crisis. In the major G10 economies [grey and yellow], there is a pickup from outright negative growth that has been helped by the startling fall in the US dollar in recent weeks. As many countries use dollar financing, this has the effect of easing conditions everywhere. Last week's balance sheet data from major central banks show policy liquidity shrinking at 5.3% in local currency terms [yellow] but rising by 2.7% in US dollar terms [grey.] Thus, it is possible that a pivot away from tighter money is already under way.

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