

Macro Roundup Article

Headline: [The U.S. Economy Is Booming \(For Now\). What Does It Mean?](#)

Article Link: <https://theovershoot.co/p/the-us-economy-is-booming-for-now>

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Tweet: [.@M_C_Klein writes that the economy is remarkably buoyant despite tight monetary policy, and sees little reason to expect the Fed to loosen policy imminently.](#)

Summary: The uptick in default-free discount rates has been more than offset by a substantial decline in the risk premiums available on assets relative to cash. This helps explain why consumer and corporate borrowing is still roughly in line with pre-pandemic norms. It is certainly possible that the recent run of rapid growth is a one-off that will peter out on its own. It is difficult to overstate the (apparent) strength of consumer spending in the retail sales data. While these numbers may be revised in the future, the current reading is that total spending at stores, bars, and restaurants in September was 0.7% higher than in August on a seasonally-adjusted basis, which is equivalent to a yearly growth rate of 9%. Moreover, monthly growth rates in July and August were 0.6% and 0.8%. Over the past 6 months, retail sales have been growing at a yearly average rate of 7%. Related: An Update from Our CIOs: Entering the Second Stage of Tightening and Soft Landing Summer and Why No Recession (Yet)?

Primary Topic: Business Cycle

Topics: Business Cycle, GDP, Growth, Op-Ed/Blog Post

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