

Macro Roundup Article

Headline: [Turning A Corner](#)

Article Link: <https://fedguy.com/turning-a-corner/>

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Tweet: [@FedGuy12](#) notes private credit has “blunted the impact of tightening monetary policy by actively lending to a wide range of businesses,” and that bank credit is “normalizing towards a pre-pandemic pace.”

Summary: Commercial bank loan growth paused last year amidst high rates and the regional banking panic but looks to resume just as economic growth concerns are surfacing. Private credit has blunted the impact of tightening monetary policy by actively lending to a wide range of businesses. Research suggests private credit has grown by both competing with public debt offerings and by willing to offer credit to companies who have difficulty borrowing from banks. The surge in private lending helped fill the void created by the decline in bank lending. However, bank lending has steadily resumed in recent months as interest rates have declined. Loan growth is not as rapid as 2022, but appears to be normalizing towards a pre-pandemic pace.

Related Articles: Private Credit Growth and Monetary Policy Transmission and Where Are All the Defaults? and Economic Effects of Tighter Lending by Banks

Primary Topic: Business Cycle

Topics: Banking, Business Cycle, Database, Financial Markets, GDP, Monetary Policy, Op-Ed/Blog Post

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