

Macro Roundup Article

Headline: [The Federal Reserve Is Deflating Financial Bubbles, Without a Crash](#)

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Summary: The monetary tightening campaign is having a major impact in deflating asset bubbles that swelled during the pandemic. This is occurring without upending the financial system. And the losses, while large, are a fraction of the scale seen in the bursting of the tech bubble at the start of the century. The Nasdaq Composite Index is down a little over 30% from its high reached last year, but that compares with an almost 80% crash two decades ago. "It's astonishing," said Harvard University professor Jeremy Stein "If you told any one of us a year ago, 'we're going to have a bunch of 75 basis-point hikes,' you'd have said, 'Are you nuts? You're going to blow up the financial system.'"

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