

Macro Roundup Article

Headline: What Happens to U.S. Activity and Inflation if China's Property Sector Leads to a Crisis?

Article Link: <https://libertystreeteconomics.newyorkfed.org/2024/03/what-happens-to-u-s-activity-and-inflation-if-chinas-property-sector-leads-to-a-crisis/>

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Summary: A Chinese hard landing could result in materially weaker U.S. growth and trade performance and lower U.S. inflation, with the largest impacts occurring over the first four quarters following a crash. Real GDP growth [in their forecast] falls as much as 2pp below baseline before beginning to recover, while export volumes fall as much as 10pp below baseline. The PCE price index, for its part, falls some 3pp below baseline before crisis impacts begin to fade.

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Primary Topic: China

Topics: Business Cycle, China, GDP, Government/NGO

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