

## Macro Roundup Article

**Headline:** [Financial Fragmentation](#)

**Article Link:** <https://theovershoot.co/p/financial-fragmentation>

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**Tweet:** International financial transactions among the US, China and Euro Area are smaller relative to their combined output then at any point other than the trough of the financial crisis. @M\_C\_Klein

**Summary:** Americans, Chinese, and Europeans have curtailed their lending and investing abroad—while also selling commensurately fewer financial claims to foreigners. In 2021, the gross value of cross-border financial transactions involving the U.S., China, and the euro area was worth about \$7.9 trillion. In 2022, that figure was just \$2.8 trillion. U.S. data for the first three months of this year suggest that cross-border transactions volumes have continued to shrink. International financial transactions involving the world's three largest economies are smaller relative to their combined output than at any point other than the trough of the financial crisis.

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