

Chart of the Day

US financial conditions (as impacted by higher interest rates, wider credit spreads, a stronger US dollar and lower equities) have tightened considerably since the Fed embarked on its hawkish pivot in November - precisely the policy outcome they are hoping to achieve.

US financial conditions index



Tightening of US Financial Conditions (YTD performance in stocks, bonds and currencies)



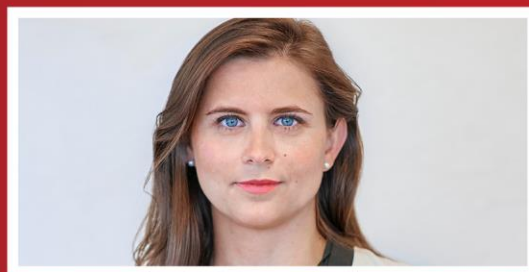
Source: (1-2) Bloomberg. Data as of May 18, 2022. Financial conditions index is Goldman Sachs. USD bonds is Bloomberg US aggregate bond index.

Global Corporate & Investment Banking Capital Markets Strategy Team



Tom Joyce
Managing Director

Tom.Joyce@mufgsecurities.com
(212) 405-7472



Hailey Orr
Director

Hailey.Orr@mufgsecurities.com
(212) 405-7429



Stephanie Kendal
Associate

Stephanie.Kendal@mufgsecurities.com
(212) 405-7443