

Chart of the Day

Glass Half Full or Empty?

We believe that the global economy and markets still have a difficult period ahead (“glass half empty”) into the 1H of 2023 prior to an expected recovery in the latter part of the year.

Glass Half Full View

- Inflation “past peak”, steady improvement in 2023
- “Step down” in pace of Fed tightening
- US rates and US dollar past peak
- “Soft landing” for US economy more likely
- Strong consumer and corporate balance sheets
- European nat gas and energy prices moderating
- More rapid moderation in China’s zero COVID policy

Glass Half Empty View

- Inflation “sticky”, uneven improvement in 2023
- “Fastest” Fed tightening in 40 years
- “Higher for longer” US rates narrative
- US and global “recession” in 2023 more likely
- Consumer and corporate spending likely to decelerate
- Energy prices remain elevated on multi-year basis
- Slower moderation in China’s zero COVID policy (& tepid consumer)



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“Macro stability isn’t everything, but without it, you have nothing.”