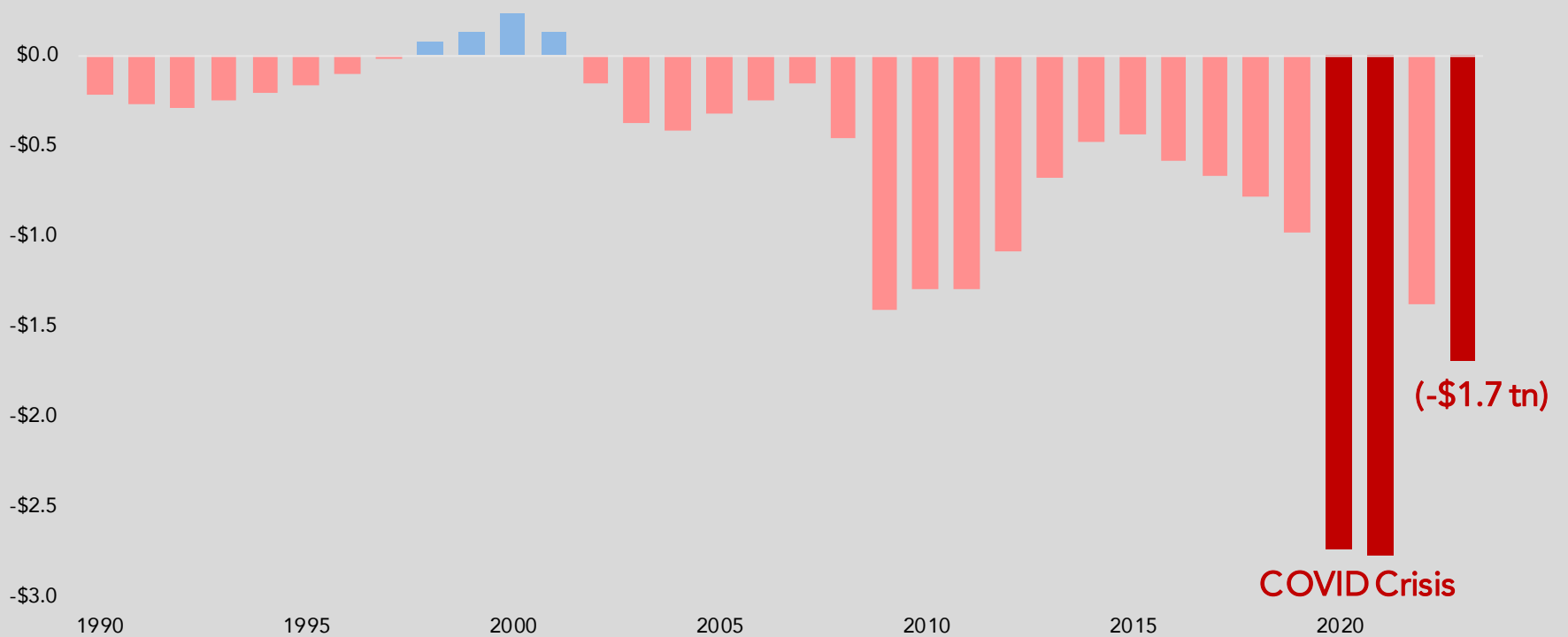


Chart of the Day

On Friday Oct 20, the US Treasury announced a FY 2023 US budget deficit of \$1.7 trillion (for FY ended Sept 30, 2023), a 23% jump from the prior year, and the largest ever US budget deficit outside of the 2020-21 COVID period. Key drivers of the record ex-COVID deficit included declining revenue, higher interest expense, and COLA adjustments on Social Security spending. The 2023 deficit would have been \$321 bn larger if the Supreme Court had not struck down the President’s debt forgiveness program as unconstitutional. The sharp deficit increase comes as President Biden is asking for \$100 bn of funding for Ukraine (\$60 bn), Israel (\$14bn), the Pacific region (Taiwan) and US southern border security.

US Federal budget deficit, USD tn



Source: (1) Bloomberg. Data as of October 23, 2023. Year is by US government fiscal year.

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