MORNING BRIEFING
March 27, 2023

'Is It Safe?'

Check out the accompanying chart collection.

Executive Summary: The recent banking crisis has heightened fears of a recession. But still the S&P 500 is up ytd—buoyed greatly by the MegaCap-8 stocks. … The SVB debacle hasn't changed our economic outlook, which pegs the odds of a recession at a relatively high 40%, as we're not convinced it will lead to a credit crunch that triggers a recession. … We'll know if the banking system isn't as resilient as we think if we see deterioration in the Fed's weekly H.8 data, showing the assets and liabilities of commercial banks. … So far, we think that the SVB crisis will be contained thanks to the Fed's emergency liquidity facility. ... Dr. Ed reviews "Boston Strangler" (+).

YRI Weekly Webcast. Join Dr. Ed's live webcast with Q&A on Mondays at 11 a.m. EST. You will receive an email with the link one hour before showtime. Replays of the weekly webcasts are available *here*.

Strategy: Market Dynamics. Rather remarkably, the S&P 500 is still up for the year to date, by 3.4%, notwithstanding the freefall in the S&P 500 Financials caused by the banking crisis (*Fig. 1*). It's just above its 200-day moving average and just below its 50-day moving average. Eight of the 11 S&P 500 sectors are down ytd, led by an 11.1% drop in Energy and a 9.4% decline in Financials, while only three are up ytd, namely Communication Services (18.4%), Information Technology (17.5), and Consumer Discretionary (9.6) (*Fig. 2* and *Table 1*).

The three outperforming sectors are doing well because they include the MegaCap-8 stocks, which as a group are up 26.5% ytd based on their collective market cap (*Fig. 3*). Excluding them, the market cap of the S&P 500 is up less than 0.1% ytd. Falling interest rates and aggressive cost cutting by the MegaCap-8 companies are boosting their forward P/E (*Fig. 4*). Some of them are also getting a boost from lots of hype about artificial intelligence.

The MegaCap-8 is also boosting the Nasdaq, which is up 13.0% ytd and 15.8% from its 2022 low on December 28. While the S&P 500 LargeCaps stock price index is up 3.4% ytd, the S&P 400 MidCaps index and the S&P 600 SmallCaps index are down 1.1% and 1.5%. They tend to be more sensitive to fears of a recession, which have been mounting recently.

US Economy: Getting Riskier? A few of our readers asked us why we didn't raise the odds of a recession in response to the banking crisis. We thought about it. But we're comfortable with our relatively high 40% subjective probability of a recession, leaving 60% for a soft landing. The former reflects the fact that the Fed has been tightening since early last year and leaves plenty of room for something to break in the financial system as long as that something doesn't cause a credit crunch and a recession.

Now that something has broken, we aren't convinced that it will cause a credit crunch and a recession, which leaves us at 40% for a hard landing and 60% for a soft landing. Only a few weeks ago, the consensus had flipped from hard landing to no landing. Now it seems to be flipping back to hard landing. We are staying put with our landing scenarios odds, for now.

Banks I: Are the Safes Safe? "Is it safe?" is the famous question asked by Dr. Christian Szell, played by Laurence Olivier, in the film "*Marathon Man*," directed by John Schlesinger (1976). "Marathon Man" is the film that made everyone scared of going to the dentist, especially if said dentist was a secret Nazi war criminal. The patient being interrogated is Babe, a graduate student and avid runner played by Dustin Hoffman, who becomes involved in his older brother's secret-agent conspiracy. He has a cavity that Szell pokes to torture the answer out of him.

To answer the question "Are the safes safe?" amid the current banking crisis, we all have a new job at 4:00 p.m. on Friday afternoons. That's when the Fed's *H.8 release* comes out showing the latest weekly data on the selected assets and liabilities of commercial banks in the US. The weekly levels are Wednesday values. The data for domestically chartered commercial banks and US branches and agencies of foreign banks are estimated by benchmarking weekly data provided by a sample of banks to quarter-end reports of condition (Call Reports).

Large domestically chartered commercial banks are defined as the top 25 domestically chartered commercial banks, ranked by domestic assets as of the previous commercial bank Call Report, to which the H.8 release data have been benchmarked. Small domestically chartered commercial banks are defined as all domestically chartered commercial banks not included in the top 25.

Banks II: Down and Out in the Valley. The Silicon Valley Bank (SVB) meltdown occurred on March 9 and 10. The latest H.8 release covers through the week ending Wednesday, March 15. SVB was closed on March 10 by the California Department of Financial Protection and Innovation, which appointed the Federal Deposit Insurance Corporation

(FDIC) as receiver.

That same day, the FDIC issued a *press release* stating: “To protect insured depositors, the FDIC created the Deposit Insurance National Bank of Santa Clara (DINB). At the time of closing, the FDIC as receiver immediately transferred to the DINB all insured deposits of Silicon Valley Bank.

“All insured depositors will have full access to their insured deposits no later than Monday morning, March 13, 2023. The FDIC will pay uninsured depositors an advance dividend within the next week. Uninsured depositors will receive a receivership certificate for the remaining amount of their uninsured funds. As the FDIC sells the assets of Silicon Valley Bank, future dividend payments may be made to uninsured depositors.”

On Sunday, March 12, the Fed issued a *press release* implying that all depositors (not just insured ones) would be protected: “To support American businesses and households, the Federal Reserve Board on Sunday announced it will make available additional funding to eligible depository institutions to help assure banks have the ability to meet the needs of all their depositors. This action will bolster the capacity of the banking system to safeguard deposits and ensure the ongoing provision of money and credit to the economy.”

The Fed doesn’t have the authority to insure all deposits that are not insured by the FDIC (up to a maximum of $250,000 per account). So the Fed in effect guaranteed all deposits “through the creation of a new Bank Term Funding Program (BTFP), offering loans of up to one year in length to banks, savings associations, credit unions, and other eligible depository institutions pledging U.S. Treasuries, agency debt and mortgage-backed securities, and other qualifying assets as collateral. These assets will be valued at par. The BTFP will be an additional source of liquidity against high-quality securities, eliminating an institution's need to quickly sell those securities in times of stress.”

The FDIC press release noted: “As of December 31, 2022, Silicon Valley Bank had approximately $209.0 billion in total assets and about $175.4 billion in total deposits. At the time of closing, the amount of deposits in excess of the insurance limits was undetermined. The amount of uninsured deposits will be determined once the FDIC obtains additional information from the bank and customers.”

Banks III: Bank Book. To monitor the current banking crisis on a weekly basis, Mali and I compiled lots of charts based on the H.8 data into YRI’s *US Commercial Bank Book*. Here is what we see in the latest data:

(1) *Deposits vs MMMFs.* During the March 15 week, deposits at all banks fell $98 billion, with a decline of $120 billion at small domestically chartered banks and a gain of $67 billion at large domestically chartered banks (*Fig. 5*). Foreign banks in the US had deposit outflows of $45 billion. Some of these outflows may have gone to money market mutual funds (MMMFs), which had net inflows of $238 billion over the past two weeks through March 22, with $203 billion inflows into institutional MMMFs and $35 billion into retail MMMFs (*Fig. 6*).

(2) *Borrowing.* Commercial banks borrowed a whopping $475 billion during the March 15 week (*Fig. 7*). Borrowing jumped by $251 billion and $252 billion at large and small banks. Foreign banks in the US borrowed $28 billion less during the March 15 week.

(3) *Securities.* The Fed's data include "all securities, whether held-to-maturity reported at amortized cost; available-for-sale reported at fair value; held as trading assets, also reported at fair value; or equity securities with readily determinable fair values not held for trading. Excluded are all non-security trading assets, such as derivatives with a positive fair value or loans held in trading accounts."

This balance sheet item fell $10 billion during the March 15 week (*Fig. 8*).

(4) *Loans.* Loans and leases held by all banks edged up $63 billion during the March 15 week to a new record high, with large banks up $29 billion and small banks up $22 billion (*Fig. 9*). Loans at foreign banks in the US increased $12 billion that week. The following loans were on uptrends at record highs (excluding the pandemic spike in C&I loans): commercial real estate ($2.9 trillion), commercial & industrial ($2.8 trillion), residential real estate ($2.5 trillion), and consumer loans ($1.9 trillion) (*Fig. 10*).

Here are the March 15 values (in trillions of dollars) of the following loan categories at large and small domestically chartered banks: commercial & industrial (1.5, 0.8), commercial real estate (0.8, 2.0), consumer (1.4, 0.4), and residential real estate (1.6, 1.0) (*Fig. 11* and *Fig. 12*). Here are small banks' current shares of these loans: commercial real estate (67.4%), residential real estate (38.0%), commercial & industrial (27.9%), consumer loans (23.7%) (*Fig. 13*).

(5) *Allowances for losses.* Provisions for loan losses edged down during the March 15 week notwithstanding the SVB debacle (*Fig. 14*).

(6) *Bottom line.* We expect that the current banking crisis will be contained because of the Fed's commitment to indirectly guarantee all deposits by providing banks with access to the

new emergency liquidity facility. We will be tracking the weekly H.8 data to assess the situation.

Dustin Hoffman's character, not knowing the right answer, said, "Yes, it's safe. It's very safe, you wouldn't believe it." However, as his dental torture was about to begin, his reply changed: "No, it's not safe. It's very dangerous. Be careful." Hopefully, those of us who don't anticipate much pain from the banking crisis won't soon be changing our tune.

Movie. "Boston Strangler" (+) (*link*) is yet another serial killer movie, reminding us that there are too many psychos out there. In recent years, many psychos have opted for mass shootings. While there is a big debate about banning assault weapons, it's clear that our society isn't spending enough on taking care of the mentally ill among us. The movie is a docudrama about the two female reporters at a Boston tabloid who pursued the leads more diligently than did the police despite the dangers of doing so and the negative impact on their personal lives. One of them says, "Our job is to report the news, not to make it." Too bad so many journalists have lost sight of that approach to their jobs.

Calendars

US: Mon: Dallas Fed Manufacturing Index; Jefferson. **Tues:** Consumer Confidence 101.0; Richmond Fed Manufacturing Index -8; S&P/CS HPI Composite Index 20 City -0.5%m/m/2.5%y/y; Wholesale Inventories 0.2%; API Weekly Crude Oil Inventories; Barr. (Bloomberg estimates)

Global: Mon: Germany Ifo Business Climate Index, Current Assessment, and Expectations 91.0/94.1/88.3; Japan Leading Index 96.5; Australia Retail Sales 0.4%; Elderson; Schnabe; Nagel; Balz. **Tues:** France Business Survey 102.5; Italy Consumer & Business Confidence 104.0/102.5; BOE Quarterly Bulletin; Lagarde; Enria; Balz; Mauderer; Woods; Bailey; Ramsden; Wuermeling; Nagel; Kuroda. (Bloomberg estimates)

Strategy Indicators

Global Stock Markets Performance (*link*): The US MSCI index rose 1.3% last week and moved further out of a bear market into an 18.4% correction from its record high on December 27, 2021. The US MSCI ranked 27th of the 48 global stock markets that we follow in a week when 40 of the 48 countries rose in US dollar terms. The AC World ex-US index rose 1.6% for only its second gain in eight weeks, and exited its bear market to end the week at 19.6% below its June 15, 2021 record high. All regions rose w/w, but EMEA was the best regional performer with a 2.5% gain, ahead of EMU (2.3%), EM Asia (2.2), and EM Eastern Europe (1.8). EM Latin America was the worst performing region last week, albeit with a gain of 0.3%, followed by BIC (1.4) and EAFE (1.5). Hungary was the best-performing country last week, with a gain of 7.4%, followed by Colombia (5.7), Egypt (5.7), and Denmark (5.4). Among the 24 countries that underperformed the AC World ex-US MSCI last week, the 4.7% decline for Jordan was the biggest, followed by Pakistan (-3.6), Brazil (-2.5), Austria (-2.2), and Turkey (-2.0). Looking at 2023's performance so far, the US MSCI is up 3.6%, as its ytd ranking dropped one spot w/w to 18/48. The AC World ex-US's ytd gain of 2.8% is underperforming the US, with 27/48 countries in positive territory. EMU is the best performer ytd, with a gain of 8.2%, followed by EAFE (3.8) and EM Asia (3.0). The regional laggards so far in 2023: EMEA (-3.6), EM Latin America (-2.4), BIC (-2.0), and EM Eastern Europe (-2.0). This year's best ytd country performers: the Czech Republic (23.9), Taiwan (15.5), Mexico (15.2), Ireland (14.2), and the Netherlands (10.9). Here are the worst-performing countries of the year so far: Pakistan (-23.9), Colombia (-19.2), Norway (-12.1), Brazil (-10.2), and India (-8.7).

S&P 500/400/600 Performance (*link*): All three of these indexes moved higher last week. LargeCap rose 1.4% w/w, better than the 1.3% and 0.6% gains for MidCap and SmallCap. By Friday's close, LargeCap and MidCap pulled back further from a deep correction, but SmallCap remained in a bear market. LargeCap finished at 17.2% below its record high on January 3, 2022, MidCap at 17.4% below its record high on November 16, 2021, and SmallCap at 22.2% below its November 8, 2021 record high. Twenty-five of the 33 LargeCap and SMidCap sectors moved higher for the week compared to 11 rising a week earlier. LargeCap Communication Services and Consumer Staples were the best performers with gains of 3.4%, ahead of SmallCap Materials (2.9), and SmallCap Consumer Staples (2.6). Among the worst performers for the week were SmallCap Real Estate (-1.6), SmallCap Communication Services (-1.4), LargeCap Real Estate (-1.2), LargeCap Utilities (-1.2), and MidCap Utilities (-1.1). Looking at performances so far in 2023, LargeCap, with a 3.4% gain, is now in the lead, ahead of MidCap (-1.1) and SmallCap (-1.5); 14 of the 33 sectors are higher ytd. The top sector performers in 2023: LargeCap Communication Services (18.4), LargeCap Tech (17.5), LargeCap Consumer Discretionary (9.6), MidCap Tech (8.7), and SmallCap Consumer Discretionary (7.8). Here are 2023's biggest laggards: SmallCap Energy (-14.8), MidCap Energy (-14.2), SmallCap Financials (-13.0), LargeCap Energy (-11.1), and MidCap Financials (-10.9).

S&P 500 Sectors and Industries Performance (*link*): Nine sectors rose last week, and six outperformed the composite index's 1.4% gain. That compares to a 1.4% gain for the S&P 500 a week earlier, when seven sectors rose and four outperformed the index. Communication Services was the best performer with a gain of 3.4%, followed by Energy (2.3%), Materials (2.1), Tech (2.0), Health Care (1.5), and Consumer Staples (1.4). Real Estate was the worst performer with a 1.4% decline, followed by Utilities (-1.2), Consumer Discretionary (0.4), Financials (0.6), and Industrials (0.7). Looking at 2023's performance so far, the S&P 500 is up 3.4% ytd with just three sectors outperforming the index and three higher for the year. The best ytd performers: Communication Services (18.4), Tech (17.5), and Consumer Discretionary (9.6). These are 2023's worst performers: Energy (-11.1), Financials (-9.4), Utilities (-9.6), Health Care (-6.4), Real Estate (-3.9), Consumer Staples (-2.3), Industrials (-1.3), and Materials (-1.1).

S&P 500 Technical Indicators (*link*): The S&P 500 rose 1.4% last week and improved relative to its 50-day moving average (50-dma) and 200-day moving average (200-dma). While the index was below its 50-dma for a third week after trading above in seven of prior eight weeks, it moved back above its 200-dma after two weeks below. It had been above for eight weeks before that in its longest positive 200-dma streak since it was above for 81 straight weeks through January 2021. The S&P 500's 50-dma improved to 1.1% below its 50-dma from 2.4% a week earlier and a 20-week low of 3.6% below the week before that. That compares to a four-month low of 10.6% below at the end of September, a 23-month high of 8.7% above the index's rising 50-dma in early August, and a 27-month low of 11.1% below its falling 50-dma in mid-June. The index had been mostly trading above its 50-dma from late April 2020 to early April 2022; in June 2020, it was 11.7% above, which was the highest since its record high of 14.0% in May 2009. That compares to 27.7% below on March 23, 2020—its lowest reading since it was 29.7% below on Black Monday, October 19, 1987. The price index closed Friday at 0.9% above its rising 200-dma, up from a nine-week low of 0.3% below a week earlier. That compares to a 13-month high of 5.1% above in early February. The 200-dma moved higher for a second week, but has risen in just six of the past 45 weeks. The S&P 500 is well above its 26-month low of 17.1% below its falling 200-dma in mid-June and compares to 10.8% above its rising 200-dma in November 2021. That also compares to 17.0% above in December 2020, which was the highest since November 2009 and up from the 26.6% below registered during the Great Virus Crisis on March 23, 2020—the lowest reading since March 2009. At its worst levels of the Great Financial Crisis, the S&P 500 index was 25.5% below its 50-dma on October 10, 2008 and 39.6% below its 200-dma on November 11, 2008.

S&P 500 Sectors Technical Indicators (*link*): Three of the 11 S&P 500 sectors are trading above their 50-dmas, up from two sectors above a week earlier. Consumer Staples turned positive w/w and joined Communication Services and Tech as the only sectors trading above their 50-dmas. Three sectors have a rising 50-dma, unchanged from a week earlier, with these the only three sectors still in the rising 50-dma club: Communication Services, Consumer Discretionary, and Tech. Looking at the more stable longer-term 200-dmas, Consumer Staples became the fourth sector above that measure in the latest week as it joined Communication Services, Industrials, and Tech. The rising 200-dma club jumped to 10 members, up from four a week earlier. Real Estate is now the only sector with a falling 200-dma.

US Economic Indicators

Durable Goods Orders & Shipments (*link*): Durable goods orders pulled back in February for the second month after soaring in December, on sharp swings in transportation orders, notably nondefense aircraft & parts, over the past three months. Billings fell 1.0% in February, building on January's 5.0% shortfall, after jumping 5.1% during December, as transportation orders plummeted 16.5% during the two months ending February following a 15.8% jump in December. Excluding transportation orders, billings were flat in February after a 0.4% gain and a 0.4% loss the previous two months. Meanwhile, nondefense capital goods orders excluding aircraft (a proxy for future business investment) has been moving sideways since reaching a record high last August, climbing 0.5% during the first two months of this year after falling 0.4% the last two months of 2022; these orders are within 0.3% of August's record high. Nondefense capital goods shipments excluding aircraft (used in calculating GDP) was unchanged in February after climbing 0.9% in January to a new record high; these orders had dropped 0.7% the final two months of last year. On a year-over-year basis, core capital goods orders and shipments are up 4.3% and 5.5%, respectively, slowing from their peak rates of 22.3% and 17.7% during April 2021.

Regional M-PMIs (*link*): Three Fed districts (New York, Philadelphia, and Kansas City) have reported on manufacturing activity for March; they show growth declined for the eighth successive month—and at a faster rate than in February—deteriorating to -15.9 from -10.0, the weakest since May 2020. Activity in the New York (to –24.6 from -5.8) region contracted at quadruple January's pace, while the Philadelphia (-23.2 from -24.3) region's decline virtually matched February's sharp drop—and Kansas City's was at zero for the second successive month. New orders (-21.0 from -9.1) fell for the 10th month, dropping at more than double February's pace, with billings in the New York (-21.7 from -7.8), Philadelphia (-28.2 from -13.6), and Kansas City (-13.0 from -6.0) regions all contracting at a faster pace.

Employment (-0.8 from 3.2) showed little change in March, as hirings in the Philadelphia (-10.3 from 5.1) area swung from positive to negative, while New York (-10.1 from -6.6) factories cut jobs at a faster rate, and Kansas City's (18.0 from 11.0) hired at a faster pace. Looking at prices-paid indexes, the New York (41.9 from 45.0) area saw price pressures ease a bit in March, after a tightening in February from January's 26-month low of 33.0, while Philadelphia's (23.5 from 26.5) price pressures slowed to a 31-month low this month. They were at record highs of 86.4 and 83.6, respectively, during April 2022 and November 2021. Meanwhile, Kansas City's (30.0 from 26.0) accelerated, though remained considerably below its record high of 84.0 recorded during May and October of 2021. Prices-received indexes were mixed: New York's prices-received measure eased to 22.9 in March after climbing from a two-year low of 18.8 in January to 28.4 in February; it was at a record high of 56.1 in March 2022. The Philadelphia measure moved down for the second month to 7.9 in March from 14.9 and 29.9 during February and January, respectively; it was at a record high of 65.8 in November 2021. Kansas City's eased to 13.0—the lowest since the end of 2020; it was at a record-high 60.0 in August 2021.

New Home Sales (*link*): New home sales (counted at the signing of a contract) continued to climb in February, rising to its highest level since last August; that suggests the housing market may finally be gaining its footing. Sales climbed for the fourth time in five months, up 1.1% m/m and 16.4% over the period to 640,000 units (saar). Still, sales are 19.0% below the year-ago level. Of the 640,000 homes sold in February, 269,000 units were under construction, while 222,000 were completed and 149,000 not yet started—the highest since last March. Meanwhile, there were 436,000 units for sale last month, with only 72,000 units completed and 95,000 not yet started; 269,000 were under construction. At the current sales pace, it would take 8.2 months to run through the supply of new homes, an 11-month low, and down from 10.1 months last September and June—which was the highest since April 2009.

Global Economic Indicators

US PMI Flash Estimates (*link*): The US private sector activity continued to gain momentum in March, according to flash estimates, climbing to its best pace in 10 months—as the service sector moved further above the 50.0 breakeven point and the manufacturing sector moved to within striking distance. Price measures were a mixed bag. The C-PMI increased the first three months of this year, climbing to 53.3 in March after falling in eight of the prior nine months, from 57.7 last March to 45.0 by December. The NM-PMI advanced for the third month, from 44.7 at the end of last year to 53.3 this month, the highest since last May, while the M-PMI rose from 46.2 to 49.3 over the three-month period, though remained in contractionary territory for the fifth successive month. Turning to prices, input costs continued to rise at an historically elevated pace this month despite the rate of inflation easing to the second slowest since October 2020. Raw material and supplier price hikes eased, though companies reported greater wage bills, which sent cost burdens higher. Meanwhile, output price inflation accelerated this month at the fastest rate in five months, led by service providers. Manufacturing companies recorded the slowest rate in these prices in nearly two and a half years.

Eurozone PMI Flash Estimates (*link*): Economic activity in the Eurozone was the strongest in 10 months this month, according to flash estimates, as the service sector expanded at its fastest pace since last May, after contracting the final five months of last year, while the manufacturing sector contracted for the ninth successive month, slumping to a four-month low. The Eurozone's *C-PMI* rose for the fifth month, to 54.1, after falling steadily from 55.8 last April to a 23-month low of 47.3 by October. The *M-PMI* slipped for the second month to 47.1 this month after advancing the prior three months, from 46.4 to 48.8, while the *NM-PMI* increased for the fourth month from 48.5 to a 10-month high of 55.6 over the period. Looking at the two largest Eurozone economies, *Germany's C-PMI* moved further into expansionary territory, improving for the fifth straight month, from 45.1 in October to 52.6 this month—the highest since last May; *Germany's NM-PMI* climbed during five of the past six months from 45.0 in September to a 10-month high of 53.9 this month. Meanwhile, the *M-PMI* deteriorated for the second month, to a 34-month low of 44.4, after increasing from 45.1 in October to 47.3 in January. Meanwhile, *France's C-PMI* advanced for a second month, to a 10-month high of 54.0 this month, after sliding seven of the previous nine months from 57.6 last April to 49.1 by this January. *France's NM-PMI* moved further above the breakeven point of 50.0, climbing for the second month, to a 10-month high of 55.5 this month, after declining from 58.9 last April to 49.4 this January. Meanwhile, *France's M-PMI* was in contractionary territory for the sixth time in seven months, after a brief move up to 50.5 in January, before falling back below, registering 47.4 and 47.7 during February and March, respectively. *Elsewhere across the region*, activity expanded at an 11-month high, rising to 55.5 this month, with the service sector posting its fastest pace since November 2021, while the manufacturing sector reported a modest upturn for the second straight month. Looking at *inflation* for the entire Eurozone, the report notes that while inflationary pressures continue to moderate, the rate at which prices charged for goods and services are rising remains higher than anything seen in the survey history prior to the pandemic—fueled primarily by the service sector and rising wage costs.

Japan PMI Flash Estimates (*link*): "Output increases at fastest rate for nine months as services activity growth accelerates further" was the headline of this month's survey. Japan's *C-PMI* advanced for the fourth consecutive month, from 48.8 last November to a nine-month high of 51.9 this month, as the NM-PMI climbed from 50.3 to 54.2 over the comparable period—posting its best performance since October 2013. Meanwhile, the M-PMI remained below the 50.0 breakeven point for the fifth month, though edged up to 48.6 this month from February's 47.7—which was the weakest since September 2020. Turning to prices, the rate of *input price* inflation dipped to the lowest since August 2021, while *output price* inflation accelerated at the fastest rate since October 2019.

Contact us by *email* or call 480-664-1333.

Ed Yardeni, President & Chief Investment Strategist, 516-972-7683
Debbie Johnson, Chief Economist, 480-664-1333
Joe Abbott, Chief Quantitative Strategist, 732-497-5306
Melissa Tagg, Director of Research Projects & Operations, 516-782-9967
Mali Quintana, Senior Economist, 480-664-1333
Jackie Doherty, Contributing Editor, 917-328-6848
Valerie de la Rue, Director of Institutional Sales, 516-277-2432
Mary Fanslau, Manager of Client Services, 480-664-1333
Sandy Cohan, Senior Editor, 570-228-9102