



Brave New world

Ritesh Jain

What happens if financial assets start correcting?

US economy goes into depression and that's is the reason policy makers are just so scared about any correction in markets.

Chart 6: US financial assets now 5.6 times GDP



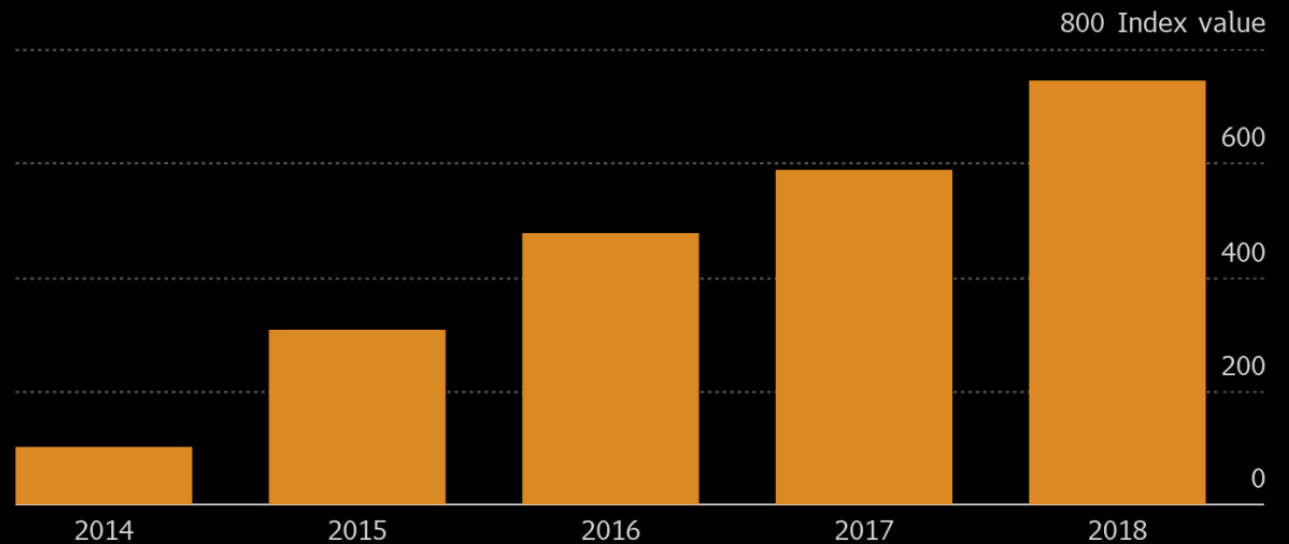
Source: BofA Merrill Lynch Global Investment Strategy, Federal Reserve

Online installment loans are new Payday loans

Whereas Payday loans targeted Poor americans, Online loans target working class americans

Borrowing Binge

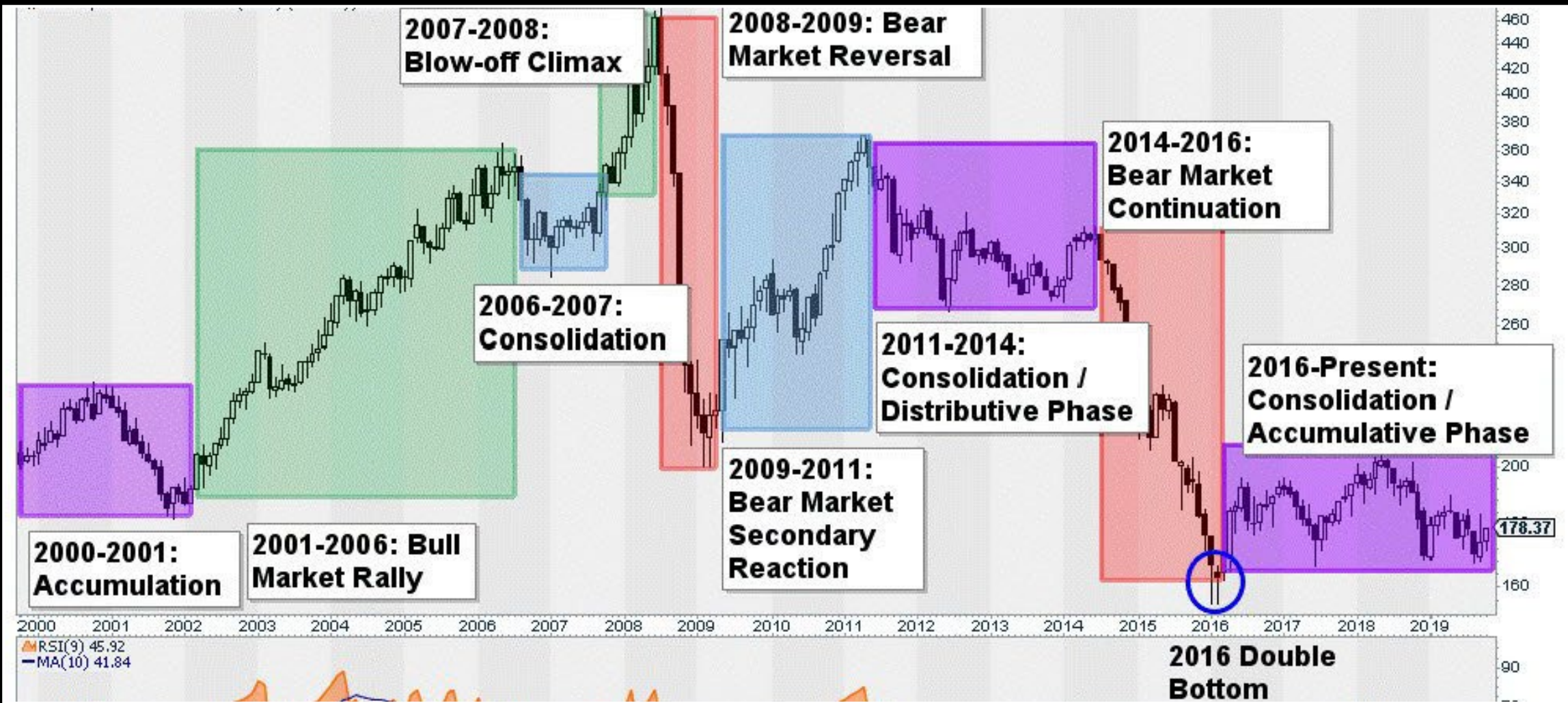
Online installment loan volume continues to surge



Source: Clarity Services Inc.

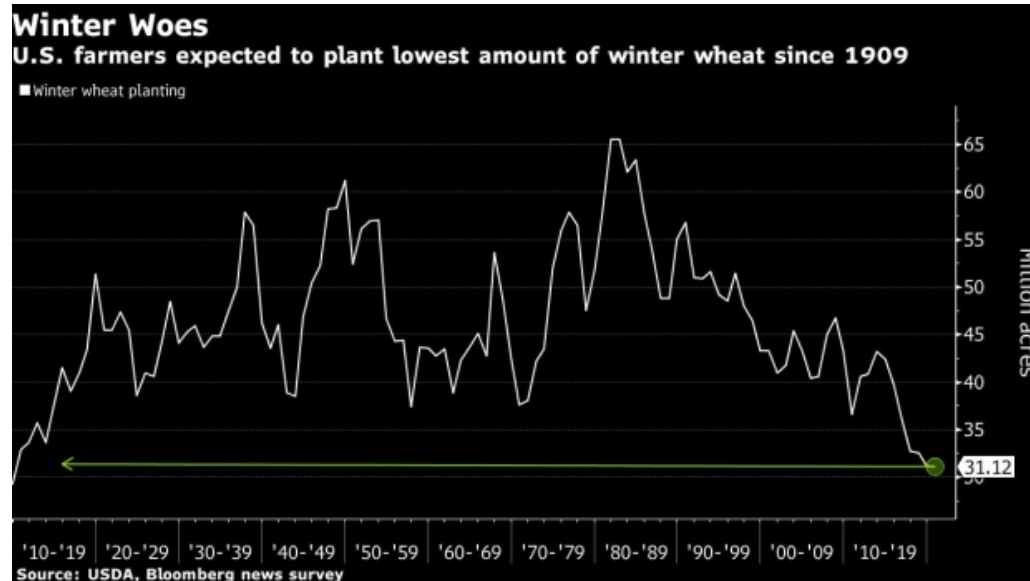
Note: 2014 funded loan volume indexed at 100. Based on study sample of more than 25 million loans and 350 million consumer loan applications

Bloomberg



Commodity Prices at 20 year low.

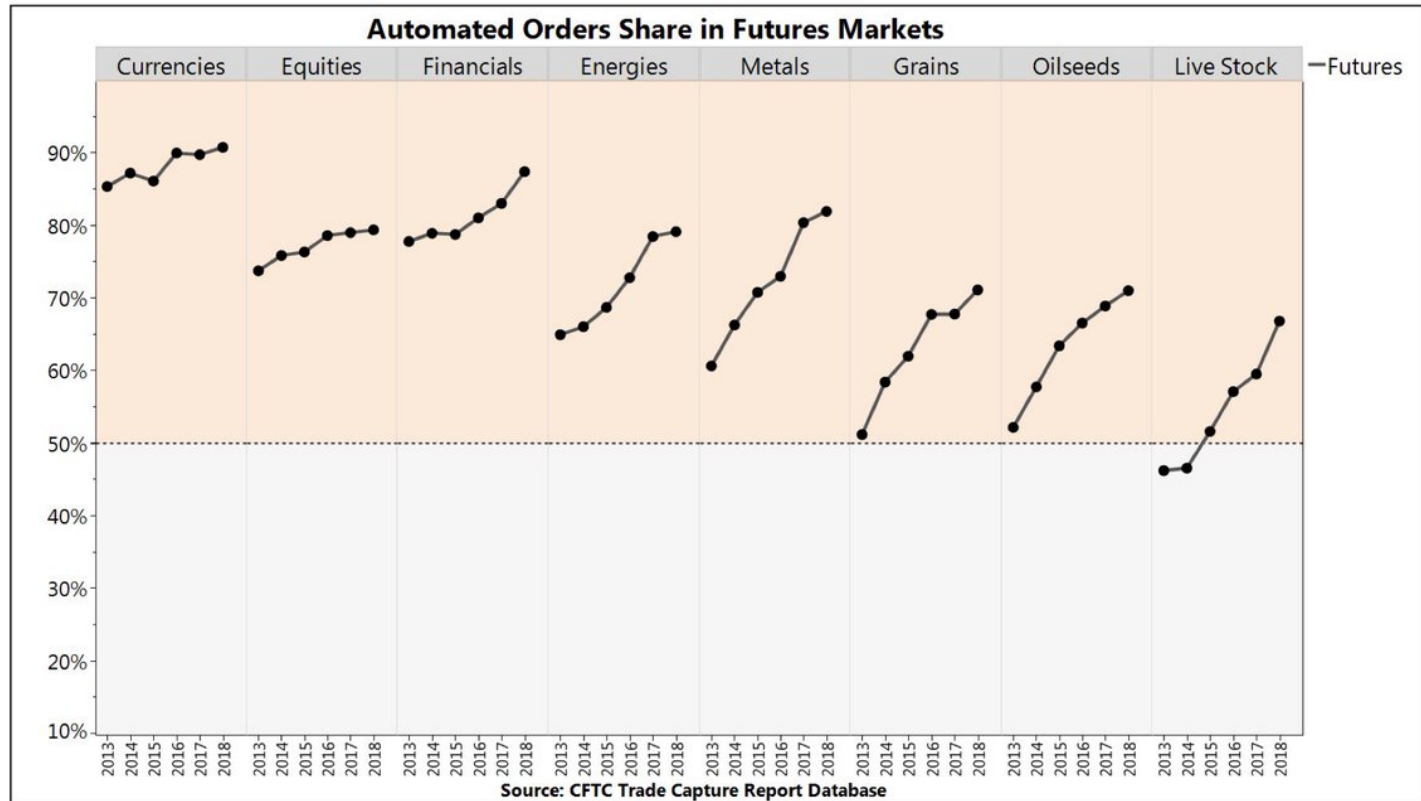
Poverty amidst Plenty



- Dogged by lower prices and tepid demand, U.S. wheat farmers are poised to plant the fewest acres of winter varieties in 110 years.
- The news is always the worst at bottom

Price discovery is broken

- ATS transactions steadily increased across markets.



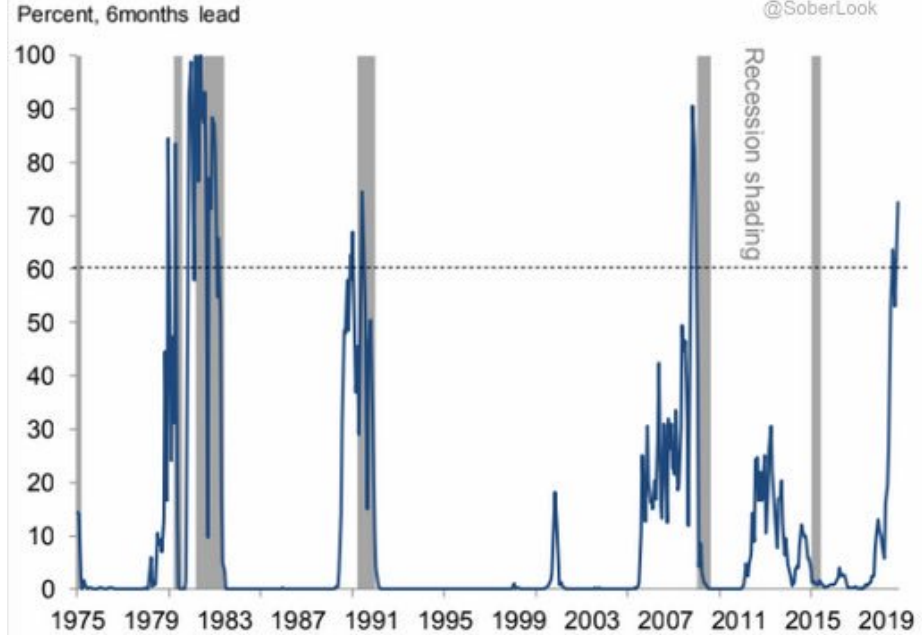
Canada's economy -
Speed bumps ahead.
While the argument can
be made that yield curve
isn't the same force to
signal recession,
slowdown in Ontario
(lower fiscal spending,
slowdown in global
manufacturing,
slowdown across the
border) can take a hit on
highflying \$cad economy

Oxford Economics' Canada Leading Recession Index (CLRI): 72.4%

Posted on
WSJ: The Daily Shot
29-Oct-2019

Canada: Probability of a recession 6 months ahead

@SoberLook



Our Canada Leading Recession Index jumped 13.3ppt to 72.4% in September, well above the 60% critical threshold. The last time the CLRI was above this level was in August 2008, two months prior to the Great Recession.

The rise in the September index can be attributed to a substantial and prolonged yield curve inversion, higher odds of a recession in the US, another decline in the OECD's leading indicator for Canada and higher energy prices in September.