

It's better to pause on the last working day of the year and take stock on what had happened in this year...

Governments all over the world decided to “spend now and deal with consequences later” in 2020 - this resulted in 2022 and it showed the mirror to the policy makers that that massive deficit spending & unleashing of liquidity entails a future cost.

At the start of 2022, the central bankers were secretly hoping that a tough rhetoric would be enough to tame inflation -that the fear of the medicine is enough to scare away the sickness. But they were forced into action.

Fixing this present impasse would imply a global recession but not necessarily a classical style financial crisis, whereas the

price for not fixing it means elevated inflation, weaker growth, and another bad year. There are some economies who have embarked on fixing and there are many who are still standing outside the gate .

Global growth will decline from a modest 3.2 % in 2022 to a disappointing 1.8 % in 2023, significantly below the pre pandemic trend but the main concern is about the levels of global debt.

Total global debt rose to a new record of over \$305 trillion. It's tough for the global economy to climb uphill with this heavy burden on the back .

As such growth can be transitory whereas inflation more persistent

Choppy consolidation remains the

dominant theme to end the year. Look for 104.10 USD index close to stay positive on dollar - however the seasonal narrative is that the 'research' houses will go short Dollar and get stopped out by mid January .

Let me stop here without getting into the rest of the usual 'stuff' and wish all of you a happy new year 2023.