Recession Risks:
Will central banks kill the economy?

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clime

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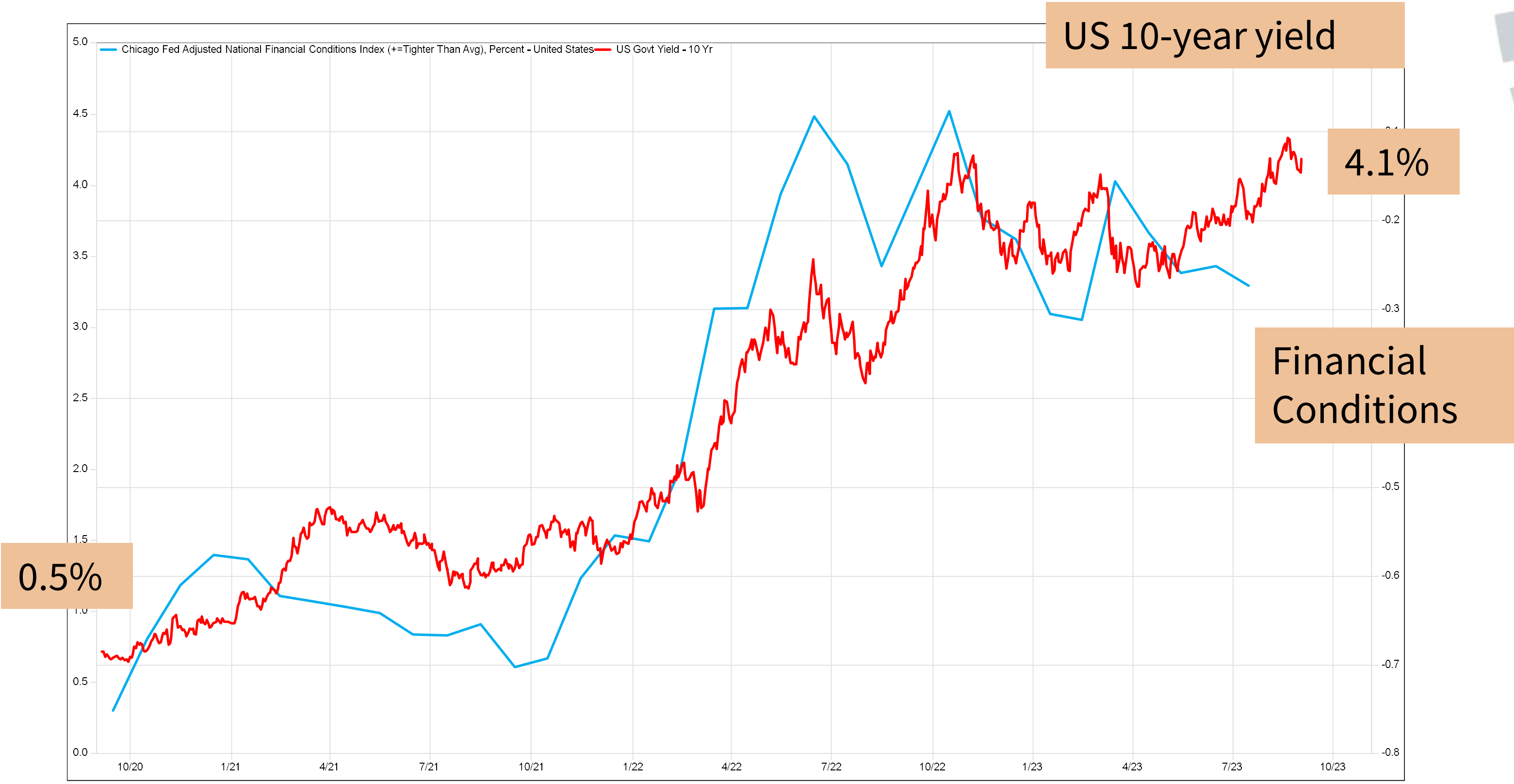
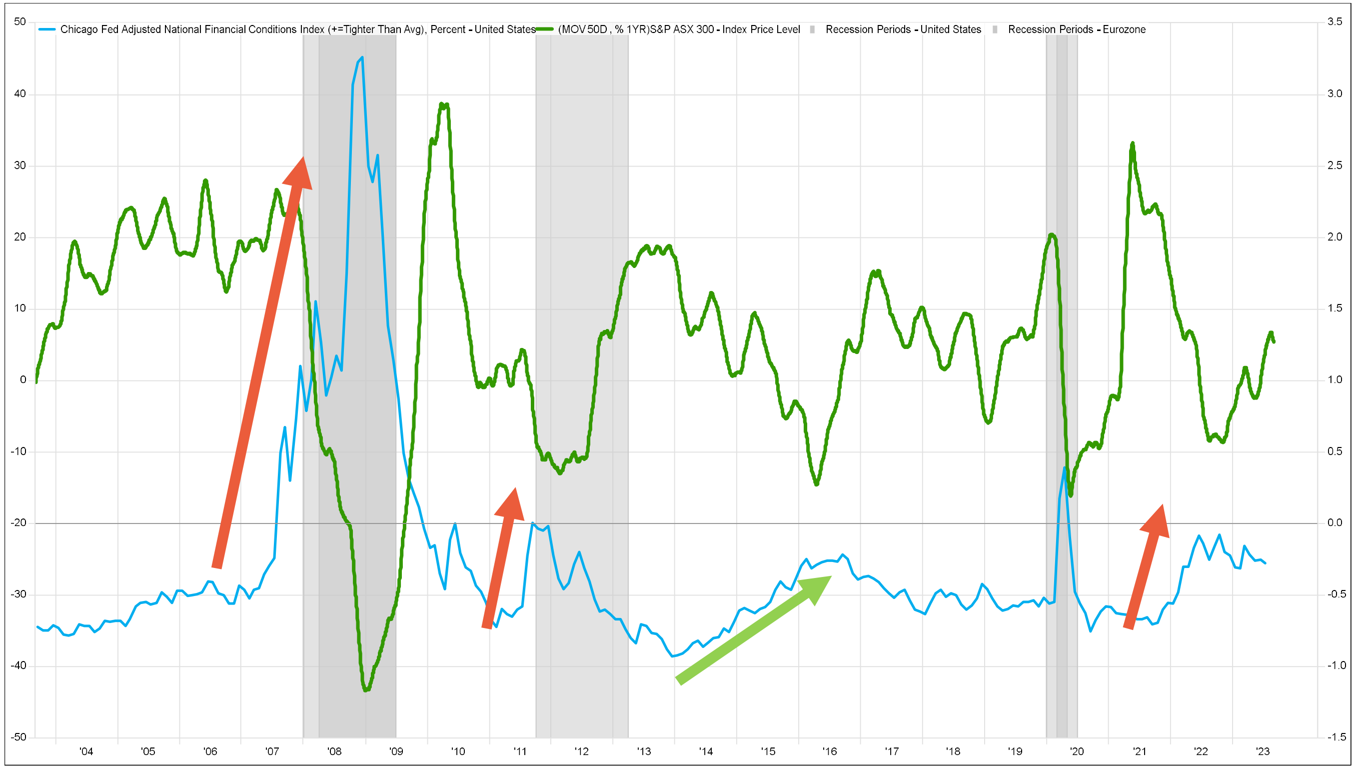
Interest rates have tightened liquidity



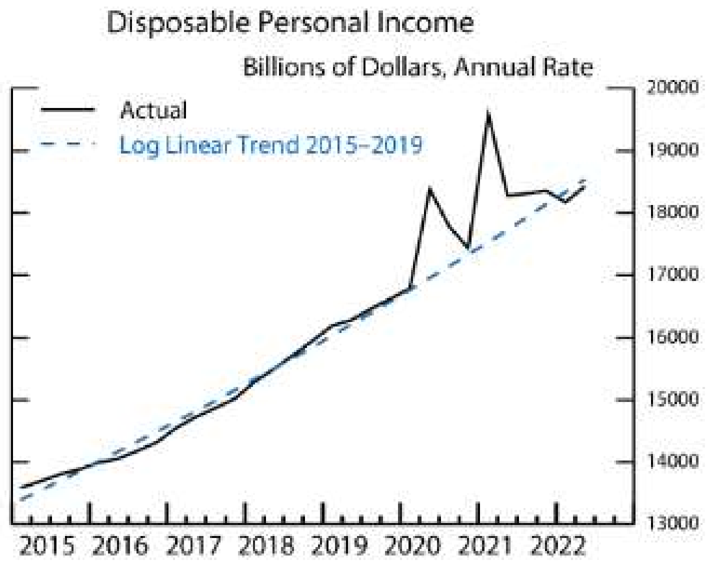
Factset, Chicago Fed

Rapid tightening = recession

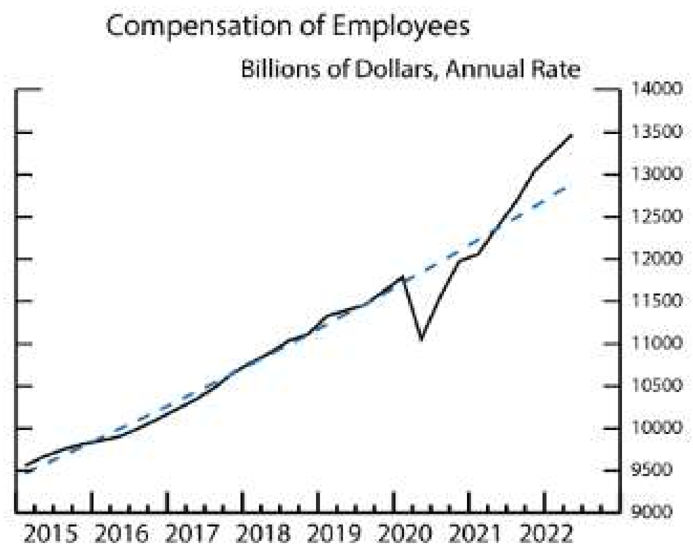


How have we avoided a recession?

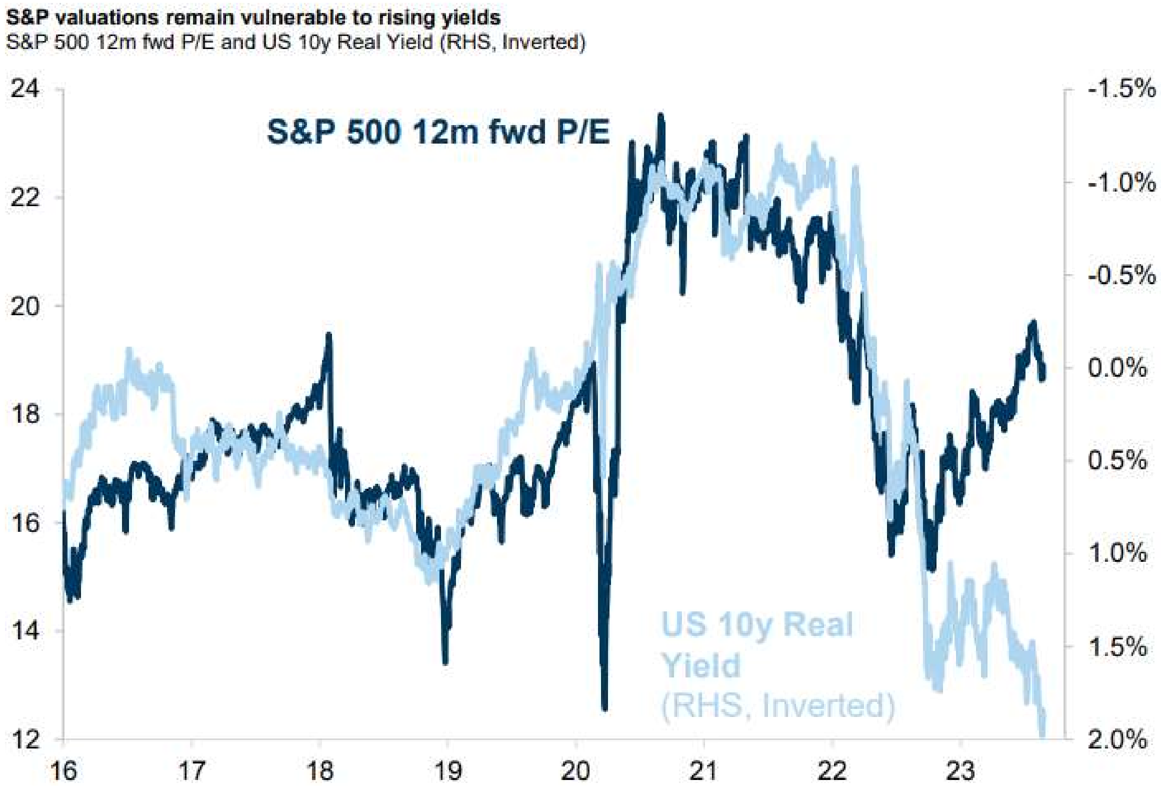
Rates not impacting income



Wages keeping pace with inflation



Share market ignoring rising real yields



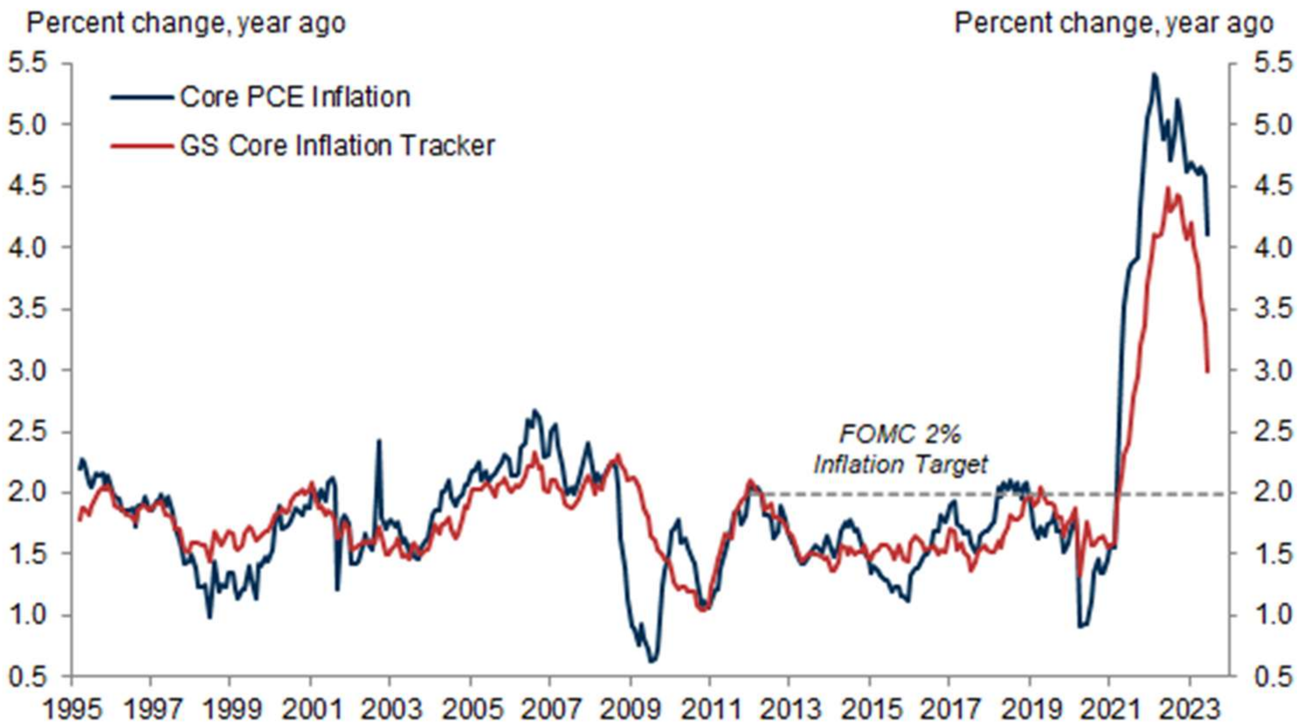
Factset, Goldman Sachs research

Where’s the earnings recession?

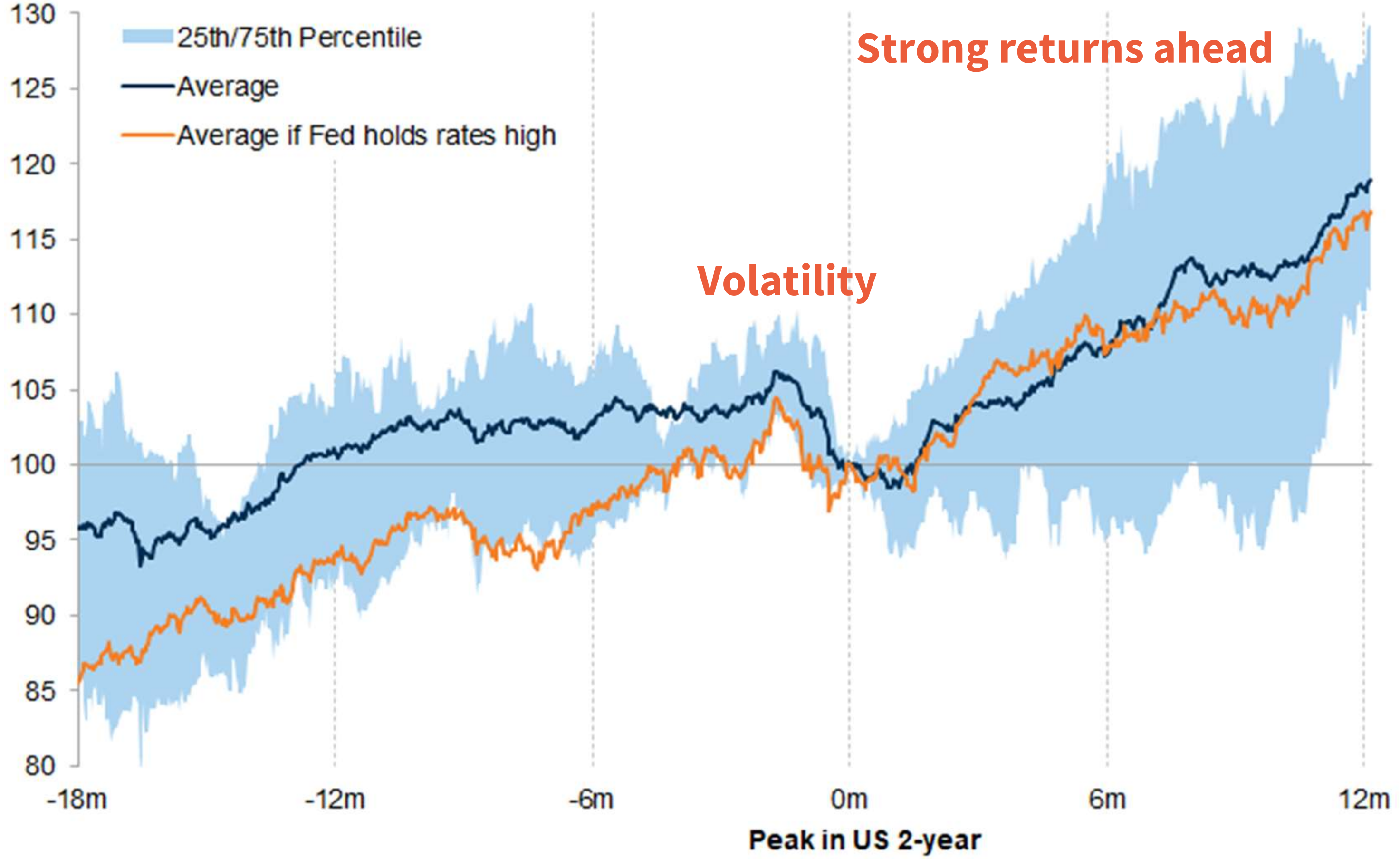
Figure 30 - Australian Market EPSg (%)

Source: Macquarie Research, September 2023.

Have central banks done the impossible?



What happens as we near the last rate rise?



Source: Goldman Sachs

Clime's macro matrix

Macro		Valuation		Sentiment	
Business cycle	Policy/Liquidity	Absolute	Relative	Positioning	Momentum

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Adviser Services 1300 789 575 | Investor Services 1300 788 568 | info@clime.com.au | clime.com.au