

June 15th – a day that will live in infamy

So on June 15th, the Fed will reverse their long program of QE and embark on QT. Since Ben Bernanke started QE in the wake of the GFC, \$8 trillion dollars have been added to the Fed's balance sheet. For comparison, the balance sheet stood at \$1 trillion at the start. This has been probably the biggest contributor to equity gains and financial imbalances. It really was/is an unproven concept. A bunch of academics saying, "hey let's do this". And now they have the tiger by the tail. They don't really know the effect of QT and some Fed board members have suggested as much. Could be ugly.

