



### Surprising Economic Strength

The elusive strong American economy. What is propelling the American economy? Here are a number of thoughts compiled from reading and my own brain:

1. The stock market (and crypto) rally
2. Greater than \$1.5 trillion U.S. budget deficit
3. Easier credit
4. Consumption of savings accumulated during Covid (for lower-income cohorts this has disappeared)
5. Revenge spending, travel. This may be going away. Next summer's travel season will be telling.
6. Inflation fears. Buy/travel now before it gets more expensive.

I do see a weakening of demand already happening, from a purely observational point of view. Restaurant reservations seem to be easier to get (I regularly check Steamboat availability a few days out during peak tourist times). Uber wait times seem to have gotten shorter on my recent trip to NYC and Boston. Savings continue to decline. Still think a recession is coming.

A handwritten signature in black ink, appearing to read "M. Cole", with a long, sweeping underline.