

The US, the UK and Euro area diverge in their approaches.

All 3 Central Banks , the ECB, Bank of England and Fed, made the same mistake of creating too much money, buying too many bonds and keeping interest rates too low and ended up with a high inflation. China and Japan didn't do these things and kept inflation down.

All 3 Central Banks that got it wrong now are making their publics pay by hiking rates and trying to generate a recession or slowdown. Only now they are starting to diverge. The ECB is going easier on their economies, afraid of too deep a recession and worse financial and banking problems if they tighten more. They are not selling bonds at big losses and stopped hiking rates at a lower level. The Fed which is doing the same as the Bank of England had to reverse policy and plump \$400 bn back into markets to avoid a regional banks collapse.

Now the US Treasury has opened up and is in effect fighting the Fed. Where the UK Treasury goes for a falling deficit, the US has just doubled its deficit when adjusted for the accounting of student loans from fiscal 2022 to fiscal 2023 to September year end. The deficit soared to \$2 trillion.

No wonder the US has 4.9% growth and we have practically none. A \$400 bn course adjust by the Fed and a huge fiscal boost kept the economy going. Who is right?