

Global Macro Strategy

Jefferies

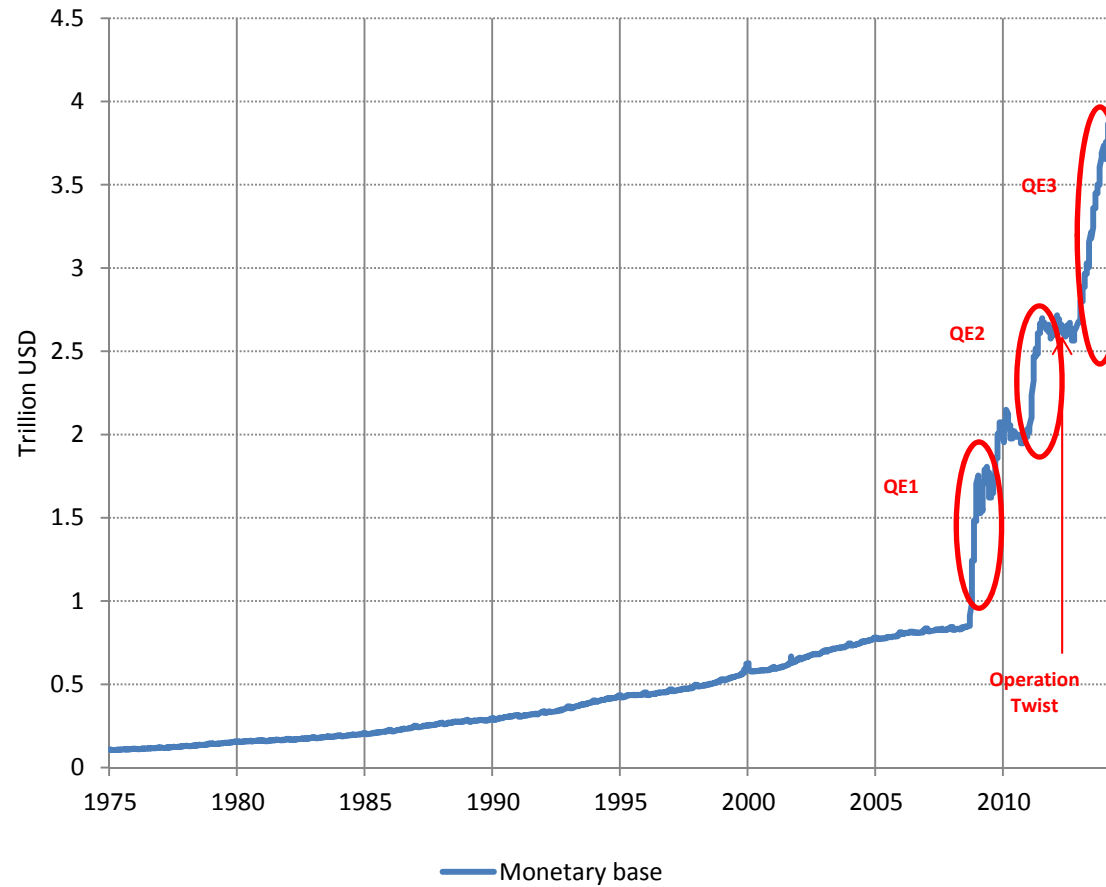
Spring 2014

# QE, Credit Markets and Bubbles

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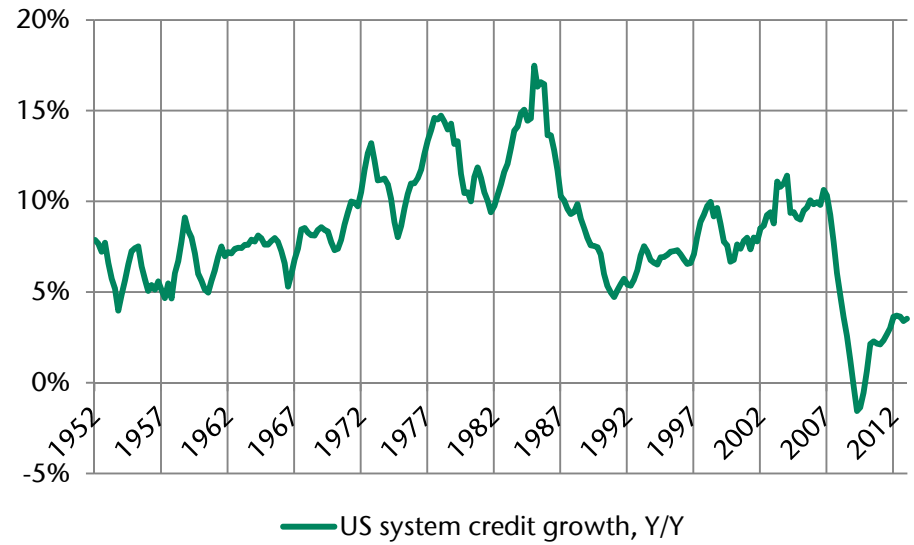
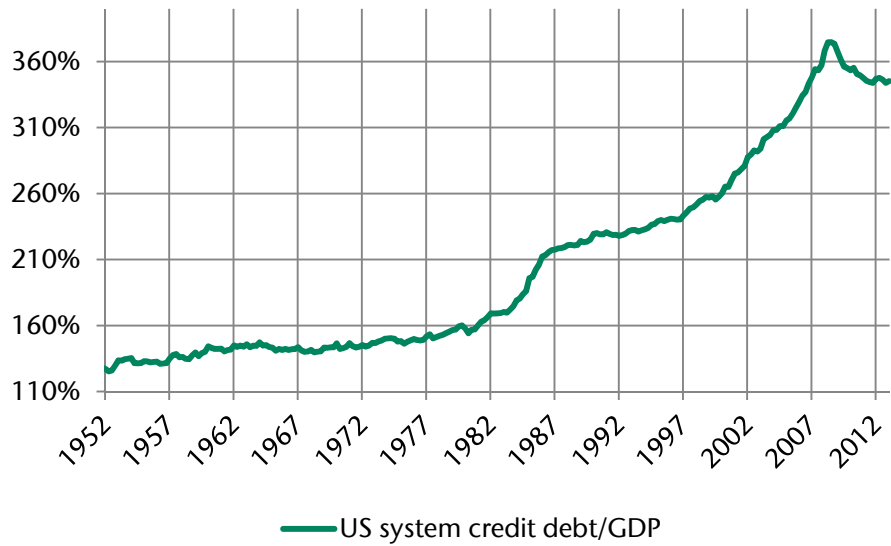
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# US Monetary Base



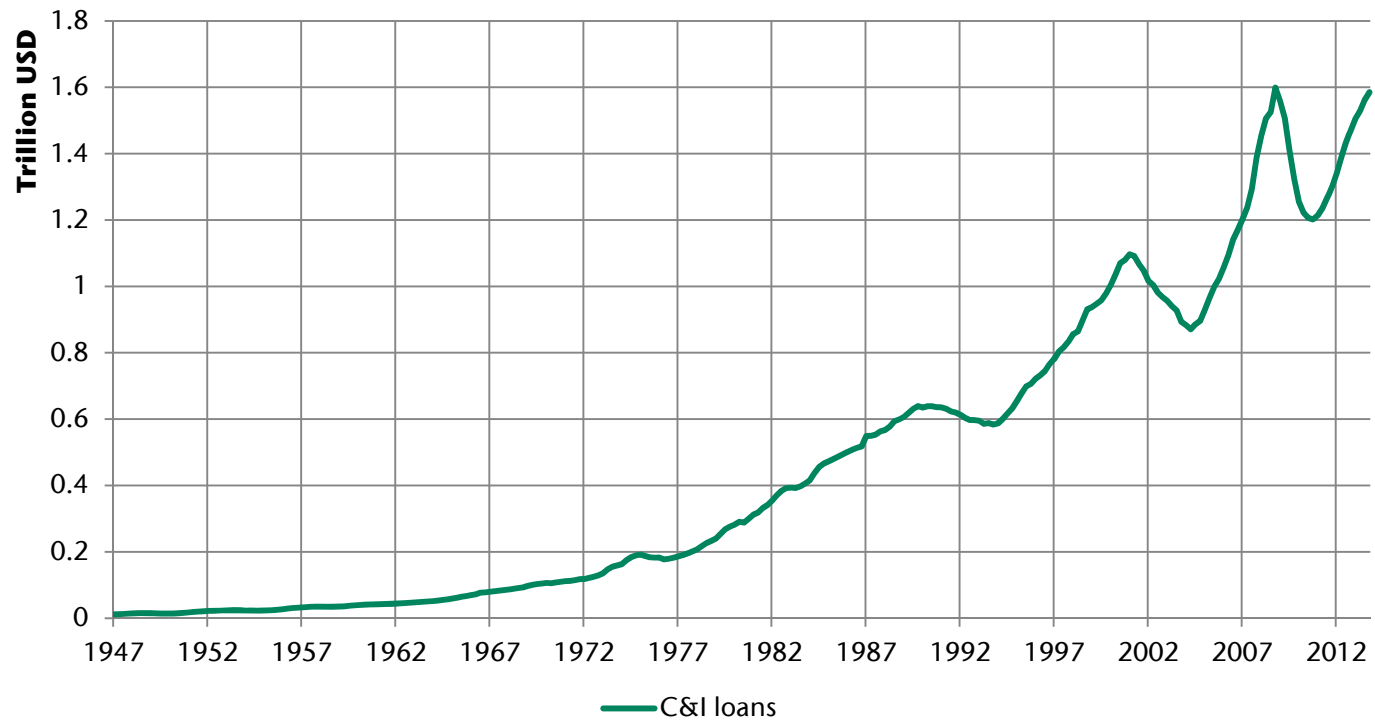
Source: Bloomberg

# US System Credit Debt



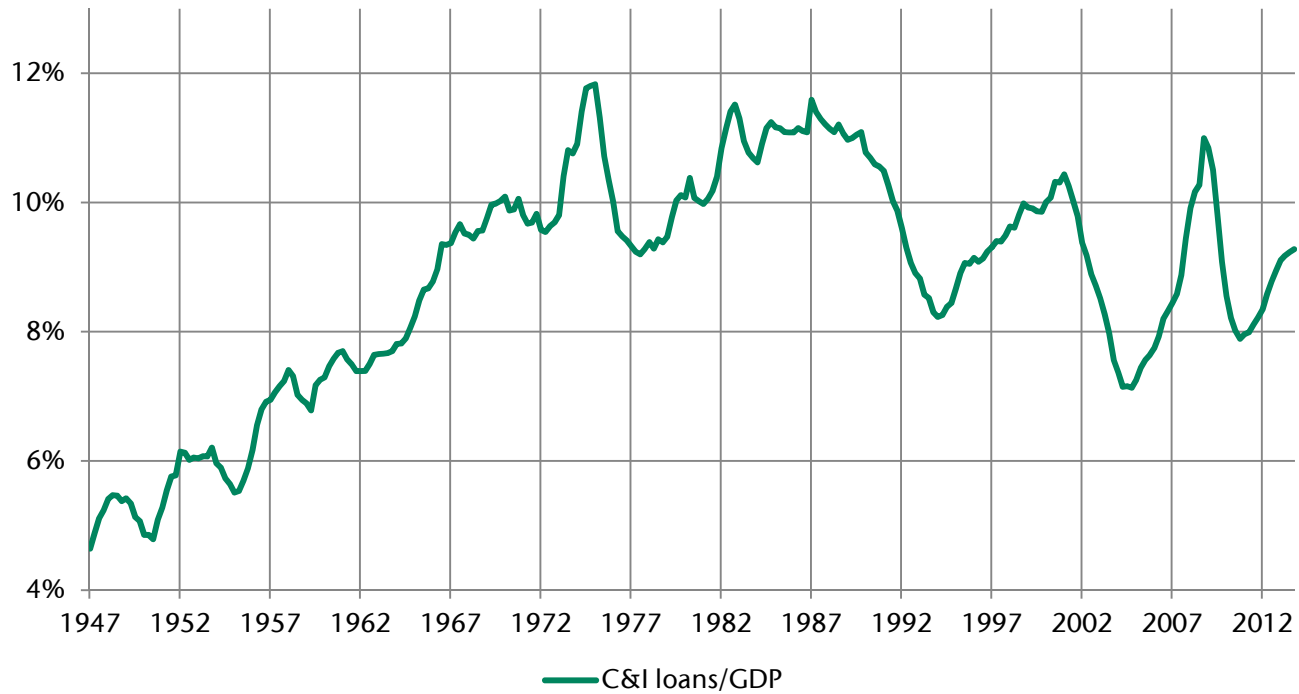
Source: Fed

# C&I Loans



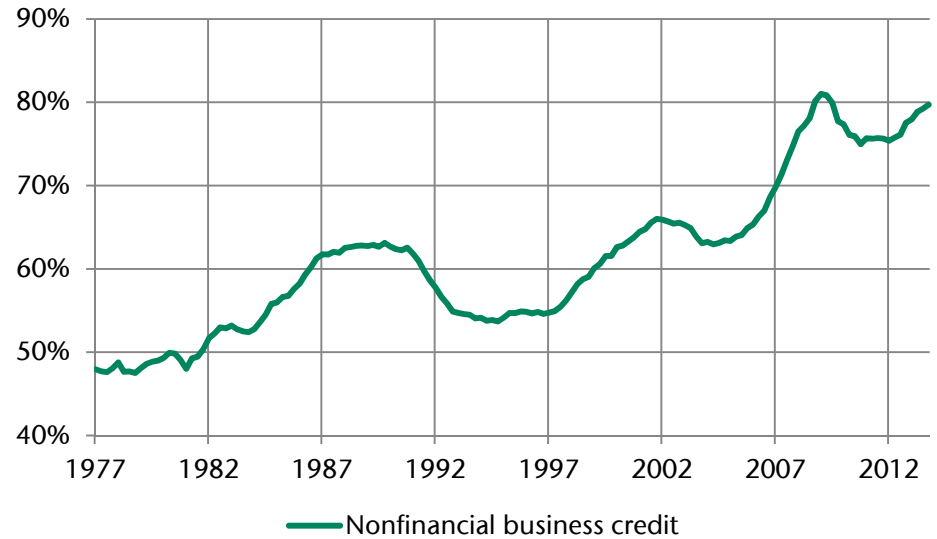
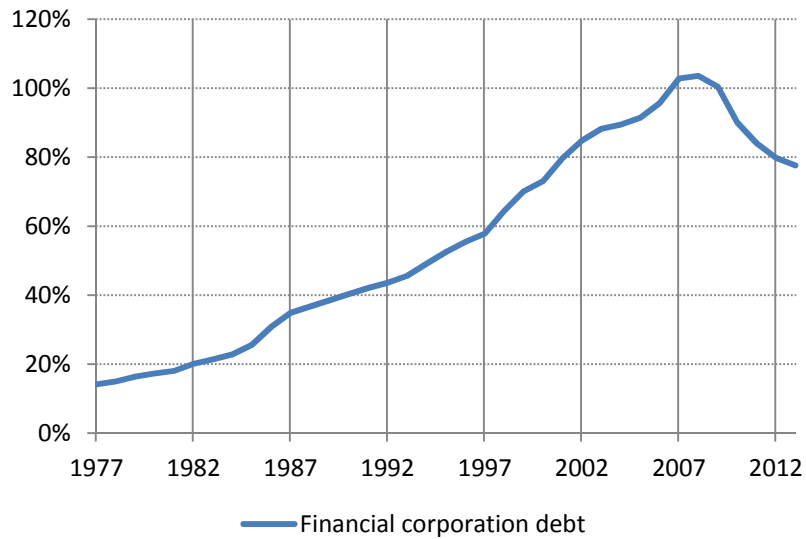
Source: Fed

## C&I Loans/GDP



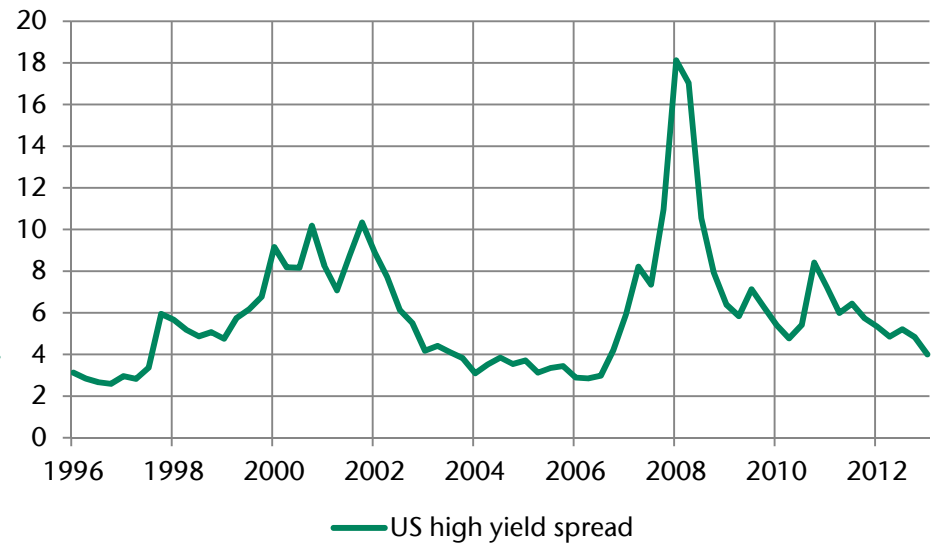
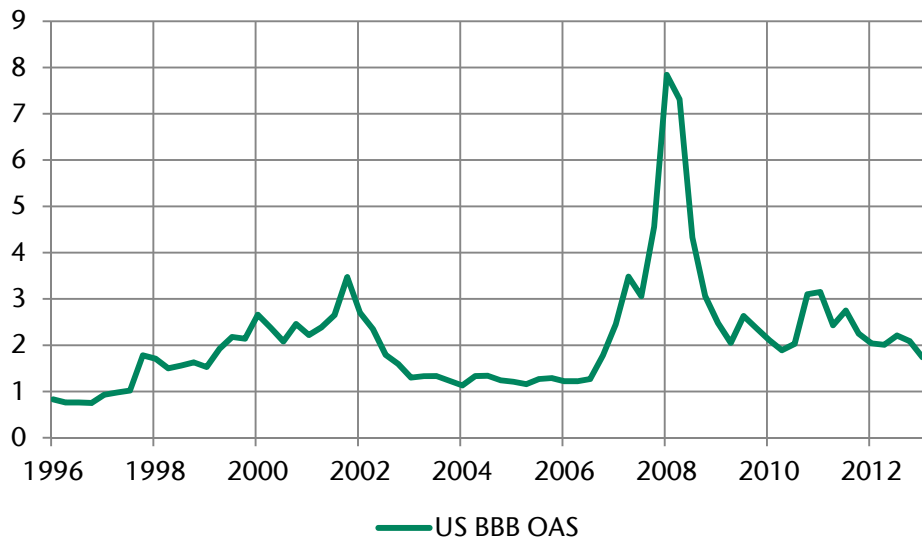
Source: Fed

# Financial and Non-Financial Corporation Debt/GDP



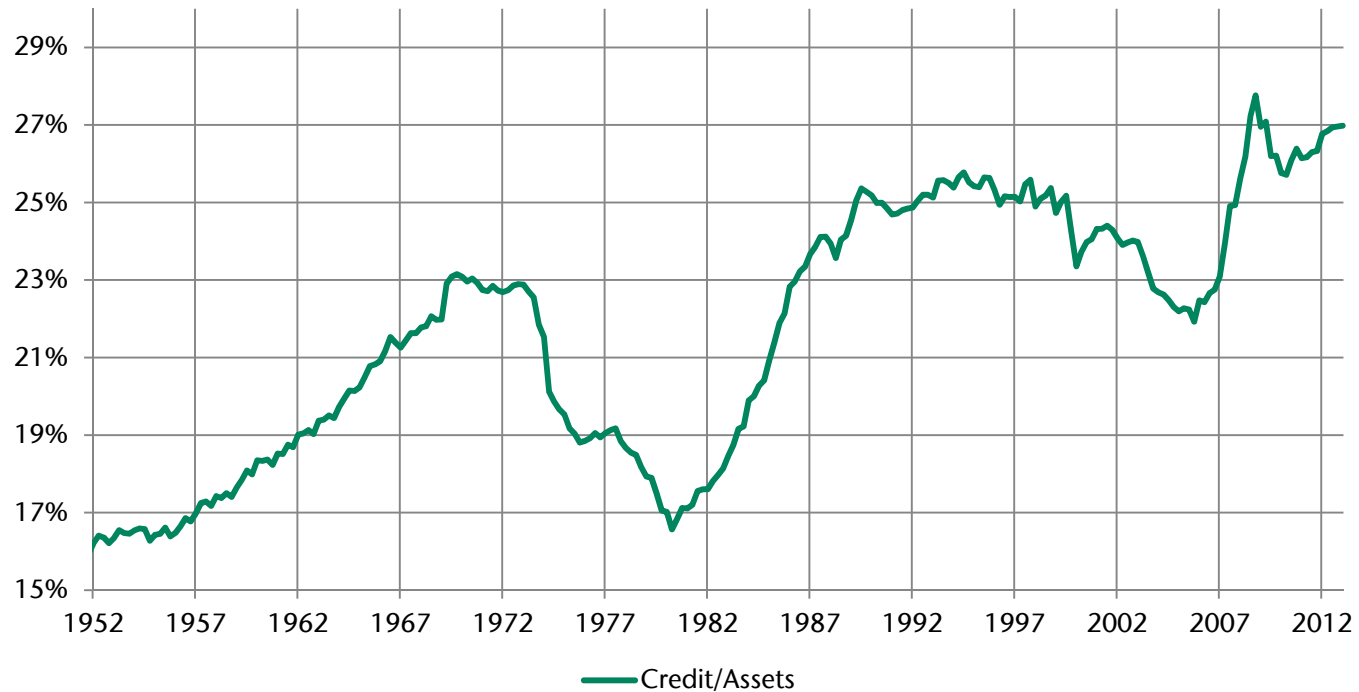
Source: Fed

# US BBB and HY OAS (%)



Source: Fed

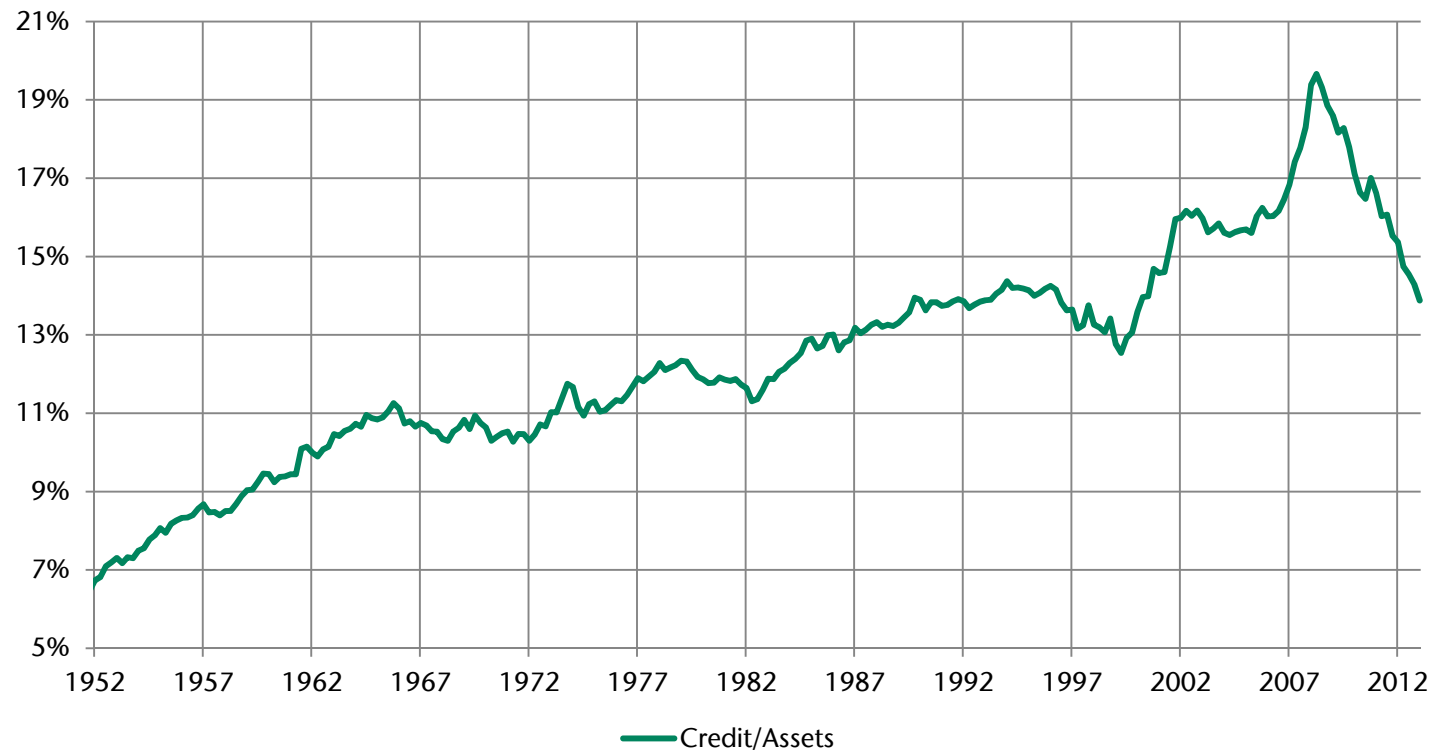
# Nonfinancial Corporates: Total Credit/Total Assets



Source: Fed

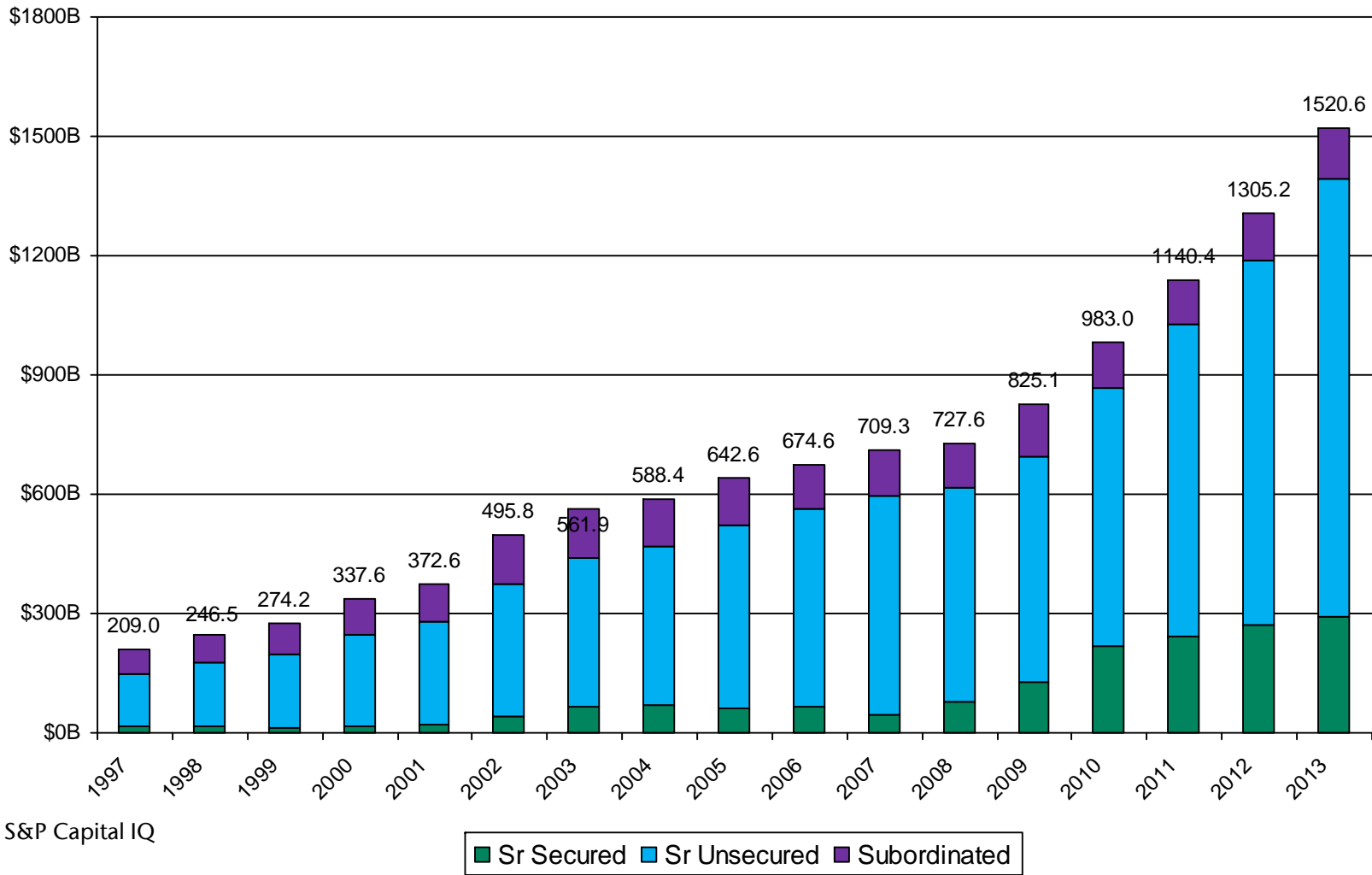


# Household and Nonprofit: Total Credit/ Total Assets



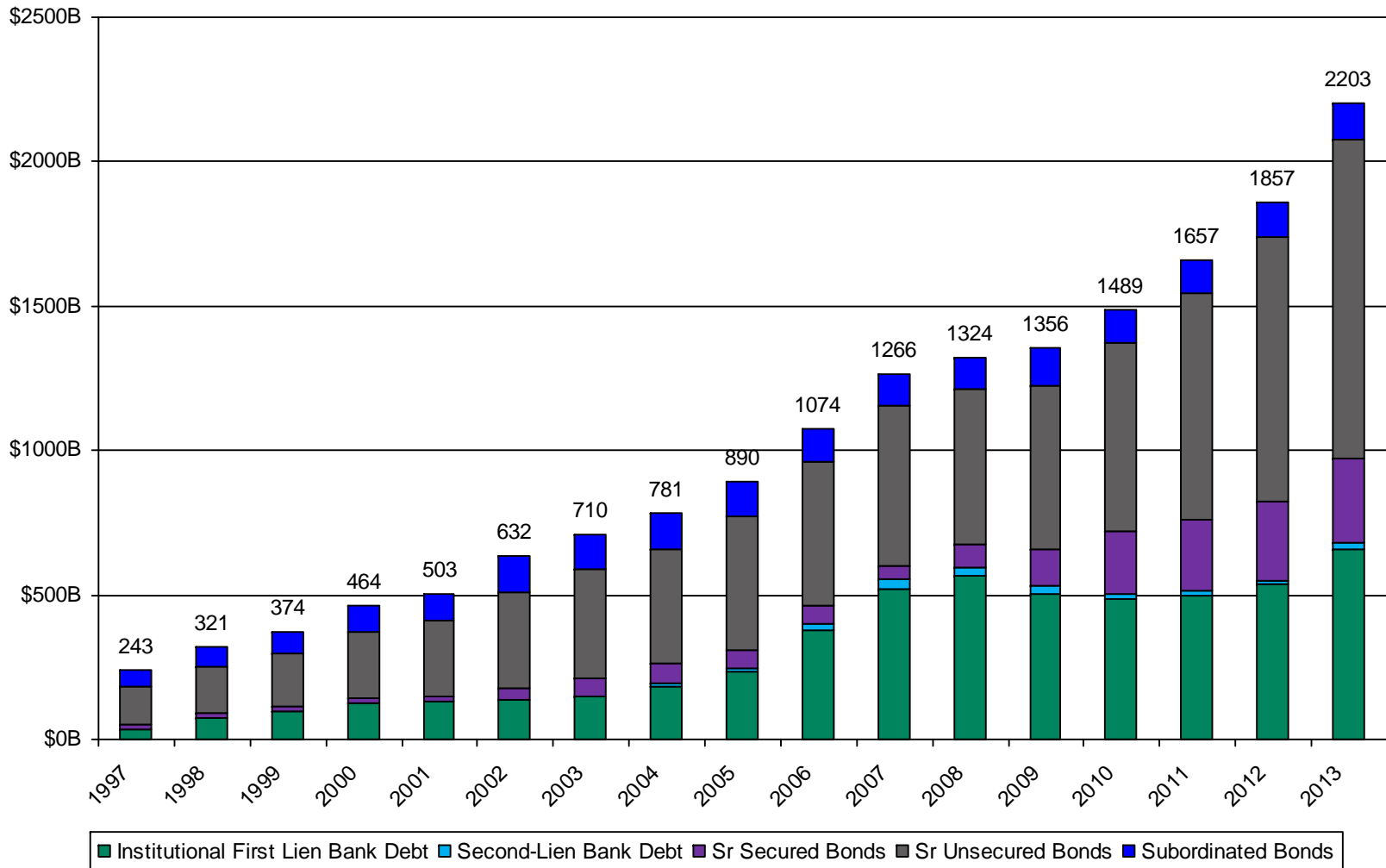
Source: Fed

# Total HY Bonds Outstanding



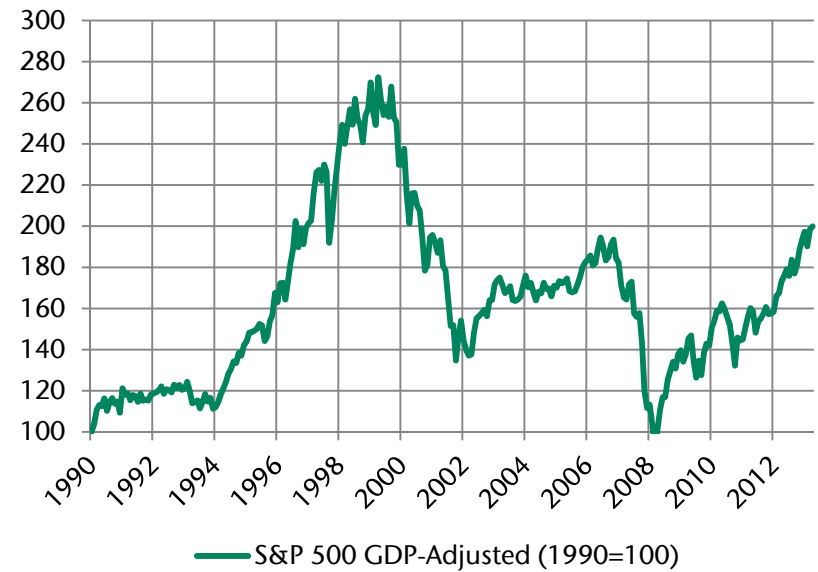
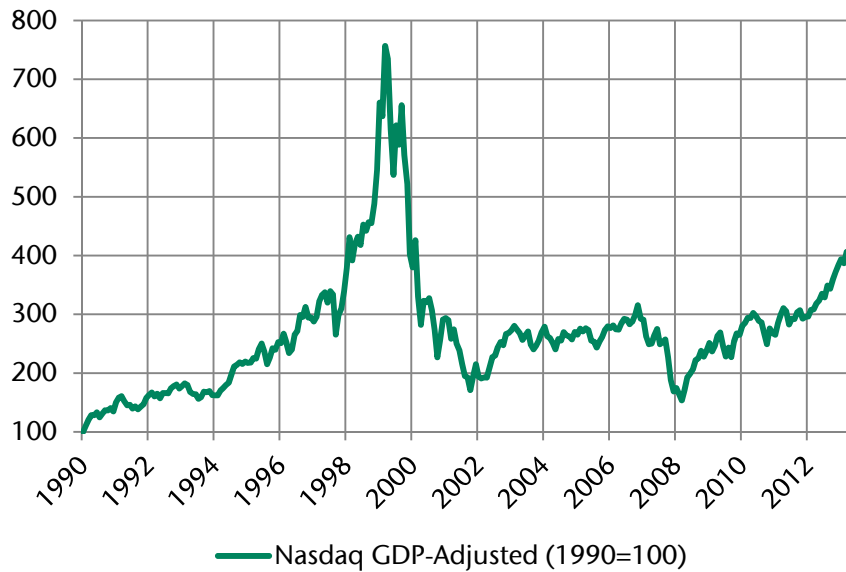
Source: S&P Capital IQ

# Total HY Leveraged Debt Outstanding



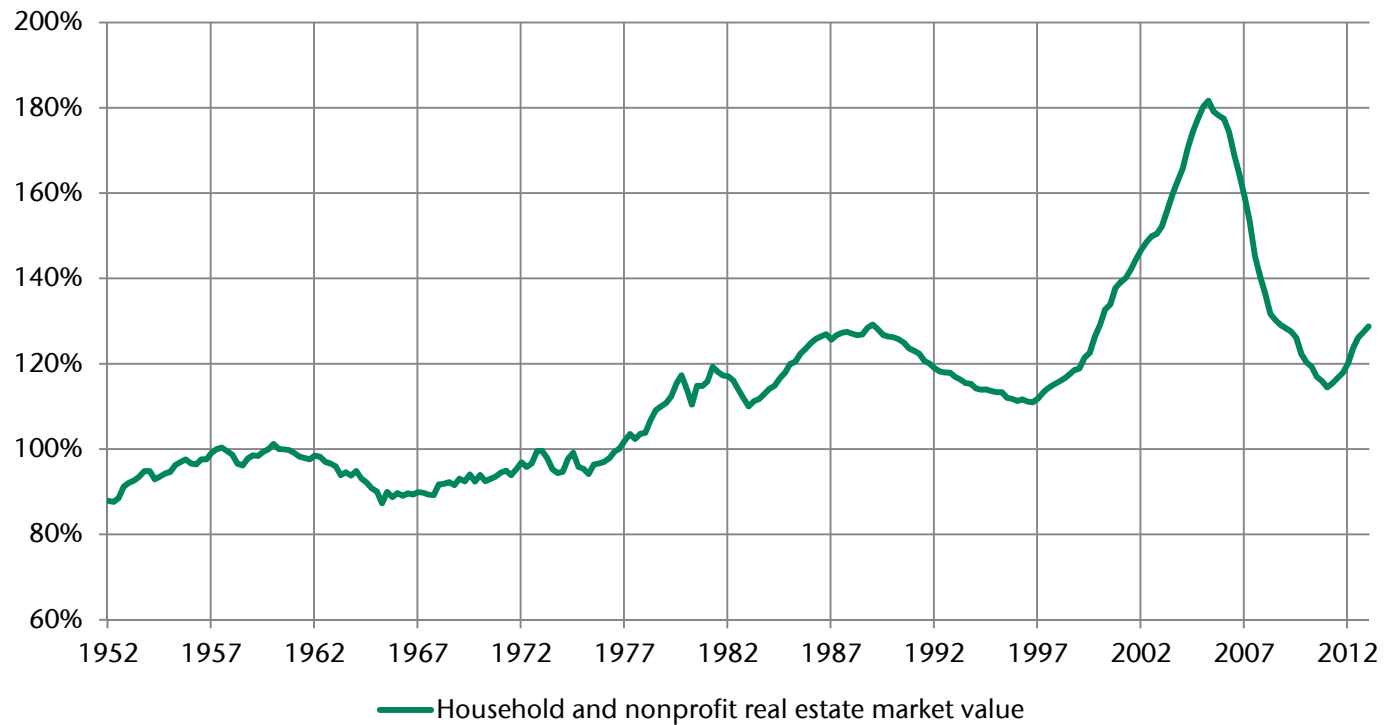
Source: S&P Capital IQ

# Equity Markets Growth Normalized by GDP



Source: Bloomberg

# Household and Nonprofit Real Estate Market Value/GDP



Source: Fed



Question 1: Where is the next bubble?

Question 2: Can monetary policy stop it?

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