

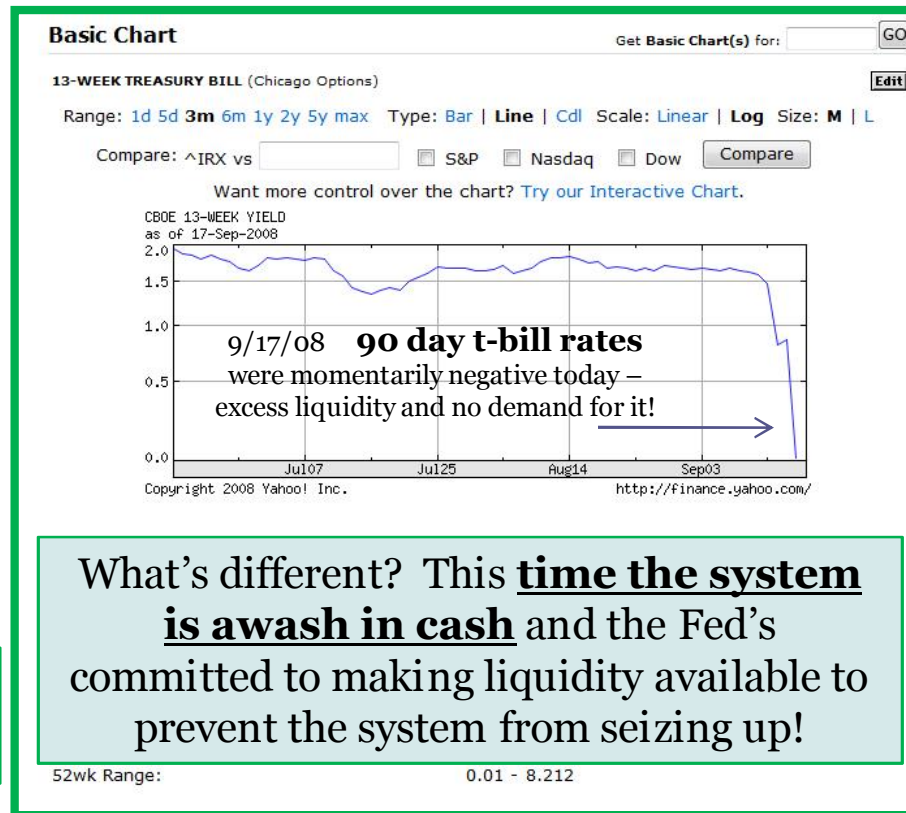
How did we move from Recession (?) to Depression overnight?

Does anybody know what Ben Bernanke wrote his Doctoral Thesis on? The Depression!!!

1929

“High Inflation
“High Unemployment
“High Interest rates
“Restrictive Monetary Policy (raising rates)

I would not bet on the side of the entire US financial system crashing!



What's different? This **time the system is awash in cash** and the Fed's committed to making liquidity available to prevent the system from seizing up!

Central Banks Announce Measures to Improve Financial Market Liquidity

The Bank of Canada, the Bank of England, the European Central Bank, the Federal Reserve, the Bank of Japan and the Swiss National Bank on Sept. 18 announced coordinated measures designed to address the continued elevated pressures in U.S. dollar short-term funding markets. These measures, together with other actions taken in the last few days by individual central banks, are designed to improve the liquidity conditions in global financial markets. ([Read more.](#))

2008

“Low Inflation
“Low Unemployment
“Low Interest rates
“Accommodative Monetary Policy (lowering rates)

At some point in the future all of these cash infusions have to lead to inflation!

What's the same: The Markets are getting rocked! Why? Nobody wants to trade with each other because of counter-party default risk --- **fear**. So, prices of stocks and bonds are being marked down **irrationally**. till someone will take the risk!