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Monthly e-mail from Tim Congdon and John Petley – 24th September, 2019

Global money round-up in autumn 2019

53% of US finance executives see a recession hitting the economy before the 2020 presidential election, according to a 18th September survey from Duke University and CFO magazine. However, in the three months to August the M3 measure of broad money rose in the United States from $19,551b. to $20,032b., or at an annualized rate of 10.2%. (The data come from Shadow Government Statistics.) Finance directors' opinions matter to the economic outlook, but no one has been silly enough to propose that they are a key variable in an organized theory of national income determination.

On the other side of the Atlantic, the annualized growth rate of broad money in the three months to July – using the European Central Bank's M3 concept – was 6.6%. Media alarm about a supposedly looming recession has caused the Governing Council to endorse the resumption of asset purchases. The representatives of Germany, France and the Netherlands opposed the majority decision, partly on the grounds that macroeconomic conditions were benign. The €20b.-a-month rate of asset purchases might add 1% - 1½% to the rate of broad money growth in a year, hardly a revolutionary change. At any rate, money trends in neither the USA nor the Eurozone are consistent with imminent weakness in demand and output. There is always somewhere in the world that is a bit scary, and Iran's attack on Saudi Arabia's energy infrastructure may presage a more significant military flare-up in the Middle East. It must also be said that serious misgovernment in such nations as South Africa and Argentina seems to be a risk in 2020 and later, although they should not plunge to the depths of Venezuela and Zimbabwe. Obviously, if more countries suffer trend declines in output because of misgovernment/dysfunctionality/corruption, then the trend rate of growth of world output will be lower than would otherwise have been the case.

Money trends in autumn 2019 in the main countries/jurisdictions

What are the latest money growth trends in the main countries? And what is the message for global economic activity over the next year or so, and for inflation/deflation thereafter? The table below summarizes key numbers. The latest data show robust money growth in the USA and the Eurozone, while the UK – which suffered an undoubted money deceleration in the first half of 2019 – enjoyed an upward blip in money growth in July. Of the developed countries, only Japan remains in the doldrums on the money growth front, but that has been the pattern for most of the last 25 years. Overall the message from the developed world is that money growth is positive for demand and output in the next few quarters. Trends in the developing nations are varied, but in the two big ones – China and India – banking systems' assets and their broad money liabilities continue to expand at rates not far from double digits. Imponderables at present are the potential negative effects on the world economy in 2020 from failed or failing states such as Venezuela, Zimbabwe and Congo Kinshasa (and even failing states still not that far from normality, like South Africa), and a serious Middle East military flare-up following Iran's attack on Saudi Arabia's oil infrastructure.

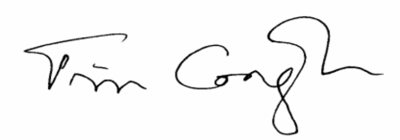
Name of country/ jurisdiction	Share of world output		Growth rate of broad money		Comment
	In purchasing-power parity terms, %	In current prices and exchange rates, %	In last three months at annualised rate, %	In last twelve months, %	
USA	15.1	23.3	**10.2**	**6.2**	Healthy credit expansion, with the Fed concerned – perhaps too concerned – to help growth.
China	18.7	16.1	**8.0**	**8.3**	Money growth steady & inflation under control, PBOC concerned to maintain steady growth.
Eurozone	10.6	16.4	**6.6**	**5.2**	Money growth strong, partly because of external inflows.
Japan	4.2	5.9	**1.4**	**2.0**	Credit and money growth down from the 3% figure seen for much of last decade, and very low.
India	7.7	3.3	**10.0**	**10.3**	Credit growth strong, but worries that re-elected BJP to pursue inefficient economic policies.
UK	2.2	3.4	**4.0**	**3.0**	Money growth weak, but July saw bounce-back.

Despite the various geopolitical worries at present, and instability risks in the Middle East, Africa and Latin America, money growth trends in the big countries argue strongly against another global recession in 2020. Sure enough, late 2018 and early 2019 have been characterised by a global slowdown, but this should be interpreted as (to quote Fed chairman, Jay Powell) "a mid-cycle correction", not as a more fundamental setback. The recent falls in manufacturing production in Germany have led to suggestions of another Eurozone recession, but the falls can at least partly be blamed on the need for adjustment (away from diesel engines) in its car industry. Eurozone output is reported to have been up in the second quarter by 0.2% after 0.4% in the first quarter, so that annualised growth in the first half of 2019 was 1.2%, more or less in line with the low trend growth rate. In the USA also output has continued to expand through 2019.

The Fed and the ECB have anyhow shown a welcome pragmatism in responding to signs of demand weakness, with both venturing on small cuts in interest rates in recent months. The ECB's resumption of asset purchases, announced on 12th September after a Governing Council meeting, confirms that international officialdom is biased to ease in the current environment of very low inflation. Indeed, the scale of the proposed asset purchases, at a mere €20 billion a month, implies that the ECB leadership is relaxed about the prospects for Eurozone demand and output in the next few quarters. As far as the USA is concerned, the latest three-month annualised growth rate of M3 broad money (as reported by Shadow Government Statistics) is no less than 10.2%. This may be a little freakish, but consumer expenditure in the USA has been robust so far in 2019.

Commentators have conjectured that – because short-term interest rates are close to zero – "central banks have run out ammo". (In the UK even policy-makers have indulged in this sort of thing. Gertjan Vlieghe, a member of the Monetary Policy Committee, is reported to have said recently that the Bank's quantitative easing programme is "unlikely to provide significant further stimulus", according to *The Daily Telegraph* of 9th September.) Central banks can at any time expand the quantity of money by borrowing from commercial banks and using the loan proceeds to purchase something/anything from the non-bank private sector. This power is unlimited. Equilibrium national income and wealth ought to rise – more or less proportionately – with the quantity of money.

Slowdowns are being reported in the industrial areas of the two large developing economies, China and India. In both countries money growth has been steady at virtual double-digit annual rates, and it may seem anomalous that the manufacturing weakness has coincided with stable money growth. As in Germany, the problem may be specific issues in particular sectors rather than a general sluggishness of demand. At any rate, the latest data indicate an annual fall in China's producer price index, which argues that the authorities have ample scope for stimulatory action. The ability of central banks to ease policy suggests that in 2020 the world economy will again enjoy roughly trend growth of demand and output, in the context of negligible or low inflation.



24th September, 2019

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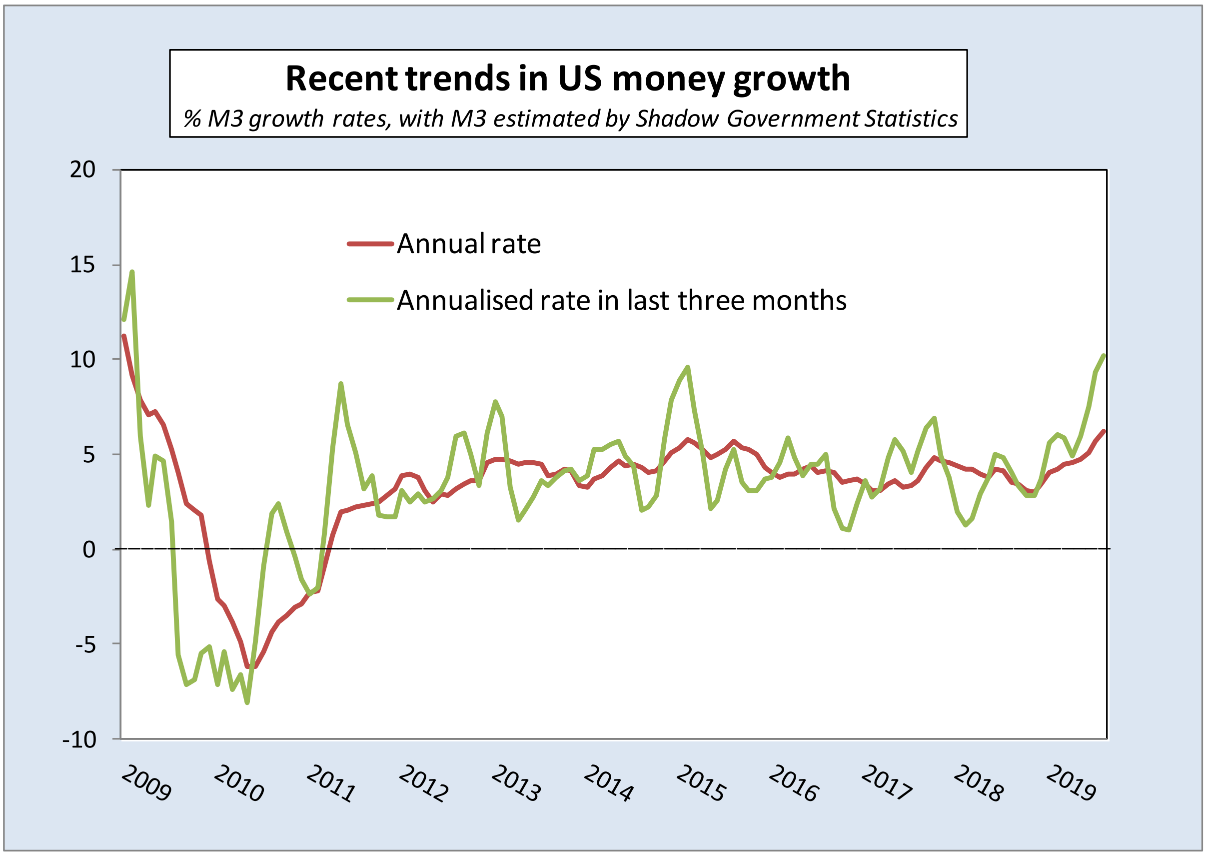
USA

	% annual/annualised growth rate:	
	M3	Nominal GDP
1960 – 2018	**7.4**	**6.5**
Eight years to 2018	**4.0**	**4.0**
Year to August 2019	**6.2**	**n.a**
Three months to August 2019 at annualised rate	**10.2**	**n.a.**

Sources: Shadow Government Statistics research service for M3 after 2006 and US Bureau of Economic Analysis for GDP



M3 growth at its highest in over a decade

Summary: **In the three months to August 2019 US M3 broad money grew at an annualised rate of 10.2%, the highest reading since February 2009. In six of the last nine months, including August, M3 has grown by over $100b. Such strong and consistent money growth has not been recorded since the Great Recession. August saw the M3 quantity of money grow by $129b., down on the figures for June and July ($183b. and $169b. or 0.9%. and 0.8% respectively) but still robust. Strangely, until the end of July this strong money growth was occurring despite the Fed asset run-off. (Our M3 data come from Shadow Government Statistics.)**

In a low inflation environment the optimum level of annual broad money growth for sustainable and stable increases in asset prices is around 4% - 5%. The current rate of US money growth is decidedly on the high side. Such data tend to foreshadow above-trend demand growth; they send out a signal that monetary policy needs to be tightened to avoid future high inflation. As was noted in last month's note, however, the opposite has happened. On 31st July Jerome Powell, Federal Reserve chairman, announced that the Fed funds rate would be reduced by 25 base points, the first cut since September 2008. At the time, Powell insisted that this was a "one-and-done" cut rather than the first of a series, but on 18th September, a further 0.25% cut was announced. James Bullard, president of the St Louis Fed, had wanted a 0.5% cut, but other regional presidents were unconvinced. Both Esther George at Kansas City and Eric Rosengren at Boston opposed these cuts, arguing that the economy is performing well enough not to require extra support. A sharp divide has opened up among members of the Federal Open Markets Committee.

No doubt Trump has the 2020 Presidcntial election in his thoughts, but there is no macroeconomic logic in his demands for large rate cuts. US banks, aided by the relaxation of restrictions introduced by the 2010 Dodd-Frank legislation, have taken advantage of this to boost their portfolio of loans. "Loans and leases in bank credit" (which correspond to the UK notion of "bank lending to the private sector") grew by 5.1% in the year to August. The stock of loans to both businesses and households grew at a slightly faster rate, although the real estate market is less buoyant. Retail sales grew by 4.1% year-on-year in August, wage growth has stood at over 5% per annum since February and the unemployment rate stands at 3.7%, unchanged from July and very low by the standards of recent decades. With trade tensions with China making little impact as yet, the US economy is healthy. Arguably, the rate cuts are not necessary at all because, for some time now, the money numbers have been pointing to at least trend growth in coming months and quarters.

John Petley
17th September, 2019

	% annual growth rate:	
	M3	Nominal GDP
1960 – 2017	**7.4**	**6.5**
1960 – 1970	**7.7**	**6.8**
1971 – 1980	**11.4**	**10.3**
1981 – 1990	**7.7**	**7.7**
1991 - 2000	**5.6**	**5.6**
2001 - 2010	**7.1**	**3.9**
Seven years to 2017	**4.1**	**3.8**

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China

	% annual/annualised growth rate:	
	M2	Nominal GDP
1991- 2018	**19.2**	**15.1**
2010 - 2018	**13.6**	**11.2**
Year to August 2019	**8.3**	**n/a**
Three months to August 2019 at annualised rate	**8.0**	**n/a**

Sources: People's Bank of China for M2 and International Monetary Research Ltd. estimates

Steadу broad money growth continues

***Summary*: In the three months to August 2019 China's seasonally adjusted M2 grew by 1.9% or at an annual rate of 8.0%. This is slightly up on July's figure of 7.8%, somewhat lower than 2018's average of 8.7%. The annual growth nudged up from 8.1% to 8.3%. As the graph above shows, broad money growth has been remarkably stable in the last two years, with the annual growth rate apparently settled within the 8% - 10% band.**

The Chinese authorities nonetheless seem to feel that this year's money growth figures are sufficiently lower than in 2018 as to justify further monetary stimulus. There was a reduction to Chinese base rates in September, albeit by a mere 0.06%. More significant was a reduction of 0.5% in the cash reserve ratio for Chinese banks. This is the third such reduction this year, with the ratio having dropped from 14.5% to 13% for large banks since the start of 2019, while the ratio for smaller banks is down to 11%. The move was calculated to release 900 billion yuan in liquidity. The stock of lending by Chinese banks grew by 12.4% in the year to August, the lowest figure since March 2017 and the sixth consecutive month of slowing loan growth.

It is now four months since the government's take-over of the troubled Baoshang Bank. This resulted in larger banks being unwilling to advance loans to smaller banks, which tended to intensify the deceleration in lending. The banks claim that credit demand is weak. In such circumstances the smallness of the reduction in interest rates may come as a surprise. Perhaps the authorities are concerned about the level of debt in the economy. Last year a new series of measures were launched to rein in unregulated lending in the so-called "shadow banking" sector. Worries were also expressed about a possible new housing boom, with the annual rate of increase of house prices accelerating in late 2018 and early 2019. House price inflation reached a peak of 10.7% in April, before dropping back to 8.8% in August, thanks partly to new measures designed to clamp down on property speculation.

These various dilemmas facing the Chinese authorities in their desire for stable, sustainable growth have been compounded by the ongoing effects of an outbreak of African swine fever, which has pushed up the level of pork prices and thus inflation as a whole. It currently stands at 2.8% year-on-year, below the government's 3% target, but not by much. In addition, September also saw a stepping up of the trade dispute with the USA. Both sides brought in a series of tariffs on each other's goods, with a wide range of Chinese products now subject to import duty of 15% . Earlier in the year, the first round of tariffs appeared to have had little effect on the economy, but in July, Chinese exports fell by 3.3% year-on-year in July and the figure was 1% in August. A further deterioration in China's trade position is therefore likely when September's figures are published. On a positive note consumer confidence remains high and retail sales were up by 7.5% year-on-year in August. The gain has been made despite the weakening of the Chinese currency, which makes imports – and hence imported goods in the shops - more expensive. One way or other, the Chinese authorities will do everything they can, especially in the face of weakening global demand, to prevent the economy from softening. Money growth is most likely to continue at levels similar to the recent past.

John Petley
19th September, 2019

	% annual growth rate:	
	M2	Nominal GDP
1991 - 2000	**24.5**	**18.4**
2001 - 2010	**18.5**	**15.2**
Seven years to 2017	**12.8**	**10.3**

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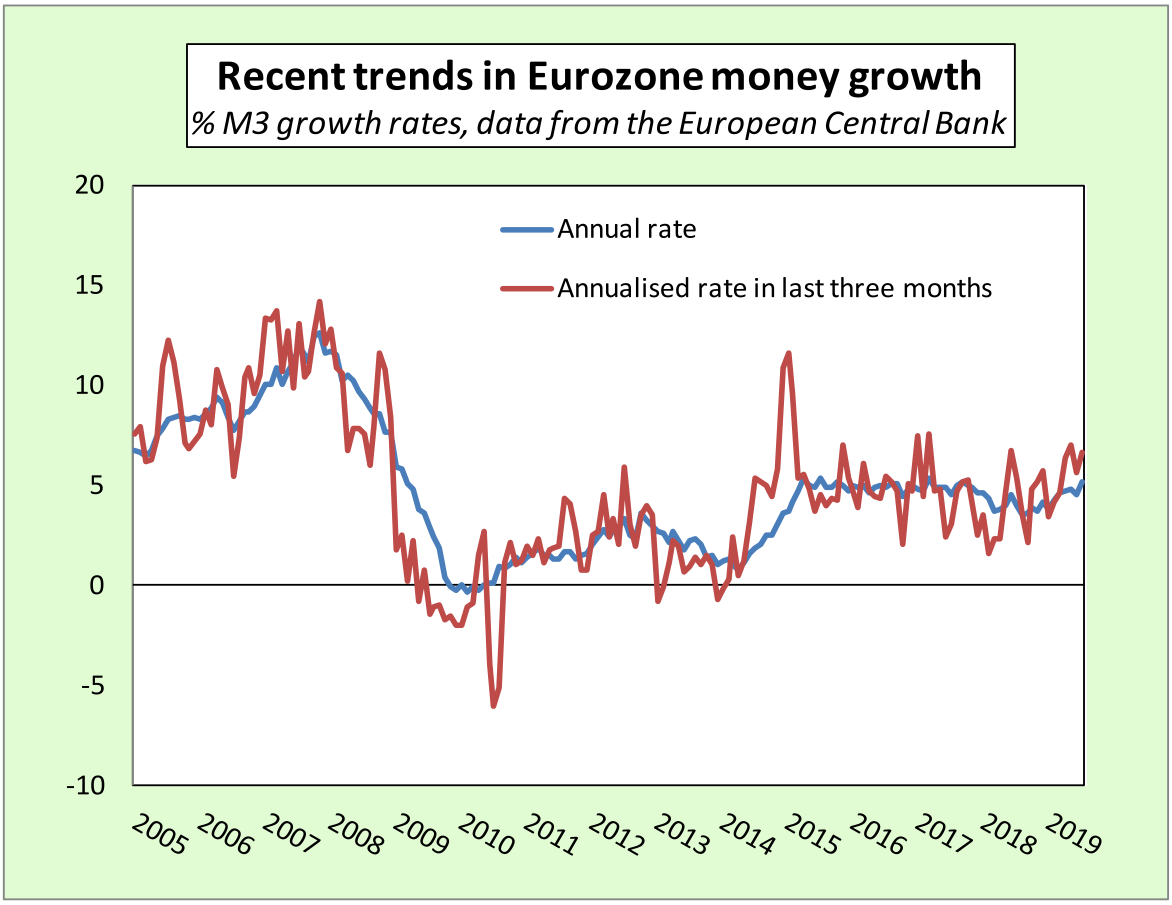
Eurozone/Euroland

	% annual/annualised growth rate:	
	M3	Nominal GDP
1996 – 2018	**5.2**	**3.1**
Eight years to 2018	**3.7**	**2.5**
Year to July 2019	**5.2**	**n/a**
Three months to July 2019 at annualised rate	**6.6**	**n/a**

Sources: European Central Bank and International Monetary Research Ltd. estimates



Money growth increases

***Summary*: In the three months to July 2019 annualised broad money (M3) growth in the Eurozone rose to 6.6%. Although this is less than May's figure of 7.0% (which was the fastest quarterly number since January 2017), it is still a strong figure. For three out of the last four months, M3 money has increased by more than €50b., with August's advance of €83b. being the highest since August 2017. Annual M3 growth rose from 4.5% to 5.2%.**

Despite the slight slowing in June, the verdict on 2019 so far has to be that money growth in the single currency bloc has been higher than we had expected in our late-2018 commentary. It has also been resilient at the higher rate. July's monthly M3 rise was over twice the 2018 average. Given this background, the 12th September European Central Bank announcement of resumed asset purchases might be viewed as surprising. However, the asset purchases are to be of only €20b. a month. When allowance is made for leakages (purchases of foreign-held bonds, for example) the annual addition to M3 growth may be only 1% - 1½%. (The simultaneous cut in the ECB's deposit interest rate to a record low of -0.5% will have an even more marginal impact.) Admittedly, the growth of domestic credit (i.e., of the banks' claims on the Eurozone public and private sectors) has been weak in 2019 and money growth has been so strong largely because the Eurozone continues to attract money balances from abroad. This attraction of money from abroad is partly attributable to the Eurozone's current account surplus on its balance of payments.

Banks are being incentivised to lend. September saw the launch of a new series of targeted long-term refinancing operations (TLTRO-III) with a negative interest rate, although initial reports claim that he take-up has been very modest. Bank credit to the private sector increased at an annualised rate of 3.6% in the three months to July, far from a boom figure, but still satisfactory given the much-reported solvency strains in, for example, the Italian and Greek banking systems.

The latest monetary loosening was not without its critics. Klaas Knot, president of the Dutch central bank, de Nederlansche Bank, described the move as disproportionate, pointing out that the Eurozone economy is running at close to full capacity. Wages are increasing steadily, against the backdrop of an accommodative environment for credit. The Austrian central bank president, Robert Holzmann, also aired his doubts, along with the Bundesbank's Jens Weidmann and Benoit Coeuré, the French ECB board member. Holzmann, who took office only on 1st September, had indeed been calling for monetary tightening. He also took a very relaxed line about inflation across the 19-nation bloc failing to reach its 2% target. "1.5% signifies stable prices", he said. Low inflation appears to have been the principal concern prompting the monetary easing. Across the 19-nation bloc as a whole, the consumer price index rose by 1.0% in the year to August, but prices fell in Cyprus, Portugal and Greece. Dutch inflation meanwhile rose to 2.8%.

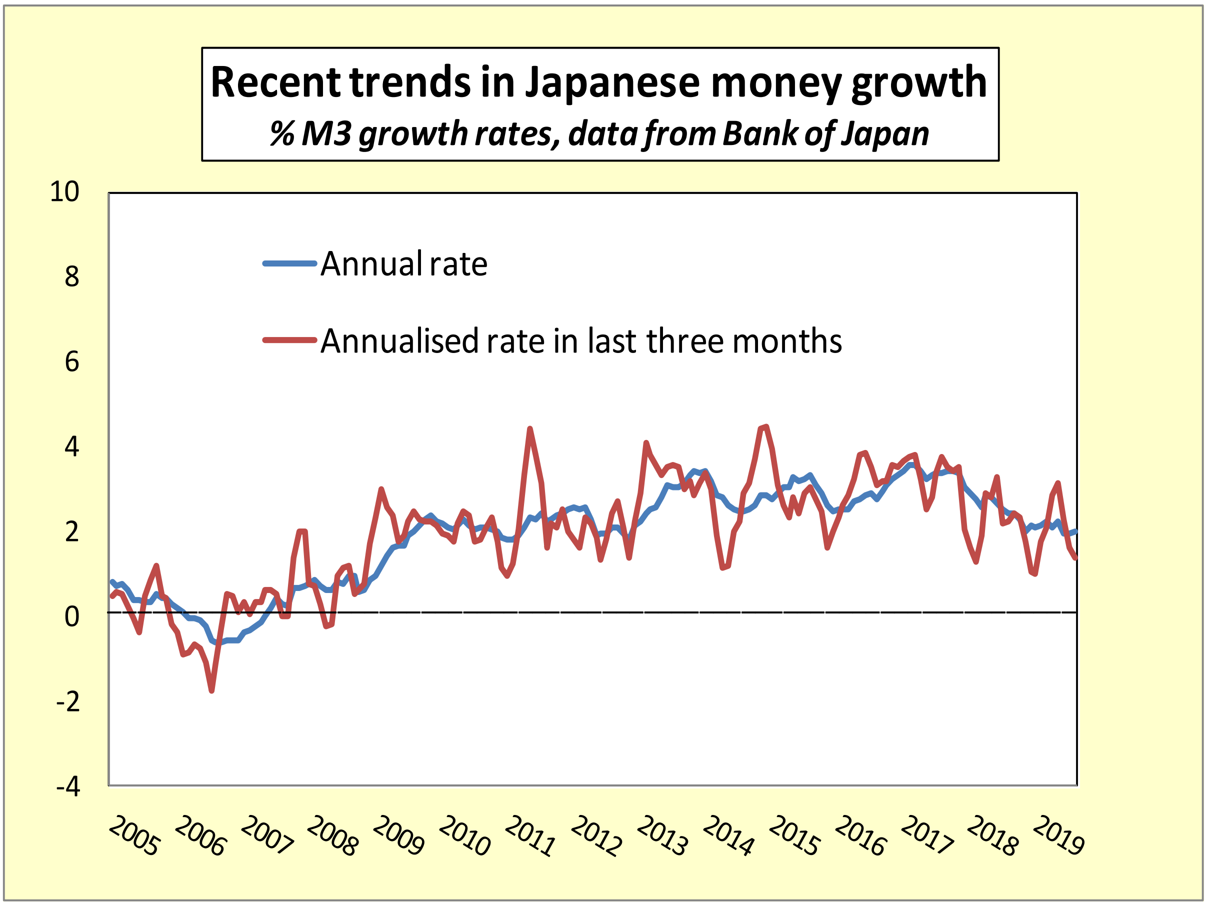
John Petley
17th September, 2019

	% annual growth rate:	
	M3	Nominal GDP
1996 – 2017	**5.2**	**3.1**
1996 – 2000	**4.6**	**4.1**
2001 – 2010	**6.8**	**3.1**
Seven years to 2017	**3.6**	**2.4**

Japan

	% annual/annualised growth rate:	
	M3	Nominal GDP
1981- 2018	**4.0**	**1.9**
Eight years to 2018	**2.8**	**0.6**
Year to August 2019	**2.0**	**n/a**
Three months to August 2019 at annualised rate	**1.4**	**n/a**

Sources: Bank of Japan for M3 and IMF for GDP



Broad money growth slows imperceptibly, again (!)

Summary: **In the three months to August 2019 Japanese M3 broad money grew at an annualised rate of 1.4%. The three-month annualised growth rate has slipped back in summer 2019, after reaching 3.1% in May. In June itself the quantity of money, broadly defined, actually fell, although July and August saw modest growth. Hopes had seemed justified in the spring that money growth might be reviving, but the latest figures have been disappointing. The annual M3 growth rate rose slightly from a six-year low of 1.9% to 2.0%.**

Minutes of September's meeting of the Bank of Japan's Monetary Policy Committee included a commitment to "re-examine economic and price developments" at its next meeting. No new initiatives were announced, with the usual mantra of a "virtuous cycle from income to spending" being repeated. A vague commitment was given to take extra measures if there was no progress towards the BoJ's 2% inflation target, but it was vague rather than a commitment. October's meeting must be awaited with a degree of scepticism. In no single month of 2019 has annual consumer price inflation even reached 1.0%, let alone 2.0%. After peaking at 0.9% in April, it has fallen progressively, standing at a mere 0.3% in the year to July.

It will rise in October, assuming the planned 2% increase in sales tax goes ahead at the start of that moth, but the effects would only last for a year. An understandable fear is that, like the last sales tax increase in 2014, it could trigger a weakness in consumer spending. Retail sales were in fact down 2% in the year to July, implying worries ahead for the retail sector. The level of consumer spending did reach a five-year high in the second quarter of 2019, but consumer confidence has been on a downward trend for a year now and is currently at a five-year low. Factory gate prices have fallen for three consecutive months in a row. With the yen having strengthened against the US dollar since May, Japanese exporters are facing a harsh international market and have seen nine months of declining external sales. (A nasty trade dispute with South Korea is also relevant here.)

The stock of lending by Japanese banks increased by 2.1% in the year to August, the lowest increase since November 2018 and well below the 3.0%-3.3% reached in mid-2017. With manufacturing production having fallen year-on-year for five of the first seven months of 2019, Japanese industry has little incentive for major new investment. The real estate market remains stagnant, with housing starts down 4.1% in July compared with 12 moths previous. Unemployment fell to 2.2% in July, the lowest since October 1992, but wage growth is negative, as it has been for all but one month of this year. In both the first two quarters of 2019, Japan's GDP grew at an annual rate of 1%, but the overall picture is one of stagnation. The oft-repeated optimism of the MPC's monthly meetings find no echo in the real economy. The tight labour market has at any rate pushed up neither wage growth nor price increases at factory gates and in the shops.

John Petley
20th September, 2019

	% annual growth rate:	
	M3	Nominal GDP
1981 – 1990	**9.2**	**4.6**
1991 - 2000	**2.5**	**1.1**
2001 - 2010	**1.1**	**0.8**
Seven years to 2017	**2.9**	**1.3**

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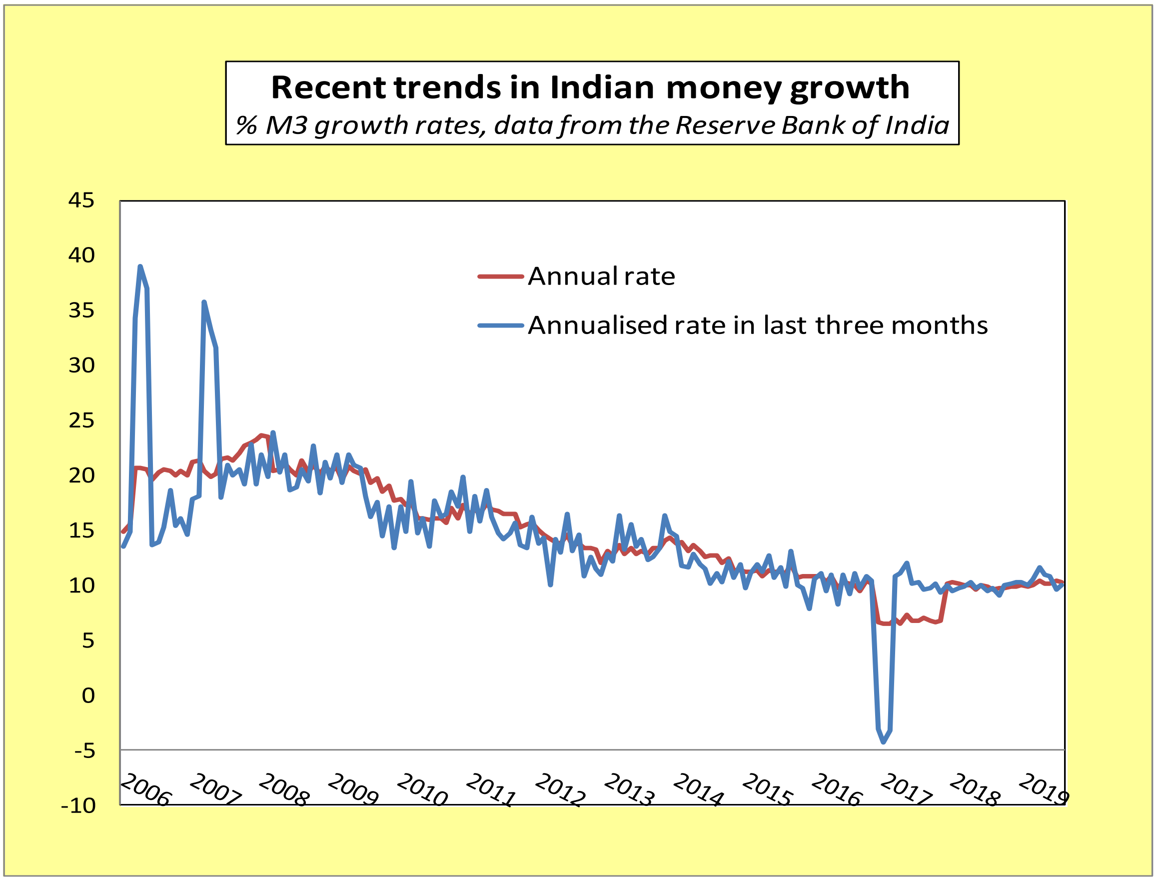
India

	% annual/annualised growth rate:	
	M3	Nominal GDP
1981- 2018	**14.8**	**12.4**
Eight years to 2018	**11.2**	**6.9**
Year to August 2019	**10.3**	**n/a**
Three months to August 2019 at annualised rate	**10.0**	**n/a**

Sources*:* Reserve Bank of India for M3 and IMF for GDP



Satisfactory money growth continues, but real economy faces headwinds

Summary: **In the three months to July 2019 India's seasonally adjusted M3 grew by 2.4% or at an annualised rate of 10.0%. This is an improvement on June's figure of 9.6%, but lower than the figures for April to June, which ranged from 10.8%-11.7%. The annual M3 growth rate fell slightly from 10.4% to 10.3%. Even so broad money growth at this level is satisfactory. M3 growth in India has been remarkably stable over the last two years. Trouble in the car industry has, however, led to talk of a wider industrial slowdown.**

Last month, the Reserve Bank of India, India's central bank, announced a further cut in base rates, the fourth so far this year. The reduction of 0.35% takes interest rates down to 5.4%, the lowest figure in nine years. There was some justification for this move, as growth in the stock of loans by India's banks fell sharply during the month. In July annual loan growth stood at 11.6%, but in August it fell to 10.2%, the lowest figure since the end of 2017. (In late 2017 the banking system was still recovering from the de-monetisation exercise of November 2016. The de-monetisation consisted, specifically, in the mass withdrawal of 500 and 1,000 rupee banknotes from circulation which caused annual loan growth to fall to 4.1%.) India's GDP grew at an annual rate of a mere 5.0% in the second quarter of 2019, the weakest number since the first quarter of 2013. Consumer price inflation has remained fairly constant at around 3.2% for the last three months. With the inflation target being 4%, the authorities have scope for further monetary loosening, especially as above-average rainfall in the 2019 monsoon is likely to have a beneficial effect on food prices. Besides last month's rate cut, the RBI announced in July that it will extend a credit guarantee to banks which lend to the non-bank financial sector, yet another move to encourage bank lending. It is too soon to say whether or not these measures will be effective. India's banks have been distinctly slow off the mark in implementing the earlier rate cuts and may well be behaving in an equally sluggish manner at the moment. In September, the government cut corporation tax by 8% in a further attempt to boost growth.

As a significant importer of fuel, India would be vulnerable to the effects of the refinery outages in Saudi Arabia, but these have proved to be less damaging that first feared. Meanwhile a weakening of the rupee against the dollar which began in early August seems to have come to an end. Newspaper reports are of a marked slowdown in the car industry, which is difficult to relate to the benign monetary setting. Perhaps, as in Germany and elsewhere, adjustment to a low-carbon future is deterring people from buying cars until they see more fuel-efficient models. Concerns also remain about the financial health of India's shadow banking sector, unregulated lenders which were responsible for a third of all new credit between 2015 and 2018. On 19th August, Shaktikanta Das, the RBI governor, announced new measures to improve the supervision of these lenders, placing them under a similar régime to the banks.

John Petley
20th September, 2019

	% annual growth rate:	
	M3	Nominal GDP
1991 - 2000	**17.2**	**14.0**
2001 - 2010	**17.3**	**14.9**
Seven years to 2017	**11.3**	**11.6**

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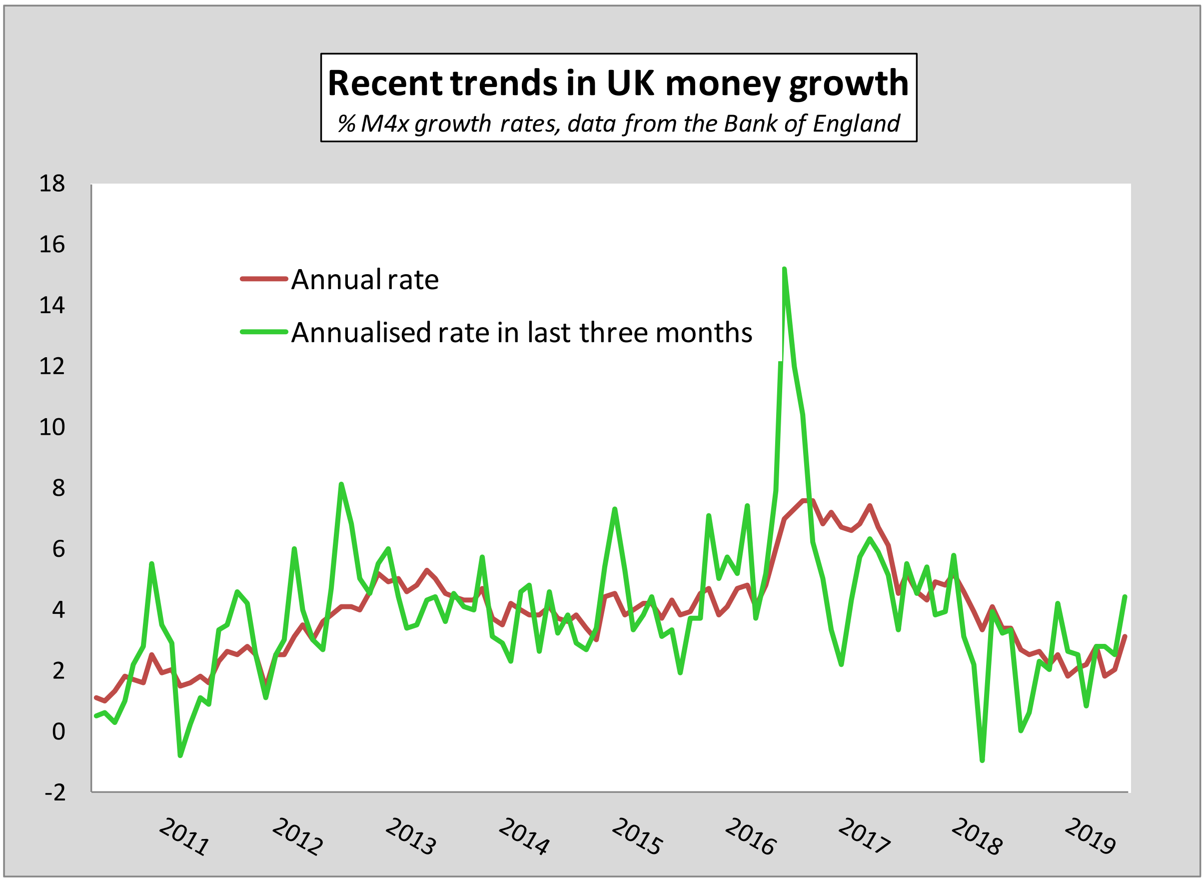
UK

	% annual/annualised growth rate:	
	M4x/M4 before 1997	Nominal GDP
1964 – 2017	**9.8**	**8.2**
Eight years to 2018	**4.1**	**3.7**
Year to July 2019	**3.1**	**n/a**
Three months to July 2019 at annualised rate	**4.4**	**n/a**

Sources: Bank of England and Office for National Statistics



Broad money growth improves

***Summary*: In the three months to July 2019 UK M4x grew at an annualised rate of 4.4%, a significant improvement on the 2.8% and 2.5% figures recorded in May and June. The annual growth rate of the M4x measure of broad money rose from 2.0% to 3.1%. Both these readings are the highest seen so far this year and can be attributed primarily to money growth of £18.6b. in July itself, by far the strongest growth since May of last year. (May 2018 was an exceptional month for corporate takeovers, with banks providing the necessary financing.)**

July's figures come as a welcome boost after news that the UK economy contracted by 0.2% in the second quarter of the year. In the light of such data, it is no surprise that calls earlier this year from three members of the Monetary Policy Committee, including Deputy Governors Ben Broadbent and Sir Dave Ramsden, for a rise in base rates have not been sustained. At its most recent meeting, the MPC's decision to keep base rates at the current level of 0.75% was unanimous. There are no macroeconomic indicators which can currently justify monetary tightening, although the money data offer no reason for any loosening either.

The most recent money and credit statistics from the Bank of England show that the very modest growth in the stock of lending by banks to both households and businesses is continuing at similar levels. Growth in net lending to the business sector slowed on account of an unusually large amount of loans - amounting to £2.5b - being repaid this month. This reduced the annual growth rate in the stock of business loans from 4.4% to 3.0%. Most of the repaid loans were taken out by large companies rather than the SME sector. Net lending to individuals rose by £5.5b. in July. In spite of anecdotal evidence suggesting that the housing market has cooled in recent weeks, the number of mortgage approvals rose in July for a second consecutive month while the actual value of loans increased by over £4.5b. Growth in consumer credit also slowed during July, although not by much. Consumer price inflation fell from 2.1% to 1.7% in the year to June.

Apart from the refinery outages in Saudi Arabia pushing up the price of crude oil, global inflationary pressures are weak. The pound has remained under downward pressure, having fallen by 9% against the US dollar between May and August. The ongoing twists and turns in the run-up to Brexit have created considerable uncertainty, affecting both the value of sterling and business investment. As in the run-up to the initial but abortive Brexit deadline of March 29th, an uptick in broad money growth is possible as companies draw on bank facilities to increase stocks ahead of possible supply disruptions. Of course the pound's weakness helps exporters. UK exports rose by 2.5% in the year to July. The retail sector also remains reasonably firm, with the value of sales up by 2.7% in the year to July. It remains to be seen whether or not July's increase in money growth was a one-off or the beginning of an improved performance.

John Petley
20th September, 2019

	% annual growth rate:	
	M4/M4x	Nominal GDP
1964- 2017	**9.8**	**8.2**
1991 – 2000	**6.7**	**5.3**
2001 – 2010	**7.1**	**4.1**
Seven years to 2017	**3.8**	**3.6**