

My Preferred Charts: US Delinquency rates: Credit cards vs Total Loans

The Fed determined that “the economy is stronger than expected”. They even revised up the 2023 GDP growth estimates to an impressive 2.1% projected (from 0.4% in March, and far higher than the 0.7% projected in Europe). Nevertheless, these large macro figures followed by the do not seem to capture certain dynamics that are unfolding in the popular social segments (see in chart 1 how default rates in credit cards in small banks are skyrocketing). I’m surprised that none of this deterioration in credit card loans has been reflected in the delinquency rates of total loans (see chart 2). I’m eager to see how this mismatch ends up closing.

In any case. Read 500 charts like these every day. That’s how knowledge works. It builds up like compounding interest.

