

When the market starts to oscillate nicely with the calendar month, I pay attention...



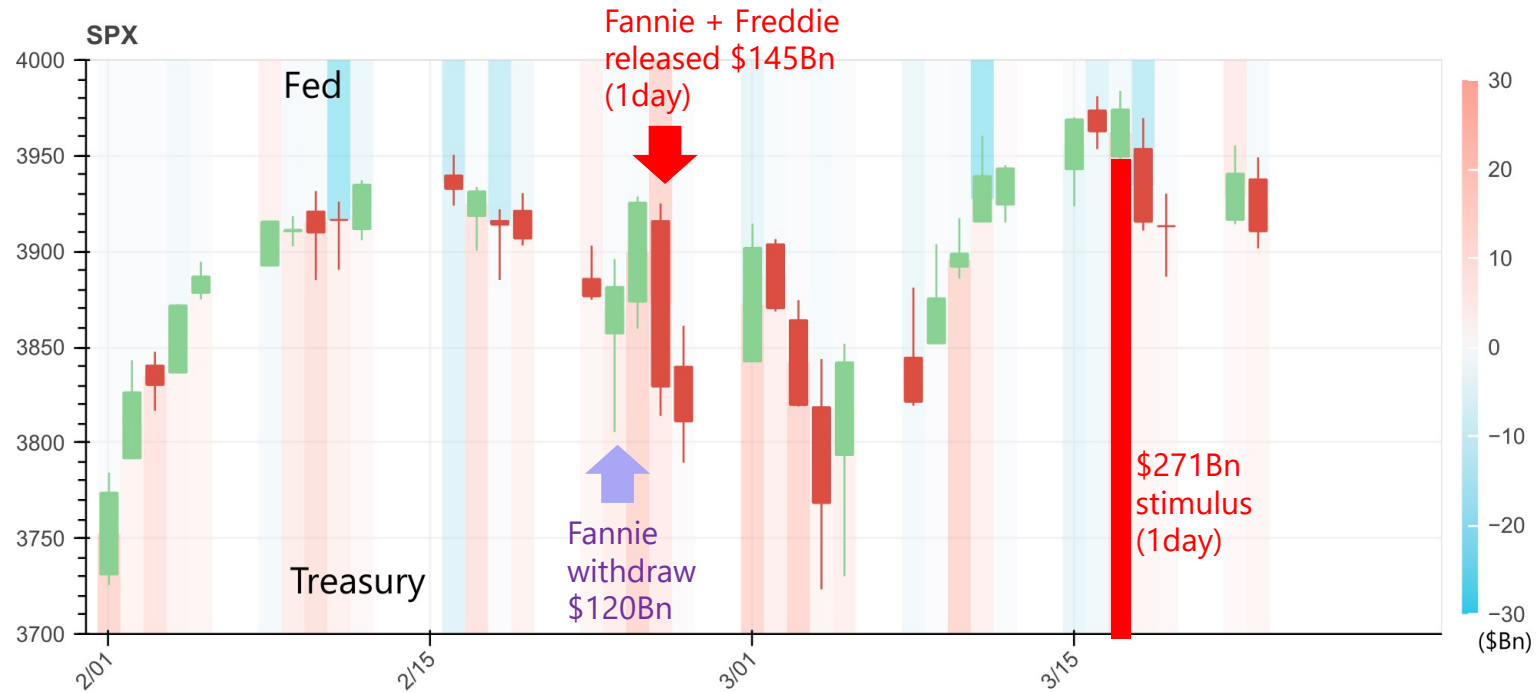
Last time, it was 2018 with QT



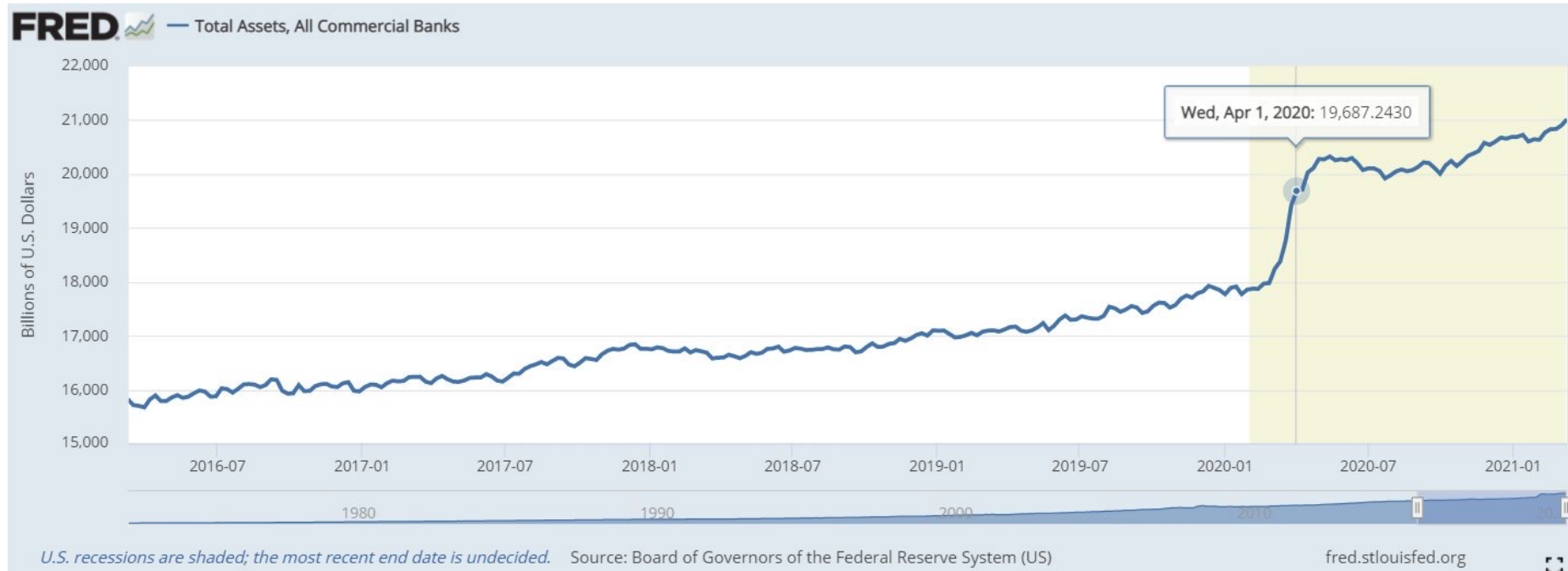
A blurred portrait of a man with short brown hair, wearing a dark blue suit jacket, a light-colored shirt, and a purple tie. The background is dark and out of focus.

# AMERICAN SICO

# Stimulus Indigestion and Crowding Out



Why now?



**2018 QT – LCR constraint:**  $HQLA (\text{reserve} + UST + MBS \times 0.85) > 30\text{-day net outflow}$

**2021 SLR constraint:**  $20 \times \text{tier-one capital} > \text{Banks' Balance Sheet}$