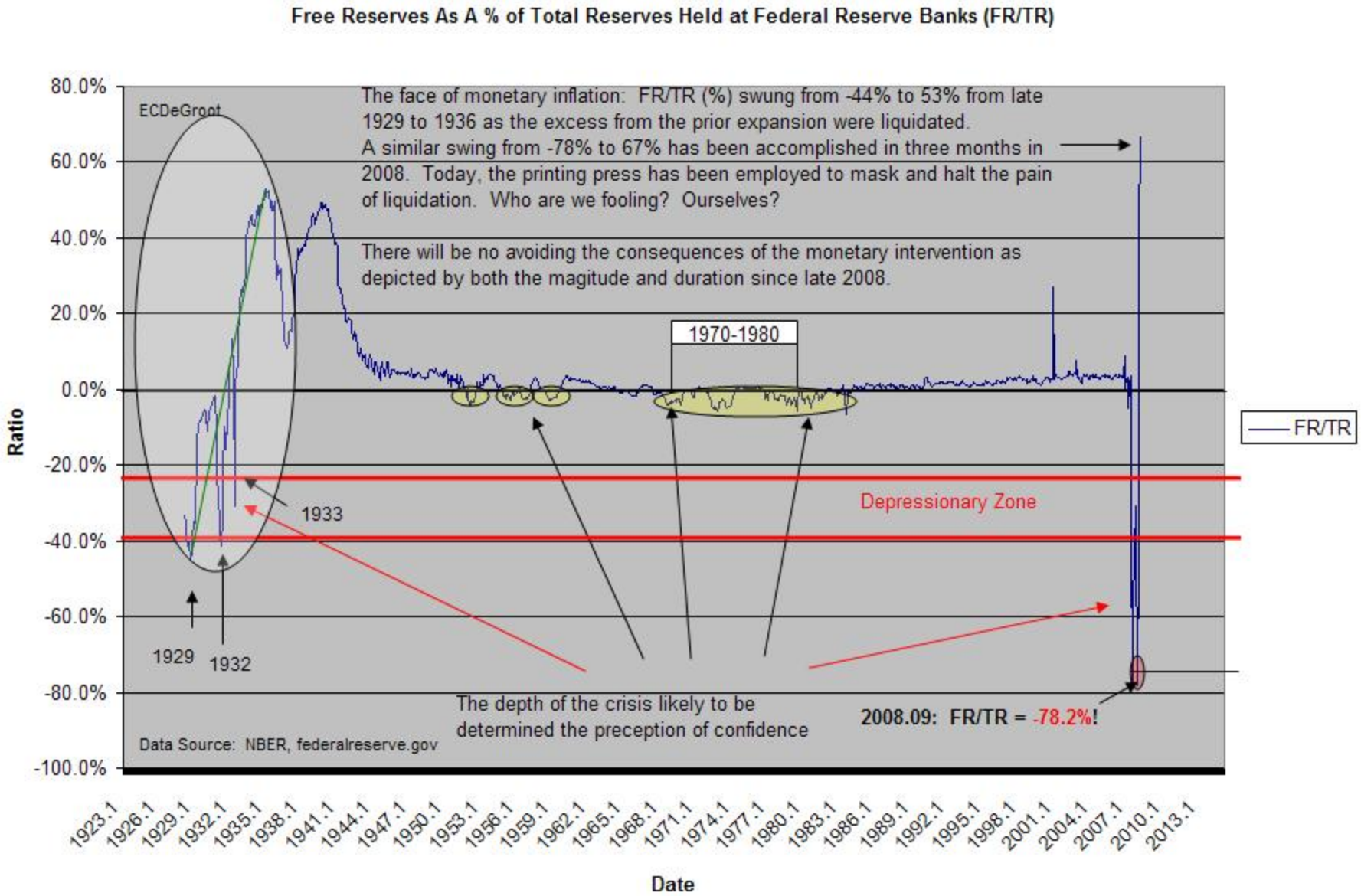
Free Reserves As A % of Total Reserves Held at Federal Reserve Banks (FR/TR)
ECDeGroot
The face of monetary inflation: FR/TR (%) swung from -44% to 53% from late 1929 to 1936 as the excess from the prior expansion were liquidated.
A similar swing from -78% to 67% has been accomplished in three months in 2008. Today, the printing press has been employed to mask and halt the pain of liquidation. Who are we fooling? Ourselves?
There will be no avoiding the consequences of the monetary intervention as depicted by both the magitude and duration since late 2008.
1970-1980
Depressionary Zone
1933
1929
1932
The depth of the crisis likely to be determined the preception of confidence
2008.09: FR/TR = -78.2%!
Data Source: NBER, federalreserve.gov
FR/TR
Ratio
Date
80.0%
60.0%
40.0%
20.0%
0.0%
-20.0%
-40.0%
-60.0%
-80.0%
-100.0%
1923.1
1926.1
1929.1
1932.1
1935.1
1938.1
1941.1
1944.1
1947.1
1950.1
1953.1
1956.1
1959.1
1962.1
1965.1
1968.1
1971.1
1974.1
1977.1
1980.1
1983.1
1986.1
1989.1
1992.1
1995.1
1998.1
2001.1
2004.1
2007.1
2010.1
2013.1