Quick Tour of Debt Issues

A Bubble That Broke the World  Garet Garret, 1932

"...we have seizures of ecstasy and mass delusion; that again a time may come when the temptation to throw the monetary machine into wild motion so that everybody may become infinitely rich by means of infinite debt will rise to the pitch of mania, as it did, for example in 1928 and 1929.

2001: Equity markets are ignoring indebtedness

Past US Recessions are negative growth rates

"For the first time in fifty years the international bond market is confronted with sovereign defaults."

July 2000 Moody's Credit Research

$650 billion of telecomm debt by WSJ May 2001

In the March 2001 Monetary Policy Meeting of the Bank of Japan, concern was expressed that the CPI and the GDP deflator continued to decrease year on year despite the surge in crude oil prices [and the impact of the fall in prices would operate] on the economy through a rise in real interest rates and real debt burden.

Meanwhile the Nikkei continues to decline and the BoJ finally (15 aug01) responds to pressure.

- Moody's Debt Rating Categories
  Moody's International Corporate Failures 1920-1999
  Moody's Corporate Default Forecasts
  US recessions and History of Downgrades to Baa

- US Households
  US Nonbusiness Bankruptcies 1990-Current Quarterly
  US Household Debt Relative to Disposable Income 1959-1999
  Credit Card Writeoffs and Personal Bankruptcies 1984-99

- Asian Crisis
  Big Three Bailouts

- From Asia 97 to Russian 98 Crisis

- Russian/LTV Crisis aug98-oct98
  US Markets During Russian/LTC Crisis aug98-oct98
  Spreads: Mexican and Russian Crises
  Russian Contagion hits Argentina
  Russian vs Current Spreads

- Monetary Policy
  - Fed Funds and Commodity Futures
    Unemployment Outcome
    Fed Funds and Unemployment
  - Fed Funds etc
  - Bank of Japan and the Nikkei
    Nikkei 1977-98

- US Equities
  The guy who called the fall Stephen Roach
  Dow 1900-99
  S&P Price to Earnings

http://www.colorado.edu/econ/courses/roper/tour-quick.html 12/12/02
Amazon.com P/E ratio
US Indebtedness and the Trade Deficit
Trade Weighted Dollar
Death of the dot.coms
HH bankruptcies 1930-sep97 Cato Institute