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### Outlook for the US economy in 2023?

It's a mixed story and very sector dependent. My worry is that markets have become a bit overexuberant, and too quickly, not only about the reopening in China, but also about the US Fed possibly changing course. The core inflation outlook might be looking more manageable but it's still not one where there is a deflation risk, so I still see higher rates ahead, and if anything, this is a Fed that, having been caught behind the curve, doesn't want to fall further. That might also mean that some of the recent softening we have seen on the dollar might reverse. Also, the recent US midterms results of a mixed government, mean we will likely see less fiscal room for any new expansion.

### Were OPEC+ right to take the decision on cutting production?

What struck me about their last decision was that it indicated the direction of travel for cuts but that they thought they were going to maintain that lower production level throughout all of next year. That seemed to me to be very much at odds with their own internal forecasts for economic growth. That may not be a risk right now that OPEC+ is cutting into a growing economy but later into next year, we might see a need for reassessment. The other big elephant in the room is how the EU embargo and price caps materialize – it will probably mean more oil coming offline from Russia than the US was hoping.

### How serious are indications of China's reopening?

There are signals that local authorities should be more targeted in their lockdowns, but it will still be very gradual. And there won't be much other stimulus. For the last couple of years or more, loans from Chinese banks have been very modest and demand for additional capital has not been strong. The tech and property sector will get some government support but overall, China will not want to make its debt issue even worse. On oil, we will be watching China's actual demand and their willingness to boost refinery throughput. If that continues into next year, it would be a positive sign for some refined product spreads even though it's too soon to see much tightening on the diesel side. ■

*\*Paraphrased Comments*

