



# Preventative Macroprudential Policy: Treasury Liability Management

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Remarks at Bank of England Conference in Honor of William A. Barnett  
“Financial Services Indices, Liquidity and Economic Activity”

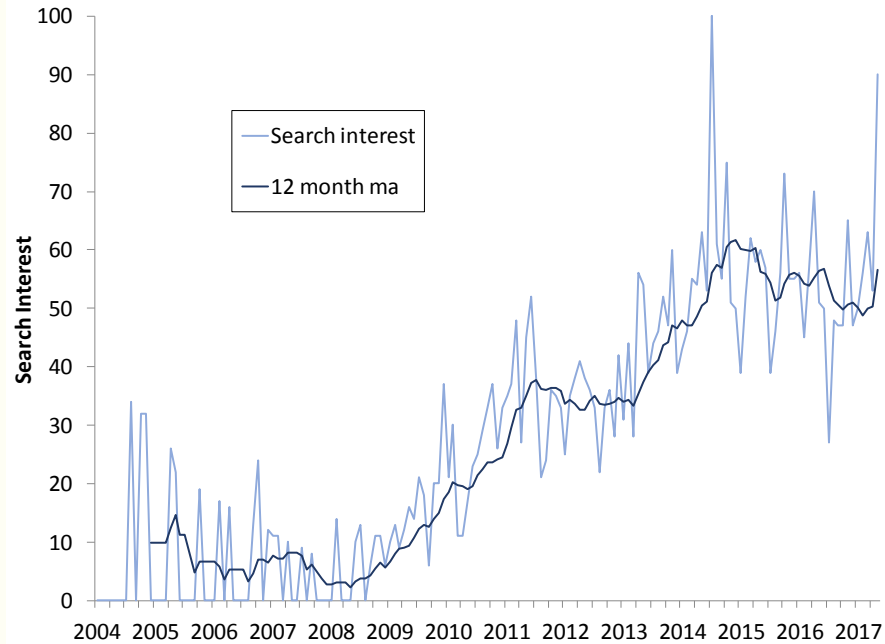
CENTER FOR  
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London, England  
May 24, 2017



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## Figure 1. A New, Untested, and Growing Field: Macroprudential Google Searches

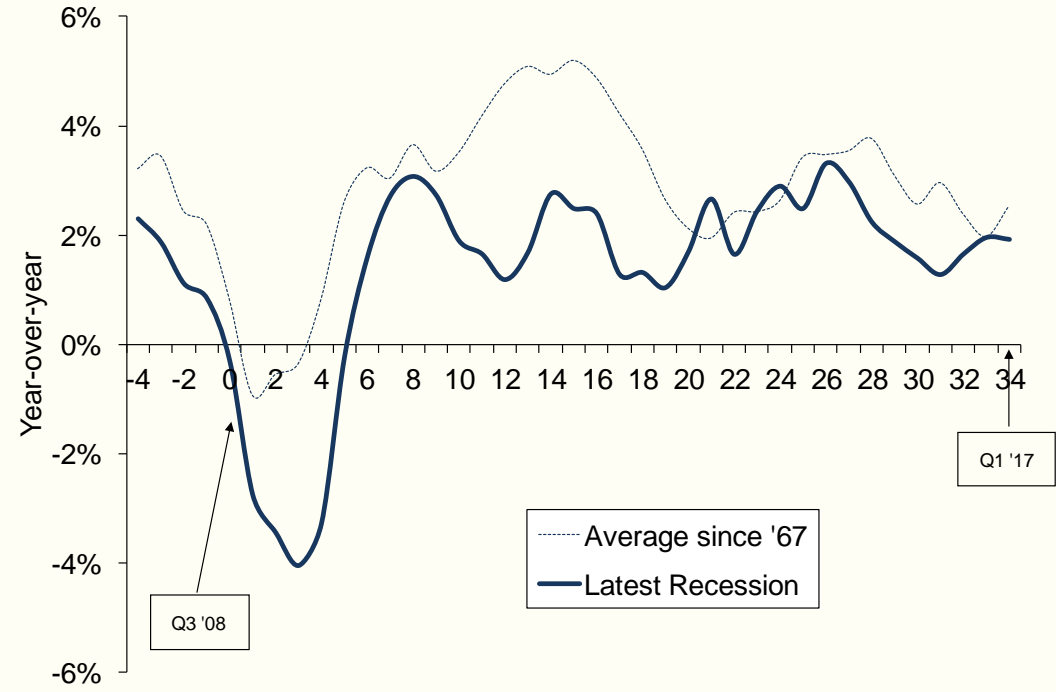


Search interest is defined as interest relative to the highest point on the chart for the given region and time. A value of 100 is the peak popularity for the term; 0 means the term was less than 1% as popular as the peak.



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## Figure 2. Unusual Recession and Recovery – GDP Growth

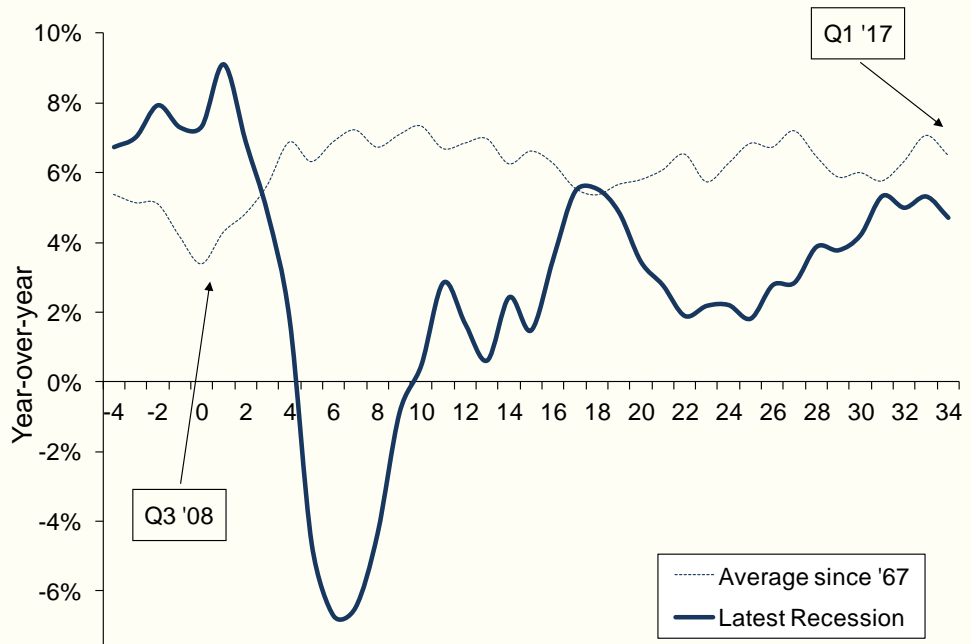


Source: Bureau of Economic Analysis and Center for Financial Stability.



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## Figure 3. Hampered Financial Sector – as evidenced by post-recession DM4 growth



Source: Federal Reserve and Center for Financial Stability.



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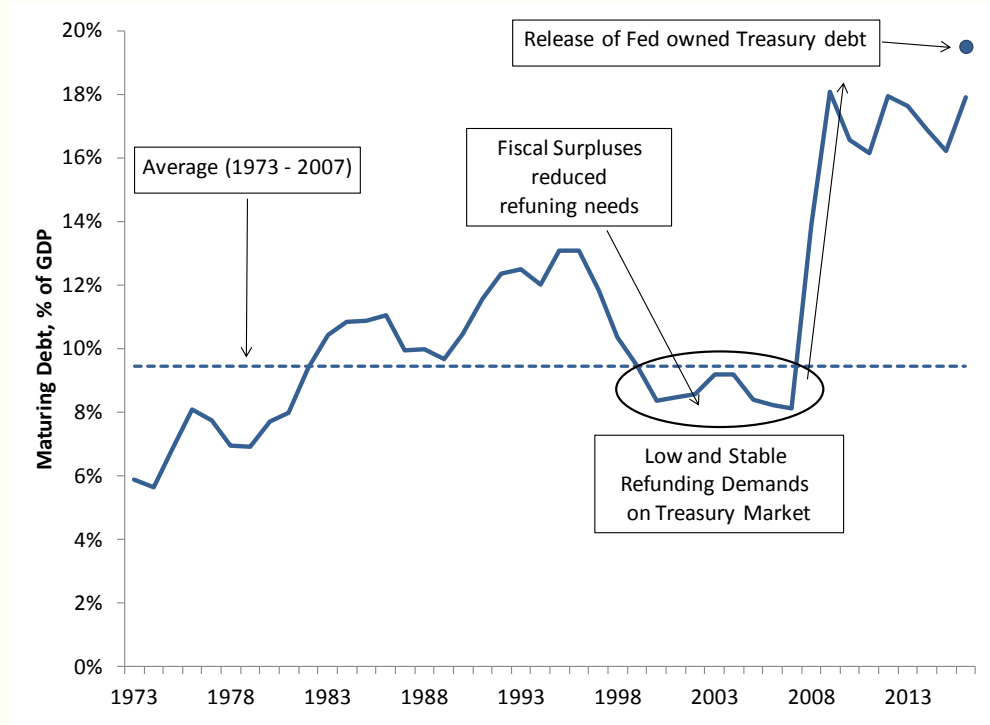
## Figure 4. CFS Measure of Market Finance (Shadow Banking), Real March 2017, USD millions

<u>Peak</u>	<u>Fall</u>	<u>Decline /1</u>
<b>1970</b>	-25%	16
<b>1974</b>	-17%	16
<b>1979</b>	-13%	7
<b>1982</b>	-5%	3
<b>1989</b>	-16%	29
<b>2001</b>	-5%	11
<b>2008</b>	-48%	86
<b>Avg ex '08</b>	<b>-10%</b>	<b>13</b>

Source: 1/ Cyclical peak-to-trough in months.  
 Source: Center for Financial Stability



## Figure 5. Surge in U.S. Treasury Debt Rollovers

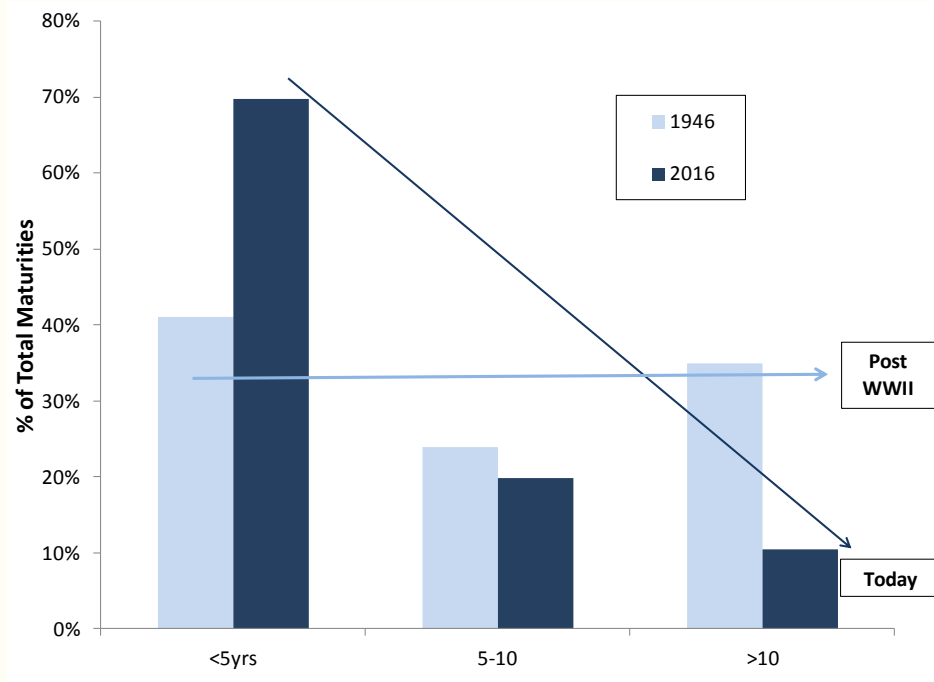


Source: U.S. Treasury, Federal Reserve Bank of NY, Bureau of Economic Analysis, and Center for Financial Stability.



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## Figure 6. Dangerous Debt Maturity Profile: Today versus 1946



Source: U.S. Treasury and Center for Financial Stability.



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## About CFS and Disclosure

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