The Economic Club of New York

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Introduction

President Barbara Van Allen

Hi. Good afternoon. This is Barbara Van Allen, President of The Economic Club of New York. We are absolutely delighted that you could join us this afternoon, and we are going to get started in about three minutes. So if you can just bear with us, we'll be ready to go. Thank you again for joining us today.

Peter Blair Henry: Good afternoon everyone. I'm Peter Henry, Vice Chairman of The Economic Club of New York and Dean Emeritus and W.R. Berkley Professor of Economics and Finance at the Stern School of Business. The Economic Club of New York is the nation's leading nonpartisan forum for discussions on economic, social and political issues. As we all continue to learn as much as we can about the economic impact of COVID-19, we feel it is our responsibility in this time of crisis to bring you the day's most relevant information regarding both the health crisis and economic and political implications that we are now witnessing and will witness going forward.

On behalf of the Club, I offer a special welcome to the members of The Economic Clubs of Chicago and Washington, D.C. as well as those from the New York Women's Forum and British American Business who we've also invited to join the call today.

It is a pleasure for me now to introduce our special guest this afternoon, Ed Hyman, Former Trustee of the Club, and Founder and Chair of Evercore ISI and Vice Chair of Evercore. Ed received a BS in Engineering from the University of Texas and an MBA from MIT. He's had an illustrious career serving on numerous for-profit and not-for-profit boards as well as receiving more awards and accolades that I have time to list here this afternoon. But I will mention one. For the past 44 years, Ed has been ranked for his work in economics by the Institutional poll of investors – Ed has been ranked #1 for 39 years. So whatever Ed has to say, it is well worth hearing.

The format today will be a conversation which I have the honor of moderating. And any questions that were sent to the Club from members in advance have been shared with me. The video conference will end promptly at 2:45 p.m. And as a reminder, this conversation is on the record as we do have additional media on the line.

Conversation with Edward S. Hyman

PETER BLAIR HENRY: So, Ed, thanks for taking the time to be with us today. You've got a lot of thoughts on the economy, but first of all, how are you and how's your family?

EDWARD S. HYMAN: Peter, it's an honor to be with you today. I'm doing just fine. As you know, my family is doing just fine and expanding. And you are just terrific to do this for the Club and for me. You're always the best and I see you have on that beautiful tie. I'm down in Punta Cana, in Dominican Republic. I don't have a tie down here. But it's great to be with you.

PETER BLAIR HENRY: Ed, I'm having a little trouble hearing you so I'm going to just, I'm going to ask my first question here and we'll figure out the technical details as we go. I'm glad to hear that everyone's doing okay. There is some good news in your latest report. Would you care to share with us some of the bright spots we see amongst all the bad news at the moment?

EDWARD S. HYMAN: So, for about two months I've been very concerned about the economy and have felt that it's in a free fall mode in general. And that's still pretty much the way I feel but I'll give you, there are a few white spots developing on this very black picture. In particular, we survey companies, as you know, every week and for two or three weeks – depending on the survey – our survey of retailers has increased, our survey of restaurant companies have increased. They're still very depressed. Our survey of homebuilders has increased. Some of the surveys, like truckers, are still going straight down but with those increases I mentioned the surveys overall have bounced for the past couple of weeks.

What's at work pretty clearly are the checks that have been mailed out. Last week there were $150 billion of checks from the CARE Program that hit people's accounts, and they have given the economy a little bit of lift. Our home builders survey has increased a little bit, and that's probably because the stock market is up and because you've had a big decline in mortgage rates. So, in general, that's really the white spots on a very dark picture.

So let me mention, I can see that we're working on something here. Let me, for all of you, also mention in addition to the stock market having this nice bounce – which you're well aware of – money growth which hasn't been looked at very much in recent years frankly, M2 in the U.S. is up to 16% and the size of it is $17 trillion. So that's had a bit of an improvement along with our company surveys and the stock market. So there's a little bit of better news. And then you have the talk of reopening, which is happening sooner than I expected, at least the talk of it is happening sooner than I expected. So stay tuned on that.

PETER BLAIR HENRY: Can I jump in there for a second and interrupt you? So one of the things that you've pointed out very astutely is this divergence between what's happening in the financial markets which have stabilized more recently and the continued downturn in economic activity. How long do you think that can persist, Ed?

EDWARD S. HYMAN: So, Peter, I think it can persist about three or four more months.

It has a time dimension to it. The economy, to a certain extent, is under water. And it can be held under water only so long and we will have more and more financial crises. The price of oil going negative, in my opinion was the first whale coming to the surface. And I don't know what other whales are out there, but something like Nigeria as an offset, or Alaska, or, you know, state and local governments. WeWork is in a particularly disadvantaged position in this. But I don't have a strong view about what the whale is, but if the economy stays down like this for a very long time, it's going to have real problems. Now in terms of the point of the decoupling between the economy and financial markets – let me say, Peter, all this is unprecedented so if I sound confident in my views, I'm kidding you and me both because this is really uncharted territory.

PETER BLAIR HENRY: You sound appropriately cautious as always.

EDWARD S. HYMAN: I've been, you know, a real student of monetary policy and fiscal policy during my entire career. And I've learned that when you look at it you should think about it in global terms, not just the U.S. but think of it in terms of the...and we've had almost 400 stimulus measures announced in the last year around the world. It's almost a blur. And each one is interesting in and of itself. Like what the Fed has been doing recently, what ACB is likely to do this week, what Japan has done this week. And then you have people like India, which is not on the front page, but their economy has been particularly weak and they are now pursuing both monetary and fiscal policy.

But the point is that we've had a huge unprecedented amount of stimulus put in the system. The G7 central banks in the month of March did five times more QE than any month ever. And that month, the record month was April of 2009. That was a high bar. So policymakers, I'm not sure if their intent is to do this, Peter, but they have been keeping the financial markets up while the economy has been in free fall and so far, so good. But I do think time is against us and that if the economy stays down for an extended period of time, we'll lose this fight.

But, like you mentioned at the beginning, at the moment there's some hopeful signs that maybe the economy is doing, let's say the rate of decline is slowing, and of course the real arbiter of what's happening is going to be the virus.

PETER BLAIR HENRY: I think that's right. And, as you pointed out, you're forecasting a fairly slow recovery. Talk for a second for us, Ed, about how your forecast for the speed or the slowness of the recovery will depend on how quickly we get a serious health intervention – specifically testing. What's baked into your baseline forecast about widespread testing for instance?

EDWARD S. HYMAN: So I've been, I've had a fairly, not pessimistic, but not optimistic view – a slow return. I think frankly at this point, you know, I'd like to discuss it with you a little bit, I think I might be too pessimistic at the moment on both the economy and the virus. But they're opening up now, frankly all around the world, in Germany, which you know, and in Spain, they're letting the kids out. And in Georgia, in Florida, Cuomo is talking about relaxing and talking about the auto companies starting to manufacturer again May 15th. These are all about a month and a half or a month sooner than I expected.

So I'm sort of reevaluating. I thought the economy would go down in May as much as in April and go down in June and June would be the bottom and then stay there in July. And I'm thinking maybe I should, you know, be pulling those numbers up a little bit. But, you know, Mr. Market – as I would refer to it – Mr. Market is always right there. And Mr. Market knows everything I'm telling you, which is why the market is up so much, that maybe it could be getting a little quicker. Now in terms of the rebound, I still am more comfortable with a slower rebound. I do have 5% growth which strikes me as, you know, enough to indicate a solid direction, but it's not like 10% growth. And the problem...

PETER BLAIR HENRY: Five percent in 2021, Ed?

EDWARD S. HYMAN: 2021, in the fourth quarter. And the problem I'm thinking about is that after a huge decline in the second quarter, if you only grow 5%, then by the end of 2022, you're still not back up to 2019 levels. And that's, so I'm thinking that's not possible because there are too many companies, too many small businesses, too many people that if they don't get back sort of in the same zip code where they were last year, there'll be real dislocations in the economy. So I'm thinking, you know, those sorts of things, that maybe my forecast is inconsistent with reality if it stays down that long. We talked earlier about how long it's going to stay down. So I'm thinking a lot about level as well as rate of change.

PETER BLAIR HENRY: I think that's exactly the right way to think about it, Ed. And just to kind of probe you even further on your thinking on this, you said that you may be a little too pessimistic. But if we take the other view, is there a possibility that the markets might be a little over-optimistic in the sense that, you know, one of the risks of reopening is that we get a second wave of the virus which could then have another negative hit on the economy. Are you worried that we're maybe moving too quickly in reopening without having addressed the health issues?

EDWARD S. HYMAN: So I don't have a strong view. It's not in my wheelhouse. I will say, listening to some of the work that you guys have done at the Club and our own internal groups which are excellent in this space, I'm up the learning curve pretty good. And I will say, because I am out with clients all the time, I don't know hardly anybody that doesn't expect second waves. The only discussion of second waves is how big are they?

So, you know, we'll reopen now, get through the summer. You won't know whether we're doing better because of the summer or because we're actually making progress. And then kids will go back to school probably and it'll turn cold and there almost certainly will be some sort of second wave, like we've seen in Japan, which has been vicious and to a less, not as vicious, but also in Singapore.

And so this is, man, this is really interesting terrain with Georgia, for example, Florida, Texas, the auto companies opening up, and we'll see how that works out. But in terms of your question, I don't think the markets are optimistic about not having a second wave. They're not optimistic about having some sort of therapeutic. They may be hopeful. And they're not optimistic, I don't know anybody that thinks a vaccine is within one year or it's a year out. So I think the market is just being bullied by policymakers. They're just, you know, every day they just blow your socks off with different, whether it's rate cuts or QE or fiscal policy measures. And it's all around the world.

PETER BLAIR HENRY: Well, no one could have predicted this virus, Ed, but you certainly have been ahead of most in that you were saying in late 2019 we were already in a mini recession. You were right about that. As you – you've done this better than anybody really for decades – as you're looking at the data now and thinking about the data that we should be looking at to see whether we're going to get on that slow recovery path or whether things are starting, can you give us a sense of what kinds of things you're looking at in the next several months to see whether we're on track?

EDWARD S. HYMAN: So, the first thing I'm looking at is how the financial markets are performing. Now I'm not trying to look away from the suffering that's going on in the economy, which is truly epic. People talk about small businesses being in trouble, but you and I know it's really the employees of the small businesses that are really the ones that are in trouble. And there's not a lot that the financial markets can do to alter the course of the virus. But if the financial markets stay up, they increase the odds that as the virus fades, or if the virus fades, the economy can pick up fairly quickly.

I worry a lot in this regard about two things. One is that every day there's example after example of an instance related to the coronavirus. So like General Motors just cut its dividend, or company after company announces a furlough, or layoffs, and they also announce cuts in amortizing or capital spending and cuts in employment. And they announce them and then they occur, you know, in the months ahead. And we're up to about 400 of those in the past nine weeks of these negative announcements. And they're all around the world. And so I worry that as we start to reopen that you still have those negative economic waves coming in.

Now the way I've been conceptualizing it is that those negatives that are coming in are being offset by policy, by stimulus, so maybe if they can be held in check, when the reopening occurs, the economy could indeed start to improve. But the other thing I worry about, as I mentioned, is financial crises that occur because we've taken the economy – whatever you want to call it – pause, free fall, stopped – and we have all these players that you don't see when you look in the street, when you look at stores or theaters or baseball games and all the other, they've shut the ski slopes, etc. It's very tragic – not that one in particular.

But I worry that there are financial crises that will occur that will be sort of mindblowers when they happen. And I think that's one of the reasons that policymakers have been so aggressive because you don't have to be creative to understand this point. And in my opinion, the plunge in the price of oil into negative territory is just one example where you collapse demand and somebody's going to suffer – in that case, oil. And then when that happens, the next shoe to drop is ___ is going to collapse. I'm not sure what happens after that, but that's just one negative economic chain that's out there. But I assume there'll be, you know, two or three more whales surface before this is over.

PETER BLAIR HENRY: And you've talked about stimulus and have made the point that, you know, there's been a cumulative stimulus. It's not just the recent fiscal packages, but it's all the monetary stimulus that's been happening frankly since last fall. And you've put it out there, there's more stimulus to come. Are you seeing any differences in what you're looking at, Ed, either within the U.S. or globally in terms of how effective countries have been in actually getting stimulus to the population? For instance, any sense that Europe has been better or worse at this than the U.S. has been?

EDWARD S. HYMAN: Well, I don't mean to wave our flag but it seems the U.S. has been certainly the most aggressive. And I've been disappointed in the speed at which progress is being made in Europe because they have some potentially bigger problems and that could be a whale in that regard. But I have to say I'm just being grumpy in that observation. And I think policy makers have been, they deserve credit for what's been happening.

In Japan, this week they've announced a cash payment for every resident of $1,000, every resident – children, old people like me. And I don't think you can be a tourist but it's a huge package. And the Bank of Japan has been pretty aggressive as well. And so at this point, Peter, I haven't seen any way to differentiate success or not. But the only way the stimulus can work in the short term is through financial markets because there's no you're going to make the situation in Italy better until the virus starts to run through.

And I will say that, I watch two countries in particular – Italy and the U.S. – and I'm happy to report that there is progress being made in both starting earlier with fatalities in Italy and now they're about half of what they were. And so it's encouraging but I wouldn't for a moment forget that there are likely to be second waves as we start to unwind this thing.

PETER BLAIR HENRY: You've talked a lot about supply chain issues in some of your work. I wonder what your thoughts are on the following. I mean it seems that one of the challenges we have right now, you know, in comparison to the crisis of 2008/2009 was in 2009 you had emerging markets that were doing relatively well and, you know, as demand picked up overseas you could have supply responding on let's say the U.S. export side. But I worry some that, you know, with a crisis of health, that even if, let's say, China is picking back up as you pointed out, that that may not help us if we can't put workers back to work to meet that excess demand coming from abroad. Do you have thoughts about whether we can get some help from abroad in this recovery, Ed?

EDWARD S. HYMAN: I've been, before the virus I was maybe the most optimistic person on the U.S. economy – as you and I have talked about – that would travel around everywhere. Chicago was maybe the only place that was not doing well. It was doing okay but it wasn't doing well. But, you know, places like Denver and Dallas and Atlanta, the whole West Coast, most of the East Coast were doing really well. And then this thing hit.

But now I lean toward the view that it will not be a V-shaped upturn and I don't want to, you know, throw rocks at glass houses, and there are some people that expect the V-shaped upturn but most people, I think, expect a slower, a U, I call it a fish hook, but something not quite V-shaped. And I think the fact that the stock market has been V-shaped does not necessarily mean the economy is going to be V-shaped because of things like you're mentioning, the supply chain. And we have a team that covers China and they're starting to become concerned about the pace of the recovery in China because all of China's customers are so weak. So when everybody is weak, it's hard to get a strong recovery.

And, as I mentioned, we survey companies every week and we survey 21 companies that have business in China. And that's come back in the past couple of months from about 30 this week to about 35. But 35 is, I mean it's not, it's not V-shaped, for whatever reason. And obviously in China they have concerns about a second wave and they're not exactly, you know, thrilled about going to movie theaters. And I don't know how you and I and our families and our friends are going to, how quickly they're going to want to participate in crowded situations, much less go back to work. And the New York Transportation System is God's gift to the virus, I think. People are going to be cautious.

PETER BLAIR HENRY: So, I think you made a very important point that, you know, financial markets being forward-looking, you can have a recovery, a real recovery that's not V-shaped, but get a financial market recovery that is a little more V-shaped because it's taking into account the entire future path of the recovery. And I think that's right. One question I have for you, you know, you've talked about health and the downside we obviously face with kind of a reversion of the virus, what other things are you looking for other than health reversions, if you will, as deviations from your base case that would let you know that, hmm, this thing's not quite on track? Are their policy mistakes you worry about? What are you worried about?

EDWARD S. HYMAN: Peter, on the policy side obviously people like you and me worry about everything.

PETER BLAIR HENRY: Yes.

EDWARD S. HYMAN: But on the policy side, you know, I feel pretty good. In a worrying state, but I've been very impressed around the world with the way policy makers have been responding. And I will say I think it's because we realize as a community this is a very dangerous situation that if it goes on longer, you could have a huge financial crisis, you know, like the price of oil going into negative territory. So that's not my main worry. I worry a lot about the virus itself. I tend to be a little bit on the side that we might have overreacted but I don't carry that on my sleeve very much because you don't know what would have happened if we hadn't reacted. It's easy to throw rocks but...

PETER BLAIR HENRY: Nobody wants to see the counterfactual.

EDWARD S. HYMAN: But if we were to open up, as we are doing right now, and there was a significant second wave develop in the places that have opened up, boy, that would be tragic because, you know, if you have a business and you have shut down and then you open up and you bring people back, and then you have to shut down again, you can imagine the psychological damage that that would cause. So I worry about that.

I worry about China because they're recovering. I think they're on track, but I don't know what sort of damage is being done to the relationship between us and China in terms of supply chain, U.S. companies are going to stay with China or go back to China. And so there could be some damage there that leaves the world economy in a slower path than we were before. And then, to be honest with you, from the very beginning I didn't think the eurozone would work, so I've been wrong on that for about 50 years, not quite, close, and it keeps working. But I still worry that there's some point at which tempers flare and you have a problem. Maybe not end of the eurozone but a problem with some of the weaker economies in Europe.

PETER BLAIR HENRY: Let's pick up on that international dimension a little bit, Ed. Maybe it's still the early days yet, but are you hearing anything that gives you, you know, beyond the U.S. and China, that gives you pause about the global trading system. I mean there's already a lot of tension obviously with the trade war between U.S. and China but anything from the executives you talk to? Are people even more skeptical about global trade as a result of all of this?

EDWARD S. HYMAN: Yes, Peter, I'd be interested in your thoughts on this. I think people believe that global trade has had a real setback and globalization has had a real setback here. And I will say that this period – if you can help me, actually about trade, complete this thought – boy, we have been through one problem after another, like impeachment, the trade war, the virus, a dictator in China, a dictator in Russia, the Middle East, Iran, I mean you have to be pretty tough. I'd also say that...

PETER BLAIR HENRY: Other than that, it's been a pretty good couple of years.

EDWARD S. HYMAN: Right. I will say it is a real testimony to the resilience of the stock market. But what do you make of the trade issue?

PETER BLAIR HENRY: Well, I worry, right, because as you know often in the data you follow, the last couple of decades has been really unprecedented in economic history in terms of the overall cumulative growth, even including the financial crisis. And a lot of that really has been driven by the rise in global trade. Global trade makes countries more productive. We've even dealt very well to the downside of global trade in terms of distributional consequences and workers, but I do worry that if we don't find a way to really address these health issues and find a way to have a more global response to public health, it's going to be hard to reap the benefits.

EDWARD S. HYMAN: So, Peter, would it be okay if I asked you another question and then turn it back to you...

PETER BLAIR HENRY: Yes, go ahead.

EDWARD S. HYMAN: So what makes me think about this question is global trade and the role that the election will play, the upcoming presidential election. I'd be interested in your thoughts on weighing the issues, whether or not Biden wins or Trump wins in November. That's an easy question...

PETER BLAIR HENRY: Yeah, easy question. What's interesting, I mean if you went back to the previous presidential election in 2016, you would have said that basically neither candidate was pro-trade. President Trump has sort of, you know, made his preferences pretty clear in the last three years. But if you ask the question now, would President Biden be pro-trade, I think he's certainly more of a globalist than the incumbent. The question is where does the Democratic Party sit generally on trade? I think what's interesting to look at is actually if you look at things like polls by the Pew

Trust, it actually shows that there's more support for globalization than you'd think if you just, you know, look at the news.

So I think there could be an opportunity to have a real conversation with the American people about the fact, to be honest, and say that we haven't over the last decade and a half, given the average American worker a fair shot at benefitting from the upside of globalization and we need to deal with that. I think if you could get a serious agenda going forward on skills and retraining and getting a fair share for the American worker, and also frankly a serious conversation about how we deal with these global public health issues, then, I think, it's not an easy path but you can have a path back to, you know, over the next four to eight years, not seeing a shutdown or a negative direction on global trade that we've been seeing. But it's going to be hard, it's an uphill battle for sure.

EDWARD S. HYMAN: Thank you.

PETER BLAIR HENRY: So just before I go to the questions that the Club members sent in ahead of time, I want to just come back to deflation for a second. As you pointed out, we've had massive negative demand shocks. We've got a few, I would call sort of quirky individuals worrying about inflation, which I think is completely wrong-headed at the moment. I think you're absolutely right. But in terms of your sense of deflation, how will we know if it's, what will be worrying to you beyond what you were expecting in terms of deflation? How much of a fall in prices would really get your worried that it's worse than you think it's going to be?

EDWARD S. HYMAN: Well, Peter, I, you get views, even though these are very unprecedented times. But it seems to me that we've had, you know, a complete free fall in activity like the price of oil indicates. Demand is way off. And wages aren't very strong. Right now the theme is wage cuts, and with oil down, inflation measures right now are already pretty soft, like the eurozone is maybe half a percent positive. And I think the eurozone and the U.S. in May will both have negative headline CPI numbers. And you see things like the new iPhone very, you know, lower priced and automobile companies are trying to entice buyers. So I'm pretty sure that we are now in a deflationary setting and thinking about that and our previous discussion, certainly it's fair to say the Fed does not like that – whether they should or not.

So I think about the world usually in very practical terms. And for companies, it's revenue. You know they don't care so much about the number of cars they sell, it's the number of cars and price, you know, what their cash flow is. And people, you know, professors at Stanford care about their income, not how many hours they have to work. And so when you get prices under pressure and wages under pressure, it's not good. And so this is another sort of negative for the system near-term, and I think one of the reasons that policymakers have been so aggressive. Maybe we get inflation five years down the road but hopefully you and I can meet up several times before that happens.

PETER BLAIR HENRY: Thanks Ed. We'll go to a question that we got from a Club member, and this question is about fiscal stimulus. It says rather than pursue the current fiscal stimulus initiatives that may result in double-digit unemployment, should the Federal government instead have taken over the payroll for certain size businesses and industries for a period of time – maybe a couple of months in order to maintain the level of employment needed for consumer spending to continue driving our economy? Do you have a view about that?

EDWARD S. HYMAN: Not really Peter. I don't know why, but I've been an observer. I try and help our clients with their investment performance and I try and focus on what is happening. And I don't spend, frankly as much time as you do on prescriptive, on what should be happening. But at the moment we're getting pretty much into giving people pay. I mentioned the Japan thing with $1,000 and we have our programs here and supporting small business. And so at the moment I think that's fine. I worry about the longer-term implications, the way it impacts risk and reward in the capitalistic system. But at the moment we're trying very hard to keep people employed, along the question, so that we can weather through this without the collapse in demand leading to a collapse in incomes, which is not easy to do. But so far, I think that what we're doing is in the spirit of that question if not as far as that question would suggest we go.

PETER BLAIR HENRY: As you've looked at your forecast for the earnings in S&P's second quarter, you're pretty pessimistic with, I think, justification there. What happens if we, what are the odds of your forecast being too optimistic? Right?

EDWARD S. HYMAN: On that one I feel, for a couple of months, every day, every week, I felt I might have been too optimistic, that I wasn't weighing the negatives enough. And starting last week, for the first time, I began to think that maybe I'd gone too far. But on earnings, we have earnings for the year at $90, which is probably the lowest. And last year they were $165, just, you know, to put it in perspective. So that's a pretty big, it's a 40-something percent decline. Now earnings in the second quarter are already down to $110, the consequence for the second quarter is already down to $110. We're estimating $80 so a further, for that quarter, the second quarter. So it feels like earnings in the second quarter could be, you know, worse than $90.

What I'm a little nervous about is that I have such a, I have the economy staying weak in the summer and then I have it growing, say only 5%, 5% sounds pretty racy to me, but it doesn't, you know there are people that have a stronger rebound than that. And like if car sales get down to $6 million from $16 million, if they go to $8 million, that's a very big increase. But I think earnings, the risk on earnings is still on the downside for the second quarter. Then I worry about what that does, you know, to employment and pay and Cap-X.

PETER BLAIR HENRY: Last question. As you think about all the spending that we're doing, rightly so, to get the economy, to keep the economy on track after trying to deal with the health issues, there's a question of debt. And clearly the Federal Reserve has done the right thing in terms of quantitative easing and very aggressive on monetary policy. How do you see debt in the longer term? How do you see interest rates? Or is it just too early to even have that discussion from our point of view?

EDWARD S. HYMAN: From my point of view, it's too early. I think, Peter, from your point of view, where you shape where policy is going, it's not too early. But at the moment, whatever, MMT or whatever is the flavor of the, so your colleague Ken Rogoff, said $5 trillion fiscal stimulus in the wink of an eye, no problem. You know, like Holy Smokes. But that's the situation we're in. And I don't get the feeling, now that we've done $2 trillion and another half a trillion on the fiscal stimulus, and maybe do another half a trillion or trillion, I don't get the feeling that that is a crazy policy to have at this point. And on monetary policy, I don't get the feeling that's crazy, although it's a little harder. The Fed's balance sheet, I think has just increased about $2.5 trillion in six weeks. And according to my colleague, Krishna Guha, it's going to be another four or five trillion higher in another ten weeks or so. That's pretty fancy.

PETER BLAIR HENRY: Well, Ed, I really want to thank you for taking the time to share your insights with us today. It's been a really stimulating conversation. And we were lucky to have you and we hope to have you again in the future. Thanks for taking the time to be with us today.

EDWARD S. HYMAN: Peter, it's my pleasure. You're the best, and I appreciate your taking the time.

PETER BLAIR HENRY: Thank you Ed. And for those of you who joined us today, just a few items to think about. Going forward, events such as these will continue to be scheduled as we make decisions about Club events on a month to month and event by event basis. Up next, tomorrow, in fact, we are honored to host Dr. Daniel Yergin, Vice Chairman of IHS Markit, to address the energy markets. On May 4th, we are pleased to welcome back Larry Summers, Professor and President Emeritus at Harvard University. So please continue to monitor our website and we will also continue to communicate by email. Thank you again for joining us. Stay well and have a great afternoon. And thanks again to the incomparable Ed Hyman. Thank you everyone.