

Are we headed for Stagflation-Lite?

- 1 Bond yields have spiked
- 2 Consumer sentiment near 40 year lows
- 3 US Q4'25 GDP growth rate down to 0.7%
- 4 Inflation expectation rising
- 5 Oil, employment & delinquencies in a red zone
- 6 Equity markets in a micro-bear

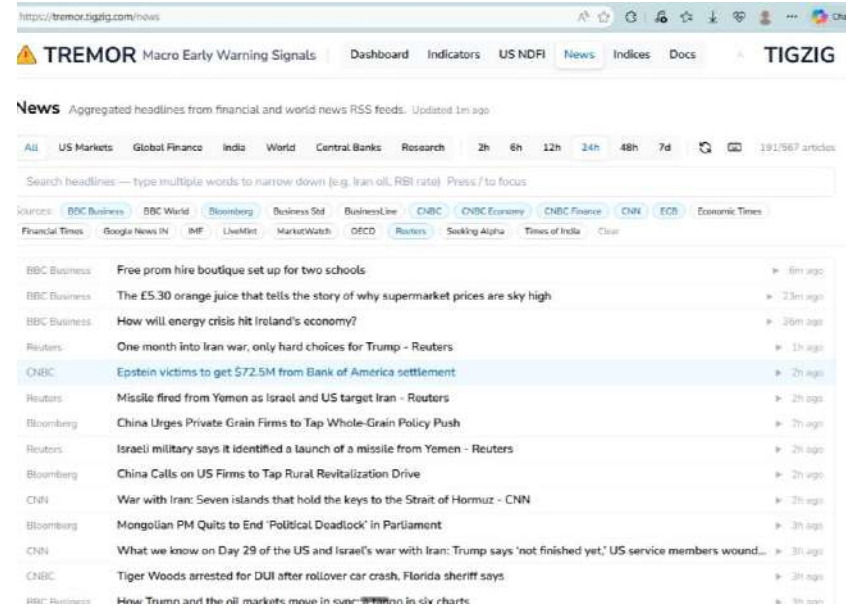
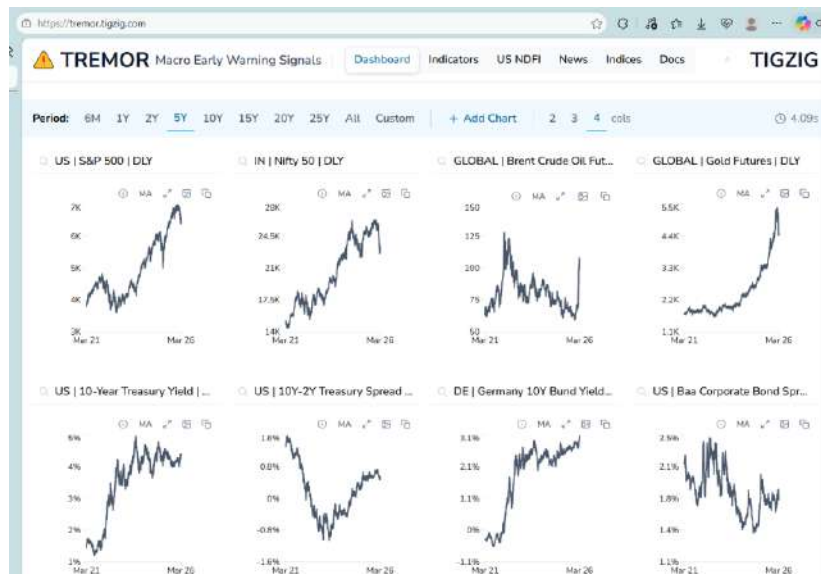
TREMOR –monitor early warning signals

Built by analyst – for analysts

Cockpit view of key macros + News

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Here's what the TREMOR charts are telling us



Bond markets pricing in high inflation expectation

Institutional and bond desk expecting higher inflation. Which make the current yields unattractive, causing sell-off and pushing yields higher. Becomes self fulfilling – the expectation itself create outcome in bond markets increasing risk to real economy [CNBC –](#)

[Rising European Yields](#), [Bloomberg Podcast](#)

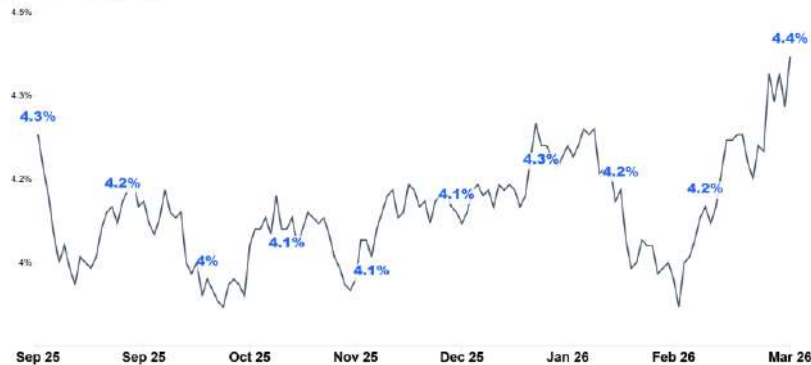


US Treasuries 10Y Yield

Past 6 Months

Germany 10Y Bund Yield

US | 10-Year Treasury Yield | DLY

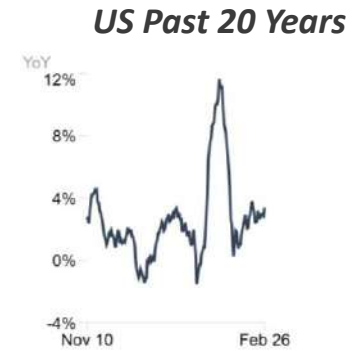


DE | Germany 10Y Bund Yield | DLY



US Feb'26 PPI annual inflation at 3.4%, higher than expected

The producer price index is a measure of pipeline costs that producers receive for their products and an early indicator of consumer inflation. The annual inflation rate was at 3.4%, highest in past year. **And the oil shock is yet to be baked in**



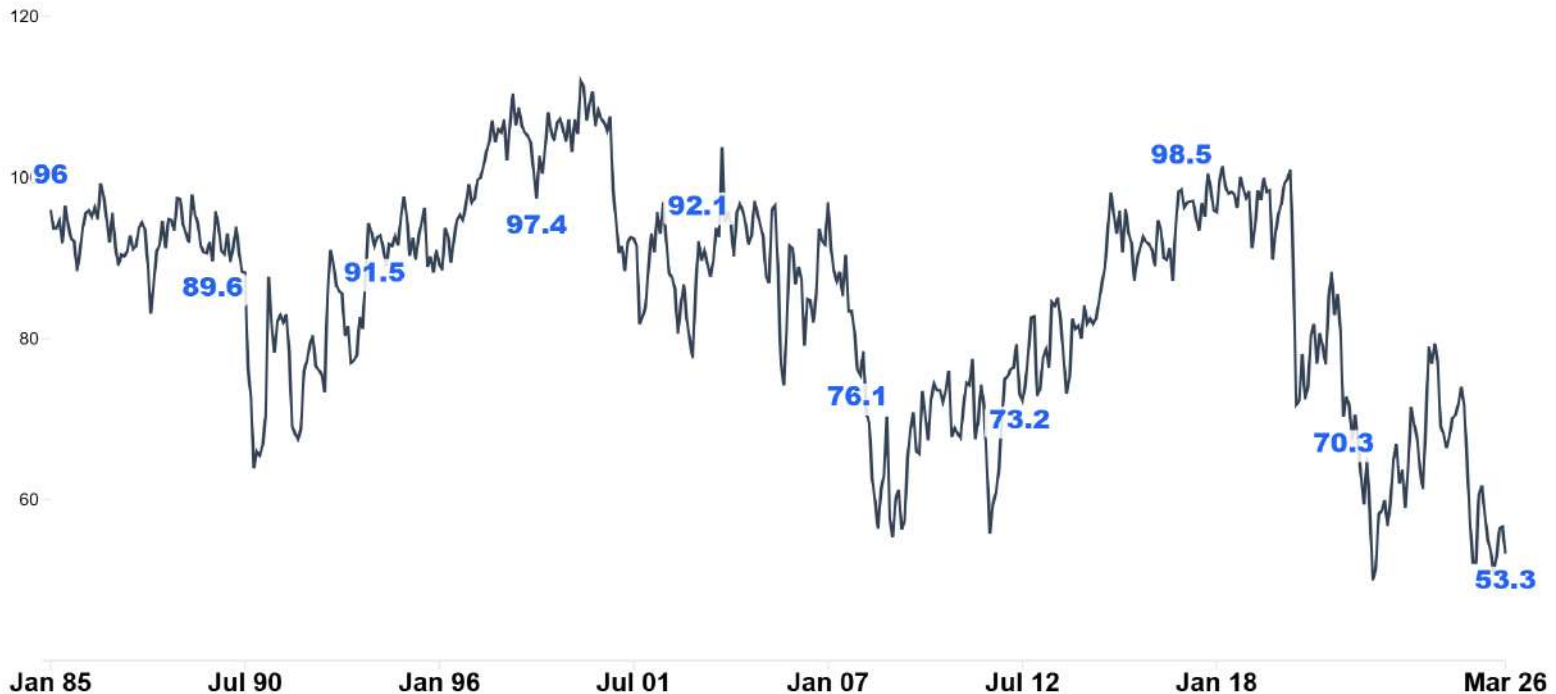
US | PPI: Final Demand | MTHLY (% YoY)



Consumer sentiments running abysmally low

Michigan Consumer Sentiment results released March 27 came in at 53.3 amongst the lowest reading (7th lowest) in past 40 years

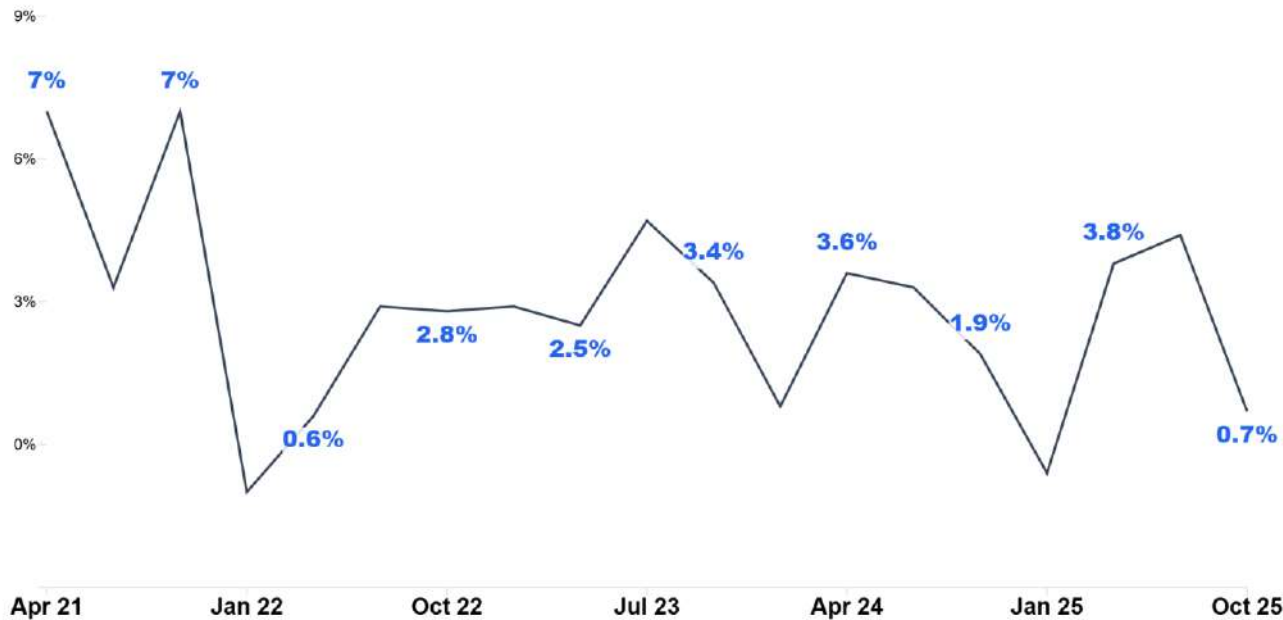
US | University of Michigan Consumer Sentiment | MTHLY



US GDP growth rate revised to 0.7%

The first revision of GDP on 13th March 2026 was a 50% lower than the previous 1.4% and below Dow Jones consensus forecast of 1.5% [CNBC](#) (Seasonally & inflation adjusted Annualized QoQ growth rate)

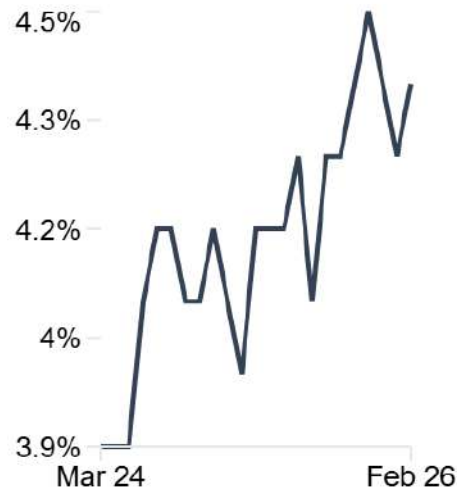
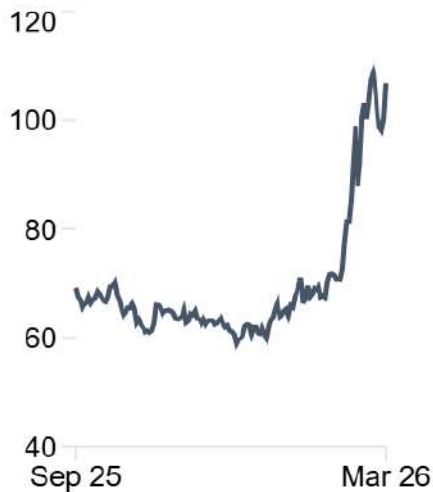
US | Real GDP Growth Rate (Annualized QoQ) | QTLY



Oil, unemployment and delinquencies in red zone

Brent continues to be above \$100 and even when the Iran war ends and prices fall, **the transmission won't be instant**. Some capacities may get online in months, others might take years. All while pressures continue on employment side and rising delinquencies.

GLOBAL | Brent Crude Oil Futures | DLY US | Unemployment Rate (U-3) | MTHLY US | 30+ DPD All Debt (% of Balance) [NY



Economists raising odds of a recession

[Recession odds climb on Wall Street as economy shows cracks beneath the surface](#)

CNBC, March 25, 2026

Moody's Analytics' model has raised its recession outlook for the next 12 months to 48.6%. Goldman Sachs boosted its estimate to 30%. Wilmington Trust has the odds at 45%, while EY Parthenon has it at 40%, with the caveat that "those odds could rapidly rise in the event of a more prolonged or severe Middle East conflict."

In normal times, the risk for a recession in any given 12-month span is around 20%. So while the current predictions are hardly certainties, they signify elevated risk.

"I'm concerned recession risks are uncomfortably high and on the rise," said Mark Zandi, chief economist at Moody's Analytics. "Recession is a real threat here."

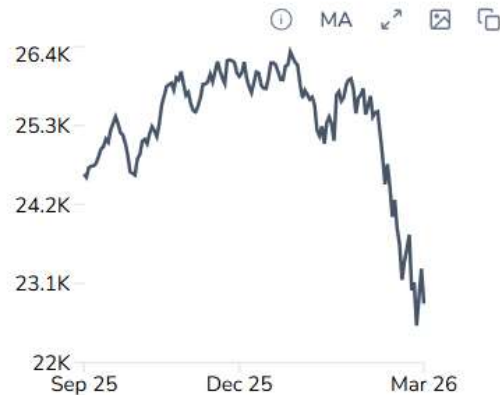
Equity markets entering micro-bear territory

Key equities dropped ~10% the past month from their recent highs

US | S&P 500 | DLY



IN | Nifty 50 | DLY



HK | Hang Seng | DLY



Are we heading for a stagflation like scenario?

Stagflation = High Inflation + Stagnant Growth

Expectation of higher inflation

+

Expectation of lower growth

+

Continuing negative shocks

=

**Higher probability of stagflation like scenario
or 'Stagflation-Lite'**

Previous Analysis

Are we staring into face of a full bear market?

US Banks & Non-Bank Lending - How Deep is the Exposure? Is there a Systemic Risk?

Structural Weakness Intensifying

Private Credit - The \$2.7 Trillion Shadow Lending Market Is Showing Cracks