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Article

Knightley: Wowzers, the US economy is hot

ING's James Knightley in New York looks at how the US economy is roaring back. Remarkably, he says the level of output at the end of 2021 could well be higher than would have been the case had there been no pandemic and the US merely continued at its trend rate of growth over the last couple of years



Wowzers! The US economy is hot

The US economy grew by 6.4% in the first quarter of this year. And stimulus measures and surging demand mean that remarkably, the level of output at the end of 2021 could well be higher than what would have been the case if the pandemic had never happened. While this is great news, ING's James Knightley cautions that Covid-19 has left a lot of scarring on the economy and supply-side capacity probably hasn't kept up with demand. And that's why inflation is likely to be higher and more sustained than we first thought. And it's also why we expect the Fed to raise rates far sooner than many people think.

[Watch video](#)

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