8 stats that should matter to investors.

Our team were chatting recently about the amount of change in markets and economies over the last 12 months or so, and some of the weight of numbers that keep building the case for inflation that I've written about a bit lately.

We found some interesting stats from Bank of America that really bring this home:

$1 billion: Central banks purchased $1bn of financial assets every hour since Feb'20 ($21tn since GFC).

$78,591: US national debt per taxpayer in '25 (debt to equal $27tn).

$4.5 trillion: The issuance of US Treasuries in '21, set to easily exceed GDP of Germany.

$51 trillion: The gain in global equity market cap since Mar'20 lows (fastest/largest rally all-time).

Q1'21: The worst first quarter return ever for 30-year Treasury, worst for IG bonds since 1980, worst for gold since 1982.

$602 billion: The inflow to global stocks past 5 months exceeds inflow of prior 12 years ($452bn) – nearly all of which went to the US market.

$8.2tn: Market cap of Apple ($2.2tn) + Microsoft ($1.9tn) + Amazon ($1.7tn) + Google ($1.5tn) + Facebook ($0.9tn) = all Emerging Markets (population 6 billion).

52%: YoY gain in US used car prices & US house prices +17% YoY highest ever …both lead barometers for US inflation.

Why do these numbers matter?

Because the increasing likelihood of inflation will have a significant impact on those investors buying into indices now, especially in the US. They are dominated by a few companies that have already risen in value to the point that the time to get your money back is well over 50 years. (The recent earnings season showed that despite massive profits, stocks like Apple, Amazon and Google were all down post their reporting).

And even if interest rates are held low for a long time, rising inflation means the discount rate on future earnings also rises. This would be a disaster for these highly rated growth stocks as well as profitless businesses.

And if all this seems like conjecture, take it from the people on the front line like the CFO from Dick’s Sporting Goods (NYSE: DKS): "We do see continued, at least in the short term, over the next couple of years, continued wage inflation pressures"

So we feel investors need to ignore the noise and speculation and unsophisticated activity.

Diversify your equities across sector, geography and return type, and focus on Value stocks where much lower valuations mean you’re going to get your money back – sooner rather than never.