

## IMF predicts high risk of global depression

Posted At : October 10, 2012 7:58 PM | Posted By : Michael Smith

Related Categories: 2012

If you didn't like the astrology or other technical forecasts of a global depression and stock crash perhaps an International Monetary Fund report would be of interest.

MM

In a just-released 250-page report, the IMF is warning that there are terrifying storm clouds on the horizon — **“alarmingly high risk” of a deeper global slump.**

Here are just a few bombshells we've gleaned from its hot-off-the-presses report:

**The global economy will grow less than any time since the 2009 recession.** That means most companies around the world will suffer a big decline in profits for many quarters to come.

**The world is choking on government debt:** The debt has now reached pandemic proportions — an undeniable reality that raises the likelihood of skyrocketing interest rates, another big negative for growth, profits and stocks.

**The U.S. Fiscal Cliff is a huge threat:** Unless U.S. lawmakers can somehow avoid the automatic tax increases and spending cuts slated for January 1, it will trigger an even deeper global recession.

**Government spending cuts are killing the world economy:** Austerity budgets — massive government cutbacks already hitting in Europe and also on the way in the U.S. — are smothering the global economy with no end in sight.

**Unemployment “gains” are a mirage:** Global growth is far too weak to cause any REAL reductions in the unemployment rate.

**Business and consumer confidence is “exceptionally fragile.”** In fact, it's already sinking and is likely to fall a lot more.

**The stock rally is a trap:** According to the IMF, massive, unprecedented central bank money printing — including the Fed's “QE-Infinity” is the ONLY thing buoying economies and investment markets. Moreover, that money printing is making global inflation more likely — another big negative.

- Sources
- <http://www.csmonitor.com/Business/Latest-News-Wires/2012/1009/Stocks-slump-after-weak-IMF-report>
- <http://www.telegraph.co.uk/finance/economics/9594804/IMF-sees-alarmingly-high-risk-of-fresh-global-slump.html>
- <http://www.bangkokpost.com/news/world/314109/global-financial-reform-stuck-in-growth-slump-imf>