

JPMorgan CEO Jamie Dimon gives chilling warning as US economy 'deteriorates'

By Rachel Bowman for Daily Mail

JPMorgan Chase CEO Jamie Dimon issued a chilling warning that the United States economy could 'deteriorate' as inflation increases and employment rates go down.

Speaking at the Morgan Stanley US Financials Conference on Tuesday, Dimon noted that consumer confidence has fluctuated since Donald Trump took office, and the economy is facing shifting 'tectonic plates.'

However, he cautioned that consumer-based data is not always a true reflection of the economy and he believes that the end of the pandemic-era economic stimulus could be the real reason for the deterioration, according to Fortune.

'You have all these really complex, moving tectonic plates around trade, economics, geopolitics, and future factors, which I think are inflationary: military, restructuring of trade, ongoing fiscal deficits, so it's okay, but whenever you say "consumer sentiment" remember neither consumers nor businesses ever pick the inflection points, they never have,' Dimon said.

'If you're looking for that inflection point... they're not going to tell you that. You're going to see real numbers, and I think there's a chance real numbers will deteriorate.

'Employment will come down a little bit, inflation will go up a little bit—hopefully, it's just a little bit.'

He suggested that while current data shows the economy is 'okay,' as people begin to run out of money he expects it to decline.

'So the consumer had money, wages are pretty good, unemployment is pretty good, they're spending it. All the extra money from COVID is kind of gone, so the lower-end folks have normalized,' Dimon said.

At the upper end, the consumer is still traveling and spending some money, their jobs are there. Their home prices are way up, their stock prices are way up, it's looking pretty good.

'The corporate side's the same thing. Sentiments dropped, sentiments are coming back up, but business is still okay.'

However, the 69-year-old CEO said he believes the economy is stable due to the pandemic-era economic stimulus package, and there is a likely chance that a shift will occur as that money runs out.

'But the butts are real—I'm not trying to be negative. We spent \$10 trillion... Well, of course consumers have more money, we gave it to them,' he said.

'Of course businesses are doing better, consumers spent the \$10 trillion—that goes right through P&Ls in every industry out there. And then we had QE [quantitative easing]... and the real reversal is just starting.'

In May, Dimon urged Americans to stockpile guns, bullets and other weaponry instead of cryptocurrencies.

During an appearance at the inaugural Regan National Economic Forum in California, Dimon was asked how the US should think about national security as artificial intelligence and chips become more crucial for defense capabilities.

His answer suggested that he believes the White House has the wrong priorities on this front.

'We shouldn't be stockpiling bitcoins, we should be stockpiling gun, bullets, tanks, planes, drones, rare earths. We know what we need to do, it's not a mystery.'