

Errold Moody - PhD MSFP MBA LLB BSCE

Crystal River, Florida Errold Moody: Errold Moody, Ph.D. has far more than 20 years' experience to be a money and actual estate columnist.

Florida, Crystal River, Sep 24, 2021 ([IssueWire.com](https://www.issuewire.com)) - Crystal River, Florida **[Errold Moody](#)**: Errold Moody, Ph.D. has far more than 20 years' experience to be a money and actual estate, columnist. We are hearing all sorts of commentary on whether inflation will run rampant given the huge amounts of stimulus (6 trillion to date) that has increased our budget deficit beyond all rational limits. Admittedly the devastation of Covid did call for emergency measures but billions have been 'lost' through graft and unnecessary loans to big businesses that 'violated' the basic need to go to small businesses.

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The FED has said that they would like to maintain a low-interest rate through 2022- but that allows a great 'incentive' for companies to borrow beyond their immediate simply because it is so cheap. It appears that the fight to maintain the status quo.

The most immediate concern is the outside influences that are far beyond our control. The main one is oil. And OPEC can lower or raise rates at a whim. This clearly shows what they and Covid have done to our production

A lot of U.S. rigs went out of business during the Covid crisis- particularly shale oil which is expensive to withdraw- about \$60 per barrel.

Now prices have firmed quite a bit where OPEC expects a surge in our economics and knows the resumption of shale oil will not be forthcoming for quite some time

Notable is the prices were about \$45 last year and are steadily increasing. The most recent prices in March are about \$70 per barrel

That is a major change and where OPEC will gain about \$25.00 higher per barrel than last year.

The price per gallon of gasoline has been going up very quickly and has not yet plateaued.

This is major inflation that could derail the U.S. economy even just by itself and force higher interest rates. That will definitely slow the economy but there is no way to know if it will entail runaway inflation that could put us back into a recession.

Errold Moody

erroldmoddy12@gmail.com

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