

# AIM Summit: Larry Summers Warns of Significant Risks in US Monetary Policy

LONDON, UNITED KINGDOM, April 14, 2023 /EINPresswire.com/ -- Former U.S. Treasury Secretary Dr. Lawrence H. Summers discussed the current challenges faced by the Federal Reserve in managing monetary policy at the [AIM Summit](#) held in London on Thursday. Drawing from his own experiences, Summers highlighted the inherent difficulties in striking the right balance in policy implementation, particularly the lag between executing monetary policy and seeing its effects on the economy.

"If you have substantial inflation, you will probably not see a return to target rates of inflation without having a recession," Dr. Summers told delegates at the AIM Summit London Edition 2023.

He stressed that the current situation in the U.S. presents substantial risks, as the Fed might inadvertently cause a recession or allow inflation to become a persistent issue. Dr. Summers predicted that the Fed would raise interest rates in May and potentially again in June.

Mr. Zachary Cefaratti, Founder of Dalma Capital Management Limited, a strategic partner of AIM Summit, believed rising interest rates and diminishing purchasing power have weakened consumer confidence and investor sentiment, further clouding near-term growth prospects of the world economy.

"However, in crises we often see opportunities. And in this cycle, major emerging market economies have held up impressively well despite high inflation and weakening currencies," said Mr. Cefaratti, who moderated Summers' session at the AIM Summit. "Similarly, private credit markets in certain developed and emerging economies have materialized as a particularly bright spot for capturing outsized returns."

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About AIM Summit:

Launched in 2015, AIM Summit is The Leading Alternative Investment Management Summit connecting investors, managers and global industry leaders in the world of alternatives across various asset classes, including hedge funds, private equity, venture capital, private debt, digital assets and FinTech.

AIM Summit is a platform for discussions on investment developments, global market conditions, latest trends and acts as a networking forum for future business opportunities. It is the only conference of its nature and magnitude organized and orchestrated by the industry in an intimate setup that induces real discussions on the best practices and know-how.

For more information, please contact:

Raibie Gale Oña  
AIM Summit  
+971 56 950 6148  
rg@aimsummit.com

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