

The US Banking Crisis 2023 and Its Implications on the American Economy

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ABSTRACT

On 13 March 2023, the day will be remembered as one of the biggest catastrophes in the US banking sector. Over five days in March, three small to mid-sized banks failed miserably encountering a substantial decline in global bank prices and a swift response from regulators to lessen and prevent global contagion. The absolute disaster of the US banking crisis originated from Silicon Valley Bank (SVB) and the bank run triggered after selling out its Treasury bond portfolio at a huge loss that possibly rattled the trust of depositors from this bank and made them concerned about the bank's liquidity.

Keywords: Bank, liquidity, risk management