

Behind the Memo – Easy Money with Howard Marks and Edward Chancellor

Anna Szymanski

Hello and welcome to *Behind the Memo* with Howard Marks. Today, Howard and I are joined by a special guest, Edward Chancellor, the journalist, financial historian, and author of multiple books, including *Devil Take the Hindmost* and most recently, *The Price of Time: The Real Story of Interest*. Howard's latest memo, [*Easy Money*](#), was inspired by *The Price of Time*. So I am very excited to be able to speak with both Edward and Howard about the history of interest rates, the profound impact they've had, and the potential dangers of keeping them too low.

Edward and Howard, thank you both so much for joining me.

Howard Marks

Thank you, Anna. It's great to be here with you as always.

Edward Chancellor

Thanks for having me.

Anna

Howard, I'm going to start with you. As I mentioned, your most recent memo is inspired by Edward's latest book, but this is actually your second memo to be inspired by a book of Edward's. So to begin, can you speak about that previous memo and its relationship to this one?

Howard

Glad to do so. Most of my readers know the story, but I began to write the memos in 1990, continued to do so for a decade without having a single response. But in the fall of 1999, I was reading Edward's terrific book, *Devil Take the Hindmost*, about financial speculation, which starts off with the South Sea Bubble and covers the Tulip Bubble and so forth. I was reading things there that Edward had written and I was saying, "Hold on. That's exactly what we're seeing today." It talked about people leaving their day jobs to trade and all kinds of behavior.

Of course, behavior, as Twain pointed out, it's not exactly the same, but it does rhyme from occasion to occasion. And I think that's the fascinating thing about Edward's books is the way the behavior he describes from 200, 300 years ago. The descriptions are very relevant to today and that helps us figure out what's going on. So anyway, I wrote a memo called *bubble.com* about what I was seeing in the tech bubble. Again, people leaving their day jobs and their MBA programs to become day traders.

Bubble.com went out the first day of 2000. It had two virtues, it was A, correct and B, correct soon. If you're too far ahead of your time, it's indistinguishable from being wrong, the old saying goes, but this one was correct in a timely fashion, and it garnered a lot of response and put me on the map memo writing wise. So *Devil Take the Hindmost*, Edward's book was extremely important in my development.

Anna

Edward, now let's turn to the latest book. This is an expansive study of interest rates, although I should also add, a highly readable history of interest rates. So this may be a somewhat difficult question when we're talking about thousands of years of history, but can you explain the overarching argument of this latest book?

Edward

Yeah, I can try. I should say why the book was inspired. It was inspired by the fact that in the middle of the last decade, we were going through this period of extremely low interest rates and they seem to be affecting everything in the financial world that one saw, in particular, high valuation of asset prices, beginning of hyper speculation in cryptocurrencies. We saw, Howard has written about this, but the deterioration of underwriting standards and a chase for yield, and this is against background of very weak productivity and the rise of so-called zombie companies, businesses that probably shouldn't have been operating.

And I came to the conclusion that you couldn't really understand the world that of the mid-2010s unless you understood interest. Just like you couldn't really understand what was going on before the Global Financial Crisis if you didn't understand credit. And in fact, if you go back previous decade, you couldn't understand what was going on in '99, 2000, unless you understood speculation. So we moved from a focus on speculation to one on credit and up to the GFC. And then I think interest became all encompassing.

And I went to see, I think Howard, you named Jim Grant in New York. And Jim said, I asked Jim, "Has anyone written anything interesting on interest, on the subject of interest?" Now of course, there's the famous book, Sydney Homer's, updated by Dick Siller's, *The History of Interest Rates*, but there wasn't anything written about the concept of interest, except for a frightfully boring book that had been written in the 1960s. So I embarked on the project and what I found is that you can see the history of interest going back five millennia, to the Ancient Near East.

And what you find in the Ancient Near East is interest performing a lot of the functions that it does today. Loans were made and loans were made at interest and commercial loans for overseas voyages carried higher interest charges because they had a risk premium in them. Loans were made on mortgages and therefore the creation of a real estate market and trading and houses and valuation of houses became possible. And then there were consumption loans and there were loans of barley for farmers for grain stock. So that was the history of interest.

Anna

Yeah, one of the fascinating things that you say early in the book is that interest is really the first financial innovation.

Edward

In fact, because we can see the word interest in ancient etymologies linked to the productivity of livestock, we can guess that even in prehistoric periods, people were loaning learning their livestock in exchange for interest. And there's a very perceptive comment which I cite by Yale economic historian, Bill Gertzman, in which he says that interest is the most important invention in the history of finance because it allows people to transact across time. And it's a fact that all economic and financial activity take place across time, but it's an obvious fact but people tend to neglect it.

And as I then read more into the history, into theory of history of interest as it evolved over time, there is a definition of interest I cite coined by the Englishman in the 16th century where he says the usurers, the lenders at interest are the sellers of time. And that interest is the price of time, which is what I took as the title of my book.

Anna

In Howard's memo, he actually notes how much he liked your choice of title, *The Price of Time*. Why do you think it's important for people to think about interest in this way?

Edward

And why this is important, and this is really the most important thing, is that if all our activities are savings and our investments and our consumption has a time element to it, it's very important that all these activities should be coordinated. How much you're going to borrow today and how much you're going to consume, what type of investments you make, what the valuation of those investments is in current terms of day, what they yield in future, all this will be affected by the prevailing level of interest.

And this is encapsulated very well by the great American economist, Irving Fisher, where he says that, “Interest is an omnipresent phenomenon.” It is everywhere, whether you know it or not, or as Joseph Schumpeter, the Austrian economist says, “Interest enters into every calculation.” Once you begin to understand that, or at least once I began to understand that, I then got a sense of the extraordinary corruption of the economic and the financial system that was occurring at a time when the policy rates of central banks were kept at zero, or in some cases at negative levels.

Now, if interest is the price of time, a negative interest rate is really turning the clock back. Now, Anna, you were at Breaking Views for a while. I don’t know if you saw a piece I wrote back in 2020, it was about Alice and it was looking at the financial market markets.

Anna

Yes, I do remember that piece. Yes, yes.

Edward

It was trying to show that everything was back to front. I read a comment a couple of years ago when Japan embraced negative interest rates. So saying that interest rates didn’t matter as long as interest rates were falling, you could have capital gains on your bonds. So in fact, I was saying that piece where you owned equities for income and long-dated bonds at negative yields and 30 year Swiss yields were out at negative rates. You own those for capital gains. And that is a very upside-down world, a world in which VC was doing very well. A lot of very flaky businesses were being floated, but very speculative world, a world in which was very difficult for active managers to distinguish themselves without actually taking on more risks.

So I think that these negative rates and these zero rates were really the most extraordinary event. If the invention of interest is the greatest invention, then I think the advent of the negative rates was the most, in a way shocking event in the entire history of finance.

Howard

Anna, as Edward was giving that answer and really talking about the ubiquity of interest rates, what it made me think of is that interest rates really are the main factor or the basic factor that defines the investment environment and the greater financial environment, in the same way that weather defines the environment for everything else. So weather determines whether we’ll wear a coat, whether we’ll carry an umbrella, whether we’ll put the top down in the car or keep it up. And thing after thing is all dependent on the weather in the same way interest rates are the dominant consideration in giving rise to financial behavior and investment behavior. And I think that if people think of it that way, I think it’ll be beneficial.

Edward

There’s another metaphor that strikes me, and I didn’t really draw it out enough in the books. It came to me a bit later, although I do mention it. Warren Buffett in let’s say five, six years ago makes this comment that, “Interest is to valuation what gravity is to matter.” Now, go back to what I was saying earlier, that all these economic variables, our consumption, our borrowing, our expected rate of return, the type of investments we make are all dependent, influenced by the interest.

Then you could actually take a grand pitch and say, well, interest is like the gravity that holds the planets on their paths. And you remember Isaac Newton makes his comment during the South Sea Bubble when he was a speculator of the South Sea Bubble. He’s reported as saying, “I can calculate the motions of the heavenly bodies, but not the madness of people.” Now, once you take interest rates down to very low levels, it’s actually even harder to work out what’s happening in the market. It’s harder to get the coordination which is required for an economy in order to be stable and growing, and I think that is what we saw.

Howard

The analogy between interest rates and gravity is a very interesting one. And of course Warren puts everything terrifically, but it’s important to take note of the distinction, which is that the law of gravity is a physical law and immutable. And when we drop things, they always fall down. They never fall up.

But interest rates, especially in the short run, have a very strong psychological component. And in the short run, interest rates, like the price of anything else, can do it whatever they want or whatever people want and become excessive and inadequate and thus produce extremes of behavior, whereas gravity is consistent and reliable. I think that's an important distinction.

Edward

Yeah, and to add a comment that Charlie Munger, Warren Buffett's recently deceased partner, made back in 2020, at the time when the interest rates were once again at zero, and the central bank's printing money. And he says, "These are the most extraordinary financial markets in all of history." And then Howard, I like that comment in your note where you cite a private comment of Charlie Munger's to you in 2000. I'm going to put it in the American paperback version. I might even put it at the front of the American paperback version of my book.

Howard

Yes. He said to me, actually wrote me, "Maybe we have a new version of Lord Acton's law." Of course, Lord Acton said that power corrupts and absolute power corrupts absolutely. And Charlie says, "Easy money corrupts and really easy money corrupts, absolutely." And that's the theme of Edward. That's the theme of myself, running through what we've written here is the corrupting influence of interest rates that are too low.

Anna

That makes me think of another quote, Edward from your book. It's actually something that Howard notes is really one of his favorite quotes from the book, it's, I believe from the Overend Gurney crisis in the 1860s when that bank went under, you note a banker, John Mills, saying, "As a rule, panics do not destroy capital. They merely reveal the extent to which it has previously been destroyed by its betrayal into hopelessly unproductive works."

I'd like you both to speak about the idea that this quote is expressing and why it's so important.

Howard

The error is in the bad decision. What Hayek called, and again, I learned this from Edward's book, and I love it, malinvestment. And we think of investing as being a constructive activity, providing money for projects, but malinvestment is the misuse of money. The error takes place at the time the investment is made erroneously, but it only becomes apparent at the time that it is stressed by events in the environment. Warren Buffet said, I think it was early '09, just commenting on what we had seen in the Global Financial Crisis, that "It's only when the tide goes out that we find out who's been swimming naked."

I wrote in one of my books on the subject of risk that you may have a construction flaw in your house, but it only becomes apparent when there's an earthquake. Of course, I was living in California at the time where people actually think about earthquakes from time to time. But it's the same thing. Bad investment does not show up as an error right away. Bad investment shows up as an error when it is stressed and tested by difficult circumstances in the environment.

Edward

If one were going to look at this question of malinvestment from a technical point of view, when the interest rate is very low, people will tend to invest in assets whose income is in the long distant future with greater payback periods. And these may be of a speculative nature. They're often real estate. Real estate is a classic, probably the most obvious area in which bubbles are inflated by low interest because real estate are long-dated assets funded on debt on the whole, but also the VC stuff that we've mentioned. And in the last year and a half since interest rates have been going up, you see a whole load of venture capital businesses failing.

And what Hayek said is during the boom, the malinvestment is characterized by large investment during the boom and then you get to the end point and there aren't enough funds to finish off the investment. So they become sort of incomplete investments. And that's the bust phase, which we are to some extent, living through at the moment. If you pick up the paper, the business pages on an almost daily basis, you will see examples of so-called malinvestments that are businesses that have failed as interests rise.

For instance, what's quite interesting, you've had this shift to alternative energy, and you see in the last few months a lot of these wind turbine businesses, again, classic businesses with long-dated revenues levered up quite a lot and they have been running into trouble over the last year or so. So there's another example. No one would really think, offhand, that the shift from hydrocarbons to alternative energy was hugely influenced by the levels of interest, but it is the case. And suddenly as the interest rates go up, a lot of these businesses no longer appear viable.

Anna

So just to play devil's advocate, Edward and Howard, you've both written that when returns on safe assets are too low because interest rates are too low, people will often reach for yield and go into more speculative things. And as a result, capital often flows into companies that eventually go under. But what we've also seen historically during these periods of ultra-low interest rates is that capital flows into very innovative things like the internet and after the bust following the boom, you may see a lot of companies go under, but the ones that don't, can end up really pushing the economy and society forward.

So my question is then if we're thinking of an environment in which interest rates are higher than people have become accustomed to, is there a risk that could stifle innovation long term?

Howard

Well, I think we know that it's possible for rates to be "too high" and you ask would that stifle innovation. If you think about it, the main way that rates get too high is that the central banks make them too high and their purpose in doing so is to cool off an economy, which is inflating. So their purpose is yes, it's to stifle and you can't make an omelet without breaking some eggs. You can't cool off the economy without causing some projects to be ignored that might've had merit. And by the way, normally you can't cool off a recession without raising the unemployment rate and making some people lose jobs.

Edward

But just go back to Anna's point about you have canals and railways and let's say electricity utilities rolled out in the 1920s and then the internet in the 1990s and AI today. And I a bubble in technology can speed up the adoption of a new technology. And that may be good for society. It tends not to be good for the investors. And so I think I say it in *Devil Take the Hindmost*, I mean, I wrote it such a long time ago, I can't remember, but I think I probably say that the speculative mainly benefits the consumers at the expense of the investors.

I think the other point is that you can have, back to what we talked about a second ago, misallocation of capitalism. It tends to be a very inefficient use of capital. Now, during the railway mania that British had in the 1840s, in 1844, 1885, huge number of new railroads were projected, and they were going to cost the equivalent of the entire British GDP. So there's an example of an investment that wasn't really going to take place, because they were going to be too great a demand on capital.

Anyhow, so most of those projects were canceled. But even of the projects that were realized, and I like to cite this is between London and Peterborough, which is a city not far from Cambridge, north of London. There were three rail free railway lines running between London and Peterborough. Whereas one would've done the job, possibly two, but one would've done the job. So those resources are wasted. And when you waste investment resource, it's just like consumption, but without the pleasure of consumption.

Anna

Yeah, this type of waste you're talking about, it's definitely something we saw on the internet bubble.

Edward

And this is, in most of our memories, huge investment in fiber optic cables, if you remember how the picks and shovels of the internet that we were meant to be getting so excited about in '99, 2000, and then massive excess capacity in fiber optic cables coming straight after. And today, another little sort of spurt of investment in AI. Very, very, actually much more resource intensive than people think.

I was at some conference last week in which a person was saying that Microsoft's entire electricity consumption doubled within a two-month period as it was making the shift towards AI. So there are huge resources that are consumed, and I think certainly if one's thinking of life from the investor's perspective, which is, where Howard and I are coming from, the expected mania is to be avoided.

Anna

So to switch gears a little bit, one of the things that we've been discussing is this massive shift from a period of ultra-low interest rates to much more normal interest rates. And you would think that that would lead to significant problems in the economy, much higher rate of unemployment, but we haven't seen that the U.S. economy has been surprisingly resilient. So I'd like you both to speak about this soft landing narrative that is currently so dominant.

Howard

If you say, "Well, we'd like to cool off the inflation rate but not cause anybody to lose their jobs," normally, that's considered impossible. At the moment, we're going through a thing here where it looks like the hope of the so-called soft landing might be realized. And that is the cooling off the economy to lower the inflation rate without causing a recession and an uptick in unemployment, normally considered unlikely, possibly is going on at this time. I know the optimists think so.

Edward

I think I'm sticking to my guns and saying, if the nub of the book I wrote and the years I spent thinking about these ultra-low rates is that the financial world was distorted out of all recognition. Removed so far from normality by the fact that interest rates were low, and the assumption that rates were going to remain low for a very long period of time. It would seem to me an extraordinary surprise that you could shift from this ultra-low rates to, as Howard quite correctly points out in his letter, just a normal rate, not a high rate, just a normal rate. So my hunch is you cannot make that transition without the wheels coming off the bus.

And Howard, you are probably following this more closely than I am, but first half of last year, seemed to be evidence of a downturn in the credit cycle. And you could see tightening of the Fed's data on the senior loan officers survey. I have a friend who calculates something called the credit impulse, which is looking at the difference in rate of credit growth between one period and another. And if credit starts growing more slowly than the previous period, that has a sort of negative shock and the credit impulse was negative in the first half of last year. And now it seems as if some of these indicators are turning a bit.

But, to me, the system hasn't cleared. As you see in the papers, we get a lot of stuff on commercial real estate debt in the U.S. I think a lot of corporates who are engaging in financial engineering during the ultra-low interest rate period, they will be protected for a short period during the transition to higher rates. But whether they have interest rate caps or taken out insurance on short-term rates, or whether they can extend their loans for short periods, but in time, debt will mature and they'll have to refund it at higher rates. I think the real estate market takes a while to turn. Particularly in the U.S. where people borrow long-dated. But I think that that shift to higher rates, particularly in countries in mortgage markets like where I am in the UK, Australia and Canada, where the mortgages are priced off short-term debt. That will be painful.

There was an amusing story that I read this morning. A government minister, believe it or not, has resigned because he says that his ministerial salary of 120,000 pounds a year, which puts him in the top 3% of English incomes was insufficient to pay his mortgage because his mortgage payments had gone from 800 pounds a month to 2000 pounds a month. Which was, I think I calculated from around 13% to just over 30%. So I think the shift to higher rates is, and the impact of them, is a longer dated one.

Anna

We definitely saw a bit of a lag in the GFC from when things first started to slow down until the real crisis hit.

Edward

I was following that pretty closely, as I'm sure you were. And if you remember in 2007, I think Hank Paulson, as treasury secretary, he said, "After the Bear Stearns hedge funds went down, everything's fine. You've got the strongest economy, and the U.S. stock market hit its peak valuation in October '07." Even into 2008, the indicators were a bit confusing as to how serious this was going to be. And in that sense, it reminds me, in retrospect, we all see these things, dot-com bust or the credit bust as being very clear and everyone knew it. The truth is, most people didn't know it.

And my final point of that is, and I gave it back to my old boss, Jeremy Grantham, the investor. Jeremy's argument is, after super bubbles, there are no soft landings. And this, the everything bubble, was definitely a super bubble. Now history is not a hundred percent accurate. We used to say the four most dangerous words in the English language were, this time is different. And now we have to qualify that and say the five most expensive words in the English language are, this time is never different. So you have to be slightly cautious, but I'm still sticking to my guns and saying that what we call a hard landing coming from this ultra-low rate period is still on the cards. But I could be wrong.

Howard

I just want to point out, back in 1999, if you will, when the tech bubble was raging, people used the four worst words in the world, it's different this time, to justify that bubble. Saying very simply, "The internet will change the world." And there was excess investment in the internet, and anything internet-related or e-commerce-related. Everything that came out doubled or tripled or quadrupled the first day, companies found they could increase the value of their stocks by adding E to their corporate names.

Guess what? The internet changed the world. It's inarguable. And the companies that were brought public in 1999 or early 2000, the vast majority of them, ended up worthless. So the two are not inconsistent. It was erroneous, excessive investment, abetted by speculative thinking, producing capital destruction.

Edward

And Howard, can I ask you, when you read about the AI excitement today, doesn't that have a little resonance? For instance, I got a piece in my email inbox today with a link to a woman on CNBC saying, "We should no longer value companies with their earnings, but on their innovation, which should be a market cap to innovation metric." In '99, 2000, we had these terrible, I could use a stronger word than terrible, indicators and valuing companies on eyeballs and this and that.

And so, I think, have you noticed, Howard, how they were talking about how AI is going to change productivity? And now hey, so that means we are not going to have to work, and these companies will be fantastically valuable, and we can just live off our capital gains. It reminds me very much of the talk around '99, 2000. So yes, AI probably will change the world in the way that the internet, probably not as much. Well, who knows?

Howard

What you're proving is this theme I keep going back to, I attribute it to Mark Twain, history does not repeat, but it does rhyme. And all we're doing is we're seeing the handle turned once more. And just like the internet in 1999, I'll make two bold statements. Number one, AI will change the world. And number two, most of the companies that people are investing in today for AI purposes will end up worthless. And those two things are not inconsistent. And it's when the naive or hopeful investor takes the leap that the irresistible trend will produce sure profits, that's when you get into trouble.

Anna

What's interesting to me listening to this conversation is, as you're talking about AI, or whether you're talking about the potential for a soft landing, is that, in so much market commentary, people focus on theory, or they focus on forecasting models. You're both looking at what's happening through the lens of history. And so I was hoping that you could both speak a little bit more about what are the benefits of doing that as opposed to relying so much on theory or forecasting models.

Howard

I think that, again, if we were talking about science, we could talk about theory and forecasting models and how things are supposed to work. I always quote the great physicist, Richard Feynman, who said that, “Physics would be much harder if electrons had feelings.” The problem is, that our field of financial behavior, stems from human behavior and humans have feelings. And so they tend from time to time to excesses in both directions from which we have to retreat.

So bubbles and crashes, and this is the result of psychological swings. And there’s nothing that can abet a psychological swing more than excesses in interest rates. So when they’re too low, it abets speculative behavior and the search for profit in risky things. And when they’re too high, it causes the retreat from the financial arena and pain in terms of price declines and projects going begging.

Edward

And I’d say the uses of history and finance is a comment I like from Jim Grant where he says, “Progress in science is linear, but in finance it’s cyclical.” Or as Jim also likes say, we keep on standing on the same rake. And if anything, and this is one of the things I actually picked up had when I was rewriting *Devil Take the Hindmost*, is that the Japanese in the late 1980s. It was the greatest bubble that we’d ever seen. And technology by then, electronic communications technology was pretty advanced. And then you had the internet and that was the biggest stock market bubble in valuation terms and excesses.

Again, with the internet, it shows you that in fact, that any of our technological or even economic theoretical advances don’t actually change the behavior. And if anything over the last 25 years, they’ve been more extreme than in any time in history. So I think the history gives you an inkling of what’s going to happen. Then what actually happens is quite shocking because it’s often more extreme than the history books contain.

Anna

So one last topic I’d like to discuss. Howard, in your memo and Edward in your book, you’re both somewhat critical of the activism of central banks that we’ve seen, especially in the last 15, 20 years. But what would we think of as a better alternative looking forward? What would that mean?

Howard

Well, I wrote a memo in the fall of ‘22 called *What Really Matters*. And in there I decried hyperactivity, not just with regard to central banks, but in general. And I said when I was a boy, there was a saying, don’t just sit there, do something. And what I would suggest is to invert that. Don’t just do something, sit there. There’s an assumption that because we have theories of how the economy works, that if we turn a certain crank or flip a switch or take a policy action, we’ll get the result we’re supposed to get.

But these tools are crude and unreliable, and they don’t always work. And as a result, there’s not always something good to do. And just like with market timing, I think that policy decisions at central banks can be rather reliable if made at extremes, but unreliable in between because they don’t necessarily work the way they’re intended. So I think that the central banks should get out of the business of being activist every day and only take very strong measures at extremes when necessary.

Edward

And I’d agree with that. My feeling is that the Central Bank should definitely get out of the way of putting a safety net under financial markets. That has encouraged people to take on more risk, which means that they have to roll out a bigger safety net time and time again. And I think the other thing I think the central banks should do is not just focus on their near-term inflation target but consider other stuff. You want to see what’s happening to asset prices, credit growth or the quality of credit or the amount of leverage in the system. So they really need a much broader focus.

This narrow focus on the short-term inflation target with a bit of financial safety net thrown in for free is really what we've had for the last 25 years and has taken us from one great bubble to another. A lot of people made a great deal of money from that. So I'm not saying no one's happy, but the Main Street is not happy with the outcome. And I think the central banks are in denial for their role in that.

Howard

Let me just add that there are people who believe that the government, and I'll put central banks onto that heading, are great at the things they're supposed to do and they want them to do more and more and fix their lives for them. And there are other people, you might call, say free market people, and they're leery of that proposal and they want the government to do less. And that's another pendulum which swings from governments are doing more to governments doing less and it'll ever be.

Anna

So to end what has really been a fascinating discussion, I'd just like to hear from both of you if you have any final thoughts or takeaways that you'd like to leave our listeners with.

Howard

Well, last summer I wrote a memo called *Taking the Temperature*, talking about five market calls that I made that happened to have been successful. And in every case it was basically done not through subject matter expertise with regard to technology in 2000 or residential mortgages in 2008, but rather understanding the behavior of investors, taking the temperature of the market. And let's bear in mind that the temperature of the market is largely determined by what the central banks do with interest rates and their influence on speculative behavior.

Edward

I would say my last comment is Howard and I are both followers of the credit cycle and I think, as you're saying, we're at an interesting point in the credit cycle. It looks as if it might be turning up, whereas I'm suspecting that that might be a false move. So I would keep my eye on the credit cycle I think going forward.

Anna

Well, on that note, thank you both so much for joining me. This was a really, really fascinating discussion.

Howard

Edward, thank you for participating.

Edward

Thank you for having me, Howard. You're selling a lot of my books.

Howard

Good.

Edward

Thank you.

Howard

Thank you. Thank you, Anna.