



(A) Inflation (black) and unemployment (red) for the USA, 1980-2024. (B) Cross-correlation function, `ccf(inflation,unemployment)`. What is the best interpretation of this plot?

A: High inflation generally led high unemployment, with a lag of about 4 yr.

B: High inflation generally followed high unemployment, with a lag of about 4 yr.

C: Association is not causation, so we should not interpret a cross-correlation plot in terms of lead and lag relationships.