

## Macro Roundup Article

**Headline:** Fed's Aggressive Rate Hikes are a Game Changer

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Publication	Wall Street Journal
Publication Date	November 22, 2022

**Tweet:** .@WSJ notes that the Fed has been raising rates at the fastest pace in four decades (+375 basis points in 9 months.) Key variables such as housing starts have declined much more rapidly than in previous cycles.

**Summary:** The Nobel Prize-winning economist Milton Friedman famously argued that "monetary actions affect economic conditions only after a lag that is both long and variable." Historically, housing starts begin to decline within two years of a Fed hike. New home construction fell by 24% from the Fed increase in March to July. Declines in home construction that follow Fed rate increases can take years before they bottom out.

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**Primary Topic:** Business Cycle

**Topics:** Business Cycle, GDP, Graph, Housing, Monetary Policy, News article, Op-Ed/Blog Post

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