

Macro Roundup Article

Headline: [Monetary Policy in a Surplus Economy](#)

Article Link: <https://www.apricitas.io/p/monetary-policy-in-a-surplus-economy>

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Tweet: [@JosephPolitano](#) argues many pandemic-era supply constraints have resolved themselves as market economics "move towards their long-run tendency of surplus."

Summary: A large amount of structural renormalization has occurred across the globe as market economies move towards their long-run tendency of surplus. Meanwhile, budget constraints haven't had to harden significantly—financial conditions aren't meaningfully much tighter than they were this last time last year, if anything they're a tad looser. That powerful combination is what has allowed optimism and economic expectations to improve so much over the last year—and is a large part of why the Fed feels more confident in keeping rates "higher for longer." Related: Supply-Side Expansion Has Driven the Decline in Inflation and The "Easy Disinflation" Is (Mostly) Over. The Fed Grapples With What Comes Next

Primary Topic: Inflation

Topics: GDP, Inflation, Monetary Policy, Op-Ed/Blog Post

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