

## Macro Roundup Article

**Headline:** [Inflation Is Turning the Corner](#)

**Article Link:** <https://www.wsj.com/articles/inflation-is-turning-the-corner-11673546157>

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**Tweet:** [@greg\\_ip](#) argues yesterday's CPI release is consistent with recent inflation being largely transitory in nature, but with consumer expectations of 4.6% inflation in the coming year, "the Fed can't signal an end to interest rate increases yet."

**Summary:** Still, even if a lot of wage and price growth does prove transitory, that won't necessarily comfort the Fed. When officials began using the term "transitory" in March 2021, the unemployment rate was 6% and consumers expected about 3% inflation in the coming year. In other words, the main determinants of underlying inflation—aggregate supply and demand and expectations—justified a sanguine outlook. Not anymore. Unemployment is now 3.5% and consumers expect 4.6% inflation in the coming year, according to the University of Michigan. This is why the Fed can't signal an end to interest rate increases yet and the risk of a recession can't be dismissed.

**Primary Topic:** Inflation

**Topics:** GDP, Inflation, Monetary Policy, Op-Ed/Blog Post, Sell-by Date

**Permalink:** [https://www.edwardconard.com/macro-roundup/greg\\_ip-argues-yesterdays-cpi-release-is-consistent-with-recent-inflation-being-largely-transitory-in-nature-but-with-consumer-expectations-of-4-6-inflation-in-the-coming-year-th?view=detail](https://www.edwardconard.com/macro-roundup/greg_ip-argues-yesterdays-cpi-release-is-consistent-with-recent-inflation-being-largely-transitory-in-nature-but-with-consumer-expectations-of-4-6-inflation-in-the-coming-year-th?view=detail)

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