

## Macro Roundup Article

**Headline:** [The Case for Loosening Is Getting Stronger](#)

**Article Link:** <https://www.ft.com/content/3fd84e65-250e-438f-a031-bbf1dcccdece>

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Publication	Financial Times
Publication Date	November 15, 2023

**Tweet:** Martin Wolf predicts that the hiking cycle is likely over. He thinks the central banks, especially in the US, have largely achieved their inflation goals.

**Summary:** Central banks must look ahead and remember the lags between their actions and economic activity. In doing so, they might also cast one eye on monetary data. Annual growth of broad money (M3) is firmly negative. Monetary data cannot be targeted. But it must also not be ignored. In brief, it looks increasingly plausible that this tightening cycle has come to an end. It also looks quite likely that the beginning of the subsequent loosening is closer than central banks are suggesting. If that turns out not to be the case, there is some risk that it will come too late to avoid a costly slowdown and even a return to too low inflation. Yet none of this is certain: policymaking is now at a truly difficult point in the cycle. Related: Macro Outlook 2024: The Hard Part Is Over and Inching Toward Equilibrium and U.S. Wage Growth Is Slowing, Somewhat

**Primary Topic:** Business Cycle

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

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