

Macro Roundup Article

Headline: [United States' January Inflation Shock](#)

Article Link: <https://moneyinsideout.exantedata.com/p/united-states-january-inflation-shock>

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Tweet: [@GeneralTheorist](#) writes, “The ‘Great Reflation’ in the US has not yet run its course.” He notes of rent, owners’ equivalent rent, and adjusted services (2/3 of the Core CPI basket collectively): “None has definitely peaked.”

Summary: Another way of looking at the Fed’s predicament is by showing the YoY% inflation of Rent (9% weight in Core), Owner Equivalent Rent of Primary Residence (weight 30%), and our Adjusted Services (that is, ex. OER, Rent, Medical services, hotels and airfares; 28% weight.) These three items represent two-thirds of Core CPI and none has definitely peaked in YoY% terms—and all are running above 7.5%YoY, as in the chart below. Of course, a sequential read on these might be different. But the experience in the Jan. CPI print is that if disinflation has begun, the run rate is not yet materially lower than that recorded last summer or the YoY% print.

Primary Topic: Inflation

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

Permalink: <https://www.edwardconard.com/macro-roundup/generaltheorist-writes-the-great-reflation-in-the-us-has-not-yet-run-its-course-he-notes-of-rent-owners-equivalent-rent-and-adjusted-services-2-3-of?view=detail>

Featured Image

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