

## Macro Roundup Article

Headline: [Half Anchored](#)

Article Link: <https://fedguy.com/half-anchored/>

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**Tweet:** While median inflationary expectations are settling close to 2%, @FedGuy12 writes that inflation expectations are at risk of becoming unanchored, as 40% of recent @NewYorkFed respondents think inflation will be > 4% in the medium term.

**Summary:** Widely followed households surveys find that median inflation expectations are trending towards 2%, but they also show that the median is fragile. The New York Fed's Survey of Consumer Expectations, a monthly survey of a nationally representative group of 1300, finds that around 40% of respondents expect inflation to be higher than 4% in the medium term. That result is notably higher than pre-2020 levels and has remained stable to rising over the past several months. A potential spike in commodity prices from geopolitical developments could very quickly push inflation upward and tip median expectations comfortably above 2%. A shift in expectations is not yet happening, but it would almost certainly prompt aggressive policy action.

**Related Articles:** Inflation Expectations, the Phillips Curve, and Stock Prices and What We've Learned About Inflation and Rate Cuts

**Primary Topic:** Inflation

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

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